

Press Release

RLJ Lodging Trust Acquires a Boutique Lifestyle Hotel in Downtown Nashville and Repurchases Shares

Bethesda, MD, August 1, 2022 – RLJ Lodging Trust (the “Company”) (NYSE: RLJ) today announced that it acquired the fee simple interest in the 124-room, 21c Museum Hotel Nashville (the “Hotel”) for a purchase price of \$59.0 million, or approximately \$476,000 per key. The property was converted to a boutique lifestyle hotel in 2017, following the transformational conversion of the historic Gray & Dudley Building in Downtown Nashville, Tennessee.



“We are thrilled to acquire this unique, high-quality hotel located in one of the most dynamic, long-term growth markets in the country,” commented Leslie D. Hale, President and Chief Executive Officer. “Nashville is a burgeoning destination that is poised to outperform throughout this cycle and this property is well-positioned to benefit from these growth trends, given that it is located within the heart of demand, in downtown Nashville’s Arts District. This acquisition underscores our disciplined and focused approach to executing off-market transactions.” Ms. Hale continued, “In addition, we took advantage of the market dislocation during the second quarter and repurchased shares at a meaningful discount to our NAV with proceeds from asset sales, accretively. Our significant liquidity and strong balance sheet

continues to give us optionality with respect to executing multiple capital allocation opportunities simultaneously.”

The hotel is expected to generate an estimated 8.0% to 8.5% stabilized NOI yield and an accretive stabilized RevPAR nearly double that of the Company’s portfolio. The Company funded the acquisition with existing cash on its balance sheet.

The historic Gray & Dudley Hardware Company Building was built circa 1910 and was converted to a hotel in 2017. The Company plans to continue to have 21c operate the Hotel in affiliation with Accor, offering guests a boutique lifestyle hotel experience, combined with a multi-venue contemporary art museum. The eight-story structure offers approximately 8,000 square feet (“SF”) of meeting and exhibition space, features the *Gray & Dudley* restaurant and lounge, outdoor event space, a fitness center, spa, and off-site valet parking. Guest rooms have hardwood floors, high ceilings, large windows, and contemporary luxurious furnishings.



Downtown Nashville – at the core of demand



The Hotel sits at the core of the city’s booming leisure and corporate demand drivers, just three blocks from Broadway Street, the heart of the entertainment district in Nashville, and in close proximity to Nashville’s major corporate employers such as UBS, AT&T, AllianceBernstein and the Tennessee State Capitol. The property is expected to directly benefit from the new \$1.2 billion Oracle campus development, which is projected to generate approximately 8,500 new jobs in Nashville. Across the river from the Hotel is the Nissan Stadium, home of the NFL’s Tennessee

Titans and host to Nashville’s many concerts and special events. The property is also expected to benefit from significant redevelopment of the Bankers Alley, further enhancing the area as a vibrant and walkable retail and dining corridor.

Nashville Market – one of the fastest growing metros

Nashville is one of the country’s fastest growing metros, benefitting from population gains and corporate relocations / expansions. The city has nearly 3.0 million SF of Class A office space under construction, about 85% of which is concentrated in the urban core CBD and Midtown submarkets. A number of Fortune 500 companies such as Amazon, Oracle, Bridgestone Americas, iHeartMedia, Mitsubishi, and Nissan North America have presence in Nashville. Major employers are attracted to Nashville given its many high quality educational institutions such as Vanderbilt University, Fisk University, and Tennessee State University.



Nashville’s rich music, sports, and entertainment scene has also made the city one of the fastest



growing tourism destinations in the United States, with 16.1 million visitors in 2019. In addition, the city attracts significant conventions and ranked as the #6 convention destination in the country. Strong tourism and convention activity allowed Nashville to achieve compounded average RevPAR growth rate of 8.4% between 2009 and 2019. Supporting the region’s robust growth, Nashville International Airport, which features 21 carriers with over 500 average daily flight

departures to nearly 100 destinations, is undergoing a \$1.2 billion expansion project that is scheduled for 2023 completion.

Following the acquisition of the Hotel, the Company owns 96 hotels located across 23 states.

Share Repurchases

During the three months ended June 30, 2022, the Company repurchased approximately 4.2 million shares of common stock at an average price of \$11.93 per share, or \$50.0 million, under its \$250.0 million share repurchase program.

Property Snapshot

A brief snapshot of the acquisition with key information may be found in the subsequent pages of this press release and may also be found on RLJ Lodging Trust's website by following the link: <https://investor.rjlodgingtrust.com/webcasts-presentations>.

About Us

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

Forward Looking Statements

This information contains certain statements, other than purely historical information, including estimates, projections, statements relating to the Company's business plans, objectives and expected operating results, measures being taken in response to the COVID-19 pandemic, and the impact of the COVID-19 pandemic on our business, and the assumptions upon which those statements are based, that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally are identified by the use of the words "believe," "project," "expect," "anticipate," "estimate," "plan," "may," "will," "will continue," "intend," "should," "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.

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Additional Contact:

Sean M. Mahoney, Executive Vice President and Chief Financial Officer – (301) 280-7774

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

<http://www.rjlodgingtrust.com>

21c Museum Hotel Nashville

Location: Nashville, TN
Acquisition Price: \$59.0M (\$476K per key)
Year Developed: 2017
Rooms: 124 Rooms & Suites
Amenities: F&B, 8.0K SF Art Gallery / Meeting Space, Retail, Fitness Center, Business Center, and Spa

Bullseye Deal

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

Investment Thesis

- High quality hotel
- Recently developed asset
- A+ core location in high growth submarket
- Off-market transaction
- Lifestyle appeal
- Accretive to RLJ:
 - ~\$285 stabilized RevPAR
 - ~8.0% – 8.5% NOI yield



Nashville Market & Submarket Highlights

- **Nashville a strong growth market with a diversified economy**
 - Ranked in Top 5 Metros for population growth and job creation
 - Diverse demand generators attracting leisure, corporate, and group
 - Robust pipeline with over \$5B in major construction underway
- **Benefiting from existing and emerging corporate expansions and relocations**
 - Oracle, Amazon, Nissan, AllianceBernstein, HCA Healthcare, and EY
- **\$1.2B Nashville International Airport expansion underway following consecutive record-breaking growth**
- **Nashville hotel fundamentals continue to lead and outperform**
 - Nation leading RevPAR growth +8.4% from 2009 – 2019
- **Downtown Nashville a top performing submarket**
 - CBD RevPAR is the highest in the metro area

Hotel Highlights

- **Walking distance to new, high-end Nashville Yards mixed-use development**
 - 3.0M Class A office space (including two Amazon towers), 400K retail and entertainment, 1,000 residential units
- **Offers immediate access to existing and developing sports and entertainment venues and the convention center**
- **Unencumbered boutique lifestyle hotel, well-positioned to capture the experiential traveler in a seven-days-a-week demand market**