

# Delivering Value

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Q1 2020 Results Conference Call  
MAY 7, 2020



### **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 uncertain economic impact of COVID-19, 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 our 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.*



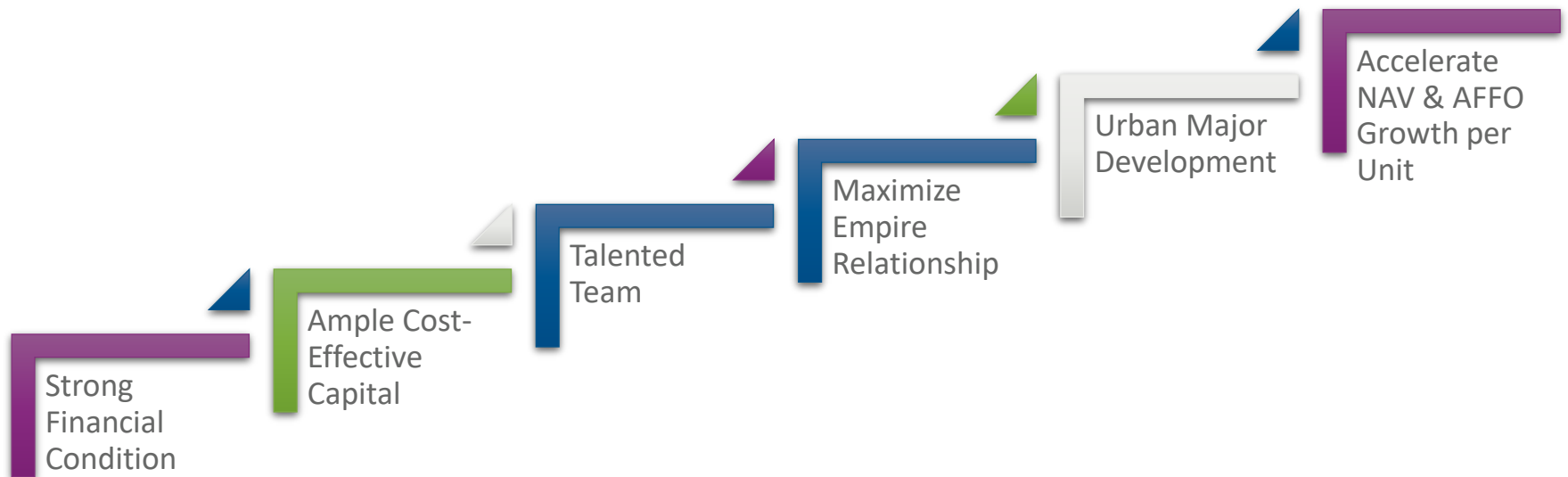
# Opening Remarks

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Don Clow  
President & CEO



# Crombie's Long-Term Strategy Unchanged Despite Global Pandemic



# COVID-19 Response: Majority of Space Open

## Essential Services Make up 67% of AMR<sup>1</sup>

### Mobilize

- Prioritized health, safety and wellbeing of our employees, tenants, communities and our business
- Reinforced strong financial condition with increased liquidity
- Crombie Values Small Business program launched
- Thank you Pay program for property employees

**~80% of retail  
portfolio by GLA  
remains open**

### Stability

- Maintaining strong financial condition, growing unencumbered asset pool
- Solid operating fundamentals through grocery and pharmacy-anchored portfolio
- Empire is a critical retailer of food and other essential products
- Talented team prudently guiding us forward

# Accelerate NAV & AFFO Growth per Unit

## Committed to Delivering Value to Stakeholders

Crombie's long-term strategy is to deliver strong risk adjusted returns by effectively allocating capital within our grocery and pharmacy-anchored real estate portfolio, to accelerate NAV and AFFO growth per unit.

Aligning strategies with Empire to maximize value creation	Modernizations
	FreshCo conversions
	E-commerce home delivery hub-and-spoke network
	Land-use intensifications
	Unlocking of major developments
Development	Le Duke and Montreal CFC currently on hold, construction restart scheduled for May 11th
	Davie Street in Vancouver, and Bronte Village in the GTA continue, at slower pace
	Belmont Market in British Columbia experiencing minimal delays
	Through 2020 and 2021 expect to reach completion on ~\$600 million of construction
	Backfilling pipeline with another seven projects in pre-planning



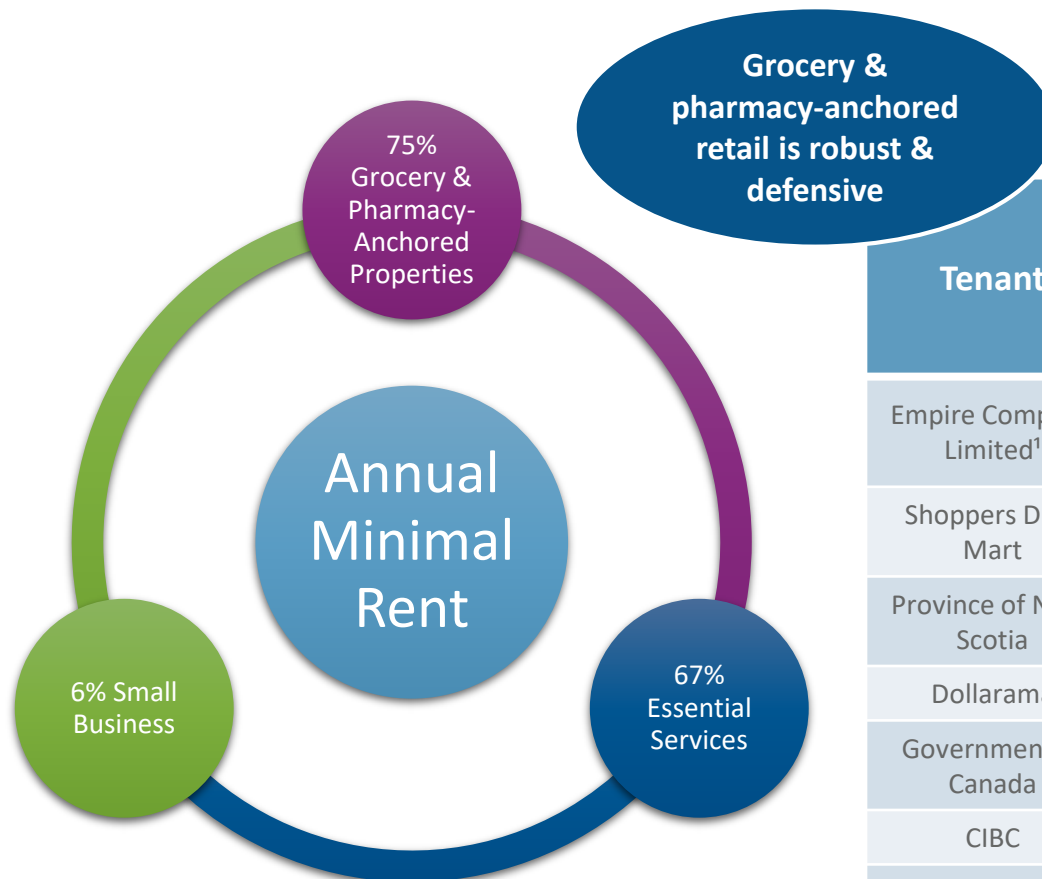
# Development & Operational Highlights

Glenn Hynes  
EVP & COO



# Well Positioned with Defensive Portfolio

## Largest Tenants Investment Grade



Tenant	% of AMR	Avg Remaining Lease Term (yrs)	DBRS Rating
Empire Company Limited <sup>1</sup>	53.8%	13	BBB (low)
Shoppers Drug Mart	4.1%	9	BBB
Province of Nova Scotia	1.5%	8	A (high)
Dollarama	1.4%	6	BBB
Government of Canada	1.2%	4	AAA
CIBC	1.2%	11	AA
Bank of Nova Scotia	1.1%	3	AA



# Well Positioned with Defensive Portfolio

## Collected 87% of April 2020 Rent Amidst Pandemic

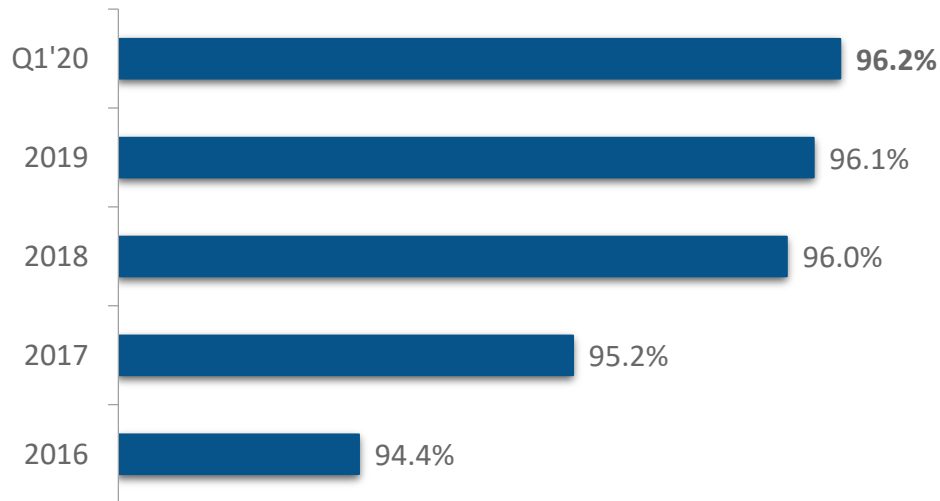
	% of April '20 Gross Rent Collected	% of Gross Rent, Total Portfolio
Retail & Commercial	86%	91%
Office	94%	6%
Retail-Related Industrial	100%	3%
	<b>87%</b>	<b>100%</b>
	<b>Balance of Gross Rent</b>	
2-Month Rent Deferrals	2%	
Choosing Not to Pay	11%	
<b>Total</b>	<b>100%</b>	

~40% of uncollected April gross rent from one property: Avalon Mall, enclosed shopping centre

# Strong Fundamentals

## Improved Occupancy Drives Performance

Committed Occupancy



44,000 SF  
**New Leases**  
\$22.87 PSF

124,000 SF  
**Committed**  
\$20.08 PSF

# Davie Street, Vancouver, BC

## Creating Significant Unitholder Value

\$186M mixed-use development (\$107M<sup>1</sup> Crombie share) = ~330 residential rental units + Safeway + ancillary retail





# Belmont Market, Langford, (Victoria), BC

## Upgrading by Developing A+ Real Estate



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

# Avalon Mall, St. John's, NL

## Dominant Regional Shopping Centre

BOMA

Certificate of  
Excellence



Phase II: \$57M =  
CRU + Extension  
+ Pad Site



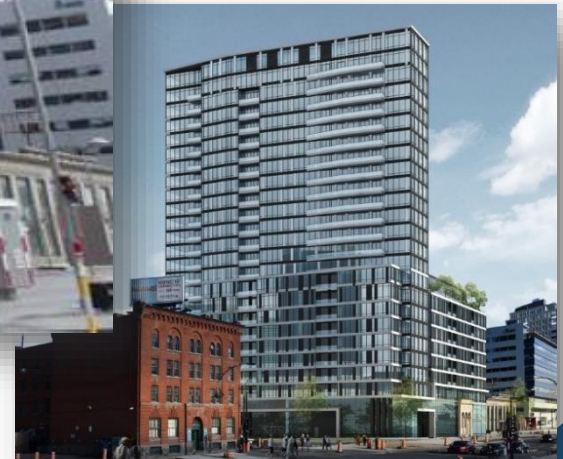


# Le Duke, Montreal, QC

## Placemaking along the Bonaventure Greenway



\$118M mixed-use tower (\$59M<sup>1</sup> Crombie share) = ~390 residential rental units + urban format IGA + ancillary retail





# Montreal CFC<sup>1</sup>, Pointe-Claire, QC

## Empire's State-of-the-art e-commerce CFC



Future home of  
Voilà par IGA  
e-commerce hub

Building  
construction  
starting this  
spring

# Bronte Village, Oakville, ON

## Building Community in the GTA

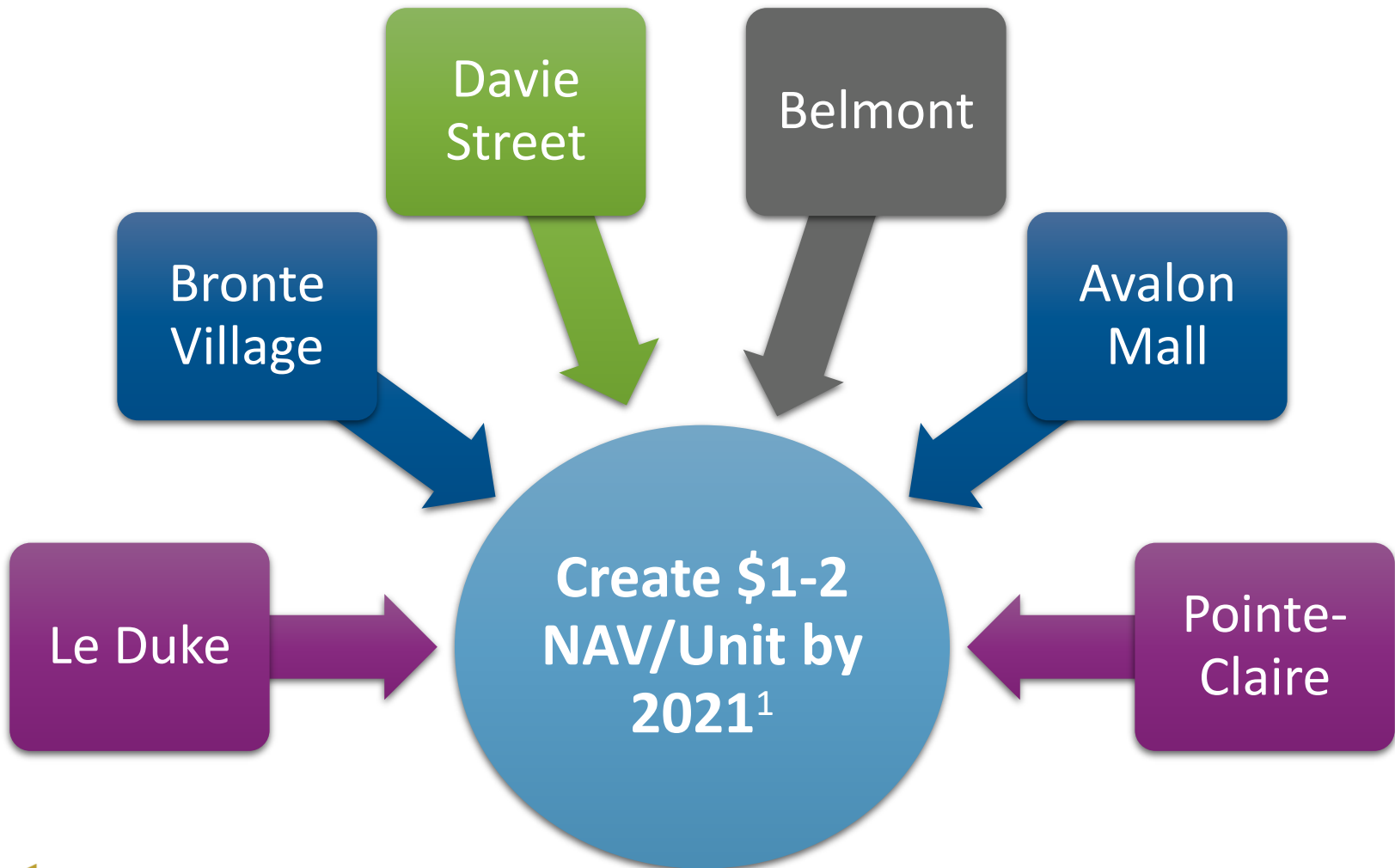
Steps away from  
the lakefront &  
access to everyday  
convenience

\$277M mixed-use  
development (\$139M<sup>1</sup>  
Crombie share) = ~480  
luxury residential rental  
units + Sobeys + ancillary  
retail



# Material NAV Creation

\$610M Investment in First 6 Major Developments





# Financial Highlights

Clinton Keay  
CFO & Secretary

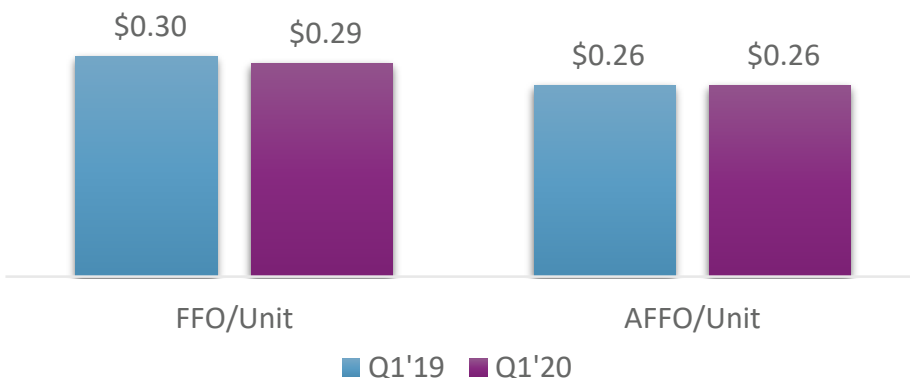


# Q1'20 Financial Highlights<sup>1</sup>

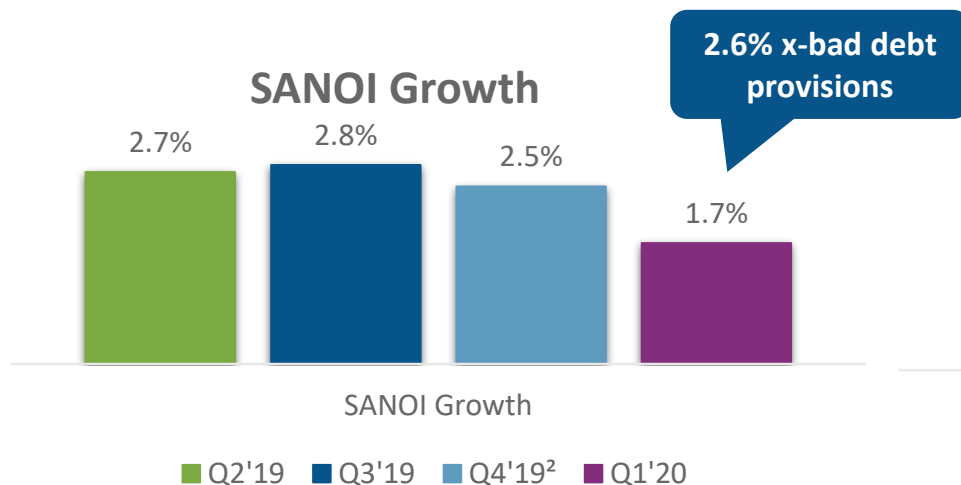
## Stable, Predictable Results

Results demonstrate consistency & stability of grocery & pharmacy-anchored portfolio

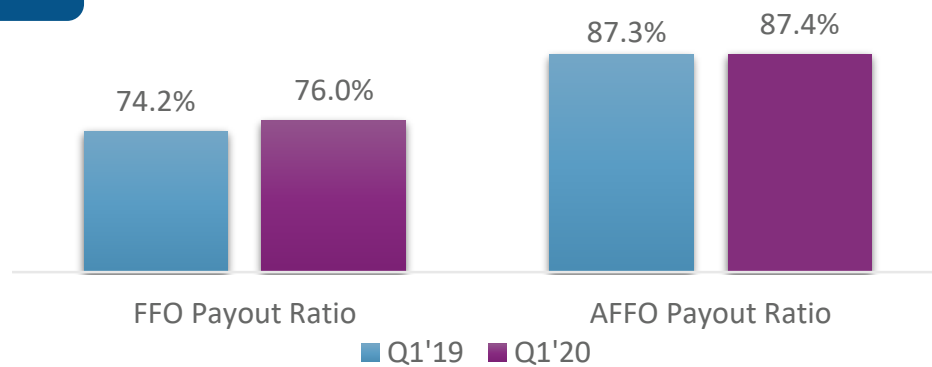
### FFO/AFFO per Unit



### SANOI Growth



### FFO/AFFO Payout Ratio



# Well-Laddered Debt Maturity Profile

## Extending Weighted Average Term to Maturity





# Building Financial Strength

## Ample Liquidity

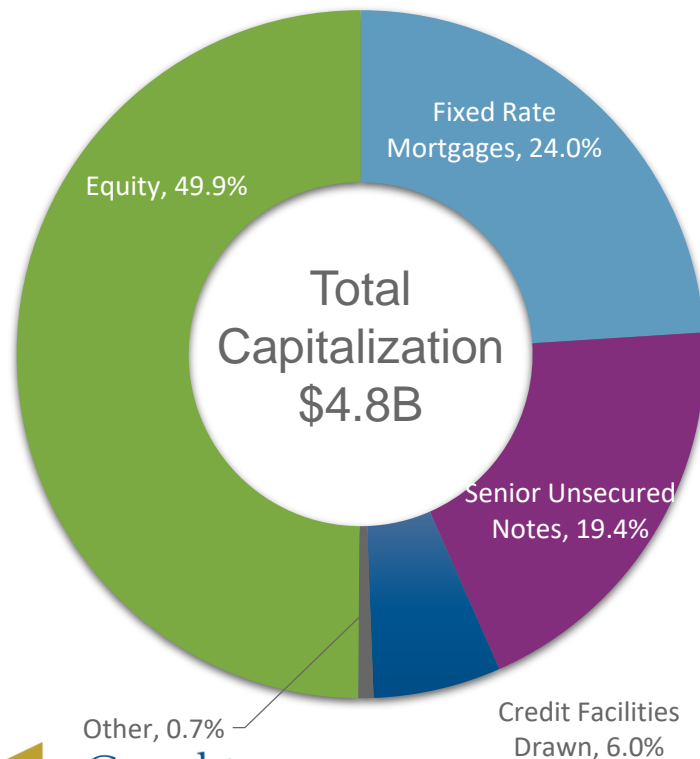
\$1.5B  
Unencumbered  
Assets

\$500M  
Liquidity<sup>1</sup>

8.44x Debt to  
EBITDA<sup>2</sup>

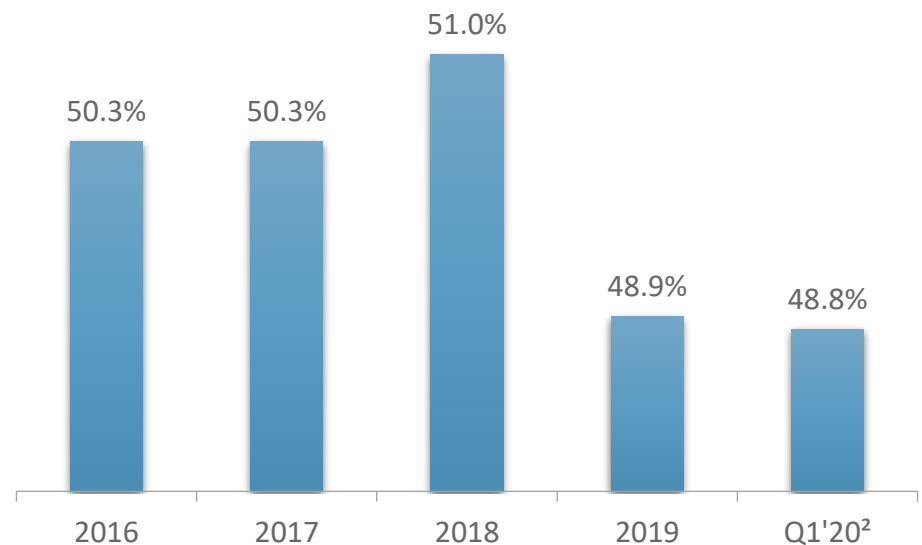
3.18x Interest  
Coverage

BBB Low  
(Stable) by  
DBRS



<sup>1</sup>As of May 7, 2020, <sup>2</sup>Debt defined as debt net of cash

### Debt to Gross Book Value (Fair Value)



# Delivering Value

