

## Press Release

### **RLJ Completes Acquisition of Moxy Denver Cherry Creek and Disposition of DoubleTree Metropolitan**

*Completes ~ \$200M of Accretive Capital Recycling in 2021*

Bethesda, MD, January 10, 2022 – RLJ Lodging Trust (the “Company”) (NYSE: RLJ) today announced that it has acquired the 170-room Moxy Denver Cherry Creek (“Moxy Cherry Creek”) for a purchase price of \$51.3 million, or approximately \$301,000 per key and completed the disposition of the 764-room DoubleTree Hotel Metropolitan New York City (the “DoubleTree Metropolitan”) for gross proceeds of \$169.0 million.

“We are pleased to acquire the recently built Moxy Cherry Creek Hotel, located within the heart of the exclusive Cherry Creek submarket of Denver, which is expected to generate outsized growth for years to come. In 2021, we successfully acquired three high-quality hotels in top growth markets for nearly \$200 million, which will enhance our growth profile throughout this cycle,” commented Leslie D. Hale, President and Chief Executive Officer. “Additionally, we completed the disposition of the DoubleTree Metropolitan at a highly accretive valuation. Overall, we successfully match funded three acquisitions with proceeds from non-core hotel dispositions, which were sold at a multiple that was more than 15 times greater than our acquisitions. We have entered 2022 with substantial investment capacity, which will allow us to continue to execute on both external and internal growth initiatives throughout the year.”

#### ***Acquisition of Moxy Denver Cherry Creek***

The 170-room Moxy Cherry Creek opened in late 2017 and is expected to generate an estimated 8.0% to 8.5% stabilized NOI yield. The Moxy Cherry Creek is expected to generate a stabilized RevPAR premium of 15% to 20% relative to the Company’s existing portfolio in 2019, with Hotel EBITDA margins that are 600 to 800 basis points higher. The Company has engaged the highly respected, Denver-based Sage Hospitality Group to manage the Moxy Cherry Creek. The Company funded the acquisition with the combination of corporate cash and the assumption of \$25.0 million of non-recourse secured debt. The seller is BMC Investments, a leading Denver-based fully integrated and experienced developer of high-quality commercial real estate throughout the United States.



The Hotel is one of five hotels located within the core upscale Cherry Creek North neighborhood of Denver, with over 100 retail shops and 50 restaurants situated within a four-block radius of the property. The Hotel features amenities such as the signature Moxy Bar and the Cherry Creek

Beer Garden in addition to meeting rooms, outdoor event space, complimentary bike rentals and a state-of-the-art fitness center.

Cherry Creek is Denver's top upscale, lifestyle submarket that is seeing significant growth in office space, residential units and development of mixed-use projects, which will continue to support this area's growth. Cherry Creek North hotels typically generate an ADR premium above comparable hotels located in Downtown Denver.

Denver is one of the country's fastest growing metro areas that is benefitting from population growth and corporate relocations / expansions. The City's "quality of life" attributes and outdoor lifestyle has led to an 18% increase in its residents, especially Millennials, over the past decade and the area continues to attract companies such as Amazon, Apple, Palantir, Robinhood and Zoom, among others. Denver is also home to a diversified base of industries which include a number of Fortune 500 companies. Employment and population growth trends in Denver are projected to continue to outperform the national average over the next several years. Denver remains a top destination, hosting nearly 18 million overnight visitors in 2019, and is also an emerging meeting destination. Benefitting from the area's growth, Denver's RevPAR grew 70 basis points ahead of the Top-25 U.S. Markets per STR from 2015 to 2019, on a compounded annual growth rate ("CAGR") basis.

Marriott's Moxy brand combines comfort with a bold, stylish, industrial design and a modern, relaxed feel, which has garnered appeal among a broad range of customer segments, including Millennials, who are increasingly looking for a vibrant, lifestyle / boutique experience-driven hotel stay. Since the first Moxy opened in 2016 in the U.S., the brand has continued to grow at a healthy pace. This growth is being driven by the brand's strong track record of performance, combined with an efficient operating model and affiliation with the lodging industry's premier guest loyalty rewards program – Marriott's Bonvoy.

### ***Disposition of the DoubleTree Hotel Metropolitan New York City***

The Company recently closed on the previously announced disposition of the 764-room DoubleTree Metropolitan, for a gross sales price of \$169.0 million, which represents a highly accretive multiple of over 47 times this property's 2019 Hotel EBITDA. Following this disposition, the Company currently owns two hotels in New York City, representing approximately 550 rooms and less than 3.5% of the Company's pro forma 2019 Hotel EBITDA.

### **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 97 hotels with approximately 21,500 rooms, located in 22 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 booster shots, 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; inflation; 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, 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, as well as risks, uncertainties and other factors discussed in other documents filed by the Company with the Securities and Exchange Commission.*

###

### **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.rljlodgingtrust.com>*

**Moxy Denver Cherry Creek**

**Location:** Denver, CO  
**Acquisition Price:** \$51.3M (\$301K per room)  
**Year Built:** 2017  
**Rooms:** 170 keys  
**Amenities:** Moxy Bar, Beer Garden, onsite parking, fitness center

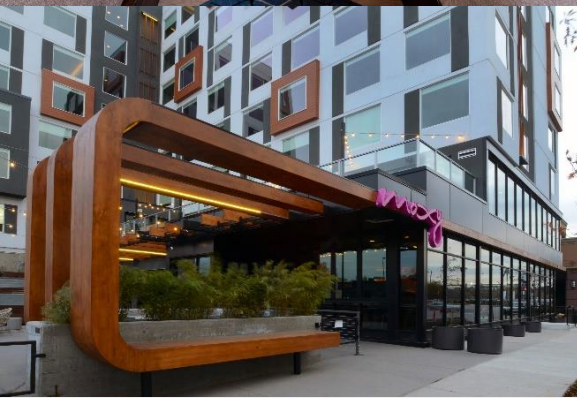


**Bullseye Deal**

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

**Investment Thesis**

- Recently built property
- Top-tier, high growth market
- A+ core location
- Accretive to RLJ portfolio:
  - ~\$170 stabilized RevPAR
  - ~40% stabilized margins
  - ~8.0% – 8.5% NOI yield
- Upside from management company change



**Denver / Cherry Creek Highlights**

- **Denver a top growth market**
  - Growing, diversified economy attracting corporate relocations / expansions
  - #3 highest concentration of Millennials in the U.S. (2019)
  - Ranked 7<sup>th</sup> in the nation in tech talent (CBRE, 2020)
  - 2015 – 2019 RevPAR growth higher by 70 bps vs. STR Top-25 Markets
- **Denver International Airport the 3<sup>rd</sup> busiest airport in country (2020)**
  - Adding 39 new gates to increase capacity 30% by 2022
- **Cherry Creek the top upscale submarket in Denver**
  - Strong population growth trends
  - Since 2014, +36% increase in office space | +40% increase in residential units
  - 2.8M SF of office, 255K SF of retail, and numerous residential projects currently in development
  - #1 price per unit asset trades in Denver for hotel, office, and apartment
  - ADR premium over comparable Downtown Denver hotels
- **Strong CBD fundamentals**
  - Downtown Submarket RevPAR +28% higher than Denver market (CBRE, 2019)

**Hotel Highlights**

- **Irreplaceable real estate within core Cherry Creek**
  - A+ location with over 100 retail shops & 50 restaurants within a four-block radius
- **Marriott’s Moxy brand well-suited for urban / metro areas**
- **Lean operating cost model with high margins**
- **Lively public spaces, minimalist style and beverage centric F&B**
- **High barriers to entry submarket**
  - Restrictive zoning laws limits new hotel supply