Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of federal securities laws and regulations. These forward-looking statements are identified by their use of terms and phrases such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “should,” “will” and other similar terms and phrases, including opinions, references to assumptions and forecasts of future results. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made. These risks include, but are not limited to: volatility in the debt or equity markets affecting our ability to acquire or sell hotel assets; international, national and local economic and business conditions, including the likelihood of a U.S. recession, government shutdown, changes in the European Union or global economic slowdown, as well as any type of flu, disease-related pandemic or the adverse effects of climate change, affecting the lodging and travel industry; the ability to maintain sufficient liquidity and our access to capital markets; terrorist attacks or civil unrest, which would affect occupancy rates at our hotels and the demand for hotel products and services; operating risks associated with the hotel business; risks associated with the level of our indebtedness and our ability to meet covenants in our debt and equity agreements; relationships with property managers and franchisors; our ability to maintain our properties in a first-class manner, including meeting capital expenditure requirements; our ability to compete effectively in areas such as access, location, quality of accommodations and room rate structures; changes in travel patterns, taxes and government regulations, which influence or determine wages, prices, construction procedures and costs; our ability to identify, successfully compete for and complete acquisitions; the performance of hotels after they are acquired; necessary capital expenditures and our ability to fund them and complete them with minimum disruption; our ability to continue to satisfy complex rules in order for us to qualify as a REIT for federal income tax purposes; severe weather events or other natural disasters; risks impacting our ability to pay anticipated future dividends; and other risks and uncertainties associated with our business described in the Company’s filings with the Securities and Exchange Commission. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. All forward-looking information provided herein is as of the date of this presentation, and the Company undertakes no obligation to update any forward-looking statement to conform the statement to actual results or changes in the Company’s expectations.

This presentation should be read together with the consolidated financial statements and notes thereto included in our most recent reports on Form 10-K and Form 10-Q. Copies of these reports are available on our website at www.sunstonehotels.com and through the SEC’s Electronic Data Gathering Analysis and Retrieval System ("EDGAR") at www.sec.gov.
## Investment Highlights

<table>
<thead>
<tr>
<th>Why Sunstone. . .</th>
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<tr>
<td><strong>High quality portfolio of Long-Term Relevant Real Estate®</strong></td>
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<tr>
<td><strong>Ability to take a long-term and balanced approach to the business with-an-eye towards the recovery</strong></td>
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<tr>
<td><strong>Sector-leading, low-levered balance sheet and significant liquidity provide protection and opportunity for growth</strong></td>
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<tr>
<td><strong>Management team with superior track record of accretive and well-timed capital allocation</strong></td>
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<tr>
<td><strong>Best-in-class corporate governance with executive compensation structure that creates strong alignment with shareholders</strong></td>
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<tr>
<td><strong>Opportunity to invest at a cyclically low industry valuation with the security offered by the lowest levered balance sheet in the sector</strong></td>
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Long-Term Relevant Real Estate® Is . . .
What’s Going On . . .
Methodically Resuming Operations Across the Portfolio

- Four hotels (23% of total rooms) remained in operation for the duration of the pandemic. One, five and two hotels resumed operations in June, July and August, respectively. Currently, 12 of 19 hotels in the portfolio are in operation, representing 64% of total rooms.

- In order to resume operations the hotel must: adhere to state and county ordinances; have modified programming in place tiered to demand levels; have implemented and follow strict health and safety protocols; and, have enough revenue to justify incremental operating expenses (i.e., reduce cash burn).

- We expect to resume operations at additional hotels as local restrictions are lifted and travel levels rebound.

- In coordination with our operators, we have eliminated non-essential services and significantly reduce property-level expenditures. In the second quarter, hotel operating expenses decreased 73% year-over-year.

- We are using this opportunity to work with our property managers to streamline operations. After years of expanding and centralizing various hotel functions, many operators are reducing and decentralizing various services. This is expected to provide hotel owners with more flexibility, greater efficiency and lasting cost savings.

Portfolio Summary by Status

Maintained Operations:
- Boston Park Plaza
- Renaissance Los Angeles Airport
- Renaissance Long Beach
- Embassy Suites La Jolla

Recently Resumed Operations:
- Oceans Edge Resort & Marina
- Embassy Suites Chicago
- Marriott Boston Long Wharf
- Hilton New Orleans St. Charles
- Hyatt Centric Chicago Magnificent Mile
- JW Marriott New Orleans
- Hilton San Diego Bayfront
- Renaissance Washington DC

Evaluating Reopening Timing:
- Hilton Garden Inn Chicago Downtown
- Marriott Portland
- Hyatt Regency San Francisco
- Renaissance Orlando at SeaWorld
- Renaissance Westchester
- Wailea Beach Resort
- Hilton Times Square
Our monthly “cash burn” rate has been more favorable than expected and current estimates reflect a 20% decrease in cash utilization relative to initial projections.

With the majority of rooms in operation as of the end of August, the amount of cash used should continue to decrease as occupancy builds at the currently open hotels and as additional hotels resume operations.

Have completed most of the planned capital work for this year, including the acceleration of several highly disruptive projects.

Repaid all of the balance previously drawn on the credit facility. Retain a majority of our liquidity in the form or unrestricted cash as opposed to available credit facility borrowing.

<table>
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<tr>
<th>In Operations at End of Month</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Hotels (1)</td>
<td>19</td>
<td>8</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>% of Total Rooms (2)</td>
<td>100%</td>
<td>39%</td>
<td>28%</td>
<td>28%</td>
<td>25%</td>
<td>44%</td>
<td>64%</td>
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</table>

(1) Includes 19 hotels owned as of September 2020. Excludes Renaissance Harborplace in Baltimore, Maryland which was sold in July 2020.
(2) Of 9,988 total consolidated room in the current 19-hotel portfolio.
What’s Going On . . .
Demand Has Troughed and is Steadily Returning

**Trailing 7-Day Occupancy**

*After record setting declines in late March and April, occupancy has been slowly increasing in recent months.*

7 of our 12 open hotels did not resume operations until July or August and have been steadily growing occupancy.

Once restrictions are lifted in San Francisco and Maui, we will be able to open two of our largest hotels, further increasing occupancy and lowering cash burn.

Taking a Long-Term and Balanced Approach . . .
Maintaining Key Disciplines and Resources to Best Position Sunstone as the Industry Recovers

- Despite ongoing operating losses and an intense focus on cost cuts, we have elected to strategically maintain various property-level professionals to drive future growth. While these decisions may modestly increase our near-term cash burn, we are confident that they will maximize our future operating performance and earnings as the industry recovers.

- We have maintained key disciplines and resources at hotels across the portfolio in order to preserve and protect the facilities, stay connected with and support furloughed hotel associates and maintain customer relationships needed to rebook and sell future business.

- Our strategy of keeping sales professionals on property is working well.
  - The sales teams are actively working to rebook previously cancelled events. As of the end of July, 138,000 room nights have been rebooked into future periods and an additional 61,000 room nights relate to events that have expressed an interest in rebooking or are already in various stages of the rebooking process. Combined, this represents 32% of cancelled room nights to date.
  - The sales teams are also working leads and contracting new business. Since March, we have booked 86,000 new group rooms, or approximately $22 million of revenue, for future periods and is business that we likely would not have secured had we not retained sales professionals.
  - Currently have nearly 16% of our 2021 occupancy on the books, which is only marginally behind the 3-year historical average for this time of the year.
**Taking a Long-Term and Balanced Approach . . .**

Opportunistically Using This Time to Complete What Would Otherwise be Highly Disruptive Capital Work

- In order to take advantage of this low demand period, we have accelerated approximately $7 million of new capital projects that would have otherwise been highly disruptive to hotel operations and guest satisfaction and would have resulted in an estimated $2.5 to $3.5 million of revenue displacement under normal operations.

- We have also used this time to execute the scheduled comprehensive renovation of the Marriott Portland which is nearly complete.

<table>
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<tr>
<th>New Capital Projects Accelerated During Pandemic</th>
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<tbody>
<tr>
<td>Atrium Floor Replacement at Renaissance Orlando</td>
</tr>
<tr>
<td>Escalator and Porte Cochere work at Renaissance DC</td>
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<tr>
<td>New Lanai Decks at Wailea Beach Resort</td>
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<table>
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<tr>
<th>Scheduled Renovation</th>
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<tbody>
<tr>
<td>Repositioning of Marriott Portland</td>
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</table>

- Demolished existing lobby floor and replaced with 50,000 square feet of new tile.

- Removed numerous large planters from lobby to better accommodate traffic flow.

- Repainted lobby and 10-story atrium.

- Installation of four new escalators to serve subterranean meeting room and ballroom levels.

- Implemented a new sense of arrival through a full refreshment of the porte cochere, including a new ceiling, lighting and driveway surface.

- Added new extended lanai decks to 32 oceanfront rooms.

- Drained and replastered the serenity pool.

- Completed various other maintenance projects that would have been highly disruptive to guests and hotel operations.

- Full repositioning of the hotel to better compete in the market.

- Renovation of all existing 249 guestrooms and bathrooms and the addition of nine new keys.

- Complete redesign of all public spaces, meeting areas and food & beverage outlets.
We have long believed that a lowly levered balance sheet is the most appropriate capital structure for a highly cyclical industry that is subject to operating leverage.

Note: Per company public filings as December 31, 2019. Debt balances calculated on a pro rata basis.
Can Avoid Playing Defense and Go on Offense First . . .

We Retain Significant Flexibility Even If We Emerge from the Pandemic into a Recessionary Environment

Illustrative Leverage at Various Assumed Recovery Levels

Depending on the timing and pace of recovery, others could potentially be forced to issue equity to re-capitalize their balance sheet. Our lower leverage protects us from value destructive defensive actions.

- **2Q 2020 Net Debt & Preferred / 2019 EBITDA at 65%**
- **2Q 2020 Net Debt & Preferred / 2019 EBITDA at 50%**
- **2Q 2020 Net Debt & Preferred / 2019 EBITDA at 35%**

Current broker consensus estimates would suggest that 2021 EBITDA is projected to materialize at 30% to 40% of 2019 levels.

Upper limit of most lodging REIT bank debt covenants

Note: Per company public filings as December 31, 2019 and June 30, 2020. Debt balances presented on a pro rata basis and have been adjusted for events announced after June 30, 2020 where applicable. Consensus EBITDA metrics per FactSet.
### Monthly Cash Burn Projections ($ millions)

<table>
<thead>
<tr>
<th>Monthly Recurring Cash Uses</th>
<th>Initial Range</th>
<th>Current Estimate</th>
<th>% Change at Midpoint</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel Cash Uses (Operating expenses, taxes and insurance)</td>
<td>$18 - $21</td>
<td>$12 - $15</td>
<td>-31%</td>
</tr>
<tr>
<td>Corporate Cash Requirements (Overhead, debt service)</td>
<td>$6 - $7</td>
<td>$6 - $7</td>
<td>--</td>
</tr>
<tr>
<td>Monthly Recurring Cash Use Before Capital Expenditures</td>
<td>$24 - $28</td>
<td>$19 - $23</td>
<td>-23%</td>
</tr>
<tr>
<td>Average Monthly Capital Expenditures</td>
<td>$3 - $5</td>
<td>$3 - $5</td>
<td>--</td>
</tr>
<tr>
<td>Total Monthly Recurring Cash Use Including Capital Expenditures</td>
<td>$28 - $32</td>
<td>$23 - $27</td>
<td>-20%</td>
</tr>
</tbody>
</table>

At this level of monthly cash use, we could sustain the portfolio for nearly two years based solely on current cash on hand, or up to nearly four years when adding in credit facility availability. We anticipate that our current estimate of monthly cash burn will decrease as occupancy builds at the hotels that are currently open and as we methodically resume operations at the remaining hotels in the portfolio.
Superior Capital Allocation Track Record . . .
Acquiring and Disposing of Hotels at Right Points in Cycle While Increasing Our Ownership of LTRR®

We acquired nearly $2.0 billion of higher quality hotels, in the early phase of the cycle . . .

. . . and sold 21 lower quality and generally commodity hotels for $1.6 billion as the cycle matured.

Indexed Top-25 Market RevPAR

Note: Excludes Royal Palm which was owned for less than one year. 2020(F) reflects the pre-pandemic 2020 RevPAR growth forecast for urban hotels per CBRE Hotel Horizons.
Superior Capital Allocation Track Record . . .
Accretive Capital Allocation

Track record of patient and disciplined accessing of the equity capital markets, and opportunistically repurchasing shares.

- Issued $22 million at $15.96 in November & December 2014
- Issued $263 million at $14.60 in June 2014. Acquired Wailea Beach Resort.
- Issued $55 million at $15.47 in December 2016
- Issued $45 million at $17.42 in June 2018
- Repurchased $104 million at $10.61 in 1Q 2020
- Repurchased $50 million at $13.22 in mid 2019
Our priority is to maximize shareholder value. Our board structure, corporate charter and culture of transparency place us at the top of the REIT space in terms of corporate governance.

- Ranked among highest in corporate governance by Green Street Advisors
- Culture of transparency with best-in-class disclosure and quarterly supplemental
- Opted-out of MUTA, limitations on rights plans, adopted proxy access and stockholder’s right to amend bylaws, do not allow hedging or pledging of shares held by executives
- Non-classified board with annual election of all directors
- Directors have open access to senior management and all employees and regularly review ESG practices and initiatives
- Executive compensation program creates strong shareholder alignment. Adopted CEO and CFO compensation clawback policy and double trigger provision upon change of control.