
Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

August 7, 2018

Date of report (Date of earliest event reported)

Condor Hospitality Trust, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of Incorporation)

1-34087
(Commission File Number)

52-1889548
(IRS Employer Identification No.)

4800 Montgomery Lane, Suite 220
Bethesda, MD
(Address of Principal Executive Offices)

20814
(Zip Code)

(402) 371-2520
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On August 7, 2018, Condor Hospitality Trust, Inc. issued a press release on its earnings for the quarter ended June 30, 2018. The press release is furnished as Exhibit 99.1 to this Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 [Press Release dated August 7, 2018.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Condor Hospitality Trust, Inc.

Date: August 7, 2018

By: /s/ Arinn Cavey
Name: Arinn Cavey
Title: Chief Accounting Officer

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Section 2: EX-99.1 (EX-99.1)



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For Immediate Release

Condor Hospitality Trust Reports Second Quarter 2018 Results

BETHESDA, MD, August 7, 2018 – Condor Hospitality Trust, Inc. (NYSE American: CDOR) (the “Company”) today announced results for the second quarter ended June 30, 2018.

SECOND QUARTER RELEASE FINANCIAL HIGHLIGHTS

- Revenue of \$17.8 million a 25% Increase to Revenue of \$14.3 million in Last Year’s Second Quarter
- Net Earnings Attributable to Common Shareholders of \$2.7 million, or \$0.23 per Diluted Share, compared to \$4.7 million, or \$0.37 per share in Last Year’s Second Quarter, which included an incremental \$3.0 million Net Gain on Disposition of Assets; excluding Last Year’s additional Net Gain on Disposition of Assets, the increase in Net Earnings Attributable to Common Shareholders would have been 62% versus Last Year’s Second Quarter
- Adjusted Funds from Operations Increased to \$4.2 million, or \$0.34 per Diluted Share, a 48% increase from \$2.8 million in Last Year’s Second Quarter
- Hotel EBITDA Increased to \$8.0 million from \$5.7 million, and Adjusted EBITDAre Increased 60% Over Last Year’s Second Quarter
- Achieved 4.6% Second Quarter Same-Store RevPAR Growth over Prior Year*
- Expanded Second Quarter Same-Store Hotel EBITDA Margin by 230 Basis Points to 39.4% over Prior Year*

SECOND QUARTER PORTFOLIO ACCOMPLISHMENTS

- Sold One Legacy Asset Generating \$7.1 million in Gross Proceeds
- Placed One Legacy Asset Under Contract for Sale with Expected Gross Proceeds of \$5.1 million

*New investment platform hotels only; Includes results prior to our ownership to illustrate same-store performance

MANAGEMENT COMMENTARY

Bill Blackham, Condor’s Chief Executive Officer, commented:

“Condor continues to grow new investment platform hotel revenues, operating income, and financial metrics as we once again delivered robust operating results in the second quarter of 2018. Through our differentiated investment strategy, we achieved 4.6% same-store RevPAR growth and expanded hotel EBITDA margins by 230 bps on our new investment platform hotels. Our investment strategy and asset management efforts are responsible for another quarter of extremely favorable operating performance.

We also continued to push towards the complete transformation of the portfolio in the second quarter. We sold one legacy hotel asset for gross proceeds of \$7.1 million and placed an additional legacy hotel under contract for sale with expected gross proceeds of \$5.1 million. We now have only two legacy hotels remaining, one of which is under contract to be sold. Additionally, during the quarter we made significant progress towards making additional acquisitions that match our investment strategy. When the next acquisition is announced and subsequently completed, it would be the sixteenth new investment platform hotel in our portfolio of high-quality, select-service assets in attractive growth markets.”

FINANCIAL SUMMARY

At June 30, 2018, the Company's total portfolio included 17 hotels, representing 2,088 rooms.

Total Company Financial Results

(\$ in millions except per share amounts)

	Three months ended June 30,			Six months ended June 30,		
	2018	2017	Change	2018	2017	Change
Revenue	\$ 17.8	\$ 14.3	25.1%	\$ 34.5	\$ 24.6	40.2%
Net Earnings (Loss) Attributable to Common Shareholders	\$ 2.7	\$ 4.7	-41.1%	\$ 3.4	\$ (9.3)	N/A
Diluted Earnings (Loss) per Share	\$ 0.23	\$ 0.37	-37.8%	\$ 0.28	\$ (1.28)	N/A
Funds from Operations (FFO)*	\$ 3.8	\$ 2.6	44.2%	\$ 7.0	\$ 1.9	273.1%
FFO per Diluted Share*	\$ 0.30	\$ 0.18	66.7%	\$ 0.56	\$ (1.35)	N/A
Adjusted FFO*	\$ 4.2	\$ 2.8	47.7%	\$ 7.7	\$ 3.2	143.4%
Adjusted FFO per Diluted Share*	\$ 0.34	\$ 0.24	41.7%	\$ 0.63	\$ 0.40	57.5%
Hotel EBITDA*	\$ 8.0	\$ 5.7	41.5%	\$ 15.4	\$ 9.7	59.0%
Adjusted EBITDA ^{re} *	\$ 6.6	\$ 4.1	59.7%	\$ 12.4	\$ 6.6	88.0%

*Please see the Reg. G reconciliation tables at the end of this release.

NEW INVESTMENT PLATFORM

At June 30, 2018, the Company's new investment platform included 15 hotels, representing 1,908 rooms.

New Investment Platform Operational Results**

(\$ in millions except per share amounts and operating metrics)

	Three months ended June 30,			Six months ended June 30,		
	2018	2017	Change	2018	2017	Change
Same-Store RevPAR	\$ 104.95	\$ 100.37	4.6%	\$ 103.49	\$ 99.27	4.2%
Same-Store Occupancy	84.00%	82.01%	2.4%	81.88%	80.70%	1.5%
Same-Store ADR	\$ 124.95	\$ 122.40	2.1%	\$ 126.39	\$ 123.01	2.8%
Same-Store Hotel EBITDA* [^]	\$ 6.6	\$ 5.7	15.4%	\$ 12.8	\$ 11.9	7.9%
Same-Store Hotel EBITDA Margin*	39.4%	37.1%	2.3%	39.2%	37.9%	1.3%

*Please see the Reg. G reconciliation tables at the end of this release.

**Financial results presented above include results from prior to our ownership.

[^] Due to differences in the allocation of JV preferred returns, JV activity was approximately 42% attributed to Condor in the second quarter of 2017 (to bring total year to date allocations to 80% in 2017) and 80% attributed to Condor in the second quarter of 2018. Year to date allocations are at 80% for both periods presented.

LEGACY PLATFORM

At June 30, 2018, the Company's legacy platform included 2 hotels, representing 180 rooms.

Legacy Platform Operational Results*

(\$ in millions except per share amounts and operating metrics)

	Three months ended June 30,			Six months ended June 30,		
	2018	2017	Change	2018	2017	Change
Same-Store RevPAR	\$ 51.47	\$ 55.67	-7.5%	\$ 45.28	\$ 50.48	-10.3%
Same-Store Occupancy	73.20%	79.31%	-7.7%	66.09%	75.40%	-12.3%
Same-Store ADR	\$ 70.31	\$ 70.19	0.2%	\$ 68.51	\$ 66.95	2.3%
Same-Store Hotel EBITDA*	\$ 0.3	\$ 0.4	-12.9%	\$ 0.5	\$ 0.6	-14.4%
Same-Store Hotel EBITDA Margin*	35.5%	37.7%	-2.2%	31.1%	32.8%	-1.7%

* Please see the Reg. G reconciliation tables at the end of this release.

PORTFOLIO ACTIVITY

The Company's investment strategy is to assemble a portfolio of premium-branded, select-service hotels in the top 100 Metropolitan Statistical Areas ("MSAs") with a particular focus on MSAs ranked between 20 to 60. Since restarting its portfolio transformation in 2015, the Company has acquired 14 high-quality select-service hotels representing 1,808 rooms in its target markets for a total purchase price of approximately \$277 million. Additionally, during this time, the Company has sold 53 legacy assets for a total gross sales price of approximately \$161 million.

Acquisitions

During the second quarter of 2018, the Company did not acquire any hotels. However, during the quarter we made significant progress towards making additional acquisitions that match our investment strategy.

Dispositions

During the second quarter of 2018, the Company sold the Comfort Suites in Fort Wayne, IN for \$7.1 million. Net proceeds from the sales were applied to outstanding debt on the Company's \$150 million secured credit facility. The Company has only two legacy hotels remaining in the portfolio, and one of these hotels, the Super 8 in Creston, IA, is currently under contract for sale with expected gross proceeds of \$5.1 million.

The Company continues to evaluate all capital raising alternatives and opportunities to grow through the continued acquisition of high-quality, select-service assets primarily in secondary markets

BALANCE SHEET AND CAPITAL MARKETS ACTIVITY

As of June 30, 2018, the Company had cash and cash equivalents (including restricted cash) of \$11.3 million and available revolver borrowing capacity of \$5.7 million. As of June 30, 2018, the Company had total outstanding long-term debt of \$142.2 million associated with assets held for use with a weighted average maturity of 2.6 years and a weighted average interest rate of 4.76%.

During the second quarter of 2018, the Company sold 16,140 shares of common stock under the ATM program at an average sales price of \$10.40 per share for net proceeds totaling approximately \$0.2 million.

CAPITAL INVESTMENTS

The Company invested \$1.2 million in capital improvements throughout the portfolio in the quarter ended June 30, 2018, to upgrade its properties and maintain brand standards.

OUTLOOK AND GUIDANCE

2018 Outlook (\$ in millions except per share amounts)

	Low	High
RevPAR growth (13 new investment platform hotels owned as of December 31, 2017)	3.0%	4.5%

2018 Outlook

Forecast hotel revenue	\$ 74.0	\$ 75.4
Forecast net earnings	\$ 1.7	\$ 2.5
Forecast earnings per share - Diluted	\$ 0.09	\$ 0.16
Forecast Hotel EBITDA*	\$ 28.8	\$ 29.7
Forecast AFFO per common share and common unit - Diluted*	\$ 1.13	\$ 1.19

*Please see the Reg. G reconciliation tables at the end of this release.

DIVIDENDS

On May 23, 2018, the Board of Directors declared a quarterly cash common stock dividend of \$0.195 per share for the second quarter of 2018. The common stock dividend represented an annualized yield of approximately 7.6% based on the closing price of the Company's common shares on May 22, 2018. The second quarter dividend was paid on July 3, 2018 to shareholders of record as of June 15, 2018.

EARNINGS CALL

The Company will conduct its quarterly conference call on Wednesday, August 8, 2018, at 9:00 AM ET. To participate in the conference call, dial 1-877-425-9470 [International: 1-201-389-0878] approximately ten minutes before the call begins.

A live webcast of the Earnings Call will also be available through the Company's website. To access, log on to <http://condorhospitality.com> ten minutes prior to the call. A replay of the conference call webcast will be archived and available online through the Investor Relations section of <http://condorhospitality.com>.

About Condor Hospitality Trust, Inc.

Condor Hospitality Trust, Inc. (NYSE American: CDOR) is a self-administered real estate investment trust that specializes in the investment and ownership of upper midscale and upscale, premium-branded, select-service, extended-stay, and limited-service hotels in the top 100 Metropolitan Statistical Areas ("MSAs") with a particular focus on the top 20 to 60 MSAs. The Company currently owns 17 hotels in 9 states. Condor's hotels are franchised by a number of the industry's most well-regarded brand families including Hilton, Marriott, and InterContinental Hotels.

Forward-Looking Statement

Certain matters within this press release are discussed using forward-looking language as specified in the Private Securities Litigation Reform Act of 1995, and, as such, may involve known and unknown risks, uncertainties and other factors that may cause the actual events, results or performance to differ from those projected presented in the forward-looking statement. These forward-looking statements are based on assumptions that management has made in light of experience in the business in which the Company operates, as well as other factors management believes to be appropriate under the circumstances. As you read and consider this release, you should understand that these statements are not guarantees of events, performance or results. They involve risks, uncertainties (some of which are beyond the Company's control) and assumptions. Although management believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect events, performance or results and cause them to differ materially from those anticipated in the forward-looking statements. These factors include among other things, risk factors described from time to time in the Company's filings with the Securities and Exchange Commission. The Company cautions that any forward-looking statement included in this press release is made as of the date of this press release and the Company does not undertake to update any forward-looking statement.

SELECTED FINANCIAL DATA:

Condor Hospitality Trust, Inc. and Subsidiaries
Consolidated Balance Sheets
(Unaudited - In thousands, except share and per share data)

	As of	
	June 30, 2018	December 31, 2017
Assets		
Investment in hotel properties, net	\$ 238,364	\$ 205,730
Investment in unconsolidated joint venture	7,078	7,747
Cash and cash equivalents	5,920	5,441
Restricted cash, property escrows	5,419	4,894
Accounts receivable, net	1,953	1,707
Prepaid expenses and other assets	2,719	3,220
Derivative assets, at fair value	975	391
Investment in hotel properties held for sale, net	1,205	13,850
Total Assets	\$ 263,633	\$ 242,980
Liabilities and Equity		
Liabilities		
Accounts payable, accrued expenses, and other liabilities	\$ 7,099	\$ 7,046
Dividends and distributions payable	2,479	2,470
Convertible debt, at fair value	1,050	1,069
Long-term debt, net of deferred financing costs	139,300	112,621
Long-term debt related to hotel properties held for sale, net of deferred financing costs	2,352	7,960
Total Liabilities	152,280	131,166
Equity		
Shareholders' Equity		
Preferred stock, 40,000,000 shares authorized:		
6.25% Series E, 925,000 shares authorized, \$.01 par value, 925,000 shares outstanding, liquidation preference of \$9,395	10,050	10,050
Common stock, \$.01 par value, 200,000,000 shares authorized; 11,881,570 and 11,833,573 shares outstanding	119	118
Additional paid-in capital	231,474	230,727
Accumulated deficit	(131,739)	(130,489)
Total Shareholders' Equity	109,904	110,406
Noncontrolling interest in consolidated partnership (Condor Hospitality Limited Partnership), redemption value of \$962 and \$871	1,449	1,408
Total Equity	111,353	111,814
Total Liabilities and Equity	\$ 263,633	\$ 242,980

Condor Hospitality Trust, Inc. and Subsidiaries
Consolidated Statements of Operations
(Unaudited - In thousands, except per share data)

	Three months ended June		Six months ended June 30,	
	30,			
	2018	2017	2018	2017
Revenue				
Room rentals and other hotel services	\$ 17,834	\$ 14,252	\$ 34,513	\$ 24,613
Operating Expenses				
Hotel and property operations	10,756	9,224	21,170	16,837
Depreciation and amortization	2,444	1,769	4,703	2,820
General and administrative	1,605	1,511	3,474	3,003
Acquisition and terminated transactions	71	215	90	717
Equity transactions	-	-	-	343
Total operating expenses	14,876	12,719	29,437	23,720
Operating income	2,958	1,533	5,076	893
Net gain on disposition of assets	1,895	4,852	1,871	4,849
Equity in earnings of joint venture	63	25	292	136
Net gain on derivatives and convertible debt	156	227	603	402
Other expense, net	(20)	(39)	(34)	(40)
Interest expense	(2,091)	(1,092)	(4,019)	(2,063)
Loss on debt extinguishment	-	-	-	(800)
Impairment (loss) recovery, net	-	(479)	93	(750)
Earnings before income taxes	2,961	5,027	3,882	2,627
Income tax expense	(54)	(35)	(183)	(35)
Net earnings	2,907	4,992	3,699	2,592
Earnings attributable to noncontrolling interest	(21)	(67)	(27)	(17)
Net earnings attributable to controlling interests	2,886	4,925	3,672	2,575
Dividends declared and in kind dividends deemed on preferred stock	(145)	(271)	(289)	(11,874)
Net earnings (loss) attributable to common shareholders	<u>\$ 2,741</u>	<u>\$ 4,654</u>	<u>\$ 3,383</u>	<u>\$ (9,299)</u>
Earnings per Share				
Total - Basic Earnings (Loss) per Share	\$ 0.23	\$ 0.40	\$ 0.28	\$ (1.28)
Total - Diluted Earnings (Loss) per Share	\$ 0.23	\$ 0.37	\$ 0.28	\$ (1.28)

Reconciliation of Non-GAAP Financial Measures (Unaudited)

Non-GAAP financial measures are measures of our historical financial performance that are different from measures calculated and presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). We report Funds from Operations ("FFO"), Adjusted FFO ("AFFO"), Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA"), EBITDA for real estate ("EBITDA_{re}"), Adjusted EBITDA_{re}, and Hotel EBITDA as non-GAAP measures that we believe are useful to investors as key measures of our operating results and which management uses to facilitate a periodic evaluation of our operating results relative to those of our peers. Our non-GAAP measures should not be considered as an alternative to U.S. GAAP net earnings as an indication of financial performance or to U.S. GAAP cash flows from operating activities as a measure of liquidity. Additionally, these measures are not indicative of funds available to fund cash needs or our ability to make cash distributions as they have not been adjusted to consider cash requirements for capital expenditures, property acquisitions, debt service obligations, or other commitments.

FFO and AFFO

The following table reconciles net earnings to FFO and AFFO for the three and six months ended June 30, 2018 and 2017 (in thousands). All amounts presented include our portion of the results of our unconsolidated Atlanta JV.

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Reconciliation of Net earnings to FFO and AFFO				
Net earnings	\$ 2,907	\$ 4,992	\$ 3,699	\$ 2,592
Depreciation and amortization expense	2,444	1,769	4,703	2,820
Depreciation and amortization expense from JV	292	214	577	568
Net gain on disposition of assets	(1,895)	(4,852)	(1,871)	(4,849)
Net loss on disposition of assets from JV	7	2	14	3
Impairment loss (recovery), net	-	479	(93)	750
FFO	3,755	2,604	7,029	1,884
Dividends declared and in kind dividends deemed on preferred stock	(145)	(271)	(289)	(11,874)
FFO attributable to common shares and common units	3,610	2,333	6,740	(9,990)
Net gain on derivatives and convertible debt	(156)	(227)	(603)	(402)
Net loss on derivative from JV	-	2	-	2
Acquisition and terminated transactions expense	71	215	90	717
Equity transactions expense	-	-	-	343
Loss on debt extinguishment	-	-	-	800
Stock-based compensation and LTIP expense	263	80	665	157
Amortization of deferred financing fees	364	280	717	416
Amortization of deferred financing fees from JV	46	33	91	90
Non-recurring dividends above stated rates declared and in kind dividends deemed on preferred stock	-	127	-	11,030
AFFO attributable to common shares and common units	\$ 4,198	\$ 2,843	\$ 7,700	\$ 3,163
FFO attributable to common shares and common units - Basic Shares				
	\$ 3,610	\$ 2,333	\$ 6,740	\$ (9,990)
Convertible note interest and fair value adjustments	17	(9)	13	-
Preferred dividends and fair value adjustments	158	(95)	337	-
FFO attributable to common shares and common units - Diluted Shares	\$ 3,785	\$ 2,229	\$ 7,090	\$ (9,990)
FFO per common share and common unit - Basic				
	\$ 0.30	\$ 0.20	\$ 0.57	\$ (1.35)
FFO per common share and common unit - Diluted				
	\$ 0.30	\$ 0.18	\$ 0.56	\$ (1.35)
Weighted average common shares and common units - Basic FFO				
	11,875,093	11,705,933	11,855,295	7,421,791
Weighted average common shares and common units - Diluted FFO				
	12,648,633	12,494,519	12,641,162	7,421,791
AFFO attributable to common shares and common units - Basic Shares				
	\$ 4,198	\$ 2,843	\$ 7,700	\$ 3,163
Convertible note interest	16	16	32	32
Preferred dividends at stated rates	145	144	289	650
AFFO attributable to common shares and common units - Diluted Shares	\$ 4,359	\$ 3,003	\$ 8,021	\$ 3,845
AFFO per common share and common unit - Basic				
	\$ 0.35	\$ 0.24	\$ 0.65	\$ 0.43
AFFO per common share and common unit - Diluted				
	\$ 0.34	\$ 0.24	\$ 0.63	\$ 0.40

Weighted average common shares and common units – Basic AFFO	11,875,093	11,705,933	11,855,295	7,421,791
Weighted average common shares and common units – Diluted AFFO	12,648,633	12,494,519	12,641,162	9,496,127

We calculate FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts (“NAREIT”), which defines FFO as net earnings or loss computed in accordance with GAAP, excluding gains or losses from sales of real estate assets, impairment, and the depreciation and amortization of real estate assets. FFO is calculated both for the Company in total and as FFO attributable to common shares and common units, which is FFO reduced by preferred stock dividends. AFFO is FFO attributable to common shares and common units adjusted to exclude items we do not believe are representative of the results from our core operations, including non-cash gains or losses on derivatives and convertible debt, stock-based compensation expense, amortization of certain fees, losses on debt extinguishment, and in-kind dividends above stated rates, and cash charges for acquisition and equity transaction costs. All REITs do not calculate FFO and AFFO in the same manner; therefore, our calculation may not be the same as the calculation of FFO and AFFO for similar REITs.

We consider FFO to be a useful additional measure of performance for an equity REIT because it facilitates an understanding of the operating performance of our properties without giving effect to real estate depreciation and amortization, which assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, we believe that FFO provides a meaningful indication of our performance. We believe that AFFO provides useful supplemental information to investors regarding our ongoing operating performance that, when considered with net income and FFO, is beneficial to an investor’s understanding of our operating performance. We present FFO and AFFO per common share and common unit because our common units are redeemable for common shares. We believe it is meaningful for the investor to understand FFO and AFFO applicable to common shares and common units.

EBITDA, EBITDAre, Adjusted EBITDAre, and Hotel EBITDA

The following table reconciles net earnings to EBITDA, EBITDAre, Adjusted EBITDAre, and Hotel EBITDA for the three and six months ended June 30, 2018 and 2017 (in thousands). All amounts presented our portion of the results of our unconsolidated Atlanta JV.

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Reconciliation of Net earnings to EBITDA, EBITDAre, Adjusted EBITDAre, and Hotel EBITDA				
Net earnings	\$ 2,907	\$ 4,992	\$ 3,699	\$ 2,592
Interest expense	2,091	1,092	4,019	2,063
Interest expense from JV	518	330	1,010	992
Loss on debt extinguishment	-	-	-	800
Income tax expense	54	35	183	35
Depreciation and amortization expense	2,444	1,769	4,703	2,820
Depreciation and amortization expense from JV	292	214	577	568
EBITDA	8,306	8,432	14,191	9,870
Net gain on disposition of assets	(1,895)	(4,852)	(1,871)	(4,849)
Net loss on disposition of assets from JV	7	2	14	3
Impairment loss (recovery), net	-	479	(93)	750
EBITDAre	6,418	4,061	12,241	5,774
Net gain on derivatives and convertible debt	(156)	(227)	(603)	(402)
Net loss on derivative from JV	-	2	-	2
Stock-based compensation and LTIP expense	263	80	665	157
Acquisition and terminated transactions expense	71	215	90	717
Equity transactions expense	-	-	-	343
Adjusted EBITDAre	6,596	4,131	12,393	6,591
General and administrative expense, excluding stock compensation and LTIP expense	1,342	1,431	2,809	2,846
Other expense, net	20	39	34	40
Unallocated hotel and property operations expense	59	65	148	197
Hotel EBITDA	\$ 8,017	\$ 5,666	\$ 15,384	\$ 9,674
Revenue	\$ 17,834	\$ 14,252	\$ 34,513	\$ 24,613
JV revenue	2,484	1,851	5,102	4,840
Condor and JV revenue	\$ 20,318	\$ 16,103	\$ 39,615	\$ 29,453
Hotel EBITDA as a percentage of revenue	39.5%	35.2%	38.8%	32.8%

We calculate EBITDA, EBITDAre, and Adjusted EBITDAre by adding back to net earnings or loss certain non-operating expenses and certain non-cash charges which are based on historical cost accounting that we believe may be of limited significance in evaluating current performance. We believe these adjustments can help eliminate the accounting effects of depreciation and amortization and financing decisions and facilitate comparisons of core operating profitability between periods. In calculating EBITDA, we add back to net earnings or loss interest expense, loss on debt extinguishment, income tax expense, and depreciation and amortization expense. NAREIT adopted EBITDAre in order to promote an industry-wide measure of REIT operating performance. We adjust EBITDA by adding back net gain/loss on disposition of assets and impairment charges to calculate EBITDAre. To calculate Adjusted EBITDAre, we adjust EBITDAre to add back acquisition and terminated transactions expense and equity transactions expense, which are cash charges. We also add back stock-based compensation expense and gain/loss on derivatives and convertible debt, which are non-cash charges. EBITDA, EBITDAre, and Adjusted EBITDAre, as presented, may not be comparable to similarly titled measures of other companies.

We believe EBITDA, EBITDAre, and Adjusted EBITDAre to be useful additional measures of our operating performance, excluding the impact of our capital structure (primarily interest expense), our asset base (primarily depreciation and amortization expense), and other items we do not believe are representative of the results from our core operations.

The Company further excludes general and administrative expenses, other non-operating income or expense, and certain hotel and property operations expenses that are not allocated to individual properties in assessing hotel performance (primarily certain general liability and other insurance costs, land lease costs, and office and banking fees) from Adjusted EBITDAre to calculate Hotel EBITDA. Hotel EBITDA, as presented, may not be comparable to similarly titled measures of other companies.

Hotel EBITDA is intended to isolate property level operational performance over which the Company's hotel operators have direct control. We believe Hotel EBITDA is helpful to investors as it better communicates the comparability of our hotels' operating results for all of the Company's hotel properties and is used by management to measure the performance of the Company's hotels and the effectiveness of the operators of the hotels.

Same-Store Revenue and Hotel EBITDA

The following tables present our same-store revenue, Hotel EBITDA, and Hotel EBITDA margin broken down by property type for the three and six months ended June 30, 2018 and 2017 (in thousands) and reconcile these same-store measures to total revenue and Hotel EBITDA as presented above. Same-store results include all our hotels owned at June 30, 2018, with the exception of the Austin TownePlace Suites (opened on January 3, 2017) and the Summerville Home2 Suites (opened on July 18, 2017), for which prior period results are not available for all periods presented, and reflect the performance of these hotels during the entire period, regardless of our ownership during the period presented. Results for the hotels for periods prior to our ownership were provided to us by prior owners and have not been adjusted by us or audited or reviewed by our independent auditors. All amounts presented operations as well as our portion of the results of our unconsolidated Atlanta Aloft JV. Results for periods prior to the Company's ownership have not been included in the Company's actual consolidated financial statements and are included here only for comparison purposes.

	Revenue - Reconciliation of Same-Store to Actual			
	Three months ended		Six months June 30,	
	June 30,			
	2018	2017	2018	2017
Condor and JV Revenue - Actual*	\$ 20,318	\$ 16,103	\$ 39,615	\$ 29,453
Revenue earned on properties owned at June 30, 2018 prior to the Company's ownership, excluding the Austin TownePlace Suites and the Summerville Home2 Suites	-	3,228	-	10,190
Revenue earned on properties disposed of prior to June 30, 2018 during the period of ownership	(496)	(2,909)	(1,657)	(6,425)
Revenue earned on Austin TownePlace Suites and Summerville Home2 Suites subsequent to ownership	(2,161)	-	(3,574)	-
Total Revenue - Same-Store*	\$ 17,661	\$ 16,422	\$ 34,384	\$ 33,218

	Revenue - Same-Store by Type			
	Three months ended		Six months June 30,	
	June 30,			
	2018	2017	2018	2017
New investment platform*	\$ 16,729	\$ 15,414	\$ 32,745	\$ 31,402
Legacy held for use	333	426	598	805
Legacy held for sale	599	582	1,041	1,011
Total Revenue - Same-Store*	\$ 17,661	\$ 16,422	\$ 34,384	\$ 33,218

	Hotel EBITDA - Reconciliation of Same-Store to Actual			
	Three months ended		Six months June 30,	
	June 30,			
	2018	2017	2018	2017
Condor and JV Hotel EBITDA - Actual*	\$ 8,017	\$ 5,666	\$ 15,384	\$ 9,674
Hotel EBITDA earned on properties owned at June 30, 2018 prior to the Company's ownership, excluding the Austin TownePlace Suites and the Summerville Home2 Suites	-	1,237	-	4,230
Hotel EBITDA earned on properties disposed of prior to June 30, 2018 during the period of ownership	(101)	(808)	(345)	(1,415)
Hotel EBITDA earned on Austin TownePlace Suites and Summerville Home2 Suites subsequent to ownership	(992)	-	(1,699)	-
Total Hotel EBITDA - Same-Store*	\$ 6,924	\$ 6,095	\$ 13,340	\$ 12,489

Hotel EBITDA - Same-Store by Type				
	Three months ended		Six months June 30,	
	June 30,			
	2018	2017	2018	2017
New investment platform*	\$ 6,593	\$ 5,715	\$ 12,830	\$ 11,893
Legacy held for use	74	116	117	193
Legacy held for sale	257	264	393	403
Total Hotel EBITDA - Same-Store*	\$ 6,924	\$ 6,095	\$ 13,340	\$ 12,489

Hotel EBITDA Margin by Property Type				
	Three months ended		Six months June 30,	
	June 30,			
	2018	2017	2018	2017
New investment platform	39.4%	37.1%	39.2%	37.9%
Legacy held for use	22.2%	27.2%	19.6%	24.0%
Legacy held for sale	42.9%	45.4%	37.8%	39.9%
Total Portfolio - Same-Store	39.2%	37.1%	38.8%	37.6%

* Due to differences in the allocation of JV preferred returns, JV activity was approximately 42% attributed to Condor in the second quarter of 2017 (to bring total year to date allocations to 80% in 2017) and 80% attributed to Condor in the second quarter of 2018. Year to date allocations are at 80% for both periods presented.

Non-GAAP Measures Included in 2018 Guidance and Outlook

The following tables reconcile forecast net earnings to forecast FFO and AFFO and forecast EBITDA, EBITDA_{re}, Adjusted EBITDA_{re}, and Hotel EBITDA for the year ending December 31, 2018 (in millions, except per share amounts) using the definitions of these non-GAAP measures as discussed above.

2018 Outlook (\$ in millions except per share amounts)	Low	High
RevPAR growth (13 new investment platform hotels owned as of December 31, 2017)	3.0%	4.5%

2018 Outlook		
Forecast hotel revenue	\$ 74.0	\$ 75.4
Forecast net earnings	\$ 1.7	\$ 2.5
Forecast earnings per share - Diluted	\$ 0.09	\$ 0.16
Forecast Hotel EBITDA*	\$ 28.8	\$ 29.7
Forecast AFFO per common share and common unit - Diluted*	\$ 1.13	\$ 1.19

	Low	High
Forecast net earnings	\$ 1.7	\$ 2.5
Interest expense	8.5	8.5
Depreciation and amortization expense	11.4	11.4
Forecast EBITDA	21.5	22.4
Net gain on disposition of assets	-	-
Forecast EBITDA_{re}	21.5	22.4
Acquisitions and terminated transactions expense	-	-
Stock-based compensation and LTIP expense	1.0	1.0
Forecast Adjusted EBITDA_{re}	22.5	23.4
Cash general and administrative expense and other expenses	6.3	6.3
Forecast Hotel EBITDA	\$ 28.8	\$ 29.7

	Low	High
Forecast net earnings	\$ 1.7	\$ 2.5
Depreciation and amortization expense	11.4	11.4
Net gain on disposition of assets	-	-
Forecast FFO	13.1	13.9
Preferred dividends	(0.6)	(0.6)
Forecast FFO attributable to common shares and common units	12.5	13.3
Acquisitions and terminated transactions expense	-	-
Stock-based compensation and LTIP expense	1.0	1.0
Amortization of deferred financing fees	0.2	0.2
Forecast AFFO attributable to common shares and common units - Basic	\$ 13.7	\$ 14.5
Forecast AFFO attributable to common shares and common units - Diluted	\$ 14.3	\$ 15.1
Forecast AFFO per common share and common unit - Diluted	\$ 1.13	\$ 1.19
Diluted common shares and common units	12.7	12.7

Condor Hospitality Trust, Inc. Operating Statistics

The following tables present our same-store occupancy, ADR, and RevPAR for all our hotels owned at June 30, 2018, with the exception of the Austin TownePlace Suites (opened on January 3, 2017) and Summerville, SC Home2 Suites (opened on July 18, 2017), for which prior period results are not available for all periods presented. Same-store occupancy, ADR, and RevPAR reflect the performance of hotels during the entire period, regardless of our ownership during the period presented. Results for the hotels for periods prior to our ownership were provided to us by prior owners and have not been adjusted by us or audited or reviewed by our independent auditors. The performance metrics for the hotel acquired through our Atlanta JV, also presented below, reflect 100% of the operating results of the property, including our interest and the interest of our partner.

	Three months ended June 30,					
	2018			2017		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
Solomons Hilton Garden Inn	81.67%	\$ 122.71	\$ 100.22	80.71%	\$ 118.33	\$ 95.51
Atlanta Hotel Indigo	81.23%	\$ 100.03	\$ 81.25	72.87%	\$ 99.97	\$ 72.85
Jacksonville Courtyard by Marriott	83.29%	\$ 122.33	\$ 101.88	76.12%	\$ 116.95	\$ 89.02
San Antonio SpringHill Suites	89.02%	\$ 143.42	\$ 127.67	77.95%	\$ 133.54	\$ 104.09
Leewood Aloft	78.73%	\$ 132.74	\$ 104.50	86.50%	\$ 128.70	\$ 111.33
Lexington Home2 Suites	83.00%	\$ 122.70	\$ 101.84	86.86%	\$ 125.25	\$ 108.79
Round Rock Home2 Suites	88.33%	\$ 121.28	\$ 107.13	84.97%	\$ 123.42	\$ 104.87
Tallahassee Home2 Suites	87.99%	\$ 116.02	\$ 102.09	86.79%	\$ 123.59	\$ 107.26
South Haven Home2 Suites	91.40%	\$ 120.36	\$ 110.01	93.84%	\$ 121.43	\$ 113.95
Lake Mary Hampton Inn & Suites	82.10%	\$ 132.43	\$ 108.72	84.58%	\$ 118.26	\$ 100.03
Austin Residence Inn	84.10%	\$ 132.67	\$ 111.58	81.23%	\$ 134.29	\$ 109.08
El Paso Fairfield Inn	86.39%	\$ 100.19	\$ 86.55	69.67%	\$ 103.24	\$ 71.93
Wholly owned new investment platform properties	84.49%	\$ 122.07	\$ 103.14	81.62%	\$ 120.81	\$ 98.61
Atlanta Aloft JV	81.20%	\$ 141.89	\$ 115.21	84.16%	\$ 131.12	\$ 110.35
Total new investment platform	84.00%	\$ 124.95	\$ 104.95	82.01%	\$ 122.40	\$ 100.37
Legacy hotel held for sale	83.09%	\$ 64.96	\$ 53.97	81.14%	\$ 64.63	\$ 52.44
Legacy hotel held for use	53.26%	\$ 87.15	\$ 46.42	75.62%	\$ 82.21	\$ 62.17
Total legacy	73.20%	\$ 70.31	\$ 51.47	79.31%	\$ 70.19	\$ 55.67
Total Same-Store Portfolio	82.95%	\$ 120.29	\$ 99.79	81.74%	\$ 117.51	\$ 96.05
Austin TownePlace Suites ⁽¹⁾	83.85%	\$ 115.88	\$ 97.17	63.97%	\$ 112.67	\$ 72.07
Summerville Home2 Suites ⁽¹⁾	88.03%	\$ 140.30	\$ 123.51	-	\$ -	\$ -

1 | Excluded from the Total new investment platform calculation because the hotel was not operational for the entirety of the six months ended June 30, 2017 (prior period results are not available for all periods presented)

Six months ended June 30,

	2018			2017		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
Solomons Hilton Garden Inn	77.56%	\$ 124.13	\$ 96.28	77.17%	\$ 118.50	\$ 91.44
Atlanta Hotel Indigo	81.18%	\$ 104.14	\$ 84.54	73.47%	\$ 102.22	\$ 75.09
Jacksonville Courtyard by Marriott	84.16%	\$ 117.77	\$ 99.11	76.07%	\$ 115.90	\$ 88.16
San Antonio SpringHill Suites	87.70%	\$ 143.35	\$ 125.71	79.71%	\$ 137.17	\$ 109.34
Leawood Aloft	71.11%	\$ 130.41	\$ 92.74	80.28%	\$ 127.51	\$ 102.37
Lexington Home2 Suites	78.78%	\$ 113.57	\$ 89.47	80.58%	\$ 116.23	\$ 93.66
Round Rock Home2 Suites	87.41%	\$ 120.73	\$ 105.53	85.17%	\$ 123.30	\$ 105.01
Tallahassee Home2 Suites	86.12%	\$ 123.09	\$ 106.00	83.81%	\$ 124.22	\$ 104.11
South Haven Home2 Suites	86.36%	\$ 115.91	\$ 100.09	91.54%	\$ 116.66	\$ 106.79
Lake Mary Hampton Inn & Suites	84.15%	\$ 143.81	\$ 121.01	84.73%	\$ 125.41	\$ 106.27
Austin Residence Inn	83.77%	\$ 133.90	\$ 112.17	79.41%	\$ 137.81	\$ 109.44
El Paso Fairfield Inn	81.18%	\$ 99.96	\$ 81.15	73.76%	\$ 106.58	\$ 78.62
Wholly owned new investment platform properties	82.15%	\$ 122.79	\$ 100.87	80.24%	\$ 121.16	\$ 97.22
Atlanta Aloft JV	80.35%	\$ 147.26	\$ 118.32	83.34%	\$ 133.09	\$ 110.92
Total new investment platform	81.88%	\$ 126.39	\$ 103.49	80.70%	\$ 123.01	\$ 99.27
Legacy hotel held for sale	74.33%	\$ 63.47	\$ 47.18	73.57%	\$ 62.21	\$ 45.77
Legacy hotel held for use	49.46%	\$ 83.79	\$ 41.44	79.09%	\$ 75.83	\$ 59.98
Total legacy	66.09%	\$ 68.51	\$ 45.28	75.40%	\$ 66.95	\$ 50.48
Total Same-Store Portfolio	80.35%	\$ 121.79	\$ 97.87	80.19%	\$ 117.92	\$ 94.56
Austin TownePlace Suites ⁽¹⁾	83.21%	\$ 121.19	\$ 100.84	61.87%	\$ 110.65	\$ 68.46
Summerville Home2 Suites ⁽¹⁾	87.66%	\$ 130.22	\$ 114.15	-	\$ -	\$ -

1 | Excluded from the Total new investment platform calculation because the hotel was not operational for the entirety of the six months ended June 30, 2017

Condor Hospitality Trust, Inc.

Property List | As of the Date of this Release

New Investment Platform | Acquired from January 1, 2012 - August 7, 2018

	Hotel Name	City	State	Rooms	Acquisition Date	Purchase Price (in millions)
1	Hilton Garden Inn	Dowell/Solomons	MD	100	05/25/2012	\$11.5
2	SpringHill Suites	San Antonio	TX	116	10/01/2015	\$17.5
3	Courtyard by Marriott	Jacksonville	FL	120	10/02/2015	\$14.0
4	Hotel Indigo	College Park	GA	142	10/02/2015	\$11.0
5	Aloft ¹	Atlanta	GA	254	08/22/2016	\$43.6
6	Aloft	Leawood	KS	156	12/14/2016	\$22.5
7	Home2 Suites	Lexington	KY	103	03/24/2017	\$16.5
8	Home2 Suites	Round Rock	TX	91	03/24/2017	\$16.8
9	Home2 Suites	Tallahassee	FL	132	03/24/2017	\$21.5
10	Home2 Suites	Southaven	MS	105	04/14/2017	\$19.0
11	Hampton Inn & Suites	Lake Mary	FL	130	06/19/2017	\$19.3
12	Fairfield Inn & Suites	El Paso	TX	124	08/31/2017	\$16.4
13	Residence Inn	Austin	TX	120	08/31/2017	\$22.4
14	TownePlace Suites	Austin	TX	122	01/18/2018	\$19.8
15	Home2 Suites	Summerville	SC	93	02/21/2018	\$16.3
Total New Investment Platform				1,908		\$288.1

Current Legacy Hotel Portfolio

	Hotel Name	City	State	Rooms	Acquisition Date	Status ⁽²⁾
16	Super 8	Creston	IA	121	09/19/1978	HFS
17	Quality Inn	Solomons	MD	59	06/01/1986	Hold
Total				180		
Total Portfolio As of August 7, 2018				2,088		

1 | Owned 80% by Condor

2 | HFS indicates the asset was marketed as held for sale at June 30, 2018

53 Dispositions | For Period January 1, 2015 - August 7, 2018

	Hotel Name	City	State	Rooms	Disposition Date	Gross Proceeds (in millions)
1	Super 8	West Plains	MO	49	01/15/2015	\$1.5
2	Super 8	Green Bay	WI	83	01/29/2015	\$2.2
3	Super 8	Columbus	GA	74	03/16/2015	\$0.9
4	Sleep Inn & Suites	Omaha	NE	90	03/19/2015	\$2.9
5	Savannah Suites	Chamblee	GA	120	04/01/2015	\$4.4
6	Savannah Suites	Augusta	GA	172	04/01/2015	\$3.4
7	Super 8	Batesville	AR	49	04/30/2015	\$1.5
8	Days Inn	Ashland	KY	63	07/01/2015	\$2.2
9	Comfort Inn	Alexandria	VA	150	07/13/2015	\$12.0
10	Days Inn	Alexandria	VA	200	07/13/2015	\$6.5
11	Super 8	Manhattan	KS	85	08/28/2015	\$3.2
12	Quality Inn	Sheboygan	WI	59	10/06/2015	\$2.3
13	Super 8	Hays	KS	76	10/14/2015	\$1.9
14	Days Inn	Glasgow	KY	58	10/16/2015	\$1.8
15	Super 8	Tomah	WI	65	10/21/2015	\$1.4
16	Rodeway Inn	Fayetteville	NC	120	11/03/2015	\$2.6
17	Savannah Suites	Savannah	GA	160	12/22/2015	\$4.0
	Total 2015			1,673		\$54.7
18	Super 8	Kirksville	MO	61	01/04/2016	\$1.5
19	Super 8	Lincoln	NE	133	01/07/2016	\$2.8
20	Savannah Suites	Greenville	SC	170	01/08/2016	\$2.7
21	Super 8	Portage	WI	61	03/30/2016	\$2.4
22	Super 8	O'Neill	NE	72	04/25/2016	\$1.7
23	Quality Inn	Culpeper	VA	49	05/10/2016	\$2.2
24	Super 8	Storm Lake	IA	59	05/19/2016	\$2.8
25	Clarion Inn	Cleveland	TN	59	05/24/2016	\$2.2
26	Super 8	Coralville	IA	84	05/26/2016	\$3.4
27	Super 8	Keokuk	IA	61	05/27/2016	\$2.2
28	Comfort Inn	Chambersburg	PA	63	06/06/2016	\$2.1
29	Super 8	Pittsburg	KS	64	08/08/2016	\$1.6
30	Super 8	Mount Pleasant	IA	54	09/09/2016	\$1.9
31	Quality Inn	Danville	KY	63	09/19/2016	\$2.3
32	Super 8	Menomonie	WI	81	09/26/2016	\$3.0
33	Comfort Inn	Glasgow	KY	60	10/14/2016	\$2.4
34	Days Inn	Sioux Falls	SD	86	11/04/2016	\$2.1
35	Comfort Inn	Shelby	NC	76	11/07/2016	\$4.1
36	Comfort Inn	Rocky Mount	VA	61	11/17/2016	\$2.2
37	Days Inn	Farmville	VA	59	11/17/2016	\$2.4
38	Comfort Suites	Marion	IN	62	11/18/2016	\$3.0
39	Comfort Inn	Farmville	VA	50	11/30/2016	\$2.6
40	Quality Inn	Princeton	WV	50	12/05/2016	\$2.1
41	Super 8	Burlington	IA	62	12/21/2016	\$2.8
42	Savannah Suites	Atlanta	GA	164	12/22/2016	\$2.9
	Total 2016			1,864		\$61.4
43	Comfort Inn	New Castle	PA	79	03/27/2017	\$2.5
44	Super 8	Billings	MT	106	03/28/2017	\$4.2
45	Comfort Inn	Harlan	KY	61	04/03/2017	\$1.9
46	Comfort Suites	Lafayette	IN	62	04/18/2017	\$3.9
47	Key West Inn	Key Largo	FL	40	05/17/2017	\$7.6
48	Quality Inn	Morgantown	WV	81	08/30/2017	\$2.6
49	Days Inn	Bossier City	LA	176	09/13/2017	\$1.4
50	Comfort Inn & Suites	Warsaw	IN	71	12/20/2017	\$5.0
	Total 2017			676		\$29.1
51	Supertel Inn/Conference Center	Creston	IA	41	01/25/2018	\$2.1
52	Comfort Suites	South Bend	IN	135	03/15/2018	\$6.1
53	Comfort Suites	Ft. Wayne	IN	127	05/30/2018	\$7.1
	Total 2018			303		\$15.3
	Total Dispositions			4,516		\$160.5

Acquisitions | For Period January 1, 2015 - August 7, 2018

	Hotel Name	City	State	Rooms	Acquisition Date	Purchase Price (in millions)
1	SpringHill Suites	San Antonio	TX	116	10/01/2015	\$17.5
2	Courtyard by Marriott	Jacksonville	FL	120	10/02/2015	\$14.0
3	Hotel Indigo	College Park	GA	142	10/02/2015	\$11.0
4	Aloft ¹	Atlanta	GA	254	08/22/2016	\$43.6
5	Aloft	Leawood	KS	156	12/14/2016	\$22.5
6	Home2 Suites	Lexington	KY	103	03/24/2017	\$16.5
7	Home2 Suites	Round Rock	TX	91	03/24/2017	\$16.8
8	Home2 Suites	Tallahassee	FL	132	03/24/2017	\$21.5
9	Home2 Suites	Southaven	MS	105	04/14/2017	\$19.0
10	Hampton Inn & Suites	Lake Mary	FL	130	06/19/2017	\$19.3
11	Fairfield Inn & Suites	El Paso	TX	124	08/31/2017	\$16.4
12	Residence Inn	Austin	TX	120	08/31/2017	\$22.4
13	TownePlace Suites	Austin	TX	122	01/18/2018	\$19.8
14	Home2 Suites	Summerville	SC	93	02/21/2018	\$16.3
	Total Acquisitions			1,808		\$276.6

1 | Owned 80% by Condor