



Artis Real Estate Investment Trust
Q4-19 Investor Presentation
February 2020

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 2020.

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 presentation 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 9, 2019, August 1, 2019, November 4, 2019, our 2019 annual earnings press release dated February 27, 2020, and our audited annual consolidated financial statements for the years ended December 31, 2019 and 2018, which are available on SEDAR at www.sedar.com or on our company website at www.artisreit.com.

Letter to Unitholders – COVID-19

UPDATE LETTER TO UNITHOLDERS

MARCH 23, 2020



Letter to Artis REIT Unitholders:

In light of the recent COVID-19 virus outbreak, I would like to provide our unitholders with an update on our business and the measures we are taking to protect our tenants, employees and the community during this tumultuous period. While the true impact of the virus is not known at this time, we would like to assure our unitholders that we are confident that we have a defensive business strategy and the means to protect the REIT against the recent market volatility and that we are doing our best to minimize the impact on our business.

First, I would like to highlight the quality and stability of our assets. Our portfolio of office, retail and industrial properties is 93% leased to quality tenants in Canada and the US, with a weighted-average remaining lease term of nearly 5 years. Our portfolio has been over 90% leased consistently since the REIT's inception, even during the recession in 2008 and 2009. We expect that COVID-19 will have the most notable impact on our retail assets, which generate only 18% of our property NOI. These properties are 91% leased with a weighted-average remaining lease term of approximately 4 years. We are working with tenants to ensure that, wherever possible, they can continue to operate at this time. While we expect that this segment of our business will be impacted, we are confident that the high-quality nature of our retail properties, strong tenant base and our limited exposure to this asset class will mitigate the impact on our overall business.

From a liquidity perspective, we have ample cash on hand and availability on our unsecured credit facilities. At 52%, our adjusted funds from operations (AFFO) payout ratio is one of the most conservative payout ratios in the industry – and indeed, the most conservative of all commercial REITs in Canada! We fully expect that our liquidity and our conservative payout ratio will provide Artis with the means to continue to successfully operate and carry us through this challenging period. Furthermore, the recent market volatility has provided an excellent opportunity to buy back our units using our NCIB, which is highly accretive for the REIT. Interestingly, the strengthening US dollar and falling interest rates will also provide the REIT with an unforecasted boost in income.

In the meantime, we are taking appropriate measures to ensure that we are limiting the spread of COVID-19 and are working hard to maintain a safe environment for tenants, employees, customers and visitors of our properties. Our first priority is to keep our buildings safe and continuously open unless ordered closed by government authority. We have implemented appropriate contingency plans to ensure the strictest cleanliness standards at our properties and to maintain building supplies and necessary manpower for operations. Further information on the COVID-19 protocol for our properties and tenants can be found on our website at <https://www.artisreit.com/covid-19/statement-on-covid-19/>. We are closely monitoring this situation and will adjust our approach as recommended by public health agencies.

We are confident that Artis is well-positioned to handle this economic and market volatility with a strong diversified portfolio of properties and tenants, ample liquidity and a conservative payout ratio. Our stellar team of 220 employees is doing everything possible to ensure cleanliness and safety at all of our properties. I would like to reiterate that we are taking this situation very seriously and are committed to minimizing the impact on our business. This is a rapidly changing situation and we will do our best to provide timely updates on material developments as they occur.

Sincerely,



Armin Martens

President & CEO

March 23, 2020

Investing in Artis



1 Investing in Capital Cities

- Provincial and State capitals
- University capitals

2 Robust Yield – 51% Pay Out Ratio vs 85% Average in the TSX REIT Sector

- ~ 6.8% cash distribution yield
- ~ 13.1% AFFO yield
- 7.9% implied cap rate
- Low price multiple
- Investment-grade credit rating – DBRS

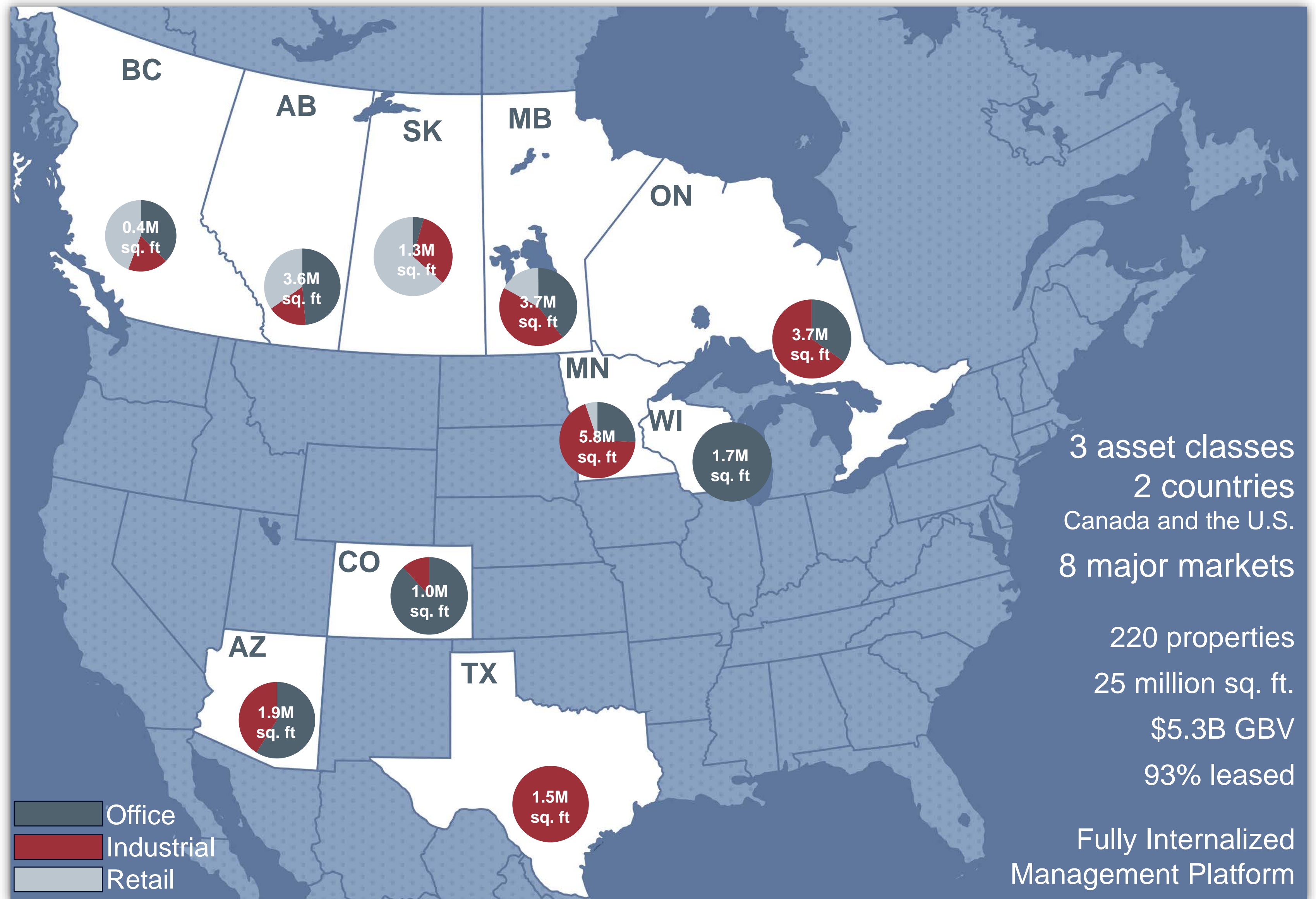
3 Additional Levers of Growth

- Active NCIB - \$270 million unit buyback
- Accretive recycling of capital
- ~\$1 billion recycling target
- Positive earnings profile

4 Creating Value Through Development

- Industrial developments
- 7.0% targeted unlevered yield

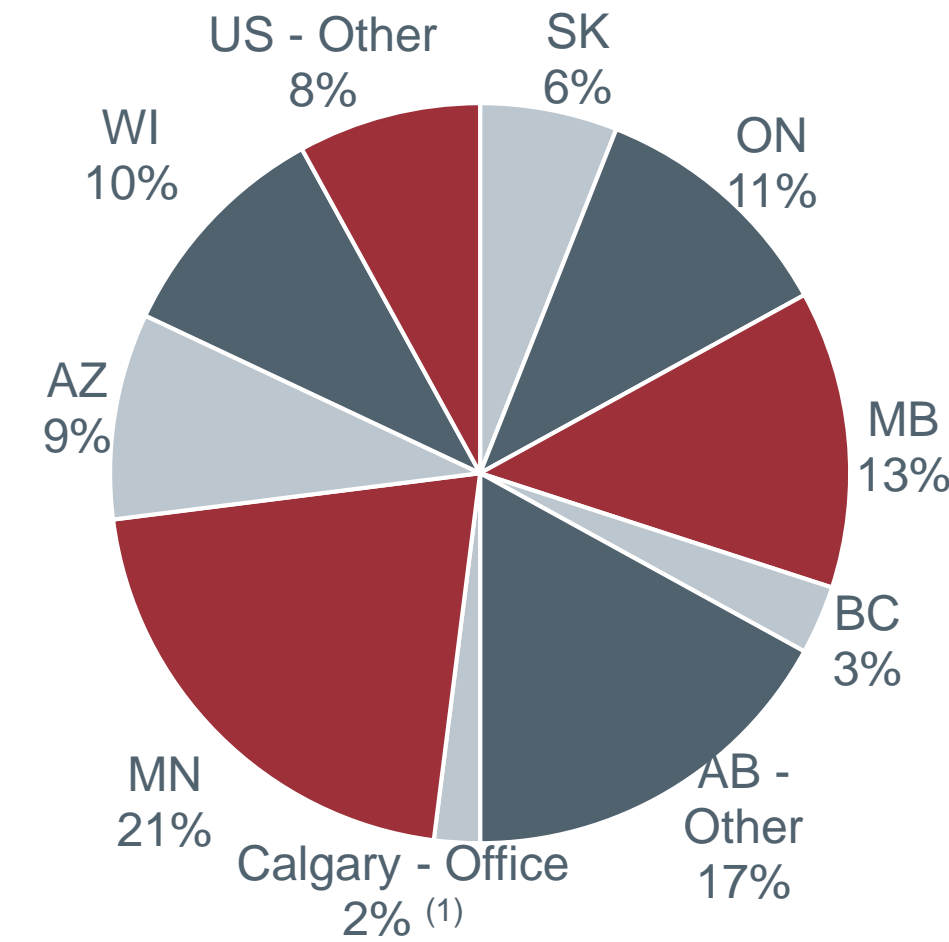
Diversified Commercial Portfolio



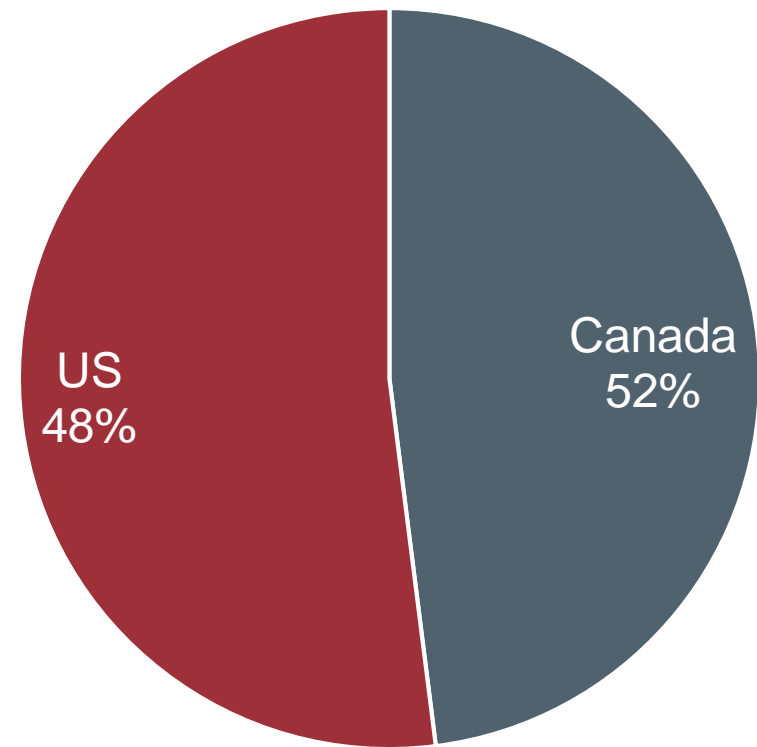
Leased percentage includes commitments on vacant space and excludes properties held for redevelopment and new developments in process.

Portfolio Diversification

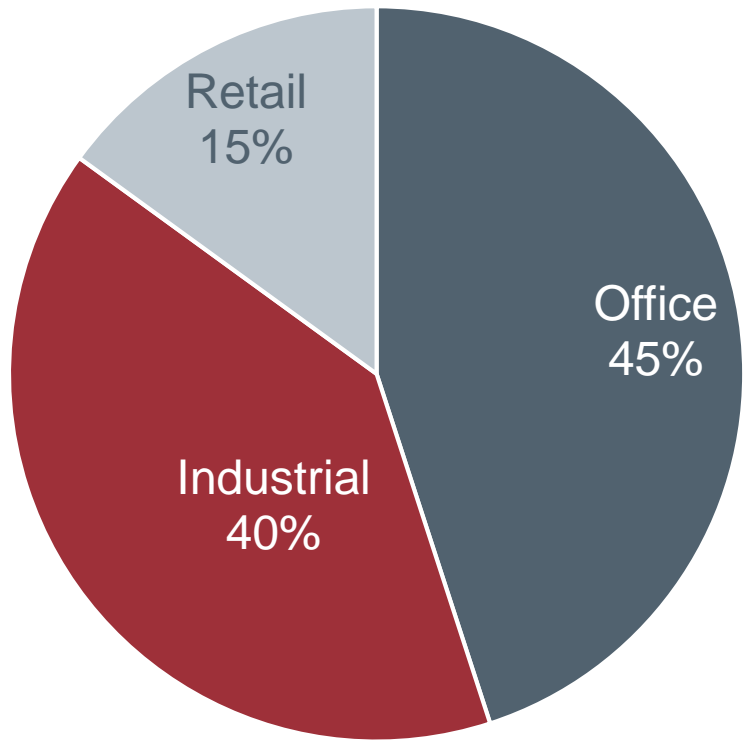
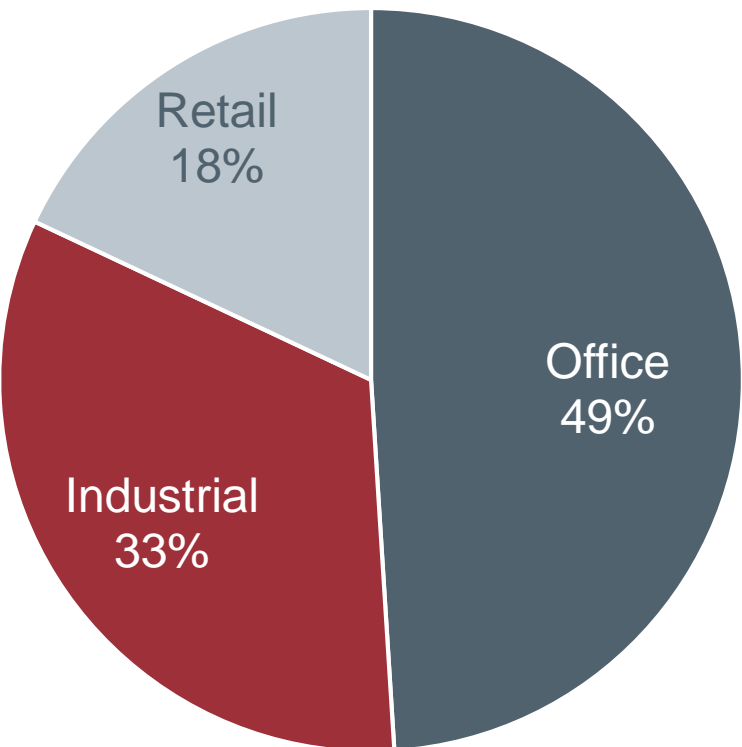
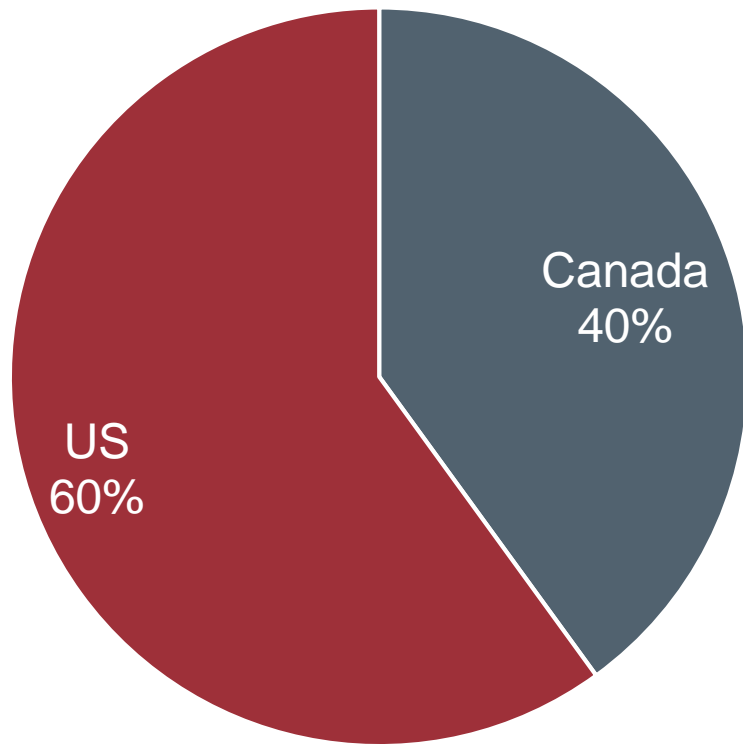
NOI by Geographical Region



Q4-19 Net Operating Income



Projected 2020/2021 NOI upon implementation of new initiatives



Streamlining and improving the portfolio

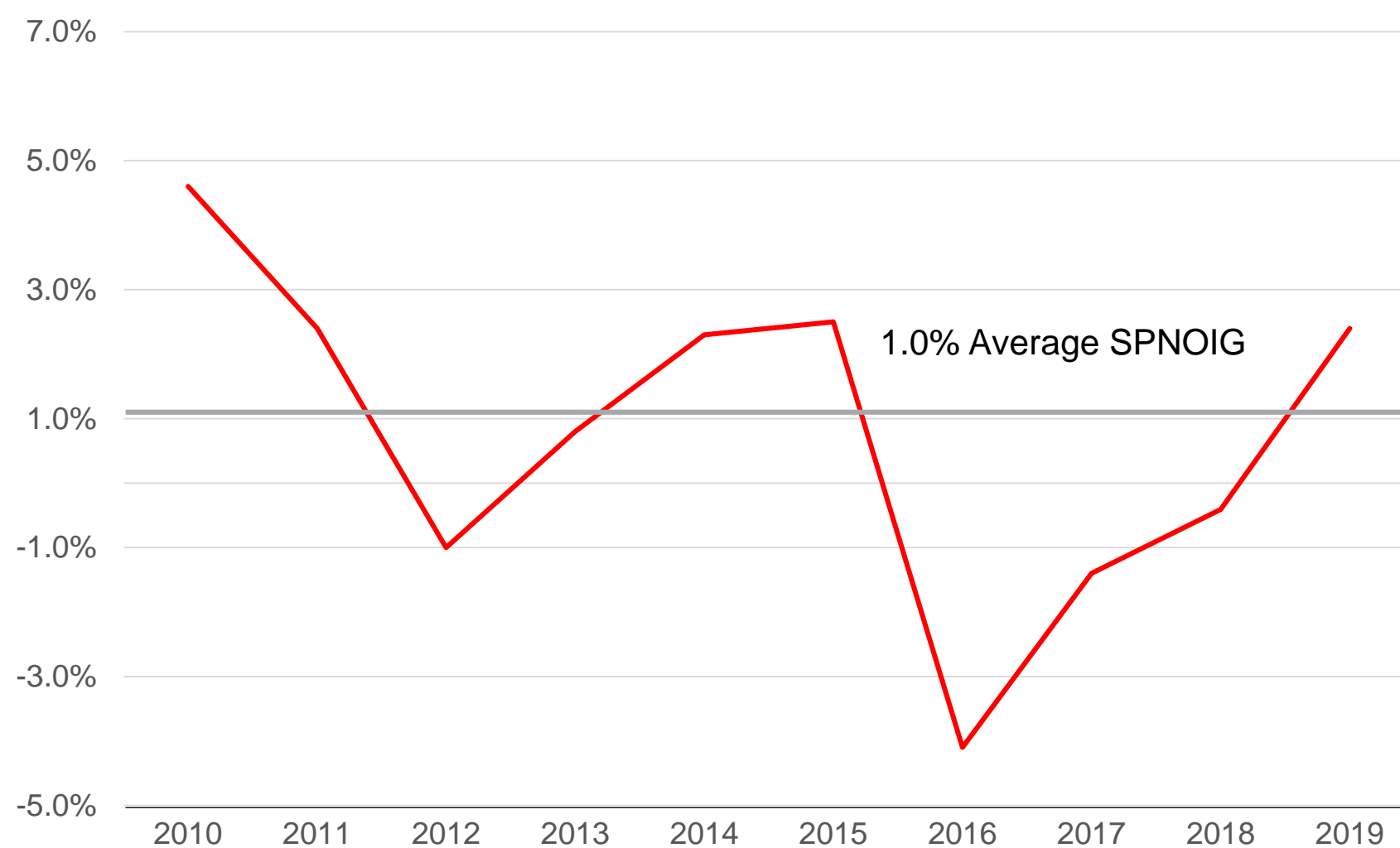
(1) Adjusted for disposition activity in January and February 2020.
Property NOI for three months ended December 31, 2019, inclusive of Artis' proportionate share of joint venture arrangements.

Office Asset Class

| | |
|--|------------------------------------|
| Number of Properties | 64 |
| GLA | 9.6 million sq. ft. |
| Leased | 89% |
| Diversification | Major markets in Canada and the US |
| IFRS GBV/IFRS Weighted-Average Cap Rate | \$2.5 billion/6.8% |
| 2019 Same Property NOI Growth | +2.4% |
| 2019 Property NOI (on a proportionate share basis) | \$161.7 million |

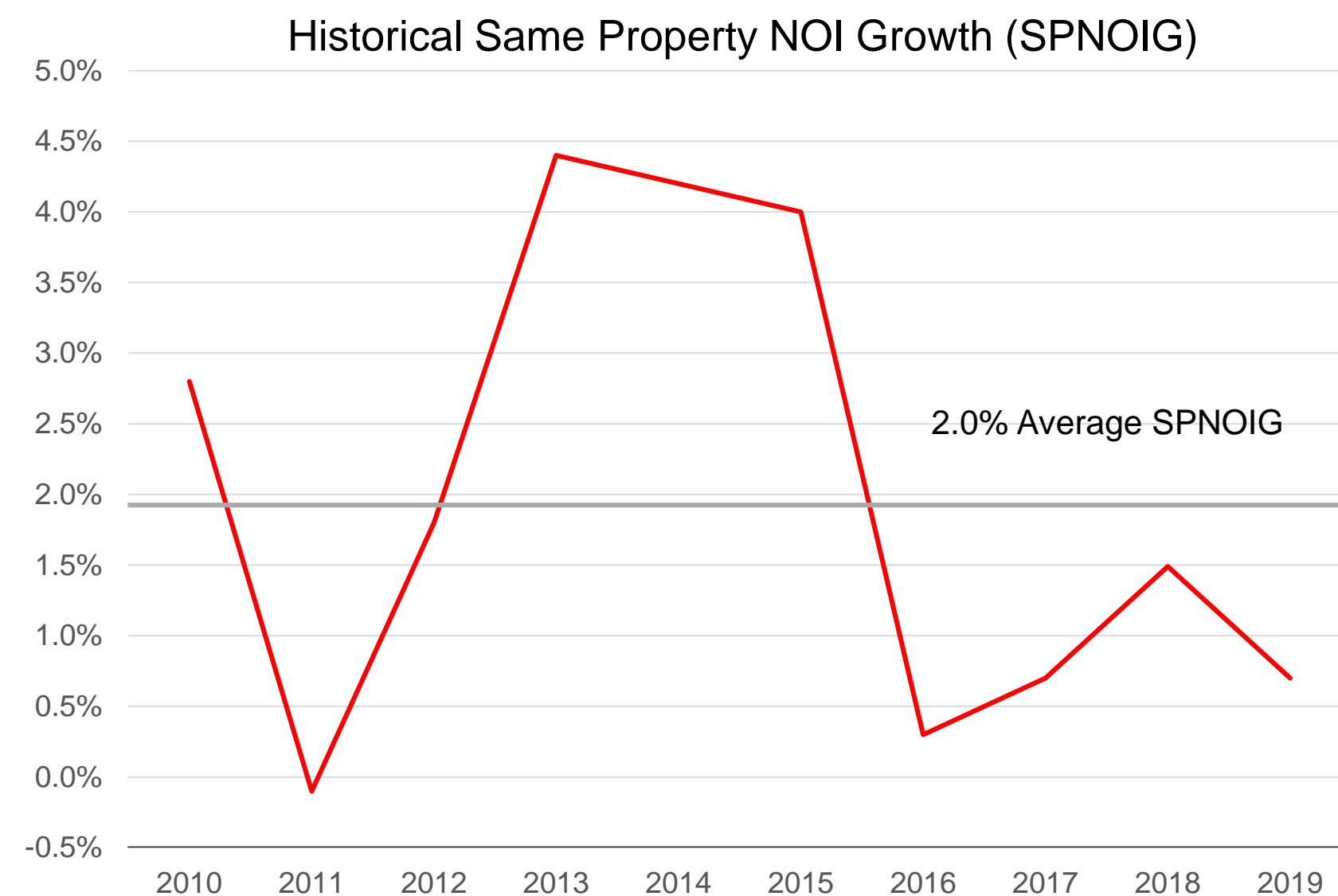


Historical Same Property NOI Growth (SPNOIG)



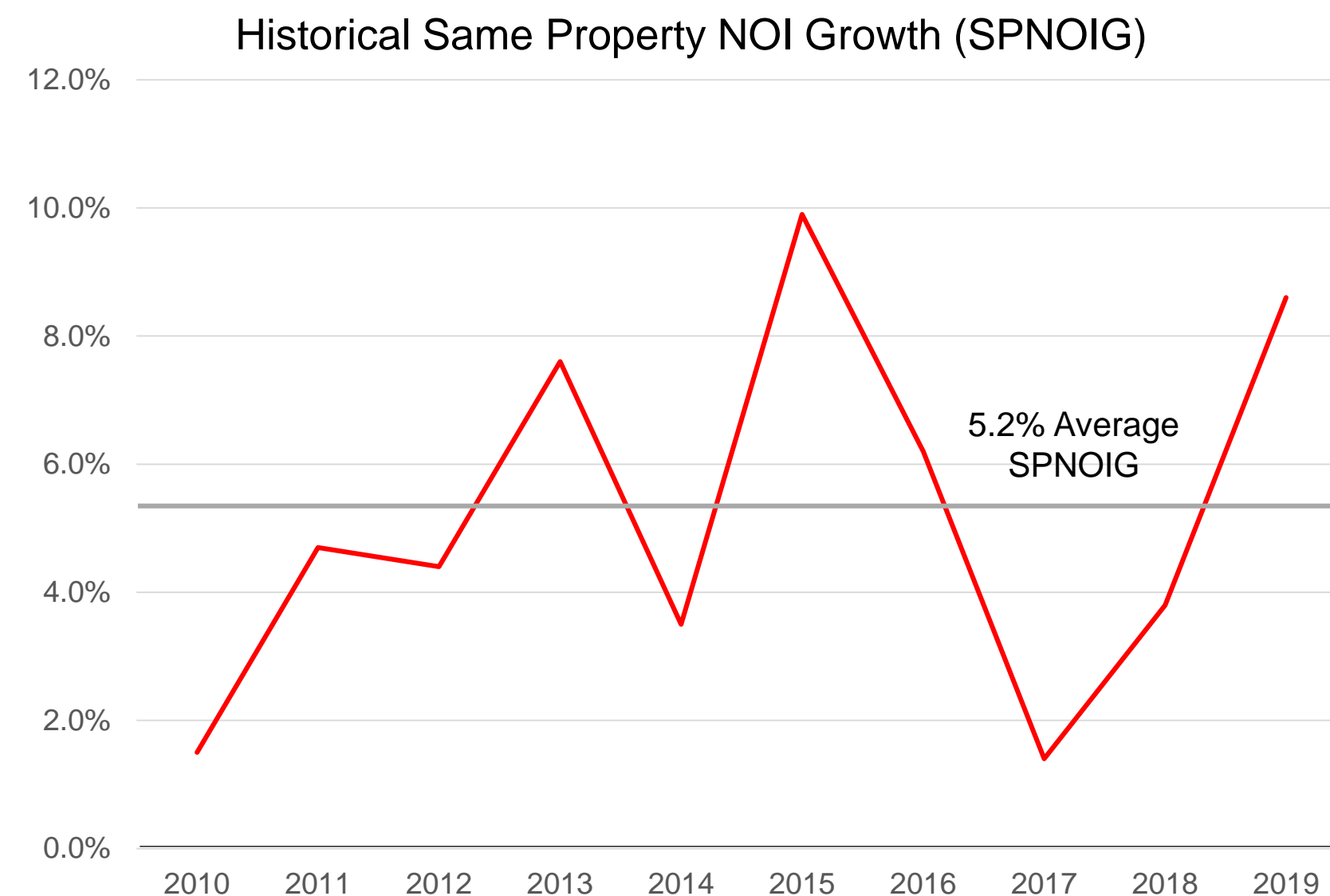
Retail Asset Class

| | |
|--|------------------------------------|
| Number of Properties | 41 |
| GLA | 2.9 million sq. ft. |
| Leased | 91% |
| Diversification | Major markets in Canada and the US |
| IFRS GBV/IFRS Weighted-Average Cap Rate | \$0.9 Billion/6.5% |
| 2019 Same Property NOI Growth | +0.7% |
| 2019 Property NOI (on a proportionate share basis) | \$62.2 million |



Industrial Asset Class

| | |
|--|------------------------------------|
| Number of Properties | 115 |
| GLA | 12.4 million sq. ft. |
| Leased | 97% |
| Diversification | Major markets in Canada and the US |
| IFRS GBV/IFRS Weighted-Average Cap Rate | \$1.8 billion/5.8% |
| 2019 Same Property NOI Growth | +8.6% |
| 2019 Property NOI (on a proportionate share basis) | \$95.2 million |



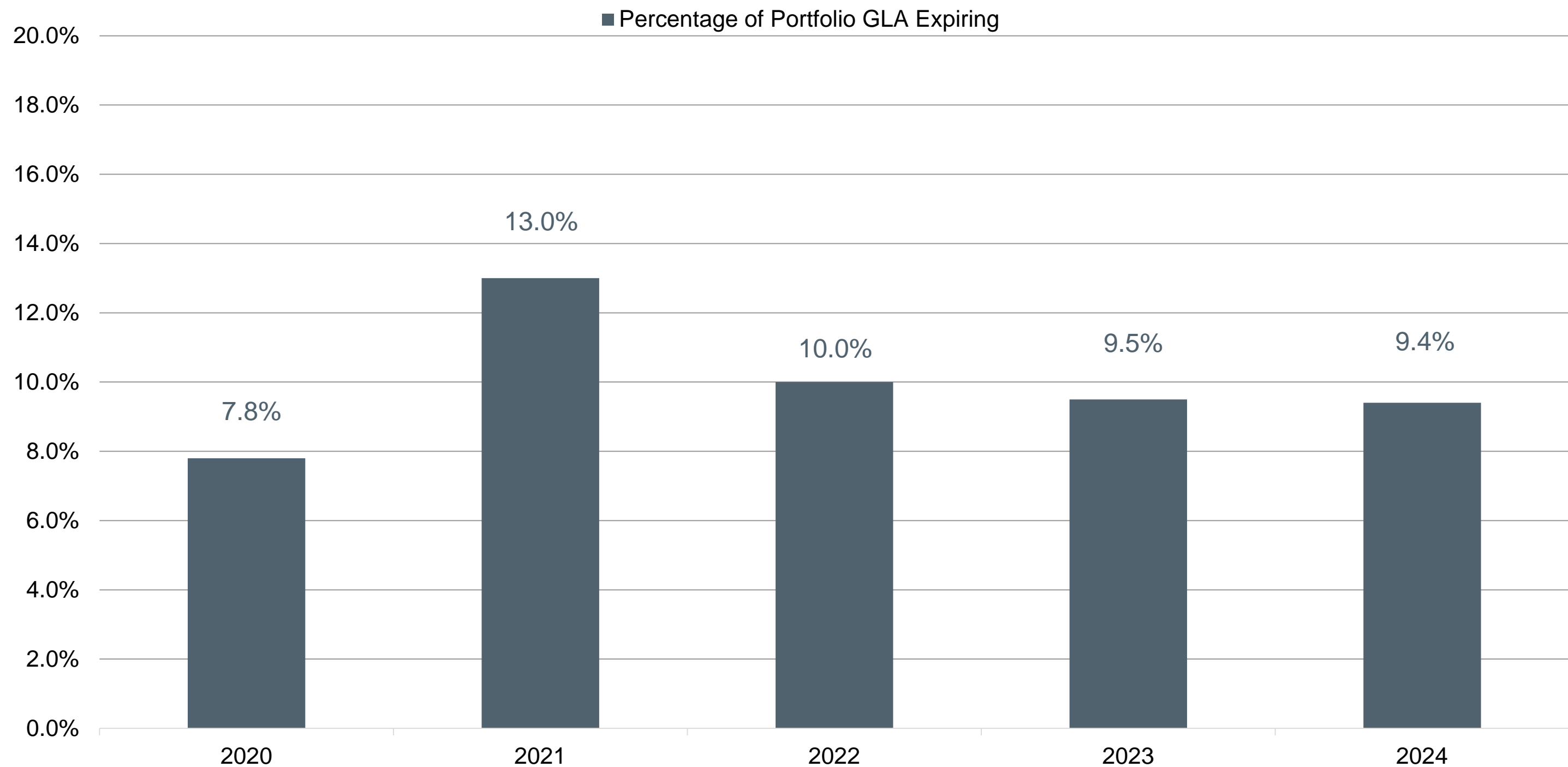
The Sum of All Parts

| | Share of Property NOI | Number of Properties | GLA | Leased | Same Property NOI Growth 2019 | IFRS Weighted- Average Cap Rate | IFRS GBV |
|--------------|--------------------------|-------------------------|---------------------------|------------|----------------------------------|------------------------------------|---------------|
| Office | 49% | 64 | 9.6 million sq. ft. | 89% | 2.4% | 6.8% | \$2.5B |
| Retail | 18% | 41 | 2.9 million sq. ft. | 91% | 0.7% | 6.5% | \$0.9B |
| Industrial | 33% | 115 | 12.4 million sq. ft. | 97% | 8.6% | 5.8% | \$1.8B |
| Other | | | | | | | \$0.1B |
| TOTAL | 100% | 220 | 25 million sq. ft. | 93% | 3.8% | 6.4% | \$5.3B |

NAV: \$15.56 per unit



Lease Expiration Schedule



Six Consecutive Quarters of Same Property NOI Growth:

Q4-19 vs. Q4-18: 3.3% (4.4% excluding the Calgary office segment and properties planned for disposition)

2019 vs. 2018: 3.8% (5.1% excluding the Calgary office segment and properties planned for disposition)

Weighted-Average Increase in Renewal Rents:

Q4-19: 8.1%

2019: 5.6%

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) exclusive of GLA that has been renewed or committed to new leases at December 31, 2019.

Leverage Profile DBRS: BBB- Credit Rating

Improving Balance Sheet and Liquidity

| Fiscal quarter ending: | December 31, 2018 | September 30, 2019 | December 31, 2019 | DBRS Recommended Threshold |
|-------------------------------------|-------------------|--------------------|-------------------|----------------------------|
| Debt: GBV | 50.6% | 52.6% | 52.3% | ≤ 53.0% |
| Secured mortgages and loans: GBV | 30.6% | 28.3% | 27.9% | N/A |
| Unencumbered assets | \$1.8 billion | \$1.9 billion | \$2.0 billion | N/A |
| Normalized EBITDA interest coverage | 3.04 | 2.85 | 2.97 | ≥ 2.3 |
| Debt: EBITDA | 9.0 | 9.3 | 8.8 | ≤ 9.4 |

Cash and cash equivalents at December 31, 2019: **\$42.5 million**

Availability on unsecured credit facilities at December 31, 2019: **\$111.9 million**

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

Unit Price + NAV Metrics

Information as of March 2020

| | | | | |
|------------------------|--------|--------|--------|---------|
| Unit Price: | \$7.00 | \$8.00 | \$9.00 | \$10.00 |
| Distribution per Unit: | \$0.54 | \$0.54 | \$0.54 | \$0.54 |
| Cash Yield: | 7.7% | 6.8% | 6.0% | 5.4% |
| FFO Yield | 20.1% | 17.6% | 15.7% | 14.1% |
| AFFO Yield | 15.0% | 13.1% | 11.7% | 10.5% |
| FFO Price Multiple | 4.96X | 5.67X | 6.38X | 7.09X |
| AFFO Price Multiple | 6.67X | 7.62X | 8.57X | 9.52X |
| Market Cap: | 1.0B | 1.1B | 1.2B | 1.4B |
| Implied Cap Rate: | 8.1% | 7.9% | 7.6% | 7.4% |

| Analyst | 2020 Estimates | |
|--------------------------|----------------|--------|
| Consensus ⁽¹⁾ | AFFO | FFO |
| Per Unit | \$1.05 | \$1.40 |
| Pay-Out Ratio | 51.4% | 38.6% |
| Unit Price Multiple | 11.3x | 8.5x |
| Yield | 7.9% | 10.5% |

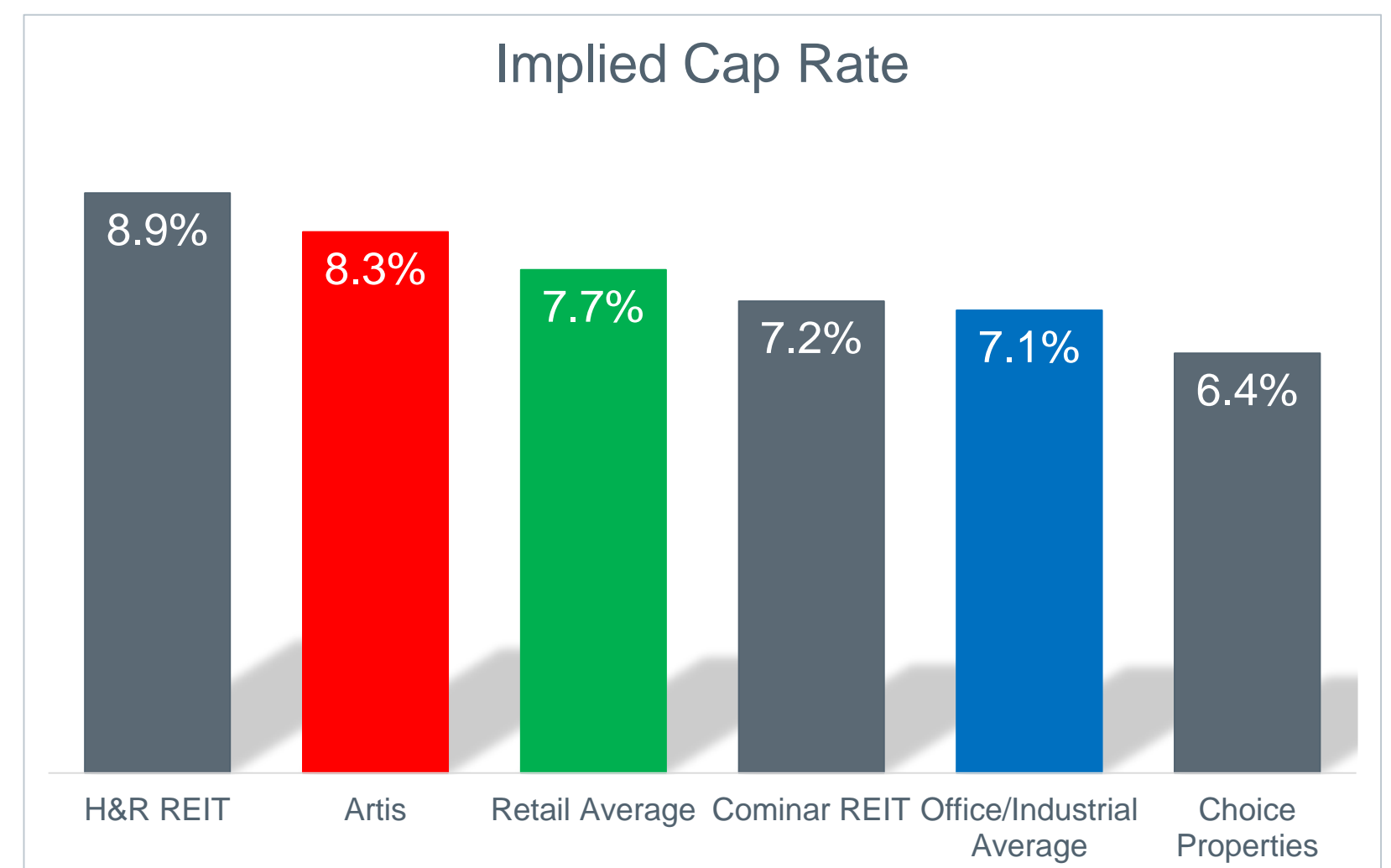
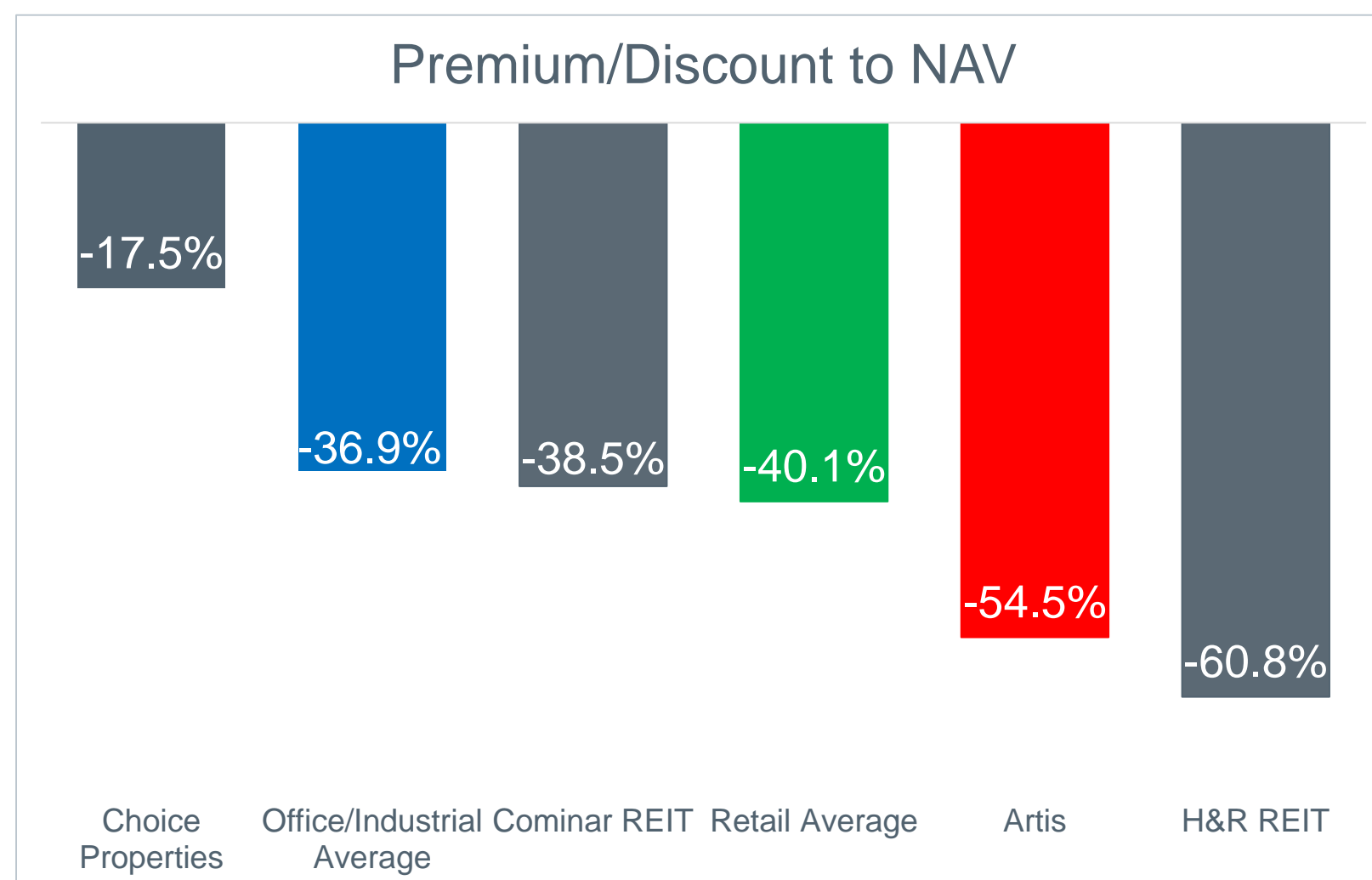
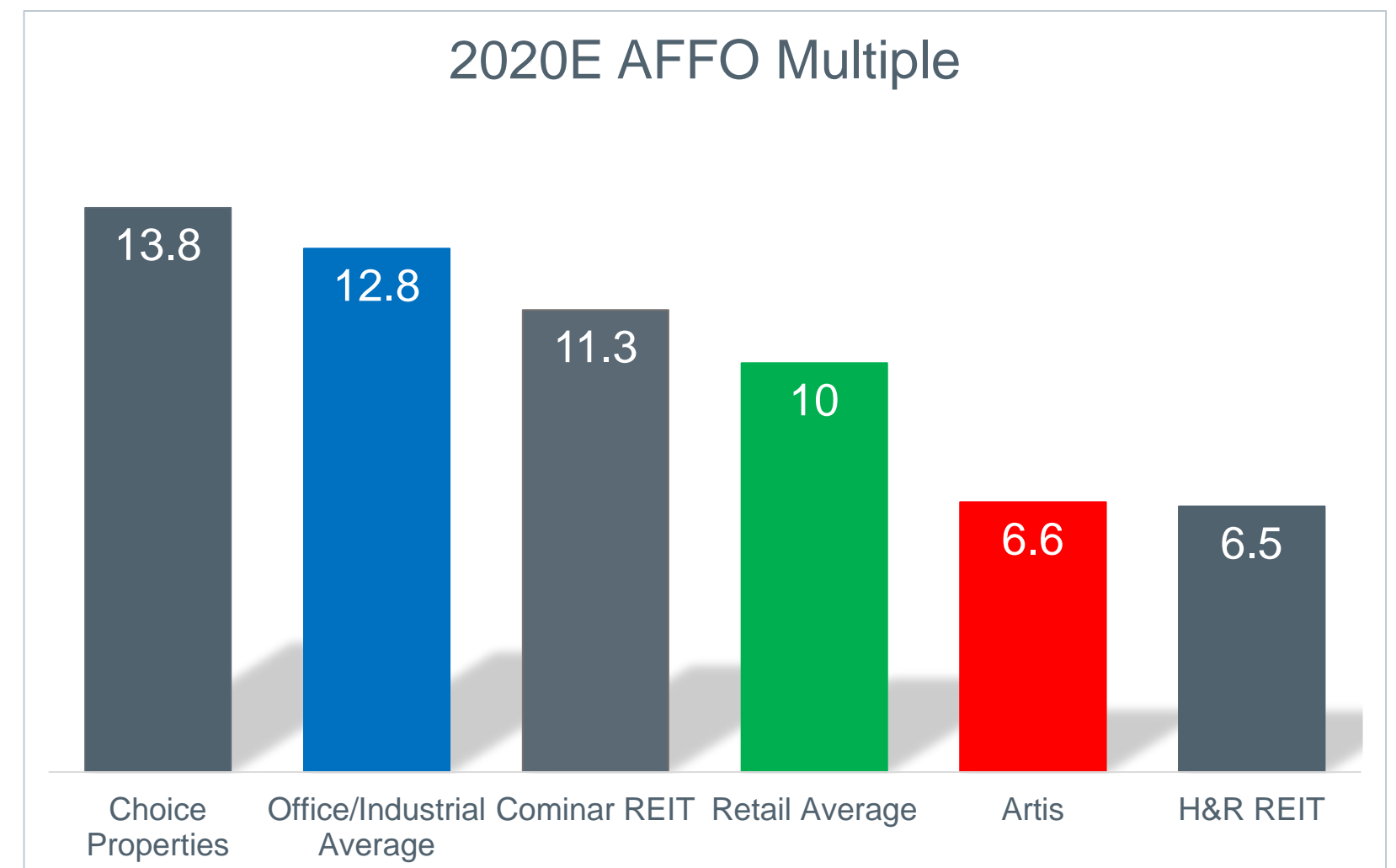
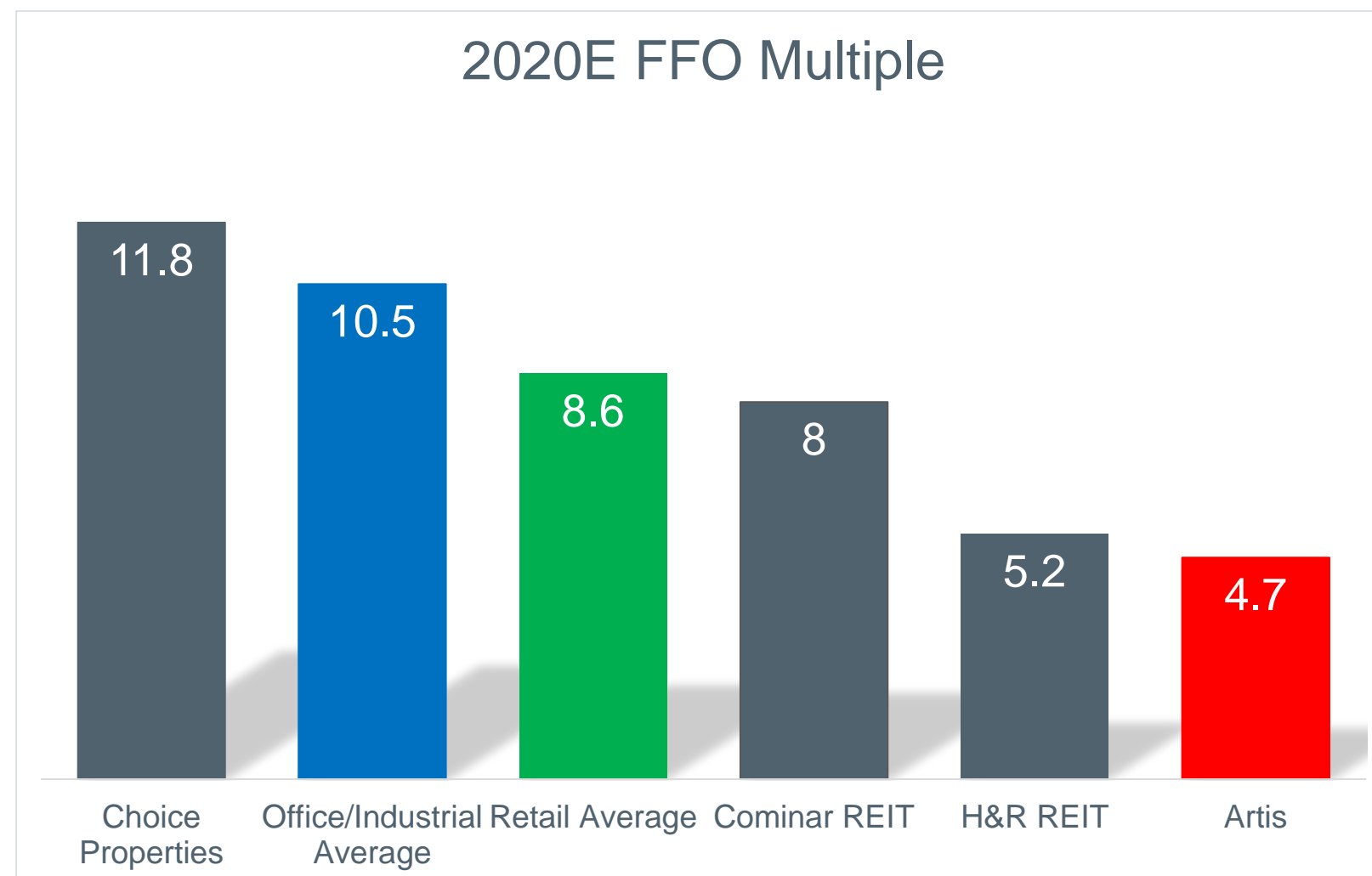
Analyst Consensus Information per Unit ⁽¹⁾

| | |
|------------------|---------|
| Target Price: | \$13.30 |
| Net Asset Value: | \$14.40 |
| Artis IFRS NAV: | \$15.56 |

⁽¹⁾ Consensus analyst projections from most recent research reports. 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



Source: BMO Capital Markets Research

Classification of Assets

As part of the new initiatives announced on November 1, 2018, Artis recategorized the portfolio into three asset types: Core Artis Assets, Development Assets, and Non-Core Artis Assets



1. Core Artis Assets

~\$4.2 billion (at Nov 1/18)

- 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



2. Development Assets

~\$200 million (at Nov 1/18)

- 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



3. Non-Core Artis Assets to be sold

\$800 million to \$1 billion (at Nov 1/18)

- 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

Strategic Initiatives: Progress

| Initiative | Goal | Current Progress | Status | Remaining Action |
|---|--|--|---|---|
| 1. Distribution Reset | \$0.54 Annualized | \$0.54 Annualized | Complete | None required |
| 2. Share Repurchase Plan | Buy back \$270M of units (23.5M units at \$11.50 avg price during 2019 and 2020) | \$258M of units and preferred units bought back at a lower average price than budgeted | Ahead of plan- 95% complete | Buy back approximately \$12M additional units under NCIB in 2020 |
| 3. Strengthen the Balance Sheet | Target Debt/GBV of 46% in the mid-term | Debt/GBV is currently 52.3% | On schedule | With unit buy back nearly complete, excess funds from asset sales can be put towards debt reduction |
| 4. Simplify the REIT and Focus on Core Assets | Sell \$800M to \$1B of non-core assets over 2-3 Years | \$743M sold on balance at or above IFRS value and \$222M held for sale | Ahead of plan- 75% of planned sales are complete (excluding held for sale properties) | ~25% of budgeted sales left to complete |

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

2021 Targets

~60%

Pro Forma Payout Ratio

~45%

Target Debt/GBV
Year 3 (Q4-21)

2021 AFFO ~\$1.12/unit

2021 FFO ~\$1.45/unit

4%

Annual AFFO Accretion

Committed to
Maintaining

Investment Grade
DBRS Rating

Corporate Sustainability

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



BOMA
BEST®



CERTIFIED PROPERTIES

3,183,896

SQUARE FEET OF
PROPERTIES WITH LEED
CERTIFICATION

3,779,970

SQUARE FEET OF
PROPERTIES WITH ENERGY
STAR CERTIFICATION

3,196,854

SQUARE FEET OF
PROPERTIES WITH BOMA
BEST CERTIFICATION

A copy of our Environmental, Social & Governance Report can be found at www.artisreit.com



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