



FOR IMMEDIATE RELEASE

NOVEMBER 3, 2021

ARTIS REAL ESTATE INVESTMENT TRUST RELEASES THIRD QUARTER RESULTS

Artis Real Estate Investment Trust ("Artis" or the "REIT") (TSX: AX.UN, AX.PR.A, AX.PR.E, AX.PR.I) announced today its financial results for the three and nine months ended September 30, 2021. The third quarter press release should be read in conjunction with the REIT's consolidated financial statements and Management's Discussion and Analysis ("MD&A") for the period ended September 30, 2021. All amounts are in thousands of Canadian dollars, unless otherwise noted.

"We are pleased with the progress we've made to date in the execution of our new vision and strategy for Artis," said Samir Manji, President and Chief Executive Officer of Artis. "During the third quarter, we closed the sale of 32 properties for an aggregate sale price of \$761.3 million, including the sale of the GTA industrial portfolio which represented a significant milestone in the implementation of our Business Transformation Plan. These dispositions were key to providing the REIT with the financial flexibility we now have to execute on our return of capital and value investing strategies, while allowing us to meaningfully reduce our debt to gross book value to 44.0% and to achieve an increase in NAV per unit to \$17.45 at September 30, 2021. During the quarter, we acquired a parcel of industrial development land in the Twin Cities Area where we've identified an attractive opportunity to develop modern, high-demand industrial real estate that aligns with our value creation plan. We are confident in our strategy, and look forward to continuing to demonstrate our ability to unlock and create value for our owners in the quarters ahead."

THIRD QUARTER HIGHLIGHTS ⁽¹⁾

Business Strategy Update

- Subsequent to the end of the quarter, announced that a consortium led by Canderel Real Estate Property Inc., had, through a newly-formed entity, entered into an arrangement to acquire Cominar Real Estate Investment Trust ("Cominar") for consideration of \$11.75 in cash per unit (the "Cominar Transaction"). Artis has committed up to a total of \$214.1 million to the Cominar Transaction's capital structure, including \$100.0 million of junior preferred units and \$114.1 million in common equity units. The Cominar Transaction is expected to close in the first quarter of 2022, subject to the approval of Cominar unitholders, court and required regulatory approvals and customary closing conditions.

Portfolio Activity

- Disposed of 27 industrial properties in the Greater Toronto Area, Ontario, two industrial properties in Winnipeg, Manitoba, and three retail properties in Regina, Saskatchewan, for an aggregate sale price of \$761.3 million.
- Acquired a parcel of industrial development land in the Twin Cities Area, Minnesota, for a purchase price of US\$2.2 million.

Balance Sheet and Liquidity

- Increased NAV per unit to \$17.45 at September 30, 2021, compared to \$15.03 at December 31, 2020.
- Improved secured mortgages and loans to GBV to 25.8% at September 30, 2021, compared to 27.7% at December 31, 2020.
- Improved total long-term debt and credit facilities to GBV to 44.0% at September 30, 2021, compared to 50.2% at December 31, 2020.
- Improved total long-term debt and credit facilities to Adjusted EBITDA to 8.3 at September 30, 2021, compared to 9.4 at December 31, 2020.
- Improved Adjusted EBITDA interest coverage ratio to 3.71 for the third quarter of 2021, compared to 3.66 for the third quarter of 2020.
- Utilized the normal course issuer bid ("NCIB") to purchase 4,929,552 common units at a weighted-average price of \$11.64 and 37,748 preferred units at a weighted-average price of \$24.03.
- Invested in equity securities for an aggregate cost of \$44.5 million.

Financial and Operational

- Reported a conservative AFFO payout ratio of 65.2% for the third quarter of 2021, compared to 51.9% for the third quarter of 2020.
- Reported FFO per unit of \$0.33 for the third quarter of 2021, compared to \$0.37 for the third quarter of 2020.

(1) Inclusive of properties held under equity accounted investments.

- Reported AFFO per unit of \$0.23 for the third quarter of 2021, compared to \$0.27 for the third quarter of 2020.
- Same Property NOI in Canadian dollars for the third quarter of 2021 decreased 4.7% compared to the third quarter of 2020.
- Same Property NOI in functional currency for the third quarter of 2021 decreased 1.4% compared to the third quarter of 2020.
- Reported portfolio occupancy of 88.8% (90.8% including commitments) at September 30, 2021, compared to 90.3% (91.8% including commitments) at June 30, 2021.
- Renewals totalling 332,619 square feet and new leases totalling 113,564 square feet commenced during the third quarter of 2021.
- Weighted-average rental rate on renewals that commenced during the third quarter of 2021 increased 1.7%.

BALANCE SHEET AND LIQUIDITY

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

	September 30, 2021	December 31, 2020
Fair value of investment properties	\$ 4,280,190	\$ 4,844,086
Fair value of unencumbered assets	1,942,909	1,941,959
NAV per unit ⁽¹⁾	17.45	15.03
Secured mortgages and loans to GBV ⁽¹⁾	25.8 %	27.7 %
Total long-term debt and credit facilities to GBV ⁽¹⁾	44.0 %	50.2 %
Total long-term debt and credit facilities to Adjusted EBITDA ⁽¹⁾	8.3	9.4
Adjusted EBITDA interest coverage ratio ⁽¹⁾	3.71	3.29
Unencumbered assets to unsecured debt	2.27	1.73

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

At September 30, 2021, NAV per unit was \$17.45, compared to \$15.03 at December 31, 2020.

At September 30, 2021, Artis had \$280.3 million of cash on hand and \$591.7 million available on its revolving term credit facilities. Under the terms of the revolving credit facilities, the REIT must maintain certain financial covenants which limit the total borrowing capacity of the revolving credit facilities to \$638.2 million.

Liquidity and capital resources may be impacted by financing activities, portfolio acquisition, disposition and development activities, debt repayments, or other activities in accordance with the Business Transformation Plan occurring subsequent to September 30, 2021.

FINANCIAL AND OPERATIONAL RESULTS

<i>\$000's, except per unit amounts</i>	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	% Change	2021	2020	% Change
Revenue	\$ 97,658	\$ 113,328	(13.8)%	\$ 321,834	\$ 345,907	(7.0)%
Net operating income	56,089	68,017	(17.5)%	182,358	204,308	(10.7)%
Net income (loss)	39,855	45,699	(12.8)%	328,771	(10,881)	(3,121.5)%
Total comprehensive (loss)	81,345	15,250	433.4 %	334,767	26,205	1,177.5 %
Distributions per common unit	0.15	0.14	7.1 %	0.44	0.41	7.3 %
FFO ⁽¹⁾	\$ 42,019	\$ 50,816	(17.3)%	\$ 134,020	\$ 146,615	(8.6)%
FFO per unit ⁽¹⁾	0.33	0.37	(10.8)%	1.02	1.06	(3.8)%
FFO payout ratio ⁽¹⁾	45.5 %	37.8 %	7.7 %	43.1 %	38.7 %	4.4 %
AFFO ⁽¹⁾	\$ 29,827	\$ 37,671	(20.8)%	\$ 96,557	\$ 107,831	(10.5)%
AFFO per unit ⁽¹⁾	0.23	0.27	(14.8)%	0.73	0.78	(6.4)%
AFFO payout ratio ⁽¹⁾	65.2 %	51.9 %	13.3 %	60.3 %	52.6 %	7.7 %

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

Artis reported portfolio occupancy of 88.8% (90.8% including commitments) at September 30, 2021, compared to 90.3% (91.8% including commitments) at June 30, 2021. Weighted-average rental rate on renewals that commenced during the third quarter of 2021 increased 1.7%.

Artis' portfolio has a stable lease expiry profile with 48.6% of gross leasable area expiring in 2025 or later. Weighted-average in-place rents for the total portfolio are \$13.28 per square foot and are estimated to be 1.9% above market rents. Information about Artis' lease expiry profile is as follows:

	Current vacancy	Monthly Tenants	2021	2022	2023	2024	2025 & later	Total portfolio
Expiring square footage	11.2 %	0.1 %	9.0 %	9.9 %	10.3 %	10.9 %	48.6 %	100.0 %
In-place rents	N/A	N/A	\$ 12.54	\$ 12.65	\$ 14.43	\$ 12.96	\$ 13.38	\$ 13.28
Market rents	N/A	N/A	\$ 11.54	\$ 12.37	\$ 14.02	\$ 12.97	\$ 13.26	\$ 13.03

PORTFOLIO ACTIVITY

Acquisition

On September 24, 2021, the REIT acquired a parcel of industrial development land in the Twin Cities Area, Minnesota, for a purchase price of US\$2.2 million.

Dispositions

During Q3-21, Artis disposed of the following properties:

Property	Property count	Location	Disposition date	Asset class	Owned share of GLA	Sale price
GTA Industrial Portfolio	27	Greater Toronto Area, Ontario	July 15, 2021 & August 19, 2021	Industrial	2,450,123	\$ 724,300
King Edward Industrial Portfolio	2	Winnipeg, Manitoba	July 21, 2021	Industrial	31,800	3,200
East Landing Retail Portfolio	2	Regina, Saskatchewan	August 23, 2021	Retail	65,083	19,100
West Landing Mall	1	Regina, Saskatchewan	September 1, 2021	Retail	39,022	14,665

New Developments

At September 30, 2021, the REIT had four ongoing development projects: 300 Main, Park 8Ninety V, Park Lucero East and Blaine 35.

300 Main is a mixed-used commercial and residential/multi-family property located in Winnipeg, Manitoba. Park 8Ninety V is the final phase of an industrial development project in the Greater Houston Area, Texas, and is expected to comprise three buildings totalling 677,000 square feet once complete. Artis has a 95% interest in Park 8Ninety V in the form of a joint venture arrangement. Park Lucero East is a state-of-the-art industrial development project located in the Greater Phoenix Area, Arizona, which is expected to comprise three Class A industrial buildings totalling approximately 561,000 square feet upon completion. Artis has a 10% interest in Park Lucero East in the form of an investment in an associate. Blaine 35 is a two-phase industrial development project located in the Twin Cities Area, Minnesota, with prominent interstate frontage at the intersection of I-35W and 85th Ave N. The first phase of the project, Blaine 35 I, consists of one building anticipated to total approximately 118,500 square feet of leasable area. The second phase, Blaine 35 II, will comprise two buildings expected to total approximately 198,900 square feet of leasable area.

IMPACT OF COVID-19

As a diversified REIT, Artis' portfolio comprises industrial, office and retail properties which, at September 30, 2021, were 88.8% leased (90.8% including commitments on vacant space) to high-quality tenants across Canada and the U.S. with a weighted-average remaining lease term of 5.3 years.

Rent collection has been a key focus during this time. As at September 30, 2021, 98.9% of rent charges (both excluding and including deferred rent charges) have been collected for the three months ended September 30, 2021.

Due to government-mandated capacity restrictions and temporary closures of certain non-essential businesses throughout the course of the COVID-19 pandemic, a number of tenants had to limit operations. To support tenants through this difficult time, qualifying tenants who were in need of assistance were given the option to defer a portion of their rent, with an agreement to repay the amount at a specified later date. As at September 30, 2021, the outstanding balance of rent deferrals granted to tenants was \$1.3 million (\$1.3 million on a Proportionate Share basis).

The REIT anticipates that the majority of rent deferrals and rents receivable will be collected, however, there are certain tenants that may not be able to pay their outstanding rent. As at September 30, 2021, an allowance for doubtful accounts in the amount of \$1.8 million (\$1.8 million on a Proportionate Share basis) has been recorded, compared to \$2.0 million (\$2.0 million on a Proportionate Share basis) at December 31, 2020.

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

UPCOMING WEBCAST

Interested parties are invited to participate in a webcast with management on Thursday, November 4, 2021, at 12:00 p.m. CT (1:00 p.m. ET). In order to participate, please register for the event at: https://us02web.zoom.us/webinar/register/WN_6BgMZ85JQ0i9tUQWxvVKcw. You will be required to identify yourself at the time of registration.

If you cannot participate on Thursday, November 4, 2021, a replay of the webcast will be available on Artis' website at www.artisreit.com/investor-link/conference-calls/. The replay will be available until Wednesday, March 9, 2022.

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, Adjusted EBITDA Interest Coverage Ratio and Debt to Adjusted 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 these non-GAAP measures as calculated by Artis may not be comparable to similar measures presented by other issuers. These non-GAAP measures are defined in the REIT's Q3-21 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. Without limiting the foregoing, the words "expects", "anticipates", "intends", "estimates", "projects", "seeks", and similar expressions or variations of such words and phrases or state that certain actions, events or results "may", "would" or "will" occur or be achieved are intended to identify forward-looking statements.

Particularly, statements regarding the Business Transformation Plan, the steps required to implement the Business Transformation Plan, the terms and conditions of the Cominar Transaction and Artis' participation therein, the timing of the Cominar Transaction, Artis' return of capital and value investing strategies, building Artis into a best-in-class asset management and investment platform focused on value investing in real estate, the REIT's ability to execute its strategy, the REIT's ability to maximize long-term value and anticipated returns, expected distributions by the REIT, planned divestitures, the use of proceeds from divestitures, prospective investments and investment strategy, Artis' plans to optimize the value and performance of its assets, Artis' goals to grow net asset value ("NAV") per unit and distributions, efficiencies and cost savings, the tax treatment of Artis, Artis' status(es) under the Tax Act, the tax treatment of divestitures, are forward looking statements.

Forward-looking statements are based on a number of factors and assumptions which have been used to develop such statements, but which may prove to be incorrect. Although Artis believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Assumptions have been made regarding, among other things: the general stability of the economic and political environment in which Artis operates, treatment under governmental regulatory regimes, securities laws and tax laws, the ability of Artis and its service providers to obtain and retain qualified staff, equipment and services in a timely and cost efficient manner, currency, exchange and interest rates, global economic, financial markets and economic conditions in Canada and the United States will not, in the long term, be adversely impacted by the COVID-19 pandemic, disruptions resulting from the temporary restrictions that governments imposed on businesses to address the COVID-19 pandemic will not be long term.

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 associated with the possibility that the proposed Cominar Transaction will not be completed on the terms and conditions, or on the timing, currently contemplated, and that it may not be completed at all, due to a failure to obtain or satisfy, in a timely manner or otherwise, required unitholder, court and regulatory approvals and other conditions of closing necessary to complete the Cominar Transaction or for other reasons; risk related to tax matters; and, credit, market, currency, operational, liquidity and funding risks generally and relating specifically to the Cominar Transaction; the COVID-19 pandemic, real property ownership, geographic concentration, current economic conditions, strategic initiatives, debt financing, interest rate fluctuations, foreign currency, tenants, SIFT rules, other tax-related factors, illiquidity, competition, reliance on key personnel, future property transactions, general uninsured losses, dependence on information technology, cyber security, environmental matters and climate change, land and air rights leases, public markets, market price of common units, changes in legislation and investment eligibility, availability of cash flow, fluctuations in cash distributions, nature of units, legal rights attaching to units, preferred units, debentures, dilution, unitholder liability, failure to obtain additional financing, potential conflicts of interest, developments and trustees. Further, the Business Transformation Plan has additional risk factors including, but not limited to: failure to execute the Business Transformation Plan in part or at all, the ability to achieve certain efficiencies to generate savings in general and administrative expenses, pace of completing investments and divestitures, the ability of Sandpiper Asset Management Inc. ("Sandpiper") to provide services to Artis, risk of not obtaining control or significant influence in portfolio companies, risks associated with minority investments, reliance on the performance of underlying assets, operating and financial risks of investments, ranking of Artis' investments and structural subordination, follow-on investments, investments in private issuers, valuation methodologies involve subjective judgments, risks associated with owning illiquid assets, competitive market for investment opportunities, risks upon disposition of investments, reputation of Artis and Sandpiper, unknown merits and risks of future investments, resources could be wasted in researching investment opportunities that are not ultimately completed, credit risk, tax risk, regulatory changes, foreign security risk, foreign exchange risk, potential conflicts of interest with Sandpiper and market discount.

For more information on the risks, uncertainties and assumptions that could cause the Artis' actual results to differ from current expectations, refer to the section entitled "Risk Factors" of Artis' Annual Information Form for the year ended December 31, 2020, the section entitled "Risk and Uncertainties" of Artis' MD&A for the interim period ended September 30, 2021, as well as Artis' other public filings, available at www.sedar.com.

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

ABOUT ARTIS REAL ESTATE INVESTMENT TRUST

Artis is a diversified Canadian real estate investment trust with a portfolio of industrial, office and retail properties in Canada and the United States. Artis' vision is to build a best-in-class asset management and investment platform focused on growing net asset value per unit and distributions for investors through value investing in real estate.

For further information please contact:

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

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