

Proven Stability and Sustainable Growth

Q3 Management's Discussion and Analysis | September 30, 2022



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, 2022 and 2021. 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, 2021 and 2020.

The impacts of COVID-19 are not material to Crombie's operating results compared to the same period in the prior year and, therefore, are no longer being presented separately in this MD&A.

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, 2022, 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 6.

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 68, 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 72, for more information.

1. Key Highlights	2
2. Glossary of Terms	6
3. Portfolio Review	8
4. Operational Performance Review	21
5. Financial Performance Review	25
6. Development	35
7. Capital Management	42
8. Risk Management	53
9. Joint Ventures	58
10. Other Disclosures	63
Related Party Transactions	63
Use of Estimates and Judgments	64
Controls and Procedures	65
Quarterly Information	66
11. Non-GAAP Financial Measures	68
12. Forward-looking Information	72

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 2022
\$103,642
Q3 2021 \$101,517 +2.1%

YTD 2022
\$311,652
YTD 2021 \$305,060 +2.2%

The increase in property revenue in both the quarter and year to date is due primarily to increased rental revenue from acquisitions, strong occupancy, and higher parking revenue. This increase is offset in part by reduced rental revenue due to dispositions, lower lease termination income, and higher tenant incentive amortization from new leasing activity.

Operating income attributable to Unitholders

Q3 2022
\$26,410
Q3 2021 \$23,851 +10.7%

YTD 2022
\$80,082
YTD 2021 \$76,671 +4.4%

The increase in operating income attributable to Unitholders for the quarter and year to date is driven primarily by gains on disposal of investment properties and lower mortgage interest expense from dispositions and mortgage repayments since the third quarter of 2021. Additionally, general and administrative expenses decreased primarily due to a reduction in Unit-based compensation costs related to a lower Unit price and a gain from equity-accounted investments. The increase is offset in part by impairments on three properties, accelerated depreciation recorded on a property scheduled for demolition in the fourth quarter of 2022, and increased loss from equity-accounted investments compared to the same period in 2021.

Net property income

Q3 2022
\$71,574
Q3 2021 \$71,301 +0.4%

YTD 2022
\$211,002
YTD 2021 \$211,629 -0.3%

Income from acquisitions, renewals, lease amendments, new leasing, and increased parking revenue is driving the year-over-year increase in net property income. This is offset in part by dispositions since the third quarter of 2021 and new leasing initiatives which increased tenant incentive amortization.

On a year to date basis, the reduction in net property income is primarily due to dispositions since the third quarter of 2021, higher lease termination income in 2021 due to tenant surrenders, and increased tenant incentive amortization. This is partially offset by income from acquisitions, modernization investments, renewals, lease amendments, new leasing, and increased parking revenue.

Same-asset property cash NOI^(*)

Q3 2022
\$68,251
Q3 2021 \$66,819 +2.1%

YTD 2022
\$202,341
YTD 2021 \$198,799 +1.8%

Strong occupancy, higher percentage rent due to increased sales, and increased parking revenue improved same-asset property cash NOI for the quarter compared to the same period in 2021. This was offset in part by a decrease in lease termination income.

The year to date same-asset property cash NOI increase was driven by an increase in supplemental rents from modernizations and capital improvements in addition to the same factors for the quarter, offset in part by a decrease in lease termination income.

FINANCIAL METRICS (CONTINUED)

FFO^(*) per Unit

Q3 2022	YTD 2022
\$0.30	\$0.86
Q3 2021 \$0.29 +3.4%	YTD 2021 \$0.86 —%

FFO improved in the quarter primarily due to lower finance costs from operations arising from lower debt levels, decreased general and administrative expenses, income from acquisitions, renewals, lease amendments, new leasing, and increased parking revenue. The growth was partially offset by the impact of dispositions.

On a year to date basis, in addition to the same factors for the quarter, higher supplemental rents from modernizations and capital improvements, offset in part by a reduction in lease termination income, contributed to an increase in FFO.

An increase in the number of Units outstanding from the issuance of 11,461,446 Units in the first quarter of 2022 contributed to offsetting the growth in FFO per Unit.

FFO^(*) payout ratio

Q3 2022	YTD 2022
75.0%	77.9%
Q3 2021 76.5% -1.5%	YTD 2021 78.2% -0.3%

Items affecting FFO, as stated above, drove the reduction in FFO payout ratio compared to 2021 in both the quarter and year to date. This was offset in part by an increase in Units outstanding, resulting in higher total distributions.

AFFO^(*) per Unit

Q3 2022	YTD 2022
\$0.26	\$0.75
Q3 2021 \$0.25 +4.0%	YTD 2021 \$0.73 +2.7%

AFFO increased primarily as a result of reduced finance costs from operations arising from lower debt levels, decreased general and administrative expenses, income from acquisitions, renewals, lease amendments, new leasing, and increased parking revenue. This was offset in part by the impact of dispositions and an increase in the maintenance capital expenditure charge in the first quarter of 2022.

On a year to date basis, AFFO increased due to the same factors as the quarter and higher supplemental rents from modernizations and capital improvements, offset by the factors noted for the quarter and a reduction in lease termination income.

Additionally, an issuance of 11,461,446 Units in the first quarter of 2022 increased the number of Units outstanding, offsetting the growth in AFFO per Unit.

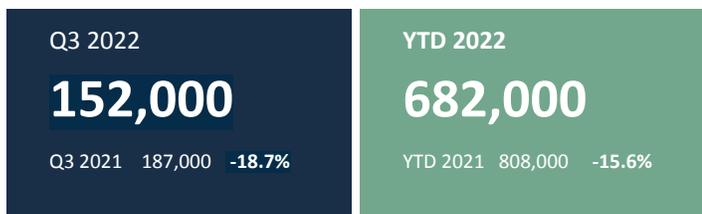
AFFO^(*) payout ratio

Q3 2022	YTD 2022
84.5%	89.3%
Q3 2021 89.1% -4.6%	YTD 2021 92.2% -2.9%

AFFO payout ratio improved as a result of the improved AFFO due to the factors stated above. This is partially offset by an increase in Units outstanding, resulting in higher total distributions.

OPERATIONAL METRICS

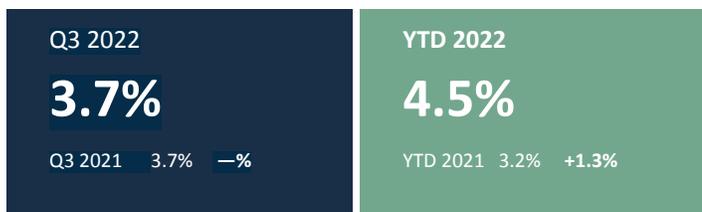
Renewals (GLA sq. ft.)



Renewal activity in the quarter consisted of 108,000 square feet in Rest of Canada, 32,000 square feet in Major Markets, and 12,000 square feet in VECTOM.

Year to date, renewal activity consisted of 374,000 square feet in Rest of Canada, 180,000 square feet in Major Markets, and 128,000 square feet in VECTOM. Year to date, 248,000 square feet of Empire Company Limited ("Empire") renewals were completed.

Renewal spreads



The primary driver of renewal growth in the quarter and year to date was retail plaza renewals at an increase of 4.4% and 5.9% over expiring rental rates, respectively. This retail plaza growth was offset by lower renewal spreads in office and enclosed retail.

Committed occupancy



Record committed occupancy of 96.8% included 119,000 square feet of space committed in the quarter. Approximately 85,000 square feet of committed space is in VECTOM and Major Markets, including 31,000 square feet in Burlington, Ontario and 20,000 square feet in Saskatoon, Saskatchewan.

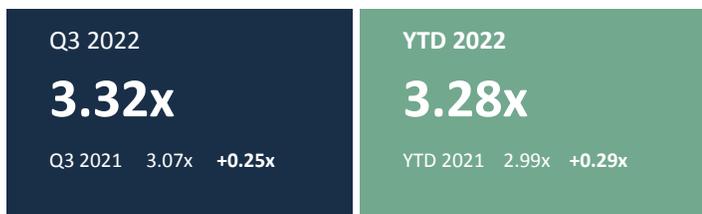
Economic occupancy



Record economic occupancy is primarily due to year to date new leases of 286,000 square feet outpacing lease expiries and other changes by 115,000 square feet. Notable new leases include Empire's Voilà spoke facilities in Ottawa, Ontario and Quebec City, Quebec, six new Dollarama leases totalling 56,000 square feet and a 42,000 square foot office lease in Halifax, Nova Scotia.

FINANCIAL CONDITION METRICS

Interest coverage ratio^(*)



The improvement in interest coverage ratio compared to the same period in the prior year is due to reduced total leverage since the third quarter of 2021, including lower mortgage interest expense resulting from mortgage repayments and dispositions, and increased property revenue resulting primarily from acquisitions and strong occupancy.

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



The improvement in D/GFV since the third quarter of 2021 is the result of lower outstanding debt due to mortgage repayments and dispositions, offset in part by an increase in the amount drawn on credit facilities and higher debt held within our joint ventures. Also contributing to the improvement is higher fair value of investment properties primarily due to completed developments, solid occupancy, markups in fair value on properties classified as held for sale, and higher fair value of investment properties held in joint ventures as they reach completion. This is partially offset by dispositions and impairments on investment properties.

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



The improvement in D/EBITDA ratio compared to the same period in 2021 is due to lower outstanding debt at the third quarter of 2022 resulting from mortgage repayments and dispositions, offset in part by an increase in the amount drawn on credit facilities and higher debt held within our joint ventures. Increased property revenue resulting primarily from acquisitions and strong occupancy also contributed to the improvement in this metric.

Available liquidity - unutilized credit facilities



The decrease in available liquidity from the third quarter of 2021 is primarily due to higher outstanding balances drawn on credit facilities to fund mortgage debt repayments, development, and operational cash requirements.

2. GLOSSARY OF TERMS

Adjusted debt^(*)	Represents debt, including Crombie's share of debt held in equity-accounted joint ventures, excluding transaction costs, which Crombie believes 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 and debt to trailing 12 months adjusted EBITDA.
Adjusted EBITDA^(*)	Represents earnings before interest, taxes, depreciation, and amortization, excluding certain items such as amortization of tenant incentives, impairment of investment properties, gain (loss) on disposal of investment properties, and gain on distribution from equity-accounted investments. It includes Crombie's share of revenue, operating expenses, and general and administrative expenses from equity-accounted joint ventures. Adjusted EBITDA is a non-GAAP measure that is used as an input in several of our debt metrics.
Adjusted interest expense^(*)	Represents finance costs from operations, including Crombie's share of interest from equity-accounted joint ventures, excluding amortization of deferred financing costs. Adjusted interest expense is a non-GAAP measure that is used in the calculation of our interest service coverage and debt service coverage ratios.
AFFO^(*)	Adjusted funds from operations. Crombie follows the recommendations of REALPAC's January 2022 guidance in determining AFFO.
AMR	Annual minimum rent. This represents annualized fixed minimum rent payable by the tenant pursuant to the terms of the lease.
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 space held in equity-accounted joint ventures).
ESG	Environmental, social, and governance.
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 January 2022 guidance in determining FFO.
GLA	Gross leasable area (excluding residential unless noted as proportionately consolidated).
IFRS	International Financial Reporting Standards.
Joint operations	Properties in which Crombie owns partial interests. These co-owned properties are subject to proportionate consolidation, the results of which are reflected in Crombie's operating and financial results, based on the proportionate interest in such joint operations.
Lease termination income	Revenue derived from the early termination of a lease. Lease termination occurs when a tenant desires to end occupancy prior to the lease end date.
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 2021 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 exclude 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 ownership	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 as required under IFRS.
REALPAC	Real Property Association of Canada.
Retail	Includes our substantial retail portfolio, with commercial reflecting a certain few additional properties that 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, customer fulfillment centres ("CFC"), and spokes.
RoC	Rest of Canada - a Crombie-specific definition that includes all remaining geographies outside of VECTOM and Major Markets.
Same-asset properties^(*)	Properties owned and operated throughout the current and comparative reporting periods, excluding any property that was designated for redevelopment, or was subject to disposition of a portion of its GLA during either the current or comparative period.
Spokes	Spokes are cross dock facilities developed to support CFCs, the hubs of Empire's hub and spoke network.
Sq. ft.	Square footage.

Unencumbered assets	Represents assets that have not been pledged as security or collateral under a secured credit agreement or mortgage.
VECTOM	Vancouver, Edmonton, Calgary, Toronto, Ottawa-Gatineau, Montreal, as defined by Statistics Canada 2021 CMA/CA boundaries.
WATM	Weighted average term to maturity.
Zoning applications submitted	A formal municipal rezoning application has been submitted for the purpose of achieving a new land use (i.e. residential, mixed-use) and generally to obtain higher levels of density and building height.

(*) See "Non-GAAP Financial Measures", starting on page 68, for more information on Crombie's non-GAAP financial measures and reconciliations thereof.

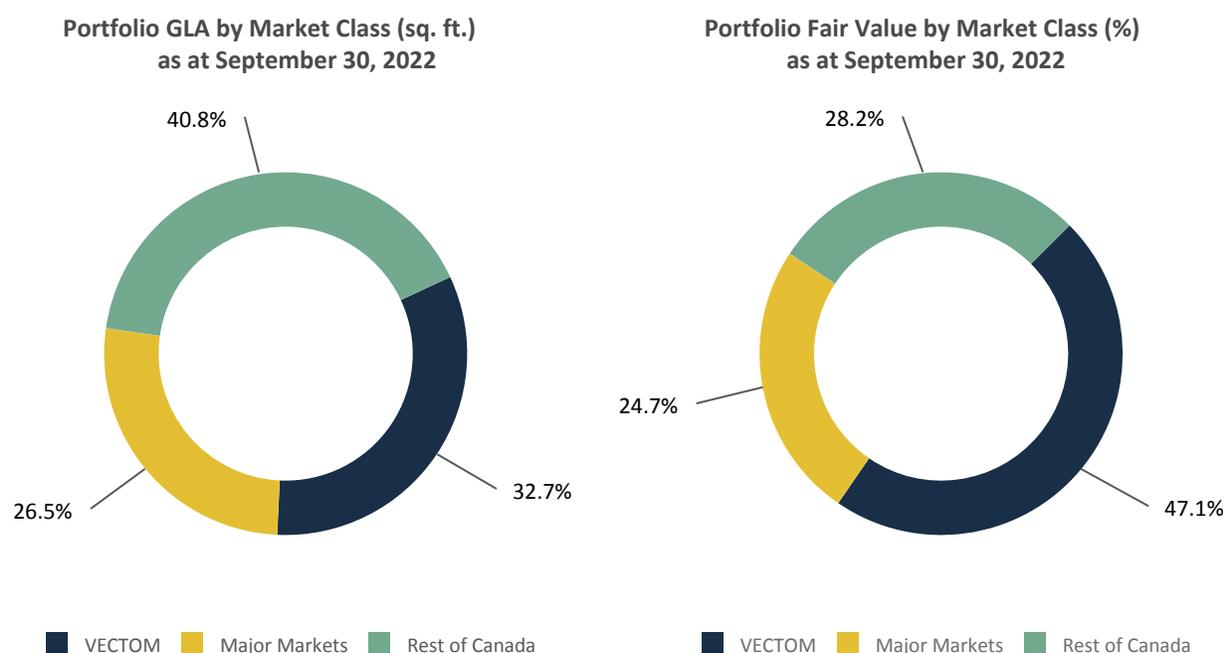
3. PORTFOLIO REVIEW

Total Portfolio Review Inclusive of Joint Ventures

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

Market Class

Crombie's portfolio of gross leasable area ("GLA") and fair value, inclusive of joint ventures at Crombie's share, consisted of the following as at September 30, 2022:



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

	September 30, 2022	December 31, 2021	September 30, 2021
VECTOM	4.56 %	4.58 %	4.57 %
Major Markets	5.93 %	5.91 %	5.93 %
Rest of Canada	6.75 %	6.55 %	6.56 %
Weighted average portfolio capitalization rate	5.54 %	5.54 %	5.53 %

Property dispositions, development completions inclusive of mixed-use residential, and strong demand for grocery-anchored assets all helped compress capitalization rates over the past year. This has been offset by recent increases in capitalization rates for certain types of retail properties.

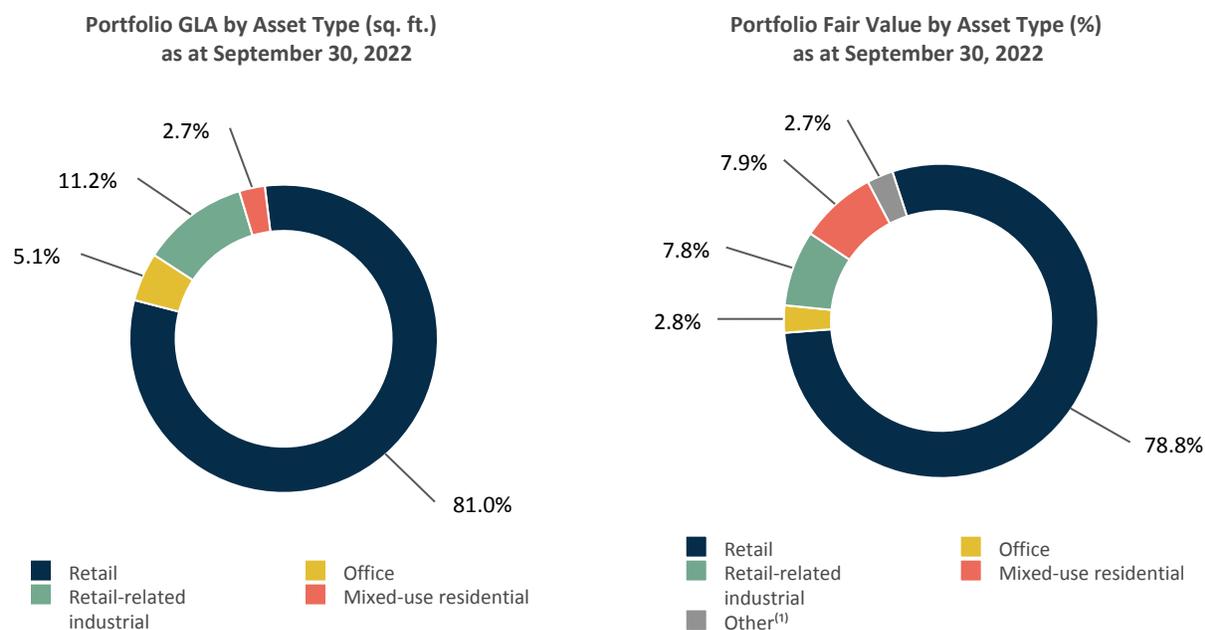
For an explanation of the determination of capitalization rates, see the "Other Disclosures" section of this MD&A, under "Investment Property Valuation" in the "Use of Estimates and Judgments" section, and the "Risk Management" section of this MD&A, under "Capitalization Rate Risk" in the "Risk Factors Related to the Business of Crombie" section.

	GLA (sq. ft.)	
	September 30, 2022	September 30, 2021
VECTOM	6,166,000	5,885,000
Major Markets	5,001,000	4,737,000
Rest of Canada	7,694,000	7,901,000
Total	18,861,000	18,523,000

When compared to September 30, 2021, VECTOM GLA increased by 281,000 square feet primarily due to the substantial completion of Bronte Village, in Oakville, during the first quarter of 2022. Major Markets increased by 264,000 square feet and Rest of Canada decreased by 207,000 largely due to three investment properties changing from Rest of Canada to Major Markets as a result of changes to census metropolitan area/census agglomeration boundaries defined by Statistics Canada and the acquisition of two investment properties.

Asset Type

Crombie's portfolio of GLA and fair value, inclusive of joint ventures at Crombie's share, consisted of the following as at September 30, 2022:



(1) Other includes properties under development (PUD) and land.

	GLA (sq. ft.)	
	September 30, 2022	September 30, 2021
Retail	15,283,000	15,280,000
Office	954,000	954,000
Retail-related industrial	2,110,000	2,014,000
Mixed-use residential	514,000	275,000
Total	18,861,000	18,523,000

When compared to September 30, 2021, mixed-use residential increased by 239,000 square feet due to Bronte Village, in Oakville, reaching substantial completion. Retail-related industrial increased 96,000 square feet due to the acquisition of the remaining 50% interest in a distribution centre, in Terrebonne, Quebec, from Empire and the development of two Voilà spoke facilities, located in Ottawa, Ontario and Quebec City, Quebec. This is partially offset by the 50% disposition of the Pointe-Claire CFC in the fourth quarter of 2021.

Portfolio Review - Investment Properties

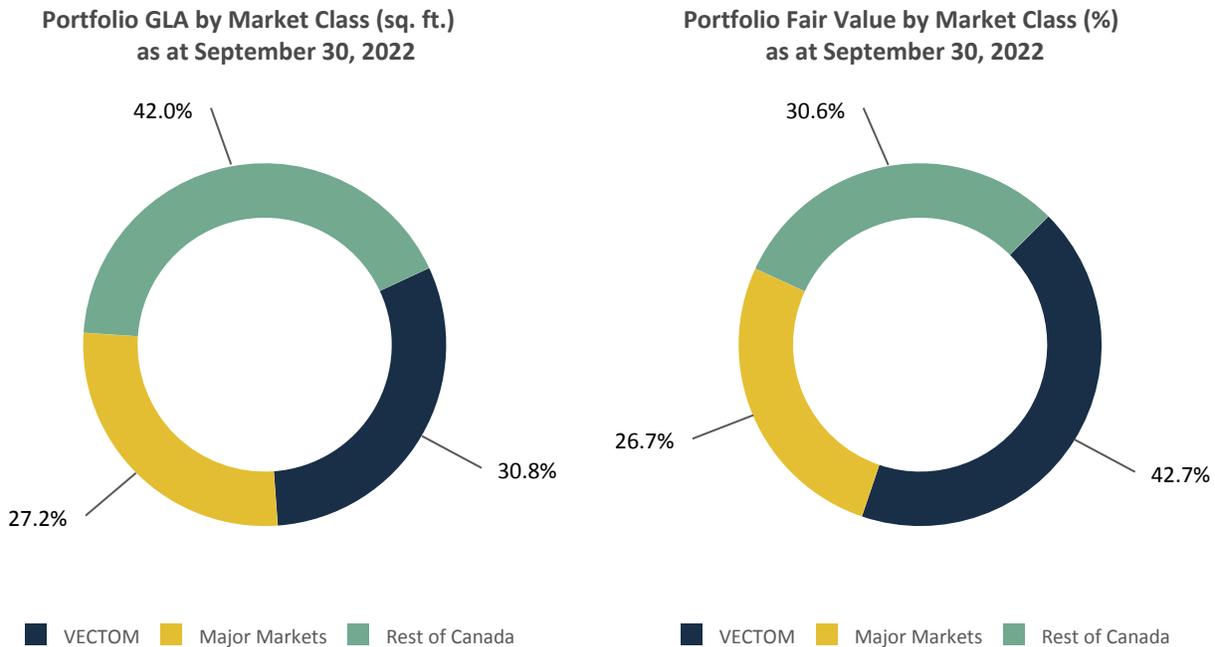
As at September 30, 2022, Crombie's property portfolio consisted of full ownership interests in 229 investment properties, and partial ownership interests in 61 investment properties held in joint operations. In addition to investment properties, Crombie also has full ownership interests in six properties under development ("PUD"), and a partial ownership in one property under development held in a joint operation. Together, Crombie's share of these 290 investment properties contains approximately 18.3 million square feet of GLA in all 10 provinces.

Partial ownership interests are reflected in our consolidated balance sheet and income statement, based on our proportionate ownership in such joint operations.

Crombie's partial ownership interests in seven joint ventures, five of which currently hold investment properties, are not included in the following sections.

Market Class

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



PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

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

	September 30, 2022	December 31, 2021	September 30, 2021
VECTOM	4.77 %	4.73 %	4.72 %
Major Markets	5.93 %	5.91 %	5.93 %
Rest of Canada	6.75 %	6.55 %	6.56 %
Weighted average portfolio capitalization rate	5.71 %	5.65 %	5.64 %

Property dispositions, development completions, and strong demand for grocery-anchored assets all helped compress capitalization rates over the past year, however this compression has been more than offset by recent increases in capitalization rates for certain types of retail properties.

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, and the "Risk Management" section of this MD&A, under "Capitalization Rate Risk" in the "Risk Factors Related to the Business of Crombie" section.

Crombie's portfolio diversification by market class of its investment properties as at September 30, 2022 and 2021 is as follows:

	GLA (sq. ft.)			September 30, 2022	Number of Investment Properties	% of AMR	% NOI ⁽²⁾	Economic Occupancy	Committed Occupancy
	January 1, 2022	Net Acquisitions (Dispositions)	Other ⁽¹⁾						
VECTOM	5,418,000	267,000	(33,000)	5,652,000	88	34.0 %	33.6 %	99.4 %	99.5 %
Major Markets	4,723,000	34,000	228,000	4,985,000	64	27.6 %	28.1 %	95.5 %	97.1 %
Rest of Canada	7,720,000	140,000	(166,000)	7,694,000	138	38.4 %	38.3 %	94.2 %	94.7 %
Total	17,861,000	441,000	29,000	18,331,000	290	100.0 %	100.0 %	96.2 %	96.8 %

	GLA (sq. ft.)			September 30, 2021	Number of Investment Properties	% of AMR	% NOI ⁽²⁾	Economic Occupancy	Committed Occupancy
	January 1, 2021	Net Acquisitions (Dispositions)	Other ⁽¹⁾						
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 %

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

(2) Property cash NOI for the nine months ended September 30.

For the nine months ended September 30, 2022, three investment properties at full interest and one investment property at partial interest were acquired in VECTOM and Major Markets, partially offset by the dispositions of four investment properties, resulting in a net increase of 301,000 square feet. Eight investment properties at full interest were acquired in the Rest of Canada, partially offset by the dispositions of two investment properties, resulting in a net increase in GLA of 140,000 square feet. Crombie also completed the grocery-anchored retail development of approximately 44,000 square feet at Cobblestone in Grande Prairie, Alberta, included in "Other" changes.

Additionally, Crombie completed the development of two retail-related industrial spokes totalling 20,000 square feet in VECTOM and Major Markets. Retail development expansions at three grocery-anchored properties occurred during the first nine months, adding 3,000 square feet of GLA to VECTOM, 16,000 square feet of GLA to Major Markets, and 17,000 square feet of GLA to Rest of Canada. These additions to GLA are included in "Other" changes.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

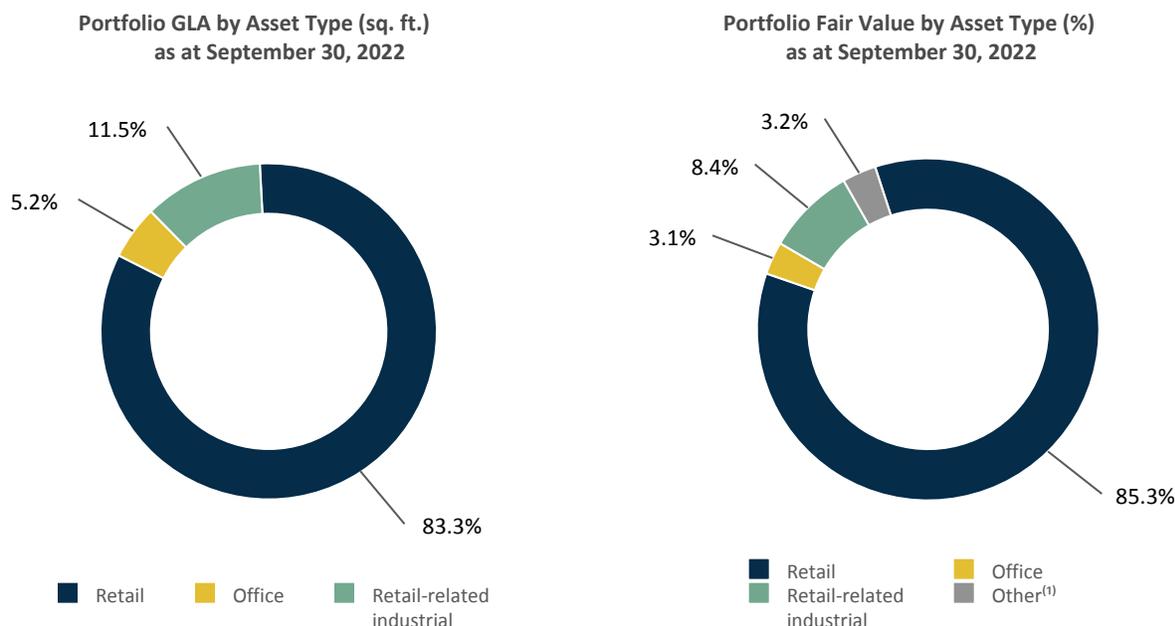
In the first quarter of 2022, three investment properties had a change in market class as a result of changes to census metropolitan area/ census agglomeration boundaries defined by Statistics Canada. Approximately 210,000 square feet was reclassified as Major Markets from Rest of Canada, and is captured under "Other" changes.

When compared to September 30, 2021, the percentage of total annual minimum rent ("AMR") generated from VECTOM decreased by 30 basis points, while Major Markets total AMR increased by 150 basis points and Rest of Canada decreased by 120 basis points. The increase in Major Markets is primarily due to new leasing activity over the last twelve months, and, as noted above, the reclassification of three investment properties to Major Markets from Rest of Canada in the first quarter of 2022.

As at September 30, 2022, committed and economic occupancy stand at 96.8% and 96.2%, respectively. Committed occupancy increased by 30 basis points compared to September 30, 2021. Economic occupancy increased by 40 basis points compared to September 30, 2021. Over the last twelve months, 99,000 net square feet of GLA was added to the portfolio. The net increase in GLA is due to 589,000 square feet of acquisitions, and 30,000 square feet of other changes throughout the portfolio, primarily from development activity. This is offset by the disposition of 520,000 square feet.

Asset Type

Retail properties represent 83.3% of Crombie's GLA and 85.3% of fair value at September 30, 2022, compared to 83.7% of GLA and 86.3% of fair value at September 30, 2021.



(1) Other includes properties under development (PUD) and land.

Crombie's portfolio diversification by asset type as at September 30, 2022 and 2021 of its investment properties is as follows:

	GLA (sq. ft.)			September 30, 2022	Number of Investment Properties	% of AMR	Economic Occupancy	Committed Occupancy
	January 1, 2022	Net Acquisitions (Dispositions)	Other ⁽¹⁾					
Retail	15,052,000	206,000	9,000	15,267,000	280	89.4 %	95.9 %	96.7 %
Office	954,000	—	—	954,000	5	4.0 %	92.0 %	92.6 %
Retail-related industrial	1,855,000	235,000	20,000	2,110,000	5	6.6 %	100.0 %	100.0 %
Total	17,861,000	441,000	29,000	18,331,000	290	100.0 %	96.2 %	96.8 %

	GLA (sq. ft.)			September 30, 2021	Number of Investment Properties	% of AMR	Economic Occupancy	Committed Occupancy
	January 1, 2021	Net Acquisitions (Dispositions)	Other ⁽¹⁾					
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 %

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

For the nine months ended September 30, 2022, retail GLA had a net increase of 206,000 square feet due to the acquisition of ten investment properties at full interest, partially offset by the disposition of six investment properties at full interest. Additionally, Crombie

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

completed a grocery-anchored retail development of approximately 44,000 square feet included in "Other" changes at an investment property acquired in Grande Prairie, Alberta in the first quarter of 2022. Retail-related industrial GLA increased by 235,000 square feet due to the acquisition of the remaining partial interest in an investment property from Empire.

During the nine months ended September 30, 2022, Crombie completed retail development expansions at grocery-anchored plazas in Halifax (Timberlea), Nova Scotia, Charlottetown (Stratford), Prince Edward Island and Leduc, Alberta totalling 36,000 square feet. Additionally, development of two retail-related industrial spokes in Ottawa, Ontario and Quebec City, Quebec totalling 20,000 square feet was added to GLA. These additions to GLA are included in "Other" changes.

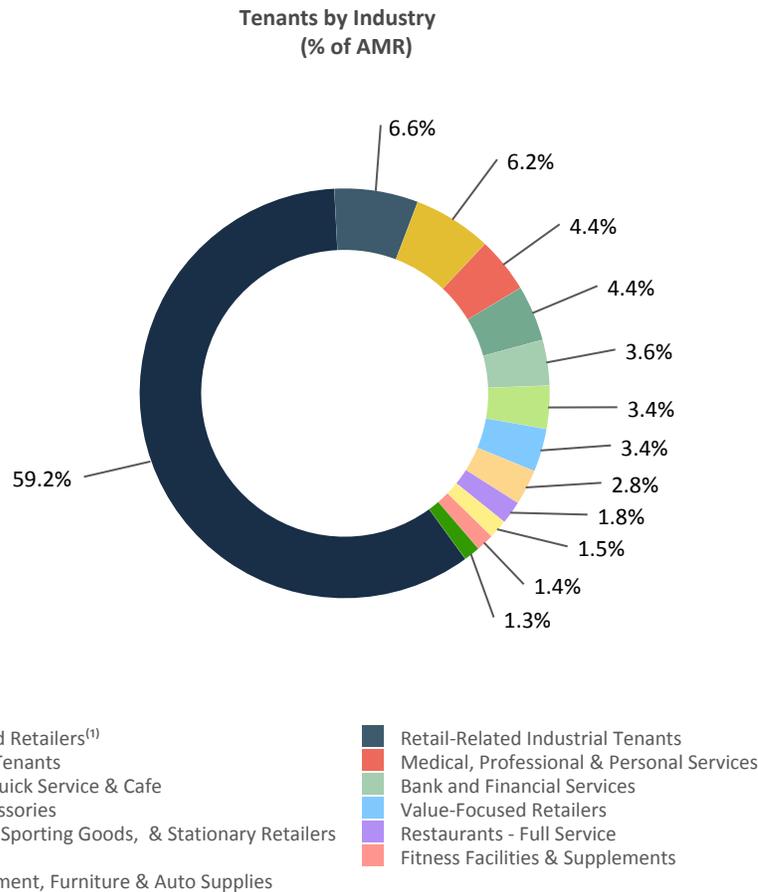
Economic occupancy increased by 40 basis points compared to September 30, 2021 and committed occupancy increased by 30 basis points. A significant amount of activity occurred over the last twelve months, resulting in an increase of portfolio GLA due to net acquisition activity and development activity. Committed occupancy in our office portfolio is at 92.6%, an increase from 92.0% at September 30, 2021, primarily due to new tenants at certain of our office properties.

Through our 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 residential properties, creating long-term value for local communities and Unitholders. 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 in the future.

As equity-accounted joint ventures are not reflected in this information, the applicable residential square footage, occupancy, and asset mix details of these joint ventures are not included in this section. They are reflected in the "Total Portfolio Review Inclusive of Joint Ventures" section of this MD&A on page 8.

Tenant Profile

We build and own a high-quality, resilient, and diversified portfolio, backed primarily by grocery tenants, that delivers consistent long-term earnings and cash flow stability. As at September 30, 2022, 79% of our AMR was generated from grocery-anchored properties, inclusive of retail-related industrial, compared to 78% at September 30, 2021. The increase is primarily due to the acquisition of grocery-anchored assets, contractual rent step-ups, and new leasing. 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.



(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.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

The following table illustrates the 20 largest tenants in Crombie's portfolio of investment properties, as measured by their percentage contribution to total AMR, as at September 30, 2022.

Tenant	% of AMR	GLA (sq. ft.)	Weighted Average Remaining Lease Term	DBRS Morningstar ("DBRS") Credit Rating
Empire Company Limited ⁽¹⁾	57.9 %	10,804,000	11.7 years	BBB
Shoppers Drug Mart	2.5 %	228,000	6.0 years	BBB(high)
Dollarama	1.8 %	366,000	5.3 years	BBB
Province of Nova Scotia	1.6 %	369,000	5.0 years	A(high)
Bank of Nova Scotia	1.1 %	173,000	1.7 years	AA
GoodLife Fitness	1.1 %	210,000	6.5 years	-
Cineplex	1.0 %	207,000	8.4 years	-
Canadian Tire Corporation	1.0 %	158,000	4.3 years	BBB
CIBC	1.0 %	132,000	14.3 years	AA
Government of Canada	0.9 %	130,000	2.1 years	AAA
Restaurant Brands International	0.7 %	68,000	5.5 years	-
Royal Bank of Canada	0.6 %	50,000	4.5 years	AA(high)
SAQ/Province of Quebec	0.6 %	65,000	6.8 years	AA(low)
Halifax Regional Municipality	0.5 %	127,000	7.5 years	-
Metro	0.5 %	88,000	6.6 years	BBB
TJX Companies	0.5 %	120,000	5.9 years	-
Pet Valu	0.5 %	60,000	4.1 years	-
Toronto Dominion Bank	0.5 %	45,000	2.2 years	AA(high)
Giant Tiger	0.4 %	188,000	3.0 years	-
Bell Canada	0.4 %	77,000	3.0 years	BBB(high)
Total	75.1 %	13,665,000		

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

Other than Empire, which accounts for 57.9% of AMR and Shoppers Drug Mart, which accounts for 2.5% of AMR, no other tenant accounts for more than 1.8% of Crombie's AMR. Empire's percent of AMR increased by 140 basis points compared to September 30, 2021 as a result of the acquisition of Empire properties over the last twelve months, two new Voilà spoke locations taking occupancy, modernizations, and contractual rent step-ups. This is partially offset by the disposition of the 50% non-managing interest of the Voilà CFC, in Montreal, Quebec, in the fourth quarter of 2021.

For the nine months ended September 30, 2022, Empire also represents 53.3% of total property revenue. Total property revenue includes 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 9.1 years, which decreased 0.5 years as compared to September 30, 2021. This remaining lease term is influenced by the weighted average Empire remaining lease term of 11.7 years, which decreased 1.0 year from September 30, 2021.

Crombie continues to work in partnership with Empire, aligning our strategies to maximize value creation through property acquisitions, modernizations, store conversions, participation in the build-out of Empire's Voilà online grocery home delivery hub and spoke network, land-use intensification, and the unlocking of major developments.

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 and those for

which planning activities are 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				Total
	Investment Properties ("IP")	Properties Under Development ("PUD")	Sub-total	Additional Properties in Joint Ventures ("JV")	
Same-asset properties	275	—	275	—	275
Adjustments:					
Acquisitions - 2022	11	1	12	—	12
Other ⁽¹⁾	3	5	8	2	10
Active and completed major developments ⁽²⁾	1	1	2	3	5
	15	7	22	5	27
Total	290	7	297	5	302

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

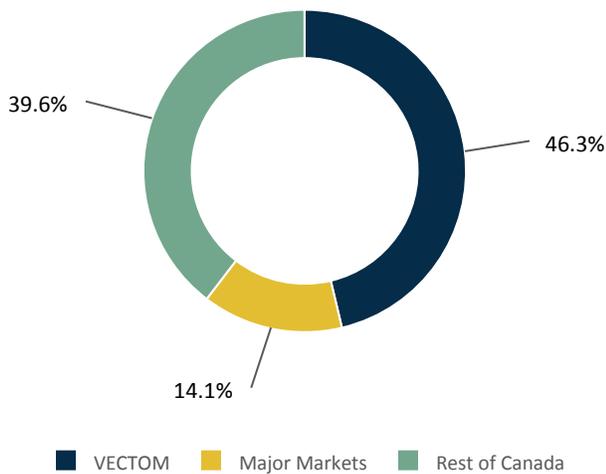
(2) Active and completed major development includes:
Avalon Mall retail (IP)
Calgary CFC (PUD)
Davie Street residential (JV)
Le Duke (JV)
Bronte Village (JV)

Davie Street was developed as both a retail (Crombie-owned) and residential (joint venture-owned) development. Davie Street is treated as two properties, one being Crombie-owned investment property (retail), and the other 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).

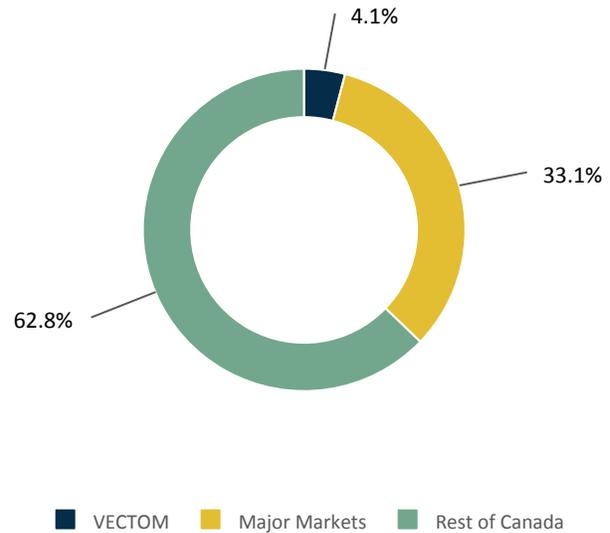
Strategic Acquisitions and Dispositions

As at September 30, 2022, GLA at Crombie’s interest in its investment properties was 18.3 million square feet compared to 18.2 million square feet as at September 30, 2021. The net increase in GLA was driven by 589,000 square feet of acquisitions and the addition of 110,000 square feet of development square footage entering GLA, partially offset by 520,000 square feet of dispositions and 86,000 square feet of reduction adjustments to GLA related to property repositioning.

Acquired GLA by Market Class (sq. ft.) as at September 30, 2022



Disposed GLA by Market Class (sq. ft.) as at September 30, 2022



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 other 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, 2022, Crombie completed acquisitions of 10 income-producing properties, the remaining 50% interest of an existing income-producing retail-related industrial asset, one land parcel (that has since been redeveloped by Crombie), and one development property, for a total aggregate purchase price of \$107,761 excluding transaction and closing costs. Of the 13 acquisitions, 10 were acquired from Empire, our strategic partner. These acquisitions added 589,000 square feet and potential for future density to be added to Crombie's GLA.

Of the 13 acquisitions, eight are located in Rest of Canada markets, of which the majority are grocery-anchored assets. The remaining acquisitions, located in VECTOM and Major Markets, are also grocery-anchored assets, inclusive of retail-related industrial, and a parcel of development land.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

Date	Property	Location	Vendor	Strategy	Ownership				
					Number of Investment Properties	Interest	Sq. ft.	Price ⁽¹⁾	
2022 First Quarter									
January 6, 2022	Division Street	Cobourg, ON	Related Party	Income-producing	1	100 %	31,000	\$ 3,300	
January 7, 2022	Cobblestone ⁽²⁾	Grande Prairie, AB	Related Party	Income-producing	1	100 %	—	2,567	
January 25, 2022	Terrebonne DC ⁽³⁾	Terrebonne, QC	Related Party	Income-producing	—	50 %	235,000	38,050	
January 27, 2022	Princess Street	Kingston, ON	Related Party	Income-producing	1	100 %	35,000	8,035	
January 27, 2022	Court Street	Thunder Bay, ON	Related Party	Income-producing	1	100 %	39,000	5,900	
January 27, 2022	33rd Street West	Saskatoon, SK	Related Party	Income-producing	1	100 %	16,000	3,800	
January 27, 2022	Anderson Street	Nelson, BC	Related Party	Income-producing	1	100 %	39,000	8,100	
January 27, 2022	Dawson Road	Thunder Bay, ON	Related Party	Income-producing	1	100 %	54,000	8,200	
January 28, 2022	Rue Principale	Tracadie-Sheila, NB	Third Party	Income-producing	1	100 %	31,000	2,000	
March 24, 2022	Lewis Estates	Edmonton, AB	Related Party	Income-producing	1	100 %	38,000	10,520	
					<u>9</u>		<u>518,000</u>	<u>90,472</u>	
2022 Second Quarter									
May 3, 2022	Highland Road	Kitchener, ON	Related Party	Income-producing	1	100 %	67,000	11,000	
May 30, 2022	Centennial Drive	Martensville, SK	Third Party	Development	—	100 %	—	4,939	
					<u>1</u>		<u>67,000</u>	<u>15,939</u>	
2022 Third Quarter									
July 7, 2022	Plummer Avenue	New Waterford, NS	Third Party	Income-producing	1	100 %	4,000	1,350	
Total acquisitions for the nine months ended September 30, 2022					11		589,000	\$ 107,761	
Total acquisitions for the nine months ended September 30, 2021					7		228,000	\$ 62,887	

(1) Prices are stated before transaction and closing costs.

(2) Acquisition of a parcel of retail land developed by Crombie.

(3) Relates to an acquisition of the remaining 50% interest in a pre-existing retail-related industrial property.

Strategic Dispositions

Over the years, Crombie has worked to optimize its portfolio through traditional dispositions and innovative partnerships. In line with our strategy of recycling capital through dispositions at or above IFRS fair values, Crombie uses the proceeds for debt reduction, to fund development projects, to increase Crombie's concentration in VECTOM and Major Markets, and to seize other higher-value opportunities. Some of these opportunities include supporting Empire's growth into urban markets and 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 throughout 2022. Three Major Markets investment properties were disposed of and one property under development was disposed to a joint venture. Additionally, one investment property was disposed of in VECTOM and two investment properties were disposed of in Rest of Canada markets.

Date	Property Type	Ownership				
		Number of Investment Properties	Interest	Sq. ft.	Net Property Income	Price
2022 Second Quarter						
Total dispositions at 100% interest	One Retail Asset	1	100 %	19,000	\$ 394	\$ 10,250
2022 Third Quarter						
Total dispositions at 100% interest	Five Retail Assets and Development Land ⁽¹⁾	5	100 %	129,000	2,531	52,126
Total dispositions for the nine months ended September 30, 2022		6		148,000	\$ 2,925 ⁽²⁾	\$ 62,376
Total dispositions for the nine months ended September 30, 2021		4	100 %	58,000 ⁽³⁾	\$ 1,809 ⁽⁴⁾	\$ 56,970

(1) A parcel of land adjacent to existing retail properties was disposed to a joint venture.

(2) Reflects actual net property income earned on 2022 dispositions for the full year ended December 31, 2021. Total actual net property income for the nine months ended September 30, 2022 for the disposed properties prior to disposition was \$1,802, as reflected in our consolidated results.

(3) Square footage totalling 33,000 for one of the 2021 disposition properties was removed from GLA in the second quarter of 2020 as the property was slated for redevelopment.

(4) Reflects actual net property income earned on 2021 dispositions for the full year ended December 31, 2020. Total actual net property income for the nine months ended September 30, 2021 for all disposed properties prior to disposition was \$454, as reflected in our consolidated results.

Investment Properties Held for Sale

Crombie has determined that two of its investment properties meet the criteria for classification as held for sale as at September 30, 2022 based on the status of their sale processes. Prior to the classification as held for sale, the properties were assessed for impairment, which, at that time, is the amount by which the carrying value exceeds its recoverable amount, if any. No depreciation or amortization will be recorded while the properties are classified as held for sale.

The two properties classified as held for sale are King George, Vancouver, which was subsequently disposed on November 1, 2022, and Barrington Place, Halifax. Crombie expects to realize net proceeds of approximately \$109,000 from these transactions.

4. OPERATIONAL PERFORMANCE REVIEW

Occupancy and Leasing Activity

The portfolio occupancy and committed space activity by market class and asset type for the nine months ended September 30, 2022 was as follows:

	Occupied Space (sq. ft.)					September 30, 2022	Economic Occupancy	Committed Space (sq. ft.) ⁽³⁾	Total Committed Space (sq. ft.)	Committed Occupancy
	January 1, 2022	Net Acquisitions (Dispositions)	New Leases ⁽¹⁾	Lease Expiries	Other Changes ⁽²⁾					
VECTOM	5,402,000	267,000	53,000	(27,000)	(78,000)	5,617,000	99.4 %	5,000	5,622,000	99.5 %
Major Markets	4,451,000	34,000	140,000	(44,000)	180,000	4,761,000	95.5 %	80,000	4,841,000	97.1 %
Rest of Canada	7,219,000	142,000	93,000	(28,000)	(174,000)	7,252,000	94.2 %	34,000	7,286,000	94.7 %
Total	17,072,000	443,000	286,000	(99,000)	(72,000)	17,630,000	96.2 %	119,000	17,749,000	96.8 %

	Occupied Space (sq. ft.)					September 30, 2022	Economic Occupancy	Committed Space (sq. ft.) ⁽³⁾	Total Committed Space (sq. ft.)	Committed Occupancy
	January 1, 2022	Net Acquisitions (Dispositions)	New Leases ⁽¹⁾	Lease Expiries	Other Changes ⁽²⁾					
Retail	14,383,000	208,000	217,000	(98,000)	(69,000)	14,641,000	95.9 %	114,000	14,755,000	96.7 %
Office	834,000	—	49,000	(1,000)	(3,000)	879,000	92.0 %	5,000	884,000	92.6 %
Retail-related industrial	1,855,000	235,000	20,000	—	—	2,110,000	100.0 %	—	2,110,000	100.0 %
Total	17,072,000	443,000	286,000	(99,000)	(72,000)	17,630,000	96.2 %	119,000	17,749,000	96.8 %

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

(2) Other changes include amendments to existing leases; lease terminations and surrenders; bankruptcies; space certifications; and reclassifications within market classes or asset types.

(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.

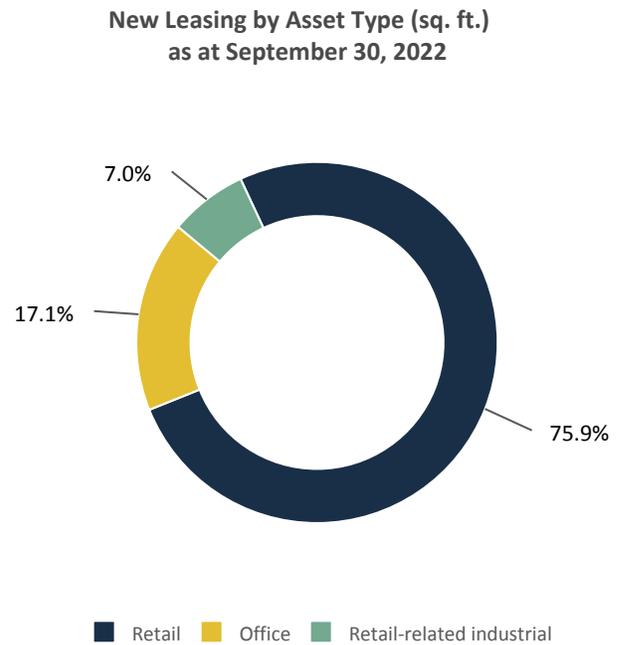
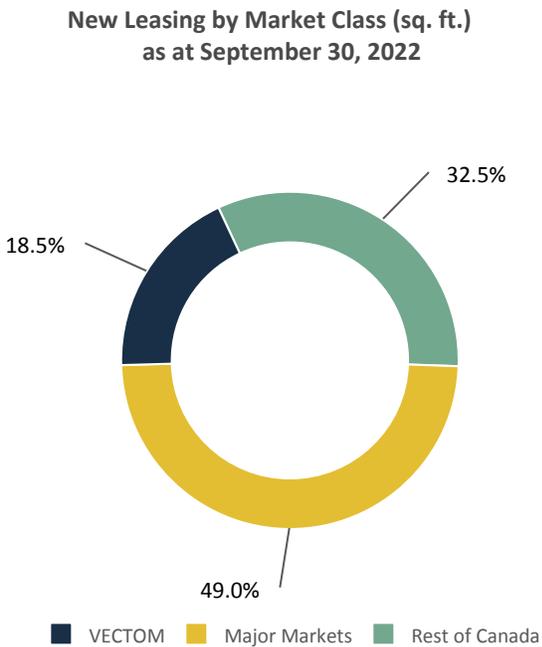
Committed occupancy has increased from 96.5% at September 30, 2021 to 96.8% at September 30, 2022. During the nine months ended September 30, 2022, Crombie had an increase from net acquisition activity of 443,000 square feet and had new leases outpace lease expiries by 187,000 square feet.

In the first quarter of 2022, three investment properties had a change in market class as a result of changes to census metropolitan area/census agglomeration boundaries defined by Statistics Canada. Approximately 209,000 square feet of occupied GLA was reclassified as Major Markets from Rest of Canada, and is captured under "Other Changes".

Committed space in our retail properties portfolio was 96.7% at September 30, 2022, an increase from 96.3% at September 30, 2021. Committed space in office properties was 92.6% at September 30, 2022, which increased from 92.0% at September 30, 2021. This was primarily due to new tenants at certain office properties. Committed space in retail-related industrial properties of 100.0% at September 30, 2022 remained constant from 100.0% at September 30, 2021. 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 2022, Crombie acquired the remaining 50% interest in a distribution centre, in Terrebonne, Quebec, from Empire. Additionally, two Voilà spoke facilities, located in Ottawa, Ontario and Quebec City, Quebec, moved into economic occupancy.

The portfolio average AMR per occupied square foot for our income-producing properties was \$16.89 as at September 30, 2022, compared to \$16.91 as at September 30, 2021. Excluding the one retail-related industrial asset acquired in the first quarter of 2022, an increase of 0.6% in average AMR per occupied square foot would have been achieved.

New Leasing Activity

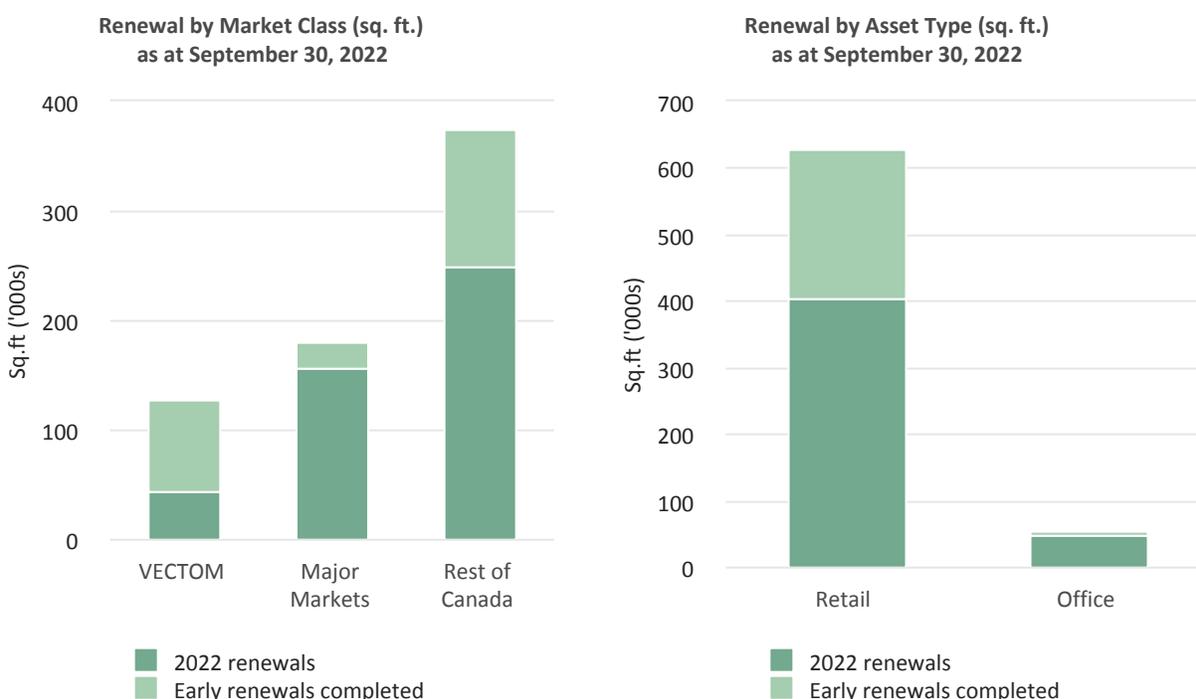


New leases increased occupancy by 286,000 square feet at September 30, 2022, at an average first year rate of \$21.39 per square foot.

Crombie is focused on increasing its presence in VECTOM and Major Markets. For the nine months ended September 30, 2022, 67.5% of new leases, equivalent to 193,000 square feet, were completed in these markets. New leases of 93,000 square feet occurred in Rest of Canada markets during the nine months ended September 30, 2022. The vast majority of the portfolio's vacancy is within this market as a few Rest of Canada properties have material vacancy.

At September 30, 2022, 119,000 square feet of GLA at an average first year rate of \$22.86 per square foot was committed, with tenants expected to take possession throughout 2022 and into 2023. VECTOM and Major Markets represent 85,000 square feet of committed space, including 31,000 square feet in Burlington, Ontario and 20,000 square feet in Saskatoon, Saskatchewan.

Renewal Activity



For the three and nine months ended September 30, 2022, renewal activity for our portfolio was as follows:

	Three months ended September 30, 2022			Nine months ended September 30, 2022		
	Square Feet	Rate PSF	Growth %	Square Feet	Rate PSF	Growth %
2022 Renewals	123,000	\$26.14	3.5%	451,000	\$19.50	4.0%
Future Year Renewals	29,000	\$20.34	4.7%	231,000	\$21.97	5.4%
Total	152,000	\$25.05	3.7%	682,000	\$20.34	4.5%

Crombie's renewal activity for the three months ended September 30, 2022 included retail renewals of 146,000 square feet with an increase of 3.6% over expiring rental rates. Driving this growth was 116,000 square feet of renewals at retail plazas, with an increase of 4.4% over expiring rental rates. Renewal spreads are based on the first year rate and do not factor in any additional rent step-ups that may take place throughout the lease term. When comparing the expiring rental rates to the weighted average rental rate for the renewal term, Crombie achieved an increase of 5.2% for the three months ended September 30, 2022.

For the nine months ended September 30, 2022, Crombie renewed 629,000 square feet of retail renewals with an increase of 4.7% over expiring rental rates. Driving this growth was 343,000 square feet of renewals at retail plazas, with an increase of 5.9% over expiring rental rates. When comparing the expiring rental rates to the weighted average rental rate for the renewal term, Crombie achieved an increase of 5.8% for the nine months ended September 30, 2022.

During the nine months ended September 30, 2022, Crombie demonstrated portfolio stability with approximately 45.2% of renewals occurring in VECTOM and Major Markets. Total renewal growth was positively impacted by the 128,000 square feet of renewals in VECTOM at an average first year rate of \$26.90 per square foot, an increase of 5.4% over expiring rental rates. Major Markets saw renewals of 180,000 square feet, with an increase of 5.9% over expiring rental rates or an average first year rate of \$19.92 per square foot. The remaining 374,000 square feet of renewals was in Rest of Canada at an average first year rate of \$18.28, with an increase of 3.3% over expiring rental rates.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

Crombie proactively manages its lease maturities, taking advantage of opportunities to renew tenants prior to expiration. During the nine months ended September 30, 2022, approximately 231,000 square feet of renewals related to future year expiries were completed.

Lease Maturities

The following table sets out, as at September 30, 2022, 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 AMR per square foot at the time of expiry.

Year	Number of Leases ⁽¹⁾	Renewal Area (sq. ft.)	% of Total GLA	Average AMR per sq. ft. at Expiry
2022	159	649,000	3.5 % \$	14.52
2023	178	780,000	4.3 %	17.27
2024	178	841,000	4.6 %	18.10
2025	156	1,200,000	6.5 %	15.80
2026	161	1,026,000	5.6 %	17.73
2027	147	1,045,000	5.7 %	18.27
2028	68	706,000	3.9 %	17.46
2029	91	1,041,000	5.7 %	18.94
2030	48	628,000	3.4 %	16.54
2031	89	1,093,000	6.0 %	19.64
Thereafter	327	8,740,000	47.6 %	20.12
Total	1,602	17,749,000	96.8 % \$	18.82

(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, 2022, 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 AMR per square foot at the time of expiry.

Year	Number of Leases ⁽¹⁾	Renewal Area (sq. ft.)	% of Total GLA	Average AMR per sq. ft. at Expiry
2022	13	144,000	0.8 % \$	11.04
2023	4	41,000	0.2 %	6.47
2024	3	78,000	0.4 %	11.86
2025	7	255,000	1.4 %	13.34
2026	16	353,000	1.9 %	13.97
2027	14	416,000	2.3 %	12.13
2028	9	307,000	1.7 %	15.68
2029	16	543,000	3.0 %	16.02
2030	8	294,000	1.6 %	13.62
2031	14	513,000	2.8 %	16.80
Thereafter	209	7,860,000	42.8 %	20.01
Total	313	10,804,000	58.9 % \$	18.47

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

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(*)



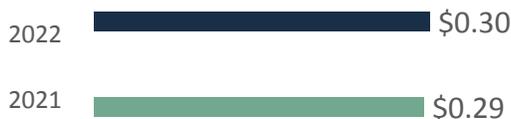
Q3 AFFO PAYOUT RATIO(*)



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	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	Variance	2022	2021	Variance
Property revenue	\$ 103,642	\$ 101,517	\$ 2,125	\$ 311,652	\$ 305,060	\$ 6,592
Property operating expenses	32,068	30,216	(1,852)	100,650	93,431	(7,219)
Net property income	71,574	71,301	273	211,002	211,629	(627)
Net property income margin percentage	69.1 %	70.2 %	(1.1)%	67.7 %	69.4 %	(1.7)%
Other items:						
Gain on disposal of investment properties	13,357	2,619	10,738	18,220	13,763	4,457
Impairment of investment properties	(10,400)	(1,239)	(9,161)	(10,400)	(1,239)	(9,161)
Depreciation and amortization	(22,744)	(19,109)	(3,635)	(60,845)	(56,958)	(3,887)
General and administrative expenses	(3,706)	(5,728)	2,022	(13,484)	(18,119)	4,635
Finance costs - operations	(20,884)	(23,070)	2,186	(62,391)	(70,149)	7,758
Gain on distribution from equity-accounted investments	1,000	—	1,000	2,933	—	2,933
Loss from equity-accounted investments	(1,787)	(923)	(864)	(4,953)	(2,256)	(2,697)
Operating income attributable to Unitholders	26,410	23,851	2,559	80,082	76,671	3,411
Distributions to Unitholders	(39,513)	(36,578)	(2,935)	(118,143)	(107,922)	(10,221)
Change in fair value of financial instruments	1,782	291	1,491	4,027	(1,954)	5,981
Decrease in net assets attributable to Unitholders	\$ (11,321)	\$ (12,436)	\$ 1,115	\$ (34,034)	\$ (33,205)	\$ (829)
Operating income attributable to Unitholders per Unit, basic	\$ 0.15	\$ 0.15	\$ —	\$ 0.46	\$ 0.48	\$ (0.02)
Basic weighted average Units outstanding (in 000's)	177,491	164,382	13,109	175,728	161,300	14,428
Distributions per Unit to Unitholders	\$ 0.22	\$ 0.22	\$ —	\$ 0.67	\$ 0.67	\$ —

Other Non-GAAP Performance Metrics

Same-asset property cash NOI ^(*)	\$ 68,251	\$ 66,819	\$ 1,432	\$ 202,341	\$ 198,799	\$ 3,542
FFO ^(*)	\$ 52,665	\$ 47,830	\$ 4,835	\$ 151,633	\$ 138,084	\$ 13,549
FFO ^(*) per Unit - basic	\$ 0.30	\$ 0.29	\$ 0.01	\$ 0.86	\$ 0.86	\$ —
FFO ^(*) payout ratio (%)	75.0 %	76.5 %	(1.5)%	77.9 %	78.2 %	(0.3)%
AFFO ^(*)	\$ 46,787	\$ 41,052	\$ 5,735	\$ 132,236	\$ 117,064	\$ 15,172
AFFO ^(*) per Unit - basic	\$ 0.26	\$ 0.25	\$ 0.01	\$ 0.75	\$ 0.73	\$ 0.02
AFFO ^(*) payout ratio (%)	84.5 %	89.1 %	(4.6)%	89.3 %	92.2 %	(2.9)%

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

Operating income attributable to Unitholders

For the three months ended:

Operating income attributable to Unitholders increased by \$2,559, or 10.7%, compared to the third quarter of 2021 primarily due to higher gain on disposal of investment properties of \$10,738 in the third quarter of 2022 and lower finance costs from operations of \$2,186, resulting primarily from lower mortgage interest expense due to mortgage repayments and dispositions since the third quarter of 2021. General and administrative expenses decreased by \$2,022 due primarily to a reduction in Unit-based compensation costs resulting from a decrease in Crombie's Unit price. Additionally, gain on distribution from equity-accounted investments of \$1,000 in the third quarter of 2022 resulted from cash distributions received from 1600 Davie Limited Partnership in excess of our investment in the joint venture. The growth in operating income was partially offset by an increase of \$9,161 in impairments and higher depreciation and amortization of \$3,635 compared to the same quarter in 2021 due to accelerated depreciation recorded on a property scheduled for demolition in the fourth quarter of 2022. An increase in net property income of \$273 was primarily due to income of \$1,983 from acquisitions, higher percentage rent of \$943 as a result of lease conversions and new tenants, and increased parking revenue of \$425 compared to the same quarter in 2021. This is offset in part by a decrease of \$2,426 in net property income from dispositions and increased tenant incentive amortization of \$608 resulting primarily from new leasing.

For the nine months ended:

Operating income attributable to Unitholders increased by \$3,411, or 4.4%, on a year to date basis primarily driven by lower finance costs from operations of \$7,758 due to lower mortgage interest expense resulting from mortgage repayments and dispositions since the third quarter of 2021. A reduction in general and administrative expenses of \$4,635 was primarily due to a decrease in Unit price and its impact on Unit-based compensation plans. Additionally, gain on disposal of investment properties increased by \$4,457 over the same period in 2021 and gain on distribution from equity-accounted investments of \$2,933 in 2022 resulted from cash distributions received from 1600 Davie Limited Partnership in excess of our investment in the joint venture. The growth in operating income was offset in part by recognizing an additional \$9,161 in impairments than in 2021 and an increase in depreciation and amortization of \$3,887 compared to the same period in 2021 due to accelerated depreciation recorded on a property scheduled for demolition in the fourth quarter of 2022. An increase of \$2,697 in loss from equity-accounted investments, as residential development projects achieved substantial completion and move toward revenue stabilization, when revenue earned should exceed expenses, further offset the growth in operating income. A decrease in net property income of \$627 compared to the same period in 2021 is primarily due to a decrease of \$6,800 in net property income from dispositions, a reduction in lease termination income of \$2,547, and increased tenant incentive amortization of \$2,487 as a result of new leasing. This is partially offset by income of \$5,881 from acquisitions, \$1,389 in supplementary income from modernization investments, higher percentage rent of \$1,355 as a result of lease conversions and new tenants, increased parking revenue of \$1,205, and \$1,200 from renewals and new leasing.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

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 68, 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,		
	2022	2021	Variance	2022	2021	Variance
Net property income	\$ 71,574	\$ 71,301	\$ 273	\$ 211,002	\$ 211,629	\$ (627)
Non-cash straight-line rent	(572)	(2,326)	1,754	(3,784)	(7,488)	3,704
Non-cash tenant incentive amortization ⁽¹⁾	5,795	5,187	608	17,049	14,562	2,487
Property cash NOI^(*)	76,797	74,162	2,635	224,267	218,703	5,564
Acquisitions and dispositions property cash NOI ^(*)	1,916	2,214	(298)	5,502	5,982	(480)
Development property cash NOI ^(*)	6,630	5,129	1,501	16,424	13,922	2,502
Acquisitions, dispositions and development property cash NOI ^(*)	8,546	7,343	1,203	21,926	19,904	2,022
Same-asset property cash NOI^(*)	\$ 68,251	\$ 66,819	\$ 1,432	\$ 202,341	\$ 198,799	\$ 3,542

(1) Refer to "Amortization of Tenant Incentives" on page 32 for a breakdown of tenant incentive amortization.

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.

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

	Three months ended September 30,				Nine months ended September 30,			
	2022	2021	Variance	%	2022	2021	Variance	%
VECTOM	\$ 23,880	\$ 23,213	\$ 667	2.9 %	\$ 71,825	\$ 69,651	\$ 2,174	3.1 %
Major Markets	21,311	20,431	880	4.3 %	61,586	59,848	1,738	2.9 %
Rest of Canada	23,060	23,175	(115)	(0.5)%	68,930	69,300	(370)	(0.5)%
Same-asset property cash NOI^(*)	\$ 68,251	\$ 66,819	\$ 1,432	2.1 %	\$ 202,341	\$ 198,799	\$ 3,542	1.8 %

	Three months ended September 30,				Nine months ended September 30,			
	2022	2021	Variance	%	2022	2021	Variance	%
Retail ⁽¹⁾	\$ 61,158	\$ 59,747	\$ 1,411	2.4 %	\$ 181,525	\$ 178,562	\$ 2,963	1.7 %
Office	3,110	3,117	(7)	(0.2)%	8,922	8,768	154	1.8 %
Retail-related industrial ⁽²⁾	3,983	3,955	28	0.7 %	11,894	11,469	425	3.7 %
Same-asset property cash NOI^(*)	\$ 68,251	\$ 66,819	\$ 1,432	2.1 %	\$ 202,341	\$ 198,799	\$ 3,542	1.8 %

(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 same-asset properties include retail distribution centres owned in Toronto (100%), Calgary (50%), Montreal (50%), and Montreal (100% owned with 50% in same-asset and the remaining 50% having been acquired in the first quarter of 2022).

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

For the three months ended:

Same-asset property cash NOI increased by \$1,432, or 2.1%, compared to the third quarter of 2021 primarily due to strong occupancy, higher percentage rent from increased sales, and increased parking revenue of \$425, offset in part by a decrease in lease termination income of \$373, primarily in the office portfolio. Same-asset property cash NOI adjusted for the removal of lease termination income increased by 2.7% compared to the same period in 2021.

Net property income increased by \$273, primarily due to income of \$1,983 from acquisitions, higher percentage rent of \$943 as a result of lease conversions and new tenants, and increased parking revenue of \$425 compared to the same quarter in 2021. This is offset in part by an income decrease of \$2,426 from dispositions and increased tenant incentive amortization of \$608 resulting primarily from new leasing.

For the nine months ended:

On a year to date basis, same-asset property cash NOI increased by \$3,542, or 1.8%, compared to 2021 primarily due to strong occupancy, increased parking revenue of \$1,205, and an increase in supplemental rents of \$1,152 from modernizations and capital improvements. This is offset in part by a decrease in lease termination income of \$1,759, primarily in our office portfolio. Same-asset property cash NOI adjusted for the removal of lease termination income increased by 2.7% compared to the same period in 2021.

On a year to date basis, net property income decreased by \$627 primarily due to an income decrease of \$6,800 from dispositions, a reduction in lease termination income of \$2,547, and increased tenant incentive amortization of \$2,487 as a result of new leasing. This is partially offset by income of \$5,881 from acquisitions, \$1,389 in supplementary income from modernization investments, higher percentage rent of \$1,355 as a result of lease conversions and new tenants, increased parking revenue of \$1,205, and \$1,200 from renewals and new leasing.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

Funds from Operations (FFO)^(*)

Crombie follows the recommendations of the January 2022 guidance of the Real Property Association of Canada ("REALPAC") in calculating FFO^(*). Refer to the "Non-GAAP Financial Measures" section of this MD&A, starting on page 68, for a more detailed discussion on FFO^(*).

The reconciliation of FFO^(*) for the three and nine months ended September 30, 2022 and 2021 is as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	Variance	2022	2021	Variance
Decrease in net assets attributable to Unitholders	\$ (11,321)	\$ (12,436)	\$ 1,115	\$ (34,034)	\$ (33,205)	\$ (829)
Add (deduct):						
Amortization of tenant incentives	5,795	5,187	608	17,049	14,562	2,487
Gain on disposal of investment properties	(13,357)	(2,619)	(10,738)	(18,220)	(13,763)	(4,457)
Gain on distribution from equity-accounted investments	(1,000)	—	(1,000)	(2,933)	—	(2,933)
Impairment of investment properties	10,400	1,239	9,161	10,400	1,239	9,161
Depreciation and amortization of investment properties	22,387	18,758	3,629	59,753	55,922	3,831
Adjustments for equity-accounted investments	1,248	737	511	3,271	1,426	1,845
Principal payments on right-of-use assets	58	57	1	171	167	4
Internal leasing costs	724	620	104	2,060	1,860	200
Finance costs - distributions to Unitholders	39,513	36,578	2,935	118,143	107,922	10,221
Finance costs (income) - change in fair value of financial instruments	(1,782)	(291)	(1,491)	(4,027)	1,954	(5,981)
FFO^(*) as calculated based on REALPAC recommendations	\$ 52,665	\$ 47,830	\$ 4,835	\$ 151,633	\$ 138,084	\$ 13,549
Basic weighted average Units (in 000's)	177,491	164,382	13,109	175,728	161,300	14,428
FFO ^(*) per Unit - basic	\$ 0.30	\$ 0.29	\$ 0.01	\$ 0.86	\$ 0.86	\$ —
FFO ^(*) payout ratio (%)	75.0 %	76.5 %	(1.5)%	77.9 %	78.2 %	(0.3)%

For the three months ended:

The increase in FFO of \$4,835 is primarily due to lower finance costs from operations of \$2,186, driven by lower mortgage interest expense of \$2,741 as a result of mortgage repayments and dispositions since the third quarter of 2021, and a decrease in general and administrative expenses of \$2,022 due primarily to a \$1,640 reduction in Unit-based compensation costs resulting from a decrease in Crombie's Unit price from September 30, 2021. Additional increases in income are due to \$1,983 from acquisitions since January 1, 2021, higher percentage rent of \$943 resulting from lease conversions and new tenants, and increased parking revenue of \$425. FFO growth is offset in part by a decrease of \$2,426 in net property income from dispositions.

For the nine months ended:

On a year to date basis, FFO increased \$13,549 primarily driven by lower finance costs from operations of \$7,758, due to lower mortgage interest expense of \$7,550 resulting from mortgage repayments and dispositions since the third quarter of 2021, and reduced general and administrative expenses of \$4,635, resulting primarily from a decrease in Unit price and its impact on Unit-based compensation plans of \$4,520. Additional increases in income are due to \$5,881 from acquisitions, \$1,389 in supplementary income from modernization investments, higher percentage rent of \$1,355 as a result of lease conversions and new tenants, increased parking revenue of \$1,205, and \$1,200 from renewals and new leasing. The improvement in FFO is offset in part by a decrease of \$6,800 in net property income from dispositions and a reduction in lease termination income of \$2,547.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

Adjusted Funds from Operations (AFFO)^(*)

Crombie follows the recommendations of REALPAC's January 2022 guidance 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 68, for a more detailed discussion.

The reconciliation of AFFO^(*) for the three and nine months ended September 30, 2022 and 2021 is as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	Variance	2022	2021	Variance
FFO ^(*) as calculated based on REALPAC recommendations	\$ 52,665	\$ 47,830	\$ 4,835	\$ 151,633	\$ 138,084	\$ 13,549
Add (deduct):						
Straight-line rent adjustment	(572)	(2,326)	1,754	(3,784)	(7,488)	3,704
Straight-line rent adjustment included in loss from equity-accounted investments	80	191	(111)	353	365	(12)
Internal leasing costs	(724)	(620)	(104)	(2,060)	(1,860)	(200)
Maintenance expenditures on a square footage basis	(4,662)	(4,023)	(639)	(13,906)	(12,037)	(1,869)
AFFO^(*) as calculated based on REALPAC recommendations	\$ 46,787	\$ 41,052	\$ 5,735	\$ 132,236	\$ 117,064	\$ 15,172
Basic weighted average Units (in 000's)	177,491	164,382	13,109	175,728	161,300	14,428
AFFO ^(*) per Unit - basic	\$ 0.26	\$ 0.25	\$ 0.01	\$ 0.75	\$ 0.73	\$ 0.02
AFFO ^(*) payout ratio (%)	84.5 %	89.1 %	(4.6)%	89.3 %	92.2 %	(2.9)%

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

For the three and nine months ended:

The improvement in AFFO is primarily due to the same factors impacting FFO as described above. This is offset in part by the impact of the increase in the maintenance capital expenditure charge in the first quarter of 2022 from \$0.90 to \$1.00 per square foot of weighted average GLA.

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 2021 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. Subject to approval of the Board of Trustees, Crombie intends 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 we will not be liable for income taxes.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

Details of distributions to Unitholders are as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	Variance	2022	2021	Variance
Distributions to Unitholders	\$ 23,328	\$ 21,610	\$ 1,718	\$ 69,731	\$ 63,771	\$ 5,960
Distributions to Class B Voting Unitholder ⁽¹⁾	16,185	14,968	1,217	48,412	44,151	4,261
Total distributions	\$ 39,513	\$ 36,578	\$ 2,935	\$ 118,143	\$ 107,922	\$ 10,221
FFO ^(*) payout ratio	75.0 %	76.5 %	(1.5)%	77.9 %	78.2 %	(0.3)%
AFFO ^(*) payout ratio	84.5 %	89.1 %	(4.6)%	89.3 %	92.2 %	(2.9)%

(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 tables below outline the differences between cash provided by operating activities and cash distributions, and operating income attributable to Unitholders and cash distributions, respectively, in accordance with the policy guidelines.

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	Variance	2022	2021	Variance
Cash provided by operating activities	\$ 78,354	\$ 74,276	\$ 4,078	\$ 160,718	\$ 140,721	\$ 19,997
Monthly distributions paid and payable	(39,513)	(36,578)	(2,935)	(118,143)	(107,922)	(10,221)
Cash provided by operating activities in excess of distributions paid and payable	\$ 38,841	\$ 37,698	\$ 1,143	\$ 42,575	\$ 32,799	\$ 9,776

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	Variance	2022	2021	Variance
Operating income attributable to Unitholders	\$ 26,410	\$ 23,851	\$ 2,559	\$ 80,082	\$ 76,671	\$ 3,411
Monthly distributions paid and payable	(39,513)	(36,578)	(2,935)	(118,143)	(107,922)	(10,221)
Operating income attributable to Unitholders in shortfall of distributions paid and payable	\$ (13,103)	\$ (12,727)	\$ (376)	\$ (38,061)	\$ (31,251)	\$ (6,810)

Monthly distributions paid for three and nine months ended September 30, 2022 and 2021 were funded with cash flows from operating activities and borrowing on the bank credit facilities.

On October 14, 2022, Crombie declared distributions of 7.417 cents per Unit for the period from October 1, 2022 up to and including October 31, 2022. The distributions will be paid on November 15, 2022, to Unitholders of record as of October 31, 2022.

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,		
	2022	2021	Variance	2022	2021	Variance
Regular tenant incentive amortization	\$ 3,135	\$ 2,947	\$ 188	\$ 9,328	\$ 8,131	\$ 1,197
Modernization tenant incentive amortization	2,660	2,240	420	7,721	6,431	1,290
Total amortization of tenant incentives	\$ 5,795	\$ 5,187	\$ 608	\$ 17,049	\$ 14,562	\$ 2,487

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

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,		
	2022	2021	Variance	2022	2021	Variance
Salaries and benefits	\$ 2,330	\$ 2,992	\$ 662	\$ 7,731	\$ 7,732	\$ 1
Unit-based compensation ⁽¹⁾	23	1,663	1,640	1,441	5,961	4,520
Professional fees	353	331	(22)	1,129	1,459	330
Public company costs	390	215	(175)	1,158	956	(202)
Rent and occupancy	164	176	12	446	419	(27)
Other	446	351	(95)	1,579	1,592	13
General and administrative expenses	\$ 3,706	\$ 5,728	\$ 2,022	\$ 13,484	\$ 18,119	\$ 4,635
As a percentage of property revenue	3.6 %	5.6 %	2.0 %	4.3 %	5.9 %	1.6 %

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

For the three months ended:

The lower general and administrative expenses in the quarter are primarily due to a decrease in Crombie's Unit price, resulting in decreased Unit-based compensation costs of \$1,640 compared to the same period in 2021.

For the nine months ended:

On a year to date basis, the reduction in general and administrative expenses is driven primarily by a decrease in Unit-based compensation costs of \$4,520 resulting from a decrease in the Unit price compared to the same period in 2021. General and administrative expenses excluding Unit-based compensation of \$1,441 and payment in respect of an executive retirement arrangement of \$1,211 is 3.5% of property revenue (September 30, 2021 - 4.0%).

Finance Costs - Operations

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	Variance	2022	2021	Variance
Fixed rate mortgages	\$ 9,574	\$ 12,315	\$ 2,741	\$ 29,786	\$ 37,336	\$ 7,550
Floating rate term, revolving, and demand facilities	1,256	588	(668)	2,396	1,538	(858)
Capitalized interest	(1,488)	(879)	609	(3,875)	(2,556)	1,319
Senior unsecured notes	10,482	9,909	(573)	30,910	30,377	(533)
Interest income on finance lease receivable	(139)	(145)	(6)	(423)	(404)	19
Interest on lease liability	524	523	(1)	1,566	1,533	(33)
Finance costs	20,209	22,311	2,102	60,360	67,824	7,464
Amortization of deferred financing charges	675	759	84	2,031	2,325	294
Finance costs - operations	\$ 20,884	\$ 23,070	\$ 2,186	\$ 62,391	\$ 70,149	\$ 7,758

For the three months ended:

Finance costs decreased by \$2,102 primarily due to reduced mortgage interest expense of \$2,741 resulting from the deleveraging impact from mortgage repayments and dispositions.

For the nine months ended:

On a year to date basis, finance costs decreased by \$7,464 primarily due to reduced mortgage interest expense of \$7,550 from the deleveraging impact of dispositions and mortgage repayments realized in part from proceeds from the Unit issuance in the first quarter of 2022.

Depreciation, Amortization, and Impairment

Crombie's total fair value of investment properties exceeds carrying value by \$1,300,887 at September 30, 2022 (September 30, 2021 - \$1,156,002). Crombie uses the cost method of 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,		
	2022	2021	Variance	2022	2021	Variance
Same-asset ^(*) depreciation and amortization	\$ 16,926	\$ 17,134	\$ 208	\$ 50,770	\$ 51,315	\$ 545
Acquisitions, dispositions and development depreciation/amortization	5,818	1,975	(3,843)	10,075	5,643	(4,432)
Depreciation and amortization	\$ 22,744	\$ 19,109	\$ (3,635)	\$ 60,845	\$ 56,958	\$ (3,887)
Impairment	\$ 10,400	\$ 1,239	\$ (9,161)	\$ 10,400	\$ 1,239	\$ (9,161)

For the three months ended:

The increase in depreciation and amortization of \$3,635 is due to accelerated depreciation recorded on a property scheduled for demolition in the fourth quarter of 2022.

For the nine months ended:

The \$3,887 increase in depreciation and amortization on a year to date basis is primarily due to accelerated depreciation recorded on a property scheduled for demolition in the fourth quarter of 2022 and an increase in acquisitions since the third quarter of 2021. This is offset in part by dispositions in the same period.

Crombie recorded impairments totalling \$10,400 on three properties in the third quarter of 2022. These impairments were the result of continuing high vacancy at one property, the upcoming scheduled demolition of a vacant building, and a recent redevelopment that included a partial demolition. All three properties are in secondary markets. Impairment was measured on a per property basis and was determined as the amount by which the carrying value, using the cost method, exceeded the recoverable amount for each property. The recoverable amount was determined to be the higher value of the economic benefit of the continued use of the asset or the selling price less costs to sell. In all three cases, the recoverable amount was determined to be the economic benefit of the continued use of the asset. To calculate the benefit of the continued use of the asset, Crombie utilizes the present value of the estimated future cash flows, discounted using a discount rate based on the risk associated with the property.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	--------------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

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 72 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 29 major development properties over the next 15 years or longer. Crombie benefits from having solid income (NOI, 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.

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 plans include the 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.

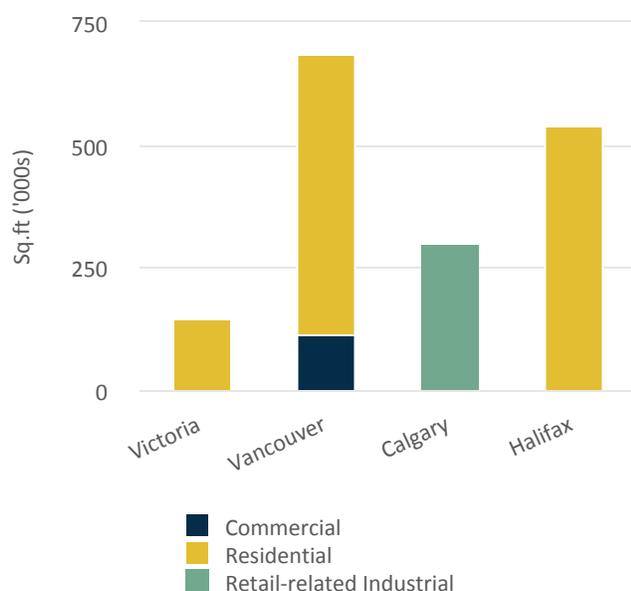
Development Pipeline

Crombie has identified 29 major development projects as at September 30, 2022 (September 30, 2021 - 30). Management uses current project assumptions to calculate the pipeline cost range, factoring in a degree of uncertainty that comes with a diverse pipeline that spans 15 years or longer. Uncertainty can come in the form of changing project scopes, moving certain properties in or out of the pipeline, variations in the entitlement process, the potential of engaging joint venture partners, dispositions of pipeline properties, and a variety of external factors that may affect project costing. Costs presented in Crombie's pipeline are reflective of current construction cost estimates on a market-by-market basis. Crombie monitors inflationary pressures impacting construction costs and adjusts pipeline assumptions when necessary. Given that some of these projects may not reach the full potential of the original scope, management discloses a low and high range to reasonably estimate the pipeline costs. As of September 30, 2022, total project costs to develop the pipeline range from \$5,000,000 to \$6,800,000 (September 30, 2021 - \$4,600,000 to \$6,500,000). Year over year changes in the pipeline can be attributed to changing project scopes, changing project costs, the ongoing refinement of development assumptions, completions and removals of properties from the pipeline, and evolving opportunities in our pipeline. 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 redevelopment, new grocery-anchored retail, retail-related industrial e-commerce facilities, and land-use intensification.

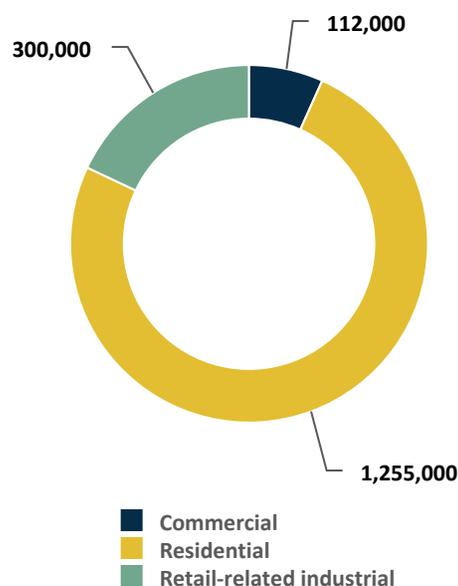
Near-term Projects

Crombie divides its development pipeline into three timing based segments. 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 five projects in the near-term category.

**Near-Term GLA by City
As at September 30, 2022**



**Near-Term GLA by Asset Type (sq. ft.)
As at September 30, 2022**



The table below 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
Voilà CFC 3 (Calgary) ⁽¹⁾	Calgary	100%	—	300,000	—	—
Westhill on Duke	Halifax	100%	—	—	188,000	290
1780 East Broadway (Broadway and Commercial) ⁽²⁾	Vancouver	50% ⁽³⁾	112,000	—	572,000	890
Belmont Market - Phase II	Victoria	100%	—	—	145,000	200
Opal Ridge (Penhorn) ⁽⁴⁾	Halifax	50%	—	—	350,000	350
Total Near-term Developments			112,000	300,000	1,255,000	1,730

(1) This project is financially committed and under active development.

(2) Increased density at Broadway and Commercial has resulted in a change in estimates to 572,000 of residential GLA (420,000 - Q2 2022) and 890 units (650 Q2 2022)

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

(4) Development related to 26 acres of land at Penhorn Mall in Halifax, NS, involves the rezoning and sale or development of multi-family parceled lots approximating 900 units. Crombie has the option to participate in development of certain parcels and the numbers above are based on Crombie exercising its development option.

Full project density reflects estimated GLA upon completion. 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

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 on the acquisition of the 25-acre site in June 2021. The base building work is nearing completion. Building handover to the tenant occurred in late September 2022, allowing Ocado to commence their building of the interior grid, including the robotic grid platform. Retail-related industrial GLA of this project will total approximately 300,000 square feet.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	--------------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

Westhill on Duke, Halifax, Nova Scotia

Type: Residential

Ownership: 100%

Project status: Westhill on Duke is a planned 290-unit residential rental project in the heart of downtown Halifax, located within the Scotia Square mixed-use retail, office, and hotel complex. The site is entitled and a development application has been submitted. The project is expected to be ready for commencement in early 2023.

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 redevelopment on 2.43 acres of land located at the busiest transit node in Western Canada. A rezoning application is in process with the City of Vancouver that comprises a mix of grocery-anchored retail, rental residential, and market condos. Crombie anticipates completion of rezoning in 2023 and construction commencement in 2024.

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 1.70 acres of land within the Belmont Market development area. The lands are fully entitled and could be ready for construction commencement in 2023.

Opal Ridge (Penhorn) (formerly Penhorn Lands), Halifax, Nova Scotia

Type: Land Development / Residential

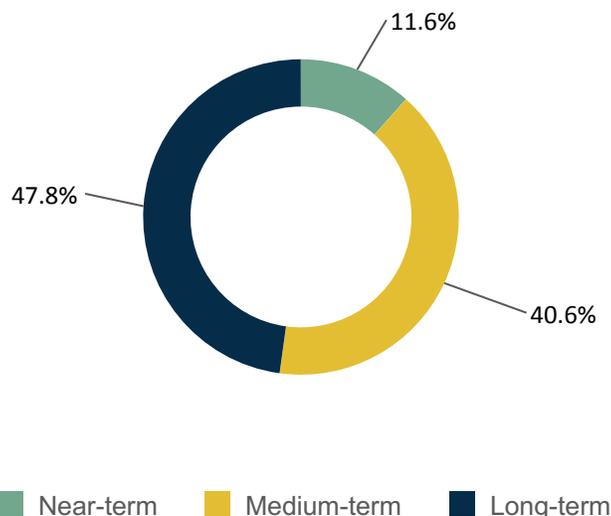
Ownership: 50%

Project status: Crombie continues to work with our development partner to enable a 26-acre mixed-use development at this prime location. The entitlement and development agreements for over 900 new residential units were approved in June. Marketing of select land parcels is underway with initial closings scheduled in late 2022 and early construction by third party developers commencing in mid-to-late 2023. The installation of site services is underway. The potential exists for the development of approximately 900 units on the entire land area, and Crombie and its partner have the option to participate in developing certain parcels including over 350 residential units.

Total Development Pipeline

In addition to near-term projects, Crombie is actively working on its pipeline to ensure a consistent inventory of projects. A number of potential major developments in Crombie's pipeline are large, multi-phased projects spanning over a decade in total duration. For the charts and tables outlined throughout this section, Crombie has summarized total project costs and GLA data at the date of its financial commitment to Phase 1. The following chart and table details total project cost estimates by category at September 30, 2022:

Crombie Development Spending by Project Timeline
As at September 30, 2022



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	5	\$ 600-800	\$ 130	\$ 470-670
Medium-term	8	2,200-2,800	70	2,130-2,730
Long-term	16	2,200-3,200	160	2,040-3,040
Total Pipeline	29	\$ 5,000-6,800	\$ 360	\$ 4,640-6,440

(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 within the potential pipeline in order to maximize NOI and NAV^(*) creation.

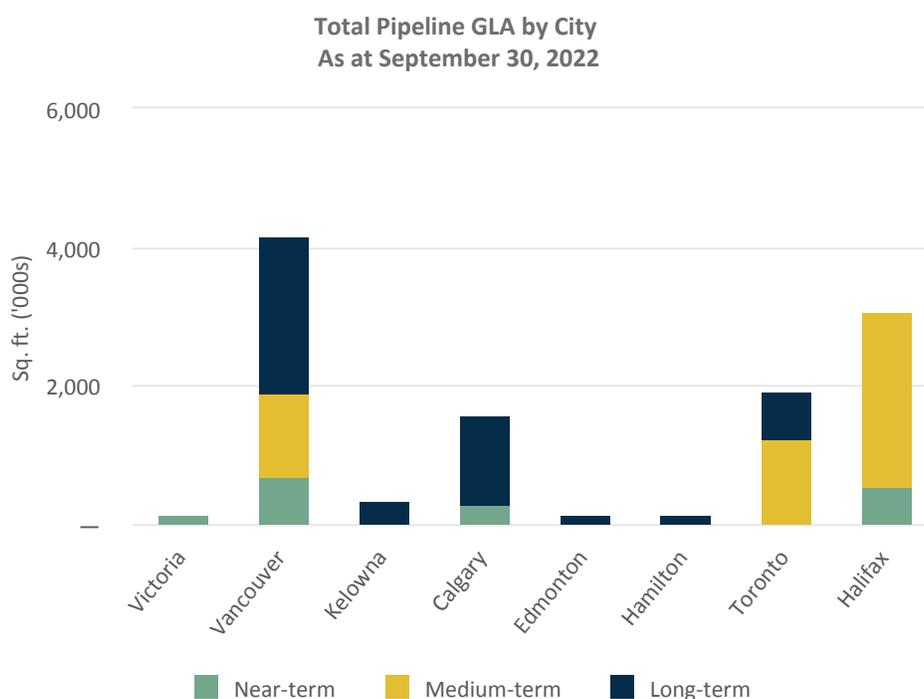
Estimated total costs include the current carrying costs of development lands, net of any proceeds from dispositions. Total estimated costs include land cost on the existing income-producing properties upon transfer to the development, soft and hard construction costs, tenant inducements, external leasing costs, finance costs, and capitalized interest and other carrying costs, such as capitalized construction and development wages, 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 a 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 that 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, 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 1,093,000 square feet of commercial GLA, 300,000 square feet of retail-related industrial GLA, and up to 10,110,000 square feet (up to 11,760 units) of residential GLA (which may include a combination of rental or condominium units).



Total Pipeline Density by Project Timeline

Project Timeline	Retail-related		Residential GLA	Residential Units
	Commercial GLA	Industrial GLA		
Near-term	112,000	300,000	1,255,000	1,730
Medium-term	256,000	—	4,716,000	5,320
Long-term	725,000	—	4,139,000	4,710
Total Pipeline	1,093,000	300,000	10,110,000	11,760

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 eight of these 29 potential major projects either already zoned or identified for rezoning 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	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

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	—	300,000	683,000	983,000	840
Application Submitted	1	112,000	—	572,000	684,000	890
Total Near-term	5	112,000	300,000	1,255,000	1,667,000	1,730
<u>Medium / Long-term:</u>						
Zoned	2	51,000	—	1,189,000	1,240,000	1,400
Application Submitted	1	38,000	—	1,010,000	1,048,000	980
Total	8	201,000	300,000	3,454,000	3,955,000	4,110

(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.

Zoning is in place for the following development sites: Westhill on Duke (Halifax), Belmont Market - Phase II (Victoria), Barrington Residential, formerly Triangle Lands, (Halifax), Voilà CFC 3 (Calgary), Brunswick Place (Halifax), and Opal Ridge (Penhorn) - formerly Penhorn Lands (Halifax). Rezoning applications have been submitted and are in process for Broadway and Commercial (Vancouver) and McCowan and Ellesmere (Toronto).

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

The following table lists the 29 identified Potential Major Development locations and certain key features of each property. Potential developments in the following table are organized in order of potential construction commencement:

Major Development Pipeline

Existing Property	CMA	Site Size (acres)	Transit Oriented ⁽¹⁾	Existing Tenants	Potential Commercial Expansion	Potential Residential Expansion	Entitlement Status	Project Timing
1 Voilà CFC 3 (Calgary)	Calgary	25	No	N/A	Yes	No	Zoned	Near-term
2 Westhill on Duke ⁽²⁾	Halifax	0.46 ⁽³⁾	Yes	N/A	Yes	Yes	Zoned	Near-term
3 Belmont Market - Phase II	Victoria	1.70	Yes	Land	No	Yes	Zoned	Near-term
4 Opal Ridge - Penhorn ⁽⁴⁾	Halifax	26.12	Yes	Land	Yes	Yes	Zoned	Near-term
5 1780 East Broadway (Broadway and Commercial)	Vancouver	2.43	Yes	Safeway	Yes	Yes	Application Submitted	Near-term
6 Brunswick Place	Halifax	0.75 ⁽⁵⁾	Yes	Office/Parkade	Yes	Yes	Zoned	Medium-term
7 McCowan & Ellesmere	Toronto	4.48	Yes	FreshCo/Other	Yes	Yes	Application Submitted	Medium-term
8 1170 East 27 Street (Lynn Valley)	Vancouver	2.82	Yes	Safeway	Yes	Yes	Pre-Planning	Medium-term
9 Park West	Halifax	19.66	Yes	Sobeys	Yes	Yes	Pre-Planning	Medium-term
10 Toronto East	Toronto	0.14	Yes	Land	Yes	Yes	Pre-Planning	Medium-term
11 Broadview	Toronto	1.43	Yes	Dollarama	Yes	Yes	Pre-Planning	Medium-term
12 Barrington Residential ⁽⁶⁾	Halifax	0.68	Yes	Land	Yes	Yes	Zoned	Medium-term
13 Fleetwood	Vancouver	4.45	Yes	Safeway	Yes	Yes	Future	Medium-term
14 1818 Centre Street	Calgary	2.18	Yes	Safeway	Yes	Yes	Future	Long-term
15 Port Coquitlam	Vancouver	5.31	Yes	Safeway	Yes	Yes	Future	Long-term
16 3130 Danforth	Toronto	0.79	Yes	The Beer Store	Yes	Yes	Pre-Planning	Long-term
17 2733 West Broadway	Vancouver	1.95	Yes	Safeway	Yes	Yes	Future	Long-term
18 Centennial Parkway	Hamilton	2.75	Yes	Retail	Yes	Yes	Future	Long-term
19 990 West 25 Avenue (King Edward)	Vancouver	1.80	Yes	Safeway	Yes	Yes	Future	Long-term
20 524 Elbow Drive SW (Mission)	Calgary	1.60	Yes	Safeway	Yes	Yes	Future	Long-term
21 Robson Street	Vancouver	1.15	Yes	Safeway	Yes	Yes	Future	Long-term
22 410 10 Street NW (Kensington)	Calgary	1.73	Yes	Safeway	Yes	Yes	Future	Long-term
23 813 11 Avenue SW (Beltline)	Calgary	2.59	Yes	Safeway	Yes	Yes	Future	Long-term
24 3410 Kingsway (Kingsway and Tyne)	Vancouver	3.74	Yes	Safeway/Other	Yes	Yes	Future	Long-term
25 East Hastings	Vancouver	3.30	Yes	Safeway/Other	Yes	Yes	Future	Long-term
26 Bernard Ave	Kelowna	1.83	Yes	Safeway	Yes	Yes	Future	Long-term
27 10930 82 Avenue (Whyte Ave)	Edmonton	2.44	Yes	Safeway/Other	Yes	Yes	Future	Long-term
28 New Westminster	Vancouver	2.82	Yes	Safeway	Yes	Yes	Future	Long-term
29 Brampton Mall	Toronto	8.74	Yes	Office/Retail	Yes	Yes	Future	Long-term

(1) Transit Oriented means a development site is located within walking distance of an existing or planned public transit node.

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

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

(4) Opal Ridge - Penhorn was formerly referred to as Penhorn Lands.

(5) Brunswick Place can be developed through densification on the existing 0.75-acre Brunswick Place Parkade.

(6) Barrington Residential was formerly referred to as Triangle Lands.

7. CAPITAL MANAGEMENT

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 rating 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 objectives consist of four main priorities:

1. to maintain multiple sources of both debt and equity financing;
2. to reduce risk by prefunding capital commitments;
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
4. 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.

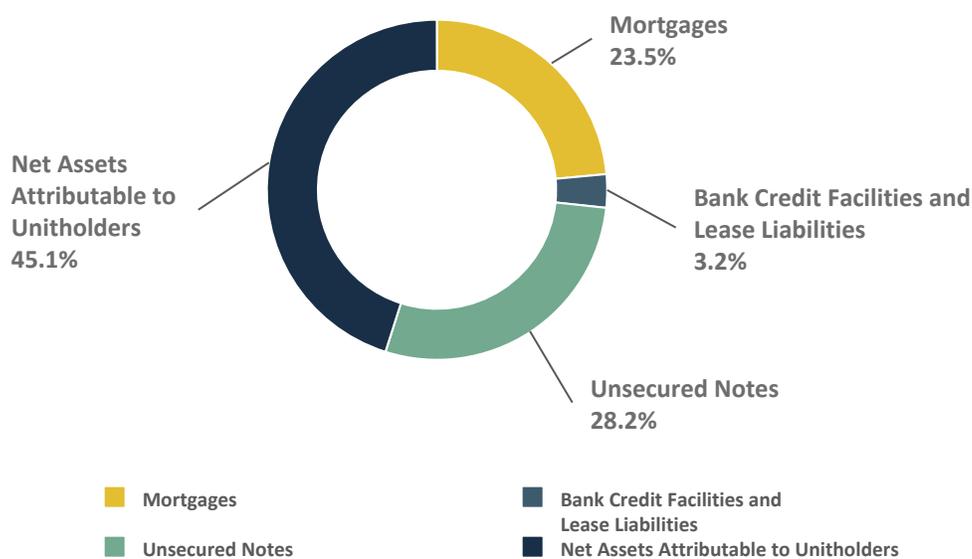
Crombie's Declaration of Trust sets out the investment guidelines for Crombie's capital deployment. The Declaration of Trust outlines the minimum due diligence that must be completed prior to a project being approved by the Investment Committee and/or Board. Crombie's Board ensures continued compliance 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 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

**Capital Structure
as at September 30, 2022**



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

	September 30, 2022		December 31, 2021			
Fixed rate mortgages ⁽¹⁾	\$	936,035	23.5 %	\$	1,067,859	27.7 %
Drawn credit facilities		91,165	2.3 %		29,124	0.8 %
Senior unsecured notes ⁽¹⁾		1,121,825	28.2 %		1,121,267	29.1 %
Lease liabilities		34,953	0.9 %		35,352	0.9 %
Net assets attributable to Crombie REIT Unitholders		1,062,229	26.7 %		950,271	24.7 %
Net assets attributable to Special Voting Units and Class B Limited Partnership Unitholders		730,290	18.4 %		647,221	16.8 %
Total capital structure	\$	3,976,497	100.0 %	\$	3,851,094	100.0 %

(1) Net of deferred financing charges.

Debt Metrics

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

	September 30, 2022	December 31, 2021	September 30, 2021
Unencumbered investment properties ⁽¹⁾	\$ 2,200,890	\$ 1,752,927	\$ 1,461,775
Unencumbered investment properties ⁽¹⁾ as a % of unsecured debt ^(*)	183.4 %	128.8 %	129.1 %
Debt to gross fair value ^{(*) (2)}	42.0 %	45.3 %	47.3 %
Weighted average interest rate ⁽³⁾	3.8 %	3.8 %	3.8 %
Debt to trailing 12 months adjusted EBITDA ^{(*) (2) (4)}	8.50x	8.99x	9.61x
Interest coverage ratio ^{(*) (4)}	3.32x	3.06x	3.07x

(1) Represents fair value of unencumbered properties.

(2) The prior year calculations have been restated to include Crombie's share of debt and assets held in joint ventures.

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

(4) The prior year calculations have been restated to include Crombie's share of revenue and expenses in joint ventures.

Crombie has continued to grow its unencumbered asset pool, increasing its fair value from \$1,752,927 as at December 31, 2021 to \$2,200,890 as at September 30, 2022. This increase is primarily due to acquisitions of unencumbered assets and repayment of mortgages.

Debt to Gross Fair Value ^(*)

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 includes Crombie's share of debt held in equity-accounted joint ventures.

Gross fair value includes investment properties measured at fair value, including Crombie's share of those held within joint ventures. All other components of gross fair value are measured at the carrying value included in Crombie's financial statements. Crombie's methodology for determining the fair value of investment properties includes capitalization of trailing 12 months 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. Valuation techniques are more fully described in Crombie's year-end audited financial statements.

The fair value included in this calculation reflects the fair value of the properties as at September 30, 2022 and December 31, 2021 respectively, based on each property's current use as a revenue-generating investment property. As at September 30, 2022, Crombie's weighted average capitalization rate used in the determination of the fair value of its investment properties was 5.71%, an increase of 0.06% from December 31, 2021. Crombie's weighted average capitalization rate used in the determination of the fair value of its share of investment properties held in equity-accounted joint ventures was 3.53% as at September 30, 2022, an increase of 0.23% from December 31, 2021. For an explanation of how Crombie determines capitalization rates, see the "Other Disclosures" section of this MD&A, under "Investment Property Valuation" in the "Use of Estimates and Judgments" section, and the "Risk Management section of this MD&A, under "Capitalization Rate Risk" in the "Risk Factors Related to the Business of Crombie" section.

Debt to gross fair value ^(*) was 42.0% at September 30, 2022 compared to 45.3% at December 31, 2021.

The improvement in the leverage ratio during the nine months ended September 30, 2022 was primarily the result of an increase in total gross fair value of investment properties. Acquisitions and additional spending on developments, partially offset by dispositions and impairments, increased the fair value of investment properties by \$239,000. In addition, the fair value of investment properties held in joint ventures increased \$66,000 primarily due to the substantial completion of Bronte Village in the first quarter of 2022. Mortgage repayments, offset in part by advances on credit facilities, reduced outstanding debt by \$53,510 from December 31, 2021, which also contributed to the improvement in the ratio.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

	September 30, 2022	December 31, 2021 ⁽¹⁾
Fixed rate mortgages	\$ 940,882	\$ 1,073,895
Senior unsecured notes	1,125,000	1,125,000
Revolving credit facility	5,989	9,220
Joint operation credit facility	10,176	9,904
Bilateral credit facility	75,000	10,000
Debt held in joint ventures, at Crombie's share ⁽²⁾⁽³⁾	271,882	254,074
Lease liabilities	34,953	35,352
Total debt outstanding	2,463,882	2,517,445
Less: Applicable fair value debt adjustment	—	(53)
Adjusted debt^(*)	\$ 2,463,882	\$ 2,517,392
Investment properties, fair value	\$ 5,265,000	\$ 5,026,000
Investment properties held in joint ventures, fair value, at Crombie's share ⁽³⁾	453,000	387,000
Other assets, cost ⁽⁴⁾	113,052	102,683
Other assets, cost, held in joint ventures, at Crombie's share ⁽³⁾⁽⁴⁾⁽⁵⁾	26,435	18,370
Cash and cash equivalents	1,522	3,915
Cash and cash equivalents held in joint ventures, at Crombie's share ⁽³⁾	3,904	4,453
Deferred financing charges	8,022	9,769
Interest rate subsidy	—	(53)
Gross fair value	\$ 5,870,935	\$ 5,552,137
Debt to gross fair value^(*)	42.0 %	45.3 %

(1) The prior year calculation has been restated to include Crombie's share of debt and assets held in joint ventures.

(2) Includes Crombie's share of fixed and floating rate mortgages, construction loans, revolving credit facility, and lease liabilities held in joint ventures.

(3) See the "Joint Ventures" section of this MD&A.

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

(5) Other assets held in joint ventures include deferred financing charges.

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 68, for more information.

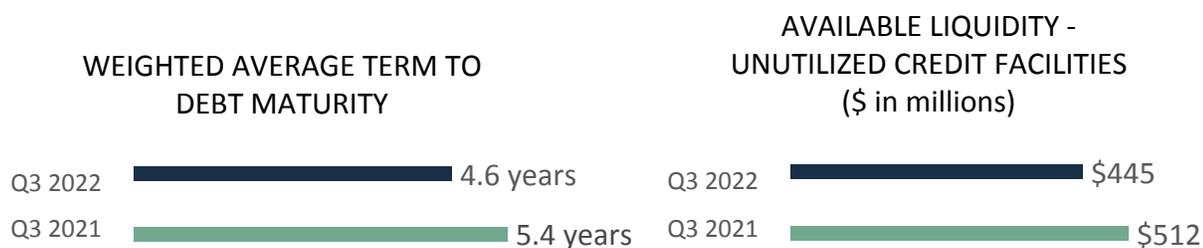
As of September 30, 2022, Crombie has completed a number of developments in joint ventures and, as a result, in 2022, Crombie changed its methodology in calculating adjusted EBITDA^(*) to include Crombie's share of revenue, operating expenses, and general and administrative expenses in joint ventures. Interest service coverage^(*) and debt service coverage^(*) calculations now include Crombie's share of finance costs - operations and debt repayments in joint ventures. Prior quarters have been restated to reflect this new methodology.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

	Three months ended							
	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020
Operating income attributable to Unitholders	\$ 26,410	\$ 28,424	\$ 25,248	\$ 78,730	\$ 23,851	\$ 19,605	\$ 33,215	\$ 17,157
Amortization of tenant incentives	5,795	5,690	5,564	5,249	5,187	4,840	4,535	4,859
Gain on disposal of investment properties	(13,357)	(4,863)	—	(42,762)	(2,619)	—	(11,144)	(4,164)
Gain on distribution from equity-accounted investments	(1,000)	—	(1,933)	(15,525)	—	—	—	—
Impairment of investment properties	10,400	—	—	1,300	1,239	—	—	4,500
Depreciation and amortization	22,744	19,222	18,879	18,805	19,109	19,054	18,795	19,506
Finance costs - operations	20,884	20,762	20,745	22,639	23,070	23,618	23,461	24,912
Loss from equity-accounted investments	1,787	1,627	1,539	685	923	562	771	411
Property revenue in joint ventures, at Crombie's share	3,258	2,616	2,356	2,100	1,578	968	442	248
Property operating expenses in joint ventures, at Crombie's share	(1,296)	(1,002)	(903)	(724)	(695)	(483)	(203)	(86)
General and administrative expenses in joint ventures, at Crombie's share	(31)	(21)	(150)	(32)	(47)	(110)	(96)	(130)
Taxes - current	—	—	—	163	—	2	—	—
Adjusted EBITDA^(*) [1]	\$ 75,594	\$ 72,455	\$ 71,345	\$ 70,628	\$ 71,596	\$ 68,056	\$ 69,776	\$ 67,213
Trailing 12 months adjusted EBITDA^(*) [4]	\$ 290,022	\$ 286,024	\$ 281,626	\$ 280,057	\$ 276,643	\$ 270,324	\$ 258,498	\$ 256,689
Finance costs - operations	\$ 20,884	\$ 20,762	\$ 20,745	\$ 22,639	\$ 23,070	\$ 23,618	\$ 23,461	\$ 24,912
Finance costs - operations in joint ventures, at Crombie's share	2,564	2,157	1,776	1,157	1,031	568	546	335
Amortization of deferred financing charges	(675)	(668)	(688)	(742)	(759)	(764)	(802)	(835)
Adjusted interest expense^(*) [2]	\$ 22,773	\$ 22,251	\$ 21,833	\$ 23,054	\$ 23,342	\$ 23,422	\$ 23,205	\$ 24,412
Debt principal repayments	\$ 9,349	\$ 9,599	\$ 9,979	\$ 11,304	\$ 11,343	\$ 11,229	\$ 10,548	\$ 10,715
Debt principal repayments in joint ventures, at Crombie's share	305	306	2,864	12	15	15	15	15
Debt principal repayments [3]	\$ 9,654	\$ 9,905	\$ 12,843	\$ 11,316	\$ 11,358	\$ 11,244	\$ 10,563	\$ 10,730
Debt outstanding (see Debt to Gross Fair Value^(*)) [5] ⁽¹⁾	\$ 2,463,882	\$ 2,502,845	\$ 2,456,686	\$ 2,517,392	\$ 2,659,702	\$ 2,629,569	\$ 2,693,601	\$ 2,649,583
Interest service coverage^(*) ratio {[1]/[2]}	3.32x	3.26x	3.27x	3.06x	3.07x	2.91x	3.01x	2.75x
Debt service coverage^(*) ratio {[1]/([2]+[3])}	2.33x	2.25x	2.06x	2.05x	2.06x	1.96x	2.07x	1.91x
Debt to trailing 12 months adjusted EBITDA^(*) {[5]/[4]}	8.50x	8.75x	8.72x	8.99x	9.61x	9.73x	10.42x	10.32x

(1) Includes debt held in joint ventures, at Crombie's share.

Debt Profile



Mortgages

Crombie had outstanding fixed rate mortgages consisting of:

	September 30, 2022	December 31, 2021
Fixed rate mortgages	\$ 940,637	\$ 1,073,553
Unamortized fair value debt adjustment and interest rate subsidy	245	342
	940,882	1,073,895
Deferred financing charges on fixed rate mortgages	(4,847)	(6,036)
Total mortgage debt	\$ 936,035	\$ 1,067,859
Long-term portion	\$ 725,644	\$ 893,364
Current portion	\$ 210,391	\$ 174,495
Weighted average interest rate	4.03 %	4.00 %
Weighted average term to maturity	4.7 years	4.9 years

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 \$107,224 of floating rate debt.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

Senior Unsecured Notes ("Notes")

The following series of senior unsecured notes were outstanding as at September 30, 2022 and December 31, 2021:

	Maturity Date	Effective Interest Rate	September 30, 2022	December 31, 2021
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	150,000
Deferred financing charges			(3,175)	(3,733)
Total senior unsecured notes			\$ 1,121,825	\$ 1,121,267
Long-term portion			\$ 971,825	\$ 971,267
Current portion			\$ 150,000	\$ 150,000
Weighted average interest rate			3.67 %	3.67 %
Weighted average term to maturity			4.7 years	5.4 years

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, 2022 and December 31, 2021:

	Total Available Facility	Weighted Average Term to Maturity	September 30, 2022	December 31, 2021
Revolving credit facility	\$ 400,000	3.8 years	\$ 5,989	\$ 9,220
Unsecured bilateral credit facility	130,000	1.7 years	75,000	10,000
Joint operation credit facility I ⁽¹⁾	7,167	1.6 years	7,167	7,167
Joint operation credit facility II ⁽¹⁾	3,520	2.0 years	3,009	2,737
Total credit facilities	\$ 540,687	1.9 years	\$ 91,165	\$ 29,124
Weighted average interest rate			5.23 %	2.53 %

(1) Availability is limited by mortgages held in the joint operations.

The revolving credit facility ⁽¹⁾ 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, 2026. The unsecured bilateral credit facility has been amended and the maturity date has been extended to June 28, 2024. The revolving credit facility and unsecured bilateral credit facility are used by Crombie for working capital purposes and to provide temporary financing for acquisitions and development activity. 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-ownership partners entered into a fixed for floating interest rate swap, effectively fixing the interest rate on both joint operation facilities. Borrowings under all credit facilities are possible 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 which is specific to each facility.

For information on the amended terms governing the revolving credit facility, see the "Available Credit Line Liquidity" section in the 2021 Annual MD&A.

At September 30, 2022, the remaining amount available under the revolving credit facility was approximately \$394,000 (prior to reduction for standby letters of credit outstanding of \$3,639) and was not limited by the aggregate borrowing base. Crombie is in compliance with all debt covenants.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

The terms of the revolving credit facility and unsecured bilateral credit facility also require annualized NOI on all properties to be a minimum of 1.4 times the coverage of all annualized debt service requirements and cash distributions to Unitholders to be limited to 100% of funds from operations as defined in the credit facilities.

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,						Thereafter
		2023	2024	2025	2026	2027		
Fixed rate mortgages - principal and interest	\$ 308,462	\$ 67,054	\$ 44,745	\$ 32,787	\$ 27,608	\$ 45,707	\$ 90,561	
Fixed rate mortgages - maturities	775,913	177,148	231,657	82,872	32,149	88,574	163,513	
Senior unsecured notes	1,304,403	186,025	35,176	204,576	226,059	167,791	484,776	
Trade and other payables	105,305	83,461	4,108	3,227	2,555	2,555	9,399	
Lease liabilities	152,347	2,986	2,900	2,852	2,758	2,567	138,284	
	2,646,430	516,674	318,586	326,314	291,129	307,194	886,533	
Credit facilities	100,104	4,764	85,794	3,323	6,223	—	—	
Total	\$ 2,746,534	\$ 521,438	\$ 404,380	\$ 329,637	\$ 297,352	\$ 307,194	\$ 886,533	

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

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 select 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 2022	\$ 27,416	\$ 150,000	\$ —	\$ 177,416	8.9 %	\$ 9,075	\$ 186,491	8.6 %
December 31, 2023	227,405	—	—	227,405	11.4 %	31,551	258,956	12.0 %
December 31, 2024	226,268	—	85,176	311,444	15.6 %	20,077	331,521	15.4 %
December 31, 2025	30,596	175,000	—	205,596	10.3 %	16,146	221,742	10.3 %
December 31, 2026	12,401	200,000	5,989	218,390	11.0 %	14,126	232,516	10.8 %
Thereafter	251,827	600,000	—	851,827	42.8 %	73,749	925,576	42.9 %
Total ⁽¹⁾	\$ 775,913	\$ 1,125,000	\$ 91,165	\$ 1,992,078	100.0 %	\$ 164,724	\$ 2,156,802	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 January 31, 2022, Crombie closed a public offering, on a bought deal basis, of 6,705,000 Units, at a price of \$17.45 per Unit for proceeds of \$111,883 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 4,756,446 Class B LP Units and the attached Special Voting Units at a price of \$17.45 per Class B LP Unit, for proceeds of \$82,869 net of issue costs, on a private placement basis. After the

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

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, 2022, Crombie issued 884,656 REIT Units and 626,897 Class B LP Units under its DRIP. Units issued under the DRIP are issued at a price equal to 97% 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.

Total Units outstanding at October 31, 2022, were as follows:

Units	105,091,915
Special Voting Units ⁽¹⁾	72,893,614

(1) Crombie Limited Partnership, a subsidiary of Crombie, has issued 72,893,614 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,		
	2022	2021	Variance	2022	2021	Variance
Cash provided by (used in):						
Operating activities	\$ 78,354	\$ 74,276	\$ 4,078	\$ 160,718	\$ 140,721	\$ 19,997
Financing activities	(96,021)	(64,335)	(31,686)	(30,071)	(133,406)	103,335
Investing activities	17,667	(24,626)	42,293	(133,040)	(61,711)	(71,329)
Net change during the period	\$ —	\$ (14,685)	\$ 14,685	\$ (2,393)	\$ (54,396)	\$ 52,003

Operating Activities

For the three months ended:

The increase in cash provided by operating activities in the quarter is primarily due to increased net property income of \$1,983 from acquisitions, higher percentage rent of \$943 as a result of lease conversions and new tenants, and increased parking revenue of \$425 compared to the same quarter in 2021. This is offset in part by reduced income of \$2,426 from dispositions.

For the nine months ended:

The increase in cash provided by operating activities on a year to date basis is primarily due to lower additions to tenant incentives (\$34,703 compared to \$62,709 in 2021) and increased revenue of \$5,881 from acquisitions. Additional increases in income are due to \$1,389 in supplementary income from modernization investments, higher percentage rent of \$1,355 as a result of lease conversions and new tenants, \$1,205 increased parking revenue, and \$1,200 from renewals and new leasing. This is partially offset by a decrease in working capital of \$18,915, reduced income of \$6,800 from dispositions, and lower lease termination income of \$2,547.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	---------------------------	-----------------	----------------	-------	-------------------	-----------------------------

Financing Activities

For the three months ended:

The increase in cash used in financing activities is due primarily to the issue of \$150,000 of unsecured notes in 2021 and mortgage repayments of \$42,893 in the third quarter of 2022 compared to \$11,343 for the same period in 2021. This is offset in part by the net amount drawn on floating rate credit facilities of \$1,544 compared to \$143,529 in the third quarter of 2021.

For the nine months ended:

The decrease in cash used in financing activities on a year to date basis is primarily driven by the \$150,000 redemption of Series B unsecured notes in the second quarter of 2021 and the Unit issuance of \$194,752 net of costs in the first quarter of 2022 compared to the Unit issuance of \$97,296 in the second quarter of 2021. Additionally, the net amount drawn on floating rate credit facilities was \$62,042 compared to net repayments of \$36,250 during the same period in 2021. This is offset in part by the \$150,000 issue of Series J unsecured notes in the third quarter of 2021 and higher mortgage repayments of \$96,951 in 2022 than in the first nine months of 2021.

Investing Activities

For the three months ended:

The increase in cash provided by investing activities results from increased proceeds from disposition of \$36,022 compared to the third quarter of 2021, additions to investment properties of \$21,129 compared to \$29,919 in the third quarter of 2021, a \$3,436 decrease in the acquisition of investment properties over the same period in 2021, and a decrease in contributions to joint ventures of \$3,278.

For the nine months ended:

The year to date increase in cash used in investing activities is primarily due to acquisitions of investment properties of \$115,327 in the first nine months of 2022 compared to \$64,304 in the same period in 2021 and additions to investment properties \$30,161 higher than in 2021. This is partially offset by increased distributions from equity-accounted investments of \$5,324 over the same period in 2021, repayment of subordinated notes receivable from related parties of \$5,169 in 2022, increased proceeds from disposition of \$4,435, and a decrease in contributions to joint ventures of \$3,201.

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, 2022, Crombie has a total of \$3,639 (December 31, 2021 - \$3,003) in outstanding letters of credit related to construction work being performed on investment properties.

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

As at September 30, 2022, Crombie had signed construction contracts totalling \$260,053, of which \$205,378 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, 2022, Crombie has provided guarantees of approximately \$112,259 (December 31, 2021 - \$128,973) 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 2.5 years.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	---------------------------	-----------------	----------------	-------	-------------------	-----------------------------

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, 2022, Crombie has committed to contributing \$1,143 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, 2022.

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.

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 that have a fair value different from their carrying value:

	September 30, 2022		December 31, 2021	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets				
Accounts receivable ⁽¹⁾	\$ 32,894	\$ 32,894	\$ 27,737	\$ 27,751
Financial liabilities				
Investment property debt	\$ 994,979	\$ 1,032,047	\$ 1,177,814	\$ 1,103,019
Senior unsecured notes	1,025,554	1,125,000	1,157,820	1,125,000
Total financial liabilities	\$ 2,020,533	\$ 2,157,047	\$ 2,335,634	\$ 2,228,019

(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 fair values of 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 2021 Annual MD&A, and the "Risks" section of Crombie's 2021 Annual Information Form available at www.sedar.com, we are providing the following specific risk update for September 30, 2022:

Capitalization Rate Risk

Crombie values its investment properties using the capitalized net operating income method. Under this method, capitalization rates are applied to trailing stabilized net operating income (property revenue less property operating expenses). The key assumptions are the capitalization rates for each specific property and stabilized net income. Crombie is responsible for the reasonableness of the assumptions and for the accuracy of inputs that are used to determine our valuation disclosures. Crombie receives biannual capitalization rate reports (June and December) from external knowledgeable property valuers. The capitalization rate reports provide a range of rates for various geographic regions and for various types and qualities of properties within each region. Management selects the rate for each property from the range provided that management believes is most appropriate in its judgment. In addition to this, Crombie uses the market information obtained in external appraisals each quarter and makes relevant adjustments to our input assumptions. If these input assumptions are not correct, our valuation disclosures may not accurately describe the fair value of our properties.

Significant Relationship

As at September 30, 2022, Empire, through its wholly owned subsidiary ECLD, holds a 41.5% indirect interest in Crombie. Crombie's anchor tenants are concentrated in a relatively small number of retail operators. Specifically, 57.9% of the AMR and 53.3% 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.

Environmental Matters

Environmental issues can cover a broad range of topics, including energy usage, water conservation, pollution, waste management, green buildings, or climate change, among many others. Each of these topics comes with their own specific risks including increased energy costs, the price of carbon, and pollution liability. To effectively manage environmental risk, it is critical to operate the business in a sustainable manner. This includes measuring, managing, and reporting on our sustainability performance through the lens of ESG deliverables. In June 2022, Crombie published its 2021 Sustainability Report, which provides an update on our sustainability initiatives and long-term strategy.

Crombie is not aware of any material non-compliance with environmental laws at any of its properties and is not aware of any material pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties. Crombie has implemented policies and procedures to assess, manage, and monitor environmental conditions at its properties and developments to manage exposure to liability.

Climate Change Risk

Crombie has properties located in areas that are subject to natural disasters and severe weather conditions such as hurricanes, ice storms, floods, earthquakes, and fires, and the frequency of these natural disasters and severe weather conditions may increase due to

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

climate change. The occurrence of natural disasters, severe weather conditions, and the effects of climate change can delay new development or redevelopment projects, increase investment costs to repair or replace damaged properties, increase operation costs, including the cost of energy at our properties, increase costs for future property insurance, impact the tenant demand for space, and cause substantial damages or losses to our properties which could exceed any applicable insurance coverage. The incurrence of any of these losses, costs, or business interruptions may adversely affect our financial condition, results of operations, and cash flows. In addition, changes in government legislation and regulation on climate change could result in increased capital expenditures to improve the energy efficiency of our existing properties and could also require us to spend more on our development or redevelopment projects without a corresponding increase in revenues, which may adversely affect our financial condition, results of operations, and cash flows. Crombie is currently evaluating the Task Force on Climate-Related Financial Disclosures recommendations to help us identify, manage, and report on these risks and opportunities in alignment with industry best practices.

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. The residential component of Crombie's investment in joint ventures further diversifies our portfolio.</p> <p>In measuring tenant concentration, Crombie considers both the AMR 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 57.9% of AMR. No other tenant accounts for more than 2.5% of Crombie's AMR; 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 \$166,150 for the nine months ended September 30, 2022 (September 30, 2021 - \$155,925⁽¹⁾) 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. Historically low receivable balances increased significantly over the past few years as a result of the impacts of the COVID-19 pandemic, but have since returned to their pre-pandemic collection rates. Generally, rents are due the first of each month and other tenant billings are due 30 days after invoicing, and 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 and ongoing discussions with tenants.</p> <p>During the nine months ended September 30, 2022, Crombie recorded bad debt recovery of \$(106) (September 30, 2021 - expense of \$757).</p> <p>Our trade receivables and allowance for doubtful accounts balances at September 30, 2022 were \$22,808 and \$(2,573), respectively (December 31, 2021 - \$27,472 and \$(3,031), 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>

(1) Related party property revenue for the nine months ended September 30, 2021 was updated from the previously reported figure.

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, 2022, Crombie has a crediting rating on outstanding senior unsecured notes of "BBB(low)" with a "Stable" trend from 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 2021 Annual Information Form dated March 29, 2022, and under the "Risk Management" section in the 2021 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. 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 is likely to 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 it cannot exceed the borrowing base security provided by Crombie.</p> <p>Crombie is in talks to establish a new unsecured credit facility which will provide additional liquidity to fund the repayment of Series D senior unsecured notes that mature on November 21, 2022.</p> <p>Refer to the "Debt Maturities" section 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>Canadian prime interest rates have increased significantly from 2.45% at December 31, 2021 to 5.95% effective October 26, 2022, with further rate increases expected by the end of the year. Crombie mitigates this risk of rising interest rates 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, 2022:</p> <ul style="list-style-type: none"> • Crombie's weighted average term to maturity of its fixed rate mortgages is 4.7 years; • Crombie's weighted average term to maturity of its unsecured notes is 4.7 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 \$5,989 outstanding/drawn; • Crombie has a floating rate bilateral credit facility available to a maximum of \$130,000 with a balance of \$75,000 outstanding; • Crombie has joint operation credit facilities available to a maximum of \$10,687 at Crombie's share with a balance of \$10,176 outstanding; • Crombie has interest rate swap agreements in place on \$107,224 of floating rate debt and an interest rate swap agreement in place held in equity-accounted investments on \$52,000 of floating rate debt, at Crombie's share; and • Crombie has floating rate credit facilities, included in debt held in equity-accounted investments, available to a maximum of \$130,250 with a balance of \$116,699 outstanding, at Crombie's share. <p>A fluctuation in interest rates would have an impact on Crombie's operating and other comprehensive income related to the use of floating rate debt. The following tables look at the impacts of selected interest rate moves on operating and other comprehensive income:</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">Three months ended September 30, 2022</th> <th colspan="2">Nine months ended September 30, 2022</th> </tr> <tr> <th></th> <th>Increase in rate</th> <th>Decrease in rate</th> <th>Increase in rate</th> <th>Decrease in rate</th> </tr> </thead> <tbody> <tr> <td>Impact on operating income attributable to Unitholders of interest rate changes on the revolving credit facility</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Impact of a 0.5% interest rate change</td> <td>\$ (131)</td> <td>\$ 131</td> <td>\$ (240)</td> <td>\$ 240</td> </tr> <tr> <td>Impact of a 1.0% interest rate change</td> <td>\$ (261)</td> <td>\$ 261</td> <td>\$ (479)</td> <td>\$ 479</td> </tr> <tr> <td>Impact of a 1.5% interest rate change</td> <td>\$ (392)</td> <td>\$ 392</td> <td>\$ (719)</td> <td>\$ 719</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th></th> <th colspan="2">As at September 30, 2022</th> </tr> <tr> <th></th> <th>Increase in rate</th> <th>Decrease in rate</th> </tr> </thead> <tbody> <tr> <td>Impact on other comprehensive income of interest rate changes on interest rate swap agreements</td> <td></td> <td></td> </tr> <tr> <td>Impact of a 0.5% interest rate change</td> <td>\$ 2,550</td> <td>\$ (2,561)</td> </tr> <tr> <td>Impact of a 1.0% interest rate change</td> <td>\$ 5,088</td> <td>\$ (5,131)</td> </tr> <tr> <td>Impact of a 1.5% interest rate change</td> <td>\$ 7,616</td> <td>\$ (7,713)</td> </tr> </tbody> </table>		Three months ended September 30, 2022		Nine months ended September 30, 2022			Increase in rate	Decrease in rate	Increase in rate	Decrease in rate	Impact on operating income attributable to Unitholders of interest rate changes on the revolving credit facility					Impact of a 0.5% interest rate change	\$ (131)	\$ 131	\$ (240)	\$ 240	Impact of a 1.0% interest rate change	\$ (261)	\$ 261	\$ (479)	\$ 479	Impact of a 1.5% interest rate change	\$ (392)	\$ 392	\$ (719)	\$ 719		As at September 30, 2022			Increase in rate	Decrease in rate	Impact on other comprehensive income of interest rate changes on interest rate swap agreements			Impact of a 0.5% interest rate change	\$ 2,550	\$ (2,561)	Impact of a 1.0% interest rate change	\$ 5,088	\$ (5,131)	Impact of a 1.5% interest rate change	\$ 7,616	\$ (7,713)
	Three months ended September 30, 2022		Nine months ended September 30, 2022																																														
	Increase in rate	Decrease in rate	Increase in rate	Decrease in rate																																													
Impact on operating income attributable to Unitholders of interest rate changes on the revolving credit facility																																																	
Impact of a 0.5% interest rate change	\$ (131)	\$ 131	\$ (240)	\$ 240																																													
Impact of a 1.0% interest rate change	\$ (261)	\$ 261	\$ (479)	\$ 479																																													
Impact of a 1.5% interest rate change	\$ (392)	\$ 392	\$ (719)	\$ 719																																													
	As at September 30, 2022																																																
	Increase in rate	Decrease in rate																																															
Impact on other comprehensive income of interest rate changes on interest rate swap agreements																																																	
Impact of a 0.5% interest rate change	\$ 2,550	\$ (2,561)																																															
Impact of a 1.0% interest rate change	\$ 5,088	\$ (5,131)																																															
Impact of a 1.5% interest rate change	\$ 7,616	\$ (7,713)																																															

9. JOINT VENTURES

As at September 30, 2022, Crombie holds partial ownership interests in seven joint ventures, five 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 operational metrics such as occupancy and GLA, unless specifically indicated that such metrics are presented on a proportionate consolidation basis. The figures presented below represent only the results of these joint ventures, at 100%, with the exception of FFO^(*).

Joint Venture Summary

The following represents Crombie's interest in joint venture investments:

	September 30, 2022	December 31, 2021
1600 Davie Limited Partnership	50.0 %	50.0 %
Bronte Village Limited Partnership	50.0 %	50.0 %
The Duke Limited Partnership	50.0 %	50.0 %
Penhorn Residential Holdings Limited Partnership	50.0 %	50.0 %
140 CPN Limited	50.0 %	50.0 %
1700 East Broadway Limited Partnership	50.0 %	50.0 %
King George Development (I) Limited Partnership	50.0 %	50.0 %

1600 Davie Limited Partnership

Davie Street is a retail/residential mixed-used property consisting of 330 residential units and 54,000 square feet of retail GLA in Vancouver, British Columbia. Crombie retains 100% ownership of the retail GLA, which is anchored by a 44,500 square foot Safeway. Stabilization of NOI was reached in September 2021 and the residential property is 97.0% leased at September 30, 2022. The joint venture retains ownership of the 330 residential units.

Bronte Village Limited Partnership

Bronte Village is a retail/residential mixed-used property located in Oakville, Ontario. It is comprised of two residential towers incorporating 481 residential rental units and 54,000 square feet of grocery-anchored retail GLA that is owned by the joint venture. Substantial completion was reached on tower one in the third quarter of 2021, with the remaining residential tower completed during the first quarter of 2022. The residential portion of the property is 47.8% leased at September 30, 2022. Tower one is expected to be fully leased by December 2023, with full occupancy of tower two, and stabilization of NOI for the property, expected in May 2024.

The Duke Limited Partnership

Le Duke is a retail/residential mixed-use property with an existing heritage building integrated into the ground floor of the property. The property incorporates 387 residential units, a 25,000 square foot IGA on the ground floor, and an additional 1,000 square feet of retail space that is all owned by the joint venture. Substantial completion was reached in September 2021 and the residential tower is 88.9% leased at September 30, 2022. Stabilization of NOI is expected to be reached in March 2023.

Penhorn Residential Holdings Limited Partnership

Opal Ridge (Penhorn), formerly referred to as Penhorn Lands, is a 26-acre parcel in Halifax, Nova Scotia with zoning proposed for the development of multi-family parceled building lots. Entitlement and development agreements were approved in June 2022 and marketing of select land parcels has commenced. Certain development will be completed by third parties and the Penhorn joint venture may develop select land parcels.

140 CPN Limited

Centennial Parkway is a retail plaza consisting of 33,000 square feet of retail GLA, which is fully leased and owned by the joint venture.

1700 East Broadway Limited Partnership

1700 East Broadway (Broadway and Commercial) is a proposed major mixed-use redevelopment located at the busiest transit node in Western Canada. It will include grocery-anchored retail, office, residential rental, and condominiums. The project is currently being rezoned with construction expected to commence in 2024. The joint venture will own the residential and office components, with Crombie retaining 100% ownership of the retail.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

King George Development (I) Limited Partnership

10355 King George Boulevard is a multi-phased mixed-use redevelopment in Vancouver, British Columbia. Crombie has determined that it does not intend to pursue the development of this property, either by itself or through a joint venture, at this time. The joint venture remains in place until no longer required.

Occupancy Metrics

	Retail GLA	Retail Occupancy % as at September 30, 2022	Residential GLA	Residential Occupancy % as at September 30, 2022	Total GLA	Number of Residential Units	Number of Committed Units
Stabilized properties ⁽¹⁾	33,000	100.0 %	242,000	97.0 %	275,000	330	320
Lease-up in progress:							
Bronte Village	54,000	83.5 %	466,000	47.8 %	520,000	481	230
Le Duke	26,000	100.0 %	239,000	88.9 %	265,000	387	344
Total	113,000	92.4 %	947,000	74.6 %	1,060,000	1,198	894

(1) Comprised of Davie Street Residential and Centennial Parkway.

Total average residential rent is \$3.84 per square foot.

Financial Performance

	Three months ended									
	September 30, 2022					September 30, 2021				
	Davie LP	Bronte LP	Duke LP	Other	Total	Davie LP	Bronte LP	Duke LP	Other	Total
Property revenue	\$ 2,776	\$ 1,842	\$ 1,716	\$ 182	\$ 6,516	\$ 2,308	\$ 263	\$ 396	\$ 189	\$ 3,156
Property operating expenses	(734)	(1,305)	(504)	(49)	(2,592)	(637)	(435)	(269)	(48)	(1,389)
Net property income	2,042	537	1,212	133	3,924	1,671	(172)	127	141	1,767
General and administrative expenses	(7)	(13)	(1)	(41)	(62)	(90)	(2)	(2)	—	(94)
Depreciation and amortization	(874)	(1,206)	(487)	(14)	(2,581)	(704)	(479)	(260)	(14)	(1,457)
Finance costs - operations	(1,435)	(2,819)	(814)	(60)	(5,128)	(1,079)	(562)	(395)	(25)	(2,061)
Net income (loss)	\$ (274)	\$ (3,501)	\$ (90)	\$ 18	\$ (3,847)	\$ (202)	\$ (1,215)	\$ (530)	\$ 102	\$ (1,845)
Contribution to Crombie's FFO ⁽¹⁾	\$ 332	\$ (1,098)	\$ 211	\$ 16	\$ (539)	\$ 79	\$ (207)	\$ (115)	\$ 58	\$ (185)

(1) FFO line above is included in Crombie's total FFO numbers.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

	Nine months ended									
	September 30, 2022					September 30, 2021				
	Davie LP	Bronte LP	Duke LP	Other	Total	Davie LP	Bronte LP	Duke LP	Other	Total
Property revenue	\$ 8,052	\$ 4,193	\$ 3,727	\$ 488	\$ 16,460	\$ 4,046	\$ 908	\$ 503	\$ 517	\$ 5,974
Property operating expenses	(2,020)	(2,885)	(1,327)	(168)	(6,400)	(1,344)	(831)	(418)	(166)	(2,759)
Net property income	6,032	1,308	2,400	320	10,060	2,702	77	85	351	3,215
General and administrative expenses	(32)	(53)	(35)	(284)	(404)	(453)	(28)	(24)	—	(505)
Depreciation and amortization	(2,619)	(3,378)	(1,467)	(42)	(7,506)	(2,096)	(536)	(260)	(41)	(2,933)
Finance costs - operations	(4,320)	(6,240)	(2,321)	(113)	(12,994)	(3,189)	(624)	(400)	(75)	(4,288)
Net income (loss)	\$ (939)	\$ (8,363)	\$ (1,423)	\$ (119)	\$ (10,844)	\$ (3,036)	\$ (1,111)	\$ (599)	\$ 235	\$ (4,511)
Contribution to Crombie's FFO⁽¹⁾	\$ 641	\$ (2,344)	\$ 58	\$ (38)	\$ (1,683)	\$ (742)	\$ (77)	\$ (149)	\$ 138	\$ (830)

(1) FFO line above is included in Crombie's total FFO numbers.

	Three months ended					
	September 30, 2022			September 30, 2021		
	Retail	Residential	Total	Retail	Residential	Total
Net property income	\$ 544	\$ 3,380	\$ 3,924	\$ 350	\$ 1,417	\$ 1,767
Non-cash straight-line rent	(33)	194	161	(51)	434	383
Non-cash tenant incentive amortization	125	—	125	362	—	362
Property cash NOI⁽¹⁾	\$ 636	\$ 3,574	\$ 4,210	\$ 661	\$ 1,851	\$ 2,512

	Nine months ended					
	September 30, 2022			September 30, 2021		
	Retail	Residential	Total	Retail	Residential	Total
Net property income	\$ 1,532	\$ 8,528	\$ 10,060	\$ 1,160	\$ 2,055	\$ 3,215
Non-cash straight-line rent	(98)	805	707	(66)	795	729
Non-cash tenant incentive amortization	372	—	372	461	—	461
Property cash NOI⁽¹⁾	\$ 1,806	\$ 9,333	\$ 11,139	\$ 1,555	\$ 2,850	\$ 4,405

Fair Value

The estimated fair value of the investment properties in Crombie's equity-accounted joint ventures at 100% is as follows:

	Fair Value	Carrying Value
September 30, 2022	\$ 906,000	\$ 601,967
December 31, 2021	\$ 774,000	\$ 576,306 ⁽¹⁾

(1) Carrying value as at December 31, 2021 was updated from the previously reported figure.

The fair value included in this summary reflects the fair value of the properties as at September 30, 2022 and December 31, 2021, respectively, based on each property's current use as a revenue-generating property or property under development. The fair value of properties under development is assumed to equal cost until the property is substantially completed. As at September 30, 2022, properties held within 1600 Davie Limited Partnership, Bronte Village Limited Partnership, The Duke Limited Partnership, and 140 CPN Limited are revenue-generating properties.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

Crombie has utilized the following weighted average capitalization rates for its joint venture properties:

	September 30, 2022	December 31, 2021
Weighted average capitalization rate	3.53 %	3.30 %

Capitalization rate sensitivity

Crombie has determined that a change in this applied capitalization rate at September 30, 2022 would result in an (increase) decrease in the fair value of the properties as follows:

Capitalization rate change	Increase in Rate	Decrease in Rate
0.25%	\$ (56,000)	\$ 65,000
0.50%	\$ (105,000)	\$ 141,000
0.75%	\$ (149,000)	\$ 232,000

Debt to Gross Fair Value^(*)

	September 30, 2022	December 31, 2021
Fixed and floating rate mortgages and construction loans	\$ 502,573	\$ 465,028
Revolving credit facilities	22,915	1,200
Partnership loans	10,363	15,533
Lease liabilities	7,912	26,388
Total debt outstanding⁽¹⁾	\$ 543,763	\$ 508,149
Investment properties, fair value	\$ 906,000	\$ 774,000
Other assets, cost ⁽²⁾	52,870	36,739
Cash and cash equivalents	7,808	8,906
Gross fair value	\$ 966,678	\$ 819,645
Debt to gross fair value^(*)	56.3 %	62.0 %

(1) December 31, 2021 total debt has been updated from the previously reported figure to include partnership loans.

(2) Other assets include deferred financing costs, and exclude tenant incentives and related accumulated amortization, and accrued straight-line rent receivable.

Debt Profile

	September 30, 2022				December 31, 2021			
	Mortgages ⁽¹⁾	Revolving Credit Facilities ⁽²⁾	Partnership loans	Total Borrowings	Mortgages ⁽¹⁾	Revolving Credit Facilities ⁽²⁾	Partnership Loans	Total Borrowings
Opening balance, beginning of period ⁽³⁾	\$ 465,028	\$ 1,200	\$ 15,533	\$ 481,761	\$ 299,431	\$ —	\$ 15,533	\$ 314,964
Additions to existing mortgages	39,322	—	—	39,322	115,710	—	—	115,710
New borrowings	—	21,715	—	21,715	50,000	1,200	—	51,200
Principal	(1,777)	—	(5,170)	(6,947)	(113)	—	—	(113)
Closing balance, end of period	\$ 502,573	\$ 22,915	\$ 10,363	\$ 535,851	\$ 465,028	\$ 1,200	\$ 15,533	\$ 481,761

(1) Includes construction financing.

(2) The unsecured revolving term credit facility is used by the joint venture to finance development activity of the partnership during rezoning.

(3) Opening balances were updated from the previously reported figures to include partnership loans.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	-----------------------	-------	-------------------	-----------------------------

	September 30, 2022	December 31, 2021
Total borrowings ⁽¹⁾	\$ 535,851	\$ 481,761
Long-term portion ⁽¹⁾	\$ 339,231	\$ 194,804
Current portion	\$ 196,620	\$ 286,957
Weighted average fixed interest rate ⁽¹⁾	3.27 %	3.37 %
Weighted average floating interest rate ⁽²⁾	5.55 %	2.66 %
Weighted average term to maturity of fixed rate debt	5.6 years	5.8 years
Weighted average term to maturity of floating rate debt ⁽²⁾	0.6 years	0.2 years

(1) Previously reported figures for December 31, 2021 have been restated to include partnership loans..

(2) Includes construction financing and credit facilities of \$233,399 at September 30, 2022 (December 31, 2021- \$282,492).

From time to time, our joint ventures have entered into interest rate swap agreements to manage the interest rate profile of their current or future debts without an exchange of the underlying principal amount. Our joint ventures currently have an interest rate swap agreement in place on \$104,000 of floating rate debt.

10. OTHER DISCLOSURES

Related Party Transactions

As at September 30, 2022, 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 to by the related parties.

Crombie's transactions with related parties are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Property revenue				
Property revenue	\$ 57,122	\$ 57,100 ⁽¹⁾	\$ 166,150	\$ 155,925 ⁽¹⁾
Head lease income	\$ 156	\$ 227	\$ 710	\$ 795
Lease termination income	\$ 34	\$ 34	\$ 102	\$ 102
Property operating expenses	\$ (33)	\$ (33)	\$ (101)	\$ (62)
General and administrative expenses				
Property management services recovered	\$ 87	\$ 112	\$ 246	\$ 290
Other general and administrative expenses	\$ (88)	\$ (71)	\$ (176)	\$ (200)
Finance costs - operations				
Interest rate subsidy	\$ —	\$ 56	\$ 53	\$ 175
Finance costs - distributions to Unitholders	\$ (16,387)	\$ (15,170)	\$ (49,019)	\$ (44,758)

(1) Related party property revenue for the three and nine months ended September 30, 2021 was updated from the previously reported figures.

Crombie provides property management, project 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, 2022, Crombie issued 626,897 (September 30, 2021 - 45,417) Class B LP Units to ECLD under the DRIP.

On January 31, 2022, ECLD purchased 4,756,446 Class B LP Units and the attached Special Voting Units at a price of \$17.45 per Class B LP Unit for proceeds of \$82,869 net of issue costs, on a private placement basis.

During the nine months ended September 30, 2022, Crombie purchased nine retail properties and the remaining 50% interest in one retail-related industrial property from a subsidiary of Empire for a total purchase price of \$99,472 before transaction costs.

During the nine months ended September 30, 2022, Crombie invested \$12,432 (September 30, 2021 - \$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 \$25,287 (December 31, 2021 - \$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 \$10,364 (December 31, 2021 - \$15,533) in a 6% subordinated note receivable due from Bronte Village Limited Partnership and \$10,100 due from a subsidiary of Empire for construction-related costs completed on its behalf for a development property.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

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 2021 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 reflect the specific risks inherent in the net property income, to arrive at property valuations. (For further explanation of the determination of capitalization rates, see the "Risk Management" section of this MD&A, under "Capitalization Rate Risk" in the "Risk Factors Related to the Business of Crombie" section.) As at September 30, 2022, management's determination of fair value was updated for current market assumptions, including net 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 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.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

Critical Judgments

Critical judgments are discussed under the "Critical Judgments" section of the 2021 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, 2022. 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, 2022, and have concluded that our current ICFR are effective based on that evaluation. There have been no material changes to Crombie's internal controls during the period.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

Quarterly Information

	Three months ended							
	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020
Property revenue	\$ 103,642	\$ 103,064	\$ 104,946	\$ 103,832	\$ 101,517	\$ 100,006	\$ 103,537	\$ 97,060
Property operating expenses	32,068	32,967	35,615	32,430	30,216	29,814	33,401	29,245
Net property income	71,574	70,097	69,331	71,402	71,301	70,192	70,136	67,815
Operating income	26,410	28,424	25,248	78,730	23,851	19,605	33,215	17,157
Finance costs - distributions to Unitholders	(39,513)	(39,394)	(39,236)	(36,637)	(36,578)	(36,124)	(35,220)	(35,211)
Finance income (costs) - change in fair value of financial instruments	1,782	2,034	211	(1,018)	291	(1,219)	(1,026)	(725)
Increase (decrease) in net assets attributable to Unitholders	\$ (11,321)	\$ (8,936)	\$ (13,777)	\$ 41,075	\$ (12,436)	\$ (17,738)	\$ (3,031)	\$ (18,779)
Operating income per Unit - basic	\$ 0.15	\$ 0.16	\$ 0.15	\$ 0.48	\$ 0.15	\$ 0.12	\$ 0.21	\$ 0.11
Distributions								
Distributions	\$ 39,513	\$ 39,394	\$ 39,236	\$ 36,637	\$ 36,578	\$ 36,124	\$ 35,220	\$ 35,211
Per Unit	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22
FFO^(*)								
Basic	\$ 52,665	\$ 49,877	\$ 49,091	\$ 46,948	\$ 47,830	\$ 44,201	\$ 46,103	\$ 42,305
Per Unit - basic	\$ 0.30	\$ 0.28	\$ 0.28	\$ 0.29	\$ 0.29	\$ 0.27	\$ 0.29	\$ 0.27
Payout ratio	75.0 %	79.0 %	79.9 %	78.0 %	76.5 %	81.7 %	76.4 %	83.2 %
AFFO^(*)								
Basic	\$ 46,788	\$ 43,551	\$ 41,898	\$ 40,468	\$ 41,052	\$ 37,109	\$ 38,779	\$ 35,679
Per Unit - basic	\$ 0.26	\$ 0.25	\$ 0.24	\$ 0.25	\$ 0.25	\$ 0.23	\$ 0.25	\$ 0.23
Payout ratio	84.5 %	90.5 %	93.6 %	90.5 %	89.1 %	97.3 %	90.8 %	98.7 %
Operating information								
Number of investment properties	290	294	294	284	287	287	287	284
Gross leasable area	18,331,000	18,500,000	18,488,000	17,861,000	18,232,000	18,235,000	18,229,000	18,000,000
Economic occupancy	96.2 %	95.9 %	95.5 %	95.6 %	95.8 %	95.6 %	95.5 %	94.0 %
Committed occupancy	96.8 %	96.3 %	96.4 %	96.2 %	96.5 %	96.2 %	96.3 %	96.4 %
Debt metrics								
Unencumbered investment properties ⁽¹⁾	\$2,200,890	\$2,155,326	\$2,009,252	\$1,752,927	\$1,461,775	\$1,445,423	\$1,388,141	\$1,366,258
Available liquidity	\$ 445,372	\$ 444,262	\$ 523,159	\$ 507,777	\$ 512,168	\$ 368,483	\$ 469,548	\$ 471,708
Debt to gross fair value ^{(*) (2)}	42.0 %	42.7 %	42.5 %	45.3 %	47.3 %	47.5 %	50.2 %	50.7 %
Weighted average interest rate ⁽³⁾	3.8 %	3.8 %	3.8 %	3.8 %	3.8 %	3.9 %	3.9 %	3.9 %
Debt to trailing 12 months adjusted EBITDA ^{(*) (2) (4)}	8.50x	8.75x	8.72x	8.99x	9.61x	9.73x	10.42x	10.32x
Interest coverage ratio ^{(*) (4)}	3.32x	3.26x	3.27x	3.06x	3.07x	2.91x	3.01x	2.75x

(1) Represents fair value of unencumbered properties.

(2) Calculations for comparative quarters have been restated to include Crombie's share of debt and assets held in joint ventures.

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

(4) The prior year calculations have been restated to include Crombie's share of revenue and expenses in joint ventures.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

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, 2022 - acquisition of one retail property for a total purchase price of \$1,350 and disposition of five retail properties and a parcel of land adjacent to existing retail properties for proceeds of \$52,126;
 - June 30, 2022 - acquisition of one retail property and one development property for a total purchase price of \$15,939 and disposition of one retail property for proceeds of \$10,250;
 - March 31, 2022 - acquisition of nine retail properties, including a parcel of land subsequently developed by Crombie in the quarter, and acquisition of the remaining 50% interest in one retail-related industrial property for a total purchase price of \$90,472;
 - December 31, 2021 - disposition of three retail properties, disposition of portions of two retail properties, and disposition of a 50% interest in one retail-related industrial property for proceeds of \$152,218;
 - 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; and
 - 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.
- 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.

11. 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 28
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, or was subject to disposition, during either the current or comparative period. Same-asset property cash NOI includes Crombie's proportionate ownership of jointly operated properties but currently excludes properties owned in joint ventures. 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 275 as at September 30, 2022. 	“Net Property Income” starting on page 28
Funds from operations (“FFO”)	<ul style="list-style-type: none"> Crombie follows the recommendations of REALPAC's January 2022 guidance 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; Gain on distribution from equity-accounted investments; 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 and 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. Crombie calculates FFO per Unit using the basic weighted average Units outstanding for the period. Management believes this is a useful measure in comparing period-over-period operating results. 	“Funds from Operations (FFO) ⁽¹⁾ ” starting on page 30

Non-GAAP Measure	Description and Purpose	Reconciliation
FFO payout ratio	<ul style="list-style-type: none"> FFO payout ratio shows the proportion of FFO paid to Unitholders in the form of distributions for the period, expressed as a percentage of FFO. FFO payout ratio is calculated by dividing finance costs - distributions to Unitholders by FFO for the period. Management uses this key metric in evaluating the sustainability of Crombie's distribution payments to Unitholders. 	"Funds from Operations (FFO) ^(*) " starting on page 30
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 January 2022 guidance 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. Crombie calculates AFFO per Unit using the basic weighted average Units outstanding for the period. Management believes this is a useful measure in comparing period-over-period operating results. 	"Adjusted Funds from Operations (AFFO) ^(*) " starting on page 31
AFFO payout ratio	<ul style="list-style-type: none"> AFFO payout ratio shows the proportion of AFFO paid to Unitholders in the form of distributions for the period, expressed as a percentage of AFFO. AFFO payout ratio is calculated by dividing finance costs - distributions to Unitholders by AFFO for the period. Management uses this key metric in evaluating the sustainability of Crombie's distribution payments to Unitholders. 	"Adjusted Funds from Operations (AFFO) ^(*) " starting on page 31
Net asset value ("NAV")	<ul style="list-style-type: none"> NAV represents total assets less total liabilities excluding net assets attributable to Unitholders. 	"Development" starting on page 35
Unencumbered investment properties as a % of unsecured debt	<ul style="list-style-type: none"> Unencumbered investment properties represents the fair value of investment properties that have not been pledged as security for any debt obligations. Unsecured debt currently consists of Crombie's senior unsecured notes and its bilateral credit facility. This ratio is used to assess the aggregate unencumbered investment properties currently available for secured financing to satisfy all outstanding unsecured debt obligations. 	"Debt Metrics" starting on page 44
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 44
Adjusted debt	<ul style="list-style-type: none"> Represents debt excluding transaction costs, which Crombie feels is a more relevant presentation of indebtedness. It includes Crombie's share of debt held in equity-accounted joint ventures. Adjusted debt is used in the calculation of our debt to gross fair value and debt to trailing 12 months adjusted EBITDA. 	"Debt Metrics" starting on page 44

Non-GAAP Measure	Description and Purpose	Reconciliation
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, gain (loss) on disposal of investment properties, and gain on distribution from equity-accounted investments. It includes Crombie's share of revenue, operating expenses, and general and administrative expenses from equity-accounted joint ventures. 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 44
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 44
Adjusted interest expense	<ul style="list-style-type: none"> Represents finance costs from operations, excluding amortization of deferred financing costs. It includes Crombie's share of interest from equity-accounted joint ventures. Adjusted interest expense is used in the calculation of our interest service coverage and debt service coverage ratios. 	"Debt Metrics" starting on page 44
Interest service coverage Debt service coverage	<ul style="list-style-type: none"> These ratios are useful in determining Crombie's ability to service the interest requirements of its outstanding debt. 	"Debt Metrics" starting on page 44

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 a reserve amount for 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 as little to no maintenance expense is incurred in the first year of operation. Crombie also discloses actual maintenance expenditures for comparative purposes. The rate per square foot is a proxy for actual historical 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 2022, Crombie has increased the normalized rate from \$0.90 to \$1.00 per square foot of weighted average GLA, based on the actual spend for the previous three years and estimated spend for 2022. 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.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

Maintenance Expenditures - Actual

	Three months ended			Nine months ended		Year ended	Three months ended			
	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Sep. 30, 2022	Sep. 30, 2021	Dec. 31, 2021	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
Total additions to investment properties	\$ 21,129	\$ 18,435	\$ 35,633	\$ 75,197	\$ 45,036	\$ 76,771	\$ 31,735	\$ 29,919	\$ 6,736	\$ 8,381
Less: revenue-enhancing expenditures	(19,726)	(17,086)	(32,677)	(69,489)	(40,046)	(69,051)	(29,005)	(26,173)	(6,641)	(7,232)
Maintenance capital expenditures	1,403	1,349	2,956	5,708	4,990	7,720	2,730	3,746	95	1,149
Total additions to TI and deferred leasing costs	6,521	11,064	18,262	35,847	63,456	73,514	10,058	7,283	26,122	30,051
Less: revenue-enhancing expenditures	(3,634)	(8,018)	(14,331)	(25,983)	(58,308)	(65,086)	(6,778)	(7,168)	(23,875)	(27,265)
Maintenance TI and deferred leasing costs	2,887	3,046	3,931	9,864	5,148	8,428	3,280	115	2,247	2,786
Total maintenance expenditures - actual	\$ 4,290	\$ 4,395	\$ 6,887	\$ 15,572	\$ 10,138	\$ 16,148	\$ 6,010	\$ 3,861	\$ 2,342	\$ 3,935
Reserve amount charged against AFFO^(*)	\$ 4,662	\$ 4,659	\$ 4,585	\$ 13,906	\$ 12,037	\$ 16,043	\$ 4,006	\$ 4,023	\$ 4,024	\$ 3,990

Obligations for expenditures for TIs 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 2022, 2021, and 2020.

Revenue-enhancing expenditures are capitalized and depreciated or charged against revenue over their useful lives. Revenue-enhancing expenditures during the nine months ended September 30, 2022 consisted primarily of development work and modernization investments.

12. 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 2021 Annual MD&A, as well as the additional statements in the "Risks" section of Crombie's 2021 Annual Information Form available at www.sedar.com. Forward-looking statements in this MD&A and the principal related risks include statements regarding:

- (i) annual expenditures with Empire on investments in the modernization, acquisition, expansion, and conversion of their grocery stores, which may be impacted by the development of Empire's business and the resulting availability of suitable investment opportunities for Crombie;
- (ii) 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;
- (iii) 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;
- (iv) anticipated growth in grocery-anchored retail, residential, and retail-related industrial asset types as a percentage of our total portfolio, which depends on successful execution of our current development strategy, our relationship with Empire, availability of suitable properties and development opportunities, and general economic conditions;
- (v) statements under the heading "Development" including the locations identified, timing, cost, development size and nature, and anticipated impact on portfolio quality and diversification, 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 assume 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;
- (vi) fair value of investment properties, which is based on assumptions such as cash flow projections, and estimates of future cash flows and anticipated trends and economic conditions;
- (vii) 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;
- (viii) estimated GLA, estimated completion dates, and estimated total costs, 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;
- (ix) 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;
- (x) 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;
- (xi) estimated payments on derivative and non-derivative financial liabilities, which could be impacted by interest rates on floating rate debt and fluctuations in the settlement value and settlement timing of any derivative financial liabilities;
- (xii) pending acquisitions or dispositions, which remain subject to satisfaction of customary closing conditions;
- (xiii) 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;
- (xiv) tax exempt status, which can be impacted by regulatory changes enacted by governmental authorities;
- (xv) anticipated distributions and payout ratios, which could be impacted by results of operations and capital resource allocation decisions; and
- (xvi) the effect that any contingencies or guarantees would have on Crombie's financial statements, which could be impacted by their eventual outcome.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
------------------	--------------------	------------------	-------------	--------------------	-----------------	----------------	-------	-------------------	-----------------------------

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 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.