

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 001-35169

RLJ LODGING TRUST

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of Incorporation or Organization)

27-4706509

(I.R.S. Employer Identification No.)

7373 Wisconsin Avenue, Suite 1500

Bethesda, Maryland

(Address of Principal Executive Offices)

20814

(Zip Code)

(301) 280-7777

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Exchange Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Exchange on Which Registered</u>
Common Shares of beneficial interest, par value \$0.01 per share	RLJ	New York Stock Exchange
\$1.95 Series A Cumulative Convertible Preferred Shares, par value \$0.01 per share	RLJ-A	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

As of April 27, 2026, 151,929,726 common shares of beneficial interest of the Registrant, \$0.01 par value per share, were outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

RLJ Lodging Trust Consolidated Balance Sheets (Amounts in thousands, except share and per share data) (unaudited)

	March 31, 2026	December 31, 2025
Assets		
Investment in hotel properties, net	\$ 4,081,044	\$ 4,112,387
Investment in unconsolidated joint ventures	7,394	7,357
Cash and cash equivalents	353,084	410,160
Restricted cash reserves	34,375	31,901
Hotel and other receivables, net of allowance of \$156 and \$170, respectively	31,375	29,643
Lease right-of-use assets	122,429	123,524
Prepaid expense and other assets	65,531	27,158
Total assets	<u>\$ 4,695,232</u>	<u>\$ 4,742,130</u>
Liabilities and Equity		
Debt, net	\$ 2,190,370	\$ 2,197,218
Accounts payable and other liabilities	137,071	141,568
Advance deposits and deferred revenue	51,859	51,029
Lease liabilities	118,002	118,189
Accrued interest	10,608	20,532
Distributions payable	30,516	30,934
Total liabilities	<u>2,538,426</u>	<u>2,559,470</u>
Commitments and Contingencies (Note 10)		
Equity		
Shareholders' equity:		
Preferred shares of beneficial interest, \$0.01 par value, 50,000,000 shares authorized		
Series A Cumulative Convertible Preferred Shares, \$0.01 par value, 12,950,000 shares authorized; 12,879,475 shares issued and outstanding, liquidation value of \$328,266, at March 31, 2026 and December 31, 2025	366,936	366,936
Common shares of beneficial interest, \$0.01 par value, 450,000,000 shares authorized; 151,975,812 and 151,085,078 shares issued and outstanding at March 31, 2026 and December 31, 2025, respectively	1,520	1,511
Additional paid-in capital	2,978,612	2,977,616
Distributions in excess of net earnings	(1,207,648)	(1,178,456)
Accumulated other comprehensive income	4,574	1,919
Total shareholders' equity	<u>2,143,994</u>	<u>2,169,526</u>
Noncontrolling interests:		
Noncontrolling interest in the Operating Partnership	5,548	5,696
Noncontrolling interest in consolidated joint ventures	7,264	7,438
Total noncontrolling interests	<u>12,812</u>	<u>13,134</u>
Total equity	<u>2,156,806</u>	<u>2,182,660</u>
Total liabilities and equity	<u>\$ 4,695,232</u>	<u>\$ 4,742,130</u>

The accompanying notes are an integral part of these consolidated financial statements.

RLJ Lodging Trust
Consolidated Statements of Operations and Comprehensive Income (Loss)
(Amounts in thousands, except share and per share data)
(unaudited)

	For the three months ended March 31,	
	2026	2025
Revenues		
Operating revenues		
Room revenue	\$ 275,257	\$ 267,654
Food and beverage revenue	39,717	37,513
Other revenue	25,003	22,952
Total revenues	339,977	328,119
Expenses		
Operating expenses		
Room expense	72,732	70,851
Food and beverage expense	30,762	29,289
Management and franchise fee expense	25,074	25,202
Other operating expenses	96,426	91,711
Total property operating expenses	224,994	217,053
Depreciation and amortization	47,195	45,788
Property tax, insurance and other	26,972	27,203
General and administrative	12,979	12,646
Transaction costs	32	56
Total operating expenses	312,172	302,746
Other income, net	832	888
Interest income	2,938	3,255
Interest expense	(27,677)	(27,552)
(Loss) gain on sale of hotel properties, net	(3,647)	1,321
Loss on extinguishment of indebtedness, net	(373)	—
(Loss) income before equity in income from unconsolidated joint ventures	(122)	3,285
Equity in income from unconsolidated joint ventures	37	181
(Loss) income before income tax expense	(85)	3,466
Income tax expense	(264)	(294)
Net (loss) income	(349)	3,172
Net loss attributable to noncontrolling interests:		
Noncontrolling interest in the Operating Partnership	34	17
Noncontrolling interest in consolidated joint ventures	174	173
Net (loss) income attributable to RLJ	(141)	3,362
Preferred dividends	(6,279)	(6,279)
Net loss attributable to common shareholders	\$ (6,420)	\$ (2,917)
Basic and diluted per common share data:		
Net loss per share attributable to common shareholders	\$ (0.05)	\$ (0.02)
Weighted-average number of common shares	149,323,243	150,909,513

Comprehensive income (loss):			
Net (loss) income	\$	(349)	\$ 3,172
Unrealized gain (loss) on interest rate derivatives		2,655	(5,296)
Comprehensive income (loss)		2,306	(2,124)
Comprehensive loss attributable to noncontrolling interests:			
Noncontrolling interest in the Operating Partnership		34	17
Noncontrolling interest in consolidated joint ventures		174	173
Comprehensive income (loss) attributable to RLJ	\$	2,514	\$ (1,934)

The accompanying notes are an integral part of these consolidated financial statements.

RLJ Lodging Trust
Consolidated Statements of Changes in Equity
(Amounts in thousands, except share data)
(unaudited)

	Shareholders' Equity						Noncontrolling Interest			
	Preferred Stock		Common Stock				Accumulated Other Comprehensive Income	Operating Partnership	Consolidated Joint Ventures	Total Equity
	Shares	Amount	Shares	Par Value	Additional Paid-in Capital	Distributions in Excess of Net Earnings				
Balance at December 31, 2025	12,879,475	\$366,936	151,085,078	\$ 1,511	\$2,977,616	\$(1,178,456)	\$ 1,919	\$ 5,696	\$ 7,438	\$ 2,182,660
Net loss	—	—	—	—	—	(141)	—	(34)	(174)	(349)
Unrealized gain on interest rate derivatives	—	—	—	—	—	—	2,655	—	—	2,655
Redemption of Operating Partnership units	—	—	—	—	—	—	—	(7)	—	(7)
Issuance of restricted stock	—	—	1,290,109	13	(13)	—	—	—	—	—
Amortization of share-based compensation	—	—	—	—	4,140	—	—	—	—	4,140
Shares acquired to satisfy minimum required federal and state tax withholding on vesting restricted stock	—	—	(399,375)	(4)	(3,131)	—	—	—	—	(3,135)
Distributions on preferred shares	—	—	—	—	—	(6,279)	—	—	—	(6,279)
Distributions on common shares and units	—	—	—	—	—	(22,772)	—	(107)	—	(22,879)
Balance at March 31, 2026	<u>12,879,475</u>	<u>\$366,936</u>	<u>151,975,812</u>	<u>\$ 1,520</u>	<u>\$2,978,612</u>	<u>\$(1,207,648)</u>	<u>\$ 4,574</u>	<u>\$ 5,548</u>	<u>\$ 7,264</u>	<u>\$ 2,156,806</u>

The accompanying notes are an integral part of these consolidated financial statements.

RLJ Lodging Trust
Consolidated Statements of Changes in Equity
(Amounts in thousands, except share data)
(unaudited)

	Shareholders' Equity						Noncontrolling Interest			
	Preferred Stock		Common Stock				Accumulated Other Comprehensive Income	Operating Partnership	Consolidated Joint Ventures	Total Equity
	Shares	Amount	Shares	Par Value	Additional Paid-in Capital	Distributions in Excess of Net Earnings				
Balance at December 31, 2024	12,879,475	\$366,936	153,295,577	\$ 1,533	\$2,992,487	\$(1,090,186)	\$ 13,788	\$ 6,130	\$ 7,589	\$ 2,298,277
Net income (loss)	—	—	—	—	—	3,362	—	(17)	(173)	3,172
Unrealized loss on interest rate derivatives	—	—	—	—	—	—	(5,296)	—	—	(5,296)
Issuance of restricted stock	—	—	1,197,751	11	(11)	—	—	—	—	—
Amortization of share-based compensation	—	—	—	—	4,730	—	—	—	—	4,730
Shares acquired to satisfy minimum required federal and state tax withholding on vesting restricted stock	—	—	(333,637)	(3)	(3,125)	—	—	—	—	(3,128)
Shares acquired as part of a share repurchase program	—	—	(2,233,049)	(22)	(20,793)	—	—	—	—	(20,815)
Distributions on preferred shares	—	—	—	—	—	(6,279)	—	—	—	(6,279)
Distributions on common shares and units	—	—	—	—	—	(22,941)	—	(107)	—	(23,048)
Balance at March 31, 2025	<u>12,879,475</u>	<u>\$366,936</u>	<u>151,926,642</u>	<u>\$ 1,519</u>	<u>\$2,973,288</u>	<u>\$(1,116,044)</u>	<u>\$ 8,492</u>	<u>\$ 6,006</u>	<u>\$ 7,416</u>	<u>\$ 2,247,613</u>

The accompanying notes are an integral part of these consolidated financial statements.

RLJ Lodging Trust
Consolidated Statements of Cash Flows
(Amounts in thousands)
(unaudited)

	For the three months ended March 31,	
	2026	2025
Cash flows from operating activities		
Net (loss) income	\$ (349)	\$ 3,172
Adjustments to reconcile net (loss) income to cash flow provided by operating activities:		
Loss (gain) on sale of hotel properties, net	3,647	(1,321)
Loss on extinguishment of indebtedness, net	373	—
Depreciation and amortization	47,195	45,788
Amortization of deferred financing costs	1,892	1,831
Non-cash lease expense and other amortization	889	1,078
Equity in income from unconsolidated joint ventures	(37)	(181)
Amortization of share-based compensation	3,656	4,349
Changes in assets and liabilities:		
Hotel and other receivables, net	(1,732)	(2,060)
Prepaid expense and other assets	(25,677)	(23,263)
Accounts payable and other liabilities	5,447	(3,415)
Advance deposits and deferred revenue	830	337
Accrued interest	(9,924)	(10,015)
Net cash flow provided by operating activities	26,210	16,300
Cash flows from investing activities		
Proceeds from sales of hotel properties, net	(28)	24,121
Improvements and additions to hotel properties and other assets	(28,353)	(46,794)
Purchase deposit	—	(1,000)
Net cash flow used in investing activities	(28,381)	(23,673)
Cash flows from financing activities		
Repayments of mortgage loans	(5,350)	—
Repurchase of common shares under share repurchase programs	—	(20,815)
Repurchase of common shares to satisfy employee tax withholding requirements	(3,135)	(3,128)
Distributions on preferred shares	(6,279)	(6,279)
Distributions on common shares	(23,192)	(23,229)
Distributions on and redemption of Operating Partnership units	(114)	(107)
Payments of deferred financing costs	(14,361)	—
Net cash flow used in financing activities	(52,431)	(53,558)
Net change in cash, cash equivalents, and restricted cash reserves	(54,602)	(60,931)
Cash, cash equivalents, and restricted cash reserves, beginning of period	442,061	433,325
Cash, cash equivalents, and restricted cash reserves, end of period	\$ 387,459	\$ 372,394

The accompanying notes are an integral part of these consolidated financial statements.

RLJ Lodging Trust
Notes to the Consolidated Financial Statements
(unaudited)

1. General

Organization

RLJ Lodging Trust (the "Company") was formed as a Maryland real estate investment trust ("REIT") on January 31, 2011. The Company is a self-advised and self-administered REIT that owns primarily premium-branded, rooms-oriented, high-margin, focused-service and compact full-service hotels located within heart of demand locations. The Company elected to be taxed as a REIT, for U.S. federal income tax purposes, commencing with its taxable year ended December 31, 2011.

Substantially all of the Company's assets and liabilities are held by, and all of its operations are conducted through, RLJ Lodging Trust, L.P. (the "Operating Partnership"). The Company is the sole general partner of the Operating Partnership. As of March 31, 2026, there were 152,746,742 units of limited partnership interest in the Operating Partnership ("OP units") outstanding and the Company owned, through a combination of direct and indirect interests, 99.5% of the outstanding OP units.

As of March 31, 2026, the Company owned 93 hotel properties with approximately 20,800 rooms, located in 23 states and the District of Columbia. The Company, through wholly-owned subsidiaries, owned a 100% interest in 91 of its hotel properties, a 95% controlling interest in one hotel property, and a 50% non-controlling interest in an entity owning one hotel property. The Company consolidates its real estate interests in the 92 hotel properties in which it holds a controlling interest, and the Company records the real estate interest in the one hotel property in which it holds an indirect 50% non-controlling interest using the equity method of accounting. The Company leases 92 of the 93 hotel properties to its taxable REIT subsidiaries ("TRSs"), of which the Company owns a controlling financial interest.

2. Summary of Significant Accounting Policies

The Company's Annual Report on Form 10-K for the year ended December 31, 2025, filed with the Securities and Exchange Commission ("SEC") on February 27, 2026 (the "Annual Report"), contains a discussion of the Company's significant accounting policies. Other than noted below, there have been no significant changes to the Company's significant accounting policies since December 31, 2025.

Basis of Presentation and Principles of Consolidation

The unaudited consolidated financial statements and related notes have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") and in conformity with the rules and regulations of the SEC applicable to financial information. The unaudited financial statements include all adjustments of a normal recurring nature that are necessary, in the opinion of management, to fairly state the consolidated balance sheets, statements of operations and comprehensive income (loss), statements of changes in equity and statements of cash flows.

The unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto as of and for the year ended December 31, 2025, included in the Annual Report.

The consolidated financial statements include the accounts of the Company, the Operating Partnership and its wholly-owned subsidiaries, and joint ventures in which the Company has a majority voting interest and control. For the controlled subsidiaries that are not wholly-owned, the third-party ownership interest represents a noncontrolling interest, which is presented separately in the consolidated financial statements. The Company also records the real estate interest in one hotel property in which it holds a 50% non-controlling interest using the equity method of accounting. All intercompany balances and transactions have been eliminated in consolidation.

Reclassifications

Certain prior year amounts in these financial statements have been reclassified to conform to the current year presentation with no impact to net (loss) income and comprehensive income (loss), shareholders' equity or cash flows.

Use of Estimates

The preparation of the Company's financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the amounts of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures*, which requires public entities to disclose, on an annual and interim basis, disaggregated information about certain income statement expense line items in the notes to the financial statements. Public entities are required to apply the guidance prospectively and may elect to apply it retrospectively. The new standard is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating this ASU to determine its impact on the Company's consolidated financial statements and related disclosures.

In November 2025, the FASB issued ASU 2025-09, *Derivatives and Hedging (Topic 815): Hedge Accounting Improvements*, which clarifies and enhances hedge accounting guidance. The new standard is effective for fiscal years beginning after December 15, 2026, and interim periods within those fiscal years. The Company utilizes interest rate derivative instruments, typically interest rate swaps, to mitigate exposure to interest rate changes. The Company is currently evaluating this ASU to determine its impact on the Company's consolidated financial statements and related disclosures.

3. Investment in Hotel Properties

Investment in hotel properties consisted of the following (in thousands):

	March 31, 2026	December 31, 2025
Land and improvements	\$ 1,122,057	\$ 1,123,12
Buildings and improvements	4,210,133	4,199,47
Furniture, fixtures and equipment	879,506	873,41
	6,211,696	6,196,00
Accumulated depreciation	(2,130,652)	(2,083,61)
Investment in hotel properties, net	<u>\$ 4,081,044</u>	<u>\$ 4,112,38</u>

For the three months ended March 31, 2026 and 2025, the Company recognized depreciation expense related to its investment in hotel properties of approximately \$47.0 million and \$45.7 million, respectively.

4. Sales of Hotel Properties

During the three months ended March 31, 2026, the Company executed a purchase and sale agreement to sell a hotel property with a carrying value of \$16.4 million. An impairment loss of \$3.6 million was recognized to adjust the hotel property to its fair value, with this loss included in (loss) gain on sale of hotel properties, net, in the accompanying consolidated statement of operations and comprehensive income (loss). Fair value was determined using the contractual sales price, classified as a Level 2 measurement in the fair value hierarchy. The sale is expected to close during the second quarter of 2026.

On March 6, 2025, the Company sold the 181-room Courtyard Atlanta Buckhead hotel property in Atlanta, Georgia for a sales price of \$24.3 million. The Company recorded a net gain of \$1.3 million for the three months ended March 31, 2025 in connection with the sale of this hotel property.

5. Revenue

The Company recognized revenue from the following geographic markets (in thousands):

	For the three months ended March 31, 2026				For the three months ended March 31, 2025			
	Room Revenue	Food and Beverage Revenue	Other Revenue	Total Revenue	Room Revenue	Food and Beverage Revenue	Other Revenue	Total Revenue
South Florida	\$ 44,568	\$ 6,547	\$ 3,210	\$ 54,325	\$ 40,587	\$ 6,142	\$ 3,036	\$ 49,765
Northern California	44,660	4,493	2,359	51,512	35,111	3,462	2,013	40,586
Southern California	30,327	4,833	4,246	39,406	30,876	4,667	3,438	38,981
Houston	13,967	898	1,096	15,961	13,209	1,108	1,175	15,492
New York City	13,192	1,745	988	15,925	12,290	1,649	796	14,735
Charleston	9,032	3,357	1,037	13,426	8,596	2,722	898	12,216
Louisville	8,191	4,403	808	13,402	9,021	4,579	915	14,515
Washington, DC	11,751	212	537	12,500	12,709	165	791	13,665
Austin	9,604	1,676	795	12,075	10,046	1,461	900	12,407
Chicago	8,806	1,792	714	11,312	8,700	1,874	627	11,201
Other	81,159	9,761	9,213	100,133	86,509	9,684	8,363	104,556
Total	<u>\$ 275,257</u>	<u>\$ 39,717</u>	<u>\$ 25,003</u>	<u>\$ 339,977</u>	<u>\$ 267,654</u>	<u>\$ 37,513</u>	<u>\$ 22,952</u>	<u>\$ 328,119</u>

6. Debt

The Company's debt consisted of the following (in thousands):

	March 31, 2026	December 31, 2025
Senior Notes, net	\$ 996,992	\$ 996,401
Revolver Outstanding	—	—
Term Loans, net	1,018,414	1,020,057
Mortgage loans, net	174,964	180,760
Debt, net	<u>\$ 2,190,370</u>	<u>\$ 2,197,218</u>

During the three months ended March 31, 2026, the Company completed a series of refinancing transactions that consisted of four components: (i) an extension of the Company's Revolver (as defined below), (ii) the upsize and recast of an existing term loan, (iii) the issuance of a new seven-year term loan, and (iv) the refinancing of mortgage debt previously scheduled to mature in 2026. The Company intends to use the incremental borrowings from these transactions to repay the 3.75% senior notes due 2026 (the "2026 Senior Notes") prior to maturity in July 2026. As a result of these transactions, the Company's next scheduled debt maturity (after extension options) occurs in 2029.

Senior Notes

The Company's senior notes (collectively, the "Senior Notes") consisted of the following (dollars in thousands):

	Interest Rate	Maturity Date	Carrying Value at	
			March 31, 2026	December 31, 2025
2029 Senior Notes (1)	4.00%	September 2029	\$ 500,000	\$ 500,000
2026 Senior Notes (1)	3.75%	July 2026	500,000	500,000
			1,000,000	1,000,000
Deferred financing costs, net			(3,008)	(3,599)
Total senior notes, net			<u>\$ 996,992</u>	<u>\$ 996,401</u>

(1) Requires payment of interest only through maturity.

The indentures governing the Senior Notes contain customary covenants that limit the Operating Partnership's ability and, in certain instances, the ability of its subsidiaries, to incur additional debt, create liens on assets, make distributions and pay dividends, make certain types of investments, issue guarantees of indebtedness, and make certain restricted payments. These limitations are subject to a number of exceptions and qualifications set forth in the indentures.

A summary of the various restrictive covenants for the Senior Notes are as follows:

	Covenant	Compliance March 31, 2026
<u>Maintenance Covenant</u>		
Unencumbered Asset to Unencumbered Debt Ratio	> 150.0%	Yes
<u>Incurrence Covenants</u>		
Consolidated Indebtedness less than Adjusted Total Assets	< .65x	Yes
Consolidated Secured Indebtedness less than Adjusted Total Assets	< .45x	Yes
Interest Coverage Ratio	> 1.5x	Yes

Revolver and Term Loans

The Company has the following unsecured credit facilities in place:

- \$600.0 million revolving credit facility with a scheduled maturity date of February 11, 2030 and either a one-year extension option or up to two six-month extension options if certain conditions are satisfied (the "Revolver");
- \$500.0 million term loan with a scheduled maturity date of September 24, 2027 and up to two one-year extension options if certain conditions are satisfied (the "\$500 Million Term Loan Maturing 2027");
- \$300.0 million term loan with a scheduled maturity date of April 3, 2028 and up to two one-year extension options if certain conditions are satisfied (the "\$300 Million Term Loan Maturing 2028");
- \$569.0 million delayed draw term loan with a scheduled maturity date of February 11, 2031 (the "\$569 Million Term Loan Maturing 2031"), of which \$225.0 million has been funded and \$344.0 million of commitments remain available to be drawn by the Company; and
- \$150.0 million delayed draw term loan with a scheduled maturity date of February 11, 2033 (the "\$150 Million Term Loan Maturing 2033"), of which \$150.0 million of commitments remain available to be drawn by the Company.

The \$500 Million Term Loan Maturing 2027, the \$300 Million Term Loan Maturing 2028, the \$569 Million Term Loan Maturing 2031, and the \$150 Million Term Loan Maturing 2033 are collectively referred to as the "Term Loans."

The Company's unsecured credit facilities consisted of the following (dollars in thousands):

	Interest Rate at March 31, 2026 (1)	Maturity Date	Carrying Value at	
			March 31, 2026	December 31, 2025
Revolver (2)	—%	February 2030	\$ —	\$ —
\$500 Million Term Loan Maturing 2027	4.89%	September 2027 (3)	500,000	500,000
\$300 Million Term Loan Maturing 2028	5.41%	April 2028 (3)	300,000	300,000
\$569 Million Term Loan Maturing 2031 (4)	5.41%	February 2031	225,000	225,000
\$150 Million Term Loan Maturing 2033 (5)	—%	February 2033	—	—
			1,025,000	1,025,000
Deferred financing costs, net (6)			(6,586)	(4,943)
Total Revolver and Term Loans, net			\$ 1,018,414	\$ 1,020,057

(1) Interest rate at March 31, 2026 gives effect to interest rate hedges.

(2) At both March 31, 2026 and December 31, 2025, there was \$600.0 million of borrowing capacity on the Revolver. In February 2026, the Company amended its Revolver. The amendment extends the maturity date of the Revolver to February 2030. The Company has the ability to extend the maturity date for an additional one-year period or up to two six-month periods ending February 2031 if certain conditions are satisfied.

(3) This term loan includes two one-year extension options at the Company's discretion, subject to certain conditions.

- (4) In February 2026, the Company refinanced this term loan to extend the scheduled maturity date to February 2031 and upsize it to a \$569.0 million delayed draw term loan, of which \$225.0 million has been funded and \$344.0 million of commitments remain available to be drawn by the Company.
- (5) In February 2026, the Company entered into a new \$150.0 million delayed draw term loan which matures in February 2033. The Company had not drawn on this term loan as of March 31, 2026.
- (6) Excludes \$7.5 million and \$2.2 million as of March 31, 2026 and December 31, 2025, respectively, related to deferred financing costs on the Revolver, which are included in prepaid expense and other assets in the accompanying consolidated balance sheets. Also excludes \$5.5 million as of March 31, 2026 related to deferred financing costs on the undrawn commitments of the \$569 Million Term Loan Maturing 2031 and the \$150 Million Term Loan Maturing 2033, which are included in prepaid expense and other assets in the accompanying consolidated balance sheet.

The Company paid approximately \$6.0 million in lender fees and legal costs in connection with the Revolver refinancing and approximately \$8.0 million in lender fees and legal costs in connection with the term loan refinancing transactions in February 2026.

The Revolver and Term Loans are subject to various financial covenants. A summary of such covenants is as follows:

	Covenant	Compliance March 31, 2026
Leverage ratio (1)	$\leq 7.25x$	Yes
Fixed charge coverage ratio (2)	$\geq 1.50x$	Yes
Secured indebtedness ratio	$\leq 45.0\%$	Yes
Unencumbered indebtedness ratio (3)	$\leq 60.0\%$	Yes
Unencumbered debt service coverage ratio	$\geq 2.00x$	Yes

- (1) Leverage ratio is net indebtedness, as defined in the Revolver and Term Loan agreements, to corporate earnings before interest, taxes, depreciation, and amortization ("EBITDA"), as defined in the Revolver and Term Loan agreements.
- (2) Fixed charge coverage ratio is Adjusted EBITDA, generally defined in the Revolver and Term Loan agreements as EBITDA less furniture, fixtures and equipment ("FF&E") reserves, to fixed charges, which is generally defined in the Revolver and Term Loan agreements as interest expense, all regularly scheduled principal payments, preferred dividends paid, and cash taxes paid.
- (3) The maximum level may be increased to 65.0% for up to four quarters following a material acquisition.

Mortgage Loans

The Company's mortgage loans consisted of the following (dollars in thousands):

	Number of Assets Encumbered	Interest Rate at March 31, 2026		Maturity Date	Carrying Value at	
					March 31, 2026	December 31, 2025
Mortgage loan (1)	2	4.94%	(3)	April 2029	\$ 68,300	\$ 69,750
Mortgage loan (1)	4	5.05%	(3)	April 2029	81,100	85,000
Mortgage loan (2)	1	5.06%		January 2029	26,022	26,112
	7				175,422	180,862
Deferred financing costs, net					(458)	(102)
Total mortgage loans, net					\$ 174,964	\$ 180,760

- (1) In January 2026, the Company amended these mortgage loans, extending the initial maturity date to April 2029, with two one-year extension options at the Company's discretion, subject to certain conditions. The Company paid down approximately \$5.4 million in principal in January 2026 in connection with the amendments. In April 2026, the Company received additional proceeds of \$23.4 million on the \$68.3 million mortgage loan with the addition of another hotel property previously unencumbered, while paying down \$8.4 million on the \$81.1 million mortgage loan, resulting in new principal balances of \$91.7 million and \$72.7 million, respectively. The hotels encumbered by each mortgage loan are cross-collateralized and require payments of interest only through maturity.
- (2) Includes \$1.0 million and \$1.1 million at March 31, 2026 and December 31, 2025, respectively, related to a fair value adjustment on this mortgage loan from purchase price allocation at hotel property acquisition. This mortgage loan requires payments of interest only through maturity.
- (3) Interest rate at March 31, 2026 gives effect to interest rate hedges.

Certain mortgage agreements are subject to various maintenance covenants requiring the Company to maintain a minimum debt yield or debt service coverage ratio ("DSCR"). Failure to meet the debt yield or DSCR thresholds is not an event of default, but instead triggers a cash trap event. At March 31, 2026, all mortgage loans were in compliance with the relevant maintenance covenants and were not subject to any cash trap events.

Interest Expense

The components of the Company's interest expense consisted of the following (in thousands):

	For the three months ended March 31,	
	2026	2025
Senior Notes	\$ 9,688	\$ 9,688
Revolver and Term Loans	13,970	13,534
Mortgage loans	2,127	2,355
Amortization of deferred financing costs	1,892	1,831
Non-cash interest expense related to interest rate hedges	—	144
Total interest expense	\$ 27,677	\$ 27,552

7. Derivatives and Hedging Activities

The following interest rate swaps have been designated as cash flow hedges (in thousands):

Hedge type	Swap rate	Effective Date	Maturity Date	Notional value at		Fair value at	
				March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025
Swap-cash flow-Daily SOFR	0.56%	July 2021	January 2026	\$ —	\$ 50,000	\$ —	\$ 146
Swap-cash flow-Daily SOFR	2.95%	April 2024	April 2027	125,000	125,000	987	697
Swap-cash flow-Daily SOFR	2.85%	April 2024	April 2027	65,000	65,000	587	453
Swap-cash flow-Daily SOFR	2.75%	April 2024	April 2027	60,000	60,000	611	501
Swap-cash flow-Daily SOFR	3.70%	July 2024	July 2027	25,000	25,000	(22)	(147)
Swap-cash flow-Daily SOFR	3.45%	July 2024	July 2027	25,000	25,000	61	(48)
Swap-cash flow-Daily SOFR	3.71%	July 2024	July 2027	25,000	25,000	(24)	(150)
Swap-cash flow-Daily SOFR	3.10%	July 2025	July 2027	25,000	25,000	176	87
Swap-cash flow-Daily SOFR	3.20%	January 2025	January 2028	25,000	25,000	177	43
Swap-cash flow-Daily SOFR	3.40%	January 2025	January 2028	25,000	25,000	87	(60)
Swap-cash flow-Daily SOFR	3.30%	October 2025	October 2028	25,000	25,000	148	(9)
Swap-cash flow-Daily SOFR	3.30%	January 2025	January 2029	25,000	25,000	155	(5)
Swap-cash flow-Daily SOFR	3.19%	January 2026	January 2029	25,000	25,000	231	64
Swap-cash flow-Daily SOFR	3.25%	January 2026	January 2029	50,000	50,000	378	39
Swap-cash flow-Daily SOFR	3.29%	January 2026	January 2029	50,000	50,000	320	(22)
Swap-cash flow-Daily SOFR	3.00%	April 2026	April 2029	25,000	25,000	370	183
Swap-cash flow-Daily SOFR	3.05%	April 2026	April 2029	25,000	25,000	334	147
				<u>\$ 625,000</u>	<u>\$ 675,000</u>	<u>\$ 4,576</u>	<u>\$ 1,919</u>

As of March 31, 2026 and December 31, 2025, the aggregate fair value of the interest rate swap assets of \$4.6 million and \$2.4 million, respectively, was included in prepaid expense and other assets in the accompanying consolidated balance sheets. As of December 31, 2025, the aggregate fair value of the interest rate swap liabilities of \$0.4 million was included in accounts payable and other liabilities in the accompanying consolidated balance sheet.

As of March 31, 2026 and December 31, 2025, there was approximately \$4.6 million and \$1.9 million, respectively, of unrealized gains included in accumulated other comprehensive income related to interest rate swaps. There was no ineffectiveness recorded during the three month periods ended March 31, 2026 or 2025. For the three months ended March 31, 2026 and 2025, gains of approximately \$0.8 million and \$2.8 million, respectively, included in accumulated other comprehensive income were reclassified into interest expense for the interest rate swaps. Approximately \$3.2 million of the unrealized gains included in accumulated other comprehensive income at March 31, 2026 is expected to be reclassified into earnings within the next 12 months.

8. Fair Value

Fair Value Measurement

Fair value is defined as the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market. The fair value hierarchy has three levels of inputs, both observable and unobservable:

- Level 1 — Inputs include quoted market prices in an active market for identical assets or liabilities.
- Level 2 — Inputs are market data, other than Level 1, that are observable either directly or indirectly. Level 2 inputs include quoted market prices for similar assets or liabilities, quoted market prices in an inactive market, and other observable information that can be corroborated by market data.
- Level 3 — Inputs are unobservable and corroborated by little or no market data.

Fair Value of Financial Instruments

The Company used the following market assumptions and/or estimation methods:

- Cash and cash equivalents, restricted cash reserves, hotel and other receivables, accounts payable and other liabilities — The carrying amounts reported in the consolidated balance sheets for these financial instruments approximate fair value because of their short term maturities.
- Debt — The Company estimated the fair value of the Senior Notes by using publicly available trading prices, which are Level 1 inputs in the fair value hierarchy. The Company estimated the fair value of the Revolver and Term Loans by using a discounted cash flow model and incorporating various inputs and assumptions for the effective borrowing rates for debt with similar terms, which are Level 2 and Level 3 inputs in the fair value hierarchy. The Company estimated the fair value of the mortgage loans by using a discounted cash flow model and incorporating various inputs and assumptions for the effective borrowing rates for debt with similar terms and the loan to estimated fair value of the collateral, which are Level 3 inputs in the fair value hierarchy.

The fair value of the Company's debt was as follows (in thousands):

	March 31, 2026		December 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Senior Notes, net	\$ 996,992	\$ 967,500	\$ 996,401	\$ 970,000
Revolver and Term Loans, net	1,018,414	1,025,000	1,020,057	1,013,892
Mortgage loans, net	174,964	168,573	180,760	178,457
Debt, net	<u>\$ 2,190,370</u>	<u>\$ 2,161,073</u>	<u>\$ 2,197,218</u>	<u>\$ 2,162,349</u>

Recurring Fair Value Measurements

The following table presents the Company's fair value hierarchy for those financial assets and liabilities measured at fair value on a recurring basis as of March 31, 2026 (in thousands):

	Fair Value at March 31, 2026			
	Level 1	Level 2	Level 3	Total
Interest rate swap asset	\$ —	\$ 4,622	\$ —	\$ 4,622
Interest rate swap liability	—	(46)	—	(46)
Total	<u>\$ —</u>	<u>\$ 4,576</u>	<u>\$ —</u>	<u>\$ 4,576</u>

The following table presents the Company's fair value hierarchy for those financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2025 (in thousands):

	Fair Value at December 31, 2025			
	Level 1	Level 2	Level 3	Total
Interest rate swap asset	\$ —	\$ 2,360	\$ —	\$ 2,360
Interest rate swap liability	—	(441)	—	(441)
Total	<u>\$ —</u>	<u>\$ 1,919</u>	<u>\$ —</u>	<u>\$ 1,919</u>

The fair values of the derivative financial instruments are determined using widely accepted valuation techniques including a discounted cash flow analysis on the expected cash flows for each derivative. The Company determined that the significant inputs, such as interest yield curves and discount rates, used to value its derivatives fall within Level 2 of the fair value

hierarchy and that the credit valuation adjustments associated with the Company's counterparties and its own credit risk utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. As of March 31, 2026, the Company assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and determined that the credit valuation adjustments were not significant to the overall valuation of its derivatives. As a result, the Company determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

9. Income Taxes

The Company accounts for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases, and for net operating loss ("NOL"), capital loss and tax credit carryforwards. The deferred tax assets and liabilities are measured using the enacted income tax rates in effect for the year in which those temporary differences are expected to be realized or settled. The effect on the deferred tax assets and liabilities from a change in tax rates is recognized in earnings in the period when the new rate is enacted. However, deferred tax assets are recognized only to the extent that it is more likely than not that they will be realized based on consideration of all available evidence, including the future reversals of existing taxable temporary differences, future projected taxable income and tax planning strategies. Valuation allowances are provided if, based upon the weight of the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company is continuing to provide a full valuation allowance against the deferred tax assets related to the NOL carryforwards of RLJ Lodging Trust Master TRS, Inc., the Company's primary TRS.

The Company had no accruals for tax uncertainties as of March 31, 2026 and December 31, 2025.

10. Commitments and Contingencies

Restricted Cash Reserves

The Company may be obligated to maintain cash reserve funds for future capital expenditures, real estate taxes, insurance, and other items. The management agreements, franchise agreements and/or mortgage loan documents require the Company to reserve cash ranging typically from 4.0% to 5.0% of the individual hotel's revenues for future capital expenditures (including the periodic replacement or refurbishment of FF&E). Any unexpended amounts will remain the property of the Company upon termination of the management agreements, franchise agreements or mortgage loan documents. As of March 31, 2026 and December 31, 2025, approximately \$34.4 million and \$31.9 million, respectively, was available in the restricted cash reserves for future capital expenditures.

Litigation

Neither the Company nor any of its subsidiaries is currently involved in any regulatory or legal proceedings that management believes will have a material and adverse effect on the Company's financial position, results of operations or cash flows.

Management Agreements

As of March 31, 2026, 92 of the Company's consolidated hotel properties were operated pursuant to management agreements with initial terms ranging from three to 25 years. This number includes 36 consolidated hotel properties that receive the benefits of a franchise agreement pursuant to management agreements with Hilton, Hyatt, or Marriott. Each management company receives a base management fee between 1.5% and 3.5% of hotel revenues, except for those management agreements that include the benefits of a franchise agreement, which incur a base management fee between 2.0% and 7.0% of hotel revenues. The management companies are also eligible to receive an incentive management fee if hotel operating income, as defined in the management agreements, exceeds certain thresholds. The incentive management fee is generally calculated as a percentage of hotel operating income after the Company has received a priority return on its investment in the hotel.

Management fees are included in management and franchise fee expense in the accompanying consolidated statements of operations and comprehensive income (loss). For the three months ended March 31, 2026 and 2025, the Company incurred management fee expense of approximately \$9.8 million and \$9.5 million, respectively.

Franchise Agreements

As of March 31, 2026, 53 of the Company's consolidated hotel properties were operated under franchise agreements with initial terms ranging from one to 30 years. This number excludes 36 consolidated hotel properties that receive the benefits of a franchise agreement pursuant to management agreements with Hilton, Hyatt, or Marriott. In addition, three hotels are not operated with a hotel brand so they do not have franchise agreements. Franchise agreements allow the hotel properties to operate under the respective brands. Pursuant to the franchise agreements, the Company pays a royalty fee between 2.0% and 6.0% of room revenue, plus additional fees for marketing, central reservation systems and other franchisor costs between 1.0% and 4.3% of room revenue. Certain hotels are also charged a royalty fee of 3.0% of food and beverage revenues.

Franchise fees are included in management and franchise fee expense in the accompanying consolidated statements of operations and comprehensive income (loss). For the three months ended March 31, 2026 and 2025, the Company incurred franchise fee expense of approximately \$15.3 million and \$15.7 million, respectively.

11. Equity

Common Shares of Beneficial Interest

During both the three months ended March 31, 2026 and 2025, the Company declared a cash dividend of \$0.15 per common share.

During the three months ended March 31, 2026, the Company did not repurchase and retire any common shares. As of May 4, 2026, the Company's share repurchase program approved in 2025 had a remaining capacity of \$245.7 million.

On April 24, 2026, the Company's board of trustees approved a new share repurchase program to acquire up to an aggregate of \$250.0 million of common and preferred shares from May 9, 2026 to May 8, 2027 (the "2026 Share Repurchase Program"). The terms of the 2026 Share Repurchase Program are the same as the share repurchase program approved in 2025 that expires on May 8, 2026.

During the three months ended March 31, 2025, the Company repurchased and retired approximately 2.2 million common shares for approximately \$20.8 million.

Series A Preferred Shares

During both the three months ended March 31, 2026 and 2025, the Company declared a cash dividend of \$0.4875 on each Series A Preferred Share.

The Series A Preferred Shares are convertible, in whole or in part, at any time, at the option of the holders into common shares at a conversion rate of 0.2806 common shares for each Series A Preferred Share.

Noncontrolling Interest in Consolidated Joint Ventures

The Company consolidates the joint venture that owns The Knickerbocker hotel property, which has a third-party partner that owns a noncontrolling 5% ownership interest in the joint venture. The third-party ownership interest is included in the noncontrolling interest in consolidated joint ventures on the consolidated balance sheets.

Noncontrolling Interest in the Operating Partnership

The Company consolidates the Operating Partnership, which is a majority-owned limited partnership that has a noncontrolling interest. The outstanding OP units held by the limited partners are redeemable for cash, or at the option of the Company, for a like number of common shares. As of March 31, 2026, 770,930 outstanding OP units were held by the limited partners. The noncontrolling interest is included in the noncontrolling interest in the Operating Partnership on the consolidated balance sheets.

12. Equity Incentive Plan

The Company may issue share-based awards to officers, employees, non-employee trustees and other eligible persons under the RLJ Lodging Trust 2021 Equity Incentive Plan (the "2021 Plan"). The 2021 Plan provides for a maximum of 6,828,527 common shares to be issued in the form of share options, share appreciation rights, restricted share awards,

unrestricted share awards, share units, dividend equivalent rights, long-term incentive units, other equity-based awards and cash bonus awards.

On April 24, 2026, the Company's shareholders approved the RLJ Lodging Trust 2026 Equity Incentive Plan (the "2026 Plan"). The maximum number of common shares that will be available for issuance under the 2026 Plan will be equal to the sum of (1) 4,763,000 common shares, (2) the number of shares available for future awards under the 2021 Plan as of the effective date of the 2026 Plan and (3) the number of shares related to awards outstanding under the 2021 Plan as of the effective date of the 2026 Plan that thereafter terminate by expiration or forfeiture, cancellation, or otherwise without the issuance of such shares or that would again be available for issuance under the 2021 Plan. Other than the maximum number of common shares available for issuance under the 2026 Plan, there were no significant changes from the 2021 Plan.

Share Awards

From time to time, the Company may award unvested restricted shares as compensation to officers, employees and non-employee trustees. The issued shares vest over a period of time as determined by the board of trustees at the date of grant. The Company recognizes compensation expense for time-based unvested restricted shares on a straight-line basis over the vesting period based upon the fair market value of the shares on the date of issuance, adjusted for forfeitures.

Non-employee trustees may also elect to receive unrestricted shares as compensation that would otherwise be paid in cash for their services. The shares issued to non-employee trustees in lieu of cash compensation are unrestricted and include no vesting conditions. The Company recognizes compensation expense for the unrestricted shares issued in lieu of cash compensation on the date of issuance based upon the fair market value of the shares on that date.

A summary of the unvested restricted shares as of March 31, 2026 is as follows:

	2026	
	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2026	1,971,739	\$ 9.51
Granted	927,698	8.23
Vested	(720,917)	10.27
Forfeited	—	—
Unvested at March 31, 2026	2,178,520	\$ 8.71

For the three months ended March 31, 2026 and 2025, the Company recognized approximately \$2.1 million and \$2.3 million, respectively, of share-based compensation expense related to restricted share awards. As of March 31, 2026, there was \$16.7 million of total unrecognized compensation costs related to unvested restricted share awards and these costs are expected to be recognized over a weighted-average period of 2.2 years. The total fair value of the shares vested (calculated as the number of shares multiplied by the vesting date share price) during the three months ended March 31, 2026 and 2025 was approximately \$5.8 million and \$6.1 million, respectively.

Performance Units

The Company aligns its executive officers with its long-term investors by awarding a significant percentage of their equity compensation in the form of multi-year performance unit awards that use both absolute and relative total shareholder return as the primary metrics. The performance units vest at the end of a three year period (the "performance units measurement period").

The performance units granted in 2024 and 2025 may convert into restricted shares at a range of 0% to 200% of the number of performance units granted contingent upon the Company achieving a relative shareholder return over the measurement period at specified percentiles of the peer group, as defined by the awards. These performance units are subject to modification based on the Company's absolute total shareholder return performance as follows: (1) if at the end of the measurement period the relative total shareholder return performance exceeds target and absolute total shareholder return is less than zero, payouts will be reduced by 25%, but not below target and (2) if the absolute total shareholder return is down more than 15% during the entire measurement period, the maximum payout will be capped at 115% of target. The performance units granted prior to 2024 may convert into restricted shares at a range of 0% to 200% of the number of performance units granted

contingent upon the Company achieving an absolute total shareholder return (25% of award) and a relative shareholder return (75% of award) over the measurement period at specified percentiles of the peer group, as defined by the awards.

At the end of the performance units measurement period, if the target criterion is met, 100% of the performance units that are earned will vest immediately. The fair value of the performance units was determined using a Monte Carlo simulation. The Company estimates the compensation expense for the performance units on a straight-line basis using a calculation that recognizes 100% of the grant date fair value over three years.

A summary of the performance unit awards is as follows:

Date of Award	Number of Units Granted	Grant Date Fair Value	Conversion Range	Risk Free Interest Rate	Volatility
February 2023 (1)	574,846	\$16.90	0% to 200%	4.33%	66.70%
February 2024	703,325	\$15.13	0% to 200%	4.43%	35.60%
March 2025	832,322	\$11.45	0% to 200%	4.01%	31.10%

(1) In February 2026, following the end of the measurement period, the Company met certain threshold criterion and the performance units converted into approximately 362,000 restricted shares, all of which vested immediately. The total fair value of the vested shares related to the conversion of the performance units (calculated as the number of vested shares multiplied by the vesting date share price) during the three months ended March 31, 2026 was approximately \$2.8 million.

For the three months ended March 31, 2026 and 2025, the Company recognized approximately \$1.6 million and \$2.0 million, respectively, of share-based compensation expense related to the performance unit awards. As of March 31, 2026, there was \$8.5 million of total unrecognized compensation costs related to the performance unit awards and these costs are expected to be recognized over a weighted-average period of 1.6 years.

As of March 31, 2026, there were 365,961 common shares available for future grant under the 2021 Plan, which includes potential common shares that may convert from performance units if certain target criterion is met.

13. Earnings per Common Share

Basic earnings per common share is calculated by dividing net loss attributable to common shareholders by the weighted-average number of common shares outstanding during the period excluding the weighted-average number of unvested restricted shares and unvested performance units outstanding during the period. Diluted earnings per common share is calculated by dividing net loss attributable to common shareholders by the weighted-average number of common shares outstanding during the period, plus any shares that could potentially be outstanding during the period. The potential shares consist of the unvested restricted share grants and unvested performance units, calculated using the treasury stock method, and convertible Series A Preferred Shares, calculated using the if-converted method. Any anti-dilutive shares have been excluded from the diluted earnings per share calculation.

Unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating shares and are considered in the computation of earnings per share pursuant to the two-class method. If there were any undistributed earnings allocable to the participating shares, they would be deducted from net income attributable to common shareholders used in the basic and diluted earnings per share calculations.

The limited partners' outstanding OP units (which may be redeemed for common shares under certain circumstances) have been excluded from the diluted earnings per share calculation as there was no effect on the amounts for the three months ended March 31, 2026 and 2025, since the limited partners' share of income would also be added back to net income attributable to common shareholders.

The computation of basic and diluted earnings per common share is as follows (in thousands, except share and per share data):

	For the three months ended March 31,	
	2026	2025
Numerator:		
Net (loss) income attributable to RLJ	\$ (141)	\$ 3,362
Less: Preferred dividends	(6,279)	(6,279)
Less: Dividends paid on unvested restricted shares	(327)	(286)
Less: Undistributed earnings attributable to unvested restricted shares	—	—
Net loss attributable to common shareholders excluding amounts attributable to unvested restricted shares	<u>\$ (6,747)</u>	<u>\$ (3,203)</u>
Denominator:		
Weighted-average number of common shares - basic and diluted	<u>149,323,243</u>	<u>150,909,513</u>
Net loss per share attributable to common shareholders - basic and diluted	<u>\$ (0.05)</u>	<u>\$ (0.02)</u>

For the three months ended March 31, 2026 and 2025, an aggregate of 380,362 and 257,792, respectively, of unvested restricted shares and performance units were excluded from diluted weighted-average number of common shares, as their effect would have been anti-dilutive.

14. Segment Information

The Company's chief operating decision maker ("CODM") is the President and Chief Executive Officer.

The CODM separately evaluates the performance of each of the Company's hotel properties and each hotel property is an operating segment. However, because each of the hotels has similar economic characteristics, facilities, and services, the hotel properties have been aggregated into a single reportable segment.

The hotel segment revenues are derived from the operation of hotel properties. The hotel segment generates room revenue by renting hotel rooms to customers at the Company's hotel properties. The hotel segment generates food and beverage revenue from the sale of food and beverage to customers at the Company's hotel properties. The hotel segment generates other revenue from parking fees, resort fees, gift shop sales and other guest service fees at the Company's hotel properties.

The CODM assesses performance for the hotel segment and decides how to allocate resources based on Hotel EBITDA, which is a non-GAAP financial measure. Hotel EBITDA is defined as net income or loss excluding: (1) interest expense; (2) income tax expense; and (3) depreciation and amortization expense, adjusted for corporate-level expenses, certain non-cash items, and certain other items that the Company considers outside the normal course of operations.

The following table presents information about profit or loss for the hotel segment:

	For the three months ended March 31,	
	2026	2025
Revenues		
Room revenue	\$ 275,257	\$ 267,654
Food and beverage revenue	39,717	37,513
Other revenue	25,003	22,952
Total revenues	339,977	328,119
Operating expenses		
Room expense	72,732	70,851
Food and beverage expense	30,762	29,289
Management and franchise fee expense	25,074	25,202
Other operating expenses	96,426	91,711
Total operating expenses	224,994	217,053
Property tax, insurance and other	26,972	27,203
Other, net (1)	(1,912)	(2,048)
Hotel EBITDA	\$ 89,923	\$ 85,911

- (1) Includes miscellaneous hotel segment income, as well as adjustments for corporate-level expenses, certain non-cash items, and certain other items that the Company considers outside the normal course of operations.

The following table provides a reconciliation of the hotel segment profit and loss to the Company's consolidated totals:

	For the three months ended March 31,	
	2026	2025
(Loss) income before income tax expense	\$ (85)	\$ 3,466
Depreciation and amortization	47,195	45,788
Interest expense, net of interest income	24,739	24,297
General and administrative	12,979	12,646
Loss (gain) on sale of hotel properties, net	3,647	(1,321)
Other, net	1,448	1,035
Hotel EBITDA	\$ 89,923	\$ 85,911

A measure of segment assets is not currently provided to the CODM and has therefore not been included herein.

15. Supplemental Information to Statements of Cash Flows (in thousands)

	For the three months ended March 31,	
	2026	2025
Reconciliation of cash, cash equivalents, and restricted cash reserves		
Cash and cash equivalents	\$ 353,084	\$ 347,526
Restricted cash reserves	34,375	24,868
Cash, cash equivalents, and restricted cash reserves	<u>\$ 387,459</u>	<u>\$ 372,394</u>
Interest paid	<u>\$ 35,621</u>	<u>\$ 35,618</u>
Income taxes paid (refunded)	<u>\$ 155</u>	<u>\$ (56)</u>
Operating cash flow lease payments for operating leases	<u>\$ 3,222</u>	<u>\$ 3,436</u>
Supplemental investing and financing transactions		
In connection with the sales of hotel properties, the Company recorded the following:		
Sales price	\$ —	\$ 24,250
Transaction costs	(28)	(107)
Operating prorations	—	(22)
Proceeds from sales of hotel properties, net	<u>\$ (28)</u>	<u>\$ 24,121</u>
Supplemental non-cash transactions		
Accrued capital expenditures	\$ 10,748	\$ 23,967
Distributions payable	\$ 30,516	\$ 30,346

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q, as well as the information contained in our Annual Report, which is accessible on the SEC's website at www.sec.gov.

Statement Regarding Forward-Looking Information

The following information contains certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, 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 (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). 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 we believe 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 our actual results could differ materially from those set forth in the forward-looking statements.

Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. We caution investors not to place undue reliance on these forward-looking statements and urge investors to carefully review the disclosures we make concerning risks and uncertainties in the sections entitled "Special Note About Forward-Looking Statements," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report, as well as the risks, uncertainties and other factors discussed in this Quarterly Report on Form 10-Q and identified in other documents filed by us with the SEC.

Overview

We are a self-advised and self-administered Maryland REIT that owns primarily premium-branded, rooms-oriented, high-margin, focused-service and compact full-service hotels located within heart of demand locations. We own a geographically diversified portfolio of hotels located in urban markets that exhibit multiple demand generators and attractive long-term growth prospects. We believe that our investment strategy allows us to generate high levels of Revenue per Available Room ("RevPAR"), strong operating margins and attractive returns. Our focused-service and compact full-service hotels typically generate most of their revenue from room rentals, have limited food and beverage outlets and meeting space, and require fewer employees than traditional full-service hotels. We believe these types of hotels have the potential to generate attractive returns relative to other types of hotels due to their ability to achieve RevPAR levels at or close to those achieved by traditional full-service hotels while achieving higher profit margins due to their more efficient operating model and less volatile cash flows.

As of March 31, 2026, we owned 93 hotel properties with approximately 20,800 rooms, located in 23 states and the District of Columbia. We owned, through wholly-owned subsidiaries, a 100% interest in 91 of our hotel properties, a 95% controlling interest in one hotel property, and a 50% non-controlling interest in an entity owning one hotel property. We consolidate our real estate interests in the 92 hotel properties in which we hold a controlling interest, and we record the real estate interest in the one hotel property in which we hold an indirect 50% non-controlling interest using the equity method of accounting. We lease 92 of the 93 hotel properties to our TRSs, of which we own a controlling financial interest.

For U.S. federal income tax purposes, we elected to be taxed as a REIT commencing with our taxable year ended December 31, 2011. Substantially all of our assets and liabilities are held by, and all of our operations are conducted through our Operating Partnership. We are the sole general partner of the Operating Partnership. As of March 31, 2026, we owned, through a combination of direct and indirect interests, 99.5% of the units of limited partnership interest in the OP units.

2026 Significant Activities

Our significant activities reflect our commitment to creating long-term shareholder value through enhancing our hotel portfolio's quality, recycling capital and maintaining a prudent capital structure. The following significant activities have taken place in 2026:

- The completion of a series of refinancing transactions that will allow us to repay the 2026 Senior Notes prior to maturity in July 2026, including:
 - The refinancing of two mortgage loans that previously totaled approximately \$154.8 million to extend the initial maturities to April 2029 and provide incremental proceeds of \$9.6 million, consisting of \$23.4 million in additional proceeds and \$13.8 million in principal paydowns.
 - The recast of our \$600.0 million Revolver to extend the initial maturity to February 2030.
 - The refinancing of a term loan to extend the scheduled maturity to February 2031 and upsize it to a \$569.0 million delayed draw term loan, of which \$225.0 million has been funded and \$344.0 million of commitments remain available to be drawn by us.
 - The issuance of a new \$150.0 million delayed draw term loan which matures in February 2033.
- The approval of a new share repurchase program to acquire up to an aggregate of \$250.0 million of common and preferred shares from May 9, 2026 to May 8, 2027.

Our Customers

The majority of our hotels consist of premium-branded, focused-service and compact full-service hotels. As a result of this property profile, the majority of our customers are transient in nature. Transient business typically represents individual business or leisure travelers. The majority of our hotels are located in business districts within major metropolitan areas which benefit from a wide range of demand sources, including corporate, educational, government, leisure and international travel, among others. As a result, macroeconomic or political actions that impact these areas may have a significant effect on our business.

Group business is typically defined as a minimum of 10 guestrooms booked together as part of the same piece of business. Group business may or may not use the meeting space at any given hotel. Given the limited meeting space at the majority of our hotels, group business that utilizes meeting space represents a small component of our customer base.

A number of our hotel properties are affiliated with brands marketed toward extended-stay customers. Extended-stay customers are generally defined as those staying five nights or longer.

Our Revenues and Expenses

Our revenues are primarily derived from the operation of hotels, including the sale of rooms, food and beverage revenue and other revenue, which consists of parking fees, resort fees, gift shop sales and other guest service fees.

Our operating costs and expenses consist of the costs to provide hotel services, including room expense, food and beverage expense, management and franchise fees and other operating expenses. Room expense includes housekeeping and front office wages and payroll taxes, reservation systems, room supplies, laundry services and other costs. Food and beverage expense primarily includes the cost of food, the cost of beverages and the associated labor costs. Other operating expenses include labor and other costs associated with the other operating department revenue, as well as labor and other costs associated with administrative departments, sales and marketing, repairs and maintenance and utility costs. Our hotels that are subject to franchise agreements are charged a royalty fee, plus additional fees for marketing, central reservation systems and other franchisor costs, in order for the hotel properties to operate under the respective brands. Franchise fees are based on a percentage of room revenue and for certain hotels additional franchise fees are charged for food and beverage revenue. Our hotels are managed by independent, third-party management companies under long-term agreements pursuant to which the management companies typically earn base and incentive management fees based on the levels of revenues and profitability of each individual hotel property. We generally receive a cash distribution from the management companies on a monthly basis, which reflects hotel-level sales less hotel-level operating expenses.

Key Indicators of Financial Performance

We use a variety of operating, financial and other information to evaluate the operating performance of our business. These key indicators include financial information that is prepared in accordance with GAAP as well as other financial measures that are non-GAAP measures. In addition, we use other information that may not be financial in nature, including industry standard statistical information and comparative data. We use this information to measure the operating performance of our individual hotels, groups of hotels and/or business as a whole. We also use these metrics to evaluate the hotels in our portfolio and potential acquisition opportunities to determine each hotel's contribution to cash flow and its potential to provide attractive long-term total returns. The key indicators include:

- Average Daily Rate ("ADR")
- Occupancy
- RevPAR

ADR, Occupancy and RevPAR are commonly used measures within the lodging industry to evaluate operating performance. RevPAR is an important statistic for monitoring operating performance at the individual hotel property level and across our entire business. We evaluate individual hotel RevPAR performance on an absolute basis with comparisons to budget and prior periods, as well as on a regional and company-wide basis. ADR and RevPAR include only room revenue.

We also use non-GAAP measures such as FFO, Adjusted FFO, EBITDA, EBITDA^{re} and Adjusted EBITDA to evaluate the operating performance of our business. For a more in depth discussion of these non-GAAP measures, please refer to the "Non-GAAP Financial Measures" section. In addition, we use Hotel EBITDA, a non-GAAP financial measure, to assess operating performance. For a more in depth discussion of Hotel EBITDA, please refer to Note 14, Segment Information, to the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Critical Accounting Policies and Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of our financial statements and the reported amounts of revenues and expenses during the reporting period. It is possible that the actual amounts may differ significantly from these estimates and assumptions. We evaluate our estimates, assumptions and judgments on an ongoing basis, based on information that is available to us, our business and industry experience, and various other matters that we believe are reasonable and appropriate for consideration under the circumstances. Our Annual Report contains a discussion of our critical accounting policies and estimates. There have been no significant changes to our critical accounting policies and estimates since December 31, 2025.

Results of Operations

At March 31, 2026 and 2025, we owned 93 and 95 hotel properties, respectively. Based on when a hotel property is acquired or sold, the operating results for certain hotel properties are not comparable for the three months ended March 31, 2026 and 2025. The non-comparable properties include three hotel properties that were sold in 2025.

Comparison of the three months ended March 31, 2026 to the three months ended March 31, 2025

	For the three months ended March 31,		
	2026	2025	\$ Change
	(amounts in thousands)		
Revenues			
Operating revenues			
Room revenue	\$ 275,257	\$ 267,654	\$ 7,603
Food and beverage revenue	39,717	37,513	2,204
Other revenue	25,003	22,952	2,051
Total revenues	339,977	328,119	11,858
Expenses			
Operating expenses			
Room expense	72,732	70,851	1,881
Food and beverage expense	30,762	29,289	1,473
Management and franchise fee expense	25,074	25,202	(128)
Other operating expenses	96,426	91,711	4,715
Total property operating expenses	224,994	217,053	7,941
Depreciation and amortization	47,195	45,788	1,407
Property tax, insurance and other	26,972	27,203	(231)
General and administrative	12,979	12,646	333
Transaction costs	32	56	(24)
Total operating expenses	312,172	302,746	9,426
Other income, net	832	888	(56)
Interest income	2,938	3,255	(317)
Interest expense	(27,677)	(27,552)	(125)
(Loss) gain on sale of hotel properties, net	(3,647)	1,321	(4,968)
Loss on extinguishment of indebtedness, net	(373)	—	(373)
(Loss) income before equity in income from unconsolidated joint ventures	(122)	3,285	(3,407)
Equity in income from unconsolidated joint ventures	37	181	(144)
(Loss) income before income tax expense	(85)	3,466	(3,551)
Income tax expense	(264)	(294)	30
Net (loss) income	(349)	3,172	(3,521)
Net loss attributable to noncontrolling interests:			
Noncontrolling interest in the Operating Partnership	34	17	17
Noncontrolling interest in consolidated joint ventures	174	173	1
Net (loss) income attributable to RLJ	(141)	3,362	(3,503)
Preferred dividends	(6,279)	(6,279)	—
Net loss attributable to common shareholders	\$ (6,420)	\$ (2,917)	\$ (3,503)

Revenues

Total revenues increased \$11.9 million to \$340.0 million for the three months ended March 31, 2026 from \$328.1 million for the three months ended March 31, 2025. The increase was the result of a \$7.6 million increase in room revenue, a \$2.2 million increase in food and beverage revenue and a \$2.1 million increase in other revenue.

Room Revenue

Room revenue increased \$7.6 million to \$275.3 million for the three months ended March 31, 2026 from \$267.7 million for the three months ended March 31, 2025. The increase was the result of a \$12.5 million increase in room revenue attributable to the comparable properties and a \$4.9 million decrease in room revenue attributable to the non-comparable properties. The increase in room revenue from the comparable properties was driven by an increase in leisure and corporate travel, in addition to the ramp up of our recently renovated hotels.

The following are the quarter-to-date key hotel operating statistics for the comparable properties:

	For the three months ended March 31,	
	2026	2025
Occupancy	70.8 %	69.0 %
ADR	\$ 209.91	\$ 205.51
RevPAR	\$ 148.55	\$ 141.80

Food and Beverage Revenue

Food and beverage revenue increased \$2.2 million to \$39.7 million for the three months ended March 31, 2026 from \$37.5 million for the three months ended March 31, 2025. The increase in food and beverage revenue was primarily due to increases in banquet and outlet revenue.

Other Revenue

Other revenue increased \$2.1 million to \$25.0 million for the three months ended March 31, 2026 from \$23.0 million for the three months ended March 31, 2025. The increase in other revenue was primarily due to an increase in gift shop sales, parking and amenity fees.

Property Operating Expenses

Property operating expenses increased \$7.9 million to \$225.0 million for the three months ended March 31, 2026 from \$217.1 million for the three months ended March 31, 2025. The increase was due to a \$11.7 million increase in property operating expenses from the comparable properties partially offset by a \$3.8 million decrease in property operating expenses from the non-comparable properties.

The components of our property operating expenses for the comparable properties were as follows (in thousands):

	For the three months ended March 31,		\$ Change
	2026	2025	
Room expense	\$ 72,718	\$ 69,703	\$ 3,015
Food and beverage expense	30,772	28,978	1,794
Management and franchise fee expense	25,074	24,594	480
Other operating expenses	96,406	89,999	6,407
Total property operating expenses	\$ 224,970	\$ 213,274	\$ 11,696

The increase in property operating expenses from the comparable properties was primarily due to increases in wages and benefits, as well as increases in room expenses and food expenses and increases in other operating expenses, including increases in utilities.

Depreciation and Amortization

Depreciation and amortization expense increased \$1.4 million to \$47.2 million for the three months ended March 31, 2026 from \$45.8 million for the three months ended March 31, 2025. The increase in depreciation and amortization expense was primarily related to our recently renovated hotels.

Property Tax, Insurance and Other

Property tax, insurance and other expense decreased \$0.2 million to \$27.0 million for the three months ended March 31, 2026 from \$27.2 million for the three months ended March 31, 2025.

General and Administrative

General and administrative expense increased \$0.3 million to \$13.0 million for the three months ended March 31, 2026 from \$12.6 million for the three months ended March 31, 2025.

Other Income, net

Other income, net decreased \$0.1 million to \$0.8 million for the three months ended March 31, 2026 from \$0.9 million for the three months ended March 31, 2025.

Interest Income

Interest income decreased \$0.3 million to \$2.9 million for the three months ended March 31, 2026 from \$3.3 million for the three months ended March 31, 2025.

Interest Expense

Interest expense increased \$0.1 million to \$27.7 million for the three months ended March 31, 2026 from \$27.6 million for the three months ended March 31, 2025. The components of our interest expense for the three months ended March 31, 2026 and 2025 were as follows (in thousands):

	For the three months ended March 31,		\$ Change
	2026	2025	
Senior Notes	\$ 9,688	\$ 9,688	\$ —
Revolver and Term Loans	13,970	13,534	436
Mortgage loans	2,127	2,355	(228)
Amortization of deferred financing costs	1,892	1,831	61
Non-cash interest expense related to interest rate hedges	—	144	(144)
Total interest expense	<u>\$ 27,677</u>	<u>\$ 27,552</u>	<u>\$ 125</u>

(Loss) Gain on Sale of Hotel Properties, net

During the three months ended March 31, 2026, we recorded a \$3.6 million net loss on the sale of a hotel property, due to the fair value write down related to the sale that is expected to close during the second quarter of 2026. During the three months ended March 31, 2025, we sold one hotel property for a sales price of \$24.3 million and recorded a net gain on the sale of \$1.3 million.

Non-GAAP Financial Measures

We consider the following non-GAAP financial measures useful to investors as key supplemental measures of our performance: (1) FFO, (2) Adjusted FFO, (3) EBITDA, (4) EBITDA_{re} and (5) Adjusted EBITDA. These non-GAAP financial measures should be considered along with, but not as alternatives to, net income or loss as a measure of our operating performance. FFO, Adjusted FFO, EBITDA, EBITDA_{re}, and Adjusted EBITDA, as calculated by us, may not be comparable to FFO, Adjusted FFO, EBITDA, EBITDA_{re} and Adjusted EBITDA as reported by other companies that do not define such terms exactly as we define such terms.

Funds From Operations

We calculate funds from operations ("FFO") in accordance with standards established by the National Association of Real Estate Investment Trusts ("NAREIT"), which defines FFO as net income or loss, excluding gains or losses from sales of real estate, impairment, the cumulative effect of changes in accounting principles, plus depreciation and amortization, and adjustments for unconsolidated partnerships and joint ventures. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, most real estate industry investors consider FFO to be helpful in evaluating a real estate company's operations. We believe that the presentation of FFO provides useful information to investors regarding our operating performance and can facilitate comparisons of operating performance between periods and between REITs, even though FFO does not represent an amount that accrues directly to common shareholders. Our calculation of FFO may not be comparable to measures calculated by other companies who do not use the NAREIT definition of FFO or do not calculate FFO per diluted share in accordance with NAREIT guidance. Additionally, FFO may not be helpful when comparing us to non-REITs. We present FFO attributable to common shareholders, which includes our OP units, because our OP units may be redeemed for common shares. We believe it is meaningful for the investor to understand FFO attributable to all common shares and OP units.

We further adjust FFO for certain additional items that are not in NAREIT's definition of FFO, such as transaction costs, pre-opening costs, gains or losses on extinguishment of indebtedness, non-cash income tax expense or benefit, amortization of share-based compensation, non-cash interest expense related to discontinued interest rate hedges, derivative gains or losses in accumulated other comprehensive income reclassified to earnings, and certain other income or expenses that we consider outside the normal course of operations. We believe that Adjusted FFO provides useful supplemental information to investors regarding our ongoing operating performance that, when considered with net income and FFO, is beneficial to an investor's understanding of our operating performance.

The following table is a reconciliation of our GAAP net (loss) income to FFO attributable to common shareholders and unitholders and Adjusted FFO attributable to common shareholders and unitholders for the three months ended March 31, 2026 and 2025 (in thousands):

	For the three months ended March 31,	
	2026	2025
Net (loss) income	\$ (349)	\$ 3,172
Preferred dividends	(6,279)	(6,279)
Depreciation and amortization	47,195	45,788
Loss (gain) on sale of hotel properties, net	3,647	(1,321)
Noncontrolling interest in consolidated joint ventures	174	173
Adjustments related to consolidated joint venture (1)	(50)	(49)
Adjustments related to unconsolidated joint venture (2)	224	244
FFO	44,562	41,728
Transaction costs	32	56
Pre-opening costs (3)	298	399
Loss on extinguishment of indebtedness, net	373	—
Amortization of share-based compensation	3,656	4,349
Non-cash interest expense related to discontinued interest rate hedges	—	144
Other expenses (4)	597	244
Adjusted FFO	\$ 49,518	\$ 46,920

- (1) Includes depreciation and amortization expense allocated to the noncontrolling interest in the consolidated joint venture.
- (2) Includes our ownership interest in the depreciation and amortization expense of the unconsolidated joint venture.
- (3) Represents expenses related to the brand conversions of certain hotel properties prior to opening.
- (4) Represents expenses and income outside of the normal course of operations.

EBITDA and EBITDAre

EBITDA is defined as net income or loss excluding: (1) interest expense; (2) income tax expense; and (3) depreciation and amortization expense. We consider EBITDA useful to an investor in evaluating and facilitating comparisons of our operating performance between periods and between REITs by removing the impact of our capital structure (primarily interest expense) and asset base (primarily depreciation and amortization expense) from our operating results. In addition, EBITDA is used as one measure in determining the value of hotel acquisitions and disposals.

In addition to EBITDA, we present EBITDAre in accordance with NAREIT guidelines, which defines EBITDAre as net income or loss excluding interest expense, income tax expense, depreciation and amortization expense, gains or losses from sales of real estate, impairment, and adjustments for unconsolidated joint ventures. We believe that the presentation of EBITDAre provides useful information to investors regarding our operating performance and can facilitate comparisons of operating performance between periods and between REITs.

We also present Adjusted EBITDA, which includes additional adjustments for items such as transaction costs, pre-opening costs, gains or losses on extinguishment of indebtedness, amortization of share-based compensation, derivative gains or losses in accumulated other comprehensive income reclassified to earnings, and certain other income or expenses that we consider outside the normal course of operations. We believe that Adjusted EBITDA provides useful supplemental information to investors regarding our ongoing operating performance that, when considered with net income, EBITDA, and EBITDAre, is beneficial to an investor's understanding of our operating performance.

The following table is a reconciliation of our GAAP net (loss) income to EBITDA, EBITDAre and Adjusted EBITDA for the three months ended March 31, 2026 and 2025 (in thousands):

	For the three months ended March 31,	
	2026	2025
Net (loss) income	\$ (349)	\$ 3,172
Depreciation and amortization	47,195	45,788
Interest expense, net of interest income	24,739	24,297
Income tax expense	264	294
Adjustments related to unconsolidated joint venture (1)	420	316
EBITDA	72,269	73,867
Loss (gain) on sale of hotel properties, net	3,647	(1,321)
EBITDAre	75,916	72,546
Transaction costs	32	56
Pre-opening costs (2)	298	399
Loss on extinguishment of indebtedness, net	373	—
Amortization of share-based compensation	3,656	4,349
Other expenses (3)	597	244
Adjusted EBITDA	\$ 80,872	\$ 77,594

(1) Includes our ownership interest in the interest, depreciation, and amortization expense of the unconsolidated joint venture.

(2) Represents expenses related to the brand conversions of certain hotel properties prior to opening.

(3) Represents expenses and income outside of the normal course of operations.

Liquidity and Capital Resources

Our liquidity requirements consist primarily of the funds necessary to pay for operating expenses and other expenditures directly associated with our hotel properties, including:

- funds necessary to pay for the costs of acquiring hotel properties;
- redevelopments, conversions, renovations and other capital expenditures that need to be made periodically to our hotel properties;
- recurring maintenance and capital expenditures necessary to maintain our hotel properties in accordance with brand standards;

- interest expense and scheduled principal payments on outstanding indebtedness;
- distributions on common and preferred shares;
- share repurchases under our share repurchase programs; and
- corporate and other general and administrative expenses.

As of March 31, 2026, we had \$387.5 million of cash, cash equivalents, and restricted cash reserves as compared to \$442.1 million at December 31, 2025.

Sources and Uses of Cash

Cash flows from Operating Activities

The net cash flow provided by operating activities totaled \$26.2 million and \$16.3 million for the three months ended March 31, 2026 and 2025, respectively. Our cash flows provided by operating activities generally consist of the net cash generated by our hotel operations, the cash paid for corporate expenses and other working capital changes. Refer to the "Results of Operations" section for further discussion of our operating results for the three months ended March 31, 2026 and 2025.

Cash flows from Investing Activities

The net cash flow used in investing activities totaled \$28.4 million for the three months ended March 31, 2026 primarily due to capital improvements and additions to our hotel properties and other assets.

The net cash flow used in investing activities totaled \$23.7 million for the three months ended March 31, 2025 primarily due to \$46.8 million in capital improvements and additions to our hotel properties and other assets and a purchase deposit of \$1.0 million. The net cash flow used in investing activities was partially offset by \$24.1 million in proceeds from the sale of a hotel property.

Cash flows from Financing Activities

The net cash flow used in financing activities totaled \$52.4 million for the three months ended March 31, 2026 primarily due to \$5.4 million in repayments of mortgage loans, \$29.6 million in distributions to shareholders and unitholders, \$3.1 million paid to repurchase common shares to satisfy employee tax withholding requirements, and \$14.4 million in deferred financing cost payments.

The net cash flow used in financing activities totaled \$53.6 million for the three months ended March 31, 2025 primarily due to \$20.8 million paid to repurchase common shares under a share repurchase program, \$29.6 million in distributions to shareholders and unitholders, and \$3.1 million paid to repurchase common shares to satisfy employee tax withholding requirements.

Capital Expenditures and Reserve Funds

We maintain each of our hotel properties in good repair and condition and in conformity with applicable laws and regulations, franchise agreements and management agreements. The cost of routine improvements and alterations are paid out of FF&E reserves, which are funded by a portion of each hotel property's gross revenues. Routine capital expenditures may be administered by the property management companies. However, we have approval rights over the capital expenditures as part of the annual budget process for each of our hotel properties.

From time to time, certain of our hotel properties may undergo renovations as a result of our decision to upgrade portions of the hotels, such as guestrooms, public space, meeting space, and/or restaurants, in order to better compete with other hotels and alternative lodging options in our markets. In addition, upon acquisition of a hotel property we often are required to complete a property improvement plan in order to bring the hotel up to the respective franchisor's standards. If permitted by the terms of the management agreement, funding for a renovation will first come from the FF&E reserves. To the extent that the FF&E reserves are not available or sufficient to cover the cost of the renovation, we will fund all or the remaining portion of the renovation with cash and cash equivalents on hand, our Revolver and/or other sources of available liquidity.

With respect to some of our hotels that are operated under franchise agreements with major national hotel brands and for some of our hotels subject to first mortgage liens, we are obligated to maintain FF&E reserve accounts for future capital expenditures at these hotels. The amount funded into each of these reserve accounts is generally determined pursuant to the management agreements, franchise agreements and/or mortgage loan documents for each of the respective hotels, and typically ranges between 4.0% and 5.0% of the respective hotel's total gross revenue. As of March 31, 2026, approximately \$34.4 million was held in FF&E reserve accounts for future capital expenditures.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk includes the risks that arise from changes in interest rates, equity prices and other market changes that affect market sensitive instruments. Our primary market risk exposure is to changes in interest rates on our variable rate debt. As of March 31, 2026, we had approximately \$1.2 billion of total variable rate debt outstanding (or 53.4% of total indebtedness) with a weighted-average interest rate of 5.14% per annum. After taking into consideration the effect of interest rate swaps, 72.7% of our total indebtedness was fixed or effectively fixed. As of March 31, 2026, if market interest rates on our variable rate debt not subject to interest rate swaps were to increase by 1.00%, or 100 basis points, interest expense would decrease future earnings and cash flows by approximately \$6.0 million annually, taking into account our existing contractual hedging arrangements.

Our interest rate risk objectives are to limit the impact of interest rate fluctuations on earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, we manage our exposure to fluctuations in market interest rates through the use of fixed rate debt instruments to the extent that reasonably favorable rates are obtainable. We have entered into derivative financial instruments such as interest rate swaps to mitigate our interest rate risk or to effectively lock the interest rate on a portion of our variable rate debt. We do not enter into derivative or interest rate transactions for speculative purposes.

The following table provides information about our financial instruments that are sensitive to changes in interest rates. For debt obligations outstanding as of March 31, 2026, the following table presents the principal repayments and related weighted-average interest rates by contractual maturity dates (in thousands):

	2026	2027	2028	2029	2030	Thereafter	Total
Fixed rate debt (1)(2)(3)	\$ 500,000	\$ —	\$ —	\$ 525,000	\$ —	\$ —	\$ 1,025,000
Weighted-average interest rate	3.75 %	— %	— %	4.05 %	— %	— %	3.90 %
Variable rate debt (1)	\$ —	\$ 500,000	\$ 300,000	\$ 149,400	\$ —	\$ 225,000	\$ 1,174,400
Weighted-average interest rate (4)	— %	4.89 %	5.41 %	5.00 %	— %	5.41 %	5.14 %
Total	\$ 500,000	\$ 500,000	\$ 300,000	\$ 674,400	\$ —	\$ 225,000	\$ 2,199,400

(1) Excludes \$6.6 million, \$0.5 million and \$3.0 million of net deferred financing costs on the Term Loans, mortgage loans and Senior Notes, respectively.

(2) Excludes \$1.0 million related to a fair value adjustment on debt from purchase price allocation at hotel property acquisition.

(3) The principal repayments for 2026 include our 2026 Senior Notes maturing in July 2026, which we intend to repay prior to maturity using the incremental proceeds from our first quarter 2026 refinancing transactions, as discussed in Note 6, Debt, to our accompanying consolidated financial statements.

(4) The weighted-average interest rate gives effect to interest rate swaps, as applicable.

Our ultimate realized gain or loss with respect to interest rate fluctuations will depend on the exposures that arise during future periods, prevailing interest rates and our hedging strategies at that time.

Changes in market interest rates on our fixed rate debt impact the fair value of our debt, but such changes have no impact on our consolidated financial statements. As of March 31, 2026, the estimated fair value of our fixed rate debt was \$991.9 million, which was based on having the same debt service requirements that could have been borrowed at the date presented, at prevailing current market interest rates. If interest rates were to rise by 1.00%, or 100 basis points, and our fixed rate debt balance remained constant, we expect the fair value of our debt would decrease by approximately \$17.2 million.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

In accordance with Rule 13a-15(b) of the Exchange Act, the Company's management, under the supervision and participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of March 31, 2026.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15 and 15d-15 of the Exchange Act) during the period ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The nature of the operations of our hotels exposes our hotel properties, the Company and the Operating Partnership to the risk of claims and litigation in the normal course of their business. Other than routine litigation arising out of the ordinary course of business, the Company is not presently subject to any material litigation nor, to the Company's knowledge, is any material litigation threatened against the Company.

Item 1A. Risk Factors

For a discussion of our potential risks and uncertainties, please refer to the "Risk Factors" section in our Annual Report, which is accessible on the SEC's website at www.sec.gov. There have been no material changes to the risk factors previously disclosed in our Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

The Company did not sell any securities during the quarter ended March 31, 2026 that were not registered under the Securities Act.

Issuer Purchases of Equity Securities

The following table summarizes all of the share repurchases during the three months ended March 31, 2026:

Period	Total number of shares purchased (1)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs (2)
January 1, 2026 through January 31, 2026	2,484	\$ 7.45	—	33,072,528
February 1, 2026 through February 28, 2026	144,395	\$ 8.29	—	30,639,511
March 1, 2026 through March 31, 2026	252,496	\$ 7.60	—	33,117,100
Total	399,375		—	

- (1) Includes surrendered common shares owned by certain employees to satisfy their statutory minimum federal and state tax obligations associated with the vesting of restricted common shares of beneficial interest issued under the 2021 Plan.
- (2) A share repurchase program to acquire up to an aggregate of \$250.0 million of common and preferred shares was approved in April 2025 and is set to expire on May 8, 2026 (the "2025 Share Repurchase Program"). The maximum number of shares that may yet be repurchased under the 2025 Share Repurchase Program is calculated by dividing the total dollar amount available to repurchase shares by the closing price of our common shares on the last business day of the respective month.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the three months ended March 31, 2026, none of the Company's trustees or officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 6. Exhibits

The exhibits required to be filed by Item 601 of Regulation S-K are noted below:

Exhibit Index

Exhibit Number	Description of Exhibit
3.1	Articles of Amendment and Restatement of Declaration of Trust of RLJ Lodging Trust (incorporated by reference to Exhibit 3.1 to Amendment No. 4 to the Registrant's Registration Statement on Form S-11 (File No. 333-172011) filed on May 5, 2011)
3.2	Articles of Amendment to Articles of Amendment and Restatement of Declaration of Trust of RLJ Lodging Trust (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on May 7, 2015)
3.3	Articles of Amendment to Articles of Amendment and Restatement of Declaration of Trust of RLJ Lodging Trust (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on May 5, 2016)
3.4	Articles Supplementary to Articles of Amendment and Restatement of Declaration of Trust (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on February 26, 2015)
3.5	Articles Supplementary designating RLJ Lodging Trust's \$1.95 Series A Cumulative Convertible Preferred Shares, par value \$0.01 per share (incorporated by reference to Exhibit 3.5 to the Registrant's Form 8-A filed on August 30, 2017)
3.6	Third Amended and Restated Bylaws of RLJ Lodging Trust (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on May 5, 2016)
10.1†	Sixth Amended and Restated Credit Agreement, dated as of February 11, 2026, by and among RLJ Lodging Trust, L.P., RLJ Lodging Trust, Wells Fargo Bank National Association, as Administrative Agent and a lender, and the other agents and lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on February 18, 2026)
10.2	Sixth Amended and Restated Guaranty, dated as of February 11, 2026, by and among RLJ Lodging Trust, certain subsidiaries of RLJ Lodging Trust party thereto and Wells Fargo Bank National Association, as Administrative Agent (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on February 18, 2026)
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and included in Exhibit 101)

Submitted electronically with this report

Submitted electronically with this report

Submitted electronically with this report

Submitted electronically with this report

Submitted electronically with this report

Submitted electronically with this report

Submitted electronically with this report

†RLJ Lodging Trust has omitted certain schedules and exhibits pursuant to Item 601(a) of Regulation S-K and shall furnish supplementally to the SEC copies of any of the omitted schedules and exhibits upon request by the SEC.

*Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: May 4, 2026	RLJ LODGING TRUST /s/ LESLIE D. HALE Leslie D. Hale President and Chief Executive Officer
Dated: May 4, 2026	/s/ NIKHIL BHALLA Nikhil Bhalla Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
Dated: May 4, 2026	/s/ CHRISTOPHER A. GORMSEN Christopher A. Gormsen Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Leslie D. Hale, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of RLJ Lodging Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 4, 2026

/s/ LESLIE D. HALE

Leslie D. Hale

President and Chief Executive Officer

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Nikhil Bhalla, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of RLJ Lodging Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 4, 2026

/s/ NIKHIL BHALLA

Nikhil Bhalla

Senior Vice President, Chief Financial Officer and Treasurer

**Certification Pursuant To
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of RLJ Lodging Trust (the “Company”) on Form 10-Q for the quarter ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Leslie D. Hale, President and Chief Executive Officer of the Company, and I, Nikhil Bhalla, Senior Vice President, Chief Financial Officer and Treasurer of the Company, certify, to our knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 4, 2026

/s/ LESLIE D. HALE

Leslie D. Hale

President and Chief Executive Officer

/s/ NIKHIL BHALLA

Nikhil Bhalla

Senior Vice President, Chief Financial Officer and Treasurer