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# Investor Presentation

May 2023 | TSX: HOT.UN (C\$) | TSX: HOT.U (US\$) | HOT.DB.V

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Certain statements in this presentation may constitute "forward-looking information" or "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 may include, 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. Specifically, forward-looking information and financial outlook in this presentation 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; AHIP's outlook on the U.S. travel market and hotel industry; the expected timing for the declaration, record date and payment of monthly distributions; the sustainability of AHIP's distribution and room for growth thereof and related financial metrics; AHIP's capital expenditure plans and estimated returns from hotel renovations; AHIP's expectations with respect to the impact of inflation on the financial performance of its hotels and the hotel industry, generally; AHIP's intention to reduce leverage over time, and its strategies for doing so; and AHIP's stated long-term objectives.

Although the forward-looking information and financial outlook contained in this presentation 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 and financial outlook is based on a number of key expectations and assumptions made by AHIP, including, without limitation: 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 be able to increase hotel rates in order to keep pace with inflation; AHIP's will continue to have good relationships with its hotel brand partners; occupancy rates will be stable or rise in 2023; AHIP's distribution policy will be sustainable and AHIP will not be prohibited from paying distributions under the terms of its senior credit facility or investor rights agreement; 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'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.

To the extent any forward-looking information in this presentation constitute a "financial outlook" within the meaning of applicable securities laws, such information is being provided to help investors understand AHIP's expectations with respect to: the sustainability of its monthly distribution; its capital expenditure program and the potential returns therefrom; the financial impact of inflation on AHIP's performance and expectations with respect to AHIP's financial performance for 2023.

Forward-looking information and financial outlook involve 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 and financial outlook, accordingly undue reliance should not be placed on such information. Those risks and uncertainties include, among other things, risks related to: the COVID-19 pandemic and related government measures and their impact on the U.S. economy, the hotel industry, and AHIP's business; AHIP may not achieve its expected performance levels in 2023 or beyond; AHIP's brand partners may impose revised service standards and capital requirements which are adverse to AHIP; PIP renovations may not commence or complete in accordance with currently expected timing and may suffer from increased material costs and may not generate positive returns; 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 Board of Directors and may be reduced or suspended at any time at the discretion of the Board, AHIP's FFO Payout Ratio will fluctuate with performance and may exceed estimated amounts disclosed herein; AHIP may not be able to increase daily rates commensurate with inflation, and inflation may have negative impacts on AHIP's performance; AHIP may not be able to refinance debt obligations as they become due; and AHIP may not achieve its long-term objectives. More information about the risks and uncertainties affecting AHIP's business can be found in the "Risk Factors" section of its most recent Annual Information Form and in its most recent Management's Discussion and Analysis, copies of each of which are available under AHIP's profile on SEDAR at [www.sedar.com](http://www.sedar.com). 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 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 is made as of the date of this presentation 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.

## Additional Information

Additional information relating to AHIP, including AHIP's audited consolidated Financial Statements for the quarter ended March 31, 2023, AHIP's MD&A dated May 4, 2023, and other public filings are available on SEDAR at [www.sedar.com](http://www.sedar.com).

*All figures presented are in U.S. dollars, unless otherwise stated.*

# Executive Summary



Value Proposition	Commentary
Hotel Real Estate Exposure for Canadian Investors	<ul style="list-style-type: none"> <li>AHIP is a vehicle to provide Canadian investors with exposure to U.S. select service hotel real estate <ul style="list-style-type: none"> <li>Only Canadian listed public REIT investing solely in hotels</li> </ul> </li> <li>Tax efficient REIT structure with no material U.S. Federal and Canadian income tax</li> </ul>
Industry-Leading Yield	<ul style="list-style-type: none"> <li>First hotel REIT in Canada or the U.S. to reinstate distributions</li> <li>Annual distribution of US\$0.18 / unit represents a higher yield than any issuer in the Bloomberg REIT Hotels Index</li> <li>Distribution is less than a 50% FFO payout ratio<sup>(1,2)</sup>, representing sustainability and room for future growth</li> </ul>
Undervalued	<ul style="list-style-type: none"> <li>Currently trading at a large discount to pre-COVID value (~60%), public peers, and portfolio replacement cost</li> <li>Analyst consensus NAV of ~C\$3.85<sup>(3)</sup> is a significant premium to current unit price</li> <li>Recent private market transactions at valuations well above AHIP's current public market value</li> <li>Rare opportunity to invest in the hotel sector; unit prices meaningfully below historical and intrinsic value</li> </ul>
Inflation-Resistant Industry	<ul style="list-style-type: none"> <li>The hotel industry has inflation protection with daily rate setting, which balances inflationary cost pressures</li> <li>Hotel NOI<sup>(4)</sup> growth has outpaced inflation over the last 50 years<sup>(5)</sup></li> <li>Q1-2023 same store NOI<sup>(4)</sup> increased by 7% YoY after multiple quarters of YoY declines</li> </ul>
Strong Financial Position	<ul style="list-style-type: none"> <li>Available liquidity of \$32 million and an additional \$26 million of restricted cash for investment in hotels</li> <li>Leverage reduced by 630 basis points since Q4-2020 as measured by Debt-to-Gross Book Value<sup>(6)</sup></li> <li>92% of debt is at fixed rates until late 2023</li> <li>No maturities of debt or interest rate swaps until the fourth quarter of 2023</li> </ul>
Resilient Portfolio with Upside	<ul style="list-style-type: none"> <li>Positive EBITDA<sup>(4)</sup> every month since April 2020 during COVID-19 pandemic demonstrates resiliency</li> <li>Remaining upside in the return of business travel with ongoing signs of recovery</li> <li>Major renovations of AHIP's portfolio in 2019 representing additional potential</li> </ul>

Note: Market data as of May 5, 2023.

- Calculated based on one-year forward analyst consensus estimates from most recent analyst reports. AHIP does not endorse analyst projections, as such information represents the views of the particular analyst and not necessarily those of AHIP. An investor should review the entire reports of the analysts prior to making any investment decision.
- FFO Payout Ratio is a non-IFRS financial ratio. Refer to the Non-IFRS Measures section in Appendix B for more information on each non-IFRS financial ratio.
- Converted from USD to CAD using 1.30 exchange rate.
- EBITDA and NOI are non-IFRS measures. Refer to the Non-IFRS Measures section in Appendix B for more information on each non-IFRS financial measure.
- Source: CBRE.
- Debt-to-Gross Book Value is a capital management measure. Refer to the Non-IFRS Measures section in Appendix B for more information on each capital management measure.



# Hotel Overview



Premium Branded  
Select-Service  
Hotels

71

HOTELS

8,024

KEYS



Geographically  
Diversified  
Suburban Drive-to  
Locations

22

STATES

48

CITIES



Affiliation with  
Leading Global  
Hotel Brands

Marriott  
Hilton IHG®

CORE BRAND  
FAMILIES

14

BRAND FLAGS



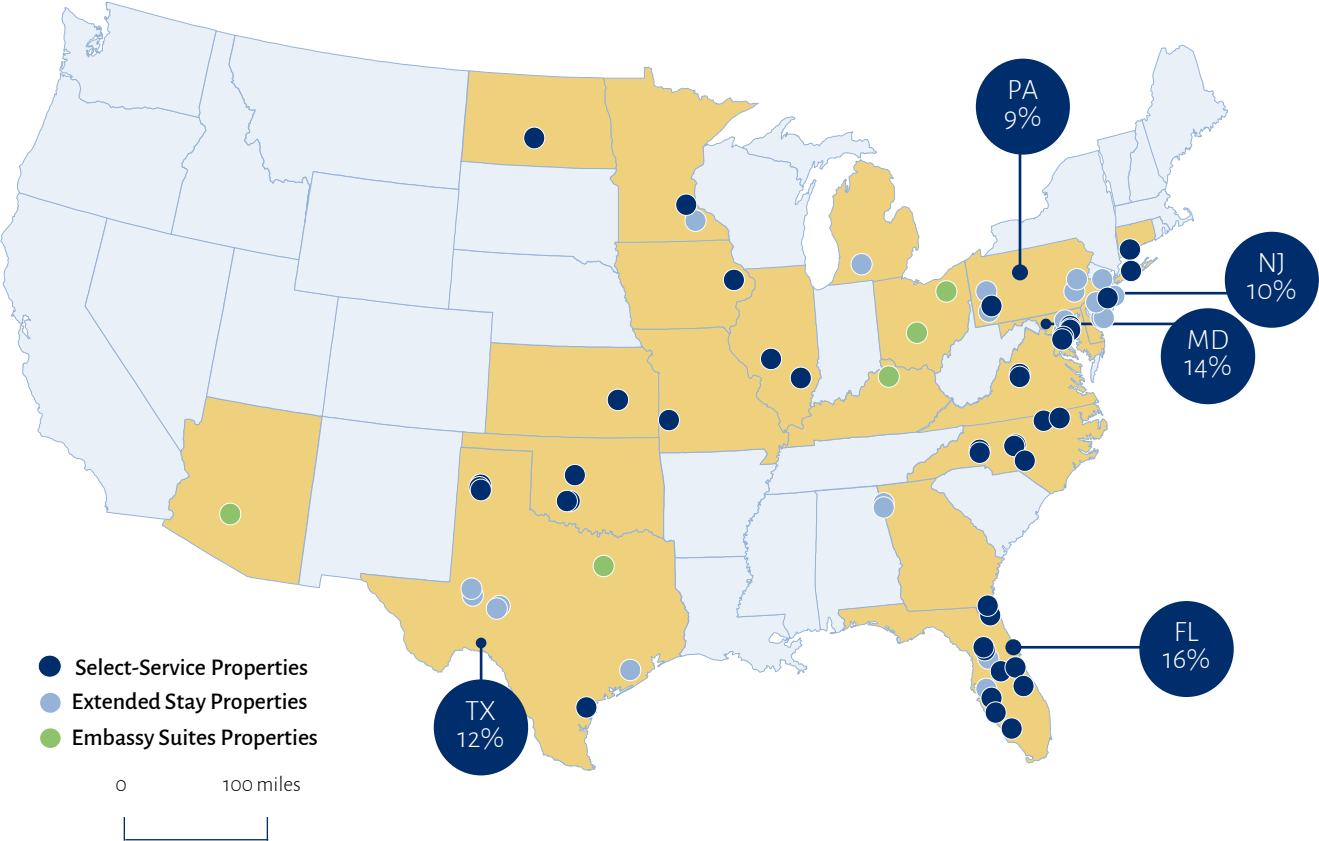
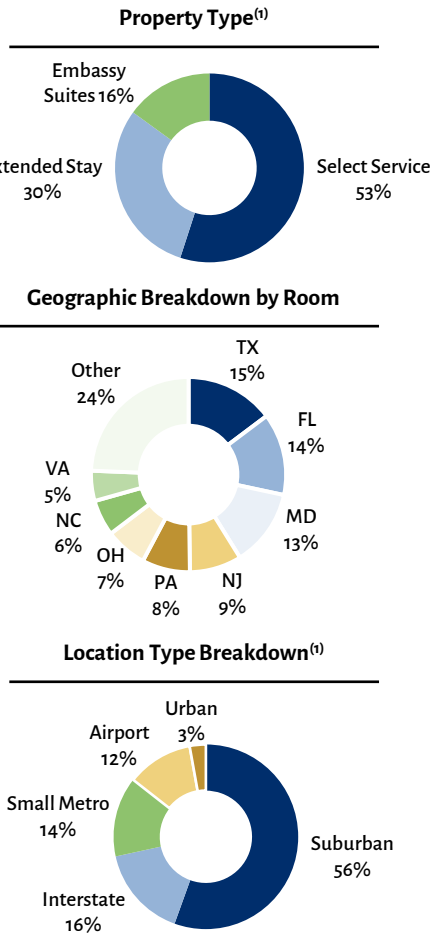
High-Quality  
Portfolio

~6 years<sup>(1)</sup>  
AVERAGE AGE

>\$130 million  
CAPEX SINCE IPO

1) Average age represents years since hotels were built or last renovated.

# Geographically Diverse Portfolio



Focused on Secondary Markets in “Drive to” Locations with Multiple Demand Generators.


AHIP’s portfolio primarily caters to travelers in Suburban (56%), Interstate (16%), Small Metro (14%) and Airport (12%) locations.

Note: Percent of current portfolio for each state based on contribution to 2022 NOI from AHIP properties located in the state. NOI is a non-IFRS measure. Refer to the Non-IFRS Measures section in Appendix B for more information on each non-IFRS financial measure.

1) Breakdown by number of keys.

Source: Company data

# Experienced Management Team

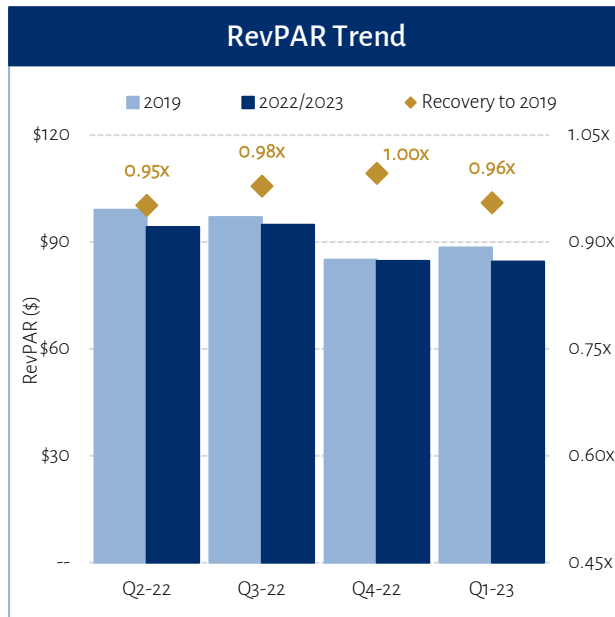
	RELEVANT EXPERIENCE	ACCOMPLISHMENTS
 <p><b>Jonathan Korol</b>  <b>Vancouver</b>            Chief Executive Officer</p>	<ul style="list-style-type: none"> <li>• AHIP CEO October 2020-present</li> <li>• SilverBirch Hotels &amp; Resorts President/ SVP 2014-20</li> <li>• Amadeus Property Partners Managing Partner 2012-14</li> <li>• Apollo Real Estate Advisors Vice President 2006-12</li> </ul>	<ul style="list-style-type: none"> <li>• Led portfolio improvements, refinancing and sales of non-core assets</li> <li>• As President of SilverBirch, full accountability for asset management and property operations</li> <li>• Led C\$1.1 billion disposition of national hotel portfolio resulting in successful exit for Canadian pension fund investor</li> <li>• Originated, evaluated, structured, financed and asset managed over \$900 million in real estate equity and debt investments</li> </ul>
 <p><b>Travis Beatty</b>  <b>Vancouver</b>            Chief Financial Officer</p>	<ul style="list-style-type: none"> <li>• AHIP CFO June 2021 - present</li> <li>• Northview Apartment REIT CFO 2016-20</li> <li>• West Valley Energy CFO 2012-14</li> <li>• OPTI Canada Inc. CFO 2009-11</li> </ul>	<ul style="list-style-type: none"> <li>• Managed leverage down from 60% to 52% over 4 year period</li> <li>• Accretive growth; \$600+ million acquisitions and \$100+ million dispositions</li> <li>• Successfully managed corporate M&amp;A process resulting in sale at all time high unit price during pandemic</li> <li>• Enhanced corporate planning and analysis function to support execution; clear measures and strategy to stakeholders</li> </ul>
 <p><b>Bruce Pittet</b>  <b>Phoenix</b>            Chief Operating Officer,            SVP Asset Management</p>	<ul style="list-style-type: none"> <li>• AHIP COO and SVP Asset Management 2019-present</li> <li>• Aimbridge Hospitality 2013-19</li> <li>• Winding Road Development Company 2007-13</li> </ul>	<ul style="list-style-type: none"> <li>• Opened, repositioned/branded, onboarded, asset managed or managed over 150 hotels in North America</li> <li>• Successfully scaled management business; operations, sales, revenue management, engineering/design construction</li> <li>• Broad depth of experience having operated independent and branded hotels in economy to upper upscale segments</li> <li>• Significant experience in due diligence and evaluation of development, acquisition and disposition opportunities; \$1+ billion</li> </ul>

# Strategic Objectives

## Management team focused on value creation through the following strategic objectives

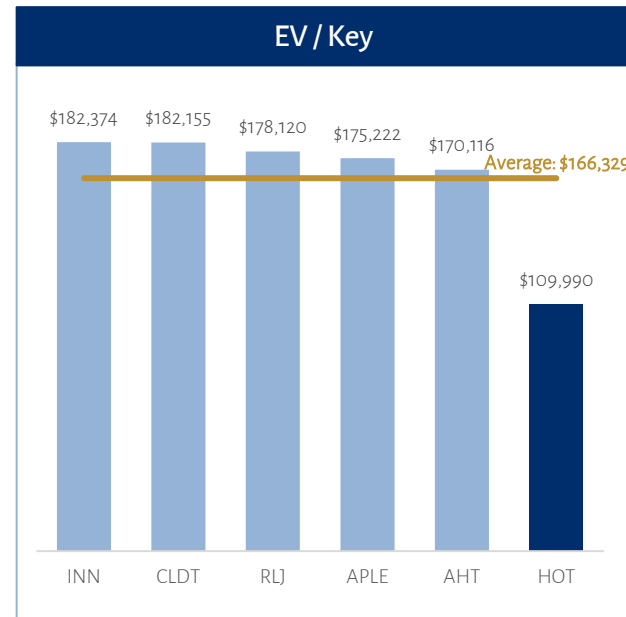
Optimize Portfolio Performance	Growth and Capital Recycling	Financial Position
<ul style="list-style-type: none"><li>• Revenue Management initiatives driving occupancy and RevPAR penetration</li><li>• Focus on margin enhancement and cash flows</li><li>• Improve portfolio positioning through strategic capital deployment</li><li>• Develop and implement strategic plans for each hotel</li><li>• Focused Property Improvement Plans (PIPs) to maximize return on investment</li></ul>	<ul style="list-style-type: none"><li>• Resiliency and stability of cash flow profile provides support for growth objectives</li><li>• Maintain financial discipline while executing growth opportunities</li><li>• Fund growth transactions with effective mix of equity and debt</li><li>• Organic growth through optimization of portfolio performance</li><li>• Portfolio rationalization via sale of non-core assets</li></ul>	<ul style="list-style-type: none"><li>• Maintain suitable liquidity position</li><li>• Manage overall capital structure to reduce cost of capital</li><li>• Manage debt maturities</li><li>• Reduce corporate leverage over time</li><li>• Be financially positioned to pursue accretive opportunities</li><li>• Maintain distribution at a sustainable level for the long-term</li><li>• Increase mix of institutional unitholders over time</li></ul>

# Strategic Objectives - Progress



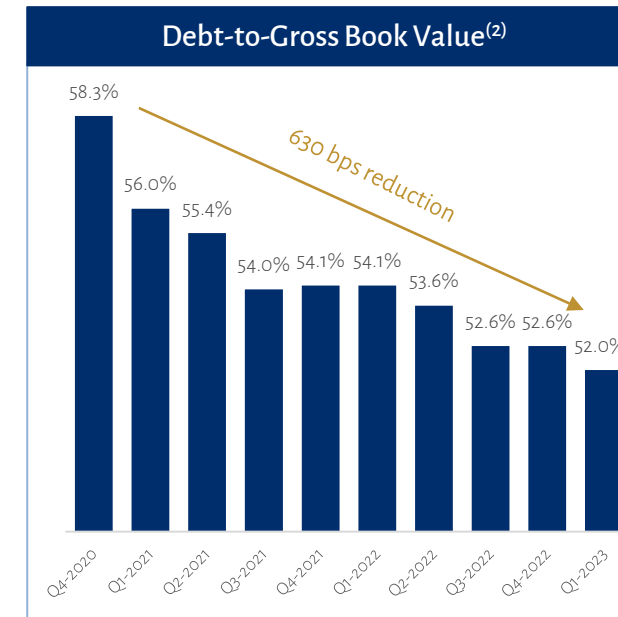
## Optimize Portfolio Performance

- Portfolio continues to achieve solid operational results in an improving demand environment
- Portfolio STR RevPAR index of 112%<sup>(1)</sup> indicates outperformance against direct competition
- ~\$30 million in total capital expenditures in 2022 which was partially funded by restricted cash and which management estimates will generate returns between 8-12% over the life of the assets



## Growth and Capital Recycling

- Valuation discounted to public peers, private market values and replacement cost, making growth via equity issuance in the near-term less attractive
- Portfolio rationalization with recent sales of non-core assets
  - In 2022, AHIP high-graded its portfolio by executing on the dispositions of 7 non-core assets, resulting in improvements to both operational and leverage metrics
- Continued focus on organic growth through optimization of portfolio performance



## Improve Financial Position

- Leverage has been gradually decreasing over time
- Distribution yield is higher than any issuer in the Bloomberg REIT Hotels Index
- Low payout ratio leaves room for growth
- Total available liquidity of \$32 million and an additional \$26 million of restricted cash
- Near-term debt maturities have been addressed, no further maturities until Q4-2023

Note: Market data as of May 5, 2023.

1) Fiscal Year 2022 for AHIP's current portfolio of 71 assets.

2) Debt-to-Gross Book Value is a capital management measure. Refer to the Non-IFRS Measures section in Appendix B for more information on each capital management measure.

Source: Deutsche Bank



# Portfolio Overview

Asset Management & Acquisition Strategy



Courtyard by Marriott – Bismarck

# Dedicated Asset Management Team



# Acquisition Criteria



Execution	Pricing	Size & Quality	Brand & Market
<ul style="list-style-type: none"><li>• Leverage extensive industry relationships to source and execute attractive acquisition opportunities</li><li>• Use market knowledge to inform pro forma asset underwriting</li><li>• Alignment with largest global hotel manager provides off-market opportunities for growth</li><li>• Exercise fiscal discipline to ensure return expectations are met</li></ul>	<ul style="list-style-type: none"><li>• Acquire at an accretive capitalization rate with opportunities for yield expansion through active asset management</li><li>• Priced below replacement cost (including change of ownership PIPs)</li><li>• Pursue transactions with fiscal discipline, don't chase deals or value</li></ul>	<ul style="list-style-type: none"><li>• Upscale and upper midscale chains</li><li>• Hotels that exceed 100 guestrooms</li><li>• Stabilized RevPAR that exceeds \$100</li><li>• Target newer assets with limited initial capital requirements</li></ul>	<ul style="list-style-type: none"><li>• Bias toward Marriott and Hilton brands</li><li>• Grow higher margin Extended Stay footprint from current 30% of portfolio</li><li>• Secondary U.S. markets with multiple non-cyclical demand generators</li><li>• Well located in applicable submarkets</li><li>• Markets with limited new supply in the development pipeline, barriers to entry in secondary markets</li></ul>

# Strong Alignment with Hotel Manager & Brands

Productive partnership with Aimbridge and Brands has resulted in long-term value creation



1) Fiscal Year 2022 for AHIP's current portfolio of 71 assets.



# Strong Brand Recognition

AHIP's core portfolio has long-term brand affiliation with three of the largest global hotel companies

Guestrooms by Brand

**IHG<sup>®</sup>**

12 HOTELS

- Holiday Inn Express
- Staybridge Suites
- Holiday Inn

**Marriott**

33 HOTELS

- Residence Inn
- Fairfield Inn
- Courtyard
- Springhill Suites
- TownePlace Suites

**Hilton**

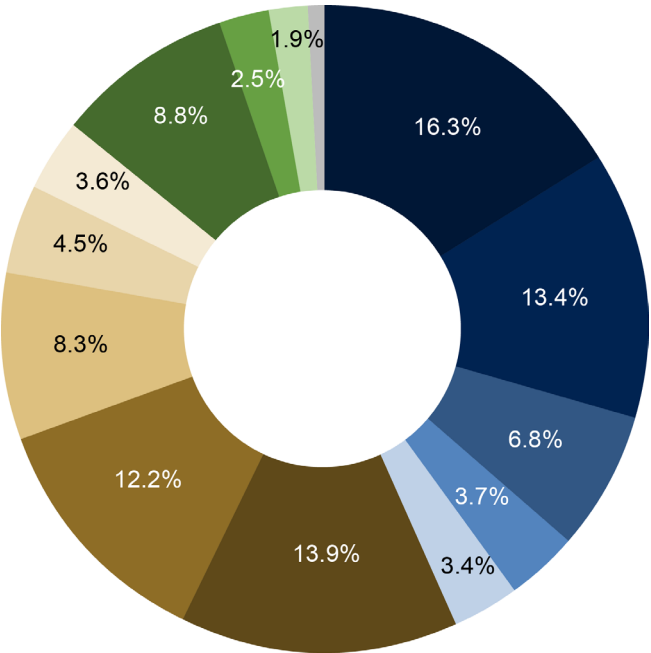
25 HOTELS

- Embassy Suites
- Hampton Inn
- Homewood Suites
- Home2 Suites
- Hilton Garden Inn

**CHOICE<sup>™</sup>**  
HOTELS

1 HOTEL

- Sleep Inn & Suites



# Benefits of Premium Branded Select-Service Hotels



## Focused Operating Model

- Lean operating model with revenues primarily driven from rooms
- Limited amenity and services result in reduced labor requirements
- Select-service is less capital intensive as a result of efficient building design with reduced amenity and common area space
- Not reliant on air travel, international visitors or large group and conference business

## Benefit from Brand Partnerships

- High-quality branded hotels that appeal to multiple market segments
- Unique and targeted service and amenities by Brand
- Global brands provide access to loyalty members, driving repeat business
- Strong brand segmentation
- Global reservation systems

## Wide Array of Demand Generators

- Business
- Leisure
- Government
- Military
- Athletics
- Health Care
- Education
- First Responders
- Social
- Construction

# Strategic Investment by BGO & Highgate

## Q1-2021 Transaction Description

- BentallGreenOak and Highgate made a \$50 million strategic investment in AHIP
- Preferred equity stock and warrants on a private placement basis
- A portion of the net proceeds from the investment to repay debt and enhance corporate liquidity
- Investors have appointed two board members to AHIP's Board of Directors

## Strategic Rationale

- Recognition of AHIP's premium branded, select-service hotel strategy and asset management platform
- Well capitalized strategic partners with significant hotel portfolios position AHIP to pursue value accretive acquisitions
- Highgate and BGO principals have a longstanding relationship of investing together in the hospitality space

## Strategic Partner Overview



- Industry leading real estate investment and hospitality management company
- Investment management capabilities extend to hospitality-adjacent real estate verticals including multifamily, short-term rentals, and diversified healthcare real estate, real estate-linked securities, technology platforms, and operating businesses
- Portfolio includes over 500 owned and/or managed hotels comprising over 84,000 rooms across the U.S., Europe, Latin America, and the Caribbean
- Hotel assets under management have an aggregate value of more than \$15 billion
- In-house select-service and extended stay hotel development platform with an extensive pipeline of active projects
- Corporate offices in New York, Dallas, London, Miami, Seattle, and Waikiki



- Leading global real estate investment management advisor and provider of real estate services
- Majority-owned by Sun Life Capital Management
- Offices in 28 cities across 13 countries, 750+ institutional clients and partners, \$83 billion of assets under management

# Sustainability Initiatives



AHIP is pleased to work with hotel brands that employ sustainability practices to reduce waste, water and energy consumption

## Recent ESG Developments

- An internal ESG committee has been formed. The committee sets AHIP’s ESG strategy and monitors performance
- A portfolio level environmental resource planning program is being developed
- Charities have been selected for our volunteering & charitable partnership program
- **Click here** to download AHIP’s Corporate Responsibility & Sustainability report

### Hilton

- Hilton’s LightStay measures environmental and social impact
- LightStay’s 2030 Goals align with the UN’s Sustainable Development Goals (SDGs) and targets

### Marriott

- Marriott’s Serve 360 provides a framework to source responsibly, reduce environmental impact and contribute to social causes
- Hotel metrics are measured to help achieve Marriott’s 2025 corporate sustainability goals

### IHG®

- IHG Green Engage provides green solutions to manage and report energy, carbon, water and waste
- Includes LED lighting, low-flow taps, toilets and shower heads



# Financial & Valuation Highlights



Hampton Inn & Suites by Hilton – Corpus Christi

# Sustainable Distribution at an Attractive Yield



Courtyard Marriott – Bismarck

Overview of Comparative Yield Over Time					
		AHIP	S&P/TSX Capped REIT Index	MSCI U.S. REIT Index	5-Year Treasury Yield
Average For:	Year-to-Date	9.3%	4.0%	3.6%	3.6%
	2019	12.0%	4.1%	3.5%	1.9%
	2017-2019	10.3%	4.6%	4.1%	2.2%
	2013-2019	9.3%	4.9%	4.1%	1.7%

Overview of Historical Payout Ratios and Yields Across Select-Service Peers				
	2019 Yield	2019 FFO Payout <sup>(1)</sup>	Current Yield	Current FFO Payout Ratio <sup>(1)</sup>
Name	Avg.	Avg.		
Apple	7.5%	71.9%	6.2%	58.9%
Ashford	12.2%	36.4%	N/A	N/A
Chatham	7.1%	71.5%	2.7%	22.5%
RLJ	7.5%	61.6%	3.0%	19.6%
Summit	6.2%	57.0%	2.4%	16.4%
AHIP REIT <sup>(2)</sup>	12.0%	87.3%	9.7%	43.3%

Note: Market data as of May 5, 2023.  
 Note: These yields for the indices were based on the iShares S&P/TSX Capped REIT Index ETF for the S&P/TSX Capped REIT Index and the Vanguard Real Estate ETF for the U.S. MSCI REIT Index.

1. Represents rolling one-year forward analyst consensus estimates. AHIP does not endorse analyst projections, as such information represents the views of the particular analyst and not necessarily those of AHIP. An investor should review the entire reports of the analysts prior to making any investment decision.

2. Shown based on the C\$ ticker.

Source: CIBC

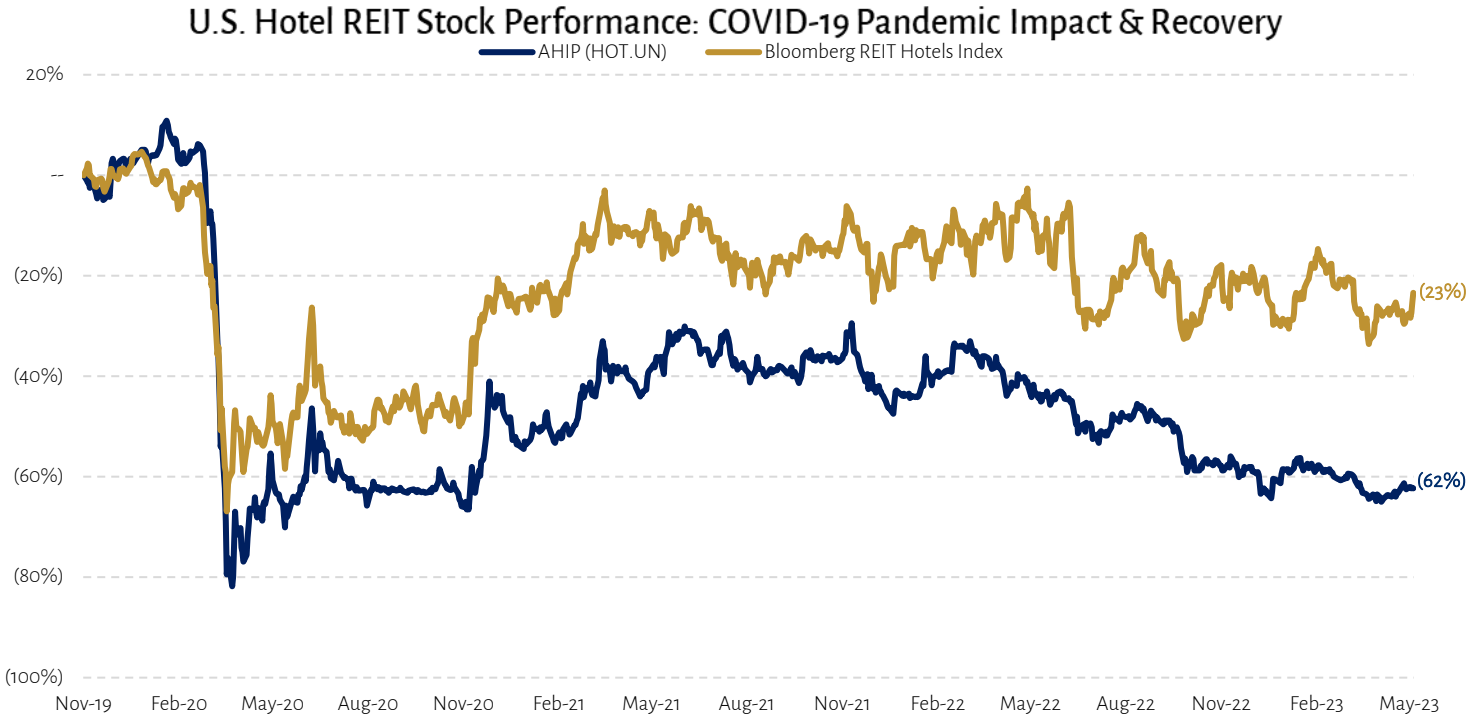
AHIP was one of the first North American public lodging REITs to reinstate regular distributions following the COVID-19 pandemic, demonstrating the financial resiliency of its portfolio.

AHIP’s current distribution yield continues to be above peers and is now at a much more sustainable level relative to the past, with room for growth as demonstrated by a lower FFO payout ratio.

# Compelling Entry Point into Hotel Sector



Fairfield Inn & Suites by Marriott – Pittsburgh



Note: Market data as of May 5, 2023.

The COVID-19 pandemic has provided a rare opportunity to invest in the hotel sector.

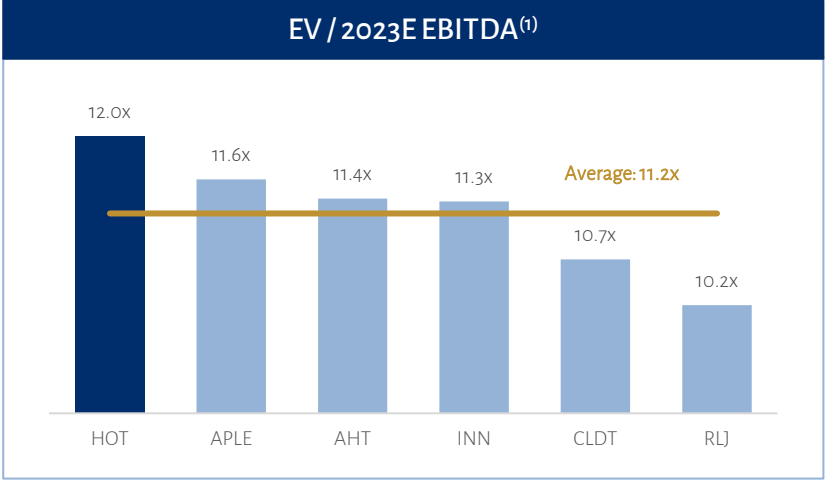
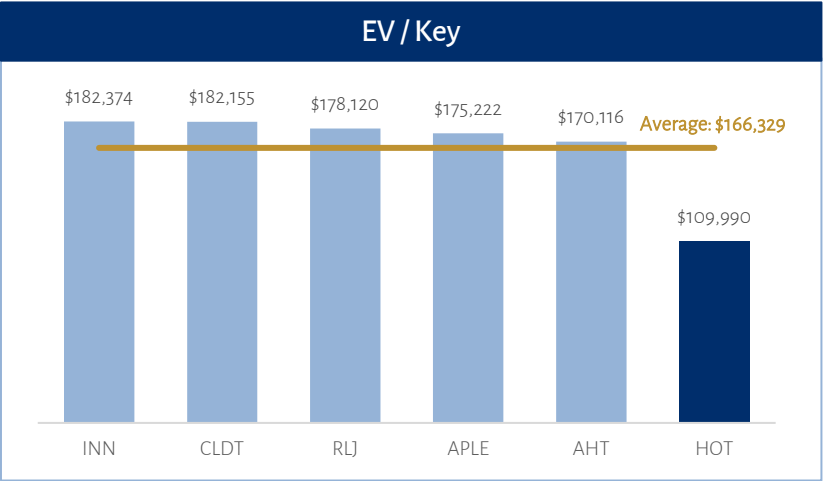
Prices are significantly below historical and intrinsic value.

# Attractive Basis for Investment in AHIP



Home2 Suites by Hilton – Midland

AHIP currently trades well below its peer set on an EV / Key basis and slightly above on a forward EV / EBITDA basis

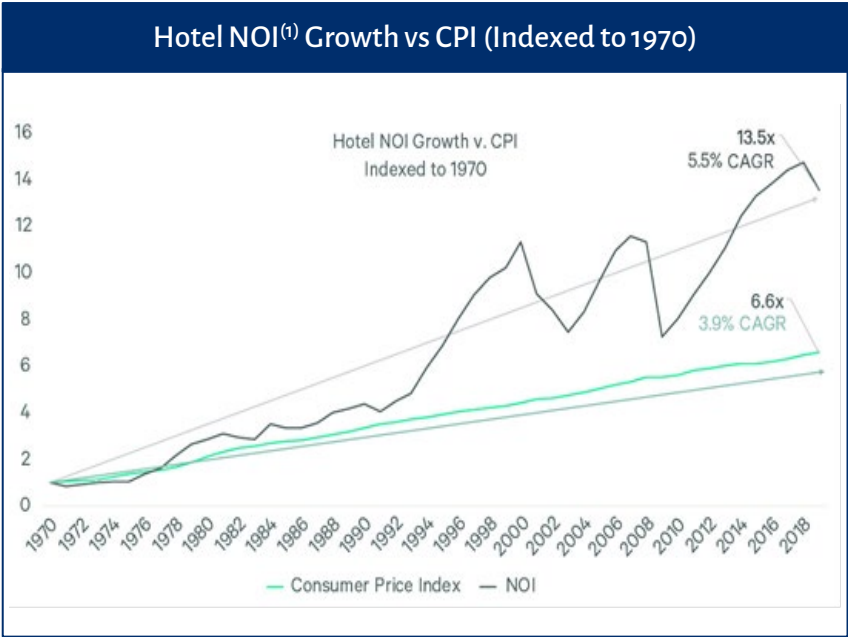


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Source: Deutsche Bank



# The Case for Hotel Real Estate in an Inflationary Environment

- The hotel industry has historically demonstrated to be inflation-resistant given its ability to reset rates daily which allows it to pass on increased costs to consumers
- During the period of highest U.S. inflation over the last 50 years (1972-1982), hotel NOI<sup>(1)</sup> achieved a 12.3% CAGR, which was materially higher than the CAGR for the U.S. consumer price index over that same period (8.7%)
- Recent NOI<sup>(1)</sup> growth has not met past precedents. Historically, NOI<sup>(1)</sup> growth has exceeded inflation
- Quarterly YoY ADR growth:
  - Q1-22: 23%
  - Q2-22: 14%
  - Q3-22: 7%
  - Q4-22: 10%
  - Q1-23: 11%



AHIP has already seen the benefits of the inflation-resistant nature of the hotel industry as Q1-2023 same store NOI<sup>(1)</sup> increased by 7% YoY.

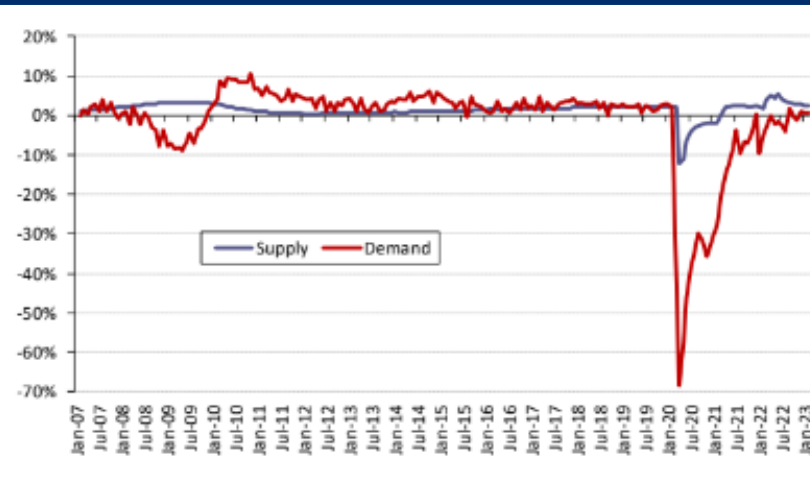
Historical Inflation vs Hotel GOP & NOI <sup>(1)</sup> Growth (CAGRs)			
	Inflation	NOI Growth	Spread – NOI vs Inflation
1970-2019	3.9%	5.5%	1.6%
1972-1982	8.7%	12.3%	3.6%

1) NOI is a non-IFRS financial measure. Refer to the Non-IFRS Measures section in Appendix B for more information on each non-IFRS financial measure.  
Source: CBRE

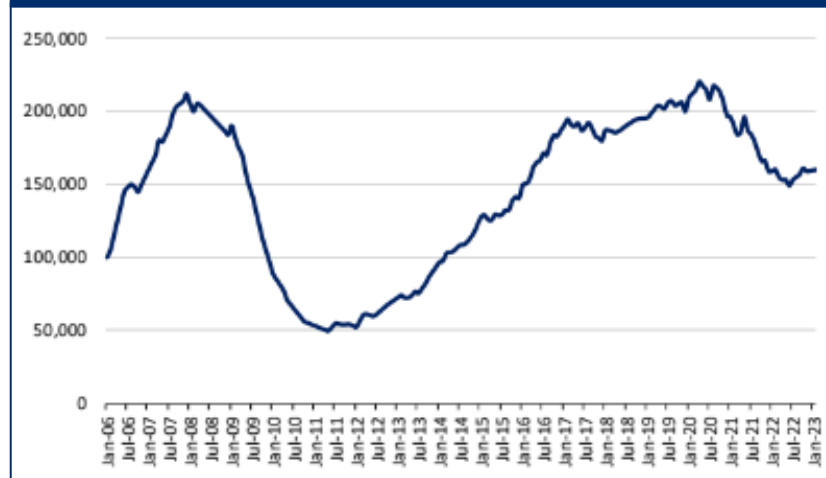
# Fundamental Hotel Data – Increasing Demand & Decreasing Construction

- Hotel demand growth has significantly rebounded from its pandemic induced lows and nearly caught up to supply growth in early 2023
  - Prior to the pandemic, hotel demand growth had outpaced supply growth for a decade
- After nearly a decade of growth for U.S. hotel rooms under construction, new construction starts have materially declined over the last two years
  - Driven by a confluence of factors, including decreased demand, labor market issues and a disrupted supply chain

Hotel Supply and Demand Growth (Jan 2007-Present)<sup>(1)</sup>



U.S. Hotel Rooms Under Construction (Jan 2006-Present)



AHIP anticipates hotel construction to remain below historical averages for several years.

<sup>1)</sup> Beginning in March 2021, percentages represent comparisons vs 2019.  
Source: STR

# Indications of Corporate Segment Recovery



## The portfolio has seen improving trends relating to corporate demand:

- GDS channel room nights and negotiated segment revenue recovery to 2019 continued to improve, finishing Q1-2023 at 0.92x and 0.81x, respectively
- Weekday Occupancy<sup>(1)</sup>, a proxy for returning corporate demand, finished Q1-2023 at 0.85x, an improvement compared to Q1-2022 (0.81x)
- F&B revenue can also be used as a proxy for returning corporate demand, as a large portion of F&B revenue in AHIP's portfolio is driven by corporate group functions and meeting room rentals at our five Embassy Suites hotels. F&B revenue has had a gradual recovery since the onset of the pandemic but had a large jump in the latter half of 2022 and has continued to move in the right direction in 2023, finishing Q1-2023 at 0.84x 2019

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
GDS % of Room Nights vs 2019 <sup>(2)</sup>	0.59x	0.69x	0.71x	0.72x	0.77x	0.88x	0.88x	0.89x	<b>0.92x</b>
Negotiated Segment Revenue vs 2019	0.49x	0.60x	0.65x	0.61x	0.65x	0.78x	0.76x	0.78x	<b>0.81x</b>
F&B Revenue vs 2019	0.19x	0.30x	0.45x	0.44x	0.49x	0.67x	0.80x	0.74x	<b>0.84x</b>
Weekday Occupancy vs 2019 <sup>(1,2)</sup>	0.77x	0.81x	0.82x	0.87x	0.81x	0.86x	0.88x	0.91x	<b>0.85x</b>

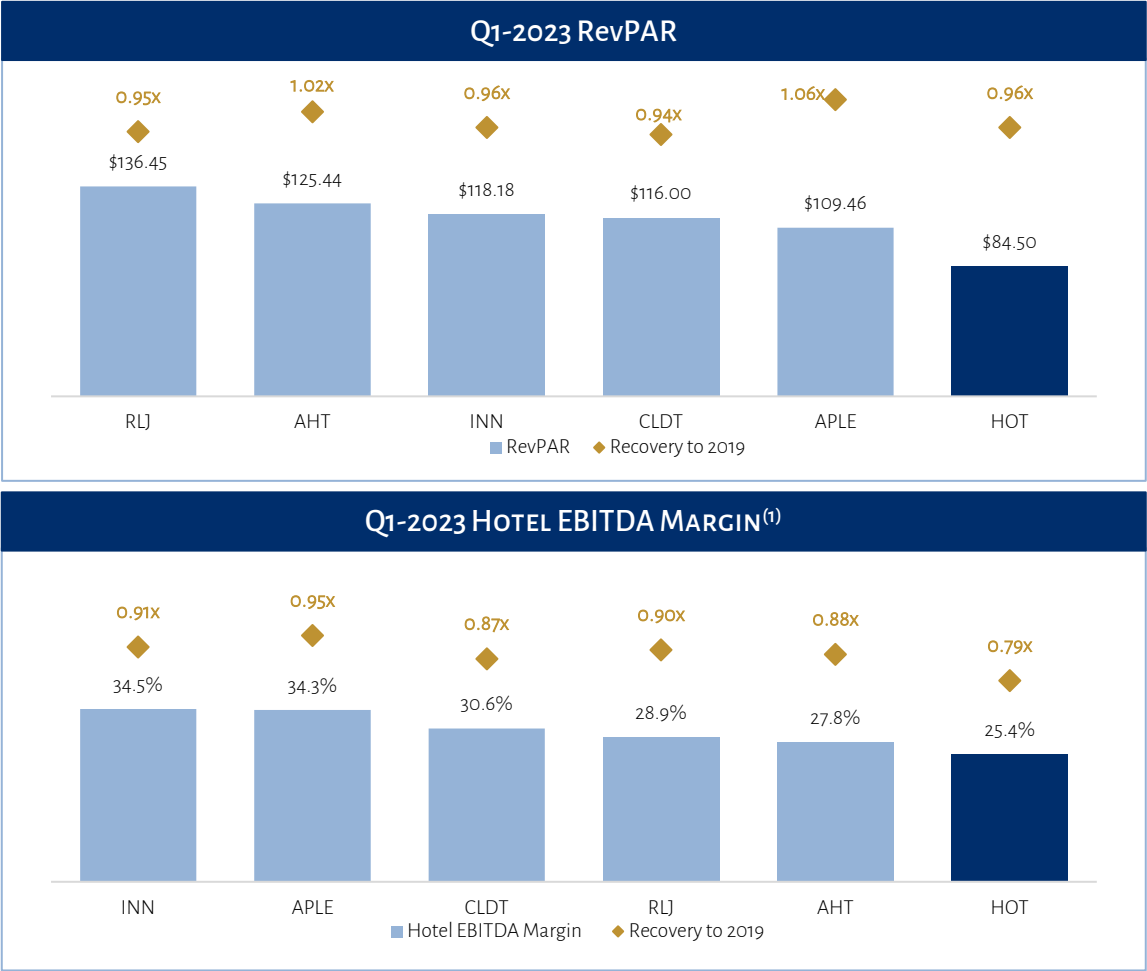
1) Weekday Occupancy defined as Sunday to Thursday.

2) Data only available for 59 out of 71 hotels.

# Recent Performance vs Peers



Residence Inn by Marriott – San Angelo



Despite trailing peers' results on an absolute basis partially due to being in lower RevPAR markets, AHIP is in line from a top-line recovery standpoint.

Note: Hotel EBITDA margin is shown as reported by respective companies. Recovery to 2019 based on same store figures if available, reported results otherwise.  
1) Hotel EBITDA Margin is a non-IFRS financial ratios. Refer to the Non-IFRS Measures section in Appendix B for more information on each non-IFRS financial ratio.  
Source: Company filings



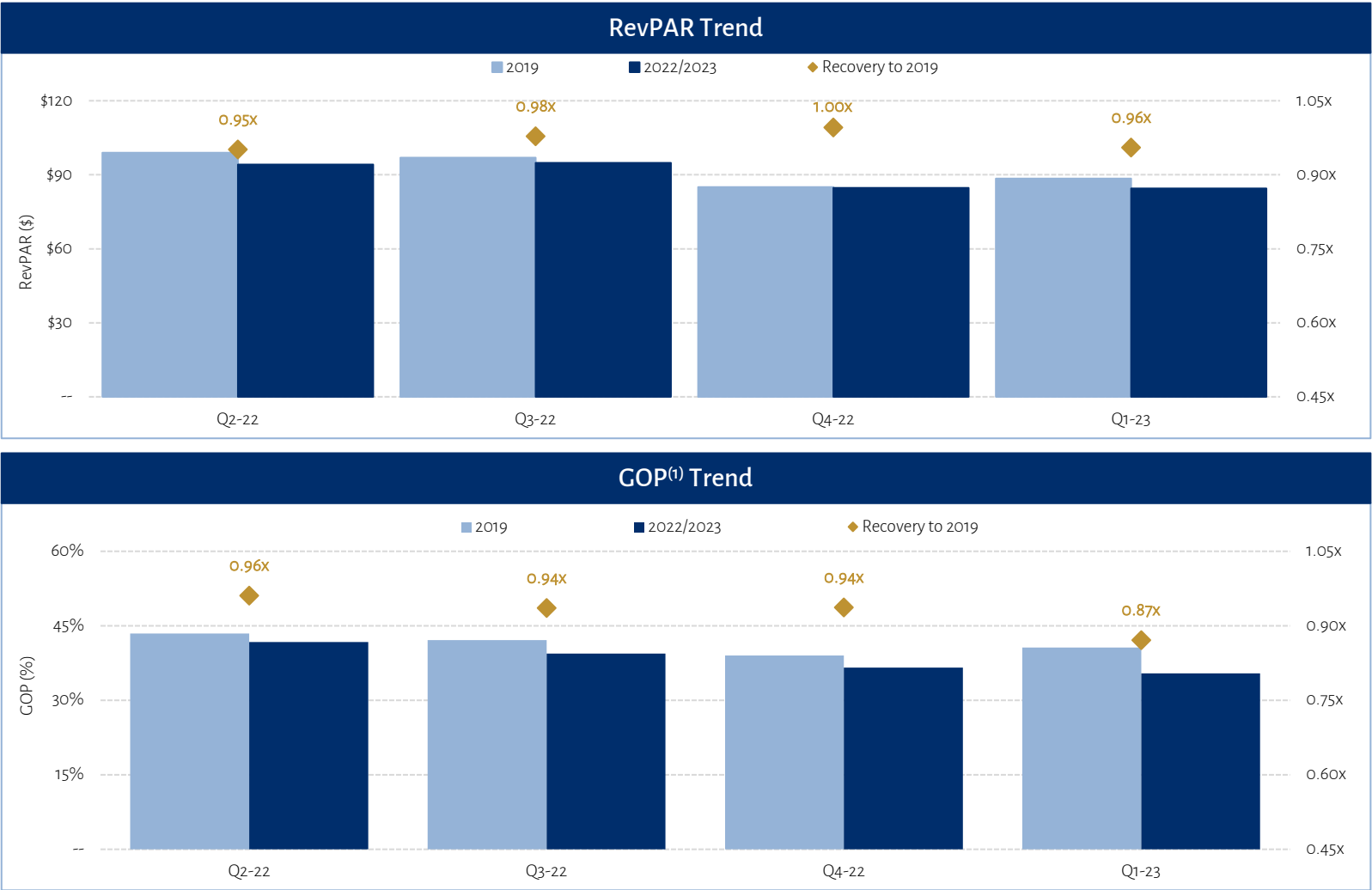
# Operating Trend



ADR recovery continues to outpace Occupancy which was impacted by multiple assets suffering from weather-related disruption during Q1; ADR has matched or exceeded nominal 2019 levels for 7 consecutive quarters.

Note: Metrics are for AHIP's current portfolio of 71 assets.

# Operating Trend (cont'd)

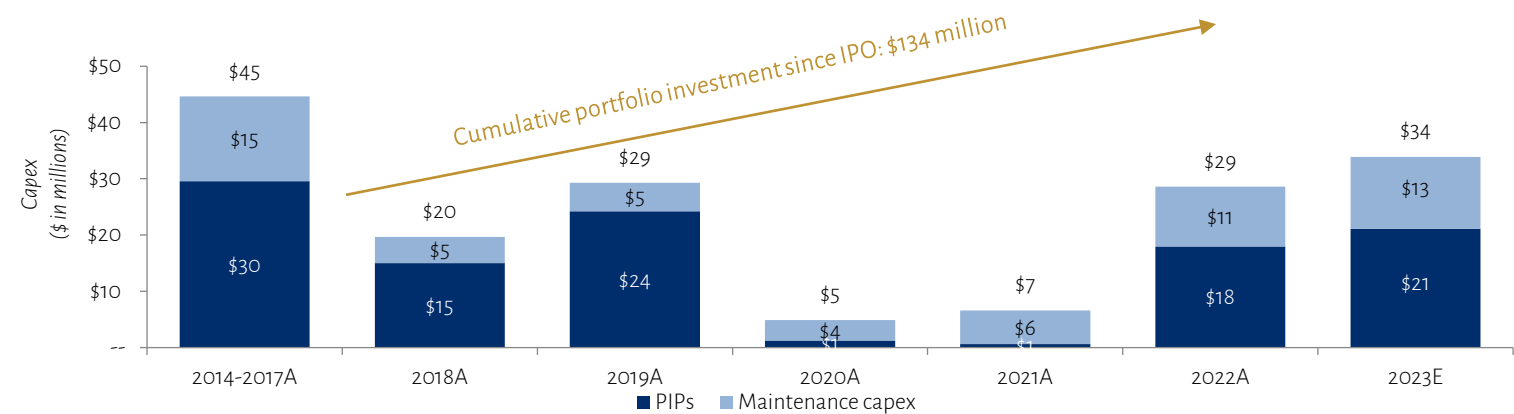


RevPAR recovery took a slight step back in Q1 as a result of weather-related disruption; margins remain under pressure due to challenging operating environment.

Note: Metrics are for AHIP's current portfolio of 71 assets.  
1) GOP calculated as total revenue less operating expenses, energy, and property maintenance from the Consolidated Statement of Comprehensive Loss.

# Disciplined Approach to Capex Investment

2016 - 2019	2020 - 2021	2022+
AHIP made significant investment in hotels to modernize properties and improve market position	AHIP deferred a number of capital projects to preserve cash during the pandemic <ul style="list-style-type: none"><li>Brand partners were supportive on cost reduction, capital preservation during reduced demand period</li><li>Brand negotiations on PIP timelines and scope</li></ul>	2022 saw a return to normalized capital spending levels <ul style="list-style-type: none"><li>AHIP spent ~\$30 million in total capital in 2022 which was partially funded by restricted cash, which management estimates will generate returns between 8-12% over the life of the assets</li><li>There is no significant “backlog” of capex that requires catchup in 2023+</li><li>AHIP expects to spend ~\$35 million in total capital in 2023</li><li>In the long-term, AHIP expects to spend \$2,000-\$2,500/key on an annual basis</li><li>AHIP has been able to get capital-related work done in challenging environment and maintain the quality of its assets</li></ul>



Note: Represents portfolio capital expenditures for Premium Branded hotels. 2014 and 2015 maintenance capex represents FF&E reserves per Company filings. 2016-2019 maintenance capex represents actual maintenance capex spend. 2019 and total figures exclude Wingate Tampa which was sold on August 31, 2020.  
Source: Company data, Company filings

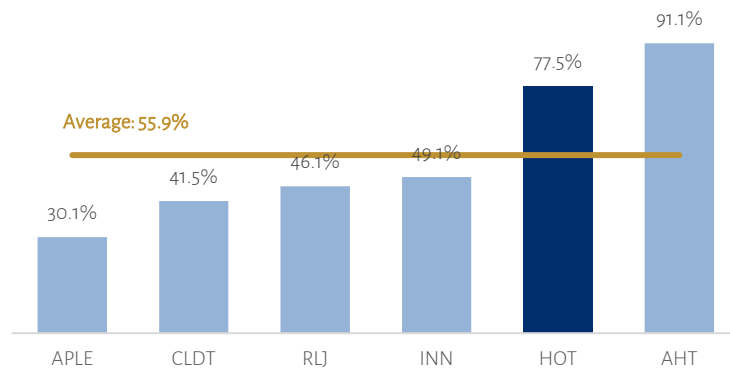
# Leverage Overview

## Debt Strategy

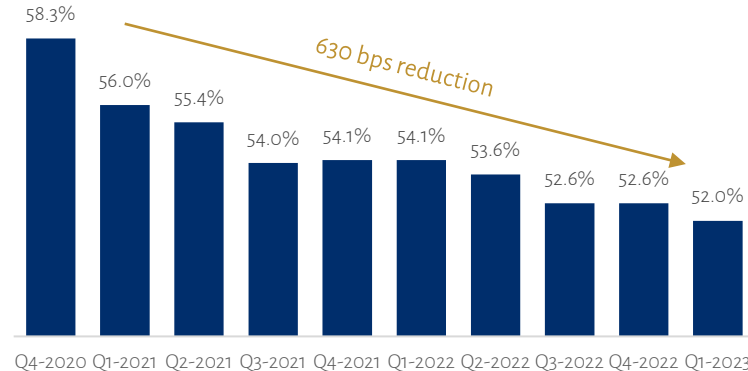
Plan to reduce leverage over time through a combination of strategic factors

- Improve asset valuation with best in class hotel operations driving hotel NOI<sup>(1)</sup>
- Maintain a sustainable distribution and FFO Payout Ratio<sup>(2)</sup>
- Equity issuances with a joint objective of funding accretive growth and leverage reduction
- Selective dispositions of non-core assets to enhance liquidity and reduce leverage

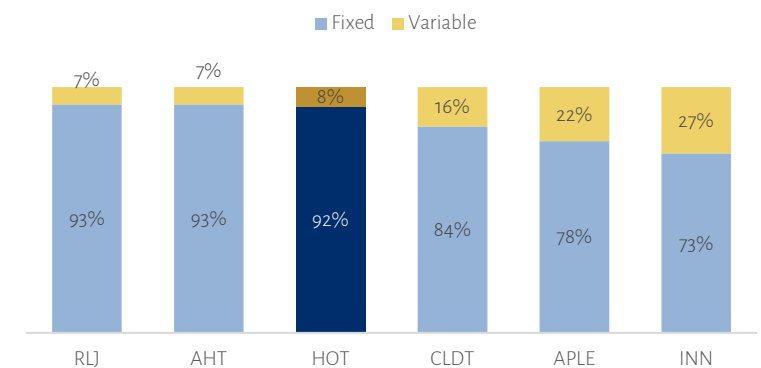
Net Debt / EV



Debt-to-Gross Book Value<sup>(3)</sup>



Fixed / Hedged vs Variable Debt



Note: Market data as of May 5, 2023.

1) NOI is a non-IFRS financial measure. Refer to the Non-IFRS Measures section in Appendix B for more information on each non-IFRS financial measure.

2) FFO Payout Ratio is a non-IFRS financial ratio. Refer to the Non-IFRS Measures section in Appendix B for more information on each non-IFRS financial ratio.

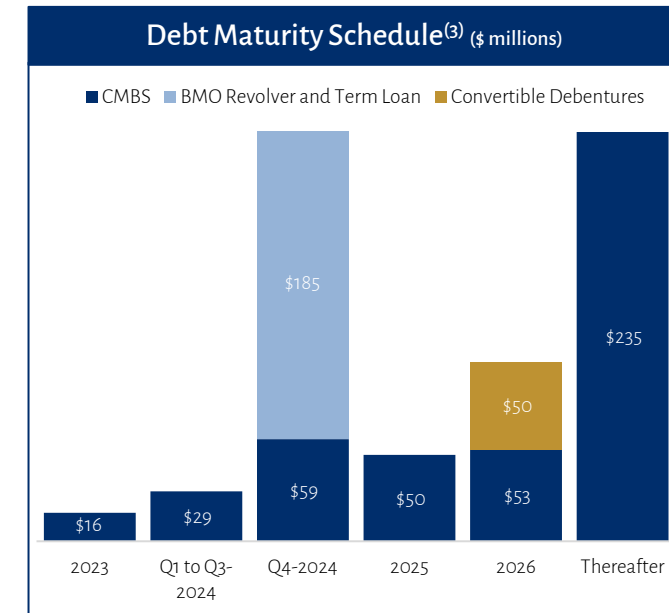
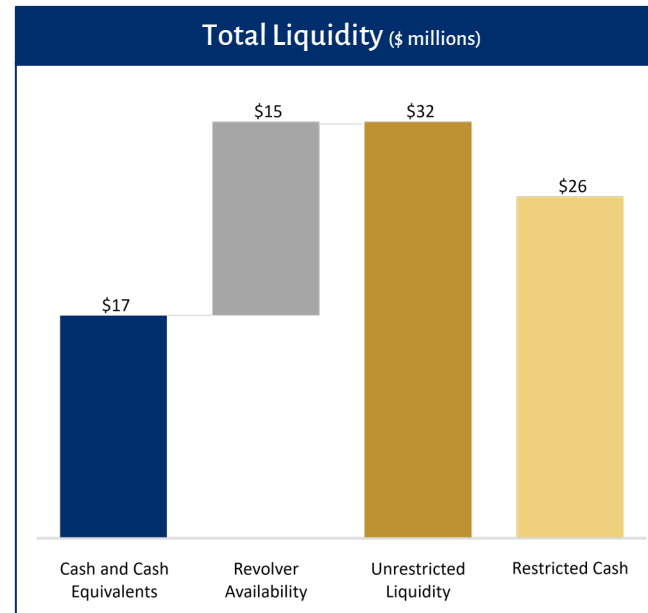
3) Debt-to-Gross Book Value is a capital management measure. Refer to the Non-IFRS Measures section in Appendix B for more information on each capital management measure.

Source: Deutsche Bank



# Balance Sheet Snapshot

- AHIP has total available liquidity of \$32 million with an additional \$26 million of restricted cash held in various reserves with the loan servicers available for PIP and FFE expenditures
- Positive EBITDA<sup>(1)</sup> in every month since May 2020 demonstrates resiliency of portfolio
- Debt-to-EBITDA<sup>(2)</sup> has improved by more than a turn since the end of 2021 (9.6x vs 10.7x)
- Next maturity isn't until Q4-2023
  - Only ~2.5% of current outstanding debt matures prior to 2024
- AHIP's long-term overall borrowing policy is to obtain secured mortgage financing on primarily a fixed rate interest basis which limits its exposure to interest rate risk; current weighted average interest rate of 4.5%



Note: As of March 31, 2023, except revolver availability figure which is as of May 4, 2023.

1) EBITDA is a non-IFRS measure. Refer to the Non-IFRS Measures section in Appendix B for more information on each non-IFRS financial measure.

2) Debt-to-EBITDA is a capital management measure. Refer to the Non-IFRS Measures section in Appendix B for more information on each capital management measure.

3) Assumes option to extend revolver maturity from 2023 to 2024 is exercised.

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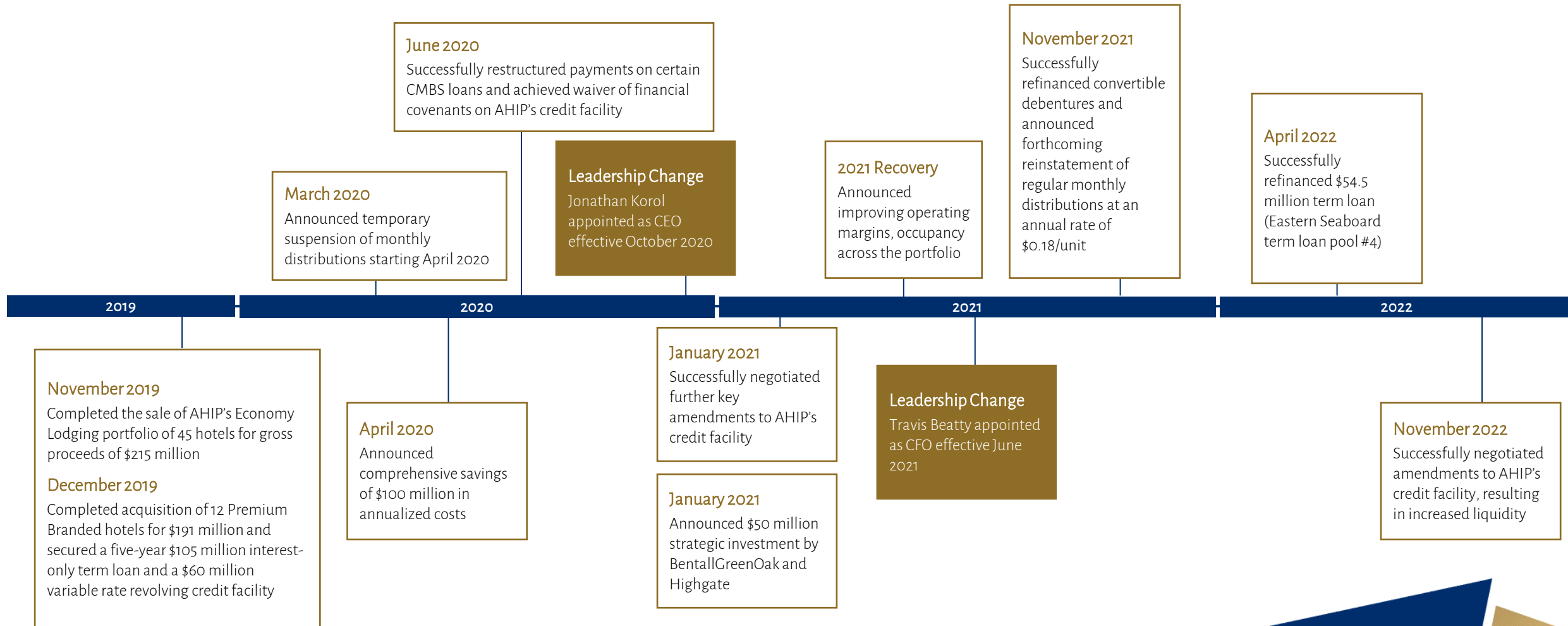
TownePlace Suites by Marriott—Pittsburgh

# Appendix A



Homewood Suites by Hilton – Kalamazoo

# Recent Corporate Timeline





# Financial Snapshot



Annual Results	2020	2021	2022
Number of Guestrooms	8,801	8,801	8,024
Revenue ('000)	\$174,855	\$241,307	\$281,367
EBITDA ('000) <sup>(1)</sup>	\$31,857	\$70,803	\$71,293
EBITDA Margin <sup>(2)</sup>	18.2%	29.3%	25.3%
Diluted FFO per Unit <sup>(2)</sup>	(\$0.12)	\$0.48	\$0.47
Debt-to-Gross Book Value <sup>(2)</sup>	58.3%	54.0%	52.6%
Weighted Average Interest Rate	4.55%	4.52%	4.46%
Weighted Average Term to Maturity	4.5 years	3.9 years	3.0 years

1) EBITDA is a non-IFRS measure. Refer to the Non-IFRS Measures section in Appendix B for more information on each non-IFRS financial measure.

2) EBITDA Margin, Diluted FFO per Unit and Debt-to-Gross Book Value are non-IFRS ratios. Refer to the Non-IFRS Measures section in Appendix B for more information on each non-IFRS financial ratio.

# Appendix B



Home2Suites by Hilton – Midland



# Non-IFRS Measures

Certain non-IFRS financial measures and non-IFRS ratios are included in this presentation. The non-IFRS financial measures used in this presentation include FFO, NOI, and EBITDA, the non-IFRS ratios used in this presentation include Diluted FFO per Unit, NOI Margin, EBITDA Margin, Hotel EBITDA Margin, and FFO Payout Ratio and the capital management measures used in this presentation include Debt-to-Gross Book Value and Debt-to-EBITDA. These terms are not measures recognized under International Financial Reporting Standards ("IFRS") and do not have standardized meanings prescribed by IFRS. Real estate issuers often refer to NOI, NOI margin, Diluted FFO per Unit, as supplemental measures of performance and Debt-to-Gross Book Value as a supplemental measure of financial condition. Non-IFRS financial measures, non-IFRS ratios and capital management measures should not be construed as alternatives to measurements determined in accordance with IFRS as indicators of AHIP's performance or financial condition. AHIP's method of calculating these measures and ratios may differ from other issuers' methods and accordingly may not be comparable to measures used by other issuers.

For further information on these non-IFRS financial measures, non-IFRS ratios and capital management measures please refer to AHIP's MD&A dated May 4, 2023 in the Non-IFRS Measures section on page 5, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on AHIP's website at [www.ahipreit.com](http://www.ahipreit.com).