



Building a Better REIT

Q4 2018 Results Conference Call

February 28, 2019 12:00pm 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 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. 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



2018 Overview

Stable, Predictable Cash Flow & NAV Growth

- 2.7% growth Same-asset Property Cash NOI
 - Retail Same-asset NOI of 3.2%
- 96.0% Committed Occupancy
- Executing on ~\$511M¹ in development
- 2.8% diluted AFFO per unit growth
- \$220M in dispositions closed
- 2019 YTD \$106 million in dispositions closed



Sobeys

Aggressively Building, Adapting & Growing

Expanding FreshCo to the West

Investing in Bricks-and-Mortar

Leading Edge Omnichannel Technology

- Game-changing Ocado-driven e-commerce business
- Will expand presence in under-penetrated GTA

Farm Boy Acquisition

- Will benefit from Sobeys infrastructure and capabilities, such as real estate, sourcing and logistics
- Most insulated Canadian food retailer from e-commerce disruption due to focus on fresh, private label and prepared foods
- Will be a growth vehicle in urban and suburban markets in under-penetrated GTA and Ontario

\$870 million in Operating Cash Flow over TTM

Overview

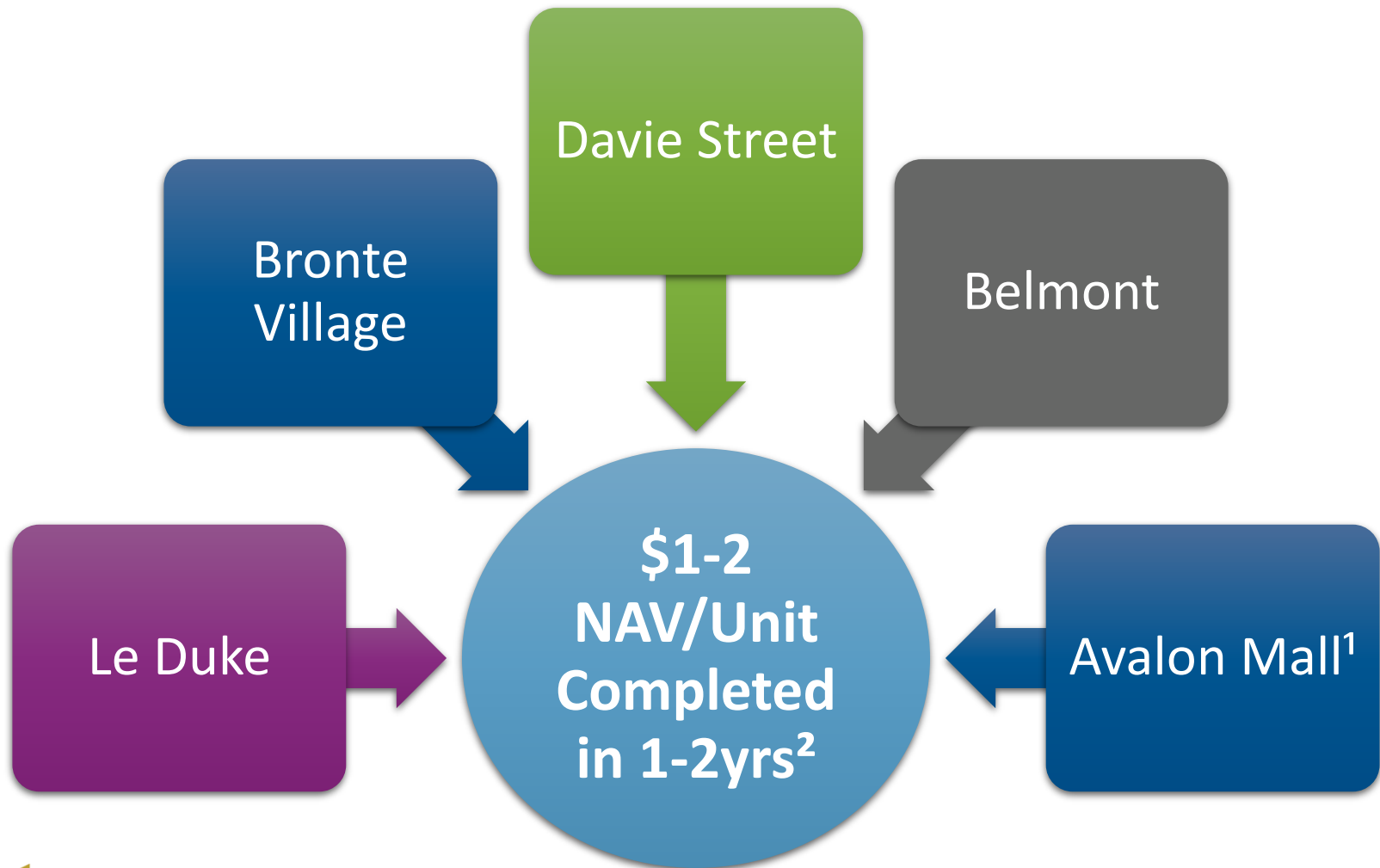
Real Estate Transactions

Capital Recycling Program		
	Phase	Transaction Value
Dispositions	Closed 2018	\$220M ¹
	Closed YTD	\$106M
	Sub Total	\$326M
Acquisitions	Closed 2018	\$119M

Dispositions
executed in line
with IFRS FV

Material NAV Creation

\$450M¹ Investment in First 5 Major Developments



Belmont Market, Langford, (Victoria), BC

Upgrading by Developing A+ Real Estate

Crombie is
developer

Phase II 70%
leased



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



Avalon Mall, St. John's, NL

Dominant Enclosed Shopping Centre

BOMA

Certificate of
Excellence



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



Davie Street, Vancouver, BC

Potential to Create Significant Economic Value



\$181M¹ mixed use development =
~330 residential rental + Safeway + ancillary retail

Rental rates
exceed modeling
assumptions



Bronte Village, Oakville, ON

Building Community in Major Urban Centres

\$277M¹ mixed use community = ~480 luxury residential rental + Sobeys + ancillary retail

Rexall
Construction
Complete



Le Duke, Montreal, QC

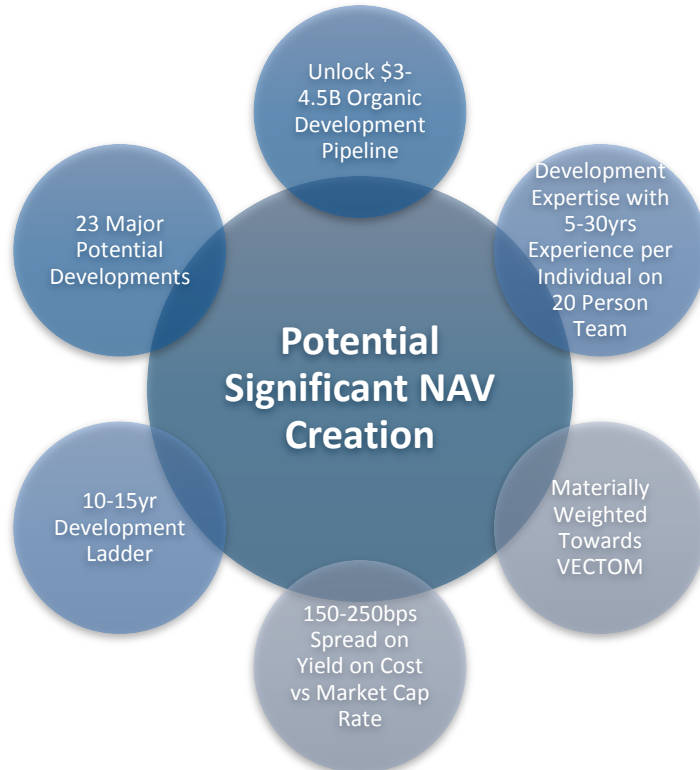
Placemaking along the Bonaventure Greenway



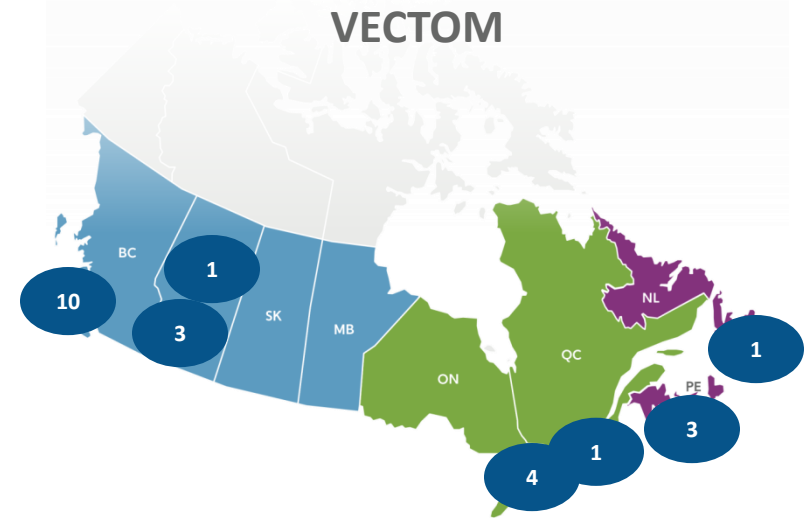
\$124M¹ mixed use
tower = ~390
residential rental
+ urban format
IGA + ancillary
retail



Building a Better REIT Into the Next Decade & Beyond



National Portfolio with Extraordinary Development Opportunities Focused on VECTOM



Financial Highlights

Glenn Hynes

EVP, COO, CFO &
Secretary

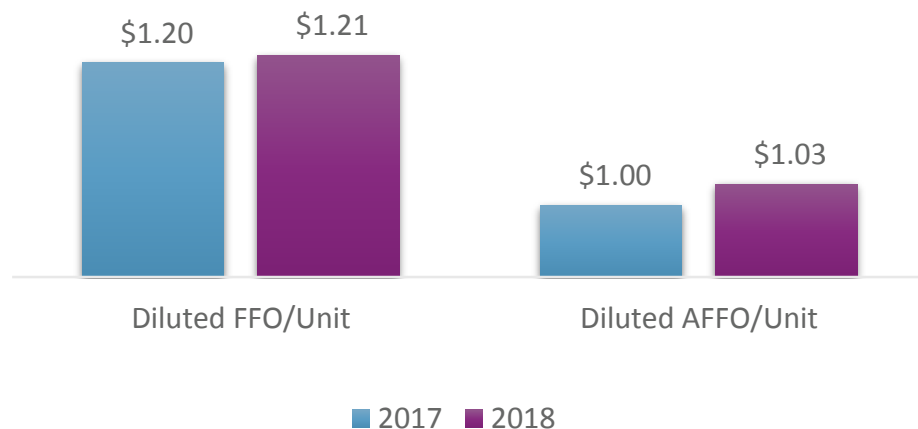


2018 Financial Highlights

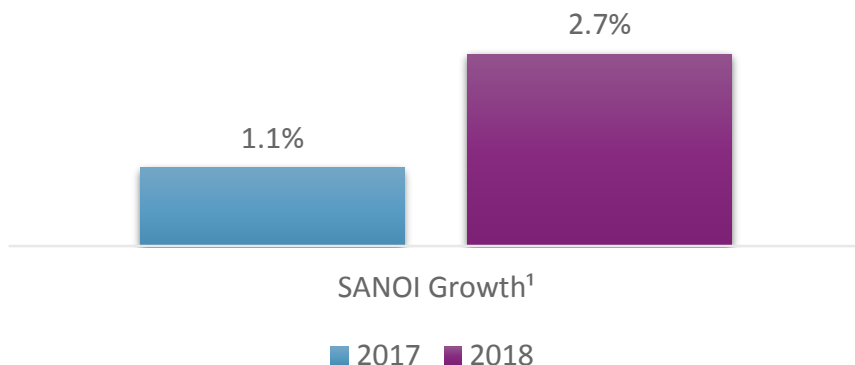
Stable, Predictable Cash Flow & NAV Growth

Growth Driven
by Strong
Fundamentals

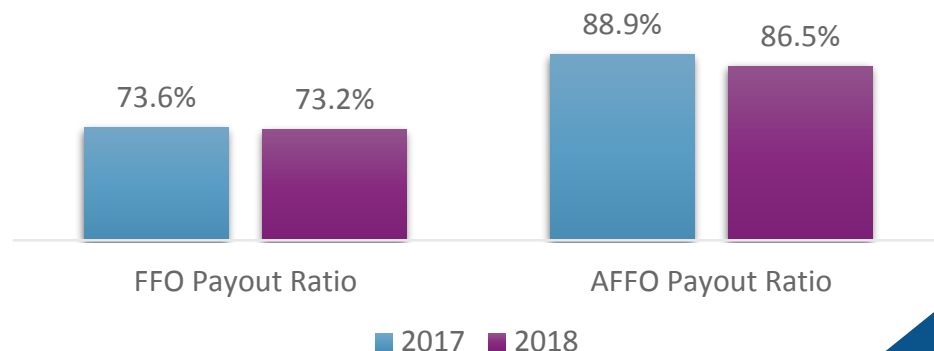
FFO/AFFO per Unit



SANOI Growth¹



FFO/AFFO Payout Ratio

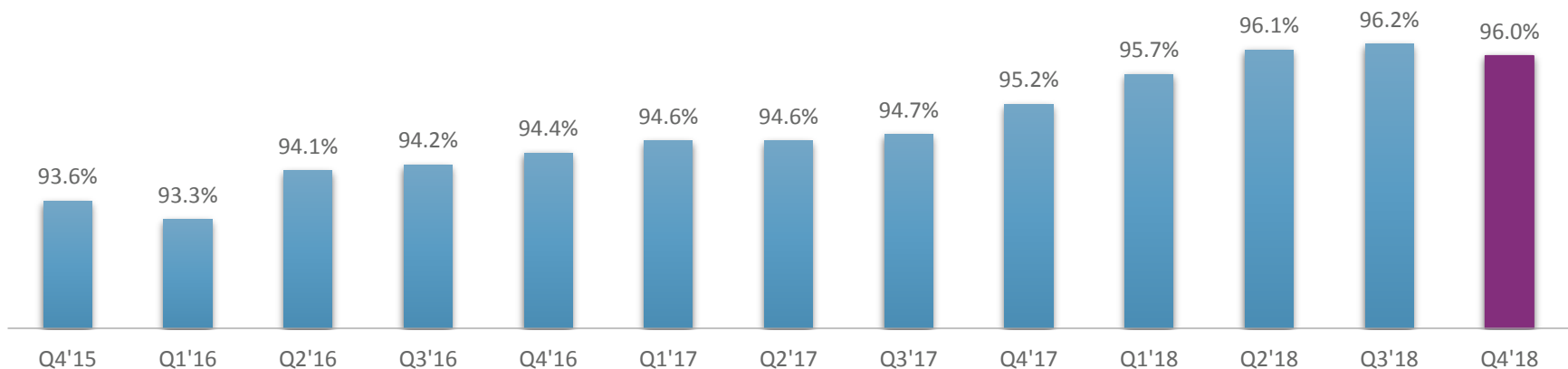


2018 Financial Highlights

Stable, Predictable Cash Flow & NAV Growth

Q4'18 Leasing Renewals			
	Square Feet	Rate PSF	Growth
2018 Renewals	116,000	\$10.74	6.1%
Future Year Renewals	39,000	\$22.40	5.7%
Total	155,000	\$13.69	6.0%

Strong Occupancy Levels



Financial Highlights

Investment Grade, with Flexible Balance Sheet

8.67x Debt to EBITDA

2.93x Interest Service Coverage

1.91x Debt Service Coverage

BBB Low Stable by DBRS

\$312M¹ Bank Credit Capacity

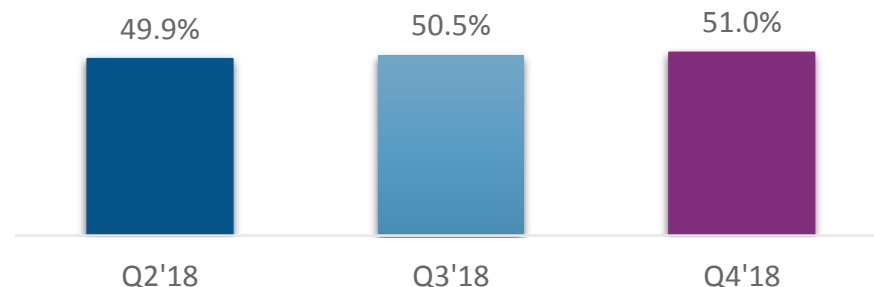
\$1.0B Unencumbered Assets

4.20% WAIR²

4.2yrs WATM³

- Improved capital structure:
 - Two unsecured note issuances during a period of increased market volatility,
 - repriced bank debt at more favourable terms, and
 - paid out remaining balance of expiring 2018 mortgages
- Unencumbered assets account for 21% of IFRS fair value of investment properties

Debt to GBV (FV)⁴



Strategic Capital Allocation Update

Highest & Best Use

Sources of Capital

- Dispositions
- Free Cash Flow
- Capital Markets

Capital Deployment

- Development
- Acquisitions
- Land Use Intensification

