



Building a Better REIT

Q1 2018 Results Conference Call

May 10, 2018 9:00am EST



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 Crombie's development sites, the total estimated cost to develop these sites, impact on net asset value and expected development returns, 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, including real estate market cycles, general economic conditions, the availability of financing opportunities and labour, actual development costs, uncertainties in obtaining required municipal zoning and development approvals, concluding successful agreements with existing tenants, and where applicable, successful execution of development activities undertaken by related parties not under the direct control of Crombie.

A number of additional factors, including the risks discussed in the 2017 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, FFO, NAV, SANOI and NOI, are not measures defined under International Financial Reporting Standards ("IFRS") and do not have standardized meanings prescribed by IFRS. AFFO, FFO, NAV, SANOI and NOI, should not be construed as an alternative to net earnings or cash flow from operating activities as determined by IFRS. AFFO, FFO, NAV, SANOI and NOI, as presented, may not be comparable to similar measures presented by other issuers. Crombie believes that AFFO, FFO, NAV, SANOI and NOI, 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 and FFO 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, 2017.

Opening Remarks

Don Clow
President & CEO



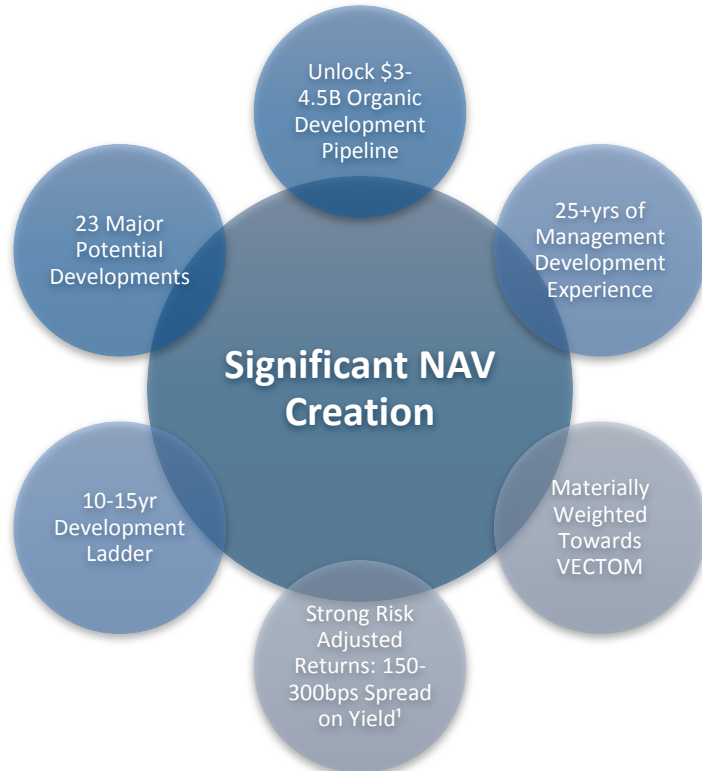
Overview

Stable, Predictable Cash Flow & NAV Growth

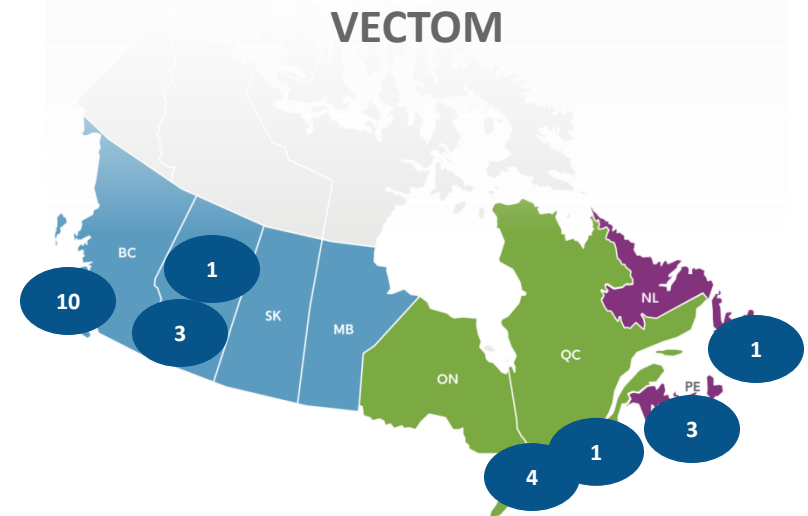
- 5.3% growth in Diluted AFFO/Unit
- 2.7% growth Same-asset Property Cash NOI
- 95.7% Committed Occupancy
- Expanded development pipeline with addition of 50% JV interest in Le Duke, Montreal
- Executing on ~\$450M¹ in development
- \$55M of dispositions closed; \$87M pending closing; \$230M listed/ in negotiations



Building a Better REIT Into the Next Decade & Beyond



National Portfolio with Extraordinary Development Opportunities Focused on VECTOM



Crombie's Vision – Strategic Pillars

Supported and Enabled by Strong Risk Management



**IMPROVING PORTFOLIO
QUALITY**



**BUILDING FINANCIAL
STRENGTH**



**CULTURE AND HIGH
GRADING TALENT**

DRIVING UNITHOLDER VALUE

Overview

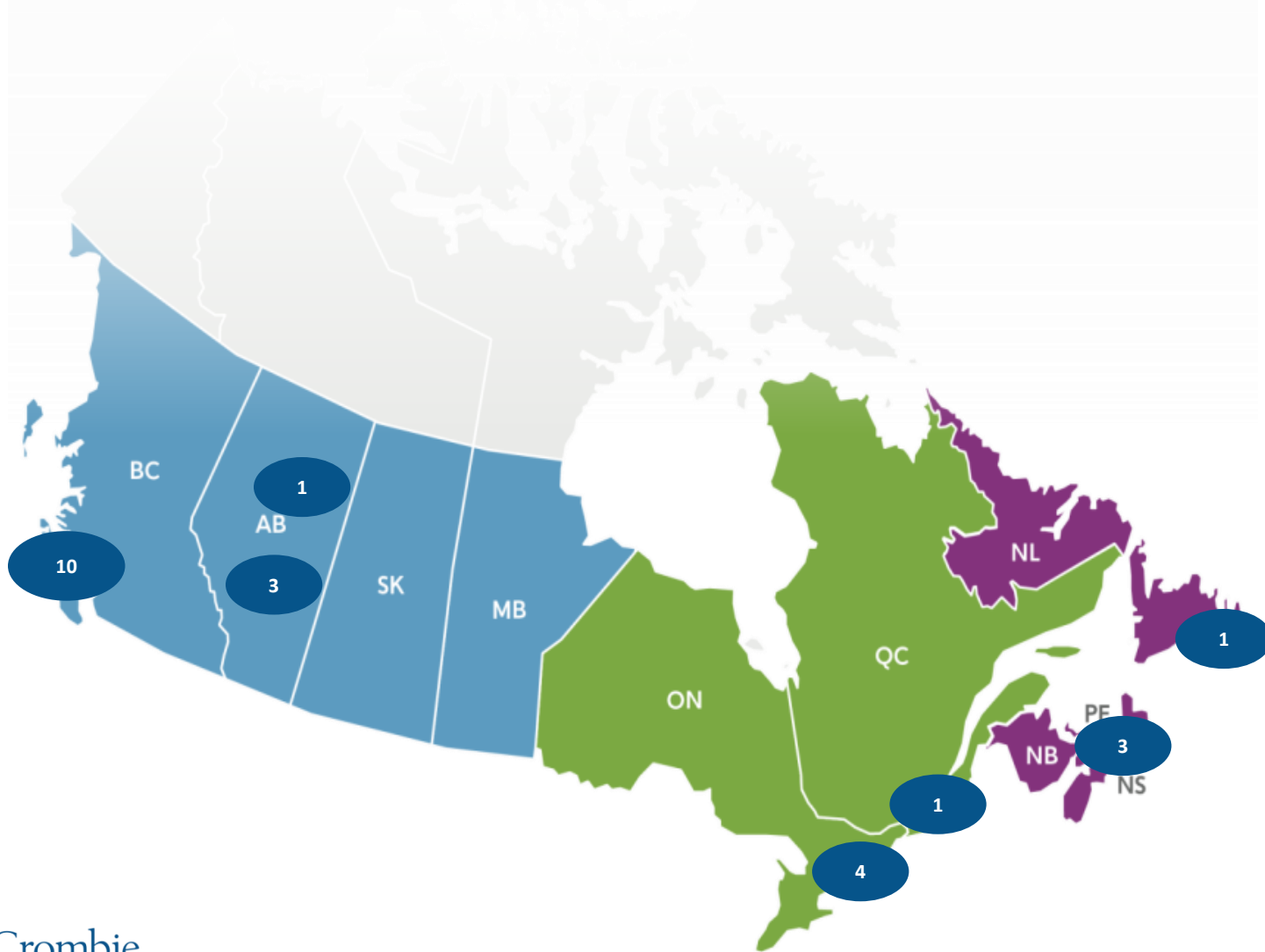
YTD Real Estate Transactions

Capital Recycling Program		
	Phase	Transaction Value
Dispositions	Closed	\$55M
	Pending Closing	\$87M
	Listed/ In Negotiations	\$230M
	Sub Total	\$372M
Acquisitions	Closed	\$88M

Dispositions
executed at, or
above IFRS FV

Development Pipeline

Heavily Weighted Towards Canada's 6 Urban Markets



Le Duke, Montreal, QC

Placemaking along the Bonaventure Greenway



Expanded
development
pipeline to 5th
VECTOM
market

\$127M¹ mixed use
tower = ~390
residential rental
+ urban format
IGA + ancillary
retail

Bronte Village, Oakville, ON

Building Community in Major Urban Centres



\$275M¹ mixed use
community =
~480 luxury
residential rental
+ Sobeys +
ancillary retail

Davie Street, Vancouver, BC

Potential to Create Significant Economic Value



\$180M¹ mixed use development =
~330 residential rental + Safeway + ancillary retail

Impressive commercial rental rates

Davie Street, Vancouver, BC

Potential to Create Significant Economic Value



Site looking West
from Caderno – First
crane erected for
the East Tower

Belmont Market, Victoria, BC

Upgrading by Developing A+ Real Estate



Crombie is
developer

\$93M Premier Retail
destination = 160k sf of
grocery, restaurants,
and complimentary
retail and office

Phase I virtually
fully leased at
96%

Belmont Market, Victoria, BC

Upgrading by Developing A+ Real Estate

Crombie is
developer

Steel structure
going up on first
CRU onsite

Avalon Mall, St. John's, NL

Dominant Enclosed Shopping Centre

BOMA

Certificate of
Excellence



Strong preleasing
interest with
First-to-Market
Tenants

Phase II: \$53M =
CRU + Extension
+ Pad Site



Return metrics =
10-13%¹

Avalon Mall, St. John's, NL

Dominant Enclosed Shopping Centre

BOMA | Certificate of Excellence



Crombie is
developer

Phase I: ~\$55M =
Parkade + common
area refresh + new
entrance



Avalon Mall, St. John's, NL

Dominant Enclosed Shopping Centre

BOMA | Certificate of Excellence



Crombie is
developer



Parkade taking
shape

Penhorn Lands, Halifax, NS

31 acre multi-phased mixed use development

Phase I: \$9M = 42k
multi-tenant
commercial

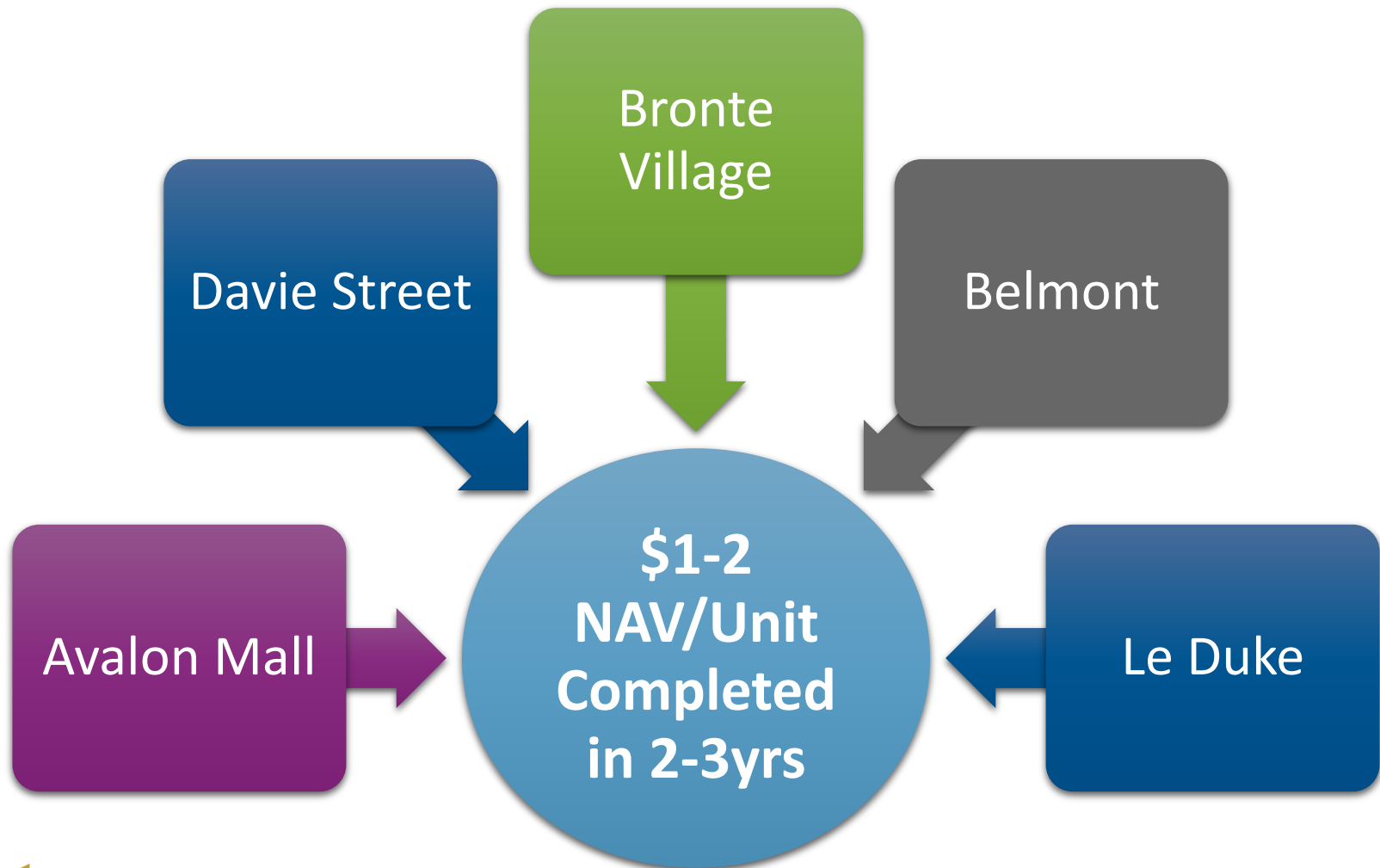
76% commercial
preleased



Returns = 7-8%¹

Material NAV Creation

\$450M in First 5 Major Developments



Financial Highlights

Glenn Hynes

CFO, EVP & Secretary

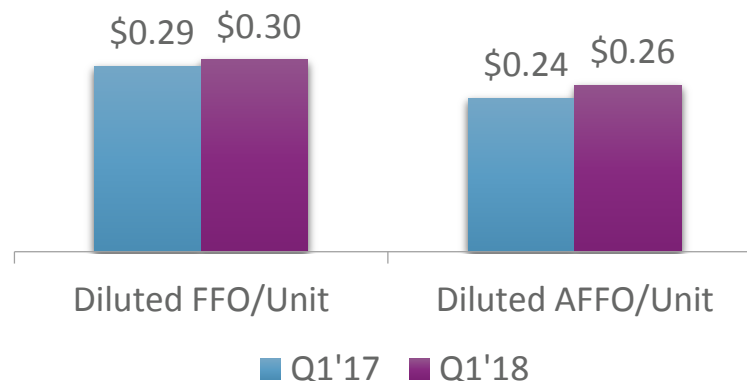


Financial Highlights

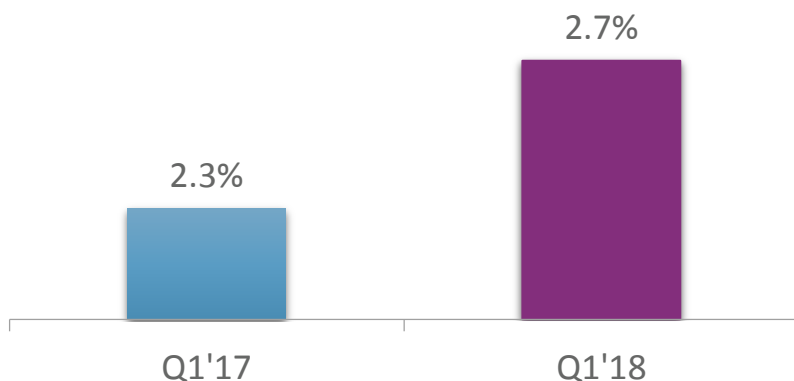
Stable, Predictable Cash Flow & NAV Growth

- Growth driven by improvements in occupancy, revenues from land use intensification, lower G&A, offset by slightly higher finance costs

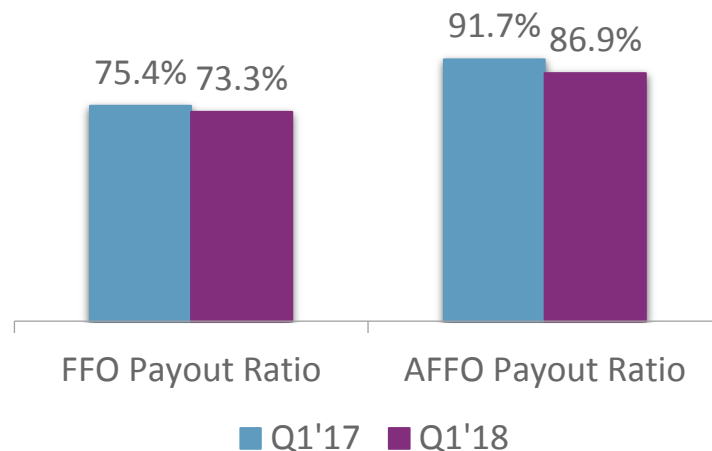
Diluted FFO/AFFO per Unit



SANOI Growth¹



FFO/AFFO Payout Ratio

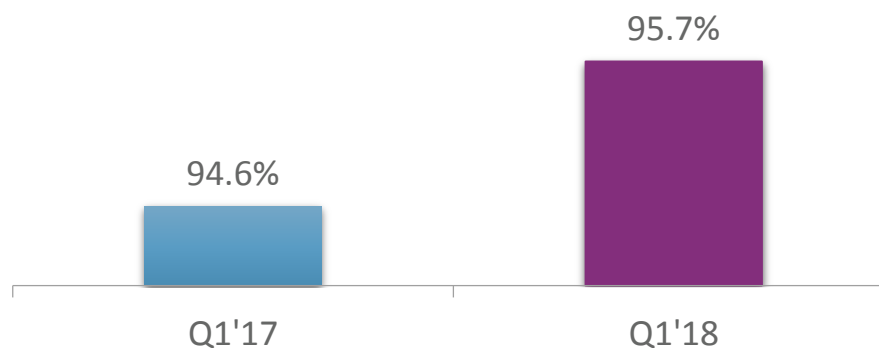


Financial Highlights

Stable, Predictable Cash Flow & NAV Growth

YTD Leasing Renewals			
	Square Feet	Rate PSF	Growth
2018 Renewals	267,000	\$16.23	3.6%
Future Year Renewals	34,000	\$10.01	(13.8%)
Total	301,000	\$15.52	2.1%

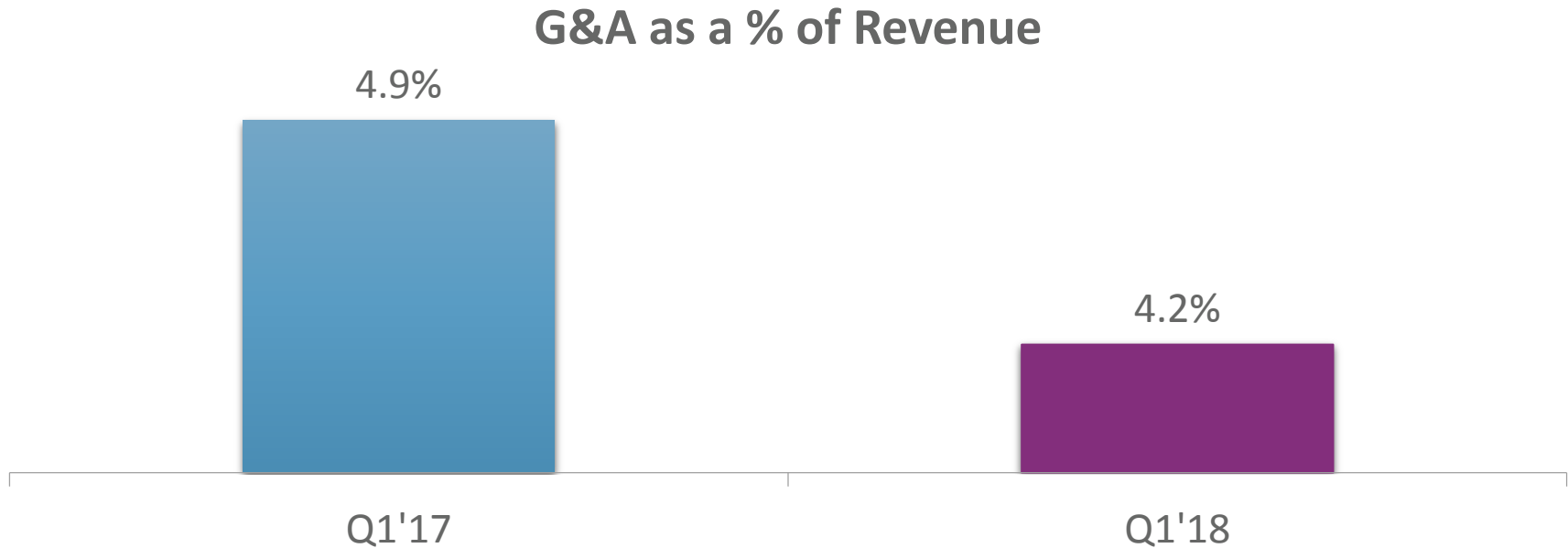
Committed Occupancy



Removing the impact of one unique renewal, growth would have been 3.6%

Financial Highlights

Stable, Predictable Cash Flow & NAV Growth

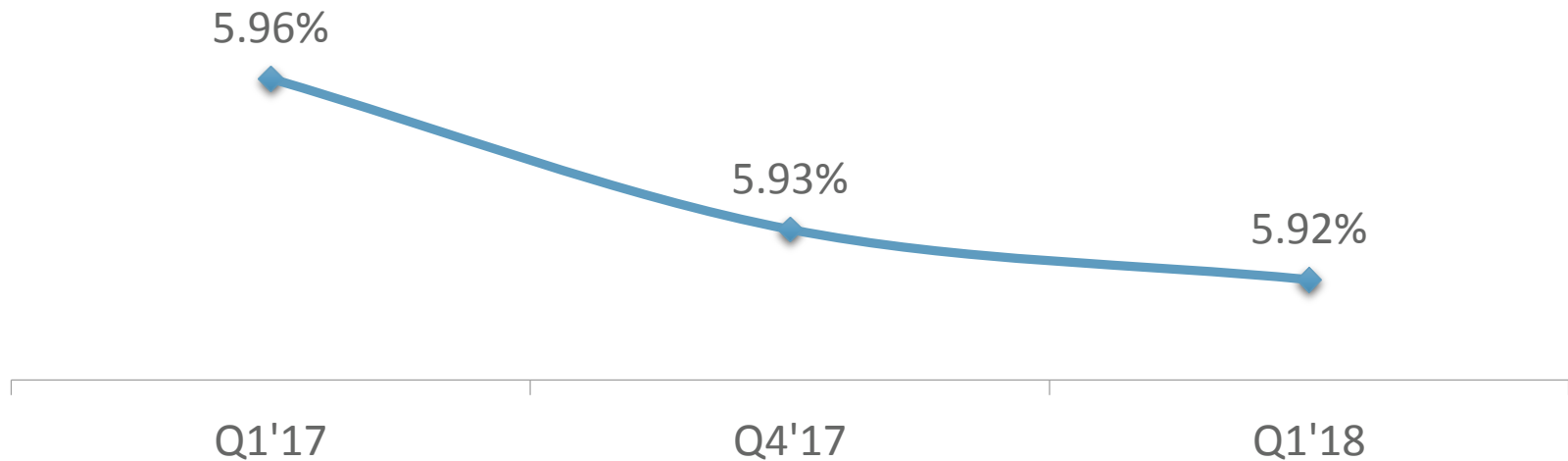


- The decline was mainly driven by \$565k in tax reorganization costs incurred in Q1'17

Financial Highlights

Stable, Predictable Cash Flow & NAV Growth

IFRS Cap Rate



- IFRS weighted average cap rate excludes the fair value of future developments until they are complete, and income producing
- Crombie removes Properties Under Development from cap rate calculation

Financial Highlights

Investment Grade, with Improving Debt Metrics

8.6x Debt to EBITDA

2.88x Interest Service Coverage

1.85x Debt Service Coverage

BBB Low Stable by DBRS

430M¹ Bank Credit Capacity

\$1B Unencumbered Assets

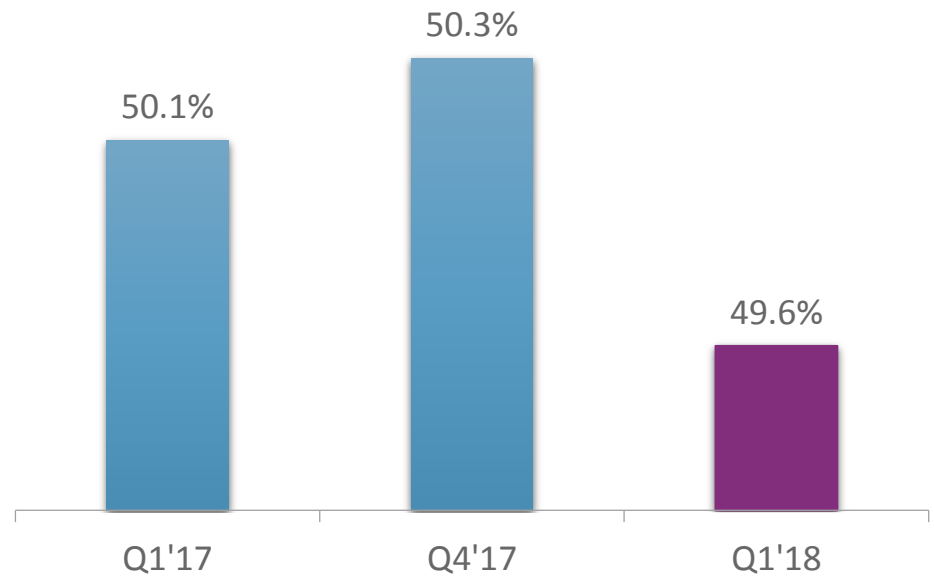
4.20% WAIR²

4.5yrs WATM³

- YTD repaid \$61M in maturing mortgages at 5%
- Unencumbered assets now accounts for 20% of IFRS fair value of investment properties

Goal remains to reduce leverage over time

Debt to GBV (FV)⁴



Strategic Capital Allocation Update

Highest & Best Use

Sources of Capital

- Asset Dispositions
 - \$55M Closed
 - \$87M Pending Closing

Capital Deployment

- \$88M in Acquisitions
- \$15M Active Developments
- \$61M¹ Mortgages Paid Out

The Evolution of Retail in Real Estate

Ecommerce Resilient Portfolio

