



Investor Presentation

TSX:HLC HLC.DB HLC.DB.A

August 15, 2018



Forward-Looking Statements

This corporate presentation contains forward-looking information within the meaning of applicable securities laws. Forward-looking information may relate to Holloway's future outlook and anticipated events or results and may include statements regarding Holloway's future financial position, business strategy, financial results, plans and objectives. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Forward looking-information is subject to certain factors, including risks and uncertainties, that could cause actual results to differ materially from what Holloway currently expects and there can be no assurance that such statements will prove to be accurate. Some of these risks and uncertainties are described under "Risk Factors" in Holloway's Annual Information Form ("AIF"), dated March 7, 2018 which is available at www.sedar.com. Holloway does not intend to update or revise any such forward-looking information should its assumptions and estimates change.

All information contained in this presentation is as of June 30, 2018 unless otherwise specified.



33 hotels with 3,764 rooms

- 26 limited service, 6 full service
- 1 leased to a third party on a triple net basis
- Internal management for all hotels

Development assets

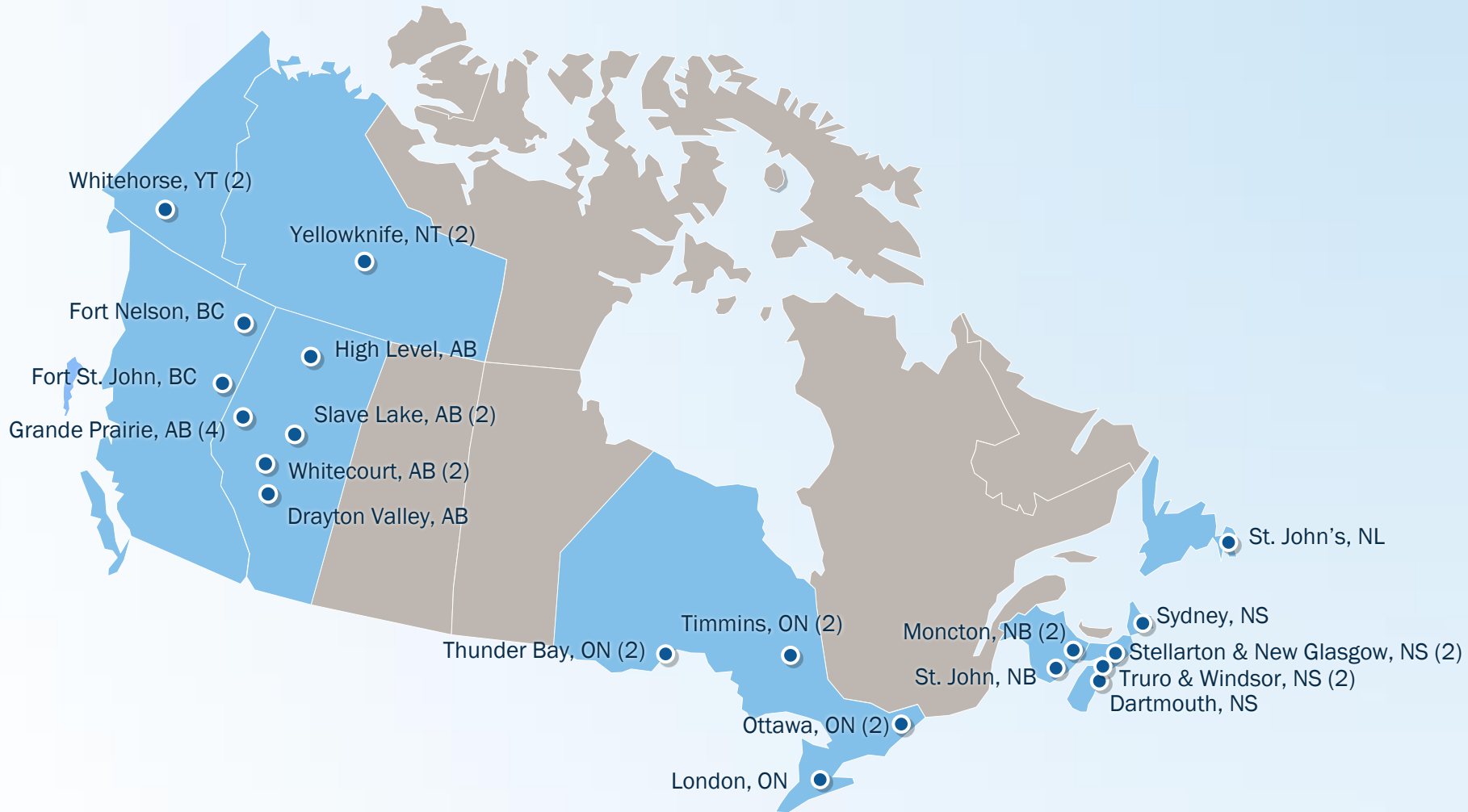
- 3 free standing single tenant properties
- 7 land development parcels

Enterprise value of \$313mn

- \$107mn market capitalization¹
- \$206mn of debt outstanding

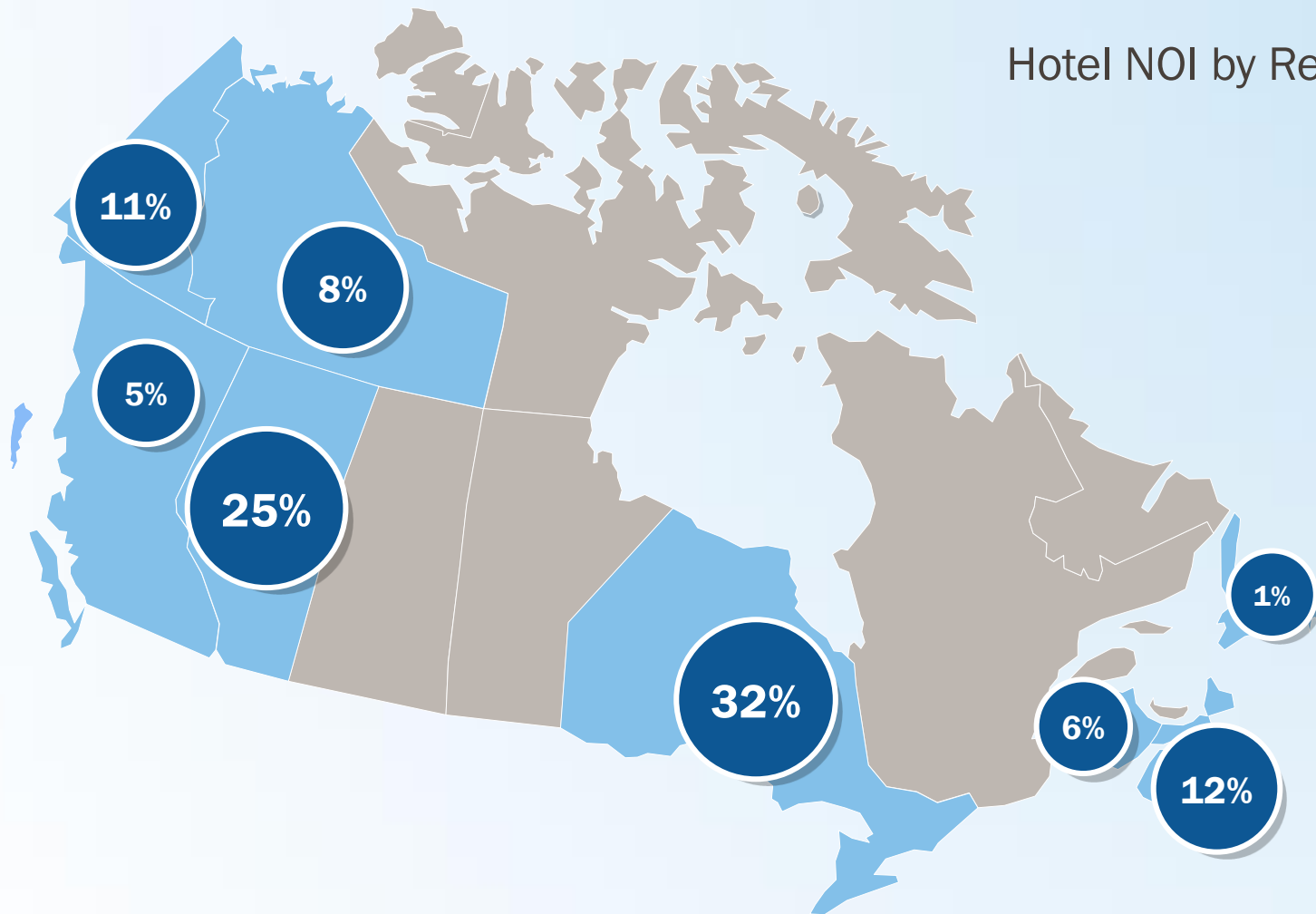
Annualized dividend of \$0.14 per share

Hotel Portfolio - Locations

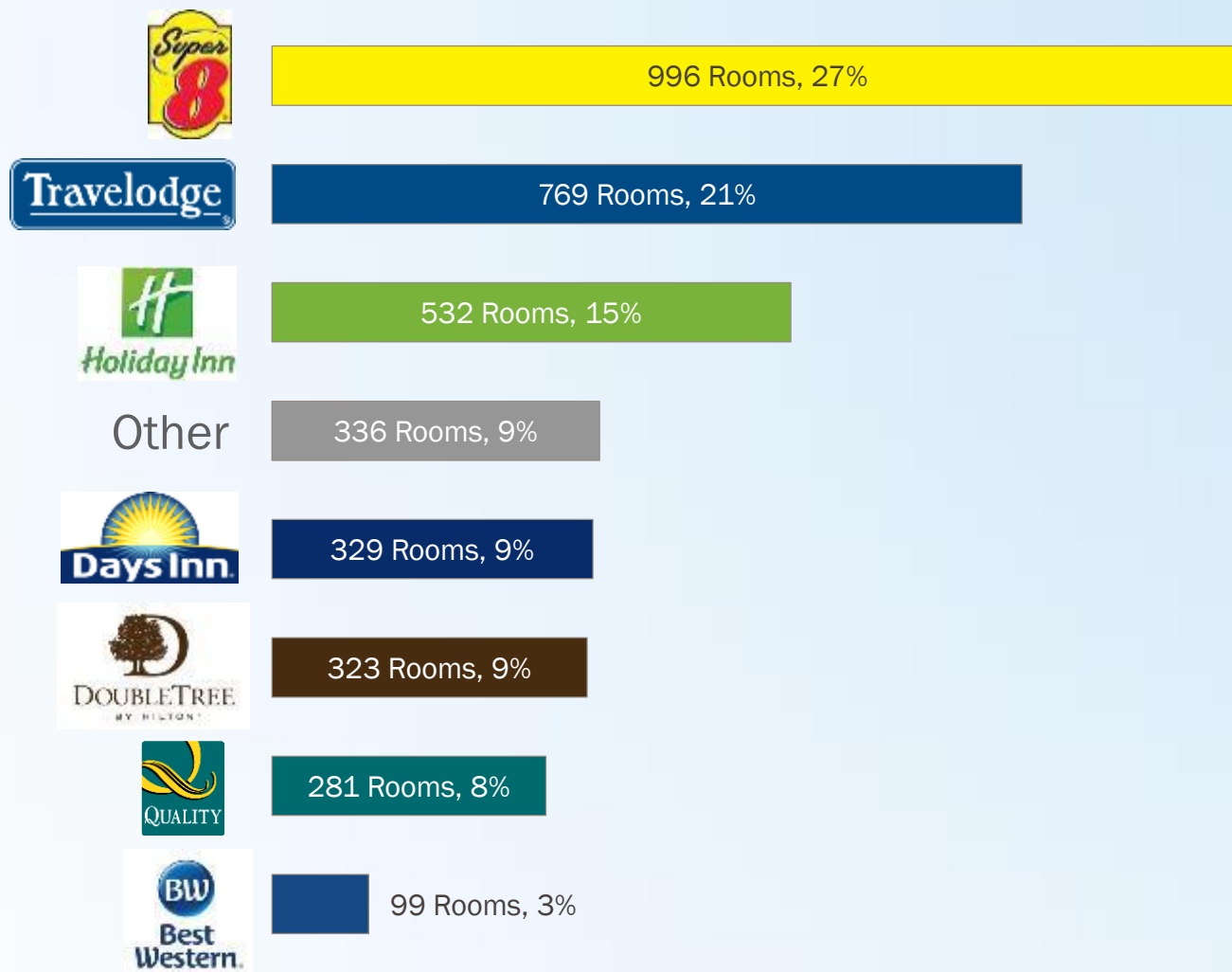


Hotel Portfolio – Geographic Diversification

Hotel NOI by Region*



Hotel Portfolio – Brand Diversification

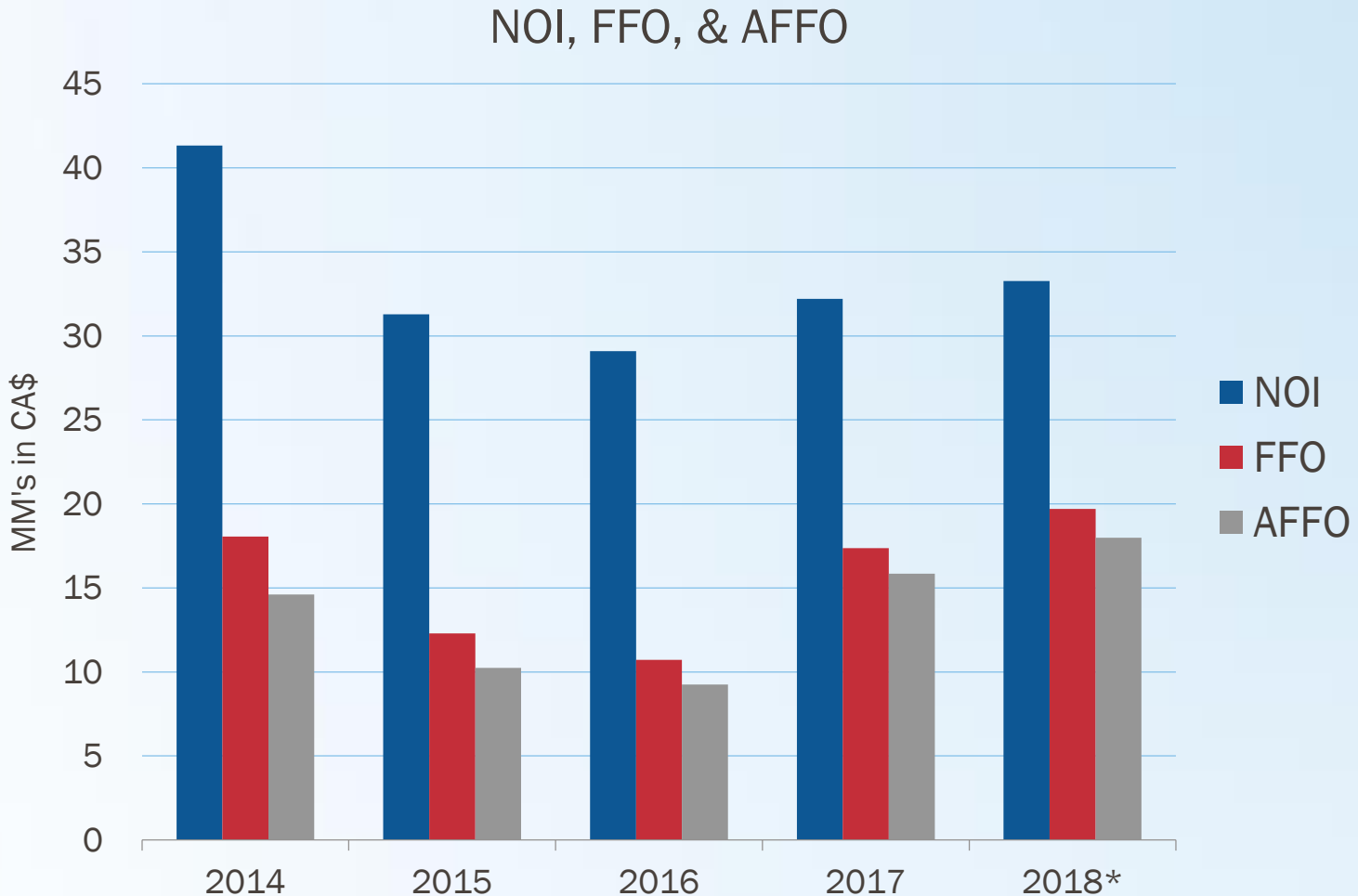




Financials



Focused on Cash Flow

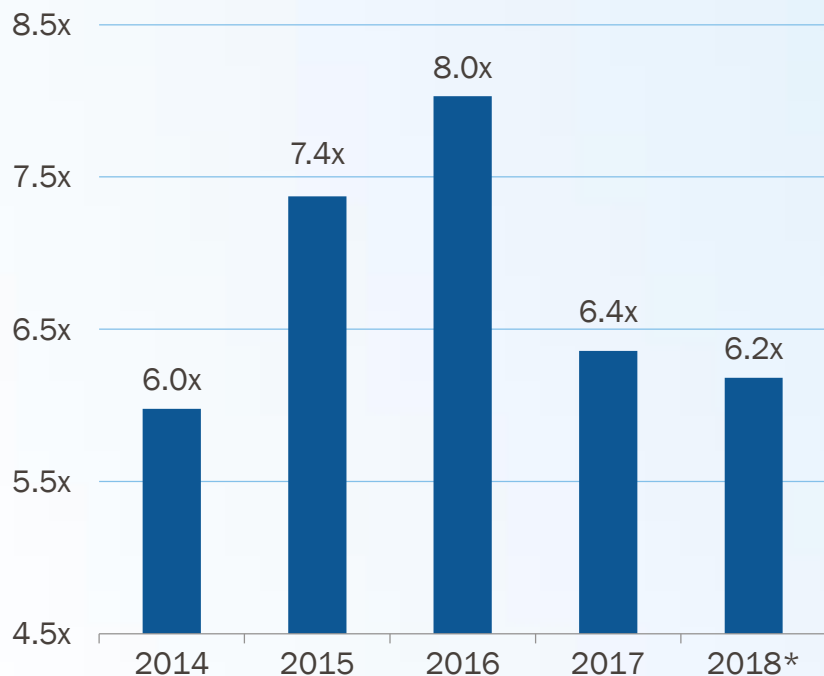


Focused on a Strong Balance Sheet

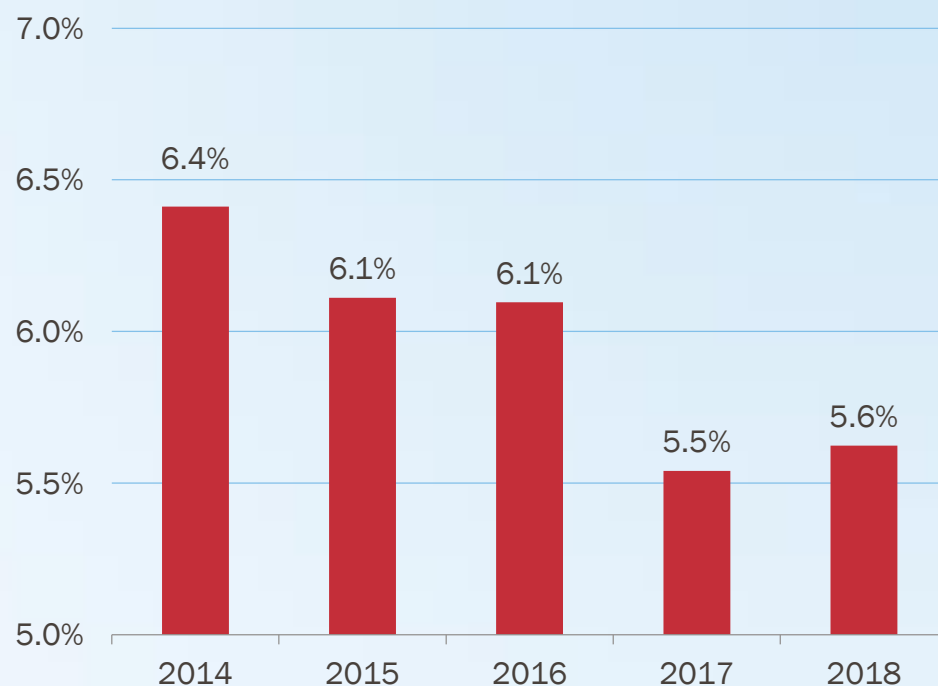
Debt ratio improvement due to principal repayments and improved NOI

Lower cost of debt due to refinancings, offset by higher prime rate

Net Debt to NOI



Weighted-Average Cost of Debt



*Twelve months ended June 30, 2018

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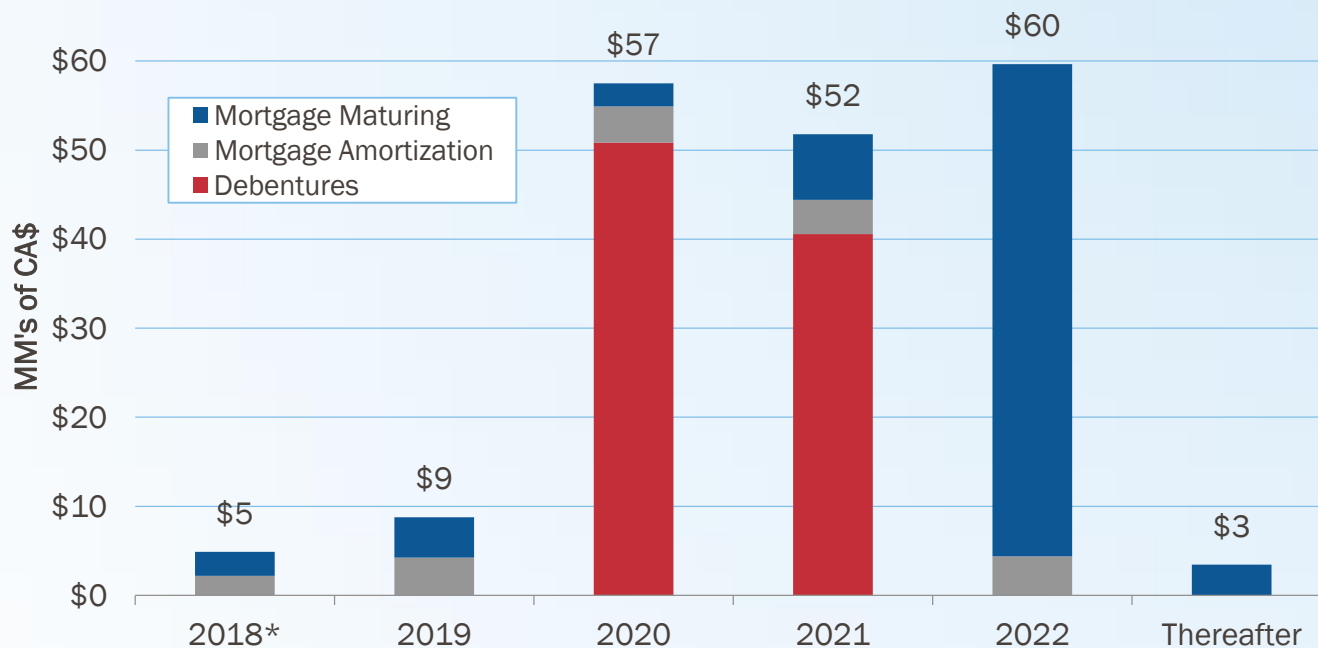
Flexible Capital Structure

Flexible capital structure

- 44% of debt is convertible debentures with no covenants, maturing in 2020 and beyond
- Minimal mortgage maturities over the next 4 years

Total liquidity of \$52.9mn*

Three unencumbered properties which could provide additional financing





Value Creation



Value Creation

Holloway consistently sells assets at prices greater than book value

Hotel	Sale Price	Gain on Sale	%
Ramada Trenton	3,950,000	116,000	3%
Travelodge Etobicoke	13,000,000	1,646,000	15%
Holiday Inn Express Myrtle Beach	7,598,000	308,000	6%
Travelodge Barrie	8,725,000	2,942,000	52%
Holiday Inn Oakville	19,438,000	7,832,000	69%
Travelodge Belleville	7,000,000	(144,000)	-2%
Total	59,711,000	12,700,00	29%

Cap Rates on Hotel Sales

Holloway continues to trade at a discount to the valuations it realizes on hotel sales

Hotel	Date of Sale	Cap Rate
Travelodge London South	February 2014	1.3%
Travelodge Chatham	February 2014	8.9%
Holiday Inn Express Kamloops	April 2014	7.6%
Ramada Trenton	January 2015	-0.4%
Travelodge Etobicoke	February 2015	2.8%
Holiday Inn Express Myrtle Beach	December 2015	6.3%
Travelodge Barrie	September 2016	6.9%
Holiday Inn Oakville	January 2017	7.2%
Travelodge Belleville	March 2017	4.6%
Weighted-average cap rate¹		5.5%



¹Cap rates calculated using the last twelve months of operating results prior to the sale.

Returning Capital to Shareholders

Three prongs: debt repayment, dividend and share repurchases

Mandatory principal amortization of ~\$4.4mn per year

- Represents ~\$0.25 per share of value or 4.1%¹

Annual dividend of \$0.14

- Represents a yield of 2.4%¹

Repurchase shares opportunistically

- \$2.5mn repurchased in 2013 (average price of \$3.56)
- \$0.9mn repurchased in 2014 (average price of \$4.15)
- \$1.7mn repurchased in 2015 (average price of \$4.94)
- \$0.7mn repurchased in 2016 (average price of \$4.58)
- \$2.9mn repurchased in 2017 (average price of \$5.57)
- \$3.0mn repurchased in 2018 (average price of \$5.98)



Strategy

Actively manage hotel operations to maximize profitability

Acquire additional properties

- Accretive to Holloway
- Newer build select service or value add opportunities

Sell assets at attractive valuations

Capitalize on internal development opportunities

- Reposition select assets to their highest and best use
- Develop excess land within existing portfolio

Return capital to shareholders through dividends, share repurchases and debt repayment

Establish Holloway Lodging Management Services as a national level management contract entity

Holloway Lodging Management Services

Comprehensive suite of services

Our turnkey services include sales and revenue management, strategic planning and budgeting, accounting and cost management, human resources, insurance and property taxes, purchasing, and maintenance and capital management.

Simple and transparent fee structure

We offer a fee structure that includes both a revenue-based and a performance-based fee, so we measure success by maximizing revenue and profit.

Flexible contract terms

Terms starting from 12 months, with straightforward termination clauses, allowing you to choose an arrangement that best fits your needs.

www.hlcorpmanagement.ca



Summary of Investment Opportunities

Undervalued hotel company with presence across Canada

Cash flow growth through hotel upgrades, acquisitions and return of Western Canadian economy

Upside potential associated with redevelopment opportunities

Focused on returning capital to shareholders



Holiday Inn®, Ottawa, ON



DoubleTree® by Hilton, London, ON

Share Structure

Holloway Lodging Corporation (TSX:HLC)

Shares Outstanding ¹	17,873,653
Management/Board Ownership ²	43%
Institutional Ownership ³	72%
Share Price ¹	\$5.97
52-Week Trading Range	\$5.25-6.10
Market Capitalization	\$107mn
Enterprise Value	\$313mn



¹Shares outstanding and Share price as of August 7, 2018

²Includes shares owned and controlled by Clarke Inc. which has one representative on the Board

³Includes shares owned and controlled by Clarke Inc.

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