
**AMERICAN HOTEL INCOME PROPERTIES REIT LP**

Management's Discussion and Analysis

For the three and six months ended June 30, 2026 and 2025
(Expressed in U.S. Dollars)

## BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("**MD&A**"), dated August 5, 2026, should be read in conjunction with the cautionary statement regarding forward-looking information below, as well as the unaudited condensed consolidated interim financial statements and notes thereto for the three and six months ended June 30, 2026 and 2025 (the "**Interim Financial Statements**"), and the audited consolidated financial statements and the notes thereto for the years ended December 31, 2025 and 2024 (the "**Annual Financial statements**", and together with the interim Financial Statements, the "**Financial Statements**"). The Annual Financial Statements have been prepared in compliance with International Financial Reporting Standards ("**IFRS**") and the Interim Financial Statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("**IASB**") incorporating interpretations issued by the Interpretations Committee ("**IFRIC**"). This MD&A is intended to provide readers with management's assessment of the performance of American Hotel Income Properties REIT LP ("**AHIP**"), as well as its financial position and future prospects. Additional information relating to AHIP, including periodic quarterly reports and the annual information form for the year ended December 31, 2025 (the "**AIF**"), filed with the Canadian securities regulatory authorities, is available on SEDAR+ at www.sedarplus.ca.

All amounts presented in this MD&A are in United States dollars ("**U.S. dollars**") unless otherwise indicated.

As previously disclosed, AHIP has restated certain amounts previously reported in its Q3 2024 interim financial statements. This MD&A reflects the restatements retroactively. See "Restatements of Prior Periods" for further information.

## FORWARD-LOOKING INFORMATION

This MD&A contains 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 MD&A 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 and competition; AHIP's planned capital expenditures, including 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, labour supply, labour costs, interest rates, and other market financial and macroeconomic conditions in 2026 and the expected impacts thereof on AHIP's financial position and performance, including on ADR, occupancy and RevPAR, NOI and NOI margins; AHIP's belief that recent proposed and enacted U.S. policies and surrounding tariffs, trade restrictions and immigration, add to the uncertainty of macroeconomic conditions and inflation; AHIP's expectations of modest growth and continued volatility in the U.S. economy; AHIP's expectation that same property revenue growth will moderate in 2026 due to mixed economic conditions in the U.S.; higher operating expenses are expected to reduce NOI margins in 2026 compared to the prior year; AHIP's strategic initiatives and the intended outcomes thereof, including strengthening AHIP's financial position and improving unitholder value; AHIP's expectations with respect to the macroeconomic and operating environment, including certain specific expectations for the 2026 fiscal year; AHIP's plan to raise sufficient capital to be in a position to address the remaining Series C Shares and the Debentures in 2026 and the potential strategies for doing so; the Strategic Review and the possibility of a transaction or initiative involving AHIP, which may result in further hotel sales to enhance liquidity, reduce debt and manage future financial obligations; additional hotels being under consideration for sale, and the factors that are expected to impact the number of hotels sold, including the outcome of the Strategic Review; addressing AHIP's 2026 balance sheet obligations through future asset sales could result in the U.S. Subsidiary Inc. failing to meet the minimum net worth covenants required under certain non-recourse CMBS loans, the Portfolio Loan and Portfolio Loan II; 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's forecast cash inflows from operations are not expected to be sufficient to meet certain of AHIP's financial obligations as they become due , resulting in a potential cash shortfall, and management's plans to address such shortfall; AHIP's intentions and expectations with respect to the 2026 NCIB and ASPP and their impact on unitholders; the timing of the termination of the Master Hotel Management Agreement and individual hotel management agreements, and AHIP's properties remaining under the management of the Master Hotel Manager and its subsidiaries until such date; AHIP's long-term overall borrowing strategy; the possibility that AHIP may utilize non-recourse foreclosure processes where loan value at maturity is greater than the ability to refinance the loan and market value of the hotel; the key liquidity risks facing AHIP and its planned strategies for dealing with same, including AHIP's plans to address its current working capital deficiency; AHIP remaining focused on creating long-term value for its Unitholders; AHIP being in the process of curing a default under a Marriott franchise agreement by seeking to improve the performance of the applicable hotel; and statements with respect AHIP's intended status under tax legislation in the U.S. and Canada.

Although AHIP believes that the expectations reflected in the forward-looking information and financial outlook contained in this MD&A 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 MD&A as well as the following: inflation and labour shortages will negatively impact the U.S. economy, U.S. hotel industry and AHIP's business; AHIP will continue to have sufficient funds to meet its financial obligations; AHIP'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 successfully execute on its plan to generate sufficient capital to be in a position to address the remaining Series C Shares and the Debentures in 2026; AHIP will continue in operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business; AHIP's strategies to address its potential cash shortfall will be successful; AHIP will be able to manage any failure to meet the minimum net worth covenants required under certain non-recourse CMBS loans, the Portfolio Loan and the Portfolio Loan II that arise as a result of future asset sales through discussions with its lenders; AHIP will realize the anticipated benefits of U.S. Subsidiary Inc. ceasing to qualify as a REIT under the Code and instead being treated as taxable C corporation; the ability of AHIP to achieve the anticipated benefits of the 2026 NCIB; that Units will trade below their value from time to time; that AHIP will complete purchases of Units pursuant to the 2026 NCIB and ASPP; AHIP will continue to have good relationships with its brand partners; AHIP will be able to retain a replacement hotel manager on reasonable terms and in accordance with the necessary timing, and no further disputes will arise between the parties prior to the termination of the Master Hotel Management Agreement; capital markets will provide AHIP with readily available access to equity and/or debt financing on terms acceptable to AHIP, including the ability to refinance maturing debt as it becomes due on terms acceptable to AHIP; AHIP will be successful in curing the existing default under a certain Marriott franchise agreement; 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 SIFT Measures in the Tax Act (as defined below) will continue to not apply to AHIP; 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; and will be consistent with the current economic climate.

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 2026; inflation and labour shortages 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 and other capital projects may not commence or complete in accordance with currently expected timing and may suffer from increased material and labour 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 execute on its plan to generate sufficient capital to address the remaining Series C Shares and the Debentures in 2026, or at all; AHIP may not receive acceptable offers on some or all of the properties it is currently marketing; AHIP may not complete a transaction or initiative that creates or improves unitholder value as result of the Strategic Review or otherwise; if AHIP's strategies to address its 2026 balance sheet obligations are not successful, conditions and events currently exist that cast significant doubt on AHIP's ability to continue as a going concern; accordingly, AHIP may not be able to continue as a going concern; the Financial Statements do not reflect the adjustment to the carrying values of assets and liabilities or to the classification of items in the consolidated statement of financial position that would be necessary were the going concern assumption not appropriate (such adjustments could be material); the possibility that addressing AHIP's 2026 balance sheet obligations through future asset sales could result in the U.S. Subsidiary Inc. failing to meet the minimum net worth covenants required under certain non-recourse CMBS loans, the Portfolio Loan and the Portfolio Loan II; AHIP may not realize the expected benefits of causing the U.S. Subsidiary Inc. to cease to qualify as a REIT under the Code or such benefits may be less 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 may be refinanced at significantly higher interest rates; the failure to realize the anticipated benefits of the 2026 NCIB; the risk that the market price of the Units will be too high to permit purchases under the 2026 NCIB and/or ASPP; a failure to execute purchases under the 2026 NCIB and ASPP; the financial terms of the engagement of any replacement hotel manager cannot be determined at this time and could less advantageous to AHIP than the terms of the Master Hotel Management Agreement and the individual hotel management agreements with the Master Hotel Manager and its subsidiaries; AHIP may suffer operational disruption in the course of any replacement of the Master Hotel Manager and the individual hotel managers, which disruption could be material; and further disputes could arise between AHIP and its subsidiaries and the Master Hotel Manager and its subsidiaries in the future; AHIP may not be successful in curing the existing default under a certain Marriott franchise agreement, which if not cured could result in the termination of the related franchise agreement, and ultimately a default under the CMBS loan agreement for such hotel resulting in acceleration of the related CMBS loans, forced foreclosure proceedings and claims for damages against AHIP; general economic conditions and consumer confidence and impacts of current international conflicts, including on the price of oil and in turn cost of travel and inflation; 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 MD&A and in AHIP's most recently filed AIF, available on SEDAR+ at www.sedarplus.ca.

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 2026 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 2026.

The forward-looking information and financial outlook contained in this MD&A are expressly qualified in their entirety by these cautionary statements. As described in Note 2(c) to the Financial Statements, conditions and events exist that cast significant doubt on AHIP's ability to continue as a going concern. This material uncertainty is primarily related to liquidity constraints and upcoming debt obligations. Management's assessment of these conditions and its plans to address them are discussed further under "Liquidity and Capital Resources". All forward-looking information and the financial outlook in this MD&A are made as of August 5, 2026 and all financial outlook has been approved by management of AHIP. AHIP does not undertake any obligation to update any such forward-looking information or financial outlook, resulting from new information, future events or otherwise, except as required by applicable law.

The Board of Directors of AHIP's General Partner, upon recommendation of its Audit Committee, approved the contents of this MD&A effective on August 5, 2026.

## 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 MD&A.

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

**Normalized FFO:** calculated as FFO adjusting for non-recurring items. For the three and six months ended June 30, 2026, normalized FFO was equal to FFO as there were no 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. The most comparable IFRS measure to normalized FFO is income (loss) and comprehensive income (loss), for which a reconciliation is provided in this MD&A.

**Normalized NOI:** calculated as NOI adjusting for non-recurring items. For the three and six months ended June 30, 2026, normalized NOI was equal to NOI as there were no 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. The most comparable IFRS measure to normalized NOI is NOI, for which a reconciliation is provided in this MD&A.

**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 MD&A.

**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 MD&A.

**Debt**: calculated as the sum of term loans, revolving credit facility (where applicable), Portfolio Loan and Portfolio Loan II, 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 MD&A.

**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 MD&A.

**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 MD&A.

## 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 for properties sold in 2025 and 2025 annual Hotel EBITDA for properties sold or under contract for sale in 2026, 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.

## 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 2025.

## BUSINESS OVERVIEW

AHIP is a limited partnership formed under the *Limited Partnerships Act* (Ontario) to invest in hotel real estate properties in the United States ("**U.S.**") and engaged in ownership of a portfolio of premium branded, select-service hotels in secondary markets with diverse and typically stable demand generators. AHIP was established pursuant to the terms of AHIP's Limited Partnership Agreement dated October 12, 2012, which was most recently amended and restated on June 17, 2021, and amended on May 8, 2024 and June 26, 2025 (the "**Limited Partnership Agreement**"). AHIP's general partner is American Hotel Income Properties REIT (GP) Inc. (the "**General Partner**"). AHIP's head office and address for service is Suite 810 – 925 West Georgia Street, Vancouver, B.C., Canada V6C 3L2.

The principal business of AHIP is to issue limited partnership units ("**Units**") and to acquire and hold shares of American Hotel Income Properties REIT Inc. (the "**U.S. Subsidiary Inc.**"). The U.S. Subsidiary Inc. was established for the purposes of acquiring and owning hotel real estate properties in the U.S.

AHIP's Units trade on the Toronto Stock Exchange ("**TSX**") under the symbol HOT.UN (Canadian dollar ticker) and HOT.U (U.S. dollar ticker) as well as on the OTCQX International Marketplace in the U.S. under the symbol AHOTF (U.S. dollar ticker). AHIP's Debentures trade on the TSX under the symbol HOT.DB.V (U.S. dollar ticker). AHIP's hotel portfolio consists of Premium Branded hotels, which are select-service hotel properties that have franchise agreements with international hotel brands, including Marriott International Inc. ("**Marriott**"), Hilton Worldwide ("**Hilton**"), and InterContinental Hotels Group ("**IHG**"). These brands provide global distribution, targeted brand segmentation, large loyalty programs, and premier information technology system standards.

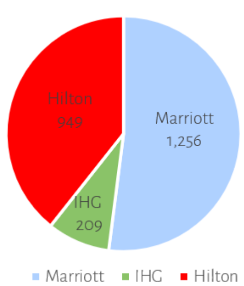
As of June 30, 2026, AHIP owned 23 hotels with a total of 2,414 guestrooms located in 11 states across the United States.

AHIP's premium branded hotels by chain scale segment as at June 30, 2026 is shown below:

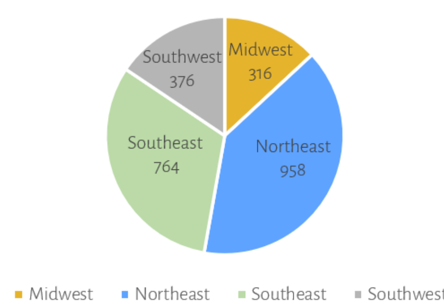
| Chain Scale Segments | AHIP's Premium Branded Hotels | Number of Hotels | Number of Rooms | Room Percentage by Segment |
|---|---|---|---|---|
| Upper Upscale | Embassy Suites | 1 | 227 | 9.4% |
| Upscale | Courtyard, Hilton Garden Inn, Residence Inn, Staybridge Suites | 9 | 951 | 39.4% |
| Upper Midscale | Fairfield Inn, Hampton Inn, Holiday Inn Express, TownePlace Suites, Home2 Suites | 13 | 1,236 | 51.2% |
| **Total Premium Branded Hotels** | | **23** | **2,414** | **100.0%** |

AHIP's number of rooms by brand and by region as at June 30, 2026 are shown below. Midwest Region includes Kentucky, and North Dakota. Northeast Region includes Connecticut, Maryland, New Jersey, Pennsylvania, and Virginia. Southeast Region includes Florida, North Carolina, and Tennessee. Southwest Region includes Texas.

**Rooms by Brand**




**Rooms by Region**




## 2026 SECOND QUARTER HIGHLIGHTS

- Same Property ADR[(1)] was $147 for the second quarter of 2026 an increase of 1.4% compared to $145 for the same period of 2025.
- Same Property Occupancy[(1)] was 78.5% for the second quarter of 2026, an increase of 200 bps compared to 76.5% for the same period of 2025.
- Same Property RevPAR[(1)] was $116 for the second quarter of 2026, an increase of 4.5% compared to $111 for the same period of 2025.

- Same property NOI was $9.3 million for the second quarter of 2026, is consistent with the same period of 2025.
- Same property NOI margin was 35.0% for the second quarter of 2026, a decrease of 150 bps compared to 36.5% for the same period of 2025.
- RevPAR increased by 7.5% to $114 for the second quarter of 2026, compared to $106 for the same period of 2025.
- ADR increased 4.3% to $146 for the second quarter of 2026, compared to $140 for the same period of 2025.
- Occupancy was 77.7% for the second quarter of 2026, an increase of 200 bps compared to 75.7% for the same period of 2025.
- Revenue decreased 39.1% to $31.1 million for the second quarter of 2026, compared to $51.1 million for the same period of 2025 due to property sales.
- NOI decreased 47.1% to $9.2 million for the second quarter of 2026, compared to $17.4 million for the same period of 2025 due to property sales.
- At June 30, 2026 AHIP had an unrestricted cash balance of $21.5 million.
- Completed the dispositions of seven hotel properties during the quarter for total gross proceeds of $125.7 million at a blended Cap Rate of 7.6% on 2025 annual hotel EBITDA.
- Completed one refinancing for total gross proceeds of $24.9 million.
- AHIP is conducting a strategic review to maximize unitholder value, which may include additional hotel sales to enhance liquidity, reduce debt, and manage future financial obligations.

## 2026 SECOND QUARTER REVIEW

### FINANCIAL AND OPERATIONAL HIGHLIGHTS

For the three months ended June 30, 2026, ADR increased 4.3% to $146, and occupancy increased by 200 bps to 77.7%, compared to the three months ended June 30, 2025. Overall, improved ADR and occupancy resulted in an increase of 7.5% in RevPAR to $114, compared to the three months ended June 30, 2025. The improved performance is primarily attributable to the disposition of hotel properties with lower-than-average portfolio RevPAR.

NOI was $9.2 million for the three months ended June 30, 2026, a decrease of 47.1%, compared to NOI of $17.4 million for the three months ended June 30, 2025. The decrease in NOI was primarily due to the disposition of the eighteen hotel properties completed in 2025.

NOI margin was 29.6% for the three months ended June 30, 2026, a decrease of 450 bps compared to 34.1% for the same period of 2025. The decrease in NOI margin was due to higher operating expenses as a result of increases in room labour expenses, utilities, and maintenance expenses partially offset by the disposition of hotels.

Diluted FFO per unit per unit for the three months ended June 30, 2026, was $0.04 compared to diluted FFO per unit of $0.06 for the three months ended June 30, 2025. The decrease in diluted FFO per unit was mainly due to lower NOI as a result of sold properties, higher operating expenses on same properties, partially offset by other income recognized from forfeiture of a non-refundable deposit following the termination of a PSA agreement related to the proposed sale of a hotel property, reversal of deferred fees under the Settlement Agreement and a reduction in the weighted average number of Units outstanding.

Excluding the reversal of deferred fees under the Settlement Agreement and income recognized from the forfeited non-refundable deposit, diluted FFO per unit for the three months ended June 30, 2026 would be negative $0.01.

**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 2026 | Q1 2026 | Q4 2025 | Q3 2025 | Q2 2025 |
|---|---|---|---|---|---|
| **ADR** | **$147** | **$138** | $137 | $145 | $145 |
| Change compared to same period in prior year - % increase/(decrease) | **1.4%** | **1.5%** | 1.9% | (0.3%) | (0.6%) |
| **Occupancy** | **78.5%** | **69.8%** | 70.0% | 75.1% | 76.5% |
| Change compared to same period in prior year - bps increase/(decrease) | **200** | **(200)** | (140) | 79 | (218) |
| **RevPAR** | **$116** | **$96** | $96 | $109 | $111 |
| Change compared to same period in prior year - % increase/(decrease) | **4.5%** | **(2.0%)** | (0.1%) | 0.7% | (3.4%) |
| **NOI** | **$ 9,329** | **$5,821** | $4,698 | $ 8,140 | $ 9,302 |
| Change compared to same period in prior year - % increase/(decrease) | **0.3%** | **(16.0%)** | (24.4%) | (9.2%) | (8.2%) |
| **NOI Margin** | **35.0%** | **26.6%** | 21.1% | 31.9% | 36.5% |
| Change compared to same period in prior year - bps increase/(decrease) | **(150)** | **(460)** | (663) | (376) | (196) |

In the second quarter of 2026, same property ADR was $147, an increase of 1.4% compared to the same period in 2025. Same property occupancy increased by 200 bps to 78.5% in the current quarter, compared to the same period in 2025. The increase in same property ADR is primarily attributable to improved retail segment, partially offset by a reduction in government travel. Overall, the increase in same property ADR was partially offset by a small decrease in same property NOI Margin.

Same property NOI was consistent with the same period in 2025 and same property NOI margin decreased by 150 bps in the current quarter. These changes resulted from elevated maintenance and labour costs partially offset by higher RevPAR.

**PERFORMANCE BY HOTEL SEGMENTS**

Select service properties represent 56.6% of AHIP's portfolio by room count as at June 30, 2026. For the three months ended June 30, 2026, RevPAR for these properties was $111, an increase of 8.8% compared to $102 for the same period in 2025. The improved performance is primarily attributable to the disposition of hotel properties with lower-than-average portfolio RevPAR and improving transient demand.

Extended stay properties represent 34.0% of AHIP's portfolio by room count as at June 30, 2026. For the three months ended June 30, 2026, RevPAR for these properties was $120, an increase of 4.3% compared to $115 for the same period in 2025. The improved performance is primarily attributable to the disposition of hotel properties with lower-than-average portfolio RevPAR and due to increasing longer term stays driven by projects, market specific government demand and continued demand from oil and gas accounts in West Texas.

AHIP's Embassy Suites property represents 9.4% of the portfolio by room count as at June 30, 2026. For the three months ended June 30, 2026, RevPAR for this property was $131, an increase of 20.2% compared to $109 for the four properties owned during the same period in 2025. The increase was primarily driven by the disposition of hotel properties with lower-than-average portfolio RevPAR.

## HOTEL DISPOSITIONS

### 2026 Hotel Dispositions Summary

| Hotel | Location | Gross Proceeds (millions of dollars) | Keys | Gross proceeds per key | Cap Rate [1] on 2025 annual hotel EBITDA | Actual / Expected Closing Date |
|---|---|---|---|---|---|---|
| **Completed Dispositions:** | | | | | | |
| TownePlace Suites Pittsburgh Airport Robinson Township | Pittsburgh, PA | $8.3 | 93 | $89,000 | 9.0% | January 20, 2026 |
| **Total completed in Q1 2026** | | **$8.3** | **93** | **$89,000** | **9.0%** | |
| Embassy Suites Cleveland Rockside | Independence, OH | $22.0 | 271 | $81,000 | 9.2% | April 1, 2026 |
| Embassy Suites Columbus Dublin | Dublin, OH | $37.0 | 284 | $130,000 | 8.9% | April 1, 2026 |
| Springhill Suites Arundel Mills BWI Airport | Hanover, MD | $9.3 | 128 | $73,000 | 3.4% | May 20, 2026 |
| Hilton Garden Inn Baltimore White Marsh | Baltimore, MD | $12.5 | 155 | $81,000 | 6.9% | May 20, 2026 |
| Homewood Suites Dover Rockaway | Dover, NJ | $9.3 | 108 | $86,000 | 6.8% | May 20, 2026 |
| Homewood Suites Allentown West Fogelsville | Allentown, PA | $13.4 | 108 | $124,000 | 6.1% | May 20, 2026 |
| Embassy Suites Tempe | Tempe, AZ | $22.3 | 224 | $99,000 | 7.0% | June 3, 2026 |
| **Total completed in Q2 2026** | | **$125.8** | **1,278** | **$99,000** | **7.6%** | |
| **Total completed as of June 30, 2026** | | **$134.1** | **1,371** | **$98,000** | **7.6%** | |
| **Four Properties Under Contract:** | | | | | | |
| **Total under contract** | | **$32.5** | **396** | **$82,000** | **4.6%** | |

[1] See “Non-IFRS and Other Financial Measures”

During the six months ended June 30, 2026, AHIP completed the dispositions of eight hotel properties for total gross proceeds of $134.1 million. After adjusting for an industry standard 4% FF&E reserve, the combined sales price for the eight hotel properties sold in the six months ended June 30, 2026, represents a blended Cap Rate of 7.6% on 2025 annual hotel EBITDA. The net proceeds from these dispositions were used to repay certain CMBS mortgage loans and added to AHIP’s cash balances.

At June 30, 2026 and the date of the MD&A, AHIP has four hotel properties under purchase and sale agreements (“PSAs”) and classified as held for sale: Holiday Inn Express & Suites Fort Myers in Fort Myers, FL, Fairfield Inn & Suites Jacksonville West, Residence Inn Chattanooga and TownePlace Suites Chattanooga. These sales are expected to close in the third quarter of 2026. Upon closing, these sales would represent total gross proceeds of $32.5 million at a blended Cap Rate of 4.6% on 2025 annual hotel EBITDA. The net proceeds from the sale of these hotels will initially be added to unrestricted cash with the final use subject to the outcome of the Strategic Review.

## LEVERAGE AND LIQUIDITY

| KPIs | Q2 2026 | Q1 2026 | Q4 2025 | Q3 2025 | Q2 2025 |
|---|---|---|---|---|---|
| | | | | | |
| **Debt-to-GBV[1]** | **51.1%** | **50.1%** | **48.7%** | **48.7%** | **48.7%** |
| **Debt-to-EBITDA[1]** | **8.9x** | **10.4x** | **9.4x** | **9.1x** | **8.1x** |

[1] See “Non-IFRS and Other Financial Measures”

Debt to gross book value was 51.1% as at June 30, 2026, an increase of 240 bps compared to December 31, 2025. Debt to EBITDA as at June 30, 2026 was 8.9x, a decrease of 0.5x compared to December 31, 2025. The change in debt to gross book value and debt to EBITDA ratios was driven by reduction in unrestricted cash balances following the Series C Share redemption of $25.0 million and use of net proceeds from completed dispositions to reduce outstanding debt.

As at June 30, 2026, AHIP had an unrestricted cash balance of $21.5 million compared to $36.4 million as at December 31, 2025. The decrease in cash was primarily due to the redemption of $25.0 million of the $50.0 million outstanding Series

C Shares. As at June 30, 2026, AHIP held a restricted cash balance of $14.5 million and had an additional $17.4 million available under the Portfolio Loan and Portfolio Loan II for capital improvements related to the properties secured by the loans. The $17.4 million is available to be drawn as eligible PIP construction costs are incurred and completed, in accordance with the terms of the loan agreements.

### 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 one hotel project in the construction phase, one hotel project in the pre-construction phase, and two hotel projects in the design phase for future renovations. AHIP completed one hotel renovation project during the second quarter of 2026 in South Hill, VA and currently has one hotel renovation project under construction in Emporia, VA.

AHIP's 2026 capital expenditures are estimated at $3.2 million in PIPs and $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 $$2.3 million and $1.7 million, respectively, for the six months ended June 30, 2026.

## 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.

### REVIEW OF STRATEGIC ALTERNATIVES

On May 4, 2026, AHIP announced that its Board initiated a review of strategic alternatives (the "**Strategic Review**") to maximize unitholder value. During the Strategic Review, the Board will analyze and evaluate a range of alternatives. AHIP has retained Robert W. Baird & Co. Incorporated ("**Baird**") as financial advisor to advise AHIP in connection with its Strategic Review.

AHIP has made progress since the review was announced, but has not yet established a definitive timeline to complete the Strategic Review or any potential transaction. There can be no assurance that the engagement of Baird or the Strategic Review will result in any transaction or initiative or, if a transaction or initiative is undertaken, as to the terms or timing of such a transaction or initiative. AHIP does not currently intend to disclose further developments in connection with or arising from the Strategic Review or in connection with any transaction, initiative or related matter, unless and until it is determined that disclosure is necessary or appropriate.

### ADDRESSING 2026 BALANCE SHEET OBLIGATIONS

AHIP has 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 eighteen hotel properties in 2025 for total gross proceeds of $160.9 million and eight hotel properties to date in 2026 for total gross proceeds of $134.1 million, which has improved the overall portfolio asset quality, while also significantly reducing total debt. AHIP also completed two loan refinancings in 2025 for total gross proceeds of $144.3 million and one loan refinancing in 2026 for gross proceeds of $24.9 million. The net proceeds from these sales along with a portion of the proceeds from the loan refinancings, were used to repay the CMBS loans secured by those properties, a portion of the Portfolio Loan and to redeem $25.0 million of the outstanding Series C Shares.

AHIP has a $22.3 million CMBS loan maturing in November 2026. The hotels securing this CMBS loan are currently under contract for sale. AHIP's 6.0% unsecured subordinated convertible debentures (the "**Debentures**") mature on December 31, 2026. Effective January 28, 2026, the dividend rate on the Series C Preferred Shares of U.S. Subsidiary Inc. ("**Series C Shares**") increased from 9.0% to 14.0% per annum and certain other provisions under the Investor Rights Agreement with the holders of the Series C Shares apply which may reduce AHIP's flexibility until such time as the Series C Shares have been fully redeemed. On March 13, 2026, AHIP redeemed $25.0 million of the $50.0 million stated face value of the Series C Shares, which results in a remaining $25.0 million stated face value. These restrictions are summarized below under the heading "Restrictions Under the Investor Rights Agreement".

As noted above the Board is currently conducting the Strategic Review through which the Board is considering a range of alternatives, which may include additional asset sales. The number of potential hotel dispositions will be dependent on the outcome of the Strategic Review as well as; regional market factors, hotel performance, hotel size, nature and value of any offers and whether any portion of the remaining Series C Shares and/or Debentures are recapitalized. With closings of hotels currently under contract, refinancing of an unencumbered property, and additional planned hotel sales, AHIP plans to be in a position to redeem the remainder of the Series C Shares and the convertible debentures in 2026

Addressing AHIP's 2026 balance sheet obligations through asset sales could result in the U.S. Subsidiary Inc. failing to meet the minimum net worth covenants required under certain non-recourse CMBS loans, Portfolio Loan and Portfolio Loan II. A breach of these covenants would constitute an event of default, which could result in the affected loan becoming immediately due and payable. If any such loans remain outstanding, any such event of default would be limited to the applicable loan agreement and would not trigger a cross-default under the AHIP's other loan agreements.

The continuation of AHIP as a going concern is subject to the successful implementation of the above strategies. See "Liquidity and Capital Resources" for additional information.

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

On June 26, 2025, unitholders approved an amendment to the LP Agreement to clarify that the Board has the discretion to cause the U.S. Subsidiary Inc. to cease to qualify as a real estate investment trust ("**REIT**") under the United States Internal Revenue Code of 1986, as amended (the "**Code**") and the Board subsequently determined that doing so would be in the best interests of AHIP.

AHIP subsequently took the necessary steps in 2025 to cause the U.S. Subsidiary Inc. to cease to qualify as a REIT under the Code. As a result of such action, the U.S. Subsidiary Inc. is no longer subject to the REIT rules under the Code. For further information, see "Taxation" and "Risk Factors" below.

**NORMAL COURSE ISSUER BID AND AUTOMATIC SECURITIES PURCHASE PLAN**

AHIP believes that its Units are currently trading, or due to market volatility, may trade in a price range that does not adequately reflect their underlying value based on AHIP's assets, business prospects and financial position. Accordingly, depending upon future price movements and other factors, AHIP may purchase outstanding Units from time to time, provided that the repurchase of Units at such market prices continue to be an appropriate use of AHIP's resources and will benefit remaining unitholders by increasing their proportionate equity interest in AHIP.

In December 2025, the TSX approved AHIP's notice of intention to make a normal course issuer bid (the "**2026 NCIB**"). The notice provides that AHIP may, during the twelve-month period commencing December 30, 2025 and ending December 29, 2026, purchase up to 6,801,276 Units trading under the symbols HOT.UN and HOT.U, representing 10% of the "public float" (as defined in the TSX Company Manual) as of December 22, 2025. AHIP also entered into an Automatic Securities Purchase Plan ("**ASPP**") with a designated broker. The ASPP allows for the purchase of Units under the 2026 NCIB when AHIP would ordinarily not be permitted to purchase Units due to regulatory restrictions and customary self-imposed blackout periods.

AHIP's strategic investor HCI-BGO Victora JB LP (the "**Investor**"), a joint venture limited partnership of BentallGreenOak Real Estate Advisors LP and Highgate Capital Investments, LP, has provided its consent to the 2026 NCIB under the terms of the Investor Rights Agreement between AHIP, the Investor and certain of their respective affiliates, subject to the aggregate purchase price of the Units acquired under the 2026 NCIB not exceeding CAD$4.1 million. The Investor also previously consented to the 2025 NCIB.

As of the date of the MD&A, AHIP had purchased 0.7 million Units for CDN$0.4 million under the 2026 NCIB at an average purchase price per Unit of CDN$0.52, of which 366,140 Units have been cancelled.

### SETTLEMENT WITH AIMBRIDGE

On April 17, 2026, AHIP and certain of its subsidiaries entered into a settlement agreement (the "**Settlement Agreement**") with One Lodging Management LLC, a subsidiary of Aimbridge Hospitality (the "**Master Hotel Manager**") and certain of its subsidiaries to resolve the previously disclosed dispute between the parties. The Settlement Agreement achieves AHIP's objectives of financial relief and a specific end date for the management of AHIP's portfolio by the Master Hotel Manager. The Settlement Agreement provides for a reduction in currently deferred termination fees, a reduction in future termination fees and waiver of all deferred management fees. Under the Settlement Agreement, AHIP made a one-time payment of $2.3 million to the Master Hotel Manager to settle a current liability of $6.2 million in respect of currently deferred termination fees.

The Master Hotel Management Agreement between AHIP and the Master Hotel Manager (the "**Master Hotel Management Agreement**") and all individual hotel management agreements between their respective subsidiaries that govern the management of AHIP's portfolio of properties are to be terminated on January 31, 2027, subject to a three-month extension right which may be exercised by AHIP in advance. Until such date, AHIP's properties will remain under management by the Master Hotel Manager and its subsidiaries pursuant to the Master Hotel Management Agreement and the individual hotel management agreements under their respective current terms, except as modified by the Settlement Agreement.

## OUTLOOK

AHIP expects modest growth and continued volatility in the U.S. economy in 2026. Same property revenue growth is expected to be low in 2026 due to mixed economic conditions in the U.S. Higher operating expenses from higher maintenance, labour, utilities and food costs are expected to reduce NOI margins in 2026 compared to the prior year. Recent proposed and enacted U.S. policies surrounding tariffs, trade restrictions and immigration are contributing to macroeconomic uncertainty and inflation.

### MARKET ENVIRONMENT

The U.S. lodging industry's performance is normally correlated to the performance of the U.S. economy as measured by key metrics such as gross domestic product ("**GDP**") growth, employment levels and corporate profits. Macroeconomic data for 2026 is mixed with an uncertain outcome to GDP. Macroeconomic impacts of inflation, unemployment rate and interest rates each have an impact on operating expenses and costs of financing.

**SELECTED INFORMATION**

| (thousands of dollars, except per Unit amounts) | Three months ended June 30 2026 | Three months ended June 30 2025 | Six months ended June 30 2026 | Six months ended June 30 2025 |
|---|---|---|---|---|
| Revenue | **31,099** | 51,145 | **67,463** | 99,760 |
| Income from operating activities | **5,884** | 11,841 | **10,544** | 18,525 |
| Income (loss) and comprehensive income (loss) | **1,363** | (7,406) | **(8,623)** | (29,776) |
| NOI[2] | **9,215** | 17,435 | **17,460** | 30,118 |
| NOI Margin[2] | **29.6%** | 34.1% | **25.9%** | 30.2% |
| Hotel EBITDA [1] | **8,432** | 16,204 | **15,715** | 27,706 |
| Hotel EBITDA Margin [1] | **27.1%** | 31.7% | **23.3%** | 27.8% |
| EBITDA [1] | **6,755** | 14,699 | **11,857** | 23,907 |
| EBITDA Margin [1] | **21.7%** | 27.2% | **17.6%** | 23.1% |
| Cashflow from operating activities | **(12,039)** | 1,943 | **(8,364)** | 2,992 |
| Dividends declared to Series C holders | **885** | 1,172 | **2,071** | 2,332 |
| FFO diluted [1] | **3,095** | 5,193 | **1,111** | 3,404 |
| FFO per unit - diluted [1] | **0.04** | 0.06 | **0.01** | 0.04 |
| AFFO diluted [1] | **1,942** | 2,990 | **(1,236)** | (1,425) |
| AFFO per unit - diluted [1] | **0.03** | 0.04 | **(0.02)** | (0.02) |

[1] See “Non-IFRS and Other Financial Measures”

[2] NOI and NOI margin included the IFRIC 21 property taxes adjustment.

**SELECTED INFORMATION**

| (thousands of dollars) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Total assets | **308,896** | 470,606 |
| Total liabilities | **239,317** | 365,538 |
| Total non-current liabilities | **155,937** | 203,480 |
| Term loans, Portfolio Loan and Portfolio Loan II | **155,717** | 224,832 |
| | | |
| Debt to gross book value [1] | **51.1%** | 48.7% |
| Debt to EBITDA (times) [1] | **8.9** | 9.4 |
| Interest coverage ratio (times) [1] | **1.1** | 1.4 |
| | | |
| Term loans, Portfolio Loan and Portfolio Loan II: | | |
| Weighted average interest rate | **7.56%** | 6.33% |
| Weighted average term to maturity (years) | **2.2** | 1.3 |
| | | |
| Number of rooms | **2,414** | 3,785 |
| Number of properties | **23** | 31 |
| Number of restaurants | **5** | 9 |

(1) See “Non-IFRS and Other Financial Measures”

## 2026 SECOND QUARTER OPERATING RESULTS

| | Three months ended June 30 | | Six months ended June 30 | |
|---|---|---|---|---|
| **(thousands of dollars)** | **2026** | **2025** | **2026** | **2025** |
| ADR [1] | **146** | 140 | **144** | 138 |
| Occupancy [1] | **77.7%** | 75.7% | **72.6%** | 71.6% |
| RevPAR [1] | **114** | 106 | **104** | 99 |
| Revenue | **31,099** | 51,145 | **67,463** | 99,760 |
| Operating expenses | **16,635** | 26,679 | **36,763** | 53,280 |
| Energy | **1,014** | 1,861 | **3,510** | 4,547 |
| Property maintenance | **2,063** | 2,936 | **4,506** | 6,209 |
| Property taxes, insurance and ground lease | **2,172** | 2,234 | **5,224** | 5,606 |
| Total expenses | **21,884** | 33,710 | **50,003** | 69,642 |
| NOI[2] | **9,215** | 17,435 | **17,460** | 30,118 |
| NOI Margin %[2] | **29.6%** | 34.1% | **25.9%** | 30.2% |
| Depreciation and amortization | **3,331** | 5,594 | **6,916** | 11,593 |
| Income from operating activities | **5,884** | 11,841 | **10,544** | 18,525 |
| Other expenses | **4,521** | 13,857 | **19,167** | 43,234 |
| Current income tax expense (recovery) | **-** | 1 | **-** | 29 |
| Deferred income tax expense (recovery) | **-** | 5,389 | **-** | 5,038 |
| Income (loss) and comprehensive income (loss) | **1,363** | (7,406) | **(8,623)** | (29,776) |

[1] See "Non-IFRS and Other Financial Measures"
[2] NOI and NOI margin included the IFRIC 21 property taxes adjustment.

For the three months ended June 30, 2026, 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 39.1% compared to the same period in the prior year. The decrease in revenue was due to the disposition of eighteen hotel properties completed in 2025.

For the three months ended June 30, 2026, NOI decreased by 47.1% and NOI margin decreased by 450 bps, respectively, compared to the same period in the prior year. The decrease in NOI was primarily due to the disposition of eighteen hotel properties in 2025. The decrease in NOI margin was largely driven by higher operating expenses as a result of general cost inflation, 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.

### OTHER EXPENSES (INCOME)

| | Three months ended June 30 | | Six months ended June 30 | |
|---|---|---|---|---|
| (thousands of dollars) | 2026 | 2025 | 2026 | 2025 |
| Finance costs | **7,172** | 7,627 | **13,500** | 17,417 |
| Corporate and administrative | **2,460** | 2,736 | **5,603** | 6,211 |
| Impairment of cash-generating units | **2,020** | - | **7,518** | 14,790 |
| Write-off of property, building and equipment | **-** | - | **-** | 4 |
| Other income | **(4,191)** | 2 | **(4,191)** | - |
| Loss (gain) on sale of properties | **(2,940)** | 3,480 | **(3,070)** | 4,858 |
| Finance income | **(43)** | (76) | **(236)** | (133) |
| Change in fair value of financial instruments | **43** | 88 | **43** | 87 |
| **Total** | **4,521** | 13,857 | **19,167** | 43,234 |

### FINANCE COSTS

| | Three months ended June 30 | | Six months ended June 30 | |
|---|---|---|---|---|
| (thousands of dollars) | 2026 | 2025 | 2026 | 2025 |
| Interest expense on term loans, Portfolio Loan and Portfolio Loan II | **3,734** | 5,827 | **8,271** | 11,871 |
| Interest expense on debentures | **748** | 741 | **1,495** | 1,491 |
| Amortization of debt financing costs | **345** | 482 | **673** | 1,252 |
| Accretion of debenture liability | **312** | 284 | **623** | 570 |
| Amortization of debenture costs | **144** | 126 | **288** | 255 |
| Loss (gain) on debt settlement | **98** | 13 | **209** | 683 |
| Debt defeasance | **1,776** | 13 | **1,776** | 1,017 |
| Other financing expense | **15** | 141 | **165** | 278 |
| **Total** | **7,172** | 7,627 | **13,500** | 17,417 |

For the three months ended June 30, 2026, finance costs decreased by 6.0% compared to the same period in the prior year. The decrease in finance costs was primarily due to debt repayments made following the dispositions of hotel properties completed in 2025. For the six months ended June 30, 2026, $1.8 million in defeasance costs related to the early repayment of the CMBS loan associated with the disposition of eight hotel properties during the first half of 2026.

Corporate and administrative expenses include hotel management fees paid to the external hotel property management company, as well as general and administrative expenses such as salaries and benefits, professional fees and office and general expenses. Corporate and administrative expenses for the three months ended June 30, 2026 decreased by 10.1% compared to the same period in the prior year. The decreases were due to the reduction in salaries and benefits, hotel management fees, professional fees and office and general expenses due to a reduced portfolio.

Impairment occurs when the carrying amount is higher than the recoverable amount of a property. Non-cash impairment represents the difference between the carrying amounts and the recoverable amounts of certain hotel properties as a result of external and internal valuations.

For the three months ended June 30, 2026, AHIP recognized non-cash impairment expense of $2.0 million related to three hotel properties. For the six months ended June 30, 2026, AHIP recognized non-cash impairment expense of $7.5 million related to six hotel properties. During the three and six months ended June 30, 2025, AHIP recognized non-cash impairment expense of nil and $14.9 million, respectively, related to four hotel properties and impairment expense reversal of $0.1 million related to a hotel property.

The impaired hotels are located in Tennessee, Florida, Ohio and Maryland. AHIP completed the valuation process based on purchase and sales agreements and internal valuations of hotel properties. The impairment for internal valuations are primarily due to revised income levels, from changes to revenue and operating costs.

## FFO

AHIP measures its operating performance by using industry accepted non-IFRS performance measures such as FFO which is calculated in accordance with the REALPAC definition. FFO is not defined by IFRS and does not have a standard meaning under IFRS; therefore, it may not be comparable to similar measures presented by other entities. The IFRS measurement most comparable to FFO is income (loss) and comprehensive income (loss), for which a reconciliation is provided as follows:

| | Three months ended June 30 | | Six months ended June 30 | |
|---|---|---|---|---|
| **(thousands of dollars, except per unit amounts)** | **2026** | **2025** | **2026** | **2025** |
| Income (loss) and comprehensive income (loss) | **1,363** | (7,406) | **(8,623)** | (29,776) |
| Adjustments: | | | | |
| Income attributable to non-controlling interest | **(885)** | (1,172) | **(2,071)** | (2,332) |
| Depreciation and amortization | **3,331** | 5,594 | **6,916** | 11,593 |
| Impairment of cash-generating units | **2,020** | - | **7,518** | 14,790 |
| Write-off of property, building and equipment | **-** | - | **-** | 4 |
| Loss (gain) on sale of properties | **(2,940)** | 3,480 | **(3,070)** | 4,858 |
| IFRIC 21 property taxes adjustment | **163** | (780) | **398** | (858) |
| Change in fair value of financial instruments | **43** | 88 | **43** | 87 |
| Deferred income tax expense (recovery) | **-** | 5,389 | **-** | 5,038 |
| FFO basic[1] | **3,095** | 5,193 | **1,111** | 3,404 |
| Interest, accretion and amortization on convertible debentures | **-** | - | **-** | - |
| FFO diluted[1] | **3,095** | 5,193 | **1,111** | 3,404 |
| FFO per unit – basic[1] | **0.04** | 0.07 | **0.02** | 0.04 |
| FFO per unit – diluted[1] | **0.04** | 0.06 | **0.01** | 0.04 |
| Weighted average number of units outstanding: | | | | |
| Basic (000's) | **71,748** | 78,030 | **71,799** | 78,384 |
| Diluted (000's)[2] | **74,064** | 80,567 | **74,115** | 80,922 |

[1] See "Non-IFRS and Other Financial Measures"

[2] The calculation of FFO diluted, FFO per unit – diluted, weighted average number of units outstanding – diluted for the three and six months ended June 30, 2026, and the six months ended June 30, 2025, excluded the convertible debentures because they were anti-dilutive.

## AFFO

AHIP calculates AFFO as a recurring economic earnings measure, in accordance with REALPAC's definition. AFFO is not defined by IFRS and does not have a standard meaning under IFRS; therefore, it may not be comparable to similar measures presented by other entities. The IFRS measurement most comparable to AFFO is income (loss) and comprehensive income (loss).

In January 2022, REALPAC issued the White Paper on FFO and AFFO for IFRS, to provide guidance and develop consistency within the industry on the definition of FFO and AFFO. REALPAC also updated its guidance on categorizing value-enhancing capital expenditures and maintenance capex to be used in calculating AFFO. The categorization of capital expenditures between value-enhancing and maintenance is subject to significant judgment.

**RECONCILIATION OF FFO TO AFFO**

| | **Three months ended June 30** | | **Six months ended June 30** | |
|---|---|---|---|---|
| **(thousands of dollars, except per Unit amounts)** | **2026** | **2025** | **2026** | **2025** |
| FFO basic [1] | **3,095** | 5,193 | **1,111** | 3,404 |
| FFO diluted [1] | **3,095** | 5,193 | **1,111** | 3,404 |
| Maintenance capital expenditures | **(1,153)** | (2,203) | **(2,347)** | (4,829) |
| AFFO basic [1] | **1,942** | 2,990 | **(1,236)** | (1,425) |
| AFFO diluted [1] | **1,942** | 2,990 | **(1,236)** | (1,425) |
| AFFO per unit - basic [1] | **0.03** | 0.04 | **(0.02)** | (0.02) |
| AFFO per unit - diluted [1] | **0.03** | 0.04 | **(0.02)** | (0.02) |

[1] See "Non-IFRS and Other Financial Measures"

**MAINTENANCE CAPITAL EXPENDITURES**

Hotel operations require ongoing maintenance capital expenditures to support the occupancy levels and revenue streams of the business. PIPs are intended to renovate the hotel property to the franchisor's current standards, optimize operating performance and ensure that the hotels remain competitive within their respective market segments. AHIP is required by its lenders to escrow FF&E reserves, calculated as a percentage of total revenue ranging from 4% to 5%, over the loan term. Funds are disbursed from these escrow accounts as eligible expenditures are made.

## SUMMARY OF QUARTERLY RESULTS

The table below summarizes AHIP's financial results for the last eight fiscal quarters:

| (thousands of dollars except per Unit amounts) | 2026 Q2 | 2026 Q1 | 2025 Q4 | 2025 Q3 | 2025 Q2 | 2025 Q1 | 2024 Q4 | 2024 Q3 [3] (restated) |
|---|---|---|---|---|---|---|---|---|
| Revenues | **31,099** | 36,364 | 40,451 | 47,573 | 51,145 | 48,615 | 54,375 | 65,728 |
| NOI [2] | **9,215** | 8,246 | 6,351 | 12,879 | 17,435 | 12,683 | 12,435 | 19,602 |
| Net income (loss) and comprehensive income (loss) | **1,363** | (9,982) | (13,830) | (25,725) | (7,406) | (22,370) | (30,598) | 202 |
| FFO per unit – diluted[1] | **0.04** | (0.03) | (0.07) | 0.02 | 0.06 | (0.02) | - | 0.07 |
| AFFO per unit – diluted[1] | **0.03** | (0.04) | (0.10) | (0.01) | 0.04 | (0.05) | (0.04) | 0.01 |

(1) See "Non-IFRS and Other Financial Measures"

(2) NOI included the IFRIC 21 property taxes adjustment for the same periods.

(3) For details with respect to these restated amounts, see AHIP's management's discussion and analysis for the three and nine months ended November 30, 2025, available under AHIP's profile on SEDAR+ at www.sedarplus.ca.

AHIP's quarterly financial results have a seasonal component resulting from higher occupancy and revenue in the second and third quarters of each year. The disposition of eight hotel properties completed in six months ended June 30, 2026, the disposition of eighteen hotel properties completed in 2025 and the disposition of sixteen hotel properties in 2024 has contributed to lower revenue compared to the same periods in the prior year. In addition, the decrease in same property NOI was partially attributable to operational disruptions such as high general manager turnover and elevated labour costs.

## LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that AHIP is not able to meet its financial obligations as they become due or can only do so at excessive cost. AHIP manages liquidity risk by balancing the maturity profile of its mortgages and borrowings. Mortgage maturities normally enable replacement financing with funds available for other purposes. The following key risks could reduce the amount of liquidity available to AHIP: adverse economic conditions may result in a decrease in NOI, which reduces both cash and the refinancing amount for maturing loans, and higher interest rates. Cash flow projections are updated on a regular basis to ensure there will be adequate liquidity to maintain operating, capital, and investment activities. In addition, AHIP continues to monitor its capital structure and sources of financing, including potential amendments to the existing loan agreements or establishing additional credit facilities. Such cash flow projections involve a significant degree of judgement. There is a risk that such projections may not be achieved, and that currently available liquidity may not be available to AHIP at terms and conditions that are favorable to AHIP, or at all.

AHIP's objective for managing liquidity and capital resources is to ensure adequate liquidity for operating, capital and investment activities. Management oversees AHIP's liquidity to fund principal and interest payments for debt and property maintenance and improvements. AHIP's sources of capital mainly include (i) cash flows from operating activities, (ii) term loans, mortgage refinancing and credit facilities, and (iii) equity and debt issuances.

The Financial Statements have been prepared on a going concern basis, which assumes that AHIP will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Financial Statements do not reflect the adjustment to the carrying values of assets and liabilities or to the classification of items in the consolidated statement of financial position that would be necessary were the going concern assumption not appropriate. Such adjustments could be material.

During the three and six months ended June 30, 2026, AHIP had income and comprehensive income of $1.4 million and a loss and comprehensive loss of $8.6 million (three and six months ended June 30, 2025 – loss and comprehensive loss of $7.4 million and $29.8 million) respectively, and as at that date, had a cumulative deficit of $574.6 million (December 31, 2025 – $560.8 million) and has a working capital deficiency of $16.1 million (December 31, 2025 – $18.7 million). This working capital deficiency includes convertible debentures of $48.8 million maturing in December 2026 and term loan repayments of $22.4 million. Absent mitigating actions, AHIP's forecast cash inflows from operations are not expected to be sufficient to meet these obligations as they become due, resulting in a potential cash shortfall. These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on AHIP's ability to continue as a going concern. Management plans to address these conditions primarily with (i) current assets, (ii) operating cash flows, (iii) completion of asset sales under contract (see note 18 in the Financial Statements), (iv) additional planned asset sales and (v) refinancing of unencumbered properties. For additional information, see note 2(c) in the Financial Statements and "Material Accounting Policies, Estimates and Judgements" below.

Based on recent experience with similar completed transactions and status of pending transactions, management has reasonable basis for the amounts and timing of such transactions and expects the successful execution of these to generate sufficient liquidity to meet AHIP's obligations as they come due. Management has prepared cash flow forecasts, which incorporate these assumptions. However, there is a risk that these cash flow forecasts may not be achieved, and that future transactions which increase liquidity may not be available to AHIP at terms and conditions that are favorable to AHIP, or at all.

AHIP manages working capital deficiencies that arise from time to time through mortgage renewals, extensions or refinancing as a normal part of its business activities. Typically, AHIP's ability to generate positive cash flows provided by operating activities, its access to credit facilities and alternative sources of capital, if necessary, support AHIP's ability to meet its obligations as they come due.

AHIP has observed stable lending conditions in the credit markets. In cases where the loan maturity amount is greater than the proceeds available from refinancing the loan and market value of the hotel, the loan may be resolved through a non-recourse foreclosure process whereby the property is transferred to the lender and the loan is no longer payable by AHIP except in the case of limited recourse obligations. The Portfolio Loan, Portfolio Loan II and CMBS loans are non-recourse and do not trigger any cross-default provisions with any other CMBS loans, other than certain recourse carve-out guarantee provisions included to protect the lender from any misdeeds or wrongful acts by the borrower.

There is a risk that future asset sales will result in the U.S. Subsidiary Inc., as guarantor, failing to meet the minimum Net Worth covenants required under certain of AHIP's non-recourse CMBS loans, Portfolio Loan and Portfolio Loan II.

As at June 30, 2026, AHIP had an unrestricted cash balance of $21.5 million compared to $36.4 million as at December 31, 2025. The decrease in cash was primarily due to the redemption of $25.0 million of the $50.0 million outstanding Series C Shares. As at June 30, 2026, AHIP held a restricted cash balance of $14.5 million and had an additional $17.4 million available under the Portfolio Loan and Portfolio Loan II for capital improvements related to the properties secured by the loans.

**2025 AND 2026 REFINANCINGS AND REPAYMENT OF RCF AND TERM LOANS**

On January 27, 2025, AHIP completed an interest only, CMBS refinancing for five hotel properties for total gross proceeds of $43.0 million (the "**CMBS Loan**"). The CMBS Loan has a five-year term and bears interest at a fixed annual interest rate of 7.63%. Four of the five hotel properties secured by the CMBS Loan were previously secured under the Sixth Amendment and the fifth hotel property was unencumbered prior to the completion of this CMBS Loan. The aggregate balance of the RCF and Credit Facility Term Loan was reduced to $89.3 million as a result of the pay down following the completion of this new CMBS Loan as well as the application of a portion of the net proceeds from previously announced hotel dispositions that closed in December 2024.

On March 7, 2025, AHIP completed an interest only, non-recourse debt refinancing and repayment in full of the revolving credit facility ("**RCF**") and credit facility term loan ("**Credit Facility Term Loan**") then governed by the sixth amendment ("**Sixth Amendment**"). The initial gross loan proceeds were $85.0 million secured against 11 hotel properties, with additional advances of up to $41.0 million available, comprised of $16.3 million upon the addition of a further hotel property and up to $24.7 million for renovations and improvements to these 12 hotel properties (the "**Portfolio Loan**").

AHIP used the initial net proceeds from the Portfolio Loan to fully repay the outstanding balance of the RCF and the Credit Facility Term Loan and these facilities have been terminated. The initial 11 hotel properties secured by the Portfolio Loan were previously secured under the Sixth Amendment. The Portfolio Loan had an initial principal amount of $85.0 million, a two-year term with the option to extend the term for another one-year period subject to the satisfaction of certain conditions, and bears interest at SOFR plus 4.65% per annum.

On March 27, 2025, AHIP added the further hotel property to the Portfolio Loan with additional gross loan proceeds of $16.3 million which resulted in a total loan balance of $101.3 million at the time. The net proceeds from this refinancing and the dispositions of three hotel properties in March 2025 were used to fully repay the CMBS mortgage loan of $55.2 million secured by these four hotel properties. To address the variable rate exposure of the Portfolio Loan, AHIP has entered into a derivative contract which provided for a maximum one month SOFR rate of 4.03% on a notional value of $100.0 million for the one year period from May 2025 to May 2026. The derivative contract expired in May 2026.

As of June 30 2026, the Portfolio Loan balance was $72.9 million and secured by seven hotel properties.

For further details, see a copy of the agreement governing the Portfolio Loan, which has been filed under AHIP's profile on SEDAR+ at www.sedarplus.ca.

On May 20, 2026, AHIP completed an interest only, non-recourse debt refinancing. The initial gross loan proceeds were $24.9 million secured against three hotel properties, with additional advances of up to $4.3 million available for renovations and improvements to these three hotel properties (the "**Portfolio Loan II**"). Two of the three hotels secured by loan were previously unencumbered prior to the completion of this loan. AHIP used the initial net proceeds from the Portfolio Loan II to fully repay a CMBS loan secured by five hotel properties (one of which is now secured by the Portfolio Loan II) and increase AHIP's cash balances. The loan has a two-year term with the option to extend the term for another one-year period subject to the satisfaction of certain conditions, and bears interest at SOFR plus 4.25% per annum.

### STATUS UNDER MARRIOTT'S GLOBAL QUALITY PROGRAM AND GLOBAL ACCOUNTABILITY PROGRAM

In August 2025, AHIP received a notice of default advising that a certain property is in "Red Zone" status under Marriott's global quality program and global accountability program, and AHIP is otherwise in default under the terms of the applicable Marriott franchise agreement. The default of the franchise agreement does not trigger an event of default under the loan agreement as a cure period of two years is permitted. AHIP is in the process of curing the default by seeking to improve the performance of the hotel and obtaining a "Clean Slate" status in order to be in compliance with the Marriott franchise agreement and related CMBS loan agreement.

## DISTRIBUTIONS TO UNITHOLDERS

The Board and management have determined distributions to unitholders are not appropriate at this time in consideration of recent and forecast operating results, industry and economic conditions and interest rates for debt refinancing.

## CONTRACTUAL OBLIGATIONS

The following table summarizes AHIP's contractual obligations as of June 30, 2026, for the next five fiscal years and thereafter:

| (thousands of dollars) | TOTAL | 2026 | 2027 | 2028 | 2029 | 2030 | Thereafter |
|---|---|---|---|---|---|---|---|
| Term loans, Portfolio Loan and Portfolio Loan II | **180,772** | 22,444 | - | 97,828 | 17,500 | 43,000 | - |
| 2026 Debentures | **49,730** | 49,730 | - | - | - | - | - |
| Purchase and other obligations | **95** | 24 | 28 | 43 | - | - | - |
| Operating and finance leases | **3,528** | 288 | 376 | 376 | 288 | 200 | 2,000 |
| Total | **234,125** | 72,486 | 404 | 98,247 | 17,788 | 43,200 | 2,000 |

## CAPITAL MANAGEMENT

### DEBT STRATEGY

AHIP's long-term overall borrowing policy is to obtain secured term loan financing that allows AHIP to:

- Maintain staggered debt maturities that reduce its exposure to interest rate fluctuations and refinancing risk in any one year; and
- Maintain a mixture of fixed and variable interest rates and extend loan terms when borrowing conditions are favorable.

The fixed rate term loans are expected to be primarily first mortgages. In accordance with AHIP's Limited Partnership Agreement, the maximum debt to gross book ratio is 70% (including the Debentures).

Management monitors AHIP's capital structure on an ongoing basis to determine the appropriate level of debt. AHIP's key capital monitoring metrics are debt to gross book value, debt to EBITDA, and interest coverage ratio.

**DEBT TO GROSS BOOK VALUE**

| (thousands of dollars) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Debt | **231,030** | 346,132 |
| Gross Book Value | **451,792** | 710,083 |
| **Debt-to-Gross Book Value** | **51.1%** | 48.7% |

**DEBT**

| (thousands of dollars) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Term loans, Portfolio Loan and Portfolio Loan II | **178,144** | 293,020 |
| 2026 debentures (at face value) | **49,730** | 49,730 |
| Unamortized portion of debt financing costs | **2,628** | 2,745 |
| Lease liabilities | **528** | 637 |
| **Debt** | **231,030** | 346,132 |

**GROSS BOOK VALUE**

| (thousands of dollars) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Total assets | **308,896** | 470,606 |
| Accumulated depreciation and impairment on property, buildings and equipment | **140,585** | 236,254 |
| Accumulated amortization on intangible assets | **2,311** | 3,223 |
| **Gross Book Value** | **451,792** | 710,083 |

**DEBT TO EBITDA**

| (thousands of dollars) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Debt | **231,030** | 346,132 |
| EBITDA (trailing twelve months) | **25,906** | 36,698 |
| **Debt-to-EBITDA (times)** | **8.9x** | 9.4x |

**INTEREST COVERAGE RATIO**

| (thousands of dollars) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| EBITDA (trailing twelve months) | **25,906** | 36,698 |
| Interest expense (trailing twelve months) | **22,638** | 27,018 |
| **Interest Coverage Ratio (times)** | **1.1x** | 1.4x |

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)** | **2026** | **2025** | **2026** | **2025** |
| NOI | **9,215** | 17,435 | **17,460** | 30,118 |
| Management fees | **(783)** | (1,231) | **(1,745)** | (2,412) |
| **Hotel EBITDA** | **8,432** | 16,204 | **15,715** | 27,706 |
| General administrative expenses | **(1,677)** | (1,505) | **(3,858)** | (3,799) |
| **EBITDA** | **6,755** | 14,699 | **11,857** | 23,907 |

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

| | Three months ended June 30 | | Six months ended June 30 | |
|---|---|---|---|---|
| **(thousands of dollars)** | **2026** | **2025** | **2026** | **2025** |
| Finance costs | **7,172** | 7,627 | **13,500** | 17,417 |
| Amortization of debt financing costs | **(345)** | (482) | **(673)** | (1,252) |
| Accretion of debenture liability | **(312)** | (284) | **(623)** | (570) |
| Amortization of debenture costs | **(144)** | (126) | **(288)** | (255) |
| Debt defeasance | **(1,776)** | (13) | **(1,776)** | (1,017) |
| Gain (loss) on debt settlement | **(98)** | (13) | **(209)** | (683) |
| **Interest Expense** | **4,497** | 6,709 | **9,931** | 13,640 |

## TERM LOANS, PORTFOLIO LOAN, PORTFOLIO LOAN II AND CONVERTIBLE DEBENTURES

As at June 30, 2026, the weighted average interest rate on AHIP's term loans and portfolio loans was 7.56% (December 31, 2025 – 6.33%) and the weighted average term to maturity on AHIP's term loans and portfolio loans was 2.2 years (December 31, 2025 – 1.3 years).

The original principal amount of the Debentures is $50.0 million with a maturity date on December 31, 2026. The Debentures bear interest at a rate of 6.0% per annum, payable semi-annually in arrears on June 30 and December 31.

As of June 30, 2026, $49.7 million (December 31, 2025 - $49.7 million) aggregate principal amount of the Debentures was outstanding.

## EQUITY

| (Number of units, preferred shares, debentures, restricted stock units, options and warrants) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Units/shares issued and outstanding | | |
| Units | **71,747,501** | 71,972,659 |
| Series C preferred shares | **50,000** | 50,000 |
| | | |
| Units potentially issuable: | | |
| 2026 debentures | **10,046,465** | 10,046,465 |
| Restricted stock units | **2,316,434** | 2,440,094 |
| Warrants | **-** | 19,608,755 |

The numbers of issued and outstanding, series C preferred shares, 2026 debentures, Restricted stock units, stock options and warrants as of the date of this MD&A, are the same as the numbers in the table above as at June 30, 2026. Subsequent to June 30, 2026, 235,322 Units were purchased through the 2026 NCIB and 366,140 Units were cancelled; accordingly, there are 71,381,361 Units issued and outstanding as of the date of this MD&A.

### RESTRICTIONS UNDER THE INVESTOR RIGHTS AGREEMENT

As a result of the Series C remaining outstanding beyond the fifth anniversary of the issuance date, effective January 28, 2026, AHIP is restricted in the following areas absent prior consent from the Investor:

- Declaration and payment of dividends or distributions for Units;
- Voluntary prepayments or early redemption of certain obligations including the Convertible Debentures and purchases of outstanding equity securities;
- Acquiring or selling hotel properties or other significant assets, other than selling assets where the net proceeds are used to fully redeem Series C Shares;
- Voluntarily incurring Indebtedness, other than where the net proceeds are used to fully redeem Series C Shares;
- Funding capital expenditures, other than FF&E reserve payments, contractual PIPs or emergency capital expenditures; or
- Issuing any class of equity securities or securities convertible into or exchangeable for equity securities, unless the proceeds are used to fully redeem the Series C Shares.

In addition, the Investor is no longer subject to the standstill restrictions in the Investor Rights Agreement and can require AHIP to sell assets in order to generate net proceeds in an amount sufficient for AHIP to fully redeem the remaining Series C Shares. For further details, see a copy of the Investor Rights Agreement, available under AHIP's profile on SEDAR+ at www.sedarplus.ca.

## TAXATION

AHIP is not subject to tax under Part I of the Income Tax Act (Canada) (the "**Tax Act**"). Accordingly, no provision has been made for Canadian income taxes thereunder in respect of the partnership. The Tax Act also contains rules regarding the taxation of certain types of publicly listed or traded trusts and partnerships and their investors (the "**SIFT Measures**"). Management believes that AHIP is not a "SIFT partnership" as defined in the Tax Act and therefore not subject to the SIFT Measures. Accordingly, no provision has been made for Canadian income taxes. Management intends to operate AHIP in such a manner to remain exempt from the SIFT Measures.

On August 6, 2025, the U.S Subsidiary Inc.'s and AHIP's respective boards of directors determined that it was no longer in the best interests of the U.S. Subsidiary Inc. or AHIP, respectively, for the U.S. Subsidiary Inc. to continue to qualify as a REIT under the Code. Accordingly, AHIP has taken the steps necessary to change the U.S. Subsidiary Inc.'s taxation status under the Code from a REIT to a taxable C corporation for purposes of the U.S. Subsidiary Inc.'s 2025 fiscal year. As a result, the U.S. Subsidiary Inc. is not required to operate under the REIT rules in the Code in respect of its 2025 fiscal year or future years, including among other rules the requirement to distribute at least 90% of its taxable income to its stockholders. Effective January 1, 2025, the U.S. Subsidiary Inc. is not subject to federal and state income taxes on its taxable income at applicable tax rates and will no longer be entitled to a tax deduction for distributions paid to its stockholders. The U.S. Subsidiary Inc. operated as a REIT for the 2024 tax year and prior tax years, and existing REIT requirements and limitations, including those established by the U.S. Subsidiary Inc.'s organizational documents, remained in place through December 31, 2024. U.S. Subsidiary Inc. is disqualified from electing REIT status under the Code through December 31, 2029. For further information see "Amendment to the LP Agreement to Facilitate Change in U.S. Tax Status".

AHIP's indirect Canadian subsidiary, AHIP Management Ltd., is a taxable Canadian corporation subject to Canadian income tax. AHIP's indirect U.S. subsidiaries, AHIP Enterprises LLC and AHIP Properties III LLC, are subsidiaries of the U.S. Subsidiary Inc., which are treated as U.S. corporations subject to U.S. income tax.

## OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 2026, AHIP did not have any off-balance sheet arrangements that would materially impact its financial position or results of operations.

## RELATED PARTY TRANSACTIONS

Compensation:

Key management includes those people who have authority and responsibility for planning, directing, and controlling the activities of AHIP, directly or indirectly, and includes the Board. Total compensation awarded to key management for the three and six months ended June 30, 2026, was $0.3 million and $0.8 million, respectively (three and six months ended June 30, 2025: $1.1 million and $1.5 million), which included securities-based compensation expense of $nil million and $0.1 million, respectively (three and six months ended June 30, 2025: $0.01 million and $0.1 million).

## RISK FACTORS

Investing in AHIP's securities involves a high degree of risk. Current and prospective investors should carefully consider all of the risks disclosed in this MD&A and the following risk factors before purchasing Units, Debentures or any other securities of AHIP that may be offered or that are issued and outstanding from time to time. The occurrence of any of the such risks could materially and adversely affect AHIP's investments, prospects, cash flows, results of operations or financial condition and AHIP's ability to make cash distributions to Unitholders and interest and principal payments to holders of Debentures. In that event, the value of the Units, the Debentures or any other securities of AHIP that may be offered or that are issued and outstanding from time to time, could decline and investors may lose all or part of their investment. Although AHIP believes that the risk factors described herein and in AHIP's AIF are the most material risks that AHIP faces, they are not the only ones. Additional risk factors not presently known to AHIP or that AHIP currently believes are immaterial could also materially and adversely affect AHIP's investments, prospects, cash flows, results of operations or financial condition and AHIP's ability to make cash distributions to Unitholders and interest and principal payments to holders of Debentures and negatively affect the value of the Units, the Debentures or any other securities of AHIP that may be offered or that are issued and outstanding from time to time. In addition, some of the risks are interrelated and, consequently, current and prospective investors should treat such risk factors as a whole.

AHIP faces a variety of risks, the majority of which are inherent in the business conducted by AHIP, and common to real estate entities. Please refer to AHIP's AIF for the year ended December 31, 2025, for a description of these risk factors, available on SEDAR+ at www.sedarplus.ca.

**General**

The Units and Debentures involve a certain degree of risk. Any person currently holding or considering the purchase of Units, Debentures or any other securities of AHIP that may be offered or that are issued and outstanding from time to time, should be aware of these and other factors set forth in AHIP's AIF and should consult with his or her legal, tax and financial advisors prior to making an investment in the Units, Debentures or any other securities of AHIP that may be offered or that are issued and outstanding from time to time. The Units, Debentures and any other securities of AHIP that may be offered or that are issued and outstanding from time to time should only be purchased by persons who can afford to lose all of their investment.

**Minimum Net Worth Covenants**

Addressing AHIP's 2026 balance sheet obligations through asset sales could result in the U.S. Subsidiary Inc. failing to meet the minimum net worth covenants required under certain non-recourse CMBS loans, Portfolio Loan and Portfolio Loan II. A breach of these covenants would constitute an event of default, which could result in the affected loans becoming immediately due and payable. If any such loans remain outstanding, any such event of default would be limited to the applicable loan agreement and would not trigger a cross-default under the AHIP's other loan agreements.

## MATERIAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The preparation of the Interim Financial Statements in accordance with IAS 34, Interim Financial Reporting as issued by the IASB, requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, income, and expenses. Estimates and judgments are evaluated each reporting period and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These estimates and assumptions are subject to inherent risk of uncertainty and actual results may differ from these estimates and assumptions.

Significant areas of estimates and judgments include the following:

1. Going concern

   The continuation of AHIP as a going concern is subject to the implementation of the strategies coupled with the associated risks noted the sections "Liquidity and Capital Resources" and "Addressing 2026 Balance Sheet Obligations".

2. Financial statement classification of preferred shares and warrants
   Management used judgement in assessing, in accordance with IAS 32 Financial Instruments: Presentation, whether the preferred shares and warrants issued should be classified as a liability or an equity instrument. In making this judgement, management evaluated the criteria of whether a financial instrument is an equity instrument rather than a financial liability and determined that the preferred shares are an equity instrument, and the warrants are a financial liability.

3. Impairment

   IAS 36 Impairment of Assets ("**IAS 36**") requires management to use judgement in assessing whether there is an impairment of AHIP's cash-generating units ("**CGUs**"). In making this judgement, management evaluates, among other factors, internal and external indicators of impairment, such as changes in market conditions, the economic or legal environment and any appraisal obtained during the year. AHIP has determined that each hotel property is a separate CGU for purposes of assessing indicators of impairment and the CGU comprises the hotel's property, plant and equipment and any associated intangible assets.

   IAS 36 also requires management to exercise judgment in determining the recoverable amount of CGUs that are tested for impairment. Judgment is involved in estimating the fair value less cost of disposal or the value in use of the CGUs, including estimates of discount rates, terminal capitalization rates, revenue multiples, growth rates and forecasted net cash flows for those CGUs which were determined to have indicators of impairment. The estimates reflect past experience and are consistent with external sources of information. When measuring the fair value of the CGUs, AHIP uses observable market data to the extent possible.

4. Depreciation and amortization

Management has estimated the useful lives of property, buildings and equipment in the determination of depreciation. The estimated useful lives of property, buildings and equipment are determined based on various factors including historical data and AHIP's expected use of the assets. Intangible assets are amortized over the average remaining contractual term of the franchise agreements.

### NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18, *Presentation and Disclosure in Financial Statements*, which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces new presentation and disclosure requirements for financial statements and is effective for annual reporting periods beginning on or after January 1, 2027, including interim reporting periods, with retrospective application required. AHIP is currently assessing the impact of adopting IFRS 18 on its consolidated financial statements.

In May 2024, the IASB issued amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures*, relating to the derecognition of financial liabilities and additional disclosure requirements for certain financial instruments. The amendments became effective January 1, 2026, and did not have a material impact on AHIP's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2026.

## CONTROLS AND PROCEDURES

### DISCLOSURE CONTROLS AND PROCEDURES

As at June 30, 2026, the Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") have designed, or caused it to be designed under their supervision, disclosure controls and procedures ("**DC&P**"), as defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("**NI 52-109**"), to provide reasonable assurance that: (i) material information relating to AHIP is made known to the CEO and the CFO by others, particularly during the period in which the annual filings are being prepared; and (ii) information required to be disclosed by AHIP in its annual filings, interim filings, or other reports filed or submitted by AHIP under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

As at June 30, 2026, the CEO and the CFO have designed, or caused it to be designed under their supervision, internal control over financial reporting ("**ICFR**"), as defined in NI 52-109, to provide reasonable assurance regarding the reliability of AHIP's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The control framework used to design AHIP's ICFR is the framework set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

It should be noted that a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met and it should not be expected that the control system will prevent all errors and fraud.

During the second quarter of 2026, there were no changes in AHIP's ICFR that have materially affected, or are reasonably likely to materially affect, AHIP's ICFR.

## RESTATEMENT OF PRIOR PERIODS

AHIP has restated certain amounts previously reported in its 2024 financial statements. The amounts included in this MD&A reflect the restatements retroactively. The restatements are the result of the deconsolidation of certain subsidiaries in respect of which loan defaults occurred in Q1 2024 (four hotel properties), which hotel properties were ultimately placed into managed foreclosure processes.

The following tables present the impact of the restatement of AHIP's previously issued consolidated financial statements:

| **Consolidated Statement of Financial Position** | | **September 30, 2024** | |
|---|---|---|---|
| **(thousands of dollars)** | Reported | Adjustments | Restated |
| **Assets** | | | |
| Current assets: | | | |
| Cash and cash equivalents | 25,811 | - | 25,811 |
| Current portion of restricted cash | 23,856 | (4,066) | 19,790 |
| Trade and other receivables | 6,436 | (92) | 6,344 |
| Prepaids and other assets | 9,439 | (465) | 8,974 |
| Assets held for sale | 84,632 | - | 84,632 |
| | 150,174 | (4,623) | 145,551 |
| Other receivables | 5,757 | - | 5,757 |
| Restricted cash | 11,587 | (953) | 10,634 |
| Property, buildings and equipment | 687,751 | (59,863) | 627,888 |
| Intangible assets | 3,536 | (309) | 3,227 |
| Deferred income tax assets | 13,601 | - | 13,601 |
| | 872,406 | (65,748) | 806,658 |
| **Liabilities and Partners' Capital** | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 28,731 | 8 | 28,739 |
| Current portion of term loans and revolving credit facility | 222,510 | (10,493) | 212,017 |
| Liabilities related to assets held for sale | 37,044 | - | 37,044 |
| Current portion of lease and other liabilities | 101 | - | 101 |
| | 288,386 | (10,485) | 277,901 |
| Term loans and revolving credit facility | 312,195 | (49,603) | 262,592 |
| Convertible debentures | 45,792 | - | 45,792 |
| Lease and other liabilities | 586 | - | 586 |
| Deferred management fee | 1,802 | - | 1,802 |
| Deferred income tax liabilities | 3,040 | - | 3,040 |
| | 651,801 | (60,088) | 591,713 |
| Partners' capital attributable to Unitholders | 177,035 | (5,659) | 171,376 |
| Non-controlling interest | 43,570 | - | 43,570 |
| | 872,406 | (65,748) | 806,658 |

| Consolidated Statements of Comprehensive Loss | Three months ended September 30, 2024 | | | Nine months ended September 30, 2024 | | |
|---|---|---|---|---|---|---|
| **(thousands of dollars)** | Reported | Adjustments | Restated | Reported | Adjustments | Restated |
| Revenue: | | | | | | |
| Rooms | 61,018 | - | 61,018 | 191,127 | (3,244) | 187,883 |
| Food and beverage and other | 4,710 | - | 4,710 | 14,704 | (78) | 14,626 |
| | 65,728 | - | 65,728 | 205,831 | (3,322) | 202,509 |
| Hotel expenses: | | | | | | |
| Operating expenses | 35,057 | - | 35,057 | 109,328 | (1,770) | 107,558 |
| Energy | 2,977 | - | 2,977 | 8,672 | (126) | 8,546 |
| Property maintenance | 3,805 | - | 3,805 | 12,002 | (313) | 11,689 |
| Property taxes, insurance and ground lease | 4,414 | (127) | 4,287 | 14,474 | (740) | 13,734 |
| Total operating expenses | 46,253 | (127) | 46,126 | 144,476 | (2,949) | 141,527 |
| Net operating income | 19,475 | 127 | 19,602 | 61,355 | (373) | 60,982 |
| Depreciation and amortization | 6,872 | (50) | 6,822 | 21,564 | (436) | 21,128 |
| Income from operating activities | 12,603 | 177 | 12,780 | 39,791 | 63 | 39,854 |
| Corporate and administrative | 2,996 | - | 2,996 | 11,235 | (84) | 11,151 |
| Write-off (recovery) of property, building and equipment | (2,032) | - | (2,032) | 188 | - | 188 |
| Impairment of cash-generating units | 2,229 | - | 2,229 | 11,402 | - | 11,402 |
| Other Income | 400 | - | 400 | (2,399) | - | (2,399) |
| Loss (gain) on deconsolidation of subsidiary | - | 364 | 364 | - | 2,807 | 2,807 |
| Gain on sale of properties | (1,105) | - | (1,105) | (1,347) | - | (1,347) |
| Gain on convertible debenture conversion | - | - | - | (245) | - | (245) |
| Income (loss) from operations before undernoted | 10,115 | (187) | 9,928 | 20,957 | (2,660) | 18,297 |
| Finance income | (58) | - | (58) | (169) | - | (169) |
| Change in fair value of warrants | 4 | - | 4 | (134) | - | (134) |
| Finance costs | 10,386 | (15) | 10,371 | 31,948 | (520) | 31,428 |
| Income (loss) before income taxes | (217) | (172) | (389) | (10,688) | (2,140) | (12,828) |
| Current income tax expense (recovery) | 11 | - | 11 | 47 | - | 47 |
| Deferred income tax expense (recovery) | (602) | - | (602) | (1,409) | - | (1,409) |
| Income (loss) and comprehensive income (loss) | 374 | (172) | 202 | (9,326) | (2,140) | (11,466) |
| Income (loss) attributable to: | | | | | | |
| Unitholders | (776) | (172) | (948) | (12,713) | (2,140) | (14,853) |
| Non-controlling interest | 1,150 | - | 1,150 | 3,387 | - | 3,387 |
| | 374 | (172) | 202 | (9,326) | (2,140) | (11,466) |
| Basic loss per Unit: | 0.00 | | 0.00 | (0.12) | | (0.14) |
| Diluted loss per Unit: | 0.00 | | 0.00 | (0.12) | | (0.14) |
| Basic weighted average number of Units outstanding | 79,233,573 | | 79,233,573 | 79,155,095 | | 79,155,095 |
| Diluted weighted average number of Units outstanding | 81,561,758 | | 81,561,758 | 79,155,095 | | 79,155,095 |

| Consolidated Statements of Cash Flows | Three months ended September 30, 2024 | | | Nine months ended September 30, 2024 | | |
|---|---|---|---|---|---|---|
| **(thousands of dollars)** | Reported | Adjustments | Restated | Reported | Adjustments | Restated |
| Cash provided by (used in): | | | | | | |
| **Operating activities:** | | | | | | |
| Loss and comprehensive loss | 374 | (172) | 202 | (9,326) | (2,140) | (11,466) |
| Interest paid | (7,725) | - | (7,725) | (29,488) | - | (29,488) |
| Items not affecting cash: | | | | | | |
| Depreciation and amortization | 6,872 | (50) | 6,822 | 21,564 | (436) | 21,128 |
| Impairment of cash-generating units | 2,229 | - | 2,229 | 11,402 | - | 11,402 |
| Write-off (recovery) of property, buildings and equipment | (2,032) | - | (2,032) | 188 | - | 188 |
| Loss (gain) on deconsolidation of subsidiary | - | 364 | 364 | - | 2,807 | 2,807 |
| Gain on sale of properties | (1,105) | - | (1,105) | (1,347) | - | (1,347) |
| Gain on conversion of convertible debenture | - | - | - | (245) | - | (245) |
| Securities-based compensation expense | 156 | - | 156 | 325 | - | 325 |
| Deferred income tax (expense) recovery | (602) | - | (602) | (1,409) | - | (1,409) |
| Change in fair value of warrants | 4 | - | 4 | (134) | - | (134) |
| Finance costs | 10,386 | (15) | 10,371 | 31,948 | (520) | 31,428 |
| Deferred management fees | 197 | - | 197 | 650 | - | 650 |
| Other income | 400 | - | 400 | (2,399) | - | (2,399) |
| | 9,154 | 127 | 9,281 | 21,729 | (289) | 21,440 |
| Change in non-cash working capital: | (3,147) | (127) | (3,274) | (5,035) | 289 | (4,746) |
| | 6,007 | - | 6,007 | 16,694 | - | 16,694 |
| **Investing activities:** | | | | | | |
| Additions to property, buildings and equipment | (8,201) | - | (8,201) | (17,094) | - | (17,094) |
| Proceeds from sale of hotel | 54,641 | - | 54,641 | 71,441 | - | 71,441 |
| Insurance proceeds for property damage | - | - | - | 7,218 | - | 7,218 |
| Principal and interest from loan receivable | (54) | - | (54) | (159) | - | (159) |
| Net change in restricted cash | 4,834 | - | 4,834 | (4,185) | - | (4,185) |
| | 51,220 | - | 51,220 | 57,221 | - | 57,221 |
| **Financing activities:** | | | | | | |
| Principal payments on term loans | (47,284) | - | (47,284) | (80,541) | - | (80,541) |
| Distributions to non-controlling interest | - | - | - | (2,237) | - | (2,237) |
| Payments on lease liabilities | (27) | - | (27) | (220) | - | (220) |
| Proceeds from revolving credit facility | - | - | - | 17,500 | - | 17,500 |
| Financing costs paid | (27) | - | (27) | (404) | - | (404) |
| | (47,338) | - | (47,338) | (65,902) | - | (65,902) |
| Increase in cash and cash equivalents | 9,889 | | 9,889 | 8,013 | | 8,013 |
| Cash and cash equivalents, beginning of period | 15,922 | | 15,922 | 17,798 | - | 17,798 |
| Cash and cash equivalents, end of period | 25,811 | | 25,811 | 25,811 | - | 25,811 |