

# Proven Stability and Sustainable Growth

Q4 2020 Results Conference Call

**FEBRUARY 25, 2021**



## **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, time to substantial completion and expected annual investment with respect to these sites, impact on net asset value, and future debt maturities 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 Principles ("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**

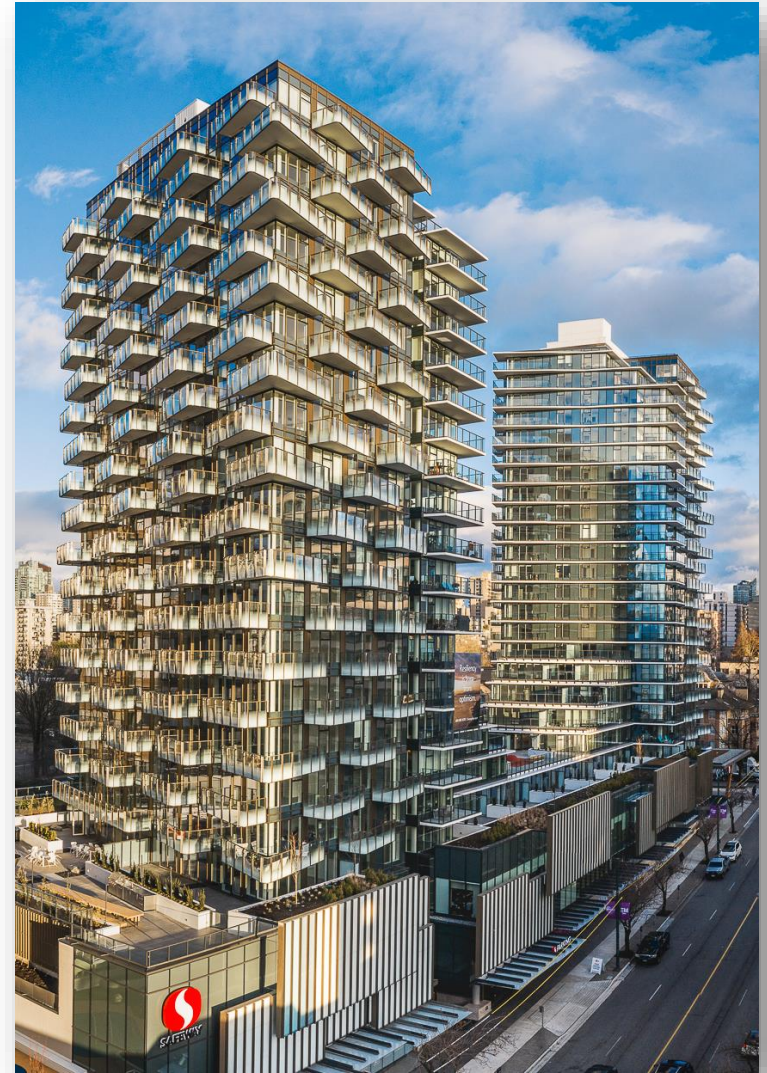
President & CEO



# Proven Stability and Sustainable Growth

## Focused Strategy Execution

- **Strengthened Financial Condition**
  - Ample Liquidity
  - Increased weighted average term to maturity
- **Strong Fundamentals**
  - Record occupancy 96.4%
  - Renewal growth +4.1%
- **Optimized Empire Relationship**
  - Sustainable competitive advantage
  - ~13 year weighted average lease term
- **Development Pipeline of 30 sites totaling an estimated \$4.3 – 6.1B**
  - First major developments on track with substantial completions achieved in 2020 and more expected in 2021
  - Expected annual investment of \$150 – 250 million
  - Enriching communities through long-term sustainable growth
- **Improved Portfolio Quality**
  - Developing & acquiring asset
- **Innovative Capital Recycling**
  - Organic funding for our development pipeline





# Accelerate NAV & AFFO Growth per Unit

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

- Aligning strategies and capital allocation with Empire to maximize value creation
  - Modernizations
  - FreshCo conversions in Western Canada
  - Online grocery home delivery hub-and-spoke network
  - Land-use intensifications
  - Unlocking of major developments



# Accelerate NAV & AFFO Growth per Unit

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

- Development of Retail Residential & Retail Related Industrial

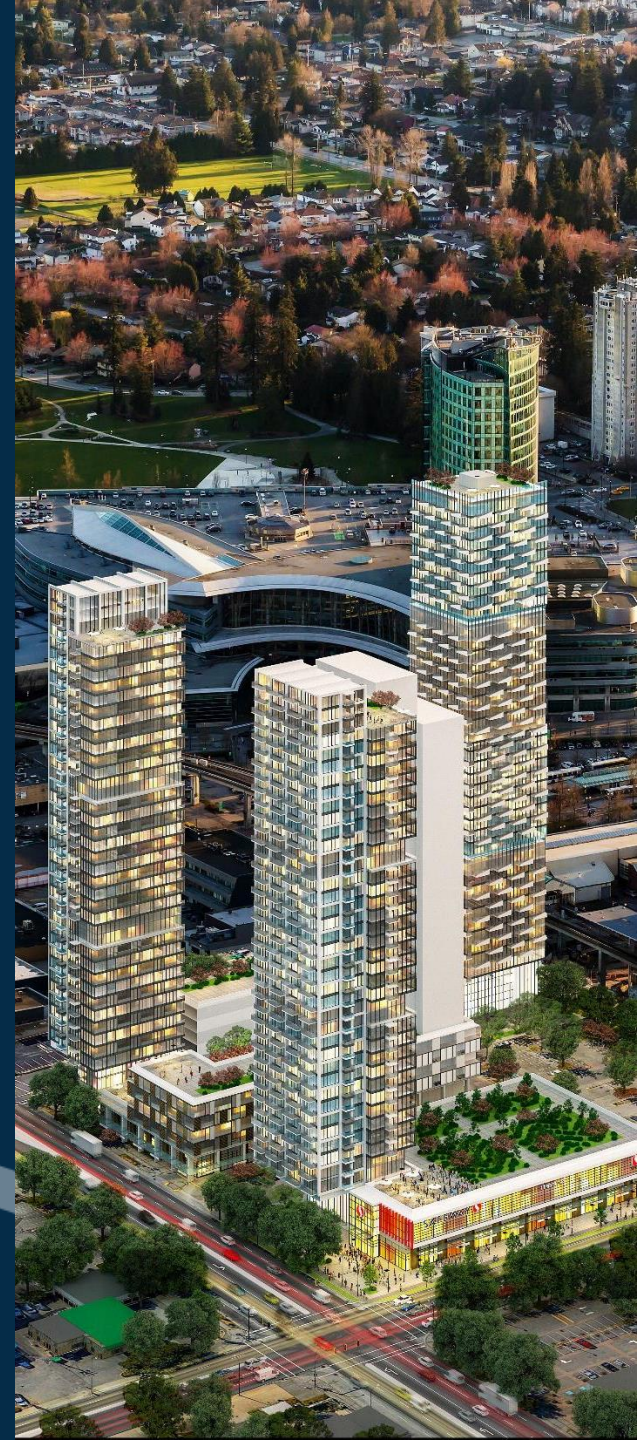
- Through 2020 and 2021 expect to reach completion on \$612 million of construction with significant NAV creation<sup>1</sup>
- 2020 Substantial Completion: Davie Street Retail, Montreal CFC<sup>1</sup>, Belmont Market and Avalon Mall
- 2021 Expected Substantial Completion: Davie Street Residential, Bronte Village, and Le Duke
- Backfilling pipeline with another ten projects in various stages of entitlements and pre-planning





# Development & Operational Highlights

Glenn Hynes  
EVP & COO



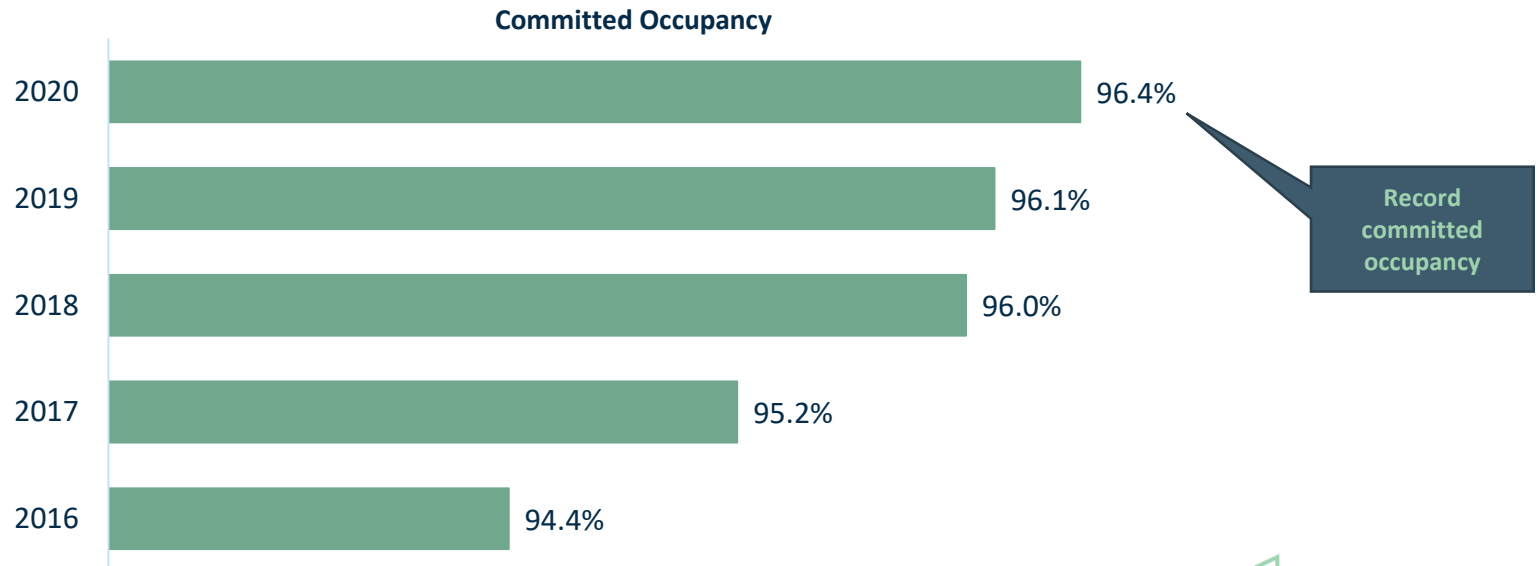
# Strong Fundamentals

## Record Occupancy Drives Performance

248,000 SF  
**New Leases**  
\$18.04 PSF

432,000 SF  
**Committed**  
\$19.66 PSF

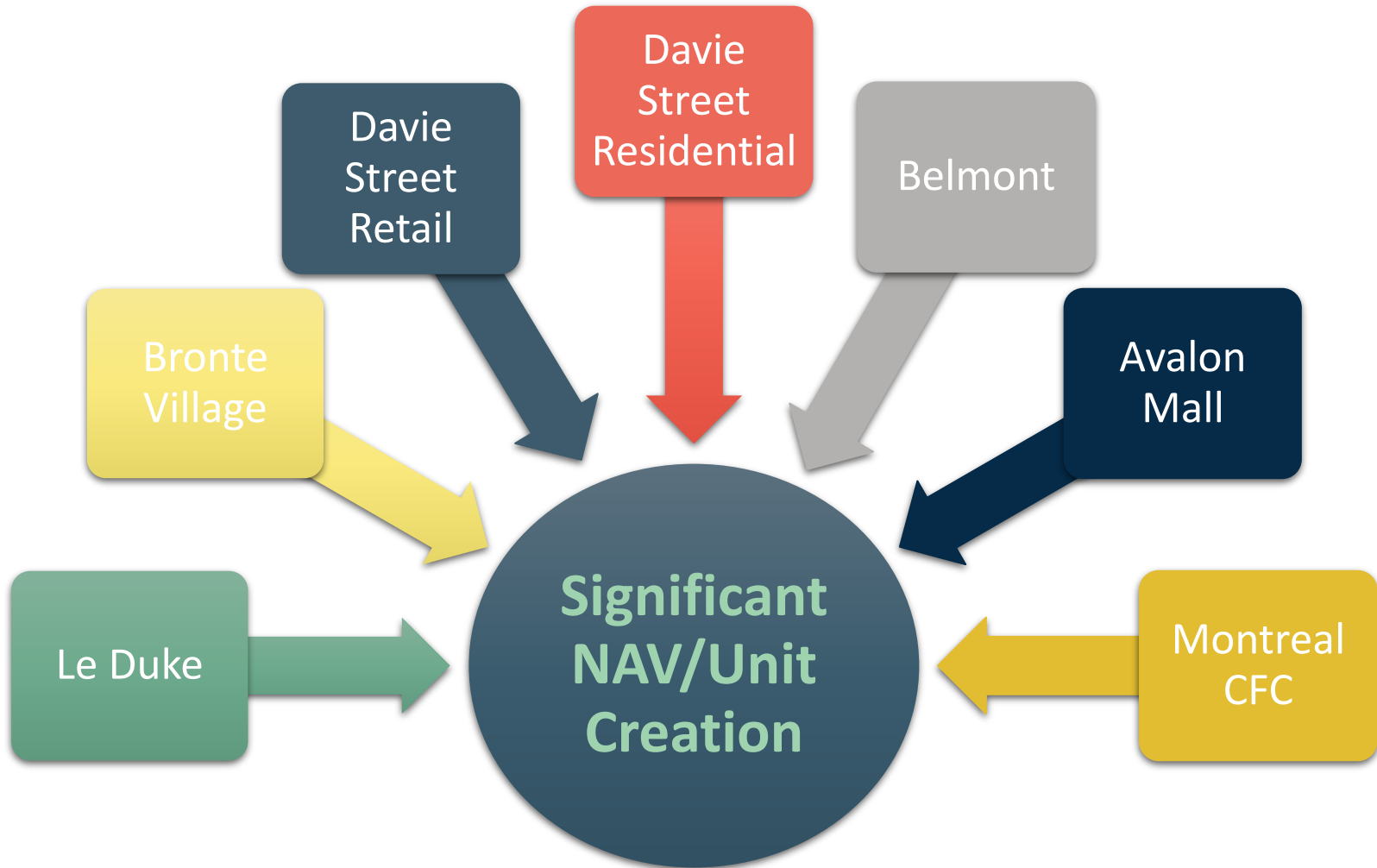
758,000 SF  
**Renewals**  
+4.1% growth





# Material NAV Creation

\$612M Investment in First Major Developments



# Completed Major Developments

## Creating Significant Unitholder Value



Belmont Market  
Langford (Victoria), BC



Avalon Mall  
St. John's, NL



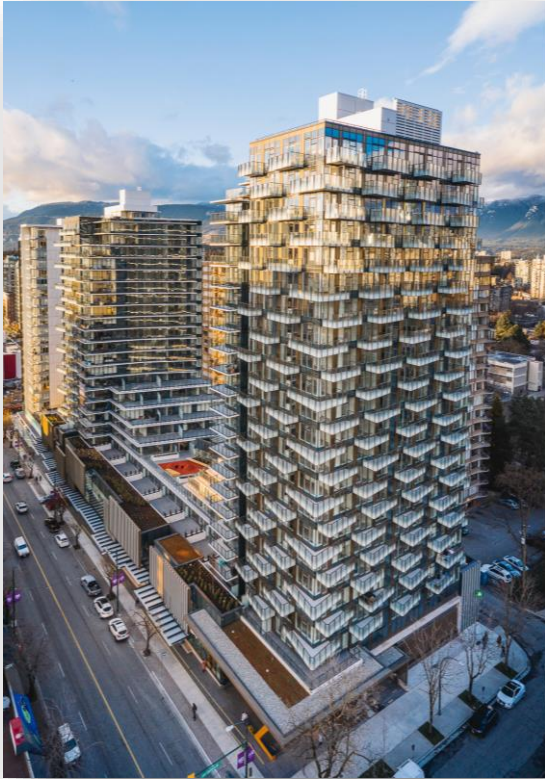
Montreal CFC  
Pointe-Claire, QC



Davie Street Retail  
Vancouver, BC

# Active Major Developments

## Upgrading by Developing A+ Real Estate



**Davie Street Residential**  
Vancouver, BC



**Le Duke**  
Montreal, QC



**Bronte Village**  
Oakville, ON



# Potential Major Developments

## Unlocking & Realizing Significant Value



Broadway and Commercial Rendering  
Vancouver, BC

# Financial Highlights

Clinton Keay

CFO & Secretary



# Well Positioned with Defensive Portfolio

## 98% Rent Collection for January

97% of  
portfolio open  
& operating

	% of Q4'20 Gross Rent Collected	% of 2020 Gross Rent Collected	% of January'21 Gross Rent Collected
Retail	98%	96%	98%
Office	99%	99%	99%
Retail-related Industrial	100%	100%	100%
Total	<b>98%</b>	<b>96%</b>	<b>98%</b>

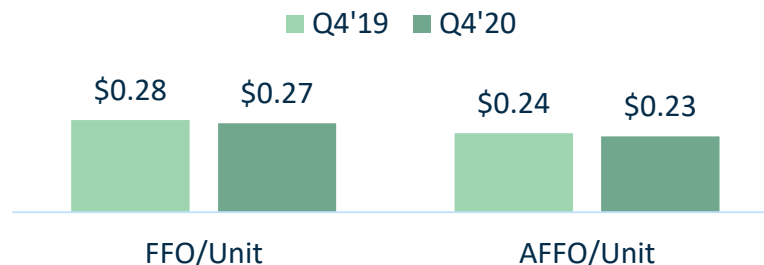


# Q4'20 Financial Highlights<sup>1</sup>

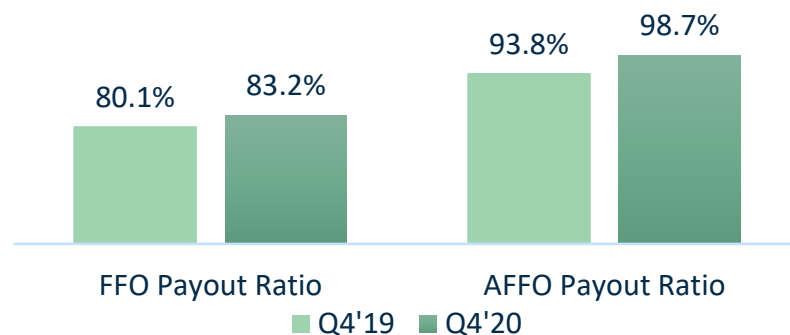
## Impact of COVID-19

Adjusting for impacts of COVID-19 and the interest premium paid, operating results were strong and ahead of Q4'19.

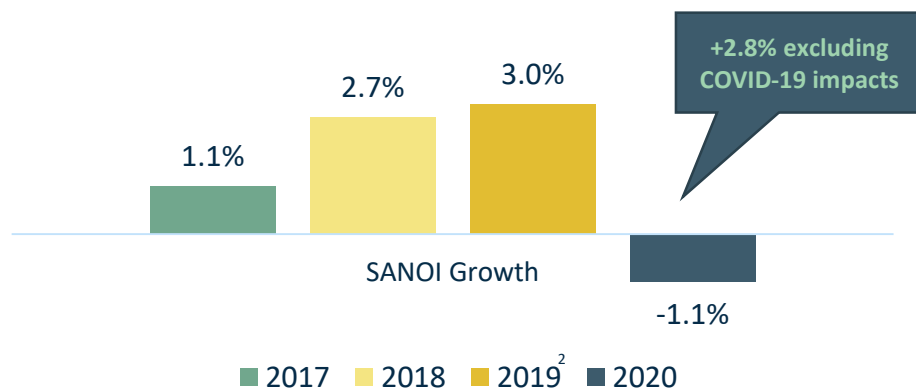
### FFO/AFFO per Unit



### FFO/AFFO Payout Ratio



### SANOI Growth

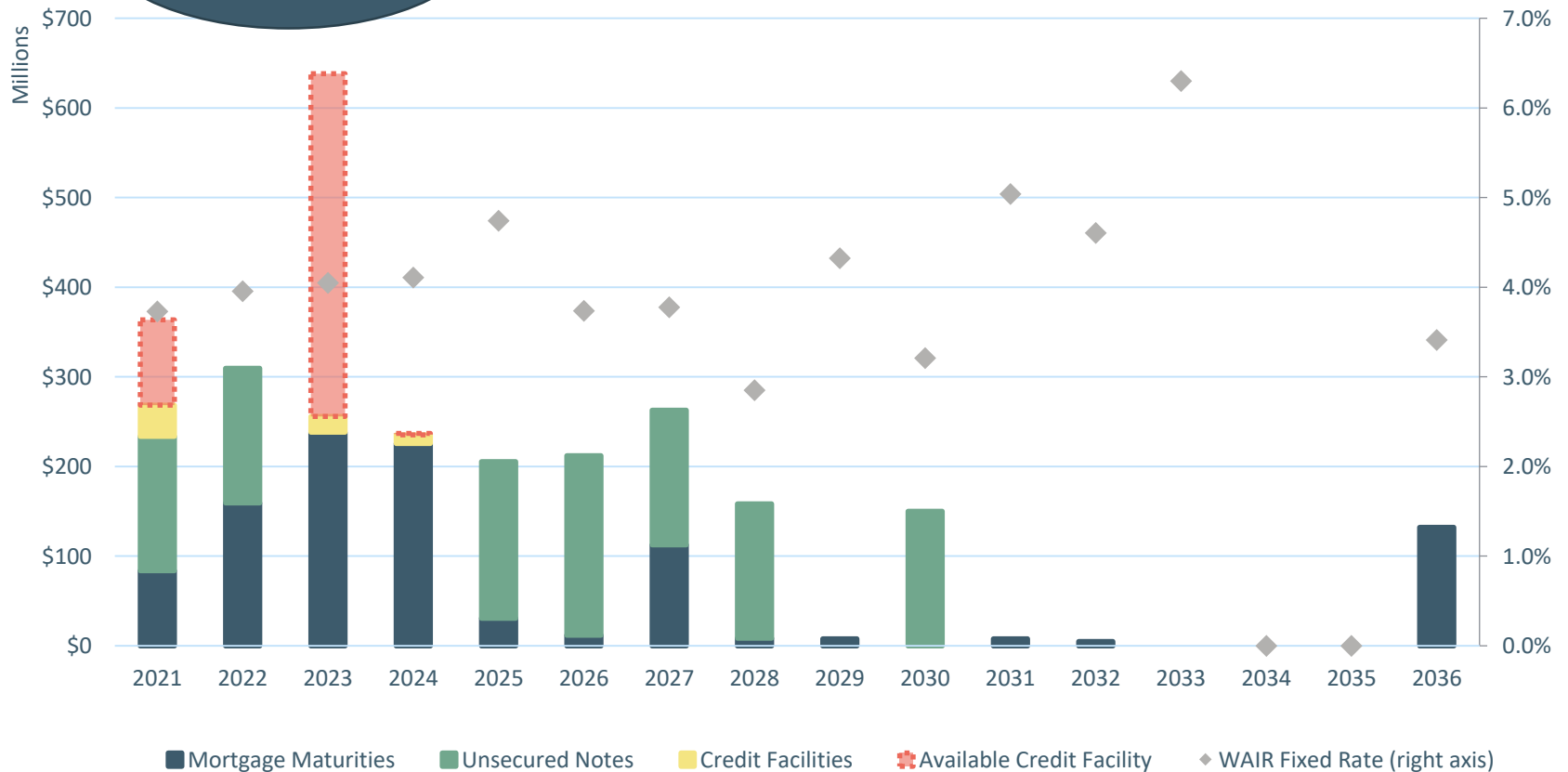


# Well-Laddered Debt Maturity Profile

## Extending Weighted Average Term to Maturity

Increasing allocation to  
unsecured debt,  
allowing for additional  
future financing  
flexibility

~\$270M of maturing  
debt in 2021 with  
weighted average  
interest rate of 3.7%



# Building Financial Strength

## Ample Liquidity

**\$1.4B**  
Unencumbered  
Assets

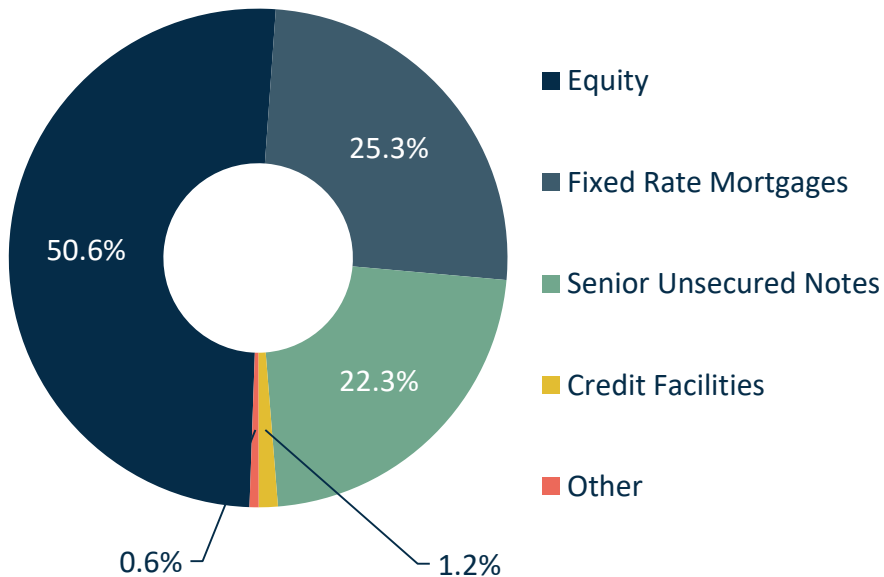
**\$472M**  
Liquidity

**9.19x Debt**  
to EBITDA<sup>1</sup>

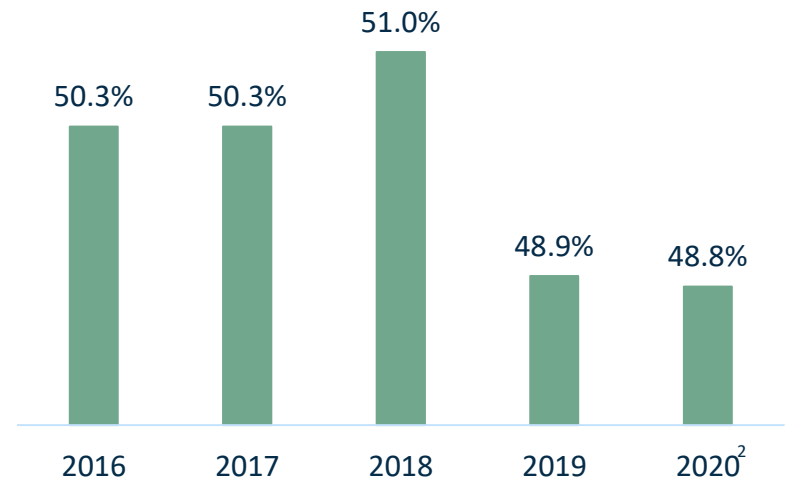
**2.77x Interest**  
Coverage

**BBB Low**  
(Stable) by  
DBRS

**Total Capitalization \$5.0B**



**Debt to Fair Value**





# Closing Remarks

Don Clow

President & CEO



# Proven Stability and Sustainable Growth

Davie Street, Vancouver, BC



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