

K SHARE

USE OF NET PROCEEDS

\$500 MILLION DEBT

\$500 MILLION EQUITY¹
K SHARE

\$1.00 PURCHASED = \$1.00 INVESTED

\$50 MILLION²
A SHARES

OPERATING CASH FLOW

OPERATING EXPENSES³

K SHARE
DISTRIBUTION⁴

INVESTOR RECEIVES
PRIORITY DISTRIBUTION

ASSET MANAGEMENT FEE

A SHARE DISTRIBUTION⁵

Payment of distributions
is not guaranteed.

K SHARE
50%

A SHARES /
B SHARES⁶

PARTNERS IN
EXCESS CASH FLOW

LIQUIDATION PHASE⁷

DEBT REPAYMENT

K SHARE
RETURN OF CAPITAL

INVESTOR GETS PAID
BEFORE PAYMENT OF
FEES TO ADVISOR

SUBORDINATED FEES⁸

A SHARE RETURN OF CAPITAL

ADVISOR
MOTIVATED TO EXIT

There is no guarantee
of a liquidity event.

K SHARE
50%

A SHARES /
B SHARES⁶

PARTNERS IN
EXCESS CASH

THIS SALES AND ADVERTISING MATERIAL IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY SECURITIES. AN OFFERING IS MADE ONLY BY THE PROSPECTUS. This material must be read in conjunction with the prospectus in order to fully understand all of the implications and risks of the offering of securities to which the prospectus relates. A copy of the prospectus must be made available to you in connection with any offering. Neither the Securities and Exchange Commission, the Attorney General of the State of New York nor any other state securities regulator has approved or disapproved of Procaccianti Hotel REIT, Inc.'s securities, determined if the prospectus is truthful or complete or passed on or endorsed the merits of the offering. Any representation to the contrary is a criminal offense. Securities offered through S2K Financial LLC Member FINRA/SIPC. An investment in Procaccianti Hotel REIT, Inc. ("PROC") involves a high degree of risk, including (1) PROC has a limited operating history and this is the first public offering sold by its dealer manager; (2) no public market for the shares; (3) no assurance the investment objectives of PROC will be attained; (4) you will not have the opportunity to evaluate investments before purchasing securities since PROC is conducting a "blind pool" offering; (5) if PROC fails to qualify as a REIT, cash available for distribution and the value of shares could materially decrease; (6) PROC's advisor and its affiliates will face conflicts of interest, including significant conflicts created by compensation arrangements with PROC; (7) economic and regulatory changes that impact the real estate market may cause PROC's operating results to suffer and decrease the value of PROC's properties; (8) PROC may incur substantial debt, which could hinder its ability to pay distributions and/or decrease the value of your investment; (9) the outbreak of the novel coronavirus ("COVID-19") has significantly impacted PROC's occupancy rates and RevPar, and could result in a sustained, significant drop in demand for PROC's hotels and could have a material adverse effect on PROC; and (10) PROC may acquire hotels that it believes have value upside, but have little or no initial cash flow due to COVID-19 impacts. The lack of cash flow could hinder PROC's ability to pay debt service and/or distributions to its stockholders. SECURITIES OFFERED THROUGH S2K FINANCIAL LLC, MEMBER FINRA/SIPC.

1) Assumes \$500,000,000 in K Shares in the primary offering are sold and the maximum underwriting compensation is paid for each K Share sold.

2) Based on selling commissions, dealer manager fees, stockholder servicing fees and organization and offering expenses of approximately 10% of gross offering proceeds.

3) Operating expenses include: property management fees, debt interest, legal, accounting, transfer agent fees and director fees.

4) Payment of distributions on K Shares, K-I Shares and K-T Shares is not guaranteed. PROC's charter does not restrict it from paying distributions from any particular source, which means that PROC could use an unlimited amount of offering proceeds and borrowings, as well as proceeds from the sale of assets and the waiver or deferral of fees otherwise owed to the advisor, to pay distributions. Any of these distributions may reduce the amount of capital PROC ultimately invests in properties, and negatively impact the value of your investment, especially if a substantial portion of distributions is paid from offering proceeds. PROC's board of directors had adopted a policy (which it may change in its sole discretion) to refrain from funding distributions from offering proceeds; instead, PROC plans to fund distributions from cash flows from operations and capital transactions (other than net proceeds from the offering or other securities offerings, but which may include the sale of one or more assets). Therefore, PROC does not expect to use return of capital sources to pay distributions; however, PROC's charter does not restrict it from doing so.

5) A Shares represent shares purchased by the Advisor and its affiliates. Our structure assumes K Share and common dividend will be the same rate.

6) B Shares represent shares purchased by S2K Servicing. Remaining cash paid out to common: 37.5% and B Shares: 12.5%. There is no guarantee that PROC will make distributions of excess cash.

7) PROC intends to begin the process of achieving a liquidity event no later than five to seven years after the termination of its initial public offering. However, PROC may seek to achieve a liquidity event prior to that time if its board of directors determines an opportune time is at hand. A liquidity event may include a sale of assets to one or more REITs or other third parties, a merger into an existing publicly traded REIT or other publicly traded vehicle, a listing of PROC's shares on a national securities exchange, or some other transaction that would provide liquidity to PROC's stockholders.

8) Represents advisor subordinated acquisition, disposition fees, and accrued and unpaid asset management fees.