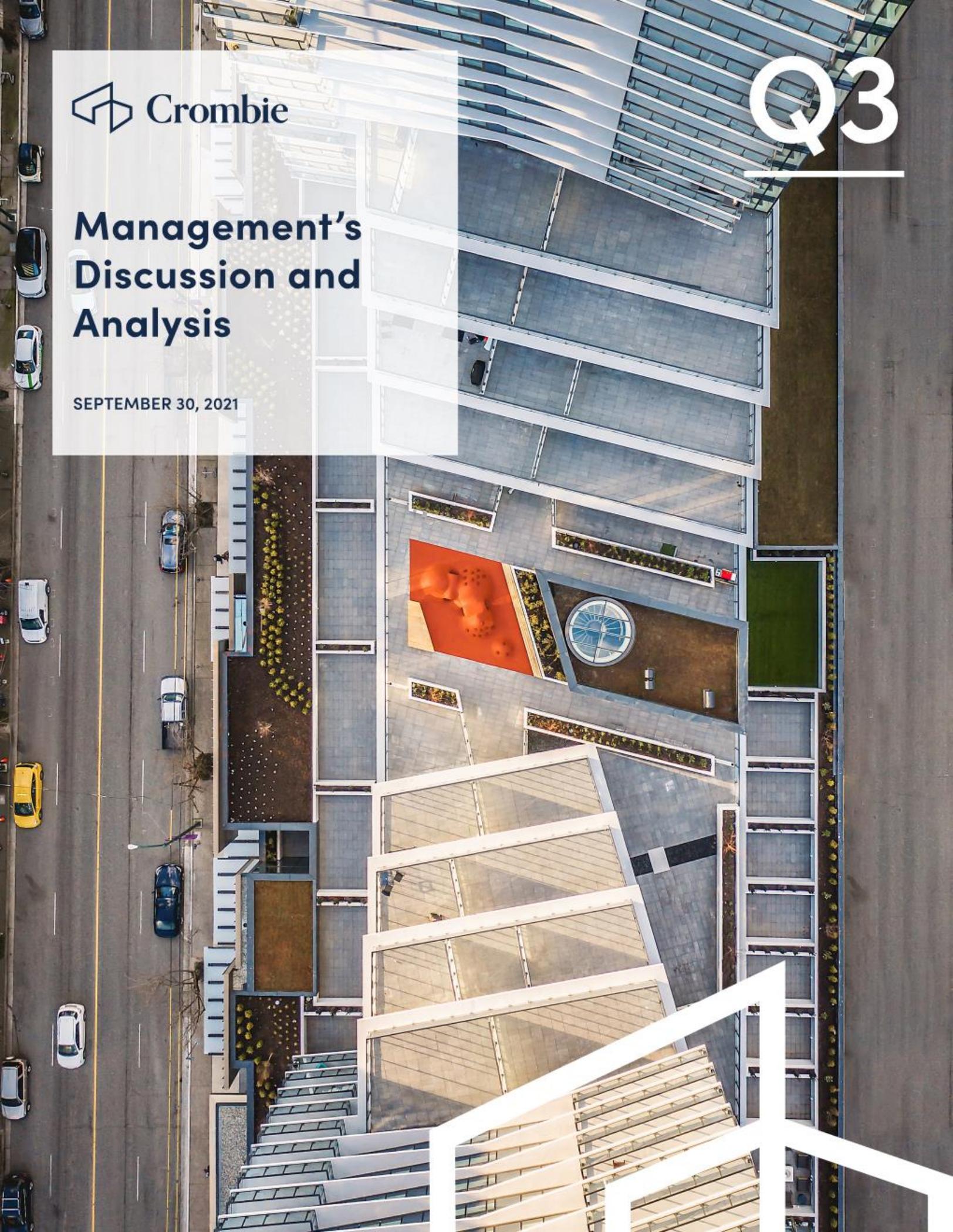




Q3

Management's Discussion and Analysis

SEPTEMBER 30, 2021



INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") of the consolidated financial condition and financial performance of Crombie Real Estate Investment Trust ("Crombie") should be read in conjunction with Crombie's interim condensed consolidated financial statements as at and for the three and nine months ended September 30, 2021 and 2020. This MD&A should also be read in conjunction with Crombie's audited consolidated financial statements as at and for the years ended December 31, 2020 and 2019.

Except for per Unit, gross leasable area ("GLA") and square footage ("sq. ft.") amounts and where otherwise noted, all amounts in this MD&A are reported in thousands of Canadian dollars.

The information contained in the MD&A, including forward-looking statements, is based on information available to management as of November 9, 2021, except as otherwise noted.

Additional information relating to Crombie, including its latest Annual Information Form, can be found on the SEDAR website for Canadian regulatory filings at www.sedar.com.

For definitions of certain acronyms and specialized terms we use in this document, refer to the "Glossary of Terms" on page 7.

FOOTNOTES

(*) NON-GAAP FINANCIAL MEASURES

Some of the financial measures we provide in this document are non-GAAP financial measures that have no standardized meaning under International Financial Reporting Standards (IFRS) and therefore may not be comparable to similar measures presented by other companies. See "Non-GAAP Financial Measures", starting on page 57, for more information on Crombie's non-GAAP financial measures and reconciliations thereof.

FORWARD-LOOKING STATEMENTS

Some of the information we provide in this document is forward-looking and therefore could change over time to reflect changes in the environment in which we operate and compete. See "Forward-looking Information", starting on page 60, for more information.

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1. KEY HIGHLIGHTS

We use financial and operational metrics to measure our performance. These key metrics are highlighted below:

FINANCIAL METRICS (in thousands except GLA and per Unit amounts)

Property revenue

Q3 2021	YTD 2021
\$101,517	\$305,060
Q3 2020 \$92,920 +9.25%	YTD 2020 \$291,673 +4.59%

The increase in property revenue in the quarter and year to date is due primarily to increased rental revenue from development activity, acquisitions, strong occupancy, and modernizations.

On a year to date basis, lease termination income contributed additionally to the increase, offset in part by increased tenant incentive amortization.

Operating income attributable to Unitholders

Q3 2021	YTD 2021
\$23,851	\$76,671
Q3 2020 \$19,734 +20.86%	YTD 2020 \$50,451 +51.97%

The increase in operating income attributable to Unitholders in the quarter is driven primarily by income from development activity, acquisitions, and strong occupancy, gain on disposal of investment properties, and by a reduction in bad debt expense. The increase is offset in part by an impairment recognized on one retail property, loss on equity accounted investments, and increased finance costs from operations due to the addition of new unsecured debt since the third quarter of 2020 and lower capitalized interest on developments.

On a year to date basis, the growth in net property income is offset in part by increased finance costs from operations as discussed above, higher general and administrative expenses caused primarily by a higher Unit price and its impact on Unit-based compensation plans, and loss from equity accounted investments.

Same-asset property cash NOI^(*)

+8.23%	+5.82%
Q3 2021 \$64,741	YTD 2021 \$191,003
Q3 2020 \$59,817	YTD 2020 \$180,502

The increase in same-asset property cash NOI for both the quarter and year to date compared to the same periods in 2020 is primarily due to reduced bad debt expense resulting from decreased collection risk, strong occupancy, and higher supplemental rents from modernizations and capital improvements.

On a year to date basis, lease termination income contributed additionally to the increase.

FFO^(*) per Unit

Q3 2021	YTD 2021
\$0.29	\$0.86
Q3 2020 \$0.27 +7.41%	YTD 2020 \$0.79 +8.86%

FFO per Unit increased for the quarter and year to date from the same periods in 2020 primarily due to increased net property income, which was a result of decreased bad debt expense and income from development completions and modernizations. This is offset in part by loss from equity accounted investments resulting from residential development projects as they move towards revenue stabilization, and by increased finance costs from operations largely due to the addition of new mortgages and unsecured debt since the third quarter of 2020 and lower capitalized interest on developments.

On a year to date basis, lease termination income contributed to the increase in net property income, offset in part by higher general and administrative costs which were primarily the result of the impact of increased Unit price on Unit-based compensation plans.

FINANCIAL METRICS (CONTINUED)

FFO^(*) payout ratio

Q3 2021	YTD 2021
76.5%	78.2%
Q3 2020 81.2% +4.7%	YTD 2020 85.1% +6.9%

The improved payout ratios resulted from higher FFO for both the quarter and year to date, offset in part by higher total distributions due to increased number of Units outstanding from the issuance of 6,025,000 Units in the second quarter of 2021.

AFFO^(*) per Unit

Q3 2021	YTD 2021
\$0.25	\$0.73
Q3 2020 \$0.22 +13.64%	YTD 2020 \$0.66 +10.61%

The increase in AFFO per Unit for the quarter and year to date is primarily due to the increase in FFO resulting from increased net property income due to decreased bad debt expense and income from developments and modernizations, offset in part by loss from equity accounted investments, and increased finance costs from operations.

On a year to date basis, increased lease termination income is offset by higher general and administrative costs, primarily the result of the impact of an increased Unit price on Unit-based compensation plans in 2021, offset in part by severance costs in the second quarter of 2020, and loss from equity accounted investments. The loss resulted from operating results from residential development projects as they move towards revenue stabilization.

AFFO^(*) payout ratio

Q3 2021	YTD 2021
89.1%	92.2%
Q3 2020 99.2% +10.1%	YTD 2020 101.7% +9.5%

The increased AFFO described above resulted in an improvement in the payout ratios for both the quarter and year to date, offset in part by higher total distributions due to the increased number of Units outstanding from the issuance of 6,025,000 Units in the second quarter of 2021.

OPERATIONAL METRICS

Renewals (GLA)

Q3 2021	YTD 2021
187,000	808,000
Q3 2020 172,000 +15,000	YTD 2020 558,000 +250,000

Renewal activity in the quarter consisted of 112,000 square feet in Rest of Canada, 57,000 square feet in Major Markets, and 18,000 square feet in VECTOM.

Year to date, renewal activity consisted of 416,000 square feet in Rest of Canada, 212,000 square feet in VECTOM, and 180,000 square feet in Major Markets.

Renewal spreads

Q3 2021	YTD 2021
3.7%	3.2%
Q3 2020 3.9% -0.20%	YTD 2020 4.0% -0.80%

The primary driver of the renewal growth in the quarter and year to date was retail plaza renewals at an increase of 4.1% and 3.6% over expiring rental rates, respectively.

OPERATIONAL METRICS (CONTINUED)

Committed occupancy



Economic occupancy



Record committed occupancy of 96.5% included 121,000 square feet of committed space in the quarter. Approximately 90,000 square feet of committed space is in VECTOM and Major Markets, including 47,000 square feet at our Scotia Square complex in downtown Halifax.

Strong economic occupancy is primarily due to new leases of 653,000 square feet, largely at our major development projects, outpacing lease expiries and other changes by 392,000 square feet. Notable new leases include Empire's Voilà par IGA Customer Fulfillment Centre ("CFC") in Montreal and the Voilà by Sobeys spoke at The Queensway Commons.

FINANCIAL CONDITION METRICS

Interest coverage ratio^(*)



The improvement in interest coverage ratio compared to the same periods in 2020 is due to the increase in property revenue resulting primarily from development activity, acquisitions, and modernizations, as well as continued low interest rates. This is partially offset by increased finance costs from operations from new mortgages and unsecured debt and reduced capitalized interest on developments.

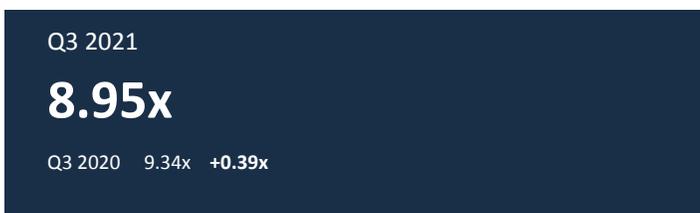
Debt to gross fair value^(*) (D/GFV)



Since the third quarter of 2020, a fair value increase of \$481,000 was recognized on investment properties primarily from lower capitalization rates, acquisitions, and completed developments. This increase, along with higher fair value of investment in joint ventures from the completion of Davie Street and Le Duke, and progress on the Bronte Village development, offset in part by higher outstanding debt, resulted in the decrease in D/GFV compared to the prior year.

Debt to gross fair value^(*), applying cash and cash equivalents to reduce debt, is 45.4% at Q3 2021 (Q3 2020 - 49.8%).

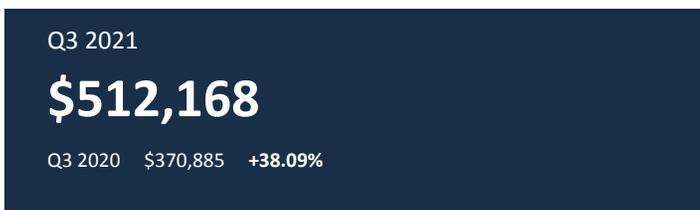
Debt to trailing 12 months adjusted EBITDA^(*) (D/EBITDA)



The improvement in D/EBITDA ratio compared to the same period in 2020 is due to the increase in property revenue resulting primarily from development activity, acquisitions, and modernizations. This is partially offset by higher outstanding debt at the third quarter of 2021 than at the third quarter of 2020 due to additions of new mortgages and unsecured debt, offset in part by lower outstanding balances drawn on credit facilities.

Debt to trailing 12 months adjusted EBITDA^(*), applying cash and cash equivalents to reduce debt, is 8.92x (Q3 2020 - 9.34x).

Available liquidity - unutilized credit facilities



The increase in available liquidity from the third quarter of 2020 is primarily due to lower outstanding balances drawn on credit facilities resulting from proceeds from the issuance of unsecured notes in the third quarter of 2021.



LE DUKE

In the third quarter of 2021, Le Duke, located in Montreal, Quebec, reached substantial completion. In partnership with Prince Developments, the historic building, which was once a financial institution, has been transformed into a 25-storey residential tower containing 387 rental units with 26,000 square feet of commercial space anchored by an IGA, and 200 underground parking stalls.

IGA opened in August 2021 and leasing is underway up to the 12th floor and initial tenant move-ins began early in July 2021. As of October 15, 2021, 28%, or 57 units of 207 available units, have been leased.

COVID-19 IMPACT - FINANCIAL

The duration and impact of the emergency measures which followed the outbreak of the COVID-19 pandemic in 2020, and their impact on Crombie's financial results into the future are still not fully known. To date, Crombie has collected approximately 99% of its total contractual rents for the nine months ended September 30, 2021.

In order to ensure Crombie is doing its part to contribute to the resilience of its tenants during the pandemic, management continues to actively work with tenants who are seeking rental concessions. Most of Crombie's leases require that rent be paid on the first day of each month. During the three and nine months ended September 30, 2021 and for the month of October, we have collected or expect to collect the following approximate contractual rents:

	Three months ended September 30, 2021		Nine months ended September 30, 2021		October 2021	
	% of Gross Rent Collected	% of Gross Rent, Total Portfolio	% of Gross Rent Collected	% of Gross Rent, Total Portfolio	% of Gross Rent Collected	% of Gross Rent, Total Portfolio
Retail	99 %	89 %	99 %	90 %	99 %	90 %
Office	100 %	6 %	100 %	6 %	100 %	5 %
Retail-related industrial	100 %	5 %	100 %	4 %	100 %	5 %
Total	99 %	100 %	99 %	100 %	100 %	100 %

Crombie assesses, on a tenant-by-tenant basis, losses expected with its rent receivables in determining the provision for doubtful accounts. Crombie's assessment is subjective due to the forward-looking nature of the situation. As a result, the provision for doubtful accounts is subject to a high degree of uncertainty and is made based on assumptions which may not prove to be accurate with the unprecedented uncertainty caused by COVID-19.

Based on its review, Crombie recorded a bad debt expense of \$757 for the nine months ended September 30, 2021, decreasing property operating income for the period, compared to \$10,827 for the same period in 2020.

Crombie continues to navigate the effects of COVID-19. Although parking revenue remains depressed as compared to pre-pandemic levels, there has been improvement in bad debt expense. In the third quarter of 2021, there was a bad debt recovery of \$221, \$96 of which was recovered from same-asset properties, compared to a bad debt expense of \$1,018 (\$1,375 on same-asset properties) in the same period in 2020.

The following table further outlines what management estimates to be the material impacts of COVID-19 on Crombie's operating performance for the nine months ended September 30, 2021:

<i>(In thousands of CAD dollars, except per Unit amounts and as otherwise noted)</i>	FFO ⁽¹⁾		AFFO ⁽¹⁾		Same-asset property cash NOI ⁽¹⁾	Same-asset property cash NOI ⁽¹⁾ growth	
	\$	Per Unit	\$	Per Unit	\$	\$	%
	Actual results - nine months ended September 30, 2021	\$ 138,084	\$ 0.86	\$ 117,064	\$ 0.73	\$ 191,003	\$ 10,501
Adjusted for:							
Bad debt expense	757	—	757	—	136	(5,262)	(2.8)%
Rent abatements	—	—	—	—	—	(1,294)	(0.7)%
Parking revenue ⁽¹⁾	789	0.01	789	0.01	789	(1,072)	(0.6)%
Adjusted results - nine months ended September 30, 2021	\$ 139,630	\$ 0.87	\$ 118,610	\$ 0.74	\$ 191,928	\$ 2,873	1.5 %
Adjusted results - nine months ended September 30, 2020	\$ 137,302	\$ 0.87	\$ 118,332	\$ 0.75	\$ 189,055		

(1) Parking revenue is calculated as the decrease in parking revenue from the same period in the prior year, which Crombie has attributed to the impact of COVID-19.

2. GLOSSARY OF TERMS

Adjusted debt^(*)	Represents debt excluding transaction costs, which Crombie feels is a more relevant presentation of indebtedness. Adjusted debt is a non-GAAP measure that is used in the calculation of our debt to gross fair value.
Adjusted EBITDA^(*)	Represents earnings before interest, taxes, depreciation, and amortization excluding certain items such as amortization of tenant incentives, impairment of investment properties and gain (loss) on disposal of investment properties. Adjusted EBITDA is a non-GAAP measure that is used as an input in several of our debt metrics.
AFFO^(*)	Adjusted funds from operations. Crombie follows the recommendations of REALPAC's February 2019 white paper in determining AFFO.
AMR	Annual minimum rent.
CFC	Customer fulfillment centre.
CMA	Census metropolitan area.
Committed occupancy	Represents current economic occupancy plus future occupancy of currently vacant space for which lease contracts are currently in place.
D/GFV^(*)	Debt to gross fair value.
Economic occupancy	Represents space currently occupied (excluding residential).
Fair value	The amount at which an asset or liability could be exchanged between two knowledgeable, willing and unconnected parties in an arm's length transaction.
FFO^(*)	Funds from operations. Crombie follows the recommendations of REALPAC's February 2019 white paper in determining FFO.
GLA	Gross leasable area.
IFRS	International Financial Reporting Standards.
Major Markets	A Crombie-specific definition that includes Abbotsford-Mission, Barrie, Chilliwack, Halifax, Hamilton, Kitchener-Cambridge-Waterloo, Oshawa, Quebec City, Regina, Saskatoon, Victoria, and Winnipeg, as defined by Statistics Canada 2016 CMA/CA boundaries.
Modernization	A capital investment to modernize/renovate Crombie owned grocery store properties in exchange for a defined return and potential extended lease term.
NAV	Net asset value.
Net property income	Property revenue less property operating expenses, which excludes certain expenses such as interest expense and indirect operating expenses.
Property cash NOI^(*)	Property NOI on a cash basis, excluding non-cash straight-line rent recognition and non-cash tenant incentive amortization.
Proportionate share basis	Represents Crombie's proportionate interest in the financial position and results of operations of its entire portfolio, taking into account the difference in accounting for joint ventures using proportionate consolidation versus equity accounting.
REALPAC	Real Property Association of Canada.
Rest of Canada ("RoC")	A Crombie-specific definition that includes all remaining geographies outside of VECTOM and Major Markets.
Retail	Includes our substantial retail portfolio with commercial reflecting certain few additional properties which comprise both retail and office space. These properties have been consistently included in our retail category.
Retail-related industrial	Retail-related industrial includes retail distribution centres and customer fulfillment centres ("CFC") owned in major urban markets.
Same-asset properties^(*)	Properties owned and operated throughout the current and comparative reporting periods, excluding any property that was designated for redevelopment during either the current or comparative period.
Sq. ft.	Square footage.
Unencumbered assets	Represents assets that have not been pledged as security or collateral under a credit agreement or mortgage.
VECTOM	Vancouver, Edmonton, Calgary, Toronto, Ottawa-Gatineau, Montreal, as defined by Statistics Canada 2016 CMA/CA boundaries.
WATM	Weighted average term to maturity.

(*) See "Non-GAAP Financial Measures", starting on page 57, for more information on Crombie's non-GAAP financial measures and reconciliations thereof.

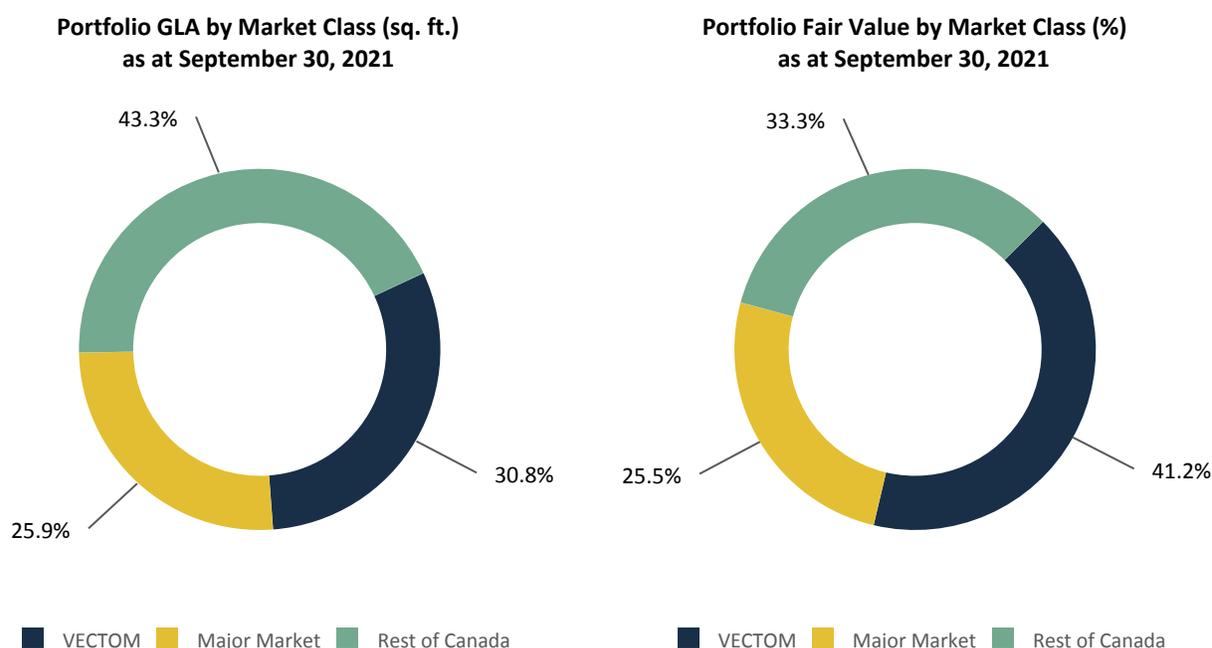
3. PORTFOLIO REVIEW

As at September 30, 2021, Crombie's property portfolio consisted of full ownership interests in 228 investment properties, and partial ownership interests in 59 investment properties. The partial ownership interests are reflected in our consolidated balance sheet and income statement, based on our proportionate share basis in such joint operations. Together these 287 properties contain, at Crombie's share, approximately 18.2 million square feet of GLA in all 10 provinces.

Crombie also holds partial ownership interests in seven joint ventures, four of which currently hold properties. These joint ventures are all subject to equity-accounting. As such, the results of these equity-accounted investments are not included in certain financial metrics, such as net property income, property cash NOI^(*), same-asset property NOI^(*), or in operating metrics such as occupancy and GLA, unless specifically indicated that such metrics are presented on a proportionate consolidation basis.

Market Class

Crombie's presence in high-growth VECTOM and Major Markets has been increasing through acquisitions and large-scale, mixed-use developments, to strategically elevate portfolio quality and strength.



The table below provides details of the average capitalization rate (weighted by stabilized trailing NOI) by market class:

	September 30, 2021	September 30, 2020
VECTOM	4.72%	4.99%
Major Markets	5.93%	6.32%
Rest of Canada	6.56%	6.69%
Weighted average portfolio capitalization rate	5.64%	5.93%

For an explanation of the determination of capitalization rates, see the "Other Disclosures" section of this MD&A, under "Investment Property Valuation" in the "Use of Estimates and Judgments" section.

Crombie's portfolio diversification by market class as at September 30, 2021 and 2020 is as follows:

GLA (sq. ft.)									
	January 1, 2021	Net Acquisitions (Dispositions)	Other ⁽¹⁾	September 30, 2021	Number of Investment Properties	% of AMR	% NOI	Economic Occupancy	Committed Occupancy
VECTOM	5,588,000	12,000	10,000	5,610,000	87	34.3 %	33.8 %	99.6 %	99.7 %
Major Markets	4,619,000	112,000	(10,000)	4,721,000	62	26.1 %	26.6 %	94.5 %	96.2 %
Rest of Canada	7,793,000	46,000	62,000	7,901,000	138	39.6 %	39.6 %	93.9 %	94.3 %
Total	18,000,000	170,000	62,000	18,232,000	287	100.0 %	100.0 %	95.8 %	96.5 %

GLA (sq. ft.)									
	January 1, 2020	Net Acquisitions (Dispositions)	Other ⁽¹⁾	September 30, 2020	Number of Investment Properties	% of AMR	% NOI	Economic Occupancy	Committed Occupancy
VECTOM	5,295,000	—	(9,000)	5,286,000	89	32.3 %	33.5 %	98.7 %	98.8 %
Major Markets	4,597,000	—	39,000	4,636,000	60	26.5 %	26.7 %	94.9 %	95.1 %
Rest of Canada	7,666,000	29,000	67,000	7,762,000	137	41.2 %	39.8 %	91.9 %	93.1 %
Total	17,558,000	29,000	97,000	17,684,000	286	100.0 %	100.0 %	94.7 %	95.3 %

(1) Changes in GLA included in Other include increases for completed developments and additions/expansions to GLA on existing properties, and decreases primarily related to GLA removal in preparation for property redevelopment.

In line with Crombie's strategy, for the nine months ended September 30, 2021, four investment properties and two properties under development were acquired in VECTOM and Major Markets. This is partially offset by the disposition of three assets in these markets, resulting in a net increase in GLA of 124,000 square feet. Three investment properties were acquired in the Rest of Canada, partially offset by one disposition, resulting in a net increase in GLA of 46,000 square feet.

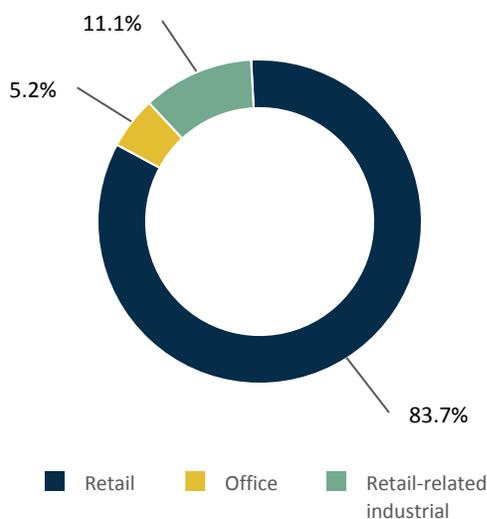
When compared to September 30, 2020, the percentage of total annual minimum rent generated from VECTOM increased by 200 basis points, while Major Market and Rest of Canada total annual minimum rent decreased by 40 basis points and 160 basis points, respectively. The increase in VECTOM is primarily due to the completion of the base building for the 300,000 square foot Voilà par IGA CFC in Montreal, the opening of the Voilà by Sobeys spoke at The Queensway Commons in Toronto, and the first quarter acquisition of a freestanding Sobeys store in Edmonton.

As at September 30, 2021, committed and economic occupancy stand at 96.5% and 95.8%, respectively. Committed occupancy increased by 120 basis points compared to September 30, 2020. Economic occupancy increased 110 basis points compared to September 30, 2020. Throughout the last year, 548,000 net square feet of GLA has been added to the portfolio. A large portion of this relates to development activity. The 300,000 square foot Voilà par IGA CFC is now in economic occupancy. New leasing activity for the nine months ended September 30, 2021 totaled 653,000 square feet at an average rate of \$21.13 per square foot. Approximately 58.6% of Crombie's new leases are at completed major development properties, demonstrating continued progress in leasing our development space.

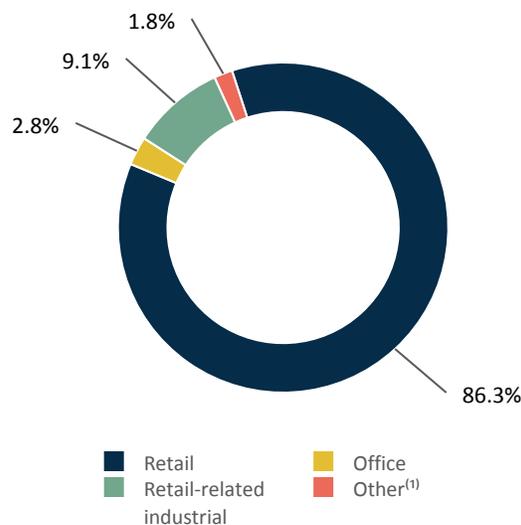
Asset Type

Retail properties represent 83.7% of Crombie's GLA and 89.3% of annual minimum rent at September 30, 2021 compared to 85.0% of GLA and 91.7% of annual minimum rent at September 30, 2020. The main driver of the improved diversification is due to the addition of 331,000 square feet of GLA to retail-related industrial, as a result of completed developments with new leases for the Voilà hub and spoke network, which increased from 4.2% to 6.9% as a percentage of total annual minimum rent.

**Portfolio GLA by Asset Type (sq. ft.)
as at September 30, 2021**



**Portfolio Fair Value by Asset Type (%)
as at September 30, 2021**



(1) Other includes Properties Under Development (PUD) and Land.

Crombie's portfolio diversification by asset type as at September 30, 2021 and 2020 is as follows:

	GLA (sq. ft.)				Number of Investment Properties	% of AMR	Economic Occupancy	Committed Occupancy
	January 1, 2021	Net Acquisitions (Dispositions)	Other ⁽¹⁾	September 30, 2021				
Retail	15,064,000	170,000	30,000	15,264,000	278	89.3 %	95.8 %	96.3 %
Office	953,000	—	1,000	954,000	5	3.8 %	87.6 %	92.0 %
Retail-related industrial	1,983,000	—	31,000	2,014,000	4	6.9 %	100.0 %	100.0 %
Total	18,000,000	170,000	62,000	18,232,000	287	100.0 %	95.8 %	96.5 %

	GLA (sq. ft.)				Number of Investment Properties	% of AMR	Economic Occupancy	Committed Occupancy
	January 1, 2020	Net Acquisitions (Dispositions)	Other ⁽¹⁾	September 30, 2020				
Retail	14,910,000	29,000	97,000	15,036,000	278	91.7 %	94.4 %	95.2 %
Office	965,000	—	—	965,000	5	4.1 %	89.8 %	89.8 %
Retail-related industrial	1,683,000	—	—	1,683,000	3	4.2 %	100.0 %	100.0 %
Total	17,558,000	29,000	97,000	17,684,000	286	100.0 %	94.7 %	95.3 %

(1) Changes in GLA included in Other include increases for additions/expansions to GLA on existing properties and decreases primarily related to GLA removals in preparation for property redevelopment.

For the nine months ended September 30, 2021, retail GLA had a net increase of 170,000 square feet due to the acquisition of seven investment properties totalling 228,000 square feet, which was partially offset by the disposition of four investment properties totalling 58,000 square feet.

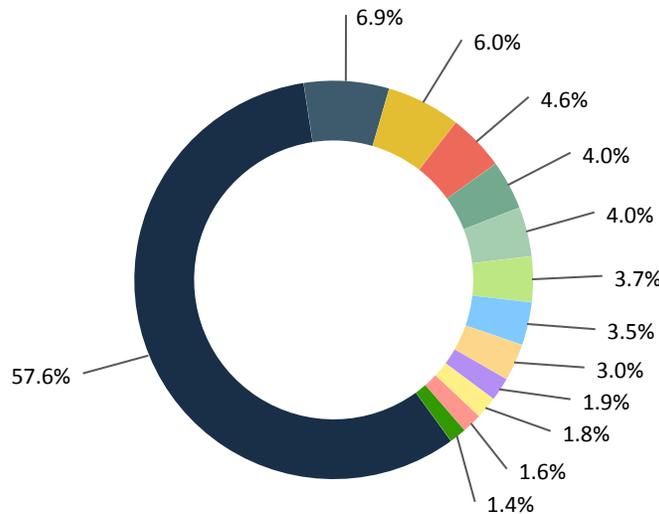
Economic occupancy improved by 110 basis points compared to September 30, 2020 while committed occupancy improved by 120 basis points. A significant amount of activity occurred throughout the year resulting in an increase of portfolio GLA due to development activity and net acquisition activity. In the first quarter of 2021, the Voilà par IGA CFC entered economic occupancy from committed occupancy. Empire's partner Ocado is building the interior portion. This is Crombie's first CFC completed with Empire, and it further diversifies our portfolio mix. Committed occupancy in our office portfolio is at 92.0%, an increase from 89.8% at September 30, 2020, primarily attributable to the execution of a 49,000 square foot lease with one tenant.

Through our mixed-use development strategy, Crombie is evolving from defensive grocery-anchored retail to a balance of grocery-anchored retail and retail-related industrial, as well as large-scale mixed-use properties, creating long-term value for local communities and Unitholders. We expect to see a further evolution in our portfolio over time as future developments are completed. Grocery-anchored retail will continue to grow and, as a result of our development strategy, we expect our residential and retail-related industrial asset types to make up a greater percentage of our total portfolio.

Tenant Profile

We build and own a high-quality, resilient, and diversified portfolio, backed primarily by grocery and pharmacy tenants, that delivers consistent long-term earnings and cash flow stability. As at September 30, 2021, 82% of our annual minimum rent was generated from grocery and pharmacy-anchored properties, inclusive of retail-related industrial, compared to 81% at September 30, 2020. The increase is primarily due to our retail-related industrial tenants, specifically, the CFC supporting Voilà par IGA in Montreal and a spoke for Voilà by Sobeyes in Toronto. These necessity-based tenants have stable underlying income and cash flows, are more resilient to changes in economic cycles and evolving retail trends, and form a solid foundation for organic same-asset property cash NOI^(*) and AFFO^(*) growth.

Tenants by Industry
(% of AMR)



- Necessity-Based Retailers⁽¹⁾
- Office & Hotel Tenants
- Restaurants - Quick Service & Cafe
- Apparel & Accessories
- Entertainment, Sporting Goods, & Stationary Retailers
- Restaurants - Full Service
- Fitness Facilities & Supplements
- Retail-Related Industrial Tenants
- Medical, Professional & Personal Services
- Bank and Financial Services
- Value-Focused Retailers
- Home Improvement, Furniture & Auto Supplies
- Other

(1) Necessity-based retailers include tenants that provide essential products and services, and predominantly fall into the following categories: grocery, pharmacy, liquor, cannabis, convenience store, gasoline and pet supplies.

The following table illustrates the 20 largest tenants in Crombie's portfolio of investment properties, as measured by their percentage contribution to total annual minimum rent, as at September 30, 2021.

Tenant	% of AMR	GLA (sq. ft.)	Average Remaining Lease Term	DBRS Credit Rating
Empire Company Limited ⁽¹⁾	56.5 %	10,376,000	12.7 years	BBB(low)
Shoppers Drug Mart	3.0 %	285,000	7.1 years	BBB(high)
Province of Nova Scotia	1.6 %	370,000	5.9 years	A (high)
Dollarama	1.4 %	309,000	5.4 years	BBB
Bank of Nova Scotia	1.1 %	173,000	2.1 years	AA
Canadian Tire Group	1.1 %	172,000	4.7 years	BBB
CIBC	1.1 %	138,000	14.5 years	AA
GoodLife Fitness	1.0 %	210,000	7.3 years	
Cineplex	1.0 %	207,000	9.4 years	
Government of Canada	0.9 %	130,000	2.9 years	AAA
Leon's Furniture	0.7 %	112,000	9.3 years	
Restaurant Brands International	0.7 %	67,000	4.8 years	
Bank of Montreal	0.6 %	89,000	4.9 years	AA
Royal Bank of Canada	0.6 %	55,000	2.1 years	AA (high)
SAQ/Province of Quebec	0.5 %	65,000	6.5 years	AA (low)
Giant Tiger	0.5 %	207,000	4.2 years	
Metro	0.5 %	88,000	6.2 years	BBB
Bell Canada	0.5 %	88,000	3.5 years	BBB (high)
TJX Companies	0.5 %	120,000	6.9 years	
Familiprix	0.4 %	64,000	3.6 years	
Total	74.2 %	13,325,000		

(1) Includes Sobeys and all other subsidiaries of Empire Company Limited.

Other than Empire, which accounts for 56.5% of annual minimum rent and Shoppers Drug Mart, which accounts for 3.0% of annual minimum rent, no other tenant accounts for more than 1.6% of Crombie's annual minimum rent.

For the three months ended September 30, 2021, Empire also represents 60.5% of total property revenue. Total property revenue includes annual minimum rent, as well as operating and realty tax cost recovery income and percentage rent. These additional amounts can vary by property type, specific tenant leases and where tenants may directly incur and pay operating and realty tax costs.

The weighted average remaining term of all Crombie leases is approximately 9.6 years, which decreased 0.1 years as compared to September 30, 2020. This remaining lease term is influenced by the average Empire remaining lease term of 12.7 years, which remained constant from September 30, 2020.

Crombie continues to work in partnership with Empire, aligning our strategies to maximize value creation through property acquisitions, modernizations, store conversions (including the FreshCo discount format in Western Canada and Farm Boy in Ontario), participation in the build-out of Empire's Voilà online grocery home delivery hub and spoke network, land-use intensifications, and the unlocking of major developments. Crombie acknowledges that not all retail is performing equally. Recognizing that, Crombie is focused on fostering relationships in our needs-based properties that are performing very well and are poised for future growth.

Same-asset properties

Crombie measures certain performance and operating metrics on a same-asset basis to evaluate the period-over-period performance of those properties owned and operated by Crombie. "Same-asset" refers to those properties that were owned and operated by Crombie for the current and comparative reporting periods. Properties that will be undergoing a redevelopment in a future period, including adjacent parcels of land, and those having planning activities underway are also in this category until such development activities commence and/or tenant leasing/renewal activity is suspended. Same-asset property cash NOI^(*) reflects Crombie's proportionate ownership of jointly-operated properties (and excludes any properties held in joint ventures).

Crombie Owned Properties

	Investment Properties ("IP")	Properties Under Development ("PUD")	Sub-total	Additional Properties in Joint Ventures ("JV")	Total
Same-asset properties	270	—	270	—	270
Adjustments					
Acquisitions - 2021	7	1	9	—	9
Acquisitions - 2020	3	2	5	—	5
Other ⁽¹⁾	3	3	6	1	7
Active and Completed Major Developments ⁽²⁾	4	1	4	3	7
	17	7	24	4	28
Total	287	7	294	4	298

(1) Other includes investment properties that have been designated for repositioning, land parcels included in PUD, or non-active major developments within a JV.

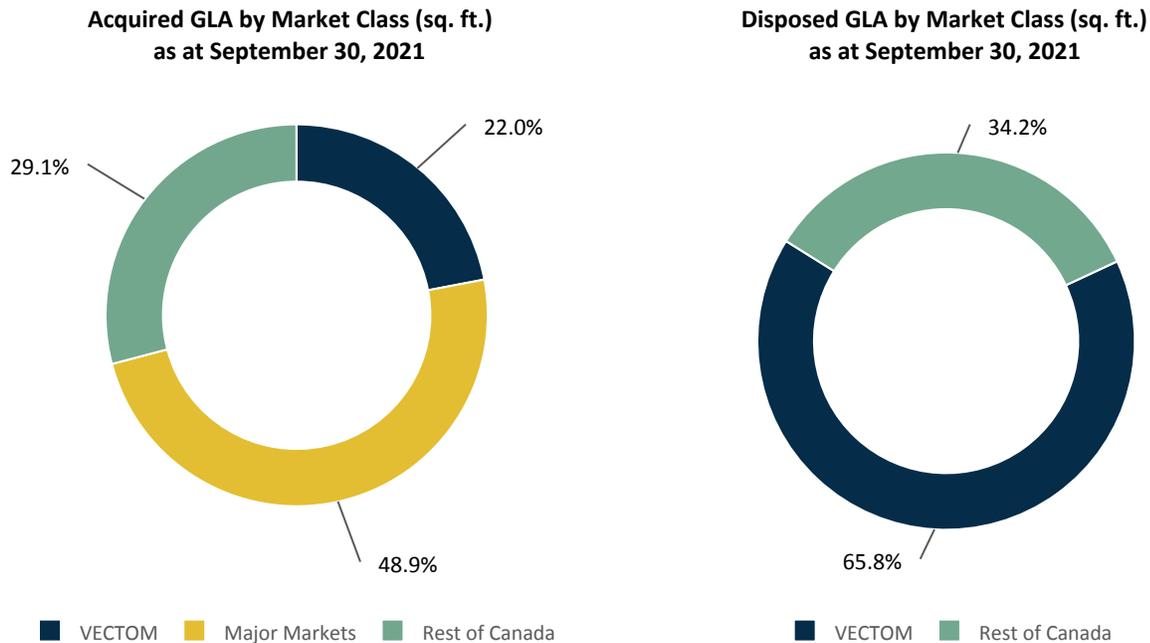
(2) Active and Completed Major Development includes:

- Davie Street retail (IP)
- Avalon Mall retail (IP)
- Belmont Market retail and office (IP)
- Pointe-Claire CFC (IP)
- Calgary CFC (PUD)
- Davie Street residential (JV)
- Le Duke (JV)
- Bronte Village (JV)

Davie Street was developed as both a commercial (Crombie owned) and residential (Joint Venture owned) development. Davie Street is treated as two properties, one Crombie owned Investment Property (retail) and a separate Completed Major Development (residential rental property) within the 1600 Davie Limited Partnership Joint Venture (Additional Properties in Joint Ventures - Active and Completed Major Developments).

Strategic Acquisitions and Dispositions

As at September 30, 2021, GLA at Crombie’s interest was 18.2 million square feet compared to 17.7 million square feet as at September 30, 2020. The net increase in GLA of approximately 500,000 square feet was driven by 379,000 of development square footage entering GLA, and 323,000 square feet of acquisitions and offset by 152,000 square feet of dispositions.



Strategic Acquisitions

Through strategic and selective acquisitions of high quality, primarily grocery-anchored, assets, Crombie intends to continue to enhance overall portfolio quality in urban and top tier markets. Crombie's acquisitions are intended to add strategic value to the portfolio, while leading to strong AFFO^(*) accretion and NAV growth. During the nine months ended September 30, 2021, Crombie completed acquisitions of seven income-producing properties, and two development (PUD) properties for a total aggregate purchase price of \$62,887 excluding transaction and closing costs. These acquisitions added 228,000 square feet of income-producing properties and potential for future density to be added to Crombie's GLA. Six of the nine acquisitions are located in VECTOM and Major Markets strengthening Crombie's presence in these markets, in line with our strategy. The remaining three acquisitions are grocery-anchored assets located in Rest of Canada markets.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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Date	Property	Location	Vendor	Strategy	Number of Investment Properties	Ownership		Price ⁽¹⁾
						Interest	Sq. ft.	
2021 First Quarter								
February 10, 2021	Grand Bay Plaza	Grand Bay, NB	Related Party	Income-producing	1	100 %	26,000	\$ 3,242
February 26, 2021	Harvester Road	Burlington, ON	Third Party	Development	—	100 %	—	6,400
March 18, 2021	Henderson Highway	Winnipeg, MB	Related Party	Income-producing	1	100 %	24,000	6,300
March 18, 2021	Sargent Avenue	Winnipeg, MB	Related Party	Income-producing	1	100 %	33,000	7,800
March 25, 2021	Tamarack	Edmonton, AB	Related Party	Income-producing	1	100 %	50,000	5,260
March 26, 2021	Alpine Avenue	Winnipeg, MB	Related Party	Income-producing	1	100 %	55,000	15,600
March 29, 2021	Coldwater Road	Coldwater, ON	Third Party	Income-producing	1	100 %	16,000	1,690
					6		204,000	46,292
2021 Second Quarter								
June 10, 2021	Calgary CFC	Calgary, AB	Third Party	Development	—	100 %	—	11,885
2021 Third Quarter								
July 6, 2021	Highland Street	Haliburton, ON	Related Party	Income-producing	1	100 %	24,000	4,710
Total acquisitions for the nine months ended September 30, 2021					7		228,000	\$ 62,887
Total acquisitions for the nine months ended September 30, 2020					1		29,000	\$ 9,390

(1) Prices are stated before transaction and closing costs

Strategic Dispositions

Over the years, Crombie has worked to optimize its portfolio through traditional dispositions of non-core and/or low growth assets and innovative partnerships. In line with our strategy of recycling capital through dispositions at or above IFRS fair values, we used the proceeds raised to fund major development projects, increasing Crombie's concentration in VECTOM and Major Markets, as well as other higher-value opportunities. Some of these opportunities include supporting Empire's growth into urban markets, acceleration of e-commerce, and completion of major mixed-use developments. This disposition strategy has resulted in a reduction of our in-place mortgage debt, which enabled growth in our unencumbered asset pool.

Date	Property Type	Number of Investment Properties	Ownership		Net Property Income ⁽¹⁾	Price
			Interest	Sq. ft.		
2021 First Quarter						
Total dispositions at 100% interest	Two Retail Freestanding Assets and One Retail Plaza Asset	3	100 %	30,000 ⁽²⁾	\$ 937	\$ 41,970
2021 Third Quarter						
Total dispositions at 100% interest	One Retail Plaza Asset	1	100 %	28,000	872	15,000
Total dispositions for the nine months ended September 30, 2021		4		58,000	\$ 1,809	\$ 56,970
Total dispositions for the nine months ended September 30, 2020		—		—	\$ —	\$ 1,000

(1) Reflects actual net property income earned for the full year ended December 31, 2020. Total actual net property income earned in 2021 for all disposed properties prior to disposition was \$454, as reflected in our consolidated results.

(2) Square footage totalling 33,000 for one of the disposition properties was removed from GLA in the second quarter of 2020 as the property was slated for redevelopment.

4. OPERATIONAL PERFORMANCE REVIEW

Occupancy and Leasing Activity

The portfolio occupancy and committed activity by market class and asset type for the three months ended September 30, 2021 was as follows:

	Occupied Space (sq. ft.)					September 30, 2021	Economic Occupancy	Committed Space (sq. ft.) ⁽³⁾	Total Committed Space (sq. ft.)	Committed Occupancy
	January 1, 2021	Net Acquisitions (Dispositions)	New Leases ⁽¹⁾	Lease Expiries	Other Changes ⁽²⁾					
VECTOM	5,225,000	12,000	345,000	(1,000)	4,000	5,585,000	99.6 %	10,000	5,595,000	99.7 %
Major Markets	4,381,000	99,000	124,000	(17,000)	(125,000)	4,462,000	94.5 %	80,000	4,542,000	96.2 %
Rest of Canada	7,310,000	47,000	184,000	(40,000)	(82,000)	7,419,000	93.9 %	31,000	7,450,000	94.3 %
Total	16,916,000	158,000	653,000	(58,000)	(203,000)	17,466,000	95.8 %	121,000	17,587,000	96.5 %

	Occupied Space (sq. ft.)					September 30, 2021	Economic Occupancy	Committed Space (sq. ft.) ⁽³⁾	Total Committed Space (sq. ft.)	Committed Occupancy
	January 1, 2021	Net Acquisitions (Dispositions)	New Leases ⁽¹⁾	Lease Expiries	Other Changes ⁽²⁾					
Retail	14,384,000	158,000	269,000	(47,000)	(149,000)	14,615,000	95.8 %	79,000	14,694,000	96.3 %
Office	849,000	—	53,000	(11,000)	(54,000)	837,000	87.6 %	42,000	879,000	92.0 %
Retail-related industrial	1,683,000	—	331,000	—	—	2,014,000	100.0 %	—	2,014,000	100.0 %
Total	16,916,000	158,000	653,000	(58,000)	(203,000)	17,466,000	95.8 %	121,000	17,587,000	96.5 %

(1) New leases include new lease and expansions to existing properties.

(2) Other changes include amendments to existing leases; lease terminations and surrenders; bankruptcies; and space certifications.

(3) Committed space represents lease contracts for future occupancy of currently vacant space. Management believes such reporting, along with reported lease maturities, provides more balanced reporting of overall vacant space.

Overall leased space (occupied plus committed) has increased from 95.3% at September 30, 2020 to 96.5% at September 30, 2021. During the nine months ended September 30, 2021, Crombie had a net increase from acquisitions of 158,000 square feet, which is lower than the 170,000 square feet of GLA from net acquisitions due to a vacancy at one acquisition property. Additionally, Crombie had new leases outpace lease expiries by 595,000 square feet.

Leasing activity at major developments included in occupancy continued in the first nine months of 2021, with approximately 382,000 square feet of new leases in economic occupancy at Avalon Mall (89.6%), Belmont Market (89.1%), Davie Street Retail (100.0%) and Voilà par IGA CFC (100.0%).

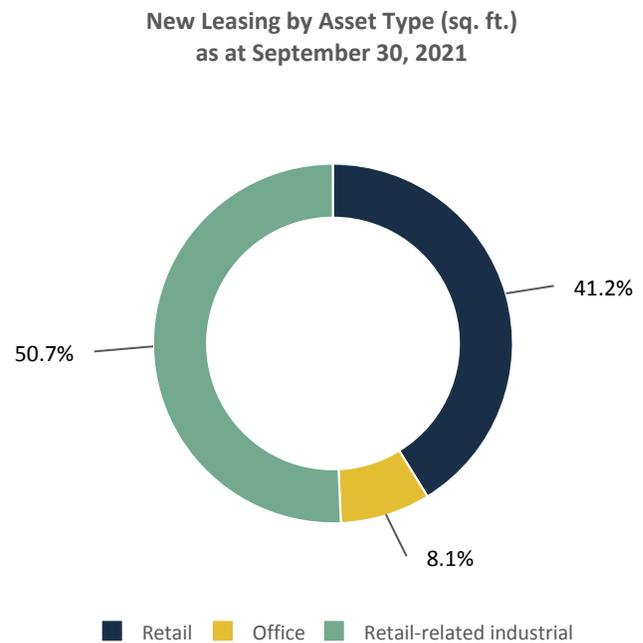
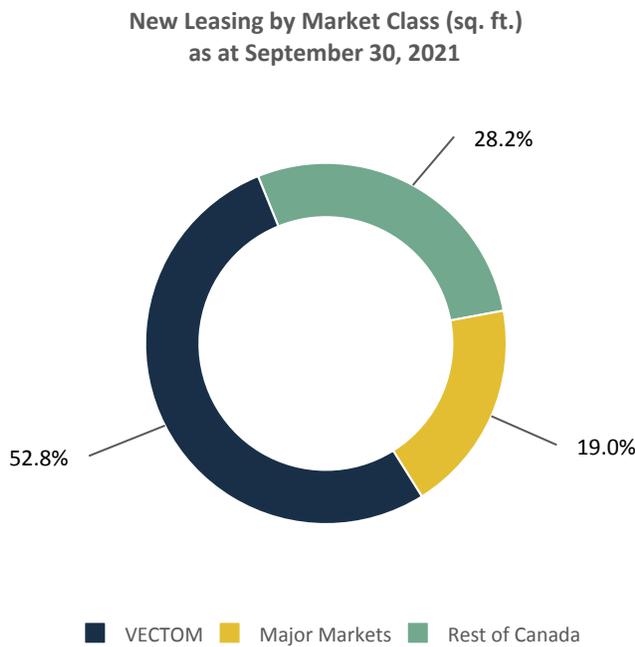
Leased space in our retail properties portfolio was 96.3% at September 30, 2021, an increase from 95.2% at September 30, 2020. Leased space in office properties was 92.0% at September 30, 2021, increased from 89.8% at September 30, 2020. This was primarily due to the execution of a 49,000 square feet lease at our office portfolio in Halifax, Nova Scotia.

Leased space in retail-related industrial properties of 100.0% at September 30, 2021 remained constant from 100.0% at September 30, 2020. Retail-related industrial provides stability with solid NOI growth and long lease terms, and also provides growth opportunities through an increased presence in e-commerce. During the first quarter of 2021, the Voilà par IGA CFC in Montreal and the Voilà by Sobey's spoke at The Queensway Commons in Toronto moved into economic occupancy.

The portfolio weighted average annual minimum rent per occupied square foot for our income-producing properties was \$16.91 as at September 30, 2021 compared to \$16.78 as at September 30, 2020. The 0.8% increase in average annual minimum rent per occupied square foot was due to new leases (including development space), contractual rent increases within existing leases, increased rent from

modernizations and partially offset by stronger office occupancy at lower average rents. The increase also reflects strategic commitment to portfolio quality improvement through both dispositions of non-core, low growth assets, and a positive return from modernizations with Empire.

New Leasing Activity



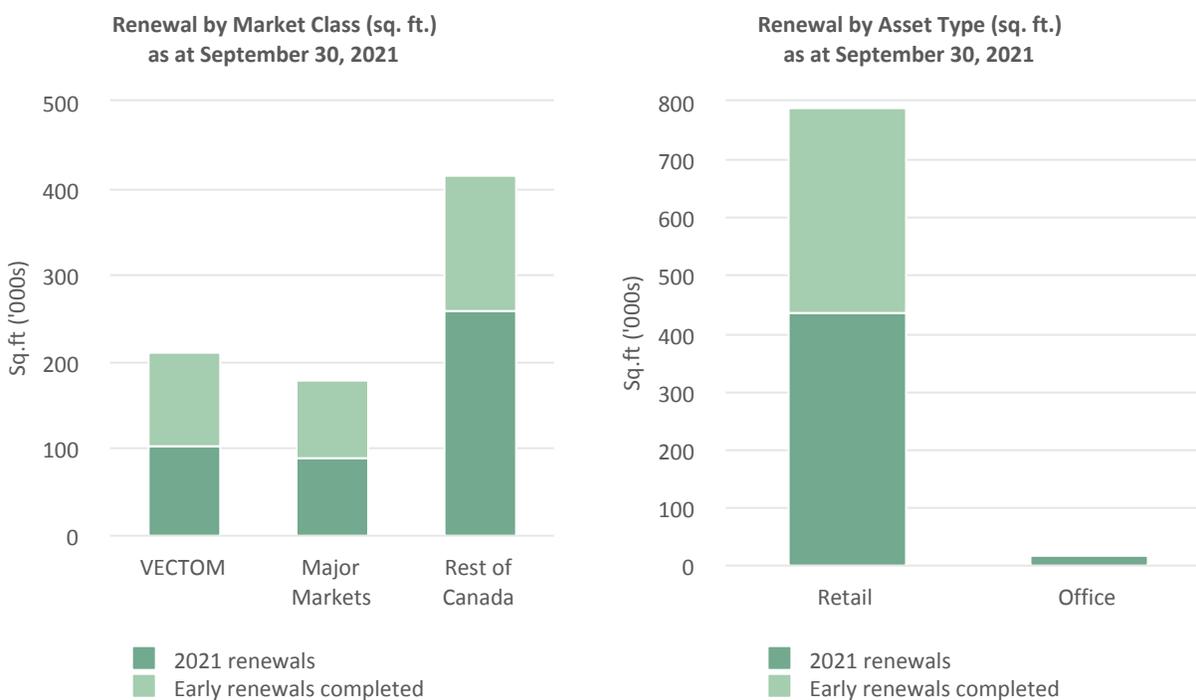
New leases increased occupancy by 653,000 square feet at September 30, 2021, at an average first year rate of \$21.13 per square foot.

Crombie is focused on increasing its presence in VECTOM and Major Markets. For the nine months ended September 30, 2021, 71.8% of new leases, equivalent to 469,000 square feet, were completed in these markets.

New leases of 184,000 square feet occurred in Rest of Canada markets. The vast majority of the portfolio's vacancy is within this market, however, Crombie is pleased with the new leasing activity throughout the nine months ended September 30, 2021.

At September 30, 2021, 121,000 square feet of GLA at an average first year rate of \$20.70 per square foot was committed with tenants expected to take possession throughout 2021 and into 2022. VECTOM and Major Markets represent 90,000 square feet of committed space, including 47,000 square feet at our Scotia Square complex in Halifax, Nova Scotia.

Renewal Activity



For the three and nine months ended September 30, 2021, renewal activity for our portfolio was as follows:

	Three months ended September 30, 2021			Nine months ended September 30, 2021		
	Sq. ft.	Rate PSF	Growth %	Sq. ft.	Rate PSF	Growth %
2021 Renewals	116,000	\$18.89	3.7 %	452,000	\$17.50	3.7 %
Early Renewals Completed	71,000	\$22.30	3.7 %	356,000	\$18.88	2.7 %
Total	187,000	\$20.18	3.7 %	808,000	\$18.11	3.2 %

For the three months ended September 30, 2021, Crombie renewed 187,000 square feet of retail renewals with an increase of 3.7% over expiring rental rates. Driving this growth was 157,000 square feet of renewals at retail plazas, with an increase of 4.1% over expiring rental rates. Renewal spreads are based on the first year rate and do not factor in any additional rental step-ups that may take place throughout the lease term. When comparing the expiring rental rates to the average rental rate for the renewal term, Crombie achieved an increase of 5.7% for the three months ended September 30, 2021.

Crombie's renewal activity for the nine months ended September 30, 2021 included retail renewals of 789,000 square feet with an increase of 3.3% over expiring rental rates. Driving this growth was 626,000 square feet of renewals at retail plazas, with an increase of 3.6% over expiring rental rates. Office renewals of 19,000 square feet were completed with an increase of 2.3% over expiring rental rates.

During the nine months ended September 30, 2021, Crombie demonstrated portfolio stability with approximately 48.5% of renewals occurring in VECTOM and Major Markets. Total renewal growth was positively impacted by the 212,000 square feet of renewals in VECTOM at an average first year rate of \$25.56 per square foot, an increase of 2.9% over expiring rental rates. Major Markets saw renewals of 180,000 square feet, with an increase of 4.6% over expiring rental rates or an average first year rate of \$18.77 per square foot. The remaining 416,000 square feet of renewals was in the Rest of Canada at an average first year rate of \$14.02, which is an increase of 2.8% over expiring rental rates.

For the nine months ended September 30, 2021, Crombie achieved an increase of 6.4% when comparing the expiring rental rates to the average rental rate for the renewal term versus 3.2% when comparing the expiring rental rates to the first year of renewal.

Crombie proactively manages its lease maturities, taking advantage of opportunities to renew tenants prior to expiration. During the nine months ended September 30, 2021, approximately 356,000 square feet of renewals related to future year expiries were completed.

Lease Maturities

The following table sets out, as at September 30, 2021, the number of leases maturing during the periods indicated, the renewal area, the percentage of the total GLA of the properties represented by such maturities and the estimated average rent per square foot at the time of expiry.

Year	Number of Leases ⁽¹⁾	Renewal Area (sq. ft.)	% of Total GLA	Average Rent per sq. ft. at Expiry
2021	150	499,000	2.7 % \$	15.74
2022	220	1,033,000	5.7 %	15.22
2023	155	685,000	3.8 %	19.39
2024	169	830,000	4.6 %	18.72
2025	141	1,142,000	6.3 %	16.20
2026	132	967,000	5.3 %	16.91
2027	90	848,000	4.7 %	18.24
2028	57	714,000	3.9 %	17.29
2029	95	1,098,000	6.0 %	19.25
2030	48	644,000	3.5 %	16.73
Thereafter	336	9,127,000	50.0 %	20.41
Total	1,593	17,587,000	96.5 % \$	18.95

(1) Assuming tenants do not holdover on a month-to-month basis or exercise renewal options or termination rights.

The following table sets out, as at September 30, 2021, the number of Empire leases maturing during the periods indicated, the renewal area, the percentage of the total GLA of the properties represented by such maturities, and the estimated average rent per square foot at the time of expiry.

Year	Number of Leases ⁽¹⁾	Renewal Area (sq. ft.)	% of Total GLA	Average Rent (sq. ft.) at Expiry
2021	8	42,000	0.2 % \$	15.29
2022	11	203,000	1.1 %	7.53
2023	3	8,000	— %	32.12
2024	2	68,000	0.4 %	13.60
2025	7	255,000	1.4 %	13.34
2026	15	347,000	1.9 %	14.00
2027	10	335,000	1.8 %	14.09
2028	9	307,000	1.7 %	15.68
2029	17	596,000	3.3 %	16.40
2030	8	294,000	1.6 %	13.62
Thereafter	208	7,925,000	43.5 %	20.34
Total ⁽²⁾	298	10,380,000	56.9 % \$	18.89

(1) Assuming tenants do not holdover on a month-to-month basis or exercise renewal options or termination rights.

(2) One Empire lease, totalling approximately 4,000 square feet, included in committed occupancy.

5. FINANCIAL PERFORMANCE REVIEW

Q3 NET PROPERTY INCOME



YTD NET PROPERTY INCOME



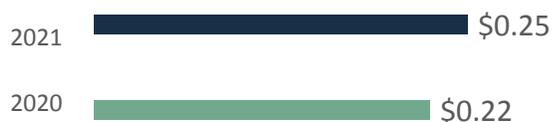
Q3 SAME-ASSET PROPERTY CASH NOI(*)



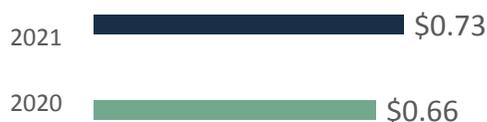
YTD SAME-ASSET PROPERTY CASH NOI(*)



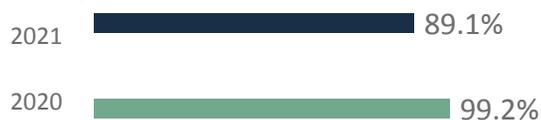
Q3 AFFO/UNIT(*)



YTD AFFO/UNIT(*)



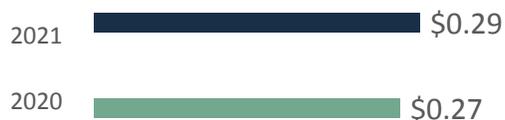
Q3 AFFO PAYOUT RATIO(*)



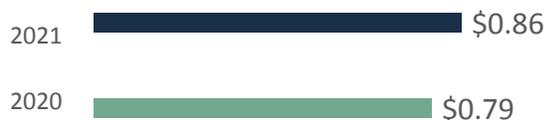
YTD AFFO PAYOUT RATIO(*)



Q3 FFO/UNIT(*)



YTD FFO/UNIT(*)



Q3 FFO PAYOUT RATIO(*)



YTD FFO PAYOUT RATIO(*)



PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	Variance	2021	2020	Variance
Property revenue	\$ 101,517	\$ 92,920	\$ 8,597	\$ 305,060	\$ 291,673	\$ 13,387
Property operating expenses	30,216	27,503	(2,713)	93,431	100,627	7,196
Net property income	71,301	65,417	5,884	211,629	191,046	20,583
Net property income margin percentage	70.2 %	70.4 %	(0.2)%	69.4 %	65.5 %	3.9 %
Other items:						
Gain (loss) on disposal of investment properties	2,619	—	2,619	13,763	(829)	14,592
Impairment of investment properties	(1,239)	—	(1,239)	(1,239)	(2,100)	861
Depreciation and amortization	(19,109)	(18,465)	(644)	(56,958)	(56,061)	(897)
General and administrative expenses	(5,728)	(5,069)	(659)	(18,119)	(15,048)	(3,071)
Finance costs - operations	(23,070)	(22,250)	(820)	(70,149)	(66,896)	(3,253)
Income (loss) from equity accounted investments	(923)	101	(1,024)	(2,256)	339	(2,595)
Operating income attributable to Unitholders	23,851	19,734	4,117	76,671	50,451	26,220
Finance costs - distributions to Unitholders	(36,578)	(35,202)	(1,376)	(107,922)	(105,091)	(2,831)
Finance (costs) income - change in fair value of financial instruments	291	(187)	478	(1,954)	1,530	(3,484)
Decrease in net assets attributable to Unitholders	\$ (12,436)	\$ (15,655)	\$ 3,219	\$ (33,205)	\$ (53,110)	\$ 19,905
Operating income attributable to Unitholders per Unit, Basic	\$ 0.15	\$ 0.12	\$ 0.03	\$ 0.48	\$ 0.32	\$ 0.16
Basic weighted average Units outstanding (in 000's)	164,382	158,196	6,186	161,300	157,182	4,118
Distributions per Unit to Unitholders	\$ 0.22	\$ 0.22	\$ —	\$ 0.67	\$ 0.67	\$ —

Other Non-GAAP Performance Metrics

Same-asset property cash NOI ^(*)	\$ 64,741	\$ 59,817	\$ 4,924	\$ 191,003	\$ 180,502	\$ 10,501
FFO ^(*)	\$ 47,830	\$ 43,327	\$ 4,503	\$ 138,084	\$ 123,545	\$ 14,539
FFO ^(*) per Unit - basic	\$ 0.29	\$ 0.27	\$ 0.02	\$ 0.86	\$ 0.79	\$ 0.07
FFO ^(*) payout ratio (%)	76.5 %	81.2 %	4.7 %	78.2 %	85.1 %	6.9 %
AFFO ^(*)	\$ 41,052	\$ 35,494	\$ 5,558	\$ 117,064	\$ 103,284	\$ 13,780
AFFO ^(*) per Unit - basic	\$ 0.25	\$ 0.22	\$ 0.03	\$ 0.73	\$ 0.66	\$ 0.07
AFFO ^(*) payout ratio (%)	89.1 %	99.2 %	10.1 %	92.2 %	101.7 %	9.5 %

Operating income attributable to Unitholders

For the three months ended:

Operating income attributable to Unitholders increased by \$4,117, or 20.9%, compared to the third quarter of 2020 primarily due to increased income of \$2,273 from completed developments, \$954 from acquisitions, and \$615 from renewals and new leasing, gain on disposal of investment properties of \$2,619, and a reduction in bad debt expense of \$1,239 as a result of decreased collection risk in the third quarter of 2021. The growth in net property income was offset in part by an impairment of \$1,239 recognized on one retail property during the quarter as a result of an upcoming partial disposition, expected to close in December 2021. Additionally, loss from equity accounted investments was greater than income for the same period in 2020 by \$1,024 due to operating results from residential development projects as they move towards revenue stabilization. Finance costs from operations was higher by \$820 primarily due to the lower capitalized interest of \$579 on developments and \$484 from the addition of new unsecured debt since the third quarter of 2020.

For the nine months ended:

Operating income attributable to Unitholders increased by \$26,220, or 52.0%, on a year to date basis. Gain on disposal of investment properties increased by \$14,592 due to property dispositions in the first and third quarters of 2021, and net property income increased \$20,583 due to a reduction in bad debt expense of \$10,070 as a result of decreased collection risk in 2021, new income from completed developments of \$5,936 and \$2,585 from acquisitions. The improved net property income for the period was offset in part by an increase in finance costs from operations of \$3,253 due to \$2,971 from the addition of new mortgages and unsecured debt and lower capitalized interest of \$1,488 on developments, and by increased general and administrative expenses of \$3,071 primarily as a result of an increase in Unit price and its impact on Unit-based compensation plans of \$4,951. Additionally, loss from equity accounted investments was \$2,256 for the period compared to income of \$339 for the nine months ended September 30, 2020, resulting from operating results from residential development projects as they move towards revenue stabilization.

Net Property Income

Management uses net property income on a cash basis (property cash NOI^(*)) as a measure of performance as it reflects the cash generated by properties period-over-period. Refer to the "Non-GAAP Financial Measures" section of this MD&A, starting on page 57, for a more detailed discussion on property cash NOI^(*).

Net property income on a cash basis^(*), which excludes non-cash straight-line rent recognition and amortization of tenant incentive amounts, is as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	Variance	2021	2020	Variance
Net property income	\$ 71,301	\$ 65,417	\$ 5,884	\$ 211,629	\$ 191,046	\$ 20,583
Non-cash straight-line rent	(2,326)	(3,266)	940	(7,488)	(7,076)	(412)
Non-cash tenant incentive amortization ⁽¹⁾	5,187	4,752	435	14,562	12,990	1,572
Property cash NOI ^(*)	74,162	66,903	7,259	218,703	196,960	21,743
Acquisitions and dispositions property cash NOI ^(*)	948	906	42	3,613	3,174	439
Development property cash NOI ^(*)	8,473	6,180	2,293	24,087	13,284	10,803
Acquisitions, dispositions and development property cash NOI ^(*)	9,421	7,086	2,335	27,700	16,458	11,242
Same-asset property cash NOI ^(*)	\$ 64,741	\$ 59,817	\$ 4,924	\$ 191,003	\$ 180,502	\$ 10,501

(1) Refer to "Amortization of Tenant Incentives" on page 26 for a breakdown of tenant incentive amortization.

Same-asset property cash NOI^(*) growth for the third quarter, compared to results for the same period in 2020, is 8.2%. Adjusting for the impacts of COVID-19, it is 2.0% compared to adjusted results for the same period in 2020. Year to date, same-asset property cash NOI^(*) growth increased 1.5% when adjusted for the removal of COVID-19 impacts, compared to the adjusted results for the nine months ended September 30, 2020.

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Development properties include properties earning cash NOI that are currently being developed and/or have recently completed development. Change in cash NOI from development properties period-over-period is impacted by the timing of commencement and completion of each development project. The nature and extent of development projects result in operations being impacted minimally in some instances, and more significantly in others. Consequently, comparison of period-over-period development operating results may not be meaningful. The redevelopment of Avalon Mall was substantially complete in the fourth quarter of 2020 and its NOI inclusive of COVID-19 impact is reflected in the above table in the development section.

Same-asset property cash NOI^(*) by asset type and market class is as follows:

	Three months ended September 30,				Nine months ended September 30,			
	2021	2020	Variance	%	2021	2020	Variance	%
Retail ⁽¹⁾	\$ 58,626	\$ 54,192	\$ 4,434	8.2 %	\$ 173,301	\$ 163,040	\$ 10,261	6.3 %
Office	3,117	2,657	460	17.3 %	8,768	8,607	161	1.9 %
Retail-related industrial ⁽²⁾	2,998	2,968	30	1.0 %	8,934	8,855	79	0.9 %
Same-asset property cash NOI ^(*)	\$ 64,741	\$ 59,817	\$ 4,924	8.2 %	\$ 191,003	\$ 180,502	\$ 10,501	5.8 %

(1) Retail includes our substantial retail portfolio and reflects certain additional properties which comprise both retail and office space. These properties have been consistently included in our retail category.

(2) Retail-related industrial includes retail distribution centres owned in Toronto (100%), Montreal (50%), and Calgary (50%), and a spoke facility owned in Toronto (100%).

	Three months ended September 30,				Nine months ended September 30,			
	2021	2020	Variance	%	2021	2020	Variance	%
VECTOM	\$ 22,216	\$ 21,159	\$ 1,057	5.0 %	\$ 65,846	\$ 63,307	\$ 2,539	4.0 %
Major Markets	18,291	15,941	2,350	14.7 %	53,399	48,787	4,612	9.5 %
Rest of Canada	24,234	22,717	1,517	6.7 %	71,758	68,408	3,350	4.9 %
Same-asset property cash NOI ^(*)	\$ 64,741	\$ 59,817	\$ 4,924	8.2 %	\$ 191,003	\$ 180,502	\$ 10,501	5.8 %

For the three months ended:

Same-asset property cash NOI increased by \$4,924, or 8.2%, compared to the third quarter of 2020 primarily due to a reduction in bad debt expense of \$1,471 as a result of decreased collection risk in the third quarter of 2021, strong occupancy, and an increase of supplemental rents of \$513 from modernizations and capital improvements. Same-asset property cash NOI adjusted for the removal of what management estimates to be the impacts of COVID-19 increased 2.0% compared to the same period in 2020.

Compared to the third quarter of 2020, net property income increased by \$5,884 and property cash NOI increased by \$7,259. In addition to the factors affecting same-asset property cash NOI, the growth was driven by increased rent of \$3,227 from development activity and acquisitions.

For the nine months ended:

On a year to date basis, same-asset property cash NOI increased 5.8% compared to the same period in 2020 primarily due to a reduction in bad debt expense on same-asset properties of \$5,720 as a result of decreased collection risk in 2021, strong occupancy, and increased lease termination income of \$1,644. Same-asset property cash NOI adjusted for the removal of what management estimates to be the impacts of COVID-19 is \$191,928, an increase of 1.5% compared to the adjusted results for the nine months ended September 30, 2020.

On a year to date basis, net property income increased by \$20,583 and property cash NOI increased by \$21,743 compared to the same period in 2020, primarily for the same reasons affecting same-asset property cash NOI, and by increased income of \$8,521 from completed developments and acquisitions.

Funds from Operations (FFO)^(*)

Crombie follows the recommendations of the Real Property Association of Canada ("REALPAC")'s February 2019 white paper in calculating FFO^(*). Refer to the "Non-GAAP Financial Measures" section of this MD&A, starting on page 57, for a more detailed discussion on FFO.

The reconciliation of FFO for the three and nine months ended September 30, 2021 and 2020 is as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	Variance	2021	2020	Variance
Decrease in net assets attributable to Unitholders	\$ (12,436)	\$ (15,655)	\$ 3,219	\$ (33,205)	\$ (53,110)	\$ 19,905
Add (deduct):						
Amortization of tenant incentives	5,187	4,752	435	14,562	12,990	1,572
Loss (gain) on disposal of investment properties	(2,619)	—	(2,619)	(13,763)	829	(14,592)
Impairment of investment properties	1,239	—	1,239	1,239	2,100	(861)
Depreciation and amortization of investment properties	18,758	18,159	599	55,922	55,133	789
Adjustments for equity accounted investments	737	22	715	1,426	67	1,359
Principal payments on right of use assets	57	56	1	167	163	4
Internal leasing costs	620	604	16	1,860	1,812	48
Finance costs - distributions to Unitholders	36,578	35,202	1,376	107,922	105,091	2,831
Finance costs (income) - change in fair value of financial instruments	(291)	187	(478)	1,954	(1,530)	3,484
FFO ^(*) as calculated based on REALPAC recommendations	\$ 47,830	\$ 43,327	\$ 4,503	\$ 138,084	\$ 123,545	\$ 14,539
Basic weighted average Units (in 000's)	164,382	158,196	6,186	161,300	157,182	4,118
FFO ^(*) per Unit - basic	\$ 0.29	\$ 0.27	\$ 0.02	\$ 0.86	\$ 0.79	\$ 0.07
FFO ^(*) payout ratio (%)	76.5 %	81.2 %	4.7 %	78.2 %	85.1 %	6.9 %

For the three months ended:

The increase in FFO is primarily due to increased net property income (an increase of \$5,884 quarter over quarter) which resulted from increased income of \$3,227 from completed developments and acquisitions, strong occupancy, an increase in modernization income of \$573, and a reduction in bad debt expense of \$1,239 as a result of decreased collection risk in the third quarter of 2021. This is offset in part by loss from equity accounted investments of \$923 compared to income of \$101 for the same quarter in 2020 due to operating results from residential development projects as they move towards revenue stabilization, and increased finance costs from operations of \$820 due to the addition of new unsecured debt since the third quarter of 2020 and lower capitalized interest on developments. Additionally, general and administrative expenses increased by \$659 primarily resulting from new roles and promotions since the third quarter of 2020.

For the nine months ended:

On a year to date basis, FFO increased primarily due to improved net property income (an increase of \$20,583 compared to the same period in 2020) due to a significant reduction in bad debt expense of \$10,070 resulting from decreased collection risk in 2021, increased income of \$8,521 from completed developments and acquisitions, and an increase of \$2,433 in lease termination income. The increase in net property income is partially offset by an increase in finance costs from operations of \$3,253 due to the addition of new mortgages and unsecured debt, lower capitalized interest on developments, and by increased general and administrative expenses of \$3,071 primarily related to the impact of increased Unit price on Unit-based compensation plans, offset in part by \$1,509 of severance costs in the second quarter of 2020. Additionally, loss from equity accounted investments was \$2,256 for the period compared to income of \$339 for the nine months ended September 30, 2020, resulting from operating results from residential development projects as they move towards revenue stabilization.

Adjusted Funds from Operations (AFFO)^(*)

Crombie follows the recommendations of REALPAC's February 2019 white paper in calculating AFFO^(*) and has applied these recommendations to the AFFO amounts included in this MD&A. Refer to the "Non-GAAP Financial Measures" section of this MD&A, starting on page 57, for a more detailed discussion.

The reconciliation of AFFO for the three and nine months ended September 30, 2021 and 2020 is as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	Variance	2021	2020	Variance
FFO ^(*) as calculated based on REALPAC recommendations	\$ 47,830	\$ 43,327	\$ 4,503	\$ 138,084	\$ 123,545	\$ 14,539
Add (deduct):						
Amortization of effective swap agreements	—	—	—	—	510	(510)
Straight-line rent adjustment	(2,326)	(3,266)	940	(7,488)	(7,076)	(412)
Straight-line rent adjustment included in income from equity accounted investments	191	—	191	365	—	365
Internal leasing costs	(620)	(604)	(16)	(1,860)	(1,812)	(48)
Maintenance expenditures on a square footage basis	(4,023)	(3,963)	(60)	(12,037)	(11,883)	(154)
AFFO ^(*) as calculated based on REALPAC recommendations	\$ 41,052	\$ 35,494	\$ 5,558	\$ 117,064	\$ 103,284	\$ 13,780
Basic weighted average Units (in 000's)	164,382	158,196	6,186	161,300	157,182	4,118
AFFO ^(*) per Unit - basic	\$ 0.25	\$ 0.22	\$ 0.03	\$ 0.73	\$ 0.66	\$ 0.07
AFFO ^(*) payout ratio (%)	89.1 %	99.2 %	10.1 %	92.2 %	101.7 %	9.5 %

For further details on Crombie's maintenance expenditures, refer to the Non-GAAP Financial Measures section of this MD&A.

For the three months ended:

The increase in AFFO is largely due to the impacts on FFO as described above.

For the nine months ended:

The improvement in AFFO is primarily due to the same factors impacting FFO as described above.

Distributions to Unitholders

A trust that satisfies the criteria of a REIT throughout its taxation year will not be subject to income tax in respect of distributions to its Unitholders that would otherwise apply to trusts classified as specified investment flow-through entities ("SIFTs").

Crombie has organized its assets and operations to satisfy the criteria contained in the Income Tax Act (Canada) in regard to the definition of a REIT. Crombie's management and its advisors have completed an extensive review of Crombie's organizational structure and operations to support Crombie's assertion that it met the REIT criteria throughout 2020 and continues to do so. The relevant tests apply throughout the taxation year and as such the actual status of Crombie for any particular taxation year can only be ascertained at the end of the year.

Pursuant to Crombie's Declaration of Trust, cash distributions are to be determined by the Trustees at their discretion. Crombie intends, subject to approval of the Board of Trustees, to make distributions to Unitholders of not less than the amount equal to the net income and net realized capital gains of Crombie, to ensure that Crombie will not be liable for income taxes.

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Details of distributions to Unitholders are as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	Variance	2021	2020	Variance
Distributions to Unitholders	\$ 21,610	\$ 20,805	\$ 805	\$ 63,771	\$ 62,106	\$ 1,665
Distributions to Class B Voting Unitholder ⁽¹⁾	14,968	14,397	571	44,151	42,985	1,166
Total distributions	\$ 36,578	\$ 35,202	\$ 1,376	\$ 107,922	\$ 105,091	\$ 2,831
FFO ^(*) payout ratio	76.5 %	81.2 %	4.7 %	78.2 %	85.1 %	6.9 %
AFFO ^(*) payout ratio	89.1 %	99.2 %	10.1 %	92.2 %	101.7 %	9.5 %

(1) Crombie Limited Partnership, a subsidiary of Crombie, has also issued Class B LP Units. These Class B LP Units accompany the Special Voting Units, are the economic equivalent of a Unit, and are exchangeable for Units on a one-for-one basis.

Pursuant to the requirement of National Policy 41-201, Income Trusts and Other Indirect Offerings, the table below outlines the differences between operating income attributable to Unitholders and cash distributions, in accordance with the policy guidelines.

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	Variance	2021	2020	Variance
Operating income attributable to Unitholders	\$ 23,851	\$ 19,734	\$ 4,117	\$ 76,671	\$ 50,451	\$ 26,220
Monthly distributions paid and payable	(36,578)	(35,202)	(1,376)	(107,922)	(105,091)	(2,831)
Operating income attributable to Unitholders shortfall of distributions paid and payable	\$ (12,727)	\$ (15,468)	\$ 2,741	\$ (31,251)	\$ (54,640)	\$ 23,389

Monthly distributions paid for the three and nine months ended September 30, 2021 and 2020 were funded with cash flows from operating activities and borrowing on the revolving credit facility.

On October 15, 2021, Crombie declared distributions of 7.417 cents per Unit for the period from October 1, 2021 to and including October 31, 2021. The distributions will be paid on November 15, 2021, to Unitholders of record as of October 31, 2021.

Amortization of Tenant Incentives

Tenant incentives are amortized on a straight-line basis over the term of existing leases and the amortization is shown as a reduction in property revenue. From time to time, Crombie invests in value-enhancing property modernizations that result in lease amendments. These investments are amortized over the lease term and reduce the associated increase in property revenue.

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	Variance	2021	2020	Variance
Regular tenant incentive amortization	\$ 2,947	\$ 3,041	\$ 94	\$ 8,131	\$ 8,300	\$ 169
Modernization tenant incentive amortization	2,240	1,711	(529)	6,431	4,690	(1,741)
Total amortization of tenant incentives	\$ 5,187	\$ 4,752	\$ (435)	\$ 14,562	\$ 12,990	\$ (1,572)

General and Administrative Expenses

The following table outlines the major categories of general and administrative expenses:

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	Variance	2021	2020	Variance
Salaries and benefits	\$ 2,992	\$ 2,376	\$ (616)	\$ 7,732	\$ 9,793	\$ 2,061
Unit-based compensation ⁽¹⁾	1,663	1,292	(371)	5,961	1,010	(4,951)
Professional fees	331	464	133	1,459	1,234	(225)
Public company costs	215	381	166	956	1,058	102
Rent and occupancy	176	138	(38)	419	436	17
Other	351	418	67	1,592	1,517	(75)
General and administrative expenses	\$ 5,728	\$ 5,069	\$ (659)	\$ 18,119	\$ 15,048	\$ (3,071)
As a percentage of property revenue	5.6 %	5.5 %	(0.1)%	5.9 %	5.2 %	(0.7)%

(1) Unit-based compensation includes both employees and trustees.

For the three months ended:

The higher expenses in the quarter are primarily due to an increase of \$616 in salaries and benefits resulting from new roles and promotions since the third quarter of 2020. General and administrative expenses excluding the impact of Unit-based compensation of \$1,663 is 4.0% of property revenue.

For the nine months ended:

On a year to date basis, the increase in expenses is primarily due to an increase in Crombie's Unit price and its impact on Unit-based compensation plans, resulting in increased costs of \$4,951. This is offset in part by reduced salaries and benefits of \$2,061 due to savings in 2021 related to organizational realignment in the second quarter of 2020 and the associated \$1,509 of severance in that quarter. General and administrative expenses excluding the impact of Unit-based compensation of \$5,961 is 4.0% of property revenue.

Finance Costs - Operations

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	Variance	2021	2020	Variance
Fixed rate mortgages	\$ 12,315	\$ 12,341	\$ 26	\$ 37,336	\$ 36,880	\$ (456)
Floating rate term, revolving, and demand facilities	588	842	254	1,538	2,936	1,398
Capitalized interest	(879)	(1,458)	(579)	(2,556)	(4,044)	(1,488)
Senior unsecured notes	9,909	9,425	(484)	30,377	27,862	(2,515)
Interest income on finance lease receivable	(145)	(97)	48	(404)	(292)	112
Interest on lease liability	523	460	(63)	1,533	1,383	(150)
Finance costs	22,311	21,513	(798)	67,824	64,725	(3,099)
Amortization of deferred financing charges	759	737	(22)	2,325	2,171	(154)
Finance costs - operations	\$ 23,070	\$ 22,250	\$ (820)	\$ 70,149	\$ 66,896	\$ (3,253)

For the three months ended:

Finance costs increased by \$798 primarily due to reduced capitalized interest on development properties of \$579, and increased costs of \$484 resulting from the addition of new unsecured debt, net of redemption of unsecured notes, since the third quarter of 2020. This is offset in part by lower interest on current debt of \$254 resulting from lower average outstanding balances of credit facilities in the period.

For the nine months ended:

Finance costs increased by \$3,099 primarily due to the same factors as in the quarter.

Depreciation, Amortization, and Impairment

Crombie's total fair value of investment properties exceeds carrying value by \$1,156,002 at September 30, 2021 (September 30, 2020 - \$772,797). Crombie uses the cost method for accounting for investment properties, and increases in fair value over carrying value are not recognized until realized through disposition or derecognition of properties, while impairment, if any, is recognized on a property by property basis when circumstances indicate that the carrying value may not be recoverable.

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	Variance	2021	2020	Variance
Same-asset ⁽¹⁾ depreciation and amortization	\$ 16,330	\$ 16,497	\$ 167	\$ 48,898	\$ 49,438	\$ 540
Acquisitions, dispositions and development depreciation/amortization	2,779	1,968	(811)	8,060	6,623	(1,437)
Depreciation and amortization	\$ 19,109	\$ 18,465	\$ (644)	\$ 56,958	\$ 56,061	\$ (897)
Impairment	\$ 1,239	\$ —	\$ (1,239)	\$ 1,239	\$ 2,100	\$ 861

For the three months ended:

The increase in depreciation and amortization of \$644 is due most notably to the commencement of depreciation in the first quarter of 2021 on the substantially completed developments at the Pointe-Claire CFC and Avalon Mall, an increase of \$569 over the third quarter of 2020.

For the nine months ended:

The \$897 increase in depreciation and amortization on a year to date basis is due to depreciation on the substantially completed developments at the Pointe-Claire CFC and Avalon Mall, which resulted in an increase of \$1,796. This is partially offset by accelerated depreciation due to the partial demolition of a building at the Avalon Mall site in the first quarter of 2020.

During the three months ended September 30, 2021, Crombie recorded an impairment of \$1,239 on one property. The impairment was the result of an upcoming partial disposition, expected to close in December 2021. Impairment was determined as the amount by which carrying value, using the cost method, exceeded the recoverable amount for that property. The recoverable amount was determined to be the property's fair value defined as the higher of the economic benefit of the continued use of the asset or the selling price less costs to sell. To calculate the benefit of the continued use of the asset, Crombie utilized the present value of the estimated future cash flows, discounted using a discount rate based on the risk associated with the property.

6. DEVELOPMENT

Property development is a strategic priority for Crombie to improve NAV, cash flow growth and Unitholder value. With urban intensification an important reality across the country, Crombie is focused on evaluating and undertaking major mixed-use developments at certain properties, where incremental costs to develop are greater than \$50,000 and where development may include residential, commercial and/or retail-related industrial ("Major Developments"). This discussion of Crombie's development activities contains forward-looking information. Refer to the "Forward-looking Information" section of this MD&A starting on page 60 for additional information regarding such statements and the related risks and uncertainties.

Crombie has the potential to unlock significant value within its current pipeline of 30 major development properties over the next fifteen years. Crombie benefits from having solid income (FFO and AFFO) generated by most of these properties while working through the various approvals, entitlements, and advance preparations required before each major development can commence. In aggregate, Crombie currently achieves an in-place NOI yield of approximately 4.8% (September 30, 2020 - 5.2%) on existing asset cost for properties not yet under construction.

Crombie has a strategic relationship with Empire. The majority of our development properties currently have Empire as an anchor tenant. Our strategic relationship enables us to unlock value and transition from existing operating properties to construction/development of these sites on mutually-agreeable terms.

Our major developments will be planned and executed to complete development of mixed-use properties with a focus on grocery-anchored retail and, wherever practical, primarily purpose-built residential rental accommodations that provide revenue, diversification and growth to Crombie. We view this approach as the optimal way to drive both NAV and AFFO growth. From time to time, Crombie may enter into partnerships to complete developments to share knowledge, risk and expertise. In certain cases, residential condominium uses may also be considered, as will certain other uses (e.g. retail-related industrial), to satisfy municipal requirements and/or market opportunities. Crombie may also have the option, if desired, to monetize our density value by selling certain air rights, or purpose-built rental properties to third parties in lieu of, or after, development.

Completed Developments

The table below summarizes projects that have reached substantial completion during the quarter. Crombie recognizes substantial completion when key project milestones are met and/or project spending has reached over 90% of total project costs.

During the quarter ended, September 30, 2021, Crombie has reached substantial completion on the following major development project:

Property	CMA	Use	Ownership	Completed Commercial GLA	% of Commercial GLA Leased	Completed Residential GLA	Residential Units Available for Lease ⁽²⁾	Residential Units Leased	% of Residential Units Leased
Le Duke ⁽¹⁾	Montreal	Mixed Use	50%	26,000	96 %	241,000	207	57	28 %

(1) Total estimated costs at Le Duke is \$59,000 with expected yields in the 5.4% - 5.8% range

(2) 207 of the total 387 units at Le Duke are currently available for lease-up

This project has reached substantial completion, thereby reducing the construction risk remaining in the development. The remaining risk is primarily related to achieving successful lease-up stabilization of vacant units at market rents, and potential changes in prevailing market rents. Any failure to achieve successful lease-up stabilization at current prevailing market rents could negatively impact expected yields for this development.

GLA on completion is based on applicable standards of area measurement determined through internal site plans and drawings, and using external massing studies, where applicable. GLA in the above table is shown at full project density.

Estimated total project cost includes the current carrying costs of development lands, where applicable, net of any reductions from land and air rights dispositions. Total estimated project costs include land costs on existing income producing properties upon transfer to the development, soft and hard construction costs, tenant inducements, external leasing costs, finance costs, capitalized interest and other carrying costs, such as capitalized construction and development staff and property taxes. These costs are determined by using internal knowledge and external professional resources, where applicable.

Estimated annual NOI is calculated using first year stabilized annual rent for each tenant, assuming 100% occupancy. These estimates are established using market rents, Crombie’s market knowledge, and/or using externally generated market studies.

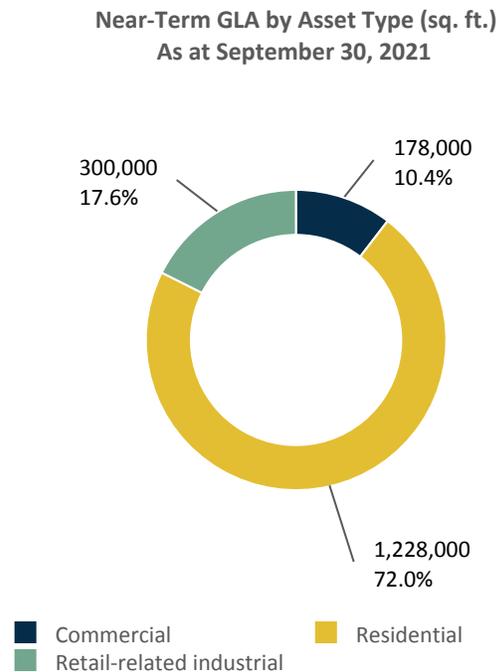
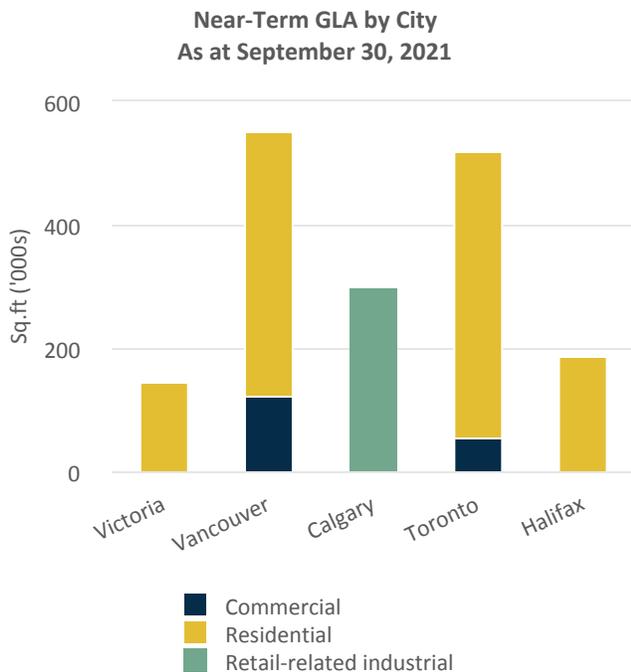
Development Pipeline

Crombie has identified 30 major development projects as at September 30, 2021 (September 30, 2020 - 34), with an updated total projected cost to develop these properties of \$4,600,000 to \$6,500,000 (September 30, 2020 - \$4,600,000 to \$6,400,000). Crombie may enter joint venture or other partnership arrangements for these properties to share cost, revenue, risk, and development expertise, depending upon the nature of each project. Each selected project remains subject to normal development approvals, achieving required economic hurdles, and Board of Trustees' approval. In conjunction with our strategic partner Empire, Crombie management continuously reviews and prioritizes development opportunities that drive NAV and AFFO growth, including high-density urban re-development, new grocery-anchored retail, retail-related industrial e-commerce facilities, and land-use intensification.

During the quarter, the Toronto East development was added to the potential pipeline as a medium-term project. In addition, Brunswick Place (Halifax) which is zoned for significant mixed-use / residential use was moved from long-term to medium-term in recognition of the strong market fundamentals in the downtown Halifax market.

Near-Term Projects

As Crombie nears completion on its initial major development projects, a change in development disclosure was implemented in 2021. To emphasize the timing of the next wave of developments, Crombie has shifted from an active / future division of its pipeline to a three-tiered timing based approach. Near-term projects are financially committed or expected to be committed within the next two years. Medium-term projects have a timeline to commitment of two years to five years and long-term projects are expected to be committed within five to fifteen years. Crombie has six projects in the near-term category.



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The below table provides additional detail into Crombie's near-term developments.

Property	City	% Ownership	Full Project Density			
			Commercial GLA	Retail-related industrial GLA	Residential GLA	Residential Units
Bronte Village ⁽¹⁾	Toronto	50%	54,000	—	466,000	480
Voilà CFC 3 (Calgary) ⁽¹⁾	Calgary	100%	—	300,000	—	—
Westhill on Duke	Halifax	100%	—	—	188,000	280
1780 East Broadway (Broadway and Commercial)	Vancouver	50% ⁽²⁾	124,000	—	429,000	670
Belmont Market - Phase II	Victoria	100%	—	—	145,000	200
Penhorn Lands ⁽³⁾	Halifax	50%	—	—	—	—
Total Near-Term Developments			178,000	300,000	1,228,000	1,630

(1) These projects are financially committed and under active development

(2) Crombie will own 100% of the commercial portion of this development

(3) Development related to 26 acres of land at Penhorn Mall in Halifax, NS, involves the re-zoning and sale or development of multi-family parceled lots. With prospective third-party involvement, potential investment could yield upwards of 900 units and aligns with a major development expenditure

Estimated GLA on completion is based on applicable standards of area measurement determined through internal site plans and drawings, and using external massing studies, where applicable.

Near-Term Project Update

Bronte Village, 2441 Lakeshore Road West, Oakville (Toronto), Ontario

Type: Retail / Residential

Ownership: 50%

Construction status: Construction at 125 and 133 Bronte Road has progressed significantly over the last quarter. 125 Bronte, which represents half of the 480 units available, welcomed its first tenants in the third quarter. Interior finishing of suites continues at 133 Bronte and is on track for substantial completion in the fourth quarter of 2021. At Crombie's share, project cost is \$139,000 with estimated yields in the 5.4%-6.0% range. At Crombie's share, the estimated cost to complete at Bronte Village is \$12,000.

Estimated total cost for Bronte Village includes the current carrying costs of development lands, net of any proceeds from land and air rights dispositions. Total estimated costs include land cost transferred in at cost on existing income producing properties upon transfer to the development, soft and hard construction costs, tenant inducements, external leasing costs, finance costs, and capitalized interest and other carrying costs, such as capitalized construction and development staff, and property taxes. These costs are determined by using internal knowledge and external professional resources, where applicable. Project capital cost uncertainty exists and project cost estimates contain contingency for capital cost exceedances in the ordinary course. Historically, capital cost exceedances in the 5% - 10% range are reflective of such contingencies.

Estimated annual NOI for Bronte Village is calculated using first year stabilized annual rent for each tenant, assuming 100% occupancy. These estimates are established by using contracted rents, Crombie's market knowledge, and/or determined using externally generated market studies. Revenue assumptions are subject to uncertainty and estimates contain provision for revenue risk and/or timing of revenue achieving stabilization. Historically, revenue risk in the 5% range is reasonable for typical projects and typical valuation appraisals contain provision for vacancy.

Voilà CFC 3, Calgary, Alberta

Type: Retail-related industrial

Ownership: 100%

Project status: The Calgary Voilà CFC is the third Empire grocery e-commerce fulfillment hub in Canada powered by Ocado plc's industry-leading technology. Crombie closed the acquisition of the 25 acre site in June 2021 and site servicing and foundation work is nearing completion with erection of building steel underway. Retail-related industrial GLA of this project will total approximately 300,000 square feet.

Westhill on Duke, Halifax, Nova Scotia

Type: Residential

Ownership: 100%

Project status: Westhill on Duke is a planned 280 unit residential rental project in the heart of downtown Halifax located within the Scotia Square mixed-use retail, office and hotel complex. A development application was submitted to the planning department of the Halifax Regional Municipality in late 2020. Public engagement is scheduled to start in mid-November 2021 with development approval in early 2022. The project is expected to be ready for commencement in mid-2022.

1780 East Broadway (Broadway & Commercial), Vancouver, British Columbia

Type: Retail / Residential

Ownership: 100% retail, 50% residential and office

Project status: East Broadway is a proposed major mixed-use re-development on 2.43 acres of land located at the busiest transit node in Western Canada. A re-zoning application is in process with the City of Vancouver which comprises a mix of grocery-anchored retail, rental residential, and market condos. Crombie anticipates completion of re-zoning in 2022 and construction commencement in mid-2023.

Belmont Market - Phase II, Victoria, British Columbia

Type: Residential

Ownership: 100%

Project status: Belmont Market - Phase II envisions the development of approximately 200 residential units on the remaining 75,000 square feet of land within the Belmont Market development area. The lands are fully zoned and could be ready for development commencement in mid-2022.

Penhorn Lands, Halifax, Nova Scotia

Type: Land Development / Residential

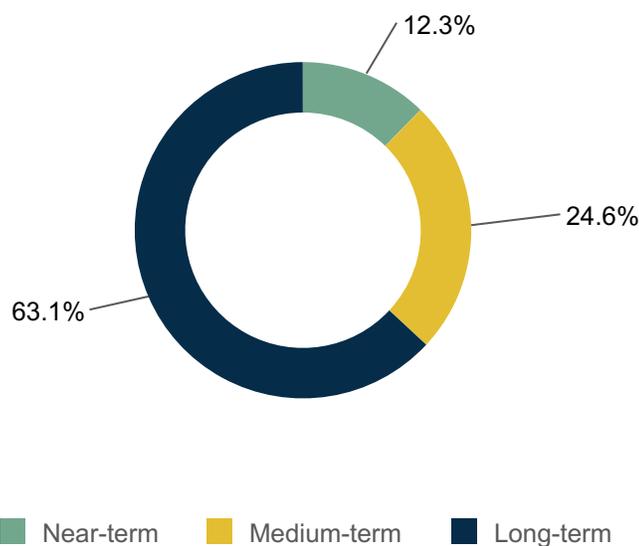
Ownership: 50%

Project status: Crombie continues to work with our development partner, Clayton Developments Limited, to enable a 26 acre mixed-use development at this prime location. Development approval is anticipated in mid-2022 and commencement of land sales in late 2022.

Total Development Pipeline

In addition to near-term projects Crombie is actively working on its pipeline to ensure a consistent inventory of projects. The following table details total project cost estimates by category at September 30, 2021:

Crombie Development Spending by Project Timeline



Project Timeline	Number of Projects	At Crombie's Share (\$ in millions)		
		Total Estimated Costs	Total Spend to Date ⁽¹⁾	Estimated Cost to Complete
Near-term	6	\$ 700 -800	\$ 180	\$ 520-620
Medium-term	6	1,200-1,600	60	1,140-1,540
Long-term	18	2,700-4,100	170	2,530-3,930
Total Pipeline	30	\$ 4,600-6,500	\$ 410	\$ 4,190-6,090

(1) Costs include Crombie's total investment in land at these properties

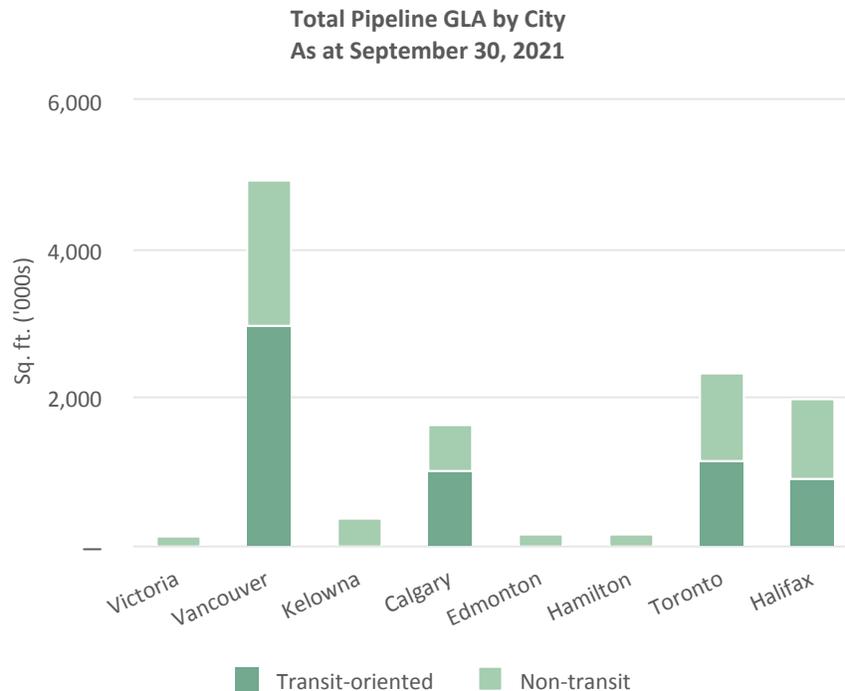
Crombie continuously monitors and evaluates the potential pipeline to optimize value creation. With a strong commitment to portfolio growth, Crombie actively analyzes costs and market opportunities amongst the potential pipeline in order to maximize NOI and NAV creation. As a result of scope change and new opportunities in the pipeline, the projected cost range of our total pipeline was refined from \$4,400,000 to \$6,300,000 in Q2 to \$4,600,000 to \$6,500,000 in Q3.

Estimated total cost includes the current carrying costs of development lands, net of any proceeds from land and air rights dispositions. Total estimated costs include land cost on the existing income-producing properties upon transfer to the development, soft and hard construction costs, tenant inducements, external leasing costs, finance costs, and capitalized interest and other carrying costs, such as capitalized construction and development staff, and property taxes. These costs are determined by using internal knowledge and external professional resources, where applicable. Project capital cost uncertainty exists, and project cost estimates contain contingency for capital cost exceedances in the ordinary course. Historically, capital cost exceedances in the 5% - 10% range are reflective of such contingencies.

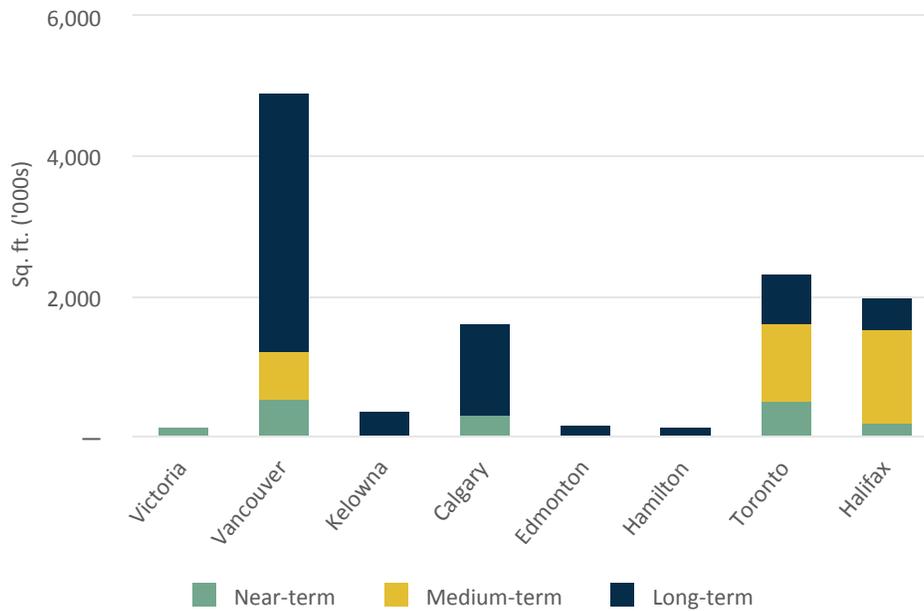
For joint venture projects, our partners may provide estimates which Crombie reviews and analyzes to determine final estimates.

These estimates and assumptions are reviewed and updated regularly and are subject to changes, which could be material. Estimated total costs are based on assumptions that are updated regularly, based on revised site plans, cost tendering processes, market studies and continuing tenant negotiations. These assumptions are based on access to job sites, supplies and labour availability, ability to attract tenants, estimated GLA, and tenant mix among rental, air rights sale, tenant rents, building sizes, and availability and cost of construction financing. Within specific projects, scheduling and/or completion timing uncertainty exists and project economics can handle reasonable delays in the range of 10%. Estimations included in the chart are believed to be reasonable, but there can be no assurance that actual results will be consistent with these projections.

Crombie's current pipeline has the potential to add up to 1,356,000 square feet of commercial GLA, 300,000 square feet of retail-related industrial GLA and up to 10,021,000 square feet (up to 11,960 units) of residential GLA (which may include a combination of rental or condominium units).



**Total Pipeline GLA by City
As at September 30, 2021**



Total Pipeline Density by Project Timeline

Project Timeline	Commercial GLA	Retail-related industrial GLA	Residential GLA	Residential Units
Near-term	178,000	300,000	1,228,000	1,630
Medium-term	180,000	—	2,940,000	3,510
Long-term	998,000	—	5,853,000	6,820
Total Pipeline	1,356,000	300,000	10,021,000	11,960

Based on Crombie's current estimates, total costs to develop these properties could reach \$4,600,000 to \$6,500,000 over ten to fifteen years. Crombie may develop some or all of these properties independently or may enter joint venture or other partnership arrangements for these properties to share cost, revenue, risk, and development expertise, depending upon the nature of each project. Each project remains subject to normal development approvals, achieving required economic hurdles, and Board of Trustees' approval. The precise timing of each project is not determinable at present. The time horizon of these projects may change, project scope may change, and/or Crombie may choose to not proceed with development on some properties after further review, entitlement assessment, and completion of financial projections.

An important part of creating a sustainable development program is a systematic approach to proactively moving potential development lands through the entitlement process to obtain zoning approvals. Crombie currently has 8 of these 30 potential major projects identified for imminent re-zoning and is currently in various stages of entitlement pursuit as noted in the following chart:

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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Crombie's Entitled Projects

	Number of Projects	Estimated Commercial Sq. ft. ⁽¹⁾	Estimated Retail-related industrial Sq. ft. ⁽¹⁾	Estimated Residential Sq. ft. ⁽¹⁾	Estimated Total Sq. ft. ⁽¹⁾	Residential Units ⁽¹⁾
<u>Near-term:</u>						
Zoned	4	54,000	300,000	799,000	1,153,000	960
Application Submitted ⁽²⁾	2	124,000	—	429,000	553,000	670
Total Near-term	6	178,000	300,000	1,228,000	1,706,000	1,630
<u>Medium / Long-term:</u>						
Zoned	2	19,000	—	1,152,000	1,171,000	1,520
Total	8	197,000	300,000	2,380,000	2,877,000	3,150

(1) Square footage and unit information presented in the table are estimates only and are subject to change. Design, municipal approvals and market conditions may influence estimates provided

(2) Re-zoning application related to 26 acres of land at Penhorn in Halifax, NS, involves the re-zoning and sale or development of multi-family parceled lots

Zoning is in place for the following development sites: Bronte Village (Toronto), Westhill on Duke (Halifax), Belmont Market - Phase II (Victoria), Triangle Lands (Halifax), Voilà CFC 3 (Calgary), and Brunswick Place (Halifax). Re-zoning applications have been submitted and are in process for Broadway and Commercial (Vancouver) and Penhorn Lands (Halifax).

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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The following table lists the 30 identified Potential Major Development locations and certain key features of each property. Potential developments in the table following are organized in order of potential construction commencement:

Major Development Pipeline									
	Existing Property	CMA	Site Size (acres)	Transit Oriented	Existing Tenants	Potential Commercial Expansion	Potential Residential Expansion	Entitlement Status	Project Timing
1	Bronte Village	Toronto	5.66	No	Sobeys	Yes	Yes	Zoned	Near-term
2	Voilà CFC 3 (Calgary)	Calgary	25.00	No	n/a	Yes	No	Zoned	Near-term
3	Westhill on Duke ⁽¹⁾	Halifax	0.46 ⁽²⁾	Yes	n/a	Yes	Yes	Zoned	Near-term
4	Belmont Market - Phase II	Victoria	1.70	No	Land	No	Yes	Zoned	Near-term
5	1780 East Broadway (Broadway and Commercial)	Vancouver	2.43	Yes	Safeway	Yes	Yes	Application Submitted	Near-term
6	Penhorn Lands	Halifax	26.12	No	Land	Yes	Yes	Application Submitted	Near-term
7	Park West	Halifax	6.44	No	Retail	Yes	Yes	Pre-Planning	Medium-term
8	1170 East 27 Street (Lynn Valley)	Vancouver	2.82	No	Safeway	Yes	Yes	Pre-Planning	Medium-term
9	Toronto East	Toronto	0.45	Yes	Foodland	No	Yes	Pre-Planning	Medium-term
10	Brunswick Place	Halifax	0.75 ⁽³⁾	Yes	n/a	Yes	Yes	Zoned	Medium-term
11	McCowan & Ellesmere	Toronto	4.48	Yes	FreshCo/Other tenants	Yes	Yes	Pre-Planning	Medium-term
12	10355 King George Boulevard - Multi-phased	Vancouver	5.07	Yes	Safeway	Yes	Yes	Pre-Planning	Medium/Long-term
13	Triangle Lands	Halifax	0.68	No	Land	Yes	Yes	Zoned	Long-term
14	1818 Centre Street	Calgary	2.18	Yes	Safeway	Yes	Yes	Future	Long-term
15	3130 Danforth	Toronto	0.79	Yes	The Beer Store	Yes	Yes	Pre-Planning	Long-term
16	2733 West Broadway	Vancouver	1.95	Yes	Safeway	Yes	Yes	Future	Long-term
17	Centennial Parkway	Hamilton	2.75	No	Retail	Yes	Yes	Future	Long-term
18	990 West 25 Avenue (King Edward)	Vancouver	1.80	No	Safeway	Yes	Yes	Future	Long-term
19	524 Elbow Drive SW (Mission)	Calgary	1.60	No	Safeway	Yes	Yes	Future	Long-term
20	Fleetwood	Vancouver	4.45	Yes	Safeway	Yes	Yes	Future	Long-term
21	Robson Street	Vancouver	1.15	No	Safeway	Yes	Yes	Future	Long-term
22	Port Coquitlam	Vancouver	5.31	No	Safeway	Yes	Yes	Future	Long-term
23	410 10 Street NW (Kensington)	Calgary	1.73	Yes	Safeway	Yes	Yes	Future	Long-term
24	813 11 Avenue SW (Beltline)	Calgary	2.59	Yes	Safeway	Yes	Yes	Future	Long-term
25	3410 Kingsway (Kingsway and Tyne)	Vancouver	3.74	Yes	Safeway/Other tenants	Yes	Yes	Future	Long-term
26	East Hastings	Vancouver	3.30	No	Safeway/Other tenants	Yes	Yes	Future	Long-term
27	Bernard Ave	Kelowna	1.83	No	Safeway	Yes	Yes	Future	Long-term
28	10930 82 Avenue (Whyte Ave)	Edmonton	2.44	No	Safeway/Other tenants	Yes	Yes	Future	Long-term
29	New Westminster	Vancouver	2.82	No	Safeway	Yes	Yes	Future	Long-term
30	Brampton Mall	Toronto	8.74	No	Office/Retail	Yes	Yes	Future	Long-term

(1) Westhill on Duke was formerly referred to as Westhill and Scotia Square residential

(2) Westhill on Duke can be developed through densification on 0.46 acres of the existing 9.05 acre Scotia Square site

(3) Brunswick Place can be developed through densification on the existing 0.75 acre Brunswick Place Parkade

7. CAPITAL MANAGEMENT

Q3 FAIR VALUE OF UNENCUMBERED ASSETS (\$ in billions)



We continue to reduce risk and build financial strength by strategically managing our capital structure and optimizing capital allocation to generate long-term value for our stakeholders. Our continued success is underpinned by a strong balance sheet and more than adequate liquidity, and an investment-grade credit profile providing the company with a solid financial foundation and great financial flexibility.

Capital Management Framework

The real estate industry is highly capital intensive.

Crombie's strategic capital management objective consists of three main priorities:

1. to maintain multiple sources of both debt and equity financing;
2. to reduce risk by pre-funding its capital commitments; and
3. to source capital with the lowest cost on a long-term basis and to maintain overall indebtedness at reasonable levels, utilize staggered debt maturities, minimize long-term exposure to excessive levels of floating rate debt, and maintain conservative payout ratios.

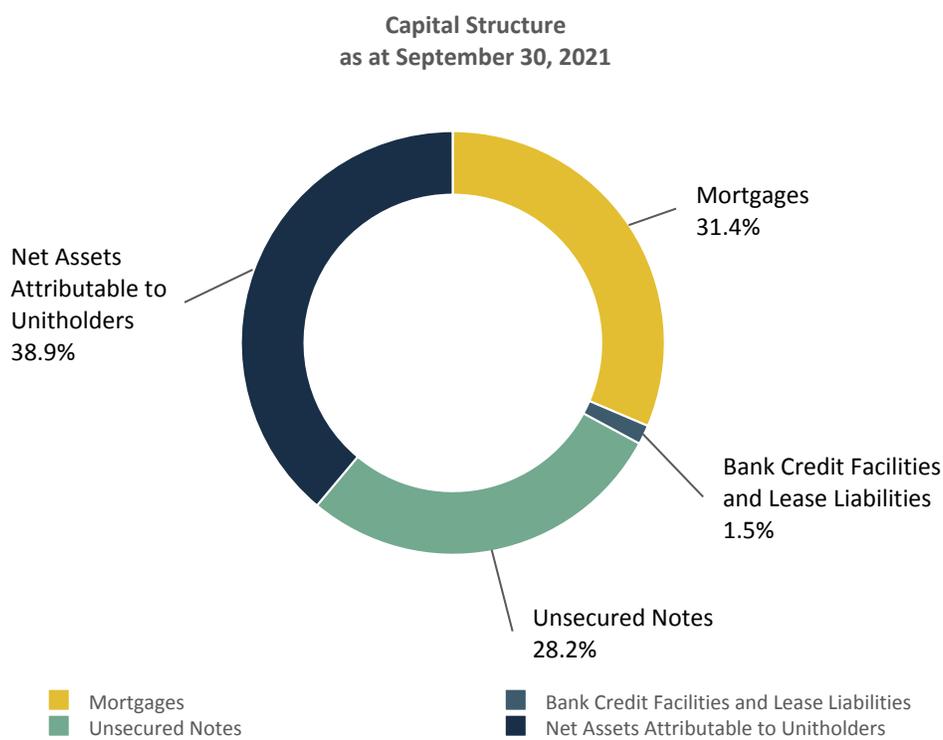
At a minimum, Crombie's capital structure is managed to ensure that it complies with the limitations pursuant to its Declaration of Trust, the criteria contained in the Income Tax Act (Canada) in regard to the definition of a REIT, and existing debt covenants.

Crombie's Declaration of Trust sets out the investment guidelines for Crombie's capital deployment. The Declaration of Trust outlines the minimum due diligence that must be completed prior to a project being approved by the Board. Crombie's Board ensures continued compliance with the Declaration of Trust through the review and approval of the annual operating and capital budgets, annual confirmation of Crombie's strategic plan, and through the approval of individual projects. The annual budget will detail the level of projected capital spend for a given year and how the required capital will be funded, as well as various key performance indicators and impacts on debt covenants. The Board monitors performance quarterly or on a more frequent basis, if needed. In addition, the Board and Management regularly review unspent committed capital (i.e. unfunded capital requirements of partially completed projects) with a lens towards Crombie's available liquidity, leverage metrics and sources of financing.

Crombie expects to be able to satisfy all of its financing requirements through the use of some or all of the following:

- Cash on hand;
- Cash flow generated from operating the property portfolio;
- Bank credit facilities;
- Proceeds from partial or full disposition of select non-core investment properties;
- Traditional construction financing;
- CMHC insured mortgages on residential properties;
- Secured mortgages and term debt on unencumbered properties;
- Issuance of senior unsecured notes;
- The issuance of new Units; and
- The issuance of Units under its distribution reinvestment plan ("DRIP").

Strong Capital Structure



Crombie's capital structure consists of the following carrying values, inclusive of deferred financing costs where applicable:

	September 30, 2021		December 31, 2020			
Fixed rate mortgages	\$	1,248,935	31.4 %	\$	1,267,044	32.0 %
Drawn credit facilities		23,410	0.6 %		62,256	1.6 %
Senior unsecured notes		1,121,122	28.2 %		1,121,398	28.3 %
Lease liabilities		35,533	0.9 %		29,914	0.7 %
Net assets attributable to Crombie REIT Unitholders		920,680	23.1 %		881,511	22.3 %
Net assets attributable to Special Voting Units and Class B Limited Partnership Unitholders		626,617	15.8 %		596,795	15.1 %
	\$	3,976,297	100.0 %	\$	3,958,918	100.0 %

Debt Metrics

We monitor our debt by utilizing a number of key metrics, including the following:

	September 30, 2021	December 31, 2020	September 30, 2020
Unencumbered investment properties ⁽¹⁾	\$ 1,461,775	\$ 1,366,258	\$ 1,460,152
Unencumbered investment properties ⁽¹⁾ as a % of unsecured debt	129.1 %	117.8 %	142.6 %
Debt to gross fair value ^(*)	45.5 %	49.4 %	49.8 %
Weighted average interest rate ⁽²⁾	3.8 %	3.9 %	4.1 %
Debt to trailing 12 months adjusted EBITDA ^(*)	8.95x	9.73x	9.34x
Interest coverage ratio ^(*)	3.13x	2.77x	3.03x

(1) Represents fair value of unencumbered properties.

(2) Weighted average interest rate is calculated based on interest rates for all outstanding fixed rate debt.

Crombie has continued to grow its unencumbered asset pool, increasing it from fair value of \$1,366,258 as at December 31, 2020 to \$1,461,775 as at September 30, 2021. This increase is primarily due to increased fair value of properties, in addition to mortgage maturities and acquisitions, offset in part by dispositions.

Debt to Gross Fair Value ^(*)

The debt to gross fair value ^(*) was 45.5% at September 30, 2021 (45.4% after applying cash and cash equivalents to reduce debt) compared to 49.4% at December 31, 2020 (48.8% after applying cash and cash equivalents to reduce debt). This leverage ratio is below the maximum 60%, or 65% including convertible debentures, as permitted by Crombie's Declaration of Trust.

The decrease in the leverage ratio during the nine months ended September 30, 2021 was the result of increased fair value of investment properties, the increased fair value of investment in joint ventures from Davie Street, Le Duke, and Bronte Village, and lower outstanding debt. The increase in fair value excludes additional fair value growth expectations at stabilization from our first major developments. The fair value of investment properties increased \$281,000, or 5.8%, from December 31, 2020, as a result of acquisitions, completed developments, and capitalization rate compression of grocery-anchored properties. The capitalization compression was evidenced in our bi-annual externally provided capitalization rate report.

When calculating debt to gross fair value ^(*), debt is defined under the terms of the Declaration of Trust as obligations for borrowed money including obligations incurred in connection with acquisitions, excluding specific deferred taxes payable, trade payables, and accruals in the ordinary course of business and distributions payable.

Debt to gross fair value ^(*) includes investment properties measured at fair value, and investment in joint ventures measured at Crombie's share using the fair value accounting method. All other components of gross fair value are measured at the carrying value included in Crombie's financial statements. Crombie's methodology for determining fair value of investment properties includes capitalization of net property income using biannual capitalization rates from external property valuers. The majority of investment properties are also subject to external, independent appraisals on a rotational basis over a period of not more than four years. The valuation techniques are more fully described in Crombie's December 31, 2020 audited financial statements.

The fair value included in this calculation reflects the fair value of the properties as at September 30, 2021 and December 31, 2020, respectively, based on each property's current use as a revenue generating investment property. During the nine months ended September 30, 2021, Crombie's weighted average capitalization rate used in the determination of the fair value of its investment properties decreased 0.22% to 5.64%. For an explanation of the determination of capitalization rates, see the "Other Disclosures" section of this MD&A, under "Investment Property Valuation" in the "Use of Estimates and Judgments" section.

	September 30, 2021	December 31, 2020
Fixed rate mortgages	\$ 1,255,903	\$ 1,274,304
Senior unsecured notes	1,125,000	1,125,000
Revolving credit facility	6,603	17,712
Joint operation credit facility	9,807	9,544
Bilateral credit facility	7,000	35,000
Lease liabilities	35,533	29,914
Total debt outstanding	2,439,846	2,491,474
Less: Applicable fair value debt adjustment	(108)	(283)
Adjusted debt	\$ 2,439,738	\$ 2,491,191
Investment properties, fair value	\$ 5,096,000	\$ 4,815,000
Other assets, cost ⁽¹⁾	110,435	100,206
Cash and cash equivalents	8,897	63,293
Deferred financing charges	10,846	10,972
Investment in joint ventures, fair value ⁽²⁾	137,047	51,043
Interest rate subsidy	(108)	(283)
Gross fair value	\$ 5,363,117	\$ 5,040,231
Debt to gross fair value^(*)	45.5 %	49.4 %

(1) Other assets exclude tenant incentives and accumulated amortization, and accrued straight-line rent receivable.

(2) Investment in joint ventures using fair value accounting.

The debt to gross fair value^(*), applying cash and cash equivalents to reduce debt, is 45.4% at September 30, 2021 (December 31, 2020 - 48.8%).

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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Debt to Adjusted EBITDA^(*) and Interest Coverage^(*) Ratios:

The following table presents a reconciliation of property revenue to adjusted EBITDA. Adjusted EBITDA is a non-GAAP measure and should not be considered an alternative to operating income attributable to Unitholders and may not be comparable to that used by other entities. Refer to the "Non-GAAP Financial Measures" section of this MD&A, starting on page 57, for more information.

	Three months ended							
	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019
Property revenue	\$ 101,517	\$ 100,006	\$ 103,537	\$ 97,060	\$ 92,920	\$ 96,501	\$ 102,252	\$ 96,823
Amortization of tenant incentives	5,187	4,840	4,535	4,859	4,752	4,419	3,819	3,598
Adjusted property revenue	106,704	104,846	108,072	101,919	97,672	100,920	106,071	100,421
Property operating expenses	(30,216)	(29,814)	(33,401)	(29,245)	(27,503)	(37,887)	(35,237)	(29,852)
General and administrative expenses	(5,728)	(7,353)	(5,038)	(5,493)	(5,069)	(6,960)	(3,019)	(5,855)
Income (loss) from equity accounted investments	(923)	(562)	(771)	(411)	101	123	115	(8)
Adjusted EBITDA ^(*) (1)	\$ 69,837	\$ 67,117	\$ 68,862	\$ 66,770	\$ 65,201	\$ 56,196	\$ 67,930	\$ 64,706
Trailing 12 months adjusted EBITDA ^(*) (4)	\$ 272,586	\$ 267,950	\$ 257,029	\$ 256,097	\$ 254,033	\$ 256,501	\$ 268,979	\$ 271,848
Finance costs - operations	\$ 23,070	\$ 23,618	\$ 23,461	\$ 24,912	\$ 22,250	\$ 22,006	\$ 22,640	\$ 22,810
Amortization of deferred financing charges	(759)	(764)	(802)	(835)	(737)	(683)	(751)	(827)
Amortization of effective swap agreements	—	—	—	—	—	—	(510)	(356)
Adjusted interest expense (2)	\$ 22,311	\$ 22,854	\$ 22,659	\$ 24,077	\$ 21,513	\$ 21,323	\$ 21,379	\$ 21,627
Debt principal repayments (3)	\$ 11,343	\$ 11,229	\$ 10,548	\$ 10,715	\$ 10,786	\$ 10,395	\$ 10,790	\$ 12,167
Debt outstanding (see Debt to Gross Fair Value ^(*) (5))	\$ 2,439,738	\$ 2,444,629	\$ 2,519,200	\$ 2,491,191	\$ 2,373,623	\$ 2,338,288	\$ 2,383,451	\$ 2,317,265
Interest service coverage ^(*) ratio {(1)/(2)}	3.13x	2.94x	3.04x	2.77x	3.03x	2.64x	3.18x	2.99x
Debt service coverage ^(*) ratio {(1)/((2)+(3))}	2.08x	1.97x	2.07x	1.92x	2.02x	1.77x	2.11x	1.91x
Debt to trailing 12 months adjusted EBITDA ^(*) {(5)/(4)}	8.95x	9.12x	9.80x	9.73x	9.34x	9.12x	8.86x	8.52x

Debt Profile

Q3 WEIGHTED AVERAGE TERM TO DEBT MATURITY



Q3 AVAILABLE LIQUIDITY - UNUTILIZED CREDIT FACILITIES (\$ in millions)



Mortgages

Crombie had outstanding fixed rate mortgages consisting of:

	September 30, 2021	December 31, 2020
Fixed rate mortgages	\$ 1,255,492	\$ 1,273,674
Unamortized fair value debt adjustment and interest rate subsidy	411	630
	1,255,903	1,274,304
Deferred financing charges on fixed rate mortgages	(6,968)	(7,260)
Total mortgage debt	\$ 1,248,935	\$ 1,267,044
Long-term portion	\$ 1,000,944	\$ 1,139,798
Current portion	\$ 247,991	\$ 127,246
Weighted average interest rate	3.96 %	3.98 %

From time to time, Crombie has entered into interest rate swap agreements to manage the interest rate profile of its current or future debts without an exchange of the underlying principal amount (see "Interest Rate Risk"). Crombie currently has interest rate swap agreements in place on \$110,283 of floating rate debt.

Senior Unsecured Notes

The following series of senior unsecured debentures were outstanding as at September 30, 2021 and December 31, 2020:

	Maturity Date	Effective Interest Rate	September 30, 2021	December 31, 2020
Series B	June 1, 2021	3.962 %	\$ —	\$ 150,000
Series D	November 21, 2022	4.066 %	150,000	150,000
Series E	January 31, 2025	4.802 %	175,000	175,000
Series F	August 26, 2026	3.677 %	200,000	200,000
Series G	June 21, 2027	3.917 %	150,000	150,000
Series H	March 31, 2028	2.686 %	150,000	150,000
Series I	October 9, 2030	3.211 %	150,000	150,000
Series J	August 12, 2031	3.133 %	150,000	—
Unamortized Series B issue premium			—	110
Deferred financing charges			(3,878)	(3,712)
Total senior unsecured notes			\$ 1,121,122	\$ 1,121,398
Long-term portion			\$ 1,121,122	\$ 971,398
Current portion			\$ —	\$ 150,000
Weighted average interest rate			3.67 %	3.78 %

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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On August 12, 2021, Crombie issued, on a private placement basis, \$150,000 of Series J notes (senior unsecured) maturing August 12, 2031. The net proceeds were used to repay existing indebtedness, including repayment of outstanding credit facilities. The Series J notes were priced with an effective yield to maturity of 3.133% and sold at a price of \$1,000.00 per \$1,000.00 principal amount. Interest is payable in equal semi-annual installments on February 12 and August 12.

There are no required periodic principal payments, with the full face value of the notes due on their respective maturity dates.

Credit Facilities

The following floating rate credit facilities had balances drawn as at September 30, 2021 and December 31, 2020:

	Available Facility	Weighted average term to maturity	September 30, 2021	December 31, 2020
Revolving credit facility	\$ 400,000	3.7 years	\$ 6,603	\$ 17,712
Unsecured bilateral credit facility	130,000	1.7 years	7,000	35,000
Joint operation credit facility I	7,167	2.6 years	7,167	7,188
Joint operation credit facility II	3,520	3.0 years	2,640	2,356
Total credit facilities	\$ 540,687	2.7 years	\$ 23,410	\$ 62,256

The revolving credit facility is secured by a pool of first mortgages on certain properties. This credit facility has been amended to extend the maturity date to June 30, 2025. The unsecured bilateral credit facility is used by Crombie for working capital purposes and to provide temporary financing for acquisitions and development activity. The unsecured bilateral credit facility has been renewed and the maturity date has been extended to June 30, 2023. Joint operation credit facility I consists of term loan and revolving credit facilities which are secured by first mortgages on select properties. Joint operation credit facility II also consists of term loan and revolving credit facilities which are secured by first and second mortgages on select properties. Crombie and its co-owner entered into a fixed for floating interest rate swap, effectively fixing the interest rate on both joint operation facilities. Borrowings under all credit facilities can be by way of Bankers' Acceptance or prime rate advance, and the floating interest rate is contingent on the type of advance plus the applicable spread or margin.

For information on the amended terms governing the revolving credit facility, see the "Available Credit Line Liquidity" section in the 2020 Annual MD&A.

At September 30, 2021, the remaining amount available under the revolving credit facility was approximately \$393,000 (prior to reduction for standby letters of credit outstanding of \$4,229).

Crombie has remained in compliance with all debt covenants.

Our liquidity is impacted by contractual debt commitments. Our contractual debt commitments for the next five years are as follows:

	Contractual Cash Flows ⁽¹⁾	Twelve months ending September 30,					
		2022	2023	2024	2025	2026	Thereafter
Fixed rate mortgages - principal and interest ⁽²⁾	\$ 435,480	\$ 85,682	\$ 70,888	\$ 47,778	\$ 35,748	\$ 30,569	\$ 164,815
Fixed rate mortgages - maturities	1,025,110	206,408	185,036	234,747	82,872	32,149	283,898
Senior unsecured notes	1,345,676	41,275	186,025	35,176	204,576	226,059	652,565
Trade and other payables	113,067	91,385	3,746	2,499	1,487	1,487	12,463
Lease liabilities	154,934	2,994	2,957	2,830	2,761	2,661	140,731
	3,074,267	427,744	448,652	323,030	327,444	292,925	1,254,472
Credit facilities	25,054	616	7,579	7,521	9,338	—	—
Total	\$ 3,099,321	\$ 428,360	\$ 456,231	\$ 330,551	\$ 336,782	\$ 292,925	\$ 1,254,472

(1) Contractual cash flows include principal and interest and exclude extension options.

(2) Reduced by the interest rate subsidy payments to be received from Empire.

Crombie's contractual debt obligations and projected development expenditures can be funded from the following financing sources:

- secured and unsecured short-term financing subject to available borrowing base;
- recycling capital through the disposition of investment properties;
- secured mortgage and term debt on unencumbered properties;
- the issuance of additional senior unsecured notes;
- the issuance of new Units; and
- entering into new joint arrangements.

Debt Maturities

Principal repayments of the fixed rate mortgages, unsecured notes, and credit facilities are scheduled as follows:

12 Months Ending	Maturing Debt Balances					Payments of Principal	Total Required Payments	% of Total
	Mortgages	Senior Unsecured Notes	Credit Facilities	Total	% of Total			
Remainder of 2021	\$ 74,373	\$ —	\$ —	\$ 74,373	3.4 %	\$ 11,173	\$ 85,546	3.6 %
December 31, 2022	159,451	150,000	—	309,451	14.2 %	39,983	349,434	14.5 %
December 31, 2023	238,384	—	7,000	245,384	11.3 %	33,424	278,808	11.6 %
December 31, 2024	226,268	—	9,807	236,075	10.9 %	21,635	257,710	10.7 %
December 31, 2025	30,596	175,000	6,603	212,199	9.8 %	17,751	229,950	9.6 %
Thereafter	296,039	800,000	—	1,096,039	50.4 %	106,415	1,202,454	50.0 %
Total ⁽¹⁾	\$ 1,025,111	\$ 1,125,000	\$ 23,410	\$ 2,173,521	100.0 %	\$ 230,381	\$ 2,403,902	100.0 %

(1) Excludes fair value debt adjustment and deferred financing charges.

Outstanding Unit Data

REIT Units and Class B LP Units and the Attached Special Voting Units

On May 19, 2021, Crombie closed a public offering, on a bought deal basis, of 3,525,000 Units, at a price of \$16.60 per Unit for proceeds of \$55,872 net of issue costs. On the same date, concurrent with the issue of the REIT Units, in satisfaction of its pre-emptive right, ECL Developments (ECLD), a wholly-owned subsidiary of Empire, purchased 2,500,000 Class B LP Units and the attached Special Voting Units at a price of \$16.60 per Class B LP Unit for proceeds of \$41,424 net of issue costs, on a private placement basis. After the closing of the public offering and the private placement, Empire continues to hold a 41.5% economic and voting interest in Crombie.

For the nine months ended September 30, 2021, Crombie issued 64,101 REIT Units and 45,417 Class B LP Units under its DRIP. Prior to August 4, 2021, Units issued under the DRIP were issued at a price equal to 100% of the volume-weighted average trading price of the REIT Units on the Toronto Stock Exchange for the five trading days immediately preceding the relevant distribution payment date. Effective August 4, 2021, the price of Units issued under the DRIP is reduced by a discount of 3%.

Throughout the nine months ended September 30, 2021, Crombie issued 4,817 REIT Units under its Unit-based compensation plans.

Total Units outstanding at October 31, 2021, were as follows:

Units	97,196,176
Special Voting Units ⁽¹⁾	67,319,233

(1) Crombie Limited Partnership, a subsidiary of Crombie, has issued 67,319,233 Class B LP Units. These Class B LP Units accompany the Special Voting Units, are the economic equivalent of a Unit, and are exchangeable for Units on a one-for-one basis.

Cash Flows

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	Variance	2021	2020	Variance
Cash provided by (used in):						
Operating activities	\$ 74,276	\$ 61,678	\$ 12,598	\$ 140,721	\$ 110,785	\$ 29,936
Financing activities	(64,335)	(21,295)	(43,040)	(133,406)	(35,279)	(98,127)
Investing activities	(24,626)	(40,383)	15,757	(61,711)	(75,506)	13,795
Net change during the period	\$ (14,685)	\$ —	\$ (14,685)	\$ (54,396)	\$ —	\$ (54,396)

Operating Activities

For the three months ended:

The increase in cash provided by operating activities in the quarter compared to the same quarter in 2020 is primarily due to income from completed developments and acquisitions, a reduction in bad debt expense of \$1,239 as a result of decreased collection risk in the third quarter of 2021, and a positive increase in working capital of \$9,094. This is offset in part by additions to tenant incentives of \$7,099 compared to \$3,620 in the third quarter of 2020.

For the nine months ended:

The increase in cash provided by operating activities on a year to date basis is largely due to a positive increase in working capital of \$23,106, and increased net property income of \$20,583 due to a reduction in bad debt expense of \$10,070 as a result of decreased collection risk in 2021, and income from completed developments and acquisitions. The increase in cash provided was offset in part by higher additions to tenant incentives (\$62,709 compared to \$51,484 in 2020), and an increase of \$3,071 in general and administrative expenses resulting primarily from an increase in Unit price and its impact on Unit-based compensation plans.

Financing Activities

For the three months ended:

The increase in cash used in financing activities is due to net repayments on floating rate credit facilities of \$143,529 compared to the net amount drawn on floating rate credit facilities of \$60,336 during the third quarter of 2020. This is partially offset by the issue of unsecured notes of \$150,000 in the third quarter of 2021 and mortgage repayments \$13,489 lower than in the third quarter of 2020.

For the nine months ended:

The increase in cash used in financing activities on a year to date basis is due to net repayments on floating rate credit facilities of \$36,250 compared to the net amount drawn on floating rate credit facilities of \$148,018 in 2020, \$150,000 redemption of Series B unsecured notes in the second quarter of 2021, and mortgage issues of \$25,550 compared to \$118,000 in 2020. This is partially offset by repayment of mortgages of \$42,967 (\$214,319 in 2020) and the \$150,000 issue of Series J unsecured notes in the third quarter of 2021.

Investing Activities

For the three months ended:

The decrease in cash used in investing activities in the quarter results primarily from proceeds of \$14,684 from disposition of investment properties, and lower additions to investment properties (\$29,919 compared to additions of \$30,913 in the same period in 2020).

For the nine months ended:

The year to date decrease in cash used in investing activities is primarily due to proceeds from disposition of properties of \$56,245 (\$901 in 2020), and lower additions to investment properties (\$45,036 compared to \$59,871 in 2020). This is offset in part by acquisition of properties of \$64,304 (\$10,055 in 2020).

Off-Balance Sheet Commitments and Guarantees

There are claims and litigation in which Crombie is involved, arising out of the ordinary course of business operations. In the opinion of management, any liability that would arise from such contingencies would not have a significant adverse effect on these operating results.

Crombie has agreed to indemnify its trustees and officers, and particular employees, in accordance with Crombie's policies. Crombie maintains insurance policies that may provide coverage against certain claims.

Crombie obtains standby letters of credit to support its obligations with respect to construction work on its investment properties and satisfying mortgage financing requirements. As at September 30, 2021, Crombie has a total of \$4,229 in outstanding letters of credit related to:

	September 30, 2021	December 31, 2020
Construction work being performed on investment properties	\$ 4,229	\$ 3,740
Mortgage lenders primarily to satisfy mortgage financings on redevelopment properties	—	1,840
Total outstanding letters of credit	\$ 4,229	\$ 5,580

Crombie does not believe that any of these standby letters of credit are likely to be drawn upon.

As at September 30, 2021, Crombie had signed construction contracts totaling \$342,053 of which \$274,230 has been paid. This includes contracts signed within joint ventures at Crombie's ownership percentage.

Crombie has provided 100% guarantees on mortgages related to properties in which it has less than a 100% interest. The mortgages payable related to these guarantees are secured by specific charges against the properties. As at September 30, 2021, Crombie has provided guarantees of approximately \$126,550 (December 31, 2020 - \$140,577) on mortgages in excess of their ownership interest in the properties. Responsibility for ongoing payments of principal and interest on these mortgages remains with the joint owners of the properties. The mortgages have a weighted average term to maturity of 3.2 years.

Under the terms of head leases with certain of Crombie's joint operation partners, Crombie guarantees its joint operation partners their portion of any uncollected rent receivable from the sub-tenant.

As at September 30, 2021, Crombie has committed to contributing \$2,120 to 1700 East Broadway Limited Partnership as part of the ongoing predevelopment work in the joint venture.

Financial Instruments

The fair value of a financial instrument is the estimated amount that Crombie would receive to sell a financial asset or pay to transfer a financial liability in an orderly transaction between market participants at the measurement date.

Fair value determination is classified within a three-level hierarchy, based on observability of significant inputs, as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - unobservable inputs for the asset or liability.

There were no transfers between levels of the fair value during the nine months ended September 30, 2021.

Due to their short-term nature, the carrying value of the following financial instruments approximates their fair value at the balance sheet date:

- Cash and cash equivalents
- Trade receivables
- Trade and other payables.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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The fair value of other financial instruments is based on discounted cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks. The following table summarizes the estimated fair value of other financial instruments which have a fair value different from their carrying value:

	September 30, 2021		December 31, 2020	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets				
Accounts receivable ⁽¹⁾	\$ 27,496	\$ 27,510	\$ 25,042	\$ 25,051
Financial liabilities				
Investment property debt	\$ 1,361,326	\$ 1,279,313	\$ 1,427,367	\$ 1,336,560
Senior unsecured notes	1,174,521	1,125,000	1,206,285	1,125,000
Total other financial liabilities	\$ 2,535,847	\$ 2,404,313	\$ 2,633,652	\$ 2,461,560

(1) Accounts receivable include amounts in other assets for the capital expenditure program, interest rate subsidy, and receivable from related parties.

Financial assets are derecognized when the contractual rights to benefits from the financial asset expire. The difference between the asset's carrying value and the consideration received or receivable is recognized as a charge to the statement of comprehensive income.

The fair value of the long-term receivables, investment property debt and senior unsecured notes are Level 2 measurements.

8. RISK MANAGEMENT

Risk Management Framework

Management of the REIT is vested in the Board of Trustees, subject to the provisions of applicable statutes and the Declaration of Trust. The Board of Trustees of the REIT shall have explicit responsibility for the stewardship of the REIT including the strategic planning process, approval of the strategic plan, the identification of principal risks and implementation of systems to manage these risks, succession planning, operations, communications and reporting, and the integrity of the REIT's internal control and management information systems. The Board discharges certain of its responsibilities through delegation to its committees as more particularly set out in the committee mandates.

Risk Factors Related to the Business of Crombie

In the normal course of business, Crombie is exposed to a number of financial risks that can affect its operating performance.

In addition to the more fulsome description of Crombie's risk discussion under the "Risk Management" section in the 2020 Annual MD&A, Crombie is providing the following specific risk update for September 30, 2021.

Enterprise Risk Management

Markets have been impacted by COVID-19, which was declared a pandemic by the World Health Organization ("WHO") on March 11, 2020. The continued spread of COVID-19 and the actions being taken by governments, businesses and individuals to limit this pandemic, including business closures and physical distancing, and the effects of resulting layoffs and other job losses on the available income of retail customers, may adversely impact our operations and development activities including, among others, increasing the credit risk associated with our receivables, limiting our ability to quickly respond to changes in credit risk, extending the time to completion and occupancy of our major developments, and limiting our ability to serve our tenants. There is also increased risk as to the extent of the impact of COVID-19 on leasing, occupancy, tenant inducements, land use intensification, market rents, and capital expenditures if the current economic slowdown continues long-term, potentially impacting future operational expectations and valuation of assets. This has resulted in moderate economic uncertainty, of which the potential impact on Crombie's future financial results is difficult to reliably measure.

Significant Relationship

As at September 30, 2021, Empire, through its wholly-owned subsidiary ECL Developments (ECLD), holds a 41.5% indirect interest in Crombie. Crombie's anchor tenants are concentrated in a relatively small number of retail operators. Specifically, 56.5% of the annual minimum rent and 55.2% of total property revenue generated from Crombie's properties is derived from anchor tenants that are owned and/or operated by Empire (including Sobeys and all other subsidiaries of Empire). Therefore, Crombie is reliant on the sustainable operation by Empire in these locations.

Financial Risk Management

The following table outlines our financial risks, how we manage these risks, and whether there was a change in risk exposure compared to the prior year.

Credit Risk

Risk Description	Credit risk arises from the possibility that tenants may experience financial difficulty and be unable to fulfill their lease commitments. A provision for doubtful accounts and other adjustments to net property income are taken for all anticipated collectability risks.
Risk Management	<p>Crombie mitigates credit risk by geographical diversification, diversifying both its tenant mix and asset mix and conducting credit assessments for new and renewing tenants.</p> <p>In measuring tenant concentration, Crombie considers both the annual minimum rent and total property revenue of major tenants.</p> <ul style="list-style-type: none"> • Crombie's largest tenant, Empire (including Sobeys and all other subsidiaries of Empire), represents 56.5% of annual minimum rent. No other tenant accounts for more than 3.0% of Crombie's total minimum rent; and • Total property revenue includes operating and realty tax cost recovery income and percentage rent. These amounts can vary by property type, specific tenant leases, and where tenants may directly incur and pay operating and realty tax costs. Crombie earned total property revenue of \$61,371 and \$168,517 respectively for the three and nine months ended September 30, 2021 (three and nine months ended September 30, 2020 - \$52,648 and \$152,891 respectively) from Sobeys Inc. and other subsidiaries of Empire. <p>Receivables are substantially comprised of current balances due from tenants and past due receivables. The balance of accounts receivable past due is usually not significant; however, historically low receivable balances have increased significantly over the past year as a result of the impacts of the COVID-19 pandemic. Generally, rents are due the first of each month and other tenant billings are due 30 days after invoicing, and in general, balances over 30 days are considered past due.</p> <p>Crombie determines the expected credit loss in accordance with IFRS 9's simplified approach for amounts receivable where its loss allowance is measured at initial recognition and throughout the life of the receivable. Trade receivables are written off when there is no reasonable expectation of recovery. Crombie assesses, on a forward-looking basis, the expected credit losses associated with its rent receivables. In determining the expected credit losses, Crombie takes into account, on a tenant-by-tenant basis, the payment history, future expectations, and knowledge gathered through discussions for rental concessions, applications for rental relief through government programs, and ongoing discussions with tenants.</p> <p>Due to the impacts of COVID-19, Crombie's assessment of expected credit losses has an increased level of uncertainty. During the three and nine months ended September 30, 2021, Crombie has recorded a bad debt (recovery) expense of \$(221) and \$757 respectively.</p> <p>Our trade receivables and allowance for doubtful accounts balances at September 30, 2021 were \$34,033 and \$(2,949) respectively (December 31, 2020 - \$42,211 and \$(7,955) respectively).</p> <p>Crombie manages its residual risk in its investment properties through an active capital expenditure program and actively leasing any vacant spaces. The residual risk throughout Crombie's portfolio is not considered significant although a prolonged state of economic shutdown can impact Crombie's ability to execute on its capital expenditure program and leasing activity.</p>

Liquidity Risk

Risk Description	Liquidity risk is the risk that Crombie may not have access to sufficient debt and equity capital to fund its growth program, refinance debt obligations as they mature, or meet its ongoing obligations as they arise.
Risk Management	<p>Cash flow generated from operating the property portfolio represents the primary source of liquidity used to service the interest on debt, fund general and administrative expenses, reinvest in the portfolio through capital expenditures, as well as fund tenant incentive costs and make distributions to Unitholders. Debt repayment requirements are primarily funded from refinancing Crombie's maturing debt obligations. Property acquisition funding requirements are funded through a combination of accessing the debt and equity capital markets and recycling capital from property dispositions.</p> <p>There is a risk that the debt capital markets may not refinance maturing fixed rate and floating rate debt on terms and conditions acceptable to Crombie or at any terms at all. Crombie seeks to mitigate this risk by staggering its debt maturity dates. There is also a risk that the equity capital markets may not be receptive to a REIT Unit offering issuance from Crombie with financial terms acceptable to Crombie. Access to debt and equity capital markets may also be affected by national and international events, and economic conditions beyond Crombie's control. Crombie mitigates its exposure to liquidity risk utilizing a disciplined approach to capital management.</p> <p>There is a risk that credit ratings may change. No ratings agency has issued a credit rating with respect to the Units, and no credit rating of the Units will be sought or obtained by Crombie. As of September 30, 2021, Crombie's outstanding senior unsecured notes ("the Notes") continue to maintain a credit rating of "BBB (low)" with a "Negative" trend from DBRS Morningstar ("DBRS").</p> <p>Credit ratings may not reflect all risks associated with an investment in Crombie's securities. Any credit ratings applied to the Notes are an assessment of Crombie's ability to pay its obligations generally. Consequently, real or anticipated changes in the credit ratings will generally affect the market value of the Notes. The credit ratings, however, may not reflect the potential impact on the value of the Notes of risks related to structure, market or other factors discussed under the heading "Risk Factors" in Crombie's Annual Information Form dated March 29, 2021, and under the "Risk Management" section in the 2020 Annual MD&A. Crombie is under no obligation to maintain any specified level of credit rating with credit rating agencies and there is no assurance that any credit rating assigned to the Notes will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency.</p> <p>A lowering, withdrawal or failure to maintain any credit ratings applied to the Notes may have an adverse effect on the market price or value and the liquidity of the Notes. Credit ratings are not recommendations to purchase, hold or sell the Notes or other securities of Crombie. Any future lowering of Crombie's ratings likely would make it more difficult or more expensive for Crombie to obtain additional debt financing.</p> <p>Access to the \$400,000 revolving credit facility is limited by the amount utilized under the facility and the amount of any outstanding letters of credit, and cannot exceed the borrowing base security provided by Crombie.</p> <p>Refer to section "Debt Profile" of this MD&A for a maturity analysis of our recognized financial liabilities and purchase obligations.</p>

Interest Rate Risk

Risk Description	Interest rate risk is the potential for financial loss arising from increases in interest rates.																								
Risk Management	<p>Crombie mitigates this risk by utilizing staggered debt maturities and limiting the use of permanent floating rate debt and, on occasion, utilizing interest rate swap agreements. Crombie does not enter into interest rate swaps on a speculative basis.</p> <p>As at September 30, 2021:</p> <ul style="list-style-type: none"> • Crombie's weighted average term to maturity of its fixed rate mortgages is 5.2 years; • Crombie's weighted average term to maturity of its unsecured notes is 5.7 years; • Crombie has a floating rate revolving credit facility available to a maximum of \$400,000, subject to available Borrowing Base, with a balance of \$6,603 outstanding; • Crombie has a floating rate bilateral credit facility available to a maximum of \$130,000 with a balance of \$7,000 outstanding; • Crombie has joint operation credit facilities available to a maximum of \$10,687 at Crombie's share with a balance of \$9,807; and • Crombie has interest rate swap agreements in place on \$110,283 of floating rate debt. <p>A fluctuation in interest rates would have an impact on Crombie's operating income related to the use of floating rate debt. The following table looks at the impacts of selected interest rate moves on operating income:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Three months ended</th> <th colspan="2">Nine months ended</th> </tr> <tr> <th colspan="2">September 30, 2021</th> <th colspan="2">September 30, 2021</th> </tr> <tr> <th>Impact on operating income attributable to Unitholders of interest rate changes on the revolving credit facility</th> <th>Decrease in rate</th> <th>Increase in rate</th> <th>Decrease in rate</th> <th>Increase in rate</th> </tr> </thead> <tbody> <tr> <td>Impact of a 0.5% interest rate change</td> <td>\$ 92</td> <td>\$ (92)</td> <td>\$ 336</td> <td>\$ (336)</td> </tr> <tr> <td>Impact of a 1.0% interest rate change</td> <td>\$ 183</td> <td>\$ (183)</td> <td>\$ 672</td> <td>\$ (672)</td> </tr> </tbody> </table>		Three months ended		Nine months ended		September 30, 2021		September 30, 2021		Impact on operating income attributable to Unitholders of interest rate changes on the revolving credit facility	Decrease in rate	Increase in rate	Decrease in rate	Increase in rate	Impact of a 0.5% interest rate change	\$ 92	\$ (92)	\$ 336	\$ (336)	Impact of a 1.0% interest rate change	\$ 183	\$ (183)	\$ 672	\$ (672)
	Three months ended		Nine months ended																						
	September 30, 2021		September 30, 2021																						
Impact on operating income attributable to Unitholders of interest rate changes on the revolving credit facility	Decrease in rate	Increase in rate	Decrease in rate	Increase in rate																					
Impact of a 0.5% interest rate change	\$ 92	\$ (92)	\$ 336	\$ (336)																					
Impact of a 1.0% interest rate change	\$ 183	\$ (183)	\$ 672	\$ (672)																					

9. OTHER DISCLOSURES

Related Party Transactions

As at September 30, 2021, Empire, through its wholly-owned subsidiary ECLD, holds a 41.5% indirect interest in Crombie. Related party transactions primarily include transactions with entities associated with Crombie through Empire's indirect interest. Related party transactions also include transactions with joint venture entities in which Crombie has a 50% interest, as well as transactions with key management personnel and post-employment benefit plans.

Related party transactions are measured at the amount of consideration established and agreed by the related parties.

Crombie's transactions with related parties are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Property revenue				
Property revenue	\$ 61,371	\$ 52,648	\$ 168,517	\$ 152,891
Head lease income	\$ 227	\$ 223	\$ 795	\$ 706
Lease termination income	\$ 34	\$ 34	\$ 102	\$ 102
Property operating expenses	\$ (33)	\$ (16)	\$ (62)	\$ (40)
General and administrative expenses				
Property management services recovered	\$ 112	\$ 147	\$ 290	\$ 351
Other general and administrative expenses	\$ (71)	\$ (65)	\$ (200)	\$ (194)
Finance costs - operations				
Interest rate subsidy	\$ 56	\$ 63	\$ 175	\$ 194
Finance costs - distributions to Unitholders	\$ (15,170)	\$ (14,599)	\$ (44,758)	\$ (43,591)

Crombie provides property management, leasing services and environmental management to specific properties owned by certain subsidiaries of Empire on a fee for service basis pursuant to a Management Agreement. Revenue generated from the Management Agreement is being recognized as a reduction of general and administrative expenses.

Included in the above, during the nine months ended September 30, 2021, Crombie issued 45,417 (September 30, 2020 - 68,453) Class B LP Units to ECLD under the DRIP.

On May 19, 2021, ECLD purchased 2,500,000 Class B LP Units and the attached Special Voting Units at a price of \$16.60 per Class B LP Unit for proceeds of \$41,424 net of issue costs, on a private placement basis.

During the nine months ended September 30, 2021, Crombie purchased six properties from a subsidiary of Empire for a total purchase price of \$42,912 before transaction costs.

During the nine months ended September 30, 2021, Crombie invested \$24,102 in properties anchored by subsidiaries of Empire, which resulted in amended lease terms. These amounts have been included in tenant incentive additions or income property additions depending on the nature of the work completed. The costs are being amortized over the amended lease terms or the useful life of the projects, as applicable.

Crombie has a mortgage payable of \$25,526 (December 31, 2020 - \$25,526) due to 1600 Davie Limited Partnership. This mortgage relates to the commercial component of the Davie Street development, 100% of which is included in Crombie's financial statements.

Amounts due from related parties include \$15,533 (December 31, 2020 - \$15,533) in 6% subordinated notes receivable due from Bronte Village Limited Partnership and The Duke Limited Partnership.

Use of Estimates and Judgments

The preparation of consolidated financial information requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. Significant judgment, estimate, and assumption items include impairment, employee future benefits, investment properties, purchase price allocations, and fair value of financial instruments. These estimates are based on historical experience and management's best knowledge of current events and actions that Crombie may undertake in the future.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Accounting Estimates and Assumptions

Critical accounting estimates and assumptions are discussed under the "Critical Accounting Estimates and Assumptions" section of the 2020 Annual MD&A. The estimates and assumptions that are critical to the determination of the amounts reported in the interim condensed consolidated financial statements relate to the following:

Fair Value Measurement

A number of assets and liabilities included in Crombie's consolidated financial statements require measurement at, and/or disclosure of, fair value. In estimating the fair value of an asset or a liability, Crombie uses market-observable data to the extent it is available. Where market-observable data is not available, Crombie estimates the fair value based on discounted future cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks.

Investment Properties

Investment properties are properties which are held to earn rental income. Investment properties include land, buildings and intangible assets. Investment properties are carried at cost less accumulated depreciation and are reviewed periodically for impairment.

Depreciation of buildings is calculated using the straight-line method with reference to each property's cost, the estimated useful life of the building (not exceeding 40 years) and its components, significant parts and residual value.

Repairs and maintenance improvements are expensed as incurred or, in the case of major items that constitute a capital asset, are capitalized to the building and amortized on a straight-line basis over the expected useful life of the improvement.

Investment Property Valuation

External, independent valuation companies, having appropriate recognized professional qualifications and recent experience in the location and category of properties being valued, value substantially all of Crombie's investment property portfolio on a rotating basis over a maximum period of four years. On a periodic basis, Crombie obtains independent appraisals such that approximately 85% of our properties, by value, will be externally appraised over a four year period. The fair values, based on the measurement date, represent the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Internal quarterly valuations are performed using internally generated valuation models prepared by considering the aggregate trailing annual net property income recognized from leasing the property, that is stabilized for any major tenant movement. Biannual capitalization rates are obtained from an independent valuation company, which reflects the specific risks inherent in the net property income, to arrive at property valuations. As at September 30, 2021, management's determination of fair value was updated for current market assumptions, informed by property income, market capitalization rates, and recent appraisals provided by independent appraisal professionals.

Expected Credit Loss

Crombie assesses, on a tenant-by-tenant basis, losses expected with its rent receivables. In determining the provision for doubtful accounts, Crombie takes into account the payment history and future expectations of likely default events (tenants asking for rental concessions/abatements, applications for rental relief through government programs, or stating they will not be making rental payments on the due date) based on actual or expected insolvency filings or company voluntary arrangements and likely deferrals of payments due, and potential abatements to be granted by the landlord through tenant negotiations. Crombie's assessment is subjective due to the

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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forward-looking nature of the situation. As a result, the provision for doubtful accounts is subject to a degree of uncertainty and is made based on assumptions which may not prove to be accurate with the unprecedented uncertainty caused by COVID-19.

Critical Judgments

Critical judgments are discussed under the "Critical Judgments" section of the 2020 Annual MD&A.

Controls and Procedures

Crombie maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed by Crombie in its annual filings, interim filings, or other reports filed or submitted by it under securities legislation is recorded, processed, summarized, and reported within the time periods specified in the securities legislation. Controls and procedures are designed to ensure that information required to be disclosed by Crombie is accumulated and communicated to Crombie's management, including its President and Chief Executive Officer ("CEO") and Chief Financial Officer and Secretary ("CFO"), as appropriate, to allow timely decisions regarding disclosure. Our CEO and CFO have evaluated the design and effectiveness of our disclosure controls and procedures as of September 30, 2021. They have concluded that our current disclosure controls and procedures are effective.

In addition, our CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes as defined in National Instrument 52-109. The control framework management used to design and assess the effectiveness of ICFR is *Internal Control-Integrated Framework (2013)* issued by The Committee of Sponsoring Organizations of the Treadway Commission (COSO). Further, our CEO and CFO have evaluated, or caused to be evaluated under their supervision, the effectiveness of the design and operation of ICFR as at September 30, 2021, and have concluded that our current ICFR was effective based on that evaluation. There have been no material changes to Crombie's internal controls during the period.

Quarterly Information

	Three months ended							
	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019
Property revenue	\$ 101,517	\$ 100,006	\$ 103,537	\$ 97,060	\$ 92,920	\$ 96,501	\$ 102,252	\$ 96,823
Property operating expenses	30,216	29,814	33,401	29,245	27,503	37,887	35,237	29,852
Net property income	71,301	70,192	70,136	67,815	65,417	58,614	67,015	66,971
Operating income	23,851	19,605	33,215	17,157	19,734	9,393	21,324	44,149
Finance costs - distributions to Unitholders	(36,578)	(36,124)	(35,220)	(35,211)	(35,202)	(35,187)	(34,702)	(48,936)
Finance income (costs) - change in fair value of financial instruments	291	(1,219)	(1,026)	(725)	(187)	(212)	1,929	(70)
Decrease in net assets attributable to Unitholders	\$ (12,436)	\$ (17,738)	\$ (3,031)	\$ (18,779)	\$ (15,655)	\$ (26,006)	\$ (11,449)	\$ (4,857)
Operating income per Unit - Basic	\$ 0.15	\$ 0.12	\$ 0.21	\$ 0.11	\$ 0.12	\$ 0.06	\$ 0.14	\$ 0.29
Distributions								
Distributions	\$ 36,578	\$ 36,124	\$ 35,220	\$ 35,211	\$ 35,202	\$ 35,187	\$ 34,702	\$ 48,936
Per Unit	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22
FFO^(*)								
Basic	\$ 47,830	\$ 44,201	\$ 46,103	\$ 42,305	\$ 43,327	\$ 34,557	\$ 45,661	\$ 42,132
Per Unit - Basic	\$ 0.29	\$ 0.27	\$ 0.29	\$ 0.27	\$ 0.27	\$ 0.22	\$ 0.29	\$ 0.28
Payout ratio ⁽¹⁾	76.5 %	81.7 %	76.4 %	83.2 %	81.2 %	101.8 %	76.0 %	80.1 %
AFFO^(*)								
Basic	\$ 41,052	\$ 37,109	\$ 38,779	\$ 35,679	\$ 35,494	\$ 28,107	\$ 39,683	\$ 36,006
Per Unit - Basic	\$ 0.25	\$ 0.23	\$ 0.25	\$ 0.23	\$ 0.22	\$ 0.18	\$ 0.26	\$ 0.24
Payout ratio ⁽²⁾	89.1 %	97.3 %	90.8 %	98.7 %	99.2 %	125.2 %	87.4 %	93.8 %
Operating information								
Number of investment properties	287	287	287	284	286	286	285	285
Gross leasable area	18,232,000	18,235,000	18,229,000	18,000,000	17,684,000	17,614,000	17,583,000	17,558,000
Economic occupancy	95.8 %	95.6 %	95.5 %	94.0 %	94.7 %	95.1 %	95.5 %	95.4 %
Committed occupancy	96.5 %	96.2 %	96.3 %	96.4 %	95.3 %	95.6 %	96.2 %	96.1 %
Debt metrics								
Unencumbered investment properties ⁽³⁾	\$1,461,775	\$1,445,423	\$1,388,141	\$1,366,258	\$1,460,152	\$1,461,970	\$1,479,211	\$1,223,452
Available liquidity	\$ 512,168	\$ 368,483	\$ 469,548	\$ 471,708	\$ 370,885	\$ 406,303	\$ 449,898	\$ 449,016
Debt to gross fair value ^(*)	45.5 %	46.0 %	48.9 %	49.4 %	49.8 %	49.2 %	50.0 %	48.9 %
Weighted average interest rate ⁽⁴⁾	3.8 %	3.9 %	3.9 %	3.9 %	4.1 %	4.1 %	4.1 %	4.2 %
Debt to trailing 12 months adjusted EBITDA ^(*)	8.95x	9.12x	9.80x	9.73x	9.34x	9.12x	8.86x	8.52x
Interest coverage ratio ^(*)	3.13x	2.94x	3.04x	2.77x	3.03x	2.64x	3.18x	2.99x

(1) Excludes special distribution December 31, 2019. Payout ratio including total distributions is 116.1%.

(2) Excludes special distribution December 31, 2019. Payout ratio including total distributions is 135.9%.

(3) Represents fair value of unencumbered properties.

(4) Weighted average interest rate is calculated based on interest rates for all outstanding fixed rate debt.

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Variations in quarterly results over the past eight quarters have been influenced by the following specific transactions and ongoing events:

- Property acquisitions and dispositions (gross proceeds excluding closing and transaction costs) for each of the above three month periods were:
 - September 30, 2021 - acquisition of one retail property for a total purchase price of \$4,710 and disposition of one retail property for proceeds of \$15,000;
 - June 30, 2021 - acquisition of one development property for a total purchase price of \$11,885;
 - March 31, 2021 - acquisition of six retail properties and one development property for a total purchase price of \$46,292 and disposition of three retail properties for proceeds of \$41,970;
 - December 31, 2020 - acquisition of two retail properties and one development property for a total purchase price of \$31,400 and disposition of five retail properties for proceeds of \$37,010;
 - September 30, 2020 - acquisition of one development property for a total purchase price of \$4,575;
 - June 30, 2020 - acquisition of one retail property for a total purchase price of \$4,535;
 - March 31, 2020 - acquisition of a parcel of land adjacent to an existing retail property for a total purchase price of \$280 and disposition of a parcel of land adjacent to an existing retail property for proceeds of \$1,000; and
 - December 31, 2019 - acquisition of one retail property, additions to one existing retail property and one existing retail-related industrial property for a total purchase price of \$114,933, and disposition of an 89% interest in 15 retail properties for proceeds of \$193,333.
- Property revenue and property operating expenses - Crombie's business is subject to seasonal fluctuations. Property operating expenses during winter months include particular expenses such as snow removal, which is a recoverable expense, thus increasing property revenue during these same periods. Property operating expenses during the summer and fall periods include particular expenses such as paving and roof repairs.
- Per Unit amounts for FFO and AFFO are influenced by operating results as detailed above and by the timing of the issuance of REIT Units and Class B LP Units.

10. NON-GAAP FINANCIAL MEASURES

There are financial measures included in this MD&A that do not have a standardized meaning under IFRS as prescribed by the IASB. Management includes these measures as they represent key performance indicators to management, and it believes certain investors use these measures as a means of assessing relative financial performance. These measures, as computed by Crombie, may differ from similar computations as reported by other entities and, accordingly, may not be comparable to other such entities. These measures are defined below and are cross referenced, as applicable, to a reconciliation elsewhere in this MD&A to the most comparable IFRS measure.

Non-GAAP Measure	Description and Purpose	Reconciliation
Property NOI on a cash basis	<ul style="list-style-type: none"> Property NOI on a cash basis, which excludes non-cash straight-line rent recognition and non-cash tenant incentive amortization. Management believes that Property NOI on a cash basis is an important measure of operating performance as it reflects the cash generated by the properties period-over-period. 	"Net Property Income" starting on page 22
Same-asset property cash NOI	<ul style="list-style-type: none"> Same-asset properties are properties owned and operated by Crombie throughout the current and comparative reporting periods, excluding any property that was designated for redevelopment during either the current or comparative period. Same-asset property cash NOI includes Crombie's proportionate ownership of jointly operated properties. Management believes this is a useful measure in understanding period-over-period changes in property cash NOI before considering the changes in NOI that can be attributed to the certain transactions such as acquisitions and dispositions. The number of same-asset properties was 270 as at September 30, 2021. 	"Net Property Income" starting on page 22
Funds from Operations ("FFO")	<ul style="list-style-type: none"> Crombie follows the recommendations of the Real Property Association of Canada ("REALPAC")'s February 2019 white paper in calculating FFO, and defines FFO as increase (decrease) in net assets attributable to Unitholders (computed in accordance with IFRS), adjusted for the following applicable amounts: <ul style="list-style-type: none"> Gain or loss on disposal of investment properties and related income tax; Impairment charges and recoveries; Depreciation and amortization expense of investment properties, including amortization of tenant incentives charged against property revenue; Adjustments for equity accounted entities; Operational expenses from right of use assets; Incremental internal leasing expenses; Finance costs - distributions on Crombie's REIT and Class B LP Units classified as financial liabilities; and Change in fair value of financial instruments. REALPAC provides for other adjustments in determining FFO which are currently not applicable to Crombie, therefore not included in the above list. Crombie's expenditures on tenant incentives are capital in nature and Crombie considers these costs comparable to other capital costs incurred to earn property revenue. As a result, where depreciation and amortization of other capital costs is added back in the calculation of FFO as recommended by REALPAC, Crombie also adds back the amortization of tenant incentives. 	"Funds from Operations (FFO) ^(*) " starting on page 24

Non-GAAP Measure	Description and Purpose	Reconciliation
Adjusted Funds from Operations ("AFFO")	<ul style="list-style-type: none"> Crombie considers AFFO to be a useful measure in evaluating the recurring economic performance of its operating results which will be used to support future distribution payments. Crombie follows the recommendations of REALPAC's February 2019 white paper in calculating AFFO. AFFO reflects earnings after the adjustments in arriving at FFO (excluding internal leasing costs) and the provision for non-cash straight-line rent included in revenue, amortization of effective swap agreements, maintenance capital expenditures, maintenance tenant incentives and leasing costs, and any settlement of effective interest rate swap agreements. 	"Adjusted Funds from Operations (AFFO) ^(*) " starting on page 25
Debt to gross fair value	<ul style="list-style-type: none"> Used to evaluate Crombie's flexibility to incur additional financial leverage. 	"Debt Metrics" starting on page 39
Adjusted debt	<ul style="list-style-type: none"> Represents debt excluding transaction costs, which Crombie feels is a more relevant presentation of indebtedness. Adjusted debt is used in the calculation of our debt to gross fair value. 	"Debt Metrics" starting on page 39
Earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA")	<ul style="list-style-type: none"> Represents earnings before interest, taxes, depreciation, and amortization adjusted for certain items such as amortization of tenant incentives, impairment of investment properties, and gain (loss) on disposal of investment properties. Adjusted EBITDA is used as an input in several of our debt metrics, providing information with respect to certain financial ratios that we use in measuring our debt profile and assessing our ability to satisfy obligations, including servicing our debt. Crombie believes adjusted EBITDA is an indicative measure of its ability to service debt requirements, fund capital projects and acquire properties. 	"Debt Metrics" starting on page 39
Debt to adjusted EBITDA	<ul style="list-style-type: none"> Used to assess Crombie's financial leverage, to measure its ability to meet financial obligations and measure its balance sheet strength. 	"Debt Metrics" starting on page 39
Interest service coverage	<ul style="list-style-type: none"> These ratios are useful in determining the Crombie's ability to service the interest requirements of its outstanding debt. 	"Debt Metrics" starting on page 39
Debt service coverage		

Maintenance Capital Expenditures, Maintenance Tenant Incentives and Leasing Costs ("Maintenance Expenditures")

Maintenance expenditures represent costs incurred in sustaining and maintaining existing space and exclude expenditures that are revenue enhancing. Crombie considers revenue enhancing expenditures to be costs that expand the GLA of a property, increase the net property income by a minimum threshold, or otherwise enhance the property's overall value.

Crombie's policy is to charge AFFO^(*) with maintenance expenditures based on a normalized rate per square foot applied to the weighted average GLA, as these expenditures are not generally incurred on a consistent basis during the year, or from year to year. Crombie excludes newly constructed and developed properties from its maintenance charge for the first year until a baseline of actual expenditures is obtained. Crombie also discloses actual maintenance expenditures for comparative purposes. The rate per square foot is a proxy for actual historic costs, anticipated future costs, and any significant changes in the nature and age of the properties in the portfolio as it evolves over time. For 2021, Crombie has maintained the normalized rate of \$0.90 per square foot of weighted average GLA, based on the actual spend for the previous three years and estimated spend for 2021. Additionally, Crombie combines maintenance capital expenditures with maintenance tenant incentive ("TI") and deferred leasing costs in arriving at the normalized per square foot charge to AFFO, based on the fact that in years where TI and leasing expenditures are reduced, spending on maintenance capital expenditures may be accelerated and vice versa.

Maintenance Expenditures - Actual

	Three months ended			Nine months ended		Year ended	Three months ended			
	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020
Total additions to investment properties	\$ 29,919	\$ 6,736	\$ 8,381	\$ 45,036	\$ 59,871	\$ 109,668	\$ 49,797	\$ 30,913	\$ 14,819	\$ 14,139
Less: revenue enhancing expenditures	(26,173)	(6,641)	(7,232)	(40,046)	(56,290)	(103,982)	(47,692)	(29,887)	(13,890)	(12,513)
Maintenance capital expenditures	3,746	95	1,149	4,990	3,581	5,686	2,105	1,026	929	1,626
Total additions to TI and deferred leasing costs	7,283	26,122	30,051	63,456	52,255	64,971	12,716	3,682	23,944	24,629
Less: revenue enhancing expenditures	(7,168)	(23,875)	(27,265)	(58,308)	(41,907)	(51,464)	(9,557)	(1,585)	(18,947)	(21,375)
Maintenance TI and deferred leasing costs	115	2,247	2,786	5,148	10,348	13,507	3,159	2,097	4,997	3,254
Total maintenance expenditures - actual	\$ 3,861	\$ 2,342	\$ 3,935	\$ 10,138	\$ 13,929	\$ 19,193	\$ 5,264	\$ 3,123	\$ 5,926	\$ 4,880
Reserve amount charged against AFFO ^(*)	\$ 4,023	\$ 4,024	\$ 3,990	\$ 12,037	\$ 11,883	\$ 15,869	\$ 3,986	\$ 3,963	\$ 3,967	\$ 3,953

Obligations for expenditures for TI's occur when renewing existing tenant leases or for new tenants occupying a space. Typically, leasing costs for existing tenants are lower on a per square foot basis than for new tenants. However, new tenants may provide more overall cash flow to Crombie through higher rents or improved traffic to a property. The timing of such expenditures fluctuates depending on the satisfaction of contractual terms contained in the leases.

Maintenance TI and deferred leasing costs are the result of both lease renewals and new leases and are reflective of the leasing activity during 2021, 2020, and 2019.

Revenue enhancing expenditures are capitalized and depreciated or charged against revenue over their useful lives, but not deducted when calculating AFFO^(*). Revenue enhancing expenditures during the nine months ended September 30, 2021 consisted primarily of development work, modernization investments, and land use intensification.

Crombie uses a normalized rate of \$0.90 per square foot of weighted average GLA for the reserve amount charged against AFFO^(*).

11. FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements about expected future events and the financial and operating performance of Crombie. These statements, and the related estimates and assumptions used by management, can be found in several sections of the MD&A, including, but not limited to, "Portfolio Review - Strategic Acquisitions", "Portfolio Review - Strategic Dispositions", "Development", "Capital Management", and "Other Disclosures." Forward-looking statements include, but are not limited to, statements concerning management's beliefs, plans, estimates, intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical fact. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "estimate", "anticipate", "believe", "expect", "intend", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. All forward-looking information in this MD&A is qualified by the cautionary statements under "Risk Factors Related to the Business of Crombie" above and in the 2020 Annual MD&A, as well as the additional statements in the "Risks" section of Crombie's Annual Information Form available at www.sedar.com. Forward-looking statements in this MD&A and principle related risks include statements regarding:

- (i) AFFO accretion and NAV growth from strategic acquisitions, which may be affected by future occupancy and rental performance, and/or redevelopment activity of acquired properties;
- (ii) disposition of properties and the anticipated reinvestment of net proceeds ("recycling capital"), which could be impacted by the availability of purchasers, the availability of accretive property acquisitions, the timing of property development activities or other accretive uses for net proceeds and real estate market conditions;
- (iii) statements under the heading "Development" including the locations identified, timing, cost, development size and nature, and anticipated impact on portfolio quality and diversification, estimated yield on cost, cash flow growth, Unitholder value, or other financial measures, all of which may be impacted by real estate market cycles, future capitalization rates, the availability of financing opportunities and labour, actual development costs, ability to achieve lease-up stabilization at current market rents, and general economic conditions and factors described under the "Development" section and which assumes obtaining required municipal zoning and development approvals and successful agreements with existing tenants, and where applicable, successful execution of development activities undertaken by related parties not under the direct control of Crombie;
- (iv) fair value of investment properties, which is based on assumptions regarding the short and potential long-term impacts of COVID-19, cash flow projections, and estimates of future cash flows and anticipated trends and economic conditions;
- (v) overall indebtedness levels and terms, and expectations relating to refinancing, which could be impacted by the level of acquisition and disposition activity that Crombie is able to achieve, levels of indebtedness, Crombie's ability to maintain and strengthen its investment grade credit rating, future financing opportunities, future interest rates, creditworthiness of major tenants and joint arrangement partners, and market conditions;
- (vi) estimated GLA, estimated completion dates, estimated total costs, and estimated yields for Near-Term Major Developments, which are subject to changes in site plans, cost tendering processes, and continuing tenant negotiations, as well as access to job sites, supplies and labour availability, ability to attract tenants, tenant mix, building sizes, and availability and cost of construction financing;
- (vii) asset growth and reinvesting to develop or otherwise make improvements to existing properties, which could be impacted by the availability of labour, capital resource availability and allocation decisions, as well as actual development costs;
- (viii) generating improved rental income and occupancy levels, including anticipated replacement of expiring tenancies, which could be impacted by changes in demand for Crombie's properties, tenant bankruptcies, the effects of general economic conditions, e-commerce, and supply of competitive locations in proximity to Crombie locations;
- (ix) estimated payments on derivative and non-derivative financial liabilities, which could be impacted by interest rate subsidy payments, interest rates on floating rate debt, and fluctuations in the settlement value and settlement timing of any derivative financial liabilities;
- (x) pending acquisitions or dispositions, which remain subject to satisfaction of customary closing conditions;
- (xi) investment in joint ventures and the income contributed by those investments, which could be impacted by the risk and uncertainty from dependence on partners that are not under Crombie's control, including risk of default by a partner on financing obligations or non-performance of a partner's obligations on a project, which may include development, construction, management or leasing;
- (xii) tax exempt status, which can be impacted by regulatory changes enacted by governmental authorities;
- (xiii) anticipated distributions and payout ratios, which could be impacted by results of operations and capital resource allocation decisions; and
- (xiv) effect that any contingencies or guarantees would have on Crombie's financial statements which could be impacted by their eventual outcome.

These forward-looking statements are presented for the purpose of assisting Crombie's Unitholders and financial analysts in understanding Crombie's operating environment and may or may not be appropriate for other purposes. These forward-looking statements are not guarantees of future events or performance and, by their nature, are based on Crombie's current estimates and assumptions. Crombie can give no assurance that actual results will be consistent with these forward-looking statements. A number of

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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factors, including those discussed under "Risk Management" 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.

These forward-looking statements are made as at the date of the MD&A and Crombie assumes no obligation to update or revise them to reflect new or current events or circumstances unless otherwise required by applicable securities legislation.