

A wide-angle photograph of a large, modern industrial building with a light-colored facade and a flat roof. The building is situated behind a large, paved parking lot with white parking lines and several young trees planted in rows. The foreground is a grassy area. The sky is bright blue with scattered white clouds. A semi-transparent grey banner is overlaid across the middle of the image, containing the text.

# GRIFFIN

INDUSTRIAL REALTY

## REITWORLD COMPANY PRESENTATION

NOVEMBER 17-19, 2020

# FORWARD-LOOKING INFORMATION

This presentation contains “forward-looking statements” based upon the Company's current best judgment & expectations. You can identify forward looking statements by the use of forward-looking expressions such as “may,” “will,” “should,” “expect,” “believe,” “anticipate,” “estimate,” “intend,” “plan,” “annualized,” “project,” “continue” or any negative or other variations on such expressions. Although the Company believes that its plans, intentions and expectations as reflected in or suggested by those forward-looking statements are reasonable, the Company can give no assurance that the plans, intentions or expectations will be achieved. The Company has listed below some important risks, uncertainties and contingencies which could cause its actual results, performance or achievements to be materially different from the forward-looking statements it makes in this presentation. These risks, uncertainties and contingencies include, but are not limited to, the following: the success or failure of the Company's efforts to implement its current business strategy; the planned conversion to a REIT and related rebranding; the Company's ability to complete contemplated acquisitions, dispositions and development projects, and identify and complete additional property acquisitions and non-core asset dispositions and risks of real estate acquisitions and dispositions; expectations regarding stabilization of current or future properties or developments; availability of investment opportunities on real estate assets; the performance and financial condition of tenants and corporate customers; expectations regarding potential lease-ups or rental yields; the adequacy of the Company's cash reserves, working capital and other forms of liquidity; the availability, terms and deployment of short-term and long-term capital; demand for industrial and office space; the actions of the Company's competitors and the Company's ability to respond to those actions; the timing of cash flows from the Company's investments; the cost and availability of the Company's financings, which depends in part on the Company's asset quality, the nature of the Company's relationships with its lenders and other capital providers, the Company's business prospects and outlook and general market conditions; increases in financing and other costs, including a rise in interest rates; economic conditions generally and in the real estate markets and the capital markets specifically; and local economic or political conditions that could adversely affect the Company's earnings and cash flows; and other factors discussed under Part I, Item 1A, “Risk Factors” of the Company's Annual Report on Form 10-K for the year ended November 30, 2019 and under Part II, Item 1A, “Risk Factors” of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2020, in each case, as filed with the Securities and Exchange Commission (the “SEC”).

Any forward-looking statements in this presentation, including guidance for future periods, speaks only as of the date on which it was made. Factors or events that could cause actual results to differ may emerge from time to time, and it is not possible for the Company to predict all of them. The Company assumes no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise. In evaluating forward-looking statements, you should consider these risks and uncertainties, together with the other risks described from time-to-time in the Company's reports and documents which are filed with the SEC, and you should not place undue reliance on those statements. The risks included here are not exhaustive. Other sections of this presentation may include additional factors that could adversely affect the Company's business and financial performance. Moreover, the Company operates in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.



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# WHO IS GRIFFIN?

# GRIFFIN HERITAGE & GEOGRAPHIC EVOLUTION

## Company History

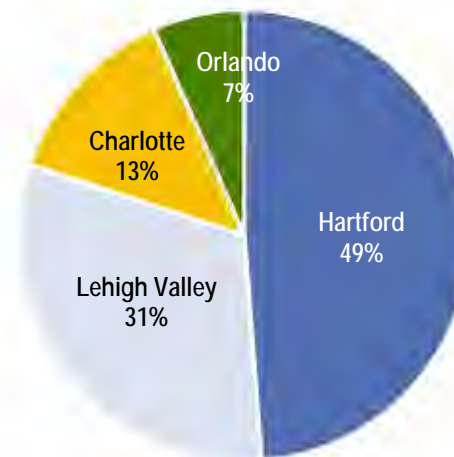
- Early 1900s**
  - Griffin's predecessor was founded as a cigar leaf tobacco growing & trading business centered in Connecticut
- 1960s – 1980s**
  - Griffin's predecessor diversified into multiple businesses, became a publicly traded C-Corp (Culbro Corp.), and began commercial development on former agricultural land
- 1997**
  - Culbro split into two separate entities: General Cigar Holdings and a newly formed public company, Griffin Land & Nurseries, Inc.
- 2010**
  - The business expanded into new markets outside Connecticut through acquisitions of an existing warehouse and 50 acres of land for industrial development in the Lehigh Valley of Pennsylvania
- 2014 – 2019**
  - Sold nursery business and rebranded as Griffin Industrial Realty to reflect a new focus on managing & growing its industrial / warehouse property portfolio
  - Entered the Charlotte industrial market in 2017
  - Entered the Orlando industrial market in 2019
- 2020**
  - In March, transition of board Chairmanship to Gordon DuGan, in addition to new Director, Molly North
  - In August, completed first equity capital raise in Griffin's 23-year public company history
- 2021**
  - Planning to elect REIT status in 2021 and re-brand with new corporate name

## Geographic Evolution

**2009**  
2.0 million Industrial SF



**2020**  
4.2 million industrial SF



Note: Pie charts as of Fiscal Year End for 2009 and as of October 31, 2020 for 2020.

# GRIFFIN

## INDUSTRIAL REALTY

### MISSION

To be a leading logistics real estate company focused on select high-growth, supply-constrained markets that can meet multiple drivers of demand within the modern supply chain, including local, regional and / or multi-market distribution.



Well-located, flexibly designed industrial / warehouse properties



Strong local / regional economies with growing populations & logistics markets



Critical supply-chain properties ranging from 75,000 to 400,000 SF

# INVESTMENT HIGHLIGHTS



# INVESTMENT HIGHLIGHTS





# HIGH QUALITY PORTFOLIO & TENANCY

# HIGH-QUALITY INDUSTRIAL PORTFOLIO...

Flexible & Modern Portfolio in High Barrier, Supply-Constrained Markets with Solid Tenancy

**4.2M**

Total Square Feet Across 30 Buildings

**99.7%**

Leased, excluding Unstabilized  
In-Service Properties <sup>(2)</sup>

**140,187**

Average Building Size (SF)

**30'**

Weighted Average Clear Height

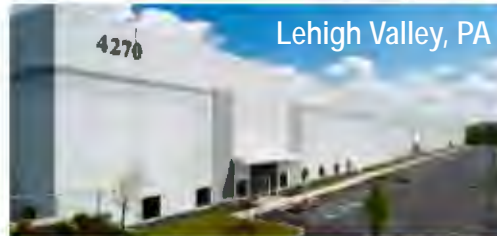
**12**

Average Building Age in  
the Portfolio (Years)

Hartford, CT



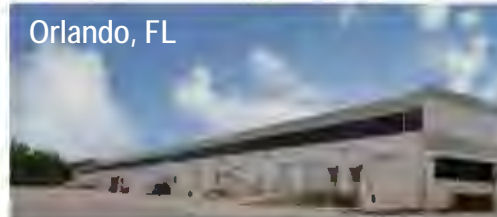
Lehigh Valley, PA



Charlotte, NC



Orlando, FL



**73%**

of Industrial Leased SF to Tenants which are public  
companies or have annual revenue > \$500M <sup>(1)</sup>

**70%**

Industrial Tenant Retention YTD by  
number of leases <sup>(3)</sup>

**80,521**

Average Lease Size (SF)

**4.5**

Weighted Avg. Remaining  
Lease Term (Years) <sup>(4)</sup>

**99%+**

Rent Collection Each Month During COVID-19 <sup>(5)</sup>

Note: Portfolio metrics as of August 31, 2020. Includes all In-Service properties (see Appendix for definition of In-Service). Does not include development pipeline.

1. Includes parent companies of tenants in count for public company or revenue > \$500M.

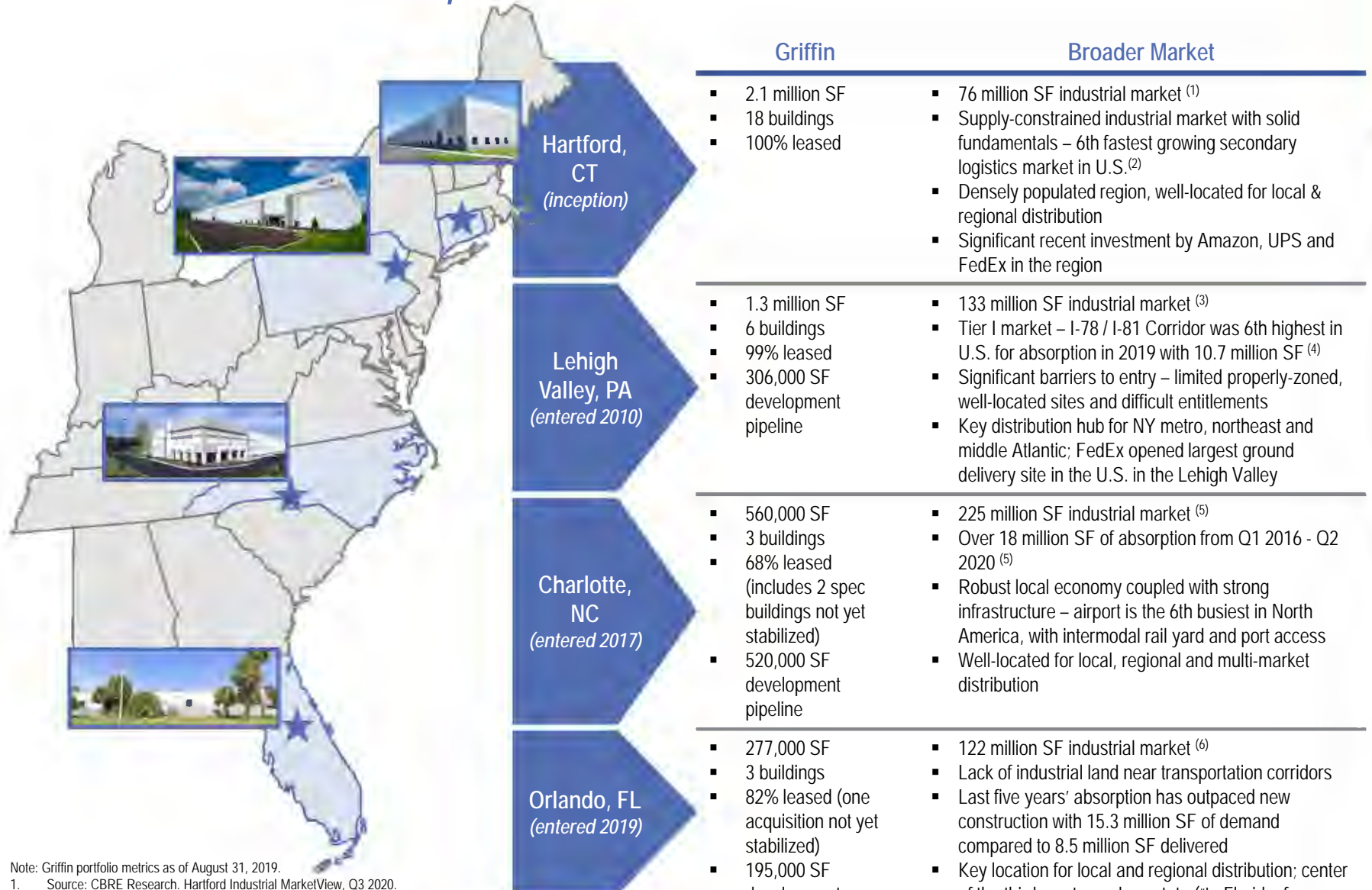
2. Unstabilized In-Service Properties excluded from the % leased statistics are recently developed 160 & 180 International Drive (Charlotte) and recently acquired 170 Sunport Lane (Orlando).

3. Tenant retention calculated as: (Total industrial leases renewed or extended) ÷ (Total industrial leases renewed or extended + Total industrial leases that expired and were not renewed) during the period.

4. Weighted average lease term is calculated as term remaining for each tenant as of August 31, 2020 and is weighted by square footage.

5. See slide 37 for additional details on COVID-19 updates.

# ...IN HIGH-GROWTH, SUPPLY CONSTRAINED MARKETS...



Note: Griffin portfolio metrics as of August 31, 2019.

1. Source: CBRE Research. Hartford Industrial MarketView, Q3 2020.

2. Based on YTD absorption divided by inventory, per a CBRE U.S. Logistics Webinar from August 2020.

3. Source: CBRE Research. Pennsylvania I-78/I-81 Corridor Industrial, Q3 2020. Includes buildings over 40,000 SF.

4. Source: CBRE Research. U.S. Industrial & Logistics Figures, Q4 2019.

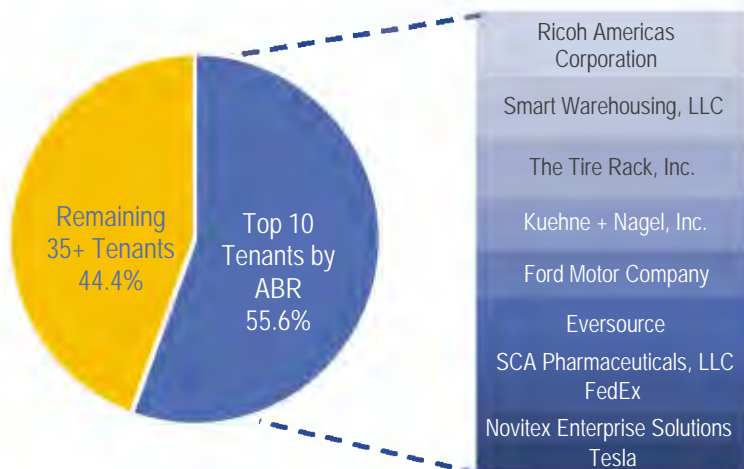
5. Source: CBRE Research. Charlotte Industrial MarketView, Q2 2020.

6. Source: CBRE Research. Orlando Industrial MarketView, Q3 2020.



















# ...WITH STRONG & STABLE INDUSTRIAL TENANTS

*73% of Griffin's leased square footage is under lease to tenants which are (or subsidiaries of) public companies or have annual revenue > \$500 million*

## Top Tenants by Annualized Base Rent



## Top Tenant Industries by Leased SF

Rank	Industry	Leased SF
1	3PL    	871,440
2	Automotive   	491,977
3	E-Commerce  	343,010
4	Industrial   	333,972
5	Building Products   	328,497
6	Trucking & Transport   	294,654
	All Other	1,302,832

## Tenant Size Breakdown

Leased Square Feet	% of Total Leased SF	% of Total Annualized Base Rent
0 – 9,999 SF	1.0%	0.7%
10,000 – 24,999 SF	3.7%	3.5%
25,000 – 74,999 SF	24.4%	25.2%
75,000 – 149,999 SF	28.5%	27.1%
150,000 – 299,999 SF	27.1%	28.8%
300,000 SF +	15.3%	14.7%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

*The vast majority of Griffin's tenants lease over 25,000 SF, and have continued to operate in their leased spaces during the COVID-19 crisis*

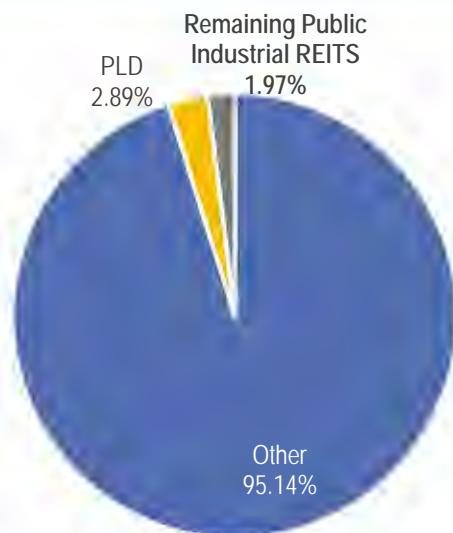


# WELL-POSITIONED IN THE RIGHT SECTOR

# WELL-POSITIONED IN THE RIGHT SECTOR

- ✓ Highly fragmented industrial real estate market in the U.S. experiencing strong tailwinds <sup>(1)</sup>
- ✓ Young, well-located portfolio in strong markets – 67% of Griffin's industrial SF has been developed by the Company since 2005
- ✓ Established track record of successful development and building acquisitions
- ✓ Potential to grow faster than peers – starting from a small base (current TEV under \$500 million)

Public Industrial REITs Own Less than 5% of Total U.S. Supply <sup>(1)</sup>



\$1.75 trillion market size

Average Industrial Facility Age (years) <sup>(2)</sup>

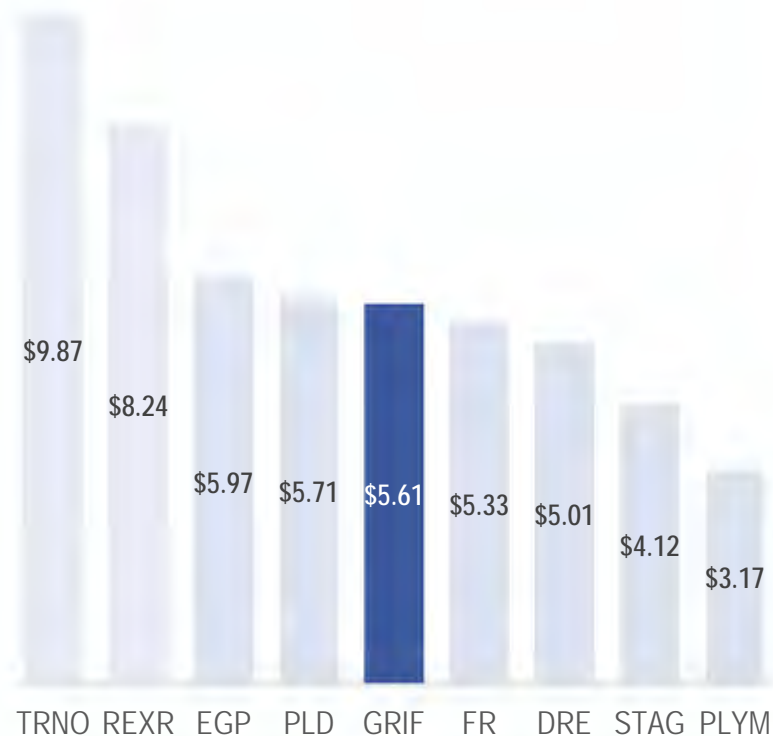
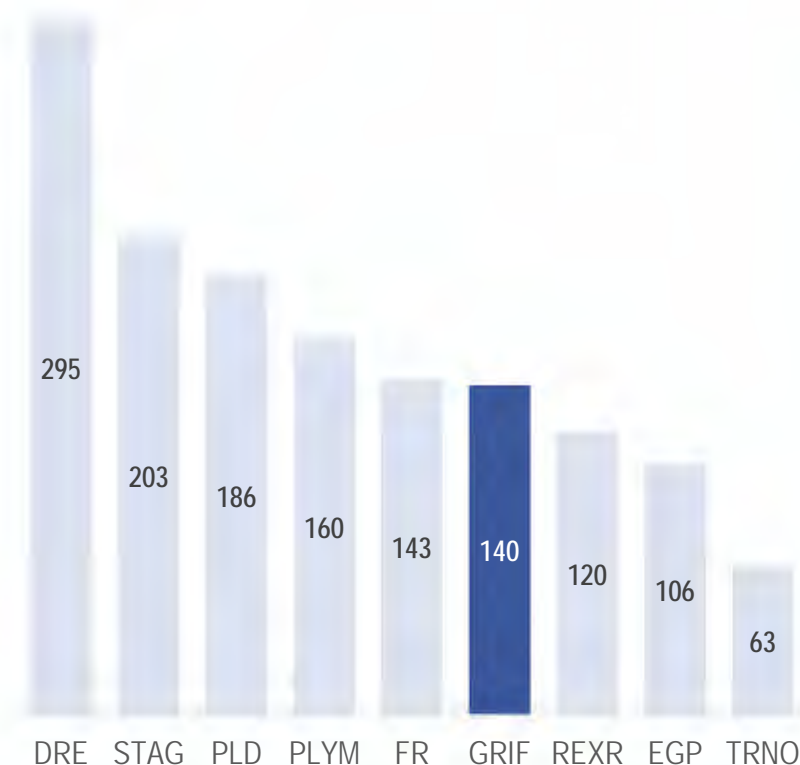


- Industrial market size estimations and industrial ownership calculations per Berenberg Capital Markets report from October 28, 2020, *Industrial REITs: a race for the last mile*. Remaining Public Industrial REITs include DRE, FR, ILPT, EGP, PSB, REXR, MNR, PLYM and TRNO.
- Source for peer data: Public company filings & transcripts, SNL, Real Capital Analytics and other public sources. Average age reflects the later of year constructed or last major renovation (if disclosed) and is weighted by square footage. DRE and STAG ages per company call transcripts. Griffin data as of August 31, 2020.

# GRIFFIN'S ASSETS COMPARE FAVORABLY TO PEER INDUSTRIAL REITS AND COMMAND SIMILAR RENTAL RATES

Average Industrial Facility Size  
(Square Feet in 000s)

LQA (Q3 2020) Cash Leasing NOI  
per Square Foot <sup>(1)</sup>



Source for peer data: Peer data is per each company's filings for Q3 as of September 30, 2020.

1. Griffin data per square foot as of August 31, 2020 for Stabilized, In-Service Industrial portfolio as of the fiscal quarter ending August 31, 2020. See Appendix for definition of Stabilized In-Service Portfolio.

# DISCIPLINED & PROVEN INVESTMENT STRATEGY



# DISCIPLINED & PROVEN 3-PRONGED STRATEGY

## Markets

Concentrate on limited number of high-potential markets

## Buildings

Focus on mid-sized, market-appropriate industrial buildings  
(*not* bulk or flex)

## Mindset

**Think like developers** & use this to our advantage  
(We buy buildings, not leases)

## History of Value Creation through Development Since 2005

2.8

Million SF delivered

93.3%

Leased

\$194M

Total Costs <sup>(1)</sup>

\$69.31

Total Costs Per SF

7.7%

In-Place Cash Yield <sup>(2)</sup>

8.1%

Expected Stabilized Cash Yield <sup>(4)</sup>

## Illustrative Value Creation Sensitivity

\$ in millions (excl. per share)	Low	Mid	High
Anticipated Stabilized Cash Leasing NOI from Completed Developments <sup>(3)</sup>	\$16.0	\$16.0	\$16.0
Illustrative Cap Rate Range	5.50%	5.00%	4.50%
Implied Value	\$290.4	\$319.5	\$355.0
Illustrative Value Creation	\$96.0	\$125.0	\$160.5
Illustrative Value Creation per Share	\$16.97	\$22.10	\$28.38
Development Margin	48%	63%	81%

Note: See Appendix for definitions of development metrics and non-GAAP measures, such as Cash Leasing NOI.

1. Total Costs include land, land improvements, building & building improvements as well as cumulative tenant improvements paid to date since building completion. Total cost excludes any depreciation.

2. Calculated as Q3 2020 Cash Leasing NOI for selected properties on an annualized basis (multiplied by four), divided by Total Costs.

3. Defined as Q3 2020 Cash Leasing NOI for selected properties on an annualized basis (multiplied by four), and includes additional adjustments to gross up for the value of free rent during the quarter at 160 International Drive (Charlotte), as well as anticipated lease up of remaining vacancy to 95% leased at 160 International Drive (Charlotte) and 180 International Drive (Charlotte) at assumed market rents of \$5.00 PSF NNN. Cumulatively, these adjustments add an additional \$1.1 million in annualized Cash Leasing NOI from completed developments. Leasing activity for current vacancies at these assumed rents, or at all, cannot be guaranteed. See Appendix for definition of free rent.

4. Calculated as: (Anticipated Stabilized Cash Leasing NOI from Completed Developments) ÷ (Total Costs for selected properties + anticipated additional Tenant Improvement costs in order to complete the adjustments for stabilized lease up of selected properties).

# MARKETS: GRIFFIN MARKETS STRATEGY

Aim to check at least two, if not all three, criteria for investment into additional markets

## Criteria #1

Markets that have access to a large population and / or are experiencing favorable population & economic growth

## Criteria #2

Markets that have high barriers to entry / supply constraints in "A" locations and/or "A" submarkets

## Criteria #3

Serves Multiple Drivers of Demand (Local, Regional and / or Multi-Market)

Hartford	●	●	●
Lehigh Valley		●	●
Charlotte	●	●	●
Orlando	●	●	

## Local ●

- Infill locations or close proximity to city centers
- Direct to consumer or business to business deliveries

## Regional ●

- Less than 1-day drive to target delivery market
- Direct delivery or delivery to local / last mile facilities
- Serves a single state or small region

## Multi-Market ●

- Key transport hubs / 1-day drive or further deliveries
- Delivery to regional or local facilities
- Serves multiple states / large geographic regions (East coast, Southeast)

# BUILDINGS: “SWEET SPOT” FOR BUILDING SIZE



## Under 75K SF

Flex / Small Tenant / Small Bay

- **Constant** leasing and **rollover**
- **Management & capital intensive** – diseconomies of scale & inefficiencies with smaller tenants
  - Improvements have disproportionately high cost / SF
  - More tenants can lead to more repair & maintenance
- **Tenants** often will have **weak credit**



## 75-400K SF

Mid-Sized  
Industrial Properties



## Over 400K SF

Bulk / Big Box Warehouses

- Big boxes **create large exposures** to individual tenants / properties
- Fewer tenants / transactions of that size within a market in a typical year
- **Less of an opportunity** to locate “closer-in” to **population centers**
- **Lower rents** - typically better rents for smaller tenants

Within this sweet spot, we seek buildings that provide a greater range of re-leasing scenarios:

### Flexible design

Generally suitable for 1-3 tenants

### Market appropriate features

Truck courts, building depth, clear height

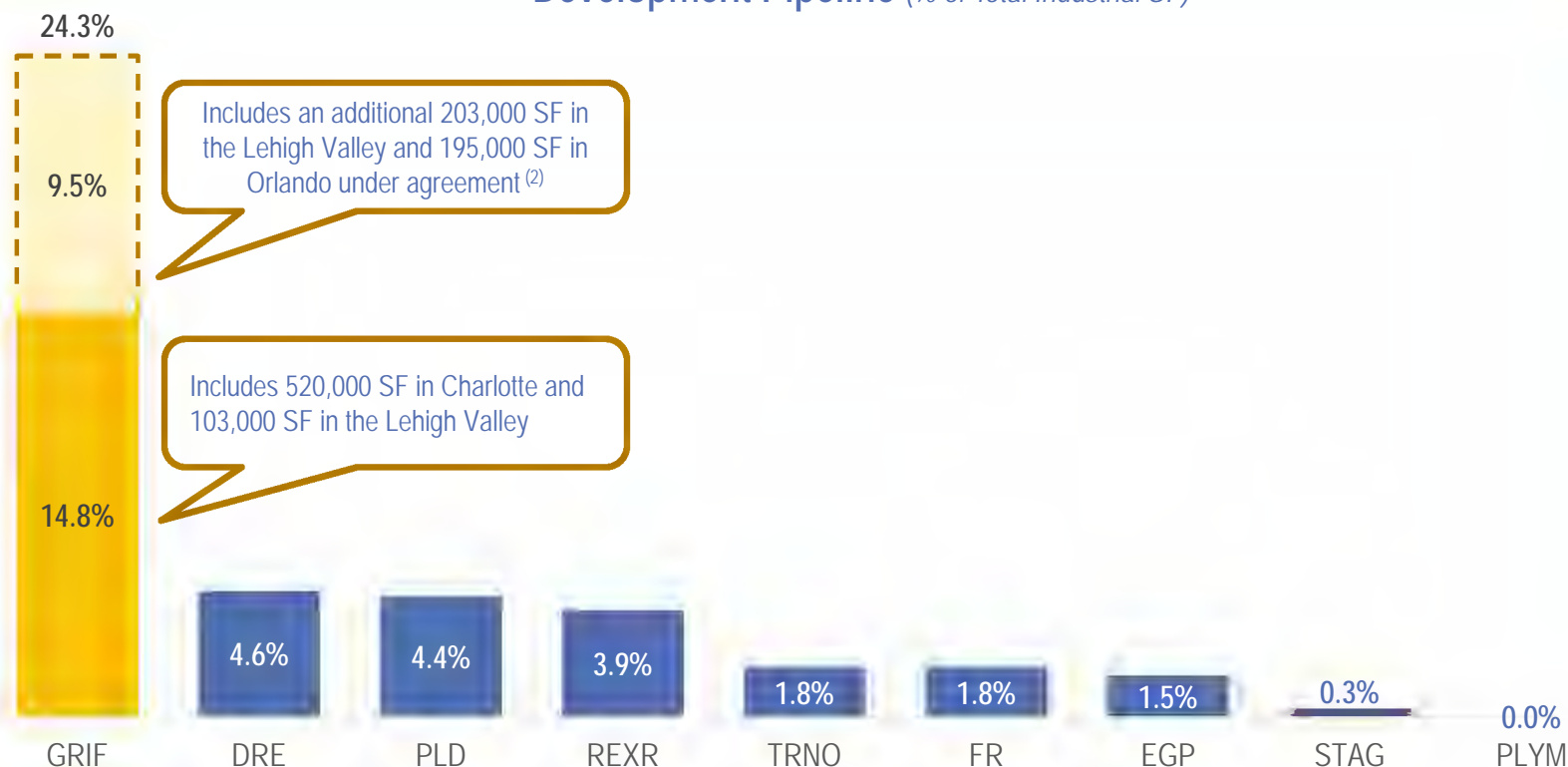
### Avoid specialized designs

E.G., L-shapes, exceedingly deep buildings, limited loading

# MINDSET: WE THINK LIKE DEVELOPERS

Significantly Higher Potential Growth Through Development  
as Compared to Peers <sup>(1)</sup>

## Development Pipeline (% of Total Industrial SF)



1. Griffin data as of the fiscal quarter ending August 31, 2020 and reflects planned developments on owned land as of that date, and additional prospective developments on land that is in the pipeline, as shown in the upper portion of the bar stack. Peer data is per each company's filings for Q3 as of September 30, 2020. TRNO & STAG numbers represent redevelopment SF. For EGP, chart does not include 1,528,000 square feet of properties in "lease-up" as part of the development pipeline.
2. Developments in Griffin's pipeline are subject to satisfactory completion of due diligence and receipt of necessary approvals, which cannot be guaranteed.



# ORLANDO CASE STUDY

*Within 10 months, acquired 3 buildings and put under agreement land for development to create a potential portfolio of 472,000 SF with estimated stabilized cost PSF of \$95<sup>(1)</sup> and yield of approximately 6.1%<sup>(2)</sup>*

✓ *At a cap rate of 5.25%, value of the portfolio would be \$110 PSF*

Chancellor Drive  
(Oct 2019)



- Marketed deal – **paid market cap rate (low 5% cap)** with credit tenant
- However as a one-off asset was not as competitive as if part of a portfolio or a larger building

Maggie Boulevard  
(Feb 2020)



- Off-market deal found through broker relationship – **paid cap rate of nearly 6% with long-time tenant**
- Seller "liked" the Griffin story and that we closed recently on similar building nearby

Sunport Lane  
(Mar 2020)



- Softly marketed for sale – difficult for showings as vacant space needed renovation
- Griffin's value-add work just completed; **Expect stabilized yield between 6.5%-7.0%**

Jetport Land  
(Under Agreement)<sup>(3)</sup>



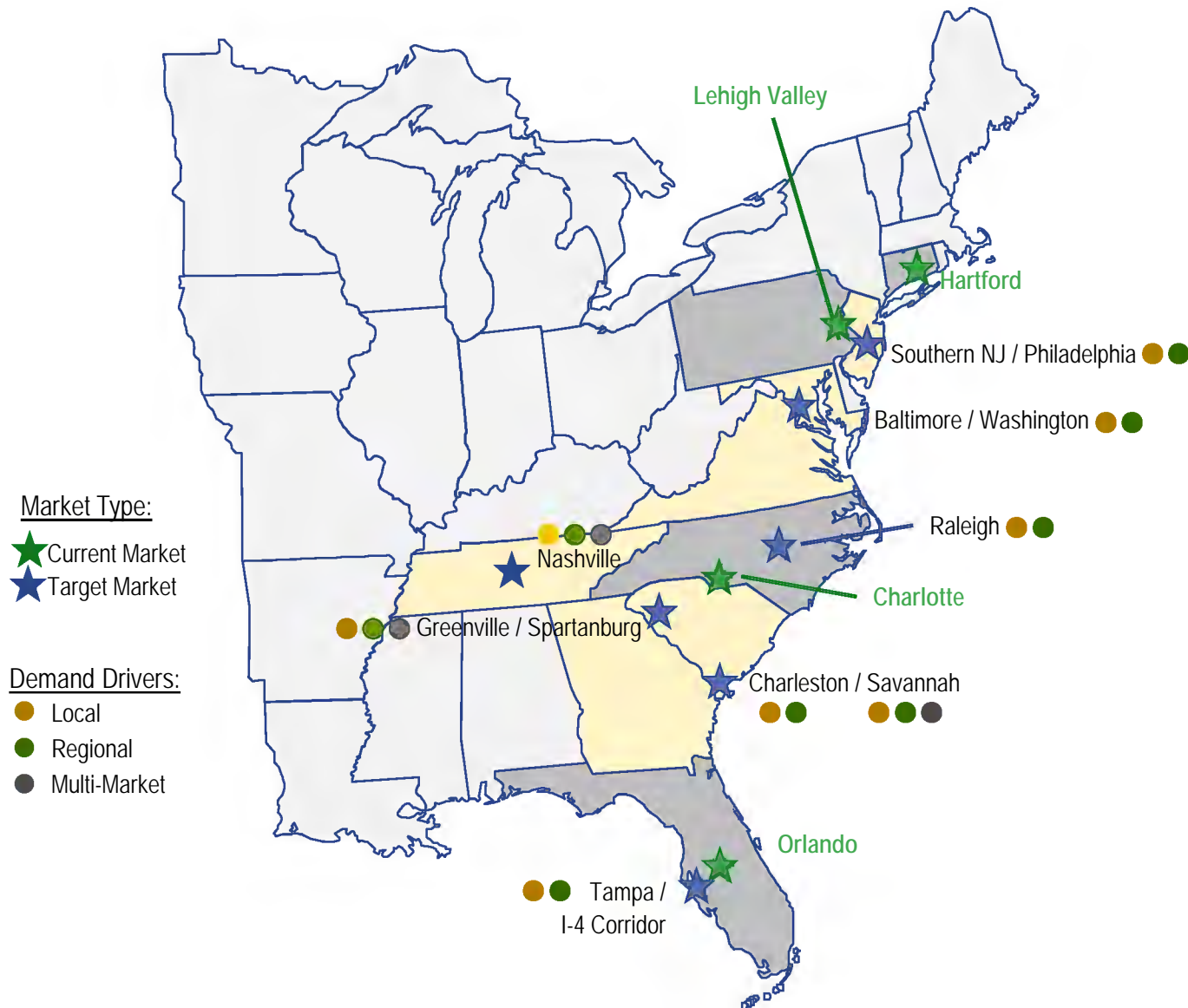
- Under agreement and seeking entitlements for two-building development totaling 195,000 SF
- Acted quickly to secure the land once previous buyer backed out due to COVID-19
- **Expect stabilized yield above 6%**

1. Stabilized Cost PSF includes purchase price, inclusive of acquisition costs, for each Chancellor Drive, Maggie Boulevard and Sunport Lane. Stabilized Cost PSF also includes approximately \$1.6 million in renovation and anticipated leasing costs for Sunport Lane value-add acquisition and \$19.6 million in total purchase, construction and leasing costs for Jetport Land under agreement to construct two buildings totaling 195,000 SF. Square footage includes 100,045 SF for Chancellor Drive, 108,312 SF for Maggie Boulevard, 68,320 SF for Sunport Lane and planned development of 195,000 SF for Jetport.

2. Estimated yield of approximately 6.1% based on Cash Leasing NOI for the assets shown here divided by the stabilized costs as explained in footnote #1 above. Cash Leasing NOI for Chancellor Boulevard and Maggie Drive, which are both 100% leased, are as of Q3 2020, annualized. Cash Leasing NOI for 170 Sunport Lane assumes lease up of remaining vacancy at assumed market rents of \$7.25 PSF NNN. Cash Leasing NOI for Jetport assumes completion of land acquisition and development of land into 195,000 SF of industrial, which is assumed to be leased at market rents of \$6.50 PSF NNN.

3. Subject to satisfactory completion of due diligence and receipt of necessary approvals.

# EXTERNAL GROWTH: SEEKING ACQUISITIONS & DEVELOPMENTS IN THESE INITIAL TARGET MARKETS



# SIGNIFICANT INTERNAL & EXTERNAL GROWTH OPPORTUNITIES

# TRACK RECORD OF INTERNAL GROWTH WITH EXPERIENCED TEAM

All growth to date has been achieved without raising external equity



Developed and acquired 1.6 million SF since 2015 / entered 3 new markets



No joint venture partners or outside equity capital sources



Historically financed typically with 10-year amortizing mortgages at +/- 65% or less LTV on stabilized buildings only



Nearly \$65 million in proceeds generated through assets/land sales reinvested in the industrial portfolio since 2012 (the majority through 1031 like-kind exchanges)

## Industrial Square Footage (*millions*)

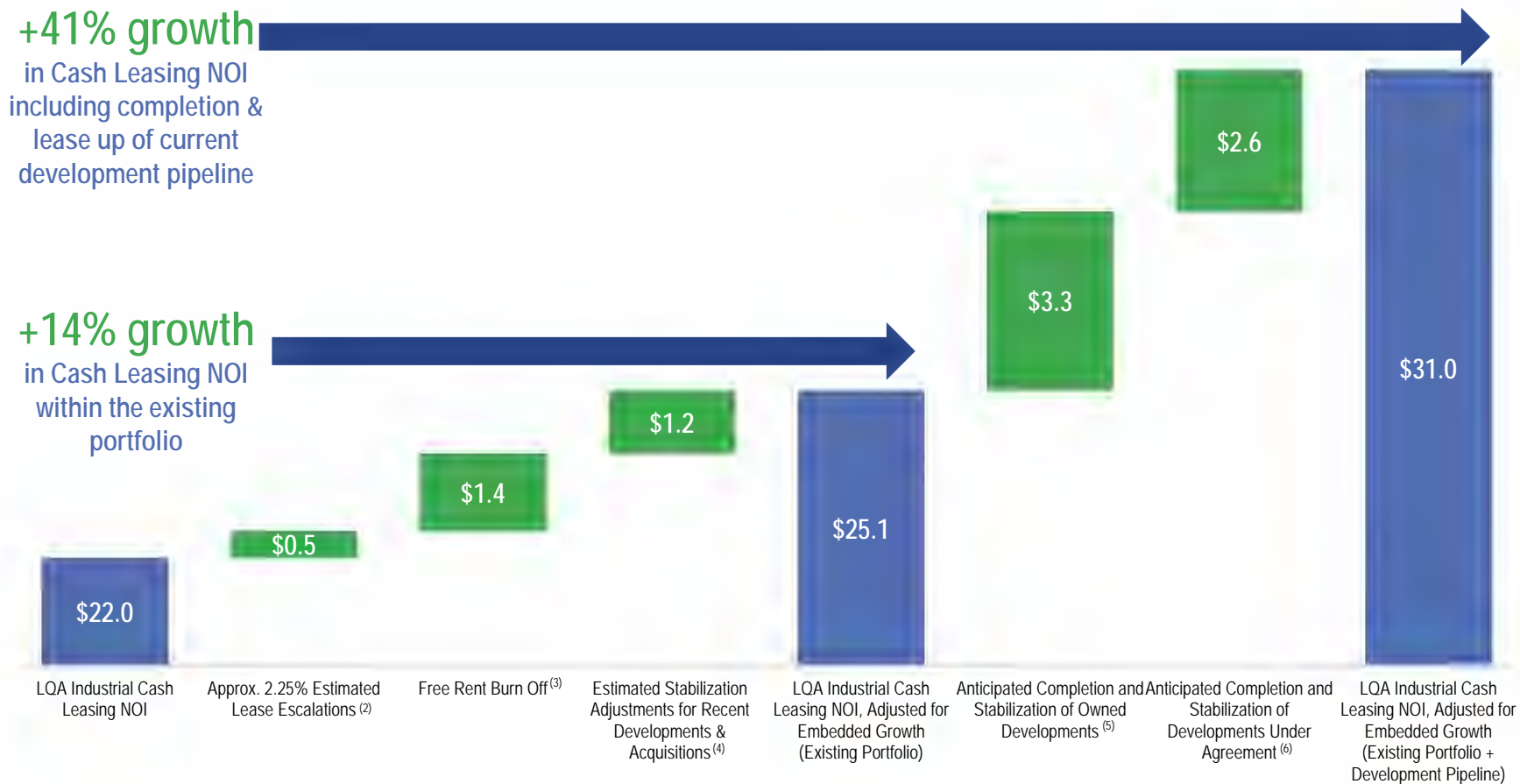
## Cash Leasing NOI from Industrial Properties (*\$mm*)



Note: Cash Leasing NOI is a Non-GAAP measure. See Appendix for definition and reconciliation.



# EMBEDDED INDUSTRIAL CASH LEASING NOI GROWTH<sup>(1)</sup>



Note: Dollars shown in millions. Example is illustrative only. Griffin cannot guarantee that Cash Leasing NOI will grow as suggested, if at all. Cash Leasing NOI is a non-GAAP financial measure. See Appendix for non-GAAP reconciliations.

- See Appendix for full definition of Embedded Industrial Cash Leasing NOI Growth ("Embedded Growth").
- Griffin approximates that the weighted average base rental rate contractual escalation across its industrial portfolio for leases in-place as of August 31, 2020 is approximately 2.25% over the course of the next year. Embedded Industrial Cash Leasing NOI Growth includes \$0.5 million from Estimated Lease Escalations, to reflect an increase of 2.25% on LQA Cash Leasing NOI from industrial properties of \$22.0 million.
- During fiscal Q3, Griffin had instances of foregone revenue as a result of rent abatement provisions (free rent) in the respective leases at the following properties: 20 International Drive (CT), 75 International Drive (CT), 4270 Fritch Drive (PA), 6975 Ambassador Drive (PA) and 160 International Drive (NC). Embedded Industrial Cash Leasing NOI Growth includes \$1.4 million from Free Rent Burn Off, to reflect the amount of rent in abatement during the third quarter's Cash Leasing NOI from industrial properties on an annualized basis.
- Assumes lease up of remaining vacancy to 95% occupancy at 160 & 180 International Drive in Charlotte and 170 Sunport Lane in Orlando would add an additional \$1.2 million in annualized Cash Leasing NOI, assuming market rents of \$5.00 PSF NNN in Charlotte and assuming market rents of \$7.25 PSF NNN in Orlando. This \$1.2 million is included in Embedded Industrial Cash Leasing NOI Growth. Leasing activity for current vacancies at these assumed rents, or at all, cannot be guaranteed.
- Assumes completion of 3 buildings in Charlotte totaling 520,000 SF, leased at assumed market rents of \$5.00 PSF NNN and assumes completion of a 103,000 SF building in the Lehigh Valley, leased at assumed market rents of \$6.75 PSF NNN. The completion of these developments and leasing activity for these developments at these assumed rents, or at all, cannot be guaranteed. These assumption contribute \$3.3 million to Embedded Industrial Cash Leasing NOI Growth.
- Assumes acquisition of land for development and completion of the development of two buildings in Orlando totaling 195,000 SF leased at assumed market rents of \$6.50 PSF NNN. Also assumes acquisition of land for development and completion of the development of one 203,000 SF building in the Lehigh Valley leased at assumed market rents of \$6.65 PSF NNN. The acquisition of the land in Griffin's pipeline for development, the completion of these developments and leasing activity for these developments at these assumed rents, or at all, cannot be guaranteed. These assumption contribute \$2.6 million to Embedded Industrial Cash Leasing NOI Growth.

# MONETIZATION OF NON-CORE ASSETS

*Strong history of monetizing non-core assets and deploying proceeds into acquisitions of industrial buildings and land for development outside of Connecticut*

## Office / Flex & Land Summary

Office / Flex	8/31/20 Total Office Properties	Properties Under Agreement for Sale <sup>(1)</sup>	Remaining Portfolio after Anticipated Sales
Square Footage	432,970	201,374	231,596
# of Buildings	12	3	9
% of Total Industrial & Office Portfolio SF	9.3%	4.3%	5.2%
Net Book Value	\$17.0M	\$7.9M	\$9.1M
LQA Leasing NOI	\$2.2M	\$0.3M	\$1.9
Percent Leased	64.7%	41.9%	84.5%
Land	8/31/20 Total Land	Land Under Agreement for Sale <sup>(1)</sup>	Remaining Land after Anticipated Sales
Acres	3,394.1	579.3	2,814.8
Net Book Value	\$14.3M	\$6.0M	\$8.2M

- Griffin has a **successful track record of selling land and redeploying the proceeds** into income-producing industrial real estate
- Nearly \$65 million in proceeds generated through assets / land sales reinvested in the industrial portfolio since 2012 (the majority through 1031 like-kind exchanges)
- Nearly \$20 million (\$7.65 million of office & \$12.0 million of land) under agreement currently <sup>(1)</sup> **with no expected dilution to operating income**
  - ✓ **Current office sales reflect weakest performing assets**
    - 5 & 7 Waterside Crossing – 52% leased
    - 55 Griffin Road South – fully vacant
  - ✓ **Land under agreement for sale** currently generates no Cash Leasing NOI and **has carrying costs embedded in G&A**
- Recent land sales were **deployed into 1031 land purchases for developments** of:
  - ✓ 6975 Ambassador Drive (Lehigh Valley)
  - ✓ 160 & 180 International Drive (Charlotte)
  - ✓ Chapmans Road (Lehigh Valley – under development)
  - ✓ Old Statesville Road (development pipeline)
  - ✓ Plus – **a 277,000 SF building acquisition** at 215 International Drive (Charlotte)

Note: Portfolio metrics as of August 31, 2020. Office dispositions under agreement include 5 & 7 Waterside Crossing as well as 55 Griffin Road South.

1. Subject to satisfactory completion of buyers' due diligence.

# ABILITY TO LEVERAGE G&A

As Griffin's portfolio and Cash Leasing NOI continues to grow, we expect G&A as a percentage of this NOI to also continue to decrease

(\$ in 000s)

LQA Q3 2020 G&A Expenses	Description & Growth Expectations Over Time
\$9,160	
\$428	REIT Conversion & Strategic Initiatives
\$740	Holding Costs of Undeveloped Land
\$1,324	Other G&A <sup>(1)</sup>
\$1,180	Public Company Expenses <sup>(2)</sup>
\$1,924	Non-Cash Comp Expenses <sup>(3)</sup>
\$3,564	Cash Compensation Expenses (Includes Operating Personnel such as Asset Management and Construction / Development)
LQA 8/31/20	

## Strong "flow-through" of incremental NOI...

(\$ in millions)	LQA 8/31/20	Adjusted for Embedded Growth <sup>(4)</sup>
Industrial Cash Leasing NOI	\$22.0	\$31.0
% Growth		41.0%
Less: G&A Expenses	(\$9.2)	(\$9.2)
Industrial Cash Leasing NOI after G&A	\$12.8	\$21.8
% Growth		70.2%

G&A leverage can lead to significantly higher growth

Note: Example is illustrative only. Griffin cannot guarantee that Cash Leasing NOI will grow as suggested, if at all. Cash Leasing NOI is a non-GAAP financial measure. See Appendix for non-GAAP reconciliations.

1. Includes items such as marketing costs, liability insurance, occupancy costs, etc.

2. Includes items such as audit and tax preparation fees, board expenses, legal costs (excluding REIT conversion), etc.

3. Includes stock options and deferred comp plans.

4. See slide 25 for detail on Embedded Industrial Cash Leasing NOI Growth. Full definition and components are also available in the Appendix.

# SAME PROPERTY NOI ("SPNOI") & LEASING SPREADS

## Industrial SPNOI – Cash Basis

As of 8/31/2020		
Q3	9 Months Ended	Trailing 12 Months Ended
0.0%	4.8%	6.0%

## Considerations for SPNOI Growth

- Given smaller portfolio, a few larger leases (200K SF+) can have disproportionate impact on SPNOI growth in a given period:
  - ✓ Free rent (including deals struck during early stages of COVID-19 pandemic)
  - ✓ Scheduled downtime as part of tenant expansions
- We are 99.7% occupied in what is expected to be 2021's same property pool
  - ✓ Growth in 2021 limited to renewals and escalations
  - ✓ No benefit from lease up of unstabilized properties as they will not yet be in the 2021 same property pool

## Industrial Weighted Averaged Rent Growth from Leasing Activity

	Q3 8/31/20	9 Months Ended 8/31/20
Cash Basis	3.6%	4.6%
Straight Line Basis	16.5%	16.6%

## Considerations for Rent Growth from Leasing

- Griffin historical approach to leasing vs. typical industrial REIT practice
  - ✓ Did not disaggregate "above-standard" TI from base rent for turn-key deals
  - ✓ Amortization of excess TI, making capex for certain deals look "heavy"
  - ✓ Reimbursement for excess tenant work could lead to amortized "non-cash" rent as revenue over the lease term
- Large deals can disproportionately impact metrics
- Certain deals struck during early stages of COVID-19 impact 2020 results

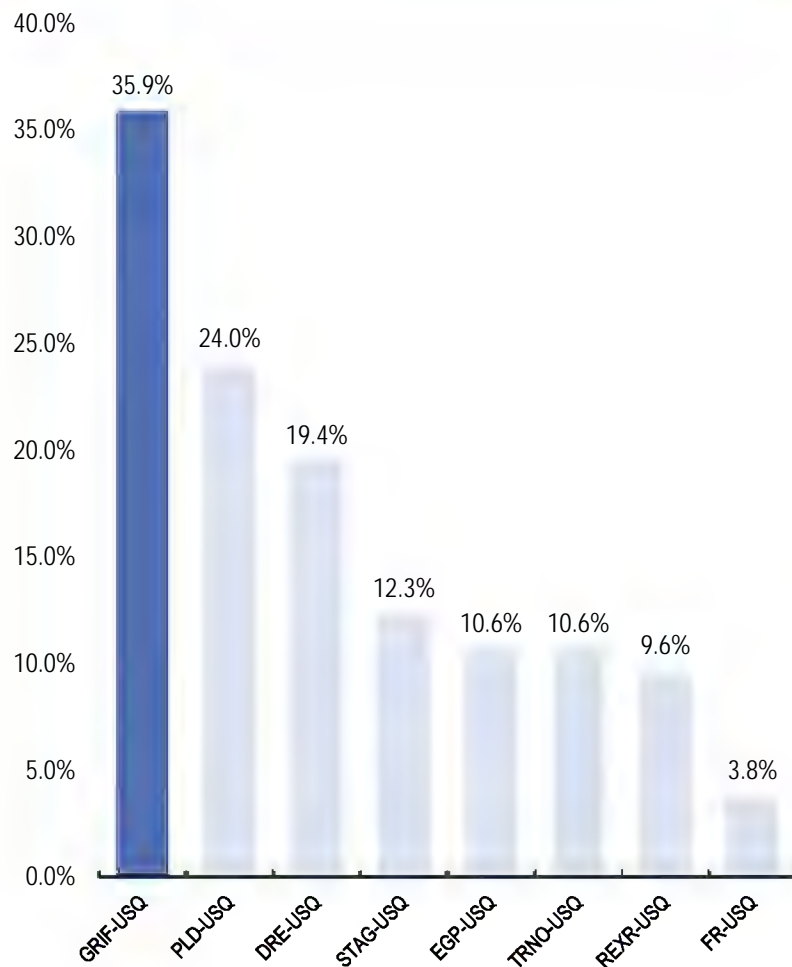
Note: See Appendix for definitions of SPNOI, the same property pool and leasing activity metrics.

# STRATEGIC INITIATIVES UNDERWAY TO ENHANCE SHAREHOLDER VALUE



# SHAREHOLDERS HAVE ENJOYED STRONG RELATIVE PERFORMANCE...

## 1-Year Total Shareholder Return



## 3-Year Stock Price Indexation

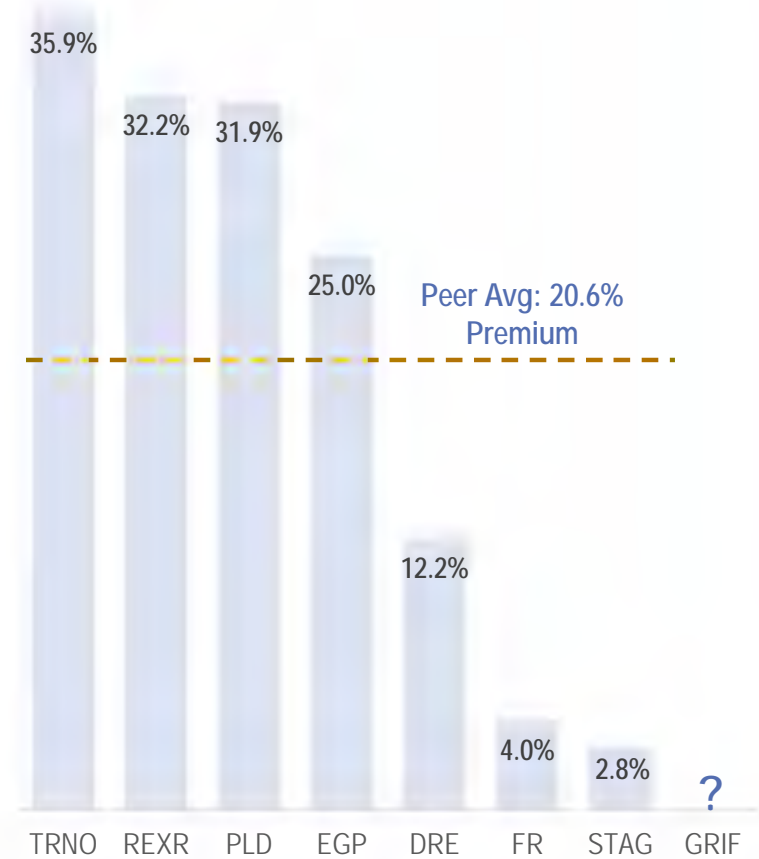
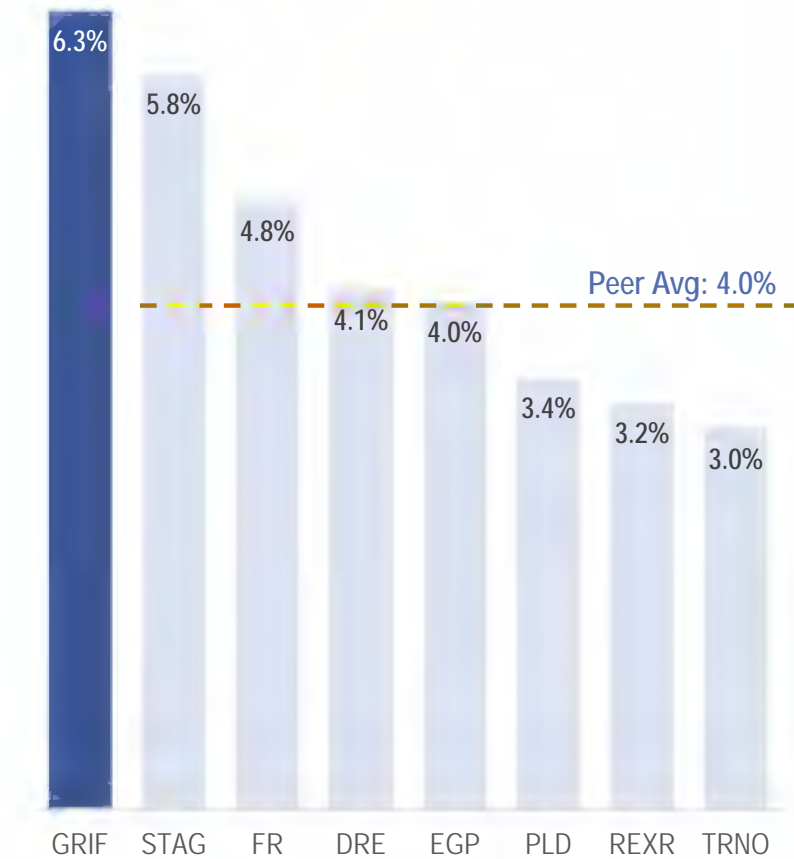


Source: 3-Year Factset data from November 6, 2017 through November 5, 2020. 1-Year Factset data from November 6, 2019 through November 5, 2020. Industrial REITs peer average in stock price indexation chart is comprised of the same industrial REIT peers listed in the total shareholder return chart at left.

# ...HOWEVER, GRIFFIN IS STILL VALUED AT A DISCOUNT TO PEERS

Implied Cap Rate <sup>(1)</sup>

Premium / (Discount) to NAV <sup>(2)</sup>



Note: See Appendix for calculation of Griffin implied Industrial Cap Rate.

1. Implied Cap Rate is per Citi Investment Banking estimates as of November 5, 2020.

2. Peer NAV Data per Green Street estimates, excluding STAG which represents FactSet consensus estimates as of November 6, 2020. Premium calculated against share price as of November 5, 2020.

# STRATEGIC INITIATIVES UNDERWAY TO ENHANCE SHAREHOLDER VALUE

*We are undertaking the following efforts to facilitate efficient access to the capital markets and to help drive growth in earnings and net asset value per share over the long term*



Increase liquidity /  
volume



Broaden  
shareholder base



Improve leverage  
metrics



Increase investor  
outreach & dialogue



Seek research  
coverage

## Changes to Corporate Structure

- Planned conversion to a REIT to become effective January 2021
- Changes to Board of Directors
  - ✓ New Chairman
  - ✓ Recent additions, including two female real estate CEOs
  - ✓ New outside investor (Conversant Capital, formerly Cambiar Management)
- Upcoming re-branding from Griffin Industrial Realty to new name (to be announced)
- Planned change of fiscal year end from November 30<sup>th</sup> to December 31<sup>st</sup>

## IR, Capital Raising & Investment Efforts

- Recent **private placement transaction with Conversant Capital in August**
- **Enhanced disclosure & communication**
  - ✓ Leasing releases
  - ✓ Earnings webcasts
  - ✓ Supplemental presentation
  - ✓ Investor materials
- **Outreach**
  - ✓ Investor Day
  - ✓ NAREIT & future conference participation
  - ✓ Investor property tours / meetings
  - ✓ Equity research coverage meetings

# INVESTMENT HIGHLIGHTS RECAP & CLOSING COMMENTS

# INVESTMENT HIGHLIGHTS RECAP & CLOSING COMMENTS



01 High Quality Portfolio & Tenancy

02 Well-Positioned in the Right Sector

03 Disciplined & Proven Investment Strategy

04 Significant Internal & External Growth Opportunities

05 Strategic Initiatives Underway to Enhance Shareholder Value



# APPENDIX

# COVID-19 UPDATE

# COVID-19 UPDATE

## Griffin's Portfolio Has Performed Well During the Pandemic to Date

### Portfolio Metrics Remain Healthy...

- In-Service, Stabilized Industrial Portfolio is 99.7% leased as of 8/31/20, 100 bps higher than the end of fiscal 2019 (pre-pandemic levels)
- Strong leasing interest and activity in recently repositioned Orlando asset (acquired <30% leased)

### ...But We Continue to Operate with Caution

- Proactive tenant outreach / ongoing discussions and active asset management

### Rent Collection, inclusive of Deferrals/Rent Relief

*99.0% or higher of rent has been collected each month during the COVID-19 pandemic since April*

### Rent Relief Update

- Agreements with **two tenants** for **rent relief aggregating approx. 0.5% of anticipated total annual rental revenue for the 2020 fiscal year**
  - Provided **rent relief to a subsidiary of a Fortune 500 company as a concession for an early 5-year renewal of approx. 131,000 SF**
  - Deferral agreement with one tenant occupying 20,000 SF; tenant is currently meeting its deferral obligations
- In September, an industrial tenant that leases 59,000 square feet in CT requested relief under its lease that expires on December 31<sup>st</sup> of this year
  - The relief was not granted; the tenant remains current on its rent
  - Lease will not be renewed, as Griffin previously entered into an agreement with the adjoining tenant to expand into that space

# CORE VALUES & ESG

# GRIFFIN'S CORE VALUES



## Diligence

We are driven by a focused strategy and guided by established criteria for success that creates value for employees, tenants, business partners and investors.



## Quality

We believe in creating modern, flexible and best-in-class properties that meet our tenants' needs. We carefully consider location, size, sustainability and market-appropriate building features. Our high standards of excellence power our growth and success.



## Agility

We believe that responsiveness and adaptability are critical in driving value. We are constantly seeking ways to innovate and improve efficiency and productivity.



## Trust

We rely on our relationships to support our vision and growth. We approach our business with unwavering integrity; we believe in the importance of collaboration and remaining true to our word.



# ESG: COMMITMENT TO DOING THE RIGHT THING

## For Our Tenants & For Our Community



98%

Of Industrial SF is Covered by LED or T-5 / T-8 Energy Efficient Lighting



100%

Of Industrial SF Built Since 2012 Features Clerestory Windows



100%

White Reflective Roof Decks in North Carolina and Florida Properties <sup>(1)</sup>



### Embracing Solar

Griffin has sold 280 acres for the purpose of being converted to solar farms with another 280 acres under agreement for solar use <sup>(2)</sup>



### Land Preservation

Hundreds of acres of owned land have been sold or donated for open space or preservation uses in Connecticut



### Water Conservation

Where possible, Griffin's buildings utilize low-flow plumbing fixtures as well as sensor flushes and sinks



### Waste Reduction

Griffin has implemented a single-stream recycling program for all tenants and staff

### Community Events & Sponsorships

Griffin has sponsored the Windsor, CT Bike MS ride to support the National Multiple Sclerosis Society since 1990, the Special Olympics Winter Games since 2016 and the New England Donor Services' Blue & Green Fun Run (5K) fundraiser for tissue and organ donation since 2015



**New England  
Donor Services**

*Organ and Tissue Donation*



**Special  
Olympics**



bike to  
create a world  
free of MS

*Protecting the environment & supporting the communities in which we live and work are paramount to Griffin and its employees*

1. Dark roofs reduce heating costs in cold weather climates and are preferable in warehouse locations without air-conditioning.
2. Dispositions remain subject to satisfactory completion of buyers' due diligence. There can be no assurances that the sale of land under agreement for solar use shown will be completed in the near-term, if at all.

# ESG: OUR CULTURE & GOVERNANCE

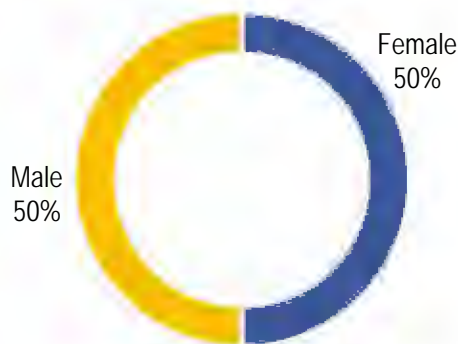
## Culture

Griffin is recognized for a culture that is based on *unwavering integrity, an entrepreneurial spirit, and collaboration*. We rely on our relationships to support our vision and growth, and we believe in *the importance of remaining true to our word*.



### Gender Diversity

#### Corporate Headcount



### Employee Tenure

# 14 years

Average tenure of our workforce

*We believe our culture supports our employees and creates a positive environment that encourages team members to build long-term career paths at Griffin.*

## Governance

Our *Code of Business Conduct and Ethics* reflects our commitment to the highest standards of integrity, transparency and accountability. The Code offers an *Ethics Hotline* in addition to a moral framework for our operations and business decisions, applicable to our directors, officers and employees.

### Shareholder Rights

- ✓ Majority vote standard for M&A, charter amendments and bylaw amendments
- ✓ Right to act by written consent
- ✓ No poison pill
- ✓ Not a controlled company
- ✓ No classified board
- ✓ No employment contracts

### Board Committee Composition

- ✓ 100% Independent Audit Committee
- ✓ 100% Independent Nominating Committee
- ✓ 100% Independent Compensation Committee



Note: Corporate headcount and tenure includes all employees except for maintenance and landscaping staff.

# CAPITALIZATION, LEVERAGE & IMPLIED CAP RATE METRICS

# DEBT SUMMARY & LIQUIDITY PROFILE

## Debt Summary as of 8/31/2020 (\$000s)

	Capacity	Amount Outstanding	Weighted Average Rate	Weighted Average Maturity <sup>(1)</sup>
Debt				
Mortgages	N/A	\$164,423	4.19%	5/2028
Revolving Credit Facility	\$19,500	\$0	L + 2.50%	9/2021
Acquisition Credit Facility	\$15,000	\$0	L + 2.75%	9/2021
<b>Total</b>	<b>\$34,500</b>	<b>\$164,423</b>		

## Liquidity as of 8/31/2020 (\$000s)

Cash & Cash Equivalents	\$27,767
Revolver Capacity	\$19,500
Acquisition Facility Capacity	\$15,000
<b>Total Liquidity</b>	<b>\$62,267</b>

### Other Potential Sources of Liquidity <sup>(3)</sup>

ATM Facility	\$30,000
Office Dispositions Under Agreement <sup>(3)</sup>	\$7,650
Land Sites Under Agreement for Sale <sup>(3)</sup>	\$12,004

## Debt Maturity Schedule as of 8/31/2020 (\$000s) <sup>(2)</sup>



1. Revolver and Acquisition facilities may be extended to September 2022 at Griffin's option.

2. Does not show the impact of mortgage amortization. Based on mortgage and revolving facility balances as of August 31, 2020. Mortgage loan due in 2022 will be repaid with the proceeds from the sale of 5 & 7 Waterside Crossing.

3. Office dispositions reflect agreements to sell 5 & 7 Waterside Crossing and 55 Griffin Road South, which remain subject to satisfactory completion of buyers' due diligence. There can be no assurances that the office buildings or land sales for expected proceeds shown will be completed in the near-term, if at all.

# LEVERAGE METRICS

## Leverage Metrics (\$ in 000s)

**35%**

Debt / Total  
Enterprise Value <sup>(1)</sup>

**6.6x**

Debt / LQA Cash  
Leasing NOI

**7.8x**

Debt / Q3 Adjusted EBITDA  
(Last Quarter Annualized)

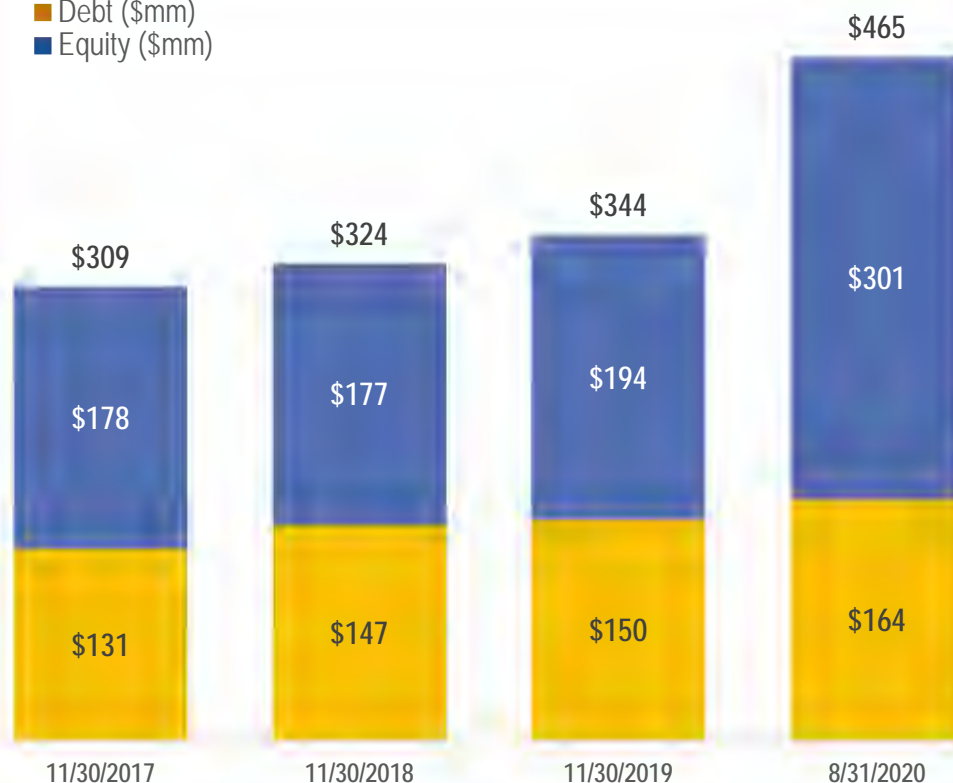
Q3 2020 Cash Leasing NOI	\$6,234
Last Quarter Annualized	\$24,936
Q3 2020 Adjusted EBITDA	\$5,281
Last Quarter Annualized	\$21,124

## Decreasing Debt As a % of Total Enterprise Value

42%  35%

*Debt / Total Enterprise Value*

■ Debt (\$mm)  
■ Equity (\$mm)



Note: See Appendix for definition of Non-GAAP measures such as Adjusted EBITDA and Cash Leasing NOI. Last Quarter Annualized calculations are Q3 numbers multiplied by four.

1. Based on share price as of November 5, 2020 of \$52.99 per share. Debt amount used in this calculation is not net of cash.



# GRIFFIN IMPLIED INDUSTRIAL CAP RATE BREAKDOWN

\$ in 000s

Total Mortgage Debt	\$164,423	Shares Outstanding	5,657,302
Cash & Cash Equivalents	(\$27,767)	Share Price as of 11/5/20	\$52.99
Total Net Debt	\$136,656	Equity Market Capitalization	\$299,780

Market value of land is considerably higher (see components of land in NAV on slide 56)

**\$436,436**  
Total Enterprise Value

Land Under Agreement for Sale <sup>(1)</sup>	\$12,004	Office Under Agreement for Sale <sup>(1)</sup>	\$7,650
Remaining Undeveloped Land at Net Book Value	\$8,239	Remaining Office / Flex at Net Book Value	\$9,110
Buildings Under Construction at Net Book Value	\$10,543	Office Values to be Subtracted	\$16,760
Land Values to be Subtracted	\$30,786		

**\$388,890**  
Implied Industrial Building Value

6.3%  
Implied  
Cap Rate

$$\begin{aligned}
 & \left[ \begin{array}{l} \$5,497 \\ \text{Q3 Cash Leasing NOI} \\ \text{from Industrial Properties} \end{array} + \begin{array}{l} \$357 \\ \text{Free Rent Impacting Q3 which} \\ \text{will Burn Off in Future Periods}^{(2)} \end{array} + \begin{array}{l} \$293 \\ \text{Estimated Stabilization to 95\%} \\ \text{Occupancy at 160 \& 180 International and} \\ \text{170 Sunport}^{(3)} \end{array} \right] \times 4 = \begin{array}{l} \$24,588 \\ \text{LQA Q3 Cash Leasing} \\ \text{NOI with Adjustments} \end{array}
 \end{aligned}$$

Note: Data as of 8/31/2020.

- Dispositions remain subject to satisfactory completion of buyers' due diligence. There can be no assurances that the office buildings or land sales for expected proceeds shown will be completed in the near-term, if at all.
- Foregone revenue as a result of rent abatement provisions (free rent) in the respective leases is not included in the LQA Cash Leasing NOI numbers. Free rent includes value of abated base rent at the following properties during the quarter: 20 International Drive (CT), 75 International Drive (CT), 4270 Fritch Drive (PA), 6975 Ambassador Drive (PA) and 160 International Drive (NC).
- Lease up of remaining vacancy to 95% occupancy at 160 & 180 International Drive in Charlotte and 170 Sunport Lane in Orlando could add an additional \$1.2 million in annualized NOI, assuming market rents of \$5.00 PSF in Charlotte and \$7.25 PSF in Orlando. Leasing activity for current vacancies at these assumed rents, or at all, cannot be guaranteed.

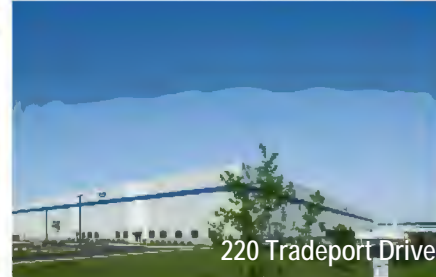
# MARKET OVERVIEWS & TARGET MARKETS

# GRIFFIN'S HARTFORD INDUSTRIAL PORTFOLIO

New England Tradeport Map



Hartford Building Photos



220 Tradeport Drive



75 International Drive



100 International Drive



330 Stone Road

Representative Hartford Tenancy



Hartford Portfolio Statistics

2.1M

Square feet

114K

Avg. building size

5.3

Years of Weighted  
Avg. Lease Term

\$5.97

ABR per leased SF

# GRIFFIN'S NEW ENGLAND TRADEPORT ("NETP")

NETP is one the leading industrial parks in New England with 4.0 million total square feet  
(1.8 million owned by Griffin)



600-acre, master-planned industrial park developed by Griffin. 15 of Griffin's 18 Hartford Industrial Assets are in NETP

Griffin owns two entitled / planned sites totaling 482,000 SF plus two possible building expansions totaling 200,000 SF

NETP provides easy access to Bradley Int'l Airport and the I-91, I-84 and I-90 corridors and is a federally-approved Foreign Trade Zone.

NETP is home to some of America's top companies, including Dollar Tree, Walgreens, Domino's, Eaton, FedEx, Wayfair, Pepsi, Ford, Tesla/Solar City, UPS and Tire Rack.



# GRIFFIN'S LEHIGH VALLEY INDUSTRIAL PORTFOLIO

## Lehigh Valley Property Map



## Representative Lehigh Valley Tenancy



## Lehigh Valley Building Photos



## Lehigh Valley Portfolio Statistics

1.3M	219K
Square feet	Avg. building size
306K	
SF development pipeline	
3.6	\$5.98
Years of Weighted Avg. Lease Term	ABR per leased SF

# LEHIGH VALLEY DEVELOPMENTS IN PROGRESS

## Chapmans Road (Under Construction)



- 103,000 SF single building under construction
- Expected completion in Q3 2021

## American Parkway (Under Agreement) <sup>(1)</sup>



- 203,000 SF single building proposed – land is under agreement and subject to completion of diligence and approvals
- Expected completion in Q2 2022



# GRIFFIN'S CHARLOTTE INDUSTRIAL PORTFOLIO

Charlotte Property Map



Charlotte Building Photos



Charlotte Tenancy



Charlotte Portfolio Statistics

0.6M

Square feet

187K

Avg. building size

520K

SF development  
pipeline

3.1

Years of  
Weighted Avg.  
Lease Term

\$5.01

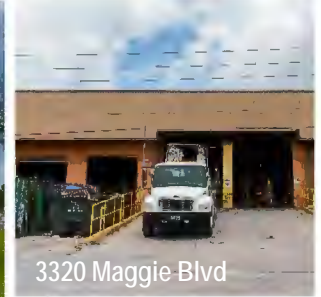
ABR per leased SF

# GRIFFIN'S ORLANDO INDUSTRIAL PORTFOLIO

## Orlando Property Map



## Orlando Building Photos



## Orlando Tenancy



## Orlando Portfolio Statistics

**0.3M**  
Square feet

**92K**  
Avg. building size

**5.1**  
Years of  
Weighted Avg.  
Lease Term

**195K**  
SF development  
pipeline

**\$5.09**  
ABR per leased SF



# CHARLOTTE & ORLANDO DEVELOPMENTS IN PROGRESS

Charlotte: Old Statesville Road (Entitled)



- 520,000 SF entitled across 3 buildings, but evaluating alternative site plans, including one for 2 larger buildings

Orlando: Jetport (Under Agreement)<sup>(1)</sup>



- 195,000 SF planned across 2 buildings
- Expected completion in Q1 2022

# DEFINITIONS & NON-GAAP RECONCILIATIONS

# DEFINITIONS & NON-GAAP RECONCILIATIONS

## PORTFOLIO METRICS

### Annualized Base Rent ("ABR")

Represents monthly in-place base rent for each individual lease as of August 31, 2020, annualized. Excludes any impact of free rent. For leases which are currently in rent abatement periods, annualized base rent will show the annualized rent for the month of the commencement of rent payments.

### In-Service Properties

All current properties / buildings owned by Griffin, including those which have been acquired or developed. In-Service Properties do not include those which are currently under development.

### Stabilized In-Service Properties

In-Service properties / buildings are considered "Stabilized" if they have either (a) reached 90.0% leased or (b) have exceeded 12 months since their development completion or acquisition date, whichever is earlier.

### Unstabilized In-Service Properties

In-Service properties / buildings are considered "Unstabilized" if they are either (a) less than 90.0% leased or (b) have not been owned or completed (in the case of developments) for the entire prior 12-month period.

### Percentage Leased

Represents percentage of square footage of executed leases, regardless of whether or not the leases have commenced.

### Leasing NOI

Griffin defines Leasing NOI as rental revenue (calculated in accordance with GAAP) less operating expenses of rental properties.

### Cash Leasing NOI

Griffin defines Cash Leasing NOI as Leasing NOI less non-cash components of rental revenue, including straight-line rent adjustments.

### Non-GAAP Reconciliation of Net (Loss) Income to Leasing NOI and Cash Leasing NOI, and Industrial Portfolio Component of Cash Leasing NOI

(\$ in 000s)	For the 3 Months Ended		For the 9 Months Ended		For the FY Ended				
	8/31/2020	8/31/2019	8/31/2020	8/31/2019	11/30/2019	11/30/2018	11/30/2017	11/30/2016	11/30/2015
<b>Net (Loss) Income</b>	<b>(\$641)</b>	<b>\$1,017</b>	<b>(\$1,654)</b>	<b>\$6,250</b>	<b>\$3,668</b>	<b>(\$1,653)</b>	<b>\$4,627</b>	<b>\$576</b>	<b>\$425</b>
Income Tax (Benefit) Provision	(\$291)	(\$814)	(\$562)	\$689	(\$213)	\$505	\$2,673	\$735	\$380
Investment Income	(\$3)	(\$61)	(\$31)	(\$242)	(\$264)	(\$151)	(\$93)	(\$107)	(\$161)
Interest Expense	\$1,776	\$1,508	\$5,467	\$4,776	\$6,408	\$6,270	\$5,690	\$4,545	\$3,670
Change in Fair Value of Financial Instruments	\$414	—	\$414	—	—	—	—	—	—
Gain on Insurance Recovery	—	—	—	(\$126)	(\$126)	—	—	—	—
Gain on Sale of Common Stock of Centaur Media plc & Other	—	—	—	—	—	—	(\$275)	(\$122)	—
Impairment Loss	—	—	—	—	\$3,100	—	—	—	—
Costs Related to Property Sales	\$129	\$176	\$314	\$1,999	\$1,999	\$144	\$3,780	\$810	\$634
Depreciation and Amortization Expense	\$3,594	\$2,925	\$10,188	\$8,806	\$11,801	\$11,404	\$10,064	\$8,797	\$7,668
General and Administrative Expenses	\$2,290	\$1,668	\$6,785	\$5,567	\$7,677	\$7,749	\$8,552	\$7,367	\$7,057
Revenue from Property Sales	(\$288)	(\$302)	(\$1,139)	(\$9,828)	(\$9,828)	(\$1,023)	(\$13,945)	(\$4,364)	(\$3,483)
<b>Leasing NOI</b>	<b>\$6,980</b>	<b>\$6,117</b>	<b>\$19,782</b>	<b>\$17,891</b>	<b>\$24,222</b>	<b>\$23,245</b>	<b>\$21,073</b>	<b>\$18,237</b>	<b>\$16,190</b>
Non-cash Rental Revenue Including Straight-line Rents	(\$746)	(\$321)	(\$1,798)	(\$1,329)	(\$1,567)	(\$1,669)	(\$2,097)	(\$1,596)	(\$2,112)
<b>Cash Leasing NOI</b>	<b>\$6,234</b>	<b>\$5,796</b>	<b>\$17,984</b>	<b>\$16,562</b>	<b>\$22,655</b>	<b>\$21,576</b>	<b>\$18,976</b>	<b>\$16,641</b>	<b>\$14,078</b>
Industrial Component	\$5,497	\$5,029	\$16,015	\$14,451	\$19,729	\$18,347	\$15,846	\$12,623	\$9,787
Office & Land Lease Component	\$737	\$767	\$1,969	\$2,111	\$2,926	\$3,229	\$3,130	\$4,018	\$4,291

# DEFINITIONS & NON-GAAP RECONCILIATIONS

## SAME PROPERTY PORTFOLIO METRICS

### Same Property Portfolio

Griffin considers properties to be included in the Same Property Portfolio if they were owned and part of the Stabilized In-Service portfolio during the entire current and prior year reporting periods. Properties developed or acquired are excluded until held in the Stabilized In-Service portfolio for both the current and prior year reporting periods. Properties sold during the current or prior year reporting periods are excluded.

- The Same Property Portfolio for the **Trailing Twelve Months ending August 31, 2020** includes properties which were included in the Stabilized In-Service portfolio for the entire period from September 1, 2018 through August 31, 2020.
- The Same Property Portfolio for the **Nine Months ending August 31, 2020** includes properties which were included in the Stabilized In-Service portfolio for the entire period from December 1, 2018 through August 31, 2020.
- The Same Property Portfolio for the **Quarter ending August 31, 2020** includes properties which were included in the Stabilized In-Service portfolio for the entire period from June 1, 2019 through August 31, 2020.

### Same Property Leasing NOI ("SPNOI") - Cash Basis

Griffin defines SPNOI - Cash Basis as Cash Leasing NOI only for properties included in the Same Property Portfolio pool for the reporting period.

### Non-GAAP Reconciliation of Net (Loss) Income to SPNOI - Cash Basis

(\$ in 000s)

	For the Three Months Ended		For the Nine Months Ended		For the Trailing Twelve Months Ended	
	8/31/2020	8/31/2019	8/31/2020	8/31/2019	8/31/2020	8/31/2019
<b>Net (Loss) Income</b>	<b>(\$641)</b>	<b>\$1,017</b>	<b>(\$1,654)</b>	<b>\$6,250</b>	<b>(\$4,236)</b>	<b>\$6,111</b>
Income Tax (Benefit) Provision	(\$291)	(\$814)	(\$562)	\$689	(\$1,464)	\$461
Investment Income	(\$3)	(\$61)	(\$31)	(\$242)	(\$53)	(\$318)
Interest Expense	\$1,776	\$1,508	\$5,467	\$4,776	\$7,099	\$6,480
Change in Fair Value of Financial Instruments	\$414	—	\$414	—	\$414	—
Gain on Insurance Recovery	—	—	—	(\$126)	—	(\$126)
Impairment Loss	—	—	—	—	\$3,100	—
Costs Related to Property Sales	\$129	\$176	\$314	\$1,999	\$314	\$1,999
Depreciation and Amortization Expense	\$3,594	\$2,925	\$10,188	\$8,806	\$13,183	\$11,760
General and Administrative Expenses	\$2,290	\$1,668	\$6,785	\$5,567	\$8,895	\$7,501
Revenue from Property Sales	(\$288)	(\$302)	(\$1,139)	(\$9,828)	(\$1,139)	(\$9,828)
<b>Leasing NOI</b>	<b>\$6,980</b>	<b>\$6,117</b>	<b>\$19,782</b>	<b>\$17,891</b>	<b>\$26,113</b>	<b>\$24,040</b>
Non-cash Rental Revenue Including Straight-line Rents	(\$746)	(\$321)	(\$1,798)	(\$1,329)	(\$2,046)	(\$1,973)
<b>Cash Leasing NOI</b>	<b>\$6,234</b>	<b>\$5,796</b>	<b>\$17,984</b>	<b>\$16,562</b>	<b>\$24,067</b>	<b>\$22,067</b>
Cash Leasing NOI from Acquisitions & Developments During the Same Property Period	(\$408)	\$56	(\$681)	\$186	(\$723)	\$204
Cash Leasing NOI from Property Dispositions During the Same Property Period	—	—	—	—	—	—
<b>Same Property Leasing NOI ("SPNOI") - Cash Basis</b>	<b>\$5,826</b>	<b>\$5,852</b>	<b>\$17,303</b>	<b>\$16,748</b>	<b>\$23,344</b>	<b>\$22,271</b>
Same Property Cash Leasing NOI from Office Properties	(\$495)	(\$556)	(\$1,256)	(\$1,543)	(\$1,797)	(\$2,092)
Same Property Cash Leasing NOI from Land	(\$246)	(\$211)	(\$713)	(\$567)	(\$992)	(\$795)
<b>Industrial Same Property Leasing NOI ("SPNOI") - Cash Basis</b>	<b>\$5,085</b>	<b>\$5,085</b>	<b>\$15,333</b>	<b>\$14,638</b>	<b>\$20,554</b>	<b>\$19,384</b>
<b>Industrial SPNOI - Cash Basis Year over Year Growth</b>	<b>0.0%</b>		<b>4.8%</b>		<b>6.0%</b>	



# DEFINITIONS & NON-GAAP RECONCILIATIONS

## ADJUSTED EBITDA METRICS

### Adjusted Earnings Before Interest Taxes Depreciation and Amortization for Real Estate ("Adjusted EBITDA")

Griffin defines Adjusted EBITDA as: GAAP Net Income plus (a) interest expense, (b) income tax expense, (c) depreciation and amortization, plus or minus (d) losses and gains on the disposition of property, including losses/gains on change of control, plus (e) impairment write-downs of depreciated property, (f) G&A related to REIT Conversion and Related Expenses, (g) non-cash compensation expenses in G&A, which include stock-based compensation and expenses or credits related to the performance of the non-qualified savings plan, (h) change in fair value of financial instruments, and (i) gains or losses on the extinguishment of debt or derivative instruments.

### Non-GAAP Reconciliation of Net (Loss) Income to Adjusted EBITDA

(\$ in 000s)

	For the Three Months Ended		For the Nine Months Ended	
	8/31/2020	8/31/2019	8/31/2020	8/31/2019
<b>Net (Loss) Income</b>	<b>(\$641)</b>	<b>\$1,017</b>	<b>(\$1,654)</b>	<b>\$6,250</b>
Interest Expense	\$1,776	\$1,508	\$5,467	\$4,776
Depreciation and Amortization	\$3,594	\$2,925	\$10,188	\$8,806
Gains on Sales of Properties & Land	(\$159)	(\$126)	(\$825)	(\$7,829)
Income Tax (Benefit) Provision	(\$291)	(\$814)	(\$562)	\$689
G&A Expenses Related to REIT Conversion Costs and Strategic Growth Initiatives	\$107	—	\$751	—
Non-Cash Compensation Expenses in G&A	\$481	\$155	\$597	\$385
Change in Fair Value of Financial Instruments	\$414	—	\$414	—
<b>Adjusted EBITDA</b>	<b>\$5,281</b>	<b>\$4,665</b>	<b>\$14,376</b>	<b>\$13,077</b>
<i>Growth over prior year period</i>	13.2%	—	9.9%	—

## LEASING ACTIVITY METRICS

Note: All leasing activity calculations exclude leases with terms less than 12 months and leases for first generation space on properties acquired or developed by Griffin.

### Annualized Rent (Cash Basis)

Griffin defines this as the first monthly cash base rent payment due under the new lease x 12 or the last monthly cash base rent payment due under the prior lease x 12.

### Annualized Rent (Straight Line Basis)

Griffin defines this as the average annual base rental payments on a straight-line basis for the term of the lease including free rent periods.

### Weighted Average Rent Growth

Griffin defines this as the % change of annualized rental rates between the previous leases and the current leases.

### Tenant Retention

Griffin calculates Tenant Retention as: (Total industrial leases renewed or extended) ÷ (Total industrial leases renewed or extended + Total industrial leases that expired and were not renewed) during the period shown.

# DEFINITIONS & NON-GAAP RECONCILIATIONS

## DEVELOPMENT METRICS

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### Total Costs

Includes land, land improvements, building & building improvements as well as tenant improvements paid to date.

### In-Place Cash Yield

Calculated as Q3 2020 Cash Leasing NOI for selected properties on an annualized basis (multiplied by four), divided by Total Costs for the same selected properties.

### Anticipated Stabilized Cash Leasing NOI from Completed Developments

Defined as Q3 2020 Cash Leasing NOI for selected properties on an annualized basis (multiplied by four), and includes additional adjustments to gross up for the value of abated rent during the quarter at 160 International Drive (Charlotte), as well as anticipated lease up of remaining vacancy to 95% leased at 160 International Drive (Charlotte) and 180 International Drive (Charlotte) at assumed market rents of \$5.00 PSF NNN. Cumulatively, these adjustments add an additional \$1.1 million in annualized Cash Leasing NOI from completed developments shown on slide 17. Leasing activity for current vacancies at these assumed rents, or at all, cannot be guaranteed.

### Expected Stabilized Cash Yield

Calculated as: (Anticipated Stabilized Cash Leasing NOI from Completed Developments) ÷ (Total Costs for selected properties + anticipated additional Tenant Improvement costs in order to complete the adjustments for stabilized lease up of selected properties).

### Development Margin

Calculated as: (Estimated Stabilized Cash Yield – Estimated Market Cap Rate) ÷ (Estimated Market Cap Rate).

# DEFINITIONS & NON-GAAP RECONCILIATIONS

## OTHER

### Last Quarter Annualized ("LOA")

Griffin defines last quarter annualized as the last quarter's metric multiplied by four.

### Net Debt

Griffin defines net debt as total reported debt at face value, less cash & cash equivalents as of the ending date of the period shown.

### Free Rent

Griffin defines Free Rent as foregone revenue as a result of rent abatement agreements. Free rent is not included in Cash Leasing NOI and, as such, Griffin shows an adjustment for free rent burn-off in Cash Leasing NOI and LOA Cash Leasing NOI numbers on slide 25 to approximate what Cash Leasing NOI may look like in the selected portfolio once rent abatement periods within that portfolio are completed. During fiscal Q3, Griffin had instances of foregone revenue as a result of rent abatement agreements, or free rent, at the following properties: 20 International Drive (CT), 75 International Drive (CT), 4270 Fritch Drive (PA), 6975 Ambassador Drive (PA) and 160 International Drive (NC).

### Embedded Industrial Cash Leasing NOI Growth ("Embedded Growth")

Griffin defines Embedded Industrial Cash Leasing NOI Growth as anticipated incremental Cash Leasing NOI within its existing industrial portfolio and industrial development pipeline, shown on an annualized basis. Griffin's Embedded Industrial Cash Leasing NOI Growth as of 8/31/20, on an annualized basis, is estimated to be approximately \$9.0 million and is comprised of the following factors:

- **Estimated Lease Escalations:** Griffin approximates that the weighted average base rental rate contractual escalation across its industrial portfolio for leases in-place as of August 31, 2020 is approximately 2.25% over the course of the next twelve months. Embedded Industrial Cash Leasing NOI Growth includes \$0.5 million from Estimated Lease Escalations, to reflect an increase of 2.25% on LOA Cash Leasing NOI from industrial properties of \$22.0 million.
- **Free Rent Burn Off:** As noted above, during fiscal Q3, Griffin had instances of foregone revenue as a result of rent abatement provisions (free rent) in the respective leases at the following properties: 20 International Drive (CT), 75 International Drive (CT), 4270 Fritch Drive (PA), 6975 Ambassador Drive (PA) and 160 International Drive (NC). Embedded Industrial Cash Leasing NOI Growth includes \$1.4 million from Free Rent Burn Off, to reflect the amount of rent in abatement during the third quarter's Cash Leasing NOI from industrial properties on an annualized basis.
- **Estimated Stabilization Adjustments for Recent Developments & Acquisitions:** Lease up of remaining vacancy to 95% occupancy at 160 & 180 International Drive in Charlotte and 170 Sunport Lane in Orlando could add an additional \$1.2 million in annualized Cash Leasing NOI, assuming market rents of \$5.00 PSF NNN in Charlotte and assuming market rents of \$7.25 PSF NNN in Orlando. This \$1.2 million is included in Embedded Industrial Cash Leasing NOI Growth. Leasing activity for current vacancies at these assumed rents, or at all, cannot be guaranteed.
- **Anticipated Completion and Stabilization of Owned Developments:** Assumes completion of 3 buildings in Charlotte totaling 520,000 SF, leased at assumed market rents of \$5.00 PSF NNN and assumes completion of a 103,000 SF building in the Lehigh Valley, leased at assumed market rents of \$6.75 PSF NNN. The completion of these developments and leasing activity for these developments at these assumed rents, or at all, cannot be guaranteed. These assumption contribute \$3.3 million to Embedded Industrial Cash Leasing NOI Growth.
- **Anticipated Completion and Stabilization of Developments Under Agreement:** Assumes acquisition of land for development and completion of the development of two buildings in Orlando totaling 195,000 SF leased at assumed market rents of \$6.50 PSF NNN. Also assumes acquisition of land for development and completion of the development of one 203,000 SF building in the Lehigh Valley leased at assumed market rents of \$6.65 PSF NNN. The acquisition of the land in Griffin's pipeline for development, the completion of these developments and leasing activity for these developments at these assumed rents, or at all, cannot be guaranteed. These assumption contribute \$2.6 million to Embedded Industrial Cash Leasing NOI Growth.