



Management's Discussion and Analysis

Q3-24

TSX: AX.UN AX.PR.E AX.PR.I
OTCQX: ARESF

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Management's Discussion and Analysis - Q3-24

(in thousands of Canadian dollars, unless otherwise noted)

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Artis Real Estate Investment Trust should be read in conjunction with the REIT's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2024 and 2023, the audited annual consolidation financial statements for years ended December 31, 2023 and 2022, and the notes thereto. Unless otherwise noted, all amounts in this MD&A are based on the consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Additionally, "Artis", and the "REIT", refers to Artis Real Estate Investment Trust and its consolidated operations. This MD&A has been prepared taking into account material transactions and events up to and including November 7, 2024. Additional information, including the REIT's most recent Annual Information Form, has been filed with applicable Canadian securities regulatory authorities and is available on Artis's website at www.artisreit.com or SEDAR+ at www.sedarplus.ca.

FORWARD-LOOKING DISCLAIMER

This MD&A contains certain statements which are "forward-looking statements" within the meaning of applicable securities laws. All statements other than statements of historical fact contained or incorporated by reference herein may be deemed to be forward-looking statements including, without limitation, statements regarding the timing and amount of distributions and the future financial position, business strategy, potential acquisitions and dispositions, plans and objectives of Artis. Forward-looking statements reflect management's expectations regarding future growth, results of operations, performance, prospects and opportunities of Artis. Without limiting the foregoing, the words "expects", "anticipates", "intends", "estimates", "projects", and similar expressions or variations of such words and phrases are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements.

Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. Artis cannot assure investors that the actual results will be consistent with any forward-looking statements and, other than as required by applicable law, 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 MD&A are qualified by this cautionary statement.

Forward-looking statements may involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results expressed or implied in forward-looking statements including risks relating to the strategy, real property ownership, geographic concentration, current economic conditions, strategic initiatives, pandemics and other public health events, debt financing, interest rate fluctuations, foreign currency, tenants, specified investment flow-through ("SIFT") rules, other tax-related factors, illiquidity, competition, reliance on key personnel, future property transactions, general uninsured losses, dependence on information technology systems, cyber security, environmental matters and climate change, land and air rights leases, public market, 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, developments, and trustees.

In particular, any proposed acquisitions and dispositions described herein or in documents incorporated by reference herein are, in certain cases, subject to conditions that may not be satisfied and there can be no assurance that such acquisitions and dispositions will be completed. In addition, with respect to the strategic review process undertaken by the Board and Special Committee (refer to Strategic Review section of this MD&A), there can be no assurance that such process will result in the REIT pursuing any transaction or that any alternative transaction will be available to the REIT.

The Tax Act contains the SIFT Rules, which are applicable to SIFTs and investors in SIFTs, but do not apply to trusts that satisfy the REIT Exception. As at the date of this MD&A, Artis satisfies the REIT Exception and intends to continue to satisfy the REIT Exception so that the SIFT Rules will not apply to Artis. Should this not occur, certain statements contained in this MD&A relating to the SIFT Rules and the REIT Exception relating to Artis and its holders of common units would no longer be applicable.

For more information on the risks, uncertainties and assumptions that could cause the 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, 2023 as well as Artis's other public filings, available on SEDAR+ at www.sedarplus.ca.

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, FFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities, AFFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities, FFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities per Unit, AFFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities per Unit, FFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities Payout Ratio, AFFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities Payout Ratio, Net Asset Value ("NAV"), NAV per Unit, Gross Book Value ("GBV"), Secured Mortgages and Loans to GBV, Total Debt to GBV, Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"), Adjusted EBITDA Interest Coverage Ratio and Total Debt to Adjusted EBITDA.

Supplementary financial measures include unencumbered assets to unsecured debt, percentage of unhedged variable rate mortgage debt, excess (shortfall) of cash flow from operations over distributions declared and excess (shortfall) of net income over distributions declared.

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.

A description of the composition and a reconciliation to each of these measures to the nearest IFRS measure can be found in the MD&A sections as outlined below:

Non-GAAP / Supplementary Financial Measure	MD&A Section
Same Property NOI	Same Property NOI Analysis
FFO, AFFO, FFO per Unit, AFFO per Unit, FFO Payout Ratio, AFFO Payout Ratio	FFO & AFFO
FFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities, AFFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities, FFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities per Unit, AFFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities per Unit, FFO Payout Ratio Adjusted for Impact of Realized Gain (Loss) on Equity Securities, AFFO Payout Ratio Adjusted for Impact of Realized Gain (Loss) on Equity Securities	FFO & AFFO
NAV Per Unit	Other Financial Measures
GBV, Secured Mortgages & Loans to GBV, Total Debt to GBV	Other Financial Measures
Adjusted EBITDA, Adjusted EBITDA Interest Coverage Ratio & Debt to Adjusted EBITDA	Other Financial Measures
Unencumbered assets to unsecured debt	Other Financial Measures
Percentage of unhedged variable rate mortgage debt	Liabilities
Excess (shortfall) of cash flow from operations over distributions declared, excess (shortfall) of net income over distributions declared	Liquidity & Capital Resources

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.

BUSINESS OVERVIEW

Artis is a diversified commercial real estate investment trust and is an unincorporated closed-end real estate investment trust, created under, and governed by, the laws of the Province of Manitoba. The REIT was created pursuant to the Declaration of Trust dated November 8, 2004, as most recently amended and restated on December 19, 2021 (the "Declaration of Trust").

Certain of the REIT's securities are listed on the Toronto Stock Exchange ("TSX"). The REIT's common units trade under the symbol AX.UN and the REIT's preferred units trade under the symbols AX.PR.E and AX.PR.I. The REIT's common units also trade in the United States ("U.S.") on the OTCQX Best Market ("OTCQX"), under the symbol ARESF.

As at November 7, 2024, there were 101,732,351 common units, 7,276,965 preferred units, 595,744 restricted units and 459,767 deferred units of Artis outstanding (refer to the Outstanding Unit Data section of this MD&A for further details).

VISION

Artis's vision is to become a best-in-class real estate asset management and investment platform focused on value investing.

BUSINESS STRATEGY

Artis's strategy is to achieve its vision and to create an asset management and investment platform, focused on value investing in real estate.

The goal of the strategy is to generate meaningful long-term growth in NAV per unit by strengthening the balance sheet, driving organic growth and value investing. As part of this strategy, Artis will concentrate its ownership in the highest and best risk adjusted return opportunities in an effort to maximize long-term value for unitholders.

Business Strategy Update

Dispositions

The REIT has been unlocking value through the monetization of certain assets. During the third quarter of 2024, Artis sold two office properties and a parking lot located in Canada and 14 industrial properties and one office property located in the United States for an aggregate sale price of \$615,978. At September 30, 2024, the REIT had one industrial property and two retail properties located in Canada and one industrial property located in the U.S. under unconditional sale agreements for an aggregate sale price of approximately \$113,000.

The REIT will continue to evaluate the sale of a portion of its industrial, office and retail assets in an opportunistic and disciplined manner, with the goal of selling assets at or above IFRS values and maximizing value on a tax-efficient basis.

Normal Course Issuer Bid

Artis continues to view its Normal Course Issuer Bid ("NCIB") as a valuable tool to enhance unitholder value. The REIT renewed the NCIB effective December 19, 2023 and, under the terms of the NCIB, the REIT may purchase a maximum of 7,021,296 common units, 324,300 Series E preferred units and 457,554 Series I preferred units. As at September 30, 2024, the REIT purchased 4,975,324 common units at a weighted-average price of \$6.64 under the current term. These units were purchased at a significant discount to NAV per unit of \$13.77 at September 30, 2024.

Operations and Developments

Organic growth is an important element of Artis's strategy. Artis's management is focused on identifying operational efficiencies, increasing occupancy and in-place rents, and the completion of new development projects.

Occupancy at September 30, 2024, was stable at 87.3% (89.2% including commitments), compared to 89.5% at June 30, 2024. During the third quarter, 161,804 square feet of new leases and 146,979 square feet of renewals commenced. These renewals were negotiated at a weighted-average rental increase when compared to expiring rents of 2.5%.

Strategic Value Investments

During 2022, Artis participated in an investor group to acquire Cominar Real Estate Investment Trust ("Cominar"). The REIT acquired approximately 32.64% of Iris Acquisition II LP ("Iris"), an entity formed to acquire the outstanding units of Cominar, and junior preferred units. Refer to the Equity Accounted Investments and Preferred Investments sections of this MD&A for further information.

At September 30, 2024, Artis held equity securities with an aggregate fair value of \$100,200. This includes equity securities of Dream Office Real Estate Investment Trust ("Dream Office") and First Capital Real Estate Investment Trust. On June 18, 2024, Artis announced that the REIT, together with its joint actors, had acquired a 20.75% ownership position in Dream Office.

DBRS Credit Rating

The REIT's senior unsecured debentures have a Morningstar DBRS ("DBRS") rating of BBB (low) and the REIT's preferred trust units have a DBRS rating at Pfd-3 (low), both with Negative trends, as confirmed in DBRS's Rating Report dated February 13, 2024.

The successful execution of Artis's strategy requires suitable opportunities, careful timing, patience and business judgment, as well as sufficient resources to make investments and restructure them, if required. There can be no assurance that the REIT will be able to execute its strategy or to identify suitable or sufficient opportunities to monetize or maximize the value of its existing portfolio of assets or to make investments that satisfy its investment criteria at attractive prices, in either case, in a timely manner, or at all.

STRATEGIC REVIEW

On August 2, 2023, Artis's Board of Trustees (the "Board") established a Special Committee to initiate a strategic review process to consider and evaluate alternatives that may be available to the REIT to unlock and maximize value for unitholders.

On September 11, 2023, 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.

Since the announcement of the strategic review, Artis has completed or entered into unconditional sale agreements for \$1,087,956 of assets (in line with the REIT's IFRS values) on terms that were acceptable to the REIT. This includes \$192,243 of office assets, \$247,100 of retail assets and \$648,613 of industrial assets.

As described above, the Board remains committed to pursuing strategic alternatives that may be available to the REIT to unlock and maximize value for unitholders, including pursuing near-term opportunities available to Artis to enhance and grow NAV per unit.

There can be no assurance that the strategic review process will result in the REIT pursuing any further transactions. The REIT has not set a timetable for completion of this process and will disclose further developments as it determines appropriate or necessary.

BUSINESS ENVIRONMENT AND OUTLOOK

Occupancy including commitments was 89.2% at September 30, 2024, compared to 90.6% at June 30, 2024. During the quarter, 348,288 square feet of new leases and renewals were negotiated and signed (some of which were at properties that are held in joint venture arrangements). With respect to new leases and renewals that commenced during the quarter, 161,804 square feet of new leases and 146,979 square feet of renewals began. The renewals that commenced during the quarter were negotiated at a weighted-average increase of 2.5% over expiring rates. This marks the fifteenth consecutive quarter of growth in weighted-average rental rates on renewals. Year-over-year Same Property NOI growth for the nine months ended September 30, 2024, was 1.0%. The increase in weighted-average renewal rents and Same Property NOI growth are important indicators of the stability and growth profile of the REIT's portfolio.

During the third quarter of 2024, Artis sold two office properties and a parking lot located in Canada and 14 industrial properties and one office property located in the United States for an aggregate sale price of \$615,978. At September 30, 2024, the REIT had one industrial property and two retail properties located in Canada and one industrial property located in the U.S. under unconditional sale agreements for an aggregate sale price of approximately \$113,000. In 2024, Artis has sold \$946,735 of real estate. Artis continues to focus on its disposition strategy and management is confident that they will be able to successfully execute this strategy during the remainder of the year. Proceeds from transactions are expected to be used to continue reducing overall debt.

Going forward, Artis is committed to continuing to strengthen its balance sheet and, more specifically, reducing debt and increasing liquidity through its previously disclosed disposition strategy. The REIT renewed the NCIB effective December 19, 2023 and, under the terms of the NCIB, the REIT may purchase a maximum of 7,021,296 common units, 324,300 Series E preferred units and 457,554 Series I preferred units. As at September 30, 2024, the REIT purchased 4,975,324 common units at a weighted-average price of \$6.64 under the current term. These units were purchased at a significant discount to NAV per unit of \$13.77 at September 30, 2024. Artis continues to view the NCIB as a compelling tool to enhance unitholder value and, when permitted, will continue to focus on buying back units using the NCIB so long as Artis's units continue to trade at a material discount to its NAV per unit. Further, 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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") UPDATE

As part of Artis's vision to become a best-in-class real estate asset management and investment platform focused on value investing, the REIT is committed to ensuring that excellence in ESG practices is an integral part of its business model and is a core component of its corporate culture. As part of this commitment, Artis is dedicated to conducting its business in a sustainable manner, with a focus on continuous and measurable improvement and transparency in all areas of its ESG performance.

The REIT has established environmental, social and governance objectives that are outlined in the ESG Policy adopted on February 28, 2023. A copy of the policy is available on Artis's website at www.artisreit.com. The Governance, Nominating, and Compensation Committee oversees the REIT's ESG program and regularly reports to the Board on related ESG matters. The REIT also has an internal ESG Committee, comprised of members from various offices and departments who share a passion for ESG. The ESG Committee meets monthly and reports to the Governance, Nominating and Compensation Committee of the Board.

Ongoing ESG initiatives include, but are not limited to:

- Publishing an annual ESG Report, incorporating the principles of the Sustainability Accounting Standards Board ("SASB") Real Estate Sustainability Accounting Standard, Global Reporting Initiative ("GRI") 2021 Universal Standards and the United Nations Sustainable Development Goals;
- Disclosing climate-related risk management activities in accordance with the Task Force on Climate-Related Financial Disclosures ("TCFD");
- Ongoing review of all environmental, social and governance policies to ensure their alignment with industry best practices;
- Conducting annual employee engagement and tenant satisfaction surveys;
- Providing ongoing professional development opportunities for the Board, management and employees;
- Achieving or exceeding diversity targets related to the Board, senior leadership and the overall workforce, as defined in the Board Diversity and Renewal Policy and the Diversity, Equity and Inclusion Policy; and,
- Measuring, monitoring and improving environmental efficiency across the portfolio while working with tenants to conserve energy, water and waste in a way that will reduce the REIT's environmental footprint over the long term.

Additional information about Artis's comprehensive corporate sustainability program, including a copy of Artis's most recent ESG Report can be accessed on the REIT's website at www.artisreit.com.

THIRD QUARTER OVERVIEW

SELECTED FINANCIAL INFORMATION

000's, except per unit amounts	Three months ended September 30,			% Change	Nine months ended September 30,			% Change
	2024	2023	Change		2024	2023	Change	
Revenue	\$66,369	\$80,412	\$ (14,043)	(17.5)%	\$231,518	\$254,945	\$ (23,427)	(9.2)%
Net operating income	34,091	43,737	(9,646)	(22.1)%	125,536	138,665	(13,129)	(9.5)%
Net loss	(11,635)	(137,516)	125,881	(91.5)%	(17,991)	(245,231)	227,240	(92.7)%
Total comprehensive (loss) income	(27,794)	(109,017)	81,223	(74.5)%	6,446	(248,129)	254,575	(102.6)%
Basic loss per common unit	(0.14)	(1.29)	1.15	(89.1)%	(0.26)	(2.26)	2.00	(88.5)%
Diluted loss per common unit	(0.14)	(1.29)	1.15	(89.1)%	(0.26)	(2.26)	2.00	(88.5)%
Distributions per unit:								
Common units	\$ 0.15	\$ 0.15	\$ —	— %	\$ 0.45	\$ 0.45	\$ —	— %
Preferred units - Series E	0.45	0.34	0.11	32.4 %	1.35	1.03	0.32	31.1 %
Preferred units - Series I	0.44	0.44	—	— %	1.31	1.23	0.08	6.5 %
FFO ^{(1) (2)}	\$27,262	\$29,501	\$ (2,239)	(7.6)%	\$ 82,193	\$ 93,264	\$ (11,071)	(11.9)%
FFO per unit - diluted ^{(1) (2)}	0.26	0.27	(0.01)	(3.7)%	0.77	0.82	(0.05)	(6.1)%
FFO payout ratio ^{(1) (2)}	57.7 %	55.6 %		2.1 %	58.4 %	54.9 %		3.5 %
AFFO ^{(1) (2)}	\$16,659	\$16,640	\$ 19	0.1 %	\$ 48,066	\$ 54,580	\$ (6,514)	(11.9)%
AFFO per unit - diluted ^{(1) (2)}	0.16	0.15	0.01	6.7 %	0.45	0.48	(0.03)	(6.3)%
AFFO payout ratio ^{(1) (2)}	93.8 %	100.0 %		(6.2)%	100.0 %	93.8 %		6.2 %
Same Property NOI (decline) growth ⁽¹⁾	(0.9)%	6.0 %		(6.9)%	1.0 %	7.1 %		(6.1)%
Adjusted EBITDA interest coverage ratio ⁽¹⁾	2.37	2.10	0.27	12.9 %	2.09	2.14	(0.05)	(2.3)%

(1) Represents a non-GAAP measure or non-GAAP ratio. Refer to the Notice with Respect to Non-GAAP & Supplementary Measures Disclosure section of this MD&A.

(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 this MD&A.

000's, except per unit amounts	September 30, 2024	December 31, 2023	% Change
Total assets	\$ 2,843,897	\$ 3,735,030	(23.9)%
Total non-current financial liabilities	554,239	1,047,231	(47.1)%
NAV per unit ⁽¹⁾	13.77	13.96	(1.4)%
Secured mortgages and loans to GBV ⁽¹⁾	24.0 %	24.3 %	(0.3)%
Total debt to GBV ⁽¹⁾	39.8 %	50.9 %	(11.1)%
Unencumbered assets ⁽¹⁾	\$ 1,205,751	\$ 1,567,001	(23.1)%

(1) Represents a non-GAAP measure, non-GAAP ratio or supplementary financial measure. Refer to the Notice with Respect to Non-GAAP & Supplementary Measures Disclosure section in this MD&A.

Financial and Operational Results

Revenue and net operating income were primarily impacted by property dispositions throughout 2023 and 2024.

Artis reported portfolio occupancy of 87.3% (89.2% including commitments) at September 30, 2024, compared to 89.5% at June 30, 2024. During the third quarter, 161,804 square feet of new leases and 146,979 square feet of lease renewals commenced. The weighted-average increase in renewal rents compared to expiring rents on renewals that began during the third quarter was 2.5%.

Net loss was impacted by the fair value change on financial instruments (gain of \$24,563 in Q3-24, compared to a loss of \$22,727 in Q3-23), the fair value change on investment properties (loss of \$43,326 in Q3-24, compared to a loss of \$87,675 in Q3-23), net loss from equity accounted investments (\$16,566 in Q3-24 compared to \$49,728 in Q3-23), interest and other income (\$12,961 in Q3-24, compared to \$8,385 in Q3-23), interest expense (\$23,030 in Q3-24, compared to \$29,095 in Q3-23), and equity securities expenses (\$149 in Q3-24, compared to \$205 in Q3-23).

Partially offsetting the above decreases to net loss was corporate expenses (\$3,281 in Q3-24, compared to \$1,392 in Q3-23), income tax (expense of \$92 in Q3-24, compared to a recovery of \$1,228 in Q3-23), distribution income from equity securities (\$1,522 in Q3-24, compared to \$2,620 in Q3-23), and strategic review expenses (\$363 in Q3-24, compared to \$179 in Q3-23).

Foreign exchange had an impact on Artis's financial results, due to a higher US dollar to Canadian dollar average exchange rate of 1.3637 in Q3-24, compared to 1.3412 in Q3-23.

FFO per unit (diluted) for Q3-24 was \$0.26, compared to \$0.27 for Q3-23, while AFFO per unit (diluted) for Q3-24 was \$0.16, increased from \$0.15 for Q3-23. FFO in Q3-24 was primarily impacted by decreased net operating income due to dispositions completed in 2023 and 2024, partially offset by decreased interest expense and increased interest and other income due to the preferred investment as part of the Cominar Transaction.

Adjusted for the impact of realized gain (loss) on equity securities, FFO per unit (diluted) for Q3-24 was \$0.31, increased from \$0.25 for Q3-23, while AFFO per unit (diluted) for Q3-24 was \$0.21, increased from \$0.13 for Q3-23.

FFO and AFFO per unit results are also impacted by the decrease in the weighted-average number of units outstanding, primarily due to units repurchased under the NCIB.

The REIT reported FFO and AFFO payout ratios of 57.7% and 93.8%, respectively, for the third quarter of 2024. Adjusted for the impact of realized gain (loss) on equity securities, the REIT reported conservative FFO and AFFO payout ratios of 48.4% and 71.4%, respectively, for the third quarter of 2024.

Balance Sheet and Liquidity

During Q3-24, Artis repaid a net balance of \$446,557 on its revolving credit facilities. Total debt to GBV was 39.8% at September 30, 2024, decreased from 50.9% at December 31, 2023.

In Q3-24, Artis utilized the NCIB to purchase 1,630,500 common units for an aggregate market price of \$11,905, and 35,200 Series E and 114,668 Series I preferred units for an aggregate market price of \$2,969.

At September 30, 2024, NAV per unit was \$13.77, compared to \$13.96 at December 31, 2023. The change is primarily due to distributions to unitholders, interest expense, the fair value loss on investment properties and corporate expenses, partially offset by net operating income, interest and other income, units purchased under the NCIB, the impact of foreign exchange, the fair value gain on financial instruments, and distribution income from equity securities.

Distributions

In Q3-24, Artis declared distributions of \$18,809 (YTD - \$57,293) to unitholders, which included distributions to preferred unitholders in the amount of \$3,235 (YTD - \$9,779).

PORTFOLIO ACTIVITY

	Industrial		Office		Retail		Total	
	Property count	S.F. (000's)	Property count	S.F. (000's)	Property count	S.F. (000's)	Property count	S.F. (000's)
Portfolio properties, June 30, 2024	52	6,370	33	5,915	21	1,268	106	13,553
Dispositions	(14)	(2,965)	(3)	(448)	—	—	(17)	(3,413)
Portfolio properties, September 30, 2024	38	3,405	30	5,467	21	1,268	89	10,140

In addition, Artis owns one commercial/residential property which comprises 395 residential units and 18,481 square feet of leasable commercial space.

Dispositions

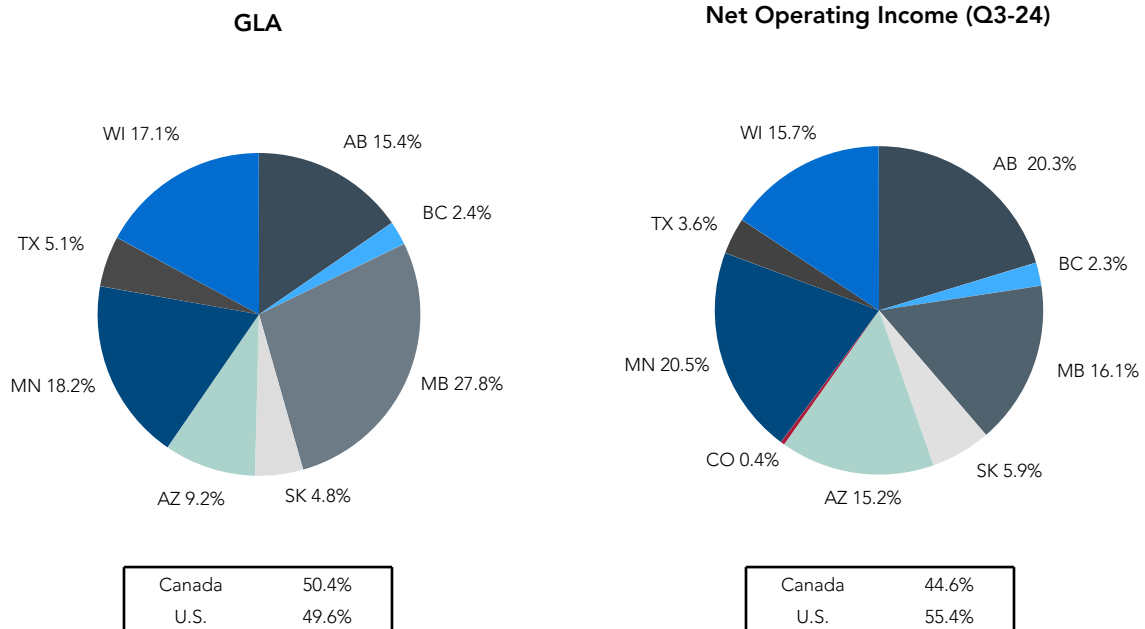
During Q3-24, Artis sold two office properties and a parking lot located in Canada, and 14 industrial properties and one office property in U.S for an aggregate sale price of \$615,978. The sale proceeds, net of costs of \$10,332, related debt of \$160,538 were \$445,108.

PROPERTY PORTFOLIO

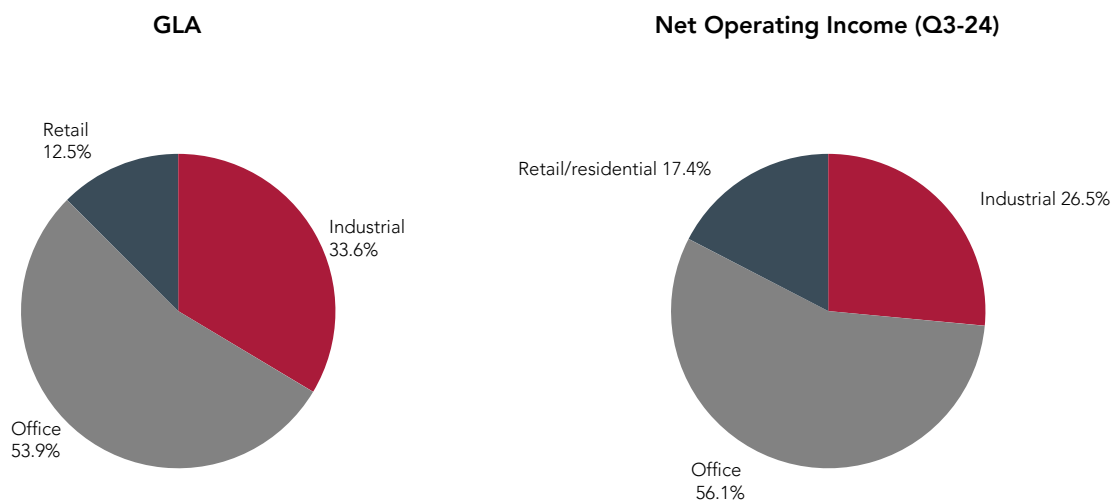
At September 30, 2024, the REIT's portfolio was comprised of 89 commercial properties totalling approximately 10.1 million square feet ("S.F.") of gross leasable area ("GLA").

In addition, Artis owns one commercial/residential property, 300 Main, and has joint ownership interest in 10 investment properties, one parcel of development land and properties acquired as part of the Cominar Transaction, which have been excluded from financial and operating metrics throughout this MD&A, unless otherwise noted. Refer to the Residential Portfolio and Equity Accounted Investments sections of this MD&A for further information.

Diversification by Geographical Region



Diversification by Asset Class



Portfolio by Asset Class ⁽¹⁾

Asset class	City	Province / State	Property count	Owned share of GLA (000's S.F.)	% of portfolio GLA	% Occupied	% Committed ⁽²⁾
Canadian portfolio:							
Industrial	Calgary	AB	4	319	3.1 %	93.0%	97.3 %
	Greater Edmonton Area	AB	2	94	0.9 %	76.0%	76.0 %
	Greater Vancouver Area	BC	1	73	0.7 %	100.0%	100.0 %
	Red Deer	AB	1	126	1.2 %	79.3%	79.3 %
	Saskatoon	SK	2	269	2.7 %	100.0%	100.0 %
	Winnipeg	MB	25	1,650	16.4 %	95.7%	100.0 %
Industrial total			35	2,531	25.0 %	94.4%	97.7 %
Office	Greater Vancouver Area	BC	1	168	1.7 %	88.3%	93.8 %
	Winnipeg	MB	5	1,139	11.2 %	81.1%	81.2 %
Office total			6	1,307	12.9 %	82.0%	82.8 %
Retail	Calgary	AB	2	192	1.9 %	94.6%	96.5 %
	Fort McMurray	AB	8	187	1.8 %	82.6%	84.7 %
	Grande Prairie	AB	3	187	1.8 %	79.6%	84.0 %
	Greater Edmonton Area	AB	3	331	3.3 %	94.5%	97.4 %
	Saskatoon	SK	3	219	2.2 %	97.0%	97.0 %
	Winnipeg	MB	1	28	0.3 %	94.3%	94.3 %
Retail total			20	1,144	11.3 %	90.6%	92.8 %
Total Canadian portfolio			61	4,982	49.2 %	90.3%	92.7 %
U.S. portfolio:							
Industrial	Greater Phoenix Area	AZ	1	99	1.0 %	100.0%	100.0 %
	Twin Cities Area	MN	1	256	2.5 %	68.5%	68.5 %
	Greater Houston Area	TX	1	519	5.1 %	100.0%	100.0 %
Industrial total			3	874	8.6 %	90.8%	90.8 %
Office	Greater Phoenix Area	AZ	4	834	8.2 %	90.1%	95.4 %
	Madison	WI	14	1,733	17.1 %	76.5%	77.4 %
	Twin Cities Area	MN	6	1,593	15.7 %	86.5%	86.7 %
Office total			24	4,160	41.0 %	83.1%	84.6 %
Total U.S. portfolio			27	5,034	49.6 %	84.4%	85.7 %
Total Canadian and U.S. portfolio			88	10,016	98.8 %	87.3%	89.2 %

(1) Information is as at September 30, 2024, and excludes properties held in equity accounted investments, properties held for redevelopment and Artis's commercial/residential property (300 Main).

(2) Percentage committed is based on occupancy at September 30, 2024, plus commitments on vacant space.

Property Held for Redevelopment

Asset class	City	Province / State	Property Count	Owned share of GLA (000's of S.F.)	% of portfolio GLA Property	% Committed ⁽¹⁾
Retail	Grande Prairie	AB	1	124	1.2 % Prairie Ridge Centre	8.3 %
Total property held for redevelopment			1	124	1.2 %	8.3 %

(1) Percentage committed is based on occupancy at September 30, 2024, plus commitments on vacant space.

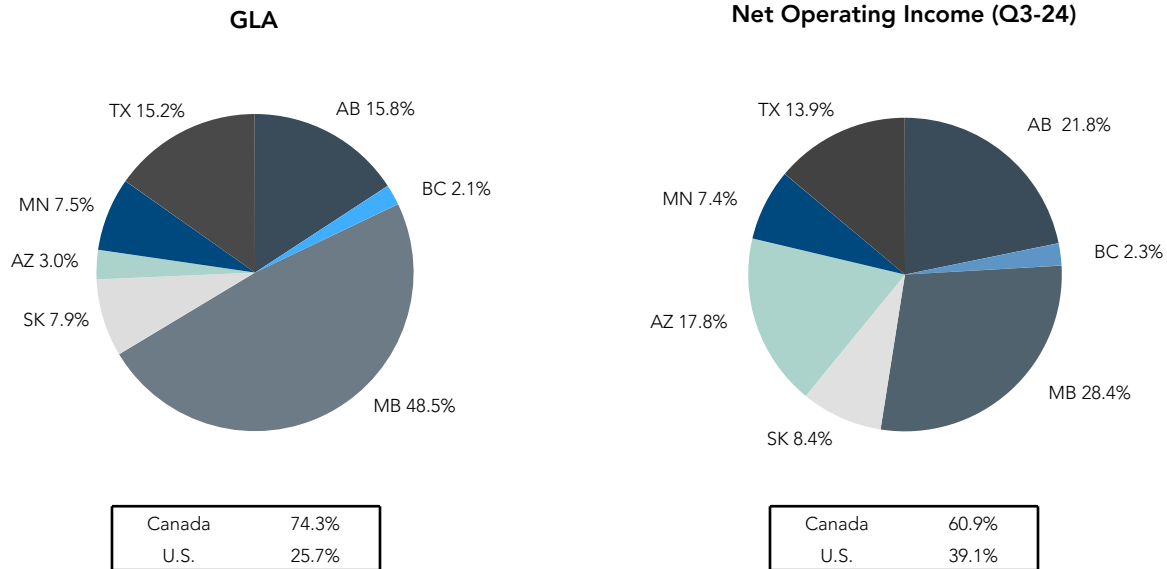
Prairie Ridge Centre, a retail property in Grande Prairie, Alberta, was vacated by a large tenant, providing Artis with an opportunity to redevelop and reconfigure this older generation space to accommodate multiple tenants. Redevelopment work is near completion and efforts to lease the property are under way.

PORTFOLIO SUMMARY BY ASSET CLASS

Industrial Portfolio

Artis's industrial portfolio is comprised of both single tenant and multi-tenant properties strategically located in Canadian and U.S. markets. At September 30, 2024, the REIT's industrial portfolio was comprised of 38 properties totalling approximately 3.4 million square feet of gross leasable area.

At September 30, 2024, the fair value of the properties in Artis's industrial portfolio was \$528,742, and represented 33.6% of the REIT's GLA at September 30, 2024, and 26.5% of Q3-24 net operating income. Below is a breakdown of REIT's industrial portfolio by geographical region:



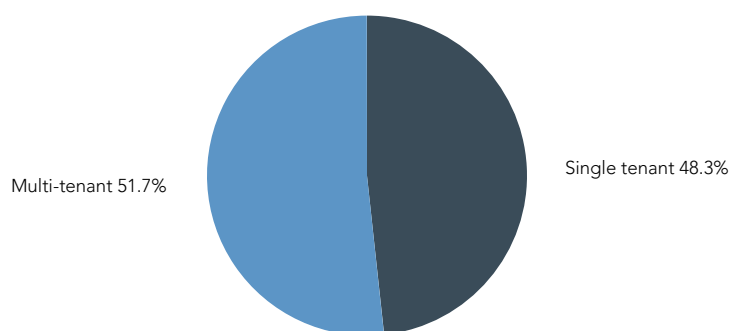
The following is a historical summary of key performance indicators related to the REIT's industrial portfolio:

	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22
Number of properties	38	52	52	52	53	53	61	59
Occupancy (including commitments) ⁽²⁾	95.9 %	97.0 %	97.8 %	98.0 %	97.7 %	98.5 %	96.8 %	97.3 %
Same Property NOI (decline) growth ⁽¹⁾	(0.1)%	5.1 %	14.4 %	17.6 %	21.3 %	10.3 %	7.6 %	7.6 %
Leasable area renewed (in S.F.) ⁽²⁾	39,411	74,234	41,408	81,825	58,297	152,182	144,617	189,058
Increase in weighted-average rental rate ⁽²⁾	12.4 %	3.4 %	4.6 %	17.5 %	3.8 %	7.4 %	8.6 %	19.2 %

(1) Represents a non-GAAP measure. Refer to the Notice with Respect to Non-GAAP & Supplementary Measures Disclosure section in this MD&A.

(2) Based on owned share of GLA of properties and excludes property held in equity accounted investments. Refer to Property Portfolio section of this MD&A.

Artis's industrial properties are a mix of single tenant and multi-tenant buildings. The following is a breakdown of the REIT's industrial property type based on Q3-24 net operating income:



Artis's industrial portfolio includes 163 tenant leases with a weighted-average term to maturity of 5.1 years. Approximately 40.2% of the REIT's industrial gross revenue is derived from national or government tenants. As indicated below, the largest tenant by gross revenue is Bell Canada, a telecommunications company offering services such as telephone, internet, and television to clients in Canada.

The following is a list of Artis's top 10 industrial tenants by gross revenue:

Top 10 Industrial Tenants by Gross Revenue ⁽¹⁾

Tenant	Tenant location	% of total industrial gross revenue ⁽²⁾	Owned share of GLA (000's of S.F.)	% of total industrial GLA	Weighted-average remaining lease term
Bell Canada	Canada	16.5 %	111	3.3 %	5.2
PBP, Inc.	U.S.	8.3 %	519	15.2 %	7.2
Civeo	Canada	5.8 %	72	2.1 %	3.7
Maple Leaf Consumer Foods Inc.	Canada	5.5 %	163	4.8 %	4.7
11:11 Systems Inc.	U.S.	5.0 %	99	2.9 %	1.3
British Columbia Institute of Technology	Canada	3.5 %	73	2.1 %	19.8
Malark Logistics	U.S.	3.4 %	175	5.1 %	8.8
R.S. Distribution Services Ltd.	Canada	2.7 %	151	4.4 %	6.8
Great West Distribution Ltd.	Canada	2.4 %	106	3.1 %	2.8
Reliance Products Ltd.	Canada	1.8 %	175	5.1 %	3.4
Total		54.9 %	1,644	48.1 %	6.3

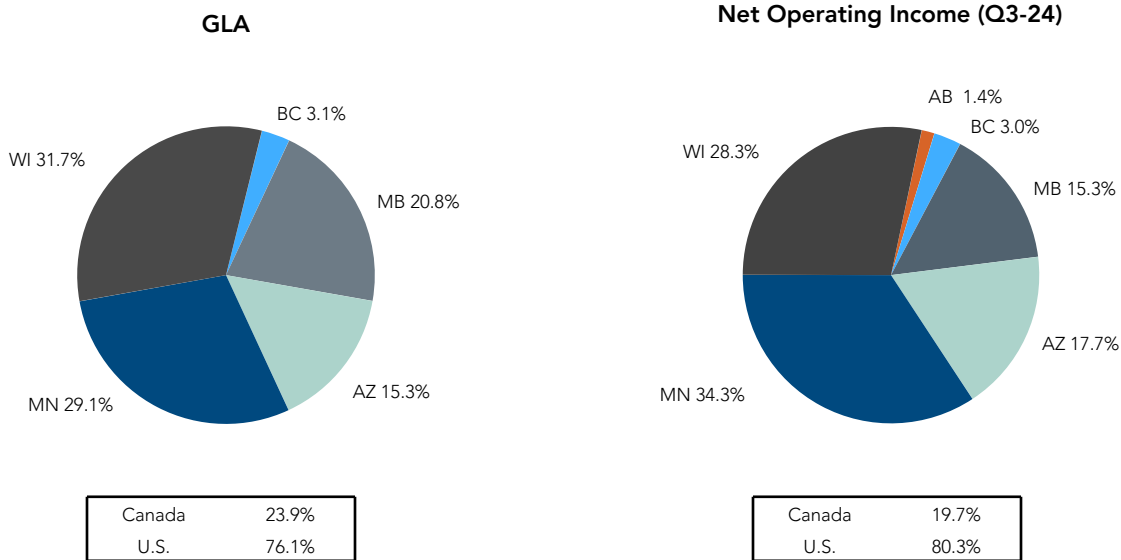
(1) Based on owned share of GLA of properties and excludes properties in equity accounted investments. Refer to the Property Portfolio section of this MD&A.

(2) Total gross revenue is in Canadian and US dollars.

Office Portfolio

Artis's office portfolio is strategically located across primary and secondary markets in both Canada and the U.S. At September 30, 2024, the REIT's office portfolio was comprised of 30 properties totalling approximately 5.5 million square feet of gross leasable area.

At September 30, 2024, the fair value of the properties in Artis's office portfolio was \$1,197,019, representing 53.9% of the REIT's GLA at September 30, 2024, and 56.1% of Q3-24 net operating income. Below is a breakdown of REIT's office portfolio by geographical region:



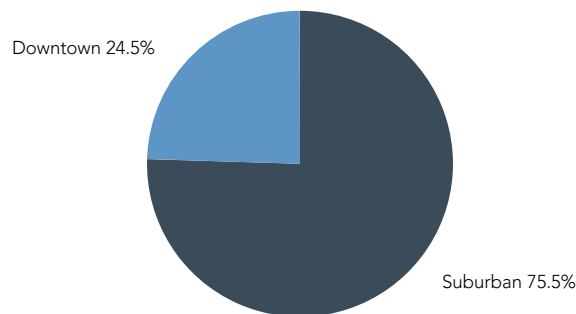
The following is a historical summary of key performance indicators related to the REIT's office portfolio:

	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22
Number of properties	30	33	38	39	40	41	41	42
Occupancy (including commitments) ⁽²⁾	84.2 %	83.1 %	83.0 %	85.0 %	85.4 %	86.7 %	86.3 %	87.3 %
Same Property NOI (decline) growth ⁽¹⁾	(0.1)%	(3.0)%	(0.4)%	4.3 %	1.3 %	8.0 %	11.7 %	7.0 %
Leasable area renewed (in S.F.) ⁽²⁾	79,925	20,503	118,484	100,828	66,159	31,778	48,873	58,967
(Decrease) increase in weighted-average rental rate ⁽²⁾	(0.2)%	0.4 %	0.7 %	0.7 %	(5.3)%	2.7 %	(1.7)%	(0.7)%

(1) Represents a non-GAAP measure. Refer to the Notice with Respect to Non-GAAP & Supplementary Measures Disclosure section in this MD&A.

(2) Based on owned share of GLA of properties and excludes properties held in equity accounted investments. Refer to the Property Portfolio section of this MD&A.

Artis's office portfolio consists of properties located in both downtown and suburban markets. The following is a breakdown of the REIT's office property type based on Q3-24 net operating income:



Artis's office portfolio includes 366 tenant leases with a weighted-average term to maturity of 5.4 years. Approximately 46.2% of the REIT's office gross revenue is derived from national or government tenants. As indicated below, the largest tenant by gross revenue is a combination of government tenants, providing various federal, provincial, civic or municipal services.

The following is a list of Artis's top 10 office tenants by gross revenue:

Top 10 Office Tenants by Gross Revenue ⁽¹⁾

Tenant	Tenant location	% of total office gross revenue ⁽²⁾	Owned share of GLA (000's of S.F.)	% of total office GLA	Weighted-average remaining lease term
Government Tenants	Canada and U.S.	8.6 %	427	7.8 %	6.5
Prime Therapeutics LLC	U.S.	5.1 %	386	7.1 %	10.0
Catalent Pharma Solutions, LLC	U.S.	4.0 %	244	4.5 %	11.8
A WIN Management, Inc.	U.S.	3.6 %	153	2.8 %	8.1
CB Richard Ellis, Inc.	U.S.	3.4 %	108	2.0 %	2.3
TDS Telecommunications Corporation	U.S.	3.0 %	127	2.3 %	5.3
Kodak Canada ULC	Canada	2.6 %	130	2.4 %	5.0
UCare Minnesota	U.S.	2.5 %	124	2.3 %	8.8
Soo Line Railroad Company	U.S.	2.1 %	92	1.7 %	2.9
MLT Aikins LLP	Canada	2.0 %	60	1.1 %	0.1
Total		36.9 %	1,851	34.0 %	7.4

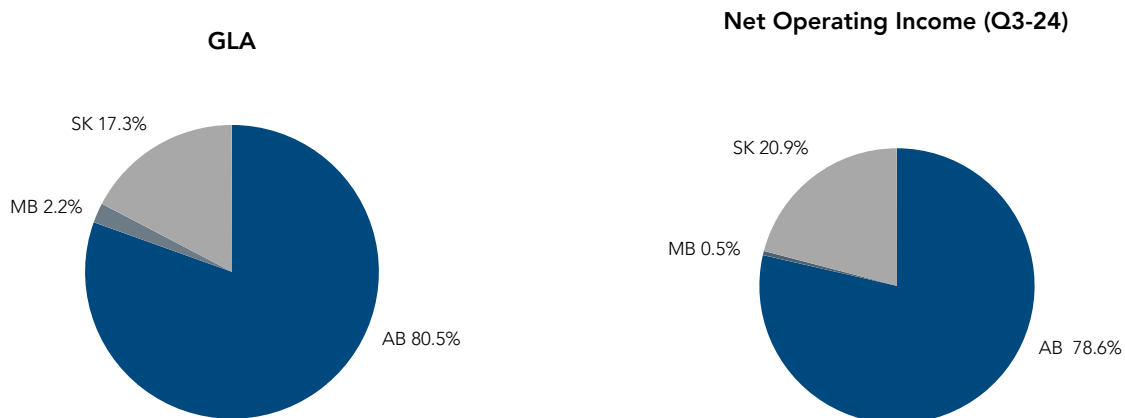
(1) Based on owned share of GLA of properties and excludes properties held in equity accounted investments. Refer to the Property Portfolio section of this MD&A.

(2) Total gross revenue is in Canadian and US dollars.

Retail Portfolio

Artis's retail portfolio is primarily open-air, service-based properties located across Western Canada. At September 30, 2024, the REIT's retail portfolio was comprised of 21 properties totalling approximately 1.3 million square feet of gross leasable area.

At September 30, 2024, the fair value of the properties in Artis's retail portfolio was \$363,230, and represented 12.5% of the REIT's GLA at September 30, 2024, and 17.4% of Q3-24 net operating income. Below is a breakdown of REIT's retail portfolio by geographical region:



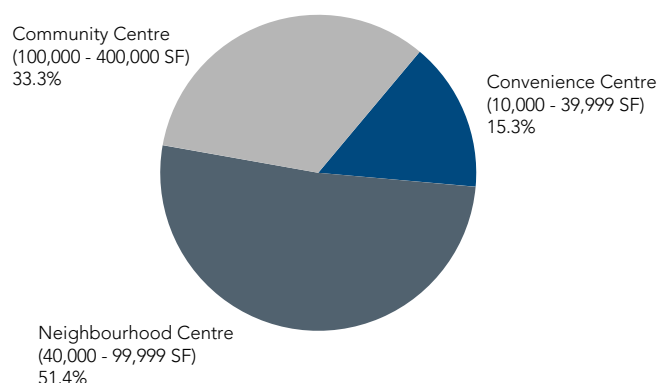
The following is a historical summary of key performance indicators related to the REIT's retail portfolio:

	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22
Number of properties	21	21	27	28	28	28	33	33
Occupancy (including commitments) ⁽²⁾	92.8 %	92.8 %	92.0 %	88.9 %	89.7 %	89.5 %	90.6 %	91.4 %
Same Property NOI (decline) growth ⁽¹⁾	(5.5)%	0.2 %	(1.9)%	12.4 %	(2.6)%	(0.5)%	2.3 %	(1.8)%
Leasable area renewed (in S.F.) ⁽²⁾	27,643	5,628	128,625	79,236	53,331	85,066	122,084	77,336
Increase in weighted-average rental rate ⁽²⁾	2.8 %	8.4 %	3.0 %	10.2 %	11.5 %	3.7 %	6.1 %	5.2 %

(1) Represents a non-GAAP measure. Refer to the Notice with Respect to Non-GAAP & Supplementary Measures Disclosure section in this MD&A.

(2) Based on owned share of GLA of properties and excludes properties held in equity accounted investments and properties held for redevelopment. Refer to the Property Portfolio section of this MD&A.

Artis's retail properties are primarily open-air neighbourhood and community retail centres that provide a wide array of necessities such as food and services. The following is a breakdown of the REIT's retail property type based on Q3-24 net operating income:



Artis's retail portfolio includes 192 tenant leases with a weighted-average term to maturity of 3.6 years (excluding properties held for redevelopment). Approximately 65.0% of the REIT's retail gross revenue is derived from national tenants. As indicated below, the largest tenant by gross revenue is Cineplex Entertainment, the largest cinema chain in Canada, operating in the film entertainment, amusement and leisure, and media sectors.

The following is a list of Artis's top 10 retail tenants by gross revenue:

Top 10 Retail Tenants by Gross Revenue ⁽¹⁾

Tenant	Tenant location	% of total retail gross revenue	Owned share of GLA (000's of S.F.)	% of total retail GLA	Weighted-average remaining lease term
Cineplex Entertainment LP	Canada	3.4 %	65	5.7 %	0.8
Winners	Canada	3.2 %	49	4.3 %	3.0
Sport Chek International Ltd.	Canada	3.2 %	46	4.0 %	3.3
Jysk Linen 'n Furniture	Canada	3.1 %	54	4.7 %	1.2
Sobeys	Canada	2.7 %	37	3.2 %	3.5
GoodLife Fitness	Canada	2.7 %	35	3.1 %	12.0
Best Buy	Canada	2.4 %	26	2.3 %	4.3
Rona	Canada	2.1 %	52	4.5 %	1.4
Liquor Depot	Canada	2.0 %	11	1.0 %	4.0
The Brick	Canada	2.0 %	30	2.6 %	1.8
Total		26.8 %	405	35.4 %	3.1

(1) Based on owned share of GLA of properties and excludes properties held for redevelopment. Refer to the Property Portfolio section of this MD&A.

Residential Portfolio

Artis's residential portfolio is comprised of one property, 300 Main, located in Winnipeg, Manitoba.

300 Main is a 580,000 square foot commercial and residential/multi-family development project in Winnipeg, Manitoba. 300 Main is connected to 330 Main, a state-of-the-art multi-tenant retail property constructed in 2020. The properties are located at the iconic intersection of Portage and Main in downtown Winnipeg, Manitoba, and span nearly one city block. The sites are located above the Shops of Winnipeg Square retail concourse and Winnipeg Square Parkade, and adjacent to 360 Main, a 30-storey Class A office tower, all of which are owned by Artis. 300 Main is a best-in-class amenity-rich apartment building with main floor commercial space.

Of the total building GLA, 18,481 square feet is commercial space. During 2022, Earls Kitchen & Bar, occupying 7,397 square feet, moved into their space on the main floor of the building. Residential tenants began moving into the building on July 1, 2023, and leasing of the remaining apartment units is currently underway.

PORTFOLIO OCCUPANCY

Occupancy levels impact the REIT's revenues and net operating income. Occupancy and commitments at September 30, 2024, and the previous four quarterly periods, were as follows:

Occupancy Report by Asset Class ⁽¹⁾

	Q3-24 % Committed ⁽²⁾	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23
Industrial	95.9 %	93.4 %	96.8 %	96.6 %	97.7 %	97.0 %
Office	84.2 %	82.8 %	81.6 %	81.7 %	83.9 %	84.2 %
Retail	92.8 %	90.6 %	89.8 %	91.3 %	87.3 %	87.1 %
Total portfolio	89.2 %	87.3 %	89.5 %	89.5 %	90.1 %	89.9 %

Occupancy Report by Geographical Region ⁽¹⁾

	Q3-24 % Committed ⁽²⁾	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23
Canada:						
Alberta	90.9 %	88.1 %	89.1 %	89.0 %	84.0 %	81.7 %
British Columbia	95.7 %	91.8 %	91.8 %	92.4 %	92.4 %	92.4 %
Manitoba	92.3 %	89.8 %	86.8 %	88.5 %	91.1 %	91.3 %
Ontario	N/A	N/A	N/A	100.0 %	100.0 %	100.0 %
Saskatchewan	98.7 %	98.7 %	98.7 %	98.7 %	96.0 %	96.4 %
Total Canada	92.7 %	90.3 %	88.7 %	89.9 %	89.8 %	89.3 %
U.S.:						
Arizona	95.9 %	91.2 %	95.2 %	93.9 %	94.4 %	96.3 %
Colorado	N/A	N/A	57.0 %	57.0 %	59.0 %	64.8 %
Minnesota	84.2 %	84.0 %	85.7 %	85.7 %	89.4 %	88.8 %
Texas	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	98.1 %
Wisconsin	77.4 %	76.5 %	79.7 %	77.6 %	81.2 %	81.7 %
Total U.S.	85.7 %	84.4 %	90.0 %	89.2 %	90.3 %	90.4 %
Total portfolio	89.2 %	87.3 %	89.5 %	89.5 %	90.1 %	89.9 %

(1) Information is as at September 30, 2024, and excludes properties held in equity accounted investments, properties held for redevelopment, and Artis's commercial/residential property (300 Main). Refer to the Property Portfolio section of this MD&A.

(2) Percentage committed is based on occupancy at September 30, 2024, plus commitments on vacant space.

PORTFOLIO LEASING ACTIVITY AND LEASE EXPIRIES

Renewal Summary ⁽¹⁾

	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22
Leasable area renewed (in S.F.)	146,979	100,365	288,517	261,889	177,787	269,026	315,574	325,361
Increase in weighted-average rental rate	2.5 %	3.1 %	2.2 %	5.8 %	3.5 %	4.6 %	4.8 %	6.9 %

(1) Based on owned share of GLA of properties and excludes properties held in equity accounted investments, properties held for redevelopment, and Artis's commercial/residential property (300 Main). Refer to the Property Portfolio section of this MD&A.

In Q3-24, 146,979 square feet were renewed at an increase in the weighted-average rental rate of 2.5%, compared to 177,787 square feet renewed at an increase in the weighted-average rental rate of 3.5% in Q3-23.

The percentage change on renewal activity is calculated by comparing the rental rate in place at the end of the expiring term to the rental rate in place at the commencement of the new term. In many cases, leases are negotiated or renewed such that there are contractual rent escalations over the course of the new lease term. In these cases, the average rent over the new term will be higher than the rate at commencement, which is not reflected in the above table results.

Lease Maturities and Rental Rates

In-place rental rates reflect the weighted-average net annual rental rate per square foot as at September 30, 2024, for the leasable area expiring in the year indicated. In-place rents do not reflect either the average rate over the term of the lease or the rate in place in the year of expiry.

Market rents are estimates and are shown as a net annual rate per square foot. Artis reviews market rents across the portfolio on an on-going basis. These estimates are based on management's best estimate for each leasable space and may take into consideration the property manager's revenue budget, recent leasing activity, current prospects, future commitments or publicly available market information. Rates applied in future expiry years do not allow for the impact of inflation, nor do they attempt to factor in anticipated higher (or lower) than normal periods of demand or market rent inflation due to specific market conditions. Refer to the Risks and Uncertainties section of this MD&A for further information.

The following tables contain information on lease maturities and rental rates and are based on owned share of GLA of properties included in the Portfolio by Asset Class table in the Property Portfolio section of this MD&A. Monthly tenants includes holdovers and renewals where term has not been negotiated.

Lease Maturities and Rental Rates by Asset Class

	Square Feet Expiring	% of GLA	Weighted-Average In-Place Rental Rate	Weighted-Average Market Rental Rate
<i>Industrial:</i>				
Current vacancy	223,195	2.2 %	N/A	N/A
Monthly tenants	—	0.0 %	N/A	N/A
2024	87,122	0.9 %	\$8.25	\$8.70
2025	389,158	3.9 %	\$12.21	\$11.54
2026	465,991	4.7 %	\$8.72	\$9.30
2027	313,116	3.1 %	\$8.50	\$8.84
2028+	1,925,873	19.2 %	\$9.83	\$9.00
	3,404,455	34.0 %	\$9.78	\$9.33
<i>Office:</i>				
Current vacancy	939,923	9.4 %	N/A	N/A
Monthly tenants	17,963	0.2 %	N/A	N/A
2024	217,161	2.2 %	\$22.22	\$19.82
2025	474,413	4.7 %	\$20.07	\$19.03
2026	707,845	7.1 %	\$20.18	\$18.75
2027	445,169	4.4 %	\$19.13	\$17.73
2028+	2,665,646	26.6 %	\$19.38	\$18.88
	5,468,120	54.6 %	\$19.69	\$18.81
<i>Retail:</i>				
Current vacancy	107,522	1.1 %	N/A	N/A
Monthly tenants	35,803	0.4 %	N/A	N/A
2024	69,826	0.7 %	\$25.32	\$20.51
2025	144,696	1.4 %	\$23.63	\$23.64
2026	174,084	1.7 %	\$23.24	\$23.74
2027	149,899	1.5 %	\$26.16	\$26.39
2028+	461,604	4.6 %	\$26.25	\$25.72
	1,143,434	11.4 %	\$25.27	\$24.81
<i>Total Portfolio:</i>				
Current vacancy	1,270,640	12.7 %	N/A	N/A
Monthly tenants	53,766	0.6 %	N/A	N/A
2024	374,109	3.8 %	\$19.54	\$17.36
2025	1,008,267	10.0 %	\$17.55	\$16.80
2026	1,347,920	13.5 %	\$16.62	\$16.13
2027	908,184	9.0 %	\$16.63	\$16.09
2028+	5,053,123	50.4 %	\$16.37	\$15.74
	10,016,009	100.0 %	\$16.71	\$16.03

Lease Maturities and Rental Rates by Geographical Location

	Square Feet Expiring	% of GLA	Weighted-Average In-Place Rental Rate	Weighted-Average Market Rental Rate
<i>Alberta:</i>				
Current vacancy	170,377	1.6 %	N/A	N/A
Monthly tenants	15,308	0.2 %	N/A	N/A
2024	69,667	0.7 %	\$23.00	\$17.92
2025	204,559	2.0 %	\$20.43	\$19.49
2026	217,121	2.3 %	\$21.40	\$21.50
2027	101,932	1.0 %	\$27.84	\$27.70
2028+	657,177	6.5 %	\$24.87	\$22.83
	1,436,141	14.3 %	\$23.68	\$22.18
<i>British Columbia:</i>				
Current vacancy	19,727	0.2 %	N/A	N/A
Monthly tenants	—	0.0 %	N/A	N/A
2024	—	0.0 %	N/A	N/A
2025	—	0.0 %	N/A	N/A
2026	—	0.0 %	N/A	N/A
2027	4,554	0.0 %	\$26.00	\$23.00
2028+	216,866	2.2 %	\$15.61	\$18.65
	241,147	2.4 %	\$15.83	\$18.73
<i>Manitoba:</i>				
Current vacancy	288,411	2.9 %	N/A	N/A
Monthly tenants	10,265	0.1 %	N/A	N/A
2024	156,310	1.6 %	\$14.17	\$13.65
2025	396,371	4.0 %	\$11.89	\$12.37
2026	580,894	5.8 %	\$9.79	\$10.40
2027	279,117	2.8 %	\$11.37	\$11.09
2028+	1,106,019	10.9 %	\$11.26	\$11.22
	2,817,387	28.1 %	\$11.21	\$11.35
<i>Saskatchewan:</i>				
Current vacancy	6,539	0.1 %	N/A	N/A
Monthly tenants	20,495	0.2 %	N/A	N/A
2024	7,630	0.1 %	\$31.99	\$32.86
2025	12,339	0.1 %	\$26.84	\$27.13
2026	20,581	0.2 %	\$30.54	\$31.08
2027	164,266	1.6 %	\$13.82	\$14.00
2028+	255,849	2.6 %	\$18.45	\$15.96
	487,699	4.9 %	\$17.79	\$16.52
<i>Arizona:</i>				
Current vacancy	82,191	0.8 %	N/A	N/A
Monthly tenants	—	0.0 %	N/A	N/A
2024	12,033	0.1 %	\$36.47	\$33.94
2025	197,894	2.0 %	\$23.38	\$21.85
2026	134,834	1.3 %	\$27.85	\$27.33
2027	77,276	0.8 %	\$29.66	\$28.47
2028+	428,031	4.3 %	\$30.52	\$30.31
	932,259	9.3 %	\$28.44	\$27.75

Lease Maturities and Rental Rates by Geographical Location (continued)

	Square Feet Expiring	% of GLA	Weighted-Average In-Place Rental Rate	Weighted-Average Market Rental Rate
<i>Minnesota:</i>				
Current vacancy	296,430	3.0 %	N/A	N/A
Monthly tenants	7,698	0.1 %	N/A	N/A
2024	73,953	0.8 %	\$24.76	\$21.60
2025	74,598	0.7 %	\$20.80	\$18.28
2026	163,712	1.6 %	\$23.71	\$19.53
2027	134,660	1.3 %	\$16.21	\$15.13
2028+	1,097,547	11.0 %	\$17.25	\$15.10
	1,848,598	18.5 %	\$18.38	\$16.04
<i>Texas:</i>				
Current vacancy	—	0.0 %	N/A	N/A
Monthly tenants	—	0.0 %	N/A	N/A
2024	—	0.0 %	N/A	N/A
2025	—	0.0 %	N/A	N/A
2026	—	0.0 %	N/A	N/A
2027	—	0.0 %	N/A	N/A
2028+	518,940	5.2 %	\$4.75	\$5.00
	518,940	5.2 %	\$4.75	\$5.00
<i>Wisconsin:</i>				
Current vacancy	406,965	4.1 %	N/A	N/A
Monthly tenants	—	0.0 %	N/A	N/A
2024	54,516	0.5 %	\$17.98	\$15.68
2025	122,506	1.2 %	\$18.72	\$16.55
2026	230,778	2.3 %	\$16.45	\$15.20
2027	146,379	1.5 %	\$15.21	\$14.03
2028+	772,694	7.7 %	\$14.67	\$15.33
	1,733,838	17.3 %	\$15.55	\$15.29
<i>Total portfolio:</i>				
Current vacancy	1,270,640	12.7 %	N/A	N/A
Monthly tenants	53,766	0.6 %	N/A	N/A
2024	374,109	3.8 %	\$19.54	\$17.36
2025	1,008,267	10.0 %	\$17.55	\$16.80
2026	1,347,920	13.5 %	\$16.62	\$16.13
2027	908,184	9.0 %	\$16.63	\$16.09
2028+	5,053,123	50.4 %	\$16.37	\$15.74
	10,016,009	100.0 %	\$16.71	\$16.03

LARGEST MARKETS BY NET OPERATING INCOME

Artis's real estate is diversified across four Canadian provinces and four U.S. states, and across the industrial, office, retail and residential asset classes. For the three months ended September 30, 2024, the five largest markets of the REIT's portfolio (by net operating income) were Twin Cities Area Office, Madison Office, Greater Phoenix Area Office, Winnipeg Office and Winnipeg Industrial.

Twin Cities Area Office Market

The Twin Cities Area Office market represents 18.5% of Q3-24 net operating income and 15.7% of the overall portfolio by GLA. Direct vacancy in the Twin Cities Area Office, as reported by CBRE, was 23.9% at September 30, 2024, compared to 22.5% at June 30, 2024. At September 30, 2024, Artis's Twin Cities Area Office portfolio increased to 86.5% occupied, from 85.6% at June 30, 2024. During the remainder of 2024, 73,953 square feet will come up for renewal, which represents 0.7% of the total portfolio GLA (excluding property held for redevelopment); 29.0% was renewed or committed to new leases at September 30, 2024. Of Artis's total Twin Cities Area Office GLA, 57.9% expires in 2028 or later.

Madison Office Market

The Madison Office market represents 15.7% of Q3-24 net operating income and 17.1% of the overall portfolio by GLA. At September 30, 2024, Artis's Madison Office portfolio was 76.5% occupied, compared to 79.7% at June 30, 2024. During the remainder of 2024, 54,516 square feet will come up for renewal, which represents 0.5% of the total portfolio GLA (excluding property held for redevelopment); 19.0% was renewed or committed to new leases at September 30, 2024. Of Artis's total Madison Office GLA, 44.6% expires in 2028 or later.

Greater Phoenix Area Office Market

The Greater Phoenix Area Office market represents 10.5% of Q3-24 net operating income and 8.2% of the overall portfolio by GLA. The vacancy rate in the Greater Phoenix Area Office market, as reported by CBRE, was 23.6% at September 30, 2024, compared to 23.5% at June 30, 2024. At September 30, 2024, Artis's Greater Phoenix Area Office portfolio increased to 90.1% occupied, from 90.0% at June 30, 2024. During the remainder of 2024, 12,033 square feet will come up for renewal, which represents 0.1% of the total portfolio GLA (excluding property held for redevelopment); 61.3% was renewed or committed to new leases at September 30, 2024. Of Artis's total Greater Phoenix Area Office GLA, 51.3% expires in 2028 or later.

Winnipeg Office Market

The Winnipeg Office market represents 8.5% of Q3-24 net operating income and 11.2% of the overall portfolio by GLA. The vacancy rate in the Winnipeg Office market, as reported by CBRE, was 16.3% at September 30, 2024, unchanged from June 30, 2024. At September 30, 2024, Artis's Winnipeg Office portfolio increased to 81.1% occupied, from 76.6% at June 30, 2024. During the remainder of 2024, 76,659 square feet will come up for renewal, which represents 0.8% of the total portfolio GLA (excluding property held for redevelopment); 15.9% was renewed or committed to new leases at September 30, 2024. Of Artis's total Winnipeg Office market GLA, 34.9% expires in 2028 or later.

Winnipeg Industrial Market

The Winnipeg Industrial market represents 7.5% of Q3-24 net operating income and 16.4% of the overall portfolio by GLA. The availability rate in the Winnipeg Industrial market, as reported by CBRE, was 3.1% at September 30, 2024, compared to 2.8% at June 30, 2024. At September 30, 2024, Artis's Winnipeg Industrial portfolio increased to 95.7% occupied, from 95.4% at June 30, 2024. During the remainder of 2024, 79,651 square feet will come up for renewal, which represents 0.8% of the total portfolio GLA (excluding property held for redevelopment); 91.6% was renewed or committed to new leases at September 30, 2024. Of Artis's total Winnipeg Industrial market GLA, 41.3% expires in 2028 or later.

FINANCIAL & OPERATING RESULTS

NET OPERATING INCOME

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Revenue:				
Rental and other income	\$ 72,261	\$ 85,376	\$ 249,042	\$ 270,726
Tenant inducements amortized to revenue	(6,192)	(6,026)	(19,201)	(18,418)
Straight-line rent adjustments	(125)	714	670	2,045
Lease termination income	425	348	1,007	592
	66,369	80,412	231,518	254,945
Property operating and realty tax expenses	32,278	36,675	105,982	116,280
Net operating income	\$ 34,091	\$ 43,737	\$ 125,536	\$ 138,665

Rental and other income is primarily revenue earned from tenants related to lease agreements.

Tenant inducement costs are amortized over the term of the tenant's lease.

Rent steps and lease termination income (if it is likely the tenant will exercise the lease termination option) are accounted for by straight-lining the incremental increases and lease termination payments over the entire non-cancelable lease term, including the tenant fixturing period.

Lease termination income relates to payments received from tenants where the REIT and the tenant agreed to terminate a lease prior to the contractual expiry date. Lease termination income is common in the real estate industry, however, it is unpredictable and period-over-period changes are not indicative of trends.

Property operating expenses include costs related to interior and exterior maintenance, insurance, utilities and property management expenses. Also included in property operating expenses is bad debt expense of \$65 (YTD - \$624) in Q3-24 compared to \$278 (YTD - \$434) in Q3-23.

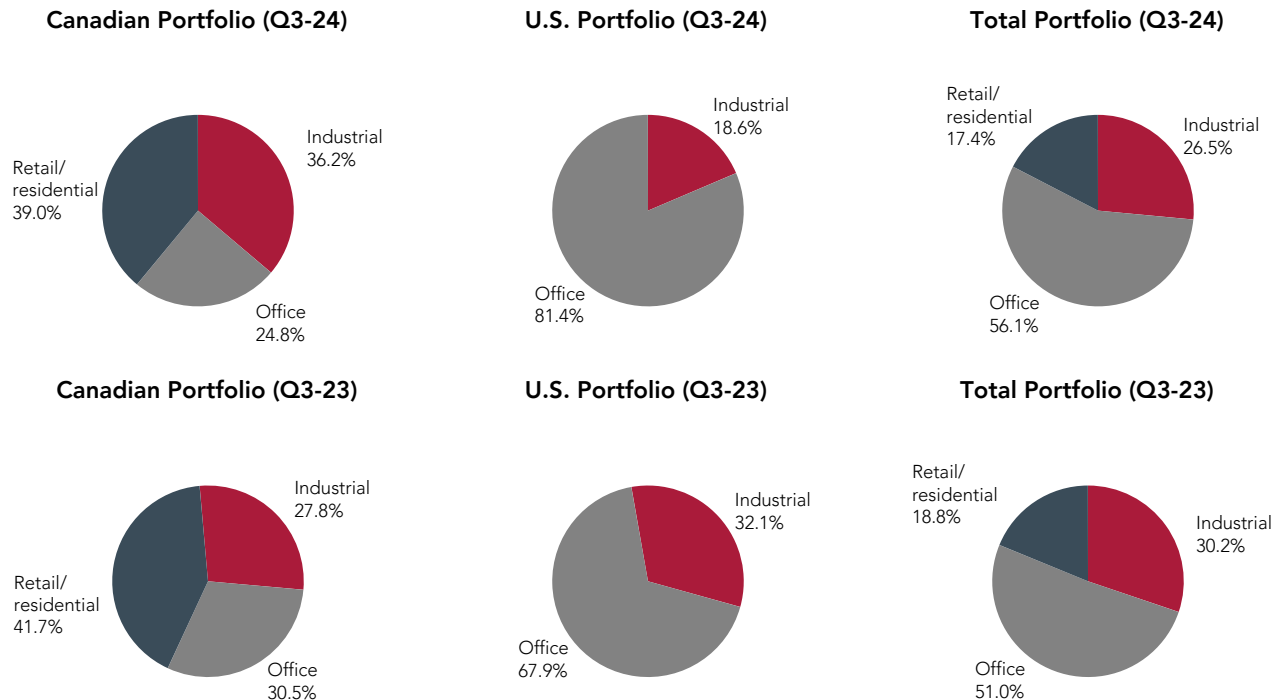
Net Operating Income by Asset Class

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Change	2024	2023	Change
Canada:						
Industrial	\$ 5,502	\$ 5,474	\$ 28	\$ 16,152	\$ 16,585	\$ (433)
Office	3,772	5,985	(2,213)	12,880	17,503	(4,623)
Retail/residential	5,919	8,212	(2,293)	21,742	27,982	(6,240)
	15,193	19,671	(4,478)	50,774	62,070	(11,296)
U.S.:						
Industrial	3,521	7,709	(4,188)	21,919	26,499	(4,580)
Office	15,380	16,295	(915)	46,551	50,083	(3,532)
	18,901	24,004	(5,103)	68,470	76,582	(8,112)
Total portfolio:						
Industrial	9,023	13,183	(4,160)	38,071	43,084	(5,013)
Office	19,152	22,280	(3,128)	59,431	67,586	(8,155)
Retail/residential	5,919	8,212	(2,293)	21,742	27,982	(6,240)
	34,094	43,675	(9,581)	119,244	138,652	(19,408)
REIT	(3)	62	(65)	6,292	13	6,279
Net operating income	\$ 34,091	\$ 43,737	\$ (9,646)	\$ 125,536	\$ 138,665	\$ (13,129)

In Q3-24, the Canadian office segment and the Canadian retail/residential segment decreased primarily due to dispositions. The Canadian retail/residential segment was partially offset by increased occupancy at 300 Main. The U.S. industrial segment decreased primarily due to dispositions and vacancy at a property.

The U.S. portfolio was also impacted by the effect of foreign exchange.

See below for breakdown of net operating income by asset class, excluding the REIT segment.



Net Operating Income by Geographical Region

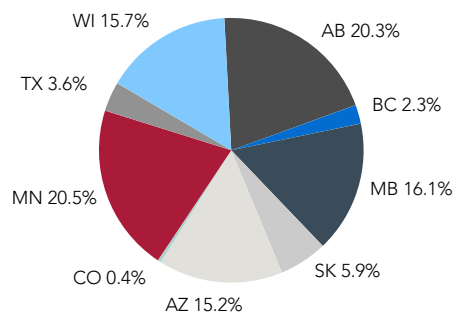
	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Change	2024	2023	Change
Canada:						
Alberta	\$ 6,922	\$ 7,197	\$ (275)	\$ 22,224	\$ 23,548	\$ (1,324)
British Columbia	783	1,435	(652)	2,804	4,306	(1,502)
Manitoba	5,487	8,194	(2,707)	19,096	25,704	(6,608)
Ontario	(5)	629	(634)	781	2,097	(1,316)
Saskatchewan	2,006	2,216	(210)	5,869	6,415	(546)
	15,193	19,671	(4,478)	50,774	62,070	(11,296)
U.S.:						
Arizona	5,201	6,925	(1,724)	17,920	20,581	(2,661)
Colorado	141	(6)	147	(236)	1,341	(1,577)
Minnesota	6,983	7,518	(535)	23,095	26,165	(3,070)
Texas	1,237	3,642	(2,405)	11,109	10,772	337
Wisconsin	5,339	5,925	(586)	16,582	17,723	(1,141)
	18,901	24,004	(5,103)	68,470	76,582	(8,112)
Total portfolio	34,094	43,675	(9,581)	119,244	138,652	(19,408)
REIT	(3)	62	(65)	6,292	13	6,279
Net operating income	\$ 34,091	\$ 43,737	\$ (9,646)	\$ 125,536	\$ 138,665	\$ (13,129)

In Q3-24, Manitoba, Arizona and Texas decreased primarily due to dispositions. Manitoba was partially offset by increased occupancy at 300 Main.

The U.S. portfolio was also impacted by the effect of foreign exchange.

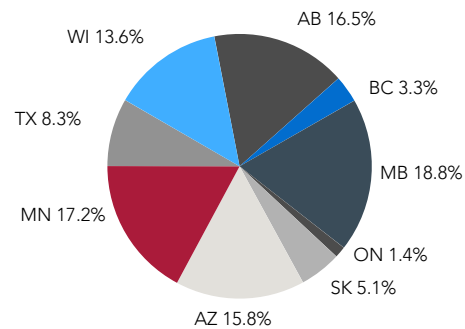
See below for breakdown of net operating income by geographical region, excluding the REIT segment.

Total Portfolio (Q3-24)



Canada	44.6%
U.S.	55.4%

Total Portfolio (Q3-23)



Canada	45.1%
U.S.	54.9%

SAME PROPERTY NOI ANALYSIS

Same Property NOI is a non-GAAP measure. Refer to the Notice with Respect to Non-GAAP & Supplementary Measures Disclosure section of this MD&A.

Artis calculates Same Property NOI by including net operating income for investment properties that were owned for a full quarterly reporting period in both the current and comparative year, and excludes properties held for (re)development and properties that are unconditionally sold. Same Property NOI includes Artis's portfolio of investment properties and investment properties held in joint venture arrangements. Adjustments are made to this measure to exclude certain non-cash revenue items and other non-recurring revenue amounts. Lease termination income related to significant tenants has been excluded, other than the portion that covers lost revenue due to vacancy.

Management considers Same Property NOI to be a valuable measure for evaluating the operating performance of the REIT's properties due to changes in occupancy, rental rates and the recovery of property operating expenses and realty taxes.

Reconciliation to Net Operating Income

	Three months ended				Nine months ended			
	September 30,		Change	% Change	September 30,		Change	% Change
	2024	2023			2024	2023		
Net operating income	\$ 34,091	\$ 43,737			\$ 125,536	\$ 138,665		
Add (deduct) net operating income from:								
Joint venture arrangements	1,762	3,396			6,051	8,166		
Dispositions and unconditional dispositions	(4,281)	(14,739)			(18,610)	(39,643)		
(Re)development properties	(329)	212			(663)	443		
Lease termination income adjustments	(203)	(15)			(199)	1		
Other	356	265			(4,878)	1,416		
	(2,695)	(10,881)			(18,299)	(29,617)		
Straight-line rent adjustments ⁽¹⁾	101	(522)			(504)	(1,625)		
Tenant inducements amortized to revenue ⁽¹⁾	5,721	5,204			18,228	16,248		
Same Property NOI	\$ 37,218	\$ 37,538	\$ (320)	(0.9)%	\$ 124,961	\$ 123,671	\$ 1,290	1.0 %

(1) Includes joint venture arrangements.

Same Property NOI by Asset Class

	Three months ended				Nine months ended			
	September 30,		Change	% Change	September 30,		Change	% Change
	2024	2023			2024	2023		
Industrial	\$ 8,707	\$ 8,719	\$ (12)	(0.1)%	\$ 36,430	\$ 33,875	\$ 2,555	7.5 %
Office	23,690	23,716	(26)	(0.1)%	72,855	73,742	(887)	(1.2)%
Retail	4,821	5,103	(282)	(5.5)%	15,676	16,054	(378)	(2.4)%
Same Property NOI	\$ 37,218	\$ 37,538	\$ (320)	(0.9)%	\$ 124,961	\$ 123,671	\$ 1,290	1.0 %

Same Property NOI by Asset Class

	Three months ended September 30,				Nine months ended September 30,			
	2024	2023	Change	% Change	2024	2023	Change	% Change
Canada:								
Industrial	\$ 7,611	\$ 7,459	\$ 152	2.0 %	\$ 22,794	\$ 22,293	\$ 501	2.2 %
Office	4,445	4,553	(108)	(2.4)%	14,236	14,857	(621)	(4.2)%
Retail	4,821	5,103	(282)	(5.5)%	15,676	16,054	(378)	(2.4)%
Total Canada	16,877	17,115	(238)	(1.4)%	52,706	53,204	(498)	(0.9)%
U.S.:								
Industrial	803	940	(137)	(14.6)%	10,054	8,593	1,461	17.0 %
Office	14,114	14,290	(176)	(1.2)%	43,098	43,767	(669)	(1.5)%
Total U.S.	14,917	15,230	(313)	(2.1)%	53,152	52,360	792	1.5 %
Total in functional currency	31,794	32,345	(551)	(1.7)%	105,858	105,564	294	0.3 %
Foreign exchange	5,424	5,193	231	4.4 %	19,103	18,107	996	5.5 %
Same Property NOI	\$ 37,218	\$ 37,538	\$ (320)	(0.9)%	\$ 124,961	\$ 123,671	\$ 1,290	1.0 %

Same Property NOI by Geographical Region

	Three months ended September 30,				Nine months ended September 30,			
	2024	2023	Change	% Change	2024	2023	Change	% Change
Alberta	\$ 7,397	\$ 7,473	\$ (76)	(1.0)%	\$ 22,277	\$ 22,080	\$ 197	0.9 %
British Columbia	662	640	22	3.4 %	1,958	1,925	33	1.7 %
Manitoba	6,804	7,096	(292)	(4.1)%	21,550	22,418	(868)	(3.9)%
Saskatchewan	2,014	1,906	108	5.7 %	6,921	6,781	140	2.1 %
Arizona	4,154	4,090	64	1.6 %	15,410	15,473	(63)	(0.4)%
Colorado	317	307	10	3.3 %	1,277	1,537	(260)	(16.9)%
Minnesota	5,659	5,796	(137)	(2.4)%	18,280	17,495	785	4.5 %
Texas	—	—	—	— %	3,295	2,310	985	42.6 %
Wisconsin	4,787	5,037	(250)	(5.0)%	14,890	15,545	(655)	(4.2)%
Total in functional currency	31,794	32,345	(551)	(1.7)%	105,858	105,564	294	0.3 %
Foreign exchange	5,424	5,193	231	4.4 %	19,103	18,107	996	5.5 %
Same Property NOI	\$ 37,218	\$ 37,538	\$ (320)	(0.9)%	\$ 124,961	\$ 123,671	\$ 1,290	1.0 %

Same Property Occupancy

Geographical Region	As at September 30,		Asset Class	As at September 30,	
	2024	2023		2024	2023
Canada:			Industrial	93.7%	96.7%
Alberta	89.8%	90.1%	Office	82.7%	84.6%
British Columbia	92.6%	94.6%	Retail	89.6%	92.1%
Manitoba	89.8%	90.8%			
Saskatchewan	99.4%	99.8%			
Total Canada	90.9%	91.6%	Total	87.0%	89.3%
U.S.:					
Arizona	91.7%	93.4%			
Colorado	80.6%	79.1%			
Minnesota	84.0%	87.5%			
Wisconsin	76.5%	83.0%			
Total U.S.	82.8%	86.9%			
Total	87.0%	89.3%			

INTEREST AND OTHER INCOME

Interest and other income was \$12,961 (YTD - \$30,062) in Q3-24, compared to \$8,385 (YTD - \$23,307) in Q3-23. The change is primarily due to interest income from preferred investments in the amount of \$11,844 (YTD - \$27,113) in Q3-24, compared to \$7,731 (YTD - \$21,681) in Q3-23. During Q3-24, additional interest income in the amount of \$4,728 was recorded, which may or may not be recurring in future quarters. Refer to the Preferred Investments section of this MD&A for further details.

DISTRIBUTION INCOME FROM EQUITY SECURITIES

Distribution income from equity securities was \$1,522 (YTD - \$5,350) in Q3-24, compared to \$2,620 (YTD - \$9,864) in Q3-23. Refer to Equity Securities section of this MD&A for further details.

INTEREST EXPENSE

	Three months ended				Nine months ended			
	September 30,		Change	% Change	September 30,		Change	% Change
2024	2023	2024			2023			
Mortgages and other loans ⁽¹⁾	\$ 10,556	\$ 11,008	\$ (452)		\$ 35,565	\$ 29,140	\$ 6,425	
Senior unsecured debentures	2,885	5,033	(2,148)		8,590	15,632	(7,042)	
Credit facilities ⁽¹⁾	7,258	10,212	(2,954)		32,527	35,868	(3,341)	
Preferred shares ⁽¹⁾	46	46	—		138	138	—	
	20,745	26,299	(5,554)	(21.1)%	76,820	80,778	(3,958)	(4.9)%
Foreign exchange	2,285	2,796	(511)		9,475	8,282	1,193	
Total interest expense	\$ 23,030	\$ 29,095	\$ (6,065)	(20.8)%	\$ 86,295	\$ 89,060	\$ (2,765)	(3.1)%

(1) Amounts shown are in Canadian and US dollars.

During Q3-24, interest expense on mortgages and other loans was impacted by the repayment of mortgages upon disposition of investment properties and maturing mortgages, partially offset by new mortgage financing. Interest expense on senior unsecured debentures decreased due to the repayment of the Series D senior unsecured debentures on September 18, 2023. Interest expense on credit facilities decreased due to repayments on the revolving credit facilities and decreased variable interest rates.

Financing costs on mortgages and other loans, senior unsecured debentures and the credit facilities are netted against the related debt and amortized on an effective interest basis over the expected term of the debt.

At September 30, 2024, the weighted-average effective interest rate on mortgages and other loans secured by properties, was 7.09%, compared to 6.63% at December 31, 2023. The weighted-average nominal interest rate on mortgages and other loans secured by properties at September 30, 2024, was 6.48%, compared to 6.17% at December 31, 2023.

CORPORATE EXPENSES

	Three months ended				Nine months ended			
	September 30,		Change	% Change	September 30,		Change	% Change
2024	2023	2024			2023			
Accounting, legal and consulting	\$ 384	\$ 321	\$ 63	19.6 %	\$ 1,545	\$ 1,392	\$ 153	11.0 %
Public company costs	1,033	116	917	790.5 %	1,844	546	1,298	237.7 %
Salaries and benefits	1,227	499	728	145.9 %	2,546	1,520	1,026	67.5 %
Depreciation of property and equipment	283	314	(31)	(9.9)%	875	915	(40)	(4.4)%
General and administrative	354	142	212	149.3 %	755	477	278	58.3 %
Total corporate expenses	\$ 3,281	\$ 1,392	\$ 1,889	135.7 %	\$ 7,565	\$ 4,850	\$ 2,715	56.0 %

Corporate expenses in Q3-24 were \$3,281 (YTD - \$7,565), or 4.9% (YTD - 3.3%) of total revenues compared to \$1,392 (YTD - \$4,850) or 1.7% (YTD - 1.9%) of total revenues in Q3-23.

Public company costs include public reporting costs, investor communication costs and trustee fees and expenses. Trustees fees include a fair value loss on unit-based compensation of \$709 (YTD - \$618) in Q3-24 compared to a fair value gain of \$218 (YTD - \$635) in Q3-23.

Salaries and benefits include a fair value loss on unit-based compensation of \$457 (YTD - \$137) in Q3-24 compared to a fair value gain of \$243 (YTD - \$764) in Q3-23.

Unit-based compensation was impacted by fluctuations in Artis's unit price during the period.

EQUITY SECURITIES EXPENSES

The REIT invests in equity securities of publicly-traded Canadian real estate entities. In connection with these investments, the REIT incurred commissions, service and professional fees of \$149 (YTD - \$491) in Q3-24, compared to \$205 (YTD - \$707) in Q3-23.

Included in equity securities expenses are fees paid to Sandpiper Asset Management Inc. ("Sandpiper"). Refer to the Related Party Transactions section of this MD&A for further details.

FAIR VALUE LOSS ON INVESTMENT PROPERTIES

The changes in fair value on investment properties, period-over-period, are recognized as fair value gains and losses in the consolidated statement of operations. Fair values of the investment properties are determined through either the discounted cash flow method or the overall capitalization method. External valuations are performed for a selection of properties representing various geographical regions and asset classes across the REIT's portfolio. Fair value changes in individual properties result from changes in the projected income and cash flow projections of those properties, as well as from changes in capitalization rates and discount rates applied. In Q3-24, the fair value loss on investment properties was \$43,326 (YTD - loss of \$30,889), compared to a loss of \$87,675 (YTD - loss of \$224,483) in Q3-23. The fair value loss in Q3-24 was primarily due to an increase in vacancy and tenant inducement allowances in select U.S. office markets.

Fair Value (Loss) Gain on Investment Properties by Asset Class

	Three months ended September 30, 2024	Nine months ended September 30, 2024
Canada:		
Industrial	\$ 5,671	\$ 584
Office	(500)	(8,704)
Retail/residential	(611)	(5,401)
	4,560	(13,521)
U.S.:		
Industrial	(11,462)	46,479
Office	(36,424)	(63,847)
	(47,886)	(17,368)
Total portfolio:		
Industrial	(5,791)	47,063
Office	(36,924)	(72,551)
Retail/residential	(611)	(5,401)
Total portfolio	\$ (43,326)	\$ (30,889)

FAIR VALUE GAIN (LOSS) ON FINANCIAL INSTRUMENTS

Artis has entered into a number of interest rate swap contracts to effectively lock the interest rate on a portion of variable rate debt. The REIT recorded an unrealized loss on the fair value adjustment of the interest rate swaps outstanding of \$6,689 (YTD - loss of \$4,261) in Q3-24, compared to an unrealized loss of \$1,069 (YTD - loss of \$3,550) in Q3-23. The REIT anticipates holding the mortgages and related interest rate swap contracts until maturity.

Additionally, the REIT recorded a fair value gain on equity securities of \$31,252 (YTD - gain of \$24,130) in Q3-24, compared to a loss of \$21,855 (YTD - loss of \$50,089) in Q3-23.

FOREIGN CURRENCY TRANSLATION GAIN (LOSS)

Artis held certain US dollar denominated monetary assets and liabilities, including cash and a portion of its revolving term credit facilities. The foreign currency translation gain (loss) is primarily due to remeasurement of these assets and liabilities into Canadian dollars at the exchange rate in effect at the balance sheet date. The REIT recorded a foreign currency translation gain of \$2,035 (YTD - loss of \$4,390) in Q3-24, compared to a loss of \$2,485 (YTD - gain of \$3,052) in Q3-23.

INCOME TAX (EXPENSE) RECOVERY

The REIT currently qualifies as a mutual fund trust and a real estate investment trust for Canadian income tax purposes. Under current tax legislation, income distributed annually by the REIT to unitholders is a deduction in the calculation of its taxable income. As the REIT intends to distribute all of its taxable income to its unitholders, the REIT does not record a provision for current Canadian income taxes related to the Canadian investment properties. The REIT's investment in Iris as part of the Cominar Transaction is through a taxable subsidiary subject to current and deferred taxes.

The REIT's U.S. properties are owned by subsidiaries that are REITs for U.S. income tax purposes. These subsidiaries intend to distribute all of their U.S. taxable income to Canada and are entitled to deduct such distributions for U.S. income tax purposes. As a result, the REIT does not record a provision for current federal U.S. income taxes on the taxable income earned by these subsidiaries. These U.S. subsidiaries are subject to certain state taxes and a 21% to 30% withholding tax on distributions to Canada. Any withholding taxes paid are recorded with the related distributions.

The REIT is subject to federal and state taxation in the U.S. on the taxable income earned by its U.S. management subsidiary.

Income tax expense (recovery) comprised of:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Current income tax expense	\$ (178)	\$ (67)	\$ (456)	\$ (524)
Deferred income tax recovery	86	1,295	3,041	9,196
Income tax (expense) recovery	\$ (92)	\$ 1,228	\$ 2,585	\$ 8,672

The deferred tax expense (recovery) recorded during the nine months ended September 30, 2024 was primarily due to the REIT's share of net loss of Iris for the period. The deferred taxes are recorded at the undistributed rate of tax. Actual taxes payable are expected to be reduced due to the benefit of dividend refunds.

OTHER COMPREHENSIVE (LOSS) INCOME

Other comprehensive (loss) income includes unrealized foreign currency translation losses of \$12,900 (YTD - gains of \$26,808) in Q3-24, compared to gains of \$27,270 (YTD - losses of \$4,127) in Q3-23. Foreign currency translation gains and losses relate to the REIT's net investments in its U.S. subsidiaries.

FUNDS FROM OPERATIONS ("FFO") AND ADJUSTED FUNDS FROM OPERATIONS ("AFFO")

FFO and AFFO are non-GAAP measures. Management considers FFO and AFFO to be valuable recurring earnings measures for evaluating the REIT's operating performance. Refer to the Notice with Respect to Non-GAAP & Supplementary Measures Disclosure section of this MD&A.

Artis calculates FFO and AFFO in accordance with the guidelines set out by the Real Property Association of Canada ("REALpac"), as issued in January 2022, except for the add-back of strategic review expenses in the amount of \$363 (YTD - \$1,258) in Q3-24 compared to \$179 (YTD - \$179) in Q3-23. Although the add-back of these expenses to arrive at FFO and AFFO is not in accordance with the guidelines set out by REALpac, management believes it provides a better representation of recurring FFO and AFFO. FFO adjusts net income for items that are non-cash or not recurring in nature such as fair value gains or losses on investment properties and financial instruments, foreign currency translation gains and losses, tenant inducements amortized to revenue, transaction costs, deferred income taxes, distributions on preferred shares treated as interest expense, remeasurement component of unit-based compensation, incremental leasing costs, and preferred unit distributions. AFFO adjusts FFO by excluding straight-line rent adjustments, as well as costs incurred relating to leasing activities and property capital expenditures. FFO and AFFO include adjustments related to the REIT's equity accounted investments.

Prior to June 30, 2023, the REIT adjusted FFO and AFFO for the impact of realized gain (loss) on equity securities. Effective June 30, 2023, the REIT calculates FFO and AFFO excluding the impact of realized gain (loss) on equity securities. The REIT presents the calculation including the impact of these transactions separately for information purposes. Refer to FFO and AFFO, Adjusted for Impact of Realized Gain (Loss) on Equity Securities section of this MD&A on the following page.

FFO and AFFO

000's, except per unit amounts	Three months ended				Nine months ended			
	September 30,		Change	% Change	September 30,		Change	% Change
	2024	2023			2024	2023		
Net loss	\$ (11,635)	\$(137,516)			\$ (17,991)	\$(245,231)		
Add (deduct):								
Tenant inducements amortized to revenue	6,192	6,026			19,201	18,418		
Incremental leasing costs	560	524			1,604	1,818		
Distributions on preferred shares treated as interest expense	63	62			188	186		
Remeasurement component of unit-based compensation	1,166	(461)			755	(1,399)		
Strategic review expenses	363	179			1,258	179		
Adjustments for equity accounted investments	17,146	52,257			74,588	62,481		
Fair value loss on investment properties	43,326	87,675			30,889	224,483		
Fair value (gain) loss on financial instruments	(24,563)	22,727			(19,869)	53,931		
Foreign currency translation (gain) loss	(2,035)	2,485			4,390	(3,052)		
Deferred income tax recovery	(86)	(1,295)			(3,041)	(9,196)		
Preferred unit distributions	(3,235)	(3,162)			(9,779)	(9,354)		
FFO	\$ 27,262	\$ 29,501	\$ (2,239)	(7.6)%	\$ 82,193	\$ 93,264	\$ (11,071)	(11.9)%
Add (deduct):								
Amortization of recoverable capital expenditures	\$ (1,703)	\$(1,790)			\$ (5,109)	\$(5,418)		
Straight-line rent adjustments	125	(714)			(670)	(2,045)		
Non-recoverable property maintenance reserve	(360)	(550)			(1,160)	(1,800)		
Leasing costs reserve	(7,200)	(7,500)			(22,200)	(22,900)		
Adjustments for equity accounted investments	(1,465)	(2,307)			(4,988)	(6,521)		
AFFO	\$ 16,659	\$ 16,640	\$ 19	0.1%	\$ 48,066	\$ 54,580	\$ (6,514)	(11.9)%

FFO in Q3-24 was primarily impacted by decreased net operating income due to dispositions completed in 2023 and 2024, partially offset by decreased interest expense and increased interest and other income due to the preferred investment as part of the Cominar Transaction.

Actual capital expenditures are by nature variable. Recoverable capital expenditures are building improvement or property maintenance expenditures recovered from tenants over time. Management has deducted from AFFO the actual amortization of recoverable capital expenditures included in property operating expenses charged to tenants for the period, including joint venture arrangements. Approximately 63.2% (YTD - 64.5%) is recoverable from tenants in Q3-24, compared to 66.7% (YTD - 68.0%) in Q3-23. The non-recoverable property maintenance reserve reflects management's estimate of a normalized expenditure using the 2020, 2021, 2022 and 2023 actual expenditures and the 2024 annual budgeted expenditures, adjusted for the impact of dispositions. Refer to the capital expenditures disclosure under the Assets section of this MD&A for further discussion of actual expenditures for the period.

Actual leasing costs include tenant improvements, tenant allowances and commissions which are variable in nature. Leasing costs will fluctuate depending on the square footage of leases rolling over, in-place rates at expiry, tenant retention and local market conditions in a given year. Management calculates the leasing cost reserve to reflect the amortization of leasing costs over the related lease term.

FFO and AFFO, Adjusted for Impact of Realized Gain (Loss) on Equity Securities

The REIT also calculates FFO and AFFO, adjusted for the impact of realized gain (loss) on equity securities. Although these adjustments are not in accordance with the guidelines set out by REALpac as issued in January 2022, management believes the resulting FFO and AFFO provide relevant information. Realized gain (loss) on equity securities is a result of equity security disposition activity and may not recur in future quarters.

	Three months ended				Nine months ended			
	September 30,		Change	% Change	September 30,		Change	% Change
	2024	2023			2024	2023		
FFO	\$ 27,262	\$ 29,501			\$ 82,193	\$ 93,264		
Add (deduct):								
Realized gain (loss) on equity securities	5,181	(1,922)			5,415	(20,683)		
FFO, adjusted for impact of realized gain (loss) on equity securities	\$ 32,443	\$ 27,579	\$ 4,864	17.6 %	\$ 87,608	\$ 72,581	\$ 15,027	20.7 %
AFFO	\$ 16,659	\$ 16,640			\$ 48,066	\$ 54,580		
Add (deduct):								
Realized gain (loss) on equity securities	5,181	(1,922)			5,415	(20,683)		
AFFO, adjusted for impact of realized gain (loss) on equity securities	\$ 21,840	\$ 14,718	\$ 7,122	48.4 %	\$ 53,481	\$ 33,897	\$ 19,584	57.8 %

FFO and AFFO per Unit

FFO per unit and AFFO per unit are non-GAAP ratios. Refer to the Notice with Respect to Non-GAAP & Supplementary Measures Disclosure section of this MD&A.

Artis calculates FFO and AFFO per unit by dividing FFO and AFFO, respectively, by the weighted-average diluted units outstanding for the period. Management considers FFO per unit and AFFO per unit to be valuable recurring earnings measures for evaluating the REIT's operating performance.

The following reconciles the weighted-average number of basic common units to diluted common units for FFO and AFFO purposes:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Basic units	104,302,734	109,216,628	106,078,360	112,422,202
Add:				
Restricted units	602,960	484,368	542,824	437,958
Deferred units	438,669	283,317	408,870	260,554
Diluted units	105,344,363	109,984,313	107,030,054	113,120,714

FFO and AFFO per Unit

	Three months ended September 30,				Nine months ended September 30,			
	2024	2023	Change	% Change	2024	2023	Change	% Change
FFO per unit:								
Basic	\$ 0.26	\$ 0.27	\$ (0.01)	(3.7)%	\$ 0.77	\$ 0.83	\$ (0.06)	(7.2)%
Diluted	0.26	0.27	(0.01)	(3.7)%	0.77	0.82	(0.05)	(6.1)%
AFFO per unit:								
Basic	\$ 0.16	\$ 0.15	\$ 0.01	6.7 %	\$ 0.45	\$ 0.49	\$ (0.04)	(8.2)%
Diluted	0.16	0.15	0.01	6.7 %	0.45	0.48	(0.03)	(6.3)%

FFO and AFFO per unit results have been impacted by the decrease in the weighted-average number of units outstanding, primarily due to units repurchased under the NCIB.

FFO and AFFO per Unit, Adjusted for Impact of Realized Gain (Loss) on Equity Securities

	Three months ended September 30,				Nine months ended September 30,			
	2024	2023	Change	% Change	2024	2023	Change	% Change
FFO, adjusted for impact of realized gain (loss) on equity securities per unit:								
Basic	\$ 0.31	\$ 0.25	\$ 0.06	24.0 %	\$ 0.83	\$ 0.65	\$ 0.18	27.7 %
Diluted	0.31	0.25	0.06	24.0 %	0.82	0.64	0.18	28.1 %
AFFO, adjusted for impact of realized gain (loss) on equity securities per unit:								
Basic	\$ 0.21	\$ 0.13	\$ 0.08	61.5 %	\$ 0.50	\$ 0.30	\$ 0.20	66.7 %
Diluted	0.21	0.13	0.08	61.5 %	0.50	0.30	0.20	66.7 %

FFO and AFFO Payout Ratios

FFO payout ratio and AFFO payout ratios are non-GAAP ratios. Refer to the Notice with Respect to Non-GAAP & Supplementary Measures Disclosure section of this MD&A.

Artis calculates FFO and AFFO payout ratios by dividing the distributions per common unit (excluding any Special Distributions) by diluted FFO per unit and diluted AFFO per unit, respectively, over the same period. Management uses the FFO and AFFO payout ratios to measure the REIT's ability to pay distributions.

FFO and AFFO Payout Ratios

	Three months ended		% Change	Nine months ended		% Change
	September 30, 2024	September 30, 2023		September 30, 2024	September 30, 2023	
Distributions per common unit	\$ 0.15	\$ 0.15		\$ 0.45	\$ 0.45	
FFO per unit - diluted	0.26	0.27		0.77	0.82	
FFO payout ratio	57.7 %	55.6 %	2.1 %	58.4 %	54.9 %	3.5 %
Distributions per common unit	\$ 0.15	\$ 0.15		\$ 0.45	\$ 0.45	
AFFO per unit - diluted	0.16	0.15		0.45	0.48	
AFFO payout ratio	93.8 %	100.0 %	(6.2)%	100.0 %	93.8 %	6.2 %

FFO and AFFO Payout Ratios, Adjusted for Impact of Realized Gain (Loss) on Equity Securities

	Three months ended		% Change	Nine months ended		% Change
	September 30, 2024	September 30, 2023		September 30, 2024	September 30, 2023	
Distributions per common unit	\$ 0.15	\$ 0.15		\$ 0.45	\$ 0.45	
FFO per unit - diluted	0.31	0.25		0.82	0.64	
FFO payout ratio	48.4 %	60.0 %	(11.6)%	54.9 %	70.3 %	(15.4)%
Distributions per common unit	\$ 0.15	\$ 0.15		\$ 0.45	\$ 0.45	
AFFO per unit - diluted	0.21	0.13		0.50	0.30	
AFFO payout ratio	71.4 %	115.4 %	(44.0)%	90.0 %	150.0 %	(60.0)%

FINANCIAL POSITION

ASSETS

Investment Properties, Investment Properties Under Development and Investment Properties Held for Sale

Artis's total investment properties are as follows:

	September 30, 2024	December 31, 2023
Investment properties	\$ 2,094,953	\$ 2,494,134
Investment properties under development	2,992	947
Investment properties held for sale	203,335	571,760
Total	\$ 2,301,280	\$ 3,066,841

The change in total investment properties is a result of the following:

Balance, December 31, 2023	\$ 3,066,841
Additions:	
Acquisition	27,810
Transfer from joint venture	100,867
Capital expenditures	
Investment properties	9,545
Investment properties under development	4,816
Capitalized interest ⁽¹⁾	50
Leasing commissions	3,562
Straight-line rent adjustments	795
Tenant inducement additions, net of amortization	(747)
Dispositions	(326,348)
Foreign currency translation gain	53,623
Fair value gain	12,437
Balance, June 30, 2024	\$ 2,953,251
Additions:	
Capital expenditures	
Investment properties	3,473
Investment properties under development	1,582
Capitalized interest ⁽¹⁾	29
Leasing commissions	1,372
Straight-line rent adjustments	(125)
Tenant inducement additions, net of amortization	2,614
Dispositions	(600,515)
Foreign currency translation loss	(17,075)
Fair value loss	(43,326)
Balance, September 30, 2024	\$ 2,301,280

(1) During Q3-24, interest was capitalized to investment properties under development at a weighted-average effective interest rate of 6.24% (YTD- 6.76%).

Capital Expenditures by Type

Building improvements are capital expenditures that increase the long-term value or revenue generating potential of the property. These expenditures include costs to modernize or upgrade existing properties. Property maintenance costs are capital expenditures to repair or replace components of existing properties such as roofs, HVAC units and parking lots.

	Three months ended			% Change	Nine months ended			% Change
	September 30,		Change		September 30,		Change	
	2024	2023			2024	2023		
New and (re)development expenditures	\$ 1,582	\$ 14,170	\$ (12,588)		\$ 6,398	\$ 24,784	\$ (18,386)	
Building improvements expenditures:								
Recoverable from tenants	111	24	87		360	707	(347)	
Non-recoverable	2,026	6,496	(4,470)		9,412	13,889	(4,477)	
Property maintenance expenditures:								
Recoverable from tenants	878	1,772	(894)		2,563	2,915	(352)	
Non-recoverable	458	475	(17)		683	946	(263)	
Total capital expenditures	\$ 5,055	\$ 22,937	\$ (17,882)	(78.0)%	\$ 19,416	\$ 43,241	\$ (23,825)	(55.1)%

Capital Expenditures by Asset Class

	Three months ended			% Change	Nine months ended			% Change
	September 30,		Change		September 30,		Change	
	2024	2023			2024	2023		
Canada:								
Industrial	\$ 384	\$ 690	\$ (306)		\$ 1,018	\$ 758	\$ 260	
Office	82	2,310	(2,228)		1,992	7,341	(5,349)	
Retail	1,018	321	697		4,471	317	4,154	
Residential	1,208	8,889	(7,681)		3,790	16,365	(12,575)	
	2,692	12,210	(9,518)		11,271	24,781	(13,510)	
U.S.:								
Industrial	10	2,267	(2,257)		81	3,409	(3,328)	
Office	2,353	8,460	(6,107)		8,064	15,051	(6,987)	
	2,363	10,727	(8,364)		8,145	18,460	(10,315)	
Total portfolio:								
Industrial	394	2,957	(2,563)		1,099	4,167	(3,068)	
Office	2,435	10,770	(8,335)		10,056	22,392	(12,336)	
Retail	1,018	321	697		4,471	317	4,154	
Residential	1,208	8,889	(7,681)		3,790	16,365	(12,575)	
Total portfolio	\$ 5,055	\$ 22,937	\$(17,882)	(78.0)%	\$ 19,416	\$ 43,241	\$ (23,825)	(55.1)%

In Q3-24, new and (re)development expenditures included \$1,208 for 300 Main.

In Q3-23, new and (re)development expenditures included \$8,889 for 300 Main and \$3,663 for 161 Inverness.

Leasing Costs by Type

Tenant inducements consist of costs incurred to improve the space that primarily benefit the tenant, as well as allowances paid to tenants. Leasing commissions are fees primarily paid to brokers.

	Three months ended				Nine months ended			
	September 30,		Change	% Change	September 30,		Change	% Change
2024	2023	2024			2023			
Investment property leasing costs:								
Tenant inducements	\$ 8,777	\$ 12,799	\$ (4,022)		\$ 18,647	\$ 28,160	\$ (9,513)	
Leasing commissions	1,372	1,238	134		4,934	4,235	699	
Investment property (re)development related leasing costs:								
Tenant inducements	—	765	(765)		2,305	1,267	1,038	
Leasing commissions	—	67	(67)		—	1,304	(1,304)	
Total leasing costs	\$ 10,149	\$ 14,869	\$ (4,720)	(31.7)%	\$ 25,886	\$ 34,966	\$ (9,080)	(26.0)%

Leasing Costs by Asset Class

	Three months ended				Nine months ended			
	September 30,		Change	% Change	September 30,		Change	% Change
2024	2023	2024			2023			
Canada:								
Industrial	\$ 483	\$ 1,202	\$ (719)		\$ 1,249	\$ 3,083	\$ (1,834)	
Office	194	445	(251)		936	951	(15)	
Retail	1,564	910	654		3,448	2,304	1,144	
Residential	—	—	—		—	—	—	
	2,241	2,557	(316)		5,633	6,338	(705)	
U.S.:								
Industrial	4	1,690	(1,686)		4,066	5,006	(940)	
Office	7,904	10,622	(2,718)		16,187	23,622	(7,435)	
	7,908	12,312	(4,404)		20,253	28,628	(8,375)	
Total portfolio:								
Industrial	487	2,892	(2,405)		5,315	8,089	(2,774)	
Office	8,098	11,067	(2,969)		17,123	24,573	(7,450)	
Retail	1,564	910	654		3,448	2,304	1,144	
Residential	—	—	—		—	—	—	
Total leasing costs	\$ 10,149	\$ 14,869	\$ (4,720)	(31.7)%	\$ 25,886	\$ 34,966	\$ (9,080)	(26.0)%

Dispositions

During Q3-24, Artis sold two office properties and a parking lot located in Canada, and 14 industrial properties and one office property in U.S. for an aggregate sale price of \$615,978. The sale proceeds, net of costs of \$10,332, related debt of \$160,538 were \$445,108.

Investment properties held for sale

At September 30, 2024, the REIT had two industrial properties, two retail properties, one office property and one parkade located in Canada, and one office property, one industrial property and two parcels of development land located in the U.S. with an aggregate fair value of \$203,335, classified as held for sale. These properties were actively marketed for sale or under unconditional or conditional sale agreements at September 30, 2024.

Foreign currency translation loss on investment properties

In Q3-24, the foreign currency translation loss on investment properties was \$17,075 due to the change in the period end US dollar to Canadian dollar exchange rate from 1.3687 at June 30, 2024 to 1.3499 at September 30, 2024.

Fair value loss on investment properties

During Q3-24, the REIT recorded a loss on the fair value of investment properties of \$43,326 (YTD - loss of \$30,889), compared to a loss of \$87,675 (YTD - loss of \$224,483) in Q3-23. The fair value loss in Q3-24 was primarily due to an increase in vacancy and tenant inducement allowances in select U.S. office markets.

Artis determines the fair value of investment properties based upon either the discounted cash flow method or the overall capitalization method. Capitalization rates are estimated using market surveys, available appraisals and market comparables. Under the overall capitalization method, year one income is stabilized and capitalized at a rate deemed appropriate for each investment property. Individual properties were valued using capitalization rates in the range of 4.00% to 9.75%.

Additional information on the average capitalization rates and ranges used for the portfolio properties, assuming all properties were valued using an overall capitalization method, are set out in the following table.

Capitalization Rates

	September 30, 2024			December 31, 2023		
	Maximum	Minimum	Weighted-average	Maximum	Minimum	Weighted-average
Industrial:						
Canadian industrial portfolio	7.50 %	4.00 %	6.55 %	9.00 %	4.25 %	6.48 %
U.S. industrial portfolio	7.25 %	6.50 %	6.74 %	8.00 %	5.50 %	6.16 %
Total industrial portfolio	7.50 %	4.00 %	6.59 %	9.00 %	4.25 %	6.32 %
Office:						
Canadian office portfolio	8.50 %	5.50 %	7.05 %	8.75 %	5.00 %	6.72 %
U.S. office portfolio	9.75 %	7.25 %	8.27 %	9.00 %	7.25 %	8.21 %
Total office portfolio	9.75 %	5.50 %	7.92 %	9.00 %	5.00 %	7.67 %
Retail:						
Canadian retail portfolio	8.75 %	6.00 %	7.24 %	8.75 %	6.00 %	6.96 %
Total retail portfolio	8.75 %	6.00 %	7.24 %	8.75 %	6.00 %	6.96 %
Residential:						
Canadian residential portfolio	4.50 %	4.50 %	4.50 %	4.50 %	4.50 %	4.50 %
Total residential portfolio	4.50 %	4.50 %	4.50 %	4.50 %	4.50 %	4.50 %
Total:						
Canadian portfolio	8.75 %	4.00 %	6.52 %	9.00 %	4.25 %	6.46 %
U.S. portfolio	9.75 %	6.50 %	8.09 %	9.00 %	5.50 %	7.49 %
Total portfolio	9.75 %	4.00 %	7.13 %	9.00 %	4.25 %	6.89 %

Preferred Investments

At September 30, 2024, the REIT had preferred investments of \$171,197, compared to \$144,084 at December 31, 2023. The change is due to junior preferred units received in-kind for interest income in the amount of \$27,113.

The junior preferred units are redeemable by Iris at any time and are redeemable by the REIT commencing on March 1, 2025. Distributions on the junior preferred units are paid quarterly in cash, or at the election of Iris, in-kind through additional junior preferred units.

Equity Securities

At September 30, 2024, the REIT had investments in equity securities of \$100,200, compared to \$152,002 at December 31, 2023.

The change in equity securities is a result of the following:

Balance, December 31, 2023	\$ 152,002
Purchases	15,651
Dispositions	(28,498)
Fair value loss	(7,122)
Balance, June 30, 2024	\$ 132,033
Dispositions	(63,085)
Fair value gain	31,252
Balance, September 30, 2024	\$ 100,200

Notes Receivable

On January 5, 2024, the REIT disposed of a retail property and received as partial consideration a note receivable in the amount of \$5,000. The REIT receives monthly interest-only payments at an effective rate of 8.00% per annum. The note receivable is secured by the retail property and matures in January 2027.

On November 17, 2023, the REIT disposed of an office property and received as partial consideration a note receivable in the amount of US\$11,500. The REIT receives quarterly interest-only payments at an effective rate of 8.967% per annum. The note receivable is secured by the office property and matures in November 2028.

On December 22, 2021, the REIT disposed of an office property and received as partial consideration a note receivable in the amount of \$10,000. The REIT receives monthly interest-only payments at an effective rate of 3.086% per annum. The note receivable is secured by the office property and matures in January 2028.

On November 9, 2020, the REIT disposed of a parcel of development land and received as partial consideration a note receivable in the amount of US\$2,450. The note bears interest at a rate of 4.00% per annum and interest and principal are due on maturity in November 2024. The note receivable is secured by a portion of the development land.

The balance outstanding on all notes receivable at September 30, 2024 was \$37,972, compared to \$47,170 at December 31, 2023.

Accounts Receivable

At September 30, 2024, Artis had accounts receivable outstanding as follows:

	September 30, 2024	December 31, 2023
Rents receivable	\$ 6,015	\$ 5,017
Deferred rents receivable	174	194
Allowance for doubtful accounts	(2,189)	(2,102)
Accrued recovery income	2,481	3,141
Other receivables and accrued income	16,082	9,710
	\$ 22,563	\$ 15,960

Cash

At September 30, 2024, the REIT had \$46,290 of cash on hand, compared to \$28,940 at December 31, 2023. The balance is anticipated to be invested in investment properties, used for working capital purposes, debt repayment or other activities in accordance with the REIT's strategy. All of the REIT's cash is held in current accounts.

LIABILITIES

Mortgages and Loans Payable

Artis finances acquisitions and development projects in part through the arrangement or assumption of mortgage financing and consequently, certain of the REIT's investment properties are pledged as security under mortgages and other loans. The weighted-average term to maturity on all mortgages and loans payable at September 30, 2024 was 1.7 years, compared to 2.1 years at December 31, 2023.

At September 30, 2024, Artis had mortgages and loans payable outstanding, as follows:

	Canada		U.S.		Total Portfolio	
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Fixed rate mortgages	\$ 163,111	\$ 220,218	\$ 45,999	\$ 46,548	\$ 209,110	\$ 266,766
Variable rate mortgages (swapped)	203,133	203,414	43,676	43,483	246,809	246,897
Variable rate mortgages	7,030	14,160	225,009	388,498	232,039	402,658
Financing costs	(2,046)	(3,230)	(563)	(1,343)	(2,609)	(4,573)
	\$ 371,228	\$ 434,562	\$ 314,121	\$ 477,186	\$ 685,349	\$ 911,748

At September 30, 2024, variable rate mortgage debt (excluding swapped mortgages) as a percentage of total debt, including credit facilities and debentures was 20.4%, compared to 21.1% at December 31, 2023. Management believes that holding a percentage of variable rate debt is prudent in managing a portfolio of debt and provides the benefit of lower interest rates over the long term, while keeping the overall risk at a moderate level. All of the REIT's variable rate mortgage debt is term debt and cannot be called on demand. The REIT has the ability to refinance, or use interest rate swaps, at any given point without incurring penalties.

Mortgages and Loans Payable by Asset Class

	September 30, 2024	December 31, 2023
Canadian portfolio:		
Industrial	\$ 78,918	\$ 61,740
Office	36,375	53,599
Retail/residential	257,981	322,453
	373,274	437,792
U.S. portfolio:		
Industrial	—	156,513
Office	314,684	322,016
	314,684	478,529
Total portfolio:		
Industrial	78,918	218,253
Office	351,059	375,615
Retail/residential	257,981	322,453
Total portfolio	\$ 687,958	\$ 916,321

The change in total mortgages and loans payable is a result of the following:

Balance, December 31, 2023	\$ 916,321
Add (deduct):	
Draws on construction loan	349
Assumed variable rate mortgage on acquisition of investment property	3,603
New fixed rate mortgage	24,300
Repayment of variable rate mortgages	(17,960)
Repayment of fixed rate mortgages upon disposition of investment properties	(76,115)
Principal repayments	(8,254)
Foreign currency translation loss	16,535
Balance, June 30, 2024	\$ 858,779
Add (deduct):	
Repayment of fixed rate mortgage	(1,703)
Repayment of variable rate mortgages upon disposition of investment properties	(160,538)
Principal repayments	(3,598)
Foreign currency translation gain	(4,982)
Balance, September 30, 2024	\$ 687,958

Senior Unsecured Debentures

Artis has one series of senior unsecured debentures outstanding, as follows:

	Issued	Maturity	Interest rate	September 30, 2024		December 31, 2023	
				Carrying value	Face value	Carrying value	Face value
Series E	April 29, 2022	April 29, 2025	5.600 %	199,835	200,000	199,630	200,000
				\$ 199,835	\$ 200,000	\$ 199,630	\$ 200,000

Credit Facilities

Revolving Credit Facilities

The revolving credit facilities are comprised of two tranches and the REIT can draw on the revolving credit facilities in Canadian or US dollars.

The first tranche of the revolving credit facilities in the amount of \$400,000 matures on December 14, 2024. The second tranche of the revolving credit facilities in the amount of \$280,000 matures on April 29, 2025. The interest rate on Canadian dollar term advances is adjusted CORRA + 1.70% or prime + 0.70%, and the interest rate on US dollar term advances is adjusted SOFR + 1.70% or US base rate + 0.70%.

At September 30, 2024, there was no balance drawn on the revolving credit facilities (December 31, 2023, \$544,681).

Non-Revolving Credit Facilities

The REIT has unsecured non-revolving credit facilities, as outlined in the table below.

	Interest Rate	September 30, 2024	December 31, 2023
Non-revolving facility maturing October 18, 2024	Variable ⁽¹⁾	150,000	150,000
Non-revolving facility maturing February 6, 2026	Variable ⁽¹⁾	100,000	100,000
		\$ 250,000	\$ 250,000

(1) The applicable interest rate is adjusted CORRA plus 1.70% or prime rate plus 0.70%.

At September 30, 2024, there was \$250,000 drawn on the non-revolving credit facilities (December 31, 2023, \$250,000).

On February 6, 2024, the REIT entered into an amending agreement to extend the maturity date of the \$100,000 non-revolving credit facility to February 6, 2026 (with \$50,000 to be repaid on or before February 6, 2025), at an interest rate of adjusted CORRA plus 1.70% or prime plus 0.70%. On June 28, 2024, the REIT entered into an amended agreement to extend the maturity date of the \$150,000 non-revolving credit facility to October 18, 2024 at an interest rate of adjusted CORRA plus 1.70% or prime plus 0.70%. Subsequent to the end of the quarter, the \$150,000 non-revolving credit facility was further extended to November 30, 2024.

Accounts Payable & Other Liabilities

Included in accounts payable and other liabilities was accrued distributions payable to unitholders of \$6,417, which were paid subsequent to the end of the period.

UNITHOLDERS' EQUITY

Unitholders' equity decreased overall by \$102,206 between December 31, 2023 and September 30, 2024. The overall decrease was primarily due to \$75,520 of common units and \$15,383 of preferred units purchased through the NCIB, distributions made to unitholders of \$63,461, net loss of \$17,991 and unit buyback tax of \$660, partially offset by contributed surplus of \$46,312, other comprehensive income of \$24,437, and the issuance of common units of \$60.

OTHER FINANCIAL MEASURES

The measures and ratios calculated below are non-GAAP. Refer to the Notice with Respect to Non-GAAP & Supplementary Measures Disclosure section of this MD&A.

NAV per Unit

NAV per unit is a non-GAAP measure. Artis calculates NAV per unit as its unitholders' equity, adjusted for the outstanding face value of its preferred units, divided by its total number of dilutive units outstanding.

Management considers this metric to be a valuable measure of the REIT's residual equity available to its common unitholders.

000's, except unit and per unit amounts	September 30, 2024	December 31, 2023	Change
Unitholders' equity	\$ 1,614,126	\$ 1,716,332	\$ (102,206)
Less face value of preferred equity	(182,062)	(197,951)	15,889
NAV attributable to common unitholders	\$ 1,432,064	\$ 1,518,381	\$ (86,317)
Total number of diluted units outstanding:			
Common units	102,984,651	107,950,866	(4,966,215)
Restricted units	602,960	477,077	125,883
Deferred units	439,635	323,224	116,411
	104,027,246	108,751,167	(4,723,921)
NAV per unit	\$ 13.77	\$ 13.96	\$ (0.19)

Unitholders' equity decreased primarily due to distributions made to unitholders, units purchased under the NCIB and net loss, partially offset by the foreign exchange gain recorded in other comprehensive income. The total number of dilutive units outstanding has decreased primarily due to units purchased under the NCIB.

Secured Mortgages and Loans to GBV

Secured mortgages and loans to GBV is a non-GAAP measure. Artis calculates GBV based on the total consolidated assets of the REIT, adding back the amount of accumulated depreciation of property and equipment. Artis calculates secured mortgages and loans to GBV by dividing secured mortgages and loans by GBV.

Management considers secured mortgages and loans to GBV to be a valuable measure of the REIT's leverage.

	September 30, 2024	December 31, 2023
Total assets	\$ 2,843,897	\$ 3,735,030
Add: accumulated depreciation	12,681	11,786
Gross book value	2,856,578	3,746,816
Secured mortgages and loans	\$ 685,349	\$ 911,748
Secured mortgages and loans to GBV	24.0 %	24.3 %

Total Debt to GBV

Total debt to GBV is a non-GAAP measure. Artis calculates GBV based on the total consolidated assets of the REIT, adding back the amount of accumulated depreciation of property and equipment. Artis calculates total debt to GBV by dividing total debt, which consists of mortgages and loans, the carrying value of senior unsecured debentures, credit facilities and preferred shares liability, by GBV.

Management considers total debt to GBV to be a valuable measure of the REIT's leverage. Under the terms of the REIT's Declaration of Trust, total indebtedness of the REIT is limited to 70% of GBV.

	September 30, 2024	December 31, 2023
Total assets	\$ 2,843,897	\$ 3,735,030
Add: accumulated depreciation	12,681	11,786
Gross book value	2,856,578	3,746,816
Secured mortgages and loans	685,349	911,748
Preferred shares liability	946	928
Carrying value of debentures	199,835	199,630
Credit facilities	249,779	794,164
Total debt	\$ 1,135,909	\$ 1,906,470
Total debt to GBV	39.8 %	50.9 %

Unencumbered Assets to Unsecured Debt

Unencumbered assets to unsecured debt is a supplementary financial measure. Unencumbered assets represent the fair value of investment properties that have not been pledged as security under mortgage agreements. Artis calculates unencumbered assets to unsecured debt by dividing the total unencumbered assets, inclusive of investment properties held under joint venture arrangements, by total unsecured debt, which consists of senior unsecured debentures and unsecured credit facilities.

Management considers this ratio to be useful as the REIT is required to maintain a minimum a ratio of 1.4 under the terms of its revolving credit facilities. The availability to draw on the revolving credit facilities is limited by the total unencumbered assets.

	September 30, 2024	December 31, 2023
Unencumbered assets	\$ 1,205,751	\$ 1,567,001
Unencumbered investment properties held under joint venture arrangements	48,938	47,243
Total unencumbered assets	1,254,689	1,614,244
Senior unsecured debentures	199,835	199,630
Unsecured credit facilities	249,779	794,164
Total unsecured debt	\$ 449,614	\$ 993,794
Unencumbered assets to unsecured debt	2.79	1.62

Adjusted EBITDA Interest Coverage Ratio

Adjusted EBITDA interest coverage ratio is a non-GAAP measure. The REIT calculates Adjusted EBITDA as net income, adjusted for interest expense, transaction costs, income taxes, all non-cash revenue and expense items and non-recurring items. The REIT also deducts net income (loss) from equity accounted investments and adds distributions from equity accounted investments.

Adjusted EBITDA interest coverage ratio is calculated by dividing Adjusted EBITDA by interest expense from operations (excluding amortization of financing costs and above- and below-market mortgage adjustments) and excludes the REIT's share of interest expense in equity accounted investments.

Management considers this ratio to be a valuable measure of Artis's ability to service the interest requirements on its outstanding debt.

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Net loss	\$ (11,635)	\$ (137,516)	\$ (17,991)	\$ (245,231)
Add (deduct):				
Tenant inducements amortized to revenue	6,192	6,026	19,201	18,418
Straight-line rent adjustments	125	(714)	(670)	(2,045)
Depreciation of property and equipment	283	314	875	915
Net loss from equity accounted investments	16,566	49,728	70,505	55,581
Distributions from equity accounted investments	1,070	1,017	2,715	2,973
Interest expense	23,030	29,095	86,295	89,060
Strategic review expenses	363	179	1,258	179
Fair value loss on investment properties	43,326	87,675	30,889	224,483
Fair value (gain) loss on financial instruments	(24,563)	22,727	(19,869)	53,931
Foreign currency translation (gain) loss	(2,035)	2,485	4,390	(3,052)
Income tax expense (recovery)	92	(1,228)	(2,585)	(8,672)
Adjusted EBITDA	52,814	59,788	175,013	186,540
Interest expense	23,030	29,095	86,295	89,060
Add (deduct):				
Amortization of financing costs	(720)	(865)	(2,358)	(2,604)
Amortization of above- and below-market mortgages, net	—	230	—	694
Adjusted interest expense	\$ 22,310	\$ 28,460	\$ 83,937	\$ 87,150
Adjusted EBITDA interest coverage ratio	2.37	2.10	2.09	2.14

Total Debt to Adjusted EBITDA

Total debt to Adjusted EBITDA is a non-GAAP measure. Artis calculates total debt to Adjusted EBITDA based on annualizing the current quarter's Adjusted EBITDA as defined above and comparing that balance to Artis's total outstanding debt. Management considers this ratio to be a valuable measure of Artis's ability to meet financial obligations.

	September 30, 2024	December 31, 2023
Secured mortgages and loans	\$ 685,349	\$ 911,748
Preferred shares liability	946	928
Carrying value of debentures	199,835	199,630
Credit facilities	249,779	794,164
Total debt	1,135,909	1,906,470
Quarterly Adjusted EBITDA	52,814	61,952
Annualized Adjusted EBITDA	211,256	247,808
Total debt to Adjusted EBITDA	5.4	7.7

EQUITY ACCOUNTED INVESTMENTS

INVESTMENT PROPERTIES

The REIT has interests in the following investment properties held in equity accounted investments:

Property	Investment Type	Property Count	Location	Asset Class	Owned Share of GLA	Ownership Interest	
						September 30, 2024	December 31, 2023
Park 8Ninety V	Joint venture	—	Greater Houston Area, TX	Industrial	—	— %	95 %
Corridor Park ⁽¹⁾	Joint venture	—	Greater Houston Area, TX	Office	—	90 %	90 %
Graham Portfolio	Joint venture	8	Various Cities, AB/BC/SK	Industrial	243,109	75 %	75 %
The Point at Inverness	Joint venture	1	Greater Denver Area, CO	Office	95,199	50 %	50 %
Park Lucero East	Associate	1	Greater Phoenix Area, AZ	Industrial	56,100	10 %	10 %

(1) Corridor Park is a parcel of development land.

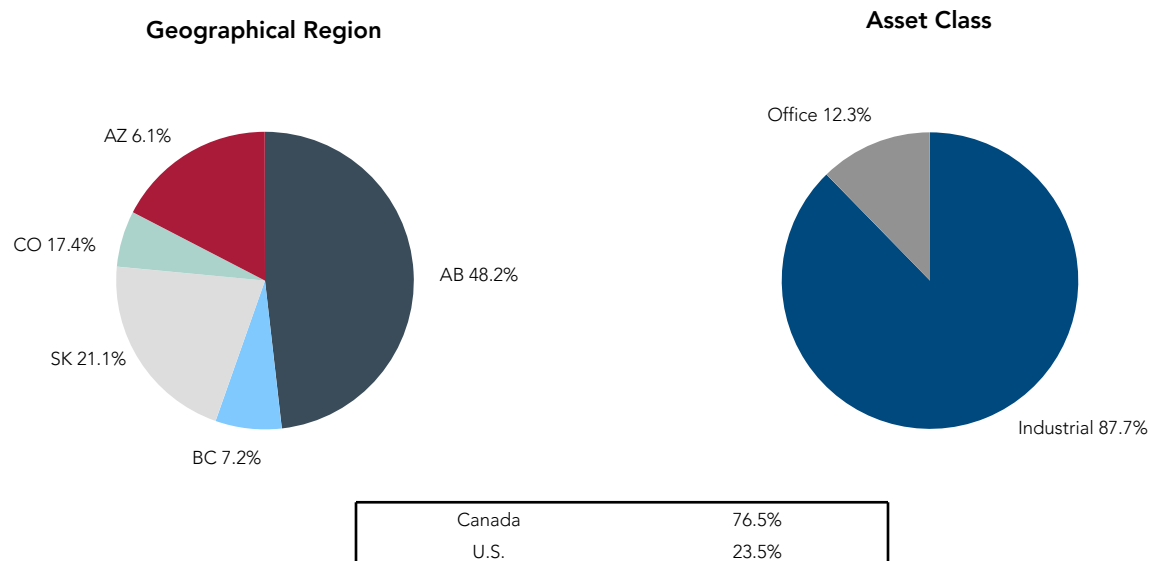
During Q1-24, Artis acquired the remaining 5% of Park 8Ninety V and subsequently sold the property in Q3-24.

Financial and Operating Results

Net Operating Income

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 3,015	\$ 5,255	\$ 10,816	\$ 13,560
Total operating expenses	1,248	1,859	4,563	5,385
Net operating income	\$ 1,767	\$ 3,396	\$ 6,253	\$ 8,175

Below is a breakdown of Q3-24 net operating income by geographical region and asset class of the REIT's investment properties held under equity accounted investments at the REIT's ownership interest:



Fair Value Gain (Loss) on Investment Properties

In Q3-24, the fair value gain on investment properties was \$850 (YTD - loss of \$9,218), compared to a loss of \$7,788 (YTD - gain of \$12,637) in Q3-23.

Other Expenses and Income, Net

In Q3-24, the net amount of other expenses and income, was \$332 (YTD - \$1,491), compared to \$1,239 (YTD - \$3,324) in Q3-23.

Financial Position

The change in total investment properties held in equity accounted investments is a result of the following:

Balance, December 31, 2023	\$	240,109
Additions:		
Capital expenditures		9,163
Leasing commissions		112
Straight-line rent adjustments		368
Tenant inducement additions, net of amortization		873
Reclassification from equity accounted investments ⁽¹⁾		(100,867)
Foreign currency translation gain		4,044
Fair value loss		(10,068)
Balance, June 30, 2024	\$	143,734
Additions:		
Capital expenditures		691
Leasing commissions		83
Straight-line rent adjustments		91
Tenant inducement additions, net of amortization		221
Foreign currency translation loss		(847)
Fair value gain		850
Balance, September 30, 2024	\$	144,823

(1) On February 22, 2024, the REIT increased its ownership interest in Park 8Ninety V to 100% and subsequently sold the property in Q3-24. As a result, Park 8Ninety V is no longer included in equity accounted investments.

At September 30, 2024, mortgages and loans payable at the REIT's ownership interest in investment properties held in equity accounted investments were as follows:

	September 30, 2024	December 31, 2023
Fixed rate mortgage	\$ 27,158	\$ 28,097
Variable rate mortgage	5,221	42,942
Financing costs	(14)	(87)
	<u>\$ 32,365</u>	<u>\$ 70,952</u>

The weighted-average term to maturity on mortgages and loans payable at the REIT's ownership interest in equity accounted investments was 0.7 years at September 30, 2024, compared to 0.8 years at December 31, 2023.

OTHER INVESTMENTS

The REIT has interests in the following other investments held in equity accounted investments:

Investment	Investment Type	Purpose	Ownership Interest	
			September 30, 2024	December 31, 2023
ICE LP	Joint venture	Investment in Iris Acquisition II LP	50.00 %	50.00 %
ICE II LP	Joint venture	Investment in the asset manager of Iris Acquisition II LP	50.00 %	50.00 %
Iris Acquisition II LP	Associate	Investment in Cominar Real Estate Investment Trust	32.64 %	32.64 %

In 2022, the REIT contributed \$112,000 to acquire common equity units in Iris Acquisition II LP ("Iris"), an entity formed to acquire the outstanding units of Cominar. The REIT's investment in 32.64% of the outstanding common equity units of Iris is determined to be an investment in an associate on the basis of the REIT's significant influence over this investment through representation on the Board of Cominar and the Board of the ultimate general partner of Iris.

In connection with the investment in Iris, the REIT, Sandpiper and an affiliate of Sandpiper entered into two joint ventures, ICE LP and ICE II LP. ICE LP holds 33.33% interest in the ultimate general partner of Iris and certain equity interest in Iris with profit participation rights. ICE II LP holds 33.33% interest in the asset manager of Cominar.

Under the asset management agreement, the asset manager earns a monthly fee of 1/12th of 1.75% of the net asset value of Iris. The asset management agreement has an initial term of six years with an automatic renewal of one year thereafter.

In addition, the REIT has an investment in junior preferred units of Iris in the initial amount of \$100,000. Refer to Preferred Investments section of this MD&A for further details.

The change in other investments held in equity accounted investments is a result of the following:

Balance, December 31, 2023	\$	89,329
Net loss from Iris Acquisition II LP		(47,584)
Other comprehensive income from Iris Acquisition II LP		888
Net income from ICE II LP		386
Distributions from ICE II LP		(987)
Balance, June 30, 2024	\$	42,032
Net loss from Iris Acquisition II LP		(18,915)
Other comprehensive loss from Iris Acquisition II LP		(3,259)
Contributions to ICE LP and ICE II LP		13
Net income from ICE II LP		63
Balance, September 30, 2024	\$	19,934

LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations represents the primary source of funds for distributions to unitholders and principal repayments on mortgages and loans.

DISTRIBUTIONS

The Trustees determine the level of cash distributions based on the level of cash flow from operations before working capital changes, less actual and planned capital expenditures. During the period, distributions are based on estimates of full year cash flow and capital spending; thus, distributions may be adjusted as these estimates change. It is expected that normal seasonal fluctuations in working capital will be funded from cash resources.

	Three months ended September 30, 2024	Nine months ended September 30, 2024	Year ended December 31, 2023	Year ended December 31, 2022
Cash flow from operations	\$ 26,621	\$ 55,717	\$ 79,962	\$ 140,744
Net loss	(11,635)	(17,991)	(332,068)	(5,294)
Monthly and quarterly distributions paid and payable	18,809	57,293	79,458	86,228
Special Distribution payable in cash	—	—	—	9,234
	18,809	57,293	79,458	95,462
Excess (shortfall) of cash flow from operations over distributions paid and payable	7,812	(1,576)	504	45,282
(Shortfall) of net income over distributions paid and payable	(30,444)	(75,284)	(411,526)	(100,756)

Artis's primary objective is to provide tax-efficient monthly cash distributions.

The shortfall of cash flow from operations over distributions declared for nine months ended September 30, 2024 was primarily due to timing of non-cash operating items.

The shortfall of net income over distributions declared for the three months ended September 30, 2024, the nine months ended September 30, 2024, year ended December 31, 2023 and year ended December 31, 2022 was primarily due to the non-cash impact of the fair value changes on investment properties (including properties held under equity accounted investments) and financial instruments.

CAPITAL RESOURCES

At September 30, 2024, Artis had \$46,290 of cash on hand. Management anticipates that the cash on hand may be invested in investment properties, used for working capital purposes, debt repayment or other activities in accordance with the REIT's business strategy.

The REIT has two unsecured revolving term credit facilities in the aggregate amount of \$680,000, which can be utilized for general corporate and working capital purposes, short term financing of investment property acquisitions and the issuance of letters of credit. At September 30, 2024, the REIT had \$680,000 available on its revolving term credit facilities. Under the terms of the revolving credit facilities, the REIT must maintain a minimum unencumbered property assets to consolidated unsecured indebtedness ratio of 1.4. As at September 30, 2024, the total borrowing capacity of the revolving credit facilities was limited to \$445,500 by this covenant (December 31, 2023, not limited).

At September 30, 2024, the REIT had 64 unencumbered properties and two unencumbered parcels of development land, representing a fair value of \$1,205,751.

Artis is not in default or arrears on any of its obligations, including distributions to unitholders, interest or principal payments on debt at September 30, 2024.

The REIT's mortgage providers have various financial covenants. The REIT monitors these covenants, which are primarily debt service coverage ratios. Mortgages and loans payable with maturities within 12 months or are payable on demand as a result of a financial covenant breach are classified as current liabilities.

The REIT's management expects to meet all of its short-term obligations and capital commitments with respect to investment properties and new developments in process through funds generated from operations, from the proceeds of mortgage financing, drawing on unsecured credit facilities, from the issuance of new debentures or units and from cash on hand.

CONTRACTUAL OBLIGATIONS

	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Accounts payable and other liabilities	\$ 74,561	\$ 74,561	\$ —	\$ —	\$ —
Lease liabilities	798	223	292	283	—
Credit facilities	250,000	200,000	50,000	—	—
Senior unsecured debentures	200,000	200,000	—	—	—
Mortgages and loans payable	687,958	265,979	284,831	130,373	6,775
Total contractual obligations	\$ 1,213,317	\$ 740,763	\$ 335,123	\$ 130,656	\$ 6,775

As at September 30, 2024, the REIT had extension options for mortgages maturing in the next 12 months in the amount of \$118,552.

The REIT's schedule of mortgage maturities is as follows:

Year ended December 31,	Debt maturities	% of total principal	Scheduled principal repayments on non-matured debt	Total annual principal repayments	Weighted- average nominal interest rate on balance due at maturity
2024	\$ 74,697	11.3 %	\$ 3,371	\$ 78,068	6.28 %
2025	255,060	38.6 %	8,911	263,971	7.48 %
2026	199,712	30.3 %	5,165	204,877	5.80 %
2027	—	— %	5,226	5,226	— %
2028	103,070	15.6 %	3,814	106,884	5.82 %
2029 & later	27,621	4.2 %	1,311	28,932	5.15 %
Total	\$ 660,160	100.0 %	\$ 27,798	\$ 687,958	6.48 %

RISKS AND UNCERTAINTIES

A summary of all risks applicable to the REIT are set forth in Artis's 2023 Annual Information Form. The REIT discusses specific risk factors below.

STRATEGY

Failure to Execute the Strategy

Pursuant to the strategy, Artis intends to make investments that achieve superior investment performance commensurate with reasonable risk. This goal relies on the successful execution of its investment strategies, which may be uncertain as it requires suitable opportunities, careful timing and business judgment, as well as sufficient resources to make investments and restructure them, if required, notwithstanding difficulties experienced in a particular industry. In addition, there is no assurance that Artis will be able to identify suitable or sufficient opportunities that meet its investment criteria and be able to make investments at attractive prices to supplement its growth in a timely manner, or at all. Further, Artis may be exposed to unexpected risks and costs associated with its investments, including that the costs necessary to bring an investment up to Artis's standards established for its intended market position may be higher than expected.

Investment Portfolio

In connection with the strategy, investment returns will become an increasingly important part of Artis's overall profitability as Artis's operating results will depend in part on the performance of its investment portfolio. It is expected that Artis's investment portfolio will include bond and other debt instruments, common stock, preferred stock and derivative instruments. Accordingly, fluctuations in the fixed income or equity markets could have an adverse effect on Artis's financial condition, profitability or cash flows. The return on the portfolio and the risks associated with the investments are affected by the asset mix of the portfolio companies, which can change materially depending on market conditions.

Acquisitions, Divestitures and Strategic Initiatives

Pursuant to the strategy, Artis may periodically explore opportunities to make strategic investments in all or part of certain businesses or companies. Although Artis will undertake due diligence prior to the completion of an acquisition or investment, there can be no assurance that Artis will have adequate time or access to complete appropriate investigations or that Artis will properly ascertain or assess all of the significant risks of such investment. Furthermore, some of the risks may be outside of Artis's control and leave Artis with no ability to mitigate or control the chances that those risks will adversely impact the target company. In addition, there is no assurance that the anticipated financial or strategic objectives following an integration effort or the implementation of a strategic initiative will be achieved, which could adversely affect Artis's financial condition, profitability or cash flows. In particular, acquisitions may involve a number of special risks, including failure to retain key personnel, unanticipated events or circumstances and legal liabilities, some or all of which could have a material adverse effect on Artis's business, results of operations and financial position.

Control or Significant Influence Risk & Minority Investments

Although Artis may endeavour to make investments that allow it to acquire control or exercise significant influence over management and the strategic direction of its portfolio entities, there can be no assurance that all investments will provide Artis with such a degree of influence or control. In addition, the exercise of control over a portfolio company imposes additional risks of liability for failure to supervise management. The exercise of control over an investment could expose the assets of Artis to claims by such businesses, its shareholders and its creditors. While Artis intends to manage its investments in a manner that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded. On occasion, Artis expects that it may also make minority equity investments in businesses in which Artis does not participate in the management or otherwise control the business or affairs of such businesses. While Artis will monitor the performance of each investment and maintain an ongoing dialogue with each business management team, it will be the responsibility of the management of the business to operate the business on a day-to-day basis and Artis may not have the right or ability to control or otherwise influence such business. Accordingly, these companies may undertake activities which Artis does not believe is in their best interests.

Competitive Market for Investment Opportunities

In accordance with the overall strategy and Artis's business objective and investment strategies, Artis will compete with a large number of other investors, such as private equity funds, mezzanine funds, investment banks and other equity and non-equity based public and private investment funds, and other sources of financing, including traditional financial services companies, such as commercial banks. Competitors may have a lower cost of funds and may have access to funding sources that are not available to Artis. In addition, certain competitors of Artis may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships and build their respective market shares. There can be no assurance that the competitive pressures faced by Artis will not have a material adverse effect on its investment activities pursuant to the strategy.

Reputation

Artis could be negatively impacted if there is misconduct or alleged misconduct by its personnel, personnel of Sandpiper or those of the portfolio companies in which Artis invests, including historical misconduct prior to its investment. Risks associated with misconduct at portfolio companies is heightened in cases where Artis does not have legal control or exercise significant influence over an investment, or is not otherwise involved in actively managing a portfolio company. In such situations, given Artis's ownership position and affiliation with the portfolio company, it may still be negatively impacted from a reputational perspective through this association.

Reliance on Services of Sandpiper

Some decisions with respect to the assets and investment strategy of Artis are expected to be made with reliance on the services and support of Sandpiper. Personnel and support staff of Sandpiper who provide services to Artis are not required to treat their responsibilities to Artis as their primary responsibilities or to act exclusively for Artis (other than Samir Manji, who has certain fiduciary duties and contractual obligations with respect to Artis in his capacity as CEO and a trustee). The Services Agreement does not require Sandpiper to maintain the employment of any of its personnel or to cause any particular person to provide services to Artis. There can be no assurance that any of the personnel and support staff of Sandpiper will remain in their current positions.

REAL PROPERTY OWNERSHIP

All real property investments are subject to elements of risk. General economic conditions, local real estate markets, supply and demand for leased premises, competition from other available premises and various other factors affect such investments. The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants and upon vacancy rates of Artis's portfolio of income-producing properties. Artis's financial performance would be adversely affected if a significant number of tenants were to become unable to meet their obligations under their leases. Upon the expiry of any lease, there can be no assurance that the lease will be renewed on favourable terms to Artis or at all and no guarantee that the tenant can be replaced. The terms of any subsequent leases may be less favourable to Artis than the existing leases. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs may be incurred by Artis. Furthermore, at any time, a tenant of any of Artis's property or properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby adversely affect the financial performance of Artis.

Certain expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the real property is producing any income. If Artis is unable to make mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its right of foreclosure and sale.

DEVELOPMENTS

Artis is subject to numerous risks related to development projects including development costs exceeding original estimates, construction or other unforeseen timing delays and development projects not be leased on a timely basis or at anticipated rates upon completion. These risks could impact the REIT's liquidity, financial position and future earning potential.

At September 30, 2024, investment properties under development account for 0.1% of Artis's total investment properties (December 31, 2023, 0.0%).

DEBT FINANCING AND INTEREST RATE FLUCTUATIONS

Artis will be subject to the risks associated with debt financing. There can be no assurance that Artis will be able to refinance its existing indebtedness on terms that are as or more favourable to Artis as the terms of existing indebtedness. The inability to replace financing of debt on maturity would have an adverse impact on the financial condition and results of Artis.

Management seeks to mitigate this risk in a variety of ways. First, management considers structuring the timing of the renewal of significant tenant leases on properties in relation to the time at which mortgage indebtedness on such property becomes due for refinancing. Second, management seeks to secure financing from a variety of lenders on a property by property basis. Third, mortgage terms are, where practical, structured such that the exposure in any one year to financing risks is balanced.

Artis is also subject to interest rate risk associated with the REIT's credit facilities, mortgages and debentures payable due to the expected requirement to refinance such debts in the year of maturity. The REIT minimizes the risk by restricting debt to 70% of gross book value and by carefully monitoring the amount of variable rate debt. At September 30, 2024, 30.4% of the REIT's mortgages and loans payable bear interest at fixed rates, and a further 35.9% of the REIT's mortgages and loans payable bear interest at variable rates with interest rate swaps in place. At September 30, 2024, the REIT is a party to \$728,848 of variable rate debt, including credit facilities (December 31, 2023, \$1,444,236). At September 30, 2024, the REIT had entered into interest rate swaps to hedge the interest rate risk associated with \$246,809 of variable rate debt (December 31, 2023, \$246,897). The REIT has the ability to place interest rate swaps on top of variable rate debt at any time in order to effectively fix the interest rate.

At September 30, 2024, the REIT's ratio of secured mortgages and loans to GBV was 24.0%, compared to 24.3% at December 31, 2023. At September 30, 2024, the REIT's ratio of total debt to GBV was 39.8%, compared to 50.9% at December 31, 2023. Approximately 11.3% of Artis's maturing mortgage debt comes up for renewal during the remainder of 2024, and 38.6% in 2025. Management is in discussion with various lenders with respect to the renewal or refinancing of the remainder of the 2024 mortgage maturities.

FOREIGN CURRENCY

The REIT owns properties located in the U.S., and therefore, the REIT is subject to foreign currency fluctuations that may impact its financial position and results. In order to mitigate this risk, the REIT's debt on U.S. properties and a portion of the amounts drawn on credit facilities are held in US dollars to act as a natural hedge.

TENANTS

Credit and Tenant Concentration

Artis is exposed to risks relating to tenants that may be unable to pay their contracted rents. Management mitigates this risk by acquiring and owning properties across several asset classes and geographical regions. As well, management seeks to acquire properties with strong tenant covenants in place. Artis's portfolio includes 721 tenant leases with a weighted-average term to maturity of 5.1 years. Approximately 48.0% of the REIT's gross revenue is derived from national or government tenants. As indicated below, the largest tenant by gross revenue is Bell Canada which is Canada's leading telecommunications company. The second largest tenant by gross revenue is Prime Therapeutics, LLC, which is a diversified pharmacy solutions organization serving health plans, employers and government programs.

Top 20 Tenants by Gross Revenue ⁽¹⁾

Tenant	Tenant location	% of total gross revenue ⁽²⁾	Owned share of GLA (000's of S.F.)	% of total GLA	Weighted-average remaining lease term
Bell Canada	Canada	3.8 %	115	1.1 %	5.2
Prime Therapeutics LLC	U.S.	3.1 %	386	3.9 %	10.0
Catalent Pharma Solutions, LLC	U.S.	2.4 %	244	2.4 %	11.8
A WIN Management, Inc.	U.S.	2.2 %	153	1.5 %	8.1
CB Richard Ellis, Inc.	U.S.	2.0 %	108	1.1 %	2.3
PBP, Inc.	U.S.	1.9 %	519	5.2 %	7.2
TDS Telecommunications Corporation	U.S.	1.8 %	127	1.3 %	5.3
Kodak Canada ULC	Canada	1.6 %	130	1.3 %	5.0
UCare Minnesota	U.S.	1.5 %	124	1.2 %	8.8
Civeo Canada Ltd.	Canada	1.3 %	72	0.7 %	3.7
Soo Line Railroad Company	U.S.	1.3 %	92	0.9 %	2.9
Maple Leaf Consumer Foods Inc.	Canada	1.2 %	163	1.6 %	4.7
MLT Aikins LLP	Canada	1.2 %	60	0.6 %	0.1
11:11 Systems Inc.	U.S.	1.1 %	99	1.0 %	1.3
U of Wisconsin Medical Foundation	U.S.	1.1 %	101	1.0 %	2.9
U of WI Hospitals & Clinic Authority	U.S.	1.1 %	86	0.9 %	1.6
Bell MTS	Canada	1.1 %	76	0.8 %	2.3
Pine River Capital Management, LP	U.S.	0.9 %	42	0.4 %	4.2
Pitblado	Canada	0.8 %	40	0.4 %	6.3
Axway Inc.	U.S.	0.8 %	52	0.5 %	7.2
Total		32.2 %	2,789	27.8 %	6.4

Government Tenants by Gross Revenue ⁽¹⁾

Tenant	% of total gross revenue ⁽²⁾	Owned share of GLA (000's of S.F.)	% of total GLA	Weighted-average remaining lease term
Federal Government	3.5 %	243	2.4 %	4.2
Provincial or State Government	1.2 %	135	1.3 %	7.8
Civic or Municipal Government	0.7 %	66	0.7 %	12.3
Total	5.4 %	444	4.4 %	6.5

Weighted-average term to maturity (entire portfolio) 5.1

(1) Based on owned share of GLA of properties. Excludes properties held in equity accounted investments, properties held for redevelopment, and Artis's commercial/residential property (300 Main).

(2) Total gross revenue is in Canadian and US dollars.

Lease Rollover

The value of investment properties and the stability of cash flows derived from those properties is dependent upon the level of occupancy and lease rates in those properties. Upon expiry of any lease, there is no assurance that a lease will be renewed on favourable terms, or at all; nor is there any assurance that a tenant can be replaced. A contraction in the Canadian or U.S. economy would negatively impact demand for space in industrial, office and retail properties, consequently increasing the risk that leases expiring in the near term will not be renewed.

Details of the portfolio's expiry schedule is as follows:

Expiry Year	Canada				U.S.				Total
	AB	BC	MB	SK	AZ	MN	TX	WI	
2024	0.7 %	— %	1.6 %	0.1 %	0.1 %	0.8 %	— %	0.5 %	3.8 %
2025	2.0 %	— %	4.0 %	0.1 %	2.0 %	0.7 %	— %	1.2 %	10.0 %
2026	2.3 %	— %	5.8 %	0.2 %	1.3 %	1.6 %	— %	2.3 %	13.5 %
2027	1.0 %	— %	2.8 %	1.6 %	0.8 %	1.3 %	— %	1.5 %	9.0 %
2028 & later	6.5 %	2.2 %	10.9 %	2.6 %	4.3 %	11.0 %	5.2 %	7.7 %	50.4 %
Vacant	1.6 %	0.2 %	2.9 %	0.1 %	0.8 %	3.0 %	— %	4.1 %	12.7 %
Month-to-month	0.2 %	— %	0.1 %	0.2 %	— %	0.1 %	— %	— %	0.6 %
Total portfolio	14.3 %	2.4 %	28.1 %	4.9 %	9.3 %	18.5 %	5.2 %	17.3 %	100.0 %

Artis's real estate is diversified across four Canadian provinces and four U.S. states, and across the industrial, office, retail and residential asset classes. By city and asset class, the five largest markets of the REIT's portfolio (by Q3-24 net operating income) are Twin Cities Area Office, Madison Office, Greater Phoenix Area Office, Winnipeg Office and Winnipeg Industrial.

SIFT RULES AND OTHER TAX-RELATED FACTORS

The Income Tax Act (Canada) contains legislation affecting the tax treatment of a SIFT trust or partnership ("the SIFT Rules"), which are applicable to publicly traded income trusts unless the trust satisfies the REIT Exception. The REIT Exception to the SIFT Rules is comprised of a number of technical tests and the determination as to whether the REIT qualifies for the REIT Exception in any particular taxation year can only be made with certainty at the end of the taxation year. Management believes that the REIT has met the requirements of the REIT Exception in each taxation year since 2009 and that it has met the REIT Exception throughout the period ended September 30, 2024 and the year ended December 31, 2023. There can be no assurances, however, that the REIT will continue to be able to satisfy the REIT Exception in the future such that the REIT will not be subject to the tax imposed by the SIFT Rules.

If Artis is subject to the SIFT Rules, the SIFT Rules may, depending on the nature of distributions from Artis, including what portion of its distributions are income and what portion are returns of capital, have a material adverse effect on the after-tax returns of certain Unitholders.

Also, in the event that the SIFT Rules apply to Artis, they may adversely affect the marketability of the Units or Preferred Units, the amount of cash available for distributions and, among other things, there can be no assurance that Artis will be able to maintain the portion of distributions that is treated as a non-taxable return of capital.

The Tax Act contains restrictions relating to the activities and the investments permitted by a mutual fund trust. Closed-end trusts must also comply with a number of technical tests relating to its investments and income.

Management of Artis intends to ensure that Artis satisfies the conditions to qualify as a closed-end mutual fund trust by complying with the restrictions in the Tax Act as they are interpreted and applied by the Canada Revenue Agency. No assurance can be given that Artis will be able to comply with these restrictions at all times. If Artis were not to qualify as a mutual fund trust, the consequences could be material and adverse.

There can be no assurance that the Canadian federal income tax laws respecting mutual fund trusts, or the ways in which these rules are interpreted and applied by the Canada Revenue Agency, may not be changed in a manner which adversely affect Artis and/or its security holders.

The REIT operates in the U.S. through four U.S. REITs (Artis US Holdings, Inc., Artis US Holdings II, LLC, Artis US Holdings III, LLC and Artis US Holdings IV, LLC) which are primarily capitalized by the REIT by way of common equity, debt in the form of notes owed to the REIT and preferred shares. If the Internal Revenue Service ("IRS") or a court were to determine that the notes and related interest should be treated differently for tax purposes this may adversely affect the REIT's ability to flow income from the U.S. to Canada.

CYBER SECURITY

Cyber security has become an increasingly problematic issue for issuers and businesses in Canada and around the world, including for Artis and the real estate industry. Cyber attacks against large organizations are increasing in sophistication and are often focused on financial fraud, compromising sensitive data for inappropriate use or disrupting business operations. A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the organization's information resources. More specifically, a cyber incident is an intentional attack or an unintentional event that can include gaining unauthorized access to information systems to disrupt operations, corrupt data or steal confidential information.

As Artis's reliance on technology has increased, so have the risks posed to its system. Artis's primary risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to its reputation, damage to its business relationships with its tenants, disclosure of confidential information regarding its tenants, employees and third parties with who Artis interacts, and may result in negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny and litigation. These developments may subject Artis's operations to increased risks, as well as increased costs, and, depending on their magnitude, could have a material adverse effect on Artis's financial position and results of operations.

The Board and management are responsible for overseeing Artis's cyber security risks. To remain resilient to these risks, Artis has implemented processes, procedures and controls to help mitigate these risks, including installing firewalls and antivirus programs on its networks, servers and computers, and staff training. However, these measures, as well as its increased awareness of a risk of a cyber incident, do not provide assurance that its efforts will be effective or that attempted security breaches or disruptions will not be successful or damaging.

OTHER INFORMATION

RELATED PARTY TRANSACTIONS

In Q3-24, the REIT paid employment benefits to employees and issued unit-based awards to trustees, officers and employees.

Sandpiper is a related party by virtue of being a company under joint control of the President and Chief Executive Officer of the REIT.

The REIT entered into a Space Sharing Licence Agreement with Sandpiper for use of certain office premises. The agreement has an automatic one-year extension unless terminated by either party upon written notice no later than 120 days before the end of the term or extension term.

The REIT entered into a Services Agreement with Sandpiper to provide certain services to support the REIT's strategy to acquire ownership positions in publicly-listed real estate entities. The annual fee payable to Sandpiper is 0.50% for years one to three, 0.40% for year four, and 0.30% for year five and thereafter, based on the net value of the investments made by the REIT pursuant to this agreement. The agreement was effective May 17, 2021 and continues until termination by either party upon 60-day written notice, or upon other specific circumstances.

Fees paid and accrued to Sandpiper were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Space sharing licence costs	\$ 33	\$ 32	\$ 98	\$ 95
Service fees	149	204	482	892
	\$ 182	\$ 236	\$ 580	\$ 987

Amounts payable to Sandpiper were \$160 as at September 30, 2024 (December 31, 2023, \$171).

In connection with the investment in Iris on March 1, 2022, the REIT entered into two joint ventures, ICE LP and ICE II LP, with Sandpiper and an affiliate of Sandpiper. As at September 30, 2024, the REIT had a balance payable to ICE II LP of \$514 (December 31, 2023, \$987).

SUBSEQUENT EVENTS

Subsequent to September 30, 2024, the following transactions took place:

- The REIT entered into an amended agreement to extend the maturity date of the \$150,000 non-revolving credit facility to November 30, 2024.
- The REIT sold investments in equity securities for proceeds of \$5,732.
- The REIT purchased through the NCIB 1,252,300 common unit at a weighted-average price of \$8.07 and 5,500 Series E preferred units at a weighted-average price of \$20.88.
- The REIT declared a monthly cash distribution of \$0.05 per common unit for the month of October 2024.
- The REIT declared a quarterly cash distribution of \$0.4370625 per Series I preferred unit for the three months ended October 31, 2024.

OUTSTANDING UNIT DATA

As of November 7, 2024, the balance of common units outstanding is as follows:

	Total
Units outstanding at September 30, 2024	102,984,651
Units purchased and cancelled through NCIB	(1,026,000)
Units purchased through NCIB, not cancelled at November 7, 2024	(226,300)
Units outstanding at November 7, 2024	101,732,351

As of November 7, 2024, the balance of preferred units outstanding is as follows:

	Series E	Series I	Total
Units outstanding at September 30, 2024	2,952,309	4,330,156	7,282,465
Units purchased and cancelled through NCIB	(4,100)	—	(4,100)
Units purchased through NCIB, not cancelled at November 7, 2024	(1,400)	—	(1,400)
Units outstanding at November 7, 2024	2,946,809	4,330,156	7,276,965

The balance of restricted units outstanding as of November 7, 2024 is 595,744, of which none have vested.

The balance of deferred units outstanding as of November 7, 2024 is 459,767. All of these deferred units have vested, 151,944 of which are redeemable.

SUMMARIZED QUARTERLY INFORMATION

\$000's, except per unit amounts	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22
Revenue	\$ 66,369	\$ 84,729	\$ 80,420	\$ 80,892	\$ 80,412	\$ 84,278	\$ 90,255	\$ 94,102
Net operating income	34,091	47,888	43,557	45,352	43,737	46,867	48,061	52,377
Net (loss) income	(11,635)	765	(7,121)	(86,837)	(137,516)	(84,954)	(22,761)	(128,301)
Total comprehensive (loss) income	(27,794)	12,298	21,942	(116,270)	(109,017)	(115,441)	(23,671)	(147,659)
Basic loss per common unit	(0.14)	(0.02)	(0.10)	(0.84)	(1.29)	(0.78)	(0.22)	(1.13)
Diluted loss per common unit	(0.14)	(0.03)	(0.10)	(0.84)	(1.29)	(0.78)	(0.23)	(1.14)
FFO ⁽¹⁾	\$ 27,262	\$ 28,698	\$ 26,233	\$ 27,275	\$ 29,501	\$ 29,946	\$ 33,817	\$ 34,690
FFO per unit - diluted ⁽¹⁾	0.26	0.27	0.24	0.25	0.27	0.26	0.29	0.30
FFO payout ratio ⁽¹⁾⁽²⁾	57.7 %	55.6 %	62.5 %	60.0 %	55.6 %	57.7 %	51.7 %	50.0 %
AFFO ⁽¹⁾	\$ 16,659	\$ 17,063	\$ 14,344	\$ 15,418	\$ 16,640	\$ 17,079	\$ 20,861	\$ 21,307
AFFO per unit - diluted ⁽¹⁾	0.16	0.16	0.13	0.14	0.15	0.15	0.18	0.18
AFFO payout ratio ⁽¹⁾⁽²⁾	93.8 %	93.8 %	115.4 %	107.1 %	100.0 %	100.0 %	83.3 %	83.3 %
Same Property NOI (decline) growth ⁽¹⁾	(0.9)%	(0.4)%	4.0 %	9.2 %	6.0 %	6.9 %	8.4 %	5.2 %
Adjusted EBITDA interest coverage ratio ⁽¹⁾	2.37	2.05	1.92	1.93	2.10	2.04	2.28	2.35
Leasable area renewed (in square feet)	146,979	100,365	288,517	261,889	177,787	269,026	315,574	325,361
Increase in weighted-average rental rate	2.5 %	3.1 %	2.2 %	5.8 %	3.5 %	4.6 %	4.8 %	6.9 %
	2024	2024	2024	2023	2023	2023	2023	2022
	Sept 30	Jun 30	Mar 31	Dec 31	Sept 30	Jun 30	Mar 31	Dec 31
Number of properties	89	106	117	119	121	122	135	134
GLA (000's of square feet)	10,140	13,551	14,237	13,727	14,014	14,042	15,600	15,462
Occupancy ⁽³⁾	87.3 %	89.5 %	89.5 %	90.1 %	89.9 %	90.3 %	90.5 %	90.1 %
NAV per unit ⁽¹⁾	\$ 13.77	\$ 14.11	\$ 14.06	\$ 13.96	\$ 15.26	\$ 16.28	\$ 17.09	\$ 17.38
Total debt to Adjusted EBITDA ⁽¹⁾	5.4	7.1	8.0	7.7	8.0	7.8	8.3	8.3
Secured mortgages and loans to GBV ⁽¹⁾	24.0 %	24.3 %	24.1 %	24.3 %	23.2 %	23.1 %	19.6 %	18.9 %
Total debt to GBV ⁽¹⁾	39.8 %	49.8 %	51.3 %	50.9 %	49.4 %	47.2 %	49.1 %	48.5 %
Fair value unencumbered assets ⁽¹⁾	\$1,205,751	\$1,517,489	\$1,671,541	\$1,567,001	\$1,650,006	\$1,659,698	\$2,023,557	\$2,034,409
Total assets	\$2,843,897	\$3,508,147	\$3,750,432	\$3,735,030	\$3,871,689	\$3,983,481	\$4,467,506	\$4,553,913
Total non-current financial liabilities	554,239	602,124	1,131,474	1,047,231	1,548,240	1,172,550	1,293,551	974,063

(1) Represents a non-GAAP measure or non-GAAP ratio. Refer to the Notice with Respect to Non-GAAP & Supplementary Measures Disclosure section in this MD&A.

(2) FFO payout ratio and AFFO payout ratio are calculated excluding the Special Distribution declared in December 2022.

(3) Excludes properties held for redevelopment, new developments in process, completed new developments, and properties held in equity accounted investments. Refer to the Property Portfolio section of this MD&A.

The quarterly financial results have been impacted by acquisition, disposition and (re)development activity, the impact of foreign exchange, lease termination income, transaction costs, and the fair value gains and losses on investment properties and financial instruments.

Per unit results are also impacted by units purchased under the NCIB.

CRITICAL ACCOUNTING ESTIMATES

The policies that the REIT's management believes are the most subject to estimation and judgment are set out in the REIT's Management Discussion and Analysis for the year ended December 31, 2023.

CHANGES IN ACCOUNTING STANDARDS

New or Revised Accounting Standard Adopted During the Period

In January 2020, the International Accounting Standards Board ("IASB") issued amendments to IAS 1 *Presentation of Financial Statements* to specify the requirements for classifying liabilities as current or non-current. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. In October 2022, the IASB issued further amendments to IAS 1 that clarify only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current and specify additional disclosures requirements. The amendments had no impact on the interim condensed consolidated financial statements.

CONTROLS AND PROCEDURES

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The REIT's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal controls over financial reporting.

All control systems have inherent limitations, and evaluation of a control system cannot provide absolute assurance that all control issues have been detected, including risks of misstatement due to error or fraud. Management anticipates that the REIT will be continually evolving and enhancing its systems of controls and procedures.

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") evaluated, or caused to be evaluated under their supervision, the effectiveness of the REIT's internal controls over financial reporting (as defined in NI 52-109). Based on this evaluation, the CEO and CFO have concluded that, as at September 30, 2024, the design of the REIT's internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. No changes were made in the REIT's design of internal controls over financial reporting during the nine months ended September 30, 2024, that have materially affected, or are reasonably likely to materially affect, the REIT's internal controls over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES

The REIT's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the REIT is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure.

As of September 30, 2024, under the supervision of the CEO and CFO and with the participation of management, the effectiveness of the REIT's disclosure controls and procedures (as defined in NI 52-109) was evaluated. Based on the evaluation, the CEO and CFO have concluded that the REIT's designed disclosure controls and procedures were effective for the nine months ended September 30, 2024.