



# ASHFORD

## NEWS RELEASE

Contact: Deric Eubanks  
Chief Financial Officer  
(972) 490-9600

Jordan Jennings  
Investor Relations  
(972) 778-9487

Joe Calabrese  
Financial Relations Board  
(212) 827-3772

### **ASHFORD ANNOUNCES ACQUISITION OF KEY WEST-BASED PROVIDER OF WATERSPORTS ACTIVITIES AND EXCURSION SERVICES**

DALLAS, July 23, 2019 - Ashford Inc. (NYSE American: AINC) (“Ashford” or the “Company”) today announced that one of its Hospitality Products and Services companies, RED Hospitality & Leisure (“RED Hospitality”), has completed the acquisition of substantially all of the assets of Sebago, a leading provider of watersports activities and excursion services based in Key West, Florida for approximately \$2.5 million in cash and \$4.5 million of Ashford common stock (excluding transaction costs and working capital adjustments). Based on unaudited financials provided by the seller, Sebago’s Adjusted EBITDA for the trailing twelve-month period ended April 30, 2019 was \$1.6 million. The implied Adjusted EBITDA multiple based on the total purchase price is 4.4x which the Company believes represents an attractive potential return on investment. After giving effect to the transaction, Ashford will own an approximately 84% interest in the common equity of RED Hospitality. Sebago’s existing management team, including its General Manager, VP of Operations, and Marketing Director, will retain their titles and report to the existing management of RED Hospitality.

With over 25 years of operating history, Sebago provides watersports activities and excursion services in the Key West market. Sebago’s watersports activities and excursion services include sunset sails, reef snorkeling, kayak tours, jet ski tours, and all-day adventure tours combining the best of all their excursion products. Sebago has a leading brand with 3 of the top 5 tours ranked on TripAdvisor. Sebago’s sales booths are well-located across the Key West market, and they have ideal dock locations for marketing and boarding the company’s tours in the Key West Bight marina – a hub of tourism centrally located in Key West. Based on local regulations, significant barriers to entry exist to enter into this competitive market including the transfer of boat slips, the supply of boat slips for commercial use, and physical limitations to expanding the Key West Bight marina. The Company believes the brand recognition, existing employee base, lead time to replicate existing assets, and other significant barriers to entry support Sebago’s

competitive advantage and future growth potential.

“This transaction represents the next phase of growth for RED Hospitality expanding into other strategic markets and becoming a leading regional provider of travel and tourism entertainment services in the hospitality industry,” commented Chris Batchelor, President of RED Hospitality. “We look forward to integrating Sebago’s operating experience and track record of success to maintain our dedicated focus on customer service and support the tremendous growth we see for our company.”

“We continue to use our hospitality and management experience to identify and invest in unique businesses and are excited to integrate our deep operating experience with the customer service and professional quality of Sebago,” said Monty J. Bennett, Ashford’s Chairman and Chief Executive Officer. “We believe that we have structured this transaction in a way that is very attractive to us. The transaction required very little corporate cash, and the equity component was structured in a way that allows us to protect our cost of capital. Sebago provides a great opportunity for us to expand RED Hospitality’s service offerings into the Key West market, and we are excited about its future growth prospects.”

Additional details on the transaction, including the collar structure of the equity component, will be provided in a Company 8-K filing.

Ashford provides global asset management, investment management and related services to the real estate and hospitality sectors.

Follow Chairman and CEO Monty Bennett on Twitter at [www.twitter.com/MBennettAshford](https://www.twitter.com/MBennettAshford) or @MBennettAshford.

Ashford has created an Ashford App for the hospitality REIT investor community. The Ashford App is available for free download at Apple’s App Store and the Google Play Store by searching “Ashford.”

**Ashford Inc.**  
**Sebago**  
**Reconciliation of Net Income to Adjusted EBITDA <sup>(1)</sup>**  
**(unaudited, in thousands)**

	<b>Twelve Months Ended</b>	
	<b>April 30, 2019</b>	
<b>Net Income</b>	\$	1,033
Interest expense		39
<b>EBITDA</b>		1,072
Acquisition adjustments <sup>(2)</sup>		534
<b>Adjusted EBITDA</b>	\$	1,606

- (1) All information in this table is based upon unaudited operating financial data provided by the seller. This data has not been audited or reviewed by the Company's independent registered public accounting firm. The financial information presented could change.
- (2) Adjustments to reflect proforma expenses primarily related to compensation and benefits of the former owners.

**Forward Looking Statements**

*Certain statements and assumptions in this press release 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," "can," "anticipate," "estimate," "should," "expect," "believe," "intend," or similar expressions, we intend to identify forward-looking statements. Such statements are subject to numerous assumptions and uncertainties, many of which are outside Ashford's 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: changes in the business or operating prospects of RED Hospitality; adverse litigation or regulatory developments; our success in implementing our business development plans of integrating RED Hospitality's and Sebago's businesses and realizing the expected benefits of the transactions; 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.*

*The forward-looking statements included in this press release are only made as of the date of this press release. 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.*