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# DELTA REPORT

## 10-Q

IHT - INNSUITES HOSPITALITY TRU

10-Q - APRIL 30, 2025 COMPARED TO 10-Q - OCTOBER 31, 2024

The following comparison report has been automatically generated

**TOTAL DELTAS** 1366

<span style="color: yellow;">█</span>	<b>CHANGES</b>	372
<span style="color: pink;">█</span>	<b>DELETIONS</b>	498
<span style="color: green;">█</span>	<b>ADDITIONS</b>	496

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED For The Quarterly Period Ended **OCTOBER 31, 2024** April 30, 2025

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

Commission File Number 1-7062

**INNSUITES HOSPITALITY TRUST**

(Exact name of registrant as specified in its charter)

**Ohio**

(State or other jurisdiction of  
of incorporation or organization)

**34-6647590**

(I.R.S. Employer  
Identification Number)

**InnSuites Hospitality Centre**  
1730 E. Northern Avenue, Suite 122  
Phoenix, AZ 85020  
(Address of principal executive offices)

Registrant's telephone number, including area code: **(602) 944-1500**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>		
Smaller reporting company	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Aggregate market value of Shares of Beneficial Interest held by non-affiliates of the registrant as of **July 31, 2023** **July 31, 2024**, based upon the closing sales price of the registrant's Shares of Beneficial Interest on that date, as reported on the NYSE AMERICAN: **\$3,716,836**, **\$3,716,836**.

Number of outstanding Shares of Beneficial Interest, without par value, as of **December 16, 2024** **June 20, 2025**: 8,763,485.

Securities registered pursuant to Section 12(b) of the Act:

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Shares of beneficial interest without par value	IHT	NYSE-American NYSE-American

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PART I  
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS  
INNSUITES HOSPITALITY TRUST AND SUBSIDIARIES  
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	OCTOBER 31, 2024	JANUARY 31, 2024	APRIL 30, 2025	JANUARY 31, 2025
<b>ASSETS</b>				
Current Assets:				
Cash	\$ 451,905	\$ 1,325,368	\$ 13,004	\$ 92,752
Accounts Receivable	48,359	111,946	118,798	194,943
Employee Retention Credit Receivable	1,233,527	1,233,527	1,233,527	1,233,527
Prepaid Expenses and Other Current Assets	709,772	310,891	180,993	199,233
Total Current Assets	2,443,563	2,981,732	1,546,322	1,720,455
Property and Equipment, net	6,863,255	7,051,192	6,825,212	6,811,614
Notes Receivable (net)	1,925,000	1,925,000	1,925,000	1,925,000
Operating Lease – Right of Use	2,073,111	2,088,693	2,062,333	2,067,761
Convertible Note Receivable	1,000,000	1,000,000	1,000,000	1,000,000
Investment in Private Company Stock	668,750	633,750	668,750	668,750
<b>TOTAL ASSETS</b>	<b>\$ 14,973,679</b>	<b>\$ 15,680,367</b>	<b>\$ 14,027,617</b>	<b>\$ 14,193,580</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Liabilities:				
Current Liabilities:				
Accounts Payable and Accrued Expenses	\$ 773,454	\$ 1,049,530	\$ 617,889	\$ 652,624
Current Portion of Mortgage Notes Payable, net of Discount	241,709	230,921	251,074	241,709
Current Portion of Other Notes Payable	470,000	470,000	470,000	470,000
Current Portion of Operating Lease Liability	19,743	6,268	27,141	26,812
Total Current Liabilities	1,504,906	1,756,719	1,366,104	1,391,145
Notes Payable - Related Party	749,950	-	1,084,275	1,151,225
Mortgage Notes Payable, net of Discount	8,851,475	9,019,664	8,706,646	8,802,737
Operating Lease Liability, net of current portion	2,216,563	2,249,072	2,196,084	2,202,995
<b>TOTAL LIABILITIES</b>	<b>13,322,894</b>	<b>13,025,455</b>	<b>13,353,109</b>	<b>13,548,102</b>
<b>COMMITMENTS AND CONTINGENCIES</b>				
<b>SHAREHOLDERS' EQUITY</b>				

Shares of Beneficial Interest, without par value, unlimited authorization; 8,988,804 and 8,988,804 shares issued and 8,763,485 and 8,791,822 shares outstanding at October 31, 2024 and January 31, 2024, respectively	6,137,160	7,039,055
Treasury Stock, 225,319 and 196,982 shares held at cost at October 31, 2024 and January 31, 2024, respectively	(917,425)	(872,238)
Shares of Beneficial Interest, without par value, unlimited authorization; 8,988,804 and 8,988,804 shares issued and 8,763,485 and 8,763,485 shares outstanding at April 30, 2025 and January 31, 2025, respectively		5,349,018 5,470,050
Treasury Stock, 225,319 and 225,319 shares held at cost at April 30, 2025 and January 31, 2025, respectively		(917,425) (917,425)
<b>TOTAL TRUST SHAREHOLDERS' EQUITY</b>	<b>5,219,735</b>	<b>6,166,817</b>
<b>NON-CONTROLLING INTEREST</b>	<b>(3,568,950)</b>	<b>(3,511,905)</b>
<b>TOTAL EQUITY</b>	<b>1,650,785</b>	<b>2,654,912</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 14,973,679</b>	<b>\$ 15,680,367</b>

See accompanying notes to unaudited condensed consolidated financial statements

INNSUITES HOSPITALITY TRUST AND SUBSIDIARIES  
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	2024		2023		FOR THE THREE MONTHS ENDED			
	FOR THE NINE MONTHS ENDED							
	OCTOBER 31,							
	2024	2023	2025	2024	APRIL 30,	2024		
<b>REVENUE</b>								
Room	\$ 5,764,638	\$ 5,644,555	\$ 2,124,672	\$ 2,236,478				
Food and Beverage	71,220	38,484	30,444	22,654				
Other	123,632	68,544	50,647	34,838				
<b>TOTAL REVENUE</b>	<b>5,959,490</b>	<b>5,751,583</b>	<b>2,205,763</b>	<b>2,293,970</b>				
<b>OPERATING EXPENSES</b>								
Room	1,935,206	1,866,195	660,935	664,565				
Food and Beverage	71,567	138,532	26,087	28,164				
General and Administrative	1,662,161	1,774,858	467,766	606,454				
Sales and Marketing	349,245	294,288	126,920	115,571				
Repairs and Maintenance	313,340	338,323	108,933	105,897				
Hospitality	450,654	346,086	158,481	154,729				
Utilities	312,165	315,530	85,593	97,660				
Depreciation	520,847	502,097	182,300	173,042				
Real Estate and Personal Property Taxes, Insurance and Ground Rent	575,274	278,523	158,139	162,579				
Other	22,740	26,970	8,213	6,880				
<b>TOTAL OPERATING EXPENSES</b>	<b>6,213,199</b>	<b>5,881,402</b>	<b>1,983,367</b>	<b>2,115,541</b>				
<b>OPERATING LOSS</b>	<b>(253,709)</b>	<b>(129,819)</b>						
<b>OPERATING INCOME</b>					222,396	178,429		
Other Income	19,649	32,806	750	10,667				
Interest Income	15,151	33,872	-	15,112				
<b>TOTAL OTHER INCOME</b>	<b>34,800</b>	<b>66,678</b>	<b>750</b>	<b>25,779</b>				
Interest on Mortgage Notes Payable	321,778	361,641	145,263	112,321				
Interest on Other Notes Payable	16,059	15,898	5,940	5,289				
<b>TOTAL INTEREST EXPENSE</b>	<b>337,837</b>	<b>377,539</b>	<b>151,203</b>	<b>117,610</b>				
<b>CONSOLIDATED NET LOSS BEFORE EMPLOYEE RETENTION CREDIT</b>	<b>(556,746)</b>	<b>(440,680)</b>						
Employee Retention Credit	-	1,052,373						
<b>CONSOLIDATED NET (LOSS) INCOME</b>	<b>\$ (556,746)</b>	<b>\$ 611,693</b>						
<b>CONSOLIDATED NET INCOME BEFORE EMPLOYEE RETENTION CREDIT</b>					71,943	86,598		
BW Rewards Credit					(33,153)	-		
Income Tax Benefit					240	-		

<b>CONSOLIDATED NET INCOME</b>				<b>\$ 39,030</b>	<b>\$ 86,598</b>
LESS: NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTEREST	\$ 254,912	\$ 314,808	\$ 160,062	\$ 235,148	
<b>NET (LOSS) INCOME ATTRIBUTABLE TO CONTROLLING INTERESTS</b>	<b>\$ (811,658)</b>	<b>\$ 296,885</b>			
NET (LOSS) INCOME PER SHARE – BASIC & DILUTED	\$ (0.09)	\$ 0.03			
<b>NET LOSS ATTRIBUTABLE TO CONTROLLING INTERESTS</b>			<b>\$ (121,032)</b>	<b>\$ (148,550)</b>	
NET LOSS PER SHARE – BASIC & DILUTED			\$ (0.01)	\$ (0.02)	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC & DILUTED	8,781,199	9,111,614	8,665,019	8,703,337	

See accompanying notes to unaudited condensed consolidated financial statements

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**INNSUITES HOSPITALITY TRUST AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

**FOR THE THREE MONTHS ENDED  
OCTOBER 31,**

	<b>2024</b>	<b>2023</b>
<b>REVENUE</b>		
Room	\$ 1,755,976	\$ 1,779,713
Food and Beverage	22,957	9,779
Other	46,195	35,007
<b>TOTAL REVENUE</b>	<b>1,825,128</b>	<b>1,824,499</b>
<b>OPERATING EXPENSES</b>		
Room	570,313	605,559
Food and Beverage	20,209	45,320
General and Administrative	536,440	551,031
Sales and Marketing	98,995	96,218
Repairs and Maintenance	97,805	126,863
Hospitality	141,802	114,389
Utilities	104,365	105,001
Depreciation	174,767	167,311
Real Estate and Personal Property Taxes, Insurance and Ground Rent	210,754	162,847
<b>TOTAL OPERATING EXPENSES</b>	<b>1,955,450</b>	<b>1,974,539</b>
<b>OPERATING LOSS</b>		
Other Income	(130,322)	(150,040)
Interest Income	4,821	13,991
<b>TOTAL OTHER INCOME</b>	<b>4,821</b>	<b>14,226</b>
Interest on Mortgage Notes Payable	86,498	119,601
Interest on Other Notes Payable	5,483	5,288
<b>TOTAL INTEREST EXPENSE</b>	<b>91,981</b>	<b>124,889</b>
<b>CONSOLIDATED NET LOSS BEFORE EMPLOYEE RETENTION CREDIT</b>	<b>(217,482)</b>	<b>(260,703)</b>
Employee Retention Credit	-	350,791
<b>CONSOLIDATED NET (LOSS) INCOME</b>	<b>\$ (217,482)</b>	<b>\$ 90,088</b>
LESS: NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTEREST	\$ 58,883	\$ 28,644
<b>NET (LOSS) INCOME ATTRIBUTABLE TO CONTROLLING INTERESTS</b>	<b>\$ (276,365)</b>	<b>\$ 61,444</b>
<b>NET (LOSS) INCOME PER SHARE – BASIC &amp; DILUTED</b>	<b>\$ (0.03)</b>	<b>\$ 0.01</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC &amp; DILUTED</b>	<b>8,820,159</b>	<b>9,215,629</b>

See accompanying notes to unaudited condensed consolidated financial statements

**INNSUITS HOSPITALITY TRUST AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY**

**FOR THE THREE AND NINE MONTHS ENDED OCTOBER 31, 2024 APRIL 30, 2025**

	Shares of Beneficial Interest		Treasury Stock		Trust Shareholders' Equity	Non-Controlling Interest	Total Equity
	Shares	Amount	Shares	Amount			
Balance, January 31, 2024	8,791,822	\$ 7,039,055	196,982	\$(872,238)	\$ 6,166,817	\$(3,511,905)	\$ 2,654,912
Net Income	-	(148,550)	-	-	(148,550)	235,148	86,598
Purchase of Treasury Stock	(18,456)	-	18,456	(25,493)	(25,493)	-	(25,493)
Distribution to Non-Controlling Interests	-	-	-	-	-	(152,620)	(152,620)
Balance, April 30, 2024	<u>8,773,366</u>	<u>\$ 6,890,505</u>	<u>215,438</u>	<u>\$(897,731)</u>	<u>\$ 5,992,774</u>	<u>\$(3,429,377)</u>	<u>\$ 2,563,397</u>
Net Loss	-	(386,743)	-	-	(386,743)	(39,119)	(425,862)
Purchase of Treasury Stock	(9,881)	-	9,881	(19,694)	(19,694)	-	(19,694)
Dividends	-	(90,237)	-	-	(90,237)	-	(90,237)
Distribution to Non-Controlling Interests	-	-	-	-	-	(76,652)	(76,652)
Balance, July 31, 2024	<u>8,763,485</u>	<u>\$ 6,421,402</u>	<u>225,319</u>	<u>\$(917,425)</u>	<u>\$ 5,503,977</u>	<u>\$(3,545,148)</u>	<u>\$ 1,958,829</u>
Net Loss	-	(276,365)	-	-	(276,365)	58,883	(217,482)
Distribution to Non-Controlling Interests	-	-	-	-	-	(82,685)	(82,685)
Balance, October 31, 2024	<u>8,763,485</u>	<u>\$ 6,137,160</u>	<u>225,319</u>	<u>\$(917,425)</u>	<u>\$ 5,219,735</u>	<u>\$(3,568,950)</u>	<u>\$ 1,650,785</u>

	Shares of Beneficial Interest		Treasury Stock		Trust Shareholders' Equity	Non-Controlling Interest	Total Equity
	Shares	Amount	Shares	Amount			
Balance, January 31, 2025	8,763,485	\$ 5,470,050	225,319	\$(917,425)	\$ 4,552,625	\$(3,907,147)	\$ 645,478
Net Income	-	(121,032)	-	-	(121,032)	160,062	39,030
Sales of Ownership Interests in Subsidiary, net	-	-	-	-	-	(10,000)	(10,000)
Balance, April 30, 2025	<u>8,763,485</u>	<u>\$ 5,349,018</u>	<u>225,319</u>	<u>\$(917,425)</u>	<u>\$ 4,431,593</u>	<u>\$(3,757,085)</u>	<u>\$ 674,508</u>

**FOR THE THREE AND NINE MONTHS ENDED OCTOBER 31, 2023 APRIL 30, 2024**

	Shares of Beneficial Interest		Treasury Stock		Trust Shareholders' Equity	Non-Controlling Interest	Total Equity
	Shares	Amount	Shares	Amount			
Balance, January 31, 2024	8,791,822	\$ 7,039,055	196,982	\$(872,238)	\$ 6,166,817	\$(3,511,905)	\$ 2,654,912
Net Income	-	(148,550)	-	-	(148,550)	235,148	86,598
Purchase of Treasury Stock	(18,456)	-	18,456	(25,493)	(25,493)	-	(25,493)
Distribution to Non-Controlling Interests	-	-	-	-	-	(152,620)	(152,620)
Balance, April 30, 2024	<u>8,773,366</u>	<u>\$ 6,890,505</u>	<u>215,438</u>	<u>\$(897,731)</u>	<u>\$ 5,992,774</u>	<u>\$(3,429,377)</u>	<u>\$ 2,563,397</u>
	Shares of Beneficial Interest		Treasury Stock		Trust Shareholders' Equity	Non-Controlling Interest	Total Equity
	Shares	Amount	Shares	Amount			
Balance, January 31, 2023	9,010,909	\$ 6,992,148	150,680	\$(417,100)	\$ 6,575,048	\$(2,892,903)	\$ 3,682,145
Net Income	-	226,388	-	-	226,388	228,837	455,225
Shares of Beneficial Interest Issued for Services Rendered	-	19,760	-	-	19,760	-	19,760
Distribution to Non-Controlling Interests	-	-	-	-	-	(149,439)	(149,439)
Balance, April 30, 2023	<u>9,010,909</u>	<u>\$ 7,248,516</u>	<u>150,680</u>	<u>\$(417,100)</u>	<u>\$ 6,831,416</u>	<u>\$(2,813,505)</u>	<u>\$ 4,017,911</u>

Net Income	-	9,053	-	-	9,053	57,327	66,380
Purchase of Treasury Stock	(103,322)	-	103,322	(226,180)	(226,180)	-	(226,180)
Shares of Beneficial Interest Issued for Services Rendered	46,000	3,387	-	-	3,387	-	3,387
Dividends	-	(90,062)	-	-	(90,062)	-	(90,062)
Reconciliation of Treasury Shares	-	-	(218,785)	-	-	-	-
Distribution to Non-Controlling Interests	-	-	-	-	-	(196,903)	(196,903)
Balance, July 31, 2023	<u>8,953,587</u>	<u>\$ 7,170,894</u>	<u>35,217</u>	<u>\$ (643,280)</u>	<u>\$ 6,527,614</u>	<u>\$ (2,953,081)</u>	<u>\$ 3,574,533</u>
Net Income	-	61,444	-	-	61,444	28,644	90,088
Purchase of Treasury Stock	(120,416)	-	130,416	(172,984)	(172,984)	-	(172,984)
Distribution to Non-Controlling Interests	-	-	-	-	-	(222,880)	(222,880)
Balance, October 31, 2023	<u>8,833,171</u>	<u>\$ 7,222,118</u>	<u>165,633</u>	<u>\$ (816,264)</u>	<u>\$ 6,405,854</u>	<u>\$ (3,147,317)</u>	<u>\$ 3,258,537</u>

See accompanying notes to unaudited condensed consolidated financial statements

INNSUITES HOSPITALITY TRUST AND SUBSIDIARIES  
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	2024		2023		2025		2024	
	FOR THE NINE MONTHS ENDED				FOR THE THREE MONTHS ENDED			
	OCTOBER 31,		2024	2023	2025	2024		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Consolidated Net Loss (Income)	\$	(556,746)	\$	611,693				
Adjustments to Reconcile Consolidated Net Income to Net Cash (Used In) Provided By Operating Activities:								
Consolidated Net Income					\$ 39,030	\$ 86,598		
Adjustments to Reconcile Consolidated Net Income to Net Cash Provided By (Used In) Operating Activities:								
Employee Retention Credit		-		871,219		-		-
Stock-Based Compensation		-		23,147		-		-
Depreciation		520,847		502,097	182,300	173,042		
Changes in Assets and Liabilities:								
Accounts Receivable		63,587		49,698	76,145	(22,200)		
Prepaid Expenses and Other Assets		(398,881)		(231,388)	18,240	(462,217)		
Operating Lease		(3,452)		(3,443)	(1,154)	(1,150)		
Finance Lease		-		(2,065)	-	-		
Accounts Payable and Accrued Expenses		(276,076)		(309,808)	(34,735)	(233,490)		
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>		(650,721)		1,511,150				
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					279,826	(459,417)		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Improvements and Additions to Hotel Properties		(332,910)		(360,083)	(195,898)	(150,826)		
Payments on Investments in UniGen		(35,000)		(30,000)				
Payments on Investments in Unigen				-		(35,000)		
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(367,910)		(390,083)	(195,898)	(185,826)		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Principal Payments on Mortgage Notes Payable		(157,401)		(169,326)	(86,726)	(64,669)		
Borrowings (Payments) on Notes Payable - Related Party		749,950		(100,000)				
Payment of Dividends		(90,237)		(90,062)				
Payments on Notes Payable - Related Party					(66,950)	-		

Distributions to Non-Controlling Interest Holders	(311,957)	(569,222)	-	(152,620)
Sale of Ownership Interest in Subsidiary, net			(10,000)	-
Repurchase of Treasury Stock	(45,187)	(399,164)	-	(25,493)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>145,168</b>	<b>(1,327,774)</b>		
<b>NET CASH USED IN FINANCING ACTIVITIES</b>			<b>(163,676)</b>	<b>(242,782)</b>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(873,463)	(206,707)	(79,748)	(888,025)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,325,368	2,111,383	92,752	1,325,368
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 451,905</b>	<b>\$ 1,904,676</b>	<b>\$ 13,004</b>	<b>\$ 437,343</b>

See accompanying notes to unaudited condensed consolidated financial statements

**INNSUITES HOSPITALITY TRUST AND SUBSIDIARIES**  
**NOTES TO UNAUDITED ~~CONDENSED~~ CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF ~~OCTOBER 31, 2024, APRIL 30, 2025, AND JANUARY 31, 2024~~ 2025**  
**AND FOR THE THREE ~~AND NINE~~ MONTHS ENDED ~~OCTOBER 31, APRIL 30, 2025 AND 2024~~ AND 2022**

## 1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

As of ~~October 31, 2024~~ April 30, 2025, InnSuites Hospitality Trust (the “Trust”, “IHT”, “we”, “us” or “our”) is a publicly traded unincorporated Ohio real estate investment trust (REIT) ~~with two hotels that IHT has an ownership interest in and manages.~~ The Trust and its shareholders directly in and through a Partnership, own interests in two hotels with an aggregate of 270 hotel suites in Arizona and New Mexico. Both are operated under the federally trademarked name “InnSuites”, as well as operating under the brand name “Best Western”. The Trust and its shareholders hold a \$1 million 6% convertible debenture in UniGen Power Inc., (“UniGen”), approximately \$668,750 in UniGen’s privately-held common stock (575,000 shares), and hold warrants to make further UniGen Investments in the future.

IHT is currently taxed as a C corporation, founded and first listed on NYSE 55 years ago with uninterrupted annual dividends each year since inception in 1971. IHT is pursuing opportunities in ownership and management of hotels, reservations and branding services of independent hotels, and diversified development of innovative new efficient clean energy generation. Ownership of hotels takes place through Tucson Hospitality Properties and Albuquerque Suite Hotels subsidiaries. Management of hotels, and management of InnIndependent Boutique Collection Hotels (IBC), is handled through RRF Limited Liability Limited Partnership (RRF), its management subsidiary. Diversified clean energy investment takes place through investment in UniGen Power Inc.

### Hotel Operations:

Our Tucson, Arizona Hotel and our Hotel located in Albuquerque, New Mexico are moderate service hotels. Both hotels offer swimming pools, fitness centers, business centers, and complimentary breakfast. In addition, the Hotels offer complementary social areas and modest conference facilities. The Tucson hotel has “PJ’s” Pub and Café, as well.

The Trust is the sole general partner of RRF Limited Partnership, LLLP, a Delaware limited liability limited partnership (the “Partnership”), and owned a 75.89% interest in the Partnership as of ~~October 31, 2024~~ April 30, 2025 and ~~January 31, 2024~~ January 31, 2025, respectively. The Trust’s weighted average ownership for the ~~nine~~ three months ended ~~October 31, 2024~~ April 2025 and ~~2023~~ 2024 was 75.89%, respectively. As of ~~October 31, 2024~~ April 30, 2025, the Partnership owned a ~~51.62~~ 51.75% interest in an InnSuites® hotel located in Tucson, Arizona. The Trust owns a direct 21.90% interest in an InnSuites® hotel located in Albuquerque, New Mexico.

RRF Limited Liability Limited Partnership, LLLP, an IHT subsidiary, manages the Hotels’ daily operations under 2 management agreements. RRF also provides the use of the “InnSuites” trademark to the Hotels. All expenses and reimbursements between the Trust and RRF LLLP Partnership have been eliminated in consolidation.

The Trust classified the Hotels as operating assets, but these assets are available for sale. At this time, the Trust is unable to predict when, and if, either of these will be sold. Neither the Tucson Hotel nor the Albuquerque Hotel is currently listed for sale, but the Trust is willing to consider offers for each Hotel. Each of the Hotels is being made available at a price that management believes is reasonable in relation to its current fair market value, earnings, profits, and replacement cost.

## PRINCIPLES OF CONSOLIDATION AND BASIS OF PRESENTATION

These unaudited condensed financial statements have been prepared by management in accordance with accounting principles in conformity with accounting principles generally accepted in the United States of America (“GAAP”), and include all assets, liabilities, revenues and expenses of the Trust and its subsidiaries, as listed in the table below. All material intercompany transactions and balances have been eliminated. Certain items have been reclassified to conform to the current fiscal year presentation. The Trust exercises unilateral control over the Partnership and the entities listed below. Therefore, the unaudited condensed financial statements of the Partnership and the entities listed below are consolidated with the Trust, and all intercompany transactions and balances have been eliminated.

ENTITY	IHT OWNERSHIP %		
	DIRECT	INDIRECT (i)	
Albuquerque Suite Hospitality, LLC	21.90 %	21.90 %	-
Tucson Hospitality Properties, LLLP	-	51.75	51.62 %
RRF LLLP Limited Partnership	75.89 %	75.89 %	-

(i) Tucson Indirect ownership is through the Partnership

## PARTNERSHIP AGREEMENT

The Partnership Agreement of the Partnership provides for the issuance of two classes of Limited Liability Limited Partnership units, Class A and Class B. Class A and Class B Partnership units are identical in all respects. On **October 31, 2024** April 30, 2025 and **January 31, 2024** January 31, 2025, 211,755 and 200,003 Class A Partnership units were issued and outstanding, representing 1.601.51% of the total Partnership units, respectively. Additionally, as of **October 31, 2024** April 30, 2025 and **January 31, 2024** January 31, 2025, 2,974,038 Class B Partnership units were outstanding to and owned by James Wirth, the Trust's Chairman and Chief Executive Officer, and Mr. Wirth's affiliates, representing 22.51% ownership in the Partnership. If all the Class A and B Partnership units were converted on **October 31, 2024** April 30, 2025 and **January 31, 2024** January 31, 2025, the limited partners in the Partnership would receive 3,185,793 and 3,174,041 Shares of Beneficial Interest of the Trust, respectively. As of **October 31, 2024** April 30, 2025, and **January 31, 2024** January 31, 2025, the Trust owns 10,025,724 general partner units in the Partnership, representing 75.89% of the total Partnership units.

## LIQUIDITY

The Trust's principal source of cash to meet its cash requirements is revenues from hotel room reservations room/suite sales, and from RRF Hotel Management fees from the Tucson, Arizona and Albuquerque, New Mexico properties. The Trust's liquidity, including our ability to make distributions to its shareholders, and to service debt, and to invest in hotels, reservation services, and energy diversification, will depend upon the ability of the Trust and the Partnership's ability to generate sufficient cash flow from hotel operations and RRF management, as well as to generate funds from repayment of intercompany advances, and sale of assets. assets, and return on diversification investments.

At a future date, the Trust may receive cash from hotel reservations, and energy operations and/or full or partial sale of one or both hotels, and/or full or partial sale of its interest in IBC or UniGen diversification investment.

As of **October 31, 2024** April 30, 2025, the Trust had a related party Demand/Revolving Line of Credit/Promissory Note with an amount payable of approximately \$750,000 1.1 million. The Demand/Revolving Line of Credit/Promissory Note accrues interest at 7.0% per annum, and requires interest only payments. payments, has been paused. The Demand/Revolving Line of Credit/Promissory Note has a maximum borrowing capacity to \$2,000,000, which automatically renews annually. This is a two-way Line of Credit, with both the Trust and an Affiliate lender having access to draw on the credit amount of up to \$2,000,000 for either party.

As of **October 31, 2024** April 30, 2025, the Trust had three Revolving lines of Credit totaling \$250,000 with the Republic Bank of Arizona. The lines had a zero balance as of **October 31, 2024** April 30, 2025.

With approximately \$452,000 13,000 of cash, as of **October 31, 2024** April 30, 2025, the availability of over \$1,250,000 1 million from the combined \$2,000,000 Advance to Affiliate credit facilities, and the \$250,000 Revolving Lines of Credit with Republic Bank, the Trust believes that it has and will have enough cash on hand to meet all of the financial obligations as they become due for twelve months or more from the date of filing this 10-Q. In addition, management is analyzing strategic options available to the Trust, including the sale or refinance of one or both Hotel properties, or sale of other investments. investments, and potential improved profitability and cash flow from hotels, management, reservation services, and energy. However, such transactions may not be available on terms that are favorable to the Trust, or at all.

There can be no assurance that the Trust will be successful in selling properties, merging, improving operations profitability and/or cash flow, or raising additional or replacement funds, or that these funds may be available on terms that are favorable to it. If the Trust is unable to raise additional or replacement funds, it may be required to raise additional funds from affiliates, to sell or refinance certain of our assets to meet liquidity needs, which may not be on terms that are favorable.

## BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared by the Trust in accordance with **Generally Accepted Accounting Principles ("GAAP")**, **GAAP** for interim financial information, and pursuant to the instructions to Form 10-Q and Article 10 of Regulation S-X promulgated by the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statement presentation. However, the Trust believes that the disclosures are adequate to make the information presented not misleading. In the opinion of management, all adjustments (consisting primarily of normal recurring accruals) considered necessary for a fair presentation have been included.

Operating results for the **Fiscal Nine Months** **three months** ended **October 31, 2024** **April 30, 2025**, are not necessarily indicative of the results that may be expected for the **Fiscal Year** **year** ending January 31, 2025. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes thereto included in the Trust's Annual Report on Form 10-K for the **Fiscal Year** **year** ended **January 31, 2024** **January 31, 2025**.

The Trust has evaluated subsequent events through the date of the filing of its Form 10-Q with the Securities and Exchange Commission. The Trust changed Auditors and Transfer Agents in the 2025 Second Fiscal Quarter (May 1, 2024 to July 31, 2024). Other than **these, and** those events disclosed **indicating the recovery of** **including a new push into independent hotel reservations and services, and fluctuation in** economic and business activity, the Company is not aware of any other significant events that occurred subsequent to the balance sheet date but prior to the filing of this report that would have a material impact on the Trust's financial statements.

As the general partner of the Partnership, the Trust exercises unilateral control over the Partnership. Therefore, the financial statements of the Partnership are consolidated with the Trust, and all significant intercompany transactions and balances have been eliminated.

Under Accounting Standards Codification ("ASC") Topic 810-10-25, Albuquerque Suite Hospitality, LLC has been determined to be a variable interest entity with the Partnership as the primary beneficiary (see Note 4 – "Variable Interest Entity"). Therefore, the financial statements of Albuquerque Suite Hospitality, LLC, are consolidated with the Trust, and all significant intercompany transactions and balances have been eliminated.

The financial statements of the Partnership **including management activities, and management directly of** Tucson Hospitality Properties, LLLP, are consolidated with the Partnership and the Trust, and all significant intercompany transactions and balances have been eliminated.

## SEASONALITY OF THE HOTEL BUSINESS

The Hotels' operations historically have been somewhat seasonal. The Tucson Arizona Hotel historically experiences the highest occupancy in the first Fiscal Quarter (the winter high season) and, to a lesser extent, the fourth Fiscal Quarter. The second Fiscal Quarter (summer low season) historically tends to be the lowest occupancy period at this Arizona Hotel. **This seasonality pattern can be expected to cause fluctuations in the Trust's quarterly revenues.** The Hotel located in Albuquerque, New Mexico historically experiences its most profitable periods during the second and third Fiscal Quarters (the summer high season), providing **some** balance to the general seasonality of the Trust's hotel business.

The seasonal nature of the Trust's business increases its vulnerability to risks such as travel disruptions, labor force shortages and cash flow issues. Further, if an adverse event such as **tariff related economic fluctuations, an actual or threatened virus pandemic, terrorist attack, international conflict or trade war, data breach, regional economic downturn or poor weather** should occur at either of its two hotels, the adverse impact to the Trust's revenues and profit could be significant.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### USE OF ESTIMATES

The preparation of the unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the audited condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Trust's operations are affected by numerous factors, including the economy, inflation, virus/pandemic, competition in the hotel industry and the effect of **tariffs** and the economy on the travel and hospitality industries. The Trust cannot predict if any of the above items will have a significant impact in the future, nor can it predict what impact, if any, the occurrence of these or other events might have on the Trust's operations and cash flows. Significant estimates and assumptions made by management include, but are not limited to, the estimated useful lives of long-lived assets and recoverability of long-lived assets and the fair values of the long-lived assets.

### PROPERTY AND EQUIPMENT

Furniture, fixtures, building and improvements and hotel properties are stated at cost, except for land, and depreciated using the straight-line method over estimated lives ranging up to 40 years for buildings and improvements, and 3 to 10 years for furniture, fixtures, and equipment.

Land is an indefinite-lived asset. The Trust tests its land for impairment annually, or whenever events or changes in circumstances **indicates** **indicate** an impairment may have occurred, by comparing its carrying value to its implied fair value.

For tax purposes the Trust takes advantage of accelerated depreciation methods (MACRS) for new capital additions and improvements to its Hotels.

Management applies guidance ASC 360-10-35, to determine when it is required to test an asset for recoverability of its carrying value and whether, or not, an impairment exists. Under ASC 360-10-35, the Trust is required to test a long-lived asset for impairment when there is an indicator of impairment. Impairment indicators may include, but are not limited to, a drop in the performance of a long-lived asset, a decline in the travel and hospitality industry or a decline in the economy. If an indicator of potential impairment is present, then an assessment is performed of whether the carrying amount of an asset exceeds its estimated undiscounted future cash flows over its estimated remaining life.

If the estimated undiscounted future cash flows over the asset's estimated remaining life are greater than the asset's carrying value, no impairment is recognized; however, if the carrying value of the asset exceeds the estimated undiscounted future cash flows, then the Trust would recognize an impairment expense to the extent the asset's carrying value exceeds its fair value, if any. The estimated future cash flows are based upon, among other things, assumptions about expected future operating performance, and may differ from actual cash flows. Long-lived assets evaluated for impairment are analyzed on a property-specific basis independent of the cash flows of other groups of assets. Evaluation of future cash flows is based on historical experience and other factors, including certain economic conditions, and committed future bookings. Management has determined no impairment is required of long-lived assets for the Fiscal Period ended **October 31, 2024** **April 30, 2025**.

## CASH

The Trust believes it places its cash only with high credit quality financial institutions, although these balances periodically exceed federally insured limits.

## REVENUE RECOGNITION

### Hotel and Operations

Revenues are primarily derived from the sources below and are recognized as services are rendered and when collectability is reasonably assured. Amounts received in advance of revenue recognition are considered deferred liabilities and are generally not significant.

Revenues primarily currently consist of room rentals, food and beverage sales, management and trademark fees and other miscellaneous revenues from our properties. Revenues are recorded when rooms are occupied and when food and beverage sales are delivered. Management and trademark fees include a monthly accounting fee and a percentage of hotel room revenues for managing the daily operations of the Hotels.

Each room night consumed by a guest with a cancelable reservation represents a contract whereby the Trust has a performance obligation to provide the room night at an agreed upon price. For cancellable reservations, the Trust recognizes revenue as each performance obligation (i.e., each room night) is met. Such contract is renewed if the guest continues their stay. For room nights consumed by a guest with a non-cancellable reservation, the entire reservation period represents the contract term whereby the Trust has a performance obligation to provide the room night or nights at an agreed upon price. For non-cancellable reservations, the Trust recognizes revenue over the term of the performance period (i.e., the reservation period) as room nights are consumed. For these reservations, the room rate is typically fixed over the reservation period. The Trust uses an output method based on performance completed to date (i.e., room nights consumed) to determine the amount of revenue it recognizes on a daily basis if the length of a non-cancellable reservation exceeds one night since consumption of room nights indicates when services are transferred to the guest. In certain instances, variable consideration may exist with respect to the transaction price, such as discounts, coupons and price concessions made upon guest checkout.

In evaluating its performance obligation, the Trust bundles the obligation to provide the guest the room itself with other obligations (such as free Wi-Fi, complimentary breakfast, and high speed internet), as the other obligations are not distinct and separable because the guest cannot benefit from the additional amenities without the consumed room night. The Trust's obligation to provide the additional items or services is not separately identifiable from the fundamental contractual obligation (i.e., providing the room and its contents). The Trust has no performance obligations once a guest's stay is complete.

We are required to collect certain taxes and fees from customers on behalf of government agencies and remit these back to the applicable governmental agencies on a periodic basis. We have a legal obligation to act as a collection agent. We do not retain these taxes and fees and, therefore, they are not included in revenues. We record a liability when the amounts are collected and relieve the liability when payments are made to the applicable taxing authority or other appropriate governmental agency.

#### ACCOUNTS RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are derived from guest stays and other reservations at the Hotels. Accounts receivable are carried at original amounts billed less an estimate made for doubtful accounts based on a review of outstanding amounts on a quarterly basis. Management generally records an allowance for doubtful accounts for 50% of balances over 90 days due and 100% of balances over 120 days due. Accounts receivable are written off when collection efforts have been exhausted and they are deemed uncollectible. Recoveries, if any, of receivables previously written off are recorded when received. The Trust does not charge interest on accounts receivable balances and these receivables are unsecured. There is approximately \$10,000 and \$4,000 in the allowance for doubtful accounts for the periods three months ended October 31, 2024 April 30, 2025, and January 31, 2024 the Fiscal Year ended January 31, 2025.

## LEASE ACCOUNTING

The Trust determines, at the inception of a contract, if the arrangement is a lease and whether it meets the classification criteria for a finance or operating lease. Right of Use (ROU), assets represent the Trust's right to use an underlying asset during the lease term and lease liabilities represent the Trust's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of fixed lease payments over the lease term. ROU assets also include any advance lease payments and exclude lease incentives. As most of the Trust's operating leases do not provide an implicit rate, the Trust uses its incremental borrowing rate based on information available at commencement date in determining the present value of lease payments. Finance lease agreements generally include an interest rate that is used to determine the present value of future lease payments. Operating fixed lease expense and finance lease depreciation expense are recognized on a straight-line basis over the lease term (see Note 14).

## TRUSTEE STOCK-BASED COMPENSATION

The Trust has an employee equity incentive plan, which is described more fully in Note 15 - "Share-Based Payments." The three independent members of the Board of Trustees each earn 6,000 IHT fully paid restricted Shares per year. All shares vest over one year from date of grant. The Trust has paid the annual fees due to its Trustees by issuing Shares of Beneficial Interest out of its authorized but unissued Shares. Upon issuance, the Trust recognizes the shares as outstanding. The Trust recognizes expense related to the issuance based on the fair value of the shares upon the date of the restricted share grant and amortizes the expense equally over the period during which the shares vest to the Trustees. From time to time, the Trustees and key employees receive one-time fully paid restricted share grants, as well.

## TREASURY STOCK

Treasury stock is carried at cost, including any brokerage commissions paid to repurchase the shares. Any shares issued from treasury stock are removed at cost, with the difference between cost and fair value at the time of issuance recorded against Shares of Beneficial Interest.

## NET **INCOME** LOSS PER SHARE

Basic and diluted net income per Share of Beneficial Interest is computed based on the weighted-average number of Shares of Beneficial Interest and potentially dilutive securities outstanding during the period. Dilutive securities are limited to the Class A and Class B units of the Partnership, which are convertible into **3,185,793** **3,174,041** Shares of the Beneficial Interest, as discussed in Note 1.

For the **Fiscal Nine Months** three months ended **October 31, 2024** **April 30, 2025**, and **2023, 2024**, there were Class A and Class B Partnership units outstanding, which are convertible into Shares of Beneficial Interest of the Trust. Assuming conversion at the beginning of each period, the aggregate weighted-average of these Shares of Beneficial Interest would have been 3,185,793 in addition to the basic shares outstanding for the **Fiscal Third Quarter, Fiscal Three Months** years ended **October 31, 2024** **April 30, 2025** and **2023, 2024**, respectively. These Shares of Beneficial Interest issuable upon conversion of the Class A and Class B Partnership units were anti-dilutive during the three months ended **October 31, 2024** **April 30, 2025** and **2023, 2024** and are excluded in the calculation of diluted earnings per share for those periods.

#### ADVERTISING COSTS

Amounts incurred for advertising costs are expensed as incurred. Advertising expense for continuing operations totaled approximately \$54,000 84,000 and \$77,000 79,000 for the three months ended **October 31, 2024** **April 30, 2025** and **2023, 2024** respectively, and \$153,000 and \$242,000 for is reported in the **nine months ended October 31, 2024** and **2023, respectively**, consolidated Statement of Operations.

#### CONCENTRATION OF CREDIT RISK

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Trust to a concentration of credit risk consist primarily of cash and cash equivalents. Management's assessment of the Trust's credit risk for cash and cash equivalents is low as cash and cash equivalents are held in financial institutions believed to be credit worthy. The Trust limits its exposure to credit loss by placing its cash with various major financial institutions and invests only in short-term obligations.

While the Trust is exposed to credit losses due to the non-performance of its counterparties, the Trust considers the risk of this remote. The Trust estimates its maximum credit risk for accounts receivable at the amount recorded on the balance sheet.

#### FAIR VALUE OF FINANCIAL INSTRUMENTS

For disclosure purposes, fair value is determined by using available market information and appropriate valuation methodologies. Fair value is defined as the price that would be received from the sale of an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. The fair value framework specifies a hierarchy of valuation techniques, which is based on whether the inputs into the valuation technique are observable or unobservable. The fair value hierarchy levels are as follows:

- Level 1 – Valuation techniques in which all significant inputs are unadjusted quoted prices from active markets for assets or liabilities that are identical to the assets or liabilities being measured.

- Level 2 – Valuation techniques in which significant inputs include quoted prices from active markets for assets or liabilities that are similar to the assets or liabilities being measured and / or quoted prices for assets or liabilities that are identical or similar to the assets or liabilities being measured from markets that are not active. Also, model-derived valuations in which all significant inputs and significant value drivers are observable in active markets are level 2 valuation techniques.
- Level 3 – Valuation techniques in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are valuation technique inputs that reflect a company's own judgments about the assumptions that market participants would use in pricing an asset or liability.

The Trust has assets that are carried at fair value on a recurring basis, including stock and warrants in a 3<sup>rd</sup> party private company on the unaudited condensed consolidated balance sheet.

Due to their short maturities, the carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value. The fair value of mortgage notes payable, notes payable to banks and notes and advances payable to related parties is estimated by using the current rates which would be available for similar loans having the same remaining maturities and are based on level 3 inputs.

#### CONVERTIBLE NOTE RECEIVABLE, COMMON STOCK AND WARRANTS IN UNIGEN POWER, INC.

On December 16, 2019, the Trust entered into a Convertible Debenture Purchase Agreement with UniGen Power Inc. ("UniGen").

The Trust purchased secured convertible debentures ("Debentures") in the aggregate amount of \$1,000,000 (the "Loan Amount") at an annual interest rate of 6% (approximately \$15,000 per quarter). The Debentures are convertible into 1,000,000 Class A shares of UniGen Common Stock at an initial conversion rate of \$1.00 per share.

UniGen issued the Trust common stock purchase warrants (the "Debenture Warrants") to purchase up to 1,000,000 shares of Class A Common Stock. The Debenture Warrants are exercisable at an exercise price of \$1.00 per share of Class A Common Stock.

UniGen also issued the Trust additional common stock purchase warrants ("Additional Warrants") to purchase up to 500,000 shares of UniGen Class A Common Stock. The Additional Warrants are exercisable at an exercise price of \$2.25 per share of Class A Common Stock.

The total of all stock ownership upon conversion of the note receivable is 1million shares and if all stock warrants available are exercised, shares from conversion of the note receivable and shares from the exercise of warrants could total up to approximately 2 million UniGen shares, which amounts up to approximately 15-20% of fully diluted UniGen equity.

Certain stock option warrants have expired, but may be extended to secure additional funds as part of the current UniGen effort to raise additional capital, and complete the first two prototypes.

On the Trust's balance sheet, the investment of the \$1,000,000 consists of approximately \$700,000 in note receivables and approximately \$300,000 as the fair value of the warrant issued with the Trust's investment in UniGen. The value of the premium related to the fair value of the warrants will accrete over the life of the debentures.

The value of the warrants issued with the note receivable was based on Black-Scholes pricing model based on the following inputs:

#### Debenture Warrants

Type of option	Call option
Stock price	\$ 2.25
Exercise (Strike) price	\$ 1.00
Time to maturity (years)	2.0
Annualized risk-free rate	1.630 %
Annualized volatility	27.43 %

Type of option	Call option
Stock price	\$ 2.25
Exercise (Strike) price	\$ 1.00
Time to maturity (years)	2.0
Annualized risk-free rate	1.630 %
Annualized volatility	27.43 %

#### Additional Warrants

Type of option	Call option
Stock price	\$ 2.25
Exercise (Strike) price	\$ 2.25
Time to maturity (years)	3.0
Annualized risk-free rate	1.630 %
Annualized volatility	27.43 %

During the Fiscal year ended January 31, 2024, the Trust reinvested \$ If all notes are converted and all available but not outstanding warrants exercised, IHT could hold up to approximately 45,000 15-20% of interest income to exercise 45,000 warrants for 45,000 shares of common stock in UniGen. UniGen fully diluted equity ownership.

During the First Fiscal Quarter (February 1, 2024 to April 30, 2024), three months year ended April 30, 2024 January 31, 2025, the Trust reinvested \$35,000 of interest income to exercise 35,000 warrants for 35,000 shares of common stock in UniGen. These warrants were exercised entirely in the First Fiscal Quarter of 2025, during the three months ended April 30, 2024.

During the Second Fiscal Quarter (May 1, 2024 to July 31, 2024), three months ended July 31, 2024, as well as the Third Fiscal Quarter (August 1, 2024 to October 31, 2024), three months ended October 31, 2024, and Fourth Fiscal Quarter (November 1, 2024 to January 31, 2025), the Trust did not receive any interest income from UniGen, and thus did not exercise any warrants for additional shares of common stock in UniGen.

As of October 31, 2024 April 30, 2025, IHT held 575,000 common shares of UniGen, purchased at a cost of \$668,750. Management believes recording the investment at cost approximates fair value since there have been no significant changes in the operations of UniGen and UniGen's projects are still in the developmental R&D phase.

UniGen Power Inc. (UPI), progress of the UPI efficient clean energy innovation is as follows:

1. UniGen largely has stated they have completed 61% of engineering, and is now focused on raising additional capital, which is an ongoing process. IHT may/may not participate, at a future date.

2. Due to global tariffs, travel and economic events, an increasingly unreliable American power grid, increasing demand for electric vehicles, increasing demand for data center power, Artificial Intelligence electricity demand, inflation, and supply chain pressures, the UniGen marketing team estimates product's market has grown, and grown. The market for total electricity in the U.S. is projected to double over the next five years. UniGen previously increased the MSP planned power plant price. The initial order for thirty units has been reaffirmed.

James Wirth (President) and Marc Berg (Executive Vice President) both lack significant control. They have hold two of the five Board of Directors seats or 40% and were elected in December 2019 to serve on the board of UniGen. This product is a potentially power industry disruptive relatively clean, efficient, energy generation innovation.

The Trust has valued UniGen investment as a level 3 fair value measurement, for the following reasons: The investment does not qualify for level 1 since there are no identical actively traded instruments or level 2 identical or similar unobservable markets.

#### OTHER RECENT PRONOUNCEMENTS

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) and the SEC did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

#### 3. OWNERSHIP INTERESTS IN ALBQUERQUE AND TUCSON SUBSIDIARIES

The Trust has sold non-controlling interests in certain subsidiaries, including Albuquerque Suite Hospitality, LLC (the "Albuquerque entity") and Tucson Hospitality Properties, LLLP (the "Tucson entity, which sales are described in detail in our Annual Report on Form 10-K filed on April 8, 2024, with the Securities and Exchange Commissions. Generally, interests have sold for \$10,000 per unit with a two-unit minimum subscription. The Trust maintains at least 50.1% of the units in one of the entities and intends to maintain this minimum ownership percentage. Generally, the units in the each of the entities

are allocated to three classes with differing cumulative discretionary priority distribution rights through a certain time period. Class A units are owned by unrelated third parties and have priority for distributions. Class B units are owned by the Trust and have second priority for distributions. Class C units are owned by Rare Earth or other affiliates of Mr. Wirth and have the lowest priority for distributions. Priority distributions of \$700 per unit per year are cumulative until a certain date; however, after that date, generally Class A unit holders continue to hold a preference on distributions over Class B and Class C unit holders. The Trust does not accrue for these distributions as the preference periods have expired.

On February 15, 2017, the Trust and Partnership entered into a restructuring agreement with Rare Earth Financial, LLC (“REF”) to allow for the sale of non-controlling partnership units in Albuquerque Suite Hospitality LLC (“Albuquerque”) for \$10,000 per unit, which operates the Best Western InnSuites Albuquerque Hotel and Suites Airport hotel property, a 112 unit hotel in Albuquerque, New Mexico (the “Property”). This restructuring is part of the Trust’s Equity Enhancement Plan to comply with Section 1003(a)(iii) of the NYSE American Company Guide. For the ~~nine~~ three months ending ~~October 31, 2024~~ April 30, 2025 and ~~2023~~, 2024, the Trust sold 0 units for \$10,000 per unit, respectively.

On October 1, 2013, the Partnership entered into an updated restructured limited partnership agreement with Rare Earth to allow for the sale of additional **Partnership** interest units in the Tucson entity for \$10,000 per unit. Under the agreement, Rare Earth agreed to either purchase or bring in other investors to purchase up to 160 (and potentially up to 200 if the overallotment is exercised) units. Under the terms of the updated restructuring agreement, the Partnership agreed to hold at least 50.1% of the outstanding limited partnership units in the Tucson entity, on a post-transaction basis, and intends to maintain this minimum ownership percentage through the purchase of units under this offering. The Board of Trustees approved this restructuring on September 14, 2013. The limited partnership interests in the Tucson entity are allocated to three classes with differing cumulative discretionary priority distribution rights through June 30, 2017. Class A units are owned by unrelated third parties and have priority for distributions. Class B units are owned by the Partnership and have second priority for distributions. Class C units are owned by Rare Earth or other affiliates of Mr. Wirth and have the lowest priority for distributions from the Tucson entity. Priority distributions of \$700 per unit per year are cumulative until June 30, 2016; however, after June 30, 2016 Class A unit holders continue to hold a preference on distributions over Class B and Class C unit holders. The Trust does not accrue for these distributions as the preference periods have expired. For the three months ending April 30, 2025 and 2024, the Trust purchased 1 and 0 units for \$10,000 per unit, respectively.

For the Albuquerque entity, ~~three~~ 0 Class A units were ~~sold~~ purchased back to ~~by~~ the Trust during the ~~Fiscal Year~~ three months ended ~~January 31, 2024~~ for ~~\$30,000~~ April 30, 2025. As of ~~October 31, 2024~~, April 30, 2025 and ~~January 31, 2024~~ January 31, 2025, respectively, the Trust held a 21.90% and 21.50% ownership interest, or 132.5 and 129 Class B units, in the Albuquerque entity. Mr. Wirth and his affiliates held a 0.17% interest, or 1 Class C units, and other parties held a 77.93% and 78.33% interest, or 471.50471.5 and 470 Class A units. For the three months ended April 30, 2025, the Albuquerque entity made no quarterly Priority Return payments.

For the Tucson entity, as of ~~October 31, 2024~~, April 30, 2025 and ~~January 31, 2024~~ January 31, 2025, respectively, the Partnership held a 51.62 51.75% and 51.01 51.62% ownership interest, or 413.50 414.5 and 404 413.5 Class B units, in the Tucson. Mr. Wirth and his affiliates held a 0.25% and 0.38% interest, or 32 Class C units, and other parties held a 48.13 48.00% and 48.61 48.13% interest, or 385.5 384.5 and 385 385.5 Class A units. For the three months ended April 30, 2025, the Tucson entity made no quarterly Priority Return payments.

#### 4. VARIABLE INTEREST ENTITIES

Management evaluates the Trust's explicit and implicit variable interests to determine if they have any interests in variable interest entities ("VIEs"). Variable interests are contractual, ownership, or other pecuniary interests in an entity whose value changes with changes in the fair value of the entity's net assets, exclusive of variable interests. Explicit variable interests are those which directly absorb the variability of a VIE and can include contractual interests such as loans or guarantees as well as equity investments. An implicit variable interest acts the same as an explicit variable interest except it involves the absorbing of variability indirectly, such as through related party arrangements or implicit guarantees. The analysis includes consideration of the design of the entity, its organizational structure, including decision making ability over the activities that most significantly impact the VIE's economic performance. GAAP requires a reporting entity to consolidate a VIE when the reporting entity has a variable interest, or combination of variable interest, that provides it with a controlling financial interest in the VIE. The entity that consolidates a VIE is referred to as the primary beneficiary of that VIE.

The Partnership has determined that the Albuquerque entity is a variable interest entity with the Partnership as the primary beneficiary with the ability to exercise control, as determined under the guidance of ASC Topic 810-10-25. In its determination, management considered the following qualitative and quantitative factors:

- a) The Partnership, Trust, and their related parties, which share common ownership and management, have guaranteed material financial obligations of the Albuquerque hotel.
- b) The Partnership, Trust and their related parties have maintained, as a group, a controlling ownership interest in the Albuquerque hotel, with the largest ownership belonging to the Trust.
- c) The Partnership, Trust and their related parties have maintained control over the decisions which most impact the financial performance of the Albuquerque hotel, including providing the personnel to operate the property daily.

During the **nine****three** months ended **October 31, 2024** **April 30, 2025** and the Fiscal Year ended **January 31, 2024** **January 31, 2025**, neither the Trust nor the Partnership have provided any implicit or explicit financial support for which they were not previously contracted. Both the Partnership and the Trust provided mortgage loan guarantees which allowed our properties to obtain financing as needed.

#### 5. PROPERTY AND EQUIPMENT

As of **October 31, 2024** **April 30, 2025**, and **January 31, 2024** **January 31, 2025**, hotel properties consisted of the following:

<b>HOTEL SEGMENT</b>	<b>October 31, 2024</b>	<b>January 31, 2024</b>	<b>April 30, 2025</b>	<b>January 31, 2025</b>
	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Land	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Building and improvements	11,217,026	11,094,373	11,304,977	11,225,376
Furniture, fixtures and equipment	4,668,009	4,450,747	4,909,151	4,792,854
Total hotel properties	18,385,035	18,045,120	18,714,128	18,518,230
Less accumulated depreciation	(11,545,740)	(11,028,366)	(11,911,614)	(11,729,945)
Hotel properties, net	6,839,295	7,016,754	6,802,514	6,788,285

As of **October 31, 2024** **April 30, 2025**, and **January 31, 2024** **January 31, 2025**, corporate property, plant, and equipment consisted of the following:

<b>CORPORATE PP&amp;E</b>	<b>October 31, 2024</b>	<b>January 31, 2025</b>
Land	\$ -	\$ -
Building and improvements	75,662	7
Furniture, fixtures and equipment	392,878	39
Total property, plant and equipment	468,540	47
Less accumulated depreciation	(444,580)	(44
<b>Property, Plant and Equipment, net</b>	<b>\$ 23,960</b>	<b>\$ 3</b>

**CORPORATE PP&E**

	<b>April 30, 2025</b>	<b>January 31, 2025</b>
Land	\$ -	\$ -
Building and improvements	75,662	75,662
Furniture, fixtures and equipment	392,878	392,878
Total property, plant and equipment	<u>468,540</u>	<u>468,540</u>
Less accumulated depreciation	(445,842)	(445,211)
Property, Plant and Equipment, net	<u><u>\$ 22,698</u></u>	<u><u>\$ 23,329</u></u>

## 6. MORTGAGE NOTES PAYABLE

On March 29, 2022 Tucson Hospitality Properties LLLP, 51% owned by RRF LLLP, a subsidiary of InnSuites Hospitality Trust, funded a new loan for \$8.4 million to refinance its relatively low \$4.5 million first position debt along with approximately \$3.8 million in inter-company advances from IHT used to complete the Best Western Product Improvement Plan ("PIP") refurbishment of the Hotel at an interest rate of 4.99% financed on a 25 year amortization with no prepayment penalty and no balloon. This credit facility is guaranteed by InnSuites Hospitality Trust, RRF LLLP, Limited Partnership, Rare Earth Financial, LLC, James F. Wirth and Gail J. Wirth, and the Wirth Family Trust dated July 14, 2016. As of **October 31, 2024** **April 30, 2025**, and **January 31, 2024**, **January 31, 2025** the mortgage loan balance was approximately **\$8,089,000** **7,812,000**, and **\$7,888,000**, respectively, net of financing fees of approximately \$88,000 and \$8,224,000 **89,000**, respectively. The mortgage note payable is due in monthly **instalments** **installments** of approximately **\$49,778** **50,000**.

On December 2, 2019, Albuquerque Suites Hospitality, LLC entered into a \$1.4 million Business Loan Agreement ("Albuquerque Loan") as a first mortgage credit facility with Republic Bank of Arizona. The Albuquerque Loan has a maturity date of December 2, 2029. The Albuquerque Loan has an initial interest rate of 4.90% for the first five years and thereafter a variable rate equal to the US Treasury + 3.5% with a floor of 4.90% and no prepayment penalty. This credit facility is guaranteed by InnSuites Hospitality Trust. As of **October 31, 2024** **April 30, 2025**, and **January 31, 2025** the mortgage loan balance was approximately **\$1,227,000** **1,146,000**, and **\$1,156,000**, respectively, net of financing fees of approximately **\$11,000** **8,000**, and \$9,000, respectively. The mortgage note payable is due in monthly **instalments** **installments** of approximately **\$9,217** **10,000** per month.

Total interest expense See Note 9 – "Minimum Debt Payments" for scheduled minimum payments on the mortgage notes payable was \$323,788 and \$360,636 for the nine months ended **October 31 2024** and 2023, respectively, and \$89,462 and \$120,555 for the three months ended **October 31, 2024** and 2023, respectively, payable.

## 7. NOTES PAYABLE AND NOTES RECEIVABLE – RELATED PARTY

On December 1, 2014, the Trust entered a Demand/Revolving Line of Credit/Promissory Note with Rare Earth Financial, LLC, an entity which is wholly owned by Mr. Wirth and his family members. The Demand/Revolving Line of Credit/Promissory Note, as amended on June 19, 2017, bears interest at of up to 7.0% per annum for both a payable and receivable, interest is due quarterly but was paused beginning in Fiscal Year 2025, matures on **August 24, 2024** **August 24, 2025**, and automatically renews annually each calendar year. No prepayment penalty exists on the Demand/Revolving Line of Credit/Promissory Note. The balance fluctuates significantly through the period. On December 30, 2020, the Demand/Revolving Line of Credit/Promissory Note was extended and increased to the current level of \$2,000,000. As of **October 31, 2024** **April 30, 2025**, and **January 31, 2024** **January 31, 2025**, the Trust had an amount payable of approximately **\$1,084,000** and **\$750,000** **1,151,000**, respectively. During the nine three months ended **October 31, 2024** **April 30, 2025** and **2023, 2024**, the Trust accrued approximately \$0, respectively, of interest expense.

Total interest expense on notes payable to related party was \$0 and \$0 for the nine months ended October, 31 2024 and 2023, respectively, and \$0 and \$0 for the three months ended October 31, 2024 and 2023, respectively.

#### 8. OTHER NOTES PAYABLE

As of October 31, 2024 April 30, 2025, the Trust had approximately \$0 in promissory notes outstanding to unrelated third parties arising from the repurchase of 0 Class A Partnership units in privately negotiated transactions. These promissory notes bear interest at 7% per year and are due in varying monthly payments through January 2025.

As of April 30, 2025, the Trust had a \$200,000 unsecured note payable with an individual lender. The promissory note is payable 90 days with notice, or in August 2025, whichever occurs first, and may be extended. The loan accrues interest at 5% and interest only payments shall be made monthly. The Trust may pay all or part of this note without any repayment penalties. The total principal amount of this loan is \$200,000 as of October 31, 2024 April 30, 2025.

On July 1, 2019, the Trust and the Partnership together entered into an unsecured loan totalling totaling \$270,000 with an individual investor at 5%, interest only, payable monthly. The loan has been subsequently extended to May 2026. The Trust may pay all or part of this note without any repayment penalties. The total principal amount of this loan is \$270,000 as of October 31, 2024 April 30, 2025.

Total interest expense on other notes payable was \$16,059 and \$15,863 for the nine months ended October 31, 2024 and 2023, respectively, and \$5,484 and \$5,288 for the three months ended October 31, 2024 and 2023, respectively.

See Note 9 – “Minimum Debt Payments” for scheduled minimum payments on the debt liabilities.

## 9. MINIMUM DEBT PAYMENTS

Scheduled minimum payments of debt, net of debt discounts, as of **October 31, 2024** **April 30, 2025** are approximately as follows in the respective Fiscal Years indicated:

FISCAL YEAR	MORTGAGES	NOTES PAYABLE - RELATED PARTY			TOTAL	MORTGAGES	OTHER NOTES PAYABLE	NOTES PAYABLE - RELATED PARTY		TOTAL
		OTHER NOTES PAYABLE	-	RELATED PARTY				NOTES PAYABLE - RELATED PARTY	NOTES PAYABLE - RELATED PARTY	
2025	59,044	-	-	-	59,044					
2026	247,906	200,000	749,950	1,197,856	1,197,856	185,557	470,000	-	655,557	
2027	260,999	270,000	-	530,999	530,999	260,999	-	1,084,275	1,345,274	
2028	263,125	-	-	263,125	263,125	263,125	-	-	263,125	
2029	274,685	-	-	274,685	274,685	274,685	-	-	274,685	
2030					1,160,904					1,160,904
Thereafter	7,987,425	-		7,987,425	7,987,425	6,812,450	-			6,812,450
	<u>\$ 9,093,184</u>	<u>\$ 470,000</u>	<u>\$ 749,950</u>	<u>\$ 10,313,134</u>	<u>\$ 10,313,134</u>	<u>\$ 8,957,720</u>	<u>\$ 470,000</u>	<u>\$ 1,084,275</u>	<u>\$ 1,084,275</u>	<u>\$ 10,511,995</u>

## 10. DESCRIPTION OF BENEFICIAL INTERESTS

Holders of the Trust's Shares of Beneficial Interest are entitled to receive dividends when and if declared by the Board of Trustees of the Trust out of funds legally available. The holders of Shares of Beneficial Interest, upon any liquidation, dissolution or winding-down of the Trust, are entitled to share ratably in any assets remaining after payment in full of all liabilities of the Trust. The Shares of Beneficial Interest possess ordinary voting rights, each share entitling the holder thereof to one vote. Holders of Shares of Beneficial Interest do not have cumulative voting rights in the election of Trustees and do not have preemptive rights.

For the **nine** **three** months ended **October 31, 2024**, **April 30, 2025** and **2023**, **2024**, the Trust repurchased **28,337** **0** and **223,738** **18,456** Shares of Beneficial Interest at an average price of **\$1.59** **0.00** and **\$1.16** **1.38** per share, respectively. The average price paid includes brokerage commissions. The Trust **has currently paused any additional** **intends to continue** repurchasing Shares of Beneficial **Interest**. **Interest** in compliance with applicable legal and NYSE AMERICAN requirements.

## 11. RELATED PARTY TRANSACTIONS

As of **October 31, 2024** **April 30, 2025**, and **January 31, 2024** **January 31, 2025**, Mr. Wirth and his affiliates held 2,974,038 Class B Partnership units, which represented 22.51% of the total outstanding Partnership units, respectively. As of **October 31, 2024** **April 30, 2025**, and **January 31, 2024** **January 31, 2025**, Mr. Wirth and his affiliates held 6,250,296 and 5,876,683 respectively, Shares of Beneficial Interest in the Trust, which represented 73.20% and 73.04% respectively, of the total issued and outstanding Shares of Beneficial Interest.

As of **October 31, 2024** **April 30, 2025**, and **January 31, 2024** **January 31, 2025**, the Trust owned 75.89% of the Partnership. Partnership, respectively. As of **October 31, 2024** **April 30, 2025**, the Partnership owned a **51.62** **51.75%** interest in the InnSuites® hotel located in Tucson. The Trust also owned a direct 21.90% interest in one InnSuites® hotel located in Albuquerque, New Mexico.

The Trust directly manages the Hotels through the Trust's majority-owned subsidiary, RRF **LLLP, LLLP (RRF)**. Under the management agreements, RRF manages the daily operations of both Trust Hotels. All Trust managed Hotel expenses, revenues and reimbursements among the Trust, and the Partnership have been eliminated in consolidation. The management fees for the Hotels are 5% of room revenue and a monthly accounting fee of \$2,000 per hotel. These agreements have no expiration dates but may be cancelled by either party with 30-days written notice, or potentially sooner in the event the property changes ownership.

The Trust employs part time, an immediate family member of Mr. Wirth, Brian James Wirth, who provides part time IT Technology support services to the Trust, receiving up to approximately \$37,000, per year plus bonuses.

## 12. STATEMENTS OF CASH FLOWS, SUPPLEMENTAL DISCLOSURES

The Trust paid **\$336,000** **151,000** and **\$375,000** **117,000** in cash for interest for the **nine** **three** months ended **October 31, 2024** **April 30, 2025** and **2023, 2024**, respectively for operations. The amounts related to Notes Payables - IHT Shares of Beneficial Interest and Partnership Units repurchases amounted to \$0 for the **nine** **three** months ended **October 31, 2024** **April 30, 2025** and **2023, 2024**, respectively. Cash paid for taxes for the **nine** **three** months ended **October, April 30, 2025** and **2024 and 2023** was \$0, respectively.

## 13. COMMITMENTS AND CONTINGENCIES

### Restricted Cash:

The Trust is obligated under a loan agreement relating to the Tucson Oracle property to deposit 4% of the individual hotel's room revenue into an escrow account to be used for capital expenditures. The escrow funds applicable to the Tucson Oracle property for which a mortgage lender escrow exists is reported on the Trust's Consolidated Balance Sheet as "Restricted Cash." Since a \$0 cash balance existed in Restricted Cash as of **October 31, 2024** **April 30, 2025** and **January 31, 2024** **January 31, 2025**, Restricted Cash line was omitted on the Trust's Consolidated Balance Sheet.

### Membership Agreements:

The Tucson and Albuquerque InnSuites Hotels **have has** entered into membership agreements with Best Western International, Inc. ("Best Western") for both hotel properties. In exchange for use of the Best Western name, trademark and reservation system, **both all** Hotels pay fees to Best Western based on reservations received through the use of the Best Western reservation system and the number of available suites at the Hotels. The agreements with Best Western have no specific expiration terms and may be cancelled **annually** by either party. Best Western requires that the hotels meet certain requirements for room **quality**, **quality**, and the Hotels are subject to removal from its reservation system if these requirements are not met. The two Best Western Hotels **receive** with third-party membership agreements received significant reservations through the Best Western reservation **system**, and through Online Travel Agent (OTA) reservations systems, Expedia and Booking.com **system**. Under these arrangements, fees paid for membership fees and reservations were approximately **\$153,000** **54,000** and **\$137,000** **51,000** for the **nine** **three** months ended **October 31, 2024** **April 30, 2025** and **2023, 2024**, respectively. These costs include fees for the Albuquerque and Tucson hotels in **2024, 2025**. These fees are included in room operating expenses on the unaudited condensed consolidated statements of operations for Albuquerque and Tucson.

**Litigation:**

The Trust and/or its hotel affiliates, are involved from time to time in various other claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Trust's unaudited condensed consolidated financial position, results of operations or liquidity.

The nature of the operations of the Hotels exposes them to risks of claims and litigation in the normal course of their business. Although the outcome of these matters cannot be determined and are generally covered by insurance, management does not expect that the ultimate resolution of these matters will have a material adverse effect on the unaudited condensed consolidated financial position, results of operations or liquidity of the Trust.

**Indemnification:**

The Trust has entered into indemnification agreements with all our executive officers and Trustees. The agreements provide for indemnification against all liabilities and expenses reasonably incurred by an officer or Trustee in connection with the defense or disposition of any suit or other proceeding, in which he or she may be involved or with which he or she may be threatened, while in office or thereafter, because of his or her position at the Trust. There is no indemnification for any matter as to which an officer or Trustee is adjudicated to have acted in bad faith, with willful misconduct or reckless disregard of his or her duties, with gross negligence, or not in good faith in the reasonable belief that his or her action was in the Trust's best interests. These agreements require the Trust, among other things, to indemnify the Trustee or officer against specified expenses and liabilities, such as attorneys' fees, judgments, fines and settlements, paid by the individual in connection with any action, suit or proceeding arising out of the individual's status or service as our Trustee or officer, other than liabilities arising from willful misconduct or conduct that is knowingly fraudulent or deliberately dishonest, and to advance expenses incurred by the individual in connection with any proceeding against the individual with respect to which the individual may be entitled to indemnification by us. The Trust may advance payments in connection with indemnification under the agreements. The level of indemnification is to the full extent of the net equity based on appraised and/or market value of the Trust. Historically, the Trust has not incurred any payments for these obligations and, therefore, no liabilities have been recorded for these indemnities in the accompanying consolidated balance sheets.

See Note 14 – Leases, for discussion on lease payment commitments.

**14. LEASES**

The Trust has operating leases for its corporate offices in Phoenix, Arizona and land leased in Albuquerque, New Mexico. The Trust's corporate office lease is month to month. All leases are non-cancelable.

**Operating Leases**

The Trust holds a month to month office lease agreement with Northpoint Properties for a commercial office lease at 1730 E Northern Ave, Suite 122, Phoenix, Arizona 85020. Base monthly rent is \$4,318. The Trust also pays electricity and applicable sales tax.

The Trust's Albuquerque Hotel is subject to non-cancelable ground lease. The Albuquerque Hotel non-cancelable ground lease was extended on January 14, 2014 and expires in 2058.

The following table presents the Trust's lease costs for the **nine** **three** months ended **October 31, 2024** **April 30, 2025**:

	For the <b>Nine</b> <b>Three</b> Months Ended	
	<b>October 31, 2024</b>	<b>April 30, 2025</b>
<b>Operating Lease Costs:</b>		
Operating lease cost*	<b>108,929</b>	<b>37,279</b>

\* Short term lease costs were immaterial.

Supplemental cash flow information is as follows:

	For the Nine Months Ended		For the Three Months Ended
	October 31, 2024	April 30, 2025	April 30, 2025
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ (3,452)	\$ (1,154)	
Lease obligations:			
Operating leases, net	\$ 2,236,306	\$ 2,223,225	
Long-term obligations	\$ 2,216,563	\$ 2,196,084	

Weighted average remaining lease terms and discount rates were as follows:

	October 31, 2024		April 30, 2025
Weighted average remaining lease term (years)	31	31	
Operating leases	4.85	4.85%	
Weighted average discount rate			
Operating leases			

The aggregate future lease payments for Operating Lease Liability as of **October 31, 2024** **April 30, 2025** are as follows:

For the Years Ending January 31,	
2026	100,775
2027	134,379
2028	134,391
2029	134,403
2030	134,416
Thereafter	3,858,439
Total minimum lease payments	\$ 4,496,803
Less: amount representing interest	2,273,578
Total present value of minimum payments	2,223,225
Less: current portion	\$ 27,141
Long term portion of operating lease liability	2,196,084

For the Period Ending July 31,	
2025	\$ 33,589
2026	134,367
2027	134,379
2028	134,391
2029	134,403
Thereafter	3,992,854
Total minimum lease payments	\$ 4,563,983
Less: amount representing interest	2,327,677
Total present value of minimum payments	2,236,306
Less: current portion	\$ 19,743
Long term portion of operating lease liability	2,216,563

## 15. SHARE-BASED PAYMENTS

The Trust compensates its three non-employee Trustees for their services through grants of restricted Shares. As compensation for our Fiscal Year 2026, on February 15, 2025, we issued 6,000 restricted Shares (with the aggregate grant date fair value of \$7,200 per grant) to each of Messrs. Kutasi, Robson, and Marchi. These 18,000Shares (6,000 each to the three Independent Trustees), vest in equal monthly amounts during Fiscal Year 2026.

See Note 2 – “Summary of Significant Accounting Policies” for information related to grants of restricted shares under “Stock-Based Compensation.”

## 16. NOTES RECEIVABLE

### Sale of IBC Hospitality Technologies; IBC Hotels LLC (IBC)

On August 15, 2018 InnSuites Hospitality Trust (IHT) entered into a **final** sale agreement of its technology subsidiary, IBC Hotels LLC (IBC), to an unrelated third-party buyer (Buyer). As a part of the amended sale agreement, the Trust received a secured promissory note adjusted to the principal amount of \$1,925,000 with interest to be accrued at 3.75% per annum, which is recorded in the accompanying consolidated balance sheet in continuing operations.

- No interest accrued through May 2024, and no payments on the note receivable including principal and interest based on the extended time period were due through May 2024.

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- Note is secured by (1) pledge of the Buyer's interest in IBC, and (2) a security interest in all assets of IBC, provided IHT shall agree to subordinate such equity interest to commercially reasonable debt financing upon request.
- If IBC closes an equity transaction with net proceeds to IBC in excess of \$2,500,000, IBC/Buyer shall pay or pre-pay to IHT an amount equal to (a) 50% of the net proceeds received by IBC and (b) 50% of the sum of the unpaid balance of the note and accrued interest accrued but unpaid interest thereon, as the date of receipt of the net proceeds by IBC.
- The note has matured. However, RRF, the Management Subsidiary of IHT is currently in discussions for a the new Management Company of IBC, and further extension/modification, extended the Note to June 30, 2030, including interest modification to 3.25% payable at maturity.
- Future payments on this note are shown in the table below.

#### FISCAL YEAR

2025			1,925,000
2031			1,925,000
	\$	1,925,000	\$ 1,925,000

- Management's best, conservative valuation of IBC's assets, and their marketability, in the case of a default by the Buyer.
- There were past negative impact impacts of the COVID-19 pandemic, on the travel and hospitality industry, in which IBC's reservation and booking technology operates. IHT strongly believes the IBC business model is sound and viable, partly because IBC focus is on independent hotels. Half of the world's hotels are non-affiliated hotels. There are only two major hotel reservation systems, both with multi-billion dollar valuation, which are both focused on affiliated hotels.

As of October 31, 2024, April 30, 2025 management evaluated the carrying value of the note and determined no further impairment is needed at this time. This is detailed further with ongoing the recent discussions of an extension, which allows time for IBC to benefit from the current strong rebound in the travel, hospitality services, and hotel reservations currently being experienced industries.

IHT has had no managerial control nor does did IHT have the ability to direct the operations or capital requirements of IBC. IBC as of August 1, 2018. IHT has had no rights to any benefits or losses from IBC as of August 1, 2018.

On March 6, 2025, Rare Earth Financial (REF), an investment entity owned by the chairman and family of IHT chairman and majority IHT shareholder, purchased IBC Hotels, LLC, and hired RRF, the management company subsidiary of InnSuites Hospitality Trust (IHT) to manage the rebirth of IBC using updated current technology, to benefit from the substantial unfulfilled need by independent hotels worldwide for independent hotel and resort reservations, Boutique branding, and related hotel services. In the process, RRF LLLP, a 76% owned subsidiary of IHT and manager of the two IHT hotels, was engaged as manager of IBC obtaining a five-year option to purchase, at cost, IBC Hotels, LLC. This option is believed to provide IHT a valuable opportunity, if successful, to profit from the revitalization of InnIndependent Boutique Collection (IBC Hotels). The terms of the note were modified to extend maturity to June 30, 2030, and adjust the interest on the note to 3.25%, payable at maturity.

## 17. INCOME TAXES

The Trust is taxed as a C-Corporation. The Trust's practice is to recognize interest and/or penalties related to income tax matters in income tax expense. The Trust has received various IRS and state tax jurisdiction notices which the Trust is in the process of responding to in which management believes the notices are without merit and expect full remediation of all tax notices. The Trust and subsidiaries have total deferred tax assets of approximately \$5.26.1 million which includes cumulative net operating loss carryforwards of \$2.13.1 million and syndications of \$2.9 million, and deferred tax liability associated with book/tax differences of \$1.8 million as of January 31, 2024 January 31, 2025. We have evaluated the net deferred tax asset and determined that it is not more likely than not we will receive full benefit from the net operating loss carryforwards. Therefore, we have determined a valuation allowance of approximately \$3.34.3 million.

## 18. COVID-19 DISCLOSURE

COVID-19 had a material detrimental impact on our business, financial results and liquidity, in Fiscal Year 2021, ended January 31, 2021. Its consequences had dramatically reduced travel and demand for hotel rooms, in Fiscal Year 2021. We believe that lodging demand and revenue level have now significantly recovered.

Fiscal Year 2024, 2025, starting February 1, 2023 February 1, 2024 and ending January 31, 2024 January 31, 2025, confirmed a significant strong rebound and encouraging progress. The start of Fiscal Year 2025, 2026, starting February 1, 2024 February 1, 2025 and ending January 31, 2025 January 31, 2026, has shown no ill effects from the pandemic whatsoever. stable results.

COVID-19 and its consequences previously reduced travel and demand for hotel rooms, which previously had an impact our business, operations, and financial results. We believe that lodging demand and revenue level is now at nearly full recovery, recovered. The extent to which COVID-19 currently impacts our business, operations, and financial results, including the duration and magnitude of such effects, is diminished. The negative impact COVID-19 had on global and regional economies and economic activity, including the duration and magnitude of its impact on consumer discretionary spending has been reduced significantly, and its short and longer-term impact on the demand for travel, transient and group business, and as well as levels of consumer confidence is no longer not considered a major factor for Fiscal Year 2025, 2026, (February 1, 2024 2025 to January 31, 2025 January 31, 2026).

## 19. EMPLOYEE RETENTION TAX CREDIT

The Trust participated in Economic Relief through a Credit allowed for Entities that suffered financial hardship during the Covid-19 Pandemic, under the CARES (The Coronavirus Aid, Relief, and Economic Security) Act (2020), and The Consolidated Appropriations Act (2021). Both provided fast and direct economic assistance for American workers, families, small businesses, and industries, by the U.S. Department of the Treasury along with Congress. This Credit was available for all Entities impacted by the Virus and who paid Employment Taxes, while working trying to remain solvent and viable. It is a fully refundable tax credit for Eligible Employers that paid employees to carry on a trade or business that was partially or fully suspended during any calendar year 2020; or that experienced significant decline in gross receipts during any calendar quarter in 2020, due to COVID-19.

As a result of both legislative acts, the Trust has been and/or is expected anticipated to be receiving a net of approximately \$2.7 million in a combination of Employment Tax Refunds and Credits, for the two calendar years 2020, and 2021, respectively. As a result, the Trust conservatively placed an amount equal to approximately 12% of this total as a Tax Credit Receivable and/or Tax Refund on the Balance Sheet and Income statement, respectively, for the year ended January 31, 2024. Credits. As of October 31, 2024 April 30, 2025, IHT has received approximately \$1.5 million, and is working to receive additional funds during the Fiscal Year ended January 31, 2025 January 31, 2026.

## 20. GOING CONCERN

20. InnSuites Hospitality Trust Fiscal Year 2025 was its first Fiscal Year with a loss in the last four Fiscal Years, dating back to Fiscal Year ended 1/31/21. Going forward, IHT is focused on cost cutting at a time of increased tariff/economic uncertainty. For example, the Tucson Hotel specifically incurred annualized insurance costs totaling approximately \$450,000 in Fiscal Year 2025, just ended. Those insurance-related costs have been reduced significantly to approximately \$100,000 for the current Fiscal Year 2026, resulting in savings of approximately \$350,000. Fiscal 2025 also included several one-time non-cash adjustments including adjusting Hotel Frequent Traveler Rewards, and property tax accruals. Modest improvements in total hotel revenue, improved operating profits due to cost cutting measures, the potential of the aforementioned various diversification opportunities, and being listed on the NYSE-American provide positive equitable assets, and all bode well for the continued success of the Trust. We believe that the Trust will once again be profitable in the current and/or future years, especially with the potential success of and maturing of diversification investments.

## 21. BEST WESTERN REWARDS CREDITS

During the three months ended April 30, 2025, the Trust recorded approximately \$33,000 in Best Western Rewards credits, consisting of approximately \$9,000 related to Albuquerque Suite Hospitality LLC and approximately \$24,000 related to Tucson Hospitality Properties LLLP. These were primarily related to guest free night vouchers.

## 22. IBC RECEIVABLE

In the process of ownership and management of branded and unbranded hotels, IHT recognized an unfulfilled need to provide hotel reservations, branding, and hotel services for global independent hotels, which at the time and still represent half the hotels in the world. In February 2014, IHT founded IBC Hotels, LLC to explore this unfulfilled opportunity, developing reservations, branding, and related hotel services doing business as "InnIndependent Boutique Collection" (IBC Hotels). Initial success in providing reservations for an IHT operated independent hotel was substantial. As this independent hotel services opportunity and the size of this potential demand was increasingly recognized in the travel industry, IBC Hotels was sold in August 2018 to a foreign hotel company planning expansion of independent hotel reservations and services internationally.

The new owner added additional hotels to the reservation system, further developed, updated, and improved existing software, and pursued an agreement with a large international internet hotel guest source. When Covid hit in early 2020 and travel virtually briefly, but almost completely came to a standstill in March 2020, the new owner was not in a position to continue operations pausing IBC Hotels reservation services.

On March 5, 2025, REF, an investment entity owned by the chairman and family of IHT majority IHT shareholder, purchased IBC Hotels, LLC, and hired RRF LLLP, the management company subsidiary of InnSuites Hospitality Trust (IHT), to manage the rebirth of IBC, to benefit from the substantial unfulfilled need worldwide for independent hotel and resort reservations, Boutique branding, and related hotel services. In the process, RRF LLLP, a 76% owned subsidiary of IHT and manager of IHT hotels, was engaged as manager of IBC obtaining a five-year option to purchase, at cost, IBC Hotels, LLC. This option is believed to provide IHT a valuable opportunity, if successful, to profit from the revitalization of InnIndependent Boutique Collection (IBC Hotels).

Covid had profound initial adverse effects on the travel industry, with reservation companies consolidating to two primary international reservation providers. With travel now having rebounded quickly and strongly these two large reservation providers each hold multibillion-dollar valuations concentrating primarily on branded hotels.

In the process, independents still representing half the world's hotels continue operation with an unfulfilled need offering significant opportunity to a provider of independent hotel reservations, boutique hotel branding, and hotel services focused on independent hotels. IHT is now in a position to benefit from this global profit opportunity through its management subsidiary, obtaining a management contract to operate IBC Hotels, LLC, and also obtaining a five-year option to purchase, at cost, IBC Hotels, LLC.

## 23. SUBSEQUENT EVENTS

The Trust intends to maintain its current conservative dividend policy. The Trust currently is, and has, been paying two semi-annual dividends each Fiscal Year totaling \$0.02 per share per Fiscal Year. In the Fiscal Years ended January 31, 2024 January 31, 2025 and 2023, 2024, the Trust paid dividends of \$0.01 per share per share in each of the first and second quarters. The Trust has paid dividends each Fiscal Year since its inception 55 years ago, in 1971. The Trust paid the scheduled semi-annual \$0.01 dividend payable on February 5, 2024 July 31, 2024, as well as July 31, 2024.

The Trust's Management received communication from the NYSE-American on August 29, 2022 February 5, 2025, indicating IHT and is fully compliant with all of the Continued Listing Standards Equity Requirements set forth in Part 10 of the NYSE American Company Guide, of the NYSE-American, once again anticipated for August 4, 2025.

Subsequent to the Fiscal Year ended January 31, 2024 the Trust repurchased 28,937 Shares of Beneficial Interest on the open market for a total cash repurchase price of approximately \$42,541.

Rare Earth Financial LLC (REF), an affiliate majority-owned by our President and CEO, James Wirth, entered into an agreement with the Obasa Group of Companies, on March 5, 2025, to purchase 102037739 Saskatchewan Ltd, and its subsidiary IBC Hotels, LLC. RRF LLLP, a subsidiary of IHT, agreed to become the Management Company of IBC, in an effort to rekindle earlier operations that were initially substantially successful, until the Covid-19 pandemic in early 2020. The Note Payable to IHT, obtained by IHT in its sale of IBC Hotels, LLC, in August of 2018, was extended until June 30, 2030, with interest to be paid at 3.25%. REF intends to make any outstanding unpaid interest payments potentially due in Fiscal Year 2026 (February 1, 2025 to January 31, 2026), from May 2024 to March, 2025. As part of the Management Agreement, RRF obtained a five-year option to purchase IBC at the net cost of REF. If the rekindling of IBC is successful, this option could prove to be a valuable asset of IHT in the future.

Hotel Operation results of the Albuquerque Hotel and the Tucson Hotel both achieved record Occupancy revenue and Gross Operating Profit (GOP) results for the Fiscal Year ended January 31, 2024 January 31, 2025. Increased record Total Revenues increased to approximately \$7.6 million. Solid hotel revenue and Gross Operating Profit (GOP), results are expected for the two hotels, during the Second Fiscal Year Quarter of 2026, (May 1, 2025 ending January 31, 2025. IHT reported a strong annual improvement of results in Fiscal Year 2024, (February 1, 2023, to January 31, 2024), with Net

Income Attributable to Controlling Interests of \$203,880. Earnings Per Share based on this Net Income Attributable to Controlling Interest amount was \$0.02. Total Revenues increased to approximately \$7.5 million, which is an approximate increase of 5% from the same prior Fiscal Year total of \$7.1 million. Consolidated Net Income before non-cash depreciation expense was \$956,333 for the Fiscal Year ended January 31, 2024. July 31, 2025). IHT hotel operations contributed to a solid start in the current 2025 2026 Fiscal Year (February 1, 2024 2025, through January 31, 2025 January 31, 2026), with both the Tucson Hotel and Albuquerque Hotel achieving record results for the combined months of February through November mid-June 2025, of the current Fiscal Year. Combined Revenue for both hotels surpassed was approximately \$4.6 2.82 million for the first seven months First Four Fiscal Months of Fiscal 2025, 2026, a new combined record level. These are all positive signs for InnSuites, as progress continues heading in the right direction as the Travel Industry, and InnSuites Hospitality Trust (IHT) specifically, continue to grow and thrive.

**Other Recent Pronouncements** The Trust made a change with their External Auditor and outside Tax Preparation Service Provider on May 17, 2024, hiring the BCRG Group for the Fiscal Year 2025, and continuing in Fiscal Year 2026.

InnSuites lost a long-time Board of Trustee Member, and dear friend, Mr. J.R. "Ronee" Chase, who passed away suddenly and unexpectedly on June 14, 2024. Mr. Chase had been temporarily replaced as a Trustee by Mr. Michael G. Marchi. Mr. Marchi assumed the role performed by Mr. Chase effective June 19, 2024, and was re-elected at the 2025 Fiscal Year Annual Shareholder Meeting, on August 14, 2024. Mr. Marchi was issued 4,000 Shares of IHT Stock on June 20, 2024.

#### OTHER RECENT PRONOUNCEMENTS

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) and the SEC did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### GENERAL

The following discussion should be read in conjunction with our unaudited condensed consolidated financial statements and notes thereto appearing elsewhere in this Form 10-Q and our audited consolidated Form 10-K for the fiscal year ended **January 31, 2024** **January 31, 2025**.

### FORWARD-LOOKING STATEMENTS

Certain statements in this Form 10-Q, including statements containing the phrases "believes," "intends," "expects," "anticipates," "predicts," "projects," "will be," "should be," "looking ahead," "may" or similar words, constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend that such forward-looking statements be subject to the safe harbors created by such Acts. These forward-looking statements include statements regarding our intent, belief or current expectations in respect of (i) the declaration or payment of dividends; (ii) the leasing, management or operation of the Hotels; (iii) the adequacy of reserves for renovation and refurbishment; (iv) our financing plans; (v) our position regarding investments, acquisitions, developments, financings, conflicts of interest and other matters; (vi) expansion of UniGen; (vii) our plans and expectations regarding future sales of hotel properties; and (viii) trends affecting our or any Hotel's financial condition or results of operations.

These forward-looking statements reflect our current views in respect of future events and financial performance, but are subject to many uncertainties and factors relating to the operations and business environment of the Hotels that may cause our actual results to differ materially from any future results expressed or implied by such forward-looking statements. Examples of such uncertainties include, but are not limited to:

- Virus Pandemic Tariffs and its their effect on the Travel Industry;
- potential risk of investments, including the investment in UniGen;
- inflation and economic recession;
- Pandemic, terrorist attacks, or other acts of war;

- political instability; instability, and potentially reduced government travel;
- available cash, supply chain issues, and increased labor costs for diversified clean energy development and production;
- fluctuations in hotel occupancy rates;
- changes in room rental rates that may be charged by InnSuites in response to market changing demand and rental rate changes or otherwise;
- seasonality of our hotel operations business;
- collectability of all receivables receivables;
- our ability to sell any of our Hotels at market value, or at all;
- interest rate fluctuations;
- changes in, or reinterpretations of, governmental regulations, including, but not limited to, environmental and other regulations, the Americans with Disability Act, Covid-19 restrictions, and federal income tax laws and regulations;
- competition including supply and demand for hotel rooms and hotel properties;
- availability of credit or other financing;
- our ability to meet present and future debt service obligations;
- our ability to refinance or extend the maturity of indebtedness at, prior to, or after the time it matures;
- any changes in our financial condition or operating results due to acquisitions or dispositions of hotel properties;
- insufficient resources to pursue our current strategy;
- concentration of our investments in the InnSuites ® brand;
- loss of membership contracts;

- the financial condition of franchises, brand membership companies, travel related travel-related companies, and receivables from travel related companies;
- ability to develop and maintain positive relations with “Best Western” and potential future franchises or brands;
- real estate and hospitality market conditions;
- hospitality industry factors;
- our ability to carry out our strategy, including our strategy regarding diversification and investments;

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- the Trust's ability to remain listed on the NYSE American;
- effectiveness and security of the Trust's software program;
- the need to periodically repair and renovate our Hotels at a cost at or in excess of our standard 4% reserve;
- tariffs and health travel restrictions may affect trade and travel;
- our ability to cost effectively integrate any acquisitions with the Trust in a timely manner;
- increases in the cost and availability of labor, energy, healthcare, insurance and other operating expenses as a result of inflation, or changed or increased regulation, or otherwise;
- presence of drugs or outbreaks of communicable diseases attributed to our hotels or impacting the hotel industry in general;
- natural disasters, including adverse climate changes in the areas where we have or serve hotels;
- airline **strikes**; **strikes**, and variations in airline travel demand;
- transportation and fuel price increases;
- adequacy of property and liability insurance coverage including liability coverage, and increases in cost for property, liability, and health care coverage for employees and potential government regulation with respect to health care coverage;
- data breaches or cybersecurity attacks, including breaches impacting the integrity and security of employee and guest data; and
- loss of key personnel and uncertainties in the interpretation and application of tax laws and other legislation.

We do not undertake any obligation to update publicly or revise any forward-looking statements whether as a result of new information, future events or otherwise except as may be required by law. Pursuant to Section 21E(b)(2)(E) of the Securities Exchange Act of 1934, as amended, the qualifications set forth hereinabove are inapplicable to any forward-looking statements in this Form **10-Q** **10-K** relating to the operations of the Partnership.

## OVERVIEW

We are engaged in the ownership and operation of hotel properties. On **October 31, 2024** **April 30, 2025**, the Trust had two moderate-service hotels, one in Tucson, Arizona and one in Albuquerque, New Mexico with 270 hotel suites. Both of our Trust Hotels are branded through membership agreements with Best Western, and both are also trademarked as InnSuites Hotels and Suites. We are also involved in various operations incidental to the operation of hotels, such as the operation of a limited service restaurant and bar, as well as meeting/banquet room rentals.

At **October 31, 2024** **April 30, 2025**, we owned a direct 21.90% interest in the Albuquerque, New Mexico Hotel, and, together with the Partnership, owned an indirect **51.62%** **51.75%** interest in the Tucson, Arizona Hotel.

In addition, we now manage InnIndependent Boutique Collection Hotels, (IBC Hotels, LLC), offering reservations and branding services to independent hotels, with new technology reservations and booking engine technology provided, and with an option to purchase IBC Hotels, LLC, at cost over the next five years. We hold a diversification investment in UniGen Power Inc., which is developing an efficient clean energy portable efficient electricity generator innovation.

Trust operations consist of one reportable segment – Hotel Ownership & Hotel Management Services. Hotel Ownership Operations derives its revenue from the **ownership and** operation of the Trust's two hotel properties with an aggregate of 270 hotel suites in Arizona and New Mexico. Hotel management services, provides management services for the Trust's two Hotels. As part of our management services, we also provide trademark and licensing services.

Our results are significantly affected by the overall economy and travel, occupancy and room rates at the Hotels, our ability to manage costs, changes in room rates, and changes in the number of available suites caused by the Trust's disposition activities. Results are also significantly impacted by overall economic conditions and conditions in the travel industry. Unfavorable changes in these factors, such as tariff uncertainty, or the virus-related travel slowdown in the Fiscal Year starting February 1, 2020, can and have negatively impacted hotel room demand and pricing, which reduces our profit margins. Additionally, our ability to manage costs could be adversely impacted by significant inflationary increases in operating expenses, resulting in lower operating margins, and higher hourly labor costs. Further increases in area hotel supply, hourly labor cost, declines in demand, or declines in room rates, could result in increased competition, which could have an adverse effect on the rates, revenue, costs, and profits of the Hotels in their respective markets.

Over time, we expect our high risk but also high profit potential UniGen diversification efficient clean energy generation investment, to grow and provide a substantial source of income in the future. We are also extremely optimistic for the high profit potential from IBC management, and the five-year option to purchase at cost.

We expect the current Fiscal Year 2025 2026 to be continued growth of uncertain for the travel industry, stable high level Hotel occupancy, continued recovery and increases of room rates, as well as continuation of current cost control all leading to improved profitability of our hotels. We believe that we have positioned the Hotels to remain competitive through our now fully completed Tucson and Albuquerque hotel refurbishments, by offering fully refurbished studios and two-room suites at each location, and by maintaining complementary guest items, including complimentary hot breakfast and free high speed Internet access.

Our strategic plan is to continue to obtain the full benefit of our real estate equity, by ultimately obtaining full market value for our two Hotels at market value, which is believed by management to be substantially higher than lower book values, over the next 36 months. We look forward to the expansion of IBC, with its five-year option to purchase. We anticipate to benefit from the UniGen efficient clean energy generator investment, as well. In addition, the Trust is seeking a larger private reverse merger partner that may benefit from a merger that would afford that partner access to our listing on the NYSE AMERICAN.

In the process of reviewing merger opportunities, the Trust identified in December 2019, and invested \$1 million in UniGen Power, Inc. ("UniGen"), an innovative efficient clean energy power generation company. The Trust has invested \$1 million in debentures convertible into 1 million shares of UniGen Power Inc., the Trust has invested in 575,000 UniGen shares, and in addition has acquired warrants to purchase approximately an additional up to 2 million UniGen shares, over the next approximately two years, which could result in up to 15-20% or more ownership in UniGen. For more information on our strategic plan, including information on our progress in disposing of our hotel properties, benefits from the IBC Hotels services, and expanding energy diversification, see "Future Positioning" in this Management Discussion and Analysis of Financial Condition and Results of Operations.

## HOTEL OPERATIONS

Our expenses consist primarily of labor, property taxes, insurance, corporate overhead, interest on mortgage debt, professional fees, non-cash depreciation of the Hotels and hotel operating expenses. Hotel operating expenses consist primarily of payroll, guest and maintenance supplies, marketing, and utilities expenses. Under the terms of its Partnership Agreement, the Partnership is required to reimburse us for all such expenses. Accordingly, management believes that a review of the historical performance of the operations of the Hotels, particularly with respect to occupancy, Occupancy, which is calculated as rooms sold divided by total rooms available, average daily rate ("ADR" ADR"), calculated as total room revenue divided by number of rooms sold, and revenue per available room ("REVPAR" REVPAR"), calculated as total room revenue divided by number of rooms available, is appropriate for understanding revenue from the Hotels.

The following tables show historical financial and other information for the periods indicated:

Albuquerque				For the Three Months Ended April 30,				
				2025	2024	Change	%-Incr/Decr	
Occupancy		89.12 %		86.42 %		2.70 %	3.12 %	
Average Daily Rate (ADR)	\$ 94.18	\$ 98.43	\$ (4.25)				-4.32 %	
Revenue Per Available Room (REVPAR)	\$ 83.93	\$ 85.06	\$ (1.13)				-1.33 %	
For the Nine Months Ended October 31,				For the Three Months Ended April 30,				
Albuquerque	October 31,			April 30,				
Tucson	2024	2023	Change	%-Incr/Decr	2025	2024	Change	%-Incr/Decr
Occupancy	89.51 %	91.12 %	-1.61 %	-1.77 %	79.90 %	87.03 %	-7.13 %	-8.19 %
Average Daily Rate (ADR)	\$ 105.70	\$ 101.27	\$ 4.43	4.37 %	\$ 113.66	\$ 111.41	\$ 2.25	2.02 %
Revenue Per Available Room (REVPAR)	\$ 94.61	\$ 92.28	\$ 2.33	2.52 %	\$ 90.82	\$ 96.96	\$ (6.14)	-6.33 %
Tucson	For the Nine Months Ended October 31,			For the Three Months Ended April 30,				
Combined	2024	2023	Change	%-Incr/Decr	2025	2024	Change	%-Incr/Decr
Occupancy		72.38 %			73.85 %		-1.47 %	-1.99 %
Average Daily Rate (ADR)	\$ 91.64	\$ 88.58	\$ 3.06					3.45 %
Revenue Per Available Room (REVPAR)	\$ 66.33	\$ 65.42	\$ 0.91					1.39 %
Combined	For the Nine Months Ended October 31,			For the Three Months Ended April 30,				
Combined	2024	2023	Change	%-Incr/Decr	2025	2024	Change	%-Incr/Decr
Occupancy	79.47 %	81.01 %	-1.54 %	-1.90 %	83.75 %	86.78 %	-3.03 %	-3.49 %
Average Daily Rate (ADR)	\$ 98.19	\$ 94.50	\$ 3.69	3.90 %	\$ 105.01	\$ 106.05	\$ (1.04)	-0.98 %
Revenue Per Available Room (REVPAR)	\$ 78.03	\$ 76.56	\$ 1.47	1.92 %	\$ 87.94	\$ 92.02	\$ (4.08)	-4.43 %

No assurance can be given that occupancy, ADR and/or REVPAR will or will not increase or decrease as a result of changes in national or local economic or hospitality industry conditions.

We enter transactions with certain related parties from time to time. For information relating to such related party transactions see the following:

- For a discussion of management and licensing agreements with certain related parties, see Note 2 to our Unaudited Condensed Consolidated Financial Statements – Summary of Significant Policies – Revenue Recognition – Hotel Operations”
- For a discussion of guarantees of our mortgage notes payable by certain related parties, see Note 6 to our Unaudited Condensed Consolidated Financial Statements – “Mortgage Notes Payable.”
- For a discussion of our equity sales and restructuring agreements involving certain related parties, see Note 3 to our Unaudited Condensed Consolidated Financial Statements – “Sale of Ownership Interests in Subsidiaries”.

- For a discussion of other related party transactions, see Note 11 to our Unaudited Condensed Consolidated Financial Statements – “Related Party Transactions.”

RESULTS OF OPERATIONS FOR THE FISCAL TWELVE MONTH TRAILING ENDED **OCTOBER 31, 2024** **APRIL 30, 2025** COMPARED TO THE FISCAL TWELVE MONTH TRAILING ENDED **OCTOBER 31, 2023**. **APRIL 30, 2024**.

A summary of total operating results of the Trust for the twelve month trailing periods ended **October 31, 2024** **April 30, 2025** and **2023** **2024** is as follows:

	FY 2025/2026	FY 2024/2025	Change	% Change
Total Revenues	\$ 7,505,309	\$ 7,572,412	\$ (67,103)	
Operating Expenses	8,204,084	8,301,239	(97,155)	
Operating Loss	(698,775)	(728,827)	30,052	
Interest Income and Other	11,240	103,968	(92,728)	
Interest Expense	(509,639)	(529,285)	19,646	
BW Rewards Credit	(241,911)	-	(241,911)	
Employee Retention Benefit	-	1,052,373	(1,052,373)	
Sales and Occupancy Taxes	-	-	-	
Income Tax Benefit	(115)	100	(215)	
Consolidated Net Loss	(1,439,200)	(101,671)	(1,337,529)	(1,337,529)
	FY 2024/2025	FY 2023/2024	Change	% Change
Total Revenues	\$ 7,692,305	\$ 7,357,456	\$ 334,849	5%
Operating Expenses	8,537,171	7,800,529	736,642	9%
Operating Loss	(844,866)	(443,073)	(401,793)	(91%)
Interest Income and Other	64,717	84,923	(20,206)	(24%)
Interest Expense	(462,005)	(519,550)	57,545	11%
Employee Retention Benefit	350,791	1,403,164	(1,052,373)	(75%)
Sales and Occupancy Taxes	-	-	-	0%
Income Tax Benefit	100	93,497	(93,397)	(100%)
Consolidated Net (Loss) Income	(891,263)	618,961	(1,510,224)	(244%)

RESULTS OF OPERATIONS FOR THE **NINE** FISCAL THREE MONTHS ENDED **OCTOBER 31, 2024** **APRIL 30, 2025** COMPARED TO THE **NINE** FISCAL THREE MONTHS ENDED **OCTOBER 31, 2023** **APRIL 30, 2024**

A summary of total operating results of the Trust for the **nine** three months ended **October 31, 2024** April 30, 2025 and **2023** 2024 is as follows:

<b>For the Nine Months Ended October 31,</b>								
	<b>2024</b>	<b>2023</b>	<b>Change</b>	<b>% Change</b>	<b>Q1 2025</b>	<b>Q1 2024</b>	<b>Change</b>	<b>% Change</b>
Total Revenues	\$ 5,959,490	\$ 5,751,583	\$ 207,907	4%	\$ 2,205,763	\$ 2,293,970	\$ (88,207)	(4)%
Operating Expenses	6,213,199	5,881,402	331,797	6%	1,983,367	2,115,541	(132,174)	(6)%
Operating Loss	(253,709)	(129,819)	(123,890)	(95 %)				
<b>Operating Income (Loss)</b>					222,396	178,429	43,967	(25)%
Interest Income and Other	34,800	66,678	(31,878)	(48 %)	750	25,779	(25,029)	(97)%
Interest Expense	(337,837)	(377,539)	39,702	11 %	(151,203)	(117,610)	(33,593)	(29)%
Employee Retention Benefit	-	1,052,373	(1,052,373)	(100 %)				
Consolidated Net (Loss) Income	(556,746)	611,693	(1,168,439)	(191 %)				
<b>BW Rewards Credit</b>					(33,153)	-	(33,153)	0 %
<b>Employee Retention Credit</b>					-	-	-	0 %
<b>Sales and Occupancy Taxes</b>					-	-	-	0 %
Income Tax Benefit					240	-	240	0 %
Consolidated Net Income (Loss)					39,030	86,598	(47,568)	(55)%

Trust operations consist of one reportable segment – Hotel Ownership & Hotel Management Services. Hotel Ownership Operations derives its revenue from the operation of the Trust's two hotel properties with an aggregate of 270 hotel suites in Arizona and New Mexico. Hotel management services, provides management services for the Trust's two Hotels. As part of our management services, we also provide trademark and licensing services.

The Trust has chosen to focus its hotel investments on the southwest region of the United States. The Trust does not review assets by geographical region; therefore, no income statement or balance sheet information by geographical region is provided.

**REVENUE:**

For the **nine** First Fiscal Quarter three months ended **October 31, 2024** April 30, 2025, we had total revenue of approximately **\$5.96 million** \$2.21 million compared to approximately **\$5.754 million** \$2.29 million for the **nine** three months ended **October 31, 2023** April 30, 2024, an increase a decrease of approximately **\$0.2 million** \$0.08 million. In the prior **Fiscal Years** fiscal years ended **January 31, 2023** January 31, 2024, **2022** 2020 and **2021**, 2019, we made significant improvements to our Albuquerque, New Mexico and Tucson, Arizona hotels. During the **nine** three months ended **October 31, 2024** April 30, 2025, we had an increase in total revenue resulting from the recovery of demand, after the virus related travel restrictions imposed due to COVID-19, and benefitting from prior refurbishments.

Total Consolidated Net Loss Income for the nine months ended October 31, 2024 April 30, 2025 was approximately (\$557,000), compared to Consolidated Net Income of approximately \$612,000 for the nine months ended October 31, 2023, \$39,000 which is a decrease of approximately \$1,168,000. Loss \$48,000 compared to the same prior Fiscal Quarter for the same period of approximately \$87,000. Earnings Per Share based on this Consolidated Net Loss Income amount was (\$0.06), were \$0.00, down \$0.13 \$0.01 from the prior year Income Per Share of \$0.07, which is a decrease of 194%. \$0.01. Loss Per Share based on net loss attributable to Controlling Interest was (\$0.09), down \$0.01, up from the prior year net income per share similar three month period of \$0.03. \$0.02.

Total Trust Equity decreased to approximately \$1,651,000 \$674,508 at the end of the nine months in the current Fiscal Year 2024, First Quarter 2025, down approximately \$1.6 million \$1.9 million, from approximately \$3,259,000 the \$2,563,397 reported at the end of the nine months in the prior Fiscal Year First Quarter 2024. Net loss Income before non-cash depreciation expense was approximately \$43,000 \$61,268 for the nine months Fiscal First Quarter ended October 31, 2024 April 30, 2025, compared to net income before non-cash depreciation of expense of approximately \$257,000 \$24,492 for the nine months Fiscal First Quarter ended October 31, 2023 April 30, 2024, which is a decrease of approximately \$300,000. \$37,000.

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We realized a 2% increase 5% decrease in room revenues during the nine three months ended October 31, 2024, April 30, 2025 as room revenues were approximately \$5.76 million \$2.12 million for the nine three months ending October 31, 2024 April 30, 2025 as compared to approximately \$5.64 million \$2.24 million for the nine three months ending October 31, 2023 April 30, 2024. Despite decreased occupancy, food and beverage revenue increased 35% to approximately \$30,000 for the three months ending April 30, 2025 as compared to approximately \$23,000 during the three months ending April 30, 2024, an increase of approximately \$7,000. During Fiscal Year 2024, 2025, we expect additional modest additional improvements in occupancy, modest improvements in rates and steady food and beverage revenues.

#### EXPENSES:

Total expenses net of interest expense was approximately \$6.21 million \$2.0 million for the nine three months ended October 31, 2024, April 30, 2025 reflecting an increase a decrease of approximately \$0.33 million \$0.1 million, or 6%, compared to total expenses net of interest expense of approximately \$5.88 million \$2.1 million for the nine three months ended October 31, 2023 April 30, 2024. The increase was primarily due to an increase in operating expenses related to higher costs at the hotel properties.

Room expenses consisting of salaries and related employment taxes for property management, front office, housekeeping personnel, reservation fees and room supplies were approximately \$1.93 million \$661,000 for the nine three months ended October 31, 2024, April 30, 2025 compared to approximately \$1.87 million \$665,000 in the prior year nine three month period for an increase a decrease of approximately \$69,000, \$4,000, or 4% 1%. Room expenses increased decreased as occupancy at the hotels increased, decreased, and increased decreased expenses were incurred with the increased decreased occupancy.

Food and beverage expenses included food and beverage costs, personnel and miscellaneous costs to provide banquet events. For the nine three months ended October 31, 2024 April 30, 2025, food and beverage expenses decreased approximately \$67,000, or 48%, to approximately \$72,000 remained relatively flat at \$26,000 for the nine three months ended October 31, 2024 April 30, 2025, compared to approximately \$139,000 \$28,000 for the nine three months ended October 31, 2023 April 30, 2024. The decrease in There were several cost is due savings initiatives to keeping a tight control on offset rising food and beverage expenses. purchasing costs.

General and administrative expenses include overhead charges for management, accounting, shareholder and legal services. General and administrative expenses of approximately \$1.66 million \$468,000 for the nine three months ended October 31, 2024 April 30, 2025, increased decreased approximately \$113,000 \$138,000 from approximately \$1.77 million \$606,000 for the nine three months ended October 31, 2023 April 30, 2024 primarily due to less charges cost savings efforts in corporate staffing in support of the hotels and property sales efforts. overhead costs.

Sales and marketing expense increased approximately \$55,000, \$11,000, or 19% 10%, to approximately \$349,000 \$127,000 for the nine three months ended October 31, 2024, April 30, 2025 from approximately \$294,000 \$116,000 for the nine three months ended October 31, 2023 April 30, 2024. Increased focus on sales and marketing due to the rebound in hotel occupancy drove the increase.

Repairs and maintenance expense decreased increased by approximately \$3,000, or 3%, from approximately \$338,000 \$106,000 reported for the nine three months ended October 31, 2023, April 30, 2024 compared to approximately \$313,000 \$109,000 for the nine three months ended October 31, 2024 April 30, 2025. Having completed the property improvements at our Tucson, Arizona hotel Management anticipates the improvements which complies with the increasing Best Western standards, will (after the adverse effects of travel restrictions and slowdown), lead to improvement in guest satisfaction and will drive additional revenue growth through increased occupancy and increased rates.

Hospitality expense, including expenses, which includes the cost associated with our complimentary hot breakfast, increased by approximately \$105,000, \$4,000, or 30% 3%, from \$346,000 \$155,000 for the nine three months ended October 31, 2023, April 30, 2024 to approximately \$451,000 \$158,000 for the nine three months ended October 31, 2024 April 30, 2025. We continue The increase was primarily due to improve the guest COVID-19 regulations minimizing and once again increasing food service availability, expanding our complimentary breakfast experience which is our most popular "InnSuites Extra" and social hour offerings.

Utility expenses remained relatively flat at decreased approximately \$312,000 \$12,000, or 12%, to approximately \$86,000 reported for the nine three months ended October 31, 2024, April 30, 2025 compared with approximately \$315,000 \$98,000 for the nine three months ended October 31, 2023 April 30, 2024.

Hotel property non-cash depreciation expenses increased by approximately \$19,000 \$9,000 from approximately \$502,000 \$173,000 reported for the nine three months ended October 31, 2023, April 30, 2024 compared to approximately \$521,000 \$182,000 for the nine three months ended October 31, 2024 April 30, 2025. Increased depreciation resulted from additional capital expenditures being depreciated.

Real estate and personal property taxes, Insurance and Ground Rent expenses increased decreased approximately \$297,000, \$5,000, or 107% 2%, to approximately \$575,000 reported for the nine months ended October 31, 2024 compared with approximately \$278,000 for the nine months ended October 31, 2023 due to adjustments in our operating lease accounts.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED OCTOBER 31, 2024, COMPARED TO THE THREE MONTHS ENDED OCTOBER 31, 2023

A summary of total operating results of the Trust for the three months ended October 31, 2024 and 2023 is as follows:

	For the Three Months Ended October 31,			% Change
	2024	2023	Change	
Total Revenues	\$ 1,825,128	\$ 1,824,499	\$ 629	0 %
Operating Expenses	1,955,450	1,974,539	19,089	1 %
Operating Loss	(130,322)	(150,040)	19,718	13 %
Interest Income	4,821	14,226	(9,405)	(66 %)
Interest Expense	(91,981)	(124,889)	32,908	26 %
Employee Retention Benefit	-	350,791	(350,791)	(100 %)
Consolidated Net (Loss) Income	(217,482)	90,088	(307,570)	(341 %)

**REVENUE:**

For the three months ended October 31, 2024, we had total revenue of approximately \$1.82 million, which is relatively flat compared to approximately \$1.82 million for the three months ended October 31, 2023. In the prior fiscal years ended January 31, 2023, 2022 and 2021, we made significant improvements to our Albuquerque, New Mexico and Tucson, Arizona hotels. During the three months ended October 31, 2024, we had an increase in total revenue resulting from the recovery of demand after the virus related travel restrictions imposed due to COVID-19, and benefitting from prior refurbishments.

Total Consolidated Net Loss for the three months ended October 31, 2024 was approximately (\$217,000), compared to Consolidated Net Income of approximately \$90,000 for the three months ended October 31, 2023, a decrease of approximately \$307,000. Earnings Per Share based on this Consolidated Net Loss were down (\$0.02) compared to the prior year similar three month period of \$0.01. Earnings Per Share based on net loss attributable to Controlling Interest was (\$0.03), down (\$0.04) compared to the prior year similar three month period of \$0.01.

Net Loss before non-cash depreciation expense was approximately \$43,000 for the three months ended October 31, 2024, compared to Net Income before non-cash depreciation expense of approximately \$257,000 for the three months ended October 31, 2023, which is a decrease of approximately \$300,000.

Room revenue remained relatively flat during the three months ended October 31, 2024 as room revenues were approximately \$1.76 million for the three months ending October 31, 2024 as compared to approximately \$1.78 million for the three months ending October 31, 2023. During Fiscal Year 2024.

**EXPENSES:**

Total expenses net of interest expense was approximately \$1.95 million for the three months ended October 31, 2024 remaining relatively flat compared to total expenses net of interest expense of approximately \$1.97 million for the three months ended October 31, 2023.

Room expenses consisting of salaries and related employment taxes for property management, front office, housekeeping personnel, reservation fees and room supplies were approximately \$570,000 for the three months ended October 31, 2024 compared to approximately \$605,000 in the prior year three month period for a decrease of approximately \$35,000, or 6%. Room expenses decreased as occupancy at the hotels slight decreased, and decreased expenses were incurred with the slight decreased occupancy.

Food and beverage expenses included food and beverage costs, personnel and miscellaneous costs to provide banquet events. For the three months ended October 31, 2024, food and beverage expenses were approximately \$20,000 for the three months ended October 31, 2024, compared to approximately \$45,000 for the three months ended October 31, 2023.

General and administrative expenses include overhead charges for management, accounting, shareholder and legal services. General and administrative expenses of approximately \$536,000 for the three months ended October 31, 2024, decreased approximately \$15,000 from approximately \$551,000 for the three months ended October 31, 2023 primarily due to savings initiatives at corporate staffing in support of the hotels and property sales efforts.

Sales and marketing expense remained relatively flat at approximately \$99,000 for the three months ended October 31, 2024 from approximately \$96,000 for the three months ended October 31, 2023.

Repairs and maintenance expense decreased from approximately \$127,000 \$158,000 reported for the three months ended October 31, 2023 April 30, 2025 compared to with approximately \$98,000 \$163,000 for the three months ended October 31, 2024. Having completed the property improvements at our Tucson, Arizona hotel Management anticipates the improvements which complies with the increasing Best Western standards, will (after the adverse effects of travel restrictions and slowdown), lead to improvement in guest satisfaction and will drive additional revenue growth through increased occupancy and increased rates.

Hospitality expense increased by approximately \$27,000, or 24%, from \$114,000 for the three months ended October 31, 2023 to approximately \$142,000 for the three months ended October 31, 2024. The increase in hospitality expense is due to an increase in minimum wages attributable to salary and wages for Hospitality.

Utility expenses remained relatively flat at approximately \$105,000 reported for the three months ended October 31, 2024 compared with approximately \$104,000 for the three months ended October 31, 2023 April 30, 2024.

Hotel property depreciation expenses increased by approximately \$7,000 from approximately \$167,000 reported for the three months ended October 31, 2023 compared to approximately \$174,000 for the three months ended October 31, 2024. Increased depreciation resulted from an increase in depreciation for additional capital expenditures.

Real estate and personal property taxes, Insurance and Ground Rent expenses increased approximately \$48,000, or 29%, to approximately \$175,000 reported for the three months ended October 31, 2024 compared with approximately \$167,000 for the three months ended October 31, 2023 due to adjustments in our operating lease accounts.

## LIQUIDITY AND CAPITAL RESOURCES

### Overview – Hotel Operations & Corporate Overhead

Two principal sources of cash to meet our cash requirements, include monthly management fees from our two hotels and distributions of our share of the Partnership's cash flow of the Tucson hotel and quarterly distributions from the Albuquerque, New Mexico properties. Additional sources of cash include potential intercompany loan repayments, potential future real estate hotel sales, and potential returns on diversified investments. The Partnership's principal source of revenue is hotel operations for the hotel property it owns in Tucson, Arizona. Our liquidity, including our ability to make distributions to our shareholders, will depend upon our ability, and the Partnership's ability, to generate sufficient cash flow from hotel operations, from management fees, and from the potential sale and/or refinance of the hotel, and to service our debt including repayment of intercompany loan from Tucson.

Hotel operations were positively affected by improved occupancy and substantially increased room rates at the Hotels in the Fiscal Year 2024, 2025, and to a lesser extent, stable occupancy, rates, and cost controls the First Three Fiscal Quarters Quarter of Fiscal 2025, 2026, ended October 31, 2024 April 30, 2025, as the travel industry continued to thrive, momentum stabilizes.

With approximately \$0.5 million \$13,000 of cash as of October 31, 2024 April 30, 2025 and the availability of three \$250,000 bank lines of credit, and \$1,200,000 approximately \$700,000 available from the \$2,000,000 related party Demand/Revolving Line of Credit/Promissory Note, and the availability of Advances to Affiliate credit facilities and available Bank line of Credit, we believe that we will have enough cash on hand to meet all of our financial obligations as they become due for at least the next twelve months from the issuance date of the these consolidated financial statements. Our management is analyzing other strategic options available to us, including raising additional funds, asset sales, and benefiting from clean energy investment cash flow as our diversification investment progresses. matures. However, such transactions may not be available on terms that are favorable to us, or at all.

IHT and InnDependent Boutique Collections Hotels (IBC), previously agreed to extend the payment schedule on IBC's note receivable to allow June 30, 2030, as RRF, the IHT Management Subsidiary, took over IBC Management, as of March 7, 2025, and obtained a five-year option to rebuild operations as the hotel industry rebounds. Management believes that with an additional extension repayment term, that the future collectability of the current carrying value of the note is probable and not subject to further impairment, or allowance for the Quarter ended October 31, 2024. purchase IBC Hotels, LLC, at cost.

There can be no assurance that we will be successful fully collecting receivables, in refinancing debt, or raising additional or replacement funds, or that these funds may be available on terms that are favorable to us. If we are unable to raise additional or replacement funds, we may be required to sell certain of our assets to meet our liquidity needs, which may not be on terms that are favorable.

We anticipate steady stable leisure travel demand, modestly increased hotel rates, and limited additional new-build hotel supply in our markets during the current Fiscal Year 2025, and accordingly we anticipate a continued increase of revenues, stable revenues and operating margins. We expect challenges for the remaining Fiscal Year to be the economy, tariffs affecting travel, inflation, and cost control. Travel, leisure, corporate, group, and government business continued to grow and may further increase room rates while maintaining and/or building market share in Fiscal Year 2025.

Cash used in provided by operating activities from continuing operations totaled approximately \$651,000 \$280,000 during the nine three months ended October 31, 2024 April 30, 2025 as compared to net cash provided used of approximately \$1,511,000 \$459,000 during the nine three months ended October 31, 2023 April 30, 2024. Consolidated net loss income was approximately \$557,000 \$39,000 for the nine three months ended October 31, 2024 April 30, 2025 as compared to consolidated net income for the nine three months ended October 31, 2023 April 30, 2024 of approximately \$612,000. \$87,000. Explanation of the differences between these Fiscal Years fiscal years are explained above in the results of operations of the Trust.

Changes in the adjustments to reconcile net income for the nine three months ended October 31, 2024 April 30, 2025 and 2022, 2024, respectively, consist primarily of operating lease costs, stock-based compensation, hotel property depreciation, and changes in assets and liabilities. Hotel property non-cash depreciation was approximately \$521,000 \$182,000 during the nine three months ended October 31, 2024 April 30, 2025 compared to approximately \$502,000 \$173,000 during the nine three months ended October 31, 2023 April 30, 2024, an increase of \$19,000 \$9,000 as the Trust recognized more depreciation for the increase of additional capitalized fixed assets, due to increased hotel property investment.

Changes in assets and liabilities for accounts receivable, prepaid expenses and other assets and accounts payable and accrued expenses totaled approximately (\$615,000) \$58,000 and (\$497,000) \$719,000 for the nine three months ended October 31, 2024 April 30, 2025 and 2022, 2024, respectively. This significant decrease in changes in assets and liabilities for the nine three months ended October 31, 2024 April 30, 2025 compared to the nine three months ended October 31, 2023 April 30, 2024 was due to the decrease in operating liabilities related to ongoing operations.

Net cash used in investing activities totaled approximately **\$368,000** **\$196,000** for the **nine** **three** months ended **October 31, 2024** **April 30, 2025** compared to net cash used in investing activities of approximately **\$390,000** **\$186,000** for the **nine** **three** months ended **October 31, 2023** **April 30, 2024**. The **decrease** **increase** in net cash used in activities during the **nine** **three** months ended **October 31, 2024** **April 30, 2025** was due primarily due to **less** capital improvements to our Hotel Properties as in the Trust watched costs and cash flows. **hotels**.

Net cash provided by (used in) used in financing activities totaled approximately **\$145,000** **(\$164,000)** **\$243,000**, respectively, for the **nine** **three** months ended **October 31, 2024** **April 30, 2025** and **2023**. The **increase** **decrease** of approximately **\$1,473,000** **\$79,000** was primarily due to borrowing on deferring the Notes Payable Related Party payment of distributions to non-controlling interest holders.

Principal payments on mortgage notes payable for continuing operations was approximately **\$157,000** **\$87,000** and **\$169,000** **\$65,000** during the **nine** **three** months ended **October 31, 2024** **April 30, 2025** and **2023**, 2024, respectively.

Borrowing and payments Payments on notes payables-related party, netted against borrowings on note payable-related party, was approximately **\$750,000** **\$67,000** and **(\$100,000)** **\$0** of cash used in financing activities during the **nine** **three** months ended **October 31, 2024** **April 30, 2025** and **2023**, respectively.

Treasury Stock repurchases of IHT stock for cash was approximately **\$45,000** and **\$399,000** of cash used in financing activities during the **nine** months ended **October 31, 2024** and **2023**, 2024, respectively.

During the **nine** **three** months ended **October 31, 2024** **April 30, 2025**, our distributions to non-controlling interest holders was approximately **\$312,000** **\$0** compared with approximately **\$569,000** **\$153,000** for the **nine** **three** months ended **October 31, 2023** **April 30, 2024**. We anticipate a reduction in distributions to non-controlling interest holders for the balance of the current Fiscal Year 2026.

We continue to contribute to a Capital Expenditures Fund (the “Fund”) an amount equal to 4% of our Tucson InnSuites Hotel revenues from operation of the Hotel. The Fund is restricted by the mortgage lender for our Tucson property. As of **October 31, 2024** **April 30, 2025**, and **2023, 2024**, there were no monies held in these accounts reported on our unaudited condensed consolidated Balance Sheet as “Restricted Cash.” The Fund is intended to be used for capital improvements to the Hotels and refurbishment and replacement of furniture, fixtures and equipment. During the **nine** **three** months ended **October 31, 2024** **April 30, 2025** and **2023, 2024**, the Hotel spent approximately **\$333,000** **\$196,000** and **\$360,000** **\$151,000** respectively, for capital expenditures. The capital expenditures were primarily associated with the property improvements at the Hotel, as required to meet continuing Best Western standards. We consider most of these improvements to be revenue producing. Therefore, these amounts are capitalized and depreciated over their estimated useful lives. For the remaining Fiscal Year 2025 capital expenditures, we plan on spending less on capital improvements as we have completed our property improvements at our Tucson, Arizona hotel and our Albuquerque hotel, both of which required significant amounts of capital improvements in prior periods. Repairs and maintenance were charged to expense as incurred and approximated **\$313,000** **\$109,000** and **\$338,000** **\$106,000** for the **nine** **three** months ended **October 31, 2024** **April 30, 2025** and **2023, 2024**, respectively.

We have minimum debt payments, net of debt discounts, of approximately **\$59,000** **\$656,000** and approximately **\$1,468,000** **\$1,345,000** due during Fiscal Years **2025** **2026** and **2026, 2027**, respectively. Minimum debt payments due during Fiscal Year 2025 and 2026 include approximately **\$59,000** **\$186,000** and **\$248,000** **\$261,000** of mortgage notes payable, and approximately **\$470,000** of other notes payable, which are **secured** **unsecured** promissory notes outstanding to unrelated third parties, arising from the Shares and approximately **\$1,084,000** of **Beneficial Interest** and Partnership unit repurchases, and **\$750,000** of Notes Payables due to Related Parties notes payable-related party.

We may seek to negotiate additional credit facilities **refinancing one or both hotels**, or issue debt instruments. Any debt incurred or issued by us may be secured or unsecured, long-term, medium-term, or short-term, bear interest at a fixed or variable rate and be subject to such other terms as we consider prudent.

#### COMPETITION IN THE HOTEL INDUSTRY

The hotel industry is highly competitive. Both the Tucson and Albuquerque hotels experienced record high Gross Operating Profit (GOP Profits), in Fiscal Year **2024** **2025** (February 1, **2023** **2024** to **January 31, 2024** **January 31, 2025**), substantially higher than both Covid and Pre-Covid GOP Profits. This gross operating profit **Fiscal 2026** is growing even more due to cost control measures. The drastic impact of COVID-19 to the world economy and hospitality industry resulted in severely reduced occupancy and significant reduction in room rates, both of which have now fully recovered, **uncertain**, but appears stable thus far. Continued competition in corporate, leisure, group, and government business in the markets in which we operate, may affect our ability to maintain room rates and maintain market share. Each of the Hotels faces competition primarily from other mid-market hotels located in its immediate vicinity, but also competes with hotel properties located in other geographic markets, and increasingly from alternative lodging facilities, such as Airbnb. While none of the Hotels’ competitors dominate any of their geographic markets, some of those competitors may have greater marketing and/or financial resources than the Trust.

Certain hotel property refurbishments have been completed by competitors in both Hotels' markets, and additional hotel property developments may be built in the future. Such hotel developments could have an adverse effect on the revenue of our Hotels in their respective markets.

The Trust's hotel investments are located in Arizona and New Mexico. With the completed renovations meeting Best Western standards at our Tucson, Arizona and Albuquerque, New Mexico hotel properties, those hotels are expected to see incremental demand during the next 18 months. Supply has been relatively steady in those respective markets. Either a significant increase in supply or a significant decline in demand could result in increased competition, which could have an adverse effect on occupancy, room rates and revenues of our Hotels in their respective markets. The continued recovery has occupancy, rates, and is benefiting cost control are stable at our hotels in the First Three Fiscal Quarters Quarter of Fiscal 2026, (February 1, 2025 February 1, 2024 to October 31, 2024 April 30, 2025). This improvement and continued upward trend is expected to continue for the balance of Fiscal Year 2025, 2026, through January 31, 2025 January 31, 2026.

The Trust may not invest further in hotels, but rather diversify into investments such as the investment made by the Trust in December 2019 in the innovative UniGen Power, Inc. (UniGen), efficient clean energy power generation company, company; or the March 7, 2025 opportunity to manage and potentially eventually purchase IBC at cost, and its independent hotel reservation systems and services. The Trust may continue to seek further diversification through a merger or reverse merger with a larger non-public entity seeking an NYSE-American public stock market listing.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

As a partial balance to the current hotel industry, the Trust looks to benefit from, and expand, its UniGen clean energy operation diversification investments in the years ahead. See Note 2 of the unaudited consolidated financial statements for discussion on UniGen.

In our Annual Report on Form 10-K for the Fiscal Year ended **January 31, 2024** **January 31, 2025**, filed with the SEC on **April 8, 2024** **May 1, 2025**, we identified the critical accounting policies that affect our more significant estimates and assumptions used in preparing our condensed consolidated financial statements. We believe that the policies we follow for the valuation of our Hotel properties, which constitute **most** **a major part** of our assets, are our most critical policies which has not changed in the period ended **October 31, 2024** **April 30, 2025**. Those policies include methods used to recognize and measure any identified impairment of our Hotel property assets.

### Asset Impairment

We believe that the policies we follow for the valuation of our hotel properties, which constitute most of our assets, are our most critical policies. The Financial Accounting Standards Board ("FASB") has issued authoritative guidance related to the impairment or disposal of long-lived assets, codified in ASC Topic 360-10-35, which we apply to determine when it is necessary to test an asset for recoverability. On an events and circumstances basis, we review the carrying value of our hotel properties. We will record an impairment loss and reduce the carrying value of a property when anticipated undiscounted future cash flows and the current market value of the property do not support its carrying value. In cases where we do not expect to recover the carrying cost of hotel properties held for use, we will reduce the carrying value to the fair value of the hotel, as determined by a current appraisal or other acceptable valuation methods. We did not recognize a hotel properties impairment loss for the **nine** **three** months ended **October 31, 2024** **April 30, 2025** or **2023**. As of **October 31, 2024** **April 30, 2025**, our management does not believe that the carrying values of any of our hotel properties are impaired.

### Sale of Hotel Assets

Management believes that our currently owned Hotels are valued at prices that are reasonable in relation to their current fair market value. At this time, the Trust is unable to predict when, and if, either of its Hotel properties will be sold. The Trust seeks to sell both hotels over the next 36 months. We believe that each of the assets is available at a price that is reasonable in relation to its current fair market value.

### Revenue Recognition

Revenues are primarily derived from the sources below and are recognized as services are rendered and when collectability is reasonably assured. Amounts received in advance of revenue recognition are considered deferred liabilities and are generally not significant.

Revenues primarily consist of room rentals, food and beverage sales, management and trademark fees and other miscellaneous revenues from our properties. Revenues are recorded when rooms are occupied and when food and beverage sales are delivered.

Each room night consumed by a guest with a cancelable reservation represents a contract whereby the Trust has a performance obligation to provide the room night at an agreed upon price. For cancellable reservations, the Trust recognizes revenue as each performance obligation (i.e., each room night) is met. Such contract is renewed if the guest continues their stay. For room nights consumed by a guest with a non-cancellable reservation, the entire reservation period represents the contract term whereby the Trust has a performance obligation to provide the room night or nights at an agreed upon price. For non-cancellable reservations, the Trust recognizes revenue over the term of the performance period (i.e., the reservation period) as room nights are consumed. For these reservations, the room rate is typically fixed over the reservation period. The Trust uses an output method based on performance completed to date (i.e., room nights consumed) to determine the amount of revenue it recognizes on a daily basis if the length of a non-cancellable reservation exceeds one night since consumption of room nights indicates when services are transferred to the guest. In certain instances, variable consideration may exist with respect to the transaction price, such as discounts, coupons and price concessions made upon guest checkout.

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In evaluating its performance obligation, the Trust bundles the obligation to provide the guest the room itself with other obligations (such as free Wi-Fi, grab and go or hot breakfast, access to on-site laundry facilities and parking), as the other obligations are not distinct and separable because the guest cannot benefit from the additional amenities without the consumed room night. The Trust's obligation to provide the additional items or services is not separately identifiable from the fundamental contractual obligation (i.e., providing the room and its contents). The Trust has no performance obligations once a guest's stay is complete.

We are required to collect certain taxes and fees from customers on behalf of government agencies and remit these back to the applicable governmental agencies on a periodic basis. We have a legal obligation to act as a collection agent. We do not retain these taxes and fees and, therefore, they are not included in revenues. We record a liability when the amounts are collected and relieve the liability when payments are made to the applicable taxing authority or other appropriate governmental agency.

#### COMPLIANCE WITH CONTINUED LISTING STANDARDS OF NYSE AMERICAN

The Trust's Management received communication from the NYSE-American on August 29, 2022, indicating IHT is fully compliant with all of the Continued Listing Standards Equity Requirements set forth in Part 10 of the NYSE American Company Guide, of the NYSE-American.

## NON-GAAP FINANCIAL MEASURES

The following non-GAAP presentations of earnings before interest, taxes, depreciation, and amortization (“EBITDA”) and funds from operations (“FFO”) are made to assist our investors in evaluating our operating performance.

Adjusted EBITDA is defined as earnings before interest expense, amortization of loan costs, interest income, income taxes, depreciation and amortization, and non-controlling interests in the Trust. We present Adjusted EBITDA because we believe these measurements (a) more accurately reflect the ongoing performance of our hotel real estate assets and other investments, (b) provide more useful information to investors as indicators of our ability to meet our future debt payments and working capital requirements, and (c) provide an overall evaluation of our financial condition. Adjusted EBITDA as calculated by us may not be comparable to Adjusted EBITDA reported by other companies that do not define Adjusted EBITDA exactly as we define the term. Adjusted EBITDA does not represent cash generated from operating activities determined in accordance with GAAP and should not be considered as an alternative to (a) GAAP net income or loss as an indication of our financial performance or (b) GAAP cash flows from operating activities as a measure of our liquidity.

A reconciliation of net income or loss (loss) attributable to controlling interests to Adjusted EBITDA for the nine three and three months ended October 31, 2024 April 30, 2025 and 2023 2024 is approximately as follows:

	For the Nine Months Ended October 31,		For the Three Months Ended April 30,	
	2024	2023	2025	2024
Net (loss) income attributable to controlling interests	\$ (812,000)	\$ 297,000		
Net loss income attributable to controlling interests			\$ (121,000)	\$ (149,000)
Add back:				
Depreciation	521,000	502,000	182,000	173,000
Interest expense	338,000	378,000	151,000	118,000
Less:				
Interest Income	(15,000)	(67,000)	-	(26,000)
Adjusted EBITDA	<u>\$ 32,000</u>	<u>\$ 1,110,000</u>	<u>\$ 212,000</u>	<u>\$ 116,000</u>

	For the Three Months Ended October 31, 2024		2023	
	2024	2023	2024	2023
Net (loss) income attributable to controlling interests	\$ (276,000)	\$ 61,00		
Add back:				
Depreciation	175,000	167,00		
Interest expense	92,000	125,00		
Less:				
Interest Income	-	(14,00)		
Adjusted EBITDA	<u>\$ (9,000)</u>	<u>\$ 339,00</u>		

FFO is calculated on the basis defined by the National Association of Real Estate Investment Trusts ("NAREIT"), which is net income (loss) attributable to common shareholders, computed in accordance with GAAP, excluding gains or losses on sales of properties, asset impairment adjustments, and extraordinary items as defined by GAAP, plus non-cash depreciation and amortization of real estate assets, and after adjustments for unconsolidated joint ventures and non-controlling interests in the operating partnership. NAREIT developed FFO as a relative measure of performance of an equity REIT to recognize that income-producing real estate historically has not depreciated on the basis determined by GAAP. The Trust is an unincorporated Ohio business investment, (real estate investment trust); however, the Trust is not a real estate investment trust for federal taxation purposes. Management uses this measurement to compare itself to REITs with similar depreciable assets. We consider FFO to be an appropriate measure of our ongoing normalized operating performance. We compute FFO in accordance with our interpretation of standards established by NAREIT, which may not be comparable to FFO reported by other companies that either do not define the term in accordance with the current NAREIT definition or interpret the NAREIT definition differently than us. FFO does not represent cash generated from operating activities as determined by GAAP and should not be considered as an alternative to (a) GAAP net income or loss as an indication of our financial performance or (b) GAAP cash flows from operating activities as a measure of our liquidity, nor is it indicative of funds available to satisfy our cash needs, including our ability to make cash distributions. However, to facilitate a clear understanding of our historical operating results, we believe that FFO should be considered along with our net income or loss and cash flows reported in the consolidated financial statements.

An approximate reconciliation of net income (loss) attributable to controlling interests to FFO for the **nine** **three** and three months ended **October 31, 2024** **April 30, 2025** and **2023: 2024**:

	For the Nine Months Ended October 31,		For the Three Months Ended April 30,	
	2024	2023	2025	2024
Net (loss) income attributable to controlling interests	\$ (812,000)	\$ 297,000		
Net loss attributable to controlling interests			\$ (121,000)	\$ (149,000)
Add back:				
Depreciation	521,000	502,000	182,000	173,000
Non-controlling interest	255,000	315,000	160,000	235,000
FFO	<u>\$ (36,000)</u>	<u>\$ 1,114,000</u>	<u>\$ 221,000</u>	<u>\$ 259,000</u>

	For the Three Months Ended October 31,	
	2024	2023
Net (loss) income attributable to controlling interests	\$ (276,000)	\$ 61,00
Add back:		
Depreciation	521,000	502,00
Non-controlling interest	59,000	29,00
FFO	<u>\$ 304,000</u>	<u>\$ 592,00</u>

#### FUTURE POSITIONING

In viewing **the** **economic cycles** and hotel industry cycles, **including the recent disruption of travel and hospitality**, the Board of Trustees determined that it was appropriate to continue to **actively** seek buyers for our two remaining Hotel properties. We continue to make our Tucson Hotel and Albuquerque Hotel available for sale at market value, on the website [www.suitehotelsrealty.com](http://www.suitehotelsrealty.com).

The table below provides book values, mortgage balances and Estimated Market Asking Price for the Hotels.

Hotel Property	Book Value	Mortgage Balance	Estimated Market Asking Price
Albuquerque	\$ 934,798	\$ 1,145,555	\$ 9,500,000
Tucson Oracle	5,867,716	7,812,165	18,500,000
	<u>\$ 6,802,514</u>	<u>\$ 8,957,720</u>	<u>\$ 28,000,000</u>

Hotel Property	Book Value	Mortgage Balance	Estimated Market Asking Price
Albuquerque	\$ 958,550	\$ 1,167,635	\$ 9,500,00
Tucson Oracle	5,880,745	7,925,549	18,500,00
	<u>\$ 6,839,295</u>	<u>\$ 9,093,184</u>	<u>\$ 28,000,00</u>

The "Estimated Market Asking Price" is the amount at which we believe we may be able to sell each of the Hotels and is adjusted to reflect hotel sales in the Hotels' areas of operation and projected upcoming **12 month** **12-month** earnings of each of the Hotels. The Estimated Market Asking Price is not based on appraisals of the properties.

We have from time to time listed hotel properties with a long time highly successful local real estate hotel broker who has successfully sold four of our hotel properties. We believe that each of the assets, the Tucson and Albuquerque hotels, have an estimated market asking price that is reasonable in relation to its current fair market value. We plan to sell our remaining two Hotel properties within 36 months. We can provide no assurance that we will be able to sell either or both of the Hotel properties on terms favorable to us or within our expected time frame, or at all.

Although believed feasible, we may be unable to realize the asking price for the individual Hotel properties or to sell and/or refinance one or both. However, we believe that the asking price values are reasonable based on current strong local market conditions, comparable sales, and anticipated continued upturns in occupancy, rates, and profits per hotel. Changes in market conditions have in part resulted, and may in the future result, in our changing one or all of the asking prices.

Our long-term strategic plan is to obtain the full benefit of our real estate equity, to benefit from our UniGen Power, Inc., (UniGen) clean energy operation diversified investment, **to re-invigorate IBC Hotels**, and to pursue a merger with another company, likely a private larger entity that seeks to go public to list on the NYSE AMERICAN Exchange.

#### SHARE REPURCHASE PROGRAM

For information on the Trust's Share Repurchase Program, see Part II, Item 5. "Market for the Registrant's Common Equity Related Stockholder Matters and Issuer Purchases of Equity Securities." of our most recent 10-K Annual Report filed on **April 8, 2024** **May 1, 2025**.

## OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet financing arrangements or liabilities. We do not have any majority-owned or controlled subsidiaries that are not included in our consolidated financial statements.

## SEASONALITY

The Hotels' operations historically have been somewhat seasonal. The Tucson Arizona Hotel historically experiences the highest occupancy in the first Fiscal Quarter (the winter high season) and, to a lesser extent, the fourth Fiscal Quarter. The second Fiscal Quarter (summer low season) historically tends to be the lowest occupancy period at this Arizona Hotel. This seasonality pattern can be expected to cause fluctuations in the Trust's quarterly revenues. The Hotel located in Albuquerque, New Mexico historically experiences its most profitable periods during the second and third Fiscal Quarters (the summer high season), providing some balance to the general seasonality of the Trust's hotel business.

The seasonal nature of the Trust's business increases its vulnerability to risks such as travel disruptions, labor force shortages and cash flow issues. Further, if an adverse event such as an actual or threatened virus pandemic, terrorist attack, international conflict, data breach, regional economic downturn or poor weather should occur at either of its two hotels, the adverse impact to the Trust's revenues and profit could be significant.

## INFLATION

We rely **entirely** on the performance of the Hotels and InnSuites ability to increase revenue to keep pace with inflation. Operators of hotels in general, and InnSuites in particular, can change and do change room rates often and quickly, but **going forward**, competitive pressures may limit InnSuites ability to raise rates as fast as or faster than inflation. During Fiscal Year **2024, 2025**, ended **January 31, 2024****January 31, 2025**, InnSuites did experience **substantial** increases in rates to offset the inflationary increase labor and other expenses. During the current Fiscal **2025, 2026**, rates **continue to increase** modestly, but are **more generally** stable.

## INVESTMENT IN UNIGEN POWER, INC.

On December 16, 2019, the Trust entered into a Convertible Debenture Purchase Agreement with UniGen Power Inc. ("UniGen"). InnSuites Hospitality Trust (IHT) made an initial \$1 million diversification investment in late Fiscal Year 2020 and early Fiscal Year 2021. UniGen is in the process of developing a patented high profit potential new efficient clean energy **electricity** generation innovation.

**The total market demand for electricity is projected to double in the U.S. over the next five years due to sharply increased demand from data centers, electric cars, and projected Artificial Intelligence usage.** The initial investment was made December 16, 2019, with positive progress to date despite the virus, **economic** setbacks, international vendor travel disruptions, cost overruns, and delays. The **IHT** investment includes convertible bonds, stocks, and warrants to purchase UniGen stock upon election of the Trust. The investment is valued at fair value (level 3), as defined in Note 2 of the Consolidated Financial Statements. There is no Investment Commitment to UniGen requiring any restriction of cash.

**The market for the innovative UniGen product in development is strong. The total market demand for electricity is projected to double in the U.S. over the next five years due to sharply increased demand from data centers, electric vehicles, and projected Artificial Intelligence usage.**

The Trust purchased secured convertible debentures ("Debentures") in the aggregate amount of \$1,000,000 (the "Loan Amount") (the "Loan") at an annual interest rate of 6% (\$15,000 per quarter). The Debentures are convertible into 1,000,000 Class A shares of UniGen Common Stock at an initial conversion rate of \$1.00 per share. UniGen is **two quarters** delinquent **on principal and on quarterly interest payments**, and is currently seeking additional **investors**, including potential future investment by **IHT**.

The Trust has purchased in addition approximately 575,000 shares of UniGen stock.

UniGen issued the Trust common stock purchase warrants (the "Debenture Warrants") including to purchase up to 1,000,000 shares of Class A Common Stock. The Debenture Warrants, **if the expiration dates are extended as part of the current capital raising, and are exercisable at an exercise price of \$1.00 per share of Class A Common Stock.**

UniGen, also, issued the Trust additional common stock purchase warrants ("Additional Warrants") to purchase up to 500,000 shares of Class A Common Stock. The Additional Warrants are exercisable at an exercise price of \$2.25 per share of Class A Common Stock.

The total of all stock ownership upon conversion of the debenture and exercise of warrants could amount to approximately up to approximately 15-20% of fully diluted UniGen equity.

On the Trust's balance sheet, the investment of the \$1,668,750 consists of approximately \$700,000 in note receivables, approximately \$300,000 as the fair value of the warrants issued with the Trust's investment in UniGen, and \$668,750 of UniGen Common Stock (575,000 shares), at cost. The value of the premium related to the fair value of the warrant will accrete over the life of the debentures.

Privately held UniGen Power, Inc. (UniGen) is developing a patented high profit potential (high risk), new efficient clean energy generation innovation. The investment is valued at fair value (level 3), as defined in Note 2 of the Consolidated Financial Statements. There is no Investment Commitment to UniGen requiring any restriction of cash.

Engineering work is largely 61% complete, according to UniGen, on the prototype. UniGen is currently concentrating on its current round of capital raising. IHT may or may not participate in an upcoming round of capital raising.

UniGen is a high risk investment offering high potential investment return if and when successful.

Based on a 96 core "super computer" simulated test together with advanced software, UniGen has confirmed that the UPI 1000TA engine with the addition of recent potential technological advancements, is approximately 33% more fuel efficient than first estimated and will emit only approximately 25% of the maximum admissions allowed by CARB, the strictest of the regulatory standards issued by the state of California. Recent projections of demand for electricity including data centers, electric vehicles and artificial intelligence indicates the market demand for electricity over the next five years in the U.S. may double.

The UniGen design is to produce generators fueled not only with abundant relatively clean natural gas but also with other even cleaner fuels such as ethanol and hydrogen (that emits only water).

James Wirth (IHT President) and Marc Berg (IHT Executive Vice President) both lack significant UniGen control. They have two of the five UniGen Board of Directors seats or 40% and were elected in December 2019 to serve on the board of UniGen to monitor and assist in the success of this potentially power industry disruptive relatively clean energy generation innovation.

The Trust has valued UniGen investment as a level 3 fair value measurement, for the following reasons: The investment does not qualify for level 1 since there are no identical actively traded instruments or level 2 identical or similar unobservable markets.

#### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required for smaller reporting companies.

#### ITEM 4. CONTROLS AND PROCEDURES

##### **Evaluation of Disclosure Controls and Procedures**

As of the end of the period covered by this report, we conducted an evaluation under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Based on this evaluation, our Chief Executive Officer (CEO), and our Chief Financial Officer (CFO), concluded that our disclosure controls and procedures were fully effective as of **October 31, 2024** **April 30, 2025**.

Our management, including our CEO and CFO, do not expect that our disclosure controls and procedures or our internal controls will prevent all error or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

##### **Management’s Report on Internal Control Over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of the Trust’s Chief Executive Officer and Chief Financial Officer and effected by the Trust’s Board of Trustees, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Assessment of Internal Control over Financial Reporting**

Our management assessed the effectiveness of our internal control over financial reporting as of **January 31, 2024** **January 31, 2025**. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control - Integrated Framework (2013). Based on management's assessment, management concluded our internal control over financial reporting was fully effective as of **October 31, 2024** **April 30, 2025**.

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## Management's Remediation Initiatives

In an effort to remediate past deficiencies and enhance the Trust's internal control over financial reporting, the Trust previously increased its technical accounting expertise through an increasingly seasoned Chief Financial Officer, and in Fiscal Years 2023/2024 promoting its Corporate Controller, and employing ~~two~~ one or more full-time Senior Staff Accountants to assist with the Trust's technical accounting and internal control issues. The CFO has extensive public company reporting experience, to further assist with the Trust's technical accounting and internal controls.

We have taken several appropriate and reasonable additional steps, as outlined above, to make the necessary improvements to our Accounting staff and internal control over financial reporting, which resulted in management providing the support previously needed with the additional hiring and training of sufficient personnel with appropriate training and expertise in accounting principles generally accepted in the United States. This additional staffing and training has allowed us to make the necessary improvements, including:

- Continuing to improve the control environment through (i) being staffed with sufficient number of personnel to address segregation of duties issues, ~~ineffective~~ controls, and to perform control monitoring activities, (ii) increasing the level of GAAP knowledge by retaining additional technical accountants, (iii) implementing formal process to account for non-standard transactions, and (iv) implementing and formalizing management oversight of financial reporting at regular intervals;
- Continuing to update the documentation of our internal control processes, including implementing formal risk assessment processes and entity level controls;
- Implementing control activities that address relevant risks and assure that all transactions are subject to such control activities; Ensure systems that impact financial information and disclosures have effective information technology controls;
- Implementing plan to increase oversight and review of ad hoc spreadsheets while also working to reduce their use;
- ~~We are in the process of further~~ ~~Further~~ enhancing the supervisory procedures to include additional levels of analysis and quality control reviews within the accounting and financial reporting functions;
- IHT previously strengthened the position of Chief Financial Officer (CFO), to assist with the Trust's internal controls oversight; and
- IHT previously filled the position of Controller, ~~to which has further~~ ~~assist~~ assisted with the Trust's internal controls oversight, and process accounting.

We believe that the remediation measures described above have and will continue to strengthen our internal control over financial reporting and remediate any material ~~weaknesses that may be identified~~, ~~weaknesses~~. These remediation efforts were implemented throughout Fiscal Year ~~2024~~, ~~2025~~, and early Fiscal Year ~~2025~~, ~~2026~~. Additional strengthening ~~may~~ ~~did~~ take place in the balance of the current Fiscal Year 2025, as ~~well~~, ~~well as the current~~ ~~Fiscal Year 2026~~.

Our management believes that our financial statements included in this Quarterly Report on Form 10-Q for the ~~nine~~ ~~three~~ months ended ~~October 31, 2024~~ ~~April 30, 2025~~ fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented and that this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report.

## Changes in Internal Control over Financial Reporting

There were continued positive changes in our internal control over financial reporting during ~~Fiscal Year 2025~~, as ~~well as the~~ ~~nine~~ ~~three~~ months ended ~~October 31, 2024~~ ~~April 30, 2025~~, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. ~~With the several new additions~~ ~~The~~ aforementioned above ~~these~~ ~~new~~ additions should assist with the Trust's stability, technical accounting, and internal control issues.

## PART II

### PART II OTHER INFORMATION

#### ITEM 1. LEGAL PROCEEDINGS

None.

#### ITEM 1A. RISK FACTORS

##### Risks Relating to COVID-19 COVID

COVID-19 had a material detrimental impact on our business, financial results and liquidity, in Fiscal Year 2021, ended January 31, 2021. Its consequences had dramatically reduced travel and demand for hotel rooms, in Fiscal Year 2021. We believe that lodging demand and revenue level have now significantly recovered.

Fiscal Year 2024, starting February 1, 2023 and ending January 31, 2024, confirmed a significant strong rebound and encouraging progress. The start of Fiscal Year 2025, starting February 1, 2024 and ending January 31, 2025, has shown no ill effects from the pandemic whatsoever. **Risks Relating to Tariffs**

COVID-19 Uncertainty regarding tariffs present in the current economy exist. Given time, it is anticipated that tariff issues will be resolved and its consequences previously reduced governments will negotiate and lessen the impact imposed by such Tariffs. This should eventually restore travel and demand for hotel rooms, which previously had an impact our business, operations, and financial results. We believe that lodging demand and revenue level is now at full recovery. The extent allow it to which COVID-19 currently impacts our business, operations, and financial results, including the duration and magnitude of such effects, is diminished. The negative impact COVID-19 had on global and regional economies and economic activity, including the duration and magnitude of its impact on consumer discretionary spending has been reduced significantly, and its short and longer-term impact on the demand for travel, transient and group business, and levels of consumer confidence is no longer considered a major factor for Fiscal Year 2025, (February 1, 2024 resume to January 31, 2025). normal levels.

#### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Holders of the Trust's Shares of Beneficial Interest are entitled to receive dividends when and if declared by the Board of Trustees of the Trust out of funds legally available. The holders of Shares of Beneficial Interest, upon any liquidation, dissolution or winding-down of the Trust, are entitled to share ratably in any assets remaining after payment in full of all liabilities of the Trust. The Shares of Beneficial Interest possess ordinary voting rights, each share entitling the holder thereof to one vote. Holders of Shares of Beneficial Interest do not have cumulative voting rights in the election of Trustees and do not have preemptive rights.

For the three months ended **October 31, 2024** **April 30, 2025** and **2023, 2024**, the Trust repurchased 0 and **120,126** **18,456** Shares of Beneficial Interest at an average price of \$0 and **\$1.44** **\$1.38** per share, respectively. The average price paid includes brokerage commissions. The Trust intends to continue repurchasing Shares of Beneficial Interest in compliance with applicable legal and NYSE AMERICAN requirements. The Trust's management believes continues to believe the Trust share price does not fully recognize the Trust's full value and/or full potential. The potential, due to depreciated book values significantly below market value, continued strengthening of hotel operations and cost controls, with potential additional room rate increases and occupancy increases, the substantial potential of the UniGen efficient clean energy investment, and the redevelopment of IBC Hotels for independent hotels, including its five-year option to purchase at cost, if successful. During the three months ended April 30, 2025, the Trust did not acquire any acquired 0 Shares of Beneficial Interest in open market transactions during the three months ended October 31, 2024. transactions. During Fiscal Year **2024** **2025** (February 1, **2023** **2024** to **January 31, 2024** **January 31, 2025**), the Trust repurchased 265,087 IHT Shares at an average price of \$1.72 per share.

##### Other Recent Pronouncements

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) and the SEC did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

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#### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

#### ITEM 4. MINE SAFETY DISCLOSURES

None.

#### ITEM 5. OTHER INFORMATION

None.

#### ITEM 6. EXHIBITS

<b>Exhibit No.</b>	<b>Exhibit</b>
31.1	<a href="#">Section 302 Certification by Chief Executive Officer</a>
31.2	<a href="#">Section 302 Certification by Chief Financial Officer</a>
32.1 *	<a href="#">Section 906 Certification of Principal Executive Officer and Principal Financial Officer</a>
101	Inline XBRL Exhibits
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL <b>Taxonomy Extension</b> Schema Document
101.CAL	Inline XBRL <b>Taxonomy Extension</b> Calculation Linkbase Document
101.LAB	Inline XBRL <b>Taxonomy Extension</b> Labels Linkbase Document
101.PRE	Inline XBRL <b>Taxonomy Extension</b> Presentation Linkbase Document
101.DEF	Inline XBRL <b>Taxonomy Extension</b> Definition Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

+ Management contract or compensation plan or arrangement.

\* Furnished, note filed.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

### INNSUITES HOSPITALITY TRUST

Date: **December 16, 2024** June 20, 2025

/s/ James F. Wirth

James F. Wirth  
Chairman and Chief Executive Officer  
(Principal Executive Officer)

Date: **December 16, 2024** June 20, 2025

/s/ Sylvain R. Lange

Sylvain R. Lange  
Sylvain Lange, Chief Financial Officer  
(Principal Financial and Accounting Officer)

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Exhibit 31.1

### CERTIFICATION BY CHIEF EXECUTIVE OFFICER

I, James F. Wirth, certify that:

1. I have reviewed this quarterly report on Form 10-Q of InnSuites Hospitality Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **December 16, 2024** June 20, 2025

*/s/ James F. Wirth*

James F. Wirth  
Chairman and Chief Executive Officer

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Exhibit 31.2

**CERTIFICATION BY CHIEF FINANCIAL AND ACCOUNTING OFFICER**

I, Sylvin R. Lange, certify that:

1. I have reviewed this quarterly report on Form 10-Q of InnSuites Hospitality Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **December 16, 2024** June 20, 2025

*/s/ Sylvin R. Lange*

Sylvin R. Lange  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Quarterly Report of InnSuites Hospitality Trust (the “Trust”) on Form 10-Q for the quarter ended **October 31, 2024** **April 30, 2025**, as filed with the Securities and Exchange Commission (the “SEC”) on or about the date hereof (the “Report”), each of the undersigned officers of the Trust certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer’s knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Trust.

Date: **December 16, 2024** June 20, 2025

*/s/ James F. Wirth*

James F. Wirth  
Chairman and Chief Executive Officer

*/s/ Sylvain R. Lange*

Sylvain R. Lange  
Chief Financial Officer

(Principal Financial and Accounting Officer)

A signed original of this written statement has been provided to the Trust and will be retained by the Trust and furnished to the SEC or its staff upon request.

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## DISCLAIMER

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