



**SERVICE
PROPERTIES TRUST**

FOURTH QUARTER 2021

Supplemental Operating and Financial Data

ALL AMOUNTS IN THIS REPORT ARE UNAUDITED.



Royal Sonesta Kaua'i Resort Lihue
Lihue, HI

Table of Contents

CORPORATE INFORMATION

Company Profile	3
Investor Information	4
Research Coverage	5

FINANCIALS

Key Financial Data	6
Consolidated Balance Sheets	7
Consolidated Statements of Income (Loss)	8
Calculation of FFO and Normalized FFO	9
Calculation of EBITDA, EBITDAre and Adjusted EBITDAre	10
Notes to Consolidated Statements of Income (Loss), and calculations of FFO, Normalized FFO, EBITDA, EBITDAre, Adjusted EBITDAre, Hotel EBITDA and Adjusted Hotel EBITDA	11
Debt Summary	12
Debt Maturity Schedule	13
Leverage Ratios, Coverage Ratios and Public Debt Covenants	14
Capital Expenditures and Restricted Cash Activity	15
Property Acquisitions and Dispositions Information Since January 1, 2021	16

PORTFOLIO INFORMATION

Portfolio Summary	17
Consolidated Portfolio Diversification by Industry	18
Consolidated Portfolio Geographical Diversification	19
Hotel Portfolio by Brand	20
Hotel Operating Statistics by Service Level - Comparable Hotels - three months ended December 31, 2021	21
Hotel Operating Statistics by Service Level - Comparable Hotels - year ended December 31, 2021	22
Hotel Operating Statistics by Service Level - All Hotels - three months ended December 31, 2021	23
Hotel Operating Statistics by Service Level - All Hotels - year ended December 31, 2021	24
Calculation and Reconciliation of Hotel EBITDA and Adjusted Hotel EBITDA - Comparable Hotels	25
Calculation and Reconciliation of Hotel EBITDA and Adjusted Hotel EBITDA - All Hotels	26
Net Lease Portfolio by Brand	27
Net Lease Portfolio by Industry	28
Net Lease Portfolio by Tenant (Top 10)	29
Net Lease Portfolio Expiration Schedule	30
Net Lease Portfolio Occupancy Summary	31

Non-GAAP FINANCIAL MEASURES AND CERTAIN DEFINITIONS	32
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WARNING CONCERNING FORWARD-LOOKING STATEMENTS	34
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Please refer to Non-GAAP Financial Measures and Certain Definitions for terms used throughout this document.

SVC

Nasdaq Listed

The Company:

Service Properties Trust, or SVC, we, our or us, is a real estate investment trust, or REIT, with more than \$12 billion invested in two asset categories: hotels and service-focused retail net lease properties. SVC owns 303 hotels with over 48,000 guest rooms throughout the United States and in Puerto Rico and Canada, the majority of which are extended stay and select service. SVC owns 788 retail service-focused net lease properties totaling over 13 million square feet throughout United States. SVC is included in 135 market indices and comprises more than 1% of the following indices as of September 30, 2021: Bloomberg REIT Hotels Index (BBREHOTL), Invesco S&P SmallCap Financials ETF INAV Index (PSCFIV), and the Bloomberg WBZ Massachusetts Index (BCMAX).

Management:

SVC is managed by The RMR Group (Nasdaq: RMR). RMR is an alternative asset management company that is focused on commercial real estate and related businesses. RMR primarily provides management services to publicly traded real estate companies, privately held real estate funds and real estate related operating businesses. As of December 31, 2021, RMR had \$33 billion of real estate assets under management and the combined RMR managed companies had approximately \$12 billion of annual revenues, nearly 2,100 properties and approximately 37,000 employees. We believe that being managed by RMR is a competitive advantage for SVC because of RMR's depth of management and experience in the real estate industry. We also believe RMR provides management services to us at costs that are lower than we would have to pay for similar quality services if we were self-managed.

Corporate Headquarters:

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255 Washington Street, Suite 300
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(t) (617) 964-8389

Stock Exchange Listing:

Nasdaq

Trading Symbol:

Common Shares: SVC

Key Data (as of and for the three months ended December 31, 2021):

(dollars in 000s)

Total properties:	1,091
Hotels	303
Net lease properties	788
Number of hotel rooms/suites	48,346
Total net lease square feet	13,522,060
Q4 2021 Total revenues	\$ 421,375
Q4 2021 Net loss	\$ (198,793)
Q4 2021 Normalized FFO	\$ 27,936
Q4 2021 Adjusted EBITDAre	\$ 118,997

Board of Trustees

Laurie B. Burns
Independent Trustee

John L. Harrington
Independent Trustee

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Chief Financial Officer and Treasurer

Todd W. Hargreaves
Vice President and Chief Investment Officer

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Sonesta Select Boca Raton
Boca Raton, FL

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Senior Unsecured Debt Ratings

Standard & Poor's: B+/BB*

Moody's: Ba2 (Outlook: Negative)/ Ba1*

* BB/ Ba1 rating assigned to guaranteed Senior Unsecured Notes.

- (1) SVC is followed by the analysts and its publicly held debt is rated by the rating agencies listed above. Please note that any opinions, estimates or forecasts regarding SVC's performance made by these analysts or agencies do not represent opinions, forecasts or predictions of SVC or its management. SVC does not by its reference above imply its endorsement of or concurrence with any information, conclusions or recommendations provided by any of these analysts or agencies.

Key Financial Data

(dollars in thousands, except per share data)

	As of and For the Three Months Ended				
	12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020
Selected Balance Sheet Data:					
Total gross assets	\$ 12,434,974	\$12,852,602	\$12,845,383	\$12,892,150	\$ 11,967,429
Total assets	\$ 9,153,315	\$ 9,334,831	\$ 9,415,735	\$ 9,514,515	\$ 8,687,319
Total liabilities	\$ 7,598,009	\$ 7,581,089	\$ 7,601,084	\$ 7,607,983	\$ 6,584,529
Total shareholders' equity	\$ 1,555,306	\$ 1,753,742	\$ 1,814,651	\$ 1,906,532	\$ 2,102,790
Selected Income Statement Data:					
Total revenues	\$ 421,375	\$ 437,099	\$ 375,936	\$ 261,170	\$ 270,043
Net loss	\$ (198,793)	\$ (59,714)	\$ (91,110)	\$ (194,990)	\$ (137,740)
FFO	\$ (8,545)	\$ 40,376	\$ 19,151	\$ (62,456)	\$ (43,124)
Normalized FFO	\$ 27,936	\$ 43,781	\$ 25,840	\$ (41,996)	\$ (22,474)
Adjusted EBITDAre	\$ 118,997	\$ 137,324	\$ 118,577	\$ 48,705	\$ 64,953
Per Common Share Data (basic and diluted):					
Net loss	\$ (1.21)	\$ (0.36)	\$ (0.55)	\$ (1.19)	\$ (0.84)
FFO	\$ (0.05)	\$ 0.25	\$ 0.12	\$ (0.38)	\$ (0.26)
Normalized FFO	\$ 0.17	\$ 0.27	\$ 0.16	\$ (0.26)	\$ (0.14)
Dividend Data:					
Annualized dividends paid per share during the period	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
Annualized dividend yield (at end of period)	0.4 %	0.4 %	0.3 %	0.3 %	0.5 %
Normalized FFO payout ratio	5.9 %	3.7 %	6.3 %	(3.8)%	(7.1)%



Consolidated Balance Sheets

(dollars in thousands, except share data)

	December 31,	
	2021	2020
<u>ASSETS</u>		
Real estate properties:		
Land	\$ 1,918,385	\$ 2,030,440
Buildings, improvements and equipment	8,307,248	9,131,832
Total real estate properties, gross	10,225,633	11,162,272
Accumulated depreciation	(3,281,659)	(3,280,110)
Total real estate properties, net	6,943,974	7,882,162
Acquired real estate leases and other intangibles, net	283,241	325,845
Assets held for sale	515,518	13,543
Cash and cash equivalents	944,043	73,332
Restricted cash	3,375	18,124
Due from related persons	48,168	55,530
Other assets, net	414,996	318,783
Total assets	<u>\$ 9,153,315</u>	<u>\$ 8,687,319</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Revolving credit facility	\$ 1,000,000	\$ 78,424
Senior unsecured notes, net	6,143,022	6,130,166
Accounts payable and other liabilities	433,448	345,373
Due to related persons	21,539	30,566
Total liabilities	<u>7,598,009</u>	<u>6,584,529</u>
Commitments and contingencies		
Shareholders' equity:		
Common shares of beneficial interest, \$.01 par value; 200,000,000 shares authorized; 165,092,333 and 164,823,833 shares issued and outstanding, respectively	1,651	1,648
Additional paid in capital	4,552,558	4,550,385
Cumulative other comprehensive income (loss)	779	(760)
Cumulative net income available for common shareholders	2,635,660	3,180,263
Cumulative common distributions	(5,635,342)	(5,628,746)
Total shareholders' equity	<u>1,555,306</u>	<u>2,102,790</u>
Total liabilities and shareholders' equity	<u>\$ 9,153,315</u>	<u>\$ 8,687,319</u>



Consolidated Statements of Income (Loss)

(amounts in thousands, except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Revenues:				
Hotel operating revenues ⁽¹⁾	\$ 317,215	\$ 174,520	\$ 1,104,678	\$ 875,098
Rental income ⁽²⁾	104,160	95,523	390,902	390,156
Total revenues	421,375	270,043	1,495,580	1,265,254
Expenses:				
Hotel operating expenses ⁽¹⁾⁽³⁾	286,968	189,898	1,010,737	682,804
Other operating expenses	3,900	4,179	15,658	15,208
Depreciation and amortization	115,757	121,351	485,965	498,908
General and administrative	12,601	13,046	53,439	50,668
Transaction related costs ⁽⁴⁾	35,830	15,100	64,764	15,100
Loss on asset impairment ⁽⁵⁾	76,510	254	78,620	55,756
Total expenses	531,566	343,828	1,709,183	1,318,444
Gain on sale of real estate, net ⁽⁶⁾	588	11,916	11,522	2,261
Unrealized gain on equity securities, net ⁽⁷⁾	2,168	15,473	22,535	19,882
Gain on insurance settlement ⁽⁸⁾	–	–	–	62,386
Interest income	177	1	664	284
Interest expense (including amortization of debt issuance costs and debt discounts and premiums of \$5,913, \$4,220, \$21,036 and \$14,870 respectively)	(92,494)	(82,811)	(365,721)	(306,490)
Loss on early extinguishment of debt ⁽⁹⁾	–	(2,424)	–	(9,394)
Loss before income taxes and equity in losses of an investee	(199,752)	(131,630)	(544,603)	(284,261)
Income tax benefit (expense) ⁽⁸⁾	1,950	(505)	941	(17,211)
Equity in losses of an investee ⁽¹⁰⁾	(991)	(5,605)	(941)	(9,910)
Net loss	\$ (198,793)	\$ (137,740)	\$ (544,603)	\$ (311,382)
Weighted average common shares outstanding (basic and diluted)	164,667	164,498	164,566	164,422
Net loss per common share (basic and diluted)	\$ (1.21)	\$ (0.84)	\$ (3.31)	\$ (1.89)

See accompanying notes on [page 11](#).

Calculation of FFO and Normalized FFO

(amounts in thousands, except per share data)

	For the Three Months Ended					For the Year Ended	
	12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020	12/31/2021	12/31/2020
Net loss	\$ (198,793)	\$ (59,714)	\$ (91,110)	\$ (194,990)	\$ (137,740)	\$ (544,603)	\$ (311,382)
Add (Less): Depreciation and amortization	115,757	124,163	121,677	124,368	121,351	485,965	498,908
Loss on asset impairment ⁽⁵⁾	76,510	–	899	1,211	254	78,620	55,756
(Gain) loss on sale of real estate, net ⁽⁶⁾	(588)	(94)	(10,849)	9	(11,916)	(11,522)	(2,261)
Unrealized (gain) loss on equity securities, net ⁽⁷⁾	(2,168)	(24,348)	(2,500)	6,481	(15,473)	(22,535)	(19,882)
Adjustments to reflect our share of FFO attributable to an investee ⁽¹⁰⁾	737	369	1,034	465	400	2,605	(61)
FFO	(8,545)	40,376	19,151	(62,456)	(43,124)	(11,470)	221,078
Add (Less): Gain on insurance settlement, net of tax ⁽⁸⁾	–	–	–	–	(1,800)	–	(48,536)
Loss on early extinguishment of debt ⁽⁹⁾	–	–	–	–	2,424	–	9,394
Adjustments to reflect our share of Normalized FFO attributable to an investee ⁽¹⁰⁾	651	256	538	825	964	2,270	964
Loss contingency ⁽¹¹⁾	–	–	–	–	3,962	–	3,962
Transaction related costs ⁽⁴⁾	35,830	3,149	6,151	19,635	15,100	64,764	15,100
Normalized FFO	<u>\$ 27,936</u>	<u>\$ 43,781</u>	<u>\$ 25,840</u>	<u>\$ (41,996)</u>	<u>\$ (22,474)</u>	<u>\$ 55,564</u>	<u>\$ 201,962</u>
Weighted average shares outstanding (basic and diluted)	<u>164,667</u>	<u>164,590</u>	<u>164,506</u>	<u>164,498</u>	<u>164,498</u>	<u>164,566</u>	<u>164,422</u>
Basic and diluted per share common share amounts:							
Net loss	\$ (1.21)	\$ (0.36)	\$ (0.55)	\$ (1.19)	\$ (0.84)	\$ (3.31)	\$ (1.89)
FFO	\$ (0.05)	\$ 0.25	\$ 0.12	\$ (0.38)	\$ (0.26)	\$ (0.07)	\$ 1.34
Normalized FFO	\$ 0.17	\$ 0.27	\$ 0.16	\$ (0.26)	\$ (0.14)	\$ 0.34	\$ 1.23

See accompanying notes on [page 11](#).

Calculation of EBITDA, EBITDAre and Adjusted EBITDAre

(dollars in thousands)

	For the Three Months Ended					For the Year Ended	
	12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020	12/31/2021	12/31/2020
Net loss	\$ (198,793)	\$ (59,714)	\$ (91,110)	\$ (194,990)	\$ (137,740)	\$ (544,603)	\$ (311,382)
Add (Less): Interest expense	92,494	92,458	91,378	89,391	82,811	365,721	306,490
Income tax (benefit) expense ⁽⁸⁾	(1,950)	(55)	211	853	505	(941)	17,211
Depreciation and amortization	115,757	124,163	121,677	124,368	121,351	485,965	498,908
EBITDA	7,508	156,852	122,156	19,622	66,927	306,142	511,227
Add (Less): Loss on asset impairment ⁽⁵⁾	76,510	–	899	1,211	254	78,620	(2,261)
(Gain) loss on sale of real estate, net ⁽⁶⁾	(588)	(94)	(10,849)	9	(11,916)	(11,522)	55,756
Adjustments to reflect our share of EBITDAre attributable to an investee ⁽¹⁰⁾	781	464	1,116	543	–	2,904	–
EBITDAre	84,211	157,222	113,322	21,385	55,265	376,144	564,722
Add (less): Unrealized (gain) loss on equity securities, net ⁽⁷⁾	(2,168)	(24,348)	(2,500)	6,481	(15,473)	(22,535)	(19,882)
Gain on insurance settlement ⁽⁸⁾	–	–	–	–	–	–	(62,386)
Loss on early extinguishment of debt ⁽⁹⁾	–	–	–	–	2,424	–	9,394
Adjustments to reflect our share of Adjusted EBITDAre attributable to an investee ⁽¹⁰⁾	651	256	538	825	2,755	2,270	1,751
Loss contingency ⁽¹¹⁾	–	–	–	–	3,962	–	3,962
Transaction related costs ⁽⁴⁾	35,830	3,149	6,151	19,635	15,100	64,764	15,100
General and administrative expense paid in common shares ⁽¹²⁾	473	1,045	1,066	379	920	2,963	3,206
Adjusted EBITDAre	<u>\$ 118,997</u>	<u>\$ 137,324</u>	<u>\$ 118,577</u>	<u>\$ 48,705</u>	<u>\$ 64,953</u>	<u>\$ 423,606</u>	<u>\$ 515,867</u>

See accompanying notes on [page 11](#).

Notes to Consolidated Statements of Income (Loss) and Calculations of FFO, Normalized FFO, EBITDA, EBITDAre, Adjusted EBITDAre, Hotel EBITDA and Adjusted Hotel EBITDA

(dollar in thousands)

- (1) As of December 31, 2021, we owned 303 hotels. Our consolidated statements of income (loss) include hotel operating revenues and expenses of managed hotels and rental income from leased hotels.
- (2) We increased rental income by \$466 and reduced rental income by \$416 for the three months ended December 31, 2021 and 2020, respectively, and reduced rental income by \$2,621 and \$714 for the years ended December 31, 2021 and 2020, respectively, to record scheduled rent changes under certain of our leases, the deferred rent obligations under our leases with TravelCenters of America Inc., or TA, and the estimated future payments to us under our leases with TA for the cost of removing underground storage tanks on a straight-line basis.
- (3) When managers of our hotels are required to fund the shortfalls of minimum returns under the terms of our management agreements or their guarantees, we reflect such fundings (including security deposit applications) in our consolidated statements of income (loss) as a reduction of hotel operating expenses. The net reduction to hotel operating expenses was \$13,387 for the three months ended December 31, 2020 and \$15,697 and \$235,522 for the years ended December 31, 2021 and 2020, respectively. There was no net reduction to hotel operating expenses during the three months ended December 31, 2021.
- (4) Transaction related costs for the three months ended December 31, 2021 of \$35,830 primarily consisted of working capital advances we previously funded under our agreements with Marriott International Inc., or Marriott, and InterContinental Hotels Group, plc, or IHG, as a result of the amounts no longer expected to be recoverable. Transaction related costs for the three months ended September 30, 2021 of \$3,149 are primarily related to legal costs related to our arbitration proceeding with Marriott. Transaction related costs for the three months ended June 30, 2021 included \$3,700 of working capital we previously funded under our agreement with Hyatt Hotels Corporation, or Hyatt, as a result of the amount no longer expected to be recoverable, \$1,110 of legal costs related to our arbitration proceeding with Marriott and \$1,341 of hotel manager transition costs and for the three months ended March 31, 2021 includes \$19,634 of hotel manager transition related costs resulting from the rebranding of 88 hotels during the period. Transaction related costs for the year ended December 31, 2021 include \$38,446 of working capital advances we previously funded under our agreements with Marriott, IHG and Hyatt as a result of the amounts no longer expected to be recoverable, \$19,920 of hotel manager transition related costs resulting from the rebranding of 94 hotels during the period, and \$6,398 of legal costs related to SVC's arbitration proceeding with Marriott. Transaction costs for the three months and year ended December 31, 2020 primarily consisted of transition related costs resulting from the rebranding of 115 hotels previously managed by IHG, Marriott and Wyndham Hotels & Resorts, Inc. to subsidiaries of Sonesta Holdco Corporation, or Sonesta.
- (5) We recorded a \$76,510 loss on asset impairment during the three months ended December 31, 2021 to reduce the carrying value of 35 net lease properties and 21 hotels to their estimated fair value less costs to sell. We recorded a \$254 loss on asset impairment during the three months ended December 31, 2020 to reduce the carrying value of five net lease properties to their estimated fair value less costs to sell. We recorded a \$78,620 loss on asset impairment during the year ended December 31, 2021 to reduce the carrying value of 35 hotels and 26 net lease properties to their estimated fair value less costs to sell and a \$55,756 loss on asset impairment during the year ended December 31, 2020 to reduce the carrying value of 18 hotel properties and 13 net lease properties to their estimated fair value less costs to sell.
- (6) We recorded a \$588 net gain on sale of real estate during the three months ended December 31, 2021 in connection with the sale of one hotel and six net lease properties. We recorded a \$94 net gain on sale of real estate during the three months ended September 30, 2021 in connection with the sale of two net lease properties. We recorded a \$10,849 net gain on sale of real estate during the three months ended June 30, 2021 in connection with the sale of six hotels and two net lease properties. We recorded a \$9 net loss on sale of real estate during the three months ended March 31, 2021 in connection with the sale of one net lease property. We recorded a \$11,916 net gain on sale of real estate during the three months ended December 31, 2020 in connection with the sale of 18 hotels and six net lease properties.
- (7) Unrealized gain (loss) on equity securities, net represents the adjustment required to adjust the carrying value of our investment in shares of TA common stock to their fair value.
- (8) We recorded a \$62,386 gain on insurance settlement during the year ended December 31, 2020 for insurance proceeds received for our then leased hotel in San Juan, PR related to Hurricane Maria. Under GAAP, we were required to increase the building basis of this hotel for the amount of the insurance proceeds. We also recorded a \$13,850 deferred tax liability as a result of the book value to tax basis difference related to this accounting during the year ended December 31, 2020. We recorded a reduction to this deferred tax liability of \$1,800 for the three months ended December 31, 2020.
- (9) We recorded a loss on extinguishment of debt of \$2,424 and \$9,394 during the three months and year ended December 31, 2020, respectively, net of unamortized discount and deferred financing costs, relating to our repayment of our \$400,000 term loan and certain unsecured senior notes.
- (10) Represents our proportionate share from our equity investment in Sonesta.
- (11) Hotel operating expenses for the three months ended December 31, 2020 includes a \$3,962 loss contingency related to a litigation matter relating to certain of our hotels.
- (12) Amounts represent the equity compensation for our Trustees, officers and certain other employees of our manager.
- (13) Various percentages of total sales at certain of our hotels are escrowed as reserves for future renovations or refurbishments, or FF&E reserve escrows. We own all the FF&E reserve escrows for our hotels.
- (14) We are amortizing a liability we recorded for the fair value of our initial investment in Sonesta as a reduction to hotel operating expenses in our consolidated statements of income (loss).

Debt Summary

As of December 31, 2021

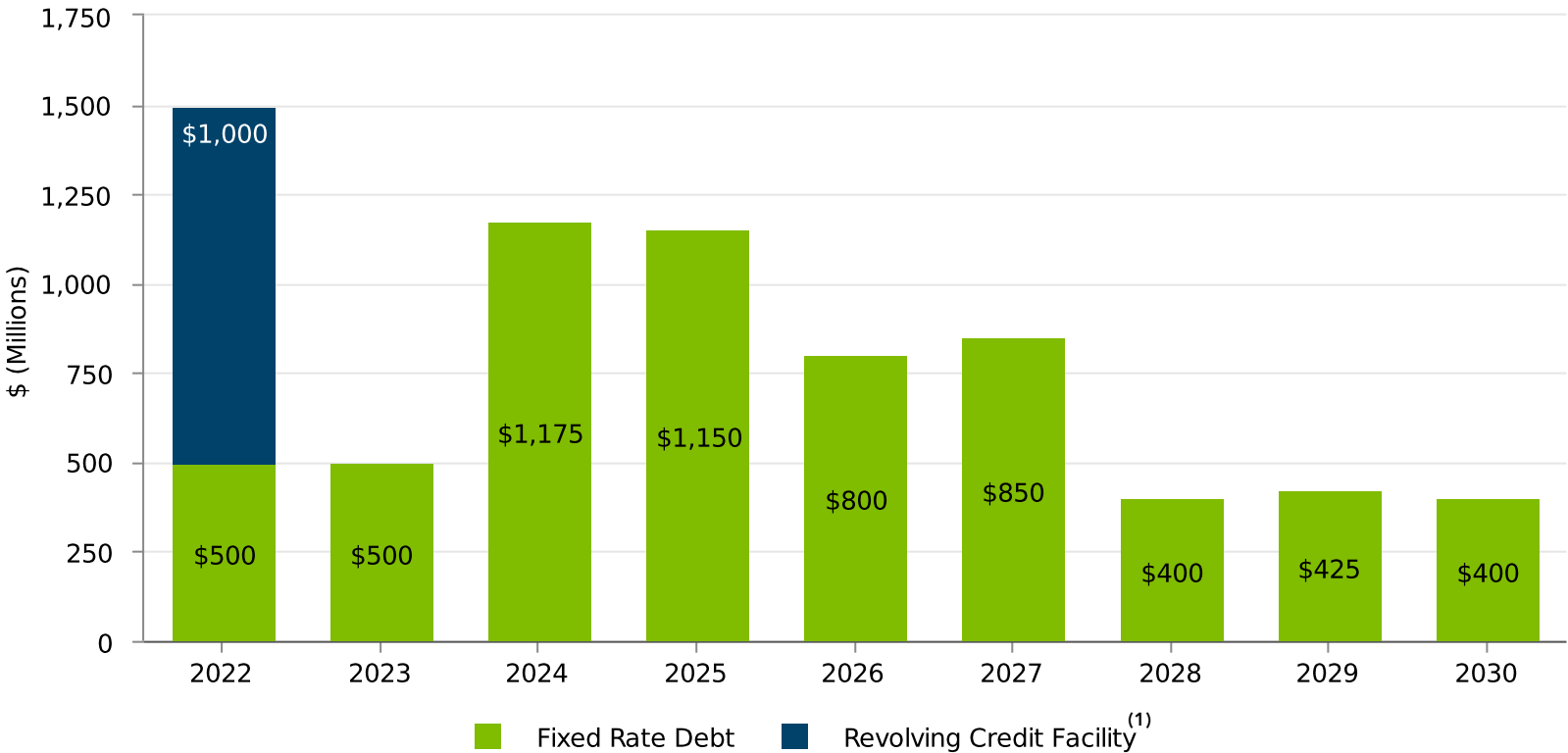
(dollars in thousands)

	Interest Rate	Principal Balance	Maturity Date	Due at Maturity	Years to Maturity
Floating Rate Debt:					
\$1,000,000 revolving credit facility ⁽¹⁾⁽²⁾	2.850 %	\$ 1,000,000	7/15/22	\$ 1,000,000	0.5
Unsecured Fixed Rate Debt:					
Senior unsecured notes due 2022	5.000 %	\$ 500,000	8/15/22	\$ 500,000	0.6
Senior unsecured notes due 2023	4.500 %	500,000	6/15/23	500,000	1.5
Senior unsecured notes due 2024	4.650 %	350,000	3/15/24	350,000	2.2
Senior unsecured notes due 2024	4.350 %	825,000	10/1/24	825,000	2.8
Senior unsecured notes due 2025	4.500 %	350,000	3/15/25	350,000	3.2
Senior unsecured notes due 2025 ⁽³⁾	7.500 %	800,000	9/15/25	800,000	3.7
Senior unsecured notes due 2026	5.250 %	350,000	2/15/26	350,000	4.1
Senior unsecured notes due 2026	4.750 %	450,000	10/1/26	450,000	4.8
Senior unsecured notes due 2027	4.950 %	400,000	2/15/27	400,000	5.1
Senior unsecured notes due 2027 ⁽³⁾	5.500 %	450,000	12/15/27	450,000	6.0
Senior unsecured notes due 2028	3.950 %	400,000	1/15/28	400,000	6.0
Senior unsecured notes due 2029	4.950 %	425,000	10/1/29	425,000	7.8
Senior unsecured notes due 2030	4.375 %	400,000	2/15/30	400,000	8.1
Subtotal / weighted average	5.065 %	6,200,000		6,200,000	4.1
Total / weighted average ⁽⁴⁾	4.758 %	\$ 7,200,000		\$ 7,200,000	3.6

- (1) We are required to pay interest on borrowings under our revolving credit facility at a rate of LIBOR plus a premium of 235 basis points per annum, subject to an interest rate floor of 0.50%. We also pay a facility fee of 30 basis points per annum on the total amount of lending commitments under our revolving credit facility. Both the interest rate premium and facility fee are subject to adjustment based upon changes to our credit ratings. The interest rate listed above is as of December 31, 2021. Subject to the payment of an extension fee and meeting certain other conditions, we may extend the maturity date of our credit facility by two additional six month periods.
- (2) We have provided equity pledges on certain of our property owning subsidiaries and provided first mortgage liens on 74 properties owned by the pledged subsidiaries to secure our obligations under the credit agreement governing our credit facility.
- (3) The notes are guaranteed by certain of our subsidiaries.
- (4) The carrying value of our total debt of \$7,143,022 as of December 31, 2021 is net of unamortized discounts and premiums and certain issuance costs totaling \$56,978.

Debt Maturity Schedule

As of December 31, 2021



(1) Represents amounts outstanding under our \$1.0 billion revolving credit facility at December 31, 2021. Subject to the payment of an extension fee and meeting certain other conditions, we may extend the maturity date of our credit facility by two additional six month periods.

Leverage Ratios, Coverage Ratios and Public Debt Covenants

Leverage Ratios:

	As of and For the Three Months Ended				
	12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020
Net debt / total gross assets	50.3 %	48.9 %	48.9 %	49.1 %	51.8 %
Net debt / gross book value of real estate assets and cash and cash equivalents	51.9 %	50.8 %	50.7 %	51.0 %	53.7 %
Secured debt/ total assets	0.6 %	0.9 %	1.1 %	0.9 %	0.9 %
Variable rate debt / Net debt	16.0 %	15.9 %	15.9 %	15.8 %	1.3 %

Coverage Ratios:

Rolling four-quarter Adjusted EBITDAre/ rolling four-quarter interest expense	1.2x	1.0x	1.0x	1.1x	1.7x
Net debt / rolling four-quarter Adjusted EBITDAre ⁽¹⁾	14.8x	17.0x	18.7x	17.1x	12.0x

Public Debt Covenants:

	As of and For the Trailing Twelve Months Ended				
	12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020
<u>Maintenance Covenant</u>					
Total unencumbered assets / unsecured debt - required minimum 150%	176.3 %	179.5 %	179.1 %	179.6 %	167.3 %
<u>Incurrence Covenants</u> ⁽²⁾					
Total debt / adjusted total assets - allowable maximum 60.0%	56.4 %	55.5 %	55.6 %	55.4 %	51.3 %
Secured debt / adjusted total assets - allowable maximum 40.0%	7.8 %	7.7 %	7.7 %	7.7 %	0.6 %
Consolidated income available for debt service / debt service - required minimum 1.50x	1.20x	1.06x	1.00x	1.12x	1.56x



- (1) The ratio of net debt to annualized adjusted EBITDAre for the three months ended December 2021 was 13.1x.
- (2) As of December 31, 2021, we were below the covenant levels under our debt agreements necessary to incur additional debt, and, as a result, we will not be able to incur additional debt while below these levels.

Capital Expenditures and Restricted Cash Activity

(dollars in thousands)

Capital Expenditures

	For the Three Months Ended				
	12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020
Hotel capital improvements & FF&E Reserve fundings ⁽¹⁾	\$ 30,010	\$ 19,384	\$ 24,167	\$ 28,881	\$ 32,153
Net lease capital improvements	402	403	227	156	265
Total capital improvements & FF&E Reserve fundings	<u>\$ 30,412</u>	<u>\$ 19,787</u>	<u>\$ 24,394</u>	<u>\$ 29,037</u>	<u>\$ 32,418</u>

Restricted Cash

	As of and For the Three Months Ended				
	12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020
Total restricted cash (beginning of period)	\$ 1,657	\$ 1,295	\$ 5,096	\$ 18,124	\$ 38,130
Manager deposits into FF&E Reserve	1,312	1,393	2,485	447	2,782
SVC fundings into FF&E Reserve:					
Marriott	75	69	250	7,000	15,400
Hyatt	—	—	—	168	—
Radisson	—	—	—	—	1,985
Hotel improvements funded from FF&E Reserve	(702)	(1,100)	(6,536)	(14,198)	(26,269)
FF&E reserves (end of period)	<u>2,342</u>	<u>1,657</u>	<u>1,295</u>	<u>11,541</u>	<u>32,028</u>
Hotel manager release of FF&E Reserve to SVC	—	—	—	(6,445)	—
Hotel manager deposit (withdrawal) of insurance proceeds	—	—	—	—	(13,904)
Proceeds from asset sales deposited into revolver collateral account, net	1,033	—	—	—	—
Total restricted cash (end of period)	<u>\$ 3,375</u>	<u>\$ 1,657</u>	<u>\$ 1,295</u>	<u>\$ 5,096</u>	<u>\$ 18,124</u>



Royal Sonesta Boston
Cambridge, MA

(1) Includes amounts we funded into our FF&E reserves and amounts directly reimbursed to our hotel managers for capital expenditures.

Property Acquisitions and Dispositions Information Since January 1, 2021



(dollars in thousands, except per sq. ft. data)

ACQUISITIONS:

Date Acquired	Properties	Property Type	Brand	Location	Square Footage	Operating Agreement	Purchase Price ⁽¹⁾	Average Purchase Price per Room or Suite / Square Foot
3/9/2021	–	Land	N/A	Nashville, TN ⁽²⁾	N/A	N/A	\$ 7,600	N/A

DISPOSITIONS:

Date Disposed	Properties	Property Type	Brand	Location	Rooms or Suites/ Square Footage	Former Operating Agreement	Sales Price ⁽¹⁾	Average Sales Price per Room or Suite / Square Foot
03/16/2021	1	Net Lease	Vacant	Chattanooga, TN	2,797	Vacant	\$ 375	\$ 134
04/01/2021	1	Hotel	Courtyard	Jacksonville, FL	146	Marriott	9,753	67
04/06/2021	1	Net Lease	Vacant	Colorado Springs, CO	32,130	Vacant	1,300	40
05/20/2021	5	Hotel	Hawthorn Suites	Various	430	Wyndham	22,263	52
06/11/2021	1	Net Lease	Pizza Hut	Emmitsburg, MD	3,114	Chaac Pizza Northeast, LLC	360	116
08/11/2021	1	Net Lease	Pizza Hut	Soddy Daisy, TN	2,941	American Huts, Inc.	300	102
09/30/2021	1	Net Lease	Vacant	Lincoln, IL	3,698	Vacant	370	100
10/19/2021	1	Net Lease	Vacant	Independence, MO	7,070	Vacant	915	129
11/05/2021	1	Net Lease	Pizza Hut	Kimball, TN	3,200	American Huts, Inc.	600	188
11/05/2021	1	Net Lease	Pizza Hut	Harrisburg, PA	1,860	Chaac Pizza Northeast, LLC	315	169
11/19/2021	1	Net Lease	Renn Kirby Chevrolet Buick	Gettysburg, PA	34,272	Gettysburg Land Holdings, LLC	5,600	163
12/01/2021	1	Net Lease	Pizza Hut	Clinton, TN	2,500	American Huts, Inc.	445	178
12/22/2021	1	Net Lease	Vacant	Little Rock, AR	3,694	Vacant	1,200	325
12/30/2021	1	Hotel	Sonesta ES Suites	Houston, TX	93	Sonesta	8,536	92
	<u>18</u>				<u>669 /97,276</u>		<u>\$ 52,332</u>	<u>\$61/ \$121</u>

(1) Represents cash purchase or sale price and excludes acquisition and closing related costs, respectively.

(2) Consists of land adjacent to a property we own in Nashville, TN.

Portfolio Summary

As of December 31, 2021

(dollars in thousands)

Number of Properties

Hotel Properties	303	Number of hotel rooms	48,346
Net Lease Properties	788	Square feet	13,522,060
Total Properties	<u>1,091</u>	Average hotel property size	160 rooms
		Average net lease property size	17,160 sq. feet

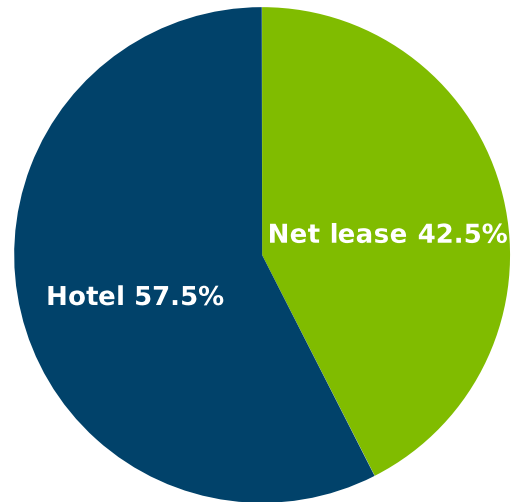
Investments

Hotels	\$ 6,930,392
Net Lease Properties	5,131,191
Total Investments	<u>\$ 12,061,583</u>

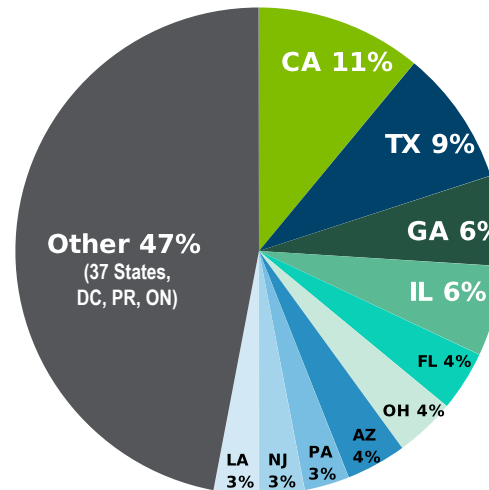
Diversification Facts

Tenants/Operators	179
Brands	145
Industries	22
States	47

Portfolio Composition ⁽¹⁾



Geographical Diversification ⁽¹⁾



(1) Based on investment



Consolidated Portfolio Diversification by Industry

As of December 31, 2021

(dollars in thousands)

Industry	No. of Properties	Rooms/ Square Footage	Investments	Percent of Total Investment
1. Hotels	303	48,346	\$ 6,930,392	57.5%
2. Travel Centers	182	5,238,766	3,352,096	27.8%
3. Restaurants-Quick Service	227	739,749	301,528	2.5%
4. Restaurants-Casual Dining	53	415,547	192,170	1.6%
5. Movie Theaters	22	1,152,845	190,725	1.6%
6. Health and Fitness	13	873,258	185,458	1.5%
7. Grocery Stores	19	1,020,819	129,219	1.1%
8. Home Goods and Leisure	20	632,465	118,899	1.0%
9. Medical, Dental Office	71	409,706	118,098	1.0%
10. Automotive Equipment & Services	64	219,107	98,473	0.8%
11. Automotive Dealers	8	137,979	60,119	0.5%
12. Entertainment	4	199,853	61,436	0.5%
13. General Merchandise Stores	5	406,786	56,321	0.5%
14. Educational Services	9	220,758	55,647	0.5%
15. Building Materials	27	429,798	31,317	0.3%
16. Car Washes	5	41,456	28,658	0.2%
17. Miscellaneous Manufacturing	7	763,312	32,873	0.3%
18. Drug Stores and Pharmacies	7	67,423	19,251	0.2%
19. Sporting Goods	3	120,847	17,595	0.1%
20. Legal Services	5	25,429	11,362	0.1%
21. Dollar Stores	3	27,593	2,971	—%
22. Other	4	149,622	10,419	0.1%
24. Vacant	30	228,942	56,556	0.3%
Total	1,091	48,346 /13,522,060	\$ 12,061,583	100.0%



Consolidated Portfolio by Geographic Diversification

As of December 31, 2021

(dollars in thousands)

State	Total Property Count	Hotel Count	Net Lease Count	Investments					
				Total (\$000s)	% of Total	Hotel (\$000s)	Hotel % of Total	Net Lease (\$000s)	Net Lease % of Total
California	58	36	22	\$ 1,343,323	11.0 %	\$ 1,070,501	15.4 %	\$ 272,822	5.0 %
Texas	93	34	59	1,055,278	9.0 %	517,370	7.5 %	537,908	10.0 %
Georgia	95	21	74	750,261	6.0 %	479,768	6.9 %	270,493	5.0 %
Illinois	72	13	59	740,505	6.0 %	448,441	6.5 %	292,064	6.0 %
Florida	60	12	48	524,556	4.0 %	276,407	4.0 %	248,149	5.0 %
Ohio	51	10	41	511,180	4.0 %	179,909	2.6 %	331,271	6.0 %
Arizona	40	15	25	479,675	4.0 %	234,166	3.4 %	245,509	5.0 %
Pennsylvania	38	10	28	413,994	3.0 %	210,785	3.0 %	203,209	4.0 %
New Jersey	18	15	3	391,785	3.0 %	290,807	4.2 %	100,978	2.0 %
Louisiana	15	3	12	375,793	3.0 %	244,088	3.5 %	131,705	3.0 %
Top 10	540	169	371	6,586,350	53.0 %	3,952,242	57.0 %	2,634,108	51.0 %
Other ⁽¹⁾	551	134	417	5,475,233	47.0 %	2,978,150	43.0 %	2,497,083	49.0 %
Total	1,091	303	788	\$ 12,061,583	100.0 %	\$ 6,930,392	100.0 %	\$ 5,131,191	100.0 %



(1) Consists of properties in 37 different states with an average investment of \$10,017.

Hotel Portfolio by Brand

As of December 31, 2021

(dollars in thousands, except per room or suite data)

Brand	Service Level	Chain Scale	Number of Hotels	Percent of Total Number of Hotels	Number of Rooms or Suites	Percent of Total Number of Rooms or Suites	Investment	Percent of Total Hotel Investment	Investment Per Room or Suite
Royal Sonesta Hotels®	Full Service	Upper Upscale	17	5.6 %	5,663	11.7 %	\$ 1,840,427	26.6 %	\$ 325
Sonesta ES Suites®	Extended Stay	Upper Midscale	91	30.0 %	11,379	23.5 %	1,521,328	22.0 %	134
Sonesta Hotels & Resorts®	Full Service	Upper Upscale	25	8.3 %	8,040	16.6 %	1,218,583	17.6 %	152
Sonesta Select®	Select Service	Upscale	63	20.8 %	8,888	18.4 %	900,060	13.0 %	101
Sonesta Simply Suites®	Extended Stay	Midscale	65	21.5 %	8,040	16.6 %	658,827	9.5 %	82
Hyatt Place®	Select Service	Upscale	17	5.6 %	2,107	4.4 %	235,726	3.4 %	112
Courtyard by Marriott®	Select Service	Upscale	13	4.2 %	1,813	3.8 %	172,301	2.3 %	95
Radisson® Hotels & Resorts	Full Service	Upscale	5	1.7 %	1,149	2.4 %	159,707	2.3 %	139
Crowne Plaza®	Full Service	Upscale	1	0.3 %	495	1.0 %	123,283	1.8 %	249
Country Inns & Suites® by Radisson	Full Service	Upper Upscale	3	1.0 %	430	0.9 %	54,076	0.8 %	126
Residence Inn by Marriott®	Extended Stay	Upper Midscale	3	1.0 %	342	0.7 %	46,074	0.7 %	126
Total/Average Hotels			<u>303</u>	<u>100.0 %</u>	<u>48,346</u>	<u>100.0 %</u>	<u>\$ 6,930,392</u>	<u>100.0 %</u>	<u>\$ 143</u>

Hotel Operating Statistics by Service Level - Comparable Hotels

Brand	Service Level	No. of Hotels	No. of Rooms or Suites	Occupancy			ADR			RevPAR		
				Three Months Ended December 31,			Three Months Ended December 31,			Three Months Ended December 31,		
				2021	2020	Change	2021	2020	Change	2021	2020	Change
Sonesta ⁽¹⁾	Full Service	24	7,821	53.6 %	27.1 %	26.5 pts	\$ 129.64	\$ 106.35	21.9 %	\$ 69.49	\$ 28.82	141.1 %
Royal Sonesta ⁽¹⁾	Full Service	14	4,554	41.7 %	17.9 %	23.8 pts	196.81	132.22	48.9 %	82.07	23.67	246.7 %
Radisson Hotel	Full Service	5	1,149	56.4 %	28.4 %	28.0 pts	110.73	88.13	25.6 %	62.45	25.03	149.5 %
Crowne Plaza	Full Service	1	495	46.4 %	31.9 %	14.5 pts	114.97	87.10	32.0 %	53.35	27.78	92.0 %
Country Inn and Suites	Full Service	3	430	53.3 %	23.5 %	29.8 pts	105.04	83.86	25.3 %	55.99	19.71	184.1 %
Full Service Total / Average		47	14,449	49.8 %	24.4 %	25.4 pts	144.24	109.14	32.2 %	71.83	26.63	169.7 %
Sonesta Select ⁽¹⁾	Select Service	63	8,888	41.8 %	30.0 %	11.8 pts	103.54	85.45	21.2 %	43.28	25.64	68.8 %
Hyatt Place	Select Service	17	2,107	63.3 %	45.1 %	18.2 pts	107.93	81.81	31.9 %	68.32	36.90	85.1 %
Courtyard	Select Service	13	1,813	50.8 %	31.9 %	18.9 pts	109.18	83.40	30.9 %	55.46	26.60	108.5 %
Select Service Total / Average		93	12,808	46.6 %	32.8 %	13.8 pts	105.39	84.34	25.0 %	49.11	27.66	77.5 %
Sonesta ES Suites ⁽¹⁾	Extended Stay	91	11,379	65.4 %	55.3 %	10.1 pts	107.26	93.87	14.3 %	70.15	51.91	35.1 %
Sonesta Simply Suites ⁽¹⁾	Extended Stay	64	7,942	67.7 %	57.8 %	9.9 pts	75.89	64.03	18.5 %	51.38	37.01	38.8 %
Residence Inn	Extended Stay	3	342	58.6 %	37.0 %	21.6 pts	112.07	98.16	14.2 %	65.67	36.32	80.8 %
Extended Stay Total / Average		158	19,663	66.2 %	56.0 %	10.2 pts	94.43	81.44	16.0 %	62.51	45.61	37.1 %
		298	46,920	55.9 %	39.9 %	16.0 pts	\$ 110.26	\$ 87.30	26.3 %	\$ 61.64	\$ 34.83	77.0 %

All operating data presented are based upon the operating results provided by our managers and tenants for the indicated periods. We have not independently verified our managers' or tenants' operating data.

(1) Includes operating data for periods prior to when certain hotels were managed by Sonesta.

Hotel Operating Statistics by Service Level - Comparable Hotels

Brand	Service Level	No. of Hotels	No. of Rooms or Suites	Occupancy			ADR			RevPAR		
				Year Ended December 31,			Year Ended December 31,			Year Ended December 31,		
				2021	2020	Change	2021	2020	Change	2021	2020	Change
Sonesta ⁽¹⁾	Full Service	18	6,110	47.6 %	35.5 %	12.1 pts	\$ 116.07	\$ 117.10	(0.9)%	\$ 55.25	\$ 41.57	32.9 %
Royal Sonesta ⁽¹⁾	Full Service	8	2,362	32.3 %	25.5 %	6.8 pts	159.20	142.73	11.5 %	51.42	36.40	41.3 %
Radisson Hotel	Full Service	4	969	52.8 %	34.9 %	17.9 pts	106.26	102.80	3.4 %	56.11	35.88	56.4 %
Crowne Plaza	Full Service	1	495	46.6 %	29.6 %	17.0 pts	111.83	111.50	0.3 %	52.11	33.00	57.9 %
Country Inn and Suites	Full Service	1	84	51.5 %	40.0 %	11.5 pts	87.47	83.33	5.0 %	45.05	33.33	35.2 %
Full Service Total / Average		32	10,020	44.4 %	32.9 %	11.5 pts	121.91	119.73	1.8 %	54.13	39.39	37.4 %
Sonesta Select ⁽¹⁾	Select Service	63	8,888	37.2 %	30.9 %	6.3 pts	100.94	107.61	(6.2)%	37.55	33.25	12.9 %
Hyatt Place	Select Service	17	2,107	60.7 %	45.1 %	15.6 pts	101.76	92.88	9.6 %	61.77	41.89	47.5 %
Courtyard	Select Service	13	1,813	50.7 %	30.0 %	20.7 pts	103.14	92.68	11.3 %	52.29	27.80	88.1 %
Select Service Total / Average		93	12,808	43.0 %	33.1 %	9.9 pts	101.50	102.40	(0.9)%	43.65	33.89	28.8 %
Sonesta ES Suites ⁽¹⁾	Extended Stay	90	11,233	65.9 %	53.7 %	12.2 pts	100.09	102.18	(2.0)%	65.96	54.87	20.2 %
Sonesta Simply Suites ⁽¹⁾	Extended Stay	62	7,698	68.6 %	62.8 %	5.8 pts	71.06	69.52	2.2 %	48.75	43.66	11.7 %
Residence Inn	Extended Stay	3	342	57.2 %	42.0 %	15.2 pts	110.01	104.26	5.5 %	62.93	43.79	43.7 %
Extended Stay Total / Average		155	19,273	66.8 %	57.2 %	9.6 pts	88.40	87.85	0.6 %	59.05	50.25	17.5 %
		280	42,101	54.2 %	44.1 %	10.1 pts	\$ 98.07	\$ 96.84	1.3 %	\$ 53.15	\$ 42.71	24.4 %

All operating data presented are based upon the operating results provided by our managers and tenants for the indicated periods. We have not independently verified our managers' or tenants' operating data.

(1) Includes operating data for periods prior to when certain hotels were managed by Sonesta.

Hotel Operating Statistics by Service Level - All Hotels⁽¹⁾

Brand	Service Level	No. of Hotels	No. of Rooms or Suites	Occupancy			ADR			RevPAR		
				Three Months Ended December 31,			Three Months Ended December 31,			Three Months Ended December 31,		
				2021	2020	Change	2021	2020	Change	2021	2020	Change
Sonesta ⁽²⁾	Full Service	25	8,040	53.6 %	27.1 %	26.5 pts	\$ 129.64	\$ 106.35	21.9 %	\$ 69.49	\$ 28.82	141.1 %
Royal Sonesta ⁽²⁾	Full Service	17	5,663	39.8 %	17.2 %	22.6 pts	207.21	136.89	51.4 %	82.47	23.55	250.2 %
Radisson Hotel	Full Service	5	1,149	56.4 %	28.4 %	28.0 pts	110.73	88.13	25.6 %	62.45	25.03	149.5 %
Crowne Plaza	Full Service	1	495	46.4 %	31.9 %	14.5 pts	114.97	87.10	32.0 %	53.35	27.78	92.0 %
Country Inn and Suites	Full Service	3	430	53.3 %	23.5 %	29.8 pts	105.04	83.86	25.3 %	55.99	19.71	184.1 %
Full Service Total / Average		51	15,777	48.6 %	23.8 %	24.8 pts	149.94	110.94	35.2 %	72.87	26.40	176.0 %
Sonesta Select ⁽²⁾	Select Service	63	8,888	41.8 %	30.0 %	11.8 pts	103.54	85.45	21.2 %	43.28	25.64	68.8 %
Hyatt Place	Select Service	17	2,107	63.3 %	45.1 %	18.2 pts	107.93	81.81	31.9 %	68.32	36.90	85.1 %
Courtyard	Select Service	13	1,813	50.8 %	31.9 %	18.9 pts	109.18	83.40	30.9 %	55.46	26.60	108.5 %
Select Service Total / Average		93	12,808	46.6 %	32.8 %	13.8 pts	105.39	84.34	25.0 %	49.11	27.66	77.5 %
Sonesta ES Suites ⁽²⁾	Extended Stay	91	11,379	65.4 %	55.3 %	10.1 pts	107.26	93.87	14.3 %	70.15	51.91	35.1 %
Sonesta Simply Suites ⁽²⁾	Extended Stay	65	8,040	66.9 %	58.0 %	8.9 pts	75.89	63.92	18.7 %	50.77	37.07	37.0 %
Residence Inn	Extended Stay	3	342	58.6 %	37.0 %	21.6 pts	112.07	98.16	14.2 %	65.67	36.32	80.8 %
Extended Stay Total / Average		159	19,761	65.9 %	56.1 %	9.8 pts	94.42	81.28	16.2 %	62.22	45.60	36.4 %
		303	48,346	55.2 %	39.5 %	15.7 pts	\$ 112.30	\$ 87.65	28.1 %	\$ 61.99	\$ 34.62	79.1 %

All operating data presented are based upon the operating results provided by our managers and tenants for the indicated periods. We have not independently verified our managers' or tenants' operating data.

- (1) Results of all hotels owned as of December 31, 2021. Excludes the results of hotels sold during the periods presented.
- (2) Includes operating data for periods prior to when certain hotels were managed by Sonesta.

Hotel Operating Statistics by Service Level - All Hotels⁽¹⁾

Brand	Service Level	No. of Hotels	No. of Rooms or Suites	Occupancy			ADR			RevPAR		
				Year Ended December 31,			Year Ended December 31,			Year Ended December 31,		
				2021	2020	Change	2021	2020	Change	2021	2020	Change
Sonesta ⁽²⁾	Full Service	25	8,040	47.3 %	33.3 %	14.0 pts	\$ 128.25	\$ 122.18	5.0 %	\$ 60.66	\$ 40.69	49.1 %
Royal Sonesta ⁽²⁾	Full Service	17	5,663	35.7 %	23.7 %	12.0 pts	190.02	170.45	11.5 %	67.84	40.40	67.9 %
Radisson Hotel	Full Service	5	1,149	50.4 %	32.1 %	18.3 pts	105.23	108.73	(3.2)%	53.04	34.90	52.0 %
Crowne Plaza	Full Service	1	495	46.6 %	29.6 %	17.0 pts	111.83	111.50	0.3 %	52.11	33.00	57.9 %
Country Inn and Suites	Full Service	3	430	50.0 %	25.9 %	24.1 pts	109.10	99.25	9.9 %	54.55	25.71	112.2 %
Full Service Total / Average		51	15,777	43.5 %	29.6 %	13.9 pts	143.02	133.28	7.3 %	62.21	39.45	57.7 %
Sonesta Select ⁽²⁾	Select Service	63	8,888	41.8 %	30.9 %	10.9 pts	100.94	107.61	(6.2)%	42.19	33.25	26.9 %
Hyatt Place	Select Service	17	2,107	63.3 %	45.1 %	18.2 pts	101.76	92.88	9.6 %	64.41	41.89	53.8 %
Courtyard	Select Service	13	1,813	50.8 %	30.0 %	20.8 pts	103.14	92.68	11.3 %	52.40	27.80	88.5 %
Select Service Total / Average		93	12,808	43.0 %	33.1 %	9.9 pts	101.50	102.40	(0.9)%	43.65	33.89	28.8 %
Sonesta ES Suites ⁽²⁾	Extended Stay	91	11,379	65.4 %	53.4 %	12.0 pts	100.25	102.28	(2.0)%	65.56	54.62	20.0 %
Sonesta Simply Suites ⁽²⁾	Extended Stay	65	8,040	66.9 %	62.2 %	4.7 pts	70.58	69.11	2.1 %	47.22	42.99	9.8 %
Residence Inn	Extended Stay	3	342	58.6 %	42.0 %	16.6 pts	110.01	104.26	5.5 %	64.47	43.79	47.2 %
Extended Stay Total / Average		159	19,761	66.8 %	56.8 %	10.0 pts	88.08	87.51	0.7 %	58.84	49.71	18.4 %
		303	48,346	53.0 %	42.0 %	11.2 pts	\$ 105.36	\$ 100.77	4.3 %	\$ 55.84	\$ 42.32	32.2 %

All operating data presented are based upon the operating results provided by our managers and tenants for the indicated periods. We have not independently verified our managers' or tenants' operating data.

- (1) Results of all hotels owned as of December 31, 2021. Excludes the results of hotels sold during the periods presented.
- (2) Includes operating data for periods prior to when certain hotels were managed by Sonesta.

Calculation and Reconciliation of Hotel EBITDA and Adjusted Hotel EBITDA - Comparable Hotels

(dollars in thousands)

	Three Months Ended					For the Year Ended	
	12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020	12/31/21	12/31/20
Number of hotels	298	298	298	298	298	280	280
Room revenues	\$ 263,312	\$ 288,188	\$ 241,931	\$ 147,915	\$ 150,226	\$ 812,506	\$ 656,990
Food and beverage revenues	28,700	22,877	17,487	7,661	7,707	44,517	41,787
Other revenues	11,495	12,353	11,273	7,417	8,910	27,437	27,980
Hotel operating revenues - comparable hotels	303,507	323,418	270,691	162,993	166,843	884,460	726,757
Rooms expenses	85,800	88,324	77,933	54,639	56,857	267,010	223,641
Food and beverage expenses	23,458	18,327	14,031	8,329	9,598	38,393	43,535
Other direct and indirect expenses	119,706	121,435	104,785	106,910	96,576	385,088	350,702
Management fees	12,139	12,241	10,363	5,175	2,131	34,590	5,580
Real estate taxes, insurance and other	24,843	27,396	28,332	28,589	27,777	93,343	94,088
FF&E reserves ⁽¹³⁾	1,236	1,411	1,135	764	390	4,046	10,178
Hotel operating expenses - comparable hotels	267,182	269,134	236,579	204,406	193,329	822,470	727,724
Hotel EBITDA	\$ 36,325	\$ 54,284	\$ 34,112	\$ (41,413)	\$ (26,486)	\$ 61,990	\$ (967)
Loss contingency ⁽¹¹⁾	–	–	–	–	(331)	–	(331)
Adjusted Hotel EBITDA	\$ 36,325	\$ 54,284	\$ 34,112	\$ (41,413)	\$ (26,817)	\$ 61,990	\$ (1,298)
Adjusted Hotel EBITDA Margin	12.0 %	16.8 %	12.6 %	(25.4)%	(16.1)%	7.0 %	(0.2)%
Hotel operating revenues (GAAP) ⁽¹⁾	\$ 317,215	\$ 338,375	\$ 280,135	\$ 168,953	\$ 174,520	\$ 1,104,678	\$ 875,098
Add (less)							
Hotel revenues for leased hotels	–	–	–	–	1,898	–	13,643
Hotel operating revenues from non-comparable hotels	(13,708)	(14,957)	(9,444)	(5,960)	(9,575)	(220,218)	(161,984)
Hotel operating revenues - comparable hotels	\$ 303,507	\$ 323,418	\$ 270,691	\$ 162,993	\$ 166,843	\$ 884,460	\$ 726,757
Hotel operating expenses (GAAP) ⁽¹⁾	\$ 286,968	\$ 285,233	\$ 243,183	\$ 195,353	\$ 189,898	\$ 1,010,737	\$ 682,804
Add (less)							
Hotel operating expenses from non-comparable hotels	(21,643)	(18,131)	(13,666)	(2,722)	(13,192)	(210,993)	(215,340)
Reduction for security deposit and guaranty fundings, net ⁽³⁾	–	–	5,306	13,387	30,474	15,696	235,522
Hotel expenses for leased hotels	–	–	–	–	2,225	–	11,074
FF&E reserves from managed hotel operations ⁽¹³⁾	1,236	1,411	1,135	764	390	4,546	11,594
Other ⁽¹⁴⁾	621	621	621	621	621	2,484	2,070
Hotel operating expenses - comparable hotels	\$ 267,182	\$ 269,134	\$ 236,579	\$ 204,406	\$ 193,329	\$ 822,470	\$ 727,724

See accompanying notes on [page 11](#).

Calculation and Reconciliation of Hotel EBITDA and Adjusted Hotel EBITDA - All Hotels

(dollars in thousands)

	For the Three Months Ended					For the Year Ended	
	12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020	12/31/2021	12/31/2020
Number of hotels	303	304	310	310	329	303	285
Room revenues	\$ 272,458	\$ 298,607	\$ 248,618	\$ 152,728	\$ 159,022	\$ 972,411	\$ 773,572
Food and beverage revenues	31,503	25,822	18,933	8,172	7,911	84,430	66,830
Other revenues	13,254	13,946	12,584	8,053	9,485	47,837	48,339
Hotel operating revenues	317,215	338,375	280,135	168,953	176,418	1,104,678	888,741
Rooms expenses	90,705	93,035	80,910	56,578	59,784	321,228	270,828
Food and beverage expenses	26,768	21,415	15,659	9,042	9,928	72,884	75,718
Other direct and indirect expenses	126,208	125,080	107,533	99,766	97,328	458,586	422,819
Management fees	11,869	12,710	10,661	5,238	2,436	40,478	8,050
Real estate taxes, insurance and other	32,039	33,614	34,347	35,741	36,655	135,741	154,375
FF&E reserves ⁽¹³⁾	1,236	1,411	1,135	764	390	4,546	11,274
Hotel operating expenses	288,825	287,265	250,245	207,129	206,521	1,033,463	943,064
Hotel EBITDA	\$ 28,390	\$ 29,890	\$ 29,890	\$ (38,176)	\$ (30,103)	\$ 71,215	\$ (54,323)
Loss contingency ⁽¹¹⁾	—	—	—	—	3,962	—	3,962
Adjusted Hotel EBITDA	\$ 28,390	\$ 29,890	\$ 29,890	\$ (38,176)	\$ (26,141)	\$ 71,215	\$ (54,323)
Adjusted Hotel EBITDA Margin	8.9 %	10.7 %	10.7 %	(22.6)%	(14.8)%	6.4 %	(6.1)%
Hotel operating revenues (GAAP) ⁽¹⁾	\$ 317,215	\$ 338,375	\$ 280,135	\$ 168,953	\$ 174,520	\$ 1,104,678	\$ 875,098
Add: hotel revenues of leased hotels	—	—	—	—	1,898	—	13,643
Hotel operating revenues	\$ 317,215	\$ 338,375	\$ 280,135	\$ 168,953	\$ 176,418	\$ 1,104,678	\$ 888,741
Hotel operating expenses (GAAP) ⁽¹⁾	\$ 286,968	\$ 285,233	\$ 243,183	\$ 195,353	\$ 189,898	\$ 1,010,737	\$ 682,804
Add (less)							
Reduction for security deposit and guaranty fundings, net ⁽³⁾	—	—	5,306	10,391	13,387	15,696	235,522
Hotel expenses for leased hotels	—	—	—	—	2,225	—	11,074
FF&E reserves from managed hotel operations ⁽¹³⁾	1,236	1,411	1,135	764	390	4,546	11,594
Other ⁽¹⁴⁾	621	621	621	621	621	2,484	2,070
Hotel operating expenses	\$ 288,825	\$ 287,265	\$ 250,245	\$ 207,129	\$ 206,521	\$ 1,033,463	\$ 943,064

See accompanying notes on [page 11](#).

Net Lease Portfolio by Brand

As of December 31, 2021

(dollars in thousands)

	Brand	No. of Buildings	Square Feet	Investment ⁽¹⁾	Percent of Total Investment	Annualized Minimum Rent	Percent of Total Annualized Minimum Rent	Rent Coverage
1.	TravelCenters of America	134	3,720,693	\$ 2,289,189	44.6 %	\$ 168,012	45.4 %	2.26x
2.	Petro Stopping Centers	45	1,470,004	1,021,226	19.9 %	78,099	21.1 %	1.99x
3.	AMC Theatres	11	575,967	102,580	2.0 %	7,751	2.1 %	0.18x
4.	The Great Escape	14	542,666	98,242	1.9 %	7,140	1.9 %	7.79x
5.	Life Time Fitness	3	420,335	92,617	1.8 %	5,770	1.6 %	1.24x
6.	Buehler's Fresh Foods	5	502,727	76,536	1.5 %	5,657	1.5 %	5.90x
7.	Heartland Dental	59	234,274	61,120	1.2 %	4,561	1.2 %	4.36x
8.	Norms	10	63,490	53,673	1.0 %	1,584	0.4 %	0.47x
9.	Express Oil Change	23	83,825	49,724	1.0 %	3,717	1.0 %	4.34x
10.	Regal Cinemas	6	266,546	44,476	0.9 %	3,658	1.0 %	0.17x
11.	Pizza Hut	39	164,298	43,982	0.9 %	3,285	0.9 %	1.61x
12.	Pilot Travel Centers	3	48,069	41,681	0.8 %	3,183	0.9 %	4.03x
13.	Courthouse Athletic Club	4	193,659	39,688	0.8 %	1,850	0.5 %	1.36x
14.	Fleet Farm	1	218,248	37,802	0.7 %	2,675	0.7 %	1.97x
15.	Church's Chicken	44	58,401	35,370	0.7 %	2,469	0.7 %	1.83x
16.	Big Al's	2	111,912	35,214	0.7 %	2,336	0.6 %	0.85x
17.	B&B Theatres	4	261,300	34,369	0.7 %	2,000	0.5 %	0.16x
18.	America's Auto Auction	6	72,338	34,314	0.7 %	3,216	0.9 %	5.93x
19.	Burger King	21	68,710	34,289	0.7 %	2,075	0.6 %	2.65x
20.	Hardee's	19	62,792	31,844	0.6 %	2,085	0.6 %	2.38x
21.	Martin's	16	81,909	31,144	0.6 %	2,288	0.6 %	2.40x
22.	Arby's	19	57,868	29,166	0.6 %	1,723	0.5 %	4.18x
23.	Creme de la Creme	4	81,929	29,131	0.6 %	2,429	0.7 %	1.22x
24.	Mister Car Wash	5	41,456	28,658	0.6 %	2,128	0.6 %	1.89x
25.	Popeye's Chicken & Biscuits	20	45,708	28,434	0.6 %	1,961	0.5 %	5.18x
26.	Other ⁽¹⁾	271	4,072,936	726,722	13.9 %	48,081	13.0 %	3.99x
	Total	788	13,522,060	\$ 5,131,191	100.0 %	\$ 369,733	100.0 %	2.58x



TA 065 - Seymour
Seymour, IN

(1) Consists of 109 distinct brands with an average investment of \$2,682 per building.

Net Lease Portfolio by Industry

As of December 31, 2021

(dollars in thousands)

Industry	No. of Buildings	Square Feet	Investment ⁽¹⁾	Percent of Total Investment	Annualized Minimum Rent	Percent of Total Annualized Minimum Rent	Rent Coverage
1. Travel Centers	182	5,238,766	\$ 3,352,096	65.3%	\$ 249,293	67.5%	2.20x
2. Restaurants-Quick Service	227	739,749	301,528	5.9%	20,365	5.5%	2.92x
3. Restaurants-Casual Dining	53	415,547	192,170	3.7%	9,642	2.6%	2.00x
4. Movie Theaters	22	1,152,845	190,725	3.7%	14,008	3.8%	0.23x
5. Health and Fitness	13	873,258	185,458	3.6%	10,964	3.0%	1.45x
6. Grocery Stores	19	1,020,819	129,219	2.5%	9,180	2.5%	5.38x
7. Home Goods and Leisure	20	632,465	118,899	2.3%	9,041	2.4%	7.79x
8. Medical, Dental Office	71	409,706	118,098	2.3%	9,355	2.5%	4.19x
9. Automotive Equipment & Services	64	219,107	98,473	1.9%	7,126	1.9%	3.19x
10. Entertainment	4	199,853	61,436	1.2%	4,343	1.2%	2.18x
11. Automotive Dealers	8	137,979	60,119	1.2%	5,080	1.4%	6.16x
12. General Merchandise Stores	5	406,786	56,321	1.1%	3,892	1.1%	3.24x
13. Educational Services	9	220,758	55,647	1.1%	4,376	1.2%	1.42x
14. Miscellaneous Manufacturing	7	763,312	32,873	0.6%	2,445	0.7%	15.54x
15. Building Materials	27	429,798	31,317	0.6%	2,610	0.7%	4.20x
16. Car Washes	5	41,456	28,658	0.6%	2,128	0.6%	1.89x
17. Drug Stores and Pharmacies	7	67,423	19,251	0.4%	1,258	0.3%	1.95x
18. Sporting Goods	3	192,889	17,595	0.3%	1,081	0.2%	5.12x
19. Legal Services	5	25,429	11,362	0.2%	1,119	0.2%	-2.75x
20. Dollar Stores	3	27,593	2,971	0.1%	186	0.1%	3.09x
21. Other ⁽¹⁾	4	77,580	10,419	0.2%	2,241	0.6%	2.52x
22. Vacant	30	228,942	56,556	1.1%	–	–%	n/a
Total	788	13,522,060	\$ 5,131,191	100.0%	\$ 369,733	100.0%	2.58x



(1) Consists of miscellaneous businesses with an average investment of \$5,732 per building.

Net Lease Portfolio by Tenant (Top 10)

As of December 31, 2021

(dollars in thousands)

	Tenant	Brand Affiliation	No. of Buildings	Square Feet	Investment	Percent of Total Investment	Annualized Minimum Rent	Percent of Total Annualized Minimum Rent	Weighted Average Lease Term	Rent Coverage
1.	TravelCenters of America Inc. ⁽¹⁾	TravelCenters of America / Petro Stopping Centers	179	5,190,696	\$ 3,310,415	64.5 %	\$ 246,110	66.6 %	10.93	2.18x
2.	American Multi-Cinema, Inc.	AMC Theatres	11	575,967	102,580	2.0 %	7,751	2.1 %	1.08	0.18x
3.	Universal Pool Co., Inc.	The Great Escape	14	542,666	98,242	1.9 %	7,140	1.9 %	5.67	7.79x
4.	Healthy Way of Life II, LLC	Life Time Fitness	3	420,335	92,617	1.8 %	5,770	1.6 %	13.50	1.24x
5.	Styx Acquisition, LLC	Buehler's Fresh Foods	5	502,727	76,536	1.5 %	5,657	1.5 %	13.84	5.90x
6.	Professional Resource Development, Inc.	Heartland Dental	59	234,274	61,120	1.2 %	4,561	1.2 %	4.25	4.36x
7.	Norms Restaurants, LLC	Norms	10	63,490	53,673	1.0 %	1,584	0.4 %	23.51	0.47x
8.	Express Oil Change, L.L.C.	Express Oil Change	23	83,825	49,724	1.0 %	3,717	1.0 %	13.25	4.34x
9.	Regal Cinemas, Inc.	Regal Cinemas	6	266,546	44,476	0.9 %	3,658	1.0 %	5.91	0.17x
10.	Pilot Travel Centers LLC	Flying J Travel Plaza	3	48,069	41,681	0.8 %	3,183	0.9 %	6.98	4.03x
	Sub-total, Top 10		313	7,928,595	3,931,064	76.6 %	289,131	78.2 %	10.53	2.37x
11.	Other ⁽²⁾	Various	475	5,593,465	1,200,127	23.4 %	80,602	21.8 %	8.83	3.35x
	Total		788	13,522,060	\$ 5,131,191	100.0 %	\$ 369,733	100.0 %	10.16	2.58x

(1) TA is our largest tenant. As of December 31, 2021, we leased 179 travel centers (134 under the TravelCenters of America brand and 45 under the Petro Stopping Centers brand) to a subsidiary of TA under five master leases that expire in 2029, 2031, 2032, 2033 and 2035, respectively. TA has two renewal options for 15 years each for each lease for all of the travel centers under the lease. In addition to the payment of our minimum rent, these leases provide for payment to us of percentage rent based on increases in total non-fuel revenues over base levels (3.5% of non-fuel revenues above threshold amounts defined in the leases). TA's remaining deferred rent obligation of \$26,420 is due in quarterly installments of \$4,404 through January 31, 2023.

(2) Consists of 164 tenants with an average investment of \$7,318.

Net Lease Portfolio - Expiration Schedule

As of December 31, 2021

(dollars in thousands)

Year ⁽¹⁾	Square Feet	Annualized Minimum Rent Expiring	Percent of Total Annualized Minimum Rent Expiring	Cumulative % of Total Annualized Minimum Rent Expiring
2022	384,823	2,939	0.8%	0.8%
2023	317,732	2,902	0.8%	1.6%
2024	779,371	11,639	3.1%	4.7%
2025	434,358	8,903	2.4%	7.1%
2026	1,077,985	11,970	3.2%	10.3%
2027	976,451	13,347	3.6%	13.9%
2028	562,490	9,712	2.6%	16.5%
2029	1,324,129	47,806	12.9%	29.4%
2030	138,590	4,160	1.1%	30.5%
2031	1,313,222	48,782	13.2%	43.7%
2032	1,266,322	53,390	14.4%	58.1%
2033	1,146,326	52,267	14.3%	72.4%
2034	115,646	4,057	1.1%	73.5%
2035	2,234,644	80,285	21.7%	95.2%
2036	552,708	6,878	1.9%	97.1%
2037	3,030	70	0.0%	97.1%
2038	44,484	1,048	0.3%	97.4%
2039	134,901	3,209	0.9%	98.3%
2040	115,142	2,441	0.7%	99.0%
2041	223,043	2,189	0.6%	99.6%
2042	57,499	155	–%	99.6%
2043	–	–	–%	99.6%
2044	–	–	–%	99.6%
2045	63,489	1,584	0.4%	100.0%
Total	13,266,385	369,733	100.0%	
Weighted Average Lease Term	9.0 years	10.2 years		



(1) The year of lease expiration is pursuant to contract terms.

Net Lease Portfolio - Occupancy Summary

As of December 31, 2021

	As of and For the Three Months Ended				
	12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020
Properties (end of period)	788	794	796	798	799
Total square feet	13,522,060	13,574,656	13,587,068	13,598,892	13,601,689
Square feet leased	13,266,385	13,332,049	13,380,458	13,398,223	13,430,627
Percentage leased	98.1 %	98.2 %	98.5 %	98.5 %	98.7 %

	As of and For the Three Months Ended				
	12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020
Vacant properties beginning of period	30	32	30	18	14
Vacant property sales/ leased	(2)	(2)	(1)	(1)	(4)
Lease terminations	2	—	3	13	8
Vacant properties end of the period	30	30	32	30	18



Non-GAAP Financial Measures

We present certain “non-GAAP financial measures” within the meaning of the applicable Securities and Exchange Commission, or SEC, rules, including FFO, Normalized FFO, EBITDA, Hotel EBITDA, Adjusted Hotel EBITDA, EBITDAre and Adjusted EBITDAre. These measures do not represent cash generated by operating activities in accordance with GAAP and should not be considered alternatives to net income (loss) as indicators of our operating performance or as measures of our liquidity. These measures should be considered in conjunction with net income (loss) as presented in our consolidated statements of income (loss). We consider these non-GAAP measures to be appropriate supplemental measures of operating performance for a REIT, along with net income (loss). We believe these measures provide useful information to investors because by excluding the effects of certain historical amounts, such as depreciation and amortization expense, they may facilitate a comparison of our operating performance between periods and with other REITs and, in the case of Hotel EBITDA, reflecting only those income and expense items that are generated and incurred at the hotel level may help both investors and management to understand the operations of our hotels.

FFO and Normalized FFO: We calculate funds from operations, or FFO, and Normalized FFO as shown on [page 9](#). FFO is calculated on the basis defined by The National Association of Real Estate Investment Trusts, or Nareit, which is net income (loss), calculated in accordance with GAAP, excluding any gain or loss on sale of properties and loss on impairment of real estate assets, if any, plus real estate depreciation and amortization, less any unrealized gains and losses on equity securities, as well as adjustments to reflect our share of FFO attributable to an investee and certain other adjustments currently not applicable to us. In calculating Normalized FFO, we adjust for the items shown on [page 9](#). FFO and Normalized FFO are among the factors considered by our Board of Trustees when determining the amount of distributions to our shareholders. Other factors include, but are not limited to, requirements to satisfy our REIT distribution requirements, limitations in our credit agreement and public debt covenants, the availability to us of debt and equity capital, our distribution rate as a percentage of the trading price of our common shares, or dividend yield, and to the dividend yield of other REITs, our expectation of our future capital requirements and operating performance and our expected needs for and availability of cash to pay our obligations. Other real estate companies and REITs may calculate FFO and Normalized FFO differently than we do.

EBITDA, EBITDAre and Adjusted EBITDAre: We calculate earnings before interest, taxes, depreciation and amortization, or EBITDA, EBITDA for real estate, or EBITDAre, and Adjusted EBITDAre as shown on [page 10](#). EBITDAre is calculated on the basis defined by Nareit, which is EBITDA, excluding gains and losses on the sale of real estate, loss on impairment of real estate assets, if any, and adjustments to reflect our share of EBITDAre attributable to an investee. In calculating Adjusted EBITDAre, we adjust for the items shown on [page 10](#). Other real estate companies and REITs may calculate EBITDA, EBITDAre and Adjusted EBITDAre differently than we do.

Hotel EBITDA and Adjusted Hotel EBITDA: We calculate Hotel EBITDA as hotel operating revenues less hotel operating expenses of all managed and leased hotels, prior to any adjustments required for presentation in our consolidated statements of income (loss) in accordance with GAAP. Adjusted Hotel EBITDA excludes certain items we believe do not reflect the ongoing operating performance of our hotels. We believe that Hotel EBITDA and Adjusted Hotel EBITDA provide useful information to management and investors as key measures of the profitability of our hotel operations.

Other Definitions

Adjusted Hotel EBITDA Margin: is Adjusted Hotel EBITDA as a percentage of hotel operating revenues.

Adjusted Total Assets and Total Unencumbered Assets: Adjusted total assets and total unencumbered assets include original cost of real estate assets calculated in accordance with GAAP before impairment write-downs, if any, and exclude depreciation and amortization, accounts receivable and intangible assets.

Annualized Dividend Yield: Annualized dividend yield is the annualized dividend paid during the period divided by the closing price of our common shares at the end of the period.

Average Daily Rate: ADR represents rooms revenue divided by the total number of room nights sold in a given period. ADR provides useful insight on pricing at our hotels and is a measure widely used in the hotel industry.

Chain Scale: As characterized by STR, a data benchmark and analytics provider for the lodging industry.

Comparable Hotels Data: We present RevPAR, ADR and occupancy for the periods presented on a comparable basis to facilitate comparisons between periods. We generally define comparable hotels as those that we owned on December 31, 2021 and were open and operating since the beginning of the earliest period being compared. For the three months ended December 31, 2021 and 2020, our comparable results excluded five hotels that had suspended operations during part of the periods presented. For the years ended December 31, 2021 and 2020, our comparable results excluded 23 hotels that had suspended operations during part of the periods presented.

Consolidated Income Available for Debt Service: Consolidated income available for debt service, as defined in our debt agreements, is earnings from operations excluding interest expense, unrealized gains and losses on equity securities, depreciation and amortization, loss on asset impairment, unrealized appreciation on assets held for sale, gains and losses on early extinguishment of debt, gains and losses on sales of property and amortization of deferred charges.

Debt: Debt amounts reflect the principal balance as of the date reported. Net debt means total debt less unrestricted cash and cash equivalents as of the date reported.

FF&E Reserve: Various percentages of total sales at certain of our hotels are escrowed as reserves for future renovations or refurbishments, or FF&E reserve escrows. We own all the FF&E reserve escrows for our hotels.

FF&E Reserve Deposits Not Funded by Hotel Operations: The operating agreements for our hotels generally provide that, if necessary, we will provide FF&E funding in excess of escrowed reserves. To the extent we make such fundings, our contractual annual minimum returns or rents generally increase by a percentage of the amounts we fund.

Gross Book Value of Real Estate Assets: Gross book value of real estate assets is real estate properties at cost plus acquisition related costs, if any, before purchase price allocations, less impairment write-downs, if any.

Investment: We define hotel investment as historical cost of our properties plus capital improvements funded by us less impairment write-downs, if any, and excludes capital improvements made from FF&E reserves funded from hotel operations that do not result in increases in minimum returns or rents.

We define net lease investment as historical cost of our properties plus capital improvements funded by us less impairment write-downs, if any.

Minimum Return/Rent: Each of our management agreements or leases with hotel operators provides for payment to us of an annual minimum return or minimum rent, respectively. Certain of these minimum payment amounts are secured by full or limited guarantees or security deposits. In addition, certain of our hotel management agreements provide for payment to us of additional amounts to the extent of available cash flows as defined in the management agreement. Payments of these additional amounts are not guaranteed or secured by deposits.

Each of our agreements with our net lease tenants provides for payment to us of minimum rent. Certain of these minimum payment amounts are secured by full or limited guarantees. Annualized minimum rent amounts represent cash rent amounts due to us and exclude adjustments, if any, necessary to record scheduled rent changes under certain of our leases, the deferred rent obligations payable to us under our leases with TA and the estimated future payments to us under our TA leases for the cost of removing underground storage tanks at our travel centers on a straight line basis or any reimbursement of expenses paid by us.

Occupancy: Occupancy represents the total number of room nights sold divided by the total number of room nights available at a hotel or group of hotels. Occupancy is an important measure of the utilization rate and demand of our hotels.

Rent Coverage: We define rent coverage as earnings before interest, taxes, depreciation, amortization and rent, or EBITDAR, divided by the annual minimum rent due to us weighted by the minimum rent of the property to total minimum rents of the net lease portfolio. EBITDAR amounts used to determine rent coverage are generally for the latest twelve-month period reported based on the most recent operating information, if any, furnished by the tenant. Operating statements furnished by the tenant often are unaudited and, in certain cases, may not have been prepared in accordance with GAAP and are not independently verified by us. Tenants that do not report operating information are excluded from the rent coverage calculations. In instances where we do not have financial information for the most recent quarter from our tenants, we have calculated an implied EBITDAR for the 2021 fourth quarter using industry benchmark data to reflect current operating trends. We believe using this industry benchmark data provides a reasonable estimate of recent operating results and rent coverage for those tenants.

Revenue per Available Room: RevPAR represents rooms revenue divided by the total number of room nights available to guests for a given period. RevPAR is an industry metric correlated to occupancy and ADR and helps measure revenue performance over comparable periods.

Total Gross Assets: Total gross assets is total assets plus accumulated depreciation.

This supplemental operating and financial data may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Whenever we use words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “will,” “may” and negatives or derivatives of these or similar expressions, we are making forward-looking statements. These forward-looking statements are based upon our present intent, beliefs or expectations, but forward-looking statements are not guaranteed to occur and may not occur. Actual results may differ materially from those contained in or implied by our forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control.

The information contained in our filings with the SEC, including under “Risk Factors” in our periodic reports, or incorporated therein, identifies important factors that could cause our actual results to differ materially from those stated in or implied by our forward-looking statements. Our filings with the SEC are available on the SEC's website at www.sec.gov. You should not place undue reliance upon our forward-looking statements. Except as required by law, we do not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.