

Building Together

Q2 Quarterly Report
June 30, 2024



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MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024

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 six months ended June 30, 2024 and 2023. 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, 2023 and 2022.

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 August 7, 2024, 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.

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

FOOTNOTES

(*) NON-GAAP FINANCIAL MEASURES

Some of the financial measures provided in this document are non-GAAP financial measures that have no standardized meaning under International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and therefore may not be comparable to similar measures presented by other companies. See "Non-GAAP Financial Measures", starting on page 66, for more information on Crombie's non-GAAP financial measures and reconciliations thereof.

FORWARD-LOOKING STATEMENTS

Some of the information provided in this document is forward-looking and therefore could change over time to reflect changes in the environment in which Crombie operates and competes. See "Forward-looking Information", starting on page 71, for more information.

1. KEY HIGHLIGHTS

Crombie uses financial and operational metrics to measure its performance. These key metrics are highlighted below:

(*) See “Non-GAAP Financial Measures”, starting on page 66, 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⁽¹⁾

Q2 2024
\$116,361
Q2 2023 \$112,865 +3.1%

YTD 2024
\$234,970
YTD 2023 \$225,314 +4.3%

The increase in property revenue in the quarter and year to date was due primarily to higher revenue from renewals, contractual rent step-ups, new leasing activity, and recently completed developments, offset in part by increased amortization of tenant incentives.

Operating income attributable to Unitholders

Q2 2024
\$29,347
Q2 2023 \$19,557 +50.1%

YTD 2024
\$55,552
YTD 2023 \$44,730 +24.2%

The increase in operating income in the second quarter resulted mainly from decreased general and administrative expenses due to lower employee transition costs compared to the same quarter in 2023. Gain on disposal of investment properties, growth in property revenue from renewals, contractual rent step-ups, new leasing activity, and recently completed developments, as well as increased income from leasing activity in equity-accounted joint ventures further increased operating income. This was offset in part by higher interest expense, impairment of an investment property, and an increase in amortization of tenant incentives.

The year-to-date increase was driven by the factors discussed above with the exception of income from equity-accounted joint ventures. The increase was partially offset year to date by lower income from equity-accounted investments related to the sale of land within a joint venture in 2023, and increased depreciation and amortization, in addition to the offsetting factors noted for the quarter.

Net property income^(*)

Q2 2024
\$74,888
Q2 2023 \$71,442 +4.8%

YTD 2024
\$148,529
YTD 2023 \$140,090 +6.0%

Net property income was positively impacted during the quarter and year to date by property revenue increases from recently completed developments, renewals, contractual rent step-ups, and new leasing activity, offset in part by increased tenant incentive amortization.

(1) Property revenue for the three and six months ended June 30, 2023 has been increased by \$4,898 and \$9,796, 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.

FINANCIAL METRICS (CONTINUED)

Same-asset property cash NOI^(*)

Q2 2024	YTD 2024
\$78,303	\$154,835
Q2 2023 \$75,693 +3.4%	YTD 2023 \$149,834 +3.3%

The increase in same-asset property cash NOI for both the quarter and year to date was primarily driven by increased property revenue from renewals, contractual rent step-ups, and new leasing.

FFO^(*) per Unit

Q2 2024	YTD 2024
\$0.32	\$0.62
Q2 2023 \$0.26 +23.1%	YTD 2023 \$0.55 +12.7%

The increase in total FFO was driven primarily by decreased general and administrative expenses due to lower employee transition costs compared to the same quarter in 2023. Higher property revenue from recently completed developments, renewals, contractual rent step-ups, and new leasing activity, as well as increased income from leasing activity in equity-accounted joint ventures further contributed to FFO growth in the quarter. This was offset in part by an increase in interest expense.

The year-to-date increase was driven by the factors discussed above with the exception of income from equity-accounted joint ventures. The increase was partially offset year to date by lower income from equity-accounted investments related to the sale of land within a joint venture in 2023 in addition to the higher interest expense noted for the quarter.

FFO^(*) per Unit, excluding employee transition costs of \$784 in the second quarter of 2024, was \$0.32 for the quarter and \$0.62 year to date, an increase of 6.7% and 5.1%, respectively, over 2023 (\$0.30 for the quarter and \$0.59 year to date, excluding employee transition costs of \$7,172 in the second quarter of 2023).

FFO^(*) payout ratio

Q2 2024	YTD 2024
70.1%	71.8%
Q2 2023 86.7% -16.6%	YTD 2023 80.6% -8.8%

Items affecting FFO, as discussed above, drove the improvement in FFO payout ratio in the quarter and year to date compared to the same periods in 2023.

FINANCIAL METRICS (CONTINUED)

AFFO^(*) per Unit

Q2 2024	YTD 2024
\$0.28	\$0.53
Q2 2023 \$0.22 +27.3%	YTD 2023 \$0.48 +10.4%

Total AFFO increased in the quarter primarily due to decreased general and administrative expenses due to lower employee transition costs compared to the same quarter in 2023, higher property revenue from recently completed developments, renewals, contractual rent step-ups, and new leasing activity, as well as increased income from leasing activity in equity-accounted joint ventures. This was offset in part by an increase in interest expense.

On a year-to-date basis, the growth in total AFFO resulted from the factors discussed above with the exception of income from equity-accounted joint ventures. The increase was partially offset year to date by lower income from equity-accounted investments related to the sale of land within a joint venture in 2023 in addition to the higher interest expense noted for the quarter.

AFFO^(*) per Unit, excluding employee transition costs of \$784 in the second quarter of 2024, was \$0.28 for the quarter and \$0.54 year to date, an increase of 7.7% and 3.8%, respectively, over 2023 (\$0.26 for the quarter and \$0.52 year to date, excluding employee transition costs of \$7,172 in the second quarter of 2023).

AFFO^(*) payout ratio

Q2 2024	Year 2023
80.6%	83.2%
Q2 2023 102.1% -21.5%	Year 2022 93.7% -10.5%

Items affecting AFFO, as discussed above, drove the improvement in AFFO payout ratio in the quarter and year to date compared to the same periods in 2023.

OPERATIONAL METRICS

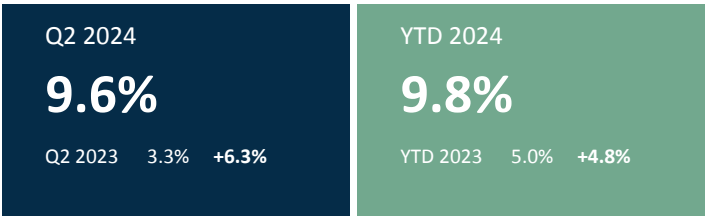
Renewals (GLA sq. ft.)



Renewal activity in the quarter consisted of 169,000 square feet in Rest of Canada, 77,000 square feet in VECTOM, and 47,000 square feet in Major Markets.

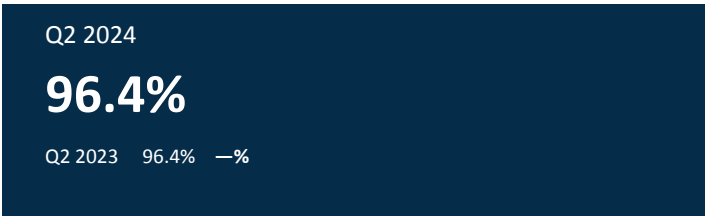
Year-to-date renewal activity consisted of 325,000 square feet in Rest of Canada, 121,000 square feet in VECTOM, and 96,000 square feet in Major Markets.

Renewal spreads



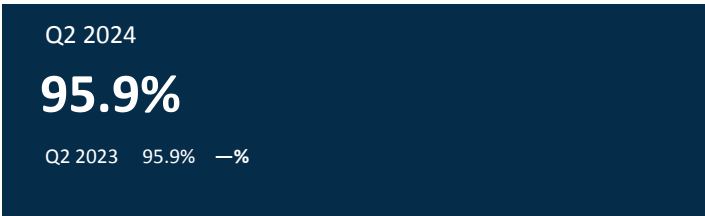
The primary driver of renewal growth in the quarter and year to date was renewals at retail properties with an increase of 9.6% and 10.5% over expiring rental rates, respectively.

Committed occupancy



At the end of the second quarter of 2024, 89,000 square feet of space was committed. VECTOM and Major Markets represent 51,000 square feet of committed space, including 31,000 square feet for a retail tenant in Major Markets.

Economic occupancy



Crombie's economic occupancy was primarily influenced by new leases of 122,000 square feet outpacing lease expiries by 43,000 square feet. Notable new leases over the last twelve months include two retail-related industrial assets, a food store, and necessity-based retailers.

FINANCIAL CONDITION METRICS

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

Q2 2024

7.68x

Q2 2023 8.17x -0.49x

The improvement in D/EBITDA ratio was due to increased trailing adjusted EBITDA offset in part by higher outstanding debt compared to the second quarter of 2023, primarily from the issuance of senior unsecured notes in the first quarter of 2024.

Interest coverage ratio^(*)

Q2 2024

3.47x

Q2 2023 2.95x +0.52x

YTD 2024

3.35x

YTD 2023 3.09x +0.26x

The increase in interest coverage ratio for the quarter and year to date was driven by improved adjusted EBITDA, due primarily to reduced general and administrative expenses resulting from lower employee transition costs compared to the same periods in 2023. Higher property revenue from recently completed developments, renewals, contractual rent step-ups, and new leasing further contributed to the increase in adjusted EBITDA.

On a year-to-date basis, the improvement in adjusted EBITDA was offset in part by higher finance costs from operations as a result of higher interest rates.

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

Q2 2024

42.6%

Q2 2023 42.3% +0.3%

Q4 2023

43.0%

Q4 2022 41.8% +1.2%

The increase in D/GFV was due to the issuance of senior unsecured notes in the first quarter of 2024, part of which was used to pay down floating rate debt. This was partially offset by a reduction in outstanding mortgages and an increase in gross fair value of investment properties compared to the second quarter of 2023.

Available liquidity - unutilized credit facilities

Q2 2024

\$706,717

Q2 2023 \$614,072 +15.1%

The increase in available liquidity resulted from lower balances of floating rate debt outstanding compared to the second quarter of 2023, offset in part by an increase in outstanding letters of credit.

2. GLOSSARY OF TERMS

Adjusted debt^(*)	Represents debt, including Crombie's share of debt held in equity-accounted joint ventures, excluding transaction costs, which Crombie believes is a more relevant presentation of indebtedness. Adjusted debt is a non-GAAP measure that is used in the calculation of Crombie's debt to gross fair value and debt to trailing 12 months adjusted EBITDA.
Adjusted EBITDA^(*)	Represents earnings before interest, taxes, depreciation, and amortization, excluding certain items such as amortization of tenant incentives, impairment of investment properties, gain (loss) on disposal of investment properties, and gain on distribution from equity-accounted investments. It includes Crombie's share of revenue, operating expenses, and general and administrative expenses from equity-accounted joint ventures. Adjusted EBITDA is a non-GAAP measure that is used as an input in several of Crombie's debt metrics.
Adjusted interest expense^(*)	Represents finance costs from operations, including Crombie's share of interest from equity-accounted joint ventures, excluding amortization of deferred financing costs. Adjusted interest expense is a non-GAAP measure that is used in the calculation of Crombie's interest coverage and debt service coverage ratios.
AFFO^(*)	Adjusted funds from operations. Crombie follows the recommendations of REALPAC's January 2022 guidance in determining AFFO.
AMR	Annual minimum rent. This represents annualized fixed minimum rent payable by the tenant pursuant to the terms of the lease.
CFC	Customer fulfillment centre.
CMA	Census metropolitan area.
Committed occupancy	Represents current economic occupancy plus future occupancy of currently vacant space for which lease contracts are currently in place (excludes space held in equity-accounted joint ventures).
D/GFV^(*)	Debt to gross fair value.
Economic occupancy	Represents space currently occupied (excludes space held in equity-accounted joint ventures).
ESG	Environmental, social, and governance.
Fair value	The amount at which an asset or liability could be exchanged between two knowledgeable, willing, and unconnected parties in an arm's length transaction.
FFO^(*)	Funds from operations. Crombie follows the recommendations of REALPAC's January 2022 guidance in determining FFO.
GHG	Greenhouse gas emissions.
GLA	Gross leasable area (excludes space held in equity-accounted joint ventures unless noted as proportionately consolidated).
GRESB	An industry-led organization which collects, validates, scores, and independently benchmarks ESG data for financial markets.
IFRS Accounting Standards	International Financial Reporting Standards as issued by the International Accounting Standards Board.
Joint operations	Properties in which Crombie owns partial interests. These co-owned properties are subject to proportionate consolidation, the results of which are reflected in Crombie's operating and financial results, based on the proportionate interest in such joint operations.
Joint ventures	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.
Lease termination income	Revenue derived from the early termination of a lease. Lease termination occurs when a tenant desires to end occupancy prior to the lease end date.
Major Markets	A Crombie-specific definition that includes Abbotsford-Mission, Barrie, Chilliwack, Halifax, Hamilton, Kitchener-Cambridge-Waterloo, Oshawa, Quebec City, Regina, Saskatoon, Victoria, and Winnipeg, as defined by Statistics Canada 2021 boundaries for census metropolitan areas and census agglomeration.
Modernization	A capital investment to modernize/renovate Crombie-owned grocery store properties in exchange for a defined return and potential extended lease term.
NAV^(*)	Net asset value.
Net property income^(*)	Property revenue less property operating expenses. Net property income excludes revenue from management and development services and certain expenses such as interest expense and indirect operating expenses.
Property cash NOI^(*)	Property net operating income on a cash basis, excluding non-cash straight-line rent recognition and non-cash tenant incentive amortization.
Proportionate ownership	Represents Crombie's proportionate interest in the financial position and results of operations of its entire portfolio, taking into account the difference in accounting for joint ventures using proportionate consolidation versus equity accounting as required under IFRS Accounting Standards.
REALPAC	Real Property Association of Canada.
Rest of Canada (RoC)	A Crombie-specific definition that includes all remaining geographies outside of VECTOM and Major Markets.
Retail	Includes Crombie's substantial retail portfolio, including certain additional properties that comprise both retail and office space. These properties have been consistently included in Crombie's retail category.
Retail-related industrial	Retail-related industrial includes retail distribution centres, customer fulfillment centres, and spokes.

Revenue from management and development services	Represents revenue from co-owners, related parties, and third parties for development, construction, and property management services.
Same-asset properties^(*)	Properties owned and operated throughout the current and comparative reporting periods, excluding any property that was designated for redevelopment or was subject to disposition of a portion of its GLA during either the current or comparative period.
Spokes	Spokes are cross-dock distribution facilities developed to support customer fulfillment centres, the hubs of Empire Company Limited's ("Empire") hub-and-spoke network, by expediting the movement of merchandise to customers with minimal storage time.
Sq. ft.	Square footage.
Unencumbered assets	Represents assets that have not been pledged as security or collateral under a secured credit agreement or mortgage.
VECTOM	Vancouver, Edmonton, Calgary, Toronto, Ottawa-Gatineau, and Montreal, as defined by Statistics Canada 2021 boundaries for census metropolitan areas and census agglomeration.
WATM	Weighted average term to maturity.
Zoning applications submitted	A formal municipal rezoning application has been submitted for the purpose of achieving a new land use (i.e. residential, mixed-use) and generally to obtain higher levels of density and building height.

(*) See "Non-GAAP Financial Measures", starting on page 66, for more information on Crombie's non-GAAP financial measures and reconciliations thereof.

3. PORTFOLIO REVIEW

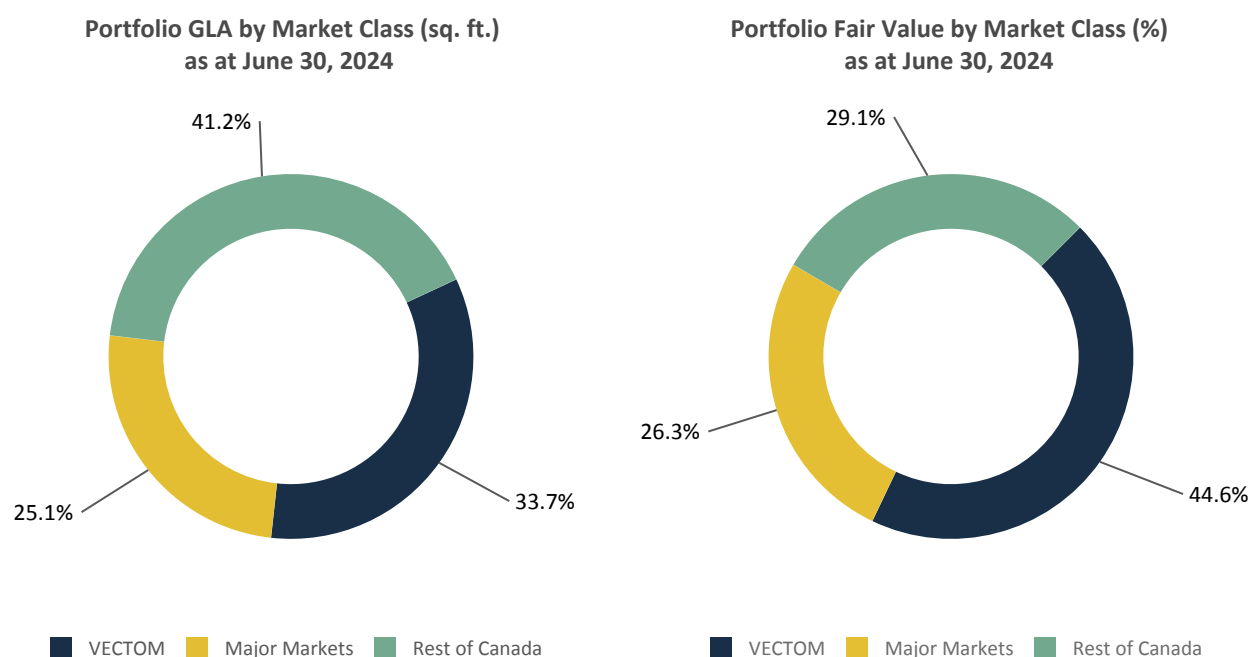
As at June 30, 2024, Crombie's property portfolio consisted of full ownership interests in 234 investment properties, and partial ownership interests in 61 investment properties held in joint operations. In addition to investment properties, Crombie also has full ownership interests in four properties under development ("PUD"), as well as partial ownership in one property under development held in a joint operation and four properties held in joint ventures. Together, Crombie's share of these 304 properties contains approximately 19.3 million square feet of GLA in all 10 provinces.

Total Portfolio Review Inclusive of Joint Ventures

Crombie holds partial ownership interests in eight 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^(*), property cash NOI^(*), or same-asset property cash NOI^(*), unless it is specifically indicated that such metrics are presented on a proportionate consolidation basis. Below are select operating metrics for the full portfolio 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 June 30, 2024:



The table below provides details of the average capitalization rate (weighted by stabilized trailing NOI including joint ventures) by market class used by Crombie in assessing fair value. 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.

	June 30, 2024	December 31, 2023	June 30, 2023
VECTOM	5.13 %	5.10 %	4.84 %
Major Markets	6.16 %	6.16 %	6.14 %
Rest of Canada	6.94 %	6.93 %	6.90 %
Weighted average portfolio capitalization rate	5.93 %	5.92 %	5.77 %

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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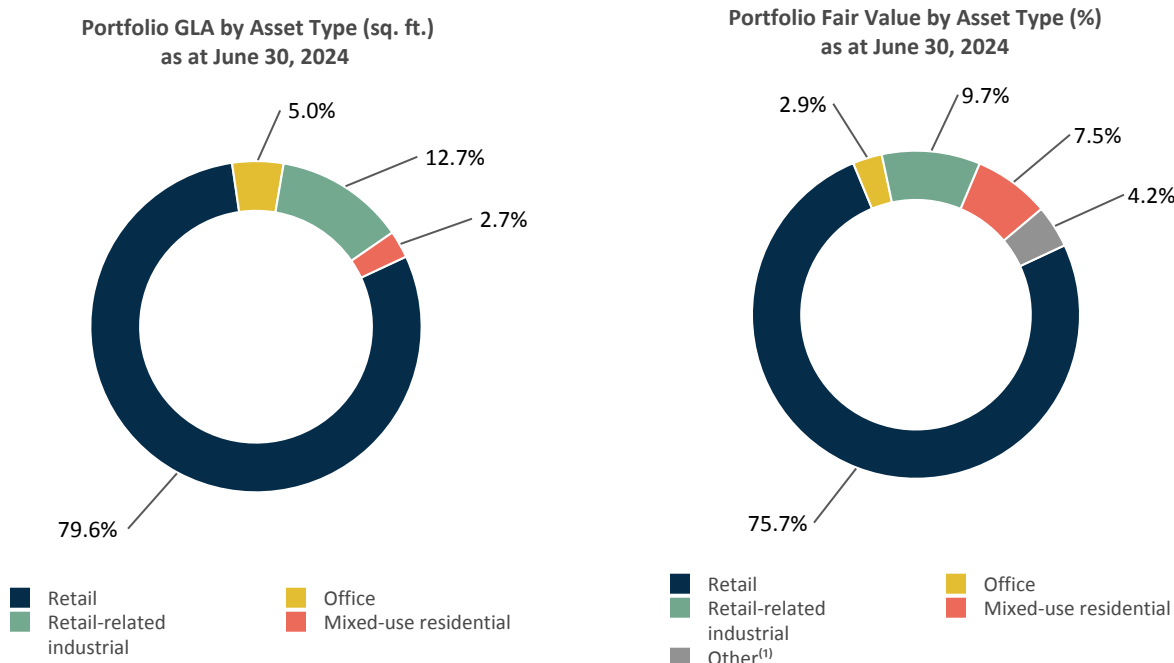
Crombie's weighted average capitalization rate has remained stable relative to December 31, 2023. Since June 30, 2023, market capitalization rates in general have expanded despite solid fundamentals. The increase in capitalization rates is largely the result of tight financial conditions, including higher borrowing costs and uncertainty around monetary policy.

	GLA (sq. ft.)	
	June 30, 2024	June 30, 2023
VECTOM	6,491,000	6,475,000
Major Markets	4,846,000	4,818,000
Rest of Canada	7,943,000	7,862,000
Total	19,280,000	19,155,000

When compared to June 30, 2023, Rest of Canada GLA increased by 81,000 square feet largely due to non-major development activity, as well as the acquisition of one grocery-anchored retail property in the second quarter of 2024. Major Markets and VECTOM GLA increased by 28,000 square feet and 16,000 square feet, respectively. The increase in GLA is primarily driven by non-major development activity over the last twelve months, partially offset by the disposition of one retail property in VECTOM in the second quarter of 2024.

Asset Type

Crombie's portfolio of GLA and fair value, inclusive of joint ventures at Crombie's share, consisted of the following as at June 30, 2024:



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

Retail properties represent 79.6% of Crombie's GLA and 75.7% of fair value at June 30, 2024, compared to 79.7% of Crombie's GLA and 77.8% of fair value at June 30, 2023.

PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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	GLA (sq. ft.)	
	June 30, 2024	June 30, 2023
Retail	15,343,000	15,265,000
Retail-related industrial	2,460,000	2,414,000
Office	963,000	962,000
Mixed-use residential	514,000	514,000
Total	19,280,000	19,155,000

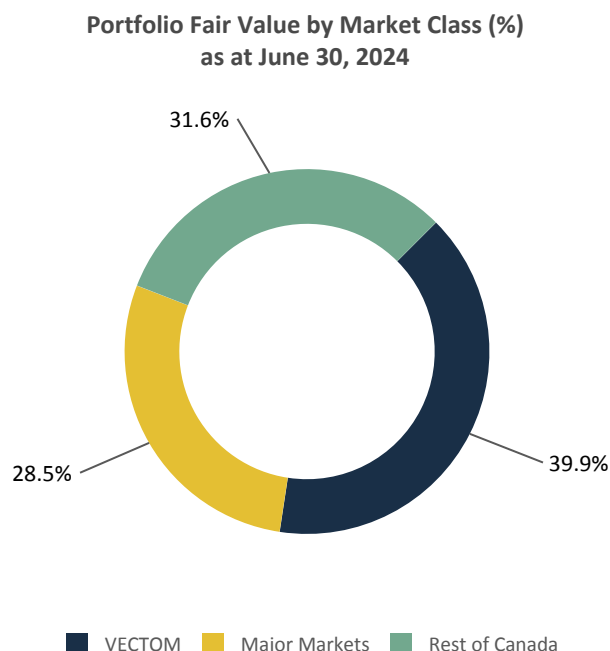
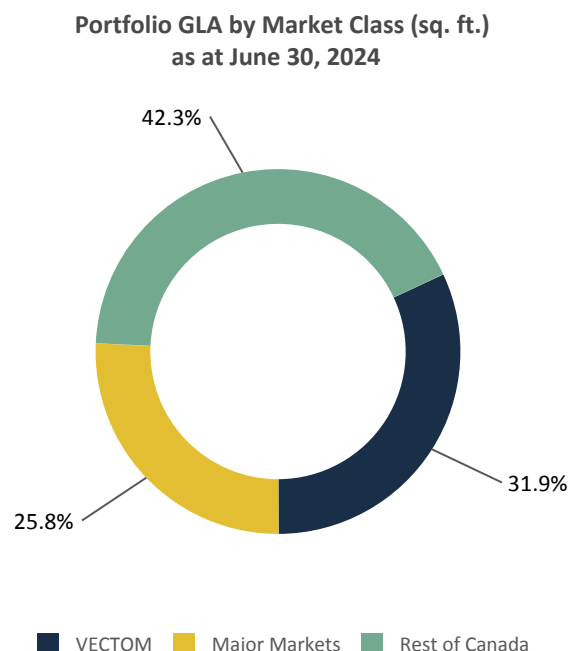
When compared to June 30, 2023, retail GLA increased 78,000 square feet largely due to the acquisition of one grocery-anchored retail property in the Rest of Canada in the second quarter of 2024 and non-major development activity. Retail-related industrial GLA increased 46,000 square feet due to the substantial completion of a property in Major Markets in the third quarter of 2023 and the substantial completion of a co-owned property in VECTOM in the first quarter of 2024.

Portfolio Review - Excluding Joint Ventures

Below are select operating metrics for the full portfolio presented without inclusion of Crombie's partial ownership interests in eight joint ventures, four of which currently hold property. Partial ownership interests are reflected in Crombie's financial statements, based on its proportionate ownership in joint operations.

Market Class

Crombie's portfolio of GLA and fair value consisted of the following as at June 30, 2024:



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 table below provides details of the average capitalization rate (weighted by stabilized trailing NOI) by market class used by Crombie in assessing fair value. 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.

	June 30, 2024	December 31, 2023	June 30, 2023
VECTOM	5.44 %	5.44 %	5.11 %
Major Markets	6.16 %	6.16 %	6.14 %
Rest of Canada	6.94 %	6.93 %	6.90 %
Weighted average portfolio capitalization rate	6.13 %	6.12 %	5.96 %

Crombie’s weighted average capitalization rate has remained stable relative to December 31, 2023. Since June 30, 2023, market capitalization rates in general have expanded despite solid fundamentals. The increase in capitalization rates compared to June 2023 is largely the result of tight financial conditions, including higher borrowing costs and uncertainty around monetary policy.

Crombie’s portfolio diversification by market class of its investment properties as at June 30, 2024 and 2023 is as follows:

GLA (sq. ft.)									
Market Class	January 1, 2024	Acquisition/ Disposition	Other ⁽¹⁾	June 30, 2024	Number of Investment Properties	% of AMR	% NOI ⁽²⁾	Economic Occupancy	Committed Occupancy
VECTOM	5,966,000	(15,000)	26,000	5,977,000	88	35.0 %	34.2 %	99.3 %	99.4 %
Major Markets	4,827,000	—	3,000	4,830,000	64	26.6 %	27.5 %	96.2 %	97.1 %
Rest of Canada	7,888,000	48,000	7,000	7,943,000	143	38.4 %	38.3 %	93.2 %	93.6 %
Total	18,681,000	33,000	36,000	18,750,000	295	100.0 %	100.0 %	95.9 %	96.4 %

GLA (sq. ft.)									
Market Class	January 1, 2023	Acquisition/ Disposition	Other ⁽¹⁾	June 30, 2023	Number of Investment Properties	% of AMR	% NOI ⁽²⁾	Economic Occupancy	Committed Occupancy
VECTOM	5,956,000	—	5,000	5,961,000	88	35.1 %	33.6 %	99.1 %	99.4 %
Major Markets	4,794,000	—	8,000	4,802,000	63	26.6 %	28.1 %	96.3 %	97.1 %
Rest of Canada	7,695,000	139,000	28,000	7,862,000	142	38.3 %	38.3 %	93.3 %	93.8 %
Total	18,445,000	139,000	41,000	18,625,000	293	100.0 %	100.0 %	95.9 %	96.4 %

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

(2) Property cash NOI for the six months ended June 30.

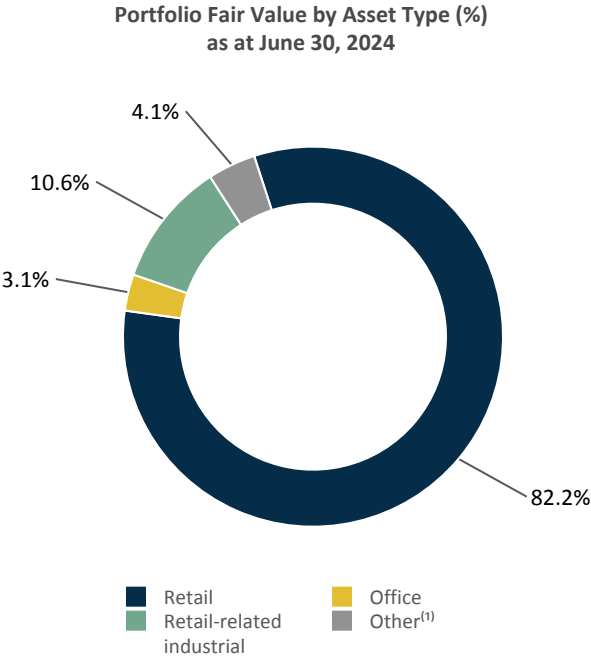
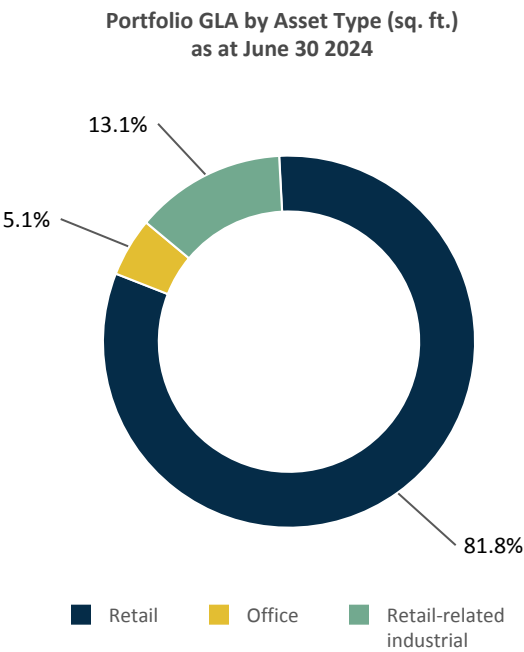
For the six months ended June 30, 2024, one grocery-anchored retail property, at full interest totalling 48,000 square feet, was acquired in the Rest of Canada. This was partially offset by the disposition of one retail property, owned at a partial interest totalling 15,000 square feet, in VECTOM. Crombie completed the development of one retail-related industrial asset, of which it has a 50% ownership, adding 26,000 square feet in VECTOM. This addition to GLA is included in “Other” changes.

When compared to June 30, 2023, the percentage of annual minimum rent (“AMR”) generated from the Rest of Canada increased by 10 basis points, while Major Markets AMR remained constant, and VECTOM AMR decreased by 10 basis points.

Please see the “Operational Performance” section of this MD&A, under “Occupancy and Leasing Activity” for additional information on economic and committed occupancy.

Asset Type

Retail properties represent 81.8% of Crombie’s GLA and 82.2% of fair value at June 30, 2024, compared to 81.9% of GLA and 84.5% of fair value at June 30, 2023.



(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 class, as at June 30, 2024 and 2023, is as follows:

GLA (sq. ft.)									
Asset Class	January 1, 2024	Acquisition/Disposition	Other ⁽¹⁾	June 30, 2024	Number of Investment Properties	% of AMR	% of NOI ⁽²⁾	Economic Occupancy	Committed Occupancy
Retail	15,285,000	33,000	9,000	15,327,000	282	87.2 %	87.2 %	95.6 %	96.2 %
Retail-related industrial	2,434,000	—	26,000	2,460,000	8	9.1 %	8.8 %	100.0 %	100.0 %
Office	962,000	—	1,000	963,000	5	3.7 %	4.0 %	89.5 %	89.5 %
Total	18,681,000	33,000	36,000	18,750,000	295	100.0 %	100.0 %	95.9 %	96.4 %

GLA (sq. ft.)									
Asset Class	January 1, 2023	Acquisition/Disposition	Other ⁽¹⁾	June 30, 2023	Number of Investment Properties	% of AMR	% of NOI ⁽²⁾	Economic Occupancy	Committed Occupancy
Retail	15,077,000	139,000	33,000	15,249,000	282	87.7 %	89.3 %	95.6 %	96.2 %
Retail-related industrial	2,414,000	—	—	2,414,000	6	8.5 %	6.7 %	100.0 %	100.0 %
Office	954,000	—	8,000	962,000	5	3.8 %	4.0 %	91.1 %	91.1 %
Total	18,445,000	139,000	41,000	18,625,000	293	100.0 %	100.0 %	95.9 %	96.4 %

(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 six months ended June 30.

For the six months ended June 30, 2024, retail GLA had a net increase of 33,000 square feet due to the acquisition of one grocery-anchored property at full interest in the Rest of Canada, partially offset by the disposition of one property in VECTOM, in which Crombie held a partial interest. Crombie completed the development of one retail-related industrial asset in VECTOM, of which it has a 50% ownership, adding 26,000 square feet. This addition to GLA is included in "Other" changes.

Crombie continues to enhance its portfolio asset mix with a balance of grocery-anchored retail and retail-related industrial, as well as 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 Crombie's development strategy, residential and retail-related industrial asset types are expected to make up a greater percentage of its total portfolio in the future.

Please see the "Operational Performance" section of this MD&A, under "Occupancy and Leasing Activity" for additional information on economic and committed occupancy.

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 57.

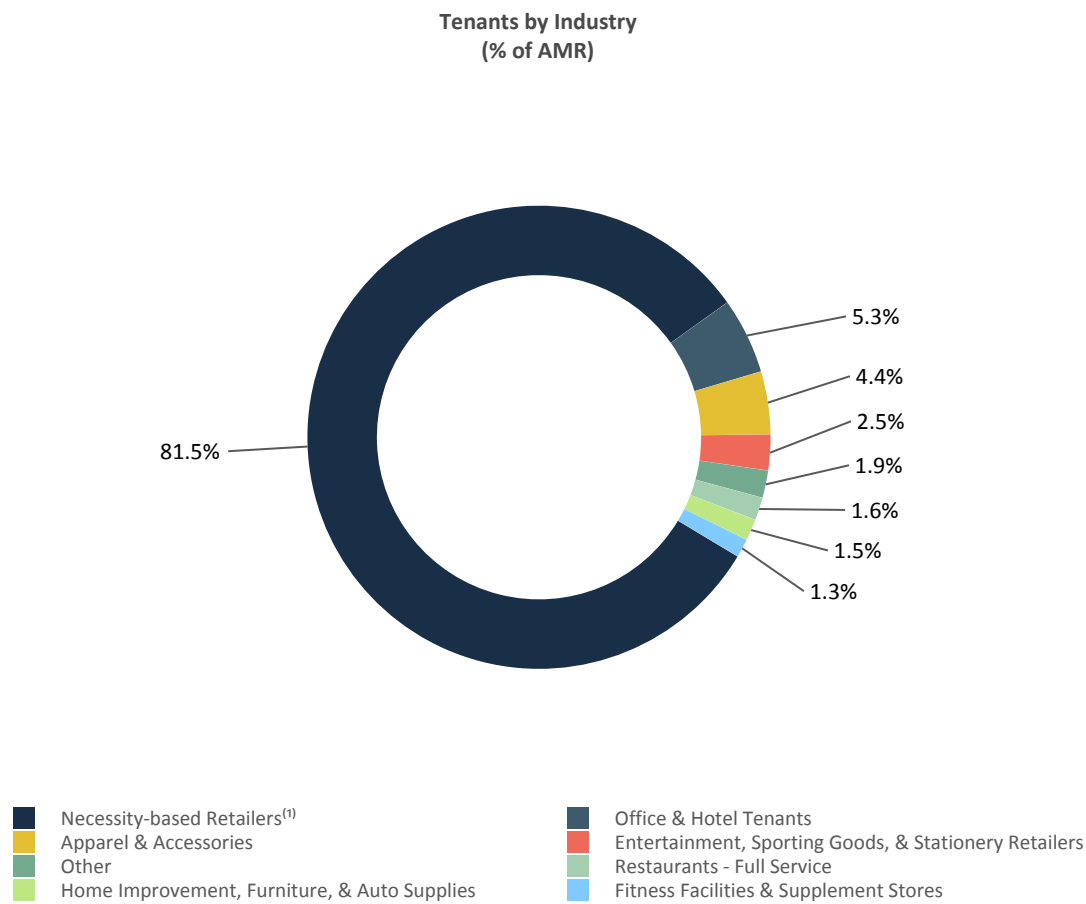
Non-major Development - Completed

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 major development projects. For the six months ended June 30, 2024, Crombie added 26,000 square feet of GLA to its portfolio.

Three months ended						
Asset Class	Location	Market Class	March 31, 2024	June 30, 2024	Total GLA	Tenants
Retail-related industrial	Calgary	VECTOM	26,000	—	26,000	Empire

Tenant Profile

Crombie builds and owns a high-quality, resilient, and diversified portfolio, backed primarily by grocery tenants, which delivers consistent long-term earnings and cash flow stability. As at June 30, 2024, 80% of Crombie's AMR was generated from grocery-anchored properties, inclusive of retail-related industrial, compared to 81% at June 30, 2023. These necessity-based tenants have stable underlying income and cash flows, are more resilient to changes in economic cycles and evolving retail trends, and form a solid foundation for organic same-asset property cash NOI^(*) and AFFO^(*) growth.



(1) Necessity-based retailers include tenants that provide essential products and services, and predominantly fall into the following categories: grocery, pharmacy, liquor, dollar store, cannabis, convenience store, gasoline, pet supplies, grocery distribution centres, quick service restaurants, medical, professional and personal services, banking and financial services.

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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 June 30, 2024.

Tenant	% of AMR	GLA (sq. ft.)	Weighted Average Remaining Lease Term	Morningstar DBRS Credit Rating
Empire Company Limited ⁽¹⁾	58.7 %	11,322,000	11.0 years	BBB
Shoppers Drug Mart	2.4 %	228,000	5.4 years	BBB(high)
Dollarama	1.7 %	371,000	5.6 years	BBB
Province of Nova Scotia	1.7 %	356,000	6.1 years	A(high)
Bank of Nova Scotia	1.1 %	178,000	2.2 years	AA
Shell Canada	1.0 %	19,000	11.9 years	AA(low)
Cineplex	1.0 %	207,000	6.7 years	—
Canadian Imperial Bank of Commerce	0.9 %	132,000	13.1 years	AA
GoodLife Fitness	0.9 %	190,000	4.9 years	—
Government of Canada	0.9 %	130,000	3.6 years	AAA
Canadian Tire Corporation	0.8 %	158,000	2.7 years	BBB
Restaurant Brands International	0.7 %	66,000	4.7 years	—
Royal Bank of Canada	0.5 %	49,000	3.2 years	AA(high)
Pet Valu	0.5 %	74,000	4.8 years	—
SAQ/Province of Quebec	0.5 %	65,000	5.9 years	AA(low)
Halifax Regional Municipality	0.5 %	127,000	6.5 years	—
Metro	0.5 %	88,000	5.5 years	BBB(high)
BC Liquor/Province of British Columbia	0.4 %	40,000	3.8 years	AA(high)
Giant Tiger	0.4 %	188,000	3.8 years	—
Toronto Dominion Bank	0.4 %	45,000	2.3 years	AA(high)
Total	75.5 %	14,033,000	9.9 years	

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

Other than Empire, which accounts for 58.7% of AMR, and Shoppers Drug Mart, which accounts for 2.4% of AMR, no other tenant accounts for more than 1.7% of Crombie's AMR. Empire's percent of AMR decreased by 60 basis points compared to June 30, 2023 due to Empire's assignment to Crombie of Shell Canada retail fuel site subleases in Western Canada. This was partially offset by the acquisition of an asset anchored by Empire over the last 12 months, the development of retail-related industrial assets, modernizations, and contractual rent step-ups. For more information regarding the assignment, see the "Quarterly Information" in the "Other Disclosures" section of this MD&A, starting on page 64.

For the six months ended June 30, 2024, Empire represents 54.9% 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 costs.

The weighted average remaining term of all Crombie leases is approximately 8.6 years, which decreased 0.5 years as compared to June 30, 2023. This remaining lease term is influenced by the weighted average Empire remaining lease term of 11.0 years, which decreased 0.7 years from June 30, 2023.

Same-asset Properties

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

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-owned Properties					
	Investment Properties ("IP")	Properties Under Development ("PUD")	Sub-total	Properties in Joint Ventures ("JV")	Total ⁽¹⁾
Same-asset properties	288	—	288	3	291
Non-same-asset properties:					
Acquisitions - 2024	1	—	1	—	1
Other ⁽²⁾	5	4	9	—	9
Active and completed major developments ⁽³⁾	1	1	2	1	3
	7	5	12	1	13
Total properties	295	5	300	4	304

(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 and land parcels included in PUD.

(3) Active and completed major developments include:

Voilà CFC 3 (IP)
The Marlstone (PUD)
The Village at Bronte Harbour (JV)

The following table illustrates the movement in Crombie's same-asset properties as at June 30, 2024.

	Investment Properties ("IP")	Properties in Joint Ventures ("JV")	Total ⁽¹⁾
Same-asset properties December 31, 2023	287	2	289
Transfers from acquisitions ⁽²⁾	2	—	2
Transfers to dispositions	(1)	—	(1)
Transfers to/from active and completed major developments	—	1	1
Total same-asset properties June 30, 2024	288	3	291

(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 2023 and have a full 12 months of comparative results.

Strategic Acquisitions and Dispositions

As at June 30, 2024, GLA, at Crombie's interest, of its investment properties was 18.8 million square feet compared to 18.6 million square feet as at June 30, 2023. The net increase in GLA is due to 48,000 square feet of acquisitions and 92,000 square feet of other changes throughout the portfolio, primarily from non-major development activity. This is partially offset by 15,000 square feet of dispositions.

Strategic Acquisitions

Through strategic and selective acquisitions of high-quality, primarily grocery-anchored assets, Crombie intends to continue to enhance overall portfolio quality. Crombie's acquisitions are intended to add strategic value to the portfolio, while leading to strong AFFO^(*) accretion and NAV^(*) growth. During the six months ended June 30, 2024, Crombie completed an acquisition of one grocery-anchored retail property for a total purchase price of \$9,880 excluding transaction and closing costs. The property was acquired from a third party, adding 48,000 square feet, located in the 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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					Ownership			
Date	Property	Location	Vendor	Strategy	Number of Investment Properties	Interest	Sq. ft.	Price ⁽¹⁾
2024 Second Quarter								
June 24, 2024	Barnet Street	Powell River, BC	Third Party	Income-producing	1	100 %	48,000	\$ 9,880
Total acquisitions for the six months ended June 30, 2024					1	100 %	48,000	\$ 9,880
Total acquisitions for the six months ended June 30, 2023					3	100 %	139,000	\$ 26,482

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

Strategic Dispositions

From time to time, in line with Crombie's strategy on capital recycling, Crombie will participate in strategic dispositions. Proceeds from dispositions can be used for debt reduction, to fund development projects, and to seize other higher-value opportunities. Some of these opportunities include supporting Empire's growth and completion of major mixed-use developments.

				Ownership				
Date	Property	Location		Number of Investment Properties	Interest	Sq. ft.	Net Property Income ^(*)	Price
2024 Second Quarter								
April 30, 2024	Broadview Avenue	Toronto, ON		1	50 %	15,000 ⁽¹⁾	\$ 150	\$ 13,000
Total dispositions for the six months ended June 30, 2024				1	50 %	15,000	\$ 150 ⁽²⁾	\$ 13,000
Total dispositions for the six months ended June 30, 2023				—	—	—	\$ —	\$ —

(1) Square footage is at 100% interest.

(2) Reflects actual net property income^(*) earned on 2024 dispositions for the full year ended December 31, 2023. Total actual net property income^(*) for the six months ended June 30, 2024 for the disposed property prior to disposition was \$50, as reflected in Crombie's 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 six months ended June 30, 2024 was as follows:

Occupied Space (sq. ft.)										
Market Class	January 1, 2024	Net Acquisitions	New Leases ⁽¹⁾	Lease Expiries	Other ⁽²⁾	June 30, 2024	Economic Occupancy	Committed Space (sq. ft.) ⁽³⁾	Total Committed Space (sq. ft.)	Committed Occupancy
VECTOM	5,924,000	(15,000)	30,000	(1,000)	(2,000)	5,936,000	99.3 %	6,000	5,942,000	99.4 %
Major Markets	4,645,000	—	14,000	(9,000)	(5,000)	4,645,000	96.2 %	45,000	4,690,000	97.1 %
Rest of Canada	7,359,000	48,000	78,000	(69,000)	(17,000)	7,399,000	93.2 %	38,000	7,437,000	93.6 %
Total	17,928,000	33,000	122,000	(79,000)	(24,000)	17,980,000	95.9 %	89,000	18,069,000	96.4 %

Occupied Space (sq. ft.)										
Asset Type	January 1, 2024	Net Acquisitions	New Leases ⁽¹⁾	Lease Expiries	Other ⁽²⁾	June 30, 2024	Economic Occupancy	Committed Space (sq. ft.) ⁽³⁾	Total Committed Space (sq. ft.)	Committed Occupancy
Retail	14,619,000	33,000	94,000	(64,000)	(24,000)	14,658,000	95.6 %	89,000	14,747,000	96.2 %
Retail-related industrial	2,434,000	—	26,000	—	—	2,460,000	100.0 %	—	2,460,000	100.0 %
Office	875,000	—	2,000	(15,000)	—	862,000	89.5 %	—	862,000	89.5 %
Total	17,928,000	33,000	122,000	(79,000)	(24,000)	17,980,000	95.9 %	89,000	18,069,000	96.4 %

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

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

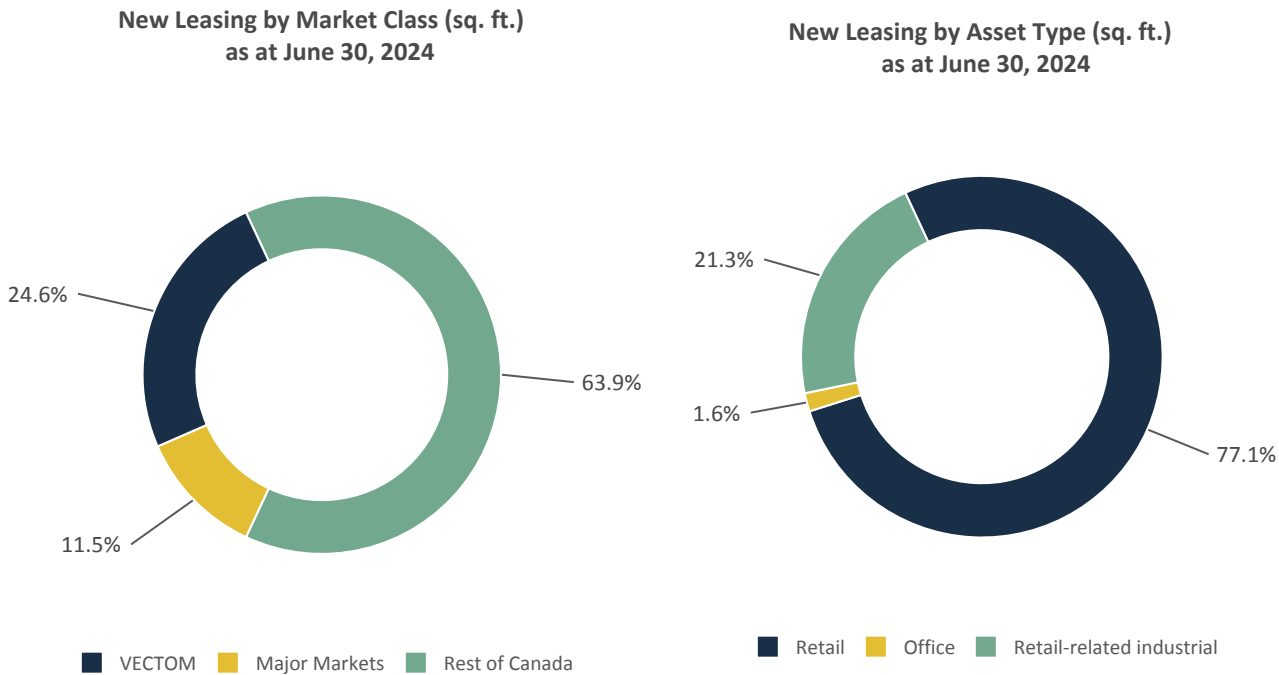
(3) Committed space represents lease contracts for future occupancy of currently vacant space. Management believes such reporting, along with reported lease maturities, provides more balanced reporting of overall vacant space.

Committed occupancy was 96.4% at June 30, 2024 and June 30, 2023. For the six months ended June 30, 2024, Crombie had an increase from net acquisition activity of 33,000 square feet and had new leases outpace lease expiries by 43,000 square feet.

Committed occupancy in Crombie's retail properties portfolio was 96.2% at June 30, 2024 and June 30, 2023. Committed occupancy in office properties was 89.5% at June 30, 2024, which decreased from 91.1% at June 30, 2023. This was primarily due to natural lease expiries and attrition including a tenant downsizing at an office property. Committed space in retail-related industrial properties of 100.0% at June 30, 2024 remained constant from 100.0% at June 30, 2023.

The portfolio average AMR per occupied square foot for Crombie's income-producing properties was \$17.93 as at June 30, 2024, an increase of 3.8%, compared to \$17.28 as at June 30, 2023.

New Leasing Activity

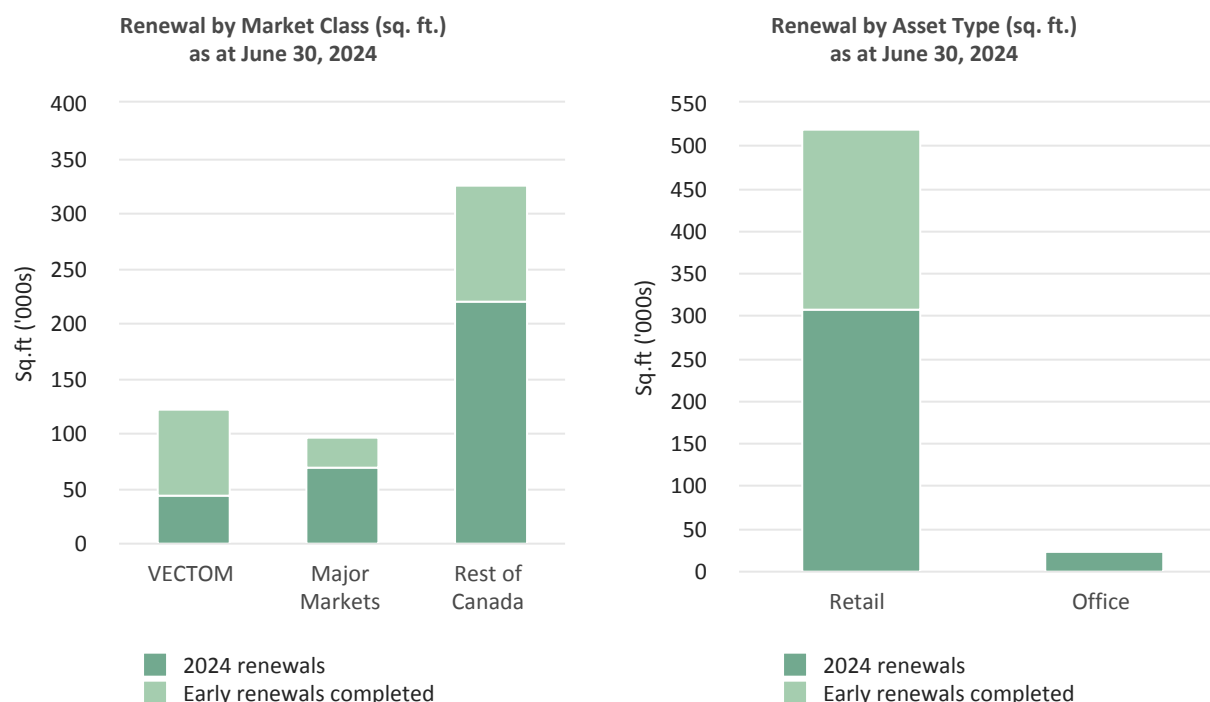


New leases increased occupancy by 122,000 square feet at June 30, 2024, at an average first year rate of \$25.61 per square foot.

For the six months ended June 30, 2024, 63.9% of new leases, equivalent to 78,000 square feet, were completed in Rest of Canada markets. Notable new leases in these markets included a grocery-anchored tenant and another necessity-based tenant in the Rest of Canada. In VECTOM and Major Markets, 44,000 square feet, or 36.1% of new leases, were completed in the first half of 2024, including a retail-related industrial tenant in VECTOM.

At June 30, 2024, 89,000 square feet of GLA at an average first year rate of \$21.34 per square foot was committed, with tenants expected to take possession throughout 2024. VECTOM and Major Markets represent 51,000 square feet of committed space, including 31,000 square feet for a retail tenant in Major Markets.

Renewal Activity



For the six months ended June 30, 2024, renewal activity for Crombie's portfolio was as follows:

	Three months ended June 30, 2024			Six months ended June 30, 2024		
	Square Feet	Rate PSF	Growth %	Square Feet	Rate PSF	Growth %
2024 Renewals	112,000	\$20.53	8.6 %	332,000	\$19.68	9.3 %
Future Year Renewals	181,000	\$17.91	10.4 %	210,000	\$18.46	10.8 %
Total	293,000	\$18.91	9.6 %	542,000	\$19.21	9.8 %

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. Crombie's renewal activity for the three months ended June 30, 2024 included retail renewals of 291,000 square feet with an increase of 9.6% over expiring rental rates. For the six months ended June 30, 2024, Crombie renewed 519,000 square feet of retail renewals with an increase of 10.5% 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 11.8% and 11.2% for the three and six months ended June 30, 2024, respectively.

On a year-to-date basis, total renewal growth was positively impacted by the 121,000 square feet of renewals in VECTOM at an average first year rate of \$24.88 per square foot, an increase of 18.3% over expiring rental rates. Excluding one lease with renewal growth over 100.0%, VECTOM renewals had an increase of 11.3% over expiring rental rates. Major Markets saw renewals of 96,000 square feet, with an increase of 11.0% over expiring rental rates or an average first year rate of \$24.81 per square foot. Excluding one lease with renewal growth over 100.0%, Major Markets renewals had an increase of 8.7% over expiring rental rates. Rest of Canada accounted for the remaining 325,000 square feet of renewals at an average first year rate of \$15.43, with an increase of 4.7% over expiring rental rates. Excluding two renewals, a call centre and office tenant, at decreased rental rates, the Rest of Canada renewals would have had an increase of 8.1% over expiring rental rates.

Crombie proactively manages its lease maturities, taking advantage of opportunities to renew tenants prior to expiration. During the six months ended June 30, 2024, 210,000 square feet of renewals related to future year expiries were completed.

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Lease Maturities

The following table sets out, as at June 30, 2024, the total number of leases, including committed leases, maturing during the periods indicated, the renewal area, the percentage of the total GLA of the properties represented by such maturities, and the estimated average AMR per square foot at the time of expiry.

Year	Number of Leases ⁽¹⁾	Renewal Area (sq. ft.)	% of Total GLA	Average AMR per sq. ft. at Expiry
2024	182	626,000	3.3 %	\$ 17.62
2025	187	1,201,000	6.5 %	15.49
2026	185	1,072,000	5.7 %	16.74
2027	181	1,305,000	7.0 %	18.92
2028	144	1,015,000	5.4 %	19.33
2029	154	1,408,000	7.5 %	19.21
2030	56	605,000	3.2 %	18.07
2031	94	1,091,000	5.8 %	19.85
2032	80	550,000	2.9 %	21.33
2033	100	1,902,000	10.1 %	24.11
Thereafter	253	7,294,000	39.0 %	21.05
Total	1,616	18,069,000	96.4 %	\$ 20.07

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

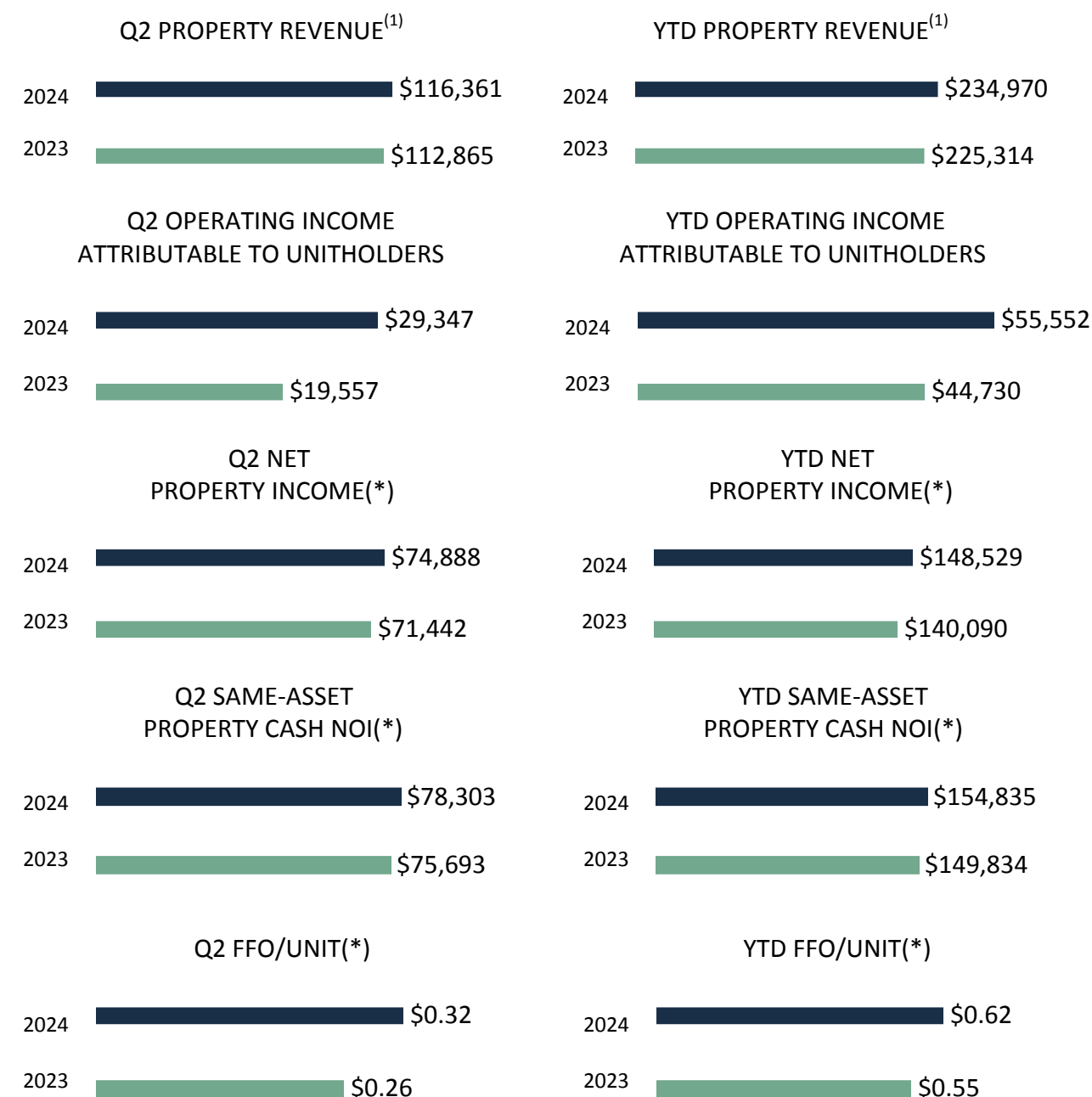
The following table sets out, as at June 30, 2024, the number of Empire leases maturing during the periods indicated, the renewal area, the percentage of the total GLA of the properties represented by such maturities, and the estimated average AMR per square foot at the time of expiry.

Year	Number of Leases ⁽¹⁾	Renewal Area (sq. ft.)	% of Total GLA	Average AMR per sq. ft. at Expiry
2024	7	24,000	0.1 %	\$ 17.26
2025	8	276,000	1.5 %	13.71
2026	16	327,000	1.7 %	12.27
2027	15	482,000	2.6 %	13.74
2028	12	296,000	1.6 %	16.39
2029	18	615,000	3.3 %	15.75
2030	7	259,000	1.4 %	15.74
2031	14	463,000	2.5 %	16.80
2032	4	145,000	0.8 %	18.92
2033	40	1,567,000	8.4 %	22.75
Thereafter	161	6,899,000	36.8 %	20.69
Total⁽²⁾	302	11,353,000	60.7 %	\$ 19.59

(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



(1) Property revenue and property operating expenses for the three and six months ended June 30, 2023 have been increased by \$4,898 and \$9,796, 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.

Q2 FFO PAYOUT RATIO(*)



YTD FFO PAYOUT RATIO(*)



Q2 AFFO/UNIT(*)



YTD AFFO/UNIT(*)



Q2 AFFO PAYOUT RATIO(*)



YTD AFFO PAYOUT RATIO(*)



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	Three months ended June 30,			Six months ended June 30,		
	2024	2023 ⁽¹⁾	Variance	2024	2023 ⁽¹⁾	Variance
Property revenue	\$ 116,361	\$ 112,865	\$ 3,496	\$ 234,970	\$ 225,314	\$ 9,656
Revenue from management and development services	2,106	2,046	60	2,855	2,046	809
Property operating expenses	(41,473)	(41,423)	(50)	(86,441)	(85,224)	(1,217)
Gain on disposal of investment properties	2,163	—	2,163	2,163	111	2,052
Impairment of investment properties	(2,000)	—	(2,000)	(2,000)	—	(2,000)
Depreciation and amortization	(19,961)	(19,494)	(467)	(39,975)	(38,914)	(1,061)
General and administrative expenses	(5,437)	(12,012)	6,575	(10,184)	(17,087)	6,903
Finance costs - operations	(22,182)	(21,000)	(1,182)	(44,465)	(41,764)	(2,701)
Income (loss) from equity-accounted investments	(230)	(1,425)	1,195	(1,371)	248	(1,619)
Operating income attributable to Unitholders	29,347	19,557	9,790	55,552	44,730	10,822
Distributions to Unitholders	(40,564)	(39,921)	(643)	(80,963)	(79,696)	(1,267)
Change in fair value of financial instruments	1,063	1,517	(454)	1,185	2,120	(935)
Decrease in net assets attributable to Unitholders	\$ (10,154)	\$ (18,847)	\$ 8,693	\$ (24,226)	\$ (32,846)	\$ 8,620
Operating income attributable to Unitholders per Unit, basic	\$ 0.16	\$ 0.11	\$ 0.05	\$ 0.31	\$ 0.25	\$ 0.06
Basic weighted average Units outstanding (in 000's)	182,186	179,309	2,877	181,818	178,991	2,827
Distributions per Unit to Unitholders	\$ 0.22	\$ 0.22	\$ —	\$ 0.45	\$ 0.45	\$ —

Other Non-GAAP Performance Metrics

Same-asset property cash NOI ^(*)	\$ 78,303	\$ 75,693	\$ 2,610	\$ 154,835	\$ 149,834	\$ 5,001
FFO ^(*)	\$ 57,880	\$ 46,068	\$ 11,812	\$ 112,748	\$ 98,903	\$ 13,845
FFO ^(*) per Unit - basic	\$ 0.32	\$ 0.26	\$ 0.06	\$ 0.62	\$ 0.55	\$ 0.07
FFO ^(*) payout ratio (%)	70.1 %	86.7 %	(16.6)%	71.8 %	80.6 %	(8.8)%
AFFO ^(*)	\$ 50,317	\$ 39,118	\$ 11,199	\$ 97,264	\$ 85,027	\$ 12,237
AFFO ^(*) per Unit - basic	\$ 0.28	\$ 0.22	\$ 0.06	\$ 0.53	\$ 0.48	\$ 0.05
AFFO ^(*) payout ratio (%)	80.6 %	102.1 %	(21.5)%	83.2 %	93.7 %	(10.5)%

(1) Property revenue and property operating expenses for the three and six months ended June 30, 2023 have been increased by \$4,898 and \$9,796, 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.

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 \$9,790, or 50.1%. Excluding employee transition costs of \$784 (June 30, 2023 - \$7,172), operating income attributable to Unitholders increased by 12.7%. The lower employee transition costs in the second quarter of 2024 compared to the same period in 2023 resulted in decreased general and administrative expenses of \$6,575, which was the primary driver of the increase in operating income. Further contributing to the increase was a gain on disposal of investment properties of \$2,163, growth in property revenue of \$1,998 from renewals, contractual rent step-ups, and new leasing, \$1,962 from new developments, and increased income from equity-accounted investments of \$1,195 resulting from leasing activity at Bronte Village. The growth in operating income was offset in part by higher interest expense of \$1,182, impairment of an investment property of \$2,000 in the second quarter of 2024, and an increase in amortization of tenant incentives of \$1,764 from new leases, new developments, and modernization investments.

For the six months ended:

Operating income attributable to Unitholders increased by \$10,822, or 24.2%, on a year-to-date basis. Excluding employee transition costs of \$784 (June 30, 2023 - \$7,172), operating income attributable to Unitholders increased by 8.5%. The lower employee transition costs in the second quarter of 2024 compared to the same period in 2023 resulted in lower general and administrative expenses of \$6,903, which was the primary driver of the increase in operating income. Also contributing to the variance year over year was growth in property revenue of \$4,351 from new developments, \$3,714 from renewals, contractual rent step-ups, and new leasing, and higher gain on disposal of investment properties of \$2,052. The growth in operating income was offset in part by an increase of \$2,701 in interest expense. Further offsetting the increase in operating income was \$2,000 in impairment of an investment property in the second quarter of 2024, increased tenant incentive amortization of \$1,690 primarily from modernizations, and reduced income from equity-accounted investments of \$1,619 due to the sale of land at Crombie's Opal Ridge joint venture in 2023. An increase in depreciation and amortization of \$1,061 was due to accelerated depreciation on properties scheduled for redevelopment, recently completed developments, and acquisitions in 2023.

Net Property Income^(*)

Management uses net property income^(*) 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 66, for a more detailed discussion on net property income^(*).

Net property income^(*), 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 June 30,			Six months ended June 30,		
	2024	2023 ⁽¹⁾	Variance	2024	2023 ⁽¹⁾	Variance
Property revenue	\$ 116,361	\$ 112,865	\$ 3,496	\$ 234,970	\$ 225,314	\$ 9,656
Property operating expenses	(41,473)	(41,423)	(50)	(86,441)	(85,224)	(1,217)
Net property income^(*)	\$ 74,888	\$ 71,442	\$ 3,446	\$ 148,529	\$ 140,090	\$ 8,439
Net property income^(*) margin percentage	64.4 %	63.3 %	1.1 %	63.2 %	62.2 %	1.0 %

(1) Property revenue and property operating expenses for the three and six months ended June 30, 2023 have been increased by \$4,898 and \$9,796, 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.

For the three months ended:

An increase in net property income of \$3,446 was primarily due to growth in property revenue of \$1,998 from renewals, contractual rent step-ups, and new leasing, and \$1,962 from new developments, offset in part by an increase in amortization of tenant incentives of \$1,764 from new leases, new developments, and modernization investments.

For the six months ended:

An increase in net property income of \$8,439, compared to the same period in 2023, was primarily due to growth in property revenue of \$4,351 from new developments and \$3,714 from renewals, contractual rent step-ups, and new leasing. The growth in net property income was partially offset by increased tenant incentive amortization of \$1,690 primarily from modernizations.

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Same-asset Property Cash NOI^(*)

Management uses net property income^(*) on a cash basis (property cash NOI^(*)) as a measure of performance as it reflects the cash generated by properties period over period. Refer to the “Non-GAAP Financial Measures” section of this MD&A, starting on page 66, for a more detailed discussion on property cash NOI^(*).

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

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Variance	2024	2023	Variance
Net property income ^(*)	\$ 74,888	\$ 71,442	\$ 3,446	\$ 148,529	\$ 140,090	\$ 8,439
Non-cash straight-line rent	(1,395)	(838)	(557)	(2,892)	(2,143)	(749)
Non-cash tenant incentive amortization ⁽¹⁾	7,121	5,357	1,764	13,839	12,149	1,690
Property cash NOI^(*)	80,614	75,961	4,653	159,476	150,096	9,380
Acquisitions and dispositions property cash NOI ^(*)	72	(6)	78	410	11	399
Development property cash NOI ^(*)	2,239	274	1,965	4,231	251	3,980
Acquisitions, dispositions, and development property cash NOI ^(*)	2,311	268	2,043	4,641	262	4,379
Same-asset property cash NOI^(*)	\$ 78,303	\$ 75,693	\$ 2,610	\$ 154,835	\$ 149,834	\$ 5,001

(1) Refer to “Amortization of Tenant Incentives” on page 30 for a breakdown of tenant incentive amortization.

Development property cash NOI includes properties 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.

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

	Three months ended June 30,				Six months ended June 30,			
	2024	2023	Variance	%	2024	2023	Variance	%
VECTOM	\$ 25,487	\$ 24,932	\$ 555	2.2 %	\$ 51,075	\$ 50,074	\$ 1,001	2.0 %
Major Markets	21,875	21,242	633	3.0 %	43,342	42,171	1,171	2.8 %
Rest of Canada	30,941	29,519	1,422	4.8 %	60,418	57,589	2,829	4.9 %
Same-asset property cash NOI^(*)	\$ 78,303	\$ 75,693	\$ 2,610	3.4 %	\$ 154,835	\$ 149,834	\$ 5,001	3.3 %

	Three months ended June 30,				Six months ended June 30,			
	2024	2023	Variance	%	2024	2023	Variance	%
Retail ⁽¹⁾	\$ 70,086	\$ 67,854	\$ 2,232	3.3 %	\$ 138,295	\$ 133,914	\$ 4,381	3.3 %
Retail-related industrial	5,029	4,893	136	2.8 %	10,094	9,870	224	2.3 %
Office	3,188	2,946	242	8.2 %	6,446	6,050	396	6.5 %
Same-asset property cash NOI^(*)	\$ 78,303	\$ 75,693	\$ 2,610	3.4 %	\$ 154,835	\$ 149,834	\$ 5,001	3.3 %

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

For the three months ended:

Same-asset property cash NOI increased by \$2,610, or 3.4%, compared to the second quarter of 2023 primarily due to renewals, contractual rent step-ups, and new leasing.

For the six months ended:

On a year-to-date basis, same-asset property cash NOI increased by \$5,001, or 3.3%, compared to the same period in 2023 primarily due to renewals, contractual rent step-ups, and new leasing.

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Funds from Operations (FFO)^(*)

Crombie follows the recommendations of the January 2022 guidance of the Real Property Association of Canada ("REALPAC") in calculating FFO^(*). Refer to the "Non-GAAP Financial Measures" section of this MD&A, starting on page 66, for a more detailed discussion on FFO^(*).

The reconciliation of FFO^(*) for the three and six months ended June 30, 2024 and 2023 is as follows:

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Variance	2024	2023	Variance
Decrease in net assets attributable to Unitholders	\$ (10,154)	\$ (18,847)	\$ 8,693	\$ (24,226)	\$ (32,846)	\$ 8,620
Add (deduct):						
Amortization of tenant incentives	7,121	5,357	1,764	13,839	12,149	1,690
Gain on disposal of investment properties	(2,163)	—	(2,163)	(2,163)	(111)	(2,052)
Impairment of investment properties	2,000	—	2,000	2,000	—	2,000
Depreciation and amortization of investment properties	19,595	19,115	480	39,233	38,184	1,049
Adjustments for equity-accounted investments	1,232	1,015	217	2,495	2,272	223
Principal payments on right-of-use assets	60	58	2	119	115	4
Internal leasing costs	688	966	(278)	1,673	1,564	109
Finance costs - distributions to Unitholders	40,564	39,921	643	80,963	79,696	1,267
Change in fair value of financial instruments ⁽¹⁾	(1,063)	(1,517)	454	(1,185)	(2,120)	935
FFO^(*) as calculated based on REALPAC recommendations	\$ 57,880	\$ 46,068	\$ 11,812	\$ 112,748	\$ 98,903	\$ 13,845
Basic weighted average Units (in 000's)	182,186	179,309	2,877	181,818	178,991	2,827
FFO ^(*) per Unit - basic	\$ 0.32	\$ 0.26	\$ 0.06	\$ 0.62	\$ 0.55	\$ 0.07
FFO ^(*) payout ratio (%)	70.1 %	86.7 %	(16.6)%	71.8 %	80.6 %	(8.8)%

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

For the three months ended:

The increase in FFO of \$11,812 was primarily due to lower general and administrative expenses of \$6,575 resulting from employee transition costs of \$784 in the second quarter of 2024 compared to \$7,172 in the second quarter of 2023. Growth in property revenue of \$1,998 from renewals, contractual rent step-ups, and new leasing, \$1,962 from new developments, and increased income from equity-accounted investments of \$1,195 resulting from leasing activity at Bronte Village further contributed to the increase in FFO. This was partially offset by higher interest expense of \$1,182.

FFO excluding employee transition costs of \$784 was \$58,664 for the quarter or \$0.32 per Unit, with a payout ratio of 69.1% (June 30, 2023 - FFO of \$53,240 or \$0.30 per Unit, with a payout ratio of 75.0% excluding employee transition costs of \$7,172).

For the six months ended:

On a year-to-date basis, FFO increased by \$13,845 primarily driven by lower general and administrative expenses of \$6,903 resulting from employee transition costs of \$784 in the second quarter of 2024 compared to \$7,172 in the second quarter of 2023. Also contributing to the variance year over year was growth in property revenue of \$4,351 from new developments and \$3,714 from renewals, contractual rent step-ups, and new leasing. FFO growth was offset in part by an increase of \$2,701 in interest expense. Further offsetting the increase in FFO was reduced income from equity-accounted investments of \$1,619 due primarily to the sale of land at Crombie's Opal Ridge joint venture in Dartmouth, Nova Scotia in 2023.

FFO excluding employee transition costs of \$784 was \$113,532 or \$0.62 per Unit, with a payout ratio of 71.3% (June 30, 2023 - FFO of \$106,075 or \$0.59 per Unit, with a payout ratio of 75.1% excluding employee transition costs of \$7,172).

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Adjusted Funds from Operations (AFFO)^(*)

Crombie follows the recommendations of REALPAC's January 2022 guidance in calculating AFFO^(*) and has applied these recommendations to the AFFO^(*) amounts included in this MD&A. Refer to the "Non-GAAP Financial Measures" section of this MD&A, starting on page 66, for a more detailed discussion.

The reconciliation of AFFO^(*) for the three and six months ended June 30, 2024 and 2023 is as follows:

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Variance	2024	2023	Variance
FFO ^(*) as calculated based on REALPAC recommendations	\$ 57,880	\$ 46,068	\$ 11,812	\$ 112,748	\$ 98,903	\$ 13,845
Add (deduct):						
Straight-line rent adjustment	(1,395)	(838)	(557)	(2,892)	(2,143)	(749)
Straight-line rent adjustment included in income (loss) from equity-accounted investments	36	36	—	115	156	(41)
Internal leasing costs	(688)	(966)	278	(1,673)	(1,564)	(109)
Maintenance expenditures on a square footage basis	(5,516)	(5,182)	(334)	(11,034)	(10,325)	(709)
AFFO^(*) as calculated based on REALPAC recommendations	\$ 50,317	\$ 39,118	\$ 11,199	\$ 97,264	\$ 85,027	\$ 12,237
Basic weighted average Units (in 000's)	182,186	179,309	2,877	181,818	178,991	2,827
AFFO ^(*) per Unit - basic	\$ 0.28	\$ 0.22	\$ 0.06	\$ 0.53	\$ 0.48	\$ 0.05
AFFO ^(*) payout ratio (%)	80.6 %	102.1 %	(21.5)%	83.2 %	93.7 %	(10.5)%

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

For the three months ended:

The increase in AFFO was primarily due to the same factors impacting FFO for the quarter.

AFFO excluding employee transition costs of \$784 was \$51,101 or \$0.28 per Unit, with a payout ratio of 79.4% (June 30, 2023 - AFFO of \$46,290 or \$0.26 per Unit, with a payout ratio of 86.2% excluding employee transition costs of \$7,172).

For the six months ended:

The growth in AFFO on a year-to-date basis was driven primarily by the same factors impacting FFO.

AFFO excluding employee transition costs of \$784 was \$98,048 or \$0.54 per Unit, with a payout ratio of 82.6% (June 30, 2023 - AFFO of \$92,199 or \$0.52 per Unit, with a payout ratio of 86.4% excluding employee transition costs of \$7,172).

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 2023 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 Crombie will not be liable for income taxes.

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Details of distributions to Unitholders are as follows:

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Variance	2024	2023	Variance
Distributions to Unitholders	\$ 23,946	\$ 23,570	\$ 376	\$ 47,796	\$ 47,054	\$ 742
Distributions to Class B Voting Unitholder ⁽¹⁾	16,618	16,351	267	33,167	32,642	525
Total distributions	\$ 40,564	\$ 39,921	\$ 643	\$ 80,963	\$ 79,696	\$ 1,267
FFO ^(*) payout ratio	70.1 %	86.7 %	(16.6)%	71.8 %	80.6 %	(8.8)%
AFFO ^(*) payout ratio	80.6 %	102.1 %	(21.5)%	83.2 %	93.7 %	(10.5)%

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

Pursuant to the requirement of National Policy 41-201, Income Trusts and Other Indirect Offerings, the 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 June 30,			Six months ended June 30,		
	2024	2023	Variance	2024	2023	Variance
Cash provided by operating activities	\$ 32,144	\$ 30,782 ⁽¹⁾	\$ 1,362	\$ 111,966	\$ 95,076 ⁽¹⁾	\$ 16,890
Monthly distributions paid and payable	(40,564)	(39,921)	(643)	(80,963)	(79,696)	(1,267)
Cash provided by operating activities in excess (shortfall) of distributions paid and payable	\$ (8,420)	\$ (9,139)	\$ 719	\$ 31,003	\$ 15,380	\$ 15,623

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

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Variance	2024	2023	Variance
Operating income attributable to Unitholders	\$ 29,347	\$ 19,557	\$ 9,790	\$ 55,552	\$ 44,730	\$ 10,822
Monthly distributions paid and payable	(40,564)	(39,921)	(643)	(80,963)	(79,696)	(1,267)
Operating income attributable to Unitholders in shortfall of distributions paid and payable	\$ (11,217)	\$ (20,364)	\$ 9,147	\$ (25,411)	\$ (34,966)	\$ 9,555

Monthly distributions paid for the three and six months ended June 30, 2024 and 2023 were funded with cash flows from operating activities and borrowing on the bank credit facilities. Operating income attributable to Unitholders includes depreciation and amortization, which does not directly impact the level of income Crombie generates that can be paid out in distributions.

On July 16, 2024, Crombie declared distributions of 7.417 cents per Unit for the period from July 1, 2024 up to and including July 31, 2024. The distributions will be paid on August 15, 2024, to Unitholders of record as at July 31, 2024.

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 June 30,			Six months ended June 30,		
	2024	2023	Variance	2024	2023	Variance
Regular tenant incentive amortization	\$ 3,641	\$ 2,436	\$ 1,205	\$ 7,102	\$ 6,489	\$ 613
Modernization tenant incentive amortization	3,480	2,921	559	6,737	5,660	1,077
Total amortization of tenant incentives	\$ 7,121	\$ 5,357	\$ 1,764	\$ 13,839	\$ 12,149	\$ 1,690

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General and Administrative Expenses

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

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Variance	2024	2023	Variance
Salaries and benefits	\$ 3,228	\$ 5,660	\$ 2,432	\$ 5,369	\$ 8,376	\$ 3,007
Unit-based compensation ⁽¹⁾	252	4,524	4,272	1,094	5,382	4,288
Professional fees	608	584	(24)	1,305	984	(321)
Public company costs	416	425	9	807	806	(1)
Rent and occupancy	168	159	(9)	333	323	(10)
Other	765	660	(105)	1,276	1,216	(60)
General and administrative expenses	\$ 5,437	\$ 12,012	\$ 6,575	\$ 10,184	\$ 17,087	\$ 6,903
As a percentage of property revenue	4.7 %	10.6 % ⁽²⁾	5.9 %	4.3 %	7.6 % ⁽²⁾	3.3 %

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

(2) Property revenue for the three and six months ended June 30, 2023 has been increased by \$4,898 and \$9,796, 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.

For the three months ended:

General and administrative expenses decreased in the quarter primarily due to lower employee transition costs compared to the second quarter of 2023. This decrease in employee transition costs included lower Unit-based compensation costs of \$4,272 and lower salaries and benefits of \$2,432. General and administrative expenses excluding employee transition costs of \$784 were 4.0% of property revenue (June 30, 2023 - 4.3% of property revenue excluding transition costs of \$7,172).

For the six months ended:

On a year-to-date basis, the decrease in general and administrative expenses was driven by lower Unit-based compensation costs of \$4,288 and lower salaries and benefits of \$3,007. These decreases resulted primarily from lower employee transition costs compared to the same period in 2023, contributing \$91 to Unit-based compensation costs and \$693 to salaries and benefits expense (June 30, 2023 - \$4,625 and \$2,547, respectively). General and administrative expenses excluding employee transition costs of \$784 were 4.0% of property revenue (June 30, 2023 - 4.4% of property revenue excluding employee transition costs of \$7,172).

Finance Costs - Operations

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Variance	2024	2023	Variance
Fixed rate mortgages	\$ 8,415	\$ 8,795	\$ 380	\$ 17,180	\$ 17,886	\$ 706
Floating rate term, revolving, and demand facilities	401	811	410	2,449	3,741	1,292
Capitalized interest	(1,587)	(1,042)	545	(3,117)	(1,991)	1,126
Senior unsecured notes	13,932	11,399	(2,533)	25,955	20,080	(5,875)
Interest income on finance lease receivable	(129)	(135)	(6)	(259)	(272)	(13)
Interest on lease liability	550	531	(19)	1,103	1,057	(46)
Finance costs	21,582	20,359	(1,223)	43,311	40,501	(2,810)
Amortization of deferred financing charges	600	641	41	1,154	1,263	109
Finance costs - operations	\$ 22,182	\$ 21,000	\$ (1,182)	\$ 44,465	\$ 41,764	\$ (2,701)

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For the three months ended:

Finance costs increased by \$1,223 primarily due to higher interest expense on senior unsecured notes of \$2,533. This was partially offset by a decrease of \$955 due to higher capitalized interest from increased development activity and reduced floating rate debt interest expense resulting from lower average loan balances compared to the same period in 2023.

For the six months ended:

On a year-to-date basis, finance costs increased by \$2,810 primarily due to the issuance of Series L notes in the first quarter of 2024 and the issuance of Series K notes in the first quarter of 2023, resulting in an increase of \$5,875 in interest on senior unsecured notes. The increase was partially offset by a decrease of \$1,292 on floating rate debt resulting from lower average loan balances, capitalized interest increase of \$1,126, and decreased mortgage interest of \$706 from lower mortgages outstanding.

Depreciation, Amortization, and Impairment

Crombie's total fair value of investment properties exceeds carrying value by \$1,195,194 at June 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.

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Variance	2024	2023	Variance
Same-asset ⁽¹⁾ depreciation and amortization	\$ 19,297	\$ 18,938	\$ (359)	\$ 38,541	\$ 37,862	\$ (679)
Acquisitions, dispositions, and development depreciation/amortization	664	556	(108)	1,434	1,052	(382)
Depreciation and amortization	\$ 19,961	\$ 19,494	\$ (467)	\$ 39,975	\$ 38,914	\$ (1,061)
Impairment	\$ 2,000	\$ —	\$ (2,000)	\$ 2,000	\$ —	\$ (2,000)

For the three and six months ended:

The increase in depreciation and amortization of \$467 for the quarter and \$1,061 year to date was primarily due to accelerated depreciation on properties scheduled for redevelopment, recently completed developments, and acquisitions in 2023.

During the three months ended June 30, 2024, Crombie recorded an impairment totalling \$2,000 on a retail property in the Rest of Canada. 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 the property. The recoverable amount is the higher of the economic benefit of the continued use of the asset and 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.

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6. DEVELOPMENT

Property development is a strategic priority for Crombie to improve NAV^(*), cash flow growth, and Unitholder value. With urban intensification an important reality across the country, Crombie is focused on evaluating and undertaking major 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 71 for additional information regarding such statements and the related risks and uncertainties.

Crombie has a strategic relationship with Empire, and the majority of Crombie's development properties currently have Empire as an anchor tenant. Crombie's strategic relationship enables the organization to unlock value and transition from existing operating properties to construction/development of these sites on mutually agreeable terms. In conjunction with Crombie's strategic partner, the organization's management continuously reviews and prioritizes development opportunities that drive NAV^(*) and cash flow 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 26 major development projects as at June 30, 2024 (June 30, 2023 - 27). Crombie benefits from having solid income (NOI, FFO^(*), and AFFO^(*)) generated by most of these properties while working through the various approvals, entitlements, and advance preparations required before each major development can commence.

The organization's 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. Crombie views this approach as the optimal way to drive both NAV^(*) and cash flow 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 project assumptions to calculate the pipeline cost range, factoring in a degree of uncertainty that comes with a diverse pipeline that spans 15 years or longer. Uncertainty can come in the form of changing project scopes, moving certain properties in or out of the pipeline, variations in the entitlement process, the potential of engaging joint venture partners, dispositions of pipeline properties, and a variety of external factors that may affect project costing. Costs presented in Crombie's pipeline are reflective of current construction cost estimates on a market-by-market basis. Crombie monitors inflationary pressures impacting construction costs and adjusts pipeline assumptions when necessary. Given that some of these projects may not reach the full potential of the original scope, management discloses a low and high range to reasonably estimate the pipeline costs. As at June 30, 2024, total project costs to develop the pipeline range from \$5,000,000 to \$6,800,000 (June 30, 2023 - \$5,100,000 to \$6,900,000). 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 the pipeline. Crombie may enter joint ventures or other partnership arrangements for these properties to share cost, 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.

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

							\$ in millions		
Property	CMA	Use	Ownership %	Residential GLA on Completion	Residential Units	Estimated Substantial Completion Date	Estimated Total Cost	Estimated Cost to Complete	Estimated Yield on Cost
The Marlstone	Halifax	Residential	100 %	189,000	291	Q1/Q2 2026	\$ 134 ⁽¹⁾	\$ 102	4.5 % - 5.5 %

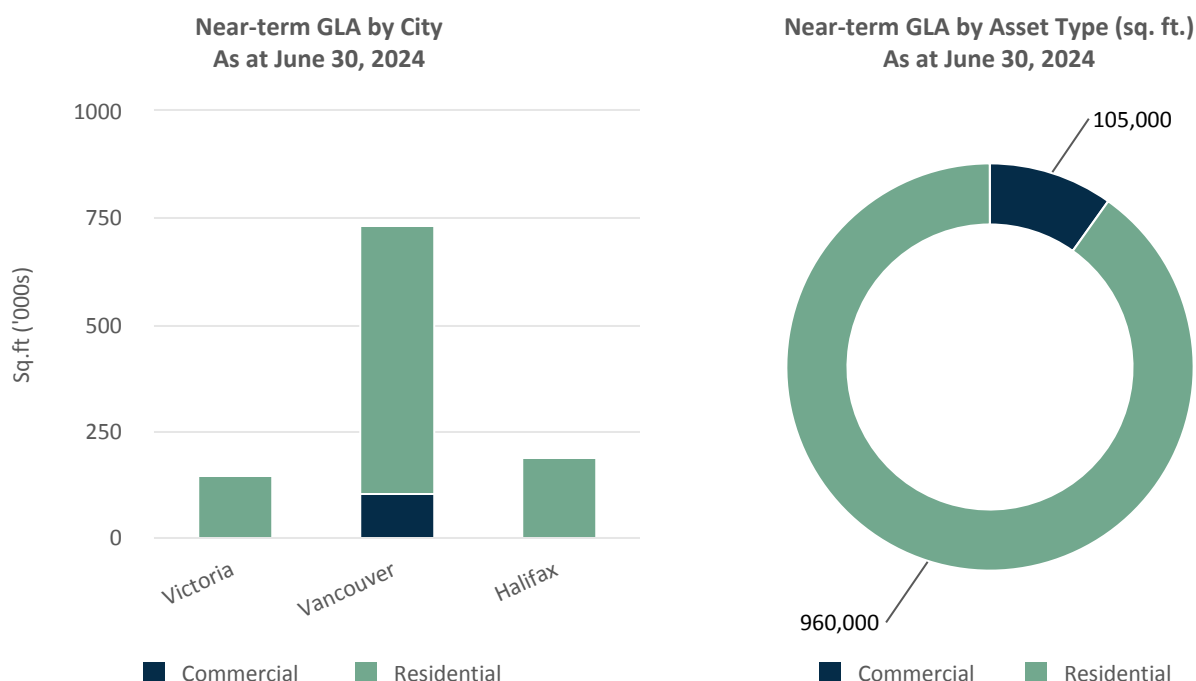
(1) Costs presented for The Marlstone are exclusive of land costs.

Total estimated costs include 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		
			Estimated Commercial GLA	Estimated Residential GLA	Estimated Residential Units
The Marlstone	Halifax	100 %	—	189,000	291
1780 East Broadway (Broadway and Commercial)	Vancouver	50 % ⁽¹⁾	105,000	626,000	970
Belmont Market - Phase II	Victoria	100 %	—	145,000	200
Total near-term developments			105,000	960,000	1,461

(1) 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, 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 construction continues to progress well. Completion is expected in the first half of 2026.

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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 2.4 acres of land located at one of the busiest transit nodes 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. Rezoning is expected to be completed in 2024, which could support construction tendering in 2025.

Belmont Market - Phase II, Victoria, British Columbia

Type: Residential

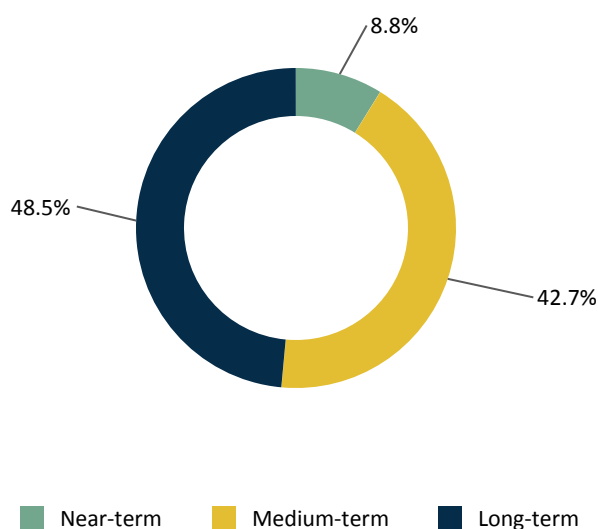
Ownership: 100%

Project status: Belmont Market - Phase II envisions the development of approximately 200 residential units on the remaining 1.7 acres of land within the Belmont Market development area. The lands are fully entitled and could be ready for construction tendering in 2025.

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 June 30, 2024:

Crombie Development Spending by Project Timeline
As at June 30, 2024



Project Timeline	Number of Projects	At Crombie's Share (\$ in millions)		
		Total Estimated Costs ⁽¹⁾	Total Spend to Date ⁽²⁾	Estimated Cost to Complete
Near-term	3	\$ 500-600	\$ 70	\$ 430-530
Medium-term	7	2,200-2,900	90	2,110-2,810
Long-term	16	2,300-3,300	180	2,120-3,120
Total pipeline	26	\$ 5,000-6,800	\$ 340	\$ 4,660-6,460

(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 cash flow growth.

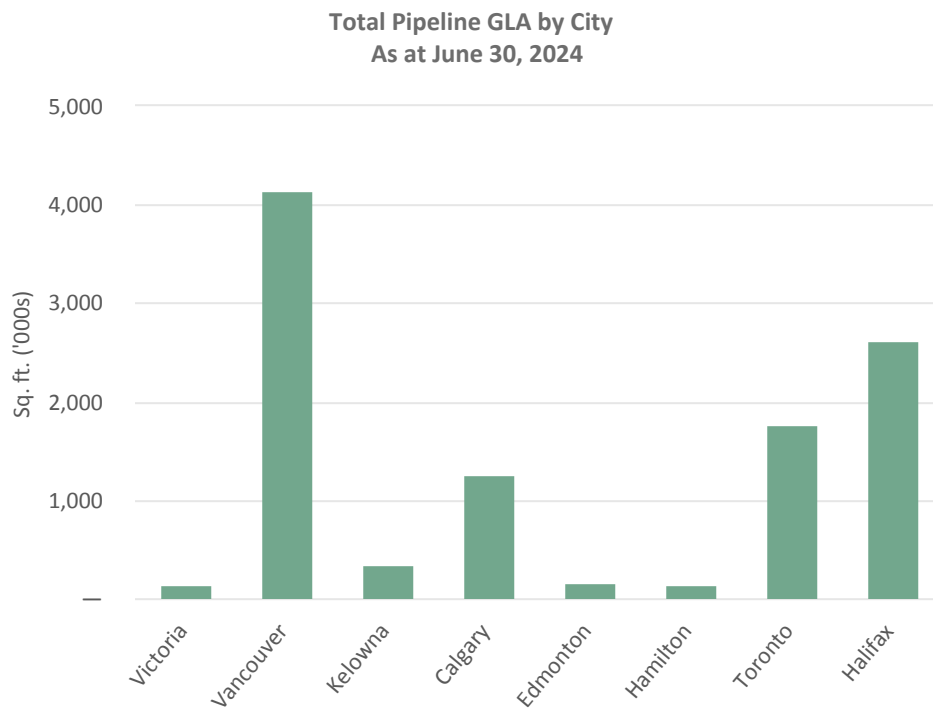
PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD-LOOKING INFORMATION
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Total estimated costs usually include land cost on the existing income-producing 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, 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, including 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 1,144,000 square feet of commercial GLA, and up to 9,460,000 square feet (up to 11,291 units) of residential GLA (which may include a combination of rental or condominium units).



PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	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 ⁽¹⁾	Estimated Commercial GLA	Estimated Residential GLA	Estimated Total GLA	Estimated Residential Units
Near-term	105,000	960,000	1,065,000	1,461
Medium-term	259,000	4,407,000	4,666,000	5,080
Long-term	780,000	4,093,000	4,873,000	4,750
Total pipeline	1,144,000	9,460,000	10,604,000	11,291

(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 26 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 GLA ⁽¹⁾	Estimated Residential GLA ⁽¹⁾	Estimated Total GLA ⁽¹⁾	Estimated Residential Units ⁽¹⁾
Zoned	4	55,000	1,444,000	1,499,000	1,801
Application submitted	4	197,000	2,893,000	3,090,000	3,460
Future	18	892,000	5,123,000	6,015,000	6,030
Total	26	1,144,000	9,460,000	10,604,000	11,291

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

Zoning is in place for the following development sites: The Marlstone (Halifax), Belmont Market - Phase II (Victoria), Barrington Residential (Halifax), and Brunswick Place (Halifax). Rezoning applications have been submitted and are in process for Broadway and Commercial (Vancouver), McCowan and Ellesmere (Toronto), Park West (Halifax), and Toronto East (Toronto).

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 26 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 ⁽¹⁾	CMA	Site Size (acres)	Existing Tenants	Potential Commercial Expansion	Entitlement Status	Project Timing	
1 The Marlstone	Halifax	0.46 ⁽²⁾	N/A	No	Zoned	Near-term	
2 Belmont Market - Phase II	Victoria	1.70	N/A	No	Zoned	Near-term	
3 Broadway and Commercial	Vancouver	2.43	Safeway	Yes	Application Submitted	Near-term	
4 Brunswick Place	Halifax	0.75 ⁽³⁾	Office/Parkade	Yes	Zoned	Medium-term	
5 McCowan and Ellesmere	Toronto	4.48	FreshCo/Other	Yes	Application Submitted	Medium-term	
6 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	N/A	Yes	Application Submitted	Medium-term	
9 Barrington Residential	Halifax	0.68	N/A	Yes	Zoned	Medium-term	
10 Fleetwood	Vancouver	4.45	Safeway	Yes	Future	Medium-term	
11 1818 Centre Street	Calgary	2.18	Safeway	Yes	Future	Long-term	
12 Port Coquitlam	Vancouver	5.31	Safeway	Yes	Future	Long-term	
13 Danforth	Toronto	0.79	The Beer Store	Yes	Future	Long-term	
14 West Broadway	Vancouver	1.95	Safeway	Yes	Future	Long-term	
15 Centennial Parkway	Hamilton	2.75	Retail	Yes	Future	Long-term	
16 King Edward	Vancouver	1.80	Safeway	Yes	Future	Long-term	
17 Elbow Drive	Calgary	1.60	Safeway	Yes	Future	Long-term	
18 Robson Street	Vancouver	1.15	Safeway	Yes	Future	Long-term	
19 Kensington	Calgary	1.73	Safeway	Yes	Future	Long-term	
20 Beltline	Calgary	2.59	Safeway	Yes	Future	Long-term	
21 Kingsway and Tyne	Vancouver	3.74	Safeway/Other	Yes	Future	Long-term	
22 East Hastings	Vancouver	3.30	Safeway/Other	Yes	Future	Long-term	
23 Bernard Ave	Kelowna	1.83	Safeway	Yes	Future	Long-term	
24 Whyte Ave	Edmonton	2.44	Safeway/Other	Yes	Future	Long-term	
25 New Westminster	Vancouver	2.82	Safeway	Yes	Future	Long-term	
26 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 is being developed through densification on 0.46 acres of the existing 9.05-acre Scotia Square site.

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

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Non-major Developments

Non-major developments, categorized as 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 Crombie's major development pipeline. Current non-major developments have a yield range of 5.5% to 10.7%. 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 June 30, 2024.

Type	Project Count	Estimated GLA on Completion	At Crombie's Share (\$ in millions)		
			Estimated Total Cost	Estimated Cost to Complete ⁽²⁾	
Land-use intensification, redevelopments, and other	3	54,000	\$ 35	\$ 26	
Modernizations ⁽¹⁾	78	—	26	—	
Total non-major developments	81	54,000	\$ 61	\$ 26	
Yield on cost projections					5.5 % - 10.7%

(1) Modernizations are capital investments to modernize/renovate Crombie-owned grocery-anchored properties in exchange for a defined return and potential extended lease term. The spend on completed modernizations for the three and six months ended June 30, 2024 was \$24,937 and \$26,437, respectively (three and six months ended June 30, 2023 - \$5,900 and \$12,807, respectively).

(2) Estimated cost to complete reflects approved projects currently in progress. It does not include potential future projects for which approvals have not yet been obtained.

In the second quarter of 2024, one land-use intensification project was added to non-major developments, totaling 2,000 square feet. Additionally, estimated total costs for land-use intensification, redevelopments, and other increased by approximately \$10,000 as a result of expanded project scope for certain projects. Modernization activity for the three months ended June 30, 2024 totalled \$24,937 at 77 properties.

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 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 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)



Crombie continues to reduce risk and build financial strength by strategically managing its capital structure and optimizing capital allocation to generate long-term value for its stakeholders. Crombie's continued success is underpinned by a strong balance sheet, more-than-adequate liquidity, and an investment-grade credit rating profile providing Crombie with a solid financial foundation and financial flexibility.

Capital Management Framework

Crombie's strategic capital management objectives consist of four main priorities:

1. maintain multiple sources of debt and equity financing;
2. reduce risk by prefunding capital commitments;
3. source capital with the lowest cost on a long-term basis and 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.

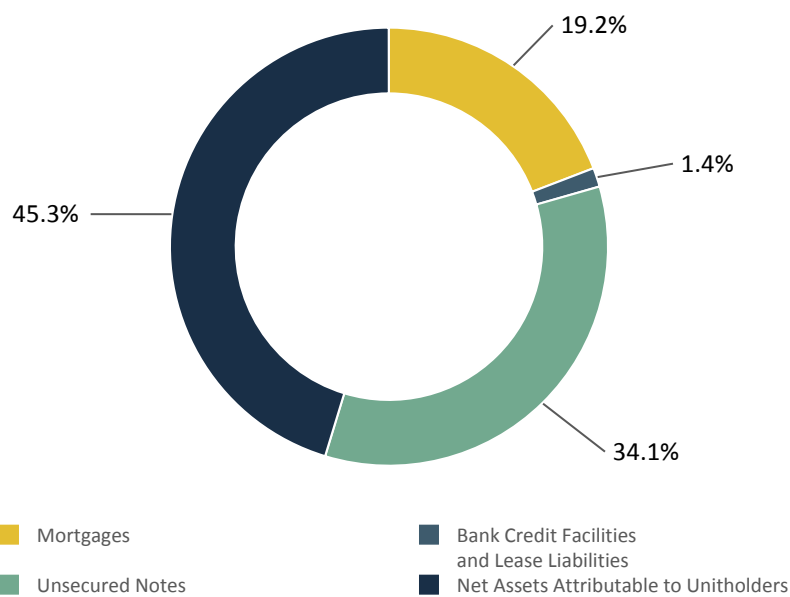
Crombie's Declaration of Trust sets out the investment guidelines for Crombie's capital deployment. The Declaration of Trust outlines the minimum due diligence that must be completed prior to a project being approved by the Investment Committee and/or Board. Crombie's Board ensures continued compliance 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 Crombie's 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 June 30, 2024**



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

	June 30, 2024		December 31, 2023	
Fixed rate mortgages ⁽¹⁾	\$	771,004	19.2 %	\$ 834,628 20.8 %
Drawn credit facilities ⁽¹⁾		20,881	0.5 %	144,391 3.6 %
Senior unsecured notes ⁽¹⁾		1,371,288	34.1 %	1,171,769 29.2 %
Lease liabilities		35,872	0.9 %	36,292 0.9 %
Net assets attributable to Crombie REIT Unitholders		1,078,370	26.8 %	1,081,631 27.0 %
Net assets attributable to Special Voting Units and Class B Limited Partnership Unitholders		740,982	18.5 %	743,082 18.5 %
Total capital structure	\$	4,018,397	100.0 %	\$ 4,011,793 100.0 %

(1) Net of deferred financing charges.

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Debt Metrics

Crombie monitors its debt by utilizing a number of key metrics, including the following:

	June 30, 2024	December 31, 2023	June 30, 2023
Unencumbered investment properties ⁽¹⁾	\$ 2,687,000	\$ 2,608,000	\$ 2,488,000
Unencumbered investment properties ⁽¹⁾ as a % of unsecured debt ^(*)	194.0 %	205.6 %	201.3 %
Debt to gross fair value ^(*)	42.6 %	43.0 %	42.3 %
Weighted average interest rate ⁽²⁾	4.2 %	4.1 %	4.0 %
Debt to trailing 12 months adjusted EBITDA ^(*)	7.68x	8.03x	8.17x
Interest coverage ratio ^(*)	3.47x	3.06x	2.95x

(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 \$2,608,000 as at December 31, 2023 to \$2,687,000 as at June 30, 2024. This increase is primarily due to modernization investments and mortgage maturities.

Debt to Gross Fair Value^(*)

When calculating debt to gross fair value^(*), 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 equity-accounted joint ventures. All other components of gross fair value are measured at the carrying value included in Crombie's financial statements. Crombie's methodology for determining the fair value of investment properties includes capitalization of trailing 12 months net property income^(*) using biannual capitalization rates from external property valuers. The majority of investment properties are also subject to external, independent appraisals on a rotational basis over a period of not more than four years. Valuation techniques are more fully described in Crombie's year-end audited financial statements.

The fair value included in this calculation reflects the fair value of the properties as at June 30, 2024 and December 31, 2023, respectively, based on each property's current use as a revenue-generating investment property. Additionally, as properties are prepared for redevelopment, Crombie considers each property's progress through entitlement in determining the fair value of a property. As at June 30, 2024, Crombie's weighted average capitalization rate of 6.13% used in the determination of the fair value of its investment properties has remained stable relative to December 31, 2023. Crombie's weighted average capitalization rate of 3.68% used in the determination of the fair value of its share of investment properties held in equity-accounted joint ventures as at June 30, 2024, has also remained stable relative to December 31, 2023. 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^(*) was 42.6% at June 30, 2024 compared to 43.0% at December 31, 2023.

The decrease in this leverage ratio during the six months ended June 30, 2024 was due primarily to an increase of \$140,000 in gross fair value of investment properties, repayment of credit facilities of \$122,891, and reduced balances of mortgages outstanding of \$64,423. This was offset in part by the issuance of \$200,000 of senior unsecured notes and the reduction of other assets of \$38,287 from the reclassification of other assets to investment properties and properties under development.

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	June 30, 2024	December 31, 2023
Fixed rate mortgages	\$ 774,534	\$ 838,957
Senior unsecured notes	1,375,000	1,175,000
Unsecured non-revolving credit facility	—	93,297
Revolving credit facility	7,997	47,591
Joint operation credit facility	3,503	3,503
Bilateral credit facility	10,000	—
Debt held in joint ventures, at Crombie's share ^{(1) (2)}	276,397	274,115
Lease liabilities	35,872	36,292
Adjusted debt ^(*)	\$ 2,483,303	\$ 2,468,755
Investment properties, fair value	\$ 5,236,000	\$ 5,096,000
Investment properties held in joint ventures, fair value, at Crombie's share ⁽²⁾	452,000	472,500
Other assets, cost ⁽³⁾	97,794	136,081
Other assets, cost, held in joint ventures, at Crombie's share ^{(2) (3) (4)}	27,994	26,214
Cash and cash equivalents held in joint ventures, at Crombie's share ⁽²⁾	4,924	3,004
Deferred financing charges	7,861	7,560
Gross fair value	\$ 5,826,573	\$ 5,741,359
Debt to gross fair value ^(*)	42.6 %	43.0 %

(1) Includes Crombie's share of fixed rate mortgages, floating rate 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.

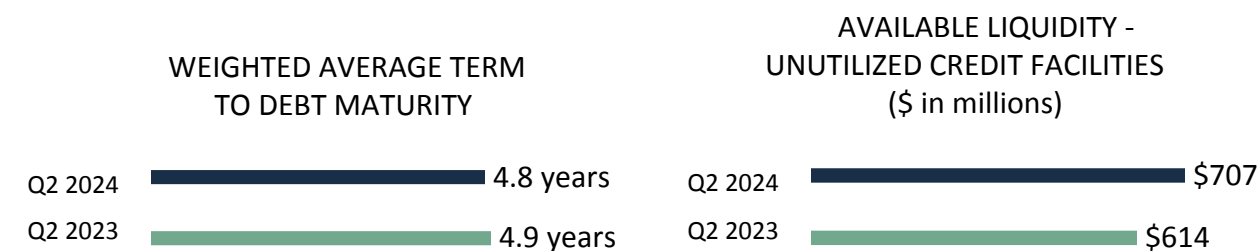
Debt to Adjusted EBITDA^(*) and Interest Coverage^(*) Ratios

The following table presents a reconciliation of operating income attributable to Unitholders to adjusted EBITDA^(*). Adjusted EBITDA^(*) is a non-GAAP measure and should not be considered an alternative to operating income attributable to Unitholders, and may not be comparable to that used by other entities. Refer to the "Non-GAAP Financial Measures" section of this MD&A, starting on page 66, for more information.

In calculating adjusted EBITDA^(*), Crombie includes its share of revenue, operating expenses, and general and administrative expenses in joint ventures, and excludes its share of amortization of tenant incentives in joint ventures. Interest coverage^(*) and debt service coverage^(*) calculations also include Crombie's share of finance costs - operations and debt repayments in joint ventures.

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Debt Profile



Mortgages

Crombie had outstanding fixed rate mortgages consisting of:

	June 30, 2024	December 31, 2023
Fixed rate mortgages ⁽¹⁾	\$ 774,569	\$ 839,008
Unamortized fair value debt adjustment	(35)	(51)
	774,534	838,957
Deferred financing charges on fixed rate mortgages	(3,530)	(4,329)
Total mortgage debt	\$ 771,004	\$ 834,628
Long-term portion	\$ 637,992	\$ 617,717
Current portion	\$ 133,012	\$ 216,911
Weighted average interest rate	4.35 %	4.30 %
Weighted average term to maturity	6.0 years	5.9 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 \$81,807 of floating rate debt that is classified as fixed rate due to interest rate swap agreements in place.

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Senior Unsecured Notes (“Notes”)

The following series of senior unsecured notes were outstanding as at June 30, 2024 and December 31, 2023:

	Maturity Date	Effective Interest Rate	June 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			(3,712)	(3,231)
Total senior unsecured notes			\$ 1,371,288	\$ 1,171,769
Long-term portion			\$ 1,197,148	\$ 1,171,769
Current portion			\$ 174,140	\$ —
Weighted average interest rate			4.07 %	3.89 %
Weighted average term to maturity			4.2 years	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 net proceeds were used to repay existing indebtedness, including repayment of outstanding credit facilities, and for general trust purposes. The Series L notes were priced with an effective yield to maturity of 5.14%. Interest is payable in equal semi-annual installments on March 29 and September 29.

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 June 30, 2024 and December 31, 2023:

	Total Available Facility	Weighted Average Term to Maturity	June 30, 2024	December 31, 2023
Revolving credit facility	\$ 400,000	3.0 years	\$ 7,997	\$ 47,591
Unsecured non-revolving credit facility	200,000	1.4 years	—	93,297
Unsecured bilateral credit facility	130,000	2.0 years	10,000	—
Joint operation credit facility II ^{(1) (2)}	3,520	0.3 years	3,503	3,503
Deferred financing charges			(619)	—
Total credit facilities	\$ 733,520	2.1 years	\$ 20,881	\$ 144,391
Long-term portion			\$ 17,653	\$ 140,888
Current portion			\$ 3,228	\$ 3,503
Weighted average interest rate for drawn credit facilities			6.11 %	6.78 %

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

(2) Includes credit facility that is fixed under a swap agreement.

The revolving credit facility is secured by a pool of first mortgages on certain properties and has a maturity date of June 30, 2027. The unsecured non-revolving credit facility was amended in the first quarter of 2024 to renew the \$200,000 maximum principal amount following repayment with proceeds from the issuance of Series L senior unsecured notes. The facility has a maturity date of November 18, 2025 and is intended to be used for mortgage repayments. The unsecured bilateral credit facility was amended in the second quarter of 2024 to extend the maturity date to June 30, 2026. It is used by Crombie for working capital purposes and to provide temporary financing for acquisitions and development activity. Joint operation credit facility II consists of term loan and revolving credit

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facilities which are secured by first and second mortgages on select co-owned properties. Crombie and its co-ownership partners entered into fixed-for-floating interest rate swaps, effectively fixing the interest rate on the joint operation facility.

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 use of CORRA rates, which replaced Bankers’ Acceptance rates, is not expected to result in a material change in Crombie’s cost of borrowing under the credit facilities. The respective spread or margin may change depending on Crombie’s unsecured bond rating with Morningstar DBRS.

As at June 30, 2024, the remaining amount available under the revolving credit facility was approximately \$392,003 (prior to reduction for standby letters of credit outstanding of \$5,286) 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.

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

		Twelve Months Ending June 30,						
	Contractual Cash Flows ⁽¹⁾	2025	2026	2027	2028	2029	Thereafter	
Fixed rate mortgages - principal and interest ⁽²⁾	\$ 334,568	\$ 56,693	\$ 49,699	\$ 44,980	\$ 37,961	\$ 31,990	\$ 113,245	
Fixed rate mortgages - maturities	614,148	107,812	25,916	93,193	33,557	88,246	265,424	
Senior unsecured notes	1,606,157	227,442	47,542	391,147	183,305	30,283	726,438	
Trade and other payables	119,620	100,752	9,192	1,365	958	958	6,395	
Lease liabilities	149,836	4,783	2,985	2,884	2,545	2,416	134,223	
	2,824,329	497,482	135,334	533,569	258,326	153,893	1,245,725	
Credit facilities ⁽²⁾	24,448	4,732	11,198	8,518	—	—	—	
Total estimated payments	\$ 2,848,777	\$ 502,214	\$ 146,532	\$ 542,087	\$ 258,326	\$ 153,893	\$ 1,245,725	

(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’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;
- entering into new joint arrangements; and
- cash.

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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	
	Mortgages	Senior Unsecured Notes	Credit Facilities	Total	% of Total		% of Total	
Remainder of 2024	\$ 97,224	\$ —	\$ 3,503	\$ 100,727	5.0 %	\$ 14,046	\$ 114,773	5.3 %
December 31, 2025	30,596	175,000	—	205,596	10.2 %	23,808	229,404	10.6 %
December 31, 2026	12,401	200,000	10,000	222,401	11.1 %	22,177	244,578	11.2 %
December 31, 2027	111,759	150,000	7,997	269,756	13.4 %	18,974	288,730	13.3 %
December 31, 2028	45,234	150,000	—	195,234	9.7 %	17,155	212,389	9.8 %
Thereafter	316,934	700,000	—	1,016,934	50.6 %	64,261	1,081,195	49.8 %
Total⁽¹⁾	\$ 614,148	\$ 1,375,000	\$ 21,500	\$ 2,010,648	100.0 %	\$ 160,421	\$ 2,171,069	100.0 %

(1) Excludes fair value debt adjustment of \$(35) and deferred financing charges of \$(3,530) on mortgages, \$(619) on credit facilities, and \$(3,712) on unsecured notes (December 31, 2023 - \$(51), \$(4,329), \$Nil, and \$(3,231), respectively).

Outstanding Unit Data

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

For the six months ended June 30, 2024, Crombie issued 869,813 REIT Units and 616,170 Class B LP Units under its DRIP. Units issued under the DRIP are issued at a price equal to 97% of the volume-weighted average trading price of the REIT Units on the Toronto Stock Exchange for the five trading days immediately preceding the relevant distribution payment date.

Total Units outstanding at July 31, 2024, were as follows:

Units	107,928,778
Special Voting Units ⁽¹⁾	74,903,226

(1) Crombie Limited Partnership, a subsidiary of Crombie, has issued 74,903,226 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 June 30,			Six months ended June 30,		
	2024	2023 ⁽¹⁾	Variance	2024	2023 ⁽¹⁾	Variance
Cash provided by (used in):						
Operating activities	\$ 32,144	\$ 30,782	\$ 1,362	\$ 111,966	\$ 95,076	\$ 16,890
Financing activities	(33,161)	(7,922)	(25,239)	(90,938)	(39,295)	(51,643)
Investing activities	(11,259)	(31,679)	20,420	(21,028)	(61,667)	40,639
Net change during the period	\$ (12,276)	\$ (8,819)	\$ (3,457)	\$ —	\$ (5,886)	\$ 5,886

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

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Operating Activities

For the three months ended:

The increase in cash provided by operating activities was primarily due to lower general and administration expenses of \$6,575 due to higher employee transition costs in 2023 and higher property cash NOI^(*) of \$4,653 due to growth in property revenue. This was partially offset by a decrease in the net change in non-cash working capital items of \$9,556.

For the six months ended:

The increase in cash provided by operating activities on a year-to-date basis was primarily due to higher property cash NOI^(*) of \$9,380 compared to 2023, decreased additions to tenant incentives of \$7,146, and reduced general and administration expenses of \$6,903 due to lower employee transition costs compared to 2023. This was partially offset by a decrease in the net change in non-cash working capital items of \$7,348.

Financing Activities

For the three months ended:

The increase in cash used in financing activities was due to lower advances on floating rate credit facilities of \$17,997 compared to \$113,511 in the second quarter of 2023. This is offset in part by lower mortgage repayments of \$61,561 and the repayment of the joint operation credit facility I of \$7,167 in the second quarter of 2023.

For the six months ended:

The increase in cash used in financing activities on a year-to-date basis was primarily driven by higher net repayments on floating rate credit facilities of \$86,402 and the \$32,967 issuance of mortgages in 2024 compared to \$48,660 in 2023. This increase was partially offset by lower mortgage repayments of \$46,326 and the repayment of the joint operation credit facility I of \$7,167 in the second quarter of 2023.

Investing Activities

For the three months ended:

The decrease in cash used in investing activities resulted primarily from fewer additions to investment properties of \$15,865 and \$6,218 from proceeds on disposal of an investment property in the second quarter of 2024. Higher collection of notes receivable from related parties of \$5,960 also contributed to the decrease. This was offset in part by a decrease in distributions from equity-accounted investments of \$3,133.

For the six months ended:

The decrease in cash used in investing activities was primarily due to a decrease in acquisitions of investment properties of \$17,663, fewer additions to investment properties of \$15,892, higher collection of notes receivable from related parties of \$11,339, and proceeds on disposal of investment properties of \$6,218. This was partially offset by lower distributions from equity-accounted investments of \$4,680 and increased contributions of \$2,555 to equity-accounted investments.

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 June 30, 2024, Crombie has a total of \$5,286 (December 31, 2023 - \$5,342) 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 June 30, 2024, Crombie had signed construction contracts totalling \$259,287, of which \$187,472 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 June 30, 2024.

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 June 30, 2024, Crombie has provided

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guarantees of approximately \$38,957 (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 2.8 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.

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 six months ended June 30, 2024.

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:

	June 30, 2024		December 31, 2023	
	Fair Value	Carrying Value	Fair Value	Carrying Value ⁽¹⁾
Financial liabilities				
Investment property debt	\$ 759,417	\$ 791,885	\$ 956,601	\$ 979,019
Senior unsecured notes	1,320,673	1,371,288	1,108,474	1,171,769
Total financial liabilities	\$ 2,080,090	\$ 2,163,173	\$ 2,065,075	\$ 2,150,788

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

Financial assets are derecognized when the contractual rights to benefits from the financial asset expire.

The fair values of 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 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 2023 annual MD&A, and the "Risks" section of Crombie's 2023 Annual Information Form available at www.sedarplus.ca, the following is a specific risk update for June 30, 2024:

Significant Relationship

As at June 30, 2024, 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 six months ended June 30, 2024, 58.7% of the AMR and 54.9% 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.

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Financial Risk Management

The following table outlines Crombie's financial risks, how these risks are managed, and whether there was a change in risk exposure compared to the prior year.

Credit Risk

Risk Description	Credit risk arises from the possibility that tenants may experience financial difficulty and be unable to fulfill their lease commitments. A provision for doubtful accounts and other adjustments to net property income ⁽¹⁾ are taken for all anticipated collectability risks.
Risk Management	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 its portfolio. In measuring tenant concentration, Crombie considers both the AMR and total property revenue of major tenants. - Crombie's largest tenant, Empire (including Sobeys and all other subsidiaries of Empire), represents 58.7% of AMR. No other tenant accounts for more than 2.4% of Crombie's AMR; - 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 costs. Crombie earned total property revenue of \$129,091 for the six months ended June 30, 2024 (June 30, 2023 - \$123,174⁽¹⁾) from Sobeys and other subsidiaries of Empire; and - over the next five years, leases on no more than 7.5% of the gross leasable area of Crombie will expire in any one year. 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. Crombie determines the expected credit loss in accordance with the IFRS 9 "Financial Instruments" 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. During the six months ended June 30, 2024, Crombie recorded bad debt recovery of \$(187) (June 30, 2023 - expense of \$268). Crombie's trade receivables and provision for doubtful accounts balances at June 30, 2024 were \$18,440 and \$(973), respectively (December 31, 2023 - \$18,605 and \$(1,396), respectively). 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.

(1) Property revenue for the six months ended June 30, 2023 has been increased by \$9,660 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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Liquidity Risk

Risk Description	Liquidity risk is the risk that Crombie may not have access to sufficient debt and equity capital to fund its growth program, refinance debt obligations as they mature, or meet its ongoing obligations as they arise.
Risk Management	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. 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. 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 June 30, 2024, Crombie's credit rating on outstanding senior unsecured notes was "BBB(low)" with a "Positive" trend from Morningstar DBRS. 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 2023 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. 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. Refer to the "Debt Maturities" section of this MD&A for a maturity analysis of Crombie's recognized financial liabilities and purchase obligations.

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Interest Rate Risk

Risk Description	Interest rate risk is the potential for financial loss arising from increases in interest rates.																																																																																																								
Risk Management	Crombie mitigates the 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. The table below summarizes Crombie’s financial instruments in which hedge accounting was applied: <table><tr><th colspan="7">As at June 30, 2024</th></tr><tr><th>Hedge type</th><th>Maturity date</th><th>Fixed interest rate</th><th colspan="2">Notional amount of the hedging instrument⁽¹⁾</th><th colspan="2">Fair value of hedging instrument⁽¹⁾</th></tr><tr><td>Cash flow hedge⁽²⁾</td><td>Dec. 20, 2024</td><td>3.72 %</td><td>\$</td><td>73,796</td><td>\$</td><td>1,302</td></tr><tr><td>Cash flow hedge⁽²⁾</td><td>Mar. 18, 2025</td><td>3.52 %</td><td></td><td>4,508</td><td></td><td>88</td></tr><tr><td>Cash flow hedge⁽²⁾</td><td>Oct. 7, 2024</td><td>3.27 %</td><td></td><td>3,503</td><td></td><td>40</td></tr><tr><td>Cash flow hedge⁽³⁾</td><td>Mar. 1, 2029</td><td>3.15 %</td><td></td><td>51,825</td><td></td><td>3,317</td></tr><tr><td colspan="3"></td><td>\$</td><td>133,632</td><td>\$</td><td>4,747</td></tr></table> (1) Amounts are shown at Crombie’s ownership percentage. (2) Included in other assets in Crombie’s financial statements. (3) Included in investment in joint ventures in Crombie’s financial statements. <table><tr><th colspan="5">Three months ended June 30, 2024</th><th colspan="2">Six months ended June 30, 2024</th></tr><tr><th>Hedge type</th><th>Maturity date</th><th>Fixed interest rate</th><th>Change in fair value gain (loss) recognized in other comprehensive income (loss)⁽¹⁾</th><th>Hedge recognized in statements of comprehensive income (loss)</th><th>Change in fair value gain (loss) recognized in other comprehensive income (loss)⁽¹⁾</th><th>Hedge recognized in statements of comprehensive income (loss)</th></tr><tr><td>Cash flow hedge</td><td>Dec. 20, 2024</td><td>3.72 %</td><td>\$ (184)</td><td>\$ —</td><td>\$ (680)</td><td>\$ —</td></tr><tr><td>Cash flow hedge</td><td>Mar. 18, 2025</td><td>3.52 %</td><td>(36)</td><td>—</td><td>(53)</td><td>—</td></tr><tr><td>Cash flow hedge</td><td>Oct. 7, 2024</td><td>3.27 %</td><td>(31)</td><td>—</td><td>(56)</td><td>—</td></tr><tr><td>Cash flow hedge</td><td>Mar. 1, 2029</td><td>3.15 %</td><td>(336)</td><td>—</td><td>409</td><td>—</td></tr><tr><td colspan="3"></td><td>\$ (587)</td><td>\$ —</td><td>\$ (380)</td><td>\$ —</td></tr></table> (1) Amounts are shown at Crombie’s ownership percentage.							As at June 30, 2024							Hedge type	Maturity date	Fixed interest rate	Notional amount of the hedging instrument ⁽¹⁾		Fair value of hedging instrument ⁽¹⁾		Cash flow hedge ⁽²⁾	Dec. 20, 2024	3.72 %	\$	73,796	\$	1,302	Cash flow hedge ⁽²⁾	Mar. 18, 2025	3.52 %		4,508		88	Cash flow hedge ⁽²⁾	Oct. 7, 2024	3.27 %		3,503		40	Cash flow hedge ⁽³⁾	Mar. 1, 2029	3.15 %		51,825		3,317				\$	133,632	\$	4,747	Three months ended June 30, 2024					Six months ended June 30, 2024		Hedge type	Maturity date	Fixed interest rate	Change in fair value gain (loss) recognized in other comprehensive income (loss) ⁽¹⁾	Hedge recognized in statements of comprehensive income (loss)	Change in fair value gain (loss) recognized in other comprehensive income (loss) ⁽¹⁾	Hedge recognized in statements of comprehensive income (loss)	Cash flow hedge	Dec. 20, 2024	3.72 %	\$ (184)	\$ —	\$ (680)	\$ —	Cash flow hedge	Mar. 18, 2025	3.52 %	(36)	—	(53)	—	Cash flow hedge	Oct. 7, 2024	3.27 %	(31)	—	(56)	—	Cash flow hedge	Mar. 1, 2029	3.15 %	(336)	—	409	—				\$ (587)	\$ —	\$ (380)	\$ —
As at June 30, 2024																																																																																																									
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PORTFOLIO REVIEW	OPERATIONAL REVIEW	FINANCIAL REVIEW	DEVELOPMENT	CAPITAL MANAGEMENT	RISK MANAGEMENT	JOINT VENTURES	OTHER	NON-GAAP MEASURES	FORWARD- LOOKING INFORMATION
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Risk Management	As at June 30, 2024:				
		• Crombie’s weighted average term to maturity of its fixed rate mortgages is 6.0 years; • Crombie’s weighted average term to maturity of its unsecured notes is 4.2 years; • Crombie has a floating rate revolving credit facility available to a maximum of \$400,000, subject to available borrowing base, with a balance of \$7,997 outstanding; • 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 unsecured bilateral credit facility available to a maximum of \$130,000 with a balance of \$10,000 outstanding; • Crombie has a joint operation credit facility available to a maximum of \$3,520 at Crombie’s share with a balance of \$3,503 outstanding; • Crombie has interest rate swap agreements in place on \$81,807 of floating rate debt and an interest rate swap agreement in place held in equity-accounted investments on \$51,825 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 \$21,500 with a balance of \$9,350 outstanding, at Crombie’s share.			
	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:				
		Three months ended		Six months ended	
		June 30, 2024		June 30, 2024	
	Impact on operating income attributable to Unitholders of interest rate changes on the revolving credit facility				
		Increase in rate	Decrease in rate	Increase in rate	Decrease in rate
	Impact of a 0.5% interest rate change	\$ (1)	\$ 1	\$ (175)	\$ 175
	Impact of a 1.0% interest rate change	\$ (2)	\$ 2	\$ (350)	\$ 350
	Impact of a 1.5% interest rate change	\$ (2)	\$ 2	\$ (525)	\$ 525
	As at June 30, 2024				
Impact on other comprehensive loss of interest rate changes on interest rate swap agreements at Crombie’s share					
			Increase in rate	Decrease in rate	
Impact of a 0.5% interest rate change			\$ 1,300	\$ (1,300)	
Impact of a 1.0% interest rate change			\$ 2,600	\$ (2,600)	
Impact of a 1.5% interest rate change			\$ 3,900	\$ (3,900)	

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

As at June 30, 2024, Crombie holds partial ownership interests in eight 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^(*), property cash NOI^(*), and same-asset property cash NOI^(*), 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^(*).

Joint Venture Summary

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

	June 30, 2024	December 31, 2023
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 %	50.0 %
Kingsway & Tyne Property Development Limited Partnership	50.0 %	50.0 %

1600 Davie Limited Partnership

Davie Street is a retail/residential mixed-used property consisting of 330 residential units and 54,000 square feet of retail GLA in Vancouver, British Columbia. Crombie maintains 100% ownership of the retail GLA, which is anchored by a 44,500 square foot Safeway, while the joint venture retains ownership of the 330 residential units. Stabilization of NOI was reached in September 2021 and the residential property is 93.9% leased at June 30, 2024.

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. Stabilization of NOI was reached in April 2024 and the residential property is 93.8% leased at June 30, 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 97.4% leased at June 30, 2024.

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 with all land parcels being sold thereafter and the remaining land development activity completed at the end of 2023.

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.

1700 East Broadway Limited Partnership

East Broadway (Broadway and Commercial) is a proposed major mixed-use redevelopment in Vancouver, British Columbia, located at one of the busiest transit nodes in Western Canada. It will include grocery-anchored retail, office, residential rental, and condominiums. The

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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 advancing entitlement by working through public engagement in advance of submitting a formal rezoning application.

Kingsway & Tyne Property Development Limited Partnership

3410 Kingsway is a proposed mixed-use redevelopment in Vancouver, British Columbia. The joint venture is currently working through early concept planning to support a policy inquiry submission which will allow municipal staff to provide early input on the redevelopment concept.

Occupancy Metrics

	Retail GLA	Retail Occupancy %	Residential GLA	Committed Residential Occupancy %	Total GLA	Number of Residential Units	Number of Committed Units
Stabilized properties⁽¹⁾	113,000	95.8 %	947,000	95.0 %	1,060,000	1,198	1,138

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

Total average residential rent is \$3.83 per square foot.

Financial Performance

	Three months ended										
	June 30, 2024					June 30, 2023					Variance
	Davie LP	Bronte LP	Duke LP	Other	Total	Davie LP	Bronte LP	Duke LP	Other	Total	Total
Property revenue	\$ 3,266	\$ 4,719	\$ 2,254	\$ 184	\$ 10,423	\$ 2,985	\$ 2,905	\$ 2,223	\$ 175	\$ 8,288	\$ 2,135
Property operating expenses	(614)	(1,262)	(804)	(55)	(2,735)	(738)	(1,168)	(499)	(56)	(2,461)	(274)
Net property income ^(*)	2,652	3,457	1,450	129	7,688	2,247	1,737	1,724	119	5,827	1,861
General and administrative	(87)	(19)	(3)	(21)	(130)	(9)	(18)	(58)	(24)	(109)	(21)
Depreciation and amortization	(728)	(1,095)	(480)	(14)	(2,317)	(581)	(1,009)	(466)	(14)	(2,070)	(247)
Finance costs - operations	(1,252)	(3,031)	(825)	(8)	(5,116)	(1,744)	(3,974)	(835)	(33)	(6,586)	1,470
Net income (loss)	\$ 585	\$ (688)	\$ 142	\$ 86	\$ 125	\$ (87)	\$ (3,264)	\$ 365	\$ 48	\$ (2,938)	\$ 3,063
Contribution to Crombie's FFO^{(*) (1)}	\$ 364	\$ 265	\$ 323	\$ 50	\$ 1,002	\$ 203	\$ (1,071)	\$ 428	\$ 30	\$ (410)	\$ 1,412

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

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Six months ended											
June 30, 2024						June 30, 2023					Variance
	Davie LP	Bronte LP	Duke LP	Other	Total	Davie LP	Bronte LP	Duke LP	Other	Total	Total
Property revenue	\$ 6,308	\$ 8,875	\$ 4,702	\$ 373	\$ 20,258	\$ 5,828	\$ 5,469	\$ 4,398	\$ 15,131	\$ 30,826	\$ (10,568)
Property operating expenses	(1,318)	(2,861)	(1,665)	(125)	(5,969)	(1,456)	(2,230)	(1,080)	(8,034)	(12,800)	6,831
Net property income ^(*)	4,990	6,014	3,037	248	14,289	4,372	3,239	3,318	7,097	18,026	(3,737)
General and administrative	(94)	(48)	(44)	(53)	(239)	(49)	(113)	(58)	(102)	(322)	83
Depreciation and amortization	(1,462)	(2,248)	(956)	(28)	(4,694)	(1,465)	(2,222)	(954)	(28)	(4,669)	(25)
Finance costs - operations	(2,909)	(6,990)	(1,649)	(24)	(11,572)	(3,765)	(7,912)	(1,649)	(120)	(13,446)	1,874
Net income (loss)	\$ 525	\$ (3,272)	\$ 388	\$ 143	\$ (2,216)	\$ (907)	\$ (7,008)	\$ 657	\$ 6,847	\$ (411)	\$ (1,805)
Contribution to Crombie's FFO^(*)	\$ 731	\$ (388)	\$ 696	\$ 85	\$ 1,124	\$ 534	\$ (2,281)	\$ 830	\$ 3,437	\$ 2,520	\$ (1,396)

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

For the three months ended:

Net income (loss) increased by \$3,063, or 104.3%, primarily due to revenue growth of \$1,814 at Bronte Village compared to the second quarter of 2023 due to ongoing lease-up efforts over the past 12 months and lower finance costs of \$943 as a result of CMHC financing put in place in 2024.

For the six months ended:

Net income (loss) decreased by \$1,805, or 439.2%, primarily due to \$6,770 in net income on the disposition of land parcels at Opal Ridge in 2023. This was offset in part by growth of \$3,736 in net income at Bronte Village compared to the first six months of 2023 due to ongoing lease-up efforts over the past 12 months and CMHC financing put in place in 2024.

Three months ended							
June 30, 2024				June 30, 2023			Variance
	Retail	Residential	Total	Retail	Residential	Total	Total
Net property income ^(*)	\$ 495	\$ 7,193	\$ 7,688	\$ 488	\$ 5,339	\$ 5,827	\$ 1,861
Non-cash straight-line rent	(41)	113	72	(18)	90	72	—
Non-cash tenant incentive amortization	147	—	147	137	—	137	10
Property cash NOI^(*)	\$ 601	\$ 7,306	\$ 7,907	\$ 607	\$ 5,429	\$ 6,036	\$ 1,871

Six months ended							
June 30, 2024				June 30, 2023			Variance
	Retail	Residential	Total	Retail	Residential	Total	Total
Net property income ^(*)	\$ 1,120	\$ 13,169	\$ 14,289	\$ 7,852	\$ 10,174	\$ 18,026	\$ (3,737)
Non-cash straight-line rent	(81)	313	232	(36)	347	311	(79)
Non-cash tenant incentive amortization	296	—	296	273	—	273	23
Property cash NOI^(*)	\$ 1,335	\$ 13,482	\$ 14,817	\$ 8,089	\$ 10,521	\$ 18,610	\$ (3,793)

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For the three months ended:

Property cash NOI increased by \$1,871, or 31.0%, compared to the second quarter of 2023 primarily due to the ongoing lease-up efforts at Bronte Village over the past 12 months.

For the six months ended:

On a year-to-date basis, property cash NOI decreased by \$3,793, or 31.0%, compared to the same period in 2023, primarily due to the disposition of land parcels at Opal Ridge in 2023. This was partially offset by the ongoing lease-up efforts at Bronte Village over the past 12 months.

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	
June 30, 2024	\$	904,000	\$	553,263
December 31, 2023	\$	945,000	\$	566,563

The fair value included in this summary reflects the fair value of the properties as at June 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 a property. The fair value of properties under development is assumed to equal cost until the property is substantially completed. As at June 30, 2024, properties held within 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:

	June 30, 2024	December 31, 2023
Weighted average capitalization rate	3.68 %	3.67 %

Fair Value Sensitivity

Crombie has determined that a change in this applied capitalization rate and net operating income at June 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
(0.75) %	\$ 187,000	\$ 201,000	\$ 214,000	\$ 228,000	\$ 242,000	\$ 255,000	\$ 269,000
(0.50) %	\$ 96,000	\$ 110,000	\$ 123,000	\$ 137,000	\$ 151,000	\$ 164,000	\$ 178,000
(0.25) %	\$ 20,000	\$ 34,000	\$ 47,000	\$ 61,000	\$ 75,000	\$ 88,000	\$ 102,000
— %	\$ (41,000)	\$ (27,000)	\$ (14,000)	\$ —	\$ 14,000	\$ 27,000	\$ 41,000
0.25 %	\$ (102,000)	\$ (88,000)	\$ (75,000)	\$ (61,000)	\$ (47,000)	\$ (34,000)	\$ (20,000)
0.50 %	\$ (151,000)	\$ (137,000)	\$ (124,000)	\$ (110,000)	\$ (96,000)	\$ (83,000)	\$ (69,000)
0.75 %	\$ (194,000)	\$ (180,000)	\$ (167,000)	\$ (153,000)	\$ (139,000)	\$ (126,000)	\$ (112,000)

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Debt to Gross Fair Value^(*)

	June 30, 2024	December 31, 2023
Fixed and floating rate mortgages and construction loans	\$ 528,873	\$ 510,254
Revolving credit facilities	18,700	21,400
Partnership loans	—	10,664
Lease liabilities	5,221	5,912
Total debt outstanding	\$ 552,794	\$ 548,230
Investment properties, fair value	\$ 904,000	\$ 945,000
Other assets, cost ⁽¹⁾	55,988	52,429
Cash and cash equivalents	9,848	6,008
Gross fair value	\$ 969,836	\$ 1,003,437
Debt to gross fair value^(*)	57.0 %	54.6 %

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

Debt Profile

	June 30, 2024				December 31, 2023			
	Mortgages ⁽¹⁾	Revolving Credit Facilities ⁽²⁾	Partnership Loans	Total Borrowings	Mortgages ⁽¹⁾	Revolving Credit Facilities ⁽²⁾	Partnership Loans	Total Borrowings
Opening balance, beginning of period	\$ 510,254	\$ 21,400	\$ 10,664	\$ 542,318	\$ 506,143	\$ 17,256	\$ 10,364	\$ 533,763
Additions	243,457	—	438	243,895	6,615	—	—	6,615
Net advances	—	1,300	—	1,300	—	7,000	300	7,300
Principal repayments	(224,838)	(4,000)	(11,102)	(239,940)	(2,504)	(2,856)	—	(5,360)
Closing balance, end of period	\$ 528,873	\$ 18,700	\$ —	\$ 547,573	\$ 510,254	\$ 21,400	\$ 10,664	\$ 542,318

(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.

	June 30, 2024	December 31, 2023
Total borrowings	\$ 547,573	\$ 542,318
Long-term portion	\$ 521,768	\$ 315,146
Current portion	\$ 25,805	\$ 227,172
Weighted average fixed interest rate ⁽¹⁾	3.71 %	3.27 %
Weighted average floating interest rate	6.89 %	7.16 %
Weighted average term to maturity of fixed rate debt	4.4 years	4.2 years
Weighted average term to maturity of floating rate debt	0.8 years	1.3 years

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

From time to time, Crombie's 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. Crombie's joint ventures currently have an interest rate swap agreement in place on \$103,650 of floating rate debt.

10. OTHER DISCLOSURES

Related Party Transactions

As at June 30, 2024, 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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Property revenue				
Property revenue	\$ 64,890	\$ 61,735 ⁽¹⁾	\$ 129,091	\$ 123,174 ⁽¹⁾
Head lease income	\$ 227	\$ 232	\$ 446	\$ 545
Revenue from management and development services	\$ 2,027	\$ 2,046	\$ 2,697	\$ 2,046
Property operating expenses	\$ (11)	\$ (34)	\$ (45)	\$ (68)
General and administrative expenses				
Property management services recovered	\$ 34	\$ 35	\$ 75	\$ 92
Other general and administrative expenses	\$ (37)	\$ (44)	\$ (81)	\$ (88)
Finance costs - distributions to Unitholders	\$ (16,820)	\$ (16,553)	\$ (33,572)	\$ (33,046)

(1) Property revenue for the three and six months ended June 30, 2023 has been increased by \$4,830 and \$9,660, 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 Management Agreement, which is being recognized as revenue from management and development services.

Included in the above, during the six months ended June 30, 2024, Crombie issued 616,170 (June 30, 2023 - 521,735) Class B LP Units to ECLD under the DRIP.

During the six months ended June 30, 2024, Crombie invested \$29,184 (June 30, 2023 - \$12,807) 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 of \$24,707 (December 31, 2023 - \$24,876) due to 1600 Davie Limited Partnership 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.

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.

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Critical Accounting Estimates and Assumptions

Critical accounting estimates and assumptions are discussed more fully under the “Critical Accounting Estimates and Assumptions” section of the 2023 annual MD&A. The estimates and assumptions that are critical to the determination of the amounts reported in the June 30, 2024 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 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.

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 its 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 the capitalized net operating income method, using internally generated valuation models prepared by considering the aggregate trailing annual net property income^(*) recognized from leasing the property, which is stabilized for any major tenant movement. The key assumptions are the capitalization rates for each specific property and stabilized net property income^(*). Crombie is responsible for the reasonableness of the assumptions and for the accuracy of inputs that are used to determine its valuation disclosures. Crombie receives biannual capitalization rate reports (June and December) from an independent valuation company, which reflect the specific risks inherent in the net property income^(*), to arrive at property valuations. The capitalization rate reports provide a range of rates for various geographic regions and for various types and qualities of properties within each region. Management selects the rate for each property from the range provided that management believes is most appropriate in its judgment. In addition to this, Crombie uses the market information obtained in external appraisals each quarter and makes relevant adjustments to its input assumptions. As at June 30, 2024, management’s determination of fair value was updated for current market assumptions, including net property income^(*), market capitalization rates, and recent appraisals provided by independent appraisal professionals. For properties under development, fair value is assumed to equal cost until the property is substantially completed.

Critical Judgments

Critical judgments are discussed under the “Critical Judgments” section of the 2023 annual MD&A.

Controls and Procedures

Crombie maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed by Crombie in its annual filings, interim filings, or other reports filed or submitted by it under securities legislation is recorded, processed, summarized, and reported within the time periods specified in the securities legislation. Controls and procedures are designed to ensure that information required to be disclosed by Crombie is accumulated and communicated to Crombie’s management, including its President and Chief Executive Officer (“CEO”), and interim Chief Financial Officer (“CFO”), as appropriate, to allow timely decisions regarding disclosure. Crombie’s CEO and interim CFO have evaluated the design and effectiveness of its disclosure controls and procedures as at June 30, 2024. They have concluded that the current disclosure controls and procedures are effective.

In addition, Crombie’s CEO and interim 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, Crombie’s CEO and interim CFO have evaluated, or caused to be evaluated under their

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supervision, the effectiveness of the design and operation of ICFR as at June 30, 2024 and have concluded that its current ICFR are effective based on that evaluation. There have been no material changes to Crombie's internal controls during the period.

Quarterly Information

	Three months ended							
	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022	Sep. 30, 2022
Net property income ^(*)	\$ 74,888	\$ 73,641	\$ 75,869	\$ 71,453	\$ 71,442	\$ 68,648	\$ 70,816	\$ 71,574
Operating income	\$ 29,347	\$ 26,205	\$ 26,295	\$ 27,796	\$ 19,557	\$ 25,173	\$ 87,718	\$ 26,410
Finance costs - distributions to Unitholders	(40,564)	(40,399)	(40,237)	(40,077)	(39,921)	(39,775)	(39,697)	(39,513)
Finance income (costs) - change in fair value of financial instruments	1,063	122	(1,400)	1,191	1,517	603	(1,704)	1,782
Increase (decrease) in net assets attributable to Unitholders	\$ (10,154)	\$ (14,072)	\$ (15,342)	\$ (11,090)	\$ (18,847)	\$ (13,999)	\$ 46,317	\$ (11,321)
Operating income per Unit - basic	\$ 0.16	\$ 0.14	\$ 0.15	\$ 0.15	\$ 0.11	\$ 0.14	\$ 0.49	\$ 0.15
Distributions								
Distributions	\$ 40,564	\$ 40,399	\$ 40,237	\$ 40,077	\$ 39,921	\$ 39,775	\$ 39,697	\$ 39,513
Per Unit	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22
FFO^(*)								
Basic	\$ 57,880	\$ 54,868	\$ 54,590	\$ 56,510	\$ 46,068	\$ 52,835	\$ 52,104	\$ 52,665
Per Unit - basic	\$ 0.32	\$ 0.30	\$ 0.30	\$ 0.31	\$ 0.26	\$ 0.30	\$ 0.29	\$ 0.30
Payout ratio	70.1 %	73.6 %	73.7 %	70.9 %	86.7 %	75.3 %	76.2 %	75.0 %
AFFO^(*)								
Basic	\$ 50,317	\$ 46,947	\$ 46,111	\$ 49,962	\$ 39,118	\$ 45,909	\$ 45,061	\$ 46,787
Per Unit - basic	\$ 0.28	\$ 0.26	\$ 0.26	\$ 0.28	\$ 0.22	\$ 0.26	\$ 0.25	\$ 0.26
Payout ratio	80.6 %	86.1 %	87.3 %	80.2 %	102.1 %	86.6 %	88.1 %	84.5 %
Operating information								
Number of investment properties	295	295	294	294	293	291	289	290
Gross leasable area	18,750,000	18,709,000	18,681,000	18,652,000	18,625,000	18,550,000	18,445,000	18,331,000
Economic occupancy	95.9 %	95.7 %	96.0 %	96.0 %	95.9 %	94.5 %	94.8 %	96.2 %
Committed occupancy	96.4 %	96.2 %	96.5 %	96.4 %	96.4 %	96.7 %	96.9 %	96.8 %
Debt metrics								
Unencumbered investment properties ⁽¹⁾	\$2,687,000	\$2,771,000	\$2,608,000	\$2,582,000	\$2,488,000	\$2,291,000	\$2,154,000	\$2,201,000
Available liquidity	\$ 706,717	\$ 736,990	\$ 583,770	\$ 564,903	\$ 614,072	\$ 735,877	\$ 583,003	\$ 445,372
Debt to gross fair value ^(*)	42.6 %	42.9 %	43.0 %	42.4 %	42.3 %	41.9 %	41.8 %	42.0 %
Weighted average interest rate ⁽²⁾	4.2 %	4.2 %	4.1 %	4.0 %	4.0 %	4.0 %	3.8 %	3.8 %
Debt to trailing 12 months adjusted EBITDA ^(*)	7.68x	7.97x	8.03x	8.13x	8.17x	7.96x	8.02x	8.50x
Interest coverage ratio ^(*)	3.47x	3.23x	3.06x	3.41x	2.95x	3.24x	3.26x	3.32x

(1) Represents fair value of unencumbered properties.

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

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

- Property acquisitions and dispositions (gross proceeds excluding closing and transaction costs) for each of the above three-month periods were:
 - June 30, 2024 - acquisition of one retail property in the Rest of Canada for a total purchase price of \$9,880 and disposition of one retail property in VECTOM for proceeds of \$13,000 at Crombie's share;
 - March 31, 2024 - no acquisitions or dispositions;
 - December 31, 2023 - no acquisitions or dispositions;
 - 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 in the Rest of Canada for a total purchase price of \$9,760;
 - March 31, 2023 - acquisition of two retail properties in the Rest of Canada for a total purchase price of \$16,722;
 - December 31, 2022 - disposition of two retail properties, one in VECTOM and one in Major Markets, for proceeds of \$113,418; and
 - September 30, 2022 - acquisition of one retail property in the Rest of Canada for a total purchase price of \$1,350, and disposition of five retail properties, three in Major Markets, one in VECTOM, and one in the Rest of Canada, and a parcel of land adjacent to existing retail properties in Major Markets, for proceeds of \$52,126.
- Property revenue and property operating expenses - Crombie's business is subject to seasonal fluctuations. Property operating expenses during winter months include particular expenses such as snow removal, which is a recoverable expense, thus increasing property revenue during these same periods. Property operating expenses during the summer and fall periods include particular expenses such as paving and roof repairs.
- Per Unit amounts for FFO^(*) and AFFO^(*) are influenced by operating results as detailed above and by the timing of the issuance of REIT Units and Class B LP Units.

11. NON-GAAP FINANCIAL MEASURES

There are financial measures included in this MD&A that do not have a standardized meaning under IFRS Accounting Standards. 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 Accounting Standards measure.

Non-GAAP Measure	Description and Purpose	Reconciliation
Operating income attributable to Unitholders excluding employee transition costs	Management believes that the removal of out-of-the-ordinary expenditures, such as employee transition costs, from operating income attributable to Unitholders is a useful calculation in providing a comparable measure of Crombie's financial performance period over period.	"Operating Income Attributable to Unitholders" starting on page 26
Net property income	- Property revenue less property operating expenses, excluding revenue from management and development services and certain expenses such as interest expense and indirect operating expenses. - Management believes that net property income is a useful measure of operating performance by the properties period over period.	"Net Property Income ^(*) " starting on page 26
Property NOI on a cash basis	- Property NOI on a cash basis, which excludes non-cash straight-line rent recognition and non-cash tenant incentive amortization. - Management believes that Property NOI on a cash basis is an important measure of operating performance as it reflects the cash generated by the properties period over period.	"Same-asset Property Cash NOI ^(*) " starting on page 27
Same-asset property cash NOI	- Same-asset properties are properties owned and operated by Crombie throughout the current and comparative reporting periods, excluding any property that was designated for redevelopment, or was subject to disposition, during either the current or comparative period. Same-asset property cash NOI includes Crombie's proportionate ownership of jointly operated properties but currently excludes properties owned in joint ventures. - Management believes this is a useful measure in understanding period-over-period changes in property cash NOI before considering the changes in NOI that can be attributed to the certain transactions such as acquisitions and dispositions. - The number of same-asset properties was 288 as at June 30, 2024.	"Same-asset Property Cash NOI ^(*) " starting on page 27

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Non-GAAP Measure	Description and Purpose	Reconciliation
Funds from operations ("FFO")	- Crombie considers FFO to be a useful measure in evaluating the recurring economic performance of its operating results which will be used to support future distribution payments. - Crombie follows the recommendations of REALPAC's January 2022 guidance in calculating FFO, and defines FFO as increase (decrease) in net assets attributable to Unitholders (computed in accordance with IFRS Accounting Standards), adjusted for the following applicable amounts: - gain or loss on disposal of investment properties and related income tax; - gain on distribution from equity-accounted investments; - impairment charges and recoveries; - depreciation and amortization expense of investment properties, including amortization of tenant incentives charged against property revenue; - adjustments for equity-accounted entities; - operational expenses from right-of-use assets; - incremental internal leasing expenses; - finance costs - distributions on Crombie's REIT and Class B LP Units classified as financial liabilities; and - change in fair value of financial instruments. - REALPAC provides for other adjustments in determining FFO which are currently not applicable to Crombie and therefore not included in the above list. Crombie's expenditures on tenant incentives are capital in nature and Crombie considers these costs comparable to other capital costs incurred to earn property revenue. As a result, where depreciation and amortization of other capital costs are added back in the calculation of FFO as recommended by REALPAC, Crombie also adds back the amortization of tenant incentives. - Crombie calculates FFO per Unit using the basic weighted average Units outstanding for the period. Management believes this is a useful measure in comparing period-over-period operating results.	"Funds from Operations (FFO) ^(*) " starting on page 28
FFO payout ratio	- FFO payout ratio shows the proportion of FFO paid to Unitholders in the form of distributions for the period, expressed as a percentage of FFO. - FFO payout ratio is calculated by dividing finance costs - distributions to Unitholders by FFO for the period. - Management uses this key metric in evaluating the sustainability of Crombie's distribution payments to Unitholders.	"Funds from Operations (FFO) ^(*) " starting on page 28
Adjusted funds from operations ("AFFO")	- Crombie considers AFFO to be a useful measure in evaluating the recurring economic performance of its operating results which will be used to support future distribution payments. - Crombie follows the recommendations of REALPAC's January 2022 guidance in calculating AFFO. - AFFO reflects earnings after the adjustments in arriving at FFO (excluding internal leasing costs) and the provision for non-cash straight-line rent included in revenue, maintenance capital expenditures, and maintenance tenant incentives and leasing costs. - Crombie calculates AFFO per Unit using the basic weighted average Units outstanding for the period. Management believes this is a useful measure in comparing period-over-period operating results.	"Adjusted Funds from Operations (AFFO) ^(*) " starting on page 29

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Non-GAAP Measure	Description and Purpose	Reconciliation
AFFO payout ratio	- AFFO payout ratio shows the proportion of AFFO paid to Unitholders in the form of distributions for the period, expressed as a percentage of AFFO. - AFFO payout ratio is calculated by dividing finance costs - distributions to Unitholders by AFFO for the period. - Management uses this key metric in evaluating the sustainability of Crombie's distribution payments to Unitholders.	"Adjusted Funds from Operations (AFFO) ^(*) " starting on page 29
Net asset value ("NAV")	NAV represents total assets less total liabilities excluding net assets attributable to Unitholders.	"Development" starting on page 33
Unencumbered investment properties as a percentage of unsecured debt	- Unencumbered investment properties represent the fair value of investment properties that have not been pledged as security for any debt obligations. - Unsecured debt currently consists of Crombie's senior unsecured notes and its Unsecured bilateral and Unsecured non-revolving credit facilities. - This ratio is used to assess the aggregate unencumbered investment properties currently available for secured financing to satisfy all outstanding unsecured debt obligations.	"Debt Metrics" starting on page 43
Debt to gross fair value	Used to evaluate Crombie's flexibility to incur additional financial leverage.	"Debt Metrics" starting on page 43
Adjusted debt	- Represents debt excluding transaction costs, which Crombie feels is a more relevant presentation of indebtedness. It includes Crombie's share of debt held in equity-accounted joint ventures. - Adjusted debt is used in the calculation of Crombie's debt to gross fair value and debt to trailing 12 months adjusted EBITDA.	"Debt Metrics" starting on page 43
Earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA")	- Represents earnings before interest, taxes, depreciation, and amortization adjusted for certain items such as amortization of tenant incentives, impairment of investment properties, gain (loss) on disposal of investment properties, and gain on distribution from equity-accounted investments. It includes Crombie's share of revenue, operating expenses, and general and administrative expenses from equity-accounted joint ventures. - Adjusted EBITDA is used as an input in several of Crombie's debt metrics, providing information with respect to certain financial ratios that are used in measuring Crombie's debt profile and assessing its ability to satisfy obligations, including servicing its debt. - Crombie believes adjusted EBITDA is an indicative measure of its ability to service debt requirements, fund capital projects, and acquire properties.	"Debt Metrics" starting on page 43
Debt to adjusted EBITDA	Used to assess Crombie's financial leverage, to measure its ability to meet financial obligations and measure its balance sheet strength.	"Debt Metrics" starting on page 43
Adjusted interest expense	- Represents finance costs from operations, excluding amortization of deferred financing costs. It includes Crombie's share of interest from equity-accounted joint ventures. - Adjusted interest expense is used in the calculation of Crombie's interest coverage and debt service coverage ratios.	"Debt Metrics" starting on page 43
Interest coverage Debt service coverage	These ratios are useful in determining Crombie's ability to service the interest requirements of its outstanding debt.	"Debt Metrics" starting on page 43

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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^(*) 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 2024, Crombie has increased the normalized rate from \$1.10 to \$1.15 per square foot of weighted average GLA, based on the actual spend for the previous three years and estimated spend for 2024. Additionally, Crombie combines maintenance capital expenditures with maintenance tenant incentive ("TI") and deferred leasing costs in arriving at the normalized per square foot charge to AFFO^(*), based on the fact that in years where TI and leasing expenditures are reduced, spending on maintenance capital expenditures may be accelerated and vice versa.

Maintenance Expenditures - Actual

	Three months ended		Six months ended		Year ended	Three months ended					Year ended
	Jun. 30, 2024	Mar. 31, 2024	Jun. 30, 2024	Jun. 30, 2023	Dec. 31, 2023	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022	
Total additions to investment properties	\$ 11,028	\$ 13,702	\$ 24,730	\$ 40,622	\$ 75,654	\$ 21,695	\$ 13,337	\$ 26,893	\$ 13,729	\$ 104,379	
Transfer of predevelopment costs to investment properties	—	48,910	48,910	—	—	—	—	—	—	—	
Total additions to investment properties held in joint ventures, at Crombie's share	45	—	45	—	125	125	—	—	—	—	
Less: revenue-enhancing expenditures	(10,258)	(60,626)	(70,884)	(35,339)	(66,952)	(19,577)	(12,036)	(25,367)	(9,972)	(95,032)	
Maintenance capital expenditures	815	1,986	2,801	5,283	8,827	2,243	1,301	1,526	3,757	9,347	
Total additions to TI and deferred leasing costs	12,229	3,843	16,072	23,611	62,329	13,325	25,393	12,090	11,521	43,408	
Less: revenue-enhancing expenditures	(9,751)	(2,103)	(11,854)	(16,467)	(32,248)	(9,756)	(6,025)	(8,126)	(8,341)	(32,721)	
Maintenance TI and deferred leasing costs	2,478	1,740	4,218	7,144	30,081	3,569	19,368	3,964	3,180	10,687	
Total maintenance expenditures - actual	\$ 3,293	\$ 3,726	\$ 7,019	\$ 12,427	\$ 38,908	\$ 5,812	\$ 20,669	\$ 5,490	\$ 6,937	\$ 20,034	
Reserve amount charged against AFFO^(*)	\$ 5,516	\$ 5,518	\$ 11,034	\$ 10,325	\$ 20,757	\$ 5,246	\$ 5,186	\$ 5,182	\$ 5,143	\$ 18,526	

An obligation for TI expenditure occurs when renewing existing tenant leases or a new tenant occupies 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.

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Maintenance TI and deferred leasing costs are the result of both lease renewals and new leases, and are reflective of the leasing activity during 2024, 2023, and 2022. 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 six months ended June 30, 2024 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 2023 Annual Information Form available at www.crombie.ca. Forward-looking statements in this MD&A and the principal related risks include statements regarding:

- (i) opportunities with Empire for 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^(*) accretion and NAV^(*) growth from strategic acquisitions, which may be affected by future occupancy and rental performance, and/or redevelopment activity of acquired properties;
- (iii) disposition of properties and the anticipated reinvestment of net proceeds, 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 Crombie’s total portfolio, which depends on successful execution of its current development strategy, its 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, 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, the availability of labour, actual development costs, ability to achieve lease-up stabilization at current market rents, general economic conditions, and factors described under the “Development” section, and which assume obtaining required municipal zoning and development approvals, 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 trailing net property income, capitalization rates, 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, estimated yield on cost, 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, estimated future rents, 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.

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

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

	Note	June 30, 2024	December 31, 2023
Assets			
Non-current assets			
Investment properties	3	\$ 3,658,075	\$ 3,624,457
Investment in joint ventures	4	31,446	30,778
Other assets	5	415,202	444,173
		4,104,723	4,099,408
Current assets			
Other assets	5	59,705	49,160
Total assets		4,164,428	4,148,568
Liabilities			
Non-current liabilities			
Fixed rate mortgages	7	637,992	617,717
Credit facilities	7	17,653	140,888
Senior unsecured notes	8	1,197,148	1,171,769
Employee future benefits obligation		7,563	7,434
Trade and other payables	9	18,868	20,966
Lease liabilities	21	33,222	35,351
		1,912,446	1,994,125
Current liabilities			
Fixed rate mortgages	7	133,012	216,911
Credit facilities	7	3,228	3,503
Senior unsecured notes	8	174,140	—
Employee future benefits obligation		327	327
Trade and other payables	9	119,273	108,048
Lease liabilities	21	2,650	941
		432,630	329,730
Total liabilities excluding net assets attributable to Unitholders		2,345,076	2,323,855
Net assets attributable to Unitholders		\$ 1,819,352	\$ 1,824,713
Net assets attributable to Unitholders represented by:			
Crombie REIT Unitholders		\$ 1,078,370	\$ 1,081,631
Special Voting Units and Class B Limited Partnership Unitholders		740,982	743,082
		\$ 1,819,352	\$ 1,824,713
Commitments, contingencies and guarantees	22		
Subsequent events	23		

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)

		Three months ended June 30,		Six months ended June 30,	
	Note	2024	2023	2024	2023
Property revenue	10	\$ 116,361	\$ 112,865	\$ 234,970	\$ 225,314
Revenue from management and development services	11	2,106	2,046	2,855	2,046
Property operating expenses	12	(41,473)	(41,423)	(86,441)	(85,224)
Gain on disposal of investment properties	3	2,163	—	2,163	111
Impairment of investment properties	3	(2,000)	—	(2,000)	—
Depreciation and amortization	3,5	(19,961)	(19,494)	(39,975)	(38,914)
General and administrative expenses	14	(5,437)	(12,012)	(10,184)	(17,087)
Finance costs - operations	15	(22,182)	(21,000)	(44,465)	(41,764)
Income (loss) from equity-accounted investments	4	(230)	(1,425)	(1,371)	248
Operating income attributable to Unitholders		29,347	19,557	55,552	44,730
Distributions to Unitholders		(40,564)	(39,921)	(80,963)	(79,696)
Change in fair value of financial instruments	14	1,063	1,517	1,185	2,120
		(39,501)	(38,404)	(79,778)	(77,576)
Decrease in net assets attributable to Unitholders		(10,154)	(18,847)	(24,226)	(32,846)
Other comprehensive income (loss)					
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	(336)	1,588	409	540
Net change in derivatives designated as cash flow hedges	19	(251)	476	(789)	(517)
Other comprehensive income (loss)		(587)	2,064	(380)	23
Comprehensive loss		\$ (10,741)	\$ (16,783)	\$ (24,606)	\$ (32,823)

(1) Property revenue and property operating expenses for the three and six months ended June 30, 2023 have been increased by \$4,898 and \$9,796, 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	—	(24,226)	(380)	(24,606)	(14,526)	(10,080)
Units issued under Distribution Reinvestment Plan ("DRIP")	19,245	—	—	19,245	11,265	7,980
Balance, June 30, 2024	\$ 2,252,976	\$ (439,652)	\$ 6,028	\$ 1,819,352	\$ 1,078,370	\$ 740,982

	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)	—	(32,846)	23	(32,823)	(19,379)	(13,444)
Units issued under DRIP	18,890	—	—	18,890	11,057	7,833
Balance, June 30, 2023	\$ 2,214,930	\$ (388,994)	\$ 10,671	\$ 1,836,607	\$ 1,088,748	\$ 747,859

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)

		Three months ended June 30,		Six months ended June 30,	
	Note	2024	2023	2024	2023
(1)					
Cash flows provided by (used in)					
Operating Activities					
Decrease in net assets attributable to Unitholders		\$ (10,154)	\$ (18,847)	\$ (24,226)	\$ (32,846)
Additions to tenant incentives		(12,173)	(11,803)	(15,769)	(22,915)
Items not affecting operating cash	17	24,691	23,921	50,945	46,441
Change in other non-cash operating items	17	(32,966)	(23,410)	(24,412)	(17,064)
Finance costs - operations	15	22,182	21,000	44,465	41,764
Distributions to Unitholders		40,564	39,921	80,963	79,696
Cash provided by operating activities		32,144	30,782	111,966	95,076
Financing Activities					
Issuance of mortgages	7	1,540	660	32,967	48,660
Financing - other		(340)	(278)	(1,455)	(1,349)
Repayment of mortgages - principal		(6,927)	(8,357)	(14,449)	(17,398)
Repayment of mortgages - maturity	7	(1,438)	(61,569)	(82,955)	(126,332)
Finance costs - operations	15	(13,005)	(14,371)	(40,072)	(38,242)
Advance (repayment) of floating rate credit facilities		17,997	113,511	(122,891)	(36,489)
Advance (repayment) of joint operation credit facilities	7	73	(7,078)	—	(6,972)
Issuance of senior unsecured notes	8	—	—	200,000	200,000
Cash distributions to Unitholders		(30,827)	(30,196)	(61,608)	(60,712)
Payments of lease liabilities		(234)	(244)	(475)	(461)
Cash used in financing activities		(33,161)	(7,922)	(90,938)	(39,295)
Investing Activities					
Acquisition of investment properties and intangible assets		(10,983)	(9,894)	(10,983)	(28,646)
Additions to investment properties		(11,028)	(26,893)	(24,730)	(40,622)
Additions to predevelopment costs		—	2,334	—	3,129
Proceeds on disposal of investment properties		6,218	—	6,218	—
Contributions to joint ventures	4	(817)	—	(2,555)	—
Distributions from joint ventures	4	395	3,528	925	5,605
Additions to fixtures and computer equipment		(519)	(38)	(600)	(98)
Additions to deferred leasing costs		(56)	(287)	(303)	(696)
Collections on related party receivables	5	5,531	(429)	11,000	(339)
Cash used in investing activities		(11,259)	(31,679)	(21,028)	(61,667)
Net change in cash and cash equivalents		(12,276)	(8,819)	—	(5,886)
Cash and cash equivalents, beginning of period		12,276	9,050	—	6,117
Cash and cash equivalents, end of period		\$ —	\$ 231	\$ —	\$ 231

(1) Cash provided by (used in) operating and financing activities for the three and six months ended June 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 six months ended June 30, 2024 and June 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 six months ended June 30, 2024 interim condensed consolidated financial statements were authorized for issue by the Board of Trustees on August 7, 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 as 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 by 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 June 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 is 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)
June 30, 2024

3) INVESTMENT PROPERTIES

	June 30, 2024		December 31, 2023
Income properties	\$ 3,516,262	\$	3,529,969
Properties under development	141,813		94,488
Total investment properties	\$ 3,658,075	\$	3,624,457

Income properties

	Land	Buildings	Intangibles	Deferred Leasing Costs	Total
Cost					
Opening balance, January 1, 2024	\$ 1,157,300	\$ 3,099,955	\$ 75,320	\$ 22,381	\$ 4,354,956
Acquisitions	1,064	8,636	1,283	—	10,983
Additions	5	6,672	—	281	6,958
Write-off of fully depreciated assets	—	(5,014)	(2,380)	(1,299)	(8,693)
Transfer from other assets (Note 5) ⁽¹⁾	—	3,814	—	—	3,814
Transfer to investment properties held for sale (Note 6)	(1,766)	(8,752)	(230)	—	(10,748)
Reclassification from properties under development	1,121	15,231	—	—	16,352
Balance, June 30, 2024	1,157,724	3,120,542	73,993	21,363	4,373,622
Accumulated depreciation, amortization, and impairment					
Opening balance, January 1, 2024	10,738	771,287	37,133	5,829	824,987
Depreciation and amortization	158	35,800	2,260	1,015	39,233
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)	—	(50)	(117)	—	(167)
Balance, June 30, 2024	10,896	804,023	36,896	5,545	857,360
Net carrying value, June 30, 2024	\$ 1,146,828	\$ 2,316,519	\$ 37,097	\$ 15,818	\$ 3,516,262

(1) For the six months ended June 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 \$16,598 net of accumulated depreciation of \$1,741 for land held under lease.

During the three months ended June 30, 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)
June 30, 2024

Properties under development

	Land	Buildings	Total
Opening balance, January 1, 2024	\$ 56,637	\$ 37,851	\$ 94,488
Additions	2,192	15,699	17,891
Transfer from other assets (Note 5) ⁽¹⁾	34,510	11,276	45,786
Reclassification to income-producing properties	(1,121)	(15,231)	(16,352)
Balance, June 30, 2024	\$ 92,218	\$ 49,595	\$ 141,813

(1) For the six months ended June 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

Crombie's total fair value of investment properties exceeds carrying value by \$1,195,194 at June 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
June 30, 2024	\$ 5,236,000	\$ 4,040,806
December 31, 2023	\$ 5,096,000	\$ 3,986,711

Carrying value consists of the net carrying value of:

	Note	June 30, 2024	December 31, 2023
Income properties	3	\$ 3,516,262	\$ 3,529,969
Properties under development	3	141,813	94,488
Accrued straight-line rent receivable	5	106,645	103,753
Tenant incentives	5	276,086	258,501
Total carrying value		\$ 4,040,806	\$ 3,986,711

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.

	June 30, 2024	December 31, 2023
Weighted average capitalization rate	6.13 %	6.12 %

Fair value sensitivity

Crombie has determined that a change in this applied capitalization rate and net operating income at June 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)
June 30, 2024

Capitalization rate change	Net operating income change							
	\$	(15,000) \$	(10,000) \$	(5,000) \$	— \$	5,000 \$	10,000 \$	15,000
(0.75) %	\$	468,000	\$ 550,000	\$ 631,000	\$ 713,000	\$ 795,000	\$ 876,000	958,000
(0.50) %	\$	208,000	\$ 290,000	\$ 371,000	\$ 453,000	\$ 535,000	\$ 616,000	698,000
(0.25) %	\$	(28,000)	\$ 54,000	\$ 135,000	\$ 217,000	\$ 299,000	\$ 380,000	462,000
— %	\$	(245,000)	\$ (163,000)	\$ (82,000)	— \$	82,000	\$ 163,000	245,000
0.25 %	\$	(444,000)	\$ (362,000)	\$ (281,000)	\$ (199,000)	\$ (117,000)	\$ (36,000)	46,000
0.50 %	\$	(627,000)	\$ (545,000)	\$ (464,000)	\$ (382,000)	\$ (300,000)	\$ (219,000)	(137,000)
0.75 %	\$	(797,000)	\$ (715,000)	\$ (634,000)	\$ (552,000)	\$ (470,000)	\$ (389,000)	(307,000)

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 ⁽¹⁾
April 30, 2024	Third Party	(1)	(15,000) \$	(13,000)
June 24, 2024	Third Party	1	48,000 \$	9,880

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

Investment property disposals

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Gross proceeds	\$ 13,000	\$ —	\$ 13,000	\$ —
Selling costs	(532)	—	(532)	—
	12,468	—	12,468	—
Carrying values derecognized:				
Land	(1,766)	—	(1,766)	—
Buildings	(8,295)	—	(8,295)	—
Intangibles	(113)	—	(113)	—
Recognition of deferred gain	—	—	—	113
Provisions	(131)	—	(131)	(2)
Total gain on disposal	\$ 2,163	\$ —	\$ 2,163	\$ 111

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.

	June 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 %
Total co-owned properties	62		63	

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

4) INVESTMENT IN JOINT VENTURES

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

	June 30, 2024	December 31, 2023
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 %	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:

	June 30, 2024					December 31, 2023				
	Davie LP	Bronte LP	Duke LP	Other	Total	Davie LP	Bronte LP	Duke LP	Other	Total
Non-current assets	\$ 179,233	\$ 252,351	\$ 111,650	\$ 42,273	\$ 585,507	\$ 184,015	\$ 256,271	\$ 112,446	\$ 39,220	\$ 591,952
Current assets	13,970	4,530	10,784	3,947	33,231	13,610	2,650	10,932	4,719	31,911
Non-current liabilities	(198,615)	(240,727)	(101,509)	(27,065)	(567,916)	(206,275)	—	(104,000)	(26,477)	(336,752)
Current liabilities	(6,575)	(2,358)	(3,375)	(2,081)	(14,389)	(3,864)	(241,208)	(3,033)	(3,329)	(251,434)
Net assets	(11,987)	13,796	17,550	17,074	36,433	(12,514)	17,713	16,345	14,133	35,677
Crombie's share at 50%	(5,994)	6,898	8,775	8,537	18,216	(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	977	—	—	—	977	1,240	—	—	—	1,240
Crombie's investment in joint ventures	\$ —	\$ 12,449	\$ 10,460	\$ 8,537	\$ 31,446	\$ —	\$ 14,188	\$ 9,857	\$ 6,733	\$ 30,778

	Three months ended June 30, 2024					Three months ended June 30, 2023				
	Davie LP	Bronte LP	Duke LP	Other	Total	Davie LP	Bronte LP	Duke LP	Other	Total
Revenue	\$ 3,266	\$ 4,719	\$ 2,254	\$ 184	\$ 10,423	\$ 2,985	\$ 2,905	\$ 2,223	\$ 175	\$ 8,288
Property operating expenses	(614)	(1,262)	(804)	(55)	(2,735)	(738)	(1,168)	(499)	(56)	(2,461)
General and administrative expenses	(87)	(19)	(3)	(21)	(130)	(9)	(18)	(58)	(24)	(109)
Depreciation and amortization	(728)	(1,095)	(480)	(14)	(2,317)	(581)	(1,009)	(466)	(14)	(2,070)
Finance costs - operations	(1,252)	(3,031)	(825)	(8)	(5,116)	(1,744)	(3,974)	(835)	(33)	(6,586)
Net income (loss)	\$ 585	\$ (688)	\$ 142	\$ 86	\$ 125	\$ (87)	\$ (3,264)	\$ 365	\$ 48	\$ (2,938)
Crombie's income (loss) from equity-accounted investments	\$ —	\$ (344)	\$ 71	\$ 43	\$ (230)	\$ —	\$ (1,632)	\$ 183	\$ 24	\$ (1,425)

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	Six months ended June 30, 2024					Six months ended June 30, 2023				
	Davie LP	Bronte LP	Duke LP	Other	Total	Davie LP	Bronte LP	Duke LP	Other	Total
Revenue	\$ 6,308	\$ 8,875	\$ 4,702	\$ 373	\$ 20,258	\$ 5,828	\$ 5,469	\$ 4,398	\$ 15,131	\$ 30,826
Property operating expenses	(1,318)	(2,861)	(1,665)	(125)	(5,969)	(1,456)	(2,230)	(1,080)	(8,034)	(12,800)
General and administrative expenses	(94)	(48)	(44)	(53)	(239)	(49)	(113)	(58)	(102)	(322)
Depreciation and amortization	(1,462)	(2,248)	(956)	(28)	(4,694)	(1,465)	(2,222)	(954)	(28)	(4,669)
Finance costs - operations	(2,909)	(6,990)	(1,649)	(24)	(11,572)	(3,765)	(7,912)	(1,649)	(120)	(13,446)
Net income (loss)	\$ 525	\$ (3,272)	\$ 388	\$ 143	\$ (2,216)	\$ (907)	\$ (7,008)	\$ 657	\$ 6,847	\$ (411)
Crombie's income (loss) from equity-accounted investments	\$ —	\$ (1,636)	\$ 194	\$ 71	\$ (1,371)	\$ —	\$ (3,504)	\$ 329	\$ 3,423	\$ 248

The following table shows the changes in the total carrying value of Crombie's investment in joint ventures for the six months and year ended:

	June 30, 2024	December 31, 2023
Opening balance	\$ 30,778	\$ 40,397
Contributions	2,555	2,468
Distributions	(925)	(11,743)
Deferred gain	—	595
Share of income (loss)	(1,371)	144
Share of other comprehensive income (loss)	409	(1,083)
Closing balance	\$ 31,446	\$ 30,778

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
June 30, 2024	\$ 904,000	\$ 553,263
December 31, 2023	\$ 945,000	\$ 566,563

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

	June 30, 2024	December 31, 2023
Income properties	\$ 511,904	\$ 528,754
Properties under development	36,422	32,537
Accrued straight-line rent receivable	681	862
Tenant incentives	4,256	4,410
Total carrying value	\$ 553,263	\$ 566,563

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 June 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

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June 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:

	June 30, 2024	December 31, 2023
Weighted average capitalization rate	3.68 %	3.67 %

Fair value sensitivity

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

Capitalization	Net operating income change													
rate change	\$	(1,500)	\$	(1,000)	\$	(500)	\$	—	\$	500	\$	1,000	\$	1,500
(0.75) %	\$	187,000	\$	201,000	\$	214,000	\$	228,000	\$	242,000	\$	255,000	\$	269,000
(0.50) %	\$	96,000	\$	110,000	\$	123,000	\$	137,000	\$	151,000	\$	164,000	\$	178,000
(0.25) %	\$	20,000	\$	34,000	\$	47,000	\$	61,000	\$	75,000	\$	88,000	\$	102,000
— %	\$	(41,000)	\$	(27,000)	\$	(14,000)	\$	—	\$	14,000	\$	27,000	\$	41,000
0.25 %	\$	(102,000)	\$	(88,000)	\$	(75,000)	\$	(61,000)	\$	(47,000)	\$	(34,000)	\$	(20,000)
0.50 %	\$	(151,000)	\$	(137,000)	\$	(124,000)	\$	(110,000)	\$	(96,000)	\$	(83,000)	\$	(69,000)
0.75 %	\$	(194,000)	\$	(180,000)	\$	(167,000)	\$	(153,000)	\$	(139,000)	\$	(126,000)	\$	(112,000)

5) OTHER ASSETS

	June 30, 2024			December 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables	\$ 18,440	\$ —	\$ 18,440	\$ 18,605	\$ —	\$ 18,605
Provision for doubtful accounts	(973)	—	(973)	(1,396)	—	(1,396)
Net trade receivables	17,467	—	17,467	17,209	—	17,209
Prepaid expenses and deposits ⁽¹⁾	31,446	—	31,446	11,107	48,910	60,017
Fair value of interest rate swap agreements	1,430	—	1,430	2,219	—	2,219
Other fixed assets ^{(2) (3)}	—	9,546	9,546	—	9,629	9,629
Finance lease receivable	660	10,967	11,627	631	11,309	11,940
Accrued straight-line rent receivable	—	106,645	106,645	—	103,753	103,753
Tenant incentives	—	276,086	276,086	—	258,501	258,501
Vendor financing ⁽⁴⁾	6,250	—	6,250	—	—	—
Amounts receivable from related parties	2,452	11,958	14,410	17,994	12,071	30,065
Total other assets	\$ 59,705	\$ 415,202	\$ 474,907	\$ 49,160	\$ 444,173	\$ 493,333

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

(2) For the six months ended June 30, 2024, depreciation of other fixed assets was \$742 (June 30, 2023 - \$730).

(3) Other fixed assets include right-of-use assets of \$1,997 (December 31, 2023 - \$2,234) net of accumulated depreciation of \$1,543 (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%.

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Tenant Incentives	Cost	Accumulated Amortization	Net Carrying Value
Balance, January 1, 2024	\$ 374,468	\$ (115,967)	\$ 258,501
Additions	31,424	—	31,424
Amortization	—	(13,839)	(13,839)
Write-off of fully depreciated assets	(9,912)	9,912	—
Balance, June 30, 2024	\$ 395,980	\$ (119,894)	\$ 276,086

6) INVESTMENT PROPERTIES HELD FOR SALE

	Land	Buildings	Intangibles	Total
Balance, January 1, 2024	\$ —	\$ —	\$ —	\$ —
Assets transferred to held for sale	1,766	8,702	113	10,581
Additions ⁽¹⁾	—	(407)	—	(407)
Derecognition through disposition	(1,766)	(8,295)	(113)	(10,174)
Net carrying value, June 30, 2024	\$ —	\$ —	\$ —	\$ —

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

7) INVESTMENT PROPERTY DEBT

	Weighted Average Range	Weighted Average Interest Rate	Weighted Average Term to Maturity	June 30, 2024	December 31, 2023
Fixed rate mortgages	2.70 %-6.07 %	4.35 %	6.0 years	\$ 774,534	\$ 838,957
Unsecured non-revolving credit facility			1.4 years	—	93,297
Revolving credit facility			3.0 years	7,997	47,591
Joint operation credit facility II			0.3 years	3,503	3,503
Unsecured bilateral credit facility			2.0 years	10,000	—
Deferred financing charges				(4,149)	(4,329)
Total investment property debt				\$ 791,885	\$ 979,019
Mortgages					
Non-current				\$ 637,992	\$ 617,717
Current				133,012	216,911
Credit facilities					
Non-current				17,653	140,888
Current				3,228	3,503
				\$ 791,885	\$ 979,019
Weighted average interest rate for drawn credit facilities				6.11 %	6.78 %

Specific investment properties with a carrying value of \$1,958,683 as at June 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.

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Mortgage activity

For the six months ended:	Type	Number of Mortgages	Weighted Average			Proceeds (Repayments)
			Rate	Terms in Years	Amortization Period in Years	
June 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.

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.

8) SENIOR UNSECURED NOTES

	Maturity Date ⁽¹⁾	Contractual Interest Rate	June 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			(3,712)	(3,231)
Total senior unsecured notes			\$ 1,371,288	\$ 1,171,769
Non-current			\$ 1,197,148	\$ 1,171,769
Current			174,140	—
			\$ 1,371,288	\$ 1,171,769
Weighted average interest rate			4.07 %	3.89 %

(1) The weighted average term to maturity as at June 30, 2024 was 4.2 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

	June 30, 2024			December 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Tenant incentives and capital expenditures	\$ 37,929	\$ —	\$ 37,929	\$ 27,355	\$ —	\$ 27,355
Property operating costs	29,051	—	29,051	33,524	—	33,524
Prepaid rents	14,824	—	14,824	13,242	—	13,242
Finance costs on investment property debt and notes	18,522	—	18,522	15,299	—	15,299
Amounts payable to related party	1,222	—	1,222	1,623	—	1,623
Distributions payable	13,541	—	13,541	13,431	—	13,431
Unit-based compensation plans	3,710	14,831	18,541	2,680	16,846	19,526
Deferred revenue	474	4,037	4,511	894	4,120	5,014
Total trade and other payables	\$ 119,273	\$ 18,868	\$ 138,141	\$ 108,048	\$ 20,966	\$ 129,014

10) PROPERTY REVENUE

	Three months ended June 30,			Six months ended June 30,		
	2024	2023		2024	2023	
Operating lease revenue						
Rental revenue contractually due from tenants ⁽¹⁾	\$ 103,636	\$ 99,793		\$ 206,191	\$ 197,578	
Contingent rental revenue	816	784		1,404	1,297	
Straight-line rent recognition	1,395	838		2,892	2,143	
Tenant incentive amortization	(7,121)	(5,357)		(13,839)	(12,149)	
Lease termination income	560	316		1,067	675	
Revenue from contracts with customers						
Common area cost recoveries	15,650	15,156		34,438	33,078	
Parking revenue	1,425	1,335		2,817	2,692	
Total property revenue	\$ 116,361	\$ 112,865		\$ 234,970	\$ 225,314	

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

(2) Property revenue for the three and six months ended June 30, 2023 has been increased by \$4,898 and \$9,796, 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 June 30,					Six months ended June 30,				
	2024		2023		(1)	2024		2023		(1)
Sobeys Inc. (including all subsidiaries of Empire Company Limited ("Empire"))	\$ 64,890	55.8 %	\$ 61,735	54.7 %		\$ 129,091	54.9 %	\$ 123,174	54.7 %	

(1) Property revenue for the three and six months ended June 30, 2023 has been increased by \$4,830 and \$9,660, 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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Development fees	\$ 1,913	\$ 1,889	\$ 2,492	\$ 1,889
Management fees	193	157	363	157
Total revenue from management and development services	\$ 2,106	\$ 2,046	\$ 2,855	\$ 2,046

12) PROPERTY OPERATING EXPENSES

	Three months ended June 30,		Six months ended June 30,	
	2024	2023 ⁽¹⁾	2024	2023 ⁽¹⁾
Recoverable property taxes	\$ 23,996	\$ 24,195	\$ 47,739	\$ 47,376
Recoverable operating expenses	15,868	15,678	35,512	34,421
Other operating costs	1,609	1,550	3,190	3,427
Total property operating expenses	\$ 41,473	\$ 41,423	\$ 86,441	\$ 85,224

(1) Property operating expenses for the three and six months ended June 30, 2023 has been increased by \$4,898 and \$9,796, 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 June 30, 2024, is as follows:

	Remaining	Year ending December 31,					Thereafter	Total
	2024	2025	2026	2027	2028			
Future minimum rental income	\$ 152,843	\$ 295,130	\$ 280,991	\$ 264,730	\$ 245,800	\$ 1,669,879	\$ 2,909,373	

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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Salaries and benefits	\$ 3,139	\$ 9,900	\$ 5,863	\$ 13,290
Professional and public company costs	1,366	1,293	2,713	2,258
Occupancy and other	932	819	1,608	1,539
Total general and administrative expenses	\$ 5,437	\$ 12,012	\$ 10,184	\$ 17,087

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

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(b) Decrease in fair value of financial instruments

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Deferred Unit Plan	\$ 1,063	\$ 1,517	\$ 1,185	\$ 2,120

15) FINANCE COSTS - OPERATIONS

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Fixed rate mortgages	\$ 8,662	\$ 9,085	\$ 17,653	\$ 18,491
Floating rate term, revolving, and demand facilities	525	951	2,698	4,006
Capitalized interest ⁽¹⁾	(1,587)	(1,042)	(3,117)	(1,991)
Senior unsecured notes	14,161	11,610	26,387	20,473
Interest income on finance lease receivable	(129)	(135)	(259)	(272)
Interest on lease liability	550	531	1,103	1,057
Finance costs - operations, expense	22,182	21,000	44,465	41,764
Amortization of fair value debt adjustment and accretion income	(8)	5	(16)	19
Change in accrued finance costs	(8,569)	(5,993)	(3,223)	(2,278)
Amortization of deferred financing charges	(600)	(641)	(1,154)	(1,263)
Finance costs - operations, paid	\$ 13,005	\$ 14,371	\$ 40,072	\$ 38,242

(1) For the three months ended June 30, 2024, interest was capitalized for qualifying development projects based on a weighted average interest rate of 3.79% (June 30, 2023 - 3.72%).

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	869,813	11,265	616,170	7,980	1,485,983	19,245
Balance, June 30, 2024	107,775,160	\$ 1,328,404	74,794,404	\$ 924,572	182,569,564	\$ 2,252,976

	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	736,506	11,057	521,735	7,833	1,258,241	18,890
Balance, June 30, 2023	106,057,506	\$ 1,306,134	73,577,631	\$ 908,796	179,635,137	\$ 2,214,930

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17) SUPPLEMENTARY CASH FLOW INFORMATION

(a) Items not affecting operating cash

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Items not affecting operating cash:				
Straight-line rent recognition	\$ (1,395)	\$ (838)	\$ (2,892)	\$ (2,143)
Amortization of tenant incentives	7,121	5,357	13,839	12,149
Gain on disposal of investment properties	(2,163)	—	(2,163)	(111)
Impairment of investment properties	2,000	—	2,000	—
Depreciation and amortization	19,961	19,494	39,975	38,914
(Income) loss from equity-accounted investments	230	1,425	1,371	(248)
Change in fair value of financial instruments	(1,063)	(1,517)	(1,185)	(2,120)
	\$ 24,691	\$ 23,921	\$ 50,945	\$ 46,441

(b) Change in other non-cash operating items

	Three months ended June 30,		Six months ended June 30,	
	2024	2023 ⁽¹⁾	2024	2023 ⁽¹⁾
Cash provided by (used in):				
Trade receivables	\$ 3,353	\$ (5,108)	\$ (258)	\$ (5,219)
Prepaid expenses and deposits and other assets	(23,129)	(16,932)	(19,641)	(13,152)
Payables and other liabilities ⁽¹⁾	(13,190)	(1,370)	(4,513)	1,307
	\$ (32,966)	\$ (23,410)	\$ (24,412)	\$ (17,064)

(1) Payables and other liabilities for the three and six months ended June 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 June 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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Property revenue				
Property revenue	\$ 64,890	\$ 61,735 ⁽¹⁾	\$ 129,091	\$ 123,174 ⁽¹⁾
Head lease income	\$ 227	\$ 232	\$ 446	\$ 545
Revenue from management and development services	\$ 2,027	\$ 2,046	\$ 2,697	\$ 2,046
Property operating expenses	\$ (11)	\$ (34)	\$ (45)	\$ (68)
General and administrative expenses				
Property management services recovered	\$ 34	\$ 35	\$ 75	\$ 92
Other general and administrative expenses	\$ (37)	\$ (44)	\$ (81)	\$ (88)
Finance costs - distributions to Unitholders	\$ (16,820)	\$ (16,553)	\$ (33,572)	\$ (33,046)

(1) Property revenue for the three and six months ended June 30, 2023 has been increased by \$4,830 and \$9,660, 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 Management Agreement which is being recognized as revenue from management and development services.

During the six months ended June 30, 2024, Crombie issued 616,170 (June 30, 2023 - 521,735) Class B LP Units to ECLD under the DRIP (Note 16).

During the six months ended June 30, 2024, Crombie invested \$29,184 (June 30, 2023 - \$12,807) 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 \$24,707 (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.

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 June 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:

	June 30, 2024		December 31, 2023	
	Fair Value	Carrying Value	Fair Value	Carrying Value ⁽¹⁾
Financial liabilities				
Investment property debt	\$ 759,417	\$ 791,885	\$ 956,601	\$ 979,019
Senior unsecured notes	1,320,673	1,371,288	1,108,474	1,171,769
Total financial liabilities	\$ 2,080,090	\$ 2,163,173	\$ 2,065,075	\$ 2,150,788

(1) Carrying values for December 31, 2023 were updated to included 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:

- Cash and cash equivalents
- 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 June 30, 2024	
Hedge type	Maturity date	Fixed interest rate	Notional amount of the hedging instrument ⁽¹⁾	Fair value of hedging instrument ⁽¹⁾
Cash flow hedge ⁽²⁾	December 20, 2024	3.72 %	\$ 73,796	\$ 1,302
Cash flow hedge ⁽²⁾	March 18, 2025	3.52 %	4,508	88
Cash flow hedge ⁽²⁾	October 7, 2024	3.27 %	3,503	40
Cash flow hedge ⁽³⁾	March 1, 2029	3.15 %	51,825	3,317
			\$ 133,632	\$ 4,747

(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 June 30, 2024		Six months ended June 30, 2024	
Hedge type	Maturity date	Fixed interest rate	Change in fair value gain (loss) recognized in other comprehensive income (loss) ⁽¹⁾	Hedge recognized in statements of comprehensive loss	Change in fair value gain (loss) recognized in other comprehensive income (loss) ⁽¹⁾	Hedge recognized in statements of comprehensive loss
Cash flow hedge	December 20, 2024	3.72 %	\$ (184)	\$ —	\$ (680)	\$ —
Cash flow hedge	March 18, 2025	3.52 %	(36)	—	(53)	—
Cash flow hedge	October 7, 2024	3.27 %	(31)	—	(56)	—
Cash flow hedge	March 1, 2029	3.15 %	(336)	—	409	—
			\$ (587)	\$ —	\$ (380)	\$ —

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

As at June 30, 2024

- Crombie's weighted average term to maturity of its fixed rate mortgages is 6.0 years;
- Crombie's weighted average term to maturity of its unsecured notes is 4.2 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 \$7,997 outstanding;
- Crombie has an unsecured bilateral credit facility available to a maximum of \$130,000 with a balance of \$10,000 outstanding;
- Crombie has a joint operation credit facility available to a maximum of \$3,520 at Crombie's share with a balance of \$3,503 outstanding;
- Crombie has interest rate swap agreements in place on \$81,807 of floating rate debt and an interest rate swap agreement in place held in equity-accounted investments on \$51,825 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 \$21,500 with a balance of \$9,350 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:

	Six months ended June 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	\$ (175)	\$ 175
Impact of a 1.0 % interest rate change	\$ (350)	\$ 350
Impact of a 1.5 % interest rate change	\$ (525)	\$ 525
As at June 30, 2024		
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	\$ 1,300	\$ (1,300)
Impact of a 1.0 % interest rate change	\$ 2,600	\$ (2,600)
Impact of a 1.5 % interest rate change	\$ 3,900	\$ (3,900)

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 June 30, 2024, \$386,717 was available on this facility.

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

	Twelve months ending June 30,						
	Contractual Cash Flows ⁽¹⁾	2025	2026	2027	2028	2029	Thereafter
Fixed rate mortgages ⁽²⁾	\$ 948,716	\$ 164,505	\$ 75,615	\$ 138,173	\$ 71,518	\$ 120,236	\$ 378,669
Senior unsecured notes	1,606,157	227,442	47,542	391,147	183,305	30,283	726,438
Trade and other payables	119,620	100,752	9,192	1,365	958	958	6,395
Lease liabilities	149,836	4,783	2,985	2,884	2,545	2,416	134,223
	2,824,329	497,482	135,334	533,569	258,326	153,893	1,245,725
Credit facilities ⁽²⁾	24,448	4,732	11,198	8,518	—	—	—
Total estimated payments	\$ 2,848,777	\$ 502,214	\$ 146,532	\$ 542,087	\$ 258,326	\$ 153,893	\$ 1,245,725

(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:

	June 30, 2024		December 31, 2023
Fixed rate mortgages ⁽¹⁾	\$ 771,004	\$	834,628
Credit facilities ⁽¹⁾	20,881		144,391
Senior unsecured notes ⁽¹⁾	1,371,288		1,171,769
Crombie REIT Unitholders	1,078,370		1,081,631
SVU and Class B LP Unitholders ⁽²⁾	740,982		743,082
Lease liabilities	35,872		36,292
	\$ 4,018,397	\$	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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	June 30, 2024	December 31, 2023
Fixed rate mortgages	\$ 774,534	\$ 838,957
Senior unsecured notes	1,375,000	1,175,000
Unsecured non-revolving credit facility	—	93,297
Revolving credit facility	7,997	47,591
Joint operation credit facilities	3,503	3,503
Bilateral credit facility	10,000	—
Debt held in joint ventures, at Crombie's share ⁽¹⁾	276,397	274,115
Lease liabilities	35,872	36,292
Total debt	\$ 2,483,303	\$ 2,468,755
Income properties, cost ⁽²⁾	\$ 4,364,465	\$ 4,345,799
Properties under development, cost	141,813	94,488
Investment properties, held in joint ventures, cost, at Crombie's share	290,401	294,607
Below-market lease component, cost ⁽³⁾	70,166	72,990
Other assets, cost ⁽⁴⁾	600,419	614,302
Other assets, cost, held in joint ventures, at Crombie's share	31,748	30,012
Cash and cash equivalents held in joint ventures, at Crombie's share	4,924	3,004
Deferred financing charges	7,861	7,560
Gross book value	\$ 5,511,797	\$ 5,462,762
Debt to gross book value - cost basis	45.1 %	45.2 %

(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 June 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 June 30,						Thereafter
	Total	2025	2026	2027	2028	2029	
Future minimum lease payments	\$ 149,836	\$ 4,783	\$ 2,985	\$ 2,884	\$ 2,545	\$ 2,416	\$ 134,223
Finance charges	(113,964)	(2,133)	(2,048)	(2,013)	(1,988)	(1,973)	(103,809)
Present value of lease payments	\$ 35,872	\$ 2,650	\$ 937	\$ 871	\$ 557	\$ 443	\$ 30,414

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

	June 30, 2024	December 31, 2023
Non-current	\$ 33,222	\$ 35,351
Current	2,650	941
Total lease liabilities	\$ 35,872	\$ 36,292

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 six months ended June 30, 2024, minimum lease payments of \$1,578 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 June 30, 2024, Crombie has \$5,286 (December 31, 2023 - \$5,342) in outstanding letters of credit related to construction work being performed on investment properties.

As at June 30, 2024, Crombie had signed construction contracts totalling \$259,287, of which \$187,472 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 June 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 June 30, 2024, Crombie has provided guarantees of approximately \$38,957 (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 2.8 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.

23) SUBSEQUENT EVENTS

- (a) On July 16, 2024, Crombie declared distributions of 7.417 cents per Unit for the period from July 1, 2024 up to and including July 31, 2024. The distributions will be paid on August 15, 2024, to Unitholders of record as at July 31, 2024.

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.

UNITHOLDERS' INFORMATION

BOARD OF TRUSTEES

Jason P. Shannon

Independent Trustee and Chair

Mark Holly

Trustee, President and Chief Executive Officer

Paul V. Beesley

Independent Trustee

Jane Craighead

Independent Trustee

James M. Dickson

Independent Trustee

Heather Grey-Wolf

Independent Trustee

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Michael Vels

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Michael Waters

Independent Trustee

Karen Weaver

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OFFICERS

Jason P. Shannon

Chair

Mark Holly

President and Chief Executive Officer

Kara Cameron

Interim Chief Financial Officer

John Barnoski

Executive Vice President Corporate Development

Arie Bitton

Executive Vice President Leasing and Operations

Victor Settino

Executive Vice President Development and Construction

Ashley Harrison

Senior Vice President People and Culture

Fred Santini

General Counsel and Corporate Secretary

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INVESTOR RELATIONS AND INQUIRIES

Unitholders, analysts, and investors should direct their financial inquiries or requests to:

Kara Cameron, CPA, CA

Interim Chief Financial Officer

Email: investing@crombie.ca

Communication regarding investor records, including changes of address or ownership, lost certificates, or tax forms, should be directed to the Company's transfer agent and registrar, TSX Trust Company.

UNIT SYMBOL

REIT Trust Units – CRR.UN

STOCK EXCHANGE LISTING

Toronto Stock Exchange

TRANSFER AGENT

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