

# Growth-focused. Resilient. Sustainable.

Q3 Management's Discussion and Analysis | September 30, 2023



# 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 (“financial statements”) as at and for the three and nine months ended September 30, 2023 and 2022. 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, 2022 and 2021.

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 at November 8, 2023, 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.sedarplus.ca](http://www.sedarplus.ca).

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

## FOOTNOTES

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### (\*) 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 70, 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 74, for more information.

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# 1. KEY HIGHLIGHTS

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

(\*) See “Non-GAAP Financial Measures”, starting on page 70, for more information on Crombie’s non-GAAP financial measures and reconciliations thereof.

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

### Property revenue

Q3 2023
<b>\$104,491</b>
Q3 2022 \$103,642 +0.8%

YTD 2023
<b>\$320,009</b>
YTD 2022 \$311,652 +2.7%

The increase in property revenue in the quarter was due primarily to higher rental revenue from completed developments, renewals, new leasing activity, and acquisitions. The increased revenue was reduced in part by lost revenue from dispositions, decreased percentage rent, and higher tenant incentive amortization from accelerated amortization related to lease amendments as a result of the assignment of subleases from a subsidiary of Empire.

On a year-to-date basis, property revenue increased due to higher rental revenue as discussed above as well as increased revenue from modernizations, tenant surrenders, and parking income. The increase was offset in part by the same factors as discussed above.

### Operating income attributable to Unitholders

Q3 2023
<b>\$27,796</b>
Q3 2022 \$26,410 +5.2%

YTD 2023
<b>\$72,526</b>
YTD 2022 \$80,082 -9.4%

Growth in operating income in the quarter resulted from impairments in the third quarter of 2022, lower depreciation and amortization due to accelerated depreciation recorded in the third quarter of 2022, and an increase in income from the sale of land within equity-accounted joint ventures. The growth was offset in part by gain on disposal of investment properties in the third quarter of 2022 and higher general and administrative expenses.

On a year-to-date basis, operating income variance was negatively impacted by gain on disposal of investment properties in 2022 and higher general and administrative expenses resulting from employee transition costs in the second quarter of 2023. Gain on distribution from equity-accounted investments in 2022 further increased the variance in year-to-date operating income. Offsetting this decrease was a reduction in impairments, increased income from the sale of land within equity-accounted joint ventures, revenue from management and development services, and lower depreciation and amortization.

## FINANCIAL METRICS (CONTINUED)

### Net property income<sup>(\*)</sup>

Q3 2023	YTD 2023
<b>\$71,453</b>	<b>\$211,543</b>
Q3 2022 \$71,574 -0.2%	YTD 2022 \$211,002 +0.3%

Net property income decreased during the quarter due to higher tenant incentive amortization primarily from accelerated amortization related to lease amendments as a result of the assignment of subleases from a subsidiary of Empire. Lost revenue from dispositions and lower percentage rent further contributed to the reduction. This was offset in part by rental revenue increases from renewals, new leasing, acquisitions, and development activity.

Higher rental revenue from renewals, new leasing, acquisitions, completed developments, modernizations, tenant surrenders, and improved parking revenue positively impacted net property income year to date. This was partially offset by increased tenant incentive amortization primarily from modernizations and accelerated amortization related to lease amendments as a result of the assignment of subleases. Lost revenue from dispositions and lower percentage rent further offset the year-to-date increase in net property income.

### Same-asset property cash NOI<sup>(\*)</sup>

Q3 2023	YTD 2023
<b>\$71,455</b>	<b>\$209,491</b>
Q3 2022 \$69,534 +2.8%	YTD 2022 \$204,112 +2.6%

Increased rental revenue from renewals, new leasing, modernizations, capital improvements and tenant surrenders contributed to the increase in same-asset property cash NOI for the quarter and year to date compared to the same periods in the prior year. Improved parking revenue, offset in part by higher bad debt expense, impacted the year-to-date increase.

### FFO<sup>(\*)</sup> per Unit

Q3 2023	YTD 2023
<b>\$0.31</b>	<b>\$0.87</b>
Q3 2022 \$0.30 +3.3%	YTD 2022 \$0.86 +1.2%

The increase in FFO on a dollar basis in both the quarter and year to date was driven primarily by increased income from the sale of land within equity-accounted joint ventures, revenue from management and development services, and higher rental revenue from renewals, new leasing, acquisitions, and development activity. This was offset in part by an increase in general and administrative expenses, reduced rental revenue due to dispositions, and lower percentage rent.

Year to date, in addition to the factors noted above, FFO was positively impacted by higher rental revenue from modernizations and tenant surrenders, and improved parking revenue.

FFO<sup>(\*)</sup> per Unit excluding employee transition costs of \$7,172 in the second quarter of 2023 was \$0.91 year to date.

### FFO<sup>(\*)</sup> payout ratio

Q3 2023	YTD 2023
<b>70.9%</b>	<b>77.1%</b>
Q3 2022 75.0% -4.1%	YTD 2022 77.9% -0.8%

Items affecting FFO, as stated above, drove the improvement in FFO payout ratio in both the quarter and year to date compared to the same periods in 2022. The improvement was offset in part by higher distributions due to an increase in Units outstanding.

## FINANCIAL METRICS (CONTINUED)

### AFFO<sup>(\*)</sup> per Unit

Q3 2023	YTD 2023
<b>\$0.28</b>	<b>\$0.75</b>
Q3 2022 \$0.26 +7.7%	YTD 2022 \$0.75 —%

AFFO on a dollar basis increased in the quarter and year to date primarily due to increased income from the sale of land within equity-accounted joint ventures, revenue from management and development services, and higher rental revenue from renewals, new leasing, acquisitions, and development activity. This was partially offset by higher general and administrative expenses, decreased rental revenue from dispositions, lower percentage rent, and an increase in the maintenance capital expenditure charge for 2023.

On a year-to-date basis, in addition to the factors noted above, the increase in AFFO was further impacted by higher rental revenue from modernizations and tenant surrenders, and improved parking revenue.

AFFO<sup>(\*)</sup> per Unit excluding employee transition costs of \$7,172 in the second quarter of 2023 was \$0.79 year to date.

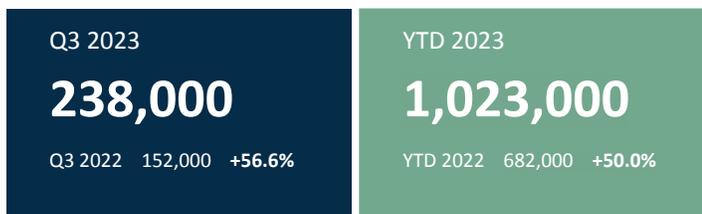
### AFFO<sup>(\*)</sup> payout ratio

Q3 2023	YTD 2023
<b>80.2%</b>	<b>88.7%</b>
Q3 2022 84.5% -4.3%	YTD 2022 89.3% -0.6%

Items affecting AFFO, as stated above, drove the decrease in AFFO payout ratio in both the quarter and year to date compared to the same periods in 2022. The improvement was offset in part by higher distributions due to an increase in Units outstanding.

## OPERATIONAL METRICS

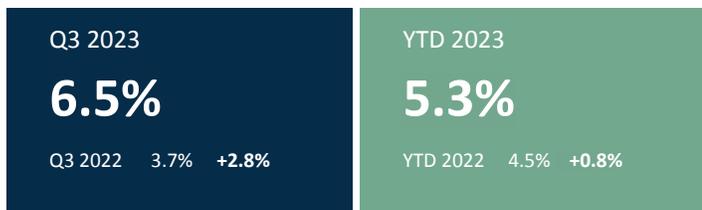
### Renewals (GLA sq. ft.)



Renewal activity in the quarter consisted of 159,000 square feet in Rest of Canada, 42,000 square feet in VECTOM, and 37,000 square feet in Major Markets.

Year to date, renewal activity consisted of 564,000 square feet in Rest of Canada, 250,000 square feet in Major Markets, and 209,000 square feet in VECTOM. At September 30, 2023, 509,000 square feet of Empire Company Limited ("Empire") renewals were completed.

### Renewal spreads



The primary drivers of renewal growth in the quarter were retail plaza and commercial renewals at an increase of 7.2% and 8.0% over expiring rental rates, respectively. Year to date, primary drivers of renewal growth were retail plaza and commercial mixed-use renewals at an increase of 6.4% and 7.0% over expiring rental rates, respectively.

### Committed occupancy



Strong committed occupancy of 96.4% included 84,000 square feet of space committed in the quarter. Approximately 52,000 square feet of committed space was in VECTOM and Major Markets, including 31,000 square feet in Burlington, Ontario. The slight decrease in committed occupancy compared to Q3 2022 is due to natural lease expiries and planned attrition.

### Economic occupancy



Crombie's economic occupancy was primarily influenced by year-to-date new leases of 457,000 square feet outpacing lease expiries and other changes by 282,000 square feet. Notable new leases included Empire's Voilà CFC 3 in Calgary, Alberta, and two new Dollarama leases totalling 20,000 square feet. This was partially offset by natural lease expiries and planned attrition.

## FINANCIAL CONDITION METRICS

### Interest coverage ratio<sup>(\*)</sup>

Q3 2023	YTD 2023
<b>3.41x</b>	<b>3.20x</b>
Q3 2022 3.32x +0.09x	YTD 2022 3.28x -0.08x

The increase in interest coverage ratio for the quarter was due to improved EBITDA, resulting primarily from increased income from the sale of land within equity-accounted joint ventures.

Year to date, the reduction in interest coverage ratio was primarily due to an increase in finance costs from operations at our equity-accounted investments caused by higher interest rates. Higher general and administrative expenses due to employee transition costs further contributed to the reduction in the ratio. This was offset in part by increased income from the sale of land within equity-accounted joint ventures.

### Debt to gross fair value<sup>(\*)</sup> (D/GFV)

Q3 2023	Q4 2022
<b>42.4%</b>	<b>41.8%</b>
Q3 2022 42.0% +0.4%	Q4 2021 45.3% -3.5%

A reduction in gross fair value of investment properties drove the increase in D/GFV since the third quarter of 2022. This increase was offset in part by lower outstanding debt compared to the third quarter of 2022.

### Debt to trailing 12 months adjusted EBITDA<sup>(\*)</sup> (D/EBITDA)

Q3 2023
<b>8.13x</b>
Q3 2022 8.50x -0.37x

The improvement in D/EBITDA ratio compared to the same period in 2022 was due primarily to an increase in trailing EBITDA. Lower outstanding debt compared to the third quarter of 2022 resulting from mortgage repayments and dispositions also contributed to the improvement in the ratio.

### Available liquidity - unutilized credit facilities

Q3 2023
<b>\$564,903</b>
Q3 2022 \$445,372 +26.8%

Crombie entered into a credit agreement in the fourth quarter of 2022 for an Unsecured non-revolving credit facility, resulting in a significant increase in available liquidity compared to the third quarter of 2022.

## 2. GLOSSARY OF TERMS

<b>Adjusted debt<sup>(*)</sup></b>	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.
<b>Adjusted EBITDA<sup>(*)</sup></b>	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.
<b>Adjusted interest expense<sup>(*)</sup></b>	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 coverage and debt service coverage ratios.
<b>AFFO<sup>(*)</sup></b>	Adjusted funds from operations. Crombie follows the recommendations of REALPAC’s January 2022 guidance in determining AFFO.
<b>AMR</b>	Annual minimum rent. This represents annualized fixed minimum rent payable by the tenant pursuant to the terms of the lease.
<b>CFC</b>	Customer fulfillment centre.
<b>CMA</b>	Census metropolitan area.
<b>Committed occupancy</b>	Represents current economic occupancy plus future occupancy of currently vacant space for which lease contracts are currently in place (excludes space held in equity-accounted joint ventures).
<b>D/GFV<sup>(*)</sup></b>	Debt to gross fair value.
<b>Economic occupancy</b>	Represents space currently occupied (excludes space held in equity-accounted joint ventures).
<b>ESG</b>	Environmental, social, and governance.
<b>Fair value</b>	The amount at which an asset or liability could be exchanged between two knowledgeable, willing, and unconnected parties in an arm’s length transaction.
<b>FFO<sup>(*)</sup></b>	Funds from operations. Crombie follows the recommendations of REALPAC’s January 2022 guidance in determining FFO.
<b>GHG</b>	Greenhouse gas emissions.
<b>GLA</b>	Gross leasable area (excluding residential unless noted as proportionately consolidated).
<b>GRESB</b>	An industry-led organization which collects, validates, scores, and independently benchmarks ESG data for financial markets.
<b>IFRS</b>	International Financial Reporting Standards.
<b>Joint operations</b>	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.
<b>Joint ventures</b>	Entities over which Crombie shares joint control with other parties and where the joint venture parties have rights to the net assets of the joint venture. Crombie accounts for investments in joint ventures using the equity method.
<b>Lease termination income</b>	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.
<b>Major Markets</b>	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.
<b>Modernization</b>	A capital investment to modernize/renovate Crombie-owned grocery store properties in exchange for a defined return and potential extended lease term.
<b>NAV<sup>(*)</sup></b>	Net asset value.
<b>Net property income<sup>(*)</sup></b>	Property revenue less property operating expenses. Net property income excludes revenue from management and development services and certain expenses such as interest expense and indirect operating expenses.
<b>Property cash NOI<sup>(*)</sup></b>	Property NOI on a cash basis, excluding non-cash straight-line rent recognition and non-cash tenant incentive amortization.
<b>Proportionate ownership</b>	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.
<b>REALPAC</b>	Real Property Association of Canada.
<b>Rest of Canada (RoC)</b>	A Crombie-specific definition that includes all remaining geographies outside of VECTOM and Major Markets.
<b>Retail</b>	Includes our substantial retail portfolio, with commercial reflecting certain additional properties that comprise both retail and office space. These properties have been consistently included in our retail category.
<b>Retail-related industrial</b>	Retail-related industrial includes retail distribution centres, customer fulfillment centres (“CFC”), and spokes.

<b>Revenue from management and development services</b>	Represents revenue from co-owners and related parties for development, construction, and property management services.
<b>Same-asset properties<sup>(*)</sup></b>	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.
<b>Spokes</b>	Spokes are cross-dock distribution facilities developed to support CFCs, the hubs of Empire’s hub-and-spoke network, by expediting the movement of merchandise to customers with minimal storage time.
<b>Sq. ft.</b>	Square footage.
<b>Unencumbered assets</b>	Represents assets that have not been pledged as security or collateral under a secured credit agreement or mortgage.
<b>VECTOM</b>	Vancouver, Edmonton, Calgary, Toronto, Ottawa-Gatineau, Montreal, as defined by Statistics Canada 2021 boundaries for census metropolitan areas and census agglomeration.
<b>WATM</b>	Weighted average term to maturity.
<b>Zoning applications submitted</b>	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.

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(\*) See “Non-GAAP Financial Measures”, starting on page 70, for more information on Crombie’s non-GAAP financial measures and reconciliations thereof.

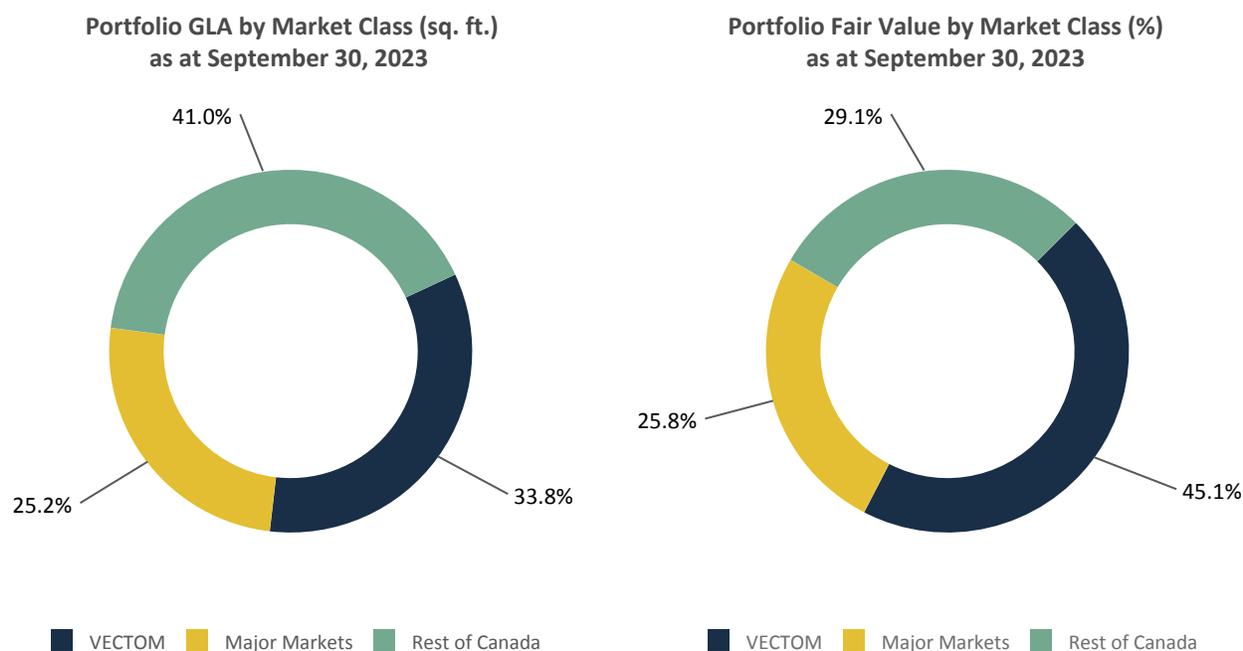
## 3. PORTFOLIO REVIEW

### Total Portfolio Review Inclusive of Joint Ventures

Crombie holds partial ownership interests in seven joint ventures, four of which currently hold property. 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<sup>(\*)</sup>, property cash NOI<sup>(\*)</sup>, or same-asset property cash NOI<sup>(\*)</sup>, 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 GLA and fair value, inclusive of joint ventures at Crombie's share, consisted of the following as at September 30, 2023:



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

	September 30, 2023	December 31, 2022	September 30, 2022
VECTOM	4.85 %	4.75 %	4.56 %
Major Markets	6.14 %	6.18 %	5.93 %
Rest of Canada	6.88 %	6.94 %	6.75 %
<b>Weighted average portfolio capitalization rate</b>	<b>5.77 %</b>	5.74 %	5.54 %

Crombie's weighted average capitalization rate has remained stable compared to December 31, 2022. Since September 30, 2022, capitalization rates in general have expanded despite solid fundamentals. The increase in capitalization rates is largely the result of tightening financial conditions, including higher borrowing costs and uncertainty around monetary policy.

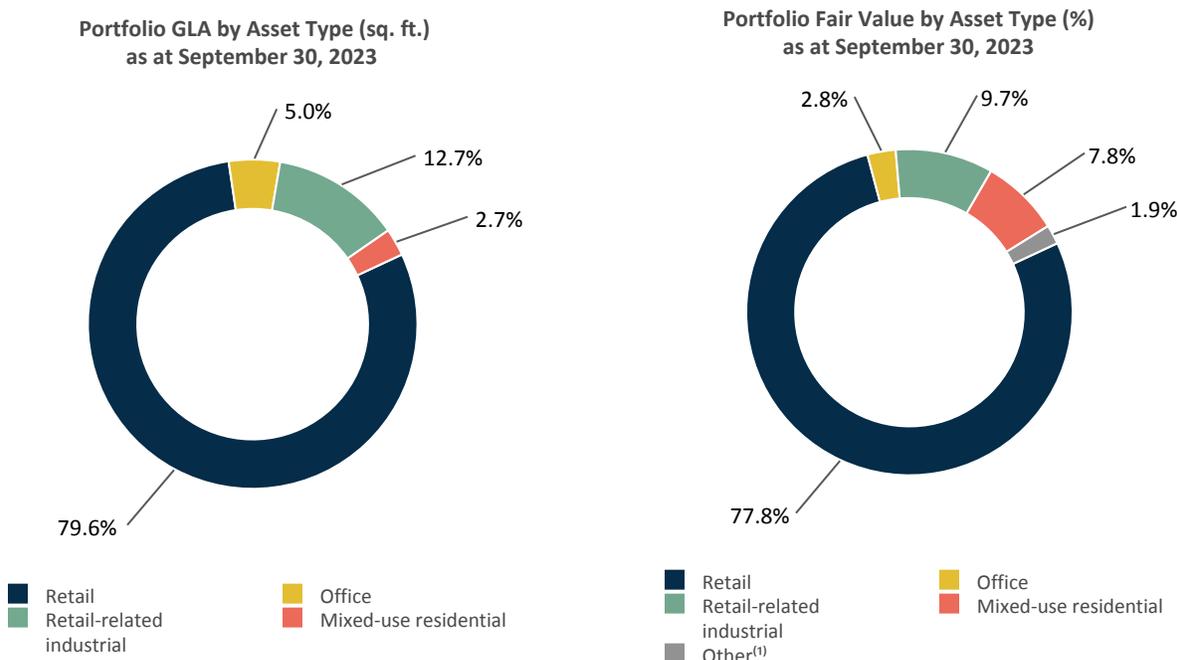
For an explanation of the determination of capitalization rates, see the "Other Disclosures" section of this MD&A, under "Investment Property Valuation" in the "Use of Estimates and Judgments" section.

	GLA (sq. ft.)	
	September 30, 2023	September 30, 2022
VECTOM	6,477,000	6,166,000
Major Markets	4,843,000	5,001,000
Rest of Canada	7,862,000	7,694,000
<b>Total</b>	<b>19,182,000</b>	<b>18,861,000</b>

When compared to September 30, 2022, VECTOM GLA increased by 311,000 square feet primarily due to the substantial completion of Voilà CFC 3, in Calgary, Alberta, during the fourth quarter of 2022. Rest of Canada GLA increased by 168,000 square feet largely due to acquisition activity in the first two quarters of 2023, while Major Markets GLA decreased by 158,000 square feet due to disposition activity in the fourth quarter of 2022.

## 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, 2023:



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

Retail properties represent 79.6% of Crombie's GLA and 77.8% of fair value at September 30, 2023, compared to 81.0% of Crombie's GLA and 78.8% of fair value at September 30, 2022.

	GLA (sq. ft.)	
	September 30, 2023	September 30, 2022
Retail	15,272,000	15,283,000
Office	962,000	954,000
Retail-related industrial	2,434,000	2,110,000
Mixed-use residential	514,000	514,000
<b>Total</b>	<b>19,182,000</b>	<b>18,861,000</b>

When compared to September 30, 2022, retail-related industrial increased 324,000 square feet due to the substantial completion of Voilà CFC 3, in Calgary, Alberta, in the fourth quarter of 2022 and the substantial completion of a warehouse, in Burlington, Ontario, in the third quarter of 2023.

## Portfolio Review - Excluding Joint Ventures

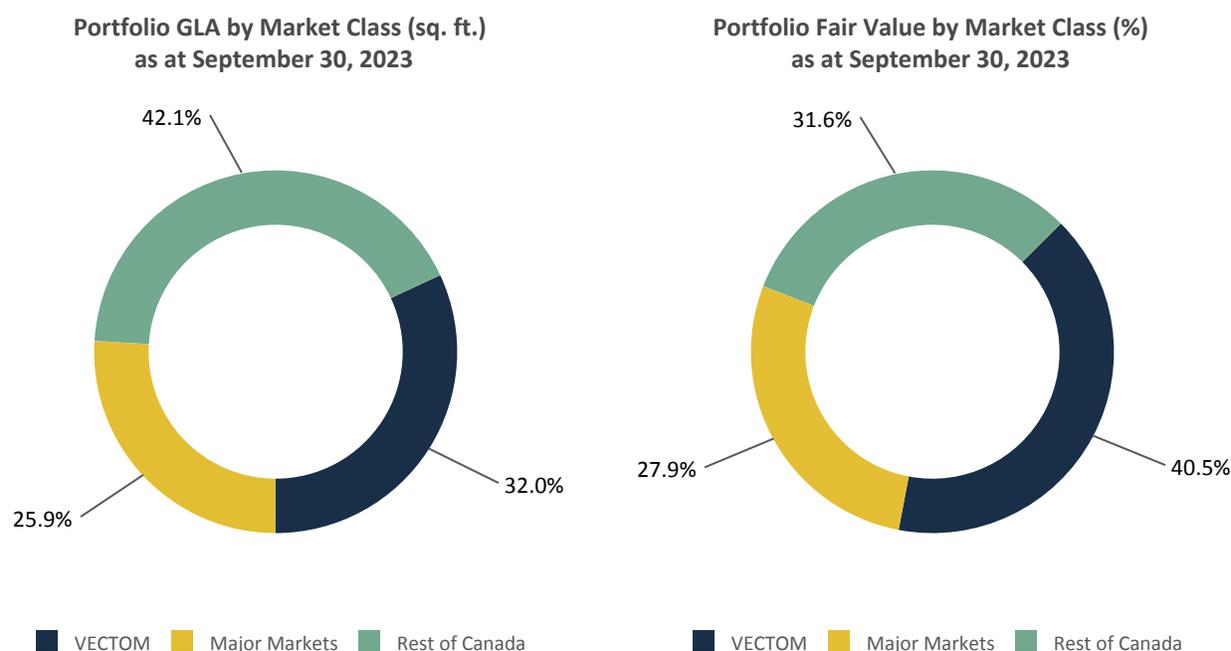
As at September 30, 2023, Crombie's property portfolio consisted of full ownership interests in 233 investment properties, and partial ownership interests in 61 investment properties held in joint operations. In addition to investment properties, Crombie also has full ownership interests in four properties under development ("PUD"), and a partial ownership in two properties under development held in joint operations. Together, Crombie's share of these 294 investment properties contains approximately 18.7 million square feet of GLA in all 10 provinces.

Partial ownership interests are reflected in our financial statements, based on our proportionate ownership in such joint operations.

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

### Market Class

In recent years, 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.



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

	September 30, 2023	December 31, 2022	September 30, 2022
VECTOM	5.11 %	5.03 %	4.77 %
Major Markets	6.14 %	6.18 %	5.93 %
Rest of Canada	6.88 %	6.94 %	6.75 %
<b>Weighted average portfolio capitalization rate</b>	<b>5.96 %</b>	<b>5.94 %</b>	<b>5.71 %</b>

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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Crombie's weighted average capitalization rate has remained stable compared to December 31, 2022. Since September 30, 2022, capitalization rates in general have expanded despite solid fundamentals. The increase in capitalization rates is largely the result of tightening financial conditions, including higher borrowing costs and uncertainty around monetary policy.

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

Crombie's portfolio diversification by market class of its investment properties as at September 30, 2023 and 2022 is as follows:

	GLA (sq. ft.)			September 30, 2023	Number of Investment Properties	% of AMR	% NOI <sup>(2)</sup>	Economic Occupancy	Committed Occupancy
	January 1, 2023	Net Acquisitions	Other <sup>(1)</sup>						
VECTOM	5,956,000	—	7,000	<b>5,963,000</b>	88	35.0 %	33.8 %	99.2 %	99.4 %
Major Markets	4,794,000	—	33,000	<b>4,827,000</b>	64	26.8 %	27.8 %	96.2 %	97.1 %
Rest of Canada	7,695,000	139,000	28,000	<b>7,862,000</b>	142	38.2 %	38.4 %	93.4 %	93.8 %
<b>Total</b>	<b>18,445,000</b>	<b>139,000</b>	<b>68,000</b>	<b>18,652,000</b>	<b>294</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>96.0 %</b>	<b>96.4 %</b>

	GLA (sq. ft.)			September 30, 2022	Number of Investment Properties	% of AMR	% NOI <sup>(2)</sup>	Economic Occupancy	Committed Occupancy
	January 1, 2022	Net Acquisitions	Other <sup>(1)</sup>						
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 %
<b>Total</b>	<b>17,861,000</b>	<b>441,000</b>	<b>29,000</b>	<b>18,331,000</b>	<b>290</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>96.2 %</b>	<b>96.8 %</b>

(1) Changes in GLA include increases for completed developments and additions/expansions to GLA on existing properties and reclassifications within market class.

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

For the nine months ended September 30, 2023, three investment properties, at full interest totalling 139,000 square feet, were acquired in the Rest of Canada. Additionally, retail development expansions occurred at five properties adding 29,000 square feet of GLA to Rest of Canada, 5,000 square feet of GLA to VECTOM, and 4,000 square feet of GLA to Major Markets. Crombie completed the development of one retail-related industrial asset totalling 20,000 square feet in Major Markets. These additions to GLA are included in "Other" changes.

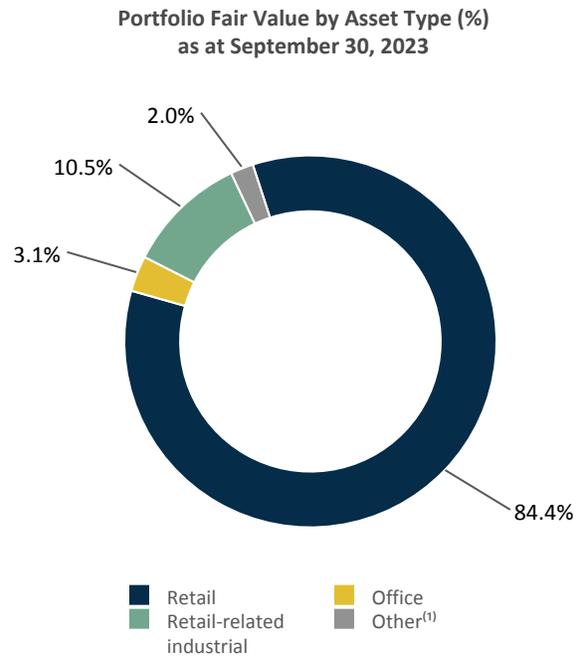
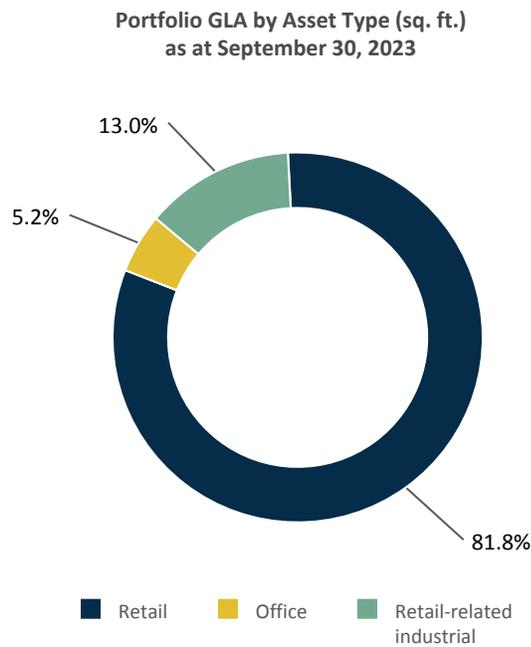
When compared to September 30, 2022, the percentage of annual minimum rent ("AMR") generated from VECTOM increased by 100 basis points, while Major Markets AMR decreased by 80 basis points and Rest of Canada AMR decreased by 20 basis points. The increase in VECTOM is primarily due to new leasing and development activity over the last twelve months, including the completion of Voilà CFC 3.

As at September 30, 2023, committed and economic occupancy stand at 96.4% and 96.0%, respectively. Committed occupancy decreased by 40 basis points compared to September 30, 2022, while economic occupancy decreased by 20 basis points, primarily due to natural lease expiries and planned attrition.

Over the last twelve months, 321,000 net square feet of GLA was added to the portfolio. The net increase in GLA is due to 139,000 square feet of acquisitions, and 373,000 square feet of other changes throughout the portfolio, primarily from development activity. This is partially offset by the disposition of 191,000 square feet.

## Asset Type

Retail properties represent 81.8% of Crombie’s GLA and 84.4% of fair value at September 30, 2023, compared to 83.3% of GLA and 85.3% of fair value at September 30, 2022.



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

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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Crombie's portfolio diversification of its investment properties by asset type, as at September 30, 2023 and 2022, is as follows:

	GLA (sq. ft.)				Number of Investment Properties	% of AMR	% of NOI <sup>(2)</sup>	Economic Occupancy	Committed Occupancy
	January 1, 2023	Net Acquisitions	Other <sup>(1)</sup>	September 30, 2023					
Retail	15,077,000	139,000	40,000	15,256,000	282	87.3 %	88.7 %	95.7 %	96.2 %
Office	954,000	—	8,000	962,000	5	3.8 %	4.0 %	90.9 %	91.0 %
Retail-related industrial	2,414,000	—	20,000	2,434,000	7	8.9 %	7.3 %	100.0 %	100.0 %
<b>Total</b>	<b>18,445,000</b>	<b>139,000</b>	<b>68,000</b>	<b>18,652,000</b>	<b>294</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>96.0 %</b>	<b>96.4 %</b>

	GLA (sq. ft.)				Number of Investment Properties	% of AMR	% of NOI <sup>(2)</sup>	Economic Occupancy	Committed Occupancy
	January 1, 2022	Net Acquisitions	Other <sup>(1)</sup>	September 30, 2022					
Retail	15,052,000	206,000	9,000	15,267,000	280	89.4 %	89.5 %	95.9 %	96.7 %
Office	954,000	—	—	954,000	5	4.0 %	4.0 %	92.0 %	92.6 %
Retail-related industrial	1,855,000	235,000	20,000	2,110,000	5	6.6 %	6.5 %	100.0 %	100.0 %
<b>Total</b>	<b>17,861,000</b>	<b>441,000</b>	<b>29,000</b>	<b>18,331,000</b>	<b>290</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>96.2 %</b>	<b>96.8 %</b>

(1) Changes in GLA include increases for completed developments and additions/expansions to GLA on existing properties and reclassifications within asset types.

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

For the nine months ended September 30, 2023, retail GLA increased by 139,000 square feet due to the acquisition of three investment properties at full interest. Crombie completed retail development expansions at grocery-anchored properties in Riverview and Moncton, both in New Brunswick, Timberlea, Nova Scotia, and Chestermere, Alberta, totalling 31,000 square feet. Crombie also completed retail development at a non-grocery-anchored site in Summerside, Prince Edward Island, totalling 7,000 square feet. Additionally, one retail-related industrial asset was completed in the third quarter of 2023 in Burlington, Ontario, totalling 20,000 square feet. These additions to GLA are included in "Other" changes.

Economic occupancy decreased by 20 basis points compared to September 30, 2022 and committed occupancy decreased by 40 basis points. Committed occupancy in our retail portfolio is 96.2%, a decrease from 96.7% at September 30, 2022, and our office portfolio is at 91.0%, a decrease from 92.6% at September 30, 2022, both primarily due to natural lease expiries and planned attrition.

Crombie continues to enhance its portfolio asset mix with 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; however, 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 reflected in the "Total Portfolio Review Inclusive of Joint Ventures" section of this MD&A on page 9 and the "Joint Ventures" section of the MD&A on page 60.

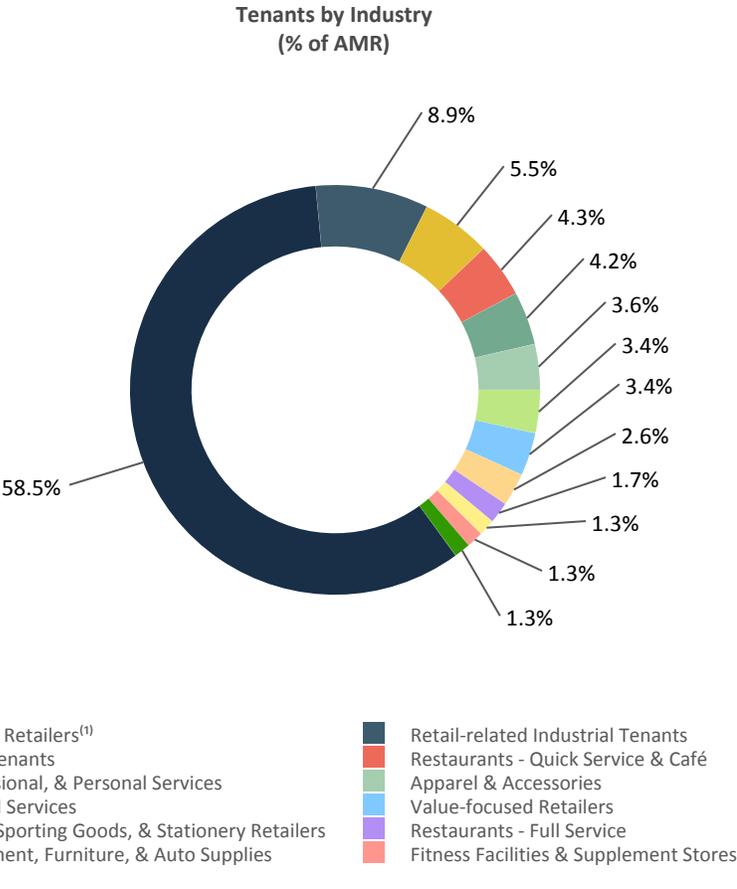
## Non-major Development - Completed

Property development is a strategic priority for Crombie and included in that is non-major development projects with expected costs of less than \$50,000. Non-major developments are accretive with shorter project durations and less overall risk than our major development projects. For the nine months ended September 30, 2023, Crombie added 58,000 square feet of GLA to its portfolio, enhancing overall quality.

Property Name	Location	Market Class	Three months ended			Total GLA	Tenants
			March 31, 2023	June 30, 2023	September 30, 2023		
Findlay Boulevard	Riverview, NB	Rest of Canada	10,000	—	—	10,000	Dollarama
Elmwood Drive	Moncton, NB	Rest of Canada	12,000	—	—	12,000	A&W and Pet Valu
Chestermere Station Way	Chestermere, AB	VECTOM	—	5,000	—	5,000	McDonald's
Granville Street	Summerside, PE	Rest of Canada	—	5,000	2,000	7,000	Bank of Nova Scotia and Dairy Queen
Marketway Lane	Timberlea, NS	Major Market	—	—	4,000	4,000	Pet Valu
Harvester Road	Burlington, ON	Major Market	—	—	20,000	20,000	Empire
<b>Total</b>			<b>22,000</b>	<b>10,000</b>	<b>26,000</b>	<b>58,000</b>	

# Tenant Profile

We build and own a high-quality, resilient, and diversified portfolio, backed primarily by grocery tenants, which delivers consistent long-term earnings and cash flow stability. As at September 30, 2023, 81% of our AMR was generated from grocery-anchored properties, inclusive of retail-related industrial, compared to 79% at September 30, 2022. The increase is primarily due to the development of retail-related industrial assets, 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<sup>(\*)</sup> and AFFO<sup>(\*)</sup> 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.

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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, 2023.

Tenant	% of AMR	GLA (sq. ft.)	Weighted Average Remaining Lease Term	DBRS Morningstar ("DBRS") Credit Rating
Empire Company Limited <sup>(1)</sup>	58.5 %	11,213,000	11.5 years	BBB
Shoppers Drug Mart	2.4 %	228,000	5.0 years	BBB(high)
Dollarama	1.8 %	386,000	5.4 years	BBB
Province of Nova Scotia	1.5 %	355,000	6.4 years	A(high)
Shell Canada	1.1 %	23,000	11.6 years	AA(low)
Bank of Nova Scotia	1.1 %	173,000	2.7 years	AA
Cineplex	1.0 %	207,000	7.4 years	-
GoodLife Fitness	0.9 %	190,000	5.0 years	-
Canadian Imperial Bank of Commerce	0.9 %	132,000	13.2 years	AA
Government of Canada	0.9 %	130,000	4.2 years	AAA
Canadian Tire Corporation	0.8 %	153,000	3.4 years	BBB
Restaurant Brands International	0.7 %	66,000	4.7 years	-
Royal Bank of Canada	0.5 %	49,000	3.6 years	AA(high)
SAQ/Province of Quebec	0.5 %	65,000	6.0 years	AA(low)
Halifax Regional Municipality	0.5 %	127,000	7.1 years	-
Pet Valu	0.5 %	69,000	4.7 years	-
Metro	0.5 %	88,000	5.6 years	BBB(high)
TJX Companies	0.5 %	120,000	4.9 years	-
Giant Tiger	0.4 %	188,000	3.2 years	-
Toronto Dominion Bank	0.4 %	45,000	2.4 years	AA(high)
<b>Total</b>	<b>75.4 %</b>	<b>14,007,000</b>	<b>10.3 years</b>	

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

Other than Empire, which accounts for 58.5% of AMR, and Shoppers Drug Mart, which accounts for 2.4% of AMR, no other tenant accounts for more than 1.8% of Crombie's AMR. Empire's percent of AMR increased by 60 basis points compared to September 30, 2022 as a result of the acquisition of Empire properties over the last twelve months, the development of retail-related industrial assets, modernizations, renewals, and contractual rent step-ups. This is partially offset by Empire's assignment to Crombie of Shell Canada retail fuel site subleases in Western Canada. For more information regarding this assignment, see the "Other Disclosures" section of this MD&A, starting on page 65.

For the nine months ended September 30, 2023, Empire represents 53.5% 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 9.0 years, which decreased 0.1 years as compared to September 30, 2022. This remaining lease term is influenced by the weighted average Empire remaining lease term of 11.5 years, which decreased 0.1 years from September 30, 2022.

## 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/

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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renewal activity is suspended. Same-asset property cash NOI<sup>(\*)</sup> reflects Crombie's proportionate ownership of jointly-operated properties (and excludes any properties held in joint ventures).

	Crombie-owned Properties				Total <sup>(1)</sup>
	Investment Properties ("IP")	Properties Under Development ("PUD")	Sub-total	Additional Properties in Joint Ventures ("JV")	
Same-asset properties	286	—	286	2	288
Non-same-asset properties:					
Acquisitions - 2023	3	—	3	—	3
Other <sup>(2)</sup>	3	5	8	—	8
Active and completed major developments <sup>(3)</sup>	2	1	3	2	5
	8	6	14	2	16
<b>Total Properties</b>	<b>294</b>	<b>6</b>	<b>300</b>	<b>4</b>	<b>304</b>

(1) Same-asset metrics throughout the MD&A do not include properties held in joint ventures.

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

(3) Active and completed major developments include:

- Avalon Mall retail (IP)
- Voilà CFC 3 (IP)
- The Marlstone (PUD)
- Le Duke (JV)
- Bronte Village (JV)

The following table illustrates the movement in Crombie's same-asset properties as at September 30, 2023.

	Investment Properties ("IP")	Additional Properties in Joint Ventures ("JV")	Total <sup>(1)</sup>
Same-asset properties December 31, 2022	274	1	275
Transfers from acquisitions <sup>(2)</sup>	10	—	10
Transfers to/from other non-same-asset properties	2	1	3
<b>Total same-asset properties September 30, 2023</b>	<b>286</b>	<b>2</b>	<b>288</b>

(1) Same-asset metrics throughout the MD&A do not include properties held in joint ventures.

(2) Acquisitions transferred to same-asset were acquired in 2022 and have a full 12 months of comparative results.

## Strategic Acquisitions and Dispositions

As at September 30, 2023, GLA at Crombie's interest in its investment properties was 18.7 million square feet compared to 18.3 million square feet as at September 30, 2022. The net increase in GLA is due to 139,000 square feet of acquisitions, and 373,000 square feet of other changes throughout the portfolio, primarily from development activity. This is partially offset by the disposition of 191,000 square feet.

### Strategic Acquisitions

Through strategic and selective acquisitions of high-quality, primarily grocery-anchored assets, Crombie intends to continue to enhance overall portfolio quality. Crombie's acquisitions are intended to add strategic value to the portfolio, while leading to strong AFFO<sup>(\*)</sup> accretion and NAV<sup>(\*)</sup> growth. During the nine months ended September 30, 2023, Crombie completed acquisitions of three income-producing properties, for a total aggregate purchase price of \$26,482 excluding transaction and closing costs. All were acquired from Empire, our strategic partner, adding 139,000 square feet, located in Rest of Canada.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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Date	Property	Location	Vendor	Strategy	Ownership			
					Number of Investment Properties	Interest	Sq. ft.	Price <sup>(1)</sup>
<b>2023 First Quarter</b>								
January 19, 2023	Main Street North	Mount Forest, ON	Related Party	Income-producing	1	100 %	21,000	\$ 2,122
February 27, 2023	Port O'Call	Red Deer, AB	Related Party	Income-producing	1	100 %	60,000	14,600
					<u>2</u>		<u>81,000</u>	<u>16,722</u>
<b>2023 Second Quarter</b>								
May 1, 2023	Arthur Street West	Thunder Bay, ON	Related Party	Income-producing	1	100 %	58,000	9,760
<b>Total acquisitions for the nine months ended September 30, 2023</b>					<b>3</b>		<b>139,000</b>	<b>\$ 26,482</b>
Total acquisitions for the nine months ended September 30, 2022 <sup>(2)</sup>					11		589,000	\$ 107,761

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

(2) Includes acquisition of a parcel of retail land developed by Crombie and acquisition of the remaining 50% interest in a pre-existing retail-related industrial property.

### Strategic Dispositions

Over the years, Crombie has worked to optimize our portfolio through traditional dispositions and innovative partnerships. In line with our strategy of recycling capital through dispositions at or above fair value, 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 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.

Date	Property	Location	Ownership				Price
			Number of Investment Properties	Interest	Sq. ft.	Net Property Income <sup>(2)</sup>	
<b>Total dispositions for the nine months ended September 30, 2023</b>			—	—	—	\$ —	\$ —
Total dispositions for the nine months ended September 30, 2022 <sup>(1)</sup>			6	—	148,000	\$ 2,925 <sup>(2)</sup>	\$ 62,376

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

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

## 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, 2023 was as follows:

	Occupied Space (sq. ft.)					September 30, 2023	Economic Occupancy	Committed Space (sq. ft.) <sup>(3)</sup>	Total Committed Space (sq. ft.)	Committed Occupancy
	January 1, 2023	Net Acquisitions	New Leases <sup>(1)</sup>	Lease Expiries	Other <sup>(2)</sup>					
VECTOM	5,611,000	—	313,000	(1,000)	(7,000)	<b>5,916,000</b>	99.2 %	10,000	5,926,000	99.4 %
Major Markets	4,606,000	—	105,000	(21,000)	(44,000)	<b>4,646,000</b>	96.2 %	42,000	4,688,000	97.1 %
Rest of Canada	7,267,000	139,000	39,000	(31,000)	(71,000)	<b>7,343,000</b>	93.4 %	32,000	7,375,000	93.8 %
<b>Total</b>	<b>17,484,000</b>	<b>139,000</b>	<b>457,000</b>	<b>(53,000)</b>	<b>(122,000)</b>	<b>17,905,000</b>	<b>96.0 %</b>	<b>84,000</b>	<b>17,989,000</b>	<b>96.4 %</b>

	Occupied Space (sq. ft.)					September 30, 2023	Economic Occupancy	Committed Space (sq. ft.) <sup>(3)</sup>	Total Committed Space (sq. ft.)	Committed Occupancy
	January 1, 2023	Net Acquisitions	New Leases <sup>(1)</sup>	Lease Expiries	Other <sup>(2)</sup>					
Retail	14,495,000	139,000	83,000	(37,000)	(84,000)	<b>14,596,000</b>	95.7 %	83,000	14,679,000	96.2 %
Office	879,000	—	50,000	(16,000)	(38,000)	<b>875,000</b>	90.9 %	1,000	876,000	91.0 %
Retail-related industrial	2,110,000	—	324,000	—	—	<b>2,434,000</b>	100.0 %	—	2,434,000	100.0 %
<b>Total</b>	<b>17,484,000</b>	<b>139,000</b>	<b>457,000</b>	<b>(53,000)</b>	<b>(122,000)</b>	<b>17,905,000</b>	<b>96.0 %</b>	<b>84,000</b>	<b>17,989,000</b>	<b>96.4 %</b>

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

(2) Other includes amendments to existing leases; lease terminations and surrenders; bankruptcies; space certifications; and reclassifications within 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.

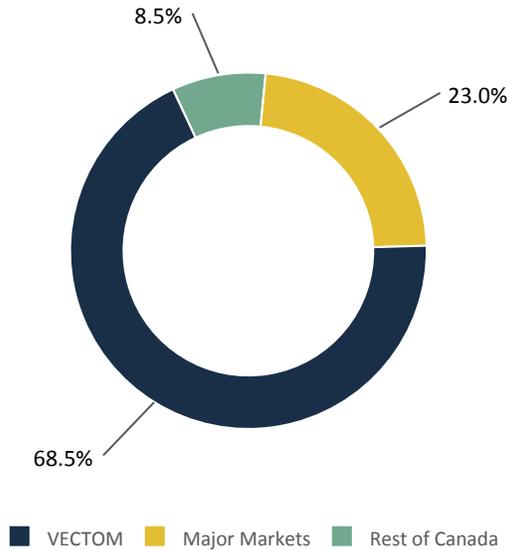
Committed occupancy has decreased from 96.8% at September 30, 2022 to 96.4% at September 30, 2023. During the nine months ended September 30, 2023, Crombie had an increase from acquisition activity of 139,000 square feet and had new leases outpace lease expiries by 404,000 square feet.

Committed space in our retail properties portfolio was 96.2% at September 30, 2023, a decrease from 96.7% at September 30, 2022, primarily due to natural lease expiries and planned attrition. Committed space in office properties was 91.0% at September 30, 2023, which decreased from 92.6% at September 30, 2022. This was primarily due to natural lease expiries and planned attrition at our office properties. Committed space in retail-related industrial properties of 100.0% at September 30, 2023 remained constant from 100.0% at September 30, 2022.

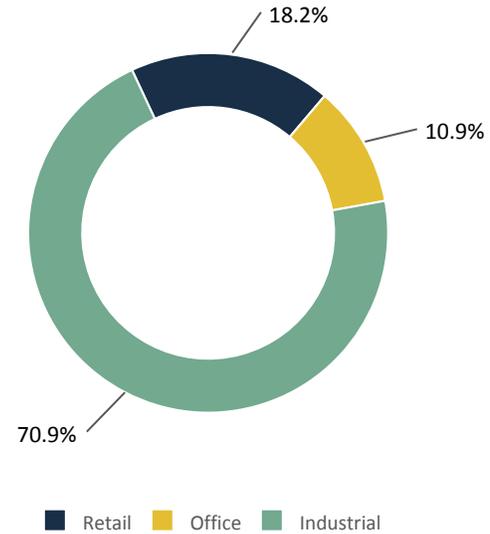
The portfolio average AMR per occupied square foot for our income-producing properties was \$17.49 as at September 30, 2023, an increase of 3.5%, compared to \$16.89 as at September 30, 2022.

## New Leasing Activity

**New Leasing by Market Class (sq. ft.)  
as at September 30, 2023**



**New Leasing by Asset Type (sq. ft.)  
as at September 30, 2023**

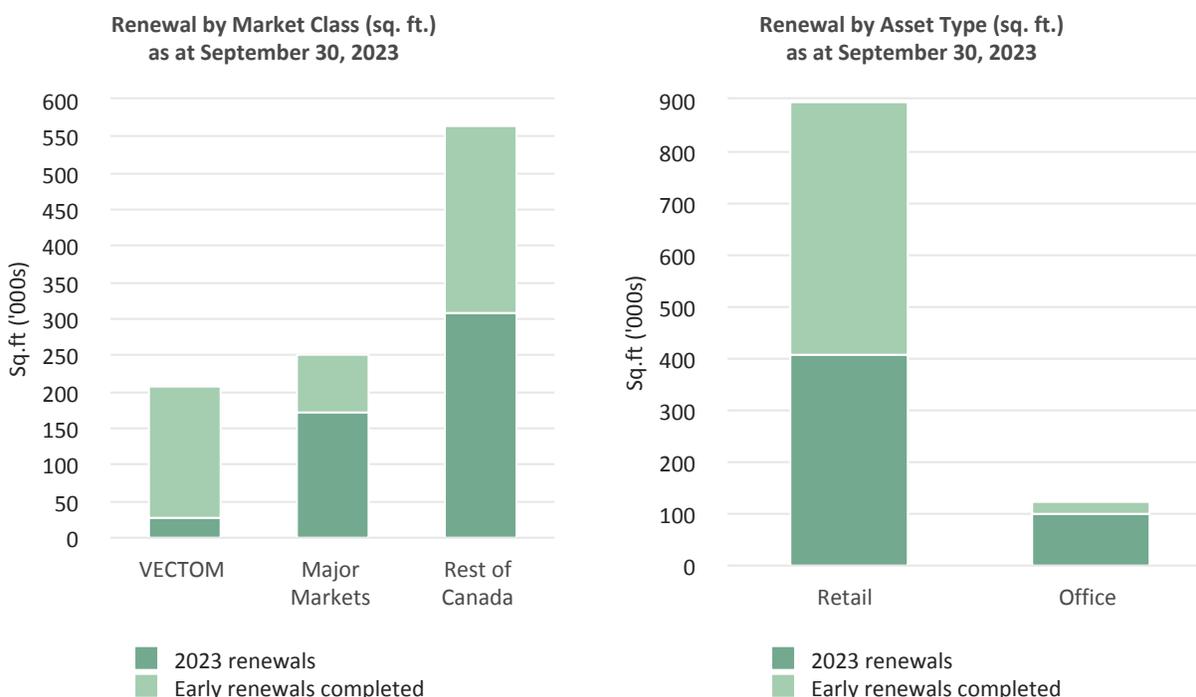


New leases increased occupancy by 457,000 square feet at September 30, 2023, at an average first year rate of \$22.24 per square foot.

Crombie is focused on increasing its presence in VECTOM and Major Markets. For the nine months ended September 30, 2023, 91.5% of new leases, equivalent to 418,000 square feet, were completed in these markets. New leases of 39,000 square feet occurred in Rest of Canada markets during the nine months ended September 30, 2023. The vast majority of the portfolio's vacancy is within this market, as several Rest of Canada properties have material vacancy.

At September 30, 2023, 84,000 square feet of GLA at an average first year rate of \$27.24 per square foot was committed, with tenants expected to take possession in the fourth quarter of 2023 and throughout 2024. VECTOM and Major Markets represent 52,000 square feet of committed space, including 31,000 square feet in Burlington, Ontario.

## Renewal Activity



For the nine months ended September 30, 2023, renewal activity for our portfolio was as follows:

	Three months ended September 30, 2023			Nine months ended September 30, 2023		
	Square Feet	Rate PSF	Growth %	Square Feet	Rate PSF	Growth %
2023 Renewals	49,000	\$19.46	7.6 %	509,000	\$17.51	5.5 %
Future Year Renewals	189,000	\$12.55	6.1 %	514,000	\$18.03	5.1 %
<b>Total</b>	<b>238,000</b>	<b>\$13.98</b>	<b>6.5 %</b>	<b>1,023,000</b>	<b>\$17.77</b>	<b>5.3 %</b>

Crombie's renewal activity for the three months ended September 30, 2023 included retail renewals of 209,000 square feet with an increase of 7.0% over expiring rental rates. Driving this growth was 127,000 square feet of renewals at retail plazas, with an increase of 7.2% over expiring rental rates. Also contributing to this growth was 67,000 square feet of renewals at commercial properties, with an increase of 8.0% 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 7.9% for the three months ended September 30, 2023.

For the nine months ended September 30, 2023, Crombie renewed 897,000 square feet of retail renewals with an increase of 5.8% over expiring rental rates. Driving this growth was 303,000 square feet of retail plaza renewals at an increase of 6.4% over expiring rental rates, and 73,000 square feet of renewals at commercial properties at an increase of 7.0% 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 6.9% for the nine months ended September 30, 2023.

Crombie continues to demonstrate portfolio stability with approximately 44.8% of total renewals occurring in VECTOM and Major Markets. Total renewal growth was positively impacted by the 209,000 square feet of renewals in VECTOM at an average first year rate of \$27.49 per square foot, an increase of 4.4% over expiring rental rates. Major Markets saw renewals of 250,000 square feet, with an increase of 4.5% over expiring rental rates or an average first year rate of \$18.02 per square foot. The remaining 564,000 square feet of renewals was in Rest of Canada at an average first year rate of \$14.08, with an increase of 6.4% over expiring rental rates.

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Crombie proactively manages its lease maturities, taking advantage of opportunities to renew tenants prior to expiration. During the nine months ended September 30, 2023, approximately 514,000 square feet of renewals related to future year expiries were completed.

## Lease Maturities

The following table sets out, as at September 30, 2023, the total 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 <sup>(1)</sup>	Renewal Area (sq. ft.)	% of Total GLA	Average AMR per sq. ft. at Expiry
2023	126	509,000	2.7 %	\$ 15.95
2024	195	814,000	4.4 %	18.00
2025	178	1,131,000	6.1 %	15.96
2026	174	982,000	5.3 %	17.52
2027	175	1,359,000	7.3 %	18.51
2028	126	961,000	5.2 %	18.25
2029	100	1,123,000	6.0 %	18.67
2030	48	589,000	3.2 %	16.73
2031	87	1,044,000	5.6 %	19.87
2032	81	552,000	3.0 %	21.36
Thereafter	314	8,925,000	47.6 %	20.97
<b>Total</b>	<b>1,604</b>	<b>17,989,000</b>	<b>96.4 %</b>	<b>\$ 19.52</b>

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

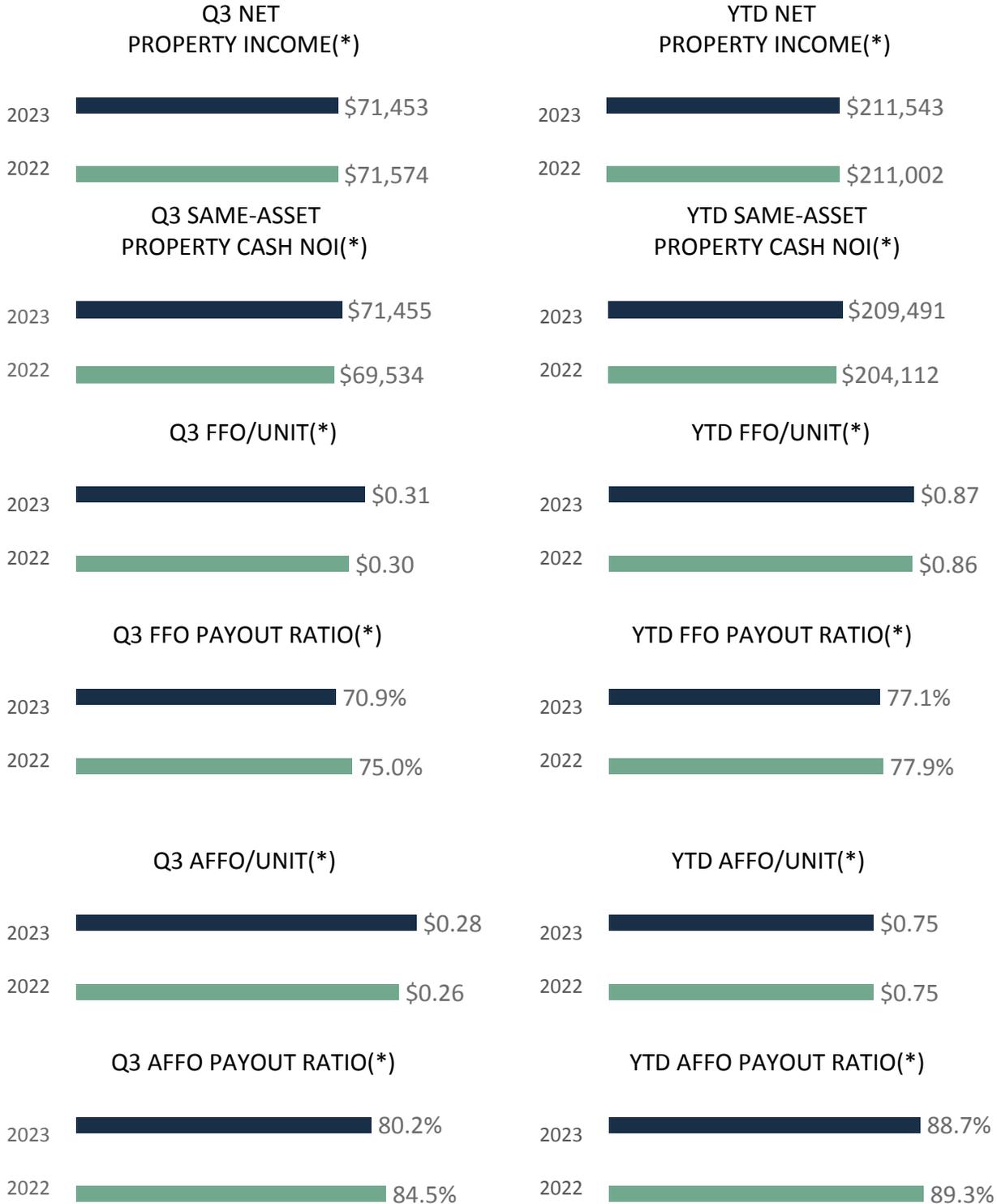
The following table sets out, as at September 30, 2023, the number of Empire leases maturing during the periods indicated, the renewal area, the percentage of the total GLA of the properties represented by such maturities, and the estimated average AMR per square foot at the time of expiry.

Year	Number of Leases <sup>(1)</sup>	Renewal Area (sq. ft.)	% of Total GLA	Average AMR per sq. ft. at Expiry
2023	10	73,000	0.4 %	\$ 13.55
2024	3	98,000	0.5 %	9.42
2025	7	255,000	1.4 %	13.34
2026	14	255,000	1.4 %	14.05
2027	17	537,000	2.9 %	13.41
2028	12	320,000	1.7 %	15.78
2029	15	506,000	2.7 %	16.06
2030	7	269,000	1.4 %	13.68
2031	13	463,000	2.5 %	16.67
2032	4	145,000	0.8 %	18.91
Thereafter	197	8,323,000	44.6 %	20.32
<b>Total<sup>(2)</sup></b>	<b>299</b>	<b>11,244,000</b>	<b>60.3 %</b>	<b>\$ 18.90</b>

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

(2) One Empire lease, totalling approximately 31,000 square feet, is included in committed occupancy.

## 5. FINANCIAL PERFORMANCE REVIEW



PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	Variance	2023	2022	Variance
Property revenue	\$ 104,491	\$ 103,642	\$ 849	\$ 320,009	\$ 311,652	\$ 8,357
Revenue from management and development services	297	—	297	2,343	—	2,343
Property operating expenses	(33,038)	(32,068)	(970)	(108,466)	(100,650)	(7,816)
Gain on disposal of investment properties	477	13,357	(12,880)	588	18,220	(17,632)
Impairment of investment properties	—	(10,400)	10,400	—	(10,400)	10,400
Depreciation and amortization	(19,834)	(22,744)	2,910	(58,748)	(60,845)	2,097
General and administrative expenses	(4,808)	(3,706)	(1,102)	(21,895)	(13,484)	(8,411)
Finance costs - operations	(20,665)	(20,884)	219	(62,429)	(62,391)	(38)
Gain on distribution from equity-accounted investments	—	1,000	(1,000)	—	2,933	(2,933)
Income (loss) from equity-accounted investments	876	(1,787)	2,663	1,124	(4,953)	6,077
<b>Operating income attributable to Unitholders</b>	<b>27,796</b>	<b>26,410</b>	<b>1,386</b>	<b>72,526</b>	<b>80,082</b>	<b>(7,556)</b>
Distributions to Unitholders	(40,077)	(39,513)	(564)	(119,773)	(118,143)	(1,630)
Change in fair value of financial instruments	1,191	1,782	(591)	3,311	4,027	(716)
<b>Decrease in net assets attributable to Unitholders</b>	<b>\$ (11,090)</b>	<b>\$ (11,321)</b>	<b>\$ 231</b>	<b>\$ (43,936)</b>	<b>\$ (34,034)</b>	<b>\$ (9,902)</b>
Operating income attributable to Unitholders per Unit, basic	\$ 0.15	\$ 0.15	\$ —	\$ 0.40	\$ 0.46	\$ (0.06)
Basic weighted average Units outstanding (in 000's)	180,003	177,491	2,512	179,332	175,728	3,604
Distributions per Unit to Unitholders	\$ 0.22	\$ 0.22	\$ —	\$ 0.67	\$ 0.67	\$ —
<b>Other Non-GAAP Performance Metrics</b>						
Same-asset property cash NOI <sup>(*)</sup>	\$ 71,455	\$ 69,534	\$ 1,921	\$ 209,491	\$ 204,112	\$ 5,379
FFO <sup>(*)</sup>	\$ 56,510	\$ 52,665	\$ 3,845	\$ 155,413	\$ 151,633	\$ 3,780
FFO <sup>(*)</sup> per Unit - basic	\$ 0.31	\$ 0.30	\$ 0.01	\$ 0.87	\$ 0.86	\$ 0.01
FFO <sup>(*)</sup> payout ratio (%)	70.9 %	75.0 %	(4.1)%	77.1 %	77.9 %	(0.8)%
AFFO <sup>(*)</sup>	\$ 49,962	\$ 46,787	\$ 3,175	\$ 134,989	\$ 132,236	\$ 2,753
AFFO <sup>(*)</sup> per Unit - basic	\$ 0.28	\$ 0.26	\$ 0.02	\$ 0.75	\$ 0.75	\$ —
AFFO <sup>(*)</sup> payout ratio (%)	80.2 %	84.5 %	(4.3)%	88.7 %	89.3 %	(0.6)%

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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## Operating income attributable to Unitholders

### For the three months ended:

Operating income attributable to Unitholders increased by \$1,386, or 5.2%, primarily due to a decrease of \$10,400 in impairment of investment properties, and lower depreciation and amortization of \$2,910 due to accelerated depreciation recorded in the third quarter of 2022 on a property scheduled for demolition. Income from equity-accounted investments increased \$2,663, of which \$2,345 resulted from the sale of land at our Opal Ridge joint venture in Dartmouth, Nova Scotia. The growth in operating income was offset in part by gain on disposal of investment properties of \$13,357 in the third quarter of 2022 and increased general and administrative expenses of \$1,102 due to higher consulting costs, salaries and benefits and Unit-based compensation costs in the third quarter of 2023. Operating income growth was further offset by gain on distribution from equity-accounted investments of \$1,000 in the third quarter of 2022, resulting from cash distributions received from 1600 Davie Limited Partnership in excess of our investment in the joint venture.

### For the nine months ended:

Operating income attributable to Unitholders decreased by \$7,556, or 9.4%, on a year-to-date basis, primarily due to lower gain on disposal of investment properties of \$17,632, and higher general and administrative expenses resulting from employee transition costs of \$7,172 in the second quarter of 2023. Also contributing to the variance year over year was a gain on distribution from equity-accounted investments of \$2,933 in the first nine months of 2022 as a result of cash distributions received from 1600 Davie Limited Partnership in excess of our investment in the joint venture. The decrease was offset in part by a reduction of \$10,400 in impairment of investment properties and growth in income from equity-accounted investments of \$6,077, of which \$5,722 resulted from the sale of land at our Opal Ridge joint venture in Dartmouth, Nova Scotia in the first nine months of 2023. Further offsetting the decrease in operating income was revenue from management and development services of \$2,343, and reduced depreciation and amortization of \$2,097 due to accelerated depreciation recorded in the third quarter of 2022 on a property scheduled for demolition.

Operating income attributable to Unitholders excluding employee transition costs of \$7,172 was \$79,698 (September 30, 2022 - \$81,293 excluding payment in respect of an executive retirement arrangement of \$1,211).

## Net Property Income<sup>(\*)</sup>

Management uses net property income<sup>(\*)</sup> as a measure of performance of properties period-over-period. Refer to the “Non-GAAP Financial Measures” section of this MD&A, starting on page 70, for a more detailed discussion on net property income<sup>(\*)</sup>.

Net property income<sup>(\*)</sup>, which excludes revenue from management and development services and certain expenses such as interest expense and indirect operating expenses, is as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	Variance	2023	2022	Variance
Property revenue	\$ 104,491	\$ 103,642	\$ 849	\$ 320,009	\$ 311,652	\$ 8,357
Property operating expenses	(33,038)	(32,068)	(970)	(108,466)	(100,650)	(7,816)
<b>Net property income<sup>(*)</sup></b>	<b>\$ 71,453</b>	<b>\$ 71,574</b>	<b>\$ (121)</b>	<b>\$ 211,543</b>	<b>\$ 211,002</b>	<b>\$ 541</b>
<b>Net property income<sup>(*)</sup> margin percentage</b>	<b>68.4 %</b>	<b>69.1 %</b>	<b>(0.7)%</b>	<b>66.1 %</b>	<b>67.7 %</b>	<b>(1.6)%</b>

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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### For the three months ended:

A decrease in net property income of \$121 was primarily due to higher tenant incentive amortization of \$2,043 from accelerated amortization related to lease amendments as a result of the assignment of subleases to Crombie from a subsidiary of Empire. Reduced revenue of \$720 related to dispositions and decreased percentage rent of \$509 further contributed to the reduction in net property income. This was partially offset by growth in rental revenue of \$1,914 from new developments and \$1,586 from renewals and new leasing.

### For the nine months ended:

An increase in net property income of \$541, compared to the same period in 2022, was primarily due to higher rental revenue of \$2,607 from new developments, \$2,478 from renewals and new leasing, \$1,603 from acquisitions, and \$1,297 in supplemental rent from modernizations investments. Lease termination income increased \$917 and parking revenue improved \$899 compared to the same period in 2022. The growth in net property income was partially offset by increased tenant incentive amortization of \$2,938 primarily from modernizations and accelerated amortization related to lease amendments as a result of the assignment of subleases to Crombie from a subsidiary of Empire. Rental revenue was reduced by \$2,816 from dispositions and lower percentage rent of \$711.

## Same-asset Property Cash NOI<sup>(\*)</sup>

Management uses net property income<sup>(\*)</sup> on a cash basis (property cash NOI<sup>(\*)</sup>) 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 70, for a more detailed discussion on property cash NOI<sup>(\*)</sup>.

Net property income on a cash basis<sup>(\*)</sup>, 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,		
	2023	2022	Variance	2023	2022	Variance
Net property income <sup>(*)</sup>	\$ 71,453	\$ 71,574	\$ (121)	\$ 211,543	\$ 211,002	\$ 541
Non-cash straight-line rent	(774)	(572)	(202)	(2,917)	(3,784)	867
Non-cash tenant incentive amortization <sup>(1)</sup>	7,838	5,795	2,043	19,987	17,049	2,938
<b>Property cash NOI<sup>(*)</sup></b>	<b>78,517</b>	<b>76,797</b>	<b>1,720</b>	<b>228,613</b>	<b>224,267</b>	<b>4,346</b>
Acquisitions and dispositions property cash NOI <sup>(*)</sup>	532	1,100	(568)	2,066	4,334	(2,268)
Development property cash NOI <sup>(*)</sup>	6,530	6,163	367	17,056	15,821	1,235
Acquisitions, dispositions, and development property cash NOI <sup>(*)</sup>	7,062	7,263	(201)	19,122	20,155	(1,033)
<b>Same-asset property cash NOI<sup>(*)</sup></b>	<b>\$ 71,455</b>	<b>\$ 69,534</b>	<b>\$ 1,921</b>	<b>\$ 209,491</b>	<b>\$ 204,112</b>	<b>\$ 5,379</b>

(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 results 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.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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Same-asset property cash NOI<sup>(\*)</sup> by asset type and market class is as follows:

	Three months ended September 30,				Nine months ended September 30,			
	2023	2022	Variance	%	2023	2022	Variance	%
VECTOM	\$ 25,213	\$ 24,931	\$ 282	1.1 %	\$ 74,589	\$ 73,787	\$ 802	1.1 %
Major Markets	21,305	20,685	620	3.0 %	62,941	60,082	2,859	4.8 %
Rest of Canada	24,937	23,918	1,019	4.3 %	71,961	70,243	1,718	2.4 %
<b>Same-asset property cash NOI<sup>(*)</sup></b>	<b>\$ 71,455</b>	<b>\$ 69,534</b>	<b>\$ 1,921</b>	<b>2.8 %</b>	<b>\$ 209,491</b>	<b>\$ 204,112</b>	<b>\$ 5,379</b>	<b>2.6 %</b>

	Three months ended September 30,				Nine months ended September 30,			
	2023	2022	Variance	%	2023	2022	Variance	%
Retail <sup>(1)</sup>	\$ 63,293	\$ 61,541	\$ 1,752	2.8 %	\$ 186,196	\$ 181,200	\$ 4,996	2.8 %
Office	3,204	3,109	95	3.1 %	9,254	8,922	332	3.7 %
Retail-related industrial <sup>(2)</sup>	4,958	4,884	74	1.5 %	14,041	13,990	51	0.4 %
<b>Same-asset property cash NOI<sup>(*)</sup></b>	<b>\$ 71,455</b>	<b>\$ 69,534</b>	<b>\$ 1,921</b>	<b>2.8 %</b>	<b>\$ 209,491</b>	<b>\$ 204,112</b>	<b>\$ 5,379</b>	<b>2.6 %</b>

(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.

#### For the three months ended:

Same-asset property cash NOI increased by \$1,921, or 2.8%, compared to the third quarter of 2022 primarily due to renewals and new leasing, higher supplemental rent of \$467 from modernizations and capital improvements, and increased lease termination income of \$463 resulting from a tenant surrender.

#### For the nine months ended:

On a year-to-date basis, same-asset property cash NOI increased by \$5,379, or 2.6%, compared to the same period in 2022, primarily due to renewals and new leasing, and an increase in supplemental rent of \$1,274 from modernizations and capital improvements. Additionally, lease termination income increased by \$917 resulting from tenant surrenders and parking revenue increased by \$899 compared to the same period in 2022. The increase in same-asset property cash NOI was offset in part by an increase in bad debt expense of \$494.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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## Funds from Operations (FFO)<sup>(\*)</sup>

Crombie follows the recommendations of the January 2022 guidance of the Real Property Association of Canada (“REALPAC”) in calculating FFO<sup>(\*)</sup>. Refer to the “Non-GAAP Financial Measures” section of this MD&A, starting on page 70, for a more detailed discussion on FFO<sup>(\*)</sup>.

The reconciliation of FFO<sup>(\*)</sup> for the three and nine months ended September 30, 2023 and 2022 is as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	Variance	2023	2022	Variance
Decrease in net assets attributable to Unitholders	\$ (11,090)	\$ (11,321)	\$ 231	\$ (43,936)	\$ (34,034)	\$ (9,902)
Add (deduct):						
Amortization of tenant incentives	7,838	5,795	2,043	19,987	17,049	2,938
Gain on disposal of investment properties	(477)	(13,357)	12,880	(588)	(18,220)	17,632
Gain on distribution from equity-accounted investments	—	(1,000)	1,000	—	(2,933)	2,933
Impairment of investment properties	—	10,400	(10,400)	—	10,400	(10,400)
Depreciation and amortization of investment properties	19,453	22,387	(2,934)	57,637	59,753	(2,116)
Adjustments for equity-accounted investments	1,243	1,248	(5)	3,515	3,271	244
Principal payments on right-of-use assets	60	58	2	175	171	4
Internal leasing costs	597	724	(127)	2,161	2,060	101
Finance costs - distributions to Unitholders	40,077	39,513	564	119,773	118,143	1,630
Finance costs (income) - change in fair value of financial instruments <sup>(1)</sup>	(1,191)	(1,782)	591	(3,311)	(4,027)	716
<b>FFO<sup>(*)</sup> as calculated based on REALPAC recommendations</b>	<b>\$ 56,510</b>	<b>\$ 52,665</b>	<b>\$ 3,845</b>	<b>\$ 155,413</b>	<b>\$ 151,633</b>	<b>\$ 3,780</b>
Basic weighted average Units (in 000's)	180,003	177,491	2,512	179,332	175,728	3,604
FFO <sup>(*)</sup> per Unit - basic	\$ 0.31	\$ 0.30	\$ 0.01	\$ 0.87	\$ 0.86	\$ 0.01
FFO <sup>(*)</sup> payout ratio (%)	70.9 %	75.0 %	(4.1)%	77.1 %	77.9 %	(0.8)%

(1) Includes the fair value changes of Crombie's deferred unit plan.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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#### For the three months ended:

The increase in FFO of \$3,845 was primarily due to growth in income from equity-accounted investments of \$2,663, of which \$2,345 resulted from the sale of land at our Opal Ridge joint venture in Dartmouth, Nova Scotia in the third quarter of 2023, increased rental revenue of \$1,914 from new developments, and \$1,586 from renewals and new leasing. This was partially offset by increased general and administrative expenses of \$1,102 due to higher consulting costs, salaries and benefits, and Unit-based compensation costs in the third quarter of 2023. The growth in FFO in the quarter was further offset by reduced revenue of \$720 related to dispositions, and by decreased percentage rent of \$509.

#### For the nine months ended:

On a year-to-date basis, FFO increased by \$3,780 primarily driven by growth in income from equity-accounted investments of \$6,077, of which \$5,722 resulted from the sale of land at our Opal Ridge joint venture in Dartmouth, Nova Scotia in the first nine months of 2023, and revenue from management and development services of \$2,343. Higher rental revenue of \$2,607 from new developments, \$2,478 from renewals and new leasing, \$1,603 from acquisitions, and \$1,297 in supplemental rent from modernization investments further contributed to the increase in FFO. Additionally, lease termination income increased \$917 and parking revenue improved \$899 compared to the same period in 2022. FFO growth was offset in part by higher general and administrative expenses resulting from employee transition costs of \$7,172 in the second quarter of 2023, a decrease of \$2,816 in rental revenue from dispositions, and lower percentage rent of \$711.

FFO excluding employee transition costs of \$7,172 was \$162,585 or \$0.91 per Unit, with a payout ratio of 73.7% (September 30, 2022 - FFO of \$152,844 or \$0.87 per Unit, with a payout ratio of 77.3% excluding payment in respect of an executive retirement arrangement of \$1,211).

## Adjusted Funds from Operations (AFFO)<sup>(\*)</sup>

Crombie follows the recommendations of REALPAC's January 2022 guidance in calculating AFFO<sup>(\*)</sup> and has applied these recommendations to the AFFO<sup>(\*)</sup> amounts included in this MD&A. Refer to the "Non-GAAP Financial Measures" section of this MD&A, starting on page 70, for a more detailed discussion.

The reconciliation of AFFO<sup>(\*)</sup> for the three and nine months ended September 30, 2023 and 2022 is as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	Variance	2023	2022	Variance
FFO <sup>(*)</sup> as calculated based on REALPAC recommendations	\$ 56,510	\$ 52,665	\$ 3,845	\$ 155,413	\$ 151,633	\$ 3,780
Add (deduct):						
Straight-line rent adjustment	(774)	(572)	(202)	(2,917)	(3,784)	867
Straight-line rent adjustment included in income (loss) from equity-accounted investments	9	80	(71)	165	353	(188)
Internal leasing costs	(597)	(724)	127	(2,161)	(2,060)	(101)
Maintenance expenditures on a square footage basis	(5,186)	(4,662)	(524)	(15,511)	(13,906)	(1,605)
<b>AFFO<sup>(*)</sup> as calculated based on REALPAC recommendations</b>	<b>\$ 49,962</b>	<b>\$ 46,787</b>	<b>\$ 3,175</b>	<b>\$ 134,989</b>	<b>\$ 132,236</b>	<b>\$ 2,753</b>
Basic weighted average Units (in 000's)	180,003	177,491	2,512	179,332	175,728	3,604
AFFO <sup>(*)</sup> per Unit - basic	\$ 0.28	\$ 0.26	\$ 0.02	\$ 0.75	\$ 0.75	\$ —
AFFO <sup>(*)</sup> payout ratio (%)	80.2 %	84.5 %	(4.3)%	88.7 %	89.3 %	(0.6)%

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

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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### For the three months ended:

The increase in AFFO was primarily due to the same factors impacting FFO, offset in part by an increase in the maintenance expenditure charge for 2023 from \$1.00 to \$1.10 per square foot of weighted average GLA, an increased charge of \$472 for the quarter.

### For the nine months ended:

The growth in AFFO on a year-to-date basis was driven primarily by the same factors impacting FFO. It was offset in part by the increase in the maintenance expenditure charge for 2023, from \$1.00 to \$1.10 per square foot of weighted average GLA, an increased charge of \$1,411 for the period.

AFFO excluding employee transition costs of \$7,172 was \$142,161 or \$0.79 per Unit, with a payout ratio of 84.3% (September 30, 2022 - AFFO of \$133,447 or \$0.76 per Unit, with a payout ratio of 88.5% excluding payment in respect of an executive retirement arrangement of \$1,211).

## Distributions to Unitholders

A trust that satisfies the criteria of a real estate investment trust ("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 2022 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.

Details of distributions to Unitholders are as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	Variance	2023	2022	Variance
Distributions to Unitholders	\$ 23,661	\$ 23,328	\$ 333	\$ 70,715	\$ 69,731	\$ 984
Distributions to Class B Voting Unitholder <sup>(1)</sup>	16,416	16,185	231	49,058	48,412	646
<b>Total distributions</b>	<b>\$ 40,077</b>	<b>\$ 39,513</b>	<b>\$ 564</b>	<b>\$ 119,773</b>	<b>\$ 118,143</b>	<b>\$ 1,630</b>
FFO <sup>(*)</sup> payout ratio	70.9 %	75.0 %	(4.1)%	77.1 %	77.9 %	(0.8)%
AFFO <sup>(*)</sup> payout ratio	80.2 %	84.5 %	(4.3)%	88.7 %	89.3 %	(0.6)%

(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,		
	2023	2022	Variance	2023	2022	Variance
Cash provided by operating activities <sup>(1)</sup>	\$ 69,686	\$ 79,411	\$ (9,725)	\$ 167,040	\$ 165,939	\$ 1,101
Monthly distributions paid and payable	(40,077)	(39,513)	(564)	(119,773)	(118,143)	(1,630)
<b>Cash provided by operating activities in excess of distributions paid and payable</b>	<b>\$ 29,609</b>	<b>\$ 39,898</b>	<b>\$ (10,289)</b>	<b>\$ 47,267</b>	<b>\$ 47,796</b>	<b>\$ (529)</b>

(1) Cash provided by operating activities for the three and nine months ended September 30, 2022 has been updated from the previously reported figures, as predevelopment costs have been reclassified to investing activities from operating activities.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	Variance	2023	2022	Variance
Operating income attributable to Unitholders	\$ 27,796	\$ 26,410	\$ 1,386	\$ 72,526	\$ 80,082	\$ (7,556)
Monthly distributions paid and payable	(40,077)	(39,513)	(564)	(119,773)	(118,143)	(1,630)
<b>Operating income attributable to Unitholders in shortfall of distributions paid and payable</b>	<b>\$ (12,281)</b>	<b>\$ (13,103)</b>	<b>\$ 822</b>	<b>\$ (47,247)</b>	<b>\$ (38,061)</b>	<b>\$ (9,186)</b>

Monthly distributions paid for the three and nine months ended September 30, 2023 and 2022 were funded with cash flows from operating activities and borrowing on the bank credit facilities.

On October 13, 2023, Crombie declared distributions of 7.417 cents per Unit for the period from October 1, 2023 up to and including October 31, 2023. The distributions will be paid on November 15, 2023, to Unitholders of record as at October 31, 2023.

## 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,		
	2023	2022	Variance	2023	2022	Variance
Regular tenant incentive amortization	\$ 4,877	\$ 3,135	\$ 1,742	\$ 11,366	\$ 9,328	\$ 2,038
Modernization tenant incentive amortization	2,961	2,660	301	8,621	7,721	900
<b>Total amortization of tenant incentives</b>	<b>\$ 7,838</b>	<b>\$ 5,795</b>	<b>\$ 2,043</b>	<b>\$ 19,987</b>	<b>\$ 17,049</b>	<b>\$ 2,938</b>

## 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,		
	2023	2022	Variance	2023	2022	Variance
Salaries and benefits	\$ 2,638	\$ 2,330	\$ (308)	\$ 11,014	\$ 7,731	\$ (3,283)
Unit-based compensation <sup>(1)</sup>	190	23	(167)	5,572	1,441	(4,131)
Professional fees	660	353	(307)	1,644	1,129	(515)
Public company costs	428	390	(38)	1,234	1,158	(76)
Rent and occupancy	161	164	3	484	446	(38)
Other	731	446	(285)	1,947	1,579	(368)
<b>General and administrative expenses</b>	<b>\$ 4,808</b>	<b>\$ 3,706</b>	<b>\$ (1,102)</b>	<b>\$ 21,895</b>	<b>\$ 13,484</b>	<b>\$ (8,411)</b>
As a percentage of property revenue	4.6 %	3.6 %	(1.0)%	6.8 %	4.3 %	(2.5)%

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

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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#### For the three months ended:

General and administrative expenses increased in the quarter primarily due to higher consulting costs of \$307, an increase in salaries and benefits of \$308, and higher Unit-based compensation costs of \$167 due to a lower price decline compared to the same quarter in 2022.

#### For the nine months ended:

On a year-to-date basis, the increase in general and administrative expenses was driven by higher Unit-based compensation costs of \$4,131 and higher salaries and benefits of \$3,283. These increases resulted primarily from employee transition costs in the second quarter of 2023, contributing \$4,625 to Unit-based compensation costs and \$2,547 to salaries and benefits expense. General and administrative expenses excluding employee transition costs of \$7,172 were 4.6% of property revenue (September 30, 2022 - 3.9% excluding payment in respect of an executive retirement arrangement of \$1,211).

## Finance Costs - Operations

	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	Variance	2023	2022	Variance
Fixed rate mortgages	\$ 8,131	\$ 9,574	\$ 1,443	\$ 26,017	\$ 29,786	\$ 3,769
Floating rate term, revolving, and demand facilities	1,156	1,256	100	4,897	2,396	(2,501)
Capitalized interest	(1,169)	(1,488)	(319)	(3,160)	(3,875)	(715)
Senior unsecured notes	11,545	10,482	(1,063)	31,625	30,910	(715)
Interest income on finance lease receivable	(133)	(139)	(6)	(405)	(423)	(18)
Interest on lease liability	531	524	(7)	1,588	1,566	(22)
Finance costs	20,061	20,209	148	60,562	60,360	(202)
Amortization of deferred financing charges	604	675	71	1,867	2,031	164
<b>Finance costs - operations</b>	<b>\$ 20,665</b>	<b>\$ 20,884</b>	<b>\$ 219</b>	<b>\$ 62,429</b>	<b>\$ 62,391</b>	<b>\$ (38)</b>

#### For the three months ended:

Finance costs decreased by \$148 primarily due to reduced mortgage interest expense of \$1,443 resulting from the deleveraging impact of mortgage repayments and dispositions. This was partially offset by increased interest on senior unsecured notes of \$1,063 from the issuance of Series K notes in the first quarter of 2023 and the redemption of Series D notes in the fourth quarter of 2022. Reduced capitalized interest of \$319 further offset the decrease in finance costs.

#### For the nine months ended:

On a year-to-date basis, finance costs increased by \$202 primarily due to an increase of \$2,501 in interest on floating rate debt resulting from higher interest rates and higher average loan balances compared to the same period in 2022. The issuance of Series K notes in the first quarter of 2023 and the redemption of Series D notes in the fourth quarter of 2022 resulted in an increase of \$715 in interest on senior unsecured notes. A reduction of capitalized interest of \$715 further contributed to the higher finance costs. The increase was partially offset by reduced mortgage interest expense of \$3,769 from the deleveraging impact of mortgage repayments and dispositions.

## Depreciation, Amortization, and Impairment

Crombie's total fair value of investment properties exceeds carrying value by \$1,198,200 at September 30, 2023 (September 30, 2022 - \$1,300,887). 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.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	Variance	2023	2022	Variance
Same-asset <sup>(1)</sup> depreciation and amortization	\$ 17,702	\$ 17,634	\$ (68)	\$ 52,262	\$ 52,308	\$ 46
Acquisitions, dispositions, and development depreciation/amortization	2,132	5,110	2,978	6,486	8,537	2,051
<b>Depreciation and amortization</b>	<b>\$ 19,834</b>	<b>\$ 22,744</b>	<b>\$ 2,910</b>	<b>\$ 58,748</b>	<b>\$ 60,845</b>	<b>\$ 2,097</b>

**For the three months ended:**

The decrease in depreciation and amortization of \$2,910 was due to accelerated depreciation recorded on a property in the third quarter of 2022 that was demolished, offset in part by completed developments and acquisitions.

**For the nine months ended:**

The \$2,097 decrease in depreciation and amortization on a year-to-date basis was primarily due to accelerated depreciation recorded on a property that was demolished in 2022 and dispositions in 2022. This is offset in part by completed developments and acquisitions.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	<b>DEVELOPMENT</b>	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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## 6. DEVELOPMENT

Property development is a strategic priority for Crombie to improve NAV<sup>(\*)</sup>, cash flow growth, and Unitholder value. With urban intensification an important reality across the country, Crombie is focused on evaluating and undertaking major and non-major developments at certain properties, where development may include residential, commercial, and/or retail-related industrial. 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 74 for additional information regarding such statements and the related risks and uncertainties.

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. In conjunction with our strategic partner, Crombie management continuously reviews and prioritizes development opportunities that drive NAV<sup>(\*)</sup> and AFFO<sup>(\*)</sup> growth, including high-density urban redevelopment, new grocery-anchored retail, retail-related industrial e-commerce facilities, and land use intensification.

### Major Development Pipeline

Crombie has the potential to unlock significant value within its current pipeline of 27 major development projects as at September 30, 2023 (September 30, 2022 - 29). Crombie benefits from having solid income (NOI, FFO<sup>(\*)</sup>, and AFFO<sup>(\*)</sup>) generated by most of these properties while working through the various approvals, entitlements, and advance preparations required before each major development can commence.

Our major development 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<sup>(\*)</sup> and AFFO<sup>(\*)</sup> 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.

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 to engage 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 at September 30, 2023, total project costs to develop the pipeline range from \$5,100,000 to \$6,900,000 (September 30, 2022 - \$5,000,000 to \$6,800,000). 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 ventures 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.

Crombie divides its development pipeline into three timing-based segments. Near-term projects are either under active construction or indicate that a decision to commit financially is expected to be determined 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 15 years. Many projects in the current pipeline are large, multi-phased endeavors where the project timeline could span several years. In these instances, Crombie recognizes the project in the time period where financial commitment to the initial phase is expected.

## Active Major Developments

Crombie currently has one active major development underway, The Marlstone, located in downtown Halifax, which is Crombie's first self-developed residential project. Key project metrics are summarized in the below table.

Property	CMA	Use	Ownership %	Residential GLA on Completion	Residential Units	Estimated Substantial Completion Date	At Crombie's Share (\$ in millions)		
							Estimated Total Cost	Estimated Cost to Complete	Estimated Yield on Cost
The Marlstone	Halifax	Residential	100%	189,000	291	Q1 2026	\$ 134 <sup>(1)</sup>	\$ 125	4.5% - 5.5%
<b>Total Active Major Developments</b>				<b>189,000</b>	<b>291</b>		<b>\$ 134</b>	<b>\$ 125</b>	<b>4.5% - 5.5%</b>

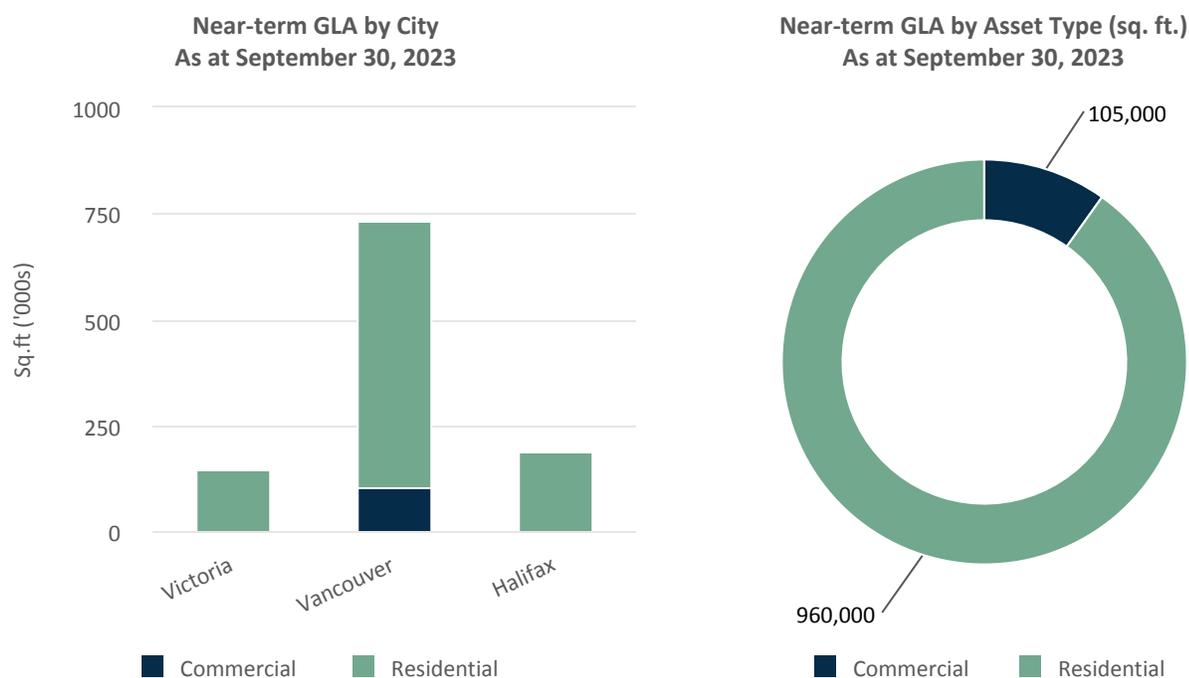
(1) Costs presented for The Marlstone are exclusive of land costs.

Total estimated costs include land cost, unless otherwise stated, 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.

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

Estimated annual net operating income is calculated using first year stabilized annual rent for each tenant, assuming 100% occupancy. These estimates are established using market rents, Crombie's market knowledge, and/or using externally generated market studies. The estimated yield on cost is derived from dividing the estimated annual net operating income by the estimated total project costs. Crombie determines the yield on cost range from the approved pro forma while factoring in a margin of uncertainty on both sides of the approved yield.

## Near-term Projects



The table below provides additional detail on Crombie's near-term development opportunities.

Property	City	% Ownership	Full Project Density		
			Commercial GLA	Residential GLA	Residential Units
The Marlstone <sup>(1)</sup>	Halifax	100%	—	189,000	291
1780 East Broadway (Broadway and Commercial) <sup>(2)</sup>	Vancouver	50% <sup>(3)</sup>	105,000	626,000	970
Belmont Market - Phase II	Victoria	100%	—	145,000	200
<b>Total Near-term Developments</b>			<b>105,000</b>	<b>960,000</b>	<b>1,461</b>

(1) The Marlstone was previously referred to as Westhill on Duke. The Marlstone is an active construction project.

(2) Square footage and units at 1780 East Broadway (Broadway and Commercial) were adjusted to reflect latest architectural design work in progress.

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

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

#### ***The Marlstone, formerly Westhill on Duke, Halifax, Nova Scotia***

**Type:** Residential

**Ownership:** 100%

**Project status:** The Marlstone is a 291-unit residential rental project in the heart of downtown Halifax, located within the Scotia Square mixed-use retail, office, and hotel complex. Demolition and existing building upgrades commenced in May 2023 and the residential tower construction will commence in December 2023. Completion is expected in the first quarter of 2026.

### 1780 East Broadway (Broadway and 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 office. Crombie anticipates completion of rezoning in 2024 and construction tendering could commence in 2025.

### Belmont Market - Phase II, Victoria, British Columbia

**Type:** Residential

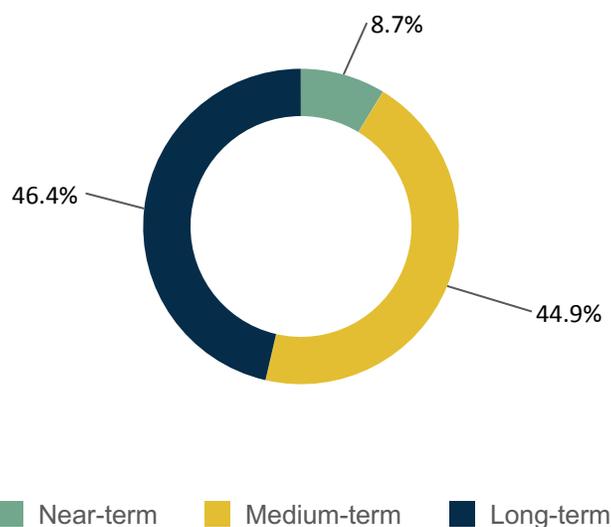
**Ownership:** 100%

**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 tendering in 2024.

### 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 detail total project cost estimates by category at September 30, 2023:

**Crombie Development Spending by Project Timeline**  
As at September 30, 2023



Project Timeline	Number of Projects	At Crombie's Share (\$ in millions)		
		Total Estimated Costs <sup>(1)</sup>	Total Spend to Date <sup>(2)</sup>	Estimated Cost to Complete
Near-term	3	\$ 500-600	\$ 40	\$ 460-560
Medium-term	8	2,300-3,100	90	2,210-3,010
Long-term	16	2,300-3,200	160	2,140-3,040
<b>Total Pipeline</b>	<b>27</b>	<b>\$ 5,100-6,900</b>	<b>\$ 290</b>	<b>\$ 4,810-6,610</b>

(1) Many projects in the pipeline are multi-phased. Project costs are shown to align with the first phase of project commencement. Project timelines are subject to change.

(2) Total spend to date includes Crombie's total investment in land at these properties, with the exception of the Marlstone.

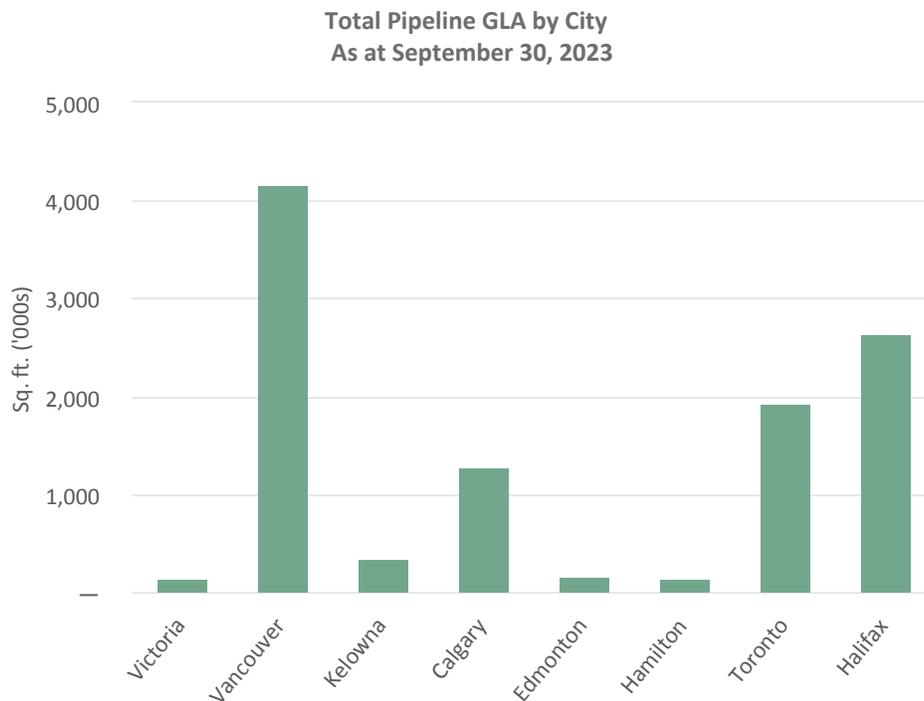
Crombie continuously monitors and evaluates the potential pipeline to optimize value creation. With a strong commitment to portfolio growth, Crombie actively analyzes costs and market opportunities within the potential pipeline in order to maximize NAV and AFFO growth.

Total estimated costs usually 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 supply 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 1,170,000 square feet of commercial GLA, and up to 9,625,000 square feet (up to 11,511 units) of residential GLA (which may include a combination of rental or condominium units).



PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	<b>DEVELOPMENT</b>	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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Total Pipeline Density by Project Timeline

Project Timeline <sup>(1)</sup>	Commercial GLA	Residential GLA	Residential Units
Near-term	105,000	960,000	1,461
Medium-term	283,000	4,555,000	5,280
Long-term	782,000	4,110,000	4,770
<b>Total Pipeline</b>	<b>1,170,000</b>	<b>9,625,000</b>	<b>11,511</b>

(1) Many projects in the pipeline are multi-phased. GLA and units are shown to align with the first phase. Project timelines are subject to change.

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 27 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:

Crombie's Entitled Projects

	Number of Projects	Estimated Commercial Sq. ft. <sup>(1)</sup>	Estimated Residential Sq. ft. <sup>(1)</sup>	Estimated Total Sq. ft. <sup>(1)</sup>	Residential Units <sup>(1)</sup>
Zoned	4	55,000	1,448,000	1,503,000	1,821
Application Submitted	4	211,000	3,000,000	3,211,000	3,600
Future	19	904,000	5,177,000	6,081,000	6,090
<b>Total</b>	<b>27</b>	<b>1,170,000</b>	<b>9,625,000</b>	<b>10,795,000</b>	<b>11,511</b>

(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: The Marlstone, formerly Westhill on Duke (Halifax), Belmont Market - Phase II (Victoria), Barrington Residential, formerly Triangle Lands, (Halifax), and Brunswick Place (Halifax). Rezoning applications have been submitted and are in process for Broadway and Commercial (Vancouver), McCowan and Ellesmere (Toronto), Broadview (Toronto), and Park West (Halifax). During the quarter, Park West was moved from future to application submitted. Crombie has submitted all required documents to the Halifax Regional Municipality planning department to support a municipality-led rezoning effort of our Park West lands which will support a residential mixed-use development.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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The following table lists the 27 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 <sup>(1)</sup>	CMA	Site Size (acres)	Existing Tenants	Potential Commercial Expansion	Entitlement Status	Project Timing
1 The Marlstone <sup>(2)</sup>	Halifax	0.46 <sup>(3)</sup>	N/A	Yes	Zoned	Near-term
2 Belmont Market - Phase II	Victoria	1.70	Land	No	Zoned	Near-term
3 1780 East Broadway (Broadway and Commercial)	Vancouver	2.43	Safeway	Yes	Application Submitted	Near-term
4 Brunswick Place	Halifax	0.75 <sup>(4)</sup>	Office/Parkade	Yes	Zoned	Medium-term
5 McCowan & Ellesmere	Toronto	4.48	FreshCo/Other	Yes	Application Submitted	Medium-term
6 1170 East 27 Street (Lynn Valley)	Vancouver	2.82	Safeway	Yes	Future	Medium-term
7 Park West	Halifax	19.66	Sobeys	Yes	Application Submitted	Medium-term
8 Toronto East	Toronto	0.14	Land	Yes	Future	Medium-term
9 Broadview	Toronto	1.43	Dollarama	Yes	Application Submitted	Medium-term
10 Barrington Residential <sup>(5)</sup>	Halifax	0.68	Land	Yes	Zoned	Medium-term
11 Fleetwood	Vancouver	4.45	Safeway	Yes	Future	Medium-term
12 1818 Centre Street	Calgary	2.18	Safeway	Yes	Future	Long-term
13 Port Coquitlam	Vancouver	5.31	Safeway	Yes	Future	Long-term
14 3130 Danforth	Toronto	0.79	The Beer Store	Yes	Future	Long-term
15 2733 West Broadway	Vancouver	1.95	Safeway	Yes	Future	Long-term
16 Centennial Parkway	Hamilton	2.75	Retail	Yes	Future	Long-term
17 990 West 25 Avenue (King Edward)	Vancouver	1.80	Safeway	Yes	Future	Long-term
18 524 Elbow Drive SW (Mission)	Calgary	1.60	Safeway	Yes	Future	Long-term
19 Robson Street	Vancouver	1.15	Safeway	Yes	Future	Long-term
20 410 10 Street NW (Kensington)	Calgary	1.73	Safeway	Yes	Future	Long-term
21 813 11 Avenue SW (Beltline)	Calgary	2.59	Safeway	Yes	Future	Long-term
22 3410 Kingsway (Kingsway and Tyne)	Vancouver	3.74	Safeway/Other	Yes	Future	Long-term
23 East Hastings	Vancouver	3.30	Safeway/Other	Yes	Future	Long-term
24 Bernard Ave	Kelowna	1.83	Safeway	Yes	Future	Long-term
25 10930 82 Avenue (Whyte Ave)	Edmonton	2.44	Safeway/Other	Yes	Future	Long-term
26 New Westminster	Vancouver	2.82	Safeway	Yes	Future	Long-term
27 Brampton Mall	Toronto	8.74	Office/Retail	Yes	Future	Long-term

(1) All projects in the pipeline are transit-oriented and have the potential for residential expansion.

(2) The Marlstone was previously referred to as Westhill on Duke.

(3) The Marlstone is being developed through densification on 0.46 acres of the existing 9.05-acre Scotia Square site.

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

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

## Non-major Developments

Non-major developments, including land-use intensification, property redevelopments, and modernizations, include projects with a total estimated cost below \$50,000 at Crombie's share. Projects in the non-major category are shorter in duration and thus boast less overall risk as compared to our major development pipeline. Current non-major developments have a yield range of 5.3% to 7.0%. Active non-major developments are projects with an internally approved pro forma. These projects have the ability to create value while enhancing the overall quality of the portfolio. The below table summarizes active non-major developments within Crombie's portfolio at September 30, 2023.

<u>At Crombie's Share (\$ in millions)</u>				
Type	GLA on Completion	Estimated Total Cost	Estimated Cost to Complete	
Land-use intensification	53,000	\$ 30	\$	19
Modernizations <sup>(1)</sup> , Redevelopments, and Other	—	22		3
<b>Total Non-major Developments</b>	<b>53,000</b>	<b>\$ 52</b>	<b>\$</b>	<b>22</b>
<b>Yield on Cost Projections</b>	<b>5.3% - 7.0%</b>			

(1) Modernizations are a capital investment to modernize/renovate Crombie-owned grocery store properties in exchange for a defined return and potential extended lease term. Year-to-date spend on modernizations totals \$16,977.

Total estimated costs include land cost on the existing income-producing properties in certain occasions such as greenfield non-major developments, 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.

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

Estimated annual NOI is calculated using first year stabilized annual rent for each tenant, assuming 100% occupancy. These estimates are established using market rents, Crombie's market knowledge, and/or using externally generated market studies. The estimated yield on cost range is derived from dividing the estimated annual NOI by the estimated total project costs, factoring in a margin for uncertainty.

## 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, 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

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.

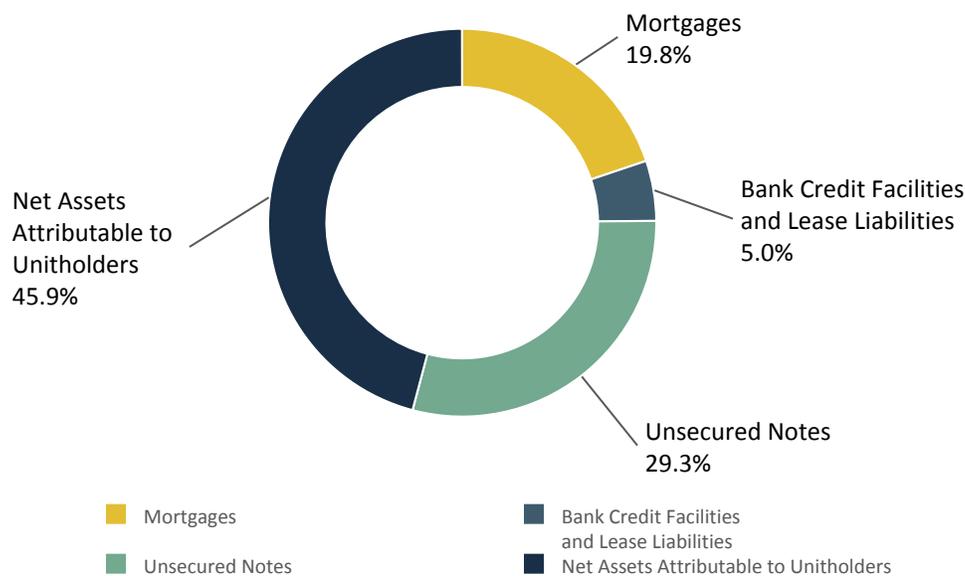
Crombie's Declaration of Trust sets out the investment guidelines for Crombie's capital deployment. The Declaration of Trust outlines the minimum due diligence that must be completed prior to a project being approved by the Investment Committee and/or Board. Crombie's Board ensures continued compliance 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;
- cash distributions from our joint ventures;
- 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;
- issuance of new Units; and
- issuance of Units under its distribution reinvestment plan ("DRIP").

## Strong Capital Structure

**Capital Structure  
as at September 30, 2023**



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

	September 30, 2023		December 31, 2022			
Fixed rate mortgages <sup>(1)</sup>	\$	794,993	19.8 %	\$	913,706	23.2 %
Drawn credit facilities		165,543	4.1 %		160,264	4.1 %
Senior unsecured notes <sup>(1)</sup>		1,171,580	29.3 %		972,003	24.7 %
Lease liabilities		34,698	0.9 %		35,000	0.9 %
Net assets attributable to Crombie REIT Unitholders		1,088,116	27.2 %		1,097,070	27.9 %
Net assets attributable to Special Voting Units and Class B Limited Partnership Unitholders		747,502	18.7 %		753,470	19.2 %
<b>Total capital structure</b>	\$	<b>4,002,432</b>	<b>100.0 %</b>	\$	<b>3,931,513</b>	<b>100.0 %</b>

(1) Net of deferred financing charges.

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## Debt Metrics

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

	September 30, 2023	December 31, 2022	September 30, 2022
Unencumbered investment properties <sup>(1)</sup>	\$ 2,581,919	\$ 2,154,468	\$ 2,200,890
Unencumbered investment properties <sup>(1)</sup> as a % of unsecured debt <sup>(*)</sup>	206.2 %	191.5 %	183.4 %
Debt to gross fair value <sup>(*)</sup>	42.4 %	41.8 %	42.0 %
Weighted average interest rate <sup>(2)</sup>	4.0 %	3.8 %	3.8 %
Debt to trailing 12 months adjusted EBITDA <sup>(*)</sup>	8.13x	8.02x	8.50x
Interest coverage ratio <sup>(*)</sup>	3.41x	3.26x	3.32x

(1) Represents fair value of unencumbered properties.

(2) Calculated based on interest rates for all outstanding fixed rate debt.

Crombie has continued to grow its unencumbered asset pool, increasing its fair value from \$2,154,468 as at December 31, 2022 to \$2,581,919 as at September 30, 2023. This increase is primarily due to mortgage maturities.

### Debt to Gross Fair Value<sup>(\*)</sup>

When calculating debt to gross fair value<sup>(\*)</sup>, debt is defined as obligations for borrowed money, including obligations incurred in connection with acquisitions, excluding 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<sup>(\*)</sup> 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, 2023 and December 31, 2022, respectively, based on each property's current use as a revenue-generating investment property. As at September 30, 2023, Crombie's weighted average capitalization rate used in the determination of the fair value of its investment properties was 5.96%, an increase of two basis points from December 31, 2022. 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 3.60% as at September 30, 2023, an increase of thirteen basis points from December 31, 2022. 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.

Debt to gross fair value<sup>(\*)</sup> was 42.4% at September 30, 2023 compared to 41.8% at December 31, 2022.

The increase in this leverage ratio during the nine months ended September 30, 2023 was due to an increase in outstanding debt of \$88,926 from December 31, 2022, resulting primarily from the issuance of \$200,000 of senior unsecured notes and an increase of \$5,279 in outstanding balances of credit facilities, offset in part by reduced balances of mortgages outstanding of \$119,362. An increase of \$120,000 in gross fair value of investment properties, primarily as a result of acquisitions, development, and the assignment of subleases to Crombie by a subsidiary of Empire, further contributed to offsetting the increased debt.

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	September 30, 2023	December 31, 2022
Fixed rate mortgages	\$ 799,190	\$ 918,552
Senior unsecured notes	1,175,000	975,000
Unsecured non-revolving credit facility	77,397	150,000
Revolving credit facility	84,820	—
Joint operation credit facility	3,326	10,264
Debt held in joint ventures, at Crombie's share <sup>(1) (2)</sup>	273,953	270,642
Lease liabilities	34,698	35,000
<b>Adjusted debt<sup>(*)</sup></b>	<b>\$ 2,448,384</b>	<b>\$ 2,359,458</b>
Investment properties, fair value	\$ 5,170,000	\$ 5,050,000
Investment properties held in joint ventures, fair value, at Crombie's share <sup>(2)</sup>	442,000	454,000
Other assets, cost <sup>(3)</sup>	115,673	99,728
Other assets, cost, held in joint ventures, at Crombie's share <sup>(2) (3) (4)</sup>	28,380	26,974
Cash and cash equivalents	110	6,117
Cash and cash equivalents held in joint ventures, at Crombie's share <sup>(2)</sup>	8,849	2,487
Deferred financing charges	7,617	7,843
<b>Gross fair value</b>	<b>\$ 5,772,629</b>	<b>\$ 5,647,149</b>
<b>Debt to gross fair value<sup>(*)</sup></b>	<b>42.4 %</b>	<b>41.8 %</b>

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

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

(3) Excludes tenant incentives, accumulated amortization, and accrued straight-line rent receivable.

(4) Includes deferred financing charges.

### Debt to Adjusted EBITDA<sup>(\*)</sup> and Interest Coverage<sup>(\*)</sup> Ratios

The following table presents a reconciliation of operating income attributable to Unitholders to adjusted EBITDA<sup>(\*)</sup>. Adjusted EBITDA<sup>(\*)</sup> 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 70, for more information.

In 2022, as a result of completing a number of developments in joint ventures, Crombie changed its methodology in calculating adjusted EBITDA<sup>(\*)</sup> to include Crombie's share of revenue, operating expenses, and general and administrative expenses in joint ventures. Interest coverage<sup>(\*)</sup> and debt service coverage<sup>(\*)</sup> calculations now include Crombie's share of finance costs - operations and debt repayments in joint ventures. This is consistent with the treatment under the unsecured notes bond indenture. Prior quarters have been restated to reflect this new methodology.

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	Three months ended							
	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021
Operating income attributable to Unitholders	\$ 27,796	\$ 19,557	\$ 25,173	\$ 87,718	\$ 26,410	\$ 28,424	\$ 25,248	\$ 78,730
Amortization of tenant incentives	7,838	5,357	6,792	5,940	5,795	5,690	5,564	5,249
Gain on disposal of investment properties	(477)	—	(111)	(62,584)	(13,357)	(4,863)	—	(42,762)
Gain on distribution from equity-accounted investments	—	—	—	—	(1,000)	—	(1,933)	(15,525)
Impairment of investment properties	—	—	—	—	10,400	—	—	1,300
Depreciation and amortization	19,834	19,494	19,420	18,991	22,744	19,222	18,879	18,805
Finance costs - operations	20,665	21,000	20,764	20,623	20,884	20,762	20,745	22,639
(Income) loss from equity-accounted investments	(876)	1,425	(1,673)	1	1,787	1,627	1,539	685
Property revenue in joint ventures, at Crombie's share	9,691	4,144	11,269	7,271	3,258	2,616	2,356	2,100
Property operating expenses in joint ventures, at Crombie's share	(4,270)	(1,231)	(5,170)	(3,022)	(1,296)	(1,002)	(903)	(724)
General and administrative expenses in joint ventures, at Crombie's share	(145)	(54)	(107)	(77)	(31)	(21)	(150)	(32)
Taxes - current	—	—	—	4	—	—	—	163
<b>Adjusted EBITDA<sup>(1)</sup> [1]</b>	<b>\$ 80,056</b>	<b>\$ 69,692</b>	<b>\$ 76,357</b>	<b>\$ 74,865</b>	<b>\$ 75,594</b>	<b>\$ 72,455</b>	<b>\$ 71,345</b>	<b>\$ 70,628</b>
<b>Trailing 12 months adjusted EBITDA<sup>(1)</sup> [4]</b>	<b>\$ 300,970</b>	<b>\$ 296,508</b>	<b>\$ 299,271</b>	<b>\$ 294,259</b>	<b>\$ 290,022</b>	<b>\$ 286,024</b>	<b>\$ 281,626</b>	<b>\$ 280,057</b>
Finance costs - operations	\$ 20,665	\$ 21,000	\$ 20,764	\$ 20,623	\$ 20,884	\$ 20,762	\$ 20,745	\$ 22,639
Finance costs - operations in joint ventures, at Crombie's share	3,428	3,293	3,430	2,961	2,564	2,157	1,776	1,157
Amortization of deferred financing charges	(604)	(641)	(622)	(654)	(675)	(668)	(688)	(742)
<b>Adjusted interest expense<sup>(1)</sup> [2]</b>	<b>\$ 23,489</b>	<b>\$ 23,652</b>	<b>\$ 23,572</b>	<b>\$ 22,930</b>	<b>\$ 22,773</b>	<b>\$ 22,251</b>	<b>\$ 21,833</b>	<b>\$ 23,054</b>
Debt principal repayments	\$ 7,703	\$ 8,357	\$ 9,041	\$ 9,172	\$ 9,349	\$ 9,599	\$ 9,979	\$ 11,304
Debt principal repayments in joint ventures, at Crombie's share	315	312	1,738	307	305	306	2,864	12
<b>Debt principal repayments [3]</b>	<b>\$ 8,018</b>	<b>\$ 8,669</b>	<b>\$ 10,779</b>	<b>\$ 9,479</b>	<b>\$ 9,654</b>	<b>\$ 9,905</b>	<b>\$ 12,843</b>	<b>\$ 11,316</b>
<b>Debt outstanding (see Debt to Gross Fair Value<sup>(1)</sup>) [5]<sup>(1)</sup></b>	<b>\$ 2,448,384</b>	<b>\$ 2,421,240</b>	<b>\$ 2,383,231</b>	<b>\$ 2,359,458</b>	<b>\$ 2,463,882</b>	<b>\$ 2,502,845</b>	<b>\$ 2,456,686</b>	<b>\$ 2,517,392</b>
<b>Interest coverage<sup>(1)</sup> ratio {[1]/[2]}</b>	<b>3.41x</b>	<b>2.95x</b>	<b>3.24x</b>	<b>3.26x</b>	<b>3.32x</b>	<b>3.26x</b>	<b>3.27x</b>	<b>3.06x</b>
<b>Debt service coverage<sup>(1)</sup> ratio {[1]/([2]+[3])}</b>	<b>2.54x</b>	<b>2.16x</b>	<b>2.22x</b>	<b>2.31x</b>	<b>2.33x</b>	<b>2.25x</b>	<b>2.06x</b>	<b>2.05x</b>
<b>Debt to trailing 12 months adjusted EBITDA<sup>(1)</sup> {[5]/[4]}</b>	<b>8.13x</b>	<b>8.17x</b>	<b>7.96x</b>	<b>8.02x</b>	<b>8.50x</b>	<b>8.75x</b>	<b>8.72x</b>	<b>8.99x</b>

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

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## Debt Profile

### WEIGHTED AVERAGE TERM TO DEBT MATURITY



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



## Mortgages

Crombie had outstanding fixed rate mortgages consisting of:

	September 30, 2023	December 31, 2022
Fixed rate mortgages <sup>(1)</sup>	\$ 799,250	\$ 918,321
Unamortized fair value debt adjustment and interest rate subsidy	(60)	231
	799,190	918,552
Deferred financing charges on fixed rate mortgages	(4,197)	(4,846)
<b>Total mortgage debt</b>	<b>\$ 794,993</b>	<b>\$ 913,706</b>
Long-term portion	\$ 539,579	\$ 666,748
Current portion	\$ 255,414	\$ 246,958
Weighted average interest rate	4.13 %	4.07 %
Weighted average term to maturity	5.1 years	4.6 years

(1) Includes floating rate mortgages that are fixed under swap agreements.

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 \$96,817 of floating rate debt that is classified as fixed rate due to interest rate swap agreements in place.

## Senior Unsecured Notes ("Notes")

The following series of senior unsecured notes were outstanding as at September 30, 2023 and December 31, 2022:

	Maturity Date	Effective Interest Rate	September 30, 2023	December 31, 2022
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
Series K	September 28, 2029	5.244 %	200,000	—
Deferred financing charges			(3,420)	(2,997)
<b>Total senior unsecured notes</b>			<b>\$ 1,171,580</b>	<b>\$ 972,003</b>
Long-term portion			\$ 1,171,580	\$ 972,003
Weighted average interest rate			3.89 %	3.61 %
Weighted average term to maturity			4.7 years	5.1 years

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On March 28, 2023, Crombie issued, on a private placement basis, \$200,000 of Series K notes (senior unsecured) maturing September 28, 2029. The net proceeds were used to repay existing indebtedness, including repayment of outstanding credit facilities, and for general trust purposes. The Series K notes bear interest at a rate of 5.244% per annum and were priced at par. Interest is payable in equal semi-annual installments on March 28 and September 28.

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, 2023 and December 31, 2022:

	Total Available Facility	Weighted Average Term to Maturity	September 30, 2023	December 31, 2022
Revolving credit facility	\$ 400,000	3.8 years	\$ 84,820	\$ —
Unsecured non-revolving credit facility	200,000	2.1 years	77,397	150,000
Unsecured bilateral credit facility	130,000	1.8 years	—	—
Joint operation credit facility I	—	—	—	7,167
Joint operation credit facility II <sup>(1)(2)</sup>	3,520	1.0 years	3,326	3,097
<b>Total credit facilities</b>	<b>\$ 733,520</b>	<b>2.9 years</b>	<b>\$ 165,543</b>	<b>\$ 160,264</b>
Weighted average interest rate for drawn credit facilities			<b>6.79 %</b>	6.06 %

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

(2) Includes the fixed portion of the interest expense for credit facilities under swap agreements.

The Revolving credit facility is secured by a pool of first mortgages on certain properties. It was amended in the third quarter of 2023 to extend the maturity date to June 30, 2027. The Unsecured non-revolving credit facility was amended in the first quarter of 2023, concurrent with the repayment of the balance outstanding, to reinstate the full \$200,000 maximum principal amount. The facility has a maturity date of November 18, 2025 and is intended to be used for mortgage repayments. The Unsecured bilateral credit facility is used by Crombie for working capital purposes and to provide temporary financing for acquisitions and development activity. The Unsecured bilateral credit facility was amended in the third quarter of 2023 to extend the maturity date to June 30, 2025. Joint operation credit facility I, which consisted of term loan and revolving credit facilities, was repaid in the second quarter of 2023. Joint operation credit facility II 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 fixed-for-floating interest rate swaps, effectively fixing the interest rate on both joint operation facilities. The interest rate swap on Joint operation credit facility I was retired concurrent with the repayment in the second quarter of 2023.

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. The respective spread or margin may change depending on Crombie's unsecured bond rating with DBRS.

As at September 30, 2023, the remaining amount available under the Revolving credit facility was approximately \$315,180 (prior to reduction for standby letters of credit outstanding of \$2,880) and was not limited by the aggregate borrowing base. Crombie has remained in compliance with all debt covenants.

The terms of the Unsecured bilateral revolving credit facility and the Unsecured non-revolving 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. Crombie is in compliance with this requirement.

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

	Twelve months ending September 30,						
	Contractual Cash Flows <sup>(1)</sup>	2024	2025	2026	2027	2028	Thereafter
Fixed rate mortgages - principal and interest <sup>(2)</sup>	\$ 276,418	\$ 49,594	\$ 36,057	\$ 30,244	\$ 24,803	\$ 18,711	\$ 117,009
Fixed rate mortgages - maturities	661,071	231,657	107,812	32,149	112,114	9,159	168,180
Senior unsecured notes	1,381,306	45,664	215,064	236,547	178,279	172,020	533,732
Trade and other payables	102,923	84,342	3,440	2,256	2,200	2,200	8,485
Lease liabilities	150,146	3,032	3,005	2,932	2,736	2,451	135,990
	2,571,864	414,289	365,378	304,128	320,132	204,541	963,396
Credit facilities <sup>(2)</sup>	199,729	11,499	14,718	84,136	89,376	—	—
Other	346	346	—	—	—	—	—
<b>Total estimated payments</b>	<b>\$ 2,771,939</b>	<b>\$ 426,134</b>	<b>\$ 380,096</b>	<b>\$ 388,264</b>	<b>\$ 409,508</b>	<b>\$ 204,541</b>	<b>\$ 963,396</b>

(1) Includes principal and interest and excludes extension options.

(2) Includes the fixed portion of the interest expense for mortgages and credit facilities under swap agreements.

Crombie intends to finance near-term mortgage repayments using the Unsecured non-revolving credit facility.

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;
- issuance of additional senior unsecured notes;
- 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 Mortgage Principal	Total Required Payments	% of Total
	Mortgages	Senior Unsecured Notes	Credit Facilities	Total	% of Total			
Remainder of 2023	\$ 77,673	\$ —	\$ —	\$ 77,673	3.9 %	\$ 7,605	\$ 85,278	4.0 %
December 31, 2024	251,209	—	3,326	254,535	12.7 %	21,468	276,003	12.9 %
December 31, 2025	30,596	175,000	77,397	282,993	14.2 %	16,548	299,541	14.0 %
December 31, 2026	12,401	200,000	—	212,401	10.6 %	14,551	226,952	10.6 %
December 31, 2027	111,854	150,000	84,820	346,674	17.3 %	10,870	357,544	16.7 %
Thereafter	177,338	650,000	—	827,338	41.3 %	67,137	894,475	41.8 %
<b>Total<sup>(1)</sup></b>	<b>\$ 661,071</b>	<b>\$ 1,175,000</b>	<b>\$ 165,543</b>	<b>\$ 2,001,614</b>	<b>100.0 %</b>	<b>\$ 138,179</b>	<b>\$ 2,139,793</b>	<b>100.0 %</b>

(1) Excludes fair value debt adjustment of \$(60) and deferred financing charges of \$(4,197) on mortgages and \$(3,420) on unsecured notes (December 31, 2022 - \$231, \$(4,846), and \$(2,997), respectively).

## Outstanding Unit Data

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

For the nine months ended September 30, 2023, Crombie issued 1,158,689 REIT Units and 820,806 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.

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Total Units outstanding at October 31, 2023, were as follows:

Units	106,612,870
Special Voting Units <sup>(1)</sup>	73,971,046

(1) Crombie Limited Partnership, a subsidiary of Crombie, has issued 73,971,046 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,		
	2023	2022	Variance	2023	2022	Variance
Cash provided by (used in): <sup>(1)</sup>						
Operating activities	\$ 69,686	\$ 79,411	\$ (9,725)	\$ 167,040	\$ 165,939	\$ 1,101
Financing activities	(26,627)	(96,021)	69,394	(68,200)	(30,071)	(38,129)
Investing activities	(43,180)	16,610	(59,790)	(104,847)	(138,261)	33,414
<b>Net change during the period</b>	<b>\$ (121)</b>	<b>\$ —</b>	<b>\$ (121)</b>	<b>\$ (6,007)</b>	<b>\$ (2,393)</b>	<b>\$ (3,614)</b>

(1) Cash provided by (used in) operating and investing activities for the three and nine months ended September 30, 2022 was updated from the previously reported figures, as predevelopment costs have been reclassified to investing activities from operating activities.

### Operating Activities

#### For the three months ended:

The decrease in cash provided by operating activities in the quarter was primarily due to higher additions to tenant incentives of \$7,692 and a decrease in the net change in non-cash working capital items of \$2,982. The decrease in cash was offset in part by higher property cash NOI<sup>(\*)</sup> of \$1,720 compared to the same period in 2022.

#### For the nine months ended:

The increase in cash provided by operating activities on a year-to-date basis was primarily due to an increase in the net change in non-cash working capital items of \$4,939, higher property cash NOI<sup>(\*)</sup> of \$4,346 compared to the same period in 2022, and revenue from management and development services of \$2,343. This was partially offset by higher general and administration expenses resulting from employee transition costs of \$7,172 in the second quarter of 2023 and higher additions to tenant incentives of \$2,218.

### Financing Activities

#### For the three months ended:

The decrease in cash used in financing activities was due primarily to the net amount drawn on floating rate credit facilities of \$48,706 compared to net repayments of \$1,536 in the same period in 2022. Additionally, mortgage repayments were \$18,893 lower compared to the third quarter of 2022.

#### For the nine months ended:

The increase in cash used in financing activities on a year-to-date basis was primarily driven by the Unit issuance of \$194,752 net of issue costs in the first quarter of 2022 and the net amount drawn on floating rate credit facilities of \$12,217 compared to \$61,769 in the same period in 2022. Additionally, year-to-date mortgage repayments in 2023 were \$27,812 higher than in 2022 and net repayment of joint operation credit facilities was \$7,211 higher due to the repayment of Joint operation credit facility I in the second quarter of 2023. This is offset in part by the \$200,000 issuance of Series K unsecured notes in the first quarter of 2023 and \$48,660 in new mortgage issuances compared to \$7,000 during the same period in 2022.

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## Investing Activities

### For the three months ended:

The increase in cash used in investing activities resulted primarily from lower proceeds from disposition of investment properties of \$50,706, an increase of \$14,955 in predevelopment costs, and higher additions to leasing costs of \$11,180. This was offset in part by advances of \$10,100 to a related party in the third quarter of 2022 related to construction of a customer fulfillment centre and by a decrease in additions to investment properties of \$7,792.

### For the nine months ended:

The decrease in cash used in investing activities was primarily due to a decrease in acquisitions of investment properties of \$86,681 in 2023 compared to 2022, and \$21,238 fewer additions to investment properties. This was partially offset by lower proceeds from disposition of investment properties of \$60,680, higher additions to deferred leasing costs of \$10,939, and an increase in predevelopment costs of \$7,662.

## 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, 2023, Crombie has a total of \$2,880 (December 31, 2022 - \$2,883) 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, 2023, Crombie had signed construction contracts totalling \$255,648, of which \$156,660 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, 2023, Crombie has provided guarantees of approximately \$99,708 (December 31, 2022 - \$111,022) 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 1.7 years.

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

As at September 30, 2023, Crombie has committed to contributing \$346 to 1700 East Broadway Limited Partnership as part of the ongoing predevelopment work in the joint venture.

During the third quarter of 2023, 1600 Davie Limited Partnership entered into a credit agreement with a Canadian chartered bank. The revolving credit facility has a maximum principal amount of \$4,000 and matures July 31, 2026. Crombie has guaranteed 100% of the loan.

## 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, 2023.

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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
- Accounts receivable
- 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, 2023		December 31, 2022	
	Fair Value	Carrying Value	Fair Value	Carrying Value
<b>Financial liabilities</b>				
Investment property debt	\$ 902,360	\$ 964,733	\$ 1,035,216	\$ 1,078,816
Senior unsecured notes	1,055,411	1,175,000	877,058	975,000
<b>Total financial liabilities</b>	<b>\$ 1,957,771</b>	<b>\$ 2,139,733</b>	<b>\$ 1,912,274</b>	<b>\$ 2,053,816</b>

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 2022 Annual MD&A, and the "Risks" section of Crombie's 2022 Annual Information Form available at [www.crombie.ca](http://www.crombie.ca), we are providing the following specific risk updates for September 30, 2023:

#### Rent Control Risk

Crombie has interests in equity-accounted investments which hold residential properties in locations where there is risk that municipalities have, or will, impose rent caps. Such rent control regulations will limit Crombie's ability to charge market rents, which could adversely affect Crombie's property revenue and net property income<sup>(1)</sup> from affected properties and adversely affect the fair value of properties subject to rent control regulations, and may negatively affect Crombie's financial condition, results of operations, and cash flows.

#### Significant Relationship

As at September 30, 2023, Empire, through its wholly owned subsidiary ECL Developments Limited ("ECLD"), holds a 41.5% indirect interest in Crombie. Crombie's anchor tenants are concentrated in a relatively small number of retail operators. Specifically, for the nine months ended September 30, 2023, 58.5% of the AMR and 53.5% 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 matters can cover a broad range of topics, including energy usage, water conservation, pollution, waste management, 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. Our President and Chief Executive Officer ("CEO") is responsible for developing Crombie's sustainability strategy and the day-to-day oversight and implementation of ESG at Crombie. He also leads our Sustainability Committee, which is charged with developing a roadmap that expands our sustainability commitments and identifies key actions, milestones, and targets that will drive performance improvements. The Sustainability Committee meets quarterly and is responsible for Crombie's analysis and response to the impacts of climate change on the company's operations and portfolio of assets. Recently, Crombie completed updates to its Sustainable Development Policy, including a community engagement program that includes ESG specific issues, introduced portfolio-wide ESG risk assessments, and finalized ESG specific language in standard lease contracts. Crombie continues to improve its energy, water, and waste data coverage, having set internal targets, and is in the process of finalizing an inventory of its GHG emissions. In June 2023, Crombie made its third submission to GRESB for the Standing Investments and Development benchmarks, improving our score in both compared to the previous year, and was awarded GRESB's Green Star for excellence in both areas. Crombie plans to publish its third annual Sustainability Report later in 2023.

In the second quarter of 2023, Crombie announced the advancement of its environmental commitments through a newly created Climate Action Plan. Through this plan, Crombie is committed to achieve net zero by 2050 for scopes 1, 2, and 3 GHG emissions. Scope 1 refers to an entity's direct emissions, while scope 2 is an entity's indirect emissions through its energy use. Scope 3 emissions are the result of activities not controlled by the entity but indirectly related to its value chain. In the near-term, Crombie is committed to reducing scope 1 and 2 emissions by a minimum of 50% by 2030 from a 2019 base year. Crombie submitted all targets to the Science Based Targets

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Initiative (“SBTi”) and received validation and approval subsequent to the second quarter of 2023. SBTi is an internationally recognized body that defines and promotes best practice in emissions reductions and net zero targets in line with climate science.

On June 26, 2023, the International Sustainability Standards Board (“ISSB”) issued two disclosure standards for sustainability, which will come into effect for annual reporting periods beginning January 1, 2024. IFRS S1 addresses general requirements for disclosing sustainability-related financial information regarding sustainability-related risks and opportunities. IFRS S2 provides requirements for disclosing material information on significant climate-related risks and opportunities. Crombie is assessing the impact of the ISSB standards on sustainability reporting.

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 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.

## 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

<b>Risk Description</b>	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 <sup>(*)</sup> are taken for all anticipated collectability risks.
<b>Risk Management</b>	<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"> <li>• Crombie's largest tenant, Empire (including Sobeys and all other subsidiaries of Empire), represents 58.5% of AMR. No other tenant accounts for more than 2.4% of Crombie's AMR;</li> <li>• total property revenue includes base rent as well as 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 \$171,194 for the nine months ended September 30, 2023 (September 30, 2022 - \$166,150) from Sobeys and other subsidiaries of Empire; and</li> <li>• over the next five years, leases on no more than 7.3% of the gross leasable area of Crombie will expire in any one year.</li> </ul> <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, 2023, Crombie recorded bad debt expense of \$152 (September 30, 2022 - recovery of \$(106)).</p> <p>Our trade receivables and allowance for doubtful accounts balances at September 30, 2023 were \$20,246 and \$(2,098), respectively (December 31, 2022 - \$21,645 and \$(2,328), respectively).</p> <p>Crombie manages its residual risk in its investment properties through an active capital expenditure program and actively leasing any vacant spaces. The residual risk throughout Crombie's portfolio is not considered significant, although a prolonged state of economic shutdown can impact Crombie's ability to execute on its capital expenditure program and leasing activity.</p>

## Liquidity Risk

<b>Risk Description</b>	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.
<b>Risk Management</b>	<p>The real estate industry is capital intensive, and most assets are non-current in nature. These assets produce income through long-term leases, which funds current liabilities as they come due. While rents are contractually committed, they are not recognized as current assets, and this imbalance creates a working capital deficit, despite cash flows from contractually committed rents and credit facilities being more than adequate to satisfy current liabilities. 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 at September 30, 2023, Crombie’s credit rating on outstanding senior unsecured notes was “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 2022 Annual Information Form. 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>Refer to the “Debt Maturities” section of this MD&amp;A for a maturity analysis of our recognized financial liabilities and purchase obligations.</p>

## Interest Rate Risk

<b>Risk Description</b>	Interest rate risk is the potential for financial loss arising from increases in interest rates.						
<b>Risk Management</b>	<p>Canadian prime interest rates have increased significantly over the past 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. The interest swap rates would be based on Canadian bond yields, plus a premium, called the swap spread, which reflects the risk of trading with a private counterparty as opposed to the Canadian government. Under interest rate swap arrangements, Crombie would agree to pay the counterparty an amount if market interest rates decline, in return for the counterparty's agreement to pay Crombie an amount if market interest rates increase. As a result, the combined effect of variable interest rates on certain debt arrangements coupled with the payment obligations under interest rate swap agreements is to stabilize Crombie's net interest expense, as increased interest payments are partially offset by the right to receive payments under the interest rate swap agreements, while decreased interest payments are partially offset by the obligation to make payments under the interest rate swap agreements. In the event that interest rates change by more than was anticipated in the interest rate swap agreements, payment obligations under interest rate swap agreements could adversely impact Crombie's financial condition and results of operations and decrease the amount of cash available for distribution. Crombie does not enter into these interest rate swaps on a speculative basis. Crombie is prohibited by its Declaration of Trust in purchasing, selling, or trading in interest rate future contracts other than for hedging purposes.</p> <p>The tables below summarize Crombie's financial instruments in which hedge accounting was applied:</p>						
	<b>As at September 30, 2023</b>						
	<b>Hedge type</b>	<b>Maturity date</b>	<b>Fixed interest rate</b>	<b>Notional amount of the hedging instrument<sup>(1)</sup></b>		<b>Fair value of hedging instrument<sup>(1)</sup></b>	
	Cash flow hedge <sup>(2)</sup>	Dec. 20, 2024	3.72 %	\$ 88,824		\$ 3,400	
	Cash flow hedge <sup>(2)</sup>	Mar. 18, 2025	3.52 %	4,667		218	
	Cash flow hedge <sup>(2)</sup>	Oct. 7, 2024	3.27 %	3,326		143	
	Cash flow hedge <sup>(3)</sup>	Mar. 1, 2029	3.15 %	52,000		5,763	
				\$ 148,817		\$ 9,524	
	<p>(1) Amounts are shown at Crombie's ownership percentage.  (2) Included in other assets on Crombie's interim condensed consolidated balance sheets.  (3) Included in investment in joint ventures on Crombie's interim condensed consolidated balance sheets.</p>						
				<b>Three months ended September 30, 2023</b>		<b>Nine months ended September 30, 2023</b>	
	<b>Hedge type</b>	<b>Maturity date</b>	<b>Fixed interest rate</b>	<b>Change in fair value gain (loss) recognized in other comprehensive income<sup>(1)</sup></b>	<b>Hedge recognized in statements of comprehensive loss</b>	<b>Change in fair value gain (loss) recognized in other comprehensive income<sup>(1)</sup></b>	<b>Hedge recognized in statements of comprehensive loss</b>
	Cash flow hedge <sup>(2)</sup>	Dec. 20, 2024	3.72 %	\$ (620)	\$ —	\$ (873)	\$ —
	Cash flow hedge <sup>(2)</sup>	Mar. 18, 2025	3.52 %	(17)	—	(4)	—
	Cash flow hedge <sup>(3)</sup>	Apr. 25, 2024	3.58 %	—	—	(269)	199
	Cash flow hedge <sup>(2)</sup>	Oct. 7, 2024	3.27 %	(21)	—	(29)	—
	Cash flow hedge <sup>(4)</sup>	Mar. 1, 2029	3.15 %	1,231	—	1,771	—
				\$ 573	\$ —	\$ 596	\$ 199
	<p>(1) Amounts are shown at Crombie's ownership percentage.  (2) Included in other assets on Crombie's interim condensed consolidated balance sheets.  (3) Term loan, credit facility, and swap were settled on June 1, 2023, with the net settlement amount reducing finance costs.  (4) Included in investment in joint ventures on Crombie's interim condensed consolidated balance sheets.</p>						

<b>Risk Management</b>	As at September 30, 2023:																																																
	<ul style="list-style-type: none"> <li>• Crombie’s weighted average term to maturity of its fixed rate mortgages is 5.1 years;</li> <li>• Crombie’s weighted average term to maturity of its unsecured notes is 4.7 years;</li> <li>• Crombie has a floating rate Revolving credit facility available to a maximum of \$400,000, subject to available borrowing base, with a balance of \$84,820 outstanding;</li> <li>• Crombie has an Unsecured non-revolving credit facility available to a maximum of \$200,000 with a balance of \$77,397 outstanding;</li> <li>• Crombie has a floating rate Unsecured bilateral credit facility available to a maximum of \$130,000 with no balance outstanding/drawn;</li> <li>• Crombie has Joint operation credit facilities available to a maximum of \$3,520 at Crombie’s share with a balance of \$3,326 outstanding;</li> <li>• Crombie has interest rate swap agreements in place on \$96,817 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</li> <li>• Crombie has floating rate credit facilities, included in debt held in equity-accounted investments, available to a maximum of \$133,000 with a balance of \$119,594 outstanding, at Crombie’s share.</li> </ul> <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, 2023</th> <th colspan="2">Nine months ended September 30, 2023</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>\$ (174)</td> <td>\$ 174</td> <td>\$ (495)</td> <td>\$ 495</td> </tr> <tr> <td>Impact of a 1.0% interest rate change</td> <td>\$ (348)</td> <td>\$ 348</td> <td>\$ (991)</td> <td>\$ 991</td> </tr> <tr> <td>Impact of a 1.5% interest rate change</td> <td>\$ (522)</td> <td>\$ 522</td> <td>\$ (1,486)</td> <td>\$ 1,486</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th></th> <th colspan="2">As at September 30, 2023</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 at Crombie’s share</td> <td></td> <td></td> </tr> <tr> <td>Impact of a 0.5% interest rate change</td> <td>\$ 1,300</td> <td>\$ (2,200)</td> </tr> <tr> <td>Impact of a 1.0% interest rate change</td> <td>\$ 3,000</td> <td>\$ (4,000)</td> </tr> <tr> <td>Impact of a 1.5% interest rate change</td> <td>\$ 4,600</td> <td>\$ (5,800)</td> </tr> </tbody> </table>		Three months ended September 30, 2023		Nine months ended September 30, 2023			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	\$ (174)	\$ 174	\$ (495)	\$ 495	Impact of a 1.0% interest rate change	\$ (348)	\$ 348	\$ (991)	\$ 991	Impact of a 1.5% interest rate change	\$ (522)	\$ 522	\$ (1,486)	\$ 1,486		As at September 30, 2023			Increase in rate	Decrease in rate	Impact on other comprehensive income of interest rate changes on interest rate swap agreements at Crombie’s share			Impact of a 0.5% interest rate change	\$ 1,300	\$ (2,200)	Impact of a 1.0% interest rate change	\$ 3,000	\$ (4,000)	Impact of a 1.5% interest rate change	\$ 4,600	\$ (5,800)
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## 9. JOINT VENTURES

As at September 30, 2023, Crombie holds partial ownership interests in seven joint ventures, four of which currently hold property. 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<sup>(\*)</sup>, property cash NOI<sup>(\*)</sup>, and same-asset property cash NOI<sup>(\*)</sup>, or in operational metrics such as occupancy and GLA, unless specifically indicated that such metrics are presented on a proportionate consolidation basis. (See the "Total Portfolio Review Inclusive of Joint Ventures" section of this MD&A for select operating metrics presented in this manner.) The figures presented below represent only the results of these joint ventures, at 100%, with the exception of FFO<sup>(\*)</sup>.

### Joint Venture Summary

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

	September 30, 2023	December 31, 2022
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 %
Lynn Valley Limited Partnership	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 maintains 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 98.8% leased at September 30, 2023. 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 82.5% leased at September 30, 2023. 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 the second quarter of 2024.

#### The Duke Limited Partnership

Le Duke is a retail/residential mixed-use property in Montreal, Quebec, 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 owned by the joint venture. Stabilization of NOI was reached in December 2022 and the residential tower is 95.3% leased at September 30, 2023.

#### Penhorn Residential Holdings Limited Partnership

Opal Ridge (Penhorn), formerly referred to as Penhorn Lands, is a 26-acre parcel in Dartmouth, Nova Scotia, with zoning proposed for the development of multi-family parceled building lots. Entitlement and development agreements were approved in June 2022. The sale of a 3-acre parcel occurred in the fourth quarter of 2022 with a further two parcels totalling 4.4 acres sold in the first quarter of 2023. The remaining parcel was sold in the third quarter of 2023, with land development activity expected to be complete by the end of the year.

#### 140 CPN Limited

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

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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### 1700 East Broadway Limited Partnership

East Broadway (Broadway and Commercial) is a proposed major mixed-use redevelopment in Vancouver, British Columbia, 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 and construction tendering could commence in 2025. The joint venture will own the residential and office components, with Crombie retaining 100% ownership of the retail.

### Lynn Valley Limited Partnership

1170 East 27 Street is a proposed mixed-use redevelopment in North Vancouver, British Columbia. The joint venture is currently working through entitlement of the project, with the rezoning application to be submitted in 2024.

## Occupancy Metrics

	Retail GLA	Retail Occupancy % as at September 30, 2023	Residential GLA	Occupancy % as at September 30, 2023	Total GLA	Number of Residential Units	Number of Committed Units
Stabilized properties <sup>(1)</sup>	59,000	100.0 %	481,000	96.9 %	540,000	717	695
Lease-up in progress:							
Bronte Village	54,000	90.5 %	466,000	82.5 %	520,000	481	397
<b>Total</b>	<b>113,000</b>	<b>95.8 %</b>	<b>947,000</b>	<b>91.2 %</b>	<b>1,060,000</b>	<b>1,198</b>	<b>1,092</b>

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

Total average residential rent is \$3.82 per square foot.

## Financial Performance

	Three months ended									
	September 30, 2023					September 30, 2022				
	Davie LP	Bronte LP	Duke LP	Other	Total	Davie LP	Bronte LP	Duke LP	Other	Total
Property revenue	\$ 3,105	\$ 3,485	\$ 1,905	\$ 10,886	\$ 19,381	\$ 2,776	\$ 1,842	\$ 1,716	\$ 182	\$ 6,516
Property operating expenses	(684)	(1,299)	(521)	(6,035)	(8,539)	(734)	(1,305)	(504)	(49)	(2,592)
Net property income <sup>(1)</sup>	2,421	2,186	1,384	4,851	10,842	2,042	537	1,212	133	3,924
General and administrative expenses	(217)	(16)	(16)	(41)	(290)	(7)	(13)	(1)	(41)	(62)
Depreciation and amortization	(736)	(1,116)	(473)	(13)	(2,338)	(874)	(1,206)	(487)	(14)	(2,581)
Finance costs - operations	(1,860)	(4,144)	(825)	(26)	(6,855)	(1,435)	(2,819)	(814)	(60)	(5,128)
<b>Net income (loss)</b>	<b>\$ (392)</b>	<b>\$ (3,090)</b>	<b>\$ 70</b>	<b>\$ 4,771</b>	<b>\$ 1,359</b>	<b>\$ (274)</b>	<b>\$ (3,501)</b>	<b>\$ (90)</b>	<b>\$ 18</b>	<b>\$ (3,847)</b>
<b>Contribution to Crombie's FFO<sup>(1)</sup></b>	<b>\$ 368</b>	<b>\$ (927)</b>	<b>\$ 284</b>	<b>\$ 2,174</b>	<b>\$ 1,899</b>	<b>\$ 332</b>	<b>\$ (1,098)</b>	<b>\$ 211</b>	<b>\$ 16</b>	<b>\$ (539)</b>

(1) FFO is at Crombie's share and 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
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	Nine months ended									
	September 30, 2023					September 30, 2022				
	Davie LP	Bronte LP	Duke LP	Other	Total	Davie LP	Bronte LP	Duke LP	Other	Total
Property revenue	\$ 8,933	\$ 8,954	\$ 6,303	\$ 26,017	\$ 50,207	\$ 8,052	\$ 4,193	\$ 3,727	\$ 488	\$ 16,460
Property operating expenses	(2,140)	(3,529)	(1,601)	(14,069)	(21,339)	(2,020)	(2,885)	(1,327)	(168)	(6,400)
Net property income <sup>(*)</sup>	6,793	5,425	4,702	11,948	28,868	6,032	1,308	2,400	320	10,060
General and administrative expenses	(266)	(129)	(74)	(143)	(612)	(32)	(53)	(35)	(284)	(404)
Depreciation and amortization	(2,201)	(3,338)	(1,427)	(41)	(7,007)	(2,619)	(3,378)	(1,467)	(42)	(7,506)
Finance costs - operations	(5,625)	(12,056)	(2,474)	(146)	(20,301)	(4,320)	(6,240)	(2,321)	(113)	(12,994)
<b>Net income (loss)</b>	<b>\$ (1,299)</b>	<b>\$ (10,098)</b>	<b>\$ 727</b>	<b>\$ 11,618</b>	<b>\$ 948</b>	<b>\$ (939)</b>	<b>\$ (8,363)</b>	<b>\$ (1,423)</b>	<b>\$ (119)</b>	<b>\$ (10,844)</b>
<b>Contribution to Crombie's FFO<sup>(*)</sup>(1)</b>	<b>\$ 902</b>	<b>\$ (3,208)</b>	<b>\$ 1,114</b>	<b>\$ 5,611</b>	<b>\$ 4,419</b>	<b>\$ 641</b>	<b>\$ (2,344)</b>	<b>\$ 58</b>	<b>\$ (38)</b>	<b>\$ (1,683)</b>

(1) FFO is at Crombie's share and is included in Crombie's total FFO numbers.

	Three months ended					
	September 30, 2023			September 30, 2022		
	Retail	Residential	Total	Retail	Residential	Total
Net property income <sup>(*)</sup>	\$ 5,222	\$ 5,620	\$ 10,842	\$ 544	\$ 3,380	\$ 3,924
Non-cash straight-line rent	(18)	35	17	(33)	194	161
Non-cash tenant incentive amortization	145	—	145	125	—	125
<b>Property cash NOI<sup>(*)</sup></b>	<b>\$ 5,349</b>	<b>\$ 5,655</b>	<b>\$ 11,004</b>	<b>\$ 636</b>	<b>\$ 3,574</b>	<b>\$ 4,210</b>

	Nine months ended					
	September 30, 2023			September 30, 2022		
	Retail	Residential	Total	Retail	Residential	Total
Net property income <sup>(*)</sup>	\$ 13,074	\$ 15,794	\$ 28,868	\$ 1,532	\$ 8,528	\$ 10,060
Non-cash straight-line rent	(54)	382	328	(98)	805	707
Non-cash tenant incentive amortization	418	—	418	372	—	372
<b>Property cash NOI<sup>(*)</sup></b>	<b>\$ 13,438</b>	<b>\$ 16,176</b>	<b>\$ 29,614</b>	<b>\$ 1,806</b>	<b>\$ 9,333</b>	<b>\$ 11,139</b>

## 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, 2023	\$ 884,000	\$ 565,481
December 31, 2022	\$ 908,000	\$ 572,153

The fair value included in this summary reflects the fair value of the properties as at September 30, 2023 and December 31, 2022, 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, 2023, properties held within 1600 Davie Limited Partnership, Bronte Village Limited Partnership, The Duke Limited Partnership, Penhorn Residential Holdings 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
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Crombie has utilized the following weighted average capitalization rates for its joint venture properties:

	September 30, 2023	December 31, 2022
Weighted average capitalization rate	3.60 %	3.47 %

#### Capitalization rate sensitivity

Crombie has determined that a change in this applied capitalization rate at September 30, 2023 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%	\$ (60,000)	\$ 62,000
0.50%	\$ (109,000)	\$ 138,000
0.75%	\$ (153,000)	\$ 230,000

#### Debt to Gross Fair Value<sup>(\*)</sup>

	September 30, 2023	December 31, 2022
Fixed and floating rate mortgages and construction loans	\$ 510,685	\$ 506,143
Revolving credit facilities	20,400	17,256
Partnership loans	10,364	10,364
Lease liabilities	6,456	7,521
<b>Total debt outstanding</b>	<b>\$ 547,905</b>	<b>\$ 541,284</b>
Investment properties, fair value	\$ 884,000	\$ 908,000
Other assets, cost <sup>(1)</sup>	56,761	53,948
Cash and cash equivalents	17,699	4,974
Gross fair value	\$ 958,460	\$ 966,922
<b>Debt to gross fair value<sup>(*)</sup></b>	<b>57.2 %</b>	<b>56.0 %</b>

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

#### Debt Profile

	September 30, 2023				December 31, 2022			
	Mortgages <sup>(1)</sup>	Revolving Credit Facilities <sup>(2)</sup>	Partnership Loans	Total Borrowings	Mortgages <sup>(1)</sup>	Revolving Credit Facilities <sup>(2)</sup>	Partnership Loans	Total Borrowings
Opening balance, beginning of period	\$ 506,143	\$ 17,256	\$ 10,364	\$ 533,763	\$ 465,027	\$ 1,200	\$ 15,533	\$ 481,760
Additions to existing mortgages	6,413	—	—	6,413	43,511	—	—	43,511
Net advances	—	6,000	—	6,000	—	16,056	—	16,056
Principal repayments	(1,871)	(2,856)	—	(4,727)	(2,395)	—	(5,169)	(7,564)
<b>Closing balance, end of period</b>	<b>\$ 510,685</b>	<b>\$ 20,400</b>	<b>\$ 10,364</b>	<b>\$ 541,449</b>	<b>\$ 506,143</b>	<b>\$ 17,256</b>	<b>\$ 10,364</b>	<b>\$ 533,763</b>

(1) Includes construction financing.

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

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	<b>JOINT VENTURES</b>	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Total borrowings	\$ <b>541,449</b>	\$ 533,763
Long-term portion	\$ <b>315,034</b>	\$ 314,875
Current portion	\$ <b>226,415</b>	\$ 218,888
Weighted average fixed interest rate	<b>3.27 %</b>	3.17 %
Weighted average floating interest rate <sup>(1)</sup>	<b>7.14 %</b>	7.00 %
Weighted average term to maturity of fixed rate debt	<b>4.5 years</b>	5.4 years
Weighted average term to maturity of floating rate debt <sup>(1)</sup>	<b>1.5 years</b>	0.3 years

(1) Includes construction financing and credit facilities of \$243,188 at September 30, 2023 (December 31, 2022- \$233,640).

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, 2023, 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 trustees, 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,	
	2023	2022	2023	2022
<b>Property revenue</b>				
Property revenue	\$ 57,680	\$ 57,122	\$ 171,194	\$ 166,150
Head lease income	\$ 150	\$ 156	\$ 695	\$ 710
Lease termination income	\$ —	\$ 34	\$ —	\$ 102
<b>Revenue from management and development services</b>	\$ 297	\$ —	\$ 2,343	\$ —
<b>Property operating expenses</b>	\$ (33)	\$ (33)	\$ (101)	\$ (101)
<b>General and administrative expenses</b>				
Property management services recovered	\$ 77	\$ 87	\$ 169	\$ 246
Other general and administrative expenses	\$ (42)	\$ (88)	\$ (130)	\$ (176)
<b>Finance costs - operations</b>				
Interest rate subsidy	\$ —	\$ —	\$ —	\$ 53
<b>Finance costs - distributions to Unitholders</b>	\$ (16,619)	\$ (16,387)	\$ (49,665)	\$ (49,019)

Crombie provides property management, development 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 which is being recognized as revenue from management and development services.

Included in the above, during the nine months ended September 30, 2023, Crombie issued 820,806 (September 30, 2022 - 626,897) Class B LP Units to ECLD under the DRIP.

During the nine months ended September 30, 2023, Crombie purchased three retail properties from a subsidiary of Empire for a total purchase price of \$26,482 before transaction costs.

During the nine months ended September 30, 2023, Crombie invested \$16,977 (September 30, 2022 - \$12,432) 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 \$24,960 (December 31, 2022 - \$25,207) 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, 2022 - \$10,364) in a 6% subordinated note receivable due from Bronte Village Limited Partnership.

During the third quarter of 2023, Crombie entered into a new joint venture with a subsidiary of Empire. Amounts due from related parties include \$166 (December 31, 2022 - \$Nil) in a note receivable due from Lynn Valley Limited Partnership.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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During the third quarter of 2023, Crombie paid \$16,361 to a subsidiary of Empire in connection with the assignment of 24 subleases to Crombie for retail sites in Western Canada. This payment was allocated to either deferred leasing costs or tenant incentive additions, based on each component's relative fair value.

During the third quarter of 2023, Crombie paid an initial right-to-develop fee of \$13,600 to a subsidiary of Empire, which resulted in the existing lease being modified. The right to develop will allow Crombie flexibility as it works through the entitlement and future development of an existing property in which a subsidiary of Empire is currently a tenant.

## 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 2022 Annual MD&A. The estimates and assumptions that are critical to the determination of the amounts reported in the financial statements relate to the following:

#### Fair Value Measurement

A number of assets and liabilities included in Crombie's 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<sup>(\*)</sup> recognized from leasing the property, which 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<sup>(\*)</sup>, to arrive at property valuations. As at September 30, 2023, management's determination of fair value was updated for current market assumptions, including net property income<sup>(\*)</sup>, market capitalization rates, and recent appraisals provided by independent appraisal professionals.

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### 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.

### **Critical Judgments**

Critical judgments are discussed under the “Critical Judgments” section of the 2022 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 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 at September 30, 2023. 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, 2023 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.

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## Quarterly Information

	Three months ended							
	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021
Net property income <sup>(1)</sup>	\$ 71,453	\$ 71,442	\$ 68,648	\$ 70,816	\$ 71,574	\$ 70,097	\$ 69,331	\$ 71,402
Operating income	\$ 27,796	\$ 19,557	\$ 25,173	\$ 87,718	\$ 26,410	\$ 28,424	\$ 25,248	\$ 78,730
Finance costs - distributions to Unitholders	(40,077)	(39,921)	(39,775)	(39,697)	(39,513)	(39,394)	(39,236)	(36,637)
Finance income (costs) - change in fair value of financial instruments	1,191	1,517	603	(1,704)	1,782	2,034	211	(1,018)
<b>Increase (decrease) in net assets attributable to Unitholders</b>	<b>\$ (11,090)</b>	<b>\$ (18,847)</b>	<b>\$ (13,999)</b>	<b>\$ 46,317</b>	<b>\$ (11,321)</b>	<b>\$ (8,936)</b>	<b>\$ (13,777)</b>	<b>\$ 41,075</b>
<b>Operating income per Unit - basic</b>	<b>\$ 0.15</b>	<b>\$ 0.11</b>	<b>\$ 0.14</b>	<b>\$ 0.49</b>	<b>\$ 0.15</b>	<b>\$ 0.16</b>	<b>\$ 0.15</b>	<b>\$ 0.48</b>
<b>Distributions</b>								
Distributions	\$ 40,077	\$ 39,921	\$ 39,775	\$ 39,697	\$ 39,513	\$ 39,394	\$ 39,236	\$ 36,637
Per Unit	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22
<b>FFO<sup>(1)</sup></b>								
Basic	\$ 56,510	\$ 46,068	\$ 52,835	\$ 52,104	\$ 52,665	\$ 49,877	\$ 49,091	\$ 46,948
Per Unit - basic	\$ 0.31	\$ 0.26	\$ 0.30	\$ 0.29	\$ 0.30	\$ 0.28	\$ 0.28	\$ 0.29
Payout ratio	70.9 %	86.7 %	75.3 %	76.2 %	75.0 %	79.0 %	79.9 %	78.0 %
<b>AFFO<sup>(1)</sup></b>								
Basic	\$ 49,962	\$ 39,118	\$ 45,909	\$ 45,061	\$ 46,787	\$ 43,551	\$ 41,898	\$ 40,468
Per Unit - basic	\$ 0.28	\$ 0.22	\$ 0.26	\$ 0.25	\$ 0.26	\$ 0.25	\$ 0.24	\$ 0.25
Payout ratio	80.2 %	102.1 %	86.6 %	88.1 %	84.5 %	90.5 %	93.6 %	90.5 %
<b>Operating information</b>								
Number of investment properties	294	293	291	289	290	294	294	284
Gross leasable area	18,652,000	18,625,000	18,550,000	18,445,000	18,331,000	18,500,000	18,488,000	17,861,000
Economic occupancy	96.0 %	95.9 %	94.5 %	94.8 %	96.2 %	95.9 %	95.5 %	95.6 %
Committed occupancy	96.4 %	96.4 %	96.7 %	96.9 %	96.8 %	96.3 %	96.4 %	96.2 %
<b>Debt metrics</b>								
Unencumbered investment properties <sup>(1)</sup>	\$2,581,919	\$2,488,359	\$2,291,396	\$2,154,468	\$2,200,890	\$2,155,326	\$2,009,252	\$1,752,927
Available liquidity	\$ 564,903	\$ 614,072	\$ 735,877	\$ 583,003	\$ 445,372	\$ 444,262	\$ 523,159	\$ 507,777
Debt to gross fair value <sup>(*) (2)</sup>	42.4 %	42.3 %	41.9 %	41.8 %	42.0 %	42.7 %	42.5 %	45.3 %
Weighted average interest rate <sup>(3)</sup>	4.0 %	4.0 %	4.0 %	3.8 %	3.8 %	3.8 %	3.8 %	3.8 %
Debt to trailing 12 months adjusted EBITDA <sup>(*) (2) (4)</sup>	8.13x	8.17x	7.96x	8.02x	8.50x	8.75x	8.72x	8.99x
Interest coverage ratio <sup>(*) (4)</sup>	3.41x	2.95x	3.24x	3.26x	3.32x	3.26x	3.27x	3.06x

(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.

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

- Property acquisitions and dispositions (gross proceeds excluding closing and transaction costs) for each of the above three-month periods were:
  - September 30, 2023 - no acquisitions or dispositions; a payment of \$16,361 was made to a subsidiary of Empire in connection with the assignment of 24 subleases to Crombie for retail sites in Western Canada;
  - June 30, 2023 - acquisition of one retail property for a total purchase price of \$9,760;
  - March 31, 2023 - acquisition of two retail properties for a total purchase price of \$16,722;
  - December 31, 2022 - disposition of two retail properties for proceeds of \$113,418;
  - 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; and
  - 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.
- 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<sup>(\*)</sup> and AFFO<sup>(\*)</sup> 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. 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
Net property income	<ul style="list-style-type: none"> <li>Property revenue less property operating expenses, excluding revenue from management and development services and certain expenses such as interest expense and indirect operating expenses.</li> <li>Management believes that net property income is a useful measure of operating performance by the properties period-over-period.</li> </ul>	“Net Property Income <sup>(*)</sup> ” starting on page 26
Property NOI on a cash basis	<ul style="list-style-type: none"> <li>Property NOI on a cash basis, which excludes non-cash straight-line rent recognition and non-cash tenant incentive amortization.</li> <li>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.</li> </ul>	“Same-asset Property Cash NOI <sup>(*)</sup> ” starting on page 27
Same-asset property cash NOI	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The number of same-asset properties was 286 as at September 30, 2023.</li> </ul>	“Same-asset Property Cash NOI <sup>(*)</sup> ” starting on page 27
Funds from operations (“FFO”)	<ul style="list-style-type: none"> <li>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"> <li>gain or loss on disposal of investment properties and related income tax;</li> <li>gain on distribution from equity-accounted investments;</li> <li>impairment charges and recoveries;</li> <li>depreciation and amortization expense of investment properties, including amortization of tenant incentives charged against property revenue;</li> <li>adjustments for equity-accounted entities;</li> <li>operational expenses from right-of-use assets;</li> <li>incremental internal leasing expenses;</li> <li>finance costs - distributions on Crombie’s REIT and Class B LP Units classified as financial liabilities; and</li> <li>change in fair value of financial instruments.</li> </ul> </li> </ul>	“Funds from Operations (FFO) <sup>(*)</sup> ” starting on page 29

Non-GAAP Measure	Description and Purpose	Reconciliation
	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	
FFO payout ratio	<ul style="list-style-type: none"> <li>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.</li> <li>FFO payout ratio is calculated by dividing finance costs - distributions to Unitholders by FFO for the period.</li> <li>Management uses this key metric in evaluating the sustainability of Crombie's distribution payments to Unitholders.</li> </ul>	"Funds from Operations (FFO) <sup>(1)</sup> " starting on page 29
Adjusted funds from operations ("AFFO")	<ul style="list-style-type: none"> <li>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.</li> <li>Crombie follows the recommendations of REALPAC's January 2022 guidance in calculating AFFO.</li> <li>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, maintenance capital expenditures, and maintenance tenant incentives and leasing costs.</li> <li>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.</li> </ul>	"Adjusted Funds from Operations (AFFO) <sup>(2)</sup> " starting on page 30
AFFO payout ratio	<ul style="list-style-type: none"> <li>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.</li> <li>AFFO payout ratio is calculated by dividing finance costs - distributions to Unitholders by AFFO for the period.</li> <li>Management uses this key metric in evaluating the sustainability of Crombie's distribution payments to Unitholders.</li> </ul>	"Adjusted Funds from Operations (AFFO) <sup>(2)</sup> " starting on page 30
Net asset value ("NAV")	<ul style="list-style-type: none"> <li>NAV represents total assets less total liabilities excluding net assets attributable to Unitholders.</li> </ul>	"Development" starting on page 35
Unencumbered investment properties as a percentage of unsecured debt	<ul style="list-style-type: none"> <li>Unencumbered investment properties represent the fair value of investment properties that have not been pledged as security for any debt obligations.</li> <li>Unsecured debt currently consists of Crombie's senior unsecured notes and its Unsecured bilateral and Unsecured non-revolving credit facilities.</li> <li>This ratio is used to assess the aggregate unencumbered investment properties currently available for secured financing to satisfy all outstanding unsecured debt obligations.</li> </ul>	"Debt Metrics" starting on page 45
Debt to gross fair value	<ul style="list-style-type: none"> <li>Used to evaluate Crombie's flexibility to incur additional financial leverage.</li> </ul>	"Debt Metrics" starting on page 45
Adjusted debt	<ul style="list-style-type: none"> <li>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.</li> <li>Adjusted debt is used in the calculation of our debt to gross fair value and debt to trailing 12 months adjusted EBITDA.</li> </ul>	"Debt Metrics" starting on page 45

Non-GAAP Measure	Description and Purpose	Reconciliation
Earnings before interest, taxes, depreciation and amortization (“adjusted EBITDA”)	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Crombie believes adjusted EBITDA is an indicative measure of its ability to service debt requirements, fund capital projects, and acquire properties.</li> </ul>	“Debt Metrics” starting on page 45
Debt to adjusted EBITDA	<ul style="list-style-type: none"> <li>Used to assess Crombie’s financial leverage, to measure its ability to meet financial obligations and measure its balance sheet strength.</li> </ul>	“Debt Metrics” starting on page 45
Adjusted interest expense	<ul style="list-style-type: none"> <li>Represents finance costs from operations, excluding amortization of deferred financing costs. It includes Crombie’s share of interest from equity-accounted joint ventures.</li> <li>Adjusted interest expense is used in the calculation of our interest coverage and debt service coverage ratios.</li> </ul>	“Debt Metrics” starting on page 45
Interest coverage Debt service coverage	<ul style="list-style-type: none"> <li>These ratios are useful in determining Crombie’s ability to service the interest requirements of its outstanding debt.</li> </ul>	“Debt Metrics” starting on page 45

### 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 or otherwise enhance the property’s overall value.

Crombie’s policy is to charge AFFO<sup>(\*)</sup> 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 2023, Crombie has increased the normalized rate from \$1.00 to \$1.10 per square foot of weighted average GLA, based on the actual spend for the previous three years and estimated spend for 2023. 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<sup>(\*)</sup>, 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.

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## Maintenance Expenditures - Actual

	Three months ended			Nine months ended		Year ended	Three months ended			
	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Sep. 30, 2023	Sep. 30, 2022	Dec. 31, 2022	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022
Total additions to investment properties	\$ 13,337	\$ 26,893	\$ 13,729	\$ 53,959	\$ 75,197	\$ 104,379	\$ 29,182	\$ 21,129	\$ 18,435	\$ 35,633
Less: revenue-enhancing expenditures	(12,036)	(25,367)	(9,972)	(47,375)	(69,489)	(95,032)	(25,543)	(19,726)	(17,086)	(32,677)
Maintenance capital expenditures	1,301	1,526	3,757	6,584	5,708	9,347	3,639	1,403	1,349	2,956
Total additions to TI and deferred leasing costs	25,393	12,090	11,521	49,004	35,847	43,408	7,561	6,521	11,064	18,262
Less: revenue-enhancing expenditures	(6,025)	(8,126)	(8,341)	(22,492)	(25,983)	(32,721)	(6,738)	(3,634)	(8,018)	(14,331)
Maintenance TI and deferred leasing costs	19,368	3,964	3,180	26,512	9,864	10,687	823	2,887	3,046	3,931
<b>Total maintenance expenditures - actual</b>	<b>\$ 20,669</b>	<b>\$ 5,490</b>	<b>\$ 6,937</b>	<b>\$ 33,096</b>	<b>\$ 15,572</b>	<b>\$ 20,034</b>	<b>\$ 4,462</b>	<b>\$ 4,290</b>	<b>\$ 4,395</b>	<b>\$ 6,887</b>
<b>Reserve amount charged against AFFO<sup>(*)</sup></b>	<b>\$ 5,186</b>	<b>\$ 5,182</b>	<b>\$ 5,143</b>	<b>\$ 15,511</b>	<b>\$ 13,906</b>	<b>\$ 18,526</b>	<b>\$ 4,620</b>	<b>\$ 4,662</b>	<b>\$ 4,659</b>	<b>\$ 4,585</b>

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 2023, 2022, and 2021. In the third quarter of 2023, maintenance TI and deferred leasing costs included \$16,361 paid to a subsidiary of Empire in connection with the assignment of 24 subleases to Crombie for retail sites in Western Canada.

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, 2023 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”, “Joint Ventures”, 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”, as well as the additional statements in the “Risks” section of Crombie’s 2022 Annual Information Form available at [www.crombie.ca](http://www.crombie.ca). 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, customer fulfillment centres, or warehouses, which may be impacted by the development of Empire’s business and the resulting availability of suitable investment opportunities for Crombie;
- (ii) AFFO<sup>(\*)</sup> accretion and NAV<sup>(\*)</sup> 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, 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, estimated yield on 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 for projects in Crombie’s development pipeline, which are subject to changes in site plans, cost tendering processes, and continuing tenant negotiations, as well as access to job sites, supply 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) 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;
- (xiii) tax exempt status, which can be impacted by regulatory changes enacted by governmental authorities;
- (xiv) anticipated distributions and payout ratios, which could be impacted by results of operations and capital resource allocation decisions; and
- (xv) 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
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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.