



CHATHAM
LODGING TRUST



Investor Presentation
November 2022

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

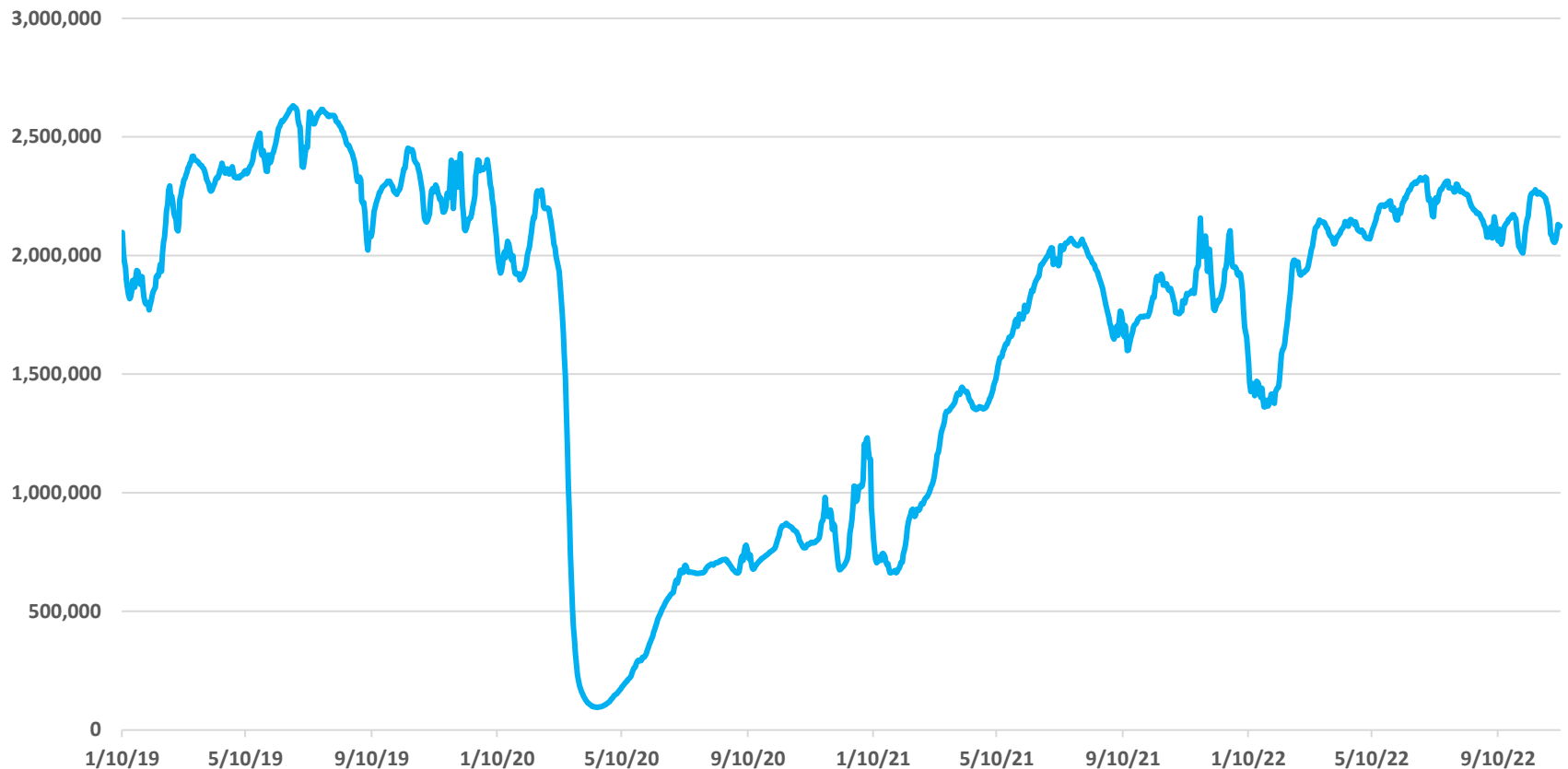
- Operating performance is improving rapidly
- Intense cost control drives outstanding margins
 - ▶ Margins now at or above 2019 levels and should benefit from continued RevPAR growth
- Significant upside as business travel recovers in tech focused markets
- Current share price / valuation provides meaningful upside opportunity
- Capital recycling has enhanced portfolio quality, increased returns and will drive future earnings growth
- Significant debt reduction and new \$305 million credit facility have strengthened balance sheet and provide capacity for future growth
- Superior portfolio of upscale extended stay and premium branded select service hotels in markets with strong long-term growth

Travel Is Recovering

TSA checkpoint traveler numbers recovered to 94% of their 2019 levels in October 2022

- Air travel is nearing 2019 levels even though there is room for improvement in key segments (business / international)

TSA Checkpoint Traveler Numbers (7-Day Moving Average)



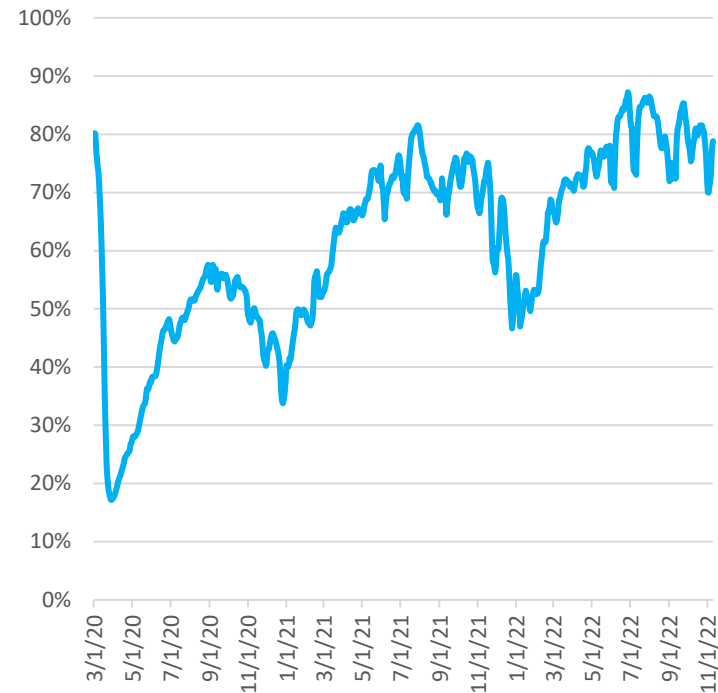
Operating Performance Is Improving

Chatham's RevPAR has rebounded strongly since mid February and Q3 2022 RevPAR exceeded 2019 level

RevPAR (\$)



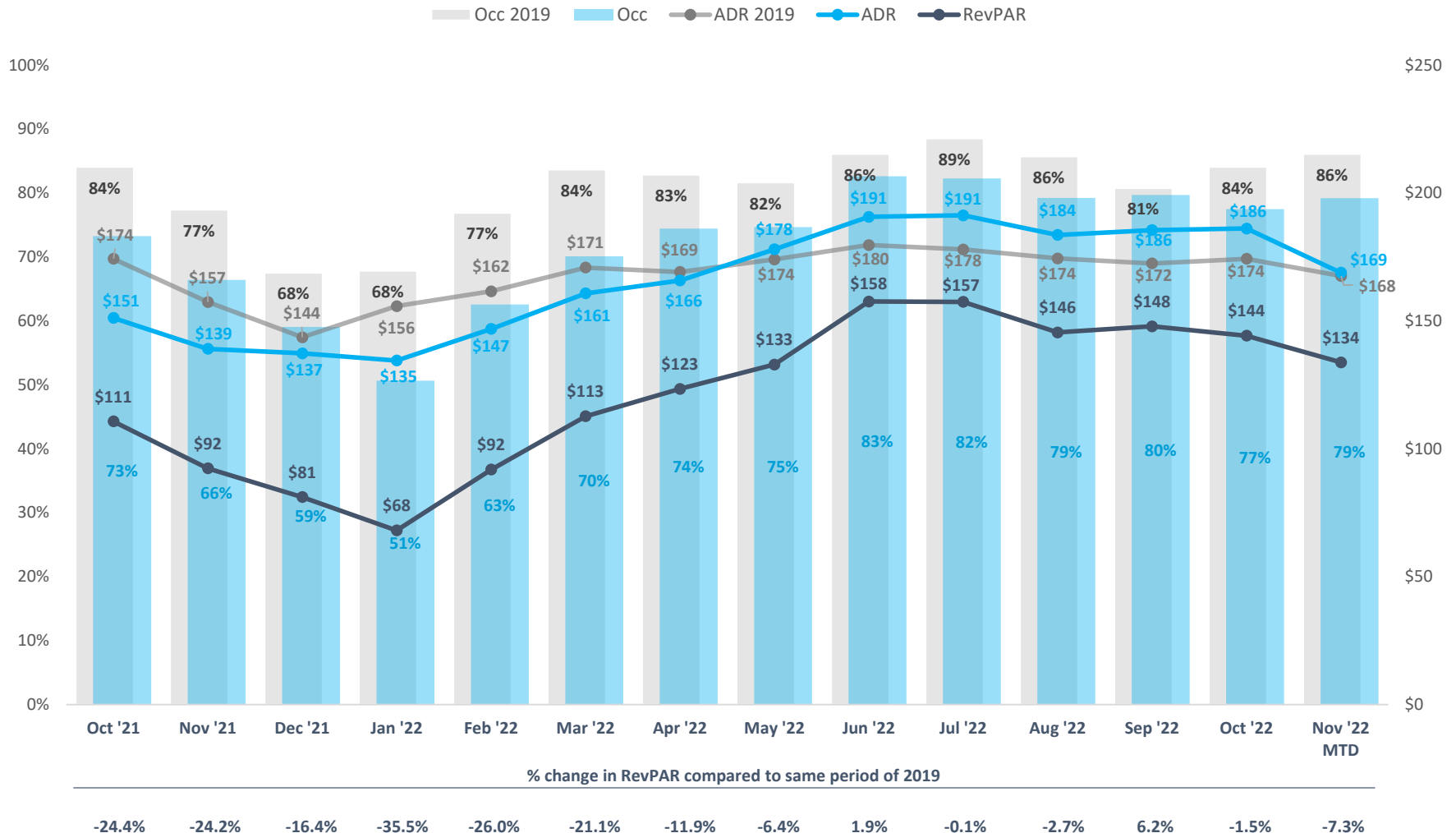
Occupancy %



RevPAR and occupancy data in charts reflect 7-day rolling average results, results through 11/10/22.

Operating Performance Is Improving

RevPAR has continued to improve and Q3 2022 RevPAR exceeded 2019 level

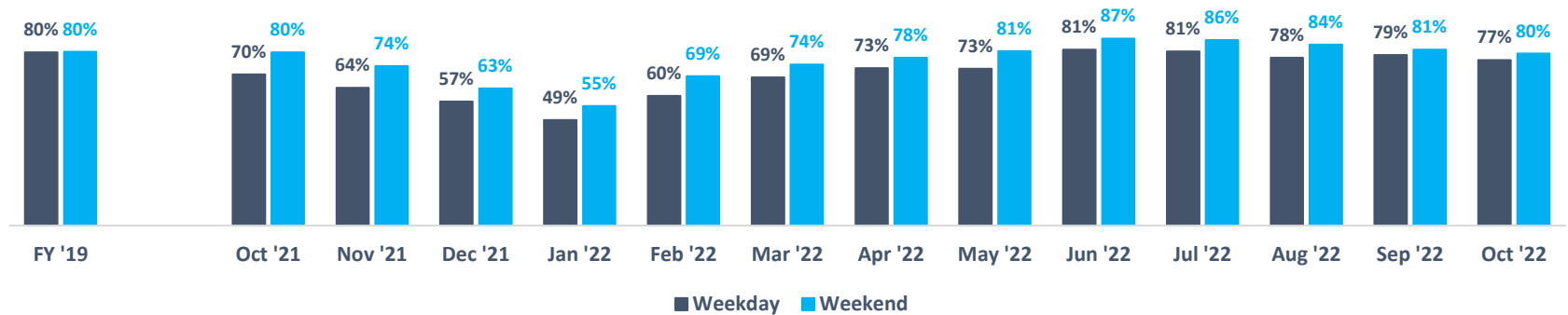


November MTD results through 11/10/22.

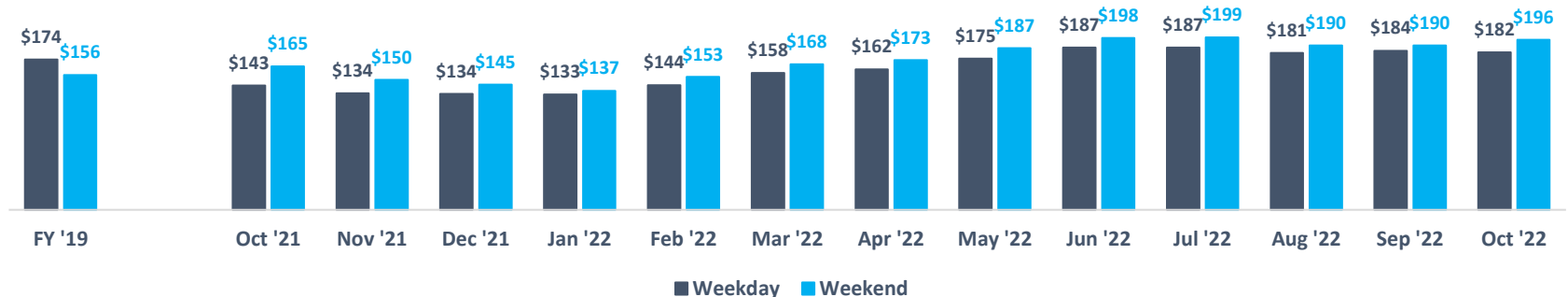
Weekday Performance Is Gaining Momentum

- The gap between weekend and weekday results is getting smaller as business travel recovers
- October midweek RevPARs were down approximately 3% to 2019 levels while weekend RevPARs were 11% above 2019 levels

Occupancy %



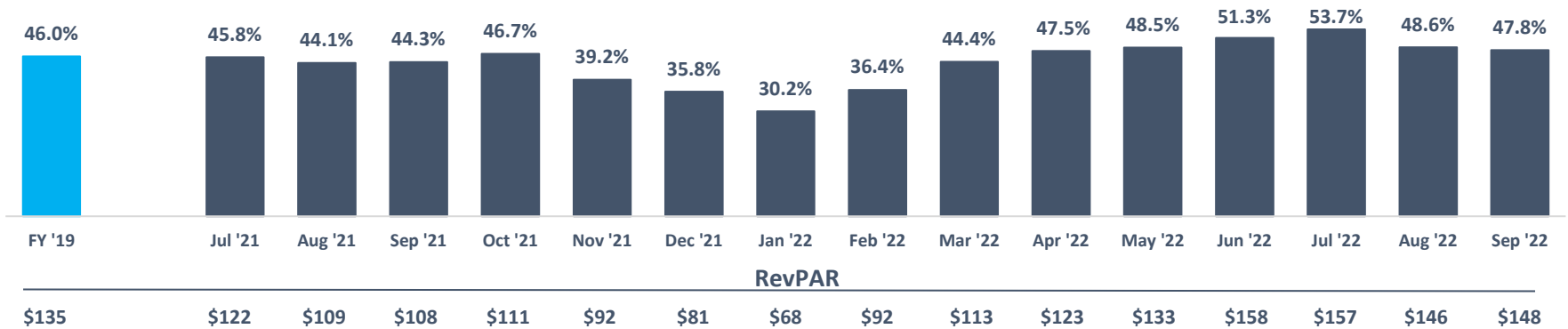
ADR



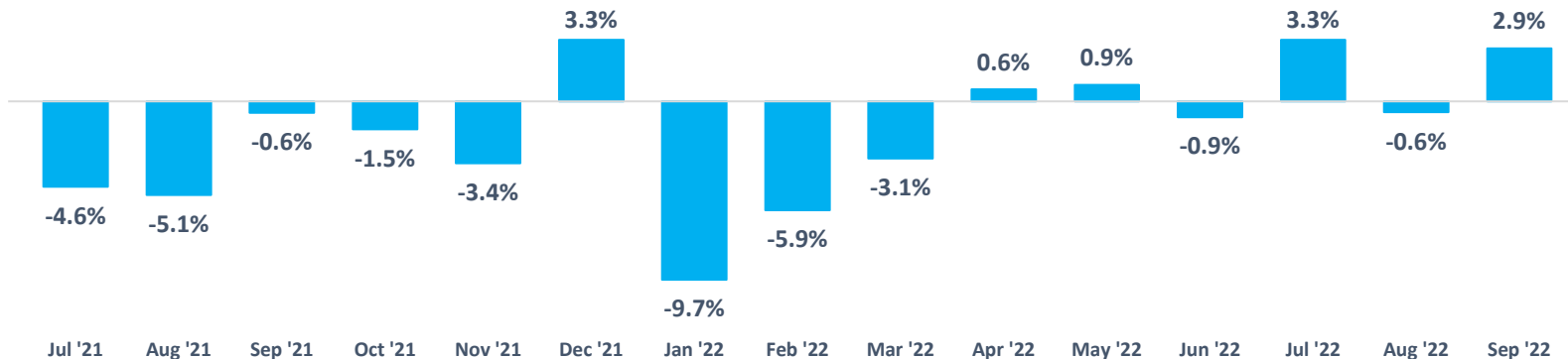
Margins Now Exceeding 2019 Levels

Chatham's Q3 GOP margins exceeded Q2 2019 levels

GOP Margin %



GOP Margin – Percentage Point Change from Same Month in 2019



Superior Pandemic Performance

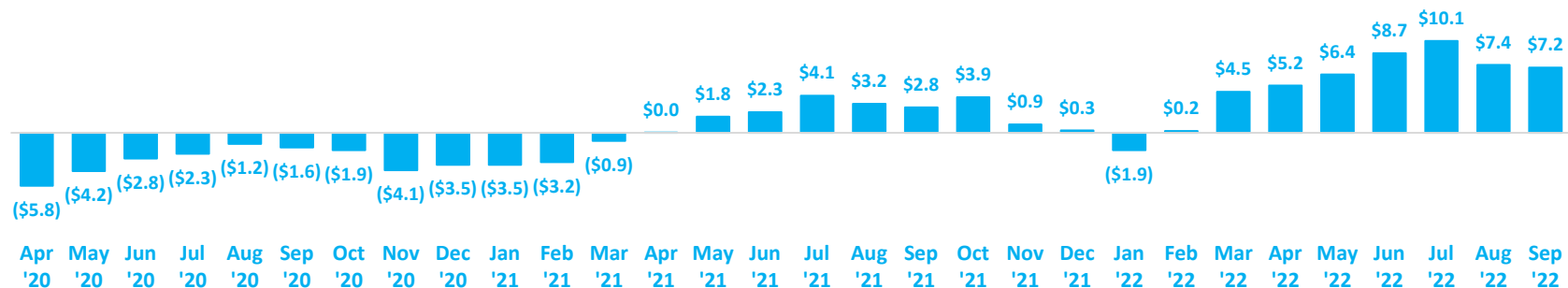
Positive free cash flow through pandemic protected shareholder value

- Chatham generated \$67 million of free cash from April 2021 to September 2022
- Generated \$32 million of free cash flow from April 2020 to September 2022 (effectively entirety of pandemic)

Hotel EBITDA (\$ in millions)



Cash Flow Before Capital (\$ in millions)

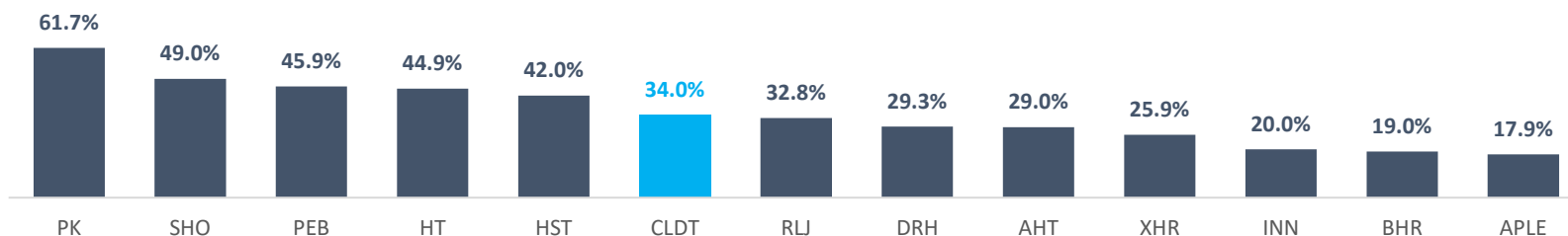


Cash burn defined as hotel EBITDA less corporate G&A, cash interest, and principal amortization.

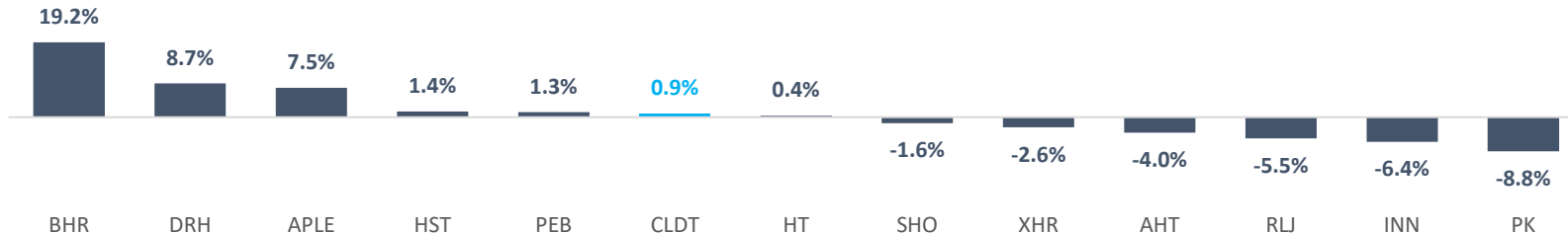
Strong Q3 Performance

Chatham generated strong RevPAR growth and industry-leading EBITDA margins in Q3

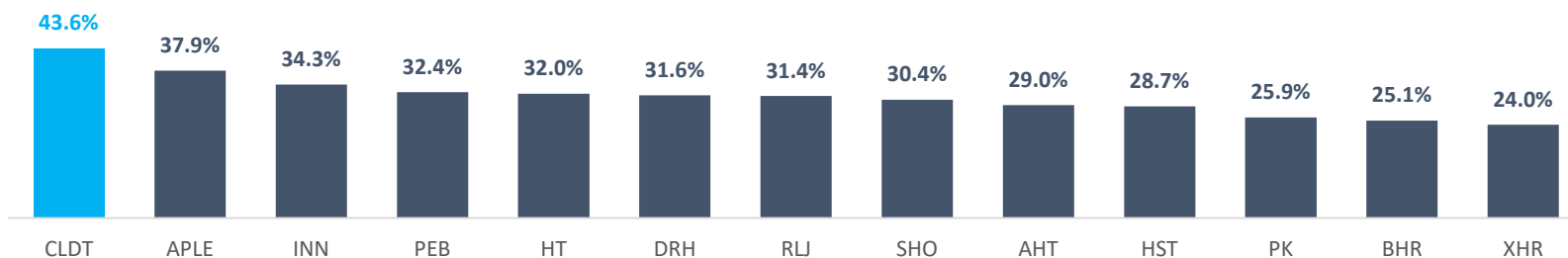
Q3 RevPAR Growth vs Q3 2021



Q3 RevPAR Growth vs Q3 2019



Q3 Hotel EBITDA Margin

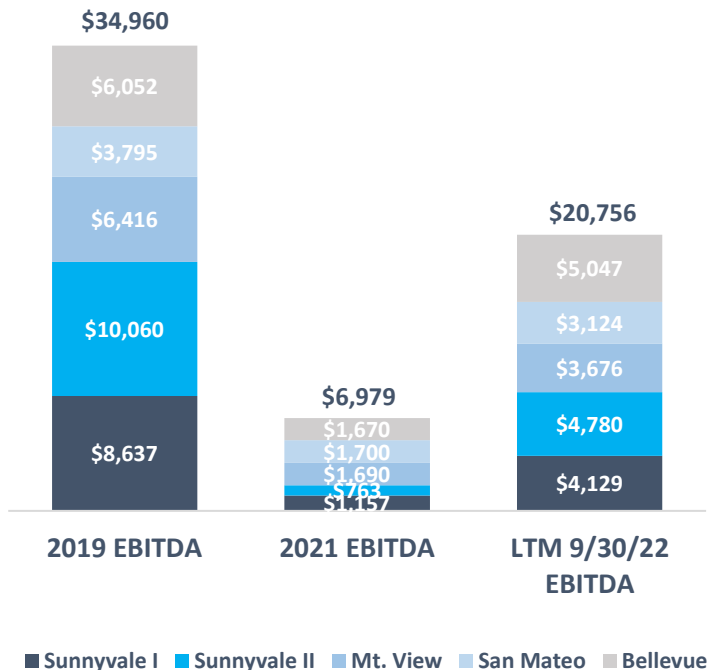


Significant Upside From Recovery in Business Travel

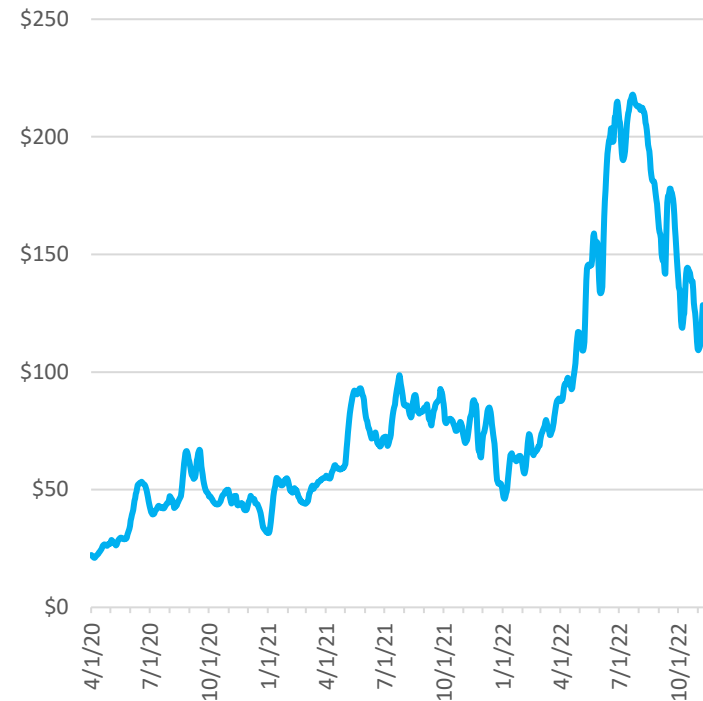
CLDT has significant upside at its largest hotels where demand is driven by business travel

- Chatham's five Residence Inns located in Silicon Valley and Bellevue generated \$21 million of EBITDA for the LTM ended 9/30/22 versus \$35 million in 2019
- Apple, Google and many other companies have slowly started returning to the office and we saw significant intern bookings at these hotels for Summer 2022

Hotel EBITDA in Selected Hotels (\$ in millions)



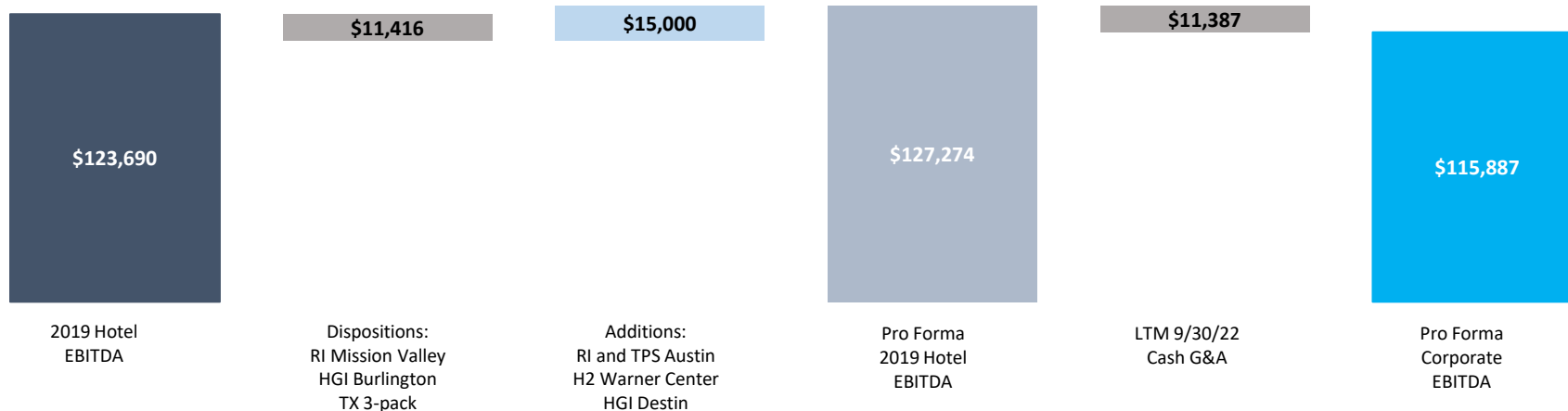
RevPAR (\$) 7-day Moving Average



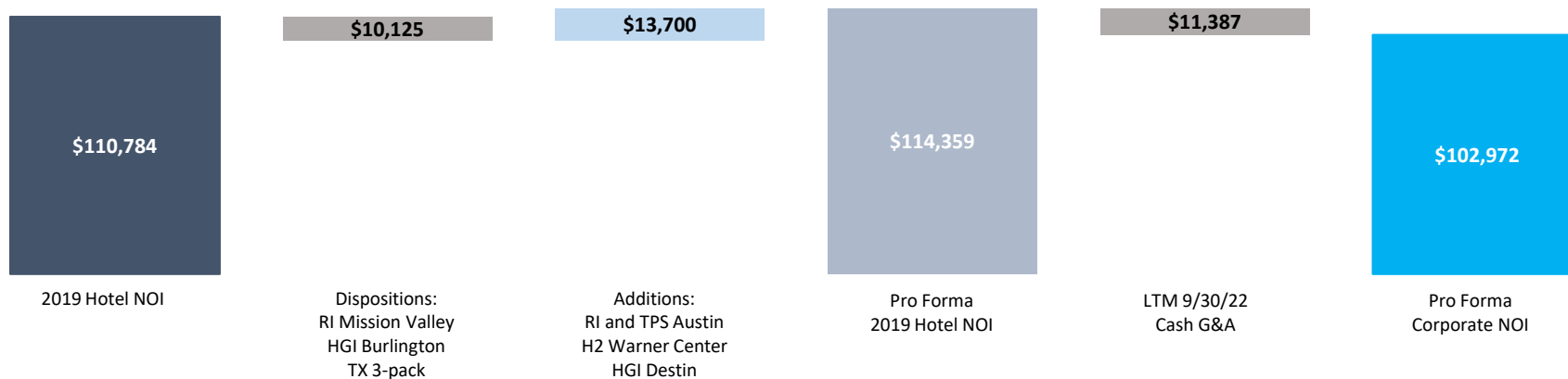
RevPAR figures represent 7-day moving average for Residence Inn Sunnyvale I, Residence Inn Sunnyvale II, Residence Inn Mt. View, Residence Inn San Mateo and Residence Inn Bellevue.

Pro Forma 2019 EBITDA / NOI

Pro Forma 2019 EBITDA (\$ in 1,000s)



Pro Forma 2019 NOI (\$ in 1,000s)



Capitalization / Enterprise Value

Common Shares	48,807
Vested Units	1,215
Total Shares and Units	<hr/> 50,021
Stock Price at 11/10/22	\$12.88
Equity Market Capitalization	\$644,274
Credit Facility	\$0
CMBS	433,229
Construction Loan	39,331
Total Debt @ 9/30/22	<hr/> \$472,560
Preferred Equity	\$120,000
Less Unrestricted Cash	(\$19,915)
Net Debt and Preferred	\$572,645
Enterprise Value	\$1,216,919

Implied pro forma 2019 cap rate of 8.5% provides significant stock price upside

Stock price as of 11/10/22, balance sheet data as of 9/30/22.

Successful Capital Recycling

Dispositions

Hilton Garden Inn Boston Burlington
Courtyard Houston West University
Residence Inn Houston West University
Homewood Dallas Market Center
Residence Inn Mission Valley



Proceeds: \$147 million and \$12 million of capital savings

2019 NOI: \$10.1 million

Yield: 6.4% including capital

Average Age: 26.1 years

Additions

Home2 Warner Center
Residence Inn Austin Domain
TownePlace Suites Austin Domain
Hilton Garden Inn Destin



Investment: \$173 million with minimal capital needs for years

Forecasted NOI: \$13.7 million

Yield: Approximately 8.0%

Average Age: 1.6 years

Home2 Warner Center Development

- Chatham completed development of the 170-room Home2 Suites in the Warner Center submarket of Los Angeles on 1/24/22
 - Total project cost of \$71 million
- Performance is ramping quickly
 - Occupancy/ADR of 47%/\$174 in March, 63%/\$184 in April, 78%/\$189 in May, 72%/\$198 in June and 81%/\$192 in July
- Outstanding location in highly desirable Warner Center submarket
 - 10 million SF of office with 50k employees; 7.6 million SF of retail; 20k residents
 - Substantial future growth from Warner Center 2035 plan
 - Addition of 12.5 million SF of office, 2.3 million SF of retail and 23.5 million SF of residential
 - Convenient access via Metro Orange line and 101 freeway
- Very limited existing room base and projected supply of competing Hilton or Marriott branded limited-service hotels
 - Nearest Hilton branded limited-service hotel is 4.6 miles away in Calabasas and nearest Hilton branded extended stay hotel is 10.7 miles away in Agoura Hills
 - Courtyard by Marriott located 1.3 miles away is a 55-year old Holiday Inn conversion and nearest Marriott branded extended stay hotel is located 13.7 miles away in Westlake Village



Hilton Garden Inn Destin Miramar Beach Acquisition

- Chatham acquired the 111-room Hilton Garden Inn Destin for \$31.0 million on 3/8/21
 - Purchase price represents \$279k per room
 - Off market transaction sourced through relationship with developer
- Hotel opened in May 2020
- Outstanding location within a short walk to the beach and the Silver Sands Premium Outlet mall
- Acquisition will further diversify Chatham's portfolio by adding a drive-to leisure focused property in a market where demand is generated by other rapidly growing sunbelt population centers
- Major demand feeder markets include Atlanta, Nashville, Dallas and Houston
- Potential upside from adding sofa beds to some king rooms or converting some king rooms to double bedded rooms
- Hotel is expected to generate a 2022 RevPAR significantly higher than Chatham's overall portfolio



Residence Inn and TownePlace Austin Acquisitions

- Chatham acquired the 132-room Residence Inn Austin Domain and the 137-room TownePlace Suites Austin Domain for \$71.2 million on 8/3/21
 - Purchase price represents \$265k per room
 - Off market transaction sourced through long term relationship with developer
- Residence Inn opened in July 2016 and TownePlace Suites opened in June 2021
- Performance is materially exceeding initial expectations
 - RI Austin RevPAR exceeded 2019 levels by 11.6% since April
- Austin is one of the strongest markets in the country
 - Named #1 real estate market by ULI, PwC and CBRE
 - Third fastest growing city in the US in last decade
 - Second home to a large cluster of tech companies
- Superior location at the Domain – Austin’s rapidly growing “second downtown”
 - 4.2 million SF of office with future plans for an additional 6.6 million SF; 1.8 million SF of retail
 - Major employers at the Domain include IBM, Amazon, Facebook, Indeed, Trend Micro and VRBO; Apple is constructing a \$1 billion / 2 million SF office campus 5 miles from the Domain
 - Recently opened Q2 soccer stadium



Residence Inn Austin Domain



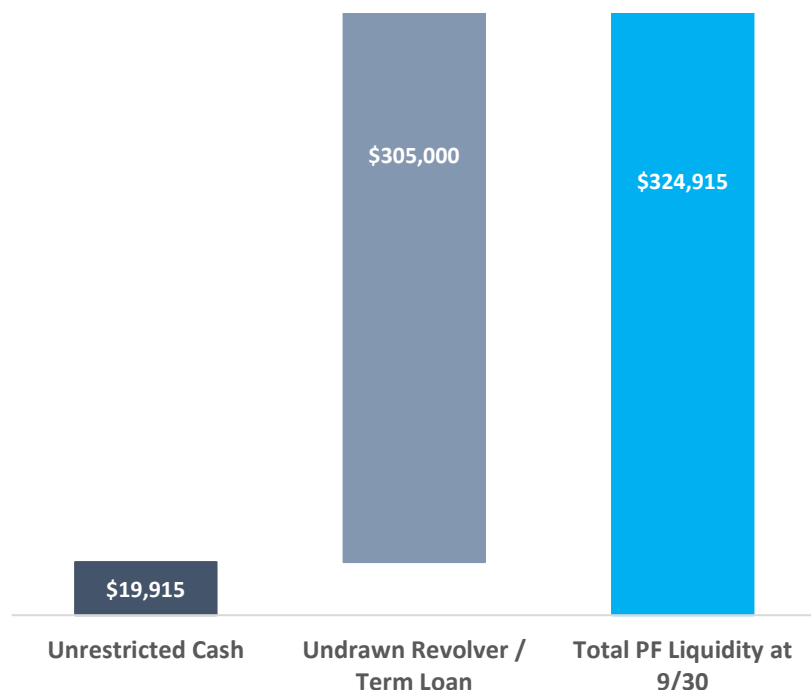
TownePlace Suites Austin Domain

Solid Liquidity and Manageable Maturities

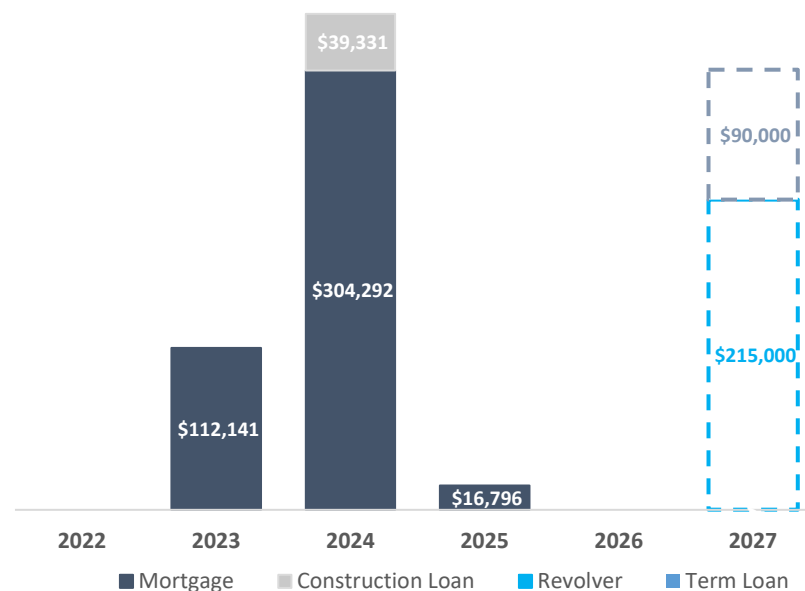
Chatham has \$325 million of total liquidity after its recent credit facility refinancing

- In October 2022, Chatham replaced its \$250 million revolving credit facility with a new \$215 million revolving credit facility and \$90 million delayed draw term loan
 - ▶ Term loan will be used to address majority of 2023 debt maturities
- Liquidity will continue to improve with meaningful free cash flow generation

Chatham PF Liquidity at 9/30/22 (\$ in 1,000s)



Chatham PF Debt Maturities at 9/30/22 (\$ in 1,000s)



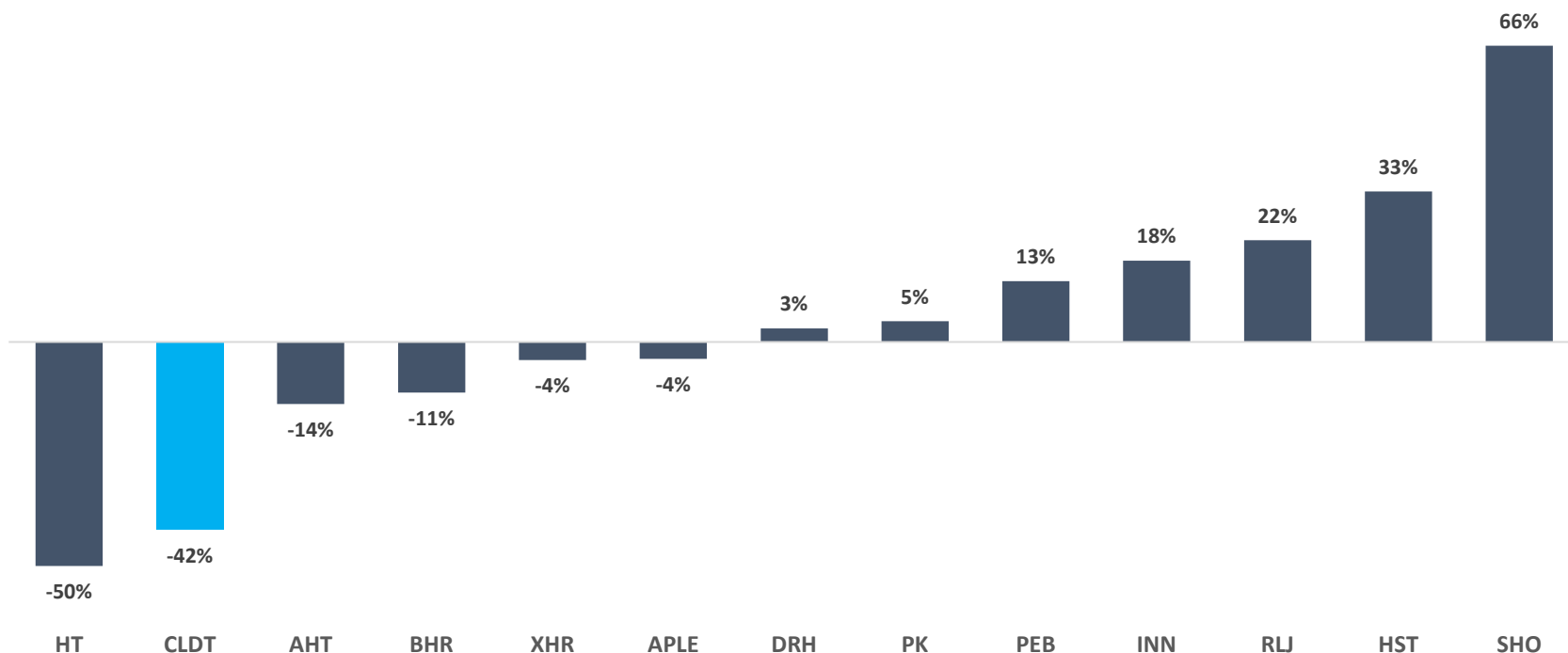
Charts pro forma for new \$215 million revolving credit facility and \$90 million delayed draw term loan facility executed on 10/28/22; maturities include all extension options.

Significant Debt Reduction

Chatham has reduced its net debt by \$323 million since 3/31/20

- Chatham has a strong balance sheet that positions the company for future growth

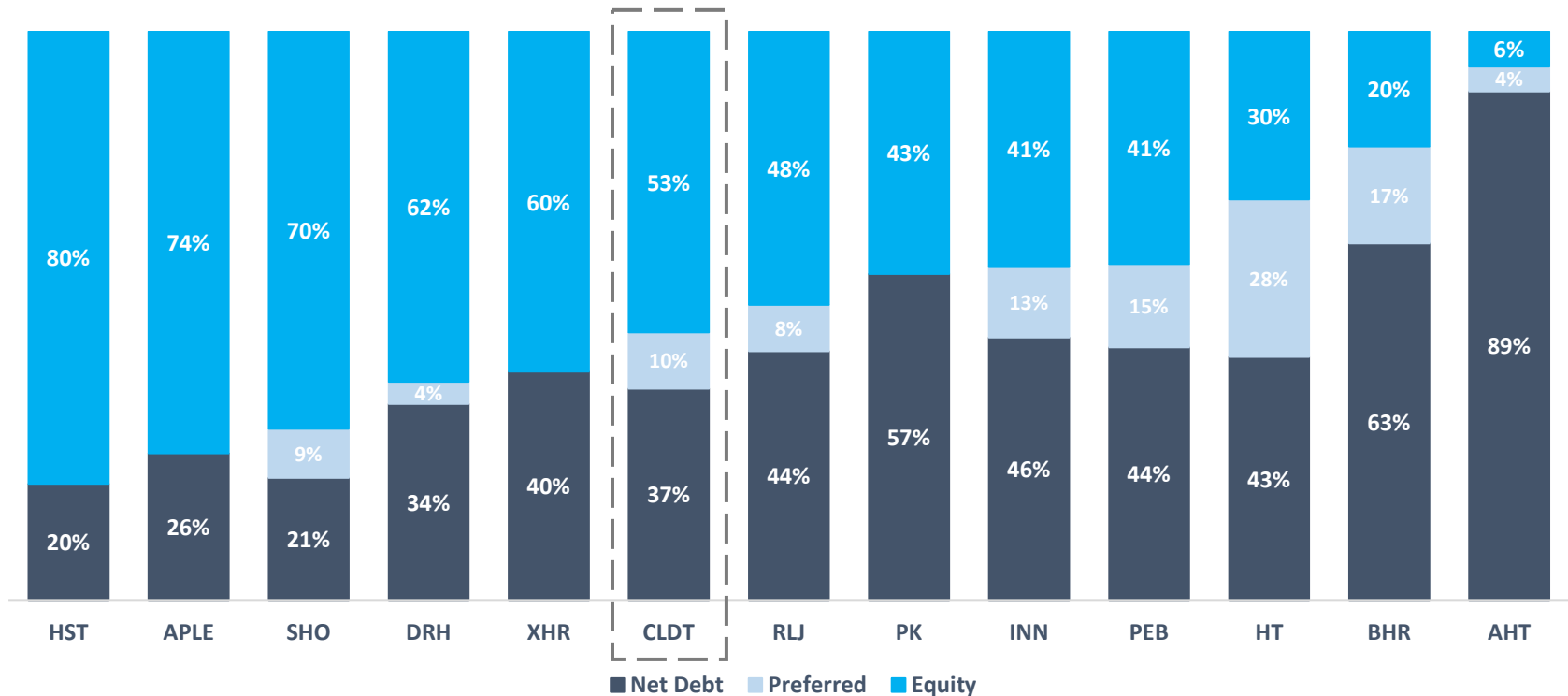
% Change in Net Debt (3/31/20 to 9/30/22)



Chatham Has Reasonable Leverage

Chatham has reasonable leverage which provides capacity to pursue future growth opportunities

Net Debt / Enterprise Value



Stock prices as of 11/10/22, balance sheet data as of 9/30/22.

Portfolio Overview



High Quality Hotels in Attractive Markets



High Quality Hotels in Attractive Markets



Recently Renovated Rooms

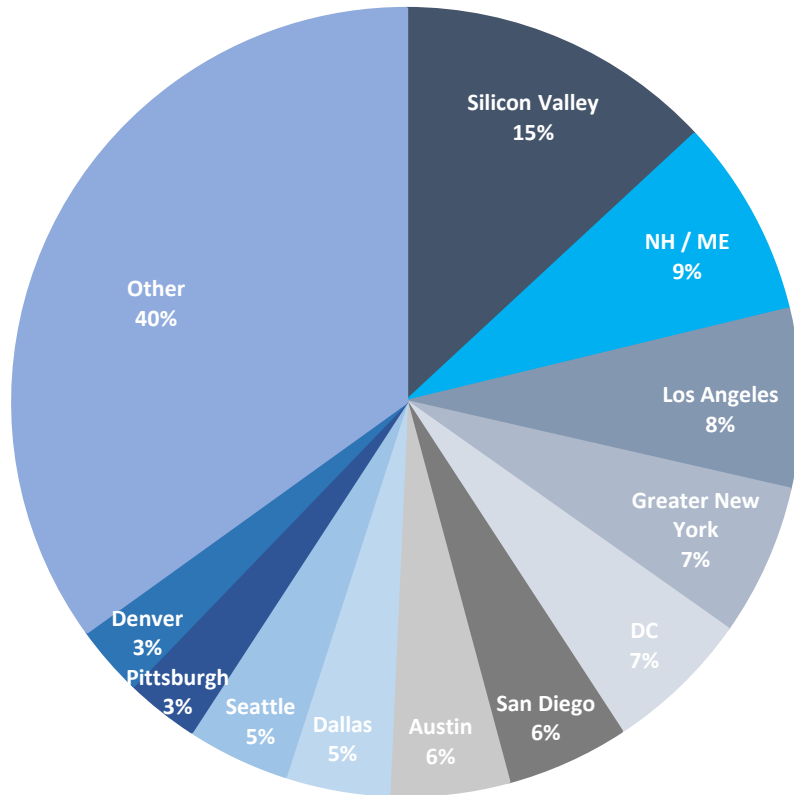


High Quality Hotels in High Quality Markets

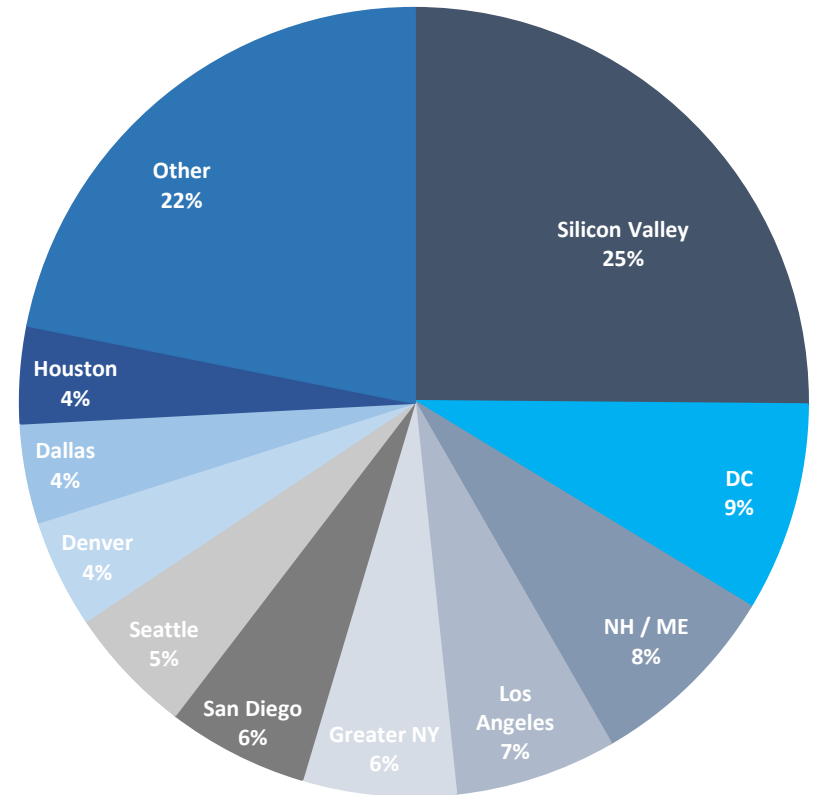
Chatham's superior portfolio is reflected by its top brands and attractive markets

- Significant upside as key markets (Silicon Valley, Washington DC, Bellevue) recover

Chatham Markets (% of LTM 9/30/22 Hotel EBITDA)



Chatham Markets (% of 2019 Hotel EBITDA)



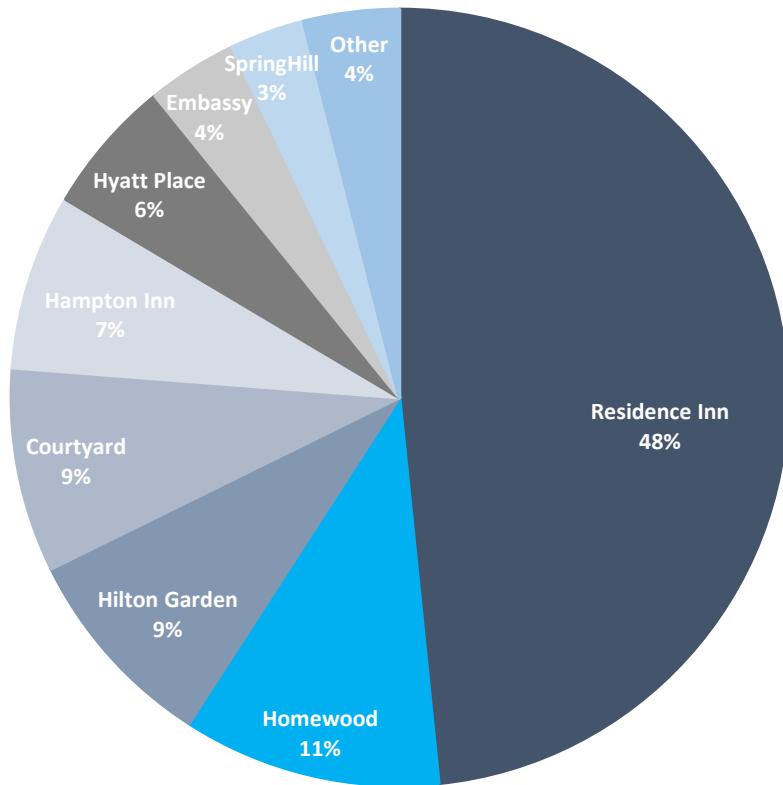
Figures reflect pro forma impact of asset sales.

High Quality Hotels in High Quality Markets

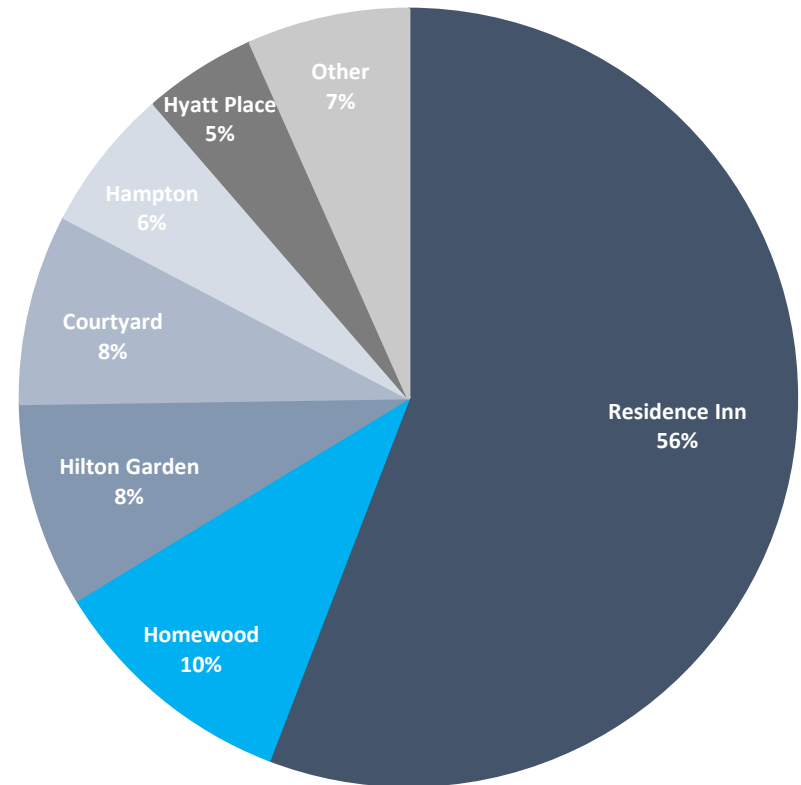
Chatham's superior portfolio is reflected by its top brands and attractive markets

- 66% of Chatham's pre pandemic EBITDA was generated by extended stay hotels

Chatham Brands (% of LTM 9/30/22 Hotel EBITDA)



Chatham Brands (% of 2019 Hotel EBITDA)



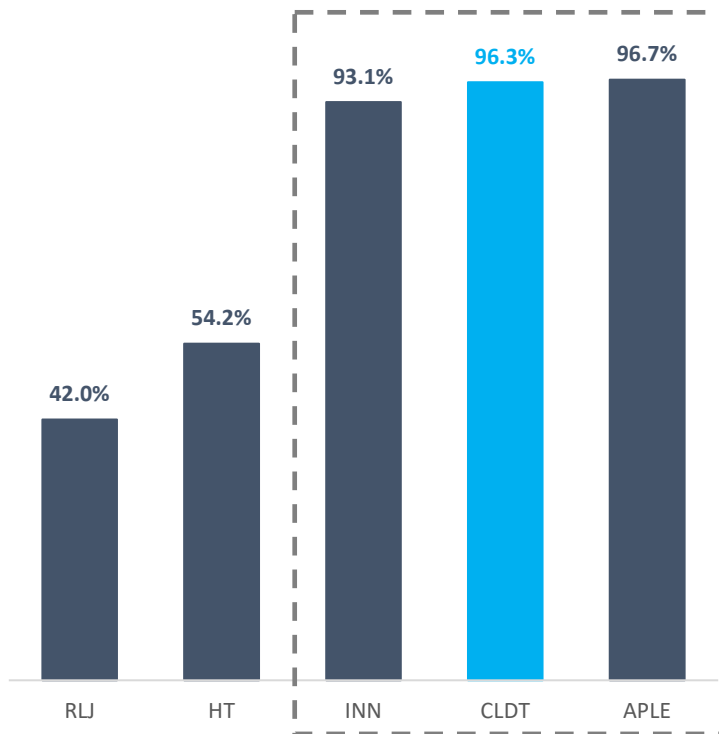
Figures reflect pro forma impact of asset sales.

Pure Play Limited-Service Portfolio with High RevPAR

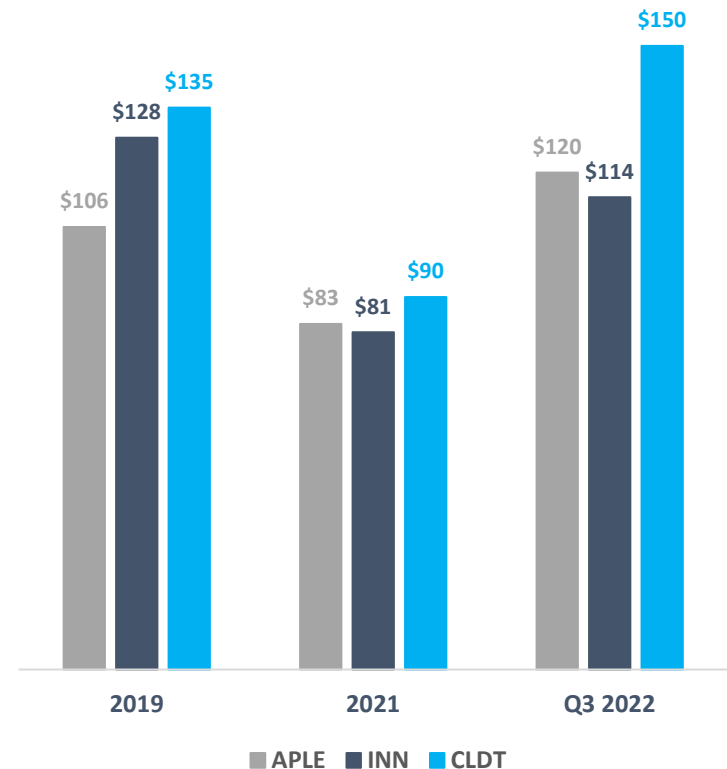
Chatham has the highest RevPAR of the three lodging REITs that are focused almost entirely on the limited-service segment and the most upside as business recovers

- High quality assets in top markets

Limited-Service Rooms as % of Total



RevPAR

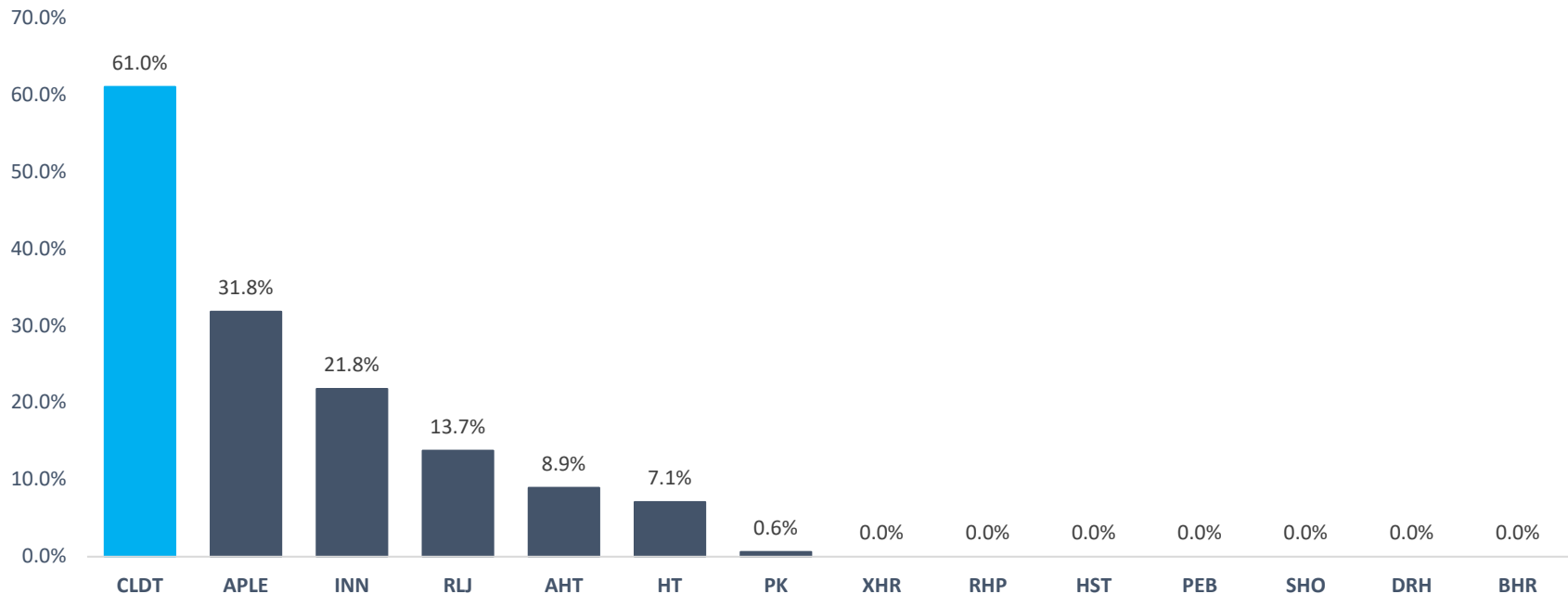


Most Extended Stay Rooms of All Lodging REITs

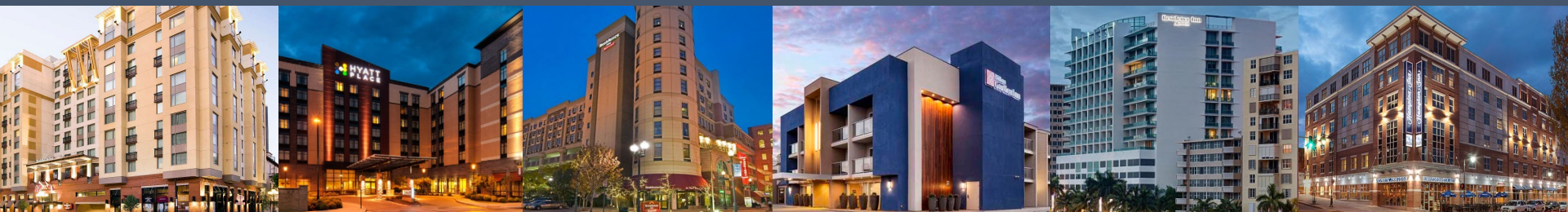
Chatham has a unique portfolio with a significantly larger concentration of extended stay rooms than other lodging REITs

- Extended stay room product performs well in all lodging environments and dramatically outperformed during the pandemic
- Extended stay and limited-service hotels have less exposure to labor cost increases than full-service hotels

Extended Stay Rooms as % of Total



ESG Commitment



Chatham's ESG Approach

Chatham is committed to integrating environmental, social and governance factors into the company's central value creation strategy

Environmental

- Developed conservation programs related to energy, water and waste, and supported third-party operators to implement property-level initiatives
- Identify properties with high - risk exposure to the physical impacts of climate change and develop best practices for withstanding extreme weather events
- Source suppliers and contractors pursuant to Supplier Code of Conduct which sets standards for supplier treatment of workers, ethical business practices and impact on environment

Social

- Implemented an 'open door' policy to encourage open communications between management and employees
- Provide opportunities for stakeholders to provide confidential feedback
- Monitor employment, labor and human rights regulations and be accountable for compliance
- Prioritize diversity, equity and inclusion in hiring
- Deliver ongoing associate ESG training
- Offer associate advancement and professional development opportunities
- Committed to AHLA's 5-Star Promise to enhance policies, training, and resources to strengthen safety and security

Governance

- Promote the following ESG policies:
 - Environmental Policy
 - Human Rights Policy
 - Anti-Harassment Policy
 - Supplier Code of Conduct
- Maintain a comprehensive Code of Business Conduct and Corporate Governance Guidelines
- Formed a Board-level ESG Committee

ESG – Recent Developments

- **Corporate Responsibility Report – In late May, we published our most recent report; this included the following disclosures:**
 - ▶ **Disclosures in compliance with the Task Force on Climate-related Financial Disclosures (TCFD)**
 - ▶ **Disclosures in compliance with Sustainability Accounting Standards Board (SASB)**
 - ▶ **Disclosures in compliance with Global Reporting Initiative (GRI)**
 - ▶ **Disclosure of waste data**
- **CEO and Chatham committed to the pledge for CEO Action for Diversity and Inclusion**
- **Recently refreshed Board of Trustees by adding two new trustees and enhanced Board diversity**
- **Formed ESG committee comprised of three trustees and members of management that will oversee ESG strategy and initiatives**
- **Chatham participated in GRESB (Global Real Estate Sustainability Benchmark) real estate assessment for first time in 2022**

Environmental Performance

Water

56% Of our hotels have over 90% of toilets that are low flush or dual flush

56% Of our hotels have low flow showerheads in over 90% of guestrooms

48% Of our hotels utilize native or drought tolerant landscaping to reduce irrigation needs

38% Of our hotels have smart irrigation systems and/or an automatic sprinkler system

Energy

80% Of our hotels have digital thermostats in at least 90% of rooms

77% Of our hotels have an environmental management system in place

81% Of our hotels have highly efficient boilers

92% Of our hotels have a preventative maintenance plan that checks building energy and water equipment at least quarterly

Waste

100% Of our hotels participate in recycling program in conjunction with mattress replacements

46% Of our hotels have eliminated single-use plastics or reduce them to an absolute minimum

58% Of our hotels have implemented a food waste prevention strategy over the last year

72% Of our hotels have eliminated plastic straws