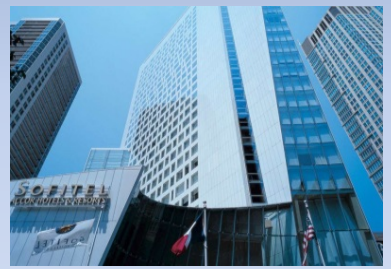
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Certain Disclosures

Certain statements and assumptions in this presentation contain or are based upon "forward-looking" information and are being made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties. When we use the words "will likely result," "may," "anticipate," "estimate," "should," "expect," "believe," "intend," or similar expressions, we intend to identify forward-looking statements. Such forward-looking statements include, but are not limited to, our business and investment strategy, our understanding of our competition, current market trends and opportunities, and projected capital expenditures. Such statements are subject to numerous assumptions and uncertainties, many of which are outside of our control.

These forward-looking statements are subject to known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated, including, without limitation: general volatility of the capital markets, the general economy or the hospitality industry, whether the result of market events or otherwise; our ability to deploy capital and raise additional capital at reasonable costs to repay debts, invest in our properties and fund future acquisitions; unanticipated increases in financing and other costs, including a rise in interest rates; the degree and nature of our competition; actual and potential conflicts of interest with Ashford Hospitality Trust, Inc., Ashford Hospitality Advisors, LLC ("Ashford LLC"), Ashford Inc., Remington Lodging & Hospitality, LLC, our executive officers and our non-independent directors; our ability to implement and execute on planned initiatives announced in connection with the conclusion of our independent directors' strategic review process; changes in personnel of Ashford LLC or the lack of availability of qualified personnel; changes in governmental regulations, accounting rules, tax rates and similar matters; legislative and regulatory changes, including changes to the Internal Revenue Code and related rules, regulations and interpretations governing the taxation of real estate investment trusts ("REITs"); and limitations imposed on our business and our ability to satisfy complex rules in order for us to qualify as a REIT for U.S. federal income tax purposes. These and other risk factors are more fully discussed in the section entitled "Risk Factors" in our Annual Report on Form 10-K, and from time to time, in our other filings with the Securities and Exchange Commission ("SEC").

The forward-looking statements included in this presentation are only made as of the date of this presentation. Investors should not place undue reliance on these forward-looking statements. We are not obligated to publicly update or revise any forward-looking statements, whether as a result of new information, future events or circumstances, changes in expectations or otherwise.

EBITDA is defined as net income before interest, taxes, depreciation and amortization. EBITDA yield is defined as trailing twelve month EBITDA divided by the purchase price. A capitalization rate is determined by dividing the property's net operating income by the purchase price. Net operating income is the property's funds from operations minus a capital expense reserve of either 4% or 5% of gross revenues. Hotel EBITDA flow-through is the change in Hotel EBITDA divided by the change in total revenues. EBITDA, FFO, AFFO, CAD and other terms are non-GAAP measures, reconciliations of which have been provided in prior earnings releases and filings with the SEC.

This overview is for informational purposes only and is not an offer to sell, or a solicitation of an offer to buy or sell, any securities of Ashford Prime or any of its respective affiliates, and may not be relied upon in connection with the purchase or sale of any such security.

Ashford Hospitality Prime

STRATEGIC OVERVIEW

- Focused strategy of investing in luxury hotels in resort and gateway markets
- Targets conservative leverage levels of Net Debt/EBITDA of 5.0x or less
- Highly-aligned management team and advisory structure
- Simple and straightforward investment profile
- Grow organically through strong revenue and cost control initiatives
- Grow platform through accretive acquisitions of high quality assets







Excellent Progress on Strategic Alternatives

WHAT WE SAID WE WOULD DO	WHAT WE HAVE DONE
❑ Increase dividend	☑ Increased dividend 20% to $0.12
❑ Sell up to 4 non-strategic hotels	☑ Courtyard Seattle sold for $84.5 million at 6.8% TTM NOI cap rate
❑ Liquidate investment fund	☑ Investment has been redeemed
❑ $50 million stock repurchase program	☑ Since April 8, 2016 we have bought back approximately 2.9 million shares for $39 million
❑ Add 2 independent directors	☑ Added Ken Fearn as an independent director
❑ Appoint new CEO	☑ Appointed Richard J. Stockton as new CEO effective November 14, 2016

Recent Updates

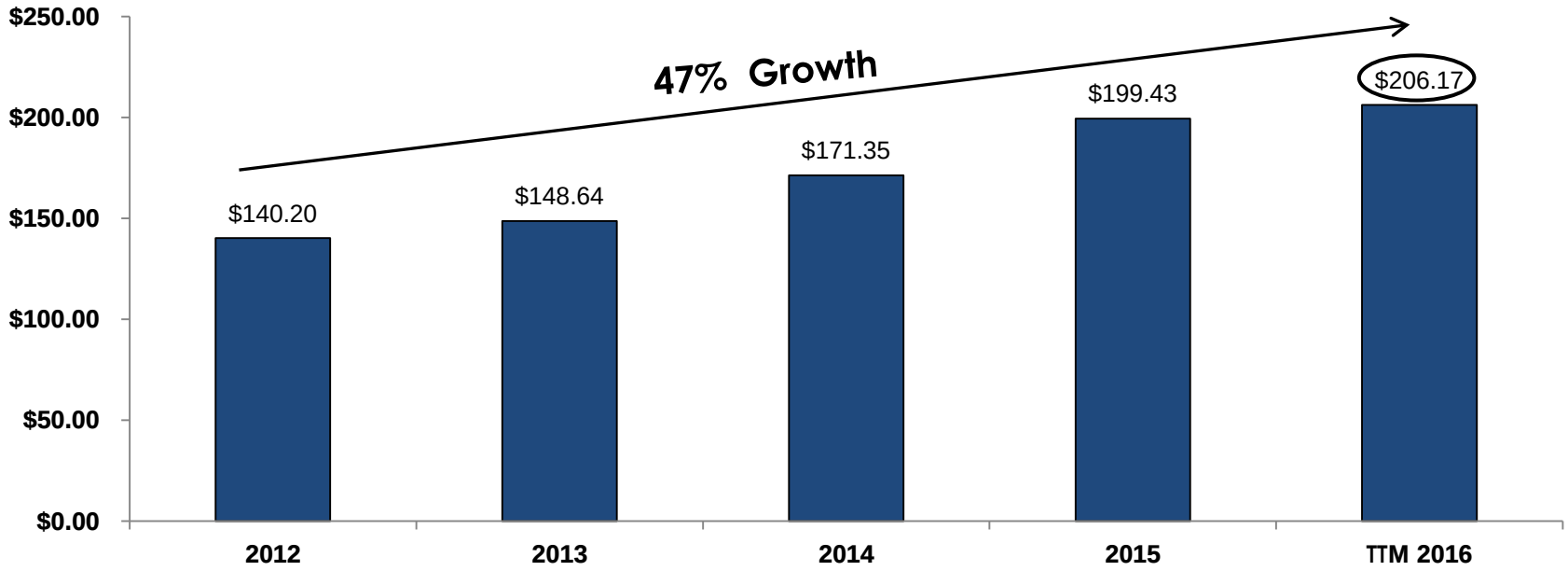
- Q3 2016 RevPAR increased 4.3%
- Excellent progress on strategic alternatives to enhance shareholder value
- Since conclusion of strategic alternatives review in April 2016 Prime's Total Shareholder Return (TSR) outperformance versus its peers is 20.4%*
- Announced corporate governance enhancements & appointment of new independent director
- Announced appointment of Richard J. Stockton as new CEO effective November 14, 2016

*Per SNL as of November 3, 2016

AHP Leadership **Has Delivered Results** in Prudent, Accretive Growth

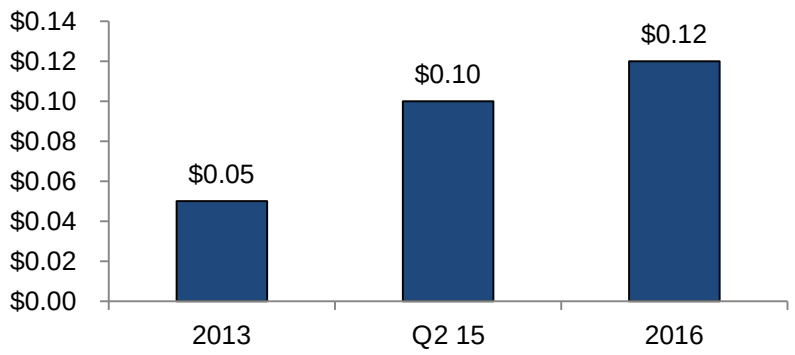
ACCRETIVE GROWTH OF HOTEL PORTFOLIO

- Acquired the Ritz-Carlton St. Thomas, Bardessono Hotel & Spa, Sofitel Chicago Magnificent Mile, & Pier House Resort
- Increased portfolio RevPAR since spin-off by over 47% to $206 as of TTM September 2016
- Increased asset base by 50% since spin-off

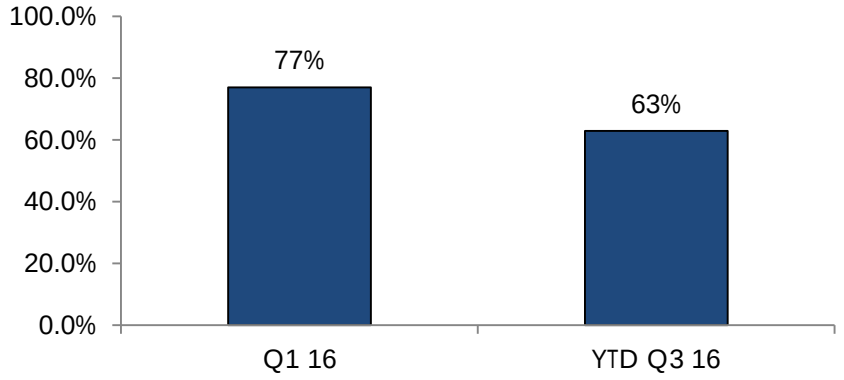


AHP Leadership **Has Delivered Results** in Returning Capital to Shareholders

Increased quarterly common dividend by 140% since spin-off

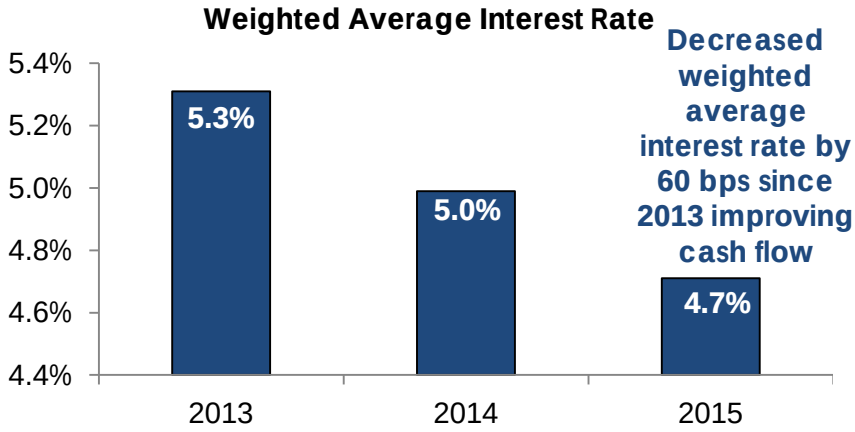


Attractive EBITDA flow-through performance



Disciplined Capital Strategies

- Refinanced debt at lower weighted average interest rates
- $72 million convertible preferred equity raise at $18.90 conversion price (53% premium to current stock price as of November 3, 2016)

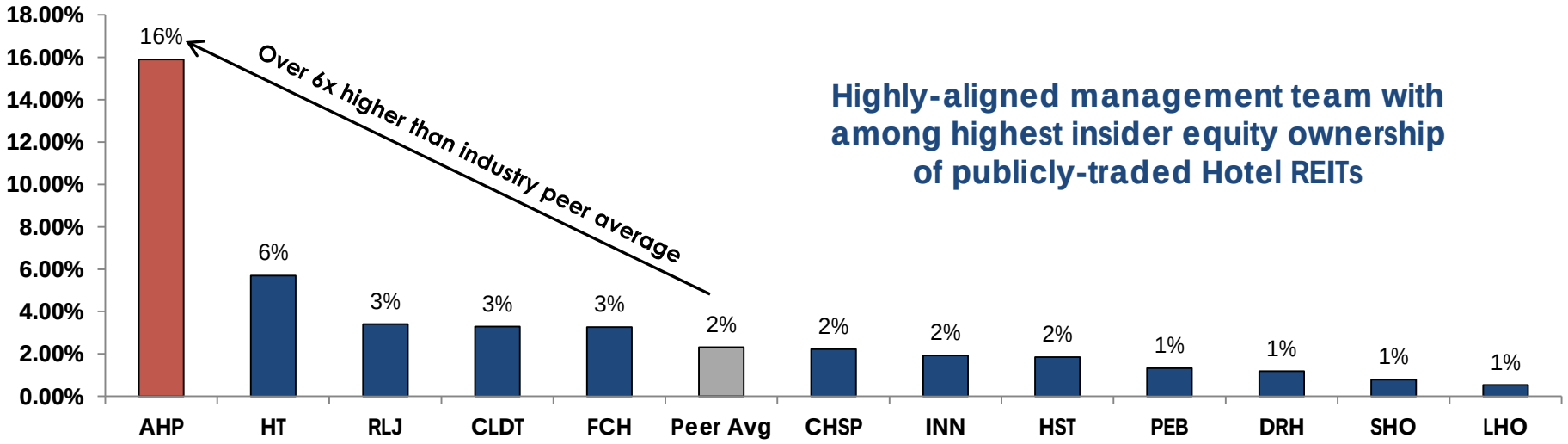


AHP's Management Team Is **Aligned** Like No Other

HIGHLY ALIGNED MANAGEMENT TEAM

- Insider ownership of 16%, 6x more than hotel REIT industry average
- Insider ownership among the highest of its peers
- Management has significant personal wealth invested in the Company
- Incentive fee based on AHP total return outperformance vs. its peers

Insider Equity Ownership



Highly-aligned management team with among highest insider equity ownership of publicly-traded Hotel REITs

Public Lodging REITs include: CHSP, CLDT, DRH, FCH, HST, HT, INN, LHO, PEB, RLJ, SHO
Source: Company filings.
** Insider equity ownership for Ashford Prime includes direct & indirect interests & interests of related parties*

Benefits of the Ashford Structure

Structural Attractiveness

- Publicly traded external advisor increases transparency and provides strong alignment
- 8 member Board with 6 independent directors
- Base Fee – based on AHP's total enterprise value rather than book value
- Incentive Fee paid only if total stockholder return exceeds peer group average (outperformance capped at 25%)
- AHP owns 9.7% of AINC so shareholders participate in economics of the advisor

Benefits of Structure

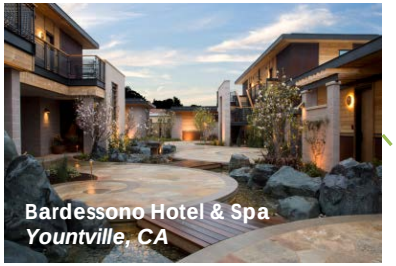
- Increased scale through affiliation with Ashford Trust (AHP = 11 hotels*; AHT = 123 hotels*)
- Strong brand relationships given large scale
- Capital markets benefits given scale across the platforms
- Ability to partner with Ashford Trust on portfolio acquisitions
- G&A savings from being externally managed
- Other cost synergies given scale (property insurance, etc.)
- Key money investment from advisor
- Decreased fee as market cap grows
- Reciprocal termination rights

High Quality Portfolio





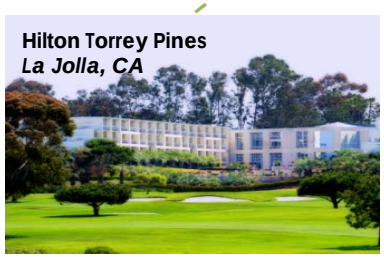








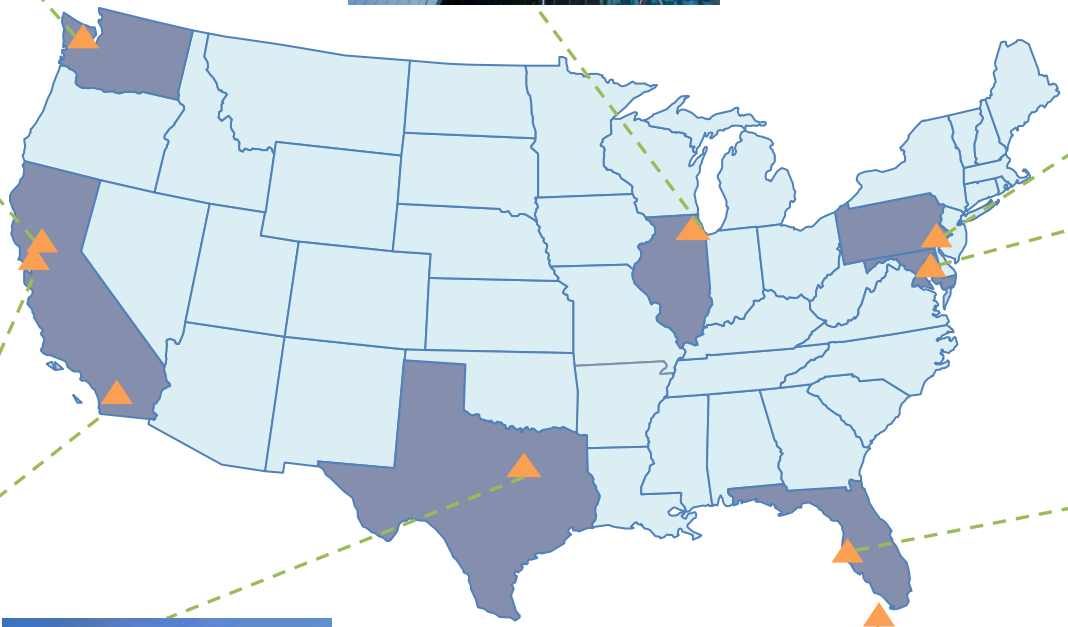












ASHFORD HOSPITALITY PRIME

▲ *Ashford Prime Hotels*

Portfolio Overview

	Location	Number of Rooms	TTM ADR[1]	TTM Occ. [1]	TTM RevPAR[1]	TTM Hotel EBITDA[1]	*% of Total*
Courtyard Philadelphia Downtown	Philadelphia, PA	499	$185	82%	$152	$13,017	*10.8%*
Marriott Plano Legacy	Dallas, TX	404	$193	70%	$136	$10,890	*9.0%*
Courtyard San Francisco Downtown	San Francisco, CA	405	$275	89%	$245	$13,817	*11.5%*
Marriott Seattle Waterfront	Seattle, WA	358	$265	82%	$218	$14,992	*12.4%*
Renaissance Tampa	Tampa, FL	293	$187	81%	$150	$6,563	*5.4%*
Capital Hilton	Washington D.C.	550	$228	87%	$198	$16,359	*13.6%*
Hilton Torrey Pines	La Jolla, CA	394	$193	84%	$163	$12,453	*10.3%*
Sofitel Chicago Magnificent Mile	Chicago, IL	415	$217	81%	$175	$8,306	*6.9%*
Pier House	Key West, FL	142	$405	89%	$362	$10,145	*8.4%*
Bardessono	Napa Valley, CA	62	$728	83%	$604	$4,848	*4.0%*
Ritz-Carlton St. Thomas	St. Thomas, USVI	180	$538	79%	$426	$9,112	*7.6%*
Total Portfolio		**3,702**	**$250**	**82%**	**$206**	**$120,502**	***100.0%***

- High quality portfolio with total ADR and RevPAR of $250 and $206, respectively for the TTM period
- Geographically diversified portfolio located in strong markets
- Second highest TripAdvisor ranking among publicly-traded Hotel REITs[2]

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(1) As of September 30, 2016
(2) Wells Fargo Securities Research; Lodging: TripAdvisor Rankings (September 14, 2016)
Note: Hotel EBITDA in thousands

Asset Management Initiatives



Pier House: Complexed GM and sales team resulting in significant labor savings



Renaissance Tampa: Recently completed significant guestrooms and lobby renovation



Bardessono: City approved construction of presidential villa consisting of 3 large-luxurious suites



The Ritz-Carlton St. Thomas: Implemented profit improvement plan estimated to save ~$1mm annually



Capital Hilton: Potentially releasing retail space to higher quality tenant and increased rent



Hilton Torrey Pines: Negotiating extension of ground lease, adding potential 52 years in term



Marriott Seattle: Adding 3 keys by moving concierge lounge to lobby level



Marriott Plano: Actively marketing ~15,000 sq. ft. of highly visible retail space



Courtyard San Francisco: Custom guestrooms renovation and consolidating F&B outlets



Sofitel Chicago Magnificent Mile: Renovation of lobby bar and fitness center; 2017 rooms renovation



Courtyard Philadelphia: Meeting and pre-function space renovation starting Dec. 2016

Capital Structure and Net Working Capital

- Conservative leverage in line with platform strategy
- Targeted Net Debt / EBITDA of 5.0x
- All debt is non-recourse, property level mortgage debt
- Targeted cash balance of 25% to 30% of market capitalization
- Maintain excess cash balance to capitalize on opportunities
- Hedge unfavorable economic shocks
- Dry powder to execute opportunistic acquisitions

Total Enterprise Value

Figures in millions except per share values	
Stock Price (As of November 3, 2016)	$12.39
Fully Diluted Shares Outstanding	30.4
Equity Value	**$376.9**
Plus: Convertible Preferred Equity	72.3
Plus: Debt	712.5
Total Market Capitalization	**$1,161.6**
Less: Net Working Capital	(145.1)
Total Enterprise Value	**$1,016.5**

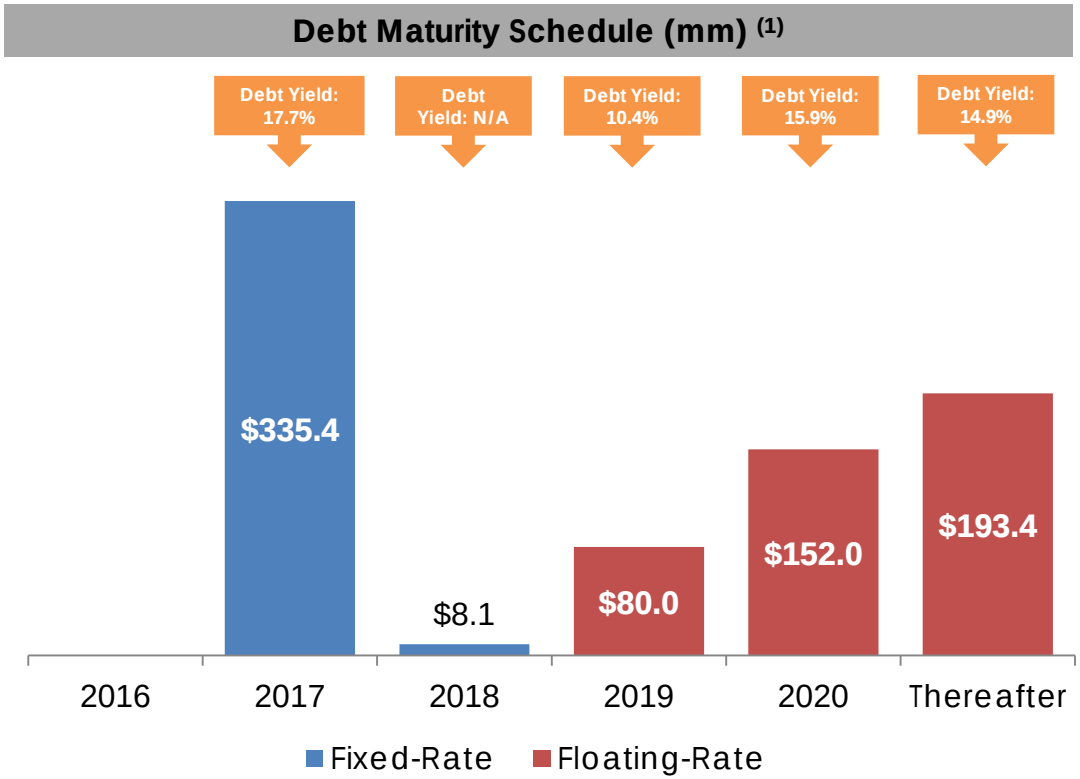
Net Working Capital

Cash & Cash Equivalents	$126.0
Restricted Cash	39.3
Accounts Receivable, net	16.1
Prepaid Expenses	4.2
Due From Affiliates, net	(2.8)
Due from Third Party Hotel Managers	5.7
Investment in Ashford Inc. (1)	9.3
Total Current Assets	**$197.8**
Accounts Payable, net & Accrued Expenses	$47.8
Dividends Payable	4.9
Total Current Liabilities	**$52.7**
Net Working Capital	**$145.1**

As of September 30, 2016
(1) At market value as of November 3, 2016

Debt Maturities and Leverage

- Target leverage: Net Debt / EBITDA < 5.0x
- Maintain mix of fixed and floating rate debt
- Ladder maturities
- Exclusive use of property-level, non-recourse debt

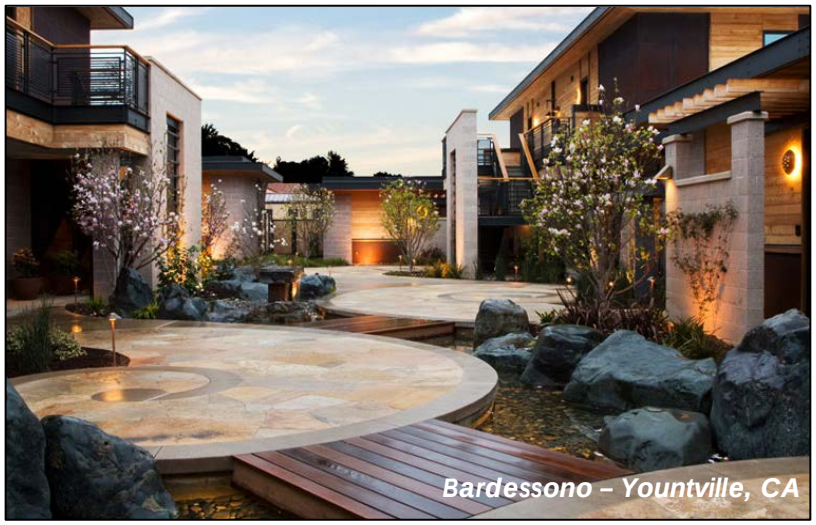


As of September 30, 2016
(1) Assumes extension options are exercised
Note: All debt yield statistics are based on EBITDA to principal.

Asset Management Expertise – Bardessono

Hotel Overview

- Acquired in July 2015
- **2015 RevPAR of $564**
- 62 keys, 1,350 sq. ft. of meeting space
- Located in Yountville, CA the "Culinary Capital of Napa Valley"
  - High barrier to entry market
- One of only three LEED Platinum certified hotels in the U.S., only hotel in California
- 2015 TripAdvisor Travelers' Choice Award for Top Hotels - #3 in the U.S.


Bardessono – Yountville, CA

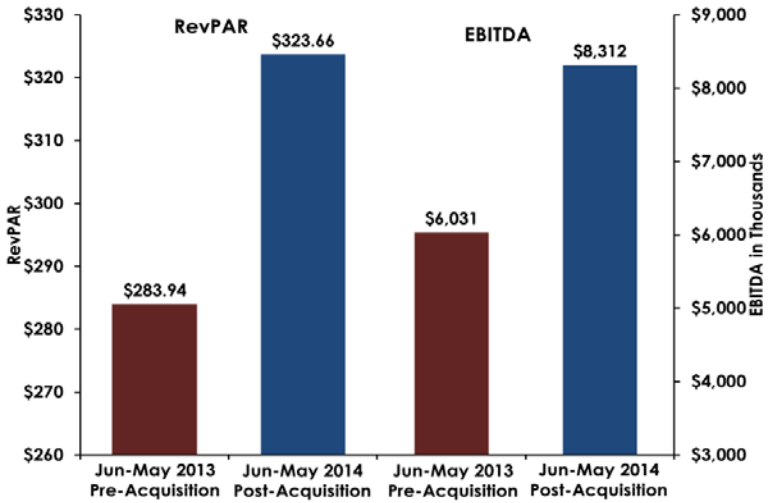

Bardessono – Yountville, CA

Opportunities

- Received $2 million of Key Money from AINC
- Opportunity to add 2 to 3 luxury villas to attract ultra-luxury guests
- Cost control opportunities
- Implementation of Remington revenue initiatives
- **From August 2015 to September 2016 (since acquisition): RevPAR up 8%, EBITDA Margin up 488 bps, & EBITDA flow-through of 152%**

Asset Management Expertise – Pier House

- **Original going-in cap rate of 6.2% in May 2013 and current cap rate of 10.2%(1)**



	Jun-May 2013 Pre-Takeover	Jun-May 2014 Post-Takeover	Increase (%, BPs)
RevPAR	$283.94	$323.66	**14.0%**
Total Revenue*	$19,196	$21,284	**10.9%**
RPI	97.7%	101.7%	**4.09%**
EBITDA*	$6,031	$8,312	**37.8%**
EBITDA Flow			**109.2%**



Implemented Strategies

- Asset management performance significantly exceeded underwriting
- Eliminated $1.5mm in expenses through cost cutting initiatives:
  - Right-sized staffing level
  - Implemented improved housekeeping practices
  - Identified additional F&B efficiencies
  - Realized synergies with other Remington-managed Key West assets
- Saved $385,000 in insurance expense by adding to Ashford program
- Realized approximately $350,000 in annualized incremental parking revenue

**$ in Thousands*
(1) As of September 30, 2016

Asset Management Expertise – Ritz St. Thomas

Hotel Overview

- Acquired in December 2015
- 180 keys, 10,000 sq. ft. of meeting space
- Acquisition completed at favorable metrics of **7.2x TTM EBITDA** and **10% TTM NOI cap rate**
- Located in St. Thomas in the U.S. Virgin Islands with high barriers to entry
- 30 oceanfront acres along Great Bay
- Recognized in the 2015 U.S. News & World Report's Best Hotel Rankings



Great Bay View
The Ritz-Carlton St. Thomas



The Ritz-Carlton St. Thomas

Opportunities

- Significant upside after recently completed extensive $22 million renovation of guest rooms and public space
- Since closing of the acquisition, our asset management team has identified several opportunities to improve performance
- **EBITDA flow-through of 96% YTD Q3 2016** (1st full 3 quarters of ownership) with no change in property manager

Corporate Governance Enhancements

- Adoption of a majority voting standard for uncontested director elections and a plurality voting standard in contested director elections
- Separate the roles of Chairman and CEO
- Prohibit share recycling with respect to share forfeitures, stock options and stock appreciation rights under the Company's stock plan by executives and directors
- Implementation of a mandatory equity award retention period for executives and directors
- Adoption of a proxy access resolution which would enable a shareholder, or a group of not more than 20 shareholders, who have continuously owned 3% or more of the Company's common stock for a minimum of 3 years to include nominees in its proxy materials for the greater of two or 20% of the Board
- Addition of two independent directors to the Board. As part of this initiative, the Company is pleased to announce that Ken Fearn has joined the Board of Directors, bringing the total number of directors to eight and the total independent directors to six

Board of Directors Diversity Matrix

	Professional Experience					Geography			Independence
	Real Estate / Hospitality	C-Suite Executive	Entrepreneurship	Legal	Public Office	Southwest	West Coast	Southeast	Independent
Monty J. Bennett	✓	✓	✓			✓			
Curtis B. McWilliams	✓	✓						✓	✓
Douglas A. Kessler	✓	✓				✓			
Matthew D. Rinaldi				✓	✓	✓			✓
Stefani D. Carter			✓	✓	✓	✓			✓
W. Michael Murphy	✓	✓	✓					✓	✓
Andrew L. Strong		✓	✓	✓		✓			✓
Kenneth H. Fearn	✓	✓	✓				✓		✓

Board of Directors Diversity Matrix (cont.)

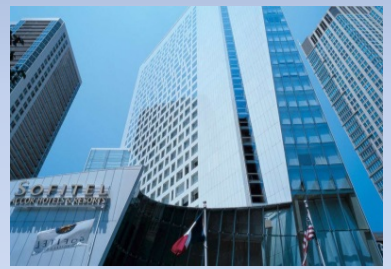
	Gender		Age			Ethnicity	
	Male	Female	25-40	41-55	56-75	White / Caucasian	African American
Monty J. Bennett	✓			✓		✓	
Curtis B. McWilliams	✓				✓	✓	
Douglas A. Kessler	✓			✓		✓	
Matthew D. Rinaldi	✓		✓			✓	
Stefani D. Carter		✓	✓				✓
W. Michael Murphy	✓				✓	✓	
Andrew L. Strong	✓			✓		✓	
Kenneth H. Fearn	✓			✓			✓

Key Takeaways

- Successfully executed on strategic alternatives initiatives and created value for shareholders
- Increased dividend 20% to $0.12 per quarter
- Bought back approximately 2.9 million shares for $39 million
- Completed sale of the Courtyard Seattle Downtown for $84.5 million
- Highly-aligned management team
- Announced corporate governance enhancements, appointment of new independent director, and appointment of new CEO

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