



FOR IMMEDIATE RELEASE

May 18, 2021

ARTIS REAL ESTATE INVESTMENT TRUST ENTERS INTO AGREEMENT WITH SANDPIPER ASSET MANAGEMENT INC.

Artis Real Estate Investment Trust (“Artis” or the “REIT”) (TSX: AX.UN) announced that it has entered into a services agreement with Sandpiper Asset Management Inc. (“Sandpiper”) effective May 17, 2021 (the “Services Agreement”).

“Artis has been on a multi-year journey to determine the future of the REIT and we are extremely excited to now have a roadmap in place, which includes the enhanced governance, internal leadership and strategic direction that we believe will create long-term value for our owners,” said Ben Rodney, Chair of the Board of Trustees of Artis. “Our agreement with Sandpiper is an important milestone that enables us to pursue new investment opportunities that can generate above average risk adjusted returns within the public securities component of our broader basket of value investment options. This agreement provides Artis’ unitholders with a unique opportunity to harness the experience of one of Canada’s most successful and respected real estate activist investment brands and platforms. We look forward to the continued execution of our Business Transformation Plan as we build Artis into a best-in-class asset management and investment platform focused on value investing in real estate.”

In connection with Artis’ Business Transformation Plan announced on March 10, 2021, Artis has engaged Sandpiper to provide certain services to support the REIT’s strategy to acquire meaningful and influential active ownership positions in undervalued publicly-listed real estate entities. The material terms of the Services Agreement are as follows:

- **Artis’ Investment Mandate:**
 - Investments in equity securities of real estate companies or real estate investment trusts or entities that provide real estate services, including common shares, preferred shares, trust units, securities convertible into common shares, preferred shares or trust units, and rights/warrants listed on the TSX or another stock exchange in Canada, in Canadian dollars.
- **Scope of Services to be Provided by Sandpiper (the “Services”):**
 - Research, underwriting, due diligence and analysis of potential active investments in public companies;
 - Analysis in relation to the negotiation and structuring of the terms of proposed acquisitions/dispositions of investments (including the terms of active management involvement);
 - Strategic advice regarding active investments made and information regarding the management thereof, including exit strategies;
 - Providing regular reporting and assistance and information in connection with Artis’ preparation of internal reports, analysis and books and records related to the investments, including as may be necessary for Artis to prepare reports and disclosure documents; and
 - Providing advice and assistance in connection with Artis’ active engagement with investee entities.

- **Delivery of Services:** Sandpiper will provide the Services to Artis so as to enable Artis, upon the recommendation of its Chief Executive Officer (“CEO”), to make its own investment decisions. Artis will at all times make its own investment and divestment decisions under the supervision of its Investment Committee.
- **Fee Structure:** In consideration of the services performed by Sandpiper, Sandpiper shall be paid the following amounts in respect of investments made by Artis pursuant to the Services provided: an annual fee of 0.50% for years 1 to 3 of the investments; 0.40% for year 4 of the investments; and 0.30% thereafter based on, in each case, the net value of Artis’ investments in its investee companies.
- **First Offer Right:** Separate and apart from the information provided to Artis pursuant to requests originating from Artis, Sandpiper will (prior to the making of any such investments) present to Artis for consideration all investments and targets that are within the Investment Mandate and independently identified by Sandpiper as potential active investments it wishes to make. Artis will be offered the right to participate in each such investment together with Sandpiper and shall be offered no less than a 50% participation level.
- **Expenses:** Sandpiper will bear the costs and expenses incurred by it in connection with the provision of the Services. Each of Sandpiper and Artis shall be responsible for their own costs and expenses in connection with the making of any investment, including brokerage and custodial fees. Once an investment is made, the parties shall share any third-party costs and expenses in connection with the active management of the investment in proportion to the size of their respective investments. The cost of directors, officers and employees of each shall be for the account of each and such persons shall not be considered employed by the other, nor shall there be any charge for overhead or other costs.
- **Termination:** The Services Agreement shall continue in full force until termination by either party upon 60-day written notice, or upon other specific circumstances, at no cost to Artis.

The arrangement with Sandpiper was negotiated and reviewed by the Governance, Nominating and Compensation Committee (the “GNC”) of the Board of Trustees of Artis (the “Board”) (all of whom are independent trustees and independent of Sandpiper), which included a review of Sandpiper’s past performance and track record (including execution of past full cycle active investments). In this regard, the GNC considered a number of factors, including the nature of the relationship between Artis and Sandpiper, the need to align their respective interests in the context of the arrangements, and various regulatory matters. While reviewing the Services arrangements, the GNC also finalized the employment agreement with Artis’ CEO, as well as the terms of a space-sharing arrangement with Sandpiper at Sandpiper’s offices in Vancouver. As a result, the GNC was able to view the Services Agreement within the broader context of the overall relationship with Sandpiper. The GNC received legal and financial advice from independent, third-party advisors. Based on its review, the GNC concluded that the arrangements were in the best interest of, and fair to, Artis and recommended to the Board that Artis enter into the Services Agreement.

A copy of the Services Agreement and Mr. Manji’s employment agreement will be made available on the REIT’s profile on SEDAR.

Details related to Artis’ Business Transformation Plan are available on Artis’ website at the following link: www.artisreit.com.

Artis is a diversified Canadian real estate investment trust with a portfolio of industrial, office and retail properties in Canada and the United States. Artis’ vision is to build a best-in-class asset management and investment platform focused on growing net asset value per unit and distributions for investors through value investing in real estate.

For further information please contact Mr. Samir Manji, Chief Executive Officer or Ms. Heather Nikkel, Vice-President - Investor Relations of the REIT at 1.204.947.1250

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. Without limiting the foregoing, the words “expects”, “anticipates”, “intends”, “estimates”, “projects”, “seeks”, and similar expressions or variations of such words and phrases or state that certain actions, events or results “may”, “would” or “will” occur or be achieved are intended to identify forward-looking statements. Particularly, statements regarding the Business Transformation Plan, the steps required to implement the Business Transformation Plan, building Artis into a best-in-class asset management and investment platform focused on value investing in real estate, prospective investments and investment strategy, and the engagement of Sandpiper Asset Management Inc. are forward-looking statements. Forward-looking statements are based on a number of factors and assumptions which have been used to develop such statements, but which may prove to be incorrect. 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.

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