



FOR IMMEDIATE RELEASE

MAY 7, 2020

**ARTIS REAL ESTATE INVESTMENT TRUST RELEASES FIRST QUARTER RESULTS
AND PROVIDES UPDATE ON THE IMPACT OF COVID-19**

Today Artis Real Estate Investment Trust ("Artis" or the "REIT") issued its financial results and achievements for the three months ended March 31, 2020, and provided updates on the impact of COVID-19 and the new initiatives announced on November 1, 2018 (the "New Initiatives"). The first quarter press release should be read in conjunction with the REIT's consolidated financial statements and Management's Discussion and Analysis ("MD&A") for the three months ended March 31, 2020. All amounts are in thousands of Canadian dollars, unless otherwise noted.

FIRST QUARTER HIGHLIGHTS ⁽¹⁾

Portfolio Activity

- Disposed of four office properties and one parcel of development land in Calgary, Alberta and one office property in Ottawa, Ontario, for an aggregate sale price of \$140.3 million.

Financial and Operational

- Reported FFO per unit of \$0.33 for the first quarter of 2020, compared to \$0.34 for the first quarter of 2019.
- Reported AFFO per unit of \$0.24 for the first quarter of 2020, compared to \$0.25 for the first quarter of 2019.
- Reported a conservative AFFO payout ratio of 58.3% for the first quarter of 2020, compared to 56.0% for the first quarter of 2019.
- Stabilized Same Property NOI in Canadian dollars increased 2.1% for the first quarter of 2020.
- Same Property NOI in Canadian dollars increased 1.5%, or increased 0.7% in functional currency for the first quarter of 2020.
- Reported the seventh consecutive quarter of positive Same Property NOI growth.
- Weighted-average rental rate on renewals that commenced during the first quarter of 2020 increased 4.5%.
- Reported portfolio occupancy of 90.7% (92.7% including commitments) at March 31, 2020, compared to 91.5% at December 31, 2019.

Balance Sheet and Liquidity

- Reported NAV per unit of \$15.52 at March 31, 2020, compared to \$15.56 at December 31, 2019.
- Reported unencumbered assets of \$1.9 billion at March 31, 2020, compared to \$2.0 billion at December 31, 2019.
- Reported total long-term debt and credit facilities to GBV of 52.6% at March 31, 2020, compared to 52.3% at December 31, 2019.
- Reported total long-term debt and credit facilities to EBITDA of 9.3 at March 31, 2020, compared to 8.8 at December 31, 2019.
- Increased EBITDA interest coverage ratio to 3.08 times for the first quarter of 2020, compared to 2.96 times for the first quarter of 2019.

Capital Structure

- Utilized the normal course issuer bid ("NCIB") to purchase 783,268 common units at a weighted-average price of \$7.69 and 35,948 preferred units at a weighted-average price \$15.97.
- Repaid the outstanding face value of the Series B senior unsecured debentures upon maturity in the amount of \$200.0 million.
- Entered into a two-year unsecured non-revolving term credit facility agreement in the amount of \$200.0 million, bearing interest at prime plus 0.60% or the bankers' acceptance rate plus 1.60%.

(1) Inclusive of properties held under joint venture arrangements.

IMPACT OF COVID-19

Health and Safety of Stakeholders

Artis' first priority is the health and safety of our tenants, employees and the community. We continue to monitor guidance and direction provided by public health agencies and have implemented numerous protocols to help reduce the risk of spreading COVID-19 and to protect the health of our stakeholders. In accordance with current recommendations, we have increased common area cleaning at all properties and have imposed strict cleanliness protocols for our employees and contractors. Where appropriate, we have made accommodations for employees to work remotely from home and have restricted all business travel.

Tenant Support Program

Due to government-mandated closure of non-essential businesses, a number of retail tenants have had to limit operations or close their businesses temporarily. In an effort to support tenants through this difficult time, qualifying tenants who are in need of assistance have been given the option to defer a portion of their base rent for the months of April and May 2020, with an agreement to repay the amount at a specified later date with no interest. At April 30, 2020, we have offered a total of approximately \$2.2 million (in functional currency) of rent deferrals to our tenants for April and, excluding deferred rent, have received 93.2% of April rent charges.

As a diversified REIT, our portfolio comprises office, retail and industrial properties which, at March 31, 2020, were 90.7% leased to high-quality tenants across Canada and the U.S. with a weighted-average remaining lease term of 5.2 years. We expect that the COVID-19 pandemic will continue to have the largest impact on our retail segment, which represented 18.7% of Q1-20 Proportionate Share Property NOI. At March 31, 2020, our retail portfolio was 90.8% leased with a weighted-average remaining lease term of 4.0 years. Overall, we are confident that the quality of our retail properties, strong tenant base and our limited exposure to this asset class will mitigate the impact on our overall business.

Conservative Distribution Payout Ratio

For the first quarter of 2020, our AFFO payout ratio was 58.3%, which is among the most conservative of commercial real estate investment trusts in Canada.

Unit Purchases Under Normal Course Issuer Bid ("NCIB")

Due to recent market volatility, we believe that the current trading price of Artis' units does not reflect their underlying value. This has provided a highly accretive opportunity to purchase units under the NCIB. During the first quarter, we purchased 783,268 common units at a weighted-average price of \$7.69 and 35,948 preferred units at a weighted-average price of \$15.97. Subsequent to the end of the quarter, we have purchased 1,455,142 common units at a weighted-average price of \$8.46 and 60,782 preferred units at a weighted-average price of \$16.56. Unit purchases under the NCIB were made in accordance with the terms of an automatic purchase plan. On May 7, 2020, the REIT temporarily suspended unit purchases under the NCIB. The REIT will continue to monitor the trading price of Artis' units as it compares to our NAV, as well as our liquidity in determining whether to resume unit purchases under our NCIB.

Financial Position and Liquidity

Since November 2018, we have been focused on several new initiatives, one of which has been to strengthen our balance sheet. Our current liquidity includes cash on hand and undrawn credit facilities. There are no credit facilities or debentures maturing prior to 2021.

Our current liquidity sufficiently meets working capital requirements, obligations and capital commitments related to ongoing development projects and distribution payments to unitholders. We will continue to monitor this rapidly evolving situation closely and to prudently manage our capital resources.

Risks

Due to uncertainty with respect to the duration and severity of the COVID-19 pandemic, it is not possible to reliably estimate the future impact of COVID-19 on financial results and operations. For more information on risks related to the COVID-19 pandemic, please refer to the Risks and Uncertainties section of the Q1-20 MD&A.

Overall, our first priority is to maintain a safe environment for our tenants, employees and the community. During this unprecedented and uncertain time, we are committed to minimizing the impact on our business and, as a diversified REIT, we are confident that we are well-positioned to handle the economic challenges that may lie ahead.

FINANCIAL AND OPERATIONAL RESULTS

Selected Financial Information

\$000's, except per unit amounts	Three months ended March 31,		
	2020	2019	% Change
Revenue	\$ 118,541	\$ 133,547	(11.2)%
Property NOI ⁽¹⁾	69,152	78,478	(11.9)%
Net (loss) income	(111,330)	25,356	(539.1)%
Total comprehensive income (loss)	14,197	(4,508)	(414.9)%
Distributions per common unit	0.14	0.14	— %
FFO ⁽¹⁾	46,441	50,284	(7.6)%
FFO per unit ⁽¹⁾	0.33	0.34	(2.9)%
FFO payout ratio ⁽¹⁾	42.4 %	41.2 %	1.2 %
AFFO ⁽¹⁾	33,661	37,607	(10.5)%
AFFO per unit ⁽¹⁾	0.24	0.25	(4.0)%
AFFO payout ratio ⁽¹⁾	58.3 %	56.0 %	2.3 %

(1) Represents a non-GAAP measure. Refer to the Notice with Respect to non-GAAP Measures.

Same Property NOI

The REIT is pleased to report a seventh consecutive quarter of Same Property NOI growth.

	Q1-20	Q4-19	Q3-19	Q2-19	Q1-19
Same Property NOI growth	1.5 %	3.3 %	2.0 %	4.6 %	5.1 %
Stabilized Same Property NOI growth	2.1 %	4.4 %	3.8 %	6.3 %	5.7 %

Occupancy and Leasing

Occupancy at March 31, 2020, was 90.7% (92.7% including commitments on vacant space) compared to 91.5% at December 31, 2019, excluding properties held for redevelopment and new development projects. Weighted-average rental rate on renewals that commenced during the first quarter of 2020 increased 4.5%.

Artis' portfolio has a stable lease expiry profile with 48.0% of gross leasable area expiring in 2024 or later and 51.7% of the remaining 2020 expiries renewed or committed to new leases at March 31, 2020. Weighted-average in-place rents for the entire portfolio are \$12.66 per square foot and are estimated to be 0.6% below market rents. Information about Artis' lease expiry profile is as follows:

	2020	2021	2022	2023	2024 & later
Expiring square footage	10.0 %	12.9 %	10.8 %	9.1 %	48.0 %
Committed percentage	51.7 %	7.0 %	4.1 %	6.9 %	5.3 %
In-place rents	\$ 14.78	\$ 13.04	\$ 10.79	\$ 14.46	\$ 12.20
Comparison of market to in-place rents	3.2 %	(2.5)%	4.5 %	0.2 %	0.2 %

BALANCE SHEET AND LIQUIDITY

Balance Sheet Highlights and Metrics

The REIT's balance sheet highlights and metrics, on a Proportionate Share basis, are as follows:

	March 31, 2020	December 31, 2019
Fair value of investment properties	\$ 5,238,094	\$ 5,249,275
Fair value of unencumbered assets	1,891,542	1,968,369
NAV per unit ⁽¹⁾	15.52	15.56
Secured mortgages and loans to GBV ⁽¹⁾	28.7 %	27.9 %
Total long-term debt and credit facilities to GBV ⁽¹⁾	52.6 %	52.3 %
Total long-term debt and credit facilities to EBITDA ⁽¹⁾	9.3	8.8
EBITDA interest coverage ratio ⁽¹⁾	3.08	3.05
Unencumbered assets to unsecured debt	1.44	1.47

(1) Represents a non-GAAP measure. Refer to the Notice with Respect to non-GAAP Measures.

Information regarding the REIT's mortgage financing, on a Proportionate Share basis, is as follows:

	March 31, 2020	December 31, 2019
Weighted-average effective interest rate	3.68 %	3.98 %
Weighted-average term to maturity (in years)	2.2	2.4
Unhedged variable rate mortgage debt as a percentage of total debt	21.4 %	22.7 %

Liquidity and Capital Resources

At March 31, 2020, Artis had \$53.0 million of cash on hand and \$138.3 million available on its revolving term credit facilities. Liquidity and capital resources will be impacted by financing activities, portfolio acquisition, disposition and development activities, debt repayments and unit purchases under the NCIB occurring subsequent to March 31, 2020.

PORTFOLIO ACTIVITY

Dispositions

During the first quarter of 2020, Artis disposed the following properties:

Property	Property Count	Location	Disposition Date	Asset Class	Owned share of GLA	Sale Price
Centre 15 Building	1	Calgary, AB	January 21, 2020	Office	76,021	\$ 14,000
Calgary Office Portfolio ⁽¹⁾	2	Calgary, AB	January 30, 2020	Office	497,635	77,814
800 5th Avenue	1	Calgary, AB	January 31, 2020	Office	258,445	26,000
1165 Kenaston Street	1	Ottawa, ON	March 31, 2020	Office	180,689	22,500
	5				1,012,790	\$ 140,314

(1) Disposition includes a parcel of development land.

Artis sold the properties listed above for a total sale price of \$140.3 million, which compares well to their IFRS value of \$141.2 million.

New Developments

The table below lists Artis' ongoing development projects and completion progress, inclusive of properties held under joint venture arrangements. Additional information pertaining to each project can be found in the Q1-20 MD&A.

Property	Location	Asset class	Owned share of GLA	% Complete	% Committed ⁽¹⁾
330 Main	Winnipeg, MB	Retail	27,000	85.0 %	90.0 %
300 Main	Winnipeg, MB	Residential / Multi-Family	580,000	38.0 %	0.0 %
Park 8Ninety IV	Greater Houston Area, TX	Industrial	95,000	46.0 %	100.0 %
Linden Ridge Shopping Centre II	Winnipeg, MB	Retail	17,000	56.0 %	100.0 %

(1) Percentage committed is based on occupancy at March 31, 2020, plus commitments on vacant space.

UPDATE ON NEW INITIATIVES

In November 2018, we announced several new initiatives that are focused on improving our growth profile, strengthening our balance sheet and ensuring the REIT is best positioned for long-term and sustainable growth. These initiatives included revising the REIT's distribution, immediately and continually purchasing units under our NCIB, optimizing our portfolio by narrowing our focus to key assets in fewer markets, and pursuing high-yield, accretive development projects in our target markets that will improve the value and quality of our portfolio. The REIT expects the New Initiatives to be impacted due to the COVID-19 pandemic as financial markets have been disrupted and the property transaction market has slowed considerably. Property dispositions are unlikely during this uncertain time and ongoing and future development projects could potentially face delays for the unknown duration of the COVID-19 pandemic.

NCIB Activity and Preferred Unit Redemption

During the first quarter of 2020, we purchased 783,268 common units at a weighted-average price of \$7.69 and 35,948 preferred units at a weighted-average price of \$15.97 under our NCIB. From November 1, 2018, when we announced our intention to purchase units under our NCIB until March 31, 2020, we have purchased 16,743,028 common units at a weighted-average price of \$10.69 and 326,248 preferred units at a weighted-average price of \$20.48. The total aggregate market prices of common units and preferred units purchased under the NCIB from November 1, 2018, to March 31, 2020, were \$179.0 million and \$6.7 million, respectively.

On July 31, 2019, Artis completed the redemption of its outstanding Series G preferred units for an aggregate face value of \$78.5 million.

Property Dispositions

Artis' intention is to sell between \$800.0 million to \$1.0 billion of non-core assets. At March 31, 2020, Artis has sold 26 properties and three parcels of development land, including 14 office (six Calgary office properties) and 12 retail properties, for a total sale price of \$743.4 million, which compares well to the IFRS value of \$730.0 million.

Property	Property count	Location	Disposition date	Asset class	Owned share of GLA	Annualized Property NOI ⁽¹⁾	Capitalization rate ⁽²⁾	Sale price	Fair value ⁽³⁾
Centrepoint ⁽⁴⁾	1	Winnipeg, MB	October 31, 2018	Office	51,723	\$ 1,479	6.00 %	\$ 27,250	\$ 26,106
169 Inverness Drive West I & II ⁽⁵⁾	1	Greater Denver Area, CO	April 9, 2019	Office	118,518	(146)	N/A	36,113	46,590
Reenders Square	1	Winnipeg, MB	May 21, 2019	Retail	65,713	1,258	6.00 %	20,550	18,315
Britannia Building	1	Calgary, AB	May 22, 2019	Office	133,897	(269)	N/A	10,650	10,101
Nanaimo Portfolio	4	Nanaimo, BC	June 17, 2019	Office / Retail	112,327	2,079	4.60 %	37,038	36,621
1700 Broadway	1	Greater Denver Area, CO	June 27, 2019	Office	394,151	8,867	N/A	104,325	111,196
GSA Professional Office Building	1	Greater Phoenix Area, AZ	July 26, 2019	Office	210,202	7,008	5.81 %	121,825	117,958
415 Yonge Street	1	Greater Toronto Area, ON	September 27, 2019	Office	192,036	4,600	3.71 %	124,000	94,801
Estevan Retail Portfolio	2	Estevan, SK	October 30, 2019	Retail	167,114	1,153	9.52 %	13,000	12,867
495 Richmond Road	1	Ottawa, ON	November 27, 2019	Office	106,195	2,509	6.28 %	39,000	37,143
Centre 70 Building	1	Calgary, AB	December 16, 2019	Office	134,293	2,467	N/A	23,500	25,124
Minnesota Retail Portfolio ⁽⁵⁾	6	Twin Cities Area, MN	December 19, 2019	Retail	298,232	4,487	10.75 %	45,870	52,035
Centre 15 Building	1	Calgary, AB	January 21, 2020	Office	76,021	1,349	7.50 %	14,000	13,991
Calgary Office Portfolio ⁽⁵⁾	2	Calgary, AB	January 30, 2020	Office	497,635	6,727	8.75 %	77,814	78,872
800 5th Avenue	1	Calgary, AB	January 31, 2020	Office	258,445	2,418	8.00 %	26,000	25,854
1165 Kenaston Street	1	Ottawa, ON	March 31, 2020	Office	180,689	638	N/A	22,500	22,437
	26				2,997,191	\$ 46,624		\$743,435	\$730,011

(1) Based on the annualized Property NOI reported for the quarter prior to disposition. Property NOI for 415 Yonge Street is forward-looking and includes future lease commitments.

(2) Capitalization rates are based on 12-month forward looking Property NOI, as of the date of closing.

(3) Based on the fair value reported at the quarter prior to disposition.

(4) The REIT disposed of its 50% interest in Centrepoint, a property held under a joint venture arrangement.

(5) Disposition includes a parcel of development land.

At March 31, 2020, the REIT had two office properties and one retail property classified as held for sale for a total IFRS value of \$71.4 million.

New Developments

Since the New Initiatives were announced, the REIT has completed five new industrial development projects located in key target markets in the U.S., adding 1.5 million square feet to the portfolio. Additionally, the REIT currently has three new development projects in process in Winnipeg, Manitoba and the fourth phase of an industrial development project in process in the Greater Houston Area, Texas.

The REIT will continue to provide updates on the New Initiatives as progress is made.

UPCOMING WEBCAST AND CONFERENCE CALL

Interested parties are invited to participate in a conference call with management on Friday, May 8, 2020, at 12:00 p.m. CT (1:00 p.m. ET). In order to participate, please dial 1.416.764.8688 or 1.888.390.0546. You will be required to identify yourself and the organization on whose behalf you are participating.

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

If you cannot participate on Friday, May 8, 2020, a replay of the conference call will be available by dialing 1.416.764.8677 or 1.888.390.0541 and entering passcode 049343#. The replay will be available until Tuesday, June 9, 2020. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

NOTICE WITH RESPECT TO NON-GAAP MEASURES

In addition to reported IFRS measures, the following non-GAAP measures are commonly used by Canadian real estate investment trusts as an indicator of financial performance: Proportionate Share, Property NOI, Same Property NOI, FFO, AFFO, FFO and AFFO Payout Ratios, NAV per Unit, Debt to GBV, EBITDA Interest Coverage Ratio and Debt to EBITDA. "GAAP" means the generally accepted accounting principles described by the CPA Canada Handbook - Accounting, which are applicable as at the date on which any calculation using GAAP is to be made. Artis applies IFRS, which is the section of GAAP applicable to publicly accountable enterprises. These non-GAAP measures are not defined under IFRS and are not intended to represent operating profits for the period, or from a property, 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. Readers should be further cautioned that the following measures as calculated by Artis may not be comparable to similar measures presented by other issuers. These non-GAAP measures are defined in the Q1-20 MD&A.

CAUTIONARY STATEMENTS

This press release contains forward-looking statements. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Particularly, statements regarding the REIT's future operating results, performance and achievements, including the COVID-19 pandemic and the implementation of Artis' new initiatives, are forward-looking statements. Without limiting the foregoing, the words "expects", "anticipates", "intends", "estimates", "projects", and similar expressions are intended to identify forward-looking statements.

Artis is subject to significant risks and uncertainties which may cause the actual results, performance or achievements of the REIT to be materially different from any future results, performance or achievements expressed or implied in these forward-looking statements. Such risk factors include, but are not limited to, risks related to the COVID-19 pandemic, implementation of Artis' new initiatives, risks associated with real property ownership, debt financing, foreign currency, credit and tenant concentration, lease rollover, availability of cash flow, general uninsured losses, future property acquisitions and dispositions, environmental matters, tax related matters, changes in legislation and changes in the tax treatment of trusts, cyber security, new or (re)developments, unitholder liability, potential conflicts of interest, potential dilution and reliance on key personnel. Artis cannot assure investors that actual results will be consistent with any forward-looking statements and Artis assumes no obligation to update or revise such forward-looking statements to reflect actual events or new circumstances. All forward-looking statements contained in this press release are qualified by this cautionary statement.

ABOUT ARTIS REAL ESTATE INVESTMENT TRUST

Artis is a diversified Canadian real estate investment trust investing in office, retail and industrial properties. Since 2004, Artis has executed an aggressive but disciplined growth strategy, building a portfolio of commercial properties in select markets in Canada and the United States. As of March 31, 2020, Artis' commercial property comprises approximately 23.8 million square feet of leasable area.

During the three months ended March 31, 2020, Proportionate Share Property NOI by asset class, was approximately 46.8% office, 18.7% retail and 34.5% industrial. Proportionate Share Property NOI by geographical region, was approximately 2.7% in British Columbia, 16.5% in Alberta, 6.7% in Saskatchewan, 13.7% in Manitoba, 10.8% in Ontario, 10.0% in Arizona, 21.5% in Minnesota, 9.7% in Wisconsin and 8.4% in U.S. - Other.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

For further information please contact: Mr. Armin Martens, President and Chief Executive Officer, Mr. Jim Green, Chief Financial Officer or Ms. Heather Nikkel, Vice-President - Investor Relations of the REIT at 204.947.1250.

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