







APPLE HOSPITALITY REIT

INVESTOR PRESENTATION

AUGUST 2019 • NYSE: APLE





FORWARD-LOOKING STATEMENTS

Certain statements made in this presentation are forward-looking statements. These forward-looking statements include statements regarding our intent, belief or current expectations and are based on various assumptions. These statements involve substantial risks and uncertainties. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. Forward-looking statements may include, but are not limited to, statements regarding net asset value and potential trading prices. Words such as "anticipates," "believes," "expects," "estimates," "projects," "plans," "intends," "may," "will," "would," "outlook," "strategy," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Actual results or outcomes may differ materially from those contemplated by the forward-looking statement. Further, forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or reverse any forward-looking statement to reflect changed assumptions or the occurrence of unanticipated events or changes to future operating results, unless required to do so by law. Factors that might cause such differences include, but are not limited to, the ability of Apple Hospitality REIT, Inc. (the "Company," "Apple Hospitality," "Apple" or "APLE") to effectively acquire and dispose of properties; the ability of Apple Hospitality to successfully integrate recent and pending transactions and implement its operating strategy; changes in general political, economic and competitive conditions and specific market conditions; adverse changes in the real estate and real estate capital markets; financing risks; litigation risks; regulatory proceedings or inquiries; changes in laws or regulations or interpretations of current laws and regulations that impact Apple Hospitality's business, assets or classification as a real estate investment trust; or other risks detailed in filings made by Apple Hospitality with the Securities and Exchange Commission ("SEC"). Although Apple Hospitality believes that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore there can be no assurance that such statements included in this presentation will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by Apple Hospitality or any other person that the results or conditions described in such statements or the objectives and plans of Apple Hospitality will be achieved.

Cover photos: Courtyard, Burbank, CA; Home2 Suites, Orlando, FL; Fairfield Inn & Suites, South Bend, IN; Hampton Inn & Suites, Memphis, TN; TownePlace Suites, Fort Worth, TX; Hilton Garden Inn, Allen, TX

COMPANY PROFILE

234
HOTELS

34
STATES

87
MARKETS

30,046
GUEST ROOMS

99%
ROOMS-FOCUSED

4 years
AVERAGE EFFECTIVE AGE

28%
TOTAL DEBT/
TOTAL CAPITALIZATION

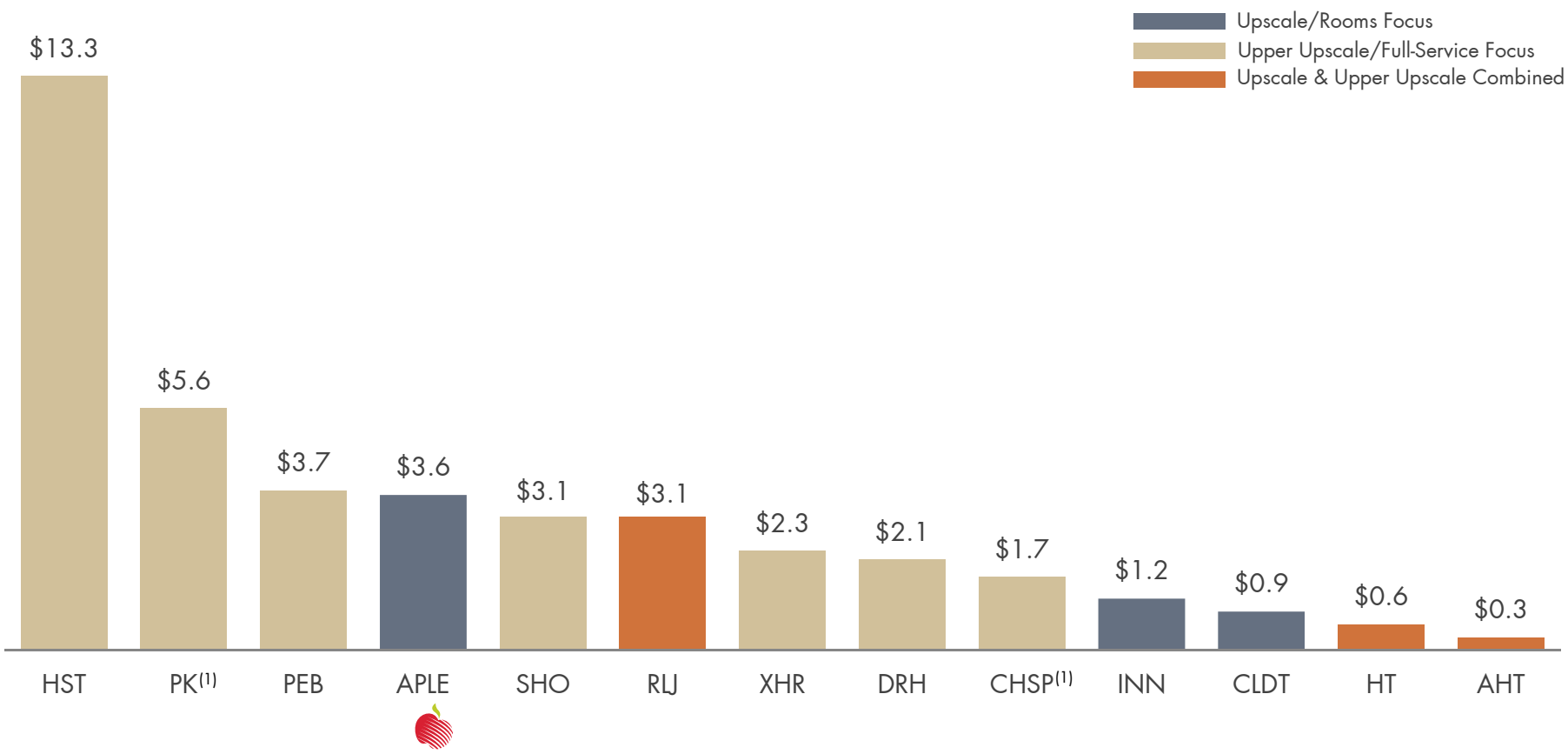
$3.6 Billion
EQUITY MARKET CAP


Hampton Inn, Round Rock, TX



Note: Hotel portfolio statistics as of June 30, 2019. Market categorization based on STR designation. Average Effective Age calculated as of June 30, 2019 and represents years since hotels were built or last renovated. Total debt/total capitalization calculation based on total debt outstanding at June 30, 2019 divided by total debt outstanding at June 30, 2019 plus equity market capitalization (Equity Market Cap) based on the Company's closing share price of $15.86 on June 30, 2019 and outstanding common shares an June 30, 2019.

EQUITY MARKET CAPITALIZATION ($ in billions)



Largest publicly traded rooms-focused lodging REIT

Source: Public filings and share prices as of June 30, 2019.
(1) PK and CHSP entered into a definitive merger agreement on May 5, 2019.

PROVEN INVESTMENT STRATEGY



Concentrate on upscale, rooms-focused hotels

Hilton
Marriott
HYATT

Align with the best brands in the rooms-focused category



Pursue broad geographic diversification



Hire industry-leading operators and maximize performance through benchmarking and asset management



Enhance portfolio through accretive acquisitions, opportunistic dispositions and strategic reinvestment

28%(1)
Debt/Capitalization

Maintain a strong, flexible balance sheet

(1) Total debt/total capitalization calculation based on total debt outstanding at June 30, 2019 divided by total debt outstanding at June 30, 2019 plus equity market capitalization based on the Company's closing share price of $15.86 on June 30, 2019 and outstanding common shares on June 30, 2019.

WHY SELECT-SERVICE HOTELS?

99% of APLE's Hotels are Rooms-Focused

Less:

- Rooms to fill
- Square footage to manage
- Staff
- Maintenance
- Complex
- Volatility

+

More:

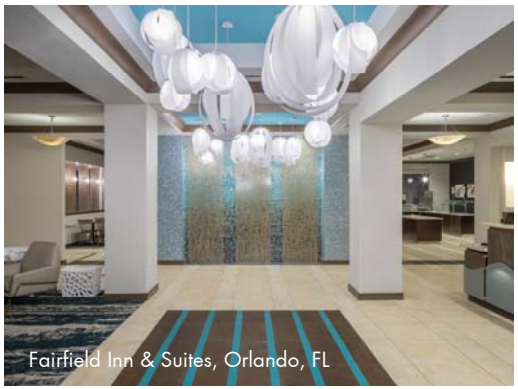
- Consumer demand
- Easily renovated
- Lender/buyer appeal
- Consistency in operations
- Adaptable to change

=

Resulting Operating Margins 37.2%(1)


Hilton Garden Inn, Nashville, TN


Hampton Inn & Suites, Phoenix, AZ

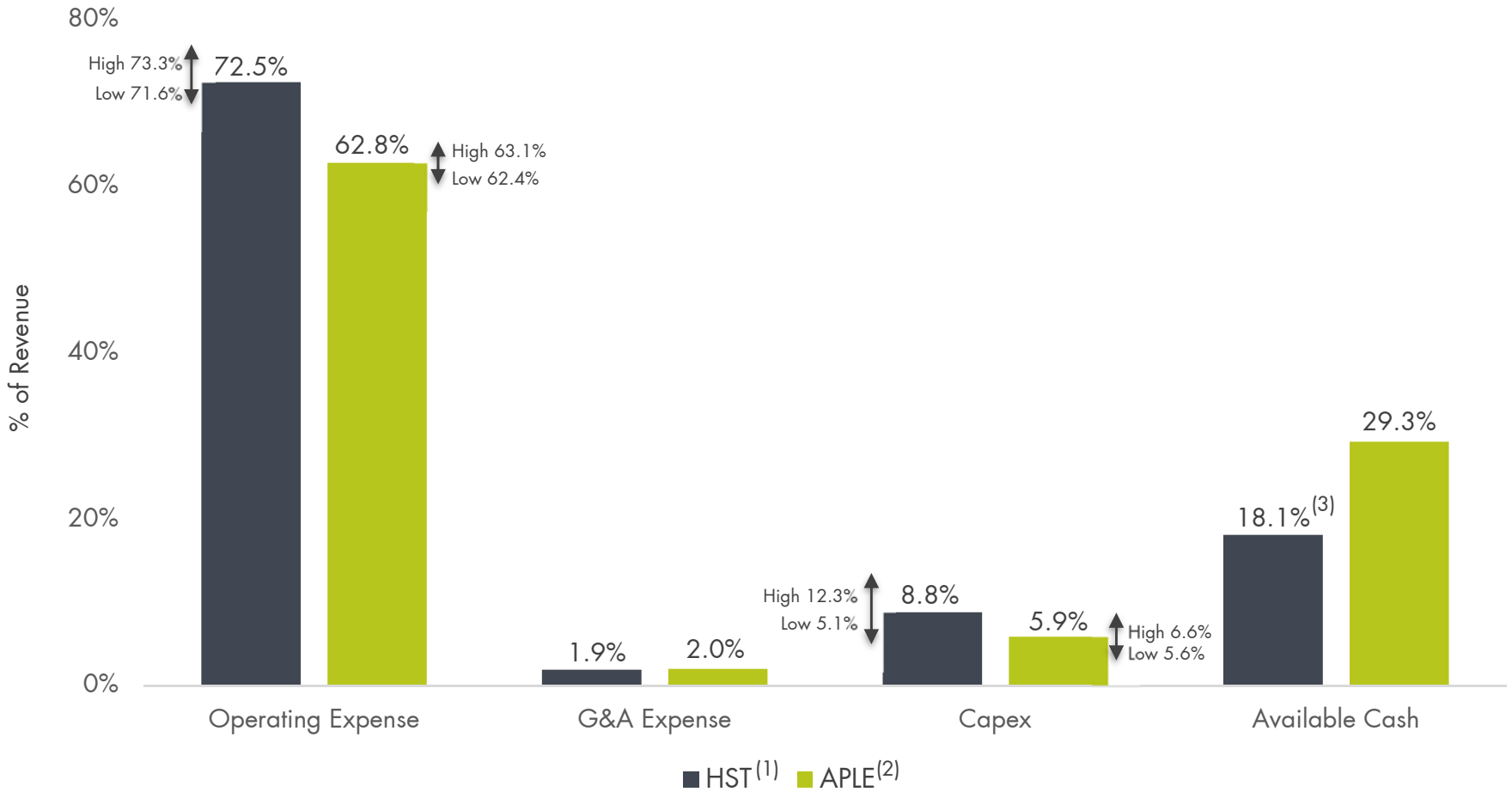

Fairfield Inn & Suites, Orlando, FL


Courtyard, Fort Worth, TX

(1) Apple Hospitality's average annual Hotel EBITDA margin for the five years ended December 31, 2018.

ADVANTAGES OF A ROOMS-FOCUSED REIT

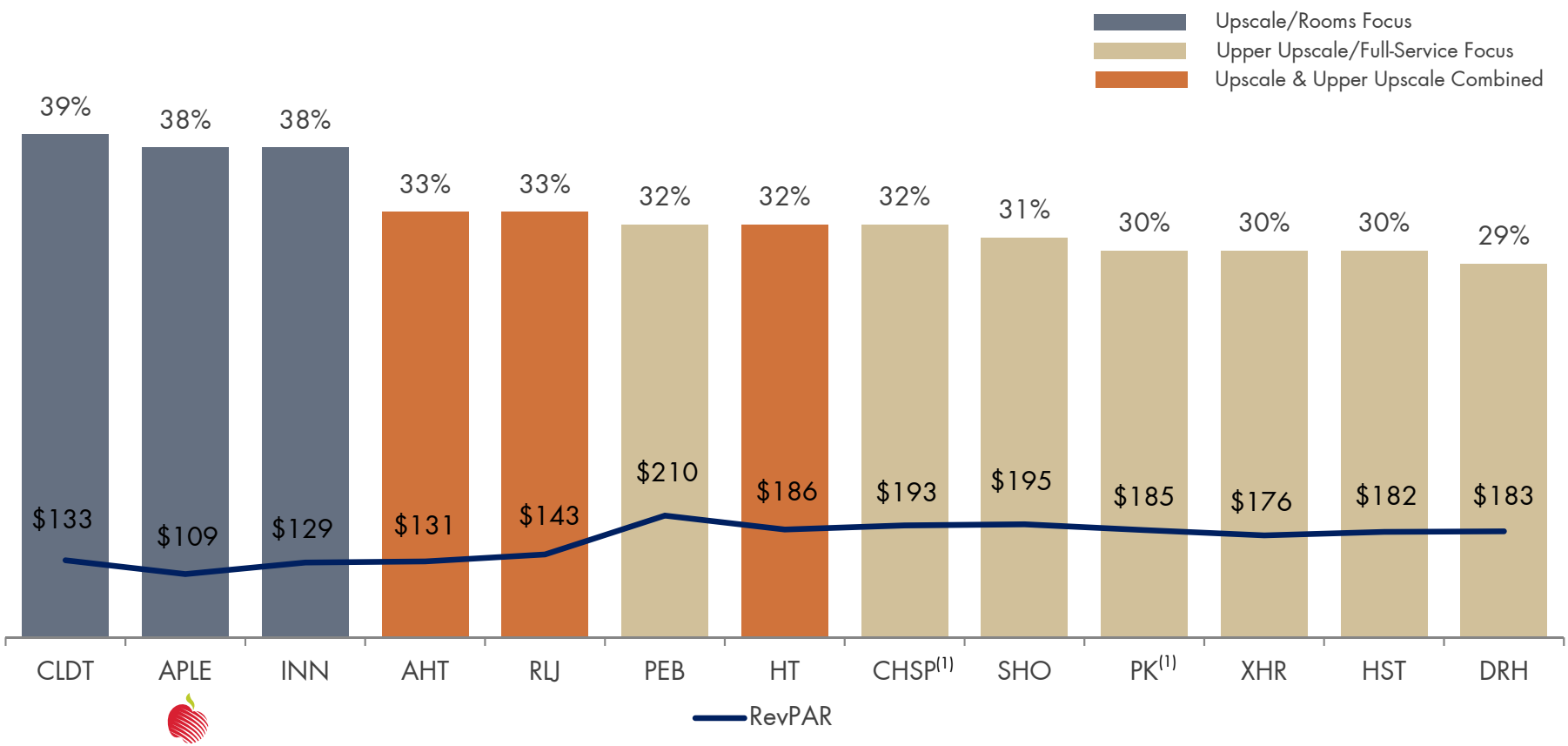
as Compared to a Full-Service REIT



Note: Graph based on average operating results for five years ended December 31, 2018.
(1) HST has the largest equity market capitalization for a publicly traded REIT focused on the upper upscale/full-service sector ($13.3 billion, based on June 30, 2019 share price and shares outstanding).
(2) APLE has the largest equity market capitalization for a publicly traded REIT focused on the upscale/rooms-focused sector ($3.6 billion, based on June 30, 2019 share price and shares outstanding).
(3) Includes ~1.2% for equity investments.

EFFICIENT HOTEL OPERATIONS

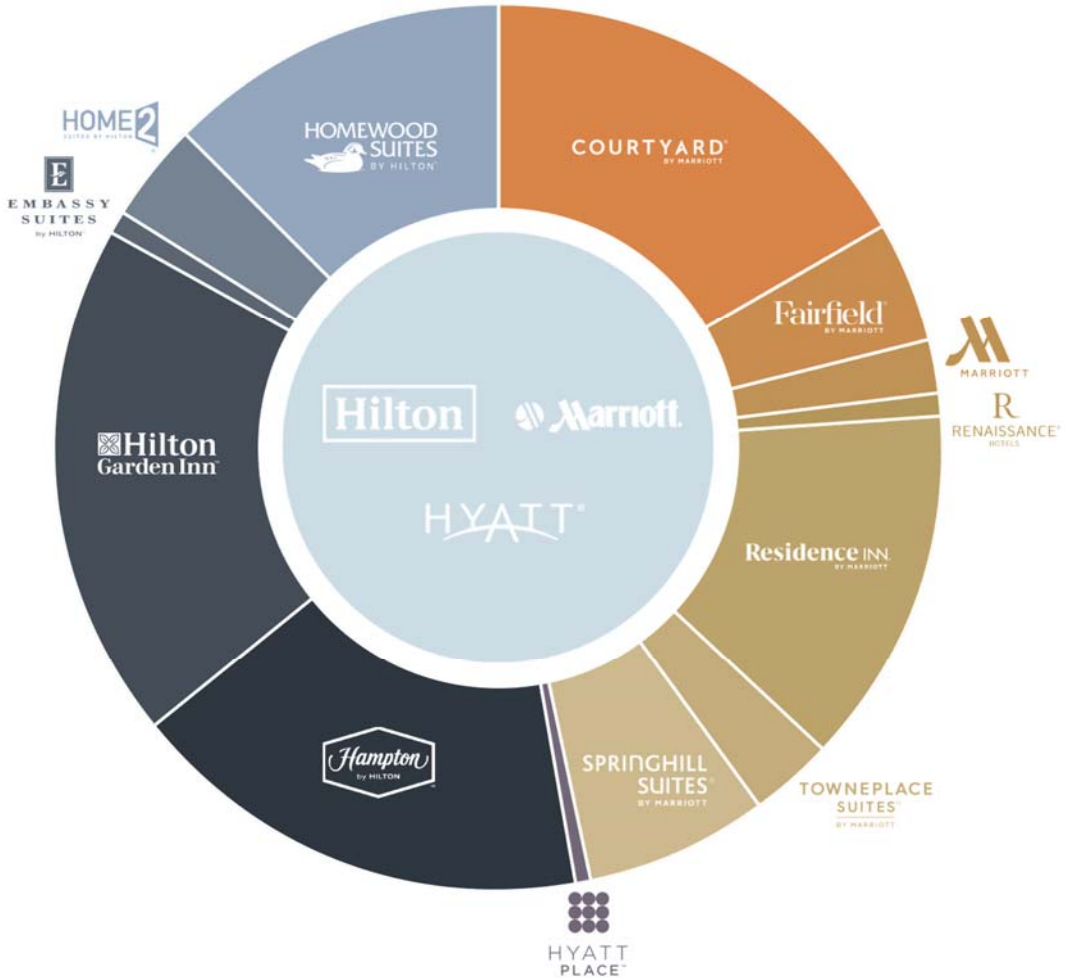
YTD June 30, 2019 Hotel EBITDA Margin and RevPAR Comparison



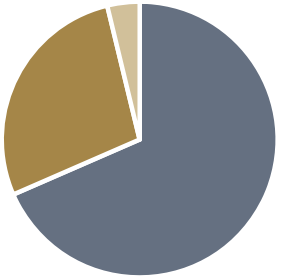
Higher operating margins provide a more stable cash flow stream

Source: Public company filings as of June 30, 2019.
(1) PK and CHSP entered into a definitive merger agreement on May 5, 2019.

CONCENTRATED BRAND OWNERSHIP



With focus on Upscale Select-Service



Apple Hospitality owns 3% of Hilton® and Marriott® Upscale and Upper Midscale rooms in the United States

One of the largest owners for both Hilton® and Marriott®

Note: Statistics are based on the number of guest rooms owned by Apple Hospitality as of June 30, 2019.

INDUSTRY-LEADING BRANDS

RevPAR Premiums

rooms-focused brands outperform comparable hotels across North America

Global Distribution

more than13,000 hotels worldwide with locations in more than 100 countries and territories creates strong consumer awareness

Effective Brand Segmentation

wide array of hospitality choices with variety of brands that appeal to broad range of travelers

Strong Loyalty Programs

more than 240 million members combined account for more than 50% of North American room nights[1]

Brand Channels Deliver Guests

estimated that approximately 70% of all North American bookings come directly from brand channels[1]

Premier System Standards

drive consistent quality, award-winning service, innovative design, and modern amenities

Institutional Brands

foster strong resale market, financing flexibility, and investor confidence

Marriott

Hilton

HYATT

Hilton HONORS

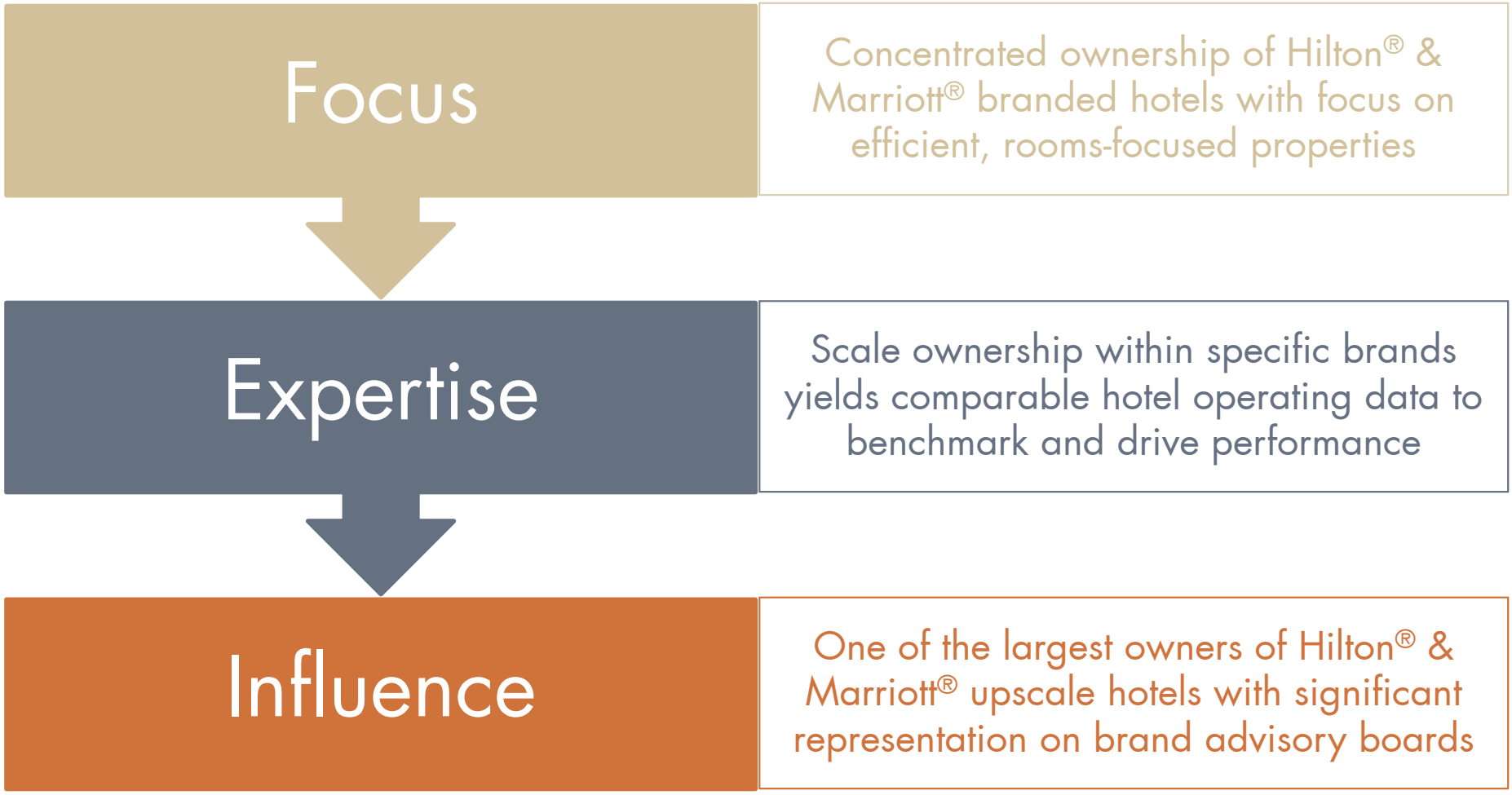
MARRIOTT BONVOY

WORLD OF HYATT

Apple Hospitality's hotels benefit from industry leading brand affiliation

Source: Marriott, Hilton and Hyatt.
(1) Booking percentages based on Marriott and Hilton data.

BENEFITS OF CONCENTRATED BRAND STRATEGY



BENEFITS OF SCALE OWNERSHIP

Largest Rooms-Focused Publicly Traded Lodging REIT



Unparalleled Access to Performance Data

Current ownership of 234[(1)] hotels and more than 425 historically provides unique ability to identify areas of opportunity and implement best practices

Unique variable fee management contracts based on balanced scorecard results



Economies of Scale

Volume purchasing discounts

Insurance risk diversification results in favorable pricing

Fixed cost efficiencies



Risk Diversification

Not dependent on concentrated number of markets

Broad base of demand generators

Smaller assets require fewer guests to maximize profitability



Influence

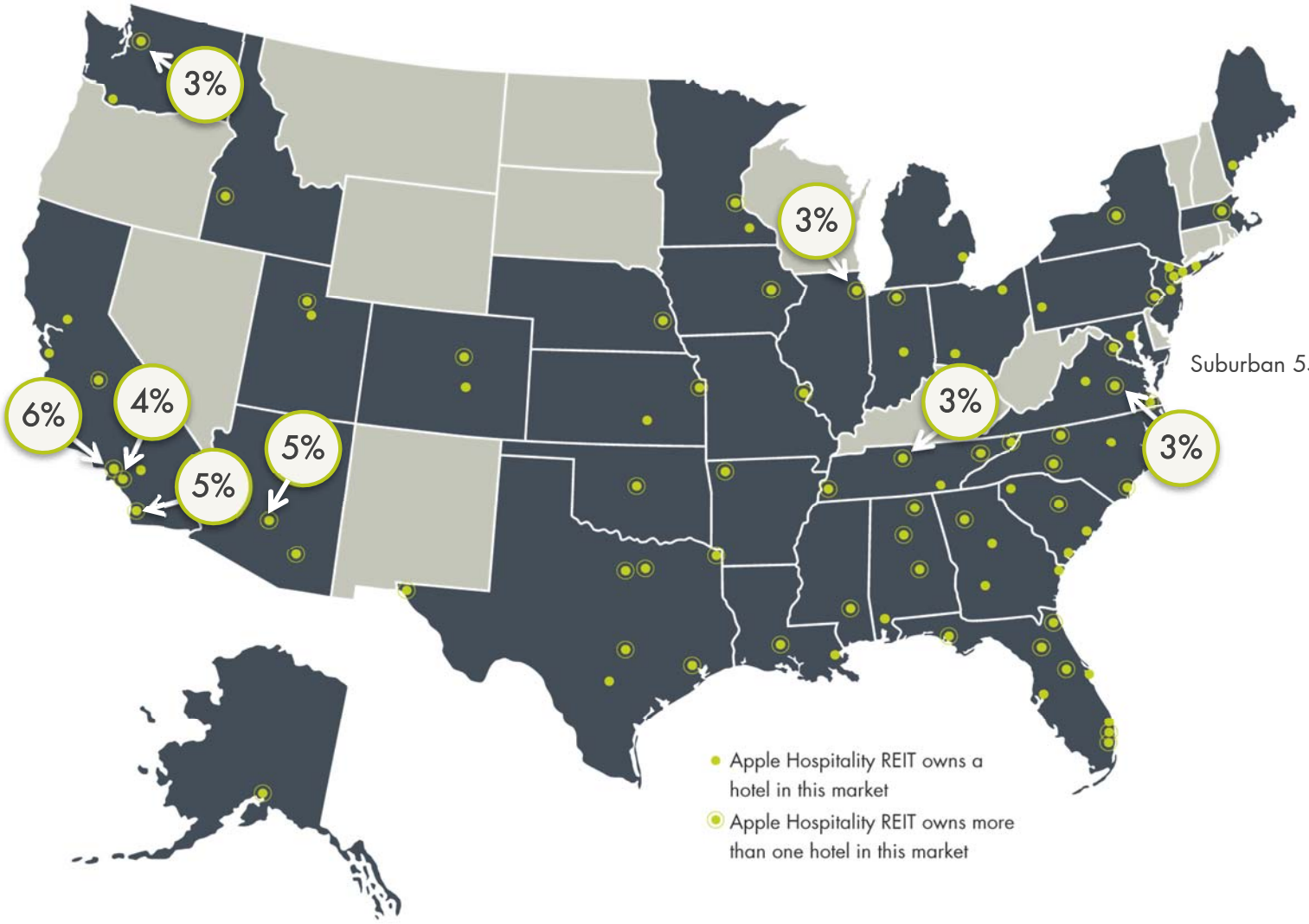
Representation on over 30 brand and industry advisory boards and councils

Access to valuable data and experience to support brand initiatives

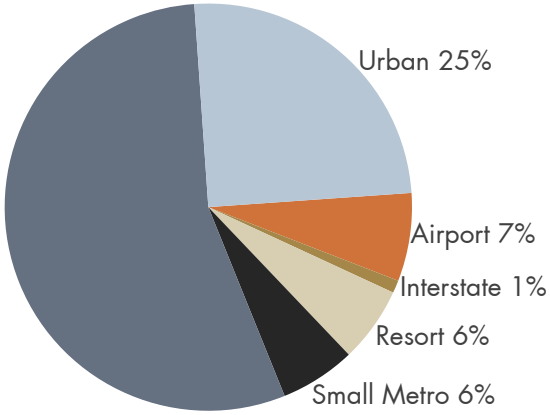
Scale ownership within management company portfolios

(1) As of June 30, 2019.

BROAD GEOGRAPHIC DIVERSIFICATION



Adjusted Hotel EBITDA contribution by location type



Disciplined strategy of investing in urban, high-end suburban and developing markets where diverse demand generators and proximity to guest amenities drive strong, consistent performance.

Note: Highlighted markets represent largest markets in Apple Hospitality's portfolio, based on Comparable Hotels Adjusted Hotel EBITDA contribution for the six months ended June 30, 2019. Comparable Hotels Adjusted Hotel EBITDA contribution by location type based on the six months ended June 30, 2019. Market and location categorizations are based on STR designations.

MANAGEMENT COMPANIES

TOP 10 APPLE HOSPITALITY OPERATORS AS OF JUNE 30, 2019				
Rank	Company Name	Total # of Properties[1]	% of Apple Hospitality Portfolio[2]	Apple Hospitality's % of Operator's Portfolio[2]
1	LBA	41	18%	59%
2	White Lodging	28	12%	29%
3	Dimension	23	10%	34%
4	McKibbon	18	8%	21%
5	Western	17	7%	50%
6	Marriott	14	6%	2%
7	Raymond	14	6%	40%
8	North Central	10	4%	38%
9	Vista Host	10	4%	26%
10	Crestline	9	4%	8%

100% of Apple Hospitality's portfolio operated by third-party property managers

94% independent of brand management[2]

23 operating companies provide a platform for comparative analytics and shared best practices

20% of operators' portfolios represented by Apple Hospitality on average, excluding brands[2]

Scale within our management companies' portfolios provides for substantial influence

(1) Number of properties managed for Apple Hospitality.
(2) Calculated based on number of hotels managed by operator at June 30, 2019.

UNIQUE MANAGEMENT CONTRACT STRUCTURE

Apple Hospitality's Unique Structure

Better aligns owner and manager to maximize performance in all market environments

Variable Management Fee

2.5% - 3.5% of Revenues Based on Property's Balanced Scorecard Performance

Balanced Scorecard Metrics

- Gross operating profit vs budget
- STR market index targets
- Brand and TripAdvisor guest satisfaction scores
- Flow-through targets
- Forecast accuracy

Over 80% of our hotels operate under this structure
Contract terms average two years and are terminable upon sale

Industry Standard

Base Management Fee

Typically 3% of Revenues

+

Incentive Management Fee

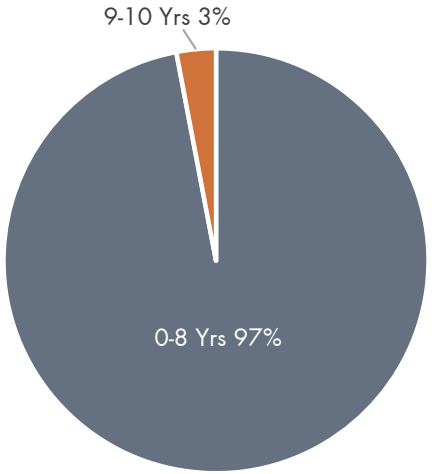
% of Operating Profit if > a Fixed Rate of Return Based on Purchase Price

WELL-MAINTAINED PORTFOLIO

Leads to Traveler Satisfaction Outperformance

4.3 out of 5.00 weighted average TripAdvisor® rating[1]

Quality Portfolio with Average Effective Age of 4 Years[2]



Years since built or last renovated

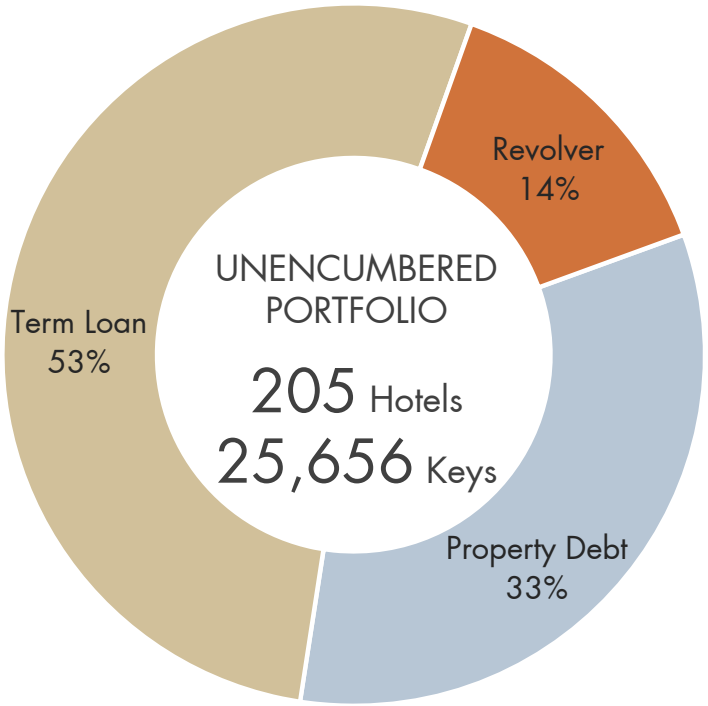
Upscale and Upper Midscale Reinvestment Statistics[3]	
Average Annual Spend as % of Revenue	5.7%
Average % of Hotels Renovated Annually	12.0%
Average % of Room Nights Out of Service for Renovations	< 1.0%
Cumulative Spend	$530 million

Consistent reinvestment provides for strong customer satisfaction and more predictable future capital needs

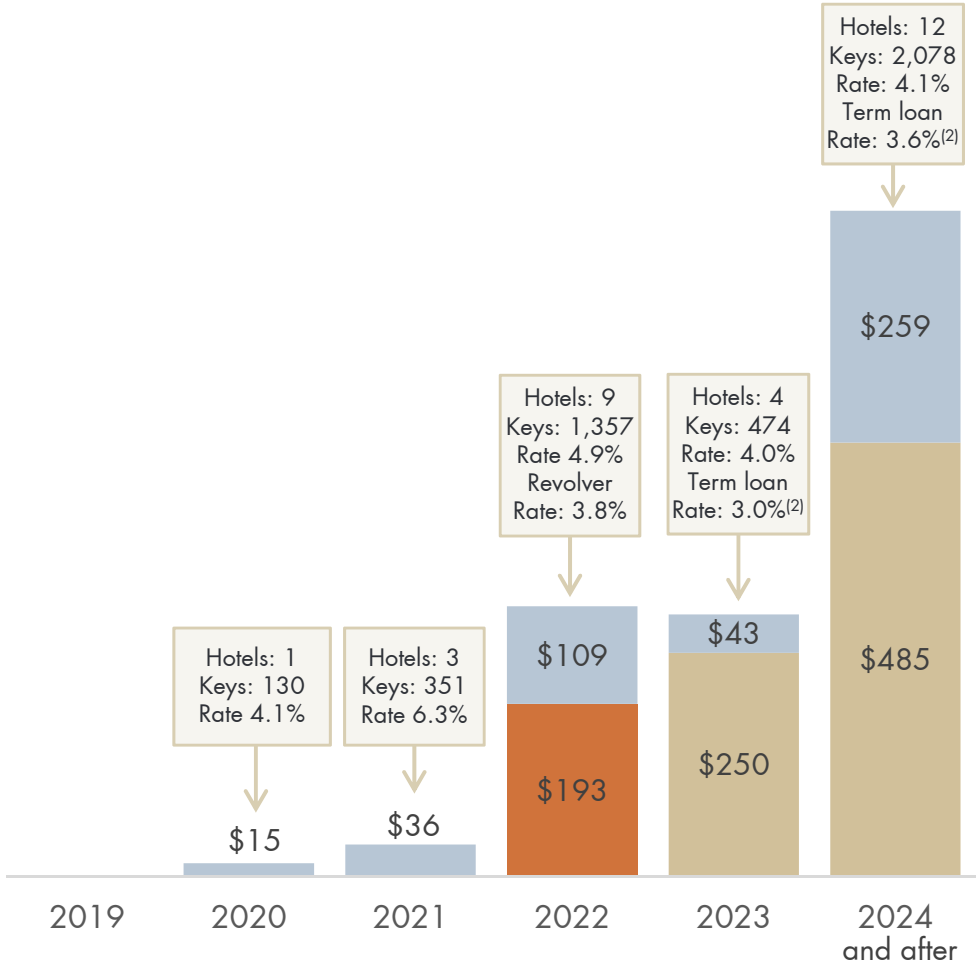
(1) The TripAdvisor® rating is based on lifetime scores for the Apple Hospitality portfolio of hotels through June 30, 2019.
(2) Statistics as of June 30, 2019. Average Effective Age represents years since hotels were built or last renovated. Average actual age of hotels is 13 years.
(3) Statistics based on all Upscale and Upper Midscale hotels owned by the Company, Apple REIT Seven, Inc., Apple REIT Eight, Inc., or Apple REIT Ten, Inc. for the period owned. Statistics based on the period 2011 – 2019 (Forecast).

FLEXIBLE BALANCE SHEET

Debt Composition[1]



Debt Maturity Schedule[1] ($ in millions)



Low debt and staggered maturities facilitate agile balance sheet strategy

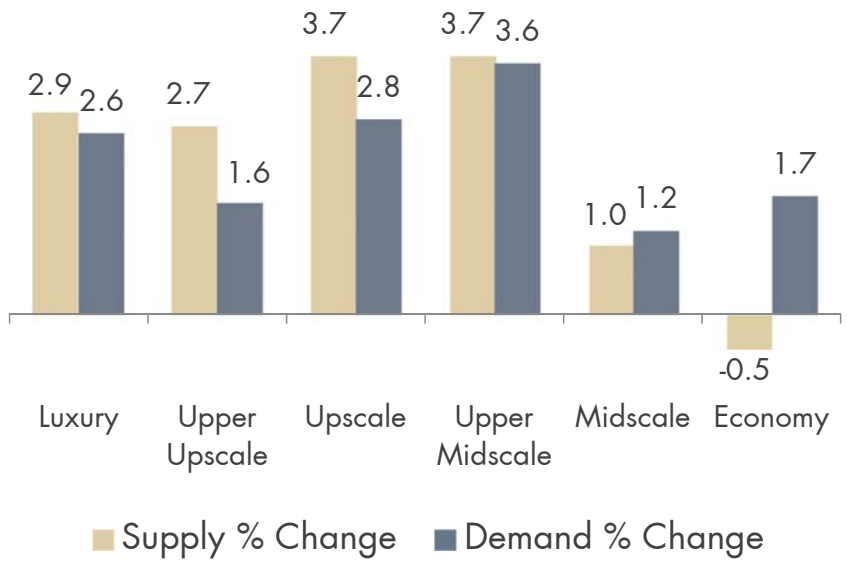
(1) Based on outstanding balance as of June 30, 2019, excluding unamortized fair value adjustment of assumed debt and unamortized debt issuance costs. Excludes yearly amortization.
(2) Interest rate includes effect of interest rate swaps and LIBOR rate in effect at June 30, 2019.

INDUSTRY FUNDAMENTALS

U.S. Hotel Forecast
% Change vs. Prior Year

	2019			2020		
	STR	CBRE	PwC	STR	CBRE	PwC
Supply	1.9%	2.0%	2.1%	1.9%	1.9%	2.0%
Demand	2.0%	2.0%	2.1%	1.7%	1.1%	1.8%
RevPAR	2.0%	2.0%	2.0%	1.9%	1.8%	1.8%

STR U.S. Supply and Demand % Change by Class
April 2019 YTD



Sources: STR and Tourism Economics 2019/2020 U.S. Hotel Forecast as of June 2019; CBRE Hotels Hotel Horizons June – August 2019 Edition; PwC Hospitality Directions US May 2019; and STR Supply and Demand data April 2019 YTD

COMPARABLE HOTELS FINANCIAL HIGHLIGHTS

($ in thousands except statistical data)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	% CHANGE	2019	2018	% CHANGE
RevPAR	$115.30	$115.44	(0.1%)	$108.58	$108.62	-
Total Revenue	$341,051	$338,581	0.7%	$639,060	$633,657	0.9%
Adjusted Hotel EBITDA	$134,940	$135,586	(0.5%)	$242,138	$242,120	-
Adjusted Hotel EBITDA Margin %	39.6%	40.0%	(40 bps)	37.9%	38.2%	(30 bps)

Note: Comparable Hotels is defined as the 234 hotels owned by the Company as of June 30, 2019. For hotels acquired during the periods noted, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership, and for dispositions, results have been excluded for the Company's period of ownership. Results for periods prior to the Company's ownership have not been included in the Company's actual Consolidated Financial Statements and are included only for comparison purposes. Results included for periods prior to the Company's ownership are based on information from the prior owner of each hotel and have not been audited or adjusted. Refer to appendix for reconciliation to net income and discussion of the Company's adoption of Accounting Standards Update 2016-02, *Leases*, on January 1, 2019.

CORPORATE GOVERNANCE ALIGNS WITH SHAREHOLDERS

- Audit, Compensation and Corporate Governance Committees are independent
- Regular executive sessions of independent directors
- De-staggered Board allows for annual elections of directors
- Required resignation of an incumbent director not receiving majority of votes cast in election
- 80% of executive target compensation is incentive based
- Required share ownership of[1]:
  - 5 times base salary for CEO,
  - 3 times base salary for other executive officers, and
  - 2 times base cash compensation for directors
- Opted out of Virginia law requiring super majority vote for specified transactions

Board of Directors with Effective Experience

Glade M. Knight – Executive Chairman
Founder, Apple Hospitality REIT; Former Chairman/CEO, Cornerstone Realty NYSE:TCR

Justin G. Knight – Director
President & Chief Executive Officer, Apple Hospitality REIT

Kristian M. Gathright – Director
Executive Vice President & Chief Operating Officer, Apple Hospitality REIT

Glenn W. Bunting – Director
President, GB Corporation

Jon A. Fosheim – Director
Co-founder, Green Street Advisors

Bruce H. Matson – Director
Director, Chief Administrative Officer & General Counsel, Randolph Square IP, LLC and its affiliate RSIP Management, LLC

Blythe J. McGarvie – Director
Founder and Former Chief Executive Officer, Leadership for International Finance

Daryl A. Nickel – Director
Former Executive Vice President Lodging Development, Marriott® International

L. Hugh Redd – Director
Former Senior Vice President & Chief Financial Officer, General Dynamics

(1) New officers or directors have two years from time of becoming an officer or director to meet the requirement.

INVESTMENT SUMMARY

Focused on Performance

- Management team with extensive transaction and operations experience
- Strong regional and national operators
- Analytical data-driven approach to drive property level results
- Scale to negotiate attractive national contracts

Structured to Reduce Risk

- Invested in Marriott®, Hilton® and Hyatt® branded hotels which benefit from strong reservation systems and loyalty programs
- Focused on Upscale category where simple operations yield high margins
- Broad geographic diversification reduces portfolio volatility
- Well-maintained portfolio with average effective age of 4 years
- Low debt provides security through cycles

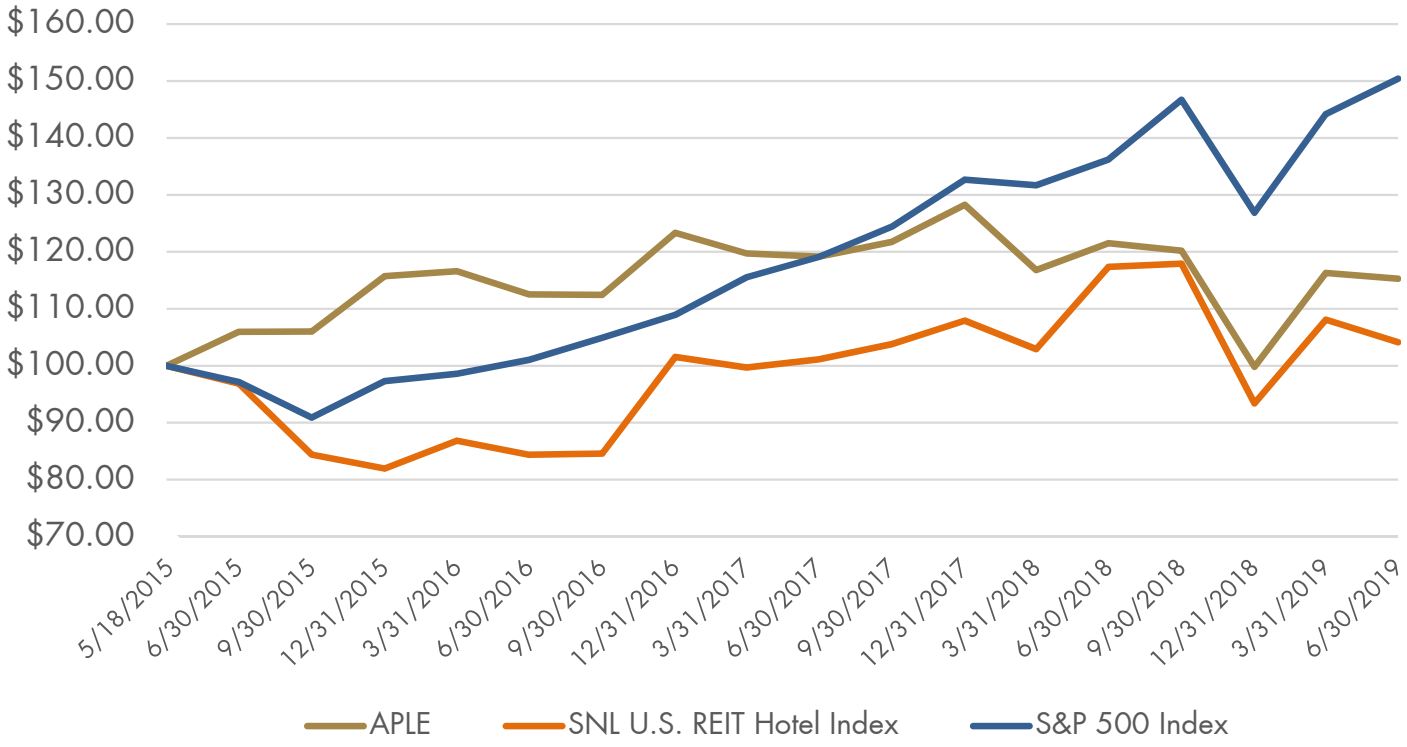
Opportunity for Growth

- Continued growth in U.S. economy
- Occupancy above prior peak in many markets
- Opportunity to grow rate and maximize bottom-line performance
- Balance sheet strength enables management to pursue accretive transactions
- Enhance portfolio through accretive acquisitions and opportunistic dispositions

Management is focused on generating strong risk-adjusted returns over time

APLE TRADING

Total Return Performance May 18, 2015 to June 30, 2019



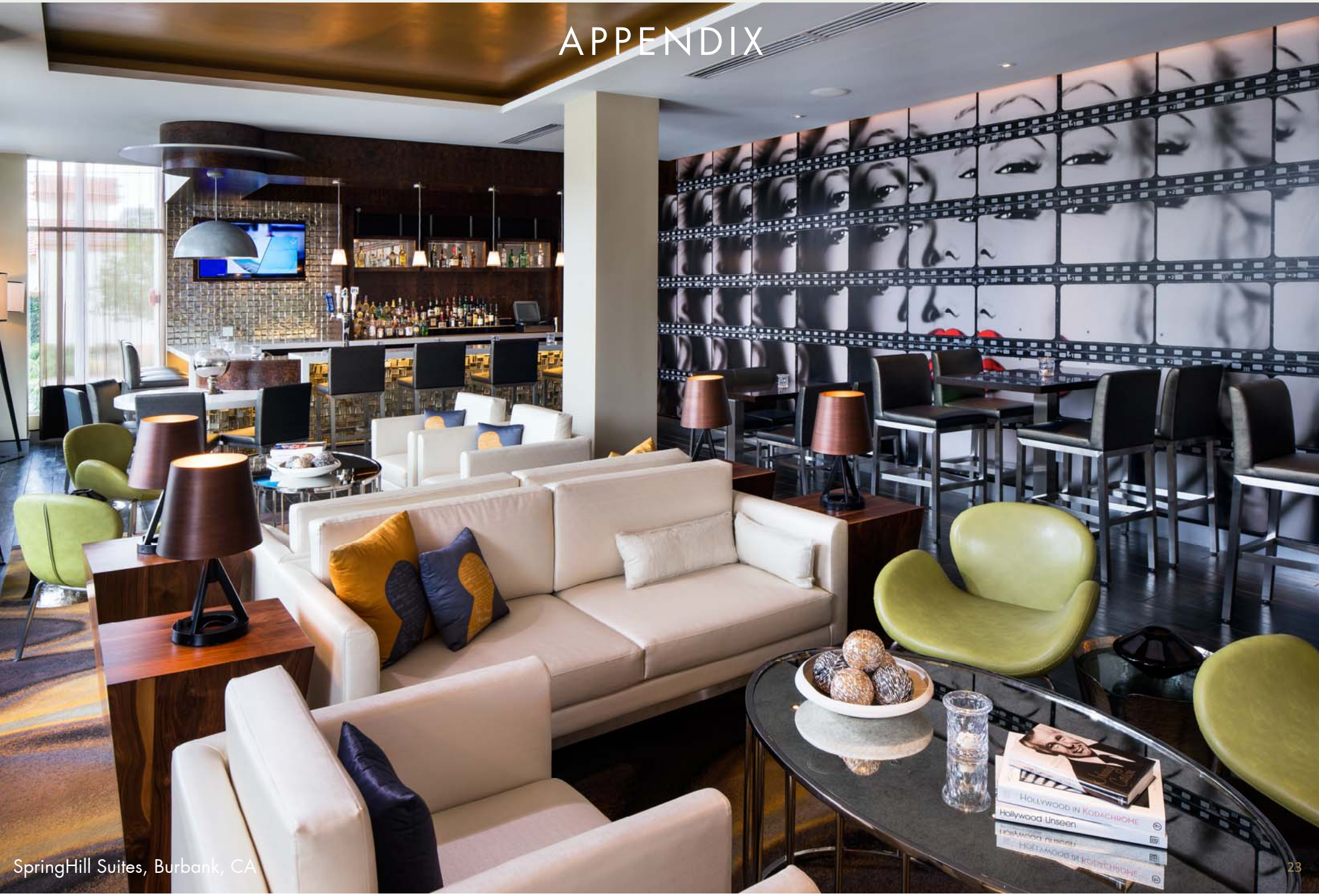
Total Return	
APLE	+15.3%
S&P 500 Index	+50.4%
SNL U.S. REIT Hotel Index	+4.1%

APLE Capital Markets 2017/2018	
Average Share Issue Price (total issued - $140 million)	$19.56
Average Share Buyback Price (total repurchased - $104 million)	$15.87

Total APLE Dividends May 18, 2015 – August 2, 2019 = $5.10 per share or $1.1 billion

Note: Graph compares the cumulative total shareholder return of the Company's common shares to the cumulative total returns of the Standard and Poor's 500 Stock Index ("S&P 500 Index") and the SNL U.S. REIT Hotel Index for the period from May 18, 2015, the date of the Company's Listing, to June 30, 2019. The SNL U.S. REIT Hotel Index is comprised of publicly traded REITs which focus on investments in hotel properties. The graph assumes an initial investment of $100 in the Company's common shares and in each of the indices, and also assumes the reinvestment of dividends. Source: S&P Global Market Intelligence

APPENDIX



SpringHill Suites, Burbank, CA

COMPANY OVERVIEW

ENTITY	Apple Hospitality REIT, Inc.
EXCHANGE: TICKER	NYSE: APLE
DIVIDEND YIELD at 6/30/2019	7.6% yield, annual rate of $1.20 per share, paid monthly
AVERAGE TRADING VOLUME TTM 6/30/19	1.3 Million shares per day
EQUITY MARKET CAP at 6/30/2019	$3.6 Billion
NET DEBT at 6/30/2019	$1.4 Billion
NET DEBT + EQUITY MARKET CAP at 6/30/2019	$5.0 Billion
REAL ESTATE PORTFOLIO at 06/30/2019	234 hotels, 30,046 rooms, Marriott®, Hilton® and Hyatt® brands
GEOGRAPHIC DIVERSIFICATION at 06/30/2019	34 states, 87 markets
COMPARABLE HOTELS REVENUE TTM 6/30/2019(1)	$1.3 Billion
COMPARABLE HOTELS ADJUSTED HOTEL EBITDA MARGIN TTM 6/30/2019(1)	37.2%
2018 CAPEX	$71 Million
MANAGEMENT TEAM	18 years average industry experience
EXECUTIVE TARGET COMPENSATION STRUCTURE	80% executive target compensation incentive based

(1) See following pages for reconciliation to actual revenue and net income.

MANAGEMENT TEAM WITH DEEP INDUSTRY EXPERIENCE OVER MULTIPLE HOTEL CYCLES

- Average executive tenure with the Apple REIT Companies is 15 years
- Established and operated 8 public hospitality REITs
- Raised and invested approximately $7 billion in hotel assets
- Purchased 433 hotels
- Managed over $850 million in CapEx and renovation spending
- Sold 4 REITs in 3 transactions totaling $2.7 billion
- Merged 3 REITs and listed Company on NYSE
- Completed $1.3 billion Apple REIT Ten merger
- Representation on over 30 brand and industry advisory boards and councils

HISTORY OF APPLE REIT BRAND OWNERSHIP

	Total Hotels Owned[1]	Current Hotel Ownership[2]
Hilton Garden Inn®	59	41
Hampton by Hilton®	57	40
Courtyard by Marriott®	63	37
Homewood Suites by Hilton®	62	33
Residence Inn by Marriott®	104	33
SpringHill Suites by Marriott®	26	15
Fairfield by Marriott®	20	11
TownePlace Suites by Marriott®	21	9
Home2 Suites by Hilton®	9	9
Marriott® Hotels	7	2
Embassy Suites by Hilton®	2	2
Hyatt Place®	1	1
Renaissance® Hotels	1	1
Hilton® Hotels & Resorts	1	-
Total	**433**	**234**

Hotels in the United States[3]	# of hotels	# of rooms
Total Hotels United States	56,406	5,339,693
Total Hotels Upscale and Upper Midscale	16,528	1,890,036
Hilton®[4]	3,943	458,147
Marriott®	3,919	472,516
Hyatt®	379	52,482
Apple Hospitality Ownership[2]	**234**	**30,046**

Apple Hospitality owns 3% of Hilton® and Marriott® Upscale and Upper Midscale rooms in the United States

(1) Hotels owned by the various Apple REIT Companies since the first hospitality REIT in 1999.
(2) Hotels owned by Apple Hospitality as of June 30, 2019.
(3) Source: STR as of June 30, 2019.
(4) Excludes Doubletree by Hilton® hotels and includes Embassy Suites by Hilton® hotels.

PORTFOLIO ACTIVITY 2015 – June 30, 2019 ($ in thousands)

	YEAR	NUMBER OF HOTELS	NUMBER OF GUEST ROOMS	GROSS PURCHASE PRICE
ACQUISITIONS	2015	7	1,051	$254,800
	2016	57	7,337	1,320,000[1]
	2017	6	784	161,800
	2018	5	732	152,200
	1/1/2019 – 6/30/2019	2	288	52,400
	TOTAL	**77**	**10,192**	**$1,941,200**
	YEAR	NUMBER OF HOTELS	NUMBER OF GUEST ROOMS	GROSS SALES PRICE
DISPOSITIONS	2015	19	1,883	$208,500
	2016	1	226	9,900
	2017	2	540	97,600
	2018	3	247	15,800
	1/1/2019 – 6/30/2019	9	1,054	95,000
	TOTAL	**34**	**3,950**	**$426,800**

(1) Includes merger with Apple REIT Ten, which added 56 hotels with 7,209 guest rooms to the Company's portfolio. As consideration in the merger, the Company issued approximately 49 million common shares and paid approximately $94 million to the Apple REIT Ten shareholders, and assumed approximately $257 million of debt. Enterprise value of $1.3 billion reflects APLE's closing price on August 31, 2016 of $19.62 and merger consideration.

PORTFOLIO ACTIVITY UNDER CONTRACT AT 7/31/19[1] ($ in thousands)

	LOCATION	NUMBER OF HOTELS	NUMBER OF GUEST ROOMS	ESTIMATED GROSS CONTRACT PURCHASE PRICE
UNDER CONTRACT FOR PURCHASE	Hampton Inn & Suites by Hilton® and Home2 Suites by Hilton® Cape Canaveral, FL[2][3]	2	224	$46,700
	Hyatt House® and Hyatt Place® Tempe, AZ[2][3]	2	254	63,300
	Courtyard by Marriott® Denver, CO[2]	1	182	49,100
	Independent Boutique Hotel Richmond, VA	1	55	7,300
	Hilton Garden Inn® Madison, WI[2]	1	176	49,600
	TOTAL	**7**	**891**	**$216,000**

(1) There are many conditions to closing that have not yet been satisfied and there can be no assurance that closings on these hotels will occur under the outstanding purchase contracts.
(2) These hotels are under development. Number of rooms shown are expected number of rooms upon completion.
(3) These two hotels comprise a dual-branded property at one location.

APPLE HOSPITALITY REIT, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	June 30, 2019 (unaudited)	December 31, 2018
Assets		
Investment in real estate, net of accumulated depreciation and amortization of $971,738 and $909,893, respectively	$ 4,858,103	$ 4,816,410
Restricted cash-furniture, fixtures and other escrows	33,199	33,632
Due from third party managers, net	52,214	29,091
Other assets, net	45,323	49,539
Total Assets	$ 4,988,839	$ 4,928,672
Liabilities		
Debt, net	$ 1,384,314	$ 1,412,242
Finance lease liabilities	163,508	-
Accounts payable and other liabilities	88,949	107,420
Total Liabilities	1,636,771	1,519,662
Shareholders' Equity		
Preferred stock, authorized 30,000,000 shares; none issued and outstanding	-	-
Common stock, no par value, authorized 800,000,000 shares; issued and outstanding 223,869,190 and 223,997,348 shares, respectively	4,493,598	4,495,073
Accumulated other comprehensive income (loss)	(6,158)	10,006
Distributions greater than net income	(1,135,372)	(1,096,069)
Total Shareholders' Equity	3,352,068	3,409,010
Total Liabilities and Shareholders' Equity	$ 4,988,839	$ 4,928,672

Note: The Consolidated Balance Sheets and corresponding footnotes can be found in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019.

APPLE HOSPITALITY REIT

APPLE HOSPITALITY REIT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited) (in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues:				
Room	$ 315,232	$ 319,022	$ 594,702	$ 593,858
Food and beverage	15,692	16,518	30,707	32,228
Other	10,193	9,174	19,495	17,017
Total revenue	341,117	344,714	644,904	643,103
Expenses:				
Hotel operating expense:				
Operating	80,166	81,242	155,746	157,196
Hotel administrative	26,967	26,558	52,597	51,660
Sales and marketing	30,831	28,168	58,525	53,500
Utilities	9,561	10,247	19,500	20,530
Repair and maintenance	13,041	13,476	25,907	25,929
Franchise fees	14,752	14,781	27,863	27,514
Management fees	11,872	12,059	22,501	22,531
Total hotel operating expense	187,190	186,531	362,639	358,860
Property taxes, insurance and other	18,823	18,681	38,031	35,910
Operating ground lease	423	2,912	828	5,762
General and administrative	8,308	6,721	16,445	13,598
Loss on impairment of depreciable real estate assets	-	3,135	-	3,135
Depreciation and amortization	48,109	45,743	96,059	90,583
Total expense	262,853	263,723	514,002	507,848
Gain (loss) on sale of real estate	(161)	-	1,052	-
Operating income	78,103	80,991	131,954	135,255
Interest and other expense, net	(15,857)	(13,210)	(31,351)	(25,129)
Income before income taxes	62,246	67,781	100,603	110,126
Income tax expense	(156)	(151)	(362)	(314)
Net income	$ 62,090	$ 67,630	$ 100,241	$ 109,812
Other comprehensive income (loss):				
Interest rate derivatives	(10,120)	1,740	(16,164)	8,032
Comprehensive income	$ 51,970	$ 69,370	$ 84,077	$ 117,844
Basic and diluted net income per common share	$ 0.28	$ 0.29	$ 0.45	$ 0.48
Weighted average common shares outstanding - basic and diluted	223,899	230,342	223,915	230,428

Note: The Consolidated Statements of Operations and Comprehensive Income and corresponding footnotes can be found in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019.

APPLE HOSPITALITY REIT

THE FOLLOWING TABLE RECONCILES THE COMPANY'S GAAP NET INCOME (LOSS) TO EBITDA, EBITDAre, ADJUSTED EBITDAre AND ADJUSTED HOTEL EBITDA ON A QUARTERLY BASIS FROM SEPTEMBER 30, 2017 THROUGH JUNE 30, 2019
(Unaudited) (in thousands)

	Three Months Ended							
	9/30/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019
Net income (loss)	$ 62,824	$ (2,303)	$ 42,182	$ 67,630	$ 62,122	$ 34,152	$ 38,151	$ 62,090
Depreciation and amortization	44,110	44,729	44,840	45,743	46,169	46,730	47,950	48,109
Amortization of favorable and unfavorable operating leases, net	165	165	206	148	146	147	31	31
Interest and other expense, net	12,024	11,753	11,919	13,210	13,140	12,916	15,494	15,857
Income tax expense	203	135	163	151	100	173	206	156
EBITDA	119,326	54,479	99,310	126,882	121,677	94,118	101,832	126,243
(Gain) loss on sale of real estate	157	(312)	-	-	-	(152)	(1,213)	161
Loss on impairment of depreciable real estate assets	-	38,000	-	3,135	-	-	-	-
EBITDAre	119,483	92,167	99,310	130,017	121,677	93,966	100,619	126,404
Non-cash straight-line operating ground lease expense	917	906	904	898	875	865	48	47
Adjusted EBITDAre	$ 120,400	$ 93,073	$ 100,214	$ 130,915	$ 122,552	$ 94,831	$ 100,667	$ 126,451
General and administrative expense	5,350	8,086	6,877	6,721	3,370	7,326	8,137	8,308
Adjusted Hotel EBITDA	$ 125,750	$ 101,159	$ 107,091	$ 137,636	$ 125,922	$ 102,157	$ 108,804	$ 134,759
Cash operating ground lease expense for leases classified as financing leases effective January 1, 2019[1]	$ 1,391	$ 1,402	$ 1,405	$ 1,410	$ 1,432	$ 1,443	$ -	$ -

(1) Represents cash lease payments recorded to operating ground lease expense related to four of the Company's ground leases that were classified as operating leases during the noted period. Under the new lease accounting standard, effective January 1, 2019, these four ground leases are classified as finance leases, for which the Company recognizes depreciation and amortization expense and interest and other expense, net in the Company's consolidated statements of operations, instead of operating ground lease expense. Depreciation and amortization and interest expense are excluded from EBITDA and operating ground lease expense is included in EBITDA.

THE FOLLOWING TABLE RECONCILES THE COMPANY'S GAAP NET INCOME TO FFO AND MFFO FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Unaudited) (in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income	$ 62,090	$ 67,630	$ 100,241	$ 109,812
Depreciation of real estate owned	46,712	45,502	93,378	90,112
(Gain) Loss on sale of real estate	161	-	(1,052)	-
Loss on impairment of depreciable real estate assets	-	3,135	-	3,135
Funds from operations	108,963	116,267	192,567	203,059
Amortization of finance ground lease assets	1,149	-	2,190	-
Amortization of favorable and unfavorable operating leases, net	31	148	62	354
Non-cash straight-line operating ground lease expense	47	898	95	1,802
Modified funds from operations	$ 110,190	$ 117,313	$ 194,914	$ 205,215

APPLE HOSPITALITY REIT

APPLE HOSPITALITY REIT, INC.
COMPARABLE HOTELS OPERATING METRICS AND STATISTICAL DATA
(Unaudited) (in thousands except statistical data)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	% Change	2019	2018	% Change
Total revenue	$ 341,051	$ 338,581	0.7%	$ 639,060	$ 633,657	0.9%
Total operating expenses	206,111	202,995	1.5%	396,922	391,537	1.4%
Adjusted Hotel EBITDA	$ 134,940	$ 135,586	(0.5%)	$ 242,138	$ 242,120	-
Adjusted Hotel EBITDA Margin %	39.6%	40.0%	(40 bps)	37.9%	38.2%	(30 bps)
ADR (Comparable Hotels)	$ 141.60	$ 140.94	0.5%	$ 139.62	$ 138.49	0.8%
Occupancy (Comparable Hotels)	81.4%	81.9%	(0.6%)	77.8%	78.4%	(0.8%)
RevPAR (Comparable Hotels)	$ 115.30	$ 115.44	(0.1%)	$ 108.58	$ 108.62	-
ADR (Actual)	$ 141.60	$ 139.58	1.4%	$ 139.09	$ 137.09	1.5%
Occupancy (Actual)	81.4%	81.7%	(0.4%)	77.6%	78.2%	(0.8%)
RevPAR (Actual)	$ 115.30	$ 114.09	1.1%	$ 107.95	$ 107.20	0.7%
Reconciliation to Actual Results						
Total Revenue (Actual)	$ 341,117	$ 344,714		$ 644,904	$ 643,103	
Revenue from acquisitions prior to ownership	-	4,065		1,149	9,668	
Revenue from dispositions	-	(10,132)		(6,861)	(18,982)	
Lease revenue intangible amortization	(66)	(66)		(132)	(132)	
Comparable Hotels Total Revenue	$ 341,051	$ 338,581		$ 639,060	$ 633,657	
Adjusted Hotel EBITDA (AHEBITDA) (Actual)	$ 134,759	$ 137,636		$ 243,563	$ 244,727	
AHEBITDA from acquisitions prior to ownership	-	1,379		310	3,528	
AHEBITDA from dispositions	181	(3,429)		(1,735)	(6,135)	
Comparable Hotels AHEBITDA	$ 134,940	$ 135,586		$ 242,138	$ 242,120	

Note: Comparable Hotels is defined as the 234 hotels owned by the Company as of June 30, 2019. For hotels acquired during the periods noted, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership, and for dispositions, results have been excluded for the Company's period of ownership. Results for periods prior to the Company's ownership have not been included in the Company's actual Consolidated Financial Statements and are included only for comparison purposes. Results included for periods prior to the Company's ownership are based on information from the prior owner of each hotel and have not been audited or adjusted. Reconciliation of net income to non-GAAP financial measures and a discussion of the Company's adoption of Accounting Standards Update No. 2016-02, *Leases*, on January 1, 2019 are included in prior pages.

APPLE HOSPITALITY REIT

APPLE HOSPITALITY REIT, INC.
COMPARABLE HOTELS QUARTERLY OPERATING METRICS AND STATISTICAL DATA
(Unaudited) (in thousands except statistical data)

	Three Months Ended							
	9/30/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019
Total revenue	$ 327,354	$ 288,753	$ 295,076	$ 338,581	$ 326,521	$ 290,016	$ 298,009	$ 341,051
Total operating expenses	198,098	187,119	188,542	202,995	202,263	189,244	190,811	206,111
Adjusted Hotel EBITDA	$ 129,256	$ 101,634	$ 106,534	$ 135,586	$ 124,258	$ 100,772	$ 107,198	$ 134,940
Adjusted Hotel EBITDA Margin %	39.5%	35.2%	36.1%	40.0%	38.1%	34.7%	36.0%	39.6%
ADR (Comparable Hotels)	$ 139.34	$ 131.80	$ 135.76	$ 140.94	$ 138.91	$ 132.94	$ 137.41	$ 141.60
Occupancy (Comparable Hotels)	80.6%	73.8%	74.9%	81.9%	79.1%	72.7%	74.1%	81.4%
RevPAR (Comparable Hotels)	$ 112.35	$ 97.26	$ 101.69	$ 115.44	$ 109.93	$ 96.63	$ 101.76	$ 115.30
ADR (Actual)	$ 136.73	$ 130.30	$ 134.32	$ 139.58	$ 137.77	$ 131.93	$ 136.36	$ 141.60
Occupancy (Actual)	80.0%	73.5%	74.6%	81.7%	78.9%	72.5%	73.9%	81.4%
RevPAR (Actual)	$ 109.45	$ 95.76	$ 100.18	$ 114.09	$ 108.70	$ 95.63	$ 100.71	$ 115.30
Reconciliation to Actual Results								
Total Revenue (Actual)	$ 324,926	$ 289,067	$ 298,389	$ 344,714	$ 332,197	$ 295,255	$ 303,787	$ 341,117
Revenue from acquisitions prior to ownership	15,045	8,643	5,603	4,065	2,757	2,262	1,149	-
Revenue from dispositions	(12,566)	(8,906)	(8,850)	(10,132)	(8,367)	(7,435)	(6,861)	-
Lease revenue intangible amortization	(51)	(51)	(66)	(66)	(66)	(66)	(66)	(66)
Comparable Hotels Total Revenue	$ 327,354	$ 288,753	$ 295,076	$ 338,581	$ 326,521	$ 290,016	$ 298,009	$ 341,051
Adjusted Hotel EBITDA (AHEBITDA) (Actual)	$ 125,750	$ 101,159	$ 107,091	$ 137,636	$ 125,922	$ 102,157	$ 108,804	$ 134,759
AHEBITDA from acquisitions prior to ownership	7,137	3,091	2,149	1,379	814	633	310	-
AHEBITDA from dispositions	(3,631)	(2,616)	(2,706)	(3,429)	(2,478)	(2,018)	(1,916)	181
Comparable Hotels AHEBITDA	$ 129,256	$ 101,634	$ 106,534	$ 135,586	$ 124,258	$ 100,772	$ 107,198	$ 134,940

Note: Comparable Hotels is defined as the 234 hotels owned by the Company as of June 30, 2019. For hotels acquired during the periods noted, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership, and for dispositions, results have been excluded for the Company's period of ownership. Results for periods prior to the Company's ownership have not been included in the Company's actual Consolidated Financial Statements and are included only for comparison purposes. Results included for periods prior to the Company's ownership are based on information from the prior owner of each hotel and have not been audited or adjusted. Reconciliation of net income (loss) to non-GAAP financial measures and a discussion of the Company's adoption of Accounting Standards Update No. 2016-02, *Leases*, on January 1, 2019 are included in prior pages.

APPLE HOSPITALITY REIT

APPLE HOSPITALITY REIT, INC.
SAME STORE HOTELS OPERATING METRICS AND STATISTICAL DATA
(Unaudited) (in thousands except statistical data)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	% Change	2019	2018	% Change
Total revenue	$ 330,817	$ 329,810	0.3%	$ 618,449	$ 616,893	0.3%
Total operating expenses	199,449	197,566	1.0%	384,118	381,357	0.7%
Adjusted Hotel EBITDA	$ 131,368	$ 132,244	(0.7%)	$ 234,331	$ 235,536	(0.5%)
Adjusted Hotel EBITDA Margin %	39.7%	40.1%	(40 bps)	37.9%	38.2%	(30 bps)
ADR (Same Store Hotels)	$ 141.52	$ 140.72	0.6%	$ 139.11	$ 138.13	0.7%
Occupancy (Same Store Hotels)	81.8%	82.1%	(0.4%)	78.0%	78.5%	(0.6%)
RevPAR (Same Store Hotels)	$ 115.73	$ 115.59	0.1%	$ 108.52	$ 108.45	0.1%
ADR (Actual)	$ 141.60	$ 139.58	1.4%	$ 139.09	$ 137.09	1.5%
Occupancy (Actual)	81.4%	81.7%	(0.4%)	77.6%	78.2%	(0.8%)
RevPAR (Actual)	$ 115.30	$ 114.09	1.1%	$ 107.95	$ 107.20	0.7%
Reconciliation to Actual Results						
Total Revenue (Actual)	$ 341,117	$ 344,714		$ 644,904	$ 643,103	
Revenue from acquisitions	(10,234)	(4,706)		(19,462)	(7,096)	
Revenue from dispositions	-	(10,132)		(6,861)	(18,982)	
Lease revenue intangible amortization	(66)	(66)		(132)	(132)	
Same Store Hotels Total Revenue	$ 330,817	$ 329,810		$ 618,449	$ 616,893	
Adjusted Hotel EBITDA (AHEBITDA) (Actual)	$ 134,759	$ 137,636		$ 243,563	$ 244,727	
AHEBITDA from acquisitions	(3,572)	(1,963)		(7,497)	(3,056)	
AHEBITDA from dispositions	181	(3,429)		(1,735)	(6,135)	
Same Store Hotels AHEBITDA	$ 131,368	$ 132,244		$ 234,331	$ 235,536	

Note: Same Store Hotels is defined as the 227 hotels owned and held for use by the Company as of January 1, 2018 and during the entirety of the periods being compared. This information has not been audited. Reconciliation of net income to non-GAAP financial measures and a discussion of the Company's adoption of Accounting Standards Update No. 2016-02, *Leases*, on January 1, 2019 are included in prior pages.

APPLE HOSPITALITY REIT

APPLE HOSPITALITY REIT, INC.
SAME STORE HOTELS QUARTERLY OPERATING METRICS AND STATISTICAL DATA
(Unaudited) (in thousands except statistical data)

	Three Months Ended					
	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019
Total revenue	$ 287,083	$ 329,810	$ 317,636	$ 280,871	$ 287,632	$ 330,817
Total operating expenses	183,791	197,566	196,608	183,583	184,669	199,449
Adjusted Hotel EBITDA	$ 103,292	$ 132,244	$ 121,028	$ 97,288	$ 102,963	$ 131,368
Adjusted Hotel EBITDA Margin %	36.0%	40.1%	38.1%	34.6%	35.8%	39.7%
ADR (Same Store Hotels)	$ 135.26	$ 140.72	$ 138.87	$ 132.42	$ 136.42	$ 141.52
Occupancy (Same Store Hotels)	74.8%	82.1%	79.4%	72.8%	74.2%	81.8%
RevPAR (Same Store Hotels)	$ 101.23	$ 115.59	$ 110.23	$ 96.40	$ 101.23	$ 115.73
ADR (Actual)	$ 134.32	$ 139.58	$ 137.77	$ 131.93	$ 136.36	$ 141.60
Occupancy (Actual)	74.6%	81.7%	78.9%	72.5%	73.9%	81.4%
RevPAR (Actual)	$ 100.18	$ 114.09	$ 108.70	$ 95.63	$ 100.71	$ 115.30
Reconciliation to Actual Results						
Total Revenue (Actual)	$ 298,389	$ 344,714	$ 332,197	$ 295,255	$ 303,787	$ 341,117
Revenue from acquisitions	(2,390)	(4,706)	(6,128)	(6,883)	(9,228)	(10,234)
Revenue from dispositions	(8,850)	(10,132)	(8,367)	(7,435)	(6,861)	-
Lease revenue intangible amortization	(66)	(66)	(66)	(66)	(66)	(66)
Same Store Hotels Total Revenue	$ 287,083	$ 329,810	$ 317,636	$ 280,871	$ 287,632	$ 330,817
Adjusted Hotel EBITDA (AHEBITDA) (Actual)	$ 107,091	$ 137,636	$ 125,922	$ 102,157	$ 108,804	$ 134,759
AHEBITDA from acquisitions	(1,093)	(1,963)	(2,416)	(2,851)	(3,925)	(3,572)
AHEBITDA from dispositions	(2,706)	(3,429)	(2,478)	(2,018)	(1,916)	181
Same Store Hotels AHEBITDA	$ 103,292	$ 132,244	$ 121,028	$ 97,288	$ 102,963	$ 131,368

Note: Same Store Hotels is defined as the 227 hotels owned and held for use by the Company as of January 1, 2018 and during the entirety of the periods being compared. This information has not been audited. Reconciliation of net income to non-GAAP financial measures and a discussion of the Company's adoption of Accounting Standards Update No. 2016-02, *Leases*, on January 1, 2019 are included in prior pages.

APPLE HOSPITALITY REIT, INC. COMPARABLE HOTELS OPERATING METRICS TOP 20 MARKETS
THREE MONTHS ENDED JUNE 30 (Unaudited)

Top 20 Markets		Occupancy			ADR			RevPAR			% of Adjusted Hotel EBITDA
	# of Hotels	Q2 2019	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	Q2 2019
Top 20 Markets											
Los Angeles/Long Beach, CA	8	86.7%	90.8%	(4.5)%	$181.79	$174.46	4.2%	$157.56	$158.33	(0.5)%	5.7%
San Diego, CA	7	83.3%	83.6%	(0.3)%	$162.59	$156.89	3.6%	$135.49	$131.12	3.3%	5.4%
Chicago, IL	8	80.7%	82.2%	(1.7)%	$134.67	$134.75	(0.1)%	$108.71	$110.70	(1.8)%	4.1%
Nashville, TN	5	88.6%	89.7%	(1.2)%	$172.80	$180.08	(4.0)%	$153.11	$161.50	(5.2)%	3.5%
Anaheim/Santa Ana, CA	6	85.4%	86.0%	(0.6)%	$144.83	$147.93	(2.1)%	$123.70	$127.17	(2.7)%	3.4%
Seattle, WA	3	88.4%	87.8%	0.6%	$195.34	$208.48	(6.3)%	$172.62	$183.10	(5.7)%	3.1%
Phoenix, AZ	9	73.9%	71.1%	4.0%	$116.90	$109.94	6.3%	$86.43	$78.12	10.6%	2.8%
Omaha, NE	4	86.1%	81.5%	5.6%	$152.31	$159.87	(4.7)%	$131.15	$130.30	0.6%	2.7%
North Carolina East	5	90.1%	83.8%	7.5%	$141.50	$130.12	8.7%	$127.55	$109.08	16.9%	2.6%
Richmond/Petersburg, VA	4	75.9%	78.4%	(3.2)%	$152.51	$149.95	1.7%	$115.81	$117.60	(1.5)%	2.5%
Florida Panhandle	5	86.1%	83.6%	3.0%	$164.01	$125.13	31.1%	$141.13	$104.55	35.0%	2.5%
Dallas, TX	8	75.7%	75.2%	0.7%	$122.04	$123.86	(1.5)%	$92.42	$93.15	(0.8)%	2.3%
Washington, DC-MD-VA	4	87.7%	86.1%	1.8%	$148.56	$152.63	(2.7)%	$130.22	$131.40	(0.9)%	2.3%
Norfolk/Virginia Beach, VA	4	87.0%	87.8%	(1.0)%	$164.09	$154.56	6.2%	$142.72	$135.75	5.1%	2.2%
Austin, TX	7	80.9%	81.3%	(0.5)%	$123.69	$126.02	(1.8)%	$100.01	$102.46	(2.4)%	2.1%
Alaska	2	90.3%	86.9%	3.9%	$221.03	$184.99	19.5%	$199.51	$160.75	24.1%	2.1%
Oklahoma City, OK	4	80.9%	79.9%	1.3%	$144.73	$143.33	1.0%	$117.05	$114.45	2.3%	2.0%
Denver, CO	3	82.6%	82.3%	0.3%	$159.07	$160.11	(0.6)%	$131.38	$131.84	(0.3)%	1.9%
Alabama South	6	82.0%	79.2%	3.5%	$123.50	$117.41	5.2%	$101.26	$92.97	8.9%	1.7%
Fort Worth/Arlington, TX	5	79.1%	80.0%	(1.2)%	$133.14	$134.94	(1.3)%	$105.25	$107.93	(2.5)%	1.7%
Top 20 Markets	107	82.6%	82.3%	0.4%	$149.50	$146.84	1.8%	$123.47	$120.82	2.2%	56.6%
All Other Markets	127	80.3%	81.6%	(1.5)%	$133.83	$135.21	(1.0)%	$107.48	$110.27	(2.5)%	43.4%
Total Portfolio	234	81.4%	81.9%	(0.6)%	$141.60	$140.94	0.5%	$115.30	$115.44	(0.1)%	100.0%

Note: Comparable Hotels is defined as the 234 hotels owned by the Company as of June 30, 2019. For hotels acquired during the periods noted, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership, and for dispositions, results have been excluded for the Company's period of ownership. Results for periods prior to the Company's ownership have not been included in the Company's actual Consolidated Financial Statements and are included only for comparison purposes. Results included for periods prior to the Company's ownership are based on information from the prior owner of each hotel and have not been audited or adjusted. Market categorization based on STR designation. Top 20 markets based on Comparable Hotels Adjusted Hotel EBITDA contribution.

APPLE HOSPITALITY REIT

APPLE HOSPITALITY REIT, INC. COMPARABLE HOTELS OPERATING METRICS TOP 20 MARKETS
SIX MONTHS ENDED JUNE 30 (Unaudited)

Top 20 Markets		Occupancy			ADR			RevPAR			% of Adjusted Hotel EBITDA
	# of Hotels	YTD 2019	YTD 2018	% Change	YTD 2019	YTD 2018	% Change	YTD 2019	YTD 2018	% Change	YTD 2019
Top 20 Markets											
Los Angeles/Long Beach, CA	8	87.0%	89.9%	(3.2)%	$176.26	$170.16	3.6%	$153.43	$153.01	0.3%	5.9%
San Diego, CA	7	80.2%	81.8%	(1.9)%	$158.10	$151.94	4.1%	$126.74	$124.21	2.0%	5.4%
Phoenix, AZ	9	78.4%	77.3%	1.4%	$147.10	$137.26	7.2%	$115.28	$106.13	8.6%	5.3%
Anaheim/Santa Ana, CA	6	83.9%	85.0%	(1.3)%	$146.19	$147.50	(0.9)%	$122.67	$125.42	(2.2)%	3.8%
Nashville, TN	5	84.4%	85.9%	(1.7)%	$167.13	$170.12	(1.8)%	$141.01	$146.06	(3.5)%	3.4%
Chicago, IL	8	71.9%	73.5%	(2.2)%	$126.46	$126.67	(0.2)%	$90.95	$93.15	(2.4)%	2.9%
Seattle, WA	3	82.8%	84.1%	(1.6)%	$181.64	$186.15	(2.4)%	$150.32	$156.53	(4.0)%	2.8%
Richmond/Petersburg, VA	4	74.8%	77.3%	(3.1)%	$151.05	$151.07	(0.0)%	$113.02	$116.70	(3.2)%	2.6%
Florida Panhandle	5	82.6%	78.0%	5.9%	$157.44	$119.09	32.2%	$130.04	$92.90	40.0%	2.5%
Dallas, TX	8	72.9%	73.0%	(0.1)%	$123.00	$125.47	(2.0)%	$89.66	$91.57	(2.1)%	2.5%
North Carolina East	5	85.9%	78.2%	9.9%	$127.04	$117.38	8.2%	$109.14	$91.75	19.0%	2.3%
Austin, TX	7	75.5%	78.3%	(3.6)%	$126.20	$128.58	(1.9)%	$95.27	$100.74	(5.4)%	2.2%
Fort Lauderdale, FL	3	91.0%	91.8%	(0.9)%	$158.28	$161.36	(1.9)%	$144.04	$148.14	(2.8)%	2.1%
Omaha, NE	4	79.1%	71.0%	11.4%	$134.41	$142.23	(5.5)%	$106.25	$100.95	5.2%	2.0%
Fort Worth/Arlington, TX	5	77.8%	77.7%	0.2%	$134.22	$134.97	(0.6)%	$104.49	$104.92	(0.4)%	1.9%
Oklahoma City, OK	4	76.7%	76.3%	0.5%	$136.16	$138.26	(1.5)%	$104.44	$105.51	(1.0)%	1.8%
Alabama South	6	79.0%	76.0%	3.9%	$120.55	$114.11	5.6%	$95.23	$86.74	9.8%	1.8%
Orlando, FL	4	82.6%	85.1%	(2.9)%	$124.36	$134.24	(7.4)%	$102.73	$114.18	(10.0)%	1.7%
Alaska	2	86.2%	78.4%	9.9%	$189.76	$164.98	15.0%	$163.50	$129.35	26.4%	1.7%
Washington, DC-MD-VA	4	78.3%	77.4%	1.2%	$135.12	$137.24	(1.5)%	$105.75	$106.19	(0.4)%	1.7%
Top 20 Markets	107	79.7%	79.5%	0.2%	$145.25	$142.95	1.6%	$115.70	$113.67	1.8%	56.3%
All Other Markets	127	75.9%	77.4%	(1.9)%	$133.90	$134.10	(0.2)%	$101.69	$103.79	(2.0)%	43.7%
Total Portfolio	234	77.8%	78.4%	(0.8)%	$139.62	$138.49	0.8%	$108.58	$108.62	(0.0)%	100.0%

Note: Comparable Hotels is defined as the 234 hotels owned by the Company as of June 30, 2019. For hotels acquired during the periods noted, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership, and for dispositions, results have been excluded for the Company's period of ownership. Results for periods prior to the Company's ownership have not been included in the Company's actual Consolidated Financial Statements and are included only for comparison purposes. Results included for periods prior to the Company's ownership are based on information from the prior owner of each hotel and have not been audited or adjusted. Market categorization based on STR designation. Top 20 markets based on Comparable Hotels Adjusted Hotel EBITDA contribution.

APPLE HOSPITALITY REIT

APPLE HOSPITALITY REIT, INC. COMPARABLE HOTELS OPERATING METRICS BY REGION
THREE MONTHS ENDED JUNE 30 (Unaudited)

Region		Occupancy			ADR			RevPAR			% of Adjusted Hotel EBITDA
	# of Hotels	Q2 2019	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	Q2 2019
STR Region											
East North Central	15	78.0%	80.1%	(2.7)%	$132.08	$134.26	(1.6)%	$103.02	$107.58	(4.2)%	6.2%
East South Central	30	83.4%	83.9%	(0.6)%	$134.82	$135.59	(0.6)%	$112.41	$113.74	(1.2)%	10.4%
Middle Atlantic	12	83.5%	84.0%	(0.6)%	$168.09	$166.59	0.9%	$140.43	$139.96	0.3%	5.6%
Mountain	21	77.4%	76.8%	0.7%	$126.66	$123.87	2.3%	$98.03	$95.16	3.0%	8.1%
New England	5	79.3%	81.6%	(2.8)%	$147.42	$147.09	0.2%	$116.91	$119.98	(2.6)%	2.2%
Pacific	33	86.2%	87.3%	(1.2)%	$171.76	$167.87	2.3%	$148.04	$146.47	1.1%	23.2%
South Atlantic	59	82.4%	84.0%	(1.9)%	$138.21	$136.44	1.3%	$113.95	$114.67	(0.6)%	24.0%
West North Central	18	83.1%	80.6%	3.2%	$135.17	$136.67	(1.1)%	$112.39	$110.11	2.1%	7.2%
West South Central	41	77.1%	76.4%	0.9%	$126.69	$128.52	(1.4)%	$97.67	$98.24	(0.6)%	13.1%
Total Portfolio	**234**	**81.4%**	**81.9%**	**(0.6)%**	**$141.60**	**$140.94**	**0.5%**	**$115.30**	**$115.44**	**(0.1)%**	**100.0%**

Note: Comparable Hotels is defined as the 234 hotels owned by the Company as of June 30, 2019. For hotels acquired during the periods noted, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership, and for dispositions, results have been excluded for the Company's period of ownership. Results for periods prior to the Company's ownership have not been included in the Company's actual Consolidated Financial Statements and are included only for comparison purposes. Results included for periods prior to the Company's ownership are based on information from the prior owner of each hotel and have not been audited or adjusted. Region categorization based on STR designation.

APPLE HOSPITALITY REIT

APPLE HOSPITALITY REIT, INC. COMPARABLE HOTELS OPERATING METRICS BY REGION
SIX MONTHS ENDED JUNE 30 (Unaudited)

Region		Occupancy			ADR			RevPAR			% of Adjusted Hotel EBITDA
	# of Hotels	YTD 2019	YTD 2018	% Change	YTD 2019	YTD 2018	% Change	YTD 2019	YTD 2018	% Change	YTD 2019
STR Region											
East North Central	15	69.9%	73.0%	(4.2)%	$125.70	$127.13	(1.1)%	$87.91	$92.82	(5.3)%	4.7%
East South Central	30	79.1%	79.1%	0.0%	$131.48	$131.14	0.3%	$104.00	$103.69	0.3%	10.3%
Middle Atlantic	12	75.9%	77.5%	(2.0)%	$157.11	$155.35	1.1%	$119.24	$120.35	(0.9)%	4.0%
Mountain	21	77.9%	77.5%	0.5%	$137.43	$132.57	3.7%	$107.08	$102.77	4.2%	10.8%
New England	5	68.2%	72.0%	(5.2)%	$137.95	$137.20	0.6%	$94.13	$98.78	(4.7)%	1.6%
Pacific	33	83.8%	84.9%	(1.4)%	$165.99	$161.39	2.9%	$139.04	$137.08	1.4%	23.3%
South Atlantic	59	79.8%	81.2%	(1.7)%	$138.69	$136.71	1.4%	$110.68	$110.98	(0.3)%	25.5%
West North Central	18	76.6%	73.2%	4.7%	$126.52	$129.61	(2.4)%	$96.96	$94.91	2.2%	5.9%
West South Central	41	74.2%	74.5%	(0.4)%	$126.71	$128.89	(1.7)%	$94.04	$96.06	(2.1)%	13.9%
Total Portfolio	**234**	**77.8%**	**78.4%**	**(0.8)%**	**$139.62**	**$138.49**	**0.8%**	**$108.58**	**$108.62**	**(0.0)%**	**100.0%**

Note: Comparable Hotels is defined as the 234 hotels owned by the Company as of June 30, 2019. For hotels acquired during the periods noted, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership, and for dispositions, results have been excluded for the Company's period of ownership. Results for periods prior to the Company's ownership have not been included in the Company's actual Consolidated Financial Statements and are included only for comparison purposes. Results included for periods prior to the Company's ownership are based on information from the prior owner of each hotel and have not been audited or adjusted. Region categorization based on STR designation.

APPLE HOSPITALITY REIT

APPLE HOSPITALITY REIT, INC. COMPARABLE HOTELS OPERATING METRICS BY CHAIN SCALE
THREE MONTHS ENDED JUNE 30 (Unaudited)

Chain Scale/Brand		Occupancy			ADR			RevPAR			% of Adjusted Hotel EBITDA
	# of Hotels	Q2 2019	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	Q2 2019
Upscale											
Courtyard	37	79.6%	80.7%	(1.4)%	$148.75	$146.36	1.6%	$118.38	$118.14	0.2%	19.1%
Hilton Garden Inn	41	81.0%	80.6%	0.5%	$138.97	$139.28	(0.2)%	$112.59	$112.29	0.3%	18.3%
Homewood Suites	33	86.0%	85.9%	0.1%	$139.40	$141.82	(1.7)%	$119.85	$121.76	(1.6)%	12.2%
Hyatt Place	1	75.6%	88.7%	(14.7)%	$110.14	$102.46	7.5%	$83.27	$90.85	(8.3)%	0.2%
Residence Inn	33	81.9%	83.5%	(2.0)%	$148.05	$149.11	(0.7)%	$121.18	$124.51	(2.7)%	14.7%
SpringHill Suites	15	80.5%	82.9%	(2.9)%	$127.88	$130.21	(1.8)%	$102.94	$107.95	(4.6)%	6.1%
Upscale Total	**160**	**81.6%**	**82.4%**	**(0.9)%**	**$141.89**	**$142.23**	**(0.2)%**	**$115.84**	**$117.23**	**(1.2)%**	**70.6%**
Upper Midscale											
Fairfield Inn/Fairfield Inn & Suites	11	77.7%	78.8%	(1.4)%	$117.76	$119.35	(1.3)%	$91.53	$94.08	(2.7)%	3.1%
Hampton Inn/Hampton Inn & Suites	40	81.1%	80.7%	0.4%	$138.07	$138.41	(0.2)%	$111.93	$111.74	0.2%	15.3%
Home2 Suites	9	85.5%	87.0%	(1.7)%	$142.72	$131.50	8.5%	$122.07	$114.43	6.7%	4.2%
TownePlace Suites	9	82.4%	81.8%	0.8%	$121.82	$110.41	10.3%	$100.37	$90.29	11.2%	3.0%
Upper Midscale Total	**69**	**81.2%**	**81.2%**	**0.0%**	**$133.81**	**$131.40**	**1.8%**	**$108.72**	**$106.76**	**1.8%**	**25.6%**
Upper Upscale											
Embassy Suites	2	90.8%	86.2%	5.4%	$195.94	$185.51	5.6%	$178.00	$159.96	11.3%	1.6%
Marriott	2	66.9%	67.3%	(0.7)%	$151.45	$146.36	3.5%	$101.26	$98.55	2.8%	1.4%
Renaissance	1	96.1%	93.8%	2.5%	$282.68	$280.03	0.9%	$271.74	$262.66	3.5%	0.8%
Upper Upscale Total	**5**	**78.8%**	**77.4%**	**1.9%**	**$194.85**	**$187.71**	**3.8%**	**$153.64**	**$145.21**	**5.8%**	**3.8%**
Total Portfolio	**234**	**81.4%**	**81.9%**	**(0.6)%**	**$141.60**	**$140.94**	**0.5%**	**$115.30**	**$115.44**	**(0.1)%**	**100.0%**

Note: Comparable Hotels is defined as the 234 hotels owned by the Company as of June 30, 2019. For hotels acquired during the periods noted, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership, and for dispositions, results have been excluded for the Company's period of ownership. Results for periods prior to the Company's ownership have not been included in the Company's actual Consolidated Financial Statements and are included only for comparison purposes. Results included for periods prior to the Company's ownership are based on information from the prior owner of each hotel and have not been audited or adjusted. Chain scale categorization based on STR designation.

APPLE HOSPITALITY REIT, INC. COMPARABLE HOTELS OPERATING METRICS BY CHAIN SCALE
SIX MONTHS ENDED JUNE 30 (Unaudited)

Chain Scale/Brand		Occupancy			ADR			RevPAR			% of Adjusted Hotel EBITDA
	# of Hotels	YTD 2019	YTD 2018	% Change	YTD 2019	YTD 2018	% Change	YTD 2019	YTD 2018	% Change	YTD 2019
Upscale											
Courtyard	37	75.2%	76.3%	(1.4)%	$144.09	$142.55	1.1%	$108.34	$108.74	(0.4)%	18.4%
Hilton Garden Inn	41	77.1%	76.4%	0.9%	$136.62	$136.78	(0.1)%	$105.27	$104.48	0.8%	18.0%
Homewood Suites	33	82.8%	82.9%	(0.1)%	$141.03	$142.43	(1.0)%	$116.72	$118.05	(1.1)%	13.0%
Hyatt Place	1	75.7%	87.3%	(13.3)%	$111.03	$104.90	5.8%	$84.08	$91.62	(8.2)%	0.3%
Residence Inn	33	78.8%	80.8%	(2.6)%	$146.07	$146.15	(0.1)%	$115.04	$118.16	(2.6)%	15.1%
SpringHill Suites	15	76.2%	78.3%	(2.6)%	$124.66	$126.88	(1.8)%	$95.04	$99.32	(4.3)%	5.9%
Upscale Total	**160**	**77.9%**	**78.6%**	**(1.0)%**	**$139.76**	**$139.89**	**(0.1)%**	**$108.83**	**$110.02**	**(1.1)%**	**70.7%**
Upper Midscale											
Fairfield Inn/Fairfield Inn & Suites	11	75.5%	78.2%	(3.4)%	$119.83	$120.06	(0.2)%	$90.48	$93.86	(3.6)%	3.3%
Hampton Inn/Hampton Inn & Suites	40	76.8%	76.9%	(0.1)%	$138.41	$137.11	0.9%	$106.26	$105.41	0.8%	15.6%
Home2 Suites	9	83.8%	82.4%	1.6%	$139.69	$127.06	9.9%	$117.03	$104.74	11.7%	4.1%
TownePlace Suites	9	78.2%	79.9%	(2.1)%	$118.84	$107.94	10.1%	$92.94	$86.25	7.8%	3.0%
Upper Midscale Total	**69**	**77.6%**	**78.1%**	**(0.6)%**	**$133.52**	**$129.71**	**2.9%**	**$103.57**	**$101.26**	**2.3%**	**26.0%**
Upper Upscale											
Embassy Suites	2	88.8%	85.3%	4.1%	$188.02	$178.83	5.1%	$166.97	$152.49	9.5%	1.6%
Marriott	2	66.5%	68.3%	(2.6)%	$150.38	$147.43	2.0%	$99.98	$100.64	(0.7)%	1.5%
Renaissance	1	92.8%	91.5%	1.4%	$237.78	$234.13	1.6%	$220.56	$214.13	3.0%	0.2%
Upper Upscale Total	**5**	**77.5%**	**77.2%**	**0.4%**	**$181.44**	**$175.60**	**3.3%**	**$140.55**	**$135.51**	**3.7%**	**3.3%**
Total Portfolio	**234**	**77.8%**	**78.4%**	**(0.8)%**	**$139.62**	**$138.49**	**0.8%**	**$108.58**	**$108.62**	**(0.0)%**	**100.0%**

Note: Comparable Hotels is defined as the 234 hotels owned by the Company as of June 30, 2019. For hotels acquired during the periods noted, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership, and for dispositions, results have been excluded for the Company's period of ownership. Results for periods prior to the Company's ownership have not been included in the Company's actual Consolidated Financial Statements and are included only for comparison purposes. Results included for periods prior to the Company's ownership are based on information from the prior owner of each hotel and have not been audited or adjusted. Chain scale categorization based on STR designation.

APPLE HOSPITALITY REIT

APPLE HOSPITALITY REIT, INC. COMPARABLE HOTELS OPERATING METRICS BY LOCATION
THREE MONTHS ENDED JUNE 30 (Unaudited)

Location		Occupancy			ADR			RevPAR			% of Adjusted Hotel EBITDA
	# of Hotels	Q2 2019	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	Q2 2019
STR Location											
Airport	18	83.3%	86.7%	(3.9)%	$131.98	$133.71	(1.3)%	$110.00	$115.95	(5.1)%	6.0%
Interstate	6	79.9%	78.2%	2.2%	$111.91	$111.50	0.4%	$89.43	$87.20	2.6%	1.6%
Resort	9	87.4%	85.7%	2.0%	$153.26	$150.78	1.6%	$133.98	$129.22	3.7%	5.7%
Small Metro/Town	16	81.6%	77.2%	5.6%	$116.75	$112.97	3.3%	$95.23	$87.23	9.2%	4.6%
Suburban	143	80.9%	81.8%	(1.1)%	$136.94	$135.67	0.9%	$110.83	$111.04	(0.2)%	55.1%
Urban	42	81.0%	81.4%	(0.4)%	$164.47	$165.62	(0.7)%	$133.21	$134.73	(1.1)%	27.0%
Total Portfolio	**234**	**81.4%**	**81.9%**	**(0.6)%**	**$141.60**	**$140.94**	**0.5%**	**$115.30**	**$115.44**	**(0.1)%**	**100.0%**

Note: Comparable Hotels is defined as the 234 hotels owned by the Company as of June 30, 2019. For hotels acquired during the periods noted, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership, and for dispositions, results have been excluded for the Company's period of ownership. Results for periods prior to the Company's ownership have not been included in the Company's actual Consolidated Financial Statements and are included only for comparison purposes. Results included for periods prior to the Company's ownership are based on information from the prior owner of each hotel and have not been audited or adjusted. Location categorization based on STR designation.

APPLE HOSPITALITY REIT

APPLE HOSPITALITY REIT, INC. COMPARABLE HOTELS OPERATING METRICS BY LOCATION
SIX MONTHS ENDED JUNE 30 (Unaudited)

Location		Occupancy			ADR			RevPAR			% of Adjusted Hotel EBITDA
	# of Hotels	YTD 2019	YTD 2018	% Change	YTD 2019	YTD 2018	% Change	YTD 2019	YTD 2018	% Change	YTD 2019
STR Location											
Airport	18	81.8%	84.1%	(2.7)%	$134.02	$135.72	(1.3)%	$109.65	$114.16	(4.0)%	6.7%
Interstate	6	75.2%	72.2%	4.1%	$110.53	$110.13	0.4%	$83.07	$79.47	4.5%	1.5%
Resort	9	83.4%	82.2%	1.4%	$154.47	$152.38	1.4%	$128.81	$125.31	2.8%	6.0%
Small Metro/Town	16	80.3%	75.7%	6.1%	$123.73	$119.32	3.7%	$99.39	$90.37	10.0%	5.6%
Suburban	143	77.0%	78.3%	(1.6)%	$135.20	$133.97	0.9%	$104.17	$104.88	(0.7)%	55.2%
Urban	42	76.8%	77.5%	(1.0)%	$157.50	$156.65	0.5%	$120.96	$121.47	(0.4)%	25.0%
Total Portfolio	**234**	**77.8%**	**78.4%**	**(0.8)%**	**$139.62**	**$138.49**	**0.8%**	**$108.58**	**$108.62**	**(0.0)%**	**100.0%**

Note: Comparable Hotels is defined as the 234 hotels owned by the Company as of June 30, 2019. For hotels acquired during the periods noted, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership, and for dispositions, results have been excluded for the Company's period of ownership. Results for periods prior to the Company's ownership have not been included in the Company's actual Consolidated Financial Statements and are included only for comparison purposes. Results included for periods prior to the Company's ownership are based on information from the prior owner of each hotel and have not been audited or adjusted. Location categorization based on STR designation.

DEFINITIONS

Non-GAAP Financial Measures

The Company considers the following non-GAAP financial measures useful to investors as key supplemental measures of its operating performance: Funds from Operations ("FFO"); Modified FFO ("MFFO"); Earnings Before Interest, Income Taxes, Depreciation and Amortization ("EBITDA"); Earnings Before Interest, Income Taxes, Depreciation and Amortization for Real Estate ("EBITDAre"); Adjusted EBITDAre ("Adjusted EBITDAre"); and Adjusted Hotel EBITDA ("Adjusted Hotel EBITDA"). These non-GAAP financial measures should be considered along with, but not as alternatives to, net income (loss), cash flow from operations or any other operating GAAP measure. FFO, MFFO, EBITDA, EBITDAre, Adjusted EBITDAre and Adjusted Hotel EBITDA are not necessarily indicative of funds available to fund the Company's cash needs, including its ability to make cash distributions. Although FFO, MFFO, EBITDA, EBITDAre, Adjusted EBITDAre and Adjusted Hotel EBITDA, as calculated by the Company, may not be comparable to FFO, MFFO, EBITDA, EBITDAre, Adjusted EBITDAre and Adjusted Hotel EBITDA, as reported by other companies that do not define such terms exactly as the Company defines such terms, the Company believes these supplemental measures are useful to investors when comparing the Company's results between periods and with other REITs.

EBITDA, EBITDAre, Adjusted EBITDAre and Adjusted Hotel EBITDA

EBITDA is a commonly used measure of performance in many industries and is defined as net income (loss) excluding interest, income taxes, depreciation and amortization. The Company believes EBITDA is useful to investors because it helps the Company and its investors evaluate the ongoing operating performance of the Company by removing the impact of its capital structure (primarily interest expense) and its asset base (primarily depreciation and amortization). In addition, certain covenants included in the agreements governing the Company's indebtedness use EBITDA, as defined in the specific credit agreement, as a measure of financial compliance.

In addition to EBITDA, the Company also calculates and presents EBITDAre in accordance with standards established by the National Association of Real Estate Investment Trusts ("Nareit"), which defines EBITDAre as EBITDA, excluding gains and losses from the sale of certain real estate assets (including gains and losses from change in control), plus real estate related impairments, and adjustments to reflect the entity's share of EBITDAre of unconsolidated affiliates. The Company presents EBITDAre because it believes that it provides further useful information to investors in comparing its operating performance between periods and between REITs that report EBITDAre using the Nareit definition.

The Company also considers the exclusion of non-cash straight-line operating ground lease expense from EBITDAre useful, as this expense does not reflect the underlying performance of the related hotels (Adjusted EBITDAre).

The Company further excludes actual corporate-level general and administrative expense for the Company from Adjusted EBITDAre (Adjusted Hotel EBITDA) to isolate property-level operational performance over which the Company's hotel operators have direct control. The Company believes Adjusted Hotel EBITDA provides useful supplemental information to investors regarding operating performance and is used by management to measure the performance of the Company's hotels and effectiveness of the operators of the hotels.

DEFINITIONS (CONTINUED)

FFO and MFFO

The Company calculates and presents FFO in accordance with standards established by Nareit, which defines FFO as net income (loss) (computed in accordance with generally accepted accounting principles ("GAAP")), excluding gains and losses from the sale of certain real estate assets (including gains and losses from change in control), extraordinary items as defined by GAAP, and the cumulative effect of changes in accounting principles, plus real estate related depreciation, amortization and impairments, and adjustments for unconsolidated affiliates. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, most real estate industry investors consider FFO to be helpful in evaluating a real estate company's operations. The Company further believes that by excluding the effects of these items, FFO is useful to investors in comparing its operating performance between periods and between REITs that report FFO using the Nareit definition. FFO as presented by the Company is applicable only to its common shareholders, but does not represent an amount that accrues directly to common shareholders.

The Company further adjusts FFO (MFFO) for the exclusion of amortization of finance ground lease assets, amortization of favorable and unfavorable operating leases, net and non-cash straight-line operating ground lease expense, as these expenses do not reflect the underlying performance of the related hotels. The Company presents MFFO when evaluating its performance because it believes that it provides further useful supplemental information to investors regarding its ongoing operating performance.

COMPARABLE HOTELS

Comparable Hotels is defined as the 234 hotels owned by the Company as of June 30, 2019. For hotels acquired during the periods noted, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership, and for dispositions, results have been excluded for the Company's period of ownership. Results for periods prior to the Company's ownership have not been included in the Company's actual Consolidated Financial Statements and are included only for comparison purposes. Results included for periods prior to the Company's ownership are based on information from the prior owner of each hotel and have not been audited or adjusted.

SAME STORE HOTELS

Same Store Hotels is defined as the 227 hotels owned and held for use by the Company as of January 1, 2018 and during the entirety of the periods being compared. This information has not been audited.

ADOPTION OF ACCOUNTING STANDARD UPDATE NO. 2016-02, *LEASES* (TOPIC 842)

On January 1, 2019, the Company adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2016-02, *Leases* (Topic 842). Under the new lease accounting standard, the Company classified four ground leases as finance leases that were previously classified as operating leases in accordance with the previous accounting standard. During the three and six months ended June 30, 2019, the Company recognized amortization expense of approximately $1.1 million and $2.2 million, respectively, and interest expense, net, of approximately $2.1 and $4.0 million, respectively, in the Company's consolidated statement of operations related to these finance leases. Under the previous accounting standard, the Company would have recognized approximately $1.8 million and $3.4 million of cash operating ground lease expense and $1.1 million and $2.2 million of non-cash straight-line ground lease expense and amortization of intangible lease expense during the three and six months ended June 30, 2019, respectively, for these leases.

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