



FOR IMMEDIATE RELEASE

NOVEMBER 5, 2020

**ARTIS REAL ESTATE INVESTMENT TRUST RELEASES STRONG THIRD QUARTER RESULTS,
PROVIDES BUSINESS UPDATE ON THE IMPACT OF COVID-19 AND STRATEGIC INITIATIVES
AND ANNOUNCES A 3% DISTRIBUTION INCREASE**

Today Artis Real Estate Investment Trust ("Artis" or the "REIT") issued its financial results and achievements for the three and nine months ended September 30, 2020, provided an update on the impact of the COVID-19 pandemic and Artis' strategic initiatives and announced a 3% distribution increase. The third quarter press release should be read in conjunction with the REIT's consolidated financial statements and Management's Discussion and Analysis ("MD&A") for the period ended September 30, 2020. All amounts are in thousands of Canadian dollars, unless otherwise noted.

THIRD QUARTER HIGHLIGHTS ⁽¹⁾

Portfolio Activity

- Completed the development of Park 8Ninety IV, a build-to-suit industrial development located in the Greater Houston Area, Texas which is 100% leased to a multi-national tenant.
- Completed the development of Linden Ridge Shopping Centre II, a retail densification project located in Winnipeg, Manitoba which is 100% leased to two national tenants.
- Disposed of an office property in the Twin Cities Area, Minnesota for a sale price of \$US41.0 million.
- At September 30, 2020, entered into unconditional sale agreements for two office properties in Toronto, Ontario for a sale price of \$114.0 million and a parcel of development land in the Twin Cities Area, Minnesota for a sale price of US\$5.5 million.
- Subsequent to the end of the quarter, entered into unconditional sale agreements for a retail property in the Greater Vancouver Area, British Columbia and a retail property in Regina, Saskatchewan, for aggregate sale prices of \$50.3 million.

Financial and Operational

- Announced a 3% increase to common unit distributions, effective for the December 2020 distribution payable on January 15, 2021.
- Increased FFO per unit by 8.8% to \$0.37 for the third quarter of 2020, compared to \$0.34 the third quarter of 2019 and increased \$0.01 or 2.8% compared to the second quarter of 2020.
- Increased AFFO per unit by 8.0% to \$0.27 for the third quarter of 2020, compared to \$0.25 the third quarter of 2019 and unchanged compared to the second quarter of 2020.
- Reported a conservative AFFO payout ratio of 51.9% for the third quarter of 2020, compared to 56.0% for the third quarter of 2019.
- Same Property NOI decreased 1.2% period-over-period for the third quarter of 2020.
- Reported portfolio occupancy of 90.0% (91.6% including commitments) at September 30, 2020, compared to 90.6% at June 30, 2020.
- Weighted-average rental rate on renewals that commenced during the third quarter of 2020 increased 6.0%.

Balance Sheet and Liquidity

- Reported NAV per unit of \$15.35 at September 30, 2020, compared to \$15.56 at December 31, 2019.
- Reported unencumbered assets of \$2.0 billion at September 30, 2020, compared to \$2.0 billion at December 31, 2019.
- Decreased total long-term debt and credit facilities to GBV to 51.9% at September 30, 2020, compared to 52.3% at December 31, 2019.
- Reported total long-term debt and credit facilities to EBITDA of 9.5 at September 30, 2020, compared to 8.8 at December 31, 2019.
- Increased EBITDA interest coverage ratio to 3.55 times for the third quarter of 2020, compared to 2.85 times for the third quarter of 2019.
- Improved liquidity and debt profile by issuing three-year Series D fixed rate senior unsecured debentures for gross proceeds of \$250.0 million, bearing interest at 3.824%.

(1) Inclusive of properties held under joint venture arrangements.

IMPACT OF COVID-19

Tenant Support Program and Rent Collection

As a diversified REIT, Artis' portfolio comprises industrial, office and retail properties which, at September 30, 2020, were 90.0% leased (91.6% including commitments on vacant space) to high-quality tenants across Canada and the U.S. with a weighted-average remaining lease term of 5.4 years. Artis expects that the COVID-19 pandemic will continue to have the largest impact on its retail segment, which represented 19.2% of Q3-20 Proportionate Share Property NOI. At September 30, 2020, the REIT's retail portfolio was 87.9% leased (89.5% including commitments on vacant space) with a weighted-average remaining lease term of 4.0 years. Overall, Artis is confident that the quality of its retail properties, strong tenant base and limited exposure to this asset class will mitigate the impact on its overall business.

Rent Collection

Rent collection has been a key focus for Artis and its stakeholders during this time. As at October 31, 2020, Artis has collected 98.4% of rent charges excluding deferred rent and 97.6% of rent charges including deferred rent for the three months ended September 30, 2020.

With respect to Artis' retail portfolio, as at October 31, 2020, Artis has collected approximately 96.5% of rent charges, excluding deferred rent, for the three months ended September 30, 2020. The REIT continues to work diligently with its tenants as government restrictions related to the pandemic are eased.

As at October 31, 2020, Artis has collected 97.4% of October rent charges, excluding deferred rent and 97.4% of October rent charges, including deferred rent.

Rent Deferrals

Due to government-mandated capacity restrictions and temporary closures of certain non-essential businesses, a number of tenants have had to limit operations. In an effort to support tenants through this difficult time, qualifying tenants who are in need of assistance have been given the option to defer a portion of their rent, with an agreement to repay the amount at a specified later date. As at September 30, 2020, the outstanding balance of rent deferrals granted to Artis' tenants was \$5.5 million (\$5.6 million on a Proportionate Share basis).

Allowance for Doubtful Accounts

The REIT anticipates that the majority of rent deferrals and rents receivable will be collected, however, there are certain tenants that may not be able to pay their outstanding rent. As at September 30, 2020, Artis has recorded an allowance for doubtful accounts in the amount of \$2.2 million (\$2.2 million on a Proportionate Share basis).

Leasing Update

Also during the third quarter of 2020, Artis completed construction of Park 8Ninety IV, a 100,000 square foot industrial build-to-suit development for a multi-national tenant located in the Greater Houston Area, Texas. Artis has a 95% interest in Park 8Ninety IV in the form of a joint venture arrangement. Artis also completed the construction of Linden Ridge Shopping Centre II, a 17,070 square foot densification project in Winnipeg, Manitoba which is 100% leased to two national tenants.

Artis' portfolio occupancy at September 30, 2020, was 90.0% (91.6% including commitments) compared to 90.6% (92.9% including commitments) at June 30, 2020.

Financial Position and Liquidity

Artis is focused on several strategic initiatives, one of which is to strengthen its balance sheet. The REIT's current liquidity includes cash on hand and undrawn credit facilities. There are no credit facilities maturing prior to December 2021. The Series C senior unsecured debentures mature in February 2021 and Artis has adequate room available on the revolving credit facilities to fund the repayment.

Artis' current liquidity sufficiently meets working capital requirements, obligations and capital commitments related to ongoing development projects and distribution payments to unitholders. The REIT will continue to monitor this rapidly evolving situation closely and to prudently manage its capital resources.

Risks

Due to uncertainty with respect to the duration and severity of the COVID-19 pandemic, it is not possible to reliably estimate the future impact of the COVID-19 pandemic on financial results and operations. For more information on risks related to the COVID-19 pandemic, please refer to the Risks and Uncertainties section of the Q3-20 MD&A.

Overall, Artis' first priority is to maintain a safe environment for its tenants, employees and the community. During this unprecedented and uncertain time, Artis is committed to minimizing the impact on its business and, as a diversified REIT, Artis confident that it is well-positioned to handle the economic challenges that may lie ahead.

FINANCIAL AND OPERATIONAL RESULTS

Selected Financial Information

\$000's, except per unit amounts	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	% Change	2020	2019	% Change
Revenue	\$113,328	\$127,005	(10.8)%	\$345,907	\$394,480	(12.3)%
Net operating income	68,017	75,724	(10.2)%	204,308	234,735	(13.0)%
Net income (loss)	45,699	44,632	2.4 %	(10,881)	89,860	(112.1)%
Total comprehensive income	15,250	62,238	(75.5)%	26,205	46,972	(44.2)%
Distributions per common unit	0.14	0.14	— %	0.41	0.41	— %
FFO ⁽¹⁾	\$ 50,816	\$ 48,603	4.6 %	\$146,615	\$150,796	(2.8)%
FFO per unit ⁽¹⁾	0.37	0.34	8.8 %	1.06	1.04	1.9 %
FFO payout ratio ⁽¹⁾	37.8 %	41.2 %	(3.4)%	38.7 %	39.4 %	(0.7)%
AFFO ⁽¹⁾	\$ 37,671	\$ 35,769	5.3 %	\$107,831	\$112,746	(4.4)%
AFFO per unit ⁽¹⁾	0.27	0.25	8.0 %	0.78	0.78	— %
AFFO payout ratio ⁽¹⁾	51.9 %	56.0 %	(4.1)%	52.6 %	52.6 %	— %

(1) Represents a non-GAAP measure. Refer to the Notice with Respect to non-GAAP Measures.

Same Property NOI ⁽¹⁾

	Q3-20	Q2-20	Q1-20	Q4-19	Q3-19
Same Property NOI (decline) growth	(1.2)%	(2.0)%	1.5 %	3.3 %	2.0 %

(1) Represents a non-GAAP measure. Refer to the Notice with Respect to non-GAAP Measures.

The REIT reported a decline in period-over-period Same Property NOI of 1.2% for the third quarter of 2020. Excluding bad debt (recovery) expense and rent abatements resulting from the COVID-19 pandemic, Same Property NOI decreased 0.7%.

Occupancy and Leasing

Occupancy at September 30, 2020, was 90.0% (91.6% including commitments) compared to 90.6% (92.9% including commitments) at June 30, 2020, excluding properties held for redevelopment and new development projects. Weighted-average rental rate on renewals that commenced during the third quarter of 2020 increased 6.0%.

Artis' portfolio has a stable lease expiry profile with 50.4% of gross leasable area expiring in 2024 or later and 57.9% of the remaining 2020 expiries renewed or committed to new leases at September 30, 2020. Weighted-average in-place rents for the entire portfolio are \$12.60 per square foot and are estimated to be 0.9% below market rents. Information about Artis' lease expiry profile is as follows:

	2020	2021	2022	2023	2024 & later
Expiring square footage	5.1 %	14.0 %	11.1 %	9.2 %	50.4 %
Committed percentage	57.9 %	23.7 %	6.6 %	2.4 %	0.7 %
In-place rents	\$ 13.69	\$ 13.56	\$ 10.68	\$ 14.40	\$ 12.31
Comparison of market to in-place rents	4.1 %	(3.1)%	5.2 %	(0.5)%	1.2 %

BALANCE SHEET AND LIQUIDITY

Balance Sheet Highlights and Metrics

The REIT's balance sheet highlights and metrics, on a Proportionate Share basis, are as follows:

	September 30, 2020	December 31, 2019
Fair value of investment properties	\$ 5,121,562	\$ 5,249,275
Fair value of unencumbered assets	1,972,693	1,968,369
NAV per unit ⁽¹⁾	15.35	15.56
Secured mortgages and loans to GBV ⁽¹⁾	28.0 %	27.9 %
Total long-term debt and credit facilities to GBV ⁽¹⁾	51.9 %	52.3 %
Total long-term debt and credit facilities to EBITDA ⁽¹⁾	9.5	8.8
EBITDA interest coverage ratio ⁽¹⁾	3.55	3.05
Unencumbered assets to unsecured debt	1.55	1.47

(1) Represents a non-GAAP measure. Refer to the Notice with Respect to non-GAAP Measures.

Information regarding the REIT's mortgage financing, on a Proportionate Share basis, is as follows:

	September 30, 2020	December 31, 2019
Weighted-average effective interest rate	3.20 %	3.98 %
Weighted-average term to maturity (in years)	2.3	2.4
Unhedged variable rate mortgage debt as a percentage of total debt	21.3 %	22.7 %

Liquidity and Capital Resources

At September 30, 2020, Artis had \$35.2 million of cash on hand and \$423.3 million available on its revolving term credit facilities. Liquidity and capital resources may be impacted by financing activities, portfolio acquisition, disposition and development activities, debt repayments and unit purchases under the NCIB occurring subsequent to September 30, 2020.

PORTFOLIO ACTIVITY

Disposition

During the third quarter of 2020, Artis disposed of the following property:

Property	Property count	Location	Disposition date	Asset class	Owned share of GLA	Sale price
Millwright Building ⁽¹⁾	1	Twin Cities Area, MN	August 25, 2020	Office	138,781	\$ US40,960

(1) The REIT held an 80% interest in the Millwright Building in the form of a joint venture arrangement.

During Q3-20, Artis repaid mortgage debt related to the disposition of the above property in the amount of US\$24,007.

New Developments

During Q3-20, Artis completed the following new developments:

Property	Property count	Location	Asset class	Owned share of GLA	% Occupied	% Committed
Park 8Ninety IV ⁽¹⁾	1	Greater Houston Area, TX	Industrial	95,000	100.0 %	100.0 %
Linden Ridge Shopping Centre II ⁽²⁾	—	Winnipeg, MB	Retail	17,070	100.0 %	100.0 %

(1) The REIT has a 95% interest in Park 8Ninety IV in the form of a joint venture arrangement.

(2) This is a densification project which added an additional 17,070 square foot building to an existing retail property.

At September 30, 2020, the REIT also had one ongoing development project, 300 Main, a mixed-used residential/multi-family property located in Winnipeg, Manitoba. Further details regarding this project can be found in the Q3-20 MD&A.

UPDATE ON STRATEGIC INITIATIVES

November 2018 Initiatives

On November 1, 2018, Artis announced several initiatives that were focused on improving its growth profile, strengthening its balance sheet and ensuring the REIT is best positioned for long-term and sustainable growth. These initiatives included revising the REIT's distribution, purchasing units under the NCIB and optimizing the portfolio by narrowing its focus to key assets in fewer markets and pursuing accretive development projects. Artis' Board and management have demonstrated their commitment to unlocking unitholder value by proactively pursuing and successfully completing these strategic initiatives.

As part of these initiatives Artis embarked on a non-core disposition program with a target to sell between \$800,000 and \$1,000,000 of assets over a three-year time frame. From November 1, 2018 to September 30, 2020, Artis has completed asset sales of \$797,977, ahead of schedule at an aggregate value that equates to a premium over IFRS values. Proceeds from dispositions were used to repay outstanding debt and to fund purchases under the NCIB program, described below. These strategic non-core asset dispositions have also significantly enhanced the overall quality of Artis' portfolio of investment properties.

To further improve unitholder value, Artis actively repurchased common and preferred units through the NCIB at market prices which were at a significant discount when compared to its NAV. From November 1, 2018 to September 30, 2020, Artis purchased 18,274,170 common units at a weighted-average price of \$10.50 and 387,030 preferred units at a weighted-average price of \$19.87 for total market prices of \$191,876 and \$7,689, respectively. During 2019, Artis also completed the redemption of the outstanding Series G preferred units with an aggregate face value of \$78,463. From November 1, 2018 to September 30, 2020, Artis has repurchased common and preferred units (including the redemption of the Series G preferred units) for aggregate total market prices of \$278,028.

To enhance the quality of its portfolio, Artis also focused on accretive new development opportunities. The REIT completed six new industrial development projects located in key target markets in the U.S. and two retail development projects in Winnipeg, Manitoba. Artis also has one ongoing development project in process in Winnipeg, Manitoba. Artis has an ongoing commitment to continue to pursue high-yield development projects in its key markets.

September 2020 Initiatives

On September 8, 2020, Artis announced further initiatives to unlock unitholder value. The comprehensive plan included the initiatives described below.

Enhanced Debt Reduction

To strengthen its balance sheet and improve the calibre and growth profile of its portfolio, Artis implemented an enhanced debt reduction initiative which involves the continuation of the successful non-core asset disposition program, with a target of an additional \$550,000 of non-core dispositions. Proceeds from these asset sales will be used to repay outstanding debt which will result in an improvement to Artis' credit profile. This initiative is expected to meaningfully lower leverage to 45% of debt to gross book value, bolster liquidity and enhance balance sheet strength.

At September 30, 2020, this initiative is well underway and Artis has entered into unconditional sale agreements for the following properties:

Property	Property count	Location	Disposition date	Asset class	Owned share of GLA	Annualized Property NOI ⁽¹⁾	Capitalization rate ⁽²⁾	Sale price	Fair value ⁽³⁾
801 Carlson Land (unconditional)	—	Twin Cities Area, MN	November 2020	Office	—	\$ (218)	N/A	\$ 7,324	\$ 5,185
Concorde Portfolio (unconditional)	2	Toronto, ON	November 2020	Office	565,605	5,176	5.00 %	114,000	112,085
	2				565,605	\$ 4,958		\$121,324	\$ 117,270

(1) Based on the annualized Property NOI reported for the quarter prior to disposition.

(2) Capitalization rates based on 12-month forward looking Property NOI, as of the date of closing.

(3) Based on the fair value reported at the quarter prior to disposition.

In addition, at September 30, 2020, Artis has one industrial property, three office properties and four retail properties classified as held for sale, representing a total fair value of \$170,236.

Disposition Activity Subsequent to September 30, 2020

On October 15, 2020, Artis entered into an unconditional agreement to sell Delta Shoppers Mall, a retail property located in Greater Vancouver Area, British Columbia for a sale price of \$34,280, which represents a capitalization rate of 5.2%. The sale is expected to close in November 2020.

On October 23, 2020, Artis entered into an unconditional agreement to sell Shoppers Landmark, a retail property located in Regina, Saskatchewan for a sale price of \$16,000, which represents a capitalization rate of 6.2%. The sale is expected to close in November 2020.

Retail Spin-Off

Artis announced its intention to spin-off its Canadian retail properties into a newly formed real estate investment trust ("Retail Spin-Off") enabling investors to better value the quality of the retail portfolio and to enable the REIT to simplify its business and pursue strategies focused on its high-quality industrial and office properties. The Retail Spin-Off is anticipated to include a portfolio of 40 retail properties in Canada and would be implemented by way of a statutory plan of arrangement under the Canada Business Corporations Act.

Artis' Board and Management remain firmly committed to the execution of Artis' previously announced comprehensive plan that includes both debt reduction initiatives and the Retail Spin-Off. While the Board, in consultation with its advisors, has unanimously determined the Retail Spin-off is a potentially effective strategy to maximize unitholder value as it simplifies Artis' business, ensures public markets ascribe proper value to the retail portfolio, and represents a non-taxable transaction to Artis, it is not prepared to let a vote on the Retail Spin-Off become a distraction to the REIT and disrupt other important business initiatives. Since the Retail Spin-Off was announced, an unnecessary and resource consuming proxy fight has been initiated, adding further distraction. In light of this development, the Board has determined to defer the unitholder meeting related to the Retail Spin-off until a later date. In the meantime, the Board and Management will continue to execute on its comprehensive plan with a focus on debt reduction, portfolio optimization and Board renewal.

The REIT will continue to provide updates on the strategic initiatives as progress is made.

UPCOMING WEBCAST AND CONFERENCE CALL

Interested parties are invited to participate in a conference call with management on Friday, November 6, 2020, at 12:00 p.m. CT (1:00 p.m. ET). In order to participate, please dial 1.416.764.8688 or 1.888.390.0546. You will be required to identify yourself and the organization on whose behalf you are participating.

Alternatively, you may access the simultaneous webcast by following the link from our website at www.artisreit.com/investor-link/conference-calls/ during or after the conference call and webcast. Prior to the webcast, you may follow the link to confirm you have the right software and system requirements.

If you cannot participate on Friday, November 6, 2020, a replay of the conference call will be available by dialing 1.416.764.8677 or 1.888.390.0541 and entering passcode 765210#. The replay will be available until Monday, December 7, 2020. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

NOTICE WITH RESPECT TO NON-GAAP MEASURES

In addition to reported IFRS measures, the following non-GAAP measures are commonly used by Canadian real estate investment trusts as an indicator of financial performance: Proportionate Share, Property NOI, Same Property NOI, FFO, AFFO, FFO and AFFO Payout Ratios, NAV per Unit, Debt to GBV, EBITDA Interest Coverage Ratio and Debt to EBITDA. "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. These 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 these 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 REIT's Q3-20 MD&A.

CAUTIONARY STATEMENTS

This press release 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 REIT's future operating results, performance and achievements, including the COVID-19 pandemic and the implementation of Artis' strategic 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.

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 COVID-19 pandemic, implementation of Artis' strategic initiatives, real property ownership, debt financing, foreign currency, credit and tenant concentration, lease rollover, tax related matters, illiquidity, reliance on key personnel, future property transactions, general uninsured losses, cyber security, environmental matters, land and air rights leases, public market risk, availability of cash flow, fluctuations in cash distributions, potential dilution, unitholder liability, potential conflicts of interest, changes in legislation and development risk. 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.

ABOUT ARTIS REAL ESTATE INVESTMENT TRUST

Artis is a diversified Canadian real estate investment trust investing in industrial and office properties in Canada and the United States. Since 2004, Artis has executed an aggressive but disciplined growth strategy, building a portfolio of commercial properties in select markets in Canada and the United States. As of September 30, 2020, Artis' commercial property comprises approximately 23.8 million square feet of leasable area.

During the three months ended September 30, 2020, Proportionate Share Property NOI by asset class, was approximately 35.2% industrial, 45.6% office and 19.2% retail. Proportionate Share Property NOI by geographical region, was approximately 2.7% in British Columbia, 16.2% in Alberta, 6.9% in Saskatchewan, 13.1% in Manitoba, 11.6% in Ontario, 9.7% in Arizona, 4.3% in Colorado, 21.5% in Minnesota, 0.7% in New York, 3.5% in Texas and 9.8% in Wisconsin.

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

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 204.947.1250.

600 - 220 Portage Avenue
Winnipeg, MB R3C 0A5
T 204.947.1250 F 204.947.0453
www.artisreit.com
AX.UN on the TSX