

# Proven Stability and Sustainable Growth

Q4 2021 Results Conference Call

**FEBRUARY 24, 2022**



## **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, same-asset property cash NOI ("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. See the section titled "Non-GAAP Financial Measures" in Crombie's Management's Discussion and Analysis for the quarter and year ended December 31, 2021 ("Q4'21 MD&A") and the reconciliations referenced in that section, all of which are incorporated into this presentation by this reference, for a discussion of these non-GAAP measures. A copy of the Q4'21 MD&A is available under Crombie's profile on SEDAR at [www.sedar.com](http://www.sedar.com).*

# Opening Remarks

Don Clow

President & CEO



# Long-term value creation

Strong, stable portfolio with opportunity for growth

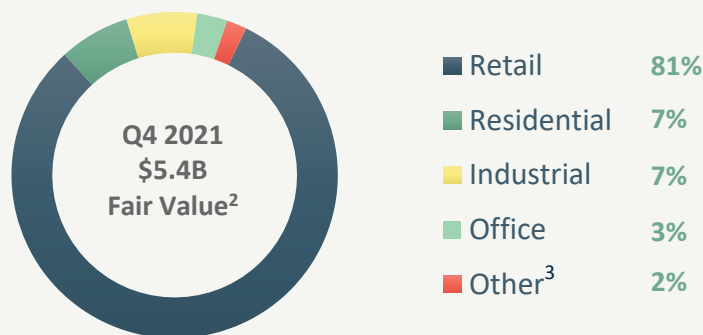
## Strong, stable portfolio

Resilient **grocery-anchored properties** that meet the needs of our tenants, their customers and communities

Committed occupancy of **96.2%**

**+5.0%** annual same-asset property cash NOI<sup>1</sup> growth

**Strong** fair value growth



## Value-enhancing major development pipeline

High quality real estate enriching communities through **long-term sustainable growth**

Development pipeline of **31 projects** totalling an estimated **\$5.3 - \$7.5 billion**

**6 near term projects** of which 2 are under active development

Expected annual investment of **\$150 - \$250 million**

1. Non-GAAP financial measures used by management to evaluate Crombie's business performance. See Q4'21 MD&A for additional information and comparable GAAP measures.
2. Includes investment held in joint ventures at Crombie's share
3. Other includes Properties Under Development (PUD) and land

# Long-term value creation

Strong, stable portfolio with opportunity for growth

## Strategic partnership with Empire

**Collaboration with Empire drives operational stability, resilience, and growth**

**86%** of retail properties anchored by Empire

**12.2 year** weighted average lease term

Expected annual investment of **\$100 - \$200 million**

## Strong financial position

**Ample cost-effective capital, strong balance sheet, innovative capital recycling program**

**\$1.8 billion** fair value of unencumbered assets

**\$508 million** available liquidity

**42.9%** debt to gross fair value<sup>1</sup>

# Environmental, social, and governance (ESG) considerations



## Environment

- Sustainable construction and design
- Energy consumption

## Social

- Talent attraction, development, and retention
- Diversity, equity, and inclusion
- Healthy, safety, and well-being

## Governance

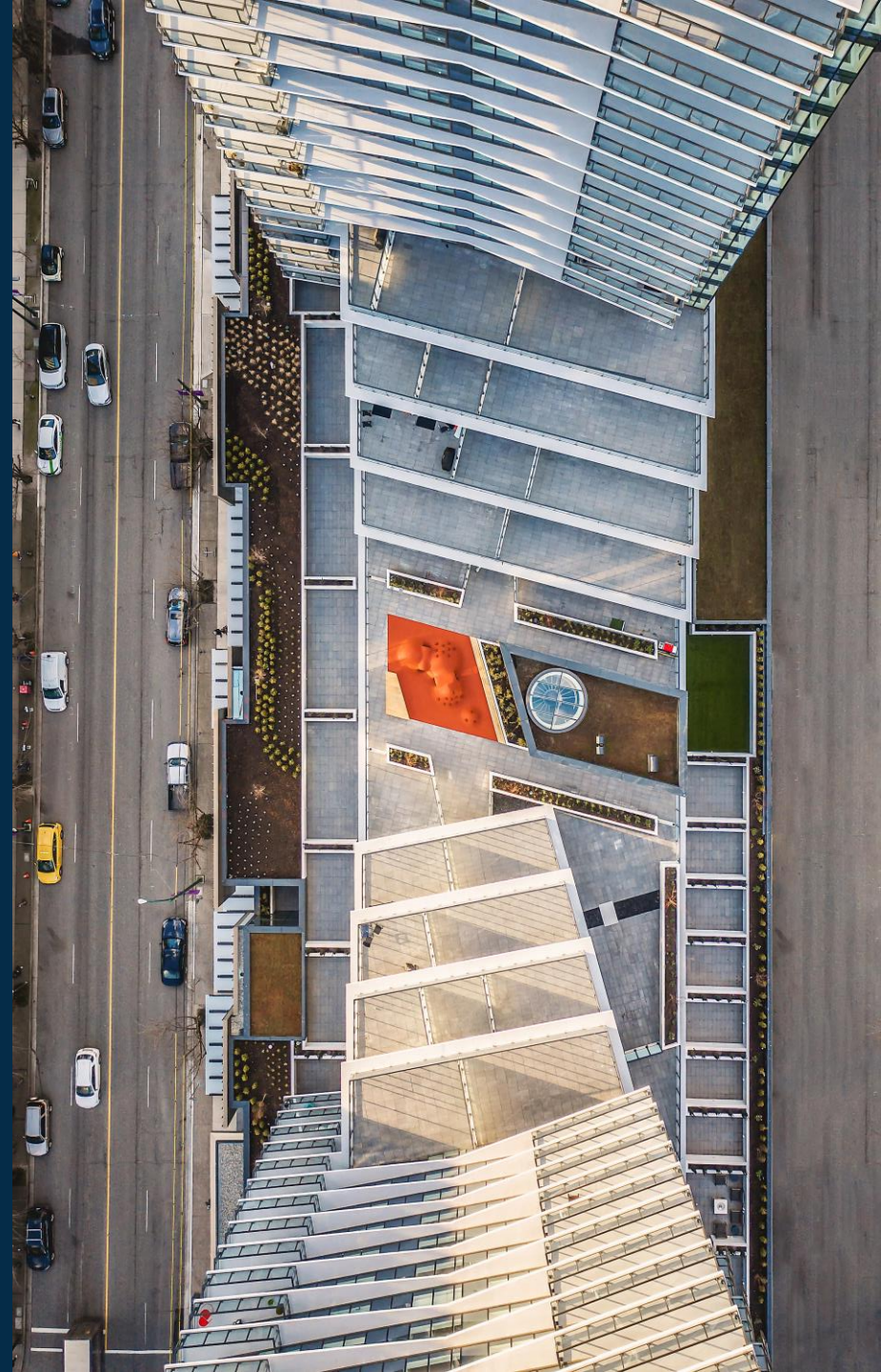
- Board composition and governance
- Risk management



# Development & Operational Highlights

Glenn Hynes

EVP & COO



# Progress on Major Development Pipeline

Meaningful value creation arising from development projects in VECTOM



**Davie Street**  
Vancouver, BC



**Le Duke**  
Montreal, QC



**Bronte Village**  
Oakville (Toronto), ON



**Pointe-Claire CFC 2**  
Montreal, Quebec



# Voilà Hub and Spoke Concept

Accelerate the build-out of Empire's online grocery home delivery service



# Distinct Opportunities for Value Recognition

**Significant entitlement  
of development lands  
accelerates growth**

**Completion of  
development projects  
increases fair value, NAV  
and AFFO growth**

**Developments increase  
urban concentration and  
diversification**





# Strong Fundamentals

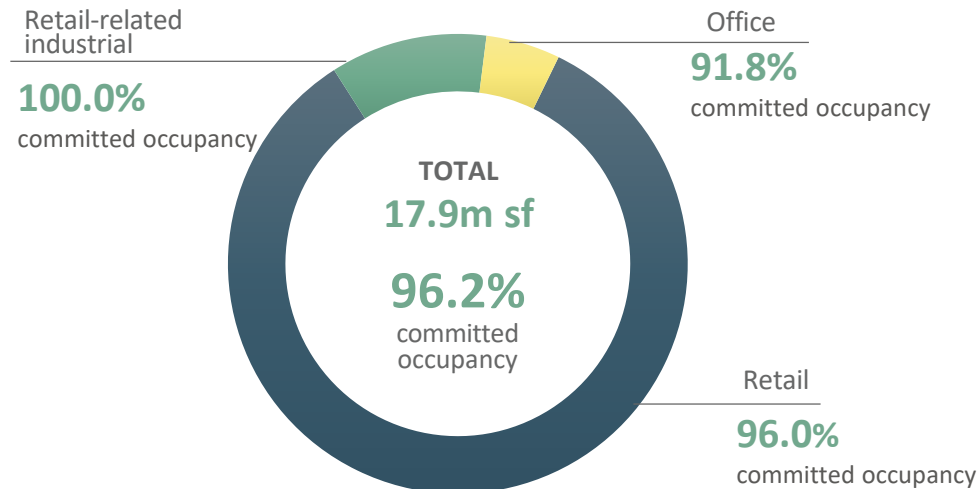
Solid occupancy drives performance

710,000 SF  
**New Leases**  
\$20.92 PSF

114,000 SF  
**Committed Leases**  
\$18.76 PSF

905,000  
**Lease Renewals**  
+3.4% growth

## Committed Occupancy



# Financial Highlights

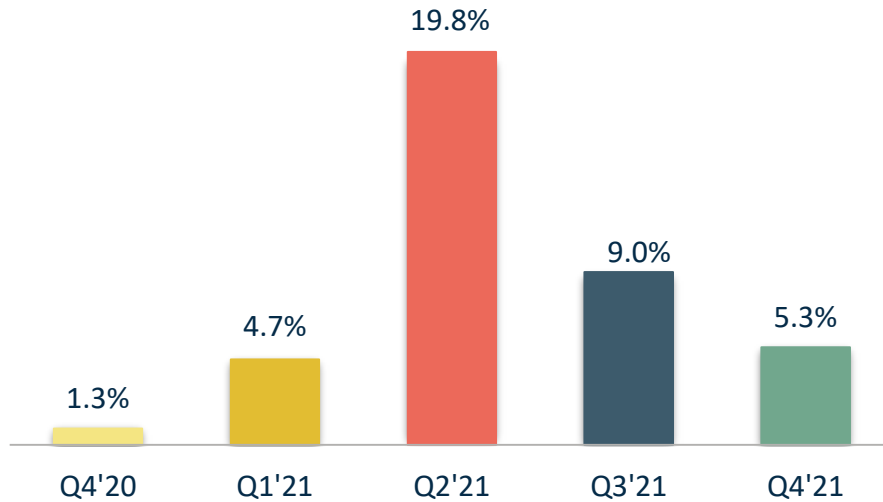
Clinton Keay  
CFO & Secretary



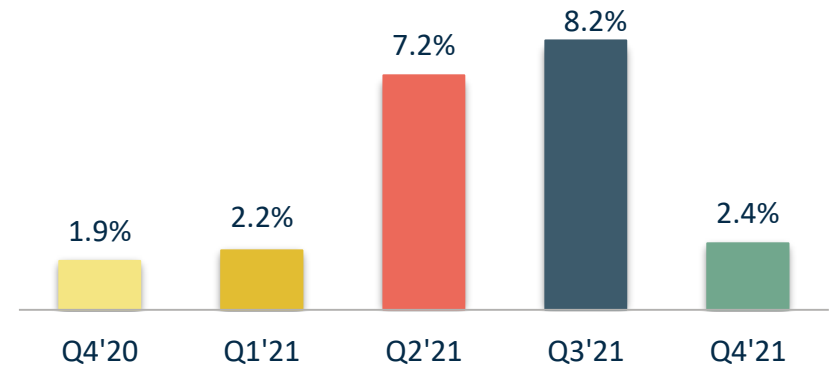


# Q4'21 Financial Highlights

## Net Property Income Growth



## SANOI Growth<sup>1</sup>



# Building Financial Strength

As at December 31, 2021

**\$1.8B**

Fair value of  
unencumbered  
assets

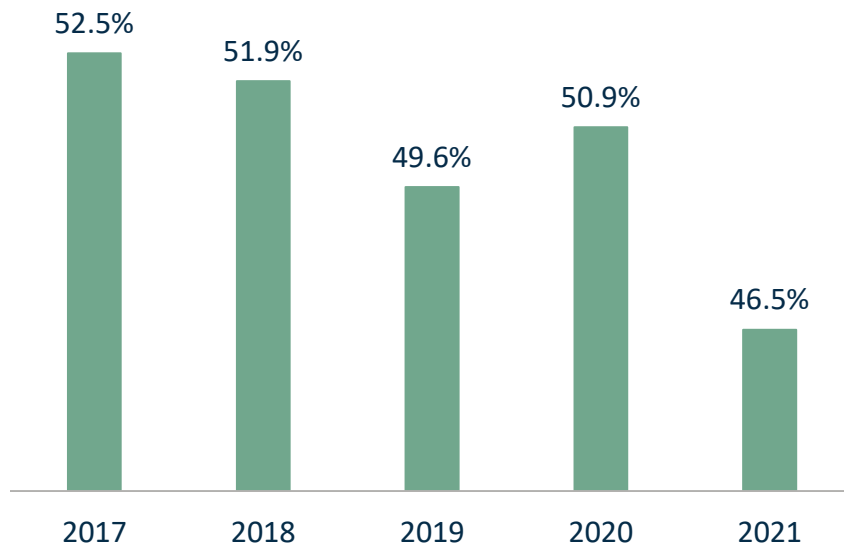
**\$508M**

Available  
liquidity

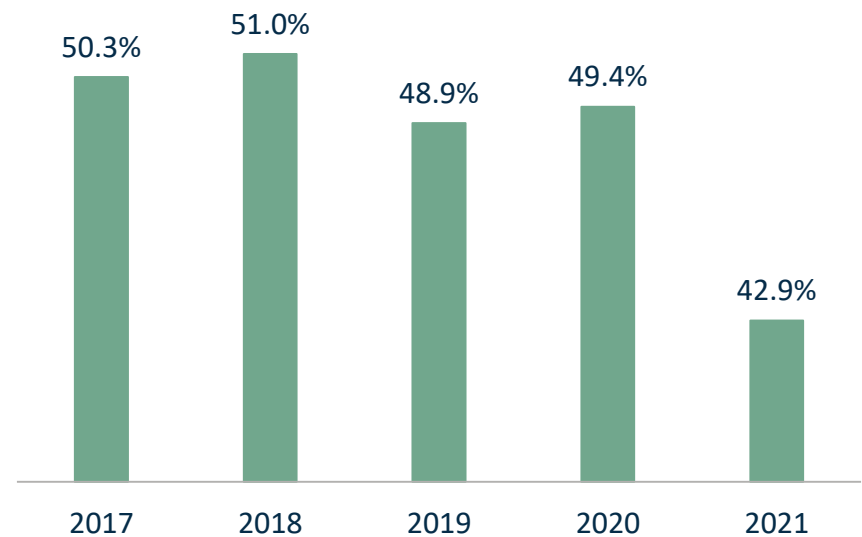
**BBB (low)  
negative**

DBRS rating provides  
attractive unsecured debt  
financing

Debt to Gross Book Value – Cost Basis



Debt to Gross Fair Value<sup>1</sup>



# Closing Remarks

Don Clow

President & CEO



# Grocery-anchored property portfolio provides cash flow stability and high quality growth

## Strong, Stable Portfolio

Well-positioned defensive portfolio

## Strategic Partnership

Aligning strategies with Empire; maximizing value creation

## Development Pipeline

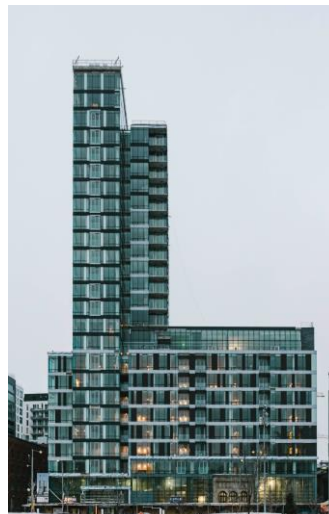
Focused on high growth urban and suburban markets with development opportunities

## Strong Financial Condition

Optimal low-cost capital structure with ample liquidity

## Highly Skilled Team and Caring Culture

Attract, develop and retain talented team who can execute our strategy and think innovatively





# Proven Stability and Sustainable Growth

