



News Release

PEBBLEBROOK HOTEL TRUST EXECUTES CONTRACT TO ACQUIRE INN ON FIFTH IN NAPLES, FL *ACQUISITION INCLUDES 21,000 SF OF HIGH-VALUE STREET FRONT RETAIL AND A DEVELOPABLE LAND PARCEL*

BETHESDA, MD, APRIL 21, 2022 – Pebblebrook Hotel Trust (NYSE: PEB) (the “Company”) today announced that it executed a contract to acquire the AAA Four Diamond 119-room Inn on Fifth in Naples, Florida for \$156.0 million. Upon completion of the acquisition, Pebblebrook will retain Noble House Hotels & Resorts (“Noble House”) to manage this unique independent luxury resort property at the center of Historic Downtown Naples. The purchase is expected to be completed by the end of the second quarter 2022 and is subject to customary closing conditions. The Company offers no assurances that this acquisition will be completed on these terms or at all.

The luxurious Inn on Fifth is well located in the heart of charming Old Naples, one of the country's most exclusive and wealthy communities. Located just five blocks from the Fifth Avenue Beach, the resort property includes 119 guestrooms across two buildings (the Main and Club Level buildings), including 43 spacious suites. The Club Level Building features 32 elegantly appointed suites, a private rooftop with a jacuzzi, and an exclusive private lounge serving breakfast, cocktails, beverages, snacks, and hors d'oeuvres. The Main Building features the remaining 87 guest rooms and suites, as well as over 10,000 square feet of recently renovated and enhanced indoor and outdoor flexible meeting space, a 3,600 square foot outdoor pool deck providing food and beverage service, a day spa, a fitness center, and all guests of Inn on Fifth have access to 12 tennis courts at the adjacent Cambier Park Arthur Allen Tennis Center. The hotel also includes over 21,000 square feet of Naples' most highly coveted ground-level retail spaces, all currently leased and occupied, featuring two of Old Naples' most revered dining options, Truluck's Restaurant and Ocean Prime, and upscale retail shops, including Vineyard Vines and an international luxury residential sales brokerage.

“We are extremely excited to acquire this premier Naples landmark resort in the high barrier to entry Naples market,” said Jon E. Bortz, Chairman, President, and Chief Executive Officer of Pebblebrook Hotel Trust. “The Inn on Fifth exemplifies South Florida's effortless blend of upscale, laid-back luxury and was developed flawlessly and cared for meticulously by the current owner. This unique leisure-focused property is centrally located at the main intersection of Old Naples and is surrounded by over 30 restaurants, cafés, art galleries, and boutiques. The Inn on Fifth is well-positioned to benefit from Naples' ongoing growth and desirability as an exclusive destination along South Florida's Gulf Coast. In addition, Noble House's expertise and track record in managing and marketing luxury hotels, including our LaPlaya Beach Resort & Club, should create tremendous value and operating synergies for the Inn on Fifth. The resort will also become part of Curator Hotel & Resort Collection, which is expected to generate a wide array of expense reductions combined with enhanced technology and operating initiatives.”

The rapidly growing Naples market features an irreplaceable mix of culture, arts, leisure, and promenades along more than 30 miles of white-sand beaches bordering the Gulf of Mexico. The market has recently developed a high concentration of the area's banking, wealth management, and healthcare companies, attracting tourists and residents from across the globe. Naples shines as a drive-to leisure and tourist destination featuring a vibrant cultural scene with more than 100 art galleries, boutique shops, renowned art exhibits, annual events, and endless dining options. Guests at Inn on Fifth can also take advantage of the nearby access to the Fifth Avenue Beach via hotel shuttle service and premier shopping along Fifth Avenue. The Naples area also offers multiple golf options, eco-tourism attractions, yachting, watersports adventures, and many additional beaches and well-maintained state parks.

Pebblebrook is evaluating numerous operating and physical enhancements for additional upside and increased cash flow, including a development opportunity on the highly desirable 0.6-acre parcel adjacent to the hotel's Main Building that is part of the acquisition.

Based on the estimated February 2022 trailing-twelve-month performance, the hotel generated total revenue per available room ("TRRevPAR") of \$431, hotel earnings before interest, taxes, depreciation, and amortization ("hotel EBITDA") of \$11.3 million, and hotel net operating income ("hotel NOI"), after a 4% capital reserve, of \$10.5 million. Preliminary March 2022 top-line results indicate dramatic further growth with March room revenues and total revenues beating March 2021 by over 40%, with a March 2022 average daily rate of over \$1,000.

The acquisition of Inn on Fifth would bring the total number of properties in the Company's portfolio to 54, including 12 unique drive-to, independent lifestyle resorts, and 6 properties in South Florida.

The Company intends to fund the acquisition with approximately \$78.0 million of cash and intends to issue to the seller approximately \$77.6 million of perpetual preferred operating partnership units (3.104 million units at \$25.00 per unit) with an annual distribution rate of 6.0% and approximately \$0.4 million of common units.

About Pebblebrook Hotel Trust

Pebblebrook Hotel Trust (NYSE: PEB) is a publicly traded real estate investment trust ("REIT") and the largest owner of urban and resort lifestyle hotels and resorts in the United States. The Company owns 53 hotels and resorts, totaling approximately 13,200 guest rooms across 15 urban and resort markets. For more information, visit www.pebblebrookhotels.com and follow us at @PebblebrookPEB.

About Noble House Hotels & Resorts

Built on a philosophy that emphasizes location, distinction, and soul, Noble House Hotels & Resorts dedicates itself to creating and managing exceptional properties that celebrate their local communities. Headquartered in Seattle, Washington and continuously growing, the Noble House portfolio features a luxury and upper upscale portfolio of 20 distinct and visually captivating hotel properties, over 50 restaurants, bars, and lounges, the Napa Valley Wine Train, and a collection of spas, marinas, and private residences throughout the U.S. and Canada. A range of beachfront resorts spanning California and Florida, luxury retreats in Jackson Hole, WY, British Columbia, and Colorado, and award-winning urban hotels in Seattle and San Francisco punctuate the diverse collection. Centered within destinations worthy of every bucket list and layered with unique amenities that inspire adventure, the curated collection of one-of-a-kind hotels, resorts, and adventures, are known for creating unforgettable travel experiences. For more information, visit www.noblehousehotels.com or call Noble House Hotels & Resorts at 877.NOBLE.TRIP.

About Curator Hotel & Resort Collection

Curator Hotel & Resort Collection is a distinct collection of hand-selected small brands and independent lifestyle hotels and resorts worldwide, founded by Pebblebrook Hotel Trust and a group of industry-leading hotel operators. Curator provides lifestyle hotels the power to compete together while allowing its members the freedom to retain what makes their hotels unique. It offers independent lifestyle hotels the benefits of associating with other unique lifestyle hotels and brands while participating in best-in-class operating agreements, services, and technology. In addition to Pebblebrook, the founding members of Curator include Davidson Hospitality Group, Noble House Hotels & Resorts, Provenance, Sage Hospitality Group, Springboard Hospitality, and Viceroy Hotels & Resorts. For more information, visit www.curatorhotelsandresorts.com.

This press release contains certain "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Reform Act of 1995. Forward-looking statements are generally identifiable by the use of forward-looking terminology such as "may," "will," "should," "potential," "intend," "expect," "seek," "anticipate," "estimate," "approximately," "believe," "could," "project," "predict,"

"forecast," "continue," "assume," "plan," references to "outlook" or other similar words or expressions. Forward-looking statements are based on certain assumptions and can include future expectations, future plans and strategies, financial and operating projections and forecasts and other forward-looking information and estimates. Examples of forward-looking statements include the following: projections of hotel operating performance; the Company's intent to acquire a hotel property and issue OP units, descriptions of the Company's plans or objectives for future operations, acquisitions or services and descriptions of assumptions underlying or relating to any of the foregoing expectations including assumptions regarding the timing of their occurrence. These forward-looking statements are subject to various risks and uncertainties, many of which are beyond the Company's control, which could cause actual results to differ materially from such statements. These risks and uncertainties include, but are not limited to, the state of the U.S. economy and the supply of hotel properties, and other factors as are described in greater detail in the Company's filings with the Securities and Exchange Commission, including, without limitation, the Company's Annual Report on Form 10-K for the year ended December 31, 2021. Unless legally required, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

For further information about the Company's business and financial results, please refer to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" sections of the Company's SEC filings, including, but not limited to, its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, copies of which may be obtained at the Investor Relations section of the Company's website at www.pebblebrookhotels.com.

All information in this press release is as of April 21, 2022. The Company undertakes no duty to update the statements in this press release to conform the statements to actual results or changes in the Company's expectations.

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For additional information or to receive press releases via email, please visit our website at www.pebblebrookhotels.com

Pebblebrook Hotel Trust
Inn on Fifth
Reconciliation of Hotel Net Income to Hotel EBITDA and Hotel Net Operating Income
Estimated February 2022 Trailing Twelve Months
(Unaudited, in millions)

	Estimated Trailing Twelve Months Ending February 28, 2022
Hotel net income	\$7.6
Adjustment:	
Depreciation and amortization ⁽¹⁾	3.7
Hotel EBITDA	\$11.3
Adjustment:	
Capital reserve	(0.8)
Hotel Net Operating Income	\$10.5

(1) Depreciation and amortization have been estimated based on a preliminary purchase price allocation. A change, if any, in the allocation will affect the amount of depreciation and amortization and the resulting change may be material.

This press release includes certain non-GAAP financial measures as defined under Securities and Exchange Commission (SEC) Rules. These measures are not in accordance with, or an alternative to, measures prepared in accordance with U.S. generally accepted accounting principles, or GAAP, and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the hotel's results of operations determined in accordance with GAAP.

The Company has presented forecasted hotel EBITDA and forecasted hotel net operating income after capital reserves, because it believes these measures provide investors and analysts with an understanding of the hotel-level operating performance. These non-GAAP measures do not represent amounts available for management's discretionary use, because of needed capital replacement or expansion, debt service obligations or other commitments and uncertainties, nor are they indicative of funds available to fund the Company's cash needs, including its ability to make distributions.

The Company's presentation of the hotel's forecasted EBITDA and forecasted net operating income after capital reserves should not be considered as an alternative to net income (computed in accordance with GAAP) as an indicator of the hotel's financial performance. The table above is a reconciliation of the hotel's forecasted EBITDA and net operating income after capital reserves calculations to hotel net income in accordance with GAAP.