Proven Stability and Sustainable Growth

Q1 Financial Report | March 31, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION FOR THE THREE MONTHS ENDED MARCH 31, 2022

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") of the consolidated financial condition and financial performance of Crombie Real Estate Investment Trust ("Crombie") should be read in conjunction with Crombie's interim condensed consolidated financial statements as at and for the three months ended March 31, 2022 and 2021. This MD&A should also be read in conjunction with Crombie's audited consolidated financial statements as at and for the years ended December 31, 2021 and 2020.

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

Except for per Unit, gross leasable area ("GLA") and square footage ("sq. ft.") amounts and where otherwise noted, all amounts in this MD&A are reported in thousands of Canadian dollars.

The information contained in the MD&A, including forward-looking statements, is based on information available to management as of May 11, 2022, except as otherwise noted.

Additional information relating to Crombie, including its latest Annual Information Form, can be found on the SEDAR website for Canadian regulatory filings at www.sedar.com.

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

FOOTNOTES

(*) NON-GAAP FINANCIAL MEASURES
Some of the financial measures we provide in this document are non-GAAP financial measures that have no standardized meaning under International Financial Reporting Standards (IFRS) and therefore may not be comparable to similar measures presented by other companies. See "Non-GAAP Financial Measures", starting on page 62, for more information on Crombie's non-GAAP financial measures and reconciliations thereof.

FORWARD-LOOKING STATEMENTS
Some of the information we provide in this document is forward-looking and therefore could change over time to reflect changes in the environment in which we operate and compete. See "Forward-looking Information", starting on page 66, for more information.

1. KEY HIGHLIGHTS

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

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

Property revenue

Q1 2022

$104,946

Q1 2021 $103,537 **+1.36%**

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

Operating income attributable to Unitholders

Q1 2022

$25,248

Q1 2021 $33,215 **-23.99%**

The decrease in operating income attributable to Unitholders in the quarter is driven primarily by gains realized on the disposal of investment properties in the first quarter of 2021. This is offset in part by lower mortgage interest from mortgage repayments and dispositions since the first quarter of 2021. Gain on distribution from equity-accounted investments as a result of distribution received in excess of our net investment in a certain joint venture provided an additional offset.

Net property income

Q1 2022

$69,331

Q1 2021 $70,136 **-1.15%**

Higher lease termination income in the first quarter of 2021 due to tenant exits is driving the year-over-year decrease in net property income. Also contributing to the decrease were dispositions since the first quarter of 2021, and new leasing initiatives and redevelopments which increased tenant incentive amortization. This is offset in part by income from acquisitions and reduction in bad debt expense.

Same-asset property cash NOI(*)

Q1 2022

$66,649

Q1 2021 $65,428 **+1.87%**

Strong occupancy as well as a reduction in bad debt expense increased same-asset property cash NOI for the quarter compared to the same period in 2021. This was offset in part by a decrease in lease termination income.

FINANCIAL METRICS (CONTINUED)

FFO(*) per Unit

Q1 2022

$0.28

Q1 2021 $0.29 **-3.45%**

Total FFO dollars improved, primarily due to lower finance costs from operations, income from acquisitions, and decreased bad debt expense, partially offset by dispositions and lower lease termination income in the quarter. An increase in the number of Units outstanding from the issuance of 11,461,446 Units in the first quarter of 2022 and 6,025,000 Units in the second quarter of 2021 resulted in a decrease in FFO per Unit.

FFO(*) payout ratio

Q1 2022

79.9%

Q1 2021 76.4% **+3.5%**

An increase in Units outstanding in the quarter resulted in higher total distributions and a higher payout ratio compared to the first quarter of 2021. This was offset in part by items affecting FFO, as stated above.

AFFO(*) per Unit

Q1 2022

$0.24

Q1 2021 $0.25 **-4.00%**

Total AFFO dollars increased, primarily due to decreased finance costs from operations, income from acquisitions, and lower bad debt expense, partially offset by dispositions and decreased lease termination income. The increased number of Units outstanding from the issuance of 11,461,446 Units in the first quarter of 2022 and 6,025,000 Units in the second quarter of 2021 resulted in the decrease in AFFO per Unit.

AFFO(*) payout ratio

Q1 2022

93.6%

Q1 2021 90.8% **+2.8%**

During the quarter, AFFO dollars improved but, due to the increase in Units outstanding in the first quarter of 2022 and the second quarter of 2021, there were higher total distributions and AFFO payout ratio increased by 2.8%.

OPERATIONAL METRICS

Renewals (GLA)

Q1 2022

255,000

Q1 2021 387,000 **-132,000**

Renewal activity in the quarter consisted of 154,000 square feet in Rest of Canada, 65,000 square feet in Major Markets, and 36,000 square feet in VECTOM.

OPERATIONAL METRICS (CONTINUED)

Renewal spreads

Q1 2022

2.3%

Q1 2021 3.0% **-0.7%**

The primary driver of the renewal growth in the quarter was 73,000 square feet of retail plaza renewals at an increase of 5.3% over expiring rental rates. Offsetting this retail plaza growth were more muted renewal spreads in office and retail enclosed renewals.

Committed occupancy

Q1 2022

96.4%

Q1 2021 96.3% **+0.1%**

Crombie's committed occupancy of 96.4% included 150,000 square feet of committed space in the quarter. Approximately 110,000 square feet of committed space is in VECTOM and Major Markets, including 49,000 square feet at our Scotia Square complex in downtown Halifax.

Economic occupancy

Q1 2022

95.5%

Q1 2021 95.5% **—%**

Stable economic occupancy is primarily due to new leases of 142,000 square feet outpacing lease expiries and other changes by 75,000 square feet. Notable new leases include Empire's Voilà par IGA spoke facilities in Ottawa, Ontario and Quebec City, Quebec.

FINANCIAL CONDITION METRICS

Interest coverage ratio(*)

Q1 2022

3.27x

Q1 2021 3.01x **+0.26x**

The improvement in interest coverage ratio for the quarter compared to the same period in the prior year is due to reduced total leverage since the first quarter of 2021, including lower mortgage interest resulting from mortgage repayments and dispositions.

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

Q1 2022

42.4%

Q1 2021 **50.1%** **-7.7%**

The improvement in D/GFV since the first quarter of 2021 is primarily the result of lower outstanding debt due to mortgage and credit facilities repayments. Fair value of investment properties increased, primarily due to lower capitalization rates, solid occupancy and net property income, acquisitions, completed developments, and higher fair value of investment properties held in joint ventures. The increase in fair value of investment properties held in joint ventures was due to completion of multi-use residential properties at Davie Street, Le Duke, and Bronte Village, offset in part by increased debt held in these respective joint ventures.

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

Q1 2022

8.70x

Q1 2021 10.39x **-1.69x**

The material improvement in D/EBITDA ratio compared to the same period in 2021 is due to lower outstanding debt at the first quarter of 2022, resulting from mortgage and credit facilities repayments, and increased property revenue resulting primarily from acquisitions and strong occupancy.

Available liquidity - unutilized credit facilities

Q1 2022

$523,159

Q1 2021 $469,548 **+11.42%**

The increase in available liquidity from the first quarter of 2021 is primarily due to lower outstanding balances drawn on credit facilities resulting from proceeds from Unit issuance in the first quarter of 2022 and issuance of unsecured notes in the third quarter of 2021.

BRONTE VILLAGE

In the first quarter of 2022, Bronte Village, located in Oakville, Ontario, reached substantial completion. In partnership with Prince Developments, Bronte Village is a unique, luxury community nestled in one of Oakville's most vibrant and sought after lakefront neighbourhoods complete with walking trails, parks, cafes, shops, restaurants and a marina within steps from the development. The buildings include 481 rental units with 54,000 square feet of commercial space anchored by a Farm Boy grocery store.

Farm Boy opened in the second quarter of 2021 and retail and residential leasing is underway, with Tower A welcoming tenants in the third quarter of 2021 and Tower B in the second quarter of 2022. As of May 6, 2022, 29%, or 140 units, have been leased.

2. GLOSSARY OF TERMS

Adjusted debt(*)	Represents debt, including Crombie's share of debt held in equity-accounted joint ventures, excluding transaction costs, which Crombie believes is a more relevant presentation of indebtedness. Adjusted debt is a non-GAAP measure that is used in the calculation of our debt to gross fair value and debt to trailing 12 months adjusted EBITDA.
Adjusted EBITDA(*)	Represents earnings before interest, taxes, depreciation, and amortization, excluding certain items such as amortization of tenant incentives, impairment of investment properties, gain (loss) on disposal of investment properties, and gain on distribution from equity-accounted investments. It includes Crombie's share of revenue, operating expenses, and general and administrative expenses from equity-accounted joint ventures. Adjusted EBITDA is a non-GAAP measure that is used as an input in several of our debt metrics.
Adjusted interest expense(*)	Represents finance costs from operations, including Crombie's share of interest from equity-accounted joint ventures, excluding amortization of deferred financing costs. Adjusted interest expense is a non-GAAP measure that is used in the calculation of our interest service coverage and debt service coverage ratios.
AFFO(*)	Adjusted funds from operations. Crombie follows the recommendations of REALPAC's January 2022 guidance in determining AFFO.
AMR	Annual minimum rent. This represents fixed minimum rent in the annual amount payable by the tenant pursuant to the terms of the lease.
CFC	Customer fulfillment centre.
CMA	Census metropolitan area.
Committed occupancy	Represents current economic occupancy plus future occupancy of currently vacant space for which lease contracts are currently in place.
D/GFV(*)	Debt to gross fair value.
Economic occupancy	Represents space currently occupied (excluding residential).
ESG	Environmental, social, and governance.
Fair value	The amount at which an asset or liability could be exchanged between two knowledgeable, willing and unconnected parties in an arm's length transaction.
FFO(*)	Funds from operations. Crombie follows the recommendations of REALPAC's January 2022 guidance in determining FFO.
GLA	Gross leasable area (excluding residential).
IFRS	International Financial Reporting Standards.
Lease termination income	Revenue derived from fees resulting from the early termination of a lease. Lease termination occurs when a tenant desires to end occupancy prior to the end date in the lease terms.
Major Markets	A Crombie-specific definition that includes Abbotsford-Mission, Barrie, Chilliwack, Halifax, Hamilton, Kitchener-Cambridge-Waterloo, Oshawa, Quebec City, Regina, Saskatoon, Victoria, and Winnipeg, as defined by Statistics Canada 2021 CMA/CA boundaries.
Modernization	A capital investment to modernize/renovate Crombie-owned grocery store properties in exchange for a defined return and potential extended lease term.
NAV(*)	Net asset value.
Net property income	Property revenue less property operating expenses, which exclude certain expenses such as interest expense and indirect operating expenses.
Property cash NOI(*)	Property NOI on a cash basis, excluding non-cash straight-line rent recognition and non-cash tenant incentive amortization.
Proportionate ownership	Represents Crombie's proportionate interest in the financial position and results of operations of its entire portfolio, taking into account the difference in accounting for joint ventures using proportionate consolidation versus equity accounting as required under IFRS.
REALPAC	Real Property Association of Canada.
Retail	Includes our substantial retail portfolio, with commercial reflecting a certain few additional properties that comprise both retail and office space. These properties have been consistently included in our retail category.
Retail-related industrial	Retail-related industrial includes retail distribution centres and customer fulfillment centres ("CFC").
RoC	Rest of Canada - a Crombie-specific definition that includes all remaining geographies outside of VECTOM and Major Markets.
Same-asset properties(*)	Properties owned and operated throughout the current and comparative reporting periods, excluding any property that was designated for redevelopment, or was subject to disposition of a portion of its GLA during either the current or comparative period.
Sq. ft.	Square footage.
Unencumbered assets	Represents assets that have not been pledged as security or collateral under a secured credit agreement or mortgage.
VECTOM	Vancouver, Edmonton, Calgary, Toronto, Ottawa-Gatineau, Montreal, as defined by Statistics Canada 2021 CMA/CA boundaries.
WATM	Weighted average term to maturity.
Zoning applications submitted	A formal municipal rezoning application has been submitted for the purpose of achieving a new land use (i.e. residential, mixed-use) and generally to obtain higher levels of density and building height.

(*) See "Non-GAAP Financial Measures", starting on page 62, for more information on Crombie's non-GAAP financial measures and reconciliations thereof.

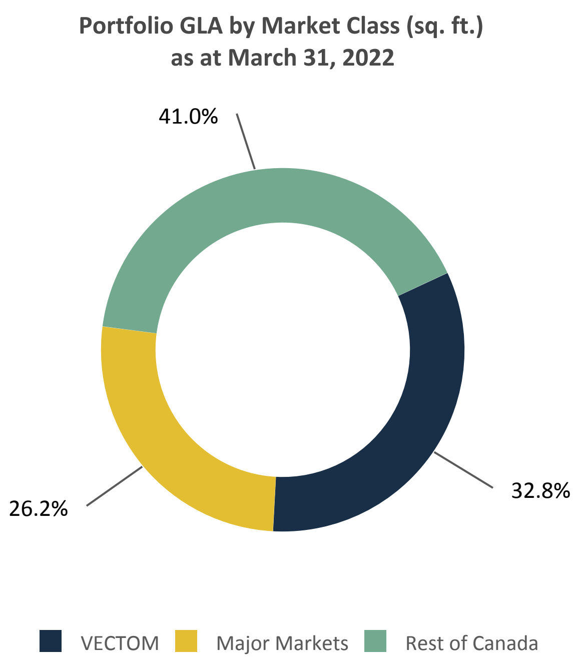
3. PORTFOLIO REVIEW

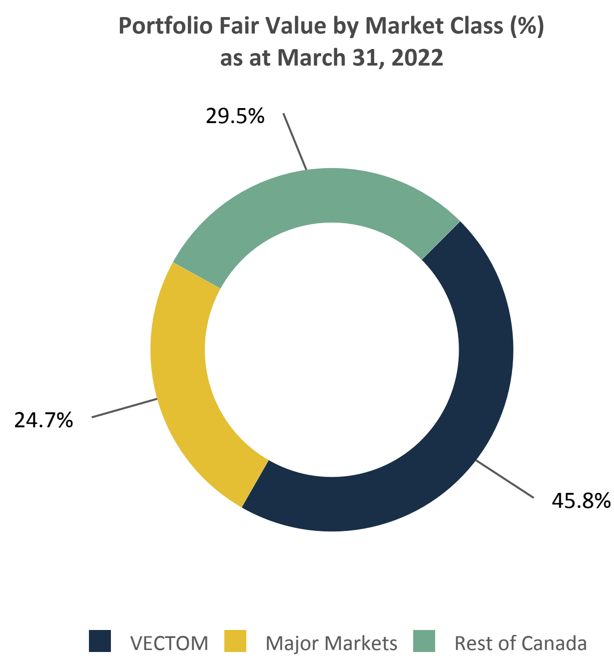
Total Portfolio Review

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

Market Class

Crombie's portfolio of gross leasable area ("GLA") and fair value, inclusive of joint ventures at Crombie's share, consisted of the following as at March 31, 2022:





The table below provides details of the average capitalization rate (weighted by stabilized 12-month trailing NOI), inclusive of joint ventures, by market class:

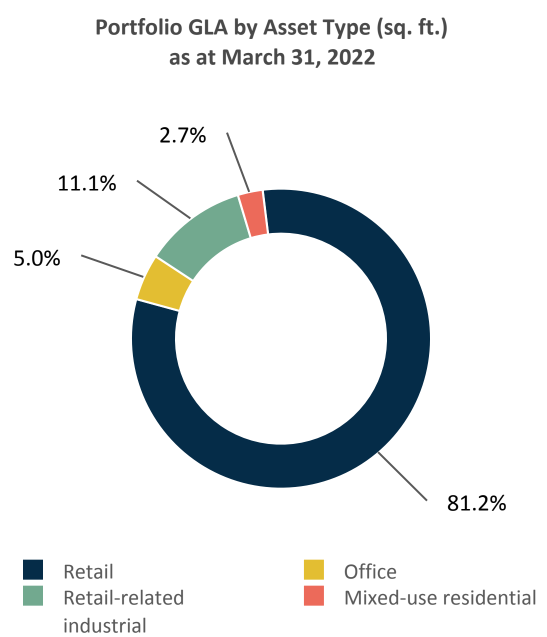
	March 31, 2022	March 31, 2021
VECTOM	**4.54 %**	4.79 %
Major Markets	**5.91 %**	6.18 %
Rest of Canada	**6.54 %**	6.76 %
Weighted average portfolio capitalization rate	**5.48 %**	5.77 %

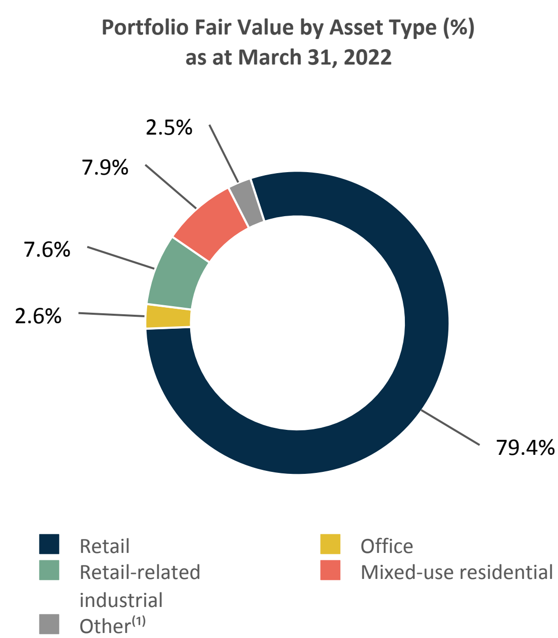
	GLA (sq. ft.)	
	March 31, 2022	March 31, 2021
VECTOM	**6,232,000**	5,773,000
Major Markets	**4,983,000**	4,753,000
Rest of Canada	**7,803,000**	7,861,000
Total	**19,018,000**	18,387,000

When compared to March 31, 2021, VECTOM GLA increased by 459,000 square feet primarily due to the substantial completion of Le Duke, in Montreal, during the third quarter of 2021 and Bronte Village, in Oakville, during the first quarter of 2022. Major Markets increased by 230,000 square feet largely due to three investment properties changing from Rest of Canada to Major Markets as a result of changes to census metropolitan area/census agglomeration boundaries defined by Statistics Canada.

Asset Type

Crombie's portfolio of GLA and fair value, inclusive of joint ventures at Crombie's share, consisted of the following as at March 31, 2022:





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

	GLA (sq. ft.)	
	March 31, 2022	March 31, 2021
Retail	**15,440,000**	15,278,000
Office	**954,000**	953,000
Retail-related industrial	**2,110,000**	2,014,000
Mixed-use residential	**514,000**	142,000
Total	**19,018,000**	18,387,000

When compared to March 31, 2021, mixed-use residential increased by 372,000 square feet due to Le Duke, in Montreal, and Bronte Village, in Oakville, reaching substantial completion.

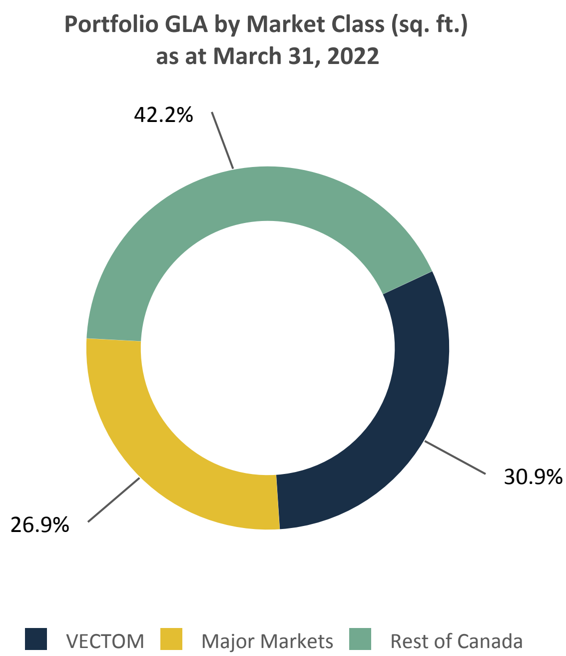
Portfolio Review - Investment Properties

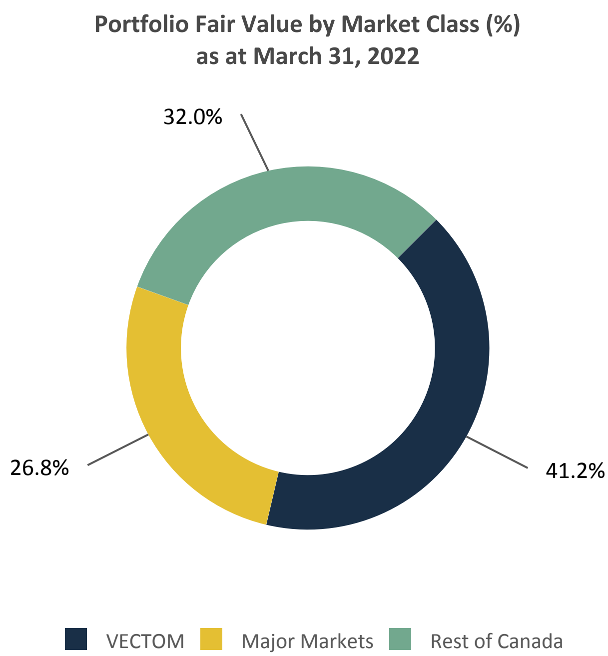
As at March 31, 2022, Crombie's property portfolio consisted of full ownership interests in 233 investment properties, and partial ownership interests in 61 investment properties held in joint operations. In addition to investment properties, Crombie also has full ownership interests in six properties under development ("PUD"), and a partial ownership in one property under development held in a joint operation. The partial ownership interests are reflected in our consolidated balance sheet and income statement, based on our proportionate ownership in such joint operations. Together, Crombie's share of these 294 investment properties contains approximately 18.5 million square feet of GLA in all 10 provinces.

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

Market Class

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





The table below provides details of the average capitalization rate (weighted by stabilized 12-month trailing NOI) by market class:

	March 31, 2022	March 31, 2021
VECTOM	**4.76 %**	4.92 %
Major Markets	**5.91 %**	6.17 %
Rest of Canada	**6.54 %**	6.76 %
Weighted average portfolio capitalization rate	**5.65 %**	5.86 %

Capital recycling, development completions, and strong demand for grocery-anchored assets all helped to compress our weighted average capitalization rate by 21 basis points. Of note, cap rate compression was in each of VECTOM, Major Markets and Rest of Canada.

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

Crombie’s portfolio diversification by market class of its investment properties as at March 31, 2022 and 2021 is as follows:

	GLA (sq. ft.)								
	January 1, 2022	Net Acquisitions (Dispositions)	Other	**March 31, 2022**	Number of Investment Properties	% of AMR	% NOI[1]	Economic Occupancy	Committed Occupancy
VECTOM	5,418,000	273,000	27,000	**5,718,000**	89	34.2 %	34.2 %	99.6 %	99.7 %
Major Markets	4,723,000	16,000	228,000	**4,967,000**	66	27.2 %	27.5 %	94.4 %	96.5 %
Rest of Canada	7,720,000	229,000	(146,000)	**7,803,000**	139	38.6 %	38.3 %	93.4 %	93.9 %
Total	**17,861,000**	**518,000**	**109,000**	**18,488,000**	**294**	**100.0 %**	**100.0 %**	**95.5 %**	**96.4 %**

	GLA (sq. ft.)								
	January 1, 2021	Net Acquisitions (Dispositions)	Other	March 31, 2021	Number of Investment Properties	% of AMR	% NOI[2]	Economic Occupancy	Committed Occupancy
VECTOM	5,588,000	40,000	3,000	5,631,000	88	34.2 %	33.0 %	99.4 %	99.7 %
Major Markets	4,619,000	111,000	7,000	4,737,000	62	26.0 %	26.3 %	94.7 %	95.9 %
Rest of Canada	7,793,000	23,000	45,000	7,861,000	137	39.8 %	40.7 %	93.2 %	94.1 %
Total	18,000,000	174,000	55,000	18,229,000	287	100.0 %	100.0 %	95.5 %	96.3 %

(1) Property cash NOI for the three months ended March 31, 2022
(2) Property cash NOI for the three months ended, March 31, 2021

For the three months ended March 31, 2022, two investment properties at full interest and one investment property at partial interest were acquired in VECTOM and Major Markets totalling 289,000 square feet. Seven investment properties at full interest were acquired in the Rest of Canada, resulting in an increase in GLA of 229,000 square feet. Crombie also completed the grocery-anchored retail development of approximately 44,000 square feet at Cobblestone in Grande Prairie, Alberta and is included in "Other" changes.

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

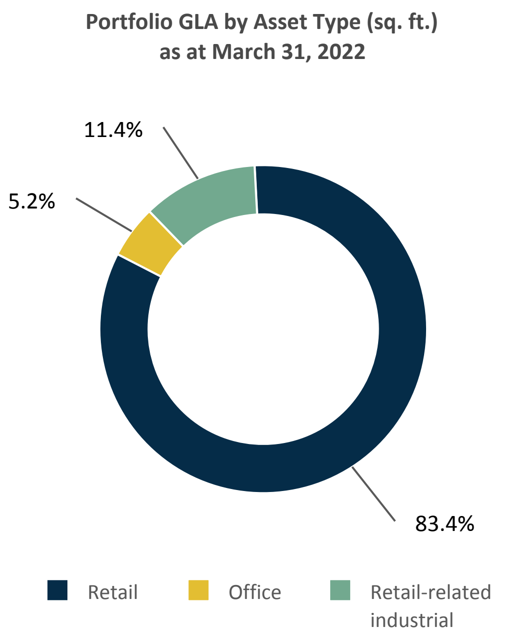
During the three months ended March 31, 2022, three investment properties had a change in market class as a result of changes to census metropolitan area/census agglomeration boundaries defined by Statistics Canada. Approximately 210,000 square feet was reclassified as Major Markets from Rest of Canada, and is captured under "Other" changes.

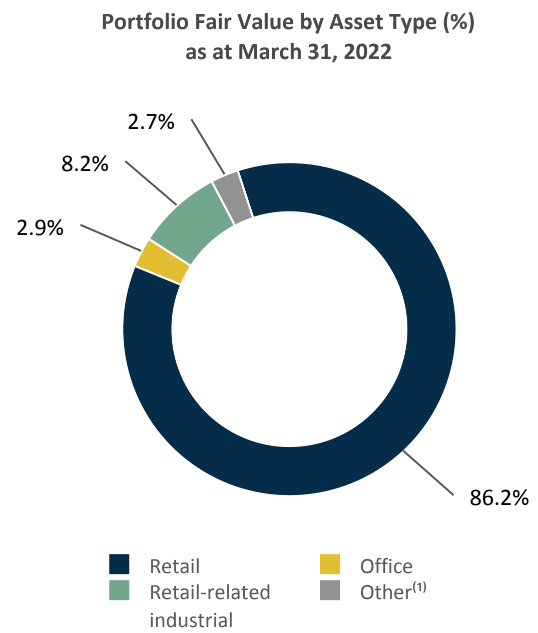
When compared to March 31, 2021, the percentage of total annual minimum rent ("AMR") generated from VECTOM remained constant at 34.2% , while Major Markets total AMR increased by 120 basis points and Rest of Canada decreased by 120 basis points. The increase in Major Markets is primarily due to new leasing activity over the last twelve months, and the reclassification of three investment properties to Major Markets from Rest of Canada in the first quarter of 2022.

As at March 31, 2022, committed and economic occupancy stand at 96.4% and 95.5%, respectively. Committed occupancy increased by 10 basis points compared to March 31, 2021. Economic occupancy remained constant compared to March 31, 2021. Over the last twelve months, 259,000 net square feet of GLA was added to the portfolio. The net increase in GLA is due to 542,000 square feet of acquisitions, and 117,000 square feet of other changes throughout the portfolio, primarily from development activity. This is partially offset by the disposition of 400,000 square feet. New leasing activity for the three months ended March 31, 2022 totalled 142,000 square feet at an average rate of $20.94 per square foot.

Asset Type

Retail properties represent 83.4% of Crombie's GLA and 86.2% of fair value at March 31, 2022 compared to 83.7% of GLA and 87.3% of fair value at March 31, 2021.





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

Crombie's portfolio diversification by asset type as at March 31, 2022 and 2021 of its investment properties is as follows:

	GLA (sq. ft.)							
	January 1, 2022	Net Acquisitions (Dispositions)	Other	**March 31, 2022**	Number of Investment Properties	% of AMR	Economic Occupancy	Committed Occupancy
Retail	15,052,000	283,000	89,000	**15,424,000**	284	89.6 %	95.4 %	96.1 %
Office	954,000	—	—	**954,000**	5	3.8 %	87.7 %	92.4 %
Retail-related industrial	1,855,000	235,000	20,000	**2,110,000**	5	6.6 %	100.0 %	100.0 %
Total	**17,861,000**	**518,000**	**109,000**	**18,488,000**	**294**	**100.0 %**	**95.5 %**	**96.4 %**

	GLA (sq. ft.)							
	January 1, 2021	Net Acquisitions (Dispositions)	Other	March 31, 2021	Number of Investment Properties	% of AMR	Economic Occupancy	Committed Occupancy
Retail	15,064,000	174,000	24,000	15,262,000	278	89.2 %	95.3 %	96.0 %
Office	953,000	—	—	953,000	5	3.9 %	88.9 %	94.1 %
Retail-related industrial	1,983,000	—	31,000	2,014,000	4	6.9 %	100.0 %	100.0 %
Total	18,000,000	174,000	55,000	18,229,000	287	100.0 %	95.5 %	96.3 %

For the three months ended March 31, 2022, retail GLA had an increase of 283,000 square feet due to the acquisition of eight investment properties at full interest. Additionally, one Alberta retail investment property at full interest was acquired during the first quarter of 2022, of which Crombie also completed a grocery-anchored retail development of approximately 44,000 square feet included in "Other" changes. Retail-related industrial GLA had an increase of 235,000 square feet due to the acquisition of the remaining partial interest in one investment property.

During the three months ended March 31, 2022, Crombie completed retail development expansions at grocery-anchored plazas in Halifax (Timberlea), Nova Scotia and Charlottetown (Stratford), Prince Edward Island totalling 33,000 square feet. Additionally, development of two retail-related industrial spokes in Ottawa, Ontario and Quebec City, Quebec totalling 20,000 square feet was added to GLA. These additions to GLA are included in "Other" changes.

Economic occupancy remained constant compared to March 31, 2021, while committed occupancy increased by 10 basis points. A significant amount of activity occurred over the last twelve months, resulting in an increase of portfolio GLA due to net acquisition activity and development activity. Committed occupancy in our office portfolio is at 92.4%, a decrease from 94.1% at March 31, 2021, primarily attributable to tenants vacating at certain of our five office properties.

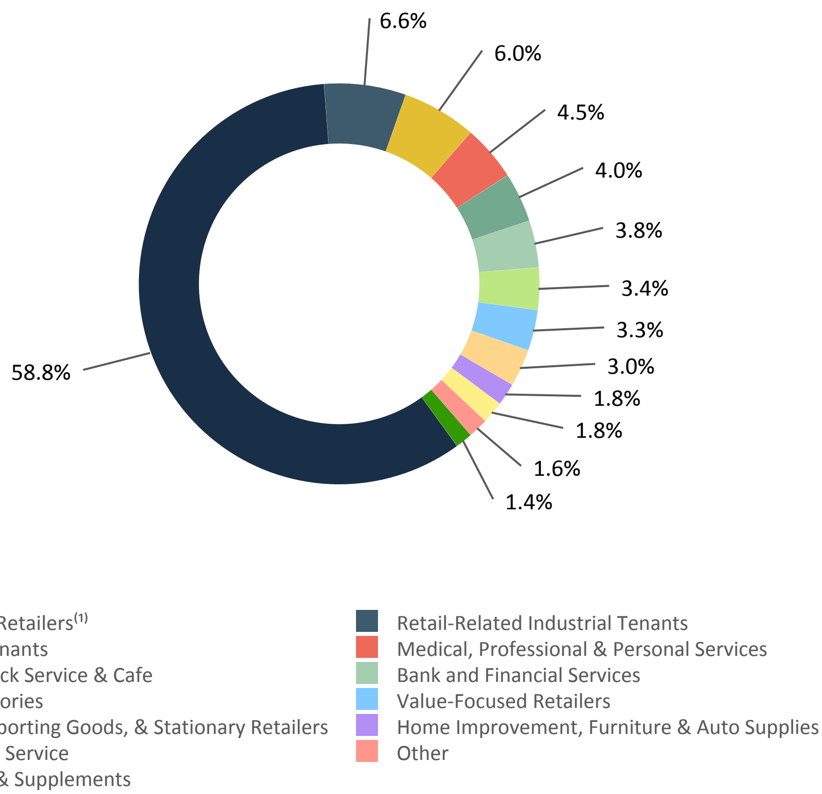
Through our mixed-use development strategy, Crombie is evolving from defensive grocery-anchored retail to a balance of grocery-anchored retail and retail-related industrial, as well as large-scale mixed-use properties, creating long-term value for local communities and Unitholders. Grocery-anchored retail will continue to grow and, as a result of our development strategy, we expect our residential and retail-related industrial asset types to make up a greater percentage of our total portfolio in the future.

As equity-accounted joint ventures are not reflected in this information, the applicable residential square footage, occupancy, and asset mix details of these joint ventures are not included in this section.

Tenant Profile

We build and own a high-quality, resilient, and diversified portfolio, which is backed primarily by grocery tenants, that delivers consistent long-term earnings and cash flow stability. As at March 31, 2022, 79% of our AMR was generated from grocery-anchored properties, inclusive of retail-related industrial, compared to 78% at March 31, 2021. The increase is primarily due to our retail-related industrial tenants; specifically, the remaining 50% acquisition of the Terrebonne Distribution Centre, and two new spoke facilities for Voilà in Ottawa, Ontario and Quebec City, Quebec. 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.

Tenants by Industry (% of AMR)



(1) Necessity-based retailers include tenants that provide essential products and services, and predominantly fall into the following categories: grocery, pharmacy, liquor, cannabis, convenience store, gasoline, and pet supplies.

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 March 31, 2022.

Tenant	% of AMR	GLA (sq. ft.)	Weighted Average Remaining Lease Term	DBRS Morningstar ("DBRS") Credit Rating
Empire Company Limited (1)	57.8 %	10,831,000	12.1 years	BBB(low)
Shoppers Drug Mart	2.5 %	228,000	6.5 years	BBB(high)
Province of Nova Scotia	1.6 %	366,000	5.5 years	A(high)
Dollarama	1.5 %	323,000	5.2 years	BBB
Bank of Nova Scotia	1.1 %	173,000	2.0 years	AA
GoodLife Fitness	1.0 %	210,000	7.0 years	-
Cineplex	1.0 %	207,000	8.9 years	-
Canadian Tire Group	1.0 %	158,000	4.8 years	BBB
CIBC	1.0 %	132,000	14.7 years	AA
Government of Canada	0.9 %	130,000	2.5 years	AAA
Leon's Furniture	0.7 %	112,000	8.8 years	-
Restaurant Brands International	0.7 %	66,000	5.2 years	-
Royal Bank of Canada	0.6 %	55,000	2.1 years	AA(high)
Bank of Montreal	0.6 %	84,000	5.8 years	AA
SAQ/Province of Quebec	0.5 %	65,000	7.3 years	AA(low)
Metro	0.5 %	88,000	7.1 years	BBB
TJX Companies	0.5 %	120,000	6.4 years	-
Bell Canada	0.5 %	85,000	3.2 years	BBB(high)
Giant Tiger	0.4 %	188,000	3.5 years	-
Staples	0.4 %	86,000	1.8 years	-
Total	**74.8 %**	**13,707,000**		

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

Other than Empire, which accounts for 57.8% of AMR and Shoppers Drug Mart, which accounts for 2.5% of AMR, no other tenant accounts for more than 1.6% of Crombie's AMR. Empire's percent of AMR increased by 100 basis points compared to March 31, 2021 as a result of the acquisition of Empire properties over the last twelve months, two new Voilà spoke locations taking occupancy and commencing rent payments, modernizations and contractual rent step ups. This is partially offset by the disposition of the 50% non-managing interest of the Voilà CFC, in Montreal, Quebec, in the fourth quarter of 2021.

For the three months ended March 31, 2022, Empire also represents 51.4% of total property revenue. Total property revenue includes minimum rent, as well as operating and realty tax cost recovery income and percentage rent. These additional amounts can vary by property type, specific tenant leases and where tenants may directly incur and pay operating and realty tax costs.

The weighted average remaining term of all Crombie leases is approximately 9.4 years, which decreased 0.5 years as compared to March 31, 2021. This remaining lease term is influenced by the weighted average Empire remaining lease term of 12.1 years, which decreased 1.0 year from March 31, 2021.

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

Same-asset properties

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

	Crombie-owned Properties				
	Investment Properties ("IP")	**Properties Under Development ("PUD")**	**Sub-total**	**Additional Properties in Joint Ventures ("JV")**	**Total**
Same-asset properties	276	—	276	—	276
Adjustments:					
Acquisitions - 2022	9	—	9	—	9
Acquisitions - 2021	6	—	6	—	6
Other(1)	2	6	8	1	9
Active and completed major developments(2)	1	1	2	3	5
	18	7	25	4	29
Total	**294**	**7**	**301**	**4**	**305**

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

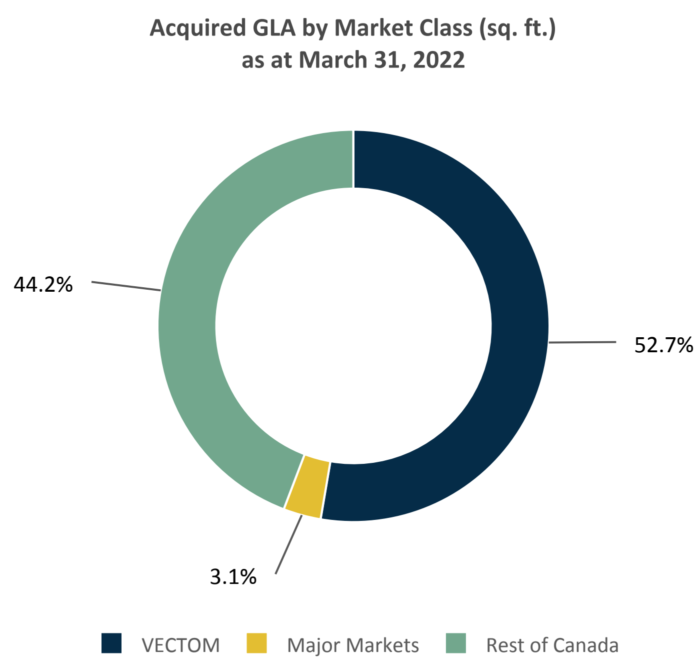
(2) Active and completed major development includes:

- Avalon Mall retail (IP)
- Calgary CFC (PUD)
- Davie Street residential (JV)
- Le Duke (JV)
- Bronte Village (JV)

Davie Street was developed as both a retail (Crombie-owned) and residential (Joint Venture-owned) development. Davie Street is treated as two properties, one Crombie-owned investment property (retail) and a separate completed major development (residential rental property) within the 1600 Davie Limited Partnership Joint Venture (additional properties in joint ventures - active and completed major developments).

Strategic Acquisitions and Dispositions

As at March 31, 2022, GLA at Crombie's interest in its investment properties was 18.5 million square feet compared to 18.2 million square feet as at March 31, 2021. The net increase in GLA of approximately 300,000 square feet was driven by 542,000 square feet of acquisitions and the addition of 123,000 square feet of development square footage entering GLA, partially offset by 400,000 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 in urban and top tier markets. Crombie's acquisitions are intended to add strategic value to the portfolio, while leading to strong AFFO(*) accretion and NAV(*) growth. During the three months ended March 31, 2022, Crombie completed acquisitions of eight income-producing properties, the remaining 50% interest of an existing retail-related industrial asset, and one property, that has since been developed by Crombie, for a total aggregate purchase price of $90,472 excluding transaction and closing costs. These acquisitions added 518,000 square feet and potential for future density to be added to Crombie's GLA. Seven of the ten acquisitions are grocery-anchored assets located in Rest of Canada markets, of which six were acquired from Empire, our strategic partner. The remaining three acquisitions are grocery-anchored assets, inclusive of retail-related industrial, located in VECTOM and Major Markets, strengthening Crombie's presence in these markets. These three assets were also acquired from Empire.

					Ownership			
Date	Property	Location	Vendor	Strategy	Number of Investment Properties	Interest	Sq. ft.	Price [1]
2022 First Quarter								
January 6, 2022	Division Street	Cobourg, ON	Related Party	Income-producing	1	100 %	31,000	$ 3,300
January 7, 2022	Cobblestone [2]	Grande Prairie, AB	Related Party	Income-producing	1	100 %	—	2,567
January 25, 2022	Terrebonne DC [3]	Terrebonne, QC	Related Party	Income-producing	—	50 %	235,000	38,050
January 27, 2022	Princess Street	Kingston, ON	Related Party	Income-producing	1	100 %	35,000	8,035
January 27, 2022	Court Street	Thunder Bay, ON	Related Party	Income-producing	1	100 %	39,000	5,900
January 27, 2022	33rd Street West	Saskatoon, SK	Related Party	Income-producing	1	100 %	16,000	3,800
January 27, 2022	Anderson Street	Nelson, BC	Related Party	Income-producing	1	100 %	39,000	8,100
January 27, 2022	Dawson Road	Thunder Bay, ON	Related Party	Income-producing	1	100 %	54,000	8,200
January 28, 2022	Rue Principale	Tracadie-Sheila, NB	Third Party	Income-producing	1	100 %	31,000	2,000
March 24, 2022	Lewis Estates	Edmonton, AB	Related Party	Income-producing	1	100 %	38,000	10,520
Total acquisitions for the three months ended March 31, 2022					**9**		**518,000**	**$ 90,472**
Total acquisitions for the three months ended March 31, 2021					6		204,000	$ 46,292

(1) Prices are stated before transaction and closing costs.
(2) Acquisition of a parcel of retail land developed by Crombie.
(3) Relates to an acquisition of the remaining 50% interest in a pre-existing retail-related industrial property.

Strategic Dispositions

Over the years, Crombie has worked to optimize its portfolio through traditional dispositions and innovative partnerships. In line with our strategy of recycling capital through dispositions at or above IFRS fair values, Crombie uses the proceeds raised for debt reductions to fund development projects, increasing Crombie's concentration in VECTOM and Major Markets, as well as other higher-value opportunities. Some of these opportunities include supporting Empire's growth into urban markets, acceleration of e-commerce, and completion of major mixed-use developments. This disposition strategy has resulted in a reduction of our in-place mortgage debt, which enabled growth in our unencumbered asset pool.

		Ownership				
Date	Property Type	Number of Investment Properties	Interest	Sq. ft.	Net Property Income	Price
Total dispositions for the three months ended March 31, 2022		—	—	—	$ —	$ —
Total dispositions for the three months ended March 31, 2021		3	100 %	30,000 [1]	$ 937 [2]	$ 41,970

(1) Square footage totalling 33,000 for one of the disposition properties was removed from GLA in the second quarter of 2020 as the property was slated for redevelopment.
(2) Reflects actual net property income earned on 2021 dispositions for the full year ended December 31, 2020. Total actual net property income (loss) for the three months ended March 31, 2021 for all disposed properties prior to disposition was $(10), as reflected in our consolidated results.

4. OPERATIONAL PERFORMANCE REVIEW

Occupancy and Leasing Activity

The portfolio occupancy and committed activity by market class and asset type for the three months ended March 31, 2022 was as follows:

	Occupied Space (sq. ft.)									
	January 1, 2022	Net Acquisitions (Dispositions)	New Leases[1]	Lease Expiries	Other Changes[2]	**March 31, 2022**	Economic Occupancy	Committed Space (sq. ft.)[3]	Total Committed Space (sq. ft.)	Committed Occupancy
VECTOM	5,402,000	273,000	37,000	(19,000)	—	**5,693,000**	99.6 %	5,000	5,698,000	99.7 %
Major Markets	4,451,000	16,000	54,000	(36,000)	202,000	**4,687,000**	94.4 %	105,000	4,792,000	96.5 %
Rest of Canada	7,219,000	229,000	51,000	(6,000)	(208,000)	**7,285,000**	93.4 %	40,000	7,325,000	93.9 %
Total	**17,072,000**	**518,000**	**142,000**	**(61,000)**	**(6,000)**	**17,665,000**	**95.5 %**	**150,000**	**17,815,000**	**96.4 %**

	Occupied Space (sq. ft.)									
	January 1, 2022	Net Acquisitions (Dispositions)	New Leases[1]	Lease Expiries	Other Changes[2]	**March 31, 2022**	Economic Occupancy	Committed Space (sq. ft.)[3]	Total Committed Space (sq. ft.)	Committed Occupancy
Retail	14,383,000	283,000	118,000	(61,000)	(6,000)	**14,717,000**	95.4 %	105,000	14,822,000	96.1 %
Office	834,000	—	4,000	—	—	**838,000**	87.7 %	45,000	883,000	92.4 %
Retail-related industrial	1,855,000	235,000	20,000	—	—	**2,110,000**	100.0 %	—	2,110,000	100.0 %
Total	**17,072,000**	**518,000**	**142,000**	**(61,000)**	**(6,000)**	**17,665,000**	**95.5 %**	**150,000**	**17,815,000**	**96.4 %**

(1) New leases include new lease and expansions to existing properties.
(2) Other changes include amendments to existing leases; lease terminations and surrenders; bankruptcies; space certifications; and reclassifications within market classes or asset types.
(3) Committed space represents lease contracts for future occupancy of currently vacant space. Management believes such reporting, along with reported lease maturities, provides more balanced reporting of overall vacant space.

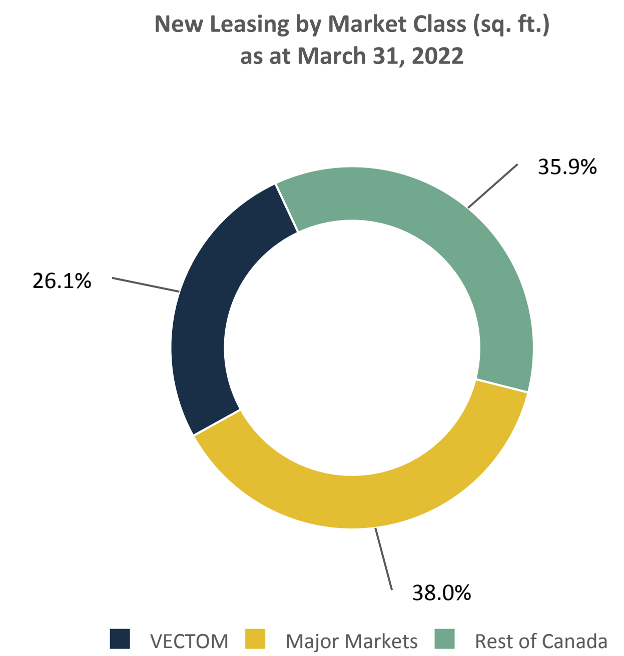
Overall leased space (occupied plus committed) has increased from 96.3% at March 31, 2021 to 96.4% at March 31, 2022. During the first quarter of 2022, Crombie had an increase from acquisitions of 518,000 square feet and had new leases outpace lease expiries by 81,000 square feet.

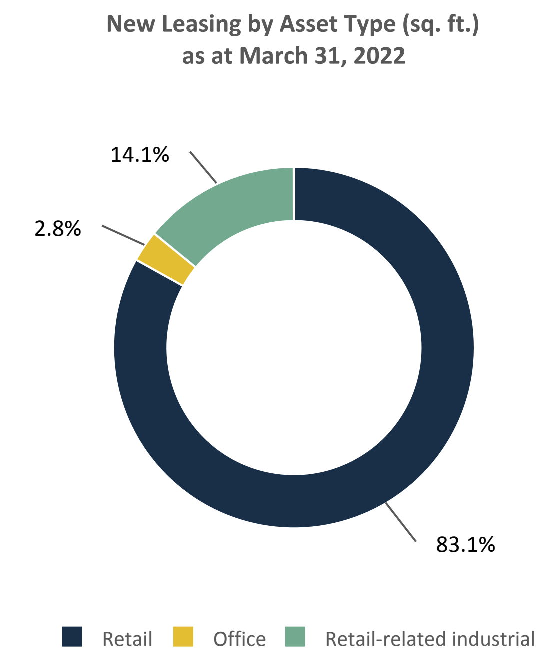
During the three months ended March 31, 2022, three investment properties had a change in market class as a result of changes to census metropolitan area/census agglomeration boundaries defined by Statistics Canada. Approximately 209,000 square feet of occupied GLA was reclassified as Major Markets from Rest of Canada, and is captured under "Other Changes".

Leased space in our retail properties portfolio was 96.1% at March 31, 2022, an increase from 96.0% at March 31, 2021. Leased space in office properties was 92.4% at March 31, 2022, which decreased from 94.1% at March 31, 2021. This was primarily due to tenants vacating at certain of our five office properties in 2021. Leased space in retail-related industrial properties of 100.0 % at March 31, 2022 remained constant from 100.0 % at March 31, 2021. Retail-related industrial provides stability, with solid NOI growth and long lease terms, and also provides growth opportunities through an increased presence in e-commerce. During the first quarter of 2022, Crombie acquired the remaining 50% interest in a distribution centre, in Terrebonne, Quebec, from Empire. Additionally, two Voilà spoke facilities, located in Ottawa, Ontario and Quebec City, Quebec, moved into economic occupancy.

The portfolio average AMR per occupied square foot for our income-producing properties was $16.86 as at March 31, 2022, compared to $16.87 as at March 31, 2021. Excluding the one retail-related industrial acquisition acquired in the first quarter of 2022, an increase of 0.7% in average AMR per occupied square foot would have been achieved.

New Leasing Activity



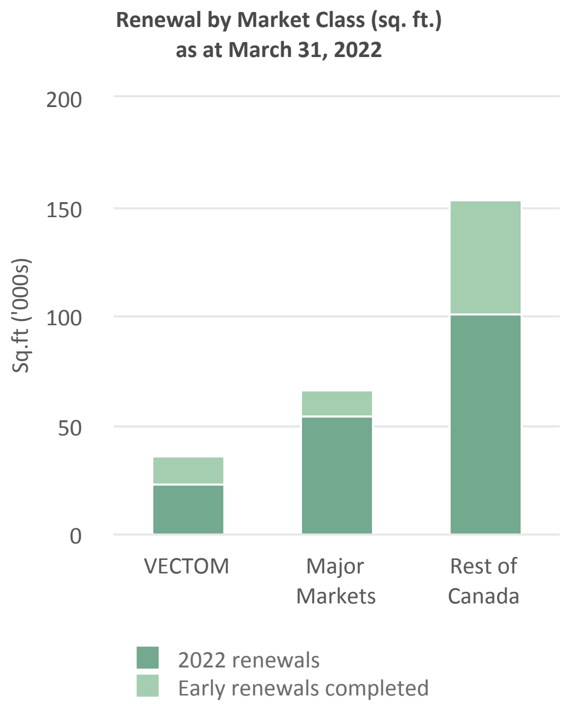


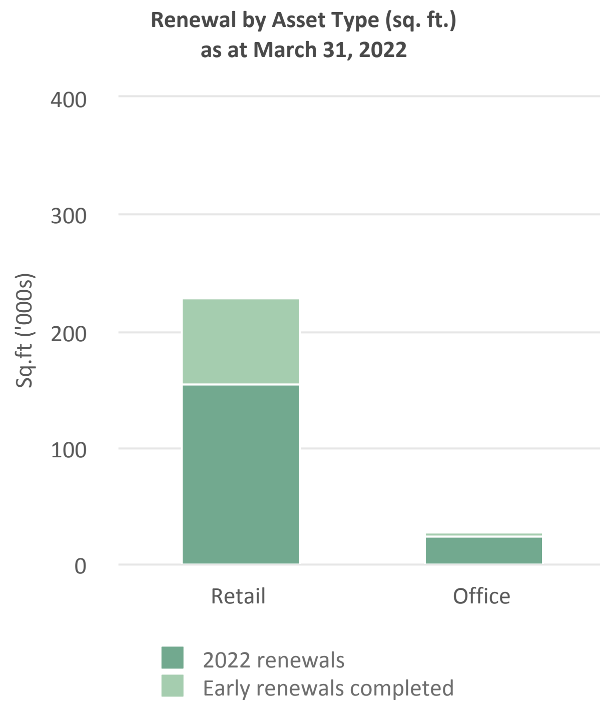
New leases increased occupancy by 142,000 square feet at March 31, 2022, at an average first year rate of $20.94 per square foot.

Crombie is focused on increasing its presence in VECTOM and Major Markets. For the three months ended March 31, 2022, 64.1% of new leases, equivalent to 91,000 square feet, were completed in these markets. New leases of 51,000 square feet occurred in Rest of Canada markets during the quarter. The vast majority of the portfolio's vacancy is within this market as a few Rest of Canada properties have material vacancy. Crombie is pleased with the new leasing activity in the first quarter of 2022 in all markets.

At March 31, 2022, 150,000 square feet of GLA at an average first year rate of $19.58 per square foot was committed, with tenants expected to take possession throughout 2022. VECTOM and Major Markets represent 110,000 square feet of committed space, including 49,000 square feet at our Scotia Square complex in Halifax, Nova Scotia.

Renewal Activity





For the three months ended March 31, 2022, renewal activity for our portfolio was as follows:

	Three months ended March 31, 2022			
	Sq. ft.		Rate per sq. ft.	Growth %
2022 Renewals	178,000	$	12.90	1.4 %
Early Renewals Completed	77,000		20.12	3.8 %
Total	**255,000**	**$**	**15.09**	**2.3 %**

For the three months ended March 31, 2022 , Crombie renewed 228,000 square feet of retail renewals with an increase of 2.5% over expiring rental rates. Driving this growth was 73,000 square feet of renewals at retail plazas, with an increase of 5.3% over expiring rental rates. Renewal spreads are based on the first year rate and do not factor in any additional rental step-ups that may take place throughout the lease term. When comparing the expiring rental rates to the weighted average rental rate for the renewal term, Crombie achieved an increase of 3.6% for the three months ended March 31, 2022.

During the three months ended March 31, 2022, Crombie demonstrated portfolio stability with approximately 39.6% of renewals occurring in VECTOM and Major Markets. Total renewal growth was positively impacted by the 36,000 square feet of renewals in VECTOM at an average first year rate of $23.84 per square foot, an increase of 4.8% over expiring rental rates. Major Markets saw renewals of 65,000 square feet, with an increase of 4.4% over expiring rental rates or an average first year rate of $17.65 per square foot. The remaining 154,000 square feet of renewals was in the Rest of Canada at an average first year rate of $11.98, which remained flat compared to expiring rental rates.

Crombie proactively manages its lease maturities, taking advantage of opportunities to renew tenants prior to expiration. During the three months ended March 31, 2022, approximately 77,000 square feet of renewals related to future year expiries were completed.

Lease Maturities

The following table sets out, as at March 31, 2022, the number of leases maturing during the periods indicated, the renewal area, the percentage of the total GLA of the properties represented by such maturities and the estimated average AMR per square foot at the time of expiry.

Year	Number of Leases (1)	Renewal Area (sq. ft.)	% of Total GLA	Average AMR per sq. ft. at Expiry
2022	278	1,030,000	5.6 %	$ 16.69
2023	167	704,000	3.8 %	18.93
2024	177	867,000	4.7 %	17.96
2025	145	1,181,000	6.4 %	15.80
2026	153	1,021,000	5.5 %	17.42
2027	111	932,000	5.0 %	17.03
2028	58	722,000	3.9 %	17.29
2029	90	1,015,000	5.5 %	19.00
2030	48	628,000	3.4 %	16.54
2031	90	1,108,000	6.0 %	19.67
Thereafter	293	8,607,000	46.6 %	19.94
Total	**1,610**	**17,815,000**	**96.4 %**	**$ 18.75**

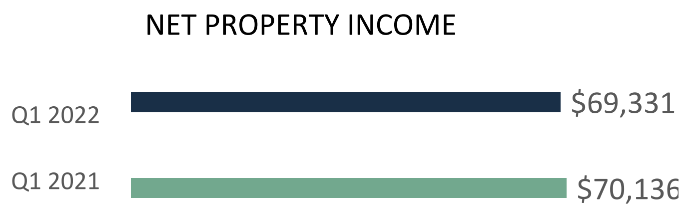
(1) Assuming tenants do not holdover on a month-to-month basis or exercise renewal options or termination rights.

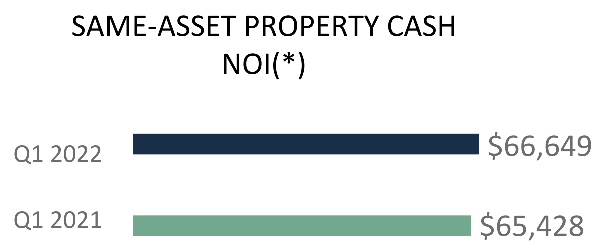
The following table sets out, as at March 31, 2022, the number of Empire leases maturing during the periods indicated, the renewal area, the percentage of the total GLA of the properties represented by such maturities, and the estimated average AMR per square foot at the time of expiry.

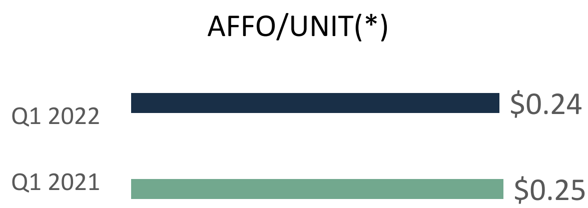
Year	Number of Leases (1)	Renewal Area (sq. ft.)	% of Total GLA	Average AMR per sq. ft. at Expiry
2022	16	192,000	1.0 %	$ 10.44
2023	3	8,000	— %	32.12
2024	4	89,000	0.5 %	10.42
2025	7	255,000	1.4 %	13.34
2026	16	353,000	1.9 %	13.97
2027	13	412,000	2.2 %	11.87
2028	9	307,000	1.7 %	15.68
2029	16	543,000	2.9 %	16.02
2030	8	294,000	1.6 %	13.62
2031	14	513,000	2.8 %	16.80
Thereafter	207	7,865,000	42.6 %	19.94
Total	**313**	**10,831,000**	**58.6 %**	**$ 18.41**

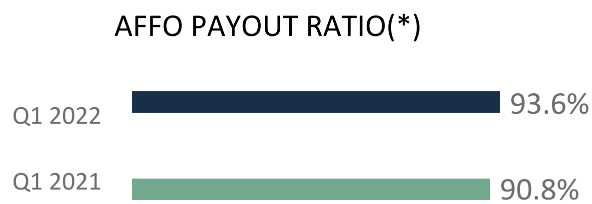
(1) Assuming tenants do not holdover on a month-to-month basis or exercise renewal options or termination rights.

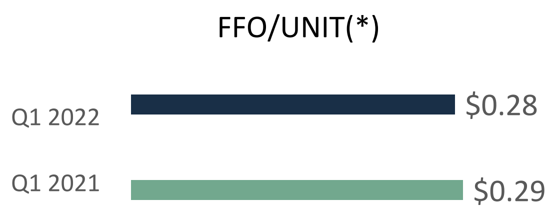
5. FINANCIAL PERFORMANCE REVIEW

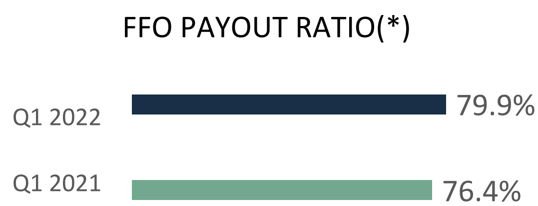












	Three months ended March 31,					
		2022		2021		Variance
Property revenue	**$**	**104,946**	$	103,537	$	1,409
Property operating expenses		**35,615**		33,401		(2,214)
Net property income		**69,331**		70,136		(805)
Net property income margin percentage		**66.1 %**		67.7 %		(1.6)%
Other items:						
Gain on disposal of investment properties		**—**		11,144		(11,144)
Depreciation and amortization		**(18,879)**		(18,795)		(84)
General and administrative expenses		**(4,853)**		(5,038)		185
Finance costs - operations		**(20,745)**		(23,461)		2,716
Gain on distribution from equity-accounted investments		**1,933**		—		1,933
Loss from equity-accounted investments		**(1,539)**		(771)		(768)
Operating income attributable to Unitholders		**25,248**		33,215		(7,967)
Distributions to Unitholders		**(39,236)**		(35,220)		(4,016)
Change in fair value of financial instruments		**211**		(1,026)		1,237
Decrease in net assets attributable to Unitholders	**$**	**(13,777)**	$	(3,031)	$	(10,746)
Operating income attributable to Unitholders per Unit, basic	**$**	**0.15**	$	0.21	$	(0.06)
Basic weighted average Units outstanding (in 000's)		**172,664**		158,281		14,383
Distributions per Unit to Unitholders	**$**	**0.22**	$	0.22	$	—
Other Non-GAAP Performance Metrics						
Same-asset property cash NOI(*)	**$**	**66,649**	$	65,428	$	1,221
FFO(*)	**$**	**49,091**	$	46,103	$	2,988
FFO(*) per Unit - basic	**$**	**0.28**	$	0.29	$	(0.01)
FFO(*) payout ratio (%)		**79.9 %**		76.4 %		3.5 %
AFFO(*)	**$**	**41,898**	$	38,779	$	3,119
AFFO(*) per Unit - basic	**$**	**0.24**	$	0.25	$	(0.01)
AFFO(*) payout ratio (%)		**93.6 %**		90.8 %		2.8 %

Operating income attributable to Unitholders

Operating income attributable to Unitholders decreased by $7,967, or 24.0%, compared to the first quarter of 2021 primarily due to a gain on disposal of investment properties of $11,144 in the first quarter of 2021. This was offset in part by lower finance costs from operations of $2,716, primarily due to lower mortgage interest of $2,216 resulting from mortgage repayments and dispositions since the first quarter of 2021, and gain on distribution from equity-accounted investments of $1,933 as a result of cash distributions received from 1600 Davie Limited Partnership in excess of our investment in the joint venture.

Net Property Income

Management uses net property income on a cash basis (property cash NOI[*]) as a measure of performance as it reflects the cash generated by properties period-over-period. Refer to the "Non-GAAP Financial Measures" section of this MD&A, starting on page 62, 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 March 31,		
	2022	2021	Variance
Net property income	**$ 69,331**	$ 70,136	$ (805)
Non-cash straight-line rent	**(2,079)**	(2,714)	635
Non-cash tenant incentive amortization [1]	**5,564**	4,535	1,029
Property cash NOI[*]	**72,816**	71,957	859
Acquisitions and dispositions property cash NOI[*]	**1,784**	2,155	(371)
Development property cash NOI[*]	**4,383**	4,374	9
Acquisitions, dispositions and development property cash NOI[*]	**6,167**	6,529	(362)
Same-asset property cash NOI[*]	**$ 66,649**	$ 65,428	$ 1,221

(1) Refer to "Amortization of Tenant Incentives" on page 28 for a breakdown of tenant incentive amortization.

Development properties include properties earning cash NOI that are currently being developed and/or have recently completed development. Change in cash NOI from development properties period-over-period is impacted by the timing of commencement and completion of each development project. The nature and extent of development projects result in operations being impacted minimally in some instances, and more significantly in others. Consequently, comparison of period-over-period development operating results may not be meaningful.

Same-asset property cash NOI[*] by asset type and market class is as follows:

	Three months ended March 31,			
	2022	2021	Variance	%
VECTOM	**$ 24,200**	$ 22,764	$ 1,436	6.3 %
Major Markets	**19,444**	19,386	58	0.3 %
Rest of Canada	**23,005**	23,278	(273)	(1.2)%
Same-asset property cash NOI[*]	**$ 66,649**	$ 65,428	$ 1,221	1.9 %

	Three months ended March 31,			
	2022	2021	Variance	%
Retail [1]	**$ 60,897**	$ 59,350	$ 1,547	2.6 %
Office	**2,752**	3,110	(358)	(11.5)%
Retail-related industrial [2]	**3,000**	2,968	32	1.1 %
Same-asset property cash NOI[*]	**$ 66,649**	$ 65,428	$ 1,221	1.9 %

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

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

Same-asset property cash NOI increased by $1,221, or 1.9%, compared to the first quarter of 2021, primarily due to a reduction of $290 in bad debt expense (recovery of $332 on same-asset properties in the first quarter of 2022 compared to recovery of $42 in the same quarter of 2021) and strong occupancy, offset in part by a decrease in lease termination income of $735, primarily in our office portfolio.

Net property income decreased by $805, primarily due to a reduction in lease termination income of $1,514, increased tenant incentive amortization of $1,029 resulting primarily from new leasing and redevelopment, and $973 from dispositions since the first quarter of 2021, offset in part by income of $1,700 from acquisitions and reduction of $1,004 in bad debt expense.

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 62, for a more detailed discussion on FFO(*).

The reconciliation of FFO(*) for the three months ended March 31, 2022 and 2021 is as follows:

	Three months ended March 31,		
	2022	2021	Variance
Decrease in net assets attributable to Unitholders	**$ (13,777)**	$ (3,031)	$ (10,746)
Add (deduct):			
Amortization of tenant incentives	**5,564**	4,535	1,029
Gain on disposal of investment properties	**—**	(11,144)	11,144
Gain on distribution from equity-accounted investments	**(1,933)**	—	(1,933)
Depreciation and amortization of investment properties	**18,524**	18,454	70
Adjustments for equity-accounted investments	**942**	369	573
Principal payments on right-of-use assets	**56**	54	2
Internal leasing costs	**690**	620	70
Finance costs - distributions to Unitholders	**39,236**	35,220	4,016
Finance costs (income) - change in fair value of financial instruments	**(211)**	1,026	(1,237)
FFO(*) as calculated based on REALPAC recommendations	**$ 49,091**	$ 46,103	$ 2,988
Basic weighted average Units (in 000's)	**172,664**	158,281	14,383
FFO(*) per Unit - basic	**$ 0.28**	$ 0.29	$ (0.01)
FFO(*) payout ratio (%)	**79.9 %**	76.4 %	3.5 %

The increase in FFO of $2,988 is primarily due to lower finance costs from operations of $2,716, driven by lower mortgage interest of $2,216 as a result of mortgage repayments and dispositions since the first quarter of 2021, income of $1,700 from acquisitions, and reduction of $1,004 in bad debt expense (recovery of $356 in the first quarter of 2022 compared to expense of $648 in the same quarter of 2021). FFO growth is offset in part by reduction in lease termination income of $1,514 and $973 from dispositions since the first quarter of 2021.

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 62, for a more detailed discussion.

The reconciliation of AFFO(*) for the three months ended March 31, 2022 and 2021 is as follows:

	Three months ended March 31,					
		2022		2021		Variance
FFO(*) as calculated based on REALPAC recommendations	**$**	**49,091**	$	46,103	$	2,988
Add (deduct):						
Straight-line rent adjustment		**(2,079)**		(2,714)		635
Straight-line rent adjustment included in loss from equity-accounted investments		**161**		—		161
Internal leasing costs		**(690)**		(620)		(70)
Maintenance expenditures on a square footage basis		**(4,585)**		(3,990)		(595)
AFFO(*) as calculated based on REALPAC recommendations	**$**	**41,898**	$	38,779	$	3,119
Basic weighted average Units (in 000's)		**172,664**		158,281		14,383
AFFO(*) per Unit - basic	**$**	**0.24**	$	0.25	$	(0.01)
AFFO(*) payout ratio (%)		**93.6 %**		90.8 %		2.8 %

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

The increase in AFFO is largely due to the impacts on FFO as described above. This was offset in part by the impact of the increase in the maintenance expenditure charge in the quarter from $0.90 to $1.00 per square foot of weighted average GLA.

Distributions to Unitholders

A trust that satisfies the criteria of a REIT throughout its taxation year will not be subject to income tax in respect of distributions to its Unitholders that would otherwise apply to trusts classified as specified investment flow-through entities ("SIFTs").

Crombie has organized its assets and operations to satisfy the criteria contained in the Income Tax Act (Canada) in regard to the definition of a REIT. Crombie's management and its advisors have completed an extensive review of Crombie's organizational structure and operations to support Crombie's assertion that it met the REIT criteria throughout 2021 and continues to do so. The relevant tests apply throughout the taxation year and, as such, the actual status of Crombie for any particular taxation year can only be ascertained at the end of the year.

Pursuant to Crombie's Declaration of Trust, cash distributions are to be determined by the Trustees at their discretion. Subject to approval of the Board of Trustees, Crombie intends to make distributions to Unitholders of not less than the amount equal to the net income and net realized capital gains of Crombie, to ensure that we will not be liable for income taxes.

Details of distributions to Unitholders are as follows:

	Three months ended March 31,					
		2022		2021		Variance
Distributions to Unitholders	**$**	**23,145**	$	20,816	$	2,329
Distributions to Class B Voting Unitholder (1)		**16,091**		14,404		1,687
Total distributions	**$**	**39,236**	$	35,220	$	4,016
FFO(*) payout ratio		**79.9 %**		76.4 %		3.5 %
AFFO(*) payout ratio		**93.6 %**		90.8 %		2.8 %

(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 table below outlines the differences between operating income attributable to Unitholders and cash distributions, in accordance with the policy guidelines.

	Three months ended March 31,		
	2022	2021	Variance
Operating income attributable to Unitholders	$ **25,248**	$ 33,215	$ (7,967)
Monthly distributions paid and payable	**(39,236)**	(35,220)	(4,016)
Operating income attributable to Unitholders in excess (shortfall) of distributions paid and payable	$ **(13,988)**	$ (2,005)	$ (11,983)

Monthly distributions paid for the three months ended March 31, 2022 and 2021 were funded with cash flows from operating activities and borrowing on the revolving credit facility.

On April 14, 2022, Crombie declared distributions of 7.417 cents per Unit for the period from April 1, 2022 up to and including April 30, 2022. The distributions will be paid on May 13, 2022, to Unitholders of record as of April 30, 2022.

Amortization of Tenant Incentives

Tenant incentives are amortized on a straight-line basis over the term of existing leases and the amortization is shown as a reduction in property revenue. From time to time, Crombie invests in value-enhancing property modernizations that result in lease amendments. These investments are amortized over the lease term and reduce the associated increase in property revenue.

	Three months ended March 31,		
	2022	2021	Variance
Regular tenant incentive amortization	$ **3,048**	$ 2,663	$ (385)
Modernization tenant incentive amortization	**2,516**	1,872	(644)
Total amortization of tenant incentives	$ **5,564**	$ 4,535	$ (1,029)

General and Administrative Expenses

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

	Three months ended March 31,		
	2022	2021	Variance
Salaries and benefits	$ **1,793**	$ 1,518	$ (275)
Unit-based compensation (1)	**1,503**	2,015	512
Professional fees	**341**	607	266
Public company costs	**434**	372	(62)
Rent and occupancy	**142**	112	(30)
Other	**640**	414	(226)
General and administrative expenses	$ **4,853**	$ 5,038	$ 185
As a percentage of property revenue	**4.6 %**	4.9 %	0.3 %

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

The reduction in general and administrative expenses is driven primarily by a decrease in Unit-based compensation costs of $512 resulting from a slight change in Unit price in the quarter compared to a greater increase in Unit price in the same period in 2021. Professional fees decreased by $266 primarily as a result of higher ESG-related costs in the first quarter of 2021. The reduction is offset in part by an increase of $275 in salaries and benefits. General and administrative expenses excluding the impact of Unit-based compensation of $1,503 is 3.2% of property revenue.

Finance Costs - Operations

	Three months ended March 31,		
	2022	2021	Variance
Fixed rate mortgages	**$ 10,234**	$ 12,450	$ 2,216
Floating rate term, revolving, and demand facilities	**493**	381	(112)
Capitalized interest	**(1,146)**	(886)	260
Senior unsecured notes	**10,098**	10,338	240
Interest income on finance lease receivable	**(143)**	(101)	42
Interest on lease liability	**521**	477	(44)
Finance costs	**20,057**	22,659	2,602
Amortization of deferred financing charges	**688**	802	114
Finance costs - operations	**$ 20,745**	$ 23,461	$ 2,716

Finance costs decreased by $2,602 primarily due to reduced total leverage since the first quarter of 2021, including reduced mortgage interest of $2,216 resulting from mortgage repayments and dispositions.

Depreciation, Amortization, and Impairment

Crombie's total fair value of investment properties exceeds carrying value by $1,208,606 at March 31, 2022 (March 31, 2021 - $955,475). 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 March 31,		
	2022	2021	Variance
Same-asset(*) depreciation and amortization	**$ 16,832**	$ 16,986	$ 154
Acquisitions, dispositions and development depreciation/amortization	**2,047**	1,809	(238)
Depreciation and amortization	**$ 18,879**	$ 18,795	$ (84)

The slight increase in depreciation and amortization of $84 is due most notably to acquisitions since the first quarter of 2021, offset in part by dispositions over the same period.

6. DEVELOPMENT

Property development is a strategic priority for Crombie to improve NAV(*), cash flow growth and Unitholder value. With urban intensification an important reality across the country, Crombie is focused on evaluating and undertaking major mixed-use developments at certain properties, where incremental costs to develop are greater than $50,000 and where development may include residential, commercial and/or retail-related industrial (“Major Developments”). This discussion of Crombie's development activities contains forward-looking information. Refer to the "Forward-looking Information" section of this MD&A starting on page 66 for additional information regarding such statements and the related risks and uncertainties.

Crombie has the potential to unlock significant value within its current pipeline of 29 major development properties over the next 15 years or longer. Crombie benefits from having solid income (NOI, FFO(*) and AFFO(*)) generated by most of these properties while working through the various approvals, entitlements, and advance preparations required before each major development can commence.

Crombie has a strategic relationship with Empire. The majority of our development properties currently have Empire as an anchor tenant. Our strategic relationship enables us to unlock value and transition from existing operating properties to construction/development of these sites on mutually agreeable terms.

Our major developments will be planned and executed to complete development of mixed-use properties with a focus on grocery-anchored retail and, wherever practical, primarily purpose-built residential rental accommodations that provide revenue, diversification and growth to Crombie. We view this approach as the optimal way to drive both NAV(*) and AFFO(*) growth. From time to time, Crombie may enter into partnerships to complete developments to share knowledge, risk and expertise. In certain cases, residential condominium uses may also be considered, as will certain other uses (e.g. retail-related industrial), to satisfy municipal requirements and/or market opportunities.

Completed Developments

The table below summarizes projects that have reached substantial completion during the quarter. Crombie recognizes substantial completion when key project milestones are met and/or project spending has reached over 90% of total project costs.

During the three months ended March 31, 2022, Crombie has reached substantial completion on the following major development project:

Property	CMA	Use	Ownership	Completion Quarter	Completed Commercial GLA	% of Commercial GLA Leased	Completed Residential GLA	Residential Units Available for Lease	Residential Units Leased	% of Residential Units Leased
Bronte Village (1)	Toronto	Mixed-use	50%	Q1 2022	54,000	76 %	466,000	481	116	24 %

(1) Total estimated cost at Bronte Village is $278,000 ($139,000 at Crombie's share) with expected yields in the 5.4% - 6.0% range. All units are available for lease. Project estimates remain unchanged from Q4 2021.

This project has reached substantial completion, thereby reducing the construction risk remaining in the development. The remaining risk is primarily related to achieving successful lease-up stabilization of vacant units at market rents, and potential changes in prevailing market rents. Any failure to achieve successful lease-up stabilization at current prevailing market rents could negatively impact expected yields for this development.

Completed GLA is based on applicable standards of area measurement determined through internal site plans and drawings, and using external massing studies, where applicable. GLA in the above table is shown at full project density.

Total estimated costs include the current carrying costs of development lands, where applicable, net of any reductions from dispositions. Total estimated project costs include land costs on existing income-producing properties upon transfer to the development, soft and hard construction costs, tenant inducements, external leasing costs, finance costs, 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.

Estimated annual NOI is calculated using estimated first year stabilized annual rent for each tenant, assuming 100% occupancy. These estimates are established using market rents, Crombie’s market knowledge, and/or externally generated market studies. The expected yield for each project is then derived by dividing the estimated annual NOI by the total estimated cost for the project.

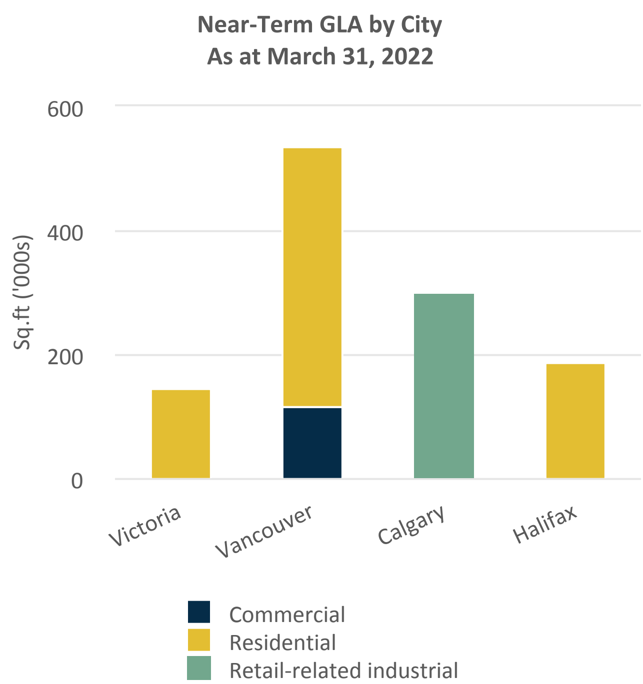
Development Pipeline

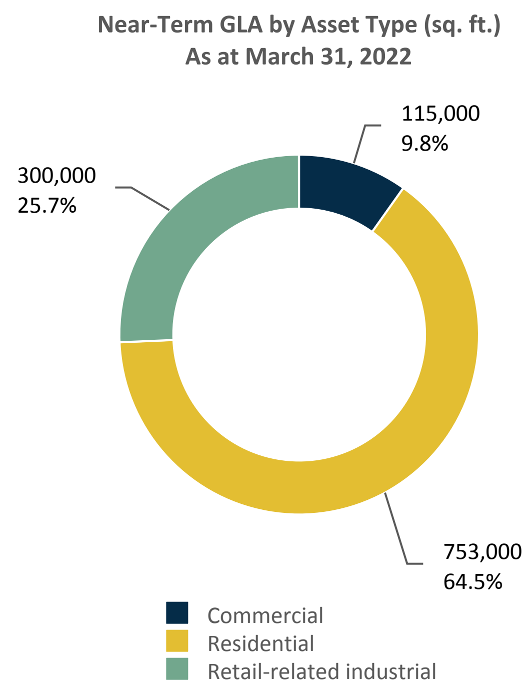
Crombie has identified 29 major development projects as at March 31, 2022 (March 31, 2021 - 29). Management uses current project assumptions to calculate the pipeline cost range, factoring in a degree of uncertainty that comes with a diverse pipeline that spans 15 years or longer. Uncertainty can come in the form of changing project scopes, moving certain properties in or out of the pipeline, variations in the entitlement process, the potential of engaging joint venture partners, dispositions of pipeline properties, and a variety of external factors that may affect project costing. Given that some of these projects may not reach the full potential of the original scope, management discloses a low and high range to reasonably estimate the pipeline costs. As of March 31, 2022, total project costs to develop the pipeline range from $4,800,000 to $6,500,000 (March 31, 2021 - $4,300,000 to $6,200,000). Crombie may enter joint venture or other partnership arrangements for these properties to share cost, revenue, risk, and development expertise, depending upon the nature of each project. Each selected project remains subject to normal development approvals, achieving required economic hurdles, and Board of Trustees' approval. In conjunction with our strategic partner Empire, Crombie management continuously reviews and prioritizes development opportunities that drive NAV[(*)] and AFFO[(*)] growth, including high-density urban redevelopment, new grocery-anchored retail, retail-related industrial e-commerce facilities, and land-use intensification.

The pipeline was reduced from 31 projects in Q4 2021 to 29 projects in Q1 2022 as a result of the substantial completion of Bronte Village and the determination by Crombie that it does not intend to pursue development, either by itself or through a joint venture, at the 10355 King George Boulevard property at this time.

Near-term Projects

As Crombie neared completion on its initial major development projects, a change in development disclosure was implemented in 2021. To emphasize the timing of the next wave of developments, Crombie has shifted from an active / future division of its pipeline to a three-tiered timing-based approach. Near-term projects are financially committed or expected to be committed within the next two years. Medium-term projects have a timeline to commitment of two years to five years and long-term projects are expected to be committed within five to fifteen years. Crombie has five projects in the near-term category.





The table below provides additional detail into Crombie's near-term developments.

			Full Project Density			
Property	City	% Ownership	Commercial GLA	Retail-related industrial GLA	Residential GLA	Residential Units
Voilà CFC 3 (Calgary) (1)	Calgary	100%	—	300,000	—	—
Westhill on Duke	Halifax	100%	—	—	188,000	280
1780 East Broadway (Broadway and Commercial)	Vancouver	50% (2)	115,000	—	420,000	650
Belmont Market - Phase II	Victoria	100%	—	—	145,000	200
Opal Ridge - Penhorn (3)	Halifax	50%	—	—	—	—
Total Near-term Developments			**115,000**	**300,000**	**753,000**	**1,130**

(1) This project is financially committed and under active development.
(2) Crombie will own 100% of the commercial portion of this development.
(3) Development related to 26 acres of land at Penhorn Mall in Halifax, NS, involves the rezoning and sale or development of multi-family parceled lots approximating 900 units. Crombie has the option to participate in development of certain parcels but the numbers above are based on sale of all land parcels. Opal Ridge - Penhorn was formerly referred to as Penhorn Lands.

Estimated GLA on completion is based on applicable standards of area measurement determined through internal site plans and drawings, and using external massing studies, where applicable.

Near-term Project Update

Voilà CFC 3, Calgary, Alberta
Type: Retail-related industrial
Ownership: 100%
Project status: The Calgary Voilà CFC is the third Empire grocery e-commerce fulfillment hub in Canada powered by Ocado plc's industry-leading technology. Crombie closed on the acquisition of the 25-acre site in June 2021. Building steel, roof decking and significant portions of interior mezzanines are nearing completion. Significant areas of the building are enclosed with interior floors and tenant fit-up work to commence in Q2 2022. Retail-related industrial GLA of this project will total approximately 300,000 square feet.

Westhill on Duke, Halifax, Nova Scotia
Type: Residential
Ownership: 100%
Project status: Westhill on Duke is a planned 280-unit residential rental project in the heart of downtown Halifax, located within the Scotia Square mixed-use retail, office, and hotel complex. The site is entitled and a development application has been submitted. The project is expected to be ready for commencement in late 2022 or early 2023.

1780 East Broadway (Broadway & Commercial), Vancouver, British Columbia
Type: Retail / Residential
Ownership: 100% retail, 50% residential and office
Project status: East Broadway is a proposed major mixed-use redevelopment on 2.43 acres of land located at the busiest transit node in Western Canada. A rezoning application is in process with the City of Vancouver that comprises a mix of grocery-anchored retail, rental residential, and market condos. Crombie anticipates completion of rezoning in 2022 and construction commencement in late 2023 - early 2024.

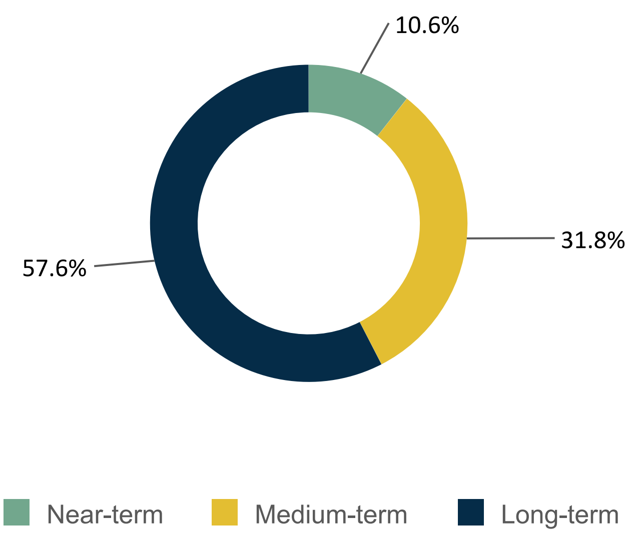
Belmont Market - Phase II, Victoria, British Columbia
Type: Residential
Ownership: 100%
Project status: Belmont Market - Phase II envisions the development of approximately 200 residential units on the remaining 75,000 square feet of land within the Belmont Market development area. The lands are fully entitled and could be ready for construction commencement in 2023.

Opal Ridge - Penhorn (formerly Penhorn Lands), Halifax, Nova Scotia
Type: Land Development / Residential
Ownership: 50%
Project status: Crombie continues to work with our development partner, Clayton Developments Limited, to enable a 26-acre mixed-use development at this prime location. Development approval is anticipated in mid-2022 with commencement of land sales closing in late 2022. The potential exists for approximately 900 units, and Crombie and its partner have the option to participate in developing certain parcels.

Total Development Pipeline

In addition to near-term projects, Crombie is actively working on its pipeline to ensure a consistent inventory of projects. The following table details total project cost estimates by category at March 31, 2022:

Crombie Development Spending by Project Timeline
As at March 31, 2022



		At Crombie's Share ($ in millions)		
Project Timeline	Number of Projects	Total Estimated Costs	Total Spend to Date [1]	Estimated Cost to Complete
Near-term	5	$ 500-700	$ 90	$ 410-610
Medium-term	6	1,600-2,100	50	1,550-2,050
Long-term	18	2,700-3,700	170	2,530-3,530
Total Pipeline	**29**	**$ 4,800-6,500**	**$ 310**	**$ 4,490-6,190**

(1) Costs include Crombie's total investment in land at these properties.

10355 King George Boulevard, the multi-phased development project, was removed from the above table. Project count was previously identified in the medium-term with costs expected in the medium to long-term horizons.

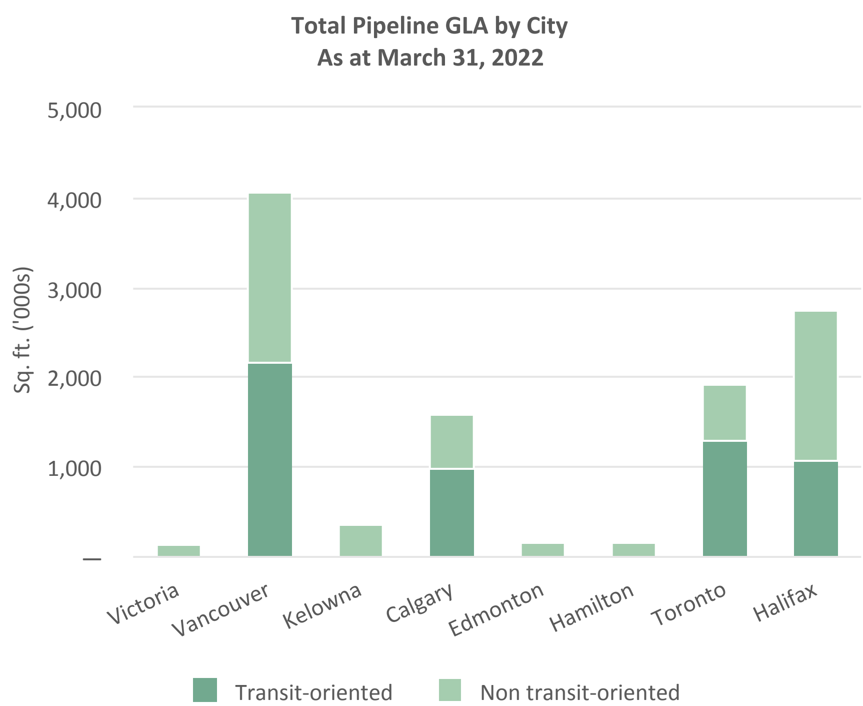
Crombie continuously monitors and evaluates the potential pipeline to optimize value creation. With a strong commitment to portfolio growth, Crombie actively analyzes costs and market opportunities amongst the potential pipeline in order to maximize NOI and NAV[*] creation.

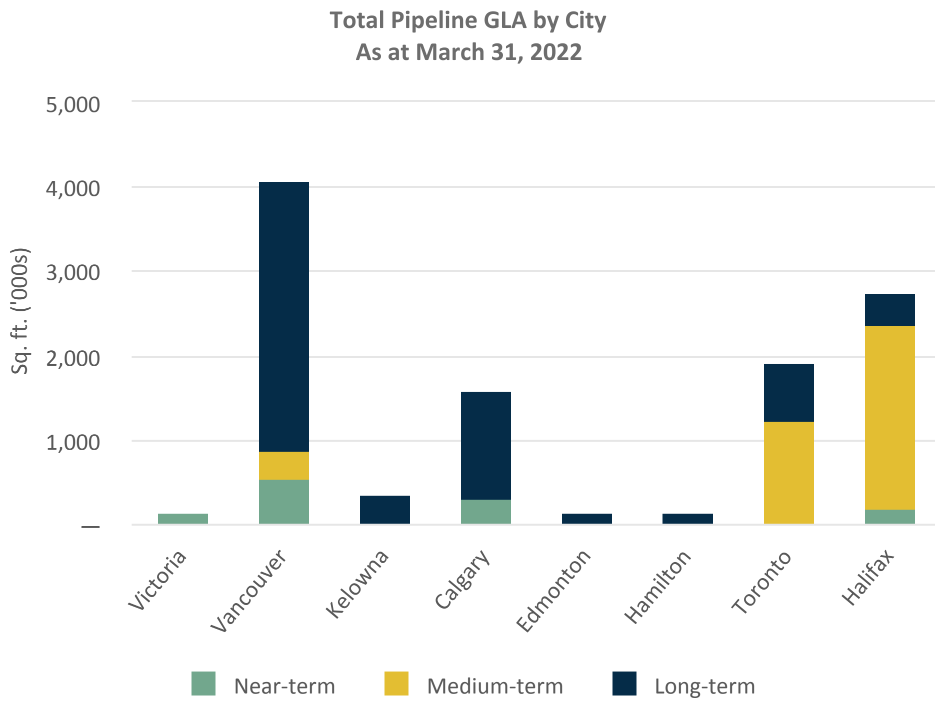
Estimated total costs include the current carrying costs of development lands, net of any proceeds from dispositions. Total estimated costs include land cost on the existing income-producing properties upon transfer to the development, soft and hard construction costs, tenant inducements, external leasing costs, finance costs, and capitalized interest and other carrying costs, such as capitalized construction and development wages, and property taxes. These costs are determined by using internal knowledge and external professional resources, where applicable. Project capital cost uncertainty exists, and project cost estimates contain a contingency for capital cost exceedances in the ordinary course. Historically, capital cost exceedances in the 5% - 10% range are reflective of such contingencies.

For joint venture projects, our partners may provide estimates, which Crombie reviews and analyzes to determine final estimates.

These estimates and assumptions are reviewed and updated regularly and are subject to changes that could be material. Estimated total costs are based on assumptions that are updated regularly, based on revised site plans, cost tendering processes, market studies and continuing tenant negotiations. These assumptions are based on access to job sites, supplies and labour availability, ability to attract tenants, estimated GLA, tenant mix among rental, 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 1,117,000 square feet of commercial GLA, 300,000 square feet of retail-related industrial GLA and up to 9,717,000 square feet (up to 11,310 units) of residential GLA (which may include a combination of rental or condominium units).





Total Pipeline Density by Project Timeline

Project Timeline	Commercial GLA	Retail-related industrial GLA	Residential GLA	Residential Units
Near-term	115,000	300,000	753,000	1,130
Medium-term	170,000	—	3,595,000	4,000
Long-term	832,000	—	5,369,000	6,180
Total Pipeline	**1,117,000**	**300,000**	**9,717,000**	**11,310**

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 8 of these 29 potential major projects identified for imminent rezoning and is currently in various stages of entitlement pursuit as noted in the following chart:

	Crombie's Entitled Projects					
	Number of Projects	Estimated Commercial Sq. ft. (1)	Estimated Retail-related industrial Sq. ft (1)	Estimated Residential Sq. ft. (1)	Estimated Total Sq. ft. (1)	Residential Units (1)
Near-term:						
Zoned	3	—	300,000	333,000	633,000	480
Application Submitted (2)	2	115,000	—	420,000	535,000	650
Total Near-term	5	115,000	300,000	753,000	1,168,000	1,130
Medium / Long-term:						
Zoned	2	52,000	—	1,209,000	1,261,000	1,420
Application Submitted	1	46,000	—	969,000	1,015,000	980
Total	**8**	**213,000**	**300,000**	**2,931,000**	**3,444,000**	**3,530**

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

(2) Rezoning application related to 26 acres of land at Opal Ridge- Penhorn in Halifax, NS, involves the rezoning and sale or development of multi-family parceled lots

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

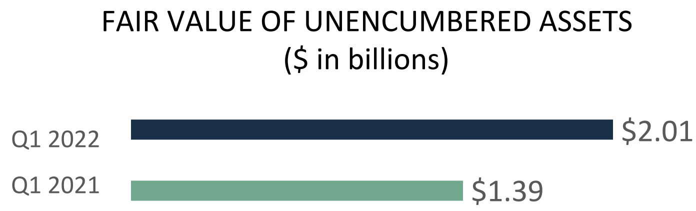
The following table lists the 29 identified Potential Major Development locations and certain key features of each property. Potential developments in the table following are organized in order of potential construction commencement:

Major Development Pipeline

	Existing Property	CMA	Site Size (acres)	Transit Oriented	Existing Tenants	Potential Commercial Expansion	Potential Residential Expansion	Entitlement Status	Project Timing
1	Voilà CFC 3 (Calgary)	Calgary	25.00	No	N/A	Yes	No	Zoned	Near-term
2	Westhill on Duke (1)	Halifax	0.46 (2)	Yes	N/A	Yes	Yes	Zoned	Near-term
3	Belmont Market - Phase II	Victoria	1.70	No	Land	No	Yes	Zoned	Near-term
4	Opal Ridge - Penhorn(3)	Halifax	26.12	No	Land	Yes	Yes	Application Submitted	Near-term
5	1780 East Broadway (Broadway and Commercial)	Vancouver	2.43	Yes	Safeway	Yes	Yes	Application Submitted	Near-term
6	Brunswick Place	Halifax	0.75(4)	Yes	Office	Yes	Yes	Zoned	Medium-term
7	McCowan & Ellesmere	Toronto	4.48	Yes	FreshCo/Other	Yes	Yes	Application Submitted	Medium-term
8	1170 East 27 Street (Lynn Valley)	Vancouver	2.82	No	Safeway	Yes	Yes	Pre-Planning	Medium-term
9	Park West	Halifax	19.66	Yes	Retail	Yes	Yes	Pre-Planning	Medium-term
10	Toronto East	Toronto	0.45	Yes	Foodland	Yes	Yes	Pre-Planning	Medium-term
11	Broadview	Toronto	1.43	Yes	Dollarama	Yes	Yes	Pre-Planning	Medium-term
12	Barrington Residential (5)	Halifax	0.68	Yes	Land	Yes	Yes	Zoned	Long-term
13	Fleetwood	Vancouver	4.45	Yes	Safeway	Yes	Yes	Future	Long-term
14	1818 Centre Street	Calgary	2.18	Yes	Safeway	Yes	Yes	Future	Long-term
15	3130 Danforth	Toronto	0.79	Yes	The Beer Store	Yes	Yes	Pre-Planning	Long-term
16	2733 West Broadway	Vancouver	1.95	Yes	Safeway	Yes	Yes	Future	Long-term
17	Centennial Parkway	Hamilton	2.75	No	Retail	Yes	Yes	Future	Long-term
18	990 West 25 Avenue (King Edward)	Vancouver	1.80	No	Safeway	Yes	Yes	Future	Long-term
19	524 Elbow Drive SW (Mission)	Calgary	1.60	No	Safeway	Yes	Yes	Future	Long-term
20	Robson Street	Vancouver	1.15	No	Safeway	Yes	Yes	Future	Long-term
21	Port Coquitlam	Vancouver	5.31	No	Safeway	Yes	Yes	Future	Long-term
22	410 10 Street NW (Kensington)	Calgary	1.73	Yes	Safeway	Yes	Yes	Future	Long-term
23	813 11 Avenue SW (Beltline)	Calgary	2.59	Yes	Safeway	Yes	Yes	Future	Long-term
24	3410 Kingsway (Kingsway and Tyne)	Vancouver	3.74	Yes	Safeway/Other	Yes	Yes	Future	Long-term
25	East Hastings	Vancouver	3.30	No	Safeway/Other	Yes	Yes	Future	Long-term
26	Bernard Ave	Kelowna	1.83	No	Safeway	Yes	Yes	Future	Long-term
27	10930 82 Avenue (Whyte Ave)	Edmonton	2.44	No	Safeway/Other	Yes	Yes	Future	Long-term
28	New Westminster	Vancouver	2.82	No	Safeway	Yes	Yes	Future	Long-term
29	Brampton Mall	Toronto	8.74	No	Office/Retail	Yes	Yes	Future	Long-term

(1) Westhill on Duke was formerly referred to as Westhill and Scotia Square residential
(2) Westhill on Duke can be developed through densification on 0.46 acres of the existing 9.05-acre Scotia Square site
(3) Opal Ridge - Penhorn was formerly referred to as Penhorn Lands
(4) Brunswick Place can be developed through densification on the existing 0.75-acre Brunswick Place Parkade
(5) Barrington Residential was formerly referred to as Triangle Lands

7. CAPITAL MANAGEMENT



We continue to reduce risk and build financial strength by strategically managing our capital structure and optimizing capital allocation to generate long-term value for our stakeholders. Our continued success is underpinned by a strong balance sheet and more than adequate liquidity, and an investment-grade credit rating profile providing the company with a solid financial foundation and great financial flexibility.

Capital Management Framework

The real estate industry is highly capital intensive.

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

1. to maintain multiple sources of both debt and equity financing;
2. to reduce risk by prefunding capital commitments;
3. to source capital with the lowest cost on a long-term basis and to maintain overall indebtedness at reasonable levels, utilize staggered debt maturities, minimize long-term exposure to excessive levels of floating rate debt; and
4. maintain conservative payout ratios.

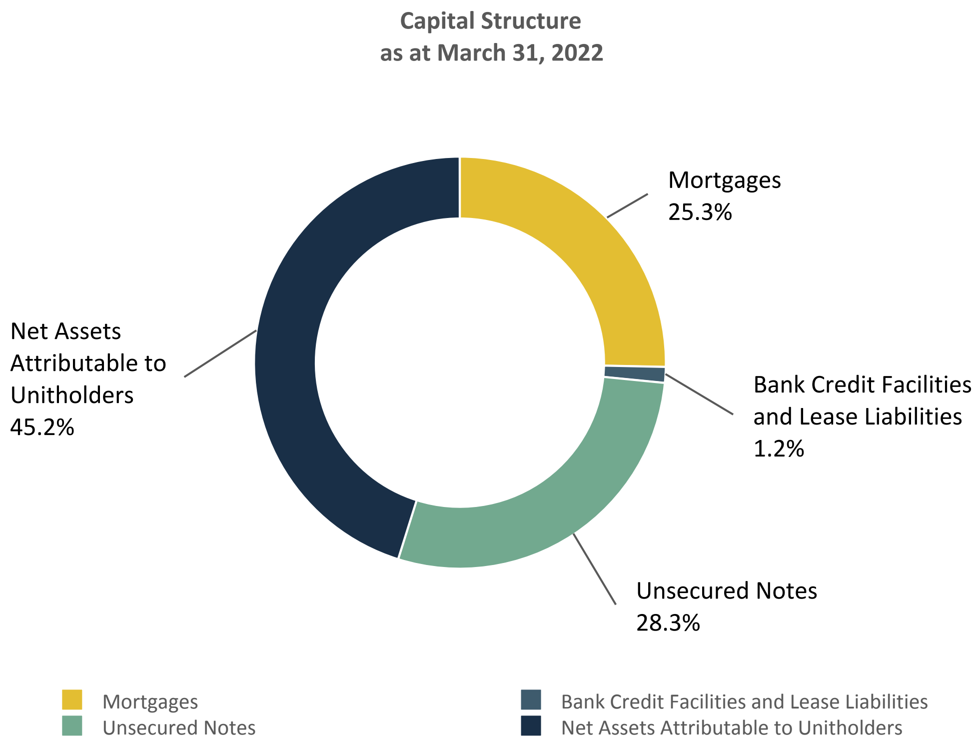
At a minimum, Crombie's capital structure is managed to ensure that it complies with the limitations pursuant to its Declaration of Trust, the criteria contained in the Income Tax Act (Canada) in regard to the definition of a REIT, and existing debt covenants.

Crombie's Declaration of Trust sets out the investment guidelines for Crombie's capital deployment. The Declaration of Trust outlines the minimum due diligence that must be completed prior to a project being approved by the Investment Committee and/or Board. Crombie's Board ensures continued compliance with the Declaration of Trust through the review and approval of the annual operating and capital budgets, annual confirmation of Crombie's strategic plan, and approval of individual projects. The annual budget will detail the level of projected capital spend for a given year and how the required capital will be funded, as well as various key performance indicators and impacts on debt covenants. The Board monitors performance quarterly or on a more frequent basis, if needed. In addition, the Board and management regularly review unspent committed capital (i.e. unfunded capital requirements of partially completed projects), with a lens towards Crombie's available liquidity, leverage metrics and sources of financing.

Crombie expects to be able to satisfy all of its financing requirements through the use of some or all of the following:

- Cash on hand;
- Cash flow generated from operating the property portfolio;
- Bank credit facilities;
- Proceeds from partial or full disposition of select non-core investment properties;
- Traditional construction financing;
- CMHC-insured mortgages on residential properties;
- Secured mortgages and term debt on unencumbered properties;
- Issuance of senior unsecured notes;
- The issuance of new Units; and
- The issuance of Units under its distribution reinvestment plan ("DRIP").

Strong Capital Structure



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

		March 31, 2022			December 31, 2021	
Fixed rate mortgages	$	**1,004,961**	**25.3 %**	$	1,067,859	27.7 %
Drawn credit facilities		**13,782**	**0.3 %**		29,124	0.8 %
Senior unsecured notes		**1,121,458**	**28.3 %**		1,121,267	29.1 %
Lease liabilities		**35,095**	**0.9 %**		35,352	0.9 %
Net assets attributable to Crombie REIT Unitholders		**1,060,659**	**26.8 %**		950,271	24.7 %
Net assets attributable to Special Voting Units and Class B Limited Partnership Unitholders		**728,996**	**18.4 %**		647,221	16.8 %
Total capital structure	**$**	**3,964,951**	**100.0 %**	$	3,851,094	100.0 %

Debt Metrics

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

	March 31, 2022	December 31, 2021	March 31, 2021
Unencumbered investment properties [1]	**$ 2,009,252**	$ 1,752,927	$ 1,388,141
Unencumbered investment properties [1] as a % of unsecured debt[*]	**178.6 %**	128.8 %	119.7 %
Debt to gross fair value[*] [2]	**42.4 %**	45.2 %	50.1 %
Weighted average interest rate [3]	**3.8 %**	3.8 %	3.9 %
Debt to trailing 12 months adjusted EBITDA[*] [2] [4]	**8.70x**	8.96x	10.39x
Interest coverage ratio[*] [4]	**3.27x**	3.06x	3.01x

(1) Represents fair value of unencumbered properties.
(2) The prior year calculations have been restated to include Crombie's share of debt and assets held in joint ventures.
(3) Weighted average interest rate is calculated based on interest rates for all outstanding fixed rate debt.
(4) The prior year calculations have been restated to include Crombie's share of revenue and expenses in joint ventures.

Crombie has continued to grow its unencumbered asset pool, increasing its fair value from $1,752,927 as at December 31, 2021 to $2,009,252 as at March 31, 2022. This increase is primarily due to mortgage repayments and acquisitions of unencumbered assets.

Debt to Gross Fair Value[*]

When calculating debt to gross fair value[*], debt is defined under the terms of the Declaration of Trust as obligations for borrowed money including obligations incurred in connection with acquisitions, excluding specific deferred taxes payable, trade payables, and accruals in the ordinary course of business and distributions payable. Debt includes Crombie's share of debt held in equity-accounted joint ventures.

Gross fair value includes investment properties measured at fair value, including Crombie's share of those held within joint ventures. All other components of gross fair value are measured at the carrying value included in Crombie's financial statements. Crombie's methodology for determining the fair value of investment properties includes capitalization of trailing 12 months net property income using biannual capitalization rates from external property valuators. 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 March 31, 2022 and December 31, 2021, respectively, based on each property's current use as a revenue-generating investment property. During the three months ended March 31, 2022, Crombie's weighted average capitalization rate used in the determination of the fair value of its investment properties remains at 5.65%, unchanged from December 31, 2021. Crombie's weighted average capitalization rate used in the determination of the fair value of its share of investment properties held in equity-accounted joint ventures was 3.52% during the three months ended March 31, 2022, an increase of 0.22% from December 31, 2021. For an explanation of how Crombie determines capitalization rates, see the "Other Disclosures" section of this MD&A, under "Investment Property Valuation" in the "Use of Estimates and Judgments" section.

Debt to gross fair value[*] was 42.4% at March 31, 2022 compared to 45.2% at December 31, 2021.

The improvement in the leverage ratio during the three months ended March 31, 2022 was primarily the result of an increase in total gross fair value of investment properties of $234,000. Acquisitions and additional spending on developments increased the fair value of investment properties by $173,000. In addition, the fair value of investment properties held in joint ventures increased $61,000 primarily due to the substantial completion of Bronte Village in the quarter. Mortgage and credit facilities repayments reduced outstanding debt by $58,122 from December 31, 2021, which also contributed to the improvement in the ratio. This was offset, in part, by a reduction in other assets of $10,342 due to lower accounts receivable balances.

		March 31, 2022		December 31, 2021 [1]
Fixed rate mortgages	$	**1,010,459**	$	1,073,895
Senior unsecured notes		**1,125,000**		1,125,000
Revolving credit facility		**3,783**		9,220
Joint operation credit facility		**9,999**		9,904
Bilateral credit facility		**—**		10,000
Debt held in joint ventures, at Crombie's share [2] [3]		**267,168**		246,308
Lease liabilities		**35,095**		35,352
Total debt outstanding		**2,451,504**		2,509,679
Less: Applicable fair value debt adjustment		**—**		(53)
Adjusted debt[*]	$	**2,451,504**	$	2,509,626
Investment properties, fair value	$	**5,199,000**	$	5,026,000
Investment properties held in joint ventures, fair value, at Crombie's share [3]		**448,000**		387,000
Other assets, cost [4]		**88,482**		102,683
Other assets, cost, held in joint ventures, at Crombie's share [3] [4] [5]		**22,229**		18,370
Cash and cash equivalents		**3,915**		3,915
Cash and cash equivalents held in joint ventures, at Crombie's share [3]		**4,953**		4,453
Deferred financing charges		**9,040**		9,769
Interest rate subsidy		**—**		(53)
Gross fair value	$	**5,775,619**	$	5,552,137
Debt to gross fair value[*]		**42.4 %**		45.2 %

(1) The prior year calculation has been restated to include Crombie's share of debt and assets held in joint ventures.
(2) Includes Crombie's share of fixed and floating rate mortgages, construction loans, revolving credit facility, and lease liabilities held in joint ventures.
(3) See the "Joint Ventures" section of this MD&A.
(4) Other assets exclude tenant incentives and related accumulated amortization, and accrued straight-line rent receivable.
(5) Other assets held in joint ventures include deferred financing charges.

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

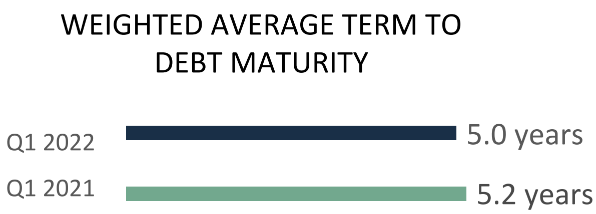
The following table presents a reconciliation of property revenue to adjusted EBITDA(*). Adjusted EBITDA(*) is a non-GAAP measure and should not be considered an alternative to operating income attributable to Unitholders and may not be comparable to that used by other entities. Refer to the "Non-GAAP Financial Measures" section of this MD&A, starting on page 62, for more information.

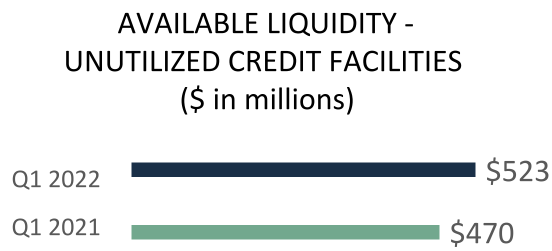
As of March 31, 2022, where Crombie has completed a number of developments in joint ventures, we have now changed our methodology in calculating adjusted EBITDA(*) to include Crombie's share of revenue, operating expenses, and general and administrative expenses in joint ventures. Interest service coverage(*) and debt service coverage(*) calculations now include Crombie's share of finance costs - operations and debt repayments in joint ventures. Prior quarters have been restated to reflect this new methodology.

	Three months ended							
	Mar. 31, 2022	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020
Property revenue	**$ 104,946**	$ 103,832	$ 101,517	$ 100,006	$ 103,537	$ 97,060	$ 92,920	$ 96,501
Property revenue in joint ventures, at Crombie's share	**2,356**	2,100	1,578	968	442	248	246	207
Amortization of tenant incentives	**5,564**	5,249	5,187	4,840	4,535	4,859	4,752	4,419
Adjusted property revenue	**112,866**	111,181	108,282	105,814	108,514	102,167	97,918	101,127
Property operating expenses	**(35,615)**	(32,430)	(30,216)	(29,814)	(33,401)	(29,245)	(27,503)	(37,887)
Property operating expenses in joint ventures, at Crombie's share	**(903)**	(724)	(695)	(483)	(203)	(86)	(50)	(50)
General and administrative expenses	**(4,853)**	(7,367)	(5,728)	(7,351)	(5,038)	(5,493)	(5,062)	(6,960)
General and administrative expenses in joint ventures, at Crombie's share	**(150)**	(32)	(47)	(110)	(96)	(130)	(26)	—
Adjusted EBITDA(*) [1]	**$ 71,345**	$ 70,628	$ 71,596	$ 68,056	$ 69,776	$ 67,213	$ 65,277	$ 56,230
Trailing 12 months adjusted EBITDA(*) [4]	**$ 281,626**	$ 280,057	$ 276,643	$ 270,324	$ 258,498	$ 256,689	$ 254,357	$ 256,822
Finance costs - operations	**$ 20,745**	$ 22,639	$ 23,070	$ 23,618	$ 23,461	$ 24,912	$ 22,250	$ 22,006
Finance costs - operations in joint ventures, at Crombie's share	**1,776**	1,157	1,031	568	546	335	49	13
Amortization of deferred financing charges	**(688)**	(742)	(759)	(764)	(802)	(835)	(737)	(683)
Adjusted interest expense(*) [2]	**$ 21,833**	$ 23,054	$ 23,342	$ 23,422	$ 23,205	$ 24,412	$ 21,562	$ 21,336
Debt principal repayments	**$ 9,979**	$ 11,304	$ 11,343	$ 11,229	$ 10,548	$ 10,715	$ 10,786	$ 10,395
Debt principal repayments in joint ventures, at Crombie's share	**279**	12	15	15	15	15	15	15
Debt principal repayments [3]	**$ 10,258**	$ 11,316	$ 11,358	$ 11,244	$ 10,563	$ 10,730	$ 10,801	$ 10,410
Debt outstanding (see Debt to Gross Fair Value(*)) [5] (1)	**$ 2,451,504**	$ 2,509,626	$ 2,651,936	$ 2,621,803	$ 2,685,835	$ 2,641,817	$ 2,503,175	$ 2,455,999
Interest service coverage(*) ratio {[1]/[2]}	**3.27x**	3.06x	3.07x	2.91x	3.01x	2.75x	3.03x	2.64x
Debt service coverage(*) ratio {[1]/([2]+[3])}	**2.22x**	2.05x	2.06x	1.96x	2.07x	1.91x	2.02x	1.77x
Debt to trailing 12 months adjusted EBITDA(*) {[5]/[4]}	**8.70x**	8.96x	9.59x	9.70x	10.39x	10.29x	9.84x	9.56x

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

Debt Profile





Mortgages

Crombie had outstanding fixed rate mortgages consisting of:

	March 31, 2022	December 31, 2021
Fixed rate mortgages	$ 1,010,185	$ 1,073,553
Unamortized fair value debt adjustment and interest rate subsidy	274	342
	1,010,459	1,073,895
Deferred financing charges on fixed rate mortgages	(5,498)	(6,036)
Total mortgage debt	$ 1,004,961	$ 1,067,859
Long-term portion	$ 835,019	$ 893,364
Current portion	$ 169,942	$ 174,495
Weighted average interest rate	4.05 %	4.00 %
Weighted average term to maturity	4.9 years	4.9 years

From time to time, Crombie has entered into interest rate swap agreements to manage the interest rate profile of its current or future debts without an exchange of the underlying principal amount (see “Interest Rate Risk”). Crombie currently has interest rate swap agreements in place on $108,777 of floating rate debt.

Senior Unsecured Notes ("Notes")

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

	Maturity Date	Effective Interest Rate	March 31, 2022	December 31, 2021
Series D	November 21, 2022	4.066 %	$ 150,000	$ 150,000
Series E	January 31, 2025	4.802 %	175,000	175,000
Series F	August 26, 2026	3.677 %	200,000	200,000
Series G	June 21, 2027	3.917 %	150,000	150,000
Series H	March 31, 2028	2.686 %	150,000	150,000
Series I	October 9, 2030	3.211 %	150,000	150,000
Series J	August 12, 2031	3.133 %	150,000	150,000
Deferred financing charges			(3,542)	(3,733)
Total senior unsecured notes			$ 1,121,458	$ 1,121,267
Long-term portion			$ 971,458	$ 971,267
Current portion			$ 150,000	$ 150,000
Weighted average interest rate			3.67 %	3.67 %
Weighted average term to maturity			5.2 years	5.4 years

There are no required periodic principal payments, with the full face value of the notes due on their respective maturity dates.

Credit Facilities

The following floating rate credit facilities had balances drawn as at March 31, 2022 and December 31, 2021:

	Available Facility	Weighted average term to maturity	March 31, 2022	December 31, 2021
Revolving credit facility	$ 400,000	3.2 years	$ 3,783	$ 9,220
Unsecured bilateral credit facility	130,000	1.2 years	—	10,000
Joint operation credit facility I	7,167	2.1 years	7,167	7,167
Joint operation credit facility II	3,520	2.5 years	2,832	2,737
Total credit facilities	$ 540,687	2.5 years	$ 13,782	$ 29,124

The revolving credit facility is secured by a pool of first mortgages on certain properties and has a maturity date of June 30, 2025. The unsecured bilateral credit facility is used by Crombie for working capital purposes and to provide temporary financing for acquisitions and development activity. The unsecured bilateral credit facility has a maturity date of June 30, 2023. Joint operation credit facility I consists of term loan and revolving credit facilities which are secured by first mortgages on select properties. Joint operation credit facility II also consists of term loan and revolving credit facilities which are secured by first and second mortgages on select properties. Crombie and its co-ownership partners entered into a fixed for floating interest rate swap, effectively fixing the interest rate on both joint operation facilities. Borrowings under all credit facilities are possible by way of Bankers' Acceptance or prime rate advance, and the floating interest rate is contingent on the type of advance plus the applicable spread or margin.

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

At March 31, 2022, the remaining amount available under the revolving credit facility was approximately $396,000 (prior to reduction for standby letters of credit outstanding of $3,058) 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 also require annualized NOI on all properties to be a minimum of 1.4 times the coverage of all annualized debt service requirements and cash distributions to Unitholders to be limited to 100% of funds from operations as defined in the credit facilities.

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

		Twelve months ending March 31,					
	Contractual Cash Flows (1)	2023	2024	2025	2026	2027	Thereafter
Fixed rate mortgages - principal and interest	$ 344,104	$ 74,535	$ 56,711	$ 36,084	$ 29,570	$ 25,996	$ 121,208
Fixed rate mortgages - maturities	826,628	133,169	331,310	82,872	20,476	98,634	160,167
Senior unsecured notes	1,325,038	189,074	35,176	208,776	26,776	222,382	642,854
Trade and other payables	117,810	92,515	4,892	2,814	1,878	1,743	13,968
Lease liabilities	153,467	2,978	2,897	2,788	2,738	2,640	139,426
	2,767,047	492,271	430,986	333,334	81,438	351,395	1,077,623
Credit facilities	14,842	441	441	10,154	3,806	—	—
Total	**$ 2,781,889**	**$ 492,712**	**$ 431,427**	**$ 343,488**	**$ 85,244**	**$ 351,395**	**$ 1,077,623**

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

Crombie's contractual debt obligations and projected development expenditures can be funded from the following financing sources:

- secured and unsecured short-term financing subject to available Borrowing Base;
- recycling capital through the disposition of select investment properties;
- secured mortgage and term debt on unencumbered properties;
- the issuance of additional senior unsecured notes;
- the issuance of new Units; and
- entering into new joint arrangements.

Debt Maturities

Principal repayments of the fixed rate mortgages, unsecured notes, and credit facilities are scheduled as follows:

	Maturing Debt Balances							
12 Months Ending	Mortgages	Senior Unsecured Notes	Credit Facilities	Total	% of Total	Payments of Principal	Total Required Payments	% of Total
Remainder of 2022	$ 83,090	$ 150,000	$ —	$ 233,090	11.9 %	$ 28,037	$ 261,127	12.2 %
December 31, 2023	227,405	—	—	227,405	11.6 %	31,647	259,052	12.1 %
December 31, 2024	226,268	—	9,999	236,267	12.0 %	20,177	256,444	11.9 %
December 31, 2025	30,596	175,000	3,783	209,379	10.6 %	16,251	225,630	10.5 %
December 31, 2026	12,401	200,000	—	212,401	10.8 %	14,235	226,636	10.5 %
Thereafter	246,868	600,000	—	846,868	43.1 %	73,210	920,078	42.8 %
Total (1)	**$ 826,628**	**$ 1,125,000**	**$ 13,782**	**$ 1,965,410**	**100.0 %**	**$ 183,557**	**$ 2,148,967**	**100.0 %**

(1) Excludes fair value debt adjustment and deferred financing charges.

Outstanding Unit Data

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

On January 31, 2022, Crombie closed a public offering, on a bought deal basis, of 6,705,000 Units, at a price of $17.45 per Unit for proceeds of $112,032 net of issue costs. On the same date, concurrent with the issue of the REIT Units, in satisfaction of its pre-emptive right, ECL Developments (ECLD), a wholly owned subsidiary of Empire, purchased 4,756,446 Class B LP Units and the attached Special Voting Units at a price of $17.45 per Class B LP Unit, for proceeds of $82,871 net of issue costs, on a private placement basis. After the closing of the public offering and the private placement, Empire continues to hold a 41.5% economic and voting interest in Crombie.

For the three months ended March 31, 2022, Crombie issued 269,771 REIT Units and 191,166 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 April 30, 2022, were as follows:

Units	104,419,495
Special Voting Units [1]	72,442,967

(1) Crombie Limited Partnership, a subsidiary of Crombie, has issued 72,442,967 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 March 31,		
	2022	2021	Variance
Cash provided by (used in):			
Operating activities	**$ 60,939**	$ 40,408	$ 20,531
Financing activities	**64,571**	(32,873)	97,444
Investing activities	**(125,510)**	(14,305)	(111,205)
Net change during the period	**$ —**	$ (6,770)	$ 6,770

Operating Activities

The increase in cash provided by operating activities in the quarter is primarily due to lower additions to tenant incentives ($17,599 compared to $29,957 in 2021) and a positive increase in working capital of $6,617.

Financing Activities

The increase in cash provided by financing activities is due to the Unit issuance of $194,903 net of issue costs in the quarter. This is offset in part by mortgage repayments $42,974 higher than in the first quarter of 2021, repayments on floating rate credit facilities of $15,342 compared to the net amount drawn on floating rate credit facilities of $19,927 during the same period in 2021, and mortgage issuances of $25,550 in the first quarter of 2021.

Investing Activities

The increase in cash used in investing activities results primarily from acquisitions of investment properties of $97,225 in the quarter compared to acquisitions of $46,044 and proceeds of $41,561 from dispositions in the same period in 2021, and additions to investments properties $27,252 higher than in the first quarter of 2021. This is partially offset by repayment of subordinated notes receivable due from related parties of $5,169 and increased distributions from equity-accounted investments of $4,326.

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 March 31, 2022, Crombie has a total of $3,058 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 March 31, 2022, Crombie had signed construction contracts totalling $244,371, of which $170,190 has been paid. This includes contracts signed within joint ventures at Crombie's ownership percentage.

Crombie has provided 100% guarantees on mortgages related to properties in which it has less than a 100% interest. The mortgages payable related to these guarantees are secured by specific charges against the properties. As at March 31, 2022, Crombie has provided guarantees of approximately $120,746 (December 31, 2021 - $128,973) on mortgages in excess of their ownership interest in the properties. Responsibility for ongoing payments of principal and interest on these mortgages remains with the joint owners of the properties. The mortgages have a weighted average term to maturity of 2.9 years.

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

As at March 31, 2022, Crombie has committed to contributing $920 to 1700 East Broadway Limited Partnership as part of the ongoing predevelopment work in the joint venture.

Financial Instruments

The fair value of a financial instrument is the estimated amount that Crombie would receive to sell a financial asset or pay to transfer a financial liability in an orderly transaction between market participants at the measurement date.

Fair value determination is classified within a three-level hierarchy, based on observability of significant inputs, as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - unobservable inputs for the asset or liability.

There were no transfers between levels of the fair value during the three months ended March 31, 2022.

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

- Cash and cash equivalents
- Trade receivables
- Trade and other payables.

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

	March 31, 2022		December 31, 2021	
	Fair Value	**Carrying Value**	Fair Value	Carrying Value
Financial assets				
Accounts receivable [(1)]	**$ 22,865**	**$ 22,865**	$ 27,737	$ 27,751
Financial liabilities				
Investment property debt	**$ 1,074,897**	**$ 1,024,241**	$ 1,177,814	$ 1,103,019
Senior unsecured notes	**1,081,518**	**1,125,000**	1,157,820	1,125,000
Total financial liabilities	**$ 2,156,415**	**$ 2,149,241**	$ 2,335,634	$ 2,228,019

(1) Accounts receivable include amounts in other assets for the capital expenditure program, interest rate subsidy, and receivable from related parties.

Financial assets are derecognized when the contractual rights to benefits from the financial asset expire. The difference between the asset's carrying value and the consideration received or receivable is recognized as a charge to the statement of comprehensive income (loss).

The fair values of long-term receivables, investment property debt, and senior unsecured notes are Level 2 measurements.

8. RISK MANAGEMENT

Risk Management Framework

Management of the REIT is vested in the Board of Trustees, subject to the provisions of applicable statutes and the Declaration of Trust. The Board of Trustees of the REIT shall have explicit responsibility for the stewardship of the REIT including the strategic planning process, approval of the strategic plan, the identification of principal risks and implementation of systems to manage these risks, succession planning, operations, communications and reporting, and the integrity of the REIT's internal control and management information systems. The Board discharges certain of its responsibilities through delegation to its committees as more particularly set out in the committee mandates.

Risk Factors Related to the Business of Crombie

In the normal course of business, Crombie is exposed to a number of financial risks that can affect its operating performance.

In addition to the more fulsome description of Crombie's risk discussion under the "Risk Management" section in the 2021 Annual MD&A, and the "Risks" section of Crombie's 2021 Annual Information Form available at www.sedar.com, we are providing the following specific risk update for March 31, 2022:

<u>Significant Relationship</u>

As at March 31, 2022, Empire, through its wholly owned subsidiary ECLD, holds a 41.5% indirect interest in Crombie. Crombie's anchor tenants are concentrated in a relatively small number of retail operators. Specifically, 57.8% of the AMR and 51.4% 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.

<u>Environmental Matters</u>

Environmental issues can cover a broad range of topics, including energy usage, water conservation, pollution, waste management, green buildings, or climate change, among many others. Each of these topics comes with their own specific risks including increased energy costs, the price of carbon, and pollution liability. To effectively manage environmental risk, it is critical to operate the business in a sustainable manner. Although we have embedded sustainability principles into the way we operate since inception, 2021 saw the commencement of a more formalized approach to sustainable business operations. This includes measuring, managing, and reporting on our sustainability performance through the lens of ESG deliverables. Crombie published its first standalone Sustainability Report in 2021, which outlines the results of our materiality assessment and provides insight into our sustainability strategy, and ongoing projects and performance. In 2021, Crombie made its first submission to GRESB, an investor grade, industry-recognized peer benchmark assessment for sustainability performance in real estate. In the first quarter of 2022, Crombie has made significant efforts on data completion ahead of our GRESB 2022 submission. During the quarter, submission for BOMA BEST verification was completed by the operations team at Avalon Mall, in Newfoundland. BOMA BEST is North America's largest environmental assessment and certification program for existing buildings. As part of Crombie's commitment to embedding sustainability principles into our business and decision-making processes, the role of Vice President, Sustainability was created, to address Crombie's actions for ESG responsibility, gain a better understanding of our sustainability efforts, and set targets for improvement across the portfolio. Crombie is not aware of any material non-compliance with environmental laws at any of its properties and is not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties. Crombie has implemented policies and procedures to assess, manage and monitor environmental conditions at its properties to manage exposure to liability.

Financial Risk Management

The following table outlines our financial risks, how we manage these risks, and whether there was a change in risk exposure compared to the prior year.

Credit Risk

Risk Description	Credit risk arises from the possibility that tenants may experience financial difficulty and be unable to fulfill their lease commitments. A provision for doubtful accounts and other adjustments to net property income are taken for all anticipated collectability risks.
Risk Management	Crombie mitigates credit risk by geographical diversification, diversifying both its tenant mix and asset mix and conducting credit assessments for new and renewing tenants. The residential component of Crombie's investment in joint ventures further diversifies our portfolio. 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 57.8% of AMR. No other tenant accounts for more than 2.5% of Crombie's AMR; and • Total property revenue includes operating and realty tax cost recovery income and percentage rent. These amounts can vary by property type, specific tenant leases, and where tenants may directly incur and pay operating and realty tax costs. Crombie earned total property revenue of $53,975 for the three months ended March 31, 2022 (March 31, 2021 - $48,208[1]) from Sobeys Inc. and other subsidiaries of Empire. Receivables are substantially comprised of current balances due from tenants and past due receivables. The balance of accounts receivable past due is usually not significant. Historically low receivable balances increased significantly over the past few years as a result of the impacts of the COVID-19 pandemic but have since returned to their pre-pandemic collection rates. Generally, rents are due the first of each month and other tenant billings are due 30 days after invoicing, and balances over 30 days are considered past due. Crombie determines the expected credit loss in accordance with IFRS 9's simplified approach for amounts receivable where its loss allowance is measured at initial recognition and throughout the life of the receivable. Trade receivables are written off when there is no reasonable expectation of recovery. Crombie assesses, on a forward-looking basis, the expected credit losses associated with its rent receivables. In determining the expected credit losses, Crombie takes into account, on a tenant-by-tenant basis, the payment history, future expectations, and knowledge gathered through discussions for rental concessions, applications for rental relief through government programs, and ongoing discussions with tenants. During the three months ended March 31, 2022, Crombie recorded bad debt recovery of $(356). Our trade receivables and allowance for doubtful accounts balances at March 31, 2022 were $21,817 and $(2,624), respectively (December 31, 2021 - $27,472 and $(3,031), 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) Related party property revenue for the three months ended March 31, 2021 was updated from the previously reported figure.

Liquidity Risk

Risk Description	Liquidity risk is the risk that Crombie may not have access to sufficient debt and equity capital to fund its growth program, refinance debt obligations as they mature, or meet its ongoing obligations as they arise.
Risk Management	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 of March 31, 2022, Crombie is working to improve its crediting rating on outstanding senior unsecured notes of "BBB(low)" with a "Negative" trend from 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 2021 Annual Information Form dated March 29, 2022, and under the "Risk Management" section in the 2021 Annual MD&A. Crombie is under no obligation to maintain any specified level of credit rating with credit rating agencies and there is no assurance that any credit rating assigned to the notes will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering, withdrawal, or failure to maintain any credit ratings applied to the notes may have an adverse effect on the market price or value and the liquidity of the notes. Credit ratings are not recommendations to purchase, hold, or sell the notes or other securities of Crombie. Any future lowering of Crombie’s ratings likely would 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 our recognized financial liabilities and purchase obligations.

Interest Rate Risk

Risk Description	Interest rate risk is the potential for financial loss arising from increases in interest rates.
Risk Management	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. As at March 31, 2022: • Crombie's weighted average term to maturity of its fixed rate mortgages is 4.9 years; • Crombie's weighted average term to maturity of its unsecured notes is 5.2 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 $3,783 outstanding/drawn; • Crombie has a floating rate bilateral credit facility available to a maximum of $130,000 with no balance outstanding; • Crombie has joint operation credit facilities available to a maximum of $10,687 at Crombie's share with a balance of $9,999; and • Crombie has interest rate swap agreements in place on $108,777 of floating rate debt. A fluctuation in interest rates would have an impact on Crombie’s operating income related to the use of floating rate debt. The following table looks at the impacts of selected interest rate moves on operating income:

	Three months ended March 31, 2022	
Impact on operating income attributable to Unitholders of interest rate changes on the revolving credit facility	**Decrease in rate**	**Increase in rate**
Impact of a 0.5% interest rate change	**$ 30**	**$ (30)**
Impact of a 1.0% interest rate change	**$ 60**	**$ (60)**

9. JOINT VENTURES

As at March 31, 2022, Crombie holds partial ownership interests in seven joint ventures, four of which currently hold properties. These joint ventures are all subject to equity accounting. As such, the results of these equity-accounted investments are not included in certain financial metrics, such as net property income, property cash NOI(*), same-asset property NOI(*), or in operational metrics such as occupancy and GLA, unless specifically indicated that such metrics are presented on a proportionate consolidation basis. The figures presented below represent only the results of these joint ventures, at 100%, with the exception of FFO(*).

Joint Venture Summary

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

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

1600 Davie Limited Partnership
Davie Street is a retail/residential mixed-used property consisting of 330 residential units and 54,000 square feet of retail GLA in Vancouver, British Columbia. Crombie retains 100% ownership of the retail GLA, which is anchored by a 44,500 square foot Safeway. Stabilization of NOI was reached in September 2021 and the residential property is 97.6% leased at March 31, 2022. The joint venture retains ownership of the 330 residential units.

Bronte Village Limited Partnership
Bronte Village is a retail/residential mixed-used property located at 2441 Lakeshore Road West in Oakville, Ontario. It is composed 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 the residential towers during the quarter. The residential portion of the property is 24.1% leased at March 31, 2022 with stabilization of NOI expected to be reached in Q2 2023.

The Duke Limited Partnership
Le Duke is a retail/residential mixed-use property with an existing heritage building integrated into the ground floor of the property. The property incorporates 387 residential units, a 25,000 square foot IGA on the ground floor, and an additional 1,000 square feet of retail space that is owned by the joint venture. Substantial completion was reached in September 2021 and the residential tower is 45.0% leased at March 31, 2022. Stabilization of NOI is expected to be reached in Q2 2023.

140 CPN Limited
Centennial Parkway is a retail plaza consisting of 33,000 square feet of retail GLA, which is fully leased.

1700 East Broadway Limited Partnership
1780 East Broadway (Broadway and Commercial) is a proposed major mixed-use redevelopment located at the busiest transit node in Western Canada. It will include grocery-anchored retail, office, residential rental, and condominiums. The project is currently being rezoned with construction expected to commence in 2023. The joint venture will own all but the retail component.

Penhorn Residential Holdings Limited Partnership
Opal Ridge - Penhorn (formerly referred to as Penhorn Lands) is a 26-acre parcel in Halifax, Nova Scotia with zoning proposed for the development of multi-family parceled building lots. Rezoning application has been submitted for municipal approval with zoning in place in 2022.

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

Occupancy Metrics

	Retail GLA	Retail Occupancy % as at March 31, 2022	Residential GLA	Residential Occupancy % as at March 31, 2022	Total GLA	Number of Residential Units	Number of Committed Units
Stabilized properties (1)	33,000	100.0 %	242,000	97.6 %	275,000	330	322
Lease-up in progress:							
Bronte Village	54,000	75.9 %	466,000	24.1 %	520,000	481	116
Le Duke	26,000	100.0 %	239,000	45.0 %	265,000	387	174
Total	**113,000**	**88.5 %**	**947,000**	**51.1 %**	**1,060,000**	**1,198**	**612**

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

Financial Performance

	Three months ended									
	March 31, 2022					March 31, 2021				
	Davie LP	**Bronte LP**	**Duke LP**	**Other**	**Total**	Davie LP	Bronte LP	Duke LP	Other	Total
Property revenue	**$ 2,702**	**$ 985**	**$ 861**	**$ 164**	**$ 4,712**	$ 405	$ 314	$ —	$ 164	$ 883
Property operating expenses	**(587)**	**(782)**	**(368)**	**(68)**	**(1,805)**	(270)	(68)	—	(67)	(405)
Net property income	**2,115**	**203**	**493**	**96**	**2,907**	135	246	—	97	478
General and administrative expenses	**(25)**	**(33)**	**(33)**	**(209)**	**(300)**	(187)	—	(4)	—	(191)
Depreciation and amortization	**(872)**	**(980)**	**(493)**	**(14)**	**(2,359)**	(696)	(29)	—	(13)	(738)
Finance costs - operations	**(1,445)**	**(1,390)**	**(693)**	**(24)**	**(3,552)**	(1,030)	(35)	—	(26)	(1,091)
Net (loss) income	**$ (227)**	**$ (2,200)**	**$ (726)**	**$ (151)**	**$ (3,304)**	$ (1,778)	$ 182	$ (4)	$ 58	$ (1,542)
Contribution to Crombie's FFO(*) (1)	**$ 136**	**$ (561)**	**$ (105)**	**$ (69)**	**$ (599)**	$ (559)	$ 130	$ (2)	$ 36	$ (395)

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

	Three months ended					
	March 31, 2022			March 31, 2021		
	Retail	**Residential**	**Total**	Retail	Residential	Total
Net property income	**$ 490**	**$ 2,417**	**$ 2,907**	$ 343	$ 135	$ 478
Non-cash straight-line rent	**(33)**	**355**	**322**	(1)	87	86
Non-cash tenant incentive amortization	**124**	**—**	**124**	50	—	50
Property cash NOI(*)	**$ 581**	**$ 2,772**	**$ 3,353**	$ 392	$ 222	$ 614

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
March 31, 2022	**$**	**896,000**	**$**	**586,449**
December 31, 2021	$	774,000	$	576,306 (1)

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

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

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

	March 31, 2022	December 31, 2021
Weighted average capitalization rate	**3.52 %**	3.30 %

Capitalization rate sensitivity

Crombie has determined that a change in this applied capitalization rate at March 31, 2022 would result in an (increase) decrease in the fair value of the properties as follows:

Capitalization rate change		Increase in Rate		Decrease in Rate
0.25%	**$**	**(57,000)**	**$**	**66,000**
0.50%	**$**	**(106,000)**	**$**	**143,000**
0.75%	**$**	**(150,000)**	**$**	**234,000**

Debt to Gross Fair Value(*)

		March 31, 2022		December 31, 2021
Fixed and floating rate mortgages and construction loans	**$**	**496,026**	$	465,028
Revolving credit facilities		**12,500**		1,200
Lease liabilities		**25,810**		26,388
Total debt outstanding		**534,336**		492,616
Investment properties, fair value	**$**	**896,000**	$	774,000
Other assets, cost (1)		**44,458**		36,739
Cash and cash equivalents		**9,905**		8,906
Gross fair value	**$**	**950,363**	$	819,645
Debt to gross fair value(*)		**56.2 %**		60.1 %

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

Debt Profile

	March 31, 2022			December 31, 2021		
	Mortgages [1]	**Credit Facilities [2]**	**Total Borrowings**	Mortgages [1]	Credit Facilities [2]	Total Borrowings
Opening balance, beginning of period	**$ 465,028**	**$ 1,200**	**$ 466,228**	$ 299,431	$ —	$ 299,431
Additions to existing mortgages	**31,555**	**—**	**31,555**	115,710	—	115,710
New borrowings	**—**	**11,300**	**11,300**	50,000	1,200	51,200
Principal repayments	**(557)**	**—**	**(557)**	(113)	—	(113)
Closing balance, end of period	**$ 496,026**	**$ 12,500**	**$ 508,526**	$ 465,028	$ 1,200	$ 466,228

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

	March 31, 2022	December 31, 2021
Total borrowings	**$ 508,526**	$ 466,228
Long-term portion	**$ 298,523**	$ 179,271
Current portion	**$ 210,003**	$ 286,957
Weighted average interest rate [1]	**3.15 %**	3.15 %
Weighted average term to maturity [1]	**6.1 years**	5.8 years

(1) Excludes construction financing and credit facilities of $216,934 at March 31, 2022 (December 31, 2021- $282,492).

10. OTHER DISCLOSURES

Related Party Transactions

As at March 31, 2022, Empire, through its wholly owned subsidiary ECLD, holds a 41.5% indirect interest in Crombie. Related party transactions primarily include transactions with entities associated with Crombie through Empire's indirect interest. Related party transactions also include transactions with joint venture entities in which Crombie has a 50% interest, as well as transactions with key management personnel and post-employment benefit plans.

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

Crombie's transactions with related parties are as follows:

	Three months ended March 31,	
	2022	2021
Property revenue		
Property revenue	$ **53,975**	$ 48,208 (1)
Head lease income	$ **269**	$ 246
Lease termination income	$ **34**	$ 34
Property operating expenses	$ **(34)**	$ (5)
General and administrative expenses		
Property management services recovered	$ **118**	$ 50
Other general and administrative expenses	$ **(44)**	$ (65)
Finance costs - operations		
Interest rate subsidy	$ **53**	$ 60
Finance costs - distributions to Unitholders	$ **(16,293)**	$ (14,607)

(1) Related party property revenue for the three months ended March 31, 2021 was updated from the previously reported figure.

Crombie provides property management, project management, leasing services, and environmental management to specific properties owned by certain subsidiaries of Empire on a fee-for-service basis pursuant to a Management Agreement. Revenue generated from the Management Agreement is being recognized as a reduction of general and administrative expenses.

Included in the above, during the three months ended March 31, 2022, Crombie issued 191,166 (March 31, 2021 - 17,203) Class B LP Units to ECLD under the DRIP.

On January 31, 2022, ECLD purchased 4,756,446 Class B LP Units and the attached Special Voting Units at a price of $17.45 per Class B LP Unit for proceeds of $82,871 net of issue costs, on a private placement basis.

During the three months ended March 31, 2022, Crombie purchased eight retail properties and the remaining 50% interest in one retail-related industrial property from a subsidiary of Empire for a total purchase price of $88,472 before transaction costs.

During the three months ended March 31, 2022, Crombie invested $3,035 (March 31, 2021 - $16,060) in properties anchored by subsidiaries of Empire, which resulted in amended lease terms. These amounts have been included in tenant incentive additions or income property additions depending on the nature of the work completed. The costs are being amortized over the amended lease terms or the useful life of the projects, as applicable.

Crombie has a mortgage payable of $25,447 (December 31, 2021 - $25,526) due to 1600 Davie Limited Partnership. This mortgage relates to the commercial component of the Davie Street development, 100% of which is included in Crombie's financial statements.

Amounts due from related parties include $10,364 (December 31, 2021 - $15,533) in a 6% subordinated note receivable due from Bronte Village Limited Partnership.

Use of Estimates and Judgments

The preparation of consolidated financial information requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. Significant judgment, estimate, and assumption items include impairment, employee future benefits, investment properties, purchase price allocations, and fair value of financial instruments. These estimates are based on historical experience and management's best knowledge of current events and actions that Crombie may undertake in the future.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Accounting Estimates and Assumptions

Critical accounting estimates and assumptions are discussed under the "Critical Accounting Estimates and Assumptions" section of the 2021 Annual MD&A. The estimates and assumptions that are critical to the determination of the amounts reported in the interim condensed consolidated financial statements relate to the following:

Fair Value Measurement

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

Investment Properties

Investment properties are properties which are held to earn rental income. Investment properties include land, buildings and intangible assets. Investment properties are carried at cost less accumulated depreciation and are reviewed periodically for impairment.

Depreciation of buildings is calculated using the straight-line method with reference to each property's cost, the estimated useful life of the building (not exceeding 40 years) and its components, significant parts and residual value.

Repairs and maintenance improvements are expensed as incurred or, in the case of major items that constitute a capital asset, are capitalized to the building and amortized on a straight-line basis over the expected useful life of the improvement.

Investment Property Valuation

External, independent valuation companies, having appropriate, recognized professional qualifications and recent experience in the location and category of properties being valued, value substantially all of Crombie's investment property portfolio on a rotating basis over a maximum period of four years. On a periodic basis, Crombie obtains independent appraisals such that approximately 85% of our properties, by value, will be externally appraised over a four-year period. The fair values, based on the measurement date, represent the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Internal quarterly valuations are performed using internally generated valuation models prepared by considering the aggregate trailing annual net property income recognized from leasing the property, that is stabilized for any major tenant movement. Biannual capitalization rates are obtained from an independent valuation company, which reflect the specific risks inherent in the net property income, to arrive at property valuations. As at March 31, 2022, management's determination of fair value was updated for current market assumptions, informed by property income, market capitalization rates, and recent appraisals provided by independent appraisal professionals.

Expected Credit Loss

Crombie assesses, on a tenant-by-tenant basis, losses expected with its rent receivables. In determining the provision for doubtful accounts, Crombie takes into account the payment history and future expectations of likely default events (tenants asking for rental concessions/abatements, applications for rental relief through government programs, or stating they will not be making rental payments on the due date), based on actual or expected insolvency filings or company voluntary arrangements and likely deferrals of payments due, and potential abatements to be granted by the landlord through tenant negotiations.

Critical Judgments

Critical judgments are discussed under the "Critical Judgments" section of the 2021 Annual MD&A.

Controls and Procedures

Crombie maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed by Crombie in its annual filings, interim filings, or other reports filed or submitted by it under securities legislation is recorded, processed, summarized, and reported within the time periods specified in the securities legislation. Controls and procedures are designed to ensure that information required to be disclosed by Crombie is accumulated and communicated to Crombie's management, including its President and Chief Executive Officer ("CEO") and Chief Financial Officer and Secretary ("CFO"), as appropriate, to allow timely decisions regarding disclosure. Our CEO and CFO have evaluated the design and effectiveness of our disclosure controls and procedures as of March 31, 2022. They have concluded that our current disclosure controls and procedures are effective.

In addition, our CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes as defined in National Instrument 52-109. The control framework management used to design and assess the effectiveness of ICFR is *Internal Control-Integrated Framework (2013)* issued by The Committee of Sponsoring Organizations of the Treadway Commission (COSO). Further, our CEO and CFO have evaluated, or caused to be evaluated under their supervision, the effectiveness of the design and operation of ICFR as at March 31, 2022, and have concluded that our current ICFR are effective based on that evaluation. There have been no material changes to Crombie's internal controls during the period.

Quarterly Information

	Three months ended							
	Mar. 31, 2022	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020
Property revenue	**$ 104,946**	$ 103,832	$ 101,517	$ 100,006	$ 103,537	$ 97,060	$ 92,920	$ 96,501
Property operating expenses	**35,615**	32,430	30,216	29,814	33,401	29,245	27,503	37,887
Net property income	**69,331**	71,402	71,301	70,192	70,136	67,815	65,417	58,614
Operating income	**25,248**	78,730	23,851	19,605	33,215	17,157	19,734	9,393
Finance costs - distributions to Unitholders	**(39,236)**	(36,637)	(36,578)	(36,124)	(35,220)	(35,211)	(35,202)	(35,187)
Finance income (costs) - change in fair value of financial instruments	**211**	(1,018)	291	(1,219)	(1,026)	(725)	(187)	(212)
Increase (decrease) in net assets attributable to Unitholders	**$ (13,777)**	$ 41,075	$ (12,436)	$ (17,738)	$ (3,031)	$ (18,779)	$ (15,655)	$ (26,006)
Operating income per Unit - basic	**$ 0.15**	$ 0.48	$ 0.15	$ 0.12	$ 0.21	$ 0.11	$ 0.12	$ 0.06
Distributions								
Distributions	**$ 39,236**	$ 36,637	$ 36,578	$ 36,124	$ 35,220	$ 35,211	$ 35,202	$ 35,187
Per Unit	**$ 0.22**	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.22
FFO(*)								
Basic	**$ 49,091**	$ 46,948	$ 47,830	$ 44,201	$ 46,103	$ 42,305	$ 43,327	$ 34,557
Per Unit - basic	**$ 0.28**	$ 0.29	$ 0.29	$ 0.27	$ 0.29	$ 0.27	$ 0.27	$ 0.22
Payout ratio	**79.9 %**	78.0 %	76.5 %	81.7 %	76.4 %	83.2 %	81.2 %	101.8 %
AFFO(*)								
Basic	**$ 41,898**	$ 40,468	$ 41,052	$ 37,109	$ 38,779	$ 35,679	$ 35,494	$ 28,107
Per Unit - basic	**$ 0.24**	$ 0.25	$ 0.25	$ 0.23	$ 0.25	$ 0.23	$ 0.22	$ 0.18
Payout ratio	**93.6 %**	90.5 %	89.1 %	97.3 %	90.8 %	98.7 %	99.2 %	125.2 %
Operating information								
Number of investment properties	**294**	284	287	287	287	284	286	286
Gross leasable area	**18,488,000**	17,861,000	18,232,000	18,235,000	18,229,000	18,000,000	17,684,000	17,614,000
Economic occupancy	**95.5 %**	95.6 %	95.8 %	95.6 %	95.5 %	94.0 %	94.7 %	95.1 %
Committed occupancy	**96.4 %**	96.2 %	96.5 %	96.2 %	96.3 %	96.4 %	95.3 %	95.6 %
Debt metrics								
Unencumbered investment properties (1)	**$2,009,252**	$1,752,927	$1,461,775	$1,445,423	$1,388,141	$1,366,258	$1,460,152	$1,461,970
Available liquidity	**$ 523,159**	$ 507,777	$ 512,168	$ 368,483	$ 469,548	$ 471,708	$ 370,885	$ 406,303
Debt to gross fair value(*) (2)	**42.4 %**	45.2 %	47.2 %	47.4 %	50.1 %	50.6 %	50.8 %	50.1 %
Weighted average interest rate (3)	**3.8 %**	3.8 %	3.8 %	3.9 %	3.9 %	3.9 %	4.1 %	4.1 %
Debt to trailing 12 months adjusted EBITDA(*) (2) (4)	**8.70x**	8.96x	9.59x	9.70x	10.39x	10.29x	9.84x	9.56x
Interest coverage ratio(*) (4)	**3.27x**	3.06x	3.07x	2.91x	3.01x	2.75x	3.03x	2.64x

(1) Represents fair value of unencumbered properties.
(2) The prior year calculations have been restated to include Crombie's share of debt and assets held in joint ventures.
(3) Weighted average interest rate is calculated based on interest rates for all outstanding fixed rate debt.
(4) The prior year calculations have been restated to include Crombie's share of revenue and expenses in joint ventures.

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:
    - March 31, 2022 - acquisition of nine retail properties, including a parcel of land subsequently developed by Crombie in the quarter, and acquisition of the remaining 50% interest in one retail-related industrial property for a total purchase price of $90,472;
    - December 31, 2021 - disposition of three retail properties, disposition of portions of two retail properties, and disposition of a 50% interest in one retail-related industrial property for proceeds of $152,218;
    - September 30, 2021 - acquisition of one retail property for a total purchase price of $4,710 and disposition of one retail property for proceeds of $15,000;
    - June 30, 2021 - acquisition of one development property for a total purchase price of $11,885;
    - March 31, 2021 - acquisition of six retail properties and one development property for a total purchase price of $46,292 and disposition of three retail properties for proceeds of $41,970;
    - December 31, 2020 - acquisition of two retail properties and one development property for a total purchase price of $31,400 and disposition of five retail properties for proceeds of $37,010;
    - September 30, 2020 - acquisition of one development property for a total purchase price of $4,575; and
    - June 30, 2020 - acquisition of one retail property for a total purchase price of $4,535.
- Property revenue and property operating expenses - Crombie's business is subject to seasonal fluctuations. Property operating expenses during winter months include particular expenses such as snow removal, which is a recoverable expense, thus increasing property revenue during these same periods. Property operating expenses during the summer and fall periods include particular expenses such as paving and roof repairs.
- Per Unit amounts for FFO(*) and AFFO(*) are influenced by operating results as detailed above and by the timing of the issuance of REIT Units and Class B LP Units.

11. NON-GAAP FINANCIAL MEASURES

There are financial measures included in this MD&A that do not have a standardized meaning under IFRS as prescribed by the IASB. Management includes these measures as they represent key performance indicators to management, and it believes certain investors use these measures as a means of assessing relative financial performance. These measures, as computed by Crombie, may differ from similar computations as reported by other entities and, accordingly, may not be comparable to other such entities. These measures are defined below and are cross-referenced, as applicable, to a reconciliation elsewhere in this MD&A to the most comparable IFRS measure.

Non-GAAP Measure	Description and Purpose	Reconciliation
Property NOI on a cash basis	• Property NOI on a cash basis, which excludes non-cash straight-line rent recognition and non-cash tenant incentive amortization. • Management believes that Property NOI on a cash basis is an important measure of operating performance as it reflects the cash generated by the properties period-over-period.	"Net Property Income" starting on page 25
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 276 as at March 31, 2022.	"Net Property Income" starting on page 25
Funds from operations ("FFO")	• Crombie follows the recommendations of REALPAC's January 2022 guidance in calculating FFO, and defines FFO as increase (decrease) in net assets attributable to Unitholders (computed in accordance with IFRS), adjusted for the following applicable amounts: ◦ Gain or loss on disposal of investment properties and related income tax; ◦ Gain on distribution from equity-accounted investments; ◦ Impairment charges and recoveries; ◦ Depreciation and amortization expense of investment properties, including amortization of tenant incentives charged against property revenue; ◦ Adjustments for equity-accounted entities; ◦ Operational expenses from right-of-use assets; ◦ Incremental internal leasing expenses; ◦ Finance costs - distributions on Crombie's REIT and Class B LP Units classified as financial liabilities; and ◦ Change in fair value of financial instruments. • REALPAC provides for other adjustments in determining FFO which are currently not applicable to Crombie and therefore not included in the above list. Crombie's expenditures on tenant incentives are capital in nature and Crombie considers these costs comparable to other capital costs incurred to earn property revenue. As a result, where depreciation and amortization of other capital costs is added back in the calculation of FFO as recommended by REALPAC, Crombie also adds back the amortization of tenant incentives. • Crombie calculates FFO per Unit using the basic weighted average Units outstanding for the period. Management believes this is a useful measure in comparing period-over-period operating results.	"Funds from Operations (FFO)(*)" starting on page 26

Non-GAAP Measure	Description and Purpose	Reconciliation
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 26
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, amortization of effective swap agreements, maintenance capital expenditures, maintenance tenant incentives and leasing costs, and any settlement of effective interest rate swap agreements. • Crombie calculates AFFO per Unit using the basic weighted average Units outstanding for the period. Management believes this is a useful measure in comparing period-over-period operating results.	"Adjusted Funds from Operations (AFFO)(*)" starting on page 26
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 26
Net asset value ("NAV")	• NAV represents total assets less total liabilities excluding net assets attributable to Unitholders.	"Development" starting on page 30
Unencumbered investment properties as a % of unsecured debt	• Unencumbered investment properties represents the fair value of investment properties that have not been pledged as security for any debt obligations. • Unsecured debt currently consists of Crombie's senior unsecured notes and its bilateral credit facility. • This ratio is used to assess the aggregate unencumbered investment properties currently available for secured financing to satisfy all outstanding unsecured debt obligations.	"Debt Metrics" starting on page 40
Debt to gross fair value	• Used to evaluate Crombie's flexibility to incur additional financial leverage.	"Debt Metrics" starting on page 40
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 our debt to gross fair value and debt to trailing 12 months adjusted EBITDA.	"Debt Metrics" starting on page 40

Non-GAAP Measure	Description and Purpose	Reconciliation
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 our debt metrics, providing information with respect to certain financial ratios that we use in measuring our debt profile and assessing our ability to satisfy obligations, including servicing our debt. • Crombie believes adjusted EBITDA is an indicative measure of its ability to service debt requirements, fund capital projects and acquire properties.	"Debt Metrics" starting on page 40
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 40
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 our interest service coverage and debt service coverage ratios.	"Debt Metrics" starting on page 40
Interest service 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 40

Maintenance Capital Expenditures, Maintenance Tenant Incentives and Leasing Costs ("Maintenance Expenditures")

Maintenance expenditures represent costs incurred in sustaining and maintaining existing space and exclude expenditures that are revenue-enhancing. Crombie considers revenue-enhancing expenditures to be costs that expand the GLA of a property, increase the net property income by a minimum threshold, or otherwise enhance the property's overall value.

Crombie's policy is to charge AFFO(*) with a reserve amount for maintenance expenditures based on a normalized rate per square foot applied to the weighted average GLA, as these expenditures are not generally incurred on a consistent basis during the year, or from year to year. Crombie excludes newly constructed and developed properties from its maintenance charge for the first year until a baseline of actual expenditures is obtained as little to no maintenance expense is incurred in the first year of operation. Crombie also discloses actual maintenance expenditures for comparative purposes. The rate per square foot is a proxy for actual historical costs, anticipated future costs, and any significant changes in the nature and age of the properties in the portfolio as it evolves over time. For 2022, Crombie has increased the normalized rate from $0.90 to $1.00 per square foot of weighted average GLA, based on the actual spend for the previous three years and estimated spend for 2022. Additionally, Crombie combines maintenance capital expenditures with maintenance tenant incentive ("TI") and deferred leasing costs in arriving at the normalized per square foot charge to AFFO(*), based on the fact that in years where TI and leasing expenditures are reduced, spending on maintenance capital expenditures may be accelerated and vice versa.

Maintenance Expenditures - Actual

	Three months ended	Year ended	Three months ended				Year ended
	Mar. 31, 2022	Dec. 31, 2021	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020
Total additions to investment properties	**$ 35,633**	$ 76,771	$ 31,735	$ 29,919	$ 6,736	$ 8,381	$ 109,668
Less: revenue-enhancing expenditures	**(32,677)**	(69,051)	(29,005)	(26,173)	(6,641)	(7,232)	(103,982)
Maintenance capital expenditures	**2,956**	7,720	2,730	3,746	95	1,149	5,686
Total additions to TI and deferred leasing costs	**18,262**	73,514	10,058	7,283	26,122	30,051	64,971
Less: revenue-enhancing expenditures	**(14,331)**	(65,086)	(6,778)	(7,168)	(23,875)	(27,265)	(51,464)
Maintenance TI and deferred leasing costs	**3,931**	8,428	3,280	115	2,247	2,786	13,507
Total maintenance expenditures - actual	**$ 6,887**	$ 16,148	$ 6,010	$ 3,861	$ 2,342	$ 3,935	$ 19,193
Reserve amount charged against AFFO[*]	**$ 4,585**	$ 16,043	$ 4,006	$ 4,023	$ 4,024	$ 3,990	$ 15,869

Obligations for expenditures for TIs occur when renewing existing tenant leases or for new tenants occupying a space. Typically, leasing costs for existing tenants are lower on a per square foot basis than for new tenants. However, new tenants may provide more overall cash flow to Crombie through higher rents or improved traffic to a property. The timing of such expenditures fluctuates depending on the satisfaction of contractual terms contained in the leases.

Maintenance TI and deferred leasing costs are the result of both lease renewals and new leases and are reflective of the leasing activity during 2022, 2021, and 2020.

Revenue-enhancing expenditures are capitalized and depreciated or charged against revenue over their useful lives, but not deducted when calculating AFFO[*]. Revenue-enhancing expenditures during the three months ended March 31, 2022 consisted primarily of development work and modernization investments.

12. FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements about expected future events and the financial and operating performance of Crombie. These statements, and the related estimates and assumptions used by management, can be found in several sections of the MD&A, including, but not limited to, "Portfolio Review - Strategic Acquisitions", "Portfolio Review - Strategic Dispositions", "Development", "Capital Management", and "Other Disclosures." Forward-looking statements include, but are not limited to, statements concerning management's beliefs, plans, estimates, intentions, and similar statements concerning anticipated future events, results, circumstances, performance, or expectations that are not historical fact. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "estimate", "anticipate", "believe", "expect", "intend", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. All forward-looking information in this MD&A is qualified by the cautionary statements under "Risk Factors Related to the Business of Crombie" above and in the 2021 Annual MD&A, as well as the additional statements in the "Risks" section of Crombie's 2021 Annual Information Form available at www.sedar.com. Forward-looking statements in this MD&A and the principal related risks include statements regarding:

(i) annual expenditures with Empire on investments in the modernization, acquisition, expansion, and conversion of their grocery stores, which may be impacted by the development of Empire's business and the resulting availability of suitable investment opportunities for Crombie;
(ii) AFFO[(*)] accretion and NAV[(*)] growth from strategic acquisitions, which may be affected by future occupancy and rental performance, and/or redevelopment activity of acquired properties;
(iii) disposition of properties and the anticipated reinvestment of net proceeds ("recycling capital"), which could be impacted by the availability of purchasers, the availability of accretive property acquisitions, the timing of property development activities or other accretive uses for net proceeds and real estate market conditions;
(iv) anticipated growth in grocery-anchored retail, residential, and retail-related industrial asset types as a percentage of our total portfolio, which depends on successful execution of our current development strategy, our relationship with Empire, availability of suitable properties and development opportunities, and general economic conditions;
(v) statements under the heading "Development" including the locations identified, timing, cost, development size and nature, and anticipated impact on portfolio quality and diversification, estimated yield on cost, cash flow growth, Unitholder value, or other financial measures, all of which may be impacted by real estate market cycles, future capitalization rates, the availability of financing opportunities and labour, actual development costs, ability to achieve lease-up stabilization at current market rents, and general economic conditions and factors described under the "Development" section, and which assume obtaining required municipal zoning and development approvals and successful agreements with existing tenants and, where applicable, successful execution of development activities undertaken by related parties not under the direct control of Crombie;
(vi) fair value of investment properties, which is based on assumptions such as cash flow projections, and estimates of future cash flows and anticipated trends and economic conditions;
(vii) overall indebtedness levels and terms, and expectations relating to refinancing, which could be impacted by the level of acquisition and disposition activity that Crombie is able to achieve, levels of indebtedness, Crombie's ability to maintain and strengthen its investment grade credit rating, future financing opportunities, future interest rates, creditworthiness of major tenants and joint arrangement partners, and market conditions;
(viii) estimated GLA, estimated completion dates, estimated total costs, and estimated yields for Near-term Major Developments, which are subject to changes in site plans, cost tendering processes, and continuing tenant negotiations, as well as access to job sites, supplies and labour availability, ability to attract tenants, tenant mix, building sizes, and availability and cost of construction financing;
(ix) asset growth and reinvesting to develop or otherwise make improvements to existing properties, which could be impacted by the availability of labour, capital resource availability and allocation decisions, as well as actual development costs;
(x) generating improved rental income and occupancy levels, including anticipated replacement of expiring tenancies, which could be impacted by changes in demand for Crombie's properties, tenant bankruptcies, the effects of general economic conditions, e-commerce, and supply of competitive locations in proximity to Crombie locations;
(xi) estimated payments on derivative and non-derivative financial liabilities, which could be impacted by interest rate subsidy payments, interest rates on floating rate debt, and fluctuations in the settlement value and settlement timing of any derivative financial liabilities;
(xii) pending acquisitions or dispositions, which remain subject to satisfaction of customary closing conditions;
(xiii) investment in joint ventures and the income contributed by those investments, which could be impacted by the risk and uncertainty from dependence on partners that are not under Crombie's control, including risk of default by a partner on financing obligations or non-performance of a partner's obligations on a project, which may include development, construction, management, or leasing;
(xiv) tax exempt status, which can be impacted by regulatory changes enacted by governmental authorities;
(xv) anticipated distributions and payout ratios, which could be impacted by results of operations and capital resource allocation decisions; and

(xvi) the effect that any contingencies or guarantees would have on Crombie's financial statements, which could be impacted by their eventual outcome.

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
March 31, 2022

Unaudited Interim Consolidated Balance Sheets

(in thousands of Canadian dollars)

	Note	March 31, 2022	December 31, 2021
Assets			
Non-current assets			
Investment properties	3	$ 3,657,095	$ 3,546,752
Investment in joint ventures	4	41,461	44,210
Other assets	5	367,211	362,801
		4,065,767	3,953,763
Current assets			
Cash and cash equivalents	15	3,915	3,915
Other assets	5	51,114	65,363
		55,029	69,278
Total Assets		4,120,796	4,023,041
Liabilities			
Non-current liabilities			
Fixed rate mortgages	6	835,019	893,364
Credit facilities	6	13,782	29,124
Senior unsecured notes	7	971,458	971,267
Employee future benefits obligation		8,196	8,130
Trade and other payables	8	25,295	23,838
Lease liabilities	19	34,185	34,420
		1,887,935	1,960,143
Current liabilities			
Fixed rate mortgages	6	169,942	174,495
Senior unsecured notes	7	150,000	150,000
Employee future benefits obligation		284	284
Trade and other payables	8	122,070	139,695
Lease liabilities	19	910	932
		443,206	465,406
Total liabilities excluding net assets attributable to Unitholders		2,331,141	2,425,549
Net assets attributable to Unitholders		$ 1,789,655	$ 1,597,492
Net assets attributable to Unitholders represented by:			
Crombie REIT Unitholders		$ 1,060,659	$ 950,271
Special Voting Units and Class B Limited Partnership Unitholders		728,996	647,221
		$ 1,789,655	$ 1,597,492
Commitments, contingencies and guarantees	20		
Subsequent events	21		

See accompanying notes to the interim condensed consolidated financial statements.

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

	Note	Three months ended March 31, 2022	2021
Property revenue	9	$ **104,946**	$ 103,537
Property operating expenses	10	**35,615**	33,401
Net property income		**69,331**	70,136
Gain on disposal of investment properties	3	**—**	11,144
Depreciation and amortization	3,5	**(18,879)**	(18,795)
General and administrative expenses	12	**(4,853)**	(5,038)
Finance costs - operations	13	**(20,745)**	(23,461)
Gain on distribution from equity-accounted investments	4	**1,933**	—
Loss from equity-accounted investments	4	**(1,539)**	(771)
Operating income attributable to Unitholders		**25,248**	33,215
Distributions to Unitholders		**(39,236)**	(35,220)
Change in fair value of financial instruments	12	**211**	(1,026)
		(39,025)	(36,246)
Decrease in net assets attributable to Unitholders		**(13,777)**	(3,031)
Other comprehensive income			
Items that will be subsequently reclassified to increase net assets attributable to Unitholders:			
Net change in derivatives designated as cash flow hedges		**3,111**	2,032
Other comprehensive income		**3,111**	2,032
Comprehensive loss		$ **(10,666)**	$ (999)

See accompanying notes to the interim condensed consolidated financial statements.

(In thousands of Canadian dollars)

	REIT Units, Special Voting Units and Class B LP Units (Note 14)	Net Liabilities Attributable to Unitholders	Accumulated Other Comprehensive Income (Loss)	Total	Attributable to REIT Units	Attributable to Class B LP Units
Balance, January 1, 2022	$ 1,966,481	$ (368,431)	$ (558)	$ 1,597,492	$ 950,271	$ 647,221
Adjustments related to Employee Unit Purchase Plan ("EUPP")	9	—	—	9	9	—
Comprehensive income (loss)	—	(13,777)	3,111	(10,666)	(6,266)	(4,400)
Units issued under Distribution Reinvestment Plan ("DRIP")	7,917	—	—	7,917	4,613	3,304
Unit issue proceeds, net of costs	194,903	—	—	194,903	112,032	82,871
Balance, March 31, 2022	$ 2,169,310	$ (382,208)	$ 2,553	$ 1,789,655	$ 1,060,659	$ 728,996

	REIT Units, Special Voting Units and Class B LP Units (Note 14)	Net Liabilities Attributable to Unitholders	Accumulated Other Comprehensive Income (Loss)	Total	Attributable to REIT Units	Attributable to Class B LP Units
Balance, January 1, 2021	$ 1,860,237	$ (376,301)	$ (5,630)	$ 1,478,306	$ 881,511	$ 596,795
Adjustments related to EUPP	9	—	—	9	9	—
Comprehensive income (loss)	—	(3,031)	2,032	(999)	(598)	(401)
Units issued under DRIP	612	—	—	612	358	254
Units issued under Unit-based compensation plan	70	—	—	70	70	—
Balance, March 31, 2021	$ 1,860,928	$ (379,332)	$ (3,598)	$ 1,477,998	$ 881,350	$ 596,648

See accompanying notes to the interim condensed consolidated financial statements.

Unaudited Interim Condensed Consolidated Statements of Cash Flows

(In thousands of Canadian dollars)

	Note	Three months ended March 31, 2022	2021
Cash flows provided by (used in)			
Operating Activities			
Decrease in net assets attributable to Unitholders		$ (13,777)	$ (3,031)
Additions to tenant incentives		(17,599)	(29,957)
Items not affecting operating cash	15	21,725	10,723
Change in other non-cash operating items	15	10,609	3,992
Finance costs - operations	13	20,745	23,461
Distributions to Unitholders		39,236	35,220
Cash provided by operating activities		60,939	40,408
Financing Activities			
Issuance of mortgages		—	25,550
Financing - other		(19)	(507)
Repayment of mortgages - principal		(9,979)	(10,548)
Repayment of mortgages - maturity	6	(53,390)	(9,847)
Finance costs - operations	13	(20,745)	(23,461)
Advance (repayment) of floating rate credit facilities		(15,437)	19,883
Advance of joint operation credit facilities	6	95	44
Distributions to Unitholders		(39,236)	(35,220)
REIT Units and Class B LP Units issued	14	200,002	—
REIT Units and Class B LP Units issue costs	14	(5,099)	—
Payments of lease liabilities		(226)	(181)
Items not affecting financing cash	15	8,605	1,414
Cash (used in) provided by financing activities		64,571	(32,873)
Investing Activities			
Acquisition of investment properties and intangible assets		(97,225)	(46,044)
Additions to investment properties		(35,633)	(8,381)
Proceeds on disposal of investment properties	3	—	41,561
Contributions to joint ventures	4	(1,200)	(1,000)
Distributions from joint ventures	4	4,343	17
Additions to fixtures and computer equipment		(18)	(73)
Additions to deferred leasing costs		(663)	(94)
Advances on long-term receivables	5	4,886	(291)
Cash used in investing activities		(125,510)	(14,305)
Net change in cash and cash equivalents		—	(6,770)
Cash and cash equivalents, beginning of period		3,915	63,293
Cash and cash equivalents, end of period		$ 3,915	$ 56,523

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 period ended March 31, 2022 and March 31, 2021 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 months ended March 31, 2022 interim condensed consolidated financial statements were authorized for issue by the Board of Trustees on May 11, 2022.

2) SUMMARY OF SIGNIFICANT 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, 2021.

(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, 2021.

(b) Basis of presentation

These interim condensed consolidated financial statements are presented in Canadian dollars, 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 ("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. Critical estimates and judgments disclosed in the annual financial statements also apply to these financial statements. 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 property income recognized from leasing the property, that is stabilized for any major tenant movement. Biannual capitalization rates/yields are obtained from an independent valuation company, which reflects the specific risks inherent in the net property income, to arrive at property valuations. As at March 31, 2022, management's determination of fair value was updated for current market assumptions, informed by property income, market capitalization rates, and recent appraisals provided by independent appraisal professionals.

(iv) Lease modifications

From time to time, Crombie may agree with tenants to modify the terms of lease agreements, including changes to the consideration under the lease. When the changes result in a reduction in amounts receivable relating to past lease periods, Crombie applies IFRS 9 in determining whether to partially or fully derecognize those receivables. Other changes to the terms and conditions of the lease are treated as lease modifications in accordance with IFRS 16, and the modified lease is accounted for as a new lease from the effective date of the modification, with any prepaid or accrued lease payments relating to the original lease included as part of the lease payments for the new lease.

(In thousands of Canadian dollars)

3) INVESTMENT PROPERTIES

	March 31, 2022	December 31, 2021
Income properties	$ 3,534,908	$ 3,436,965
Properties under development	122,187	109,787
Total investment properties	$ 3,657,095	$ 3,546,752

Income properties

	Land	Buildings	Intangibles	Deferred Leasing Costs	Total
Cost					
Opening balance, January 1, 2022	$ 1,129,645	$ 2,912,068	$ 71,758	$ 10,329	$ 4,123,800
Acquisitions	27,415	66,384	5,836	—	99,635
Additions	238	4,537	—	288	5,063
Write-off of fully depreciated assets	—	(2,964)	(1,322)	(301)	(4,587)
Reclassification from properties under development	3,709	8,060	—	—	11,769
Balance, March 31, 2022	1,161,007	2,988,085	76,272	10,316	4,235,680
Accumulated depreciation, amortization, and impairment					
Opening balance, January 1, 2022	7,906	642,311	32,307	4,311	686,835
Depreciation and amortization	79	17,029	1,212	204	18,524
Write-off of fully depreciated assets	—	(2,964)	(1,322)	(301)	(4,587)
Balance, March 31, 2022	7,985	656,376	32,197	4,214	700,772
Net carrying value, March 31, 2022	$ 1,153,022	$ 2,331,709	$ 44,075	$ 6,102	$ 3,534,908

Included in land are right-of-use assets of $15,693 net of accumulated depreciation of $1,029 for land held under lease.

Properties under development

	Land	Buildings	Total
Opening balance, January 1, 2022	$ 67,063	$ 42,724	$ 109,787
Additions	727	23,442	24,169
Reclassification to income-producing properties	(3,709)	(8,060)	(11,769)
Balance, March 31, 2022	$ 64,081	$ 58,106	$ 122,187

(In thousands of Canadian dollars)

Fair value

Crombie's total fair value of investment properties exceeds carrying value by $1,208,606 at March 31, 2022 (December 31, 2021 - $1,150,558). 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
March 31, 2022	**$ 5,199,000**	**$ 3,990,394**
December 31, 2021	$ 5,026,000	$ 3,875,442

Carrying value consists of the net carrying value of:

	Note	March 31, 2022	December 31, 2021
Income properties	3	**$ 3,534,908**	$ 3,436,965
Properties under development	3	**122,187**	109,787
Accrued straight-line rent receivable	5	**96,975**	94,896
Tenant incentives	5	**236,324**	233,794
Total carrying value		**$ 3,990,394**	$ 3,875,442

Crombie has utilized the following weighted average capitalization rate on its income properties. Related to the growth in properties under development, Crombie reports the weighted average capitalization rate excluding the value of properties under development with comparative rates adjusted to reflect this change.

	March 31, 2022	December 31, 2021
Weighted average capitalization rate	**5.65 %**	5.65 %

Capitalization rate sensitivity

Crombie has determined that a change in this applied capitalization rate at March 31, 2022 would result in an (increase) decrease in the fair value of the investment properties as follows:

Capitalization rate change	Increase in Rate	Decrease in Rate
0.25%	**$ (222,000)**	**$ 235,000**
0.50%	**$ (418,000)**	**$ 498,000**
0.75%	**$ (600,000)**	**$ 792,000**

(In thousands of Canadian dollars)

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	Approximate Square Footage		Initial Acquisition Price [1]
January 6, 2022	Related Party	1	31,000	$	3,300
January 7, 2022 [2]	Related Party	1	—		2,567
January 25, 2022 [3]	Related Party	—	235,000		38,050
January 27, 2022	Related Party	5	183,000		34,035
January 28, 2022	Third Party	1	31,000		2,000
March 24, 2022	Related Party	1	38,000		10,520

(1) The initial acquisition prices exclude closing and transaction costs.
(2) Acquisition of a parcel of retail land developed by Crombie.
(3) Acquisition of the remaining 50% interest in one retail-related industrial property from a related party.

Investment property disposals

	Three months ended March 31,			
		2022		2021
Gross proceeds	$	—	$	41,970
Selling costs		—		(409)
		—		41,561
Carrying values derecognized				
Land		—		(15,147)
Buildings		—		(14,539)
Intangibles		—		(213)
Accrued straight-line rent		—		(501)
Provisions		—		(17)
Total gain on disposal	$	—	$	11,144

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 consolidated financial statements, based on the proportionate interest in such joint operations.

	March 31, 2022		December 31, 2021	
	Number of co-owned properties	Ownership	Number of co-owned properties	Ownership
Retail	60	11 % - 50 %	60	11 % - 50 %
Industrial	2	50 %	3	50 %
Total co-owned properties	62		63	

(In thousands of Canadian dollars)

4) INVESTMENT IN JOINT VENTURES

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

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

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

	March 31, 2022					December 31, 2021				
	Davie LP	Bronte LP	Duke LP	Other	Total	Davie LP	Bronte LP	Duke LP	Other	Total
Non-current assets	$ 184,182	$ 257,431	$ 115,677	$ 54,962	$ 612,252	$ 185,530	$ 257,025	$ 115,000	$ 44,519	$ 602,074
Current assets	17,452	2,165	2,650	2,382	24,649	18,720	981	28	1,446	21,175
Non-current liabilities	(205,733)	—	(104,000)	(40,769)	(350,502)	(206,141)	—	—	(30,077)	(236,218)
Current liabilities	(5,161)	(220,386)	(422)	(1,382)	(227,351)	(5,142)	(216,595)	(95,745)	(1,709)	(319,191)
Net Assets	(9,260)	39,210	13,905	15,193	59,048	(7,033)	41,411	19,283	14,179	67,840
Crombie's share at 50%	(4,630)	19,605	6,953	7,596	29,524	(3,516)	20,705	9,642	7,089	33,920
Reconciling items:										
Deferred gain	(7,441)	—	—	—	(7,441)	(7,441)	—	—	—	(7,441)
Partnership loans	(5,500)	5,182	2,585	(460)	1,807	(4,500)	5,182	2,585	(1,061)	2,206
Gain	17,458	—	—	—	17,458	15,525	—	—	—	15,525
Unrecognized losses	113	—	—	—	113	—	—	—	—	—
Crombie's investment in joint ventures	$ —	$ 24,787	$ 9,538	$ 7,136	$ 41,461	$ 68	$ 25,887	$ 12,227	$ 6,028	$ 44,210

	Three months ended									
	March 31, 2022					March 31, 2021				
	Davie LP	Bronte LP	Duke LP	Other	Total	Davie LP	Bronte LP	Duke LP	Other	Total
Revenue	$ 2,702	$ 985	$ 861	$ 164	$ 4,712	$ 405	$ 314	$ —	$ 164	$ 883
Property operating expenses	(587)	(782)	(368)	(68)	(1,805)	(270)	(68)	—	(67)	(405)
General and administrative expenses	(25)	(33)	(33)	(209)	(300)	(187)	—	(4)	—	(191)
Depreciation and amortization	(872)	(980)	(493)	(14)	(2,359)	(696)	(29)	—	(13)	(738)
Finance costs - operations	(1,445)	(1,390)	(693)	(24)	(3,552)	(1,030)	(35)	—	(26)	(1,091)
Net (loss) income	$ (227)	$ (2,200)	$ (726)	$ (151)	$ (3,304)	$ (1,778)	$ 182	$ (4)	$ 58	$ (1,542)
Crombie's (loss) income from equity-accounted investments	$ —	$ (1,100)	$ (363)	$ (76)	$ (1,539)	$ (889)	$ 91	$ (2)	$ 29	$ (771)

(In thousands of Canadian dollars)

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

	March 31, 2022	December 31, 2021
Opening balance	$ 44,210	$ 51,043
Contributions	1,200	5,653
Distributions	(4,343)	(25,070)
Gain on distribution from equity-accounted investments	1,933	15,525
Share of loss	(1,539)	(2,941)
Closing balance	$ 41,461	$ 44,210

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 [(1)]
March 31, 2022	$ 896,000	$ 586,449
December 31, 2021	$ 774,000	$ 576,306

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

Carrying value consists of the net carrying value of:

	March 31, 2022	December 31, 2021
Income properties	$ 532,328	$ 532,597
Properties under development	48,991	38,535
Accrued straight-line rent receivable	478	398
Tenant incentives	4,652	4,776
Total carrying value	$ 586,449	$ 576,306

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

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

	March 31, 2022	December 31, 2021
Weighted average capitalization rate	3.52 %	3.30 %

Capitalization rate sensitivity

Crombie has determined that a change in this applied capitalization rate at March 31, 2022 would result in an (increase) decrease in the fair value of the properties as follows:

Capitalization rate change	Increase in Rate	Decrease in Rate
0.25%	$ (57,000)	$ 66,000
0.50%	$ (106,000)	$ 143,000
0.75%	$ (150,000)	$ 234,000

(In thousands of Canadian dollars)

5) OTHER ASSETS

	March 31, 2022			December 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables	$ 21,817	$ —	$ 21,817	$ 27,472	$ —	$ 27,472
Provision for doubtful accounts	(2,624)	—	(2,624)	(3,031)	—	(3,031)
Net trade receivables	19,193	—	19,193	24,441	—	24,441
Prepaid expenses and deposits	16,903	—	16,903	23,827	—	23,827
Fair value of interest rate swap agreements	2,476	—	2,476	(635)	—	(635)
Other fixed assets (1) (2)	—	10,609	10,609	—	10,974	10,974
Finance lease receivable	584	12,396	12,980	571	12,545	13,116
Accrued straight-line rent receivable	—	96,975	96,975	—	94,896	94,896
Tenant incentives	—	236,324	236,324	—	233,794	233,794
Other	—	105	105	21	105	126
Amounts receivable from related parties	11,958	10,802	22,760	17,138	10,487	27,625
Total other assets	$ 51,114	$ 367,211	$ 418,325	$ 65,363	$ 362,801	$ 428,164

(1) For the three months ended March 31, 2022, depreciation of other fixed assets was $355 (March 31, 2021 - $341).

(2) Other fixed assets include right-of-use assets of $2,154 (December 31, 2021 - $2,334) net of accumulated depreciation of $1,150 (December 31, 2021 - $1,106) relating to office and vehicle leases.

Tenant Incentives	Cost	Accumulated Amortization	Net Carrying Value
Balance, January 1, 2022	$ 326,056	$ 92,262	$ 233,794
Additions	8,094	—	8,094
Amortization	—	5,564	(5,564)
Write-off of fully depreciated assets	(2,081)	(2,081)	—
Balance, March 31, 2022	$ 332,069	$ 95,745	$ 236,324

6) INVESTMENT PROPERTY DEBT

	Range	Weighted Average Interest Rate	Weighted Average Term to Maturity	March 31, 2022	December 31, 2021
Fixed rate mortgages	2.70 - 6.44 %	4.05 %	4.9 years	$ 1,010,459	$ 1,073,895
Revolving credit facility			3.2 years	3,783	9,220
Joint operation credit facility I			2.1 years	7,167	7,167
Joint operation credit facility II			2.5 years	2,832	2,737
Unsecured bilateral credit facility			1.2 years	—	10,000
Deferred financing charges on fixed rate mortgages				(5,498)	(6,036)
Total investment property debt				$ 1,018,743	$ 1,096,983
Mortgages					
Non-current				$ 835,019	$ 893,364
Current				169,942	174,495
Credit facilities					
Non-current				13,782	29,124
				$ 1,018,743	$ 1,096,983

(In thousands of Canadian dollars)

Specific investment properties with a carrying value of $2,395,007 as at March 31, 2022 (December 31, 2021 - $2,459,912) are currently pledged as security for mortgages or provided as security for the revolving credit facility. Carrying value includes investment properties, as well as accrued straight-line rent receivable and tenant incentives, which are included in other assets.

Mortgage activity

			Weighted Average			
For the three months ended:	Type	Number of Mortgages	Rate	Terms in Years	Amortization Period in Years	**Proceeds (Repayments)**
March 31, 2022	Repaid	4	3.08 %			**$ (53,390)**

7) SENIOR UNSECURED NOTES

	Maturity Date [1]	Contractual Interest Rate	**March 31, 2022**	December 31, 2021
Series D	November 21, 2022	4.066 %	**$ 150,000**	$ 150,000
Series E	January 31, 2025	4.800 %	**175,000**	175,000
Series F	August 26, 2026	3.677 %	**200,000**	200,000
Series G	June 21, 2027	3.917 %	**150,000**	150,000
Series H	March 31, 2028	2.686 %	**150,000**	150,000
Series I	October 9, 2030	3.211 %	**150,000**	150,000
Series J	August 12, 2031	3.133 %	**150,000**	150,000
Deferred financing charges			**(3,542)**	(3,733)
Total senior unsecured notes			**$ 1,121,458**	$ 1,121,267
Non-current			**$ 971,458**	$ 971,267
Current			**150,000**	150,000
			$ 1,121,458	$ 1,121,267

(1) The weighted average term to maturity for the three months ended March 31, 2022 was 5.2 years.

8) TRADE AND OTHER PAYABLES

	March 31, 2022			December 31, 2021		
	Current	**Non-current**	**Total**	Current	Non-current	Total
Tenant incentives and capital expenditures	**$ 41,368**	**$ —**	**$ 41,368**	$ 57,161	$ —	$ 57,161
Property operating costs	**37,741**	**—**	**37,741**	34,160	—	34,160
Prepaid rents	**13,913**	**—**	**13,913**	16,983	—	16,983
Finance costs on investment property debt and notes	**11,784**	**—**	**11,784**	14,251	—	14,251
Amounts payable to related party	**156**	**—**	**156**	71	—	71
Distributions payable	**13,108**	**—**	**13,108**	12,223	—	12,223
Unit-based compensation plans	**3,716**	**21,105**	**24,821**	4,588	19,631	24,219
Deferred revenue	**284**	**4,190**	**4,474**	258	4,207	4,465
Total trade and other payables	**$ 122,070**	**$ 25,295**	**$ 147,365**	$ 139,695	$ 23,838	$ 163,533

(In thousands of Canadian dollars)

9) PROPERTY REVENUE

	Three months ended March 31,	
	2022	2021
Operating lease revenue		
Rental revenue contractually due from tenants [1]	**$ 90,651**	$ 87,967
Contingent rental revenue	**736**	677
Straight-line rent recognition	**2,079**	2,714
Tenant incentive amortization	**(5,564)**	(4,535)
Lease termination income	**47**	1,561
Revenue from contracts with customers		
Common area cost recoveries	**16,266**	14,544
Parking revenue	**731**	609
Total property revenue	**$ 104,946**	$ 103,537

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

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

	Three months ended March 31,			
	2022		2021 [1]	
Sobeys Inc. (including all subsidiaries of Empire)	**$ 53,975**	**51.4 %**	$ 48,208	46.6 %

(1) Related party property revenue for the three months ended March 31, 2021 was updated from the previously reported figure.

10) PROPERTY OPERATING EXPENSES

	Three months ended March 31,	
	2022	2021
Recoverable property taxes	**$ 17,535**	$ 16,638
Recoverable operating expenses	**17,138**	15,206
Other operating costs	**942**	1,557
Total property operating expenses	**$ 35,615**	$ 33,401

11) 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 March 31, 2022, is as follows:

	Remaining	**Year ending December 31,**					
	2022	**2023**	**2024**	**2025**	**2026**	**Thereafter**	**Total**
Future minimum rental income	$ 212,035	$ 270,980	$ 259,788	$ 243,634	$ 229,425	$ 1,654,374	$ 2,870,236

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.

(In thousands of Canadian dollars)

12) GENERAL AND ADMINISTRATION EXPENSES AND CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) General and administrative expenses

	Three months ended March 31,	
	2022	2021
Salaries and benefits	**$ 3,126**	$ 3,413
Professional and public company costs	**945**	1,099
Occupancy and other	**782**	526
Total general and administrative expenses	**$ 4,853**	$ 5,038

(b) Decrease (increase) in fair value of financial instruments

	Three months ended March 31,	
	2022	2021
Deferred Unit ("DU") Plan	**$ 211**	$ (1,026)

13) FINANCE COSTS - OPERATIONS

	Three months ended March 31,	
	2022	2021
Fixed rate mortgages	**$ 10,580**	$ 12,914
Floating rate term, revolving, and demand facilities	**644**	477
Capitalized interest	**(1,146)**	(886)
Senior unsecured notes	**10,289**	10,580
Interest income on finance lease receivable	**(143)**	(101)
Interest on lease liability	**521**	477
Finance costs - operations, expense	**20,745**	23,461
Amortization of fair value debt adjustment and accretion income	**68**	77
Change in accrued finance costs	**2,467**	(859)
Capitalized interest [(1)]	**1,146**	886
Amortization of issue premium on senior unsecured notes	**—**	65
Amortization of deferred financing charges	**(688)**	(802)
Finance costs - operations, paid	**$ 23,738**	$ 22,828

(1) For the three months ended March 31, 2022, interest was capitalized for qualifying development projects based on a weighted average interest rate of 3.37% (March 31, 2021 - 3.46%).

(In thousands of Canadian dollars)

14) 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, 2022	**97,364,481**	**$**	**1,162,122**	**67,438,492**	**$**	**804,359**	**164,802,973**	**$**	**1,966,481**
Net change in EUPP loans receivable	**—**		**9**	**—**		**—**	**—**		**9**
Units issued under DRIP	**269,771**		**4,613**	**191,166**		**3,304**	**460,937**		**7,917**
Units issued (proceeds are net of issue costs)	**6,705,000**		**112,032**	**4,756,446**		**82,871**	**11,461,446**		**194,903**
Balance, March 31, 2022	**104,339,252**	**$**	**1,278,776**	**72,386,104**	**$**	**890,534**	**176,725,356**	**$**	**2,169,310**

Crombie REIT Units

On January 31, 2022, Crombie closed a public offering, on a bought basis of 6,705,000 Units, at a price of $17.45 per Unit for proceeds of $112,032 net of issue costs.

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

On January 31, 2022, concurrent with the issue of the REIT Units, in satisfaction of its pre-emptive right, ECL Developments purchased 4,756,446 Class B LP Units and the attached SVUs at a price of $17.45 per Unit, for proceeds of $82,871 net of issue costs, on a private placement basis.

	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, 2021	93,533,246	$	1,100,999	64,724,915	$	759,238	158,258,161	$	1,860,237
Net change in EUPP loans receivable	—		9	—		—	—		9
Units issued under DRIP	24,280		358	17,203		254	41,483		612
Units issued under Unit-based compensation plan	4,817		70	—		—	4,817		70
Balance, March 31, 2021	93,562,343	$	1,101,436	64,742,118	$	759,492	158,304,461	$	1,860,928

15) SUPPLEMENTARY CASH FLOW INFORMATION

a) Items not affecting operating cash

	Three months ended March 31,			
		2022		2021
Items not affecting operating cash:				
Straight-line rent recognition	**$**	**(2,079)**	$	(2,714)
Amortization of tenant incentives		**5,564**		4,535
Gain on disposal of investment properties		**—**		(11,144)
Gain on distribution from equity-accounted investments		**(1,933)**		—
Depreciation and amortization		**18,879**		18,795
Amortization of effective swap agreements and issue premium		**—**		(65)
Loss from equity-accounted investments		**1,539**		771
Non-cash lease termination income		**(34)**		(481)
Change in fair value of financial instruments		**(211)**		1,026
	$	**21,725**	$	10,723

(In thousands of Canadian dollars)

b) Change in other non-cash operating items

	Three months ended March 31,	
	2022	2021
Cash provided by (used in):		
Trade receivables	**$ 5,248**	$ 8,462
Prepaid expenses and deposits and other assets	**5,853**	2,366
Payables and other liabilities	**(492)**	(6,836)
	$ 10,609	$ 3,992

c) Items not affecting financing cash

	Three months ended March 31,	
	2022	2021
Amortization of deferred financing charges	**$ 688**	$ 802
Non-cash distributions to Unitholders in the form of DRIP Units	**7,917**	612
	$ 8,605	$ 1,414

d) Cash and cash equivalents

	March 31, 2022	December 31, 2021
Restricted cash (1)	**$ 3,915**	$ 3,915

(1) In 2020, Crombie closed on a construction mortgage in which the proceeds were placed in escrow and drawn down as conditions are satisfied.

16) RELATED PARTY TRANSACTIONS

As at March 31, 2022, Empire, through its wholly owned subsidiary ECLD, holds a 41.5% indirect interest in Crombie. Related party transactions primarily include transactions with entities associated with Crombie through Empire's indirect interest. Related party transactions also include transactions with joint venture entities in which Crombie has a 50% interest, as well as transactions with key management personnel and post-employment benefit plans.

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

(In thousands of Canadian dollars)

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

	Three months ended March 31,	
	2022	2021
Property revenue		
Property revenue	**$ 53,975**	$ 48,208 [1]
Head lease income	**$ 269**	$ 246
Lease termination income	**$ 34**	$ 34
Property operating expenses	**$ (34)**	$ (5)
General and administrative expenses		
Property management services recovered	**$ 118**	$ 50
Other general and administrative expenses	**$ (44)**	$ (65)
Finance costs - operations		
Interest rate subsidy	**$ 53**	$ 60
Finance costs - distributions to Unitholders	**$ (16,293)**	$ (14,607)

(1) Related party property revenue for the three months ended March 31, 2021 was updated from the previously reported figure.

Crombie provides property management, project management, leasing services and environmental management to specific properties owned by certain subsidiaries of Empire on a fee-for-service basis pursuant to a Management Agreement. Revenue generated from the Management Agreement is being recognized as a reduction of general and administrative expenses.

During the three months ended March 31, 2022, Crombie issued 191,166 (March 31, 2021 - 17,203) Class B LP Units to ECLD under the DRIP (Note 14).

During the three months ended March 31, 2022, Crombie acquired eight retail properties and the remaining 50% interest in one retail-related industrial property from a subsidiary of Empire for a total purchase price of $88,472 before transaction costs.

During the three months ended March 31, 2022, Crombie invested $3,035 (March 31, 2021 - $16,060) in properties anchored by subsidiaries of Empire, which resulted in amended lease terms. These amounts have been included in tenant incentive additions or income property additions depending on the nature of the work completed. The costs are being amortized over the amended lease terms or the useful life of the projects, as applicable.

Amounts due from related parties include $10,364 (December 31, 2021 - $15,533) in a 6% subordinated note receivable due from Bronte Village Limited Partnership.

Crombie has a mortgage payable due to 1600 Davie Limited Partnership of $25,447 (December 31, 2021 - $25,526). This mortgage relates to the commercial component of the Davie Street development, 100% of which is included in Crombie's financial statements.

17) 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.

(In thousands of Canadian dollars)

- 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 March 31, 2022.

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:

	March 31, 2022		December 31, 2021	
	Fair Value	**Carrying Value**	Fair Value	Carrying Value
Financial assets				
Accounts receivable[(1)]	**$ 22,865**	**$ 22,865**	$ 27,737	$ 27,751
Financial liabilities				
Investment property debt	**$ 1,074,897**	**$ 1,024,241**	$ 1,177,814	$ 1,103,019
Senior unsecured notes	**1,081,518**	**1,125,000**	1,157,820	1,125,000
Total financial liabilities	**$ 2,156,415**	**$ 2,149,241**	$ 2,335,634	$ 2,228,019

(1) Accounts receivable include amounts in other assets for the capital expenditure program, interest rate subsidy, and receivable from related parties.

The fair values of long-term receivables, 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
- Trade receivables
- Trade and other payables (excluding any embedded derivatives).

b) Risk management

In the normal course of business, Crombie is exposed to a number of financial risks that can affect its operating performance. More information on the significant risks, and the action taken to manage them, are discussed in Crombie's annual report.

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 NOI 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. Historically low receivable balances increased significantly over the past few years as a result of the impacts of the COVID-19 pandemic but have since returned to their pre-pandemic collection rates. Generally, rents are due the first of each month and other tenant billings are due 30 days after invoiced, 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, applications for rental relief through government programs, and ongoing discussions with tenants.

(In thousands of Canadian dollars)

Liquidity risk

The real estate industry is highly capital intensive. 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 of March 31, 2022, $393,159 was available on this facility.

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

		Twelve months ending March 31,					
	Contractual Cash Flows[(1)]	**2023**	**2024**	**2025**	**2026**	**2027**	**Thereafter**
Fixed rate mortgages	$ 1,170,732	$ 207,704	$ 388,021	$ 118,956	$ 50,046	$ 124,630	$ 281,375
Senior unsecured notes	1,325,038	189,074	35,176	208,776	26,776	222,382	642,854
Trade and other payables	117,810	92,515	4,892	2,814	1,878	1,743	13,968
Lease liabilities	153,467	2,978	2,897	2,788	2,738	2,640	139,426
	2,767,047	492,271	430,986	333,334	81,438	351,395	1,077,623
Credit facilities	14,842	441	441	10,154	3,806	—	—
Total estimated payments	**$ 2,781,889**	**$ 492,712**	**$ 431,427**	**$ 343,488**	**$ 85,244**	**$ 351,395**	**$ 1,077,623**

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

18) 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:

	March 31, 2022	December 31, 2021
Fixed rate mortgages	**$ 1,004,961**	$ 1,067,859
Credit facilities	**13,782**	29,124
Senior unsecured notes	**1,121,458**	1,121,267
Crombie REIT Unitholders	**1,060,659**	950,271
SVU and Class B LP Unitholders [(1)]	**728,996**	647,221
Lease liabilities	**35,095**	35,352
	$ 3,964,951	$ 3,851,094

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

(In thousands of Canadian dollars)

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 sheet as Net assets attributable to Unitholders. Crombie's debt to gross book value as defined in Crombie's Declaration of Trust is as follows:

	March 31, 2022	December 31, 2021 (1)
Fixed rate mortgages	$ 1,010,459	$ 1,073,895
Senior unsecured notes	1,125,000	1,125,000
Revolving credit facility	3,783	9,220
Joint operation credit facilities	9,999	9,904
Bilateral credit facility	—	10,000
Debt held in joint ventures, at Crombie's share (2)	267,168	246,308
Lease liabilities	35,095	35,352
Total debt outstanding	2,451,504	2,509,679
Less: Applicable fair value debt adjustment	—	(53)
Total debt	$ 2,451,504	$ 2,509,626
Income properties, cost (3)	$ 4,228,723	$ 4,116,843
Properties under development, cost	122,187	109,787
Investment properties, held in joint ventures, cost, at Crombie's share	295,529	289,010
Below-market lease component, cost (4)	72,171	63,753
Other assets, cost (5)	517,526	523,635
Other assets, cost, held in joint ventures, at Crombie's share	25,920	21,907
Cash and cash equivalents	3,915	3,915
Cash and cash equivalents held in joint ventures, at Crombie's share	4,953	4,453
Deferred financing charges	9,040	9,769
Interest rate subsidy	—	(53)
Gross book value	$ 5,279,964	$ 5,143,019
Debt to gross book value - cost basis	46.4 %	48.8 %

(1) The prior year calculation has been restated to include Crombie's share of debt and assets held in joint ventures.
(2) Includes Crombie's share of fixed and floating rate mortgages, construction loans, revolving credit facility, and lease liabilities held in joint ventures.
(3) Includes impairments on land of $6,957 (December 31, 2021 - $6,957).
(4) Below-market lease component is included in the carrying value of investment properties.
(5) 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

(In thousands of Canadian dollars)

- annual cash distributions to Unitholders are limited to 100% of funds from operations.

As at March 31, 2022, Crombie is in compliance with all externally imposed capital requirements and all covenants relating to its debt facilities.

19) LEASE LIABILITIES

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

		Twelve months ending March 31,					
	Total	**2023**	**2024**	**2025**	**2026**	**2027**	**Thereafter**
Future minimum lease payments	$ 153,467	$ 2,978	$ 2,897	$ 2,788	$ 2,738	$ 2,640	$ 139,426
Finance charges	(118,372)	(2,068)	(2,044)	(2,023)	(2,004)	(1,987)	(108,246)
Present value of lease payments	$ 35,095	$ 910	$ 853	$ 765	$ 734	$ 653	$ 31,180

Lease liabilities are presented in the consolidated balance sheet as follows:

	March 31, 2022	December 31, 2021
Non-current	**$ 34,185**	$ 34,420
Current	**910**	932
Total lease liabilities	**$ 35,095**	$ 35,352

Some of Crombie's lease agreements contain contingent rent clauses. Contingent rental payments are recognized in the interim condensed consolidated statements of comprehensive loss as required when contingent criteria are met. The lease agreements contain renewal options and purchase options. For the three months ended March 31, 2022, minimum lease payments of $747 were paid by Crombie.

20) 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 March 31, 2022, Crombie has $3,058 (December 31, 2021 - $3,003) in outstanding letters of credit related to construction work being performed on investment properties.

As at March 31, 2022, Crombie had signed construction contracts totalling $244,371, of which $170,190 has been paid. This includes contracts signed within joint ventures at Crombie's ownership percentage.

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 March 31, 2022, Crombie has provided guarantees of approximately $120,746 (December 31, 2021 - $128,973) on mortgages in excess of their ownership interest in the properties. Responsibility for ongoing payments of principal and interest on these mortgages remains with the joint owners of the properties. The mortgages have a weighted average term to maturity of 2.9 years.

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

As at March 31, 2022, Crombie has committed to contributing $920 to 1700 East Broadway Limited Partnership as part of the ongoing predevelopment work in the joint venture.

21) SUBSEQUENT EVENTS

(a) On April 14, 2022, Crombie declared distributions of 7.417 cents per Unit for the period from April 1, 2022 up to and including April 30, 2022. The distributions will be paid on May 13, 2022, to Unitholders of record as of April 30, 2022.

(b) On May 3, 2022, Crombie acquired a 100% interest in a retail property from a subsidiary of Empire totalling 68,000 square feet for $11,000, excluding closing and transaction costs.

22) 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

OFFICERS

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Trevor Lee
Senior Vice President Construction and Development

Arie Bitton
Senior Vice President Leasing and Operations

Fred Santini
General Counsel

CROMBIE REIT

Head Office:

610 East River Road, Suite 200

New Glasgow, Nova Scotia, B2H 3S2

Telephone: (902) 755-8100

Fax (902) 755-6477

Internet: www.crombie.ca

INVESTOR RELATIONS AND INQUIRIES

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

Clinton D. Keay, CPA, CA
Chief Financial Officer and Secretary

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

TSX Trust Company
Investor Correspondence
P.O. Box 700
Montreal, Quebec, H3B 3K3

Telephone: (800) 387-0825
Email: inquiries@astfinancial.com
Website: www.astfinancial.com/ca

COUNSEL

Stewart McKelvey
Halifax, Nova Scotia

AUDITORS

PricewaterhouseCoopers, LLP
Halifax, Nova Scotia

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If you have more than one account, you may receive a separate mailing for each.

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Crombie