



**SERVICE
PROPERTIES TRUST**

Service Properties Trust
Fourth Quarter 2024
Financial Results and
Supplemental Information

February 26, 2025

Sonesta Fort Lauderdale Beach
Fort Lauderdale, FL



Table of Contents

QUARTERLY RESULTS

Service Properties Trust Announces Fourth Quarter 2024 Financial Results	4
Fourth Quarter 2024 Highlights	5

FINANCIALS

Key Financial Data	7
Consolidated Statements of Income (Loss)	8
Consolidated Balance Sheets	9
Debt Summary	10
Debt Maturity Schedule	11
Leverage Ratios, Coverage Ratios and Debt Covenants	12
Capital Expenditures Summary	13
Property Acquisitions and Dispositions	14

PORTFOLIO INFORMATION

Portfolio Summary	16
Consolidated Portfolio Diversification by Industry	17
Consolidated Portfolio by Geographical Diversification	18
Hotel Portfolio by Brand	19
Hotel Operating Statistics by Service Level - Comparable Hotels (Fourth Quarter) - Three Months Ended December 31, 2024	20
Hotel Operating Statistics by Service Level - Comparable Hotels (Full Year) - Year Ended December 31, 2024	21
Hotel Operating Statistics by Service Level - All Hotels (Fourth Quarter) - Three Months Ended December 31, 2024	22
Hotel Operating Statistics by Service Level - All Hotels (Full Year) - Year Ended December 31, 2024	23
Net Lease Portfolio by Brand	24
Net Lease Portfolio by Industry	25
Net Lease Portfolio by Tenant (Top 10)	26
Net Lease Portfolio - Expiration Schedule	27
Net Lease Portfolio - Occupancy Summary	28

APPENDIX

Company Profile and Research Coverage	30
Governance Information	31
Calculation of FFO, Normalized FFO and CAD	32
Calculation of EBITDA, EBITDAre and Adjusted EBITDAre	33
Calculation and Reconciliation of Hotel EBITDA and Adjusted Hotel EBITDA - All Hotels	34
Notes to Consolidated Statements of Income (Loss) and Calculations of FFO, Normalized FFO, CAD, EBITDA, EBITDAre, Adjusted EBITDAre and Hotel EBITDA	35
Non-GAAP Financial Measures and Certain Definitions	36

WARNING CONCERNING FORWARD-LOOKING STATEMENTS	39
--	--------------------

SVC
Nasdaq Listed

Trading Symbols:
Common Shares: SVC

Investor Relations Contact:
Kevin Barry, Senior Director
(617) 796-8232
kbarry@svcreit.com
ir@svcreit.com

Corporate Headquarters:
Two Newton Place
255 Washington Street, Suite 300
Newton, Massachusetts 02458-1634
www.svcreit.com

All amounts in this presentation are unaudited.

Additional information and reconciliations of Non-GAAP Financial Measures to amounts determined in accordance with U.S. GAAP appear in the Appendix to this presentation. Please refer to Non-GAAP Financial Measures and Certain Definitions for terms used throughout this presentation.

Quarterly Results



"During the fourth quarter both top line and bottom line hotel results came in at the high end of our guidance range. Despite revenue displacement from renovation activity, comparable hotel RevPar grew 4.2% year over year, outpacing the industry and marking our strongest performance in the past seven quarters. Additionally, we completed the sale of eight hotels for nearly \$50 million.

As we enter 2025, our focus remains on strengthening our balance sheet through asset sales and reinvesting in our hotels with the highest opportunity for upside. We currently have five hotels under agreement to be sold for an aggregate of \$28.5 million and we are advancing marketing efforts to sell 115 hotels. We are confident that the optimization of our hotel portfolio, stable cash flows from our triple net lease assets and effective capital management will be significant drivers of long-term value creation."

Todd Hargreaves
President and Chief Investment Officer

Newton, MA (February 26, 2025): Service Properties Trust (Nasdaq: SVC) today announced its financial results for the quarter ended December 31, 2024.

Distribution:

SVC declared a quarterly distribution on its common shares of \$0.01 per share to shareholders of record as of the close of business on January 27, 2025. This distribution was paid on February 20, 2025.

Conference Call:

A conference call to discuss SVC's fourth quarter results will be held on Thursday, February 27, 2025 at 10:00 a.m. Eastern Time. The conference call may be accessed by dialing (877) 329-3720 or (412) 317-5434 (if calling from outside the United States and Canada); a pass code is not required. A replay will be available for one week by dialing (877) 344-7529; the replay pass code is 9827014. A live audio webcast of the conference call will also be available in a listen only mode on SVC's website, at www.svcreit.com. The archived webcast will be available for replay on SVC's website after the call. The transcription, recording and retransmission in any way of SVC's fourth quarter conference call are strictly prohibited without the prior written consent of SVC.

About Service Properties Trust:

SVC is a real estate investment trust, or REIT, with over \$11 billion invested in two asset categories: hotels and service-focused retail net lease properties. As of December 31, 2024, SVC owned 206 hotels with over 35,000 guest rooms throughout the United States and in Puerto Rico and Canada. As of December 31, 2024, SVC also owned 742 service-focused retail net lease properties with over 13.2 million square feet throughout the United States. SVC is managed by The RMR Group (Nasdaq: RMR), a leading U.S. alternative asset management company with over \$40 billion in assets under management as of December 31, 2024, and more than 35 years of institutional experience in buying, selling, financing and operating commercial real estate. SVC is headquartered in Newton, MA. For more information, visit www.svcreit.com.

Financial Results

- Net loss of \$76.4 million, or \$0.46 per common share.
- Normalized FFO of \$28.6 million, or \$0.17 per common share.
- Adjusted EBITDAre of \$130.6 million.

Portfolio Update

- Hotel RevPAR of \$84.13.
- Adjusted Hotel EBITDA of \$42.8 million.
- Net Lease occupancy of 97.6% as of December 31, 2024.
- Net Lease rent coverage of 2.10x.

Investment Activity

- Invested \$85.7 million in CapEx during the quarter.
- Sold eight hotels with an aggregate of 1,004 keys for an aggregate sales price of \$49.1 million, excluding closing costs, and three vacant net lease properties with an aggregate of 9,992 square feet for an aggregate sales price of \$2.0 million, excluding closing costs.
- Since January 1, 2025, sold one hotel with 149 keys for a sales price of \$4.0 million, excluding closing costs, and two net lease properties with an aggregate of 49,081 square feet for an aggregate sales price of \$1.3 million, excluding closing costs.
- Entered into agreements to sell five hotels with an aggregate of 623 keys for an aggregate sales price of \$28.5 million, excluding closing costs, and two net lease properties with an aggregate of 155,559 square feet for an aggregate sales price of \$5.8 million, excluding closing costs.
- Marketing process to sell 115 hotels with an aggregate of 15,420 keys is underway.

Financials



Key Financial Data

(dollars in thousands, except per share data)

	As of and for the Three Months Ended				
	12/31/2024	9/30/2024	6/30/2024	3/31/2024	12/31/2023
Selected Income Statement Data:					
Total revenues	\$ 456,559	\$ 491,171	\$ 512,948	\$ 436,250	\$ 444,050
Net loss	\$ (76,392)	\$ (46,901)	\$ (73,850)	\$ (78,383)	\$ (43,323)
FFO	\$ 18,946	\$ 52,736	\$ 57,764	\$ 21,204	\$ 51,316
Normalized FFO	\$ 28,617	\$ 52,869	\$ 73,810	\$ 21,206	\$ 50,036
CAD	\$ (55,839)	\$ (37,510)	\$ 3,444	\$ (50,710)	\$ (63,281)
Rolling four quarter CAD	\$ (140,615)	\$ (148,057)	\$ (95,378)	\$ (20,702)	\$ 23,550
Adjusted EBITDA ^{re}	\$ 130,649	\$ 154,992	\$ 171,524	\$ 115,548	\$ 141,154

Per Common Share Data (basic and diluted):

Net loss	\$ (0.46)	\$ (0.28)	\$ (0.45)	\$ (0.48)	\$ (0.26)
FFO	\$ 0.11	\$ 0.32	\$ 0.35	\$ 0.13	\$ 0.31
Normalized FFO	\$ 0.17	\$ 0.32	\$ 0.45	\$ 0.13	\$ 0.30
CAD	\$ (0.34)	\$ (0.23)	\$ 0.02	\$ (0.31)	\$ (0.38)
Rolling four quarter CAD	\$ (0.85)	\$ (0.90)	\$ (0.58)	\$ (0.13)	\$ 0.14

Dividend Data:

Annualized dividends paid per share during the period	\$ 0.04	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80
Annualized dividend yield (at end of period)	1.6 %	17.5 %	15.6 %	11.8 %	9.4 %
Annualized Normalized FFO payout ratio	5.9 %	62.5 %	44.4 %	153.8 %	66.7 %
Rolling four quarter CAD payout ratio ⁽¹⁾	(4.7)%	(88.9)%	(137.9)%	(615.4)%	571.4 %

Selected Balance Sheet Data:

Total gross assets	\$ 10,358,194	\$ 10,278,496	\$ 10,286,546	\$ 10,469,518	\$ 10,537,913
Total assets	\$ 7,119,558	\$ 7,086,792	\$ 7,121,661	\$ 7,231,519	\$ 7,356,116
Total liabilities	\$ 6,267,685	\$ 6,157,773	\$ 6,112,855	\$ 6,116,850	\$ 6,129,983
Total shareholders' equity	\$ 851,873	\$ 929,019	\$ 1,008,806	\$ 1,114,669	\$ 1,226,133

	As of
	12/31/2024
Capitalization:	
Total common shares (at end of period)	166,636,537
Closing price (at end of period)	\$ 2.54
Equity market capitalization (at end of period)	\$ 423,257
Debt (principal balance)	5,831,611
Total market capitalization	\$ 6,254,868

Liquidity:

Cash and cash equivalents	\$ 143,482
Available borrowings under secured revolving credit facility ⁽²⁾	500,000
Total liquidity	\$ 643,482

- (1) Reflects the annualized dividends paid per common share during the period as a percentage of rolling four quarter CAD per common share.
- (2) Availability under SVC's revolving credit facility is subject to meeting ongoing minimum performance and market values of the collateral properties, satisfying certain financial covenants and other credit facility conditions.

Consolidated Statements of Income (Loss)



(amounts in thousands, except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Revenues:				
Hotel operating revenues ⁽¹⁾	\$ 357,048	\$ 343,385	\$ 1,496,705	\$ 1,478,034
Rental income ⁽²⁾	99,511	100,665	400,223	395,829
Total revenues	456,559	444,050	1,896,928	1,873,863
Expenses:				
Hotel operating expenses ⁽¹⁾⁽³⁾	312,285	297,488	1,274,153	1,223,906
Net lease operating expenses	5,345	4,584	19,817	17,663
Depreciation and amortization	94,000	94,952	371,786	384,060
General and administrative	8,580	11,217	40,239	45,397
Transaction related costs ⁽⁴⁾	6,894	(3,556)	6,894	(1,623)
Loss on asset impairment, net ⁽⁵⁾	5,182	27	56,212	9,544
Total expenses	432,286	404,712	1,769,101	1,678,947
Gain on sale of real estate, net ⁽⁶⁾	5,159	1,280	6,269	43,239
Gain on equity securities, net	–	–	–	48,837
Interest income	734	9,099	4,052	20,979
Interest expense (including amortization of debt issuance costs, discounts and premiums of \$8,359, \$7,066, \$31,127 and \$25,710, respectively)	(99,402)	(89,979)	(383,792)	(336,342)
Loss on early extinguishment of debt, net ⁽⁷⁾	–	(1,242)	(16,181)	(1,524)
Loss before income tax benefit (expense) and equity in losses of an investee	(69,236)	(41,504)	(261,825)	(29,895)
Income tax benefit (expense)	52	723	(1,402)	1,498
Equity in losses of an investee	(7,208)	(2,542)	(12,299)	(4,382)
Net loss	\$ (76,392)	\$ (43,323)	\$ (275,526)	\$ (32,779)
Weighted average common shares outstanding (basic and diluted)	165,594	165,154	165,338	164,988
Net loss per common share (basic and diluted)	\$ (0.46)	\$ (0.26)	\$ (1.67)	\$ (0.20)

See accompanying notes on [page 35](#).

Consolidated Balance Sheets

(dollars in thousands, except per share data)

	December 31,	
	2024	2023
ASSETS		
Real estate properties:		
Land	\$ 1,930,459	\$ 1,972,145
Buildings, improvements and equipment	7,682,885	7,814,192
Total real estate properties, gross	9,613,344	9,786,337
Accumulated depreciation	(3,238,636)	(3,181,797)
Total real estate properties, net	6,374,708	6,604,540
Acquired real estate leases and other intangibles, net	107,956	130,622
Assets held for sale	43,101	10,500
Cash and cash equivalents	143,482	180,119
Restricted cash	13,904	17,711
Equity method investment	115,818	113,304
Due from related persons	3,911	6,376
Other assets, net	316,678	292,944
Total assets	<u>\$ 7,119,558</u>	<u>\$ 7,356,116</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Revolving credit facility	\$ 150,000	\$ -
Senior secured notes, net	972,073	968,017
Senior unsecured notes, net	4,020,347	3,993,327
Mortgage notes payable, net	568,283	558,876
Accounts payable and other liabilities	532,864	587,005
Due to related persons	24,118	22,758
Total liabilities	<u>6,267,685</u>	<u>6,129,983</u>
Commitments and contingencies		
Shareholders' equity:		
Common shares of beneficial interest, \$.01 par value; 200,000,000 shares authorized; 166,636,537 and 165,769,595 shares issued and outstanding, respectively	1,666	1,658
Additional paid in capital	4,560,334	4,557,473
Cumulative other comprehensive income	1,865	2,318
Cumulative net income	2,194,974	2,470,500
Cumulative common distributions	(5,906,966)	(5,805,816)
Total shareholders' equity	<u>851,873</u>	<u>1,226,133</u>
Total liabilities and shareholders' equity	<u>\$ 7,119,558</u>	<u>\$ 7,356,116</u>



Debt Summary

As of December 31, 2024

(dollars in thousands)

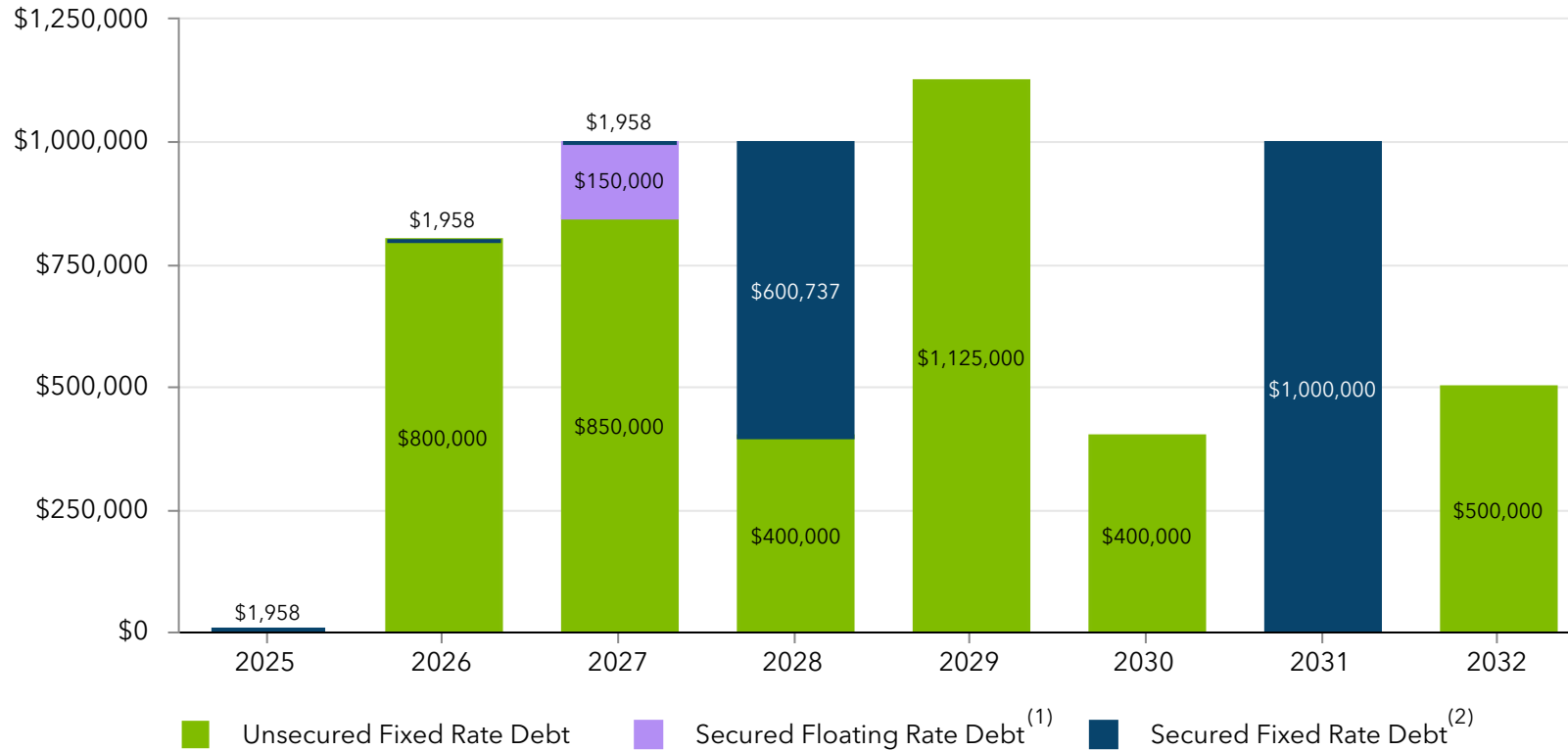
	Interest Rate	Principal Balance	Maturity Date	Due at Maturity	Years to Maturity
Secured Floating Rate Debt:					
\$650,000 revolving credit facility ⁽¹⁾⁽²⁾	6.990 %	\$ 150,000	6/29/27	\$ 150,000	2.5
Secured Fixed Rate Debt:					
Net lease mortgage notes ⁽³⁾	5.600 %	606,611	2/20/28	600,576	3.1
Senior secured notes due 2031 ⁽⁴⁾⁽⁵⁾	8.625 %	1,000,000	11/15/31	1,000,000	6.9
Subtotal / weighted average	7.483 %	1,606,611		1,600,576	5.5
Unsecured Fixed Rate Debt:					
Senior unsecured notes due 2026	5.250 %	350,000	2/15/26	350,000	1.1
Senior unsecured notes due 2026	4.750 %	450,000	10/1/26	450,000	1.8
Senior unsecured notes due 2027	4.950 %	400,000	2/15/27	400,000	2.1
Senior unsecured notes due 2027 ⁽⁵⁾	5.500 %	450,000	12/15/27	450,000	3.0
Senior unsecured notes due 2028	3.950 %	400,000	1/15/28	400,000	3.0
Senior unsecured notes due 2029 ⁽⁵⁾	8.375 %	700,000	6/15/29	700,000	4.5
Senior unsecured notes due 2029	4.950 %	425,000	10/1/29	425,000	4.8
Senior unsecured notes due 2030	4.375 %	400,000	2/15/30	400,000	5.1
Senior unsecured notes due 2032 ⁽⁵⁾	8.875 %	500,000	6/15/32	500,000	7.5
Subtotal / weighted average	5.930 %	4,075,000		4,075,000	3.8
Total / weighted average ⁽⁶⁾	6.385 %	\$ 5,831,611		\$ 5,825,576	4.2

- (1) SVC is required to pay interest at a rate of SOFR plus a premium, which was 250 basis points per annum as of December 31, 2024. SVC also pays an unused commitment fee of 20 to 30 basis points per annum based on amounts outstanding under its revolving credit facility. Subject to the payment of an extension fee and meeting certain other conditions, SVC may extend the maturity date of its revolving credit facility by two additional six month periods.
- (2) SVC has provided equity pledges on certain of its property owning subsidiaries and provided first mortgage liens on 69 properties owned by the pledged subsidiaries to secure its obligations under the credit agreement governing its revolving credit facility.
- (3) These notes are secured by 315 net lease properties and are prepayable without penalty 24 months prior to the expected maturity date.
- (4) These notes are secured by first-priority liens on the equity interests of subsidiaries owning 70 travel centers leased to TravelCenters of America Inc., or TA, pursuant to two master leases.
- (5) These notes are guaranteed by certain of SVC's subsidiaries.
- (6) The carrying value of SVC's total debt of \$5,710,703 as of December 31, 2024 is net of unamortized discounts and premiums and certain issuance costs totaling \$120,908.

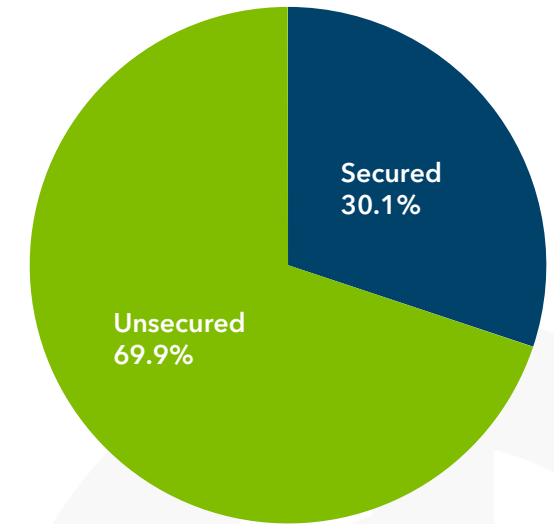
Debt Maturity Schedule

As of December 31, 2024

(dollars in thousands)



Secured vs. Unsecured Debt



- (1) As of December 31, 2024, SVC had \$150,000 outstanding under its \$650,000 revolving credit facility.
- (2) SVC's net lease mortgage notes are partially amortizing and require balloon payments at maturity. These notes are prepayable without penalty 24 months prior to the expected maturity date.

Leverage Ratios, Coverage Ratios and Debt Covenants

	As of and for the Trailing Twelve Months Ended				
	12/31/2024	9/30/2024	6/30/2024	3/31/2024	12/31/2023
Leverage Ratios:					
Net debt / total gross assets	54.9 %	54.8 %	55.1 %	53.1 %	51.8 %
Net debt / gross book value of real estate assets and cash and cash equivalents	58.3 %	58.5 %	59.1 %	56.3 %	54.7 %
Secured debt / total assets	24.6 %	22.6 %	22.4 %	22.1 %	21.7 %
Variable rate debt / net debt	2.6 %	– %	– %	– %	– %
Coverage Ratios:					
Rolling four-quarter Adjusted EBITDAre / rolling four-quarter interest expense	1.5x	1.6x	1.7x	1.8x	1.8x
Net debt / rolling four-quarter Adjusted EBITDAre	9.9x	9.7x	9.4x	9.0x	8.8x
	As of and for the Trailing Twelve Months Ended				
	12/31/2024	9/30/2024	6/30/2024	3/31/2024	12/31/2023
Senior Note Debt Covenants:					
<u>Maintenance Covenant:</u>					
Total unencumbered assets / unsecured debt - required minimum 150%	175.3 %	173.4 %	173.6 %	177.5 %	183.2 %
<u>Incurrence Covenants:</u>					
Total debt / adjusted total assets - allowable maximum 60.0%	54.9 %	53.7 %	53.5 %	52.9 %	52.4 %
Secured debt / adjusted total assets - allowable maximum 40.0%	16.5 %	15.2 %	15.1 %	15.1 %	15.0 %
Consolidated income available for debt service / debt service - required minimum 1.50x	1.52x	1.55x	1.60x	1.78x	1.79x
Total unencumbered assets in guarantor subsidiaries / senior guaranteed unsecured debt - required minimum 2.2x	4.14x	4.09x	4.10x	5.47x	5.65x



Capital Expenditures Summary

(dollars in thousands)

	For the Three Months Ended				
	12/31/2024	9/30/2024	6/30/2024	3/31/2024	12/31/2023
Hotel capital improvements	\$ 81,514	\$ 80,075	\$ 65,205	\$ 68,253	\$ 105,391
Lease related costs	1,464	1,611	1,001	510	596
Recurring capital expenditures	82,978	81,686	66,206	68,763	105,987
Redevelopment and other activities	2,741	417	269	88	39
Total capital improvements & FF&E Reserve fundings	<u>\$ 85,719</u>	<u>\$ 82,103</u>	<u>\$ 66,475</u>	<u>\$ 68,851</u>	<u>\$ 106,026</u>

24225 W. Lorenzo Road
Wilmington, IL



Property Acquisitions and Dispositions

Since January 1, 2024

(dollars in thousands, except per room or suite data)

ACQUISITIONS:							
Quarter Acquired	Number of Properties	Property Type	Brand	Location	Rooms or Suites / Square Footage	Purchase Price ⁽¹⁾	Average Purchase Price per Room or Suite / Square Foot
SVC has not acquired any properties since January 1, 2024.							

DISPOSITIONS:							
Quarter Disposed	Number of Properties	Property Type	Brand	Location	Rooms or Suites / Square Footage	Sales Price ⁽¹⁾	Average Sales Price per Room or Suite / Square Foot
Q1 2024	1	Hotel	Country Inn & Suites® by Radisson	MN	84	\$ 3,315	\$ 39,464
	3	Net Lease	Vacant	IL, MI	34,849	2,932	84
Q3 2024	1	Hotel	Sonesta Select®	WI	148	3,500	23,649
	1	Hotel	Sonesta Hotels & Resorts®	WI	198	7,300	36,869
	4	Hotel	Sonesta ES Suites®	IL, NC, TX	476	34,100	71,639
	4	Net Lease	Vacant	IA, IL, MO	52,088	3,600	69
Q4 2024	3	Hotel	Sonesta Simply Suites®	MN, TX	378	13,800	36,508
	4	Hotel	Sonesta ES Suites®	CO, GA, TX	478	30,800	64,435
	1	Hotel	Sonesta Select®	MI	148	4,500	30,405
	3	Net Lease	Vacant	GA, OH	9,992	2,015	202
Q1 2025	1	Hotel	Sonesta Select®	MN	149	4,000	26,846
	2	Net Lease	Vacant	GA, IA	49,081	1,300	26
	<u>28</u>				<u>2,059 / 146,010</u>	<u>\$ 111,162</u>	<u>\$49,206 / \$67</u>

(1) Represents cash purchase or sales price, as applicable, and excludes closing related costs.

Portfolio Information



Portfolio Summary

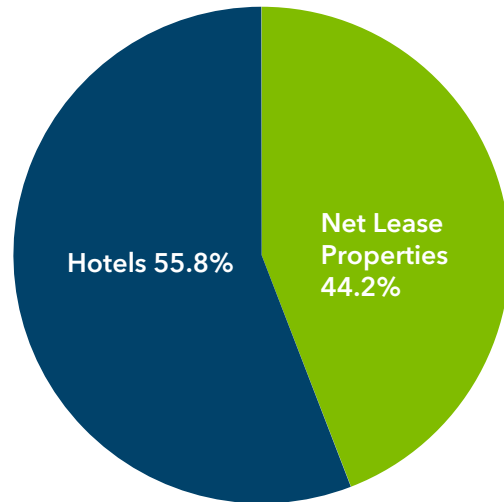
As of December 31, 2024

(dollars in thousands)

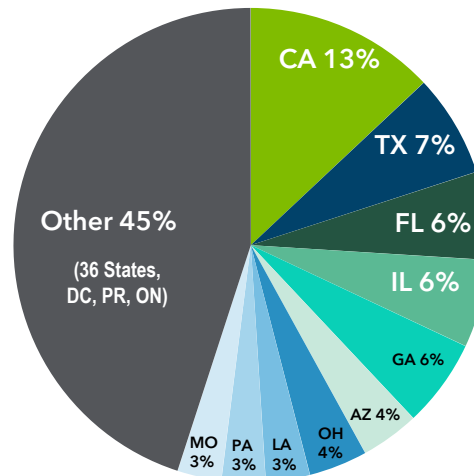
Number of Properties			
Hotel Properties	206	Number of hotel rooms	35,871
Net Lease Properties	742	Average hotel property size	174 rooms
Total Properties	948	Net lease square feet	13,292,519
		Average net lease property size	17,914 sq. ft.

Investments		Diversification Facts	
Hotels	\$ 6,372,312	Tenants/Operators	181
Net Lease Properties	5,037,413	Brands	145
Total Investments	\$ 11,409,725	Industries	22
		States	46

Portfolio Composition⁽¹⁾



Geographical Diversification⁽¹⁾



(1) Based on investment.

Consolidated Portfolio Diversification by Industry

As of December 31, 2024

(dollars in thousands)

Industry	No. of Properties	Rooms / Square Footage	Investments	Percent of Total Investment
1. Hotels	206	35,871	\$ 6,372,312	55.8%
2. Travel Centers	178	5,099,794	3,311,787	29.0%
3. Restaurants - Quick Service	206	661,950	281,260	2.6%
4. Restaurants - Casual Dining	55	503,450	194,448	1.8%
5. Health and Fitness	13	873,258	187,579	1.7%
6. Movie Theaters	15	785,344	139,661	1.2%
7. Home Goods and Leisure	20	700,906	134,539	1.2%
8. Grocery Stores	19	1,020,819	129,152	1.1%
9. Automotive Equipment and Services	64	463,492	107,054	0.9%
10. Medical, Dental Office	70	372,171	104,042	0.9%
11. Automotive Dealers	8	177,433	62,656	0.5%
12. Entertainment	4	199,853	61,436	0.5%
13. General Merchandise Stores	4	381,193	55,457	0.5%
14. Educational Services	7	159,793	44,820	0.4%
15. Building Materials	29	465,283	34,006	0.3%
16. Car Washes	6	50,831	30,798	0.3%
17. Miscellaneous Manufacturing	5	538,932	24,355	0.2%
18. Sporting Goods	3	120,847	18,448	0.2%
19. Drug Stores and Pharmacies	6	58,048	17,111	0.1%
20. Legal Services	5	25,429	11,362	0.1%
21. Dollar Stores	3	27,593	2,971	–%
22. Other	4	115,821	25,695	0.2%
23. Vacant	18	490,279	58,776	0.5%
Total	948	35,871 / 13,292,519	\$ 11,409,725	100.0%

1410 N. Roosevelt Avenue
Burlington, IA



Consolidated Portfolio by Geographic Diversification

As of December 31, 2024

(dollars in thousands)

State	Total Property Count	Hotel Count	Net Lease Count	Investments					
				Total	% of Total	Hotel	Hotel % of Total	Net Lease	Net Lease % of Total
California	58	36	22	\$ 1,476,284	12.9 %	\$ 1,203,219	18.9 %	\$ 273,065	5.4 %
Texas	69	14	55	832,263	7.3 %	320,120	5.0 %	512,143	10.2 %
Florida	58	12	46	731,049	6.4 %	484,810	7.6 %	246,239	4.9 %
Illinois	62	9	53	699,977	6.1 %	418,302	6.6 %	281,675	5.6 %
Georgia	86	15	71	668,304	5.9 %	402,524	6.3 %	265,780	5.3 %
Arizona	39	14	25	485,619	4.3 %	236,953	3.7 %	248,666	4.9 %
Ohio	43	5	38	455,555	4.0 %	131,779	2.1 %	323,776	6.4 %
Louisiana	15	3	12	386,552	3.4 %	254,847	4.0 %	131,705	2.6 %
Pennsylvania	33	5	28	342,053	3.0 %	136,723	2.1 %	205,330	4.1 %
Missouri	28	4	24	281,784	2.5 %	160,120	2.5 %	121,664	2.4 %
Top 10	491	117	374	6,359,440	55.8 %	3,749,397	58.8 %	2,610,043	51.8 %
Other ⁽¹⁾	457	89	368	5,050,285	44.2 %	2,622,915	41.2 %	2,427,370	48.2 %
Total	948	206	742	\$ 11,409,725	100.0 %	\$ 6,372,312	100.0 %	\$ 5,037,413	100.0 %



(1) Consists of properties in 36 different states, the District of Columbia, Puerto Rico and Ontario, Canada with an average investment of \$11,051 per property.

Hotel Portfolio by Brand

As of December 31, 2024

(dollars in thousands, except per room or suite data)

Brand	Service Level	Chain Scale	Number of Hotels	Percent of Total Number of Hotels	Number of Rooms or Suites	Percent of Total Number of Rooms or Suites	Investment	Percent of Total Hotel Investment	Investment Per Room or Suite
Royal Sonesta Hotels®	Full Service	Upper Upscale	17	8.3 %	5,663	15.8 %	\$ 1,922,244	30.1 %	\$ 339,439
Sonesta Hotels & Resorts®	Full Service	Upscale	22	10.7 %	7,205	20.2 %	1,437,540	22.6 %	199,520
Sonesta ES Suites®	Extended Stay	Upper Midscale	52	25.1 %	6,689	18.4 %	1,086,862	17.1 %	162,485
Sonesta Select®	Select Service	Upscale	42	20.4 %	6,131	17.1 %	681,327	10.7 %	111,128
Sonesta Simply Suites®	Extended Stay	Midscale	48	23.3 %	6,086	17.0 %	575,083	9.0 %	94,493
Hyatt Place®	Select Service	Upscale	17	8.3 %	2,107	5.9 %	326,009	5.1 %	154,727
Radisson® Hotels & Resorts	Full Service	Upscale	5	2.4 %	1,149	3.2 %	171,579	2.7 %	149,329
Crowne Plaza®	Full Service	Upscale	1	0.5 %	495	1.4 %	125,399	2.0 %	253,331
Country Inn & Suites® by Radisson	Full Service	Upper Midscale	2	1.0 %	346	1.0 %	46,269	0.7 %	133,725
Total / Average Hotels			206	100.0 %	35,871	100.0 %	\$ 6,372,312	100.0 %	\$ 177,645

Hotel Operating Statistics by Service Level - Comparable Hotels (Fourth Quarter)



Brand	Service Level	No. of Hotels	No. of Rooms or Suites	Occupancy			ADR			RevPAR		
				Three Months Ended December 31,			Three Months Ended December 31,			Three Months Ended December 31,		
				2024	2023	Change	2024	2023	Change	2024	2023	Change
Sonesta Hotels & Resorts®	Full Service	22	7,205	54.9 %	57.8 %	(2.9) pts	\$ 154.84	\$ 153.37	1.0 %	\$ 85.02	\$ 88.68	(4.1)%
Royal Sonesta Hotels®	Full Service	17	5,663	59.5 %	53.0 %	6.5 pts	229.85	234.48	(2.0)%	136.75	124.18	10.1 %
Radisson® Hotels & Resorts	Full Service	5	1,149	62.6 %	55.6 %	7.0 pts	142.77	138.71	2.9 %	89.34	77.09	15.9 %
Crowne Plaza®	Full Service	1	495	56.8 %	52.2 %	4.6 pts	132.57	142.45	(6.9)%	75.30	74.36	1.3 %
Country Inn & Suites® by Radisson	Full Service	2	346	67.7 %	58.4 %	9.3 pts	133.27	132.74	0.4 %	90.20	77.58	16.3 %
Full Service Total / Average		47	14,858	57.6 %	55.6 %	2.0 pts	182.01	180.82	0.7 %	104.86	100.57	4.3 %
Sonesta Select®	Select Service	42	6,131	56.9 %	52.2 %	4.7 pts	109.54	114.97	(4.7)%	62.36	60.06	3.8 %
Hyatt Place®	Select Service	17	2,107	64.6 %	52.5 %	12.1 pts	117.44	114.59	2.5 %	75.88	60.13	26.2 %
Select Service Total / Average		59	8,238	58.9 %	52.3 %	6.6 pts	111.76	114.87	(2.7)%	65.82	60.08	9.6 %
Sonesta ES Suites®	Extended Stay	52	6,689	65.6 %	65.0 %	0.6 pts	124.15	126.87	(2.1)%	81.50	82.47	(1.2)%
Sonesta Simply Suites®	Extended Stay	47	5,988	66.5 %	63.9 %	2.6 pts	92.73	91.96	0.8 %	61.68	58.79	4.9 %
Extended Stay Total / Average		99	12,677	66.1 %	64.5 %	1.6 pts	109.20	110.53	(1.2)%	72.14	71.28	1.2 %
Comparable Hotels Total / Average		205	35,773	60.9 %	58.0 %	2.9 pts	\$ 138.38	\$ 139.42	(0.7)%	\$ 84.27	\$ 80.87	4.2 %

All operating data presented are based upon the operating results provided by SVC's managers for the indicated periods. SVC has not independently verified its managers' operating data.

Hotel Operating Statistics by Service Level - Comparable Hotels (Full Year)

Brand	Service Level	No. of Hotels	No. of Rooms or Suites	Occupancy			ADR			RevPAR		
				Year Ended December 31,			Year Ended December 31,			Year Ended December 31,		
				2024	2023	Change	2024	2023	Change	2024	2023	Change
Sonesta Hotels & Resorts®	Full Service	21	6,955	58.6 %	63.2 %	(4.6) pts	\$ 154.95	\$ 153.25	1.1 %	\$ 90.81	\$ 96.84	(6.2)%
Royal Sonesta Hotels®	Full Service	17	5,663	61.3 %	56.5 %	4.8 pts	233.24	237.63	(1.8)%	143.02	134.35	6.5 %
Radisson® Hotels & Resorts	Full Service	5	1,149	65.4 %	62.2 %	3.2 pts	147.07	147.06	– %	96.14	91.50	5.1 %
Crowne Plaza®	Full Service	1	495	63.3 %	60.6 %	2.7 pts	142.09	141.30	0.6 %	90.01	85.65	5.1 %
Country Inn & Suites® by Radisson	Full Service	2	346	70.2 %	67.2 %	3.0 pts	148.28	145.96	1.6 %	104.14	98.08	6.2 %
Full Service Total / Average		46	14,608	60.6 %	60.5 %	0.1 pts	184.33	182.89	0.8 %	111.75	110.69	1.0 %
Sonesta Select®	Select Service	42	6,131	57.9 %	55.8 %	2.1 pts	115.31	119.14	(3.2)%	66.80	66.48	0.5 %
Hyatt Place®	Select Service	17	2,107	63.4 %	65.3 %	(1.9) pts	120.48	122.23	(1.4)%	76.35	79.87	(4.4)%
Select Service Total / Average		59	8,238	59.3 %	58.2 %	1.1 pts	116.73	120.02	(2.7)%	69.24	69.91	(1.0)%
Sonesta ES Suites®	Extended Stay	52	6,689	69.3 %	68.9 %	0.4 pts	127.17	131.81	(3.5)%	88.08	90.79	(3.0)%
Sonesta Simply Suites®	Extended Stay	47	5,988	69.0 %	68.6 %	0.4 pts	92.17	92.06	0.1 %	63.62	63.14	0.8 %
Extended Stay Total / Average		99	12,677	69.1 %	68.7 %	0.4 pts	110.67	113.15	(2.2)%	76.52	77.78	(1.6)%
Comparable Hotels Total / Average		204	35,523	63.4 %	62.9 %	0.5 pts	\$ 140.96	\$ 142.14	(0.8)%	\$ 89.32	\$ 89.44	(0.1)%

All operating data presented are based upon the operating results provided by SVC's managers for the indicated periods. SVC has not independently verified its managers' operating data.

Hotel Operating Statistics by Service Level - All Hotels (Fourth Quarter)



(dollars in thousands, except ADR and RevPAR)

Brand	No. of Hotels	No. of Rooms or Suites	Occupancy			ADR			RevPAR			Adjusted Hotel EBITDA		
			2024	2023	Change	2024	2023	Change	2024	2023	Change	2024	2023	Change
Retained Hotels														
<i>Full Service</i>														
Royal Sonesta Hotels®	17	5,663	59.5 %	53.0 %	6.5 pts	\$ 229.85	\$ 234.48	(2.0)%	\$ 136.75	\$ 124.18	10.1 %	\$ 12,343	\$ 10,491	17.7 %
Sonesta Hotels & Resorts®	22	7,205	54.9 %	57.8 %	(2.9) pts	154.84	153.37	1.0 %	85.02	88.68	(4.1)%	7,704	11,256	(31.6)%
Radisson® Hotels & Resorts	5	1,149	62.6 %	55.6 %	7.0 pts	142.77	138.71	2.9 %	89.34	77.09	15.9 %	968	98	n/m
Country Inn & Suites® by Radisson	2	346	67.7 %	58.4 %	9.3 pts	133.27	132.74	0.4 %	90.20	77.58	16.3 %	151	(86)	n/m
Total Full Service	46	14,363	57.6 %	55.7 %	1.9 pts	183.69	182.06	0.9 %	105.88	101.48	4.3 %	21,166	21,759	(2.7)%
<i>Extended Stay and Select Service</i>														
Sonesta ES Suites®	7	958	66.0 %	68.7 %	(2.7) pts	142.92	145.54	(1.8)%	94.39	99.95	(5.6)%	1,875	2,395	(21.7)%
Sonesta Select®	6	873	59.8 %	61.7 %	(1.9) pts	130.91	129.20	1.3 %	78.32	79.71	(1.7)%	1,348	1,111	21.3 %
Sonesta Simply Suites®	7	1,144	80.7 %	68.5 %	12.2 pts	128.16	118.52	8.1 %	103.40	81.19	27.4 %	4,632	2,988	55.0 %
Hyatt Place®	17	2,107	64.6 %	52.5 %	12.1 pts	117.44	114.59	2.5 %	75.88	60.13	26.2 %	1,617	(315)	n/m
Total Focused Service	37	5,082	67.7 %	60.7 %	7.0 pts	127.05	124.74	1.9 %	85.99	75.74	13.5 %	9,472	6,179	53.3 %
Total Retained Hotels	83	19,445	60.3 %	57.0 %	3.3 pts	\$ 167.07	\$ 166.10	0.6 %	\$ 100.68	\$ 94.75	6.3 %	\$ 30,638	\$ 27,938	9.7 %
Exit Hotels														
<i>Full Service</i>														
Crowne Plaza®	1	495	56.8 %	52.2 %	4.6 pts	\$ 132.57	\$ 142.45	(6.9)%	\$ 75.30	\$ 74.36	1.3 %	\$ 733	\$ 1,042	(29.7)%
<i>Extended Stay and Select Service</i>														
Sonesta ES Suites®	45	5,731	65.6 %	64.4 %	1.2 pts	120.99	123.54	(2.1)%	79.34	79.55	(0.3)%	5,290	8,454	(37.4)%
Sonesta Select®	36	5,258	56.4 %	50.7 %	5.7 pts	105.78	112.09	(5.6)%	59.71	56.80	5.1 %	1,966	2,488	(21.0)%
Sonesta Simply Suites®	41	4,942	62.4 %	62.1 %	0.3 pts	82.04	85.12	(3.6)%	51.17	52.82	(3.1)%	4,459	4,203	6.1 %
Total Focused Service	122	15,931	61.6 %	59.1 %	2.5 pts	104.20	107.85	(3.4)%	64.15	63.77	0.6 %	11,715	15,145	(22.6)%
Total Exit Hotels	123	16,426	61.4 %	58.9 %	2.5 pts	\$ 104.99	\$ 108.78	(3.5)%	\$ 64.49	\$ 64.10	0.6 %	\$ 12,448	\$ 16,187	(23.1)%
Total All Hotels	206	35,871	60.8 %	57.9 %	2.9 pts	\$ 138.38	\$ 139.42	(0.7)%	\$ 84.13	\$ 80.73	4.2 %	\$ 43,086	\$ 44,125	(2.4)%

Hotel Operating Statistics by Service Level - All Hotels (Full Year)



(dollars in thousands, except ADR and RevPAR)

Brand	No. of Hotels	No. of Rooms or Suites	Occupancy			ADR			RevPAR			Adjusted Hotel EBITDA		
			Year Ended December 31,			Year Ended December 31,			Year Ended December 31,			Year Ended December 31,		
			2024	2023	Change	2024	2023	Change	2024	2023	Change	2024	2023	Change
Retained Hotels														
<i>Full Service</i>														
Royal Sonesta Hotels®	17	5,663	61.3 %	56.5 %	4.8 pts	\$ 233.24	\$ 237.63	(1.8)%	\$ 143.02	\$ 134.35	6.5 %	\$ 62,512	\$ 64,820	(3.6)%
Sonesta Hotels & Resorts®	22	7,205	59.2 %	63.2 %	(4.0) pts	160.51	158.43	1.3 %	94.96	100.21	(5.2)%	44,970	58,132	(22.6)%
Radisson® Hotels & Resorts	5	1,149	65.4 %	62.2 %	3.2 pts	147.07	147.06	– %	96.14	91.50	5.1 %	5,050	4,313	17.1 %
Country Inn & Suites® by Radisson	2	346	70.2 %	67.2 %	3.0 pts	148.28	145.96	1.6 %	104.14	98.08	6.2 %	1,657	1,623	2.1 %
Total Full Service	46	14,363	60.8 %	60.6 %	0.2 pts	187.93	186.47	0.8 %	114.21	113.00	1.1 %	114,189	128,888	(11.4)%
<i>Extended Stay and Select Service</i>														
Sonesta ES Suites®	7	958	71.0 %	73.1 %	(2.1) pts	152.75	156.32	(2.3)%	108.44	114.30	(5.1)%	11,594	13,422	(13.6)%
Sonesta Select®	6	873	64.2 %	65.8 %	(1.6) pts	139.44	143.34	(2.7)%	89.50	94.28	(5.1)%	7,847	9,171	(14.4)%
Sonesta Simply Suites®	7	1,144	74.1 %	68.4 %	5.7 pts	123.47	116.57	5.9 %	91.47	79.78	14.7 %	14,091	10,995	28.2 %
Hyatt Place®	17	2,107	63.4 %	65.3 %	(1.9) pts	120.48	122.23	(1.4)%	76.35	79.87	(4.4)%	5,859	9,371	(37.5)%
Total Focused Service	37	5,082	67.4 %	67.6 %	(0.2) pts	130.74	131.42	(0.5)%	88.06	88.81	(0.8)%	39,391	42,959	(8.3)%
Total Retained Hotels	83	19,445	62.5 %	62.4 %	0.1 pts	\$ 171.82	\$ 170.82	0.6 %	\$ 107.38	\$ 106.65	0.7 %	\$ 153,580	\$ 171,847	(10.6)%
Exit Hotels														
<i>Full Service</i>														
Crowne Plaza®	1	495	63.3 %	60.6 %	2.7 pts	\$ 142.09	\$ 141.30	0.6 %	\$ 90.01	\$ 85.65	5.1 %	\$ 5,051	\$ 4,799	5.3 %
<i>Extended Stay and Select Service</i>														
Sonesta ES Suites®	45	5,731	69.0 %	68.2 %	0.8 pts	122.77	127.42	(3.7)%	84.67	86.86	(2.5)%	30,068	39,927	(24.7)%
Sonesta Select®	36	5,258	56.9 %	54.1 %	2.8 pts	110.79	114.25	(3.0)%	63.04	61.86	1.9 %	11,659	14,559	(19.9)%
Sonesta Simply Suites®	41	4,942	67.0 %	67.8 %	(0.8) pts	84.10	86.23	(2.5)%	56.32	58.42	(3.6)%	17,082	20,479	(16.6)%
Total Focused Service	122	15,931	64.4 %	63.4 %	1.0 pts	106.84	110.19	(3.0)%	68.77	69.84	(1.5)%	58,809	74,965	(21.6)%
Total Exit Hotels	123	16,426	64.3 %	63.3 %	1.0 pts	\$ 107.89	\$ 111.09	(2.9)%	\$ 69.41	\$ 70.32	(1.3)%	\$ 63,860	\$ 79,764	(19.9)%
Total All Hotels	206	35,871	63.3 %	62.8 %	0.5 pts	\$ 142.12	\$ 143.26	(0.8)%	\$ 90.01	\$ 90.01	– %	\$ 217,440	\$ 251,611	(13.6)%

Net Lease Portfolio by Brand

As of December 31, 2024

(dollars in thousands)

Brand	No. of Properties	Square Feet	Investment	Percent of Total Investment	Annualized Minimum Rent	Percent of Total Annualized Minimum Rent	Rent Coverage
1. TravelCenters of America Inc.	131	3,683,923	\$ 2,254,950	44.8 %	\$ 176,793	46.4 %	1.38x ⁽¹⁾
2. Petro Stopping Centers	44	1,367,802	1,015,156	20.2 %	82,287	21.6 %	1.38x ⁽¹⁾
3. The Great Escape	14	542,666	98,242	2.0 %	7,711	2.0 %	4.75x
4. Life Time Fitness	3	420,335	92,617	1.8 %	5,770	1.5 %	2.55x
5. Buehler's Fresh Foods	5	502,727	76,469	1.5 %	5,657	1.5 %	2.54x
6. Heartland Dental	59	234,274	61,120	1.2 %	4,769	1.3 %	4.90x
7. Norms	10	63,490	53,673	1.1 %	3,759	1.0 %	3.42x
8. Express Oil Change	23	83,825	49,724	1.0 %	3,717	1.0 %	5.88x
9. AMC Theatres	5	251,166	57,339	1.1 %	3,558	0.9 %	1.76x
10. Pizza Hut	40	167,366	45,285	0.9 %	3,463	0.9 %	2.33x
11. Flying J Travel Plaza	3	48,069	41,681	0.8 %	3,279	0.9 %	4.24x
12. America's Auto Auction	6	72,338	38,314	0.8 %	3,216	0.8 %	8.03x
13. Fleet Farm	1	218,248	37,802	0.8 %	2,837	0.7 %	2.14x
14. Big Al's	2	111,912	35,214	0.7 %	2,569	0.7 %	0.97x
15. Crème de la Crème	4	81,929	29,131	0.6 %	2,429	0.6 %	1.26x
16. Mister Car Wash	5	41,456	28,658	0.6 %	2,258	0.6 %	2.94x
17. Martin's	16	81,909	31,335	0.6 %	2,252	0.6 %	1.69x
18. B&B Theatres	4	261,300	37,619	0.7 %	2,234	0.6 %	0.98x
19. Popeye's	20	45,708	28,434	0.6 %	2,047	0.5 %	4.32x
20. Regal Cinemas	5	223,846	34,953	0.7 %	1,958	0.5 %	2.32x
21. Courthouse Athletic Club	4	193,659	39,688	0.8 %	1,935	0.5 %	2.34x
22. Arby's	19	57,868	29,234	0.6 %	1,792	0.5 %	2.60x
23. Burger King	17	55,127	29,204	0.6 %	1,734	0.5 %	2.72x
24. Church's Chicken	32	43,399	26,326	0.5 %	1,732	0.5 %	3.24x
25. Hardee's	15	49,958	24,919	0.5 %	1,727	0.5 %	1.95x
26. Other ⁽²⁾	255	4,388,219	740,326	14.5 %	49,380	12.9 %	4.10x
Total	742	13,292,519	\$ 5,037,413	100.0 %	\$ 380,863	100.0 %	2.10x



(1) Rent coverage information provided by tenant is for all 175 sites on a consolidated basis and is as of December 31, 2024.

(2) Consists of 111 distinct brands with an average investment of \$2,903 per property and an average annual minimum rent of \$194 per property.

Net Lease Portfolio by Industry

As of December 31, 2024

(dollars in thousands)

Industry	No. of Properties	Square Feet	Investment	Percent of Total Investment	Annualized Minimum Rent	Percent of Total Annualized Minimum Rent	Rent Coverage
1. Travel Centers	178	5,099,794	\$ 3,311,787	65.7%	\$ 262,359	68.9%	1.42x ⁽¹⁾
2. Restaurants - Quick Service	206	661,950	281,260	5.5%	19,266	5.1%	3.12x
3. Restaurants - Casual Dining	55	503,450	194,448	3.9%	12,136	3.2%	2.89x
4. Health and Fitness	13	873,258	187,579	3.7%	11,246	3.0%	2.26x
5. Home Goods and Leisure	20	700,906	134,539	2.7%	10,699	2.8%	4.14x
6. Grocery Stores	19	1,020,819	129,152	2.6%	9,305	2.4%	3.18x
7. Movie Theaters	15	785,344	139,661	2.8%	8,410	2.2%	1.82x
8. Medical, Dental Office	70	372,171	104,042	2.1%	8,215	2.2%	3.70x
9. Automotive Equipment and Services	64	463,492	107,054	2.1%	7,799	2.0%	5.11x
10. Automotive Dealers	8	177,433	62,656	1.2%	4,973	1.3%	6.59x
11. Entertainment	4	199,853	61,436	1.2%	4,590	1.2%	2.27x
12. General Merchandise Stores	4	381,193	55,457	1.1%	3,983	1.0%	2.97x
13. Educational Services	7	159,793	44,820	0.9%	3,563	0.9%	1.76x
14. Building Materials	29	465,283	34,006	0.7%	2,944	0.8%	7.90x
15. Car Washes	6	50,831	30,798	0.6%	2,411	0.6%	2.94x
16. Miscellaneous Manufacturing	5	538,932	24,355	0.5%	1,726	0.5%	13.38x
17. Drug Stores and Pharmacies	6	58,048	17,111	0.3%	1,710	0.4%	1.03x
18. Sporting Goods	3	120,847	18,448	0.4%	1,104	0.3%	4.26x
19. Legal Services	5	25,429	11,362	0.2%	1,097	0.3%	4.19x
20. Dollar Stores	3	27,593	2,971	0.1%	190	–%	1.95x
21. Other ⁽²⁾	4	115,821	25,695	0.5%	3,137	0.9%	6.54x
22. Vacant	18	490,279	58,776	1.2%	–	–%	–x
Total	742	13,292,519	\$ 5,037,413	100.0%	\$ 380,863	100.0%	2.10x



- (1) Rent coverage for TA is as of December 31, 2024.
(2) Consists of miscellaneous businesses with an average investment of \$6,424 per property.

Net Lease Portfolio by Tenant (Top 10)

As of December 31, 2024

(dollars in thousands)

Tenant	Brand Affiliation	No. of Properties	Square Feet	Investment	Percent of Total Investment	Annualized Minimum Rent	Percent of Total Annualized Minimum Rent	Weighted Average Lease Term	Rent Coverage
1. TravelCenters of America Inc. ⁽¹⁾	TravelCenters of America / Petro Stopping Centers	175	5,051,725	\$ 3,270,106	64.9 %	\$ 259,080	68.0 %	8.4	1.38x
2. Universal Pool Co., Inc.	The Great Escape	14	542,666	98,242	2.0 %	7,711	2.0 %	2.7	4.75x
3. Healthy Way of Life II, LLC	Life Time Fitness	3	420,335	92,617	1.8 %	5,770	1.5 %	10.5	2.55x
4. Styx Acquisition, LLC	Buehler's Fresh Foods	5	502,727	76,469	1.5 %	5,657	1.5 %	10.8	2.54x
5. Professional Resource Development, Inc.	Heartland Dental	59	234,274	61,120	1.2 %	4,769	1.3 %	1.2	4.90x
6. Norms Restaurants, LLC	Norms	10	63,490	53,673	1.1 %	3,759	1.0 %	20.5	3.42x
7. Express Oil Change, L.L.C.	Express Oil Change	23	83,825	49,724	1.0 %	3,717	1.0 %	10.3	5.88x
8. Pilot Travel Centers LLC	Flying J Travel Plaza	3	48,069	41,681	0.8 %	3,279	0.9 %	4.0	4.24x
9. Automotive Remarketing Group, Inc.	America's Auto Auction	6	72,338	38,314	0.8 %	3,216	0.8 %	10.3	8.03x
10. American Multi-Cinema, Inc.	AMC Theatres	3	178,036	46,993	0.9 %	2,552	0.7 %	2.8	1.02x
Subtotal, Top 10		301	7,197,485	3,828,939	76.0 %	299,510	78.7 %	8.3	1.75x
11. Other ⁽²⁾	Various	441	6,095,034	1,208,474	24.0 %	81,353	21.3 %	7.0	3.37x
Total		742	13,292,519	\$ 5,037,413	100.0 %	\$ 380,863	100.0 %	8.0	2.10x

(1) TA is SVC's largest tenant. As of December 31, 2024, SVC leased 175 travel centers (131 under the TravelCenters of America brand and 44 under the Petro Stopping Centers brand) to a subsidiary of TA under five master leases that expire in 2033. TA has five renewal options for 10 years each for all of the travel centers under each lease. BP Corporation North America Inc. guarantees payment under each of the five master leases. The aggregate guaranty as of December 31, 2024 was \$3,037,475. Annualized minimum rent excludes the impact of rents prepaid by TA. Rent coverage was 1.44x, 1.43x, 1.43x, 1.51x and 1.18x for the TA leases no. 1, no. 2, no. 3, no. 4 and no. 5, respectively. Rent coverage is as of December 31, 2024.

(2) Consists of 167 tenants with an average investment of \$2,740 per property and an average annual minimum rent of \$184 per property.

Net Lease Portfolio - Expiration Schedule

As of December 31, 2024

(dollars in thousands)

Year ⁽¹⁾	Number of Properties	Square Feet	Annualized Minimum Rent Expiring	Percent of Total Annualized Minimum Rent Expiring	Cumulative Percent of Total Annualized Minimum Rent Expiring
2025	26	470,584	\$ 8,475	2.2%	2.2%
2026	102	1,000,067	11,240	3.0%	5.2%
2027	36	962,760	12,696	3.3%	8.5%
2028	23	645,082	10,346	2.7%	11.2%
2029	76	628,549	11,071	2.9%	14.1%
2030	36	211,356	5,508	1.4%	15.5%
2031	27	390,854	5,049	1.3%	16.8%
2032	35	145,509	2,873	0.8%	17.6%
2033	214	5,369,470	265,391	69.7%	87.3%
2034	23	325,625	6,264	1.8%	89.1%
2035	45	1,155,578	19,197	5.0%	94.1%
2036	15	304,540	5,617	1.5%	95.6%
2037	11	318,609	3,146	0.8%	96.4%
2038	7	66,700	1,263	0.3%	96.7%
2039	10	141,443	3,703	1.0%	97.7%
2040	18	115,142	2,406	0.6%	98.3%
2041	6	216,040	2,262	0.6%	98.9%
2042	–	–	–	–%	98.9%
2043	1	57,543	155	–%	98.9%
2044	2	93,010	278	0.1%	99.0%
2045	11	154,966	3,923	1.0%	100.0%
Total	724	12,773,427	\$ 380,863	100.0%	
Weighted Average Lease Term		7.6 years	8.0 years		



(1) The year of lease expiration is pursuant to contract terms.

Net Lease Portfolio - Occupancy Summary

As of December 31, 2024

	As of and For the Three Months Ended				
	12/31/2024	9/30/2024	6/30/2024	3/31/2024	12/31/2023
Properties (end of period)	742	745	749	749	752
Vacant properties beginning of period	18	20	20	22	32
Vacant properties sold	(3)	(4)	–	(3)	(9)
Vacant properties leased	–	–	(1)	–	(3)
Lease terminations	3	2	1	1	2
Vacant properties end of the period	18	18	20	20	22
Percentage of properties leased	97.6 %	97.6 %	97.3 %	97.3 %	97.1 %



Appendix



The Company:

SVC is a REIT that owns hotels and service-focused retail net lease properties throughout the United States and in Puerto Rico and Canada.

Management:

SVC is managed by The RMR Group (Nasdaq: RMR). RMR is an alternative asset management company that is focused on commercial real estate and related businesses. As of December 31, 2024, RMR had over \$40 billion of real estate assets under management and the combined RMR managed companies had more than \$5 billion of annual revenues, approximately 2,000 properties and over 18,000 employees. SVC believes that being managed by RMR is a competitive advantage for SVC because of RMR's depth of management and experience in the real estate industry. SVC also believes RMR provides management services to it at costs that are lower than SVC would have to pay for similar quality services if SVC were self-managed.

Equity Research Coverage

HSBC

Meredith Jensen
(212) 525-6858
meredith.jensen@us.hsbc.com

Oppenheimer & Co. Inc.

Tyler Batory
(212) 667-7230
tyler.batory@opco.com

Wells Fargo Securities

Dori Kesten
(617) 835-8366
dori.kestens@wellsfargo.com

Rating Agencies

Moody's Investors Service

Lori Marks
(212) 553-1098
lori.marks@moodys.com

S&P Global

Alan Zigman
(416) 507-2556
alan.zigman@spglobal.com

SVC is followed by the analysts and its publicly held debt is rated by the rating agencies listed on this page. Please note that any opinions, estimates or forecasts regarding SVC's performance made by these analysts or agencies do not represent opinions, forecasts or predictions of SVC or its management. SVC does not by its reference above imply its endorsement of or concurrence with any information, conclusions or recommendations provided by any of these analysts or agencies.

Board of Trustees

Laurie B. Burns
Independent Trustee

Robert E. Cramer
Independent Trustee

Donna D. Fraiche
Lead Independent Trustee

John L. Harrington
Independent Trustee

William A. Lamkin
Independent Trustee

John G. Murray
Managing Trustee

Rajan C. Penkar
Independent Trustee

Adam D. Portnoy
Chair of the Board & Managing Trustee

Executive Officers

Todd W. Hargreaves
President and Chief Investment Officer

Brian E. Donley
Chief Financial Officer and Treasurer

Jesse W. Abair
Vice President



Calculation of FFO, Normalized FFO and CAD



(amounts in thousands, except per share data)

	For the Three Months Ended					For the Year Ended	
	12/31/2024	9/30/2024	6/30/2024	3/31/2024	12/31/2023	12/31/2024	12/31/2023
Net loss	\$ (76,392)	\$ (46,901)	\$ (73,850)	\$ (78,383)	\$ (43,323)	\$ (275,526)	\$ (32,779)
Add (Less):							
Depreciation and amortization	94,000	89,005	95,674	93,107	94,952	371,786	384,060
Loss on asset impairment, net ⁽⁵⁾	5,182	13,692	34,887	2,451	27	56,212	9,544
(Gain) loss on sale of real estate, net ⁽⁶⁾	(5,159)	(4,105)	32	2,963	(1,280)	(6,269)	(43,239)
Gain on equity securities, net	–	–	–	–	–	–	(48,837)
Adjustments to reflect SVC's share of FFO attributable to an investee	1,315	1,045	1,021	966	940	4,347	3,943
FFO	18,946	52,736	57,764	21,104	51,316	150,550	272,692
Add (Less):							
Loss on early extinguishment of debt, net ⁽⁷⁾	–	133	16,048	–	1,242	16,181	1,524
Adjustments to reflect SVC's share of Normalized FFO attributable to an investee	2,777	–	(2)	2	1,034	2,777	1,825
Transaction related costs ⁽⁴⁾	6,894	–	–	–	(3,556)	6,894	(1,623)
Normalized FFO	28,617	52,869	73,810	21,106	50,036	176,402	274,418
Add (Less):							
Non-cash revenues	(11,519)	(11,974)	(12,713)	(13,074)	(13,445)	(49,280)	(34,846)
Non-cash interest expense	8,359	8,076	7,466	7,226	7,066	31,127	25,710
Non-cash expenses	(944)	(298)	(120)	(1,086)	(1,030)	(2,448)	(2,651)
SVC's share of Normalized FFO attributable to an investee	3,116	(4,008)	1,697	4,370	568	5,175	(1,386)
Principal amortization	(490)	(489)	(490)	(489)	(489)	(1,958)	(1,631)
Capital expenditures	(82,978)	(81,686)	(66,206)	(68,763)	(105,987)	(299,633)	(236,064)
CAD	\$ (55,839)	\$ (37,510)	\$ 3,444	\$ (50,710)	\$ (63,281)	\$ (140,615)	\$ 23,550
Weighted average common shares outstanding (basic and diluted)	165,594	165,398	165,198	165,158	165,154	165,338	164,988
Basic and diluted per common share amounts:							
Net loss	\$ (0.46)	\$ (0.28)	\$ (0.45)	\$ (0.48)	\$ (0.26)	\$ (1.67)	\$ (0.20)
FFO	\$ 0.11	\$ 0.32	\$ 0.35	\$ 0.13	\$ 0.31	\$ 0.91	\$ 1.65
Normalized FFO	\$ 0.17	\$ 0.32	\$ 0.45	\$ 0.13	\$ 0.30	\$ 1.07	\$ 1.66
CAD	\$ (0.34)	\$ (0.23)	\$ 0.02	\$ (0.31)	\$ (0.38)	\$ (0.85)	\$ 0.14

See accompanying notes on [page 35](#).

Calculation of EBITDA, EBITDAre and Adjusted EBITDAre

(dollars in thousands)

		For the Three Months Ended				For the Year Ended		
		12/31/2024	9/30/2024	6/30/2024	3/31/2024	12/31/2023	12/31/2023	
Net loss		\$ (76,392)	\$ (46,901)	\$ (73,850)	\$ (78,383)	\$ (43,323)	\$ (275,526)	\$ (32,779)
Add (Less):	Interest expense	99,402	99,126	93,850	91,414	89,979	383,792	336,342
	Income tax (benefit) expense	(52)	(77)	524	1,007	(723)	1,402	(1,498)
	Depreciation and amortization	94,000	89,005	95,674	93,107	94,952	371,786	384,060
EBITDA		116,958	141,153	116,198	107,145	140,885	481,454	686,125
Add (Less):	Loss on asset impairment, net ⁽⁵⁾	5,182	13,692	34,887	2,451	27	56,212	9,544
	(Gain) loss on sale of real estate, net ⁽⁶⁾	(5,159)	(4,105)	32	2,963	(1,280)	(6,269)	(43,239)
	Adjustments to reflect SVC's share of EBITDAre attributable to an investee	3,424	2,900	2,964	2,556	2,315	11,844	9,911
EBITDAre		120,405	153,640	154,081	115,115	141,947	543,241	662,341
Add (Less):	Gain on equity securities, net	–	–	–	–	–	–	(48,837)
	Loss on early extinguishment of debt, net ⁽⁷⁾	–	133	16,048	–	1,242	16,181	1,524
	Adjustments to reflect SVC's share of Adjusted EBITDAre attributable to an investee	2,777	–	(2)	2	1,034	2,777	1,825
	Transaction related costs ⁽⁴⁾	6,894	–	–	–	(3,556)	6,894	(1,623)
	General and administrative expense paid in common shares	573	1,219	1,397	431	487	3,620	3,417
Adjusted EBITDAre		\$ 130,649	\$ 154,992	\$ 171,524	\$ 115,548	\$ 141,154	\$ 572,713	\$ 618,647

See accompanying notes on [page 35](#).

Calculation and Reconciliation of Hotel EBITDA and Adjusted Hotel EBITDA - All Hotels*



(dollars in thousands)

	For the Three Months Ended				For the Year Ended		
	12/31/2024	9/30/2024	6/30/2024	3/31/2024	12/31/2023	12/31/2024	12/31/2023
Number of hotels	206	214	220	220	221	206	221
Room revenues	\$ 278,614	\$ 322,803	\$ 334,118	\$ 269,926	\$ 273,869	\$ 1,205,461	\$ 1,206,308
Food and beverage revenues	51,129	44,947	55,136	46,563	49,878	197,775	189,239
Other revenues	27,305	23,185	23,232	19,747	19,638	93,469	82,487
Hotel operating revenues	<u>357,048</u>	<u>390,935</u>	<u>412,486</u>	<u>336,236</u>	<u>343,385</u>	<u>1,496,705</u>	<u>1,478,034</u>
Rooms expenses	97,146	106,835	102,068	90,806	92,477	396,855	389,262
Food and beverage expenses	42,634	39,114	41,945	38,513	39,095	162,206	150,124
Other direct and indirect expenses	129,969	139,075	134,889	127,578	121,532	531,511	508,951
Management fees	12,992	14,392	15,060	12,294	12,583	54,738	54,192
Real estate taxes, insurance and other	37,059	29,740	34,384	37,038	33,315	138,221	125,357
FF&E Reserves	1,327	1,714	1,723	1,092	992	5,856	6,440
Hotel operating expenses	<u>321,127</u>	<u>330,870</u>	<u>330,069</u>	<u>307,321</u>	<u>299,994</u>	<u>1,289,387</u>	<u>1,234,326</u>
Hotel EBITDA	35,921	60,065	82,417	28,915	43,391	207,318	243,708
Transaction related costs ⁽⁴⁾	6,894	–	–	–	243	6,894	846
Adjusted Hotel EBITDA	<u>\$ 42,815</u>	<u>\$ 60,065</u>	<u>\$ 82,417</u>	<u>\$ 28,915</u>	<u>\$ 43,634</u>	<u>\$ 214,212</u>	<u>\$ 244,554</u>
Adjusted Hotel EBITDA Margin	12.0 %	15.4 %	20.0 %	8.6 %	12.7 %	14.3 %	16.5 %
Hotel operating expenses (GAAP) ⁽¹⁾	\$ 312,285	\$ 328,535	\$ 328,247	\$ 305,086	\$ 297,488	\$ 1,274,153	\$ 1,223,906
Add (Less):							
Transaction related costs ⁽⁴⁾	6,894	–	–	–	243	6,894	846
Reduction for guaranty fundings and replenishments, net ⁽³⁾	–	–	(522)	522	650	–	650
FF&E Reserves from managed hotel operations	1,327	1,714	1,723	1,092	992	5,856	6,440
Other ⁽⁸⁾	621	621	621	621	621	2,484	2,484
Hotel operating expenses	<u>\$ 321,127</u>	<u>\$ 330,870</u>	<u>\$ 330,069</u>	<u>\$ 307,321</u>	<u>\$ 299,994</u>	<u>\$ 1,289,387</u>	<u>\$ 1,234,326</u>

* Results of all hotels as owned during the periods presented, including the results of hotels sold by SVC for the periods owned by SVC.

See accompanying notes on [page 35](#).

(dollars in thousands)

- (1) As of December 31, 2024, SVC owned 206 hotels. SVC's consolidated statements of income (loss) include hotel operating revenues and expenses of its managed hotels.
- (2) SVC increased rental income by \$3,965 and \$6,298 for the three months ended December 31, 2024 and 2023, respectively, and increased rental income by \$18,541 and \$13,165 for the years ended December 31, 2024 and 2023, respectively, to record scheduled rent changes under certain of its leases on a straight line basis.
- (3) When managers of SVC's hotels are required to fund the shortfalls of owner's priority return under the terms of the management agreements or their guarantees, SVC reflects such fundings in its consolidated statements of income (loss) as a reduction of hotel operating expenses. When these shortfalls are replenished by cash flows from the applicable hotel operations in excess of the owner's priority return due, SVC reflects such replenishment in its consolidated statements of income (loss) as an increase to hotel operating expenses. There were no adjustments required to hotel operating expenses for the three months and year ended December 31, 2024. The net decrease to hotel operating expenses was \$650 for both the three months and year ended December 31, 2023.
- (4) Transaction related costs for the three months and year ended December 31, 2024 of \$6,894 primarily consist of costs related to various labor litigation matters, re-opening costs and other professional fees related to major renovation projects at certain of our hotels.
Transaction related costs for the three months and year ended December 31, 2023 of \$(3,556) and \$(1,623), respectively, primarily consisted of the partial recovery of a working capital reserve related to SVC's InterContinental Hotels Group, plc, or IHG, portfolio previously deemed uncollectable and expensed in 2021, partially offset by costs related to hotel rebranding activity, the demolition of certain vacant properties and potential acquisitions.
- (5) SVC recorded a net loss on asset impairment for the three months and year ended December 31, 2024 of \$5,182 and \$56,212, respectively, to reduce the carrying value of three hotels and two net lease properties in the three month period, and ten hotels and ten net lease properties in the full year period, to their estimated fair value or estimated fair value less costs to sell.
SVC recorded a net loss on asset impairment for the three months and year ended December 31, 2023 of \$27 and \$9,544, respectively, to reduce the carrying value of one hotel in the three month period, and one hotel and 16 net lease properties in the full year period, to their estimated fair value less costs to sell.
- (6) SVC recorded a net gain on sale of real estate for the three months and year ended December 31, 2024 of \$5,159 and \$6,269, respectively, in connection with the sale of eight hotels and three net lease properties in the three month period, and 15 hotels and ten net lease properties in the full year period.
SVC recorded a net gain on sale of real estate for the three months and year ended December 31, 2023 of \$1,280 and \$43,239, respectively, in connection with the sale of nine net lease properties in the three month period, and 18 hotels and 13 net lease properties in the full year period.
- (7) SVC recorded a net loss on early extinguishment of debt during the year ended December 31, 2024 of \$16,181 in connection with a make-whole premium and the write off of unamortized deferred financing costs and discounts relating to the redemption of its \$800,000 senior unsecured notes due 2025 and the purchase and satisfaction and discharge pursuant to a cash tender offer of its \$350,000 senior unsecured notes due 2025.
SVC recorded a loss on early extinguishment of debt during the three months and year ended December 31, 2023 of \$1,242 and \$1,524, respectively, in connection with the write off of deferred financing costs and unamortized discounts relating to the repayment of certain senior unsecured notes in the three month period, and the write off of certain deferred financing costs and unamortized discounts relating to the amendment of its revolving credit facility and the repayment of certain senior unsecured notes in the full year period.
- (8) SVC is amortizing a liability it recorded for the fair value of its initial investment in Sonesta as a reduction to hotel operating expenses in the consolidated statements of income (loss). SVC reduced hotel operating expenses by \$621 for each of the three months ended December 31, 2024 and 2023, related to this liability, and \$2,484 for each of the years ended December 31, 2024 and 2023, related to this liability.

Non-GAAP Financial Measures

SVC presents certain “non-GAAP financial measures” within the meaning of the applicable Securities and Exchange Commission, or SEC, rules, including FFO, Normalized FFO, CAD, EBITDA, Hotel EBITDA, Adjusted Hotel EBITDA, EBITDAre and Adjusted EBITDAre. These measures do not represent cash generated by operating activities in accordance with GAAP and should not be considered alternatives to net income (loss) as indicators of SVC's operating performance or as measures of its liquidity. These measures should be considered in conjunction with net income (loss) as presented in SVC's consolidated statements of income (loss). SVC considers these non-GAAP measures to be appropriate supplemental measures of operating performance for a REIT, along with net income (loss). SVC believes these measures provide useful information to investors because by excluding the effects of certain historical amounts, such as depreciation and amortization expense, they may facilitate a comparison of its operating performance between periods and with other REITs and, in the case of Hotel EBITDA and Adjusted Hotel EBITDA, reflecting only those income and expense items that are generated and incurred at the hotel level may help both investors and management to understand the operations of its hotels.

FFO and Normalized FFO: SVC calculates funds from operations, or FFO, and normalized funds from operations, or Normalized FFO, as shown on [page 32](#). FFO is calculated on the basis defined by The National Association of Real Estate Investment Trusts, or Nareit, which is net income (loss), calculated in accordance with GAAP, excluding any gain or loss on sale of real estate and loss on impairment of real estate assets, if any, plus real estate depreciation and amortization, less any gains on equity securities, as well as adjustments to reflect SVC's share of FFO attributable to an investee and certain other adjustments currently not applicable to SVC. In calculating Normalized FFO, SVC adjusts for the items shown on [page 32](#). FFO and Normalized FFO are among the factors considered by SVC's Board of Trustees when determining the amount of distributions to SVC's shareholders. Other factors include, but are not limited to, requirements to satisfy SVC's qualification for taxation as a REIT, limitations in its debt agreements, the availability to SVC of debt and equity capital, SVC's distribution rate as a percentage of the trading price of its common shares, or dividend yield, and SVC's dividend yield compared to the dividend yields of other REITs, SVC's expectation of its future capital requirements and operating performance and its expected needs for and availability of cash to pay its obligations. Other real estate companies and REITs may calculate FFO and Normalized FFO differently than SVC does.

Cash Available for Distribution: SVC calculates cash available for distribution, or CAD, as shown on [page 32](#). SVC defines CAD as Normalized FFO minus SVC's proportionate share of Normalized FFO from its equity method investment, plus operating cash flow distributions from its equity method investment, if any, less real estate related capital expenditures and adjusted for other non-cash and nonrecurring items. CAD is among the factors considered by SVC's Board of Trustees when determining the amount of distributions to SVC's shareholders. Other real estate companies and REITs may calculate CAD differently than SVC does.

EBITDA, EBITDAre and Adjusted EBITDAre: SVC calculates earnings before interest, taxes, depreciation and amortization, or EBITDA, EBITDA for real estate, or EBITDAre, and Adjusted EBITDAre as shown on [page 33](#). EBITDAre is calculated on the basis defined by Nareit, which is EBITDA, excluding gains and losses on the sale of real estate, loss on impairment of real estate assets, if any, and adjustments to reflect SVC's share of EBITDAre attributable to an investee. In calculating Adjusted EBITDAre, SVC adjusts for the items shown on [page 33](#). Other real estate companies and REITs may calculate EBITDA, EBITDAre and Adjusted EBITDAre differently than SVC does.

Hotel EBITDA and Adjusted Hotel EBITDA: SVC calculates Hotel EBITDA as hotel operating revenues less hotel operating expenses of all managed and leased hotels, prior to any adjustments required for presentation in its consolidated statements of income (loss) in accordance with GAAP. Adjusted Hotel EBITDA excludes certain items SVC believes do not reflect the ongoing operating performance of SVC's hotels. SVC believes that Hotel EBITDA and Adjusted Hotel EBITDA provide useful information to management and investors as a key measure of the profitability of its hotel operations.

Other Definitions

Adjusted Hotel EBITDA Margin: Adjusted Hotel EBITDA as a percentage of hotel operating revenues.

Adjusted Total Assets and Total Unencumbered Assets: Adjusted total assets and total unencumbered assets include the original cost of real estate assets calculated in accordance with GAAP, before impairment write-downs, if any, and exclude depreciation and amortization, accounts receivable and intangible assets.

Annualized Dividend Yield: Annualized dividend yield is the annualized dividend paid during the period divided by the closing price of SVC's common shares at the end of the period.

Annualized Minimum Rent: Generally, SVC's lease agreements with its net lease tenants require payment of minimum rent to SVC. Certain of these minimum rent payment amounts are secured by full or limited guarantees. Annualized minimum rent represents cash amounts and excludes adjustments, if any, necessary to record scheduled rent changes on a straight line basis or any expense reimbursements. Annualized minimum rent for TA excludes the impact of rents prepaid by TA.

Average Daily Rate: ADR represents rooms revenue divided by the total number of room nights sold in a given period. ADR provides useful insight on pricing at SVC's hotels and is a measure widely used in the hotel industry.

Chain Scale: As characterized by STR Global Limited, a data benchmark and analytics provider for the lodging industry.

Comparable Hotels Data: SVC presents RevPAR, ADR and occupancy for the periods presented on a comparable basis to facilitate comparisons between periods. SVC defines comparable hotels as those that it owned on December 31, 2024 and were open and operating for the entirety of the periods being compared. For each of the three months ended December 31, 2024 and 2023, SVC's comparable results exclude one hotel that suspended operations during the periods presented. For each of the years ended December 31, 2024 and 2023, SVC's comparable results exclude two hotels. One of the hotels was not owned for the entirety of the periods presented and the other suspended operations during the periods presented.

Consolidated Income Available for Debt Service: Consolidated income available for debt service, as defined in SVC's debt agreements, is earnings from operations excluding interest expense, gains on equity securities, depreciation and amortization, loss on asset impairment, unrealized appreciation on assets held for sale, gains and losses on early extinguishment of debt, gains and losses on sales of property and amortization of deferred charges.

Debt: Debt amounts reflect the principal balance as of the date reported. Net debt means total debt less unrestricted cash and cash equivalents as of the date reported.

Earnings and Adjustments Attributable to an Investee: Represents SVC's proportionate share from its equity investment in Sonesta Holdco Corporation and its subsidiaries, or Sonesta.

Exit Hotels: Exit Hotels represent 122 hotels managed by Sonesta and one hotel managed by IHG that SVC plans to sell.

FF&E Reserves: FF&E Reserves, or FF&E Reserves from managed hotel operations, represent various percentages of total sales at certain of SVC's hotels that are escrowed as reserves for future renovations or refurbishments, or FF&E Reserve escrows. SVC owns all the FF&E Reserve escrows for its hotels.

FF&E Reserve Deposits Not Funded by Hotel Operations: The operating agreements for SVC's hotels generally provide that, if necessary, SVC will provide FF&E funding in excess of escrowed reserves. To the extent SVC makes such fundings, its contractual owner's priority returns or rents generally increase by a percentage of the amounts it funds.

Gain on Equity Securities, Net: Gain on equity securities, net represents the adjustment required to adjust the carrying value of SVC's former investment in shares of TA common stock to its fair value.

General and Administrative Expense Paid in Common Shares: Amounts represent the equity compensation for SVC's Trustees, officers and certain other officers and employees of RMR.

Gross Book Value of Real Estate Assets: Gross book value of real estate assets is real estate properties at cost plus acquisition related costs, if any, before purchase price allocations, less impairment write-downs, if any.

Hotel Capital Improvements and FF&E Reserve Fundings: Generally include the replacement or upgrades of obsolete building components and expenditures that extend the useful life of existing assets or replacement of furniture, fixtures and equipment (FF&E).

Investment: SVC defines hotel investment as historical cost of its properties plus capital improvements funded by it less impairment write-downs, if any, and excludes capital improvements made from FF&E Reserves funded from hotel operations that do not result in increases in owner's priority return or rents. SVC defines net lease investment as historical cost of its properties plus capital improvements funded by SVC less impairment write-downs, if any.

Lease Related Costs: Generally include capital expenditures used to improve tenants' space or amounts paid directly to tenants to improve their space and leasing related costs, such as brokerage commissions and tenant inducements.

Occupancy: Occupancy represents the total number of room nights sold divided by the total number of room nights available at a hotel or group of hotels, and represents occupied properties as of the end of the period shown for net lease properties. Occupancy is an important measure of the utilization rate and demand of SVC's properties.

Non-Cash Expenses: Non-cash expenses represent general and administrative expense paid in common shares and amortization of liabilities relating to SVC's initial investment in Sonesta and its former investment in The RMR Group, Inc.

Non-Cash Interest Expense: Non-cash interest expense represents amortization of debt issuance costs, discounts and premiums.

Non-Cash Revenues: Non-cash revenues represent straight-line rent adjustments, lease value amortization, FF&E Reserves, including interest income earned, and the impact of rents prepaid by TA.

Owner's Priority Return: Each of its management agreements or leases with hotel operators provides for payment to SVC of an annual owner's priority return or minimum rent, respectively. Certain of these minimum payment amounts are secured by full or limited guarantees. In addition, certain of its hotel management agreements provide for payment to SVC of additional amounts to the extent of available cash flows as defined in the management agreement. Payments of these additional amounts are not guaranteed.

Redevelopment and Other Activities: Redevelopment and Other Activities generally include projects that reposition a property or result in new sources of revenue and other non-recurring capital expenditures.

Rent Coverage: SVC defines rent coverage as earnings before interest, taxes, depreciation, amortization and rent, or EBITDAR, divided by the annual minimum rent due to SVC weighted by the minimum rent of the property to total minimum rents of the net lease portfolio. Tenants with no minimum rent required under the lease are excluded. EBITDAR amounts used to determine rent coverage are generally for the latest twelve-month period, based on the most recent operating information, if any, furnished by the tenant. Operating statements furnished by the tenant often are unaudited and, in certain cases, may not have been prepared in accordance with GAAP and are not independently verified by SVC. In instances where SVC does not have tenant financial information, it calculates an implied coverage ratio for the period based on other tenants with available financial statements operating the same brand or within the same industry. As a result, SVC believes using this implied coverage metric provides a more reasonable estimated representation of recent operating results and the financial condition for those tenants.

Retained Hotels: Retained Hotels represents 59 hotels managed by Sonesta, 17 hotels managed by Hyatt Hotels Corporation, and seven hotels managed by Radisson Hospitality, Inc. that SVC will continue to own after the Exit Hotels are sold.

Revenue per Available Room: RevPAR represents rooms revenue divided by the total number of room nights available to guests for a given period. RevPAR is an industry metric correlated to occupancy and ADR and helps measure revenue performance over comparable periods.

Rolling four quarter CAD: Represents CAD for the preceding twelve month period as of the respective quarter end date.

SOFR: SOFR is the secured overnight financing rate.

Total Gross Assets: Total gross assets is total assets plus accumulated depreciation.

Warning Concerning Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws that are subject to risks and uncertainties. These statements may include words such as "believe", "expect", "anticipate", "intend", "plan", "estimate", "will", "may" and negatives or derivatives of these or similar expressions. These forward-looking statements include, among others, statements about: the planned sale of hotels unlocking considerable liquidity and enhancing SVC's flexibility to reduce leverage; stable cash flows from the net lease portfolio; and implementing strategic capital investments.

Forward-looking statements reflect management's current expectations, are based on judgments and assumptions, are inherently uncertain and are subject to risks, uncertainties and other factors, which could cause SVC's actual results, performance or achievements to differ materially from expected future results, performance or achievements expressed or implied in those forward-looking statements. Some of the risks, uncertainties and other factors that may cause SVC's actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to, the following: the ability of Sonesta, to successfully operate the hotels it manages for SVC; SVC's ability and the ability of SVC's managers and tenants to operate under unfavorable market and commercial real estate industry conditions due to, among other things, uncertainties surrounding interest rates and inflation, supply chain disruptions, volatility in the public equity and debt markets, pandemics, geopolitical instability and tensions, economic downturns or a possible recession, labor market conditions or changes in real estate utilization; SVC's ability to sell properties at prices it targets, and the timing of such sales; SVC's ability to repay or refinance its debts as they mature or otherwise become due; SVC's ability to maintain sufficient liquidity, including the availability of borrowings under its revolving credit facility; SVC's ability to pay interest on and principal of its debt; whether and the extent to which SVC's managers and tenants will pay the contractual amounts of returns, rents or other obligations due to SVC; competition within the commercial real estate, hotel, transportation and travel center and other industries in which SVC's managers and tenants operate, particularly in those markets in which SVC's properties are located; SVC's ability to make cost-effective improvements to SVC's properties that enhance their appeal to hotel guests and net lease tenants; SVC's ability to pay distributions to its shareholders and to increase or sustain the amount of such distributions; SVC's ability to acquire properties that realize its targeted returns; SVC's ability to raise or appropriately balance the use of debt or equity capital; potential defaults under SVC's management agreements and leases by its managers and tenants; SVC's ability to increase hotel room rates and rents at its net leased properties as SVC's leases expire in excess of its operating expenses and to grow its business; SVC's ability to increase and maintain hotel room and net lease property occupancy at its properties; SVC's ability to engage and retain qualified managers and tenants for its hotels and net lease properties on satisfactory terms; SVC's ability to diversify its sources of rents and returns that improve the security of its cash flows; SVC's credit ratings; the ability of SVC's manager, RMR, to successfully manage SVC; actual and potential conflicts of interest with SVC's related parties, including its Managing Trustees, Sonesta, RMR and others affiliated with them; SVC's ability to realize benefits from the scale, geographic diversity, strategic locations and variety of service levels of its hotels; limitations imposed by and SVC's ability to satisfy complex rules to maintain its qualification for taxation as a REIT for U.S. federal income tax purposes; compliance with, and changes to, federal, state and local laws and regulations, accounting rules, tax laws and similar matters; acts of terrorism, outbreaks of pandemics or other public health safety events or conditions, war or other hostilities, global climate change or other man-made or natural disasters beyond its control; and other matters.

These risks, uncertainties and other factors are not exhaustive and should be read in conjunction with other cautionary statements that are included in SVC's periodic filings. The information contained in SVC's filings with the SEC, including under the caption "Risk Factors" in SVC's periodic reports, or incorporated therein, identifies important factors that could cause differences from SVC's forward-looking statements in this presentation. SVC's filings with the SEC are available on the SEC's website at www.sec.gov.

You should not place undue reliance upon SVC's forward-looking statements. Except as required by law, SVC does not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.