

# Proven Stability and Sustainable Growth

Q4 2022 Results Conference Call

February 23, 2023



## **Forward-looking Information**

*This presentation contains forward-looking statements that reflect the current expectations of management of Crombie about Crombie's future results, performance, achievements, prospects and opportunities. Wherever possible, words such as "continue", "may", "will", "estimate", "anticipate", "believe", "expect", "intend" and similar expressions have been used to identify these forward-looking statements. These statements, including statements regarding the development potential of Crombie's development sites, the total estimated cost to develop, impact on net asset value, and future debt maturities reflect current beliefs and are based on information currently available to management of Crombie. Forward-looking statements necessarily involve known and unknown risks and uncertainties, including real estate market cycles, general economic conditions, the availability of financing opportunities and labour, actual development costs, uncertainties in obtaining required municipal zoning and development approvals, concluding successful agreements with existing tenants, and, where applicable, successful execution of development activities undertaken by related parties not under the direct control of Crombie.*

*A number of additional factors, including the risks discussed in our Annual Information Form, could cause actual results, performance, achievements, prospects or opportunities to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully, and a reader should not place undue reliance on the forward-looking statements. There can be no assurance that the expectations of management of Crombie will prove to be correct.*

*Readers are cautioned that such forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from these statements. Crombie can give no assurance that actual results will be consistent with these forward-looking statements.*

## **Non-GAAP Measures**

*Certain terms used in this presentation, such as AFFO, FFO, NAV, same-asset property cash NOI ("SANOI"), EBITDA, adjusted EBITDA, debt to trailing 12 months adjusted EBITDA, debt to gross fair value, and interest coverage ratio are not measures defined under Generally Accepted Accounting Principles ("GAAP") and do not have standardized meanings prescribed by GAAP. AFFO, FFO, NAV, SANOI, EBITDA, adjusted EBITDA, debt to trailing 12 months adjusted EBITDA, debt to gross fair value, and interest coverage ratio should not be construed as an alternative to net earnings or cash flow from operating activities as determined by GAAP. AFFO, FFO, NAV, SANOI, EBITDA, adjusted EBITDA, debt to trailing 12 months adjusted EBITDA, debt to gross fair value, and interest coverage ratio as presented, may not be comparable to similar measures presented by other issuers. Crombie believes that AFFO, FFO, NAV, SANOI, EBITDA, adjusted EBITDA, debt to trailing 12 months adjusted EBITDA, debt to gross fair value, and interest coverage ratio are useful in the assessment of its operating performance and that these measures are also useful for valuation purposes and are relevant and meaningful measures of its ability to earn and distribute cash to unitholders. See the section titled "Non-GAAP Financial Measures" in Crombie's Management's Discussion and Analysis for the three months and year ended December 31, 2022 ("Q4'22 MD&A") and the reconciliations referenced in that section, all of which are incorporated into this presentation by this reference, for a discussion of these non-GAAP measures. A copy of the Q4'22 MD&A is available under Crombie's profile on SEDAR at [www.sedar.com](http://www.sedar.com).*

# Opening Remarks and Development Update

**Don Clow**

President & CEO



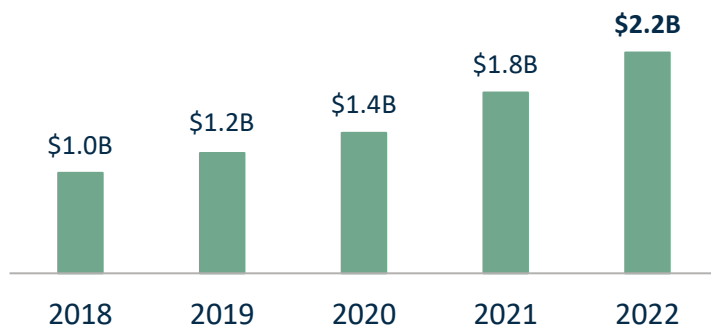
# Long-term value creation

Strong, stable portfolio with opportunity for growth

## Strong financial condition

- Ample **cost-effective capital**, strong balance sheet, **innovative** capital recycling program
- **\$583 million** available liquidity
- **4.7 year** weighted average term to debt maturity
- **8.02x** debt to adjusted EBITDA (TTM)<sup>1</sup>

Fair Value of Unencumbered Assets



# High-quality, sustainable property portfolio underpins growth platform



## Strong, Stable Portfolio

Well-positioned defensive portfolio

## Strategic Partnership

Aligning strategies with Empire; maximizing value creation

## Development Pipeline

Focused on high growth urban and suburban markets with development opportunities

## Strong Financial Condition

Optimal low-cost capital structure with ample liquidity

## Highly Skilled Team and Caring Culture

Attract, develop and retain talented people who accomplish our strategic goals and care passionately

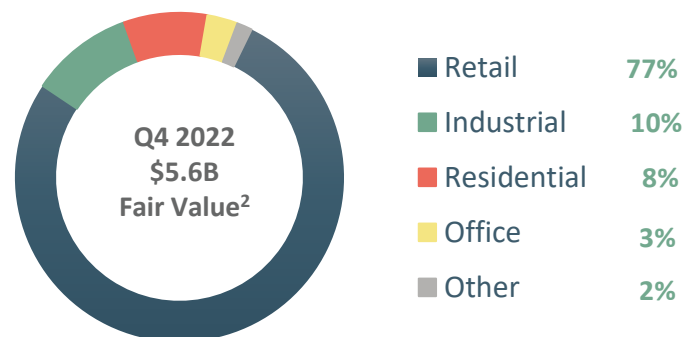
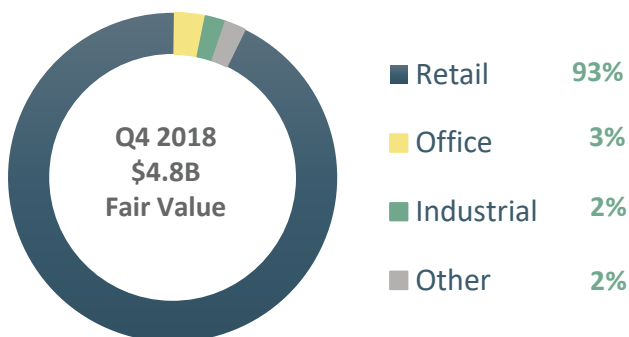


# Long-term value creation

Strong, stable portfolio with opportunity for growth

## Resilient and growing portfolio

- Resilient **grocery-anchored properties** that meet the needs of our tenants, their customers, and communities
- Record committed occupancy of **96.9%**
- **+2.6%** annual property revenue growth
- **+1.6%** annual same-asset property cash NOI<sup>1</sup> growth



# Long-term value creation

Strong, stable portfolio with opportunity for growth

## Strategic partnership with Empire

- Collaboration with Empire drives **operational stability, resilience, and growth**
- **89%** of retail properties anchored by Empire
- **11.6 year** weighted average remaining lease term
- Expected annual investment of **\$100 - \$200 million**
  - Acquisition, modernization, and expansion of grocery stores
  - Store conversions
  - Land-use intensifications
  - Voilà hub and spoke network
  - Unlocking of major urban developments



# Long-term value creation

Strong, stable portfolio with opportunity for growth

## Value-enhancing major development pipeline

- High quality real estate enriching communities through **long-term sustainable growth**
- **Development pipeline of 27 projects totalling an estimated \$5.0 - \$6.8 billion**
- **3 near term projects**
- Expected annual investment of **\$100 - \$250 million**
- **4 projects** with zoning approval in place and **2 projects** with rezoning applications submitted with the potential to add **~3.3 million SF of GLA**, including **3,700 residential units**



# Voilà CFC 3 reaches substantial completion in Q4

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



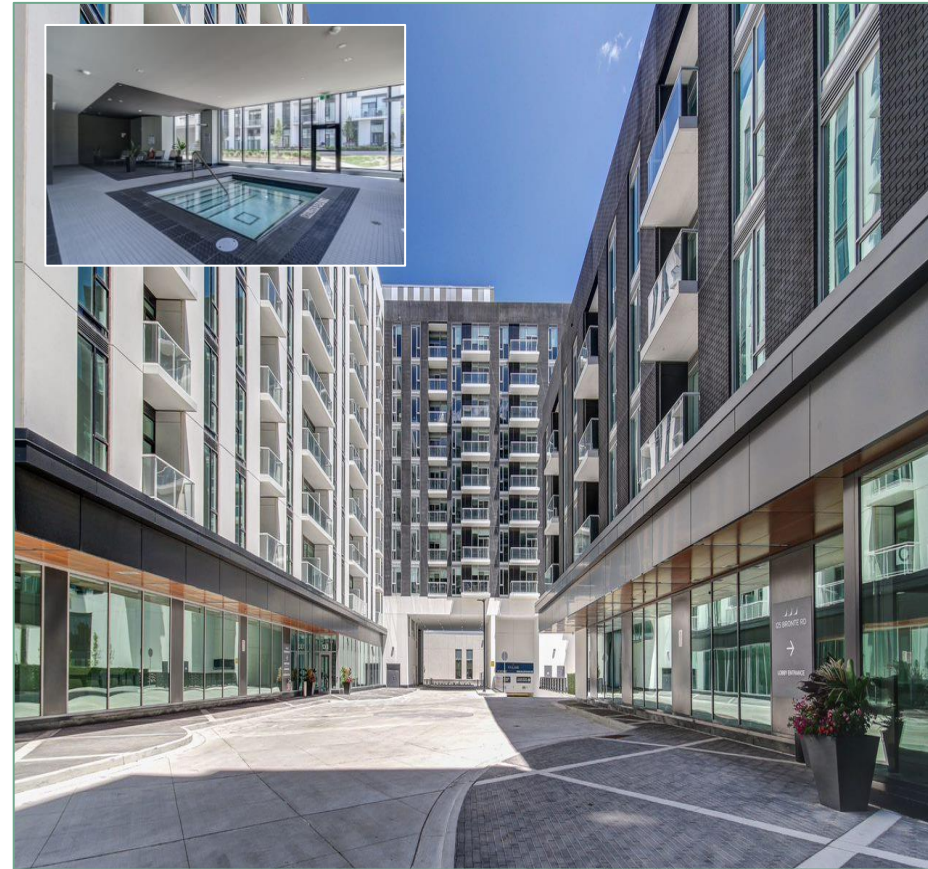
**Voilà CFC 3**  
Calgary, AB

# Leasing update at major developments

Meaningful value creation arising from development projects in VECTOM<sup>1</sup>



**Le Duke**  
Montreal, QC



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

# Crombie's commitment to sustainability

Continuing to build the Crombie of tomorrow



- Committed to annual GRESB submissions
- Set internal ESG targets
- Formalized Sustainable Development Policy
- Complete a physical climate change risk and resilience assessment
- Utility consumption reporting (GHG emissions)
- Annual Sustainability Report
- Inclusive communications training



# Operational and Financial Highlights

Clinton Keay  
CFO & Secretary



# Strong fundamentals

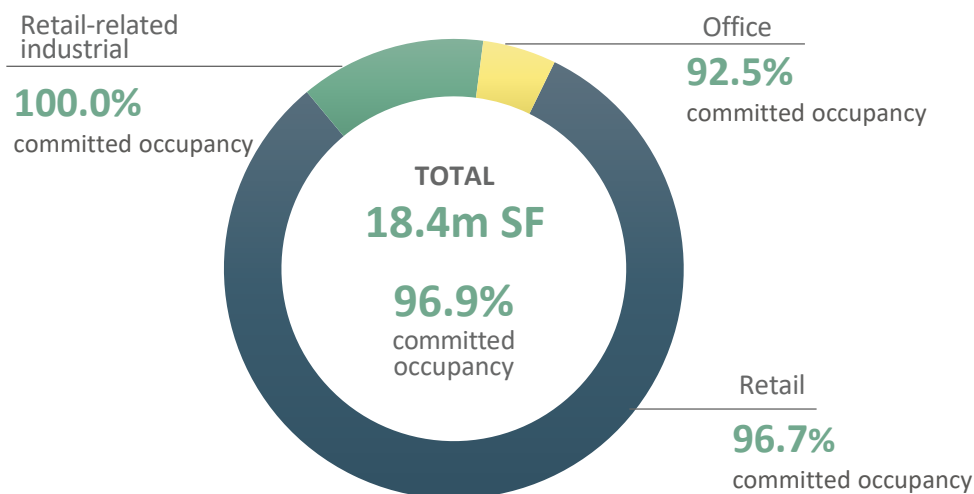
Solid occupancy drives performance

349,000 SF  
**New Leases**  
\$21.59 PSF

394,000 SF  
**Committed Leases**  
\$20.50 PSF

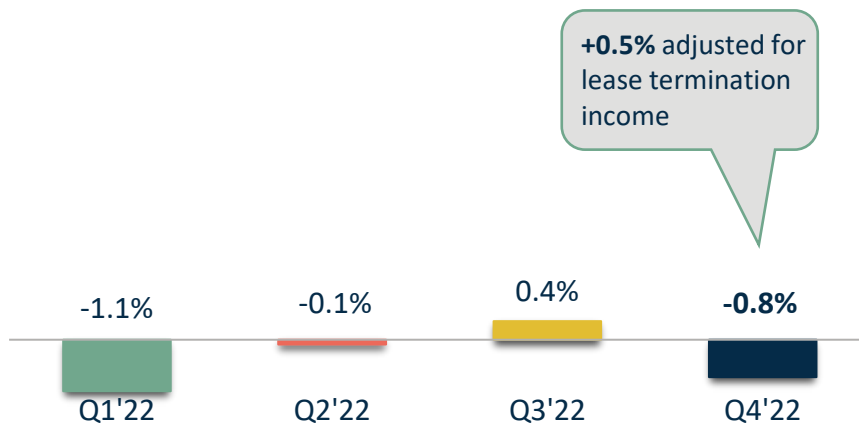
1,056,000 SF  
**Lease Renewals**  
+7.0% growth

## Committed Occupancy

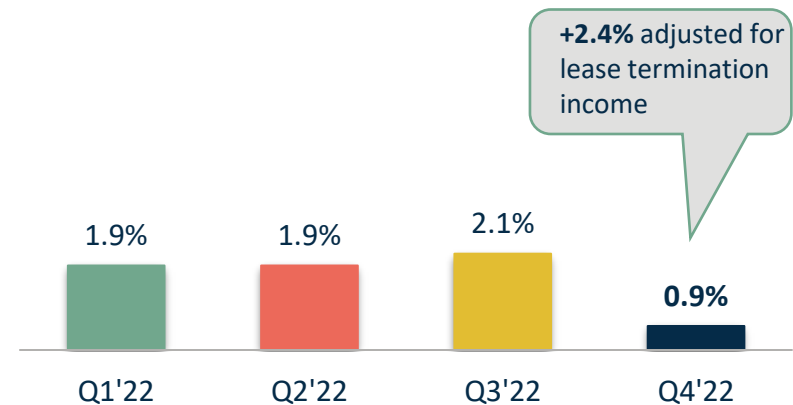


# Q4'22 Financial highlights

## Net Property Income Growth

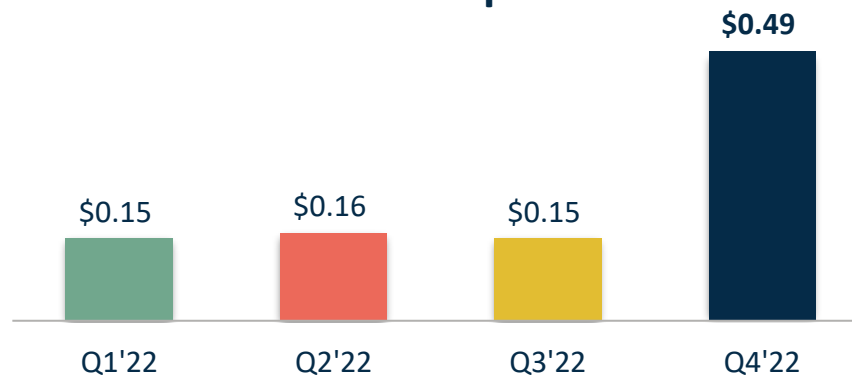


## SANOI Growth<sup>1,2</sup>

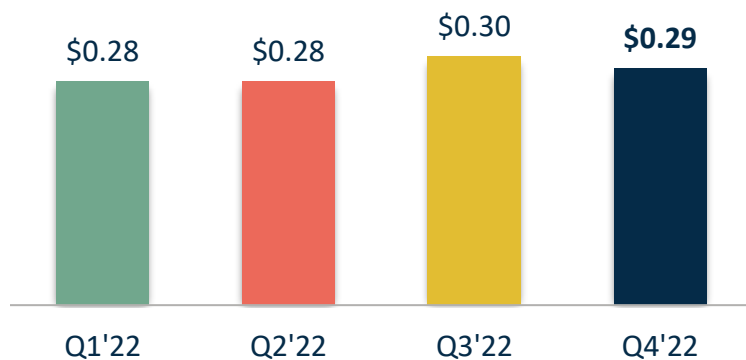


# Q4'22 Financial highlights

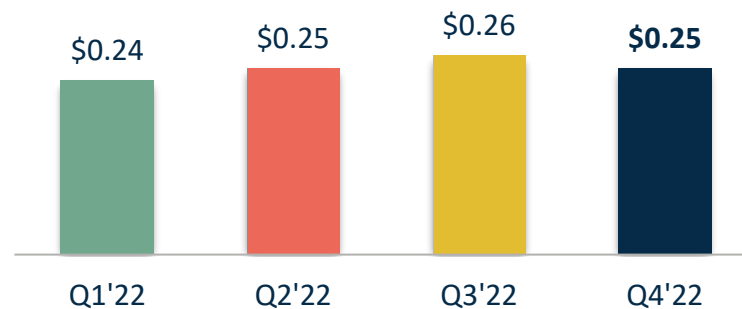
## Operating income attributable to Unitholders per Unit



## FFO per Unit<sup>1</sup>



## AFFO per Unit<sup>1</sup>



# Building financial strength

As at December 31, 2022

**\$2.2B**

Fair value of  
unencumbered  
assets

**192%**

Unencumbered investment  
properties as a % of  
unsecured debt<sup>1</sup>

**\$583M**

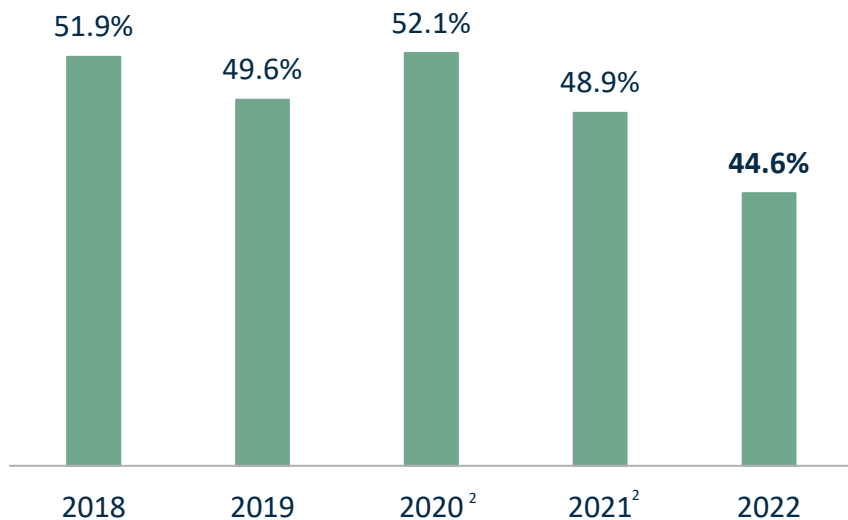
Available  
liquidity

**BBB (low)**

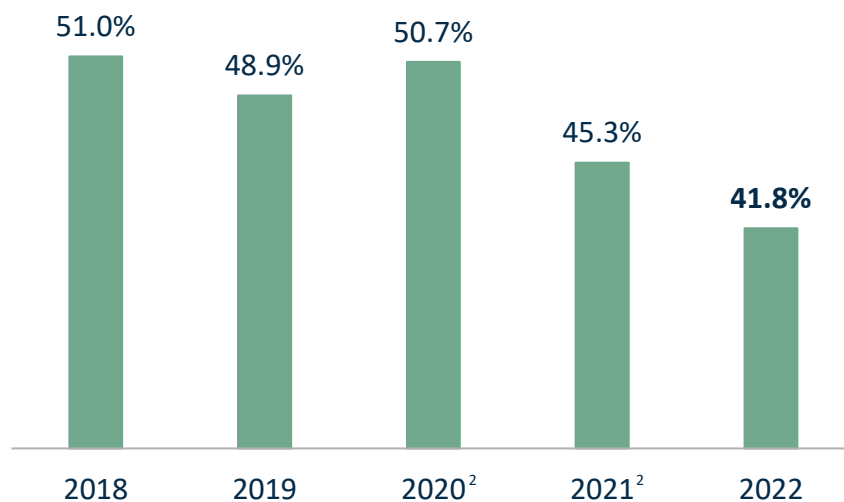
**stable**

DBRS rating provides  
access to attractive  
unsecured debt financing

Debt to Gross Book Value – Cost Basis



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



1. Non-GAAP financial measures used by management to evaluate Crombie's business performance. See Q4'22 MD&A for additional information and comparable GAAP measures.
2. The prior year calculations have been restated to include Crombie's share of debt and assets held in joint ventures.

# Closing Remarks

Don Clow

President & CEO



# Proven Stability and Sustainable Growth

