

HERSHA

Q1 2018 Supplemental Schedules

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KEY PERFORMANCE INDICATORS

Consolidated Hotels

(Recorded from date of acquisition)

(includes 43 hotels in 2018 and 46 hotels in 2017)

	Three Months Ended		
	Mar-2018	Mar-2017	Variance
Rooms Available	511,974	580,540	
Rooms Occupied	394,102	453,417	
Occupancy	77.0%	78.1%	(113)
Average Daily Rate (ADR)	\$ 200.56	\$ 199.76	0.4%
Revenue Per Available Room (RevPAR)	154.39	156.02	-1.0%
Room Revenues	79,042,257	90,575,386	\$(11,533,129)
Food & Beverage	13,388,500	10,729,068	2,659,432
Lease Income	344,667	354,693	(10,025)
Other Revenues	6,570,557	5,856,850	713,707
Total Revenues	\$ 99,345,981	\$ 107,515,997	\$(8,170,016)
GOP	\$ 36,290,194	\$ 43,921,560	\$(7,631,367)
GOP Margin	36.5%	40.9%	
GOP Margin Growth	-4.3%		
GOP Flow Through	-93.4%		
EBITDA	\$ 23,668,070	\$ 32,246,660	\$(8,578,591)
EBITDA Margin	23.8%	30.0%	
EBITDA Margin Growth	-6.2%		

Comparable Hotels (1)(2)

(includes 37 hotels in both years)

	Three Months Ended		
	Mar-2018	Mar-2017	Variance
Rooms Available	506,790	506,790	
Rooms Occupied	389,871	396,282	
Occupancy	76.9%	78.2%	(127)
Average Daily Rate (ADR)	\$ 201.41	\$ 197.69	1.9%
Revenue Per Available Room (RevPAR)	154.94	154.58	0.2%
Room Revenues	78,523,767	78,341,356	\$ 182,410
Food & Beverage	13,388,500	12,741,418	647,082
Lease Income	344,667	310,291	34,376
Other Revenues	6,562,774	5,632,924	929,850
Total Revenues	\$ 98,819,708	\$ 97,025,990	\$ 1,793,719
GOP	\$ 36,418,752	\$ 36,353,459	\$ 65,293
GOP Margin	36.9%	37.5%	
GOP Margin Growth	-0.6%		
GOP Flow Through	3.6%		
EBITDA	\$ 24,505,084	\$ 25,458,740	\$(953,656)
EBITDA Margin	24.8%	26.2%	
EBITDA Margin Growth	-1.4%		

(1) The following hotels are included in the comparable portfolio for the time period "Three Months Ended", and include results as reported by the prior owners: Mystic Marriott Hotel & Spa, CT (Acquired 1/3/2017), Ritz-Carlton Coconut Grove, FL (Acquired 2/1/2017), The Pan Pacific Hotel, Seattle, WA (Acquired 2/21/2017), and the Philadelphia Westin, PA (Acquired 6/29/2017).

(2) The following dispositions are excluded from the comparable portfolio: 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), Holiday Inn Express Chester, NY (Sold 12/7/2017), Hyatt House Gaithersburg, MD (Sold 2/16/2018), and Hampton Inn Financial District, NY (Sold 3/6/2018). Note that The Cadillac Hotel & Beach Club, FL and The Parrot Key Hotel & Resort, FL are not included due to Hurricane Irma related closures.

Comparable Portfolio Metrics

	2018 Comparable Metrics		2017 Comparable Metrics				
	Q1 2018		Q1 2017	Q2 2017	Q3 2017	Q4 2017	CY 2017
Occupancy	76.9%		78.2%	86.6%	86.4%	81.6%	83.1%
YoY Variance	-1.3%						
ADR	\$201.41		\$197.69	\$235.95	\$221.40	\$224.78	\$220.41
YoY % Growth	1.9%						
RevPAR	\$154.94		\$154.58	\$204.31	\$191.28	\$183.44	\$183.12
YoY % Growth	0.2%						
EBITDA Margin	24.8%		26.2%	38.7%	34.6%	33.5%	33.7%
YoY Variance	-1.4%						

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 first quarter 2018 and full year 2017 exclude the following hotels: The Cadillac Hotel & Beach Club, FL and The Parrot Key Hotel & Resort, FL (both closed due to Hurricane damage).

2018 & 2017 Acquisitions:

The Comparable Metrics above are adjusted to reflect the results the Company would have achieved had each acquisition in the table below closed by the beginning of each reporting period. Note that the Annapolis Waterfront Hotel, MD is excluded from both 2018 and 2017 first quarter comparable results as it was acquired on March 28, 2018.

2017 & 2016 Dispositions:

The 2017 Comparable Metrics above are adjusted to exclude the results from the dispositions in the table below for all periods. For example Hyatt House Gaithersburg, MD results are excluded in Q1 2018, as well as full year 2017 comparable results.

	Date Acquired	Quarter Acquired/Sold
2018 Acquisitions		
Annapolis Waterfront Hotel, MD	3/28/2018	Q1
2018 Dispositions		
Hyatt House, Gaithersburg, MD	2/16/2018	Q1
Hampton Inn Financial District, Manhattan, NY	3/6/2018	Q1
2017 Acquisitions		
Mystic Marriott Hotel & Spa, CT	01/03/2017	Q1
The Ritz-Carlton Coconut Grove, FL	02/01/2017	Q1
The Pan Pacific Hotel, Seattle, WA	02/21/2017	Q1
The Philadelphia Westin, PA	06/29/2017	Q2*
2017 Dispositions		
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

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

TOTAL PORTFOLIO SUMMARY

	Name	Rooms	Year Opened/Complete Renovation	Acquisition Date	Debt Balance as of 3/31/2018	Ownership %
Ritz-Carlton						
1.	Coconut Grove, FL	115	2002	02/01/2017	\$0	100.0%
2.	Georgetown, DC	86	2014	12/29/2015	(*)	100.0%
Westin						
3.	Philadelphia, PA	294	2015	06/29/2017	(*)	100.0%
Marriott						
4.	Mystic Marriott Hotel & Spa, CT	285	2001	01/03/2017	(*)	100.0%
Hyatt						
5.	Union Square, Manhattan, NY	178	2013	04/09/2013	\$55,750	100.0%
Independents and Collections						
6.	Annapolis Waterfront Hotel, MD	150	2015	03/28/2018	\$0	100.0%
7.	The Pan Pacific Hotel, Seattle, WA	153	2006	02/21/2017	(*)	100.0%
8.	The Ambrose Hotel, Santa Monica, CA	77	2015	12/01/2016	(*)	100.0%
9.	The Envoy, Boston Seaport, MA	136	2015	07/21/2016	(*)	100.0%
10.	The Sanctuary Beach Resort, Monterey Bay, CA	60	2014	01/28/2016	\$14,737 (b)	100.0%
11.	The St. Gregory Dupont Circle, Washington, DC	155	2014	06/16/2015	\$25,762 (b)	100.0%
12.	The Parrot Key Hotel & Resort, Key West, FL	148	2013	05/08/2014	(*)	100.0%
13.	The Hotel Milo, Santa Barbara, CA	122	2000	02/28/2014	\$23,108	100.0%
14.	The Blue Moon Hotel, Miami Beach, FL	75	2013	12/20/2013	(*)	100.0%
15.	The Winter Haven Hotel, Miami Beach, FL	70	2013	12/20/2013	(*)	100.0%
16.	The Boxer, Boston, MA	80	2004	05/07/2012	(*)	100.0%
17.	The Rittenhouse, Philadelphia, PA	116	2004	03/01/2012	(*)	100.0%
18.	The Cadillac Hotel & Beach Club, Miami Beach, FL	356	2004	11/16/2011	(*)	100.0%
19.	The Capitol Hill Hotel, Washington, DC	153	2007	04/15/2011	\$25,000	100.0%
20.	NU Hotel, Brooklyn, NY	93	2008	01/14/2008	(*)	100.0%
21.	Duane Street Hotel, Manhattan, NY	43	2008	01/04/2008	(*)	100.0%
Sheraton						
22.	Wilmington South, DE	192	2011	12/21/2010	(*)	100.0%
23.	JFK International Airport, NY	150	2008	06/13/2008	(*)	100.0%
Courtyard						
24.	Sunnyvale, CA	145	2014	10/20/2016	\$40,600	100.0%
25.	Downtown San Diego, CA	245	1999	05/30/2013	(*)	100.0%
26.	Los Angeles Westside, CA	260	2008	05/19/2011	\$35,000	100.0%
27.	South Boston, MA	164	2005	07/01/2005	\$15,000	50.0%
28.	Brookline, MA	188	2003	06/16/2005	(*)	100.0%
Hilton Garden Inn						
29.	M Street, Washington, DC	238	2014	03/09/2016	(*)	100.0%
30.	Manhattan Midtown East, Manhattan, NY	206	2014	05/27/2014	\$44,325	100.0%
31.	Tribeca, Manhattan, NY	151	2009	05/01/2009	\$45,452	100.0%
32.	JFK International Airport, NY	192	2005	02/16/2006	(*)	100.0%
Residence Inn						
33.	Coconut Grove, FL	140	2000	06/12/2013	(*)	100.0%
34.	Tysons Corner, VA	96	1984	02/02/2006	(*)	100.0%
Hyatt House						
35.	White Plains, NY	159	2000	12/28/2006	(*)	100.0%
Hampton Inn						
36.	Manhattan/Times Square, Manhattan, NY	184	2009	04/29/2016	(a)	31.2%
37.	Chelsea, Manhattan, NY	144	2003	04/29/2016	(a)	31.2%
38.	Madison Square Garden, Manhattan, NY	136	2005	04/29/2016	(a)	31.2%
39.	Washington, DC	228	2005	09/01/2010	(*)	100.0%
40.	Seaport, Manhattan, NY	65	2006	02/01/2007	(*)	100.0%
41.	Center City/Convention Center, Philadelphia, PA	250	2001	02/15/2006	(*)	100.0%
Holiday Inn						
42.	Wall Street, Manhattan, NY	113	2009	04/29/2016	(a)	31.2%
Holiday Inn Express						
43.	Times Square South, Manhattan, NY	210	2009	04/29/2016	(a)	31.2%
44.	Wall Street, Manhattan, NY	112	2010	04/29/2016	(a)	31.2%
45.	Madison Square Garden, Manhattan, NY	228	2006	06/18/2012	(*)	100.0%
46.	Cambridge, MA	112	1997	05/03/2006	(*)	100.0%
47.	South Boston, MA	118	1998	10/07/2005	\$20,967	50.0%
TownePlace Suites						
48.	Sunnyvale, CA	94	2003	08/25/2015	(*)	100.0%
Candlewood Suites						
49.	Times Square South, Manhattan, NY	188	2009	04/29/2016	(a)	31.2%
TOTAL		7,653				

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

(a) Portfolio debt for these seven properties reflects the Cindat Hersha Joint Venture.

(b) Debt balance reflects original issue premium.

PORTFOLIO STATISTICS - Q1 2018 ACTUALS

MARKETS				
Consolidated Assets				
	Hotels	Rooms	% of Total Rooms	% of Total EBITDA ⁽¹⁾
West Coast	8	1,156	15%	30%
New York City	9	1,306	17%	19%
Miami & Key West	6	904	12%	15%
Washington, DC	7	1,106	14%	15%
Philadelphia	3	660	9%	7%
Boston	4	516	7%	7%
Other	3	636	8%	3%
Total Consolidated Assets	40	6,284	82%	96%
Total Unconsolidated JV Assets	9	1,369	18%	4%
TOTAL	49	7,653	100%	100%

HOTELS BY DESTINATION				
	Hotels	Rooms	% of Total Rooms	% of Total EBITDA ⁽¹⁾
Major Metro	44	6,888	90%	97%
Destination	5	765	10%	3%
TOTAL	49	7,653	100%	100%

MANAGERS				
	Hotels	Rooms	% of Total Rooms	% of Total EBITDA ⁽¹⁾
HMM Managed	45	7,170	94%	94%
Marriott Managed	2	201	3%	6%
Jiten Managed	2	282	4%	0.2%
TOTAL	49	7,653	100%	100%

OWNERSHIP				
	Hotels	Rooms	% of Total Rooms	% of Total EBITDA ⁽¹⁾
100% Owned Assets	40	6,284	82%	96%
Unconsolidated JV Assets	9	1,369	18%	4%
TOTAL	49	7,653	100%	100%

HOTELS BY SEGMENT TYPE				
	Hotels	Rooms	% of Total Rooms	% of Total EBITDA ⁽¹⁾
Luxury / Lifestyle	23	3,287	43%	36%
Upscale	12	2,184	29%	47%
Upper Midscale	14	2,182	29%	18%
TOTAL	49	7,653	100%	100%

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

MORTGAGES, NOTES PAYABLE AND UNSECURED DEBT

	3/31/2018 Fixed Rate Balance	Capped or Fixed Rate	3/31/2018 Floating Rate Balance	Floating Rate	Maturity
Consolidated Properties					
Hilton Garden Inn, Manhattan Midtown East, NY	\$44,325,000	4.50%			02/2020
Courtyard by Marriott, Los Angeles Westside, CA	\$35,000,000	4.43%			08/2021
The St. Gregory, Dupont Circle, Washington, DC <i>Original Issue Premium: The St. Gregory, Dupont Circle, Washington, DC</i>	\$24,123,150	6.30%			09/2021
	\$1,639,276	na			na
The Hotel Milo, Santa Barbara, CA	\$23,107,615	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	5.05%			02/2024
	\$36,638	na			na
Courtyard by Marriott, Sunnyvale, CA	\$40,600,000	4.72%			09/2025
The Capitol Hill Hotel, Washington, DC			\$25,000,000	LIBOR + 2.00%	01/2021
Hyatt Union Square, Mahattan, NY			\$55,750,000	LIBOR + 2.30%	06/2019
Hilton Garden Inn, Tribeca, Manhattan, NY			\$45,452,082	LIBOR + 2.30%	11/2019
Sub-Total	\$183,531,679		\$126,202,082		
Total Consolidated Mortgage Debt	\$309,733,761				
The Ritz-Carlton, Coconut Grove, FL Note Payable	\$3,150,000	6.00%			
<i>Mortgages Payable Deferred Financing Costs</i>	(\$2,451,227)				
<i>Notes Payable Deferred Financing Costs</i>	(\$904,114)				
Total Consolidated Mortgages and Notes Payable, Net of Deferred Financing Costs	\$309,528,421				
Unsecured Debt					
2020 Term Loan (\$300M) ⁽¹⁾	\$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			\$36,000,000	LIBOR + 2.25%	08/2021
2022 Term Loan (\$225M)			\$207,000,000	LIBOR + 2.20%	08/2022
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	\$493,900,000		\$294,548,000		
Total Unsecured Debt	\$788,448,000				
<i>Term Loan Deferred Financing Costs</i>	(\$3,262,375)				
Total Unsecured Debt, Net of Deferred Financing Costs	\$785,185,625				
TOTAL CONSOLIDATED DEBT	\$1,094,714,046				

UNCONSOLIDATED JOINT VENTURES

	3/31/2018 Fixed Rate Balance	Capped or Fixed Rate	3/31/2018 Floating Rate Balance	Floating Rate	Maturity
Unconsolidated Joint Ventures					
Courtyard by Marriott, South Boston, MA	\$15,000,000	3.14%			04/2021
Holiday Inn Express, South Boston, MA	\$20,967,012	4.13%			02/2032
Cindat Hersha - Senior Loan			\$300,000,000	LIBOR + 2.72%	02/2021
Cindat Hersha - Mezzanine Loan			\$85,000,000	LIBOR + 7.75%	02/2021
Sub-Total	\$35,967,012		\$385,000,000		
Total Unconsolidated Joint Venture Debt	\$420,967,012				

(1) 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.

ACQUISITION & DISPOSITION ACTIVITY AS OF 3/31/2018

2018 Acquisition Activity

As of 3/31/2018 (\$ Thousands)						
Name	Rooms	Year Opened/ Complete Renovation	Acquisition Date	Purchase Price	Debt Balance as of 3/31/2018	Ownership %
Annapolis Waterfront Hotel, MD	150	2015	03/28/2018	\$41,500	\$0	100.0%
Total	150			\$41,500	\$0	

2018 Disposition Activity

As of 3/31/2018 (\$ Thousands)			
Name	Rooms	Disposition Date	Disposition Price
Hyatt House, Gaithersburg, MD	140	02/16/2018	\$19,000
Hampton Inn Financial District, Manhattan, NY	81	03/06/2018	\$32,400
Total	221		\$51,400

ENTERPRISE VALUE

March 31, 2018

(\$ Thousands)

	<u>March 31, 2018</u>
Cash	\$31,620
Unsecured Term Loans*	700,900
Revolving Line of Credit	36,000
Mortgages and Notes Payable - Consolidated Assets*	308,058
Mortgages Payable - HT Portion of Unconsolidated JV Assets*	138,104
Trust Preferred Securities*	51,548
Total Debt	1,234,610
Series C Preferred Shares	75,000
Series D Preferred Shares	192,543
Series E Preferred Shares	100,038
Operating Partnership and LTIP Units (3,792,531 @ \$17.90)**	67,886
Class A Common Shares (39,329,445 @ \$17.90)**	703,997
Total Equity	1,139,464
ENTERPRISE VALUE	\$2,342,454

* Excludes unamortized deferring financing costs and unamortized premiums.

** Stock price and share counts as of March 31, 2018.

UNCONSOLIDATED JOINT VENTURE EBITDA

(in thousands)

	Holiday Inn Express South Boston	Courtyard South Boston	Cindat Hersha JV	TOTAL
Hersha Ownership	50.0%	50.0%	31.2%*	
Hersha Participating Preferred %	N/A	N/A	N/A*	
THREE MONTHS ENDED MARCH 31, 2018				
Joint Venture Net Income	\$ (151)	\$ (210)	\$ (13,002)	\$ (13,363)
Hotel Cash Available for Distribution				
Hotel EBITDA	\$ 39	\$ 142	\$ 2,655	\$ 2,836
Debt Service	(100)	(121)	(4,806)	(5,027)
CapEx Reserve & Other	(108)	(60)	(572)	(740)
Cash Available for Distribution	<u>\$ (169)</u>	<u>\$ (39)</u>	<u>\$ (2,723)</u>	<u>\$ (2,931)</u>
EBITDA				
Hersha Net Income from Unconsolidated JV	\$ (94)	\$ (107)	\$ -	\$ (201)
Addback:				
Unrecognized pro rata interest in loss	-	-	(4,060)	(4,060)
Step up and Outside Basis Amortization	19	2	3	24
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	95	176	4,885	5,156
Hersha EBITDA from Unconsolidated JV	<u>\$ 20</u>	<u>\$ 71</u>	<u>\$ 828</u>	<u>\$ 919</u>

* Our joint venture partner maintains a \$142,000 senior common equity interest in the Cindat Hersha JV.

HOTEL EBITDA RECONCILIATION

(in thousands)

	Three Months Ended	
	Mar-2018	Mar-2017
Operating income	\$ (2,993)	\$ 7,511
Other revenue	(124)	(46)
Depreciation and amortization	21,539	19,462
General and administrative	3,485	3,196
Share based compensation	1,606	1,429
Acquisition and terminated transaction costs	-	700
impairment of assets	-	-
Straight-line amortization of ground lease expense	230	159
Other	(75)	(164)
Hotel EBITDA	\$ 23,668	\$ 32,247

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