

# Lightstone Value Plus REIT II

## FACT SHEET

(as of 12/31/2023)



Hilton Garden Inn: Lightstone Value Plus REIT II Investment



Lightstone Value Plus REIT II, Inc. is a Maryland corporation formed on April 28, 2008, which elected to qualify as a real estate investment trust (“REIT”) for U.S. federal income tax purposes beginning with the taxable year ending December 31, 2009. Through the Operating Partnership, we own and operate commercial properties and make real estate-related investments. Since our inception, we have primarily acquired and operated commercial hospitality properties, principally consisting of limited service hotels all located in the United States (the “U.S.”). However, our commercial holdings may also consist of full-service hotels, and to a lesser extent, retail (primarily multi-tenanted shopping centers), industrial and office properties.

Hilton Garden Inn: Lightstone Value Plus REIT II Investment

#### ESTIMATED NET ASSET VALUE (NAV) PER SHARE <sup>(1)</sup>

\$9.84 per share as of December 31, 2023.

#### DISTRIBUTION POLICY <sup>(2)</sup>

3% annualized rate assuming a purchase price per share of \$10.00.

#### SHARE REDEMPTION PROGRAM (SRP)

Our share repurchase program (the “SRP”) may provide our stockholders with limited, interim liquidity by enabling them to sell their Common Shares back to the Company, subject to restrictions.

The annual limit on redemptions related to a stockholder’s death is established at 0.5%, while the limit for hardship-related redemptions is 0.5%. Requests for redemptions in connection with a stockholder’s death must be submitted and received by the Company within one year of the stockholder’s date of death for consideration.

## PRIMARY INVESTMENTS OF THE REIT:

ASSETS	OVERVIEW
i. Limited Service Hotel Portfolio	Ten limited service hotels, containing a total of 1,352 rooms, include Fairfield Inn - East Rutherford, Aloft - Tucson, Aloft - Philadelphia, Four Points by Sheraton - Philadelphia, Courtyard - Willoughby, Fairfield Inn - DesMoines, SpringHill Suites - DesMoines, Courtyard - Parsippany, Hyatt - Place New Orleans and Residence Inn - Needham.
ii. Hilton Garden Inn - Long Island City Joint Venture (50% ownership)	A 183-room, limited service hotel located in the Long Island City neighborhood in the Queens borough of New York City.
iii. Brownmill Joint Venture (48.5% ownership)	The joint venture owns Browntown Shopping Center, located in Old Bridge, New Jersey, and Millburn Mall, located in Vauxhall, New Jersey, with a combined total of 155,975 leasable square feet.



EXCERPT FROM FINANCIAL STATEMENTS (for the years ended December 31, 2023 and 2022)

INCOME STATEMENT

	2023	2022
Revenue	53,632	55,261
Expenses	56,416	55,212
Net income/(loss)	(11,624)	8,888
Net income/(loss) attributable to company common shares	(11,501)	8,843
Net income/(loss) per common share	\$0.67	\$0.51

Amounts in thousands, except per share data

FUNDS FROM OPERATIONS (FFO) AND MODIFIED FUNDS FROM OPERATIONS (MFFO) <sup>(3)</sup>

	2023	2022
<b>Net income/(Loss)</b>	(11,624)	8,888
Depreciation and amortization	6,659	7,945
Adjustments to equity in earnings from unconsolidated entities, net	1,661	(888)
Gain on sale of investment property	(449)	(8,524)
Income tax on sale of real estate	1,162	-
Impairment charge	5,000	-
<b>FFO</b>	2,409	7,421
Adjustments to equity in earnings from unconsolidated entities, net	84	(219)
Gain on forgiveness of debt	-	(3,791)
Mark-to-market adjustments	(25)	380
Non-recurring loss/(gain) from extinguishment/sale of debt, derivatives or securities holdings		83
<b>MFFO</b>	2,468	3,874

Amounts in thousands

BALANCE SHEET

	2023	2022
Net investment property	142,802	180,085
Investments in unconsolidated JV	13,415	13,793
Cash and marketable securities	45,479	46,426
Other Assets	7,743	5,138
<b>Total Assets</b>	209,439	245,442
Mortgages payable, net	100,820	118,180
Other liabilities	8,506	8,439
<b>Total Liabilities</b>	109,326	126,619
Stockholders' equity	89,104	107,486
Noncontrolling interests	11,009	11,337
<b>Total Stockholders' Equity</b>	100,113	118,823

Amounts in thousands

CASH FLOW STATEMENT

	2023	2022
Cash flows provided by operating activities	654	2,263
Cash flows provided by investing activities	21,082	45,532
Cash flows used in by financing activities	(23,561)	(22,188)
<b>Change in cash, cash equivalents and restricted cash</b>	(1,825)	25,607
Cash, cash equivalents and restricted cash, beginning of year	42,566	16,959
Cash, cash equivalents and restricted cash, end of period	40,741	42,566

Amounts in thousands

**FOOTNOTES:**

- (1) For a full description of the methodologies and assumptions, as well as certain qualifications, used to determine the estimated values of the Company's assets and liabilities in connection with the calculation of its NAV per Share of \$9.84, See the Company's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on March 27, 2024. Please note that the Company's most recently published estimated NAV per Share of \$9.84 is as of December 31, 2023 and was calculated as of a specific date. Accordingly, the value of the Shares may fluctuate over time in response to developments related to individual assets in the portfolio and the management of those assets and in response to the real estate and capital markets. These risks have not been priced into the Company's estimated NAV per Share of \$9.84. There is no assurance of the extent to which the most current estimated valuation should be relied upon for any purpose after its effective date.
- (2) The last distribution was declared in August 2024 for shareholders of record as of the close of business on September 30, 2024, and will be paid approximately 15 days thereafter. Future distributions declared, if any, will be at the discretion of the Board of Directors based on their analysis of our performance over the previous periods and expectations of performance for future periods.
- (3) For a full description of the methodologies and assumptions, as well as certain qualifications, used to calculate Funds from Operations and Modified Funds from Operations, see the Company's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on March 27, 2024.

**FORWARD LOOKING STATEMENTS:**

The foregoing includes forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project" or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect actual results, performances or achievements. Factors that may cause actual results to differ materially from current expectations include, but are not limited to (i) changes in market factors that could impact our rental rates and operating costs, (ii) financing risks, such as the inability to obtain equity, debt, or other sources of financing on favorable terms, (iii) changes in governmental laws and regulations, (iv) the level and volatility of interest rates and the availability of suitable acquisition opportunities. Accordingly, there is no assurance that our expectations will be realized. We claim the safe harbor protection for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Forward-looking statements in the foregoing reflect our management's view only as of the date of this report, and may ultimately prove to be incorrect. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results, except as required by applicable law.