



CHATHAM
LODGING TRUST



Investor Presentation
November 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

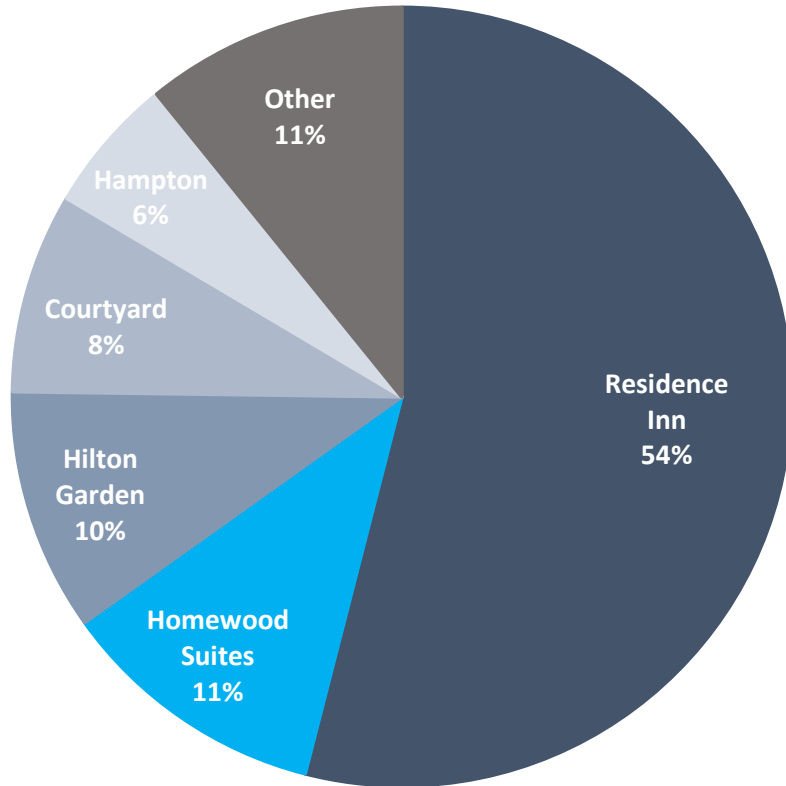
- High quality portfolio of upscale extended stay and premium branded select service hotels in markets with strong long-term growth
 - ▶ Highest RevPAR of pure play limited-service lodging REITs
 - ▶ Largest portfolio concentration of extended stay rooms of any lodging REIT
- Travel is starting to show a meaningful recovery; weekday occupancy of ~70% in Q3
- Significant upside in 2022 and 2023 as business travel recovers in tech focused markets
- Recent acquisitions of Residence Inn and TownePlace Suites Austin Domain and Home2 Warner Center development opening in Q4 2021 enhance portfolio quality and provide attractive growth
- Highest margins of any lodging REIT
 - ▶ Profit / cash flow at lower revenue levels than peers
 - ▶ Q3 GOP margin of 45% on RevPAR of \$107 versus full year 2019 GOP margin of 46% on RevPAR of \$132
- Relationship with Island Hospitality drives superior sales and cost control
- Superior operating performance during the Covid pandemic minimized cash burn
- Positive free cash flow after G&A and debt service starting in April 2021
- Solid liquidity and reasonable leverage provide capacity for future growth

High Quality Hotels in High Quality Markets

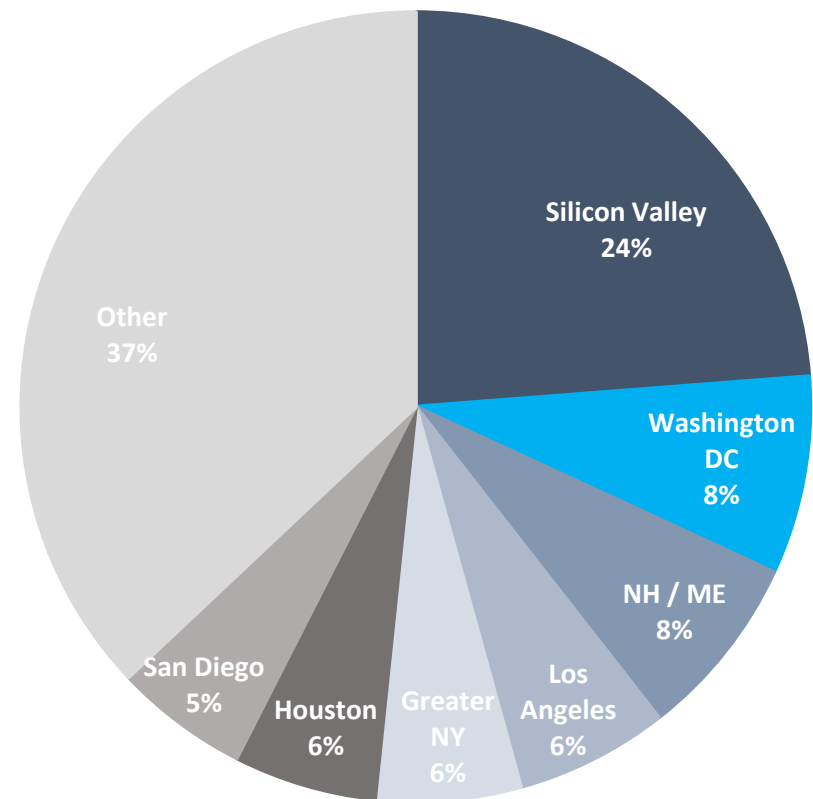
Chatham's superior portfolio is reflected by its top brands and attractive markets

- 65% of Chatham's pre pandemic EBITDA was generated by extended stay hotels; these hotels are significantly outperforming in the current market environment

Chatham Brands (% of 2019 Hotel EBITDA)



Chatham Markets (% of 2019 Hotel EBITDA)



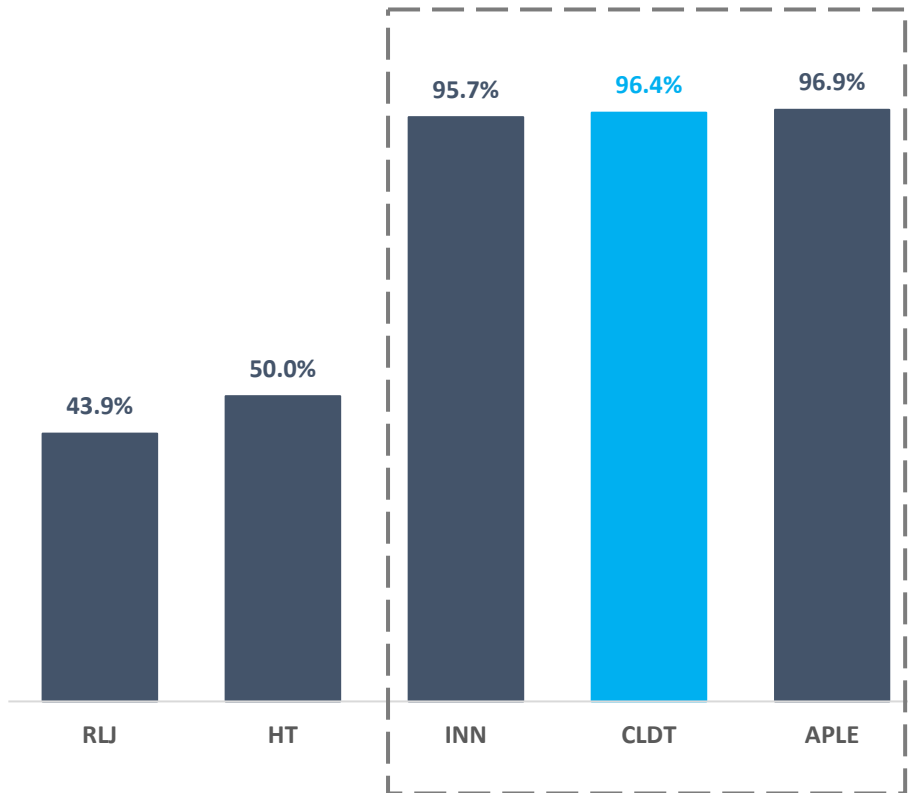
Figures reflect pro forma impact of sale of Residence Inn Mission Valley and acquisition of Residence Inn Austin Domain.

Pure Play Limited-Service Portfolio with High RevPAR

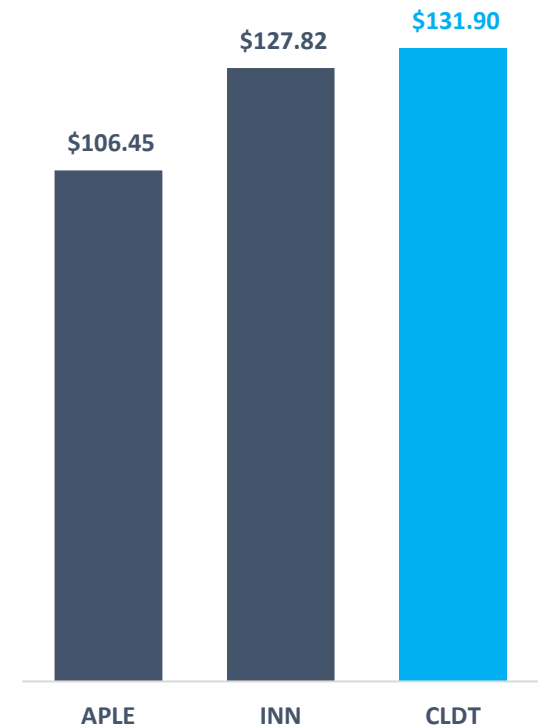
Chatham has the highest RevPAR of the three lodging REITs that are focused almost entirely on the limited-service segment

- High quality assets in top markets

Limited-Service Rooms as % of Total



2019 RevPAR

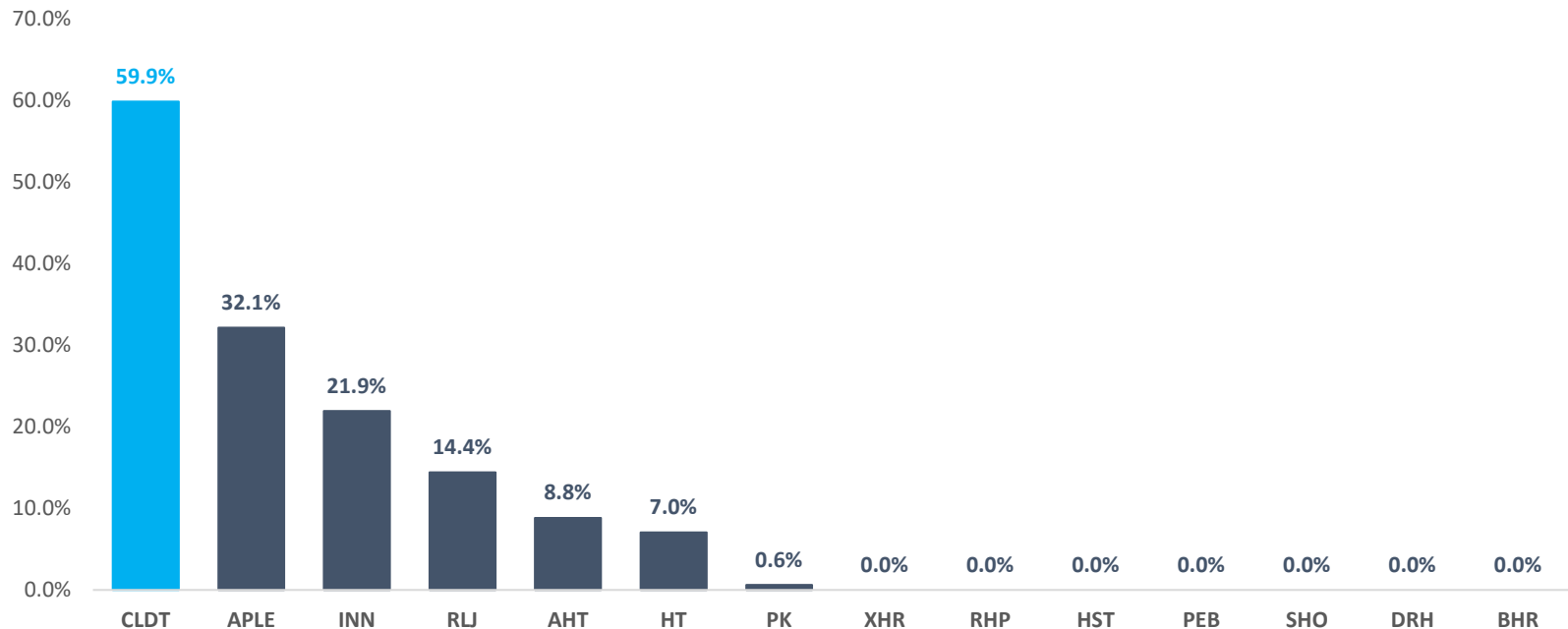


Most Extended Stay Rooms of All Lodging REITs

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 has 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



High Quality Hotels in Attractive Markets



High Quality Hotels in Attractive Markets



Recently Renovated Rooms

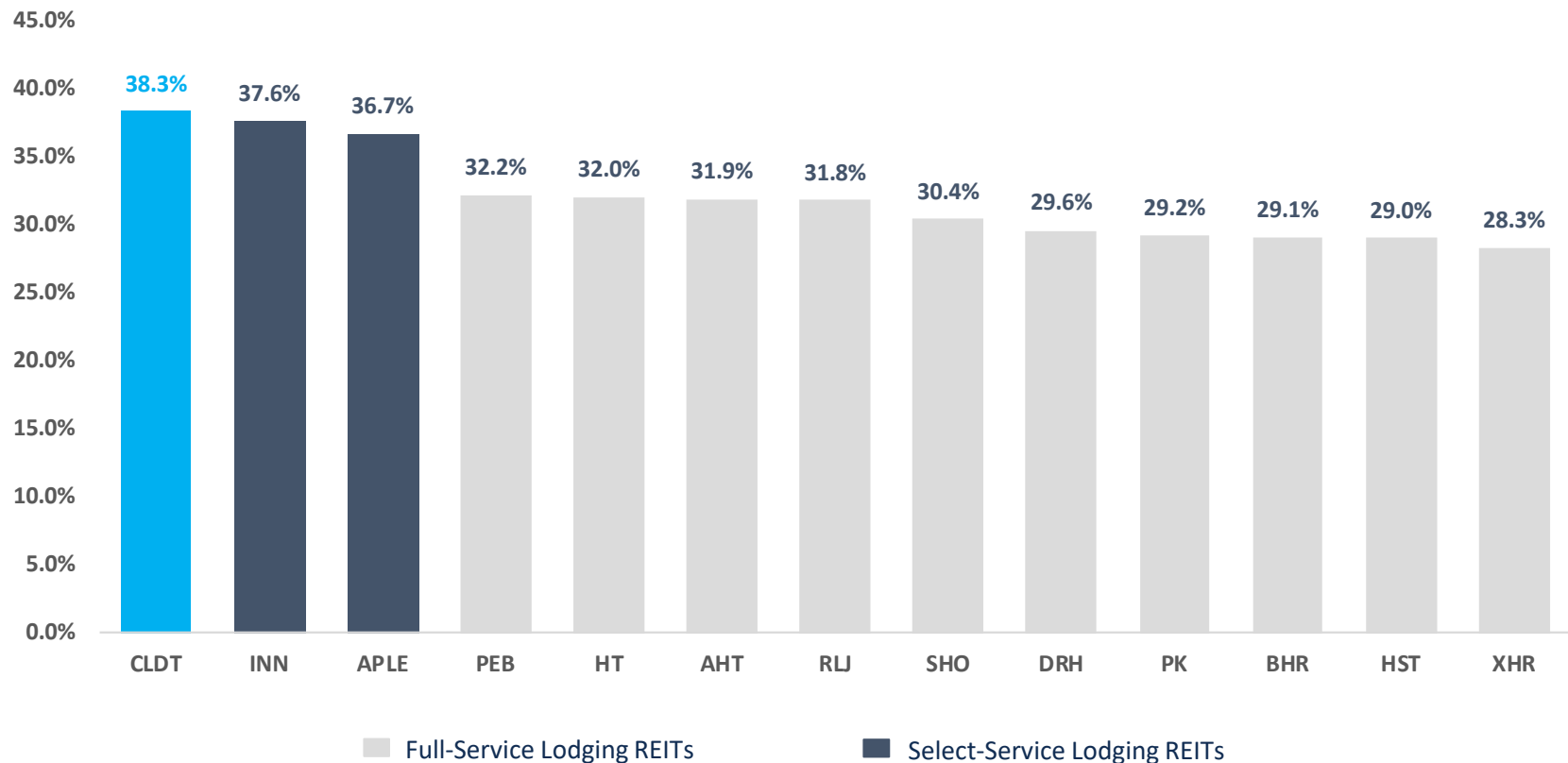


Superior Margins

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

- Positive EBITDA / cash flow at lower revenue levels than peers

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

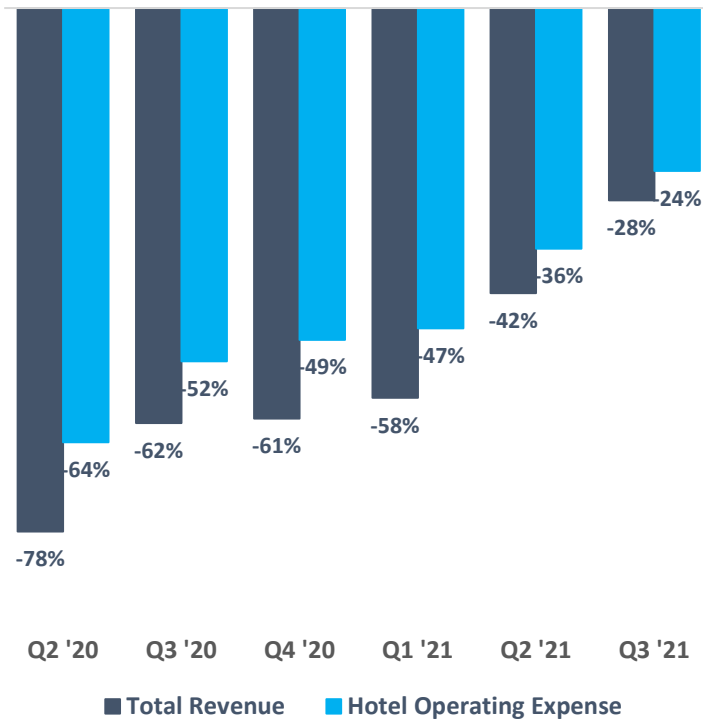


Significant Cost Reductions During the Pandemic

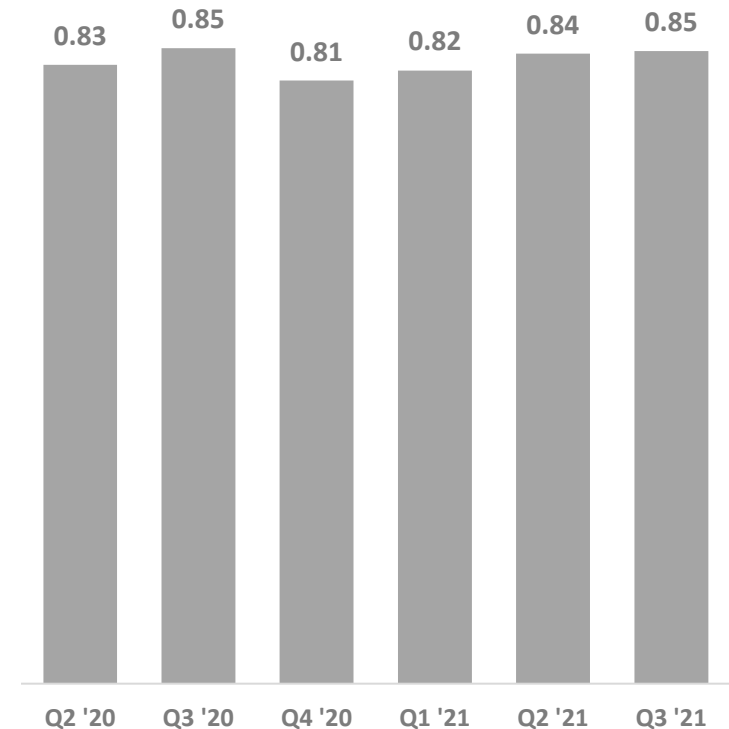
Chatham quickly reduced operating costs during the pandemic which maximized hotel EBITDA and minimized cash burn

- Expense reduction as a % of revenue decreases has been 0.80 to 0.85

Change in Revenue / Operating Expense (%)



Expense Reduction Ratio



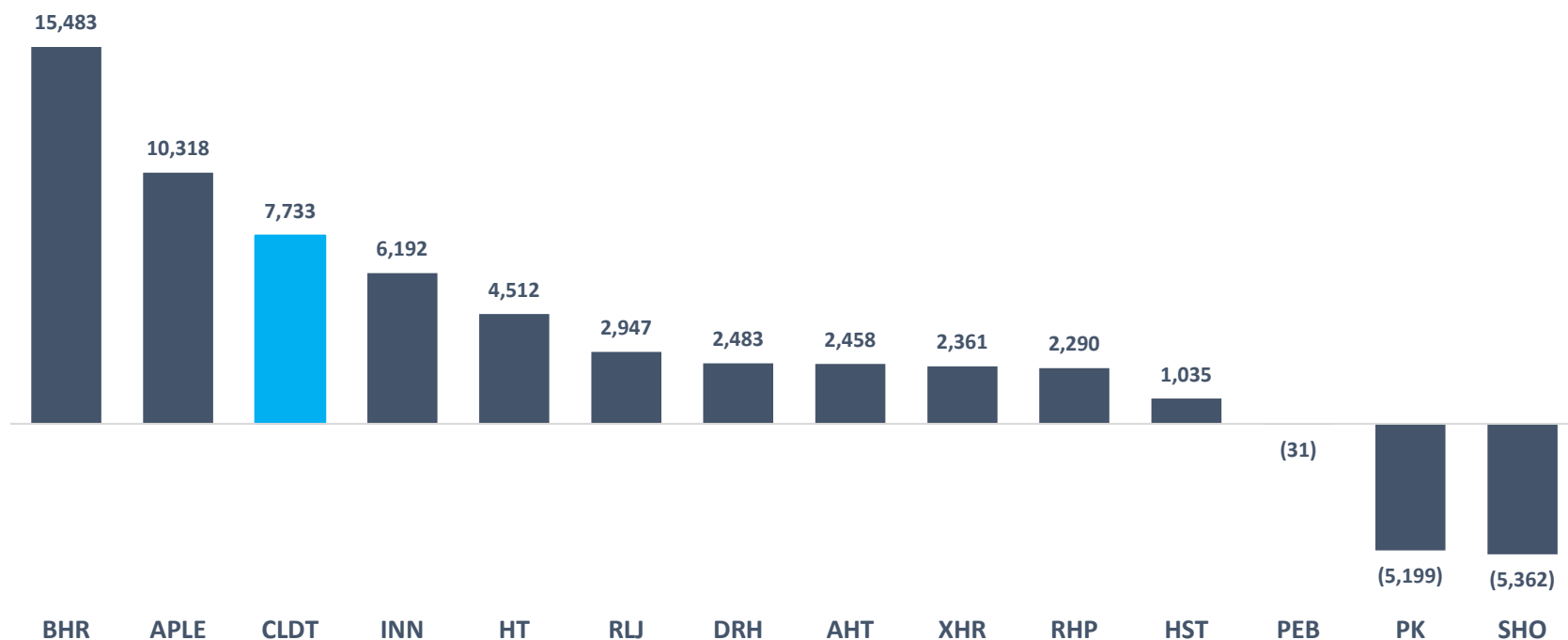
Hotel operating expense includes all hotel level expenses but excludes ownership expenses including property tax, ground rent and insurance.

Superior Performance During the Pandemic

Chatham generated one of the highest levels of hotel EBITDA / room of all lodging REITs over the eighteen months ended 9/30/21

- Chatham's superior performance during the pandemic drove significantly lower cash burn than peers / less value lost due to pandemic
- Chatham eliminated cash burn in April 2021
- Cumulative cash burn of ~\$21 million since start of pandemic (\$0.42 per share)

Hotel EBITDA per Room – 18 Months Ended 9/30/21 (\$)



Operating Performance Has Improved Significantly

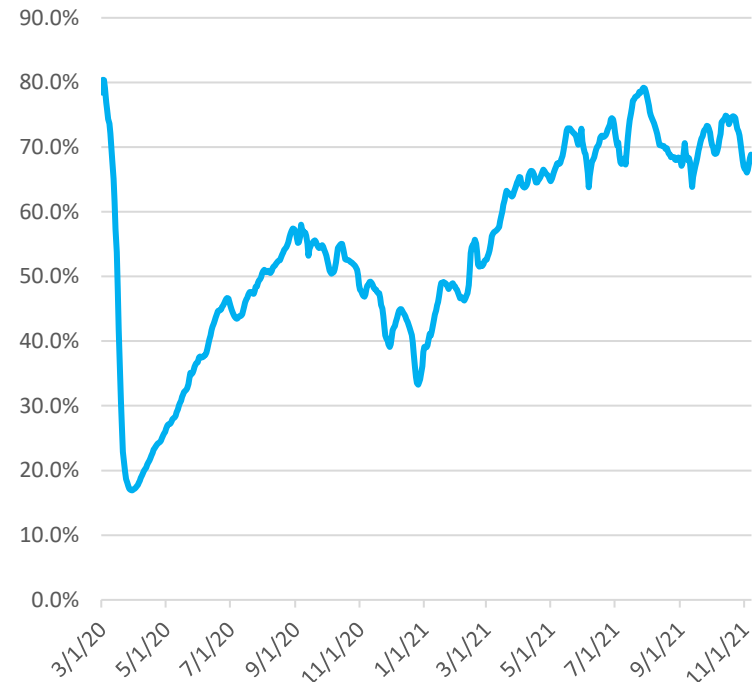
Operating performance has improved significantly

- Leisure demand has been a significant driver of the performance recovery to date; RevPAR is decreasing from peak summer levels as leisure travel drops off as expected
- The recovery in business travel has been limited so far and a more meaningful RevPAR recovery will depend on increasing business travel
 - ▶ Weekday occupancy was ~70% in Q3 versus 65% in Q2 and 48% in Q1

RevPAR (\$)



Occupancy %

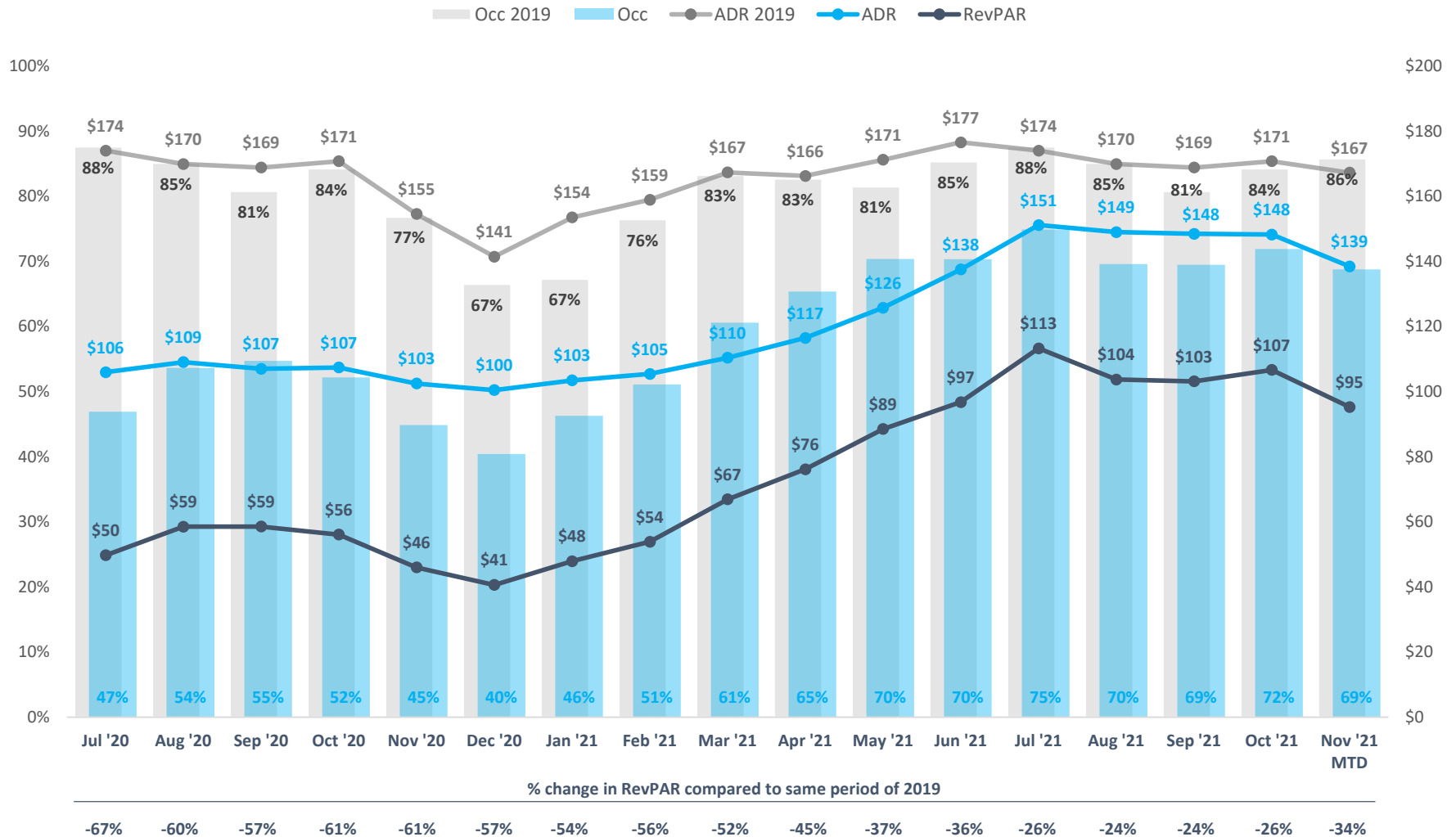


RevPAR and occupancy data in charts reflect 7-day rolling average results.

Operating Performance Has Improved Significantly

Operating performance has improved significantly from pandemic lows

- Seasonal trends (higher RevPAR in Q2 / Q3 due to strong leisure travel) are likely to continue

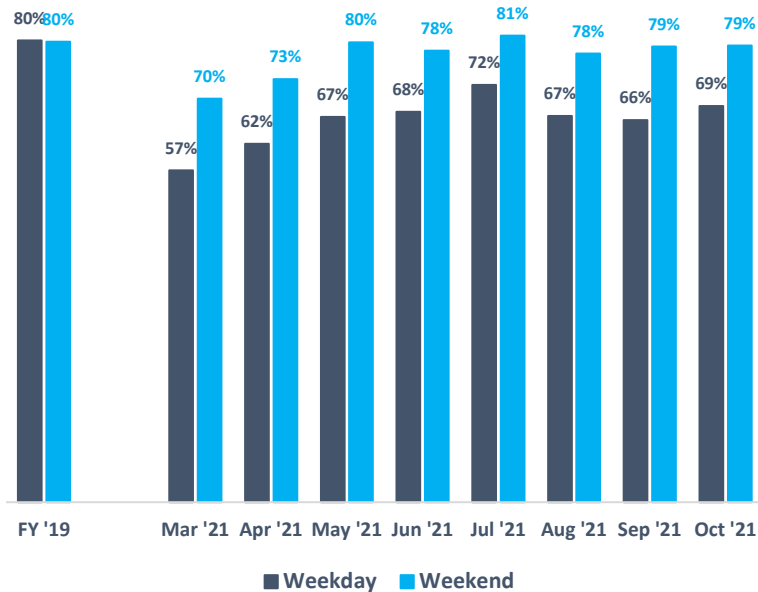


Operating Performance Has Improved Significantly

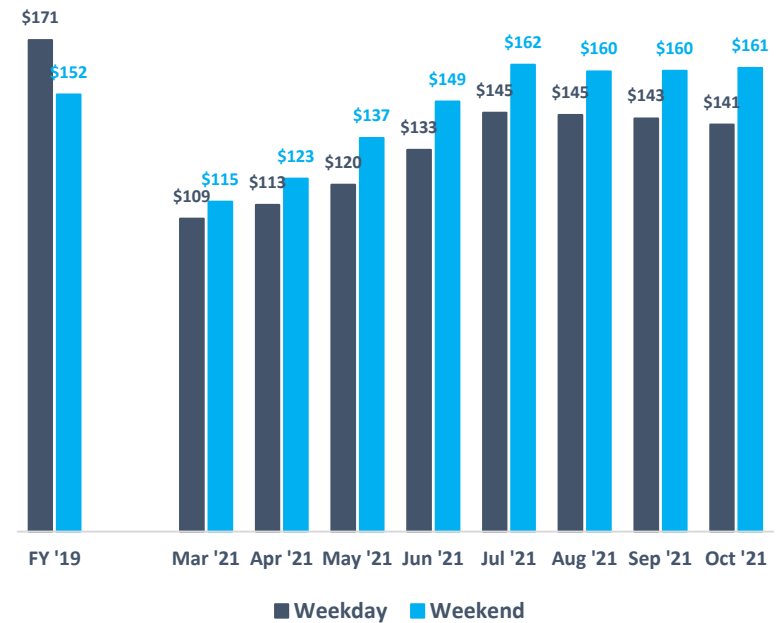
Strong weekend performance has been driven by a recovery in leisure travel

- During the summer months weekday travel also benefitted from leisure demand

Occupancy %



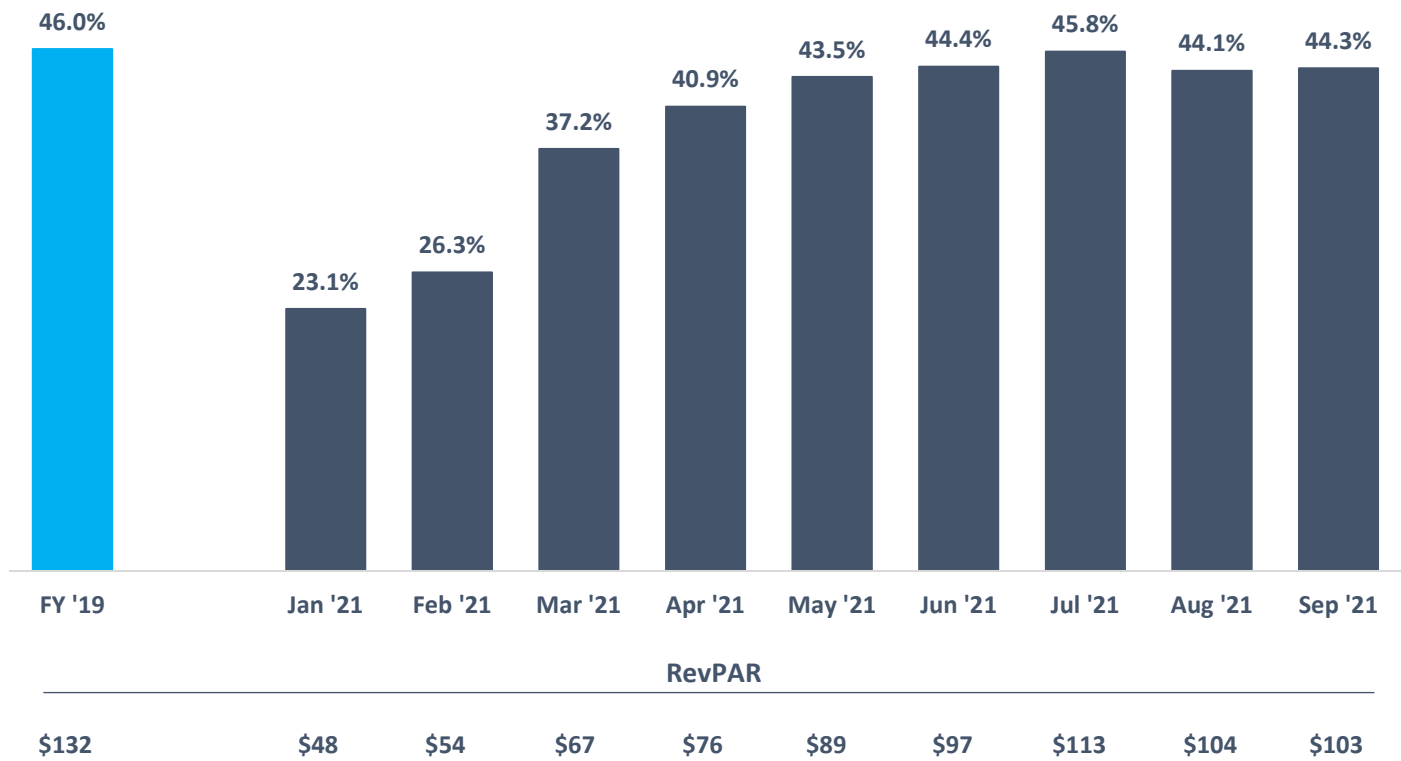
ADR



Operating Performance Has Improved Significantly

GOP margins have improved significantly even though RevPAR remains well below 2019 levels

GOP Margin %

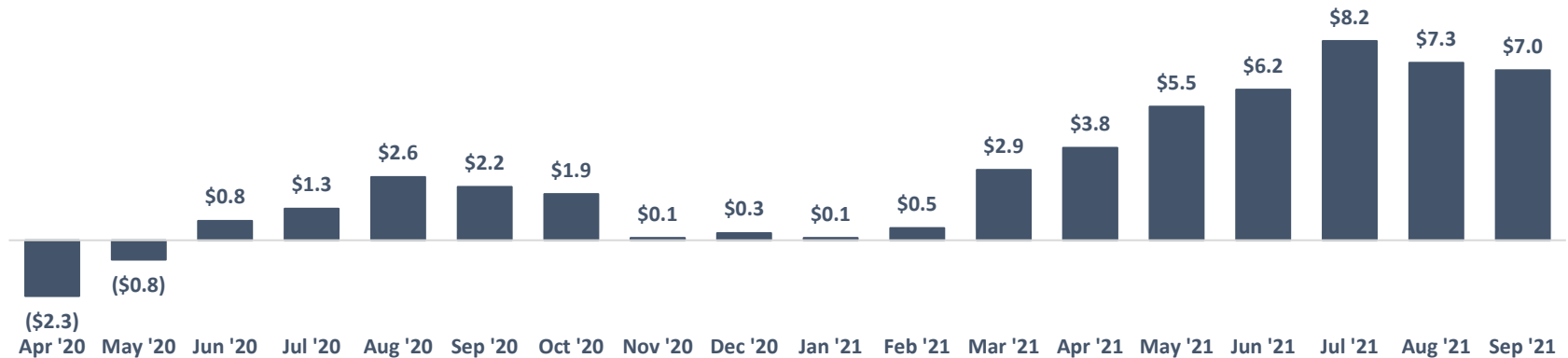


Operating Performance Is Improving

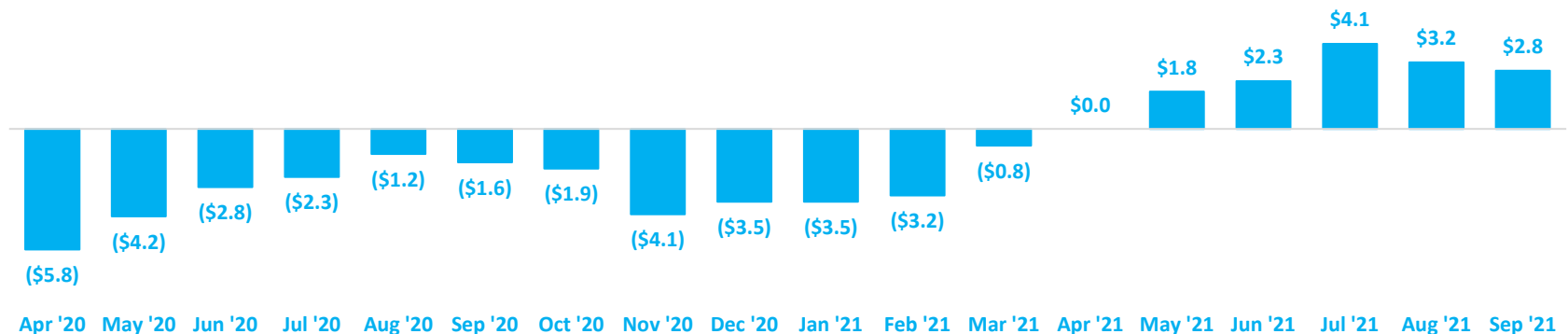
Operating performance is starting to improve significantly

- Chatham has generated \$14 million of free cash flow since April 2021 and expects to have positive cash flow for the full year

Hotel EBITDA (\$ in mm)



Cash Flow Before Capital (\$ in mm)



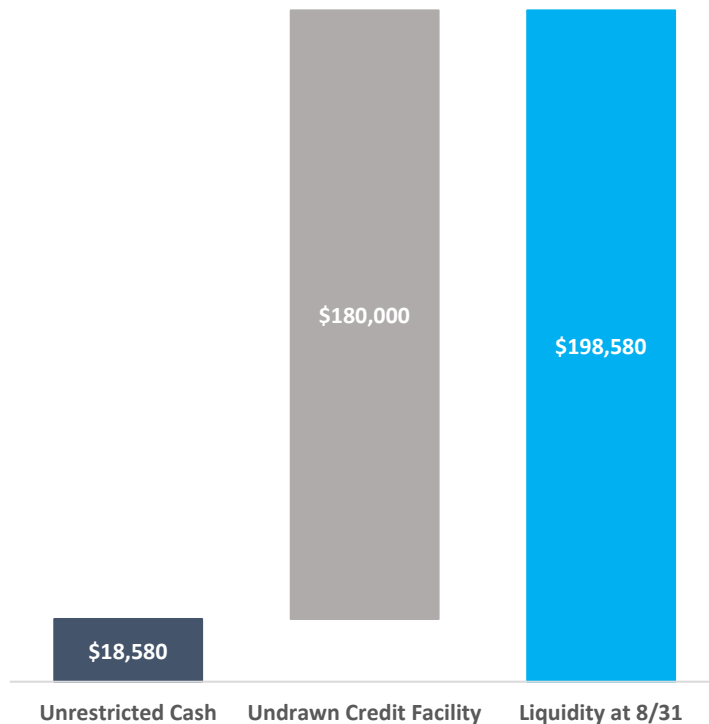
Cash burn defined as hotel EBITDA less corporate G&A, cash interest, and principal amortization.

Solid Liquidity and Limited Near-Term Maturities

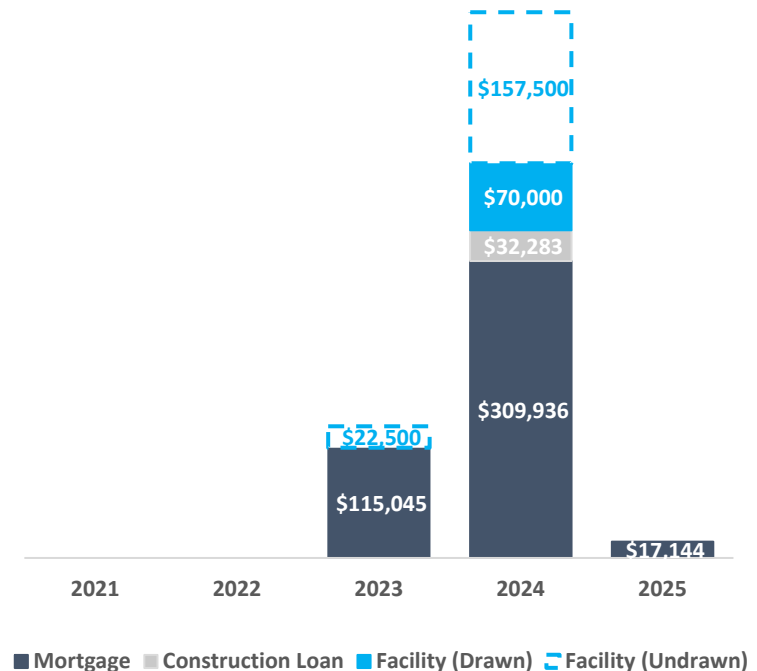
Chatham had \$199 million of total liquidity at 9/30/21

- Significant improvement from \$109 million of liquidity at 9/30/20
- Liquidity will continue to improve with meaningful free cash flow generation

Chatham Liquidity at 9/30/21 (\$ in 1,000s)



Chatham 9/30/21 Debt Maturity Profile (\$ in 1,000s)

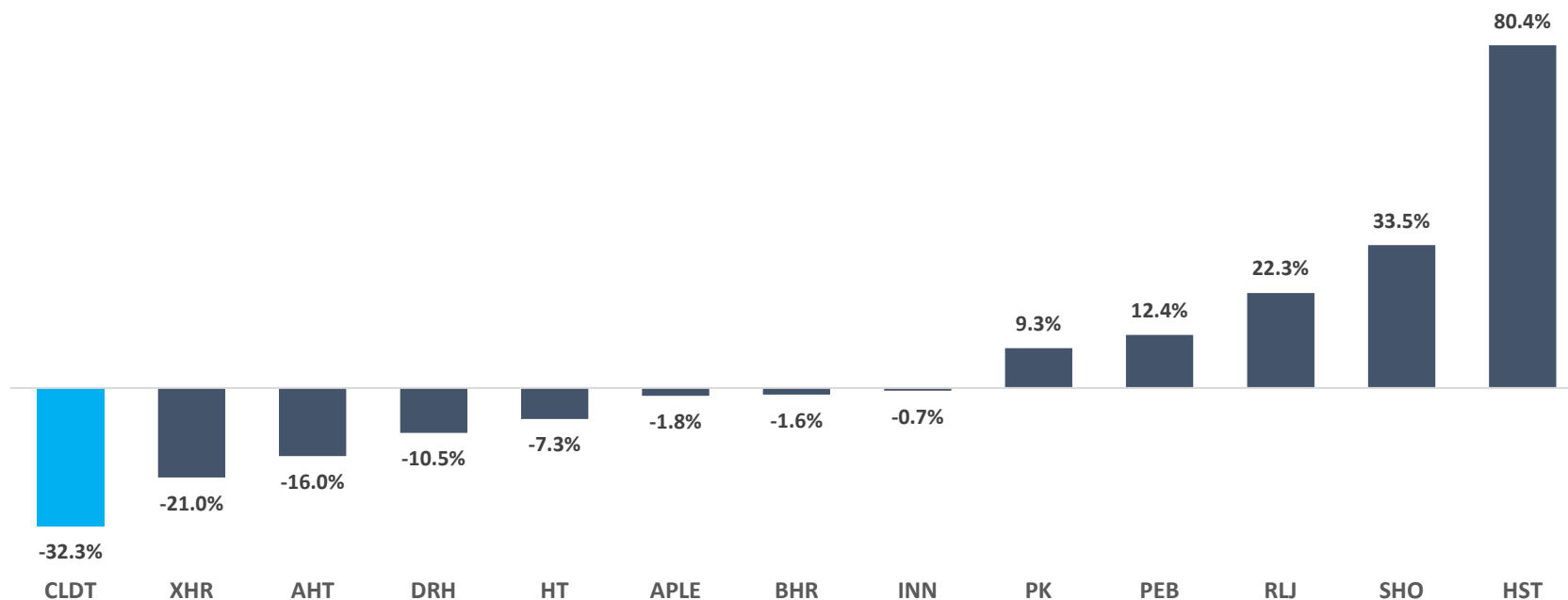


Significant Debt Reduction

Chatham has reduced its net debt by \$250 million since 3/31/20

- Chatham will exit the pandemic with a strong balance sheet that positions the company for future growth

% Change in Net Debt (3/31/20 to 9/30/21)

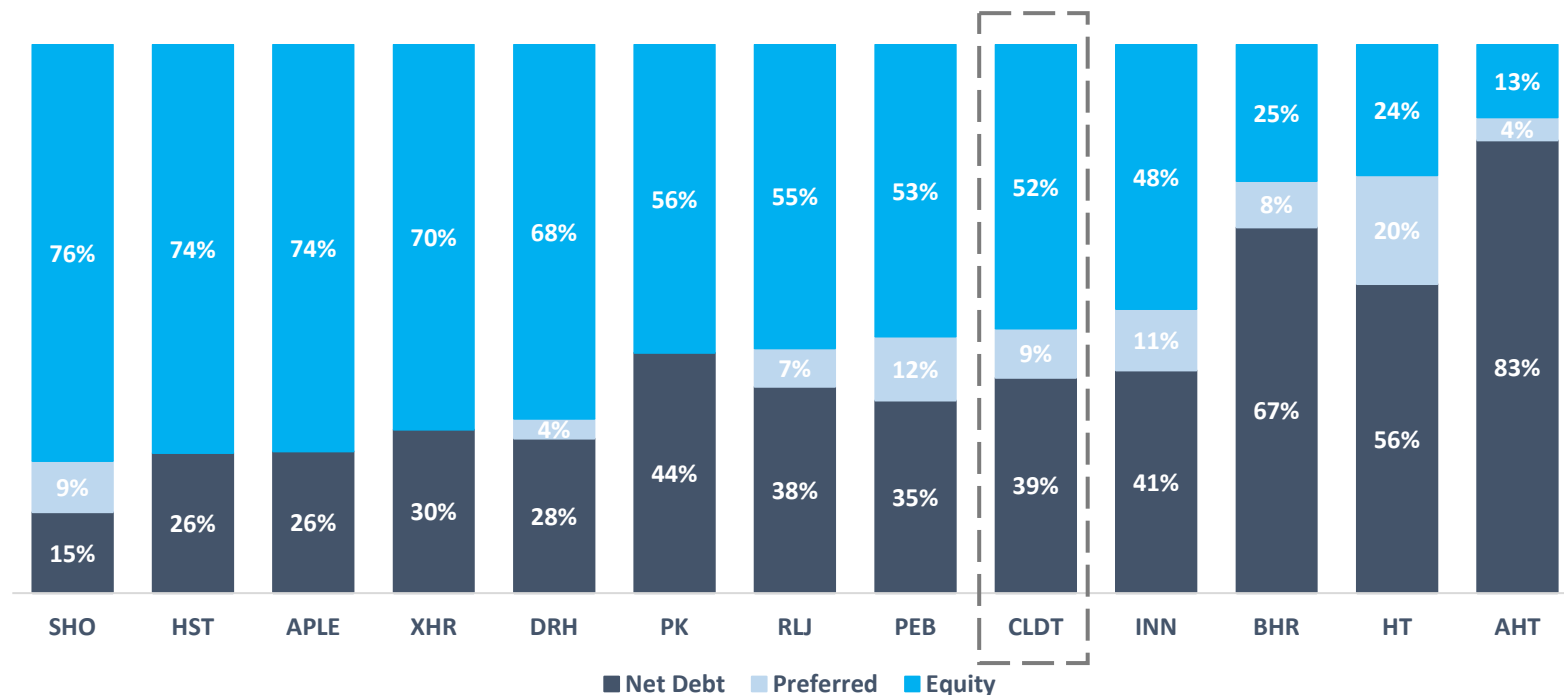


Chatham Has Reasonable Leverage

Chatham has reasonable leverage relative to peers and is now generating positive free cash flow

- Chatham's extended stay / limited-service portfolio has lower operating risk than full service upper upscale portfolios

Net Debt / Enterprise Value



Stock prices as of 11/5/21, balance sheet data as of 9/30/21.

Home2 Warner Center Development

- Chatham is developing a 170-room Home2 Suites in the Warner Center submarket of Los Angeles
 - ▶ Total project cost of \$70 million; \$62.7 million spent to date
 - ▶ Expected opening in December 2021
- Expected stabilized EBITDA of ~\$5.8 million and NOI of ~\$5.4 million
- 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



Rendering of final project



Current status

Warner Center Demand Generators



1 WESTFIELD TOPANGA

Nelman Marcus
AMC
Nordstrom
H&M
Forever 21
Cheesecake Factory
Michael Kors
Jimmy Choo
Chanel

2 WESTFIELD THE VILLAGE

REI
Costco
Fitness Athleta
Athleta
24 Hour Fitness
VeggieGrill
DryBar

3 WARNER CENTER TOWERS

Deloitte
AIG
Morgan Stanley
Equinox
San Fernando Valley Business Journal
Intruit
REX
Anthem Blue Cross

4 LNR WARNER CENTER

Infinity Award Center
HealthNet
Medtronic Inc.

5 COMMERCE DISTRICT - MIXED USE

Panavision
DSL International Trading
California Lutheran University
The Pointe at Warner Center
StroCal Self Storage
Rubicon Group Holding
Fly's Electronics
Faye Business Systems Group

6 TRILLIUM TOWERS

Blue Shield of California
Fidelity Investments
ADP
Dassault Systemes

7 COLLEGE DISTRICT - MIXED USE

The Montecito Apartments
Carillon Apartments
Zoo Culture
Home Depot
Triana Apartments
Bjs Restaurant & Brew House
Ascent at Warner Center

8 NORTH VILLAGE - MIXED USE

Haven Warner Center
Independence Park Apartments
Thermo Fischer Scientific
AML Warner Center
Vivid Aquarium
Reveal

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 / stabilized cap rate of 8.0% to 8.5%
 - Off market transaction sourced through long term relationship with developer
- Residence Inn opened in July 2016 and TownePlace Suites opened in June 2021
- Austin is one of the strongest, fastest growing 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



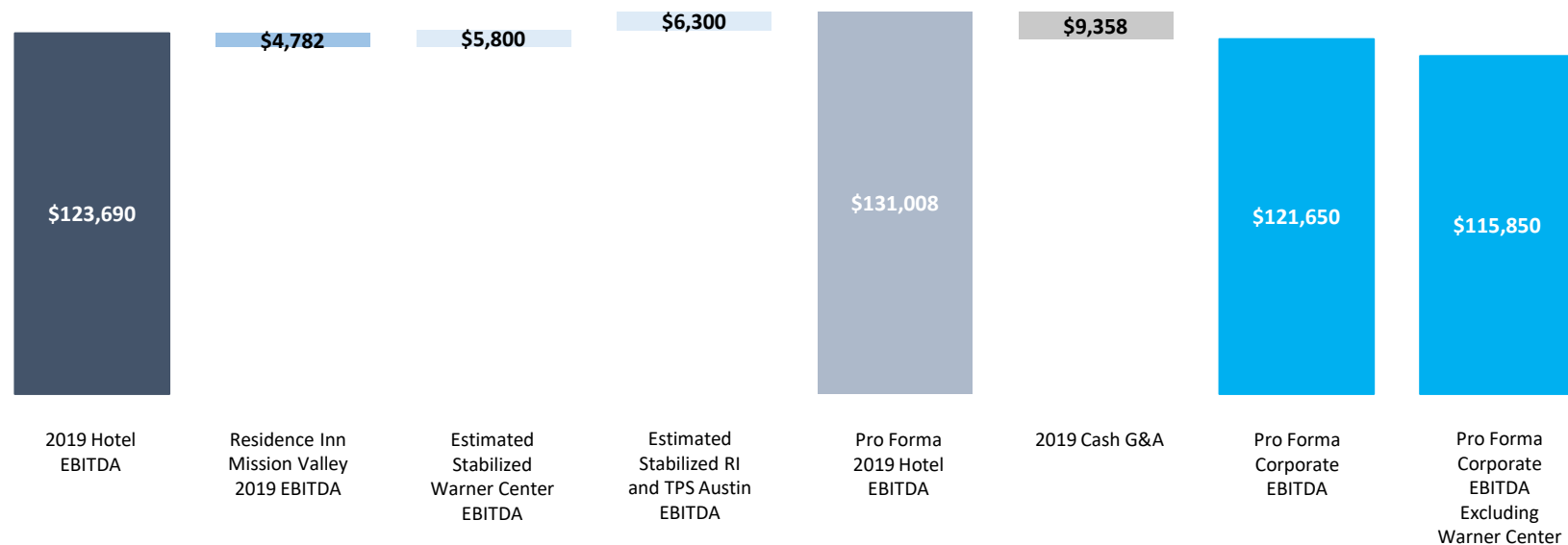
Residence Inn Austin Domain



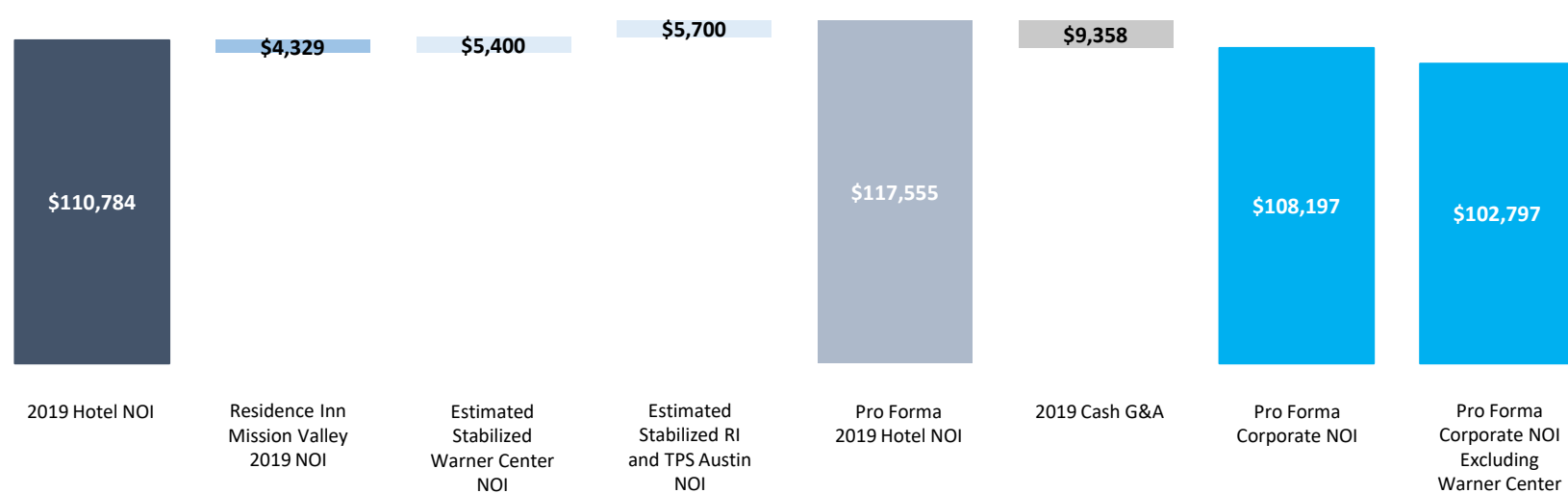
TownePlace Suites Austin Domain

Pro Forma 2019 EBITDA / NOI

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



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



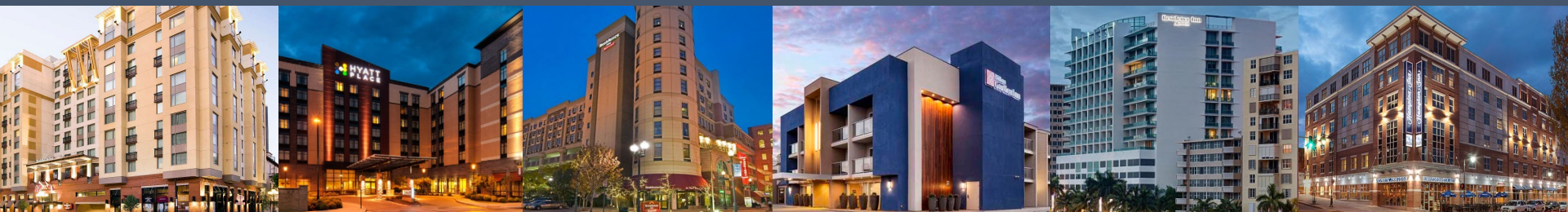
Capitalization / Enterprise Value

Chatham has invested \$64.2 million on its Home2 Warner Center development which is not reflected in current or historical EBITDA

Common Shares	48,768
Partnership Units	976
Total Shares and Units	49,744
Stock Price at 11/5/21	\$13.91
Equity Market Capitalization	\$691,943
Credit Facility	\$70,000
CMBS	442,124
Construction Loan	32,283
Total Debt	\$544,407
Preferred Equity	\$120,000
Less Unrestricted Cash	(\$18,580)
Net Debt and Preferred	\$645,827
Enterprise Value	\$1,337,770
Less \$ Spent to Date on Warner Center Development	(\$64,168)
Enterprise Value Excluding Warner Center Spend	\$1,273,602
Total Warner Center Development Cost	\$70,000
Enterprise Value Including Full Warner Center Cost	\$1,343,602

Stock price as of 11/5/21, balance sheet data as of 9/30/21.

ESG Initiatives



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

- Adopted 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
- Committed to formation of ESG committee
- Recently refreshed Board by adding two new trustees and enhanced Board diversity

Environmental Performance

Water

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

51% Of our hotels have low flow showerheads in over 90% of guestrooms

47% 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

82% Of our hotels have digital thermostats in at least 90% of rooms

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

68% Of our hotels have highly efficient boilers

87% 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

24% Of our hotels have implemented a food waste prevention strategy over the last year

78% Of our hotels have eliminated plastic straws