



**FOR IMMEDIATE RELEASE  
TUESDAY, FEBRUARY 18, 2020**

**SOTHERLY HOTELS INC. ANNOUNCES DIVIDEND TAX TREATMENT**

Williamsburg, Virginia – February 18, 2020 – [Sotherly Hotels Inc.](#) (NASDAQ: SOHO) (the “Company”) today announced the estimated income tax classification of the Company’s 2019 distributions on its common shares (CUSIP #83600C103), Series B preferred shares (CUSIP #83600C301), Series C preferred shares (CUSIP #83600C400), and Series D preferred shares (CUSIP #83600C509). The income tax classification of the 2019 distributions as it is expected to be reported on Form 1099-DIV is set forth in the following table:

**COMMON SHARES**

Record Date	Paid Date	Total Cash Distribution Per Share	Taxable Ordinary Income	Nontaxable Distribution (Return of Capital)*	Sec 199A Dividends
3/15/2019	4/11/2019	0.125000	-	0.125000	-
6/14/2019	7/11/2019	0.130000	-	0.130000	-
9/13/2019	10/11/2019	0.130000	-	0.130000	-
12/13/2019	1/10/2020	0.130000	-	0.130000	-
<b>TOTAL</b>		<b>0.515000</b>	<b>-</b>	<b>0.515000</b>	<b>-</b>
Percent		100.0000%	0.0000%	100.0000%	

The CUSIP number for Sotherly Hotels Inc.'s Common Shares is 83600C103.

**SERIES B PREFERRED SHARES**

Record Date	Paid Date	Total Cash Distribution Per Share	Taxable Ordinary Income	Nontaxable Distribution (Return of Capital)*	Sec 199A Dividends
3/31/2019	4/15/2019	0.500000	0.035844	0.464156	0.035844
7/1/2019	7/15/2019	0.500000	0.035844	0.464156	0.035844
10/1/2019	10/15/2019	0.500000	0.035844	0.464156	0.035844
12/31/2019	1/15/2020	0.500000	0.035844	0.464156	0.035844
<b>TOTAL</b>		<b>2.000000</b>	<b>0.143376</b>	<b>1.856624</b>	<b>0.143376</b>
Percent		100.0000%	7.1689%	92.8311%	7.1689%

The CUSIP number for Sotherly Hotels Inc.'s Series B Preferred Shares is 83600C301.



### SERIES C PREFERRED SHARES

Record Date	Paid Date	Total Cash Distribution Per Share	Taxable Ordinary Income	Nontaxable Distribution (Return of Capital)*	Sec 199A Dividends
3/31/2019	4/15/2019	0.492188	0.035284	0.456904	0.035284
7/1/2019	7/15/2019	0.492188	0.035284	0.456904	0.035284
10/1/2019	10/15/2019	0.492188	0.035284	0.456904	0.035284
12/31/2019	1/15/2020	0.492188	0.035284	0.456904	0.035284
TOTAL		1.968752	0.141136	1.827616	0.141136
Percent		100.0000%	7.1689%	92.8311%	7.1689%

The CUSIP number for Sotherly Hotels Inc.'s Series C Preferred Shares is 83600C400.

### SERIES D PREFERRED SHARES

Record Date	Paid Date	Total Cash Distribution Per Share	Taxable Ordinary Income	Nontaxable Distribution (Return of Capital)*	Sec 199A Dividends
3/31/2019	4/15/2019	-	-	-	-
7/1/2019	7/15/2019	0.418230	0.029982	0.388248	0.029982
10/1/2019	10/15/2019	0.515625	0.036964	0.478661	0.036964
12/31/2019	1/15/2020	0.515625	0.036964	0.478661	0.036964
TOTAL		1.449480	0.103910	1.345570	0.103910
Percent		100.0000%	7.1689%	92.8311%	7.1689%

The CUSIP number for Sotherly Hotels Inc.'s Series D Preferred Shares is 83600C509.

\* Generally, distributions will reduce a shareholder's adjusted tax basis in its shares. Any amount of the distribution that exceeds a shareholder's adjusted tax basis in its shares should be treated as gain from the sale or exchange of property.

No portion of the dividends declared in 2019 represented foreign taxes or qualified dividend income. Record holders of the Company's common shares who received any of the dividends specified in the table above will receive an Internal Revenue Service (IRS) Form 1099-DIV from American Stock Transfer & Trust Company, the Company's dividend paying agent. The Form 1099-DIV will report the dividends paid with respect to 2019. Shareholders whose shares are held in "street name" will receive an IRS Form 1099 from the bank, brokerage firm or other nominee holding their shares.

The information in the table above is based on the preliminary results of work on the tax filings of the Company and is subject to correction or adjustment when the filings are completed. No material change in these classifications is expected. The tax information above should not be construed as tax advice and is not a substitute for careful tax planning and analysis. Shareholders are encouraged to consult with their own tax advisors regarding the specific federal, state, local, foreign and other tax consequences of ownership of the common shares of Sotherly Hotels Inc. and the specific tax treatment of distributions therefrom.

### About Sotherly Hotels Inc.



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, as well as interests in two condominium hotels and their associated rental programs. The Company owns hotels that operate under the Hilton Worldwide, Marriott International, Inc., and Hyatt Hotels Corporation brands, as well as independent hotels. Sotherly Hotels Inc. was organized in 2004 and is headquartered in Williamsburg, Virginia. For more information, please visit [www.sotherlyhotels.com](http://www.sotherlyhotels.com).

Contact at the Company:

Mack Sims  
Sotherly Hotels Inc.  
306 South Henry Street, Suite 100  
Williamsburg, Virginia 23185  
(757) 229-5648

