CROMBIE REAL ESTATE INVESTMENT TRUST
Interim Condensed Consolidated Financial Statements
June 30, 2020

Contents

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

	Note	June 30, 2020	December 31, 2019
Assets			
Non-current assets			
Investment properties	3	$ 3,555,315	$ 3,557,572
Investment in joint ventures	4	45,827	45,123
Other assets	5	293,846	286,947
		3,894,988	3,889,642
Current assets			
Other assets	5	65,022	30,625
		65,022	30,625
Total Assets		3,960,010	3,920,267
Liabilities			
Non-current liabilities			
Fixed rate mortgages	6	1,136,229	1,045,015
Credit facilities	6	29,990	54,308
Senior unsecured notes	7	672,588	922,479
Employee future benefits obligation		8,255	8,122
Trade and other payables	8	12,620	14,613
Lease liabilities	18	28,498	28,675
		1,888,180	2,073,212
Current liabilities			
Fixed rate mortgages	6	99,987	257,495
Credit facilities	6	112,000	—
Senior unsecured notes	7	250,000	—
Employee future benefits obligation		289	289
Trade and other payables	8	97,689	133,484
Lease liabilities	18	721	744
		560,686	392,012
Total liabilities excluding net assets attributable to Unitholders		2,448,866	2,465,224
Net assets attributable to Unitholders		$ 1,511,144	$ 1,455,043
Net assets attributable to Unitholders represented by:			
Crombie REIT Unitholders		$ 900,968	$ 870,792
Special Voting Units and Class B Limited Partnership Unitholders		610,176	584,251
		$ 1,511,144	$ 1,455,043
Commitments, contingencies and guarantees	19		
Subsequent events	20		

See accompanying notes to the interim condensed consolidated financial statements.

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

	Note	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Property revenue	9	$ 96,501	$ 99,332	$ 198,753	$ 204,572
Property operating expenses		37,887	28,222	73,124	60,588
Net property income		58,614	71,110	125,629	143,984
Gain (loss) on disposal of investment properties	3	—	16,661	(829)	43,290
Impairment of investment properties	3	(2,100)	—	(2,100)	—
Depreciation and amortization	3,5	(18,278)	(18,140)	(37,596)	(38,058)
General and administrative expenses	11	(6,960)	(5,970)	(9,979)	(11,754)
Finance costs - operations	12	(22,006)	(24,335)	(44,646)	(50,002)
Income from equity accounted investments	4	123	123	238	217
Operating income attributable to Unitholders		9,393	39,449	30,717	87,677
Finance costs - other					
Distributions to Unitholders		(35,187)	(33,744)	(69,889)	(67,480)
Change in fair value of financial instruments	11	(212)	(332)	1,717	(1,003)
		(35,399)	(34,076)	(68,172)	(68,483)
Increase (decrease) in net assets attributable to Unitholders		(26,006)	5,373	(37,455)	19,194
Other comprehensive income					
Items that will be subsequently reclassified to increase (decrease) in net assets attributable to Unitholders:					
Costs incurred on derivatives designated as cash flow hedges transferred to finance costs - operations		—	544	510	1,095
Net change in derivatives designated as cash flow hedges		(677)	(1,516)	(6,797)	(3,837)
Other comprehensive income		(677)	(972)	(6,287)	(2,742)
Comprehensive income (loss)		$ (26,683)	$ 4,401	$ (43,742)	$ 16,452

See accompanying notes to the interim condensed consolidated financial statements.

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

	REIT Units, Special Voting Units and Class B LP Units	Net Liabilities Attributable to Unitholders	Accumulated Other Comprehensive Income (Loss)	Total	Attributable to REIT Units	Attributable to Class B LP Units
	(Note 13)					
Balance, January 1, 2020	$ 1,759,324	$ (304,412)	$ 131	$ 1,455,043	$ 870,792	$ 584,251
Adjustments related to EUPP	22	—	—	22	22	—
Statements of comprehensive income (loss)	—	(37,455)	(6,287)	(43,742)	(27,537)	(16,205)
Units issued under Distribution Reinvestment Plan ("DRIP")	1,700	—	—	1,700	995	705
Units issued under unit based compensation plan	745	—	—	745	745	—
Unit issue proceeds, net of costs	97,376	—	—	97,376	55,951	41,425
Balance, June 30, 2020	$ 1,859,167	$ (341,867)	$ (6,156)	$ 1,511,144	$ 900,968	$ 610,176

	REIT Units, Special Voting Units and Class B LP Units	Net Assets (Liabilities) Attributable to Unitholders	Accumulated Other Comprehensive Income (Loss)	Total	Attributable to REIT Units	Attributable to Class B LP Units
	(Note 13)					
Balance, January 1, 2019	$ 1,756,458	$ (312,287)	$ (1,331)	$ 1,442,840	$ 864,779	$ 578,061
Adjustments related to adoption of IFRS 16	—	(2,505)	—	(2,505)	(1,501)	(1,004)
Adjustments related to EUPP	338	6	—	344	344	—
Statements of comprehensive income (loss)	—	19,194	(2,742)	16,452	9,016	7,436
Units issued under DRIP	1,220	—	—	1,220	710	510
Balance, June 30, 2019	$ 1,758,016	$ (295,592)	$ (4,073)	$ 1,458,351	$ 873,348	$ 585,003

See accompanying notes to the interim condensed consolidated financial statements.

(In thousands of CAD dollars)

	Note	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Cash flows provided by (used in)					
Operating Activities					
Increase (decrease) in net assets attributable to Unitholders		$ (26,006)	$ 5,373	$ (37,455)	$ 19,194
Special cash distribution		—	—	(14,857)	—
Additions to tenant incentives		(23,573)	(10,858)	(47,864)	(13,802)
Items not affecting operating cash	14	24,056	3,785	46,086	174
Change in other non-cash operating items	14	(17,999)	(27,361)	(23,061)	(16,586)
Cash (used in) provided by operating activities		(43,522)	(29,061)	(77,151)	(11,020)
Financing Activities					
Issue of mortgages	6	118,000	—	118,000	25,288
Financing - other		(690)	(763)	(955)	(1,410)
Repayment of mortgages - principal		(10,395)	(12,917)	(21,185)	(26,564)
Repayment of mortgages - maturity	6	(10,672)	(13,707)	(168,302)	(31,157)
Advance (repayment) of floating rate credit facilities		(144,264)	(68,279)	87,396	(99,135)
Advance of joint operation credit facilities	6	144	6,848	286	6,848
REIT Units and Class B LP Units issued	13	—	—	100,012	—
REIT Units and Class B LP Units issue costs	13	(46)	—	(2,636)	—
Collection of EUPP loans receivable		10	155	22	338
Payments of lease liabilities		(187)	(161)	(364)	(324)
Advances on long-term receivables		—	(273)	—	(1,472)
Cash provided by (used in) financing activities		(48,100)	(89,097)	112,274	(127,588)
Investing Activities					
Acquisition of investment properties and intangible assets		(4,645)	—	(4,962)	(32,439)
Additions to investment properties		(14,819)	(20,602)	(28,958)	(37,821)
Proceeds on disposal of investment properties	3	—	139,718	901	213,499
Distributions from (contributions to) joint ventures		(500)	17	(483)	(2,216)
Additions to fixtures and computer equipment		(314)	(497)	(475)	(1,273)
Additions to deferred leasing costs		(371)	(478)	(709)	(1,142)
Advances on long-term receivables		(386)	—	(437)	—
Cash provided by (used in) provided by investing activities		(21,035)	118,158	(35,123)	138,608
Net change in cash and cash equivalents		(112,657)	—	—	—
Cash and cash equivalents, beginning of period		112,657	—	—	—
Cash and cash equivalents, end of period		$ —	$ —	$ —	$ —

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, office and mixed-use properties in Canada. Crombie is registered in Canada and the address of its registered office is 610 East River Road, Suite 200, New Glasgow, Nova Scotia, Canada, B2H 3S2. The interim condensed consolidated financial statements for the three and six months ended June 30, 2020 and June 30, 2019 include the accounts of Crombie and all of its subsidiary entities. The units of Crombie are traded on the Toronto Stock Exchange ("TSX") under the symbol "CRR.UN".

The three and six months ended June 30, 2020 interim condensed consolidated financial statements were authorized for issue by the Board of Trustees on August 5, 2020.

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, 2019.

(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 of 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, 2019.

(b) Basis of presentation

These interim condensed consolidated financial statements are presented in Canadian dollars ("CAD"); Crombie's functional and reporting currency, rounded to the nearest thousand. The interim condensed consolidated financial statements are prepared on a historical cost basis except for any financial assets and liabilities classified as fair value with changes in fair value either recognized as an increase (decrease) in net assets attributable to Unitholders ("FVTPL" classification) or fair value through other comprehensive income ("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. As of June 30, 2020 there has been increased measurement uncertainty around valuation. Crombie has disclosed increased sensitivity around capitalization rates and continues to monitor the ongoing potential impacts on valuation related to the outbreak of the novel strain of coronavirus ("COVID-19"). 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 Level 1 inputs are 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 net property income received from leasing the property, that is stabilized for any major tenant movement. Crombie adjusted net property income for expected impacts related to COVID-19, by looking at potential bad debts or other lost income at each property and applying probability to several potential scenarios. Crombie also completed discounted cash flow models to support its fair value of investment property. Biannual 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 June 30, 2020, management's determination of fair value was updated for current market assumptions, informed by 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.

(v) Risk management

Markets have been negatively impacted by COVID-19, which was declared a pandemic by the World Health Organization ("WHO") on March 11, 2020. The continued spread of COVID-19 and the actions being taken by governments, businesses and individuals to limit this pandemic, including business closures and physical distancing, and the effects of resulting layoffs and other job losses on the available income of retail customers may adversely impact our operations and development activities including, among others, increasing the credit risk associated with our receivables, limiting our ability to quickly respond to changes in credit risk, extending the time to completion and occupancy of major developments and limiting our ability to serve our tenants. This has resulted in significant economic uncertainty, of which the potential impact on our future financial results is difficult to reliably measure.

(vi) Provision for doubtful accounts

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 such as Canada Emergency Commercial Rent Assistance program ("CECRA"), 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 or under CECRA. Crombie's assessment is subjective due to the forward-looking nature of the assessments. As a result, the provision for doubtful accounts is subject to a degree of uncertainty and is made based on assumptions which may not prove to be accurate with the unprecedented uncertainty caused by COVID-19.

(d) Application of new IFRS

(i) IFRS 3 Business combinations

Effective January 1, 2020, Crombie has applied the amendments to the requirements of IFRS 3, “Business Combinations” (“IFRS 3”), in relation to whether a transaction meets the definition of a business combination. The amendments help provide guidance on whether the acquired assets and activities constitute a business. The change is applied prospectively on or after the effective date and as such there was no impact on the adoption of this amendment.

(In thousands of CAD dollars)

3) INVESTMENT PROPERTIES

	June 30, 2020	December 31, 2019
Income properties	$ 3,448,342	$ 3,461,359
Properties under development	106,973	96,213
	$ 3,555,315	$ 3,557,572

Income properties

	Land	Buildings	Intangibles	Deferred Leasing Costs	Total
Cost					
Opening balance, January 1, 2020	$ 1,117,701	$ 2,825,447	$ 112,313	$ 8,853	$ 4,064,314
Acquisitions	1,457	3,158	347	—	4,962
Additions	715	21,605	—	505	22,825
Dispositions	(1,730)	—	—	—	(1,730)
Write-off fully depreciated assets	—	—	(39,982)	—	(39,982)
Balance, June 30, 2020	1,118,143	2,850,210	72,678	9,358	4,050,389
Accumulated depreciation, amortization and impairment					
Opening balance, January 1, 2020	2,673	530,576	66,657	3,049	602,955
Depreciation and amortization	158	33,827	2,531	458	36,974
Impairment	700	1,400	—	—	2,100
Write-off fully depreciated assets	—	—	(39,982)	—	(39,982)
Balance, June 30, 2020	3,531	565,803	29,206	3,507	602,047
Net carrying value, June 30, 2020	$ 1,114,612	$ 2,284,407	$ 43,472	$ 5,851	$ 3,448,342

Included in land are right of use assets of $16,247 net of accumulated depreciation of $478 for land held under lease.

During the six months ended June 30, 2020 , Crombie recorded impairments totaling $2,100 on three properties. The impairments were the result of the fair value impact of tenant lease expiries and slower than expected leasing activity. Impairment was measured on a per property basis and was determined as the amount by which carrying value, using the cost method, exceeded the recoverable amount for that property. The recoverable amount was determined to be each property's fair value defined as the higher of the economic benefit of the continued use of the asset or the selling price less costs to sell.

Properties under development

	Land	Buildings	Total
Opening balance, January 1, 2020	$ 76,104	$ 20,109	$ 96,213
Additions	1,525	9,235	10,760
Balance, June 30, 2020	$ 77,629	$ 29,344	$ 106,973

(In thousands of CAD dollars)

	Land	Buildings	Deferred Leasing Costs	Total
Opening balance, January 1, 2019	$ 49,967	$ 16,095	$ 117	$ 66,179
Acquisitions[(1)]	32,439	—	—	32,439
Additions	1,785	6,705	20	8,510
Dispositions	(3,673)	—	—	(3,673)
Reclassification to income producing properties	(5,943)	(12,851)	(122)	(18,916)
Balance, June 30, 2019	$ 74,575	$ 9,949	$ 15	$ 84,539

(1) During the quarter ended March 31, 2019, Crombie acquired a 20.25 acre site located in Pointe-Claire, Quebec for total costs of $32,439.

Fair value

Crombie's total fair value of investment properties exceeds carrying value by $781,728 at June 30, 2020 (December 31, 2019 - $808,674). Crombie uses the cost method for 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 is recognized at the time of impairment. As of June 30, 2020 there has been increased measurement uncertainty around valuation. Crombie has disclosed increased sensitivity around capitalization rates and continues to monitor the ongoing potential impacts on valuation.

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

	Fair Value	Carrying Value
June 30, 2020	**$ 4,604,000**	**$ 3,822,272**
December 31, 2019	$ 4,605,000	$ 3,796,326

Carrying value consists of the net carrying value of:

	Note	June 30, 2020	December 31, 2019
Income properties	3	**$ 3,448,342**	$ 3,461,359
Properties under development	3	**106,973**	96,213
Accrued straight-line rent receivable	5	**84,078**	80,268
Tenant incentives	5	**182,879**	158,486
Total carrying value		**$ 3,822,272**	$ 3,796,326

Crombie has utilized the following weighted average capitalization rates 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 the comparative rates adjusted to reflect this change.

	June 30, 2020	December 31, 2019
Weighted Average Capitalization Rate	**5.94%**	5.99%

Crombie has determined that an increase (decrease) in this applied capitalization rate at June 30, 2020 would result in an increase (decrease) in the fair value of the investment properties as follows:

Capitalization Rate Sensitivity		Increase In Rate	Decrease in Rate
June 30, 2020			
	0.25%	**(188,000)**	**199,000**
	0.50%	**(357,000)**	**423,000**
	0.75%	**(512,000)**	**672,000**

Property Acquisitions and Dispositions

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

(In thousands of CAD dollars)

Transaction Date	Vendor/Purchaser	Properties Acquired (Disposed)	Approximate Square Footage	Initial Acquisition (Disposition) Price
January 9, 2020	Third Party	—	—	$ 280
February 4, 2020	Third Party	—	—	(1,000)
May 28, 2020	Related Party	1	29,000	4,535
			29,000	$ 3,815

The initial (disposition) prices stated above exclude closing and transaction costs.

	Three months ended June 30,		Six months ended June 30,	
Investment property disposed	2020	2019	2020	2019
Gross proceeds	$ —	$ 186,364	$ 1,000	$ 293,579
Selling costs	—	(5,089)	(99)	(6,250)
	—	181,275	901	287,329
Carrying values derecognized				
Land	—	(39,300)	(1,730)	(60,758)
Buildings	—	(99,885)	—	(154,827)
Intangibles	—	(3,354)	—	(4,538)
Deferred leasing costs	—	(9)	—	(25)
Tenant Incentives	—	(17,434)	—	(17,938)
Accrued straight-line rent	—	(4,206)	—	(5,405)
Provisions	—	(426)	—	(548)
Gain (loss) on disposal	$ —	$ 16,661	$ (829)	$ 43,290

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Proceeds	$ —	$ 181,275	$ 901	$ 287,329
Mortgages assumed by buyer	—	(41,557)	—	(73,830)
Cash proceeds	$ —	$ 139,718	$ 901	$ 213,499

4) INVESTMENT IN JOINT VENTURES

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

	June 30, 2020	December 31, 2019
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%

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

	June 30, 2020	December 31, 2019
Non-current assets	$ 365,541	$ 297,598
Current assets	28,675	31,287
Non-current liabilities	(128,356)	(111,845)
Current liabilities	(174,856)	(127,444)
Net assets	$ 91,004	$ 89,596
Crombie's investment in joint ventures	$ 45,827	$ 45,123

(In thousands of CAD dollars)

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	**2020**	2019
Revenue	**$ 413**	$ 386	**$ 843**	$ 728
Property operating expenses	**(99)**	(88)	**(225)**	(188)
General and administrative expenses	**—**	—	**—**	(2)
Depreciation of investment properties	**(42)**	(41)	**(90)**	(82)
Finance costs - operations	**(26)**	(11)	**(52)**	(23)
Net income	**$ 246**	$ 246	**$ 476**	$ 433
Crombie's income from equity accounted investments	**$ 123**	$ 123	**$ 238**	$ 217

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

	June 30, 2020	December 31, 2019
Opening balance	**$ 45,123**	$ 39,485
Contributions	**500**	28,111
Distributions	**(34)**	(15,366)
Deferred gain	**—**	(7,441)
Share of income	**238**	334
Closing balance	**$ 45,827**	$ 45,123

5) OTHER ASSETS

	June 30, 2020			December 31, 2019		
	Current	**Non-current**	**Total**	Current	Non-current	Total
Trade receivables	**$ 34,072**	**$ —**	**$ 34,072**	$ 14,976	$ 6,041	$ 21,017
Provision for doubtful accounts	**(6,282)**	**—**	**(6,282)**	(340)	—	(340)
Net trade receivables	**27,790**	**—**	**27,790**	14,636	6,041	20,677
Prepaid expenses and deposits	**21,229**	**—**	**21,229**	15,533	—	15,533
Other fixed assets [(1) (2)]	**—**	**10,020**	**10,020**	—	10,000	10,000
Finance lease receivable	**379**	**7,936**	**8,315**	363	8,125	8,488
Accrued straight-line rent receivable	**—**	**84,078**	**84,078**	—	80,268	80,268
Tenant incentives	**—**	**182,879**	**182,879**	—	158,486	158,486
Capital expenditure program	**—**	**105**	**105**	—	105	105
Interest rate subsidy	**91**	**66**	**157**	93	110	203
Amounts receivable from related parties	**15,533**	**8,762**	**24,295**	—	23,812	23,812
	$ 65,022	**$ 293,846**	**$ 358,868**	$ 30,625	$ 286,947	$ 317,572

(1) For the six months ended June 30, 2020, depreciation of other fixed assets was $622 (June 30, 2019 - $570).
(2) Other fixed assets include right of use assets of $1,362 (December 31, 2019 - $1,493) net of accumulated depreciation of $871 (December 31, 2019 - $574) relating to office and vehicle leases.

Tenant Incentives	**Cost**	**Accumulated Amortization**	**Net Carrying Value**
Balance, January 1, 2020	**$ 236,071**	**$ 77,585**	**$ 158,486**
Additions	**32,631**	**—**	**32,631**
Amortization	**—**	**8,238**	**(8,238)**
Balance, June 30, 2020	**$ 268,702**	**$ 85,823**	**$ 182,879**

(In thousands of CAD dollars)

Bad debt expense, recognized in property operating expenses, has been the following in each of the past three quarters:

Three months ended June 30, 2020	$	8,722
Three months ended March 31, 2020	$	1,087
Three months ended December 31, 2019	$	67

6) INVESTMENT PROPERTY DEBT

	Range	Weighted Average Interest Rate	Weighted Average Term to Maturity		June 30, 2020		December 31, 2019
Fixed rate mortgages	**2.35 - 6.80%**	**4.03%**	**5.1 years**	$	1,242,487	$	1,309,077
Short term credit facility			**0.8 years**		75,000		—
Floating rate revolving credit facility			**3.0 years**		20,736		15,339
Joint operation credit facility I			**3.8 years**		7,083		6,978
Joint operation credit facility II			**4.3 years**		2,171		1,991
Unsecured bilateral credit facility			**0.9 years**		37,000		30,000
Deferred financing charges on fixed rate mortgages					(6,272)		(6,567)
				$	1,378,205	$	1,356,818
Mortgages							
Non-current				$	1,136,228	$	1,045,015
Current					99,987		257,495
Credit facilities							
Non-current					29,990		54,308
Current					112,000		—
				$	1,378,205	$	1,356,818

Specific investment properties with a carrying value of $2,565,313 as at June 30, 2020 (December 31, 2019 - $2,705,625) are currently pledged as security for mortgages or provided as security for the floating rate 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 six months ended:	Type	Number of Mortgages	Rates	Terms in Years	Amortization Period in Years		Proceeds (Repayments)
June 30, 2020	Addition [1]	—	3.22%			$	5,043
	New	1	3.88%	16.1	30.0		118,000
	Repaid	8	5.63%				(168,302)
						$	(45,259)

[1] During the six months ended June 30, 2020, Crombie recognized an addition to a mortgage payable of $5,043 in settlement of an amount payable 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.

Unsecured Short-Term Credit Facility

The unsecured short-term credit facility is a floating rate non-revolving credit facility with a maximum principal amount of $75,000 and matures March 31, 2021. Borrowings under the credit facility are by way of Bankers Acceptance and the floating interest rate is contingent on the applicable spread or margin.

(In thousands of CAD dollars)

7) SENIOR UNSECURED NOTES

	Maturity Date	Interest Rate	June 30, 2020	December 31, 2019
Series B	June 1, 2021	3.962%	$ 250,000	$ 250,000
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
Unamortized Series B issue premium			407	627
Deferred financing charges			(2,819)	(3,148)
			$ 922,588	$ 922,479

Senior unsecured notes are presented in the consolidated balance sheet as follows:

	June 30, 2020	December 31, 2019
Current	$ 250,000	$ —
Non-Current	672,588	922,479
Total	$ 922,588	922,479

8) TRADE AND OTHER PAYABLES

	June 30, 2020			December 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Tenant incentives and capital expenditures	$ 34,723	$ —	$ 34,723	$ 51,751	$ —	$ 51,751
Property operating costs	21,963	—	21,963	29,932	—	29,932
Prepaid rents	9,076	—	9,076	9,665	—	9,665
Finance costs on investment property debt, notes and debentures	11,303	—	11,303	11,913	—	11,913
Fair value of interest rate swap agreements	5,850	—	5,850	(947)	—	(947)
Distributions payable	11,732	—	11,732	26,429	—	26,429
Unit-based compensation plans	2,844	8,009	10,853	4,671	9,793	14,464
Deferred revenue	198	4,611	4,809	70	4,820	4,890
	$ 97,689	$ 12,620	$ 110,309	$ 133,484	$ 14,613	$ 148,097

9) PROPERTY REVENUE

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Operating lease revenue				
Rental revenue contractually due from tenants [(1)]	$ 87,001	$ 86,525	$ 173,791	$ 175,842
Contingent rental revenue	75	440	437	896
Straight-line rent recognition	1,879	2,992	3,810	5,525
Tenant incentive amortization	(4,419)	(3,411)	(8,238)	(7,026)
Lease termination income	245	144	336	809
Revenue from contracts with customers				
Common area cost recoveries	11,350	11,302	26,849	25,831
Parking revenue	370	1,340	1,768	2,695
	$ 96,501	$ 99,332	$ 198,753	$ 204,572

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

(In thousands of CAD dollars)

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

	Three months ended June 30,						Six months ended June 30,					
	2020			2019			2020			2019		
Sobeys Inc. (including all subsidiaries of Empire)	$	50,873	52.7%	$	57,235	57.6%	$	100,243	50.4%	$	109,465	53.5%

10) OPERATING LEASES

Crombie as a Lessor

Crombie's operations include leasing commercial real estate. Future minimum rental income under non-cancellable tenant leases as at June 30, 2020, is as follows:

	Remaining	Year Ending December 31,					
	2020	2021	2022	2023	2024	Thereafter	Total
Future minimum rental income	$ 136,001	$ 262,600	$ 250,688	$ 237,437	$ 226,092	$ 1,667,847	$ 2,780,665

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.

11) CORPORATE EXPENSES AND CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) General and administrative expenses

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Salaries and benefits	$ 5,502	$ 3,952	$ 6,881	$ 8,025
Professional and public company costs	892	883	1,701	1,733
Occupancy and other	566	1,135	1,397	1,996
	$ 6,960	$ 5,970	$ 9,979	$ 11,754

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

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Deferred Unit ("DU") Plan	$ (212)	$ (332)	$ 1,717	$ (1,003)

(In thousands of CAD dollars)

12) FINANCE COSTS - OPERATIONS

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	**2020**	2019
Fixed rate mortgages	**$ 12,496**	$ 17,071	**$ 25,343**	$ 34,996
Floating rate term, revolving and demand facilities	**1,041**	1,106	**2,300**	2,451
Capitalized interest	**(1,337)**	(1,178)	**(2,586)**	(2,195)
Senior unsecured notes	**9,441**	7,077	**18,861**	14,027
Interest income on finance lease receivable	**(97)**	(202)	**(195)**	(202)
Interest on lease liability	**462**	461	**923**	925
Finance costs - operations, expense	**22,006**	24,335	**44,646**	50,002
Amortization of fair value debt adjustment and accretion income	**40**	132	**152**	292
Change in accrued finance costs	**1,142**	1,248	**610**	(1,579)
Amortization of effective swap agreements	**—**	(544)	**(510)**	(1,095)
Capitalized interest [1]	**1,337**	1,178	**2,586**	2,195
Amortization of issue premium on senior unsecured notes	**110**	110	**220**	219
Amortization of deferred financing charges	**(683)**	(913)	**(1,434)**	(1,825)
Finance costs - operations, paid	**$ 23,952**	$ 25,546	**$ 46,270**	$ 48,209

(1) For the three months ended June 30, 2020, interest was capitalized to qualifying development projects based on a weighted average interest rate of 3.75% (June 30, 2019 - 3.65%).

(In thousands of CAD dollars)

13) 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, 2020	**89,697,623**	**$**	**1,042,696**	**62,045,732**	**$**	**716,628**	**151,743,355**	**$**	**1,759,324**
Net change in EUPP loans receivable	**—**		**22**	**—**		**—**	**—**		**22**
Units issued under DRIP	**70,421**		**995**	**49,927**		**705**	**120,348**		**1,700**
Units issued under unit based compensation plan	**58,090**		**745**	**—**		**—**	**58,090**		**745**
Units issued (proceeds are net of issue costs)	**3,657,000**		**55,951**	**2,593,750**		**41,425**	**6,250,750**		**97,376**
Balance, June 30, 2020	**93,483,134**	**$**	**1,100,409**	**64,689,409**	**$**	**758,758**	**158,172,543**	**$**	**1,859,167**

Crombie REIT Units

On February 11, 2020, Crombie closed a public offering, on a bought deal basis, of 3,657,000 Units, at a price of $16.00 per Unit for proceeds of $55,951 net of issue costs.

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

On February 11, 2020, concurrently with the issue of the REIT Units, in satisfaction of its pre-emptive right, ECL Developments purchased 2,593,750 Class B LP Units and the attached SVUs at a price of $16.00 per Class B LP Unit for proceeds of $41,425 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, 2019	89,597,604	$	1,040,804	61,980,011	$	715,654	151,577,615	$	1,756,458
Net change in EUPP loans receivable	—		338	—		—	—		338
Units issued under DRIP	51,221		710	36,321		510	87,542		1,220
Balance, June 30, 2019	89,648,825	$	1,041,852	62,016,332	$	716,164	151,665,157	$	1,758,016

(In thousands of CAD dollars)

14) SUPPLEMENTARY CASH FLOW INFORMATION

a) Items not affecting operating cash

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	**2020**	2019
Items not affecting operating cash:				
Straight-line rent recognition	**$ (1,879)**	$ (2,992)	**$ (3,810)**	$ (5,525)
Amortization of tenant incentives	**4,419**	3,411	**8,238**	7,026
Gain (loss) on disposal of investment properties	**—**	(16,661)	**829**	(43,290)
Impairment of investment properties	**2,100**	—	**2,100**	—
Depreciation and amortization	**18,278**	18,140	**37,596**	38,058
Unit-based compensation	**—**	1	**—**	6
Amortization of effective swap agreements, financing charges and other	**573**	1,348	**1,724**	2,702
Income from equity accounted investments	**(123)**	(123)	**(238)**	(217)
Non-cash distributions to Unitholders in the form of DRIP Units	**721**	473	**1,700**	1,220
Non-cash lease termination income	**(245)**	(144)	**(336)**	(809)
Change in fair value of financial instruments	**212**	332	**(1,717)**	1,003
	$ 24,056	$ 3,785	**$ 46,086**	$ 174

b) Change in other non-cash operating items

	Three months ended June 30,		Six months ended June 30,	
Cash provided by (used in):	**2020**	2019	**2020**	2019
Trade receivables	**$ (8,205)**	$ 798	**$ (7,113)**	$ 1,907
Prepaid expenses and deposits and other assets	**(8,107)**	(18,295)	**(5,696)**	(15,711)
Payables and other liabilities	**(1,687)**	(9,864)	**(10,252)**	(2,782)
	$ (17,999)	$ (27,361)	**$ (23,061)**	$ (16,586)

(In thousands of CAD dollars)

15) RELATED PARTY TRANSACTIONS

As at June 30, 2020 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 exchange amount, which is the amount of consideration established and agreed to by the related parties.

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

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	**2020**	2019
Property revenue				
Property revenue	**$ 50,873**	$ 57,235	**$ 100,243**	$ 109,465
Head lease income	**$ 115**	$ 247	**$ 483**	$ 409
Lease termination income	**$ 34**	$ 34	**$ 68**	$ 454
Property operating expenses	**$ (17)**	$ (20)	**$ (24)**	$ (24)
General and administrative expenses				
Property management services recovered	**$ 165**	$ 159	**$ 204**	$ 278
Other general and administrative expenses	**$ (70)**	$ (69)	**$ (129)**	$ (122)
Finance costs - operations				
Interest rate subsidy	**$ 65**	$ 70	**$ 131**	$ 142
Finance costs - distributions to Unitholders	**$ (14,595)**	$ (14,000)	**$ (28,992)**	$ (27,997)

Crombie provides property 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 six months ended June 30, 2020, Crombie issued 49,927 (June 30, 2019 - 36,321) Class B LP Units to ECLD under the DRIP (Note 13).

On May 28, 2020, Crombie purchased a property from a subsidiary of Empire for a total purchase price of $4,535 before transaction costs.

During the six months ended June 30, 2020, Crombie invested $12,747 in the modernizations and conversions of three existing properties anchored by subsidiaries of Empire. The amounts are included in tenant incentive additions and are being amortized over the amended lease terms.

During the six months ended June 30, 2020 , Crombie invested $14,489 in energy upgrades at 147 existing properties anchored by subsidiaries of Empire. The amounts are included in tenant incentive additions and income property additions depending on the nature of the work completed. These completed costs are being amortized over the amended lease terms or useful life of the projects.

Amounts due from related parties include $15,533 (December 31, 2019 - $15,533) in 6% subordinated notes receivable due from Bronte Village Limited Partnership and The Duke Limited Partnership.

(In thousands of CAD dollars)

16) FINANCIAL INSTRUMENTS

a) Fair value of financial instruments

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

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

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

There were no transfers between levels of the fair value hierarchy during the period ended June 30, 2020.

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 which have a fair value different from their carrying value:

	June 30, 2020		December 31, 2019	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets				
Long-term receivables[1]	$ 24,581	$ 24,557	$ 23,911	$ 24,120
Financial liabilities				
Investment property debt	$ 1,436,981	$ 1,384,477	$ 1,400,821	$ 1,363,385
Senior unsecured notes	954,082	925,000	946,700	925,000
Total other financial liabilities	$ 2,391,063	$ 2,309,477	$ 2,347,521	$ 2,288,385

[1]Long-term receivables include amounts in other assets for the capital expenditure program, interest rate subsidy and receivable from related parties.

The fair value of the 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 actions taken to manage them, are discussed in our 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 is 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. The balance of accounts receivable past due is usually not significant; however, historically low receivable balances have increased significantly during the quarter as a result of the COVID-19 pandemic. Generally, rents are due the first of each month and other tenant billings are due 30 days after invoiced, and in general, 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.

(In thousands of CAD dollars)

Crombie continues to assess the impact of COVID-19 and has recorded increases in expected credit losses for certain tenants.

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 issue from Crombie with financial terms acceptable to Crombie. Crombie mitigates its exposure to liquidity risk utilizing a conservative approach to capital management (see Note 17). Access to the revolving credit facility is limited by the amount utilized under the facility and the amount of any outstanding letters of credit, and cannot exceed the borrowing base security provided by Crombie.

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

		Twelve Months Ending June 30,					
	Contractual Cash Flows[1]	**2021**	**2022**	**2023**	**2024**	**2025**	**Thereafter**
Fixed rate mortgages[2]	$ 1,463,209	$ 147,821	$ 258,110	$ 251,248	$ 316,126	$ 114,042	$ 375,862
Senior unsecured notes	1,073,366	286,809	27,729	174,004	21,630	193,130	370,064
Lease Liabilities	148,109	2,552	2,374	2,288	2,157	2,095	136,643
	2,684,684	437,182	288,213	427,540	339,913	309,267	882,569
Credit facilities	146,786	115,052	732	21,468	7,344	2,190	—
Total	$ 2,831,470	$ 552,234	$ 288,945	$ 449,008	$ 347,257	$ 311,457	$ 882,569

(1) Contractual cash flows include principal and interest and ignore extension options.
(2) Reduced by the interest rate subsidy payments to be received from Empire.

17) CAPITAL MANAGEMENT

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

Crombie's capital structure consists of the following:

	June 30, 2020	December 31, 2019
Fixed rate mortgages	**$ 1,236,216**	$ 1,302,510
Credit facilities	**141,990**	54,308
Senior unsecured notes	**922,588**	922,479
Crombie REIT Unitholders	**900,968**	870,792
SVU and Class B LP Unitholders	**610,176**	584,251
Lease liabilities	**29,219**	29,419
	$ 3,841,157	$ 3,763,759

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. Some of the restrictions pursuant to Crombie's Declaration of Trust would include, among other items:

- A restriction that Crombie shall not incur indebtedness (other than by the assumption of existing indebtedness) where the indebtedness would exceed 75% of the market value of an individual property; and,

(In thousands of CAD dollars)

- A restriction that Crombie shall not incur indebtedness of more than 60% of gross book value.

For 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:

	June 30, 2020	December 31, 2019
Fixed rate mortgages	$ 1,242,487	$ 1,309,077
Senior unsecured notes	925,000	925,000
Revolving credit facility	20,736	15,339
Joint operation credit facilities	9,254	8,969
Bilateral credit facility	37,000	30,000
Short-term credit facility	75,000	—
Lease liabilities	29,219	29,419
Total debt outstanding	2,338,696	2,317,804
Less: Applicable fair value debt adjustment	(408)	(539)
Debt	$ 2,338,288	$ 2,317,265
Income properties, cost	4,047,332	4,061,957
Properties under development, cost	106,973	96,213
Below-market lease component, cost [(1)]	64,755	64,754
Investment in joint ventures	45,827	45,123
Other assets, cost	446,529	396,374
Deferred financing charges	9,091	9,715
Interest rate subsidy	(408)	(539)
Gross book value	$ 4,720,099	$ 4,673,597
Debt to gross book value - cost basis	49.5%	49.6%

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

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 1.4 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,
- distributions to Unitholders are limited to 100% of distributable income as defined in the revolving credit facility.

As at June 30, 2020, Crombie is in compliance with all externally imposed capital requirements and all covenants relating to its debt facilities.

(In thousands of CAD dollars)

18) LEASE LIABILITIES

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

	Twelve months ending June 30,						
	Total	2021	2022	2023	2024	2025	Thereafter
Future minimum lease payments	$ 148,109	$ 2,552	$ 2,374	$ 2,288	$ 2,157	$ 2,095	$ 136,643
Finance charges	(118,890)	(1,831)	(1,814)	(1,802)	(1,793)	(1,790)	(109,860)
Present value of lease payments	$ 29,219	$ 721	$ 560	$ 486	$ 364	$ 305	$ 26,783

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

	June 30, 2020	December 31, 2019
Current	$ 721	$ 744
Non-Current	28,498	28,675
Total	$ 29,219	$ 29,419

Some of Crombie's lease agreements contain contingent rent clauses. Contingent rental payments are recognized in the consolidated statements of comprehensive income as required when contingent criteria are met. The lease agreements contain renewal options and purchase options. For the six months ended June 30, 2020, minimum lease payments of $1,287 were paid by Crombie.

19) COMMITMENTS, CONTINGENCIES, AND GUARANTEES

There are various claims and litigation which Crombie is involved with 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 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 letters of credit to support its obligations with respect to construction work on its investment properties and satisfying mortgage financing requirements. As at June 30, 2020, Crombie has a total of $5,746 in outstanding letters of credit related to:

	June 30, 2020	December 31, 2019
Construction work being performed on investment properties	$ 3,906	$ 3,805
Mortgage lenders primarily to satisfy mortgage financings on redevelopment properties	1,840	1,840
Total outstanding letters of credit	$ 5,746	$ 5,645

As at June 30, 2020, Crombie had signed construction contracts totalling $318,269 of which $219,738 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 June 30, 2020, Crombie has provided guarantees of approximately $143,173 (December 31, 2019 - $145,713) 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 4.3 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.

20) SUBSEQUENT EVENTS

(a) On July 7, 2020, Crombie acquired a 100% interest in a retail property totalling 9,900 square feet for $4,750, excluding closing and transaction costs.

(b) On July 16, 2020, Crombie declared distributions of 7.417 cents per Unit for the period from July 1, 2020 to and including July 31, 2020. The distributions will be paid on August 14, 2020, to Unitholders of record as of July 31, 2020.

21) SEGMENT DISCLOSURE

Crombie owns and operates primarily retail and office 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.