

March 2018

ASHFORD
HOSPITALITY PRIME

Forward Looking Statements and Non-GAAP Measures

In keeping with the SEC's "Safe Harbor" guidelines, certain statements made during this presentation could be considered forward-looking and subject to certain risks and uncertainties that could cause results to differ materially from those projected. 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, projected operating results, and projected capital expenditures.

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 and the market price of our common stock; changes in our business or investment strategy; availability, terms and deployment of capital; availability of qualified personnel; changes in our industry and the market in which we operate, interest rates or the general economy, and the degree and nature of our competition. These and other risk factors are more fully discussed in the company's filings with the Securities and Exchange Commission.

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 or debt amount. 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 or in the appendix to this presentation.

The calculation of implied equity value is derived from an estimated blended capitalization rate ("Cap Rate") for the entire portfolio using the capitalization rate method. The estimated Cap Rate is based on recent Cap Rates of publically traded peers involving a similar blend of asset types found in the portfolio, which is then applied to Net Operating Income ("NOI") of the company's assets to calculate a Total Enterprise Value ("TEV") of the company. From the TEV, we deduct debt and preferred equity and then add back working capital and the company's investment in Ashford Inc. to derive an equity value.

The capitalization rate method is one of several valuation methods for estimating asset value and implied equity value. Among the limitations of using the capitalization rate method for determining an implied equity value are that it does not take into account the potential change or variability in future cash flows, potential significant future capital expenditures, the intended hold period of the asset, or a change in the future risk profile of an asset.

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 Hospitality Prime, Inc. or any of its respective affiliates, and may not be relied upon in connection with the purchase or sale of any such security.

Management Team



RICHARD J. STOCKTON
Chief Executive Officer & President

- 20 years of hospitality experience
- 1 year with Ashford
- 15 years with Morgan Stanley
- Cornell School of Hotel Administration, BS
- University of Pennsylvania MBA



DERIC S. EUBANKS, CFA
Chief Financial Officer

- 18 years of hospitality experience
- 15 years with Ashford
- 3 years with ClubCorp
- CFA charterholder
- Southern Methodist University BBA



JEREMY J. WELTER
Chief Operating Officer

- 13 years of hospitality experience
- 8 years with Ashford (5 years with Ashford predecessor)
- 5 years with Stephens Investment Bank
- Oklahoma State University BS

Strategic Overview



Focused strategy of investing in luxury hotels and resorts



Grow organically through strong revenue and cost control initiatives



Grow externally through accretive acquisitions of high quality assets



Targets conservative leverage of Net Debt / Gross Assets of 45% with non-recourse property debt



Highly-aligned management team and advisory structure







2017 Q4 and Full Year Hotel Operating Results

Comparable Operating Results[1] Q4	2017	2016	% Variance
ADR	$ 243.78	$ 257.29	(5.25)%
REVPAR	$ 188.15	207.27	(9.22)%
Occupancy	77.18%	80.56%	(4.20)%
Revenues	$ 89,572	$ 98,900	(9.43)%
Hotel EBITDA	$ 27,092	$ 26,961	0.49%
Hotel EBITDA Margin	30.25 %	27.26%	2.99%

Comparable Operating Results[1] Full Year	2017	2016	% Variance
ADR	268.07	$ 269.85	(0.66)%
REVPAR	$ 219.15	224.71	(2.47)%
Occupancy	81.75%	83.27%	(1.83)%
Revenues	$ 409,741	$ 422,292	(2.97)%
Hotel EBITDA	$ 126,921	$ 126,714	0.16%
Hotel EBITDA Margin	30.98 %	30.01%	0.97%

(1) Includes: Bardessono, Hotel Yountville, Ritz-Carlton St. Thomas, Pier House, Marriott Seattle Waterfront, Capital Hilton, Sofitel Chicago, Hilton Torrey Pines, Courtyard San Francisco, Renaissance Tampa, Courtyard Philadelphia, and Park Hyatt Beaver Creek.

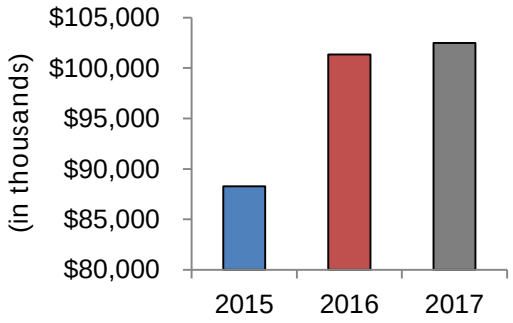
Q4 Earnings Highlights

- Adjusted EBITDA was $22.0mm for the quarter, compared with $21.6mm for the prior year quarter
- Comparable RevPAR for all hotels that did not incur business interruption claims decreased 1.1%
- Adjusted funds from operations (AFFO) was $0.31 per diluted share for the quarter as compared with $0.34 per diluted share from prior-year quarter
- The Company booked $4.1mm of business interruption revenue
- Capex invested during the quarter was $10.3mm

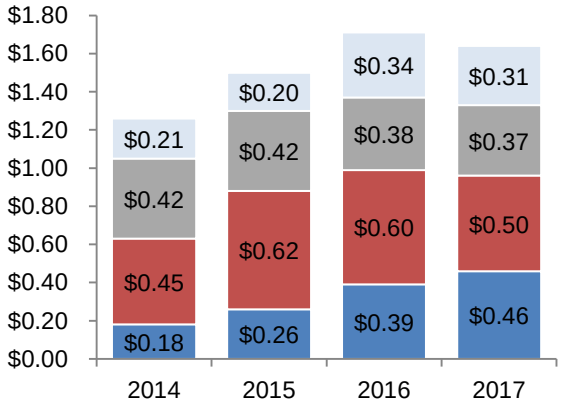
Full Year Highlights

- Adjusted EBITDA was $102.5mm for the year, compared with $101.4mm for the prior year
- Comparable RevPAR for all hotels decreased 2.5%
- Adjusted funds from operations (AFFO) was $1.62 per diluted share for the year, compared with $1.73 per diluted share for the prior year
- Capex invested during the year was $43.0mm

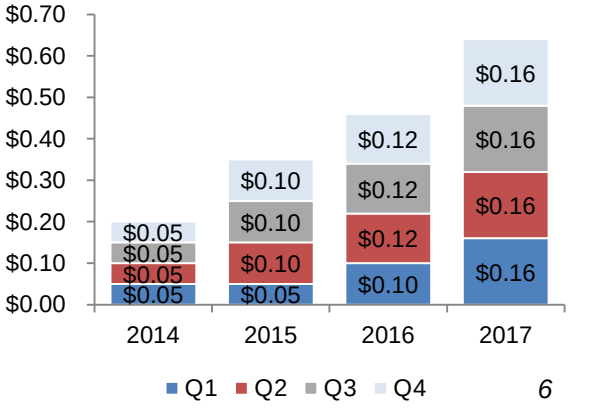
ADJUSTED EBITDA



AFFO PER SHARE



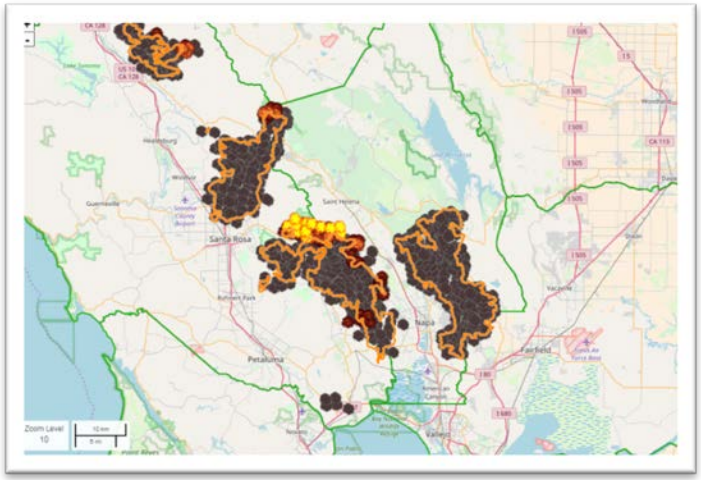
QUARTERLY DIVIDEND PER SHARE



Business Interruption Recoveries

Properties Affected	Event	BI Deductible	Gross BI	BI Booked		
				3Q2017	4Q2017	1Q2018E[2]
Pier House Resort	Hurricane Irma	($520K)	$1.3mm	($0.5mm)	$1.3mm	-
Ritz-Carlton St. Thomas[1]	Hurricane Irma	($608K)	$2.8mm	($0.6mm)	$2.8mm	-
Hotel Yountville	Napa Wildfires	($227K)	$1.0mm		-	$0.8mm
Bardessono	Napa Wildfires	($273K)	$1.3mm		-	$1.0mm
		($1.6mm)	$6.4mm	($1.1mm)	$4.1mm	$1.8mm





Note:
(1) Expected to Reopen 11/1/19. BI claims can be submitted for 18 months after reopening
(2) Expected BI Recoveries for Q1 2018

Recent Developments

We have entered into a definitive agreement to acquire the 266-room Ritz-Carlton Sarasota in Sarasota, Florida for $171mm

RevPAR[1]: **$284** | TTM Cap Rate: **6%** | Stabilized Yield[2]: **8%** | IRR[3]: **10%**

Meets Defined Strategy

- Luxury Chainscale Segment
- Increases portfolio RevPAR by $5
- Replaces critically needed EBITDA
- Attractive Financial returns
- No need to raise equity

Property Financial Overview

- Hotel Net Operating Income of $10.2MM
- 12.8x Hotel EBITDA multiple
- Hotel EBITDA $13.3MM



RITZ-CARLTON SARASOTA



Property Highlights

- 26,000 sq. ft. Beach Club with 410 feet of beachfront
- Private, luxury Tom Fazio-designed Golf Club
- Award-winning 15,000 sq. ft. Ritz-Carlton Spa Club,
- Eight food and beverage outlets, including the acclaimed Jack Dusty waterfront restaurant
- 29,000 sq. ft. of flexible indoor meeting space
- Two outdoor pools
- 24-hour state-of-the-art fitness club
- Lighted tennis courts and the Ritz Kids Club

(1) TTM RevPAR at time of announcement
(2) Expected unlevered stabilized yield
(3) Underwritten unlevered IRR

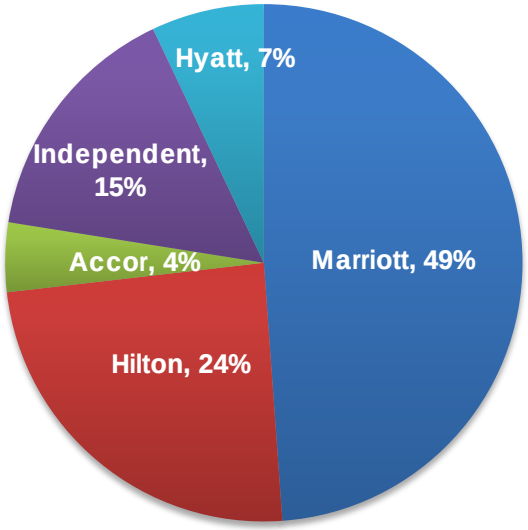
Portfolio Overview

Rooms: **3,547**[(1)]

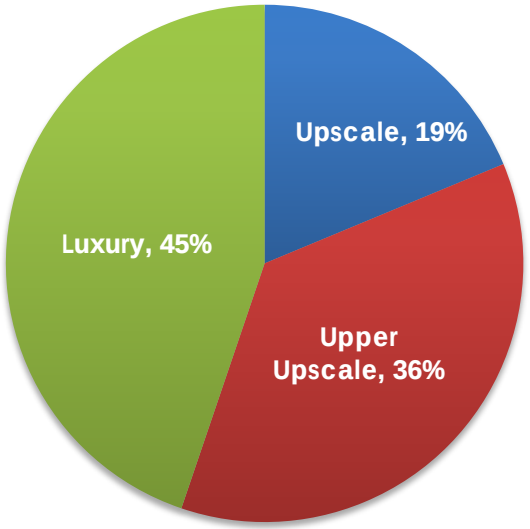
Gross Assets: **$1.7B**[(1)]

Hotels: **12**[(1)]

Brand[(1),(2)]



Chain Scale[(1),(2)]



(1) Includes pro forma data for Ritz-Carlton Sarasota, and excludes Renaissance Tampa
(2) Portfolio by Hotel EBITDA as of December 31, 2017

High-Quality Hotels in Leading Urban & Resort Markets









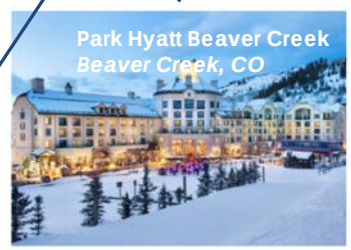


















Portfolio Detail

$243 CORE REVPAR

$219 OVERALL REVPAR

- Core **portfolio quality unparalleled** in the public lodging REIT sector
- **Geographically diversified** portfolio located in strong markets

Core	Location	Number of Rooms	TTM ADR[1]	TTM OCC[1]	TTM RevPAR[1]	TTM Hotel EBITDA[1]	*% of Total*
Bardessono	Napa Valley, CA	62	$770	77%	$593	$4,441	*3.5%*
Hotel Yountville	Napa Valley, CA	80	$544	73%	$398	$5,157	*4.1%*
Ritz-Carlton St. Thomas	St. Thomas, USVI	180	$553	80%	$442	$10,595	*8.3%*
Pier House	Key West, FL	142	$431	77%	$332	$10,982	*8.7%*
Park Hyatt Beaver Creek	Beaver Creek, CO	190	$442	61%	$271	$9,387	*7.4%*
Marriott Seattle Waterfront	Seattle, WA	361	$272	88%	$240	$16,209	*12.8%*
Capital Hilton	Washington D.C.	550	$238	89%	$211	$17,672	*13.9%*
Sofitel Chicago Magnificent Mile	Chicago, IL	415	$203	81%	$164	$5,778	*4.6%*
Hilton Torrey Pines	La Jolla, CA	394	$205	84%	$172	$14,740	*11.6%*
Total Core		**2,374**	**$297**	**82%**	**$243**	**$94,961**	***74.8%***
Non-Core							
Courtyard San Francisco Downtown[2]	San Francisco, CA	408	$270	80%	$216	$12,737	*10.0%*
Renaissance Tampa	Tampa, FL	293	$192	82%	$158	$7,002	*5.5%*
Courtyard Philadelphia Downtown[2]	Philadelphia, PA	499	$177	82%	$145	$12,221	*9.6%*
Total Non-Core		**1,200**	**$212**	**81%**	**$172**	**$31,960**	***25.2%***
Total Portfolio		**3,574**	**$268**	**82%**	**$219**	**$126,921**	***100.0%***

(1) Pro Forma TTM as of December 31, 2017
(2) Announced repositioning to Autograph Collection by Marriott
Note: Hotel EBITDA in thousands

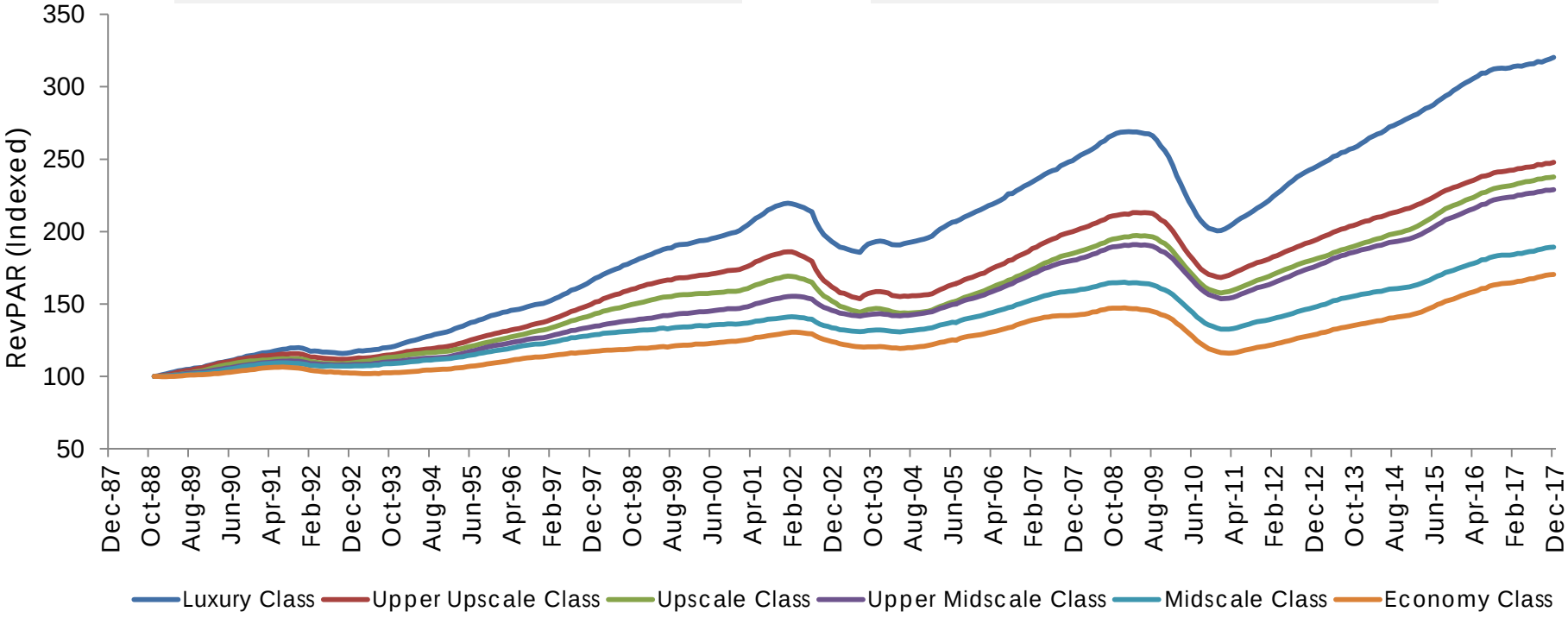
Why We Focus on Luxury

LUXURY

Greatest long-term RevPAR growth of **256%(1)**

UPPER-UPSCALE

Second greatest long-term RevPAR growth of **155%(1)**



(1) Total nominal growth from December 1987 to December 2017

Source: STR

Long-Term Trading Premium

2.0

PREMIUM EBITDA TRADING MULTIPLE (TURNS)

The top quartile of lodging REITs (by RevPAR) have consistently had higher quality assets and **traded at a premium** relative to other peers over a long-term 10 year period



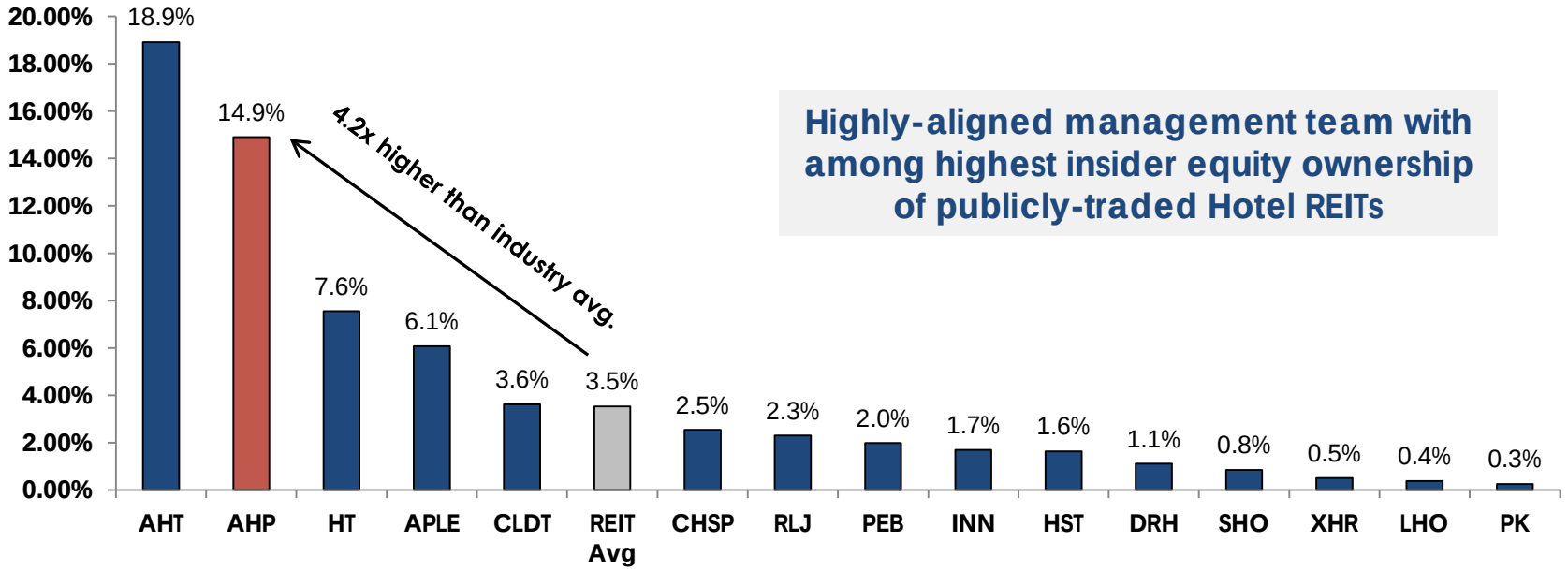
Source: STR, SNL
Top Quartile: BEE, PEB, LHO
Peers: AHT, CLDT, CHSP, DRH, FCH, HT, HPT, HST, INN, RLJ, SHO

Highly Aligned Management Team

15% Management has significant personal wealth invested in the Company

4.2x Insider ownership 4.2x higher than REIT industry average

$54mm **Total dollar value of insider ownership (as of 3/6/18)**



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

REIT Avg includes: AHT, HT, APLE, CLDT, CHSP, RLJ, PEB, INN, HST, DRH, SHO, XHR, LHO, PK
Source: Company filings
* Insider equity ownership for Ashford Prime includes direct interests and interests of related parties

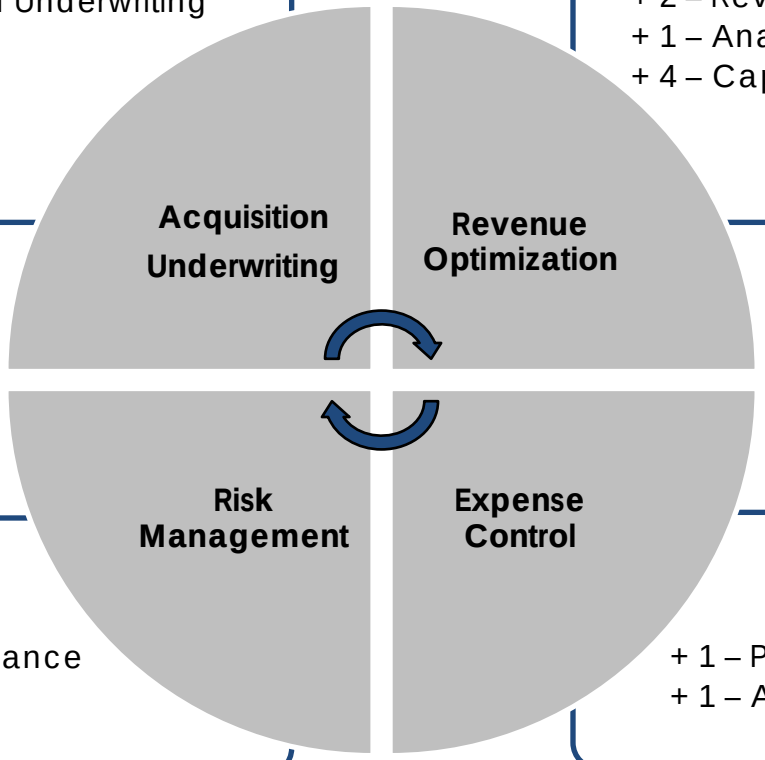
Asset Management Overview

Senior Oversight

1 – COO
8 – Asset managers
2 – Legal

+ 1 – Director of Underwriting
+ 1 – Analyst

+ 2 – Revenue Optimization
+ 1 – Analyst
+ 4 – Capex Specialists



+ 3 – Risk & Insurance
+ 1 – Analyst

+ 1 – Property Tax specialist
+ 1 – Analyst

Past Operating Performance Relative to Peers

- Prime has outperformed its REIT peers **3 of the past 4 years** (Prime results in **green**, or **red**; REIT averages in black)

	2015	2016	2017
RevPAR Growth			
	7.3%	**2.4%**	**-2.5%**
	4.2%	1.7%	-0.2%
Hotel EBITDA Growth			
	8.5%	**3.7%**	**0.2%**
	8.3%	2.5%	-2.3%

Note: Comparable Results. Peers include CHSP, PEB, DRH, LHO, and SHO.

External Growth – Luxury Markets

~260,000 total luxury hotel rooms in U.S.(1)

TOP 15 LUXURY MARKETS BY ROOMS(1)

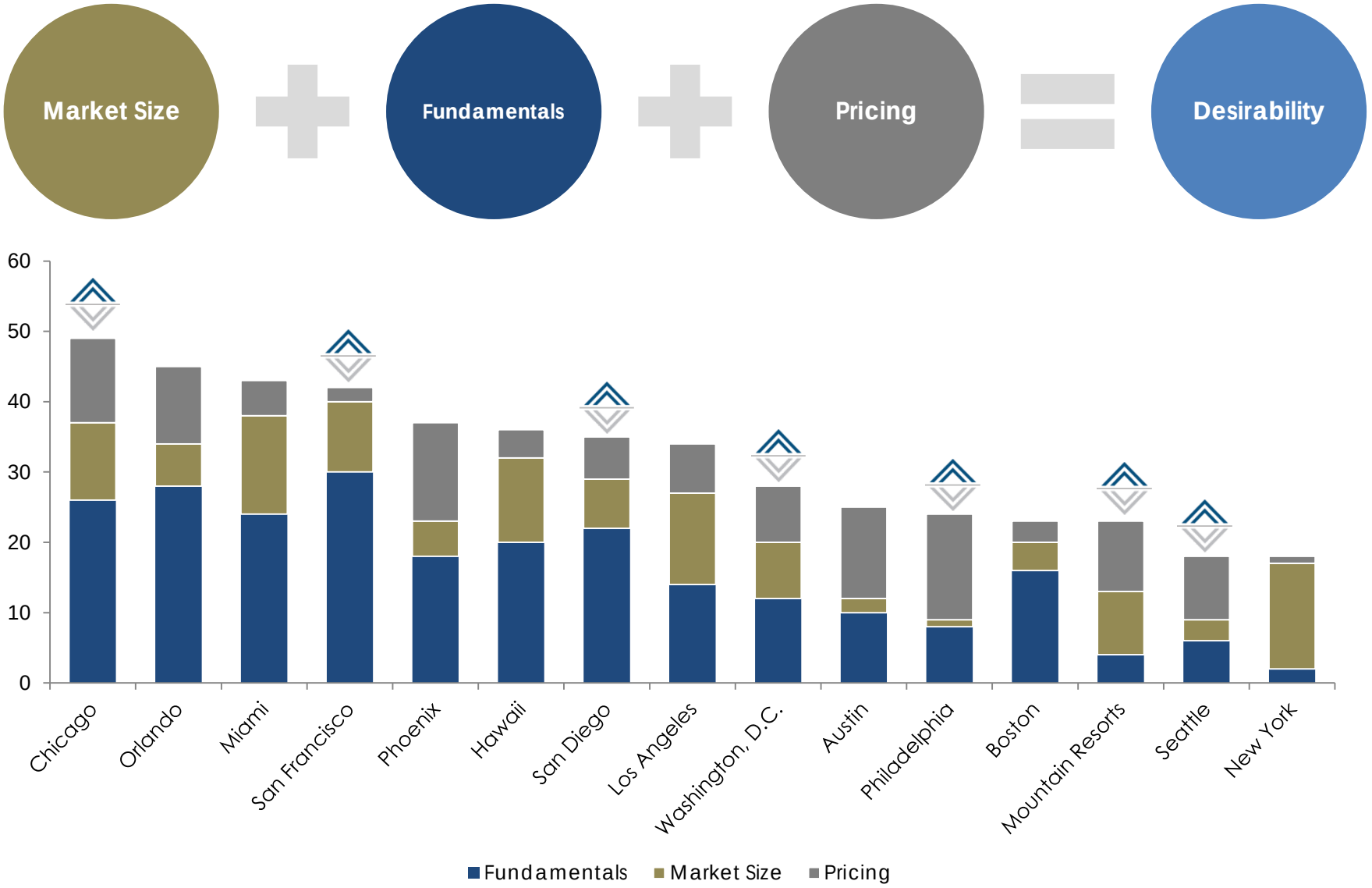
Market	Hotels	Rooms
Las Vegas	18	26,273
New York	71	17,288
Miami	51	13,132
Los Angeles	53	11,340
Hawaii	28	8,398
Chicago	40	7,920
San Francisco	22	7,795
Denver/Mountain Resorts	31	7,691
Washington DC	27	7,306
San Diego	59	6,472
Orlando	8	5,418
Phoenix	14	5,238
New Orleans	24	4,963
New Jersey	35	4,793
Atlanta	14	4,486

TOP 15 LUXURY MARKETS BY REVPAR(1)

Market	RevPAR
Hawaii	$405
New York	$348
California Central Coast	$330
Los Angeles / Long Beach	$324
San Francisco	$313
Boston	$282
Mountain Resorts	$262
Washington D.C.	$233
Austin	$223
Orlando	$220
Miami	$210
Seattle	$208
Chicago	$193
Phoenix	$181
Philadelphia	$175

(1) Based on information provided by STR for luxury class as of May 2017

Target Market Analysis(1)



(1) Based on internal analysis

Acquisition Strategy

Legacy Portfolio[1]

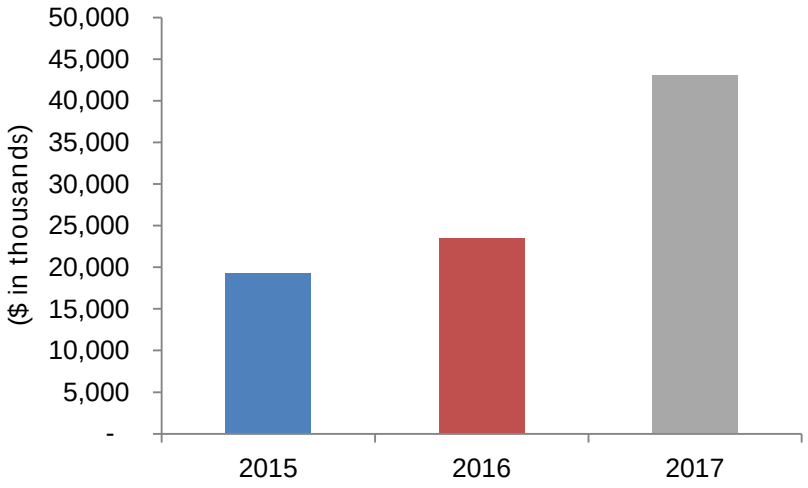
Avg NOI Yield Growth:	130 bps	Avg NOI Yield Growth Per Year:	32 bps

Acquisition Portfolio[2],[3],[4]

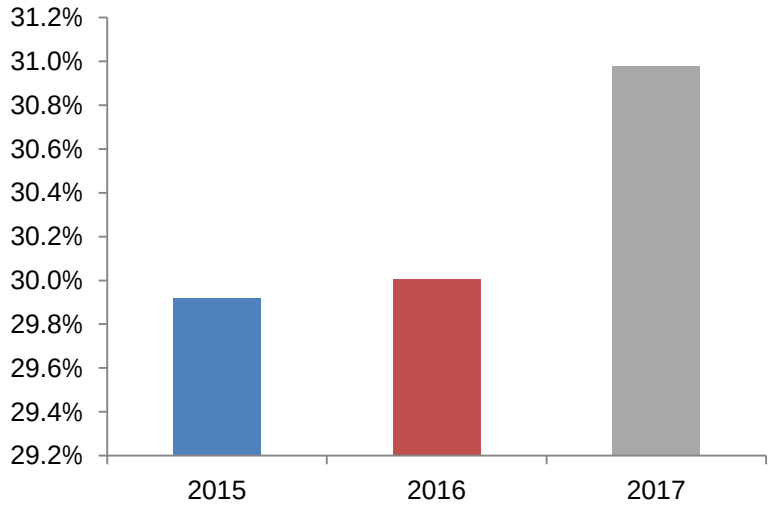
Avg NOI Yield Growth:	175 bps	Avg NOI Yield Growth Per Year:	131 bps

Acquire Luxury Assets, Focus on Expanding Margins and Increasing NOI by Aggressive Asset Management and Careful Capex Spend

Capex



Hotel EBITDA Margins

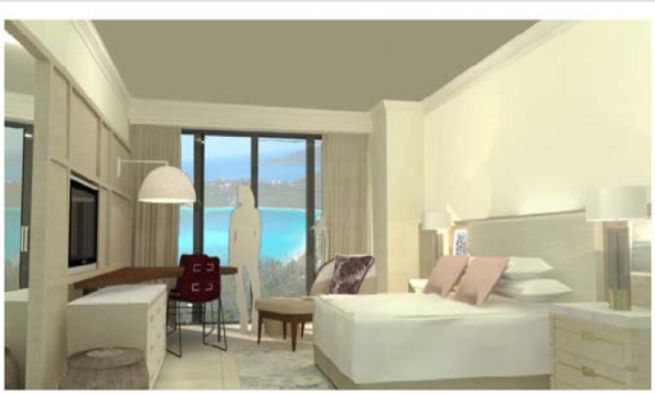


(1) NOI to gross book value from 12/31/2013 to 12/31/2017
(2) NOI to gross book value from date of acquisition to 12/31/2017
(3) Includes BI recoveries
(4) Excludes Beaver Creek and Hotel Yountville since they were acquired too recently

Case Study – The Ritz-Carlton St. Thomas

Acquired in December 2015 from Marriott for $64mm	Going-in TTM NOI cap rate of 10%	Top resort in U.S. Virgin Islands	Performance was strong due to BI recoveries in Q4





2016 (1st Full Year of Ownership)

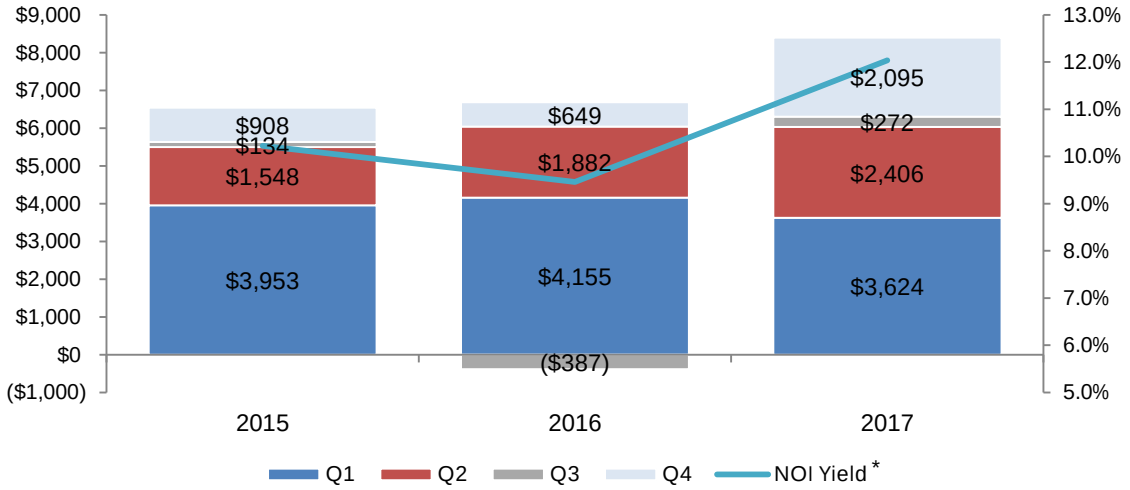
450

RPI INCREASE (BPS)

83%

HOTEL EBITDA FLOW-THROUGH

Quarterly NOI and NOI Yield



*NOI yield based on gross book value
Note: Includes $2.8mm of BI recoveries

Case Study – Pier House Resort

- Ashford Prime purchased the asset in early 2014 for $92.7mm
- Remington had recently taken over property management & has a proven ability to deliver superior results

2015

2.5%	255	86%
RPI Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through

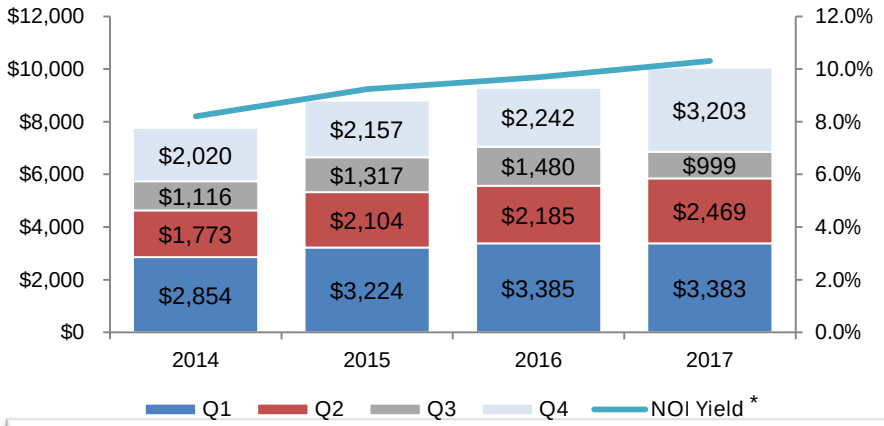
2016

4.9%	170	206%
RPI Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through

2017

0.6%	362	469%
RPI Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through

Quarterly NOI and NOI Yield





*NOI yield based on gross book value
Note: Includes $1.3mm of BI recoveries in Q4 2017

Case Study – Bardessono Hotel & Spa

- Purchased for $85 million unencumbered by management. Installed Remington as property manager
- Initial TTM cap rate was 4.6%, current yield on cost is 7.4%*

Despite California wildfire negative impact in Q4, property continues to grow yield on cost

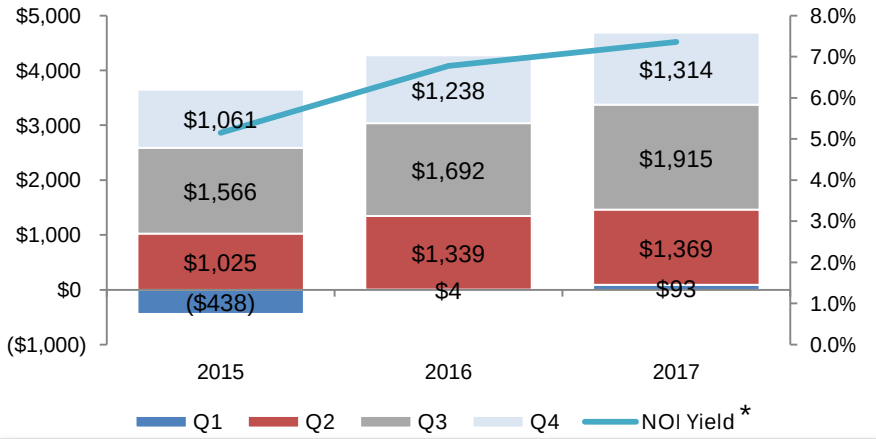
2016 (First Full Year of Ownership)

9.7%	518	242%
RevPAR Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through

2017

-4.2%	-147	52%
RevPAR Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through

Quarterly NOI and NOI Yield





*NOI yield based on gross book value
Note: 2017 Reflects $1.0mm adjustment for BI expected to be booked in Q1 2018 related to Q4 2017, which is net of deductible

Conservative Capital Structure(1)

TARGET LEVERAGE

45%

Gross Assets

Net Debt

OVERVIEW

Non-recourse debt **lowers risk profile** of the platform

Floating-rate debt provides a **natural hedge** to hotel cash flows

Maximizes flexibility in all economic environments

Long-standing **lender relationships**

DEBT PROFILE

100%	100%	0%
NON-RECOURSE DEBT	PROPERTY LEVEL, MORTGAGE DEBT	CORPORATE LEVEL DEBT

(1) As of December 31, 2017

Cash Management Strategy

10-15%	17%	$4.38
Cash to Gross Debt Target	Current Cash to Gross Debt(1)	NWC / Share

Benefits

Defend our assets at financing maturity

Opportunistic investments in severe economic downtown

Net Working Capital(1)	
Cash & Cash Equivalents	$131.8
Restricted Cash	46.1
Accounts Receivable, net	13.5
Insurance Receivable	8.8
Prepaid Expenses	3.5
Due from Affiliates, net	(1.4)
Due from Third-Party Hotel Managers, net	3.0
Investment in Ashford Inc.(2)	18.5
Total Current Assets	**$224.0**
Accounts Payable, net & Accrued Expenses	$54.1
Dividends Payable	8.1
Total Current Liabilities	**$62.3**
Net Working Capital	**$161.8**

Hilton Torrey Pines
La Jolla, CA



(1) As of December 31, 2017
(2) At market value as of 3/6/2018

Cash Flow and Dividends

Value-Add Refinancings

Expected Cash Flow Savings		Expected Cash Flow Savings		
$12mm	+	**$1mm**	=	**$13mm**
3-Pack Refi - Jan 2017		Bardessono Refi - Aug 2017		Total Expected Annual Cash Flow Savings

Long-Term Interest Rate Improvement

2017	**4.3%**
2016	4.8%
2015	4.7%
2014	5.0%
2013	5.3%

~100 bps total interest rate improvement since 2013

$45mm	6.5%	53%	37%
CAD[1],[2],[3]	Dividend Yield[4]	CAD Payout Ratio[1]	AFFO Payout Ratio[1]



(1) As of December 31, 2017
(2) GAAP reconciliation in appendix
(3) Deducts preferred dividends and actual FF&E reserve payments which are between 4% and 5% of hotel revenue and adds back amortization of loan costs
(4) As of 3/6/2018

Debt Maturities



OVERVIEW(1)

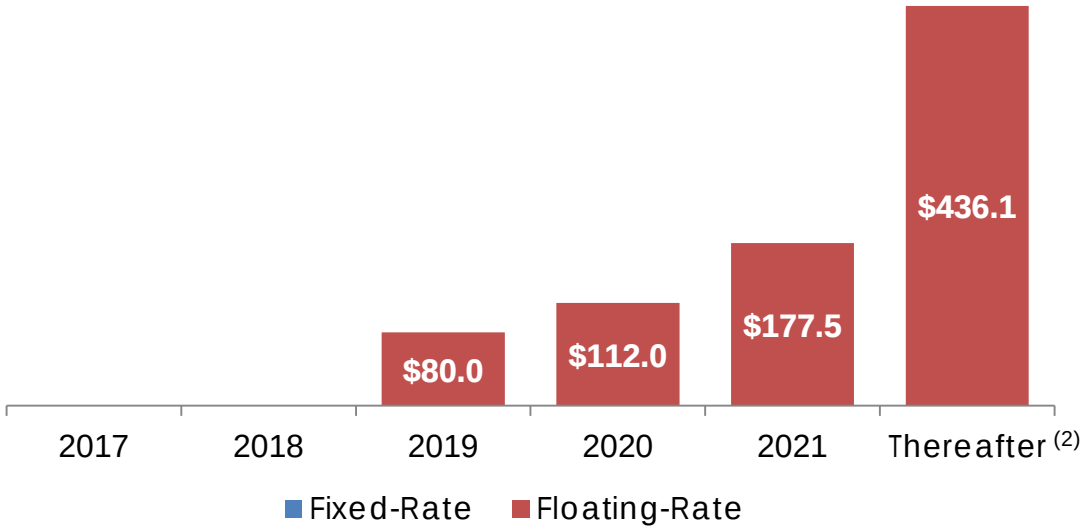
2019

NEXT HARD DEBT MATURITY

2.1x

FCCR

Laddered debt maturities



(1) As of December 31, 2017
(2) Adjusted for sale of the Marriott Plano Legacy
Note: Excludes an $8.1mm TIF note maturing in 2018

Valuation Opportunity

Valuation Opportunity

200

Discount to average peer trading cap rate (bps)

2.3

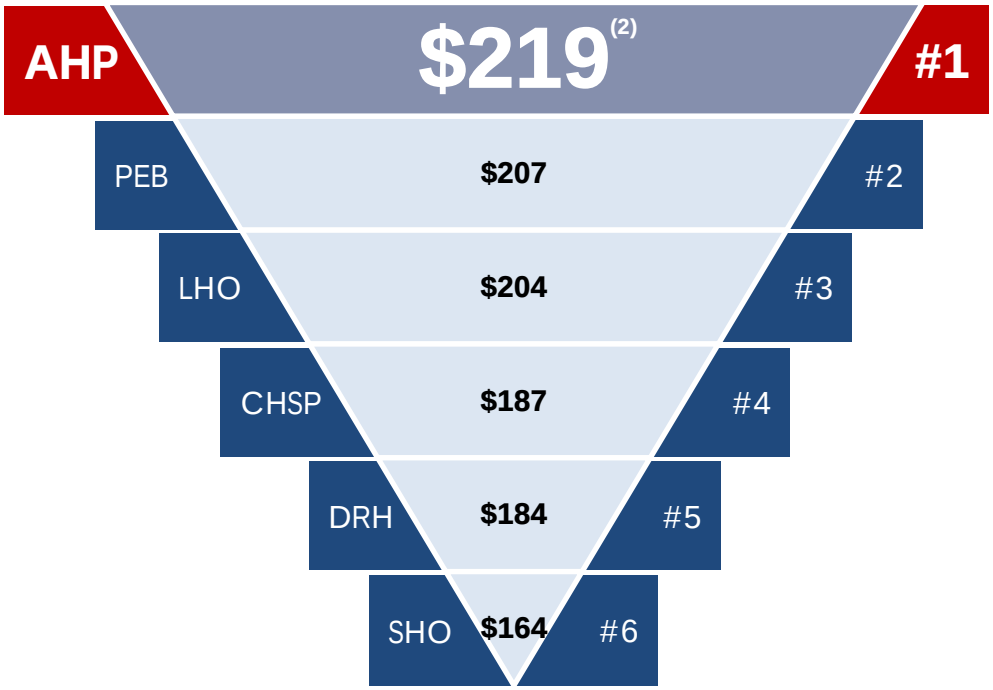
Discount to average peer trading EBITDA multiple (turns)

4.9

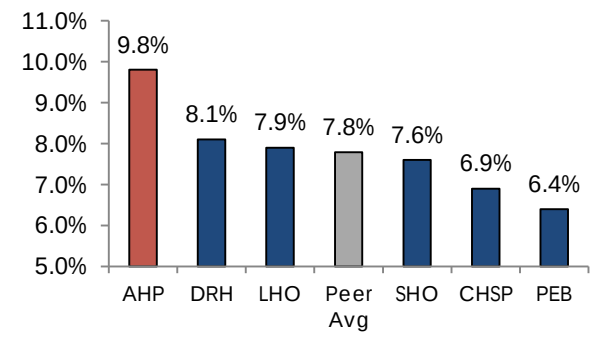
Discount to average peer trading AFFO multiple (turns)

Opportunity to capture **significant valuation upside** relative to peers and NAV

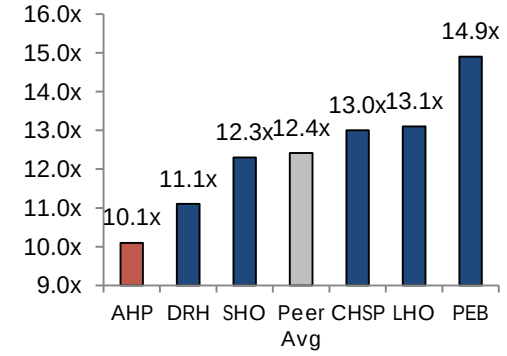
2017 Comparable RevPAR[1]



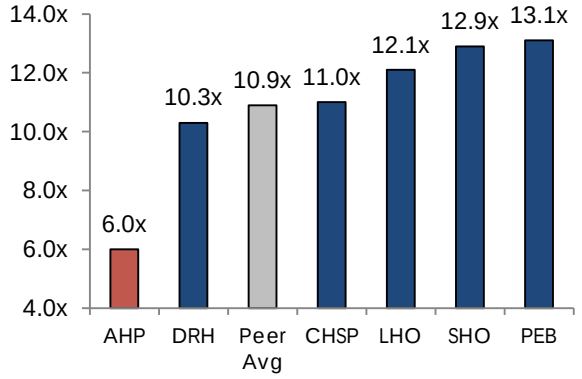
TTM Cap Rate[3]



TEV / 2018E EBITDA Multiple[3],[4]



Price / 2018E AFFO / Share Multiple[3],[4]



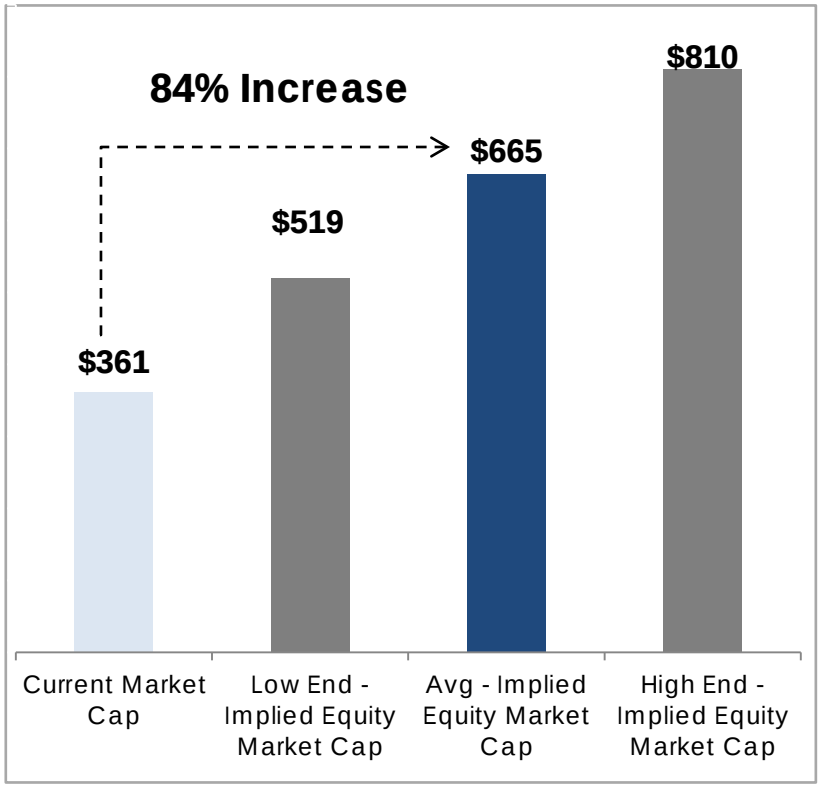
(1) As reported by company earnings releases
(2) Pro forma for acquisitions of Park Hyatt Beaver Creek and Hotel Yountville and sale of Marriott Plano Legacy
(3) As of 3/6/ 2018
(4) Based on consensus estimates

Intrinsic Value[1],[2]

Valuation Disconnect

Current Equity Market Cap[3]		Implied Equity Market Cap[4]		Implied Equity Value Upside
$361mm	≠	**$665mm**	→	**$303mm**

	Ashford Prime Portfolio *(Adjusted for Sale of Marriott Plano)*	
(mms)	**Low-End**	**High-End**
TTM NOI*[5]	$100.8	$100.8
Cap Rate[6]	8.0%	6.5%
Implied Value	**$1,261**	**$1,551**
NWC*[7],[8]	$162	$162
Preferred Equity[7]	($124)	($124)
Debt*[7]	($779)	($779)
Implied Equity Mkt Cap	**$519** --	**$810**



(1) See valuation methodology disclaimer
(2) Excludes termination fee
(3) As of 3/6/2018
(4) Based on average of estimated cap rates
(5) See GAAP reconciliation in appendix
(6) Based on current implied cap rates of publicly traded peers
(7) As of December 31, 2017; Adjusted for Hilton JV
(8) Investment in Ashford Inc. at market value as of 3/6/2018

Key Takeaways



Highest Quality Portfolio Amongst All Lodging REITs…In The Segment With Greatest Growth Trajectory



Growing Organically: Rigorous Asset Management While Mining Portfolio for Investment Opportunities



Growing Externally: Redeploying Capital into Accretive Acquisitions

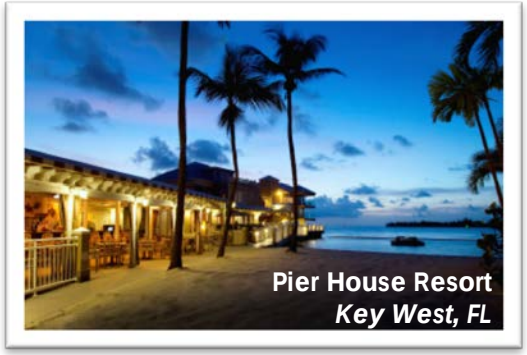


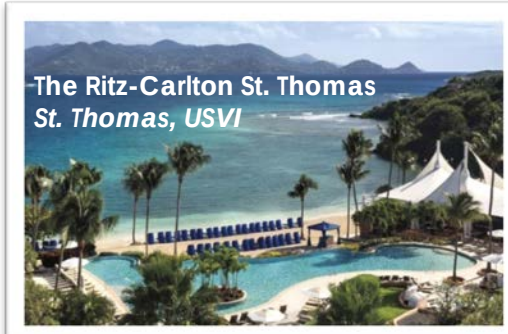
Shares Are Significantly Undervalued vs Peers

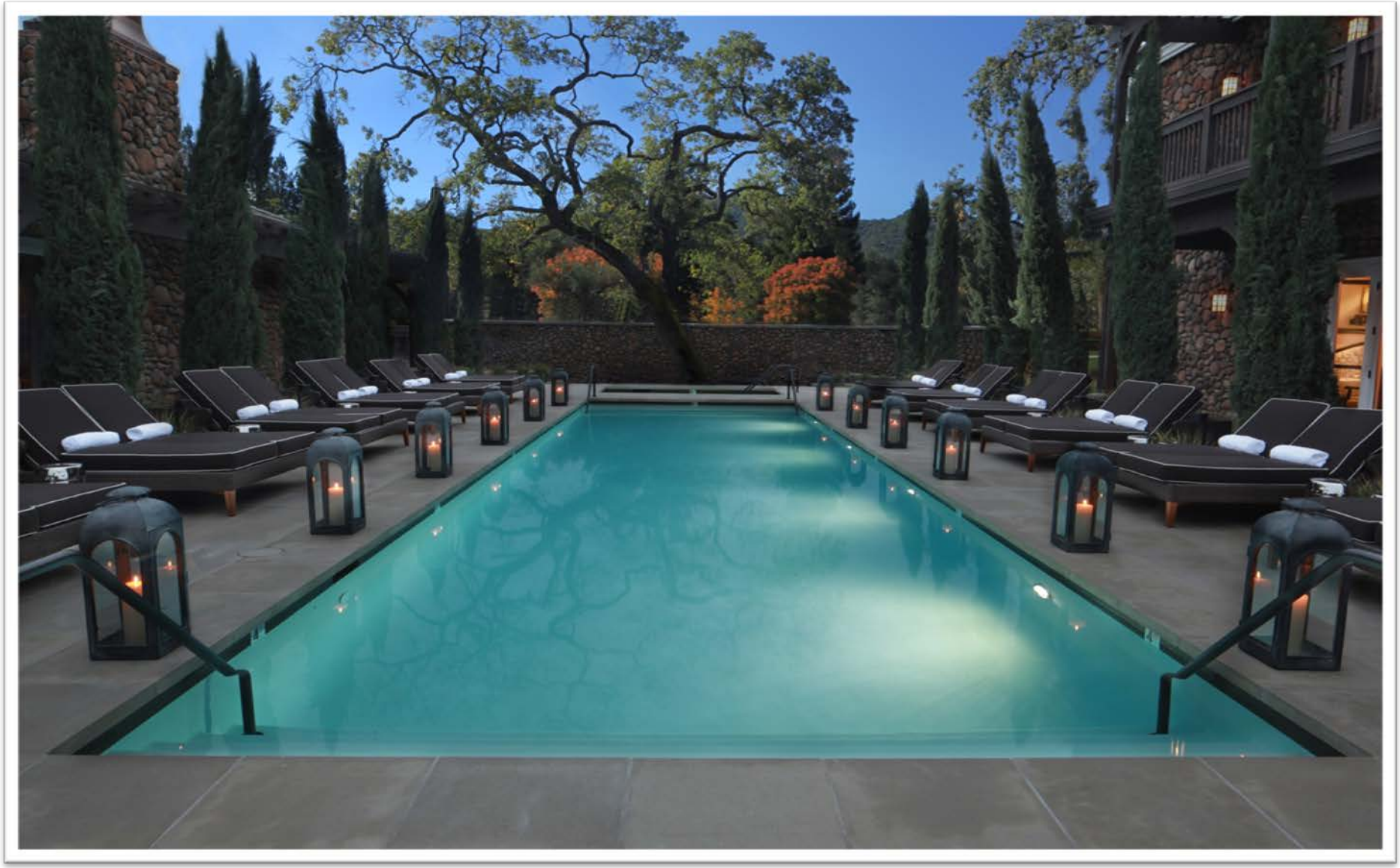


Highly Aligned Mgmt. Team That Is a Major Shareholder









Appendix

Reconciliation of Net Income (Loss) to Hotel NOI

	Year Ended December 31, 2017
Net income (loss)	$ 82,469
(Income) loss from consolidated entities attributable to noncontrolling interest	(5,176)
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	-
Net income (loss) attributable to the Company	77,293
Non-property adjustments	(22,712)
Interest income	(51)
Interest expense	9,214
Amortization of loan cost	1,018
Depreciation and amortization	52,158
Income tax expense (benefit)	(512)
Non-hotel EBITDA ownership expense	6,716
Income (loss) from consolidated entities attributable to noncontrolling interest	5,176
Hotel EBITDA including amounts attributable to noncontrolling interest	128,300
Less: EBITDA adjustments attributable to noncontrolling interest	(2,927)
(Income) loss from consolidated entities attributable to noncontrolling interest	(5,176)
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	-
Hotel EBITDA attributable to the Company and OP unitholders	$ 120,197
Non-comparable adjustments	(1,379)
Comparable hotel EBITDA	$ 126,921
FFE reserve	$ (19,264)
Comparable net operating income	$ 107,657
NOI adjustments attributable to noncontrolling interests	(6,812)
NOI attributable to the Company and OP unitholders	$ 100,845

Reconciliation of Net Income (Loss) to Cash Available for Distribution

	Year Ended December 31, 2017
Net income (loss)	$ 28,324
(Income) loss from consolidated entities attributable to noncontrolling interest	(3,264)
Net (income) loss attributable to redeemable noncontrolling interests in operating part	(2,038)
Preferred dividends	(6,795)
Net income (loss) attributable to common stockholders	16,227
Depreciation and amortization on real estate	49,361
Impairment charges on real estate	1,068
Net income (loss) attributable to redeemable noncontrolling interests in operating pa	2,038
Gain on sale of hotel property	(23,797)
FFO available to common stockholders and OP unitholders	44,897
Preferred dividends	6,795
Transaction and management conversion costs	6,774
Other (income) expense	377
Write-off of loan costs and exit fees	3,874
Unrealized (gain) loss on investments	(9,717)
Unrealized (gain) loss on derivatives	2,053
Non-cash stock/unit-based compensation	(1,327)
Legal, advisory and settlement costs	3,711
Contract modification cost	5,000
Software implementation costs	79
Uninsured hurricane related costs	3,821
Tax reform	(161)
Adjusted FFO available to the Company and OP unitholders	$ 66,176
FFE reserve (net of noncontrolling interest)	(19,336)
Preferred dividends	(6,795)
Amortizatoin of Loan costs	4,804
Cash available for distribution to the Company and OP unitholders	$ 44,849