

Press Release

RLJ Lodging Trust Acquires AC Hotel by Marriott Boston Downtown

Bethesda, MD, October 25, 2021 – RLJ Lodging Trust (the “Company”) (NYSE: RLJ) today announced that it has acquired the fee simple interest in the recently constructed 205-room AC Hotel by Marriott Boston Downtown (the “Hotel”) for a purchase price of \$89.0 million, or approximately \$434,000 per key. The purpose-built hotel opened in 2018 and is located within the mixed-use Ink Block development in Downtown Boston. Upon stabilization the Hotel is expected to generate 7.5% to 8.0% NOI yield. The Company funded the acquisition with existing cash on its balance sheet.

“We are pleased to expand our footprint in Boston Downtown by acquiring this recently-built asset in the heart of Boston’s fast-growing, life sciences and technology core,” commented Leslie D. Hale, President and Chief Executive Officer. “We are confident that the addition of this Hotel will enhance our portfolio’s growth profile throughout this cycle and fits our investment thesis of buying premium-branded hotels within growth markets. This off-market acquisition also demonstrates our team’s ability to source attractive opportunities at discounts to both replacement cost and pre-COVID pricing. Our strong balance sheet positions us extremely well to continue to pursue additional external growth opportunities.”

The AC Hotel Boston Downtown is located within the newly developed Ink Block hub, a vibrant mixed-use development nestled in Boston’s South End neighborhood. The Ink Block development transformed the site of the former Boston Herald headquarters. As the only hotel in the four-phase development, the property is well-positioned to benefit from the significant growth of office and life science laboratory space in the immediate area. As of the second quarter of 2021, approximately 4 million square feet (“SF”) of office space and 1.7 million SF of laboratory space was under development within close



proximity to the property. The Hotel is also well-positioned to benefit from its proximity to two of the city’s top hospitals, Tufts Medical Center and Boston Medical Center. The Ink Block development is adjacent to the fast-developing Seaport District, which is home to a diverse base of corporate demand generators including Amazon, General Electric, Gillette, Reebok, PwC, Roche, Fidelity, AstraZeneca, and Vertex.

Boston is expected to be one of the highest lodging demand growth markets in the country and is poised to benefit from the growth of life sciences, healthcare, technology, finance, education, and government sectors, as well as tourism and conventions. In 2019, Boston achieved the 5th highest Revenue per available room (“RevPAR”) of the Top 25 lodging markets in the United States. Additionally, Boston benefits from significant inbound domestic and international travel, with Boston’s Logan International Airport experiencing record-breaking volume of 42.5 million passengers in 2019. Anchored by two large convention centers, Boston is a top destination for group events and also benefits from leisure demand associated with major sporting events.

The AC Hotels by Marriott lifestyle brand features modern, purposefully designed spaces and guestrooms that attract both business and leisure guests. The AC Hotel by Marriott Boston Downtown offers sleek furnishings, curated artwork, and intuitive technology. Hotel amenities include the AC Lounge bar, AC Kitchen, AC Store, state-of-the art fitness center, approximately 2,500 SF of flexible and customizable meeting space, outdoor patios, on-site parking, as well as car charging stations.



With the acquisition of the AC Hotel Boston Downtown, the Company now owns three hotels in the Boston market and is expanding its overall brand collection to include lifestyle brands.

About Us

RLJ Lodging Trust is a self-advised, publicly traded real estate investment trust that owns primarily premium-branded, high-margin, focused-service and compact full-service hotels. The Company's portfolio currently consists of 98 hotels with approximately 22,400 rooms, located in 23 states and the District of Columbia and an ownership interest in one unconsolidated hotel with 171 rooms.

Forward-Looking Statements

This information contains certain statements, other than purely historical information, including estimates, projections, statements relating to the Company's business plans, objectives and expected operating results, measures being taken in response to the COVID-19 pandemic, and the impact of the COVID-19 pandemic on our business, and the assumptions upon which those statements are based, that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally are identified by the use of the words "believe," "project," "expect," "anticipate," "estimate," "plan," "may," "will," "will continue," "intend," "should," or similar expressions. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, beliefs and expectations, such forward-looking statements are not predictions of future events or guarantees of future performance and the Company's actual results could differ materially from those set forth in the forward-looking statements. Some factors that might cause such a difference include the following: the current global economic uncertainty and a worsening of global economic conditions or low levels of economic growth; the duration and scope of the COVID-19 pandemic and its impact on the demand for travel and on levels of consumer confidence; actions governments, businesses and individuals take in response to the pandemic, including limiting or banning travel; the impact of the pandemic on global and regional economies, travel, and economic activity; the speed and effectiveness of vaccine and treatment developments and their deployment, including public adoption rates of COVID-19 vaccines and their effectiveness against emerging variants of COVID-19, such as the Delta variant; the pace of recovery when the COVID-19 pandemic subsides; the effects of steps we and our third party management partners take to reduce operating costs; increased direct competition, changes in government regulations or accounting rules; changes in local, national and global real estate conditions; declines in the lodging industry, including as a result of the COVID-19 pandemic; seasonality of the lodging industry; risks related to natural disasters, such as earthquakes and hurricanes; hostilities, including future terrorist attacks or fear of hostilities that affect travel and epidemics and/or pandemics, including COVID-19; the Company's ability to obtain lines of credit or permanent financing on satisfactory terms; changes in interest rates; access to capital through offerings of the Company's common and preferred shares of beneficial interest, or debt; the Company's ability to identify suitable acquisitions; the Company's ability to close on identified acquisitions and integrate those businesses; and inaccuracies of the Company's accounting estimates. Moreover, investors are cautioned to interpret many of the risks identified under the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 as being heightened as a result of the ongoing and numerous adverse impacts of the COVID-19 pandemic. Given these uncertainties, undue reliance should not be placed on such statements. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The Company cautions investors not to place undue reliance on these forward looking statements and urges investors to carefully review the disclosures the Company makes concerning risks and uncertainties in the sections entitled "Risk Factors," "Forward-Looking Statements," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, as well as risks, uncertainties and other factors discussed in other documents filed by the Company with the Securities and Exchange Commission.

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For additional information or to receive press releases via email, please visit our website:

<http://www.rljlodgingtrust.com>

AC Hotel by Marriott Boston Downtown

Location: Boston, MA
Acquisition Price: \$89.0M (\$434K per key)
Year Built: 2018
Rooms: 205 Rooms & Suites
Amenities: AC Lounge bar, AC Kitchen, Parking, 2.5K SF Meeting Space



Bullseye Deal

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

Investment Thesis

- High quality hotel
- Recently constructed asset
- A+ core location in high growth submarket
- Off-market transaction
- Lifestyle brand
- Accretive to RLJ:
 - ~\$200 stabilized RevPAR
 - ~40% stabilized margins
 - ~7.5% – 8.0% NOI yield



Boston Market Highlights

- **Growing and diversified economy**
 - Top life-sciences market in the country (CBRE, 2020)
- **Home to numerous Fortune 500 companies across diverse industries**
 - General Electric, Liberty Mutual, State Street, Wayfair, Biogen, Raytheon
- **Large college student population across 29 institutions in Boston metro area**
- **Boston Logan International Airport one of the nation’s busiest airports**
 - Terminal expansion currently underway | 42.5M annual passengers (2019)
- **Popular leisure, group, and sporting event destination**
- **Boston CBD hotel fundamentals outperform**
 - Downtown Submarket RevPAR +50% higher than Boston market (CBRE, 2019)

Submarket / Hotel Highlights

- **Part of the new, high-end *Ink Block* mixed-use development**
 - Anchored by a flagship Whole Foods Market and ~500 luxury residential units
- **+4M SF of office space and + 1.7M SF of lab space under construction in close proximity of Hotel**
- **Property offers immediate rail, highway, and airport access**
- **Marriott’s AC Hotel brand well-suited for urban / metro areas**