

# HERSHA

## Q4 2019 Supplemental Schedules

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**MORTGAGES, NOTES PAYABLE AND UNSECURED DEBT**

	12/31/2019 Fixed Rate Balance	Capped or Fixed Rate	12/31/2019 Floating Rate Balance	Floating Rate	Maturity <sup>(1)</sup>
<b>Consolidated Properties</b>					
The St. Gregory, Dupont Circle, Washington, DC <i>Original Issue Premium: The St. Gregory, Dupont Circle, Washington, DC</i>	\$22,856,997	6.30%			09/2021
	\$795,711	na			na
Courtyard by Marriott, Los Angeles Westside, CA	\$35,000,000	4.43%			08/2022
Hilton Garden Inn, Manhattan Midtown East, NY	\$44,325,000	3.84%			12/2022
The Hotel Milo, Santa Barbara, CA	\$22,227,636	4.40%			04/2023
The Sanctuary Beach Resort, Monterey Bay, CA <i>Original Issue Premium: The Sanctuary Resort, Monterey Bay, CA</i>	\$14,488,647	5.05%			02/2024
	\$25,406	na			na
Hyatt Union Square, Manhattan, NY	\$56,000,000	4.17%			06/2024
Hilton Garden Inn, Tribeca, Manhattan, NY	\$45,450,000	4.02%			07/2024
Courtyard by Marriott, Sunnyvale, CA	\$40,600,000	4.72%			09/2025
The Capitol Hill Hotel, Washington, DC			\$25,000,000	LIBOR + 2.00%	01/2023
Annapolis Waterfront Hotel, MD <sup>(2)</sup>			\$28,000,000	LIBOR + 2.65%	04/2024
Sub-Total	\$281,769,397		\$53,000,000		
<b>Total Consolidated Mortgage Debt</b>	<b>\$334,769,397</b>				
<i>Mortgages Payable Deferred Financing Costs</i>	<i>(\$2,489,811)</i>				
<b>Total Consolidated Mortgages and Notes Payable, Net of Deferred Financing Costs</b>	<b>\$332,279,586</b>				
<b>Unsecured Debt</b>					
2021 Term Loan (\$150M) <sup>(3)</sup>	\$150,000,000	3.54%			08/2021
2021 Term Loan (\$43.9M) <sup>(4)</sup>	\$43,900,000	3.52%			08/2021
2022 Term Loan (\$207M) <sup>(5)</sup>	\$207,000,000	4.02%			08/2022
2024 Term Loan (\$300M) <sup>(6)</sup>	\$300,000,000	3.46%			09/2024
Line of Credit			\$48,000,000	LIBOR + 2.25%	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	\$700,900,000		\$99,548,000		
<b>Total Unsecured Debt</b>	<b>\$800,448,000</b>				
<i>Term Loan Deferred Financing Costs</i>	<i>(\$3,716,558)</i>				
<i>Notes Payable Deferred Financing Costs</i>	<i>(\$811,597)</i>				
<b>Total Unsecured Debt, Net of Deferred Financing Costs</b>	<b>\$795,919,845</b>				
<b>TOTAL CONSOLIDATED DEBT</b>	<b>\$1,128,199,430</b>				

**UNCONSOLIDATED JOINT VENTURES**

	12/31/2019 Fixed Rate Balance	Capped or Fixed Rate	12/31/2019 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	\$27,117,134	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
Home2 Suites - South Boston			\$6,455,844	LIBOR + 2.85%	04/2024
Sub-Total	\$42,117,134		391,455,843.65		
<b>Total Unconsolidated Joint Venture Debt</b>	<b>\$433,572,977</b>				

(1) Maturity dates reflect exercise of extension options

(2) Annapolis Waterfront Hotel interest rate has a LIBOR cap of 3.35% until 05/01/2021.

(3) The 2021 Term Loan (\$150M) entered into an interest rate swap to a fixed rate of 3.54% in October 2019.

(4) The 2021 Term Loan (\$43.9M) entered into an interest rate swap to a fixed rate of 3.52% in September 2019.

(5) The 2022 Term Loan (\$207M) entered into an interest rate swap to a fixed rate of 4.02% in September 2019

(6) The 2024 Term Loan (\$300M) was refinanced and entered into an interest rate swap to a fixed rate of 3.46% in September 2019.

## ENTERPRISE VALUE

December 31, 2019

(\$ Thousands)

	<u>December 31, 2019</u>
<b>Cash</b>	<b>\$27,012</b>
Unsecured Term Loans*	700,900
Revolving Line of Credit	48,000
Mortgages and Notes Payable - Consolidated Assets*	333,948
Mortgages Payable - HT Portion of Unconsolidated JV Assets*	144,406
Trust Preferred Securities*	51,548
<b>Total Debt</b>	<b>1,278,802</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 @ \$14.55)**	62,273
Class A Common Shares (38,652,650 @ \$14.55)**	562,396
<b>Total Equity</b>	<b>992,250</b>
<b>ENTERPRISE VALUE</b>	<b>\$2,244,041</b>

\* Excludes unamortized deferring financing costs and unamortized premiums.

\*\* Stock price and share counts as of December 31, 2019.

## UNCONSOLIDATED JOINT VENTURE EBITDA

(in thousands)

	Holiday Inn Express South Boston	Courtyard South Boston	Home 2 Suites South Boston	Cindat Hersha JV	TOTAL
Hersha Ownership	50.0%	50.0%	50.0%	31.2% <sup>(1)</sup>	
Hersha Participating Preferred %	N/A	N/A	N/A	N/A <sup>(1)</sup>	
<b>THREE MONTHS ENDED DECEMBER 31, 2019</b>					
Joint Venture Net Loss	\$ (317)	\$ (118)	\$ (31)	\$ (543)	\$ (1,009)
<b>Hotel Cash Available for Distribution</b>					
Hotel EBITDA	\$ 556	\$ 232	\$ (31)	\$ 8,771	\$ 9,528
Debt Service	(466)	(132)	-	(5,632)	(6,230)
CapEx Reserve & Other	(68)	(68)	-	(906)	(1,042)
Cash Available for Distribution	<u>\$ 22</u>	<u>\$ 32</u>	<u>\$ (31)</u>	<u>\$ 2,233</u>	<u>\$ 2,256</u>
<b>EBITDA</b>					
Hersha Net Income (Loss) from Unconsolidated JV	\$ 250 <sup>(2)</sup>	\$ (61)	\$ (16)	\$ - <sup>(2)</sup>	\$ 173
<b>Addback:</b>					
Unrecognized pro rata interest in (loss) income	(427) <sup>(2)</sup>	-	16	(172) <sup>(2)</sup>	(582)
Step up and outside basis amortization	18 <sup>(2)</sup>	2	-	3 <sup>(2)</sup>	23
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	437	175	-	2,906	3,517
Hersha EBITDA from Unconsolidated JV	<u>\$ 278</u>	<u>\$ 116</u>	<u>\$ -</u>	<u>\$ 2,737</u>	<u>\$ 3,131</u>
<b>YEAR ENDED DECEMBER 31, 2019</b>					
Joint Venture Net (Loss) Income	\$ (152)	\$ 329	\$ (175)	\$ (11,374)	\$ (11,372)
<b>Hotel Cash Available for Distribution</b>					
Hotel EBITDA	\$ 3,188	\$ 1,723	\$ (175)	\$ 26,867	\$ 31,603
Debt Service	(1,839)	(524)	-	(23,858)	(26,221)
CapEx Reserve & Other	(341)	(302)	-	(3,154)	(3,797)
Cash Available for Distribution	<u>\$ 1,008</u>	<u>\$ 897</u>	<u>\$ (175)</u>	<u>\$ (145)</u>	<u>\$ 1,585</u>
<b>EBITDA</b>					
Hersha Net Income (Loss) from Unconsolidated JV	\$ 625 <sup>(2)</sup>	\$ 156	\$ (90)	\$ - <sup>(2)</sup>	\$ 691
<b>Addback:</b>					
Unrecognized pro rata interest in (loss) income	(775) <sup>(2)</sup>	-	88	(3,559) <sup>(2)</sup>	(4,246)
Step up and outside basis amortization	74 <sup>(2)</sup>	9	2	11 <sup>(2)</sup>	96
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	1,670	697	-	11,931	14,298
Hersha EBITDA from Unconsolidated JV	<u>\$ 1,594</u>	<u>\$ 862</u>	<u>\$ -</u>	<u>\$ 8,383</u>	<u>\$ 10,839</u>

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

(2) For U.S. GAAP reporting purposes, our interest in the joint venture's loss is not recognized since our U.S. GAAP basis in the joint venture has been reduced to \$0. Our interest in EBITDA from the joint venture equals our percentage ownership in the venture's EBITDA, including loss we have not recognized for U.S. GAAP reporting.

## HOTEL EBITDA RECONCILIATION

(in thousands)

	Three Months Ended		Year to Date as of	
	Dec-2019	Dec-2018	Dec-2019	Dec-2018
Operating income	\$ 10,943	\$ 13,815	\$ 46,370	\$ 52,700
Other revenue	(78)	(1,064)	(292)	(1,385)
Gain on insurance settlement	-	(1,508)	-	(13,424)
Property losses in excess of insurance recoveries	12	-	12	775
Depreciation and amortization	24,345	23,467	96,529	89,831
General and administrative	3,756	3,727	15,628	15,445
Share based compensation	3,362	4,639	10,803	11,436
Acquisition and terminated transaction costs	-	19	-	29
Straight-line amortization of ground lease expense	150	(282)	603	847
of prior period assessment	(433)	812	(50)	572
Other	401	(270)	83	(619)
<b>Hotel EBITDA</b>	<b>\$ 42,458</b>	<b>\$ 43,355</b>	<b>\$ 169,686</b>	<b>\$ 156,207</b>

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