



Management's Discussion and Analysis

Q2-24

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

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Management's Discussion and Analysis - Q2-24

(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, 2024 and 2023, the audited annual consolidation financial statements for years ended December 31, 2023 and 2022, and the notes thereto. Unless otherwise noted, all amounts in this MD&A are based on the consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). 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 8, 2024. 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, 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 and 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. In addition, with respect to the strategic review process undertaken by the Board and Special Committee (refer to Strategic Review section of this MD&A), there can be no assurance that such process will result in the REIT pursuing any transaction or that any alternative transaction will be available to the REIT.

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, 2023 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 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, FFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities, AFFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities, FFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities per Unit, AFFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities per Unit, Net Asset Value ("NAV"), NAV per Unit, Gross Book Value ("GBV"), Secured Mortgages and Loans to 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 unencumbered assets to unsecured debt, 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 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.

A description of the composition and a reconciliation to each of these measures to the nearest IFRS 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
FFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities, AFFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities, FFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities per Unit, AFFO Adjusted for Impact of Realized Gain (Loss) on Equity Securities per Unit	FFO & AFFO
NAV Per Unit	Other Financial Measures
GBV, Secured Mortgages & Loans to GBV, Total Debt to GBV	Other Financial Measures
Adjusted EBITDA, Adjusted EBITDA Interest Coverage Ratio & Debt to Adjusted EBITDA	Other Financial Measures
Unencumbered assets to unsecured debt	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 8, 2024, there were 104,502,551 common units, 7,408,449 preferred units, 613,262 restricted units and 433,509 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 achieve its vision and to create an asset management and investment platform, focused on value investing in real estate.

The goal of the strategy is to generate meaningful long-term growth in NAV per unit by strengthening the balance sheet, driving organic growth and value investing. As part of this strategy, Artis will concentrate its ownership in the highest and best 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 2024, Artis sold three office properties, six retail properties and a parcel of development land in Canada, and two office properties located in the United States for an aggregate sale price of \$292,362. At June 30, 2024, the REIT had a portfolio of five industrial properties located in the United States under an unconditional sale agreement for a sale price of US\$234,200, which closed subsequent to the end of the quarter. In addition, at June 30, 2024, Artis also had one retail property in Canada and one industrial property in the U.S. under unconditional sale agreements for an aggregate sale price of approximately \$81,574. Subsequent to the end of the quarter, Artis entered into unconditional sale agreements for two office properties, one industrial property, and one parking lot located in Canada and a portfolio of nine industrial properties located in the U.S., for an aggregate sale price of approximately \$289,658.

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 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, 2023 and, under the terms of the NCIB, the REIT may purchase a maximum of 7,021,296 common units, 324,300 Series E preferred units and 457,554 Series I preferred units. As at June 30, 2024, the REIT purchased 3,344,824 common units at a weighted-average price of \$6.32 under the current term. These units were purchased at a significant discount to NAV per unit of \$14.11 at June 30, 2024.

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, 2024, was stable at 89.5%, unchanged from March 31, 2024. During the second quarter, 122,861 square feet of new leases and 100,365 square feet of renewals commenced. These renewals were negotiated at a weighted-average rental increase when compared to expiring rents of 3.1%.

Strategic Value Investments

During 2022, Artis participated in an investor group to acquire Cominar Real Estate Investment Trust ("Cominar"). The REIT's contribution to this transaction ("Cominar Transaction") was \$112,000 to acquire approximately 32.64% of Iris Acquisition II LP ("Iris"), an entity formed to acquire the outstanding units of Cominar, and \$100,000 of junior preferred units. Refer to the Equity Accounted Investments and Preferred Investments sections of this MD&A for further information.

At June 30, 2024, Artis held equity securities with an aggregate fair value of \$132,033. This includes equity securities of Dream Office Real Estate Investment Trust ("Dream Office") and First Capital Real Estate Investment Trust. On June 18, 2024, Artis announced that the REIT, together with its joint actors, had acquired a 20.75% ownership position in Dream Office.

DBRS Credit Rating

The REIT's senior unsecured debentures have a Morningstar DBRS ("DBRS") rating of BBB (low) and the REIT's preferred trust units have a DBRS rating at Pfd-3 (low), both with Negative trends, as confirmed in DBRS's Rating Report dated February 13, 2024.

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.

STRATEGIC REVIEW

On August 2, 2023, Artis's Board of Trustees (the "Board") established a Special Committee to initiate a strategic review process to consider and evaluate alternatives that may be available to the REIT to unlock and maximize value for unitholders.

On September 11, 2023, the Board announced that the Special Committee retained BMO Nesbitt Burns Inc. to provide financial advisory services to the REIT and Special Committee in connection with the strategic review process.

Since the announcement of the strategic review, Artis has completed or entered into unconditional sale agreements for \$1,051,064 of assets (in line with the REIT's IFRS values) on terms that were acceptable to the REIT. This includes \$180,038 of office assets, \$219,300 of retail assets and \$651,726 of industrial assets.

As described above, the Board remains committed to pursuing strategic alternatives that may be available to the REIT to unlock and maximize value for unitholders, including pursuing near-term opportunities available to Artis to enhance and grow NAV per unit.

There can be no assurance that the strategic review process will result in the REIT pursuing any further transactions. The REIT has not set a timetable for completion of this process and will disclose further developments as it determines appropriate or necessary.

BUSINESS ENVIRONMENT AND OUTLOOK

Occupancy including commitments was stable at 90.6% at June 30, 2024, compared to 90.7% at March 31, 2024. During the quarter, 456,510 square feet of new leases and renewals were negotiated and signed (some of which were at properties that are held in joint venture arrangements). With respect to new leases and renewals that commenced during the quarter, 122,861 square feet of new leases and 100,365 square feet of renewals began. The renewals that commenced during the quarter were negotiated at a weighted-average increase of 3.1% over expiring rates. This marks the fourteenth 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, 2024, was 1.9%. 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 of 2024, Artis sold three office properties, six retail properties and a parcel of development land in Canada, and two office properties located in the United States. In addition, as at June 30, 2024, the REIT had a portfolio of five industrial properties located in the United States under an unconditional sale agreement for a sale price of US\$234,200, which closed subsequent to the end of the quarter. In 2024, Artis has sold \$651,611 of real estate and has unconditional sale agreements in place for an additional approximately \$371,232 scheduled to close in the coming months. Artis continues to focus on its disposition strategy and is confident that it will be able to successfully execute this strategy during the remainder of the year. Proceeds from transactions are expected to be used to continue reducing overall debt.

Going forward, Artis continues to focus on improving its balance sheet and, more specifically, reducing debt and increasing liquidity through its previously disclosed disposition strategy. The REIT renewed the NCIB effective December 19, 2023 and, under the terms of the NCIB, the REIT may purchase a maximum of 7,021,296 common units, 324,300 Series E preferred units and 457,554 Series I preferred units. As at June 30, 2024 the REIT purchased 3,344,824 common units at a weighted-average price of \$6.32 under the current term. These units were purchased at a significant discount to NAV per unit of \$14.11 at June 30, 2024. 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 so long as 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 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 survey 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 the following link: www.artisreit.com.

SECOND QUARTER OVERVIEW

SELECTED FINANCIAL INFORMATION

000's, except per unit amounts	Three months ended				Six months ended			
	2024	June 30, 2023	Change	% Change	2024	June 30, 2023	Change	% Change
Revenue	\$84,729	\$84,278	\$ 451	0.5 %	\$165,149	\$174,533	\$ (9,384)	(5.4)%
Net operating income	47,888	46,867	1,021	2.2 %	91,445	94,928	(3,483)	(3.7)%
Net income (loss)	765	(84,954)	85,719	(100.9)%	(6,356)	(107,715)	101,359	(94.1)%
Total comprehensive income (loss)	12,298	(115,441)	127,739	(110.7)%	34,240	(139,112)	173,352	(124.6)%
Basic (loss) per common unit	(0.02)	(0.78)	0.76	(97.4)%	(0.12)	(1.00)	0.88	(88.0)%
Diluted (loss) per common unit	(0.03)	(0.78)	0.75	(96.2)%	(0.12)	(1.00)	0.88	(88.0)%
Distributions per unit:								
Common units	\$ 0.15	\$ 0.15	\$ —	— %	\$ 0.30	\$ 0.30	\$ —	— %
Preferred units - Series E	0.45	0.34	0.11	32.4 %	0.90	0.68	0.22	32.4 %
Preferred units - Series I	0.44	0.42	0.02	4.8 %	0.87	0.79	0.08	10.1 %
FFO ^{(1) (2)}	\$28,698	\$29,946	\$ (1,248)	(4.2)%	\$ 54,931	\$ 63,763	\$ (8,832)	(13.9)%
FFO per unit - diluted ^{(1) (2)}	0.27	0.26	0.01	3.8 %	0.51	0.56	(0.05)	(8.9)%
FFO payout ratio ⁽¹⁾	55.6 %	57.7 %		(2.1)%	58.8 %	53.6 %		5.2 %
AFFO ^{(1) (2)}	\$17,063	\$17,079	\$ (16)	(0.1)%	\$ 31,407	\$ 37,940	\$ (6,533)	(17.2)%
AFFO per unit - diluted ^{(1) (2)}	0.16	0.15	0.01	6.7 %	0.29	0.33	(0.04)	(12.1)%
AFFO payout ratio ⁽¹⁾	93.8 %	100.0 %		(6.2)%	103.4 %	90.9 %		12.5 %
Same Property NOI (decline) growth ⁽¹⁾	(0.4)%	6.9 %		(7.3)%	1.9 %	7.7 %		(5.8)%
Adjusted EBITDA interest coverage ratio ⁽¹⁾	2.05	2.04	0.01	0.5 %	1.98	2.16	(0.18)	(8.3)%

(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.

(2) The REIT also calculates FFO and AFFO, adjusted for the impact of the realized gain (loss) on equity securities. Refer to FFO and AFFO section of this MD&A.

000's, except per unit amounts	June 30, 2024	December 31, 2023	% Change
Total assets	\$ 3,508,147	\$ 3,735,030	(6.1)%
Total non-current financial liabilities	602,124	1,047,231	(42.5)%
NAV per unit ⁽¹⁾	14.11	13.96	1.1 %
Secured mortgages and loans to GBV ⁽¹⁾	24.3 %	24.3 %	— %
Total debt to GBV ⁽¹⁾	49.8 %	50.9 %	(1.1)%
Unencumbered assets ⁽¹⁾	\$ 1,517,489	\$ 1,567,001	(3.2)%

(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 impacted by property dispositions throughout 2023 and 2024, offset by development fee income during the second quarter of 2024.

Artis reported portfolio occupancy of 89.5% at June 30, 2024, unchanged from March 31, 2024. During the second quarter, 122,861 square feet of new leases and 100,365 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 3.1%.

Net income (loss) and total comprehensive income (loss) were impacted by the fair value change on investment properties (gain of \$13,437 in Q2-24, compared to a loss of \$109,100 in Q2-23), the fair value loss on financial instruments (\$3,672 in Q2-24, compared to \$14,269 in Q2-23), interest and other income (\$7,644 in Q2-24, compared to \$6,085 in Q2-23) and equity securities expenses (\$169 in Q2-24, compared to \$297 in Q2-23).

Partially offsetting the above increases to net income (loss) and total comprehensive income (loss) was net (loss) income from equity accounted investments (loss of \$31,433 in Q2-24, compared to income of \$7,604 in Q2-23), income tax recovery (\$1,245 in Q2-24, compared to \$3,557 in Q2-23), distribution income from equity securities (\$1,854 in Q2-24, compared to \$3,161 in Q2-23), interest expense (\$31,145 in Q2-24, compared to \$30,233 in Q2-23), corporate expenses (\$2,352 in Q2-24, compared to \$2,010 in Q2-23), and strategic review expenses (\$545 in Q2-24, compared to \$nil in Q2-23).

Foreign exchange had an impact on Artis's financial results, due to a higher US dollar to Canadian dollar average exchange rate of 1.3684 in Q2-24, compared to 1.3431 in Q2-23.

FFO per unit (diluted) for Q2-24 was \$0.27, increased from \$0.26 for Q2-23, while AFFO per unit (diluted) for Q2-24 was \$0.16, increased from \$0.15 for Q2-23. FFO in Q2-24 was primarily impacted by increased net operating income as a result of development fee income, partially offset by dispositions completed in 2023 and 2024, and increased interest and other income due to the preferred investment as part of the Cominar Transaction. These increases to FFO were partially offset by decreased distribution income from equity securities due to sales and increased 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 55.6% and 93.8%, respectively, for the second quarter of 2024.

Balance Sheet and Liquidity

During Q2-24, Artis repaid a net balance of \$127,527 on its revolving credit facilities. Total debt to GBV was 49.8% at June 30, 2024, compared to 50.9% at December 31, 2023.

In Q2-24, Artis utilized the NCIB to purchase 2,212,000 common units for an aggregate market price of \$14,223, and 118,300 Series E and 133,504 Series I preferred units for an aggregate market price of \$4,539.

At June 30, 2024, NAV per unit was \$14.11, compared to \$13.96 at December 31, 2023. The change is primarily due to net operating income, the impact of foreign exchange, units purchased under the NCIB, interest and other income, fair value gain on investment properties and distribution income from equity securities, partially offset by interest expense, distributions to unitholders and corporate expenses.

Distributions

In Q2-24, Artis declared distributions of \$19,098 (YTD - \$38,484) to unitholders, which included distributions to preferred unitholders in the amount of \$3,300 (YTD - \$6,544).

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, 2024	52	6,368	38	6,198	27	1,670	117	14,236
Acquisition	—	—	—	84	—	—	—	84
Dispositions	—	—	(5)	(366)	(6)	(403)	(11)	(769)
Portfolio properties, June 30, 2024	52	6,368	33	5,916	21	1,267	106	13,551

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

Acquisition

On June 20, 2024, the REIT acquired the remaining 50% interest in Kincaid Building, an office property located in the Greater Vancouver Area, British Columbia, for total consideration of \$22,500. The REIT now owns 100% of the property.

Dispositions

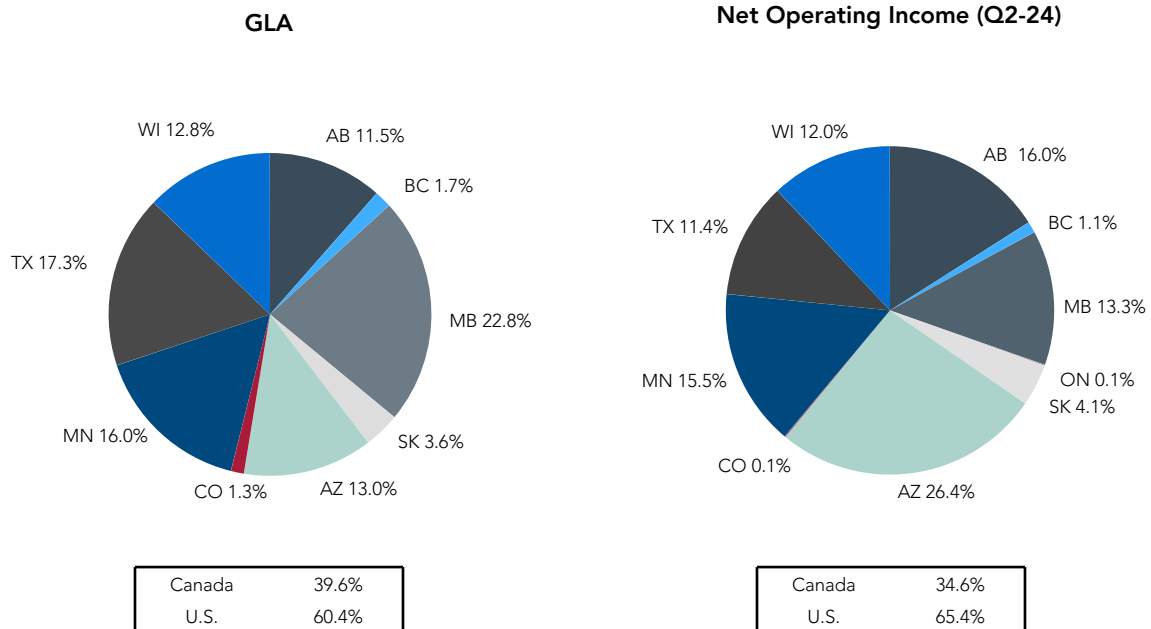
During Q2-24, Artis sold five office properties, six retail properties and a parcel of development land for an aggregate sale price of \$292,362. The sale proceeds, net of costs of \$3,660, related debt of \$56,869 were \$231,833.

PROPERTY PORTFOLIO

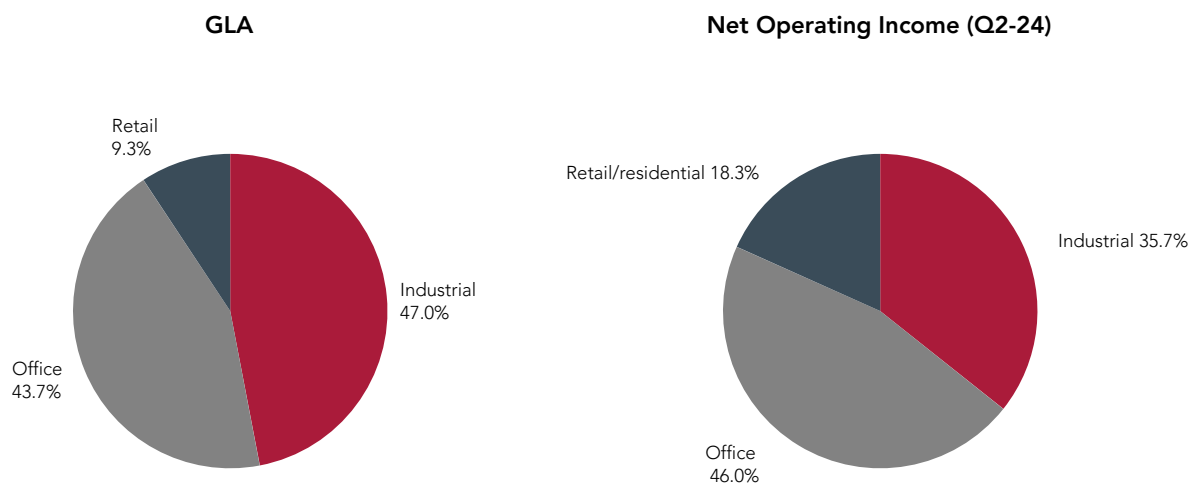
At June 30, 2024, the REIT's portfolio was comprised of 106 commercial properties totalling approximately 13.6 million square feet ("S.F.") of gross leasable area ("GLA").

In addition, Artis owns one commercial/residential property, 300 Main, and has joint ownership interest in 10 investment properties, one parcel of development land and properties acquired as part of the Cominar Transaction, which have been excluded from financial and operating metrics throughout this MD&A, unless otherwise noted. Refer to the Residential Portfolio and Equity Accounted Investments sections of this MD&A for further information.

Diversification by Geographical Region



Diversification by Asset Class



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	4	319	2.4 %	93.0%	97.3 %
	Greater Edmonton Area	AB	2	94	0.7 %	100.0%	100.0 %
	Greater Vancouver Area	BC	1	73	0.5 %	100.0%	100.0 %
	Red Deer	AB	1	126	0.9 %	79.3%	79.3 %
	Saskatoon	SK	2	269	2.0 %	100.0%	100.0 %
	Winnipeg	MB	25	1,650	12.2 %	95.4%	95.6 %
Industrial total			35	2,531	18.7 %	95.1%	95.8 %
Office	Greater Vancouver Area	BC	1	168	1.2 %	88.3%	93.8 %
	Winnipeg	MB	7	1,415	10.4 %	76.6%	76.7 %
Office total			8	1,583	11.6 %	77.8%	78.5 %
Retail	Calgary	AB	2	191	1.4 %	95.5%	97.4 %
	Fort McMurray	AB	8	187	1.4 %	82.3%	84.2 %
	Grande Prairie	AB	3	187	1.4 %	74.0%	84.0 %
	Greater Edmonton Area	AB	3	331	2.4 %	94.5%	97.0 %
	Saskatoon	SK	3	219	1.6 %	97.0%	97.0 %
	Winnipeg	MB	1	28	0.2 %	94.3%	94.3 %
Retail total			20	1,143	8.4 %	89.8%	92.8 %
Total Canadian portfolio			63	5,257	38.7 %	88.7%	89.9 %
U.S. portfolio:							
Industrial	Greater Phoenix Area	AZ	7	921	6.8 %	100.0%	100.0 %
	Twin Cities Area	MN	4	573	4.2 %	85.9%	85.9 %
	Greater Houston Area	TX	6	2,343	17.3 %	100.0%	100.0 %
Industrial total			17	3,837	28.3 %	97.9%	97.9 %
Office	Greater Denver Area	CO	1	173	1.3 %	57.0%	58.7 %
	Greater Phoenix Area	AZ	4	834	6.2 %	90.0%	95.4 %
	Madison	WI	14	1,733	12.8 %	79.7%	81.6 %
	Twin Cities Area	MN	6	1,593	11.8 %	85.6%	85.6 %
Office total			25	4,333	32.1 %	82.9%	84.8 %
Total U.S. portfolio			42	8,170	60.4 %	90.0%	91.0 %
Total Canadian and U.S. portfolio			105	13,427	99.1 %	89.5%	90.6 %

(1) Information is as at June 30, 2024, 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, 2024, 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	0.9 % Prairie Ridge Centre	16.8 %
Total property held for redevelopment			1	124	0.9 %	16.8 %

(1) Percentage committed is based on occupancy at June 30, 2024, 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 well under way.

Future Development Program

Asset class	City	Province / State	Estimated owned share of GLA (000's of S.F.)	Property
Industrial	Greater Houston Area	TX	650	Cedar Port - Future Phases
Office	Madison	WI	50	Heartland Trail Land

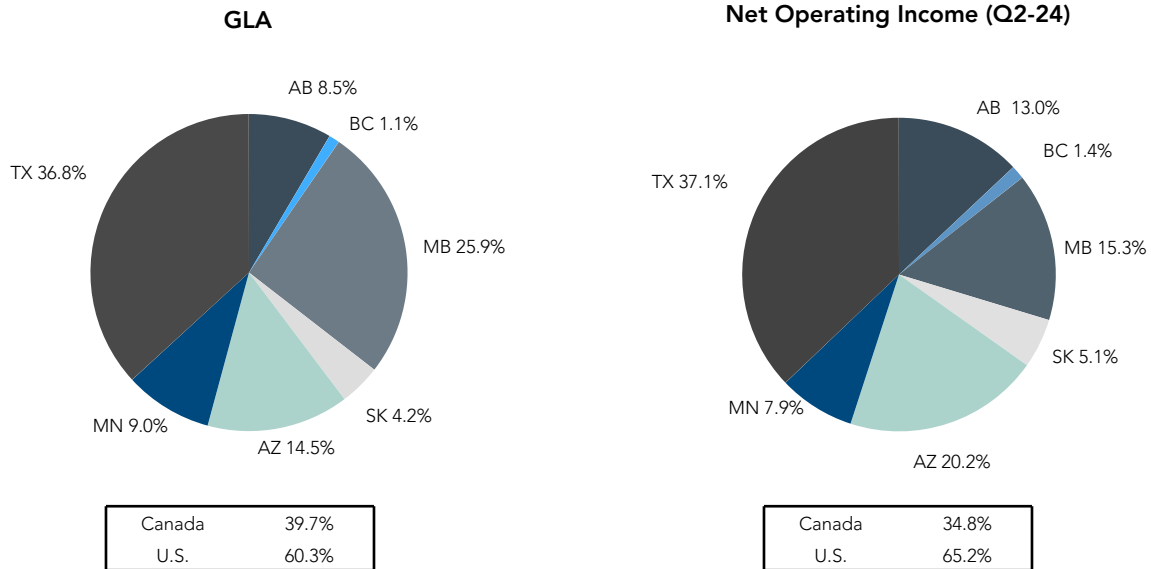
Additional information about these developments will be released as progress is made and key milestones are achieved.

PORTFOLIO SUMMARY BY ASSET CLASS

Industrial Portfolio

Artis's industrial portfolio is comprised of both single tenant and multi-tenant properties strategically located in Canadian and U.S. markets. At June 30, 2024, the REIT's industrial portfolio was comprised of 52 properties totalling approximately 6.4 million square feet of gross leasable area.

At June 30, 2024, the fair value of the properties in Artis's industrial portfolio was \$1,113,251, and represented 47.0% of the REIT's GLA at June 30, 2024, and 35.7% of Q2-24 net operating income. Below is a breakdown of REIT's industrial portfolio by geographical region:



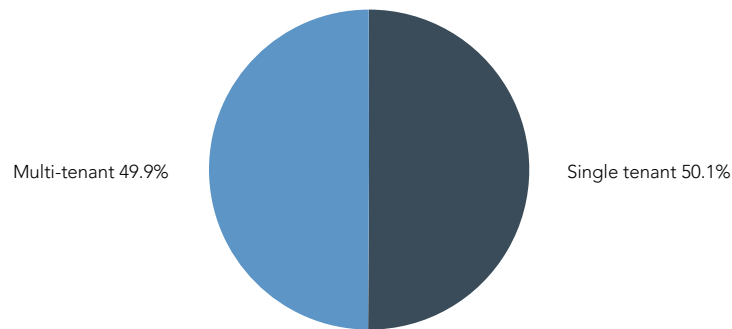
The following is a historical summary of key performance indicators related to the REIT's industrial portfolio:

	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22
Number of properties	52	52	52	53	53	61	59	76
Occupancy (including commitments) ⁽²⁾	97.0 %	97.8 %	98.0 %	97.7 %	98.5 %	96.8 %	97.3 %	95.3 %
Same Property NOI growth ⁽¹⁾	5.1 %	14.4 %	17.6 %	21.3 %	10.3 %	7.6 %	7.6 %	4.4 %
Leasable area renewed (in S.F.) ⁽²⁾	74,234	41,408	81,825	58,297	152,182	144,617	189,058	313,782
Increase in weighted-average rental rate ⁽²⁾	3.4 %	4.6 %	17.5 %	3.8 %	7.4 %	8.6 %	19.2 %	5.5 %

(1) Represents a non-GAAP measure. Refer to the Notice with Respect to Non-GAAP & Supplementary Measures Disclosure section in this MD&A.

(2) Based on owned share of GLA of properties and excludes property held in equity accounted investments. Refer to Property Portfolio section of this MD&A.

Artis's industrial properties are a mix of single tenant and multi-tenant buildings. The following is a breakdown of the REIT's industrial property type based on Q2-24 net operating income:



Artis's industrial portfolio includes 219 tenant leases with a weighted-average term to maturity of 5.5 years. Approximately 45.7% of the REIT's industrial gross revenue is derived from national or government tenants. As indicated below, the largest tenant by gross revenue is Bell Canada, a telecommunications company offering services such as telephone, internet, and television to clients in Canada.

The following is a list of Artis's top 10 industrial tenants by gross revenue:

Top 10 Industrial Tenants by Gross Revenue ⁽¹⁾

Tenant	Tenant location	% of total industrial gross revenue ⁽²⁾	Owned share of GLA (000's of S.F.)	% of total industrial GLA	Weighted-average remaining lease term
Bell Canada	Canada	9.8 %	111	1.7 %	5.5
Government Tenants	Canada & U.S.	5.3 %	450	7.1 %	14.1
PBP, Inc.	U.S.	4.9 %	519	8.2 %	7.4
Silent Aire USA Inc.	U.S.	3.9 %	289	4.5 %	3.5
Civeo	Canada	3.5 %	72	1.1 %	4.0
Maple Leaf Consumer Foods Inc.	Canada	3.3 %	163	2.6 %	5.0
11:11 Systems Inc.	U.S.	3.0 %	99	1.6 %	1.5
Footprint LLC	U.S.	2.2 %	132	2.1 %	5.6
Malark Logistics	U.S.	2.0 %	175	2.7 %	9.1
CenterPoint Energy Houston Electric, LLC	U.S.	1.9 %	177	2.8 %	3.3
Total		39.8 %	2,187	34.4 %	7.6

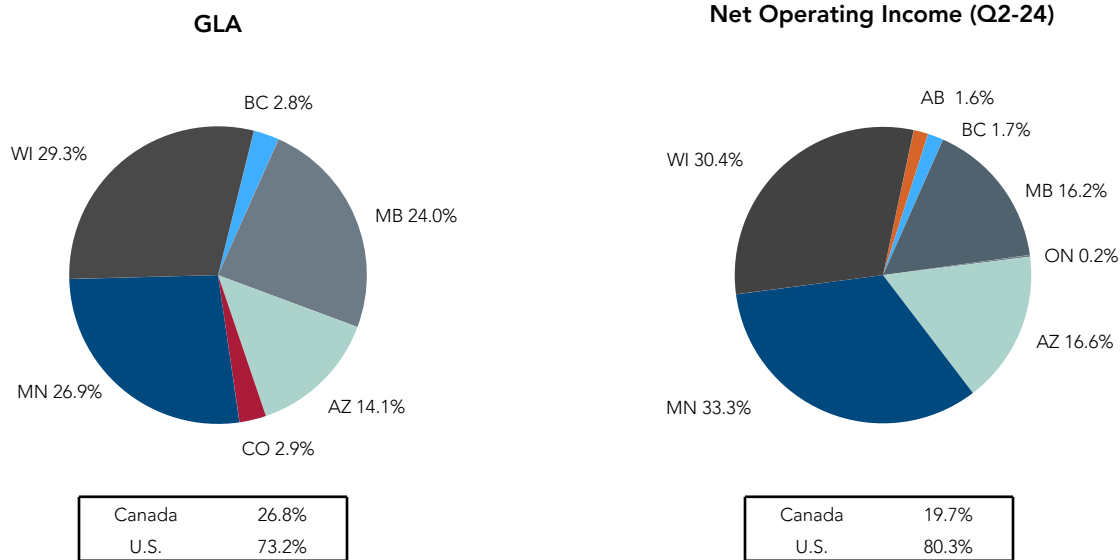
(1) Based on owned share of GLA of properties and excludes properties in equity accounted investments. Refer to the Property Portfolio section of this MD&A.

(2) Total gross revenue is in Canadian and US dollars.

Office Portfolio

Artis's office portfolio is strategically located across primary and secondary markets in both Canada and the U.S. At June 30, 2024, the REIT's office portfolio was comprised of 33 properties totalling approximately 5.9 million square feet of gross leasable area.

At June 30, 2024, the fair value of the properties in Artis's office portfolio was \$1,267,557, representing 43.7% of the REIT's GLA at June 30, 2024, and 46.0% of Q2-24 net operating income. Below is a breakdown of REIT's office portfolio by geographical region:



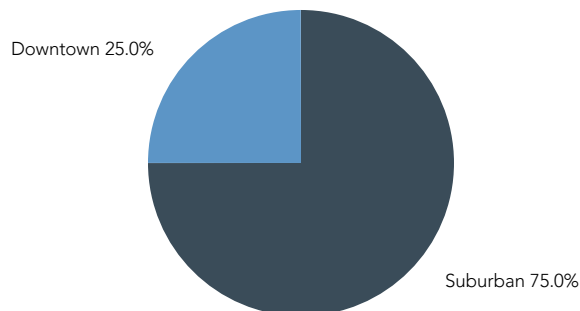
The following is a historical summary of key performance indicators related to the REIT's office portfolio:

	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22
Number of properties	33	38	39	40	41	41	42	43
Occupancy (including commitments) ⁽²⁾	83.1 %	83.0 %	85.0 %	85.4 %	86.7 %	86.3 %	87.3 %	87.4 %
Same Property NOI (decline) growth ⁽¹⁾	(3.0)%	(0.4)%	4.3 %	1.3 %	8.0 %	11.7 %	7.0 %	6.1 %
Leasable area renewed (in S.F.) ⁽²⁾	20,503	118,484	100,828	66,159	31,778	48,873	58,967	109,383
Increase (decrease) in weighted-average rental rate ⁽²⁾	0.4 %	0.7 %	0.7 %	(5.3)%	2.7 %	(1.7)%	(0.7)%	(0.4)%

(1) Represents a non-GAAP measure. Refer to the Notice with Respect to Non-GAAP & Supplementary Measures Disclosure section in this MD&A.

(2) Based on owned share of GLA of properties and excludes properties held in equity accounted investments and properties held for redevelopment. Refer to the Property Portfolio section of this MD&A.

Artis's office portfolio consists of properties located in both downtown and suburban markets. The following is a breakdown of the REIT's office property type based on Q2-24 net operating income:



Artis's office portfolio includes 397 tenant leases with a weighted-average term to maturity of 5.1 years. Approximately 45.0% of the REIT's office gross revenue is derived from national or government tenants. As indicated below, the largest tenant by gross revenue is a combination of government tenants, providing various federal, provincial, civic or municipal services.

The following is a list of Artis's top 10 office tenants by gross revenue:

Top 10 Office Tenants by Gross Revenue ⁽¹⁾

Tenant	Tenant location	% of total office gross revenue ⁽²⁾	Owned share of GLA (000's of S.F.)	% of total office GLA	Weighted-average remaining lease term
Government Tenants	Canada & U.S.	8.0 %	427	7.2 %	6.7
Prime Therapeutics LLC	U.S.	4.8 %	386	6.5 %	10.3
Bell MTS	Canada	4.1 %	205	3.5 %	2.5
Catalent Pharma Solutions, LLC	U.S.	3.6 %	244	4.1 %	12.1
A WIN Management, Inc.	U.S.	3.4 %	153	2.6 %	8.4
CB Richard Ellis, Inc.	U.S.	3.1 %	108	1.8 %	2.5
TDS Telecommunications Corporation	U.S.	2.8 %	127	2.1 %	5.5
Kodak Canada ULC	Canada	2.5 %	130	2.2 %	5.2
UCare Minnesota	U.S.	2.3 %	124	2.1 %	9.1
Soo Line Railroad Company	U.S.	2.0 %	92	1.6 %	3.2
Total		36.6 %	1,996	33.7 %	7.3

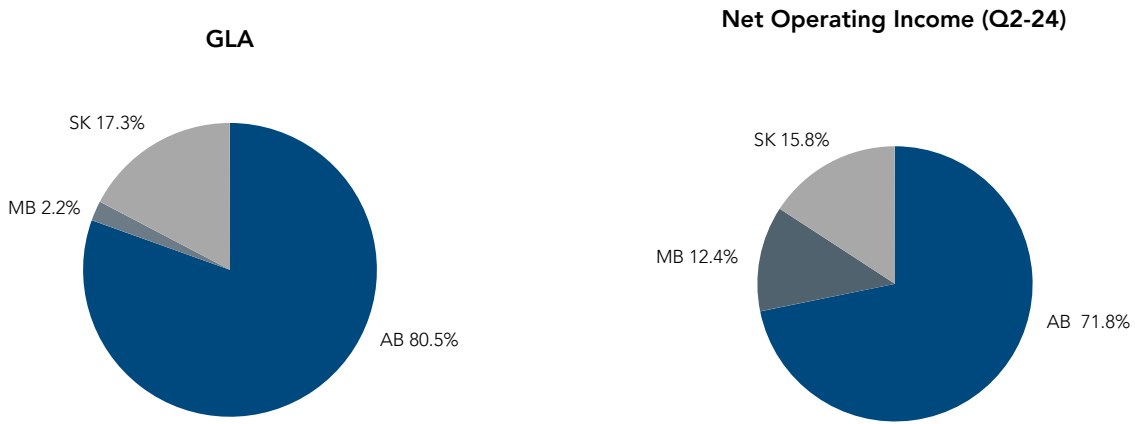
(1) Based on owned share of GLA of properties and excludes properties held in equity accounted investments. Refer to the Property Portfolio section of this MD&A.

(2) Total gross revenue is in Canadian and US dollars.

Retail Portfolio

Artis's retail portfolio is primarily open-air, service-based properties located across Western Canada. At June 30, 2024, the REIT's retail portfolio was comprised of 21 properties totalling approximately 1.3 million square feet of gross leasable area.

At June 30, 2024, the fair value of the properties in Artis's retail portfolio was \$360,530, and represented 9.3% of the REIT's GLA at June 30, 2024, and 18.3% of Q2-24 net operating income. Below is a breakdown of REIT's retail portfolio by geographical region:

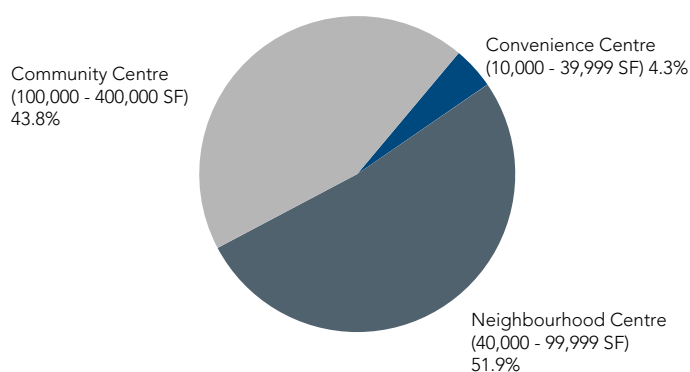


The following is a historical summary of key performance indicators related to the REIT's retail portfolio:

	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22
Number of properties	21	27	28	28	28	33	33	33
Occupancy (including commitments)	92.8 %	92.0 %	88.9 %	89.7 %	89.5 %	90.6 %	91.4 %	92.3 %
Same Property NOI growth (decline) ⁽¹⁾	0.2 %	(1.9)%	12.4 %	(2.6)%	(0.5)%	2.3 %	(1.8)%	(0.4)%
Leasable area renewed (in S.F.)	5,628	128,625	79,236	53,331	85,066	122,084	77,336	63,772
Increase in weighted-average rental rate	8.4 %	3.0 %	10.2 %	11.5 %	3.7 %	6.1 %	5.2 %	5.1 %

(1) Represents a non-GAAP measure. Refer to the Notice with Respect to Non-GAAP & Supplementary Measures Disclosure section in this MD&A.

Artis's retail properties are primarily open-air neighbourhood and community retail centres that provide a wide array of necessities such as food and services. The following is a breakdown of the REIT's retail property type based on Q2-24 net operating income:



Artis's retail portfolio includes 191 tenant leases with a weighted-average term to maturity of 4.1 years. Approximately 67.3% of the REIT's retail gross revenue is derived from national tenants. As indicated below, the largest tenant by gross revenue is Cineplex Entertainment, the largest cinema chain in Canada, operating in the film entertainment, amusement and leisure, and media sectors.

The following is a list of Artis's top 10 retail tenants by gross revenue:

Top 10 Retail Tenants by Gross Revenue ⁽¹⁾

Tenant	Tenant location	% of total retail gross revenue	Owned share of GLA (000's of S.F.)	% of total retail GLA	Weighted-average remaining lease term
Cineplex Entertainment LP	Canada	3.4 %	65	5.7 %	1.1
Winners	Canada	3.2 %	49	4.3 %	3.2
Sport Chek International Ltd.	Canada	3.2 %	46	4.0 %	3.6
Jysk Linen 'n Furniture	Canada	3.1 %	54	4.7 %	1.2
Sobeys	Canada	2.7 %	37	3.2 %	3.8
GoodLife Fitness	Canada	2.7 %	35	3.1 %	12.3
CIBC	Canada	2.4 %	19	1.7 %	1.6
Best Buy	Canada	2.4 %	26	2.3 %	4.6
Pet Smart, Inc.	Canada	2.1 %	26	2.3 %	1.8
Rona	Canada	2.1 %	52	4.5 %	1.6
Total		27.3 %	409	35.8 %	3.2

(1) Based on owned share of GLA of properties and excludes properties held for redevelopment. Refer to the Property Portfolio section of this MD&A.

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. Residential tenants began moving into the building on July 1, 2023, and leasing of the remaining apartment units is currently underway.

PORTFOLIO OCCUPANCY

Occupancy levels impact the REIT's revenues and net operating income. Occupancy and commitments at June 30, 2024, and the previous four quarterly periods, were as follows:

Occupancy Report by Asset Class ⁽¹⁾

	Q2-24 % Committed ⁽²⁾	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23
Industrial	97.0 %	96.8 %	96.6 %	97.7 %	97.0 %	97.5 %
Office	83.1 %	81.6 %	81.7 %	83.9 %	84.2 %	84.6 %
Retail	92.8 %	89.8 %	91.3 %	87.3 %	87.1 %	87.3 %
Total portfolio	90.6 %	89.5 %	89.5 %	90.1 %	89.9 %	90.3 %

Occupancy Report by Geographical Region ⁽¹⁾

	Q2-24% Committed ⁽²⁾	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23
Canada:						
Alberta	92.4 %	89.1 %	89.0 %	84.0 %	81.7 %	80.4 %
British Columbia	95.7 %	91.8 %	92.4 %	92.4 %	92.4 %	92.4 %
Manitoba	86.9 %	86.8 %	88.5 %	91.1 %	91.3 %	92.3 %
Ontario	N/A	N/A	100.0 %	100.0 %	100.0 %	100.0 %
Saskatchewan	98.7 %	98.7 %	98.7 %	96.0 %	96.4 %	99.4 %
Total Canada	89.9 %	88.7 %	89.9 %	89.8 %	89.3 %	89.7 %
U.S.:						
Arizona	97.8 %	95.2 %	93.9 %	94.4 %	96.3 %	96.9 %
Colorado	58.7 %	57.0 %	57.0 %	59.0 %	64.8 %	67.0 %
Minnesota	85.7 %	85.7 %	85.7 %	89.4 %	88.8 %	89.4 %
Texas	100.0 %	100.0 %	100.0 %	100.0 %	98.1 %	98.1 %
Wisconsin	81.6 %	79.7 %	77.6 %	81.2 %	81.7 %	81.5 %
Total U.S.	91.0 %	90.0 %	89.2 %	90.3 %	90.4 %	90.7 %
Total portfolio	90.6 %	89.5 %	89.5 %	90.1 %	89.9 %	90.3 %

(1) Information is as at June 30, 2024, 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, 2024, plus commitments on vacant space.

PORTFOLIO LEASING ACTIVITY AND LEASE EXPIRIES

Renewal Summary ⁽¹⁾

	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22
Leasable area renewed (in S.F.)	100,365	288,517	261,889	177,787	269,026	315,574	325,361	486,937
Increase in weighted-average rental rate	3.1 %	2.2 %	5.8 %	3.5 %	4.6 %	4.8 %	6.9 %	3.0 %

(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 Q2-24, 100,365 square feet were renewed at an increase in the weighted-average rental rate of 3.1%, compared to 269,026 square feet renewed at an increase in the weighted-average rental rate of 4.6% in Q2-23.

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, 2024, 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.

Lease Maturities and Rental Rates by Asset Class

	Square Feet Expiring	% of GLA	Weighted-Average In-Place Rental Rate	Weighted-Average Market Rental Rate
<i>Industrial:</i>				
Current vacancy	205,270	1.5 %	N/A	N/A
Monthly tenants	—	— %	N/A	N/A
2024	326,929	2.4 %	\$7.45	\$8.85
2025	610,560	4.5 %	\$10.78	\$10.74
2026	537,626	4.0 %	\$8.82	\$9.74
2027	1,112,608	8.3 %	\$7.83	\$7.99
2028+	3,574,912	26.7 %	\$9.46	\$7.72
	6,367,905	47.4 %	\$8.78	\$8.63
<i>Office:</i>				
Current vacancy	1,090,199	8.1 %	N/A	N/A
Monthly tenants	19,493	0.1 %	N/A	N/A
2024	329,792	2.5 %	\$19.95	\$18.55
2025	529,221	3.9 %	\$21.29	\$19.98
2026	843,940	6.3 %	\$19.18	\$18.23
2027	433,291	3.2 %	\$19.20	\$17.79
2028+	2,669,588	20.0 %	\$19.75	\$18.45
	5,915,524	44.1 %	\$19.38	\$18.84
<i>Retail:</i>				
Current vacancy	116,610	0.9 %	N/A	N/A
Monthly tenants	28,549	0.2 %	N/A	N/A
2024	99,099	0.7 %	\$27.46	\$27.22
2025	143,132	1.1 %	\$23.27	\$23.33
2026	174,084	1.3 %	\$23.19	\$23.74
2027	149,899	1.1 %	\$26.15	\$26.39
2028+	432,034	3.2 %	\$24.85	\$22.67
	1,143,407	8.5 %	\$25.28	\$25.15
<i>Total Portfolio:</i>				
Current vacancy	1,412,079	10.5 %	N/A	N/A
Monthly tenants	48,042	0.3 %	N/A	N/A
2024	755,820	5.6 %	\$15.53	\$15.49
2025	1,282,913	9.5 %	\$16.51	\$15.96
2026	1,555,650	11.6 %	\$16.05	\$15.91
2027	1,695,798	12.6 %	\$12.36	\$12.12
2028+	6,676,534	49.9 %	\$14.62	\$13.00
	13,426,836	100.0 %	\$14.88	\$13.61

Lease Maturities and Rental Rates by Geographical Location

	Square Feet Expiring	% of GLA	Weighted-Average In-Place Rental Rate	Weighted-Average Market Rental Rate
<i>Alberta:</i>				
Current vacancy	156,806	1.2 %	N/A	N/A
Monthly tenants	8,054	0.1 %	N/A	N/A
2024	116,145	0.9 %	\$23.86	\$23.12
2025	185,790	1.4 %	\$20.57	\$20.10
2026	217,121	1.6 %	\$21.36	\$21.50
2027	124,591	0.9 %	\$25.63	\$24.85
2028+	627,607	4.6 %	\$24.13	\$20.70
	1,436,114	10.7 %	\$23.50	\$22.26
<i>British Columbia:</i>				
Current vacancy	19,727	0.1 %	N/A	N/A
Monthly tenants	—	0.0 %	N/A	N/A
2024	7,870	0.1 %	\$23.00	\$23.00
2025	—	0.0 %	N/A	N/A
2026	—	0.0 %	N/A	N/A
2027	4,554	0.0 %	\$26.00	\$23.00
2028+	208,996	1.6 %	\$13.60	\$15.48
	241,147	1.8 %	\$15.51	\$18.73
<i>Manitoba:</i>				
Current vacancy	408,895	3.0 %	N/A	N/A
Monthly tenants	9,848	0.0 %	N/A	N/A
2024	258,040	1.9 %	\$11.50	\$12.84
2025	391,365	2.9 %	\$11.96	\$12.46
2026	706,103	5.3 %	\$10.54	\$11.20
2027	267,976	2.0 %	\$11.31	\$11.13
2028+	1,049,802	7.9 %	\$12.77	\$12.61
	3,092,029	23.0 %	\$11.15	\$11.56
<i>Saskatchewan:</i>				
Current vacancy	6,539	0.0 %	N/A	N/A
Monthly tenants	20,495	0.2 %	N/A	N/A
2024	7,630	0.0 %	\$31.99	\$32.86
2025	12,339	0.1 %	\$26.84	\$27.13
2026	20,581	0.2 %	\$30.54	\$31.08
2027	164,266	1.2 %	\$13.66	\$14.00
2028+	255,849	1.9 %	\$17.58	\$14.44
	487,699	3.6 %	\$17.73	\$16.52
<i>Arizona:</i>				
Current vacancy	83,767	0.6 %	N/A	N/A
Monthly tenants	—	— %	N/A	N/A
2024	127,126	0.9 %	\$11.87	\$11.88
2025	346,251	2.6 %	\$17.30	\$17.09
2026	210,069	1.5 %	\$21.32	\$22.05
2027	362,992	2.7 %	\$11.97	\$12.01
2028+	624,447	4.8 %	\$22.81	\$21.73
	1,754,652	13.1 %	\$18.76	\$18.65

Lease Maturities and Rental Rates by Geographical Location (continued)

	Square Feet Expiring	% of GLA	Weighted-Average In-Place Rental Rate	Weighted-Average Market Rental Rate
<i>Colorado:</i>				
Current vacancy	74,420	0.6 %	N/A	N/A
Monthly tenants	4,759	0.0 %	N/A	N/A
2024	9,542	0.1 %	\$30.13	\$30.29
2025	46,357	0.3 %	\$32.58	\$28.34
2026	7,286	0.1 %	\$27.89	\$27.65
2027	1,565	0.0 %	\$49.50	\$38.00
2028+	28,983	0.2 %	\$25.14	\$19.15
	172,912	1.3 %	\$31.91	\$28.64
<i>Minnesota:</i>				
Current vacancy	310,767	2.3 %	N/A	N/A
Monthly tenants	4,886	0.0 %	N/A	N/A
2024	26,329	0.2 %	\$20.40	\$17.80
2025	82,714	0.6 %	\$21.52	\$18.87
2026	163,712	1.2 %	\$23.27	\$19.53
2027	145,090	1.1 %	\$16.76	\$15.66
2028+	1,432,746	10.7 %	\$14.62	\$13.69
	2,166,244	16.1 %	\$15.96	\$14.68
<i>Texas:</i>				
Current vacancy	—	0.0 %	N/A	N/A
Monthly tenants	—	0.0 %	N/A	N/A
2024	36,501	0.3 %	\$9.59	\$8.40
2025	95,591	0.7 %	\$8.40	\$7.42
2026	—	0.0 %	N/A	N/A
2027	480,335	3.6 %	\$6.89	\$7.00
2028+	1,729,924	12.8 %	\$6.58	\$4.56
	2,342,351	17.4 %	\$6.76	\$6.68
<i>Wisconsin:</i>				
Current vacancy	351,158	2.7 %	N/A	N/A
Monthly tenants	—	0.0 %	N/A	N/A
2024	166,637	1.2 %	\$17.34	\$16.21
2025	122,506	0.9 %	\$18.47	\$16.55
2026	230,778	1.7 %	\$16.32	\$15.20
2027	144,429	1.1 %	\$15.25	\$13.99
2028+	718,180	5.4 %	\$16.90	\$14.22
	1,733,688	13.0 %	\$15.54	\$15.33
<i>Total portfolio:</i>				
Current vacancy	1,412,079	10.5 %	N/A	N/A
Monthly tenants	48,042	0.3 %	N/A	N/A
2024	755,820	5.6 %	\$15.53	\$15.49
2025	1,282,913	9.5 %	\$16.51	\$15.96
2026	1,555,650	11.6 %	\$16.05	\$15.91
2027	1,695,798	12.6 %	\$12.36	\$12.12
2028+	6,676,534	49.9 %	\$14.62	\$13.00
	13,426,836	100.0 %	\$14.88	\$13.61

LARGEST MARKETS BY NET OPERATING INCOME

Artis's real estate is diversified across four Canadian provinces and five U.S. states, and across the industrial, office, retail and residential asset classes. For the three months ended June 30, 2024, the five largest markets of the REIT's portfolio (by net operating income) were Twin Cities Area office, Madison office, Greater Houston Area industrial, Greater Phoenix Area office and Winnipeg office.

Twin Cities Area Office Market

The Twin Cities Area office market represents 15.8% of Q2-24 net operating income and 11.8% of the overall portfolio by GLA. Direct vacancy in the Twin Cities Area office, as reported by CBRE, was 22.5% at June 30, 2024, compared to 21.2% at March 31, 2024. At June 30, 2024, Artis's Twin Cities Area office portfolio was 85.6% occupied, unchanged from 85.6% at March 31, 2024. During the remainder of 2024, 26,329 square feet come up for renewal, which represents 0.2% of the total portfolio GLA (excluding property held for redevelopment); 41.5% was renewed or committed to new leases at June 30, 2024. Of Artis's total Twin Cities Area office GLA, 59.0% expires in 2028 or later.

Madison Office Market

The Madison office market represents 13.8% of Q2-24 net operating income and 12.8% of the overall portfolio by GLA. At June 30, 2024, Artis's Madison office portfolio was 79.7% occupied, compared to 77.6% at March 31, 2024. During the remainder of 2024, 166,637 square feet come up for renewal, which represents 1.2% of the total portfolio GLA (excluding property held for redevelopment); 48.0% was renewed or committed to new leases at June 30, 2024. Of Artis's total Madison office GLA, 41.4% expires in 2028 or later.

Greater Houston Area Industrial Market

The Greater Houston Area industrial market represents 13.1% of Q2-24 net operating income and 17.3% of the overall portfolio by GLA. The availability rate in the Greater Houston Area industrial market, as reported by CBRE, was 8.3% at June 30, 2024, compared to 8.3% at March 31, 2024. At June 30, 2024, Artis's Greater Houston Area industrial portfolio was 100.0% occupied, unchanged from March 31, 2024. During the remainder of 2024, one unit comprising 36,501 square feet comes up for renewal, which represents 0.3% of the total portfolio GLA (excluding property held for redevelopment); the lease on this unit has been renewed at June 30, 2024, with an expiry year of 2029. Of Artis's total Greater Houston Area industrial GLA, 73.9% expires in 2028 or later.

Greater Phoenix Area Office Market

The Greater Phoenix Area office market represents 7.9% of Q2-24 net operating income and 6.2% of the overall portfolio by GLA. The vacancy rate in the Greater Phoenix Area office market, as reported by Cushman & Wakefield, was 28.1% at June 30, 2024, compared to 27.9% at March 31, 2024. At June 30, 2024, Artis's Greater Phoenix Area office portfolio was 90.0% occupied, compared to 90.1% at March 31, 2024. During the remainder of 2024, 28,470 square feet come up for renewal, which represents 0.2% of the total portfolio GLA (excluding property held for redevelopment); 83.6% was renewed or committed to new leases at June 30, 2024. Of Artis's total Greater Phoenix Area office market GLA, 50.6% expires in 2028 or later.

Winnipeg Office Market

The Winnipeg office market represents 7.8% of Q2-24 net operating income and 10.4% of the overall portfolio by GLA. Overall direct vacancy in the Winnipeg office market, as reported by CBRE, was 16.3% at June 30, 2024, increased from 16.2% at March 31, 2024. At June 30, 2024, Artis's Winnipeg office portfolio was 76.6% occupied, compared to 77.9% at March 31, 2024. During the remainder of 2024, 90,944 square feet come up for renewal, which represents 0.7% of the total portfolio GLA (excluding property held for redevelopment); 13.1% was renewed or committed to new leases at June 30, 2024. Of Artis's total Winnipeg office market GLA, 30.0% expires in 2028 or later.

FINANCIAL & OPERATING RESULTS

NET OPERATING INCOME

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenue:				
Rental and other income	\$ 90,508	\$ 89,587	\$ 176,781	\$ 185,350
Tenant inducements amortized to revenue	(6,620)	(6,146)	(13,009)	(12,392)
Straight-line rent adjustments	452	784	795	1,331
Lease termination income	389	53	582	244
	84,729	84,278	165,149	174,533
Property operating and realty tax expenses	36,841	37,411	73,704	79,605
Net operating income	\$ 47,888	\$ 46,867	\$ 91,445	\$ 94,928

Rental and other income is primarily revenue earned from tenants related to lease agreements. Included in other income in Q2-24 is a performance-based development fee. The amount of the performance-based development fee is variable as it is dependent on the fair value of a specific property upon sale. Artis recognizes revenue subject to variable consideration only to the extent that it is highly probable that a significant amount of the revenue recognized will not reverse in a future period.

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 \$459 (YTD - \$559) in Q2-24 compared to \$153 (YTD - \$156) in Q2-23.

Net Operating Income by Asset Class

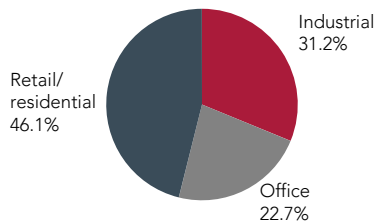
	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
Canada:						
Industrial	\$ 5,173	\$ 5,658	\$ (485)	\$ 10,650	\$ 11,111	\$ (461)
Office	3,768	5,746	(1,978)	9,108	11,518	(2,410)
Retail/residential	7,633	9,595	(1,962)	15,823	19,770	(3,947)
	16,574	20,999	(4,425)	35,581	42,399	(6,818)
U.S.:						
Industrial	9,673	9,495	178	18,397	18,790	(393)
Office	15,360	16,457	(1,097)	31,171	33,788	(2,617)
	25,033	25,952	(919)	49,568	52,578	(3,010)
Total portfolio:						
Industrial	14,846	15,153	(307)	29,047	29,901	(854)
Office	19,128	22,203	(3,075)	40,279	45,306	(5,027)
Retail/residential	7,633	9,595	(1,962)	15,823	19,770	(3,947)
	41,607	46,951	(5,344)	85,149	94,977	(9,828)
REIT	6,281	(84)	6,365	6,296	(49)	6,345
Net operating income	\$ 47,888	\$ 46,867	\$ 1,021	\$ 91,445	\$ 94,928	\$ (3,483)

In Q2-24, the Canadian office segment decreased primarily due to dispositions and vacancy at certain properties. The Canadian retail/residential segment decreased primarily due to dispositions. The U.S. office segment decreased primarily due to vacancy at certain properties. The REIT segment increased due to development fee income.

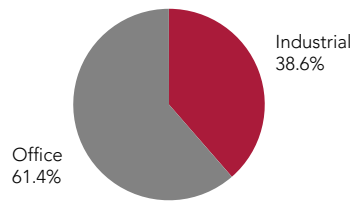
The U.S. portfolio was also impacted by the effect of foreign exchange.

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

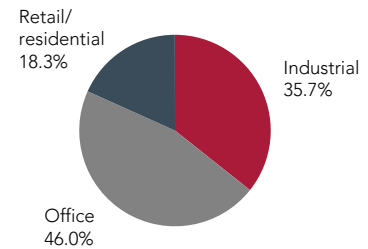
Canadian Portfolio (Q2-24)



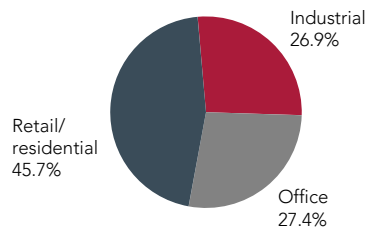
U.S. Portfolio (Q2-24)



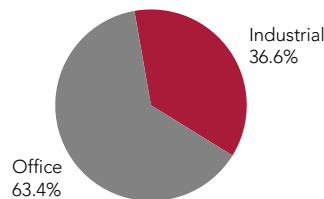
Total Portfolio (Q2-24)



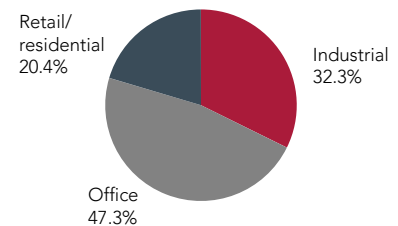
Canadian Portfolio (Q2-23)



U.S. Portfolio (Q2-23)



Total Portfolio (Q2-23)



Net Operating Income by Geographical Region

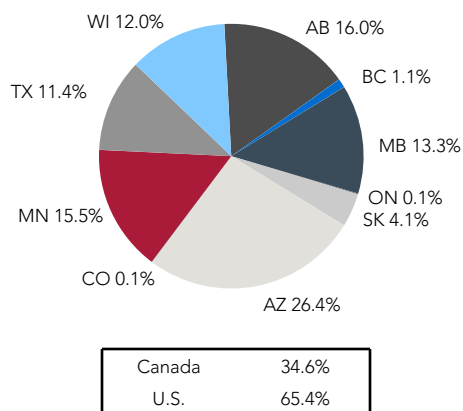
	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
Canada:						
Alberta	\$ 7,672	\$ 7,893	\$ (221)	\$ 15,302	\$ 16,351	\$ (1,049)
British Columbia	531	1,463	(932)	2,021	2,871	(850)
Manitoba	6,361	8,902	(2,541)	13,609	17,510	(3,901)
Ontario	54	733	(679)	786	1,468	(682)
Saskatchewan	1,956	2,008	(52)	3,863	4,199	(336)
	16,574	20,999	(4,425)	35,581	42,399	(6,818)
U.S.:						
Arizona	12,662	6,834	5,828	19,024	13,656	5,368
Colorado	(263)	34	(297)	(377)	1,347	(1,724)
Minnesota	7,725	9,334	(1,609)	16,112	18,647	(2,535)
Texas	5,462	3,527	1,935	9,872	7,130	2,742
Wisconsin	5,753	6,223	(470)	11,243	11,798	(555)
	31,339	25,952	5,387	55,874	52,578	3,296
Total portfolio	47,913	46,951	962	91,455	94,977	(3,522)
REIT	(25)	(84)	59	(10)	(49)	39
Net operating income	\$ 47,888	\$ 46,867	\$ 1,021	\$ 91,445	\$ 94,928	\$ (3,483)

In Q2-24, Manitoba decreased primarily due to dispositions and increased vacancy at certain office properties. Minnesota decreased primarily due to dispositions, partially offset by increased occupancy at an industrial property. Texas increased primarily due to acquiring the remaining 5% of Park 8Ninety V. The REIT segment increased due to development fee income.

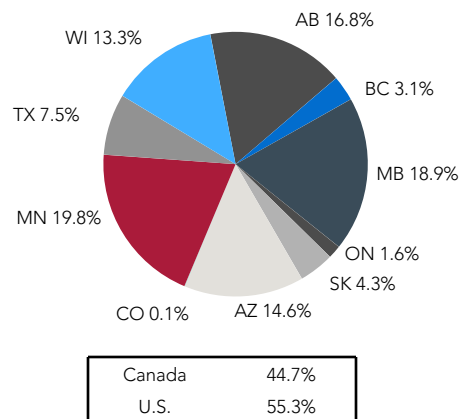
The U.S. portfolio was also impacted by the effect of foreign exchange.

See below for breakdown of net operating income by geographical region, excluding the REIT segment.

Total Portfolio (Q2-24)



Total Portfolio (Q2-23)



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				Six months ended			
	June 30,		Change	% Change	June 30,		Change	% Change
	2024	2023			2024	2023		
Net operating income	\$ 47,888	\$ 46,867			\$ 91,445	\$ 94,928		
Add (deduct) net operating income from:								
Joint venture arrangements	1,711	2,853			4,289	4,770		
Dispositions and unconditional dispositions	(8,614)	(13,212)			(14,329)	(24,904)		
(Re)development properties	397	233			(334)	231		
Lease termination income adjustments	(132)	5			4	16		
Other	(5,812)	427			(5,234)	1,151		
	(12,450)	(9,694)			(15,604)	(18,736)		
Straight-line rent adjustments ⁽¹⁾	(86)	(657)			(605)	(1,103)		
Tenant inducements amortized to revenue ⁽¹⁾	6,421	5,416			12,507	11,044		
Same Property NOI	\$ 41,773	\$ 41,932	\$ (159)	(0.4)%	\$ 87,743	\$ 86,133	\$ 1,610	1.9 %

(1) Includes joint venture arrangements.

Same Property NOI by Asset Class

	Three months ended				Six months ended			
	June 30,		Change	% Change	June 30,		Change	% Change
	2024	2023			2024	2023		
Industrial	\$ 11,999	\$ 11,417	\$ 582	5.1 %	\$ 27,723	\$ 25,156	\$ 2,567	10.2 %
Office	24,339	25,090	(751)	(3.0)%	49,165	50,026	(861)	(1.7)%
Retail	5,435	5,425	10	0.2 %	10,855	10,951	(96)	(0.9)%
Same Property NOI	\$ 41,773	\$ 41,932	\$ (159)	(0.4)%	\$ 87,743	\$ 86,133	\$ 1,610	1.9 %

Same Property NOI by Asset Class

	Three months ended				Six months ended			
	June 30,		Change	% Change	June 30,		Change	% Change
2024	2023	2024			2023			
Canada:								
Industrial	\$ 7,600	\$ 7,484	\$ 116	1.5 %	\$ 15,183	\$ 14,834	\$ 349	2.4 %
Office	4,871	5,181	(310)	(6.0)%	9,791	10,304	(513)	(5.0)%
Retail	5,435	5,425	10	0.2 %	10,855	10,951	(96)	(0.9)%
Total Canada	17,906	18,090	(184)	(1.0)%	35,829	36,089	(260)	(0.7)%
U.S.:								
Industrial	3,215	2,928	287	9.8 %	9,251	7,653	1,598	20.9 %
Office	14,227	14,823	(596)	(4.0)%	28,984	29,477	(493)	(1.7)%
Total U.S.	17,442	17,751	(309)	(1.7)%	38,235	37,130	1,105	3.0 %
Total in functional currency	35,348	35,841	(493)	(1.4)%	74,064	73,219	845	1.2 %
Foreign exchange	6,425	6,091	334	5.5 %	13,679	12,914	765	5.9 %
Same Property NOI	\$ 41,773	\$ 41,932	\$ (159)	(0.4)%	\$ 87,743	\$ 86,133	\$ 1,610	1.9 %

Same Property NOI by Geographical Region

	Three months ended				Six months ended			
	June 30,		Change	% Change	June 30,		Change	% Change
2024	2023	2024			2023			
Alberta	\$ 7,448	\$ 7,237	\$ 211	2.9 %	\$ 14,880	\$ 14,607	\$ 273	1.9 %
British Columbia	639	648	(9)	(1.4)%	1,296	1,285	11	0.9 %
Manitoba	7,360	7,776	(416)	(5.3)%	14,746	15,322	(576)	(3.8)%
Saskatchewan	2,459	2,429	30	1.2 %	4,907	4,875	32	0.7 %
Arizona	5,645	5,677	(32)	(0.6)%	11,256	11,383	(127)	(1.1)%
Colorado	363	630	(267)	(42.4)%	960	1,230	(270)	(22.0)%
Minnesota	6,378	6,174	204	3.3 %	12,621	11,699	922	7.9 %
Texas	—	—	—	— %	3,295	2,310	985	42.6 %
Wisconsin	5,056	5,270	(214)	(4.1)%	10,103	10,508	(405)	(3.9)%
Total in functional currency	35,348	35,841	(493)	(1.4)%	74,064	73,219	845	1.2 %
Foreign exchange	6,425	6,091	334	5.5 %	13,679	12,914	765	5.9 %
Same Property NOI	\$ 41,773	\$ 41,932	\$ (159)	(0.4)%	\$ 87,743	\$ 86,133	\$ 1,610	1.9 %

Same Property Occupancy

Geographical Region	As at June 30,		Asset Class	As at June 30,	
	2024	2023		2024	2023
Canada:			Industrial	94.7%	97.5%
Alberta	88.0%	80.4%	Office	81.5%	84.6%
British Columbia	91.8%	92.4%	Retail	89.1%	91.6%
Manitoba	86.7%	92.3%			
Saskatchewan	98.7%	99.4%			
Total Canada	88.5%	89.7%	Total	87.0%	90.3%
U.S.:					
Arizona	95.2%	96.9%			
Colorado	57.0%	67.0%			
Minnesota	85.0%	89.4%			
Wisconsin	79.7%	81.5%			
Total U.S.	85.7%	90.7%			
Total	87.0%	90.3%			

INTEREST AND OTHER INCOME

Interest and other income was \$7,644 (YTD - \$17,101) in Q2-24, compared to \$6,085 (YTD - \$14,922) in Q2-23. The change is primarily due to interest income from preferred investments in the amount of \$6,737 (YTD - \$15,269) in Q2-24, compared to \$5,504 (YTD - \$13,950) in Q2-23. Refer to the Preferred Investments section of this MD&A for further details.

DISTRIBUTION INCOME FROM EQUITY SECURITIES

Distribution income from equity securities was \$1,854 (YTD - \$3,828) in Q2-24, compared to \$3,161 (YTD - \$7,244) in Q2-23. Refer to Equity Securities section of this MD&A for further details.

INTEREST EXPENSE

	Three months ended			% Change	Six months ended			% Change
	2024	June 30, 2023	Change		2024	June 30, 2023	Change	
Mortgages and other loans ⁽¹⁾	\$ 12,453	\$ 9,719	\$ 2,734		\$ 25,009	\$ 18,132	\$ 6,877	
Senior unsecured debentures	2,853	5,302	(2,449)		5,705	10,599	(4,894)	
Credit facilities ⁽¹⁾	12,032	12,174	(142)		25,269	25,656	(387)	
Preferred shares ⁽¹⁾	46	46	—		92	92	—	
	27,384	27,241	143	0.5 %	56,075	54,479	1,596	2.9 %
Foreign exchange	3,761	2,992	769		7,190	5,486	1,704	
Total interest expense	\$ 31,145	\$ 30,233	\$ 912	3.0 %	\$ 63,265	\$ 59,965	\$ 3,300	5.5 %

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

During Q2-24, interest expense on mortgages and other loans was impacted by new mortgage financing and increased interest expense on mortgages at variable rates, partially offset by the repayment of mortgages upon disposition of investment properties and repayment of maturing mortgages. Interest expense on senior unsecured debentures decreased due to the repayment of the Series D senior unsecured debentures on September 18, 2023.

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, 2024, the weighted-average effective interest rate on mortgages and other loans secured by properties, was 6.99%, compared to 6.63% at December 31, 2023. The weighted-average nominal interest rate on mortgages and other loans secured by properties at June 30, 2024, was 6.49%, compared to 6.17% at December 31, 2023.

CORPORATE EXPENSES

	Three months ended				Six months ended			
	June 30,		Change	% Change	June 30,		Change	% Change
2024	2023	2024			2023			
Accounting, legal and consulting	\$ 730	\$ 603	\$ 127	21.1 %	\$ 1,161	\$ 1,071	\$ 90	8.4 %
Public company costs	483	287	196	68.3 %	811	430	381	88.6 %
Salaries and benefits	617	627	(10)	(1.6)%	1,319	1,021	298	29.2 %
Depreciation of property and equipment	290	287	3	1.0 %	592	601	(9)	(1.5)%
General and administrative	232	206	26	12.6 %	401	335	66	19.7 %
Total corporate expenses	\$ 2,352	\$ 2,010	\$ 342	17.0 %	\$ 4,284	\$ 3,458	\$ 826	23.9 %

Corporate expenses in Q2-24 were \$2,352 (YTD - \$4,284), or 2.8% (YTD - 2.6%) of total revenues compared to \$2,010 (YTD - \$3,458) or 2.4% (YTD - 2.0%) of total revenues in Q2-23.

Public company costs include public reporting costs, investor communication costs and trustee fees and expenses. Trustees fees include a fair value gain on unit-based compensation of \$6 (YTD - \$91) in Q2-24 compared to a fair value gain of \$94 (YTD - \$417) in Q2-23.

Salaries and benefits include a fair value gain on unit-based compensation of \$136 (YTD - \$320) in Q2-24 compared to a fair value gain of \$199 (YTD - \$521) in Q2-23.

Unit-based compensation was impacted by fluctuations in Artis's unit price during the period.

EQUITY SECURITIES EXPENSES

The REIT invests in equity securities of publicly-traded Canadian real estate entities. In connection with these investments, the REIT incurred commissions, service and professional fees of \$169 (YTD - \$342) in Q2-24, compared to \$297 (YTD - \$502) in Q2-23.

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.

FAIR VALUE GAIN (LOSS) 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 Q2-24, the fair value gain on investment properties was \$13,437 (YTD - gain of \$12,437), compared to a loss of \$109,100 (YTD - loss of \$136,808) in Q2-23. The fair value gain in Q2-24 was primarily due to higher expected market rents in Artis's industrial properties located in the Greater Houston Area, Texas, and the Greater Phoenix Area, Arizona. This was partially offset by a fair value loss primarily resulting from an increase in estimated vacancy allowances in certain office markets in the U.S.

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

	Three months ended June 30, 2024	Six months ended June 30, 2024
Canada:		
Industrial	\$ (1,314)	\$ (5,087)
Office	(5,374)	(8,204)
Retail/residential	(3,780)	(4,790)
	(10,468)	(18,081)
U.S.:		
Industrial	42,829	57,941
Office	(18,924)	(27,423)
	23,905	30,518
Total portfolio:		
Industrial	41,515	52,854
Office	(24,298)	(35,627)
Retail/residential	(3,780)	(4,790)
Total portfolio	\$ 13,437	\$ 12,437

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 loss on the fair value adjustment of the interest rate swaps outstanding of \$1,027 (YTD - gain of \$2,428) in Q2-24, compared to an unrealized loss of \$889 (YTD - loss of \$2,481) in Q2-23. 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 \$2,645 (YTD - loss of \$7,122) in Q2-24, compared to a loss of \$13,214 (YTD - loss of \$28,234) in Q2-23.

FOREIGN CURRENCY TRANSLATION (LOSS) GAIN

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 (loss) gain 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 loss of \$1,987 (YTD - loss of \$6,425) in Q2-24, compared to a gain of \$3,681 (YTD - gain of \$5,537) in Q2-23.

INCOME TAX 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 as part of the Cominar Transaction 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 (recovery) expense comprised of:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Current income tax expense	\$ 267	\$ 383	\$ 278	\$ 457
Deferred income tax recovery	(1,512)	(3,940)	(2,955)	(7,901)
Income tax recovery	\$ (1,245)	\$ (3,557)	\$ (2,677)	\$ (7,444)

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 period. 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 INCOME (LOSS)

Other comprehensive income (loss) includes unrealized foreign currency translation gains of \$11,917 (YTD - gains of \$39,708) in Q2-24, compared to losses of \$30,487 (YTD - losses of \$31,397) in Q2-23. 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 strategic review expenses in the amount of \$545 (YTD - \$895) in Q2-24. Although the add-back of these expenses 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 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, transaction costs, 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.

Prior to June 30, 2023, the REIT adjusted FFO and AFFO for the impact of realized gain (loss) on equity securities. Effective June 30, 2023, the REIT calculates FFO and AFFO excluding the impact of realized gain (loss) on equity securities. The REIT presents the calculation including the impact of these transactions separately for information purposes. Refer to FFO and AFFO, Adjusted for Impact of Realized Gain (Loss) on Equity Securities section of this MD&A on the following page.

FFO and AFFO

000's, except per unit amounts	Three months ended				Six months ended			
	2024	June 30, 2023	Change	% Change	2024	June 30, 2023	Change	% Change
Net income (loss)	\$ 765	\$ (84,954)			\$ (6,356)	\$ (107,715)		
Add (deduct):								
Tenant inducements amortized to revenue	6,620	6,146			13,009	12,392		
Incremental leasing costs	583	770			1,044	1,294		
Distributions on preferred shares treated as interest expense	63	62			125	124		
Remeasurement component of unit-based compensation	(142)	(293)			(411)	(938)		
Strategic review expenses	545	—			895	—		
Adjustments for equity accounted investments	32,854	(4,400)			57,442	10,224		
Fair value (gain) loss on investment properties	(13,437)	109,100			(12,437)	136,808		
Fair value loss on financial instruments	3,672	14,269			4,694	31,204		
Foreign currency translation loss (gain)	1,987	(3,681)			6,425	(5,537)		
Deferred income tax recovery	(1,512)	(3,940)			(2,955)	(7,901)		
Preferred unit distributions	(3,300)	(3,133)			(6,544)	(6,192)		
FFO	\$ 28,698	\$ 29,946	\$ (1,248)	(4.2)%	\$ 54,931	\$ 63,763	\$ (8,832)	(13.9)%
Add (deduct):								
Amortization of recoverable capital expenditures	\$ (1,687)	\$ (1,811)			\$ (3,406)	\$ (3,628)		
Straight-line rent adjustments	(452)	(784)			(795)	(1,331)		
Non-recoverable property maintenance reserve	(400)	(550)			(800)	(1,250)		
Leasing costs reserve	(7,500)	(7,500)			(15,000)	(15,400)		
Adjustments for equity accounted investments	(1,596)	(2,222)			(3,523)	(4,214)		
AFFO	\$ 17,063	\$ 17,079	\$ (16)	(0.1)%	\$ 31,407	\$ 37,940	\$ (6,533)	(17.2)%

FFO in Q2-24 was impacted by decreased distribution income from equity securities due to sales and increased interest expense. These decreases to FFO were partially offset by increased net operating income as a result of development fee income, partially offset by dispositions completed in 2023 and 2024, and increased interest and other income due to the preferred investment as part of the Cominar Transaction.

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 63.6% (YTD - 65.1%) is recoverable from tenants in Q2-24, compared to 67.9% (YTD - 68.7%) in Q2-23. The non-recoverable property maintenance reserve reflects management's estimate of a normalized expenditure using the 2020, 2021, 2022 and 2023 actual expenditures and the 2024 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, Adjusted for Impact of Realized (Loss) Gain on Equity Securities

The REIT also calculates FFO and AFFO, adjusted for the impact of realized gain (loss) on equity securities. Although these adjustments are not in accordance with the guidelines set out by REALpac as issued in January 2022, management believes the resulting FFO and AFFO provide relevant information. Realized gain (loss) on equity securities is a result of equity security disposition activity and may not recur in future quarters.

000's, except per unit amounts	Three months ended				Six months ended			
	2024	June 30, 2023	Change	% Change	2024	June 30, 2023	Change	% Change
FFO	\$ 28,698	\$ 29,946			\$ 54,931	\$ 63,763		
Add (deduct):								
Realized (loss) gain on equity securities	—	(18,315)			234	(18,761)		
FFO, adjusted for impact of realized (loss) gain on equity securities	\$ 28,698	\$ 11,631	\$ 17,067	146.7 %	\$ 55,165	\$ 45,002	\$ 10,163	22.6 %
AFFO	\$ 17,063	\$ 17,079			\$ 31,407	\$ 37,940		
Add (deduct):								
Realized (loss) gain on equity securities	—	(18,315)			234	(18,761)		
AFFO, adjusted for impact of realized (loss) gain on equity securities	\$ 17,063	\$ (1,236)	\$ 18,299	(1,480.5)%	\$ 31,641	\$ 19,179	\$ 12,462	65.0 %

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		Six months ended	
	2024	June 30, 2023	2024	June 30, 2023
Basic units	106,044,192	112,721,748	106,975,929	114,051,554
Add:				
Restricted units	584,422	465,075	526,217	431,084
Deferred units	400,910	255,183	385,395	243,755
Diluted units	107,029,524	113,442,006	107,887,541	114,726,393

FFO and AFFO per Unit

	Three months ended				Six months ended			
	2024	June 30, 2023	Change	% Change	2024	June 30, 2023	Change	% Change
FFO per unit:								
Basic	\$ 0.27	\$ 0.27	\$ —	0.0 %	\$ 0.51	\$ 0.56	\$ (0.05)	(8.9)%
Diluted	0.27	0.26	0.01	3.8 %	0.51	0.56	(0.05)	(8.9)%
AFFO per unit:								
Basic	\$ 0.16	\$ 0.15	\$ 0.01	6.7 %	\$ 0.29	\$ 0.33	\$ (0.04)	(12.1)%
Diluted	0.16	0.15	0.01	6.7 %	0.29	0.33	(0.04)	(12.1)%

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 per Unit, Adjusted for Impact of Realized Gain (Loss) on Equity Securities

	Three months ended				Six months ended			
	2024	June 30, 2023	Change	% Change	2024	June 30, 2023	Change	% Change
FFO, adjusted for impact of realized gain (loss) on equity securities per unit:								
Basic	\$ 0.27	\$ 0.10	\$ 0.17	170.0 %	\$ 0.52	\$ 0.39	\$ 0.13	33.3 %
Diluted	0.27	0.10	0.17	170.0 %	0.51	0.39	0.12	30.8 %
AFFO, adjusted for impact of realized gain (loss) on equity securities per unit:								
Basic	\$ 0.16	\$ (0.01)	\$ 0.17	(1,700.0)%	\$ 0.30	\$ 0.17	\$ 0.13	76.5 %
Diluted	0.16	(0.01)	0.17	(1,700.0)%	0.29	0.17	0.12	70.6 %

FFO and AFFO Payout Ratios

FFO payout ratio and AFFO payout ratios 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			Six months ended		
	2024	June 30, 2023	% Change	2024	June 30, 2023	% Change
Distributions per common unit	\$ 0.15	\$ 0.15		\$ 0.30	\$ 0.30	
FFO per unit - diluted	0.27	0.26		0.51	0.56	
FFO payout ratio	55.6 %	57.7 %	(2.1)%	58.8 %	53.6 %	5.2 %
Distributions per common unit	\$ 0.15	\$ 0.15		\$ 0.30	\$ 0.30	
AFFO per unit - diluted	0.16	0.15		0.29	0.33	
AFFO payout ratio	93.8 %	100.0 %	(6.2)%	103.4 %	90.9 %	12.5 %

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, 2024	December 31, 2023
Investment properties	\$ 2,064,200	\$ 2,494,134
Investment properties under development	3,253	947
Investment properties held for sale	885,798	571,760
Total	\$ 2,953,251	\$ 3,066,841

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

Balance, December 31, 2023	\$ 3,066,841
Additions:	
Acquisition	5,310
Transfer from joint venture	100,867
Capital expenditures	
Investment properties	3,511
Investment properties under development	2,816
Capitalized interest ⁽¹⁾	12
Leasing commissions	1,553
Straight-line rent adjustments	343
Tenant inducement additions, net of amortization	(892)
Dispositions	(37,885)
Foreign currency translation gain	37,037
Fair value loss	(1,000)
Balance, March 31, 2024	\$ 3,178,513
Additions:	
Acquisition	22,500
Capital expenditures	
Investment properties	6,034
Investment properties under development	2,000
Capitalized interest ⁽¹⁾	38
Leasing commissions	2,009
Straight-line rent adjustments	452
Tenant inducement additions, net of amortization	145
Dispositions	(288,463)
Foreign currency translation gain	16,586
Fair value gain	13,437
Balance, June 30, 2024	\$ 2,953,251

(1) During Q2-24, interest was capitalized to investment properties under development at a weighted-average effective interest rate of 7.19% (YTD- 7.17%).

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				Six months ended			
	2024	June 30, 2023	Change	% Change	2024	June 30, 2023	Change	% Change
New and (re)development expenditures	\$ 2,000	\$ 6,252	\$ (4,252)		\$ 4,816	\$ 10,614	\$ (5,798)	
Building improvements expenditures:								
Recoverable from tenants	155	460	(305)		249	683	(434)	
Non-recoverable	4,672	4,118	554		7,386	7,393	(7)	
Property maintenance expenditures:								
Recoverable from tenants	1,027	653	374		1,685	1,143	542	
Non-recoverable	180	409	(229)		225	471	(246)	
Total capital expenditures	\$ 8,034	\$ 11,892	\$ (3,858)	(32.4)%	\$ 14,361	\$ 20,304	\$ (5,943)	(29.3)%

Capital Expenditures by Asset Class

	Three months ended				Six months ended			
	2024	June 30, 2023	Change	% Change	2024	June 30, 2023	Change	% Change
Canada:								
Industrial	\$ 276	\$ 75	\$ 201		\$ 634	\$ 68	\$ 566	
Office	704	2,161	(1,457)		1,910	5,031	(3,121)	
Retail	1,661	(8)	1,669		3,453	(4)	3,457	
Residential	1,450	3,833	(2,383)		2,582	7,476	(4,894)	
	4,091	6,061	(1,970)		8,579	12,571	(3,992)	
U.S.:								
Industrial	13	772	(759)		71	1,142	(1,071)	
Office	3,930	5,059	(1,129)		5,711	6,591	(880)	
	3,943	5,831	(1,888)		5,782	7,733	(1,951)	
Total portfolio:								
Industrial	289	847	(558)		705	1,210	(505)	
Office	4,634	7,220	(2,586)		7,621	11,622	(4,001)	
Retail	1,661	(8)	1,669		3,453	(4)	3,457	
Residential	1,450	3,833	(2,383)		2,582	7,476	(4,894)	
Total portfolio	\$ 8,034	\$ 11,892	\$ (3,858)	(32.4)%	\$ 14,361	\$ 20,304	\$ (5,943)	(29.3)%

In Q2-24, new and (re)development expenditures included \$1,450 for 300 Main.

In Q2-23, new and (re)development expenditures included \$3,833 for 300 Main and \$1,648 for 161 Inverness.

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				Six months ended			
	June 30,		Change	% Change	June 30,		Change	% Change
2024	2023	2024			2023			
Investment property leasing costs:								
Tenant inducements	\$ 4,428	\$ 5,682	\$ (1,254)		\$ 9,870	\$ 15,361	\$ (5,491)	
Leasing commissions	2,009	1,877	132		3,562	2,997	565	
Investment property (re)development related leasing costs:								
Tenant inducements	2,293	502	1,791		2,305	502	1,803	
Leasing commissions	—	730	(730)		—	1,237	(1,237)	
Total leasing costs	\$ 8,730	\$ 8,791	\$ (61)	(0.7)%	\$ 15,737	\$ 20,097	\$ (4,360)	(21.7)%

Leasing Costs by Asset Class

	Three months ended				Six months ended			
	June 30,		Change	% Change	June 30,		Change	% Change
2024	2023	2024			2023			
Canada:								
Industrial	\$ 428	\$ 961	\$ (533)		\$ 766	\$ 1,881	\$ (1,115)	
Office	411	163	248		742	506	236	
Retail	316	834	(518)		1,884	1,394	490	
Residential	—	—	—		—	—	—	
	1,155	1,958	(803)		3,392	3,781	(389)	
U.S.:								
Industrial	3,668	2,125	1,543		4,062	3,316	746	
Office	3,907	4,708	(801)		8,283	13,000	(4,717)	
	7,575	6,833	742		12,345	16,316	(3,971)	
Total portfolio:								
Industrial	4,096	3,086	1,010		4,828	5,197	(369)	
Office	4,318	4,871	(553)		9,025	13,506	(4,481)	
Retail	316	834	(518)		1,884	1,394	490	
Residential	—	—	—		—	—	—	
Total leasing costs	\$ 8,730	\$ 8,791	\$ (61)	(0.7)%	\$ 15,737	\$ 20,097	\$ (4,360)	(21.7)%

In Q2-24, leasing costs included \$2,293 in development costs for an industrial tenant in the Greater Houston Area, Texas.

Acquisition

During Q2-24, the REIT acquired the remaining 50% interest in Kincaid Building, an office property located in the Greater Vancouver Area, British Columbia, for total consideration of \$22,500. The REIT now owns 100% of the property.

Dispositions

During Q2-24, Artis sold three office properties, six retail properties and one parcel of land in Canada, and two office properties in U.S. for an aggregate sale price of \$292,362. The sale proceeds, net of costs of \$3,660, related debt of \$56,869 were \$231,833.

Investment properties held for sale

At June 30, 2024, the REIT had 11 retail properties, two office properties, one industrial property and one parking lot located in Canada, and one office property and 16 industrial properties located in the U.S. with an aggregate fair value of \$885,798, classified as held for sale. These properties were actively marketed for sale or under unconditional or conditional sale agreements at June 30, 2024.

Foreign currency translation gain on investment properties

In Q2-24, the foreign currency translation gain on investment properties was \$16,586 due to the change in the period end US dollar to Canadian dollar exchange rate from 1.3550 at March 31, 2024 to 1.3687 at June 30, 2024.

Fair value gain (loss) on investment properties

During Q2-24, the REIT recorded a gain on the fair value of investment properties of \$13,437 (YTD - gain of \$12,437), compared to a loss of \$109,100 (YTD - loss of \$136,808) in Q2-23. The fair value gain in Q2-24 was primarily due to higher expected market rents in Artis's industrial properties located in the Greater Houston Area, Texas, and the Greater Phoenix Area, Arizona. This was partially offset by a fair value loss primarily resulting from an increase in estimated vacancy allowances in certain office markets in the U.S.

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 4.25% to 9.25%.

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, 2024			December 31, 2023		
	Maximum	Minimum	Weighted-average	Maximum	Minimum	Weighted-average
Industrial:						
Canadian industrial portfolio	9.00 %	4.25 %	6.59 %	9.00 %	4.25 %	6.48 %
U.S. industrial portfolio	8.00 %	5.50 %	6.06 %	8.00 %	5.50 %	6.16 %
Total industrial portfolio	9.00 %	4.25 %	6.28 %	9.00 %	4.25 %	6.32 %
Office:						
Canadian office portfolio	8.50 %	5.50 %	7.08 %	8.75 %	5.00 %	6.72 %
U.S. office portfolio	9.25 %	7.25 %	8.27 %	9.00 %	7.25 %	8.21 %
Total office portfolio	9.25 %	5.50 %	7.92 %	9.00 %	5.00 %	7.67 %
Retail:						
Canadian retail portfolio	8.75 %	6.00 %	7.24 %	8.75 %	6.00 %	6.96 %
Total retail portfolio	8.75 %	6.00 %	7.24 %	8.75 %	6.00 %	6.96 %
Residential:						
Canadian residential portfolio	4.50 %	4.50 %	4.50 %	4.50 %	4.50 %	4.50 %
Total residential portfolio	4.50 %	4.50 %	4.50 %	4.50 %	4.50 %	4.50 %
Total:						
Canadian portfolio	9.00 %	4.25 %	6.55 %	9.00 %	4.25 %	6.46 %
U.S. portfolio	9.25 %	5.50 %	7.36 %	9.00 %	5.50 %	7.49 %
Total portfolio	9.25 %	4.25 %	6.95 %	9.00 %	4.25 %	6.89 %

Preferred Investments

At June 30, 2024, the REIT had preferred investments of \$159,353, compared to \$144,084 at December 31, 2023. The change is due to junior preferred units received in-kind for interest income in the amount of \$15,269.

The junior preferred units are redeemable by Iris at any time and are redeemable by the REIT commencing on March 1, 2025. Distributions on the junior preferred units are paid quarterly in cash, or at the election of Iris, in-kind through additional junior preferred units.

Equity Securities

At June 30, 2024, the REIT had investments in equity securities of \$132,033, compared to \$152,002 at December 31, 2023.

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

Balance, December 31, 2023	\$ 152,002
Purchases	3,016
Dispositions	(28,498)
Fair value loss	(4,477)
Balance, March 31, 2024	\$ 122,043
Purchases	12,635
Fair value loss	(2,645)
Balance, June 30, 2024	\$ 132,033

Notes Receivable

On January 5, 2024, the REIT disposed of a retail property and received as partial consideration a note receivable in the amount of \$5,000. The REIT receives monthly interest-only payments at an effective rate of 8.00% per annum. The note receivable is secured by the retail property and matures in January 2027.

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.

On November 9, 2020, the REIT disposed of a parcel of development land and received as partial consideration a note receivable in the amount of US\$2,450. The note bears interest at a rate of 4.00% per annum and interest and principal are due on maturity in November 2024. The note receivable is secured by a portion of the development land.

The balance outstanding on all notes receivable at June 30, 2024 was \$43,051, compared to \$47,170 at December 31, 2023.

Accounts Receivable

At June 30, 2024, Artis had accounts receivable outstanding as follows:

	June 30, 2024	December 31, 2023
Rents receivable	\$ 6,569	\$ 5,017
Deferred rents receivable	169	194
Allowance for doubtful accounts	(2,205)	(2,102)
Accrued recovery income	2,019	3,141
Other receivables and accrued income	13,659	9,710
	\$ 20,211	\$ 15,960

Cash

At June 30, 2024, the REIT had \$25,013 of cash on hand, compared to \$28,940 at December 31, 2023. 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, 2024 was 1.7 years, compared to 2.1 years at December 31, 2023.

At June 30, 2024, Artis had mortgages and loans payable outstanding, as follows:

	Canada		U.S.		Total Portfolio	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Fixed rate mortgages	\$ 165,737	\$ 220,218	\$ 47,155	\$ 46,548	\$ 212,892	\$ 266,766
Variable rate mortgages (swapped)	203,220	203,414	44,522	43,483	247,742	246,897
Variable rate mortgages	7,206	14,160	390,939	388,498	398,145	402,658
Financing costs	(2,321)	(3,230)	(1,088)	(1,343)	(3,409)	(4,573)
	\$ 373,842	\$ 434,562	\$ 481,528	\$ 477,186	\$ 855,370	\$ 911,748

At June 30, 2024, variable rate mortgage debt (excluding swapped mortgages) as a percentage of total debt, including credit facilities and debentures was 22.7%, compared to 21.1% at December 31, 2023. 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, 2024	December 31, 2023
Canadian portfolio:		
Industrial	\$ 80,965	\$ 61,740
Office	36,740	53,599
Retail/residential	258,458	322,453
	376,163	437,792
U.S. portfolio:		
Industrial	161,367	156,513
Office	321,249	322,016
	482,616	478,529
Total portfolio:		
Industrial	242,332	218,253
Office	357,989	375,615
Retail/residential	258,458	322,453
Total portfolio	\$ 858,779	\$ 916,321

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

Balance, December 31, 2023	\$ 916,321
Add (deduct):	
Draws on construction loan	205
New fixed rate mortgage	24,300
Repayment of variable rate mortgages	(17,960)
Repayment of fixed rate mortgage upon disposition of investment property	(19,245)
Principal repayments	(4,045)
Foreign currency translation loss	11,679
Balance, March 31, 2024	\$ 911,255
Add (deduct):	
Draws on construction loan	144
Assumed variable rate mortgage on acquisition of investment property	3,603
Repayment of fixed rate mortgages upon disposition of investment properties	(56,870)
Principal repayments	(4,209)
Foreign currency translation loss	4,856
Balance, June 30, 2024	\$ 858,779

Senior Unsecured Debentures

Artis has one series of senior unsecured debentures outstanding, as follows:

	Issued	Maturity	Interest rate	June 30, 2024		December 31, 2023	
				Carrying value	Face value	Carrying value	Face value
Series E	April 29, 2022	April 29, 2025	5.600 %	199,765	200,000	199,630	200,000
				\$ 199,765	\$ 200,000	\$ 199,630	\$ 200,000

Credit Facilities

Revolving Credit Facilities

The revolving credit facilities are comprised of two tranches and the REIT can draw on the revolving credit facilities in Canadian or US dollars.

The first tranche of the revolving credit facilities in the amount of \$400,000 matures on December 14, 2024. The second tranche of the revolving credit facilities in the amount of \$280,000 matures on April 29, 2025. The interest rate on Canadian dollar term advances is adjusted CORRA + 1.70% pr or prime + 0.70%, and the interest rate on US dollar term advances is adjusted SOFR plus 1.70% or US base rate + 0.70%.

At June 30, 2024, there was \$447,528 drawn on the revolving credit facilities (December 31, 2023, \$544,681).

Non-Revolving Credit Facilities

The REIT has unsecured non-revolving credit facilities, as outlined in the table below.

	Interest Rate	June 30, 2024	December 31, 2023
Non-revolving facility maturing October 18, 2024	Variable ⁽¹⁾	150,000	150,000
Non-revolving facility maturing February 6, 2026	Variable ⁽¹⁾	100,000	100,000
		\$ 250,000	\$ 250,000

(1) The applicable interest rate is adjusted CORRA plus 1.70% or prime rate plus 0.70%.

At June 30, 2024, there was \$250,000 drawn on the non-revolving credit facilities (December 31, 2023, \$250,000).

On February 6, 2024, the REIT entered into an amending agreement to extend the maturity date of the \$100,000 non-revolving credit facility to February 6, 2026 (with \$50,000 to be repaid on or before February 6, 2025), at an interest rate of adjusted CORRA plus 1.70% or prime plus 0.70%. On June 28, 2024, the REIT entered into an amended agreement to extend the maturity date of the \$150,000 non-revolving credit facility to October 18, 2024 at an interest rate of adjusted CORRA plus 1.70% or prime plus 0.70%.

Accounts Payable & Other Liabilities

Included in accounts payable and other liabilities was accrued distributions payable to unitholders of \$6,528, which were paid subsequent to the end of the period.

UNITHOLDERS' EQUITY

Unitholders' equity decreased overall by \$40,529 between December 31, 2023 and June 30, 2024. The overall decrease was primarily due to distributions made to unitholders of \$44,653, \$50,771 of common units and \$11,751 of preferred units purchased through the NCIB, net loss of \$6,356 and unit buyback tax of \$435, partially offset by other comprehensive income of \$40,596, contributed surplus of \$32,805, and the issuance of common units of \$36.

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, 2024	December 31, 2023	Change
Unitholders' equity	\$ 1,675,803	\$ 1,716,332	\$ (40,529)
Less face value of preferred equity	(185,809)	(197,951)	12,142
NAV attributable to common unitholders	\$ 1,489,994	\$ 1,518,381	\$ (28,387)
Total number of diluted units outstanding:			
Common units	104,611,565	107,950,866	(3,339,301)
Restricted units	618,419	477,077	141,342
Deferred units	401,251	323,224	78,027
	105,631,235	108,751,167	(3,119,932)
NAV per unit	\$ 14.11	\$ 13.96	\$ 0.15

Unitholders' equity decreased primarily due distributions made to unitholders, units purchased under the NCIB and net loss, partially offset by the foreign exchange gain recorded in other comprehensive income. The total number of dilutive units outstanding has decreased primarily due to units purchased under the NCIB.

Secured Mortgages and Loans to GBV

Secured mortgages and loans 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 secured mortgages and loans to GBV by dividing secured mortgages and loans by GBV.

Management considers secured mortgages and loans to GBV to be a valuable measure of the REIT's leverage.

	June 30, 2024	December 31, 2023
Total assets	\$ 3,508,147	\$ 3,735,030
Add: accumulated depreciation	12,415	11,786
Gross book value	3,520,562	3,746,816
Secured mortgages and loans	\$ 855,370	\$ 911,748
Secured mortgages and loans to GBV	24.3 %	24.3 %

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, 2024	December 31, 2023
Total assets	\$ 3,508,147	\$ 3,735,030
Add: accumulated depreciation	12,415	11,786
Gross book value	3,520,562	3,746,816
Secured mortgages and loans	855,370	911,748
Preferred shares liability	959	928
Carrying value of debentures	199,765	199,630
Credit facilities	697,177	794,164
Total debt	\$ 1,753,271	\$ 1,906,470
Total debt to GBV	49.8 %	50.9 %

Unencumbered Assets to Unsecured Debt

Unencumbered assets to unsecured debt is a supplementary financial measure. Unencumbered assets represent the fair value of investment properties that have not been pledged as security under mortgage agreements. Artis calculates unencumbered assets to unsecured debt by dividing the total unencumbered assets, inclusive of investment properties held under joint venture arrangements, by total unsecured debt, which consists of senior unsecured debentures and unsecured credit facilities.

Management considers this ratio to be useful as the REIT is required to maintain a minimum a ratio of 1.4 under the terms of its revolving credit facilities. The availability to draw on the revolving credit facilities is limited by the total unencumbered assets.

	June 30, 2024	December 31, 2023
Unencumbered assets	\$ 1,517,489	\$ 1,567,001
Unencumbered investment properties held under joint venture arrangements	49,507	47,243
Total unencumbered assets	1,566,996	1,614,244
Senior unsecured debentures	199,765	199,630
Unsecured credit facilities	697,177	794,164
Total unsecured debt	\$ 896,942	\$ 993,794
Unencumbered assets to unsecured debt	1.75	1.62

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, transaction costs, 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.

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		Six months ended	
	2024	June 30, 2023	2024	June 30, 2023
Net income (loss)	\$ 765	\$ (84,954)	\$ (6,356)	\$ (107,715)
Add (deduct):				
Tenant inducements amortized to revenue	6,620	6,146	13,009	12,392
Straight-line rent adjustments	(452)	(784)	(795)	(1,331)
Depreciation of property and equipment	290	287	592	601
Net loss (income) from equity accounted investments	31,433	(7,604)	53,939	5,853
Distributions from equity accounted investments	828	982	1,645	1,956
Interest expense	31,145	30,233	63,265	59,965
Strategic review expenses	545	—	895	—
Fair value (gain) loss on investment properties	(13,437)	109,100	(12,437)	136,808
Fair value loss on financial instruments	3,672	14,269	4,694	31,204
Foreign currency translation loss (gain)	1,987	(3,681)	6,425	(5,537)
Income tax recovery	(1,245)	(3,557)	(2,677)	(7,444)
Adjusted EBITDA	62,151	60,437	122,199	126,752
Interest expense	31,145	30,233	63,265	59,965
Add (deduct):				
Amortization of financing costs	(825)	(876)	(1,638)	(1,739)
Amortization of above- and below-market mortgages, net	—	231	—	464
Adjusted interest expense	\$ 30,320	\$ 29,588	\$ 61,627	\$ 58,690
Adjusted EBITDA interest coverage ratio	2.05	2.04	1.98	2.16

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, 2024	December 31, 2023
Secured mortgages and loans	\$ 855,370	\$ 911,748
Preferred shares liability	959	928
Carrying value of debentures	199,765	199,630
Credit facilities	697,177	794,164
Total debt	1,753,271	1,906,470
Quarterly Adjusted EBITDA	62,151	61,952
Annualized Adjusted EBITDA	248,604	247,808
Total debt to Adjusted EBITDA	7.1	7.7

EQUITY ACCOUNTED INVESTMENTS

INVESTMENT PROPERTIES

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

Property	Investment Type	Property Count	Location	Asset Class	Owned Share of GLA	Ownership Interest	
						June 30, 2024	December 31, 2023
Park 8Ninety V	Joint venture	—	Greater Houston Area, TX	Industrial	—	— %	95 %
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 %
Park Lucero East	Associate	1	Greater Phoenix Area, AZ	Industrial	56,100	10 %	10 %

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

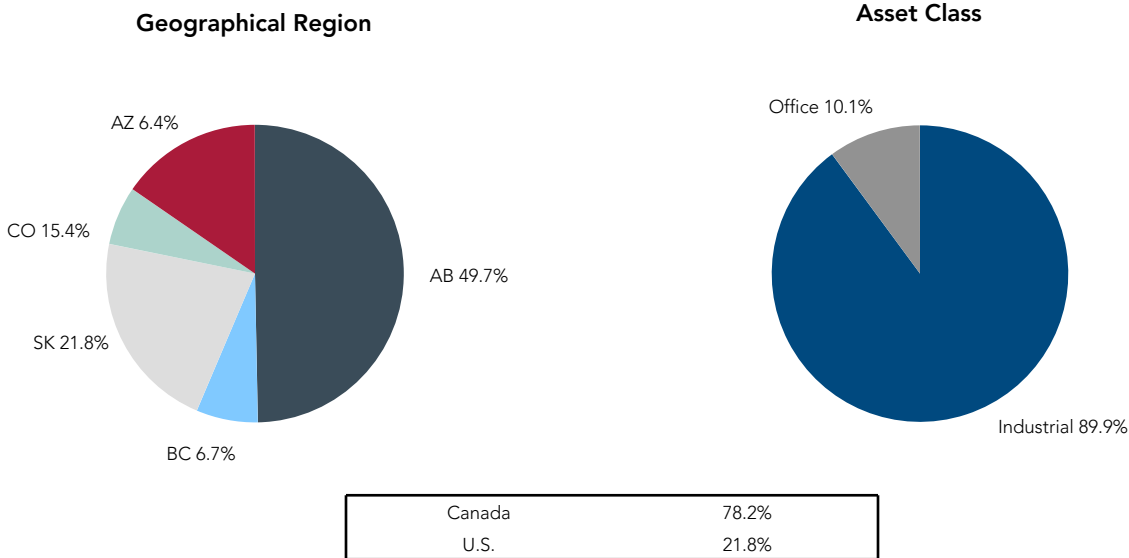
During Q1-24, Artis acquired the remaining 5% of Park 8Ninety V and now owns 100% of the property.

Financial and Operating Results

Net Operating Income

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenue	\$ 3,282	\$ 4,683	\$ 7,801	\$ 8,305
Total operating expenses	1,571	1,830	3,315	3,526
Net operating income	\$ 1,711	\$ 2,853	\$ 4,486	\$ 4,779

Below is a breakdown of Q2-24 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 (Loss) Gain on Investment Properties

In Q2-24, the fair value loss on investment properties was \$210 (YTD - loss of \$10,068) , compared to a gain of \$19,751 (YTD - gain of \$20,425) in Q2-23.

Other Expenses and Income, Net

In Q2-24, the net amount of other expenses and income, was \$330 (YTD - \$1,159), compared to \$1,090 (YTD - \$2,085) in Q2-23.

Financial Position

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

Balance, December 31, 2023	\$	240,109
Additions:		
Capital expenditures		8,973
Leasing commissions		62
Straight-line rent adjustments		274
Tenant inducement additions, net of amortization		645
Reclassification from equity accounted investments ⁽¹⁾		(100,867)
Foreign currency translation gain		3,436
Fair value loss		(9,858)
Balance, March 31, 2024	\$	142,774
Additions:		
Capital expenditures		190
Leasing commissions		50
Straight-line rent adjustments		94
Tenant inducement additions, net of amortization		228
Foreign currency translation gain		608
Fair value loss		(210)
Balance, June 30, 2024	\$	143,734

(1) On February 22, 2024, the REIT increased its ownership interest in Park 8Ninety V to 100%. As a result, Park 8Ninety V is no longer included in equity accounted investments.

At June 30, 2024, mortgages and loans payable at the REIT's ownership interest in investment properties held in equity accounted investments were as follows:

	June 30, 2024	December 31, 2023
Fixed rate mortgage	\$ 27,474	\$ 28,097
Variable rate mortgage	5,046	42,942
Financing costs	(17)	(87)
	\$ 32,503	\$ 70,952

The weighted-average term to maturity on mortgages and loans payable at the REIT's ownership interest in equity accounted investments was 1.0 years at June 30, 2024, compared to 0.8 years at December 31, 2023.

OTHER INVESTMENTS

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

Investment	Investment Type	Purpose	Ownership Interest	
			June 30, 2024	December 31, 2023
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	32.64 %	32.64 %

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.

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, 2023	\$ 89,329
Net loss from Iris Acquisition II LP	(14,844)
Other comprehensive income from Iris Acquisition II LP	1,272
Net income from ICE II LP	250
Distributions from ICE II LP	(987)
Balance, March 31, 2024	\$ 75,020
Net loss from Iris Acquisition II LP	(32,740)
Other comprehensive loss from Iris Acquisition II LP	(384)
Net income from ICE II LP	136
Balance, June 30, 2024	\$ 42,032

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, 2024	Six months ended June 30, 2024	Year ended December 31, 2023	Year ended December 31, 2022
Cash flow from operations	\$ 8,359	\$ 29,096	\$ 79,962	\$ 140,744
Net income (loss)	765	(6,356)	(332,068)	(5,294)
Monthly and quarterly distributions paid and payable	19,098	38,484	79,458	86,228
Special Distribution payable in cash	—	—	—	9,234
	19,098	38,484	79,458	95,462
(Shortfall) excess of cash flow from operations over distributions paid and payable	(10,739)	(9,388)	504	45,282
(Shortfall) of net income over distributions paid and payable	(18,333)	(44,840)	(411,526)	(100,756)

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

The shortfall of cash flow from operations over distributions declared for the three months ended June 30, 2024 and the six months ended June 30, 2024 was primarily due to timing of non-cash operating items.

The shortfall of net income over distributions declared for the three months ended June 30, 2024, the six months ended June 30, 2024, year ended December 31, 2023 and year ended December 31, 2022 was primarily due to the non-cash impact of the fair value changes on investment properties (including properties held under equity accounted investments) and financial instruments.

CAPITAL RESOURCES

At June 30, 2024, Artis had \$25,013 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 two unsecured revolving term credit facilities in the aggregate amount of \$680,000, 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, 2024, the REIT had \$232,472 available on its revolving term credit facilities. Under the terms of the revolving credit facilities, the REIT must maintain a minimum unencumbered property assets to consolidated unsecured indebtedness ratio of 1.4. As at June 30, 2024, the total borrowing capacity of the revolving credit facilities was limited to \$648,336 by this covenant (December 31, 2023, not limited).

At June 30, 2024, the REIT had 76 unencumbered properties and two unencumbered parcels of development land, representing a fair value of \$1,517,489.

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, 2024.

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 unsecured 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	\$ 55,228	\$ 55,228	\$ —	\$ —	\$ —
Lease liabilities	883	271	291	321	—
Credit facilities	697,528	647,528	50,000	—	—
Senior unsecured debentures	200,000	200,000	—	—	—
Mortgages and loans payable	858,779	327,816	391,950	132,125	6,888
Total contractual obligations	\$ 1,812,418	\$ 1,230,843	\$ 442,241	\$ 132,446	\$ 6,888

As at June 30, 2024, the REIT had extension options for mortgages maturing in the next 12 months in the amount of \$75,737.

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
2024	\$ 184,831	22.4 %	\$ 7,343	\$ 192,174	5.87 %
2025	311,107	37.6 %	8,976	320,083	7.63 %
2026	199,712	24.2 %	5,196	204,908	5.80 %
2027	—	— %	5,259	5,259	— %
2028	103,577	12.5 %	3,846	107,423	5.83 %
2029 & later	27,621	3.3 %	1,311	28,932	5.15 %
Total	\$ 826,848	100.0 %	\$ 31,931	\$ 858,779	6.49 %

RISKS AND UNCERTAINTIES

A summary of all risks applicable to the REIT are set forth in Artis's 2023 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 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, 2024, investment properties under development account for 0.1% of Artis's total investment properties (December 31, 2023, 0.0%).

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, mortgages and debentures 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, 2024, 24.8% of the REIT's mortgages and loans payable bear interest at fixed rates, and a further 28.8% of the REIT's mortgages and loans payable bear interest at variable rates with interest rate swaps in place. At June 30, 2024, the REIT is a party to \$1,343,415 of variable rate debt, including credit facilities (December 31, 2023, \$1,444,236). At June 30, 2024, the REIT had entered into interest rate swaps to hedge the interest rate risk associated with \$247,742 of variable rate debt (December 31, 2023, \$246,897). 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, 2024, the REIT's ratio of secured mortgages and loans to GBV was 24.3%, unchanged from 24.3% at December 31, 2023. At June 30, 2024, the REIT's ratio of total debt to GBV was 49.8%, compared to 50.9% at December 31, 2023. Approximately 22.4% of Artis's maturing mortgage debt comes up for renewal during the remainder of 2024, and 37.6% in 2025. Management is in discussion with various lenders with respect to the renewal or refinancing of the remainder of the 2024 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 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 807 tenant leases with a weighted-average term to maturity of 5.4 years. Approximately 48.4% of the REIT's gross revenue is derived from national or government tenants. As indicated below, the largest tenant by gross revenue is Bell Canada which is Canada's leading telecommunications company. The second largest tenant by gross revenue is Prime Therapeutics, LLC, which is a diversified pharmacy solutions organization serving health plans, employers and government programs.

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
Bell Canada	Canada	3.2 %	115	0.9 %	5.4
Prime Therapeutics LLC	U.S.	2.6 %	386	2.9 %	10.3
Bell MTS	Canada	2.2 %	205	1.5 %	2.5
Catalent Pharma Solutions, LLC	U.S.	2.0 %	244	1.8 %	12.1
A WIN Management, Inc.	U.S.	1.8 %	153	1.1 %	8.4
CB Richard Ellis, Inc.	U.S.	1.7 %	108	0.8 %	2.5
PBP, Inc.	U.S.	1.6 %	519	3.9 %	7.4
TDS Telecommunications Corporation	U.S.	1.5 %	127	0.9 %	5.5
Kodak Canada ULC	Canada	1.4 %	130	1.0 %	5.2
UCare Minnesota	U.S.	1.3 %	124	0.9 %	9.1
Silent Aire USA Inc.	U.S.	1.2 %	289	2.2 %	3.5
Civeo Canada Ltd.	Canada	1.1 %	72	0.5 %	4.0
Soo Line Railroad Company	U.S.	1.1 %	92	0.7 %	3.2
Maple Leaf Consumer Foods Inc.	Canada	1.0 %	163	1.2 %	5.0
MLT Aikins LLP	Canada	1.0 %	60	0.4 %	0.3
11:11 Systems Inc.	U.S.	1.0 %	99	0.7 %	1.5
U of Wisconsin Medical Foundation	U.S.	0.9 %	101	0.8 %	3.2
U of WI Hospitals & Clinic Authority	U.S.	0.9 %	86	0.6 %	1.8
Pine River Capital Management, LP	U.S.	0.8 %	42	0.3 %	5.4
Pitblado	Canada	0.7 %	40	0.3 %	6.5
Total		29.0 %	3,155	23.4 %	6.2

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	4.5 %	542	4.0 %	10.8
Provincial or State Government	1.0 %	135	1.0 %	8.1
Civic or Municipal Government	0.6 %	66	0.5 %	12.5
Total	6.1 %	743	5.5 %	10.5

Weighted-average term to maturity (entire portfolio) 5.4

(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:

Expiry Year	Canada				U.S.					Total
	AB	BC	MB	SK	AZ	CO	MN	TX	WI	
2024	0.9 %	0.1 %	1.9 %	— %	0.9 %	0.1 %	0.2 %	0.3 %	1.2 %	5.6 %
2025	1.4 %	— %	2.9 %	0.1 %	2.6 %	0.3 %	0.6 %	0.7 %	0.9 %	9.5 %
2026	1.6 %	— %	5.3 %	0.2 %	1.5 %	0.1 %	1.2 %	— %	1.7 %	11.6 %
2027	0.9 %	— %	2.0 %	1.2 %	2.7 %	— %	1.1 %	3.6 %	1.1 %	12.6 %
2028 & later	4.6 %	1.6 %	7.9 %	1.9 %	4.8 %	0.2 %	10.7 %	12.8 %	5.4 %	49.9 %
Vacant	1.2 %	0.1 %	3.0 %	— %	0.6 %	0.6 %	2.3 %	— %	2.7 %	10.5 %
Month-to-month	0.1 %	— %	— %	0.2 %	— %	— %	— %	— %	— %	0.3 %
Total portfolio	10.7 %	1.8 %	23.0 %	3.6 %	13.1 %	1.3 %	16.1 %	17.4 %	13.0 %	100.0 %

Artis's real estate is diversified across four Canadian provinces and five 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 Q2-24 net operating income) are Twin Cities Area office, Madison office, Greater Houston Area industrial, Greater Phoenix Area office and Winnipeg office.

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, 2024 and the year ended December 31, 2023. 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.

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 Q2-24, 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 real estate 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		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Space sharing licence costs	\$ 33	\$ 32	\$ 65	\$ 63
Service fees	163	273	333	688
	\$ 196	\$ 305	\$ 398	\$ 751

Amounts payable to Sandpiper were \$163 as at June 30, 2024 (December 31, 2023, \$171).

In connection with the investment in Iris on March 1, 2022, the REIT entered into two joint ventures, ICE LP and ICE II LP, with Sandpiper and an affiliate of Sandpiper. As at June 30, 2024, the REIT had a balance payable to ICE II LP of \$178 (December 31, 2023, \$987).

SUBSEQUENT EVENTS

Subsequent to June 30, 2024, the following transactions took place:

- The REIT disposed a portfolio comprised of five industrial properties located in the Greater Houston Area, Texas, for a sale price of US\$234,200. A portion of the proceeds was used to repay the outstanding mortgage financing in the amount of US\$59,001.
- The REIT entered into unconditional agreements to sell one industrial property, two office properties and a parking lot located in Canada and a portfolio comprised of nine industrial properties located in the U.S. for an aggregate sale price of approximately \$289,658, with expected closings in the third quarter of 2024 and the first quarter of 2025.
- The REIT repaid a net balance of \$127,000 and US\$74,000 on its revolving term credit facilities.
- The REIT sold equity securities for proceeds of \$7,835.
- The REIT purchased through the NCIB 112,600 common unit at a weighted-average price of \$6.44, 14,600 Series E preferred units at a weighted-average price of \$18.09 and 9,284 Series I preferred units at a weighted-average price of \$19.07.
- The REIT declared a monthly cash distribution of \$0.05 per common unit for the month of July 2024.
- The REIT declared a quarterly cash distribution of \$0.4370625 per Series I preferred unit for the three months ended July 31, 2024.

OUTSTANDING UNIT DATA

As of August 8, 2024, the balance of common units outstanding is as follows:

	Total
Units outstanding at June 30, 2024	104,611,565
Units issued on redemption of restricted units	3,586
Units purchased and cancelled through NCIB	(111,000)
Units purchased through NCIB, not cancelled at August 8, 2024	(1,600)
Units outstanding at August 8, 2024	104,502,551

As of August 8, 2024, the balance of preferred units outstanding is as follows:

	Series E	Series I	Total
Units outstanding at June 30, 2024	2,987,509	4,444,824	7,432,333
Units purchased and cancelled through NCIB	(9,300)	(8,884)	(18,184)
Units purchased through NCIB, not cancelled at August 8, 2024	(5,300)	(400)	(5,700)
Units outstanding at August 8, 2024	2,972,909	4,435,540	7,408,449

The balance of restricted units outstanding as of August 8, 2024 is 613,262, of which none have vested.

The balance of deferred units outstanding as of August 8, 2024 is 433,509. All of these deferred units have vested, 148,901 of which are redeemable.

SUMMARIZED QUARTERLY INFORMATION

\$000's, except per unit amounts	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22
Revenue	\$ 84,729	\$ 80,420	\$ 80,892	\$ 80,412	\$ 84,278	\$ 90,255	\$ 94,102	\$ 94,114
Net operating income	47,888	43,557	45,352	43,737	46,867	48,061	52,377	53,716
Net income (loss)	765	(7,121)	(86,837)	(137,516)	(84,954)	(22,761)	(128,301)	(94,450)
Total comprehensive income (loss)	12,298	21,942	(116,270)	(109,017)	(115,441)	(23,671)	(147,659)	8,867
Basic loss per common unit	(0.02)	(0.10)	(0.84)	(1.29)	(0.78)	(0.22)	(1.13)	(0.85)
Diluted loss per common unit	(0.03)	(0.10)	(0.84)	(1.29)	(0.78)	(0.23)	(1.14)	(0.86)
FFO ⁽¹⁾	\$ 28,698	\$ 26,233	\$ 27,275	\$ 29,501	\$ 29,946	\$ 33,817	\$ 34,690	\$ 41,552
FFO per unit - diluted ⁽¹⁾	0.27	0.24	0.25	0.27	0.26	0.29	0.30	0.36
FFO payout ratio ⁽¹⁾⁽²⁾	55.6 %	62.5 %	60.0 %	55.6 %	57.7 %	51.7 %	50.0 %	41.7 %
AFFO ⁽¹⁾	\$ 17,063	\$ 14,344	\$ 15,418	\$ 16,640	\$ 17,079	\$ 20,861	\$ 21,307	\$ 28,505
AFFO per unit - diluted ⁽¹⁾	0.16	0.13	0.14	0.15	0.15	0.18	0.18	0.24
AFFO payout ratio ⁽¹⁾⁽²⁾	93.8 %	115.4 %	107.1 %	100.0 %	100.0 %	83.3 %	83.3 %	62.5 %
Same Property NOI (decline) growth ⁽¹⁾	(0.4)%	4.0 %	9.2 %	6.0 %	6.9 %	8.4 %	5.2 %	4.3 %
Adjusted EBITDA interest coverage ratio ⁽¹⁾	2.05	1.92	1.93	2.10	2.04	2.28	2.35	2.83
Leasable area renewed (in square feet)	100,365	288,517	261,889	177,787	269,026	315,574	325,361	486,937
Increase in weighted-average rental rate	3.1 %	2.2 %	5.8 %	3.5 %	4.6 %	4.8 %	6.9 %	3.0 %
	2024	2024	2023	2023	2023	2023	2022	2022
	Jun 30	Mar 31	Dec 31	Sept 30	Jun 30	Mar 31	Dec 31	Sept 30
Number of properties	106	117	119	121	122	135	134	152
GLA (000's of square feet)	13,551	14,237	13,727	14,014	14,042	15,600	15,462	18,065
Occupancy ⁽³⁾	89.5 %	89.5 %	90.1 %	89.9 %	90.3 %	90.5 %	90.1 %	90.5 %
NAV per unit ⁽¹⁾	\$ 14.11	\$ 14.06	\$ 13.96	\$ 15.26	\$ 16.28	\$ 17.09	\$ 17.38	\$ 19.26
Total debt to Adjusted EBITDA ⁽¹⁾	7.1	8.0	7.7	8.0	7.8	8.3	8.3	9.2
Secured mortgages and loans to GBV ⁽¹⁾	24.3 %	24.1 %	24.3 %	23.2 %	23.1 %	19.6 %	18.9 %	20.5 %
Total debt to GBV ⁽¹⁾	49.8 %	51.3 %	50.9 %	49.4 %	47.2 %	49.1 %	48.5 %	47.9 %
Fair value unencumbered assets ⁽¹⁾	\$1,517,489	\$1,671,541	\$1,567,001	\$1,650,006	\$1,659,698	\$2,023,557	\$2,034,409	\$2,103,103
Total assets	\$3,508,147	\$3,750,432	\$3,735,030	\$3,871,689	\$3,983,481	\$4,467,506	\$4,553,913	\$5,180,503
Total non-current financial liabilities	602,124	1,131,474	1,047,231	1,548,240	1,172,550	1,293,551	974,063	556,374

(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) FFO payout ratio and AFFO payout ratio are calculated excluding the Special Distribution declared in December 2022.

(3) 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, transaction costs, 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, 2023.

CHANGES IN ACCOUNTING STANDARDS

New or Revised Accounting Standard Adopted During the Period

In January 2020, the Board issued amendments to IAS 1 *Presentation of Financial Statements* to specify the requirements for classifying liabilities as current or non-current. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. In October 2022, the IASB issued further amendments to IAS 1 that clarify only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current and specify additional disclosures requirements. The amendments had no impact on the interim condensed consolidated financial statements.

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. 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. As a growing enterprise, 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, 2024, 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. No changes were made in the REIT's design of internal controls over financial reporting during the six months ended June 30, 2024, 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, 2024, 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, 2024.