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.
### Why Sunstone...

**Investment Highlights**

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

• We suspended operations earlier this year at 15 of our current 19 hotels in response to local restrictions and limited hotel demand as result of COVID-19. Four hotels (23% of total rooms) have remained in operation for the duration of the pandemic.

• We have since re-opened one hotel in the second quarter, seven hotels in the third quarter and four hotels in the fourth quarter. Currently, 16 of 19 hotels in the portfolio are in operation, representing 88% of total rooms and 96% of comparable 2019 hotel EBITDA.

• In order to resume operations the hotel must: adhere to state and county ordinances; have modified programing 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).

• In coordination with our operators, we have eliminated non-essential services and significantly reduce property-level expenditures by 60% to 70% since the onset of the pandemic.

• 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
- Hyatt Regency San Francisco
- Renaissance Orlando at SeaWorld
- Bidwell Marriott Portland
- Wailea Beach Resort

Evaluating Reopening Timing:
- Hilton Garden Inn Chicago Downtown
- Renaissance Westchester
- Hilton Times Square
What’s Going On . . .
Cash Burn Should Continue to Decrease as Demand Returns and Additional Hotels Resume Operations

• Our monthly “cash burn” rate has been more favorable than expected and current estimates reflect a 30% decrease in cash utilization relative to initial projections.

• While most of the portfolio is now open (96% of prior year EBITDA), several of our largest and most economically significant hotels have only recently resumed operations. We expect these hotels to provide a tailwind for further occupancy growth and improvements in monthly cash burn.

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

• Repaid all of the previously drawn balance on the credit facility and paid down a portion of our unsecured senior notes at par. Retain a majority of our liquidity in the form or unrestricted cash as opposed to available credit facility borrowing.

<table>
<thead>
<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>
<th>September</th>
<th>October</th>
<th>November</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>
<td>12</td>
<td>15</td>
<td>16</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>
<td>64%</td>
<td>83%</td>
<td>88%</td>
</tr>
<tr>
<td>% of 2019 Hotel EBITDA (2)</td>
<td>100%</td>
<td>25%</td>
<td>21%</td>
<td>21%</td>
<td>20%</td>
<td>38%</td>
<td>60%</td>
<td>60%</td>
<td>80%</td>
<td>96%</td>
</tr>
</tbody>
</table>

(1) Includes 19 hotels owned as of November 2020. Excludes Renaissance Harborplace in Baltimore, Maryland which was sold in July 2020.
(2) Based on 9,997 total consolidated rooms and $326 million in 2019 hotel EBITDA for the current 19-hotel portfolio.
After record setting declines in late March and April, occupancy has been slowly increasing in recent months.

We have only recently resumed operations at several of our larger and more economically significant hotels and would expect that our overall portfolio occupancy and cash burn rate would improve as these hotels attract additional demand.

Note: Reflects data from March 7, 2020 to November 12, 2020.
Despite ongoing operating losses and an intense focus on cost containment, 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 October, 197,000 room nights have been rebooked into future periods and an additional 56,000 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 30% of cancelled room nights to date.

- The sales teams are also working leads and contracting new business. From July through October, we have booked 106,000 new group rooms for future periods. These new bookings, combined with the previously cancelled business that already has been, or is expected to be rebooked, represents ~$130 million of total group revenue and is business that we likely would not have secured had we not retained sales professionals.

- Currently have nearly 13% of our 2021 occupancy on the books, which represents a significant increase from current year actualized levels.
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.

### New Capital Projects Accelerated During Pandemic

<table>
<thead>
<tr>
<th>Project</th>
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</thead>
<tbody>
<tr>
<td>Atrium Floor Replacement at Renaissance Orlando</td>
</tr>
<tr>
<td>Escalator and Porte Cochere work at Renaissance DC</td>
</tr>
<tr>
<td>New Lanai Decks at Wailea Beach Resort</td>
</tr>
</tbody>
</table>

### Scheduled Renovation

<table>
<thead>
<tr>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repositioning of Marriott Portland</td>
</tr>
</tbody>
</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.
How We Approach the Balance Sheet...

Sector Leading Balance Sheet Going Into the Pandemic with Significant Tangible Liquidity

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.

### 2019 Year-End Net Debt & Preferred to TTM EBITDA

<table>
<thead>
<tr>
<th>Company</th>
<th>2019 Year-End Debt &amp; Preferred to TTM EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHO</td>
<td>0.0x</td>
</tr>
<tr>
<td>HST</td>
<td>1.0x</td>
</tr>
<tr>
<td>RLJ</td>
<td>2.0x</td>
</tr>
<tr>
<td>DRH</td>
<td>3.0x</td>
</tr>
<tr>
<td>XHR</td>
<td>4.0x</td>
</tr>
<tr>
<td>RHP</td>
<td>5.0x</td>
</tr>
<tr>
<td>PK</td>
<td>5.0x</td>
</tr>
<tr>
<td>PEB</td>
<td>6.0x</td>
</tr>
</tbody>
</table>

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.


Current broker consensus estimates would suggest that 2021 and 2022 EBITDA could materialize well below 2019 levels. A more prolonged downturn would further strain the more levered balance sheets.

Note: Per company public filings as December 31, 2019 and September 30, 2020. Debt balances presented on a pro rata basis. Consensus EBITDA metrics per FactSet.
### Monthly Cash Burn Projections ($ millions)

<table>
<thead>
<tr>
<th>Monthly Recurring Cash Uses</th>
<th>Estimate as of May</th>
<th>Estimate as of August</th>
<th>Current Estimate</th>
<th>% Change vs. May / Aug</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel Cash Uses (Operating expenses, taxes)</td>
<td>$18 - $21</td>
<td>$12 - $15</td>
<td>$10 - $13</td>
<td><strong>-40% / -15%</strong></td>
</tr>
<tr>
<td>Corporate Cash Requirements (Overhead, debt service)</td>
<td>$6 - $7</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>$16 - $20</td>
<td><strong>-30% / -10%</strong></td>
</tr>
</tbody>
</table>

We have seen continued improvement in our estimate of cash burn since the onset of the pandemic. At this level of monthly cash use, we could sustain the portfolio for over two years based solely on current cash on hand, or more than four years when adding in credit facility availability. We anticipate that our current estimate of monthly cash burn will continue to decrease as occupancy builds across the portfolio, particularly at the larger hotels which just recently reopened.
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 . . .

Acquisitions and Dispositions Summary

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.

. . . and sold 21 lower quality and generally commodity hotels for $1.6 billion as the cycle matured.
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
- Issued $55 million at $17.42 in June 2018
- Issued $22 million at $15.96 in November & December 2014
- 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.