Crombie REIT

Building a Better REIT
Q3 2018 Results Conference Call

November 9, 2018 12:30pm 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 Information Form, 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-GAAP Measures

Certain terms used in this presentation, such as AFFO, FFO, NAV, SANOI, NOI, EBITDA and yield on cost are not measures defined under Generally Accepted Accounting Principals ("GAAP") and do not have standardized meanings prescribed by GAAP. AFFO, FFO, NAV, SANOI, NOI, EBITDA and yield on cost should not be construed as an alternative to net earnings or cash flow from operating activities as determined by GAAP. AFFO, FFO, NAV, SANOI, NOI, EBITDA and yield on cost as presented, may not be comparable to similar measures presented by other issuers. Crombie believes that AFFO, FFO, NAV, SANOI, NOI, EBITDA and yield on cost 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 GAAP are provided in the Management Discussion and Analysis of Crombie for the most recently completed reporting period.

Opening Remarks

Don Clow

President & CEO

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Overview

Stable, Predictable Cash Flow & NAV Growth

- 1.9% growth Same-asset Property Cash NOI
  - Retail Same-asset NOI of 2.5%
- 96.2% Committed Occupancy
  - New record
- Executing on ~$511M[1] in development
- YTD $194M in dispositions closed
- YTD 3.7% diluted AFFO per unit growth
- Completed first unsecured bond issue greater than five years

[1]At Crombie's share

Sobeys
Aggressively Building, Adapting & Growing

Expanding FreshCo to the West

Investing in Bricks-and-Mortar

Leading Edge Omnichannel Technology

- Game-changing Ocado e-commerce end-to-end solution
- Expand presence in underpenetrated GTA

Farm Boy acquisition

- Will benefit from Sobeys infrastructure and capabilities
- Most insulated Canadian food retailer from e-commerce due to focus on fresh, private label and prepared foods

$850 million in Operating Cash Flow over TTM

Overview

Real Estate Transactions

Capital Recycling Program		
	Phase	**Transaction Value**
Dispositions	Closed YTD	$194M
	In Negotiations	$75-100M
	Listed/Under Discussion	$200M
	Sub Total	**$470-500M**
Acquisitions	Closed	$104M

Dispositions executed in line with IFRS FV

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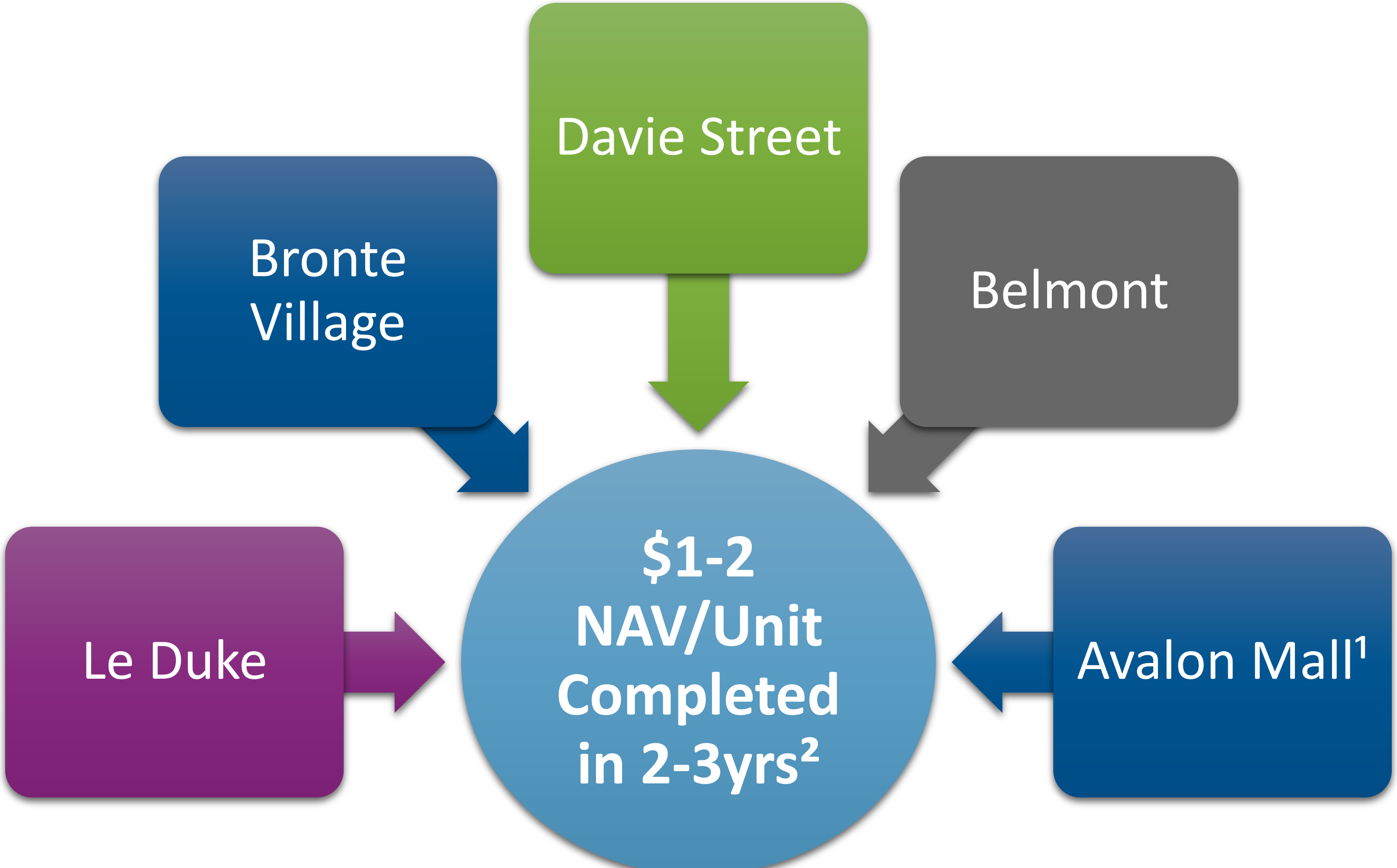
Material NAV Creation

$450M[1] Investment in First 5 Major Developments



[1]Avalon Phase I excluded, [2]Assumes NAV creation equals developers profit per unit and that current market conditions and cap rates persist

Belmont Market, Langford, (Victoria), BC

Upgrading by Developing A+ Real Estate

Crombie is developer

Phase I & II 96% & 70% leased, respectively

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Belmont Market, Langford, (Victoria), BC

Upgrading by Developing A+ Real Estate

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

Crombie is developer

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Avalon Mall, St. John's, NL

Dominant Enclosed Shopping Centre

BOMA | Certificate of Excellence

BOMA BEST® CERTIFIED SILVER BUILDING ENVIRONMENTAL STANDARDS™

Demolition of former Sears complete

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Avalon Mall, St. John's, NL

Dominant Enclosed Shopping Centre

BOMA | Certificate of Excellence

BOMA BEST® CERTIFIED SILVER BUILDING ENVIRONMENTAL STANDARDS

Strong preleasing interest with First-to-Market Tenants

Phase II: $58M = CRU + Extension + Pad Site

Return metrics = 10-13%[1]

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[1]Estimated yield on costs

Davie Street, Vancouver, BC

Potential to Create Significant Economic Value

Parkade complete

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Davie Street, Vancouver, BC

Potential to Create Significant Economic Value

Retail 95% leased

$181M[1] mixed use development = ~330 residential rental + Safeway + ancillary retail

Rental rates exceed modeling assumptions

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[1]At 100%, $104.5M at Crombie's share. Crombie will own 100% of the retail and 50% of the residential

Bronte Village, Oakville, ON
Building Community in Major Urban Centres

[1]This project will be developed at a 50% JV interest

Bronte Village, Oakville, ON
Building Community in Major Urban Centres

$277M[1] mixed use community = ~480 luxury residential rental + Sobeys + ancillary retail

[1]At 100%, this project will be developed at a 50% JV interest

Le Duke, Montreal, QC

Placemaking along the Bonaventure Greenway

Excavation 100% complete at the south end of the site

Cross bracing and piling around perimeter is complete

Le Duke, Montreal, QC
Placemaking along the Bonaventure Greenway

Expanded development pipeline to 5th VECTOM market

$124M[1] mixed use tower = ~390 residential rental + urban format IGA + ancillary retail

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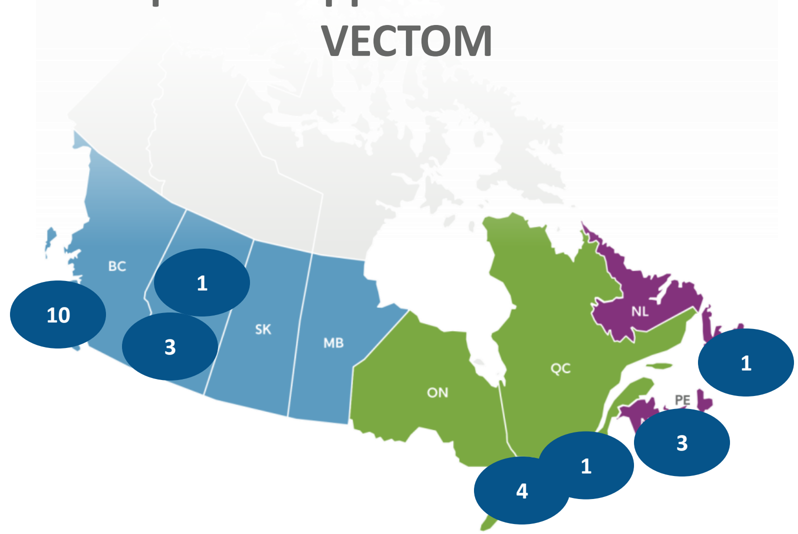
[1]At 100%, this project will be developed at a 50% JV interest

Building a Better REIT
Into the Next Decade & Beyond

Potential Significant NAV Creation

- Unlock $3-4.5B Organic Development Pipeline
- Development Expertise with 5-30yrs Experience per Individual on 20 Person Team
- Materially Weighted Towards VECTOM
- Strong Risk Adjusted Returns: 150-250bps Spread on Yield[1]
- 10-15yr Development Ladder
- 23 Major Potential Developments

National Portfolio with Extraordinary Development Opportunities Focused on VECTOM



$3-4.5B Development Pipeline + **$4.8B Fair Value of Assets** = **Potential Material NAV Creation**

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[1]Based on the spread between estimated yield on cost and market cap rates

Financial Highlights

Glenn Hynes

CFO, EVP & Secretary

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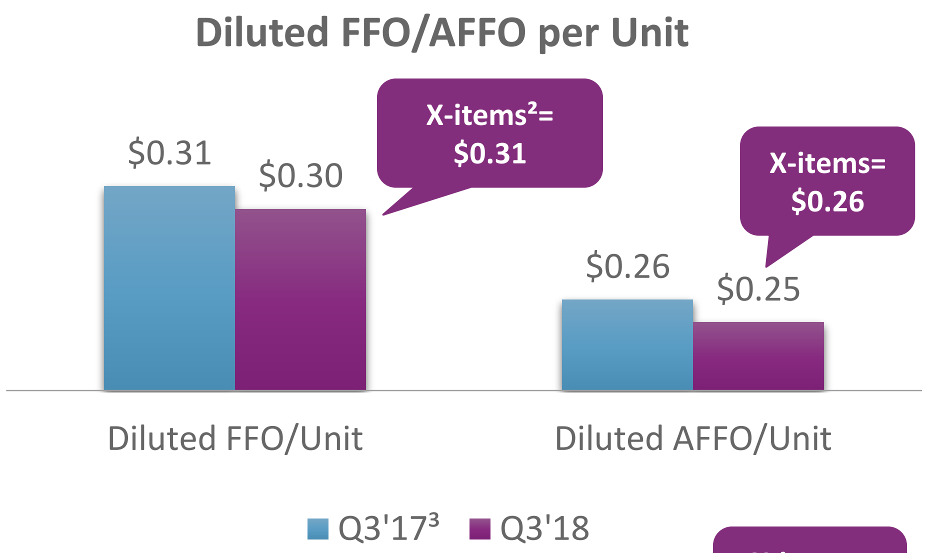
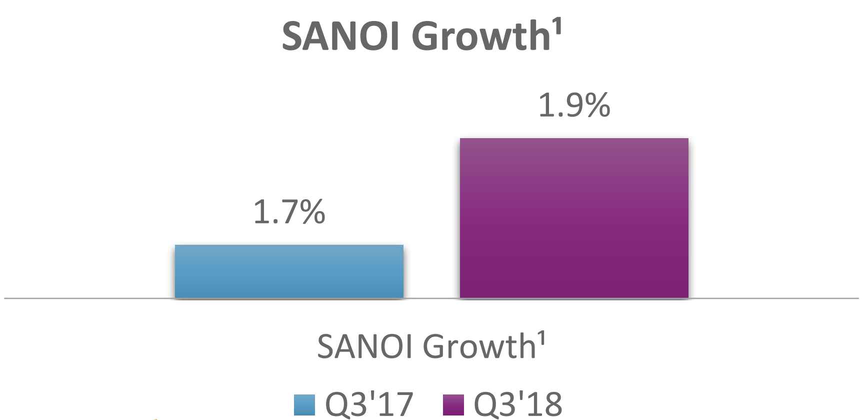
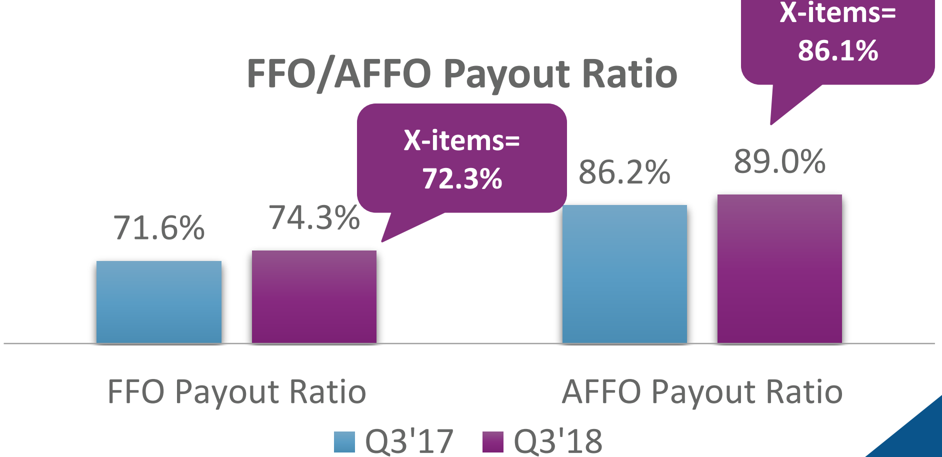
Financial Highlights
Stable, Predictable Cash Flow & NAV Growth

- Growth driven by improvements in occupancy and rental uplifts





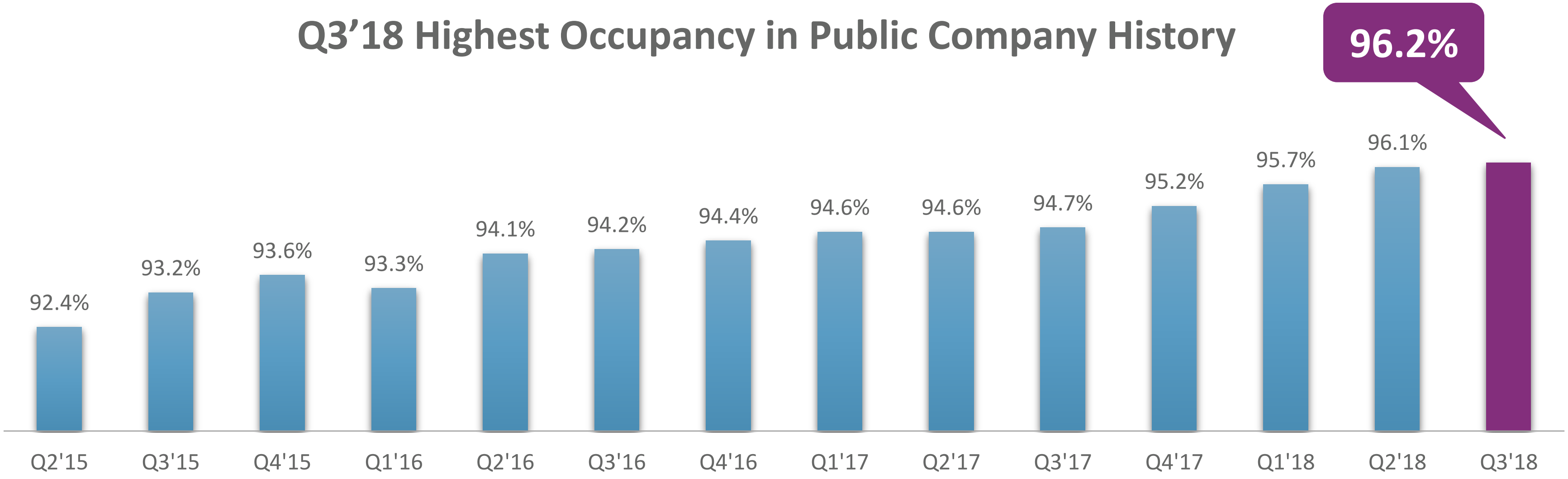


[1]Previous quarter not restated, [2]X-items = Deferred financing cost write off and executive severance, [3]Q3'17 includes $660,000 of lease termination income

Financial Highlights
Stable, Predictable Cash Flow & NAV Growth

Q3'18 Leasing Renewals			
	Square Feet	**Rate PSF**	**Growth**
2018 Renewals	140,000	$14.43	3.1%
Future Year Renewals	116,000	$10.22	5.3%
Total	**256,000**	**$12.52**	**3.9%**

Q3'18 Highest Occupancy in Public Company History



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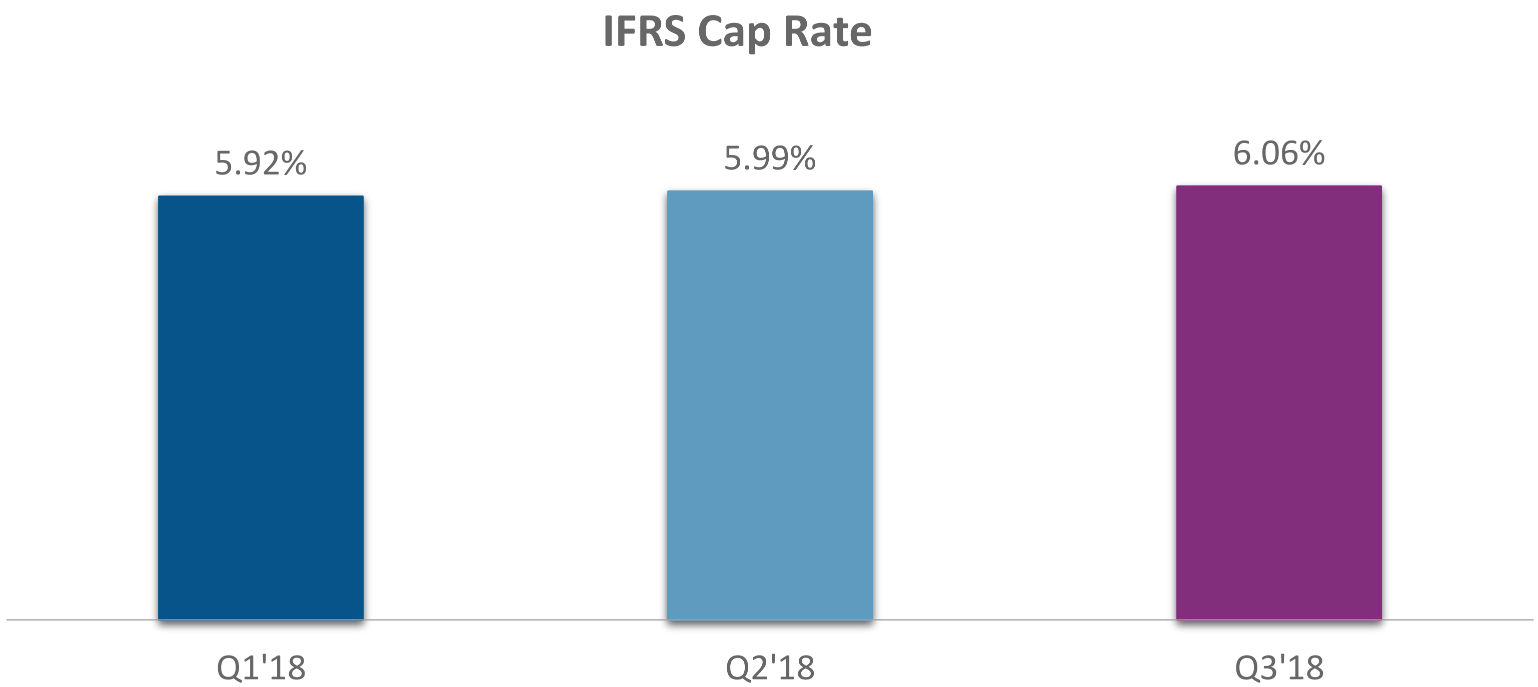
Financial Highlights
Stable, Predictable Cash Flow & NAV Growth



- Fair value of investment properties based on market cap rates and trailing twelve month in place NOI
- IFRS weighted average cap rate excludes the fair value of future developments and air rights, until projects reach specific milestones

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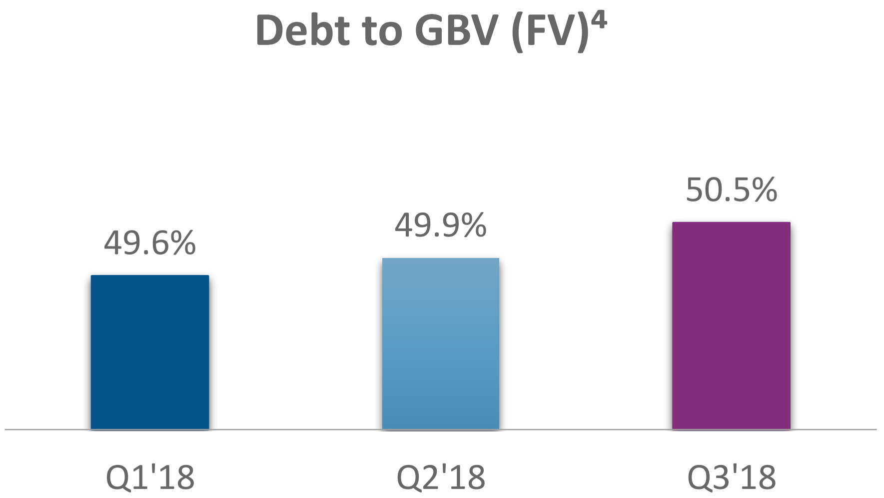
Financial Highlights

Investment Grade, with Improving Debt Metrics

- 8.57x Debt to EBITDA
- 2.97x Interest Service Coverage
- 1.92x Debt Service Coverage
- BBB Low Stable by DBRS
- $337M[1] Bank Credit Capacity
- $1.0B Unencumbered Assets
- 4.14% WAIR[2]
- 4.0yrs WATM[3]

- Issued $175M 4.8% unsecured notes maturing in 2025, longest unsecured issue to date, improving our debt ladder and extending our weighted average term to maturity.
- Unencumbered assets account for 22% of IFRS fair value of investment properties



[1]Revolver and bilateral credit facilities and letters of credit, [2]Weighted Average Interest Rate: All fixed rate debt, [3]Weighted Average Term to Maturity: All fixed rate debt, [4]Debt to Gross Book Value (Fair Value)

Strategic Capital Allocation Update
Highest & Best Use

Sources of Capital

- Dispositions
- Free Cash Flow

Capital Deployment

- Development
- Acquisitions
- Land Use Intensification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REIT
SAFEWAY
Pharmacy
SAFEWAY