

# HERSHA

## Q2 2019 Supplemental Schedules

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# TOTAL PORTFOLIO SUMMARY

	Name	Rooms	Year Opened/Complete Renovation	Acquisition Date	Debt Balance as of 6/30/2019	Ownership %
<b>Ritz-Carlton</b>						
1.	Coconut Grove, FL	115	2018	02/01/2017	\$0	85.0%
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 Marriott Hotel & Spa, CT	285	2018	01/03/2017	(*)	100.0%
<b>Hyatt</b>						
5.	Union Square, Manhattan, NY	178	2013	04/09/2013	\$56,000	100.0%
<b>Independents and Collections</b>						
6.	Annapolis Waterfront Hotel, MD	150	2015	03/28/2018	\$28,000	100.0%
7.	The Pan Pacific Hotel, Seattle, WA	153	2014	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	\$14,643 (b)	100.0%
11.	The St. Gregory, Dupont Circle, Washington, DC	155	2018	06/16/2015	\$24,265 (b)	100.0%
12.	Parrot Key Hotel & Villas, Key West, FL	148	2018	05/08/2014	(*)	100.0%
13.	The Hotel Milo, Santa Barbara, CA	122	2000	02/28/2014	\$22,486	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	2013	05/07/2012	(*)	100.0%
17.	The Rittenhouse, Philadelphia, PA	118	2018	03/01/2012	(*)	100.0%
18.	The Cadillac Hotel & Beach Club, Miami Beach, FL	357	2018	11/16/2011	(*)	100.0%
19.	The Capitol Hill Hotel, Washington, DC	153	2014	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	2013	01/04/2008	(*)	100.0%
22.	Gate Hotel JFK Airport, NY	150	2015	06/13/2008	(*)	100.0%
<b>Sheraton</b>						
23.	Wilmington South, DE	192	2011	12/21/2010	(*)	100.0%
<b>Courtyard</b>						
24.	Sunnyvale, CA	145	2014	10/20/2016	\$40,600	100.0%
25.	Downtown San Diego, CA	245	2013	05/30/2013	(*)	100.0%
26.	Los Angeles Westside, CA	260	2014	05/19/2011	\$35,000	100.0%
27.	South Boston, MA	164	2005	07/01/2005	\$15,000	50.0%
28.	Brookline, MA	188	2016	06/16/2005	(*)	100.0%
<b>Hilton Garden Inn</b>						
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	\$45,004	100.0%
32.	JFK International Airport, NY	192	2013	02/16/2006	(*)	100.0%
<b>Residence Inn</b>						
33.	Coconut Grove, FL	140	2014	06/12/2013	(*)	100.0%
<b>Hyatt House</b>						
34.	White Plains, NY	187	2018	12/28/2006	(*)	100.0%
<b>Hampton Inn</b>						
35.	Manhattan/Times Square, Manhattan, NY	184	2009	04/29/2016	(a)	31.2%
36.	Chelsea, Manhattan, NY	144	2003	04/29/2016	(a)	31.2%
37.	Madison Square Garden, Manhattan, NY	136	2005	04/29/2016	(a)	31.2%
38.	Washington, DC	228	2008	09/01/2010	(*)	100.0%
39.	Seaport, Manhattan, NY	65	2006	02/01/2007	(*)	100.0%
40.	Center City/Convention Center, Philadelphia, PA	250	2018	02/15/2006	(*)	100.0%
<b>Holiday Inn</b>						
41.	Wall Street, Manhattan, NY	113	2009	04/29/2016	(a)	31.2%
<b>Holiday Inn Express</b>						
42.	Times Square South, Manhattan, NY	210	2009	04/29/2016	(a)	31.2%
43.	Wall Street, Manhattan, NY	112	2010	04/29/2016	(a)	31.2%
44.	Madison Square Garden, Manhattan, NY	228	2017	06/18/2012	(*)	100.0%
45.	Cambridge, MA	112	2012	05/03/2006	(*)	100.0%
46.	South Boston, MA	174	1998	10/07/2005	\$27,510	50.0%
<b>TownePlace Suites</b>						
47.	Sunnyvale, CA	94	2003	08/25/2015	(*)	100.0%
<b>Candlewood Suites</b>						
48.	Times Square South, Manhattan, NY	188	2009	04/29/2016	(a)	31.2%
<b>TOTAL</b>		<b>7,644</b>				

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

(a) Unconsolidated Joint Venture debt encumbers these seven properties held within the Cindat Hersha Joint Venture.

(b) Debt balance reflects original issue premium.

**PORTFOLIO STATISTICS - Q2 2019 ACTUALS**

MARKETS				
Consolidated Assets				
	Hotels	Rooms	% of Total Rooms	% of Total EBITDA <sup>(1)</sup>
New York City	9	1,306	17%	21%
Washington, DC	6	1,010	13%	18%
West Coast	8	1,156	15%	16%
Philadelphia	3	662	9%	14%
Boston	4	516	7%	13%
Miami & Key West	6	905	12%	6%
Other	3	664	9%	5%
<b>Total Consolidated Assets</b>	<b>39</b>	<b>6,219</b>	<b>81%</b>	<b>93%</b>
Total Unconsolidated JV Assets	9	1,425	19%	7%
<b>TOTAL</b>	<b>48</b>	<b>7,644</b>	<b>100%</b>	<b>100%</b>

OWNERSHIP				
	Hotels	Rooms	% of Total Rooms	% of Total EBITDA <sup>(1)</sup>
Consolidated Assets	39	6,219	81%	93%
Unconsolidated JV Assets	9	1,425	19%	7%
<b>TOTAL</b>	<b>48</b>	<b>7,644</b>	<b>100%</b>	<b>100%</b>

BRANDED VS INDEPENDENT & COLLECTIONS				
	Hotels	Rooms	% of Total Rooms	% of Total EBITDA <sup>(1)</sup>
Branded	31	5,504	72%	65%
Independent & Collections	17	2,140	28%	35%
<b>TOTAL</b>	<b>48</b>	<b>7,644</b>	<b>100%</b>	<b>100%</b>

MANAGERS				
	Hotels	Rooms	% of Total Rooms	% of Total EBITDA <sup>(1)</sup>
HHM Managed	44	7,105	93%	96%
Jiten Managed	2	338	4%	2%
Marriott Managed	2	201	3%	1%
<b>TOTAL</b>	<b>48</b>	<b>7,644</b>	<b>100%</b>	<b>100%</b>

HOTELS BY CHAINSCALE				
	Hotels	Rooms	% of Total Rooms	% of Total EBITDA <sup>(1)</sup>
Luxury / Lifestyle	23	3,290	43%	50%
Upscale	11	2,116	28%	29%
Upper Midscale	14	2,238	29%	21%
<b>TOTAL</b>	<b>48</b>	<b>7,644</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**

	6/30/2019 Fixed Rate Balance	Capped or Fixed Rate	6/30/2019 Floating Rate Balance	Floating Rate	Maturity
<b>Consolidated Properties</b>					
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>	\$23,233,071	6.30%			09/2021
	\$1,032,075	na			na
The Hotel Milo, Santa Barbara, CA	\$22,485,745	4.40%			04/2023
Hyatt Union Square, Manhattan, NY	\$56,000,000	4.17%			06/2023
The Sanctuary Beach Resort, Monterey Bay, CA <i>Original Issue Premium: The Sanctuary Resort, Monterey Bay, CA</i>	\$14,614,045	5.05%			02/2024
	\$28,597	na			na
Courtyard by Marriott, Sunnyvale, CA	\$40,600,000	4.72%			09/2025
Hilton Garden Inn, Tribeca, Manhattan, NY <sup>(1)</sup>			\$45,003,947	LIBOR + 2.30%	11/2019
The Capitol Hill Hotel, Washington, DC			\$25,000,000	LIBOR + 2.00%	01/2021
Annapolis Waterfront Hotel, MD <sup>(2)</sup>			\$28,000,000	LIBOR + 2.65%	04/2024
Sub-Total	\$237,318,534		\$98,003,947		
<b>Total Consolidated Mortgage Debt</b>	<b>\$335,322,481</b>				
<i>Mortgages Payable Deferred Financing Costs</i>	<i>(\$2,189,100)</i>				
<b>Total Consolidated Mortgages and Notes Payable, Net of Deferred Financing Costs</b>	<b>\$333,133,381</b>				
<b>Unsecured Debt</b>					
2020 Term Loan (\$300M) <sup>(3)</sup>	\$300,000,000	4.12%			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
2022 Term Loan (\$207M) <sup>(4)</sup>	\$207,000,000	4.85%			08/2022
Line of Credit			\$37,000,000	LIBOR + 2.25%	08/2021
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	\$700,900,000		\$88,548,000		
<b>Total Unsecured Debt</b>	<b>\$789,448,000</b>				
<i>Term Loan Deferred Financing Costs</i>	<i>(\$2,340,870)</i>				
<i>Notes Payable Deferred Financing Costs</i>	<i>(\$838,031)</i>				
<b>Total Unsecured Debt, Net of Deferred Financing Costs</b>	<b>\$786,269,099</b>				
<b>TOTAL CONSOLIDATED DEBT</b>	<b>\$1,119,402,480</b>				

**UNCONSOLIDATED JOINT VENTURES**

	6/30/2019 Fixed Rate Balance	Capped or Fixed Rate	6/30/2019 Floating Rate Balance	Floating Rate	Maturity
<b>Unconsolidated Joint Ventures</b>					
Courtyard by Marriott, South Boston, MA	\$15,000,000	3.14%			04/2021
Holiday Inn Express, South Boston, MA	\$27,510,429	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	\$42,510,429		\$385,000,000		
<b>Total Unconsolidated Joint Venture Debt</b>	<b>\$427,510,429</b>				

(1) Hilton Garden Inn, Tribeca was refinanced in July 2019, maturing in July 2024.

(2) Interest rate has a LIBOR cap at 3.35% until 5/1/2021.

(3) The 2020 Term Loan (\$300M) was swapped with an effective date of Aug 10, 2017. It was 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.

(4) The 2022 Term Loan (\$207M) was swapped at an effective total interest rate of 4.8535% effective Jan 10, 2019 until Jan 10, 2021.

# ENTERPRISE VALUE

June 30, 2019

(\$ Thousands)

	<u>June 30, 2019</u>
<b>Cash</b>	<b>\$36,780</b>
Unsecured Term Loans*	700,900
Revolving Line of Credit	37,000
Mortgages and Notes Payable - Consolidated Assets*	334,262
Mortgages Payable - HT Portion of Unconsolidated JV Assets*	141,375
Trust Preferred Securities*	51,548
<b>Total Debt</b>	<b>1,265,085</b>
Series C Preferred Shares	75,000
Series D Preferred Shares	192,543
Series E Preferred Shares	100,038
Operating Partnership and LTIP Units (4,279,946 @ \$16.54)**	70,790
Class A Common Shares (39,240,924 @ \$16.54)**	649,045
<b>Total Equity</b>	<b>1,087,416</b>
<b>ENTERPRISE VALUE</b>	<b>\$2,315,721</b>

\* Excludes unamortized deferring financing costs and unamortized premiums.

\*\* Stock price and share counts as of June 30, 2019.

## UNCONSOLIDATED JOINT VENTURE EBITDA

(in thousands)

	Holiday Inn Express South Boston 50.0% N/A	Courtyard South Boston 50.0% N/A	Cindat Hersha JV 31.2%* N/A*	TOTAL
Hersha Ownership				
Hersha Participating Preferred %				
<b>THREE MONTHS ENDED JUNE 30, 2019</b>				
Joint Venture Net Income (Loss)	\$ 601	\$ 635	\$ (1,119)	\$ 117
<b>Hotel Cash Available for Distribution</b>				
Hotel EBITDA	\$ 1,421	\$ 981	\$ 8,590	\$ 10,992
Debt Service	(449)	(131)	(6,139)	(6,719)
CapEx Reserve & Other	(126)	(99)	(871)	(1,096)
Cash Available for Distribution	<u>\$ 846</u>	<u>\$ 751</u>	<u>\$ 1,580</u>	<u>\$ 3,177</u>
<b>EBITDA</b>				
Hersha Net (Loss) Income from Unconsolidated JV	\$ (16)	\$ 315	\$ -	\$ 299
<b>Addback:</b>				
Unrecognized pro rata interest in income (loss)	315	-	(351)	(36)
Step up and outside basis amortization	18	3	2	23
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	410	173	3,029	3,612
Hersha EBITDA from Unconsolidated JV	<u>\$ 727</u>	<u>\$ 491</u>	<u>\$ 2,680</u>	<u>\$ 3,898</u>
<b>SIX MONTHS ENDED JUNE 30, 2019</b>				
Joint Venture Net Income (Loss)	\$ (10)	\$ 285	\$ (8,502)	\$ (8,227)
<b>Hotel Cash Available for Distribution</b>				
Hotel EBITDA	\$ 1,623	\$ 985	\$ 10,847	\$ 13,455
Debt Service	(914)	(260)	(12,247)	(13,421)
CapEx Reserve & Other	(167)	(150)	(1,428)	(1,745)
Cash Available for Distribution	<u>\$ 542</u>	<u>\$ 575</u>	<u>\$ (2,828)</u>	<u>\$ (1,711)</u>
<b>EBITDA</b>				
Hersha Net Income from Unconsolidated JV	\$ 342	\$ 138	\$ -	\$ 480
<b>Addback:</b>				
Unrecognized pro rata interest in loss	(351)	-	(2,658)	(3,009)
Step up and outside basis amortization	37	5	5	47
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	817	350	6,037	7,204
Hersha EBITDA from Unconsolidated JV	<u>\$ 845</u>	<u>\$ 493</u>	<u>\$ 3,384</u>	<u>\$ 4,722</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		Year to Date as of	
	Jun-2019	Jun-2018	Jun-2019	Jun-2018
Operating loss	\$ 22,716	\$ 24,418	\$ 22,163	\$ 21,427
Other revenue	12	(78)	(138)	(202)
Gain on insurance settlement	-	(6,363)	-	(6,363)
Depreciation and amortization	23,964	22,061	48,092	43,600
General and administrative	4,626	4,462	8,268	7,945
Share based compensation	3,474	3,123	5,432	4,729
Acquisition and terminated transaction costs	-	2	-	2
Straight-line amortization of ground lease expense	162	451	325	681
Other	(304)	50	(347)	(267)
<b>Hotel EBITDA</b>	<b>\$ 54,650</b>	<b>\$ 48,126</b>	<b>\$ 83,795</b>	<b>\$ 71,552</b>

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