

## **RLJ LODGING TRUST RELAUNCHES ICONIC CHARLESTON, SC PROPERTY, THE MILLS HOUSE HOTEL, A CURIO COLLECTION HOTEL BY HILTON**

**Bethesda, MD, September 12, 2022** – [RLJ Lodging Trust](#) (the “Company”) (NYSE: RLJ) today announced the relaunch on October 1, 2022 of The [Mills House Hotel](#) (“Mills House”), located in the heart of downtown Charleston’s historic French Quarter neighborhood, following a transformative conversion to a lifestyle hotel and affiliation with the Curio Collection by Hilton.

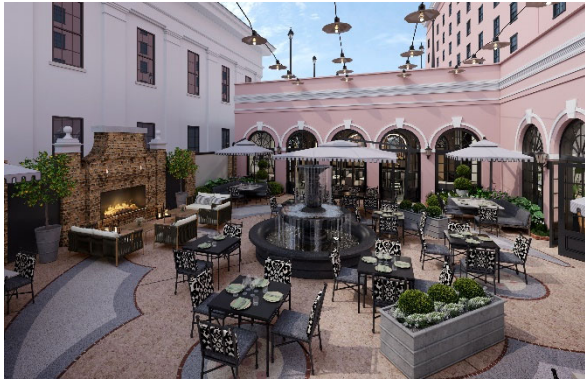
The transformative repositioning of this 218 room iconic property included a complete reimagining of all of the original guest rooms and the addition of premium suites, while maintaining the old-world charm and warmth Charleston is known for. Guests will enter through a lush hidden garden, one of many new bespoke spaces, which also include a new rooftop bar and terrace. The hotel will now offer multiple new food and beverage concepts, including The Black Door Café, aptly named after the paneled door on Queen Street that is the quintessential Charleston moment shared across social media by visitors to The Holy City. Tucked inside the walled courtyard of the Mills House, and soon to be one of Charleston’s hidden gems, is The Iron Rose, where guests can enjoy the true spirit and taste of Charleston by the outdoor fireplace. In joining the Curio Collection by Hilton as the brand’s first property in South Carolina, The Mills House can capture an expanded audience of experiential travelers interested in hotels with a true sense of place and lifestyle offerings.

“We are excited to relaunch this Charleston landmark as a premium, lifestyle-oriented hotel that exemplifies the rich history and immersive Southern Hospitality experience that Charleston is known for. Charleston is consistently voted as a top destination to visit by experiential travelers,” says Leslie D. Hale, President and Chief Executive Officer. “The outstanding reimagining of the property and brand repositioning increases our exposure to the fast-growing lifestyle segment, further enhances our footprint in a premium destination market and positions us to unlock significant underlying real estate value embedded in this asset. Given the growth in the Charleston market, we believe this renovation will outperform our expected +50% IRR we had originally underwritten. This repositioning also speaks to the breadth and depth of our platform and the ability of our team to deliver complex renovation and value creating projects.”



### **A Charleston Icon Reimagined**

As Charleston’s iconic and beloved pink landmark, Mills House exemplifies a commitment to Southern hospitality and a refined, welcoming guest experience. The property was originally established in 1853 by local entrepreneur Otis Mills and was later reconstructed in the 1960s. Guests visiting Mills House will experience modern, sophisticated design aesthetics with comfortable yet luxurious touches that elevate the Southern lifestyle.



Upon arrival, guests will enter through a lush, intimate hidden garden complete with outdoor fireplaces and shade canopies. Throughout the first-floor communal spaces, including the lobby and courtyard, the hotel's design seamlessly blends the indoor and outdoor living style synonymous with the Lowcountry. Inspired by a traditional southern porch, the lobby area captures rich natural light through expansive glass windows to offer guests an inviting, approachable space in which to start or end their day. Just beyond the lobby, the hotel's

courtyard represents an extension of the interior space that pays homage to the original design by famed Charleston landscape architect Loutrel Briggs while providing a tranquil, elevated gathering spot for guests.

A standout property amenity, the hotel's renovated second-floor pool deck and terrace features sophisticated, bold touches of black and white with hints of the building's signature pink throughout the design palette. A new pool bar has been added, allowing guests to enjoy beverages throughout the redesigned space. Chaise lounges and secluded cabanas line the pool while lush landscaping, intimate seating and the covered outdoor bar anchor the terrace.

On the hotel's upper floors, the fully renovated guest rooms bring a fresh, timeless elegance and luxurious residential feel. Guests will find modern, stylish furnishings; pops of rich color in the city's namesake Charleston Green; original artwork by Southeastern artist Tracy Murrell; and sleek, multi-functional design elements in the bathrooms.

Alongside updates to the community spaces and guest rooms, the hotel's transformative renovations include the addition of two new dining concepts – The Black Door Café and The Iron Rose. The Black Door Café offers a vibrant all-day café atmosphere combined with a casual coffee bar. Open to hotel guests and locals alike, the café features a robust coffee program featuring renowned roasters La Colombe, pastries and breakfast sandwiches, light salads, thoughtfully prepared grab-and-go items, and a selection of retail items from local purveyors. The Iron Rose will debut as the hotel's new full-service restaurant, offering a convivial atmosphere for both indoor and outdoor courtyard dining featuring contemporary American, seasonal dishes that spotlight local ingredients. With Charleston's exemplary dining scene garnering national acclaim, The Iron Rose will firmly secure Mills House at the top of any culinary enthusiast's itinerary.



As a repositioned Curio Collection by Hilton property, Mills House joins a global portfolio of more than 115 one-of-a-kind hotels and resorts in nearly 30 countries and territories. The collection provides authentic, curated experiences through distinctly local and elevated amenities, while offering the benefits of Hilton and its award-winning guest loyalty program, Hilton Honors.

## Premier Location in the Heart of Charleston



Mills House is located on the corner of Queen and Meeting Streets in Charleston's historic downtown, in an irreplaceable location on the peninsula within walking distance of local art galleries, world-class shopping, renowned dining establishments, and historic city sites. The property is also just a short drive from attractions off the peninsula, including area beaches, famed gardens, event venues and more. A top leisure growth market with more than 7 million visitors

annually and a population growth rate three times the national average, Charleston has been named the "No. 1 Small U.S. City" for the eighth year in a row by *Condé Nast Traveler* magazine's Readers' Choice Awards and the "No. 1 City in the U.S." for the tenth year in a row by *Travel + Leisure* magazine's World's Best Awards. With daily non-stop flights from 37 cities in the U.S. and easy drive-in access from major markets throughout the Southeast including Charlotte and Atlanta, Charleston is beloved for its rich history, southern charm, and a deep culture rooted in hospitality.

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### **About RLJ Lodging Trust:**

RLJ Lodging Trust is a self-advised, publicly traded real estate investment trust that owns primarily premium-branded, high-margin, focused-service and compact full-service hotels. The Company's portfolio currently consists of 96 hotels with approximately 21,200 rooms, located in 23 states and the District of Columbia and an ownership interest in one unconsolidated hotel with 171 rooms. For more information, please visit the website at [www.rjlodgingtrust.com](http://www.rjlodgingtrust.com).

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## **Forward Looking Statements**

*This information contains certain statements, other than purely historical information, including estimates, projections, statements relating to the Company's business plans, objectives and expected operating results, measures being taken in response to the COVID-19 pandemic, and the impact of the COVID-19 pandemic on our business, and the assumptions upon which those statements are based, that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally are identified by the use of the words "believe," "project," "expect," "anticipate," "estimate," "plan," "may," "will," "will continue," "intend," "should," "may," or similar expressions. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, beliefs and expectations, such forward-looking statements are not predictions of future events or guarantees of future performance and the Company's actual results could differ materially from those set forth in the forward-looking statements. Some factors that might cause such a difference include the following: the current global economic uncertainty and a worsening of global economic conditions or low levels of economic growth; the duration and scope of the COVID-19 pandemic and its impact on the demand for travel and on levels of consumer confidence; actions governments, businesses and individuals take in response to the pandemic, the impact of the pandemic on global and regional economies, travel, and economic activity; public adoption rates of COVID-19 vaccines, including booster shots, and their effectiveness against emerging variants of COVID-19, such as the Delta and Omicron variants, and the pace of recovery when the COVID-19 pandemic subsides; increased direct and indirect competition, changes in government regulations or accounting rules; changes in local, national and global real estate conditions; declines in the lodging industry; seasonality of the lodging industry; risks related to natural disasters, such as earthquakes and hurricanes; hostilities, including international military conflicts, future terrorist attacks or fear of hostilities that affect travel, public health and/or economic activity and epidemics and/or pandemics, including COVID-19; the Company's ability to obtain lines of credit or permanent financing on satisfactory terms; changes in interest rates; access to capital through offerings of the Company's common and preferred shares of beneficial interest, or debt; the Company's ability to identify suitable acquisitions; the Company's ability to close on identified acquisitions and integrate those businesses; and inaccuracies of the Company's accounting estimates. Moreover, investors are cautioned to interpret many of the risks identified under the section entitled "Risk Factors" in the Company's Form 10-K for the year ended December 31, 2021, as being heightened as a result of the ongoing and numerous adverse impacts of the COVID-19 pandemic. Given these uncertainties, undue reliance should not be placed on such statements. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The Company cautions investors not to place undue reliance on these forward looking statements and urges investors to carefully review the disclosures the Company makes concerning risks and uncertainties in the sections entitled "Risk Factors," "Forward- Looking Statements," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report, as well as risks, uncertainties and other factors discussed in other documents filed by the Company with the Securities and Exchange Commission.*

2022 Conversion | The Mills House Hotel

**Location:** Charleston, SC  
**Incremental Investment:** \$6.0 -7.0M  
**Conversion Relaunch:** October 1, 2022  
**Rooms:** 218 Rooms & Suites  
**Value Creation Summary:** Addition of new premium suites, new F&B concepts, addition of a pool bar, reimagined public space, and complete guestroom renovations



Bullseye Asset

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

Conversion Thesis

- Irreplaceable location
- Desirable, long-term growth market
- Conversion accretive to RLJ:
  - +900 bps RevPAR index
  - +20% incremental ADR
  - 50%+ Unlevered IRR



Market Highlights | Charleston

- **Charleston is a drive-to, growth market with strong fundamentals**
  - Population growth rate is 3x the national average
  - Over 7 million in annual visitors
  - Ranked “#1 City in U.S.” (for the tenth consecutive year) by *Travel + Leisure*
- **Strong Lodging fundamentals**
  - Charleston RevPAR in 2022 projected to exceed 2019 by 17% vs. 4% for the U.S.
- **Charleston Historic District is a strong submarket**
  - Charleston CBD RevPAR +60% higher than overall market and +80% vs. U.S. (2019)



Value Creation Highlights | The Mills House Hotel

- **Repositioned lifestyle hotel affiliated with the Curio Collection by Hilton**
  - Attract higher rated Hilton Honors members
  - Expands RLJ’s exposure in the lifestyle segment
  - Expect to significantly increase market share by 20%
- **Conversion expected to unlock significant real estate value**
  - Cap-rate compression with Curio brand
  - Irreplaceable, high-barrier to entry location
  - 50%+ Unlevered IRR
- **Phase II ROI opportunities expected to generate incremental cash flow**
  - Evaluating opportunity to create new rooftop bar and catering space
  - Phase II ROIs should generate an incremental \$1M in EBITDA, not included in original underwriting

