

Press Release

RLJ Lodging Trust to Deploy Capital in a High Growth Market with the Acquisition of the Hampton Inn & Suites Atlanta Midtown

Bethesda, MD, July 28, 2021 – RLJ Lodging Trust (the “Company”) (NYSE: RLJ) today announced that it is under contract to acquire the fee simple interest in the newly-built, 186-room Hampton Inn & Suites Atlanta Midtown (the “Hotel”) for a purchase price of \$58.0 million in cash. Upon stabilization, the Company expects the Hotel to generate an estimated 8.0% to 8.5% NOI yield.

“We are pleased to acquire this high-quality, young asset in one of the fastest growing markets in the country,” commented Leslie D. Hale, President and Chief Executive Officer. “Midtown Atlanta is a top submarket, and this property is located within the heart of demand, surrounded by significant new development activity. The addition of this hotel complements our existing portfolio, and we are confident that it will be accretive to our RevPAR, margin and overall growth profile as the property ramps up. This acquisition demonstrates our deep industry relationships and capabilities to source accretive, off-market deals. Our acquisition pipeline is growing and our strong balance sheet positions us extremely well to continue to execute on external growth opportunities.”

The Hotel was constructed as a purpose-built, high-rise Hampton Inn & Suites and opened in February 2020. In addition to 186-rooms and suites, the Hotel features a sky lobby on the top floor and a rooftop bar with outdoor patio seating and views of Atlanta’s skyline. The property is located just three blocks from Google’s new office in Atlanta.



Atlanta continues to rank as a top growth market, for both population and corporate relocations. The City is home to the third largest concentration of Fortune 500 headquarters and has a growing base of technology companies which contributed to a 60% increase in technology-related jobs since 2010. Employment and population growth trends in Atlanta are forecasted to outperform the national average for years to come.

The Hotel is located in the heart of Midtown Atlanta, which is a top submarket with one of the strongest growth profiles, within the Atlanta metro region. Since 2015, Midtown Atlanta has seen population growth that is five times the City of Atlanta and remains poised for significant future growth with major office, residential, retail expansion and development projects underway. The Midtown Atlanta submarket also has a diversified demand base with top educational institutions such as the Georgia Institute of Technology, which in addition to an

enrollment of over 29,000 students, is also attracting many renowned companies to set up innovation centers near the university. Additionally, as the heart of Atlanta's arts and cultural scene the submarket benefits from strong leisure demand with 1.5 million overnight hotel stays generated annually and is also seeing significant growth from the film production industry.

The Company expects to close on the transaction during the third quarter, subject to customary closing conditions. With the acquisition of the Hampton Inn & Suites Atlanta Midtown, the Company will own five hotels in the Atlanta market.

About Us

RLJ Lodging Trust is a self-advised, publicly traded real estate investment trust that owns primarily premium-branded, high-margin, focused-service and compact full-service hotels.

Forward Looking Statements

This information contains certain statements, other than purely historical information, including estimates, projections, statements relating to the Company's business plans, objectives and expected operating results, measures being taken in response to the COVID-19 pandemic, and the impact of the COVID-19 pandemic on our business, and the assumptions upon which those statements are based, that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally are identified by the use of the words "believe," "project," "expect," "anticipate," "estimate," "plan," "may," "will," "will continue," "intend," "should," or similar expressions. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, beliefs and expectations, such forward-looking statements are not predictions of future events or guarantees of future performance and the Company's actual results could differ materially from those set forth in the forward-looking statements. Some factors that might cause such a difference include the following: the current global economic uncertainty and a worsening of global economic conditions or low levels of economic growth; the duration and scope of the COVID-19 pandemic and its impact on the demand for travel and on levels of consumer confidence; actions governments, businesses and individuals take in response to the pandemic, including limiting or banning travel; the impact of the pandemic on global and regional economies, travel, and economic activity; the speed and effectiveness of vaccine and treatment developments and their deployment, including public adoption rates of COVID-19 vaccines; the pace of recovery when the COVID-19 pandemic subsides; the effects of steps we and our third party management partners take to reduce operating costs; increased direct competition, changes in government regulations or accounting rules; changes in local, national and global real estate conditions; declines in the lodging industry, including as a result of the COVID-19 pandemic; seasonality of the lodging industry; risks related to natural disasters, such as earthquakes and hurricanes; hostilities, including future terrorist attacks or fear of hostilities that affect travel and epidemics and/or pandemics, including COVID-19; the Company's ability to obtain lines of credit or permanent financing on satisfactory terms; changes in interest rates; access to capital through offerings of the Company's common and preferred shares of beneficial interest, or debt; the Company's ability to identify suitable acquisitions; the Company's ability to close on identified acquisitions and integrate those businesses; and inaccuracies of the Company's accounting estimates. Moreover, investors are cautioned to interpret many of the risks identified under the section entitled "Risk Factors" in the Company's Form 10-K for the year ended December 31, 2020 as being heightened as a result of the ongoing and numerous adverse impacts of the COVID-19 pandemic. Given these uncertainties, undue reliance should not be placed on such statements. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The Company cautions investors not to place undue reliance on these forward-looking statements and urges investors to carefully review the disclosures the Company makes concerning risks and uncertainties in the sections entitled "Risk Factors," "Forward-Looking Statements," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report, as well as risks, uncertainties and other factors discussed in other documents filed by the Company with the Securities and Exchange Commission.

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For additional information or to receive press releases via email, please visit our website: <http://www.rjlodgingtrust.com>

Hampton Inn & Suites Atlanta Midtown

Location: Midtown Atlanta, GA
Acquisition Price: \$58.0M (\$312K per room)
Year Built: 2020
Rooms: 186 keys
Amenities: Rooftop bar, onsite parking, fitness center, business center



Bullseye Deal

- Rooms-oriented
- Premium brand
- High margins
- Heart of demand location
- High growth market
- Strong RevPAR

Investment Thesis

- **Newly built**
- **Top-tier, high growth market**
- **Accretive to RLJ portfolio:**
 - ~\$185 stabilized ADR
 - ~\$150 stabilized RevPAR
 - ~42% stabilized margins
 - ~8.0% - 8.5% stabilized NOI yield
- **Off-market transaction**



Atlanta Midtown Highlights

- **High growth submarket**
 - RevPAR CAGR outpaced Top 25 Markets and U.S. by 360 bps and 270 bps from 2015 - 2019
- **#1 submarket in Atlanta**
 - Pre-COVID RevPAR +88% higher than Atlanta Market
- **Significant Midtown development**
 - 17 projects under construction
 - 4.7M SF of office space and +6,000 residential units in planning
- **Midtown population boom**
 - 5x population growth compared to the City of Atlanta
- **Atlanta's tech & innovation hub**
 - 46% of City's professional / tech / science / management jobs
- **7 million annual visitors to Midtown**

Atlanta Highlights

- **Atlanta has emerged as a hot spot for corporate relocations and tech**
 - +24,000 new jobs in Midtown Atlanta
- **Location of top companies**
 - Coca-Cola, Delta, Home Depot, UPS, Georgia Pacific, AT&T, NCR, Georgia Pacific, Google, Facebook, Microsoft, Invesco, Southern Company, Equifax and Anthem
- **Globally ranked universities**
 - +37,500 students across Georgia Tech / Emory Medical / SCAD
- **Largest concentration of arts and cultural institutions in the Southeast**