



Artis Real Estate Investment Trust

Q4-18 Investor Presentation

February 2019

Forward-Looking Information



This presentation contains forward-looking statements. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Particularly, statements regarding the REITs future operation results, performance and achievements, including the implementation of Artis' new initiatives, are forward-looking statements. Without limiting the foregoing, the words "expects", "anticipates", "intends", "estimates", "projects", and similar expressions are intended to identify forward-looking statements. All forward-looking statements in this presentation are made as of February 2019.

Artis is subject to significant risks and uncertainties which may cause the actual results, performance or achievements of the REIT to be materially different from any future results, performance or achievements expressed or implied in these forward-looking statements. Such risk factors include, but are not limited to, risks related to the implementation of Artis' new initiatives, risks associated with real property ownership, availability of cash flow, general uninsured losses, future property acquisitions and dispositions, environmental matters, tax related matters, debt financing, unitholder liability, potential conflicts of interest, potential dilution, reliance on key personnel, changes in legislation and changes in the tax treatment of trusts. Artis cannot assure investors that actual results will be consistent with any forward-looking statements and Artis assumes no obligation to update or revise such forward-looking statements to reflect actual events or new circumstances. All forward-looking statements contained in this press release are qualified by this cautionary statement.

Information in this presentation should be read in conjunction with Artis' applicable consolidated financial statements and management's discussion and analysis. Additional information about Artis, including risks and uncertainties that could cause actual results to differ from those implied or inferred from any forward-looking statements in this presentation, are contained in our various securities filings, including our current Annual Information Form, our interim filings dated May 10, 2018, August 2, 2018, and November 1, 2018, our 2018 annual earnings press release dated February 28, 2019, and our audited annual consolidated financial statements for the years ended December 31, 2018 and 2017 which are available on SEDAR at www.sedar.com or on our company website at www.artisreit.com.

Strategy and Business Model

01 Geographic Diversification

- Canada and the United States

02 Product Diversification

- Office
- Retail
- Industrial

03 Internal Growth

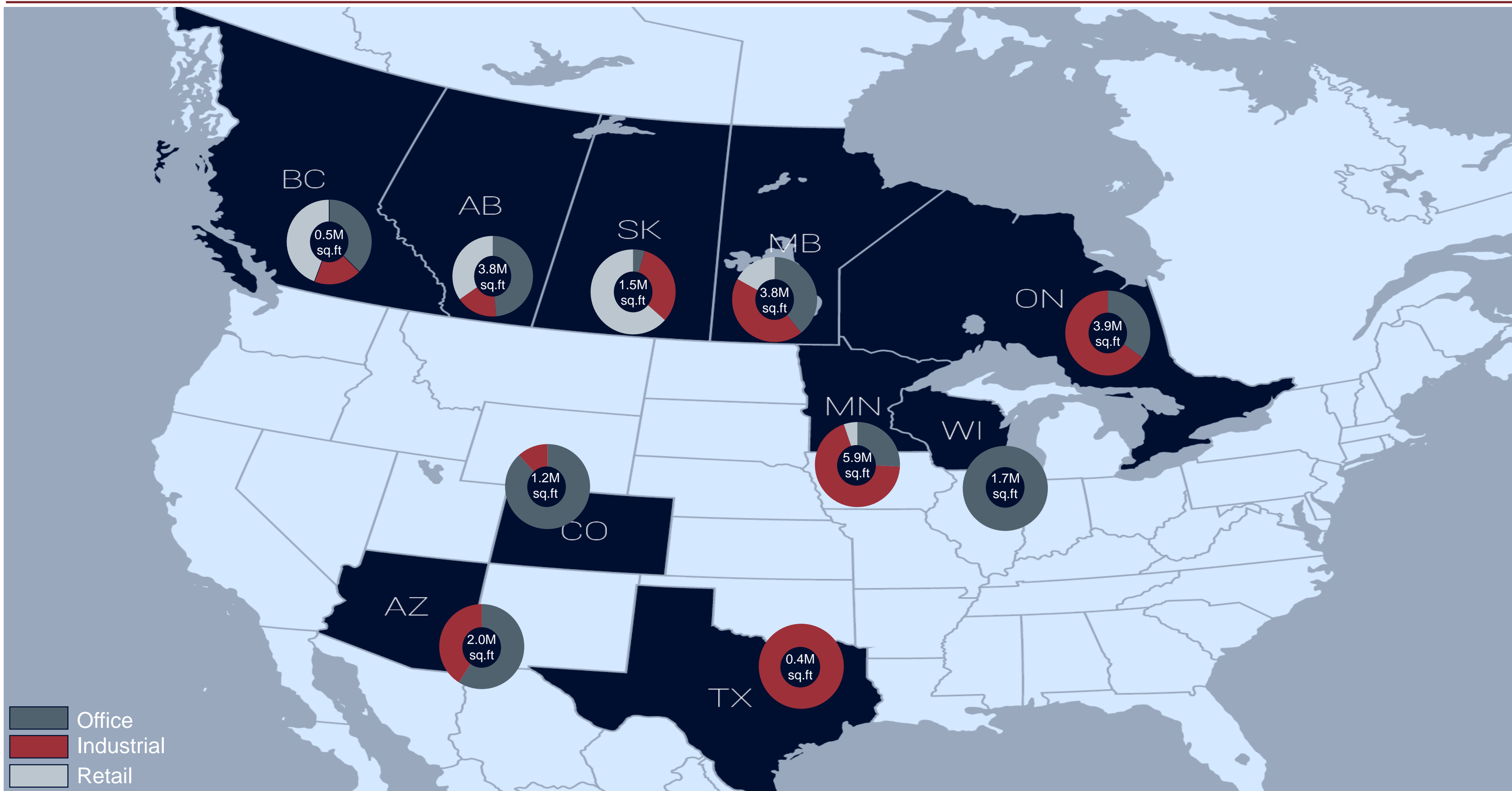
- Active NCIB
- Results driven active asset management
- Increasing same property net operating income
- \$200 million industrial development pipeline at positive spreads to market

04 Strategic Initiatives

- Improved operating and financial metrics
- Simplifying the portfolio



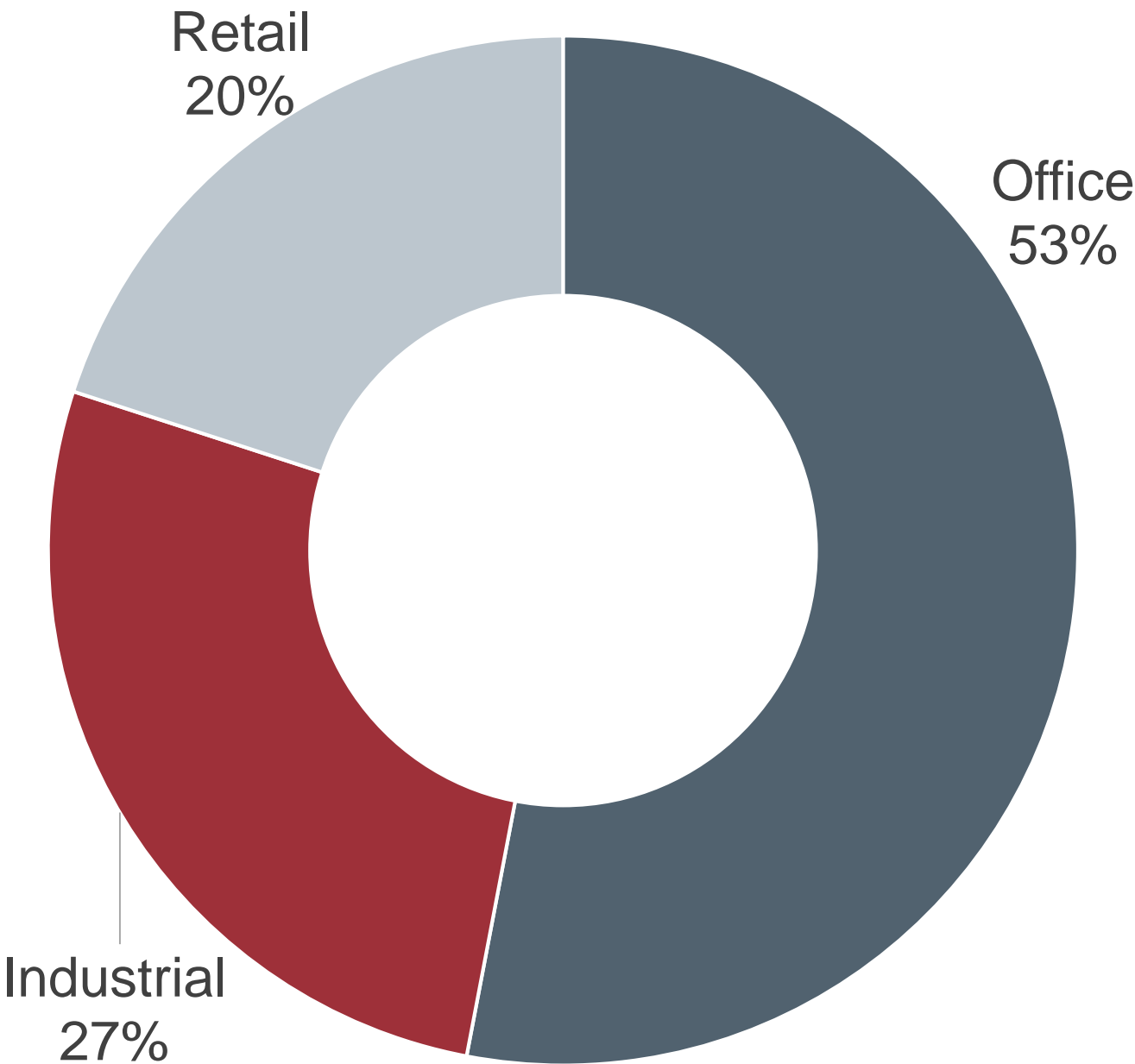
Diversified Commercial Properties



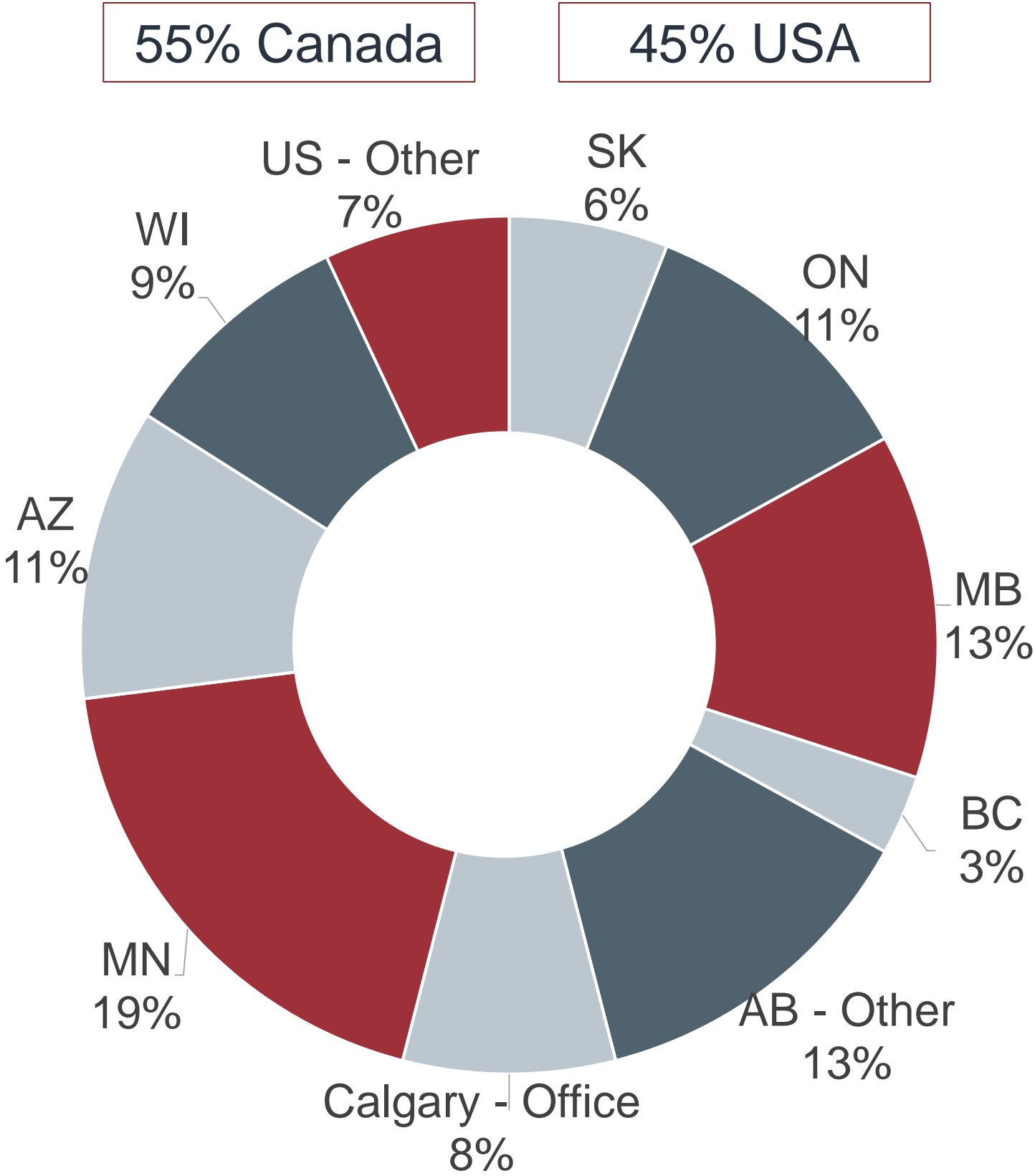
2 countries – 3 asset classes – 10 major markets
235 properties – 25.1 million square feet – \$5.7B GBV – 94% leased
Fully Internalized Management Platform

Leased percentage includes commitments on vacant space and excludes properties held for redevelopment and certain completed new developments.

NOI by Asset Class



NOI by Geographical Region

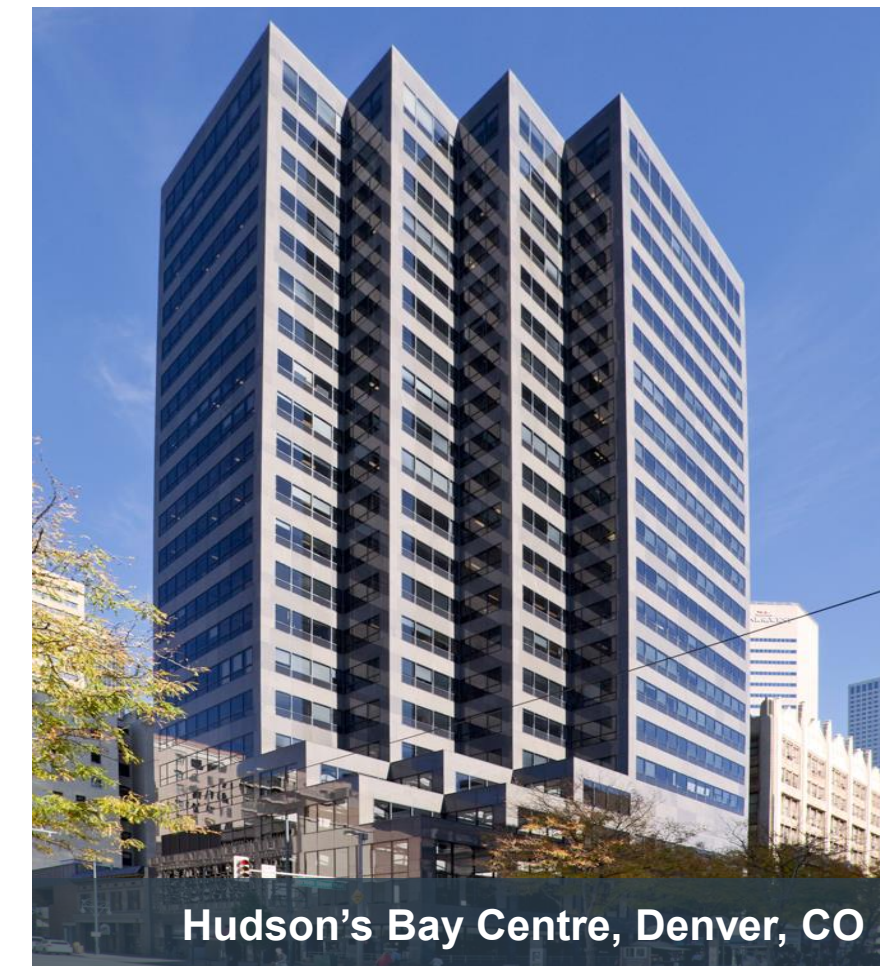
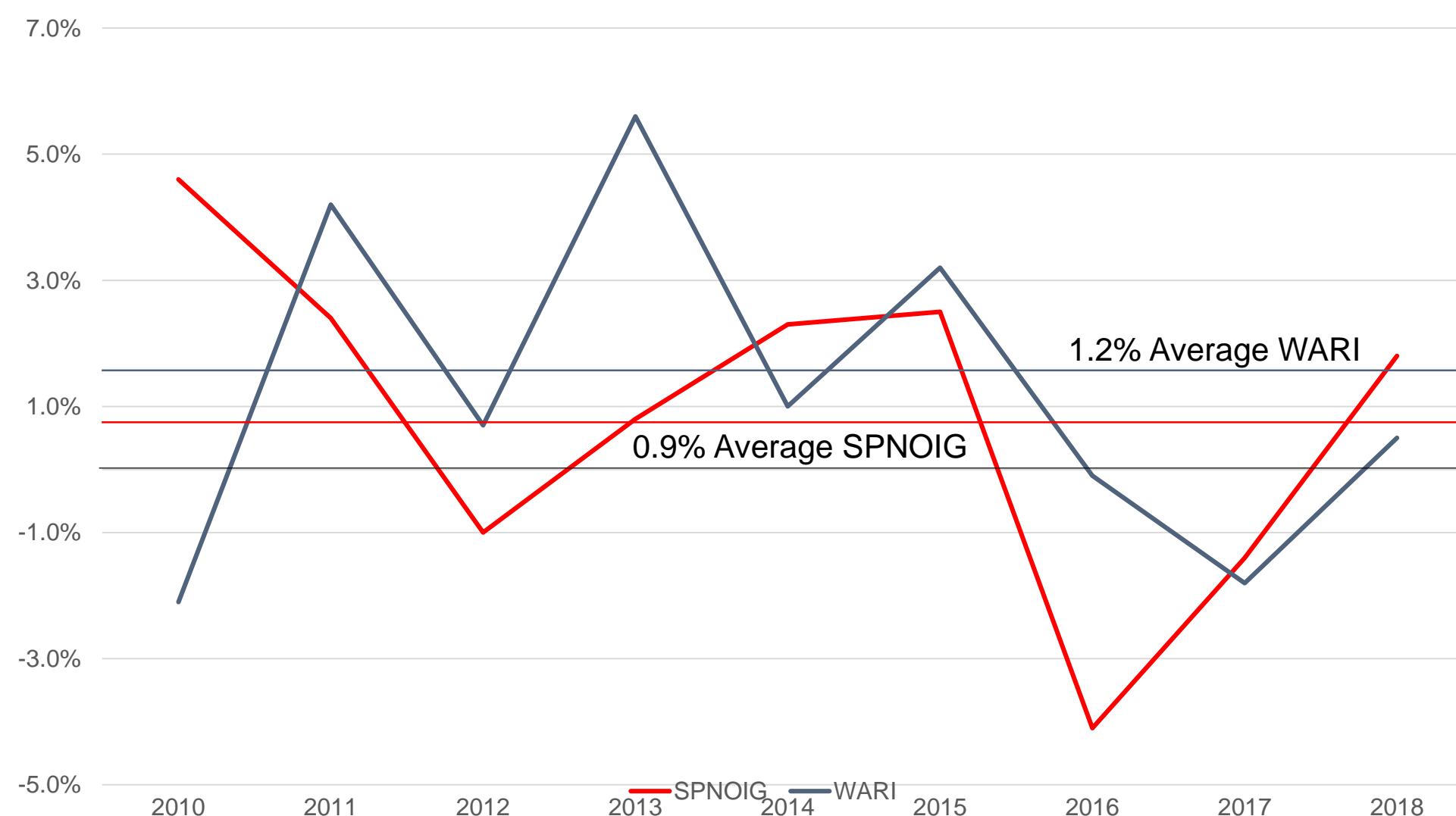


Property NOI for three months ended December 31, 2018, inclusive of Artis' proportionate share of joint venture arrangements

Office Asset Class

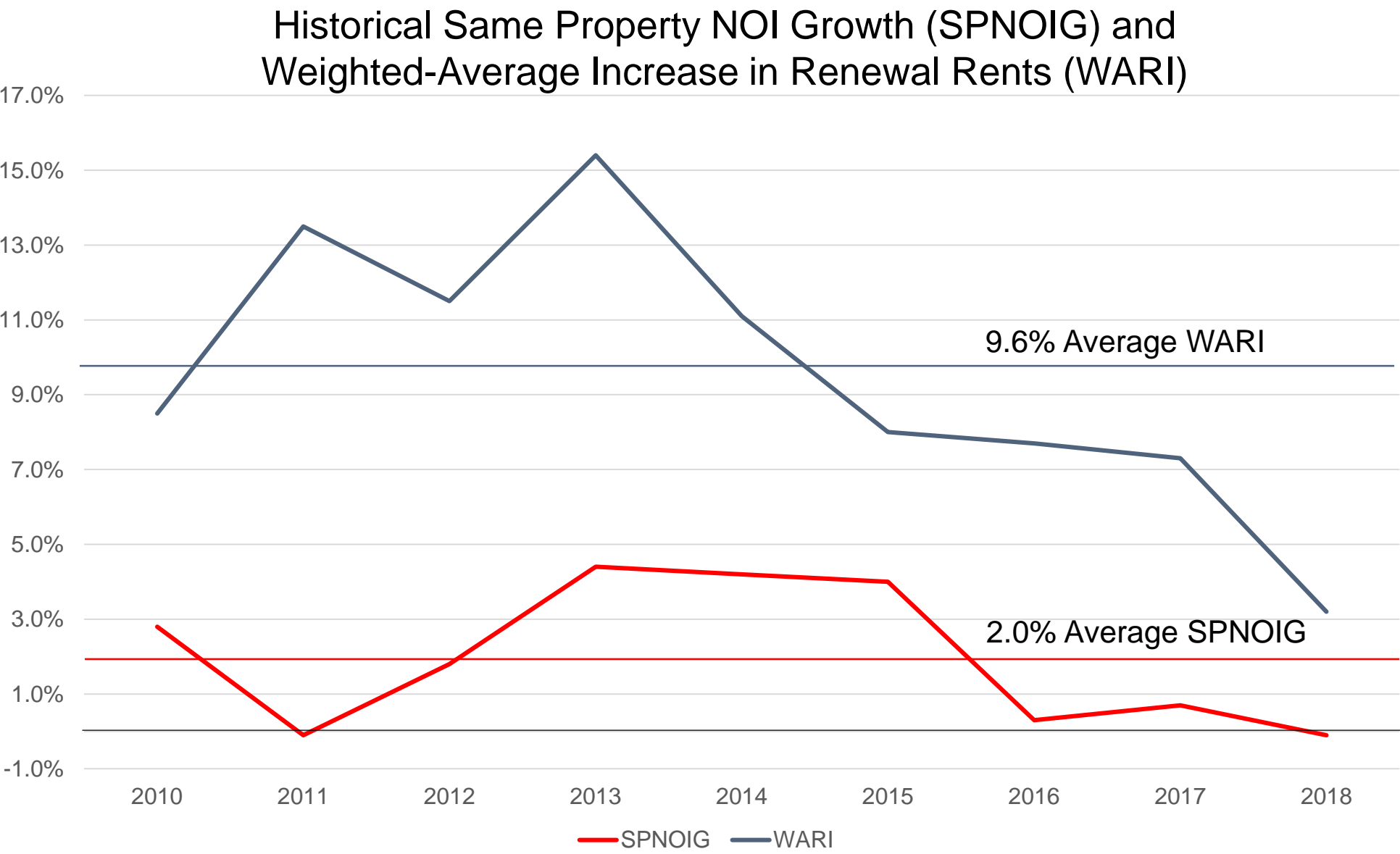
Number of Properties	71
GLA	10.7 million sq. ft.
Leased	90%
Diversification	Nine major markets in Canada and the US
IFRS GBV / IFRS Weighted-Average Cap Rate	\$3.1 billion / 6.6%
2018 Same Property NOI Growth	+1.8%
Weighted-Average Renewal Rent Increase 2018	+0.5%
2018 Property NOI (on a proportionate share basis)	\$167.2 million

Historical Same Property NOI Growth (SPNOIG) and Weighted-Average Increase in Renewal Rents (WARI)



Retail Asset Class

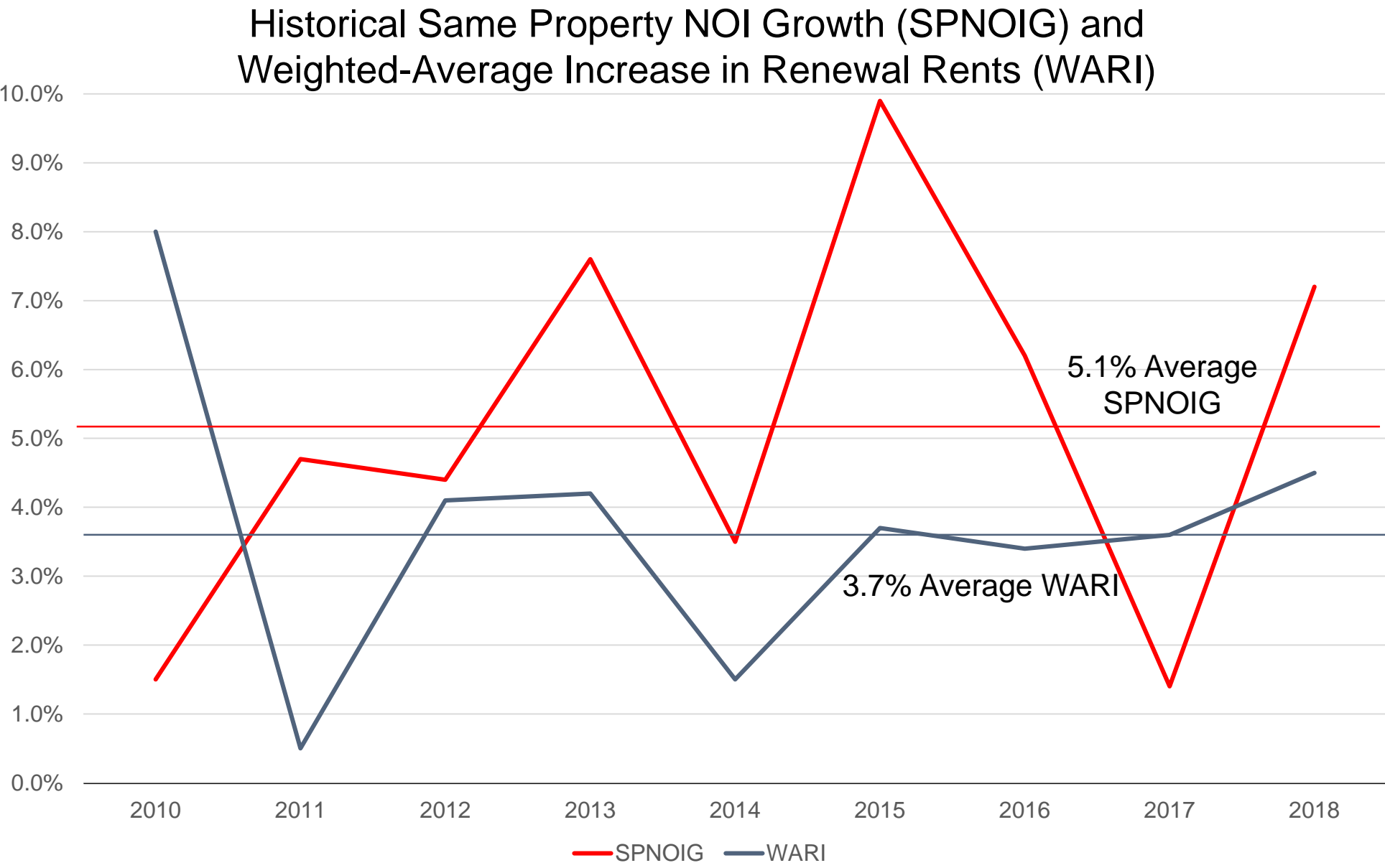
Number of Properties	54
GLA	3.5 million sq. ft.
Leased	94%
Diversification	Five major markets in Canada and the US
IFRS GBV / IFRS Weighted-Average Cap Rate	\$1.1 billion / 6.4%
2018 Same Property NOI Growth	-0.1%
Weighted-Average Renewal Rent Increase 2018	+3.2%
2018 Property NOI (on a proportionate share basis)	\$64.5 million



Industrial Asset Class



Number of Properties	110
GLA	10.9 million sq. ft.
Leased	97%
Diversification	Nine major markets in Canada and the US
IFRS GBV / IFRS Weighted-Average Cap Rate	\$1.5 billion / 6.2%
2018 Same Property NOI Growth	+7.2%
Weighted-Average Renewal Rent Increase 2018	+4.5%
2018 Property NOI (on a proportionate share basis)	\$83.6 million



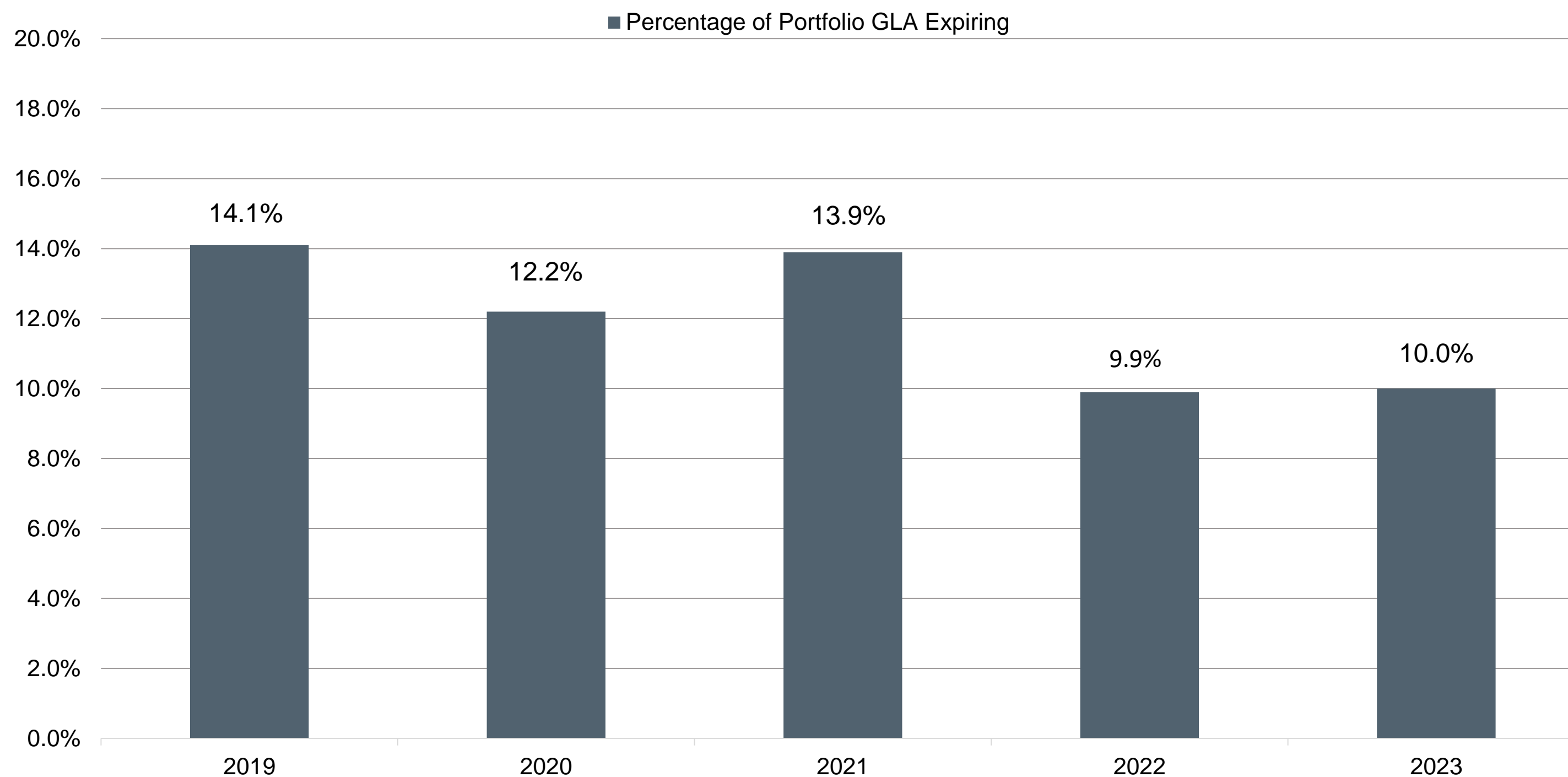
The Sum of All Parts

	Share of Property NOI	Number of Properties	GLA	Leased	Same Property NOI Growth YTD	Weighted-Average Increase in Renewal Rents YTD	IFRS Weighted-Average Cap Rate	IFRS GBV
Office	53%	71	10.7 million sq. ft.	90%	1.8%	0.5%	6.6%	\$3.1B
Retail	20%	54	3.5 million sq. ft.	94%	-0.1%	3.2%	6.4%	\$1.1B
Industrial	27%	110	10.9 million sq. ft.	97%	7.2%	4.5%	6.2%	\$1.5B
Other								\$0.07B
TOTAL	100%	235	25.1 million sq. ft.	94%	2.7%	2.3%	6.5%	\$5.7B

NAV: \$15.55 per unit



Lease Expiration Schedule



Weighted-average rental increase on renewals YTD:

3.7% excluding Artis' Calgary office properties (2.3% including Calgary office properties)

Same Property NOI Growth YTD:

Stabilized Same Property NOI in Canadian dollars increased **2.9%** (1.1% including the Calgary office segment and properties planned for disposition and re-purposing).

2019 Renewal Program:

22% of remaining 2019 expiries have been renewed or committed to new leases

The chart above reflects the percentage of Artis' total GLA expiring (excluding properties held for redevelopment, certain completed new developments and new developments in process).

Leverage Profile DBRS: BBB- Credit Rating



Healthy Balance Sheet and Liquidity

Fiscal quarter ending:	December 31, 2017	September 30, 2018	December 31, 2018	DBRS Recommended Threshold
Debt: GBV	49.3%	48.6%	50.6%	≤ 53.0%
Secured mortgages and loans: GBV	31.9%	30.9%	30.6%	N/A
Unencumbered assets	\$1.7 billion	\$1.8 billion	\$1.8 billion	N/A
Normalized EBITDA interest coverage	3.23	3.14	3.04	≥ 2.3
Normalized Net Debt: EBITDA ⁽¹⁾	8.30	8.33	8.77	≤ 9.4

Cash and cash equivalents at December 31, 2018: **\$66.1 million**

Availability on unsecured credit facilities: **\$225.3 million**

Information on this slide is inclusive of Artis' proportionate share of its joint venture arrangements

⁽¹⁾ Debt at most recent quarter divided by income on an annualized basis

Unit Price + NAV Metrics



Information as of February 2019:

Unit price: \$10.75

Distribution per unit: \$0.54

Cash Yield: 5.0%

Market cap: \$1.6B

Implied cap rate: 7.3%

Analyst Consensus Information per Unit ⁽¹⁾

Target price: \$12.00

Net Asset Value: \$13.83

Artis IFRS NAV: \$15.55

Actual	2018		Consensus	2019	
	AFFO	FFO		AFFO	FFO
Per Unit	\$0.97	\$1.30		\$1.00	\$1.32
Pay-Out Ratio	55.7% ⁽²⁾	41.5% ⁽²⁾		54.0%	40.9%
Unit Price Multiple	11.1x	8.3x		10.8x	8.1x
Yield	9.0%	12.1%		9.3%	12.3%

(1) Consensus analyst projections from most recent research reports (Q3-18). Artis does not endorse analyst projections. The above information represents the views of the particular analyst and not necessarily those of Artis. An investor should review the entire report of the analyst prior to making any investment decisions.

(2) See MD&A

Recent Initiatives – Improving Unitholder Value



- 1 Distribution reset at \$0.54 per unit annualized
 - New conservative payout ratio ~55%
 - Improved cash flow
- 2 Unit buyback through NCIB
 - Liquidity is in place to fund automatic maximum unit buyback daily
 - Budgeting \$250 million to buy back 23.5 million units during 2019 and 2020
- 3 Sell \$800 million to \$1 billion of non-core assets at or above IFRS value over the next two years
 - Simplify the REIT and focus on core assets
- 4 Strengthen the Balance Sheet
 - Target Debt/GBV of ~46% in the medium term
- 5 Value creation through development and select acquisitions in Artis' major target markets
 - Focus on industrial developments on existing land

These new initiatives are both realistic and effective with minimal execution risk

Classification of Assets

Artis has recategorized the current portfolio into three asset types: Core Artis Assets, Development Assets, and Non-Core Artis Assets



Core Artis Assets ~\$4.2 billion

- Invaluable assets located in target markets in which Artis anticipates maintaining a long-term presence
- Well located and well leased to quality tenants
- In markets that historically have healthy occupancy rates and same property NOI growth



Development Assets ~\$200 million

- Existing assets with growth potential to be realized from redevelopment and repositioning, as well as new development projects
- Primarily new generation industrial properties on existing land
- Target development yields anticipated to be 150-200 bps above acquisition cap rates



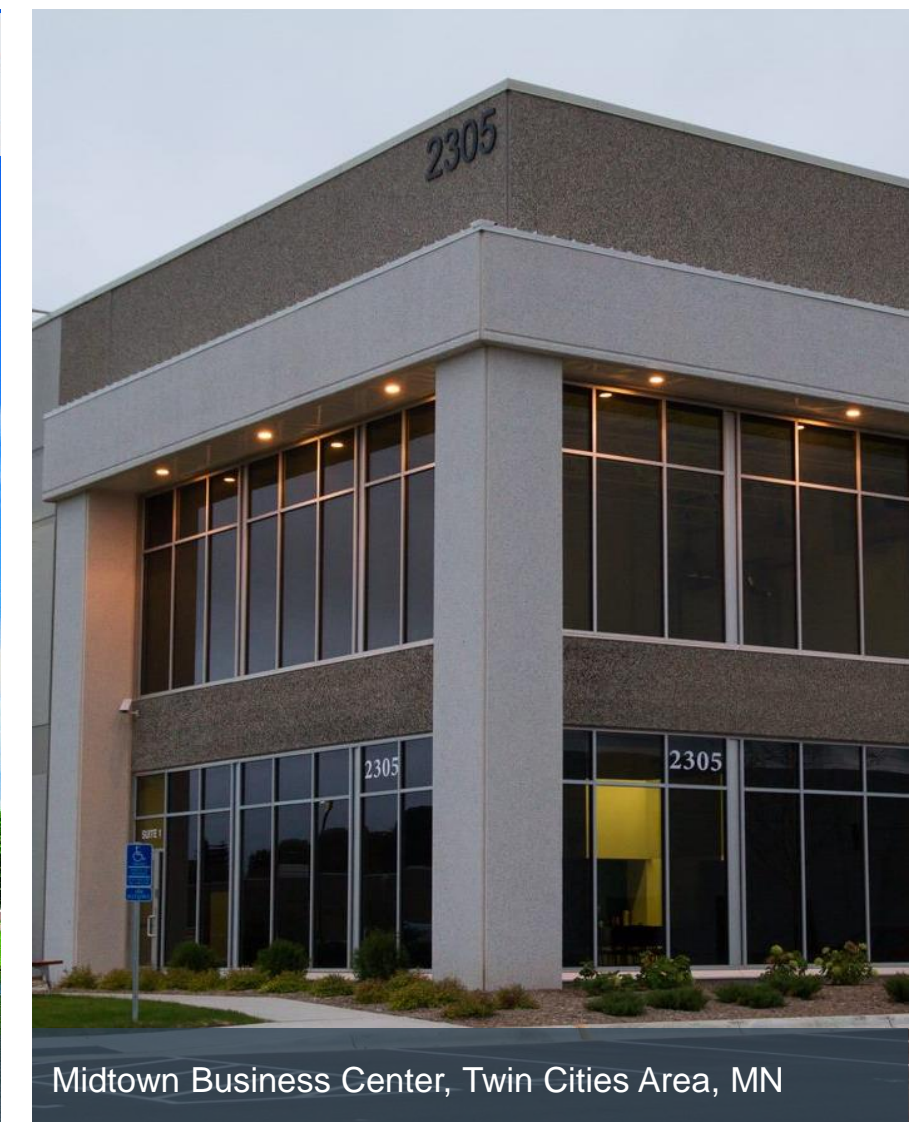
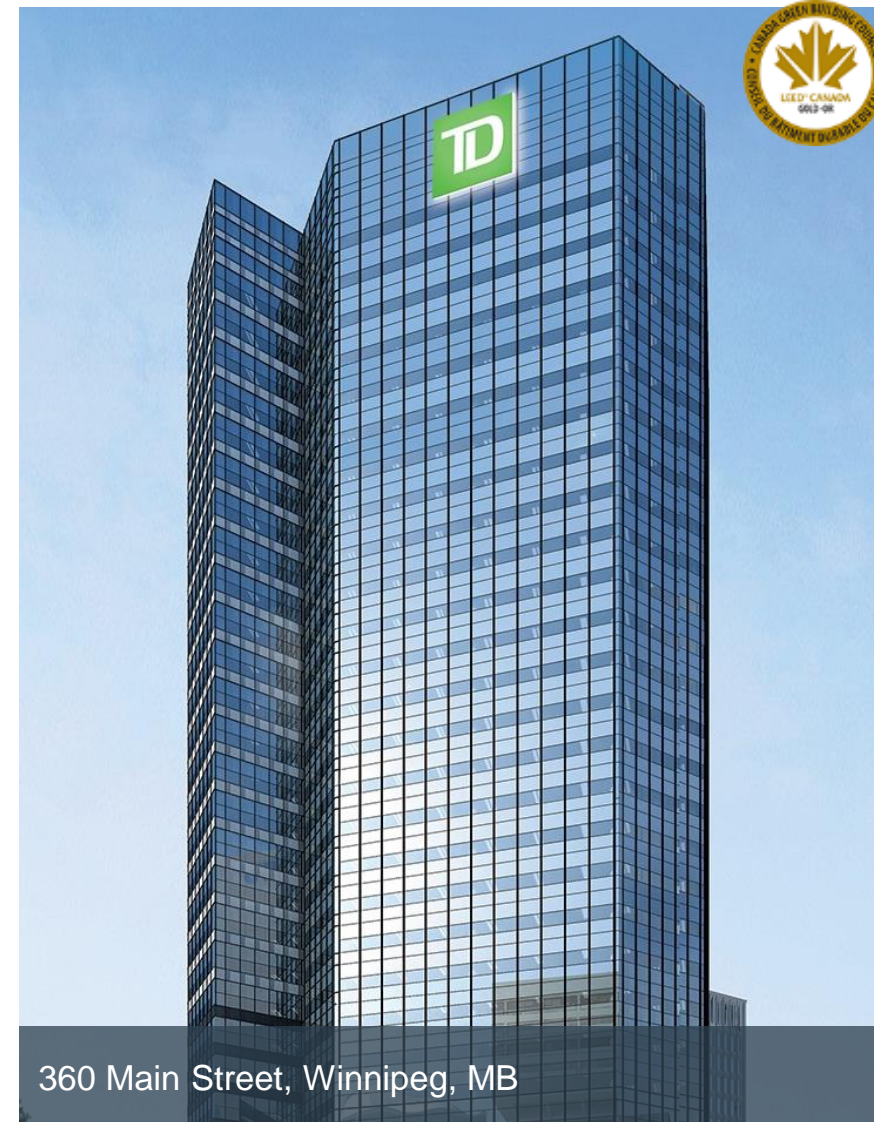
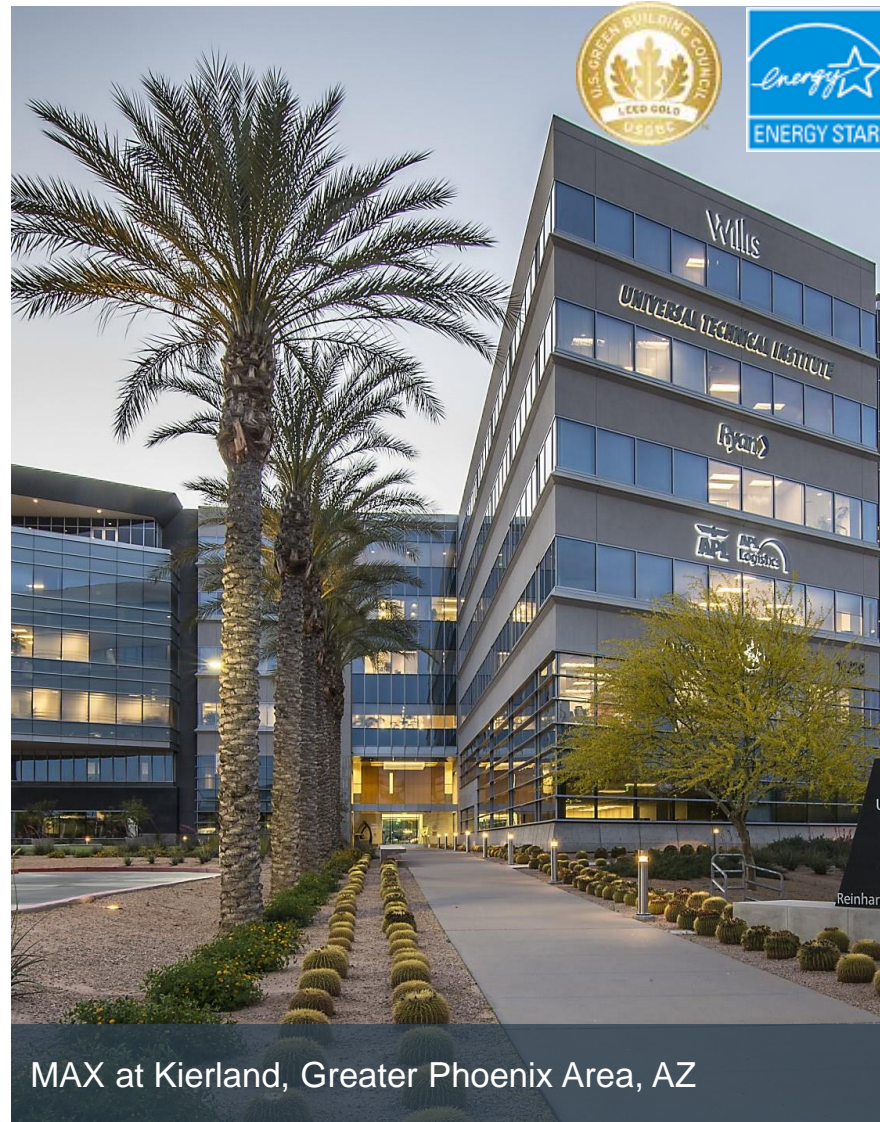
Non-Core Artis Assets to be sold

~\$800 million to \$1 billion

- Good quality assets that management believes are outliers in Artis' portfolio with respect to type or location
- Markets and/or asset classes that Artis does not have competitive advantages in and does not anticipate maintaining a long-term presence

Core Artis Assets

Core Artis Assets will continue to be actively and prudently managed to ensure maximum growth is realized



Recent and Upcoming Developments



Non-Core Artis Assets – To Be Sold

Artis' new initiatives includes the sale of \$800 million to \$1 billion of non-core properties over the next three years.

Non-core properties are assets that have achieved their maximum growth potential, are underperforming, are in markets that Artis no longer anticipates having a long-term presence, or are dissimilar in style and type from other assets in Artis' portfolio. These assets will be sold in a disciplined manner over the next three years. Some examples include:

- Select Calgary office properties that are underperforming. We have reduced our Calgary office weighting from 18% to 8% and will aim to reduce it further to approximately 5%
- Assets or asset classes in markets where Artis owns only a few properties and does not intent to grow further, such as Ottawa, Nanaimo, Hartford and U.S retail
- Very specific property types where only a few are held in the portfolio, such as enclosed retail
- Multi-family development sites once re-zoned



Victoria Square

Victoria Square Shopping Centre is an enclosed mall located in Regina, SK. The property is considered non-core as it is one of only two enclosed malls owned by Artis. Artis is also seeking to decrease its retail weighting.



495 Richmond Rd

495 Richmond Road is an office property located in Ottawa, ON. This property is considered non-core as Ottawa is no longer a long-term target market for Artis.



Home Depot - Richfield

Home Depot – Richfield is a retail property located in the Twin Cities Area, MN. This property is considered non-core as Artis no longer considers US retail assets core to its strategy.



300 MAIN

300 MAIN is a residential densification opportunity in Winnipeg, MB. This project is considered non-core as Artis owns no other residential real estate and value can be realized by selling all or a portion of such densification projects where zoning and entitlements are in place.

Improved Operating and Financial Metrics



The goal of our new initiatives is to deliver improved operating and financial metrics to drive AFFO and NAV per unit growth

~55%

Pro Forma Payout Ratio

\$83M

Increase in Retained Cash
Flow per year

~\$600M

Estimated Net Proceeds from
Asset Sales

~45%

Target Debt/GBV
Year 3

Year 3 AFFO ~\$1.12/unit

Year 3 FFO ~\$1.45/unit

4%

Annual AFFO Accretion

4.5%

Annual NAV Accretion

Year 3 NAV ~\$17.50/unit

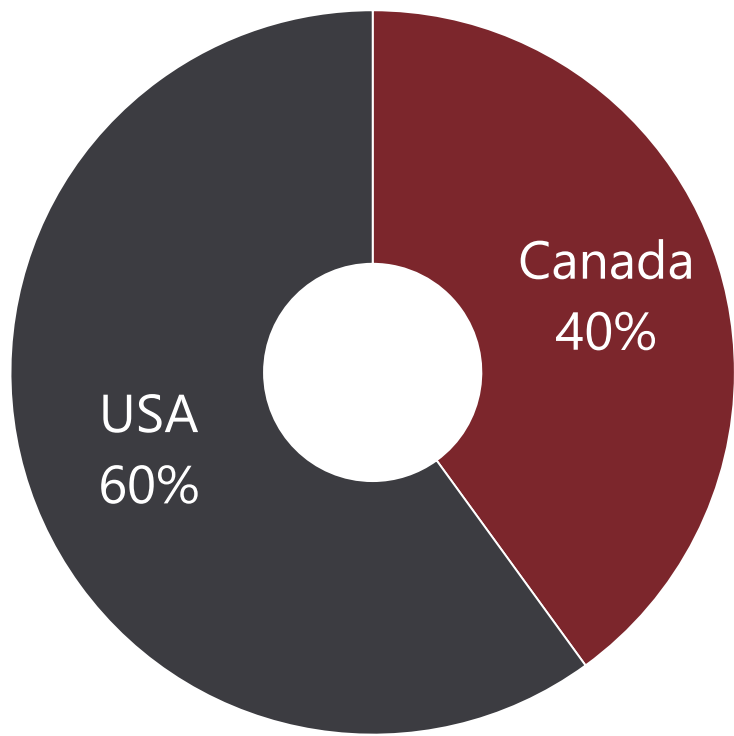
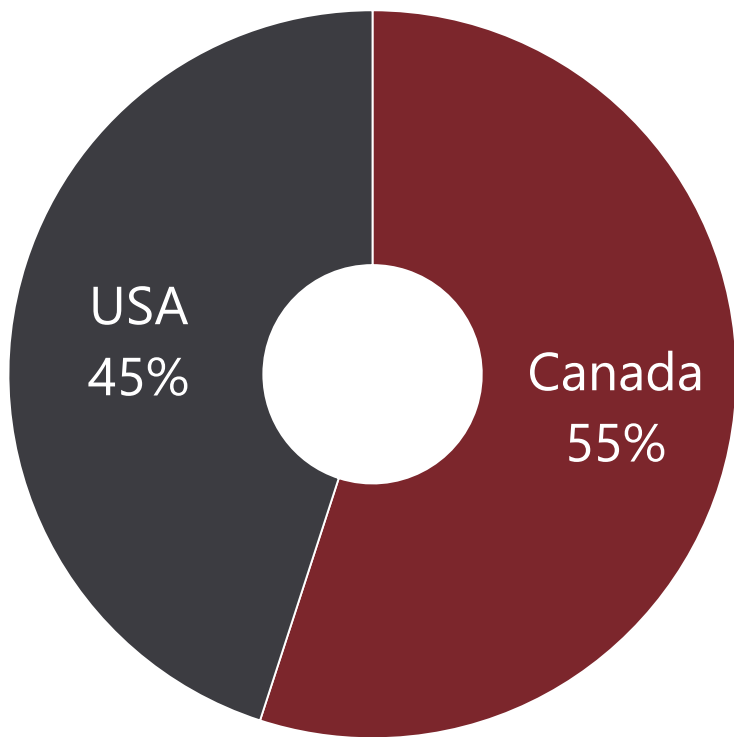
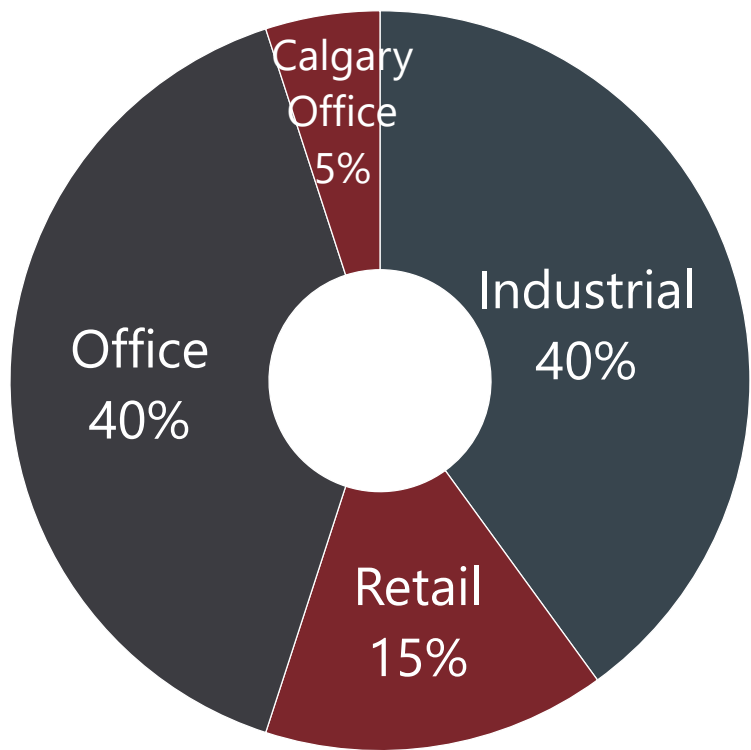
Committed to Maintaining
Investment Grade
DBRS Rating

Current and Projected Portfolio Overview

Q4-18 NOI by Asset Class and Geography



Projected 2020/2021 NOI by Asset Class and Geography upon implementation of new initiatives

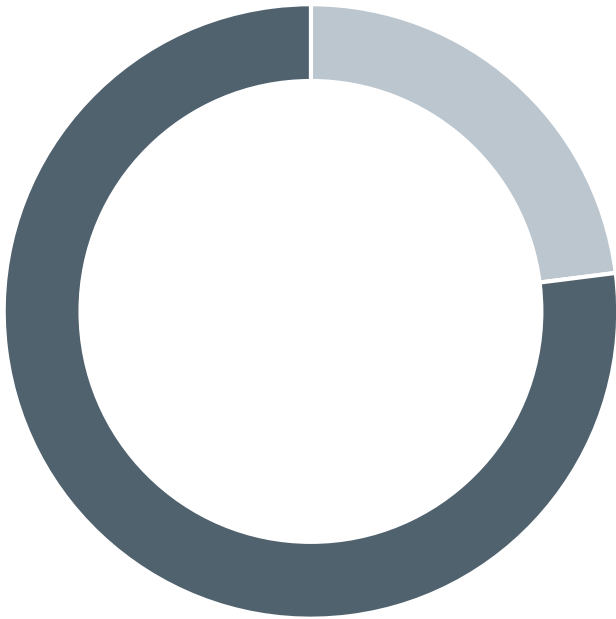


Property NOI for three months ended December 31, 2018, inclusive of Artis' proportionate share of joint venture arrangements

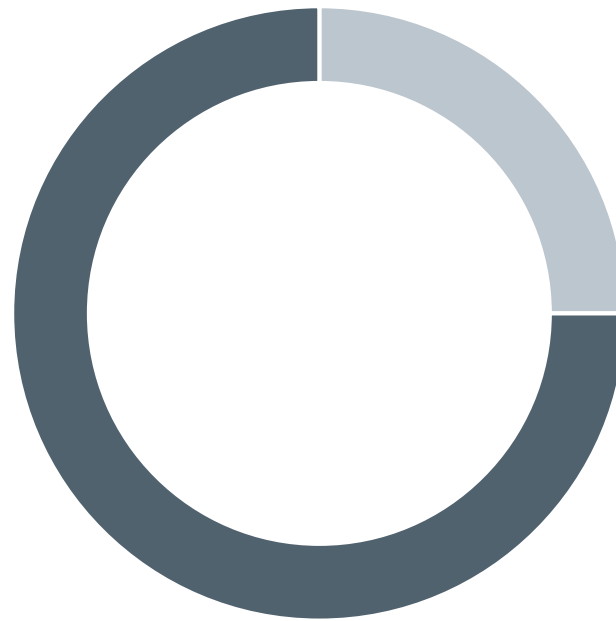
Why Invest in Artis?

- 1 High Quality Yield
 - ~ 5.0% distribution yield
 - Investment-grade credit rating – BBB (low)
 - 7.5% implied cap rate
 - Conservative payout ratio and strong balance sheet
- 2 Diversified Platform by Geography and Asset Class
 - Highly diversified platform
 - 2 countries, 3 asset classes
 - 235 properties
 - \$5.7 billion GBV
 - \$1.6 billion market cap
- 3 Additional Growth Levers
 - Active NCIB
 - Accretive recycling of capital
 - ~\$1 billion recycling target
- 4 Unlocking Value Through Development
 - Industrial developments
 - 7.5% targeted unlevered yield

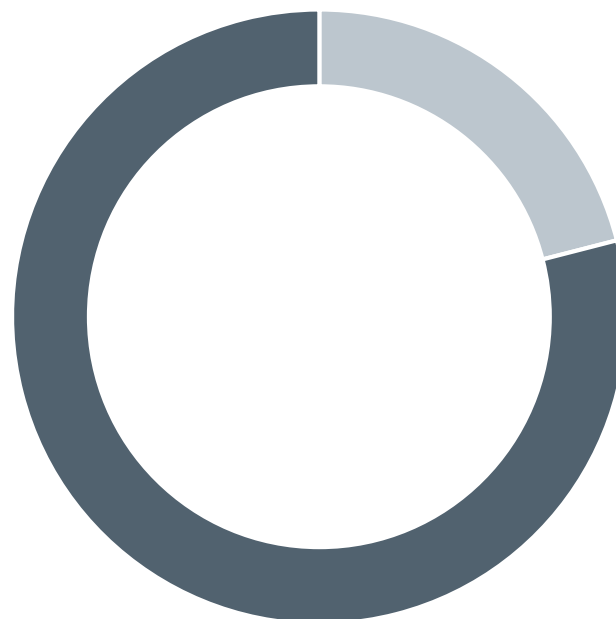




23% office properties are LEED certified



25% office properties are BOMA BEST certified



21% office properties are Energy Star certified

Please view our full Sustainability Report at www.artisreit.com

We are committed to improving the energy efficiency of our properties and reducing our environmental footprint.





Artis Real Estate Investment Trust
Q4-18 Investor Presentation
February 2019