FOR IMMEDIATE RELEASE NOVEMBER 3, 2022

ARTIS REAL ESTATE INVESTMENT TRUST RELEASES THIRD QUARTER RESULTS

Artis Real Estate Investment Trust (“Artis” or the "REIT") (TSX: AX.UN, AX.PR.E, AX.PR.I) announced today its financial results for the three and nine months ended September 30, 2022. 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, 2022. All amounts are in thousands of Canadian dollars, unless otherwise noted.

“During the quarter, our real estate portfolio continued to show resilience,” said Samir Manji, President and Chief Executive Officer of Artis. “Overall occupancy was strong at 92%, while same property NOI growth was 4.3% and the weighted-average rental rate increase on renewals that commenced during the quarter was 3.0%. We are pleased to report that our disposition program, which is a key element of our Business Transformation Plan, is progressing well despite the current macro-economic environment. We anticipate that a number of dispositions will be completed during the fourth quarter, which will reduce leverage and enhance Artis’ overall liquidity. The current market environment presents compelling opportunities that align with our strategy and that have the potential to generate meaningful NAV per unit growth for our owners. Artis’ Board and management remain committed to maximizing value for its unitholders.”

THIRD QUARTER HIGHLIGHTS

Business Strategy Update

- Invested in equity securities for a net aggregate cost of $41.5 million.
- Disposed of one office property located in the U.S. for a sale price of $24.2 million.

Balance Sheet and Liquidity

- Increased NAV per unit [(1)] to $19.26 at September 30, 2022, compared to $17.37 at December 31, 2021.
- Reported total debt to GBV [(1)] of 47.9% at September 30, 2022, compared to 42.9% at December 31, 2021.
- Reported total debt to Adjusted EBITDA [(1)] of 9.2 at September 30, 2022, compared to 8.2 at December 31, 2021.
- Reported Adjusted EBITDA interest coverage ratio [(1)] of 2.83 for the third quarter of 2022, compared to 3.79 for the third quarter of 2021.
- Completed the redemption of the outstanding Series A preferred units for $81.2 million.

Financial and Operational

- Increased FFO per unit [(1)] to $0.36 for the third quarter of 2022, compared to $0.33 for the third quarter of 2021, and increased AFFO per unit [(1)] to $0.25 for the third quarter of 2022, compared to $0.23 for the third quarter of 2021.
- Reported a conservative AFFO payout ratio [(1)] of 60.0% for the third quarter of 2022, improved from 65.2% for the third quarter of 2021.
- Same Property NOI [(1)] in Canadian dollars for the third quarter of 2022 increased 4.3% compared to the third quarter of 2021.
- Reported portfolio occupancy of 90.5% (92.0% including commitments) at September 30, 2022, compared to 90.7% (92.0% including commitments) at June 30, 2022.
- Renewals totalling 486,937 square feet and new leases totalling 439,335 square feet commenced during the third quarter of 2022.
- Weighted-average rental rate on renewals that commenced during the third quarter of 2022 increased 3.0%.

(1) Represents a non-GAAP measure, ratio or other supplementary financial measure. Refer to the Notice with Respect to Non-GAAP & Supplementary Financial Measures Disclosure.

BUSINESS STRATEGY UPDATE

Strengthening the Balance Sheet

A pillar of the REIT's strategy is to strengthen the balance sheet through accretive dispositions, unit repurchases and debt reduction.

During Q3-22, the REIT continued unlocking value through the monetization of certain assets and sold one office property located in the U.S. for a sale price of $24.2 million. The sale proceeds, net of costs of $0.9 million and related debt of $12.2 million, were $11.1 million.

Driving Organic Growth

Blaine 35 is a two-phase industrial development project located in the Twin Cities Area, Minnesota, with prominent interstate frontage at the intersection of I-35W and 85th Ave N. During Q2-22, construction of the first phase of the project, Blaine 35 I, comprising 118,500 square feet of leasable area was complete. Approximately 73.4% of the building was leased upon completion of construction while leasing for the remainder of the building is in progress. Construction of the second phase, Blaine 35 II, is currently underway and will comprise two buildings expected to total approximately 198,900 square feet of leasable area upon completion. Pre-leasing is in progress and Artis has negotiated a lease for approximately 50.3% of the gross leasable area of Blaine 35 II.

The REIT also has a commercial and residential development project under construction. 300 Main is a 580,000 square foot building located in Winnipeg, Manitoba. 300 Main will be a best-in-class amenity-rich apartment building with main floor commercial space. Pre-leasing of the first 20 floors of the 40-storey residential apartments is currently underway.

Focusing on Value Investing

During Q3-22, the REIT invested in equity securities for a net aggregate cost of $41.5 million. This includes equity securities of Dream Office Real Estate Investment Trust where, together with its joint-actors, Artis announced on June 22, 2022, that it had acquired a 14% ownership position.

BALANCE SHEET AND LIQUIDITY

The REIT's balance sheet highlights and metrics, are as follows:

	September 30, 2022	December 31, 2021
Total investment properties	$ 4,197,260	$ 3,999,609
Unencumbered assets	2,103,103	1,902,748
NAV per unit (1)	19.26	17.37
Total debt to GBV (1)	47.9 %	42.9 %
Total debt to Adjusted EBITDA (1)	9.2	8.2
Adjusted EBITDA interest coverage ratio (1)	2.83	3.77
Unencumbered assets to unsecured debt (1)	1.50	2.20

(1) Represents a non-GAAP measure, ratio or other supplementary financial measure. Refer to the Notice with Respect to Non-GAAP & Supplementary Financial Measures Disclosure.

At September 30, 2022, Artis had $136.8 million of cash on hand and $126.5 million available on its revolving credit facilities. Under the terms of the revolving credit facilities, the REIT must maintain certain financial covenants which limit the total borrowing capacity of the revolving credit facilities to $684.2 million.

Liquidity and capital resources may be impacted by financing activities, portfolio acquisition, disposition and development activities or debt repayments occurring subsequent to September 30, 2022.

FINANCIAL AND OPERATIONAL RESULTS

$000's, except per unit amounts	Three months ended September 30, 2022	Three months ended September 30, 2021	% Change	Nine months ended September 30, 2022	Nine months ended September 30, 2021	% Change
Revenue	$ 94,114	$ 97,658	(3.6)%	$ 278,410	$ 321,834	(13.5)%
Net operating income	53,716	56,089	(4.2)%	157,603	182,358	(13.6)%
Net (loss) income	(94,450)	39,855	(337.0)%	123,007	328,771	(62.6)%
Total comprehensive income	8,867	81,345	(89.1)%	253,196	334,767	(24.4)%
Distributions per common unit	0.15	0.15	— %	0.45	0.44	2.3 %
FFO (1)	$ 42,414	$ 42,019	0.9 %	$ 129,361	$ 134,020	(3.5)%
FFO per unit (1)	0.36	0.33	9.1 %	1.08	1.02	5.9 %
FFO payout ratio (1)	41.7 %	45.5 %	(3.8)%	41.7 %	43.1 %	(1.4)%
AFFO (1)	$ 29,367	$ 29,827	(1.5)%	$ 90,505	$ 96,557	(6.3)%
AFFO per unit (1)	0.25	0.23	8.7 %	0.76	0.73	4.1 %
AFFO payout ratio (1)	60.0 %	65.2 %	(5.2)%	59.2 %	60.3 %	(1.1)%

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Artis reported portfolio occupancy of 90.5% at September 30, 2022, compared to 90.7% at June 30, 2022. Weighted-average rental rate on renewals that commenced during the third quarter of 2022 increased 3.0%.

Artis' portfolio has a stable lease expiry profile with 52.7% of gross leasable area expiring in 2026 or later. Weighted-average in-place rents for the total portfolio are $13.30 per square foot and are estimated to be 1.1% below market rents. Information about Artis' lease expiry profile is as follows:

	Current vacancy	Monthly tenants	2022	2023	2024	2025	2026 & later	Total portfolio
Expiring square footage	9.5 %	0.4 %	5.3 %	12.6 %	11.9 %	7.6 %	52.7 %	100.0 %
In-place rents	N/A	N/A	$ 15.19	$ 13.82	$ 11.86	$ 16.14	$ 12.89	$ 13.30
Market rents	N/A	N/A	$ 16.17	$ 14.30	$ 11.65	$ 15.93	$ 13.02	$ 13.45

UPCOMING WEBCAST AND CONFERENCE CALL

A conference call with management will be held on Friday, November 4, 2022, 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 https://www.artisreit.com/investor-link/conference-calls/. 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 4, 2022, a replay of the conference call will be available by dialing 1-416-764-8677 or 1-888-390-0541 and entering passcode 258212#. The replay will be available until Friday, November 11, 2022. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

CAUTIONARY STATEMENTS

This press release contains forward-looking statements within the meaning of applicable Canadian securities laws. 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 “outlook”, “objective”, “expects”, “anticipates”, “intends”, “estimates”, “projects”, “believes”, “plans”, “seeks”, and similar expressions or variations of such words and phrases suggesting future outcomes or events, or which state that certain actions, events or results ‘‘may’’, ‘‘would’’, “should” or ‘‘will’’ occur or be achieved are intended to identify forward-looking statements. Such forward-looking information reflects management’s current beliefs and is based on information currently available to management.

Forward-looking statements are based on a number of factors and assumptions which are subject to numerous risks and uncertainties, which have been used to develop such statements, but which may prove to be incorrect. Although Artis believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Assumptions have been made regarding, among other things: the general stability of the economic and political environment in which Artis operates, treatment under governmental regulatory regimes, securities laws and tax laws, the ability of Artis and its service providers to obtain and retain qualified staff, equipment and services in a timely and cost efficient manner, currency, exchange and interest rates, global economic, financial markets and economic conditions in Canada and the United States will not, in the long term, be adversely impacted by the COVID-19 pandemic, disruptions resulting from the temporary restrictions that governments imposed on businesses to address the COVID-19 pandemic will not be long term.

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 risk related to tax matters; and, credit, market, currency, operational, liquidity and funding risks generally and relating specifically to the Cominar Transaction; the COVID-19 pandemic, real property ownership, geographic concentration, current economic conditions, strategic initiatives, debt financing, interest rate fluctuations, foreign currency, tenants, SIFT rules, other tax-related factors, illiquidity, competition, reliance on key personnel, future property transactions, general uninsured losses, dependence on information technology, cyber security, environmental matters and climate change, land and air rights leases, public markets, market price of common units, changes in legislation and investment eligibility, availability of cash flow, fluctuations in cash distributions, nature of units, legal rights attaching to units, preferred units, debentures, dilution, unitholder liability, failure to obtain additional financing, potential conflicts of interest, developments and trustees.

For more information on the risks, uncertainties and assumptions that could cause Artis' actual results to materially differ from current expectations, refer to the section entitled “Risk Factors” of Artis' Annual Information Form for the year ended December 31, 2021, the section entitled “Risk and Uncertainties” of Artis' Q3-22 MD&A, as well as Artis' other public filings, available at www.sedar.com.

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 other than as required by applicable securities laws. All forward-looking statements contained in this press release are qualified by this cautionary statement.

NOTICE WITH RESPECT TO NON-GAAP & SUPPLEMENTARY FINANCIAL MEASURES DISCLOSURE

In addition to reported IFRS measures, certain non-GAAP and supplementary financial measures are commonly used by Canadian real estate investment trusts as an indicator of financial performance. "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.

Non-GAAP measures and ratios include Same Property Net Operating Income ("Same Property NOI"), Funds From Operations ("FFO"), Adjusted Funds from Operations ("AFFO"), FFO per Unit, AFFO per Unit, FFO Payout Ratio, AFFO Payout Ratio, NAV per Unit, Total Debt to GBV, Adjusted EBITDA Interest Coverage Ratio and Total Debt to Adjusted EBITDA.

Supplementary financial measures includes unencumbered assets to unsecured debt.

Management believes that these measures are helpful to investors because they are widely recognized measures of Artis' performance and provide a relevant basis for comparison among real estate entities.

These non-GAAP and supplementary financial measures are not defined under IFRS and are not intended to represent financial performance, financial position or cash flows for the period, 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.

The above measures are not standardized financial measures under the financial reporting framework used to prepare the financial statements of Artis. Readers should be further cautioned that the above measures as calculated by Artis may not be comparable to similar measures presented by other issuers. Refer to the Notice With Respect to Non-GAAP & Supplementary Financial Measures Disclosure of Artis' Q3-22 MD&A, which is incorporated by reference herein, for further information (available on SEDAR at www.sedar.com or Artis' website at www.artisreit.com).

The reconciliation for each non-GAAP measure or ratio and other supplementary financial measures included in this Press Release is outlined below.

NAV per Unit

	September 30, 2022	December 31, 2021
Unitholders' equity	$ 2,455,600	$ 2,455,353
Less face value of preferred equity	(213,769)	(299,017)
NAV attributable to common unitholders	$ 2,241,831	$ 2,156,336
Total number of dilutive units outstanding:		
Common units	115,787,822	123,544,536
Restricted units	450,989	462,891
Deferred units	181,343	133,552
	116,420,154	124,140,979
NAV per unit	$ 19.26	$ 17.37

Total Debt to GBV

	September 30, 2022	December 31, 2021
Total assets	$ 5,180,503	$ 4,576,024
Add: accumulated depreciation	10,284	9,275
Gross book value	5,190,787	4,585,299
Secured mortgages and loans	1,061,547	1,085,039
Preferred shares liability	961	889
Carrying value of debentures	448,961	249,346
Credit facilities	973,190	631,253
Total debt	$ 2,484,659	$ 1,966,527
Total debt to GBV	47.9 %	42.9 %

Unencumbered Assets to Unsecured Debt

	September 30, 2022	December 31, 2021
Unencumbered assets	$ 2,103,103	$ 1,902,748
Unencumbered assets in properties held under joint venture arrangements	31,630	36,805
Total unencumbered assets	2,134,733	1,939,553
Senior unsecured debentures	448,961	249,346
Unsecured credit facilities	973,190	631,253
Total unsecured debt	$ 1,422,151	$ 880,599
Unencumbered assets to unsecured debt	1.50	2.20

Adjusted EBITDA Interest Coverage Ratio

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Net (loss) income	$ (94,450)	$ 39,855	$ 123,007	$ 328,771
Add (deduct):				
Tenant inducements amortized to revenue	6,269	6,084	19,104	18,827
Straight-line rent adjustments	(424)	(885)	(955)	(3,102)
Interest expense	24,464	16,838	60,424	53,188
Net loss (income) from equity accounted investments	44,739	(7,310)	(102,855)	(13,519)
Distributions from equity accounted investments (1)	819	1,565	3,432	3,738
Fair value loss (gain) on investment properties	74,072	3,957	21,898	(188,264)
Foreign currency translation loss (gain)	6,956	(2,054)	8,266	3,717
Transaction costs	—	—	—	11
Strategic initiative expenses	—	—	—	18
Fair value loss (gain) on financial instruments	15,544	3,222	39,205	(9,922)
Depreciation of property and equipment	314	348	942	1,019
Income tax (recovery) expense	(10,928)	90	20,249	891
Adjusted EBITDA	67,375	61,710	192,717	195,373
Interest expense	24,464	16,838	60,424	53,188
Add (deduct):				
Amortization of financing costs	(862)	(790)	(2,390)	(2,520)
Amortization of above- and below-market mortgages, net	225	217	662	583
Adjusted interest expense	$ 23,827	$ 16,265	$ 58,696	$ 51,251
Adjusted EBITDA interest coverage ratio	2.83	3.79	3.28	3.81

(1) Excludes distributions from proceeds of the sale of investment properties.

Total Debt to Adjusted EBITDA

	September 30, 2022	December 31, 2021
Secured mortgages and loans	$ 1,061,547	$ 1,085,039
Preferred shares liability	961	889
Carrying value of debentures	448,961	249,346
Credit facilities	973,190	631,253
Total debt	2,484,659	1,966,527
Quarterly Adjusted EBITDA	67,375	59,781
Annualized Adjusted EBITDA	269,500	239,124
Total Debt to Adjusted EBITDA	9.2	8.2

Same Property NOI

	Three months ended September 30, 2022	Three months ended September 30, 2021	Change	% Change	Nine months ended September 30, 2022	Nine months ended September 30, 2021	Change	% Change
Net operating income	$ 53,716	$ 56,089			$157,603	$182,358		
Add (deduct) net operating income from:								
Joint venture arrangements	2,474	2,211			7,338	6,645		
Dispositions and unconditional dispositions	(280)	(3,503)			(785)	(19,910)		
(Re)development properties	300	162			1,042	486		
Lease termination income adjustments	(1,386)	16			(4,392)	(403)		
Disposition of condominium units	—	(184)			—	(1,275)		
Other	127	(1,004)			(232)	(3,445)		
	1,235	(2,302)			2,971	(17,902)		
Straight-line rent adjustments (1)	(480)	(1,042)			(1,256)	(3,868)		
Tenant inducements amortized to revenue (1)	6,366	5,609			19,447	16,847		
Same Property NOI	$ 60,837	$ 58,354	$ 2,483	4.3 %	$178,765	$177,435	$ 1,330	0.7 %

(1) Includes joint venture arrangements.

FFO and AFFO

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Net (loss) income	$ (94,450)	$ 39,855	$ 123,007	$ 328,771
Add (deduct):				
Fair value loss (gain) on investment properties	74,072	3,957	21,898	(188,264)
Tenant inducements amortized to revenue	6,269	6,084	19,104	18,827
Transaction costs on acquisitions	—	—	—	11
Adjustments for equity accounted investments	48,585	(5,555)	(91,351)	(8,453)
Strategic initiative expenses	—	—	—	18
Foreign currency translation loss (gain)	6,956	(2,054)	8,266	3,717
Fair value loss (gain) on financial instruments	15,544	3,222	39,205	(9,922)
Realized gain on disposition of equity securities	862	—	862	—
Deferred income tax (recovery) expense	(10,884)	10	19,935	(5)
Remeasurement component of unit-based compensation	(1,019)	38	(1,290)	(91)
Distributions on preferred shares treated as interest expense	60	43	177	126
Incremental leasing costs	662	726	2,327	2,251
Preferred unit distributions	(4,243)	(4,307)	(12,779)	(12,966)
FFO	$ 42,414	$ 42,019	$ 129,361	$ 134,020
Add (deduct):				
Amortization of recoverable capital expenditures	$ (2,012)	$ (2,157)	$ (5,787)	$ (6,895)
Straight-line rent adjustments	(424)	(885)	(955)	(3,102)
Adjustments for equity accounted investments	(1,511)	(150)	(4,814)	(466)
Non-recoverable property maintenance reserve	(1,100)	(1,100)	(3,300)	(3,300)
Leasing costs reserve	(8,000)	(7,900)	(24,000)	(23,700)
AFFO	$ 29,367	$ 29,827	$ 90,505	$ 96,557

FFO and AFFO Per Unit

	Three months ended September 30, 2022	2021	Nine months ended September 30, 2022	2021
Basic units	115,787,788	127,995,494	118,657,925	131,209,998
Add:				
Restricted units	450,989	396,774	401,654	353,199
Deferred units	180,881	95,408	167,358	79,039
Diluted units	116,419,658	128,487,676	119,226,937	131,642,236

	Three months ended September 30, 2022	2021	Nine months ended September 30, 2022	2021
FFO per unit:				
Basic	$ 0.37	$ 0.33	$ 1.09	$ 1.02
Diluted	0.36	0.33	1.08	1.02
AFFO per unit:				
Basic	$ 0.25	$ 0.23	$ 0.76	$ 0.74
Diluted	0.25	0.23	0.76	0.73

FFO and AFFO Payout Ratios

	Three months ended September 30, 2022	2021	Nine months ended September 30, 2022	2021
Distributions per common unit	$ 0.15	$ 0.15	$ 0.45	$ 0.44
FFO per unit	0.36	0.33	1.08	1.02
FFO payout ratio	41.7 %	45.5 %	41.7 %	43.1 %
Distributions per common unit	$ 0.15	$ 0.15	$ 0.45	$ 0.44
AFFO per unit	0.25	0.23	0.76	0.73
AFFO payout ratio	60.0 %	65.2 %	59.2 %	60.3 %

ABOUT ARTIS REAL ESTATE INVESTMENT TRUST

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:

Samir Manji, President & Chief Executive Officer, Jaclyn Koenig, Chief Financial Officer or Heather Nikkel, Vice-President - Investor Relations and Sustainability of the REIT at 204-947-1250.

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