



FOR IMMEDIATE RELEASE

JUNE 25, 2020

## **ARTIS REAL ESTATE INVESTMENT TRUST PROVIDES BUSINESS UPDATE REGARDING IMPACT OF COVID-19**

Artis Real Estate Investment Trust (TSX: AX.UN) (“Artis” or the “REIT”) today provided unitholders with an update on Artis’ business as it relates to the impact of the COVID-19 pandemic.

Artis continues to monitor the COVID-19 pandemic, and to take all appropriate measures to ensure the REIT is limiting the spread of COVID-19. Protocols for building cleanliness are continuously evolving to incorporate up-to-date recommendations from public health agencies and the REIT’s property management team is working diligently to ensure safety at all properties, and to support tenants through this unprecedented time.

### **Tenant Support Program**

As previously announced, in an effort to support tenants through this difficult time, Artis has provided qualifying tenants who are in need of assistance with the option to defer a portion of their base rent, with an agreement to repay the amount at a specified later date with no interest. The table below details the amount of rent deferred in April, May and June, as well the percentage of rent collected to date for each month, including and excluding the deferred rent.

Month	Amount of Rent Deferred (in functional currency)	% of Rent Collected Excluding Deferred Rent	% of Rent Collected Including Deferred Rent
April	\$2.2 million	98.0%	92.3%
May	\$1.9 million	94.6%	89.7%
June	\$0.8 million	93.4%	91.5%

The REIT anticipates that the majority of the outstanding amount will be collected; however, a portion may be added to the rent deferral program.

Artis expects that the COVID-19 pandemic will continue to have the largest impact on its retail tenants, which accounted for 18.7% of the REIT’s Q1-20 proportionate share property net operating income (“Property NOI”). Also, only 2% of Artis’ Q1-20 proportionate share Property NOI is derived from the Calgary office segment. Artis’ diversified portfolio, both by geography and by asset class, and its strong tenant base will help to mitigate the impact on the REIT’s overall business.

### **Leasing Update**

The COVID-19 pandemic and social distancing requirements have changed the landscape of the commercial leasing market. To adapt to this new environment, many of Artis’ vacancies can now be toured virtually by prospective tenants.

Despite the challenges caused by the pandemic, Artis continues to have an active pipeline of renewals and new leases, including the recent renewal of a 130,000 square foot tenant occupying an entire building in the Phoenix, Arizona, for an additional approximately eight-year term, and securing a new 12-year lease with a 134,000 square foot tenant at Tower Business Center, a new industrial development in the Greater Denver Area, Colorado.

The REIT's occupancy at May 31, 2020, was 91.0% (92.9% including commitments) compared to 90.7% (92.7% including commitments) at March 31, 2020.

### **Conservative Distribution Payout Ratio**

The REIT reported an adjusted funds from operations payout ratio of 58.3% (for the three months ended March 31, 2020), which is among the most conservative payout ratios of all commercial real estate investment trusts in Canada.

### **Balance Sheet and Liquidity**

Artis' liquidity includes cash on hand and undrawn credit facilities. At March 31, 2020, the REIT had \$53.0 million of cash on hand and \$138.3 million available on its credit facilities. In addition, Artis had \$1.8 billion of unencumbered assets at March 31, 2020. There are no credit facilities or debentures maturing prior to 2021. Artis will continue to closely monitor the evolving situation and prudently manage its capital resources.

Artis' priority is to maintain a safe environment for tenants, employees, customers and visitors of its properties. The REIT will continue to work with tenants during this difficult time and is committed to minimizing the impact on its business. Further information pertaining to Artis' response to the COVID-19 pandemic can be found at <https://www.artisreit.com/covid-19/statement-on-covid-19/> and a letter from Armin Martens, Artis' President and CEO, can be found at <https://www.artisreit.com/covid-19/covid-19-letter-to-unitholders/>. Updates will be provided as they are available.

\*\*\*\*\*

Artis is a diversified Canadian real estate investment trust investing in office, retail and industrial properties. Since 2004, Artis has executed an aggressive but disciplined growth strategy, building a portfolio of commercial properties in Canada and the United States. As of March 31, 2020, Artis' commercial property comprises approximately 23.8 million square feet of leasable area.

During the three months ended March 31, 2020, Property NOI by asset class, including Artis' proportionate share of properties held in joint venture arrangements, was 46.8% office, 18.7% retail and 34.5% industrial. Property NOI by geographical region, including Artis' proportionate share of properties held in joint venture arrangements, was 2.7% in British Columbia, 16.5% in Alberta, 6.7% in Saskatchewan, 13.7% in Manitoba, 10.8% in Ontario, 10.0% in Arizona, 21.5% in Minnesota, 9.7% in Wisconsin and 8.4% in U.S. - Other.

In addition to reported IFRS measures, certain non-GAAP measures are commonly used by Canadian real estate investment trusts as an indicator of financial performance, including: Proportionate Share, Property NOI, and adjusted funds from operations payout ratios. "GAAP" means the generally accepted accounting principles described by the CPA Canada Handbook - Accounting, which are applicable as at the date on which any calculation using GAAP is to be made. Artis applies IFRS, which is the section of GAAP applicable to publicly accountable enterprises. The non-GAAP measures are not defined under IFRS and are not intended to represent operating profits for the period, or from a property, nor should any of these measures be viewed as an alternative to net income, cash flow from operations or other measures of financial performance calculated in accordance with IFRS. Readers should be further cautioned that the non-GAAP measures as calculated by Artis may not be comparable to similar measures presented by other issuers. These non-GAAP measures are defined in the Q1-20 MD&A.

For further information, please contact Mr. Armin Martens, President and Chief Executive Officer, Mr. Jim Green, Chief Financial Officer or Ms. Heather Nikkel, Vice-President – Investor Relations of the REIT at 1.204.947.1250

*The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.*

Suite 600 – 220 Portage Avenue  
Winnipeg, MB R3C 0A5  
T 204.947.1250 F 204.947.0453

[www.artisreit.com](http://www.artisreit.com)  
AX.UN on the TSX