



Crombie
REIT

Unlocking Value
Investor Day 2019

Don Clow

President & Chief
Executive Officer
Crombie REIT



“Safe Harbour” Disclosure and Confidentiality Statement

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 targeted growth in same asset net operating income, net asset value and adjusted funds from operations, the development potential of Crombie's development sites, the total estimated cost to develop these sites, impact on net asset value, expected development returns, acquisitions and the expected impact of Sobeys/Empire technology changes, 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 2018 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.

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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.

Agenda

Empire Strategy

History

Fundamentals

Empire Partnership

Major Developments

Financing/Risk

Talent





Crombie
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Unlocking Value
Investor Day 2019



Michael Medline

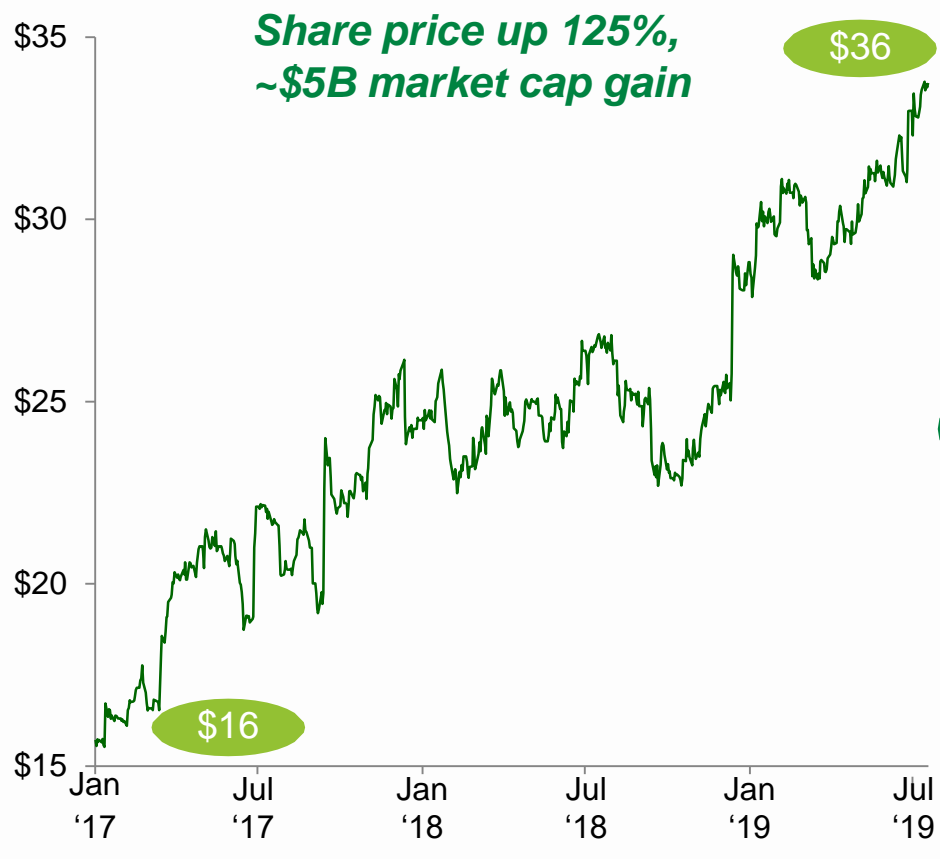
President & Chief Executive Officer

Michael Vels

Chief Financial Officer

October 2019

Beginning in F17, we have reset our foundation



We have stabilized the business

	F17	F19	Change
Same-store Sales	(2.2)%	2.7%	+4.9%
EBITDA Margin	3.3%	4.3%	+1.0%
Earnings Per Share	\$0.70	\$1.50	+\$0.80

Empire – Strategic Focus

EMPIRE



Reset our Foundation

Successful completion of Sunrise by end of fiscal 2020.



Bolster our Brand

Strengthen the emotional connection to our banner brands.



Win in our Stores

Improve service and offering in our conventional stores.



Enhance Discount

Expand discount to Western Canada and refine our FreshCo model.



Fill the Urban Gap

Launch home delivery and rapidly grow the number of Farm Boy stores.



Invest in Innovation

Leverage digital and data to accelerate growth.

Empire – Crombie REIT Partnership

Crombie REIT is Empire's largest landlord and is:

- Our real estate development partner, leading the mixed-use development pipeline;
- A source of capital for modernizations and acquisitions; and
- Our partner in property management and land use intensification.

Empire owns 41.5% of Crombie REIT





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President & Chief
Executive Officer
Crombie REIT



Long Term History

1964



1976-2005



2006-2012



2013



2013-2019



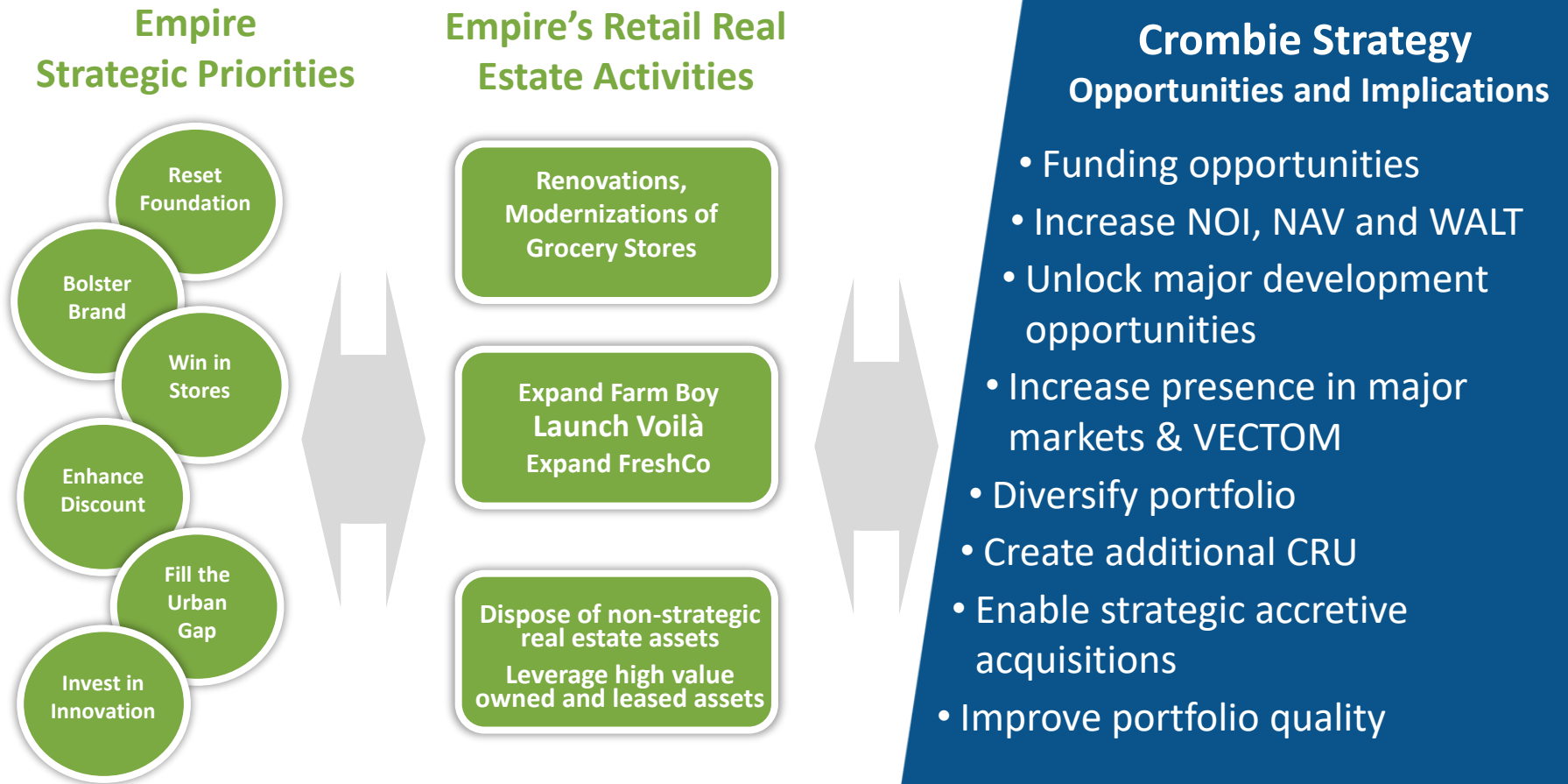
Sobey Family Values
Organic Evolution
Consistent Growth
Full Real Estate Business
Conservative Financing
S/M/L Term Performance

Crombie Outperforms



Empire & Crombie: Aligning Strategies

- Leading Canadian retailer: 2nd largest national grocer – in growth mode
- 5+ years: Investment in Empire's real estate priorities
- 10+ years: a more valuable, diversified and stronger growth portfolio



Major Developments



Balanced Capital Allocation

Empire & 3rd Party Related: \$100 - \$150 Million Targeted Annual Spend

Development: \$150 - \$200 Million Targeted Annual Spend

Asset Ownership	Value Creation Opportunities & Initiatives	AFFO Impact	NAV Impact	Portfolio Quality	Urbanization/ Geographic Diversity
Crombie Owned Assets	Modernizations	●	●	●	●
	Redevelopment / LUI	●	●	●	●
	Major Developments	●	●	●	●
Sobeys Owned Assets to be Acquired	Urban/Suburban Major Development	●	●	●	●
	Urban/Suburban Income Assets with value-add	●	●	●	●
	Retail Related Industrial	●	●	●	●
3rd Party Assets to be Acquired	SBY LHI ¹ Urban/Suburban Major Development	●	●	●	●
	SBY LHI ¹ Urban/Suburban Income Assets with value-add	●	●	●	●
	Retail Related Industrial	●	●	●	●

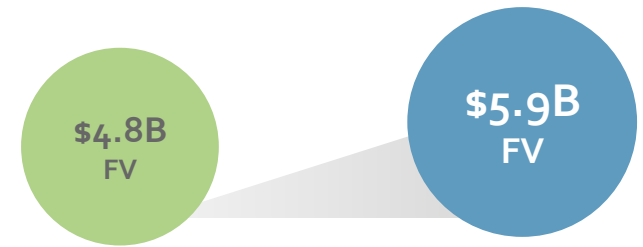
¹LHI – Leasehold Interest

Portfolio Impact ● Positive ● Neutral ● Negative ● Short Term Dilutive – High Accretion at Completion

Targeting 3 – 5% AFFO & NAV Growth per unit

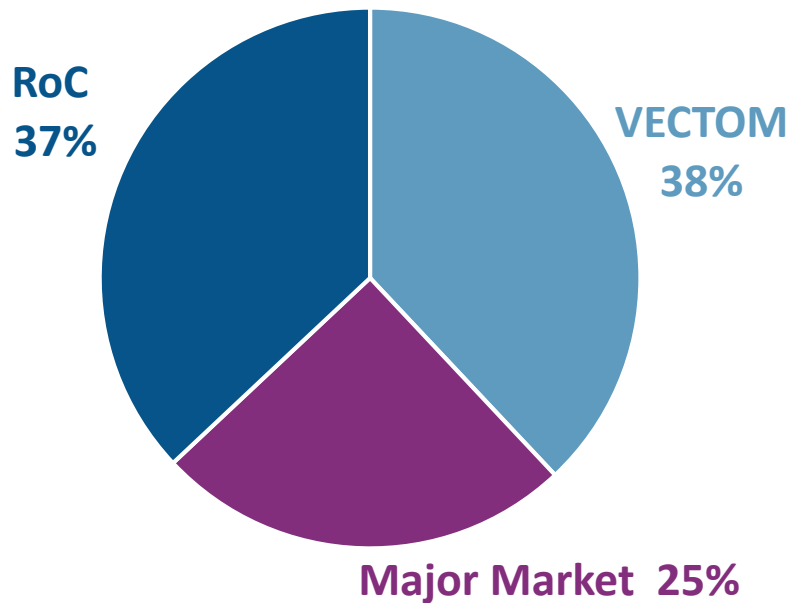
Portfolio Composition

Growing VECTOM Presence

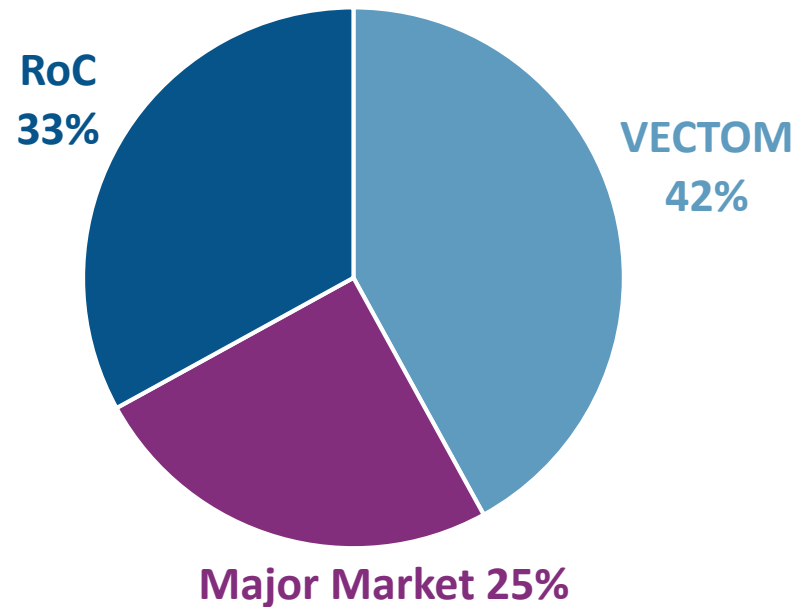


Fair Value by Market Class

2019

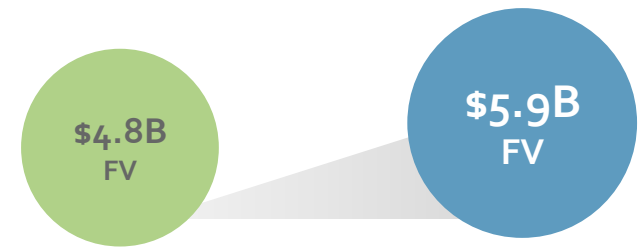


2021

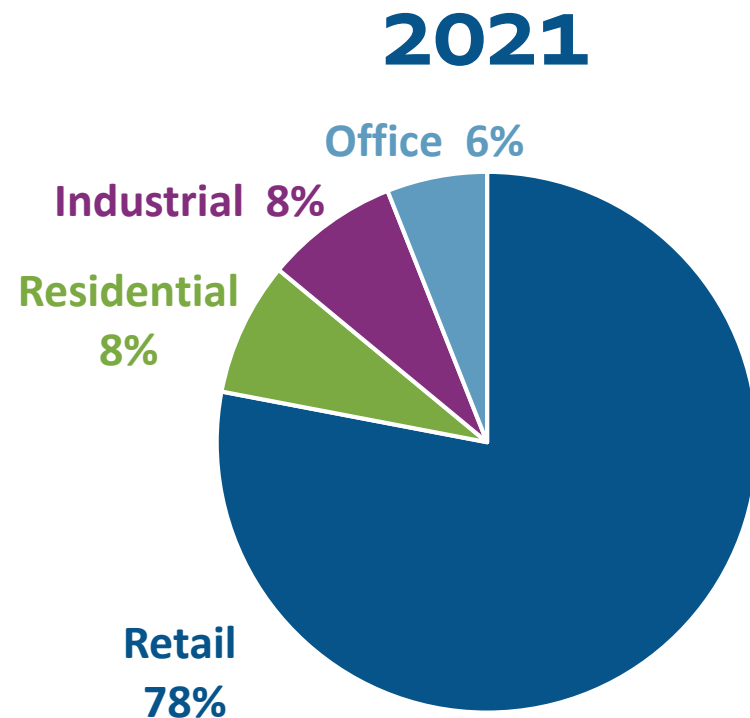
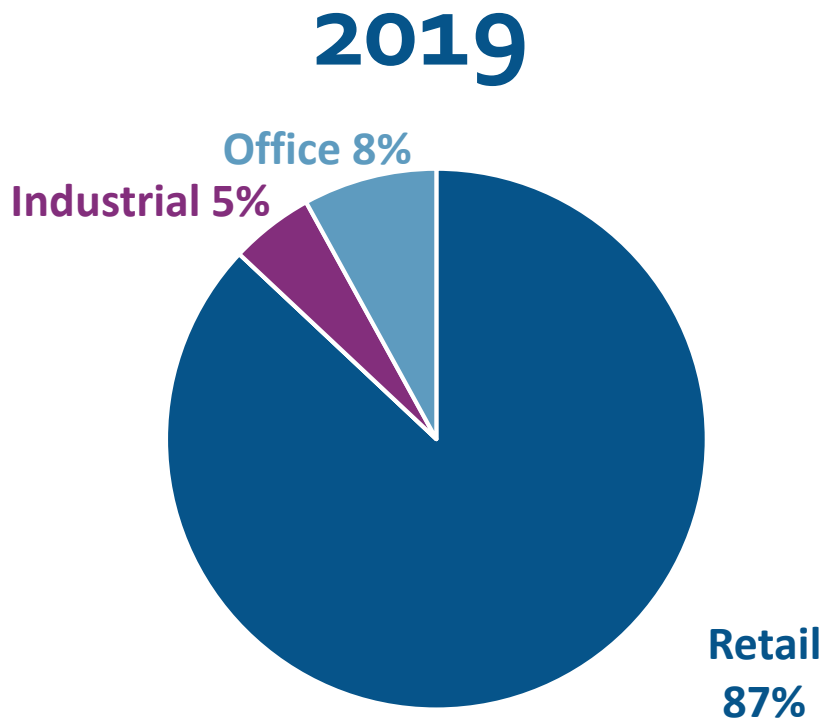


Portfolio Composition

Emerging Residential Asset Class



Fair Value by Asset Class



Sobeys Is Back: One of Canada's Strongest Retailers

Solid Fundamentals & Strong/Improving Portfolio

Empire: Sustainable Competitive Advantage

Development: Extraordinary Opportunities/Execution

Conservative Financial Condition

Industry Leading Talent

Strong S/M/L Term Investment Performance



Glenn Hynes

Executive Vice
President & Chief
Operating Officer
Crombie REIT

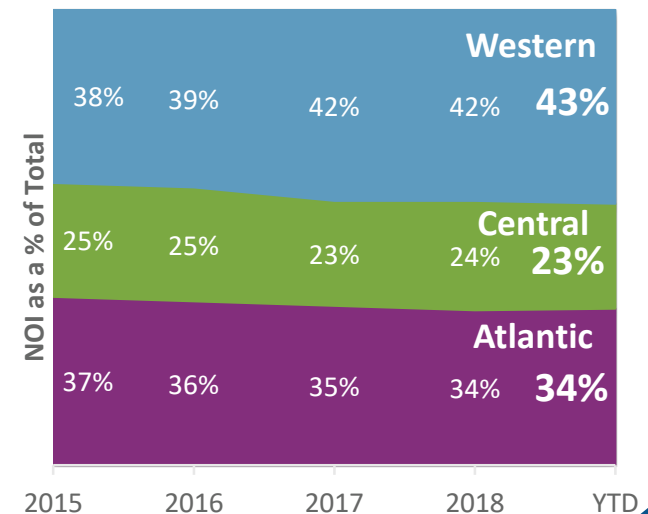
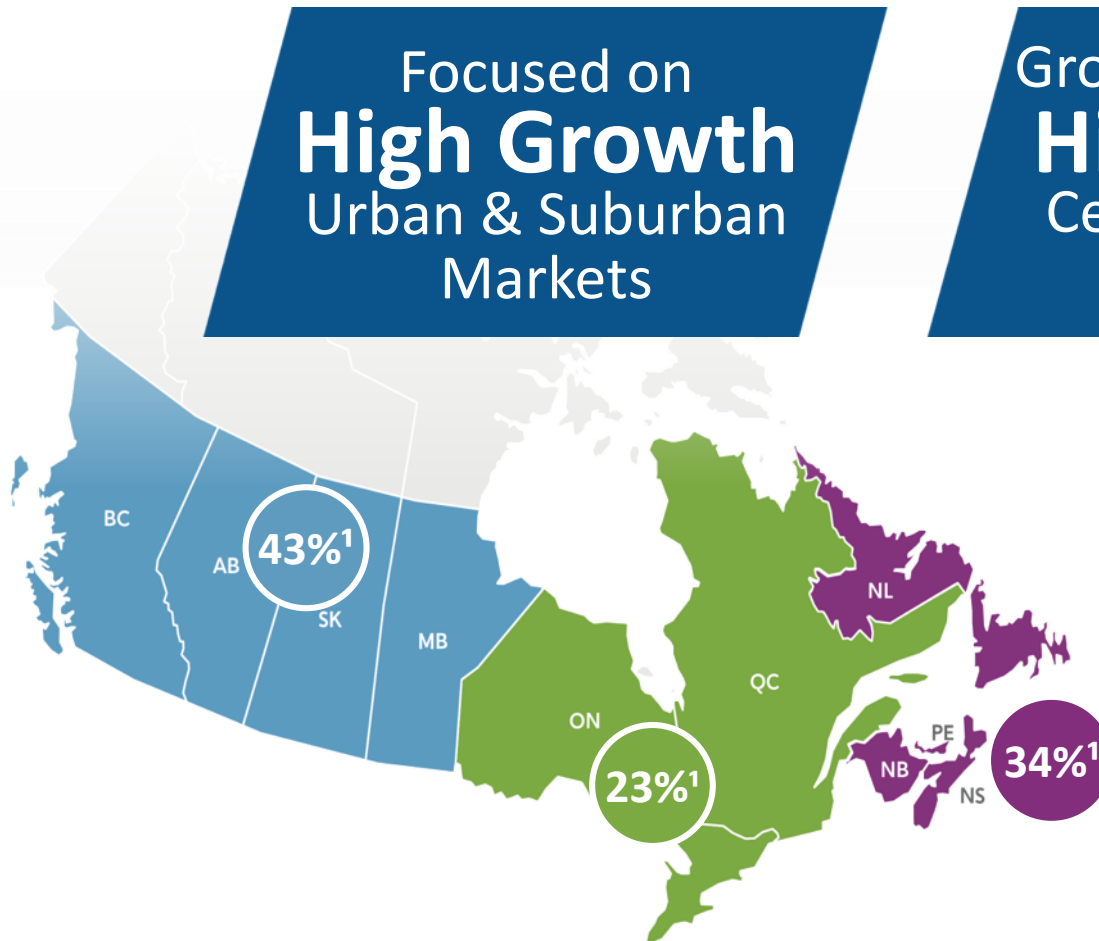


Nationwide Portfolio

Growing Exposure to Major Markets

Focused on
High Growth
Urban & Suburban
Markets

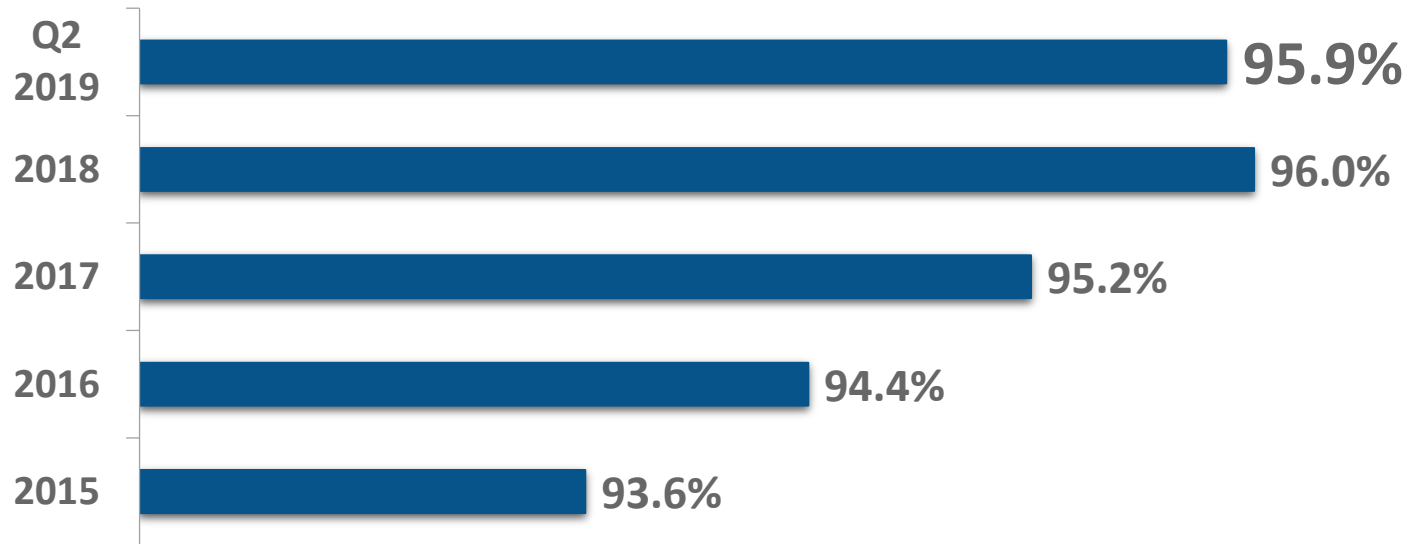
Growing Exposure to
High Growth
Central & Western
Canada



Leasing & Value Creation

Improved Occupancy Drives Performance

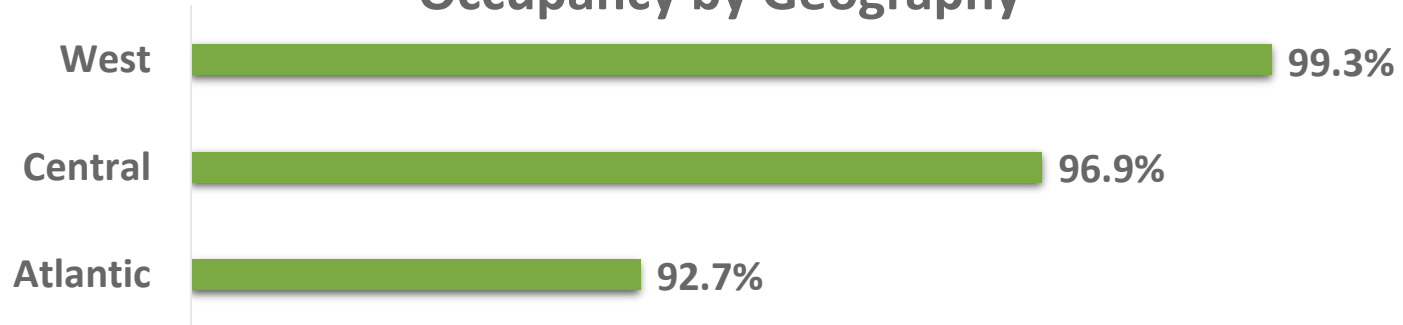
Committed Occupancy



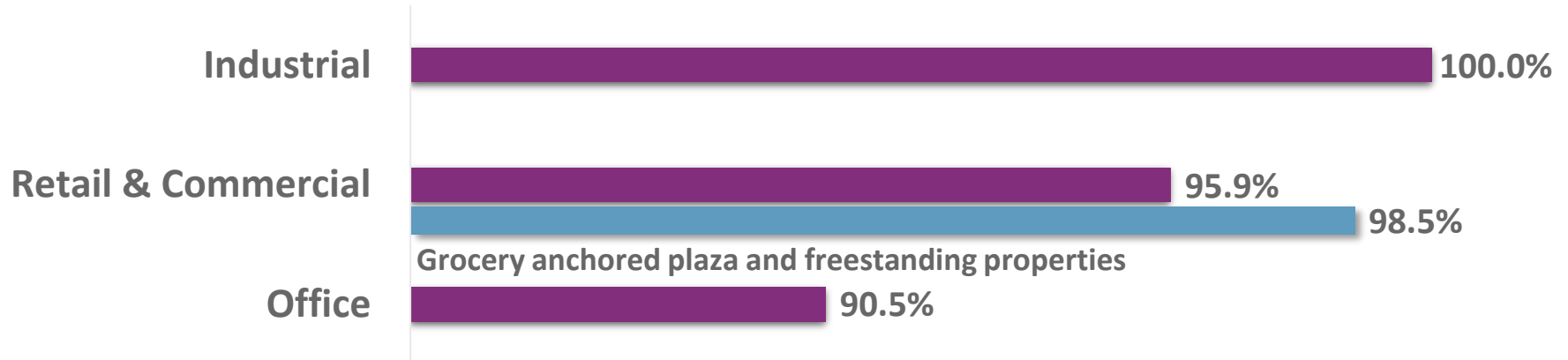
Leasing & Value Creation

Balanced Occupancy Contribution

Occupancy by Geography¹



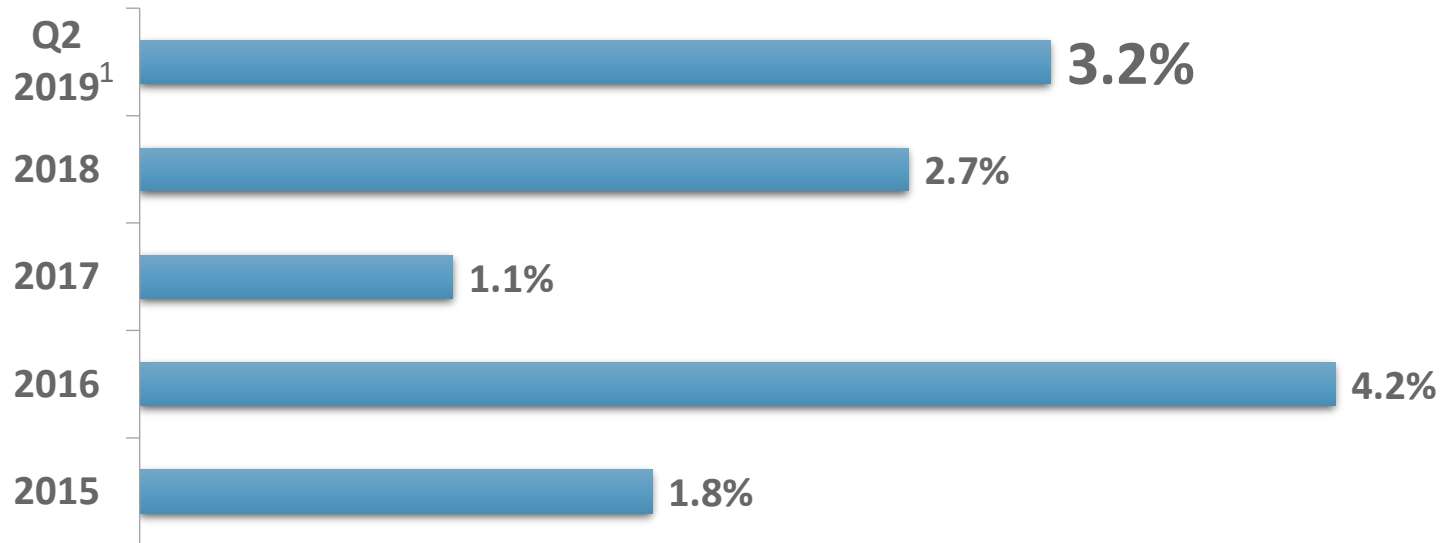
Occupancy by Asset Type¹



Leasing & Value Creation

Stability & Growth – Solid Foundation

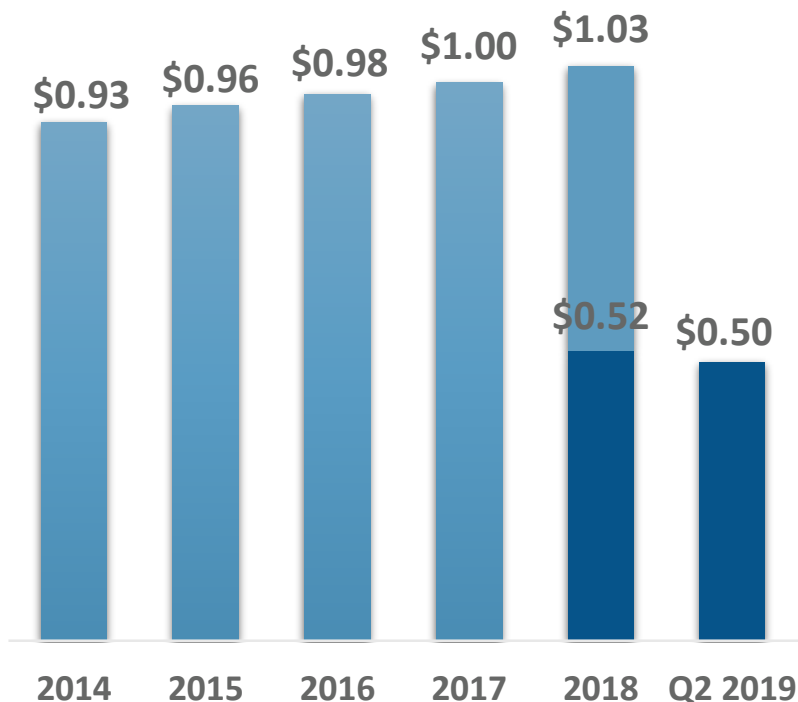
Same Asset NOI Growth



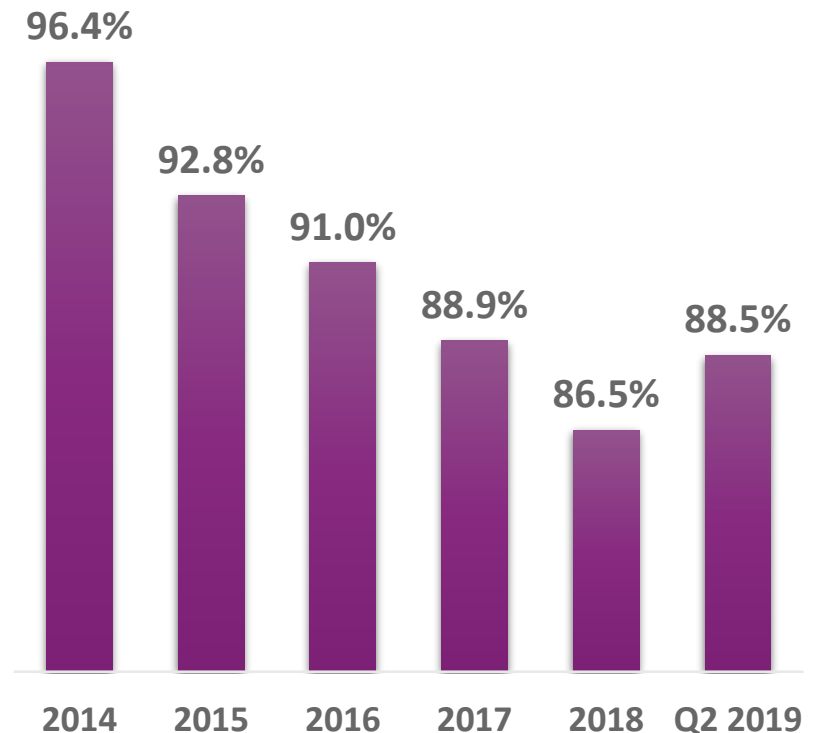
Consistent Historical AFFO Growth

Improving AFFO & Payout Ratio

AFFO/Unit, diluted



AFFO Payout Ratio



- 2019 impacted by capital recycling and significant Major Development investments

Tenant Mix

Strong Tenant Relations Driving Growth

Tenant	% of AMR ¹	Avg Remaining Lease Term (yrs)	DBRS Rating
Sobeys ²	55.4%	13	BBB (low)
Shoppers Drug Mart	4.2%	9	BBB
Province of Nova Scotia	1.5%	8	A (high)
Dollarama	1.3%	6	BBB
Government of Canada	1.2%	4	AAA
CIBC	1.2%	12	AA
Bank of Nova Scotia	1.1%	3	AA
Cineplex	1.1%	10	
GoodLife Fitness	1.1%	9	
Bank of Montreal	1.0%	8	AA

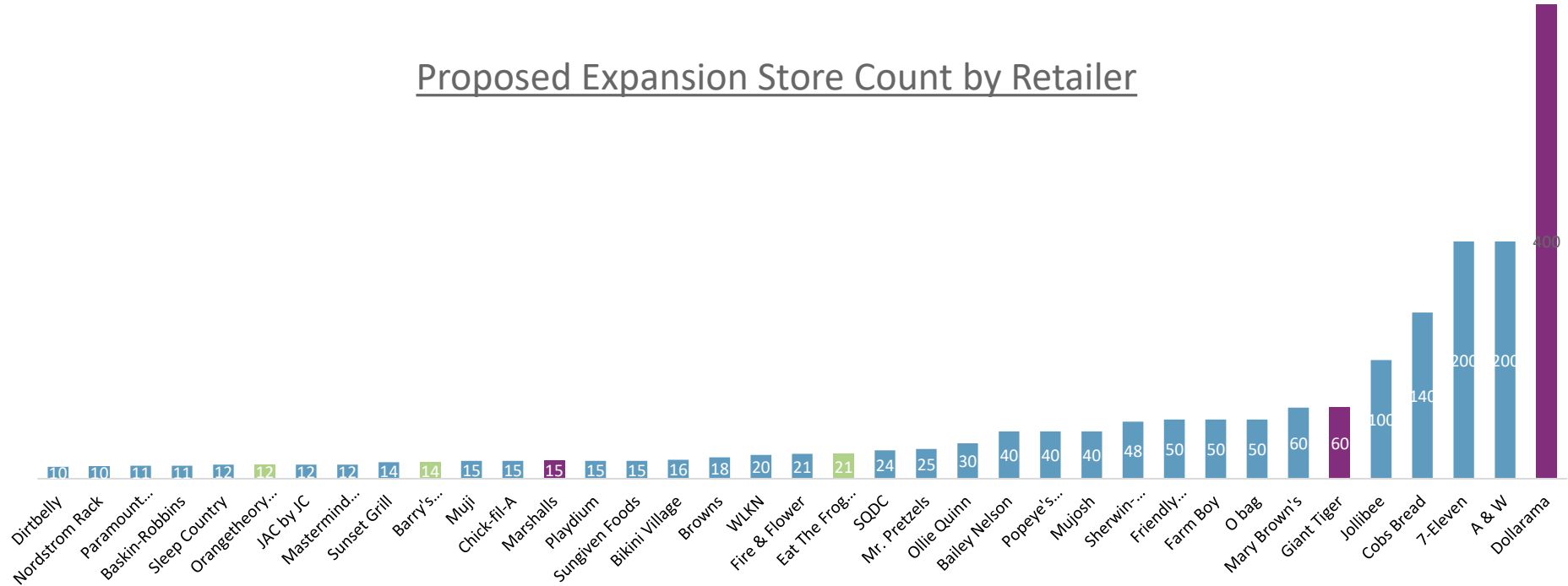
- Solid accretion from Sobeys, FreshCo, CFC and other investments
- Growing relationships with growth oriented tenants
- Strong base, low turnover risk
- Over 200,000 square feet of 2019 Province of Nova Scotia office renewals completed

Existing Retail Chains

Proposed Expansion Plans Jan 2018 – Sept 2019

- Retailers that focus on providing value, convenience & experience will do well in the evolving digital economy
- Discount/off-price retailers with strong value focus lead the way
 - Dollarama, Giant Tiger and Winners/Marshalls

Proposed Expansion Store Count by Retailer

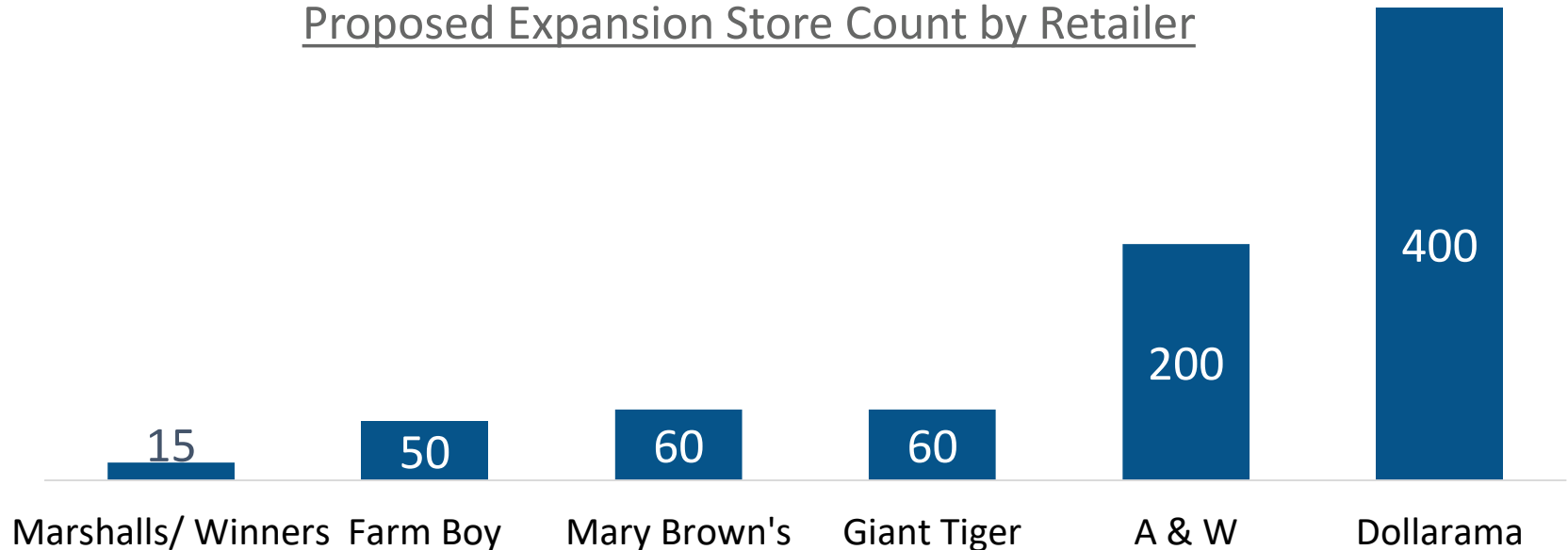


Existing Retail Chains

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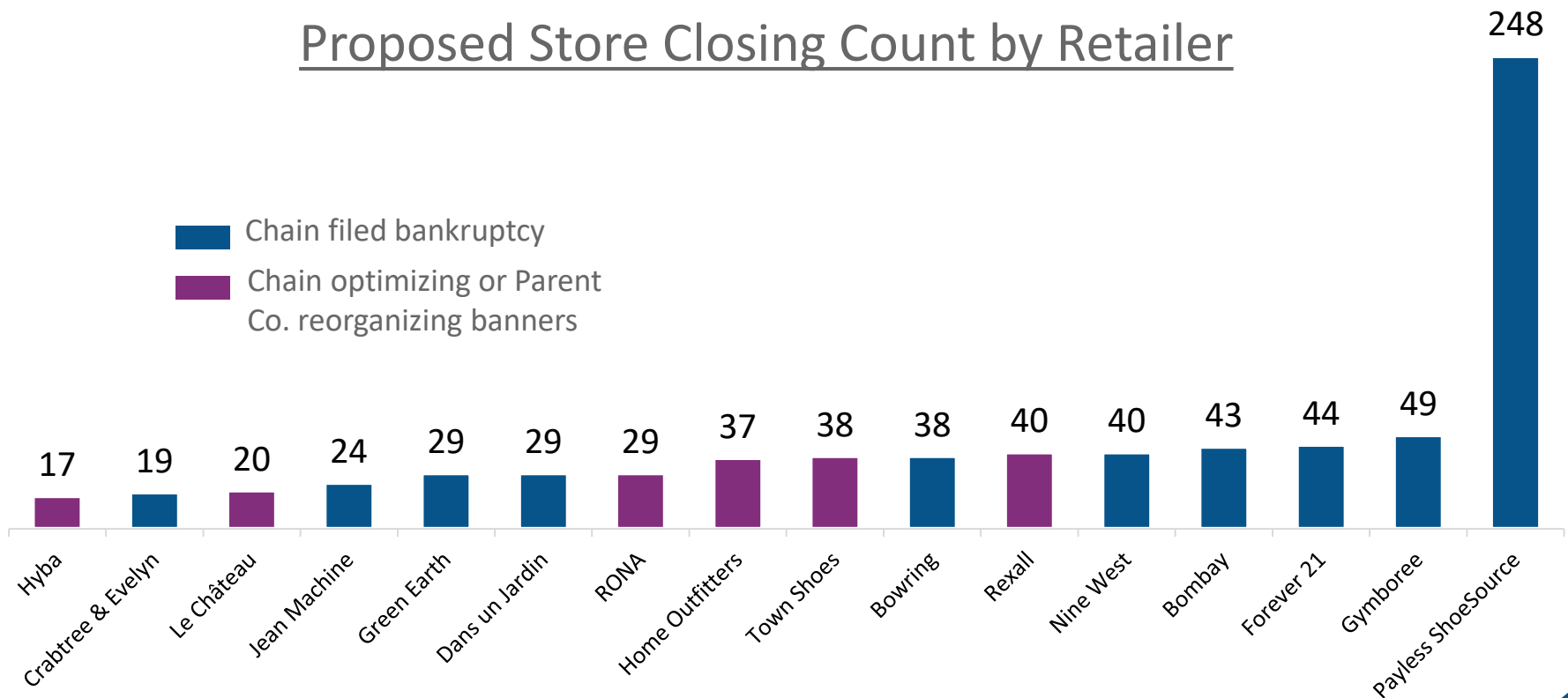
Proposed Expansion Store Count by Retailer



Store Closure Overview

- Crombie has limited exposure to these retailers and categories
- Traditional retailers with weak value proposition, aged and static merchandising plans and absence of omni-channel strategy fail to adapt to the evolving digital economy

Proposed Store Closing Count by Retailer



Strong Fundamentals Poised to Continue Targeting:

2-3%

SANOI Growth

3-5%

Annual Growth in
AFFO and NAV per unit

8.5-10.5%

Annual Investor
Returns

- First six development projects “on line” in 2020 (3) and 2021 (3)
 - 2020 Completions: \$331M Gross; \$312M CRR Share
 - 2021 Completions: \$495M Gross; \$298M CRR Share
- Mixed-Use Developments
 - Solid Cash Flow & AFFO growth
 - Substantial NAV creation potential
- Supported and enabled by
 - Experienced talent and a national organization structure
 - New ERP Management Information System

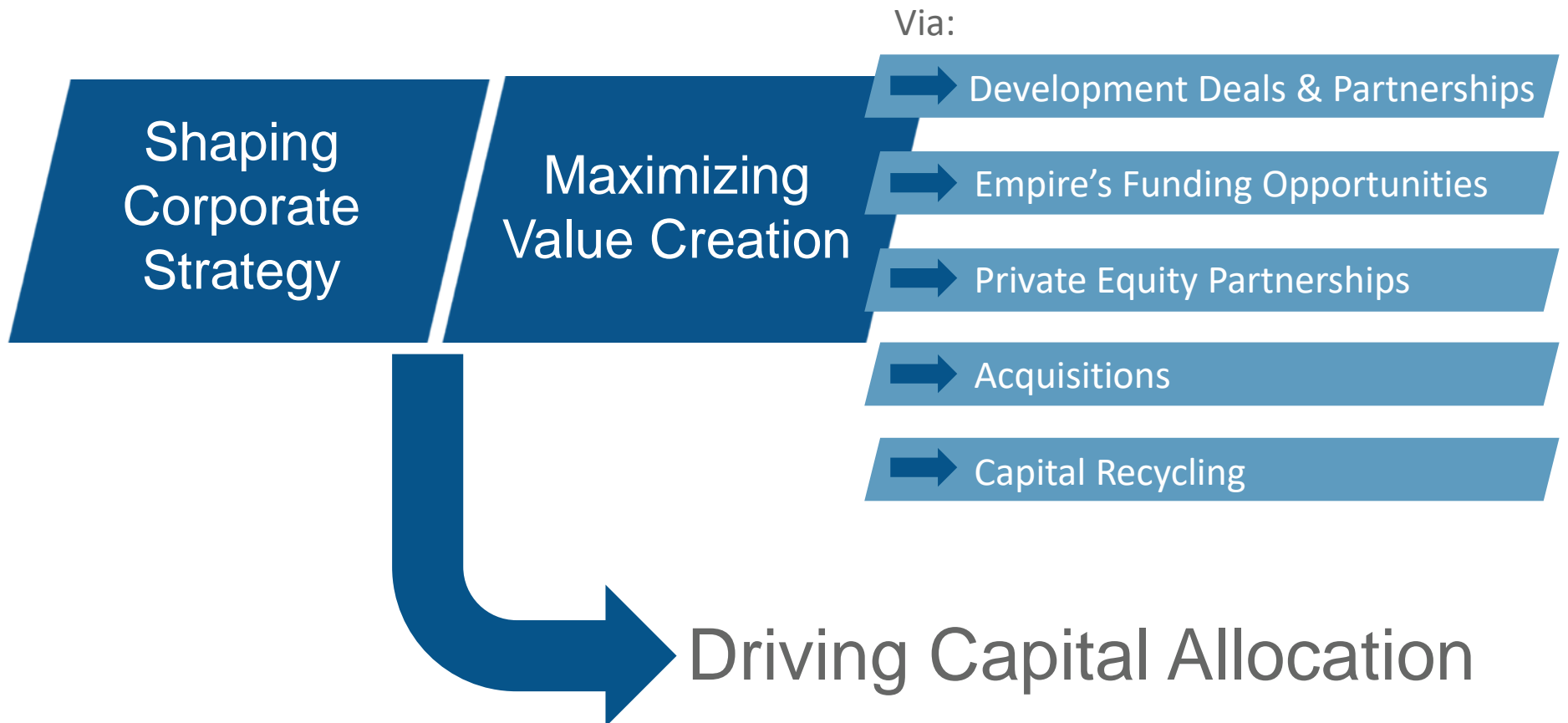
John Barnoski

Executive Vice President,
Corporate Development
Crombie REIT



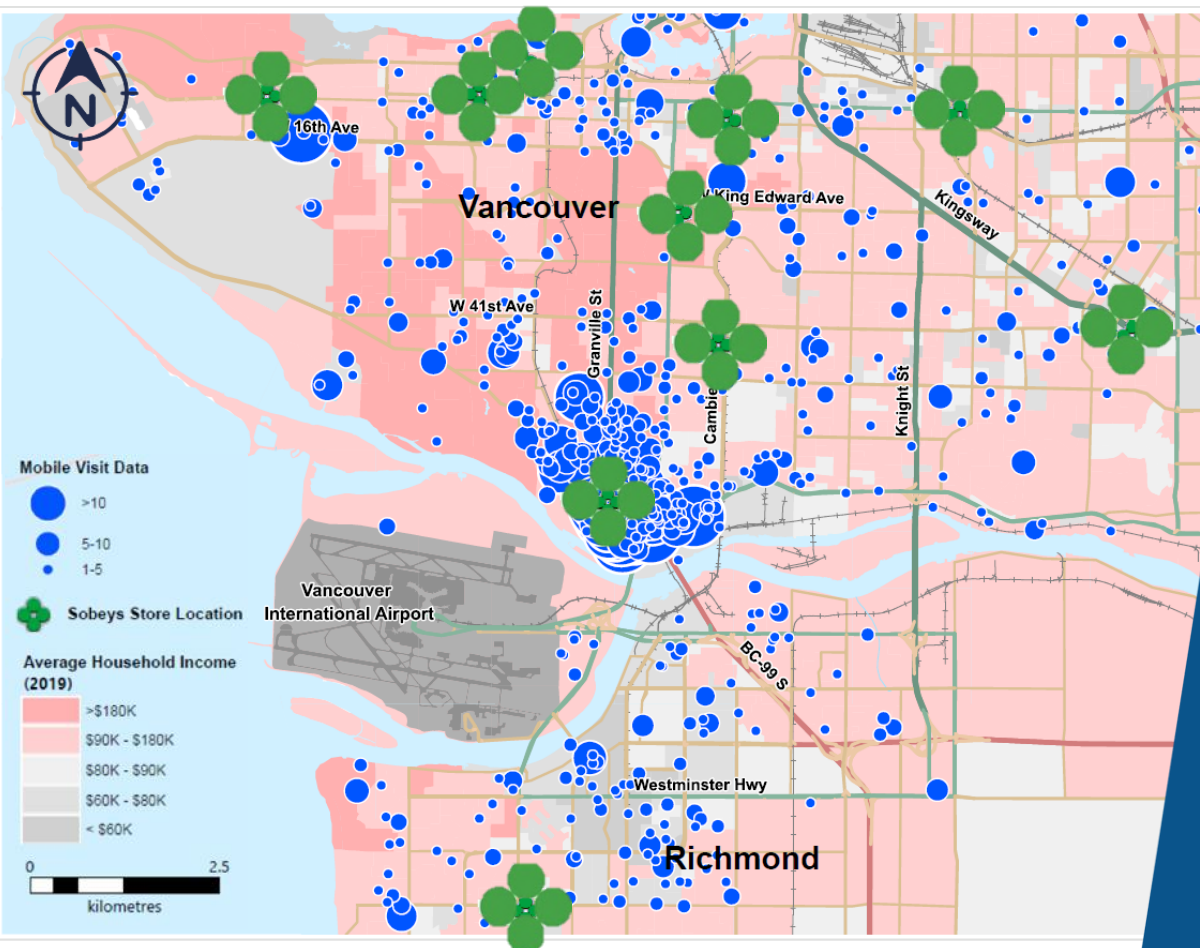
Crombie's Corporate Development Team

Focused on:



Strategy

Layers of Market & Strategic Insights Drive Crombie's Decisions and Overall Strategy



- Population Growth
- Economic Factors and Conditions
- Demographics
- Strategic Insights from Partners
- Consumer Insights through Emerging Technology
 - i.e. mobile data
- Enables and Drives
 - Prioritization of value-creating opportunities
 - Capitalizing on our #1 competitive advantage: Our Preferred Partnership with Empire

Strategic Execution

Capital allocated to priorities, optimizing capital recycling where/when prudent

Recent Capital Allocation Priorities

- Capital allocated to Voilà par IGA, Empire's Montreal CFC
- Major Developments: Davie, Duke & Bronte
- Modernization funding for urban Empire locations and conversions of Safeway stores to Discount

Funded By

- Capital sourced primarily from partial interest sales of lower NOI growth Empire's grocery anchored properties
- Private Equity Capital from home and abroad:
 - Firm Capital (50/50): Canadian
 - Northam (50/50): European
 - Oak Street (89/11): US



Crombie's #1 Competitive Advantage: **EMPIRE** COMPANY LIMITED

Sobeys brands anchor

78%

of Retail Properties

Sobeys brands generate

55%

of Crombie's AMR

41.5%

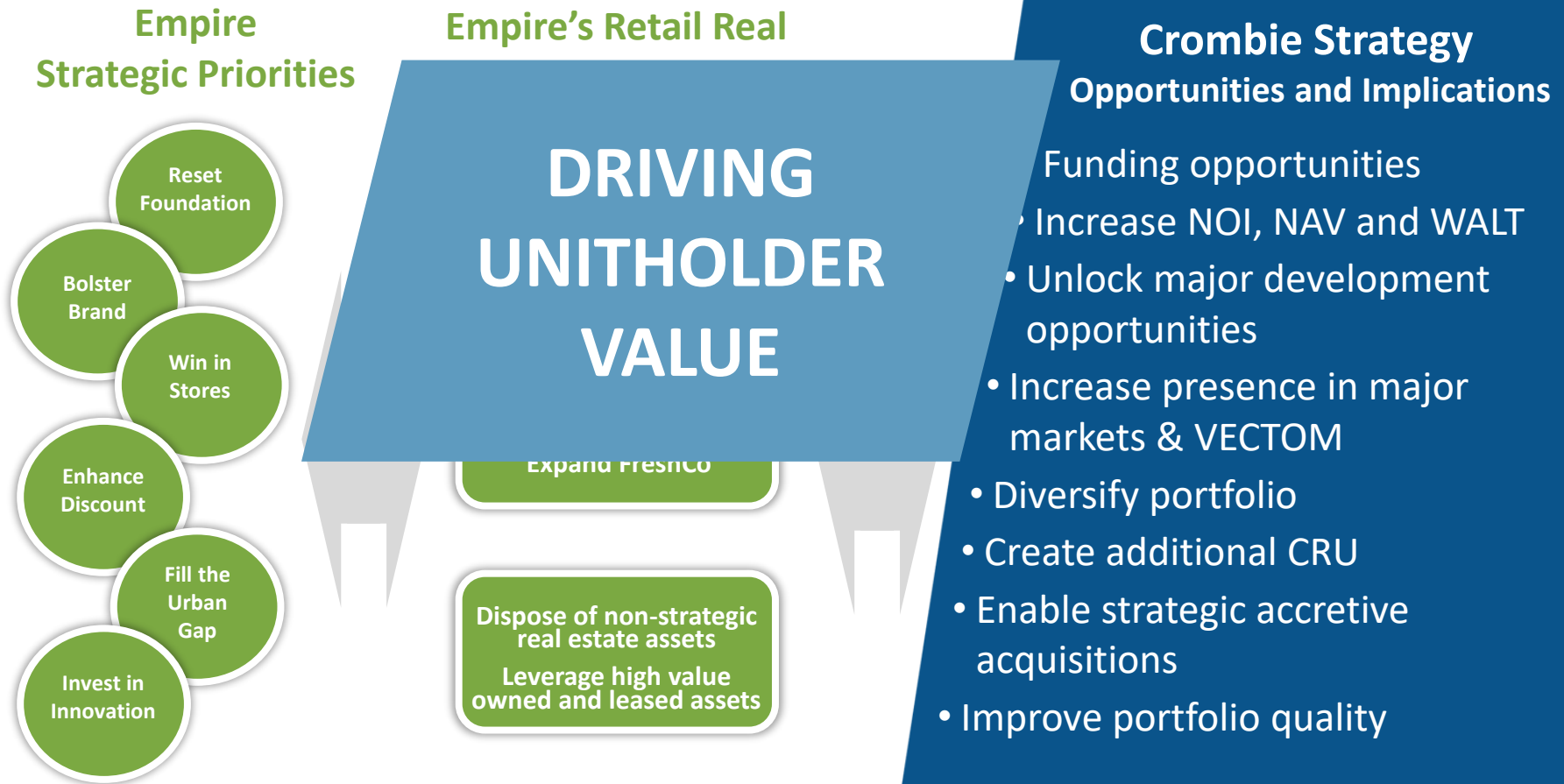
Empire's equity
interest in Crombie

Collaboration + Strategic Alignment with Empire
Unlocking Synergistic Value Creation

1 + 1 = 3

Empire & Crombie: Aligning Strategies

- Leading Canadian retailer: 2nd largest national grocer – in growth mode
- 5+ years: Investment in Empire's real estate priorities
- 10+ years: a more valuable, diversified and stronger growth portfolio

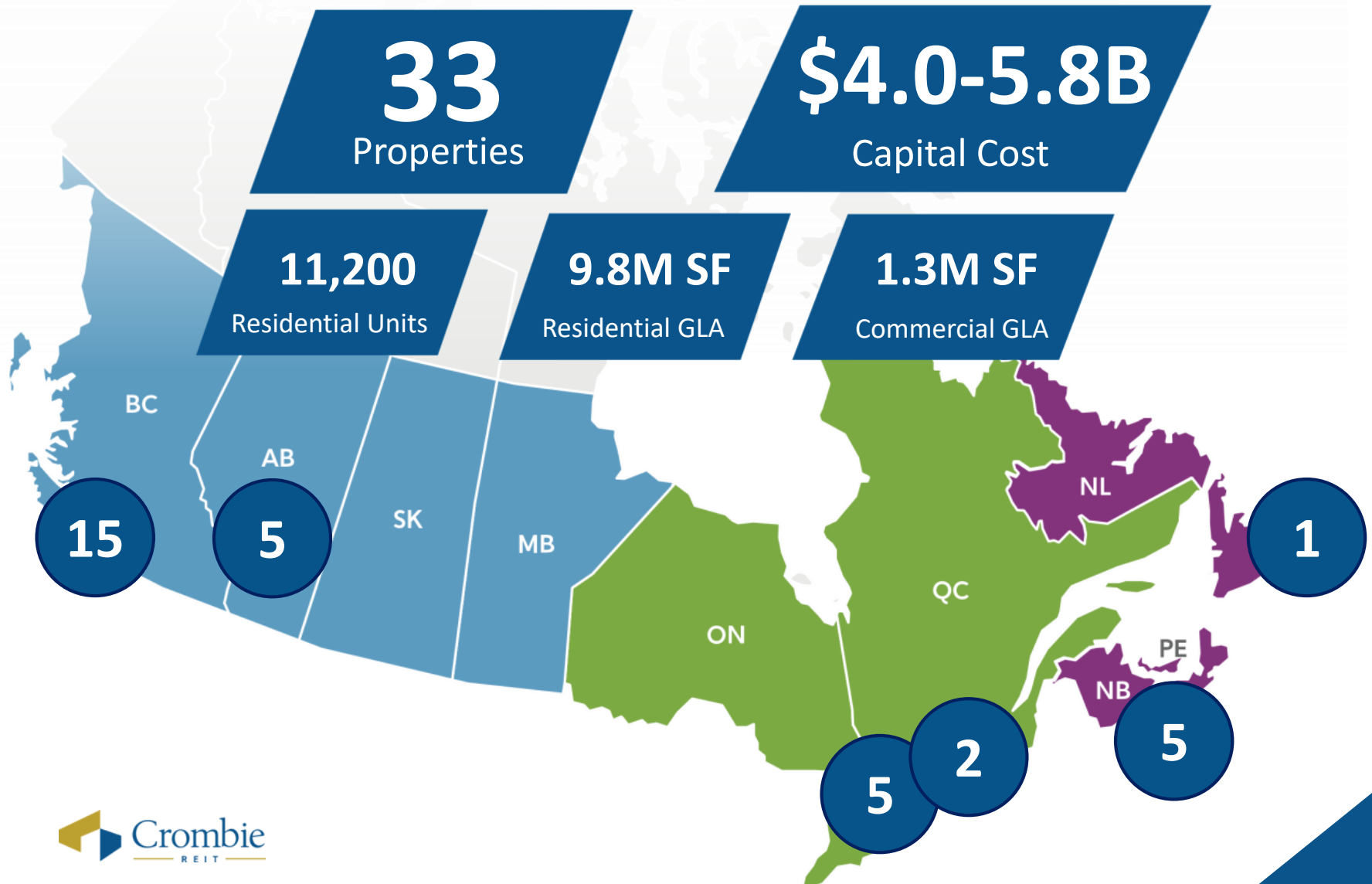


Trevor Lee

Senior Vice President,
Development &
Construction
Crombie REIT

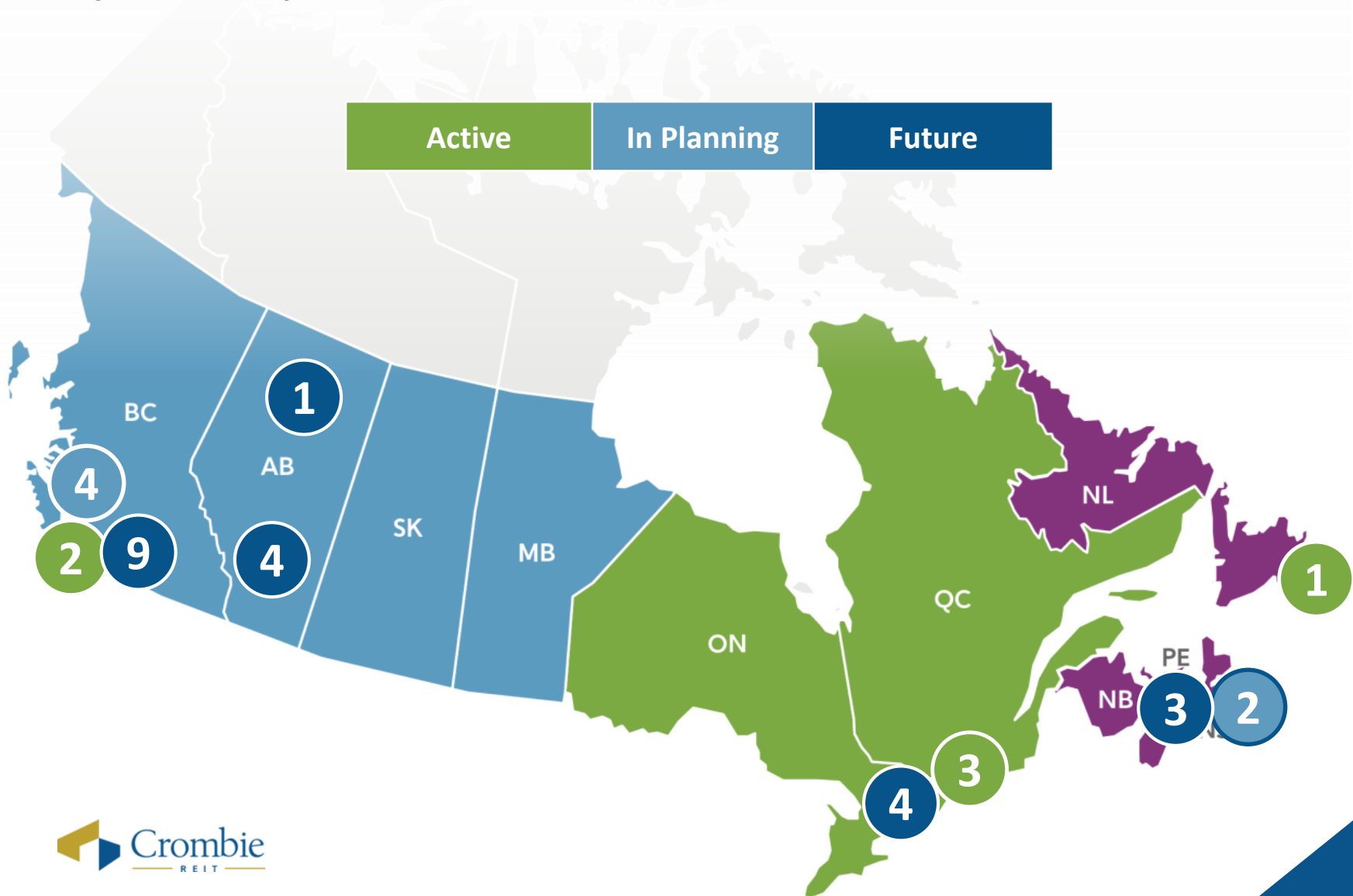


Major Development Opportunities



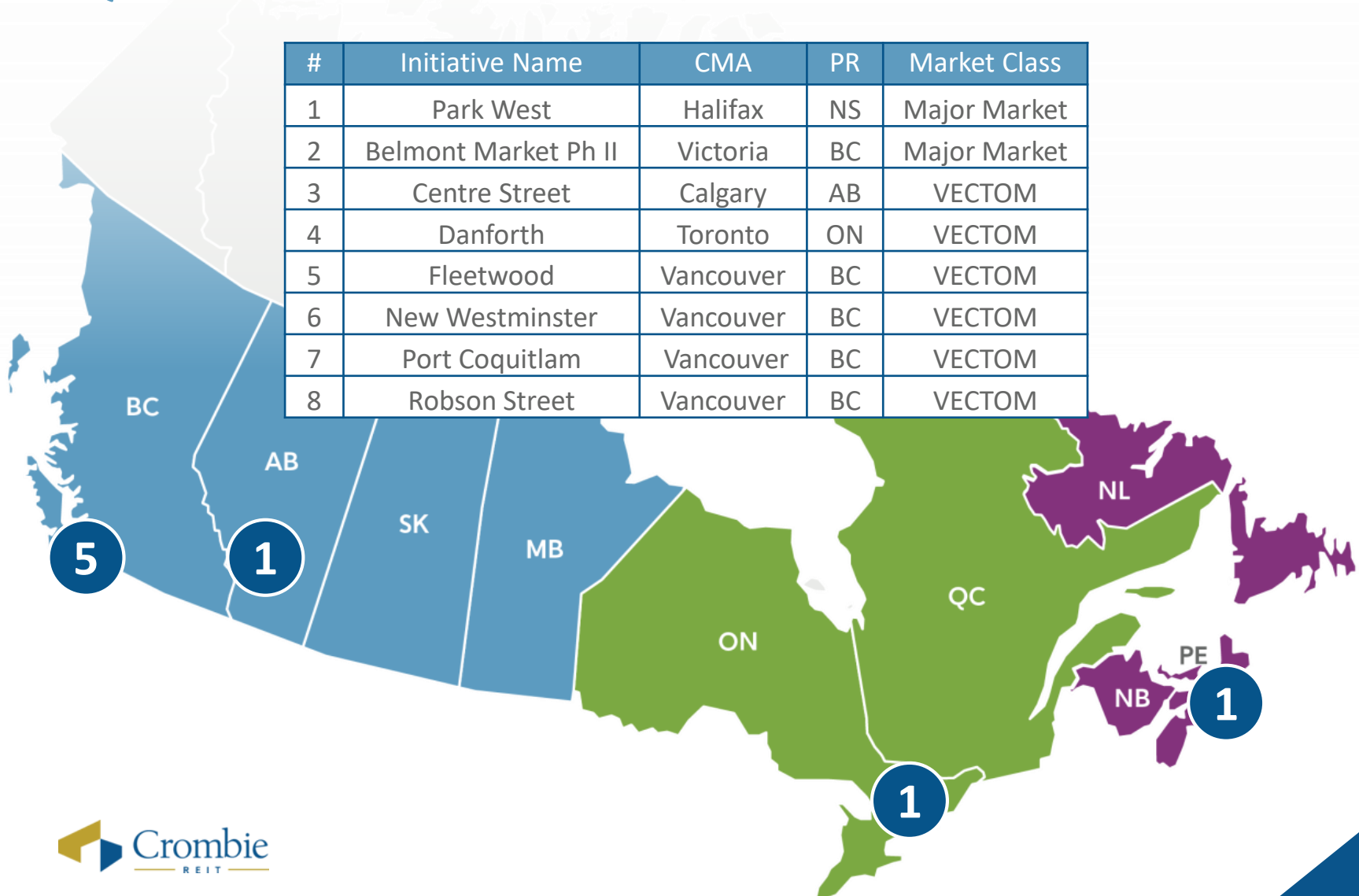
Major Development Opportunities

By Activity Status



8 Major Projects Added to Pipeline – Q2 2019

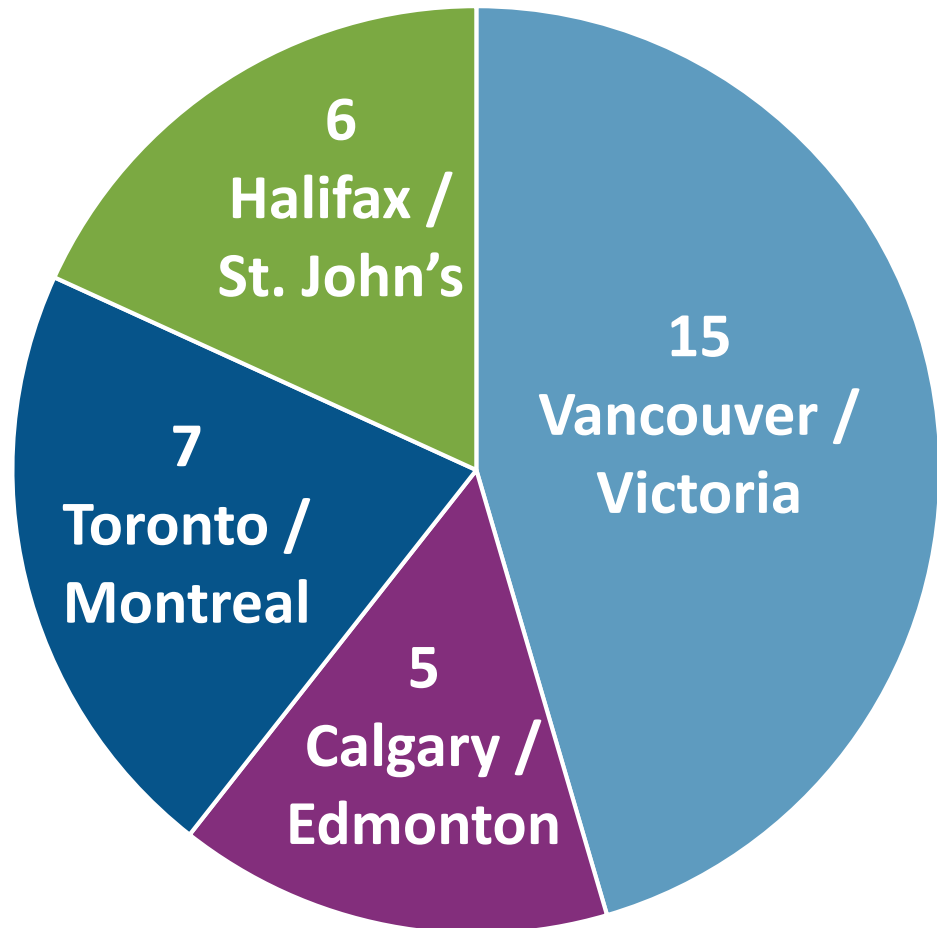
#	Initiative Name	CMA	PR	Market Class
1	Park West	Halifax	NS	Major Market
2	Belmont Market Ph II	Victoria	BC	Major Market
3	Centre Street	Calgary	AB	VECTOM
4	Danforth	Toronto	ON	VECTOM
5	Fleetwood	Vancouver	BC	VECTOM
6	New Westminister	Vancouver	BC	VECTOM
7	Port Coquitlam	Vancouver	BC	VECTOM
8	Robson Street	Vancouver	BC	VECTOM



Major Development Opportunities

Breakdown By VECTOM/Major Market

33
Properties

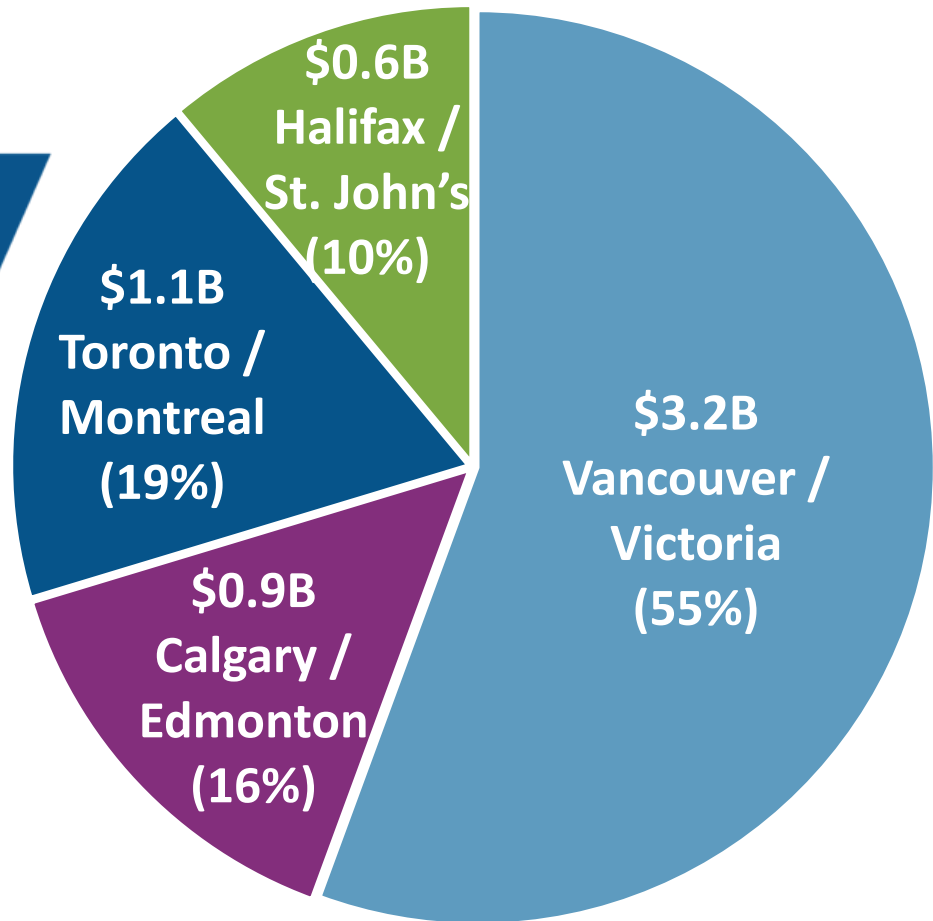


Major Development Opportunities

Breakdown By VECTOM/Major Market

\$4.0-5.8B

Capital Cost



CRR Transit Oriented Development (TOD) Sites

#	Initiative Name	CMA	PR	Market Class
1	Le Duke	Montreal	QC	VECTOM
2	Montreal Voilà CFC	Montreal	QC	VECTOM
3				et
4				M
5				OM
6				ECTOM
7				ECTOM
8				VECTOM
				VECTOM
10	Triangle Lands	Halifax	NS	Major Market
11	Centre Street	Calgary	AB	VECTOM
12	Kensington	Calgary	AB	VECTOM
13	Brunswick Place	Halifax	NS	Major Market
14	Beltline	Calgary	AB	VECTOM
15	Kingsway + Tyne	Greater Vancouver	BC	VECTOM
16	Fleetwood	Greater Vancouver	BC	VECTOM

**\$3.2B or 56%
of Pipeline is TOD**

Active Major Developments

Davie Street

\$553M

Capital Cost

Belmont Market

**\$210M -
\$270M**

Potential NAV Creation¹

Bronte Village

Montreal, QC

Avalon

St. John's, NL

Volia CFC
Montreal, QC

Pop 16K+ / 0.5 KM
52K+ / 1 km



Davie Street Development Vision

Total Project Cost \$181M / Est. Completion: Q3 2020 / 100% Tendered



Davie Street Financial Summary (CRR Share)



\$65M-\$81M

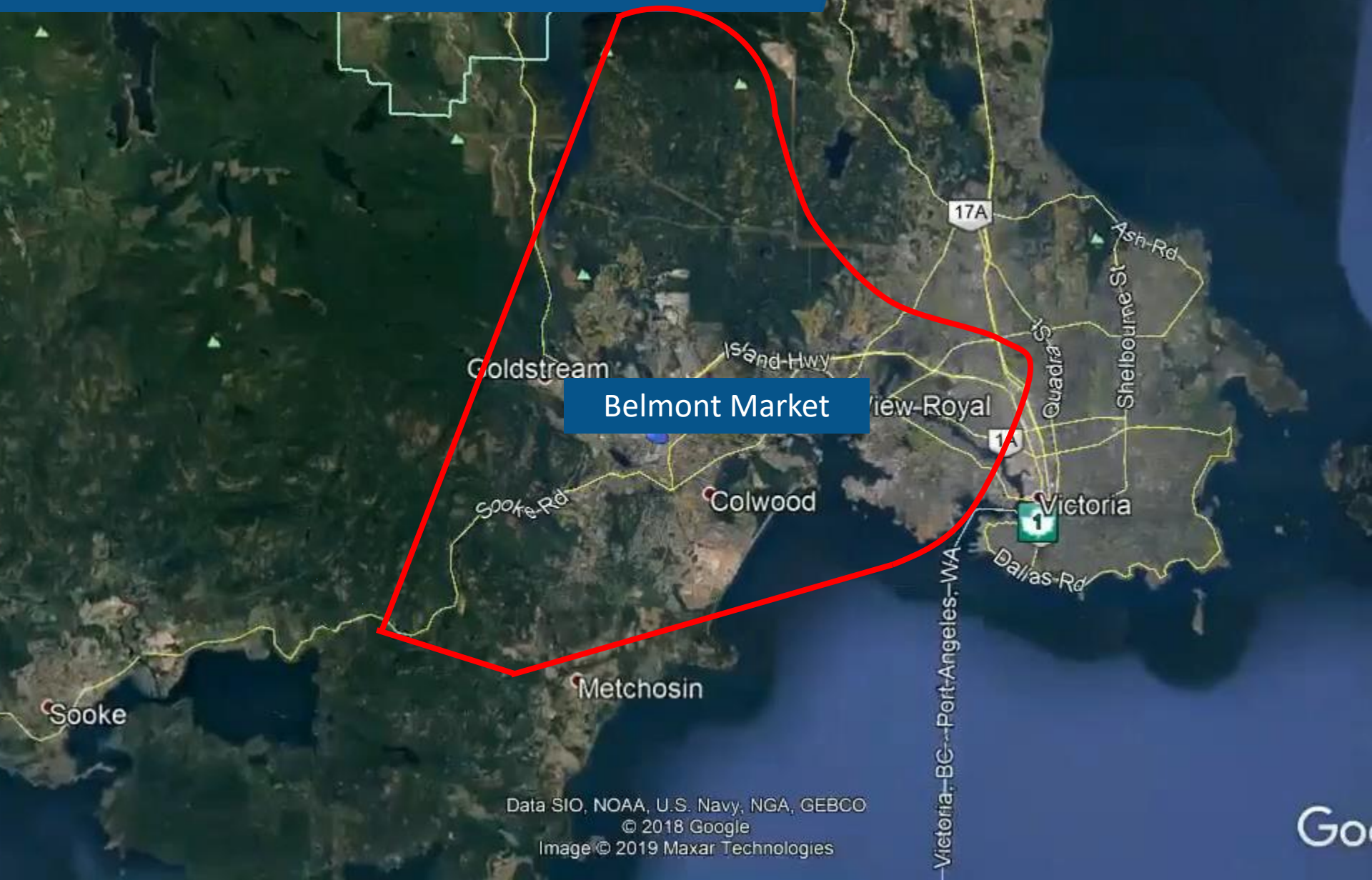
Potential NAV Creation¹

Stabilized Value	\$170M - \$186M
Residential Cap Rate	3.00% - 3.25%
Commercial Cap Rate	4.00% - 4.50%
Total CRR Costs	\$105M
Development Return	62% - 77%
CRR Yield on Cost	5.5% - 6.0%

Active Major Developments



\$100K+ HHLD Incomes



Belmont Market Development Vision

Total Project Cost \$93M / Est. Completion: Q4 2020 / 80% Tendered



- 160K sf Shopping Centre
- Thrifty Foods Anchored
- 137K sf complete

Belmont Market Financial Summary

\$17M - \$23M

Potential NAV Creation¹

**THRIFTY
FOODS™**

Stabilized Value	\$110M - \$116M
Commercial Cap Rate	5.00% - 5.25%
Total CRR Costs	\$93M
Development Return	19% - 25%
Yield on Cost	5.8% - 6.3%

Active Major Developments



Among Lowest Vacancy Rates in GTA



Bronte Village

Bronte Village Development Vision

Total Project Cost \$277M / Est. Completion: Q3 2021 / 85% Tendered

**50% JV with
PrinceDev**

- 2 New Mixed-Use Rental Towers (10 & 14 Storeys)
- Total Area 560K sf
- 480 Rental Units
- 15K sf of New Retail



Bronte Village Financial Summary (CRR Share)

\$51M - \$64M
Potential NAV Creation¹

Stabilized Value	\$190M - \$203M
Residential Cap Rate	3.75% - 4.00%
Commercial Cap Rate	4.25% - 4.50%
Total CRR Costs ²	\$139M
Development Return	37% - 46%
CRR Yield on Cost	5.4% - 6.0%

Active Major Developments



Strong Rental Demand
Current Vacancy Rate 0.9%

The map shows the city of Montreal, Quebec, Canada. A red polygon highlights a specific neighborhood in the central-eastern part of the city, labeled 'Le Duke' in a blue box. The map includes major roads like Autoroute 720 and Autoroute 10, and landmarks like the Pont-Victoria and the St. Lawrence River. The text '© 2018 Google' is visible at the bottom.

Le Duke

Le Duke Development Vision

Total Project Cost \$118M / Est. Completion: Q1 2021 / 76% Tendered

**50% JV with
PrinceDev**

- 25 Storeys Mixed-Use
- 241K sf of Development Area
- 390 Rental Residential Units
- 24K sf Retail (IGA)

Le Duke Financial Summary (CRR Share)



\$21M - \$26M

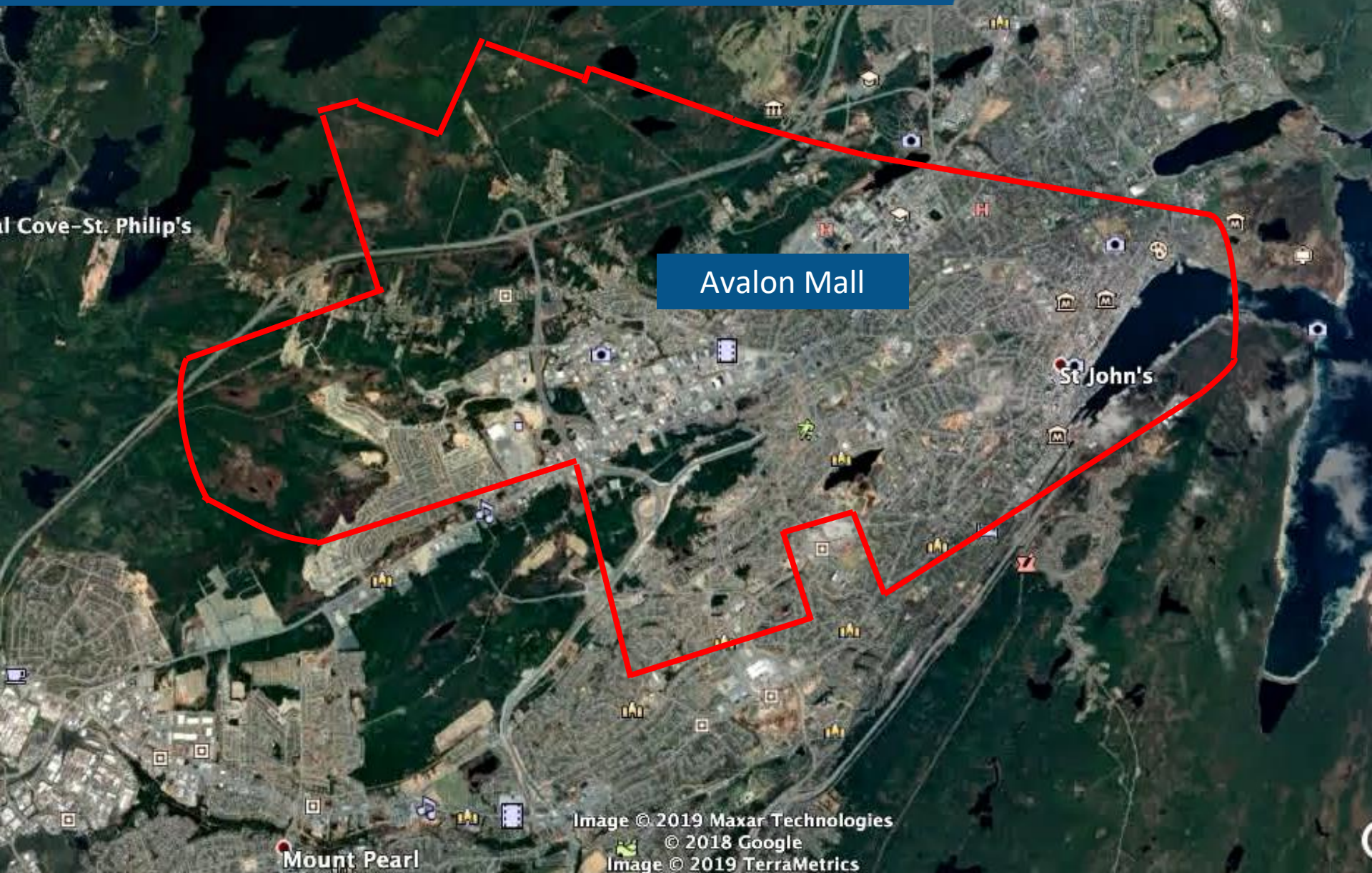
Potential NAV Creation¹

Stabilized Value	\$80M - \$85M
Residential Cap Rate	3.75% - 4.25%
Commercial Cap Rate	4.50% - 5.00%
Total CRR Costs ²	\$59M
Development Return	36% - 44%
Yield on Cost	5.4% - 5.8%

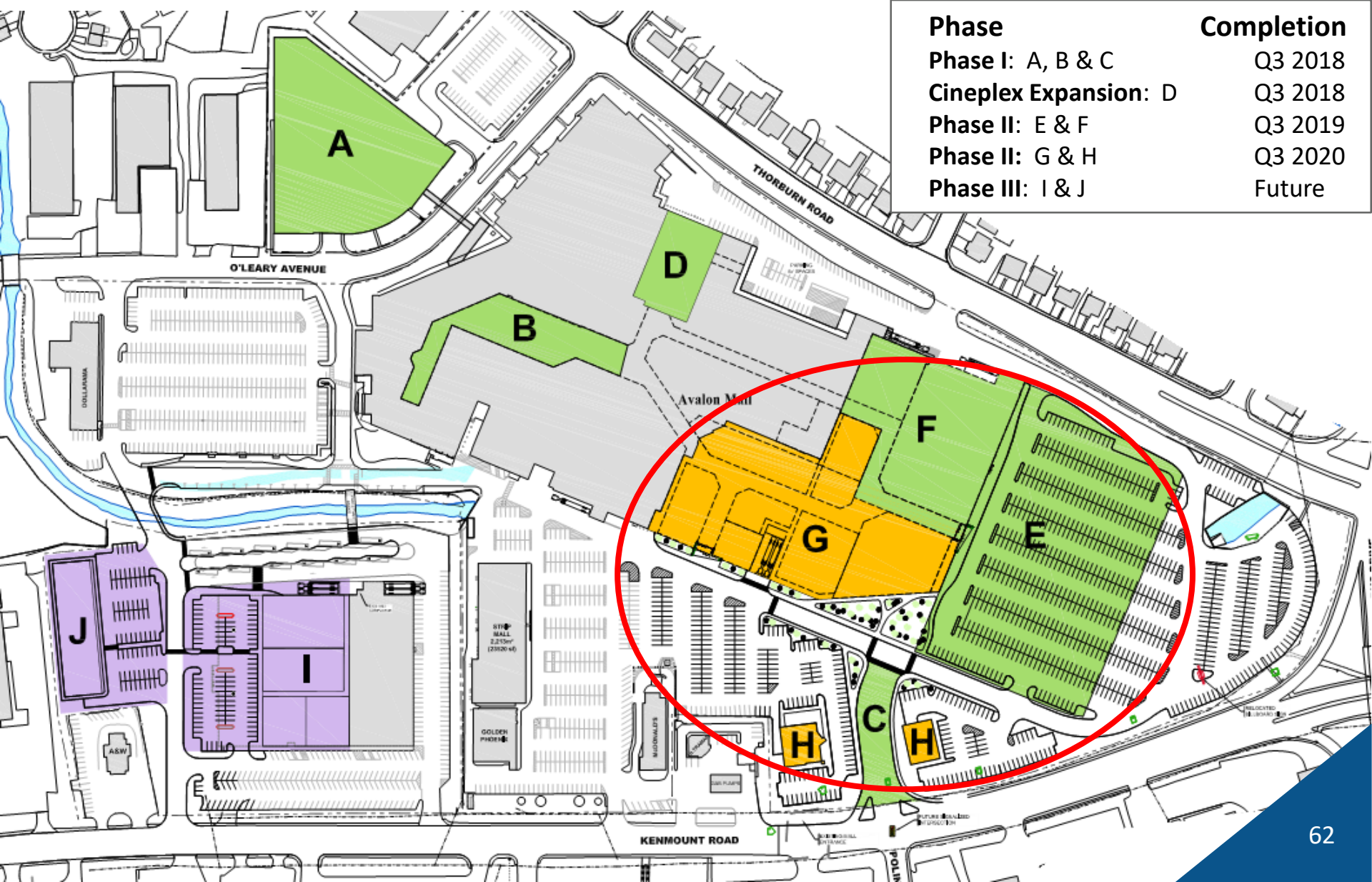
Active Major Developments



4% SANOI Growth Metro



Avalon Mall Redevelopment Phasing Plan



Avalon Phase II – Mall Leasing Plan



Avalon Mall Development Vision

Total Phase II Cost \$57M / Est. Completion: Q3 2020 / 90% Tendered



Avalon Phase II – Financial Summary

\$33M - \$44M

Potential NAV Creation¹



Stabilized Value	\$90M - \$102M
Commercial Cap Rate	6.00% – 6.75%
Total CRR Costs	\$57M
Development Return	56% - 76%
Yield on Cost	10.3% – 11.0%

Active Major Developments



Hub Servicing PQ & Ottawa

- Adjacent PE Trudeau Int'l Airport



Montreal Voilà CFC Development Vision

Est. Completion: 2021

- 300k sf state of the art CFC
- Featuring world leading Ocado tech



Montreal Voilà CFC Financial Summary



\$19M - \$32M

Potential NAV Creation¹

Value at Completion	\$119M - \$132M
Market Cap Rate	4.75% - 5.25%
Total CRR Costs	\$100M
Development Return	19% - 32%
Yield on Cost	6.1% - 6.4%

Active Major Developments Financial Summary

\$553M
Capital Cost

**\$210M -
\$270M**
Potential NAV Creation¹

- 1,200 residential units by 2021

Projects In Motion



Projects In Planning

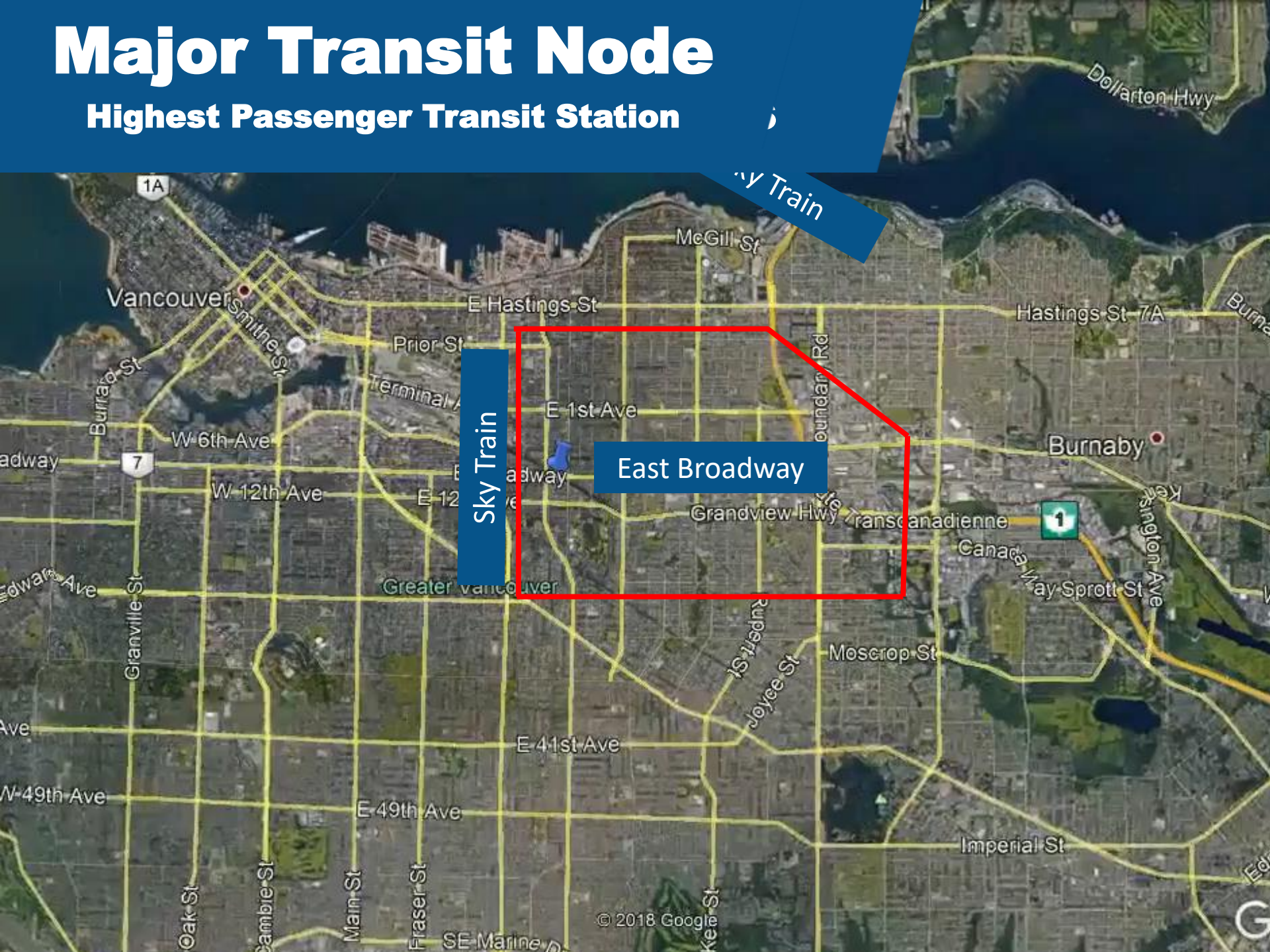


Developments In Planning



Major Transit Node

Highest Passenger Transit Station



East Broadway Development Vision (TOD)

Total Project Cost ~\$570M / Total CRR Costs ~\$285M

- 3 Mixed Use Towers (24 – 30 Storeys)
- 550K sf Residential
- 68K sf Retail
- 60K sf Office
- 5.6 FSR Potential

JV Westbank

Sky Train Station



East Broadway Rezoning Submission



East Broadway Rezoning Submission



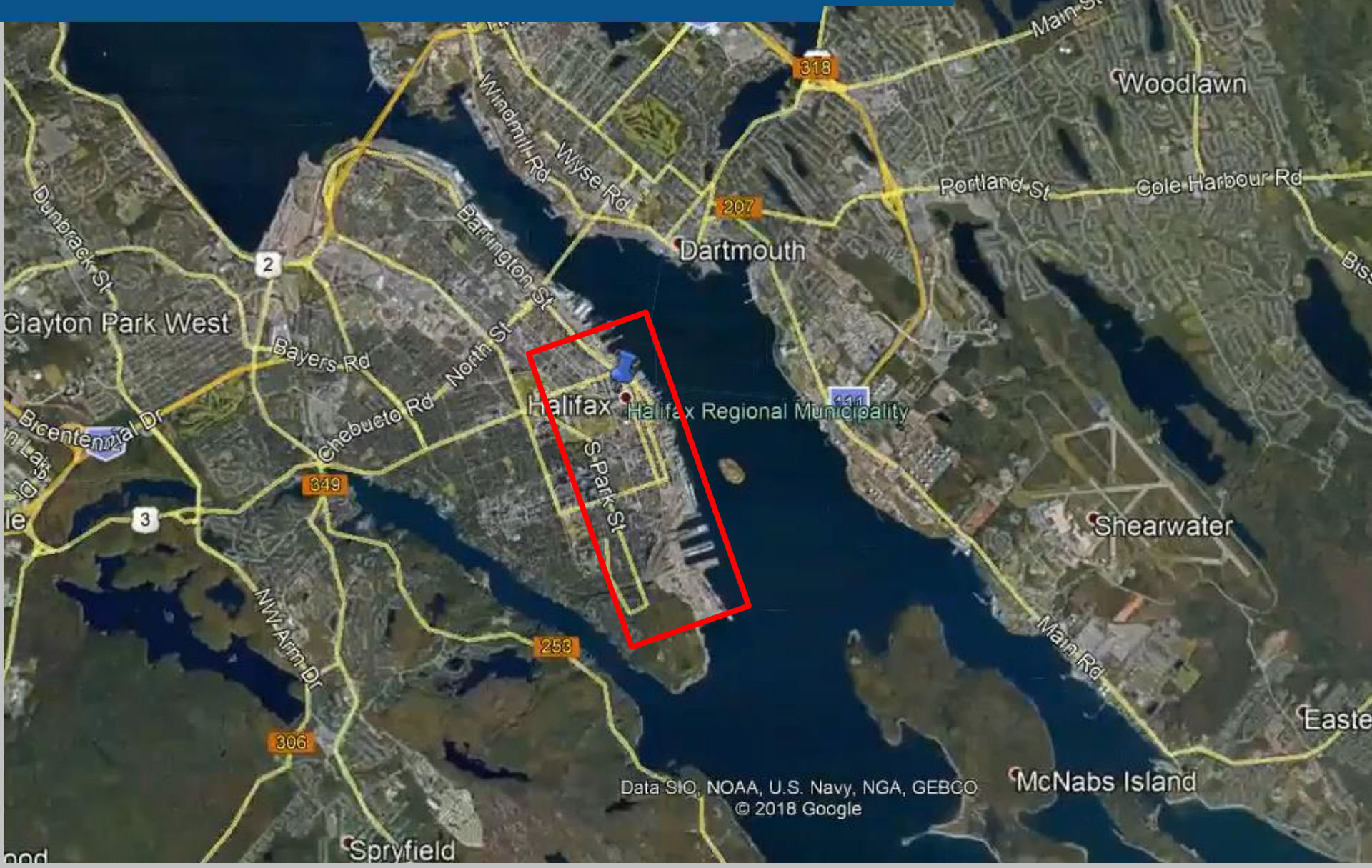
East Broadway Rezoning Submission



Developments In Planning



TOD: Main Transit Hub



Scotia Square Development Vision – Downtown Halifax

Total CRR Project Cost ~\$95M



- 17 storey building
- 270,000 sf
- 300 Rental Units

Developments In Planning



TOD Site / SkyTrain



King George

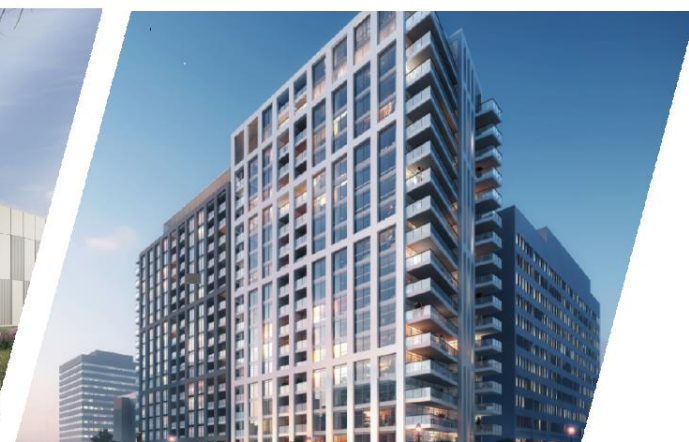
Sky Train

King George Development Vision

Total Project Cost ~\$840M / Total CRR Costs ~\$420M



- Likely JV due to scale
- 7.5 FSR Potential
- Total Buildable 1.4M sf
- Phased
- 5 Residential Towers
- + Retail & Office



Clinton Keay

Chief Financial Officer
& Secretary

Crombie REIT



Strategic Capital Management - Equity

Capital Markets

- DRIP
- Equity

Joint Ventures

- Joint Venture Partnerships
- Westbank
- Prince Developments

Capital Recycling

- 100% Dispositions of Non-Core Assets
- Strategic Partial Dispositions
- 50/50: Northam/Firm Capital
- 89/11: Oak Street
- 100% Dispositions of Condos
- Approximately \$800M since January 2018

**MULTIPLE POTENTIAL SOURCES
OF EQUITY CAPITAL**



Strategic Capital Management

- Asset recycling removed immediate need to raise traditional equity capital
- Development commitments funded well into 2020

PRE FUNDING



Strategic Capital Management - Debt

- Bank Credit Facilities
- Conventional Mortgages
- CMHC Insured Financing
 - Davie St \$160M 3.224% 10 Year Term
 - Bronte – Under Review
 - Duke – Under Review
- Traditional Construction Financing
- Senior Unsecured Notes
 - \$200M 3.677% Series F Due Aug 2026

**MULTIPLE POTENTIAL SOURCES OF
COST EFFECTIVE DEBT CAPITAL**



Strategic Capital Management

- Reduce total leverage over the medium/long term
- Maintain minimum of \$250 million liquidity
- Increase weighted average term to maturity
- Take advantage of current low interest rates including CMHC financing
- Increase unencumbered asset pool

GUIDING PRINCIPLES



Building Financial Strength

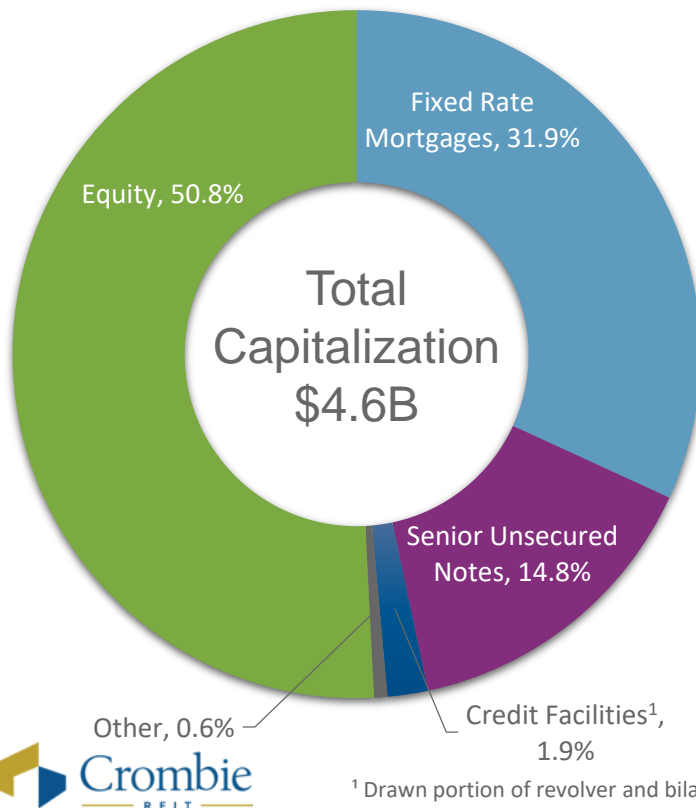
Investment Grade, with Improving Debt Metrics

8.21x
Debt to
EBITDA

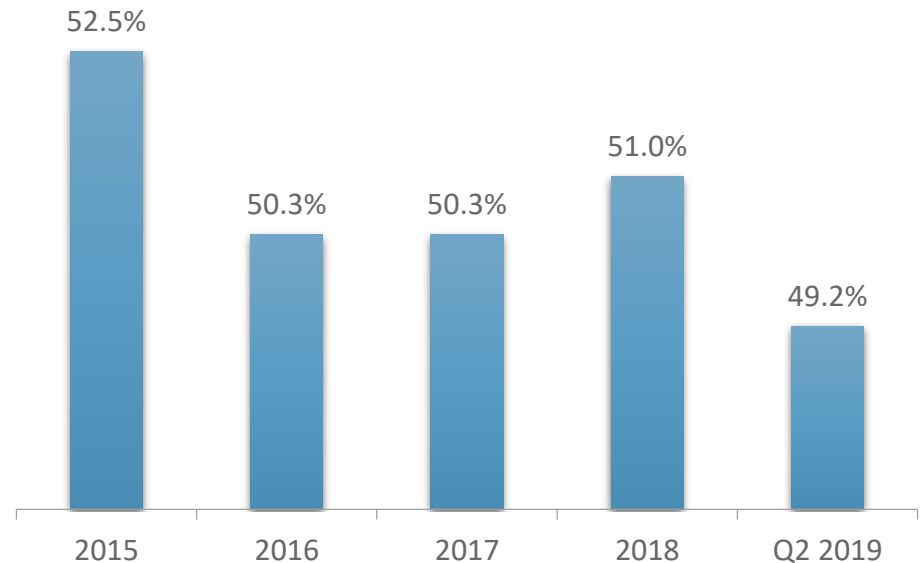
3.00x
Interest
Coverage

1.92x
Debt Service
Coverage

BBB Low
(Stable)
by DBRS



Debt to Gross Book Value (Fair Value)

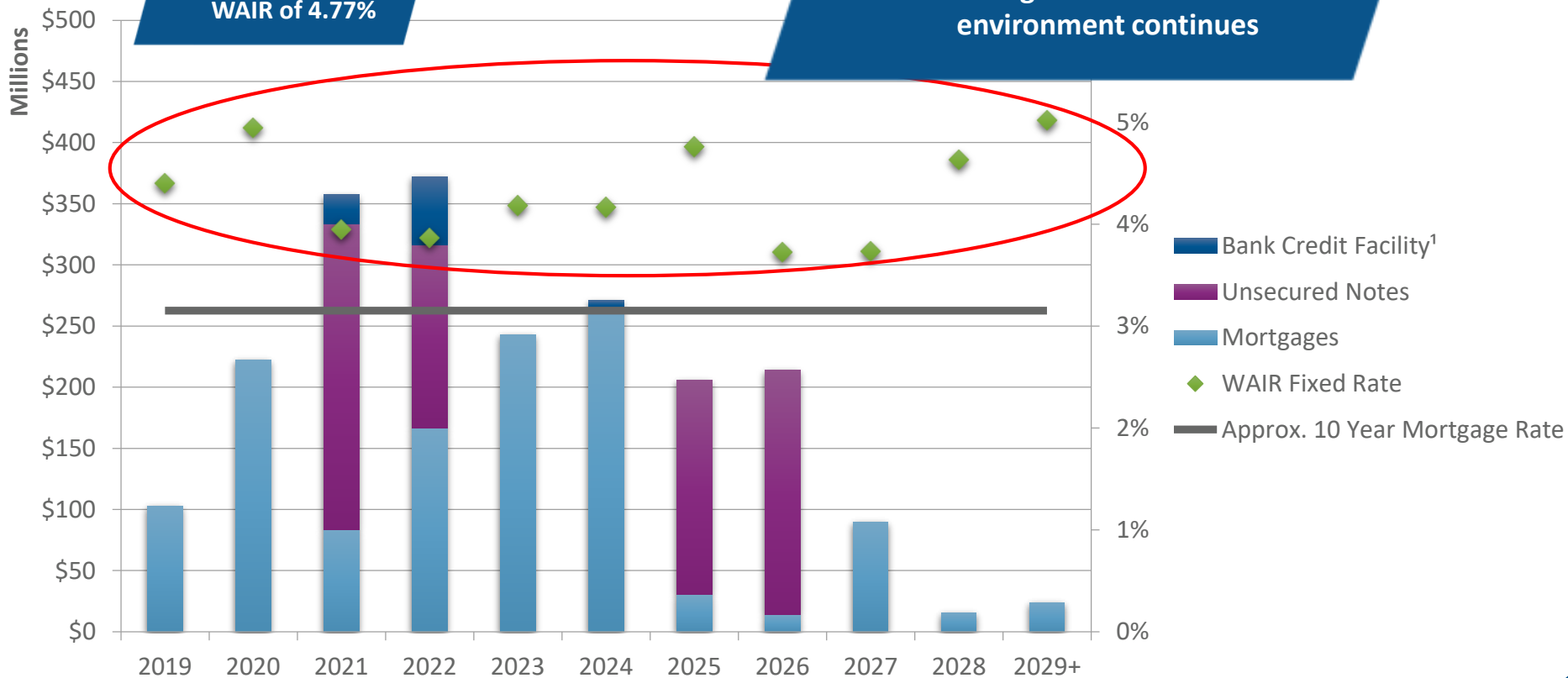


Well-Laddered Debt Maturity Profile

~\$333M

of debt due in 2019
& 2020 with
WAIR of 4.77%

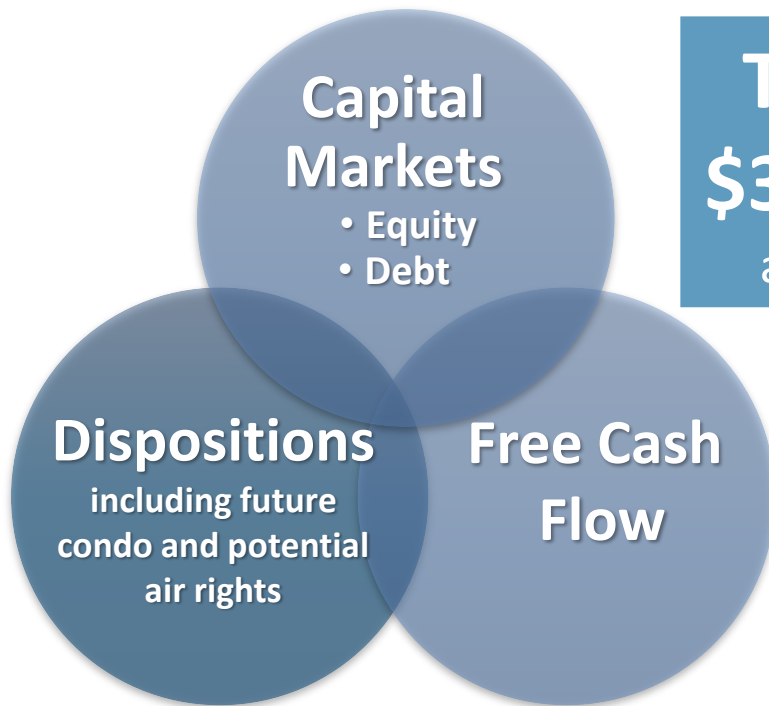
Significant interest savings
available on expiring mortgages
assuming current interest rate
environment continues



Smart Capital Allocation

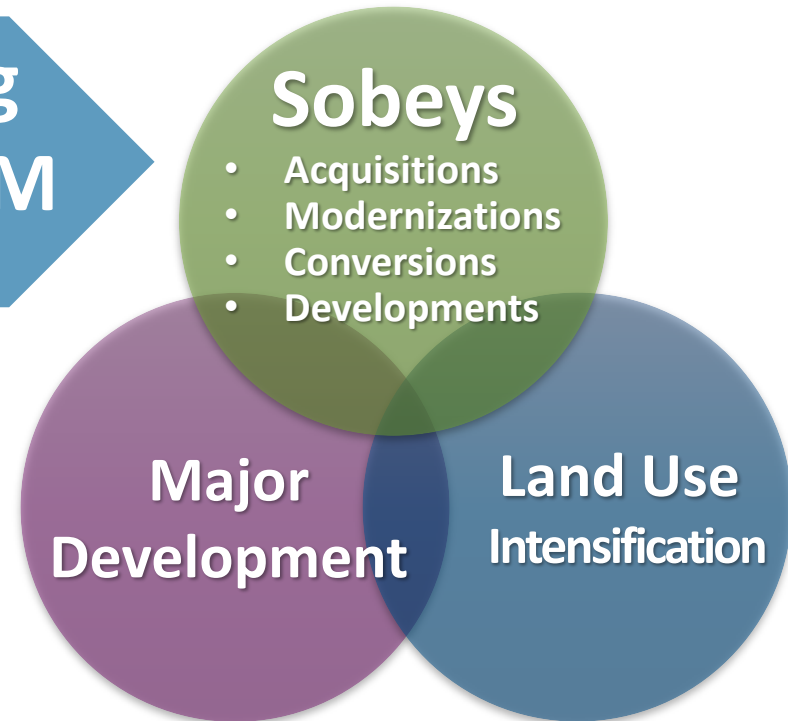
Prioritize Growth in NAV & AFFO/Unit

Sources of Capital



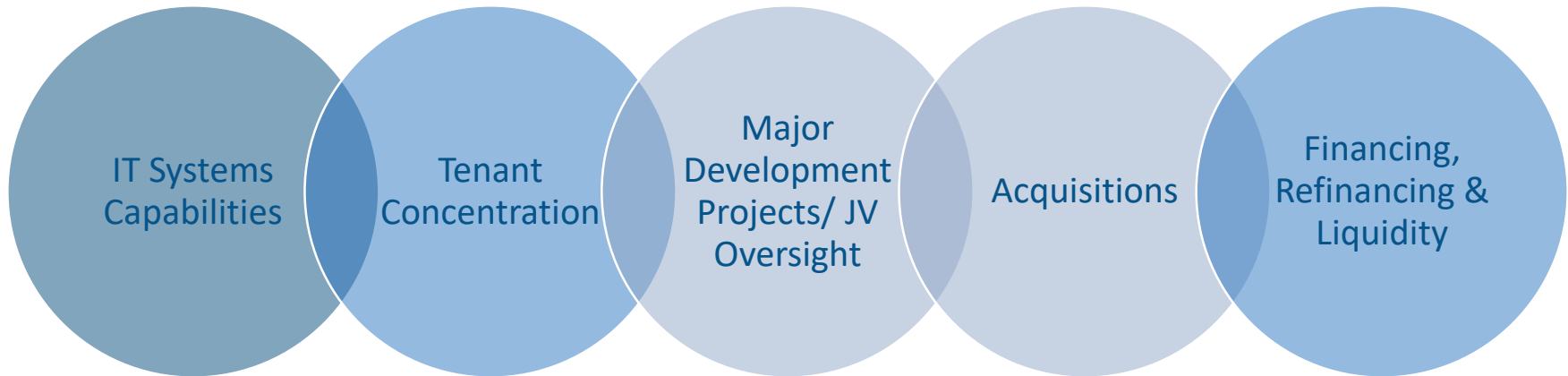
**Targeting
\$300-400M**
annual spend

Capital Deployment



Risk Management

Continuously Monitoring Potential Risks,
Executing Mitigation Plans



Cheryl Fraser

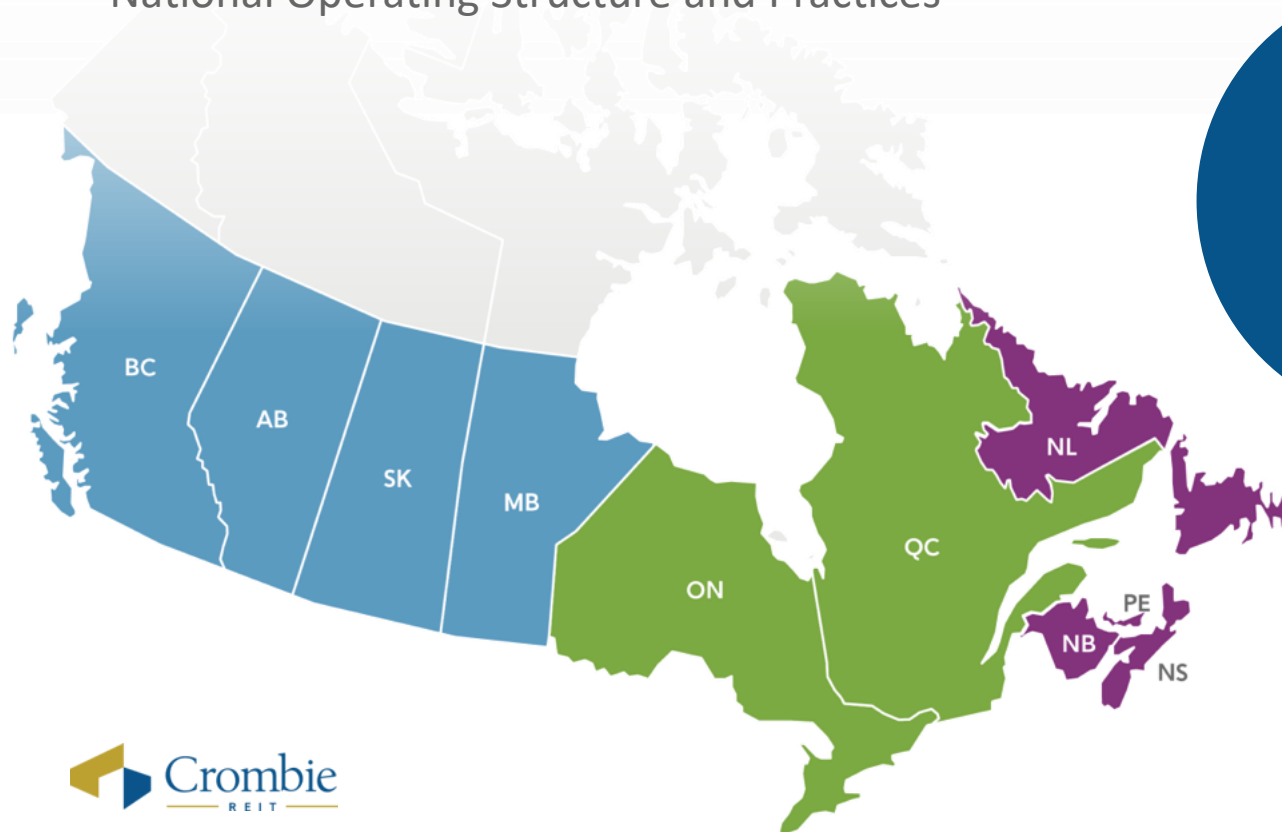
Chief Talent Officer &
Vice President,
Communications



Crombie REIT

National Organization

- National Organization with offices in Toronto, Calgary, Montreal, Halifax and St. John's. Head office in New Glasgow, NS
- National Operating Structure and Practices
- Strong Talent Management Programs
- New Enterprise Reporting System



325

**Employees
Coast to Coast**

Strong Leadership with Deep Bench

**DON CLOW**

President & CEO
Halifax, NS

Years of Experience:

Crombie REIT 10 | Industry 30+

**GLENN HYNES**

EVP & COO
New Glasgow, NS

Years of Experience:

Crombie REIT 9 | Industry 26+

**CLINTON KEAY**

CFO & Secretary
New Glasgow, NS

Years of Experience:

Industry 30+

**CHERYL FRASER**

CTO, VP Communications
New Glasgow, NS

Years of Experience:

Crombie REIT 7 | Industry 7+

**JOHN BARNOSKI**

EVP, Corporate Development
Mississauga, ON

Years of Experience:

Crombie REIT 4 | Industry 25+

**TREVOR LEE**

SVP, Development & Construction
Calgary, AB

Years of Experience:

Crombie REIT 5 | Industry 25+

**ARIE BITTON**

SVP, National Leasing & Operations
Mississauga, ON

Years of Experience:

Industry 15+

- Executive team well aligned with our Strategy
- Talent planning complete for the next 5 to 8 years
- Succession planning robust for all Executive roles
- 47% of Executives and VPs under age 50
- 15% of Executives and VPs are women
- Over 55% of our leadership development program participants are women
- Annual turnover rate low at less than 8% of which half are retirements

Development and Construction Team

In-House Expertise



Engineering

Leasing

Construction

Financing

Legal

Environmental

Analytics

Design

Culture, Talent and Platforms

Continuing to Build the Crombie of Tomorrow

**Attracting & Developing
Key Talent for 5 – 8 years
forward**



**Prioritizing Engagement =
Winning Attitude &
Empowerment**



**Leveraging Technology
to Create Winning
Conditions**



**Valuing Diversity &
Inclusion**



**Managing organizational and
individual performance closely**



Don Clow

President & Chief
Executive Officer
Crombie REIT



Sobeys Is Back: One of Canada's Strongest Retailers

Solid Fundamentals & Strong/Improving Portfolio

Empire: Sustainable Competitive Advantage

Development: Extraordinary Opportunities/Execution

Conservative Financial Condition

Industry Leading Talent

Strong S/M/L Term Investment Performance



Lunch

