



CHATHAM
LODGING TRUST



Investor Presentation
March 2021

Safe Harbor Disclosure

We make forward-looking statements in this presentation that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, cash flow and plans and objectives. When we use the words “believe,” “expect,” “anticipate,” “estimate,” “plan,” “continue,” “intend,” “should,” “may” or similar expressions, we intend to identify forward-looking statements.

Statements regarding the following subjects, among others, may be forward-looking: the terms of the proposed financing, market trends in our industry, interest rates, real estate values, the debt financing markets or the general economy or the demand for commercial real estate loans; our business and investment strategy; our projected operating results; actions and initiatives of the U.S. government and changes to U.S. government policies and the execution and impact of these actions, initiatives and policies; the state of the U.S. economy generally or in specific geographic regions; economic trends and economic recoveries; our ability to obtain and maintain financing arrangements; changes in the value of our hotel portfolio; the degree to which our hedging strategies may or may not protect us from interest rate volatility; impact of and changes in governmental regulations, tax law and rates, accounting guidance and similar matters; our ability to satisfy the REIT qualification requirements for U.S. federal income tax purposes; availability of qualified personnel; estimates relating to our ability to make distributions to our shareholders in the future; general volatility of the capital markets and the market price of our common shares; and degree and nature of our competition.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Forward-looking statements are not predictions of future events. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Included in this presentation are certain “non-GAAP financial measures,” within the meaning of Securities and Exchange Commission (SEC) rules and regulations, that are different from measures calculated and presented in accordance with GAAP (generally accepted accounting principles). The company considers the following non-GAAP financial measures useful to investors as key supplemental measures of its operating performance: (1) FFO, (2) Adjusted FFO, (3) EBITDA, (4) Adjusted EBITDA and (5) Hotel EBITDA. These non-GAAP financial measures could be considered along with, but not as alternatives to, net income or loss, cash flows from operations or any other measures of the company’s operating performance prescribed by GAAP.

Business Highlights

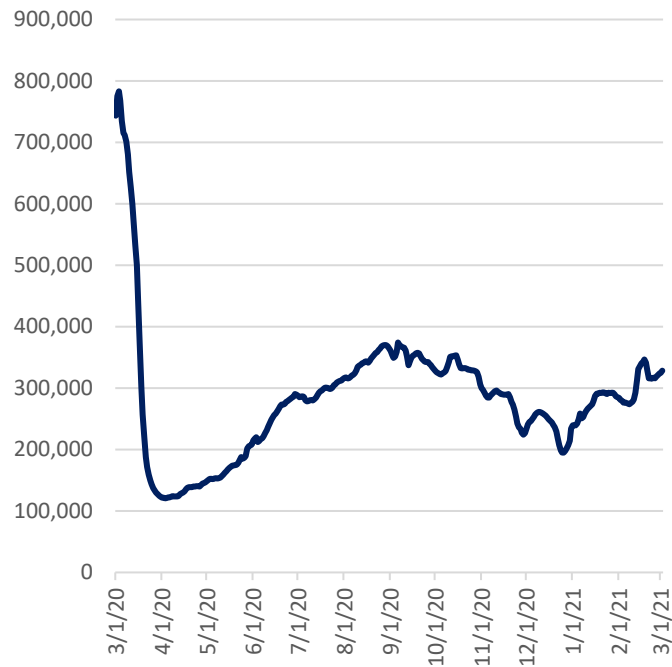
- Highest RevPAR of any lodging REIT during the Covid pandemic
- Highest margins of any lodging REIT
 - Profit / cash flow at lower revenue levels than peers
- Largest portfolio concentration of extended stay rooms of any lodging REIT
 - Extended stay rooms especially attractive to current lodging demand sources
- Relationship with Island Hospitality drives superior sales and cost control
- Portfolio well suited to capture demand from lodging recovery
 - No big box hotels, limited group exposure and no NYC exposure
- Solid liquidity position and limited cash burn
- Sale of Residence Inn Mission Valley demonstrates the value of Chatham's hotels
 - 2019 cap rate of 6.5%, EBITDA multiple of 14.0x, \$349k / room
- No material debt maturities until 2023
- Reasonable leverage before Covid-19 pandemic
- Superior portfolio quality with substantial long-term value
- Deployment of highly effective Covid vaccine will drive performance recovery

Chatham Operating Statistics

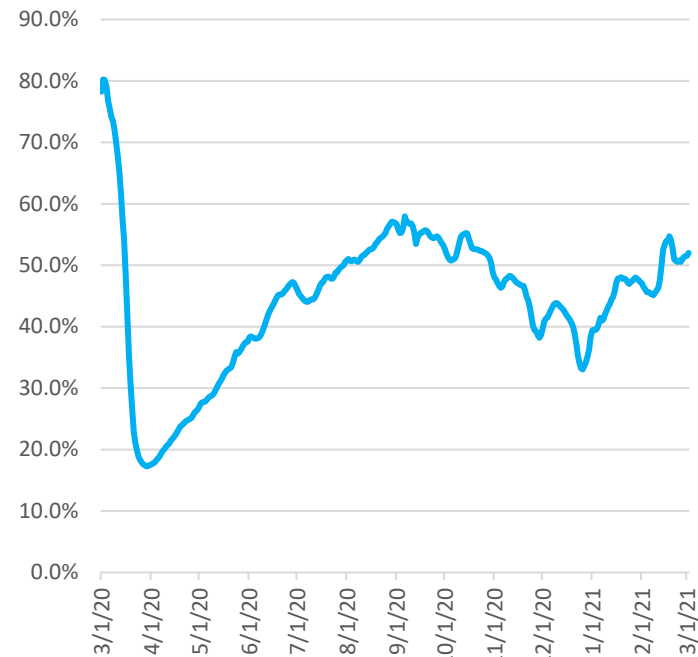
Operating performance recovered significantly from early pandemic lows but plateaued at the end of the summer and declined in Q4 due to normal seasonality and increasing Covid activity

- Performance has started to improve meaningfully in early 2021

Daily Room Revenue (\$)



Daily Occupancy %

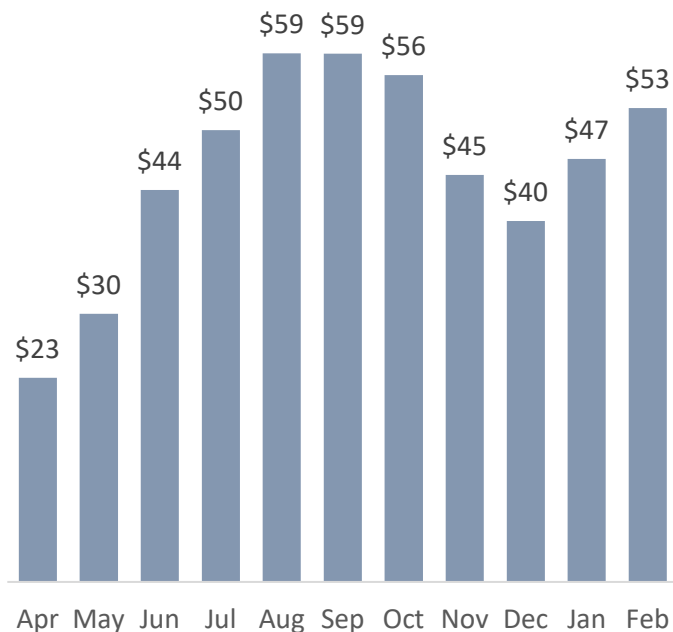


RevPAR and occupancy data in charts reflect 7-day rolling average results.

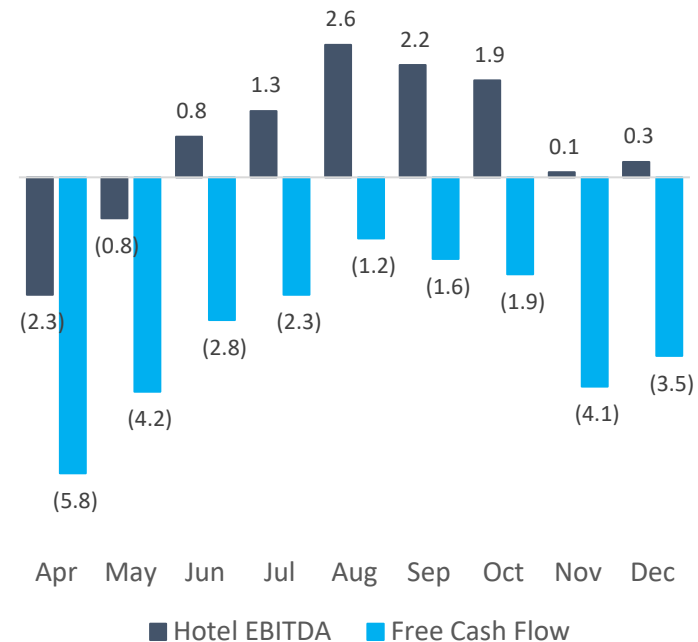
Operating Performance Has Improved Significantly

RevPAR improvements from the start of the pandemic through the end of Q3 led to positive hotel EBITDA and significantly reduced cash burn; while results declined in Q4 they are starting to rebound again in early 2021

RevPAR (\$)



Hotel EBITDA / Free Cash Flow (\$ in mm)



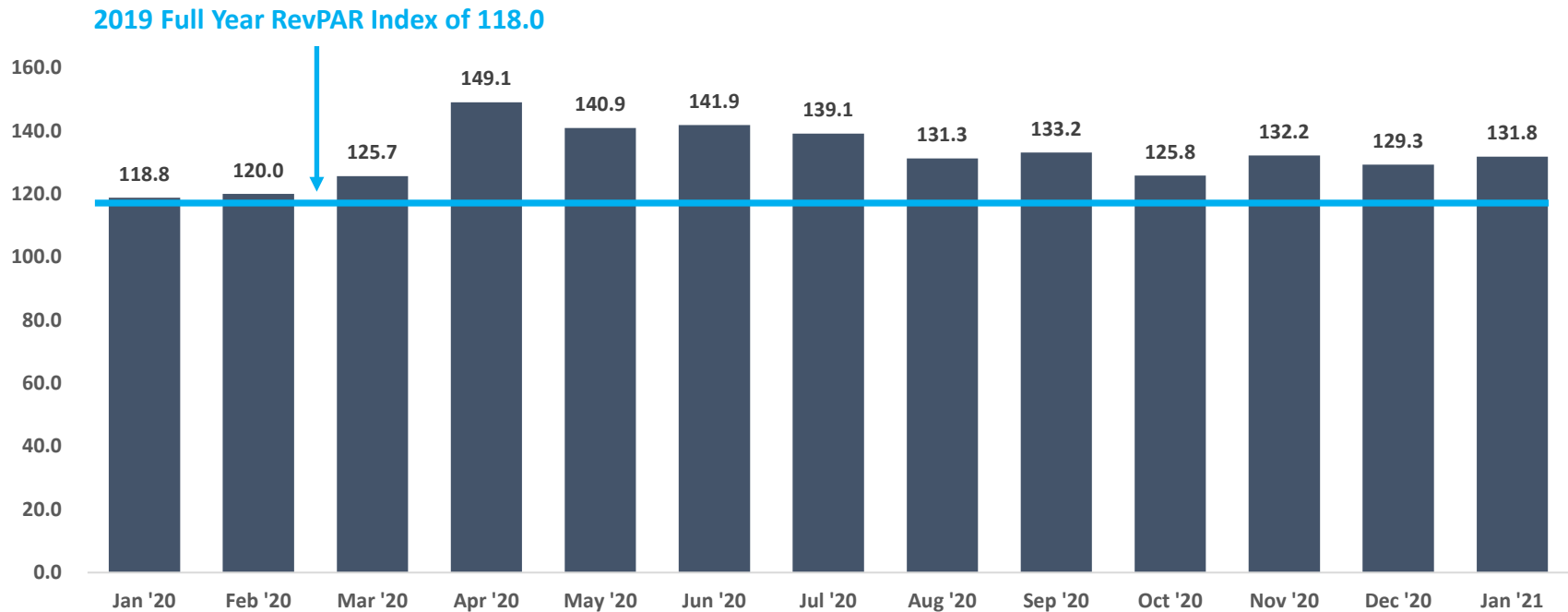
Free cash flow represents hotel EBITDA less cash corporate G&A, cash interest, and \$9 million of annual debt principal amortization.

Chatham RevPAR Index Outperformance

Chatham's RevPAR index has increased significantly in the current challenging market environment

- Index outperformance reflects both ability of Island Hospitality sales team to successfully identify and book unique sources of demand and the appeal of extended stay hotels for current sources of demand

Chatham Monthly RevPAR Index

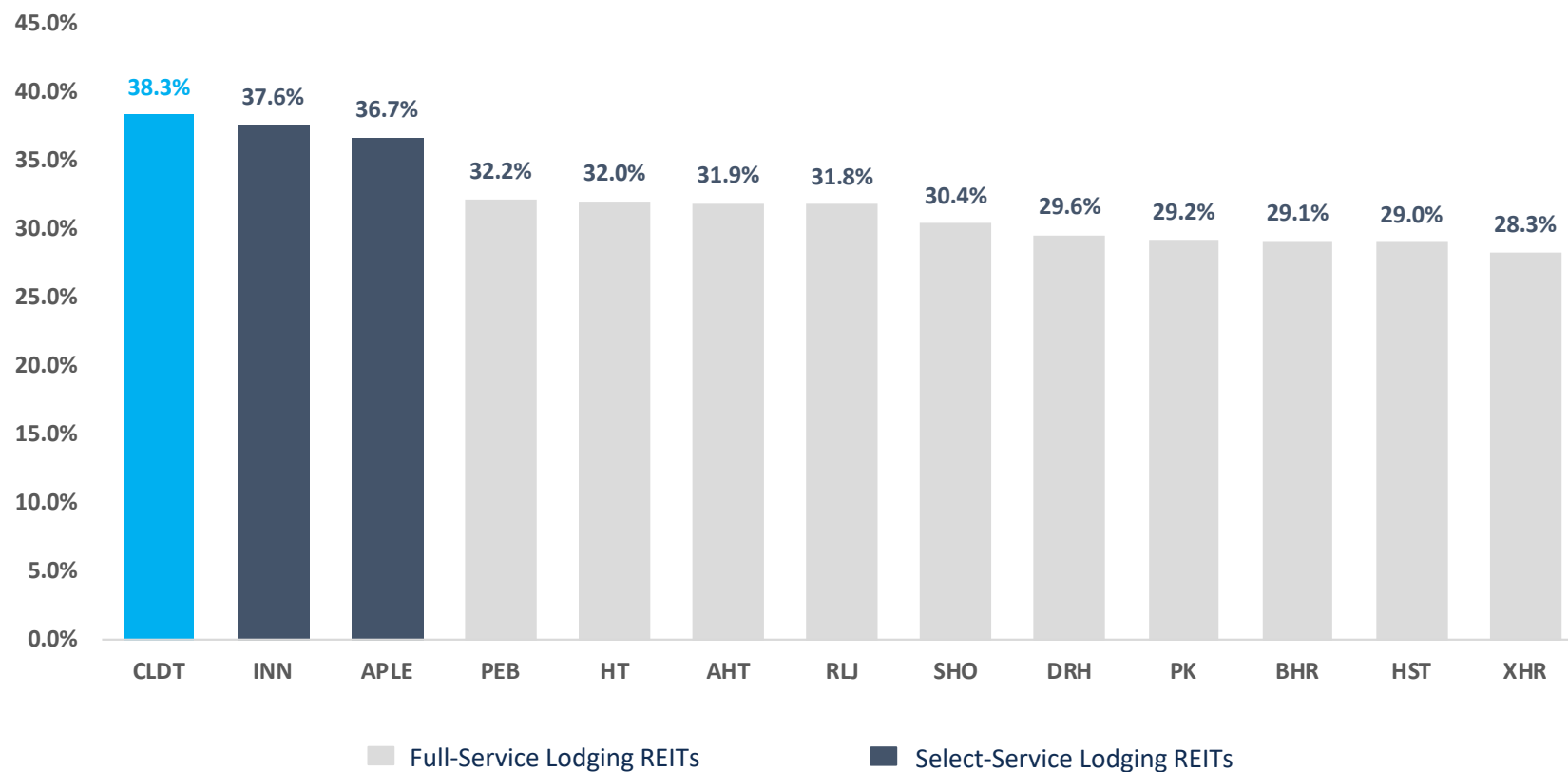


Superior Margins

Chatham's superior EBITDA margins and ability to control costs provide it with a significant advantage in the current environment

- Chatham will achieve profit / cash flow breakeven at lower revenue levels than peers

Hotel EBITDA Margin (Year Ended 12/31/19)

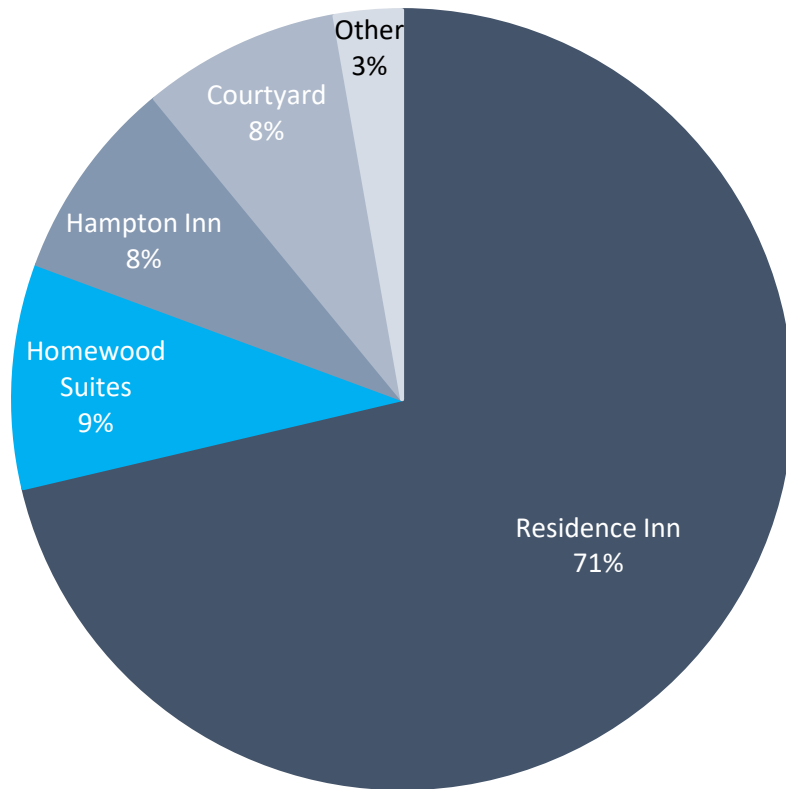


High Quality Hotels in High Quality Markets

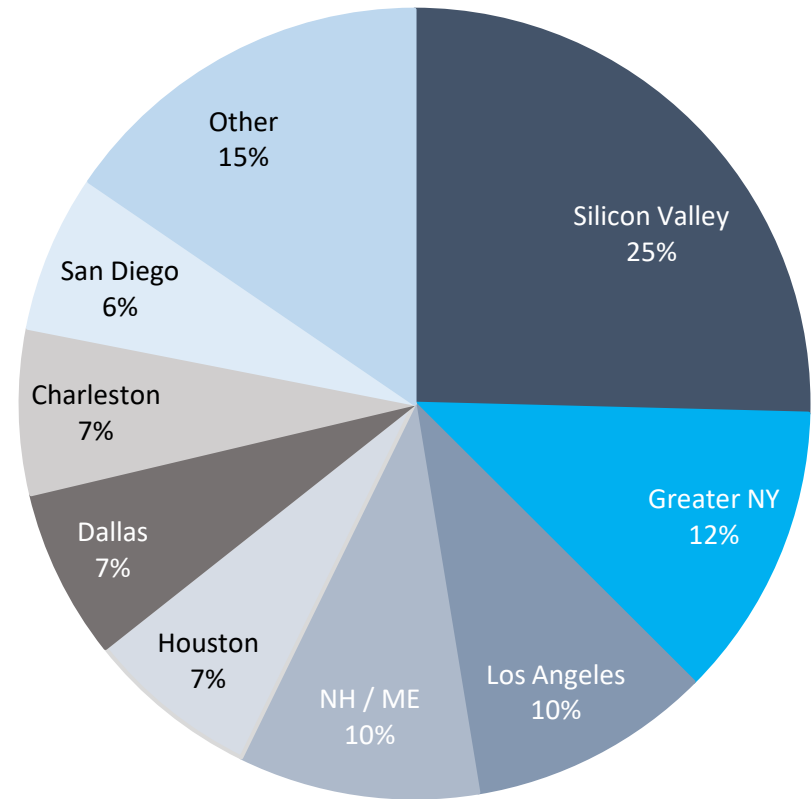
Chatham's superior portfolio is reflected by its top brands and attractive markets

- 80% of Chatham's EBITDA is generated by extended stay hotels which are significantly outperforming in the current market environment

Chatham Brands (% of LTM Hotel EBITDA)



Chatham Markets (% of LTM Hotel EBITDA)



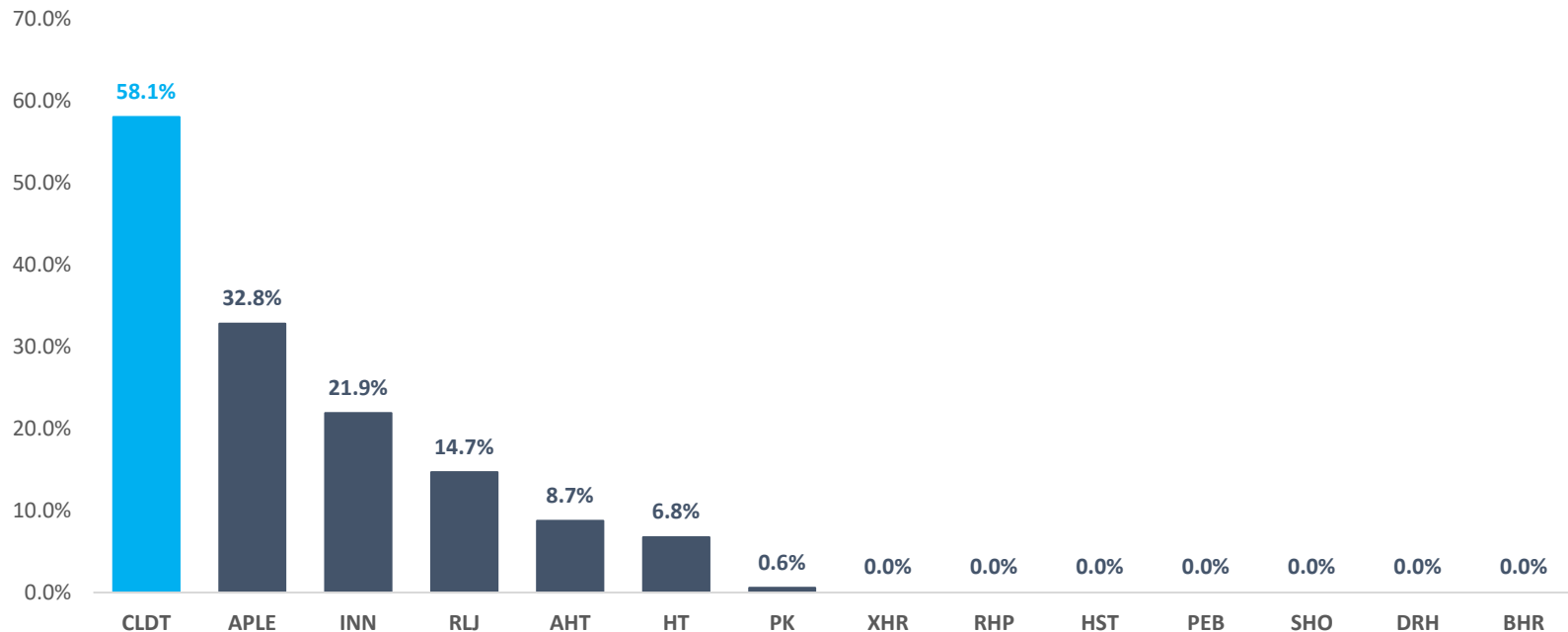
Figures reflect pro forma impact of sale of Residence Inn Mission Valley.

Most Extended Stay Rooms of All Lodging REITs

Chatham's portfolio has a significantly larger concentration of extended stay rooms than other lodging REITs

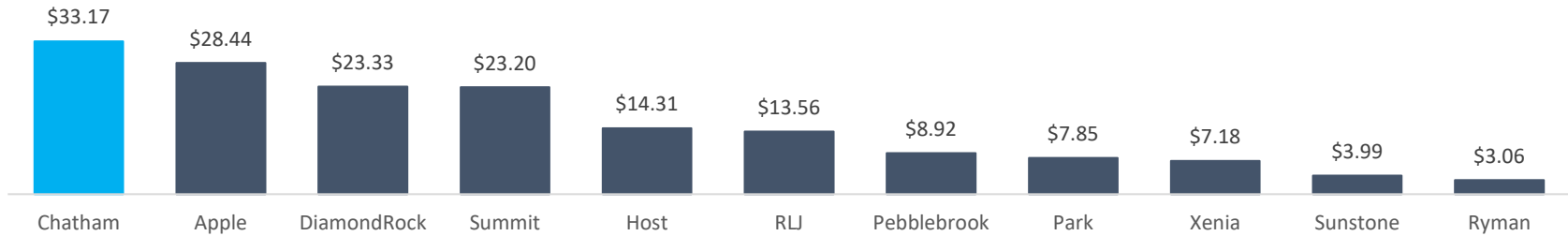
- Extended stay room product is very attractive to current sources of lodging demand

Extended Stay Rooms as % of Total

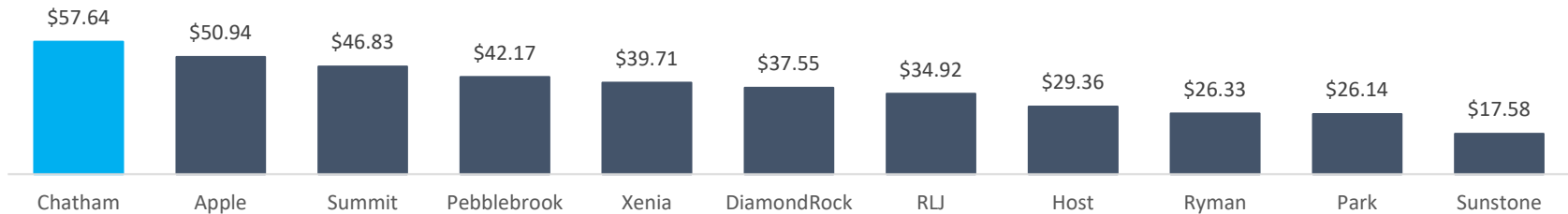


Industry Leading RevPAR Performance

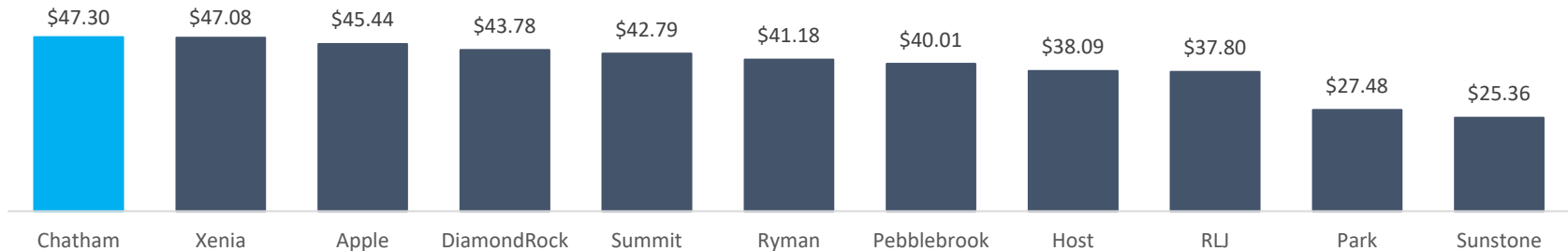
\$ RevPAR – Q2 2020



\$ RevPAR – Q3 2020

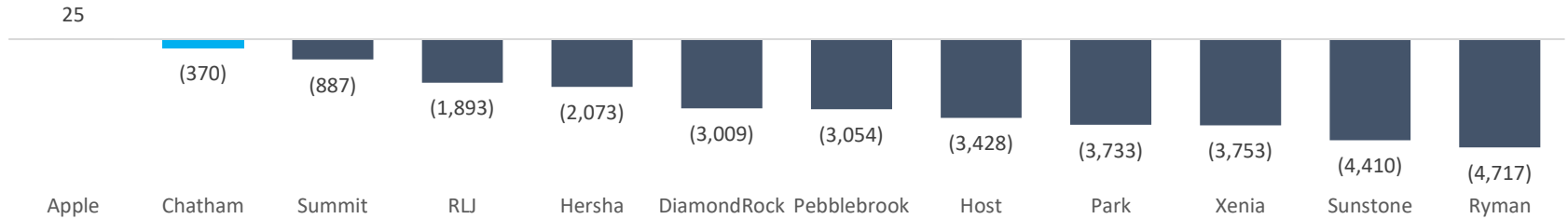


\$ RevPAR – Q4 2020

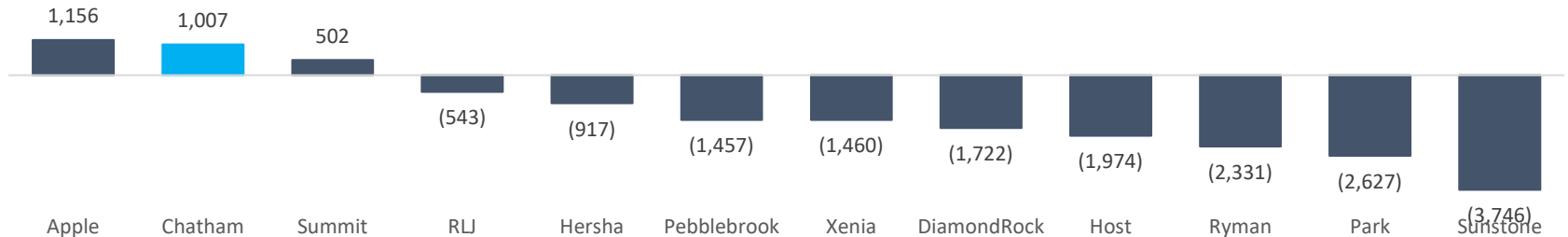


Industry Leading Hotel EBITDA Performance

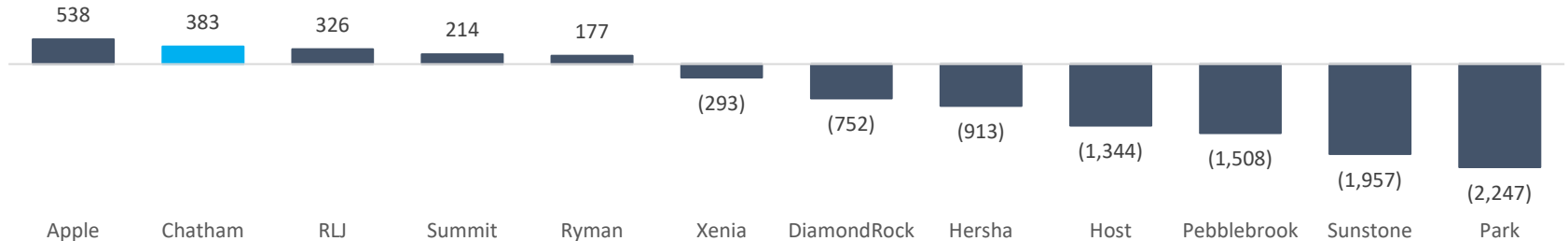
Hotel EBITDA per Room (\$ in 1,000s) — Q2 2020



Hotel EBITDA per Room (\$ in 1,000s) — Q3 2020



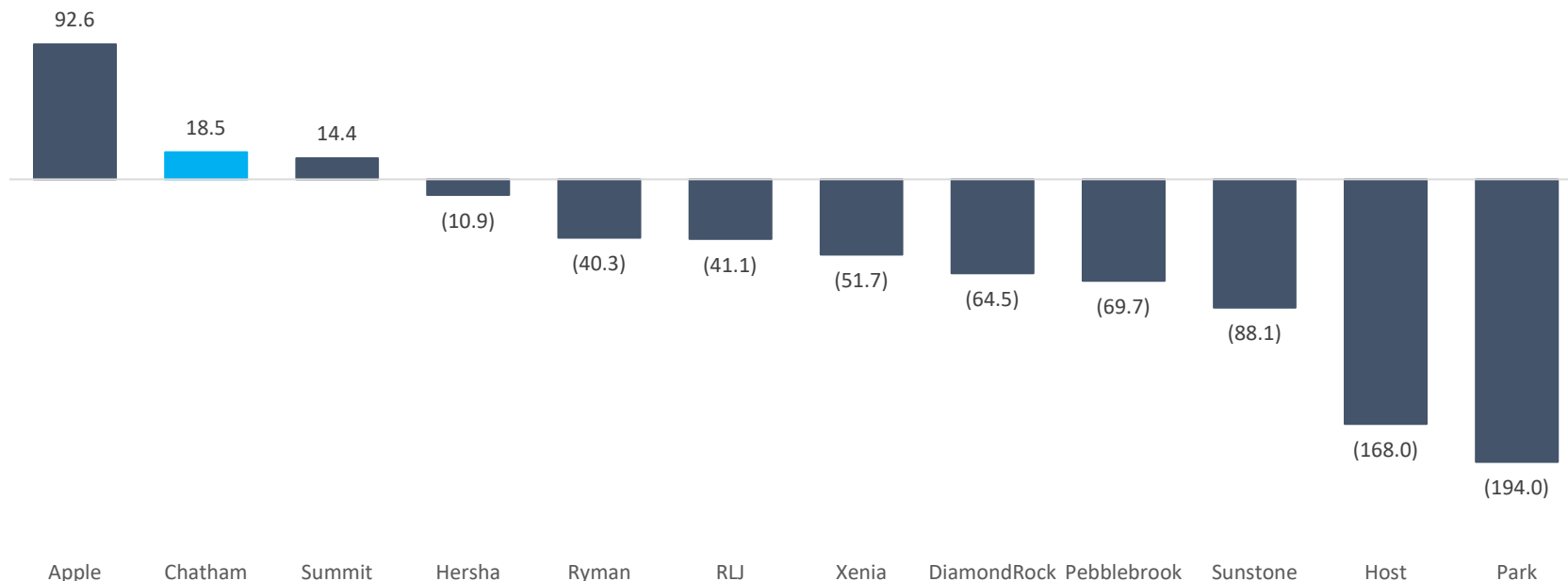
Hotel EBITDA per Room (\$ in 1,000s) — Q4 2020



Superior EBITDA Performance in 2020

Chatham generated the second highest adjusted EBITDA of all lodging REITs in 2020 despite its smaller portfolio size and was one of only three lodging REITs to generate positive adjusted EBITDA

2020 Adjusted EBITDA (\$ in mm)

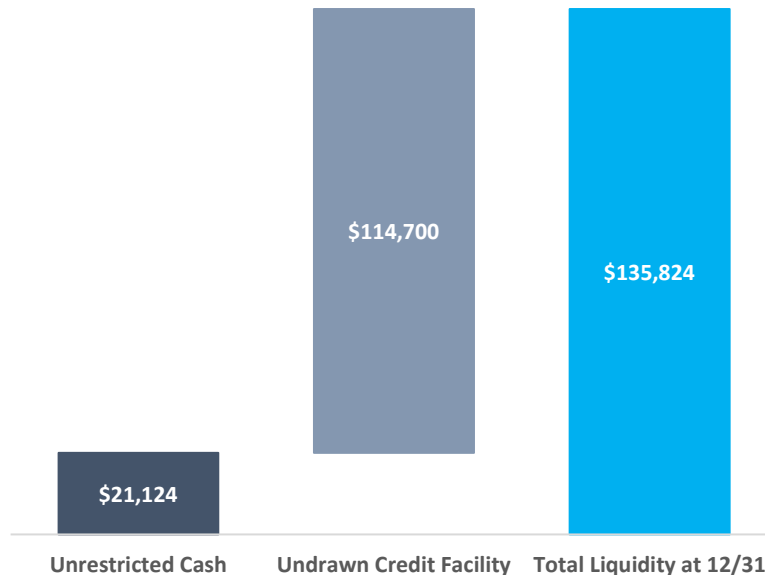


Solid Liquidity and Limited Near-Term Maturities

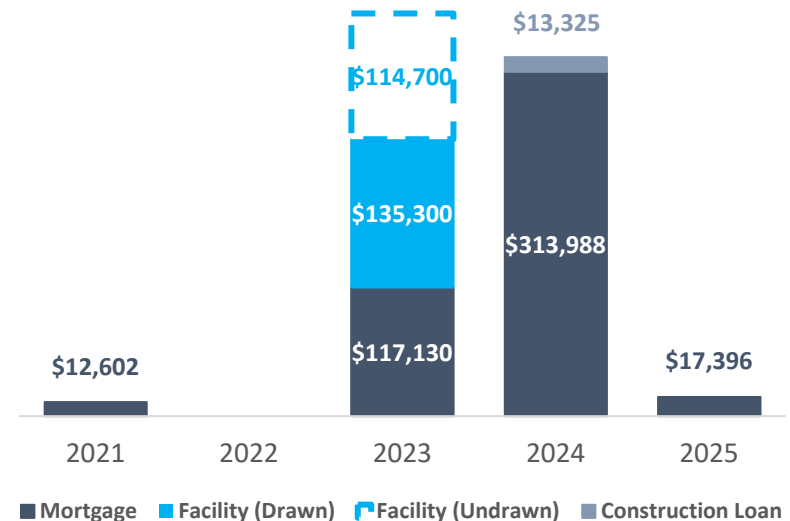
Chatham has \$136 million of liquidity, limited cash burn, and minimal debt maturities until 2023

- Sale of Residence Inn Valley for \$67 million in Q4 2020 (6.0% cap rate / 14.0x EBITDA multiple) used to repay \$26.7 million mortgage and \$37.7 million of credit facility borrowings
- Cash flow breakeven expected at ~\$75 RevPAR

Chatham Liquidity at 12/31/20 (\$ in 1,000s)



Chatham Debt Maturity Profile (\$ in 1,000s)



High Quality Hotels in Attractive Markets



High Quality Hotels in Attractive Markets



Recently Renovated Rooms

