

Building Together

Q1 QUARTERLY REPORT
March 31, 2025



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MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION FOR THE THREE MONTHS ENDED MARCH 31, 2025

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") of the consolidated financial condition and financial performance of Crombie Real Estate Investment Trust ("Crombie") should be read in conjunction with Crombie's interim condensed consolidated financial statements ("financial statements") as at and for the three months ended March 31, 2025 and 2024. This MD&A should also be read in conjunction with Crombie's audited consolidated financial statements as at and for the years ended December 31, 2024 and 2023.

Except for per Unit, gross leasable area ("GLA") and square footage ("sq. ft.") amounts, and where otherwise noted, all amounts in this MD&A are reported in thousands of Canadian dollars.

The information contained in the MD&A, including forward-looking statements, is based on information available to management as at May 7, 2025, except as otherwise noted.

Additional information relating to Crombie, including its latest Annual Information Form, can be found on the SEDAR+ website for Canadian regulatory filings at www.sedarplus.ca.

For definitions of certain acronyms and specialized terms used in this document, refer to the "Glossary of Terms" on page 7.

FOOTNOTES

(*) NON-GAAP FINANCIAL MEASURES

Some of the financial measures provided in this document are non-GAAP financial measures that have no standardized meaning under International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and therefore may not be comparable to similar measures presented by other companies. See "Non-GAAP Financial Measures", starting on page 60, for more information on Crombie's non-GAAP financial measures and reconciliations thereof.

FORWARD-LOOKING STATEMENTS

Some of the information provided in this document is forward-looking and therefore could change over time to reflect changes in the environment in which Crombie operates and competes. See "Forward-looking Information", starting on page 65, for more information.

STRATEGY: DISCIPLINED GROWTH, ENDURING VALUE

Building Together

Crombie creates lasting value for Unitholders through a disciplined strategy built on two interlocking pillars: **Value Creation** and **Solid Foundation**. These pillars guide every decision, enabling us to grow cash flow, enhance portfolio value, and build a platform designed for long-term success.

VALUE CREATION



Own & Operate
What we own and how we operate



Optimize
Maximize the value of our assets through major and non-major development



Partner
Strategically unlock value through partnerships

SOLID FOUNDATION



Financial Strength
Prioritizing cash flow growth and disciplined allocation of capital



ESG
Further embedding ESG principles into our business strategy, culture, and values



People & Culture
Attracting, retaining, and developing top talent across the organization

Near-term Priorities

- Deliver consistent growth in same-asset property cash NOI and AFFO.
- Optimize our existing assets through a balanced approach to both non-major development and major development, leveraging partnerships to unlock embedded value.
- Maintain superior financial condition while responsibly allocating capital.



Enriching communities by building spaces that drive value today and leave a positive impact on tomorrow

CONNECTING COMMUNITIES ACROSS CANADA

Purpose-driven, results-oriented

Results for the three months ended March 31, 2025:

SCALE

303

properties⁽¹⁾

\$5.9B

fair value^{(2) (3)}

18.8M

sq. ft. of GLA⁽²⁾

STABILITY

97.1%

committed occupancy

82.0%

of annual minimum rent ("AMR")
generated from necessity-based retailers
inclusive of retail-related industrial

8.4 year

weighted average lease term
("WALT")

OPERATIONAL EXCELLENCE

3.5%

property revenue growth

3.2%

same-asset property cash
NOI growth^{(3) (4)}

3.8%

AFFO per unit growth^{(3) (4)}



(1) Inclusive of properties owned in joint ventures.

(2) Inclusive of joint ventures at Crombie's share.

(3) Non-GAAP financial measures used by management to evaluate Crombie's business performance. See "Non-GAAP Financial Measures", starting on page 60, for more information on Crombie's non-GAAP financial measures and reconciliations thereof.

(4) Refer to "Financial Performance Review", starting on page 23, for the calculation of these metrics.

KEY PERFORMANCE INDICATORS

The following table highlights the key metrics Crombie uses to measure its performance. Discussion of the primary factors influencing these metrics can be found on the following pages.

(*) See “Non-GAAP Financial Measures”, starting on page 60, for more information on Crombie’s non-GAAP financial measures and reconciliations thereof.

	Q1 2025	Q1 2024	% Change
Financial Metrics (in thousands except GLA and per Unit amounts)			
Property revenue	\$122,735	\$118,609	+3.5 %
Revenue from management and development services	\$1,078	\$749	+43.9 %
Operating Income attributable to Unitholders	\$23,992	\$26,205	-8.4 %
Net property income ^(*)	\$77,166	\$73,641	+4.8 %
Same-asset property cash NOI ^(*)	\$80,733	\$78,244	+3.2 %
FFO ^(*) per Unit	\$0.30	\$0.30	— %
FFO ^(*) payout ratio	73.9 %	73.6 %	+0.3 %
AFFO ^(*) per Unit	\$0.27	\$0.26	+3.8 %
AFFO ^(*) payout ratio	84.0 %	86.1 %	-2.1 %
Financial Condition Metrics			
Debt to trailing 12 months adjusted EBITDA ^(*) (“D/EBITDA”)	7.95x	7.97x	-0.02x
Interest coverage ratio ^(*)	3.22x	3.23x	-0.01x
Debt to gross fair value ^(*) (“D/GFV”)	43.6 %	42.9 %	+0.7 %
Available liquidity – underutilized credit facilities	\$695,843	\$736,990	-5.6 %
Operational Metrics - Commercial			
Renewal spreads	10.0 %	10.1 %	-0.1 %
Committed occupancy	97.1 %	96.2 %	+0.9 %
Economic occupancy	96.5 %	95.7 %	+0.8 %



“This quarter’s results reflect the clarity and consistency of our strategy and the operational discipline of our team. Crombie’s combination of strategic focus, operational strength, and financial discipline positions us well to continue delivering consistent performance and long-term value for our Unitholders.”

— **Mark Holly,**
President and CEO.

KEY HIGHLIGHTS — FIRST QUARTER 2025

(Compared to the same quarter from the prior year unless otherwise indicated)

Financial Highlights

- **3.5% growth in property revenue** was primarily due to higher revenue from the acquisition of the remaining 50% interest in the Davie Street residential property in the fourth quarter of 2024.
- **43.9% increase in revenue from management and development services** was driven by increased development fees from joint ventures.
- **8.4% decrease in operating income attributable to Unitholders** was primarily due to increased depreciation and amortization as a result of acquisitions and accelerated depreciation on a property scheduled for redevelopment; an increase in general and administrative expenses driven by higher salaries and benefits from new hires, increased employee transition costs, and higher Unit price; and higher interest expense from the net issuance of senior unsecured notes. This was offset in part by growth in property revenue, primarily from the acquisition of the remaining 50% interest in the Davie Street residential property in the fourth quarter of 2024.
- **4.8% increase in net property income^(*)** was primarily driven by growth in property revenue from the acquisition of the remaining 50% interest in the Davie Street residential property in the fourth quarter of 2024.
- **3.2% growth in same-asset property cash NOI^(*)** was primarily driven by increased property revenue from renewals, contractual rent step-ups, and new leasing.
- **FFO^(*) per Unit was flat** compared to last year.
- **FFO^(*) payout ratio was 73.9%** compared to 73.6% in the prior year. The increase was primarily due to higher distributions resulting from additional Units issued under Crombie's distribution reinvestment plan ("DRIP"); increased general and administrative expenses primarily due to higher salaries and benefits from new hires, increased employee transition costs, and an improvement in Unit price; and higher interest expense from the net issuance of senior unsecured notes. This was offset in part by growth in property revenue, mainly from the acquisition of the remaining 50% interest in the Davie Street residential property in the fourth quarter of 2024.
- **3.8% increase in AFFO^(*) per Unit** was primarily due to growth in property revenue, mainly from the acquisition of the remaining 50% interest in the Davie Street residential property in the fourth quarter of 2024. This was offset in part by increased general and administrative expenses primarily due to higher salaries and benefits from new hires, increased employee transition costs, and an improvement in Unit price, and by higher interest expense from the net issuance of senior unsecured notes.
- **AFFO^(*) payout ratio was 84.0%** compared to 86.1% in the prior year due to items affecting AFFO per Unit, as discussed above, offset in part by higher distributions resulting from additional Units issued under the DRIP.

Financial Condition Highlights

- **The improvement in the D/EBITDA^(*) ratio (7.95x vs. 7.97x)** was due to increased trailing adjusted EBITDA, resulting primarily from growth in property revenue from the acquisition of the remaining 50% interest in the Davie Street residential property in the fourth quarter of 2024, and increased revenue from management and development services. Reduced general and administrative expenses over the trailing 12 months further contributed to the increase in adjusted EBITDA, offset in part by lower income from equity-accounted investments resulting from the sale of land at Crombie's Opal Ridge joint venture in 2023. The improvement in the ratio was partially offset by higher outstanding debt compared to the first quarter of 2024, primarily from the net issuance of senior unsecured notes in 2024.
- **Interest coverage ratio^(*) was 3.22x, a decrease of 0.01x**, driven by increased interest on senior unsecured notes due to the net issuances in 2024. This was partially offset by improved adjusted EBITDA, primarily due to higher property revenue from the acquisition of the remaining 50% interest in the Davie Street residential property in the fourth quarter of 2024 and reduced interest on credit facilities.
- **D/GFV^(*) increased to 43.6%** from 42.9% in the first quarter of 2024 due to the net issuance of senior unsecured notes in 2024, and higher outstanding balances of mortgage and credit facilities, primarily resulting from the acquisition of the remaining 50% interest in the Davie Street residential property. This was partially offset by investment property fair value appreciation versus 2024, reduced outstanding debt held in equity-accounted joint ventures, and increased cash and cash equivalents.
- **Available liquidity decreased 5.6% to \$695,843** resulting from higher credit facility balances outstanding due to the unsecured non-revolving credit facility obtained in the fourth quarter of 2024 for the acquisition of the remaining 50% interest in the Davie Street residential property, which is fully drawn.

Operational Highlights

- **Disposed of Loch Lomond Place in Rest of Canada**, representing 188,000 square feet, for gross proceeds of \$3,300.
- **Renewal growth in the first quarter of 10.0%** was primarily driven by renewals at retail properties with an increase of 10.2% over expiring rental rates. In total, Crombie renewed 167,000 sq. ft., consisting of 31,000 square feet in VECTOM, 54,000 square feet in Major Markets, and 82,000 square feet in the Rest of Canada.
- **Committed occupancy was 97.1%** at March 31, 2025, with 110,000 square feet of committed space, with VECTOM and Major Markets representing 67,000 square feet. The increase from 96.2% in the first quarter of 2024 was due to new leasing activity, primarily in VECTOM and Major Markets, in addition to the sale of three non-core retail properties in the Rest of Canada.
- **Economic occupancy was 96.5%** at March 31, 2025. The increase from 95.7% in the first quarter of 2024 was primarily due to new leasing activity and the sale of non-core retail properties.
- **Invested \$7,489 in non-major developments** during the quarter.



2. GLOSSARY OF TERMS

Adjusted debt^(*)	Adjusted debt is a non-GAAP measure that is used in the calculation of Crombie's debt to gross fair value and debt to trailing 12 months adjusted EBITDA.
Adjusted EBITDA^(*)	Adjusted EBITDA is a non-GAAP measure that is used as an input in several of Crombie's debt metrics.
Adjusted interest expense^(*)	Adjusted interest expense is a non-GAAP measure that is used in the calculation of Crombie's interest coverage and debt service coverage ratios.
AFFO^(*)	Adjusted funds from operations is a non-GAAP measure that is used to compare period-over-period operating results.
AMR	Annual minimum rent. Represents annualized fixed minimum rent payable by the tenant pursuant to the terms of the lease.
CFC	Customer fulfillment centre.
CMA	Census metropolitan area.
Committed occupancy	Represents current economic occupancy plus future occupancy of currently vacant space for which lease contracts are currently in place (excludes space held in equity-accounted joint ventures).
D/GFV^(*)	Debt to gross fair value is a non-GAAP measure that is used to evaluate Crombie's flexibility to incur additional financial leverage.
Economic occupancy	Represents space currently occupied (excludes space held in equity-accounted joint ventures).
ESG	Environmental, social, and governance.
Fair value	The amount at which an asset or liability could be exchanged between two knowledgeable, and willing parties in an arm's length transaction conducted at current market conditions.
FFO^(*)	Funds from operations is a non-GAAP measure that is used to compare period-over-period operating results.
GHG	Greenhouse gas emissions.
GLA	Gross leasable area (excludes space held in equity-accounted joint ventures unless noted as proportionately consolidated). For both commercial and residential properties, GLA is calculated as the total square footage of leasable units and excludes common area space.
GRESB	An industry-led organization which collects, validates, scores, and independently benchmarks ESG data for financial markets.
IFRS Accounting Standards	International Financial Reporting Standards as issued by the International Accounting Standards Board.
Joint operations	Properties in which Crombie owns partial interests and shares joint control with other parties, and where the joint operation parties have rights to the net assets of the joint operation, relating to the arrangement. These co-owned properties are subject to proportionate consolidation, the results of which are reflected in Crombie's operating and financial results, based on the proportionate interest in such joint operations.
Joint ventures	Entities over which Crombie shares joint control with other parties and where the joint venture parties have rights to the net assets of the joint venture. Crombie accounts for investments in joint ventures using the equity method.
Lease termination income	Revenue derived from the early termination of a lease. Lease termination occurs when a tenant desires to end occupancy prior to the contractual lease end date.
Major Markets	A Crombie-specific definition that includes Abbotsford-Mission, Barrie, Chilliwack, Halifax, Hamilton, Kitchener-Cambridge-Waterloo, Oshawa, Québec City, Regina, Saskatoon, Victoria, and Winnipeg, as defined by Statistics Canada 2021 boundaries for census metropolitan areas and census agglomeration.
Modernization	A capital investment to modernize/renovate Crombie-owned grocery store properties in exchange for a defined return and potential extended lease term.
NAV^(*)	Net asset value is a non-GAAP measure that reflects Crombie's intrinsic value.
Net property income^(*)	Net property income is a non-GAAP measure that is used to compare operating performance by the properties period over period.
Property cash NOI^(*)	Property net operating income on a cash basis is a non-GAAP measure that is used to compare operating performance as it reflects the cash generated by the properties period over period.
Proportionate ownership	Represents Crombie's proportionate interest in the financial position and results of operations of its entire portfolio, taking into account the difference in accounting for joint ventures using proportionate consolidation versus equity accounting as required under IFRS Accounting Standards.
REALPAC	Real Property Association of Canada. This is a national association representing top tier executives and decision makers of the Canadian commercial real estate industry.
Rest of Canada (RoC)	A Crombie-specific definition that includes all remaining geographies outside of VECTOM and Major Markets.
Retail	Includes Crombie's substantial retail portfolio, including certain additional properties that comprise both retail and office space. These properties have been consistently included in Crombie's retail category.
Retail-related industrial	Retail-related industrial includes retail distribution centres, customer fulfillment centres, and spokes.
Revenue from management and development services	Represents revenue from co-owners, related parties, and third parties for development, construction, and property management services.

Same-asset properties	Properties owned and operated throughout the current and comparative reporting periods, excluding any property that was designated for redevelopment or was subject to disposition of a portion of its GLA during either the current or comparative period.
Spokes	Spokes are cross-dock distribution facilities developed to support customer fulfillment centres, the hubs of Empire Company Limited's ("Empire") hub-and-spoke network, by expediting the movement of merchandise to customers with minimal storage time.
Sq. ft.	Square footage.
Unencumbered assets	Represents assets that have not been pledged as security or collateral under a secured credit facility or mortgage.
Unit turnovers	Represents the percentage of tenants that moved out of a residential unit at the end of their lease period.
VECTOM	Vancouver, Edmonton, Calgary, Toronto, Ottawa-Gatineau, and Montréal, as defined by Statistics Canada 2021 boundaries for census metropolitan areas and census agglomeration.
WATM	Weighted average term to maturity.
Zoning application submitted	A formal municipal rezoning application that has been submitted for the purpose of achieving a new land use (i.e. residential, mixed-use) and generally to obtain higher levels of density and building height.
Zoning approval	Property has received municipal approval for a new land use designation which generally permits different uses (i.e. residential, mixed-use) and higher levels of density and height.

(*) See "Non-GAAP Financial Measures", starting on page 60, for more information on Crombie's non-GAAP financial measures and reconciliations thereof.

3. PORTFOLIO REVIEW

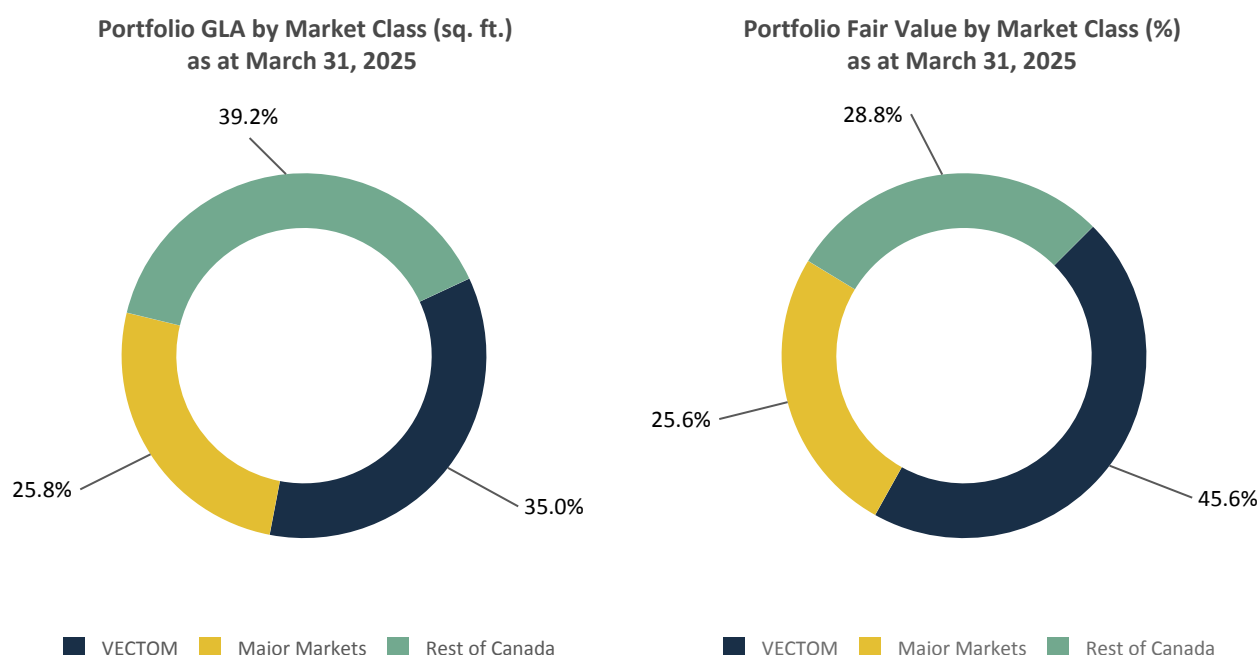
As at March 31, 2025, Crombie’s property portfolio consisted of full ownership interests in 233 investment properties, and partial ownership interests in 61 investment properties held in joint operations. In addition to investment properties, Crombie also has full ownership interests in four properties under development (“PUD”), as well as partial ownership in one asset in PUD held in a joint operation, three properties held in joint ventures, and one wholly-owned residential property. Together, Crombie’s share of these 303 properties contains approximately 18.8 million square feet of GLA in all 10 provinces.

Total Portfolio Review Inclusive of Joint Ventures

Crombie holds ownership interests in seven joint ventures, three of which currently hold property. These joint ventures are all subject to equity accounting. The results of these equity-accounted investments are not included in certain financial metrics, such as net property income(*), property cash NOI(*), or same-asset property cash NOI(*), unless it is specifically indicated that such metrics are presented on a proportionate consolidation basis. Below are select operating metrics for the full portfolio presented on a proportionate consolidation basis.

Market Class

Crombie’s portfolio of GLA and fair value, inclusive of joint ventures at Crombie’s share, consisted of the following as at March 31, 2025:



The table below provides details of the average capitalization rate (weighted by stabilized trailing NOI including joint ventures) by market class used by Crombie in assessing fair value. For an explanation of the determination of capitalization rates, see the “Other Disclosures” section of this MD&A, under “Investment Property Valuation” in the “Use of Estimates and Judgments” section.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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	March 31, 2025	December 31, 2024	March 31, 2024
VECTOM	5.11 %	5.10 %	5.10 %
Major Markets	6.20 %	6.17 %	6.15 %
Rest of Canada	6.89 %	6.90 %	6.93 %
Weighted average portfolio capitalization rate	5.91 %	5.90 %	5.91 %

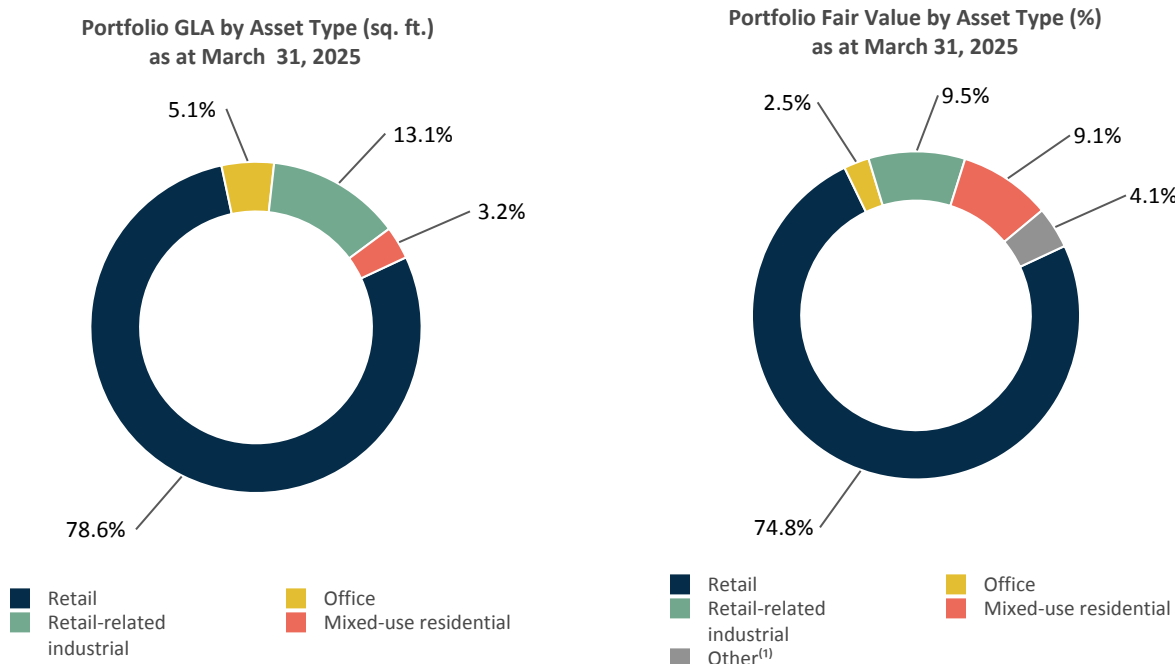
Crombie's weighted average capitalization rate has remained consistent with March 31, 2024.

	GLA (sq. ft.)	
	March 31, 2025	March 31, 2024
VECTOM	6,584,000	6,507,000
Major Markets	4,847,000	4,844,000
Rest of Canada	7,387,000	7,888,000
Total	18,818,000	19,239,000

When compared to March 31, 2024, VECTOM and Major Markets GLA increased by 77,000 and 3,000 square feet, respectively. The increase in VECTOM GLA is primarily driven by the acquisition of the remaining 50% of the Davie Street residential property. Rest of Canada GLA decreased by 501,000 square feet primarily due to the disposition of one retail property in the second quarter of 2024, two retail properties in the fourth quarter of 2024, and one during the first quarter of 2025.

Asset Type

Crombie's portfolio of GLA and fair value, inclusive of joint ventures at Crombie's share, consisted of the following as at March 31, 2025:



(1) Other includes PUD and land.

Retail properties represent 78.6% of Crombie's GLA and 74.8% of fair value at March 31, 2025, compared to 79.5% of Crombie's GLA and 75.5% of fair value at March 31, 2024. The decrease in the retail percentage of total fair value is primarily due to increased fair value in mixed-use residential properties resulting from Crombie's acquisition of the remaining 50% of the Davie Street residential property.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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	GLA (sq. ft.)	
	March 31, 2025	March 31, 2024
Retail	14,794,000	15,302,000
Retail-related industrial	2,460,000	2,460,000
Office	963,000	963,000
Mixed-use residential	601,000	514,000
Total	18,818,000	19,239,000

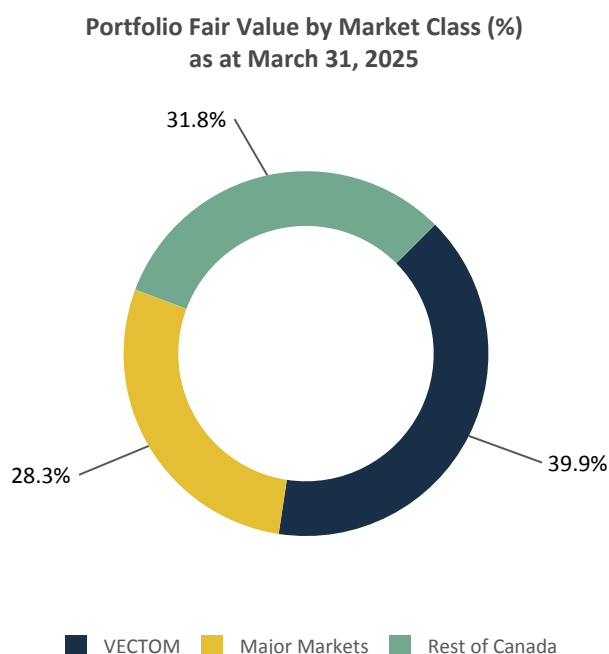
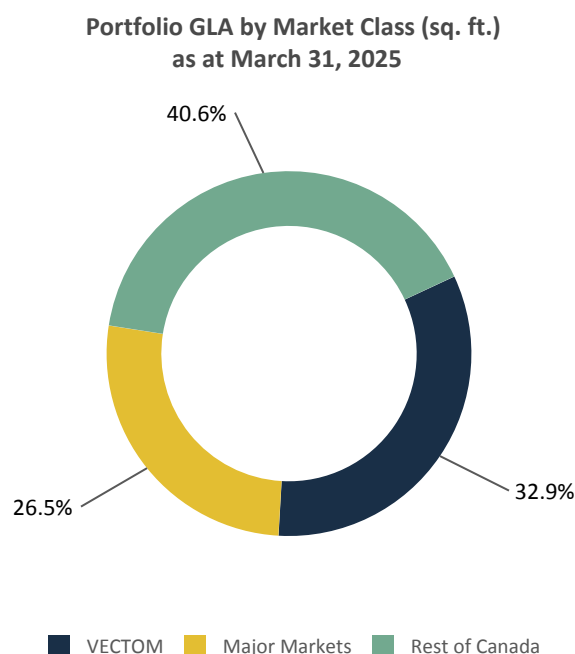
When compared to March 31, 2024, retail GLA decreased 508,000 square feet primarily due to the disposition of two retail properties in the fourth quarter of 2024, and one in the first quarter of 2025. Mixed-use residential GLA increased 87,000 square feet primarily driven by the acquisition of the remaining 50% of the Davie Street residential property.

Portfolio Review - Excluding Joint Ventures and Residential Property

Below are select operating metrics for the full portfolio presented without inclusion of Crombie's partial ownership interests in seven joint ventures and without inclusion of Crombie's wholly-owned residential property. Partial ownership interests are reflected in Crombie's financial statements, based on its proportionate ownership in joint operations.

Market Class

Crombie's portfolio of GLA and fair value consisted of the following as at March 31, 2025:



PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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The table below provides details of the average capitalization rate (weighted by stabilized trailing NOI) by market class used by Crombie in assessing fair value. For an explanation of the determination of capitalization rates, see the “Other Disclosures” section of this MD&A, under “Investment Property Valuation” in the “Use of Estimates and Judgments” section.

	March 31, 2025	December 31, 2024	March 31, 2024
VECTOM	5.45 %	5.44 %	5.44 %
Major Markets	6.20 %	6.17 %	6.15 %
Rest of Canada	6.89 %	6.90 %	6.93 %
Weighted average portfolio capitalization rate	6.13 %	6.12 %	6.12 %

Crombie’s weighted average capitalization rate, excluding joint ventures and residential, has remained consistent with March 31, 2024.

Crombie’s portfolio diversification by market class of its commercial investment properties as at March 31, 2025 and 2024 is as follows:

GLA (sq. ft.)									
Market Class	January 1, 2025	Acquisition/Disposition	Other ⁽¹⁾	March 31, 2025	Number of Investment Properties	% of AMR	% NOI ⁽²⁾	Economic Occupancy	Committed Occupancy
VECTOM	5,984,000	—	(1,000)	5,983,000	88	35.4 %	34.6 %	99.3 %	99.4 %
Major Markets	4,829,000	—	2,000	4,831,000	64	26.8 %	27.4 %	95.5 %	96.8 %
Rest of Canada	7,620,000	(188,000)	(45,000)	7,387,000	142	37.8 %	38.0 %	94.8 %	95.4 %
Total	18,433,000	(188,000)	(44,000)	18,201,000	294	100.0 %	100.0 %	96.5 %	97.1 %

GLA (sq. ft.)									
Market Class	January 1, 2024	Acquisition/Disposition	Other ⁽¹⁾	March 31, 2024	Number of Investment Properties	% of AMR	% NOI ⁽²⁾	Economic Occupancy	Committed Occupancy
VECTOM	5,966,000	—	27,000	5,993,000	89	34.9 %	34.5 %	98.9 %	99.3 %
Major Markets	4,827,000	—	1,000	4,828,000	64	26.8 %	27.6 %	96.1 %	96.9 %
Rest of Canada	7,888,000	—	—	7,888,000	142	38.3 %	37.9 %	93.0 %	93.4 %
Total	18,681,000	—	28,000	18,709,000	295	100.0 %	100.0 %	95.7 %	96.2 %

(1) Changes in GLA include increases for completed developments, additions/expansions to GLA on existing properties, and square footage removed from GLA for redevelopment.

(2) Property cash NOI for the three months ended March 31.

For the three months ended March 31, 2025, Loch Lomond Place, totalling 188,000 square feet, was disposed of in the Rest of Canada. Additionally, 43,000 square feet, was removed from Topsail Road Plaza (NL), which will undergo partial redevelopment.

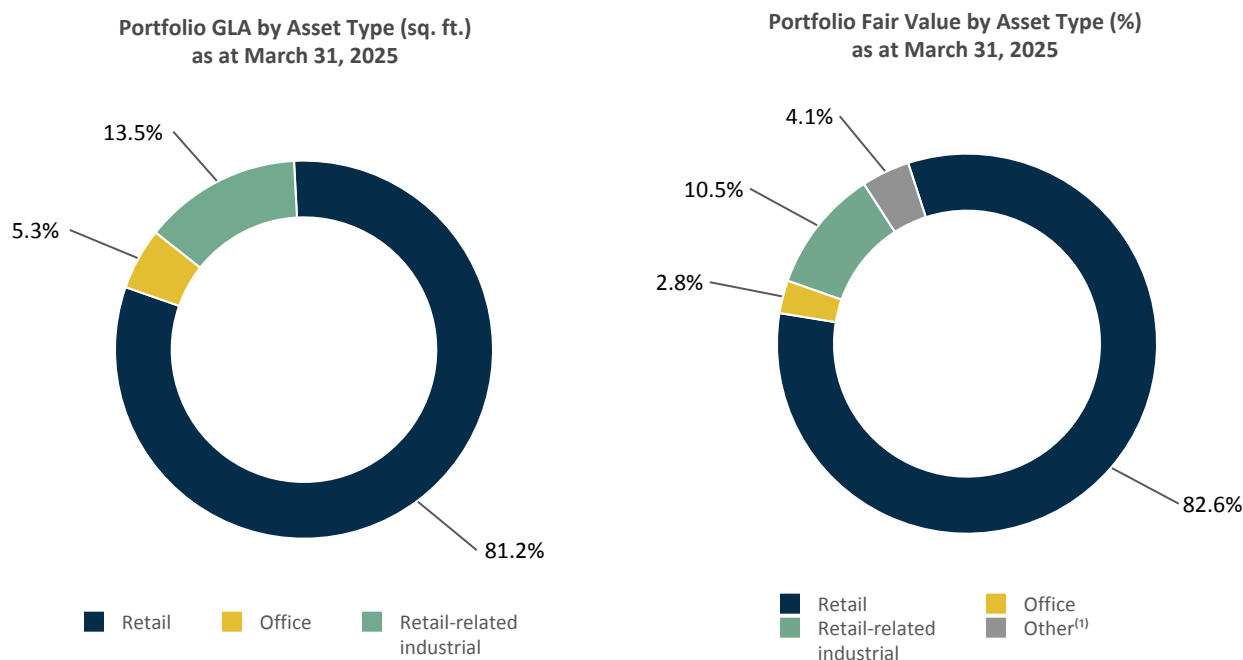
When compared to March 31, 2024, the percentage of annual minimum rent (“AMR”) generated in VECTOM increased by 50 basis points, Major Markets share of AMR remained constant, while AMR generated from the Rest of Canada decreased by 50 basis points, primarily driven by the disposition of Loch Lomond Place in the Rest of Canada.

Please see the “Operational Performance” section of this MD&A, under “Occupancy and Leasing Activity” for additional information on economic and committed occupancy.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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Asset Type

Retail properties represent 81.2% of Crombie's GLA and 82.6% of fair value at March 31, 2025, compared to 81.7% of GLA and 82.3% of fair value at March 31, 2024.



(1) Other includes PUD and land.

Crombie's portfolio diversification of its commercial investment properties by asset class, as at March 31, 2025 and 2024, is as follows:

GLA (sq. ft.)									
Asset Class	January 1, 2025	Acquisition/Disposition	Other ⁽¹⁾	March 31, 2025	Number of Investment Properties	% of AMR	% of NOI ⁽²⁾	Economic Occupancy	Committed Occupancy
Retail	15,010,000	(188,000)	(44,000)	14,778,000	281	87.5 %	87.9 %	96.6 %	97.3 %
Retail-related industrial	2,460,000	—	—	2,460,000	8	9.0 %	9.1 %	100.0 %	100.0 %
Office	963,000	—	—	963,000	5	3.5 %	3.0 %	85.6 %	85.6 %
Total	18,433,000	(188,000)	(44,000)	18,201,000	294	100.0 %	100.0 %	96.5 %	97.1 %

GLA (sq. ft.)									
Asset Class	January 1, 2024	Acquisition/Disposition	Other ⁽¹⁾	March 31, 2024	Number of Investment Properties	% of AMR	% of NOI ⁽²⁾	Economic Occupancy	Committed Occupancy
Retail	15,285,000	—	1,000	15,286,000	282	87.4 %	87.1 %	95.5 %	95.9 %
Retail-related industrial	2,434,000	—	26,000	2,460,000	8	8.8 %	8.8 %	98.9 %	100.0 %
Office	962,000	—	1,000	963,000	5	3.8 %	4.1 %	90.4 %	90.4 %
Total	18,681,000	—	28,000	18,709,000	295	100.0 %	100.0 %	95.7 %	96.2 %

(1) Changes in GLA include increases for completed developments, additions/expansions to GLA on existing properties, square footage removed from GLA for redevelopment, and reclassifications within asset types.

(2) Property cash NOI for the three months ended March 31.

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For the three months ended March 31, 2025, Loch Lomond Place, totalling 188,000 square feet, was disposed of in Rest of Canada. Additionally, 43,000 square feet was removed from Topsail Road Plaza, which will undergo partial redevelopment, in the Rest of Canada.

Please see the “Operational Performance Review” section of this MD&A, under “Occupancy and Leasing Activity” for additional information on economic and committed occupancy.

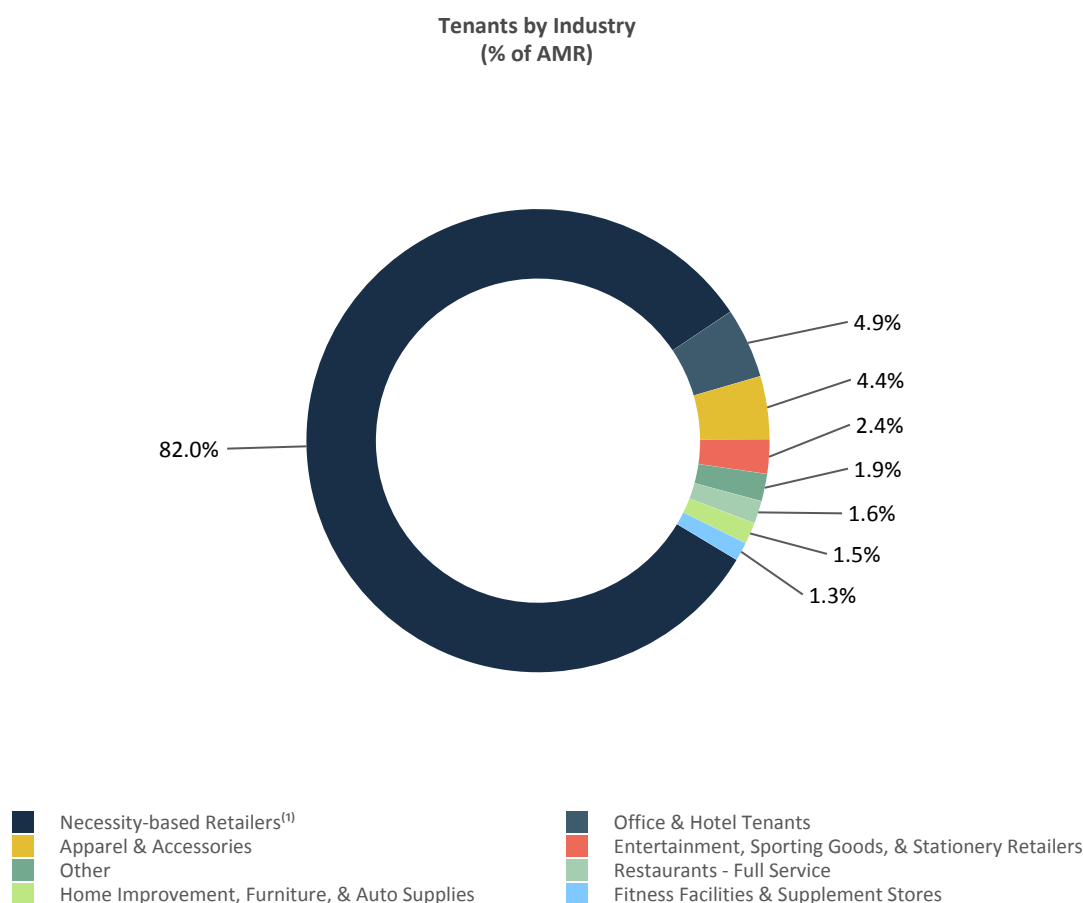
As Crombie's wholly-owned residential property and properties held in equity-accounted joint ventures are not reflected in this information, the applicable residential square footage, occupancy, and asset mix details of these properties are reflected in the following sections of this MD&A: “Total Portfolio Review Inclusive of Joint Ventures” starting on page 9, page 22 of the “Operational Performance Review” section, and the “Joint Ventures” section starting on page 52.

Non-major Development - Completed

Property development and redevelopment is a strategic priority for Crombie. Included in that is non-major development projects with expected costs of less than \$50,000. Non-major developments have shorter project durations and less overall risk than major development projects. For the three months ended March 31, 2025, there were no non-major developments completed.

Tenant Profile

Crombie builds and owns a high-quality, resilient, and diversified portfolio, backed primarily by grocery tenants, which delivers consistent long-term earnings and cash flow stability. As at March 31, 2025, 82.0% of Crombie's AMR was generated from necessity-based retailers, compared to 81.3% at March 31, 2024. These necessity-based tenants have stable underlying income and cash flows, are more resilient to changes in economic cycles and evolving retail trends, and form a solid foundation for organic same-asset property cash NOI⁽¹⁾ and AFFO^(*) growth.



(1) Necessity-based retailers include tenants that provide essential products and services, and predominantly fall into the following categories: grocery, pharmacy, liquor, dollar store, cannabis, convenience store, gasoline, pet supplies, grocery distribution centres, quick service restaurants, medical, professional and personal services, banking and financial services.

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The following table illustrates the 20 largest tenants in Crombie's portfolio of investment properties, as measured by their percentage contribution to total AMR, as at March 31, 2025.

Tenant	% of AMR	GLA (sq. ft.)	Weighted Average Remaining Lease Term	Morningstar DBRS Credit Rating
Empire Company Limited ⁽¹⁾	59.4 %	11,323,000	10.6 years	BBB
Shoppers Drug Mart	2.4 %	228,000	4.7 years	BBB
Dollarama	1.7 %	364,000	5.3 years	BBB
Province of Nova Scotia	1.7 %	356,000	5.6 years	A(high)
Shell	1.0 %	19,000	11.2 years	AA (low)
Cineplex	1.0 %	207,000	5.9 years	—
Bank of Nova Scotia	0.9 %	145,000	2.1 years	AA
Canadian Imperial Bank of Commerce	0.9 %	129,000	12.9 years	AA
GoodLife Fitness	0.9 %	184,000	4.5 years	—
Government of Canada	0.8 %	118,000	3.2 years	AAA
Canadian Tire Corporation	0.8 %	151,000	2.3 years	BBB
Restaurant Brands International	0.7 %	65,000	4.7 years	—
Pet Valu	0.6 %	87,000	4.8 years	—
Royal Bank of Canada	0.5 %	49,000	2.5 years	AA(high)
SAQ / Province of Québec	0.5 %	65,000	5.1 years	AA (low)
Halifax Regional Municipality	0.5 %	126,000	5.8 years	—
Metro	0.5 %	88,000	5.3 years	BBB (high)
BC Liquor / Province of British Columbia	0.4 %	88,000	3.1 years	AA(high)
Toronto Dominion Bank	0.4 %	40,000	2.0 years	AA(high)
TJX Companies	0.4 %	45,000	3.6 years	—
Total	76.0 %	13,877,000	9.6 years	

(1) Includes Sobeys and all other subsidiaries of Empire Company Limited.

Other than Empire, which accounts for 59.4% of AMR, and Shoppers Drug Mart, which accounts for 2.4% of AMR, no other tenant accounts for more than 1.7% of Crombie's AMR. Empire's percent of AMR increased by 1% compared to March 31, 2024 due to the acquisition of Empire anchored assets, the development of retail-related industrial assets, modernizations, and contractual rent step-ups.

For the three months ended March 31, 2025, Empire represents 56.4% of total property revenue. Total property revenue includes minimum rent, as well as operating and realty tax cost recovery income and percentage rent. These additional amounts can vary by property type, specific tenant leases, and where tenants may directly incur and pay operating costs.

The weighted average remaining term of all Crombie leases is approximately 8.4 years, which decreased 0.3 years as compared to March 31, 2024. This remaining lease term is influenced by the weighted average Empire remaining lease term of 10.6 years, which decreased 0.5 years from March 31, 2024.

Same-asset Properties

Crombie measures certain performance and operating metrics on a same-asset basis to evaluate the period-over-period performance of those properties owned and operated by Crombie. "Same-asset" refers to those properties that were owned and operated by Crombie for the current and comparative reporting periods. Properties that will be undergoing a redevelopment in a future period and those for which planning activities are underway are also in this category until such development activities commence and/or tenant leasing/renewal activity is suspended. Same-asset property cash NOI ^(*) reflects Crombie's proportionate ownership of jointly-operated properties (and excludes any properties held in joint ventures).

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	Crombie-owned Properties					Total ⁽²⁾
	Commercial Investment Properties	Residential Investment Property ⁽¹⁾	Properties Under Development ("PUD")	Sub-total	Properties in Joint Ventures ("JV")	
Same-asset properties	286	—	—	286	2	288
Non-same-asset properties:						
Acquisitions - 2024	2	1	—	3	—	3
Other ⁽³⁾	6	—	4	10	—	10
Active or completed major developments ⁽⁴⁾	—	—	1	1	1	2
	8	1	5	14	1	15
Total properties	294	1	5	300	3	303

(1) On October 15, 2024, Crombie acquired its partner's interest in the Davie Limited Partnership joint venture and obtained control of the property. As a result, Crombie derecognized its share of the Davie Limited Partnership joint venture and recognized the property as an asset acquisition.

(2) Same-asset metrics throughout the MD&A do not include properties held in joint ventures.

(3) Other includes investment properties that have been designated for repositioning and land parcels included in PUD.

(4) Active or completed major developments include:
The Marlstone (PUD) (see Note 23) (a) in Crombie's financial statements
The Village at Bronte Harbour (JV)

The following table illustrates the movement in Crombie's same-asset properties as at March 31, 2025.

	Investment Properties ("IP")	Properties in Joint Ventures ("JV")	Total ⁽¹⁾
Same-asset properties December 31, 2024	287	2	289
Transfers to dispositions	(1)	—	(1)
Total same-asset properties March 31, 2025	286	2	288

(1) Same-asset metrics throughout the MD&A do not include properties held in joint ventures.

Strategic Acquisitions and Dispositions

As at March 31, 2025, GLA, at Crombie's interest, of its investment properties was 18.2 million square feet compared to 18.7 million square feet as at March 31, 2024. The decrease in GLA is due to 541,000 square feet of dispositions and 29,000 of other changes throughout the portfolio, partially offset by 62,000 square feet of acquisitions.

Strategic Acquisitions

Through strategic and selective acquisitions of high-quality, primarily grocery-anchored assets, Crombie intends to continue to enhance overall portfolio quality. Crombie's acquisitions are intended to add strategic value to the portfolio, while leading to AFFO^(*) accretion and NAV^(*) growth. During the three months ended March 31, 2025, Crombie did not acquire any assets.

Strategic Dispositions

From time to time, in line with Crombie's strategy on capital recycling, Crombie will undertake strategic dispositions. Proceeds from dispositions can be used for debt reduction, to fund development projects, and to seize other higher-value opportunities. Some of these opportunities include supporting Empire's growth and completion of major mixed-use developments.

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			Ownership						
Date	Property	Location	Number of Investment Properties	Interest	Sq. ft.		Net Property Income ^(*)		Price
2025 First Quarter									
January 20, 2025	2nd Avenue West ⁽¹⁾	Prince Rupert, BC	—	— %	—	\$	—	\$	74
February 14, 2025	Loch Lomond Place	Saint John, NB	1	100 %	188,000		281		3,300
Total commercial dispositions for the three months ended March 31, 2025			1		188,000	\$	281 ⁽²⁾	\$	3,374

(1) Expropriation of a parcel of land at an existing retail property.

(2) Reflects actual net property income^(*) earned on 2025 dispositions for the full year ended December 31, 2024. Total actual net property income^(*) for the three months ended March 31, 2025 for the disposed properties prior to disposition was \$(3), as reflected in Crombie's consolidated results.

4. OPERATIONAL PERFORMANCE REVIEW

Commercial Occupancy and Leasing Activity

The commercial portfolio occupancy and committed space activity by market class and asset type for the three months ended March 31, 2025 was as follows:

Commercial Occupied Space (sq. ft.)										
Market Class	January 1, 2025	Net Acquisitions	New Leases ⁽¹⁾	Lease Expiries	Other ⁽²⁾	March 31, 2025	Economic Occupancy	Committed Space (sq. ft.) ⁽³⁾	Total Committed Space (sq. ft.)	Committed Occupancy
VECTOM	5,915,000	—	8,000	—	18,000	5,941,000	99.3 %	6,000	5,947,000	99.4 %
Major Markets	4,664,000	—	8,000	(57,000)	(3,000)	4,612,000	95.5 %	61,000	4,673,000	96.8 %
Rest of Canada	7,211,000	(94,000)	4,000	(95,000)	(24,000)	7,002,000	94.8 %	43,000	7,045,000	95.4 %
Total	17,790,000	(94,000)	20,000	(152,000)	(9,000)	17,555,000	96.5 %	110,000	17,665,000	97.1 %

Commercial Occupied Space (sq. ft.)										
Asset Type	January 1, 2025	Net Acquisitions	New Leases ⁽¹⁾	Lease Expiries	Other ⁽²⁾	March 31, 2025	Economic Occupancy	Committed Space (sq. ft.) ⁽³⁾	Total Committed Space (sq. ft.)	Committed Occupancy
Retail	14,494,000	(94,000)	19,000	(145,000)	(3,000)	14,271,000	96.6 %	110,000	14,381,000	97.3 %
Retail-related industrial	2,460,000	—	—	—	—	2,460,000	100.0 %	—	2,460,000	100.0 %
Office	836,000	—	1,000	(7,000)	(6,000)	824,000	85.6 %	—	824,000	85.6 %
Total	17,790,000	(94,000)	20,000	(152,000)	(9,000)	17,555,000	96.5 %	110,000	17,665,000	97.1 %

(1) New leases include new leases and expansions at existing properties.

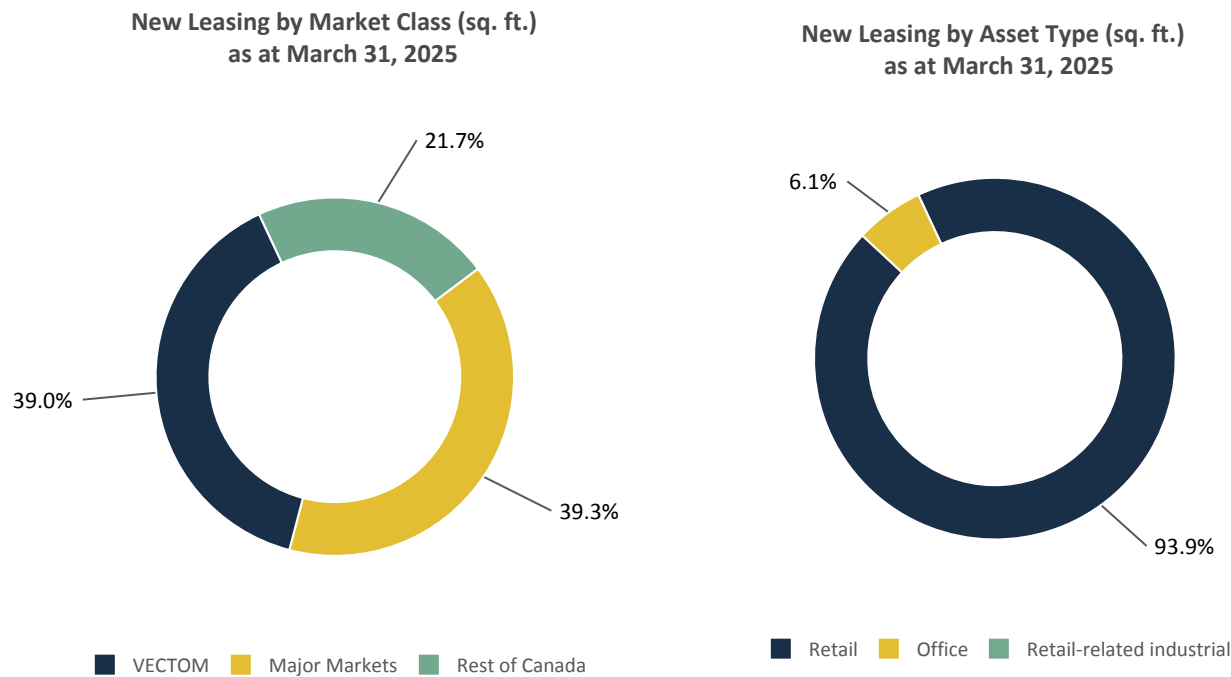
(2) Other includes amendments to existing leases, lease terminations and surrenders, bankruptcies, space certifications, and reclassifications within asset types.

(3) Committed space represents lease contracts for future occupancy of currently vacant space. Management believes such reporting, along with reported lease maturities, provides more balanced reporting of overall vacant space.

Committed occupancy was 97.1% at March 31, 2025 and 96.2% at March 31, 2024. For the three months ended March 31, 2025, Crombie had expiries outpace new leases by 132,000 square feet. Committed occupancy in Crombie's retail properties portfolio was 97.3% at March 31, 2025 and 95.9% March 31, 2024. This increase is primarily due to new leases and dispositions, partially offset by natural lease expiries and early terminations. Committed occupancy in office properties was 85.6% at March 31, 2025, which decreased from 90.4% at March 31, 2024. This was primarily due to natural lease expiries, early terminations, and tenant downsizing, and was partially offset by new leases. Committed space in retail-related industrial properties of 100.0% at March 31, 2025 remained constant from March 31, 2024.

The portfolio average AMR per occupied square foot for Crombie's income-producing properties was \$18.48 as at March 31, 2025, an increase of 4.3%, compared to \$17.72 as at March 31, 2024.

New Leasing Activity

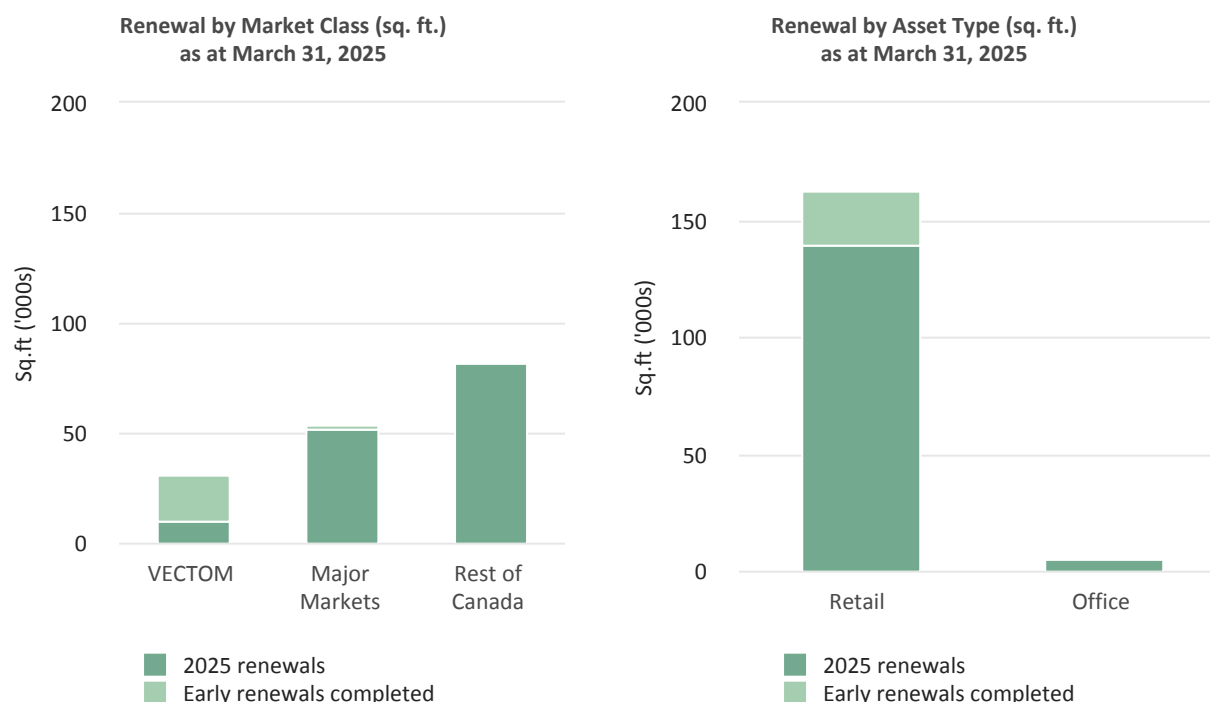


New commercial leases increased occupancy by 20,000 square feet at March 31, 2025, at an average first year rate of \$23.66 per square foot.

For the three months ended March 31, 2025, 20% of new leases, equivalent to 4,000 square feet, were completed in Rest of Canada markets. During the first quarter, 16,000 square feet, or 80%, of new leases were completed in VECTOM and Major Markets.

At March 31, 2025, 110,000 square feet of GLA at an average first year rate of \$21.07 per square foot was committed, with tenants expected to take possession through 2025. VECTOM and Major Markets represent 67,000 square feet of committed space with Rest of Canada representing the remaining 43,000 square feet of committed space.

Renewal Activity



For the three months ended March 31, 2025, renewal activity for Crombie's commercial portfolio was as follows:

	Three months ended March 31, 2025		
	Square Feet	Rate PSF	Growth %
2025 Renewals	144,000	\$20.28	8.9 %
Future Year Renewals	23,000	\$35.83	14.2 %
Total	167,000	\$22.38	10.0 %

Renewal spreads are based on the first-year rate and do not factor in any additional rent step-ups that may take place throughout the lease term. Crombie's renewal activity for the three months ended March 31, 2025 included retail renewals of 161,000 square feet with an increase of 10.2% over expiring rental rates. When comparing the expiring rental rates to the weighted average rental rate for the renewal term, Crombie achieved an increase of 12.2% for the three months ended March 31, 2025.

Total renewal growth in the quarter was positively impacted by the 31,000 square feet of renewals in VECTOM at an average first year rate of \$39.08 per square foot, an increase of 11.7% over expiring rental rates. Major Markets saw renewals of 54,000 square feet, with an increase of 9.5% over expiring rental rates or an average first year rate of \$20.19 per square foot. Rest of Canada accounted for the remaining 82,000 square feet of renewals at an average first year rate of \$17.38, with an increase of 9.0% over expiring rental rates.

Crombie proactively manages its lease maturities, taking advantage of opportunities to renew tenants prior to expiration. During the three months ended March 31, 2025, 23,000 square feet of renewals related to future year expiries were completed.

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Lease Maturities

The following table sets out, as at March 31, 2025, the total number of commercial leases, including committed leases, maturing during the periods indicated, the renewal area, the percentage of the total GLA of the properties represented by such maturities, and the estimated average AMR per square foot at the time of expiry.

Year	Number of Leases ⁽¹⁾	Renewal Area (sq. ft.)	% of Total GLA	Average AMR per sq. ft. at Expiry
Remainder of 2025	218	997,000	5.5 %	\$ 17.63
2026	184	977,000	5.4 %	17.33
2027	196	1,270,000	7.0 %	19.43
2028	145	1,012,000	5.6 %	19.17
2029	189	1,408,000	7.7 %	20.80
2030	83	743,000	4.1 %	18.76
2031	93	1,072,000	5.9 %	20.24
2032	79	582,000	3.2 %	21.54
2033	98	1,793,000	9.9 %	24.23
2034	75	740,000	4.1 %	22.98
Thereafter	211	7,071,000	38.7 %	20.82
Total	1,571	17,665,000	97.1 %	\$ 20.59

(1) Assuming tenants do not hold over on a month-to-month basis or exercise renewal options or termination rights.

The following table sets out, as at March 31, 2025, the number of Empire leases maturing during the periods indicated, the renewal area, the percentage of the total GLA of the properties represented by such maturities, and the estimated average AMR per square foot at the time of expiry.

Year	Number of Leases ⁽¹⁾	Renewal Area (sq. ft.) ⁽²⁾	% of Total GLA	Average AMR per sq. ft. at Expiry
Remainder of 2025	12	171,000	0.9 %	\$ 13.54
2026	15	344,000	1.9 %	11.51
2027	13	377,000	2.1 %	14.29
2028	11	269,000	1.5 %	16.18
2029	16	553,000	3.0 %	16.03
2030	8	293,000	1.6 %	15.74
2031	14	465,000	2.6 %	17.40
2032	5	182,000	1.0 %	20.48
2033	37	1,455,000	8.0 %	22.78
2034	16	441,000	2.4 %	20.95
Thereafter	157	6,825,000	37.5 %	20.68
Total	304	11,375,000	62.5 %	\$ 19.76

(1) Assuming tenants do not hold over on a month-to-month basis or exercise renewal options or termination rights.

(2) One Empire lease, totalling 51,000 square feet, is included in committed occupancy.

Residential Portfolio

Crombie's rental residential portfolio consists of three assets totalling 1,198 rental units. Crombie owns a 100% interest in Zephyr (Vancouver, British Columbia) and owns a 50% interest of Le Duke (Montréal, Québec) and The Village at Bronte Harbour (Oakville, Ontario), both held in joint ventures.

The information presented below is reflected at 100% ownership interest and does not include the retail component of these assets.

	Residential Occupied Units						
	GLA (sq. ft.)	Number of Residential Units	January 1, 2025	Net Movement ⁽¹⁾	March 31, 2025	Committed Occupancy %	Average Rent PSF
Residential properties	913,000	1,198	1,116	8	1,124	93.8 %	\$3.82

(1) Net Movement includes new and expired leases.

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5. FINANCIAL PERFORMANCE REVIEW

	Three months ended March 31,		
	2025	2024	Variance
Property revenue	\$ 122,735	\$ 118,609	\$ 4,126
Revenue from management and development services	1,078	749	329
Property operating expenses	(45,569)	(44,968)	(601)
Loss on disposal of investment properties	(227)	—	(227)
Depreciation and amortization	(22,468)	(20,014)	(2,454)
General and administrative expenses	(7,018)	(4,747)	(2,271)
Finance costs - operations	(24,078)	(22,283)	(1,795)
Loss from equity-accounted investments	(461)	(1,141)	680
Operating income attributable to Unitholders	23,992	26,205	(2,213)
Distributions to Unitholders	(41,047)	(40,399)	(648)
Change in fair value of financial instruments	(1,859)	122	(1,981)
Decrease in net assets attributable to Unitholders	\$ (18,914)	\$ (14,072)	\$ (4,842)
Operating income attributable to Unitholders per Unit - basic and diluted	\$ 0.13	\$ 0.14	\$ (0.01)
Weighted average Units outstanding - basic and diluted (in 000's)	184,364	181,450	2,914
Distributions per Unit to Unitholders	\$ 0.22	\$ 0.22	\$ —
Other Non-GAAP Performance Metrics			
Same-asset property cash NOI ^(*)	\$ 80,733	\$ 78,244	\$ 2,489
FFO ^(*)	\$ 55,557	\$ 54,868	\$ 689
FFO ^(*) per Unit - basic and diluted	\$ 0.30	\$ 0.30	\$ —
FFO ^(*) payout ratio (%)	73.9 %	73.6 %	0.3 %
AFFO ^(*)	\$ 48,890	\$ 46,947	\$ 1,943
AFFO ^(*) per Unit - basic and diluted	\$ 0.27	\$ 0.26	\$ 0.01
AFFO ^(*) payout ratio (%)	84.0 %	86.1 %	(2.1)%

Operating Income Attributable to Unitholders

Operating income attributable to Unitholders decreased by \$2,213, or 8.4%, primarily driven by an increase of \$2,454 in depreciation and amortization as a result of acquisitions and accelerated depreciation on a property scheduled for redevelopment, and increased general and administrative expenses of \$2,271, primarily due to new hires, increased employee transition costs, and higher Unit price. Further contributing to the decrease was higher interest expense of \$1,795 from the net issuance of senior unsecured notes. This was offset in part by growth in property revenue of \$4,126, primarily from the acquisition of the remaining 50% interest in the Davie Street residential property in the fourth quarter of 2024.

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Net Property Income^(*)

Management uses net property income^(*) as a measure of performance of properties period over period. Refer to the “Non-GAAP Financial Measures” section of this MD&A, starting on page 60, for a more detailed discussion on net property income^(*).

Net property income^(*), which excludes revenue from management and development services and certain expenses such as interest expense and indirect operating expenses, is as follows:

	Three months ended March 31,		
	2025	2024	Variance
Property revenue	\$ 122,735	\$ 118,609	\$ 4,126
Property operating expenses	(45,569)	(44,968)	(601)
Net property income^(*)	\$ 77,166	\$ 73,641	\$ 3,525
Net property income^(*) margin percentage	62.9 %	62.1 %	0.8 %

An increase in net property income of \$3,525 was primarily due to growth in property revenue of \$4,126, driven by the acquisition of the remaining 50% interest in the Davie Street residential property in the fourth quarter of 2024.

Same-asset Property Cash NOI^(*)

Management uses net property income^(*) on a cash basis (property cash NOI^(*)) as a measure of performance, as it reflects the cash generated by properties period over period. Refer to the “Non-GAAP Financial Measures” section of this MD&A, starting on page 60, for a more detailed discussion on property cash NOI^(*).

Net property income on a cash basis^(*), which excludes non-cash straight-line rent recognition and amortization of tenant incentive amounts, is as follows:

	Three months ended March 31,		
	2025	2024	Variance
Net property income ^(*)	\$ 77,166	\$ 73,641	\$ 3,525
Non-cash straight-line rent	(745)	(1,497)	752
Non-cash tenant incentive amortization ⁽¹⁾	7,652	6,718	934
Property cash NOI^(*)	84,073	78,862	5,211
Acquisitions and dispositions property cash NOI ^(*)	2,685	(13)	2,698
Development property cash NOI ^(*)	655	631	24
Acquisitions, dispositions, and development property cash NOI ^(*)	3,340	618	2,722
Same-asset property cash NOI^(*)	\$ 80,733	\$ 78,244	\$ 2,489

(1) Refer to “Amortization of Tenant Incentives” on page 27 for a breakdown of tenant incentive amortization.

Development property cash NOI includes properties that are currently being developed and/or have recently completed development. Change in cash NOI from development properties period over period is impacted by the timing of commencement and completion of each development project. The nature and extent of development projects results in operations being impacted minimally in some instances, and more significantly in others. Consequently, comparison of period-over-period development operating results may not be meaningful.

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Same-asset property cash NOI^(*) by market class and asset type is as follows:

	Three months ended March 31,			
	2025	2024	Variance	%
VECTOM	\$ 28,043	\$ 27,171	\$ 872	3.2 %
Major Markets	22,182	21,769	413	1.9 %
Rest of Canada	30,508	29,304	1,204	4.1 %
Same-asset property cash NOI^(*)	\$ 80,733	\$ 78,244	\$ 2,489	3.2 %

	Three months ended March 31,			
	2025	2024	Variance	%
Retail ⁽¹⁾	\$ 71,084	\$ 67,999	\$ 3,085	4.5 %
Retail-related industrial	7,166	6,987	179	2.6 %
Office	2,483	3,258	(775)	(23.8)%
Same-asset property cash NOI^(*)	\$ 80,733	\$ 78,244	\$ 2,489	3.2 %

(1) Retail includes Crombie's substantial retail portfolio and reflects certain additional properties which comprise both retail and office space. These properties have been consistently included in the retail category.

Same-asset property cash NOI increased by \$2,489, or 3.2%, compared to the first quarter of 2024 primarily due to renewals, contractual rent step-ups, and new leasing.

Funds from Operations (FFO)^(*)

Crombie follows the recommendations of the January 2022 guidance of the Real Property Association of Canada ("REALPAC") in calculating FFO^(*). Refer to the "Non-GAAP Financial Measures" section of this MD&A, starting on page 60, for a more detailed discussion on FFO^(*).

The reconciliation of FFO^(*) for the three months ended March 31, 2025 and 2024 is as follows:

	Three months ended March 31,		
	2025	2024	Variance
Decrease in net assets attributable to Unitholders	\$ (18,914)	\$ (14,072)	\$ (4,842)
Add (deduct):			
Amortization of tenant incentives	7,652	6,718	934
Loss on disposal of investment properties	227	—	227
Depreciation and amortization of investment properties	22,104	19,638	2,466
Adjustments for equity-accounted investments	865	1,263	(398)
Principal payments on right-of-use assets	60	59	1
Internal leasing costs	657	985	(328)
Distributions to Unitholders	41,047	40,399	648
Change in fair value of financial instruments ⁽¹⁾	1,859	(122)	1,981
FFO^(*) as calculated based on REALPAC recommendations	\$ 55,557	\$ 54,868	\$ 689
Weighted average Units - basic and diluted (in 000's)	184,364	181,450	2,914
FFO ^(*) per Unit - basic and diluted	\$ 0.30	\$ 0.30	\$ —
FFO ^(*) payout ratio (%)	73.9 %	73.6 %	0.3 %

(1) Includes the fair value changes of Crombie's deferred unit plan and fair value changes of financial instruments which do not qualify for hedge accounting.

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The increase in FFO of \$689 was primarily due to growth in property revenue of \$4,126, primarily from the acquisition of the remaining 50% interest in the Davie Street residential property in the fourth quarter of 2024. This was offset in part by increased general and administrative expenses of \$2,271, primarily due to new hires, employee transition costs, and an improvement in Unit price, and by higher interest expense of \$1,795 from the net issuance of senior unsecured notes.

Adjusted Funds from Operations (AFFO)^(*)

Crombie follows the recommendations of REALPAC's January 2022 guidance in calculating AFFO^(*) and has applied these recommendations to the AFFO^(*) amounts included in this MD&A. Refer to the "Non-GAAP Financial Measures" section of this MD&A, starting on page 60, for a more detailed discussion.

The reconciliation of AFFO^(*) for the three months ended March 31, 2025 and 2024 is as follows:

	Three months ended March 31,		
	2025	2024	Variance
FFO ^(*) as calculated based on REALPAC recommendations	\$ 55,557	\$ 54,868	\$ 689
Add (deduct):			
Straight-line rent adjustment	(745)	(1,497)	752
Straight-line rent adjustment included in loss from equity-accounted investments	3	79	(76)
Internal leasing costs	(657)	(985)	328
Maintenance expenditures on a square footage basis	(5,268)	(5,518)	250
AFFO^(*) as calculated based on REALPAC recommendations	\$ 48,890	\$ 46,947	\$ 1,943
Weighted average Units - basic and diluted (in 000's)	184,364	181,450	2,914
AFFO ^(*) per Unit - basic and diluted	\$ 0.27	\$ 0.26	\$ 0.01
AFFO ^(*) payout ratio (%)	84.0 %	86.1 %	(2.1)%

For further details on Crombie's maintenance expenditures, refer to the "Non-GAAP Financial Measures" section of this MD&A.

The increase in AFFO was primarily due to the same factors impacting FFO for the quarter.

Distributions to Unitholders

Crombie has organized its assets and operations to satisfy the criteria contained in the Income Tax Act (Canada) in regard to the definition of a real estate investment trust ("REIT"). A trust that satisfies the criteria of a REIT throughout its taxation year will not be subject to income tax in respect of distributions to its Unitholders that would otherwise apply to trusts classified as specified investment flow-through entities ("SIFTs").

Crombie's management and its advisors have completed an extensive review of Crombie's organizational structure and operations to support Crombie's assertion that it met the REIT criteria throughout 2024 and continues to do so. The relevant tests apply throughout the taxation year and, as such, the actual status of Crombie for any particular taxation year can only be ascertained at the end of the year.

Pursuant to Crombie's Declaration of Trust, cash distributions are to be determined by the Board of Trustees ("Board") at its discretion. Subject to approval of the Board, Crombie intends to make distributions to Unitholders of not less than the amount equal to the taxable income of Crombie, to ensure that Crombie will not be liable for income taxes.

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Details of distributions to Unitholders are as follows:

	Three months ended March 31,		
	2025	2024	Variance
Distributions to Unitholders	\$ 24,229	\$ 23,850	\$ 379
Distributions to Class B Voting Unitholder ⁽¹⁾	16,818	16,549	269
Total distributions	\$ 41,047	\$ 40,399	\$ 648
FFO ^(*) payout ratio	73.9 %	73.6 %	0.3 %
AFFO ^(*) payout ratio	84.0 %	86.1 %	(2.1)%

(1) Crombie Limited Partnership, a subsidiary of Crombie, has also issued Class B LP Units. These Class B LP Units accompany the Special Voting Units, are the economic equivalent of a Unit, and are exchangeable for Units on a one-for-one basis.

Pursuant to the requirements of National Policy 41-201, Income Trusts and Other Indirect Offerings, the tables below outline the differences between cash provided by operating activities and cash distributions, and operating income attributable to Unitholders and cash distributions, respectively, in accordance with the policy guidelines.

	Three months ended March 31,		
	2025	2024	Variance
Cash provided by operating activities	\$ 74,769	\$ 79,822	\$ (5,053)
Monthly distributions paid and payable	(41,047)	(40,399)	(648)
Cash provided by operating activities in excess of distributions paid and payable	\$ 33,722	\$ 39,423	\$ (5,701)

	Three months ended March 31,		
	2025	2024	Variance
Operating income attributable to Unitholders	\$ 23,992	\$ 26,205	\$ (2,213)
Monthly distributions paid and payable	(41,047)	(40,399)	(648)
Operating income attributable to Unitholders in shortfall of distributions paid and payable	\$ (17,055)	\$ (14,194)	\$ (2,861)

Monthly distributions paid for the three months ended March 31, 2025 and 2024 were funded with cash flows from operating activities, borrowing on the bank credit facilities, and from available cash on hand. Operating income attributable to Unitholders includes depreciation and amortization, which does not directly impact the level of income Crombie generates that can be paid out in distributions. Excluding the impact of depreciation and amortization, there would be an excess over distributions paid and payable.

On April 16, 2025, Crombie declared distributions of 7.417 cents per Unit for the period from April 1, 2025 up to and including April 30, 2025. The distributions will be paid on May 15, 2025, to Unitholders of record as at April 30, 2025.

Amortization of Tenant Incentives

Tenant incentives are amortized on a straight-line basis over the term of existing leases and the amortization is shown as a reduction in property revenue. From time to time, Crombie invests in value-enhancing property modernizations that result in lease amendments. These investments are amortized over the original and extended lease terms and reduce the associated increase in property revenue.

	Three months ended March 31,		
	2025	2024	Variance
Regular tenant incentive amortization	\$ 3,631	\$ 3,461	\$ 170
Modernization tenant incentive amortization	4,021	3,257	764
Total amortization of tenant incentives	\$ 7,652	\$ 6,718	\$ 934

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General and Administrative Expenses

The following table outlines the major categories of general and administrative expenses:

	Three months ended March 31,		
	2025	2024	Variance
Salaries and benefits	\$ 3,383	\$ 2,141	\$ (1,242)
Unit-based compensation ⁽¹⁾	1,770	842	(928)
Professional fees	589	697	108
Public company costs	448	391	(57)
Rent and occupancy	197	165	(32)
Other	631	511	(120)
General and administrative expenses	\$ 7,018	\$ 4,747	\$ (2,271)
As a percentage of property revenue and revenue from management and development services	5.7 %	4.0 %	(1.7)%

(1) Unit-based compensation includes both employees and trustees.

The increase in general and administrative expenses was driven by higher salaries and benefits of \$1,242 resulting primarily from new hires and increased employee transition costs compared to the same period in 2024. Higher Unit-based compensation costs of \$928 resulting from an increase in Crombie's Unit price further contributed to the increase in expenses in the quarter. General and administrative expenses excluding employee transition costs and Unit-based compensation⁽¹⁾ of \$2,337 were 3.8% of property revenue and revenue from management and development services (March 31, 2024 - 3.3% of property revenue and revenue from management and development services, excluding employee transition costs and Unit-based compensation of \$842).

Finance Costs - Operations

	Three months ended March 31,		
	2025	2024	Variance
Fixed rate mortgages	\$ 8,796	\$ 8,765	\$ (31)
Floating rate term, revolving, and demand facilities ⁽¹⁾	901	2,048	1,147
Capitalized interest	(1,862)	(1,530)	332
Senior unsecured notes	15,270	12,023	(3,247)
Interest income on finance lease receivable	(124)	(130)	(6)
Interest on lease liability	513	553	40
Finance costs	23,494	21,729	(1,765)
Amortization of deferred financing charges	584	554	(30)
Finance costs - operations	\$ 24,078	\$ 22,283	\$ (1,795)

(1) Interest earned on any short-term deposits is net with interest expense on floating rate term, revolving, and demand facilities.

Finance costs increased by \$1,765 primarily due to the issuance of Series L and Series M notes in 2024, offset in part by the redemption of Series E notes in the fourth quarter of 2024, resulting in a net increase of \$3,247 in interest on senior unsecured notes. The increase was partially offset by a decrease of \$1,147 on credit facilities resulting from lower average loan balances compared to the same period in 2024.

Depreciation, Amortization, and Impairment

Crombie's total fair value of investment properties exceeds carrying value by \$1,305,047 at March 31, 2025 (December 31, 2024 - \$1,289,615). Crombie uses the cost method of accounting for investment properties and increases in fair value over carrying value are not

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recognized until realized through disposition or derecognition of properties, while impairment, if any, is recognized on a property-by-property basis when circumstances indicate that the carrying value may not be recoverable.

	Three months ended March 31,		
	2025	2024	Variance
Same-asset ^(*) depreciation and amortization	\$ 20,949	\$ 19,811	\$ (1,138)
Acquisitions, dispositions, and development depreciation and amortization	1,519	203	(1,316)
Depreciation and amortization	\$ 22,468	\$ 20,014	\$ (2,454)

The increase in depreciation and amortization of \$2,454 for the quarter was primarily due to the acquisition of Powell River and the acquisition of the remaining 50% interest in the Davie Street residential property in 2024, and accelerated depreciation on Fundy Trail Mall, which is scheduled for redevelopment.

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6. DEVELOPMENT

Property development is a strategic priority for Crombie to improve NAV^(*), cash flow growth, and Unitholder value. With urban intensification an important reality across the country, Crombie is focused on evaluating and undertaking major and non-major developments at certain properties, where development may include residential, commercial, and/or retail-related industrial. This discussion of Crombie's development activities contains forward-looking information. Refer to the "Forward-looking Information" section of this MD&A starting on page 65 for additional information regarding such statements and the related risks and uncertainties.

Crombie has a strategic relationship with Empire, and the majority of Crombie's development properties currently have Empire as an anchor tenant. Crombie's strategic relationship enables the organization to unlock value and transition from existing operating properties to construction/development of these sites on mutually agreeable terms. In conjunction with Crombie's strategic partner, the organization's management continuously reviews and prioritizes development opportunities that drive NAV^(*) and cash flow growth, including high-density urban redevelopment, new grocery-anchored retail, retail-related industrial e-commerce facilities, and land-use intensification.

Major Development Pipeline

Crombie has the potential to unlock significant value within its current pipeline of 26 major development projects as at March 31, 2025 (March 31, 2024 - 26). Crombie benefits from having income (NOI, FFO^(*), and AFFO^(*)) generated by most of these properties while working through the various approvals, entitlements, and advance preparations required before each major development can commence.

The organization's major development plans include the development of mixed-use properties with a focus on grocery-anchored retail and, wherever practical, primarily purpose-built residential rental accommodations that provide revenue, diversification, and growth to Crombie. Crombie views this approach as the optimal way to drive both NAV^(*) and cash flow growth. From time to time, Crombie may enter into partnerships to complete developments to share knowledge, risk, and expertise. In certain cases, residential condominium uses may also be considered, as will certain other uses (e.g. retail-related industrial), to satisfy municipal requirements and/or market opportunities.

Crombie divides its development pipeline into three timing-based segments. Near-term projects are either under active construction or indicate that a decision to commit financially is expected to be determined within the next two years. Medium-term projects have a timeline to commitment of two years to five years, and long-term projects are expected to be committed within five to 15 years. Many projects in the current pipeline are large, multi-phased endeavors where the project timeline could span several years. In these instances, Crombie recognizes the project in the time period where financial commitment to the initial phase is expected.

Active Major Developments

Crombie currently has one active major development underway, The Marlstone, located in downtown Halifax. Key project metrics are summarized in the below table.

Property	CMA	Use	Ownership %	Residential GLA on Completion	Residential Units	At Crombie's Share (\$ in millions)			
						Estimated Substantial Completion Date	Estimated Total Cost	Estimated Cost to Complete	Estimated Yield on Cost
The Marlstone	Halifax	Residential	50%	189,000	291	Q1/Q2 2026	\$ 71 ⁽¹⁾	\$ 41	4.5% - 5.5%

(1) Costs have been revised to reflect the creation of the joint venture partnership, and the transfer of land into the Joint venture.

Subsequent to March 31, 2025, Crombie entered into a joint partnership agreement with Montez Corporation, whereby Montez acquired a 50% interest in The Marlstone. Reflected in the table above, are the revised estimated total project costs, which increased from \$134,000 to \$142,000, or \$71,000 at Crombie's share, as a result of the inclusion of land in estimated total project costs. Estimated yield on cost remains unchanged from previous disclosure at 4.5% to 5.5%.

Total estimated costs include soft and hard construction costs, tenant inducements, external leasing costs, finance costs, and capitalized interest and other carrying costs, such as capitalized construction and development wages, and property taxes. These costs are

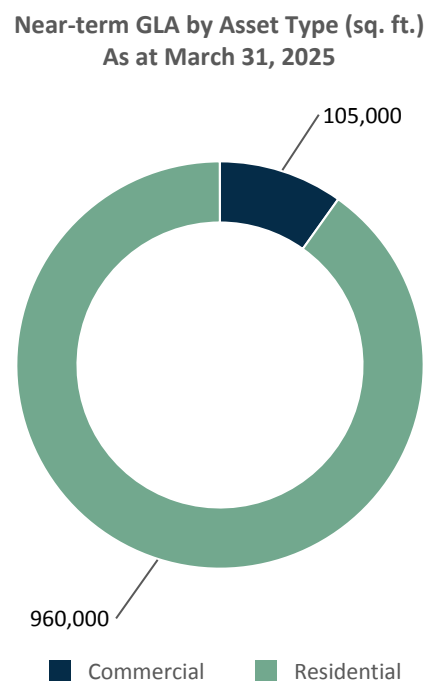
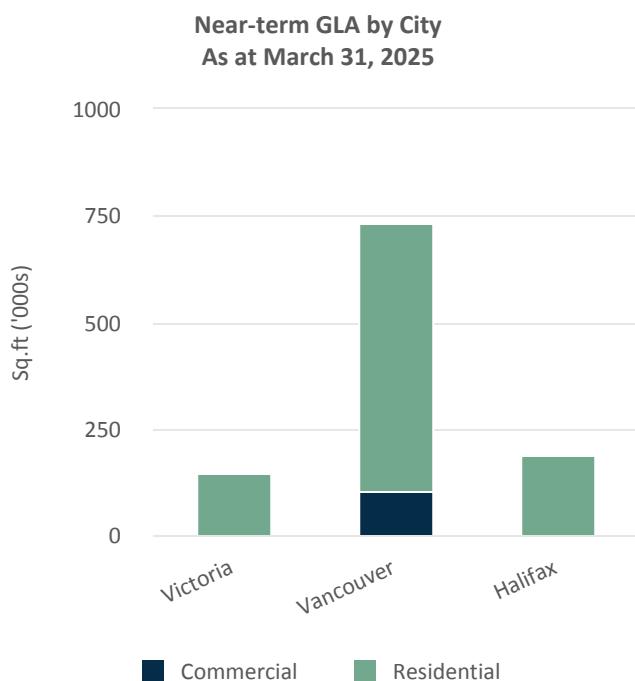
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determined by using internal knowledge and external professional resources, where applicable. Project capital cost uncertainty exists, and project cost estimates contain a contingency for capital cost exceedances in the ordinary course. Historically, capital cost exceedances in the 5%-10% range are reflective of such contingencies.

These estimates and assumptions are reviewed and updated regularly and are subject to changes, which could be material. Estimated total costs are based on assumptions that are updated regularly, based on revised site plans, cost tendering processes, market studies, and continuing tenant negotiations. These assumptions are based on access to job sites, supply and labour availability, ability to attract tenants, estimated GLA, and tenant mix among rental, air rights sale, tenant rents, building sizes, and availability and cost of construction financing. Within specific projects, scheduling and/or completion timing uncertainty exists, and project economics can handle reasonable delays in the range of 10%. Estimations included in the chart are believed to be reasonable, but there can be no assurance that actual results will be consistent with these projections.

Estimated annual net operating income is calculated using first year stabilized annual rent for each tenant, assuming a stabilized vacancy rate of 2%. These estimates are established using market rents, Crombie's market knowledge, and/or externally generated market studies. The estimated yield on cost is derived from dividing the estimated annual net operating income by the estimated total project costs. Crombie determines the yield on cost range from the approved pro forma while factoring in a margin of uncertainty on both sides of the approved yield.

Near-term Projects



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The table below provides additional detail on Crombie's near-term development opportunities.

Property	City	% Ownership	Full Project Density		
			Estimated Commercial GLA	Estimated Residential GLA	Estimated Residential Units
The Marlstone	Halifax	50 % ⁽¹⁾	—	189,000	291
1780 East Broadway (Broadway and Commercial)	Vancouver	50 % ⁽²⁾	105,000	626,000	970
Belmont Market - Phase II	Victoria	100 %	—	145,000	200
Total near-term developments			105,000	960,000	1,461

(1) Subsequent to quarter end, Crombie entered into a joint venture partnership at the Marlstone property. As a result, % of ownership was changed from 100% to 50%.

(2) Crombie will own 100% of the retail portion of this development.

Full project density reflects estimated GLA upon completion. Estimated GLA on completion is based on applicable standards of area measurement determined through internal site plans and drawings, and using external massing studies, where applicable.

Near-term Project Update

The Marlstone, Halifax, Nova Scotia

Type: Residential

Ownership: 50%

Project status: The Marlstone is a 291-unit residential rental project in the heart of downtown Halifax, located within the Scotia Square mixed-use retail, office, and hotel complex. Demolition, existing building upgrades, and construction continues to progress well, with completion expected in the first half of 2026. Subsequent to quarter end, Crombie entered into a joint venture partnership agreement at the Marlstone, resulting in a change in ownership percentage from 100% to 50%.

1780 East Broadway (Broadway and Commercial), Vancouver, British Columbia

Type: Retail/Residential

Ownership: 100% retail, 50% residential and office

Project status: East Broadway is a proposed major mixed-use redevelopment on 2.4 acres of land located at one of the busiest transit nodes in Western Canada. A rezoning application is in process with the City of Vancouver that comprises a mix of grocery-anchored retail, rental residential, and office. Rezoning is expected to be completed in 2025.

Belmont Market - Phase II, Victoria, British Columbia

Type: Residential

Ownership: 100%

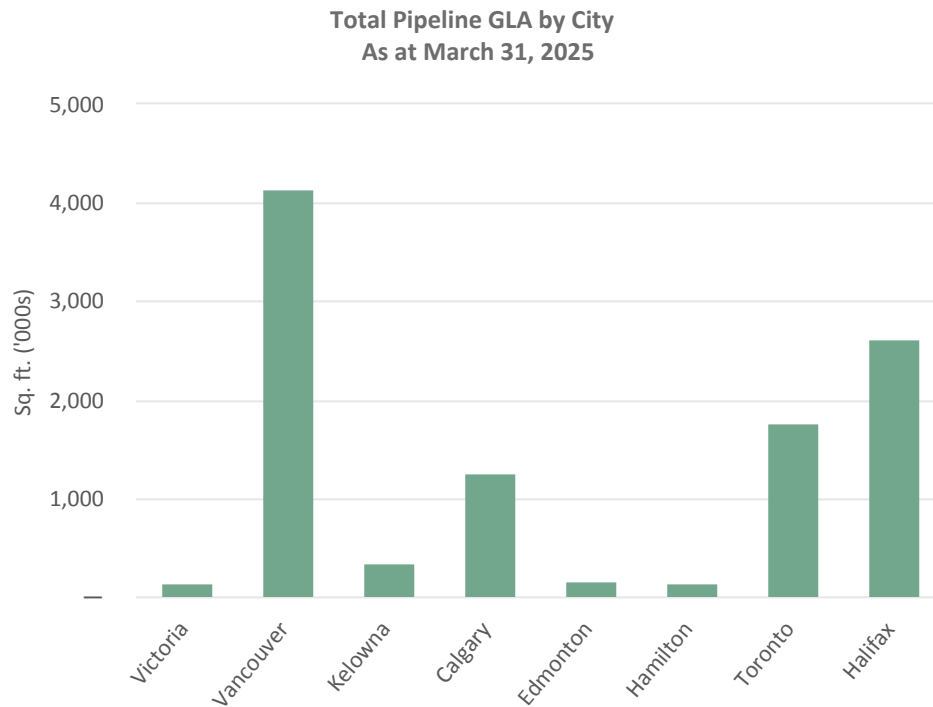
Project status: Belmont Market - Phase II envisions the development of approximately 200 residential units on the remaining 1.7 acres of fully entitled land within the Belmont Market development area.

Total Development Pipeline

In addition to near-term projects, Crombie is actively working on its pipeline to ensure a consistent inventory of projects. A number of potential major developments in Crombie's pipeline are large, multi-phased projects spanning over a decade in total duration. For the charts and tables outlined throughout this section, Crombie has summarized GLA data at the date of its financial commitment to Phase 1.

Crombie's current pipeline has the potential to add up to 1,144,000 square feet of commercial GLA, and up to 9,460,000 square feet (up to 11,291 units) of residential GLA (which may include a combination of rental or condominium units).

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Total Pipeline Density by Project Timeline				
Project Timeline ⁽¹⁾	Estimated Commercial GLA	Estimated Residential GLA	Estimated Total GLA	Estimated Residential Units
Near-term	105,000	960,000	1,065,000	1,461
Medium-term	259,000	4,407,000	4,666,000	5,080
Long-term	780,000	4,093,000	4,873,000	4,750
Total pipeline	1,144,000	9,460,000	10,604,000	11,291

(1) Many projects in the pipeline are multi-phased. GLA and units are shown to align with the first phase. Project timelines are subject to change.

An important part of creating a sustainable development program is a systematic approach to proactively moving potential development lands through the entitlement process to obtain zoning approvals. Crombie currently has eight of these 26 potential major projects either already zoned or identified for rezoning and is currently in various stages of entitlement pursuit as noted in the following table:

Crombie's Entitled Projects						
	Number of Projects	Estimated Commercial GLA ⁽¹⁾	Estimated Residential GLA ⁽¹⁾	Estimated Total GLA ⁽¹⁾	Estimated Residential Units ⁽¹⁾	Total Spend to Date (\$ in millions)
Zoned	4	55,000	1,444,000	1,499,000	1,801	\$ 40
Application submitted	4	197,000	2,893,000	3,090,000	3,460	90
Future	18	892,000	5,123,000	6,015,000	6,030	220
Total	26	1,144,000	9,460,000	10,604,000	11,291	\$ 350

(1) GLA and unit information presented in the table are estimates only and are subject to change. Design, municipal approvals, and market conditions may influence estimates.

Zoning is in place for the following development sites: The Marlstone (Halifax), Belmont Market - Phase II (Victoria), Barrington Street, formerly referred to as Barrington Residential, (Halifax), and Brunswick Place (Halifax). Rezoning applications have been submitted and

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are in process for Broadway and Commercial (Vancouver), McCowan and Ellesmere (Toronto), Toronto East (Toronto) and Park West (Halifax).

The following table lists the 26 identified potential major development locations and certain key features of each property. Potential developments in the following table are organized in order of potential construction commencement:

Major Development Pipeline							
Existing Property ⁽¹⁾	CMA	Site Size (acres)	Existing Tenants	Potential Commercial Expansion	Entitlement Status	Project Timing	
1 The Marlstone	Halifax	0.46 ⁽²⁾	N/A	No	Zoned	Near-term	
2 Belmont Market - Phase II	Victoria	1.70	N/A	No	Zoned	Near-term	
3 Broadway and Commercial	Vancouver	2.43	Safeway	Yes	Application Submitted	Near-term	
4 Brunswick Place	Halifax	0.75 ⁽³⁾	Office/Parkade	Yes	Zoned	Medium-term	
5 McCowan and Ellesmere	Toronto	4.48	FreshCo/Other	Yes	Application Submitted	Medium-term	
6 Lynn Valley	Vancouver	2.82	Safeway	Yes	Future	Medium-term	
7 Park West	Halifax	19.66	Sobeys	Yes	Application Submitted	Medium-term	
8 Toronto East	Toronto	0.14	N/A	Yes	Application Submitted	Medium-term	
9 Barrington Street ⁽⁴⁾	Halifax	0.68	N/A	Yes	Zoned	Medium-term	
10 Fleetwood	Vancouver	4.45	Safeway	Yes	Future	Medium-term	
11 Danforth	Toronto	0.79	The Beer Store	Yes	Future	Long-term	
12 West Broadway	Vancouver	1.95	Safeway	Yes	Future	Long-term	
13 Kingsway and Tyne	Vancouver	3.74	Safeway/Other	Yes	Future	Long-term	
14 Hastings	Vancouver	3.30	Safeway/Other	Yes	Future	Long-term	
15 1818 Centre Street	Calgary	2.18	Safeway	Yes	Future	Long-term	
16 Port Coquitlam	Vancouver	5.31	Safeway	Yes	Future	Long-term	
17 Centennial Parkway	Hamilton	2.75	Retail	Yes	Future	Long-term	
18 King Edward	Vancouver	1.80	Safeway	Yes	Future	Long-term	
19 Elbow Drive	Calgary	1.60	Safeway	Yes	Future	Long-term	
20 Robson Street	Vancouver	1.15	Safeway	Yes	Future	Long-term	
21 Kensington	Calgary	1.73	Safeway	Yes	Future	Long-term	
22 Beltline	Calgary	2.59	Safeway	Yes	Future	Long-term	
23 Bernard Ave	Kelowna	1.83	Safeway	Yes	Future	Long-term	
24 Whyte Ave	Edmonton	2.44	Safeway/Other	Yes	Future	Long-term	
25 New Westminster	Vancouver	2.82	Safeway	Yes	Future	Long-term	
26 Brampton Mall	Brampton	8.74	Office/Retail	Yes	Future	Long-term	

(1) All projects in the pipeline are transit-oriented and have the potential for residential expansion.

(2) The Marlstone is being developed through densification on 0.46 acres of the existing 9.05-acre Scotia Square site.

(3) Brunswick Place can be developed through densification on the existing 0.75-acre Brunswick Place Parkade.

(4) Barrington Street was formerly referred to as Barrington Residential.

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Non-major Developments

Non-major developments, categorized as land-use intensification, property redevelopments, and modernizations, include projects with a total estimated cost below \$50,000 at Crombie's share. Projects in the non-major category are shorter in duration and thus boast less overall risk as compared to Crombie's major development pipeline. Current non-major developments have a yield range of 6.0% to 7.0%. These projects have the ability to create value while enhancing the overall quality of the portfolio. The below table summarizes active non-major developments within Crombie's portfolio at March 31, 2025.

Type	Project Count	Estimated GLA on Completion	At Crombie's Share (\$ in thousands)		
			Estimated Total Cost	Estimated Cost to Complete ⁽²⁾	
Land-use intensification, redevelopments, and other	2	54,000	\$ 28,643	\$ 13,026	
Modernizations ⁽¹⁾	1	—	2,161	—	
Total non-major developments	3	54,000	\$ 30,804	\$ 13,026	
Yield on cost projections				6.0% - 7.0%	

(1) Modernizations are capital investments to modernize/renovate Crombie-owned grocery-anchored properties in exchange for a defined return and potential extended lease term. The spend on completed modernizations for the three months ended March 31, 2025 was \$2,161 (three months ended March 31, 2024 - \$1,500).

(2) Estimated cost to complete reflects approved projects currently in progress. It does not include potential future projects for which approvals have not yet been obtained.

In the first quarter of 2025, 88 modernization projects that were completed in 2024 were removed from the non-major table above. Actual yield on cost for the completed modernizations was between 6.9% to 8.0%, consistent with our disclosure in the fourth quarter of 2024. There were two additions to the non-major developments in the first quarter of 2025: a 2,000 square foot land-use intensification and one modernization project.

Total estimated costs include land cost on the existing income-producing properties in certain occasions, such as greenfield non-major developments, soft and hard construction costs, tenant inducements, external leasing costs, finance costs, and capitalized interest and other carrying costs, such as capitalized construction and development wages, and property taxes. These costs are determined by using internal knowledge and external professional resources, where applicable. Project capital cost uncertainty exists, and project cost estimates contain a contingency for capital cost exceedances in the ordinary course. Historically, capital cost exceedances in the 5%-10% range are reflective of such contingencies.

These estimates and assumptions are reviewed and updated regularly and are subject to changes, which could be material. Estimated total costs are based on assumptions that are updated regularly, based on revised site plans, cost tendering processes, market studies, and continuing tenant negotiations. These assumptions are based on access to job sites, supply and labour availability, ability to attract tenants, estimated GLA, and tenant mix among rental, air rights sale, tenant rents, building sizes, and availability and cost of construction financing. Within specific projects, scheduling and/or completion timing uncertainty exists, and project economics can handle reasonable delays in the range of 10%. Estimations included in the chart are believed to be reasonable, but there can be no assurance that actual results will be consistent with these projections.

Estimated annual net operating income is calculated using first year stabilized annual rent for each tenant, assuming 100% occupancy. These estimates are established using market rents, Crombie's market knowledge, and/or externally generated market studies. The estimated yield on cost range is derived from dividing the estimated annual NOI by the estimated total project costs, factoring in a margin for uncertainty.

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7. CAPITAL MANAGEMENT

Crombie continues to reduce risk and build financial strength by strategically managing its capital structure and optimizing capital allocation to generate long-term value for its stakeholders. Crombie's continued success is underpinned by a strong balance sheet, more-than-adequate liquidity, and an investment-grade credit rating profile providing Crombie with a solid financial foundation and financial flexibility.

Capital Management Framework

Crombie's strategic capital management objectives consist of four main priorities:

1. maintain multiple sources of debt and equity financing;
2. reduce risk by prefunding capital commitments;
3. source capital with the lowest cost on a long-term basis and maintain overall indebtedness at reasonable levels, utilize staggered debt maturities, minimize long-term exposure to excessive levels of floating rate debt; and
4. maintain conservative payout ratios.

At a minimum, Crombie's capital structure is managed to ensure that it complies with the limitations pursuant to its Declaration of Trust, the criteria contained in the Income Tax Act (Canada) in regard to the definition of a REIT, and existing debt covenants.

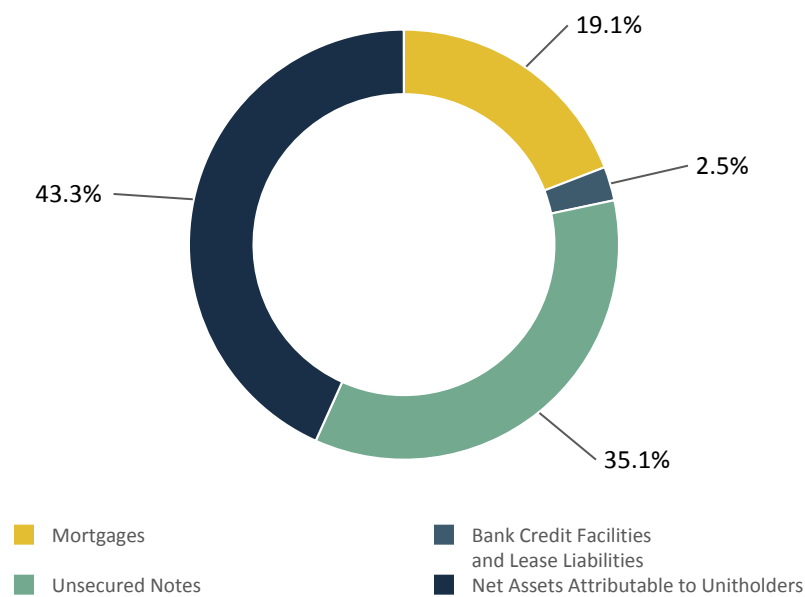
Crombie's Declaration of Trust sets out the investment guidelines for Crombie's capital deployment. The Declaration of Trust outlines the minimum due diligence that must be completed prior to a project being approved by the Investment Committee and/or Board. Crombie's Board ensures continued compliance with the Declaration of Trust through the review and approval of the annual operating and capital budgets, annual confirmation of Crombie's strategic plan, and approval of individual projects. The annual budget will detail the level of projected capital spend for a given year and how the required capital will be funded, as well as various key performance indicators and impacts on debt covenants. The Board monitors performance quarterly, or on a more frequent basis if needed. In addition, the Board and management regularly review unspent committed capital (i.e. unfunded capital requirements of partially completed projects), with a lens towards Crombie's available liquidity, leverage metrics, and sources of financing.

Crombie expects to be able to satisfy all of its financing requirements through the use of some or all of the following:

- cash on hand;
- cash flow generated from operating the property portfolio;
- cash distributions from Crombie's joint ventures;
- bank credit facilities;
- proceeds from partial or full disposition of select non-core investment properties;
- traditional construction financing;
- CMHC-insured mortgages on residential properties;
- secured mortgages and term debt on unencumbered properties;
- issuance of senior unsecured notes;
- issuance of new Units; and
- issuance of Units under its DRIP.

Strong Capital Structure

**Capital Structure
as at March 31, 2025**



Crombie's capital structure consists of the following carrying values, inclusive of deferred financing costs where applicable:

	March 31, 2025		December 31, 2024	
Fixed rate mortgages	\$	816,996	19.1 %	\$ 822,804 19.3 %
Drawn credit facilities		74,531	1.7 %	65,131 1.5 %
Senior unsecured notes		1,495,529	35.1 %	1,495,293 35.0 %
Lease liabilities		33,720	0.8 %	33,937 0.8 %
Net assets attributable to Crombie REIT Unitholders		1,093,696	25.7 %	1,099,588 25.7 %
Net assets attributable to Special Voting Units and Class B Limited Partnership Unitholders		751,943	17.6 %	755,952 17.7 %
Total capital structure	\$	4,266,415	100.0 %	\$ 4,272,705 100.0 %

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Debt Metrics

Crombie monitors its debt by utilizing a number of key metrics, including the following:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value of unencumbered investment properties	\$ 3,669,000	\$ 3,662,000	\$ 2,771,000
Fair value of unencumbered investment properties as a % of unsecured debt ^(*)	236.7 %	236.3 %	201.5 %
Debt to gross fair value ^(*)	43.6 %	43.6 %	42.9 %
Weighted average interest rate	4.1 %	4.1 %	4.2 %
Debt to trailing 12 months adjusted EBITDA ^(*)	7.95x	7.96x	7.97x
Interest coverage ratio ^(*)	3.22x	3.31x	3.23x

Crombie has continued to grow its unencumbered asset pool, increasing its fair value from \$3,662,000 as at December 31, 2024 to \$3,669,000 as at March 31, 2025. This increase is primarily due to growth in fair value of investment properties.

Debt to Gross Fair Value^(*)

When calculating debt to gross fair value^(*), debt is defined as obligations for borrowed money, including obligations incurred in connection with acquisitions, excluding trade payables and accruals in the ordinary course of business, and distributions payable. Debt includes Crombie's share of debt held in equity-accounted joint ventures.

Gross fair value includes investment properties measured at fair value, including Crombie's share of those held within equity-accounted joint ventures. All other components of gross fair value are measured at the carrying value included in Crombie's financial statements. Crombie's methodology for determining the fair value of investment properties includes capitalization of trailing 12 months net property income^(*) using biannual capitalization rates from external property valuers. The majority of investment properties are also subject to external, independent appraisals on a rotational basis over a period of not more than four years. Valuation techniques are more fully described in Crombie's year-end audited financial statements.

The fair value included in this calculation reflects the fair value of the properties as at March 31, 2025 and December 31, 2024, respectively, based on each property's current use as a revenue-generating investment property. Additionally, as properties are prepared for redevelopment, Crombie considers each property's progress through entitlement in determining the fair value of a property. As at March 31, 2025, Crombie's weighted average capitalization used in the determination of the fair value of its investment properties was 5.99%, an increase of 1 basis point from December 31, 2024. Crombie's weighted average capitalization rate used in the determination of the fair value of its share of investment properties held in equity-accounted joint ventures was 4.28% as at March 31, 2025, an increase of 1 basis point from December 31, 2024. For an explanation of how Crombie determines capitalization rates, see the "Other Disclosures" section of this MD&A, under "Investment Property Valuation" in the "Use of Estimates and Judgments" section.

Debt to gross fair value^(*) was 43.6% at March 31, 2025, unchanged from December 31, 2024. During the three months ended March 31, 2025, this ratio was primarily impacted by a higher credit facilities balance outstanding of \$9,373, higher debt balance held in equity-accounted joint ventures of \$7,974, and a decrease of \$4,500 in gross fair value of investment properties held in equity-accounted joint ventures. This was offset in part by increased cash and cash equivalents of \$13,498, reduced balances of mortgages outstanding of \$5,959, and an increase of \$3,000 in gross fair value of investment properties.

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	March 31, 2025	December 31, 2024
Fixed rate mortgages	\$ 821,971	\$ 827,930
Senior unsecured notes	1,500,000	1,500,000
Unsecured non-revolving credit facility	50,000	50,000
Construction financing facility	22,820	13,447
Joint operation credit facility	3,520	3,520
Debt held in joint ventures, at Crombie's share ^{(1) (2)}	193,965	185,991
Lease liabilities	33,720	33,937
Adjusted debt ^(*)	\$ 2,625,996	\$ 2,614,825
Investment properties, fair value	\$ 5,607,000	\$ 5,604,000
Investment properties held in joint ventures, fair value, at Crombie's share ⁽²⁾	280,500	285,000
Other assets, cost ⁽³⁾	84,917	82,296
Other assets, cost, held in joint ventures, at Crombie's share ^{(2) (3) (4)}	5,723	5,755
Cash and cash equivalents	23,519	10,021
Cash and cash equivalents held in joint ventures, at Crombie's share ⁽²⁾	3,613	3,434
Deferred financing charges	11,255	11,669
Gross fair value	\$ 6,016,527	\$ 6,002,175
Debt to gross fair value ^(*)	43.6 %	43.6 %

(1) Includes Crombie's share of fixed rate mortgages, floating rate construction loans, revolving credit facility, and lease liabilities held in joint ventures.

(2) See the "Joint Ventures" section of this MD&A.

(3) Excludes tenant incentives, accumulated amortization, and accrued straight-line rent receivable.

(4) Includes deferred financing charges.

Debt to Trailing 12 Months Adjusted EBITDA^(*) and Interest Coverage^(*) Ratios

The following table presents a reconciliation of operating income attributable to Unitholders to adjusted EBITDA^(*). Adjusted EBITDA^(*) is a non-GAAP measure and should not be considered an alternative to operating income attributable to Unitholders, and may not be comparable to that used by other entities. Refer to the "Non-GAAP Financial Measures" section of this MD&A, starting on page 60, for more information.

In calculating adjusted EBITDA^(*), Crombie includes its share of revenue, operating expenses, and general and administrative expenses in joint ventures, and excludes its share of amortization of tenant incentives in joint ventures. Interest coverage^(*) and debt service coverage^(*) calculations also include Crombie's share of finance costs - operations and debt repayments in joint ventures.

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	Three months ended							
	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023
Operating income attributable to Unitholders	\$ 23,992	\$ 76,143	\$ 26,570	\$ 29,347	\$ 26,205	\$ 26,295	\$ 27,796	\$ 19,557
Amortization of tenant incentives	7,652	7,725	7,663	7,121	6,718	6,529	7,838	5,357
Loss (gain) on disposal of investment properties	227	996	—	(2,163)	—	—	(477)	—
Gain on acquisition of control of joint venture	—	(51,794)	—	—	—	—	—	—
Gain on derecognition of right-of-use asset	—	(405)	—	—	—	—	—	—
Impairment of investment properties	—	3,100	—	2,000	—	—	—	—
Depreciation and amortization	22,468	21,196	20,359	19,961	20,014	20,087	19,834	19,494
Finance costs - operations	24,078	25,401	22,677	22,182	22,283	23,839	20,665	21,000
Loss (income) from equity-accounted investments	461	130	469	230	1,141	980	(876)	1,425
Property revenue in joint ventures, at Crombie's share	3,605	3,797	5,325	5,212	4,918	7,222	9,691	4,144
Amortization of tenant incentives in joint ventures, at Crombie's share	77	78	79	73	75	—	—	—
Property operating expenses in joint ventures, at Crombie's share	(1,277)	(1,199)	(1,815)	(1,368)	(1,617)	(3,684)	(4,270)	(1,231)
General and administrative expenses in joint ventures, at Crombie's share	(26)	(43)	(110)	(65)	(55)	(23)	(145)	(54)
Taxes - current	—	4	—	—	—	6	—	—
Adjusted EBITDA^(*) [1]	\$ 81,257	\$ 85,129	\$ 81,217	\$ 82,530	\$ 79,682	\$ 81,251	\$ 80,056	\$ 69,692
Trailing 12 months adjusted EBITDA^(*) [4]	\$ 330,133	\$ 328,558	\$ 324,680	\$ 323,519	\$ 310,681	\$ 307,356	\$ 300,970	\$ 296,508
Finance costs - operations	\$ 24,078	\$ 25,401	\$ 22,677	\$ 22,182	\$ 22,283	\$ 23,839	\$ 20,665	\$ 21,000
Finance costs - operations in joint ventures, at Crombie's share	1,976	1,922	2,726	2,558	3,228	3,279	3,428	3,293
Amortization of deferred financing charges	(584)	(1,433)	(558)	(600)	(554)	(588)	(604)	(641)
Amortization of deferred financing charges in joint ventures, at Crombie's share	(212)	(210)	(277)	(322)	(316)	—	—	—
Adjusted interest expense^(*) [2]	\$ 25,258	\$ 25,680	\$ 24,568	\$ 23,818	\$ 24,641	\$ 26,530	\$ 23,489	\$ 23,652
Debt principal repayments	\$ 6,191	\$ 7,251	\$ 6,971	\$ 6,927	\$ 7,522	\$ 7,606	\$ 7,703	\$ 8,357
Debt principal repayments in joint ventures, at Crombie's share	383	862	982	687	233	317	315	312
Debt principal repayments [3]	\$ 6,574	\$ 8,113	\$ 7,953	\$ 7,614	\$ 7,755	\$ 7,923	\$ 8,018	\$ 8,669
Debt outstanding (see Debt to Gross Fair Value^(*)) [5]⁽¹⁾	\$ 2,625,996	\$ 2,614,825	\$ 2,506,648	\$ 2,483,303	\$ 2,475,343	\$ 2,468,755	\$ 2,448,384	\$ 2,421,240
Interest coverage^(*) ratio {[1]/[2]}	3.22x	3.31x	3.31x	3.47x	3.23x	3.06x	3.41x	2.95x
Debt service coverage^(*) ratio {[1]/([2]+[3])}	2.55x	2.52x	2.50x	2.63x	2.46x	2.36x	2.54x	2.16x
Debt to trailing 12 months adjusted EBITDA^(*) {[5]/[4]}	7.95x	7.96x	7.72x	7.68x	7.97x	8.03x	8.13x	8.17x

(1) Includes debt held in joint ventures, at Crombie's share.

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Debt Profile

Mortgages Payable

Crombie had outstanding fixed rate mortgages consisting of:

	March 31, 2025	December 31, 2024
Fixed rate mortgages	\$ 824,431	\$ 830,622
Unamortized fair value debt adjustment	(2,460)	(2,692)
	821,971	827,930
Deferred financing charges on fixed rate mortgages	(4,975)	(5,126)
Total mortgage debt	\$ 816,996	\$ 822,804
Long-term portion	\$ 785,877	\$ 792,265
Current portion	\$ 31,119	\$ 30,539
Weighted average interest rate	4.13 %	4.13 %
Weighted average term to maturity	5.6 years	5.8 years

Senior Unsecured Notes ("Notes")

The following series of senior unsecured notes were outstanding as at March 31, 2025 and December 31, 2024:

	Maturity Date	Effective Interest Rate	March 31, 2025	December 31, 2024
Series F	August 26, 2026	3.68 %	\$ 200,000	\$ 200,000
Series G	June 21, 2027	3.92 %	150,000	150,000
Series H	March 31, 2028	2.69 %	150,000	150,000
Series I	October 9, 2030	3.21 %	150,000	150,000
Series J	August 12, 2031	3.13 %	150,000	150,000
Series K	September 28, 2029	5.24 %	200,000	200,000
Series L	March 29, 2030	5.14 %	200,000	200,000
Series M	January 15, 2032	4.73 %	300,000	300,000
Deferred financing charges			(4,471)	(4,707)
Total senior unsecured notes			\$ 1,495,529	\$ 1,495,293
Long-term portion			\$ 1,495,529	\$ 1,495,293
Current portion			\$ —	\$ —
Weighted average interest rate			4.12 %	4.12 %
Weighted average term to maturity			4.5 years	4.8 years

There are no required periodic principal payments, with the full face value of the notes due on their respective maturity dates.

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Credit Facilities

The following floating rate credit facilities had balances drawn as at March 31, 2025 and December 31, 2024:

	Total Available Facility	Weighted Average Term to Maturity	March 31, 2025	December 31, 2024
Unsecured revolving credit facility	\$ 550,000	3.7 years	\$ —	\$ —
Construction financing facility ⁽¹⁾	105,876	0.7 years	22,820	13,447
Unsecured non-revolving credit facility ⁽²⁾	50,000	2.8 years	\$ 50,000	\$ 50,000
Unsecured bilateral credit facility	130,000	1.2 years	\$ —	\$ —
Joint operation credit facility II ^{(2) (3)}	3,520	4.5 years	3,520	3,520
Deferred financing charges			(1,809)	(1,836)
Total credit facilities	\$ 839,396	2.2 years	\$ 74,531	\$ 65,131
Long-term portion			\$ 52,541	\$ 52,604
Current portion			\$ 21,990	\$ 12,527
Weighted average interest rate for drawn credit facilities			4.54 %	4.58 %

(1) Availability is limited by development spending to date.

(2) Credit facility is fixed under an interest rate swap agreement.

(3) Availability is limited by mortgages held in the joint operations.

From time to time, Crombie has entered into interest rate swap agreements to manage the interest rate profile of its current or future debts without an exchange of the underlying principal amount (see "Interest Rate Risk"). Crombie currently has \$53,520 of credit facilities that are floating rate, that is classified as fixed rate due to interest rate swap agreements in place.

The unsecured revolving credit facility has a maturity date of December 23, 2028.

The CMHC-insured construction financing facility has an initial maturity date of December 1, 2025 on The Maristone residential property, currently under development. The construction facility carries a floating rate which varies with the lender's cost of funds. Upon completion of the development, Crombie has the ability to convert the facility to a fixed rate with an initial term of 10 years.

The unsecured non-revolving credit facility has a maturity date of January 17, 2028 and was used for the acquisition of the remaining 50% interest in the Davie Street residential property on October 15, 2024. Crombie entered into a fixed-for-floating interest rate swap, effectively fixing the interest rate at 4.19%.

The unsecured bilateral credit facility has a maturity date of June 30, 2026. It is used by Crombie for working capital purposes and to provide temporary financing for acquisitions and development activity.

Joint operation credit facility II has a maturity date of October 7, 2029 and consists of term loan and revolving credit facilities which are secured by first and second mortgages on select co-owned properties. Crombie and its co-ownership partners entered into fixed-for-floating interest rate swaps, effectively fixing the interest rate on the joint operation facility at 5.20%.

Borrowings under all credit facilities, with the exception of the construction financing facility, can be by way of prime rate advance or Canadian Overnight Repo Rate Average ("CORRA"). The respective spread or margin may change depending on Crombie's unsecured bond rating with Morningstar DBRS.

As at March 31, 2025, the remaining amount available under the unsecured revolving credit facility was approximately \$550,000 (prior to reduction for standby letters of credit outstanding of \$5,198). Crombie has remained in compliance with all debt covenants.

The terms of the unsecured bilateral revolving credit facility and the unsecured non-revolving credit facility also require annualized NOI on all properties to be a minimum of 1.4 times the coverage of all annualized debt service requirements, cash distributions to Unitholders to be limited to 100% of funds from operations as defined in the credit facilities, and total leverage to total gross book value of 60% or less. Crombie is in compliance with this requirement.

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Following are the calculations of Crombie's debt covenants, as they relate to credit facilities and senior unsecured notes:

Covenant	Limit	March 31, 2025	December 31, 2024
Total leverage ratio	60% maximum	46.4 %	46.3 %
Secured debt ratio	40% maximum	18.8 %	18.6 %
Total debt service coverage ratio	1.5x minimum	2.50x	2.51x
Unencumbered assets ratio	1.4x minimum	2.34x	2.33x
Debt to gross book value (cost)	60% maximum	45.6 %	45.7 %
FFO > distributions		\$64.5M	\$64.8M
Consolidated EBITDA / Consolidated interest	1.65:1 minimum	3.22:1	3.31:1
Net assets attributable to Unitholders	\$300M minimum	\$1,846M	\$1,855M

Crombie's liquidity is impacted by contractual debt commitments. Crombie's contractual debt commitments for the next five years are as follows:

	Contractual Cash Flows ⁽¹⁾	Twelve months ending March 31,						Thereafter
		2026	2027	2028	2029	2030		
Fixed rate mortgages - principal and interest ⁽²⁾	\$ 315,633	\$ 58,129	\$ 55,803	\$ 45,650	\$ 34,795	\$ 26,460	\$	94,796
Fixed rate mortgages - maturities	677,584	8,220	98,634	203,061	83,805	42,233		241,631
Senior unsecured notes	1,787,017	61,738	257,344	349,815	44,479	439,235		634,406
Trade and other payables	134,862	119,814	2,727	1,096	835	2,075		8,315
Lease liabilities	139,213	4,701	2,898	2,562	2,413	2,304		124,335
	3,054,309	252,602	417,406	602,184	166,327	512,307		1,103,483
Credit facilities ⁽²⁾	83,806	25,888	2,278	51,842	183	3,615		—
Total estimated payments	\$ 3,138,115	\$ 278,490	\$ 419,684	\$ 654,026	\$ 166,510	\$ 515,922	\$	1,103,483

(1) Includes principal and interest and excludes extension options.

(2) Includes the fixed portion of the interest expense for mortgages and credit facilities under swap agreements.

Crombie's contractual debt obligations and projected development expenditures can be funded from the following financing sources:

- secured and unsecured short-term financing;
- recycling capital through the disposition of select investment properties;
- secured mortgage and term debt on unencumbered properties;
- issuance of additional senior unsecured notes;
- issuance of new Units;
- entering into new joint arrangements; and
- cash on hand.

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Debt Maturities

Principal repayments of the fixed rate mortgages, unsecured notes, and credit facilities are scheduled as follows:

	Maturing Debt Balances								
		Senior Unsecured Notes	Credit Facilities				Payments of Mortgage Principal	Total Required Payments	% of Total
12 Months Ending	Mortgages			Total	% of Total				
Remainder of 2025	\$ 7,753	\$ —	\$ 22,820	\$ 30,573	1.4 %	\$ 18,861	\$ 49,434	2.1 %	
December 31, 2026	12,401	200,000	—	212,401	9.4 %	24,844	237,245	9.9 %	
December 31, 2027	281,262	150,000	—	431,262	19.1 %	21,726	452,988	18.9 %	
December 31, 2028	45,234	150,000	50,000	245,234	10.9 %	17,155	262,389	10.9 %	
December 31, 2029	89,302	200,000	3,520	292,822	13.0 %	13,369	306,191	12.7 %	
Thereafter	241,632	800,000	—	1,041,632	46.2 %	50,892	1,092,524	45.5 %	
Total⁽¹⁾	\$ 677,584	\$ 1,500,000	\$ 76,340	\$ 2,253,924	100.0 %	\$ 146,847	\$ 2,400,771	100.0 %	

(1) Excludes fair value debt adjustment of \$(2,460) and deferred financing charges of \$(4,975) on mortgages, \$(1,809) on credit facilities, and \$(4,471) on unsecured notes (December 31, 2024 - \$(2,692), \$(5,126), \$(1,836), and \$(4,707), respectively).

Units Outstanding

REIT Units and Class B LP Units and the Attached Special Voting Units

For the three months ended March 31, 2025, Crombie issued 428,008 REIT Units and 303,197 Class B LP Units under its DRIP. Units issued under the DRIP are issued at a price equal to 97% of the volume-weighted average trading price of the REIT Units on the Toronto Stock Exchange for the five trading days immediately preceding the relevant distribution payment date.

Total Units outstanding at April 30, 2025, were as follows:

Units	109,171,522
Special Voting Units ⁽¹⁾	75,783,576

(1) Crombie Limited Partnership, a subsidiary of Crombie, has issued 75,783,576 Class B LP Units. These Class B LP Units accompany the Special Voting Units, are the economic equivalent of a Unit, and are exchangeable for Units on a one-for-one basis.

Cash Flows

	Three months ended March 31,		
	2025	2024	Variance
Cash provided by (used in):			
Operating activities	\$ 74,769	\$ 79,822	\$ (5,053)
Financing activities	(54,854)	(57,777)	2,923
Investing activities	(6,417)	(9,769)	3,352
Net change in cash and cash equivalents during the period	\$ 13,498	\$ 12,276	\$ 1,222

Operating Activities

The decrease in cash provided by operating activities was primarily due to a decrease in the net change in non-cash working capital items of \$7,951 offset in part by higher property cash NOI^(*) of \$5,211 due to growth in property revenue.

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Financing Activities

The decrease in cash used in financing activities was primarily due to repayments on floating rate credit facilities of \$206,088 in the first quarter of 2024 with proceeds from the issuance of senior unsecured notes, and mortgage repayments of \$89,039 in the first quarter of 2024 compared to \$6,191 in the same period in 2025. This was offset in part by the issuance of senior unsecured notes of \$200,000 in the first quarter of 2024, lower advances on floating rate credit facilities of \$55,827, and the \$31,427 issuance of mortgages in the first quarter of 2024.

Investing Activities

The decrease in cash used in investing activities resulted primarily from higher distributions from equity-accounted investments of \$8,125, proceeds on disposal of investment properties of \$3,170, and reduced contributions of \$1,150 to equity-accounted investments. This was offset in part by higher advances of notes receivable from related parties of \$6,870, and increased additions to investment properties of \$2,369.

Off Balance Sheet Commitments and Guarantees

There are claims and litigation in which Crombie is involved, arising out of the ordinary course of business operations. In the opinion of management, any liability that would arise from such contingencies would not have a significant adverse effect on these operating results.

Crombie has agreed to indemnify its trustees and officers, and particular employees, in accordance with Crombie's policies. Crombie maintains insurance policies that may provide coverage against certain claims.

Crombie obtains standby letters of credit to support its obligations with respect to construction work on its investment properties and satisfying mortgage financing requirements. As at March 31, 2025, Crombie had a total of \$5,198 (December 31, 2024 - \$5,198) in outstanding letters of credit related to construction work being performed on investment properties. Crombie does not believe that any of these standby letters of credit are likely to be drawn upon.

As at March 31, 2025, Crombie had signed construction contracts totalling \$252,472, of which \$198,008 has been paid.

Crombie has committed to funding \$37,926 in development costs at 1700 East Broadway Limited Partnership, of which \$801 has been funded as at March 31, 2025.

Crombie has provided 100% guarantees on mortgages related to properties classified as joint operations in which it has less than a 100% interest. The mortgages payable related to these guarantees are secured by specific charges against the properties. As at March 31, 2025, Crombie has provided guarantees of approximately \$26,226 (December 31, 2024 - \$26,655) on mortgages in excess of their ownership interest in the properties. Responsibility for ongoing payments of principal and interest on these mortgages remains with the joint owners of the properties. The mortgages have a weighted average term to maturity of 3.0 years.

Crombie and its partners have provided joint and several guarantees on 100% of mortgage debt outstanding in the following joint ventures: Bronte Village Limited Partnership \$257,824 (December 31, 2024 - \$241,718) and 140 CPN Limited \$3,107 (December 31, 2024 - \$3,121), and are secured by the income-producing properties related to the mortgages. Crombie and its partners have provided joint and several guarantees on 100% of debt outstanding in 1700 East Broadway Limited Partnership \$21,000 (December 31, 2024 - \$20,500). Crombie includes its 50% ownership interest in the outstanding debt related to these joint ventures in its debt metrics.

Under the terms of head leases with certain of Crombie's joint operation partners, Crombie guarantees its joint operation partners their portion of any uncollected rent receivable from the sub-tenant.

Financial Instruments

The fair value of a financial instrument is the estimated amount that Crombie would receive to sell a financial asset or pay to transfer a financial liability in an orderly transaction between market participants at the measurement date.

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Fair value determination is classified within a three-level hierarchy, based on observability of significant inputs, as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs for the asset or liability.

There were no transfers between levels of the fair value during the three months ended March 31, 2025.

Due to their short-term nature, the carrying value of the following financial instruments approximates their fair value at the balance sheet date:

- Cash and cash equivalents
- Accounts receivable
- Trade and other payables

The fair value of other financial instruments is based on discounted cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks. The following table summarizes the estimated fair value of other financial instruments that have a fair value different from their carrying value:

	March 31, 2025		December 31, 2024	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial liabilities				
Fixed rate mortgages	\$ 820,940	\$ 816,996	\$ 814,111	\$ 822,804
Credit facilities	76,340	74,531	66,967	65,131
Senior unsecured notes	1,502,874	1,495,529	1,496,790	1,495,293
Total financial liabilities	\$ 2,400,154	\$ 2,387,056	\$ 2,377,868	\$ 2,383,228

Financial assets are derecognized when the contractual rights to benefits from the financial asset expire.

The fair values of fixed rate mortgages, credit facilities, and senior unsecured notes are Level 2.

8. RISK MANAGEMENT

Risk Management Framework

Management of Crombie is vested in the Board of Trustees, subject to the provisions of applicable statutes and the Declaration of Trust. The Board of Trustees shall have explicit responsibility for the stewardship of Crombie, including the strategic planning process, approval of the strategic plan, the identification of principal risks and implementation of systems to manage these risks, succession planning, operations, communications and reporting, and the integrity of Crombie's internal control and management information systems. The Board discharges certain of its responsibilities through delegation to its committees as more particularly set out in the committee mandates.

Risk Factors Related to the Business of Crombie

In the normal course of business, Crombie is exposed to a number of risks that can affect its operating performance.

In addition to the more fulsome description of Crombie's risk discussion under the "Risk Management" section in Crombie's 2024 annual MD&A, and the "Risks" section of Crombie's 2024 Annual Information Form available at www.sedarplus.ca, the following is a specific risk update for March 31, 2025:

Environmental Matters

The Canadian Securities Administrators ("CSA") has paused development of a new mandatory climate-related disclosure rule and amendments to the existing diversity-related disclosure requirements to support Canadian markets and issuers in the current environment. Crombie continues to closely monitor and evaluate the impact of the CSA announcement.

Crombie is not aware of any material non-compliance with environmental laws at any of its properties and is not aware of any material pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties. Crombie has implemented policies and procedures to assess, manage, and monitor environmental conditions at its properties and developments to manage exposure to liability.

Reliance on Key Personnel

The management of Crombie depends on the services of certain key personnel. The loss of the services of any key personnel could have an adverse effect on Crombie and adversely impact Crombie's financial condition. Crombie does not have key-person insurance on any of its key employees.

The retirement of Crombie's General Counsel and Corporate Secretary occurred during the quarter. While the recruitment process for a replacement for this role has commenced, there can be no assurance that Crombie will not experience adverse impact to its financial condition beyond the employee transition costs already disclosed.

Significant Relationship

As at March 31, 2025, Empire, through its wholly-owned subsidiary ECL Developments Limited ("ECLD"), holds a 41.5% indirect interest in Crombie. Crombie's anchor tenants are concentrated in a relatively small number of retail operators. Specifically, for the three months ended March 31, 2025, 59.4% (March 31, 2024 - 58.4%) of the AMR and 56.4% (March 31, 2024 - 54.1%) of total property revenue generated from Crombie's properties is derived from anchor tenants that are owned and/or operated by Empire (including Sobeys and all other subsidiaries of Empire). Therefore, Crombie is reliant on the sustainable operation by Empire in these locations.

Laws, Regulations, and Tariffs

Crombie's supply chain may be impacted by existing laws, regulations, or tariffs, whether imposed by the Canadian government or the government of a trade partner. Although much of the materials for Crombie's active major development, The Marlstone, were tendered before the existing United States tariffs were implemented, price increases arising from the tariffs could adversely impact Crombie's results of operation and decrease the amount of cash available for distribution. The timing and nature of future changes are difficult to predict, and may result in further increases to supply costs for development projects and maintenance of investment properties.

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Financial Risk Management

The following table outlines Crombie's financial risks, how these risks are managed, and whether there was a change in risk exposure compared to the prior year.

Credit Risk

Risk Description	<p>Credit risk arises from the possibility that tenants may experience financial difficulty and be unable to fulfill their lease commitments. A provision for doubtful accounts and other adjustments to net property income^(*) are taken for all anticipated collectability risks.</p> <p>Additionally, there is credit risk relating to joint arrangement partners, interest rate swap agreements, and credit extended through vendor take-back financing in the event of default by borrowers on the financing repayment.</p>
Risk Management	<p>Crombie mitigates credit risk by geographical diversification, diversifying both its tenant mix and asset mix, and conducting credit assessments for new and renewing tenants. Crombie's residential component further diversifies its portfolio.</p> <p>In measuring tenant concentration, Crombie considers both the AMR and total property revenue of major tenants.</p> <ul style="list-style-type: none"> • Crombie's largest tenant, Empire (including Sobeys and all other subsidiaries of Empire), represents 59.4% (March 31, 2024 - 58.4%) of AMR. No other tenant accounts for more than 2.4% (March 31, 2024 - 2.4%) of Crombie's AMR; • total property revenue includes base rent as well as operating and realty tax cost recovery income, and percentage rent. These amounts can vary by property type, specific tenant leases, and where tenants may directly incur and pay operating costs. Crombie earned total property revenue of \$69,223 for the three months ended March 31, 2025 (March 31, 2024 - \$64,201) from Sobeys and other subsidiaries of Empire; and • over the next five years, leases on no more than 7.7% (March 31, 2024 - 7.3%) of the gross leasable area of Crombie will expire in any one year. <p>Receivables are substantially comprised of current balances due from tenants and past due receivables. The balance of accounts receivable past due is usually not significant. Generally, rents are due the first of each month and other tenant billings are due 30 days after invoicing, and balances over 30 days are considered past due.</p> <p>Crombie determines the expected credit loss in accordance with the IFRS 9, "Financial Instruments" simplified approach for amounts receivable where its loss allowance is measured at initial recognition and throughout the life of the receivable. Trade receivables are written off when there is no reasonable expectation of recovery. Crombie assesses, on a forward-looking basis, the expected credit losses associated with its rent receivables. In determining the expected credit losses, Crombie takes into account, on a tenant-by-tenant basis, the payment history, future expectations, and knowledge gathered through discussions for rental concessions and ongoing discussions with tenants.</p> <p>During the three months ended March 31, 2025, Crombie recorded bad debt recovery of \$(367) (March 31, 2024 - recovery of \$(294)).</p> <p>Crombie's trade receivables and provision for doubtful accounts balances at March 31, 2025 were \$20,388 and \$(1,096), respectively (December 31, 2024 - \$21,838 and \$(1,472), respectively).</p> <p>Crombie manages its residual risk in its investment properties through an active capital expenditure program and actively leasing any vacant spaces. The residual risk throughout Crombie's portfolio is not considered significant, although a prolonged state of economic shutdown can impact Crombie's ability to execute on its capital expenditure program and leasing activity.</p> <p>Crombie mitigates risk related to financing with joint arrangement partners, interest rate swap agreements, and vendor take-back financing by obtaining guarantees from the borrowers where necessary.</p>

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Liquidity Risk

Risk Description	Liquidity risk is the risk that Crombie may not have access to sufficient debt and equity capital to fund its growth program, refinance debt obligations as they mature, or meet its ongoing obligations as they arise.
Risk Management	<p>The real estate industry is capital intensive, and most assets are non-current in nature. These assets produce income through long-term leases, which funds current liabilities as they come due. While rents are contractually committed, they are not recognized as current assets, and this imbalance creates a working capital deficit, despite cash flows from contractually committed rents and credit facilities being more than adequate to satisfy current liabilities. Cash flow generated from operating the property portfolio represents the primary source of liquidity used to service the interest on debt, fund general and administrative expenses, reinvest in the portfolio through capital expenditures, as well as fund tenant incentive costs and make distributions to Unitholders. Debt repayment requirements are primarily funded from refinancing Crombie's maturing debt obligations. Property acquisition funding requirements are funded through a combination of accessing the debt and equity capital markets and recycling capital from property dispositions.</p> <p>There is a risk that the debt capital markets may not refinance maturing fixed rate and floating rate debt on terms and conditions acceptable to Crombie, or on any terms at all. Crombie seeks to mitigate this risk by staggering its debt maturity dates. There is also a risk that the equity capital markets may not be receptive to a REIT Unit offering issuance from Crombie with financial terms acceptable to Crombie. Access to debt and equity capital markets may also be affected by national and international events, and economic conditions beyond Crombie's control. Crombie mitigates its exposure to liquidity risk utilizing a disciplined approach to capital management.</p> <p>There is a risk that credit ratings may change. No ratings agency has issued a credit rating with respect to the Units, and no credit rating of the Units will be sought or obtained by Crombie. As at March 31, 2025, Crombie's credit rating on outstanding senior unsecured notes was "BBB(low)" with a "Positive" trend from Morningstar DBRS.</p> <p>Credit ratings may not reflect all risks associated with an investment in Crombie's securities. Any credit ratings applied to the notes are an assessment of Crombie's ability to pay its obligations generally. Consequently, real or anticipated changes in the credit ratings will generally affect the market value of the notes. The credit ratings, however, may not reflect the potential impact on the value of the notes of risks related to structure, market, or other factors discussed under the heading "Risk Factors" in Crombie's 2024 Annual Information Form. Crombie is under no obligation to maintain any specified level of credit rating with credit rating agencies, and there is no assurance that any credit rating assigned to the notes will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering, withdrawal, or failure to maintain any credit ratings applied to the notes may have an adverse effect on the market price or value and the liquidity of the notes. Credit ratings are not recommendations to purchase, hold, or sell the notes or other securities of Crombie. Any future lowering of Crombie's ratings is likely to make it more difficult or more expensive for Crombie to obtain additional debt financing.</p> <p>Access to the \$550,000 unsecured revolving credit facility is limited by the amount utilized under the facility and the amount of any outstanding letters of credit.</p> <p>Refer to the "Debt Maturities" section of this MD&A for a maturity analysis of Crombie's recognized financial liabilities and purchase obligations.</p>

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Interest Rate Risk

Risk Description	Interest rate risk is the potential for financial loss arising from increases in interest rates.																																																																													
Risk Management	<p>Crombie mitigates the risk of rising interest rates by utilizing staggered debt maturities and limiting the use of permanent floating rate debt and, on occasion, utilizing interest rate swap agreements. The interest swap rates would be based on Canadian bond yields, plus a premium, called the swap spread, which reflects the risk of trading with a private counterparty as opposed to the Canadian government. Under interest rate swap arrangements, Crombie would agree to pay the counterparty an amount if market interest rates decline, in return for the counterparty's agreement to pay Crombie an amount if market interest rates increase. As a result, the combined effect of variable interest rates on certain debt arrangements coupled with the payment obligations under interest rate swap agreements is to stabilize Crombie's net interest expense, as increased interest payments are partially offset by the right to receive payments under the interest rate swap agreements, while decreased interest payments are partially offset by the obligation to make payments under the interest rate swap agreements. In the event that interest rates change by more than was anticipated in the interest rate swap agreements, payment obligations under interest rate swap agreements could adversely impact Crombie's financial condition and results of operations and decrease the amount of cash available for distribution. Crombie does not enter into these interest rate swaps on a speculative basis. Crombie is prohibited by its Declaration of Trust in purchasing, selling, or trading in interest rate future contracts other than for hedging purposes.</p> <p>The table below summarizes Crombie's financial instruments that are hedged:</p> <table><tr><th colspan="4"></th><th colspan="2">As at March 31, 2025</th></tr><tr><th>Hedge type</th><th>Maturity date</th><th>Fixed interest rate</th><th>Hedge effectiveness</th><th>Notional amount of the hedging instrument⁽¹⁾</th><th>Fair value of hedging instrument⁽¹⁾</th></tr><tr><td>Cash flow hedge⁽²⁾</td><td>Mar. 1, 2029</td><td>3.15 %</td><td>100 %</td><td>\$ 51,027</td><td>\$ 831</td></tr><tr><td>Cash flow hedge⁽³⁾</td><td>Oct. 7, 2029</td><td>5.20 %</td><td>100 %</td><td>3,520</td><td>(106)</td></tr><tr><td>Cash flow hedge⁽³⁾</td><td>Oct. 15, 2029</td><td>4.19 %</td><td>— %</td><td>50,000</td><td>(1,134)</td></tr><tr><td colspan="4"></td><td>\$ 104,547</td><td>\$ (409)</td></tr></table> <p>(1) Amounts are shown at Crombie's ownership percentage. (2) Included in investment in joint ventures in Crombie's financial statements. (3) Included in trade and other payables in Crombie's financial statements.</p> <table><tr><th colspan="4"></th><th colspan="2">Three months ended March 31, 2025</th></tr><tr><th>Hedge type</th><th>Maturity date</th><th>Fixed interest rate</th><th></th><th>Change in fair value gain (loss) recognized in other comprehensive loss⁽¹⁾</th><th>Hedge recognized in statements of comprehensive loss</th></tr><tr><td>Cash flow hedge</td><td>Mar. 1, 2029</td><td>3.15 %</td><td></td><td>\$ (691)</td><td>\$ —</td></tr><tr><td>Cash flow hedge</td><td>Oct. 7, 2029</td><td>5.20 %</td><td></td><td>(44)</td><td>—</td></tr><tr><td>Cash flow hedge</td><td>Oct. 15, 2029</td><td>4.19 %</td><td></td><td>—</td><td>(651)</td></tr><tr><td colspan="4"></td><td>\$ (735)</td><td>\$ (651)</td></tr></table> <p>(1) Amounts are shown at Crombie's ownership percentage.</p>										As at March 31, 2025		Hedge type	Maturity date	Fixed interest rate	Hedge effectiveness	Notional amount of the hedging instrument ⁽¹⁾	Fair value of hedging instrument ⁽¹⁾	Cash flow hedge ⁽²⁾	Mar. 1, 2029	3.15 %	100 %	\$ 51,027	\$ 831	Cash flow hedge ⁽³⁾	Oct. 7, 2029	5.20 %	100 %	3,520	(106)	Cash flow hedge ⁽³⁾	Oct. 15, 2029	4.19 %	— %	50,000	(1,134)					\$ 104,547	\$ (409)					Three months ended March 31, 2025		Hedge type	Maturity date	Fixed interest rate		Change in fair value gain (loss) recognized in other comprehensive loss ⁽¹⁾	Hedge recognized in statements of comprehensive loss	Cash flow hedge	Mar. 1, 2029	3.15 %		\$ (691)	\$ —	Cash flow hedge	Oct. 7, 2029	5.20 %		(44)	—	Cash flow hedge	Oct. 15, 2029	4.19 %		—	(651)					\$ (735)	\$ (651)
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Risk Management	As at March 31, 2025:
	<ul style="list-style-type: none">• Crombie’s weighted average term to maturity of its fixed rate mortgages is 5.6 years;• Crombie’s weighted average term to maturity of its unsecured notes is 4.5 years;• Crombie has a floating rate unsecured revolving credit facility available to a maximum of \$550,000 with no balance outstanding/drawn, with \$544,802 available on this facility after reduction of outstanding letters of credit;• Crombie has an unsecured non-revolving credit facility available to a maximum of \$50,000 with a balance of \$50,000 outstanding;• Crombie has a floating rate unsecured bilateral credit facility available to a maximum of \$130,000 with no balance outstanding/drawn;• Crombie has a joint operation credit facility available to a maximum of \$3,520 at Crombie’s share with a balance of \$3,520 outstanding;• Crombie has interest rate swap agreements in place on \$53,520 of floating rate debt and an interest rate swap agreement in place held in equity-accounted investments on \$51,027 of floating rate debt, at Crombie’s share; and• Crombie has floating rate credit facilities, included in debt held in equity-accounted investments, available to a maximum of \$12,000 with a balance of \$10,500 outstanding, at Crombie’s share.
	A fluctuation in interest rates would currently not have an impact on Crombie’s operating income as all floating rate debt balances have been hedged with interest rate swaps. The following tables look at the impacts of selected interest rate moves on other comprehensive loss and net assets attributable to Unitholders:

	As at March 31, 2025		
Impact on other comprehensive loss of interest rate changes on interest rate swap agreements at Crombie’s share	Increase in rate	Decrease in rate	
Impact of a 0.5% interest rate change	\$ 1,007	\$	(1,007)
Impact of a 1.0% interest rate change	\$ 2,014	\$	(2,014)
Impact of a 1.5% interest rate change	\$ 3,020	\$	(3,020)

	As at March 31, 2025		
Impact on decrease in net assets attributable to Unitholders of interest rate changes on interest rate swap agreements not designated as a hedge	Increase in rate	Decrease in rate	
Impact of a 0.5% interest rate change	\$ 1,064	\$	(1,090)
Impact of a 1.0% interest rate change	\$ 2,101	\$	(2,207)
Impact of a 1.5% interest rate change	\$ 3,114	\$	(3,352)

9. JOINT VENTURES

As at March 31, 2025, Crombie holds ownership interests in seven joint ventures, three of which currently hold property. These joint ventures are all subject to equity accounting. As such, the results of these equity-accounted investments are not included in certain financial metrics, such as net property income^(*), property cash NOI^(*), and same-asset property cash NOI^(*), or in operational metrics such as occupancy and GLA, unless specifically indicated that such metrics are presented on a proportionate consolidation basis. (See the “Total Portfolio Review Inclusive of Joint Ventures” section of this MD&A for select operating metrics presented in this manner.) The figures presented below represent only the results of these joint ventures, at 100%, with the exception of FFO^(*).

Joint Venture Summary

The following represents Crombie’s interest in joint venture investments:

	March 31, 2025	December 31, 2024
Bronte Village Limited Partnership	50.0 %	50.0 %
The Duke Limited Partnership	50.0 %	50.0 %
Penhorn Residential Holdings Limited Partnership	50.0 %	50.0 %
140 CPN Limited	50.0 %	50.0 %
1700 East Broadway Limited Partnership	50.0 %	50.0 %
Lynn Valley Limited Partnership	50.0 %	50.0 %
Kingsway & Tyne Property Development Limited Partnership	50.0 %	50.0 %

1600 Davie Limited Partnership

Davie Street is a retail/residential mixed-used property consisting of 330 residential units and 54,000 square feet of retail GLA in Vancouver, British Columbia. In October 2024, Crombie acquired the remaining 50% interest in the Davie Limited Partnership joint venture. Prior to the acquisition, Crombie maintained 100% ownership of the retail GLA, which is anchored by a 44,500 square foot Safeway, while the joint venture held ownership of the 330 residential units. The property results are now fully consolidated with Crombie's.

Bronte Village Limited Partnership

The Village at Bronte Harbour is a retail/residential mixed-used property located in Oakville, Ontario. It is comprised of two residential towers incorporating 481 residential rental units and 55,000 square feet of grocery-anchored retail GLA that is owned by the joint venture. Substantial completion was reached on tower one in the third quarter of 2021, with the remaining residential tower completed during the first quarter of 2022. Stabilization of NOI was reached in April 2024.

The Duke Limited Partnership

Le Duke is a retail/residential mixed-use property in Montréal, Québec, with an existing heritage building integrated into the ground floor of the property. The property incorporates 387 residential units, a 25,000 square foot IGA on the ground floor, and an additional 1,000 square feet of retail space that is owned by the joint venture.

Penhorn Residential Holdings Limited Partnership

Opal Ridge (Penhorn), formerly referred to as Penhorn Lands, is a 26-acre parcel in Dartmouth, Nova Scotia, with zoning proposed for the development of multi-family parceled building lots. Entitlement and development agreements were approved in June 2022 with all land parcels being sold thereafter and the remaining land development activity completed at the end of 2023.

140 CPN Limited

Centennial Parkway is a retail plaza in Hamilton, Ontario, consisting of 33,000 square feet of retail GLA, which is owned by the joint venture.

1700 East Broadway Limited Partnership

East Broadway (Broadway and Commercial) is a proposed major mixed-use redevelopment in Vancouver, British Columbia, located at one of the busiest transit nodes in Western Canada. It will include grocery-anchored retail, office, residential rental, and condominiums. The project is currently being rezoned and construction tendering could commence in 2025. The joint venture will own the residential and office components, with Crombie retaining 100% ownership of the retail.

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Lynn Valley Limited Partnership

1170 East 27 Street is a proposed mixed-use redevelopment in North Vancouver, British Columbia. The joint venture is evaluating the project design to ensure the proposal satisfies new municipal and provincial policies prior to submitting a formal zoning application.

Kingsway & Tyne Property Development Limited Partnership

3410 Kingsway is a proposed mixed-use redevelopment in Vancouver, British Columbia. The joint venture is currently working through early concept planning and due diligence to support a rezoning application.

Financial Performance

	Three months ended											
	March 31, 2025						March 31, 2024					
	Davie LP	Bronte LP	Duke LP	Other	Total		Davie LP	Bronte LP	Duke LP	Other	Total	Variance
Property revenue	\$ —	\$ 4,708	\$ 2,385	\$ 117	\$ 7,210		\$ 3,042	\$ 4,156	\$ 2,448	\$ 189	\$ 9,835	\$ (2,625)
Property operating expenses	—	(1,619)	(855)	(79)	(2,553)		(704)	(1,599)	(861)	(70)	(3,234)	681
Net property income ^(*)	—	3,089	1,530	38	4,657		2,338	2,557	1,587	119	6,601	(1,944)
General and administrative	—	(52)	(1)	1	(52)		(7)	(29)	(41)	(32)	(109)	57
Depreciation and amortization	—	(1,085)	(477)	(14)	(1,576)		(734)	(1,153)	(476)	(14)	(2,377)	801
Finance costs - operations	—	(3,111)	(824)	(16)	(3,951)		(1,657)	(3,959)	(824)	(16)	(6,456)	2,505
Net income (loss)	\$ —	\$ (1,159)	\$ 228	\$ 9	\$ (922)		\$ (60)	\$ (2,584)	\$ 246	\$ 57	\$ (2,341)	\$ 1,419
Contribution to Crombie's FFO^{(*) (1)}	\$ —	\$ 27	\$ 365	\$ 12	\$ 404		\$ 367	\$ (653)	\$ 373	\$ 35	\$ 122	\$ 282

(1) FFO is at Crombie's share and is included in Crombie's total FFO numbers.

All components of net loss compared to the first quarter of 2024 were impacted by Crombie's acquisition of the remaining 50% share of Davie Limited Partnership. Net loss decreased by \$1,419 compared to the first quarter of 2024 primarily due to lower finance costs of \$848 and revenue growth of \$552 at The Village at Bronte Harbour. The decrease in finance costs is a result of CMHC financing put in place in 2024, and the increase in revenue is driven by improved lease-up over the past 12 months.

	Three months ended							
	March 31, 2025				March 31, 2024			
	Retail	Residential	Total		Retail	Residential	Total	Variance
Net property income ^(*)	\$ 514	\$ 4,143	\$ 4,657		\$ 625	\$ 5,976	\$ 6,601	\$ (1,944)
Non-cash straight-line rent	(16)	24	8		(40)	200	160	(152)
Non-cash tenant incentive amortization	153	—	153		149	—	149	4
Property cash NOI^(*)	\$ 651	\$ 4,167	\$ 4,818		\$ 734	\$ 6,176	\$ 6,910	\$ (2,092)

Property cash NOI decreased by \$2,092 compared to the first quarter of 2024 primarily due to Crombie's acquisition of the remaining 50% share of Davie Street in the fourth quarter 2024, the results for which are now fully consolidated with Crombie's. Property cash NOI was \$4,550 in the first quarter of 2024 after adjusting for the impact of the acquisition of Davie Street. Property cash NOI increased \$268 compared to the first quarter 2024 on this adjusted basis.

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Fair Value

The estimated fair value of the investment properties held within Crombie's equity-accounted joint ventures at 100% is as follows:

	Fair Value		Carrying Value	
March 31, 2025	\$	561,000	\$	401,673
December 31, 2024	\$	570,000	\$	401,569

The fair value included in this summary reflects the fair value of the properties as at March 31, 2025 and December 31, 2024, respectively, based on each property's current use as a revenue-generating property or property under development. Additionally, as properties are prepared for redevelopment, Crombie considers each property's progress through entitlement in determining the fair value of a property. The fair value of properties under development is assumed to equal cost, plus any incremental fair value recognized through entitlement, until the property is substantially completed. As at March 31, 2025, properties held within Bronte Village Limited Partnership, The Duke Limited Partnership, and 140 CPN Limited are revenue-generating properties.

Crombie has utilized the following weighted average capitalization rates for its joint venture properties:

	March 31, 2025	December 31, 2024
Weighted average capitalization rate	4.28 %	4.27 %

Fair Value Sensitivity of the Investment Properties Held Within Crombie's Equity-accounted Joint ventures

Crombie has determined that a change in this applied capitalization rate and net operating income at March 31, 2025 would result in an (increase) decrease in the fair value of the investment properties as follows:

Capitalization rate change	Net Operating Income Change						
	\$ (1,500)	\$ (1,000)	\$ (500)	\$ —	\$ 500	\$ 1,000	\$ 1,500
(0.75) %	\$ 77,000	\$ 89,000	\$ 100,000	\$ 112,000	\$ 124,000	\$ 135,000	\$ 147,000
(0.50) %	\$ 35,000	\$ 47,000	\$ 58,000	\$ 70,000	\$ 82,000	\$ 93,000	\$ 105,000
(0.25) %	\$ (1,000)	\$ 11,000	\$ 22,000	\$ 34,000	\$ 46,000	\$ 57,000	\$ 69,000
— %	\$ (35,000)	\$ (23,000)	\$ (12,000)	\$ —	\$ 12,000	\$ 23,000	\$ 35,000
0.25 %	\$ (62,000)	\$ (50,000)	\$ (39,000)	\$ (27,000)	\$ (15,000)	\$ (4,000)	\$ 8,000
0.50 %	\$ (87,000)	\$ (75,000)	\$ (64,000)	\$ (52,000)	\$ (40,000)	\$ (29,000)	\$ (17,000)
0.75 %	\$ (110,000)	\$ (98,000)	\$ (87,000)	\$ (75,000)	\$ (63,000)	\$ (52,000)	\$ (40,000)

Debt to Gross Fair Value^(*)

	March 31, 2025	December 31, 2024
Fixed rate mortgages	\$ 362,986	\$ 347,251
Revolving credit facilities	21,000	20,500
Lease liabilities	3,944	4,231
Total debt outstanding	\$ 387,930	\$ 371,982
Investment properties, fair value	\$ 561,000	\$ 570,000
Other assets, cost ⁽¹⁾	11,447	11,509
Cash and cash equivalents	7,226	6,868
Gross fair value	\$ 579,673	\$ 588,377
Debt to gross fair value^(*)	66.9 %	63.2 %

(1) Other assets include deferred financing costs, and exclude tenant incentives and related accumulated amortization, and accrued straight-line rent receivable.

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Debt Profile

	March 31, 2025				December 31, 2024			
	Mortgages	Revolving Credit Facilities ⁽¹⁾	Partnership Loans	Total Borrowings	Mortgages	Revolving Credit Facilities ⁽¹⁾	Partnership Loans	Total Borrowings
Opening balance, beginning of period	\$ 347,251	\$ 20,500	\$ —	\$ 367,751	\$ 510,254	\$ 21,400	\$ 10,664	\$ 542,318
Additions	16,500	—	—	16,500	243,457	—	438	243,895
Net advances	—	500	—	500	—	3,100	—	3,100
Other ⁽²⁾	—	—	—	—	(177,932)	—	—	(177,932)
Principal repayments	(765)	—	—	(765)	(228,528)	(4,000)	(11,102)	(243,630)
Closing balance, end of period	\$ 362,986	\$ 21,000	\$ —	\$ 383,986	\$ 347,251	\$ 20,500	\$ —	\$ 367,751

- (1) The unsecured revolving term credit facility at Broadway and Commercial is used by the joint venture to finance development activity of the partnership during rezoning.
(2) Other includes the mortgages assumed by Crombie's acquisition of the remaining 50% interest in the Davie Limited Partnership joint venture on October 15, 2024.

	March 31, 2025	December 31, 2024
Total borrowings	\$ 383,986	\$ 367,751
Long-term portion	\$ 358,011	\$ 342,584
Current portion	\$ 25,975	\$ 25,167
Weighted average fixed interest rate ⁽¹⁾	4.01 %	4.00 %
Weighted average floating interest rate	4.52 %	5.32 %
Weighted average term to maturity of fixed rate debt	4.0 years	4.3 years
Weighted average term to maturity of floating rate debt	1.0 years	0.2 years

- (1) Includes a floating rate mortgage that is fixed under a swap agreement.

From time to time, Crombie's joint ventures have entered into interest rate swap agreements to manage the interest rate profile of their current or future debts without an exchange of the underlying principal amount. Crombie's joint ventures currently have an interest rate swap agreement in place on \$102,055 of floating rate debt.

10. OTHER DISCLOSURES

Related Party Transactions

As at March 31, 2025, Empire, through its wholly-owned subsidiary ECLD, holds a 41.5% indirect interest in Crombie. Related party transactions primarily include transactions with entities associated with Crombie through Empire's indirect interest. Related party transactions also include transactions with joint venture entities in which Crombie has a 50% interest, as well as transactions with key management personnel and trustees, and post-employment benefit plans.

Related party transactions are measured at the amount of consideration established and agreed to by the related parties.

Crombie's transactions with related parties are as follows:

	Three months ended March 31,	
	2025	2024
Property revenue		
Property revenue	\$ 69,223	\$ 64,201
Head lease income	\$ 308	\$ 219
Revenue from management and development services	\$ 1,078	\$ 670
Property operating expenses	\$ —	\$ (34)
General and administrative expenses		
Property management services recovered	\$ 40	\$ 41
Other general and administrative expenses	\$ (41)	\$ (44)
Finance costs - distributions to Unitholders	\$ (17,020)	\$ (16,752)

Crombie provides property management, development management, project management, leasing services, and environmental management to co-owners and to specific properties owned by certain subsidiaries of Empire on a fee-for-service basis pursuant to a Property Management Agreement and a Development Management Agreement, which is being recognized as revenue from management and development services.

Included in the above, during the three months ended March 31, 2025, Crombie issued 303,197 (March 31, 2024 - 295,652) Class B LP Units to ECLD under the DRIP.

During the three months ended March 31, 2025, Crombie invested \$2,161 (March 31, 2024 - \$2,468) in properties anchored by subsidiaries of Empire, which resulted in amended lease terms. These amounts have been included in tenant incentive additions and the costs are being amortized over the amended lease terms.

Amounts due from related parties include \$540 (December 31, 2024 - \$40) in a note receivable due from Lynn Valley Limited Partnership related to development services.

Amounts due from related parties include \$501 (December 31, 2024 - \$Nil) in a note receivable due from Kingsway & Tyne Property Development Limited Partnership related to development services.

Use of Estimates and Judgments

The preparation of consolidated financial information requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. Significant judgment, estimate, and assumption items include impairment, employee future benefits, investment properties, purchase price allocations, and fair value of financial instruments. These estimates are based on historical experience and management's best knowledge of current events and actions that Crombie may undertake in the future.

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Accounting Estimates and Assumptions

Critical accounting estimates and assumptions are discussed more fully under the “Critical Accounting Estimates and Assumptions” section of the 2024 annual MD&A. The estimates and assumptions that are critical to the determination of the amounts reported in the March 31, 2025 financial statements relate to the following:

Fair Value Measurement

A number of assets and liabilities included in Crombie’s financial statements require measurement at, and/or disclosure of, fair value. In estimating the fair value of an asset or a liability, Crombie uses market-observable data to the extent it is available. Where market-observable data is not available, Crombie estimates the fair value based on discounted future cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks.

Investment Properties

Investment properties are carried at cost less accumulated depreciation. Crombie estimates the residual value and useful lives of investment properties and the significant components thereof to calculate depreciation and amortization.

Investment Property Valuation

External, independent valuation companies, having appropriate, recognized professional qualifications and recent experience in the location and category of properties being valued, value substantially all of Crombie’s investment property portfolio on a rotating basis over a maximum period of four years. On a periodic basis, Crombie obtains independent appraisals such that approximately 85% of its properties, by value, will be externally appraised over a four-year period. The fair values, based on the measurement date, represent the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Internal quarterly valuations are performed using the capitalized net operating income method, using internally generated valuation models prepared considering the aggregate trailing annual net property income^(*) recognized from leasing the property, which is stabilized for any major tenant movement. The key assumptions are the capitalization rates for each specific property and stabilized net property income^(*). Crombie is responsible for the reasonableness of the assumptions and for the accuracy of inputs that are used to determine its valuation disclosures. Crombie receives biannual capitalization rate reports (June and December) from an independent valuation company, which reflect the specific risks inherent in the net property income^(*), to arrive at property valuations. The capitalization rate reports provide a range of rates for various geographic regions and for various types and qualities of properties within each region. Management selects the rate for each property from the range provided that management believes is most appropriate in its judgment. In addition to this, Crombie uses the market information obtained in external appraisals each quarter and makes relevant adjustments to its input assumptions. As at March 31, 2025, management’s determination of fair value was updated for current market assumptions, including net property income^(*), market capitalization rates, and recent appraisals provided by independent appraisal professionals. For properties under development, fair value is assumed to equal cost, plus any incremental fair value recognized through entitlement, until the property is substantially completed.

Critical Judgments

Critical judgments are discussed under the “Critical Judgments” section of the 2024 annual MD&A.

Controls and Procedures

Crombie maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed by Crombie in its annual filings, interim filings, or other reports filed or submitted by it under securities legislation is recorded, processed, summarized, and reported within the time periods specified in the securities legislation. Controls and procedures are designed to ensure that information required to be disclosed by Crombie is accumulated and communicated to Crombie’s management, including its President and Chief Executive Officer (“CEO”), and Chief Financial Officer (“CFO”), as appropriate, to allow timely decisions regarding disclosure. Crombie’s CEO and CFO have evaluated the design and effectiveness of its disclosure controls and procedures as at March 31, 2025. They have concluded that the current disclosure controls and procedures are effective.

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In addition, Crombie's CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes as defined in National Instrument 52-109. The control framework management used to design and assess the effectiveness of ICFR is *Internal Control-Integrated Framework (2013)* issued by The Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Further, Crombie's CEO and CFO have evaluated, or caused to be evaluated under their supervision, the effectiveness of the design and operation of ICFR as at March 31, 2025 and have concluded that its current ICFR are effective based on that evaluation. There have been no material changes to Crombie's internal controls during the period.

Quarterly Information

	Three months ended							
	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023
Property revenue	\$ 122,735	\$ 121,595	\$ 114,460	\$ 116,361	\$ 118,609	\$ 116,986	\$ 109,389	\$ 112,865
Property operating expenses	45,569	43,445	39,454	41,473	44,968	41,117	37,936	41,423
Net property income ^(*)	\$ 77,166	\$ 78,150	\$ 75,006	\$ 74,888	\$ 73,641	\$ 75,869	\$ 71,453	\$ 71,442
Operating income	\$ 23,992	\$ 76,143	\$ 26,570	\$ 29,347	\$ 26,205	\$ 26,295	\$ 27,796	\$ 19,557
Distributions to Unitholders	(41,047)	(40,889)	(40,735)	(40,564)	(40,399)	(40,237)	(40,077)	(39,921)
Change in fair value of financial instruments	(1,859)	2,591	(3,506)	1,063	122	(1,400)	1,191	1,517
Increase (decrease) in net assets attributable to Unitholders	\$ (18,914)	\$ 37,845	\$ (17,671)	\$ (10,154)	\$ (14,072)	\$ (15,342)	\$ (11,090)	\$ (18,847)
Operating income per Unit - basic and diluted	\$ 0.13	\$ 0.41	\$ 0.15	\$ 0.16	\$ 0.14	\$ 0.15	\$ 0.15	\$ 0.11
Distributions	\$ 41,047	\$ 40,889	\$ 40,735	\$ 40,564	\$ 40,399	\$ 40,237	\$ 40,077	\$ 39,921
Per Unit	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22
FFO^(*)	\$ 55,557	\$ 58,131	\$ 56,170	\$ 57,880	\$ 54,868	\$ 54,590	\$ 56,510	\$ 46,068
Per Unit - basic and diluted	\$ 0.30	\$ 0.32	\$ 0.31	\$ 0.32	\$ 0.30	\$ 0.30	\$ 0.31	\$ 0.26
Payout ratio	73.9 %	70.3 %	72.5 %	70.1 %	73.6 %	73.7 %	70.9 %	86.7 %
AFFO^(*)	\$ 48,890	\$ 51,298	\$ 48,742	\$ 50,317	\$ 46,947	\$ 46,111	\$ 49,962	\$ 39,118
Per Unit - basic and diluted	\$ 0.27	\$ 0.28	\$ 0.27	\$ 0.28	\$ 0.26	\$ 0.26	\$ 0.28	\$ 0.22
Payout ratio	84.0 %	79.7 %	83.6 %	80.6 %	86.1 %	87.3 %	80.2 %	102.1 %
Operating information								
Number of investment properties	294	295	296	295	295	294	294	293
Gross leasable area	18,201,000	18,433,000	18,766,000	18,750,000	18,709,000	18,681,000	18,652,000	18,625,000
Economic occupancy	96.5 %	96.5 %	95.9 %	95.9 %	95.7 %	96.0 %	96.0 %	95.9 %
Committed occupancy	97.1 %	96.8 %	96.1 %	96.4 %	96.2 %	96.5 %	96.4 %	96.4 %
Debt metrics								
Fair value of unencumbered investment properties	\$3,669,000	\$3,662,000	\$2,651,000	\$2,687,000	\$2,771,000	\$2,608,000	\$2,582,000	\$2,488,000
Available liquidity	\$ 695,843	\$ 682,218	\$ 676,649	\$ 706,717	\$ 736,990	\$ 583,770	\$ 564,903	\$ 614,072
Debt to gross fair value ^(*)	43.6 %	43.6 %	42.9 %	42.6 %	42.9 %	43.0 %	42.4 %	42.3 %
Weighted average interest rate	4.1 %	4.1 %	4.2 %	4.2 %	4.2 %	4.2 %	4.2 %	4.1 %
Debt to trailing 12 months adjusted EBITDA ^(*)	7.95x	7.96x	7.72x	7.68x	7.97x	8.03x	8.13x	8.17x
Interest coverage ratio ^(*)	3.22x	3.31x	3.31x	3.47x	3.23x	3.06x	3.41x	2.95x

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Variations in quarterly results over the past eight quarters have been influenced by the following specific transactions and ongoing events:

- Property acquisitions and dispositions (gross proceeds excluding closing and transaction costs) for each of the above three-month periods were:
 - March 31, 2025 - disposition of one retail property in the Rest of Canada for proceeds of \$3,300;
 - December 31, 2024 - acquisition of a land parcel at an existing property in the Rest of Canada for a total purchase price of \$2,000, acquisition of the remaining 50% of the Davie Street residential property in VECTOM previously held in a joint venture for a total purchase price of \$133,000 (see page 66 of the “Joint Ventures” section of Crombie's 2024 Annual Report for details of the consideration paid), and disposition of two retail properties in the Rest of Canada for proceeds of \$6,000;
 - September 30, 2024 - acquisition of one retail property in the Rest of Canada for a total purchase price of \$3,760;
 - June 30, 2024 - acquisition of one retail property in the Rest of Canada for a total purchase price of \$9,880 and disposition of one retail property in VECTOM for proceeds of \$13,000 at Crombie's share;
 - March 31, 2024 - no acquisitions or dispositions;
 - December 31, 2023 - no acquisitions or dispositions;
 - September 30, 2023 - no acquisitions or dispositions; a payment of \$16,361 was made to a subsidiary of Empire in connection with the assignment of 24 subleases to Crombie for retail sites in Western Canada; and
 - June 30, 2023 - acquisition of one retail property in the Rest of Canada for a total purchase price of \$9,760.
- Property revenue and property operating expenses - Crombie's business is subject to seasonal fluctuations. Property operating expenses during winter months include particular expenses such as snow removal, which is a recoverable expense, thus increasing property revenue during these same periods. Property operating expenses during the summer and fall periods include particular expenses such as paving and roof repairs.
- Per Unit amounts for FFO^(*) and AFFO^(*) are influenced by operating results as detailed above and by the timing of the issuance of REIT Units and Class B LP Units.

11. NON-GAAP FINANCIAL MEASURES

There are financial measures included in this MD&A that do not have a standardized meaning under IFRS Accounting Standards. Management includes these measures as they represent key performance indicators to management, and it believes certain investors use these measures as a means of assessing relative financial performance. These measures, as computed by Crombie, may differ from similar computations as reported by other entities and, accordingly, may not be comparable to other such entities. These measures are defined below and are cross-referenced, as applicable, to a reconciliation elsewhere in this MD&A to the most comparable IFRS Accounting Standards measure.

Non-GAAP Measure	Description and Purpose	Reconciliation
Net property income	<ul style="list-style-type: none"> Property revenue less property operating expenses, excluding revenue from management and development services and certain expenses such as interest expense and indirect operating expenses. Management believes that net property income is a useful measure of operating performance by the properties period over period. 	"Net Property Income ^(*) " starting on page 24
Property NOI on a cash basis	<ul style="list-style-type: none"> Property NOI on a cash basis, which excludes non-cash straight-line rent recognition and non-cash tenant incentive amortization. Management believes that Property NOI on a cash basis is an important measure of operating performance as it reflects the cash generated by the properties period over period. 	"Same-asset Property Cash NOI ^(*) " starting on page 24
Same-asset property cash NOI	<ul style="list-style-type: none"> Same-asset properties are properties owned and operated by Crombie throughout the current and comparative reporting periods, excluding any property that was designated for redevelopment, or was subject to disposition, during either the current or comparative period. Same-asset property cash NOI includes Crombie's proportionate ownership of jointly operated properties but excludes properties owned in joint ventures. Management believes this is a useful measure in understanding period-over-period changes in property cash NOI before considering the changes in NOI that can be attributed to the certain transactions such as acquisitions and dispositions. The number of same-asset properties was 286 as at March 31, 2025. 	"Same-asset Property Cash NOI ^(*) " starting on page 24
Funds from operations ("FFO")	<ul style="list-style-type: none"> Crombie considers FFO to be a useful measure in evaluating the recurring economic performance of its operating results which will be used to support future distribution payments. Crombie follows the recommendations of REALPAC's January 2022 guidance in calculating FFO, and defines FFO as increase (decrease) in net assets attributable to Unitholders (computed in accordance with IFRS Accounting Standards), adjusted for the following applicable amounts: <ul style="list-style-type: none"> gain or loss on disposal of investment properties and related income tax; gain on acquisition of control of joint venture; gain on derecognition of right-of-use asset; gain on distribution from equity-accounted investments; impairment charges and recoveries; depreciation and amortization expense of investment properties, including amortization of tenant incentives charged against property revenue; adjustments for equity-accounted entities; operational expenses from right-of-use assets; incremental internal leasing expenses; finance costs - distributions on Crombie's REIT and Class B LP Units classified as financial liabilities; and change in fair value of financial instruments. 	"Funds from Operations (FFO) ^(*) " starting on page 25

Non-GAAP Measure	Description and Purpose	Reconciliation
	<ul style="list-style-type: none"> REALPAC provides for other adjustments in determining FFO which are currently not applicable to Crombie and therefore not included in the above list. Crombie's expenditures on tenant incentives are capital in nature and Crombie considers these costs comparable to other capital costs incurred to earn property revenue. As a result, where depreciation and amortization of other capital costs are added back in the calculation of FFO as recommended by REALPAC, Crombie also adds back the amortization of tenant incentives. Crombie calculates FFO per Unit using the basic and diluted weighted average Units outstanding for the period. Management believes this is a useful measure in comparing period-over-period operating results. Crombie uses this metric as an input in debt covenant calculations. 	
FFO payout ratio	<ul style="list-style-type: none"> FFO payout ratio shows the proportion of FFO paid to Unitholders in the form of distributions for the period, expressed as a percentage of FFO. FFO payout ratio is calculated by dividing finance costs - distributions to Unitholders by FFO for the period. Management uses this key metric in evaluating the sustainability of Crombie's distribution payments to Unitholders. 	"Funds from Operations (FFO) ^(*) " starting on page 25
Adjusted funds from operations ("AFFO")	<ul style="list-style-type: none"> Crombie considers AFFO to be a useful measure in evaluating the recurring economic performance of its operating results which will be used to support future distribution payments. Crombie follows the recommendations of REALPAC's January 2022 guidance in calculating AFFO. AFFO reflects earnings adjusted for the following applicable amounts: <ul style="list-style-type: none"> adjustments in arriving at FFO (excluding internal leasing costs); the provision for non-cash straight-line rent included in revenue; maintenance capital expenditures; and maintenance tenant incentives and leasing costs. Crombie calculates AFFO per Unit using the basic and diluted weighted average Units outstanding for the period. Management believes this is a useful measure in comparing period-over-period operating results. 	"Adjusted Funds from Operations (AFFO) ^(*) " starting on page 26
AFFO payout ratio	<ul style="list-style-type: none"> AFFO payout ratio shows the proportion of AFFO paid to Unitholders in the form of distributions for the period, expressed as a percentage of AFFO. AFFO payout ratio is calculated by dividing finance costs - distributions to Unitholders by AFFO for the period. Management uses this key metric in evaluating the sustainability of Crombie's distribution payments to Unitholders. 	"Adjusted Funds from Operations (AFFO) ^(*) " starting on page 26
General and administrative expenses excluding employee transition costs and Unit-based compensation	<ul style="list-style-type: none"> The timing and magnitude of expenditures for employee transition costs and Unit-based compensation are highly variable. Management believes that the removal of these expenditures from general and administrative expenses when calculating general and administrative expenses as a percentage of property revenue and revenue from management and development services provides a more useful measure period over period. 	"General and Administrative Expenses" starting on page 28
Net asset value ("NAV")	<ul style="list-style-type: none"> NAV represents total assets less total liabilities excluding net assets attributable to Unitholders. NAV is a useful measure as it reflects intrinsic value based on reported numbers. Management uses this measure to determine if Crombie is trading at a discount or premium to its intrinsic value. 	"Development" starting on page 30

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Non-GAAP Measure	Description and Purpose	Reconciliation
Fair value of unencumbered investment properties as a percentage of unsecured debt	<ul style="list-style-type: none"> Unencumbered investment properties represent the fair value of investment properties that have not been pledged as security for any debt obligations. Unsecured debt currently consists of Crombie's senior unsecured notes and its unsecured bilateral, unsecured non-revolving, and unsecured revolving credit facilities. Management uses this ratio to assess the aggregate unencumbered investment properties currently available for secured financing to satisfy all outstanding unsecured debt obligations. 	"Debt Metrics" starting on page 38
Debt to gross fair value	<ul style="list-style-type: none"> Compares total debt obligations to the total fair market value of assets. In this calculation, debt is defined as obligations for borrowed money, including obligations incurred in connection with acquisitions, excluding trade payables and accruals in the ordinary course of business, and distributions payable. Debt includes Crombie's share of debt held in equity-accounted joint ventures. Gross fair value includes investment properties measured at fair value, including Crombie's share of those held within equity-accounted joint ventures. Management uses this ratio to evaluate Crombie's flexibility to incur additional financial leverage. 	"Debt Metrics" starting on page 38
Adjusted debt	<ul style="list-style-type: none"> Represents debt excluding transaction costs, which Crombie believes is a more relevant presentation of indebtedness. It includes Crombie's share of debt held in equity-accounted joint ventures. Adjusted debt is used in the calculation of Crombie's debt to gross fair value and debt to trailing 12 months adjusted EBITDA. Management uses this measure as an input in debt covenant calculations. 	"Debt Metrics" starting on page 38
Earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA")	<ul style="list-style-type: none"> Represents earnings before interest, taxes, depreciation, and amortization adjusted for certain items such as amortization of tenant incentives, impairment of investment properties, gain (loss) on disposal of investment properties, gain on acquisition of control of joint venture, and gain on distribution from equity-accounted investments. It includes Crombie's share of revenue, operating expenses, and general and administrative expenses from equity-accounted joint ventures. Adjusted EBITDA is used as an input in several of Crombie's debt metrics, providing information with respect to certain financial ratios that are used in measuring Crombie's debt profile and assessing its ability to satisfy obligations, including servicing its debt. Management uses this measure as indicative of its ability to service debt requirements, fund capital projects, and acquire properties. 	"Debt Metrics" starting on page 38
Debt to trailing 12 months adjusted EBITDA	<ul style="list-style-type: none"> Compares total debt obligations to earnings available to repay the debt. Management uses this measure to assess Crombie's financial leverage, to measure its ability to meet financial obligations, and to measure its balance sheet strength. 	"Debt Metrics" starting on page 38
Adjusted interest expense	<ul style="list-style-type: none"> Represents finance costs from operations, excluding amortization of deferred financing costs. It includes Crombie's share of interest from equity-accounted joint ventures. Adjusted interest expense is used to provide a more comparable and complete total expenditure in calculating various ratios. Management uses this measure in the calculation of Crombie's interest coverage and debt service coverage ratios. 	"Debt Metrics" starting on page 38

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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Non-GAAP Measure	Description and Purpose	Reconciliation
Interest coverage	<ul style="list-style-type: none"> Compares adjusted EBITDA to adjusted interest expense. Management uses this ratio to determine Crombie's ability to service the interest requirements of its outstanding debt. 	"Debt Metrics" starting on page 38
Debt service coverage	<ul style="list-style-type: none"> Compares adjusted EBITDA to debt principal repayments. Management uses this ratio to determine Crombie's ability to service the principal and interest repayment requirements of its outstanding debt. 	"Debt Metrics" starting on page 38

Maintenance Capital Expenditures, and Maintenance Tenant Incentives and Leasing Costs ("Maintenance Expenditures")

Maintenance expenditures represent costs incurred in sustaining and maintaining existing space and exclude expenditures that are revenue-enhancing. Crombie considers revenue-enhancing expenditures to be costs that expand the GLA of a property or otherwise enhance the property's overall value.

Crombie's policy is to charge AFFO^(*) with a reserve amount for maintenance expenditures based on a normalized rate per square foot applied to the weighted average GLA, as these expenditures are not generally incurred on a consistent basis during the year, or from year to year. Crombie excludes newly constructed and developed commercial properties from its maintenance charge for the first year until a baseline of actual expenditures is obtained. Crombie also excludes mixed-use and residential properties from its maintenance charge given these properties are all newly constructed and have minimal maintenance expense. As Crombie uses a reserve, it also discloses actual maintenance expenditures for comparative purposes. The rate per square foot is a proxy for actual historical costs, anticipated future costs, and any significant changes in the nature and age of the properties in the portfolio as it evolves over time. Crombie uses a normalized rate of \$1.15 per square foot of weighted average GLA, based on the actual spend for the previous three years and estimated spend for 2025. Additionally, Crombie combines maintenance capital expenditures with maintenance tenant incentive ("TI") and deferred leasing costs in arriving at the normalized per square foot charge to AFFO^(*), based on the fact that in years where TI and leasing expenditures are reduced, spending on maintenance capital expenditures may be accelerated and vice versa.

Maintenance Expenditures - Actual

	Three months ended	Year ended	Three months ended				Year ended
	Mar. 31, 2025	Dec. 31, 2024	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023
Total additions to investment properties	\$ 16,071	\$ 62,439	\$ 21,395	\$ 16,314	\$ 11,028	\$ 13,702	\$ 75,654
Transfer of predevelopment costs to investment properties	—	48,910	—	—	—	48,910	—
Total additions to investment properties held in joint ventures, at Crombie's share	—	48	—	3	45	—	125
Less: revenue-enhancing expenditures	(15,917)	(103,285)	(17,169)	(15,232)	(10,258)	(60,626)	(66,952)
Maintenance capital expenditures	154	8,112	4,226	1,085	815	1,986	8,827
Total additions to TI and deferred leasing costs	4,141	49,100	11,276	21,752	12,229	3,843	62,329
Less: revenue-enhancing expenditures	(3,301)	(42,755)	(9,962)	(20,939)	(9,751)	(2,103)	(32,248)
Maintenance TI and deferred leasing costs	840	6,345	1,314	813	2,478	1,740	30,081
Total maintenance expenditures - actual	\$ 994	\$ 14,457	\$ 5,540	\$ 1,898	\$ 3,293	\$ 3,726	\$ 38,908
Reserve amount charged against AFFO^(*)	\$ 5,268	\$ 21,884	\$ 5,322	\$ 5,528	\$ 5,516	\$ 5,518	\$ 20,757

An obligation for TI expenditure occurs when renewing existing tenant leases or a new tenant occupies a space. Typically, leasing costs for existing tenants are lower on a per square foot basis than for new tenants; however, new tenants may provide more overall cash flow to Crombie through higher rents or improved traffic to a property. The timing of such expenditures fluctuates depending on the satisfaction of contractual terms contained in the leases.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD- LOOKING INFORMATION
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Maintenance TI and deferred leasing costs are the result of both lease renewals and new leases, and are reflective of the leasing activity during 2025, 2024, and 2023. In the third quarter of 2023, maintenance TI and deferred leasing costs included \$16,361 paid to a subsidiary of Empire in connection with the assignment of 24 subleases to Crombie for retail sites in Western Canada.

Revenue-enhancing expenditures are capitalized and depreciated or charged against revenue over their useful lives. Revenue-enhancing expenditures during the three months ended March 31, 2025 consisted primarily of development work and modernization investments.

12. FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements about expected future events and the financial and operating performance of Crombie. These statements, and the related estimates and assumptions used by management, can be found in several sections of the MD&A, including, but not limited to, “Portfolio Review - Strategic Acquisitions”, “Portfolio Review - Strategic Dispositions”, “Development”, “Capital Management”, “Joint Ventures”, and “Other Disclosures”. Forward-looking statements include, but are not limited to, statements concerning management’s beliefs, plans, estimates, intentions, and similar statements concerning anticipated future events, results, circumstances, performance, or expectations that are not historical fact. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “will”, “estimate”, “anticipate”, “believe”, “expect”, “intend”, “plan”, “continue”, or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. All forward-looking information in this MD&A is qualified by the cautionary statements under “Risk Factors Related to the Business of Crombie”, as well as the additional statements in the “Risks” section of Crombie’s 2024 Annual Information Form available at www.crombie.ca. Forward-looking statements in this MD&A and the principal related risks include statements regarding:

- (i) opportunities with Empire for investments in the modernization, acquisition, expansion, and conversion of their grocery stores, customer fulfillment centres, or warehouses, which may be impacted by the development of Empire’s business and the resulting availability of suitable investment opportunities for Crombie;
- (ii) AFFO^(*) accretion and NAV^(*) growth from strategic acquisitions, which may be affected by future occupancy and rental performance, and/or redevelopment activity of acquired properties;
- (iii) disposition of properties and the anticipated reinvestment of net proceeds, which could be impacted by the availability of purchasers, the availability of accretive property acquisitions, the timing of property development activities or other accretive uses for net proceeds and real estate market conditions;
- (iv) anticipated growth in Crombie’s total portfolio, which depends on successful execution of its current development strategy, its relationship with Empire, availability of suitable properties and development opportunities, and general economic conditions;
- (v) statements under the heading “Development”, including the locations identified, timing, cost, estimated yield on cost, development size and nature, anticipated impact on portfolio quality and diversification, cash flow growth, Unitholder value, or other financial measures, all of which may be impacted by real estate market cycles, future capitalization rates, the availability of financing opportunities, the availability of labour, actual development costs, ability to achieve lease-up stabilization at current market rents, general economic conditions, and factors described under the “Development” section, and which assume obtaining required municipal zoning and development approvals, successful agreements with existing tenants, and, where applicable, successful execution of development activities undertaken by related parties not under the direct control of Crombie;
- (vi) fair value of investment properties, which is based on trailing net property income, capitalization rates, estimates of future cash flows, and anticipated trends and economic conditions;
- (vii) overall indebtedness levels and terms, and expectations relating to refinancing, which could be impacted by the level of acquisition and disposition activity that Crombie is able to achieve, levels of indebtedness, Crombie’s ability to maintain and strengthen its investment grade credit rating, future financing opportunities, future interest rates, creditworthiness of major tenants and joint arrangement partners, and market conditions;
- (viii) estimated GLA, estimated completion dates, estimated yield on cost, and estimated total costs for projects in Crombie’s development pipeline, which are subject to changes in site plans, cost tendering processes, and continuing tenant negotiations, as well as access to job sites, supply and labour availability, ability to attract tenants, tenant mix, building sizes, estimated future rents, and availability and cost of construction financing;
- (ix) asset growth and reinvesting to develop or otherwise make improvements to existing properties, which could be impacted by the availability of labour, capital resource availability and allocation decisions, as well as actual development costs;
- (x) generating improved rental income and occupancy levels, including anticipated replacement of expiring tenancies, which could be impacted by changes in demand for Crombie’s properties, tenant bankruptcies, the effects of general economic conditions, e-commerce, and supply of competitive locations in proximity to Crombie locations;
- (xi) estimated payments on derivative and non-derivative financial liabilities, which could be impacted by interest rates on floating rate debt and fluctuations in the settlement value and settlement timing of any derivative financial liabilities;
- (xii) investment in joint ventures and the income contributed by those investments, which could be impacted by the risk and uncertainty from dependence on partners that are not under Crombie’s control, including risk of default by a partner on financing obligations or non-performance of a partner’s obligations on a project, which may include development, construction, management, or leasing;
- (xiii) tax exempt status, which can be impacted by regulatory changes enacted by governmental authorities;
- (xiv) anticipated distributions and payout ratios, which could be impacted by results of operations and capital resource allocation decisions; and
- (xv) the effect that any contingencies or guarantees would have on Crombie’s financial statements, which could be impacted by their eventual outcome.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD- LOOKING INFORMATION
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These forward-looking statements are presented for the purpose of assisting Crombie’s Unitholders and financial analysts in understanding Crombie’s operating environment and may or may not be appropriate for other purposes. These forward-looking statements are not guarantees of future events or performance and, by their nature, are based on Crombie’s current estimates and assumptions. Crombie can give no assurance that actual results will be consistent with these forward-looking statements. A number of factors, including those discussed under “Risk Management”, could cause actual results, performance, achievements, prospects, or opportunities to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully, and a reader should not place undue reliance on the forward-looking statements.

These forward-looking statements are made as at the date of the MD&A and Crombie assumes no obligation to update or revise them to reflect new or current events or circumstances unless otherwise required by applicable securities legislation.

CROMBIE REAL ESTATE INVESTMENT TRUST
Interim Condensed Consolidated Financial Statements
March 31, 2025

CROMBIE REAL ESTATE INVESTMENT TRUST
Interim Condensed Consolidated Balance Sheets
(In thousands of Canadian dollars)

	Note	March 31, 2025	December 31, 2024
Assets			
Non-current assets			
Investment properties	3	\$ 3,911,819	\$ 3,923,880
Investment in joint ventures	4	20,542	29,761
Other assets	5	422,230	422,776
		4,354,591	4,376,417
Current assets			
Cash and cash equivalents	17	23,519	10,021
Other assets	5	46,426	43,928
		69,945	53,949
Total assets		4,424,536	4,430,366
Liabilities			
Non-current liabilities			
Fixed rate mortgages	6	785,877	792,265
Credit facilities	7	52,541	52,604
Senior unsecured notes	8	1,495,529	1,495,293
Employee future benefits obligation		7,462	7,415
Trade and other payables	9	15,048	20,598
Lease liabilities	21	31,016	31,236
		2,387,473	2,399,411
Current liabilities			
Fixed rate mortgages	6	31,119	30,539
Credit facilities	7	21,990	12,527
Employee future benefits obligation		525	525
Trade and other payables	9	135,086	129,123
Lease liabilities	21	2,704	2,701
		191,424	175,415
Total liabilities excluding net assets attributable to Unitholders		2,578,897	2,574,826
Net assets attributable to Unitholders		\$ 1,845,639	\$ 1,855,540
Net assets attributable to Unitholders represented by:			
Crombie REIT Unitholders		\$ 1,093,696	\$ 1,099,588
Special Voting Units and Class B Limited Partnership Unitholders		751,943	755,952
		\$ 1,845,639	\$ 1,855,540
Commitments, contingencies and guarantees	22		
Subsequent events	23		

See accompanying notes to the interim condensed consolidated financial statements.

CROMBIE REAL ESTATE INVESTMENT TRUST
Interim Condensed Consolidated Statements of Comprehensive Loss
(In thousands of Canadian dollars)

	Note	Three months ended March 31,	
		2025	2024
Property revenue	10	\$ 122,735	\$ 118,609
Revenue from management and development services	11	1,078	749
Property operating expenses	12	(45,569)	(44,968)
Loss on disposal of investment properties	3	(227)	—
Depreciation and amortization	3,5	(22,468)	(20,014)
General and administrative expenses	14	(7,018)	(4,747)
Finance costs - operations	15	(24,078)	(22,283)
Loss from equity-accounted investments	4	(461)	(1,141)
Operating income attributable to Unitholders		23,992	26,205
Distributions to Unitholders		(41,047)	(40,399)
Change in fair value of financial instruments	14	(1,859)	122
		(42,906)	(40,277)
Decrease in net assets attributable to Unitholders		(18,914)	(14,072)
Other comprehensive income (loss)			
Items that will be subsequently reclassified to net assets attributable to Unitholders:			
Share of net change in derivatives designated as cash flow hedges of equity-accounted investments	19	(691)	745
Net change in derivatives designated as cash flow hedges	19	(44)	(538)
Other comprehensive income (loss)		(735)	207
Comprehensive loss		\$ (19,649)	\$ (13,865)

See accompanying notes to the interim condensed consolidated financial statements.

CROMBIE REAL ESTATE INVESTMENT TRUST
Interim Condensed Consolidated Statements of Changes in Net Assets Attributable to Unitholders
(In thousands of Canadian dollars)

	REIT Units, Special Voting Units and Class B LP Units (Note 16)	Net Assets Attributable to Unitholders	Accumulated Other Comprehensive Income (Loss)	Total	Attributable to	
					REIT Units	Class B LP Units
Balance, January 1, 2025	\$ 2,272,550	\$ (419,478)	\$ 2,468	\$ 1,855,540	\$ 1,099,588	\$ 755,952
Comprehensive loss	—	(18,914)	(735)	(19,649)	(11,598)	(8,051)
Units issued under Distribution Reinvestment Plan ("DRIP")	9,748	—	—	9,748	5,706	4,042
Balance, March 31, 2025	\$ 2,282,298	\$ (438,392)	\$ 1,733	\$ 1,845,639	\$ 1,093,696	\$ 751,943

	REIT Units, Special Voting Units and Class B LP Units (Note 16)	Net Assets Attributable to Unitholders	Accumulated Other Comprehensive Income	Total	Attributable to	
					REIT Units	Class B LP Units
Balance, January 1, 2024	\$ 2,233,731	\$ (415,426)	\$ 6,408	\$ 1,824,713	\$ 1,081,631	\$ 743,082
Comprehensive income (loss)	—	(14,072)	207	(13,865)	(8,186)	(5,679)
Units issued under DRIP	9,565	—	—	9,565	5,599	3,966
Balance, March 31, 2024	\$ 2,243,296	\$ (429,498)	\$ 6,615	\$ 1,820,413	\$ 1,079,044	\$ 741,369

See accompanying notes to the interim condensed consolidated financial statements.

CROMBIE REAL ESTATE INVESTMENT TRUST
Interim Condensed Consolidated Statements of Cash Flows
(In thousands of Canadian dollars)

		Three months ended March 31,	
	Note	2025	2024
Cash flows provided by (used in)			
Operating Activities			
Decrease in net assets attributable to Unitholders		\$ (18,914)	\$ (14,072)
Additions to tenant incentives		(3,967)	(3,596)
Items not affecting operating cash	17	31,922	26,254
Change in other non-cash operating items	17	603	8,554
Finance costs - operations	15	24,078	22,283
Distributions to Unitholders		41,047	40,399
Cash provided by operating activities		74,769	79,822
Financing Activities			
Issuance of mortgages	6	—	31,427
Financing - other		(170)	(1,115)
Repayment of mortgages - principal		(6,191)	(7,522)
Repayment of mortgages - maturity	6	—	(81,517)
Finance costs - operations	15	(26,386)	(27,067)
Advance of floating rate credit facilities and construction financing facility	7	9,373	65,200
Repayment of floating rate credit facilities and construction financing facility		—	(206,088)
Repayment of joint operation credit facility	7	—	(73)
Issuance of senior unsecured notes	8	—	200,000
Cash distributions to Unitholders		(31,245)	(30,781)
Payments of lease liabilities		(235)	(241)
Cash used in financing activities		(54,854)	(57,777)
Investing Activities			
Additions to investment properties		(16,071)	(13,702)
Proceeds on disposal of investment properties		3,170	—
Contributions to joint ventures	4	(588)	(1,738)
Distributions from joint ventures	4	8,655	530
Additions to fixtures and computer equipment		(8)	(81)
Additions to deferred leasing costs		(174)	(247)
Collections on (advances to) related party receivables	5	(1,401)	5,469
Cash used in investing activities		(6,417)	(9,769)
Net change in cash and cash equivalents		13,498	12,276
Cash and cash equivalents, beginning of period		10,021	—
Cash and cash equivalents, end of period		\$ 23,519	\$ 12,276

See accompanying notes to the interim condensed consolidated financial statements.

1) GENERAL INFORMATION AND NATURE OF OPERATIONS

Crombie Real Estate Investment Trust ("Crombie") is an unincorporated open-ended real estate investment trust created pursuant to the Declaration of Trust dated January 1, 2006, as amended and restated as of May 6, 2021. The principal business of Crombie is investing in income-producing retail, retail-related industrial, mixed-use, residential, and office properties in Canada. Crombie is registered in Canada and the address of its registered office is 610 East River Road, Suite 200, New Glasgow, Nova Scotia, Canada, B2H 3S2. The interim condensed consolidated financial statements for the three months ended March 31, 2025 and March 31, 2024 include the accounts of Crombie and all of its subsidiary entities. The Units of Crombie are traded on the Toronto Stock Exchange ("TSX") under the symbol "CRR.UN".

The interim condensed consolidated financial statements for the three months ended March 31, 2025 were authorized for issue by the Board of Trustees on May 7, 2025.

2) SUMMARY OF MATERIAL ACCOUNTING POLICIES

These financial statements have been prepared using the same policies and methods of computation as the audited financial statements for the year ended December 31, 2024.

(a) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", and do not contain all the information required by IAS 1, "Presentation of Financial Statements". Therefore, they should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024.

(b) Basis of presentation

These interim condensed consolidated financial statements are presented in Canadian dollars ("CAD"), Crombie's functional and reporting currency, rounded to the nearest thousand. The interim condensed consolidated financial statements are prepared on a historical cost basis except for any financial assets and liabilities classified at fair value, with changes in fair value either recognized as an increase (decrease) in net assets attributable to Unitholders ("FVTPL" classification) or fair value through other comprehensive income (loss) ("FVOCI" classification).

(c) Critical accounting estimates and assumptions

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the interim condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Critical estimates and judgments disclosed in the annual audited consolidated financial statements also apply to these financial statements. The estimates and assumptions that are critical to the determination of the amounts reported in the interim condensed consolidated financial statements relate to the following:

(i) Fair value measurement

A number of assets and liabilities included in Crombie's interim condensed consolidated financial statements require measurement at, and/or disclosure of, fair value. In estimating the fair value of an asset or a liability, Crombie uses market-observable data to the extent it is available. Where market-observable data is not available, Crombie estimates the fair value based on discounted future cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks.

(ii) Investment properties

Investment properties are carried at cost less accumulated depreciation. Crombie estimates the residual value and useful lives of investment properties and the significant components thereof to calculate depreciation and amortization.

CROMBIE REAL ESTATE INVESTMENT TRUST
Notes to the Interim Condensed Consolidated Financial Statements
(In thousands of Canadian dollars)
March 31, 2025

(iii) Investment property valuation

External, independent valuation companies, having appropriate, recognized professional qualifications and recent experience in the location and category of properties being valued, value substantially all of Crombie's investment property portfolio on a rotating basis over a maximum period of four years. The fair values, based on the measurement date, represent the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Internal quarterly valuations are performed using internally generated valuation models prepared considering the aggregate trailing annual net operating income (property revenue less property operating expenses) recognized from leasing the property, that is stabilized for any major tenant movement. Biannual capitalization rates are obtained from an independent valuation company, which reflect the specific risks inherent in the net operating income, to arrive at property valuations. As at March 31, 2025, management's determination of fair value was updated for current market assumptions, including net operating income, market capitalization rates, and recent appraisals provided by independent appraisal professionals.

3) INVESTMENT PROPERTIES

	March 31, 2025		December 31, 2024
Income properties	\$ 3,730,406	\$	3,754,741
Properties under development	181,413		169,139
Total investment properties	\$ 3,911,819	\$	3,923,880

Income properties

	Land	Buildings	Intangibles	Deferred Leasing Costs	Total
Cost					
Opening balance, January 1, 2025	\$ 1,234,852	\$ 3,312,882	\$ 74,198	\$ 21,683	\$ 4,643,615
Additions	2	157	—	226	385
Dispositions	(1,789)	(11,180)	—	(299)	(13,268)
Balance, March 31, 2025	1,233,065	3,301,859	74,198	21,610	4,630,732
Accumulated depreciation, amortization, and impairment					
Opening balance, January 1, 2025	12,702	830,178	39,458	6,536	888,874
Depreciation and amortization	73	20,266	1,265	500	22,104
Dispositions	—	(10,389)	—	(263)	(10,652)
Balance, March 31, 2025	12,775	840,055	40,723	6,773	900,326
Net carrying value, March 31, 2025	\$ 1,220,290	\$ 2,461,804	\$ 33,475	\$ 14,837	\$ 3,730,406

Included in land are right-of-use assets of \$14,855 net of accumulated depreciation of \$1,820 for land held under lease.

Properties under development

	Land		Buildings		Total
Opening balance, January 1, 2025	\$ 94,780	\$	74,359	\$	169,139
Additions	1,329		10,945		12,274
Balance, March 31, 2025	\$ 96,109	\$	85,304	\$	181,413

CROMBIE REAL ESTATE INVESTMENT TRUST
Notes to the Interim Condensed Consolidated Financial Statements
(In thousands of Canadian dollars)
March 31, 2025

Fair Value

The fair value of investment properties is a Level 3 fair value measurement. The fair value represents the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Crombie's total fair value of investment properties exceeds carrying value by \$1,305,047 at March 31, 2025 (December 31, 2024 - \$1,289,615). Crombie uses the cost method of accounting for investment properties and increases in fair value over carrying value are not recognized until realized through disposition or derecognition of properties, while impairment, if any, is recognized on a property-by-property basis when circumstances indicate that the carrying value may not be recoverable.

The estimated fair values of Crombie's investment properties are as follows:

		Fair Value		Carrying Value
March 31, 2025	\$	5,607,000	\$	4,301,953
December 31, 2024	\$	5,604,000	\$	4,314,385

Carrying value consists of the net carrying value of:

	Note	March 31, 2025		December 31, 2024
Income properties		\$ 3,730,406	\$	3,754,741
Properties under development		181,413		169,139
Accrued straight-line rent receivable	5	109,223		108,800
Tenant incentives	5	280,911		281,705
Total carrying value		\$ 4,301,953	\$	4,314,385

Crombie has utilized the following weighted average capitalization rate for the valuation of income properties. Crombie reports the weighted average capitalization rate excluding properties under development. Once development is completed on these properties and they become income producing, Crombie includes them in the calculation of its weighted average capitalization rate.

	March 31, 2025	December 31, 2024
Weighted average capitalization rate	5.99 %	5.98 %

Fair value sensitivity

Crombie has determined that a change in this applied capitalization rate and net operating income at March 31, 2025 would result in an (increase) decrease in the fair value of the investment properties as follows:

Capitalization rate change	Net operating income change													
	\$	(15,000)	\$	(10,000)	\$	(5,000)	\$	—	\$	5,000	\$	10,000	\$	15,000
(0.75) %	\$	556,000	\$	640,000	\$	723,000	\$	807,000	\$	891,000	\$	974,000	\$	1,058,000
(0.50) %	\$	260,000	\$	344,000	\$	427,000	\$	511,000	\$	595,000	\$	678,000	\$	762,000
(0.25) %	\$	(8,000)	\$	76,000	\$	159,000	\$	243,000	\$	327,000	\$	410,000	\$	494,000
— %	\$	(251,000)	\$	(167,000)	\$	(84,000)	\$	—	\$	84,000	\$	167,000	\$	251,000
0.25 %	\$	(473,000)	\$	(389,000)	\$	(306,000)	\$	(222,000)	\$	(138,000)	\$	(55,000)	\$	29,000
0.50 %	\$	(677,000)	\$	(593,000)	\$	(510,000)	\$	(426,000)	\$	(342,000)	\$	(259,000)	\$	(175,000)
0.75 %	\$	(865,000)	\$	(781,000)	\$	(698,000)	\$	(614,000)	\$	(530,000)	\$	(447,000)	\$	(363,000)

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Property dispositions

The operating results of disposed properties are included up to the date of disposition.

Transaction Date	Vendor/Purchaser	Properties Disposed	Approximate Square Footage	Disposition Price ⁽¹⁾
January 20, 2025 ⁽²⁾	Third Party	—	— \$	(74)
February 14, 2025	Third Party	(1)	(188,000) \$	(3,300)

- (1) The disposition prices exclude closing and transaction costs.
(2) Expropriation of a parcel of land at an existing retail property.

Investment property disposals

	Three months ended March 31,	
	2025	2024
Gross proceeds	\$ 3,374	\$ —
Selling costs	(204)	—
	3,170	—
Carrying values derecognized:		
Land	(1,789)	—
Buildings	(791)	—
Deferred leasing costs	(36)	—
Tenant incentives	(412)	—
Accrued straight-line rent	(322)	—
Provisions	(47)	—
Total loss on disposal	\$ (227)	\$ —

Co-owned properties

Crombie owns partial interests in a number of properties. These co-owned properties are subject to proportionate consolidation, the results of which are reflected in Crombie's interim condensed consolidated financial statements, based on the proportionate interest in such joint operations.

	March 31, 2025		December 31, 2024	
	Number of co-owned properties	Ownership	Number of co-owned properties	Ownership
Retail	59	11 %-50 %	59	11 %-50 %
Retail-related industrial	3	50 %	3	50 %
Total co-owned properties	62		62	

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4) INVESTMENT IN JOINT VENTURES

The following represents Crombie's interest in equity-accounted investments:

	March 31, 2025	December 31, 2024
Bronte Village Limited Partnership	50.0 %	50.0 %
The Duke Limited Partnership	50.0 %	50.0 %
Penhorn Residential Holdings Limited Partnership	50.0 %	50.0 %
140 CPN Limited	50.0 %	50.0 %
1700 East Broadway Limited Partnership	50.0 %	50.0 %
Lynn Valley Limited Partnership	50.0 %	50.0 %
Kingsway & Tyne Property Development Limited Partnership	50.0 %	50.0 %

Crombie acquired the remaining 50% interest in 1600 Davie Limited Partnership on October 15, 2024.

The following tables represent 100% of the financial position and financial results of equity-accounted entities:

	March 31, 2025				December 31, 2024			
	Bronte LP	Duke LP	Other	Total	Bronte LP	Duke LP	Other	Total
Non-current assets	\$ 251,593	\$ 110,174	\$ 46,887	\$ 408,654	\$ 252,600	\$ 110,502	\$ 45,576	\$ 408,678
Current assets	3,520	4,678	3,945	12,143	3,785	6,777	2,752	13,314
Non-current liabilities	(255,120)	(99,863)	(28,045)	(383,028)	(239,311)	(100,233)	(27,841)	(367,385)
Current liabilities	(5,888)	(4,049)	(2,643)	(12,580)	(5,310)	(2,778)	(1,468)	(9,556)
Net assets	(5,895)	10,940	20,144	25,189	11,764	14,268	19,019	45,051
Crombie's share at 50%	(2,948)	5,470	10,072	12,594	5,882	7,134	9,509	22,525
Reconciling items:								
Additional net investment	5,551	2,397	—	7,948	5,551	1,685	—	7,236
Crombie's investment in joint ventures	\$ 2,603	\$ 7,867	\$ 10,072	\$ 20,542	\$ 11,433	\$ 8,819	\$ 9,509	\$ 29,761

	Three months ended March 31, 2025					Three months ended March 31, 2024				
	Davie LP	Bronte LP	Duke LP	Other	Total	Davie LP	Bronte LP	Duke LP	Other	Total
Revenue	\$ —	\$ 4,708	\$ 2,385	\$ 117	\$ 7,210	\$ 3,042	\$ 4,156	\$ 2,448	\$ 189	\$ 9,835
Property operating expenses	—	(1,619)	(855)	(79)	(2,553)	(704)	(1,599)	(861)	(70)	(3,234)
General and administrative expenses	—	(52)	(1)	1	(52)	(7)	(29)	(41)	(32)	(109)
Depreciation and amortization	—	(1,085)	(477)	(14)	(1,576)	(734)	(1,153)	(476)	(14)	(2,377)
Finance costs - operations	—	(3,111)	(824)	(16)	(3,951)	(1,657)	(3,959)	(824)	(16)	(6,456)
Net income (loss)	\$ —	\$ (1,159)	\$ 228	\$ 9	\$ (922)	\$ (60)	\$ (2,584)	\$ 246	\$ 57	\$ (2,341)
Crombie's income (loss) from equity-accounted investments	\$ —	\$ (579)	\$ 114	\$ 4	\$ (461)	\$ —	\$ (1,292)	\$ 123	\$ 28	\$ (1,141)

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The following table shows the changes in the total carrying value of Crombie's investment in joint ventures for the three months and year ended:

	March 31, 2025		December 31, 2024
Opening balance	\$ 29,761	\$	30,778
Contributions	588		3,574
Distributions	(8,655)		(1,235)
Share of loss	(461)		(1,970)
Share of other comprehensive loss	(691)		(1,386)
Closing balance	\$ 20,542	\$	29,761

Fair Value

The estimated fair value of the investment properties held within Crombie's equity-accounted joint ventures at 100% is as follows:

	Fair Value		Carrying Value
March 31, 2025	\$ 561,000	\$	401,673
December 31, 2024	570,000	\$	401,569

Carrying value consists of the net carrying value at 100% of:

	March 31, 2025		December 31, 2024
Income properties	\$ 356,056	\$	357,105
Properties under development	41,013		39,754
Accrued straight-line rent receivable	543		546
Tenant incentives	4,061		4,164
Total carrying value	\$ 401,673	\$	401,569

The fair value of joint venture properties is a Level 3 fair value measurement. The fair value represents the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value included in this summary reflects the fair value of the properties as at March 31, 2025 and December 31, 2024, respectively, based on each property's current use as a revenue-generating property or property under development. Additionally, as properties are prepared for redevelopment, Crombie considers each property's progress through entitlement in determining the fair value of the property. The fair value of properties under development is assumed to equal cost, plus any incremental fair value recognized through entitlement, until the property is substantially completed. As at March 31, 2025, Bronte Village Limited Partnership, The Duke Limited Partnership, and 140 CPN Limited are revenue-generating properties.

Crombie has utilized the following weighted average capitalization rates for its joint venture properties:

	March 31, 2025	December 31, 2024
Weighted average capitalization rate	4.28 %	4.27 %

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Fair value sensitivity of the investment properties held within Crombie's equity-accounted joint ventures

Crombie has determined that a change in this applied capitalization rate and net operating income at March 31, 2025 would result in an (increase) decrease in the fair value of the investment properties as follows:

Capitalization	Net operating income change													
rate change	\$	(1,500)	\$	(1,000)	\$	(500)	\$	—	\$	500	\$	1,000	\$	1,500
(0.75) %	\$	77,000	\$	89,000	\$	100,000	\$	112,000	\$	124,000	\$	135,000	\$	147,000
(0.50) %	\$	35,000	\$	47,000	\$	58,000	\$	70,000	\$	82,000	\$	93,000	\$	105,000
(0.25) %	\$	(1,000)	\$	11,000	\$	22,000	\$	34,000	\$	46,000	\$	57,000	\$	69,000
— %	\$	(35,000)	\$	(23,000)	\$	(12,000)	\$	—	\$	12,000	\$	23,000	\$	35,000
0.25 %	\$	(62,000)	\$	(50,000)	\$	(39,000)	\$	(27,000)	\$	(15,000)	\$	(4,000)	\$	8,000
0.50 %	\$	(87,000)	\$	(75,000)	\$	(64,000)	\$	(52,000)	\$	(40,000)	\$	(29,000)	\$	(17,000)
0.75 %	\$	(110,000)	\$	(98,000)	\$	(87,000)	\$	(75,000)	\$	(63,000)	\$	(52,000)	\$	(40,000)

5) OTHER ASSETS

	March 31, 2025			December 31, 2024		
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables	\$ 20,388	\$ —	\$ 20,388	\$ 21,838	\$ —	\$ 21,838
Provision for doubtful accounts	(1,096)	—	(1,096)	(1,472)	—	(1,472)
Net trade receivables	19,292	—	19,292	20,366	—	20,366
Prepaid expenses and deposits	22,406	—	22,406	19,946	—	19,946
Other fixed assets ^{(1) (2)}	—	9,166	9,166	—	9,526	9,526
Finance lease receivable	714	10,428	11,142	699	10,609	11,308
Accrued straight-line rent receivable	—	109,223	109,223	—	108,800	108,800
Tenant incentives	—	280,911	280,911	—	281,705	281,705
Vendor financing ⁽³⁾	807	1,875	2,682	786	1,834	2,620
Amounts receivable from related parties	3,207	10,627	13,834	2,131	10,302	12,433
Total other assets	\$ 46,426	\$ 422,230	\$ 468,656	\$ 43,928	\$ 422,776	\$ 466,704

(1) For the three months ended March 31, 2025, depreciation of other fixed assets was \$364 (March 31, 2024 - \$376).

(2) Other fixed assets include right-of-use assets of \$2,059 (December 31, 2024 - \$2,175) net of accumulated depreciation of \$1,646 (December 31, 2024 - \$1,574) relating to office and vehicle leases.

(3) Vendor financing arising from the disposition of two properties in the fourth quarter of 2024 with repayment due in three annual interest free installments beginning one year following the transaction date.

Tenant Incentives	Cost	Accumulated Amortization	Net Carrying Value
Balance, January 1, 2025	\$ 416,640	\$ (134,935)	\$ 281,705
Additions	7,270	—	7,270
Amortization	—	(7,652)	(7,652)
Disposition	(724)	312	(412)
Balance, March 31, 2025	\$ 423,186	\$ (142,275)	\$ 280,911

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6) MORTGAGES PAYABLE

	Weighted Average Term to Maturity	March 31, 2025	December 31, 2024
Fixed rate mortgages	5.6 years	\$ 821,971	\$ 827,930
Deferred financing charges		(4,975)	(5,126)
Total mortgage debt		\$ 816,996	\$ 822,804
Non-current		\$ 785,877	\$ 792,265
Current		31,119	30,539
		\$ 816,996	\$ 822,804
Weighted average interest rate for outstanding mortgage debt		4.13 %	4.13 %

Specific investment properties with a carrying value of \$1,481,970 as at March 31, 2025 (December 31, 2024 - \$1,480,863) are currently pledged as security for mortgages. Carrying value includes investment properties, as well as accrued straight-line rent receivable and tenant incentives, which are included in other assets.

7) CREDIT FACILITIES

	Weighted Average Term to Maturity	Total Available Facility	March 31, 2025	December 31, 2024
Construction financing ⁽¹⁾	0.7 years	\$ 105,876	\$ 22,820	\$ 13,447
Unsecured non-revolving credit facility ⁽²⁾	2.8 years	50,000	50,000	50,000
Unsecured revolving credit facility	3.7 years	550,000	—	—
Joint operation credit facility II ^{(2) (3)}	4.5 years	3,520	3,520	3,520
Unsecured bilateral credit facility	1.2 years	130,000	—	—
Deferred financing charges			(1,809)	(1,836)
Total credit facilities		\$ 839,396	\$ 74,531	\$ 65,131
Non-current			\$ 52,541	\$ 52,604
Current			21,990	12,527
			\$ 74,531	\$ 65,131
Weighted average interest rate for drawn credit facilities			4.54 %	4.58 %

(1) Availability is limited by development spending to date.

(2) Credit facility is fixed under an interest rate swap agreement.

(3) Availability is limited by mortgages held in the joint operations.

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8) SENIOR UNSECURED NOTES

	Maturity Date ⁽¹⁾	Contractual Interest Rate	March 31, 2025	December 31, 2024
Series F	August 26, 2026	3.68 %	200,000	200,000
Series G	June 21, 2027	3.92 %	150,000	150,000
Series H	March 31, 2028	2.69 %	150,000	150,000
Series I	October 9, 2030	3.21 %	150,000	150,000
Series J	August 12, 2031	3.13 %	150,000	150,000
Series K	September 28, 2029	5.24 %	200,000	200,000
Series L	March 29, 2030	5.14 %	200,000	200,000
Series M	January 15, 2032	4.73 %	300,000	300,000
Deferred financing charges			(4,471)	(4,707)
Total senior unsecured notes			\$ 1,495,529	\$ 1,495,293
Non-current			\$ 1,495,529	\$ 1,495,293
Current			—	—
			\$ 1,495,529	\$ 1,495,293
Weighted average interest rate			4.12 %	4.12 %

(1) The weighted average term to maturity as at March 31, 2025 was 4.5 years (December 31, 2024 - 4.8 years).

9) TRADE AND OTHER PAYABLES

	March 31, 2025			December 31, 2024		
	Current	Non-current	Total	Current	Non-current	Total
Tenant incentives and capital expenditures	\$ 28,052	\$ —	\$ 28,052	\$ 27,763	\$ —	\$ 27,763
Property operating costs	49,245	—	49,245	47,504	—	47,504
Prepaid rents	13,028	—	13,028	14,468	—	14,468
Finance costs on long term debt	15,272	—	15,272	18,394	—	18,394
Amounts payable to related party	1,561	—	1,561	1,376	—	1,376
Fair value of interest rate swap agreements	—	1,240	1,240	545	—	545
Distributions payable	13,701	—	13,701	13,647	—	13,647
Unit-based compensation plans	11,813	9,744	21,557	2,779	16,440	19,219
Deferred revenue	2,414	4,064	6,478	2,647	4,158	6,805
Total trade and other payables	\$ 135,086	\$ 15,048	\$ 150,134	\$ 129,123	\$ 20,598	\$ 149,721

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10) PROPERTY REVENUE

		Three months ended March 31,	
		2025	2024
Operating lease revenue			
Rental revenue contractually due from tenants	\$	108,052	\$ 102,555
Contingent rental revenue		777	588
Straight-line rent recognition		745	1,497
Tenant incentive amortization		(7,652)	(6,718)
Lease termination income		652	507
Revenue from contracts with customers			
Common area cost recoveries		18,749	18,788
Parking revenue		1,412	1,392
Total property revenue	\$	122,735	\$ 118,609

The following table sets out tenants that contributed in excess of 10% of total property revenue:

		Three months ended March 31,	
		2025	2024
Sobeys Inc. (including all subsidiaries of Empire Company Limited ("Empire"))		\$ 69,223	\$ 64,201
		56.4 %	54.1 %

11) REVENUE FROM MANAGEMENT AND DEVELOPMENT SERVICES

Crombie provides development and property management services to co-owners, related parties and third parties. Crombie's revenue from development, construction and other fees are as follows:

		Three months ended March 31,	
		2025	2024
Development fees	\$	1,000	\$ 579
Management fees		78	170
Total revenue from management and development services	\$	1,078	\$ 749

12) PROPERTY OPERATING EXPENSES

		Three months ended March 31,	
		2025	2024
Recoverable property taxes	\$	23,940	\$ 23,743
Recoverable operating expenses		19,627	19,644
Other operating costs ⁽¹⁾		2,002	1,581
Total property operating expenses	\$	45,569	\$ 44,968

(1) Includes residential non-shareable expenses.

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13) OPERATING LEASES

Crombie as a lessor

Crombie's operations include leasing commercial and residential real estate. Future minimum rental income under non-cancellable tenant leases as at March 31, 2025, is as follows:

	Remaining		Year ending December 31,					
	2025	2026	2027	2028	2029	Thereafter	Total	
Future minimum rental income	\$ 233,101	\$ 295,468	\$ 278,901	\$ 259,651	\$ 239,371	\$ 1,532,491	\$ 2,838,983	

Crombie manages its residual risk in its investment properties through an active capital expenditure program and actively leasing any vacant spaces. The residual risk throughout Crombie's portfolio is not considered significant.

14) GENERAL AND ADMINISTRATIVE EXPENSES AND CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) General and administrative expenses

	Three months ended March 31,	
	2025	2024
Salaries and benefits	\$ 4,730	\$ 2,724
Professional and public company costs	1,460	1,347
Occupancy and other	828	676
Total general and administrative expenses	\$ 7,018	\$ 4,747

(b) Change in fair value of financial instruments

	Three months ended March 31,	
	2025	2024
Deferred Unit Plan	\$ (1,208)	\$ 122
Net change in derivatives not designated as cash flow hedge	(651)	—
Total change in fair value of financial instruments	\$ (1,859)	\$ 122

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15) FINANCE COSTS - OPERATIONS

		Three months ended March 31,	
		2025	2024
Fixed rate mortgages	\$	9,008	\$ 8,991
Floating rate term, revolving, and demand facilities		1,024	2,173
Capitalized interest ⁽¹⁾		(1,862)	(1,530)
Senior unsecured notes		15,519	12,226
Interest income on finance lease receivable		(124)	(130)
Interest on lease liability		513	553
Finance costs - operations, expense		24,078	22,283
Amortization of fair value debt adjustment		(230)	(8)
Change in accrued finance costs		3,122	5,346
Amortization of deferred financing charges		(584)	(554)
Finance costs - operations, paid	\$	26,386	\$ 27,067

(1) For the three months ended March 31, 2025, interest was capitalized for qualifying development projects based on a weighted average interest rate of 4.02% (March 31, 2024 - 3.83%).

16) UNITS OUTSTANDING

	Crombie REIT Units		Class B LP Units and Attached Special Voting Units		Total	
	Number of Units	Amount	Number of Units	Amount	Number of Units	Amount
Balance, January 1, 2025	108,606,866	\$ 1,339,813	75,383,579	\$ 932,737	183,990,445	\$ 2,272,550
Units issued under DRIP	428,008	5,706	303,197	4,042	731,205	9,748
Balance, March 31, 2025	109,034,874	\$ 1,345,519	75,686,776	\$ 936,779	184,721,650	\$ 2,282,298

	Crombie REIT Units		Class B LP Units and Attached Special Voting Units		Total	
	Number of Units	Amount	Number of Units	Amount	Number of Units	Amount
Balance, January 1, 2024	106,905,347	\$ 1,317,139	74,178,234	\$ 916,592	181,083,581	\$ 2,233,731
Units issued under DRIP	417,355	5,599	295,652	3,966	713,007	9,565
Balance, March 31, 2024	107,322,702	\$ 1,322,738	74,473,886	\$ 920,558	181,796,588	\$ 2,243,296

17) SUPPLEMENTARY CASH FLOW INFORMATION

(a) Items not affecting operating cash

		Three months ended March 31,	
		2025	2024
Items not affecting operating cash:			
Straight-line rent recognition	\$	(745)	\$ (1,497)
Amortization of tenant incentives		7,652	6,718
Loss on disposal of investment properties		227	—
Depreciation and amortization		22,468	20,014
Loss from equity-accounted investments		461	1,141
Change in fair value of financial instruments		1,859	(122)
	\$	31,922	\$ 26,254

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(b) Change in other non-cash operating items

	Three months ended March 31,	
	2025	2024
Cash provided by (used in):		
Trade receivables	\$ 1,074	\$ (3,611)
Prepaid expenses and deposits and other assets	(2,001)	3,488
Payables and other liabilities	1,530	8,677
	\$ 603	\$ 8,554

(c) Cash and cash equivalents

	March 31, 2025	December 31, 2024
Restricted cash ⁽¹⁾	\$ 2,478	\$ 2,605
Cash	21,041	7,416
Total cash and cash equivalents	\$ 23,519	\$ 10,021

(1) In the fourth quarter of 2024, Crombie received funds on closing of the remaining 50% interest in 1600 Davie Limited Partnership that are held in escrow.

18) RELATED PARTY TRANSACTIONS

As at March 31, 2025, Empire, through its wholly-owned subsidiary ECL Developments Limited ("ECLD"), holds a 41.5% indirect interest in Crombie. Related party transactions primarily include transactions with entities associated with Crombie through Empire's indirect interest. Related party transactions also include transactions with joint venture entities in which Crombie has a 50% interest, as well as transactions with key management personnel and post-employment benefit plans.

Related party transactions are measured at the amount of consideration established and agreed by the related parties.

Crombie's revenue (expense) transactions with related parties are as follows:

	Three months ended March 31,	
	2025	2024
Property revenue		
Property revenue	\$ 69,223	\$ 64,201
Head lease income	308	219
Revenue from management and development services	\$ 1,078	\$ 670
Property operating expenses	\$ —	\$ (34)
General and administrative expenses		
Property management services recovered	\$ 40	\$ 41
Other general and administrative expenses	(41)	(44)
Finance costs - distributions to Unitholders	\$ (17,020)	\$ (16,752)

Crombie provides property management, development management, project management, leasing services, and environmental management to co-owners and to specific properties owned by certain subsidiaries of Empire on a fee-for-service basis pursuant to a Property Management Agreement which is being recognized as revenue from management and development services.

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During the three months ended March 31, 2025, Crombie issued 303,197 (March 31, 2024 - 295,652) Class B LP Units to ECLD under the DRIP (Note 16).

During the three months ended March 31, 2025, Crombie invested \$2,161 (March 31, 2024 - \$2,468) in properties anchored by subsidiaries of Empire, which resulted in amended lease terms. These amounts have been included in tenant incentive additions and the costs are being amortized over the amended lease terms.

Amounts due from related parties include \$540 (December 31, 2024 - \$40) in a note receivable due from Lynn Valley Limited Partnership related to development services.

Amounts due from related parties include \$501 (December 31, 2024 - \$Nil) in a note receivable due from Kingsway & Tyne Property Development Limited Partnership related to development services.

19) FINANCIAL INSTRUMENTS

(a) Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that Crombie would receive to sell a financial asset or pay to transfer a financial liability in an orderly transaction between market participants at the measurement date.

Fair value determination is classified within a three-level hierarchy, based on observability of significant inputs, as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - unobservable inputs for the asset or liability.

There were no transfers between levels of the fair value hierarchy during the three months ended March 31, 2025.

The fair value of other financial instruments is based on discounted cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks. The following table summarizes the estimated fair value of other financial instruments that have a fair value different from their carrying value:

	March 31, 2025		December 31, 2024	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial liabilities				
Fixed rate mortgages	\$ 820,940	\$ 816,996	\$ 814,111	\$ 822,804
Credit facilities	76,340	74,531	66,967	65,131
Senior unsecured notes	1,502,874	1,495,529	1,496,790	1,495,293
Total financial liabilities	\$ 2,400,154	\$ 2,387,056	\$ 2,377,868	\$ 2,383,228

The fair values of fixed rate mortgages, credit facilities, and senior unsecured notes are Level 2.

Due to their short-term nature, the carrying value of the following financial instruments approximates their fair value at the balance sheet date:

- Cash and cash equivalents
- Accounts receivable
- Trade and other payables.

(b) Risk management

In the normal course of business, Crombie is exposed to a number of financial risks that can affect its operating performance. The significant risks, and the actions taken to manage them, are as follows:

Credit risk

Credit risk arises from the possibility that tenants may experience financial difficulty and be unable to fulfill their lease commitments. A provision for doubtful accounts and other adjustments are taken for all anticipated collectability risks.

Crombie mitigates credit risk by geographical diversification, diversifying both its tenant mix and asset mix, and conducting credit assessments for new and renewing tenants.

Receivables are substantially comprised of current balances due from tenants and past due receivables. The balance of accounts receivable past due is usually not significant. Generally, rents are due the first of each month and other tenant billings are due 30 days after invoicing, and balances over 30 days are considered past due. The total provision for doubtful accounts is reviewed at each balance sheet date and current and long-term accounts receivable are reviewed on a regular basis.

Crombie assesses, on a forward-looking basis, the expected credit losses associated with its rent receivables. In determining the expected credit losses, Crombie takes into account, on a tenant-by-tenant basis, the payment history, future expectations, and knowledge gathered through discussions for rental concessions and ongoing discussions with tenants.

Interest rate risk

Interest rate risk is the potential for financial loss arising from increasing interest rates. Crombie mitigates this risk by utilizing staggered debt maturities and limiting the use of permanent floating rate debt and, on occasion, utilizing interest rate swap agreements. Crombie does not enter into interest rate swaps on a speculative basis.

Hedge accounting on financial instruments

The following tables summarize Crombie's financial instruments that are hedged:

				As at March 31, 2025	
Hedge type	Maturity date	Fixed interest rate	Hedge effectiveness	Notional amount of the hedging instrument ⁽¹⁾	Fair value of hedging instrument ⁽¹⁾
Cash flow hedge ⁽²⁾	March 1, 2029	3.15 %	100 %	\$ 51,027	\$ 831
Cash flow hedge ⁽³⁾	October 7, 2029	5.20 %	100 %	3,520	(106)
Cash flow hedge ⁽³⁾	October 15, 2029	4.19 %	— %	50,000	(1,134)
				\$ 104,547	\$ (409)

(1) Amounts are shown at Crombie's ownership percentage.

(2) Included in Note 4 in the interim condensed consolidated financial statements.

(3) Included in Note 9 in the interim condensed consolidated financial statements.

			Three months ended March 31, 2025	
Hedge type	Maturity date	Fixed interest rate	Change in fair value gain (loss) recognized in other comprehensive income (loss) ⁽¹⁾	Hedge recognized in statements of comprehensive loss
Cash flow hedge	March 1, 2029	3.15 %	\$ (691)	\$ —
Cash flow hedge	October 7, 2029	5.20 %	(44)	—
Cash flow hedge	October 15, 2029	4.19 %	—	(651)
			\$ (735)	\$ (651)

(1) Amounts are shown at Crombie's ownership percentage.

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As at March 31, 2025

- Crombie's weighted average term to maturity of its fixed rate mortgages is 5.6 years;
- Crombie's weighted average term to maturity of its unsecured notes is 4.5 years;
- Crombie has an unsecured non-revolving credit facility to a maximum of \$50,000 with a balance of \$50,000 outstanding;
- Crombie's \$550,000 floating rate unsecured revolving credit facility is reduced by the amount of any outstanding letters of credit. As at March 31, 2025, \$544,802 was available on this facility with no balance outstanding/drawn;
- Crombie has an unsecured bilateral credit facility available to a maximum of \$130,000 with no balance outstanding/drawn;
- Crombie has a joint operation credit facility available to a maximum of \$3,520 at Crombie's share with a balance of \$3,520 outstanding;
- Crombie has interest rate swap agreements in place on \$53,520 of floating rate debt and an interest rate swap agreement in place held in equity-accounted investments on \$51,027 of floating rate debt, at Crombie's share; and
- Crombie has floating rate credit facilities, included in debt held in equity-accounted investments, available to a maximum of \$12,000 with a balance of \$10,500 outstanding, at Crombie's share.

A fluctuation in interest rates would currently not have an impact on Crombie's operating income as all floating rate debt balances have been hedged with interest rate swaps. The following tables look at the impacts of selected interest rate moves on other comprehensive loss and net assets attributable to Unitholders:

	As at March 31, 2025	
Impact on other comprehensive loss of interest rate changes on interest rate swap agreements at Crombie's share	Increase in Rate	Decrease in Rate
Impact of a 0.5 % interest rate change	\$ 1,007	\$ (1,007)
Impact of a 1.0 % interest rate change	\$ 2,014	\$ (2,014)
Impact of a 1.5 % interest rate change	\$ 3,020	\$ (3,020)

	As at March 31, 2025	
Impact on decrease in net assets attributable to Unitholders of interest rate changes on interest rate swap agreements not designated as a hedge	Increase in Rate	Decrease in Rate
Impact of a 0.5 % interest rate change	\$ 1,064	\$ (1,090)
Impact of a 1.0 % interest rate change	\$ 2,101	\$ (2,207)
Impact of a 1.5 % interest rate change	\$ 3,114	\$ (3,352)

Liquidity risk

The real estate industry is capital intensive, and most assets are non-current in nature. These assets produce income through long-term leases, which funds current liabilities as they come due. While rents are contractually committed, they are not recognized as current assets, and this imbalance creates a working capital deficit, despite cash flows from contractually committed rents and credit facilities being more than adequate to satisfy current liabilities. Liquidity risk is the risk that Crombie may not have access to sufficient debt and equity capital to fund its growth program, refinance debt obligations as they mature, or meet its ongoing obligations as they arise. Cash flow generated from operating the property portfolio represents the primary source of liquidity used to service the interest on debt, fund general and administrative expenses, reinvest in the portfolio through capital expenditures, as well as fund tenant incentive costs and make distributions to Unitholders. Debt repayment requirements are primarily funded from refinancing Crombie's maturing debt obligations. Property acquisition funding requirements are funded through a combination of accessing the debt and equity capital markets and recycling capital from property dispositions.

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There is a risk that the debt capital markets may not refinance maturing fixed rate and floating rate debt on terms and conditions acceptable to Crombie or at any terms at all. Crombie seeks to mitigate this risk by staggering its debt maturity dates. There is also a risk that the equity capital markets may not be receptive to a REIT Unit offering issuance from Crombie with financial terms acceptable to Crombie. Access to the \$550,000 unsecured revolving credit facility is limited by the amount utilized under the facility and the amount of any outstanding letters of credit. As at March 31, 2025, \$544,802 was available on this facility.

The estimated payments, including principal and interest, on financial liabilities to maturity date are as follows:

	Contractual Cash Flows⁽¹⁾	Twelve months ending March 31,					
		2026	2027	2028	2029	2030	Thereafter
Fixed rate mortgages ⁽²⁾	\$ 993,217	\$ 66,349	\$ 154,437	\$ 248,711	\$ 118,600	\$ 68,693	\$ 336,427
Senior unsecured notes	1,787,017	61,738	257,344	349,815	44,479	439,235	634,406
Trade and other payables	134,862	119,814	2,727	1,096	835	2,075	8,315
Lease liabilities	139,213	4,701	2,898	2,562	2,413	2,304	124,335
	3,054,309	252,602	417,406	602,184	166,327	512,307	1,103,483
Credit facilities ⁽²⁾	83,806	25,888	2,278	51,842	183	3,615	—
Total estimated payments	\$ 3,138,115	\$ 278,490	\$ 419,684	\$ 654,026	\$ 166,510	\$ 515,922	\$ 1,103,483

(1) Includes principal and interest and excludes extension options.

(2) Includes the fixed portion of the interest expense for credit facilities under swap agreements.

20) CAPITAL MANAGEMENT

Crombie's objective when managing capital on a long-term basis is to maintain overall indebtedness, at reasonable levels, utilize staggered debt maturities, minimize long-term exposure to excessive levels of floating rate debt and maintain conservative payout ratios.

Crombie's capital structure consists of the following:

	March 31, 2025	December 31, 2024
Fixed rate mortgages ⁽¹⁾	\$ 816,996	\$ 822,804
Drawn credit facilities ⁽¹⁾	74,531	65,131
Senior unsecured notes ⁽¹⁾	1,495,529	1,495,293
Lease liabilities	33,720	33,937
Crombie REIT Unitholders	1,093,696	1,099,588
SVU and Class B LP Unitholders ⁽²⁾	751,943	755,952
	\$ 4,266,415	\$ 4,272,705

(1) Net of deferred financing charges.

(2) Crombie REIT Special Voting Units ("SVU") and Class B LP Units.

At a minimum, Crombie's capital structure is managed to ensure that it complies with the limitations pursuant to Crombie's Declaration of Trust, the criteria contained in the Income Tax Act (Canada) in regard to the definition of a REIT, and existing debt covenants. One of the restrictions pursuant to Crombie's Declaration of Trust would include, among other items, a restriction that Crombie shall not incur total indebtedness of more than 60% of gross book value.

For the debt to gross book value calculation, Crombie does not include in total debt the financial liabilities to REIT Unitholders and to holders of Class B LP Units, as shown on the balance sheets as net assets attributable to Unitholders. Crombie's debt to gross book value is defined as the total obligation for borrowed funds and lease liabilities, including the proportionate share of any borrowings held within joint ventures, divided by the gross book value of Crombie's assets which includes its proportionate share of gross assets held within joint ventures.

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	March 31, 2025	December 31, 2024
Fixed rate mortgages	\$ 821,971	\$ 827,930
Senior unsecured notes	1,500,000	1,500,000
Unsecured non-revolving credit facility	50,000	50,000
Construction financing facility	22,820	13,447
Joint operation credit facilities	3,520	3,520
Debt held in joint ventures, at Crombie's share ⁽¹⁾	193,965	185,991
Lease liabilities	33,720	33,937
Total debt	\$ 2,625,996	\$ 2,614,825
Income properties, cost ⁽²⁾	\$ 4,623,675	\$ 4,633,758
Properties under development, cost	181,413	169,139
Investment properties, held in joint ventures, cost, at Crombie's share	212,803	211,997
Below-market lease component, cost ⁽³⁾	70,182	70,182
Other assets, cost ⁽⁴⁾	617,326	607,736
Other assets, cost, held in joint ventures, at Crombie's share	9,545	9,578
Cash and cash equivalents	23,519	10,021
Cash and cash equivalents held in joint ventures, at Crombie's share	3,613	3,434
Deferred financing charges	11,255	11,669
Gross book value	\$ 5,753,331	\$ 5,727,514
Debt to gross book value - cost basis	45.6 %	45.7 %

(1) Includes Crombie's share of fixed and floating rate mortgages, construction loans, revolving credit facility, and lease liabilities held in joint ventures.

(2) Includes cumulative impairments on land of \$7,057 (December 31, 2024 - \$9,857).

(3) Below-market lease component is included in the carrying value of investment properties.

(4) Excludes accumulated amortization of tenant incentives and other fixed assets.

The terms of the unsecured revolving credit facility require that each quarter Crombie must maintain certain covenants:

- total leverage to total gross book value of 60% (65% including convertible debentures);
- total unencumbered property asset value must be a minimum of 1.4 times the total unsecured debt outstanding;
- annualized net operating income on all properties must be a minimum of 1.5 times the coverage of all annualized debt service requirements;
- secured debt to total gross book value less than 40%; and
- cash distributions to Unitholders are limited to 100% of funds from operations.

As at March 31, 2025, Crombie is in compliance with all externally imposed capital requirements and all covenants relating to its debt facilities.

The terms of the unsecured bilateral revolving credit facility and the unsecured non-revolving credit facility also require annualized NOI on all properties to be a minimum of 1.4 times the coverage of all annualized debt service requirements, cash distributions to Unitholders to be limited to 100% of funds from operations as defined in the credit facilities, and total leverage to total gross book value of 60% or less.

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21) LEASE LIABILITIES

Crombie's future minimum lease payments as a lessee are as follows:

	Twelve months ending March 31,								
	Total	2026	2027	2028	2029	2030	Thereafter		
Future minimum lease payments	\$ 139,213	\$ 4,701	\$ 2,898	\$ 2,562	\$ 2,413	\$ 2,304	\$	124,335	
Finance charges	(105,493)	(1,997)	(1,896)	(1,862)	(1,838)	(1,823)		(96,077)	
Present value of lease payments	\$ 33,720	\$ 2,704	\$ 1,002	\$ 700	\$ 575	\$ 481	\$	28,258	

Lease liabilities are presented on the consolidated balance sheets as follows:

	March 31, 2025	December 31, 2024
Non-current	\$ 31,016	\$ 31,236
Current	2,704	2,701
Total lease liabilities	\$ 33,720	\$ 33,937

Some of Crombie's lease agreements contain contingent rent clauses. Contingent rental payments are recognized in the consolidated statements of comprehensive loss as required when contingent criteria are met. The lease agreements contain renewal options and purchase options, none of which are reflected in the minimum lease payments in the above table. For the three months ended March 31, 2025, minimum lease payments of \$748 were paid by Crombie.

22) COMMITMENTS, CONTINGENCIES, AND GUARANTEES

There are various claims and litigation in which Crombie is involved, arising out of the ordinary course of business operations. In the opinion of management, any liability that would arise from such contingencies in excess of existing accruals would not have a significant adverse effect on these financial statements.

Crombie obtains standby letters of credit to support its obligations with respect to construction work on its investment properties and satisfying mortgage financing requirements. As at March 31, 2025, Crombie has \$5,198 (December 31, 2024 - \$5,198) in outstanding letters of credit related to construction work being performed on investment properties.

As at March 31, 2025, Crombie had signed construction contracts totalling \$252,472, of which \$198,008 has been paid.

Crombie has committed to funding \$37,926 in development costs at 1700 East Broadway Limited Partnership, of which \$801 has been funded as at March 31, 2025.

Crombie has 100% guarantees on mortgages related to properties in which it has less than a 100% interest. The mortgages payable related to these guarantees are secured by specific charges against the properties. As at March 31, 2025, Crombie has provided guarantees of approximately \$26,226 (December 31, 2024 - \$26,655) on mortgages in excess of their ownership interest in the properties. Responsibility for ongoing payments of principal and interest on these mortgages remains with the joint owners of the properties. The mortgages have a weighted average term to maturity of 3.0 years.

Crombie and its partners have provided joint and several guarantees on 100% of debt outstanding in the following joint ventures: Bronte Village Limited Partnership \$257,824 (December 31, 2024 - \$241,718) and 140 CPN Limited \$3,107 (December 31, 2024 - \$3,121), and are secured by the income-producing properties related to the mortgages. Crombie and its partners have provided joint and several guarantees on 100% of debt outstanding in 1700 East Broadway Limited Partnership \$21,000 (December 31, 2024 - \$20,500). Crombie includes its 50% ownership interest in the outstanding debt related to these joint ventures in debt metrics.

Under the terms of head leases with certain of Crombie's joint operation partners, Crombie guarantees its joint operation partners their portion of any uncollected rent receivable from the sub-tenant.

23) SUBSEQUENT EVENTS

- (a) On April 10, 2025, Crombie sold a 50% interest in The Marlstone development in Halifax, Nova Scotia to Montez Corporation for a total purchase price of \$32,200. Crombie received \$19,200 in cash proceeds, with Montez assuming \$13,000 in construction financing debt. Crombie entered into a joint venture partnership to complete and operate the residential development. On the same date, Crombie entered into two additional joint venture partnerships with Montez Corporation to further the entitlement of two residential development projects in Halifax, Nova Scotia: Barrington Street and Brunswick Place. Crombie is the development manager on behalf of the partnerships.
- (b) On April 16, 2025, Crombie declared distributions of 7.417 cents per Unit for the period from April 1, 2025 up to and including April 30, 2025. The distributions will be paid on May 15, 2025, to Unitholders of record as at April 30, 2025.
- (c) On April 22, 2025, Crombie acquired a 100% interest in a grocery-anchored retail property from a third party totalling 12,000 square feet for \$1,095, excluding closing and transaction costs.
- (d) On April 28, 2025 and May 6, 2025, Crombie entered into two joint venture partnerships with Wesgroup Properties with the intent to further the entitlement of Hastings and West Broadway, two mixed-use residential projects in Vancouver, British Columbia. Concurrent to these transactions, Wesgroup Properties acquired Empire's 50% share of the Kingsway & Tyne Property Development Limited Partnership and the Lynn Valley Limited Partnership. Crombie retains a 50% interest in each of these joint venture partnerships. Wesgroup Properties and Crombie will both act as a development manager on behalf of the partnerships.

24) SEGMENT DISCLOSURE

Crombie owns and operates primarily retail, retail-related industrial, office, and mixed-use real estate assets located in Canada. Management, in measuring Crombie's performance or making operating decisions, does not distinguish or group its operations on a geographical or other basis. Accordingly, Crombie has a single reportable segment.

UNITHOLDERS' INFORMATION

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Communication regarding investor records, including changes of address or ownership, lost certificates, or tax forms, should be directed to the Company's transfer agent and registrar, TSX Trust Company.

UNIT SYMBOL

REIT Trust Units – CRR.UN

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