



FOR IMMEDIATE RELEASE

MARCH 3, 2022

ARTIS REAL ESTATE INVESTMENT TRUST RELEASES 2021 ANNUAL 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 year ended December 31, 2021. The annual results in this press release should be read in conjunction with the REIT's consolidated financial statements and Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2021. All amounts are in thousands of Canadian dollars, unless otherwise noted.

"This has been a transformational year for Artis. Since we announced our new vision and strategy last March, we've made significant progress in all aspects of our Business Transformation Plan", said Samir Manji, President and CEO of Artis. "The sale of \$858.6 million of assets in 2021 was instrumental in providing us with the resources to meaningfully reduce debt and the financial flexibility to execute on our value-investing strategies, which are well under way. Our total debt to gross book value at the end of the year was 42.9%, a significant improvement from 49.3% and net asset value per unit, a key performance indicator for the REIT, increased to \$17.37 from \$15.03, both on a year-over-year basis. Other components of our strategy, including the allocation of capital to unit buybacks and to accretive development projects continue to be a priority for us and a benefit to our unitholders. We're pleased with the progress we've made so far, but there is a significant amount of work still ahead. We look forward to 2022 with strong conviction in our strategy and optimism for the opportunities that lie ahead."

2021 ANNUAL HIGHLIGHTS

Business Strategy Update and Board and Management Changes

- Announced a new vision and strategy to become a best-in-class real estate asset management and investment platform focused on growing net asset value ("NAV") per unit and distributions for investors through value investing.
- Entered into an agreement with Sandpiper Asset Management, Inc. ("Sandpiper") to provide certain services to support the REIT's strategy to acquire meaningful and influential active ownership positions in undervalued publicly-listed real estate entities.
- Appointed Ben Rodney as Chair of the Board of Trustees effective March 9, 2021.
- Appointed Samir Manji as Interim Chief Executive Officer effective January 1, 2021, and subsequently appointed to permanent Chief Executive Officer effective March 9, 2021.
- Appointed Kim Riley to Chief Operating Officer (a newly created position at Artis) effective April 1, 2021, and appointed Jaclyn Koenig to Chief Financial Officer effective May 24, 2021.
- Completed the disposition of the GTA Industrial Portfolio, comprised of 27 industrial properties in the Greater Toronto Area, Ontario, for sale proceeds of \$724.3 million. This transaction represented a significant milestone in the implementation of the Business Transformation Plan.
- Announced the REIT's participation in a consortium that acquired all of the outstanding units of Cominar Real Estate Investment Trust ("Cominar") for consideration of \$11.75 per unit in cash under a Plan of Arrangement (the "Cominar Transaction"). Artis contributed \$112.0 million to acquire approximately 32.64% of the total common equity units in the newly formed entity and also acquired \$100.0 million of junior preferred units that carry a distribution rate of 18.0% per annum. The Cominar Transaction closed on March 1, 2022.

Portfolio Activity

- Disposed of 29 industrial, six office and six retail properties and a portion of a retail property, located in Canada for an aggregate sale price of \$858.6 million. These dispositions include the GTA Industrial Portfolio and the REIT's remaining five office properties located in Calgary, Alberta.
- At December 31, 2021, Artis had a portfolio comprised of two office properties located in the Greater Toronto Area, Ontario under an unconditional sale agreement for a sale price of \$35.5 million. The disposition closed January 20, 2022.
- Subsequent to the end of the year, entered into an unconditional sale agreement for an industrial property located in the Greater Toronto Area, Ontario for a sale price of \$29.2 million. The disposition is anticipated to close in March 2022.
- Completed the conversion of 2145-2155 Dunwin Drive to commercial condominiums and sold all 21 units for aggregate consideration of \$17.9 million.
- Acquired two parcels of industrial development land in the Twin Cities Area, Minnesota. The two parcels of land were purchased for an aggregate price of US\$3.7 million.

Balance Sheet and Liquidity

- Increased NAV per unit ⁽¹⁾ to \$17.37 at December 31, 2021, compared to \$15.03 at December 31, 2020.
- Improved total debt to GBV ⁽¹⁾ to 42.9% at December 31, 2021, compared to 49.3% at December 31, 2020.
- Improved total debt to Adjusted EBITDA ⁽¹⁾ to 8.2 at December 31, 2021, compared to 9.1 at December 31, 2020.
- Improved Adjusted EBITDA interest coverage ratio ⁽¹⁾ to 3.80 for 2021, compared to 3.48 for 2020.
- Repaid the outstanding face value of the Series C senior unsecured debentures upon maturity in the amount of \$250.0 million.
- Utilized the normal course issuer bid ("NCIB") to purchase 11,137,764 common units at a weighted-average price of \$11.29 and 149,188 preferred units at a weighted-average price of \$23.36.
- Invested in equity securities for an aggregate cost of \$71.9 million.

Financial and Operational

- Announced an increase to common unit distributions to \$0.60 per unit annually, effective for the March 31, 2021 distribution payable on April 15, 2021.
- Declared a special distribution of \$2.39 per common unit (the "Special Distribution") comprised of \$0.32 per common unit payable in cash and \$2.07 per common unit payable in common units. Immediately following the issuance of the common units pursuant to the Special Distribution, the outstanding common units of Artis were consolidated such that each common unitholder holds, after the consolidation, the same number of common units as such common unitholder held before the Special Distribution.
- Reported a conservative AFFO payout ratio ⁽¹⁾ of 61.5% for 2021, compared to 52.9% for 2020.
- Reported FFO per unit ⁽¹⁾ of \$1.34 for 2021, compared to \$1.41 for 2020, and reported AFFO per unit ⁽¹⁾ of \$0.96 for 2021, compared to \$1.02 for 2020.
- Same Property NOI ⁽¹⁾ in Canadian dollars for 2021 decreased 4.1% compared to 2020.
- Reported portfolio occupancy of 89.4% (91.5% including commitments) at December 31, 2021, compared to 90.6% (92.2% including commitments) at December 30, 2020.
- Renewals totalling 1,920,609 square feet and new leases totalling 690,839 square feet commenced during 2021.
- Weighted-average rental rate on renewals that commenced during 2021 increased 4.1%.

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

BALANCE SHEET AND LIQUIDITY

The REIT's balance sheet highlights and metrics, are as follows:

	December 31, 2021	December 31, 2020
Total investment properties	\$ 3,999,609	\$ 4,531,847
Unencumbered assets	1,902,748	1,901,073
NAV per unit ⁽¹⁾	17.37	15.03
Total debt to GBV ⁽¹⁾	42.9 %	49.3 %
Total debt to Adjusted EBITDA ⁽¹⁾	8.2	9.1
Adjusted EBITDA interest coverage ratio ⁽¹⁾	3.80	3.48
Unencumbered assets to unsecured debt ⁽¹⁾	2.20	1.73

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

At December 31, 2021, NAV per unit was \$17.37, increased from \$15.03 at December 31, 2020. Artis' debt metrics improved during 2021 and the REIT reported decreases to total debt to GBV to 42.9% and total debt to Adjusted EBITDA to 8.2, respectively, at December 31, 2021.

At December 31, 2021, Artis had \$221.5 million of cash on hand and \$568.1 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 \$635.3 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 December 31, 2021.

FINANCIAL AND OPERATIONAL RESULTS

\$000's, except per unit amounts	Three months ended December 31,			Year ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Revenue	\$ 97,665	\$ 113,010	(13.6)%	\$ 419,499	\$ 458,917	(8.6)%
Net operating income	55,427	64,967	(14.7)%	237,785	269,275	(11.7)%
Net income	60,404	32,424	86.3 %	389,175	21,543	1,706.5 %
Total comprehensive (loss)	52,935	(32,479)	(263.0)%	387,702	(6,274)	(6,279.5)%
Distributions per common unit	2.54	0.14	1714.3 %	2.98	0.54	451.9 %
FFO ⁽¹⁾	\$ 40,323	\$ 45,796	(12.0)%	\$ 174,343	\$ 192,411	(9.4)%
FFO per unit ⁽¹⁾	0.32	0.34	(5.9)%	1.34	1.41	(5.0)%
FFO payout ratio ⁽¹⁾⁽²⁾	46.9 %	41.2 %	5.7 %	44.0 %	38.3 %	5.7 %
AFFO ⁽¹⁾	\$ 27,919	\$ 31,721	(12.0)%	\$ 124,476	\$ 139,552	(10.8)%
AFFO per unit ⁽¹⁾	0.22	0.23	(4.3)%	0.96	1.02	(5.9)%
AFFO payout ratio ⁽¹⁾⁽²⁾	68.2 %	60.9 %	7.3 %	61.5 %	52.9 %	8.6 %

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

(2) FFO payout ratio and AFFO payout ratio are calculated excluding the Special Distribution declared in December 2021.

Artis reported portfolio occupancy of 89.4% at December 31, 2021, compared to 90.6% at December 31, 2020. Weighted-average rental rate on renewals that commenced during 2021 increased 4.1%.

Artis' portfolio has a stable lease expiry profile with 43.3% of gross leasable area expiring in 2026 or later. Weighted-average in-place rents for the total portfolio are \$13.32 per square foot and are estimated to be 0.2% below market rents. Information about Artis' lease expiry profile is as follows:

	Current vacancy	Monthly Tenants	2022	2023	2024	2025	2026 & later	Total portfolio
Expiring square footage	10.7 %	0.2 %	13.2 %	13.1 %	11.7 %	7.8 %	43.3 %	100.0 %
In-place rents	N/A	N/A	\$ 12.62	\$ 14.71	\$ 11.85	\$ 15.12	\$ 13.19	\$ 13.32
Market rents	N/A	N/A	\$ 12.44	\$ 14.69	\$ 11.71	\$ 15.27	\$ 13.31	\$ 13.35

PORTFOLIO ACTIVITY

Acquisitions

On January 26, 2021, Artis acquired an additional 5% interest in Park 8Ninety IV, an industrial property located in the Greater Houston Area, Texas. As a result of this acquisition, the REIT owns 100% of the property.

On May 7, 2021, the REIT acquired a parcel of industrial development land in Twin Cities Area, Minnesota for a purchase price of US\$1.5 million.

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 2021, Artis sold 29 industrial properties, six office properties, six retail properties as well as a portion of a retail property for an aggregate sale price of \$858.6 million. The sale proceeds, net of costs of \$6.8 million, notes receivable of \$16.0 million and related debt of \$44.1 million, were \$791.7 million.

At December 31, 2021, the REIT had entered into an agreement to sell a portfolio comprising two office properties located in the Greater Toronto Area, Ontario, for a sale price of \$35.5 million. This disposition closed on January 20, 2022.

Subsequent to December 31, 2021, the REIT entered into an unconditional sale agreement for an industrial property located in the Greater Toronto Area, Ontario, for a sale price of \$29.2 million. The sale is anticipated to close in March 2022.

Condominium Sales

During 2021, Artis completed the conversion of 2145-2155 Dunwin Drive, an industrial property located in the Greater Toronto Area, Ontario, to commercial condominiums and sold 21 units for aggregate consideration of \$17.9 million.

New Developments

At December 31, 2021, the REIT had three ongoing development projects: 300 Main, Blaine 35 I and Blaine 35 II.

300 Main is a mixed-used commercial and residential/multi-family property located in Winnipeg, Manitoba. 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 December 31, 2021, were 89.4% leased (91.5% including commitments on vacant space) to high-quality tenants across Canada and the U.S. with a weighted-average remaining lease term of 5.1 years.

Rent collection has been a key focus during this time. As at December 31, 2021, 98.2% of rent charges (both excluding and including deferred rent charges) have been collected for the three months ended December 31, 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 December 31, 2021, the outstanding balance of rent deferrals granted to tenants was \$1.0 million, compared to \$4.9 million at December 31, 2020.

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 December 31, 2021, an allowance for doubtful accounts in the amount of \$1.7 million has been recorded, compared to \$2.0 million 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 AND CONFERENCE CALL

A conference call with management will be held on Friday, March 4, 2022, 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 at the time of registration.

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

If you cannot participate on Friday, March 4, 2022, a replay of the conference call will be available by dialing 1-416-764-8677 or 1-888-390-0541 and entering passcode 828246#. The replay will be available until Monday, April 4, 2022. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

CAUTIONARY STATEMENTS

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

Particularly, statements regarding the Business Transformation Plan, the steps required to implement the Business Transformation Plan, 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 are subject to numerous risks and uncertainties, which have been used to develop such statements, but which may prove to be incorrect. Although Artis believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Assumptions have been made regarding, among other things: the general stability of the economic and political environment in which Artis operates, treatment under governmental regulatory regimes, securities laws and tax laws, the ability of Artis and its service providers to obtain and retain qualified staff, equipment and services in a timely and cost efficient manner, currency, exchange and interest rates, global 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 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 materially differ from current expectations, refer to the section entitled "Risk Factors" of Artis' Annual Information Form for the year ended December 31, 2021, the section entitled "Risk and Uncertainties" of Artis' 2021 Annual MD&A, 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.

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

In addition to reported IFRS measures, certain non-GAAP and supplementary financial measures are commonly used by Canadian real estate investment trusts as an indicator of financial performance. "GAAP" means the generally accepted accounting principles described by the CPA Canada Handbook - Accounting, which are applicable as at the date on which any calculation using GAAP is to be made. Artis applies IFRS, which is the section of GAAP applicable to publicly accountable enterprises.

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

Supplementary financial measures includes unencumbered assets to unsecured debt.

Management believes that these measures are helpful to investors because they are widely recognized measures of Artis' performance and provide a relevant basis for comparison among real estate entities.

These non-GAAP and supplementary financial measures are not defined under IFRS and are not intended to represent financial performance, financial position or cash flows for the period, nor should any of these measures be viewed as an alternative to net income, cash flow from operations or other measures of financial performance calculated in accordance with IFRS.

The above measures are not standardized financial measures under the financial reporting framework used to prepare the financial statements of Artis. Readers should be further cautioned that the above measures as calculated by Artis may not be comparable to similar measures presented by other issuers. Refer to the Notice With Respect to Non-GAAP & Supplementary Financial Measures Disclosure of Artis' 2021 Annual MD&A, which is incorporated by reference herein, for further information (available on SEDAR at www.sedar.com or Artis' website at www.artisreit.com).

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

NAV per Unit

	December 31, 2021	December 31, 2020
Unitholders' equity	\$ 2,455,353	\$ 2,333,897
Less face value of preferred equity	(299,017)	(302,746)
NAV attributable to common unitholders	\$ 2,156,336	\$ 2,031,151
Total number of dilutive units outstanding:		
Common units	123,544,536	134,643,175
Restricted units	462,891	404,937
Deferred units	133,552	92,908
	124,140,979	135,141,020
NAV per unit	\$ 17.37	\$ 15.03

Total Debt to GBV

	December 31, 2021	December 31, 2020
Total assets	\$ 4,576,024	\$ 4,859,841
Add: accumulated depreciation	9,275	7,915
Gross book value	4,585,299	4,867,756
Secured mortgages and loans	1,085,039	1,273,522
Preferred shares liability	889	610
Carrying value of debentures	249,346	498,919
Credit facilities	631,253	624,461
Total debt	\$ 1,966,527	\$ 2,397,512
Total debt to GBV	42.9 %	49.3 %

Unencumbered Assets to Unsecured Debt

	December 31, 2021	December 31, 2020
Unencumbered assets	\$ 1,902,748	\$ 1,901,073
Unencumbered assets in properties held under joint venture arrangements	36,805	40,886
Total unencumbered assets	1,939,553	1,941,959
Senior unsecured debentures	249,346	498,919
Unsecured credit facilities	631,253	624,461
Total unsecured debt	\$ 880,599	\$ 1,123,380
Unencumbered assets to unsecured debt	2.20	1.73

Adjusted EBITDA Interest Coverage Ratio

	Three months ended		Year ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Net income	\$ 60,404	\$ 32,424	\$ 389,175	\$ 21,543
Add (deduct):				
Tenant inducements amortized to revenue	5,938	6,424	24,765	24,854
Straight-line rent adjustments	(303)	(1,535)	(3,405)	(4,923)
Interest expense	16,460	20,247	69,648	86,106
Net income from equity accounted investments	(3,276)	(17,724)	(16,795)	(24,851)
Distributions from equity accounted investments ⁽¹⁾	839	1,847	4,577	5,958
Fair value (gain) loss on investment properties	(9,247)	8,985	(197,511)	140,876
Foreign currency translation (gain) loss	(473)	(3,105)	3,244	(530)
Transaction costs	—	—	11	—
Proxy matter expenses	—	17,423	—	17,423
Strategic initiative expenses	—	810	18	4,029
Fair value (gain) loss on financial instruments	(11,302)	(265)	(21,224)	16,538
Depreciation of property and equipment	343	397	1,362	1,422
Income tax expense	398	146	1,289	733
Adjusted EBITDA	59,781	66,074	255,154	289,178
Interest expense	16,460	20,247	69,648	86,106
Add (deduct):				
Amortization of financing costs	(814)	(966)	(3,334)	(3,744)
Amortization of above- and below-market mortgages, net	216	183	799	752
Adjusted interest expense	\$ 15,862	\$ 19,464	\$ 67,113	\$ 83,114
Adjusted EBITDA interest coverage ratio	3.77	3.39	3.80	3.48

(1) Excludes distributions from proceeds of the sale of investment properties.

Total Debt to Adjusted EBITDA

	December 31, 2021	December 31, 2020
Secured mortgages and loans	\$ 1,085,039	\$ 1,273,522
Preferred shares liability	889	610
Carrying value of debentures	249,346	498,919
Credit facilities	631,253	624,461
Total debt	1,966,527	2,397,512
EBITDA per above	59,781	66,074
Annualized adjusted EBITDA	239,124	264,296
Total Debt to Adjusted EBITDA	8.2	9.1

Same Property NOI

	Year ended		Change	% Change
	December 31,			
	2021	2020		
Net operating income	\$ 237,785	\$ 269,275		
Add (deduct) net operating income from:				
Equity accounted investments	8,847	11,138		
Dispositions and unconditional dispositions (Re)development properties	(7,509)	(32,630)		
Lease termination income adjustments	(191)	(61)		
Disposition of condominium units	(2,444)	348		
Other	(1,823)	—		
	(3,896)	(1,984)		
	(7,016)	(23,189)		
Straight-line rent adjustments ⁽¹⁾	(3,965)	(5,565)		
Tenant inducements amortized to revenue ⁽¹⁾	24,545	21,635		
Same Property NOI	\$ 251,349	\$ 262,156	\$ (10,807)	(4.1)%

(1) Includes equity accounted investments.

FFO and AFFO

	Three months ended		Year ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Net income	\$ 60,404	\$ 32,424	\$ 389,175	\$ 21,543
Add (deduct):				
Fair value (gain) loss on investment properties	(9,247)	8,985	(197,511)	140,876
Tenant inducements amortized to revenue	5,938	6,424	24,765	24,854
Transaction costs on acquisitions	—	—	11	—
Adjustments for equity accounted investments	(1,492)	(16,133)	(9,945)	(17,271)
Proxy matter expenses	—	17,423	—	17,423
Strategic initiative expenses	—	810	18	4,029
Foreign currency translation (gain) loss	(473)	(3,105)	3,244	(530)
Fair value (gain) loss on financial instruments	(11,302)	(265)	(21,224)	16,538
Deferred income tax recovery	(38)	(18)	(43)	(43)
Remeasurement component of unit-based compensation	28	2,774	(63)	(935)
Distributions on preferred shares treated as interest expense	50	45	176	181
Incremental leasing costs	749	779	3,000	3,166
Preferred unit distributions	(4,294)	(4,347)	(17,260)	(17,420)
FFO	\$ 40,323	\$ 45,796	\$ 174,343	\$ 192,411
Add (deduct):				
Amortization of recoverable capital expenditures	\$ (2,953)	\$ (3,508)	\$ (9,848)	\$ (11,204)
Straight-line rent adjustments	(303)	(1,535)	(3,405)	(4,923)
Adjustments for equity accounted investments	(148)	(32)	(614)	(1,032)
Non-recoverable property maintenance reserve	(1,100)	(1,100)	(4,400)	(4,400)
Leasing costs reserve	(7,900)	(7,900)	(31,600)	(31,300)
AFFO	\$ 27,919	\$ 31,721	\$ 124,476	\$ 139,552

FFO and AFFO Per Unit

	Three months ended		Year ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Basic units	124,637,757	135,400,559	129,553,433	136,206,856
Add:				
Restricted units	414,281	355,902	366,757	320,049
Deferred units	133,552	92,908	105,727	80,016
Diluted units	125,185,590	135,849,369	130,025,917	136,606,921

	Three months ended		Year ended	
	December 31,		December 31,	
	2021	2020	2021	2020
FFO per unit:				
Basic	\$ 0.32	\$ 0.34	\$ 1.35	\$ 1.41
Diluted	0.32	0.34	1.34	1.41
AFFO per unit:				
Basic	\$ 0.22	\$ 0.23	\$ 0.96	\$ 1.02
Diluted	0.22	0.23	0.96	1.02

FFO and AFFO Payout Ratios

	Three months ended		Year ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Distributions per common unit ⁽¹⁾	\$ 0.15	\$ 0.14	\$ 0.59	\$ 0.54
FFO per unit	0.32	0.34	1.34	1.41
FFO payout ratio	46.9 %	41.2 %	44.0 %	38.3 %
Distributions per common unit ⁽¹⁾	\$ 0.15	\$ 0.14	\$ 0.59	\$ 0.54
AFFO per unit	0.22	0.23	0.96	1.02
AFFO payout ratio	68.2 %	60.9 %	61.5 %	52.9 %

(1) Excludes Special Distribution declared in December 2021.

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:

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