



Condensed Consolidated Combined Financial Statements
of Granite Real Estate Investment Trust

For the three and nine months ended September 30, 2025 and 2024

Condensed Consolidated Combined Balance Sheets

(Canadian dollars in thousands)

(Unaudited)

As at	Note	September 30, 2025	December 31, 2024
ASSETS			
Non-current assets:			
Investment properties	4	\$ 9,102,511	\$ 9,397,286
Deferred tax assets		738	668
Fixed assets, net		3,301	3,914
Derivatives	7(c)	5,926	57,375
Other assets	6	2,490	2,499
		9,114,966	9,461,742
Current assets:			
Assets held for sale	5	370,701	–
Accounts receivable		7,114	18,347
Income taxes receivable		325	534
Prepaid expenses and other		10,762	12,947
Cash and cash equivalents	14(d)	127,927	126,175
Total assets		\$ 9,631,795	\$ 9,619,745
LIABILITIES AND EQUITY			
Non-current liabilities:			
Unsecured debt, net	7(a),7(b)	\$ 3,068,498	\$ 3,078,453
Derivatives	7(c)	138,732	32,298
Long-term portion of lease obligations	8	33,853	33,442
Deferred tax liabilities		592,239	591,896
		3,833,322	3,736,089
Current liabilities:			
Unsecured debt, net	7(b)	97,989	–
Derivative	7(c)	1,386	–
Deferred revenue	9	21,577	18,685
Accounts payable and accrued liabilities	9	132,044	99,074
Distributions payable	10	17,157	17,762
Short-term portion of lease obligations	8	970	945
Income taxes payable		12,194	10,561
Total liabilities		4,116,639	3,883,116
Equity:			
Unitholders' equity	11	5,506,460	5,728,236
Non-controlling interests		8,696	8,393
Total equity		5,515,156	5,736,629
Total liabilities and equity		\$ 9,631,795	\$ 9,619,745

Commitments and contingencies (note 16)
See accompanying notes

On behalf of the Board:

/s/ Kelly Marshall
Trustee

/s/ Emily Pang
Trustee

Condensed Consolidated Combined Statements of Net Income

(Canadian dollars in thousands)

(Unaudited)

	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2025	2024	2025	2024
Rental revenue	12(a)	\$ 153,009	\$ 141,893	\$ 456,127	\$ 420,600
Lease termination and close-out fees		–	–	811	496
Revenue		153,009	141,893	456,938	421,096
Property operating costs	12(b)	25,860	22,328	80,745	70,255
Net operating income		127,149	119,565	376,193	350,841
General and administrative expenses	12(c)	14,115	13,170	32,608	30,609
Depreciation and amortization		290	332	909	965
Interest income		(683)	(1,203)	(2,396)	(3,687)
Interest expense and other financing costs	12(d)	24,518	22,290	72,123	66,086
Foreign exchange (gains) losses, net		(76)	917	1,028	512
Fair value losses (gains) on investment properties, net	4	34,624	(42,627)	66,059	(54,473)
Fair value losses on financial instruments, net	12(e)	843	2,877	18	7,404
Income before income taxes		53,518	123,809	205,844	303,425
Income tax (recovery) expense	13	(14,495)	11,962	(1,226)	26,298
Net income		\$ 68,013	\$ 111,847	\$ 207,070	\$ 277,127
Net income attributable to:					
Unitholders		\$ 68,009	\$ 111,587	\$ 206,858	\$ 276,851
Non-controlling interests		4	260	212	276
		\$ 68,013	\$ 111,847	\$ 207,070	\$ 277,127

See accompanying notes

Condensed Consolidated Combined Statements of Comprehensive Income

(Canadian dollars in thousands)

(Unaudited)

	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2025	2024	2025	2024
Net income		\$ 68,013	\$ 111,847	\$ 207,070	\$ 277,127
Other comprehensive income (loss):					
Foreign currency translation adjustment ⁽¹⁾		144,057	(1,141)	41,336	164,232
Unrealized loss on net investment hedges, including income taxes of nil ⁽¹⁾	7(c)	(46,245)	(42,236)	(168,314)	(73,252)
Total other comprehensive income (loss)		97,812	(43,377)	(126,978)	90,980
Comprehensive income		\$ 165,825	\$ 68,470	\$ 80,092	\$ 368,107
⁽¹⁾ Items that may be reclassified subsequently to net income if a foreign subsidiary is disposed of or hedges are terminated or no longer assessed as effective.					
Comprehensive income (loss) attributable to:					
Unitholders		\$ 165,637	\$ 68,297	\$ 80,133	\$ 367,678
Non-controlling interests		188	173	(41)	429
		\$ 165,825	\$ 68,470	\$ 80,092	\$ 368,107

See accompanying notes

Condensed Consolidated Combined Statements of Unitholders' Equity

(Canadian dollars in thousands)

(Unaudited)

Nine Months Ended September 30, 2025									
	Number of units (000s)	Value of units	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Unitholders' equity	Non-controlling interests	Equity	
As at January 1, 2025	62,725	\$3,291,745	\$ –	\$1,787,159	\$ 649,332	\$ 5,728,236	\$ 8,393	\$5,736,629	
Net income	–	–	–	206,858	–	206,858	212	207,070	
Other comprehensive loss	–	–	–	–	(126,725)	(126,725)	(253)	(126,978)	
Distributions (note 10)	–	–	–	(156,039)	–	(156,039)	(208)	(156,247)	
Contributions from non-controlling interests	–	–	–	–	–	–	552	552	
Units issued under the unit plan (note 11(a))	24	1,609	–	–	–	1,609	–	1,609	
Units repurchased for cancellation (note 11(b))	(2,158)	(147,479)	–	–	–	(147,479)	–	(147,479)	
As at September 30, 2025	60,591	\$3,145,875	\$ –	\$1,837,978	\$ 522,607	\$ 5,506,460	\$ 8,696	\$5,515,156	

Nine Months Ended September 30, 2024									
	Number of units (000s)	Value of units	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Unitholders' equity	Non-controlling interests	Equity	
As at January 1, 2024	63,356	\$3,330,533	\$ 5,250	\$1,634,748	\$ 306,420	\$ 5,276,951	\$ 6,690	\$5,283,641	
Net income	–	–	–	276,851	–	276,851	276	277,127	
Other comprehensive income	–	–	–	–	90,827	90,827	153	90,980	
Distributions (note 10)	–	–	–	(155,919)	–	(155,919)	(32)	(155,951)	
Contributions from non-controlling interests	–	–	–	–	–	–	18	18	
Units issued under the unit plan (note 11(a))	29	2,114	–	–	–	2,114	–	2,114	
Units repurchased for cancellation (note 11(b))	(644)	(39,855)	(5,250)	–	–	(45,105)	–	(45,105)	
As at September 30, 2024	62,741	\$3,292,792	\$ –	\$1,755,680	\$ 397,247	\$ 5,445,719	\$ 7,105	\$5,452,824	

See accompanying notes

Condensed Consolidated Combined Statements of Cash Flows

(Canadian dollars in thousands)

(Unaudited)

	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2025	2024	2025	2024
OPERATING ACTIVITIES					
Net income		\$ 68,013	\$ 111,847	\$ 207,070	\$ 277,127
Items not involving operating cash flows	14(a)	22,543	(28,032)	62,274	(28,780)
Current income tax expense	13(a)	3,004	2,676	8,510	7,826
Income taxes paid		(1,848)	(2,194)	(7,658)	(6,284)
Interest expense		23,671	21,489	69,451	63,706
Interest paid		(6,162)	(12,853)	(51,799)	(53,794)
Changes in working capital balances	14(b)	12,769	13,751	15,866	7,578
Cash provided by operating activities		121,990	106,684	303,714	267,379
INVESTING ACTIVITIES					
Investment properties:					
Acquisitions and transactions costs, net		–	(2)	(49,232)	(829)
Leasing costs paid		(5,951)	(1,165)	(11,299)	(2,323)
Tenant allowances paid		(114)	(291)	(329)	(4,992)
Additions to income-producing properties		(9,041)	(18,596)	(13,309)	(38,471)
Additions to development properties		(715)	(763)	(2,009)	(2,795)
Construction funds released (in) from escrow		–	(14)	–	61
Fixed asset additions, net		(61)	(51)	(62)	(97)
Cash used in investing activities		(15,882)	(20,882)	(76,240)	(49,446)
FINANCING ACTIVITIES					
Monthly distributions paid		(51,497)	(51,760)	(156,643)	(156,088)
Proceeds from unsecured debentures, net of financing costs	7(b)	–	–	299,333	–
Repayment of unsecured term loan	7(b)	–	–	(300,000)	–
Proceeds from unsecured credit facility draws		32,500	–	182,500	–
Repayment of unsecured credit facility draws		(45,500)	–	(104,500)	–
Repurchase of units	11(b)	–	–	(144,594)	(44,221)
Payment of lease obligations		(255)	(236)	(726)	(660)
Financing costs paid		–	–	(418)	(541)
Distributions to non-controlling interests		–	–	(208)	(32)
Cash used in financing activities		(64,752)	(51,996)	(225,256)	(201,542)
Effect of exchange rate changes on cash and cash equivalents		148	(1,575)	(466)	963
Net increase in cash and cash equivalents during the period		41,504	32,231	1,752	17,354
Cash and cash equivalents, beginning of the period		86,423	101,257	126,175	116,134
Cash and cash equivalents, end of the period		\$ 127,927	\$ 133,488	\$ 127,927	\$ 133,488

See accompanying notes

Notes to Condensed Consolidated Combined Financial Statements

(All amounts in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

1. NATURE AND DESCRIPTION OF THE TRUST

Effective January 3, 2013, Granite Real Estate Inc. ("Granite Co.") completed its conversion from a corporate structure to a stapled unit real estate investment trust ("REIT") structure. All of the common shares of Granite Co. were exchanged, on a one-for-one basis, for stapled units ("stapled units"), each of which consisted of one unit of Granite Real Estate Investment Trust ("Granite REIT") and one common share of Granite REIT Inc. ("Granite GP"). Granite REIT is an unincorporated, open-ended, limited purpose trust established under and governed by the laws of the province of Ontario and created pursuant to a Declaration of Trust dated September 28, 2012 as subsequently amended and restated on October 1, 2024. Granite GP was incorporated on September 28, 2012 under the *Business Corporations Act* (British Columbia). Granite REIT, Granite GP and their subsidiaries carried on the business previously conducted by Granite Co.

On April 15, 2024, Granite REIT and Granite GP announced the proposal to simplify its capital structure by replacing its stapled unit structure with a conventional REIT trust unit structure (the "Arrangement"). Prior to the Arrangement, the unitholders of Granite REIT and Granite GP ("stapled unitholders") held stapled units. In the Arrangement (i) the two components of each stapled unit were uncoupled, (ii) each common share of Granite GP was automatically exchanged for a fractional Granite REIT unit and (iii) the Granite REIT units were consolidated back to the number of stapled units outstanding before the exchange occurred. On June 6, 2024, the Arrangement was approved by stapled unitholders at the Joint Annual General and Special Meetings of Stapled Unitholders. On June 10, 2024, Granite REIT and Granite GP received a final order from the Supreme Court of British Columbia approving the plan of Arrangement.

On October 1, 2024, the Arrangement was completed. As a result of and immediately following the Arrangement, each unitholder of Granite REIT ("unitholder") now holds a number of Granite REIT units ("units") equal to the number of stapled units held prior to the completion of the Arrangement, and Granite GP became a wholly-owned subsidiary of Granite REIT. The stapled units were delisted from the Toronto Stock Exchange (the "TSX") and the New York Stock Exchange (the "NYSE"), and the units trade on the TSX and the NYSE under the same ticker symbols "GRT.UN" and "GRP.U", respectively. Granite REIT and its subsidiaries (together "Granite" or the "Trust") are carrying on the business previously conducted by Granite REIT and Granite GP.

The principal office of Granite REIT is 77 King Street West, Suite 4010, P.O. Box 159, Toronto-Dominion Centre, Toronto, Ontario, M5K 1H1, Canada.

The Trust is a Canadian-based REIT engaged in the acquisition, development, ownership and management of logistics, warehouse and industrial properties in North America and Europe.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of Presentation and Statement of Compliance

The condensed consolidated combined financial statements for the three and nine month periods ended September 30, 2025 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These interim condensed consolidated combined financial statements do not include all the information and disclosures required in the annual financial statements, which were prepared in accordance with IFRS[®] Accounting Standards as issued by the IASB ("IFRS Accounting Standards" or "GAAP"), and should be read in conjunction with the Trust's annual financial statements as at and for the year ended December 31, 2024.

These condensed consolidated combined financial statements were approved by the Board of Trustees of Granite REIT on November 5, 2025.

(b) Consolidated Combined Financial Statements and Basis of Consolidation

Prior to the completion of the Arrangement described in note 1, the Trust did not have a single parent; however, each unit of Granite REIT and each share of Granite GP traded as a single stapled unit and accordingly, Granite REIT and Granite GP had identical ownership. Subsidiaries were consolidated by Granite GP or Granite REIT from the date of acquisition, being the date on which control was obtained. Subsidiaries continued to be consolidated until the date that such control ceased. Control existed when Granite GP or Granite REIT had power, exposure or rights to variable returns and the ability to use their power over the entity to affect the amount of returns it generated.

The condensed consolidated combined financial statements included the combined results of Granite REIT and Granite GP for reporting periods ended on or prior to September 30, 2024, the last day before Granite GP became a wholly-owned subsidiary of Granite REIT. For the periods prior to October 1, 2024, references to "units" should be read as "stapled units" and "unitholders" should be read as "stapled unitholders".

Following the completion of the Arrangement, Granite GP became a wholly-owned subsidiary of Granite REIT. The condensed consolidated combined financial statements include the assets, liabilities and results of Granite REIT and its subsidiaries. Subsidiaries are consolidated from the date Granite REIT obtained control and continue to be consolidated until the date that such control ceases. Control exists when Granite REIT has power, exposure or rights to variable returns and the ability to use their power over the entity to affect the amount of returns it generates.

All intercompany balances, income and expenses and unrealized gains and losses resulting from intercompany transactions are eliminated on consolidation.

(c) Accounting Policies

The condensed consolidated combined financial statements have been prepared using the same accounting policies as were used for the Trust's annual consolidated combined financial statements and the notes thereto for the year ended December 31, 2024.

(d) Future Accounting Policy Changes

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1, *Presentation of Financial Statements*, impacts the presentation of primary financial statements and notes, including the statement of profit or loss where entities will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard also requires aggregation and disaggregation of information, and disclosure of management-defined performance measures in the notes to the financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively, with early adoption permitted.

The Trust is currently assessing the impact of IFRS 18 on its consolidated financial statements.

3. ACQUISITIONS

During the nine month period ended September 30, 2025, Granite made the following property acquisitions:

Property	Location	Date acquired	Property purchase price	Transaction costs	Total acquisition cost
Income-producing properties:					
3850 NW 126th Ave	Coral Springs, FL	June 30, 2025	\$ 19,580	\$ 77	\$ 19,657
3872 NW 126th Ave	Coral Springs, FL	June 30, 2025	29,966	123	30,089
			\$ 49,546	\$ 200	\$ 49,746

During the nine month period ended September 30, 2025, transaction costs of \$0.2 million, which included legal and advisory costs, were first capitalized to the cost of the respective properties and then subsequently expensed to net fair value losses (gains) on investment properties on the condensed consolidated combined statement of net income as a result of measuring the properties at fair value.

During the nine month period ended September 30, 2024, Granite did not acquire any properties.

4. INVESTMENT PROPERTIES

As at	September 30, 2025	December 31, 2024
Income-producing properties	\$ 8,994,717	\$ 9,297,137
Development properties ⁽¹⁾	107,794	100,149
	\$ 9,102,511	\$ 9,397,286

⁽¹⁾ Development properties include properties under development and land held for development.

Changes in investment properties are shown in the following table:

	Nine Months Ended September 30, 2025		Year Ended December 31, 2024	
	Income- producing properties	Development properties ⁽¹⁾	Income- producing properties	Development properties ⁽¹⁾
Balance, beginning of period	\$ 9,297,137	\$ 100,149	\$ 8,641,352	\$ 166,787
Maintenance or improvements	13,175	–	15,381	–
Leasing costs	9,127	4,231	8,218	–
Tenant allowances	329	–	8,675	–
Developments or expansions	3,038	4,188	22,979	4,448
Acquisitions (note 3)	49,746	–	–	–
Transfer to income-producing properties	–	–	72,701	(72,701)
Amortization of straight-line rent	6,668	–	11,843	–
Amortization of tenant allowances	–	–	(54)	–
Other changes	85	–	85	(51)
Fair value (losses) gains, net	(66,059)	–	53,037	–
Foreign currency translation, net	52,172	(774)	462,920	1,666
Classified as assets held for sale (note 5)	(370,701)	–	–	–
Balance, end of period	\$ 8,994,717	\$ 107,794	\$ 9,297,137	\$ 100,149

⁽¹⁾ Development properties include properties under development and land held for development.

The Trust determines the fair value of an income-producing property based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting market conditions and lease renewals at the applicable balance sheet dates, less future cash outflows in respect of such leases. Fair values were primarily determined by using a 10-year cash flow and subsequent reversionary value discounted back to present value. The fair values of properties under development are measured using a discounted cash flow model, net of costs to complete, as of the balance sheet date. The valuation metrics utilized to derive the Trust's investment property valuations are determined by management. The Trust does not value its investment properties based on models prepared by external appraisers but uses such external appraisals as data points, alongside other external market information for management to arrive at its own conclusions on values. Management receives valuation assumptions from external appraisers such as discount rates, terminal capitalization rates and market rental rates, however, the Trust also considers its knowledge of historical renewal experiences with its tenants, its understanding of certain specialized aspects of the Trust's portfolio and tenant profile, and its knowledge of the current condition of the properties to determine proprietary market leasing assumptions, including lease renewal probabilities, renewal rents and capital expenditures. There has been no change in the valuation methodology during the period.

Included in investment properties as at September 30, 2025 is \$86.0 million (December 31, 2024 – \$81.3 million) of net straight-line rent receivables arising from the recognition of rental revenue on a straight-line basis over the lease term.

Details about contractual obligations to purchase, construct and develop properties can be found in the commitments and contingencies note (note 16).

Valuations are most sensitive to changes in discount rates and terminal capitalization rates. The key valuation metrics for income-producing properties by country are set out below:

As at	September 30, 2025 ⁽¹⁾			December 31, 2024		
	Weighted average ⁽²⁾	Maximum	Minimum	Weighted average ⁽²⁾	Maximum	Minimum
Canada						
Discount rate	6.74 %	7.50 %	6.25 %	6.59 %	7.50 %	6.00 %
Terminal capitalization rate ..	5.46 %	6.50 %	4.75 %	5.45 %	6.50 %	4.75 %
United States						
Discount rate	7.19 %	10.75 %	6.40 %	7.15 %	10.50 %	6.40 %
Terminal capitalization rate ..	6.17 %	9.25 %	5.50 %	6.06 %	9.25 %	5.50 %
Germany						
Discount rate	7.34 %	10.10 %	5.90 %	7.20 %	9.65 %	5.85 %
Terminal capitalization rate ..	6.27 %	9.20 %	5.10 %	6.18 %	8.90 %	4.85 %
Austria						
Discount rate	9.03 %	10.25 %	8.50 %	8.68 %	9.90 %	8.15 %
Terminal capitalization rate ..	7.40 %	8.25 %	6.75 %	7.40 %	8.25 %	6.75 %
Netherlands						
Discount rate	6.76 %	7.80 %	5.60 %	6.48 %	7.95 %	5.75 %
Terminal capitalization rate ..	6.96 %	10.15 %	5.95 %	6.68 %	9.40 %	5.95 %
Total						
Discount rate	7.25 %	10.75 %	5.60 %	7.11 %	10.50 %	5.75 %
Terminal capitalization rate ..	6.22 %	10.15 %	4.75 %	6.11 %	9.40 %	4.75 %

⁽¹⁾ Excludes assets held for sale.

⁽²⁾ Weighted based on income-producing property fair value.

5. ASSETS HELD FOR SALE

At September 30, 2025, six income-producing properties located in the United States and Netherlands having a total fair value of \$370.7 million are classified as assets held for sale, and are expected to be disposed within 12 months. At December 31, 2024, no income-producing properties were classified as assets held for sale.

6. OTHER ASSETS

As at	September 30, 2025	December 31, 2024
Deferred financing costs associated with the revolving credit facility	\$ 2,278	\$ 2,235
Long-term receivables	212	264
	\$ 2,490	\$ 2,499

7. UNSECURED DEBT AND RELATED DERIVATIVES

As at	September 30, 2025	December 31, 2024
Unsecured Debt, Net		
Unsecured debentures and term loans, net	\$ 3,088,487	\$ 3,078,453
Unsecured revolving credit facility	78,000	–
	\$ 3,166,487	\$ 3,078,453

(a) Unsecured Revolving Credit Facility

On March 28, 2025, the Trust amended its existing unsecured revolving credit facility (the “Credit Facility”) to extend the maturity date by one year to March 31, 2030, with a limit of \$1.0 billion. Draws on the Credit Facility are available by way of Canadian dollar, US dollar or Euro denominated loans or Canadian dollar or US dollar denominated letters of credit. The Credit Facility provides the Trust the ability to increase the amount of the commitment by an additional aggregate principal amount of up to \$450.0 million with the consent of the participating lenders. While the Credit Facility matures on March 31, 2030, the Trust has the option to extend the maturity date by one year to March 31, 2031, subject to the agreement of lenders in respect of a minimum of 66 2/3% of the aggregate amount committed under the Credit Facility. As at September 30, 2025, the Trust had an outstanding balance of \$78.0 million (December 31, 2024 – nil) on the Credit Facility and \$3.2 million (December 31, 2024 – \$2.8 million) in letters of credit issued against the Credit Facility.

(b) Unsecured Debentures and Term Loans, Net

As at		September 30, 2025		December 31, 2024	
	Maturity Date	Amortized Cost ⁽¹⁾	Principal issued and outstanding	Amortized Cost ⁽¹⁾	Principal issued and outstanding
2026 Debentures	December 11, 2026	\$ 299,437	\$ 300,000	\$ –	\$ –
2027 Debentures	June 4, 2027	499,210	500,000	498,857	500,000
2028 Debentures	August 30, 2028	498,820	500,000	498,518	500,000
April 2029 Debentures	April 12, 2029	398,285	400,000	397,947	400,000
October 2029 Debentures	October 4, 2029	248,943	250,000	248,746	250,000
2030 Debentures	December 18, 2030	498,373	500,000	498,139	500,000
2031 Debentures	October 4, 2031	547,430	550,000	547,110	550,000
September 2026 Term Loan	September 8, 2026	97,989	98,048	89,336	89,443
December 2026 Term Loan	December 11, 2026	–	–	299,800	300,000
		\$ 3,088,487	\$ 3,098,048	\$ 3,078,453	\$ 3,089,443

⁽¹⁾ The amounts outstanding are net of deferred financing costs. The deferred financing costs are amortized using the effective interest method and are included in interest expense.

As at	September 30, 2025	December 31, 2024
Unsecured Debentures and Term Loans, Net		
Non-current	\$ 2,990,498	\$ 3,078,453
Current	97,989	–
	\$ 3,088,487	\$ 3,078,453

2026 Debentures

On February 4, 2025, Granite REIT Holdings Limited Partnership ("Granite LP"), a wholly-owned subsidiary of Granite, issued at par \$300.0 million aggregate principal amount of Series 10 senior unsecured debentures bearing interest at daily compounded Canadian Overnight Repo Rate Average ("CORRA") plus 0.77% per annum, payable quarterly in arrears, and maturing on December 11, 2026 (the "2026 Debentures"). Deferred financing costs of \$0.9 million were incurred in connection with the issuance of the 2026 Debentures and are recorded as a reduction against the carrying value.

The 2026 Debentures are redeemable, in whole or in part from time to time, at Granite LP's option on any interest payment date, at a price equal to accrued and unpaid interest plus the greater of (a) 100% of the principal amount of the 2026 Debentures to be redeemed; and (b) the CORRA Yield Price. The CORRA Yield Price is based on the sum of the discounted principal and interest payments remaining to maturity under the portion of the 2026 Debentures to be redeemed, discounted on the basis of the CORRA Yield (CORRA plus 0%).

December 2026 Term Loan

On February 4, 2025, Granite LP repaid in full, without penalty, the outstanding \$300.0 million aggregate principal amount of the December 2026 Term Loan, which had a maturity date of December 11, 2026.

(c) Derivatives

As at	Notional amount to be paid		Interest payment rate	Notional amount to be received		Interest receipt rate	Maturity date	September 30,	December 31,
								2025	2024
								Fair value assets (liabilities)	Fair value assets (liabilities)
September 2026 Interest Rate Swap	-	-	4.333 %	-	-	EURIBOR plus margin	Sept. 8, 2026	\$ (1,386)	\$ (1,502)
December 2026 Cross Currency Interest Rate Swap ⁽¹⁾	205,500	EUR	1.355 %	300,000	CAD	CORRA plus margin	Dec. 11, 2026	(26,286)	9,499
2027 Cross Currency Interest Rate Swap	370,300	USD	2.964 %	500,000	CAD	3.062 %	June 4, 2027	(4,228)	(13,255)
2028 Cross Currency Interest Rate Swap	119,100	USD	2.096 %	150,000	CAD	2.194 %	Aug. 30, 2028	(10,375)	(11,941)
2028 Cross Currency Interest Rate Swap	242,100	EUR	0.536 %	350,000	CAD	2.194 %	Aug. 30, 2028	(29,548)	5,270
April 2029 Cross Currency Interest Rate Swap ⁽²⁾	277,700	EUR	4.958 %	400,000	CAD	6.103 %	Apr. 12, 2029	(46,144)	(5,594)
October 2029 Cross Currency Interest Rate Swap	167,400	EUR	3.494 %	250,000	CAD	3.999 %	Oct. 4, 2029	(22,151)	(6)
2030 Cross Currency Interest Rate Swap	319,400	EUR	1.045 %	500,000	CAD	2.378 %	Dec. 18, 2030	5,926	42,606
								\$ (134,192)	\$ 25,077

⁽¹⁾ On February 4, 2025, Granite LP issued the 2026 Debentures at a floating rate of interest of CORRA plus 0.77% and used the net proceeds from the offering to repay in full, without penalty, the December 2026 Term Loan. In combination with the 2026 Debentures, the all-in effective fixed interest rate is 0.27%.

⁽²⁾ In combination with the April 2029 Debentures, the all-in effective fixed interest rate is 4.929%.

	June 30,	December 31,
	2025	2024
Derivative assets at fair value		
Non-current	\$ 5,926	57,375
	\$ 5,926	\$ 57,375
Derivative liabilities at fair value		
Non-current	\$ 138,732	\$ 32,298
Current	1,386	-
	\$ 140,118	\$ 32,298

For the three and nine month periods ended September 30, 2025, the cross currency interest rate swaps and the combination of the September 2026 Term Loan and September 2026 Interest Rate Swap are designated as net investment hedges of the Trust's investments in foreign operations ("Net Investment Hedges"). The effectiveness of the hedges is assessed quarterly. Gains and losses associated with the effective portion of the hedges are recognized in other comprehensive income (loss).

For the three month period ended September 30, 2025, the Trust has assessed the Net Investment Hedges to be effective, except for a portion of the combination of the September 2026 Term Loan and September 2026 Interest Rate Swap. For the nine month period ended September 30, 2025, the Trust has assessed the Net Investment Hedges to be effective, except for a portion of the combination of the September 2026 Term Loan and September 2026 Interest Rate Swap and a portion of the December 2026 Cross Currency Interest Rate Swap.

For the three and nine month periods ended September 30, 2025, net fair value gains of less than \$0.1 million and \$0.1 million have been recognized in fair value losses (gains) on financial instruments, net (note 12(e)) in the condensed consolidated combined statements of net income, due to ineffectiveness relating to the interest rate portion of certain hedging relationships described above.

The Trust has elected to record the differences resulting from the interest rates associated with the derivatives in the condensed consolidated combined statements of net income.

8. LEASE OBLIGATIONS

As at September 30, 2025, the Trust had leases for the use of office space, office and other equipment, and ground leases for the land upon which four income-producing properties in Europe and Canada are situated. The Trust recognized these leases as right-of-use assets and recorded related lease liability obligations.

The present value of future minimum lease payments relating to the right-of-use assets as at September 30, 2025 in aggregate for the next five years and thereafter are as follows:

Remainder of 2025	\$ 204
2026	980
2027	695
2028	478
2029	497
2030 and thereafter	31,969
	\$ 34,823

During the three and nine month periods ended September 30, 2025, the Trust recognized \$0.4 million (2024 – \$0.4 million) and \$1.2 million (2024 – \$1.2 million) of interest expense, respectively, related to lease obligations (note 12(d)).

9. CURRENT LIABILITIES

Deferred Revenue

Deferred revenue relates to prepaid and unearned revenue received from tenants and fluctuates with the timing of rental receipts.

Accounts Payable and Accrued Liabilities

As at	September 30, 2025	December 31, 2024
Accounts payable	\$ 6,038	\$ 13,540
Commodity tax payable	7,498	7,521
Tenant security deposits	9,267	6,689
Employee unit-based compensation	12,472	7,957
Trustee/director unit-based compensation	10,799	9,865
Accrued salaries, incentives and benefits	5,600	6,988
Accrued interest payable	38,687	20,462
Accrued construction costs	3,199	2,282
Accrued professional fees	1,663	1,404
Acquisition related liabilities	531	–
Accrued property operating costs	24,654	10,714
Other tenant related liabilities	4,941	7,671
Accrued foreign exchange collar liabilities	1,422	1,329
Stock buyback tax payable	2,859	905
Other accrued liabilities	2,414	1,747
	\$ 132,044	\$ 99,074

10. DISTRIBUTIONS TO UNITHOLDERS

Total distributions declared to unitholders in the three month period ended September 30, 2025 were \$51.5 million (2024 – \$51.8 million) or \$0.8499 per unit (2024 – \$0.8250 per unit). Total distributions declared to unitholders in the nine month period ended September 30, 2025 were \$156.0 million (2024 – \$156.0 million) or \$2.55 per unit (2024 – \$2.48 per unit).

Distributions payable at September 30, 2025 of \$17.2 million (\$0.2833 per unit), representing the September 2025 monthly distributions, were paid on October 15, 2025. Distributions payable at December 31, 2024 of \$17.8 million (\$0.2833 per unit), representing the December 2024 monthly distributions, were paid on January 15, 2025.

Subsequent to September 30, 2025, the distributions declared in October 2025 in the amount of \$17.2 million or \$0.2833 per unit will be paid on November 14, 2025 (note 17).

11. UNITHOLDERS' EQUITY

(a) Unit-Based Compensation

Director/Trustee Deferred Share Unit Plan

The Trust has a Non-Employee Director Share-Based Compensation Plan (the "DSP") which provides for a deferral of up to 100% of each non-employee director's total annual remuneration, at specified levels elected by each director. A reconciliation of the changes in the notional deferred share units ("DSUs") outstanding is presented below:

	2025		2024	
	Number (000s)	Weighted Average Grant Date Fair Value	Number (000s)	Weighted Average Grant Date Fair Value
DSUs outstanding, January 1	142	\$ 66.78	123	\$ 65.70
New grants and distributions	22	69.49	18	75.25
Settled	(24)	55.44	–	–
DSUs outstanding, September 30	140	\$ 69.18	141	\$ 66.90

Executive Deferred Unit Plan

As a result of the Arrangement described in note 1, Granite amended the Executive Stapled Unit Plan (the "Restricted Stapled Unit Plan") to the Executive Deferred Unit Plan (the "Restricted Unit Plan"), the Restricted Share Units ("RSUs") to Restricted Units ("RUs") and Performance Share Units ("PSUs") to Performance Units ("PUs").

The Restricted Unit Plan of the Trust provides for the issuance of RUs and PUs and is designed to provide equity-based compensation in the form of units to executives and other employees (the "Participants"). A reconciliation of the changes in notional units outstanding under the Restricted Unit Plan is presented below:

	2025		2024	
	Number (000s)	Weighted Average Grant Date Fair Value	Number (000s)	Weighted Average Grant Date Fair Value
RUs and PUs outstanding, January 1	161	\$ 79.05	145	\$ 81.93
New grants and distributions ⁽¹⁾	124	69.11	81	75.33
Forfeited	(1)	103.52	(2)	79.63
PUs added by performance factor	–	–	7	73.84
Settled in cash	(24)	89.76	(29)	80.55
Settled in units	(24)	89.76	(29)	80.55
RUs and PUs outstanding, September 30⁽²⁾	236	\$ 71.59	173	\$ 79.01

⁽¹⁾ Includes 72.4 RUs and 42.9 PUs granted during the nine month period ended September 30, 2025 (2024 – 42.8 RUs and 32.2 PUs).

⁽²⁾ Total units outstanding at September 30, 2025 include a total of 119.0 RUs and 116.5 PUs granted (2024 – 80.5 RUs and 92.9 PUs).

The fair value of the outstanding RUs was \$6.6 million at September 30, 2025 and is based on the market price of a unit. The fair value is adjusted for changes in the market price of a unit and recorded as a liability in the employee unit-based compensation payables (note 9).

The fair value of the outstanding PUs was \$5.9 million at September 30, 2025 and is recorded as a liability in the employee unit-based compensation payables (note 9). The fair value is calculated using the Monte-Carlo simulation model based on the assumptions below as well as a market adjustment factor based on the total unitholder return of the units relative to the S&P/TSX Capped REIT Index.

Grant date	January 1, 2025, January 1, 2024 and January 1, 2023
POs outstanding	116,537
Weighted average term to expiry ..	1.3 years
Average volatility rate	19.8%
Weighted average risk free interest rate	2.5%

The Trust's unit-based compensation expense recognized in general and administrative expenses was:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
DSUs for trustees/directors ⁽¹⁾	\$ 1,665	\$ 2,268	\$ 2,576	\$ 2,008
Restricted Unit Plan for executives and employees	4,224	2,561	6,497	4,064
Unit-based compensation expense	\$ 5,889	\$ 4,829	\$ 9,073	\$ 6,072
Fair value remeasurement expense included in the above:				
DSUs for trustees/directors	\$ 1,137	\$ 1,810	\$ 1,020	\$ 683
Restricted Unit Plan for executives and employees	2,754	1,505	2,010	519
Total fair value remeasurement expense	\$ 3,891	\$ 3,315	\$ 3,030	\$ 1,202

⁽¹⁾ In respect of fees mandated and elected to be taken as DSUs.

(b) Normal Course Issuer Bid

On May 22, 2025, Granite announced the acceptance by the TSX of Granite's Notice of Intention to Make a Normal Course Issuer Bid ("NCIB"). Pursuant to the NCIB, Granite proposes to purchase through the facilities of the TSX and any alternative trading system in Canada, from time to time and if considered advisable, up to an aggregate of 6,060,162 of Granite's issued and outstanding units. The NCIB commenced on May 26, 2025 and will conclude on the earlier of the date on which purchases under the bid have been completed and May 25, 2026. Pursuant to the policies of the TSX, daily purchases made by Granite through the TSX may not exceed 27,099 units, subject to certain exceptions. Granite has entered into an automatic securities purchase plan with a broker in order to facilitate repurchases of the units under the NCIB during specified blackout periods. Pursuant to a previous notice of intention to conduct a NCIB, Granite received approval from the TSX to purchase units for the period May 24, 2024 to May 23, 2025.

During the nine month period ended September 30, 2025, Granite repurchased 2,157,281 units at an average unit cost of \$67.01 for total consideration of \$144.6 million, excluding commissions and taxes on net repurchases of units. During the nine month period ended September 30, 2024, Granite repurchased 644,300 units at an average unit cost of \$68.62 for total consideration of \$44.2 million, excluding commissions and taxes on net repurchases of units. The difference between the repurchase price and the average cost of the units of \$5.3 million was recorded to contributed surplus.

(c) Accumulated Other Comprehensive Income

Accumulated other comprehensive income consists of the following:

As at September 30,	2025	2024
Foreign currency translation gains on investments in subsidiaries, net of related hedging activities and non-controlling interests ⁽¹⁾	\$ 695,790	\$ 396,981
Fair value (losses) gains on derivatives designated as net investment hedges	(173,183)	266
	\$ 522,607	\$ 397,247

⁽¹⁾ Includes foreign currency translation gains and losses from non-derivative financial instruments designated as net investment hedges.

12. RENTAL REVENUE, RECOVERIES, COSTS AND EXPENSES

(a) Rental revenue consists of:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Base rent	\$ 126,316	\$ 117,446	\$ 373,461	\$ 346,007
Straight-line rent amortization	2,430	3,436	6,668	9,252
Tenant incentive amortization	–	–	–	(54)
Property tax recoveries	15,713	13,888	47,594	41,489
Property insurance recoveries	1,657	1,826	4,954	5,462
Operating cost recoveries	6,893	5,297	23,450	18,444
	\$ 153,009	\$ 141,893	\$ 456,127	\$ 420,600

(b) Property operating costs consist of:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Non-recoverable from tenants:				
Property taxes and utilities	\$ 1,294	\$ 278	\$ 3,840	\$ 891
Property insurance	282	184	862	549
Repairs and maintenance	784	28	1,971	315
Property management fees	106	97	309	293
Other	239	228	753	514
	\$ 2,705	\$ 815	\$ 7,735	\$ 2,562
Recoverable from tenants:				
Property taxes and utilities	\$ 17,124	\$ 15,299	\$ 51,799	\$ 47,970
Property insurance	1,849	1,918	5,362	5,677
Repairs and maintenance	2,281	2,663	10,212	9,112
Property management fees	1,546	1,321	4,560	4,039
Other	355	312	1,077	895
	\$ 23,155	\$ 21,513	\$ 73,010	\$ 67,693
Property operating costs	\$ 25,860	\$ 22,328	\$ 80,745	\$ 70,255

(c) General and administrative expenses consist of:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Salaries, incentives and benefits	\$ 4,867	\$ 4,717	\$ 13,971	\$ 14,035
Audit, legal and consulting	1,327	1,007	3,562	3,157
Trustee/director fees including distributions, revaluations and expenses ⁽¹⁾	1,727	2,327	2,752	2,253
RSU and PSU compensation expense including distributions and revaluations ⁽¹⁾	4,224	2,561	6,497	4,064
Other public entity costs	512	704	1,785	2,017
Office rents including property taxes and common area maintenance costs	155	138	455	501
Capital tax expense (recovery)	107	36	291	(340)
Information technology costs	650	670	1,995	1,984
Corporate restructuring costs ⁽²⁾	–	660	–	1,770
Other	660	465	1,628	1,555
	\$ 14,229	\$ 13,285	\$ 32,936	\$ 30,996
Less: capitalized general and administrative expenses	(114)	(115)	(328)	(387)
	\$ 14,115	\$ 13,170	\$ 32,608	\$ 30,609

⁽¹⁾ For fair value remeasurement expense amounts see note 11(a).

⁽²⁾ Corporate restructuring costs include costs associated with the uncoupling of the Trust's stapled unit structure.

(d) Interest expense and other financing costs consist of:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Interest and amortized issuance costs relating to debentures and term loans	\$ 22,406	\$ 21,125	\$ 66,877	\$ 62,693
Amortization of deferred financing costs and other interest expense and charges	1,774	858	4,204	2,632
Interest expense related to lease obligations (note 8)	415	413	1,239	1,228
	\$ 24,595	\$ 22,396	\$ 72,320	\$ 66,553
Less: capitalized interest	(77)	(106)	(197)	(467)
	\$ 24,518	\$ 22,290	\$ 72,123	\$ 66,086

(e) Fair value losses (gains) on financial instruments, net, consist of:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Foreign exchange collar contracts, net (note 15(a))	\$ 845	\$ 120	\$ 93	\$ 569
Derivatives, net (note 7(c))	(2)	2,757	(75)	6,835
	\$ 843	\$ 2,877	\$ 18	\$ 7,404

For the three and nine month periods ended September 30, 2025, the net fair value losses on financial instruments of \$0.8 million and less than \$0.1 million, respectively, are mainly comprised of the net fair value losses of \$0.8 million and \$0.1 million on foreign exchange collar contracts, respectively.

For the three and nine month periods ended September 30, 2024, the net fair value losses on financial instruments of \$2.9 million and \$7.4 million, respectively, were comprised of the net fair value losses of \$0.1 million and \$0.6 million on foreign exchange collar contracts, respectively, and net fair value losses on the derivatives of \$2.8 million and \$6.8 million, respectively, which were associated with the fair value movements of the 2024 Cross Currency Interest Rate Swap, the combination of the 2025 Term Loan and 2025 Interest Rate Swap, the combination of the September 2026 Term Loan and September 2026 Interest Rate Swap, and the December 2026 Cross Currency Interest Rate Swap. The Trust partially employed or did not employ hedge accounting for the derivatives and foreign exchange collars, therefore the change in fair value was recognized in fair value losses on financial instruments, net, in the condensed consolidated combined statements of net income.

13. INCOME TAXES

(a) The major components of the income tax (recovery) expense are:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Current income tax expense	\$ 3,004	\$ 2,676	\$ 8,510	\$ 7,826
Deferred income tax (recovery) expense	(17,499)	9,286	(9,736)	18,472
Income tax (recovery) expense	\$ (14,495)	\$ 11,962	\$ (1,226)	\$ 26,298

(b) The effective income tax rate reported in the condensed consolidated combined statements of net income varies from the Canadian statutory rate for the following reasons:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Income before income taxes	\$ 53,518	\$ 123,809	\$ 205,844	\$ 303,425
Expected income taxes at the Canadian statutory tax rate of 26.5% (2024 - 26.5%) ..	\$ 14,182	\$ 32,810	\$ 54,549	\$ 80,408
Income distributed and taxable to unitholders	(14,370)	(19,889)	(39,648)	(51,000)
Net foreign rate differentials	371	(1,689)	(682)	(4,181)
Net change in provisions for uncertain tax positions	65	124	90	298
Net permanent differences	9	125	125	247
Net effect of change in tax rates	(14,927)	(266)	(14,927)	(557)
Net change in recognition of deferred tax assets	(136)	(427)	(1,285)	(119)
Withholding taxes and other	311	1,174	552	1,202
Income tax (recovery) expense	\$ (14,495)	\$ 11,962	\$ (1,226)	\$ 26,298

14. DETAILS OF CASH FLOWS

(a) Items not involving operating cash flows are shown in the following table:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Straight-line rent amortization	\$ (2,430)	\$ (3,436)	\$ (6,668)	\$ (9,252)
Tenant incentive amortization	–	–	–	54
Unit-based compensation expense (note 11(a))	5,889	4,829	9,073	6,072
Fair value losses (gains) on investment properties, net	34,624	(42,627)	66,059	(54,473)
Depreciation and amortization	290	332	909	965
Fair value losses on financial instruments, net (note 12(e))	843	2,877	18	7,404
Amortization of issuance costs relating to debentures and term loans	722	529	2,299	1,571
Amortization of deferred financing costs	127	130	375	382
Deferred income tax (recovery) expense (note 13(a))	(17,499)	9,286	(9,736)	18,472
Other	(23)	48	(55)	25
	\$ 22,543	\$ (28,032)	\$ 62,274	\$ (28,780)

(b) Changes in working capital balances are shown in the following table:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Accounts receivable	\$ 4,030	\$ 3,442	\$ 11,418	\$ 3,696
Prepaid expenses and other	(304)	(716)	(627)	1,148
Accounts payable and accrued liabilities	10,160	13,783	2,468	2,352
Deferred revenue	(1,117)	(2,758)	2,607	382
	\$ 12,769	\$ 13,751	\$ 15,866	\$ 7,578

(c) Non-cash investing and financing activities

For the nine month period ended September 30, 2025, 24 thousand units (2024 – 29 thousand units) with a value of \$1.6 million (2024 – \$2.1 million) were issued under the Restricted Unit Plan (note 11(a)) and are not recorded in the condensed consolidated combined statements of cash flows.

In addition, for the nine month period ended September 30, 2025, the total impact from the foreign currency translations increasing unsecured debt and related derivatives by \$8.6 million is not recorded in the condensed consolidated combined statement of cash flows. For the nine month period ended September 30, 2024, the total impact from the foreign currency translations increasing unsecured debt and related derivatives by \$21.5 million was not recorded in the condensed consolidated combined statement of cash flows.

(d) Cash and cash equivalents consist of:

As at	September 30, 2025	December 31, 2024
Cash	\$ 98,676	\$ 126,175
Short-term deposits	29,251	–
	\$ 127,927	\$ 126,175

15. FAIR VALUE AND RISK MANAGEMENT

(a) Fair Value of Financial Instruments

The following table provides the measurement basis of financial assets and liabilities as at September 30, 2025 and December 31, 2024:

As at	September 30, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Other assets	\$ 212 ⁽¹⁾	\$ 212	\$ 264 ⁽¹⁾	\$ 264
Derivatives	5,926	5,926	57,375	57,375
Accounts receivable	7,114	7,114	18,347	18,347
Cash and cash equivalents	127,927	127,927	126,175	126,175
	\$ 141,179	\$ 141,179	\$ 202,161	\$ 202,161
Financial liabilities				
Unsecured debentures, net	\$2,990,498	\$2,997,948	\$ 2,689,317	\$ 2,646,255
Unsecured term loans, net	97,989	97,989	389,136	389,136
Unsecured revolving credit facility	78,000	78,000	–	–
Derivatives	140,118 ⁽²⁾	140,118	32,298	32,298
Accounts payable and accrued liabilities	132,044 ⁽³⁾	132,044	99,074 ⁽³⁾	99,074
Distributions payable	17,157	17,157	17,762	17,762
	\$3,455,806	\$3,463,256	\$ 3,227,587	\$ 3,184,525

⁽¹⁾ Long-term receivables included in other assets (note 6).

⁽²⁾ Balance includes current and non-current portions of derivative liabilities (note 7(c)).

⁽³⁾ As at September 30, 2025, foreign exchange collars of \$1.4 million (December 31, 2024 - \$1.3 million) included in accounts payable and accrued liabilities (note 9).

The fair values of the Trust's accounts receivable, cash and cash equivalents, accounts payable and accrued liabilities and distributions payable approximate their carrying amounts due to the relatively short periods to maturity of these financial instruments. The fair value of the long-term receivable included in other assets approximates its carrying amount as the receivable bears interest at rates comparable to current market rates. The fair values of the unsecured debentures are determined using quoted market prices. The fair values of the unsecured revolving credit facility and term loans approximate their carrying amounts as the unsecured revolving credit facility and term loans bear interest at rates comparable to the current market rates. The fair values of the derivatives and foreign exchange collars are determined using market inputs quoted by their counterparties.

The Trust periodically purchases foreign exchange collars to hedge specific anticipated foreign currency transactions and to mitigate its foreign exchange exposure on its net cash flows. At September 30, 2025, the Trust held 3 outstanding foreign exchange collar contracts (December 31, 2024 – 12) with a notional value of US\$21.0 million (December 31, 2024 – US\$84.0 million) and contracts the Trust to sell US dollars and receive Canadian dollars if specific US dollar exchange rates relative to the Canadian dollar are met. At September 30, 2025, the Trust also held 15 outstanding foreign exchange collar contracts (December 31, 2024 – 12) with a notional value of €30.0 million (December 31, 2024 – €24.0 million) and contracts the Trust to sell Euros and receive Canadian dollars if specific Euro exchange rates relative to the Canadian dollar are met. For the three and nine month periods ended September 30, 2025, the Trust recorded net fair value losses of \$0.8 million (2024 – \$0.1 million) and \$0.1 million (2024 – \$0.6 million), respectively, related to the outstanding foreign exchange collar contracts (note 12(e)). The Trust did not employ hedge accounting for these financial instruments.

(b) Fair Value Hierarchy

Fair value measurements are based on inputs of observable and unobservable market data that a market participant would use in pricing an asset or liability. IFRS Accounting Standards establishes a fair value hierarchy which is summarized below:

- Level 1: Fair value determined using quoted prices in active markets for identical assets or liabilities.
- Level 2: Fair value determined using significant observable inputs, generally either quoted prices in active markets for similar assets or liabilities or quoted prices in markets that are not active.
- Level 3: Fair value determined using significant unobservable inputs, such as pricing models, discounted cash flows or similar techniques.

The following tables represent information related to the Trust's assets and liabilities measured or disclosed at fair value on a recurring and non-recurring basis and the level within the fair value hierarchy in which the fair value measurements fall.

As at September 30, 2025	Level 1	Level 2	Level 3
ASSETS AND LIABILITIES MEASURED OR DISCLOSED AT FAIR VALUE			
Assets measured at fair value			
Investment properties (note 4)	\$ —	\$ —	\$ 9,102,511
Assets held for sale (note 5)	—	—	370,701
Derivative (note 7)	—	5,926	—
Liabilities measured or disclosed at fair value			
Unsecured debentures, net (note 7)	2,997,948	—	—
Unsecured term loan, net (note 7)	—	97,989	—
Unsecured revolving credit facility (note 7)	—	78,000	—
Foreign exchange collars included in accounts payable and accrued liabilities (note 9)	—	1,422	—
Derivatives (note 7)	—	140,118	—
Net (liabilities) assets measured or disclosed at fair value	\$ (2,997,948)	\$ (311,603)	\$ 9,473,212

As at December 31, 2024	Level 1	Level 2	Level 3
ASSETS AND LIABILITIES MEASURED OR DISCLOSED AT FAIR VALUE			
Assets measured at fair value			
Investment properties (note 4)	\$ —	\$ —	\$ 9,397,286
Derivatives (note 7)	—	57,375	—
Liabilities measured or disclosed at fair value			
Unsecured debentures, net (note 7)	2,646,255	—	—
Unsecured term loans, net (note 7)	—	389,136	—
Foreign exchange collars included in accounts payable and accrued liabilities (note 9)	—	1,329	—
Derivatives (note 7)	—	32,298	—
Net (liabilities) assets measured or disclosed at fair value	\$ (2,646,255)	\$ (365,388)	\$ 9,397,286

For assets and liabilities that are measured at fair value on a recurring basis, the Trust determines whether transfers between the levels of the fair value hierarchy have occurred by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the three and nine month periods ended September 30, 2025 and the year ended December 31, 2024, there were no transfers between the levels.

(c) Risk Management

Foreign exchange risk

As at September 30, 2025, the Trust is exposed to foreign exchange risk primarily in respect of movements in the Euro and the US dollar. The Trust is structured such that its foreign operations are primarily conducted by entities with a functional currency which is the same as the economic environment in which the operations take place. As a result, the net income

impact of currency risk associated with financial instruments is limited as its financial assets and liabilities are generally denominated in the functional currency of the subsidiary that holds the financial instrument. However, the Trust is exposed to foreign currency risk on its net investment in its foreign currency denominated operations and certain Trust level foreign currency denominated assets and liabilities. At September 30, 2025, the Trust's foreign currency denominated net assets are \$6.8 billion primarily in US dollars and Euros. A 1% change in the US dollar and Euro exchange rates relative to the Canadian dollar would result in a gain or loss of approximately \$45.6 million and \$22.1 million, respectively, to comprehensive income.

16. COMMITMENTS AND CONTINGENCIES

(a) The Trust is subject to various legal proceedings and claims that arise in the ordinary course of business. Management evaluates all claims with the advice of legal counsel. Management believes these claims are generally covered by Granite's insurance policies and that any liability from remaining claims is not probable to occur and would not have a material adverse effect on the condensed consolidated combined financial statements. However, actual outcomes may differ from management's expectations.

(b) As at September 30, 2025, the Trust's contractual commitments totaled \$63.7 million which are primarily comprised of costs to complete its ongoing construction and development projects.

(c) In connection with the acquisitions of investment properties located in Palmetto, Georgia on November 12, 2020 and in Locust Grove, Georgia on March 12, 2021, \$135.3 million (US\$97.1 million) of bonds were assumed. The authorized amount of the bonds is \$144.9 million (US\$104.0 million), of which \$73.3 million (US\$52.6 million) was outstanding as at September 30, 2025. The bonds provide for a real estate tax abatement for the acquired investment properties. Through a series of transactions, the Trust is both the bondholder and the obligor of the bonds. Therefore, in accordance with IAS 32, the bonds are not recorded in the condensed consolidated combined balance sheets.

The Trust is involved, in the normal course of business, in discussions, and has various letters of intent or conditional agreements, with respect to possible acquisitions of new properties and dispositions of existing properties in its portfolio. None of these potential commitments or contingencies, individually or in aggregate, would have a material impact on the condensed consolidated combined financial statements.

17. SUBSEQUENT EVENTS

(a) Subsequent to September 30, 2025, the Trust declared distributions for October 2025 of \$17.2 million or \$0.2833 per unit (note 10).

Board of Trustees

Kelly Marshall
Chairman

Peter Aghar
Trustee

Robert D. Brouwer
Trustee

Remco Daal
Trustee

Kevan Gorrie
Trustee

Fern Grodner
Trustee

Al Mawani
Trustee

Sheila Murray
Trustee

Emily Pang
Trustee

Jennifer Warren
Trustee

Officers

Kevan Gorrie
President and Chief Executive Officer

Teresa Neto
Chief Financial Officer

Lorne Kumer
*Executive Vice President,
Head of Global Real Estate*

Michael Ramparas
*Executive Vice President,
Global Real Estate and
Head of Investments*

Lawrence Clarfield
*Executive Vice President,
General Counsel and
Corporate Secretary*

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United States
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Exchange Listings

Units – Toronto Stock Exchange (GRT.UN) and New York Stock Exchange (GRP.U)

Please refer to our website (www.granitereit.com) for information on Granite's compliance with the corporate governance standards of the New York Stock Exchange and applicable Canadian standards and guidelines.

Publicly Available Documents

Copies of the financial statements for the year ended December 31, 2024 are available through the Internet on the Electronic Data Gathering Analysis and Retrieval System (EDGAR), which can be accessed at www.sec.gov, and on the System for Electronic Data Analysis and Retrieval Plus (SEDAR+), which can be accessed at www.sedarplus.ca. Other required securities filings can also be found on EDGAR and SEDAR+.

GRANITE
REIT



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