

**CROMBIE REAL ESTATE INVESTMENT TRUST**  
**Interim Condensed Consolidated Financial Statements**  
**September 30, 2024**

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**CROMBIE REAL ESTATE INVESTMENT TRUST**  
**Unaudited Interim Condensed Consolidated Balance Sheets**  
*(In thousands of Canadian dollars)*

	Note	September 30, 2024	December 31, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Investment properties	3	\$ 3,654,237	\$ 3,624,457
Investment in joint ventures	4	29,614	30,778
Other assets	5	414,247	444,173
		<b>4,098,098</b>	<b>4,099,408</b>
<b>Current assets</b>			
Other assets	5	62,034	49,160
Investment properties held for sale	3,6	5,638	—
		<b>67,672</b>	<b>49,160</b>
<b>Total assets</b>		<b>4,165,770</b>	<b>4,148,568</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Fixed rate mortgages	7	632,060	617,717
Credit facilities	7	47,835	140,888
Senior unsecured notes	8	1,197,292	1,171,769
Employee future benefits obligation		7,604	7,434
Trade and other payables	9	22,588	20,966
Lease liabilities	21	33,010	35,351
		<b>1,940,389</b>	<b>1,994,125</b>
<b>Current liabilities</b>			
Fixed rate mortgages	7	132,122	216,911
Credit facilities	7	4,025	3,503
Senior unsecured notes	8	174,171	—
Employee future benefits obligation		327	327
Trade and other payables	9	103,103	108,048
Lease liabilities	21	2,641	941
		<b>416,389</b>	<b>329,730</b>
<b>Total liabilities excluding net assets attributable to Unitholders</b>		<b>2,356,778</b>	<b>2,323,855</b>
<b>Net assets attributable to Unitholders</b>		<b>\$ 1,808,992</b>	<b>\$ 1,824,713</b>
<b>Net assets attributable to Unitholders represented by:</b>			
Crombie REIT Unitholders		\$ 1,072,204	\$ 1,081,631
Special Voting Units and Class B Limited Partnership Unitholders		736,788	743,082
		<b>\$ 1,808,992</b>	<b>\$ 1,824,713</b>
Commitments, contingencies and guarantees	22		
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*See accompanying notes to the interim condensed consolidated financial statements.*

**CROMBIE REAL ESTATE INVESTMENT TRUST**  
**Unaudited Interim Condensed Consolidated Statements of Comprehensive Loss**  
*(In thousands of Canadian dollars)*

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023 <sup>(1)</sup>	2024	2023 <sup>(1)</sup>
Property revenue	10	\$ 114,460	\$ 109,389	\$ 349,430	\$ 334,703
Revenue from management and development services	11	1,083	297	3,938	2,343
Property operating expenses	12	(39,454)	(37,936)	(125,895)	(123,160)
Gain on disposal of investment properties	3	—	477	2,163	588
Impairment of investment properties	3	—	—	(2,000)	—
Depreciation and amortization	3,5	(20,359)	(19,834)	(60,334)	(58,748)
General and administrative expenses	14	(6,014)	(4,808)	(16,198)	(21,895)
Finance costs - operations	15	(22,677)	(20,665)	(67,142)	(62,429)
Income (loss) from equity-accounted investments	4	(469)	876	(1,840)	1,124
<b>Operating income attributable to Unitholders</b>		<b>26,570</b>	27,796	<b>82,122</b>	72,526
Distributions to Unitholders		(40,735)	(40,077)	(121,698)	(119,773)
Change in fair value of financial instruments	14	(3,506)	1,191	(2,321)	3,311
		<b>(44,241)</b>	(38,886)	<b>(124,019)</b>	(116,462)
<b>Decrease in net assets attributable to Unitholders</b>		<b>(17,671)</b>	(11,090)	<b>(41,897)</b>	(43,936)
<b>Other comprehensive income (loss)</b>					
Items that will be subsequently reclassified to net assets attributable to Unitholders:					
Share of net change in derivatives designated as cash flow hedges of equity-accounted investments	19	(1,837)	1,231	(1,428)	1,771
Net change in derivatives designated as cash flow hedges	19	(845)	(658)	(1,634)	(1,175)
Other comprehensive income (loss)		<b>(2,682)</b>	573	<b>(3,062)</b>	596
<b>Comprehensive loss</b>		<b>\$ (20,353)</b>	\$ (10,517)	<b>\$ (44,959)</b>	\$ (43,340)

(1) Property revenue and property operating expenses for the three and nine months ended September 30, 2023 have been increased by \$4,898 and \$14,694, respectively, as a result of a change in the presentation of recoverable property taxes for certain properties where a tenant pays the property taxes on Crombie's behalf.

*See accompanying notes to the interim condensed consolidated financial statements.*

**CROMBIE REAL ESTATE INVESTMENT TRUST**  
**Unaudited Interim Condensed Consolidated Statements of Changes in Net Assets Attributable to Unitholders**  
*(In thousands of Canadian dollars)*

	REIT Units, Special Voting Units and Class B LP Units (Note 16)	Net Assets Attributable to Unitholders	Accumulated Other Comprehensive Income (Loss)	Total	Attributable to	
					REIT Units	Class B LP Units
Balance, January 1, 2024	\$ 2,233,731	\$ (415,426)	\$ 6,408	\$ 1,824,713	\$ 1,081,631	\$ 743,082
Comprehensive loss	—	(41,897)	(3,062)	(44,959)	(26,541)	(18,418)
Units issued under Distribution Reinvestment Plan ("DRIP")	29,238	—	—	29,238	17,114	12,124
<b>Balance, September 30, 2024</b>	<b>\$ 2,262,969</b>	<b>\$ (457,323)</b>	<b>\$ 3,346</b>	<b>\$ 1,808,992</b>	<b>\$ 1,072,204</b>	<b>\$ 736,788</b>

	REIT Units, Special Voting Units and Class B LP Units (Note 16)	Net Assets Attributable to Unitholders	Accumulated Other Comprehensive Income (Loss)	Total	Attributable to	
					REIT Units	Class B LP Units
Balance, January 1, 2023	\$ 2,196,040	\$ (356,148)	\$ 10,648	\$ 1,850,540	\$ 1,097,070	\$ 753,470
Comprehensive income (loss)	—	(43,936)	596	(43,340)	(25,588)	(17,752)
Units issued under DRIP	28,418	—	—	28,418	16,634	11,784
Balance, September 30, 2023	\$ 2,224,458	\$ (400,084)	\$ 11,244	\$ 1,835,618	\$ 1,088,116	\$ 747,502

*See accompanying notes to the interim condensed consolidated financial statements.*

**CROMBIE REAL ESTATE INVESTMENT TRUST**  
**Unaudited Interim Condensed Consolidated Statements of Cash Flows**  
*(In thousands of Canadian dollars)*

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023 <sup>(1)</sup>	2024	2023 <sup>(1)</sup>
<b>Cash flows provided by (used in)</b>					
<b>Operating Activities</b>					
Decrease in net assets attributable to Unitholders		\$ (17,671)	\$ (11,090)	\$ (41,897)	\$ (43,936)
Additions to tenant incentives		(21,664)	(14,006)	(37,433)	(36,921)
Items not affecting operating cash	17	30,726	24,354	81,671	70,795
Change in other non-cash operating items	17	4,092	15,744	(20,320)	(1,320)
Finance costs - operations	15	22,677	20,665	67,142	62,429
Distributions to Unitholders		40,735	40,077	121,698	119,773
Cash provided by operating activities		58,895	75,744	170,861	170,820
<b>Financing Activities</b>					
Issuance of mortgages	7	—	—	32,967	48,660
Financing - other		(633)	(292)	(2,088)	(1,641)
Repayment of mortgages - principal		(6,971)	(7,703)	(21,420)	(25,101)
Repayment of mortgages - maturity	7	—	(16,297)	(82,955)	(142,629)
Finance costs - operations	15	(31,361)	(26,391)	(71,433)	(64,633)
Advance (repayment) of floating rate credit facilities and construction financing facilities		31,353	48,706	(91,538)	12,217
Advance (repayment) of joint operation credit facilities	7	17	34	17	(6,938)
Issuance of senior unsecured notes	8	—	—	200,000	200,000
Cash distributions to Unitholders		(30,688)	(30,496)	(92,296)	(91,208)
Payments of lease liabilities		(233)	(246)	(708)	(707)
Cash used in financing activities		(38,516)	(32,685)	(129,454)	(71,980)
<b>Investing Activities</b>					
Acquisition of investment properties and intangible assets		(3,838)	—	(14,821)	(28,646)
Additions to investment properties		(16,314)	(13,337)	(41,044)	(53,959)
Additions to predevelopment costs		—	(16,012)	—	(12,883)
Proceeds on disposal of investment properties		—	—	6,218	—
Contributions to joint ventures	4	(504)	(880)	(3,059)	(880)
Distributions from joint ventures	4	30	110	955	5,715
Additions to fixtures and computer equipment		(99)	(5)	(699)	(103)
Additions to deferred leasing costs		(88)	(11,387)	(391)	(12,083)
Collections on related party receivables	5	434	(1,669)	11,434	(2,008)
Cash used in investing activities		(20,379)	(43,180)	(41,407)	(104,847)
<b>Net change in cash and cash equivalents</b>		—	(121)	—	(6,007)
<b>Cash and cash equivalents, beginning of period</b>		—	231	—	6,117
<b>Cash and cash equivalents, end of period</b>		\$ —	\$ 110	\$ —	\$ 110

(1) Cash provided by (used in) operating and financing activities for the three and nine months ended September 30, 2023 was updated from the previously reported figures to show finance costs - operations net of non-cash items.

*See accompanying notes to the interim condensed consolidated financial statements.*

## **1) GENERAL INFORMATION AND NATURE OF OPERATIONS**

Crombie Real Estate Investment Trust ("Crombie") is an unincorporated "open-ended" real estate investment trust created pursuant to the Declaration of Trust dated January 1, 2006, as amended. The principal business of Crombie is investing in income-producing retail, retail-related industrial, mixed-use, and office properties in Canada. Crombie is registered in Canada and the address of its registered office is 610 East River Road, Suite 200, New Glasgow, Nova Scotia, Canada, B2H 3S2. The interim condensed consolidated financial statements for the three and nine months ended September 30, 2024 and September 30, 2023 include the accounts of Crombie and all of its subsidiary entities. The Units of Crombie are traded on the Toronto Stock Exchange ("TSX") under the symbol "CRR.UN".

The three and nine months ended September 30, 2024 interim condensed consolidated financial statements were authorized for issue by the Board of Trustees on November 6, 2024.

## **2) SUMMARY OF MATERIAL ACCOUNTING POLICIES**

Except as otherwise indicated hereunder, these financial statements have been prepared using the same policies and methods of computation as the audited consolidated financial statements for the year ended December 31, 2023.

### **(a) Statement of compliance**

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard IAS 34, "Interim Financial Reporting", and do not contain all the information required by IAS 1 "Presentation of Financial Statements". Therefore, they should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023.

### **(b) Basis of presentation**

These interim condensed consolidated financial statements are presented in Canadian dollars ("CAD"), Crombie's functional and reporting currency, rounded to the nearest thousand. The interim condensed consolidated financial statements are prepared on a historical cost basis except for any financial assets and liabilities classified at fair value, with changes in fair value either recognized as an increase (decrease) in net assets attributable to Unitholders ("FVTPL" classification) or fair value through other comprehensive income (loss) ("FVOCI" classification).

### **(c) Critical accounting estimates and assumptions**

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the interim condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and assumptions that are critical to the determination of the amounts reported in the interim condensed consolidated financial statements relate to the following:

#### **(i) Fair value measurement**

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

#### **(ii) Investment properties**

Investment properties are carried at cost less accumulated depreciation. Crombie estimates the residual value and useful lives of investment properties and the significant components thereof to calculate depreciation and amortization.

**(iii) 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. 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 considering the aggregate trailing annual net operating income (property revenue less property operating expenses) recognized from leasing the property, that is stabilized for any major tenant movement. Biannual capitalization rates are obtained from an independent valuation company, which reflect the specific risks inherent in the net operating income, to arrive at property valuations. As at September 30, 2024, management's determination of fair value was updated for current market assumptions, including net operating income, market capitalization rates, and recent appraisals provided by independent appraisal professionals.

**(d) Changes in accounting standards**

Effective January 1, 2024, Crombie has applied the amendments of IAS 1 "Presentation of Financial Statements" ("IAS 1"). The amendments clarify how to classify liabilities as current or non-current. The change was applied retrospectively on the effective date and there was no material impact as a result of this amendment.

**(e) Future changes in accounting standards**

The International Accounting Standards Board ("IASB") has issued a new standard, IFRS 18 "Presentation and Disclosure in Financial Statements". This standard will replace IAS 1 and provide a defined structure for the statement of profit or loss, require enhanced disclosures for certain profit or loss performance measures that are reported outside an entity's financial statements and clarification on aggregation and disaggregation. The new standard will apply to reporting periods beginning on or after January 1, 2027 and will apply to comparative information. Management is currently evaluating the impact of this future policy on the consolidated financial statements.

**CROMBIE REAL ESTATE INVESTMENT TRUST**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
(In thousands of Canadian dollars)  
**September 30, 2024**

**3) INVESTMENT PROPERTIES**

	September 30, 2024		December 31, 2023
Income properties	\$ 3,498,418	\$	3,529,969
Properties under development	155,819		94,488
<b>Total investment properties</b>	<b>\$ 3,654,237</b>	<b>\$</b>	<b>3,624,457</b>

**Income properties**

	Land	Buildings	Intangibles	Deferred Leasing Costs	Total
<b>Cost</b>					
Opening balance, January 1, 2024	\$ 1,157,300	\$ 3,099,955	\$ 75,320	\$ 22,381	\$ 4,354,956
Acquisitions	2,302	11,031	1,488	—	14,821
Additions	7	10,058	—	408	10,473
Write-off of fully depreciated assets	—	(5,014)	(2,380)	(1,299)	(8,693)
Transfer from other assets (Note 5) <sup>(1)</sup>	—	3,814	—	—	3,814
Transfer to investment properties held for sale (Note 6)	(6,198)	(21,529)	(230)	(65)	(28,022)
Reclassification from properties under development	1,121	15,231	—	—	16,352
<b>Balance, September 30, 2024</b>	<b>1,154,532</b>	<b>3,113,546</b>	<b>74,198</b>	<b>21,425</b>	<b>4,363,701</b>
<b>Accumulated depreciation, amortization, and impairment</b>					
Opening balance, January 1, 2024	10,738	771,287	37,133	5,829	824,987
Depreciation and amortization	237	53,923	3,546	1,524	59,230
Impairment	—	2,000	—	—	2,000
Write-off of fully depreciated assets	—	(5,014)	(2,380)	(1,299)	(8,693)
Transfer to investment properties held for sale (Note 6)	—	(12,098)	(117)	(26)	(12,241)
<b>Balance, September 30, 2024</b>	<b>10,975</b>	<b>810,098</b>	<b>38,182</b>	<b>6,028</b>	<b>865,283</b>
<b>Net carrying value, September 30, 2024</b>	<b>\$ 1,143,557</b>	<b>\$ 2,303,448</b>	<b>\$ 36,016</b>	<b>\$ 15,397</b>	<b>\$ 3,498,418</b>

(1) For the nine months ended September 30, 2024, Crombie transferred \$3,814 in predevelopment costs to investment properties. These costs were previously presented as prepaid expenses and deposits within other assets (Note 5).

Included in land are right-of-use assets of \$16,519 net of accumulated depreciation of \$1,820 for land held under lease.

In the second quarter of 2024, Crombie recorded an impairment totalling \$2,000 on a retail property. This impairment was the result of vacancy at the property. Impairment is measured on a per property basis and is determined as the amount by which the carrying value, using the cost method, exceeds the recoverable amount for each property. The recoverable amount is determined to be the higher value of the economic benefit of the continued use of the asset or the selling price less costs to sell. The recoverable amount was determined to be the economic benefit of the continued use of the asset. To calculate the benefit of the continued use of the asset, Crombie utilizes the present value of the estimated future cash flows, discounted using a discount rate based on the risk associated with the property.

**CROMBIE REAL ESTATE INVESTMENT TRUST**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
(In thousands of Canadian dollars)  
**September 30, 2024**

**Properties under development**

	Land	Buildings	Total
Opening balance, January 1, 2024	\$ 56,637	\$ 37,851	\$ 94,488
Additions	3,540	28,357	31,897
Transfer from other assets (Note 5) <sup>(1)</sup>	34,510	11,276	45,786
Reclassification to income-producing properties	(1,121)	(15,231)	(16,352)
<b>Balance, September 30, 2024</b>	<b>\$ 93,566</b>	<b>\$ 62,253</b>	<b>\$ 155,819</b>

(1) For the nine months ended September 30, 2024, Crombie transferred \$45,786 in predevelopment costs to properties under development. These costs were previously presented as prepaid expenses and deposits within other assets (Note 5).

**Fair Value**

The fair of investment properties is a Level 3 fair value measurement. The fair value represents the estimated 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. Crombie's total fair value of investment properties exceeds carrying value by \$1,230,191 at September 30, 2024 (December 31, 2023 - \$1,109,289). 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.

The estimated fair values of Crombie's investment properties are as follows:

	Fair Value	Carrying Value
<b>September 30, 2024</b>	<b>\$ 5,272,000</b>	<b>\$ 4,041,809</b>
December 31, 2023	5,096,000	3,986,711

Carrying value consists of the net carrying value of:

	Note	September 30, 2024	December 31, 2023
Income properties	3	\$ 3,498,418	3,529,969
Properties under development	3	155,819	94,488
Accrued straight-line rent receivable	5	107,916	103,753
Tenant incentives	5	274,018	258,501
Investment properties held for sale	6	5,638	—
<b>Total carrying value</b>		<b>\$ 4,041,809</b>	<b>3,986,711</b>

Crombie has utilized the following weighted average capitalization rate for the valuation of income properties. Crombie reports the weighted average capitalization rate excluding properties under development. Once development is completed on these properties and they become income producing, Crombie includes them in the calculation of its weighted average capitalization rate.

	September 30, 2024	December 31, 2023
Weighted average capitalization rate	6.12 %	6.12 %

**Fair value sensitivity**

Crombie has determined that a change in this applied capitalization rate and net operating income at September 30, 2024 would result in an (increase) decrease in the fair value of the investment properties as follows:

**CROMBIE REAL ESTATE INVESTMENT TRUST**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
(In thousands of Canadian dollars)  
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Capitalization rate change	Net operating income change							
	\$ (15,000)	\$ (10,000)	\$ (5,000)	— \$	\$ 5,000	\$ 10,000	\$ 15,000	
(0.75) %	\$ 473,000	\$ 555,000	\$ 636,000	\$ 718,000	\$ 800,000	\$ 881,000	\$ 963,000	
(0.50) %	\$ 211,000	\$ 293,000	\$ 374,000	\$ 456,000	\$ 538,000	\$ 619,000	\$ 701,000	
(0.25) %	\$ (27,000)	\$ 55,000	\$ 136,000	\$ 218,000	\$ 300,000	\$ 381,000	\$ 463,000	
— %	\$ (245,000)	\$ (163,000)	\$ (82,000)	— \$	\$ 82,000	\$ 163,000	\$ 245,000	
0.25 %	\$ (445,000)	\$ (363,000)	\$ (282,000)	\$ (200,000)	\$ (118,000)	\$ (37,000)	\$ 45,000	
0.50 %	\$ (630,000)	\$ (548,000)	\$ (467,000)	\$ (385,000)	\$ (303,000)	\$ (222,000)	\$ (140,000)	
0.75 %	\$ (801,000)	\$ (719,000)	\$ (638,000)	\$ (556,000)	\$ (474,000)	\$ (393,000)	\$ (311,000)	

**Property acquisitions and dispositions**

The operating results of acquired properties are included from the respective date of acquisition and for disposed properties up to the date of disposition.

Transaction Date	Vendor/Purchaser	Properties Acquired (Disposed)	Approximate Square Footage	Initial Acquisition (Disposition) Price <sup>(1)</sup>
April 30, 2024	Third Party	(1)	(15,000) \$	(13,000)
June 24, 2024	Third Party	1	48,000 \$	9,880
September 26, 2024	Related Party	1	14,000 \$	3,760

(1) The initial acquisition (disposition) prices exclude closing and transaction costs.

**Investment property disposals**

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Gross proceeds	\$ —	\$ —	\$ 13,000	\$ —
Selling costs	—	—	(532)	—
	—	—	12,468	—
Carrying values derecognized:				
Land	—	—	(1,766)	—
Buildings	—	—	(8,295)	—
Intangibles	—	—	(113)	—
Recognition of deferred gain	—	481	—	594
Provisions	—	(4)	(131)	(6)
<b>Total gain on disposal</b>	<b>\$ —</b>	<b>\$ 477</b>	<b>\$ 2,163</b>	<b>\$ 588</b>

**Co-owned properties**

Crombie owns partial interests in a number of properties. These co-owned properties are subject to proportionate consolidation, the results of which are reflected in Crombie's interim condensed consolidated financial statements, based on the proportionate interest in such joint operations.

**CROMBIE REAL ESTATE INVESTMENT TRUST**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
(In thousands of Canadian dollars)  
**September 30, 2024**

	September 30, 2024		December 31, 2023	
	Number of co-owned properties	Ownership	Number of co-owned properties	Ownership
Retail	59	11 %-50 %	60	11 %-50 %
Retail-related industrial	3	50 %	3	50 %
<b>Total co-owned properties</b>	<b>62</b>		<b>63</b>	

**4) INVESTMENT IN JOINT VENTURES**

The following represents Crombie's interest in equity-accounted investments:

	September 30, 2024	December 31, 2023
1600 Davie Limited Partnership (Note 23(c))	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 %	50.0 %
Kingsway & Tyne Property Development Limited Partnership	50.0 %	50.0 %

The following tables represent 100% of the financial position and financial results of the equity-accounted entities:

	September 30, 2024					December 31, 2023				
	Davie LP	Bronte LP	Duke LP	Other	Total	Davie LP	Bronte LP	Duke LP	Other	Total
Non-current assets	\$ 178,212	\$ 251,266	\$ 111,158	\$ 43,809	\$ 584,445	\$184,015	\$ 256,271	\$ 112,446	\$ 39,220	\$591,952
Current assets	14,225	4,159	6,698	3,300	28,382	13,610	2,650	10,932	4,719	31,911
Non-current liabilities	(197,905)	(240,124)	(100,964)	(27,329)	(566,322)	(206,275)	—	(104,000)	(26,477)	(336,752)
Current liabilities	(6,498)	(2,676)	(2,826)	(1,715)	(13,715)	(3,864)	(241,208)	(3,033)	(3,329)	(251,434)
Net assets	(11,966)	12,625	14,066	18,065	32,790	(12,514)	17,713	16,345	14,133	35,677
Crombie's share at 50%	(5,983)	6,313	7,033	9,032	16,395	(6,257)	8,856	8,172	7,067	17,838
Reconciling items:										
Deferred gain	(7,441)	—	—	—	(7,441)	(7,441)	—	—	(334)	(7,775)
Partnership loans	(6,000)	5,551	1,685	—	1,236	(6,000)	5,332	1,685	—	1,017
Gain on distributions	18,458	—	—	—	18,458	18,458	—	—	—	18,458
Unrecognized losses	966	—	—	—	966	1,240	—	—	—	1,240
Crombie's investment in joint ventures	\$ —	\$ 11,864	\$ 8,718	\$ 9,032	\$ 29,614	\$ —	\$ 14,188	\$ 9,857	\$ 6,733	\$ 30,778

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	Three months ended September 30, 2024					Three months ended September 30, 2023				
	Davie LP	Bronte LP	Duke LP	Other	Total	Davie LP	Bronte LP	Duke LP	Other	Total
Revenue	\$ 3,207	\$ 4,895	\$ 2,347	\$ 202	\$ 10,651	\$ 3,105	\$ 3,485	\$ 1,905	\$ 10,886	\$ 19,381
Property operating expenses	(839)	(1,844)	(865)	(82)	(3,630)	(684)	(1,299)	(521)	(6,035)	(8,539)
General and administrative expenses	(40)	(123)	(4)	(54)	(221)	(217)	(16)	(16)	(41)	(290)
Depreciation and amortization	(687)	(1,089)	(476)	(14)	(2,266)	(736)	(1,116)	(473)	(13)	(2,338)
Finance costs - operations	(1,620)	(3,009)	(812)	(11)	(5,452)	(1,860)	(4,144)	(825)	(26)	(6,855)
Net income (loss)	\$ 21	\$ (1,170)	\$ 190	\$ 41	\$ (918)	\$ (392)	\$ (3,090)	\$ 70	\$ 4,771	\$ 1,359
Crombie's income (loss) from equity-accounted investments	\$ —	\$ (585)	\$ 95	\$ 21	\$ (469)	\$ —	\$ (1,545)	\$ 35	\$ 2,386	\$ 876

	Nine months ended September 30, 2024					Nine months ended September 30, 2023				
	Davie LP	Bronte LP	Duke LP	Other	Total	Davie LP	Bronte LP	Duke LP	Other	Total
Revenue	\$ 9,515	\$ 13,770	\$ 7,049	\$ 575	\$ 30,909	\$ 8,933	\$ 8,954	\$ 6,303	\$ 26,017	\$ 50,207
Property operating expenses	(2,157)	(4,705)	(2,530)	(207)	(9,599)	(2,140)	(3,529)	(1,601)	(14,069)	(21,339)
General and administrative expenses	(134)	(171)	(48)	(107)	(460)	(266)	(129)	(74)	(143)	(612)
Depreciation and amortization	(2,149)	(3,337)	(1,432)	(42)	(6,960)	(2,201)	(3,338)	(1,427)	(41)	(7,007)
Finance costs - operations	(4,529)	(9,999)	(2,461)	(35)	(17,024)	(5,625)	(12,056)	(2,474)	(146)	(20,301)
Net income (loss)	\$ 546	\$ (4,442)	\$ 578	\$ 184	\$ (3,134)	\$ (1,299)	\$ (10,098)	\$ 727	\$ 11,618	\$ 948
Crombie's income (loss) from equity-accounted investments	\$ —	\$ (2,221)	\$ 289	\$ 92	\$ (1,840)	\$ —	\$ (5,049)	\$ 364	\$ 5,809	\$ 1,124

The estimated fair value compared to the carrying value of the investment properties held within Crombie's equity-accounted joint ventures at 100% for the nine months and year ended:

	September 30, 2024	December 31, 2023
Opening balance	\$ 30,778	\$ 40,397
Contributions	3,059	2,468
Distributions	(955)	(11,743)
Deferred gain	—	595
Share of income (loss)	(1,840)	144
Share of other comprehensive loss	(1,428)	(1,083)
Closing balance	\$ 29,614	\$ 30,778

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**Fair Value**

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

	Fair Value		Carrying Value	
<b>September 30, 2024</b>	\$	<b>856,000</b>	\$	<b>552,605</b>
December 31, 2023	\$	945,000	\$	566,563

Carrying value consists of the net carrying value at 100% of:

	September 30, 2024		December 31, 2023	
Income properties	\$	509,754	\$	528,754
Properties under development		37,971		32,537
Accrued straight-line rent receivable		570		862
Tenant incentives		4,310		4,410
<b>Total carrying value</b>	<b>\$</b>	<b>552,605</b>	<b>\$</b>	<b>566,563</b>

The fair value of joint venture properties is a Level 3 fair value measurement. The fair value represents the estimated 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.

The fair value included in this summary reflects the fair value of the properties as at September 30, 2024 and December 31, 2023, respectively, based on each property's current use as a revenue-generating property or property under development. Additionally, as properties are prepared for redevelopment, Crombie considers each property's progress through entitlement in determining the fair value of the property. The fair value of properties under development is assumed to equal cost until the property is substantially completed. As at September 30, 2024, 1600 Davie Limited Partnership, Bronte Village Limited Partnership, The Duke Limited Partnership, and 140 CPN Limited are revenue-generating properties.

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

	September 30, 2024	December 31, 2023
Weighted average capitalization rate	3.85 %	3.67 %

**Fair value sensitivity of the investment properties held within Crombie's equity-accounted joint ventures**

Crombie has determined that a change in this applied capitalization rate and net operating income at September 30, 2024 would result in an (increase) decrease in the fair value of the investment properties as follows:

Capitalization rate change	Net operating income change													
	\$	(1,500)	\$	(1,000)	\$	(500)	\$	500	\$	1,000	\$	1,500		
<b>(0.75) %</b>	\$	156,000	\$	169,000	\$	182,000	\$	195,000	\$	208,000	\$	221,000	\$	234,000
<b>(0.50) %</b>	\$	79,000	\$	92,000	\$	105,000	\$	118,000	\$	131,000	\$	144,000	\$	157,000
<b>(0.25) %</b>	\$	13,000	\$	26,000	\$	39,000	\$	52,000	\$	65,000	\$	78,000	\$	91,000
<b>— %</b>	\$	(39,000)	\$	(26,000)	\$	(13,000)	\$	—	\$	13,000	\$	26,000	\$	39,000
<b>0.25 %</b>	\$	(93,000)	\$	(80,000)	\$	(67,000)	\$	(54,000)	\$	(41,000)	\$	(28,000)	\$	(15,000)
<b>0.50 %</b>	\$	(137,000)	\$	(124,000)	\$	(111,000)	\$	(98,000)	\$	(85,000)	\$	(72,000)	\$	(59,000)
<b>0.75 %</b>	\$	(177,000)	\$	(164,000)	\$	(151,000)	\$	(138,000)	\$	(125,000)	\$	(112,000)	\$	(99,000)

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**5) OTHER ASSETS**

	September 30, 2024			December 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables	\$ 21,941	\$ —	\$ 21,941	\$ 18,605	\$ —	\$ 18,605
Provision for doubtful accounts	(1,127)	—	(1,127)	(1,396)	—	(1,396)
Net trade receivables	20,814	—	20,814	17,209	—	17,209
Prepaid expenses and deposits <sup>(1)</sup>	31,951	—	31,951	11,107	48,910	60,017
Fair value of interest rate swap agreements	585	—	585	2,219	—	2,219
Other fixed assets <sup>(2) (3)</sup>	—	9,302	9,302	—	9,629	9,629
Finance lease receivable	680	10,789	11,469	631	11,309	11,940
Accrued straight-line rent receivable	—	107,916	107,916	—	103,753	103,753
Tenant incentives	—	274,018	274,018	—	258,501	258,501
Vendor financing <sup>(4)</sup>	6,250	—	6,250	—	—	—
Amounts receivable from related parties	1,754	12,222	13,976	17,994	12,071	30,065
<b>Total other assets</b>	<b>\$ 62,034</b>	<b>\$ 414,247</b>	<b>\$ 476,281</b>	<b>\$ 49,160</b>	<b>\$ 444,173</b>	<b>\$ 493,333</b>

(1) For the nine months ended September 30, 2024, Crombie transferred \$49,600 to investment properties and properties under development.

(2) For the nine months ended September 30, 2024, depreciation of other fixed assets was \$1,104 (September 30, 2023 - \$1,111).

(3) Other fixed assets include right-of-use assets of \$1,876 (December 31, 2023 - \$2,234) net of accumulated depreciation of \$1,577 (December 31, 2023 - \$1,372) relating to office and vehicle leases.

(4) Vendor financing arising from the disposition of a property in the second quarter of 2024 with repayment due six months following the transaction date at an interest rate of 5.0%.

<b>Tenant Incentives</b>	Cost	Accumulated Amortization	Net Carrying Value
Balance, January 1, 2024	\$ 374,468	\$ (115,967)	\$ 258,501
Additions	37,457	—	37,457
Amortization	—	(21,502)	(21,502)
Write-off of fully depreciated assets	(9,912)	9,912	—
Transfer to investment properties held for sale (Note 6)	(785)	347	(438)
<b>Balance, September 30, 2024</b>	<b>\$ 401,228</b>	<b>\$ (127,210)</b>	<b>\$ 274,018</b>

**6) INVESTMENT PROPERTIES HELD FOR SALE**

	Land		Buildings		Intangibles		Deferred Leasing Costs		Tenant Incentives		Total	
	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—
Balance, January 1, 2024	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assets transferred to held for sale	6,198	9,431	113	39	438	16,219	—	—	—	—	—	—
Additions <sup>(1)</sup>	—	(407)	—	—	—	(407)	—	—	—	—	—	—
Derecognition through disposition	(1,766)	(8,295)	(113)	—	—	(10,174)	—	—	—	—	—	—
<b>Net carrying value, September 30, 2024</b>	<b>\$ 4,432</b>	<b>\$ 729</b>	<b>\$ —</b>	<b>\$ 39</b>	<b>\$ 438</b>	<b>\$ 5,638</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

(1) Prior to disposition Crombie was reimbursed \$407 in development costs incurred by the co-owner.

Crombie has determined that two of its investment properties met the criteria for classification as held for sale as at September 30, 2024 based on the status of the sales process. Prior to the classification as held for sale, the properties were assessed for impairment, which, at that time, is the amount by which the carrying amount exceeded its recoverable amount, if any. No impairments were booked on this reclassification, and no depreciation or amortization will be recorded while the properties are classified as held for sale. Crombie completed both sales on October 8, 2024 for combined gross proceeds of \$6,000 before closing adjustments and transition costs (Note 23(a)).

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**7) INVESTMENT PROPERTY DEBT**

	Weighted Average Range	Weighted Average Interest Rate	Weighted Average Term to Maturity	September 30, 2024	December 31, 2023
Fixed rate mortgages	2.70 %-6.07 %	4.35 %	5.8 years	\$ 767,572	\$ 838,957
Construction financing facility			1.2 years	1,207	—
Unsecured non-revolving credit facility			1.1 years	—	93,297
Revolving credit facility			2.7 years	4,643	47,591
Joint operation credit facility II			— years	3,520	3,503
Unsecured bilateral credit facility			1.7 years	43,500	—
Deferred financing charges				(4,400)	(4,329)
<b>Total investment property debt</b>				<b>\$ 816,042</b>	<b>\$ 979,019</b>
<b>Mortgages</b>					
Non-current				\$ 632,060	\$ 617,717
Current				132,122	216,911
<b>Credit facilities</b>					
Non-current				47,835	140,888
Current				4,025	3,503
				<b>\$ 816,042</b>	<b>\$ 979,019</b>
Weighted average interest rate for drawn credit facilities				6.08 %	6.78 %

Specific investment properties with a carrying value of \$2,000,848 as at September 30, 2024 (December 31, 2023 - \$2,047,666) are currently pledged as security for mortgages or provided as security for the revolving credit facility. Carrying value includes investment properties, as well as accrued straight-line rent receivable and tenant incentives, which are included in other assets.

**Mortgage activity**

For the nine months ended:	Type	Number of Mortgages	Weighted Average			Proceeds (Repayments)
			Rate	Terms in Years	Amortization Period in Years	
September 30, 2024	New	9	5.32 %	4.6	25.4	\$ 32,967
	Repaid	11	4.19 %			\$ (82,955)

In the second quarter of 2024, in anticipation of the cessation of the publication of Canadian Dollar Offered Rate (“CDOR”), all credit facilities were amended such that borrowings under all credit facilities are possible by way of prime rate advance or Canadian Overnight Repo Rate Average (“CORRA”). The respective spread or margin may change depending on Crombie’s unsecured bond rating with Morningstar DBRS.

**Unsecured non-revolving credit facility**

The unsecured non-revolving credit facility was amended in the first quarter of 2024. The amendment reinstated the maximum principal amount of \$200,000 and matures November 18, 2025. The facility is intended to be used for mortgage repayments. Borrowings under the unsecured non-revolving credit facility can be by way of prime rate advance or CORRA, and the floating interest rate is contingent on the type of advance plus the applicable spread or margin.

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**Unsecured bilateral credit facility**

The unsecured bilateral credit facility agreement was extended in the second quarter of 2024. The unsecured bilateral credit facility has a maximum principal amount of \$130,000 and matures June 30, 2026. The facility is used by Crombie for working capital purposes and to provide temporary financing for acquisitions and development activity. Borrowings under the unsecured bilateral credit facility can be by way of prime rate advance or CORRA 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 Morningstar DBRS.

**Construction financing facility**

In the third quarter of 2024, Crombie secured a construction financing facility with an initial maturity date of December 1, 2025 on a residential property currently under development. The construction facility carries a floating rate which varies with the lender's cost of funds and has a maximum principal amount of \$105,876, limited by the development spending to date. Upon completion of the development, Crombie has the ability to convert the facility to a fixed rate with an initial term of 10 years.

**8) SENIOR UNSECURED NOTES**

	Maturity Date <sup>(1)</sup>	Contractual Interest Rate	September 30, 2024	December 31, 2023
Series E	January 31, 2025	4.80 %	\$ 175,000	\$ 175,000
Series F	August 26, 2026	3.68 %	200,000	200,000
Series G	June 21, 2027	3.92 %	150,000	150,000
Series H	March 31, 2028	2.69 %	150,000	150,000
Series I	October 9, 2030	3.21 %	150,000	150,000
Series J	August 12, 2031	3.13 %	150,000	150,000
Series K	September 28, 2029	5.24 %	200,000	200,000
Series L	March 29, 2030	5.14 %	200,000	—
Deferred financing charges			(3,537)	(3,231)
<b>Total senior unsecured notes</b>			<b>\$ 1,371,463</b>	<b>\$ 1,171,769</b>
Non-current			\$ 1,197,292	\$ 1,171,769
Current			174,171	—
			<b>\$ 1,371,463</b>	<b>\$ 1,171,769</b>
Weighted average interest rate			<b>4.07 %</b>	3.89 %

(1) The weighted average term to maturity as at September 30, 2024 was 3.9 years (December 31, 2023 - 4.4 years).

On March 6, 2024, Crombie issued, on a private placement basis, \$200,000 of Series L notes (senior unsecured) maturing March 29, 2030. The notes were priced with a contractual interest rate of 5.14%. Interest is payable in equal semi-annual installments on September 29 and March 29.

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**9) TRADE AND OTHER PAYABLES**

	September 30, 2024			December 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Tenant incentives and capital expenditures	\$ 23,628	\$ —	\$ 23,628	\$ 27,355	\$ —	\$ 27,355
Property operating costs	35,600	—	35,600	33,524	—	33,524
Prepaid rents	12,892	—	12,892	13,242	—	13,242
Finance costs on investment property debt and notes	9,273	—	9,273	15,299	—	15,299
Amounts payable to related party	1,376	—	1,376	1,623	—	1,623
Distributions payable	13,596	—	13,596	13,431	—	13,431
Unit-based compensation plans	5,928	18,567	24,495	2,680	16,846	19,526
Deferred revenue	810	4,021	4,831	894	4,120	5,014
<b>Total trade and other payables</b>	<b>\$ 103,103</b>	<b>\$ 22,588</b>	<b>\$ 125,691</b>	<b>\$ 108,048</b>	<b>\$ 20,966</b>	<b>\$ 129,014</b>

**10) PROPERTY REVENUE**

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023 <sup>(2)</sup>	2024	2023 <sup>(2)</sup>
<b>Operating lease revenue</b>				
Rental revenue contractually due from tenants <sup>(1)</sup>	\$ 104,405	\$ 100,896	\$ 310,596	\$ 298,474
Contingent rental revenue	575	699	1,979	1,996
Straight-line rent recognition	1,271	774	4,163	2,917
Tenant incentive amortization	(7,663)	(7,838)	(21,502)	(19,987)
Lease termination income	543	498	1,610	1,173
<b>Revenue from contracts with customers</b>				
Common area cost recoveries	13,930	13,077	48,368	46,155
Parking revenue	1,399	1,283	4,216	3,975
<b>Total property revenue</b>	<b>\$ 114,460</b>	<b>\$ 109,389</b>	<b>\$ 349,430</b>	<b>\$ 334,703</b>

(1) Includes reimbursement of Crombie's property tax expense.

(2) Property revenue for the three and nine months ended September 30, 2023 has been increased by \$4,898 and \$14,694, respectively, as a result of a change in the presentation of recoverable property taxes for certain properties where a tenant pays the property taxes on Crombie's behalf.

The following table sets out tenants that contributed in excess of 10% of total property revenue:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023 <sup>(1)</sup>	2024	2023 <sup>(1)</sup>
Sobeys Inc. (including all subsidiaries of Empire Company Limited ("Empire"))	\$ 65,795	\$ 62,510	\$ 194,886	\$ 185,684
	57.5 %	57.1 %	55.8 %	55.5 %

(1) Property revenue for the three and nine months ended September 30, 2023 has been increased by \$4,830 and \$14,490, respectively, as a result of a change in the presentation of recoverable property taxes for certain properties where a tenant pays the property taxes on Crombie's behalf.

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**11) REVENUE FROM MANAGEMENT AND DEVELOPMENT SERVICES**

Crombie provides development and property management services to co-owners, related parties and third parties. Crombie's revenue from development, construction and other fees are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Development fees	\$ 1,000	\$ 195	\$ 3,492	\$ 2,084
Management fees	83	102	446	259
<b>Total revenue from management and development services</b>	<b>\$ 1,083</b>	<b>\$ 297</b>	<b>\$ 3,938</b>	<b>\$ 2,343</b>

**12) PROPERTY OPERATING EXPENSES**

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023 <sup>(1)</sup>	2024	2023 <sup>(1)</sup>
Recoverable property taxes	\$ 23,997	\$ 23,759	\$ 71,736	\$ 71,135
Recoverable operating expenses	13,747	12,839	49,259	47,260
Other operating costs	1,710	1,338	4,900	4,765
<b>Total property operating expenses</b>	<b>\$ 39,454</b>	<b>\$ 37,936</b>	<b>\$ 125,895</b>	<b>\$ 123,160</b>

(1) Property operating expenses for the three and nine months ended September 30, 2023 has been increased by \$4,898 and \$14,694, respectively, as a result of a change in the presentation of recoverable property taxes for certain properties where a tenant pays the property taxes on Crombie's behalf.

**13) OPERATING LEASES**

**Crombie as a lessor**

Crombie's operations include leasing commercial real estate. Future minimum rental income under non-cancellable tenant leases as at September 30, 2024, is as follows:

	Remaining Year ending December 31,						Total
	2024	2025	2026	2027	2028	Thereafter	
Future minimum rental income	\$ 76,908	\$ 300,466	\$ 286,952	\$ 270,705	\$ 251,884	\$ 1,724,023	\$ 2,910,938

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.

**14) GENERAL AND ADMINISTRATIVE EXPENSES AND CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS**

**(a) General and administrative expenses**

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Salaries and benefits	\$ 4,543	\$ 2,656	\$ 10,406	\$ 15,946
Professional and public company costs	739	1,260	3,452	3,518
Occupancy and other	732	892	2,340	2,431
<b>Total general and administrative expenses</b>	<b>\$ 6,014</b>	<b>\$ 4,808</b>	<b>\$ 16,198</b>	<b>\$ 21,895</b>

General and administration expenses for the nine months ended September 30, 2024 includes employee transition costs of \$784 (September 30, 2023 - \$7,172).

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**(b) Change in fair value of financial instruments**

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Deferred Unit Plan	\$ (3,506)	\$ 1,191	\$ (2,321)	\$ 3,311

**15) FINANCE COSTS - OPERATIONS**

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Fixed rate mortgages	\$ 8,437	\$ 8,435	\$ 26,090	\$ 26,926
Floating rate term, revolving, and demand facilities	1,083	1,235	3,781	5,241
Capitalized interest <sup>(1)</sup>	(1,537)	(1,169)	(4,654)	(3,160)
Senior unsecured notes	14,272	11,766	40,659	32,239
Interest income on finance lease receivable	(127)	(133)	(386)	(405)
Interest on lease liability	549	531	1,652	1,588
<b>Finance costs - operations, expense</b>	<b>22,677</b>	<b>20,665</b>	<b>67,142</b>	<b>62,429</b>
Amortization of fair value debt adjustment	(8)	272	(24)	291
Change in accrued finance costs	9,250	6,058	6,027	3,780
Amortization of deferred financing charges	(558)	(604)	(1,712)	(1,867)
<b>Finance costs - operations, paid</b>	<b>\$ 31,361</b>	<b>\$ 26,391</b>	<b>\$ 71,433</b>	<b>\$ 64,633</b>

(1) For the three and nine months ended September 30, 2024, interest was capitalized for qualifying development projects based on a weighted average interest rate of 3.86% and 3.83%, respectively (September 30, 2023 - 3.88% and 3.83%, respectively).

**16) UNITS OUTSTANDING**

	Crombie REIT Units		Class B LP Units and Attached Special Voting Units		Total	
	Number of Units	Amount	Number of Units	Amount	Number of Units	Amount
Balance, January 1, 2024	106,905,347	\$ 1,317,139	74,178,234	\$ 916,592	181,083,581	\$ 2,233,731
Units issued under DRIP	1,301,024	17,114	921,637	12,124	2,222,661	29,238
<b>Balance, September 30, 2024</b>	<b>108,206,371</b>	<b>\$ 1,334,253</b>	<b>75,099,871</b>	<b>\$ 928,716</b>	<b>183,306,242</b>	<b>\$ 2,262,969</b>

	Crombie REIT Units		Class B LP Units and Attached Special Voting Units		Total	
	Number of Units	Amount	Number of Units	Amount	Number of Units	Amount
Balance, January 1, 2023	105,321,000	\$ 1,295,077	73,055,896	\$ 900,963	178,376,896	\$ 2,196,040
Units issued under DRIP	1,158,689	16,634	820,806	11,784	1,979,495	28,418
<b>Balance, September 30, 2023</b>	<b>106,479,689</b>	<b>\$ 1,311,711</b>	<b>73,876,702</b>	<b>\$ 912,747</b>	<b>180,356,391</b>	<b>\$ 2,224,458</b>

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**17) SUPPLEMENTARY CASH FLOW INFORMATION**

**(a) Items not affecting operating cash**

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Items not affecting operating cash:				
Straight-line rent recognition	\$ (1,271)	\$ (774)	\$ (4,163)	\$ (2,917)
Amortization of tenant incentives	7,663	7,838	21,502	19,987
Gain on disposal of investment properties	—	(477)	(2,163)	(588)
Impairment of investment properties	—	—	2,000	—
Depreciation and amortization	20,359	19,834	60,334	58,748
(Income) loss from equity-accounted investments	469	(876)	1,840	(1,124)
Change in fair value of financial instruments	3,506	(1,191)	2,321	(3,311)
	<b>\$ 30,726</b>	<b>\$ 24,354</b>	<b>\$ 81,671</b>	<b>\$ 70,795</b>

**(b) Change in other non-cash operating items**

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023 <sup>(1)</sup>	2024	2023 <sup>(1)</sup>
Cash provided by (used in):				
Trade receivables	\$ (3,347)	\$ 6,388	\$ (3,605)	\$ 1,169
Prepaid expenses and deposits and other assets	(298)	9,065	(19,939)	(4,087)
Payables and other liabilities <sup>(1)</sup>	7,737	291	3,224	1,598
	<b>\$ 4,092</b>	<b>\$ 15,744</b>	<b>\$ (20,320)</b>	<b>\$ (1,320)</b>

(1) Payables and other liabilities for the three and nine months ended September 30, 2023 was updated from the previously reported figure to show finance costs - operations net of non-cash items.

**18) RELATED PARTY TRANSACTIONS**

As at September 30, 2024, Empire, through its wholly owned subsidiary ECL Developments Limited ("ECLD"), holds a 41.5% indirect interest in Crombie. Related party transactions primarily include transactions with entities associated with Crombie through Empire's indirect interest. Related party transactions also include transactions with joint venture entities in which Crombie has a 50% interest, as well as transactions with key management personnel and post-employment benefit plans.

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

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Crombie's revenue (expense) transactions with related parties are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<b>Property revenue</b>				
Property revenue	\$ 65,795	\$ 62,510 <sup>(1)</sup>	\$ 194,886	\$ 185,684 <sup>(1)</sup>
Head lease income	\$ 203	\$ 150	\$ 649	\$ 695
<b>Revenue from management and development services</b>	\$ 1,083	\$ 297	\$ 3,780	\$ 2,343
<b>Property operating expenses</b>	\$ —	\$ (33)	\$ (45)	\$ (101)
<b>General and administrative expenses</b>				
Property management services recovered	\$ 23	\$ 77	\$ 98	\$ 169
Other general and administrative expenses	\$ (42)	\$ (42)	\$ (123)	\$ (130)
<b>Finance costs - distributions to Unitholders</b>	\$ (16,891)	\$ (16,619)	\$ (50,463)	\$ (49,665)

(1) Property revenue for the three and nine months ended September 30, 2023 has been increased by \$4,830 and \$14,490, respectively, as a result of a change in the presentation of recoverable property taxes for certain properties where a tenant pays the property taxes on Crombie's behalf.

Crombie provides property management, development management, project management, leasing services, and environmental management to co-owners and to specific properties owned by certain subsidiaries of Empire on a fee-for-service basis pursuant to a Property Management Agreement which is being recognized as revenue from management and development services.

During the nine months ended September 30, 2024, Crombie issued 921,637 (September 30, 2023 - 820,806) Class B LP Units to ECLD under the DRIP (Note 16).

During the nine months ended September 30, 2024, Crombie invested \$33,903 (September 30, 2023 - \$16,977) in properties anchored by subsidiaries of Empire, which resulted in amended lease terms. These amounts have been included in tenant incentive additions and the costs are being amortized over the amended lease terms.

Crombie has a mortgage payable due to 1600 Davie Limited Partnership of \$24,622 (December 31, 2023 - \$24,876) that has interest at 3.22% and matures December 1, 2027. This mortgage relates to the commercial component of the Davie Street development, 100% of which is included in Crombie's financial statements.

During the nine months ended September 30, 2024, Crombie acquired one retail property from a subsidiary of Empire for a total purchase price of \$3,760 before closing and transaction costs.

## 19) FINANCIAL INSTRUMENTS

### (a) Fair value of 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 hierarchy during the period ended September 30, 2024.

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The fair value of other financial instruments is based on discounted cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks. The following table summarizes the estimated fair value of other financial instruments that have a fair value different from their carrying value:

	September 30, 2024		December 31, 2023	
	Fair Value	Carrying Value	Fair Value	Carrying Value <sup>(1)</sup>
<b>Financial liabilities</b>				
Investment property debt	\$ 817,321	\$ 816,042	\$ 956,601	\$ 979,019
Senior unsecured notes	1,364,570	1,371,463	1,108,474	1,171,769
<b>Total financial liabilities</b>	<b>\$ 2,181,891</b>	<b>\$ 2,187,505</b>	<b>\$ 2,065,075</b>	<b>\$ 2,150,788</b>

(1) Carrying values for December 31, 2023 were updated to include deferred financing costs.

The fair values of investment property debt and senior unsecured notes are Level 2.

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

- Accounts receivables
- Trade and other payables.

**(b) Risk management**

In the normal course of business, Crombie is exposed to a number of financial risks that can affect its operating performance. The significant risks, and the actions taken to manage them, are as follows:

**Credit risk**

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 are taken for all anticipated collectability risks.

Crombie mitigates credit risk by geographical diversification, diversifying both its tenant mix and asset mix, and conducting credit assessments for new and renewing tenants.

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. 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. The total provision for doubtful accounts is reviewed at each balance sheet date and current and long-term accounts receivable are reviewed on a regular basis.

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.

**Interest rate risk**

Interest rate risk is the potential for financial loss arising from increasing interest rates. Crombie mitigates this risk by utilizing staggered debt maturities and limiting the use of permanent floating rate debt and, on occasion, utilizing interest rate swap agreements. Crombie does not enter into interest rate swaps on a speculative basis.

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**Hedge accounting applied on financial instruments**

The following tables summarize Crombie's financial instruments in which hedge accounting was applied.

			As at September 30, 2024	
Hedge type	Maturity date	Fixed interest rate	Notional amount of the hedging instrument <sup>(1)</sup>	Fair value of hedging instrument <sup>(1)</sup>
Cash flow hedge <sup>(2)</sup>	December 20, 2024	3.72 %	\$ 73,043	\$ 534
Cash flow hedge <sup>(2)</sup>	March 18, 2025	3.52 %	4,454	41
Cash flow hedge <sup>(2)</sup>	October 7, 2024	3.27 %	3,520	10
Cash flow hedge <sup>(3)</sup>	March 1, 2029	3.15 %	51,561	1,481
			<b>\$ 132,578</b>	<b>\$ 2,066</b>

(1) Amounts are shown at Crombie's ownership percentage.

(2) Included in Note 5 in the interim condensed consolidated financial statements.

(3) Included in Note 4 in the interim condensed consolidated financial statements.

			Three months ended September 30, 2024		Nine months ended September 30, 2024	
Hedge type	Maturity date	Fixed interest rate	Change in fair value gain (loss) recognized in other comprehensive income (loss) <sup>(1)</sup>	Hedge recognized in statements of comprehensive loss	Change in fair value gain (loss) recognized in other comprehensive income (loss) <sup>(1)</sup>	Hedge recognized in statements of comprehensive loss
Cash flow hedge	December 20, 2024	3.72 %	\$ (769)	\$ —	\$ (1,449)	\$ —
Cash flow hedge	March 18, 2025	3.52 %	(46)	—	(99)	—
Cash flow hedge	October 7, 2024	3.27 %	(30)	—	(86)	—
Cash flow hedge	March 1, 2029	3.15 %	(1,837)	—	(1,428)	—
			<b>\$ (2,682)</b>	<b>\$ —</b>	<b>\$ (3,062)</b>	<b>\$ —</b>

(1) Amounts are shown at Crombie's ownership percentage.

As at September 30, 2024

- Crombie's weighted average term to maturity of its fixed rate mortgages is 5.8 years;
- Crombie's weighted average term to maturity of its unsecured notes is 3.9 years;
- Crombie has an unsecured non-revolving credit facility available to a maximum of \$200,000 with no balance outstanding/drawn;
- Crombie has a floating rate revolving credit facility available to a maximum of \$400,000 with a balance of \$4,643 outstanding;
- Crombie has an unsecured bilateral credit facility available to a maximum of \$130,000 with a balance of \$43,500 outstanding;
- Crombie has a joint operation credit facility available to a maximum of \$3,520 at Crombie's share with a balance of \$3,520 outstanding;
- Crombie has interest rate swap agreements in place on \$81,017 of floating rate debt and an interest rate swap agreement in place held in equity-accounted investments on \$51,561 of floating rate debt, at Crombie's share; and
- Crombie has floating rate credit facilities, included in debt held in equity-accounted investments, available to a maximum of \$12,000 with a balance of \$9,700 outstanding, at Crombie's share.

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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 (loss):

	Nine months ended September 30, 2024	
	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	\$ (205)	\$ 205
Impact of a 1.0 % interest rate change	\$ (411)	\$ 411
Impact of a 1.5 % interest rate change	\$ (616)	\$ 616
	As at September 30, 2024	
	Increase in Rate	Decrease in Rate
Impact on other comprehensive loss of interest rate changes on interest rate swap agreements at Crombie's share		
Impact of a 0.5 % interest rate change	\$ 1,200	\$ (1,200)
Impact of a 1.0 % interest rate change	\$ 2,300	\$ (2,300)
Impact of a 1.5 % interest rate change	\$ 3,500	\$ (3,500)

**Liquidity risk**

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. 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. 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.

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 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. As at September 30, 2024, \$390,149 was available on this facility.

The estimated payments, including principal and interest, on financial liabilities to maturity date are as follows:

	Twelve months ending September 30,						
	Contractual Cash Flows <sup>(1)</sup>	2025	2026	2027	2028	2029	Thereafter
Fixed rate mortgages <sup>(2)</sup>	\$ 933,609	\$ 162,170	\$ 80,694	\$ 131,678	\$ 95,749	\$ 95,534	\$ 367,784
Senior unsecured notes	1,592,173	225,342	246,825	188,557	182,298	230,283	518,868
Trade and other payables	116,418	93,830	11,317	1,727	1,216	1,216	7,112
Lease liabilities	149,074	4,741	2,958	2,807	2,524	2,399	133,645
	2,791,274	486,083	341,794	324,769	281,787	329,432	1,027,409
Credit facilities <sup>(2)</sup>	58,626	7,895	45,877	4,854	—	—	—
<b>Total estimated payments</b>	<b>\$ 2,849,900</b>	<b>\$ 493,978</b>	<b>\$ 387,671</b>	<b>\$ 329,623</b>	<b>\$ 281,787</b>	<b>\$ 329,432</b>	<b>\$ 1,027,409</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.

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**20) CAPITAL MANAGEMENT**

Crombie's objective when managing capital on a long-term basis is to maintain overall indebtedness, at reasonable levels, utilize staggered debt maturities, minimize long-term exposure to excessive levels of floating rate debt and maintain conservative payout ratios.

Crombie's capital structure consists of the following:

	<b>September 30, 2024</b>	December 31, 2023
Fixed rate mortgages <sup>(1)</sup>	<b>\$ 764,182</b>	\$ 834,628
Drawn credit facilities <sup>(1)</sup>	<b>51,860</b>	144,391
Senior unsecured notes <sup>(1)</sup>	<b>1,371,463</b>	1,171,769
Crombie REIT Unitholders	<b>1,072,204</b>	1,081,631
SVU and Class B LP Unitholders <sup>(2)</sup>	<b>736,788</b>	743,082
Lease liabilities	<b>35,651</b>	36,292
	<b>\$ 4,032,148</b>	\$ 4,011,793

(1) Net of deferred financing charges.

(2) Crombie REIT Special Voting Units ("SVU") and Class B LP Units.

At a minimum, Crombie's capital structure is managed to ensure that it complies with the limitations pursuant to Crombie's Declaration of Trust, the criteria contained in the Income Tax Act (Canada) in regard to the definition of a REIT, and existing debt covenants. One of the restrictions pursuant to Crombie's Declaration of Trust would include, among other items, a restriction that Crombie shall not incur total indebtedness of more than 60% of gross book value.

For the debt to gross book value calculation, Crombie does not include in total debt the financial liabilities to REIT Unitholders and to holders of Class B LP Units, as shown on the balance sheets as net assets attributable to Unitholders. Crombie's debt to gross book value is defined as the total obligation for borrowed funds and lease liabilities, including the proportionate share of any borrowings held within joint ventures, divided by the gross book value of Crombie's assets which includes its proportionate share of gross assets held within joint ventures.

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	September 30, 2024	December 31, 2023
Fixed rate mortgages	\$ 767,572	\$ 838,957
Senior unsecured notes	1,375,000	1,175,000
Unsecured non-revolving credit facility	—	93,297
Construction financing facility	1,207	—
Revolving credit facility	4,643	47,591
Joint operation credit facilities	3,520	3,503
Bilateral credit facility	43,500	—
Debt held in joint ventures, at Crombie's share <sup>(1)</sup>	275,555	274,115
Lease liabilities	35,651	36,292
<b>Total debt</b>	<b>\$ 2,506,648</b>	<b>\$ 2,468,755</b>
Income properties, cost <sup>(2)</sup>	\$ 4,354,544	\$ 4,345,799
Properties under development, cost	155,819	94,488
Investment properties, held in joint ventures, cost, at Crombie's share	291,542	294,607
Below-market lease component, cost <sup>(3)</sup>	70,182	72,990
Other assets, cost <sup>(4)</sup>	609,366	614,302
Other assets, cost, held in joint ventures, at Crombie's share	30,185	30,012
Cash and cash equivalents held in joint ventures, at Crombie's share	4,279	3,004
Deferred financing charges	7,937	7,560
Investment properties held for sale, cost	18,059	—
<b>Gross book value</b>	<b>\$ 5,541,913</b>	<b>\$ 5,462,762</b>
<b>Debt to gross book value - cost basis</b>	<b>45.2 %</b>	<b>45.2 %</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) Includes cumulative impairments on land of \$9,157 (December 31, 2023 - \$9,157).

(3) Below-market lease component is included in the carrying value of investment properties.

(4) Excludes accumulated amortization of tenant incentives and other fixed assets.

Under the amended terms governing the revolving credit facility, Crombie is entitled to borrow a maximum of 70% of the fair market value of assets, subject to a first security position, and 60% of the excess fair market value over first mortgage financing of assets subject to a second security position or a negative pledge. The terms of the revolving credit facility also require that Crombie must maintain certain covenants:

- annualized net operating income for the prescribed properties must be a minimum of 1.3 times the coverage of the related annualized debt service requirements;
- annualized net operating income on all properties must be a minimum of 1.4 times the coverage of all annualized debt service requirements;
- access to the revolving credit facility is limited by the amount utilized under the facility and the amount of any outstanding letters of credit not to exceed the borrowing base security provided by Crombie; and
- annual cash distributions to Unitholders are limited to 100% of funds from operations.

As at September 30, 2024, Crombie is in compliance with all externally imposed capital requirements and all covenants relating to its debt facilities.

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**21) LEASE LIABILITIES**

Crombie's future minimum lease payments as a lessee are as follows:

	Twelve months ending September 30,						Thereafter
	Total	2025	2026	2027	2028	2029	
Future minimum lease payments	\$ 149,074	\$ 4,741	\$ 2,958	\$ 2,807	\$ 2,524	\$ 2,399	\$ 133,645
Finance charges	(113,423)	(2,100)	(2,041)	(2,008)	(1,985)	(1,972)	(103,317)
Present value of lease payments	\$ 35,651	\$ 2,641	\$ 917	\$ 799	\$ 539	\$ 427	\$ 30,328

Lease liabilities are presented on the interim condensed consolidated balance sheets as follows:

	September 30, 2024	December 31, 2023
Non-current	\$ 33,010	\$ 35,351
Current	2,641	941
<b>Total lease liabilities</b>	<b>\$ 35,651</b>	<b>\$ 36,292</b>

Some of Crombie's lease agreements contain contingent rent clauses. Contingent rental payments are recognized in the consolidated statements of comprehensive loss as required when contingent criteria are met. The lease agreements contain renewal options and purchase options, none of which are reflected in the minimum lease payments in the above table. For the nine months ended September 30, 2024, minimum lease payments of \$2,360 were paid by Crombie.

**22) COMMITMENTS, CONTINGENCIES, AND GUARANTEES**

There are various 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 in excess of existing accruals would not have a significant adverse effect on these financial statements.

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, 2024, Crombie has \$5,208 (December 31, 2023 - \$5,342) in outstanding letters of credit related to construction work being performed on investment properties.

As at September 30, 2024, Crombie had signed construction contracts totalling \$268,603, of which \$196,537 has been paid.

Crombie has committed to funding \$37,926 in development costs at 1700 East Broadway Limited Partnership, of which \$719 has been funded as at September 30, 2024.

Crombie has 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, 2024, Crombie has provided guarantees of approximately \$38,421 (December 31, 2023 - \$81,781) on mortgages in excess of their ownership interest in the properties. Responsibility for ongoing payments of principal and interest on these mortgages remains with the joint owners of the properties. The mortgages have a weighted average term to maturity of 2.6 years.

Crombie and its partners have provided joint and several guarantees on 100% of debt outstanding in the following joint ventures: Bronte Village Limited Partnership \$242,498 (December 31, 2023 - \$223,000), 1600 Davie Limited Partnership \$178,143 (December 31, 2023 - \$184,015), 1700 East Broadway Limited Partnership \$19,400 (December 31, 2023 - \$17,400), and 140 CPN Limited \$3,147 (December 31, 2023 - \$3,200). Each mortgage-related debt supported by a joint and several guarantee is secured by the income-producing property related to the mortgage.

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.

### **23) SUBSEQUENT EVENTS**

- (a) On October 8, 2024, Crombie disposed of a 100% interest in two retail properties to a third party totalling 338,000 square feet. Total proceeds, before closing and transaction costs, were \$6,000, half of which will be in the form of interest free vendor take-back financing for three years. As part of this transaction, Crombie will retain the grocery component at one location through a long term land lease.
- (b) On October 11, 2024, Crombie issued, on a private placement basis, \$300,000 of Series M notes (senior unsecured) maturing January 15, 2032. The net proceeds were used to repay, redeem, or refinance existing indebtedness, including maturing mortgage financing, indebtedness under existing bank credit facilities, and outstanding debt securities, as well as general trust purposes. The notes were priced with a contractual interest rate of 4.732%. Interest is payable in equal semi-annual installments on January 15 and July 15.
- (c) On October 15, 2024, Crombie acquired its partners' interest in the Davie Limited Partnership joint venture and obtained control of the property. As a result, Crombie derecognized its share of the Davie Limited Partnership joint venture and recognized the property as an asset acquisition, which resulted in a gain of approximately \$52,000 following the remeasurement of its previously held interest in Davie Limited Partnership joint venture. Consideration paid for the property included \$44,000 in cash, financed through a new unsecured credit facility, and the assumption of \$89,071 of debt, net of a \$24,622 mortgage payable to the joint venture for the commercial component of the Davie Street development, 100% of which is already recognized in Crombie's financial statements.
- (d) On October 16, 2024, Crombie declared distributions of 7.417 cents per Unit for the period from October 1, 2024 up to and including October 31, 2024. The distributions will be paid on November 15, 2024, to Unitholders of record as at October 31, 2024.
- (e) On October 24, 2024, Crombie acquired a land parcel at an existing property for \$2,000, excluding closing and transaction costs.
- (f) On October 31, 2024, Crombie redeemed \$175,000 principal amount of its 4.80% Series E senior unsecured notes which were originally scheduled to mature on January 31, 2025.

### **24) SEGMENT DISCLOSURE**

Crombie owns and operates primarily retail, retail-related industrial, office, and mixed-use real estate assets located in Canada. Management, in measuring Crombie's performance or making operating decisions, does not distinguish or group its operations on a geographical or other basis. Accordingly, Crombie has a single reportable segment.