FOR IMMEDIATE RELEASE **NOVEMBER 2, 2023**

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, 2023. 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, 2023. All amounts are in thousands of Canadian dollars, unless otherwise noted.

“We are pleased to report strong same property growth in Canadian dollars of 6.0% for the three months ended September 30, 2023, compared to the same period of 2022, and a 3.5% weighted-average increase in rental rates for 177,787 square feet of renewals that commenced during the three-month period," said Samir Manji, President and Chief Executive Officer of Artis. "We continue to see the quality of our real estate reflected in the interest and traction achieved on the disposition front to date. During and subsequent to the third quarter, we closed or went unconditional on dispositions for an aggregate sale price of $112.7 million, including five office properties totalling 493,820 square feet. Proceeds from these transactions, along with additional dispositions underway, will enable us to continue reducing our overall debt, which is a key near-term priority for Artis. As at September 30, 2023, we had purchased the maximum number of common units allowable under the REIT’s normal course issuer bid. We believe that the current market price of Artis’s units does not reflect the fundamental intrinsic value of the REIT and, as such, unit buybacks are viewed as a compelling tool that effectively returns capital to unitholders while concurrently enhancing value for our owners. With our NCIB now fully utilized for 2023, the Board may consider additional mechanisms that are available to the REIT for returning capital to unitholders, including, subject to market and other conditions, other unit repurchases. The Special Committee continues to evaluate strategic alternatives to close the value gap between our trading price and our IFRS net asset value of $15.26 per unit. As we continue to monetize assets to pay down debt, our current distribution program remains unchanged.”

THIRD QUARTER HIGHLIGHTS

Business Strategy Update

- Artis's Board of Trustees ("the Board") established a Special Committee (the "Special Committee") to initiate a strategic review process to consider and evaluate strategic alternatives that may be available to the REIT to unlock and maximize value for unitholders.
- The Board announced that the Special Committee retained BMO Nesbitt Burns Inc. to provide financial advisory services to the REIT and Special Committee in connection with the strategic review process.
- Disposed of one office property located in Canada for a sale price of $3.5 million.
- Utilized the normal course issuer bid ("NCIB") to purchase 1,698,736 common units at a weighted-average price of $6.92 and 147,200 preferred units at a weighted-average price of $18.11. The REIT has purchased the maximum number of common units allowed under the applicable NCIB term.

Balance Sheet and Liquidity

- Repaid the Series D senior unsecured debentures upon maturity in the amount of $250.0 million.
- Improved Total Debt to Adjusted EBITDA (1) to 8.0 at September 30, 2023, compared to 8.3 at December 31, 2022.

Financial and Operational

- Same Property NOI (1) in Canadian dollars for the third quarter of 2023 increased 6.0% compared to the third quarter of 2022.
- Renewals totalling 177,787 square feet and new leases totalling 58,867 square feet commenced during the third quarter of 2023.
- Weighted-average rental rate on renewals that commenced during the third quarter of 2023 increased 3.5%.

(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

Strategic Review Process

The Board established a Special Committee to initiate a strategic review process to consider and evaluate strategic alternatives that may be available to the REIT to unlock and maximize value for unitholders.

The Board announced that the Special Committee retained BMO Nesbitt Burns Inc. to provide financial advisory services to the REIT and Special Committee in connection with the strategic review process.

There can be no assurance that the strategic review process will result in the REIT pursuing any transaction or that any alternative transaction will be available to the REIT. Neither the Board nor the Special Committee has set a timetable for completion of this process and the REIT does not intend to disclose further developments unless and until it determines that disclosure is appropriate or necessary.

Strengthening the Balance Sheet

During the third quarter of 2023, the REIT continued unlocking value through the monetization of certain assets and sold one office property in Canada for a sale price of $3.5 million. The sale proceeds, net of costs of $0.2 million, were $3.3 million.

The REIT's NCIB program has remained active since the announcement of the Business Transformation Plan. During the third quarter of 2023, the REIT purchased 1,698,736 units at a weighted-average price of $6.92 compared to NAV per unit of $15.26 at September 30, 2023. The REIT has purchased the maximum number of common units allowed under the applicable NCIB term.

Driving Organic Growth

The REIT has a commercial and residential development project underway. 300 Main is a 580,000 square foot building located in Winnipeg, Manitoba. 300 Main is a best-in-class amenity-rich apartment building with main floor commercial space. Residential tenants began moving into the building on July 1, 2023 and leasing of the remaining apartment units is currently underway.

Focusing on Value Investing

At September 30, 2023, Artis invested in equity securities with an aggregate fair value of $133.8 million. This includes equity securities of Dream Office Real Estate Investment Trust and First Capital Real Estate Investment Trust.

BALANCE SHEET AND LIQUIDITY

The REIT's balance sheet metrics are as follows:

	September 30, 2023	December 31, 2022
Total investment properties	$ 3,227,633	$ 3,683,571
Unencumbered assets	1,650,006	2,034,409
NAV per unit (1)	15.26	17.38
Total Debt to GBV (1)	49.4 %	48.5 %
Total Debt to Adjusted EBITDA (1)	8.0	8.3
Adjusted EBITDA interest coverage ratio (1)	2.10	2.98
Unencumbered assets to unsecured debt (1)	1.67	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 September 30, 2023, Artis had $34.7 million of cash on hand and $112.3 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 September 30, 2023.

FINANCIAL AND OPERATIONAL RESULTS

$000's, except per unit amounts	Three months ended September 30, 2023	2022	% Change	Nine months ended September 30, 2023	2022	% Change
Revenue	$ 80,412	$ 94,114	(14.6)%	$ 254,945	$ 278,410	(8.4)%
Net operating income	43,737	53,716	(18.6)%	138,665	157,603	(12.0)%
Net (loss) income	(137,516)	(94,450)	45.6 %	(245,231)	123,007	(299.4)%
Total comprehensive (loss) income	(109,017)	8,867	(1329.5)%	(248,129)	253,196	(198.0)%
Distributions per common unit	0.15	0.15	— %	0.45	0.45	— %
FFO (1) (2)	$ 29,501	$ 41,552	(29.0)%	$ 93,264	$ 128,499	(27.4)%
FFO per unit (1) (2)	0.27	0.36	(25.0)%	0.82	1.08	(24.1)%
FFO payout ratio (1)	55.6 %	41.7 %	13.9 %	54.9 %	41.7 %	13.2 %
AFFO (1) (2)	$ 16,640	$ 28,505	(41.6)%	$ 54,580	$ 89,643	(39.1)%
AFFO per unit (1) (2)	0.15	0.24	(37.5)%	0.48	0.75	(36.0)%
AFFO payout ratio (1)	100.0 %	62.5 %	37.5 %	93.8 %	60.0 %	33.8 %

(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.

(2) The REIT also calculates FFO and AFFO, adjusted for the impact of the realized gain (loss) on equity securities. Refer to FFO and AFFO section of Artis's Q3-23 MD&A.

Artis reported portfolio occupancy of 89.9% at September 30, 2023, compared to 90.3% at June 30, 2023. Weighted-average rental rate on renewals that commenced during the third quarter of 2023 increased 3.5%.

Artis's portfolio has a stable lease expiry profile with 54.6% of gross leasable area expiring in 2027 or later. Weighted-average in-place rents for the total portfolio are $15.21 per square foot and are estimated to be 0.9% above 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	10.1 %	0.2 %	4.8 %	8.8 %	9.5 %	12.0 %	54.6 %	100.0 %
In-place rents	N/A	N/A	$ 17.60	$ 16.29	$ 16.59	$ 17.06	$ 14.17	$ 15.21
Market rents	N/A	N/A	$ 17.58	$ 15.90	$ 16.49	$ 17.03	$ 14.04	$ 15.07

UPCOMING WEBCAST AND CONFERENCE CALL

A conference call with management will be held on Friday, November 3, 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, November 3, 2023, a replay of the conference call will be available by dialing 1-416-764-8677 or 1-888-390-0541 and entering passcode 193966#. The replay will be available until Friday, November 10, 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; credit, market, currency, operational, liquidity and funding risks; 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 and legal rights attaching to units, preferred units and debentures, dilution, unitholder liability, failure to obtain additional financing, potential conflicts of interest and risks and uncertainties regarding strategic alternatives including the terms of their availability, whether they will be available at all and the effects of their implementation.

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 Q3-23 MD&A, as well as Artis's other public filings, available on SEDAR+ at www.sedarplus.ca.

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 Q3-23 MD&A, which is incorporated by reference herein, for further information (available on SEDAR+ at www.sedarplus.ca 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

	September 30, 2023	December 31, 2022
Unitholders' equity	$ 1,857,660	$ 2,229,159
Less face value of preferred equity	(199,196)	(212,547)
NAV attributable to common unitholders	1,658,464	2,016,612
Total number of dilutive units outstanding:		
Common units	107,946,943	115,409,234
Restricted units	484,368	440,617
Deferred units	284,063	203,430
	108,715,374	116,053,281
NAV per unit	$ 15.26	$ 17.38

Total Debt to GBV

	September 30, 2023	December 31, 2022
Total assets	$ 3,871,689	$ 4,553,913
Add: accumulated depreciation	11,498	10,585
Gross book value	3,883,187	4,564,498
Secured mortgages and loans	901,342	864,698
Preferred shares liability	948	950
Carrying value of debentures	199,562	449,091
Credit facilities	817,034	901,159
Total debt	$ 1,918,886	$ 2,215,898
Total debt to GBV	49.4 %	48.5 %

Unencumbered Assets to Unsecured Debt

	September 30, 2023	December 31, 2022
Unencumbered assets	$ 1,650,006	$ 2,034,409
Unencumbered assets in properties held under joint venture arrangements	49,034	50,557
Total unencumbered assets	1,699,040	2,084,966
Senior unsecured debentures	199,562	449,091
Unsecured credit facilities	817,034	901,159
Total unsecured debt	$ 1,016,596	$ 1,350,250
Unencumbered assets to unsecured debt	1.67	1.54

Adjusted EBITDA Interest Coverage Ratio

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Net (loss) income	$ (137,516)	$ (94,450)	$ (245,231)	$ 123,007
Add (deduct):				
Tenant inducements amortized to revenue	6,026	6,269	18,418	19,104
Straight-line rent adjustments	(714)	(424)	(2,045)	(955)
Depreciation of property and equipment	314	314	915	942
Net loss (income) from equity accounted investments	49,728	44,739	55,581	(102,855)
Distributions from equity accounted investments	1,017	819	2,973	3,432
Interest expense	29,095	24,464	89,060	60,424
Strategic review expenses	179	—	179	—
Fair value loss on investment properties	87,675	74,072	224,483	21,898
Fair value loss on financial instruments	22,727	15,544	53,931	39,205
Foreign currency translation loss (gain)	2,485	6,956	(3,052)	8,266
Income tax (recovery) expense	(1,228)	(10,928)	(8,672)	20,249
Adjusted EBITDA	59,788	67,375	186,540	192,717
Interest expense	29,095	24,464	89,060	60,424
Add (deduct):				
Amortization of financing costs	(865)	(862)	(2,604)	(2,390)
Amortization of above- and below-market mortgages, net	230	225	694	662
Adjusted interest expense	$ 28,460	$ 23,827	$ 87,150	$ 58,696
Adjusted EBITDA interest coverage ratio	2.10	2.83	2.14	3.28

Total Debt to Adjusted EBITDA

	September 30, 2023	December 31, 2022
Secured mortgages and loans	$ 901,342	$ 864,698
Preferred shares liability	948	950
Carrying value of debentures	199,562	449,091
Credit facilities	817,034	901,159
Total debt	1,918,886	2,215,898
Quarterly Adjusted EBITDA	59,788	66,812
Annualized Adjusted EBITDA	239,152	267,248
Total Debt to Adjusted EBITDA	8.0	8.3

Same Property NOI

	Three months ended September 30, 2023	2022	Change	% Change
Net operating income	$ 43,737	$ 53,716		
Add (deduct) net operating income from:				
Joint venture arrangements	3,295	2,474		
Dispositions and unconditional dispositions	278	(9,643)		
(Re)development properties	(53)	(2,355)		
Lease termination income adjustments	(286)	(122)		
Other	(17)	301		
	3,217	(9,345)		
Straight-line rent adjustments [1]	(952)	(840)		
Tenant inducements amortized to revenue [1]	6,116	5,653		
Same Property NOI	$ 52,118	$ 49,184	$ 2,934	6.0 %

(1) Includes joint venture arrangements.

FFO and AFFO

	Three months ended September 30, 2023	2022	Nine months ended September 30, 2023	2022
Net (loss) income	$ (137,516)	$ (94,450)	$ (245,231)	$ 123,007
Add (deduct):				
Tenant inducements amortized to revenue	6,026	6,269	18,418	19,104
Incremental leasing costs	524	662	1,818	2,327
Distributions on preferred shares treated as interest expense	62	60	186	177
Remeasurement component of unit-based compensation	(461)	(1,019)	(1,399)	(1,290)
Strategic review expenses	179	—	179	—
Adjustments for equity accounted investments	52,257	48,585	62,481	(91,351)
Fair value loss on investment properties	87,675	74,072	224,483	21,898
Fair value loss on financial instruments	22,727	15,544	53,931	39,205
Foreign currency translation loss (gain)	2,485	6,956	(3,052)	8,266
Deferred income tax (recovery) expense	(1,295)	(10,884)	(9,196)	19,935
Preferred unit distributions	(3,162)	(4,243)	(9,354)	(12,779)
FFO	$ 29,501	$ 41,552	$ 93,264	$ 128,499
Add (deduct):				
Amortization of recoverable capital expenditures	$ (1,790)	$ (2,012)	$ (5,418)	$ (5,787)
Straight-line rent adjustments	(714)	(424)	(2,045)	(955)
Non-recoverable property maintenance reserve	(550)	(1,100)	(1,800)	(3,300)
Leasing costs reserve	(7,500)	(8,000)	(22,900)	(24,000)
Adjustments for equity accounted investments	(2,307)	(1,511)	(6,521)	(4,814)
AFFO	$ 16,640	$ 28,505	$ 54,580	$ 89,643

FFO and AFFO Per Unit

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Basic units	109,216,628	115,787,788	112,422,202	118,657,925
Add:				
Restricted units	484,368	450,989	437,958	401,654
Deferred units	283,317	180,881	260,554	167,358
Diluted units	109,984,313	116,419,658	113,120,714	119,226,937

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
FFO per unit:				
Basic	$ 0.27	$ 0.36	$ 0.83	$ 1.08
Diluted	0.27	0.36	0.82	1.08
AFFO per unit:				
Basic	$ 0.15	$ 0.25	$ 0.49	$ 0.76
Diluted	0.15	0.24	0.48	0.75

FFO and AFFO Payout Ratios

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Distributions per common unit	$ 0.15	$ 0.15	$ 0.45	$ 0.45
FFO per unit	0.27	0.36	0.82	1.08
FFO payout ratio	55.6 %	41.7 %	54.9 %	41.7 %
Distributions per common unit	$ 0.15	$ 0.15	$ 0.45	$ 0.45
AFFO per unit	0.15	0.24	0.48	0.75
AFFO payout ratio	100.0 %	62.5 %	93.8 %	60.0 %

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:

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

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