



CHATHAM
LODGING TRUST

Investor Presentation
March 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
- Intense cost control drives outstanding margins which are expected to increase
 - ▶ Q4 GOP margin of 41% on RevPAR of \$92 versus Q4 2019 GOP margin of 42% on RevPAR of \$119
 - ▶ Margins expected to exceed 2019 levels as RevPAR recovers
- Superior pandemic performance minimized cash burn and protected shareholder value
 - ▶ Positive free cash flow after G&A and debt service starting in April 2021 (second fastest)
- Significant upside in 2022 and 2023 as business travel recovers in tech focused markets
- Current share price / valuation provides significant upside opportunity
- Recent acquisitions and hotel opening enhance portfolio and will drive earnings growth
- Expect to continue enhancing portfolio quality through capital recycling
- Solid liquidity and reasonable leverage provide capacity for future growth
 - ▶ Largest net debt reduction of all lodging REITs since start of pandemic
- High quality portfolio of upscale extended stay and premium branded select service hotels in markets with strong long-term growth
- Strong commitment to ESG

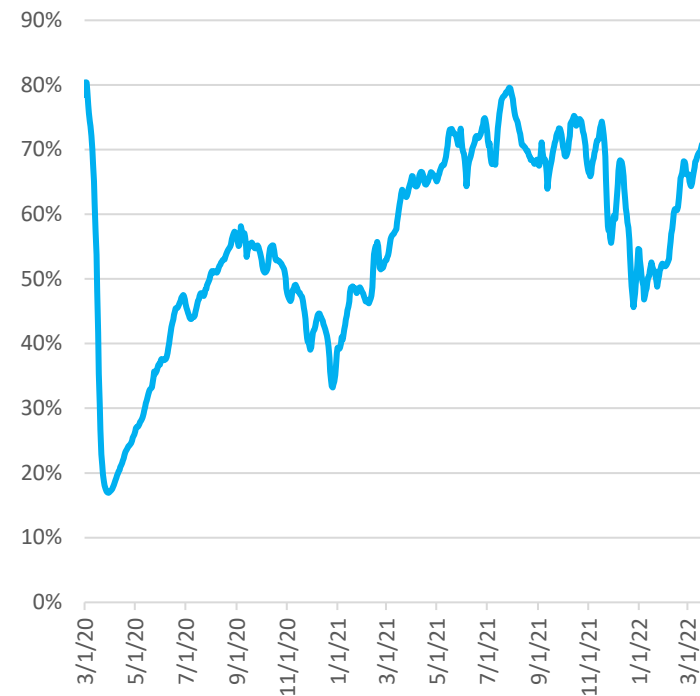
Operating Performance Is Improving

- After a drop in performance in January and early February due to the Omicron variant, performance has resumed its strong recovery
- RevPAR has been \$115 over the last week

RevPAR (\$)



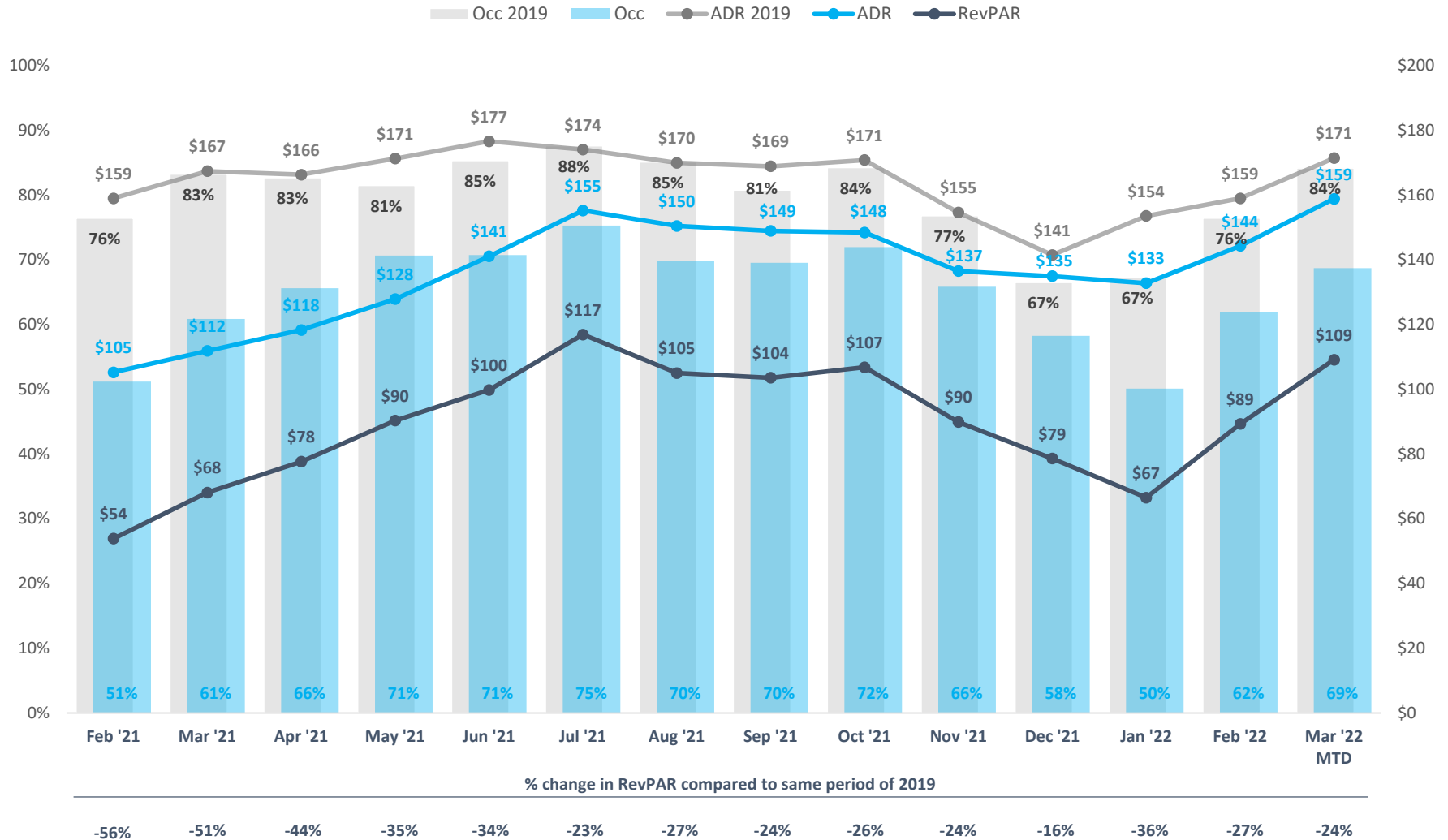
Occupancy %



RevPAR and occupancy data in charts reflect 7-day rolling average results, results through 3/20/22.

Operating Performance Is Improving

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

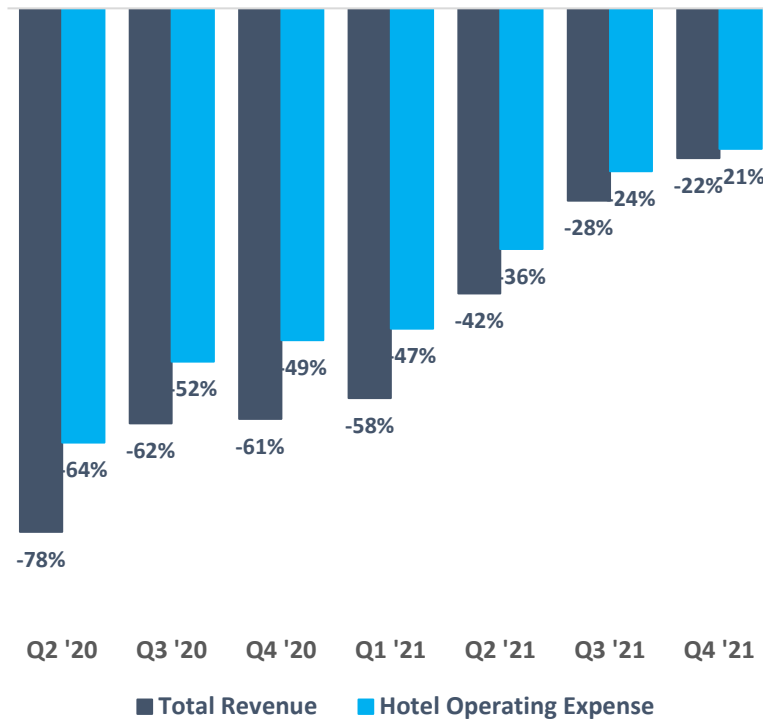


Significant Cost Reductions During the Pandemic

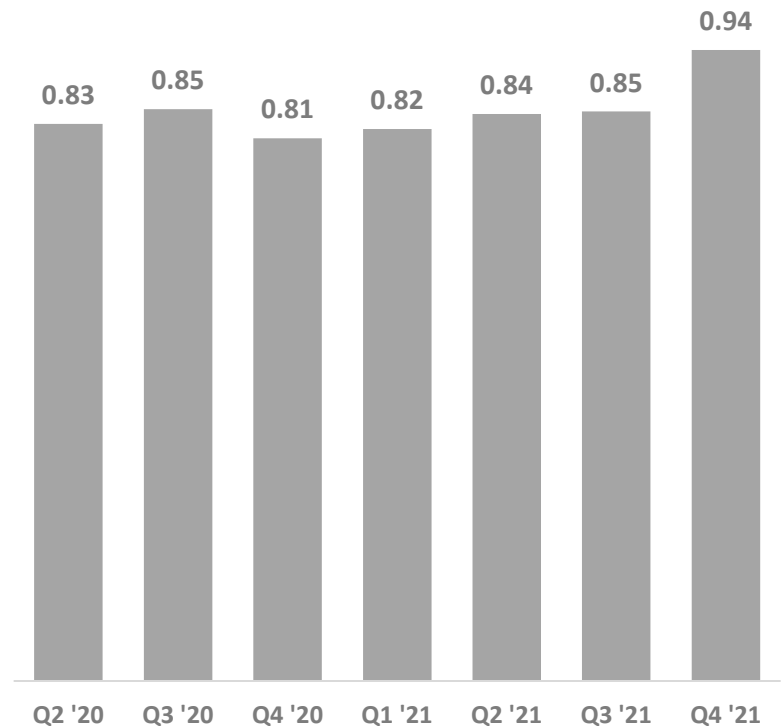
Chatham quickly reduced operating costs during the pandemic which maximized hotel EBITDA and minimized cash burn

- Expense reduction as a % of revenue decreases has been 0.80 or higher

Change in Revenue / Operating Expense (%)



Expense Reduction Ratio

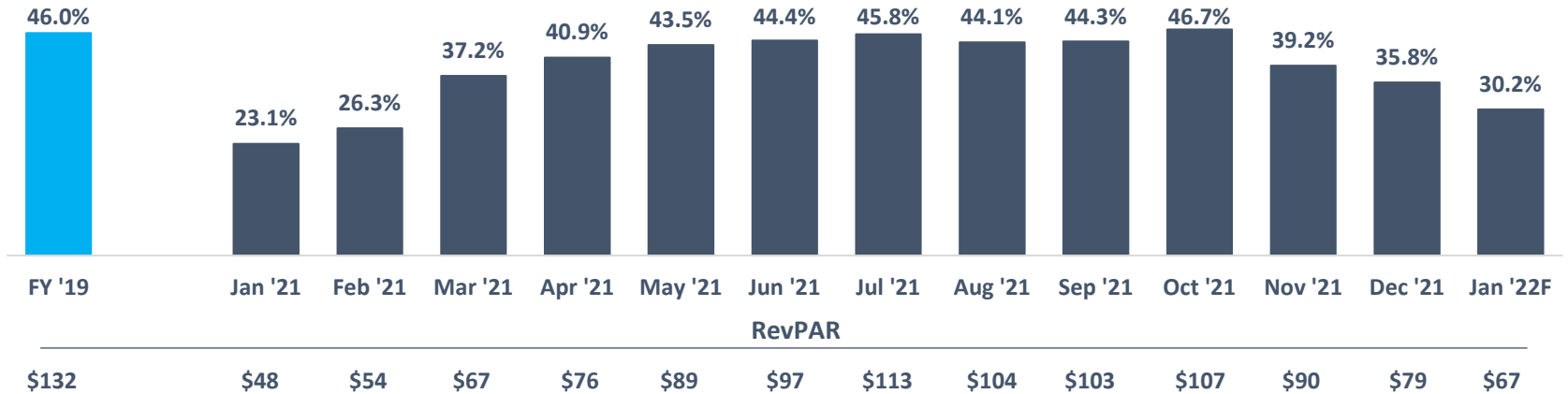


Hotel operating expense includes all hotel level expenses but excludes ownership expenses including property tax, ground rent and insurance.

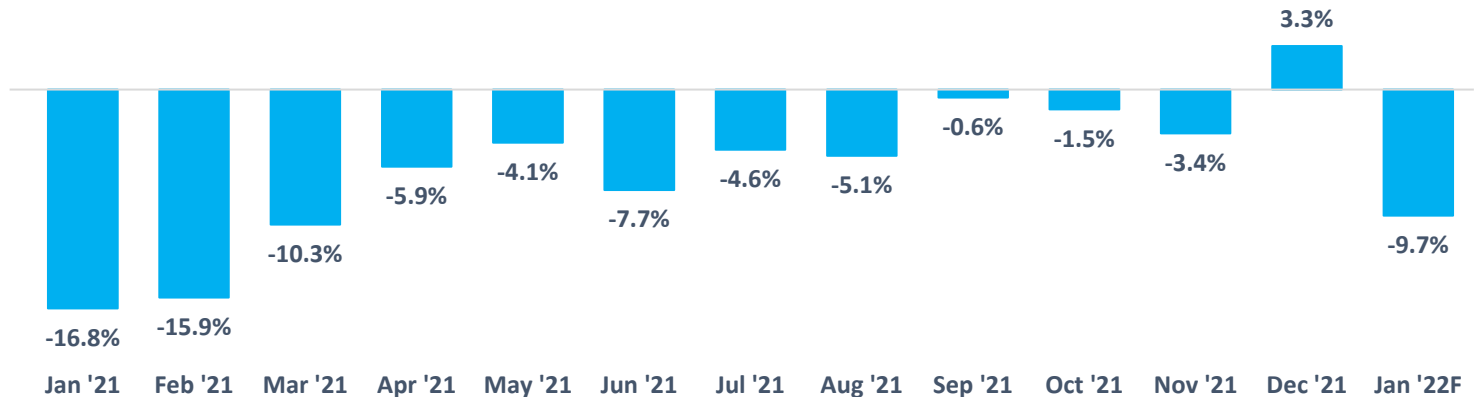
Margins Expected to Exceed 2019 Levels

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

GOP Margin %



GOP Margin – Percentage Point Change from Same Month in 2019



Superior Pandemic Performance

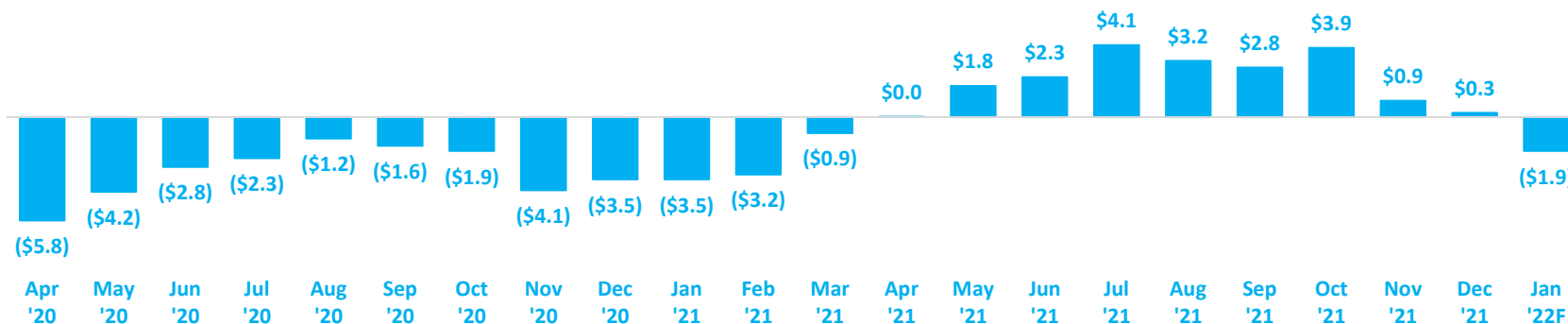
Minimal cash burn protected shareholder value

- Chatham generated \$19 million of free cash from April 2021 to December 2021
- Remarkably cash burn excluding principal amortization was zero from April 2020 to December 2021 (effectively entirety of pandemic)

Hotel EBITDA (\$ in millions)



Cash Flow Before Capital (\$ in millions)



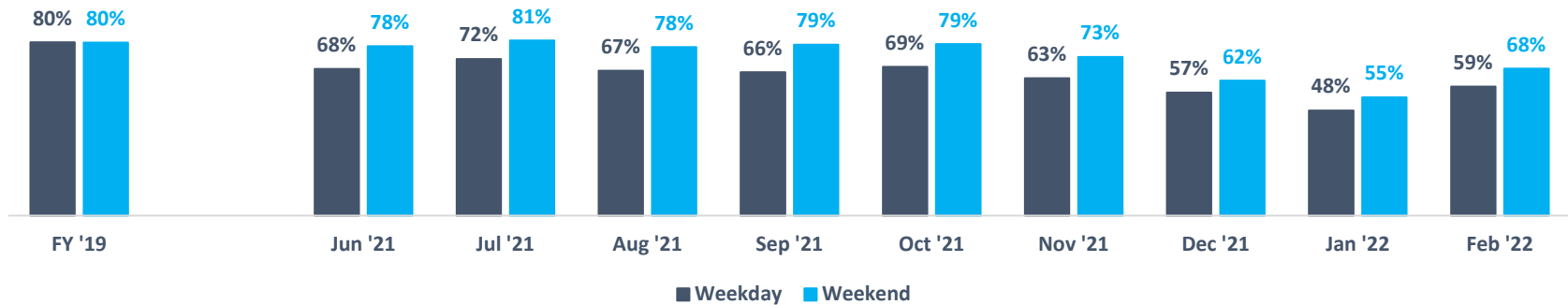
Cash burn defined as hotel EBITDA less corporate G&A, cash interest, and principal amortization.

Weekday Performance Is Starting to Improve

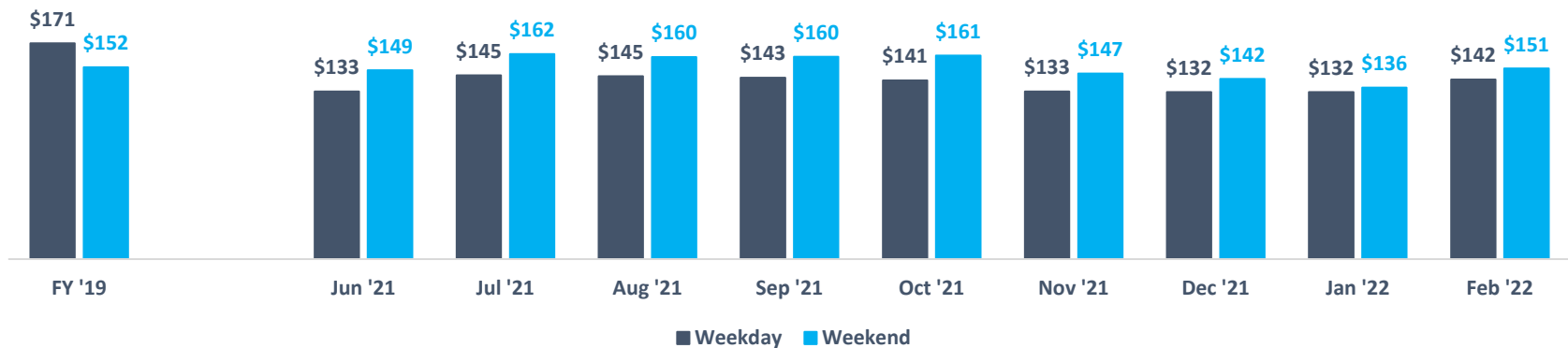
Strong weekend performance has been driven by a recovery in leisure travel

- The gap between weekend and weekday results is getting smaller as business travel starts to recover

Occupancy %



ADR

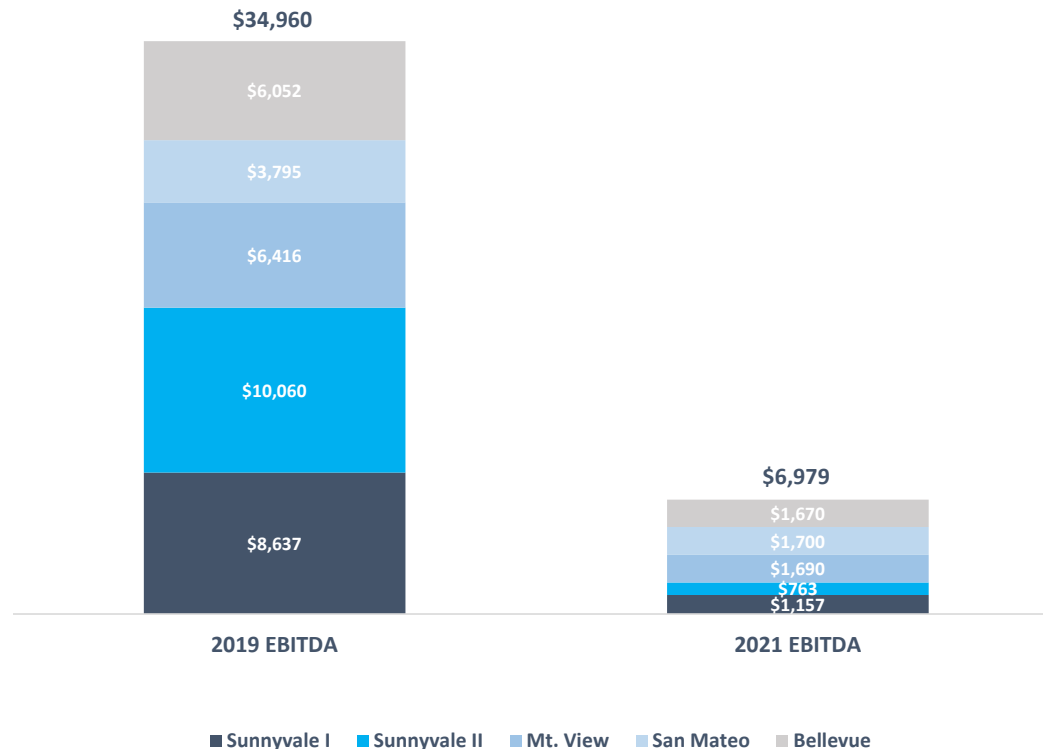


Significant Upside From Recovery in Business Travel

Chatham has significant upside potential at some of its largest hotels where demand is primarily driven by business travel

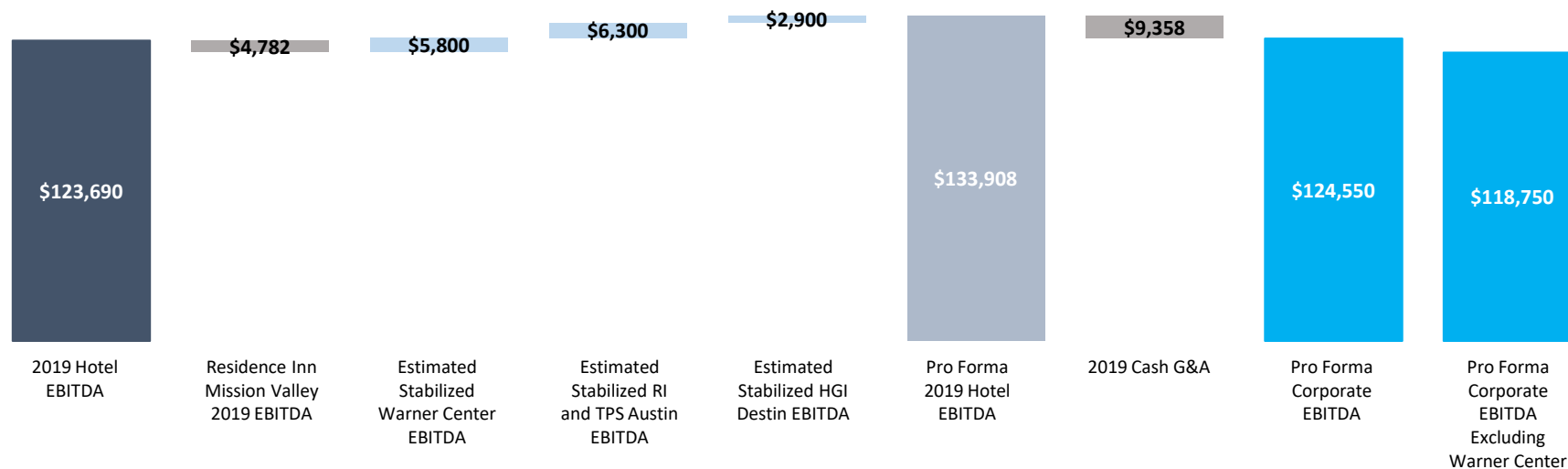
- Chatham's five Residence Inns located in Silicon Valley and Bellevue generated \$7 million of EBITDA in 2022 versus \$35 million in 2019
- We are starting to see significant bookings at these hotels for Summer 2022
- Apple, Google and many other companies have announced returns to office

Hotel EBITDA in Selected Hotels in 2019 and 2021 (\$ in millions)

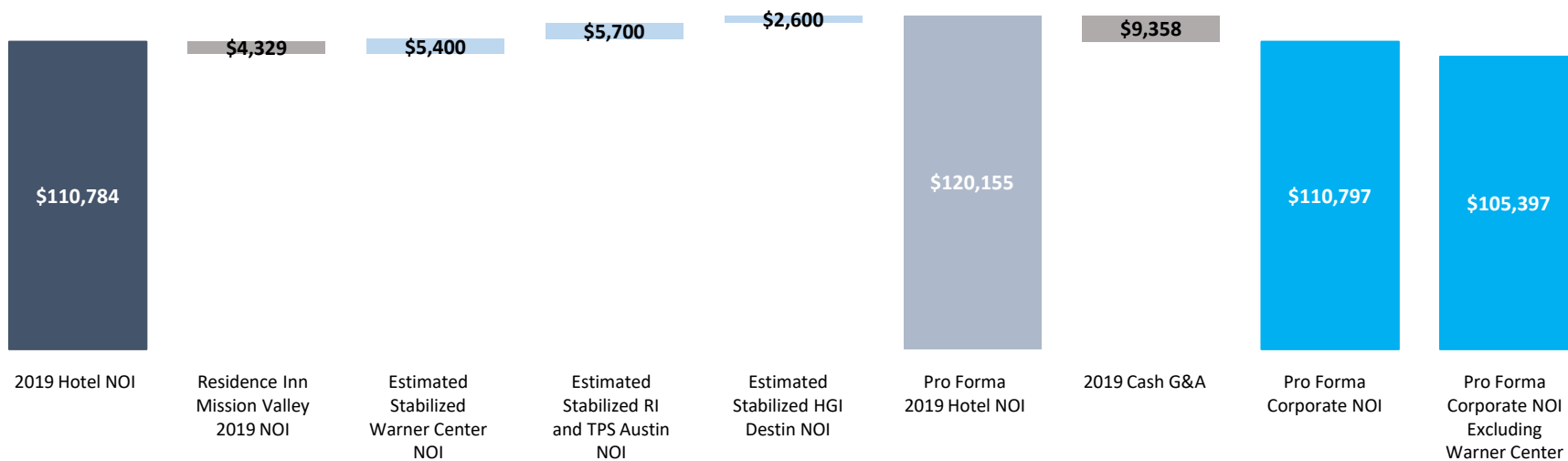


Pro Forma 2019 EBITDA / NOI

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



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



Capitalization / Enterprise Value

Common Shares	48,804
Partnership Units	976
Total Shares and Units	49,780
Stock Price at 3/18/22	\$13.85
Equity Market Capitalization	\$689,456
Credit Facility	\$70,000
CMBS	439,926
Construction Loan	35,007
Total Debt @ 12/31/21	\$544,933
Preferred Equity	\$120,000
HGI Destin Acquisition Cost	\$31,000
Less Unrestricted Cash	(\$19,188)
Net Debt and Preferred	\$676,745
Enterprise Value	\$1,366,201
Less \$ Spent to Date on Warner Center Development	(\$67,554)
Enterprise Value Excluding Warner Center Spend	\$1,298,647
Total Warner Center Development Cost	\$70,000
Enterprise Value Including Full Warner Center Cost	\$1,368,647

Implied pro forma 2019 cap rate of 8.1% provides significant stock price upside

Stock price as of 3/18/22, balance sheet data as of 12/31/21.

Home2 Warner Center Development

- Chatham recently completed development of the 170-room Home2 Suites in the Warner Center submarket of Los Angeles
 - Total project cost of \$70 million
 - Property opened 1/24/22
- 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



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 Luthren 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

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 / stabilized cap rate of 8.0% to 8.5%
 - 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 premium of approximately 50% relative to 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 / 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



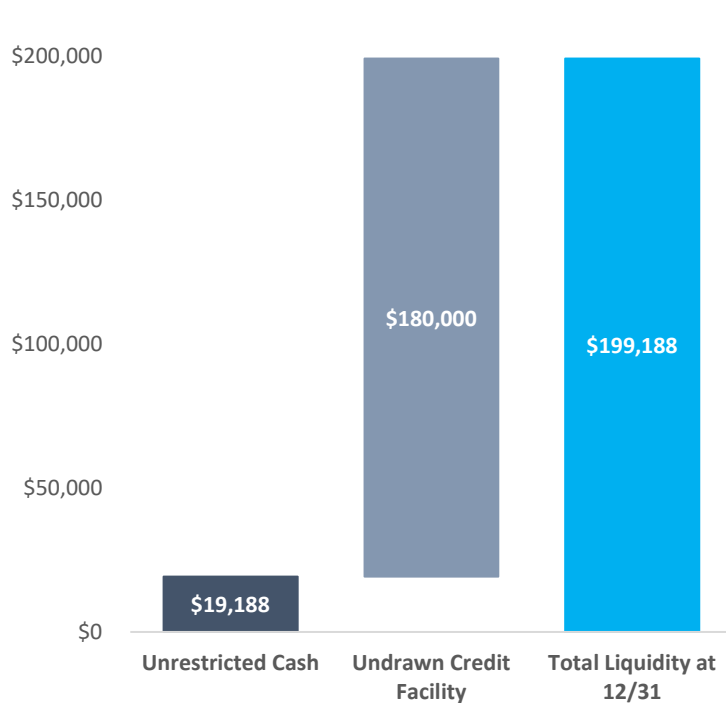
TownePlace Suites Austin Domain

Solid Liquidity and Limited Near-Term Maturities

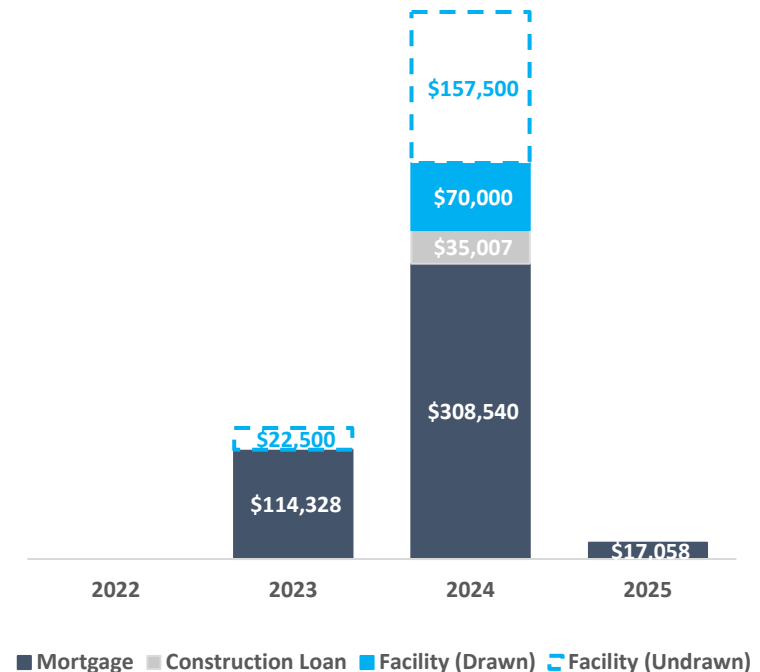
Chatham had \$199 million of total liquidity at 12/31/21

- 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 12/31/21 (\$ in 1,000s)



Chatham 12/31/21 Debt Maturity Profile (\$ in 1,000s)

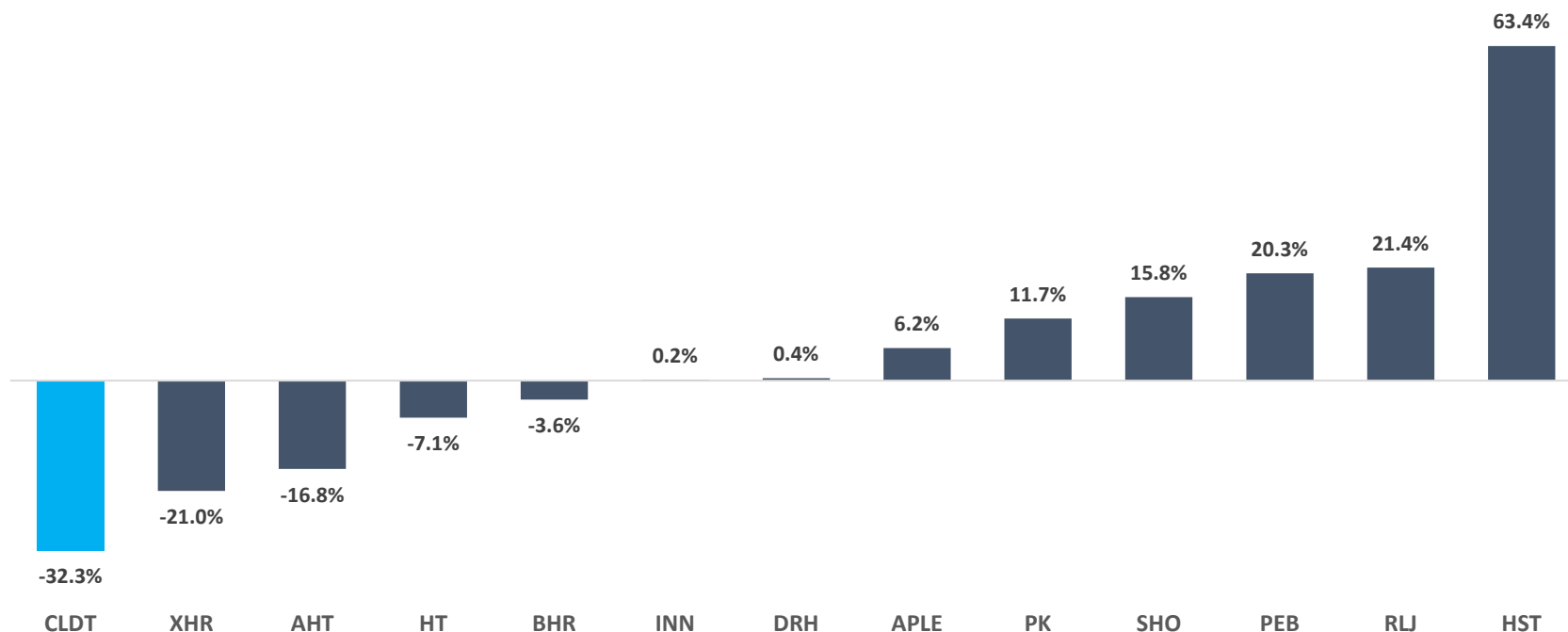


Significant Debt Reduction

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 12/31/21)

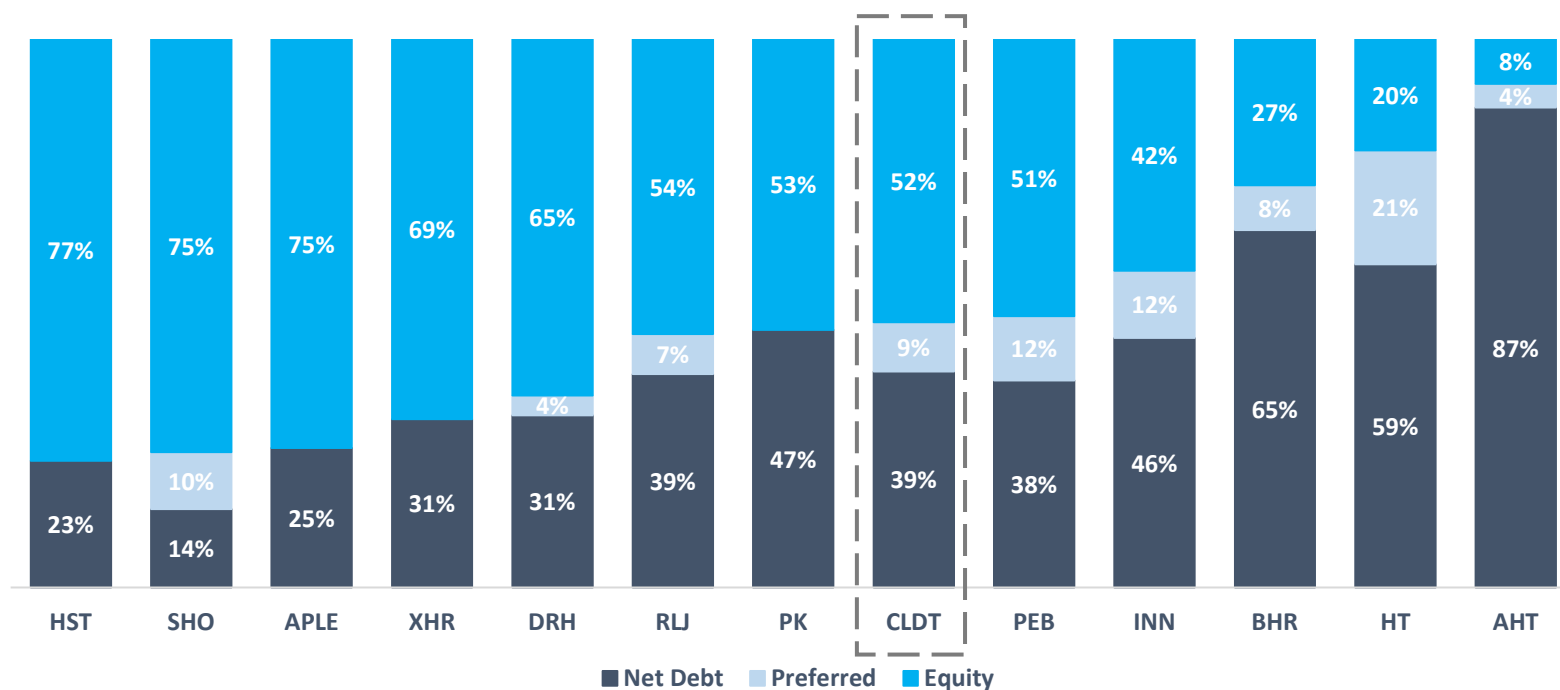


Chatham Has Reasonable Leverage

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 3/18/22, balance sheet data as of 12/31/21.

Portfolio Overview



High Quality Hotels in Attractive Markets



High Quality Hotels in Attractive Markets



Recently Renovated Rooms

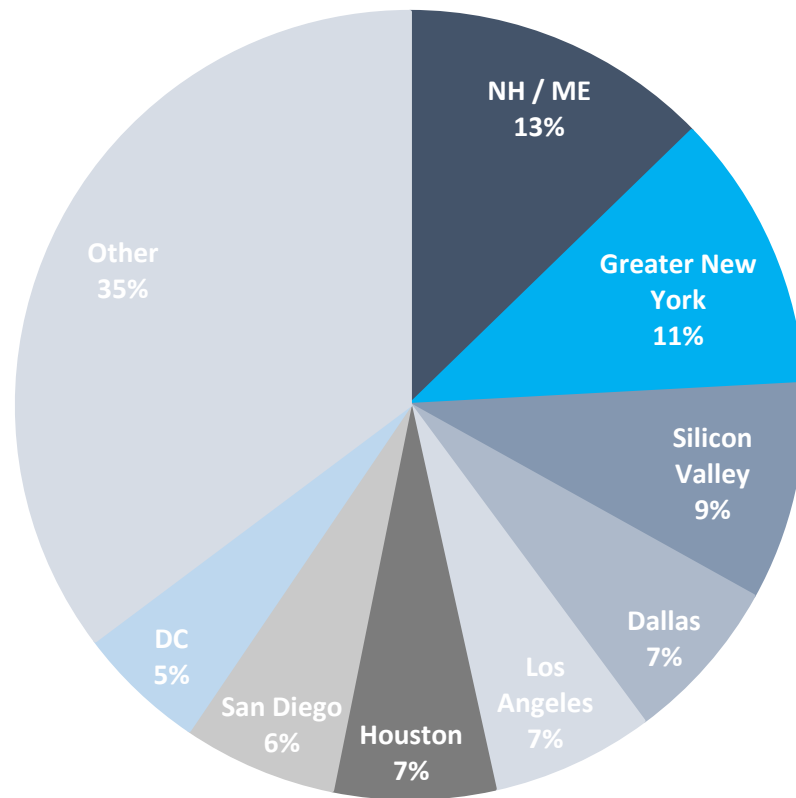


High Quality Hotels in High Quality Markets

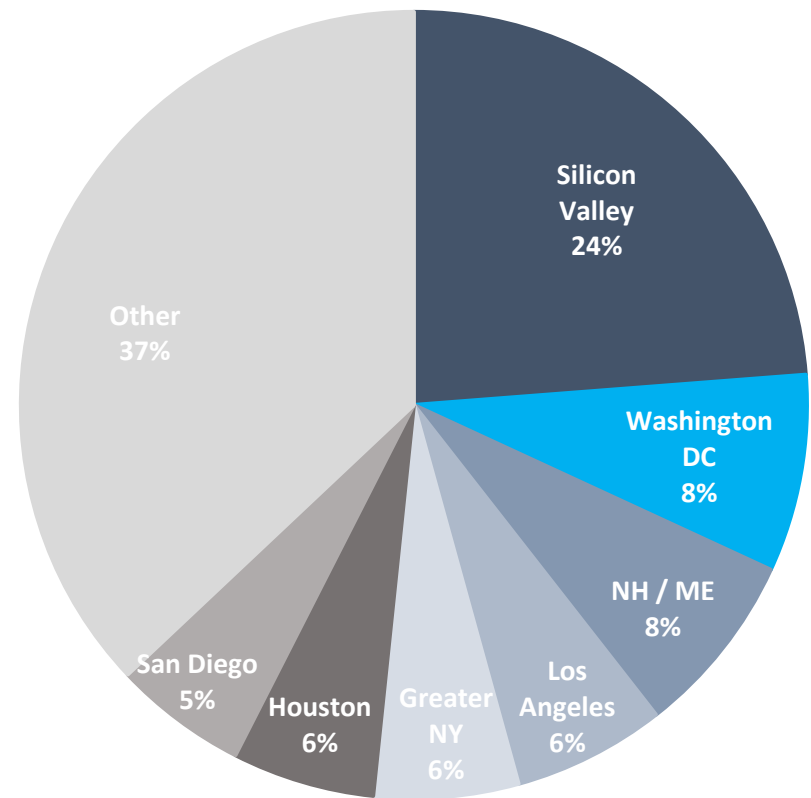
Chatham's superior portfolio is reflected by its top brands and attractive markets

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

Chatham Markets (% of 2021 Hotel EBITDA)



Chatham Markets (% of 2019 Hotel EBITDA)



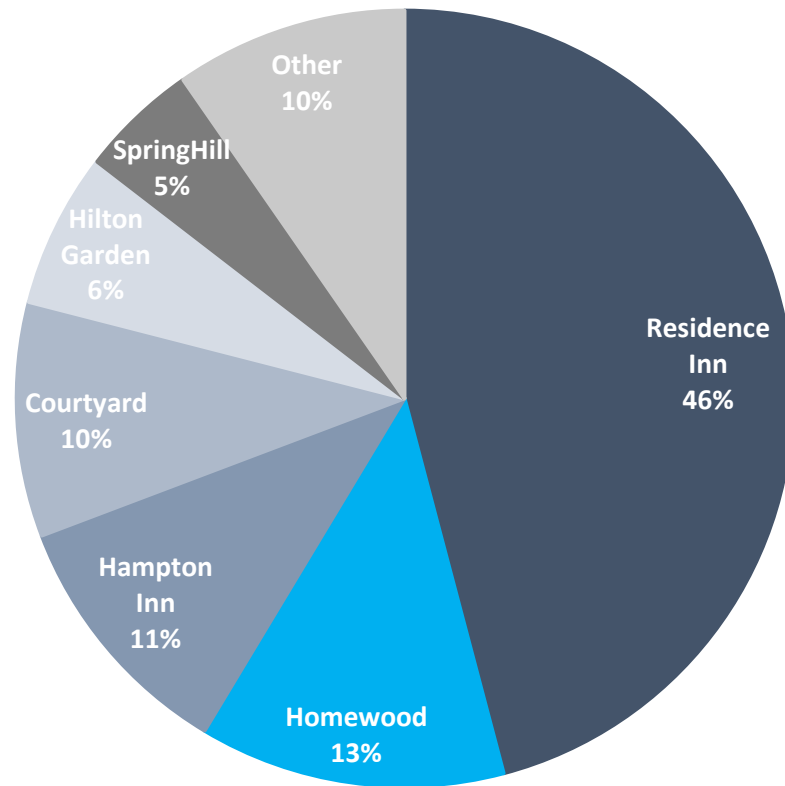
Figures reflect pro forma impact of sale of Residence Inn Mission Valley and acquisition of Residence Inn Austin Domain.

High Quality Hotels in High Quality Markets

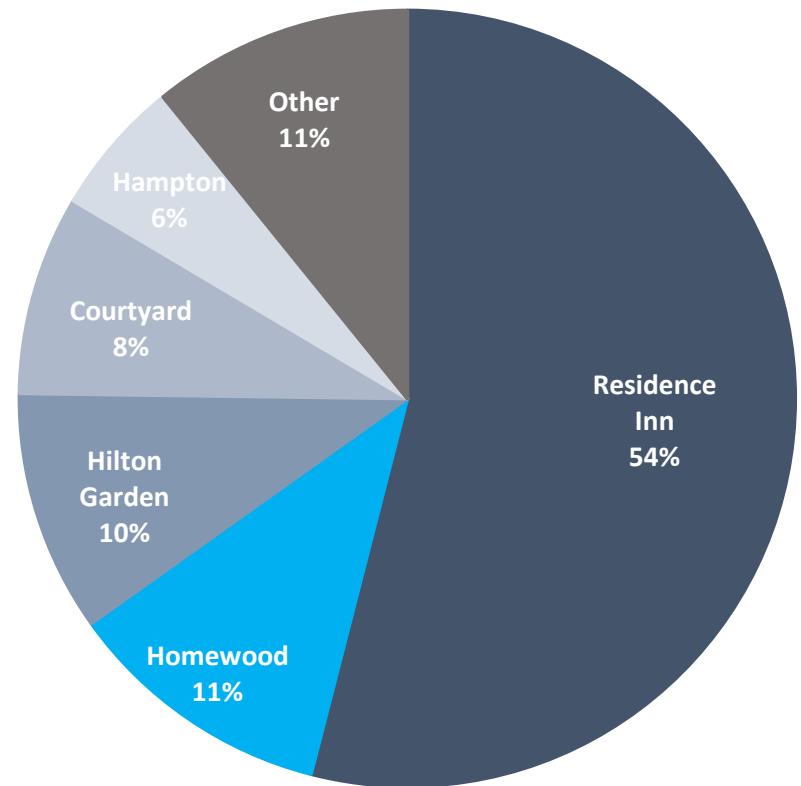
Chatham's superior portfolio is reflected by its top brands and attractive markets

- 65% of Chatham's pre pandemic EBITDA was generated by extended stay hotels

Chatham Brands (% of 2021 Hotel EBITDA)



Chatham Brands (% of 2019 Hotel EBITDA)



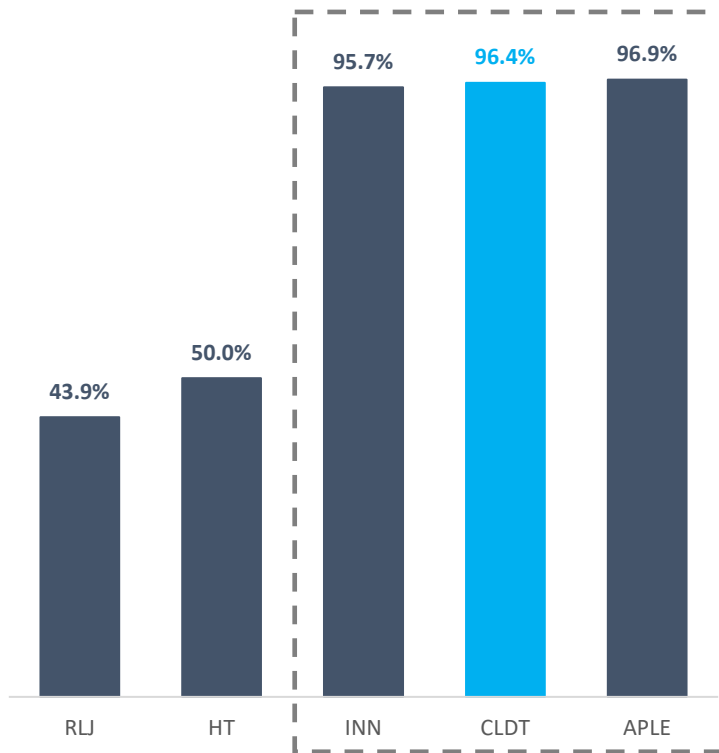
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Pure Play Limited-Service Portfolio with High RevPAR

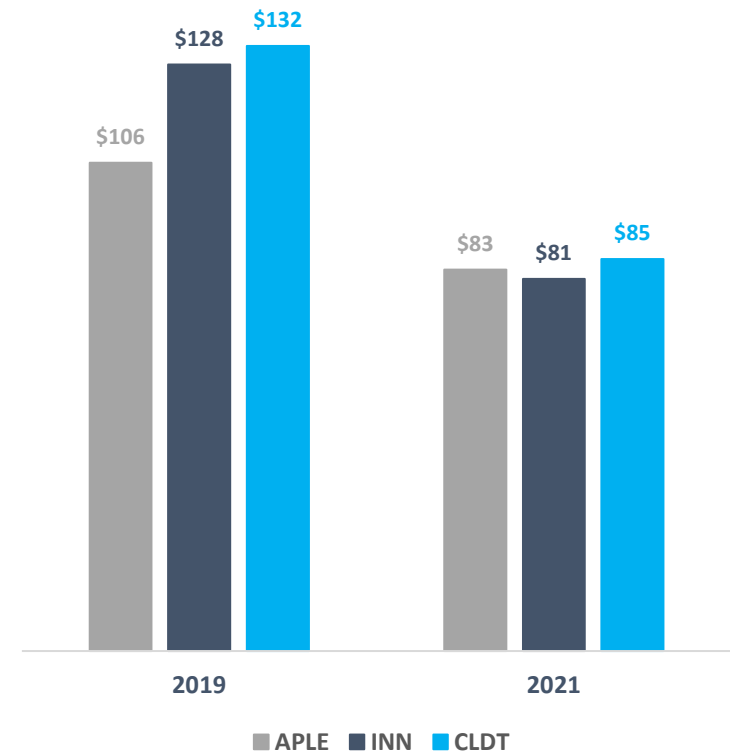
Chatham has the highest RevPAR of the three lodging REITs that are focused almost entirely on the limited-service segment and the most upside as business recovers

- High quality assets in top markets

Limited-Service Rooms as % of Total



RevPAR

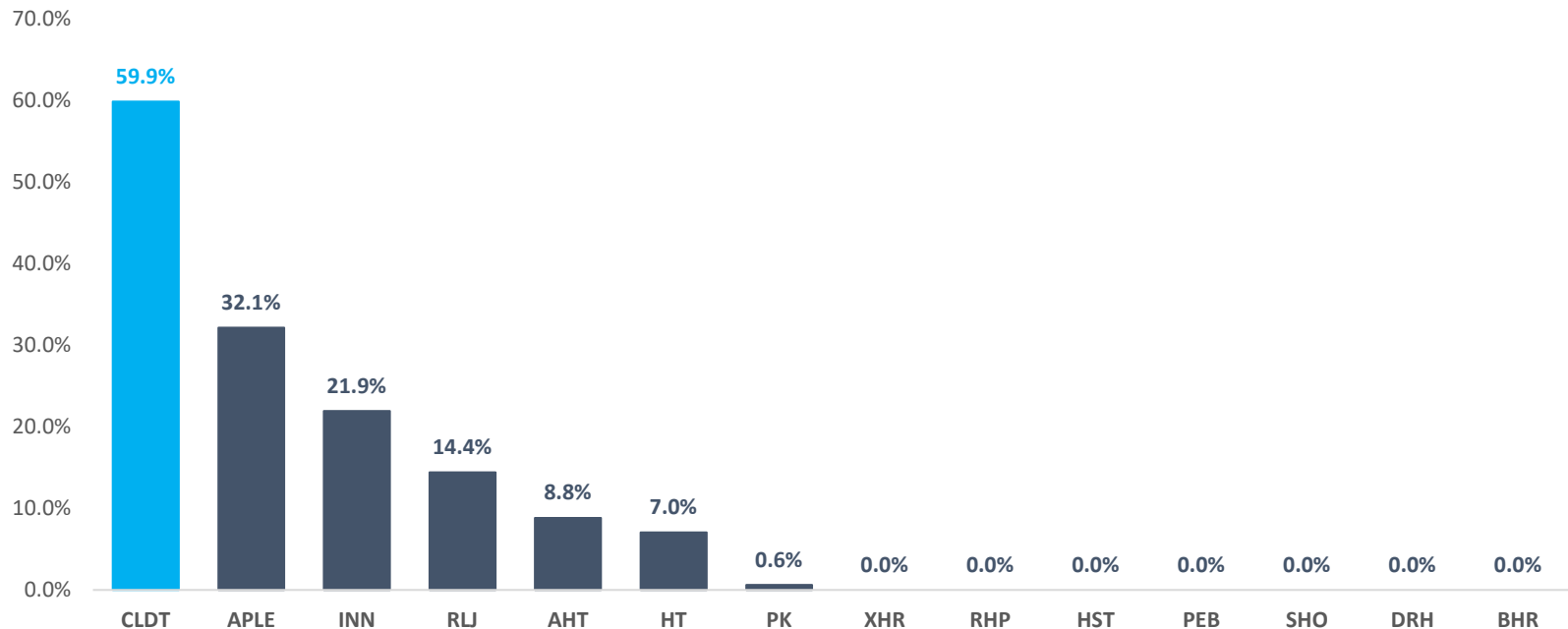


Most Extended Stay Rooms of All Lodging REITs

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 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



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 AHHA'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

ESG – Recent Developments

- **Corporate Responsibility Report – In late January, we published a supplement to our Report; this included the following first-time 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)**
 - ▶ **Chatham’s first 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 to participate in GRESB (Global Real Estate Sustainability Benchmark) real estate assessment**

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