



FOR IMMEDIATE RELEASE

MAY 8, 2025

ARTIS REAL ESTATE INVESTMENT TRUST RELEASES FIRST QUARTER RESULTS

Artis Real Estate Investment Trust ("Artis" or the "REIT") (TSX: AX.UN, AX.PR.E, AX.PR.I) announced today its financial results for the three months ended March 31, 2025. The first quarter results in this press release should be read in conjunction with the REIT's consolidated financial statements and Management's Discussion and Analysis ("MD&A") for the three months ended March 31, 2025. All amounts are in thousands of Canadian dollars, except per unit amounts or otherwise noted.

"During the first quarter we continued to make progress towards our goal of reducing overall leverage and strengthening the balance sheet," said Samir Manji, President and Chief Executive Officer of Artis. "We sold two industrial and two retail properties in Canada for \$70.5 million, and continued to use our normal course issuer bid to repurchase our units at a weighted-average price per unit of \$7.58, a significant discount to our net asset value per unit of \$13.76. We were able to maintain a conservative debt to gross book value of 39.2% at March 31, 2025, compared to 40.2% at December 31, 2024. We will continue to monetize assets opportunistically to enhance our liquidity while also exploring opportunities to harness the dry powder on our balance sheet. Given the nature of our strategy, we continue to expect our income (and as a result, our FFO and AFFO metrics) to be lumpy from one quarter to the next. Ultimately, we believe that the successful execution of our strategy will provide long-term sustainability with our current distribution. We look forward to providing further updates as we continue to pursue opportunities that are aligned with our long-term objective of growing net asset value per unit and maximizing value for our unitholders."

FIRST QUARTER HIGHLIGHTS

Portfolio Activity

- Disposed of two industrial and two retail properties located in Canada for an aggregate sale price of \$70.5 million.
- Entered into an unconditional agreement to sell a retail property located in Canada for a sale price of \$4.8 million, which closed subsequent to the end of the quarter.

Balance Sheet and Liquidity

- Utilized the NCIB to purchase 1,825,666 common units at a weighted-average price of \$7.58 and 45,400 preferred units at a weighted-average price of \$20.74.
- Reported NAV per Unit ⁽¹⁾ of \$13.76 at March 31, 2025, compared to \$13.75 at December 31, 2024.
- Improved Total Debt to GBV ⁽¹⁾ to 39.2% at March 31, 2025, compared to 40.2% at December 31, 2024.
- Reported total Debt to Adjusted EBITDA ⁽¹⁾ of 7.0 at March 31, 2025, compared to 6.2 at December 31, 2024.
- Improved Adjusted EBITDA Interest Coverage Ratio ⁽¹⁾ to 2.33 for the first quarter of 2025, compared to 1.92 for the first quarter of 2024.

Financial and Operational

- Same Property NOI ⁽¹⁾ in Canadian dollars for the first quarter of 2025 increased 4.5% compared to the first quarter of 2024.
- Reported portfolio occupancy of 87.1% (89.1% including commitments) at March 31, 2025, compared to 88.2% at December 31, 2024.
- Renewals totalling 122,760 square feet and new leases totalling 65,178 square feet commenced during the first quarter of 2025.
- Weighted-average rental rate on renewals that commenced during the first quarter of 2025 increased 4.0%.

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

BALANCE SHEET AND LIQUIDITY

The REIT's balance sheet metrics are as follows:

	March 31, 2025	December 31, 2024
Total investment properties	\$ 2,316,081	\$ 2,372,878
NAV per unit ⁽¹⁾	13.76	13.75
Total Debt to GBV ⁽¹⁾	39.2 %	40.2 %
Total Debt to Adjusted EBITDA ⁽¹⁾	7.0	6.2
Adjusted EBITDA interest coverage ratio ⁽¹⁾	2.33	2.47

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At March 31, 2025, Artis had \$26.3 million of cash on hand and \$311.0 million available on its revolving credit facilities. Under the terms of the secured credit facilities, the REIT must maintain certain financial covenants which limit the total borrowing capacity of the credit facilities. At December 31, 2024, the total borrowing capacity of the secured credit facilities was limited to \$518.5 million.

Liquidity and capital resources may be impacted by financing activities, portfolio acquisition, disposition and development activities or debt repayments occurring subsequent to March 31, 2025.

FINANCIAL AND OPERATIONAL RESULTS

<i>\$000's, except per unit amounts</i>	Three months ended March 31,			% Change
	2025	2024		
Revenue	\$ 62,302	\$ 80,420		(22.5)%
Net operating income	31,167	43,557		(28.4)%
Net income (loss)	11,427	(7,121)		(260.5)%
Total comprehensive income	10,638	21,942		(51.5)%
Distributions per common unit	0.15	0.15		— %
FFO ⁽¹⁾	\$ 17,535	\$ 26,467		(33.7)%
FFO per unit - diluted ⁽¹⁾	0.17	0.24		(29.2)%
FFO payout ratio ⁽¹⁾	88.2 %	62.5 %		25.7 %
AFFO ⁽¹⁾	\$ 8,735	\$ 14,578		(40.1)%
AFFO per unit - diluted ⁽¹⁾	0.09	0.13		(30.8)%
AFFO payout ratio ⁽¹⁾	166.7 %	115.4 %		51.3 %

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Artis reported portfolio occupancy of 87.1% (89.1% including commitments) at March 31, 2025, compared to 88.2% at December 31, 2024. Weighted-average rental rate on renewals that commenced during the first quarter of 2025 increased 4.0%.

Artis's portfolio has a stable lease expiry profile with 44.4% of gross leasable area expiring in 2029 or later. Information about Artis's lease expiry profile is as follows:

	Current vacancy	Monthly tenants	2025	2026	2027	2028	2029 & later	Total portfolio
Expiring square footage	12.8 %	0.5 %	9.5 %	13.4 %	8.8 %	10.6 %	44.4 %	100.0 %
In-place rents	N/A	N/A	\$ 17.28	\$ 16.58	\$ 15.98	\$ 16.42	\$ 17.28	\$ 16.94
Market rents	N/A	N/A	\$ 16.27	\$ 15.79	\$ 15.56	\$ 15.33	\$ 16.35	\$ 16.05

UPCOMING WEBCAST AND CONFERENCE CALL

A conference call with management will be held on Friday, May 9, 2025, at 12:00 p.m. CT (1:00 p.m. ET). In order to participate, please dial 1-437-900-0527 or 1-888-510-2154. You will be required to identify yourself and the organization on whose behalf you are participating.

Alternatively, you may access the simultaneous webcast by following the link from our website at <https://www.artisreit.com/investor-link/conference-calls/>. Prior to the webcast, you may follow the link to confirm you have the right software and system requirements.

If you cannot participate on Friday, May 9, 2025, a replay of the conference call will be available by dialing 1-289-819-1450 or 1-888-660-6345 and entering passcode 24883#. The replay will be available until Monday, June 9, 2025. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

CAUTIONARY STATEMENTS

This press release contains forward-looking statements within the meaning of applicable Canadian securities laws. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. These forward-looking statements include, among others, statements regarding the timing and amount of distributions and the future financial position, business strategy, potential acquisitions and dispositions, plans and objectives of Artis. Without limiting the foregoing, the words "outlook", "objective", "expects", "anticipates", "intends", "estimates", "projects", and similar expressions or variations of such words and phrases suggesting future outcomes or events, or which state that certain actions, events or results "may", "would", "should" or "will" occur or be achieved are intended to identify forward-looking statements. Such forward-looking information reflects management's current beliefs and is based on information currently available to management.

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

Artis is subject to significant risks and uncertainties which may cause the actual results, performance or achievements of the REIT to be materially different from any future results, performance or achievements expressed or implied in these forward-looking statements. Such risk factors include, but are not limited to risks related to the strategy, real property ownership, overall investment portfolio, 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 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, debentures, dilution, unitholder liability, failure to obtain additional financing, potential conflicts of interest, developments and trustees.

For more information on the risks, uncertainties and assumptions that could cause Artis's actual results to materially differ from current expectations, refer to the section entitled "Risk Factors" of Artis's 2024 Annual Information Form for the year ended December 31, 2024, the section entitled "Risk and Uncertainties" of Artis's Q1-25 MD&A, as well as Artis's other public filings, available on SEDAR+ at www.sedarplus.ca.

Artis cannot assure investors that actual results will be consistent with any forward-looking statements and Artis assumes no obligation to update or revise such forward-looking statements to reflect actual events or new circumstances other than as required by applicable securities laws. All forward-looking statements contained in this press release are qualified by this cautionary statement.

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

Unless otherwise noted, all amounts in this Press Release are based on the consolidated financial statements prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "GAAP"). In addition, certain non-GAAP and supplementary financial measures are commonly used by Canadian real estate investment trusts as an indicator of financial performance.

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

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 Accounting Standards 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 Accounting Standards.

The above measures are not standardized financial measures under the financial reporting framework used to prepare the financial statements of Artis. Readers should be further cautioned that the above measures as calculated by Artis may not be comparable to similar measures presented by other issuers. Refer to the Notice With Respect to Non-GAAP & Supplementary Financial Measures Disclosure of Artis's Q1-25 MD&A, which is incorporated by reference herein, for further information (available on SEDAR+ at www.sedarplus.ca or Artis's website at www.artisreit.com).

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

NAV per Unit

	March 31, 2025	December 31, 2024
Unitholders' equity	\$ 1,558,425	\$ 1,580,975
Less: face value of preferred equity	(180,459)	(181,594)
NAV attributable to common unitholders	1,377,966	1,399,381
Total number of diluted units outstanding:		
Common units	98,908,587	100,733,768
Restricted units	713,811	585,230
Deferred units	496,476	465,779
	100,118,874	101,784,777
NAV per unit	\$ 13.76	\$ 13.75

Total Debt to GBV

	March 31, 2025	December 31, 2024
Total assets	\$ 2,711,807	\$ 2,803,161
Add: accumulated depreciation	13,498	13,080
Gross book value	2,725,305	2,816,241
Secured mortgages and loans	661,724	681,650
Preferred shares liability	1,008	1,009
Carrying value of debentures	199,977	199,907
Credit facilities	204,597	250,480
Total debt	\$ 1,067,306	\$ 1,133,046
Total debt to GBV	39.2 %	40.2 %

Adjusted EBITDA Interest Coverage Ratio

	Three months ended	
	2025	March 31, 2024
Net income (loss)	\$ 11,427	\$ (7,121)
Add (deduct):		
Tenant inducements amortized to revenue	5,633	6,389
Straight-line rent adjustments	59	(343)
Depreciation of property and equipment	419	302
Net (income) loss from equity accounted investments	(1,944)	22,506
Distributions from equity accounted investments	2,778	817
Interest expense	17,430	32,120
Strategic review expenses	—	350
Expected credit loss on preferred investments	8,184	—
Fair value (gain) loss on investment properties	(7,096)	1,000
Fair value loss on financial instruments	1,188	1,022
Foreign currency translation (gain) loss	(17)	4,438
Income tax expense (recovery)	254	(1,432)
Adjusted EBITDA	38,315	60,048
Interest expense	17,430	32,120
Add (deduct):		
Amortization of financing costs	(999)	(813)
Adjusted interest expense	\$ 16,431	\$ 31,307
Adjusted EBITDA interest coverage ratio	2.33	1.92

Total Debt to Adjusted EBITDA

	March 31, 2025	December 31, 2024
Secured mortgages and loans	\$ 661,724	\$ 681,650
Preferred shares liability	1,008	1,009
Carrying value of debentures	199,977	199,907
Credit facilities	204,597	250,480
Total debt	1,067,306	1,133,046
Quarterly Adjusted EBITDA	38,315	45,516
Annualized Adjusted EBITDA	153,260	182,064
Total Debt to Adjusted EBITDA	7.0	6.2

FFO and AFFO

	Three months ended	
	2025	March 31, 2024
Net income (loss)	\$ 11,427	\$ (7,121)
Add (deduct):		
Tenant inducements amortized to revenue	5,633	6,389
Incremental leasing costs	338	461
Distributions on preferred shares treated as interest expense	66	62
Remeasurement component of unit-based compensation	288	(269)
Strategic review expenses	—	350
Expected credit loss on preferred investments	8,184	—
Adjustments for equity accounted investments	(527)	24,588
Fair value (gain) loss on investment properties	(7,096)	1,000
Fair value loss on financial instruments	1,188	1,022
Realized gain on disposition of equity securities	1,192	234
Foreign currency translation (gain) loss	(17)	4,438
Deferred income tax expense (recovery)	54	(1,443)
Preferred unit distributions	(3,195)	(3,244)
FFO	\$ 17,535	\$ 26,467
Add (deduct):		
Amortization of recoverable capital expenditures	\$ (1,425)	\$ (1,719)
Straight-line rent adjustments	59	(343)
Non-recoverable property maintenance reserve	(350)	(400)
Leasing costs reserve	(7,000)	(7,500)
Adjustments for equity accounted investments	(84)	(1,927)
AFFO	\$ 8,735	\$ 14,578

FFO and AFFO Per Unit

	Three months ended	
	2025	March 31, 2024
Basic units	100,127,194	107,907,667
Add:		
Restricted units	499,981	510,650
Deferred units	496,239	361,441
Diluted units	101,123,414	108,779,758

FFO and AFFO per Unit

	Three months ended	
	2025	March 31, 2024
FFO per unit:		
Basic	\$ 0.18	\$ 0.25
Diluted	0.17	0.24
AFFO per unit:		
Basic	\$ 0.09	\$ 0.14
Diluted	0.09	0.13

FFO and AFFO Payout Ratios

	Three months ended			
	2025		March 31, 2024	
Distributions per common unit	\$	0.15	\$	0.15
FFO per unit - diluted		0.17		0.24
FFO payout ratio		88.2 %		62.5 %
Distributions per common unit	\$	0.15	\$	0.15
AFFO per unit - diluted		0.09		0.13
AFFO payout ratio		166.7 %		115.4 %

ABOUT ARTIS REAL ESTATE INVESTMENT TRUST

Artis is a diversified Canadian real estate investment trust with a portfolio of industrial, office and retail properties in Canada and the United States. Artis's vision is to become a best-in-class real estate asset management and investment platform focused on value investing.

For further information please contact:

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

600 - 220 Portage Avenue
Winnipeg, MB R3C 0A5
T 204.947.1250 F 204.947.0453
www.artisreit.com
AX.UN on the TSX