

HERSHA

Q1 2020 Supplemental Schedules

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KEY PERFORMANCE INDICATORS

Consolidated Hotels

(Recorded from date of acquisition)

(includes 39 hotels in both years)

| | Three Months Ended | | |
|-------------------------------------|----------------------|-----------------------|-----------------------|
| | Mar-2020 | Mar-2019 | Variance |
| Rooms Available | 558,649 | 559,620 | |
| Rooms Occupied | 344,442 | 440,809 | |
| Occupancy | 61.7% | 78.8% | -1,711 bps |
| Average Daily Rate (ADR) | \$ 206.38 | \$ 207.54 | -0.6% |
| Revenue Per Available Room (RevPAR) | 127.25 | 163.48 | -22.2% |
| Room Revenues | 71,085,796 | 91,485,650 | \$(20,399,853) |
| Food & Beverage | 10,059,973 | 14,218,462 | (4,158,489) |
| Lease Income | 958,581 | 887,879 | 70,702 |
| Other Revenues | 7,404,968 | 7,672,400 | (267,432) |
| Total Revenues | \$ 89,509,318 | \$ 114,264,391 | \$(24,755,073) |
| GOP | \$ 28,054,100 | \$ 43,152,391 | \$(15,098,291) |
| GOP Margin | 31.3% | 37.8% | |
| GOP Margin Growth | -642 bps | | |
| GOP Flow Through | -61.0% | | |
| EBITDA | \$ 14,423,576 | \$ 29,059,081 | \$(14,635,505) |
| EBITDA Margin | 16.1% | 25.4% | |
| EBITDA Margin Growth | -930 bps | | |

Comparable Hotels ⁽¹⁾

(includes 38 hotels in both years)

| | Three Months Ended | | |
|-------------------------------------|----------------------|-----------------------|-----------------------|
| | Mar-2020 | Mar-2019 | Variance |
| Rooms Available | 558,649 | 552,420 | |
| Rooms Occupied | 344,442 | 435,294 | |
| Occupancy | 61.7% | 78.8% | -1,714 bps |
| Average Daily Rate (ADR) | \$ 206.38 | \$ 208.15 | -0.8% |
| Revenue Per Available Room (RevPAR) | 127.25 | 164.02 | -22.4% |
| Room Revenues | 71,086,650 | 90,605,270 | \$(19,518,621) |
| Food & Beverage | 10,060,627 | 14,032,935 | (3,972,308) |
| Lease Income | 958,581 | 887,879 | 70,702 |
| Other Revenues | 7,402,893 | 7,591,100 | (188,207) |
| Total Revenues | \$ 89,508,751 | \$ 113,117,184 | \$(23,608,433) |
| GOP | \$ 28,841,105 | \$ 42,922,570 | \$(14,081,466) |
| GOP Margin | 32.2% | 37.9% | |
| GOP Margin Growth | -572 bps | | |
| GOP Flow Through | -59.6% | | |
| EBITDA | \$ 15,406,907 | \$ 29,007,171 | \$(13,600,263) |
| EBITDA Margin | 17.2% | 25.6% | |
| EBITDA Margin Growth | -843 bps | | |

(1) The Boxer, Boston, MA (closed in Q1 2020 due to flooding) is not included in Three Month Ended comparable results.

Comparable Portfolio Metrics

| | 2020 Comparable Metrics | 2019 Comparable Metrics | | | | |
|---------------|-------------------------|-------------------------|----------|----------|----------|----------|
| | Q1 2020 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | FY 2019 |
| Occupancy | 61.7% | 78.8% | 86.6% | 86.3% | 79.9% | 83.1% |
| YoY Variance | -17.1% | | | | | |
| ADR | \$206.38 | \$208.15 | \$247.53 | \$228.17 | \$228.78 | \$226.12 |
| YoY % Growth | -0.8% | | | | | |
| RevPAR | \$127.25 | \$164.02 | \$214.36 | \$196.97 | \$182.91 | \$187.94 |
| YoY % Growth | -22.4% | | | | | |
| EBITDA Margin | 17.2% | 25.6% | 37.9% | 33.6% | 32.0% | 32.3% |
| YoY Variance | -8.4% | | | | | |

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.

* Note that comparable results for Q1 2019 and 2020 exclude The Boxer, Boston, MA due to flooding.

TOTAL PORTFOLIO SUMMARY

| | Name | Rooms | Year Opened/Complete Renovation | Acquisition Date | Debt Balance as of 3/31/2020 | Ownership % |
|-------------------------------------|--|--------------|------------------------------------|------------------|------------------------------------|-------------|
| Ritz-Carlton | | | | | | |
| 1. | Coconut Grove, FL | 115 | 2018 | 02/01/2017 | \$0 | 85.0% |
| 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 | 2018 | 01/03/2017 | (*) | 100.0% |
| Hyatt | | | | | | |
| 5. | Union Square, Manhattan, NY | 178 | 2013 | 04/09/2013 | \$56,000 | 100.0% |
| Independents and Collections | | | | | | |
| 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 | \$14,448 (b) | 100.0% |
| 11. | The St. Gregory, Dupont Circle, Washington, DC | 156 | 2018 | 06/16/2015 | \$23,343 (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 | 121 | 2000 | 02/28/2014 | \$22,095 | 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% |
| Sheraton | | | | | | |
| 23. | Wilmington South, DE | 192 | 2011 | 12/21/2010 | (*) | 100.0% |
| Courtyard | | | | | | |
| 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% |
| 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 | \$45,450 | 100.0% |
| 32. | JFK International Airport, NY | 192 | 2013 | 02/16/2006 | (*) | 100.0% |
| Residence Inn | | | | | | |
| 33. | Coconut Grove, FL | 140 | 2014 | 06/12/2013 | (*) | 100.0% |
| Hyatt House | | | | | | |
| 34. | White Plains, NY | 187 | 2018 | 12/28/2006 | (*) | 100.0% |
| Hampton Inn | | | | | | |
| 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% |
| Holiday Inn | | | | | | |
| 41. | Wall Street, Manhattan, NY | 113 | 2009 | 04/29/2016 | (a) | 31.2% |
| Holiday Inn Express | | | | | | |
| 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 | \$27,008 | 50.0% |
| TownePlace Suites | | | | | | |
| 47. | Sunnyvale, CA | 94 | 2003 | 08/25/2015 | (*) | 100.0% |
| Candlewood Suites | | | | | | |
| 48. | Times Square South, Manhattan, NY | 188 | 2009 | 04/29/2016 | (a) | 31.2% |
| TOTAL | | 7,644 | | | | |

(*) 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 - Q1 2020 ACTUALS

| MARKETS | | | | |
|----------------------------------|-----------|--------------|------------------|----------------------------------|
| Consolidated Assets | | | | |
| | Hotels | Rooms | % of Total Rooms | % of Total EBITDA ⁽¹⁾ |
| Miami & Key West | 6 | 905 | 12% | 64% |
| West Coast | 8 | 1,155 | 15% | 31% |
| New York City | 9 | 1,306 | 17% | 15% |
| Washington, DC | 6 | 1,011 | 13% | 1% |
| Philadelphia | 3 | 662 | 9% | -4% |
| Boston | 4 | 516 | 7% | -6% |
| Other | 3 | 664 | 9% | 1% |
| Total Consolidated Assets | 39 | 6,219 | 81% | 102% |
| Total Unconsolidated JV Assets | 9 | 1,425 | 19% | -2% |
| TOTAL | 48 | 7,644 | 100% | 100% |

| OWNERSHIP | | | | |
|--------------------------|-----------|--------------|------------------|----------------------------------|
| | Hotels | Rooms | % of Total Rooms | % of Total EBITDA ⁽¹⁾ |
| Consolidated Assets | 39 | 6,219 | 81% | 102% |
| Unconsolidated JV Assets | 9 | 1,425 | 19% | -2% |
| TOTAL | 48 | 7,644 | 100% | 100% |

| BRANDED VS INDEPENDENT & COLLECTIONS | | | | |
|--------------------------------------|-----------|--------------|------------------|----------------------------------|
| | Hotels | Rooms | % of Total Rooms | % of Total EBITDA ⁽¹⁾ |
| Independent & Collections | 17 | 2,140 | 28% | 55% |
| Branded | 31 | 5,504 | 72% | 45% |
| TOTAL | 48 | 7,644 | 100% | 100% |

| MANAGERS | | | | |
|------------------|-----------|--------------|------------------|----------------------------------|
| | Hotels | Rooms | % of Total Rooms | % of Total EBITDA ⁽¹⁾ |
| HHM Managed | 44 | 7,105 | 93% | 106% |
| Marriott Managed | 2 | 201 | 3% | -3% |
| Jiten Managed | 2 | 338 | 4% | -2% |
| TOTAL | 48 | 7,644 | 100% | 100% |

| HOTELS BY CHAINSCALE | | | | |
|-----------------------------------|-----------|--------------|------------------|----------------------------------|
| | Hotels | Rooms | % of Total Rooms | % of Total EBITDA ⁽¹⁾ |
| Luxury / Lifestyle ⁽²⁾ | 23 | 3,290 | 43% | 52% |
| Upscale | 11 | 2,116 | 28% | 39% |
| Upper Midscale | 14 | 2,238 | 29% | 9% |
| TOTAL | 48 | 7,644 | 100% | 100% |

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

(2) Luxury / Lifestyle includes Upper Upscale hotels.

MORTGAGES, NOTES PAYABLE AND UNSECURED DEBT

| | 3/31/2020 Fixed Rate Balance | Capped or Fixed Rate | 3/31/2020 Floating Rate Balance | Floating Rate | Maturity ⁽¹⁾ |
|---|------------------------------------|----------------------------|---------------------------------------|------------------|-------------------------|
| Consolidated Properties | | | | | |
| The St. Gregory, Dupont Circle, Washington, DC <i>Original Issue Premium: The St. Gregory, Dupont Circle, Washington, DC</i> | \$22,664,483 | 6.30% | | | 09/2021 |
| | \$678,985 | 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 | \$22,095,070 | 4.40% | | | 04/2023 |
| The Sanctuary Beach Resort, Monterey Bay, CA <i>Original Issue Premium: The Sanctuary Resort, Monterey Bay, CA</i> | \$14,423,733 | 5.05% | | | 02/2024 |
| | \$23,829 | 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, Sunnysvale, 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 ⁽²⁾ | | | \$28,000,000 | LIBOR + 2.65% | 04/2024 |
| Sub-Total | \$281,261,101 | | \$53,000,000 | | |
| Total Consolidated Mortgage Debt | \$334,261,101 | | | | |
| <i>Mortgages Payable Deferred Financing Costs</i> | <i>(\$2,278,716)</i> | | | | |
| Total Consolidated Mortgages and Notes Payable, Net of Deferred Financing Costs | \$331,982,385 | | | | |
| Unsecured Debt | | | | | |
| 2021 Term Loan (\$150M) ⁽³⁾ | \$150,000,000 | 3.54% | | | 08/2021 |
| 2021 Term Loan (\$43.9M) ⁽⁴⁾ | \$43,900,000 | 3.52% | | | 08/2021 |
| 2022 Term Loan (\$207M) ⁽⁵⁾ | \$207,000,000 | 4.02% | | | 08/2022 |
| 2024 Term Loan (\$300M) ⁽⁶⁾ | \$300,000,000 | 3.46% | | | 09/2024 |
| Line of Credit | | | \$70,000,000 | 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 | | \$121,548,000 | | |
| Total Unsecured Debt | \$822,448,000 | | | | |
| <i>Term Loan Deferred Financing Costs</i> | <i>(\$3,509,797)</i> | | | | |
| <i>Notes Payable Deferred Financing Costs</i> | <i>(\$798,381)</i> | | | | |
| Total Unsecured Debt, Net of Deferred Financing Costs | \$818,139,822 | | | | |
| TOTAL CONSOLIDATED DEBT | \$1,150,122,207 | | | | |

UNCONSOLIDATED JOINT VENTURES

| | 3/31/2020 Fixed Rate Balance | Capped or Fixed Rate | 3/31/2020 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 | \$27,007,961 | 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 | | | \$14,649,654 | LIBOR + 2.85% | 04/2024 |
| Sub-Total | \$42,007,961 | | \$399,649,654.35 | | |
| Total Unconsolidated Joint Venture Debt | \$441,657,615 | | | | |

(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

March 31, 2020

(\$ Thousands)

| | <u>March 31, 2020</u> |
|---|-----------------------|
| Cash | \$23,936 |
| Unsecured Term Loans* | 700,900 |
| Revolving Line of Credit | 70,000 |
| Mortgages and Notes Payable - Consolidated Assets* | 333,558 |
| Mortgages Payable - HT Portion of Unconsolidated JV Assets* | 148,449 |
| Trust Preferred Securities* | 51,548 |
| Total Debt | 1,304,455 |
| | |
| 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 @ \$3.58)** | 15,322 |
| Class A Common Shares (38,673,242 @ \$3.58)** | 138,450 |
| Total Equity | 521,353 |
| | |
| ENTERPRISE VALUE | \$1,801,872 |

* Excludes unamortized deferring financing costs and unamortized premiums.

** Stock price and share counts as of March 31, 2020.

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% | (1) | |
| Hersha Participating Preferred % | N/A | N/A | N/A | N/A | (1) | |
| THREE MONTHS ENDED MARCH 31, 2020 | | | | | | |
| Joint Venture Net Loss | \$ (892) | \$ (800) | \$ (31) | \$ (9,126) | | \$ (10,849) |
| Hotel Cash Available for Distribution | | | | | | |
| Hotel EBITDA | \$ (6) | \$ (468) | \$ (31) | \$ (156) | | \$ (661) |
| Debt Service | (462) | (121) | - | (5,242) | | (5,825) |
| CapEx Reserve & Other | (31) | (29) | 15 | (405) | | (450) |
| Cash Available for Distribution | <u>\$ (499)</u> | <u>\$ (618)</u> | <u>\$ (16)</u> | <u>\$ (5,803)</u> | | <u>\$ (6,936)</u> |
| EBITDA | | | | | | |
| Hersha Net Loss from Unconsolidated JV | \$ (600) ⁽²⁾ | \$ (402) | \$ (16) | \$ - ⁽²⁾ | | \$ (1,018) |
| Addback: | | | | | | |
| Unrecognized pro rata interest in income (loss) | 135 ⁽²⁾ | - | 16 | (2,851) ⁽²⁾ | | (2,700) |
| Step up and outside basis amortization | 19 ⁽²⁾ | 2 | - | 3 ⁽²⁾ | | 24 |
| Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture | 443 | 166 | - | 2,799 | | 3,408 |
| Hersha EBITDA from Unconsolidated JV | <u>\$ (3)</u> | <u>\$ (234)</u> | <u>\$ -</u> | <u>\$ (49)</u> | | <u>\$ (286)</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 | |
|---|--------------------|------------------|
| | Mar-2020 | Mar-2019 |
| Operating loss | \$ (16,409) | \$ (553) |
| Other revenue | (199) | (150) |
| Depreciation and amortization | 24,188 | 24,128 |
| General and administrative | 3,378 | 3,642 |
| Share based compensation | 2,456 | 1,958 |
| Straight-line amortization of ground lease expense | 149 | 163 |
| Costs accrued for furloughed employees | 893 | - |
| State and local tax expense related to reassessment of prior period assessment | (49) | - |
| Other | 17 | (129) |
| Hotel EBITDA | \$ 14,424 | \$ 29,059 |