



ARTIS REAL ESTATE INVESTMENT TRUST

Annual Meeting of Unitholders

Thursday, September 24, 2020
Del Crewson Conference Centre
360 Main Street
Winnipeg, Manitoba



PROPERTIES
OF SUCCESS

Senior Management Team



Armin Martens
President and
Chief Executive Officer



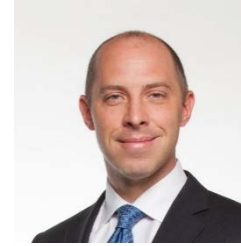
Jim Green
Chief Financial Officer



Kim Riley
EVP, Investments &
Developments



Frank Sherlock
EVP, Property Management



Philip Martens
EVP (U.S. Region)



Jaclyn Koenig
SVP, Accounting



Brad Goerzen
SVP, Leasing (Central Region)



Greg Moore
SVP, Asset Management
(Western Region)



Leon Wilkosz
SVP, Asset Management
(Wisconsin)



Amy Melchior
SVP, Asset Management
(Minnesota)



Patrick Devine
SVP, Leasing
(U.S. Region)



Marie Dunn
SVP, Asset Management
(U.S. Region)



Ron Wieler
SVP, Development
(U.S. Region)

Agenda

1. Call to Order
2. Appointment of Scrutineers
3. Registration of Proxies
4. Notice of Meeting
5. Scrutineer's Report
6. Receipt of Annual Consolidated Financial Statements
7. Fix Number of Trustees
8. Election of Trustees
9. Appointment of External Auditors
10. Advisory Vote on Executive Compensation
11. Renewal of Unitholder Rights Plan
12. Report of the President and C.E.O.
13. Termination

Nominees for Board of Trustees



Armin Martens
Trustee, President &
Chief Executive Officer



Edward Warkentin
Chair of the Board



Bruce Jack
Trustee



Ben Rodney
Trustee



Victor Thielmann
Trustee



Wayne Townsend
Trustee



Lauren Zucker
Trustee

Armin Martens
President &
Chief Executive Officer

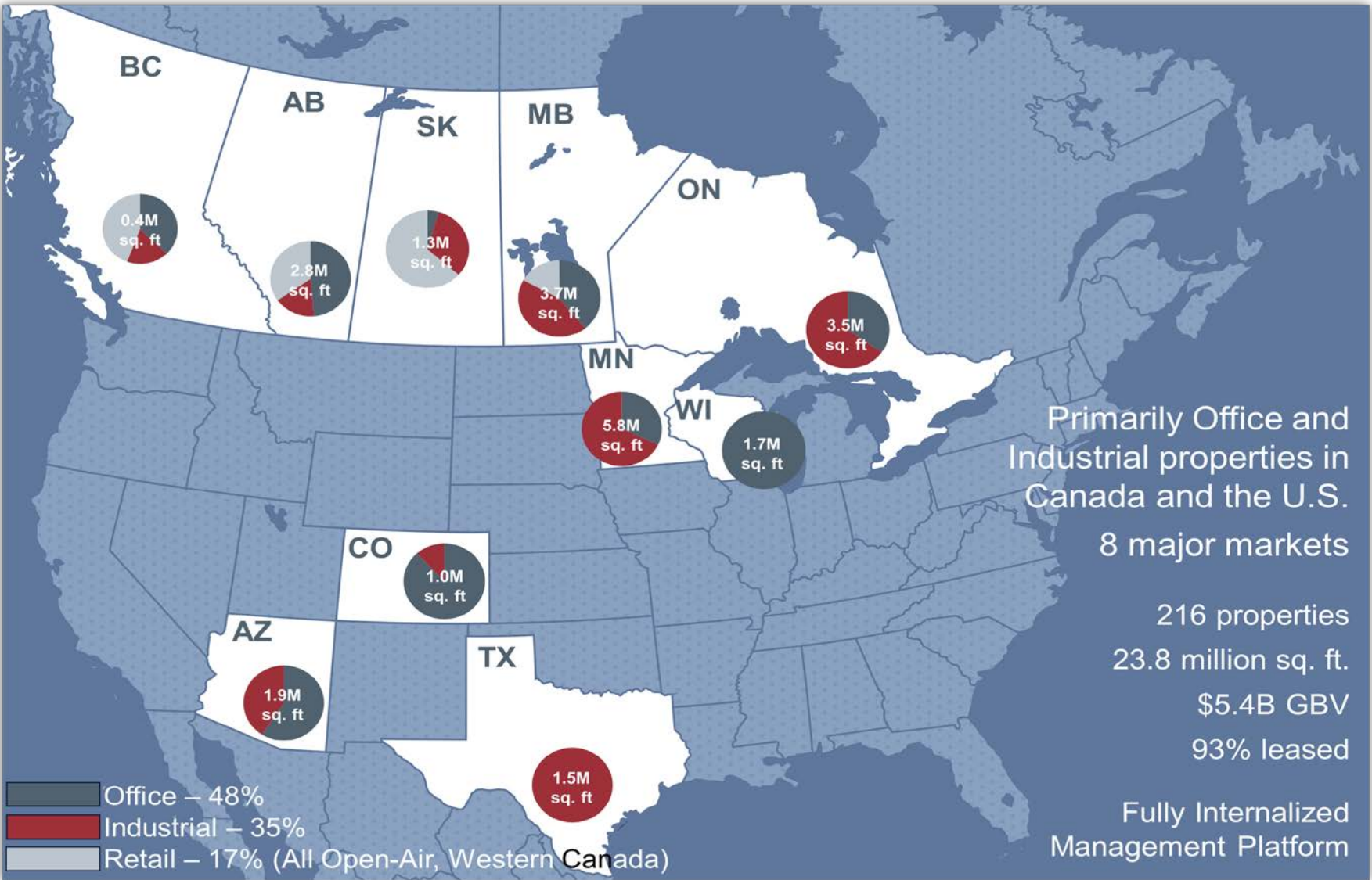


Investing in Artis



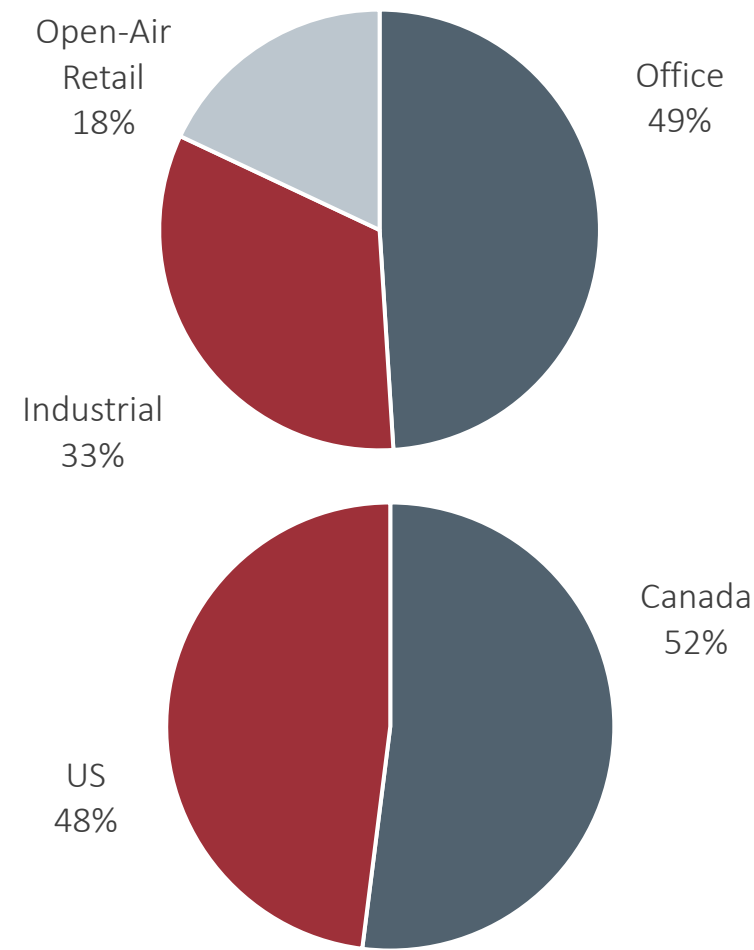
- 1 Investing Primarily in Industrial and Office Properties
- 2 Investing in Capital Cities
 - Provincial and State capitals
 - University capitals
- 3 Robust Yield – 52% Payout Ratio vs 85% Average in the TSX REIT Sector
 - ~ 6.5% cash distribution yield
 - ~ 12.5% AFFO yield
 - 7.7% implied cap rate
 - Low price multiple
 - Investment-grade credit rating – DBRS
- 4 Creating Value Through Development
 - Industrial developments
 - 7.0% targeted unlevered yield

Diversified Commercial Portfolio

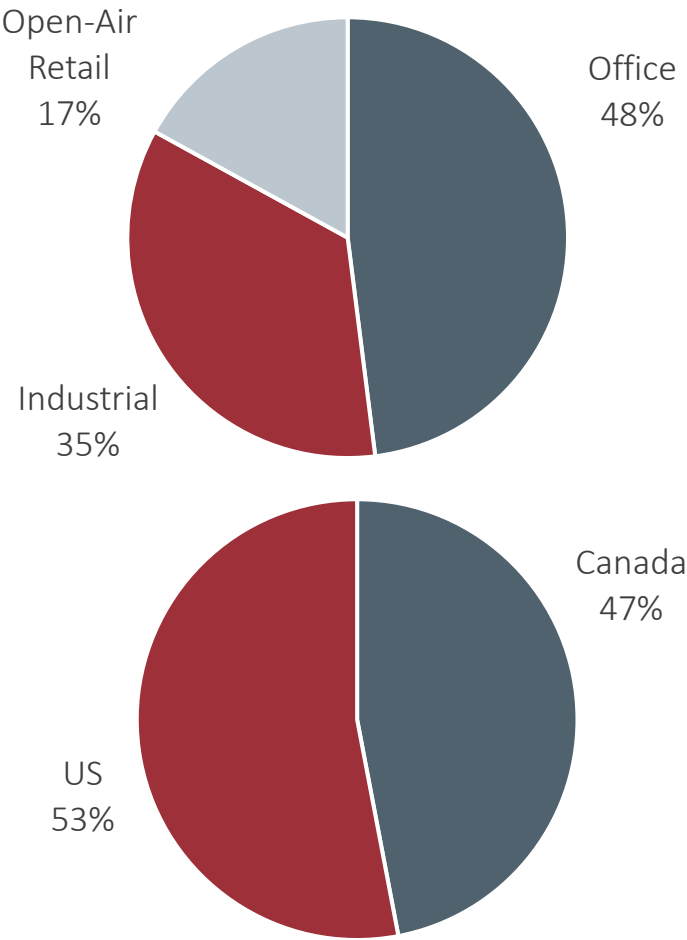


Current Portfolio Overview

Q4-19 Property Net Operating Income



Q2-20 Property Net Operating Income



Portfolio by Asset Class—Sum of Our Parts

	Share of Property NOI	Number of Properties	GLA	Leased	Same Property NOI Growth YTD	IFRS Weighted-Average Cap Rate	IFRS GBV
Office	48%	59	8.6 million sq. ft.	89%	-0.3%	6.7%	\$2.6B
Retail	17%	42	2.9 million sq. ft.	90%	-8.3%	6.6%	\$0.8B
Industrial	35%	115	12.4 million sq. ft.	97%	5.2%	5.7%	\$1.9B
Other							\$0.1B
TOTAL	100%	216	24 million sq. ft.	93%	-0.2%	6.3%	\$5.4B

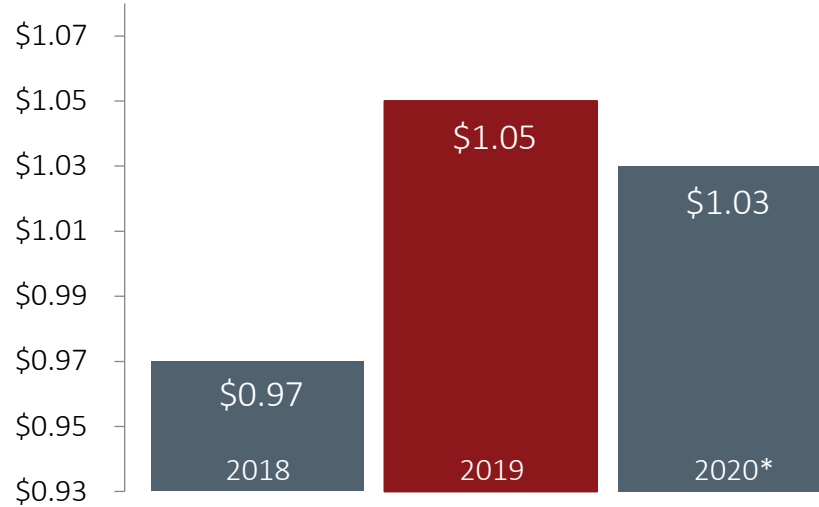
NAV: \$15.40 per unit



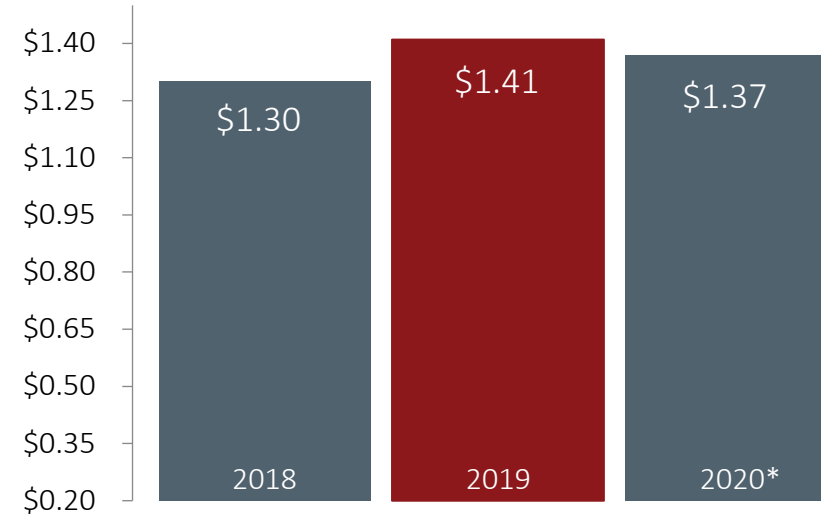
As at June 30, 2020

Earnings & Analyst Consensus

AFFO (per unit)



FFO (per unit)



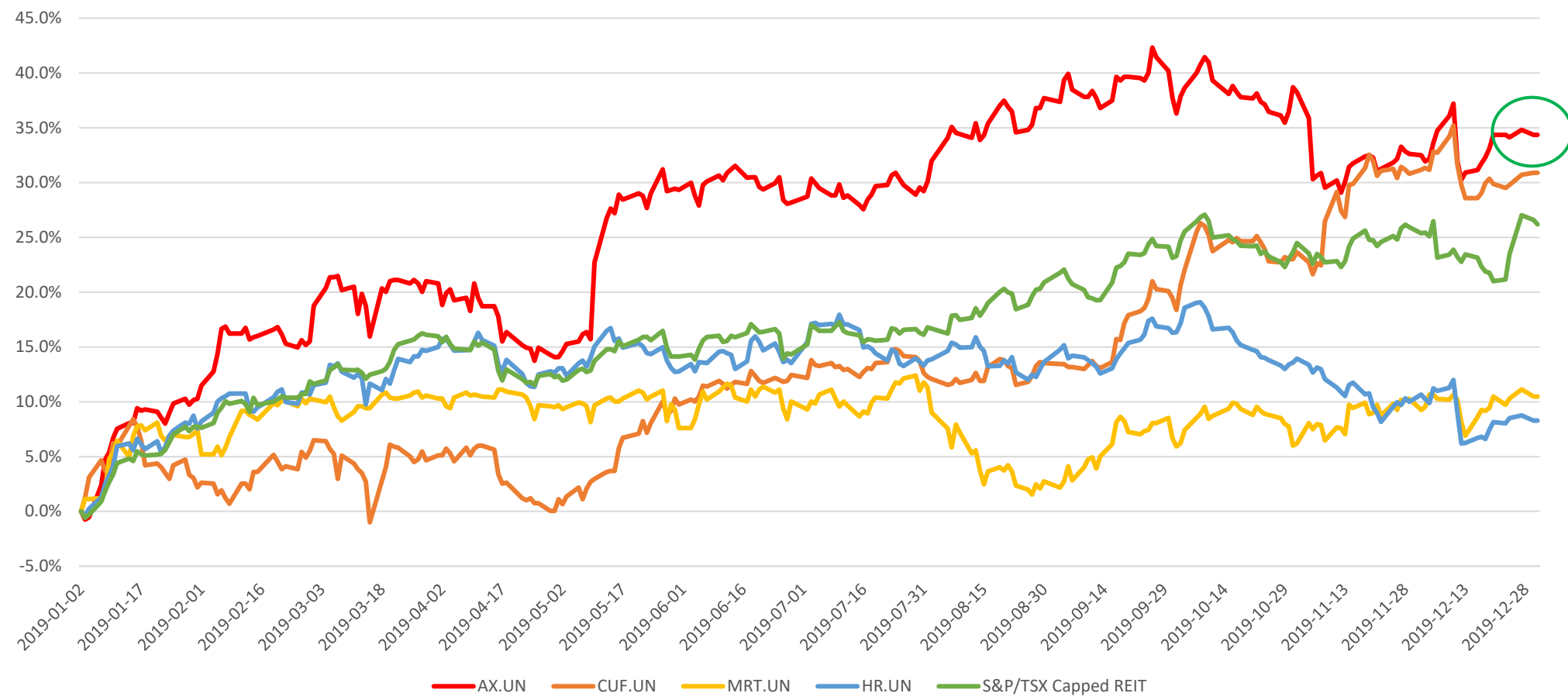
Analyst	2020 Estimates	
	AFFO	FFO
Consensus		
Per Unit	\$1.03	\$1.37
Pay-Out Ratio	52.4%	39.4%
Unit Price Multiple	8.4x	6.3x
Yield	11.9%	15.9%

FFO and AFFO (per unit) data is exclusive of certain non-recurring adjustments in Q1-18. Refer to the MD&A for further discussion of these adjustments. 2020 FFO and AFFO numbers are consensus analyst projections from most recent research reports. Artis does not endorse analyst projections. The information represents the views of particular analysts and not necessarily those of Artis. An investor should review the entire report of the analyst prior to making any investment decisions.

Artis REIT vs Peers and Capped REIT Index, Full Year 2019

Total Unitholder Returns

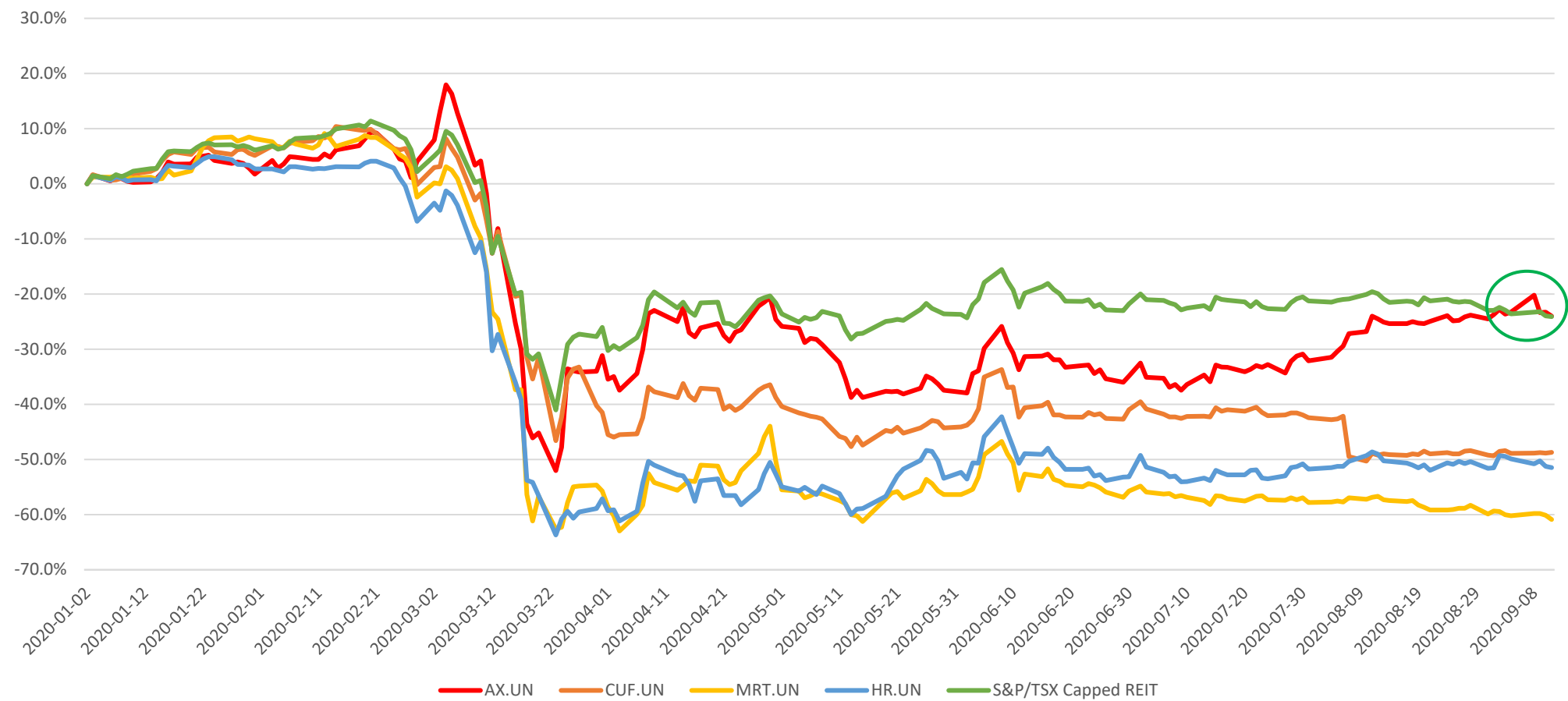
AX.UN vs Peers and Capped REIT Index, Full Year 2019



Artis REIT vs Peers and Capped REIT Index, Year to Date 2020

Total Unitholder Returns

AX.UN vs Peers and Capped REIT Index, YTD 2020



Classification of Assets

In November 2018, Artis recategorized the 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 Retail and Office Assets to be sold **~\$800 Million of Asset Sales Completed to Date**

- 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



MAX at Kierland, Greater Phoenix Area, AZ



360 Main Street, Winnipeg, MB



Cara Foods Building, Greater Toronto Area, ON



Crowfoot Corner, Calgary, AB



175 Westcreek Boulevard, Greater Toronto Area, ON



Hudson's Bay Centre, Denver, CO



601 Tower at Carlson Center, Twin Cities Area, MN



Midtown Business Center, Twin Cities Area, MN

Recent and Ongoing Development Projects



Park Lucero II, Greater Phoenix Area, AZ



Park Lucero IV, Greater Phoenix Area, AZ



Cedar Port I, Greater Houston Area, TX



Tower Business Center, Greater Denver Area, CO



Boulder Lakes Business Park, Twin Cities Area, MN



Park 8Ninety I, Greater Houston Area, TX



Park 8Ninety II, Greater Houston Area, TX



Park 8Ninety III, Greater Houston Area, TX

2020: What a Difference a 100 Year Pandemic Makes

A Paradigm Shift is Upon Us:

- Office:
 - More WFH – but not so much
 - Creativity Matters – Productivity matters – Teamwork matters
 - Expect the office tenant market to settle down at 1-2 WFH days/week
 - Expect office tenants to need more space per employee
 - Expect demand for suburban office space to increase
- Retail:
 - Online shopping has potentially peaked during the lock down
 - Equilibrium between online and in-person shopping may be achieved
 - Not all Retail is bad Retail
 - Needs-based Retail will always be in demand
 - Shopping has to be done in person
 - It is akin to Showcase Industrial
- Industrial:
 - Demand will increase

Artis has already turned the Pandemic Corner

- Leasing has improved and is stabilizing
- Rent collections are back up to 97%
- Income is trending up

- 75% of Artis' Office Portfolio is Suburban, 25% Urban
- 80% of Artis' Retail Portfolio is Comprised of Needs-Based Tenants

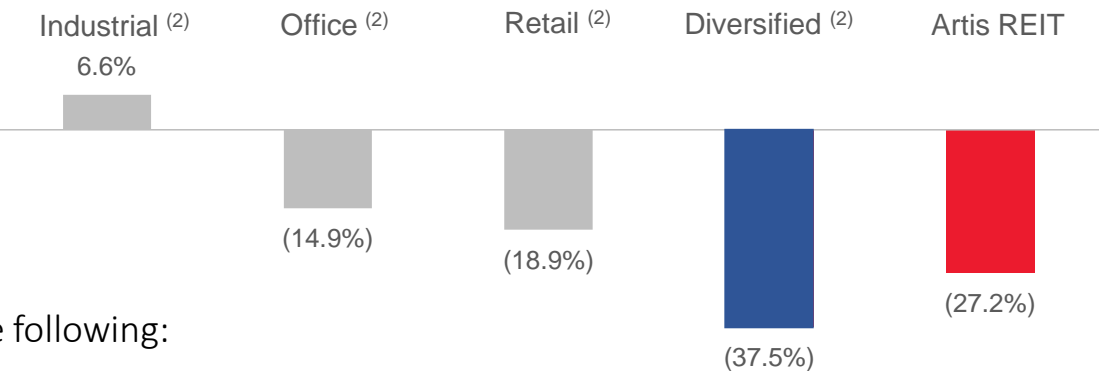
Looking Ahead: Artis Retail Portfolio Spin-Off—2021

- Artis REIT has delivered solid year-to-date operational performance, however, its units continue to trade at a material discount to intrinsic value

- Q2-20 results came in above consensus estimates resulting in a 4% increase to 2021E AFFO per unit estimates
- Artis REIT currently trades at a 27% discount to consensus NAV
- Underperformance in the diversified REIT sector appears to be structural

- Artis REIT is committed to improving its market valuation and will implement the following:
 - Improving Portfolio Quality: Sale of non-core assets
 - Debt Reduction: Lowering leverage and thus improving the balance sheet
 - Preservation of Credit Rating: Artis REIT anticipates that it will retain its current investment grade credit rating
 - Unlocking Value: Narrowing the discount between the trading price of Artis’ units and NAV enabling Artis REIT to be in a better position to opportunistically access the equity capital markets

Premium / (Discount) to NAV ⁽¹⁾



- Artis REIT will spin-off its retail portfolio to further unlock unitholder value
- Artis Retail REIT will own needs-based retail
- Artis Retail REIT will have a conservative balance sheet
- Artis Retail REIT will have a conservative payout ratio

Source: Capital IQ

(1) Based on consensus analyst estimates

(2) Sector averages based on weighted-average by market capitalization

Valuation Based on the Average of Peer Price Multiples

Industrial Comparable REITs	FFO Price Multiple	Average FFO Price Multiple	Retail Comparable REITs	FFO Price Multiple	Average FFO Price Multiple
Dream Industrial REIT	15.1x	14.85x	Plaza Retail REIT	7.2x	6.85x
WPT Industrial REIT	14.6x		Slate Retail REIT	6.5x	
Office Comparable REITs			FFO Price Multiple	Average FFO Price Multiple	
Inovalis REIT			11.5x	10.00x	
Northwest Health Care Properties REIT			13.2x		
Slate Office REIT			5.3x		

Artis FFO Per Unit Breakdown

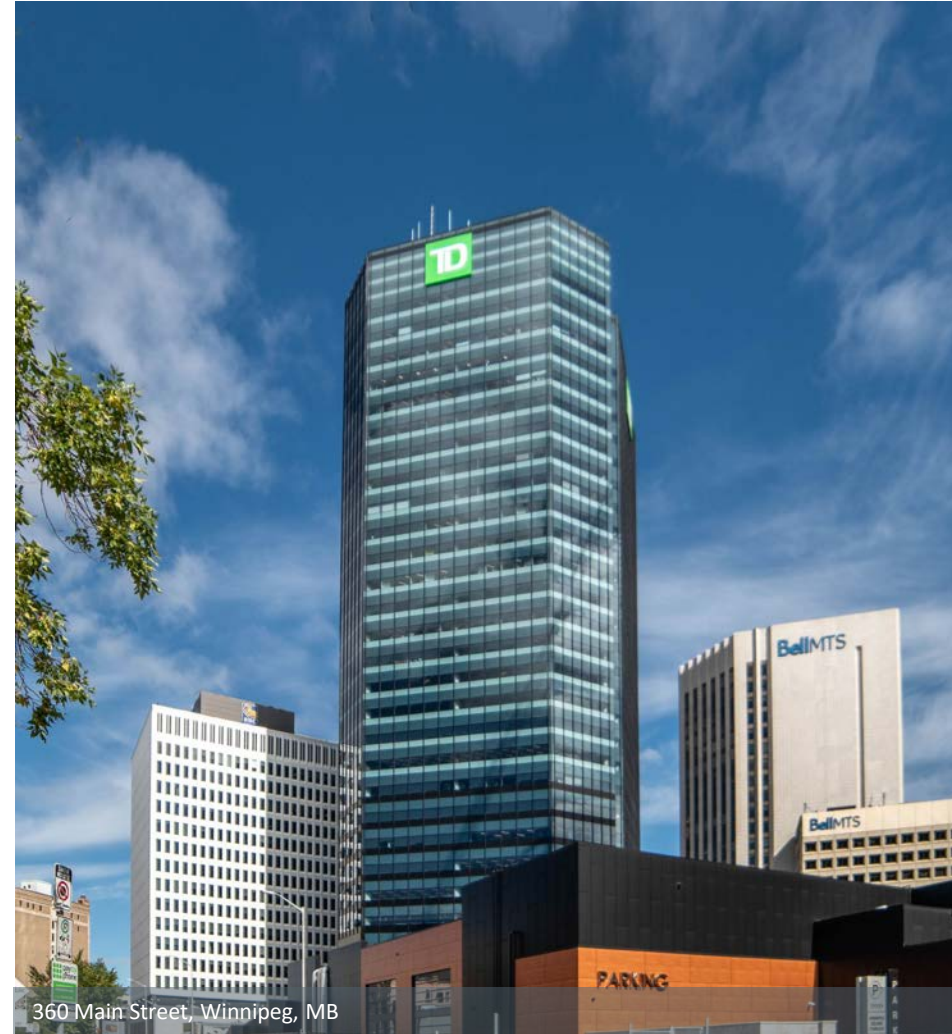
Asset Class	FFO	Average Multiple	Valuation	Worst Case Scenario
Artis Industrial	\$0.48	14.85x	\$7.13	\$7.00
Artis Office	\$0.66	10.00x	\$6.60	\$3.50
Artis Retail	\$0.23	6.85x	\$1.58	\$1.50
Analyst Consensus ⁽¹⁾	\$1.37		\$15.31	\$12.00

⁽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.

Why Invest in Artis?

- 1 Sustainable Yield
- 2 Bulletproof Payout Ratio
- 3 Positive Earnings Profile
- 4 Great Value Proposition
- 5 A Pro-Active REIT
Unlocking Value



Questions





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