



**SERVICE
PROPERTIES TRUST**

FOURTH QUARTER 2022

Supplemental Operating and Financial Data

ALL AMOUNTS IN THIS REPORT ARE UNAUDITED.

The Stephen F Austin Royal Sonesta Hotel
Austin, TX

Exhibit 99.2



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Non-GAAP FINANCIAL MEASURES AND CERTAIN DEFINITIONS

WARNING CONCERNING FORWARD-LOOKING STATEMENTS

Please refer to Non-GAAP Financial Measures and Certain Definitions for terms used throughout this document.

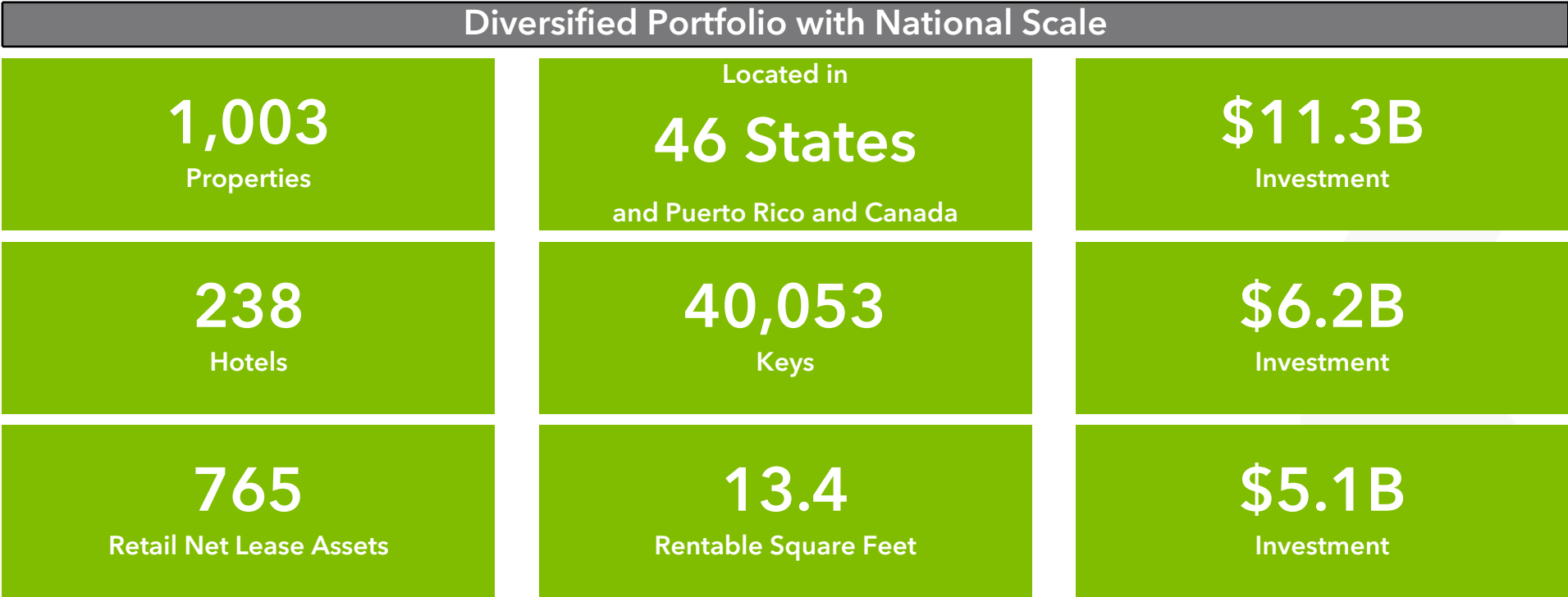
SVC
Nasdaq Listed

The Company:

Service Properties Trust, or SVC, we, our or us, is a real estate investment trust, or REIT, that owns hotels and service-focused retail net lease properties throughout the United States and in Puerto Rico and Canada. SVC is included in 166 market indices and comprises more than 1% of the following indices as of December 31, 2022: Bloomberg Reit Hotels Index (BBREHOTL), Invesco S&P SmallCap Financials ETF INAV Index (PSCFIV), Invesco S&P SmallCap 600® Equal Weight ETF INAV Index (EWSCIV), and Hoya Capital High Dividend Yield Index (GTR) (RIET).

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, 2022, RMR had over \$37 billion of real estate assets under management and the combined RMR managed companies had more than \$16 billion of annual revenues, nearly 2,100 properties and over 38,000 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.



Board of Trustees

Laurie B. Burns
Independent Trustee

Robert E. Cramer
Independent Trustee

Donna D. Fraiche
Lead Independent Trustee

John L. Harrington
Independent Trustee

William A. Lamkin
Independent Trustee

John G. Murray
Managing Trustee

Adam D. Portnoy
Chair of the Board & Managing Trustee

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Senior Unsecured Debt Ratings

Standard & Poor's: B+ (Outlook Negative)/BB*
Moody's: B2 (Outlook: Negative)/B1*
* BB/B1 rating assigned to guaranteed Senior Unsecured Notes.

Senior Management

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President and Chief Investment Officer

Brian E. Donley
Chief Financial Officer and Treasurer

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Key Financial Data

(dollars in thousands, except per share data)

	As of and For the Three Months Ended				
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021
Selected Balance Sheet Data:					
Total gross assets	\$ 10,458,324	\$ 10,561,906	\$ 11,222,613	\$ 12,438,367	\$ 12,434,974
Total assets	\$ 7,488,191	\$ 7,632,713	\$ 8,331,559	\$ 9,017,072	\$ 9,153,315
Total liabilities	\$ 6,099,399	\$ 6,180,795	\$ 6,886,687	\$ 7,582,773	\$ 7,598,009
Total shareholders' equity	\$ 1,388,792	\$ 1,451,918	\$ 1,444,872	\$ 1,434,299	\$ 1,555,306
Selected Income Statement Data:					
Total revenues	\$ 455,219	\$ 498,521	\$ 515,777	\$ 393,764	\$ 421,375
Net income (loss)	\$ (31,409)	\$ 7,500	\$ 11,350	\$ (119,822)	\$ (198,793)
FFO	\$ 73,128	\$ 88,397	\$ 87,031	\$ (4,831)	\$ (8,545)
Normalized FFO	\$ 73,266	\$ 88,458	\$ 89,158	\$ (3,409)	\$ 27,936
Adjusted EBITDAre	\$ 150,534	\$ 173,455	\$ 181,873	\$ 90,106	\$ 118,997
Per Common Share Data (basic and diluted):					
Net income (loss)	\$ (0.19)	\$ 0.05	\$ 0.07	\$ (0.73)	\$ (1.21)
FFO	\$ 0.44	\$ 0.54	\$ 0.53	\$ (0.03)	\$ (0.05)
Normalized FFO	\$ 0.44	\$ 0.54	\$ 0.54	\$ (0.02)	\$ 0.17
Dividend Data:					
Annualized dividends paid per share during the period	\$ 0.80	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
Annualized dividend yield (at end of period)	11.0 %	0.8 %	0.8 %	0.5 %	0.4 %
Normalized FFO payout ratio	45.5 %	1.9 %	1.9 %	(50.0)%	5.9 %



Consolidated Balance Sheets

(dollars in thousands, except share data)

	As of December 31,	
	2022	2021
ASSETS		
Real estate properties:		
Land	\$ 1,902,587	\$ 1,918,385
Buildings, improvements and equipment	7,658,282	8,307,248
Total real estate properties, gross	9,560,869	10,225,633
Accumulated depreciation	(2,970,133)	(3,281,659)
Total real estate properties, net	6,590,736	6,943,974
Acquired real estate leases and other intangibles, net	252,357	283,241
Assets held for sale	121,905	515,518
Cash and cash equivalents	38,369	944,043
Restricted cash	7,051	3,375
Equity method investments	112,617	62,687
Investment in equity securities	53,055	61,159
Due from related persons	35,033	48,168
Other assets, net	277,068	291,150
Total assets	\$ 7,488,191	\$ 9,153,315
LIABILITIES AND SHAREHOLDERS' EQUITY		
Revolving credit facility	\$ —	\$ 1,000,000
Senior unsecured notes, net	5,655,530	6,143,022
Accounts payable and other liabilities	425,960	433,448
Due to related persons	17,909	21,539
Total liabilities	6,099,399	7,598,009
Commitments and contingencies		
Shareholders' equity:		
Common shares of beneficial interest, \$.01 par value; 200,000,000 shares authorized; 165,452,566 and 165,092,333 shares issued and outstanding, respectively	1,655	1,651
Additional paid in capital	4,554,861	4,552,558
Cumulative other comprehensive income	2,383	779
Cumulative net income available for common shareholders	2,503,279	2,635,660
Cumulative common distributions	(5,673,386)	(5,635,342)
Total shareholders' equity	1,388,792	1,555,306
Total liabilities and shareholders' equity	\$ 7,488,191	\$ 9,153,315



Royal Sonesta Chicago Riverfront
Chicago, IL

Consolidated Statements of Income (Loss)

(amounts in thousands, except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Revenues:				
Hotel operating revenues ⁽¹⁾	\$ 350,501	\$ 317,215	\$ 1,467,344	\$ 1,104,678
Rental income ⁽²⁾	104,718	104,160	395,667	390,902
Total revenues	455,219	421,375	1,863,011	1,495,580
Expenses:				
Hotel operating expenses ⁽¹⁾⁽³⁾	293,554	286,968	1,227,357	1,010,737
Other operating expenses	4,015	3,900	13,176	15,658
Depreciation and amortization	94,961	115,757	401,108	485,965
General and administrative	8,660	12,601	44,404	53,439
Transaction related costs ⁽⁴⁾	–	35,830	1,920	64,764
Loss on asset impairment, net ⁽⁵⁾	1,269	76,510	10,989	78,620
Total expenses	402,459	531,566	1,698,954	1,709,183
Gain on sale of real estate, net ⁽⁶⁾	3,583	588	47,818	11,522
Unrealized (losses) gains on equity securities, net ⁽⁷⁾	(10,841)	2,168	(8,104)	22,535
Interest income	644	177	3,379	664
Interest expense (including amortization of debt issuance costs and debt discounts and premiums of \$3,846 and \$5,913, \$19,375 and \$21,036, respectively)	(77,891)	(92,494)	(341,795)	(365,721)
Loss on early extinguishment of debt ⁽⁸⁾	–	–	(791)	–
Loss before income taxes and equity in earnings (losses) of an investee	(31,745)	(199,752)	(135,436)	(544,603)
Income tax benefit (expense)	1,757	1,950	199	941
Equity in (losses) earnings of an investee ⁽⁹⁾	(1,421)	(991)	2,856	(941)
Net loss	\$ (31,409)	\$ (198,793)	\$ (132,381)	\$ (544,603)
Weighted average common shares outstanding (basic and diluted)	164,862	164,667	164,738	164,566
Net loss per common share (basic and diluted)	\$ (0.19)	\$ (1.21)	\$ (0.80)	\$ (3.31)

See accompanying notes on [page 10](#).

Calculation of FFO and Normalized FFO

(amounts in thousands, except per share data)

		For the Three Months Ended					For the Year Ended	
		12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021	12/31/2022	12/31/2021
Net (loss) income		\$ (31,409)	\$ 7,500	\$ 11,350	\$ (119,822)	\$ (198,793)	\$ (132,381)	\$ (544,603)
Add (Less):	Depreciation and amortization	94,961	101,514	100,520	104,113	115,757	401,108	485,965
	Loss on asset impairment, net ⁽⁵⁾	1,269	1,172	3,048	5,500	76,510	10,989	78,620
	(Gain) loss on sale of real estate, net ⁽⁶⁾	(3,583)	164	(38,851)	(5,548)	(588)	(47,818)	(11,522)
	Unrealized losses (gains) on equity securities, net ⁽⁷⁾	10,841	(23,056)	10,059	10,260	(2,168)	8,104	(22,535)
	Adjustments to reflect our share of FFO attributable to an investee ⁽⁹⁾	1,049	1,103	905	666	737	3,723	2,605
FFO		73,128	88,397	87,031	(4,831)	(8,545)	243,725	(11,470)
Add (Less):	Loss on early extinguishment of debt ⁽⁸⁾	–	–	791	–	–	791	–
	Adjustments to reflect our share of Normalized FFO attributable to an investee ⁽⁹⁾	138	61	593	245	651	1,037	2,270
	Transaction related costs ⁽⁴⁾	–	–	743	1,177	35,830	1,920	64,764
Normalized FFO		<u>\$ 73,266</u>	<u>\$ 88,458</u>	<u>\$ 89,158</u>	<u>\$ (3,409)</u>	<u>\$ 27,936</u>	<u>\$ 247,473</u>	<u>\$ 55,564</u>
Weighted average shares outstanding (basic and diluted)		<u>164,862</u>	<u>164,745</u>	<u>164,667</u>	<u>164,667</u>	<u>164,667</u>	<u>164,738</u>	<u>164,566</u>
Basic and diluted per share common share amounts:								
Net income (loss)		\$ (0.19)	\$ 0.05	\$ 0.07	\$ (0.73)	\$ (1.21)	\$ (0.80)	\$ (3.31)
FFO		\$ 0.44	\$ 0.54	\$ 0.53	\$ (0.03)	\$ (0.05)	\$ 1.48	\$ (0.07)
Normalized FFO		\$ 0.44	\$ 0.54	\$ 0.54	\$ (0.02)	\$ 0.17	\$ 1.50	\$ 0.34

See accompanying notes on [page 10](#).

Calculation of EBITDA, EBITDAre and Adjusted EBITDAre

(dollars in thousands)

		For the Three Months Ended					For the Year Ended	
		12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021	12/31/2022	12/31/2021
Net (loss) income		\$ (31,409)	\$ 7,500	\$ 11,350	\$ (119,822)	\$ (198,793)	\$ (132,381)	\$ (544,603)
Add (Less):	Interest expense	77,891	81,740	89,820	92,344	92,494	341,795	365,721
	Income tax (benefit) expense	(1,757)	390	473	695	(1,950)	(199)	(941)
	Depreciation and amortization	94,961	101,514	100,520	104,113	115,757	401,108	485,965
EBITDA		139,686	191,144	202,163	77,330	7,508	610,323	306,142
Add (Less):	Loss on asset impairment, net ⁽⁵⁾	1,269	1,172	3,048	5,500	76,510	10,989	78,620
	(Gain) loss on sale of real estate, net ⁽⁶⁾	(3,583)	164	(38,851)	(5,548)	(588)	(47,818)	(11,522)
	Adjustments to reflect our share of EBITDAre attributable to an investee ⁽⁹⁾	2,340	2,787	2,074	680	781	7,881	2,904
EBITDAre		139,712	195,267	168,434	77,962	84,211	581,375	376,144
Add (less):	Unrealized losses (gains) on equity securities, net ⁽⁷⁾	10,841	(23,056)	10,059	10,260	(2,168)	8,104	(22,535)
	Loss on early extinguishment of debt ⁽⁸⁾	–	–	791	–	–	791	–
	Adjustments to reflect our share of Adjusted EBITDAre attributable to an investee ⁽⁹⁾	(529)	272	1,014	280	651	1,037	2,270
	Transaction related costs ⁽⁴⁾	–	–	743	1,177	35,830	1,920	64,764
	General and administrative expense paid in common shares ⁽¹⁰⁾	510	972	832	462	473	2,776	2,963
Adjusted EBITDAre		\$ 150,534	\$ 173,455	\$ 181,873	\$ 90,141	\$ 118,997	\$ 596,003	\$ 423,606

See accompanying notes on [page 10](#).

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



(dollar in thousands)

- (1) As of December 31, 2022, we owned 238 hotels. Our consolidated statements of income (loss) include hotel operating revenues and expenses of our managed hotels.
- (2) In calculating net income, we recognize percentage rental income when all contingencies are met and the income is earned. We recognized percentage rental income of \$9,353 and \$7,471 for the three months ended December 31, 2022 and 2021, respectively, and \$12,773 and \$8,415 for the years ended December 31, 2022 and 2021, respectively.

We reduced rental income by \$2,247 and increased rental income by \$466 for the three months ended December 31, 2022 and 2021, respectively, and reduced rental income by \$7,767 and \$2,621 for the years ended December 31, 2022 and 2021, 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 owner's priority return under the terms of our management agreements or their guarantees, we reflect such fundings in our consolidated statements of income (loss) as a reduction of hotel operating expenses. There were no net reductions to hotel operating expenses during the year ended December 31, 2022. The net reductions to hotel operating expenses were \$15,696 for the year ended December 31, 2021.
- (4) Transaction related costs for the three months ended June 30, 2022 and March 31, 2022 of \$743 and \$1,177, respectively, primarily consisted of costs related to our exploration of possible financing transactions. 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, that we expensed 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, that we expensed 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 transaction costs. Transaction related costs for the three months ended March 31, 2021 include \$19,635 of hotel manager transition related costs resulting from the rebranding of 88 hotels during the period.
- (5) We recorded a loss on asset impairment of \$1,269 to reduce the carrying value of one hotel and one net lease property to their estimated fair value less costs to sell during the three months ended December 31, 2022, \$1,172 to reduce the carrying value of three hotels and one net lease property to their estimated fair value less costs to sell during the three months ended September 30, 2022, \$3,048 to reduce the carrying value of two hotels and four net lease properties to their estimated fair value less costs to sell during the three months ended June 30, 2022, \$5,500 to reduce the carrying value of 25 hotels to their estimated fair value less costs to sell during the three months ended March 31, 2022, and a \$76,510 loss on asset impairment during the three months 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.
- (6) We recorded a \$3,583 net gain on sale of real estate during the three months ended December 31, 2022 in connection with the sale of four hotels and two net lease properties. We recorded a \$164 net loss on sale of real estate during the three months ended September 30, 2022 in connection with the sale of five hotels and six net lease properties, a \$38,851 net gain on sale of real estate during the three months ended June 30, 2022 in connection with the sale of 51 hotels and eleven net lease properties, a \$5,548 net gain on sale of real estate during the three months ended March 31, 2022 in connection with the sale of five hotels and two net lease properties, and 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.
- (7) Unrealized gain or 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 \$791 loss on extinguishment of debt during the three months ended June 30, 2022 related to the write off of deferred financing costs and unamortized discounts relating to our amendment to our credit agreement and the repayment of \$500,000 of unsecured senior notes.
- (9) Represents our proportionate share from our equity investment in Sonesta.
- (10) Amounts represent the equity compensation for our Trustees, officers and certain other employees of our manager.
- (11) 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.
- (12) 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). We reduced hotel operating expenses by \$621 for each of the three months ended December 31, 2022 and 2021, and \$2,484 for each of the years ended December 31, 2022 and 2021, for this liability.

Debt Summary ⁽¹⁾

As of December 31, 2022

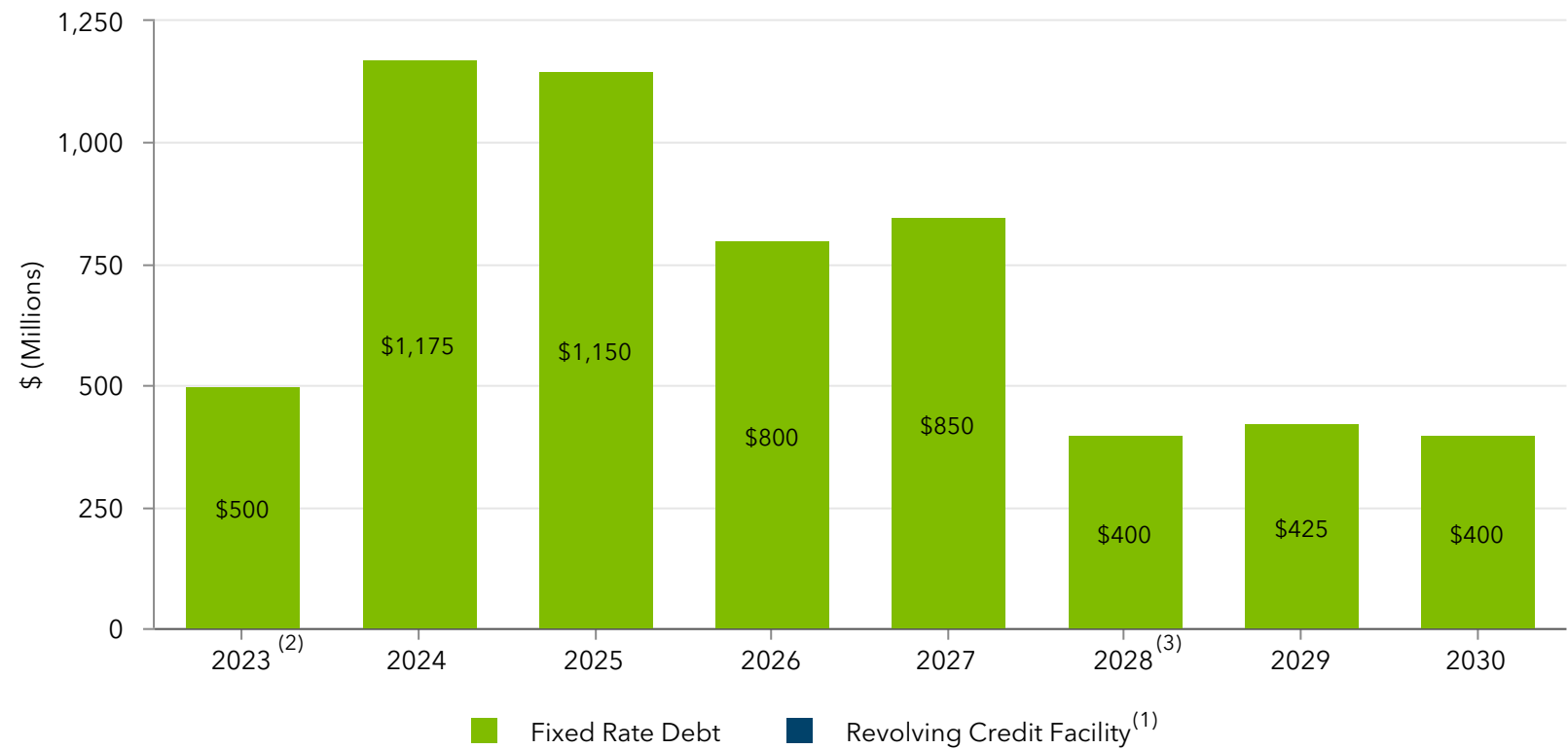
(dollars in thousands)

	Interest Rate	Principal Balance	Maturity Date	Due at Maturity	Years to Maturity
Floating Rate Debt:					
\$800,000 revolving credit facility ⁽²⁾⁽³⁾	6.379 %	\$ —	7/15/23	\$ —	0.5
Unsecured Fixed Rate Debt:					
Senior unsecured notes due 2023 ⁽⁴⁾	4.500 %	\$ 500,000	6/15/23	\$ 500,000	0.5
Senior unsecured notes due 2024	4.650 %	350,000	3/15/24	350,000	1.2
Senior unsecured notes due 2024	4.350 %	825,000	10/1/24	825,000	1.8
Senior unsecured notes due 2025	4.500 %	350,000	3/15/25	350,000	2.2
Senior unsecured notes due 2025 ⁽⁵⁾	7.500 %	800,000	9/15/25	800,000	2.7
Senior unsecured notes due 2026	5.250 %	350,000	2/15/26	350,000	3.1
Senior unsecured notes due 2026	4.750 %	450,000	10/1/26	450,000	3.8
Senior unsecured notes due 2027	4.950 %	400,000	2/15/27	400,000	4.1
Senior unsecured notes due 2027 ⁽⁵⁾	5.500 %	450,000	12/15/27	450,000	5.0
Senior unsecured notes due 2028	3.950 %	400,000	1/15/28	400,000	5.0
Senior unsecured notes due 2029	4.950 %	425,000	10/1/29	425,000	6.8
Senior unsecured notes due 2030	4.375 %	400,000	2/15/30	400,000	7.1
Subtotal / weighted average	5.071 %	5,700,000		5,700,000	3.4
Total / weighted average ⁽⁶⁾	5.071 %	<u>\$ 5,700,000</u>		<u>\$ 5,700,000</u>	3.4

- (1) In February 2023, one of our subsidiaries issued \$610,200 in aggregate principal amount of net lease mortgage notes. The weighted average coupon of the notes is 5.60% and are expected to mature in February 2028.
- (2) We are required to pay interest on borrowings under our revolving credit facility at a rate of LIBOR plus a premium of 250 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 in the schedule is as of December 31, 2022.
- (3) We have provided equity pledges on certain of our property owning subsidiaries and provided first mortgage liens on 73 properties owned by the pledged subsidiaries to secure our obligations under the credit agreement governing our credit facility.
- (4) In February 2023, we announced the early redemption of our outstanding 4.50% Senior Notes due in June 2023 at par plus accrued and unpaid interest. The notes are expected to be redeemed on or about March 8, 2023.
- (5) The notes are guaranteed by certain of our subsidiaries.
- (6) The carrying value of our total debt of \$5,655,530 as of December 31, 2022 is net of unamortized discounts and premiums and certain issuance costs totaling \$44,470.

Debt Maturity Schedule

As of December 31, 2022



- (1) As of December 31, 2022, we had no amounts outstanding under our revolving credit facility.
- (2) In February 2023, we announced the early redemption of our outstanding 4.50% Senior Notes due in June 2023 at par plus accrued and unpaid interest. The notes are expected to be redeemed on or about March 8, 2023.
- (3) In February 2023, one of our subsidiaries issued \$610,200 in aggregate principal amount of net lease mortgage notes. The weighted average coupon of the notes is 5.60% and are expected to mature in February 2028.

Leverage Ratios, Coverage Ratios and Public Debt Covenants

	As of and For the Three Months Ended				
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021
Leverage Ratios:					
Net debt / total gross assets	54.1 %	54.2 %	52.3 %	51.7 %	50.3 %
Net debt / gross book value of real estate assets and cash and cash equivalents	56.4 %	56.5 %	54.7 %	53.4 %	51.9 %
Secured debt / total assets	– %	0.4 %	2.0 %	0.3 %	0.6 %
Variable rate debt / Net debt	– %	1.7 %	13.6 %	16.1 %	16.0 %

Coverage Ratios:					
Rolling four-quarter Adjusted EBITDAre / rolling four-quarter interest expense	1.7x	1.6x	1.4x	1.3x	1.2x
Net debt / rolling four-quarter Adjusted EBITDAre	9.5x	10.1x	11.1x	13.4x	14.8x

	As of and For the Trailing Twelve Months Ended				
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021
Public Debt Covenants:					
<u>Maintenance Covenant</u>					
Total unencumbered assets / unsecured debt - required minimum 150%	159.1 %	161.0 %	169.2 %	170.4 %	176.3 %
<u>Incurrence Covenants</u>					
Total debt / adjusted total assets - allowable maximum 60.0%	53.6 %	53.8 %	57.9 %	58.3 %	56.4 %
Secured debt / adjusted total assets - allowable maximum 40.0%	0.0 %	0.9 %	7.1 %	8.1 %	7.8 %
Consolidated income available for debt service / debt service - required minimum 1.50x	1.85x	1.72x	1.59x	1.32x	1.20x



Capital Expenditures and Restricted Cash Activity

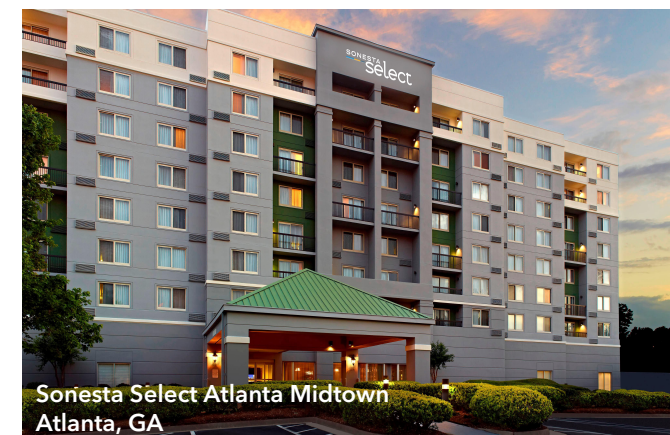
(dollars in thousands)

Capital Expenditures

	For the Three Months Ended				
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021
Hotel capital improvements & FF&E Reserve fundings ⁽¹⁾	\$ 36,629	\$ 22,841	\$ 17,517	\$ 28,144	\$ 30,010
Net lease capital improvements	170	1,520	3,190	740	402
Total capital improvements & FF&E Reserve fundings	<u>\$ 36,799</u>	<u>\$ 24,361</u>	<u>\$ 20,707</u>	<u>\$ 28,884</u>	<u>\$ 30,412</u>

Restricted Cash

	As of and For the Three Months Ended				
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021
Total restricted cash (beginning of period)	\$ 10,891	\$ 64,901	\$ 2,963	\$ 3,375	\$ 1,657
Manager deposits into FF&E Reserve	2,598	2,700	2,425	1,408	1,312
SVC fundings into FF&E Reserve:					
Marriott	–	–	–	–	75
Hotel improvements funded from FF&E Reserve	(1,024)	(1,577)	(1,072)	(787)	(702)
FF&E reserves (end of period)	<u>12,465</u>	<u>66,024</u>	<u>4,316</u>	<u>3,996</u>	<u>2,342</u>
Proceeds from asset sales deposited into (withdrawn from) revolving credit facility collateral account, net	(5,414)	(55,133)	60,585	(1,033)	1,033
Total restricted cash (end of period)	<u>\$ 7,051</u>	<u>\$ 10,891</u>	<u>\$ 64,901</u>	<u>\$ 2,963</u>	<u>\$ 3,375</u>



(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, 2022

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

ACQUISITIONS:

Date Acquired	Properties	Property Type	Brand	Location	Square Footage	Purchase Price ⁽²⁾	Average Purchase Price per Square Foot
September 2022	⁽¹⁾ N/A	Land	N/A	MA	N/A	\$ 2,715	N/A

DISPOSITIONS:

Quarter Disposed	Properties	Property Type	Brand	Location	Rooms or Suites/ Square Footage	Sales Price ⁽²⁾	Average Sales Price per Room or Suite / Square Foot
Q1 2022	2	Hotel	Sonesta ES Suites	TX, OK	431	\$ 26,124	\$ 61
	1	Hotel	Simply Suites	Horsham, PA	110	4,000	36
	1	Hotel	Sonesta Hotels and Resorts	Gwinnett, GA	381	23,250	61
	1	Hotel	Sonesta Select	Fort Worth, TX	138	6,800	49
	2	Net Lease	Vacant	TX, WI	6,960	5,350	1
Q2 2022	29	Hotel	Sonesta ES Suites	AL, FL, GA, IL, MA, MI, MD, MN, MO, NE, NJ, OH, PA, TN, TX, VT, WA	3,504	285,075	81
	12	Hotel	Simply Suites	KS, NJ, TX, TN, MI	1,341	77,719	58
	10	Hotel	Sonesta Select	AL, AZ, GA, IL, MA, NC, NJ, TX	1,274	64,900	51
	11	Net Lease	Vacant	AR, IA, KS, KY, MI, TX, WY	108,532	7,714	71
Q3 2022	1	Hotel	Sonesta ES Suites	RI	96	5,200	54
	1	Hotel	Simply Suites	NY	124	3,000	24
	3	Hotel	Sonesta Select	DE, GA, SC	383	21,500	56
	6	Net Lease	Vacant	IA, IL, OK, TN	14,056	1,105	79
Q4 2022	4	Hotel	Sonesta Select	IA, IN, MA, MO	514	25,845	50
	2	Net Lease	Rick Johnson Auto and Tire	FL	9,090	2,265	249
January 2023	1	Hotel	Sonesta Select	MD	152	4,444	29
February 2023	6	Hotel	Courtyard	GA, PA, MA, OK, TX	827	40,488	49
	1	Hotel	Residence Inn	PA	118	8,336	71
	<u>94</u>				<u>9,393 / 138,638</u>	<u>\$ 613,115</u>	<u>\$64/\$119</u>

(1) We acquired the previously leased land at one of our hotels for a sales price of \$2,715, excluding acquisition related costs.

(2) Represents cash sale price and excludes closing related costs.

Portfolio Summary

As of December 31, 2022

(dollars in thousands)

Number of Properties

Hotel Properties	238	Number of hotel rooms	40,053
Net Lease Properties	765	Square feet	13,374,325
Total Properties	1,003	Average hotel property size	168 rooms
		Average net lease property size	17,570 sq. feet

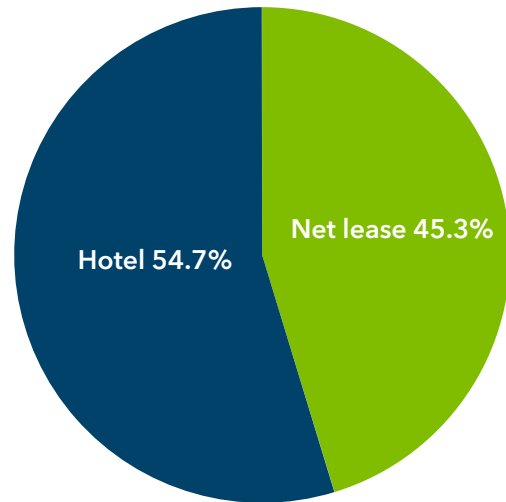
Investments

Hotels	\$ 6,179,444
Net Lease Properties	5,107,828
Total Investments	\$ 11,287,272

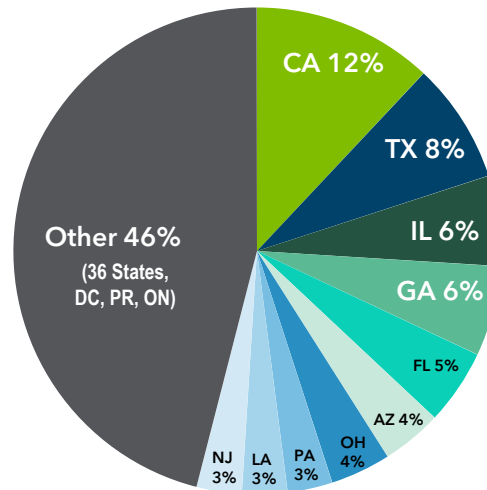
Diversification Facts

Tenants/Operators	185
Brands	149
Industries	22
States	46

Portfolio Composition⁽¹⁾



Geographical Diversification⁽¹⁾



(1) Based on investment

Consolidated Portfolio Diversification by Industry

As of December 31, 2022

(dollars in thousands)

Industry	No. of Properties	Rooms/ Square Footage	Investments	Percent of Total Investment
1. Hotels	238	40,053	\$ 6,179,444	54.7%
2. Travel Centers	180	5,136,653	3,352,096	29.7%
3. Restaurants-Quick Service	216	690,042	294,153	2.5%
4. Restaurants-Casual Dining	53	415,547	192,199	1.7%
5. Health and Fitness	13	873,258	186,365	1.7%
6. Movie Theaters	19	976,418	164,809	1.5%
7. Grocery Stores	19	1,020,819	129,152	1.1%
8. Home Goods and Leisure	20	628,864	120,702	1.1%
9. Medical, Dental Office	71	401,810	109,232	1.0%
10. Automotive Equipment & Services	64	463,492	107,054	0.9%
11. Automotive Dealers	8	177,433	62,550	0.6%
12. Entertainment	4	199,853	61,436	0.5%
13. Educational Services	9	220,758	55,319	0.5%
14. General Merchandise Stores	4	381,193	55,112	0.5%
15. Building Materials	29	465,283	33,280	0.3%
16. Car Washes	5	41,456	28,658	0.3%
17. Miscellaneous Manufacturing	5	538,932	24,148	0.2%
18. Drug Stores and Pharmacies	7	67,423	19,251	0.2%
19. Sporting Goods	3	120,847	17,742	0.2%
20. Legal Services	5	25,429	11,362	0.1%
21. Dollar Stores	3	27,593	2,971	—%
22. Other	5	211,465	27,243	0.2%
23. Vacant	23	289,757	52,994	0.5%
Total	1,003	40,053 / 13,374,325	\$ 11,287,272	100.0%



Consolidated Portfolio by Geographic Diversification

As of December 31, 2022

(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	\$ 1,372,111	12.2 %	\$ 1,099,046	17.8 %	\$ 273,065	5.3 %
Texas	77	21	56	882,781	7.8 %	366,762	5.9 %	516,020	10.1 %
Illinois	66	10	56	704,203	6.2 %	413,195	6.7 %	291,008	5.7 %
Georgia	91	17	74	678,393	6.0 %	408,259	6.6 %	270,134	5.3 %
Florida	57	11	46	517,432	4.6 %	271,193	4.4 %	246,239	4.8 %
Arizona	39	14	25	471,282	4.2 %	224,239	3.6 %	247,042	4.8 %
Ohio	46	5	41	450,991	4.0 %	120,275	1.9 %	330,716	6.5 %
Louisiana	15	3	12	378,634	3.4 %	246,929	4.0 %	131,705	2.6 %
Pennsylvania	36	8	28	379,336	3.4 %	175,217	2.8 %	204,119	4.0 %
New Jersey	12	9	3	290,257	2.6 %	189,279	3.1 %	100,978	2.0 %
Top 10	497	134	363	6,125,420	54.4 %	3,514,394	56.8 %	2,611,026	51.1 %
Other ⁽¹⁾	506	104	402	5,161,852	45.6 %	2,665,050	43.2 %	2,496,802	48.9 %
Total	1,003	238	765	\$ 11,287,272	100.0 %	\$ 6,179,444	100.0 %	\$ 5,107,828	100.0 %



(1) Consists of properties in 36 different states, the District of Columbia, Puerto Rico and Ontario, Canada with an average investment of \$10,161 per property.

Hotel Portfolio by Brand

As of December 31, 2022

(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	7.1 %	5,663	14.1 %	\$ 1,860,539	30.1 %	\$ 328,543
Sonesta Hotels & Resorts®	Full Service	Upscale	23	9.7 %	7,368	18.4 %	1,178,048	19.1 %	159,887
Sonesta ES Suites®	Extended Stay	Upper Midscale	60	25.2 %	7,643	19.1 %	1,083,910	17.5 %	141,817
Sonesta Select®	Select Service	Upscale	45	18.9 %	6,579	16.4 %	682,874	11.1 %	103,796
Sonesta Simply Suites®	Extended Stay	Midscale	51	21.4 %	6,464	16.1 %	567,082	9.2 %	87,729
Hyatt Place®	Select Service	Upscale	17	7.1 %	2,107	5.3 %	247,665	4.0 %	117,544
Courtyard by Marriott®	Select Service	Upscale	13	5.5 %	1,813	4.5 %	172,301	2.8 %	95,036
Radisson® Hotels & Resorts	Full Service	Upscale	5	2.1 %	1,149	2.9 %	163,141	2.6 %	141,985
Crowne Plaza®	Full Service	Upscale	1	0.4 %	495	1.2 %	123,734	2.0 %	249,968
Country Inns & Suites® by Radisson	Full Service	Upper Midscale	3	1.3 %	430	1.1 %	54,076	0.9 %	125,758
Residence Inn by Marriott®	Extended Stay	Upscale	3	1.3 %	342	0.9 %	46,074	0.7 %	134,719
Total/Average Hotels			<u>238</u>	<u>100.0 %</u>	<u>40,053</u>	<u>100.0 %</u>	<u>\$ 6,179,444</u>	<u>100.0 %</u>	<u>\$ 154,282</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,		
				2022	2021	Change	2022	2021	Change	2022	2021	Change
Sonesta	Full Service	22	7,149	58.6 %	54.4 %	4.2 pts	\$ 143.90	\$ 132.70	8.4 %	\$ 84.33	\$ 72.19	16.8 %
Royal Sonesta ⁽¹⁾	Full Service	17	5,663	51.3 %	39.8 %	11.5 pts	235.75	207.21	13.8 %	120.94	82.47	46.6 %
Radisson Hotel	Full Service	5	1,149	63.0 %	56.4 %	6.6 pts	129.80	110.73	17.2 %	81.77	62.45	30.9 %
Crowne Plaza	Full Service	1	495	53.8 %	46.4 %	7.4 pts	137.10	114.97	19.2 %	73.76	53.35	38.3 %
Country Inn and Suites	Full Service	3	430	55.1 %	53.3 %	1.8 pts	131.31	105.04	25.0 %	72.35	55.99	29.2 %
Full Service Total / Average		48	14,886	55.8 %	48.7 %	7.1 pts	174.48	152.45	14.5 %	97.36	74.24	31.1 %
Sonesta Select	Select Service	45	6,579	49.7 %	42.6 %	7.1 pts	114.97	107.27	7.2 %	57.14	45.70	25.0 %
Hyatt Place	Select Service	17	2,107	65.1 %	63.3 %	1.8 pts	119.04	107.93	10.3 %	77.50	68.32	13.4 %
Courtyard	Select Service	13	1,813	54.1 %	50.8 %	3.3 pts	119.47	109.18	9.4 %	64.63	55.46	16.5 %
Select Service Total / Average		75	10,499	53.5 %	48.2 %	5.3 pts	116.75	107.79	8.3 %	62.46	51.95	20.2 %
Sonesta ES Suites	Extended Stay	60	7,643	65.1 %	68.0 %	(2.9) pts	126.84	112.53	12.7 %	82.57	76.52	7.9 %
Sonesta Simply Suites	Extended Stay	50	6,366	66.5 %	67.4 %	(0.9) pts	90.15	78.12	15.4 %	59.95	52.65	13.9 %
Residence Inn	Extended Stay	3	342	58.0 %	58.6 %	(0.6) pts	122.70	112.07	9.5 %	71.17	65.67	8.4 %
Extended Stay Total / Average		113	14,351	65.5 %	67.5 %	(2.0) pts	110.35	97.42	13.3 %	72.28	65.76	9.9 %
		236	39,736	58.7 %	55.4 %	3.3 pts	\$ 134.64	\$ 117.54	14.5 %	\$ 79.03	\$ 65.12	21.4 %

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 - 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,		
				2022	2021	Change	2022	2021	Change	2022	2021	Change
Sonesta ⁽¹⁾	Full Service	22	7,149	60.4 %	47.4 %	13.0 pts	\$ 150.40	\$ 132.07	13.9 %	\$ 90.84	\$ 62.60	45.1 %
Royal Sonesta ⁽¹⁾	Full Service	16	5,291	52.2 %	36.3 %	15.9 pts	236.67	190.05	24.5 %	123.54	68.99	79.1 %
Radisson Hotel	Full Service	5	1,149	64.1 %	50.4 %	13.7 pts	133.59	105.23	27.0 %	85.63	53.04	61.4 %
Crowne Plaza	Full Service	1	495	54.4 %	46.6 %	7.8 pts	132.27	111.83	18.3 %	71.95	52.11	38.1 %
Country Inn and Suites	Full Service	3	430	62.8 %	50.0 %	12.8 pts	136.92	109.10	25.5 %	85.99	54.55	57.6 %
Full Service Total / Average		47	14,514	57.5 %	43.7 %	13.8 pts	176.67	145.40	21.5 %	101.59	63.54	59.9 %
Sonesta Select ⁽¹⁾	Select Service	45	6,579	51.1 %	37.0 %	14.1 pts	117.49	105.56	11.3 %	60.04	39.06	53.7 %
Hyatt Place	Select Service	17	2,107	67.4 %	60.7 %	6.7 pts	119.00	101.76	16.9 %	80.21	61.77	29.9 %
Courtyard	Select Service	13	1,813	55.5 %	50.7 %	4.8 pts	119.01	103.14	15.4 %	66.05	52.29	26.3 %
Select Service Total / Average		75	10,499	55.1 %	44.1 %	11.0 pts	118.13	104.03	13.6 %	65.09	45.88	41.9 %
Sonesta ES Suites ⁽¹⁾	Extended Stay	60	7,643	69.3 %	66.7 %	2.6 pts	124.90	105.72	18.1 %	86.56	70.52	22.7 %
Sonesta Simply Suites ⁽¹⁾	Extended Stay	50	6,366	71.2 %	68.8 %	2.4 pts	86.18	72.37	19.1 %	61.36	49.79	23.2 %
Residence Inn	Extended Stay	3	342	64.0 %	57.2 %	6.8 pts	120.25	110.01	9.3 %	76.96	62.93	22.3 %
Extended Stay Total / Average		113	14,351	70.0 %	67.4 %	2.6 pts	107.49	90.81	18.4 %	75.24	61.21	22.9 %
		235	39,364	61.4 %	52.5 %	8.9 pts	\$ 133.72	\$ 110.39	21.1 %	\$ 82.10	\$ 57.95	41.7 %

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(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,		
				2022	2021	Change	2022	2021	Change	2022	2021	Change
Sonesta	Full Service	23	7,368	58.6 %	54.4 %	4.2 pts	\$ 143.90	\$ 132.70	8.4 %	\$ 84.33	\$ 72.19	16.8 %
Royal Sonesta ⁽²⁾	Full Service	17	5,663	51.3 %	39.8 %	11.5 pts	235.75	207.21	13.8 %	120.94	82.47	46.6 %
Radisson Hotel	Full Service	5	1,149	63.0 %	56.4 %	6.6 pts	129.80	110.73	17.2 %	81.77	62.45	30.9 %
Crowne Plaza	Full Service	1	495	53.8 %	46.4 %	7.4 pts	137.10	114.97	19.2 %	73.76	53.35	38.3 %
Country Inn and Suites	Full Service	3	430	55.1 %	53.3 %	1.8 pts	131.31	105.04	25.0 %	72.35	55.99	29.2 %
Full Service Total / Average		49	15,105	55.8 %	48.7 %	7.1 pts	174.48	152.45	14.5 %	97.36	74.24	31.1 %
Sonesta Select	Select Service	45	6,579	49.7 %	42.6 %	7.1 pts	114.97	107.27	7.2 %	57.14	45.70	25.0 %
Hyatt Place	Select Service	17	2,107	65.1 %	63.3 %	1.8 pts	119.04	107.93	10.3 %	77.50	68.32	13.4 %
Courtyard	Select Service	13	1,813	54.1 %	50.8 %	3.3 pts	119.47	109.18	9.4 %	64.63	55.46	16.5 %
Select Service Total / Average		75	10,499	53.5 %	48.2 %	5.3 pts	116.75	107.79	8.3 %	62.46	51.95	20.2 %
Sonesta ES Suites	Extended Stay	60	7,643	65.1 %	68.0 %	(2.9) pts	126.84	112.53	12.7 %	82.57	76.52	7.9 %
Sonesta Simply Suites	Extended Stay	51	6,464	65.9 %	66.4 %	(0.5) pts	90.15	78.11	15.4 %	59.41	51.87	14.5 %
Residence Inn	Extended Stay	3	342	58.0 %	58.6 %	(0.6) pts	122.70	112.07	9.5 %	71.17	65.67	8.4 %
Extended Stay Total / Average		114	14,449	65.2 %	67.1 %	(1.9) pts	110.35	97.41	13.3 %	71.95	65.36	10.1 %
		238	40,053	58.6 %	55.3 %	3.3 pts	\$ 134.64	\$ 117.54	14.5 %	\$ 78.90	\$ 65.00	21.4 %

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) Results of all hotels owned as of December 31, 2022. 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,		
				2022	2021	Change	2022	2021	Change	2022	2021	Change
Sonesta ⁽²⁾	Full Service	23	7,368	60.4 %	47.4 %	13.0 pts	\$ 150.40	\$ 132.07	13.9 %	\$ 90.84	\$ 62.60	45.1 %
Royal Sonesta ⁽²⁾	Full Service	17	5,663	52.2 %	35.7 %	16.5 pts	236.07	190.02	24.2 %	123.23	67.84	81.6 %
Radisson Hotel	Full Service	5	1,149	64.1 %	50.4 %	13.7 pts	133.59	105.23	27.0 %	85.63	53.04	61.4 %
Crowne Plaza	Full Service	1	495	54.4 %	46.6 %	7.8 pts	132.27	111.83	18.3 %	71.95	52.11	38.1 %
Country Inn and Suites	Full Service	3	430	62.8 %	50.0 %	12.8 pts	136.92	109.10	25.5 %	85.99	54.55	57.6 %
Full Service Total / Average		49	15,105	57.4 %	43.4 %	14.0 pts	177.85	145.78	22.0 %	102.09	63.27	61.4 %
Sonesta Select ⁽²⁾	Select Service	45	6,579	51.1 %	37.0 %	14.1 pts	117.49	105.56	11.3 %	60.04	39.06	53.7 %
Hyatt Place	Select Service	17	2,107	67.4 %	60.7 %	6.7 pts	119.00	101.76	16.9 %	80.21	61.77	29.9 %
Courtyard	Select Service	13	1,813	55.5 %	50.7 %	4.8 pts	119.01	103.14	15.4 %	66.05	52.29	26.3 %
Select Service Total / Average		75	10,499	55.1 %	44.1 %	11.0 pts	118.13	104.03	13.6 %	65.09	45.88	41.9 %
Sonesta ES Suites ⁽²⁾	Extended Stay	60	7,643	69.3 %	66.7 %	2.6 pts	124.90	105.72	18.1 %	86.56	70.52	22.7 %
Sonesta Simply Suites ⁽²⁾	Extended Stay	51	6,464	70.4 %	68.6 %	1.8 pts	86.18	72.25	19.3 %	60.67	49.56	22.4 %
Residence Inn	Extended Stay	3	342	64.0 %	57.2 %	6.8 pts	120.25	110.01	9.3 %	76.96	62.93	22.3 %
Extended Stay Total / Average		114	14,449	69.7 %	67.3 %	2.4 pts	107.49	90.66	18.6 %	74.92	61.01	22.8 %
		238	40,053	61.3 %	52.3 %	9.0 pts	\$ 134.47	\$ 110.47	21.7 %	\$ 82.43	\$ 57.78	42.7 %

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, 2022. 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 - Comparable Hotels

(dollars in thousands)

	For the Three Months Ended					For the Year Ended	
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021	12/31/2022	12/31/2021
Number of hotels	236	236	236	236	236	235	235
Room revenues	\$ 287,337	\$ 336,616	\$ 333,893	\$ 227,034	\$ 234,829	\$ 1,168,811	\$ 824,395
Food and beverage revenues	45,952	42,573	44,095	25,398	30,697	154,960	81,246
Other revenues	16,310	16,635	17,461	12,483	12,816	61,737	45,838
Hotel operating revenues - comparable hotels	349,599	395,824	395,449	264,915	278,342	1,385,508	951,479
Rooms expenses	94,005	102,650	98,013	77,032	78,181	363,399	271,401
Food and beverage expenses	35,226	34,430	32,162	22,797	25,824	120,140	68,799
Other direct and indirect expenses	125,255	130,319	127,909	112,292	109,131	487,356	404,555
Management fees	12,898	14,718	14,625	10,140	10,848	51,779	34,644
Real estate taxes, insurance and other	24,966	29,976	29,587	31,738	25,390	113,506	103,790
FF&E reserves ⁽¹¹⁾	2,252	2,621	2,600	1,794	1,236	9,267	4,403
Hotel operating expenses - comparable hotels	294,602	314,714	304,896	255,793	250,610	1,145,447	887,592
Hotel EBITDA	\$ 54,997	\$ 81,110	\$ 90,553	\$ 9,122	\$ 27,732	\$ 240,061	\$ 63,887
Hotel EBITDA Margin	15.7 %	20.5 %	22.9 %	3.4 %	10.0 %	17.3 %	6.7 %
Hotel operating revenues (GAAP) ⁽¹⁾	\$ 350,501	\$ 400,453	\$ 418,984	\$ 297,406	\$ 317,215	\$ 1,467,344	\$ 1,104,678
Add (less)							
Hotel operating revenues from non-comparable hotels	(902)	(4,629)	(23,535)	(32,491)	(38,873)	(81,836)	(153,199)
Hotel operating revenues - comparable hotels	\$ 349,599	\$ 395,824	\$ 395,449	\$ 264,915	\$ 278,342	\$ 1,385,508	\$ 951,479
Hotel operating expenses (GAAP) ⁽¹⁾	\$ 293,554	\$ 318,266	\$ 325,194	\$ 290,343	\$ 286,968	\$ 1,227,357	\$ 1,010,737
Add (less)							
Hotel operating expenses from non-comparable hotels	(1,825)	(6,794)	(23,519)	(36,965)	(38,215)	(91,798)	(143,867)
Reduction for security deposit and guaranty fundings, net ⁽³⁾	—	—	—	—	—	—	15,698
FF&E reserves from managed hotel operations ⁽¹¹⁾	2,252	2,621	2,600	1,794	1,236	9,267	4,403
Other ⁽¹²⁾	621	621	621	621	621	621	621
Hotel operating expenses - comparable hotels	\$ 294,602	\$ 314,714	\$ 304,896	\$ 255,793	\$ 250,610	\$ 1,145,447	\$ 887,592

See accompanying notes on [page 10](#).

Calculation and Reconciliation of Hotel EBITDA - All Hotels

(dollars in thousands)

	For the Three Months Ended					For the Year Ended	
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021	12/31/2022	12/31/2021
Number of hotels	238	242	247	298	303	238	303
Room revenues	\$ 288,082	\$ 341,106	\$ 357,117	\$ 258,620	\$ 272,458	\$ 1,244,925	\$ 972,411
Food and beverage revenues	45,968	42,636	44,256	25,902	31,503	158,762	84,430
Other revenues	16,451	16,711	17,611	12,884	13,254	63,657	47,837
Hotel operating revenues	350,501	400,453	418,984	297,406	317,215	1,467,344	1,104,678
Rooms expenses	93,067	104,761	106,982	88,743	90,705	393,553	321,228
Food and beverage expenses	35,248	34,497	32,333	23,234	26,768	125,312	72,884
Other direct and indirect expenses	124,396	130,470	136,099	127,017	126,208	517,982	458,586
Management fees	12,450	14,362	15,240	11,332	11,869	53,384	40,478
Real estate taxes, insurance and other	29,014	34,797	35,161	40,638	32,039	139,610	135,741
FF&E reserves ⁽¹¹⁾	2,252	2,622	3,172	1,222	1,236	9,268	4,546
Hotel operating expenses	296,427	321,509	328,987	292,186	288,825	1,239,109	1,033,463
Hotel EBITDA	<u>\$ 54,074</u>	<u>\$ 78,944</u>	<u>\$ 89,997</u>	<u>\$ 5,220</u>	<u>\$ 28,390</u>	<u>\$ 228,235</u>	<u>\$ 71,215</u>
Hotel EBITDA Margin	15.4 %	19.7 %	21.5 %	1.8 %	8.9 %	15.6 %	6.4 %
Hotel operating expenses (GAAP) ⁽¹⁾	\$ 293,554	\$ 318,266	\$ 325,194	\$ 290,343	\$ 286,968	\$ 1,227,357	\$ 1,010,737
Add (less)							
Reduction for security deposit and guaranty fundings, net ⁽³⁾	—	—	—	—	—	—	15,696
FF&E reserves from managed hotel operations ⁽¹¹⁾	2,252	2,622	3,172	1,222	1,236	9,268	4,546
Other ⁽¹²⁾	621	621	621	621	621	2,484	2,484
Hotel operating expenses	<u>\$ 296,427</u>	<u>\$ 321,509</u>	<u>\$ 328,987</u>	<u>\$ 292,186</u>	<u>\$ 288,825</u>	<u>\$ 1,239,109</u>	<u>\$ 1,033,463</u>

See accompanying notes on [page 10](#).

Net Lease Portfolio by Brand

As of December 31, 2022

(dollars in thousands)

	Brand	Properties	Square Feet	Investment	Percent of Total Investment	Annualized Minimum Rent	Percent of Total Annualized Minimum Rent	Rent Coverage
1.	TravelCenters of America	133	3,643,581	\$ 2,289,189	44.8 %	\$ 168,012	45.1 %	2.86x
2.	Petro Stopping Centers	44	1,445,004	1,021,226	20.0 %	78,099	21.0 %	2.47x
3.	The Great Escape	14	542,666	98,242	1.9 %	7,711	2.1 %	7.19x
4.	Life Time Fitness	3	420,335	92,617	1.8 %	5,770	1.5 %	1.79x
5.	AMC Theatres	9	442,240	82,488	1.6 %	6,716	1.8 %	1.73x
6.	Buehler's Fresh Foods	5	502,727	76,469	1.5 %	5,657	1.5 %	3.48x
7.	Heartland Dental	59	234,274	61,120	1.2 %	4,629	1.2 %	4.09x
8.	Norms	10	63,490	53,673	1.1 %	3,628	1.0 %	2.11x
9.	Express Oil Change	23	83,825	49,724	1.0 %	3,717	1.0 %	4.32x
10.	Pizza Hut	40	167,366	45,285	0.9 %	3,401	0.9 %	2.21x
11.	Flying J Travel Plaza	3	48,069	41,681	0.8 %	3,215	0.9 %	5.80x
12.	Courthouse Athletic Club	4	193,659	39,688	0.8 %	1,878	0.5 %	1.35x
13.	America's Auto Auction	6	72,338	38,314	0.8 %	3,216	0.9 %	5.88x
14.	Fleet Farm	1	218,248	37,802	0.7 %	2,728	0.7 %	1.75x
15.	B&B Theatres	4	261,300	37,619	0.7 %	2,885	0.8 %	0.09x
16.	Big Al's	2	111,912	35,214	0.7 %	2,336	0.6 %	1.55x
17.	Regal Cinemas	5	223,846	34,953	0.7 %	2,962	0.8 %	1.39x
18.	Burger King	21	68,710	34,289	0.7 %	2,085	0.6 %	2.58x
19.	Hardee's	19	62,792	31,844	0.6 %	2,123	0.6 %	1.22x
20.	Martin's	16	81,909	31,144	0.6 %	2,252	0.6 %	2.42x
21.	Arby's	19	57,868	29,234	0.6 %	1,731	0.5 %	4.15x
22.	Crème de la Crème	4	81,929	29,131	0.6 %	2,429	0.7 %	1.34x
23.	Mister Car Wash	5	41,456	28,658	0.6 %	2,170	0.6 %	3.45x
24.	Popeye's	20	45,708	28,434	0.6 %	1,972	0.5 %	3.43x
25.	Church's Chicken	32	43,399	26,326	0.5 %	1,796	0.5 %	3.87x
26.	Other ⁽¹⁾	264	4,215,674	733,464	14.2 %	49,300	13.1 %	4.03x
	Total	765	13,374,325	\$ 5,107,828	100.0 %	\$ 372,418	100.0 %	3.00x



(1) Consists of 113 distinct brands with an average investment of \$2,778 per property.

Net Lease Portfolio by Industry

As of December 31, 2022

(dollars in thousands)

Industry	No. of Properties	Square Feet	Investment	Percent of Total Investment	Annualized Minimum Rent	Percent of Total Annualized Minimum Rent	Rent Coverage
1. Travel Centers	180	5,136,653	\$ 3,352,096	65.6%	\$ 249,325	66.9%	2.78x
2. Restaurants-Quick Service	216	690,042	294,153	5.8%	19,908	5.3%	3.20x
3. Restaurants-Casual Dining	53	415,547	192,199	3.8%	11,945	3.2%	2.50x
4. Health and Fitness	13	873,258	186,365	3.6%	11,011	3.0%	1.66x
5. Movie Theaters	19	976,418	164,809	3.2%	13,163	3.5%	1.42x
6. Grocery Stores	19	1,020,819	129,152	2.5%	9,212	2.5%	4.05x
7. Home Goods and Leisure	20	628,864	120,702	2.4%	9,674	2.6%	6.11x
8. Medical, Dental Office	71	401,810	109,232	2.1%	8,759	2.4%	2.35x
9. Automotive Equipment & Services	64	463,492	107,054	2.1%	7,665	2.1%	4.06x
10. Automotive Dealers	8	177,433	62,550	1.2%	4,956	1.3%	5.65x
11. Entertainment	4	199,853	61,436	1.2%	4,301	1.2%	3.12x
12. Educational Services	9	220,758	55,319	1.1%	4,451	1.2%	1.78x
13. General Merchandise Stores	4	381,193	55,112	1.1%	3,874	1.0%	2.86x
14. Building Materials	29	465,283	33,280	0.7%	2,783	0.7%	7.41x
15. Car Washes	5	41,456	28,658	0.6%	2,170	0.6%	3.45x
16. Miscellaneous Manufacturing	5	538,932	24,148	0.5%	1,689	0.4%	16.46x
17. Drug Stores and Pharmacies	7	67,423	19,251	0.4%	1,258	0.3%	0.59x
18. Sporting Goods	3	120,847	17,742	0.3%	1,090	0.3%	4.99x
19. Legal Services	5	25,429	11,362	0.2%	1,054	0.3%	1.89x
20. Dollar Stores	3	27,593	2,971	0.1%	189	0.1%	2.69x
21. Other ⁽¹⁾	5	211,465	27,243	0.5%	3,941	1.1%	4.76x
22. Vacant	23	289,757	52,994	1.0%	—	—%	—x
Total	765	13,374,325	\$ 5,107,828	100.0%	\$ 372,418	100.0%	3.00x



(1) Consists of miscellaneous businesses with an average investment of \$5,449 per property.

Net Lease Portfolio by Tenant (Top 10)

As of December 31, 2022

(dollars in thousands)

	Tenant	Brand Affiliation	No. of Properties	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	177	5,088,585	\$ 3,310,415	64.8 %	\$ 246,110	66.1 %	10.05	2.74x
2.	Universal Pool Co., Inc.	The Great Escape	14	542,666	98,242	1.9 %	7,711	2.1 %	4.67	7.19x
3.	Healthy Way of Life II, LLC	Life Time Fitness	3	420,335	92,617	1.8 %	5,770	1.5 %	12.50	1.79x
4.	American Multi-Cinema, Inc.	AMC Theatres	9	442,240	82,488	1.6 %	6,716	1.8 %	3.15	1.73x
5.	Styx Acquisition, LLC	Buehler's Fresh Foods	5	502,727	76,469	1.5 %	5,657	1.5 %	12.84	3.48x
6.	Professional Resource Development, Inc.	Heartland Dental	59	234,274	61,120	1.2 %	4,629	1.2 %	3.25	4.09x
7.	Norms Restaurants, LLC	Norms	10	63,490	53,673	1.1 %	3,628	1.0 %	22.51	2.11x
8.	Express Oil Change, L.L.C.	Express Oil Change	23	83,825	49,724	1.0 %	3,717	1.0 %	12.25	4.32x
9.	Pilot Travel Centers LLC	Flying J Travel Plaza	3	48,069	41,681	0.8 %	3,215	0.9 %	5.98	5.80x
10.	Automotive Remarketing Group, Inc.	America's Auto Auction	6	72,338	38,314	0.8 %	3,216	0.9 %	12.30	5.88x
	Sub-total, Top 10		309	7,498,549	3,904,743	76.4 %	290,369	78.0 %	9.91	2.93x
11.	Other ⁽²⁾	Various	456	5,875,776	1,203,085	23.6 %	82,049	22.0 %	7.11	3.24x
	Total		765	13,374,325	\$ 5,107,828	100.0 %	\$ 372,418	100.0 %	9.29	3.00x

(1) TA is our largest tenant. As of December 31, 2022, we leased 177 travel centers (133 under the TravelCenters of America brand and 44 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. During 2022, we assigned the leasehold interest of two travel centers to TA. 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 \$4,404 as of December 31, 2022 was paid in January 2023.

(2) Consists of 170 tenants with an average investment of \$7,077.

Net Lease Portfolio - Expiration Schedule

As of December 31, 2022

(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
2023	271,062	\$ 2,207	0.6%	0.6%
2024	769,082	11,200	3.0%	3.6%
2025	436,524	8,974	2.4%	6.0%
2026	1,080,336	12,215	3.3%	9.3%
2027	1,071,904	14,164	3.8%	13.1%
2028	555,218	9,475	2.5%	15.6%
2029	1,266,197	48,494	13.0%	28.6%
2030	138,590	4,216	1.1%	29.7%
2031	1,321,160	48,848	13.1%	42.8%
2032	1,292,177	53,756	14.4%	57.2%
2033	1,153,360	52,516	14.1%	71.3%
2034	144,247	4,479	1.2%	72.5%
2035	2,212,712	80,368	21.7%	94.2%
2036	558,374	8,069	2.2%	96.4%
2037	35,103	465	0.1%	96.5%
2038	66,700	1,153	0.3%	96.8%
2039	134,901	3,214	0.9%	97.7%
2040	115,142	2,406	0.6%	98.3%
2041	223,043	2,291	0.6%	98.9%
2042	—	—	—%	98.9%
2043	141,134	280	0.1%	99.0%
2044	—	—	—%	99.0%
2045	63,490	3,628	1.0%	100.0%
Total	13,050,456	\$ 372,418	100.0%	

Weighted Average
Lease Term

8.7 years 9.6 years



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

Net Lease Portfolio - Occupancy Summary

As of December 31, 2022

	As of and For the Three Months Ended				
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021
Properties (end of period) ⁽¹⁾	765	769	775	786	788
Total square feet	13,374,325	13,412,371	13,406,568	13,515,100	13,522,060
Square feet leased	13,050,456	13,160,403	13,251,701	13,185,809	13,266,385
Percentage leased	97.6 %	98.1 %	98.8 %	97.6 %	98.1 %

	As of and For the Three Months Ended				
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021
Vacant properties beginning of period	21	17	29	30	32
Vacant property sales / leased	(1)	(7)	(12)	(3)	(2)
Lease terminations	3	11	—	2	—
Vacant properties end of the period	23	21	17	29	30

201 Perimeter Center Parkway
Atlanta, GA



(1) During 2022, we assigned the leasehold interest of two travel centers to TA.

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 8](#). 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 8](#). 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, 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 9](#). 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 9](#). Other real estate companies and REITs may calculate EBITDA, EBITDAre and Adjusted EBITDAre differently than we do.

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. We believe that Hotel EBITDA provides useful information to management and investors as a key measure of the profitability of our hotel operations.

Other Definitions

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, 2022 and were open and operating since the beginning of the earliest period being compared. For the periods presented, our comparable results excluded three 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.

Equity Research Coverage / Ratings Agencies: SVC is followed by the analysts and its publicly held debt is rated by the rating agencies listed on [page 4](#). 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.

Non-GAAP Financial Measures and Certain Definitions (Continued)

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 owner's priority 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.

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

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 owner's priority return 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.

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.

Owner's Priority Return: Each of our management agreements or leases with hotel operators provides for payment to us of an annual owner's priority return or minimum rent, respectively. Certain of these minimum payment amounts are secured by full or limited guarantees. 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.

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.

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, 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. In instances where we do not have tenant financial information, we calculate an implied coverage ratio for the period based on other tenants with available financial statements operating the same brand or within the same industry. As a result, we believe using this implied coverage metric provides a more reasonable estimated representation of recent operating results and the financial condition 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.