



Building a Better REIT

Investor Presentation

September 2017



Forward-looking Information

This presentation contains forward-looking statements that reflect the current expectations of management of Crombie about Crombie's future results, performance, achievements, prospects and opportunities. Wherever possible, words such as "continue", "may", "will", "estimate", "anticipate", "believe", "expect", "intend" and similar expressions have been used to identify these forward-looking statements. These statements, including statements regarding the development potential of the acquired property and Crombie's other development sites and the total estimated cost to develop these sites, reflect current beliefs and are based on information currently available to management of Crombie. Forward-looking statements necessarily involve known and unknown risks and uncertainties.

A number of factors, including the risks discussed in the 2016 annual Management Discussion and Analysis 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. There can be no assurance that the expectations of management of Crombie will prove to be correct.

Readers are cautioned that such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from these statements. Crombie can give no assurance that actual results will be consistent with these forward-looking statements.

Non-IFRS Measures

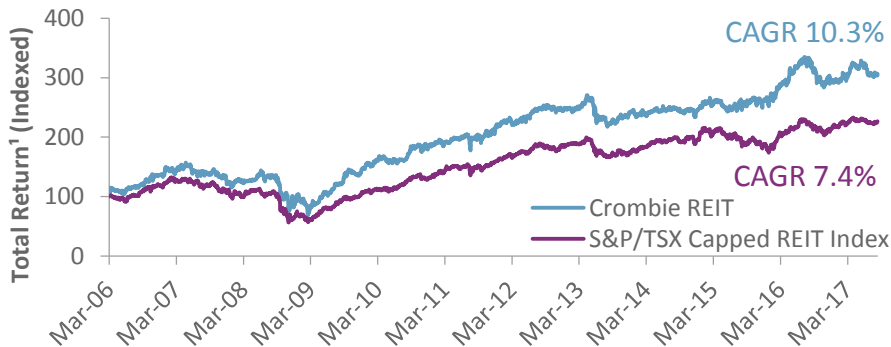
Certain terms used in this presentation, such as AFFO, NAV and NOI, are not measures defined under International Financial Reporting Standards ("IFRS") and do not have standardized meanings prescribed by IFRS. AFFO, NAV and NOI should not be construed as an alternative to net earnings or cash flow from operating activities as determined by IFRS. AFFO and NOI, as presented, may not be comparable to similar measures presented by other issuers. Crombie believes that NOI, NAV and AFFO are useful in the assessment of its operating performance and that these measures are also useful for valuation purposes and are relevant and meaningful measures of its ability to earn and distribute cash to unitholders. Examples of reconciliations of AFFO to the most directly comparable measure calculated in accordance with IFRS are provided in the Management Discussion and Analysis of Crombie for the years ending December 31, 2016 and December 31, 2015.

Crombie REIT

Who are we?

- Established in 2006, and growing into one of Canada's leading national retail landlords
- Focused on net asset value and FFO/AFFO growth by owning, operating and developing a portfolio of high quality grocery and drug store anchored shopping centres, freestanding stores and mixed-use developments primarily in Canada's top urban and suburban markets
- Member of the S&P/TSX Composite Index, CRR.UN
- Rated BBB low (Negative Trend) by DBRS

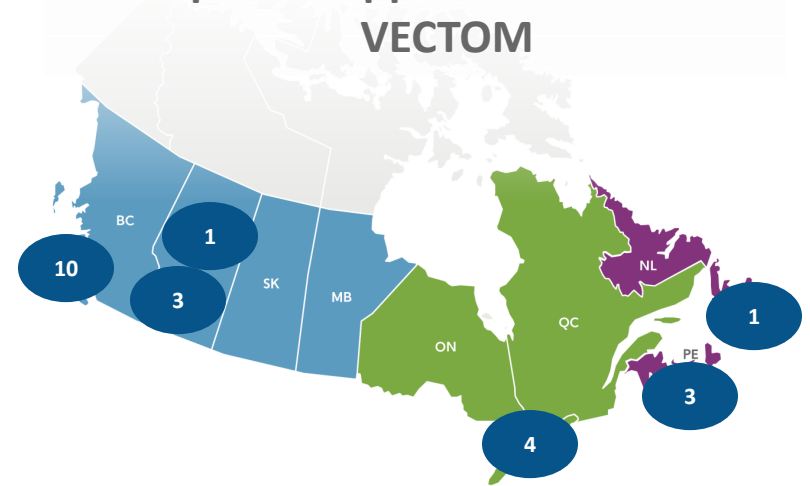
Crombie Outperforms the Sector



¹Bloomberg, ²As at June 30, 2017

National Portfolio with Extraordinary Development Opportunities Focused on

VECTOM



Quick Facts²

Number of Properties	281
Gross Leasable Area	19,115,000
Committed Occupancy	94.6%
Average Rent/sqft at Expiry	\$18.17
1H Renewal Leasing Spreads	6.6%

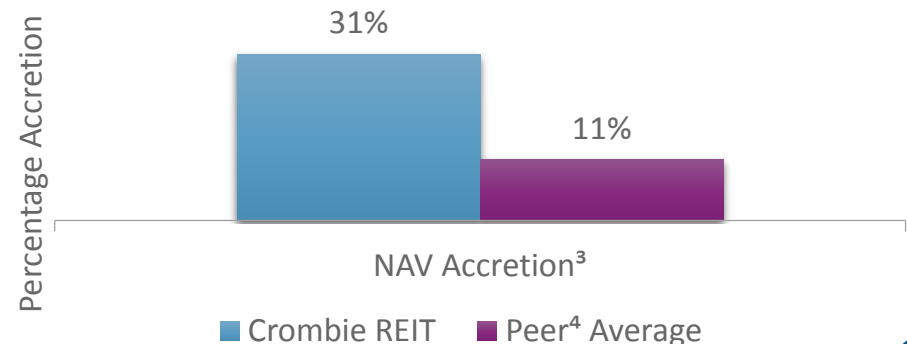
Why Invest in Crombie?

Investment Thesis

- Stable, high quality grocery-anchored portfolio, resulting in strong, stable cash flow growth
- Current distribution yielding 6.6%
- Materially accretive development pipeline opportunities
- Management team has 25+ years of development experience
- Trading at a discount relative to future growth opportunities



Crombie's Development Pipeline is Projected to be Significantly NAV Accretive³ vs Peers⁴



Crombie's Vision – Strategic Pillars



IMPROVING PORTFOLIO QUALITY

Focused on high growth urban and suburban markets with development opportunities, while disposing of lower growth assets in tertiary markets. Growing exposure to higher growth central and western regions.



DRIVING NAV CREATION

Through smart capital allocation, accelerate net asset value growth through active development and active asset management.



BUILDING FINANCIAL STRENGTH

Maintain a strong balance sheet with ample financial flexibility and access to capital. Committed to our investment grade rating.



CULTURE AND HIGH GRADING TALENT

High grading our talent by hiring and developing the best and the brightest.



RISK MANAGEMENT

Continuously monitoring potential risk, and executing minimization and mitigation plans.

DRIVING UNITHOLDER VALUE

Improving Portfolio Quality

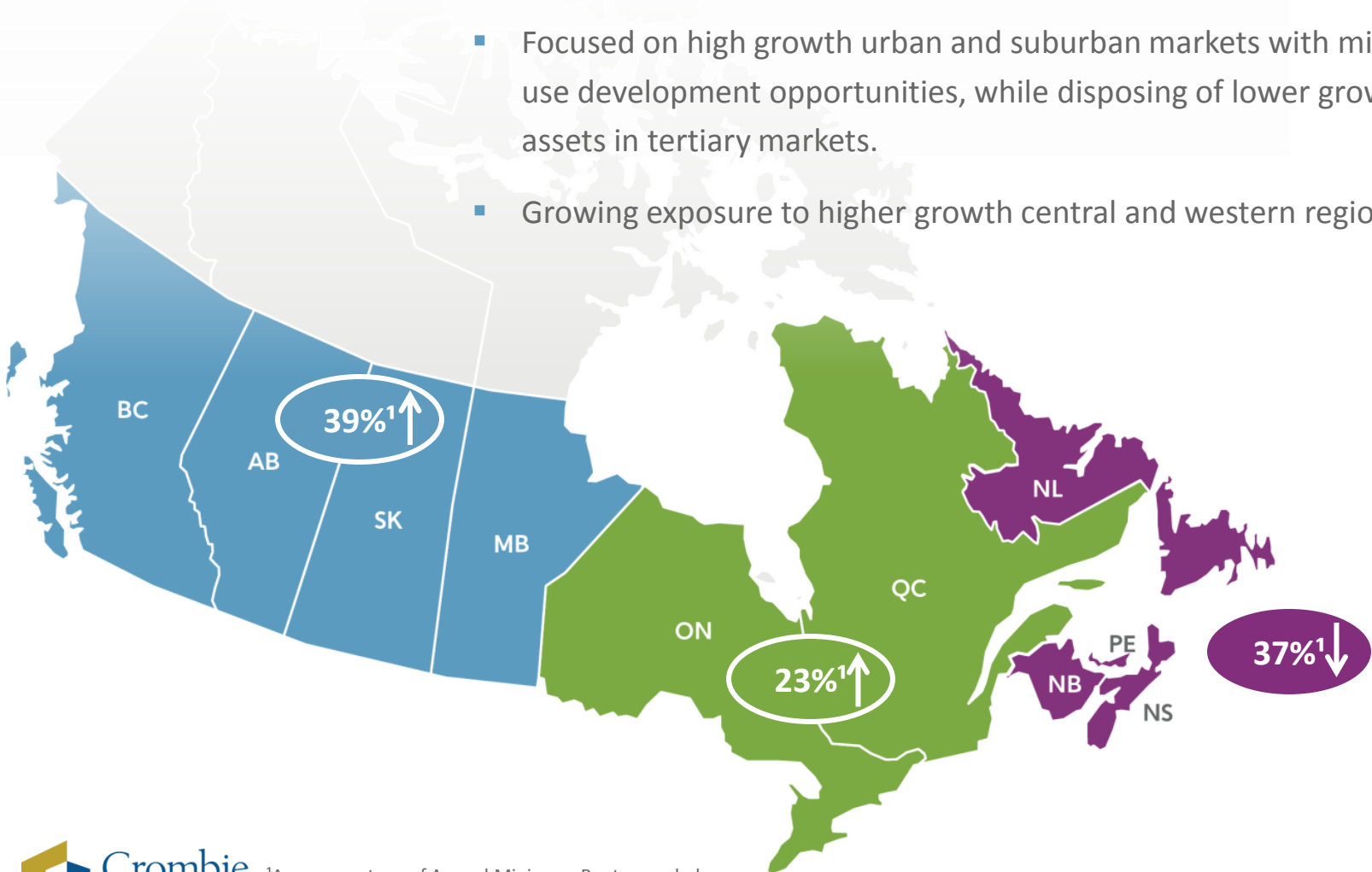
Davie Street,
Vancouver, British Columbia



Nationwide Portfolio

Growing Exposure to Major Markets

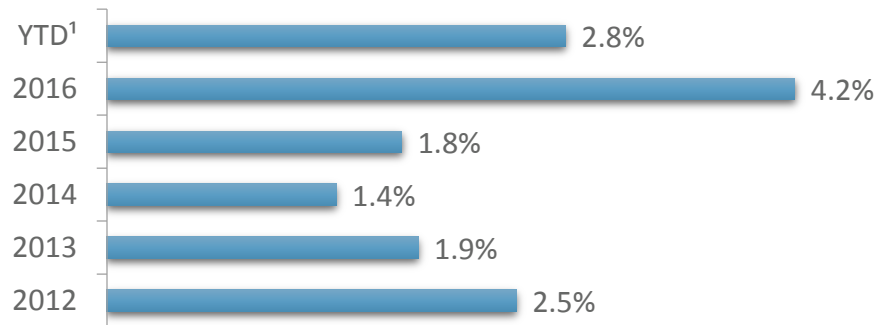
- Focused on high growth urban and suburban markets with mixed-use development opportunities, while disposing of lower growth assets in tertiary markets.
- Growing exposure to higher growth central and western regions.



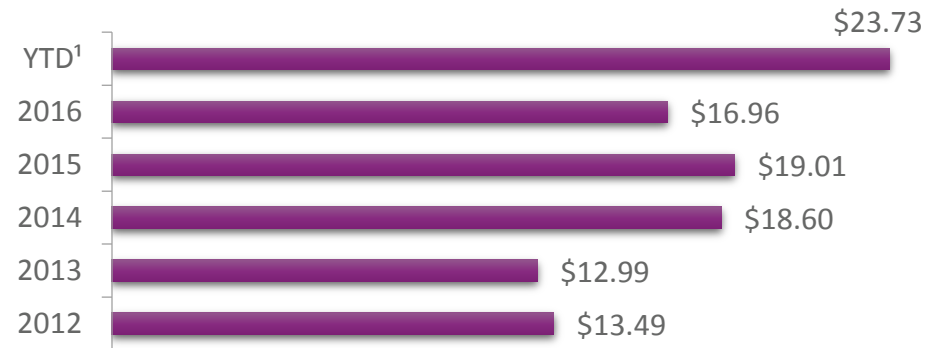
Leasing and Value Creation

Built in Organic Growth

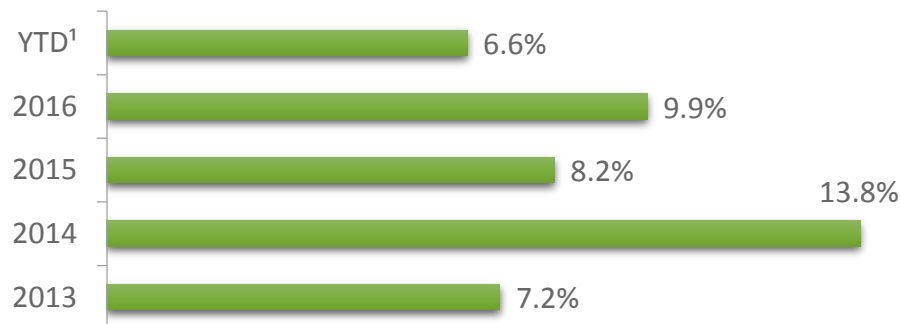
Same Asset NOI Growth



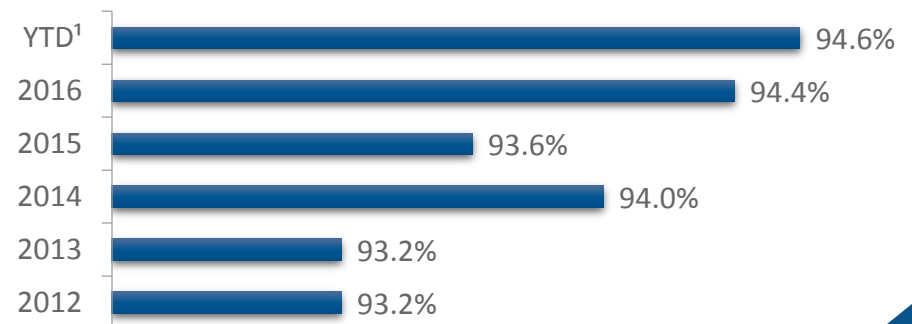
Current Year Renewal Rates



Renewal Leasing Spreads



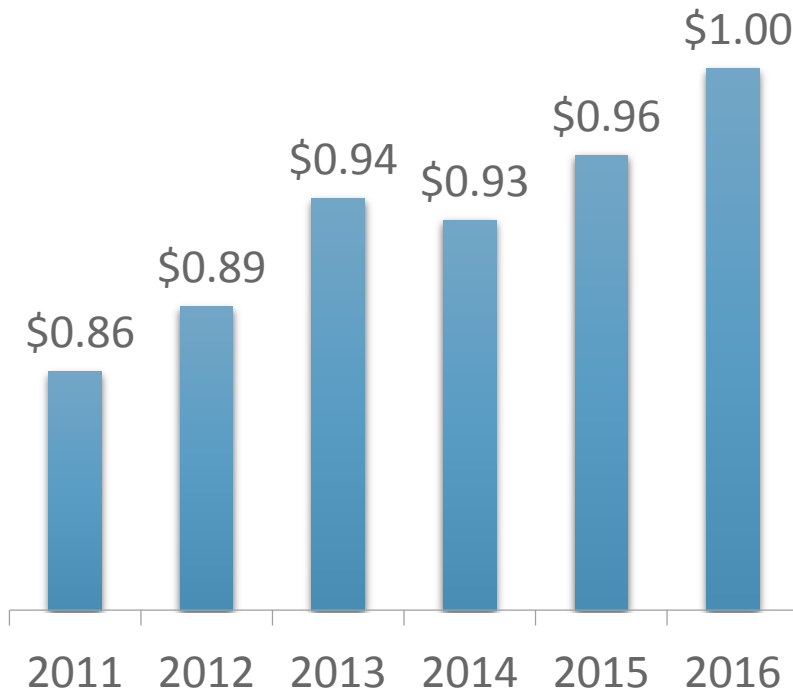
Committed Occupancy



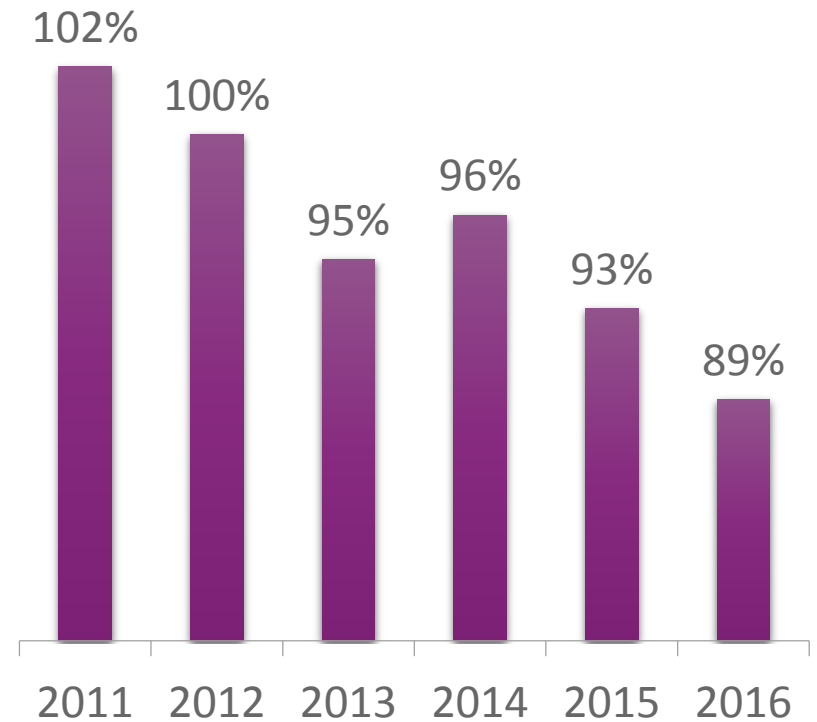
Consistent Historical AFFO Growth

Declining AFFO Payout Ratio

AFFO/Unit, diluted



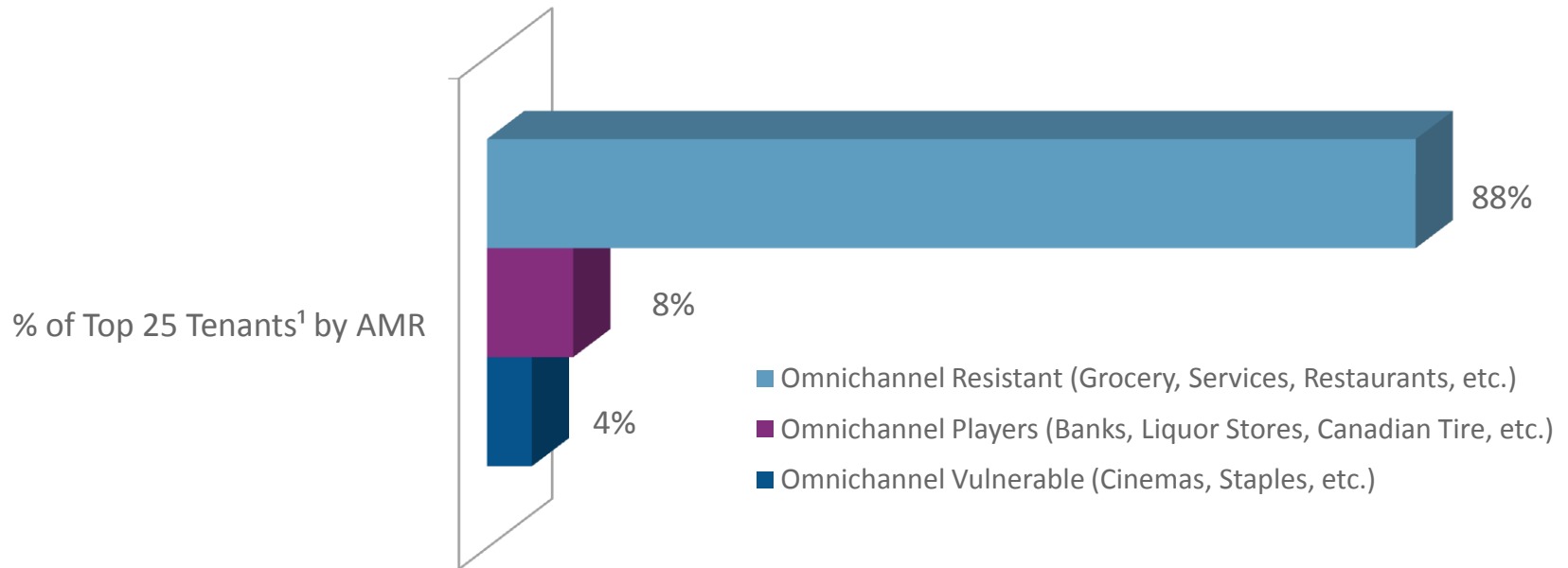
AFFO Payout Ratio



The Evolution of Retail in Real Estate

Convenience, Necessity Focused Portfolio

High Exposure to Omnichannel Resistant Retailers



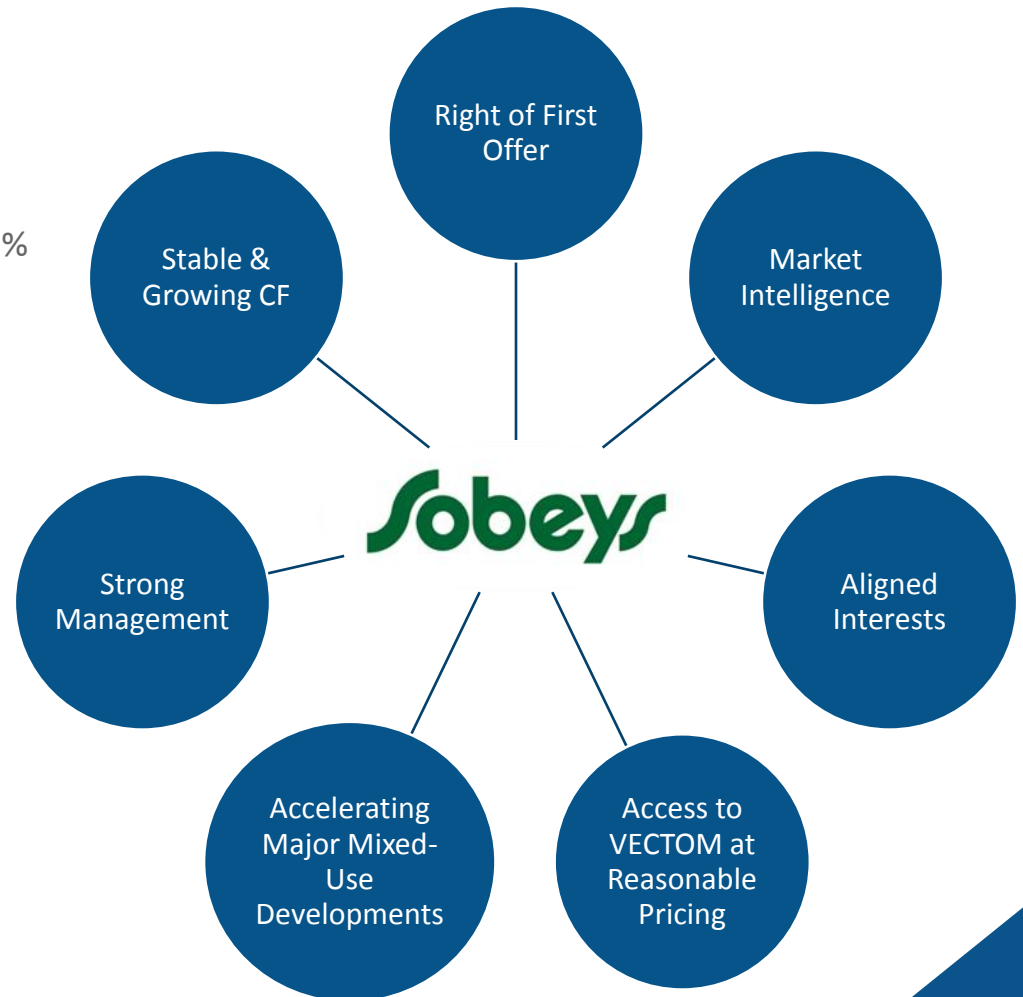
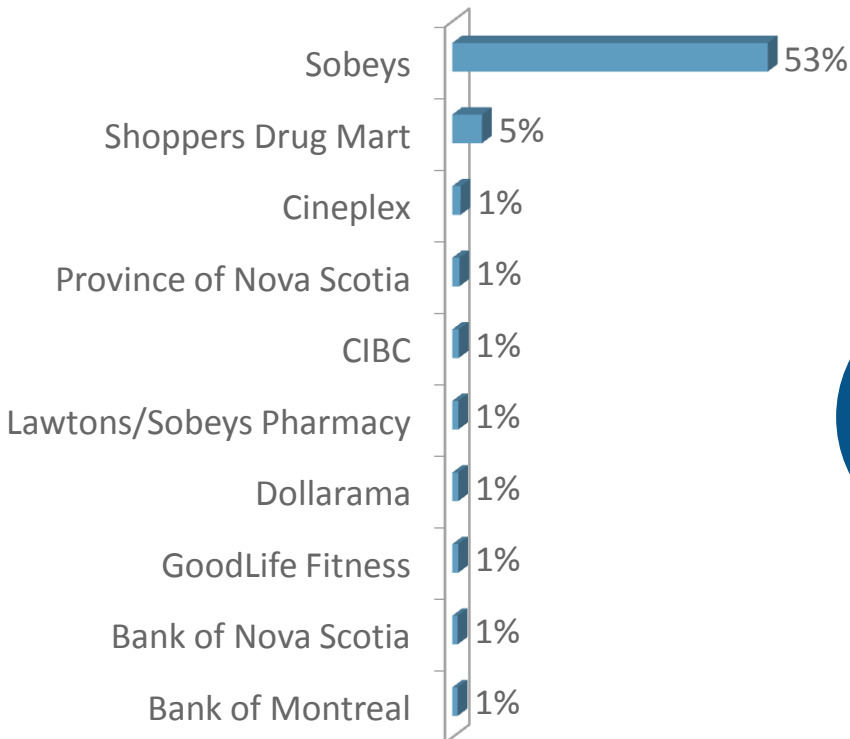
Approximately 85% of properties are high-traffic grocery or drugstore anchored

Under 1% of Canadian grocery spend is purchased through ecommerce²

Tenant Mix

Strong Retailer Relations Driving Material Growth in NAV

% of AMR



Driving NAV Creation

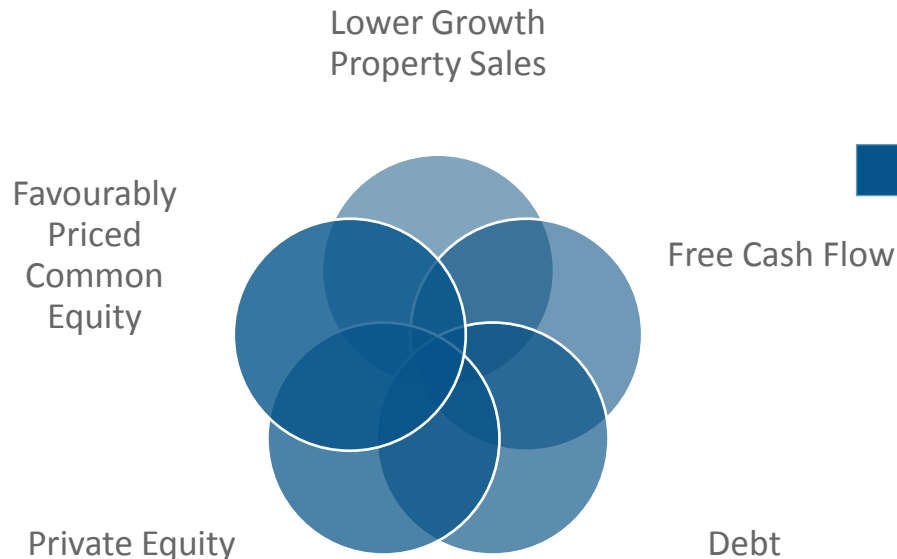
Belmont, Victoria, British Columbia



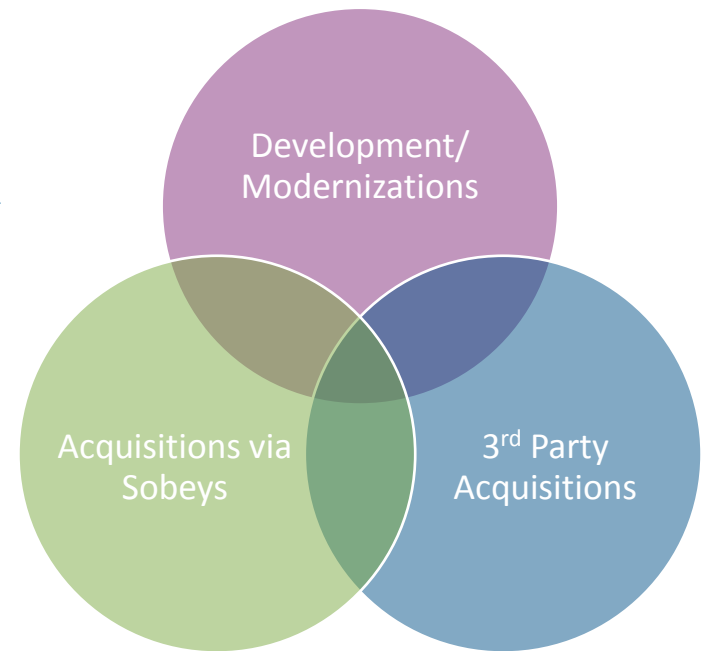
Smart Capital Allocation: Highest & Best Use

Prioritize Growth in NAV & AFFO/Unit

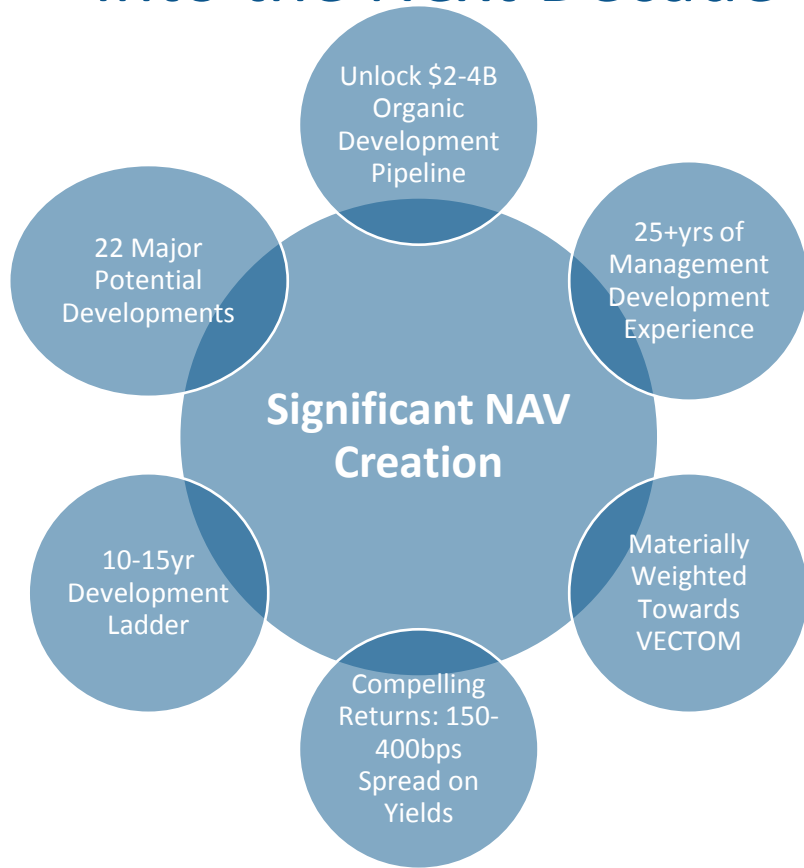
Sources



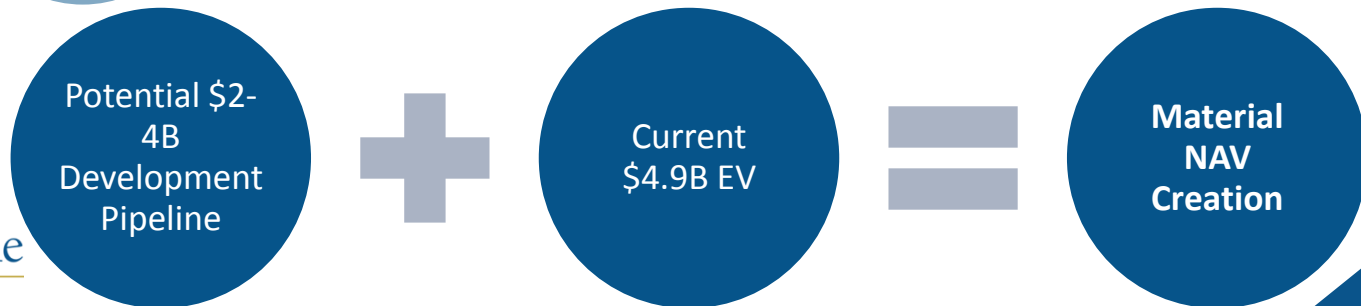
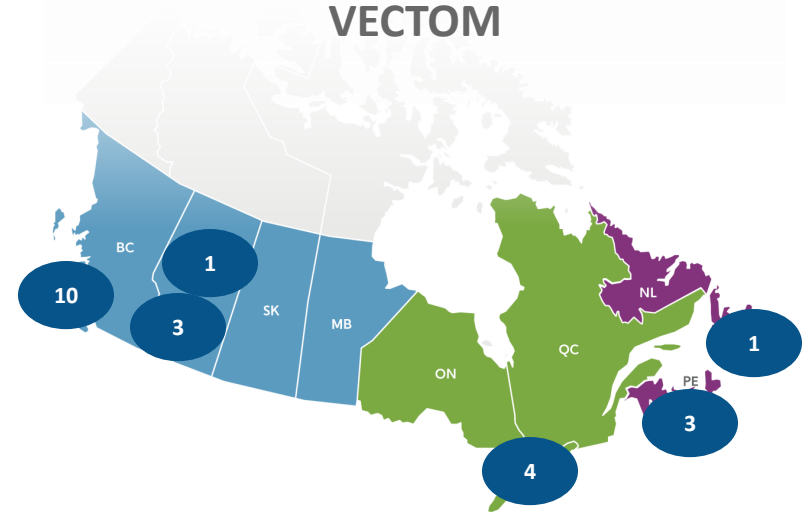
Uses



Building a Better REIT Into the Next Decade & Beyond



National Portfolio with Extraordinary Development Opportunities Focused on VECTOM



Davie Street, Vancouver, BC

Potential to Create \$100M¹ in Value

Overview	
Currently anchored by a 32,000 sqft Safeway. The development will include a 44,000 sqft grocery store with 9,000 sqft of ancillary retail and up to 330 rental residential units. The project is scheduled to go under construction Sept 2017.	
Expected Development Cost	\$105M ¹
Expected Yield on Cost	5.50-6.00%
Current Market Cap Rates ²	Residential 2.25-3.00% Retail 4.00-5.00%
Potential Value Creation	\$100M ¹
Projected Annual Residential Rental Rate Growth	2.50-3.00%

**SIGNIFICANT
NAV CREATION,
NOI AND CASH
FLOW GROWTH**

...and Crombie CURRENTLY has
21 major development
opportunities embedded within
its current portfolio.



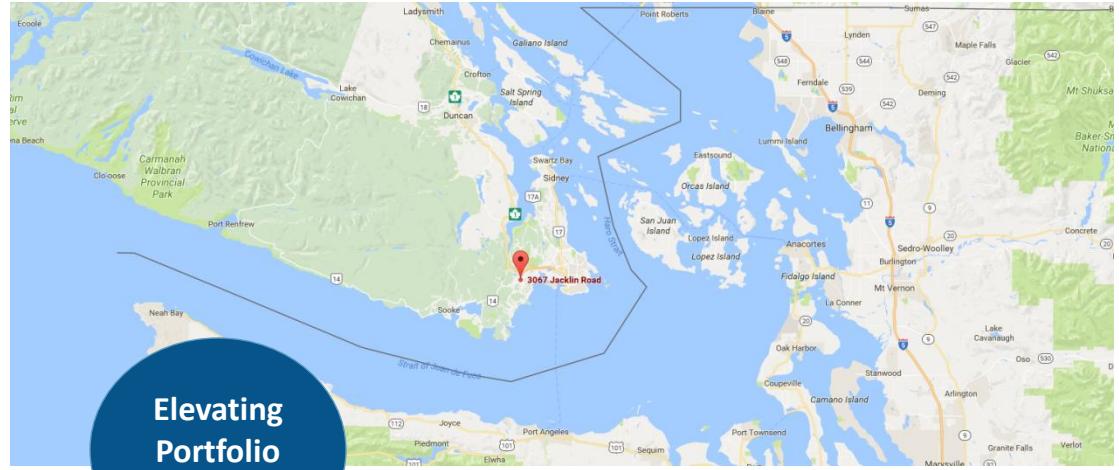
Belmont Market, Victoria, BC

Upgrading by Developing A+ Real Estate

Overview

Belmont Market is being developed as a 191,000 sqft grocery-anchored mixed use centre. The development will include a 50,000 sqft Thrifty Foods store, Thrifty Office, and 120,000 sqft of additional retail. An additional 4 acres of land is under agreement to sell to a residential developer who has plans to add 437 units of low rise residential rental, and market condos, intended to create a vibrant new community village. Phase I is scheduled to open in Fall 2018. Approximately 87% of phase I has committed leases, or is in advanced stages of negotiation.

Expected Development Cost	\$103MM
Expected Yield on Cost	5.50-6.25%
Current Market Cap Rate ¹	5.00-5.75%
Potential Value Creation	\$17.5MM



Elevating
Portfolio
Quality

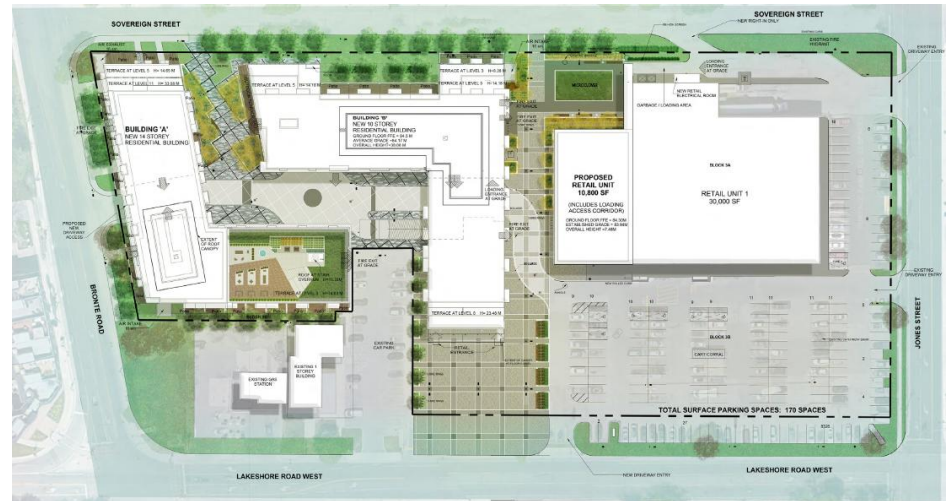


Bronte Village, Oakville, ON

Building Community in Major Urban Centres

Overview

The redevelopment provides an opportunity to add luxury rental residential density to an area that is currently undersupplied. The redevelopment plan is composed of mixed-use residential and retail, and will require demolition of a portion of the existing retail. In its place, two luxury rental residential towers of 10-14 stories containing 478 suites, and 15,000 sqft of retail are proposed to be constructed.



McCowan & Ellesmere, Toronto, ON

Future Major Transit Hub

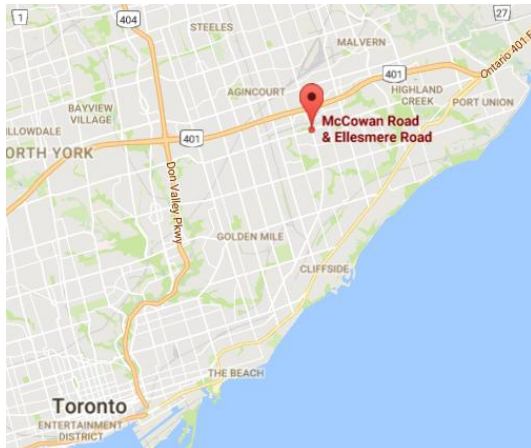
Overview

A future major mixed-use, transit-oriented development site in Toronto, Ontario, acquired from a 3rd party. Together, Sobeys and Crombie are uniquely positioned to unlock the development value embedded in this site.

Subway
Line
Extension



Key
Redevelopment
Site for the City



TTC



Avalon Mall, St. John's, NL

Dominant Enclosed Shopping Centre

BOMA

Certificate of
Excellence



Overview

Avalon Mall is NL's largest, and only regional shopping centre with 564,000 sqft. The purpose of the three-year capital investment program is to maintain and enhance the asset's position as the dominant enclosed shopping centre in the province. The capital upgrades will allow for improved tenant mix, increased sales per square foot, and enhanced NOI. Phase I includes construction of a four-level, 875 space parking structure, redesign and realignment of the main mall vehicular access, and the redesign and phased renovation of the mall's interior common areas.

Expected Development Cost

\$54.5M



Scotia Square, Halifax, NS

“Centre Ice” in Halifax’s Business District

Overview

Scotia Square is situated in the centre of the downtown Halifax business district at the corner of Barrington and Duke. This complex is comprised of 1,600,000 sqft of office and retail, and two hotels. Phase II is a three-level expansion on Barrington Street of approximately 25,000 sqft which includes a new and modern main entrance into the complex. The expansion is comprised of office, a food court expansion and street level retail totaling 13,000 sqft. Future mixed-use development is being considered at this location. The construction cost for Phase II is approximately \$11M and will be completed in Q3 2017.



Building Financial Strength

Belmont, Victoria, British Columbia



Strong Financial Condition

Investment Grade, with Declining Debt Levels

2.82x Interest
Service
Coverage

Debt Service
Coverage 1.85x

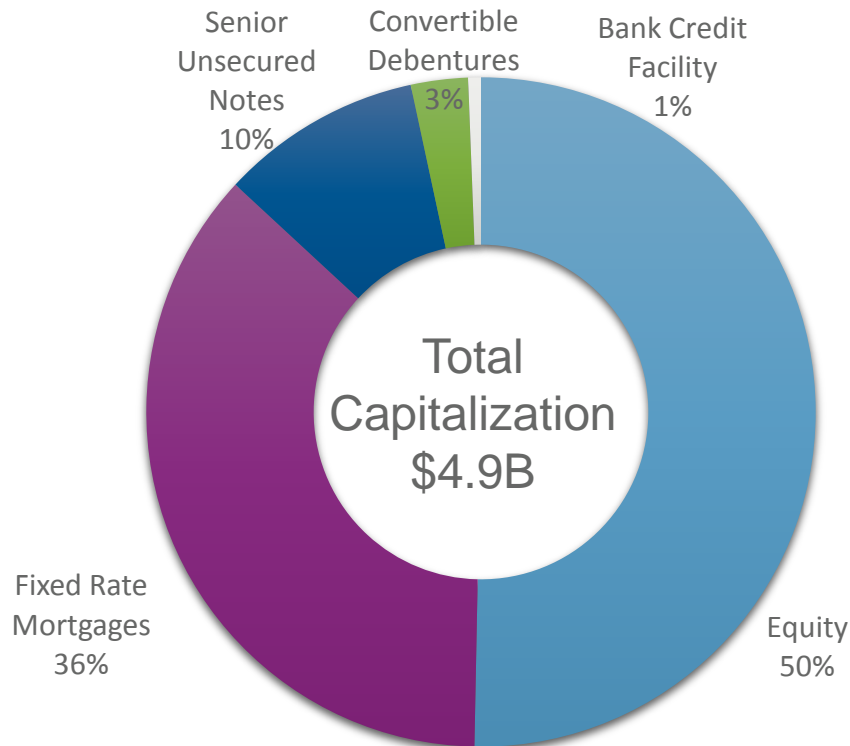
BBB Low
(Negative
Trend) by DBRS

Bank Credit
Capacity
\$458M¹

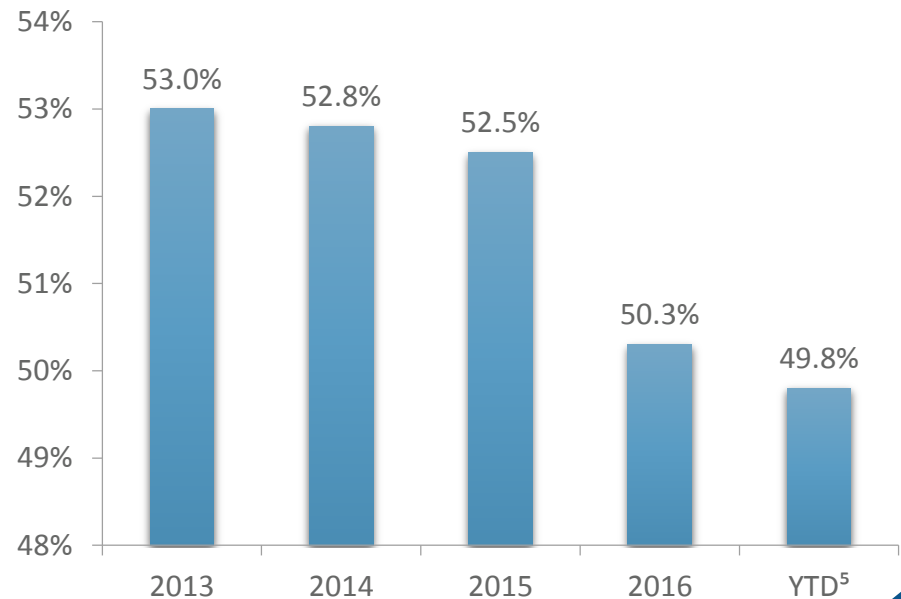
Unencumbered
Assets \$841M

WAIR² 4.21%

WATM³ 4.8yrs

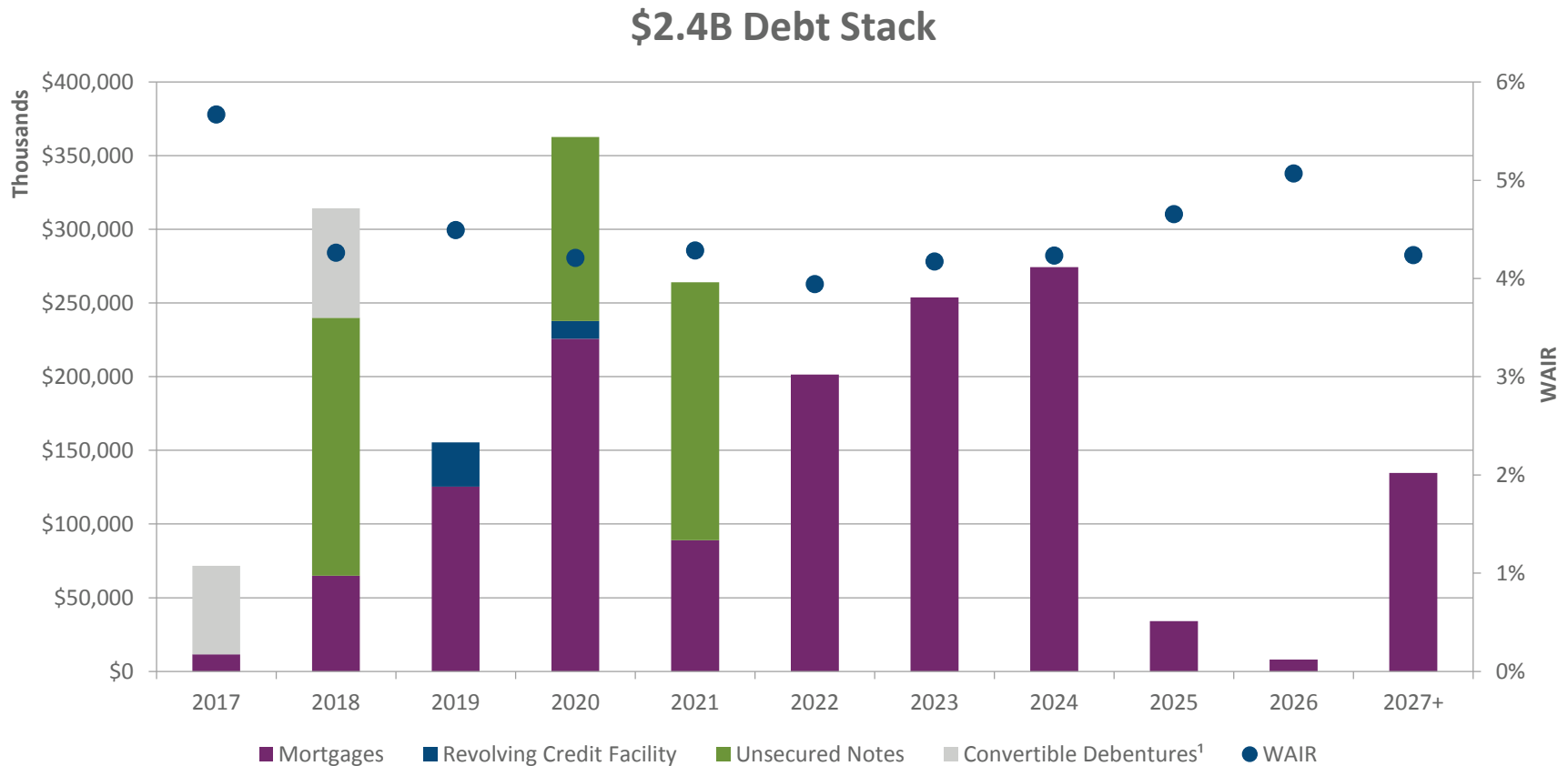


D/GBV - FV⁴



Well-Laddered Debt Maturity Profile

\$1-2M/yr in Interest Savings Available on Refinancing



Culture and High Grading Talent

Canmore, Alberta



Strong Leadership with Deep Bench Nationwide Talent



DON CROW

President & CEO

Years of Experience:

Crombie REIT 8 | Industry 28+



GLENN HYNES

EVP, CFO & Secretary

Years of Experience:

Crombie REIT 7 | Industry 25+



CHERYL FRASER

CTO, VP Communications

Years of Experience:

Crombie REIT 5 | Industry 20+



TORAN EGGERT

EVP, Portfolio Management

Years of Experience:

Crombie REIT 1 | Industry 25+

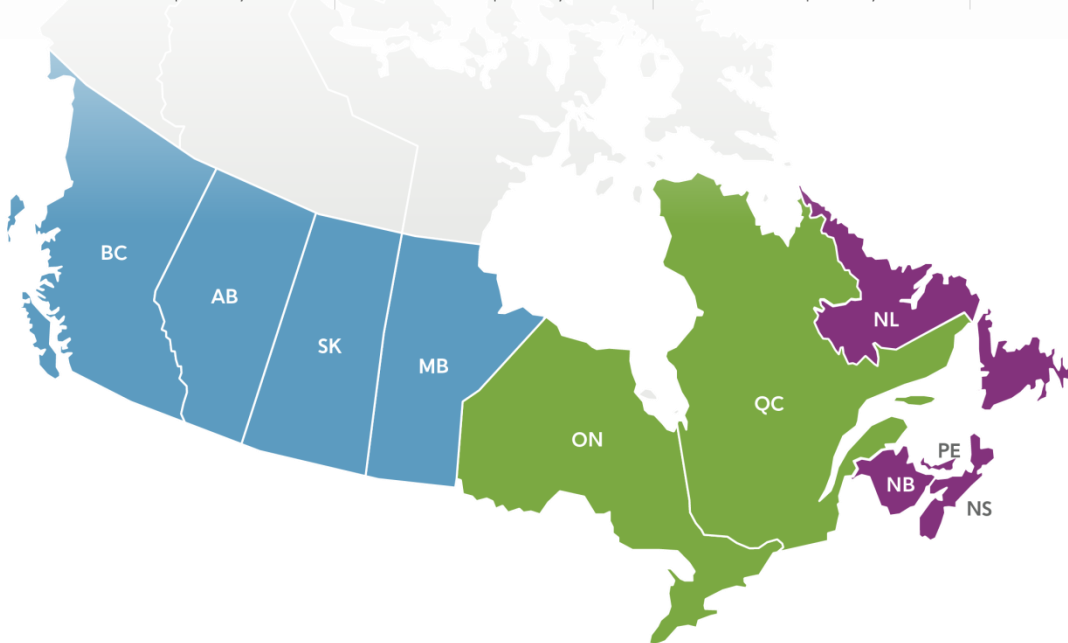


JOHN BARNOSKI

Senior Vice President, Corporate Development

Years of Experience:

Crombie REIT 2 | Industry 20+



WEST



TREVOR LEE

Senior Vice President,
Western Canada

Years of Experience:

Crombie REIT 3 | Industry 15+

**CENTRAL
EAST**



SCOTT MACLEAN

Senior Vice President,
Eastern Canada

Years of Experience:

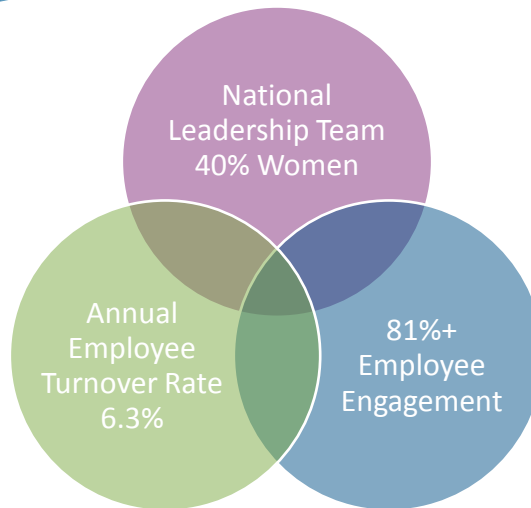
Crombie REIT 25 | Industry 35+

Culture & High Grading Talent

Continuing to Build the Crombie of Tomorrow

“We continue to take a best-in-class approach to everything we own, operate and develop across the country, including our highly qualified team of real estate professionals. Our Talent decisions are built for the long term - driving business growth, and increasing available bench strength at all levels.”

– Cheryl Fraser CTO, VP Communications



Environmental Sustainability Commitment

Social, Environmental & Economic

Crombie's core values include a commitment to adopt environmental sustainability principals in our business practices by integrating environmental considerations in our decision-making processes and striving to ensure we conduct our activities in accordance with these principals.

We believe that everyone has a responsibility to do his/her part to help protect and sustain our environment. We encourage our employees, customers and suppliers to make the "reduce, reuse, recycle" principle part of their lifestyle, at work and at home.



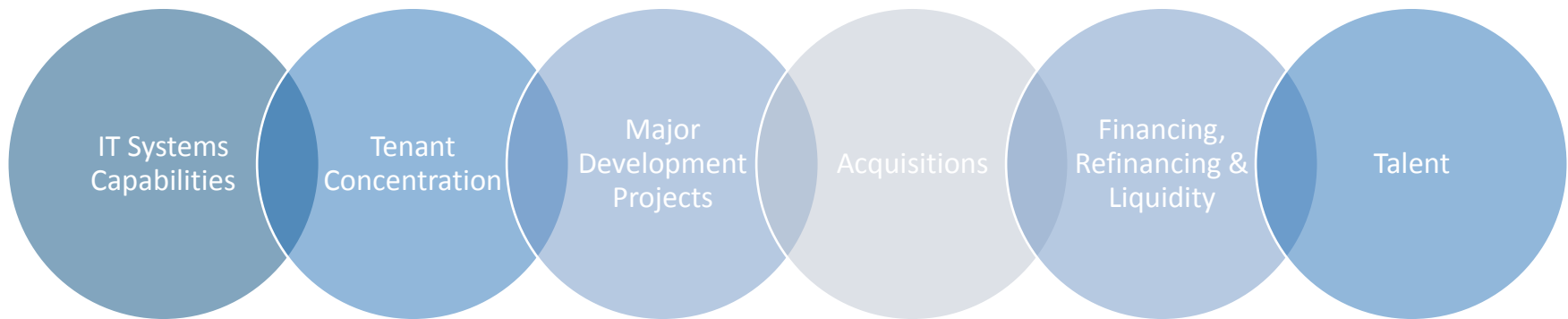
Risk Management

Bronte Village, Oakville, ON



Risk Management

Continuously Monitoring Potential Risk, & Executing Minimization & Mitigation Plans





Thank You

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