

# HERSHA

## Q4 2017 Supplemental Schedules

---

Page

2	Key Performance Indicators
3	Comparable Portfolio Metrics
4	Total Portfolio Summary
5	Portfolio Statistics
6	Mortgages, Notes Payable and Unsecured Debt
7	Acquisition & Disposition Activity
8	Enterprise Value
9	Unconsolidated Joint Venture EBITDA
10	Hotel EBITDA Reconciliation

---

## KEY PERFORMANCE INDICATORS

### Consolidated Hotels

(Recorded from date of acquisition)

(includes 40 hotels in 2017 and 45 hotels in 2016)

(includes 47 hotels in 2017 and 54 hotels in 2016)

	Three Months Ended			Year to Date as of		
	Dec-2017	Dec-2016	Variance	Dec-2017	Dec-2016	Variance
Rooms Available	539,544	583,894		2,285,908	2,446,166	
Rooms Occupied	443,539	456,076		1,906,965	2,017,976	
Occupancy	82.2%	78.1%	410 bps	83.4%	82.5%	93 bps
Average Daily Rate (ADR)	\$ 221.44	\$ 210.72	5.1%	\$ 215.58	\$ 202.59	6.4%
Revenue Per Available Room (RevPAR)	182.04	164.59	10.6%	179.84	167.12	7.6%
Room Revenues	98,219,266	96,105,057	\$ 2,114,209	411,109,016	408,814,413	\$ 2,294,603
Food & Beverage	17,187,343	9,745,349	7,441,994	57,572,664	35,202,964	22,369,699
Lease Income	280,018	356,200	(76,181)	1,427,426	1,415,591	11,835
Other Revenues	6,781,984	4,981,586	1,800,398	26,247,178	20,095,789	6,151,388
Total Revenues	\$ 122,468,612	\$ 111,188,192	\$ 11,280,420	\$ 496,356,284	\$ 465,528,758	\$ 30,827,526
GOP	\$ 52,233,880	\$ 50,446,015	\$ 1,787,865	\$ 217,771,602	\$ 217,576,920	\$ 194,682
GOP Margin	42.7%	45.4%		43.9%	46.7%	
GOP Margin Growth	-2.7%			-2.9%		
GOP Flow Through	15.8%			0.6%		
EBITDA	\$ 39,401,845	\$ 38,436,424	\$ 965,421	\$ 167,470,341	\$ 168,023,820	\$(553,480)
EBITDA Margin	32.2%	34.6%		33.7%	36.1%	
EBITDA Margin Growth	-2.4%			-2.4%		

### Comparable Hotels (1)(2)

(includes 38 hotels in both years)

(includes 38 hotels in both years)

	Three Months Ended			Year to Date as of		
	Dec-2017	Dec-2016	Variance	Dec-2017	Dec-2016	Variance
Rooms Available	525,504	525,504		2,080,590	2,090,477	
Rooms Occupied	433,163	415,809		1,744,689	1,726,761	
Occupancy	82.4%	79.1%	330 bps	83.9%	82.6%	125 bps
Average Daily Rate (ADR)	\$ 223.94	\$ 219.99	1.8%	\$ 219.70	\$ 218.08	0.7%
Revenue Per Available Room (RevPAR)	184.59	174.07	6.0%	184.23	180.14	2.3%
Room Revenues	97,002,577	91,475,261	\$ 5,527,316	383,311,482	376,573,737	\$ 6,737,744
Food & Beverage	17,173,725	15,692,524	1,481,201	60,556,928	59,075,818	1,481,109
Lease Income	258,843	321,747	(62,904)	1,275,167	1,368,334	(93,168)
Other Revenues	6,758,500	5,639,923	1,118,577	25,143,152	22,470,649	2,672,503
Total Revenues	\$ 121,193,646	\$ 113,129,455	\$ 8,064,191	\$ 470,286,728	\$ 459,488,539	\$ 10,798,189
GOP	\$ 52,634,007	\$ 48,501,266	\$ 4,132,741	\$ 204,939,731	\$ 202,390,521	\$ 2,549,210
GOP Margin	43.4%	42.9%		43.6%	44.0%	
GOP Margin Growth	0.6%			-0.5%		
GOP Flow Through	51.2%			23.6%		
EBITDA	\$ 40,469,681	\$ 36,556,390	\$ 3,913,292	\$ 157,530,091	\$ 155,854,803	\$ 1,675,287
EBITDA Margin	33.4%	32.3%		33.5%	33.9%	
EBITDA Margin Growth	1.1%			-0.4%		

(1) The following hotels are included in the comparable portfolio for the time period "Year to Date", and include results as reported by the prior owners: The Sanctuary Beach Resort, Monterey Bay, CA (Acquired 1/28/2016), Hilton Garden Inn M Street, Washington, DC (Acquired 3/9/2016), The Envoy, Boston, MA (Acquired 7/21/2016), Courtyard, Sunnyvale, CA (Acquired 10/20/2016), The Ambrose Hotel, Santa Monica, CA (Acquired 12/1/2016), Mystic Marriott, Groton, CT (Acquired 1/3/2017), Ritz-Carlton Coconut Grove, FL (Acquired 2/1/2017), The Pan Pacific, Seattle, WA (Acquired 2/21/2017), and the Philadelphia Westin, PA (Acquired 6/29/2017). For the three months ended December 31, 2017, the comparable portfolio includes results as reported by the prior owners for all of the hotels above, excluding The Sanctuary Beach Resort, the Hilton Garden Inn M Street, and The Envoy as these hotels were owned for the full fourth quarter in 2016.

(2) The following dispositions are excluded from the comparable portfolio: Cindat Joint Venture New York City Portfolio (Sold 4/29/2016), Hyatt Place, King of Prussia, PA (Sold 5/3/2016), Hawthorn Suites, Franklin, MA (Sold 9/7/2016), Residence Inn Framingham, MA (Sold 11/4/2016), Residence Inn Norwood, MA (Sold 11/4/2016), Residence Inn Greenbelt, MD (Sold 1/5/2017), Courtyard Alexandria, VA (Sold 1/5/2017), Hyatt House Scottsdale, AZ (Sold 6/8/2017), Hyatt House Pleasant Hill, CA (Sold 6/8/2017), Hyatt House Pleasanton, CA (Sold 6/8/2017) and Holiday Inn Express Chester, NY (Sold 12/7/2017). Note that the Courtyard Miami Beach Oceanfront and The Parrot Key Hotel & Resort are not included due to Hurricane Irma related renovations. The Hyatt House Gaithersburg is also excluded as it was closed during Q4 in preparation for sale in Q1 2018.

**Comparable Portfolio Metrics**

	2017 Comparable Metrics					2016 Comparable Metrics				
	Q1 2017	Q2 2017	Q3 2017	Q4 2017	CY 2017	Q1 2016	Q2 2016	Q3 2016	Q4 2016	CY 2016
Occupancy	78.0%	86.4%	87.2%	82.4%	83.9%	76.5%	86.9%	87.7%	79.1%	82.6%
YoY Variance	1.5%	-0.5%	-0.5%	3.3%	1.3%					
ADR	\$200.55	\$228.11	\$214.39	\$223.94	\$219.70	\$198.48	\$224.69	\$217.49	\$219.99	\$218.08
YoY % Growth	1.0%	1.5%	-1.4%	1.8%	0.7%					
RevPAR	\$156.41	\$197.01	\$186.90	\$184.59	\$184.23	\$151.76	\$195.16	\$190.66	\$174.07	\$180.14
YoY % Growth	3.1%	0.9%	-2.0%	6.0%	2.3%					
EBITDA Margin	29.2%	38.2%	33.6%	33.4%	33.5%	29.7%	39.0%	36.1%	32.3%	33.9%
YoY Variance	-0.4%	-0.8%	-2.5%	1.1%	-0.4%					

**Notes for Comparable Portfolio Adjustments**

The Company presents Comparable Operating Metrics to best reflect the performance of the current portfolio versus the same portfolio of hotels for the prior year period, adjusted for acquisitions and dispositions below. Note that comparable results for fourth quarter 2017 and full year 2017 exclude the following hotels: Cadillac Courtyard Miami Beach Oceanfront (closed due to Hurricane damage), Parrot Key Hotel & Resort (closed due to Hurricane damage), and Hyatt House Gaithersburg (closed pending sale first quarter 2018).

	Date Acquired	Quarter Acquired/Sold
<b>2017 Acquisitions</b>		
Marriott Mystic, CT	01/03/2017	Q1
Ritz-Carlton Coconut Grove, FL	02/01/2017	Q1
Pan Pacific, Seattle, WA	02/21/2017	Q1
Westin, Philadelphia, PA	06/29/2017	Q2*
<b>2017 Dispositions</b>		
Residence Inn Greenbelt, MD	01/05/2017	Q1
Courtyard Alexandria, VA	01/05/2017	Q1
Hyatt House Pleasanton, CA	06/08/2017	Q2
Hyatt House Pleasant Hill, CA	06/08/2017	Q2
Hyatt House Scottsdale, CA	06/08/2017	Q2
Holiday Inn Express Chester, NY	12/07/2017	Q4
<b>2016 Acquisitions</b>		
Sanctuary Resort, Monterey Bay, CA	01/28/2016	Q1
Hilton Garden Inn M Street, Washington DC	03/09/2016	Q1
The Envoy, Boston, MA	07/21/2016	Q3
Courtyard Sunnyvale, CA	10/20/2016	Q4
The Ambrose, Santa Monica, CA	12/01/2016	Q4
<b>2016 Dispositions</b>		
Cindat NYC Joint Venture Portfolio	04/29/2016	Q2
Hyatt Place King of Prussia, PA	05/03/2016	Q2
Hawthorn Suites Franklin, MA	09/07/2016	Q3
RI Norwood and Framingham, MA	11/04/2016	Q4

(\*) Property included in Comparable results beginning in Q3 2017.

# TOTAL PORTFOLIO SUMMARY

	Name	Rooms	Year Opened/Complete Renovation	Acquisition Date	Debt Balance as of 12/31/2017	Ownership %
<b>Ritz-Carlton</b>						
1.	Coconut Grove, FL	115	2002	02/01/2017	\$0	100.0%
2.	Georgetown, DC	86	2014	12/29/2015	(*)	100.0%
<b>Westin</b>						
3.	Philadelphia, PA	294	2015	06/29/2017	(*)	100.0%
<b>Marriott</b>						
4.	Mystic, CT	285	2001	01/03/2017	(*)	100.0%
<b>Hyatt</b>						
5.	Union Square, NY	178	2013	04/09/2013	\$55,750	100.0%
<b>Independent</b>						
6.	The Pan Pacific Hotel, Seattle, WA	153	2006	02/21/2017	(*)	100.0%
7.	The Ambrose Hotel, Santa Monica, CA	77	2015	12/01/2016	(*)	100.0%
8.	The Envoy, Boston, MA	136	2015	07/21/2016	(*)	100.0%
9.	The Sanctuary Beach Resort, Monterey Bay, CA	60	2014	01/28/2016	\$14,738 (b)	100.0%
10.	The St. Gregory Hotel, Washington, DC	155	2014	06/16/2015	\$26,056 (b)	100.0%
11.	The Parrot Key Hotel & Resort, Key West, FL	148	2013	05/08/2014	(*)	100.0%
12.	The Hotel Milo, Santa Barbara, CA	122	2000	02/28/2014	\$23,232	100.0%
13.	The Blue Moon Hotel, FL	75	2013	12/20/2013	(*)	100.0%
14.	The Winter Haven Hotel, FL	70	2013	12/20/2013	(*)	100.0%
15.	The Boxer, Boston, MA	80	2004	05/07/2012	(*)	100.0%
16.	The Rittenhouse, Philadelphia, PA	116	2004	03/01/2012	(*)	100.0%
17.	The Capitol Hill Hotel, Washington, DC	153	2007	04/15/2011	\$25,000	100.0%
18.	NU Hotel, Brooklyn, NY	93	2008	01/14/2008	(*)	100.0%
19.	Duane Street Hotel, Manhattan, NY	43	2008	01/04/2008	(*)	100.0%
<b>Sheraton</b>						
20.	Wilmington South, DE	192	2011	12/21/2010	(*)	100.0%
21.	JFK Airport, NY	150	2008	06/13/2008	(*)	100.0%
<b>Courtyard</b>						
22.	Sunnyvale, CA	145	2014	10/20/2016	\$40,600	100.0%
23.	San Diego, CA	245	1999	05/30/2013	(*)	100.0%
24.	Miami Beach Oceanfront, FL	356	2004	11/16/2011	(*)	100.0%
25.	Los Angeles, CA	260	2008	05/19/2011	\$35,000	100.0%
26.	South Boston, MA	164	2005	07/01/2005	\$15,000	50.0%
27.	Brookline/Boston, MA	188	2003	06/16/2005	(*)	100.0%
<b>Hilton Garden Inn</b>						
28.	M Street, Washington, DC	238	2014	03/09/2016	(*)	100.0%
29.	Midtown East, Manhattan, NY	206	2014	05/27/2014	\$44,325	100.0%
30.	Tribeca, Manhattan, NY	151	2009	05/01/2009	\$45,608	100.0%
31.	JFK Airport, NY	192	2005	02/16/2006	(*)	100.0%
<b>Residence Inn</b>						
32.	Coconut Grove, FL	140	2000	06/12/2013	(*)	100.0%
33.	Tysons Corner, VA	96	1984	02/02/2006	(*)	100.0%
<b>Hyatt House</b>						
34.	White Plains, NY	159	2000	12/28/2006	(*)	100.0%
35.	Gaithersburg, MD **	140	1998	12/28/2006	(*)	100.0%
<b>Hampton Inn</b>						
36.	Times Square, Manhattan, NY	184	2009	04/29/2016	(a)	30.0%
37.	Chelsea, Manhattan, NY	144	2003	04/29/2016	(a)	30.0%
38.	Herald Square, Manhattan, NY	136	2005	04/29/2016	(a)	30.0%
39.	Pearl Street, Manhattan, NY	81	2014	07/22/2011	(*)	100.0%
40.	Washington, DC	228	2005	09/01/2010	(*)	100.0%
41.	Seaport, Manhattan, NY	65	2006	02/01/2007	(*)	100.0%
42.	Philadelphia, PA	250	2001	02/15/2006	(*)	100.0%
<b>Holiday Inn</b>						
43.	Wall Street, NY	113	2009	04/29/2016	(a)	30.0%
<b>Holiday Inn Express</b>						
44.	Times Square, Manhattan, NY	210	2009	04/29/2016	(a)	30.0%
45.	Water Street, Manhattan, NY	112	2010	04/29/2016	(a)	30.0%
46.	Madison Square Garden (29th St.), NY	228	2006	06/18/2012	(*)	100.0%
47.	Cambridge, MA	112	1997	05/03/2006	(*)	100.0%
48.	South Boston, MA	118	1998	10/07/2005	\$16,122	50.0%
<b>TownePlace Suites</b>						
49.	Sunnyvale, CA	94	2003	08/25/2015	(*)	100.0%
<b>Candlewood Suites</b>						
50.	Times Square, Manhattan, NY	188	2009	04/29/2016	(a)	30.0%
<b>TOTAL</b>		<b>7,724</b>				

(\*) Property is considered borrowing base asset for the Company's credit facility.

(\*\*) On February 16, 2018, the Company sold the 140-room Hyatt House in Gaithersburg, MD.

(a) Portfolio debt for these seven properties reflects the Cindat Hersha Joint Venture. These loans were refinanced on February 6, 2018: The new Senior Loan of \$300M has a three year term with two 1-year extension options at a floating rate of LIBOR + 272bps and a 3% LIBOR cap. The new Mezzanine Loan of \$85M has a three year term with two 1-year extension options at a floating rate of LIBOR + 775bps and a 3% LIBOR cap.

(b) Debt balance reflects original issue premium.

**PORTFOLIO STATISTICS - Q4 2017 ACTUALS**

<b>MARKETS</b>				
<b>Consolidated Assets</b>				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA<sup>(1)</sup></u>
New York City	10	1,387	18%	30%
West Coast	8	1,156	15%	15%
Washington, DC	7	1,096	14%	14%
Philadelphia	3	660	9%	14%
Boston	4	516	7%	10%
Miami & Key West	6	904	12%	3%
Other	3	636	8%	6%
<b>Total Consolidated Assets</b>	<b>41</b>	<b>6,355</b>	<b>82%</b>	<b>91%</b>
<b>Total Unconsolidated JV Assets</b>	<b>9</b>	<b>1,369</b>	<b>18%</b>	<b>9%</b>
<b>TOTAL</b>	<b>50</b>	<b>7,724</b>	<b>100%</b>	<b>100%</b>

<b>OWNERSHIP</b>				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA<sup>(1)</sup></u>
100% Owned Assets	41	6,355	82%	91%
Unconsolidated JV Assets	9	1,369	18%	9%
<b>TOTAL</b>	<b>50</b>	<b>7,724</b>	<b>100%</b>	<b>100%</b>

<b>HOTELS BY DESTINATION</b>				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA<sup>(1)</sup></u>
Major Metro	46	7,109	92%	97%
Destination	4	615	8%	3%
<b>TOTAL</b>	<b>50</b>	<b>7,724</b>	<b>100%</b>	<b>100%</b>

<b>MANAGERS</b>				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA<sup>(1)</sup></u>
HHM Managed	46	7,241	94%	96%
Marriott Managed	2	201	3%	3%
Jiten Managed	2	282	4%	1%
<b>TOTAL</b>	<b>50</b>	<b>7,724</b>	<b>100%</b>	<b>100%</b>

<b>HOTELS BY SEGMENT TYPE</b>				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA<sup>(1)</sup></u>
Upper Upscale / Luxury	21	2,781	36%	41%
Upscale Transient	10	2,145	28%	28%
Upscale Extended Stay	4	535	7%	5%
Upper Midscale	15	2,263	29%	25%
<b>TOTAL</b>	<b>50</b>	<b>7,724</b>	<b>100%</b>	<b>100%</b>

(1) Reflects the Company's pro rata share of EBITDA based upon ownership interest.

**MORTGAGES, NOTES PAYABLE AND UNSECURED DEBT**

<b>Consolidated Properties</b>	<b>12/31/2017 Fixed Rate Balance</b>	<b>Capped or Fixed Rate</b>	<b>12/31/2017 Floating Rate Balance</b>	<b>Floating Rate</b>	<b>Maturity</b>
Hilton Garden Inn, Midtown East, NY	\$44,325,000	4.50%			02/2020
Courtyard - Los Angeles, CA	\$35,000,000	4.43%			08/2021
The St. Gregory Hotel - Washington, DC <i>Original Issue Premium: The St. Gregory Hotel - Washington, DC</i>	\$24,292,930 \$1,763,394	6.30% na			09/2021 na
The Hotel Milo - Santa Barbara, CA	\$23,231,801	4.40%			04/2023
The Sanctuary Beach Resort, Monterey Bay, CA <i>Original Issue Premium: The Sanctuary Resort, Monterey Bay, CA</i>	\$14,700,000 \$38,222	5.05% na			02/2024 na
Courtyard - Sunnyvale, CA	\$40,600,000	4.72%			09/2025
The Capitol Hill Hotel - Washington DC <sup>(1)</sup>			\$25,000,000	LIBOR + 2.25%	01/2018
Hyatt - Union Square, NY			\$55,750,000	LIBOR + 2.30%	06/2019
Hilton Garden Inn, Tribeca, NY			\$45,608,317	LIBOR + 2.30%	11/2019
Trust Preferred Tranche I			\$25,774,000	LIBOR + 3.00%	06/2035
Trust Preferred Tranche II			\$25,774,000	LIBOR + 3.00%	05/2035
Sub-Total	<u>\$183,951,347</u>		<u>\$177,906,317</u>		
<b>Total Consolidated Mortgage Debt</b>	<b>\$361,857,663</b>				
Ritz-Carlton Coconut Grove Note Payable	\$3,150,000	6.00%			
<i>Mortgages Payable Deferred Financing Costs</i>	(\$2,626,513)				
<i>Notes Payable Deferred Financing Costs</i>	(\$917,331)				
<b>Total Consolidated Mortgages and Notes Payable, Net of Deferred Financing Costs</b>	<b><u>\$361,463,819</u></b>				
<b>Unsecured Debt</b>					
2020 Term Loan (\$300M) <sup>(2)</sup>	\$300,000,000	3.69%			08/2020
2021 Term Loan (\$150M)	\$150,000,000	3.21%			08/2021
2021 Term Loan (\$43.9M)	\$43,900,000	3.89%			08/2021
Line of Credit			\$16,100,000	LIBOR + 2.25%	08/2021
2022 Term Loan (\$225M)			\$225,000,000	LIBOR + 2.20%	08/2022
Sub-Total	<u>\$493,900,000</u>		<u>\$241,100,000</u>		
<b>Total Unsecured Debt</b>	<b>\$735,000,000</b>				
<i>Term Loan Deferred Financing Costs</i>	(\$3,450,589)				
<b>Total Unsecured Debt, Net of Deferred Financing Costs</b>	<b><u>\$731,549,411</u></b>				
<b>TOTAL CONSOLIDATED DEBT</b>	<b><u>\$1,093,013,231</u></b>				

**UNCONSOLIDATED JOINT VENTURES**

<b>Unconsolidated Joint Ventures</b>	<b>12/31/2017 Fixed Rate Balance</b>	<b>Capped or Fixed Rate</b>	<b>12/31/2017 Floating Rate Balance</b>	<b>Floating Rate</b>	<b>Maturity</b>
Courtyard - South Boston, MA	\$15,000,000	3.14%			04/2021
Holiday Inn Express - South Boston, MA	\$16,121,884	4.13%			02/2032
Cindat Hersha - Senior Loan <sup>(3)</sup>			\$285,000,000	LIBOR + 2.45%	05/2019
Cindat Hersha - Mezzanine Loan <sup>(3)</sup>			\$50,000,000	LIBOR + 9.00%	05/2019
Sub-Total	<u>\$31,121,884</u>		<u>\$335,000,000</u>		
<b>Total Unconsolidated Joint Venture Debt</b>	<b><u>\$366,121,884</u></b>				

(1) The Capitol Hill Hotel will be refinanced in January 2018 at a floating rate of L+200bps and maturity date of 1/31/2021.

(2) The 2020 Term Loan (\$300M) entered into an interest rate swap with an effective date of Aug 10, 2017. It will be swapped for a tiered fixed rate until maturity: 3.693% from Aug 10, 2017 to Aug 10, 2018, 4.1155% from Aug 10, 2018 until Aug 10, 2019, and 4.3925% from Aug 10, 2019 until maturity Aug 10, 2020.

(3) Portfolio debt for these seven properties reflects the Cindat Hersha Joint Venture. These loans were refinanced on February 6, 2018: The new Senior Loan of \$300M has a three year term with two 1-year extension options at a floating rate of LIBOR + 272bps and a 3% LIBOR cap. The new Mezzanine Loan of \$85M has a three year term with two 1-year extension options at a floating rate of LIBOR + 775bps and a 3% LIBOR cap.

## ACQUISITION & DISPOSITION ACTIVITY AS OF 12/31/2017

### 2017 Acquisition Activity

As of 12/31/2017 (\$ Thousands)						
Name	Rooms	Year Opened/ Complete Renovation	Acquisition Date	Purchase Price	Debt Balance as of 12/31/2017	Ownership %
Mystic Marriot Hotel & Spa, Groton, CT	285	2001	01/03/2017	(a)	\$0	100.0%
Ritz-Carlton Coconut Grove, FL	115	2002	02/01/2017	\$36,000	\$0	100.0%
The Pan Pacific Hotel, Seattle, WA	153	2006	02/21/2017	\$79,000	\$0	100.0%
Philadelphia Westin, PA	294	2015	06/29/2017	\$135,000	\$0	100.0%
Total	847			\$250,000	\$0	

### 2017 Disposition Activity

As of 12/31/2017 (\$ Thousands)			
Name	Rooms	Disposition Date	Disposition Price
Courtyard Alexandria, VA	203	01/05/2017	\$27,000
Residence Inn Greenbelt, MD	120	01/05/2017	\$35,000
Hyatt House Scottsdale, AZ	164	06/08/2017	\$36,000
Hyatt House Pleasant Hill, CA	142	06/08/2017	\$45,000
Hyatt House Pleasanton, CA	128	06/08/2017	\$49,500
Holiday Inn Express Chester, NY	80	12/07/2017	\$8,400
Total	837		\$200,900

(a) On January 3, 2017, we redeemed our joint venture interest in Mystic Partners, LLC by acquiring 100% ownership interest in the Mystic Marriott Hotel & Spa and transferring our minority ownership interests in the Hartford Marriott and Hartford Hilton to the joint venture partner.

## ENTERPRISE VALUE

December 31, 2017

(\$ Thousands)

	<u>December 31, 2017</u>
<b>Cash</b>	<b>\$17,945</b>
Unsecured Term Loans*	718,900
Revolving Line of Credit	16,100
Mortgages and Notes Payable - Consolidated Assets*	308,508
Mortgages Payable - HT Portion of Unconsolidated JV Assets*	116,061
Trust Preferred Securities*	51,548
<b>Total Debt</b>	<b>1,211,117</b>
Series C Preferred Shares	75,000
Series D Preferred Shares	192,500
Series E Preferred Shares	100,000
Operating Partnership and LTIP Units (3,223,366 @ \$17.40)**	56,087
Class A Common Shares (39,916,661 @ \$17.40)**	694,550
<b>Total Equity</b>	<b>1,118,136</b>
<b>ENTERPRISE VALUE</b>	<b>\$2,311,308</b>

\* Excludes unamortized deferring financing costs and unamortized premiums.

\*\* Stock price and share counts as of December 31, 2017.



## UNCONSOLIDATED JOINT VENTURE EBITDA

(in thousands)

	Holiday Inn Express South Boston	Courtyard South Boston	Cindat Hersha JV	TOTAL
Ownership	50.0%	50.0%	30.0%	
Hersha Participating Preferred %	N/A	N/A	N/A*	
<b>THREE MONTHS ENDED DECEMBER 31, 2017</b>				
Joint Venture Net Income	\$ 123	\$ 247	\$ 2,389	\$ 2,759
<b>Hotel Cash Available for Distribution</b>				
Hotel EBITDA	\$ 314	\$ 611	\$ 10,500	\$ 11,425
Debt Service	(88)	(132)	(4,067)	(4,287)
CapEx Reserve & Other	(48)	(83)	(927)	(1,058)
Cash Available for Distribution	<u>\$ 178</u>	<u>\$ 396</u>	<u>\$ 5,506</u>	<u>\$ 6,080</u>
<b>EBITDA</b>				
Hersha Net Income from Unconsolidated JV	\$ 43	\$ 121	\$ -	\$ 164
<b>Addback:</b>				
Step up and Outside Basis Amortization	18	2	(322)	(302)
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	96	182	4,164	4,442
Hersha EBITDA from Unconsolidated JV	<u>\$ 157</u>	<u>\$ 305</u>	<u>\$ 3,842</u>	<u>\$ 4,304</u>
<b>YEAR ENDED DECEMBER 31, 2017</b>				
Joint Venture Net Income (Loss)	\$ 1,135	\$ 1,519	\$ (1,119)	\$ 1,535
<b>Hotel Cash Available for Distribution</b>				
Hotel EBITDA	\$ 1,868	\$ 2,954	\$ 30,010	\$ 34,832
Debt Service	(342)	(522)	(15,331)	(16,195)
CapEx Reserve & Other	(243)	(340)	(3,154)	(3,737)
Cash Available for Distribution	<u>\$ 1,283</u>	<u>\$ 2,092</u>	<u>\$ 11,525</u>	<u>\$ 14,900</u>
<b>EBITDA</b>				
Hersha Net Income (Loss) from Unconsolidated JV	\$ 494	\$ 750	\$ (3,717)	\$ (2,473)
<b>Addback:</b>				
Step up and Outside Basis Amortization	74	9	(1,290)	(1,207)
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	366	718	16,737	17,821
Hersha EBITDA from Unconsolidated JV	<u>\$ 934</u>	<u>\$ 1,477</u>	<u>\$ 11,730</u>	<u>\$ 14,141</u>

\* Our joint venture partner maintains a \$142 million senior common equity interest in the Cindat Hersha JV. In addition to our junior common equity interest, Hersha had a \$43.2 million, 9% preferred equity interest in the Cindat Hersha JV. Subsequent to December 31, 2017, the Cindat Hersha JV redeemed our preferred equity interest in the venture.

## HOTEL EBITDA RECONCILIATION

(in thousands)

	Three Months Ended		Year to Date as of	
	Dec-2017	Dec-2016	Dec-2017	Dec-2016
Operating income	\$ 4,715	\$ 12,070	\$ 49,569	\$ 65,522
Other revenue	-	(67)	(1,097)	(259)
Depreciation and amortization	22,518	18,131	83,752	75,390
General and administrative	3,593	4,934	14,267	16,396
Share based compensation	3,818	2,255	9,286	8,048
Acquisition and terminated transaction costs	82	827	2,203	2,560
impairment of assets	4,538	-	8,350	-
Straight-line amortization of ground lease expense	232	159	834	640
Other	(94)	127	306	(273)
<b>Hotel EBITDA</b>	<b>\$ 39,402</b>	<b>\$ 38,436</b>	<b>\$ 167,470</b>	<b>\$ 168,024</b>

\* Hotel EBITDA reflects consolidated hotels recorded from date of acquisition.