



Acquisition of Radisson Hotels Group Americas

June 2022

Forward-looking Statements

Certain matters discussed in this presentation constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Certain, but not necessarily all, of such forward-looking statements can be identified by the use of forward-looking terminology, such as "expect," "estimate," "believe," "anticipate," "should," "will," "forecast," "plan," "project," "assume," or similar words of futurity. All statements other than historical facts are forward-looking statements. These forward-looking statements are based on management's current beliefs, assumptions and expectations regarding future events, which, in turn, are based on information currently available to management. Such statements include, but are not limited to, statements related to the parties' plans for closing the transaction and statements concerning the benefits of the transaction to the company, the acquired business, and franchisees, as well as statements related to the company's plans, objectives, goals, expectations, beliefs, business strategies, future events, business conditions, business trends and expectations with respect to, among other things, the time schedule to complete the transaction and certain post-closing matters, the financial impact of the transaction on the company's operations and finances, the integration into and adoption by acquired properties of some or all of the company's existing systems including the Choice Privileges loyalty program, the company's geographic and hotel segment expansion, guest and franchisee/hotel owner advantages arising from the acquisition, and involve known and unknown risks that are difficult to predict. Such statements may also relate to projections of the company's revenue, expenses, adjusted EBITDA, earnings, debt levels, ability to repay outstanding indebtedness, payment of dividends, repurchases of common stock and other financial and operational measures, including occupancy and open hotels, RevPAR, the company's ability to benefit from any rebound in travel demand, the company's liquidity, the impact of COVID-19 and economic conditions on our future operations, among other matters. We caution you not to place undue reliance on any such forward-looking statements. Forward-looking statements do not guarantee future performance and involve known and unknown risks, uncertainties and other factors.

Several factors could cause actual results, performance or achievements of the company to differ materially from those expressed in or contemplated by the forward-looking statements. Such risks include, but are not limited to, continuation or resurgence of the COVID-19 pandemic, including with respect to new strains or variants; the rate, pace and effectiveness of vaccination in the broader population; changes in consumer demand and confidence, including the impact of the COVID-19 pandemic on unemployment rates, consumer discretionary spending and the demand for travel, transient and group business; the impact of COVID-19 on the global hospitality industry, particularly but not exclusively in the U.S. travel market; the success of our mitigation efforts in response to the COVID-19 pandemic; the performance of our brands and categories in any recovery from the COVID-19 pandemic disruption; the timing and amount of future dividends and share repurchases; changes to general, domestic and foreign economic conditions, including access to liquidity and capital as a result of COVID-19; future domestic or global outbreaks of epidemics, pandemics or contagious diseases, or fear of such outbreaks; changes in law and regulation applicable to the travel, lodging or franchising industries; foreign currency fluctuations; impairments or declines in the value of the company's assets; operating risks common in the travel, lodging or franchising industries; changes to the desirability of our brands as viewed by hotel operators and customers; changes to the terms or termination of our contracts with franchisees and our relationships with our franchisees; our ability to keep pace with improvements in technology utilized for marketing and reservations systems and other operating systems; the commercial acceptance of our Software-as-a-Service ("SaaS") technology solutions division's products and services; our ability to grow our franchise system; exposure to risks related to our hotel development, financing and ownership activities; exposures to risks associated with our investments in new businesses; fluctuations in the supply and demand for hotel rooms; our ability to realize anticipated benefits from acquired businesses; impairments or losses relating to acquired businesses; the level of acceptance of alternative growth strategies we may implement; cyber security and data breach risks; ownership and financing activities; hotel closures or financial difficulties of our franchisees; operating risks associated with our international operations, especially in areas currently most affected by COVID-19; the outcome of litigation; and our ability to effectively manage our indebtedness and secure our indebtedness. These and other risk factors are discussed in detail in the company's filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.



Radisson Blu Aqua, Chicago, IL

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1 Transaction Overview



By acquiring Radisson Hotel Group Americas, Choice Hotels will independently own and control Radisson’s nine brands in the Americas



Radisson Blu, Punta Cana, Dominican Republic

<p>Includes nine brands, 624 hotels and over 68,000 rooms</p>	<p>Suite of Well-Known Brands</p>	<p>Significant Franchisee Value</p>	<p>Improves business delivery capabilities, including loyalty program, proprietary tools and emerging technologies</p>
<p>Adds a predominantly franchising business (97%)¹</p>	<p>Asset-Light Portfolio</p>	<p>Customer Reach</p>	<p>Extends reach in Upscale segments, as well as to business travelers and a broader demographic, including among leisure travelers</p>
<p>Increases presence in key markets, including the West Coast and Midwest of the United States, as well as international markets</p>	<p>Complementary Geographies</p>	<p>Guest Service Offering</p>	<p>Expands service offering with attractive new destinations for existing guests and loyalty members to earn and redeem points</p>
<p>Further builds on Choice’s momentum in desirable segments; increases Upscale and Upper-midscale rooms by 64% and 17%, respectively</p>	<p>Unit Growth Acceleration</p>	<p>Consumer Travel Trends</p>	<p>Capitalizes on consumer trends expected to fuel future demand for travel: remote work, increasing retirements and road trips</p>



¹ The transaction includes the acquisition of the managed operations and real estate ownership operations of Radisson Hotels Americas.

Acquisition of Radisson Hotels Americas unites two highly complementary business and expands Choice Hotels' growth vectors



<p>Overview and Structure</p>	<ul style="list-style-type: none"> Choice has entered into a definitive agreement to acquire the franchise business, operations and intellectual property of Radisson Hotels Group Americas from Radisson Holdings Inc. Choice Hotels will independently own and control the brands in the Americas and will work with the Radisson Hotels Group to ensure that customers across the globe continue to experience the highest levels of service and a superior brand experience
<p>Transaction Perimeter</p>	<ul style="list-style-type: none"> Includes nine brands in the Americas, including Radisson Blu, Radisson Red, Radisson, Park Plaza, Country Inn & Suites, Radisson Inn & Suites, Park Inn by Radisson, Radisson Individuals and Radisson Collection Americas region comprised of the United States, Canada, the Caribbean and Latin America
<p>Consideration</p>	<ul style="list-style-type: none"> 100% cash consideration at an enterprise value of ~\$679 million, inclusive of real estate value of three owned assets and tax amortization benefits
<p>Financing</p>	<ul style="list-style-type: none"> Acquisition to be funded with cash on hand and existing revolving credit facility Choice will maintain financial flexibility; the transaction is not anticipated to have an impact on the Company's current capital allocation strategy related to dividend payment policy and planned share repurchases
<p>Approvals and Timing</p>	<ul style="list-style-type: none"> Unanimously approved by Choice Board of Directors Anticipated to close in the second half of 2022, pending customary closing conditions and applicable regulatory approvals

Combination with Radisson Americas enhances Choice's competitive position



Hotels in operation	>7,000	>620	>7,600
Rooms in operation	>575,000	>68,000	>640,000
Brands	14	9	23
Pipeline (rooms)	~80,000	>8,000	>88,000
Rewards program members	53+ million	10+ million	63+ million

Further expands Choice's relationships with developers in the upscale segment while strengthening its core midscale segment owner base



Compelling financial transaction is expected to drive meaningful value creation for shareholders



Fee Business

Radisson Americas is forecasted to generate **\$160+ million** in fee business revenue in 2022, including **\$65 million to \$80 million** of corporate revenue¹



Real Estate

Portfolio of 3 owned hotels with forecasted 2022 revenue of **\$45+ million** and a **value in excess of \$100 million**¹



Tax Benefits

An anticipated present value of tax **benefits in excess of \$75 million** related to the reduction in cash taxes from the amortization of assets



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Strategic Rationale

Summary of Strategic Rationale

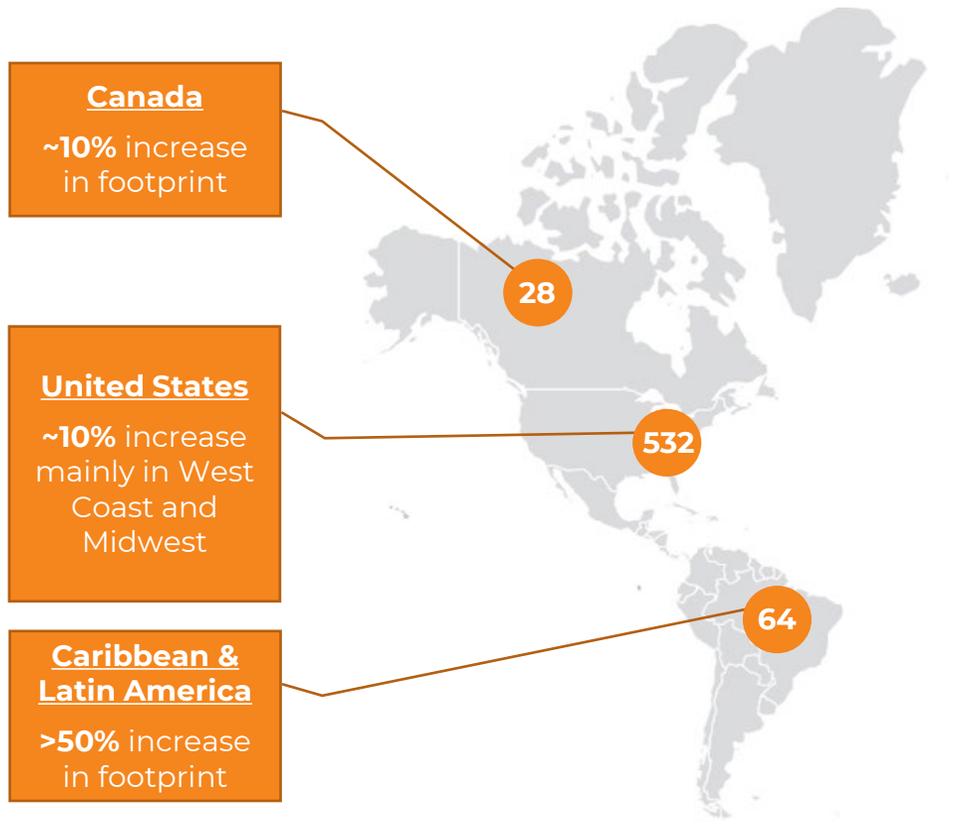
- 1 Expands footprint in international markets and Upscale segments and enhances guest offerings in the core Upper-midscale segment
- 2 Accelerates asset-light strategy of growth in higher revenue travel segments and locations
- 3 Continues Choice's demonstrated history of driving organic and inorganic growth in strategic segments
- 4 Improves return on investment for franchise owners
- 5 Drives greater value through expanded customer reach and platform business and ancillary revenue



Radisson Blu, Toronto, ON

1 Expands footprint in international markets and Upscale segments and enhances guest offerings in the core Upper-midscale segment

Expands Choice's global footprint by **624** hotels



Supplements Choice's current brand portfolio with **additional Upscale and core Upper-midscale options**

	Chain Scale	Service Type	Q1 2022 Units
	Upper-Upscale	Full	10
	Upscale	Full	130
	Upscale	Soft Brand	9
	Upper-Midscale	Select	453
Other ¹	--	--	22
Total Americas			624

2 Accelerates asset-light strategy of growth in higher revenue travel segments and locations

Increases brand global Upscale and Upper-midscale portfolios by **64%** and **17%**, respectively:¹

Global Upscale Portfolio

Adding 30,000+
rooms

47,780

78,222

Global Upper-midscale Portfolio

Adding 36,000+
rooms

217,916

254,344

■ Choice Hotels ■ Choice Hotels incl. Radisson Americas

Domestic RevPAR for the Radisson portfolio in the United States is **38% higher** than the average of the existing Choice portfolio:²



Total RevPAR

■ Choice Hotels Domestic ■ Radisson US

Radisson brands typically have **larger** room counts and are located in **higher** RevPAR markets, driving **higher** fee income per unit



3 Continues Choice's demonstrated history of driving organic and inorganic growth in strategic segments



Leverages proven track-record of M&A as a catalyst for growth in strategic segments

- Grew WoodSpring Suites' domestic hotels by 30% since acquisition four years ago¹
- Increased WoodSpring Suites' website booking revenue by nearly 130% since 2018¹



Builds on momentum in Upscale segment through the addition of globally recognized brands

- 17% CAGR in global Ascend and Cambria portfolio since 2012¹



Enhances leadership in Midscale segment by building on Choice portfolio outperformance

- Upper-midscale and Midscale chain scales RevPAR growth outperforming the total industry by 700 bps²



Expands portfolio offering to enter additional adjacent business segments through new travel and loyalty partnerships

- Penn National Gaming, Bluegreen Vacations, Bakkt, co-branded credit card

4 Improves return on investment for franchise owners

Leverages combined capabilities to provide franchise owners with a **best-in-class** suite of hotel operations, sales, marketing and technology tools designed to **drive owner performance** and **reduce the cost of hotel ownership**

 **CHOICE**
privileges
REWARDS.

Combining an additional **10+ million** members with Choice's **award-winning 53+ million**-member loyalty program

 **CHOICE**MAX

Industry's only mobile-enabled revenue management system. This **award-winning** tool helps owners maximize pricing strategies

 **CHOICE**
ADVANTAGE®  **CHOICE**
EDGE

Innovative cloud-based property management system and **industry's only** distribution platform built in the cloud, designed to handle the current and future volume of digital channels

 **CHOICE**
UNIVERSITY™

Award-winning proprietary training suite offering personalized education and support

5 Drives greater value through expanded customer reach and platform business and ancillary revenue



CHOICE
privileges™
REWARDS



RADISSON
REWARDS
AMERICAS

63+ million members will
be introduced to
a broader universe

Offers guests accommodations that meet their needs across **more stay occasions, price points and geographies**

Added redemption options for guests in **Upscale and sought-after leisure markets**

Customer reach **expands the growth of Choice's platform business and ancillary revenue**

3

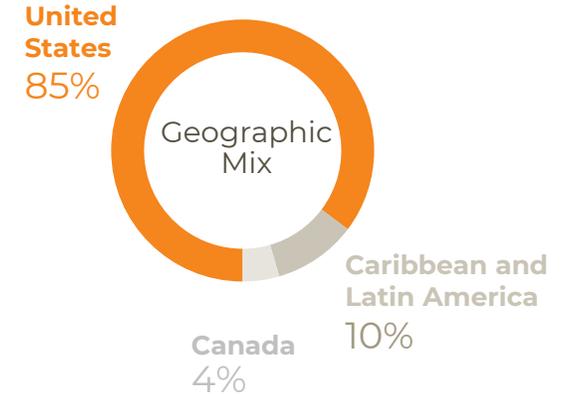
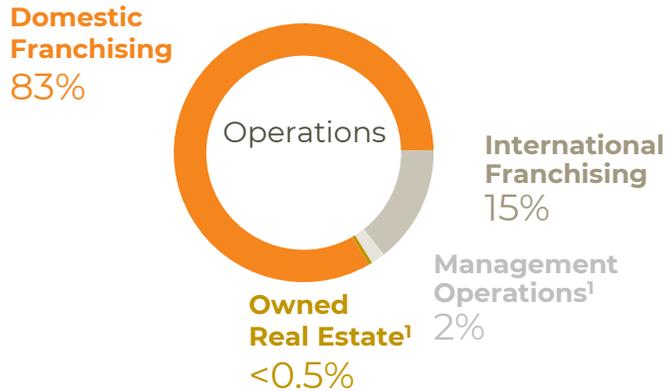
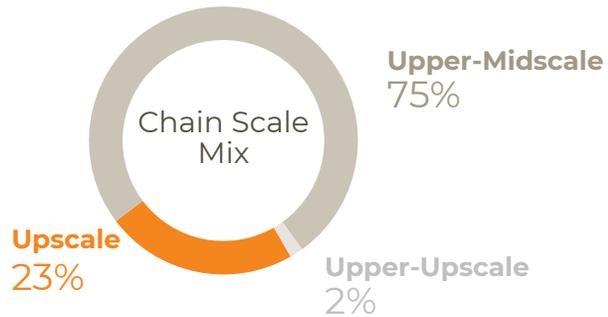
Radisson Hotels Group Americas Overview



Radisson Hotels Group Americas' brands are complementary to Choice Hotels' well-segmented portfolio



624 Open Hotels representing ~68,500 Rooms in 19 Countries in the Americas Region with 8,700+ Rooms in the Pipeline and 10+ million Loyalty Members



* Percentages based on units.

