ARTIS

REIT

Management's Discussion and Analysis
Q2-25

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

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Management's Discussion and Analysis - Q2-25

(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 six months ended June 30, 2025 and 2024, the audited annual consolidation financial statements for years ended December 31, 2024 and 2023, and the notes thereto. Unless otherwise noted, all amounts in this MD&A 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"). 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 August 7, 2025. 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, 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 ("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, 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.

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, 2024 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 Accounting Standards 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 Accounting Standards, 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, Net Asset Value ("NAV"), NAV per Unit, Gross Book Value ("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 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 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.

A description of the composition and a reconciliation to each of these measures to the nearest IFRS Accounting Standards 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
NAV Per Unit	Other Financial Measures
GBV, Total Debt to GBV	Other Financial Measures
Adjusted EBITDA, Adjusted EBITDA Interest Coverage Ratio & Debt to Adjusted EBITDA	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 August 7, 2025, there were 96,617,287 common units, 7,150,565 preferred units, 721,165 restricted units and 551,472 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 generate meaningful long-term growth in net asset value per unit by strengthening its 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 second quarter of 2025, Artis sold one retail property located in Canada for a sale price of $4,750.

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 Accounting Standards 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, 2024 and, under the terms of the NCIB, the REIT may purchase a maximum of 4,975,917 common units, 291,560 Series E preferred units and 421,775 Series I preferred units. As at June 30, 2025, the REIT had purchased 3,803,458 common units at a weighted-average price of $7.42 under the current term. The common units were purchased at a significant discount to NAV per unit of $12.98 at June 30, 2025.

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 June 30, 2025, improved to 87.8% (89.0% including commitments), compared to 87.1% at March 31, 2025. During the second quarter, 126,306 square feet of new leases and 210,643 square feet of renewals commenced. These renewals were negotiated at a weighted-average rental increase when compared to expiring rents of 3.6%.

Strategic Value Investments

At June 30, 2025, Artis held equity securities with an aggregate fair value of $58,823.

DBRS Credit Rating

At June 30, 2025, Artis had an Issuer Rating from DBRS Limited ("Morningstar DBRS") of BB (high) with a Stable trend. Following the repayment of Artis's senior unsecured debentures during the second quarter of 2025, the ratings for both the senior unsecured debentures and the REIT's preferred trust units were discontinued.

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.

BUSINESS ENVIRONMENT AND OUTLOOK

Occupancy including commitments was 89.0% at June 30, 2025, compared to 89.1% at March 31, 2025. During the second quarter, 126,306 square feet of new leases and 210,643 square feet of renewals commenced. The renewal rates represented a weighted-average increase of 3.6% over expiring rates. This marks the eighteenth consecutive quarter of growth in weighted-average rental rates on renewals. Year-over-year Same Property NOI growth for the six months ended June 30, 2025, was 2.3%. 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 second quarter, Artis sold one retail property located in Canada for a sale price of $4,750.

Going forward, Artis is committed to strengthening its balance sheet and, more specifically, reducing debt and increasing liquidity through its disposition strategy. The REIT renewed the NCIB effective December 19, 2024 and, under the terms of the NCIB, the REIT may purchase a maximum of 4,975,917 common units, 291,560 Series E preferred units and 421,775 Series I preferred units. As at June 30, 2025, the REIT purchased 3,803,458 common units at a weighted-average price of $7.42 under the current term. These units were purchased at a significant discount to NAV per unit of $12.98 at June 30, 2025. 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 if 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.

SECOND QUARTER OVERVIEW

SELECTED FINANCIAL INFORMATION

000's, except per unit amounts	Three months ended June 30, 2025	2024	Change	% Change	Six months ended June 30, 2025	2024	Change	% Change
Revenue	$59,082	$84,729	$(25,647)	(30.3)%	$121,384	$165,149	$(43,765)	(26.5)%
Net operating income	30,729	47,888	(17,159)	(35.8)%	61,896	91,445	(29,549)	(32.3)%
Net (loss) income	(23,492)	765	(24,257)	(3,170.8)%	(12,065)	(6,356)	(5,709)	89.8 %
Total comprehensive (loss) income	(70,300)	12,298	(82,598)	(671.6)%	(59,662)	34,240	(93,902)	(274.2)%
Basic loss per common unit	(0.27)	(0.02)	(0.25)	1,250.0 %	(0.19)	(0.12)	(0.07)	58.3 %
Diluted loss per common unit	(0.27)	(0.03)	(0.24)	800.0 %	(0.19)	(0.12)	(0.07)	58.3 %
Distributions per unit:								
Common units	$ 0.15	$ 0.15	$ —	— %	$ 0.30	$ 0.30	$ —	— %
Preferred units - Series E	0.45	0.45	—	— %	0.90	0.90	—	— %
Preferred units - Series I	0.44	0.44	—	— %	0.87	0.87	—	— %
FFO [(1)]	$16,956	$28,698	$(11,742)	(40.9)%	$ 34,491	$ 55,165	$(20,674)	(37.5)%
FFO per unit - diluted [(1)]	0.17	0.27	(0.10)	(37.0)%	0.34	0.51	(0.17)	(33.3)%
FFO payout ratio [(1)]	88.2 %	55.6 %		32.6 %	88.2 %	58.8 %		29.4 %
AFFO [(1)]	$ 8,204	$17,063	$ (8,859)	(51.9)%	$ 16,939	$ 31,641	$(14,702)	(46.5)%
AFFO per unit - diluted [(1)]	0.08	0.16	(0.08)	(50.0)%	0.17	0.29	(0.12)	(41.4)%
AFFO payout ratio [(1)]	187.5 %	93.8 %		93.7 %	176.5 %	103.4 %		73.1 %
Same Property NOI growth (decline) [(1)]	0.1 %	(0.4)%		0.5 %	2.3 %	1.9 %		0.4 %
Adjusted EBITDA interest coverage ratio [(1)]	2.29	2.05	0.24	11.7 %	2.31	1.98	0.33	16.7 %

(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.

000's, except per unit amounts	June 30, 2025	December 31, 2024	% Change
Total assets	$ 2,611,435	$ 2,803,161	(6.8)%
Total non-current financial liabilities	661,166	636,503	3.9 %
NAV per unit [(1)]	12.98	13.75	(5.6)%
Total debt to GBV [(1)]	41.1 %	40.2 %	0.9 %

(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 2024 and 2025 and by development fee income recorded in the second quarter of 2024.

Artis reported portfolio occupancy of 87.8% (89.0% including commitments) at June 30, 2025, compared to 87.1% at March 31, 2025. During the second quarter, 126,306 square feet of new leases and 210,643 square feet of lease renewals commenced. The weighted-average increase in renewal rents compared to expiring rents on renewals that began during the second quarter was 3.6%.

Net (loss) income was impacted by the expected credit loss on preferred investments ($26,000 in Q2-25, compared to $nil in Q2-24), fair value change on investment properties (loss of $7,958 in Q2-25, compared to a gain of $13,437 in Q2-24), interest and other income ($681 in Q2-25, compared to $7,644 in Q2-24), income tax (expense of $731 in Q2-25, compared to a recovery of $1,245 in Q2-24), distribution income from equity securities ($806 in Q2-25, compared to $1,854 in Q2-24), and corporate expenses ($3,639 in Q2-25, compared to $2,897 in Q2-24).

Partially offsetting the above decreases to net income was net income (loss) from equity accounted investments (net income of $1,270 in Q2-25 compared to net loss of $31,433 in Q2-24), interest expense ($16,937 in Q2-25, compared to $31,145 in Q2-24), fair value change on financial instruments (loss of $1,961 in Q2-25, compared to a loss of $3,672 in Q2-24), and equity securities expenses ($62 in Q2-25, compared to $169 in Q2-24).

Foreign exchange had an impact on Artis's financial results, due to a higher US dollar to Canadian dollar average exchange rate of 1.3841 in Q2-25, compared to 1.3684 in Q2-24.

FFO per unit (diluted) for Q2-25 was $0.17, compared to $0.27 for Q2-24, while AFFO per unit (diluted) for Q2-25 was $0.08, compared to $0.16 for Q2-24. FFO in Q2-25 was primarily impacted by decreased net operating income due to dispositions completed in 2024 and 2025, decreased interest and other income, and decreased distributions from equity securities due to sales, partially offset by decreased interest expense.

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 88.2% and 187.5%, for the second quarter of 2025.

Balance Sheet and Liquidity

During Q2-25, Artis drew a net balance of $232,584 on its revolving credit facilities. Proceeds were primarily used for the repayment of the Series E senior unsecured debentures upon maturity with a face value of $200,000. Artis reported a total debt to GBV of 41.1% at June 30, 2025, compared to 40.2% at December 31, 2024.

In Q2-25, Artis utilized the NCIB to purchase 1,771,089 common units for an aggregate market price of $12,892, and 25,700 Series E and 33,200 Series I preferred units for an aggregate market price of $1,180.

At June 30, 2025, NAV per unit was $12.98, compared to $13.75 at December 31, 2024. The decrease was primarily due to the impact of foreign exchange, distributions made to unitholders, the expected credit loss on preferred investments, interest expense, corporate expense and the fair value loss on financial instruments, partially offset by net operating income, the impact of units purchased under the NCIB, distributions from equity securities and interest and other income.

Distributions

In Q2-25, Artis declared distributions of $17,823 (YTD - $35,949) to unitholders, which included distributions to preferred unitholders in the amount of $3,165 (YTD - $6,360).

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, March 31, 2025	36	3,320	29	5,299	19	1,061	84	9,680
Disposition	—	—	—	—	(1)	(7)	(1)	(7)
Portfolio properties, June 30, 2025	36	3,320	29	5,299	18	1,054	83	9,673

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

Disposition

During Q2-25, Artis sold one retail property located in Canada for a sale price of $4,750. The sale proceeds, net of costs of $214, were $4,536.

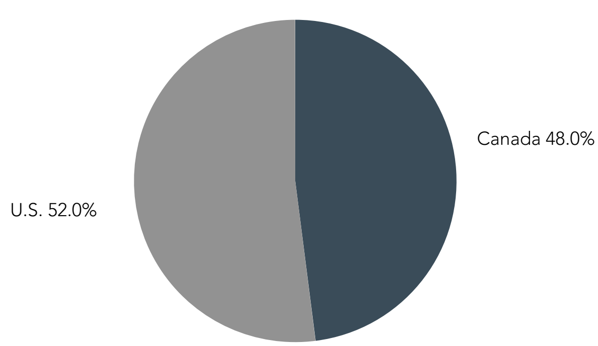
PROPERTY PORTFOLIO

At June 30, 2025, the REIT's portfolio was comprised of 83 commercial properties totalling approximately 9.7 million square feet ("S.F.") of gross leasable area ("GLA").

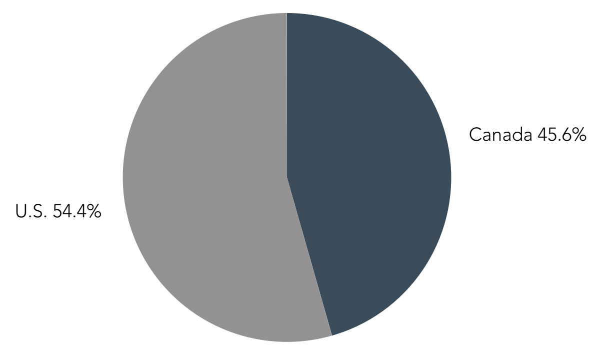
In addition, Artis owns one commercial/residential property, 300 Main, and has joint ownership interest in nine investment properties, one parcel of development land which have been excluded from financial and operating metrics throughout this MD&A, unless otherwise noted. Properties held in the REIT's investment in Iris Acquisition II LP are also excluded from financial and operating metrics throughout this MD&A. Refer to the Residential Portfolio and Equity Accounted Investments sections of this MD&A for further information.

Diversification by Geographical Region

GLA

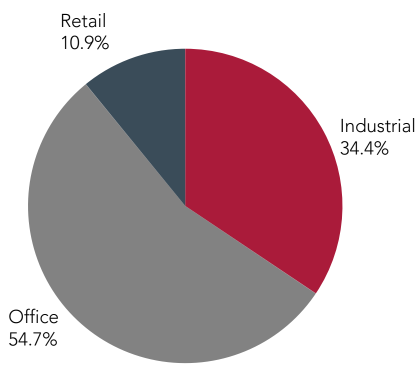


Net Operating Income (Q2-25)

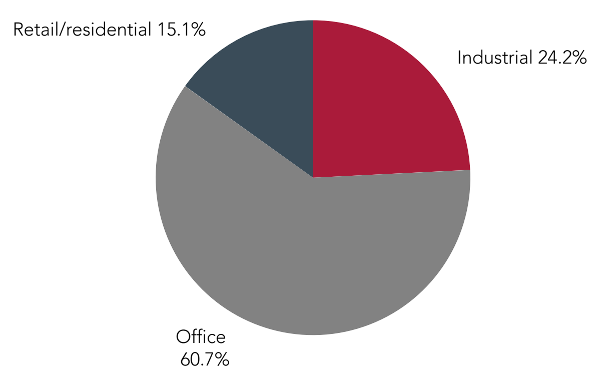


Diversification by Asset Class

GLA



Net Operating Income (Q2-25)



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	3	257	2.7 %	96.6%	97.9 %
	Greater Edmonton Area	AB	1	72	0.7 %	100.0%	100.0 %
	Greater Vancouver Area	BC	1	73	0.8 %	100.0%	100.0 %
	Red Deer	AB	1	126	1.3 %	73.3%	73.3 %
	Saskatoon	SK	2	269	2.8 %	100.0%	100.0 %
	Winnipeg	MB	25	1,650	17.1 %	97.2%	99.0 %
Industrial total			33	2,447	25.4 %	96.4%	97.7 %
Office	Greater Vancouver Area	BC	1	169	1.7 %	93.8%	96.4 %
	Winnipeg	MB	4	969	10.0 %	80.9%	80.9 %
Office total			5	1,138	11.7 %	82.8%	83.2 %
Retail	Calgary	AB	1	63	0.7 %	94.0%	96.8 %
	Fort McMurray	AB	7	181	1.9 %	84.7%	84.7 %
	Grande Prairie	AB	3	187	1.9 %	73.4%	84.2 %
	Greater Edmonton Area	AB	3	331	3.4 %	86.4%	93.9 %
	Saskatoon	SK	2	140	1.4 %	97.9%	99.3 %
	Winnipeg	MB	1	28	0.3 %	94.3%	94.3 %
Retail total			17	930	9.6 %	85.9%	91.2 %
Total Canadian portfolio			55	4,515	46.7 %	90.8%	92.7 %
U.S. portfolio:							
Industrial	Greater Phoenix Area	AZ	1	99	1.0 %	100.0%	100.0 %
	Twin Cities Area	MN	1	255	2.6 %	100.0%	100.0 %
	Greater Houston Area	TX	1	519	5.4 %	100.0%	100.0 %
Industrial total			3	873	9.0 %	100.0%	100.0 %
Office	Greater Phoenix Area	AZ	4	834	8.6 %	92.5%	92.8 %
	Madison	WI	14	1,734	17.9 %	75.7%	76.9 %
	Twin Cities Area	MN	6	1,593	16.5 %	83.4%	84.0 %
Office total			24	4,161	43.0 %	82.0%	82.8 %
Total U.S. portfolio			27	5,034	52.0 %	85.1%	85.8 %
Total Canadian and U.S. portfolio			82	9,549	98.7 %	87.8%	89.0 %

(1) Information is as at June 30, 2025, 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 June 30, 2025, 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	1.3 %	Prairie Ridge Centre	18.7 %
Total property held for redevelopment			1	124	1.3 %		18.7 %

(1) Percentage committed is based on occupancy at June 30, 2025, 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 substantially complete and efforts to lease the property are under way.

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.

The residential component of the building totals 395 units. Phase I, which comprises the first 20 floors of the building, was delivered to the market in Q3-23 and was 90.9% leased at June 30, 2025. Phase II, which comprises the remaining 20 floors of the building, was delivered to the market in Q2-24 and was 44.7% leased at June 30, 2025. Leasing of the remaining residential units is currently underway.

PORTFOLIO OCCUPANCY

Occupancy levels impact the REIT's revenues and net operating income. Occupancy and commitments at June 30, 2025, and the previous four quarterly periods, were as follows:

Occupancy Report by Country and Asset Class (1)

	Q2-25 % Committed (2)	Q2-25	Q1-25	Q4-24	Q3-24	Q2-24
Canada:						
Industrial	97.7 %	96.4 %	96.9 %	97.2 %	94.4 %	95.1 %
Office	83.2 %	82.8 %	83.0 %	82.3 %	82.0 %	77.8 %
Retail	91.2 %	85.9 %	85.5 %	90.4 %	90.6 %	89.8 %
Total Canada	92.7 %	90.8 %	91.0 %	92.1 %	90.3 %	88.7 %
U.S.:						
Industrial	100.0 %	100.0 %	90.8 %	90.8 %	90.8 %	97.9 %
Office	82.8 %	82.0 %	82.1 %	83.1 %	83.1 %	82.9 %
Total U.S.	85.8 %	85.1 %	83.6 %	84.4 %	84.4 %	90.0 %
Total portfolio:						
Industrial	98.3 %	97.3 %	95.3 %	95.6 %	93.4 %	96.8 %
Office	82.9 %	82.2 %	82.3 %	82.9 %	82.8 %	81.6 %
Retail	91.2 %	85.9 %	85.5 %	90.4 %	90.6 %	89.8 %
Total portfolio	89.0 %	87.8 %	87.1 %	88.2 %	87.3 %	89.5 %

(1) Information is as at June 30, 2025, 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 June 30, 2025, plus commitments on vacant space.

PORTFOLIO LEASING ACTIVITY AND LEASE EXPIRIES

Renewal Summary (1)

	Q2-25	Q1-25	Q4-24	Q3-24	Q2-24
Leasable area renewed (in S.F.)	210,643	122,760	204,564	146,979	100,365
Increase in weighted-average rental rate	3.6 %	4.0 %	3.3 %	2.5 %	3.1 %

(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 Q2-25, 210,643 square feet were renewed at an increase in the weighted-average rental rate of 3.6%, compared to 100,365 square feet renewed at an increase in the weighted-average rental rate of 3.1% in Q2-24.

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 June 30, 2025, 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.

	Square Feet Expiring	% of GLA	Weighted-Average In-Place Rental Rate	Weighted-Average Market Rental Rate
Canadian portfolio				
Industrial:				
Current vacancy	88,497	0.9 %	N/A	N/A
Monthly tenants	—	0.0 %	N/A	N/A
2025	191,820	2.0 %	$10.09	$9.98
2026	473,962	5.0 %	$9.10	$9.32
2027	325,781	3.4 %	$8.55	$8.86
2028	540,056	5.7 %	$11.47	$9.72
2029+	826,837	8.7 %	$12.87	$11.97
	2,446,953	25.7 %	$10.97	$10.33
Office:				
Current vacancy	195,889	2.1 %	N/A	N/A
Monthly tenants	11,805	0.1 %	N/A	N/A
2025	157,111	1.6 %	$16.66	$15.33
2026	145,643	1.5 %	$16.40	$15.36
2027	47,103	0.5 %	$20.14	$18.43
2028	33,129	0.3 %	$19.44	$15.24
2029+	547,073	5.7 %	$17.99	$17.52
	1,137,753	11.8 %	$17.68	$16.78
Retail:				
Current vacancy	130,659	1.4 %	N/A	N/A
Monthly tenants	—	0.0 %	N/A	N/A
2025	43,365	0.5 %	$31.44	$31.13
2026	157,661	1.6 %	$20.02	$24.27
2027	124,921	1.3 %	$25.17	$25.24
2028	229,231	2.4 %	$25.74	$24.87
2029+	244,052	2.6 %	$30.61	$29.26
	929,889	9.8 %	$26.32	$26.49
U.S. portfolio				
Industrial:				
Current vacancy	—	0.0 %	N/A	N/A
Monthly tenants	—	0.0 %	N/A	N/A
2025	98,555	1.0 %	$19.94	$20.00
2026	—	0.0 %	N/A	N/A
2027	—	0.0 %	N/A	N/A
2028	—	0.0 %	N/A	N/A
2029+	774,441	8.1 %	$5.45	$5.56
	872,996	9.1 %	$7.09	$7.19
Office:				
Current vacancy	747,595	7.8 %	N/A	N/A
Monthly tenants	—	0.0 %	N/A	N/A
2025	246,031	2.6 %	$22.71	$21.20
2026	510,922	5.4 %	$21.98	$20.03
2027	343,168	3.6 %	$19.17	$18.27
2028	221,497	2.3 %	$19.98	$19.46
2029+	2,091,878	21.9 %	$21.17	$19.98
	4,161,091	43.6 %	$21.13	$19.87
Total portfolio				
Current vacancy	1,162,640	12.2 %	N/A	N/A
Monthly tenants	11,805	0.1 %	N/A	N/A
2025	736,882	7.7 %	$18.28	$17.45
2026	1,288,188	13.5 %	$16.37	$16.08
2027	840,973	8.8 %	$16.00	$15.67
2028	1,023,913	10.7 %	$16.76	$15.39
2029+	4,484,281	47.0 %	$17.05	$16.22
	9,548,682	100.0 %	$16.91	$16.15

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 June 30, 2025, 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 19.5% of Q2-25 net operating income and 16.5% of the overall portfolio by GLA. Direct vacancy in the Twin Cities Area Office, as reported by CBRE, was 23.7% at June 30, 2025, improved from 23.9% at March 31, 2025. At June 30, 2025, Artis's Twin Cities Area Office portfolio was 83.4% occupied, compared to 83.2% at March 31, 2025. During the remainder of 2025, 59,365 square feet will come up for renewal, which represents 0.6% of the total portfolio GLA (excluding property held for redevelopment); 58.1% was renewed or committed to new leases at June 30, 2025. Of Artis's total Twin Cities Area Office GLA, 57.6% expires in 2029 or later.

Madison Office Market

The Madison Office market represents 16.8% of Q2-25 net operating income and 17.9% of the overall portfolio by GLA. At June 30, 2025, Artis's Madison Office portfolio was 75.7% occupied, compared to 75.0% at March 31, 2025. During the remainder of 2025, 104,933 square feet will come up for renewal, which represents 1.1% of the total portfolio GLA (excluding property held for redevelopment); 38.2% was renewed or committed to new leases at June 30, 2025. Of Artis's total Madison Office GLA, 42.8% expires in 2029 or later.

Greater Phoenix Area Office Market

The Greater Phoenix Area Office market represents 12.3% of Q2-25 net operating income and 8.6% of the overall portfolio by GLA. The vacancy rate in the Greater Phoenix Area Office market, as reported by CBRE, was 22.1% at June 30, 2025, unchanged from March 31, 2025. At June 30, 2025, Artis's Greater Phoenix Area Office portfolio was 92.5% occupied, compared to 94.8% at March 31, 2025. During the remainder of 2025, 81,733 square feet will come up for renewal, which represents 0.9% of the total portfolio GLA (excluding property held for redevelopment); 52.9% was renewed or committed to new leases at June 30, 2025. Of Artis's total Greater Phoenix Area Office GLA, 51.7% expires in 2029 or later.

Winnipeg Office Market

The Winnipeg Office market represents 9.4% of Q2-25 net operating income and 10.0% of the overall portfolio by GLA. The vacancy rate in the Winnipeg Office market, as reported by CBRE, was 15.8% at June 30, 2025, improved from 16.1% at March 31, 2025. At June 30, 2025, Artis's Winnipeg Office portfolio was 80.9% occupied, compared to 81.1% at March 31, 2025. During the remainder of 2025, 157,111 square feet will come up for renewal, which represents 1.6% of the total portfolio GLA (excluding property held for redevelopment); 41.5% was renewed or committed to new leases at June 30, 2025. Of Artis's total Winnipeg Office market GLA, 40.6% expires in 2029 or later.

Winnipeg Industrial Market

The Winnipeg Industrial market represents 9.0% of Q2-25 net operating income and 17.1% of the overall portfolio by GLA. The availability rate in the Winnipeg Industrial market, as reported by CBRE, was 3.2% at June 30, 2025, compared to 3.1% at March 31, 2025. At June 30, 2025, Artis's Winnipeg Industrial portfolio was 97.2% occupied, compared to 98.0% at March 31, 2025. During the remainder of 2025, 136,823 square feet will come up for renewal, which represents 1.4% of the total portfolio GLA (excluding property held for redevelopment); 46.0% was renewed or committed to new leases at June 30, 2025. Of Artis's total Winnipeg Industrial market GLA, 26.3% expires in 2029 or later.

FINANCIAL & OPERATING RESULTS

NET OPERATING INCOME

	Three months ended June 30,		Six months ended June 30,	
	2025	**2024**	**2025**	**2024**
Revenue:				
Rental and other income	$ 64,834	$ 90,508	$ 132,806	$ 176,781
Tenant inducements amortized to revenue	(5,688)	(6,620)	(11,321)	(13,009)
Straight-line rent adjustments	(64)	452	(123)	795
Lease termination income	—	389	22	582
	59,082	84,729	121,384	165,149
Property operating and realty tax expenses	28,353	36,841	59,488	73,704
Net operating income	$ 30,729	$ 47,888	$ 61,896	$ 91,445

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 $64 (YTD - $97) in Q2-25 compared to $459 (YTD - $559) in Q2-24.

Net Operating Income by Country and Asset Class

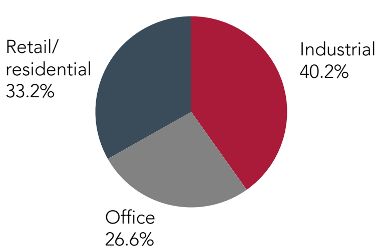
	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Canada:						
Industrial	$ 5,631	$ 5,173	$ 458	$ 11,421	$ 10,650	$ 771
Office	3,725	3,768	(43)	7,163	9,108	(1,945)
Retail/residential	4,648	7,633	(2,985)	9,264	15,823	(6,559)
	14,004	16,574	(2,570)	27,848	35,581	(7,733)
U.S.:						
Industrial	1,817	9,673	(7,856)	3,636	18,397	(14,761)
Office	14,895	15,360	(465)	30,386	31,171	(785)
	16,712	25,033	(8,321)	34,022	49,568	(15,546)
Total portfolio:						
Industrial	7,448	14,846	(7,398)	15,057	29,047	(13,990)
Office	18,620	19,128	(508)	37,549	40,279	(2,730)
Retail/residential	4,648	7,633	(2,985)	9,264	15,823	(6,559)
	30,716	41,607	(10,891)	61,870	85,149	(23,279)
REIT	13	6,281	(6,268)	26	6,296	(6,270)
Net operating income	$ 30,729	$ 47,888	$ (17,159)	$ 61,896	$ 91,445	$ (29,549)

In Q2-25, the Canadian retail/residential and the U.S. industrial segments decreased primarily due to dispositions. The Canadian retail/residential segment was partially offset by increased occupancy at 300 Main. The REIT segment decreased due to development fee income in the prior period.

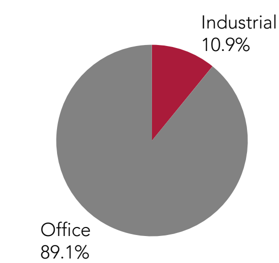
The U.S. portfolio was also impacted by the effect of foreign exchange.

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

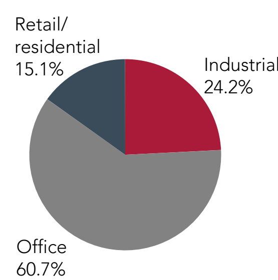
Canadian Portfolio (Q2-25)



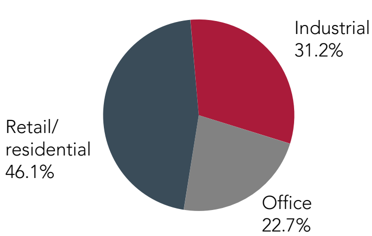
U.S. Portfolio (Q2-25)



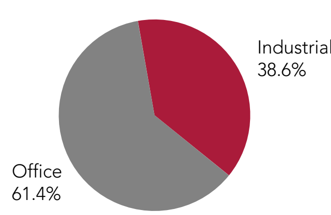
Total Portfolio (Q2-25)



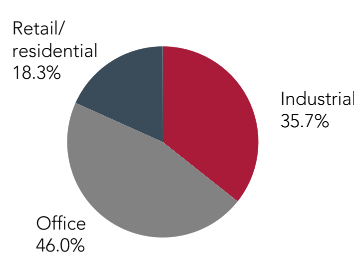
Canadian Portfolio (Q2-24)



U.S. Portfolio (Q2-24)



Total Portfolio (Q2-24)



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 June 30, 2025	Three months ended June 30, 2024	Change	% Change	Six months ended June 30, 2025	Six months ended June 30, 2024	Change	% Change
Net operating income	$ 30,729	$ 47,888			$ 61,896	$ 91,445		
Add (deduct) net operating income from:								
Joint venture arrangements	1,444	1,711			2,925	4,486		
Dispositions and unconditional dispositions	(19)	(12,264)			223	(26,704)		
(Re)development properties	122	136			249	245		
Lease termination income adjustments	194	(307)			482	(438)		
Other	(904)	(5,419)			(894)	(4,999)		
	837	(16,143)			2,985	(27,410)		
Straight-line rent adjustments (1)	2	(103)			4	(270)		
Tenant inducements amortized to revenue (1)	5,816	5,719			11,567	10,976		
Same Property NOI	$ 37,384	$ 37,361	$ 23	0.1 %	$ 76,452	$ 74,741	$ 1,711	2.3 %

(1) Includes joint venture arrangements.

Same Property NOI by Asset Class

	Three months ended June 30, 2025	Three months ended June 30, 2024	Change	% Change	Six months ended June 30, 2025	Six months ended June 30, 2024	Change	% Change
Industrial	$ 9,626	$ 9,189	$ 437	4.8 %	$ 19,234	$ 18,451	$ 783	4.2 %
Office	23,208	23,294	(86)	(0.4)%	48,079	46,690	1,389	3.0 %
Retail	4,550	4,878	(328)	(6.7)%	9,139	9,600	(461)	(4.8)%
Same Property NOI	$ 37,384	$ 37,361	$ 23	0.1 %	$ 76,452	$ 74,741	$ 1,711	2.3 %

Same Property NOI by Country and Asset Class

	Three months ended June 30, 2025	Three months ended June 30, 2024	Change	% Change	Six months ended June 30, 2025	Six months ended June 30, 2024	Change	% Change
Canada:								
Industrial	$ 7,734	$ 7,434	$ 300	4.0 %	$ 15,451	$ 14,773	$ 678	4.6 %
Office	4,263	3,933	330	8.4 %	8,504	7,920	584	7.4 %
Retail	4,550	4,878	(328)	(6.7)%	9,139	9,600	(461)	(4.8)%
Total Canada	16,547	16,245	302	1.9 %	33,094	32,293	801	2.5 %
U.S.:								
Industrial	1,368	1,282	86	6.7 %	2,686	2,708	(22)	(0.8)%
Office	13,687	14,149	(462)	(3.3)%	28,063	28,537	(474)	(1.7)%
Total U.S.	15,055	15,431	(376)	(2.4)%	30,749	31,245	(496)	(1.6)%
Total in functional currency	31,602	31,676	(74)	(0.2)%	63,843	63,538	305	0.5 %
Foreign exchange	5,782	5,685	97	1.7 %	12,609	11,203	1,406	12.6 %
Same Property NOI	$ 37,384	$ 37,361	$ 23	0.1 %	$ 76,452	$ 74,741	$ 1,711	2.3 %

Same Property Occupancy by Country and Asset Class

Geographical Region	As at June 30, 2025	As at June 30, 2024
Canada:		
Industrial	96.7%	94.9%
Office	82.8%	81.4%
Retail	76.8%	88.6%
Total Canada	89.2%	90.2%
U.S.:		
Industrial	100.0%	90.8%
Office	81.8%	84.0%
Total U.S.	84.9%	85.2%
Total	87.0%	87.5%

INTEREST AND OTHER INCOME

Interest and other income was $681 (YTD - $1,350) in Q2-25, compared to $7,644 (YTD - $17,101) in Q2-24. The change is primarily due to interest income from preferred investments in the amount of $nil in Q2-25, compared to $6,737 (YTD - $15,269) in Q2-24. Refer to the Preferred Investments section of this MD&A for further details.

DISTRIBUTION INCOME FROM EQUITY SECURITIES

Distribution income from equity securities was $806 (YTD - $1,763) in Q2-25, compared to $1,854 (YTD - $3,828) in Q2-24. Refer to Equity Securities section of this MD&A for further details.

INTEREST EXPENSE

	Three months ended	June 30,			Six months ended	June 30,		
	2025	2024	Change	% Change	2025	2024	Change	% Change
Mortgages and other loans (1)	$ 9,196	$ 12,453	$ (3,257)		$ 18,112	$ 25,009	$ (6,897)	
Senior unsecured debentures	910	2,853	(1,943)		3,735	5,705	(1,970)	
Credit facilities (1)	5,251	12,032	(6,781)		9,146	25,269	(16,123)	
Preferred shares (1)	46	46	—		92	92	—	
	15,403	27,384	(11,981)	(43.8)%	31,085	56,075	(24,990)	(44.6)%
Foreign exchange	1,534	3,761	(2,227)		3,282	7,190	(3,908)	
Total interest expense	$ 16,937	$ 31,145	$ (14,208)	(45.6)%	$ 34,367	$ 63,265	$ (28,898)	(45.7)%

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

During Q2-25, interest expense on mortgages and other loans decreased due to the repayment of mortgages upon disposition of investment properties and maturity, and decreased variable interest rates. Interest expense on credit facilities decreased due to amounts drawn on the credit facilities and decreased variable interest rates. Interest expense on senior unsecured debentures decreased due to the repayment of the Series E senior unsecured debentures on April 29, 2025.

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 June 30, 2025, the weighted-average effective interest rate on mortgages and other loans secured by properties, was 6.71%, compared to 6.95% at December 31, 2024. The weighted-average nominal interest rate on mortgages and other loans secured by properties at June 30, 2025, was 6.21%, compared to 6.32% at December 31, 2024.

CORPORATE EXPENSES

	Three months ended	June 30,			Six months ended	June 30,		
	2025	2024	Change	% Change	2025	2024	Change	% Change
Accounting, legal and consulting	$ 550	$ 730	$ (180)	(24.7)%	$ 1,010	$ 1,161	$ (151)	(13.0)%
Public company costs	460	489	(29)	(5.9)%	887	902	(15)	(1.7)%
Salaries and benefits	857	753	104	13.8 %	1,902	1,639	263	16.0 %
Fair value (gain) loss on unit-based compensation	(37)	(142)	105	(73.9)%	251	(411)	662	(161.1)%
Depreciation of property and equipment	408	290	118	40.7 %	827	592	235	39.7 %
General and administrative	263	232	31	13.4 %	908	401	507	126.4 %
Corporate strategy	1,138	545	593	108.8 %	1,138	895	243	27.2 %
Total corporate expenses	$ 3,639	$ 2,897	$ 742	25.6 %	$ 6,923	$ 5,179	$ 1,744	33.7 %

Corporate expenses in Q2-25 were $3,639 (YTD - $6,923), or 6.2% (YTD - 5.7%) of total revenues compared to $2,897 (YTD - $5,179) or 3.4% (YTD - 3.1%) of total revenues in Q2-24.

Public company costs include public reporting costs, investor communication costs and trustee fees and expenses.

Fair value (gain) loss on unit-based compensation relates to restricted units and deferred units issued under the REIT's equity incentive plan. These units are valued at the closing price of the REIT's common units on the balance sheet date. Unit-based compensation was impacted by fluctuations in Artis's unit price during the period.

Corporate strategy expenses are non-recurring costs related to Artis’s business strategy.

EQUITY SECURITIES EXPENSES

The REIT invests in equity securities of publicly-traded Canadian entities. In connection with these investments, the REIT incurred commissions, service and professional fees of $62 (YTD - $145) in Q2-25, compared to $169 (YTD - $342) in Q2-24.

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.

EXPECTED CREDIT LOSS ON PREFERRED INVESTMENTS

Expected credit loss on preferred investments was $26,000 (YTD - $34,184) in Q2-25, compared to $nil (YTD - $nil) in Q2-24. Refer to Preferred Investments section of this MD&A for further details.

FAIR VALUE (LOSS) GAIN 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 Q2-25, the fair value loss on investment properties was $7,958 (YTD - loss of $862), compared to a gain of $13,437 (YTD - gain of $12,437) in Q2-24. The fair value loss in Q2-25 was primarily due to increases in vacancy in select U.S. and Canadian office markets and lower expected market rents in the Twin Cities Area, Minnesota office market. This was partially offset by a fair value gain due to capitalization rate compression at an industrial property located in the Greater Houston Area, Texas.

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

	Three months ended June 30, 2025	Six months ended June 30, 2025
Canada:		
Industrial	$ (909)	$ (1,656)
Office	(2,130)	(1,063)
Retail/residential	(1,431)	(1,521)
	(4,470)	(4,240)
U.S.:		
Industrial	7,993	10,529
Office	(11,481)	(7,151)
	(3,488)	3,378
Total portfolio:		
Industrial	7,084	8,873
Office	(13,611)	(8,214)
Retail/residential	(1,431)	(1,521)
Total portfolio	$ (7,958)	$ (862)

FAIR VALUE (LOSS) GAIN 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 gain on the fair value adjustment of the interest rate swaps outstanding of $1,664 (YTD - loss of $48) in Q2-25, compared to an unrealized loss of $1,027 (YTD - gain of $2,428) in Q2-24. The REIT anticipates holding the mortgages and related interest rate swap contracts until maturity.

Additionally, the REIT recorded a fair value loss on equity securities of $3,625 (YTD - loss of $3,101) in Q2-25, compared to a loss of $2,645 (YTD - loss of $7,122) in Q2-24.

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 $310 (YTD - gain of $327) in Q2-25, compared to a loss of $1,987 (YTD - loss of $6,425) in Q2-24.

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 Acquisition II LP (see Other Investments section of this MD&A for further details) 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 June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Current income tax expense	$ 759	$ 267	$ 959	$ 278
Deferred income tax (recovery) expense	(28)	(1,512)	26	(2,955)
Income tax expense (recovery)	$ 731	$ (1,245)	$ 985	$ (2,677)

The deferred tax recovery recorded during the three and six months ended June 30, 2024 was primarily due to the REIT's share of net loss of Iris for the quarter. 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 $46,808 (YTD - losses of $47,597) in Q2-25, compared to gains of $11,917 (YTD - gains of $39,708) in Q2-24. 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 corporate strategy expenses. In addition, prior to December 31, 2024, the REIT calculated FFO and AFFO both including and excluding the impact of realized gain (loss) on equity securities for information purposes. Effective December 31, 2024, the REIT only presents the calculation including the impact of realized gain (loss) on equity securities (and excludes the unrealized gains or losses of equity securities) in its calculation of FFO and AFFO. Although the add-back of the corporate strategy expenses and the inclusion of the impact of realized gain (loss) on equity securities 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 operating performance, 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, 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.

In addition, the REIT recorded an expected credit loss on the preferred units of Iris (Refer to Preferred Investments section of this MD&A for further details) in 2025. The expected credit loss was added back to the calculations of FFO and AFFO due to its non-recurring and non-cash nature. Management believes this adjustment provides a better representation of recurring FFO and AFFO.

FFO and AFFO

000's, except per unit amounts	Three months ended June 30, 2025	2024	Change	% Change	Six months ended June 30, 2025	2024	Change	% Change
Net (loss) income	$ (23,492)	$ 765			$ (12,065)	$ (6,356)		
Add (deduct):								
Tenant inducements amortized to revenue	5,688	6,620			11,321	13,009		
Incremental leasing costs	432	583			770	1,044		
Distributions on preferred shares treated as interest expense	64	63			130	125		
Remeasurement component of unit-based compensation	(37)	(142)			251	(411)		
Corporate strategy expenses	1,138	545			1,138	895		
Expected credit loss on preferred investments	26,000	—			34,184	—		
Adjustments for equity accounted investments	103	32,854			(424)	57,442		
Fair value loss (gain) on investment properties	7,958	(13,437)			862	(12,437)		
Fair value loss on financial instruments	1,961	3,672			3,149	4,694		
Realized gain on disposition of equity securities	—	—			1,192	234		
Foreign currency translation (gain) loss	(310)	1,987			(327)	6,425		
Deferred income tax (recovery) expense	(28)	(1,512)			26	(2,955)		
Current income tax expense on dispositions of investment properties	644	—			644	—		
Preferred unit distributions	(3,165)	(3,300)			(6,360)	(6,544)		
FFO	$ 16,956	$ 28,698	$ (11,742)	(40.9)%	$ 34,491	$ 55,165	$ (20,674)	(37.5)%
Add (deduct):								
Amortization of recoverable capital expenditures	$ (1,386)	$ (1,687)			$ (2,811)	$ (3,406)		
Straight-line rent adjustments	64	(452)			123	(795)		
Non-recoverable property maintenance reserve	(350)	(400)			(700)	(800)		
Leasing costs reserve	(7,000)	(7,500)			(14,000)	(15,000)		
Adjustments for equity accounted investments	(80)	(1,596)			(164)	(3,523)		
AFFO	$ 8,204	$ 17,063	$ (8,859)	(51.9)%	$ 16,939	$ 31,641	$ (14,702)	(46.5)%

FFO in Q2-25 was primarily impacted by decreased net operating income due to dispositions completed in 2024 and 2025, decreased interest and other income, and decreased distributions from equity securities due to sales, partially offset by decreased interest expense.

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 60.3% (YTD - 60.5%) is recoverable from tenants in Q2-25, compared to 63.6% (YTD - 65.1%) in Q2-24. The non-recoverable property maintenance reserve reflects management's estimate of a normalized expenditure using the 2021, 2022, 2023 and 2024 actual expenditures and the 2025 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 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 June 30, 2025	2024	Six months ended June 30, 2025	2024
Basic units	98,294,856	106,044,192	99,205,964	106,975,929
Add:				
Restricted units	694,529	584,422	583,130	526,217
Deferred units	527,057	400,910	516,967	385,395
Diluted units	99,516,442	107,029,524	100,306,061	107,887,541

FFO and AFFO per Unit

	Three months ended June 30, 2025	2024	Change	% Change	Six months ended June 30, 2025	2024	Change	% Change
FFO per unit:								
Basic	$ 0.17	$ 0.27	$ (0.10)	(37.0)%	$ 0.35	$ 0.52	$ (0.17)	(32.7)%
Diluted	0.17	0.27	(0.10)	(37.0)%	0.34	0.51	(0.17)	(33.3)%
AFFO per unit:								
Basic	$ 0.08	$ 0.16	$ (0.08)	(50.0)%	$ 0.17	$ 0.30	$ (0.13)	(43.3)%
Diluted	0.08	0.16	(0.08)	(50.0)%	0.17	0.29	(0.12)	(41.4)%

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 Payout Ratios

FFO payout ratio and AFFO payout ratio 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.

	Three months ended June 30, 2025	2024	% Change	Six months ended June 30, 2025	2024	% Change
Distributions per common unit	$ 0.15	$ 0.15		$ 0.30	$ 0.30	
FFO per unit - diluted	0.17	0.27		0.34	0.51	
FFO payout ratio	88.2 %	55.6 %	32.6 %	88.2 %	58.8 %	29.4 %
Distributions per common unit	$ 0.15	$ 0.15		$ 0.30	$ 0.30	
AFFO per unit - diluted	0.08	0.16		0.17	0.29	
AFFO payout ratio	187.5 %	93.8 %	93.7 %	176.5 %	103.4 %	73.1 %

FINANCIAL POSITION

ASSETS

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

Artis's total investment properties are as follows:

	June 30, 2025	December 31, 2024
Investment properties	$ 2,025,831	$ 2,170,065
Investment properties held for sale	232,752	202,813
Total	$ 2,258,583	$ 2,372,878

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

Balance, December 31, 2024	$ 2,372,878
Additions:	
Capital expenditures	
Investment properties	3,627
Leasing commissions	2,731
Straight-line rent adjustments	(59)
Tenant inducement additions, net of amortization	(906)
Dispositions	(68,271)
Foreign currency translation loss	(1,015)
Fair value gain	7,096
Balance, March 31, 2025	$ 2,316,081
Additions:	
Capital expenditures	
Investment properties	5,136
Leasing commissions	1,596
Straight-line rent adjustments	(64)
Tenant inducement additions, net of amortization	6,595
Disposition	(3,983)
Foreign currency translation loss	(58,820)
Fair value loss	(7,958)
Balance, June 30, 2025	$ 2,258,583

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 June 30, 2025	2024	Change	% Change	Six months ended June 30, 2025	2024	Change	% Change
New and (re)development expenditures	$ —	$ 2,000	$ (2,000)		$ —	$ 4,816	$ (4,816)	
Building improvements expenditures:								
Recoverable from tenants	92	155	(63)		118	249	(131)	
Non-recoverable	2,438	4,672	(2,234)		5,140	7,386	(2,246)	
Property maintenance expenditures:								
Recoverable from tenants	2,050	1,027	1,023		2,770	1,685	1,085	
Non-recoverable	556	180	376		735	225	510	
Total capital expenditures	$ 5,136	$ 8,034	$ (2,898)	(36.1)%	$ 8,763	$ 14,361	$ (5,598)	(39.0)%

Capital Expenditures by Asset Class

	Three months ended June 30, 2025	2024	Change	% Change	Six months ended June 30, 2025	2024	Change	% Change
Canada:								
Industrial	$ 299	$ 276	$ 23		$ 527	$ 634	$ (107)	
Office	187	704	(517)		380	1,910	(1,530)	
Retail	843	1,661	(818)		1,287	3,453	(2,166)	
Residential	1,014	1,450	(436)		2,125	2,582	(457)	
	2,343	4,091	(1,748)		4,319	8,579	(4,260)	
U.S.:								
Industrial	—	13	(13)		—	71	(71)	
Office	2,793	3,930	(1,137)		4,444	5,711	(1,267)	
	2,793	3,943	(1,150)		4,444	5,782	(1,338)	
Total portfolio:								
Industrial	299	289	10		527	705	(178)	
Office	2,980	4,634	(1,654)		4,824	7,621	(2,797)	
Retail	843	1,661	(818)		1,287	3,453	(2,166)	
Residential	1,014	1,450	(436)		2,125	2,582	(457)	
Total portfolio	$ 5,136	$ 8,034	$ (2,898)	(36.1)%	$ 8,763	$ 14,361	$ (5,598)	(39.0)%

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 June 30, 2025	2024	Change	% Change	Six months ended June 30, 2025	2024	Change	% Change
Investment property leasing costs:								
Tenant inducements	$ 12,282	$ 4,428	$ 7,854		$ 17,008	$ 9,870	$ 7,138	
Leasing commissions	1,596	2,009	(413)		4,327	3,562	765	
Investment property (re)development related leasing costs:								
Tenant inducements	—	2,293	(2,293)		—	2,305	(2,305)	
Leasing commissions	—	—	—		—	—	—	
Total leasing costs	$ 13,878	$ 8,730	$ 5,148	59.0 %	$ 21,335	$ 15,737	$ 5,598	35.6 %

Leasing Costs by Asset Class

	Three months ended June 30, 2025	2024	Change	% Change	Six months ended June 30, 2025	2024	Change	% Change
Canada:								
Industrial	$ 1,111	$ 428	$ 683		$ 1,519	$ 766	$ 753	
Office	448	411	37		526	742	(216)	
Retail	453	316	137		1,051	1,884	(833)	
Residential	—	—	—		—	—	—	
	2,012	1,155	857		3,096	3,392	(296)	
U.S.:								
Industrial	13	3,668	(3,655)		1,875	4,062	(2,187)	
Office	11,853	3,907	7,946		16,364	8,283	8,081	
	11,866	7,575	4,291		18,239	12,345	5,894	
Total portfolio:								
Industrial	1,124	4,096	(2,972)		3,394	4,828	(1,434)	
Office	12,301	4,318	7,983		16,890	9,025	7,865	
Retail	453	316	137		1,051	1,884	(833)	
Residential	—	—	—		—	—	—	
Total leasing costs	$ 13,878	$ 8,730	$ 5,148	59.0 %	$ 21,335	$ 15,737	$ 5,598	35.6 %

In Q2-25, leasing costs included $6,530 in development costs for an office tenant in the Greater Phoenix Area, Arizona.

Disposition

During Q2-25, Artis sold one retail property located in Canada for a sale price of $4,750. The sale proceeds, net of costs of $214 were $4,536.

Investment properties held for sale

At June 30, 2025, the REIT had one retail property and one industrial property located in Canada, and three industrial properties and two parcels of development land located in the U.S. with an aggregate fair value of $232,752, classified as held for sale. These properties were actively marketed for sale or under unconditional or conditional sale agreements at June 30, 2025.

Foreign currency translation loss on investment properties

In Q2-25, the foreign currency translation loss on investment properties was $58,820 due to the change in the period end US dollar to Canadian dollar exchange rate from 1.4376 at March 31, 2025 to 1.3643 at June 30, 2025.

Fair value (loss) gain on investment properties

During Q2-25, the REIT recorded a loss on the fair value of investment properties of $7,958 (YTD - loss of $862), compared to a gain of $13,437 (YTD - gain of $12,437) in Q2-24. The fair value loss in Q2-25 was primarily due to increases in vacancy in select U.S. and Canadian office markets and lower expected market rents in the Twin Cities Area, Minnesota office market. This was partially offset by a fair value gain due to capitalization rate compression at an industrial property located in the Greater Houston Area, Texas.

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 10.50%.

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

	June 30, 2025			December 31, 2024		
	Maximum	Minimum	Weighted-average	Maximum	Minimum	Weighted-average
Canadian portfolio:						
Industrial	7.50 %	4.00 %	6.54 %	7.50 %	4.00 %	6.55 %
Office	8.50 %	5.50 %	6.83 %	8.50 %	5.50 %	6.93 %
Retail	8.75 %	6.00 %	7.12 %	8.75 %	6.00 %	7.24 %
Residential	4.50 %	4.50 %	4.50 %	4.50 %	4.50 %	4.50 %
Total Canadian portfolio	8.75 %	4.00 %	6.38 %	8.75 %	4.00 %	6.48 %
U.S. portfolio:						
Industrial	6.75 %	5.50 %	6.14 %	7.25 %	6.00 %	6.49 %
Office	10.50 %	6.25 %	8.30 %	9.75 %	6.25 %	8.22 %
Total U.S. portfolio	10.50 %	5.50 %	8.02 %	9.75 %	6.00 %	8.01 %
Total portfolio:						
Industrial	7.50 %	4.00 %	6.45 %	7.50 %	4.00 %	6.54 %
Office	10.50 %	5.50 %	7.91 %	9.75 %	5.50 %	7.87 %
Retail	8.75 %	6.00 %	7.12 %	8.75 %	6.00 %	7.24 %
Residential	4.50 %	4.50 %	4.50 %	4.50 %	4.50 %	4.50 %
Total portfolio	10.50 %	4.00 %	7.06 %	9.75 %	4.00 %	7.09 %

Preferred Investments

At June 30, 2025, the REIT had preferred investments of $105,697, compared to $139,881 at December 31, 2024.

During 2022, the REIT acquired junior preferred units in Iris Acquisition II LP ("Iris") for $100,000. The junior preferred units initially bore interest at a rate of 18% per annum until the third anniversary on March 1, 2025, at which time they bear interest at a rate of 24% per annum. Such interest is paid quarterly in cash or, at the election of Iris, in kind through the issuance of additional junior preferred units. Refer to Other Investments section of this MD&A for further details on investment in Iris.

As at June 30, 2025, the carrying value of the junior preferred units was $105,697, which reflects interest income received in the form of additional junior preferred units since initial investment, net of the allowance for expected credit loss.

The REIT has assessed that there has been a significant increase in credit risk since initial investment and the investment in the junior preferred units is credit-impaired. The REIT recorded an incremental allowance for expected credit loss in the amount of $26,000 for Q2-25 ($8,184 for Q1-25 and $31,316 for Q4-24). Since December 2024, there have been discussions with interested parties to acquire a portion or the entire portfolio of the investment properties of Iris with a solution to settle the outstanding senior and junior preferred units of Iris and the settlement may include a discount to the senior and junior preferred units. These discussions are ongoing, and management expects that an agreement for a transaction may be reached within the next few months with terms that could result in the REIT recovering an amount in excess of the carrying value of the junior preferred units at June 30, 2025. As more information becomes available, the REIT will adjust the allowance for expected credit loss as appropriate in future reporting periods.

The REIT's estimate is dependent on the ability of Iris to execute its plans and the possible results of a transaction with the unitholders of Iris. Because these estimates are made at a specific point in time and are inherently subject to judgement and measurement uncertainty, such estimates could differ from actual results.

Equity Securities

At June 30, 2025, the REIT had investments in equity securities of $58,823, compared to $84,841 at December 31, 2024.

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

Balance, December 31, 2024	$	84,841
Purchases		5,512
Dispositions		(30,377)
Fair value gain		524
Balance, March 31, 2025	$	60,500
Purchases		1,948
Fair value loss		(3,625)
Balance, June 30, 2025	$	58,823

Notes Receivable

On January 1, 2025, the REIT disposed of a retail property and received as partial consideration a note receivable in the amount of $4,411. The REIT receives monthly payments of $15 and the note has an effective rate of 4.805% per annum. The note receivable is secured by the retail property and matures in October 2025.

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.

The balance outstanding on all notes receivable at June 30, 2025 was $34,143, compared to $30,113 at December 31, 2024.

Accounts Receivable

At June 30, 2025, Artis had accounts receivable outstanding as follows:

	June 30, 2025	December 31, 2024
Rents receivable	$ 5,194	$ 4,932
Deferred rents receivable	196	198
Allowance for doubtful accounts	(1,159)	(1,175)
Accrued recovery income	1,617	2,202
Other receivables and accrued income	5,371	8,236
	$ 11,219	$ 14,393

Cash

At June 30, 2025, the REIT had $16,639 of cash on hand, compared to $32,789 at December 31, 2024. 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 June 30, 2025 was 1.3 years, compared to 1.6 years at December 31, 2024.

At June 30, 2025, Artis had mortgages and loans payable outstanding, as follows:

	Canada		U.S.		Total Portfolio	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Fixed rate mortgages	$ 123,940	$ 141,749	$ 44,481	$ 48,476	$ 168,421	$ 190,225
Variable rate mortgages (swapped)	202,813	203,020	—	—	202,813	203,020
Variable rate mortgages	25,675	6,839	246,210	283,848	271,885	290,687
Financing costs	(1,264)	(1,704)	(433)	(578)	(1,697)	(2,282)
	$ 351,164	$ 349,904	$ 290,258	$ 331,746	$ 641,422	$ 681,650

At June 30, 2025, variable rate mortgage debt (excluding swapped mortgages) as a percentage of total debt, including credit facilities and debentures was 25.1%, compared to 25.5% at December 31, 2024. 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

		June 30, 2025		December 31, 2024
Canadian portfolio:				
Industrial	$	77,723	$	78,517
Office		34,235		15,591
Retail/residential		240,470		257,500
		352,428		351,608
U.S. portfolio:				
Industrial		—		—
Office		290,691		332,324
		290,691		332,324
Total portfolio:				
Industrial		77,723		78,517
Office		324,926		347,915
Retail/residential		240,470		257,500
Total portfolio	$	643,119	$	683,932

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

Balance, December 31, 2024	$	683,932
Add (deduct):		
Uplift on variable rate mortgage		19,369
Repayment of fixed rate mortgage		(420)
Repayment of variable rate mortgage		(19,345)
Repayment of fixed rate mortgage upon disposition of investment property		(16,167)
Principal repayments		(3,347)
Foreign currency translation gain		(340)
Balance, March 31, 2025	$	663,682
Add (deduct):		
Repayment of variable rate mortgage		(1,384)
Principal repayments		(3,423)
Foreign currency translation gain		(15,756)
Balance, June 30, 2025	$	643,119

Senior Unsecured Debentures

During Q2-25, Artis repaid the Series E senior unsecured debentures upon maturity with a face value of $200,000. As at June 30, 2025, there were no senior unsecured debentures outstanding.

Credit Facilities

On December 11, 2024, the REIT entered into an agreement for senior secured credit facilities (ie. the Secured Credit Facilities) for an aggregate amount of $520,000, which include the $350,000 revolving credit facility and the $170,000 non-revolving credit facility. The Secured Credit Facilities mature on December 10, 2027 and can be utilized for general corporate purposes, including the acquisition or development of additional income producing properties. The REIT can draw on the Secured Credit Facilities in Canadian or US dollars. The Secured Credit Facilities bear interest at rates which depend on the ratio of consolidated indebtedness to consolidated gross book value. At June 30, 2025, the interest rate on Canadian dollar advances was adjusted CORRA + 2.10% or prime + 1.10%, and the interest rate on US dollar advances was adjusted SOFR + 2.10% or US base rate + 1.10%.

For purposes of the Secured Credit Facilities, the REIT must maintain a consolidated indebtedness to consolidated gross book value ratio of not more than 60%, a minimum consolidated EBITDA to debt service ratio of 1.40, a minimum unitholders' equity of not less than the sum of $750,000 and 75% of net proceeds received in connection with any equity offerings made after the date of the credit facilities agreement. As at June 30, 2025, the REIT was in compliance with these requirements.

As at June 30, 2025, there was $271,600 drawn on the revolving credit facility and $170,000 drawn on the non-revolving credit facility (December 31, 2024, $85,000 drawn on the revolving credit facility and $170,000 drawn on the non-revolving facility).

Accounts Payable & Other Liabilities

Included in accounts payable and other liabilities was accrued distributions payable to unitholders of $6,105, which were paid subsequent to June 30, 2025.

UNITHOLDERS' EQUITY

Unitholders' equity decreased overall by $124,992 between December 31, 2024 and June 30, 2025. The overall decrease was primarily due to other comprehensive loss of $47,597, distributions made to unitholders of $35,949, $54,592 of common units and $2,523 of preferred units purchased through the NCIB, net loss of $12,065, and unit buyback tax of $535, partially offset by contributed surplus of $28,255, and the issuance of common units of $14.

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	June 30, 2025	December 31, 2024	Change
Unitholders' equity	$ 1,455,983	$ 1,580,975	$ (124,992)
Less face value of preferred equity	(178,987)	(181,594)	2,607
NAV attributable to common unitholders	$ 1,276,996	$ 1,399,381	$ (122,385)
Total number of diluted units outstanding:			
Common units	97,138,932	100,733,768	(3,594,836)
Restricted units	721,108	585,230	135,878
Deferred units	527,280	465,779	61,501
	98,387,320	101,784,777	(3,397,457)
NAV per unit	$ 12.98	$ 13.75	$ (0.77)

Unitholders' equity decreased primarily due to the foreign exchange loss recorded in other comprehensive loss, distributions to unitholders, units purchased under the NCIB and net loss.

The face value of preferred equity decreased due to preferred units purchased under the NCIB.

The total number of dilutive units outstanding has decreased primarily due to units purchased under the NCIB.

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.

	June 30, 2025	December 31, 2024
Total assets	$ 2,611,435	$ 2,803,161
Add: accumulated depreciation	13,837	13,080
Gross book value	2,625,272	2,816,241
Secured mortgages and loans	641,422	681,650
Preferred shares liability	956	1,009
Carrying value of debentures	—	199,907
Credit facilities	437,590	250,480
Total debt	$ 1,079,968	$ 1,133,046
Total debt to GBV	41.1 %	40.2 %

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, 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.

In Q2-25, the REIT recorded an expected credit loss on the investments in the preferred units of Iris (Refer to Preferred Investments section of this MD&A for further details). The expected credit loss was added back to the calculation of EBITDA due to its non-recurring and non-cash nature.

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 June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Net (loss) income	$ (23,492)	$ 765	$ (12,065)	$ (6,356)
Add (deduct):				
Tenant inducements amortized to revenue	5,688	6,620	11,321	13,009
Straight-line rent adjustments	64	(452)	123	(795)
Depreciation of property and equipment	408	290	827	592
Net (income) loss from equity accounted investments	(1,270)	31,433	(3,214)	53,939
Distributions from equity accounted investments	733	828	3,511	1,645
Interest expense	16,937	31,145	34,367	63,265
Corporate strategy expenses	1,138	545	1,138	895
Expected credit loss on preferred investments	26,000	—	34,184	—
Fair value loss (gain) on investment properties	7,958	(13,437)	862	(12,437)
Fair value loss on financial instruments	1,961	3,672	3,149	4,694
Foreign currency translation (gain) loss	(310)	1,987	(327)	6,425
Income tax expense (recovery)	731	(1,245)	985	(2,677)
Adjusted EBITDA	36,546	62,151	74,861	122,199
Interest expense	16,937	31,145	34,367	63,265
Add (deduct):				
Amortization of financing costs	(992)	(825)	(1,991)	(1,638)
Adjusted interest expense	$ 15,945	$ 30,320	$ 32,376	$ 61,627
Adjusted EBITDA interest coverage ratio	2.29	2.05	2.31	1.98

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.

	June 30, 2025	December 31, 2024
Secured mortgages and loans	$ 641,422	$ 681,650
Preferred shares liability	956	1,009
Carrying value of debentures	—	199,907
Credit facilities	437,590	250,480
Total debt	1,079,968	1,133,046
Quarterly Adjusted EBITDA	36,546	45,516
Annualized Adjusted EBITDA	146,184	182,064
Total debt to Adjusted EBITDA	7.4	6.2

EQUITY ACCOUNTED INVESTMENTS

INVESTMENT PROPERTIES

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

						Ownership Interest	
Property	Investment Type	Property Count	Location	Asset Class	Owned Share of GLA	June 30, 2025	December 31, 2024
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 %

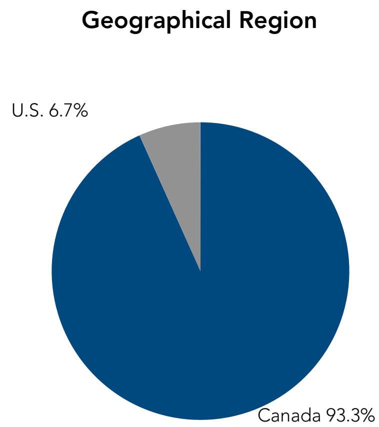
(1) Corridor Park is a parcel of development land.

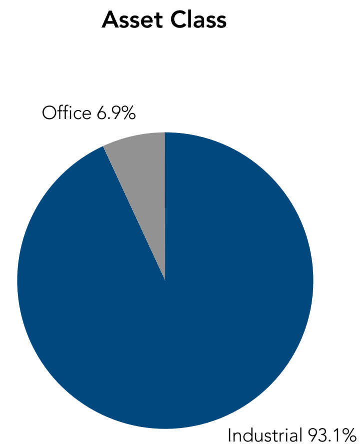
Financial and Operating Results

Net Operating Income

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue	$ 2,846	$ 3,282	$ 5,808	$ 7,801
Total operating expenses	1,402	1,571	2,883	3,315
Net operating income	$ 1,444	$ 1,711	$ 2,925	$ 4,486

Below is a breakdown of Q2-25 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 Q2-25, the fair value gain on investment properties was $57 (YTD - gain of $753), compared to a loss of $210 (YTD - loss of $10,068) in Q2-24.

Other Expenses and Income, Net

In Q2-25, the net amount of other expenses and income, was $231 (YTD - $464), compared to $330 (YTD - $1,159) in Q2-24.

Financial Position

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

Balance, December 31, 2024	$	136,543
Additions:		
Capital expenditures		9
Leasing commissions		48
Straight-line rent adjustments		70
Tenant inducement additions, net of amortization		(132)
Foreign currency translation loss		(48)
Fair value gain		696
Balance, March 31, 2025	$	137,186
Additions:		
Capital expenditures		29
Leasing commissions		40
Straight-line rent adjustments		67
Tenant inducement additions, net of amortization		127
Foreign currency translation loss		(2,650)
Fair value gain		57
June 30, 2025	$	134,856

At June 30, 2025, mortgages and loans payable at the REIT's ownership interest in investment properties held in equity accounted investments were as follows:

	June 30, 2025	December 31, 2024
Fixed rate mortgage	$ 26,193	$ 26,839
Financing costs	(1)	(7)
	$ 26,192	$ 26,832

The weighted-average term to maturity on mortgages and loans payable at the REIT's ownership interest in equity accounted investments was 0.1 years at June 30, 2025, compared to 0.6 years at December 31, 2024.

OTHER INVESTMENTS

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

			Ownership Interest	
Investment	**Investment Type**	**Purpose**	**June 30, 2025**	**December 31, 2024**
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 ("Cominar")	32.29 %	32.29 %

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. During the year ended December 31, 2024, Iris issued additional common equity units under its long-term incentive plan, resulting in the dilution of the REIT's interest to 32.29%.

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, 2024	$ 565
Distributions from ICE II LP	(550)
Balance, March 31, 2025	$ 15
Distributions from ICE II LP	—
Balance, June 30, 2025	$ 15

As at June 30, 2025, the REIT's cumulative share of losses of Iris exceeded the REIT's net investment in the common equity units. As a result, the loss from Iris in the amount of $18,348 (YTD - $42,538) was not recognized in Q2-25, compared to $17,845 for the year ended December 31, 2024, as the REIT has no obligation in respect of these losses.

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 June 30, 2025	Six months ended June 30, 2025	Year ended December 31, 2024	Year ended December 31, 2023
Cash flow from operations	$ 11,016	$ 28,640	$ 80,140	$ 79,962
Net loss	(23,492)	(12,065)	(47,414)	(332,068)
Monthly and quarterly distributions paid and payable	17,823	35,949	75,699	79,458
(Shortfall) excess of cash flow from operations over distributions paid and payable	(6,807)	(7,309)	4,441	504
Shortfall of net income (loss) over distributions paid and payable	(41,315)	(48,014)	(123,113)	(411,526)

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

The shortfall of cash flow from operations over distributions paid and payable for the three and six months ended June 30, 2025 was primarily due to variations in timing of cash flows related to working capital items.

The shortfall of net income (loss) over distributions paid and payable for the three months and six months ended June 30, 2025, the year ended December 31, 2024 and year ended December 31, 2023 was primarily due to the non-cash impact of the fair value changes on investment properties and financial instruments. Also contributing to the shortfall of net income (loss) over distributions paid and payable for the three months and six months ended June 30, 2025 and the year ended December 31, 2024, was the non-cash impact of the expected credit loss on preferred investments.

CAPITAL RESOURCES

At June 30, 2025, Artis had $16,639 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 a secured revolving term credit facility in the amount of $350,000, 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 June 30, 2025, the REIT had $78,400 available on its revolving term credit facilities. Under the terms of the senior secured credit facilities agreement, the borrowing capacity is limited by an amount determined based on the calculated lending value of the secured properties (as defined in the agreement). As at June 30, 2025, the total borrowing capacity of the credit facilities, including both the non-revolving and revolving facilities, was limited to $514,536 (December 31, 2024, not limited).

At June 30, 2025, the REIT had 9 unencumbered properties and two unencumbered parcels of development land, representing a fair value of $205,764.

Artis is not in default or arrears on any of its obligations, including distributions to unitholders, interest or principal payments on debt at June 30, 2025.

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 secured 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	$	49,831	$	49,831	$	—	$	—	$	—
Lease liabilities		3,439		811		1,498		1,130		—
Credit facilities		441,600		—		441,600		—		—
Mortgages and loans payable		643,119		424,631		151,676		60,384		6,428
Total contractual obligations	$	1,137,989	$	475,273	$	594,774	$	61,514	$	6,428

As at June 30, 2025, the REIT had an extension option for a mortgage maturing in the next 12 months in the amount of $44,323.

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
2025	$	235,091	38.0 %	$	5,795	$	240,886	6.64 %
2026		179,914	29.1 %		7,719		187,633	5.79 %
2027		72,882	11.8 %		5,956		78,838	6.79 %
2028		102,970	16.6 %		3,861		106,831	5.82 %
2029		21,671	3.5 %		600		22,271	5.50 %
2030 & later		5,950	1.0 %		710		6,660	3.90 %
Total	$	618,478	100.0 %	$	24,641	$	643,119	6.21 %

RISKS AND UNCERTAINTIES

A summary of all risks applicable to the REIT are set forth in Artis's 2024 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 and political 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 June 30, 2025, there were no investment properties under development.

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 and mortgages 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 June 30, 2025, 26.2% of the REIT's mortgages and loans payable bear interest at fixed rates, and a further 31.5% of the REIT's mortgages and loans payable bear interest at variable rates with interest rate swaps in place. At June 30, 2025, the REIT is a party to $916,298 of variable rate debt, including credit facilities (December 31, 2024, $748,707). At June 30, 2025, the REIT had entered into interest rate swaps to hedge the interest rate risk associated with $202,813 of variable rate debt (December 31, 2024, $203,020). 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 June 30, 2025, the REIT's ratio of total debt to GBV was 41.1%, compared to 40.2% at December 31, 2024. Approximately 38.0% of Artis's maturing mortgage debt comes up for renewal during the remainder of 2025, and 29.1% in 2026. Management is in discussion with various lenders with respect to the renewal or refinancing of the remainder of the 2025 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 when applicable, 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 663 tenant leases with a weighted-average term to maturity of 5.0 years. Approximately 46.1% of the REIT's gross revenue is derived from national or government tenants. As indicated below, the REIT's largest tenant by gross revenue is the government (including federal, provincial or state, civic or municipal government tenants). Further information regarding the REIT's government tenants can be found below under Government Tenants by Gross Revenue. The second largest tenant by gross revenue is Bell Canada, one of Canada's leading telecommunications companies.

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
Government Tenants	Canada and US	5.6 %	445	4.6 %	6.0
Bell Canada	Canada	3.6 %	115	1.2 %	5.0
Prime Therapeutics LLC	US	3.3 %	386	4.0 %	9.3
Catalent Pharma Solutions, LLC	US	2.6 %	244	2.5 %	11.1
A WIN Management, Inc.	US	2.3 %	153	1.6 %	7.4
CB Richard Ellis, Inc.	US	2.1 %	108	1.1 %	1.5
PBP, Inc.	US	2.0 %	519	5.4 %	6.4
TDS Telecommunications Corporation	US	2.0 %	127	1.3 %	4.5
UCare Minnesota	US	1.6 %	124	1.3 %	8.1
Kodak Canada ULC	Canada	1.6 %	130	1.3 %	4.2
Civeo	Canada	1.4 %	72	0.7 %	3.0
Soo Line Railroad Company	US	1.4 %	92	1.0 %	2.2
Maple Leaf Consumer Foods Inc.	Canada	1.3 %	163	1.7 %	4.0
Aikins	Canada	1.3 %	60	0.6 %	9.3
U of Wisconsin Medical Foundation	US	1.2 %	101	1.0 %	2.2
SunGard Recovery Services Inc.	US	1.2 %	99	1.0 %	7.8
U of WI Hospitals & Clinic Authority	US	1.1 %	86	0.9 %	0.8
Bell MTS	Canada	1.1 %	76	0.8 %	1.5
Axway, Inc.	US	0.9 %	52	0.5 %	6.4
The Toronto-Dominion Bank	Canada	0.9 %	46	0.5 %	8.0
Total		38.5 %	3,198	33.0 %	6.2

The table below provides further detail regarding the REIT's federal, provincial or state, civic or municipal government tenants.

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	3.6 %	244	2.5 %	3.8
Provincial or State Government	1.3 %	135	1.4 %	7.1
Civic or Municipal Government	0.7 %	66	0.7 %	11.5
Total	5.6 %	445	4.6 %	6.0
Weighted-average term to maturity (entire portfolio)				5.0

(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:

	Canada			U.S.		
Expiry Year	**Industrial**	**Office**	**Retail**	**Industrial**	**Office**	**Total**
2025	2.0 %	1.6 %	0.5 %	1.0 %	2.6 %	7.7 %
2026	5.0 %	1.5 %	1.6 %	— %	5.4 %	13.5 %
2027	3.4 %	0.5 %	1.3 %	— %	3.6 %	8.8 %
2028	5.7 %	0.3 %	2.4 %	— %	2.3 %	10.7 %
2029 & later	8.7 %	5.7 %	2.6 %	8.1 %	21.9 %	47.0 %
Vacant	0.9 %	2.1 %	1.4 %	— %	7.8 %	12.2 %
Month-to-month	— %	0.1 %	— %	— %	— %	0.1 %
Total portfolio	25.7 %	11.8 %	9.8 %	9.1 %	43.6 %	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 Q2-25 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 June 30, 2025 and the year ended December 31, 2024. 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.

Recent amendments to the Tax Act contains excessive interest and financing expenses limitation ("EIFEL") rules that applies to trusts and corporations effective January 1, 2024. The EIFEL rules limit the amount of net interest and financing expenses in certain circumstances to a fixed ratio of 30% of tax-EBITDA. Where a consolidated group is eligible and elects as a group, a higher group ratio can be used. Management believes that the EIFEL Rules did not have an adverse impact on the REIT and its subsidiaries for the period ended June 30, 2025 and year ended December 31, 2024, however, there can be no assurances in this regard for future years. If the EIFEL Rules were to apply to restrict deductions otherwise available to the REIT and/or its subsidiaries, the taxable income allocated by the REIT to Unitholders may increase, which would reduce the after-tax return for investors.

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 Q2-25, 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 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 June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Space sharing licence costs	$ 33	$ 33	$ 66	$ 65
Service fees	60	163	135	333
	$ 93	$ 196	$ 201	$ 398

Amounts payable to Sandpiper were $60 as at June 30, 2025 (December 31, 2024, $95).

As at June 30, 2025, the REIT had a balance payable to ICE II LP of $nil (December 31, 2024, $549).

SUBSEQUENT EVENTS

Subsequent to June 30, 2025, the following transactions took place:

- The Corridor Park joint venture entered into an unconditional agreement to sell a parcel of development land with expected closing in the fourth quarter of 2025. The sale price of the property at the REIT's interest is US$11,269.
- The REIT drew a net balance of $13,000 on the revolving credit facility.
- The REIT purchased through the NCIB 521,645 common units at a weighted-average price of $7.61 and 8,900 Series E preferred units at a weighted-average price of $20.75.
- The REIT declared a monthly cash distribution of $0.05 per common unit for the month of July 2025.
- The REIT declared a quarterly cash distribution of $0.4370625 per Series I preferred unit for the three months ended July 31, 2025.

OUTSTANDING UNIT DATA

As of August 7, 2025, the balance of common units outstanding is as follows:

	Total
Units outstanding at June 30, 2025	97,138,932
Units purchased and cancelled through NCIB	(405,787)
Units purchased through NCIB, not cancelled at August 7, 2025	(115,858)
Units outstanding at August 7, 2025	96,617,287

As of August 7, 2025, the balance of preferred units outstanding is as follows:

	Series E	Series I	Total
Units outstanding at June 30, 2025	2,879,109	4,280,356	7,159,465
Units purchased and cancelled through NCIB	(8,900)	—	(8,900)
Units outstanding at August 7, 2025	2,870,209	4,280,356	7,150,565

The balance of restricted units outstanding as of August 7, 2025 is 721,165, of which none have vested.

The balance of deferred units outstanding as of August 7, 2025 is 551,472. All of these deferred units have vested, 161,412 of which are redeemable.

SUMMARIZED QUARTERLY INFORMATION

$000's, except per unit amounts	Q2-25	Q1-25	Q4-24	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23
Revenue	$ 59,082	$ 62,302	$ 68,851	$ 66,369	$ 84,729	$ 80,420	$ 80,892	$ 80,412
Net operating income	30,729	31,167	37,695	34,091	47,888	43,557	45,352	43,737
Net (loss) income	(23,492)	11,427	(29,423)	(11,635)	765	(7,121)	(86,837)	(137,516)
Total comprehensive (loss) income	(70,300)	10,638	25,736	(27,794)	12,298	21,942	(116,270)	(109,017)
Basic (loss) income per common unit	(0.27)	0.08	(0.31)	(0.14)	(0.02)	(0.10)	(0.84)	(1.29)
Diluted (loss) income per common unit	(0.27)	0.08	(0.31)	(0.14)	(0.03)	(0.10)	(0.84)	(1.29)
FFO (1)	$ 16,956	$ 17,535	$ 23,809	$ 32,443	$ 28,698	$ 26,467	$ 27,275	$ 27,579
FFO per unit - diluted (1)	0.17	0.17	0.23	0.31	0.27	0.24	0.25	0.25
FFO payout ratio (1)	88.2 %	88.2 %	65.2 %	48.4 %	55.6 %	62.5 %	60.0 %	60.0 %
AFFO (1)	$ 8,204	$ 8,735	$ 14,980	$ 21,840	$ 17,063	$ 14,578	$ 15,418	$ 14,718
AFFO per unit - diluted (1)	0.08	0.09	0.15	0.21	0.16	0.13	0.14	0.13
AFFO payout ratio (1)	187.5 %	166.7 %	100.0 %	71.4 %	93.8 %	115.4 %	107.1 %	115.4 %
Same Property NOI growth (decline) (1)	0.1 %	4.5 %	(0.1)%	(0.9)%	(0.4)%	4.0 %	9.2 %	6.0 %
Adjusted EBITDA interest coverage ratio (1)	2.29	2.33	2.47	2.37	2.05	1.92	1.93	2.10
Leasable area renewed (in square feet)	210,643	122,760	204,564	146,979	100,365	288,517	261,889	177,787
Increase in weighted-average rental rate	3.6 %	4.0 %	3.3 %	2.5 %	3.1 %	2.2 %	5.8 %	3.5 %

	2025	2025	2024	2024	2024	2024	2023	2023
	Jun 30	Mar 31	Dec 31	Sept 30	Jun 30	Mar 31	Dec 31	Sept 30
Number of properties	83	84	88	89	106	117	119	121
GLA (000's of square feet)	9,673	9,680	9,971	10,140	13,551	14,237	13,727	14,014
Occupancy (2)	87.8 %	87.1 %	88.2 %	87.3 %	89.5 %	89.5 %	90.1 %	89.9 %
NAV per unit (1)	$ 12.98	$ 13.76	$ 13.75	$ 13.77	$ 14.11	$ 14.06	$ 13.96	$ 15.26
Total debt to Adjusted EBITDA (1)	7.4	7.0	6.2	5.4	7.1	8.0	7.7	8.0
Total debt to GBV (1)	41.1 %	39.2 %	40.2 %	39.8 %	49.8 %	51.3 %	50.9 %	49.4 %
Total assets	$2,611,435	$2,711,807	$2,803,161	$2,843,897	$3,508,147	$3,750,432	$3,735,030	$3,871,689
Total non-current financial liabilities	661,166	607,587	636,503	554,239	602,124	1,131,474	1,047,231	1,548,240

(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) 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, 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, 2024.

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 Accounting Standards. 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 June 30, 2025, 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 Accounting Standards. No changes were made in the REIT's design of internal controls over financial reporting during the six months ended June 30, 2025, 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 June 30, 2025, 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 six months ended June 30, 2025.