AMERICAN HOTEL INCOME PROPERTIES REIT LP Reports Q1 2023 Results with 7.1% Net Operating Income (“NOI”) Growth and Continued Leverage Reduction

Vancouver, British Columbia, May 4, 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 months ended March 31, 2023.

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

“We are pleased with the ongoing revenue performance of our select service hotel portfolio in Q1." commented Jonathan Korol, CEO. "Occupancy (1) and room rate trends remain positive with broad demand from leisure, corporate and group guest segments. Continuing the trend since early last year, we achieved a 13.3% growth rate in revenue per available room (“RevPAR”) (1). Key operating metrics were positive with year over year growth in average daily rate (“ADR”) (1), occupancy, RevPAR and NOI (1). With continued leverage reduction, favorable loan maturity profile and 92.2% of our debt at fixed interest rates, we are in a strong position to manage an uncertain macroeconomic environment.”

2023 FIRST QUARTER HIGHLIGHTS

- Revenue increased 6.0% to $65.5 million for the first quarter of 2023, compared to $61.8 million for the same period of 2022.
- Diluted FFO per unit (1) and normalized diluted FFO per unit (1) were $0.11 and $0.07 for the first quarter of 2023, respectively, compared to $0.05 and $0.03 for the same period of 2022.
- RevPAR increased 13.3% to $85 for the first quarter of 2023, compared to $75 for the same period of 2022.
- ADR increased 12.8% to $132 for the first quarter of 2023, compared to $117 for the same period of 2022.
- Occupancy was 64.1% for the first quarter of 2023, an increase of 40 basis points (**“bps”**) compared to 63.7% for the same period of 2022.
- NOI increased 7.1% to $18.7 million for the first quarter of 2023, compared to $17.5 million for the same period of 2022.
- Debt to gross book value (1) was 52.0% as of March 31, 2023, decreases of 60 bps and 210 bps, respectively, compared to 52.6% as of December 31, 2022, and 54.1% as of March 31, 2022.
- Weighted average interest rate for all term loans and credit facility, was 4.48% as of March 31, 2023, an increase of 2 bps compared to 4.46% as of December 31, 2022.
- Distributions of $0.015 U.S. dollars per unit paid in each month since March 2022.

“This quarter we achieved our highest ADR in the history of the company and an average growth rate in ADR of 10.4% over the most recent four quarters.” Mr. Korol added: “While our demand mix is evolving, the overall demand picture remains strong with sustained demand from our leisure guests as well as the gradual return of business and group travel, as demonstrated by the 30% growth in RevPAR in our Embassy Suites portfolio during the quarter,” said Mr. Korol.

Mr. Korol, continued, "consistent with recent quarters, operating results were negatively impacted by inflation and labor shortages. To address these issues, we are continuing to focus on hiring more in-house labor, reducing turnover and improving housekeeping productivity. We are making steady progress on our leverage reduction with improvements over the last twelve months of 210 bps on debt to gross book value and 0.6x on Debt to EBITDA (1). We remain confident in our ability to navigate a dynamic operating environment and to add long-term unitholder value."

(1) Non-IFRS and other financial measures. See “NON-IFRS AND OTHER FINANCIAL MEASURES” section of this news release and management’s discussion and analysis for the three months ended March 31, 2023 and 2022

2023 FIRST QUARTER REVIEW

6.0% GROWTH IN REVENUE

Improving demand levels resulted in enhanced pricing power and greater opportunity to manage revenue within various hotel segments. Revenue increased by 6.0% to $65.5 million for the first quarter of 2023 compared to $61.8 million in the same period of 2022. This improvement was due to higher ADR and increased occupancy, despite the disposition of seven non-core hotel properties in 2022.

AHIP's five Embassy Suites properties represent 16% of the portfolio by room count. The performance of the Embassy Suites properties is a key indicator of the recovery level in business and group travel. For the three months ended March 31, 2023, RevPAR for these properties was $109, an increase of 30% compared to the same period in 2022. The Embassy Suites properties experienced continued recovery in business and group travel in the first quarter of 2023, supplemented by leisure-oriented groups. All five Embassy Suites were renovated in 2018 and 2019 and are well positioned to capture improving business and corporate group demand.

7.1% GROWTH IN NOI, INCREASES IN NOI MARGIN (1) AND FFO

For the three months ended March 31, 2023, NOI increased by 7.1%, and NOI margin increased by 30 bps, compared to the same period in 2022. The increases in NOI and NOI margin were due to higher ADR and increased occupancy, which was partially offset by higher operating expenses and out of order rooms at two hotel properties as a result of weather-related damage in late December 2022. Shortages in the overall U.S. labor market resulted in increased room labor expenses due to overtime, higher wages for employees and contract labor.

Diluted FFO per unit and normalized diluted FFO per unit were $0.11 and $0.07 for the first quarter of 2023, respectively, compared to $0.05 and $0.03 for the same period of 2022. Normalized diluted FFO per unit in the current quarter excluded the non-recurring insurance proceeds of $3.3 million for property damage related to the weather-related damage at several hotel properties in late December 2022. The increase in normalized diluted FFO per unit was due to higher NOI and lower financing costs compared to the same period of 2022.

INSURANCE AND WEATHER-RELATED DAMAGE

During the final week of December 2022, cold weather, particularly in the Northeast U.S. and Texas, caused weather related damage at several hotel properties. 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 have been out of order since December 25, 2022. At the Courtyard Wall in New Jersey, all 113 rooms were out of order from December 25, 2022, through mid-January 2023, and 54 of the 113 rooms returned to service in mid-January 2023. These out of order rooms represent a loss of approximately 2.0% of total room inventory and are expected to return to service by the end of the second quarter of 2023. Excluding these two damaged hotel properties, occupancy was 65.5% and RevPAR was $86 in the current quarter.

As a result of the weather-related damage, the total write-down of hotel properties is $8.8 million as of March 31, 2023. This is comprised of remediation costs of $3.0 million and rebuilding costs of $5.8 million. AHIP recorded a $4.0 million non-cash write-down in the first quarter of 2023, in addition to the $4.8 million non-cash write-down recorded in the fourth quarter of 2022. As of March 31, 2023, AHIP incurred $7.2 million in costs to remediate and rebuild the damaged hotel properties.

For property damage insurance, AHIP expects most of the total cost of remediation and rebuilding to be reimbursed in 2023, which is currently estimated to be $8.8 million. For business interruption insurance, AHIP expects to recover most of the lost income from late December 2022, until the damaged hotel properties are fully operational, which is expected to be by the end of the second quarter of 2023.

As of March 31, 2023, AHIP recorded a $4.3 million receivable for a portion of the total expected insurance proceeds, which is comprised of $3.3 million for the property damage claim, and $1.0 million for the business interruption claim. The $4.3 million represents the initial advance of total expected insurance proceeds, and AHIP estimates the total business interruption claim will be between $1.25 million and $1.75 million for the first quarter of 2023.

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release and management's discussion and analysis for the three months ended March 31, 2023 and 2022

LEVERAGE AND LIQUIDITY

KPIs	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Debt to gross book value	**52.0%**	52.6%	52.6%	53.6%	54.1%
Debt to EBITDA (trailing twelve months)	**9.6x**	9.8x	10.2x	10.0x	10.2x

Debt to gross book value as of March 31, 2023, decreased by 60 bps to 52.0% compared to 52.6% as of December 31, 2022. AHIP is making steady progress on this measure and over time, intends to bring its leverage to a level closer to its peer group which would be in the range of 40-50% debt to gross book value. This is expected to be achieved through a combination of improving operating results, a sustainable distribution policy and selective equity issuance in support of growth transactions. AHIP also improved leverage as measured by Debt to EBITDA, reducing this measure to 9.6x for the trailing twelve months ended March 31, 2023, from 10.2x for the trailing twelve months ended March 31, 2022.

AHIP has 92.2% of its debt at fixed interest rates or effectively fixed by interest rate swaps until November 2023. AHIP does not have any maturities of debt or interest rate swaps until the fourth quarter of 2023. The debt maturities in the fourth quarter of 2023 are approximately $16.4 million for two hotels in Pennsylvania. The notional value of the interest rate swaps is $130.0 million, and they will mature on November 30, 2023.

As of March 31, 2023, AHIP had $21.7 million in available liquidity, compared to $24.1 million as of December 31, 2022. The available liquidity of $21.7 million was comprised of an unrestricted cash balance of $17.2 million and borrowing availability of $4.5 million under the revolving credit facility. AHIP has an additional restricted cash balance of $26.4 million as of March 31, 2023. The increase in unrestricted cash was primarily due to the transfer of $12.0 million from restricted to unrestricted cash, as a result of improved operations during 2022 at the three Embassy Suites located in Ohio and Kentucky. As of the date of this MD&A, the borrowing availability under the revolving credit facility increased to $15.0 million.

GROWTH AND STRATEGIC CAPITAL DEPLOYMENT

AHIP is evaluating growth opportunities that would increase the number of hotels in the portfolio as well as expand the portfolio's geographic footprint. As a result of the 2021 investment by BentallGreenOak and Highgate (collectively, the "Investor"), AHIP is aligned with two well-capitalized strategic partners who support the pursuit of attractive acquisition opportunities. AHIP is also reviewing strategies for divesting assets to recycle proceeds into higher return assets in more attractive markets.

In 2022, AHIP completed the strategic dispositions of seven non-core hotel properties for total gross proceeds of $47.6 million. These dispositions: i) increased portfolio RevPAR by approximately $3; ii) improved AHIP's Debt to EBITDA by approximately 0.4x; and iii) allowed AHIP to avoid future PIP investments that would not have achieved returns available elsewhere in the portfolio.

In March 2023, AHIP entered into an agreement to dispose of a hotel property in Pinehurst, North Carolina for gross proceeds of $11.7 million. The disposition is expected to close in the second quarter of 2023. AHIP intends to use the proceeds from the disposition to pay down debt or purchase assets with higher return in more attractive markets.

U.S. DOLLAR DISTRIBUTION

AHIP has adopted a distribution policy providing 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). Monthly distributions have been paid each month since March 2022. The distribution reintroduced in February 2022 was at a level which is intended to allow AHIP to increase it over time, assuming stable or improving financial results.

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release and management's discussion and analysis for the three months ended March 31, 2023 and 2022

2023 FIRST QUARTER RESULTS

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. The same property KPIs table below excludes the seven hotels sold in 2022, and includes the Residence Inn Neptune in New Jersey, and the Courtyard Wall in New Jersey, the two properties described above that had a significant number of rooms out of order due to the late December 2022 winter storm.

SAME PROPERTY KPIs (71 hotels)

KPIs	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
ADR	**$132**	$126	$129	$126	$119
% Change compared to same period in prior year	**10.9%**	9.5%	7.0%	13.9%	23.5%
Occupancy	**64.1%**	67.2%	73.8%	74.5%	65.6%
Change compared to same period in prior year – bps increase/(decrease)	**(150)**	50	310	250	370
RevPAR	**$85**	$85	$95	$94	$78
% Change compared to same period in prior year	**9.0%**	10.4%	11.6%	17.8%	30.8%
NOI Margin	**28.6%**	30.8%	33.3%	35.5%	29.6%
Change compared to same period in prior year – bps increase/(decrease)	**(100)**	(400)	(650)	(680)	(380)

Same property ADR increased by 10.9% to $132 in the current quarter compared to $119 in the same period of 2022. Same property occupancy decreased by 150 bps to 64.1% due to out of order rooms at two hotel properties in the current quarter as a result of weather-related damage in late December 2022. Excluding these two damaged hotel properties, occupancy was 65.5%, consistent with the same period in 2022. Same property NOI margin decreased by 100 bps to 28.6% for the first quarter of 2023, compared to the same period of 2022. Although same property RevPAR increased by 9.0%, same property NOI margin decreased due to higher operating expenses as a result of inflation and labor shortages, and out of order rooms as a result of weather-related damage. Excluding these two damaged hotel properties, NOI margin in the current quarter improved to 29.1%. 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 contract labor.

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release and management's discussion and analysis for the three months ended March 31, 2023 and 2022

SELECTED INFORMATION

(thousands of dollars, except per unit amounts)	Three months ended March 31, 2023	Three months ended March 31, 2022
Revenue	**65,458**	61,776
NOI (1)	**18,738**	17,500
NOI Margin (1)	**28.6%**	28.3%
Hotel EBITDA (1)	**16,602**	15,382
Hotel EBITDA Margin (1)	**25.4%**	24.9%
EBITDA (1)	**14,044**	12,807
EBITDA Margin (1)	**21.5%**	20.7%
Cashflow from operating activities	**13,094**	7,665
Distributions declared per unit - basic and diluted	**0.045**	0.030
Distributions declared to unitholders - basic	**3,546**	2,362
Distributions declared to unitholders - diluted	**4,026**	2,380
Dividends declared to Series C holders	**1,000**	1,000
Loss and comprehensive loss	**(1,600)**	(3,875)
Loss and comprehensive loss per unit - basic	**(0.02)**	(0.05)
Loss and comprehensive loss per unit - diluted	**(0.02)**	(0.05)
FFO diluted (1)	**9,801**	3,623
FFO per unit - diluted (1)	**0.11**	0.05
FFO payout ratio - diluted, trailing twelve months (1)	**34.1%**	5.0%
AFFO diluted (1)	**7,081**	1,466
AFFO per unit - diluted (1)	**0.08**	0.02
AFFO payout ratio - diluted, trailing twelve months (1)	**44.6%**	6.0%

SELECTED INFORMATION

(thousands of dollars)	March 31, 2023	December 31, 2022
Total assets	**1,061,325**	1,052,795
Total liabilities	**745,352**	730,689
Total non-current liabilities	**664,954**	667,807
Term loans and revolving credit facility	**640,776**	643,929
Debt to gross book value (1)	**52.0%**	52.6%
Debt to EBITDA (times) (1)	**9.6**	9.8
Interest coverage ratio (times) (1)	**2.2**	2.1
Term loans and revolving credit facility:		
Weighted average interest rate	**4.48%**	4.46%
Weighted average term to maturity (years)	**2.8**	3.0
Number of rooms	**8,024**	8,024
Number of properties	**71**	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 and management’s discussion and analysis for the three months ended March 31, 2023 and 2022

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 months ended March 31, 2023 and 2022, that are available on AHIP's website at www.ahipreit.com, and under AHIP's profile on SEDAR at www.sedar.com.

Q1 2023 CONFERENCE CALL
Management will host a webcast and conference call at 10:00 a.m. pacific time on Friday, May 5, 2023, to discuss the financial and operational results for the three months ended March 31, 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.

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 MD&A.

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 MD&A.

Normalized FFO: calculated as FFO excluding non-recurring items. For the three months ended March 31, 2023, normalized FFO is calculated as FFO excluding the non-recurring insurance proceeds of $3.3 million for property damage related to the weather-related damage at several hotel properties in late December 2022. For the three months ended March 31, 2022, normalized FFO is calculated as FFO excluding the non-recurring $1.0 million business interruption insurance proceeds received for revenue loss due to COVID-19.

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 included below.

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

EBITDA: calculated by adjusting income from operating activities for depreciation and amortization, IFRIC 21 property taxes, management fees for hotel 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 included below.

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release and management's discussion and analysis for the three months ended March 31, 2023 and 2022

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 included below.

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 included below.

Interest expense: calculated by adjusting finance costs for gain/loss on debt settlement, amortization of debt financing costs, accretion of debenture liability, amortization of debenture costs, dividends on series B preferred shares 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 included below.

NON-IFRS RATIOS:

FFO per unit – basic/diluted: calculated as FFO – basic/diluted divided by 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 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 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 basic FFO, for the twelve months ended March 31, 2023, and 2022.

FFO payout ratio – diluted, trailing twelve months: calculated as total distributions declared to unitholders – diluted, divided by total diluted FFO, for the twelve months ended March 31, 2023, and 2022.

AFFO payout ratio – basic, trailing twelve months**:** calculated as total distributions declared to unitholders – basic, divided by total basic AFFO, for the twelve months ended March 31, 2023, and 2022.

AFFO payout ratio – diluted, trailing twelve months**:** calculated as total distributions declared to unitholders – diluted, divided by total diluted AFFO, for the twelve months ended March 31, 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.

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 and management's discussion and analysis for the three months ended March 31, 2023 and 2022

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.

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.

Revenue per available room ("RevPAR"): calculated as occupancy multiplied by ADR for the reporting periods.

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. For the three months ended March 31, 2023, same property occupancy, ADR, RevPAR, NOI include 71 hotels (excluding the seven hotels sold in 2022).

NON-IFRS RECONCILIATION

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

(thousands of dollars, except per unit amounts)	Three months ended March 31, 2023	Three months ended March 31, 2022
Loss and comprehensive loss	**(1,600)**	(3,875)
Adjustments:		
Loss attributable to non-controlling interest	**(1,000)**	(1,000)
Depreciation and amortization	**8,621**	10,219
Loss (gain) on sale of property	**3,892**	(1,604)
IFRIC 21 property taxes	**699**	543
Change in fair value of interest rate swap contracts	**1,091**	(3,348)
Change in fair value of warrants	**(1,570)**	3,345
Impairment of cash-generating units	**-**	257
Warrant issuance costs	**-**	(3)
Deferred income tax (recovery)/expense	**(1,425)**	(911)
FFO basic (1)	**8,708**	3,623
Interest, accretion, and amortization on convertible debentures	**1,093**	-
FFO diluted (1)	**9,801**	3,623
FFO per unit – basic (1)	**0.11**	0.05
FFO per unit – diluted (1)	**0.11**	0.05
FFO payout ratio – basic – trailing twelve months (1)	**33.0%**	5.0%
FFO payout ratio – diluted – trailing twelve months (1)	**34.1%**	5.0%
Non-recurring items:		
Other income	**(3,342)**	(1,294)
Measurements excluding non-recurring items:		
FFO diluted (1)	**6,459**	2,329
FFO per unit – diluted (1)	**0.07**	0.03
Weighted average number of units outstanding:		
Basic (000's)	**78,800**	78,553
Diluted (000's) (2) (3)	**89,465**	79,327

(2) The calculation of weighted average number of units outstanding for FFO per unit - diluted and AFFO per unit - diluted included the convertible debentures for the three months ended March 31, 2023 because they were dilutive.

(3) The calculation of weighted average number of units outstanding for FFO per unit - diluted and AFFO per unit - diluted excluded the convertible debentures for the three months ended March 31, 2022 because they were not dilutive.

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release and management's discussion and analysis for the three months ended March 31, 2023 and 2022

RECONCILIATION OF FFO TO AFFO

(thousands of dollars, except per Unit amounts)	Three months ended March 31, 2023	Three months ended March 31, 2022
Loss and comprehensive loss	**(1,600)**	(3,875)
FFO basic (1)	**8,708**	3,623
FFO diluted (1)	**9,801**	3,623
Maintenance capital expenditures	**(2,720)**	(2,157)
AFFO basic (1)	**5,988**	1,466
AFFO diluted (1)	**7,081**	1,466
AFFO per unit - basic (1)	**0.08**	0.02
AFFO per unit - diluted (1)	**0.08**	0.02
AFFO payout ratio – basic – trailing twelve months (1)	**44.6%**	6.0%
AFFO payout ratio – diluted – trailing twelve months (1)	**44.6%**	6.0%
Measurements excluding non-recurring items:		
AFFO diluted (1)	**3,739**	172
AFFO per unit – diluted (1)	**0.04**	-

(thousands of dollars)	March 31, 2023	December 31, 2022
Term loans and revolving credit facility	**640,776**	643,929
2026 Debentures (at face value)	**50,000**	50,000
Liabilities related to assets held for sale	**6,577**	-
Unamortized portion of debt financing costs	**4,074**	4,437
Lease liabilities	**1,526**	1,591
Unamortized portion of mark-to-market adjustments	**(63)**	(76)
Debt (1)	**702,890**	699,881

(thousands of dollars)	March 31, 2023	December 31, 2022
Total assets	**1,061,325**	1,052,795
Accumulated depreciation and impairment/write off on property, buildings and equipment	**284,969**	272,540
Accumulated amortization on intangible assets	**4,697**	4,530
Gross book value (1)	**1,350,991**	1,329,865

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

(thousands of dollars)	Three months ended March 31, 2023	Three months ended March 31, 2022
Income from operating activities	**9,418**	6,738
Depreciation and amortization	**8,621**	10,219
IFRIC 21 property taxes	**699**	543
NOI (1)	**18,738**	17,500
Management fees	**(2,136)**	(2,118)
Hotel EBITDA (1)	**16,602**	15,382
General administrative expenses	**(2,558)**	(2,575)
EBITDA (1)	**14,044**	12,807

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release and management's discussion and analysis for the three months ended March 31, 2023 and 2022

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

(thousands of dollars)	Three months ended March 31, 2023	Three months ended March 31, 2022
Finance costs	**8,692**	9,442
Amortization of debt financing costs	**(355)**	(492)
Accretion of Debenture liability	**(242)**	(182)
Amortization of Debenture costs	**(100)**	(74)
Dividends on Series B preferred shares	**(21)**	(4)
Interest Expense [(1)]	**7,974**	8,690

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 months ended March 31, 2023 and 2022, available on AHIP's website at www.ahipreit.com, and under AHIP's profile on SEDAR at www.sedar.com, which is incorporated by reference into this news release.

FORWARD-LOOKING INFORMATION

Certain statements in this news release may constitute "forward-looking information" within the meaning of applicable securities laws. Forward-looking information 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 includes, but is 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 in this news release includes, but is not limited to, statements with respect to: AHIP's expectations with respect to its future performance, including specific expectations in respect to certain categories of its properties, including the Embassy Suites properties; AHIP's leverage and liquidity strategies and goals, including its target debt to gross book value ratio; AHIP's planned strategies to manage pressures imposed by inflation and labor shortages; AHIP's expectations with respect to, and the estimated amount of, weather-related damage to buildings and equipment of four hotel properties, and the expected timing for the return to operation for rooms currently out of service; AHIP's expectations that all costs associated with remediation and business interruption at its weather-damaged properties will be recovered from insurance net of a single occurrence deductible; AHIP's expectation that it will receive between $1.25 million and $1.75 million in business interruption insurance proceeds in relation to the weather damaged properties; AHIP's evaluation and review of growth and divesture opportunities; AHIP's expectation that it will complete the sale of a none-core hotel property in the second quarter of 2023; AHIP's expectations with respect to inflation, labour supply, interest rates and other market financial and macroeconomic conditions in 2023 and beyond and the expected impacts thereof on AHIP's financial position and performance; AHIP's belief that it is in a strong position to manage an uncertain macroeconomic environment; AHIP's outlook on the U.S. travel market; the expected timing for the declaration, record date and payment of monthly distributions, and any increase thereof; and AHIP's stated long-term objectives.

Although the forward-looking information contained in this news release is 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; the COVID-19 pandemic will continue to negatively impact (although to a lesser extent than previously) 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's strategies with respect to margin enhancement, completion of capital projects, liquidity and divestiture of non-core assets and acquisitions will be successful; capital projects will be completed on time and on budget; AHIP will continue to have good relationships with its hotel brand partners; ADR and Occupancy will be stable or rise in 2023; AHIP's insurance claims for its weather damaged properties will paid in full; AHIP's distribution policy will be sustainable and AHIP will not be prohibited from paying distributions under the terms of its term loans, revolving credit facility and investor rights agreement; AHIP's ability to increase distribution level in future periods assuming stable or improving operating results; 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; AHIP will be able to renew or replace its interest rate swaps on reasonable terms; 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 involves significant risks and uncertainties and should not be read as a guarantee of future performance or results as actual results may differ materially from those expressed or implied in such forward-looking information, accordingly undue reliance should not be placed on such forward-looking information. Those risks and uncertainties include, among other things, risks related to: 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 may not achieve its expected performance levels in 2023; AHIP's brand partners may impose revised service standards and

(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release and management's discussion and analysis for the three months ended March 31, 2023 and 2022

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; recent recovery trends at AHIP's properties may not continue and may regress; AHIP's strategies with respect to margin enhancement, completion of accretive capital projects, liquidity, divestiture of non-core assets and acquisitions may not be successful; AHIP may not be successful in reducing its leverage; monthly cash distributions are not guaranteed and remain subject to the approval of the Board of Directors, compliance with the terms of its credit facility and investor rights agreement and may be reduced or suspended at any time at the discretion of the Board; AHIP may not be able to refinance debt obligations as they become due; AHIP may not be successful in renewing or replacing its interest rate swaps on reasonable terms or at all; the appraisals for the borrowing base properties may be lower than expected which may result in a reduction in some or all of the available capacity of the revolving credit facility; 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 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 contained herein. Additional information about risks and uncertainties is contained in AHIP's management's discussion and analysis for the three months ended March 31, 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.sedar.com.

The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. Forward-looking information reflects management's current beliefs and is based on information currently available to AHIP. The forward-looking information is 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:

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(1) Non-IFRS and other financial measures. See "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this news release and management's discussion and analysis for the three months ended March 31, 2023 and 2022