American Hotel Income Properties REIT LP Announces Q3 2023 Results and Initiatives to Strengthen Financial Position and Preserve Unitholder Value

All amounts presented in this news release are in United States dollars ("**U.S. dollars**") unless otherwise indicated.

Vancouver, British Columbia, November 7, 2023 - American Hotel Income Properties REIT LP ("**AHIP**", or the "**Company**") (TSX: HOT.UN, TSX: HOT.U, TSX: HOT.DB. V), today announced its financial results for the three and nine months ended September 30, 2023.

AHIP announced today a number of initiatives focused on strengthening the Company's financial position and preserving unitholder value against the backdrop of a challenging operating and macroeconomic environment. AHIP's operating challenges are primarily attributable to higher operating expenses and a decline in year-over-year occupancy. The macroeconomic conditions remain difficult, with elevated inflation, higher interest rates and increasing risks of business and consumer demand. The Company is addressing these issues, and the strategic initiatives summarized below are intended to improve liquidity, address near-term debt maturities, and provide the Company with financial stability.

"Conditions across the industry are challenging, with cost and operating margin pressures increasing over recent quarters. More recently, overall demand has also decreased, which is expected to continue in the medium term." said Jonathan Korol, CEO. "Against this challenging backdrop, the Board and management team are taking a number of decisive actions across the business to preserve cash, enhance financial stability and protect long-term value for our unitholders. These actions include an amendment and extension of our revolving credit facility and certain term loans, a reduction and deferral of hotel management fees, and temporary suspension of the distribution. We also have an executable plan to address near-term debt obligations."

Mr. Korol added: "AHIP's business is a diversified portfolio of premium branded select-service hotels with a focused operating model that we believe will generate long-term value for unitholders. The steps we are taking now will strengthen our liquidity and balance sheet to ensure we are positioned to benefit when the operating and macroeconomic environment improves for the industry. We will continue to carefully monitor industry conditions and operating performance, while considering further strategic opportunities to deliver value over the long term."

2023 THIRD QUARTER HIGHLIGHTS

- Diluted FFO per unit(1) and normalized diluted FFO per unit(1) were $0.17 and $0.11, respectively, for the third quarter of 2023, compared to diluted FFO per unit of $0.13 for the same period of 2022.
- Occupancy(1) was 71.5% for the third quarter of 2023, a decrease of 60 basis points (**"bps"**) compared to 72.1% for the same period of 2022.
- ADR(1) increased 4.7% to $133 for the third quarter of 2023, compared to $127 for the same period of 2022.
- RevPAR(1) increased 3.3% to $95 for the third quarter of 2023, compared to $92 for the same period of 2022.
- Revenue decreased 3.3% to $73.7 million for the third quarter of 2023, compared to $76.2 million for the same period in 2022.
- NOI(1) and normalized NOI(1) were $22.6 million and $23.1 million, respectively, for the third quarter of 2023, decreases of 8.5% and 6.5%, respectively, compared to NOI of $24.7 million for the same period in 2022.
- Amendment and extension of AHIP's revolving credit facility and certain term loans.
- Amendment of the master hotel management agreement with reduced and deferred fees.
- Temporary suspension of monthly cash distribution effective November 2023 to enhance liquidity; the previously announced October 2023 distribution of $0.015 per unit will be paid on November 15, 2023.

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release.

2023 THIRD QUARTER REVIEW

GROWTH IN ADR AND REVPAR, DECLINE IN OCCUPANCY

For the three months ended September 30, 2023, ADR increased 4.7% to $133. The increase in ADR was partially offset by the decrease of 60 bps in occupancy, which is primarily attributable to lower demand at the extended stay and select service properties. Overall, improved ADR resulted in an increase of 3.3% in RevPAR, compared to the same period in 2022.

This result is attributable to improvements in the corporate and group traveler segments, sustained demand from leisure travelers, as well as the disposition of properties with lower than portfolio average RevPAR. The ability to control and manage daily rates is a key advantage of the lodging sector, which has enabled AHIP to achieve strong growth in ADR, partially mitigating the effects of rising labor costs and general inflationary pressures impacting the portfolio.

NOI(1), NOI MARGIN(1) AND FFO PER UNIT(1)

NOI and normalized NOI were $22.6 million and $23.1 million, respectively, for the three months ended September 30, 2023, decreases of 8.5% and 6.5%, respectively, compared to NOI of $24.7 million for the same period in 2022. For the three months ended September 30, 2023, normalized NOI included $0.5 million business interruption insurance proceeds as a result of the weather-related damage at several hotel properties in late December 2022. NOI margin was 30.6% in the current quarter, a decrease of 180 bps compared to the same period in 2022. The decreases in NOI and NOI margin were due to the decline in revenue as a result of fewer properties in the portfolio, lower occupancy, and higher operating expenses as a result of cost inflation, labor shortages, and higher property insurance premiums. General inflation resulted in higher costs of operating supplies and higher utilities expenses. Shortages in the overall U.S. labor market resulted in increased room labor expenses due to overtime, higher wages for employees and dependency on contract labor. The increase in the annual premium for property insurance effective June 1, 2023 is approximately $3.5 million.

Diluted FFO per unit and normalized diluted FFO per unit were $0.17 and $0.11 for the third quarter of 2023, respectively, compared to diluted FFO per unit of $0.13 for the same period in 2022. Normalized diluted FFO per unit in the current quarter excluded non-recurring expected insurance proceeds of $5.4 million as a result of weather-related property damage at several hotel properties in late December 2022. The decrease in normalized diluted FFO per unit was primarily due to lower NOI in the current quarter.

INSURANCE AND WEATHER-RELATED ISSUES

During the final week of December 2022, extreme cold weather caused damage at several hotel properties. For property damage, AHIP expects most of the total cost of remediation and rebuilding to be reimbursed from insurance policies. For business interruption, AHIP expects to recover most of the lost income on these properties from insurance policies for the period from late December 2022 until the damaged hotel properties became fully operational in September 2023.

Of the hotel properties damaged, two had a significant number of rooms out of order. At the Residence Inn Neptune in New Jersey, all 105 rooms were out of order from December 25, 2022. Of the 105 rooms, 72 rooms returned to service in May 2023; 19 rooms returned to service in June 2023; and the hotel fully returned to service in September 2023.

At the Courtyard Wall in New Jersey, all 113 rooms were out of order from December 25, 2022. Of the 113 rooms, 54 rooms returned to service in mid-January 2023; 31 rooms returned to service in June 2023, and the hotel fully returned to service in September 2023.

As a result of the weather-related damage, the total write-down of the costs of these hotel properties is $13.8 million as of September 30, 2023. This is comprised of remediation costs of $3.0 million and rebuilding costs of $10.8 million. AHIP recorded a $4.8 million non-cash write-down in the third quarter of 2023, in addition to the $9.0 million non-cash write-down recorded in the fourth quarter of 2022 and the first half of 2023. As of September 30, 2023, AHIP had incurred $13.8 million in costs to remediate and rebuild the damaged hotel properties.

For the nine months ended September 30, 2023, AHIP has recorded total expected insurance proceeds of $16.3 million, which is comprised of $12.9 million for the property damage claim, and $3.4 million for the business interruption claim. AHIP has received $4.3 million of total expected insurance proceeds to date and expects to receive additional insurance proceeds in the fourth quarter of 2023.

(1) Non-IFRS and other financial measures. See “NON-IFRS AND OTHER FINANCIAL MEASURES” section of this news release.

As a result of the claims noted above, higher replacement costs and generally higher market premiums, AHIP completed its property insurance renewal effective June 1, 2023 with a significant increase in premiums compared to the previous policy. On an annual basis, the increase from prior year is approximately $3.5 million, which will increase expenses and reduce earnings.

LEVERAGE AND LIQUIDITY

Leverage Ratio

KPIs	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Debt to gross book value	**51.1%**	51.6%	52.0%	52.6%	52.6%
Debt to EBITDA (trailing twelve months)	**10.1x**	9.8x	9.6x	9.8x	10.2x

Debt to gross book value as at September 30, 2023 decreased by 150 bps to 51.1% compared to 52.6% as at December 31, 2022. AHIP has made steady progress on this measure, while Debt to EBITDA has been relatively stable over the last twelve months.

Cash and Borrowing Base

As at September 30, 2023, AHIP had $32.4 million in available liquidity, compared to $24.1 million as at December 31, 2022. The available liquidity of $32.4 million was comprised of an unrestricted cash balance of $17.4 million and borrowing availability of $15.0 million under the revolving credit facility. AHIP has an additional restricted cash balance of $33.9 million as at September 30, 2023. On November 7, 2023, the borrowing availability under the revolving credit facility was decreased to zero until the effective date of the appraisals in accordance with the Sixth Amendment (as defined below).

CAPITAL RECYCLING

AHIP is reviewing strategies for divesting assets to recycle proceeds into higher return assets in more attractive markets and reduce debt.

In 2022, AHIP completed the strategic dispositions of seven non-core hotel properties for total gross proceeds of $47.5 million. These dispositions i) allowed AHIP to avoid future PIP investments that would not have met returns available elsewhere in the portfolio; ii) increased portfolio RevPAR by approximately $3, and iii) improved AHIP's Debt to EBITDA ratio by approximately 0.4x.

In June 2023, AHIP completed the disposition of a non-core hotel property for gross proceeds of $11.7 million. As a condition of the fifth amendment to the revolving credit facility and certain term loans, AHIP made a repayment of $1.8 million (50% of the net proceeds of this disposition) to the term loan. This repayment resulted in a permanent reduction of the term loan, which reduced the total borrowing availability from $200.0 million to $198.2 million.

SAME PROPERTY KPI

The following table summarizes key performance indicators ("**KPIs**") for the portfolio for the five most recent quarters with a comparison to the same period in the prior year.

KPIs	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
ADR	**$133**	$133	$132	$126	$129
Change compared to same period in prior year – %	**3.1%**	5.6%	10.9%	9.6%	7.5%
Occupancy	**71.5%**	73.8%	65.5%	67.3%	73.7%
Change compared to same period in prior year – bps increase/(decrease)	**(220)**	(70)	(20)	40	290
RevPAR	**$95**	$98	$86	$85	$95
Change compared to same period in prior year – %	**-**	4.3%	10.3%	10.4%	11.8%
NOI Margin	**30.6%**	33.3%	28.6%	30.8%	33.3%
Change compared to same period in prior year – bps increase/(decrease)	**(270)**	(210)	(90)	(410)	(660)

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release.

Same property ADR increased by 3.1% to $133 in the current quarter compared to $129 in the same period of 2022. Same property occupancy decreased by 220 bps to 71.5% in the current quarter, which included occupancy declines of 393 bps in July, 191 bps in August and 87 bps in September, all compared to the same periods in 2022. The decrease in occupancy is primarily attributable to lower demand at the extended stay and select service properties. Preliminary results for October 2023 indicate occupancy is 130 bps below the same period in 2022, and this demand level is expected to continue in the fourth quarter of 2023.

Same property NOI margin decreased by 270 bps to 30.6% for the third quarter of 2023, compared to the same period of 2022. Same property NOI margin decreased due to higher operating expenses as a result of inflation and labor shortages. General inflation resulted in higher costs of operating supplies and higher utilities expenses. Shortages in the overall U.S. labor market resulted in increased room labor expenses due to overtime, higher wages for employees and dependency on contract labor.

In Q3 2023, Q3 and Q4 2022, the same property ADR, occupancy and RevPAR calculations excluded the seven hotels sold in 2022 and the one hotel sold in 2023. The same property NOI margin calculation for the five most recent quarters excluded the seven hotels sold in 2022 and the one hotel sold in 2023.

In Q1 and Q2 2023, the same property ADR, occupancy and RevPAR calculations excluded the seven hotels sold in 2022, the one hotel sold in 2023, and Residence Inn Neptune and Courtyard Wall in New Jersey as these two hotels had limited availability due to remediation and rebuilding after the weather-related damage in late December 2022.

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release.

SELECTED INFORMATION

(thousands of dollars, except per Unit amounts)	Three months ended September 30 2023	2022	Nine months ended September 30 2023	2022
Revenue	**73,743**	76,171	**214,684**	213,596
Income from operating activities	**13,322**	15,936	**40,659**	40,537
Income (loss) and comprehensive income (loss)	**(1,345)**	315	**7,713**	10,125
NOI (1)	**22,578**	24,675	**66,603**	68,830
NOI Margin (1)	**30.6%**	32.4%	**31.0%**	32.2%
Hotel EBITDA (1)	**20,362**	22,194	**59,830**	61,741
Hotel EBITDA Margin (1)	**27.6%**	29.1%	**27.9%**	28.9%
EBITDA (1)	**17,824**	20,539	**52,101**	55,589
EBITDA Margin (1)	**24.2%**	27.0%	**24.3%**	26.0%
Cashflow from operating activities	**7,668**	14,165	**33,165**	36,524
Distributions declared per unit - basic and diluted	**0.045**	0.045	**0.14**	0.12
Distributions declared to unitholders - basic	**3,550**	3,544	**10,643**	9,450
Distributions declared to unitholders - diluted	**4,044**	4,027	**12,103**	10,426
Dividends declared to Series C holders	**1,022**	1,022	**3,033**	3,033
FFO diluted (1)	**15,578**	11,433	**42,032**	32,370
FFO per unit - diluted (1)	**0.17**	0.13	**0.47**	0.36
FFO payout ratio - diluted, trailing twelve months (1)	**31.2%**	27.6%	**31.2%**	27.6%
Normalized FFO per unit - diluted (1)	**0.11**	0.13	**0.33**	0.31
AFFO diluted (1)	**12,776**	8,443	**33,371**	24,541
AFFO per unit - diluted (1)	**0.14**	0.09	**0.37**	0.27
AFFO payout ratio - diluted, trailing twelve months (1)	**40.0%**	31.3%	**40.0%**	31.3%

SELECTED INFORMATION

(thousands of dollars)	September 30, 2023	December 31, 2022
Total assets	**1,044,962**	1,052,795
Total liabilities	**728,446**	730,689
Total non-current liabilities	**639,479**	667,807
Term loans and revolving credit facility	**636,282**	643,929
Debt to gross book value (1)	**51.1%**	52.6%
Debt to EBITDA (times) (1)	**10.1**	9.8
Interest coverage ratio (times) (1)	**2.0**	2.1
Term loans and revolving credit facility:		
Weighted average interest rate	**4.56%**	4.46%
Weighted average term to maturity (years)	**2.3**	3.0
Number of rooms	**7,917**	8,024
Number of properties	**70**	71
Number of restaurants	**14**	14

(1) Non-IFRS and other financial measures. See “NON-IFRS AND OTHER FINANCIAL MEASURES” section of this news release.

2023 THIRD QUARTER OPERATING RESULTS

(thousands of dollars)	Three months ended September 30		Nine months ended September 30	
	2023	**2022**	**2023**	**2022**
ADR [(1)]	**133**	127	**133**	123
Occupancy [(1)]	**71.5%**	72.1%	**69.5%**	69.5%
RevPAR [(1)]	**95**	92	**92**	86
Revenue	**73,743**	76,171	**214,684**	213,596
Operating expenses	**38,980**	39,496	**113,238**	109,858
Energy	**3,272**	3,542	**9,515**	9,756
Property maintenance	**3,956**	3,699	**11,248**	10,567
Property taxes, insurance and ground lease before IFRIC 21	**4,957**	4,759	**14,080**	14,585
Total expenses	**51,165**	51,496	**148,081**	144,766
NOI	**22,578**	24,675	**66,603**	68,830
NOI Margin %	**30.6%**	32.4%	**31.0%**	32.2%
IFRIC 21 property taxes adjustment	**308**	(193)	**(272)**	(937)
Depreciation and amortization	**8,948**	8,932	**26,216**	29,230
Income from operating activities	**13,322**	15,936	**40,659**	40,537
Other expenses	**15,043**	14,827	**34,231**	29,652
Current income tax expense	**32**	14	**563**	145
Deferred income tax expense (recovery)	**(408)**	780	**(1,848)**	615
Income (loss) and comprehensive income (loss)	**(1,345)**	315	**7,713**	10,125

INITIATIVES TO STRENGTHEN FINANCIAL POSITION AND PRESERVE UNITHOLDER VALUE

The Board of Directors (the “Board”) and management are implementing a plan to strengthen AHIP’s financial position and to preserve unitholder value. Initiatives, both planned and underway, are outlined below.

Amendment and Extension of Revolving Credit Facility and Term Loans

On November 7, 2023, AHIP entered into an amendment to its revolving credit facility (the “RCF”) and certain term loans (the “Sixth Amendment”).

The total facility size under the Sixth Amendment is $198.2 million. The initial maturity of the revolving portion of the credit facility has been extended from December 3, 2023 to December 3, 2024, subject to conditions set forth in the Sixth Amendment to be satisfied prior to December 3, 2023. The Sixth Amendment includes an option to extend the maturity of the term loan and RCF to June 2025, subject to reduction of the aggregate maximum facility size to $148.2 million from and after December 3, 2024. The fixed charge coverage ratio has been reduced to 1.1x until the end of 2024.

Pursuant to the Sixth Amendment, the RCF availability is primarily limited by revised calculations based on the lesser of an implied debt service coverage ratio and a loan to value (“LTV”) test. As a condition to the initial extension to December 3, 2024, the LTV test will be based on new hotel appraisals. The borrowing availability is subject to a maximum of 67.5% LTV based on the new appraisals, with time permitted to reduce the amount outstanding should current borrowings exceed 67.5% LTV. Specifically, from the effective date of the new appraisals and if applicable for each threshold, AHIP will have three business days to pay down any excess borrowings to 75% LTV, 90 days to reduce to 72.5% LTV, and a further 90 days to reduce to 67.5% LTV. Management expects the results of the appraisals to become effective in late November 2023. Any such paydowns which may be required are expected to be funded through a combination of cash on hand and/or net proceeds from asset sales. The borrowing availability under the RCF has been reduced to zero pending the outcome of the above noted appraisals and subsequent application of the LTV test under the Sixth Amendment.

(1) Non-IFRS and other financial measures. See “NON-IFRS AND OTHER FINANCIAL MEASURES” section of this news release.

Under the Sixth Amendment, the covenants governing distribution payments have been revised and are now subject to the satisfaction of a more restrictive FFO payout ratio threshold, calculated on a trailing twelve-months basis on a sliding scale based on the fixed charge coverage ratio.

For further details, see a copy of the Sixth Amendment, which has been filed under AHIP's profile on SEDAR+ at www.sedarplus.com.

Plan to Address Near Term Loan Maturities

AHIP intends to proceed with a number of transactions that will collectively address all of the Company's near-term debt maturities, while also creating modest improvements in ADR, RevPAR and leverage metrics.

AHIP's has 91.7% of its debt at fixed interest rates or effectively fixed by interest rate swaps until November 30, 2023. Upon the expiry of the interest rate swaps, the percentage of AHIP's debt at fixed interest rates will decrease to 71%. The notional value of the interest rate swaps is $130.0 million which will expire on November 30, 2023. As a result of this expiry, at the current secured overnight financing rate ("**SOFR**") of 5.3%, the incremental annual interest expense is expected to be approximately $5.2 million. The actual increase in interest expense will be dependent on future SOFR.

The commercial mortgage-backed securities ("**CMBS**") debt maturities in the fourth quarter of 2023 are $16.3 million for two hotels (two loans) in Pennsylvania, and in the first half of 2024 are $22.0 million for four hotels (one loan) in Virginia.

To address the Q4 2023 CMBS loan maturities of $16.3 million, AHIP intends to divest of two non-core properties, specifically:

- The sale of one Pennsylvania hotel by the end of the first quarter of 2024, which will be used to satisfy the $7.0 million non-recourse mortgage; and
- A managed foreclosure process for one Pennsylvania hotel, which will result in a discharge of $9.3 million in non-recourse mortgage debt.

To address the Q2 2024 CMBS loan maturity of $22.0 million, AHIP intends to:

- Sell one hotel in the Virginia portfolio by the end of the first quarter of 2024, which will be used to partially satisfy the non-recourse mortgage; and
- Refinance the balance of the loan with the remaining three hotels in the Virginia portfolio.

Amendment of the Master Hotel Management Agreement with Reduced and Deferred Fees

On September 30, 2023, with a retroactive effective date of July 1, 2023, AHIP entered into a third amendment to its master hotel management agreement with One Lodging Management LLC (an affiliate of Aimbridge Hospitality LLC) (the "**Amendment**"), with an estimated annual savings for the first three years following the amendment of approximately $3.7 million.

In accordance with the Amendment, the management fee on certain hotel properties has been reduced or deferred. The reduction of management fees is estimated to provide approximately $0.3 million of cash savings per annum, and the deferral of management fees is estimated to provide approximately $3.4 million of cash savings on average per annum from July 1, 2023 to June 30, 2026. The fees in the years 2027 through 2032 will be slightly higher to offset the fee deferral in the first three years.

The amendment to the master hotel management agreement also includes waivers of all or a portion of termination fees for certain hotels, as well as a limited exception to the exclusivity of the master hotel manager in respect of the acquisition of owner operated hotels, subject to certain conditions. For further details, see a copy of the amendment to the master hotel management agreement, which has been filed under AHIP's profile on SEDAR+ at www.sedarplus.com.

Reducing Cash Portion of Board Compensation

Effective October 1, 2023, the majority of the Board's compensation will be paid in AHIP RSUs which will be priced and vest in the form of Units at the end of each fiscal quarter. Previously, Board compensation was paid entirely in cash.

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release.

Temporary Suspension of U.S. Dollar Distribution

Since February 2022, AHIP's distribution policy provided for the payment of regular monthly U.S. dollar distributions at an annual rate of $0.18 per unit (monthly rate of $0.015 per unit). The Board and management have completed an analysis of this policy in the context of recent and forecast operating results, industry and economic conditions, interest rates for debt refinancing, the general financing environment, future compliance with the adjusted FFO payout ratio covenant in the Sixth Amendment, and determined that the long-term interests of AHIP, its unitholders, and other stakeholders are best served by a temporary suspension of monthly distributions.

The amendment of the distribution policy is expected to provide an additional $14.2 million of cash annually, which is expected to be used to strengthen the Company's balance sheet and liquidity, supporting the long-term enhancement of unitholder value.

The Board, with the assistance of management, will continue to review AHIP's distribution policy on a quarterly basis. The previously announced October 2023 distribution of $0.015 per unit will be paid on November 15, 2023 to unitholders of record as of the close of business on October 31, 2023.

FINANCIAL INFORMATION

This news release should be read in conjunction with AHIP's unaudited condensed consolidated interim financial statements, and management's discussion and analysis for the three and nine months ended September 30, 2023 and 2022, that are available on AHIP's website at www.ahipreit.com, and under AHIP's profile on SEDAR+ at www.sedarplus.com.

Q3 2023 CONFERENCE CALL

Management will host a webcast and conference call at 8:00 a.m. Pacific time on Wednesday, November 8, 2023, to discuss the financial and operational results for the three and nine months ended September 30, 2023 and 2022.

To participate in the conference call, participants should register online via AHIP's website. A dial-in and unique PIN will be provided to join the call. Participants are requested to register a minimum of 15 minutes before the start of the call. An audio webcast of the conference call is also available, both live and archived, on the Events & Presentations page of AHIP's website: www.ahipreit.com.

ABOUT AMERICAN HOTEL INCOME PROPERTIES REIT LP

American Hotel Income Properties REIT LP (TSX: HOT.UN, TSX: HOT.U, TSX: HOT.DB.V), or AHIP, is a limited partnership formed to invest in hotel real estate properties across the United States. AHIP's portfolio of premium branded, select-service hotels are located in secondary metropolitan markets that benefit from diverse and stable demand. AHIP hotels operate under brands affiliated with Marriott, Hilton, IHG and Choice Hotels through license agreements. AHIP's long-term objectives are to build on its proven track record of successful investment, deliver monthly U.S. dollar denominated distributions to unitholders, and generate value through the continued growth of its diversified hotel portfolio. More information is available at www.ahipreit.com.

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release.

NON-IFRS AND OTHER FINANCIAL MEASURES

Management believes the following non-IFRS financial measures, non-IFRS ratios, capital management measures and supplementary financial measures are relevant measures to monitor and evaluate AHIP's financial and operating performance. These measures and ratios do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures and ratios are included to provide investors and management additional information and alternative methods for assessing AHIP's financial and operating results and should not be considered in isolation or as a substitute for performance measures prepared in accordance with IFRS.

NON-IFRS FINANCIAL MEASURES:

FFO: FFO measures operating performance and is calculated in accordance with Real Property Association of Canada's ("**REALPAC**") definition. FFO – basic is calculated by adjusting income (loss) and comprehensive income (loss) for depreciation and amortization, gain or loss on disposal of property, IFRIC 21 property taxes, fair value gain or loss, impairment of property, deferred income tax, and other applicable items. FFO – diluted is calculated as FFO – basic plus the interest, accretion, and amortization on convertible debentures if convertible debentures are dilutive. The most comparable IFRS measure to FFO is net and comprehensive income (loss), for which a reconciliation is provided in this news release.

AFFO: AFFO is defined as a recurring economic earnings measure and calculated in accordance with REALPAC's definition. AFFO – basic is calculated as FFO – basic less maintenance capital expenditures. AFFO – diluted is calculated as FFO – diluted less maintenance capital expenditures. The most comparable IFRS measure to AFFO is net and comprehensive income (loss), for which a reconciliation is provided in this news release.

Normalized FFO: calculated as FFO excluding non-recurring items. For the three months ended September 30, 2023, normalized FFO is calculated as FFO excluding the non-recurring expected insurance proceeds of $5.4 million as a result of weather-related property damage at several hotel properties in late December 2022. For the nine months ended September 30, 2023, normalized FFO is calculated as FFO excluding the non-recurring expected insurance proceeds of $12.9 million as a result of weather-related property damage at several hotel properties in late December 2022. For the nine months ended September 30, 2022, normalized FFO is calculated as FFO excluding the non-recurring gain on debt settlement of $2.3 million, and $2.2 million of other income, which is primarily comprised of $1.0 million business interruption insurance proceeds for revenue loss due to COVID-19, and $0.7 million of government grant for revenue loss due to COVID-19. The most comparable IFRS measure to normalized FFO is net and comprehensive income (loss), for which a reconciliation is provided in this news release.

Net Operating Income ("NOI"): calculated by adjusting income from operating activities for depreciation and amortization, and IFRIC 21 property taxes. The most comparable IFRS measure to NOI is income from operating activities, for which a reconciliation is provided in this news release.

Normalized NOI: calculated as NOI adjusting for normalized items. For the three and nine months ended September 30, 2023, normalized NOI included $0.5 million and $3.4 million business interruption insurance proceeds, respectively, as a result of weather-related property damage at several hotel properties in late December 2022. The most comparable IFRS measure to normalized NOI is income from operating activities, for which a reconciliation is provided in this news release.

Hotel EBITDA: calculated by adjusting income from operating activities for depreciation and amortization, IFRIC 21 property taxes and hotel management fees. The most comparable IFRS measure to hotel EBITDA is income from operating activities, for which a reconciliation is provided in this news release.

EBITDA: calculated by adjusting income from operating activities for depreciation and amortization, IFRIC 21 property taxes, hotel management fees and general administrative expenses. The sum of management fees for hotel and general administrative expenses is equal to corporate and administrative expenses in the Financial Statements. The most comparable IFRS measure to EBITDA is income from operating activities, for which a reconciliation is provided in this news release.

Debt: calculated as the sum of term loans and revolving credit facility, the face value of convertible debentures, unamortized portion of debt financing costs, government guaranteed loan, lease liabilities and unamortized portion of mark-to-market adjustments. The most comparable IFRS measure to debt is total liabilities, for which a reconciliation is provided in this news release.

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release.

Gross book value: calculated as the sum of total assets, accumulated depreciation and impairment on property, buildings and equipment, and accumulated amortization on intangible assets. The most comparable IFRS measure to gross book value is total assets, for which a reconciliation is provided in this news release.

Interest expense: calculated by adjusting finance costs for gain or loss on debt settlement, amortization of debt financing costs, accretion of debenture liability, amortization of debenture costs, dividends on series B preferred shares of US REIT and amortization of mark-to-market adjustments because interest expense excludes certain non-cash accounting items and dividends on preferred shares. The most comparable IFRS measure to interest expense is finance costs, for which a reconciliation is provided in this news release.

NON-IFRS RATIOS:

FFO per unit – basic/diluted: calculated as FFO – basic/diluted divided by the weighted average number of units outstanding - basic/diluted respectively for the reporting periods.

Normalized FFO per unit – basic/diluted: calculated as normalized FFO – basic/diluted divided by the weighted average number of units outstanding - basic/diluted respectively for the reporting periods.

AFFO per unit – basic/diluted: calculated as AFFO – basic/diluted divided by the weighted average number of units outstanding - basic/diluted respectively for the reporting periods.

FFO payout ratio – basic, trailing twelve months: calculated as total distributions declared to unitholders – basic, divided by total FFO – basic, for the twelve months ended September 30, 2023, and 2022.

FFO payout ratio – diluted, trailing twelve months: calculated as total distributions declared to unitholders – diluted, divided by total FFO – diluted, for the twelve months ended September 30, 2023, and 2022.

AFFO payout ratio – basic, trailing twelve months: calculated as total distributions declared to unitholders – basic, divided by total AFFO – basic, for the twelve months ended September 30, 2023, and 2022.

AFFO payout ratio – diluted, trailing twelve months: calculated as total distributions declared to unitholders – diluted, divided by total AFFO – diluted, for the twelve months ended September 30, 2023, and 2022.

NOI margin: calculated as NOI divided by total revenue.

Hotel EBITDA margin: calculated as hotel EBITDA divided by total revenue.

EBITDA margin: calculated as EBITDA divided by total revenue.

CAPITAL MANAGEMENT MEASURES:

Debt to gross book value: calculated as debt divided by gross book value. Debt to gross book value is a primary measure of capital management and leverage.

Debt to EBITDA: calculated as debt divided by the trailing twelve months of EBITDA. Debt to EBITDA measures the amount of income generated and available to pay down debt before covering interest, taxes, depreciation, and amortization expenses.

Interest coverage ratio: calculated as EBITDA for the trailing twelve months divided by interest expense for the trailing twelve months period. The interest coverage ratio measures AHIP's ability to meet required interest payments related to its outstanding debt and dividends on the series B preferred shares of US REIT.

SUPPLEMENTARY FINANCIAL MEASURES:

Occupancy is a major driver of room revenue as well as food and beverage revenues. Fluctuations in occupancy are accompanied by fluctuations in most categories of variable hotel operating expenses, including housekeeping and other labor costs. ADR also helps to drive room revenue with limited impact on other revenues. Fluctuations in ADR are accompanied by fluctuations in limited categories of hotel operating expenses, such as franchise fees and credit card commissions, since variable hotel operating expenses, such as labor costs, generally do not increase or decrease correspondingly. Thus, increases in RevPAR attributable to increases in occupancy typically reduce EBITDA and EBITDA Margins, while increases in RevPAR attributable to increases in ADR typically result in increases in EBITDA and EBITDA Margins.

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release.

Occupancy: calculated as total number of hotel rooms sold divided by total number of rooms available for the reporting periods. Occupancy is a metric commonly used in the hotel industry to measure the utilization of hotels' available capacity. In Q1 and Q2 2023, the occupancy calculation excluded Residence Inn Neptune and Courtyard Wall in New Jersey as these two hotels had limited availability due to remediation and rebuilding after the weather-related damage in late December 2022.

Average daily rate ("ADR"): calculated as total room revenue divided by total number of rooms sold for the reporting periods. ADR is a metric commonly used in the hotel industry to indicate the average revenue earned per occupied room in a given time period. In Q1 and Q2 2023, the ADR calculation excluded Residence Inn Neptune and Courtyard Wall in New Jersey as these two hotels had limited availability due to remediation and rebuilding after the weather-related damage in late December 2022.

Revenue per available room ("RevPAR"): calculated as occupancy multiplied by ADR for the reporting periods. In Q1 and Q2 2023, the RevPAR calculation excluded Residence Inn Neptune and Courtyard Wall in New Jersey as these two hotels had limited availability due to remediation and rebuilding after the weather-related damage in late December 2022.

Same property occupancy, ADR, RevPAR, NOI and NOI margin: measured for properties owned by AHIP for both the current reporting periods and the same periods in 2022. In Q1 and Q2 2023, same property ADR, occupancy and RevPAR calculations excluded the seven hotels sold in 2022, the one hotel sold in 2023, and Residence Inn Neptune and Courtyard Wall in New Jersey as these two hotels had limited availability due to remediation and rebuilding after the weather-related damage in late December 2022. In Q3 2023, Q3 and Q4 2022, same property ADR, occupancy and RevPAR calculations excluded the seven hotels sold in 2022 and the one hotel sold in 2023. Same property NOI margin calculation for the five most recent quarters excluded the seven hotels sold in 2022 and the one hotel sold in 2023.

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release.

NON-IFRS RECONCILIATION

The following table reconciles FFO to income (loss) and comprehensive income (loss), the most comparable IFRS measure as presented in the financial statements:

	Three months ended September 30		Nine months ended September 30	
(thousands of dollars, except per unit amounts)	**2023**	**2022**	**2023**	**2022**
Income (loss) and comprehensive income (loss)	**(1,345)**	315	**7,713**	10,125
Adjustments:				
Income attributable to non-controlling interest	**(1,022)**	(1,022)	**(3,033)**	(3,033)
Depreciation and amortization	**8,948**	8,932	**26,216**	29,230
Gain on sale of properties	**(540)**	(9)	**(2,941)**	(1,058)
Write-off of property, building and equipment	**3,766**		**7,934**	
IFRIC 21 property taxes adjustment	**308**	(193)	**(272)**	(937)
Change in fair value of interest rate swap contracts	**1,263**	(1,249)	**3,188**	(5,878)
Change in fair value of warrants	**(1,239)**	(1,627)	**(2,958)**	(4,477)
Impairment of cash-generating units	**4,737**	4,417	**4,737**	4,674
Deferred income tax expense(recovery)	**(408)**	780	**(1,848)**	615
FFO basic (1)	**14,468**	10,344	**38,736**	29,261
Interest, accretion and amortization on convertible debentures	**1,110**	1,089	**3,296**	3,109
FFO diluted (1)	**15,578**	11,433	**42,032**	32,370
FFO per unit – basic (1)	**0.18**	0.13	**0.49**	0.37
FFO per unit – diluted (1)	**0.17**	0.13	**0.47**	0.36
FFO payout ratio – basic – trailing twelve months (1)	**30.0%**	26.8%	**30.0%**	26.8%
FFO payout ratio – diluted – trailing twelve months (1)	**31.2%**	27.6%	**31.2%**	27.6%
Non-recurring items:				
Gain on debt settlement	**-**	-	**-**	(2,344)
Other income	**(5,421)**	-	**(12,889)**	(2,192)
Measurements excluding non-recurring items:				
Normalized FFO diluted (1)	**10,157**	11,433	**29,143**	27,834
Normalized FFO per unit – diluted (1)	**0.11**	0.13	**0.33**	0.31
Weighted average number of units outstanding:				
Basic (000's)	**78,877**	78,766	**78,837**	78,747
Diluted (000's) (2)	**89,864**	89,485	**89,612**	89,246

(2) The calculation of weighted average number of units outstanding for FFO per unit – diluted, normalized FFO per unit – diluted included the convertible debentures for the three and nine months ended September 30, 2023 and 2022 because they were dilutive.

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release.

RECONCILIATION OF FFO TO AFFO

(thousands of dollars, except per Unit amounts)	Three months ended September 30 2023	2022	Nine months ended September 30 2023	2022
FFO basic [1]	**14,468**	10,344	**38,736**	29,261
FFO diluted [1]	**15,578**	11,433	**42,032**	32,370
Maintenance capital expenditures	**(2,802)**	(2,990)	**(8,661)**	(7,829)
AFFO basic [1]	**11,666**	7,354	**30,075**	21,432
AFFO diluted [1]	**12,776**	8,443	**33,371**	24,541
AFFO per unit - basic [1]	**0.15**	0.09	**0.38**	0.27
AFFO per unit - diluted [1]	**0.14**	0.09	**0.37**	0.27
AFFO payout ratio – basic – trailing twelve months [1]	**39.5%**	30.6%	**39.5%**	30.6%
AFFO payout ratio – diluted – trailing twelve months [1]	**40.0%**	31.3%	**40.0%**	31.3%
Measurements excluding non-recurring items:				
AFFO diluted [1]	**7,355**	8,443	**20,482**	20,005
AFFO per unit - diluted [1]	**0.08**	0.09	**0.23**	0.22

DEBT TO GROSS BOOK VALUE

(thousands of dollars)	September 30, 2023	December 31, 2022
Debt [1]	**690,556**	699,881
Gross Book Value [1]	**1,350,174**	1,329,865
Debt-to-Gross Book Value [1]	**51.1%**	52.6%

(thousands of dollars)	September 30, 2023	December 31, 2022
Term loans and revolving credit facility	**636,282**	643,929
2026 Debentures (at face value)	**50,000**	50,000
Unamortized portion of debt financing costs	**3,003**	4,437
Lease liabilities	**1,293**	1,591
Unamortized portion of mark-to-market adjustments	**(22)**	(76)
Debt [1]	**690,556**	699,881

(thousands of dollars)	September 30, 2023	December 31, 2022
Total Assets	**1,044,962**	1,052,795
Accumulated depreciation and impairment on property, buildings and equipment	**300,165**	272,540
Accumulated amortization on intangible assets	**5,047**	4,530
Gross Book Value [1]	**1,350,174**	1,329,865

(1) Non-IFRS and other financial measures. See “NON-IFRS AND OTHER FINANCIAL MEASURES” section of this news release.

DEBT TO EBITDA

(thousands of dollars)	September 30, 2023	December 31, 2022
Debt (1)	**690,556**	699,881
EBITDA (trailing twelve months) (1)	**68,286**	71,293
Debt-to-EBITDA (times) (1)	**10.1x**	**9.8x**

The reconciliation of income from operating activities to NOI, hotel EBITDA and EBITDA is shown below:

	Three months ended September 30		Nine months ended September 30	
(thousands of dollars)	**2023**	**2022**	**2023**	**2022**
Income from operating activities	**13,322**	15,936	**40,659**	40,537
Depreciation and amortization	**8,948**	8,932	**26,216**	29,230
IFRIC 21 property taxes adjustment	**308**	(193)	**(272)**	(937)
NOI (1)	**22,578**	24,675	**66,603**	68,830
Management fees	**(2,216)**	(2,481)	**(6,773)**	(7,089)
Hotel EBITDA (1)	**20,362**	22,194	**59,830**	61,741
General administrative expenses	**(2,538)**	(1,655)	**(7,729)**	(6,152)
EBITDA (1)	**17,824**	20,539	**52,101**	55,589

The reconciliation of NOI to normalized NOI is shown below:

	Three months ended September 30		Nine months ended September 30	
(thousands of dollars)	**2023**	**2022**	**2023**	**2022**
NOI (1)	**22,578**	24,675	**66,603**	68,830
Business interruption insurance proceeds	**516**	-	**3,446**	-
Normalized NOI (1)	**23,094**	24,675	**70,049**	68,830

The reconciliation of finance costs to interest expense is shown below:

	Three months ended September 30		Nine months ended September 30	
(thousands of dollars)	**2023**	**2022**	**2023**	**2022**
Finance costs	**8,335**	9,187	**26,260**	25,428
Gain on debt settlement	**1,155**	-	**1,155**	2,344
Amortization of debt financing costs	**(536)**	(473)	**(1,387)**	(1,558)
Accretion of Debenture liability	**(254)**	(231)	**(737)**	(596)
Amortization of Debenture costs	**(105)**	(95)	**(305)**	(241)
Dividends on Series B preferred shares	**(4)**	(4)	**(12)**	(12)
Debt defeasance and other costs	**5**	-	**(14)**	-
Interest Expense (1)	**8,596**	8,384	**24,960**	25,365

For information on the most directly comparable IFRS measures, composition of the measures, a description of how AHIP uses these measures, and an explanation of how these measures provide useful information to investors, please refer to AHIP's management discussion and analysis for the three and nine months ended September 30, 2023 and 2022, available on AHIP's website at www.ahipreit.com, and under AHIP's profile on SEDAR+ at www.sedarplus.com.

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release.

FORWARD-LOOKING INFORMATION

Certain statements in this news release may constitute “forward-looking information” and “financial outlook” within the meaning of applicable securities laws. Forward-looking information and financial outlook generally can be identified by words such as “anticipate”, “believe”, “continue”, “expect”, “estimates”, “intend”, “may”, “outlook”, “objective”, “plans”, “should”, “will” and similar expressions suggesting future outcomes or events. Forward-looking information and financial outlook include, but are not limited to, statements made or implied relating to the objectives of AHIP, AHIP’s strategies to achieve those objectives and AHIP’s beliefs, plans, estimates, projections and intentions and similar statements concerning anticipated future events, results, circumstances, performance, or expectations that are not historical facts. Forward-looking information and financial outlook in this news release includes, but is not limited to, statements with respect to: AHIP’s expectations with respect to its future performance; AHIP’s strategic initiatives and the intended outcomes thereof, including improved liquidity, addressing near-term debt maturities and providing AHIP with financial stability and delivering value to unitholder over the long term; AHIP’s expectation overall decreases in demand will continue in the medium term, and certain specific expectations with respect to fourth quarter of 2023; AHIP’s expectation that most of the estimated amount of weather-related damage to buildings and equipment of certain hotel properties will be covered by insurance, and AHIP’s expectation with respect to the recovery of most of the lost income from these properties through business interruption insurance; AHIP’s expectations with respect to the timing of the receipt of such insurance proceeds; the expectation that increased insurance premiums will increase expenses and reduce earnings; AHIP’s review of strategies for divesting assets to recycle proceeds into higher return assets in more attractive markets and reduce debt; AHIP’s plans to use net proceeds from asset sales to reduce debt; AHIP’s evaluation of growth and divesture opportunities; AHIP’s expectations with respect to the effective timing of the results of the appraisals required by the Sixth Amendment, and AHIP’s expectation that any paydowns which may be required will be funded through a combination of cash on hand and/or net proceeds from asset sales; AHIP’s intended strategies for near-term debt maturities, including planned sales of assets and loan refinancing; AHIP’s expectations as to the financial impact of the expiry of interest rate swaps for certain term loans; the estimated savings as a result of reductions and deferrals of management fees under the master hotel management agreement as well as increased fees in certain future years when deferred fees become payable; payment of the majority of the Board’s compensation in RSUs; the estimated savings from the temporary suspension of cash distributions and expectation that such amendment to the distribution policy will strengthen AHIP’s balance sheet and liquidity and support long-term enhancement of unitholder value; the statement that the Board will continue to review AHIP’s distribution policy on a quarterly basis; the statement that the previously announced October 2023 distribution will be paid on November 15, 2023; and AHIP’s stated long-term objectives.

Although the forward-looking information and financial outlook contained in this news release are based on what AHIP’s management believes to be reasonable assumptions, AHIP cannot assure investors that actual results will be consistent with such information. Forward-looking information is based on a number of key expectations and assumptions made by AHIP, including, without limitation: inflation, labor shortages, and supply chain disruptions will negatively impact the U.S. economy, U.S. hotel industry and AHIP’s business; AHIP will continue to have sufficient funds to meet its financial obligations; AHIP will be able generate sufficient funds to meet any paydown obligations under the new LTV covenants set forth in the Sixth Amendment; AHIP’s strategies with respect to completion of capital projects, liquidity, addressing near-term debt maturities, divestiture of non-core assets and acquisitions will be successful and achieve their intended effects; estimated savings from the amendment to the master hotel management agreement are based on assumptions about future hotel revenues and certain expenses; capital projects will be completed on time and on budget; AHIP will receive insurance proceeds in an amount consistent with AHIP’s estimates in respect of its weather-damaged properties; AHIP will continue to have good relationships with its hotel brand partners; capital markets will provide AHIP with readily available access to equity and/or debt financing on terms acceptable to AHIP, including the ability to refinance maturing debt as it becomes due on terms acceptable to AHIP; AHIP’s future level of indebtedness and its future growth potential will remain consistent with AHIP’s current expectations; and AHIP will achieve its long term objectives.

Forward-looking information and financial outlook involve significant risks and uncertainties and should not be read as guarantees of future performance or results as actual results may differ materially from those expressed or implied in such forward-looking information and financial outlook, accordingly undue reliance should not be placed on such forward-looking information and financial outlook. Those risks and uncertainties include, among other things, risks related to: AHIP may not achieve its expected performance levels in 2023 and beyond; inflation, labor shortages, supply chain disruptions; AHIP’s insurance claims with respect to its weather damaged properties may be denied in whole or in part; AHIP’s brand partners may impose revised service standards and capital requirements which are adverse to AHIP; property improvement plan renovations may not commence or complete in accordance with currently expected timing and may suffer from increased material and labor costs; AHIP’s strategic initiatives with respect to liquidity, addressing near-term debt maturities and providing AHIP with financial stability may not be successful and may not achieve their intended outcomes; AHIP’s strategies for divesting assets to recycle proceeds into higher return assets in more attractive markets and reduce debt may not be successful; savings from the amendments to the master hotel management agreement may be less than expected; AHIP may not be successful in reducing its leverage; the appraisals required under the Sixth Amendment may report lower than expected values which may trigger paydown requirements under the Sixth Amendment, and if such pay-downs are required, there is no guarantee that AHIP will have sufficient cash on hand or be able to generate sufficient net proceeds to meet those requirements, which, without

(1) Non-IFRS and other financial measures. See “NON-IFRS AND OTHER FINANCIAL MEASURES” section of this news release.

relief from the lender, would put AHIP in default under the Sixth Amendment; there is no guarantee that monthly distributions will be reinstated, and if reinstated, as to the timing thereof or what the amount of the monthly distribution will be; the suspension of monthly distributions is expected to negatively impact the market price of AHIP's units and debentures; AHIP may not be able to refinance debt obligations as they become due or may do so on terms less favorable to AHIP than under AHIP's existing loan agreements; AHIP may not be able to renew or replacing its interest rate swaps on reasonable terms or at all, which may lead to increased interest expense; general economic conditions and consumer confidence; the growth in the U.S. hotel and lodging industry; prices for AHIP's units and its debentures; liquidity; tax risks; ability to access debt and capital markets; financing risks; changes in interest rates; the financial condition of, and AHIP's relationships with, its external hotel manager and franchisors; real property risks, including environmental risks; the degree and nature of competition; ability to acquire accretive hotel investments; ability to integrate new hotels; environmental matters; increased geopolitical instability; and changes in legislation and AHIP may not achieve its long term objectives. Management believes that the expectations reflected in the forward-looking information and financial outlook are based upon reasonable assumptions and information currently available; however, management can give no assurance that actual results will be consistent with the forward-looking information and financial outlook contained herein. Additional information about risks and uncertainties is contained in AHIP's management's discussion and analysis for the three and nine months ended September 30, 2023 and 2022, and AHIP's annual information form for the year ended December 31, 2022, copies of which are available on SEDAR+ at www.sedarplus.com.

To the extent any forward-looking information constitutes a "financial outlook" within the meaning of applicable securities laws, such information is being provided to investors to assist in their understanding of AHIP's expected costs of remediation and renovation and expected proceeds of insurance in respect of AHIP's weather-damaged properties, potential cash savings from the amendment to the master hotel management agreement and temporary suspension of distributions; the financial impact on AHIP of increased insurance premiums and interest costs associated with the expiry of interest swaps for certain term loans and management's expectations for certain aspects of AHIP's financial performance for the remainder of 2023.

The forward-looking information and financial outlook contained herein is expressly qualified in its entirety by this cautionary statement. Forward-looking information and financial outlook reflect management's current beliefs and are based on information currently available to AHIP. The forward-looking information and financial outlook are made as of the date of this news release and AHIP assumes no obligation to update or revise such information to reflect new events or circumstances, except as may be required by applicable law.

For additional information, please contact:

Investor Relations
ir@ahipreit.com

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release.