

## CAPITAL MARKETS ANNOUNCEMENT

## Sotherly Hotels Inc. (NASDAQ: SOHO; Williamsburg, VA) Closes \$27.0 Million Preferred Stock Offering

Sandler O'Neill + Partners, L.P. served as active book-running manager for this offering.

This is the seventh consecutive public offering for SOHO where Sandler O'Neill has acted as sole or active book-runner. Since January 1, 2011, Sandler O'Neill has acted as book-runner, co-manager or placement agent for approximately \$15.2 Billion of REIT preferred stock, common stock and senior debt.<sup>1</sup>

### About the Offering:

Williamsburg, Virginia – April 18, 2019 – Sotherly Hotels Inc. (NASDAQ: SOHO) (the "Company") today announced it has closed its previously announced underwritten public offering of 1,080,000 shares of its 8.25% Series D Cumulative Redeemable Perpetual Preferred Stock (the "Series D Preferred Stock") for total gross proceeds of \$27,000,000 before underwriting discounts and commissions and expenses payable by the Company. The Company has granted the underwriters a 30-day option to purchase up to an additional 162,000 shares of Series D Preferred Stock to cover over-allotments, if any, at the public offering price of \$25.00 per share of the Series D Preferred Stock. The Series D Preferred Stock has been approved for listing on the NASDAQ under the symbol "SOHON" and trading is expected to commence within 30 days of closing of the offering.

The Company contributed the net proceeds from the offering to Sotherly Hotels LP, its operating partnership, which intends to use the net proceeds to redeem in full the operating partnership's 7.25% Senior Unsecured Notes due 2021 and, to the extent there are any remaining net proceeds, for general corporate purposes, including potential future acquisitions of hotel properties.

*This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.*

(1) Source: S&P Global Market Intelligence.



### About the Company:

Sotherly Hotels Inc. is a self-managed and self-administered lodging REIT focused on the acquisition, renovation, upbranding and repositioning of upscale to upper-upscale full-service hotels in the Southern United States. Currently, the Company's portfolio consists of investments in twelve hotel properties, comprising 3,156 rooms, and an interest in the Hyde Resort & Residences, a luxury condo hotel. Most of the Company's properties operate under the Hilton Worldwide, Hyatt Hotels Corporation, InterContinental Hotels Group and Marriott International, Inc. brands. Sotherly Hotels Inc. was organized in 2004 and is headquartered in Williamsburg, Virginia.

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