FOR IMMEDIATE RELEASE **MAY 11, 2023**

ARTIS REAL ESTATE INVESTMENT TRUST RELEASES FIRST 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 months ended March 31, 2023. The first 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 three months ended March 31, 2023. All amounts are in thousands of Canadian dollars, unless otherwise noted.

"During the first quarter, our real estate portfolio demonstrated strong results and we are pleased to report Same Property NOI growth of 8.4%", said Samir Manji, President and Chief Executive Officer of Artis. "Occupancy remained above 90% and positive leasing momentum continued throughout the quarter, with new leases totalling 409,983 square feet beginning and 315,574 square feet renewed at an increase in the weighted-average rental rate of 4.8%. We completed two industrial development projects, Blaine 35 II and Park Lucero East, both of which are 100% leased. Additionally, we made significant progress on our debt maturities and completed the two-year renewal of the second tranche of the revolving credit facilities of $280 million and extended two non-revolving credit facilities a further year for a total of $250 million. We have also had a strong start to 2023 on the disposition front with $22.6 million of transactions completed to date and a further $110 million of additional firm dispositions scheduled to close during the second quarter. Artis benefits from a diverse portfolio of real estate that includes retail, office and industrial assets. The quality of our real estate is evidenced by the operating performance noted above and the prices being achieved on dispositions that are in line with IFRS values. We have a healthy pipeline of additional dispositions that will further reduce overall leverage, enhance our liquidity and enable Artis to satisfy all upcoming debt obligations. While our leverage increased slightly during the quarter, we are on track to reduce leverage in the second quarter and we will continue to focus on reducing leverage throughout 2023. Our units currently trade at a significant discount to our net asset value (NAV) per unit of $17.09. Our normal course issuer bid remains active and represents the best investment we can make today - something we will continue doing given the significant accretive impact this will have on NAV per unit, FFO per unit and AFFO per unit. We remain committed to maximizing value for our unitholders."

FIRST QUARTER HIGHLIGHTS

Business Strategy Update

- Completed the development of Blaine 35 II, comprising two industrial properties totalling 198,900 square feet, located in the Twin Cities Area, Minnesota. The first building was 100.0% committed and the second building was 100.0% occupied upon completion.
- Completed the development of Park Lucero East, an industrial property comprising 561,000 square feet, located in the Greater Phoenix Area, Arizona. Artis has a 10% ownership interest in this property.
- Disposed of one office property located in Canada for a sale price of $14.6 million.
- Entered into an unconditional agreement to sell a retail property located in Canada for a sale price of $8.0 million.
- Utilized the normal course issuer bid ("NCIB") to purchase 1,356,296 common units at a weighted-average price of $8.24 and 53,900 preferred units at a weighted-average price of $24.09.

Balance Sheet and Liquidity

- Renewed the second tranche of the revolving credit facilities in the amount of $280.0 million for a two-year term maturing on April 29, 2025.
- Extended the maturity date of the $100.0 million non-revolving credit facility for a one-year term maturing on February 6, 2024 and extended the maturity date of the $150.0 million non-revolving credit facility for a one-year term maturing on July 18, 2024.

Financial and Operational

- Same Property NOI [(1)] in Canadian dollars for the first quarter of 2023 increased 8.4% compared to the first quarter of 2022.
- Increased portfolio occupancy to 90.5% at March 31, 2023, from 90.1% at December 31, 2022.
- Renewals totalling 315,574 square feet and new leases totalling 409,983 square feet commenced during the first quarter of 2023.
- Weighted-average rental rate on renewals that commenced during the first quarter of 2023 increased 4.8%.

(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

During the first quarter of 2023, the REIT continued unlocking value through the monetization of certain assets and sold one office property located in Canada for a sale price of $14.6 million. The sale proceeds, net of costs of $1.1 million, were $13.5 million. In addition, at March 31, 2023, the REIT had entered into an unconditional agreement to sell a retail property located in Canada for a sale price of $8.0 million, which closed subsequent to end of the quarter.

Subsequent to March 31, 2023, Artis entered into unconditional sale agreements for three retail properties located in Canada for an aggregate sale price of $71.6 million and one industrial property located in the U.S. for a sale price of US$28.9 million. The dispositions are expected to close during the second quarter of 2023.

The REIT's NCIB program has remained active since the announcement of the Business Transformation Plan. During the first quarter of 2023, the REIT purchased 1,356,296 units at a weighted-average price of $8.24 compared to NAV per unit of $17.09 at March 31, 2023 .

Driving Organic Growth

During the first quarter of 2023, Artis completed two development projects, Park Lucero East and Blaine 35 II.

Park Lucero East is an industrial property located in the Greater Phoenix Area, Arizona which comprises 561,000 square feet. The property was 100.0% committed upon completion. Artis has a 10% ownership interest in Park Lucero East as well as a development management contract.

Blaine 35 II, located in the Twin Cities Area, Minnesota comprises two industrial buildings. The first building totals 98,900 square feet and was 100.0% committed upon completion, while the second building totals 100,000 square feet and was 100.0% occupied upon completion.

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

At March 31, 2023, Artis invested in equity securities with an aggregate fair value of $262.5 million**.** This includes equity securities of Dream Office Real Estate Investment Trust, where, together with its joint actors, Artis acquired a 14% ownership position. This also includes equity securities of First Capital Real Estate Investment Trust.

BALANCE SHEET AND LIQUIDITY

The REIT's balance sheet metrics are as follows:

	March 31, 2023	December 31, 2022
Total investment properties	$ 3,655,723	$ 3,683,571
Unencumbered assets	2,023,557	2,034,409
NAV per unit (1)	17.09	17.38
Total debt to GBV (1)	49.1 %	48.5 %
Total debt to Adjusted EBITDA (1)	8.3	8.3
Adjusted EBITDA interest coverage ratio (1)	2.28	2.98
Unencumbered assets to unsecured debt (1)	1.57	1.54

(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 March 31, 2023, Artis had $37.2 million of cash on hand and $107.3 million available on its revolving credit facilities.

Liquidity and capital resources may be impacted by financing activities, portfolio acquisition, disposition and development activities or debt repayments occurring subsequent to March 31, 2023.

FINANCIAL AND OPERATIONAL RESULTS

$000's, except per unit amounts	Three months ended March 31, 2023	2022	% Change
Revenue	$ 90,255	$ 93,241	(3.2)%
Net operating income	48,061	51,462	(6.6)%
Net (loss) income	(22,761)	237,013	(109.6)%
Total comprehensive (loss) income	(23,671)	213,776	(111.1)%
Distributions per common unit	0.15	0.15	— %
FFO [(1)]	$ 33,371	$ 42,008	(20.6)%
FFO per unit [(1)]	0.29	0.34	(14.7)%
FFO payout ratio [(1)]	51.7 %	44.1 %	7.6 %
AFFO [(1)]	$ 20,415	$ 29,571	(31.0)%
AFFO per unit [(1)]	0.18	0.24	(25.0)%
AFFO payout ratio [(1)]	83.3 %	62.5 %	20.8 %

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Artis reported portfolio occupancy of 90.5% at March 31, 2023, increased from 90.1% at December 31, 2022. Weighted-average rental rate on renewals that commenced during the first quarter of 2023 increased 4.8%.

Artis's portfolio has a stable lease expiry profile with 50.6% of gross leasable area expiring in 2027 or later. Weighted-average in-place rents for the total portfolio are $14.32 per square foot and are estimated to be 0.7% below market rents. Information about Artis's lease expiry profile is as follows:

	Current vacancy	Monthly tenants	2023	2024	2025	2026	2027 & later	Total portfolio
Expiring square footage	9.5 %	0.3 %	10.2 %	9.2 %	9.2 %	11.0 %	50.6 %	100.0 %
In-place rents	N/A	N/A	$ 16.22	$ 14.97	$ 16.68	$ 17.15	$ 12.77	$ 14.32
Market rents	N/A	N/A	$ 16.70	$ 14.67	$ 16.60	$ 17.24	$ 12.91	$ 14.42

UPCOMING WEBCAST AND CONFERENCE CALL

A conference call with management will be held on Friday, May 12, 2023, 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, May 12, 2023, a replay of the conference call will be available by dialing 1-416-764-8677 or 1-888-390-0541 and entering passcode 500374#. The replay will be available until Friday, May 19, 2023. 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.

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's actual results to materially differ from current expectations, refer to the section entitled "Risk Factors" of Artis's Annual Information Form for the year ended December 31, 2022, the section entitled "Risk and Uncertainties" of Artis's Q1-23 MD&A, as well as Artis's 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's 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's Q1-23 MD&A, which is incorporated by reference herein, for further information (available on SEDAR at www.sedar.com or Artis's 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

	March 31, 2023	December 31, 2022
Unitholders' equity	$ 2,172,733	$ 2,229,159
Less face value of preferred equity	(211,199)	(212,547)
NAV attributable to common unitholders	1,961,534	2,016,612
Total number of dilutive units outstanding:		
Common units	114,055,330	115,409,234
Restricted units	509,538	440,617
Deferred units	227,880	203,430
	114,792,748	116,053,281
NAV per unit	$ 17.09	$ 17.38

Total Debt to GBV

	March 31, 2023	December 31, 2022
Total assets	$ 4,467,506	$ 4,553,913
Add: accumulated depreciation	10,898	10,585
Gross book value	4,478,404	4,564,498
Secured mortgages and loans	879,132	864,698
Preferred shares liability	948	950
Carrying value of debentures	449,250	449,091
Credit facilities	871,685	901,159
Total debt	$ 2,201,015	$ 2,215,898
Total debt to GBV	49.1 %	48.5 %

Unencumbered Assets to Unsecured Debt

	March 31, 2023	December 31, 2022
Unencumbered assets	$ 2,023,557	$ 2,034,409
Unencumbered assets in properties held under joint venture arrangements	50,823	50,557
Total unencumbered assets	2,074,380	2,084,966
Senior unsecured debentures	449,250	449,091
Unsecured credit facilities	871,685	901,159
Total unsecured debt	$ 1,320,935	$ 1,350,250
Unencumbered assets to unsecured debt	1.57	1.54

Adjusted EBITDA Interest Coverage Ratio

	Three months ended March 31, 2023	2022
Net (loss) income	$ (22,761)	$ 237,013
Add (deduct):		
Tenant inducements amortized to revenue	6,246	6,406
Straight-line rent adjustments	(547)	(288)
Depreciation of property and equipment	314	314
Net loss (income) from equity accounted investments	13,457	(140,284)
Distributions from equity accounted investments	974	1,885
Interest expense	29,732	16,057
Fair value loss (gain) on investment properties	27,708	(70,941)
Fair value loss (gain) on financial instruments	16,935	(20,193)
Foreign currency translation gain	(1,856)	(1,263)
Income tax (recovery) expense	(3,887)	31,967
Adjusted EBITDA	66,315	60,673
Interest expense	29,732	16,057
Add (deduct):		
Amortization of financing costs	(863)	(727)
Amortization of above- and below-market mortgages, net	233	218
Adjusted interest expense	$ 29,102	$ 15,548
Adjusted EBITDA interest coverage ratio	2.28	3.90

Total Debt to Adjusted EBITDA

	March 31, 2023	December 31, 2022
Secured mortgages and loans	$ 879,132	$ 864,698
Preferred shares liability	948	950
Carrying value of debentures	449,250	449,091
Credit facilities	871,685	901,159
Total debt	2,201,015	2,215,898
Quarterly Adjusted EBITDA	66,315	66,812
Annualized Adjusted EBITDA	265,260	267,248
Total Debt to Adjusted EBITDA	8.3	8.3

Same Property NOI

	Three months ended March 31, 2023	2022	Change	% Change
Net operating income	$ 48,061	$ 51,462		
Add (deduct) net operating income from:				
Joint venture arrangements	1,917	2,257		
Dispositions and unconditional dispositions	(309)	(6,078)		
(Re)development properties	(1,439)	(2,188)		
Lease termination income adjustments	131	(480)		
Other	195	17		
	495	(6,472)		
Straight-line rent adjustments (1)	(418)	(746)		
Tenant inducements amortized to revenue (1)	6,307	5,985		
Same Property NOI	$ 54,445	$ 50,229	$ 4,216	8.4 %

(1) Includes joint venture arrangements.

FFO and AFFO

	Three months ended March 31, 2023	2022
Net (loss) income	$ (22,761)	$ 237,013
Add (deduct):		
Tenant inducements amortized to revenue	6,246	6,406
Incremental leasing costs	524	816
Distributions on preferred shares treated as interest expense	62	58
Remeasurement component of unit-based compensation	(645)	340
Adjustments for equity accounted investments	14,624	(137,824)
Fair value loss (gain) on investment properties	27,708	(70,941)
Fair value loss (gain) on financial instruments	16,935	(20,193)
Realized loss on disposition of equity securities	(446)	—
Foreign currency translation gain	(1,856)	(1,263)
Deferred income tax (recovery) expense	(3,961)	31,873
Preferred unit distributions	(3,059)	(4,277)
FFO	$ 33,371	$ 42,008
Add (deduct):		
Amortization of recoverable capital expenditures	$ (1,817)	$ (1,876)
Straight-line rent adjustments	(547)	(288)
Non-recoverable property maintenance reserve	(700)	(1,100)
Leasing costs reserve	(7,900)	(8,000)
Adjustments for equity accounted investments	(1,992)	(1,173)
AFFO	$ 20,415	$ 29,571

FFO and AFFO Per Unit

	Three months ended March 31, 2023	2022
Basic units	115,396,136	121,888,430
Add:		
Restricted units	450,388	439,224
Deferred units	227,413	149,923
Diluted units	116,073,937	122,477,577

	Three months ended March 31, 2023	2022
FFO per unit:		
Basic	$ 0.29	$ 0.34
Diluted	0.29	0.34
AFFO per unit:		
Basic	$ 0.18	$ 0.24
Diluted	0.18	0.24

FFO and AFFO Payout Ratios

	Three months ended March 31, 2023	2022
Distributions per common unit	$ 0.15	$ 0.15
FFO per unit	0.29	0.34
FFO payout ratio	51.7 %	44.1 %
Distributions per common unit	$ 0.15	$ 0.15
AFFO per unit	0.18	0.24
AFFO payout ratio	83.3 %	62.5 %

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's 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:

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