



## AMERICAN HOTEL INCOME PROPERTIES REIT LP REPORTS Q2 2025 RESULTS WITH 2.9% REVPAR GROWTH AND PROVIDES CORPORATE UPDATE

**Vancouver, British Columbia, August 6, 2025** - American Hotel Income Properties REIT LP (“**AHIP**”, or the “**Company**”) (TSX: HOT.UN, TSX: HOT.U, TSX: HOT.DB. V), today announced its financial results for the three and six months ended June 30, 2025.

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

### 2025 SECOND QUARTER HIGHLIGHTS

- Diluted FFO per unit<sup>(1)</sup> and normalized diluted FFO per unit<sup>(1)</sup> were \$0.06 for the second quarter of 2025, compared to \$0.12 and \$0.10 respectively, for the same period of 2024.
- ADR<sup>(1)</sup> increased 2.2% to \$140 for the second quarter of 2025, compared to \$137 for the same period of 2024.
- Occupancy<sup>(1)</sup> was 75.7% for the second quarter of 2025, an increase of 30 bps compared to 75.4% for the same period of 2024.
- RevPAR<sup>(1)</sup> increased by 2.9% to \$106 for the second quarter of 2025, compared to \$103 for the same period of 2024.
- Same property NOI was \$15.1 million for the second quarter of 2025, a decrease of 5.4% compared to \$15.9 million for the same period of 2024.
- Same property NOI margin was 32.9% for the second quarter of 2025, a decrease of 150 bps compared to 34.4% for the same period of 2024.
- Completed the dispositions of eight hotel properties during the quarter for total gross proceeds of \$32.2 million at a blended Cap Rate of 6.9% on 2024 annual hotel EBITDA.
- AHIP has no debt maturities until the fourth quarter of 2026.
- AHIP intends to continue its strategy to sell hotel properties to enhance liquidity, reduce debt and manage future financial obligations with approximately 20 hotels currently being marketed.

“AHIP continues to make significant progress on our plan to reduce debt and high-grade the portfolio through asset sales and loan refinancings,” said Jonathan Korol, CEO. “In 2025, AHIP completed the dispositions of 11 hotel properties for total gross proceeds of \$73.5 million. AHIP currently has 2 further hotel properties under purchase and sale agreements for estimated total gross proceeds of \$25.2 million.”

“Dispositions completed and under contract in 2024 and 2025 have a combined Cap Rate<sup>(1)</sup> of 7.3%, demonstrating value beyond AHIP’s current trading levels on its remaining assets. AHIP currently has approximately 20 hotels being marketed. While it is too early to make any conclusions about value, we are seeing strong interest in most of the properties we have in the market.”

“With the recently completed asset sales and refinancings, AHIP has sufficient time with a stable cash position to consider alternatives to address these future obligations in an orderly manner. AHIP has no debt maturing until the fourth quarter of 2026. Alternatives may include further hotel sales, or full or partial recapitalization of the Series C Shares and/or the Debentures or a combination thereof. We will be considering all opportunities to deliver value to unitholders.”

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

## INITIATIVES TO STRENGTHEN FINANCIAL POSITION AND IMPROVE UNITHOLDER VALUE

The Board of Directors (the “**Board**”), together with management, have implemented a plan to strengthen AHIP’s financial position and to improve unitholder value. Certain initiatives, and progress made to date, are outlined below.

### ADDRESSING 2026 BALANCE SHEET OBLIGATIONS

In 2024, AHIP made significant progress on its plan to reduce debt and improve the quality of its portfolio through asset sales and loan refinancings. AHIP disposed of 16 hotel properties in 2024 for total gross proceeds of \$165.2 million, which has improved the overall portfolio asset quality with pro forma increases in RevPAR, NOI margin and EBITDA per hotel, while also significantly reducing leverage. In the first half of 2025, AHIP completed the disposition of 11 hotel properties for total gross proceeds of \$73.4 million and two loan refinancings for total gross proceeds of \$144.3 million. The net proceeds from these sales along with a portion of the proceeds from the recent loan refinancings, were used to repay the CMBS loans secured by those properties. Of the 9 hotel properties under purchase sale and agreements at the end of the first quarter of 2025, AHIP completed the disposition of 8 hotel properties for total gross proceeds of \$32.2 million. The net proceeds from these sales were used to repay a CMBS loan secured by these properties. The remaining hotel property under a purchase and sale agreement is expected to close in the third quarter of 2025.

AHIP has no secured debt maturing until the fourth quarter of 2026, with a \$22.3 million CMBS loan maturing in November 2026 and a \$30.6 million CMBS loan maturing in December 2026. Effective January 28, 2026, the dividend rate on the \$50.0 million outstanding Series C Preferred Shares of U.S. REIT (“**Series C Shares**”) increases from 9.0% to 14.0% per annum and certain other provisions under the Investor Rights Agreement with HCI-BGO Victoria JV LP (the “**Investor**”) will be triggered on such date, which will reduce AHIP’s operational flexibility if the Series C Shares have not been fully redeemed as of such date. AHIP’s 6.0% unsecured subordinated convertible debentures (the “**Debentures**”) are due December 31, 2026.

With the recently completed asset sales and refinancings, AHIP is in a stable cash position and has sufficient time to consider alternatives to address these future obligations in an orderly manner. Alternatives may include further hotel sales, full or partial recapitalization of the Series C Shares and/or the Debentures or a combination thereof. Regarding potential dispositions, AHIP currently has approximately 20 additional hotels being marketed. Over the remainder of 2025, AHIP will assess which of the marketed hotels will provide the most attractive combination of certainty, valuation and net proceeds to address these future obligations. The number of potential hotel dispositions will be dependent on, among other things, regional market factors, hotel performance, hotel size, nature and value of offers and whether any portion of the Series C Shares and/or the Debentures are recapitalized.

### 2025 SECOND QUARTER REVIEW

#### FINANCIAL AND OPERATIONAL HIGHLIGHTS

For the three months ended June 30, 2025, ADR increased 2.2% to \$140, and occupancy increased by 30 bps to 75.7%, compared to the three months ended June 30, 2024. Overall, improved ADR and occupancy resulted in an increase of 2.9% in RevPAR to \$106, compared to the three months ended June 30, 2024. The improved performance is primarily attributable to the disposition of hotel properties with lower-than-average portfolio RevPAR.

NOI and normalized NOI were \$17.4 million for the three months ended June 30, 2025, a decrease of 30.5%, compared to NOI and normalized NOI of \$25.1 million for the three months ended June 30, 2024. The decrease in NOI was primarily due to the disposition of the 16 hotel properties completed in 2024 and the 11 hotel properties in the six months ended June 30, 2025.

NOI margin was 34.1% for the three months ended June 30, 2025, a decrease of 100 bps compared to 35.1% for the same period of 2024. The decrease in NOI margin was due to higher operating expenses as a result of general cost inflation, utilities and repair and maintenance expenses offset by the disposal of underperforming hotels in 2024.

Diluted FFO per unit and normalized diluted FFO per unit for the three months ended June 30, 2025, was \$0.06 compared to diluted FFO per unit of \$0.12 and normalized diluted FFO per unit of \$0.10 for the three months ended June 30, 2024. The decrease in diluted FFO per unit and normalized diluted FFO per unit was mainly due to lower NOI as a result of sold properties and higher operating expenses on same properties, partially offset by lower corporate and administrative expenses in the current year.

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

While RevPar on a same property basis declined in the second quarter, management expects this measure to improve on a year over year basis for the balance of the year. This will be accompanied by continued challenges with margins due to elevated costs. In July 2025, ADR was \$143, the same as July 2024. Occupancy increased 180bps to 76.8% in July 2025, compared to 75% for the same period of 2024. RevPAR increased to \$110 in July 2025, compared to \$107 for the same period of 2024.

### SAME PROPERTY KPIs

The following table summarizes key performance indicators (“KPIs”) for the portfolio for the five most recent quarters with a comparison to the same period in the prior year on a same-property basis.

KPIs	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
<b>ADR</b>	<b>\$140</b>	<b>\$139</b>	<b>\$134</b>	<b>\$140</b>	<b>\$141</b>
Change compared to same period in prior year - % increase/(decrease)	(0.7%)	(0.6%)	1.0%	1.5%	2.4%
<b>Occupancy</b>	<b>76.4%</b>	<b>69.7%</b>	<b>70.5%</b>	<b>74.6%</b>	<b>76.7%</b>
Change compared to same period in prior year - bps increase/(decrease)	(30)	218	256	71	126
<b>RevPAR</b>	<b>\$107</b>	<b>\$97</b>	<b>\$94</b>	<b>\$104</b>	<b>\$108</b>
Change compared to same period in prior year - % increase/(decrease)	(0.9%)	2.6%	4.8%	2.4%	4.1%
<b>NOI</b>	<b>\$ 15,073</b>	<b>\$ 12,466</b>	<b>\$ 11,223</b>	<b>\$ 15,396</b>	<b>\$ 15,927</b>
Change compared to same period in prior year - % increase/(decrease)	(5.4%)	(2.3%)	(2.2%)	0.6%	1.3%
<b>NOI Margin</b>	<b>32.9%</b>	<b>28.9%</b>	<b>26.0%</b>	<b>32.5%</b>	<b>34.4%</b>
Change compared to same period in prior year - bps increase/(decrease)	(150)	(105)	(186)	(61)	(87)

In the second quarter of 2025, same property ADR was \$140, a decrease of 0.7% compared to the same period in 2024. Same property occupancy decreased by 30 bps to 76.4% in the current quarter, compared to the same period in 2024. The decrease in occupancy is primarily attributable to weaker group and government demand, along with localized challenges. Overall, the decrease in ADR and occupancy resulted in a 0.9% decrease in RevPAR.

Same property NOI decreased by 5.4% and same property NOI margin decreased by 150 bps in the current quarter, compared to the same period in 2024. The decrease in same property NOI and NOI margin was primarily driven by a decline in government demand and operational disruptions such as high general manager turnover and elevated labour costs.

### LEVERAGE AND LIQUIDITY

KPIs	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
				Restated	Restated
<b>Debt-to-GBV</b>	<b>48.7%</b>	<b>48.7%</b>	49.3%	50.0%	52.2%
<b>Debt-to-EBITDA</b>	<b>8.1x</b>	<b>7.9x</b>	8.0x	9.1x	9.7x

Debt to gross book value was 48.7% as at June 30, 2025, a decrease of 60 bps compared to December 31, 2024. Debt to EBITDA as at June 30, 2025 was 8.1x, an increase of 0.1x compared to December 31, 2024. The change in debt to gross book value and debt to EBITDA ratios was driven by net proceeds from completed dispositions used to reduce outstanding debt.

As at June 30, 2025, AHIP had an unrestricted cash balance of \$18.6 million compared to \$27.8 million as at December 31, 2024. The reduction in cash was primarily due to net outflows from completed refinancings and debt repayment, which resulted in one property becoming unencumbered during the first quarter of 2025. As at June 30, 2025, AHIP held a restricted cash balance of \$25.4 million and had an additional \$24.7 million available under the Portfolio Loan for capital improvements related to the properties secured by the loan.

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

## HOTEL DISPOSITIONS

### 2025 Hotel Dispositions Summary

Hotel	Location	Gross Proceeds (millions of dollars)	Keys	Gross proceeds per key	Cap Rate <sup>(1)</sup> on 2024 annual hotel EBITDA	Actual/Estimated Closing Date
<b>Completed Dispositions:</b>						
Homewood Suites Allentown Bethlehem Airport	Bethlehem, Pennsylvania	\$11.7	113	\$104,000	7.5%	March 27, 2025
Residence Inn Arundel Mills BWI Airport	Hanover, Maryland	\$18.0	131	\$137,000	8.5%	March 27, 2025
TownePlace Suites Arundel Mills BWI Airport	Hanover, Maryland	\$11.5	109	\$106,000	3.9%	March 27, 2025
<b>Total completed in Q1 2025</b>		<b>\$41.2</b>	<b>353</b>	<b>\$117,000</b>	<b>6.9%</b>	
Hampton Inn Chickasha	Chickasha, Oklahoma	\$4.0	63	\$63,000	5.2%	May 22, 2025
Holiday Inn Express & Suites Chickasha	Chickasha, Oklahoma	\$4.4	62	\$71,000	4.3%	May 22, 2025
Holiday Inn Express & Suites Dubuque West	Dubuque, Iowa	\$3.0	87	\$34,000	16.6%	May 22, 2025
Holiday Inn Express & Suites Nevada	Nevada, Missouri	\$5.2	68	\$76,000	10.1%	May 22, 2025
Holiday Inn Express & Suites Mattoon	Mattoon, Illinois	\$4.0	69	\$58,000	9.8%	May 22, 2025
Holiday Inn Express & Suites Emporia	Emporia, Kansas	\$5.9	68	\$87,000	11.4%	May 22, 2025
Holiday Inn Express & Suites Jacksonville	South Jacksonville, Illinois	\$3.9	69	\$57,000	(0.4%)	May 22, 2025
Holiday Inn Express & Suites Oklahoma City Bethany	Bethany, Oklahoma	\$1.8	69	\$28,000	(12.7%)	June 20, 2025
<b>Total completed in Q2 2025</b>		<b>\$32.2</b>	<b>555</b>	<b>\$58,000</b>	<b>6.9%</b>	
<b>Dispositions Under Contract:</b>						
Homewood Suites Kalamazoo Portage	Portage, Michigan	\$17.4	97	\$179,000	6.9%	Q3 2025
Fairfield Inn & Suites Asheboro	Asheboro, North Carolina	\$7.8	87	\$90,000	11.40%	Q4 2025
<b>Total under contract</b>		<b>\$25.2</b>	<b>184</b>	<b>\$137,000</b>	<b>8.3%</b>	
<b>Total completed and under contract</b>		<b>\$98.6</b>	<b>1,092</b>	<b>\$90,000</b>	<b>7.3%</b>	

<sup>(1)</sup> See "Non-IFRS and Other Financial Measures"

During the six months ended June 30, 2025, AHIP completed the dispositions of 11 hotel properties for total gross proceeds of \$73.4 million. After adjusting for an industry standard 4% FF&E reserve, the combined sales price for the 11 hotel properties sold in the first half of 2025 represents a blended Cap Rate of 6.9% on 2024 annual hotel EBITDA. The net proceeds from these dispositions were used to repay certain CMBS mortgage loans. AHIP's enterprise value as at June 30, 2025 reflects an implied Cap Rate of 9.8% on 2024 annual hotel EBITDA for the portfolio of 38 hotel properties, based on the Canadian dollar closing price of \$0.45 per unit on the TSX on June 30, 2025, and converted to US dollars at a foreign exchange rate of CDN\$1.37 to US\$1.

As of the date of this news release, AHIP has two hotel properties under purchase and sale agreements for estimated total gross proceeds of \$25.2 million. These sales are expected to close in the third and fourth quarter of 2025, respectively. AHIP intends to use the net proceeds from the sale of these hotels to repay the allocated loan balance for such hotels under the Portfolio Loan.

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

## CAPITAL IMPROVEMENTS

AHIP's capital projects include hotel brand mandated property improvement plans ("PIPs") and FF&E improvements. Select projects may generate positive return on investment through the refreshment and upgrade of guest-facing items, ensuring that each property maintains its competitive advantage in the marketplace. AHIP currently has four hotel projects in the design phase for future renovations.

AHIP's 2025 capital expenditures are estimated at \$1.9 million in PIPs and \$7.5 million in FF&E improvements. PIP expenditures have been revised down from the prior estimate of \$6.9 million mainly due to the planned disposition of certain hotels. PIP and FF&E expenditures will be funded through existing restricted cash and cash flow from operating activities. Actual capital spend on PIPs and FF&E was \$0.3 million and \$4.6 million, respectively, for the six months ended June 30, 2025. The majority of this capital spend will be funded through restricted cash contributed by AHIP in prior periods.

## SELECTED INFORMATION

	Three months ended June 30		Six months ended June 30	
(thousands of dollars, except per Unit amounts)	2025	2024 (restated)	2025	2024 (restated)
Revenue	51,145	71,521	99,760	136,781
Income from operating activities	11,841	19,345	18,525	27,074
Loss and comprehensive loss	(7,406)	(2,138)	(29,776)	(11,668)
NOI <sup>(2)</sup>	17,435	25,101	30,118	41,380
NOI Margin <sup>(2)</sup>	34.1%	35.1%	30.2%	30.3%
Hotel EBITDA <sup>(1)</sup>	16,204	23,541	27,706	38,303
Hotel EBITDA Margin <sup>(1)</sup>	31.7%	32.9%	27.8%	28.0%
EBITDA <sup>(1)</sup>	13,919	19,396	23,049	32,729
EBITDA Margin <sup>(1)</sup>	27.2%	27.1%	23.1%	23.9%
Cashflow from operating activities	1,943	10,644	2,992	10,687
Dividends declared to Series C holders	1,172	1,138	2,332	2,237
FFO diluted <sup>(1)</sup>	5,193	10,887	3,404	12,309
FFO per unit - diluted <sup>(1)</sup>	0.06	0.12	0.04	0.15
Normalized FFO per unit - diluted <sup>(1)</sup>	0.06	0.10	0.04	0.12
AFFO diluted <sup>(1)</sup>	2,990	9,058	(1,425)	7,478
AFFO per unit - diluted <sup>(1)</sup>	0.04	0.10	(0.02)	0.09

<sup>(1)</sup> See "Non-IFRS and Other Financial Measures"

<sup>(2)</sup> NOI and NOI margin included the IFRIC 21 property taxes adjustment.

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

## SELECTED INFORMATION

<b>(thousands of dollars)</b>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Total assets	<b>575,040</b>	685,110
Total liabilities	<b>425,716</b>	501,091
Total non-current liabilities	<b>391,909</b>	275,501
Term loans, revolving credit facility and Portfolio Loan	<b>342,316</b>	384,809
Debt to gross book value <sup>(1)</sup>	<b>48.7%</b>	49.3%
Debt to EBITDA (times) <sup>(1)</sup>	<b>8.1</b>	8.0
Interest coverage ratio (times) <sup>(1)</sup>	<b>1.6</b>	1.7
Term loans, revolving credit facility and Portfolio Loan:		
Weighted average interest rate	<b>6.43%</b>	5.72%
Weighted average term to maturity (years)	<b>2.0</b>	1.7
Number of rooms	<b>4,537</b>	5,445
Number of properties	<b>38</b>	49
Number of restaurants	<b>14</b>	14

<sup>(1)</sup> See "Non-IFRS and Other Financial Measures"

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

## 2025 SECOND QUARTER OPERATING RESULTS

	Three months ended June 30		Six months ended June 30	
(thousands of dollars)	2025	2024 (restated)	2025	2024 (restated)
ADR <sup>(1)</sup>	140	137	138	134
Occupancy <sup>(1)</sup>	75.7%	75.4%	71.6%	70.7%
RevPAR <sup>(1)</sup>	106	103	99	95
Revenue	51,145	71,521	99,760	136,781
Operating expenses	26,679	36,883	53,280	72,501
Energy	1,861	2,659	4,547	5,569
Property maintenance	2,936	3,804	6,209	7,884
Property taxes, insurance and ground lease	2,234	3,074	5,606	9,447
Total expenses	33,710	46,420	69,642	95,401
NOI <sup>(2)</sup>	17,435	25,101	30,118	41,380
NOI Margin % <sup>(2)</sup>	34.1%	35.1%	30.2%	30.3%
Depreciation and amortization	5,594	5,756	11,593	14,306
Income from operating activities	11,841	19,345	18,525	27,074
Other expenses	13,857	20,521	43,234	39,513
Current income tax expense (recovery)	1	(51)	29	36
Deferred income tax expense (recovery)	5,389	1,013	5,038	(807)
Loss and comprehensive loss	(7,406)	(2,138)	(29,776)	(11,668)

<sup>(1)</sup> See "Non-IFRS and Other Financial Measures"

<sup>(2)</sup> NOI and NOI margin included the IFRIC 21 property taxes adjustment.

For the three months ended June 30, 2025, ADR, occupancy and RevPAR all increased compared to the same period in the prior year. The improved performance is primarily attributable to the disposition of hotel properties with lower-than-average portfolio RevPAR. Revenue in the current quarter decreased by 28.5% compared to the same period in the prior year. The decrease in revenue was due to the disposition of 16 hotel properties in 2024 and 11 hotel properties during the six months ended June 30, 2025.

For the three months ended June 30, 2025, NOI decreased by 30.5% and NOI margin decreased by 100 bps, respectively, compared to the same period in the prior year. The decrease in NOI was primarily due to the disposition of 16 hotel properties in 2024 and 11 hotel properties during the six months ended June 30, 2025. The decrease in NOI margin was largely driven by higher operating expenses as a result of general cost inflation, utilities and repair and maintenance expenses, partially offset by disposition of hotels with lower than average NOI margin.

Income tax expense is comprised of current and deferred income taxes. Current income taxes and deferred income taxes are recognized in loss and comprehensive loss, except to the extent that it relates to a business combination, or items recognized directly in equity. Current income tax is the expected tax payable or receivable on the taxable income or loss for the period using tax rates enacted or substantively enacted by the reporting date, and any adjustment to tax payable in respect of previous years. Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

## CORPORATE UPDATES

### CHANGE IN AUDITOR

At the request of AHIP, KPMG LLP ("**KPMG**") has provided notice of its resignation as auditor of AHIP effective August 7, 2025. In conjunction therewith, the Audit Committee of the Board completed a comprehensive request for proposal process for the 2025 external audit engagement. The Board on the recommendation of the Audit Committee, selected MNP LLP ("**MNP**") to replace KPMG as its external auditor for fiscal 2025. The decision was based on careful consideration of the qualifications of MNP's audit team, staffing model, technology and independence.

MNP will commence a transition process during the remainder of the year ending December 31, 2025 to ensure an orderly transfer. There were no reservations in KPMG's previously issued audit reports. In accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*, AHIP will file a Change of Auditor Notice (the "**Notice**") on SEDAR+ together with letters from both the former auditor and successor auditor in due course.

### AMENDMENT TO THE LP AGREEMENT TO FACILITATE CHANGE IN U.S. TAX STATUS

On June 26, 2025, unitholders approved an amendment to AHIP's Amended and Restated Limited Partnership Agreement (the "**LP Agreement**") to clarify that the Board has the discretion to cause AHIP's direct subsidiary American Hotel Income Properties REIT Inc. ("**U.S. REIT**") to cease to qualify as a real estate investment trust ("**REIT**") under the United States Internal Revenue Code of 1986, as amended (the "**Code**") if the Board determines doing so would be in the best interests of AHIP.

On August 6, 2025, the Board determined that it is no longer in the best interests of AHIP for the U.S. REIT to continue to qualify as a REIT under the Code (the "**Board Determination**"). In reaching this determination, the Board considered, among other things: (i) the timing and transaction limitations on AHIP's potential hotel dispositions that would be imposed if the U.S. REIT sought to maintain its status as a REIT under the Code, and (ii) the related tax risks that could reduce available cash to AHIP, and in turn unitholders, from such hotel sales if the U.S. REIT sought to maintain its status as a REIT under the Code. These risks are summarized in further detail in AHIP's management information circular dated May 16, 2025 (a copy of which is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com)).

The U.S. REIT being treated as a taxable C corporation rather than a REIT will provide AHIP with the necessary flexibility to manage its financial obligations and efficiently pursue potential alternatives for maximizing the value of AHIP's portfolio of assets, including asset sales or a series of asset sales. This flexibility is critical given AHIP is in the process of marketing approximately 20 hotel properties as part of its strategy to manage its future financial obligations (see "Addressing 2026 Balance Sheet Obligations" above).

The Board intends to cause the U.S. REIT to take such action as is necessary prior to the end of 2025 to cause the U.S. REIT to cease to qualify as a REIT under the Code. As a result of such action, the U.S. REIT will not be subject to the REIT rules under the Code in respect of its 2025 fiscal year or future years, including among other rules the requirement to distribute at least 90% of U.S. REIT's taxable income to its stockholders.

As a result of the Board Determination, the 9.8% Unit ownership limit in the LP Agreement, which previously existed to protect the U.S. REIT's status as a REIT under the Code, no longer applies to the Units as of August 6, 2025.

AHIP obtained the consent of the Investor under the Investor Rights Agreement prior to making the Board Determination. In connection with the Board Determination, AHIP and the Investor will enter into an amended and restated Investor Rights Agreement and the articles of the U.S. REIT will be amended, in each case, to reflect that U.S. REIT will cease to qualify as a REIT under the Code. A copy of the amended and restated investor rights agreement will be posted under AHIP's profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) in due course.

## FINANCIAL INFORMATION

This news release should be read in conjunction with AHIP's unaudited condensed consolidated interim financial statements, and management's discussion and analysis for the three and six months ended June 30, 2025 and 2024, that are available on AHIP's website at [www.ahipreit.com](http://www.ahipreit.com), and under AHIP's profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

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



## RESTATEMENT OF PRIOR PERIODS

AHIP restated certain amounts in the 2024 comparative column in its unaudited condensed consolidated interim financial statements and management's discussion and analysis for the three and six months ended June 30, 2025. The amounts included in the news release reflect the restatements retroactively. For further details, see Note 20 of the unaudited condensed consolidated interim financial statements and management's discussion and analysis for the three and six months ended June 30, 2025.

## Q2 2025 CONFERENCE CALL

Management will host a webcast and conference call at 10:00 a.m. Pacific time on Thursday, August 7, 2025, to discuss the financial and operational results for the three and six months ended June 30, 2025 and 2024.

To participate in the conference call, participants should register online via AHIP's website. A dial-in and unique PIN will be provided to join the call. Participants are requested to register a minimum of 15 minutes before the start of the call. An audio webcast of the conference call may be accessed on AHIP's website at [www.ahipreit.com](http://www.ahipreit.com).

## ABOUT AMERICAN HOTEL INCOME PROPERTIES REIT LP

American Hotel Income Properties REIT LP (TSX: HOT.UN, TSX: HOT.U, TSX: HOT.DB.V), or AHIP, is a limited partnership formed to invest in hotel real estate properties across the United States. AHIP's portfolio of premium branded, select-service hotels are located in secondary metropolitan markets that benefit from diverse and stable demand. AHIP hotels operate under brands affiliated with Marriott, Hilton, and IHG Hotels through license agreements.

AHIP's long-term objectives are to increase the value of its hotel properties through operating excellence, active asset management and value-adding capital expenditures and increase unitholder value and distributions to unitholders. More information is available at [www.ahipreit.com](http://www.ahipreit.com).

## NON-IFRS AND OTHER FINANCIAL MEASURES

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

### NON-IFRS FINANCIAL MEASURES

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

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

**Normalized FFO:** calculated as FFO adjusting for non-recurring items. For the three and six months ended June 30, 2025, normalized FFO was equal to FFO as there were no non-recurring items. For the three months ended June 30, 2024, normalized FFO is calculated as FFO excluding the non-recurring insurance proceeds of \$1.6 million for property damage incurred in the second quarter of 2024. For the six months ended June 30, 2024, normalized FFO is calculated as FFO excluding the non-recurring insurance proceeds of \$2.7 million for property damage. The most comparable IFRS measure to normalized FFO is income (loss) and comprehensive income (loss), for which a reconciliation is provided in this news release.

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

**Normalized NOI:** calculated as NOI adjusting for non-recurring items. For the three and six months ended June 30, 2025, normalized NOI was equal to NOI as there were no non-recurring items. For the three and six months ended June 30, 2024, normalized NOI included the non-recurring insurance proceeds of nil and \$0.1 million, respectively, for business interruption claims related to the weather-related damage at several hotel properties in late December 2022. The most comparable IFRS measure to normalized NOI is NOI, for which a reconciliation is provided in this news release.

**Hotel EBITDA:** calculated by adjusting NOI for hotel management fees. The most comparable IFRS measure to hotel EBITDA is NOI, for which a reconciliation is provided in this news release.

**EBITDA:** calculated by adjusting NOI for hotel management fees and general administrative expenses. The sum of hotel management fees and general administrative expenses is equal to corporate and administrative expenses in the Financial Statements. The most comparable IFRS measure to EBITDA is NOI, for which a reconciliation is provided in this news release.

**Debt:** calculated as the sum of term loans, revolving credit facility (where applicable) and Portfolio Loan, the face value of convertible debentures, unamortized portion of debt financing costs, and lease liabilities. The most comparable IFRS measure to debt is total liabilities, for which a reconciliation is provided in this news release.

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

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

#### **NON-IFRS RATIOS:**

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

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

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

**NOI margin:** calculated as NOI divided by total revenue.

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

**EBITDA margin:** calculated as EBITDA divided by total revenue.

**Capitalization rate (“Cap Rate”):** calculated as 2024 annual hotel EBITDA, after adjusting for an industry standard 4% furniture, fixtures, and equipment (“FF&E”) reserve, divided by the actual and estimated gross proceeds of the asset dispositions.

**Implied capitalization rate (“Implied Cap Rate”):** calculated as 2024 annual hotel EBITDA, after adjusting for an industry standard 4% FF&E reserve, for the portfolio of 38 hotel properties divided by the enterprise value.

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

## CAPITAL MANAGEMENT MEASURES:

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

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

**Interest coverage ratio:** calculated as TTM EBITDA divided by interest expense for the trailing twelve months. The interest coverage ratio is a measure of AHIP’s ability to service the interest requirements of its outstanding debt.

## SUPPLEMENTARY FINANCIAL MEASURES:

Occupancy is a major driver of room revenue as well as food and beverage revenues. Fluctuations in occupancy are normally accompanied by fluctuations in most categories of variable hotel operating expenses, including housekeeping and other labor costs. Higher ADR increases room revenue with limited impact on hotel operating expenses. Increase in RevPAR attributable to increase in occupancy may reduce EBITDA and EBITDA margins, while increase in RevPAR attributable to increase in ADR typically result in increases in EBITDA and EBITDA margins.

**Occupancy:** calculated as the total number of hotel rooms sold divided by the total number of rooms available for the reporting periods. Occupancy is a metric commonly used in the hotel industry to measure the utilization of hotels’ available capacity.

**Average daily rate (“ADR”):** calculated as total room revenue divided by total number of rooms sold for the reporting periods. ADR is a metric commonly used in the hotel industry to indicate the average revenue earned per occupied room in a given time period.

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

**Same property ADR, occupancy, RevPAR, and NOI margin:** measured for properties owned by AHIP for both the current reporting periods and the same periods in 2024. In Q2 2023, the same property ADR, occupancy, RevPAR and NOI margin calculations excluded the Residence Inn Neptune and Courtyard Wall in New Jersey as these two hotels had limited availability. In Q2 2025 and Q2 2024, the same property ADR, occupancy, RevPAR and NOI margin calculations excluded the same two hotels for comparison purposes.

**Enterprise value:** is a supplementary financial measure and is calculated as the sum of (i) total debt obligations as reflected on the June 30, 2025 Statement of Financial Position (ii) AHIP’s market capitalization (which is calculated as the Canadian dollar closing price of the units on the TSX as of June 30, 2025, converted to US dollars at a foreign exchange rate of CDN\$1.37 to US\$1, multiplied by the total number of units issued and outstanding as at such date), and (iii) face value of series C preferred shares, less (iv) the amount of cash and cash equivalents reflected on the June 30, 2025 Statement of Financial Position.

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

## NON-IFRS RECONCILIATION

### INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) TO FFO

	Three months ended June 30		Six months ended June 30	
(thousands of dollars, except per unit amounts)	2025	2024 (restated)	2025	2024 (restated)
Loss and comprehensive loss	(7,406)	(2,138)	(29,776)	(11,668)
Adjustments:				
Income attributable to non-controlling interest	(1,172)	(1,138)	(2,332)	(2,237)
Depreciation and amortization	5,594	5,756	11,593	14,306
Impairment of cash-generating units	-	5,070	14,790	9,173
Write-off of property, building and equipment	-	2,220	4	2,220
Loss (gain) on sale of properties	3,480	-	4,858	(242)
IFRIC 21 property taxes adjustment	(780)	(1,388)	(858)	(496)
Change in fair value of financial instruments	88	(18)	87	(138)
Gain on convertible debenture conversion	-	(245)	-	(245)
Deferred income tax expense (recovery)	5,389	1,013	5,038	(807)
Loss on deconsolidation of subsidiary	-	627	-	2,443
FFO basic <sup>(1)</sup>	5,193	9,759	3,404	12,309
Interest, accretion and amortization on convertible debentures	-	1,128	-	-
FFO diluted <sup>(1)</sup>	5,193	10,887	3,404	12,309
FFO per unit – basic <sup>(1)</sup>	0.07	0.12	0.04	0.15
FFO per unit – diluted <sup>(1)</sup>	0.06	0.12	0.04	0.15
<b>Non-recurring items:</b>				
Other income	-	(1,587)	-	(2,689)
<b>Measurements excluding non-recurring items:</b>				
Normalized FFO diluted <sup>(1)</sup>	5,193	9,300	3,404	9,620
Normalized FFO per unit – diluted <sup>(1)</sup>	0.06	0.10	0.04	0.12
Weighted average number of units outstanding:				
Basic (000's)	78,030	79,186	78,384	79,115
Diluted (000's) <sup>(2)</sup>	80,567	91,598	80,922	80,723

<sup>(1)</sup> See "Non-IFRS and Other Financial Measures"

<sup>(2)</sup> The calculation of FFO diluted, FFO per unit – diluted, normalized FFO diluted, normalized FFO per unit – diluted, weighted average number of units outstanding – diluted for the three and six months ended June 30, 2025, and the six months ended June 30, 2024, excluded the convertible debentures because they were anti-dilutive, while the calculation for the three months ended June 30, 2024, included the convertible debentures because they were dilutive.

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

## RECONCILIATION OF FFO TO AFFO

(thousands of dollars, except per Unit amounts)	Three months ended June 30		Six months ended June 30	
	2025	2024 (restated)	2025	2024 (restated)
FFO basic <sup>(1)</sup>	5,193	9,759	3,404	12,309
FFO diluted <sup>(1)</sup>	5,193	10,887	3,404	12,309
Maintenance capital expenditures	(2,203)	(1,829)	(4,829)	(4,831)
AFFO basic <sup>(1)</sup>	2,990	7,930	(1,425)	7,478
AFFO diluted <sup>(1)</sup>	2,990	9,058	(1,425)	7,478
AFFO per unit - basic <sup>(1)</sup>	0.04	0.10	(0.02)	0.09
AFFO per unit - diluted <sup>(1)</sup>	0.04	0.10	(0.02)	0.09
<b>Measurements excluding non-recurring items:</b>				
AFFO diluted <sup>(1)</sup>	2,990	7,471	(1,425)	4,789
AFFO per unit - diluted <sup>(1)</sup>	0.04	0.08	(0.02)	0.06

<sup>(1)</sup> See "Non-IFRS and Other Financial Measures"

## DEBT TO GROSS BOOK VALUE

(thousands of dollars)	June 30, 2025	December 31, 2024
Debt	404,967	476,552
Gross Book Value	831,348	967,433
<b>Debt-to-Gross Book Value</b>	<b>48.7%</b>	<b>49.3%</b>

## DEBT

(thousands of dollars)	June 30, 2025	December 31, 2024
Term loans, revolving credit facility and Portfolio Loan	350,190	423,949
2026 debentures (at face value)	49,730	49,730
Unamortized portion of debt financing costs	4,309	2,177
Lease liabilities	738	696
<b>Debt</b>	<b>404,967</b>	<b>476,552</b>

## GROSS BOOK VALUE

(thousands of dollars)	June 30, 2025	December 31, 2024
Total assets	575,040	685,110
Accumulated depreciation and impairment on property, buildings and equipment	250,048	275,424
Accumulated amortization on intangible assets	6,260	6,899
<b>Gross Book Value</b>	<b>831,348</b>	<b>967,433</b>

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

## DEBT TO EBITDA

(thousands of dollars)	June 30, 2025	December 31, 2024
Debt	404,967	476,552
EBITDA (trailing twelve months)	49,776	59,456
<b>Debt-to-EBITDA (times)</b>	<b>8.1x</b>	<b>8.0x</b>

## INTEREST COVERAGE RATIO

(thousands of dollars)	June 30, 2025	December 31, 2024
EBITDA (trailing twelve months)	49,776	59,456
Interest expense (trailing twelve months)	30,238	35,572
<b>Interest Coverage Ratio (times)</b>	<b>1.6x</b>	<b>1.7x</b>

The reconciliation of NOI to hotel EBITDA and EBITDA is shown below:

	Three months ended June 30		Six months ended June 30	
(thousands of dollars)	2025	2024 (restated)	2025	2024 (restated)
NOI	17,435	25,101	30,118	41,380
Management fees	(1,231)	(1,560)	(2,412)	(3,077)
<b>Hotel EBITDA</b>	<b>16,204</b>	<b>23,541</b>	<b>27,706</b>	<b>38,303</b>
General administrative expenses	(1,505)	(2,757)	(3,799)	(5,078)
<b>EBITDA</b>	<b>14,699</b>	<b>20,784</b>	<b>23,907</b>	<b>33,225</b>

The reconciliation of NOI to normalized NOI is shown below:

	Three months ended June 30		Six months ended June 30	
(thousands of dollars)	2025	2024 (restated)	2025	2024 (restated)
NOI	17,435	25,101	30,118	41,380
Business interruption insurance proceeds	-	-	-	92
<b>Normalized NOI</b>	<b>17,435</b>	<b>25,101</b>	<b>30,118</b>	<b>41,472</b>

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

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

	Three months ended June 30		Six months ended June 30	
(thousands of dollars)	2025	2024 (restated)	2025	2024 (restated)
Finance costs	7,627	10,212	17,417	21,057
Amortization of debt financing costs	(482)	(653)	(1,252)	(1,314)
Accretion of debenture liability	(284)	(260)	(570)	(523)
Amortization of debenture costs	(126)	(120)	(255)	(233)
Debt defeasance	(13)	-	(1,017)	-
Loss on debt settlement	(13)	-	(683)	(11)
<b>Interest Expense</b>	<b>6,709</b>	<b>9,179</b>	<b>13,640</b>	<b>18,976</b>

For information on the most directly comparable IFRS measures, composition of the measures, a description of how AHIP uses these measures, and an explanation of how these measures provide useful information to investors, please refer to AHIP's management discussion and analysis for the three and six months ended June 30, 2025 and 2024, available on AHIP's website at [www.ahipreit.com](http://www.ahipreit.com), and under AHIP's profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

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

## FORWARD-LOOKING INFORMATION

Certain statements in this news release may constitute “forward-looking information” and “financial outlook” within the meaning of applicable securities laws. Forward-looking information and financial outlook generally can be identified by words such as “anticipate”, “believe”, “continue”, “expect”, “estimates”, “intend”, “may”, “outlook”, “objective”, “plans”, “should”, “will” and similar expressions suggesting future outcomes or events. Forward-looking information and financial outlook include, but are not limited to, statements made or implied relating to the objectives of AHIP, AHIP’s strategies to achieve those objectives and AHIP’s beliefs, plans, estimates, projections and intentions and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information and financial outlook in this news release include, but are not limited to, statements with respect to: AHIP management’s expectation as to the impacts on AHIP’s business of the seasonal nature of the lodging industry, inflation, competition and weather conditions; AHIP’s planned capital expenditures, including the estimated amount and timing of such expenditures and AHIP’s expected means of funding such expenditures; AHIP’s expectations regarding the effects of its planned capital expenditures; AHIP’s expectations with respect to the performance of its hotel portfolio; AHIP’s expectations with respect to inflation, labor supply, labor costs, interest rates, supply chain and other market financial and macroeconomic conditions in 2025 and the expected impacts thereof on AHIP’s financial position and performance, including on ADR, occupancy and RevPAR, NOI and NOI margins; AHIP’s strategic initiatives and the intended outcomes thereof, including strengthening AHIP’s financial position and preserving unitholder value; AHIP’s expectations with respect to the macroeconomic and operating environment, including certain specific expectations for the 2025 fiscal year; AHIP continuing to execute its strategy to sell hotel properties to enhance liquidity, reduce debt and manage future financial obligations; AHIP’s objective to raise sufficient capital to address the Series C Shares and the Debentures and the potential strategies for doing so; AHIP’s continued marketing of approximately 20 hotels, and the factors that are expected to impact the number of hotels sold; AHIP’s planned property dispositions, including the expected terms and timing thereof and the financial impact thereof on AHIP (including the estimated amount and uses of the proceeds from such dispositions); AHIP having any debt maturities until the fourth quarter of 2026; AHIP’s intention to cause the U.S. REIT to cease to qualify as a REIT under the Code in respect of the U.S. REIT’s 2025 fiscal year and instead be treated as taxable C corporation, and the anticipated benefits and risks to AHIP of doing so; AHIP entering into an amended and restated Investor Rights Agreement with the Investor and the amendment of U.S. REIT’s articles to reflect that the U.S. REIT will cease to qualify as a REIT under the Code; KPMG’s resignation as auditor of AHIP effective August 7, 2025, MNP commencing a transition process to ensure an orderly transfer and certain filings to be made by AHIP on SEDAR+ in connection with the change in AHIP’s auditor to MNP; the key liquidity risks facing AHIP and its planned strategies for dealing with same; and AHIP’s stated long-term objectives.

Although AHIP believes that the expectations reflected in the forward-looking information and financial outlook contained in this news release are reasonable, AHIP can give no assurance that these expectations will prove to be correct. The estimates and assumptions, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth in this news release as well as the following: inflation, labor shortages, and supply chain disruptions will negatively impact the U.S. economy, U.S. hotel industry and AHIP’s business; the U.S. will not enter an economic recession; AHIP will continue to have sufficient funds to meet its financial obligations; AHIP’s strategies with respect to completion of capital projects, addressing future financial obligations, and divestiture of assets will be successful and achieve their intended effects; AHIP will complete its currently planned divestitures on the terms currently contemplated and in accordance with the timing currently contemplated; AHIP will meet its objective of raising sufficient capital to address the Series C Shares and the Debentures; AHIP will not sell all of the additional hotels it is currently marketing; AHIP’s will cause the U.S. REIT to cease to qualify as a REIT under the Code in respect of the U.S. REIT’s 2025 fiscal year and instead be treated as taxable C corporation, and AHIP will realize the anticipated benefits of doing so; AHIP will enter into an amended and restated Investor Rights Agreement with the Investor and will amend the U.S. REIT’s articles to reflect that the U.S. REIT will cease to qualify as a REIT under the Code on the terms currently contemplated by AHIP; AHIP will continue to have good relationships with its Brand partners; capital markets will provide AHIP with readily available access to equity and/or debt financing on terms acceptable to AHIP, including the ability to refinance maturing debt as it becomes due on terms acceptable to AHIP; AHIP’s future level of indebtedness will remain consistent with AHIP’s current expectations; the useful lives and replacement cost of AHIP’s assets being consistent with management’s estimates thereof; the impact of the current economic climate and the current global financial conditions on AHIP’s operations, including AHIP’s financing capability and asset value, will remain consistent with AHIP’s current expectations; there will be no material changes to tax laws, government and environmental regulations adversely affecting AHIP’s operations, financing capability, structure or distributions; conditions in the international and, in particular, the U.S. hotel and lodging industry, including competition for acquisitions, will be consistent with the current economic climate; and AHIP will achieve its long-term objectives.

Forward-looking information and financial outlook involve significant risks and uncertainties and should not be read as guarantees of future performance or results as actual results may differ materially from those expressed or implied in such forward-looking information and financial outlook, accordingly undue reliance should not be placed on such forward-looking information or financial outlook. Those risks and uncertainties include, among other things, risks related to: AHIP may not achieve its expected performance levels in 2025; inflation, labor shortages, supply chain disruptions may continue to negatively impact AHIP’s financial performance and position; risk of an economic recession in the U.S.; AHIP’s brand partners may impose revised service standards and capital requirements which are adverse to AHIP; PIP

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



renovations may not commence or complete in accordance with currently expected timing and may suffer from increased material and labor costs; AHIP's strategic initiatives with respect to strengthening AHIP's financial position, addressing future financial obligations and divestures of assets may not be successful and may not achieve their intended outcomes; AHIP may not complete its currently planned divestures on the terms currently contemplated or in accordance with the timing currently contemplated, or at all; AHIP may not meet its objective raising sufficient capital to address the Series C Shares and the Debentures; AHIP may not receive acceptable offers on some or all of the properties it is currently marketing; AHIP's intention to cause the U.S. REIT to cease to qualify as a REIT under the Code in respect of the U.S. REIT's 2025 fiscal year and instead be treated as taxable C corporation, may not be successful and the benefits thereof may be less than anticipated; AHIP may not enter into an amended and restated Investor Rights Agreement with the Investor or amend the U.S. REIT's articles on the terms currently contemplated; AHIP may incur costs related to the change in its auditor, which costs may be greater than anticipated; AHIP may not be successful in reducing its leverage; there is no guarantee that monthly distributions will be reinstated, and if reinstated, as to the timing thereof or what the amount of the monthly distribution will be; AHIP may not be able to refinance debt obligations as they become due or may do so on terms less favorable to AHIP than under AHIP's existing loan agreements; refinanced loans are expected to be refinanced at significantly higher interest rates; general economic conditions and consumer confidence; the growth in the U.S. hotel and lodging industry; prices for the Units and debentures; liquidity; tax risks; ability to access debt and capital markets; financing risks; changes in interest rates; the financial condition of, and AHIP's relationships with, its external hotel manager and franchisors; real property risks, including environmental risks; the degree and nature of competition; ability to acquire accretive hotel investments; environmental matters; and changes in legislation. Additional information about risks and uncertainties is contained in this news release and in AHIP's most recently filed annual information form, a copy of which is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

To the extent any forward-looking information constitutes a "financial outlook" within the meaning of applicable securities laws, such information is being provided to investors to assist in their understanding of: AHIP's 2025 capital plan; estimated proceeds from the planned disposition of certain hotel properties and the expected use thereof and impact thereon on AHIP's financial position; and management's expectations for certain aspects of AHIP's financial performance for the remainder of 2025.

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

**For additional information, please contact:**

Investor Relations  
[ir@ahipreit.com](mailto:ir@ahipreit.com)

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