



ARTIS

REIT

Artis Real Estate
Investment Trust
Q1-19 Investor
Presentation
May 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 May 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 August 2, 2018, November 1, 2018, and May 9, 2019, 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



1 Geographic Diversification

- Canada and the United States

2 Product Diversification

- Office
- Retail
- Industrial

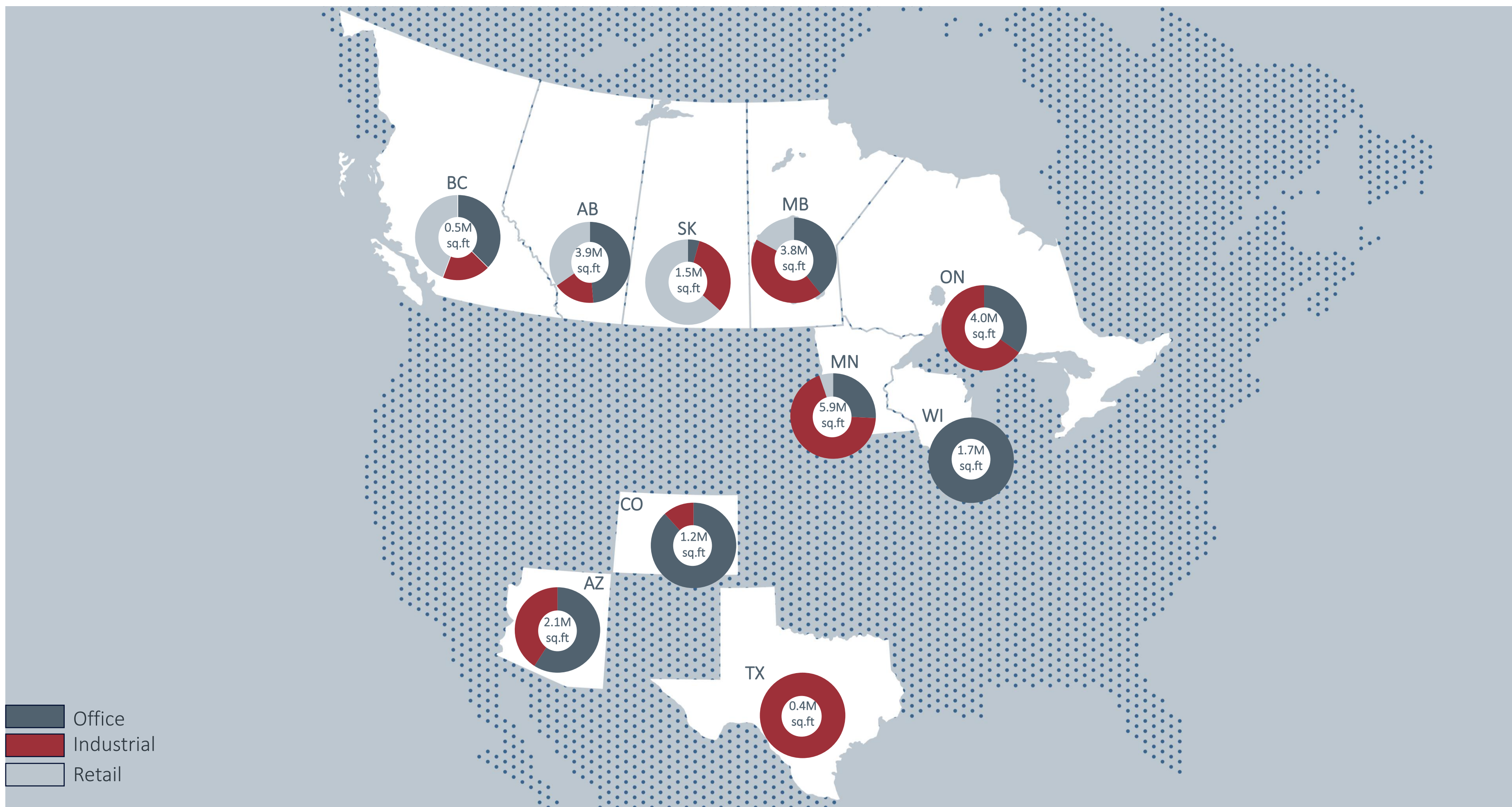
3 Internal Growth

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

4 Strategic Initiatives

- Simplifying the portfolio
- Improved operating and financial metrics

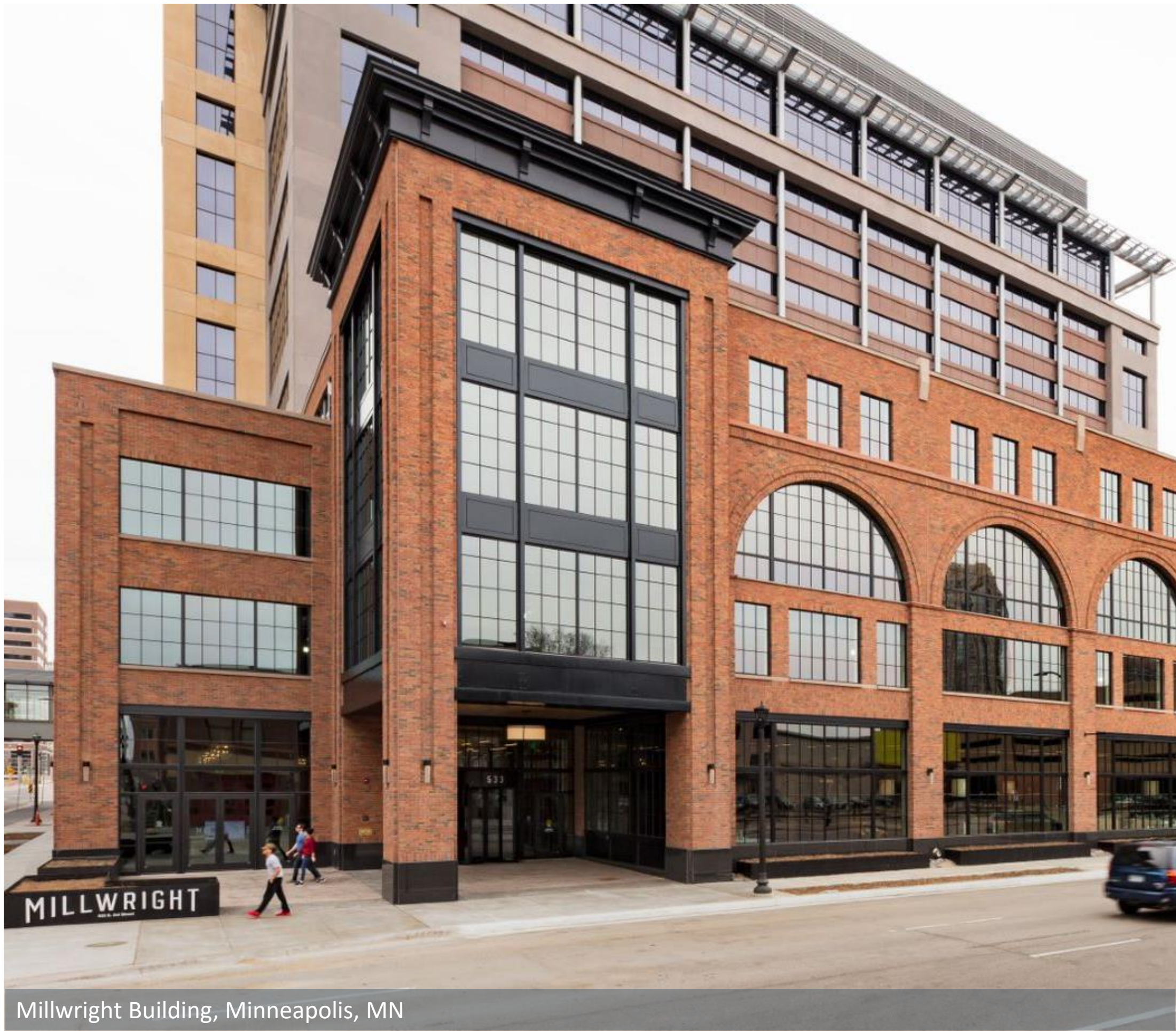
Diversified Commercial Properties



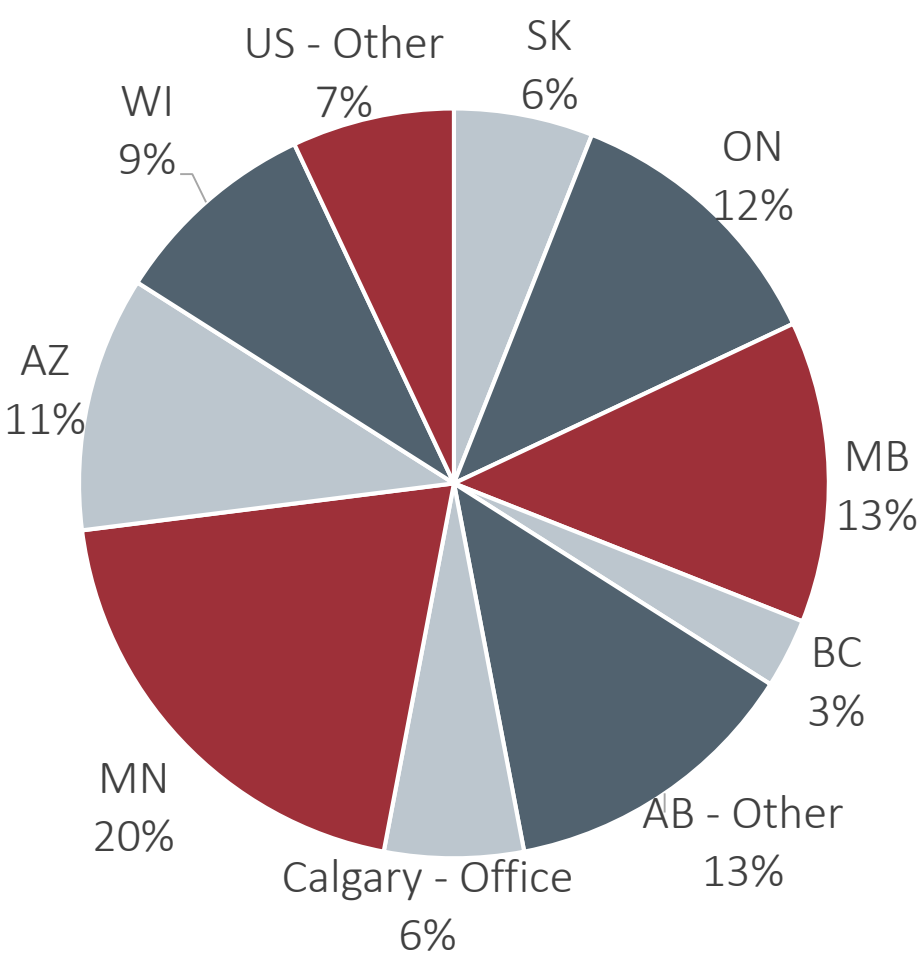
2 countries – 3 asset classes – 8 major markets
235 properties – 25.1 million square feet – \$5.7B GBV – 94% leased
Fully Internalized Management Platform

Portfolio Diversification

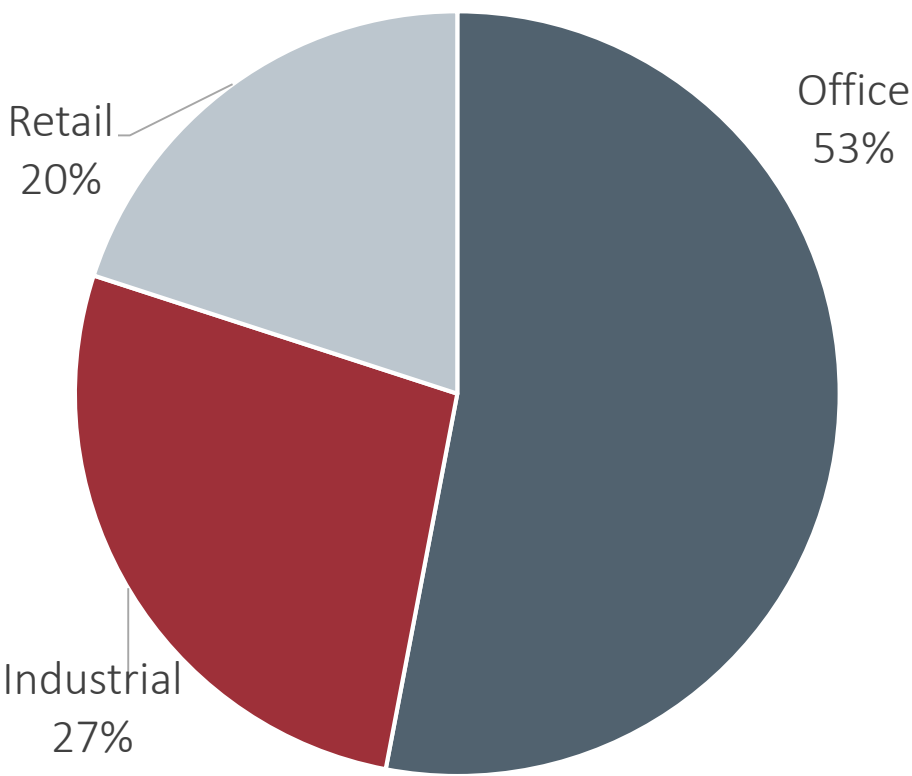
Of Artis’ total Net Operating Income (NOI), 55% is from Canada and 45% is from the United States



NOI by Geographical Region



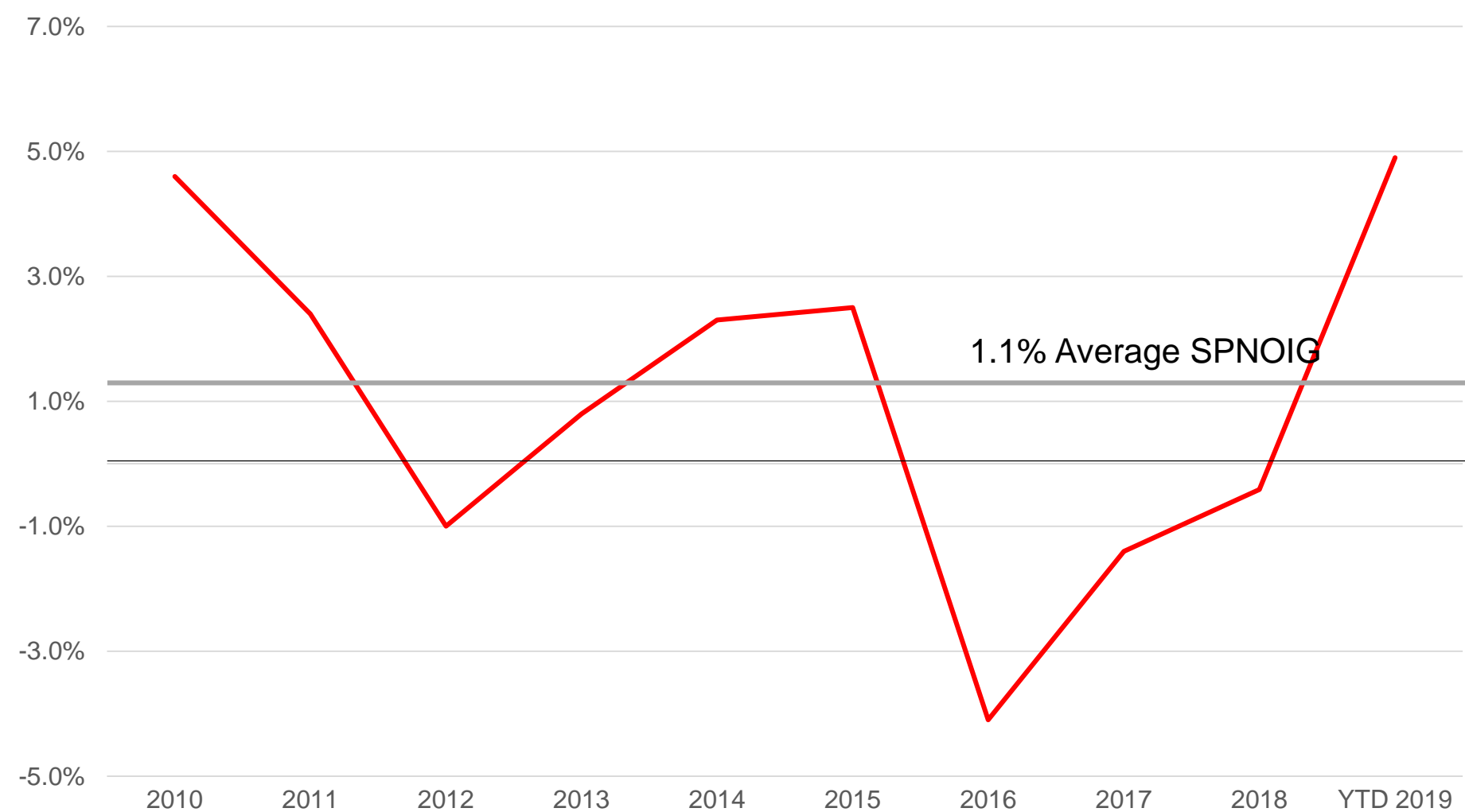
NOI by Asset Class



Office Asset Class

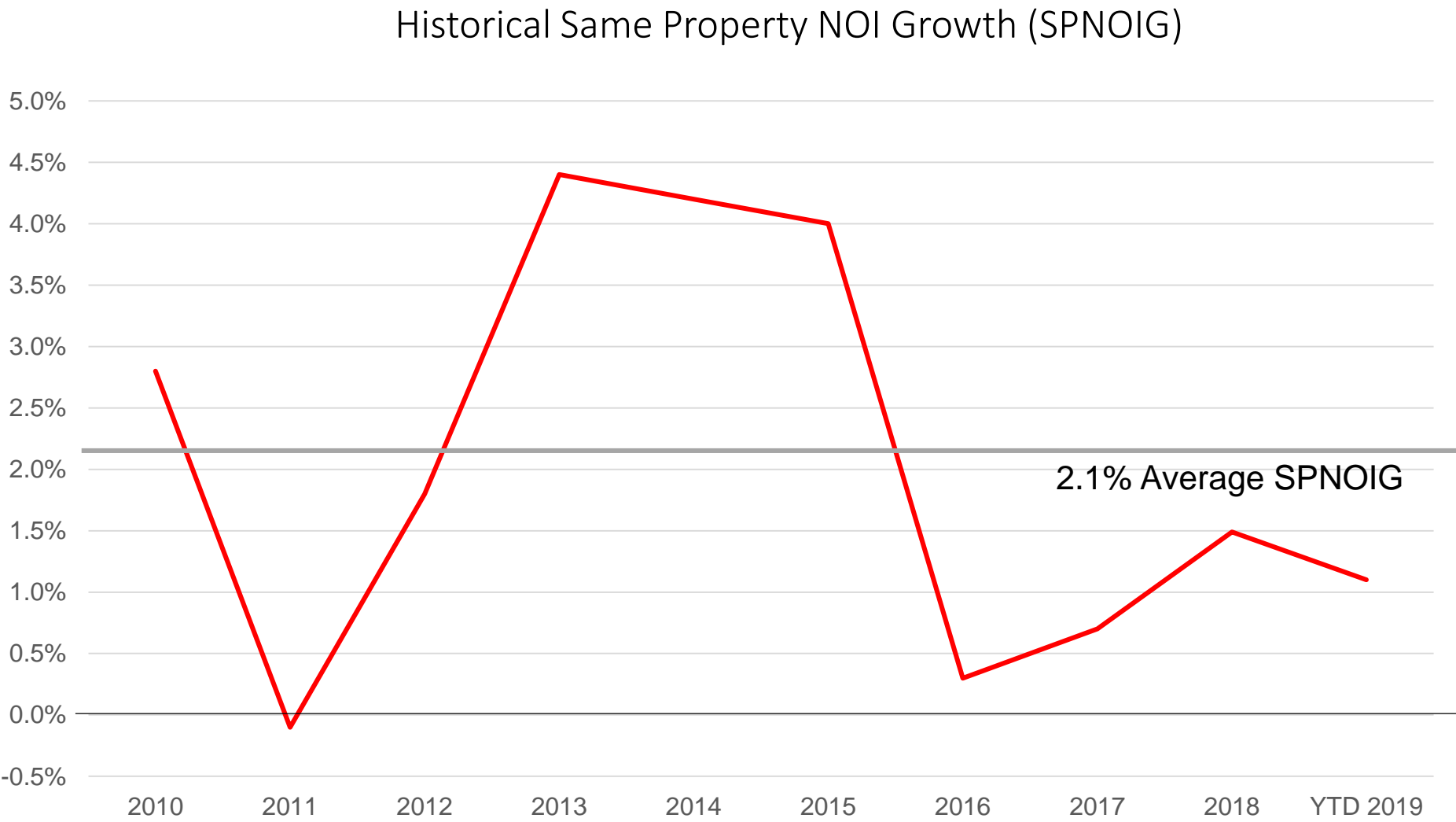
Number of Properties	71
GLA	10.7 million sq. ft.
Leased	90%
Diversification	Major markets in Canada and the US
IFRS GBV/IFRS Weighted-Average Cap Rate	\$3.0 billion/6.6%
2019 YTD Same Property NOI Growth	+4.9%
2018 Property NOI (on a proportionate share basis)	\$167.2 million

Historical Same Property NOI Growth (SPNOIG)



Retail Asset Class

Number of Properties	54
GLA	3.5 million sq. ft.
Leased	93%
Diversification	Major markets in Canada and the US
IFRS GBV/IFRS Weighted-Average Cap Rate	\$1.1 billion/6.5%
2019 YTD Same Property NOI Growth	+1.1%
2018 Property NOI (on a proportionate share basis)	\$64.5 million

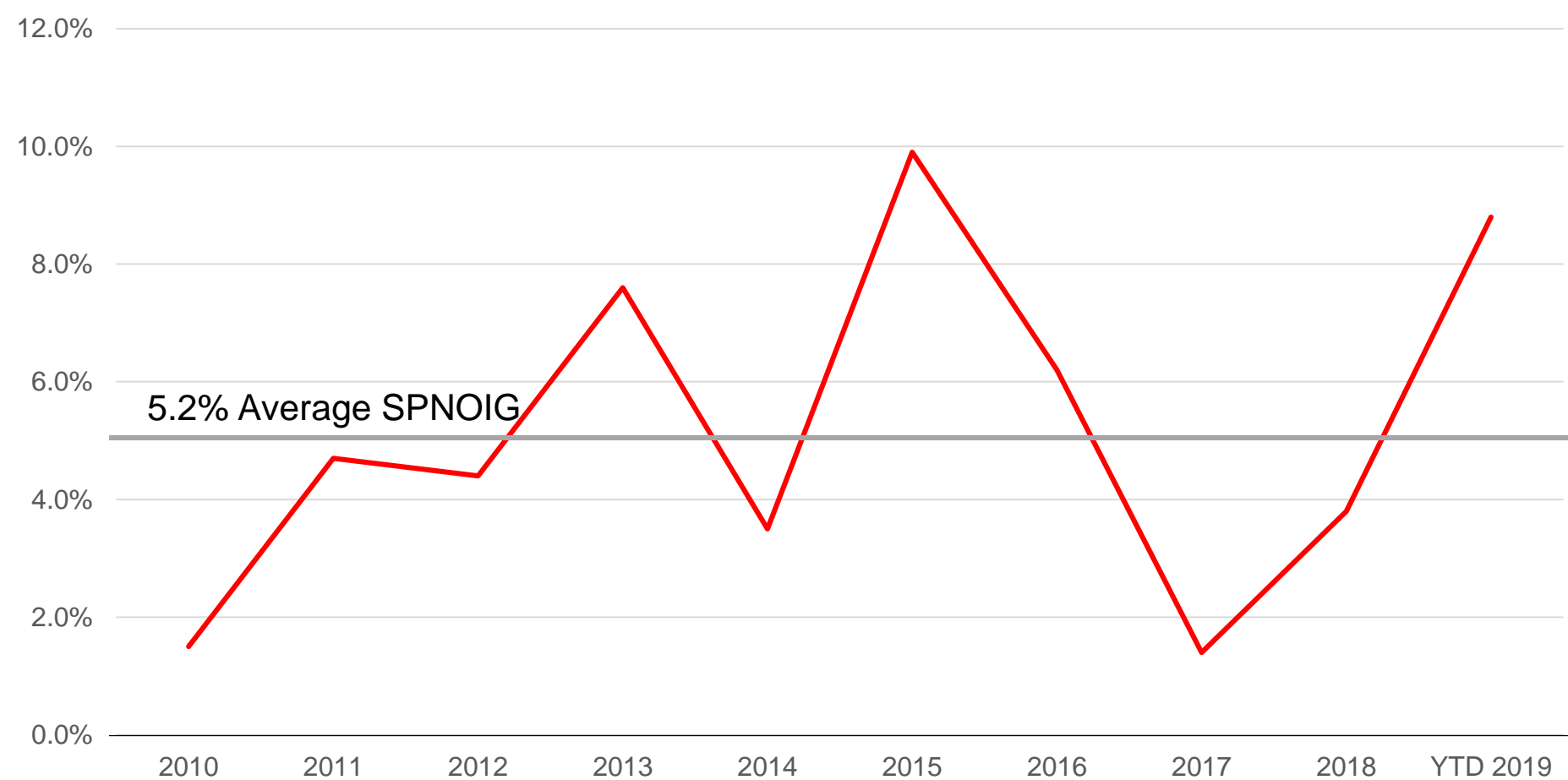


Industrial Asset Class

Number of Properties	110
GLA	10.9 million sq. ft.
Leased	99%
Diversification	Major markets in Canada and the US
IFRS GBV/IFRS Weighted-Average Cap Rate	\$1.6 billion/6.1%
2019 YTD Same Property NOI Growth	+8.8%
2018 Property NOI (on a proportionate share basis)	\$83.6 million



Historical Same Property NOI Growth (SPNOIG)



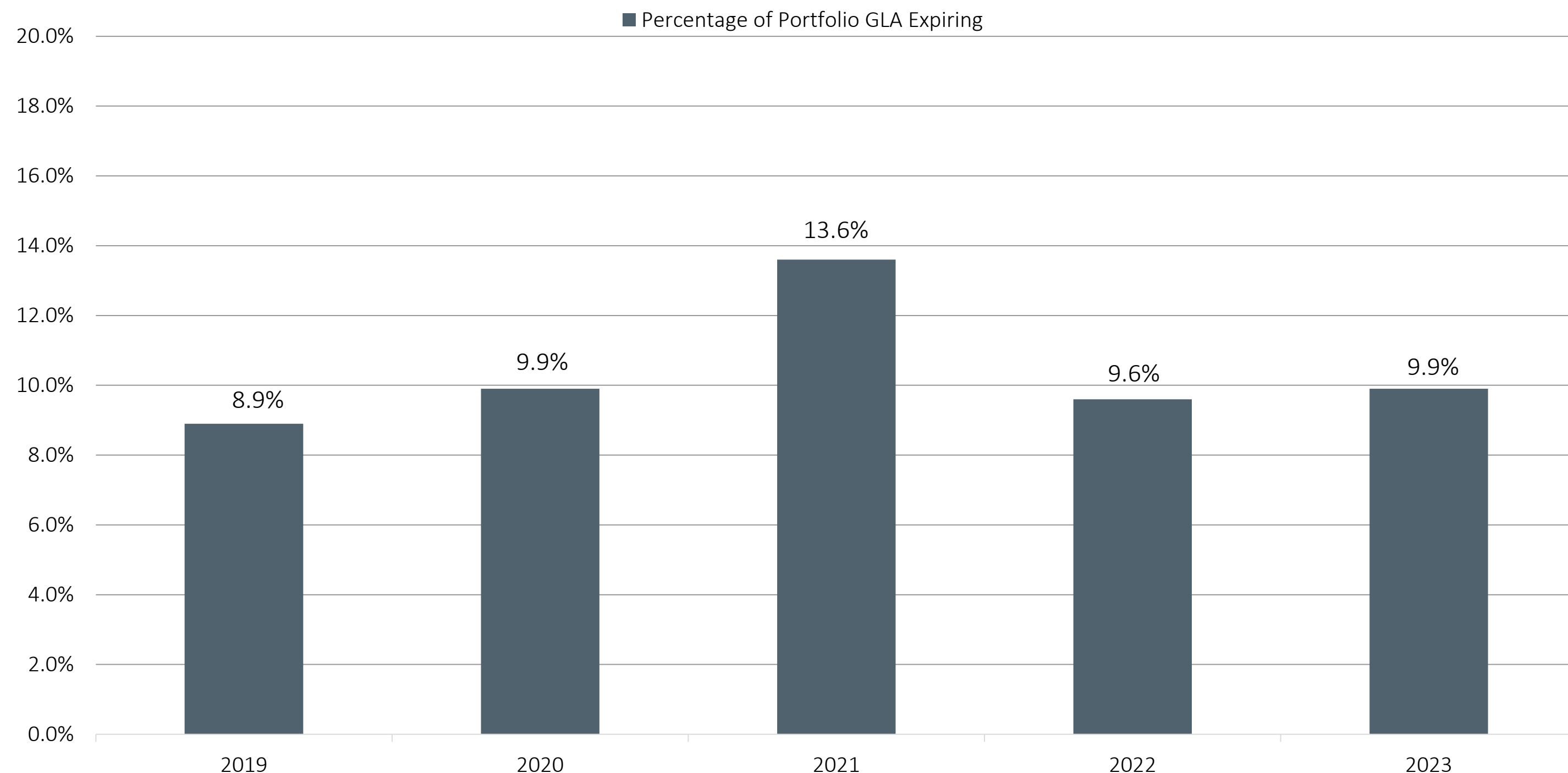
The Sum of All Parts

	Share of Property NOI	Number of Properties	GLA	Leased	Same Property NOI Growth YTD	IFRS Weighted-Average Cap Rate	IFRS GBV
Office	53%	71	10.7 million sq. ft.	90%	4.9%	6.6%	\$3.0B
Retail	20%	54	3.5 million sq. ft.	93%	1.1%	6.5%	\$1.1B
Industrial	27%	110	10.9 million sq. ft.	99%	8.8%	6.1%	\$1.6B
Other							\$0.08B
TOTAL	100%	235	25.1 million sq. ft.	94%	5.1%	6.5%	\$5.7B

NAV: \$15.55 per unit



Lease Expiration Schedule



Same Property NOI Growth YTD:

Stabilized Same Property NOI in Canadian dollars increased **5.7%**
(5.1% including the Calgary office segment and properties planned for disposition and re-purposing).

2019 Renewal Program:

20% of remaining 2019 expiries have been renewed or committed to new leases.

Leverage Profile DBRS: BBB- Credit Rating

Healthy Balance Sheet and Liquidity

Fiscal quarter ending:	March 31, 2018	December 31, 2018	March 31, 2019	DBRS Recommended Threshold
Debt: GBV	48.9%	50.6%	51.7%	≤ 53.0%
Secured mortgages and loans: GBV	31.7%	30.6%	30.2%	N/A
Unencumbered assets	\$1.7 billion	\$1.8 billion	\$1.9 billion	N/A
Normalized EBITDA interest coverage	3.26	3.04	2.96	≥ 2.3
Normalized net debt: EBITDA	8.39	8.77	9.0	≤ 9.4

Cash and cash equivalents at March 31, 2019: **\$60.7 million**

Availability on unsecured credit facilities at March 31, 2019: **\$190.8 million**

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

Unit Price + NAV Metrics

Information as of May 2019

Unit Price:	\$11.50
Distribution per Unit:	\$0.54
Cash Yield:	4.7%
Market Cap:	\$1.7B
Implied Cap Rate:	7.2%

Analyst Consensus Information per Unit ⁽¹⁾

Target Price:	\$12.70
Net Asset Value:	\$13.94
Artis IFRS NAV:	\$15.55



Analyst	2019	
Consensus	AFFO	FFO
Per Unit	\$1.02	\$1.36
Pay-Out Ratio	52.9%	39.7%
Unit Price Multiple	11.0x	8.3x
Yield	8.9%	11.8%

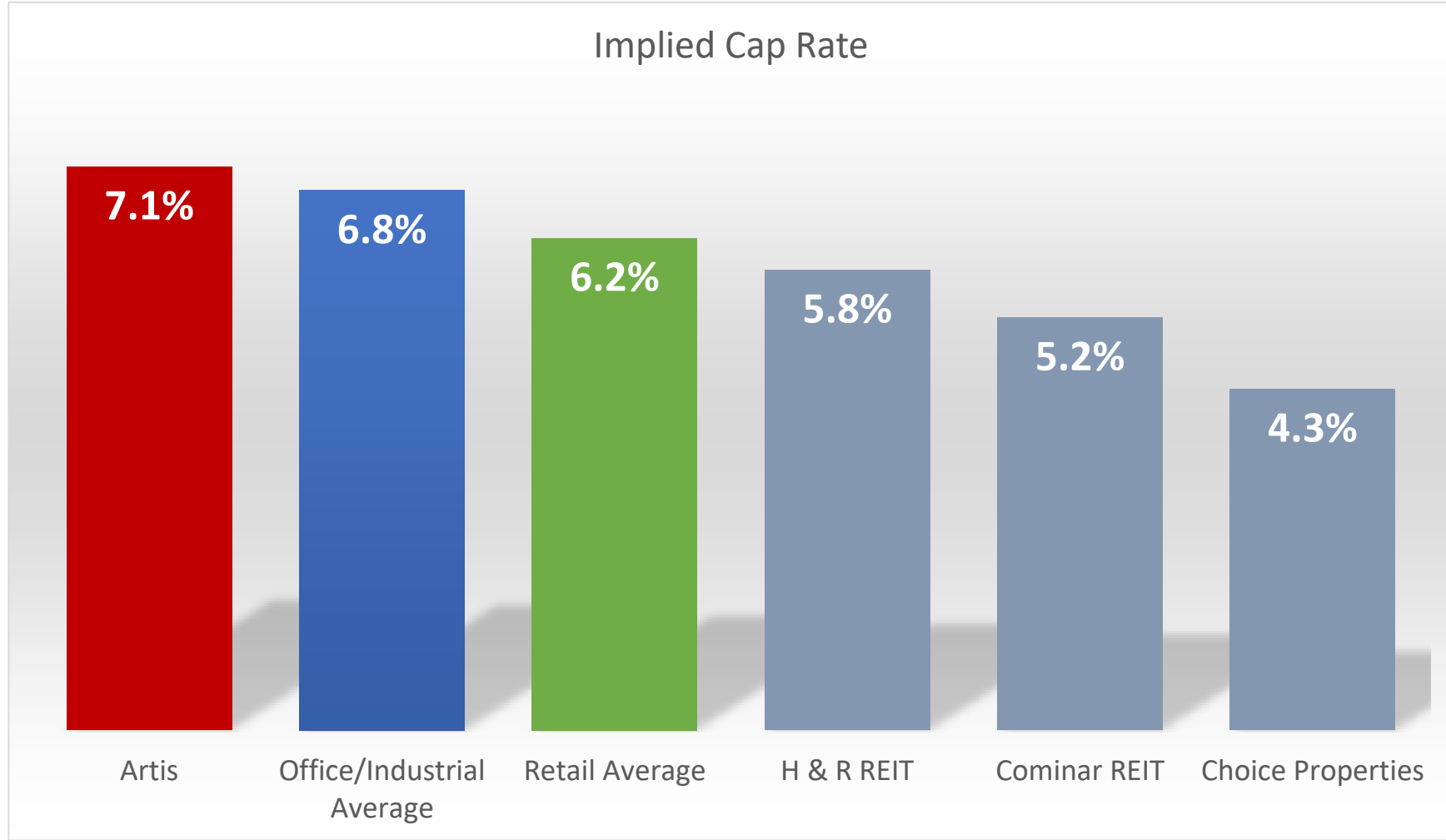
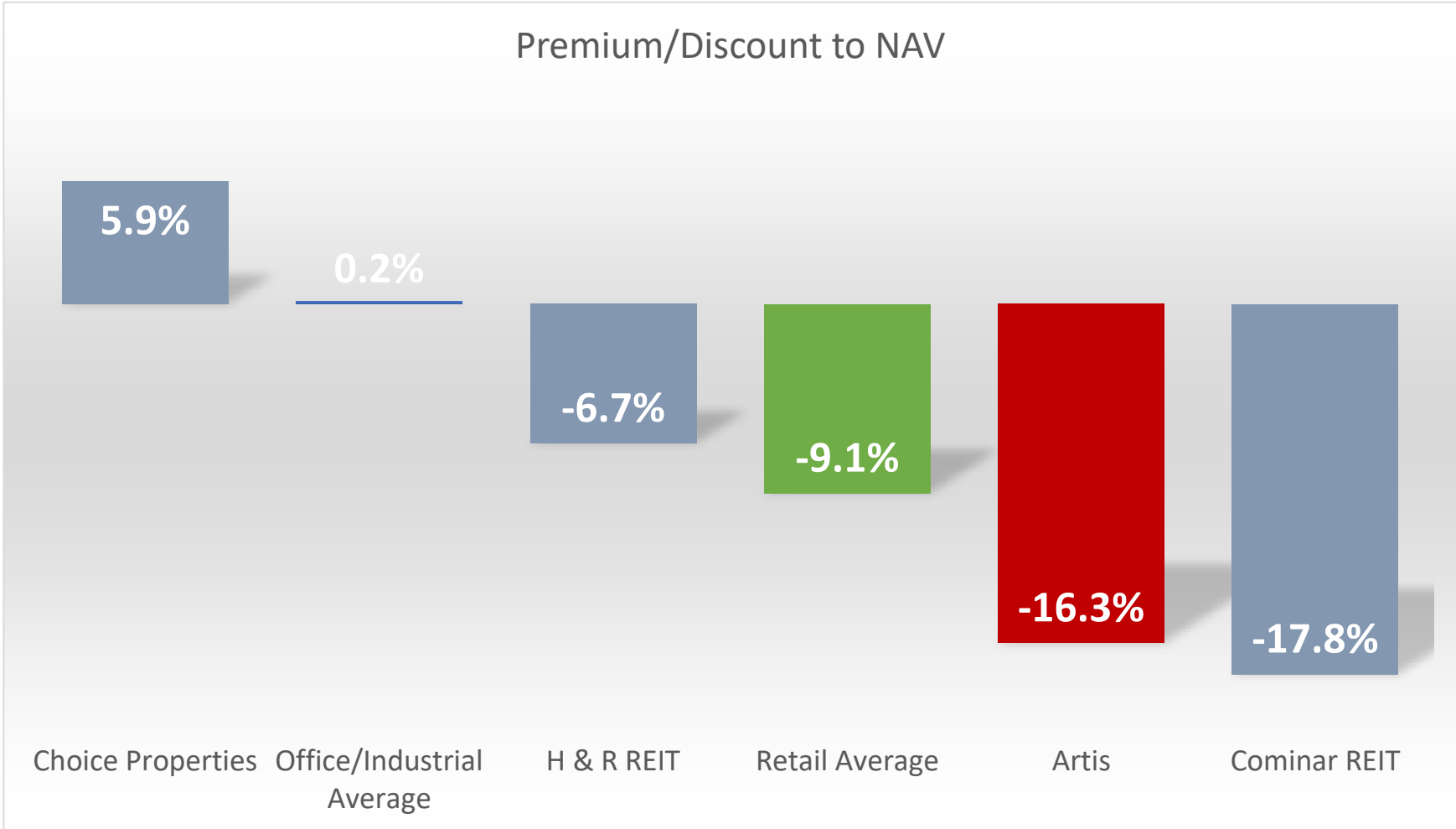
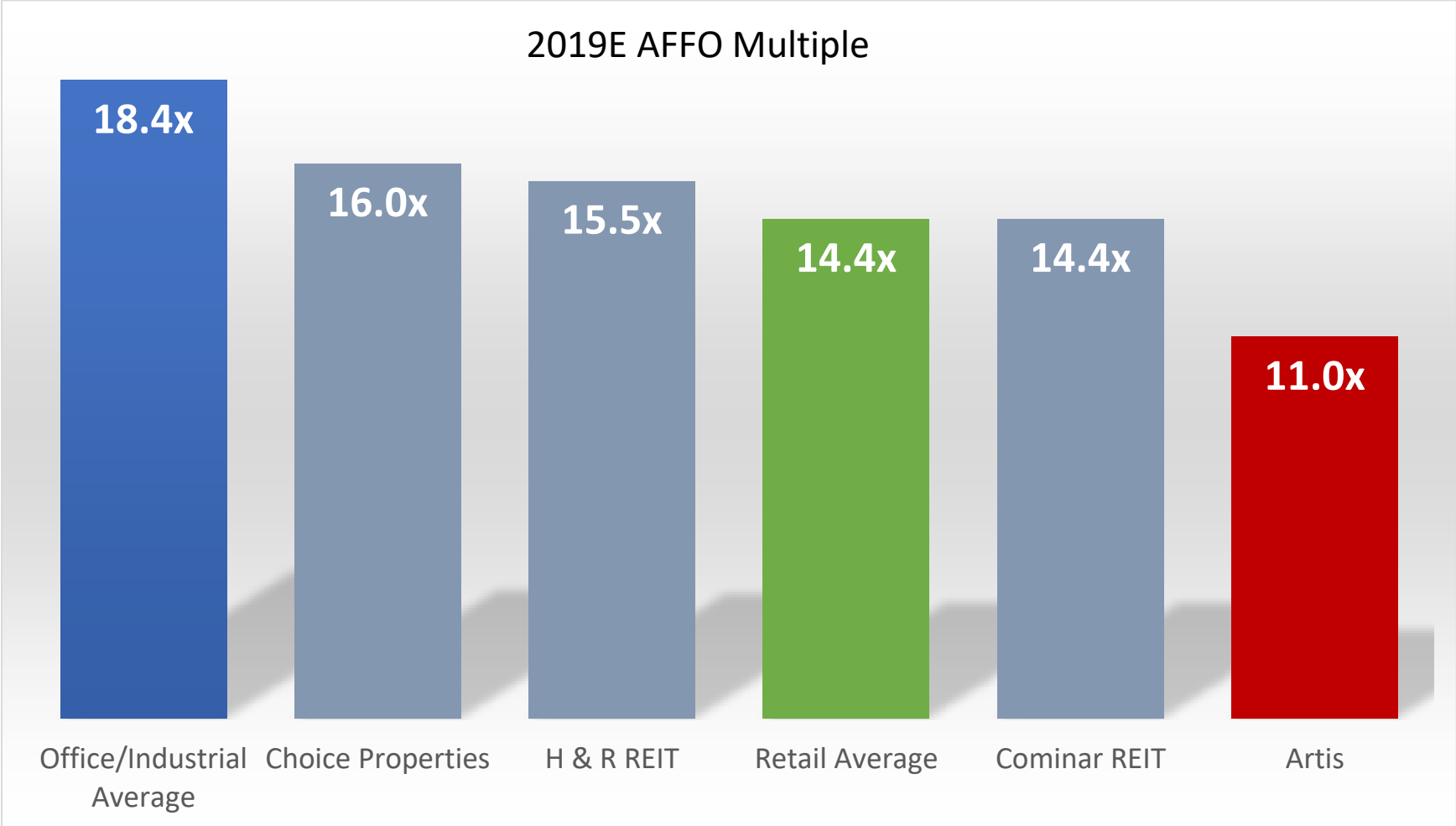
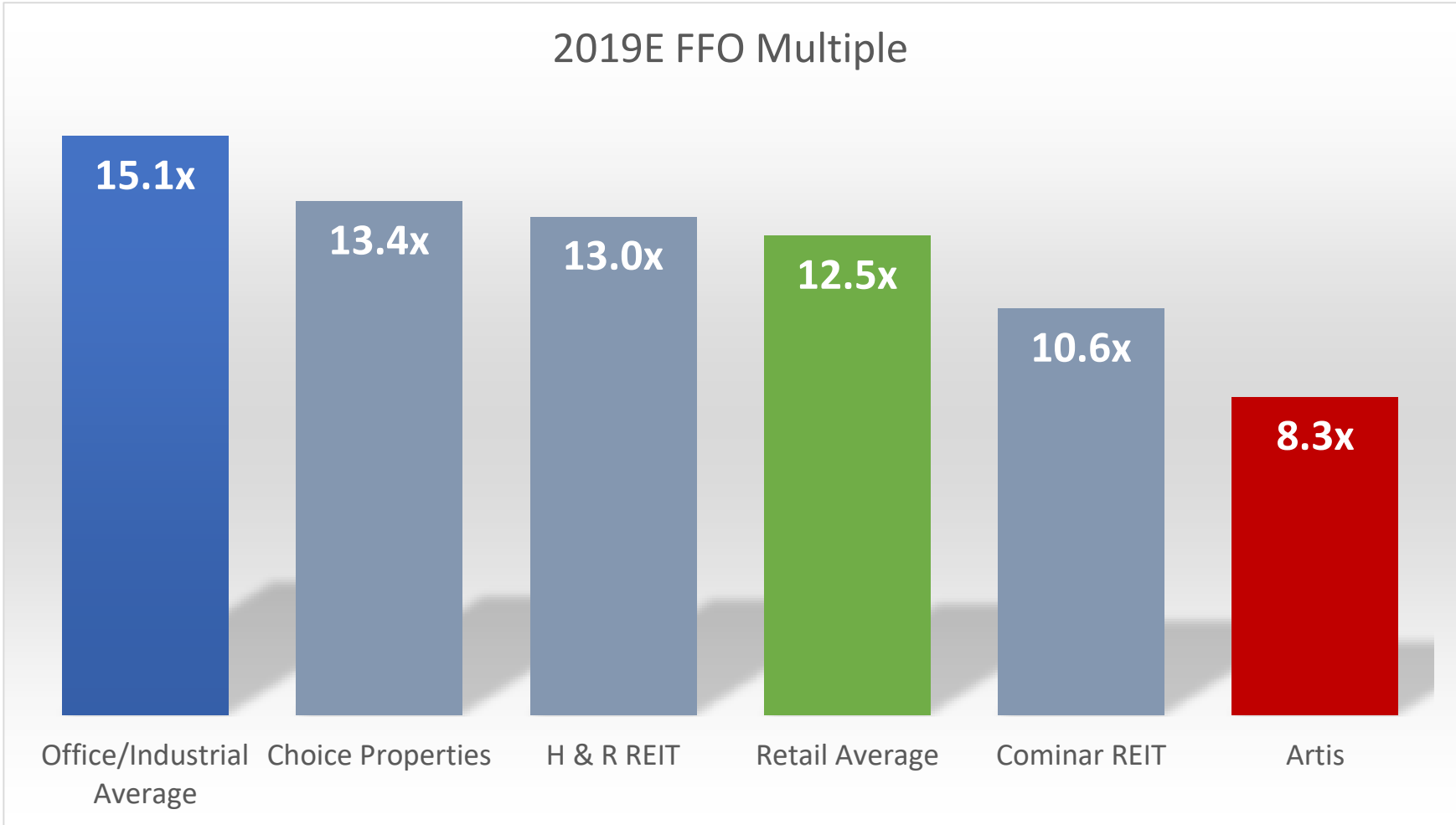
⁽¹⁾ Consensus analyst projections from most recent research reports (Q1-19). Artis does not endorse analyst projections. The above information represents the views of the particular analyst and not necessarily those of Artis. An investor should review the entire report of the analyst prior to making any investment decisions.

Artis v. Peers Analytics

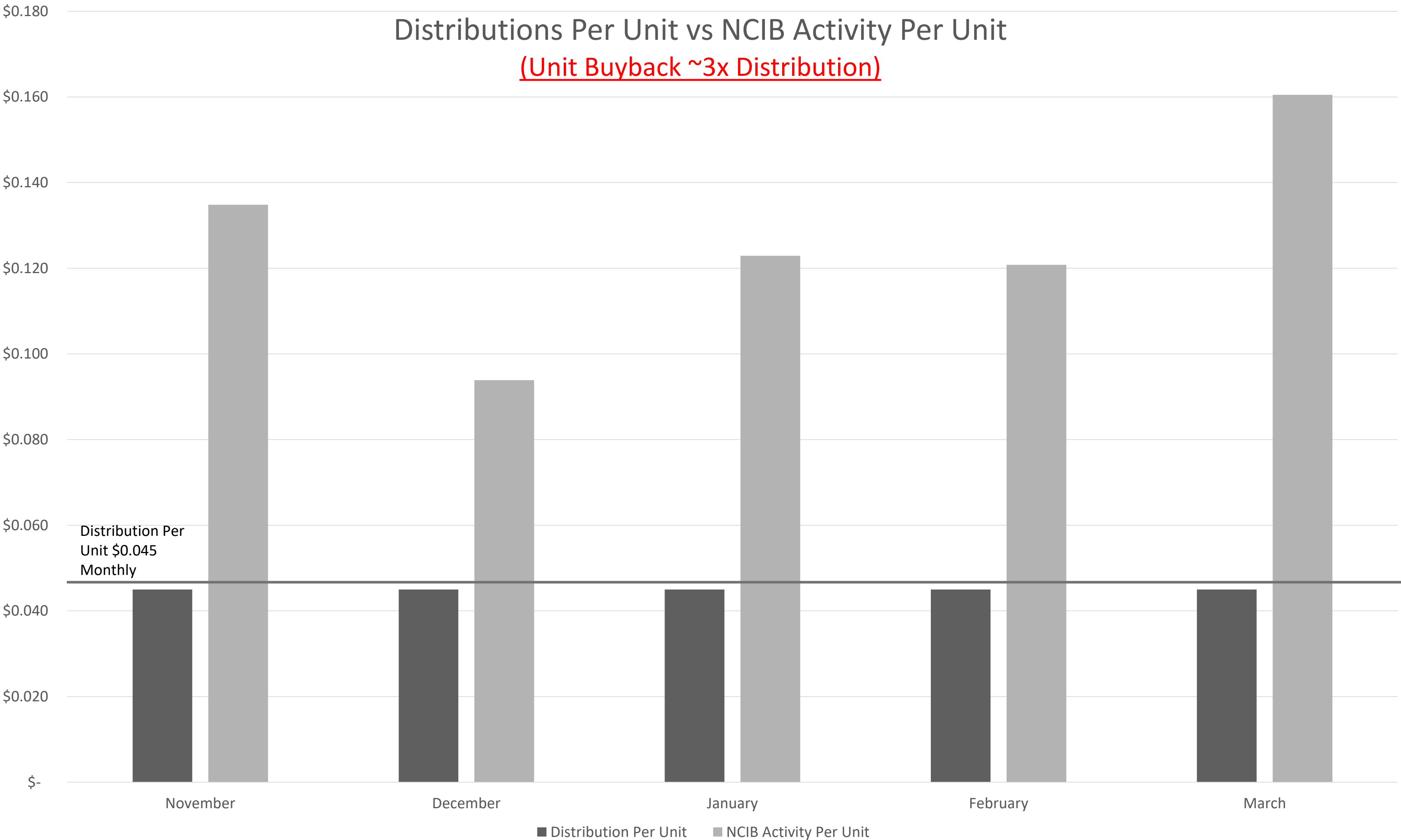
REIT	May 14, 2019 Unit Price	Market Cap	Current Yield	Discount to NAV	Target	2019E AFFO			2020E AFFO		
						Multiple	Payout	Yield	Multiple	Payout	Yield
Artis REIT	\$11.67	\$1,668	4.6%	(15.4%)	\$12.50	11.8x	54.5%	8.5%	11.6x	53.5%	8.7%
Cominar REIT	\$11.65	\$2,121	6.2%	(18.5%)	\$13.50	12.8x	79.1%	7.8%	12.3x	76.2%	8.1%
H&R REIT	\$23.60	\$7,124	5.8%	(7.2%)	\$24.50	15.5x	90.8%	6.4%	14.8x	86.8%	6.7%
Choice Properties REIT	\$13.69	\$9,577	5.4%	4.5%	\$13.00	15.8X	85.5%	6.3%	15.2x	82.2%	6.6%



Artis v. Peers Analytics



NCIB Update



Recent Initiatives – Improving Unitholder Value

- 1 Distribution reset at \$0.54 per unit annualized
 - New conservative payout ratio ~55%
 - Improved cash flow and earnings profile
- 2 Unit buyback through NCIB
 - Liquidity is in place to fund automatic maximum unit buyback daily
 - Budgeting \$270 million to buy back 23.5 million units during 2019 and 2020 (~\$11.50 per unit average price)
 - As at April 30, 2019, ~\$11 million bought back at ~\$10.35 per unit (~45% complete)
- 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
 - Excellent progress being made
- 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

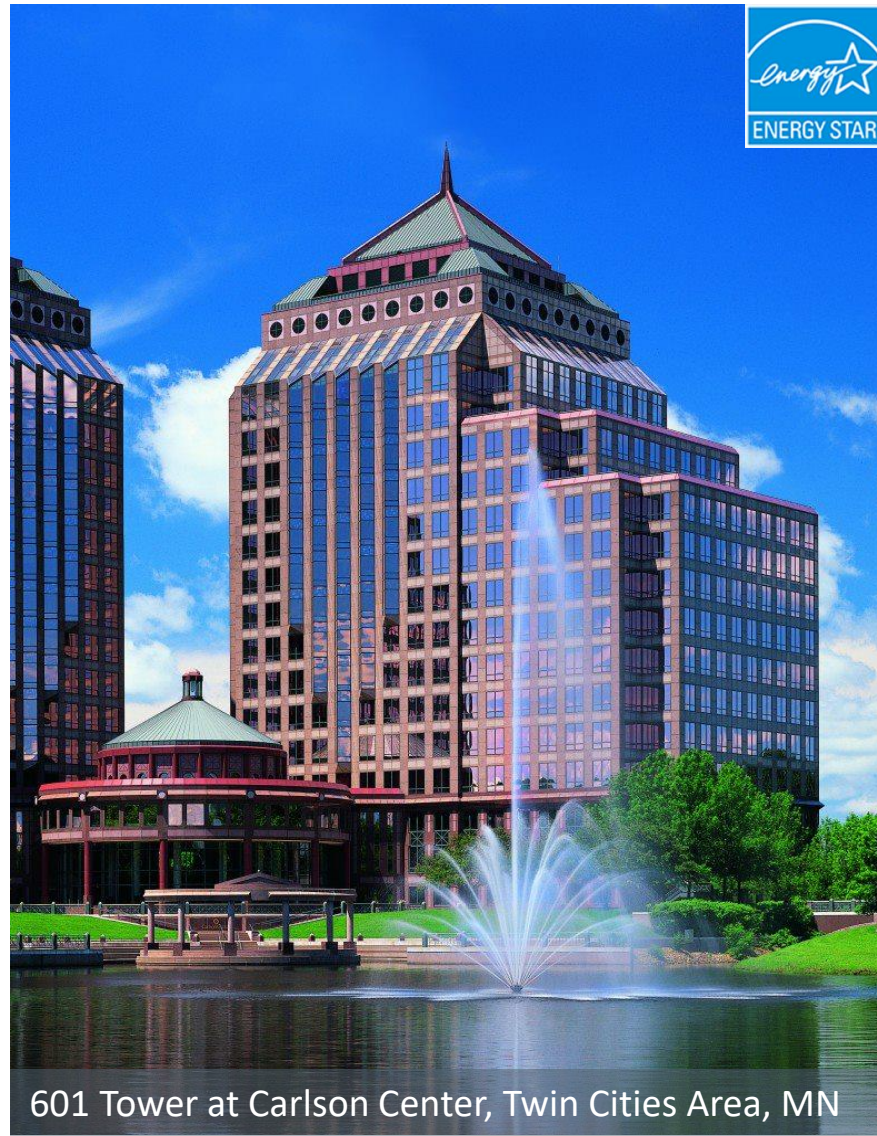
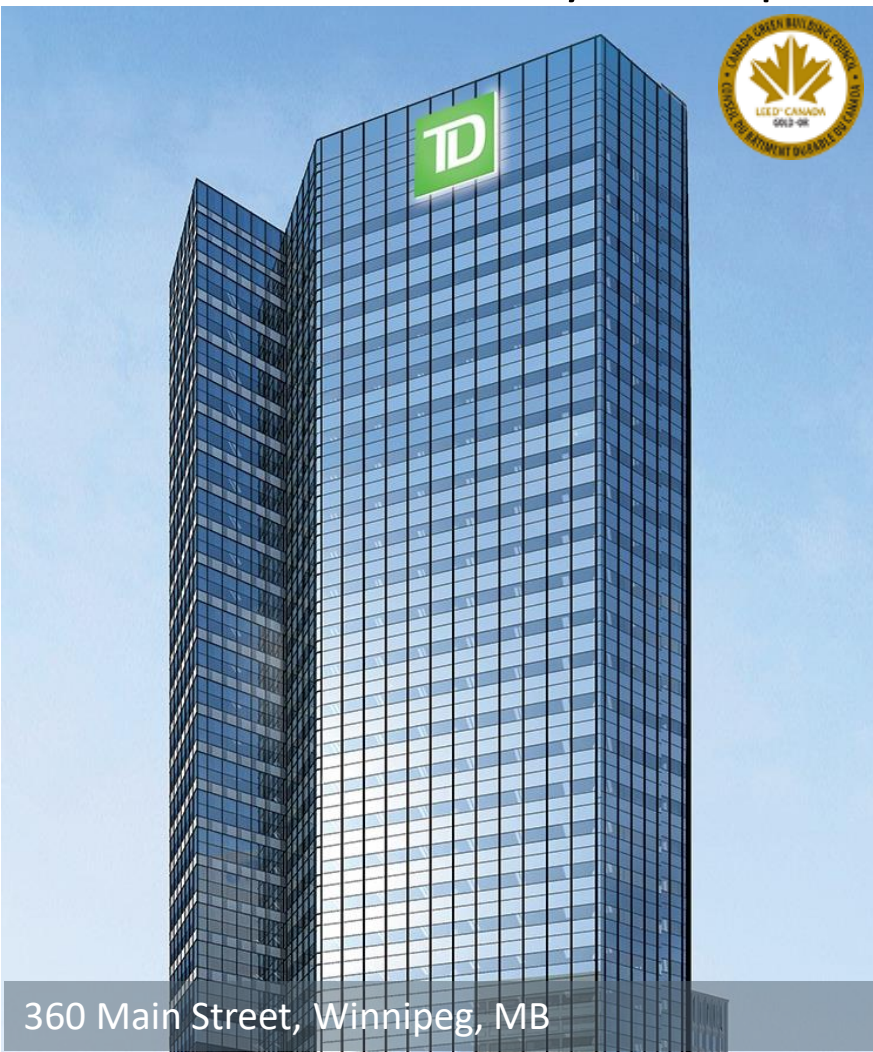
to be sold

\$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

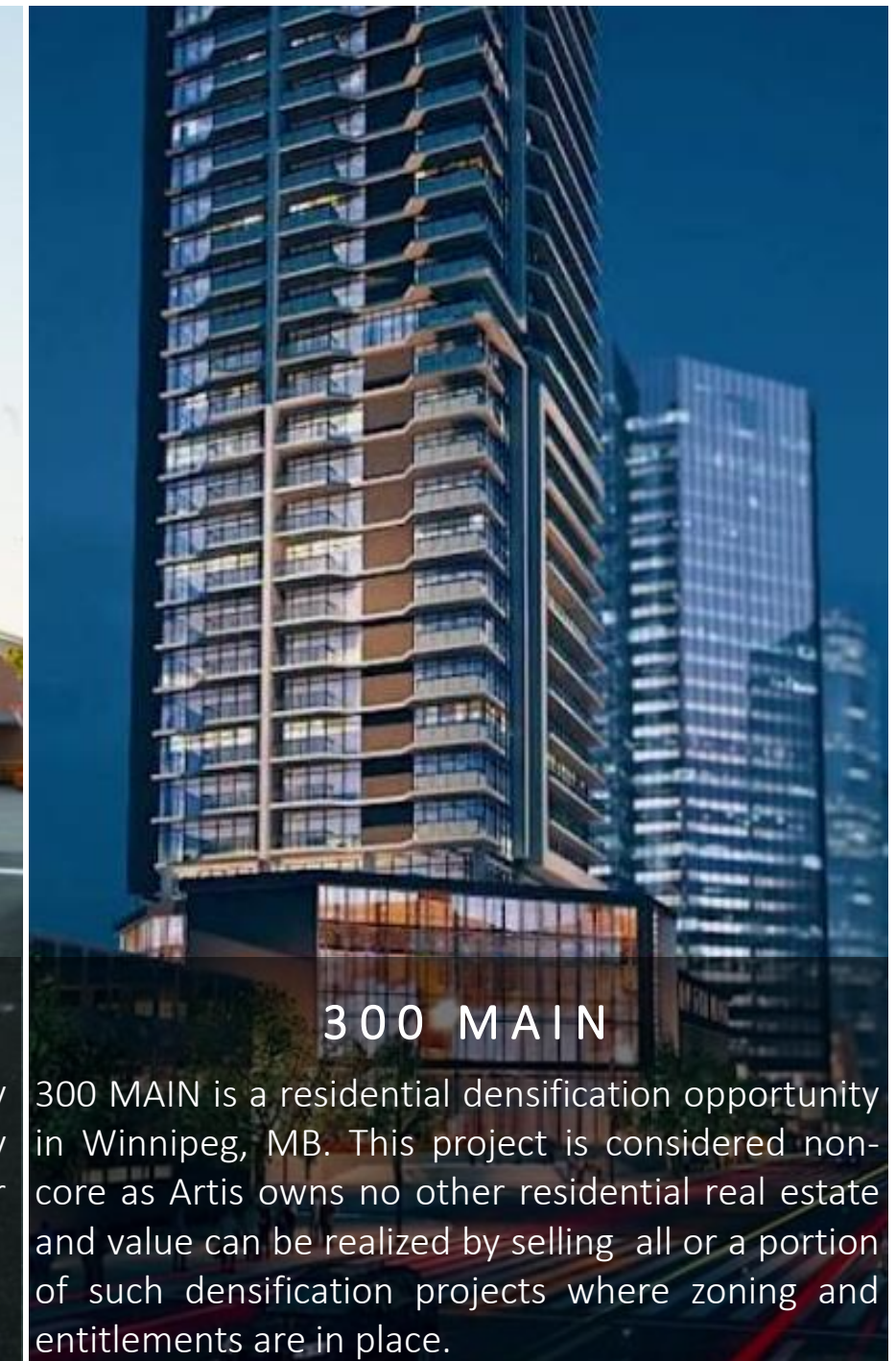
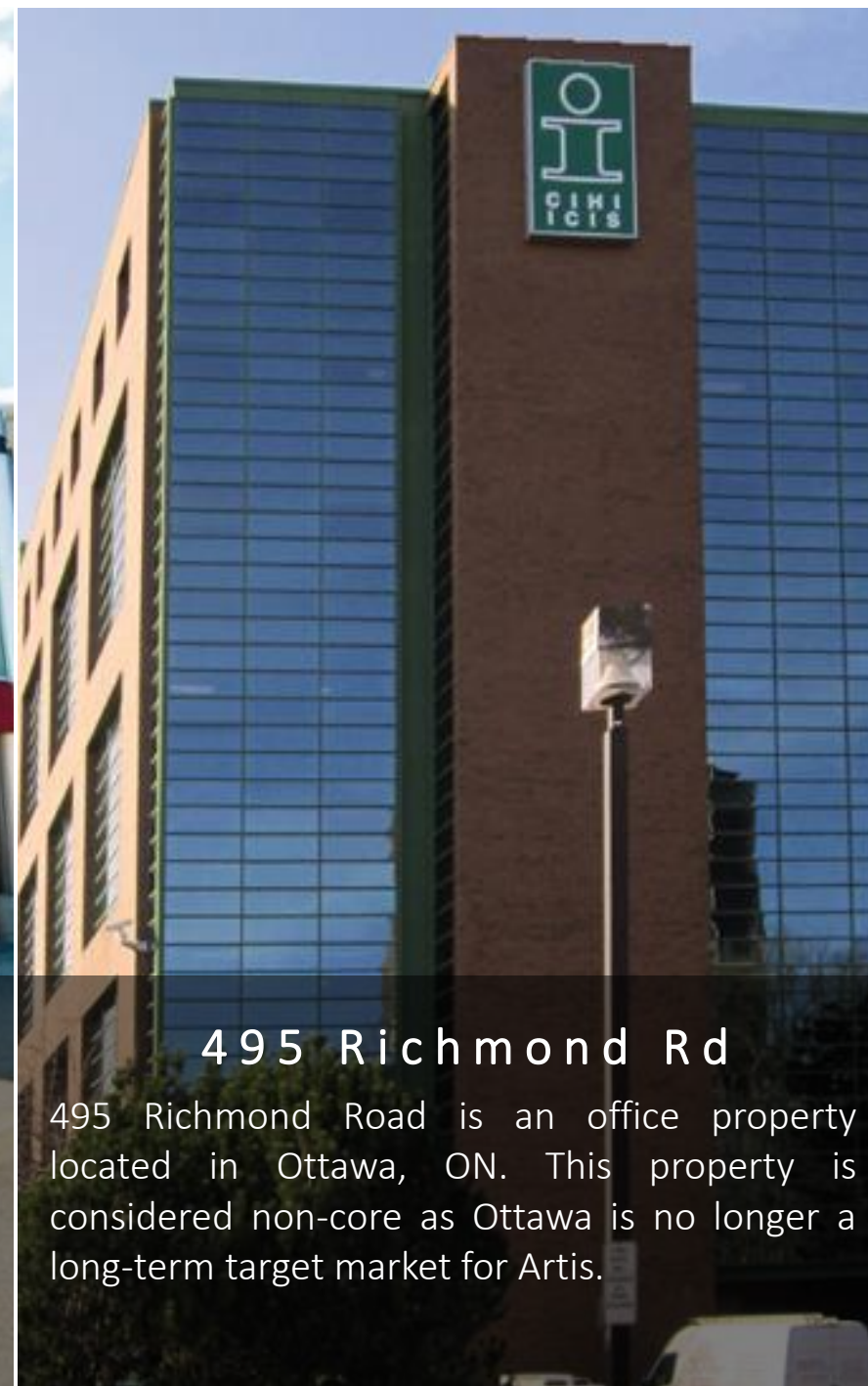


Non-Core Artis Assets – To Be Sold

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 6% 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 intend 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



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%

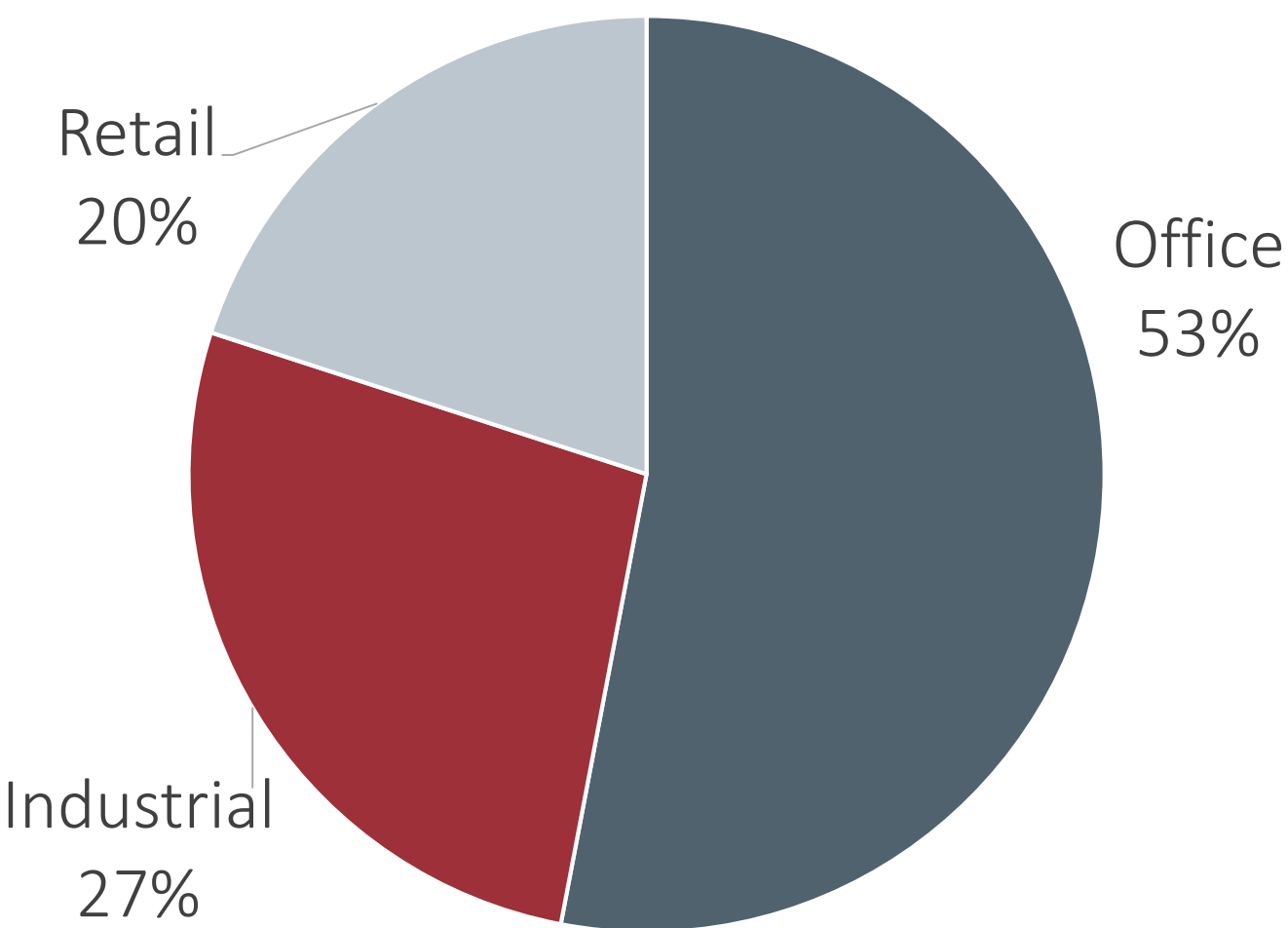
Annual NAV Accretion

Year 3 NAV ~\$17.50/unit

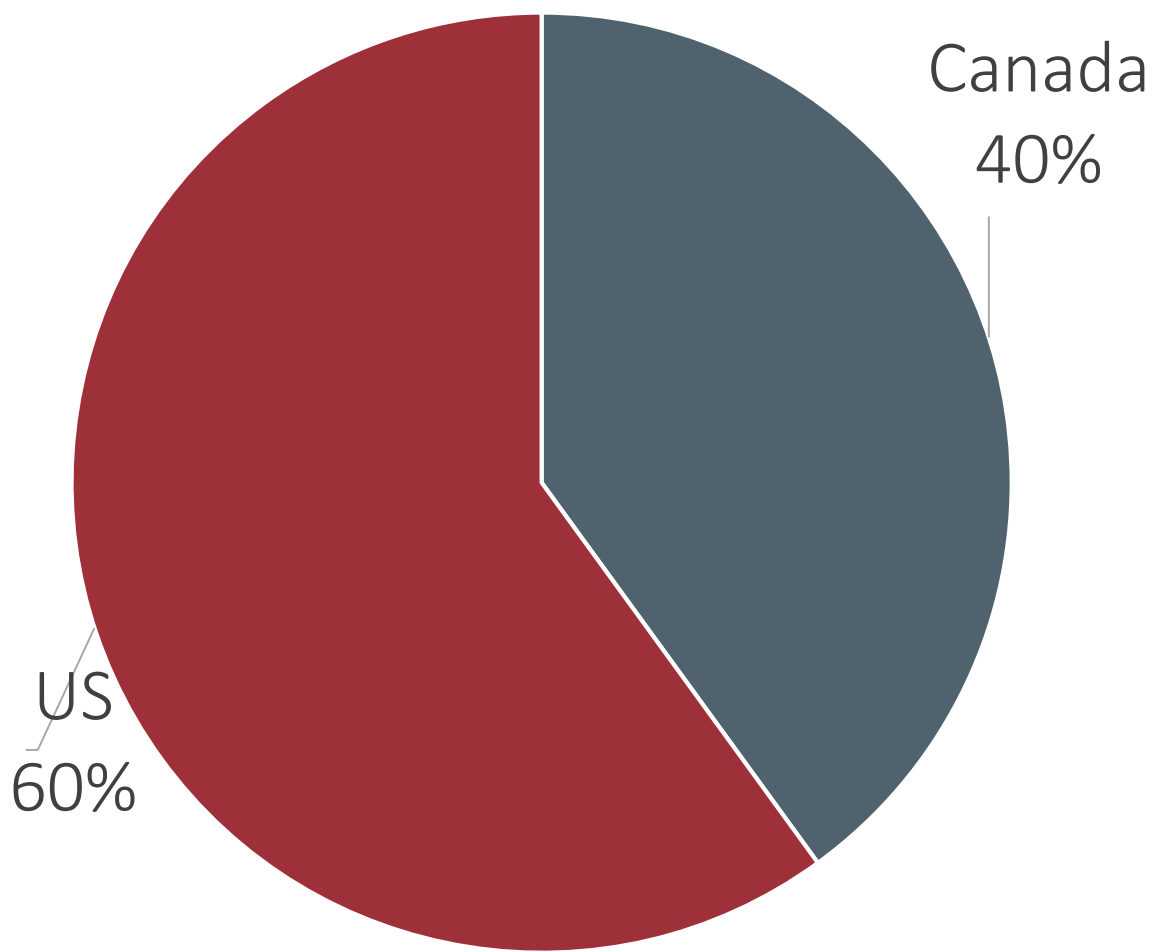
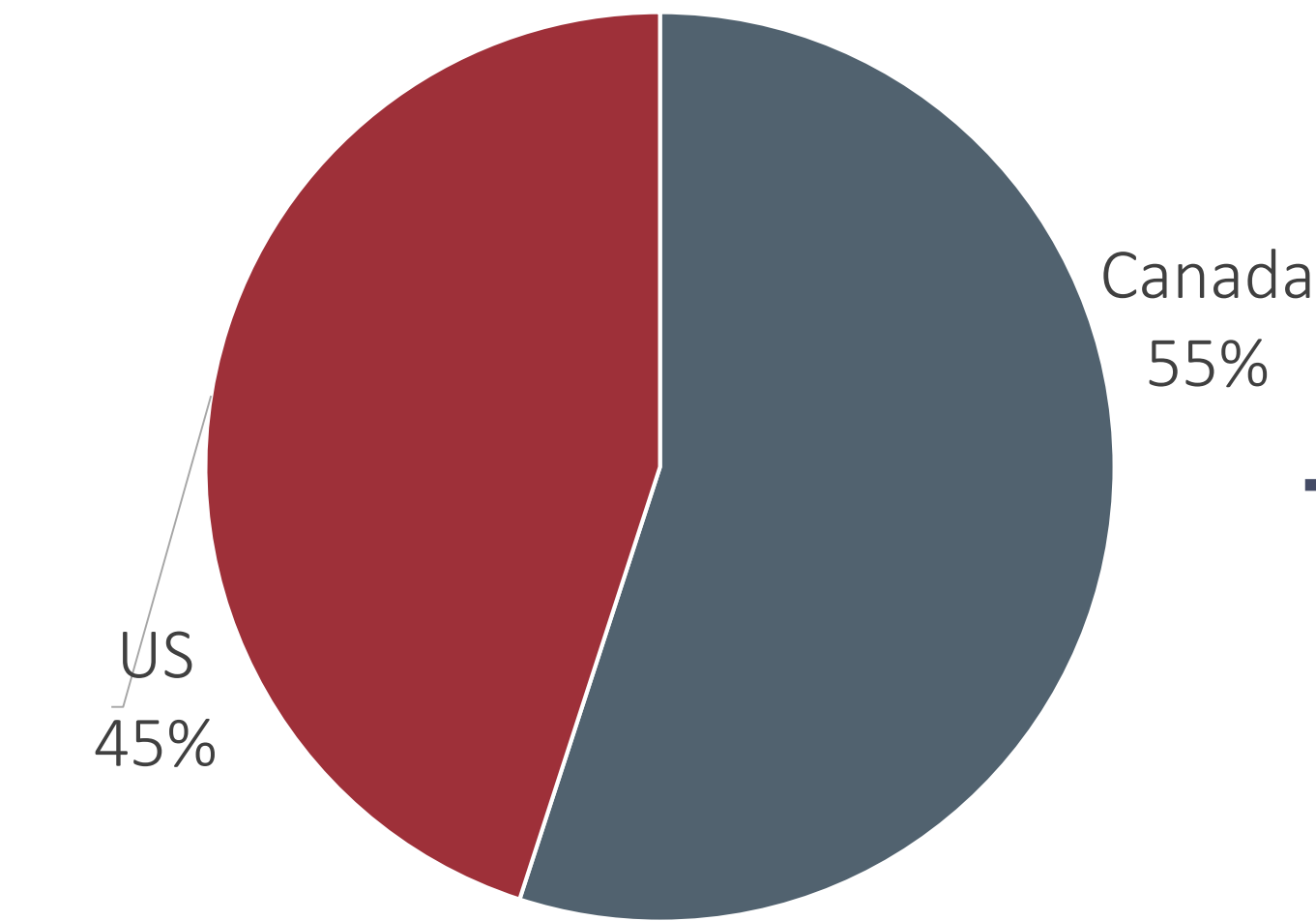
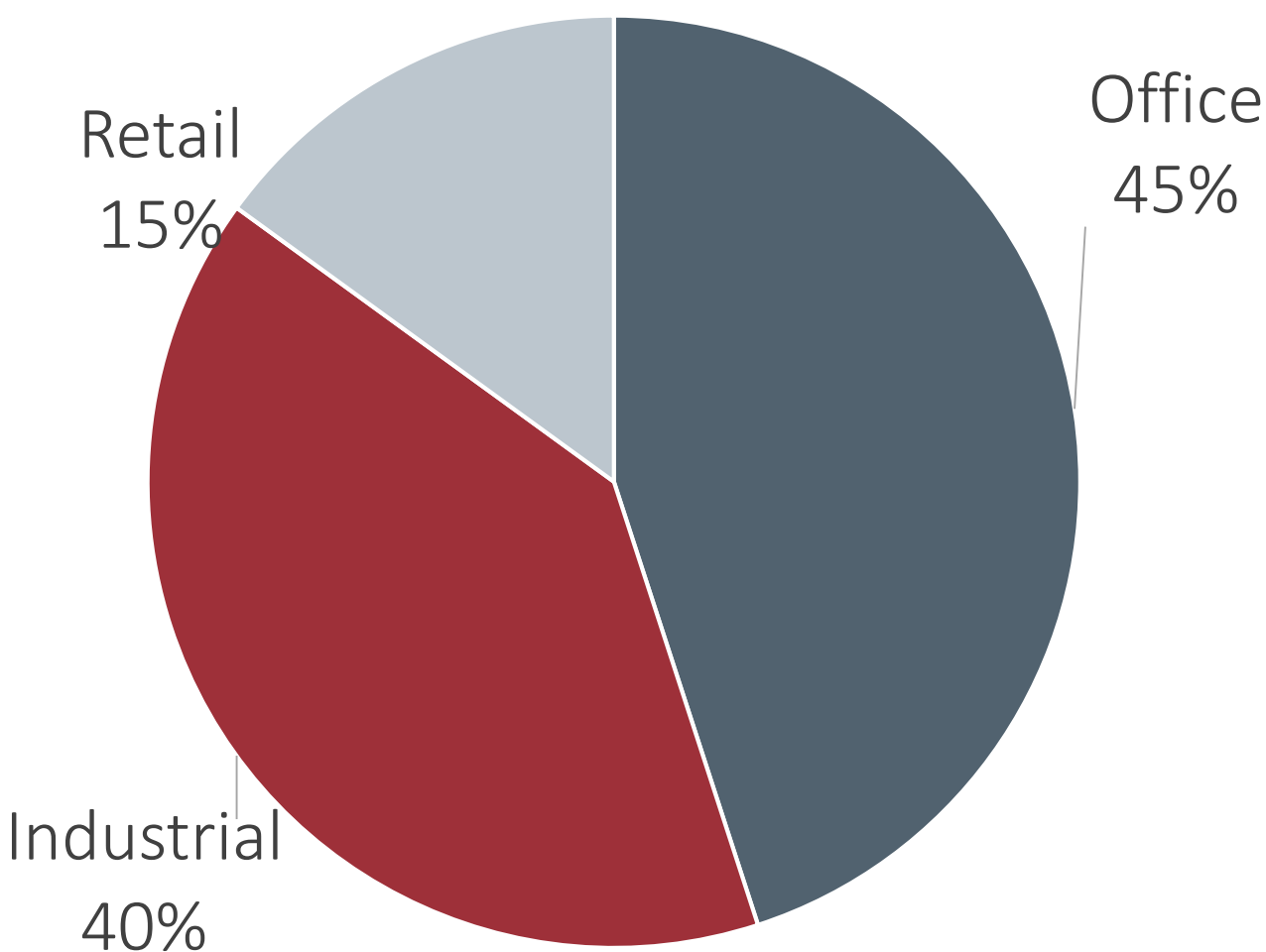
Committed to Maintaining
Investment Grade
DBRS Rating

Current and Projected Portfolio Overview

Q1-19 Net Operating Income



Projected 2020/2021 NOI upon implementation of new initiatives



Why Invest in Artis?

1

High Quality Yield

- ~ 4.7% distribution yield
- Investment-grade credit rating – BBB (low)
- 7.2% implied cap rate
- Low price multiple
- Conservative payout ratio and strong balance sheet

2

Diversified Platform by Geography and Asset Class

- Highly diversified platform
 - 2 countries, 3 asset classes
- \$5.7 billion GBV
- \$1.7 billion market cap

3

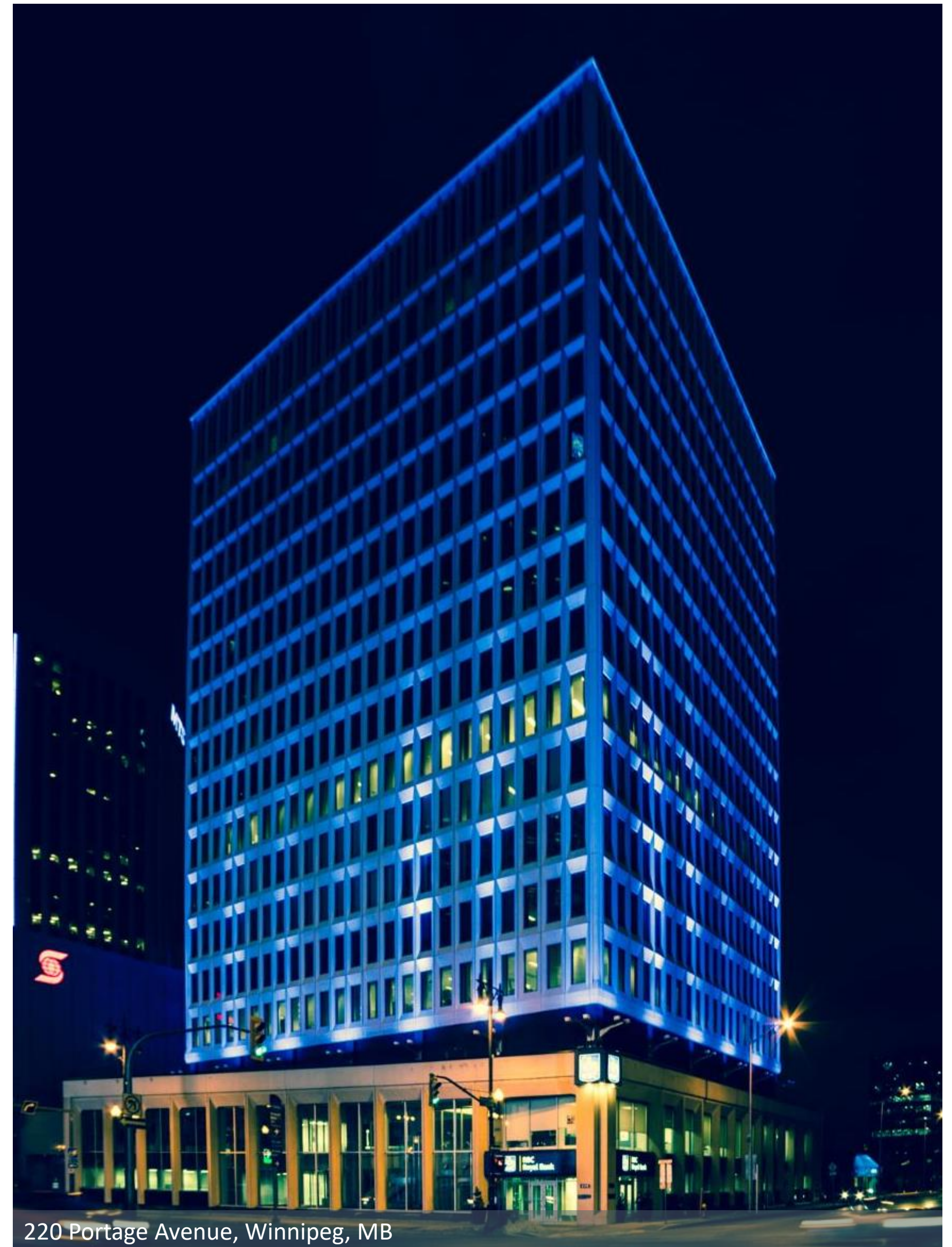
Additional Growth Levers

- Active NCIB
- Accretive recycling of capital
 - ~\$1 billion recycling target
- Positive earnings profile

4

Unlocking Value Through Development

- Industrial developments
- 7.0% targeted unlevered yield



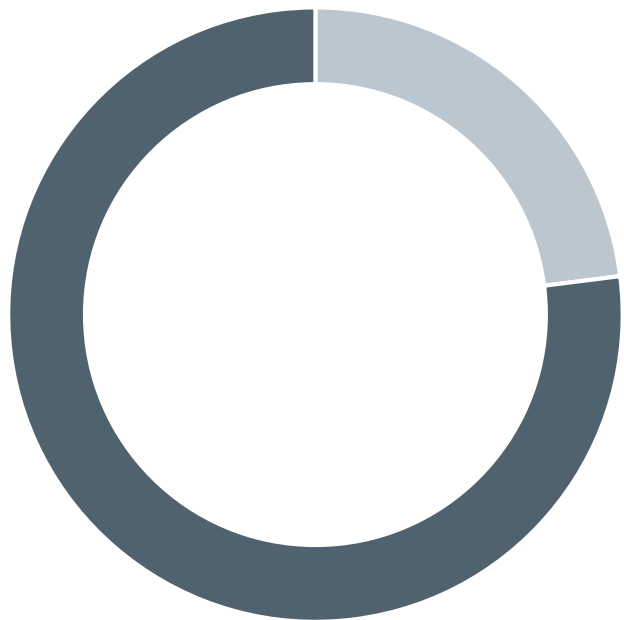
Corporate Sustainability

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

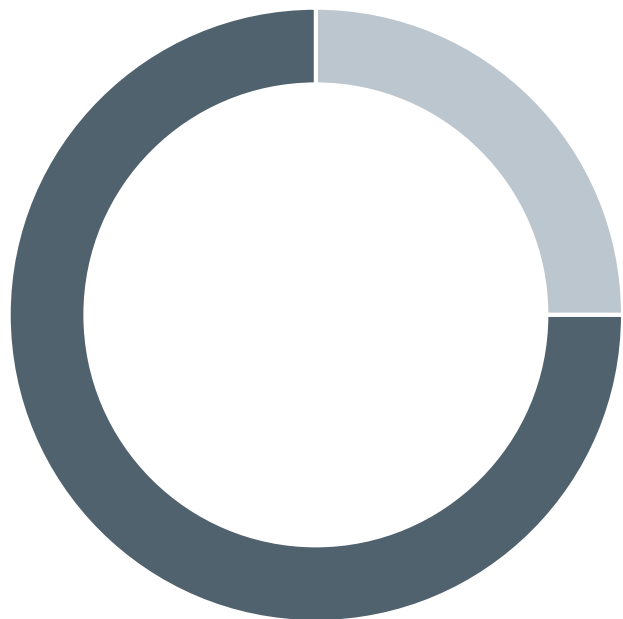


Cara Foods Building, Greater Toronto Area, ON – LEED Gold Certified

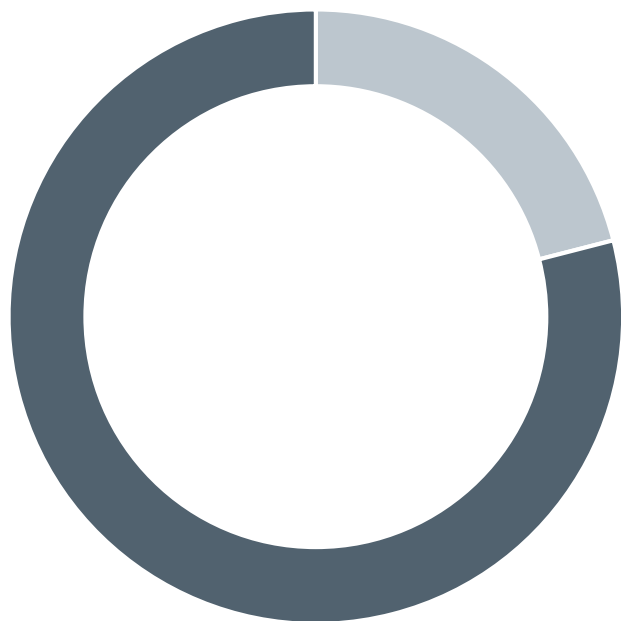
25% office properties are LEED certified



37% office properties are BOMA BEST certified



30% office properties are Energy Star certified



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



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Canadian Pacific Plaza, Minneapolis, MN