



**BRAEMAR**  
HOTELS & RESORTS

**May 2021**



# 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, the degree and nature of our competition, legislative and regulatory changes, including changes to the Internal Revenue Code of 1986, as amended (the "Code"), and related rules, regulations and interpretations governing the taxation of REITs; and limitations imposed on our business and our ability to satisfy complex rules in order for us to qualify as a REIT for federal income tax purposes. 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 (loss) before interest expense and amortization of loan costs, depreciation and amortization, income taxes, equity in (earnings) loss of unconsolidated entity and after the Company's portion of EBITDA of OpenKey. In addition, we excluded impairment on real estate, (gain) loss on insurance settlement and disposition of assets and Company's portion of EBITDA of OpenKey from EBITDA to calculate EBITDA for real estate, or EBITDA<sub>re</sub>, as defined by NAREIT. 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 Hotel EBITDA 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 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 Braemar Hotels & Resorts Inc. or any of its respective affiliates, and may not be relied upon in connection with the purchase or sale of any such security.

Our business has been and will continue to be materially adversely affected by the impact of, and the public perception of a risk of, a pandemic disease. In December 2019, a novel strain of coronavirus (COVID-19) was identified in Wuhan, China, which has subsequently spread to other regions of the world, and has resulted in increased travel restrictions and extended shutdown of certain businesses in affected regions, including in nearly every state in the United States. Since late February, we have experienced a significant decline in occupancy and RevPAR and we expect the significant occupancy and RevPAR reduction associated with the novel coronavirus (COVID-19) to likely continue as we are recording significant reservation cancellations as well as a significant reduction in new reservations relative to prior expectations. The continued outbreak of the virus in the U.S. has and will likely continue to further reduce travel and demand at our hotels. The prolonged occurrence of the virus has resulted in health or other government authorities imposing widespread restrictions on travel or other market impacts. The hotel industry and our portfolio have and we expect will continue to experience the postponement or cancellation of a significant number of business conferences and similar events. At this time those restrictions are very fluid and evolving. We have been and will continue to be negatively impacted by those restrictions. Given that the type, degree and length of such restrictions are not known at this time, we cannot predict the overall impact of such restrictions on us or the overall economic environment. In addition, even after the restrictions are lifted, the propensity of people to travel and for businesses to hold conferences will likely remain below historical levels for an additional period of time that is difficult to predict. We may also face increased risk of litigation if we have guests or employees who become ill due to COVID-19.

As such, the impact these restrictions may have on our financial position, operating results and liquidity cannot be reasonably estimated at this time, but the impact will likely be material. Additionally, the public perception of a risk of a pandemic or media coverage of these diseases, or public perception of health risks linked to perceived regional food and beverage safety has materially further adversely affected us by reducing demand for our hotels. These events have resulted in a sustained, significant drop in demand for our hotels and could have a material adverse effect on us.

Prior to investing in Braemar, potential investors should carefully review Braemar's periodic filings with the Securities and Exchange Commission, including, but not limited to, Braemar's most current Form 10-K, Form 10-Q and Form 8-K's, including the risk factors included therein.



# Management Team



**RICHARD J. STOCKTON**  
*Chief Executive Officer &  
President*

- 23 years of hospitality experience
- 4 years with the Company
- 15 years with Morgan Stanley
- Cornell School of Hotel Administration BS
- University of Pennsylvania MBA



**DERIC S. EUBANKS, CFA**  
*Chief Financial Officer*

- 20 years of hospitality experience
- 17 years with the Company
- 3 years with ClubCorp
- CFA charterholder
- Southern Methodist University BBA



**JEREMY J. WELTER**  
*Chief Operating Officer*

- 15 years of hospitality experience
- 10 years with the Company (5 years with the Company's predecessor)
- 5 years with Stephens Investment Bank
- Oklahoma State University BS



# Post COVID-19 Strategic Initiatives



**Conserve Liquidity**



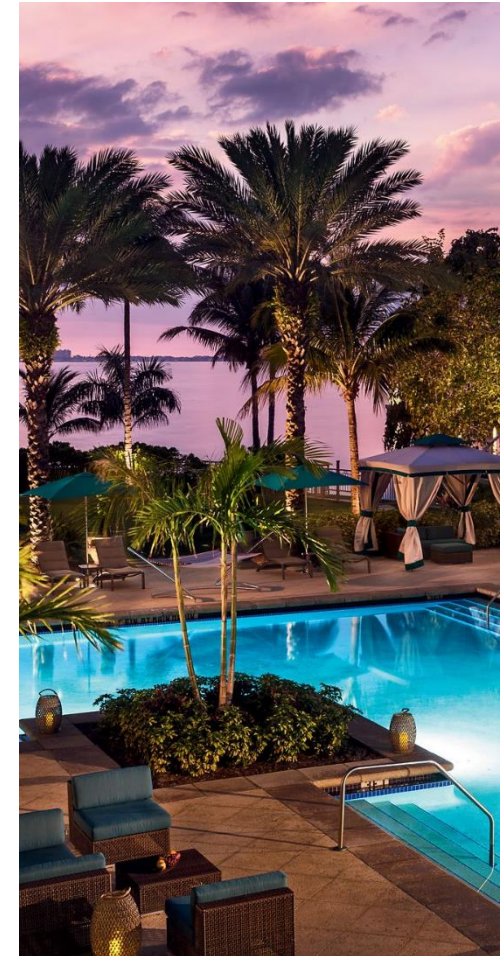
**Manage the Balance Sheet**



**Return to Profitability**



**Grow the Portfolio**



**Ritz-Carlton Sarasota**

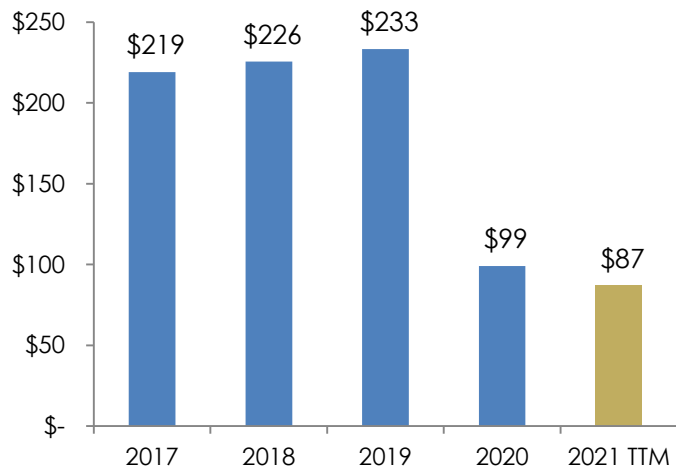


# 2021 Q1 Hotel Operating Results

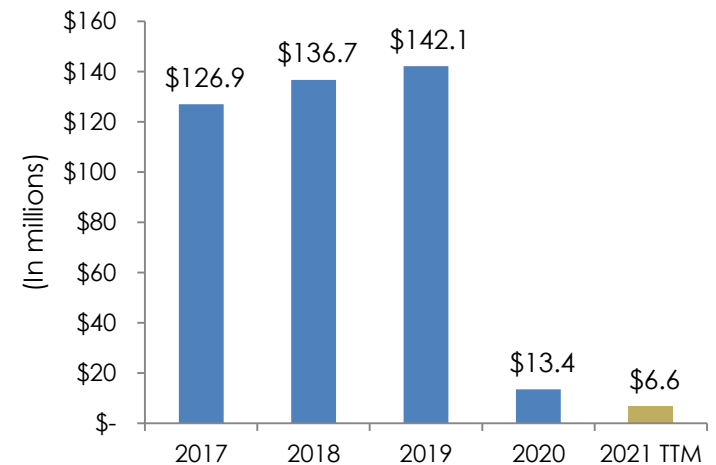


Comparable Hotel Operating Results <sup>(1)(4)(5)</sup>	2021 Q1	2020 Q1	% Variance
ADR	\$ 433.43	\$ 345.88	25.3%
Occupancy	36.9%	59.8%	(38.3)%
RevPAR	\$ 159.97	\$ 206.90	(22.7)%
Total Hotel Revenue <sup>(2)</sup>	\$ 83,848	\$ 117,382	(28.6)%
Hotel EBITDA <sup>(2)</sup>	\$ 20,499	\$30,306	(24.9)%
Hotel EBITDA Margin	24.5%	23.3%	1.2%

## COMPARABLE REVPAR<sup>(3)(4)</sup>



## COMPARABLE HOTEL EBITDA<sup>(3)(4)</sup>



(1) Includes: Bardessono, Hotel Yountville, Ritz-Carlton St. Thomas, Pier House, Marriott Seattle Waterfront, Capital Hilton, Sofitel Chicago, Hilton Torrey Pines, The Clancy, The Notary Hotel, Park Hyatt Beaver Creek, Ritz-Carlton Lake Tahoe and Ritz-Carlton Sarasota

(2) In thousands

(3) As reported in Earnings Releases: 2017 as reported on 2/28/2018; 2018 as reported on 2/27/2019; 2019 as reported on 2/26/2020 ; as reported on 02/25/2021

(4) Due to the economic effects of the COVID-19 pandemic on the Company, the lodging industry and the broader economy, the information provided should not be relied upon as an accurate representation of the current or future financial condition or performance of the Company

(5) Total Hotel Revenue, RevPAR, Occupancy and ADR do not include the operations of ten condominium units not owned by the Lake Tahoe Ritz-Carlton



# 2021 Q1 Highlights and Results

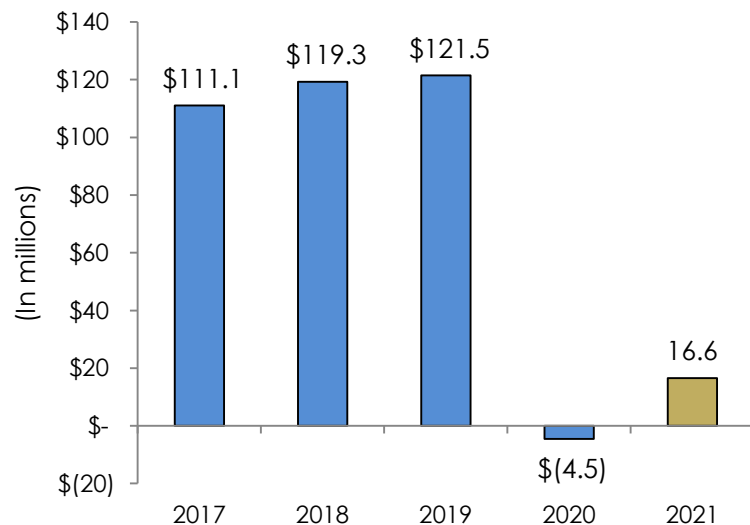


## Quarter Highlights

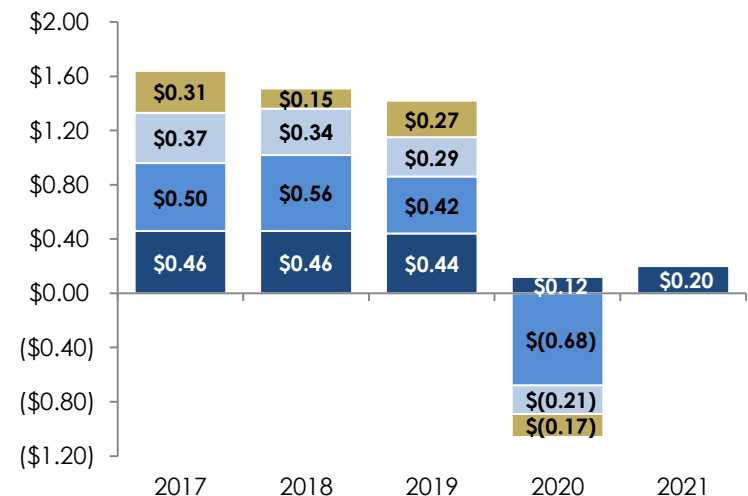
- Net loss attributable to common stockholders for the quarter was \$11.2 million or \$0.28 per diluted share.
- Comparable RevPAR for all hotels decreased 22.7% to \$159.97 during the quarter on a 25.3% increase in ADR and a 38.3% decrease in occupancy.
- Adjusted funds from operations (AFFO) was \$0.20 per diluted share for the quarter compared to \$0.12 in the prior year quarter, an increase of 67%.
- Adjusted EBITDAre was \$16.6 million for the quarter.
- Comparable Hotel EBITDA was \$20.5 million for the quarter.
- Capex invested during the quarter was \$4.7 million.

## Full Year Highlights

### ADJUSTED EBITDAre



### AFFO PER SHARE





# High Quality Assets

Situated in High Barrier to Entry Leisure and Urban Markets



**Hotel Yountville**  
Yountville, CA



**The Ritz-Carlton Lake Tahoe**  
Truckee, CA



**Marriott Seattle Waterfront**  
Seattle, WA



**Sofitel Chicago Magnificent Mile**  
Chicago, IL



**The Notary Hotel**  
Philadelphia, PA



**Bardessono Hotel & Spa**  
Yountville, CA



**The Clancy**  
San Francisco, CA



**Hilton La Jolla Torrey Pines**  
La Jolla, CA



**Park Hyatt Beaver Creek**  
Beaver Creek, CO



**Pier House Resort & Spa**  
Key West, FL



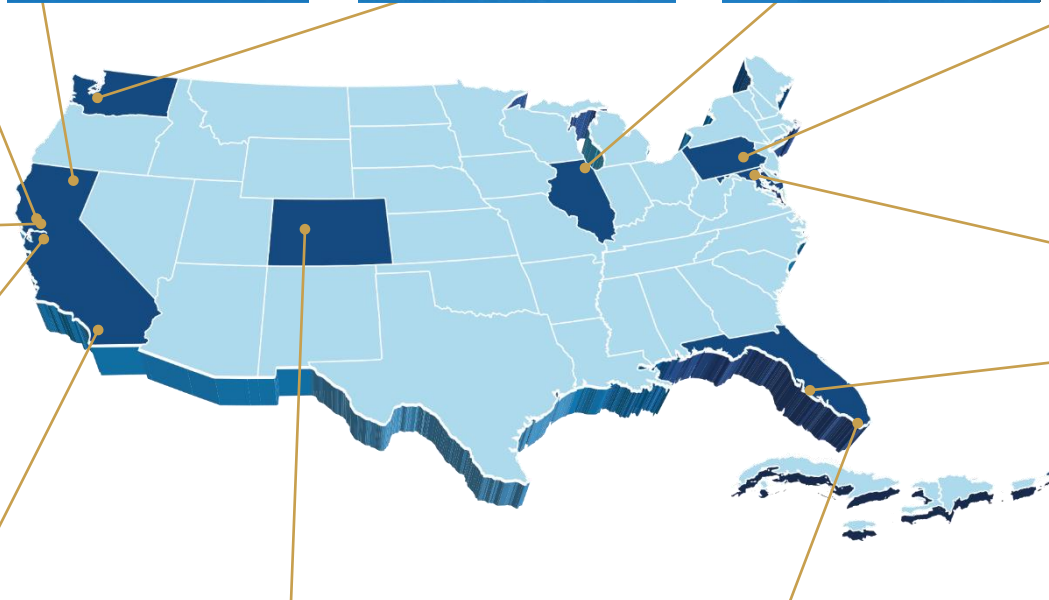
**Capital Hilton**  
Washington, D.C.



**The Ritz-Carlton Sarasota**  
Sarasota, FL



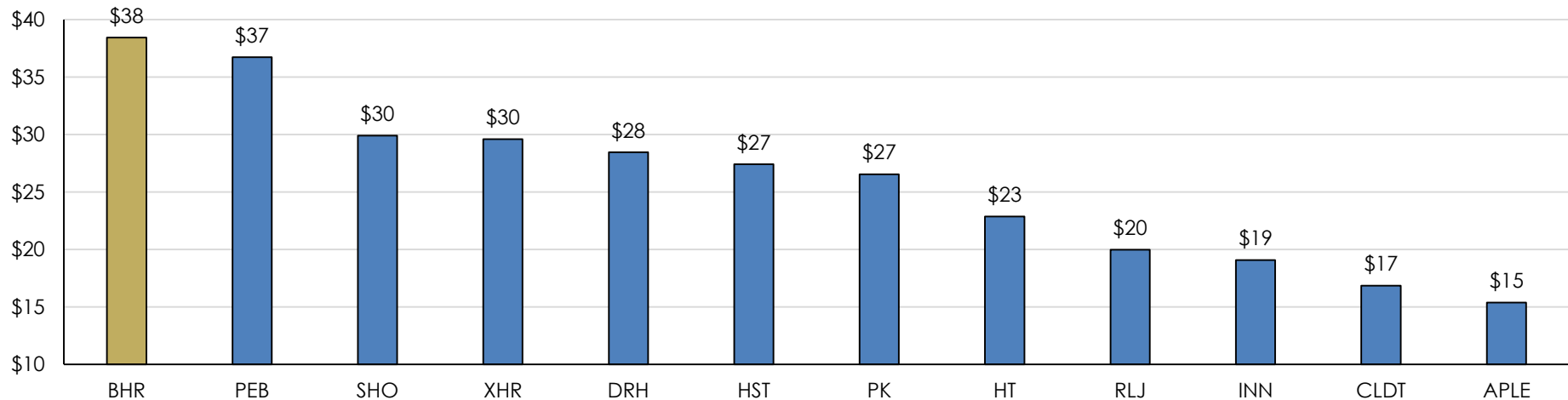
**The Ritz-Carlton St. Thomas**  
St. Thomas, USVI



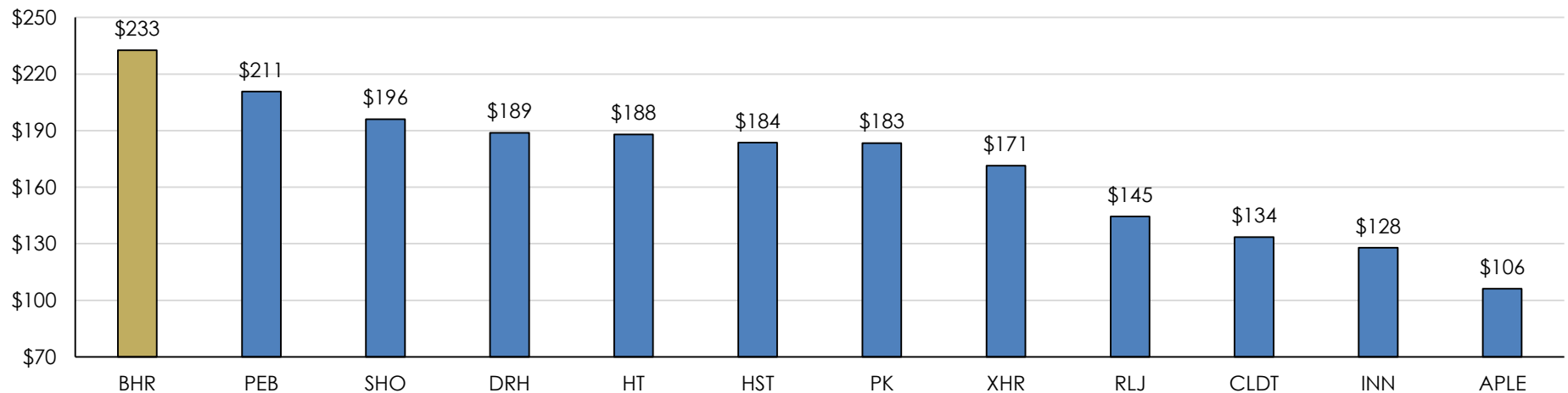


# Highest EBITDA Per Room & RevPAR

## 2019 EBITDA Per Room



## 2019 RevPAR





# TripAdvisor Rating by Company

## Braemar Tops the List – February 2021



### RAYMOND JAMES

US RESEARCH | PUBLISHED BY  
RAYMOND JAMES & ASSOCIATES

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FEBRUARY 5, 2021 | 11:00 AM EST  
INDUSTRY BRIEF

#### Lodging Portfolios Through The Eyes of TripAdvisor: 2021 Update

##### Highlights:

- The highest average portfolio-wide guest satisfaction score among lodging REITs
- CorePoint's largely La Quinta-branded portfolio continues to show improvement
- Xenia, Apple, and DiamondRock own the highest rated hotels
- Hersha and Pebblebrook possess the highest rated service hotels
- DiamondRock and Braemar's portfolio shows improvement over the last year time periods; Chatham, Hersha

**Summary:** We believe that occasional investors better understand the company's success (or lack thereof) in capital markets environment vs. prior years, as the industry (barely) holding up the industry's decisions of leisure travelers. The iterations were published in the industry.

##### Key takeaways from our research:

- A TripAdvisor 4-star rating is a strong indicator of guest satisfaction, regardless of other factors which uses a 100-point scale.
- Select service hotels generally have higher ratings (trend), perhaps reflecting modern amenities you mean you are out of Russian.
- Wyndham still has a ways to go with nearly all La Quinta branded properties. La Quinta brand ranked last (28) among all La Quinta's average rating has improved that efforts to de-flag poorer quality hotels, the margins, improving consumer perception, average positive guest score of 66%. Admittedly,

- Among REIT owned hotels, a trio of Hilton brands sit at the top of the rankings. Doubletree, Embassy Suites, and Hilton Garden Inn. The Hilton and Embassy Suites brands saw their scores deteriorate modestly over 2- and 7-year periods. This suggests Embassy Suites, once (and still?) deemed a category killer, appears to be resting on its past success, at least in the eyes of guests/reviewers. Embassy Suites properties seem to not yet be benefiting from product refreshment efforts. Marriott's challenged Sheraton brand ranks 25 of 28 while Marriott's Gaylord brand ranks second to last (mega-sized hotels have far more "touch points" where things can go wrong as discussed and, with 70%+ of demand from groups, the intent of the stay often does not involve "fun"). Both brands have moved backward over the 2-year period. Marriott just introduced the first of several completely refreshed properties in an effort to regain the domestic relevance it once possessed. That said, the beauty of a broad brand portfolio is that Hilton and Marriott brands also dominate the top of the rankings.

Please read domestic and foreign disclosure/risk information beginning on page 22 and Analyst Certification on page 22.

INTERNATIONAL HEADQUARTERS: THE RAYMOND JAMES FINANCIAL CENTER | 880 CARILLON PARKWAY | ST. PETERSBURG FLORIDA 33716

### TripAdvisor Ratings by Lodging REIT<sup>(1)</sup>

COMPANY (SYMBOL)	HOTELS	ROOMS	PER HOTEL	REVIEWS	AVG TRIPADVISOR		RATING <sup>(2)</sup>
					AVG ROOMS	TOTAL TRIPADVISOR	
					REVIEWS PER		
					ROOM	HOTEL	
Braemar (BHR)	13	3,722	286	26,884	7.2	2,068	84%
Apple (APLE)	235	30,023	128	155,654	5.2	662	83%
Xenia (XHR)	35	10,012	286	66,029	6.6	1,887	82%
Summit (INN)	72	11,288	157	56,313	5.0	782	81%
Pebblebrook (PEB)	53	13,226	250	117,744	8.9	2,222	81%
Sunstone (SHO)	17	9,017	530	43,875	4.9	2,581	80%
DiamondRock (DRH)	30	9,600	320	53,169	5.5	1,772	80%
Host (HST)	74	44,639	603	218,650	4.9	2,955	79%
Hersha (HT)	48	7,582	158	59,820	7.9	1,246	79%
Chatham (CLDT)	133	18,260	137	74,239	4.1	558	77%
Ashford (AHT)	103	22,619	220	96,951	4.3	941	75%
RLJ (RLJ)	104	22,742	219	133,560	5.9	1,284	73%
Park (PK)	60	33,228	554	208,078	6.3	3,468	72%
Ryman (RHP)	7	10,110	1,444	30,225	3.0	4,318	67%
CorePoint (CPLG)	220	29,113	132	162,851	5.6	740	63%
<b>TOTAL/AVG</b>	<b>1,204</b>	<b>275,181</b>	<b>229</b>	<b>1,504,042</b>	<b>5.5</b>	<b>1,249</b>	<b>77%</b>

(1) Source: TripAdvisor, Raymond James Research  
(2) Room count-weighted average



# Portfolio Q1 2021 Performance



Core Assets	Location	Market Type	Number of Rooms	Q1 2021			
				Occ%	ADR	RevPAR	Hotel EBITDA
Ritz-Carlton St. Thomas	St. Thomas, USVI	Fly-to Leisure	180	78.6%	\$1,040.97	\$818.31	\$7,505
Ritz-Carlton Sarasota	Sarasota, FL	Drive-to Leisure	266	75.5%	\$595.66	\$449.78	\$7,362
Pier House	Key West, FL	Drive-to Leisure	142	84.0%	\$519.91	\$436.84	\$4,246
Ritz-Carlton Lake Tahoe	Truckee, CA	Drive-to Leisure	170	61.8%	\$684.81	\$423.10	\$2,837
Park Hyatt Beaver Creek	Beaver Creek, CO	Drive-to Leisure	190	64.3%	\$580.05	\$373.13	\$4,458
Bardessono	Napa Valley, CA	Drive-to Leisure	65	43.1%	\$698.63	\$300.95	\$206
Hotel Yountville	Napa Valley, CA	Drive-to Leisure	80	32.6%	\$433.50	\$141.49	(\$101)
Hilton Torrey Pines	La Jolla, CA	Drive-to Leisure	394	32.3%	\$140.49	\$45.39	(\$772)
Capital Hilton	Washington, D.C.	Urban	550	27.8%	\$147.77	\$41.04	(\$848)
Sofitel Chicago Magnificent Mile	Chicago, IL	Urban	415	23.6%	\$161.05	\$38.01	(\$1,192)
The Clancy	San Francisco, CA	Urban	410	22.8%	\$135.96	\$31.02	(\$1,787)
Marriott Seattle Waterfront	Seattle, WA	Urban	361	16.9%	\$163.59	\$27.65	(\$637)
The Notary Hotel	Philadelphia, PA	Urban	499	19.7%	\$140.55	\$27.64	(\$778)
<b>Total Portfolio</b>			<b>3,722</b>	<b>36.9%</b>	<b>\$433.43</b>	<b>\$159.97</b>	<b>\$20,499</b>



Hilton Torrey Pines

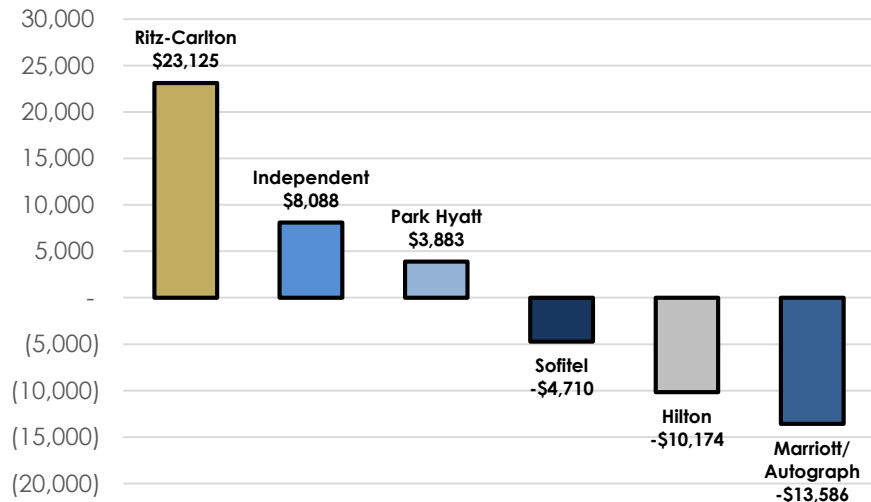


# EBITDA By Brand, Class, and Market

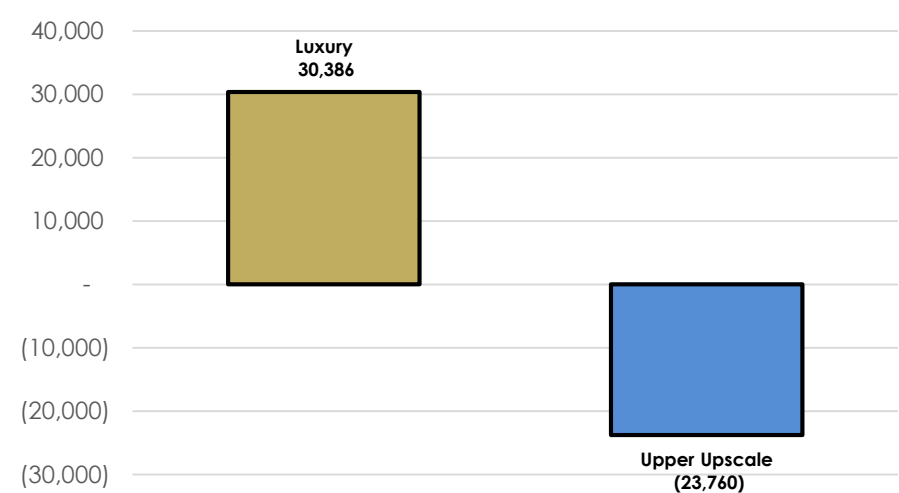
High Exposure to Luxury Asset Class and Resort Markets



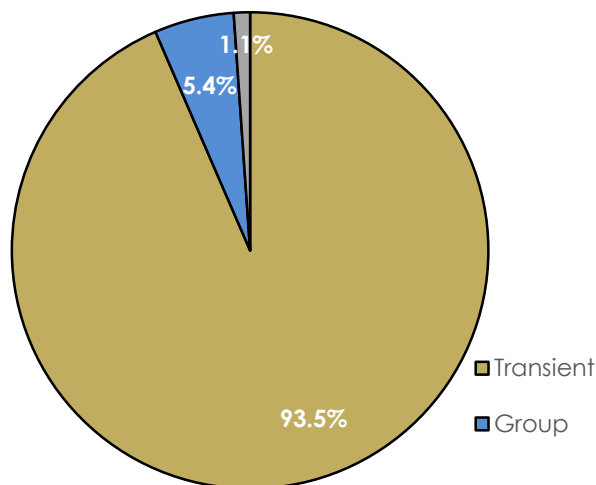
## 2021 Q1 TTM Hotel EBITDA by Brand<sup>(1)</sup>



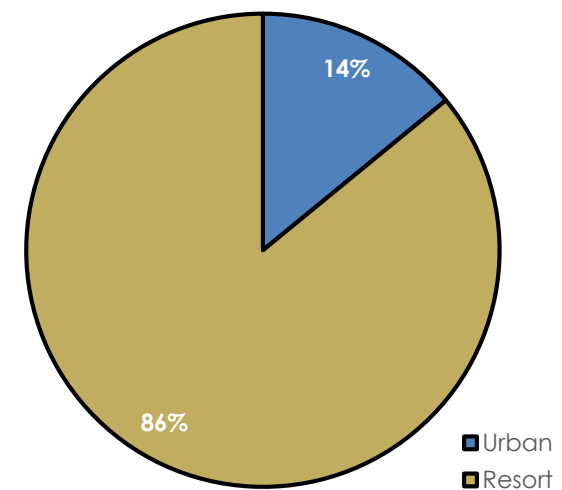
## 2021 Q1 TTM Hotel EBITDA by Class<sup>(1)</sup>



## 2021 Q1 TTM Room Revenue<sup>(1)</sup>



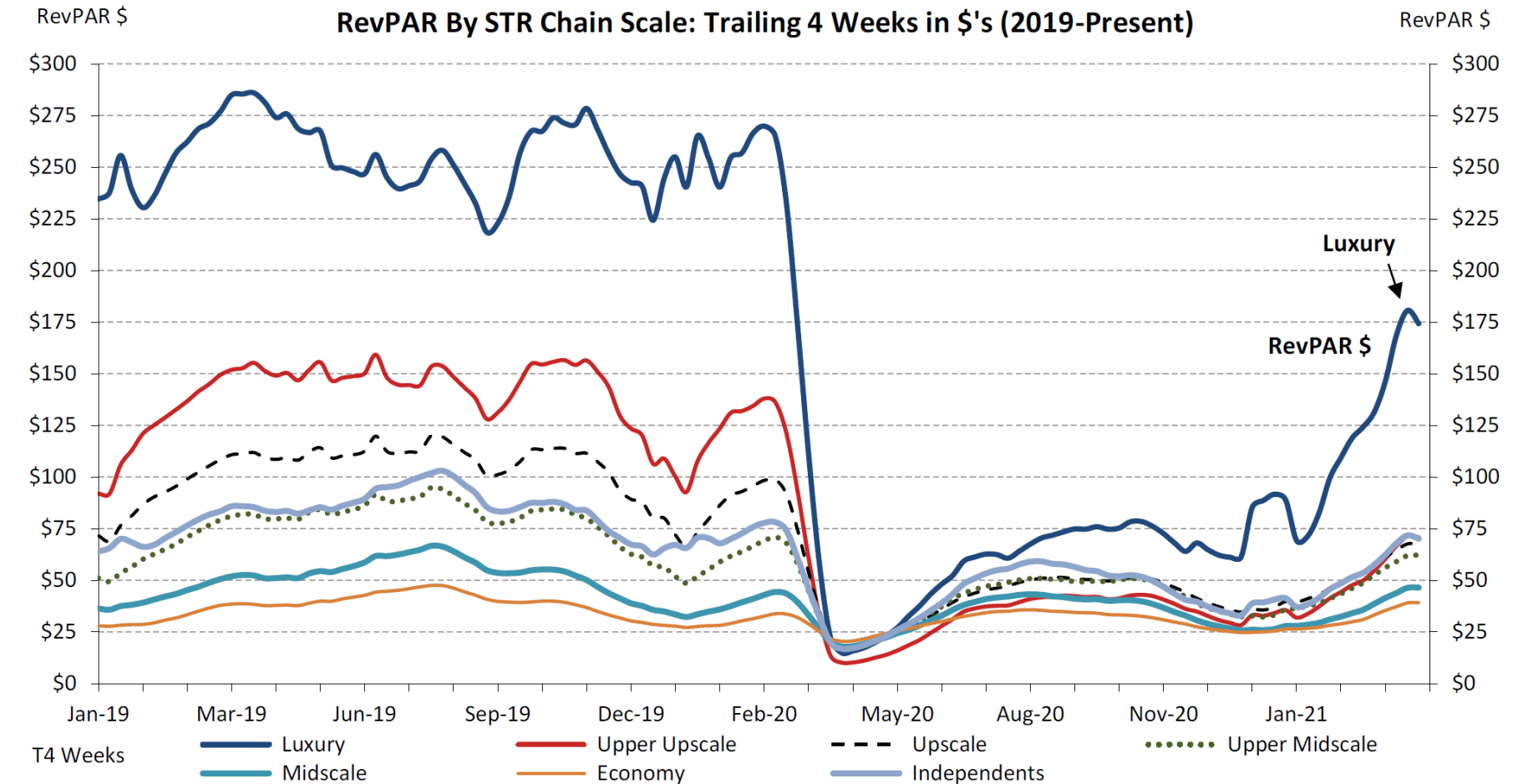
## 2021 Q1 TTM Room Revenue by Location<sup>(1)</sup>



(1) Comparable TTM as of 3/31/2021, see appendix for a reconciliation of TTM hotel net income (loss) to hotel TTM EBITDA



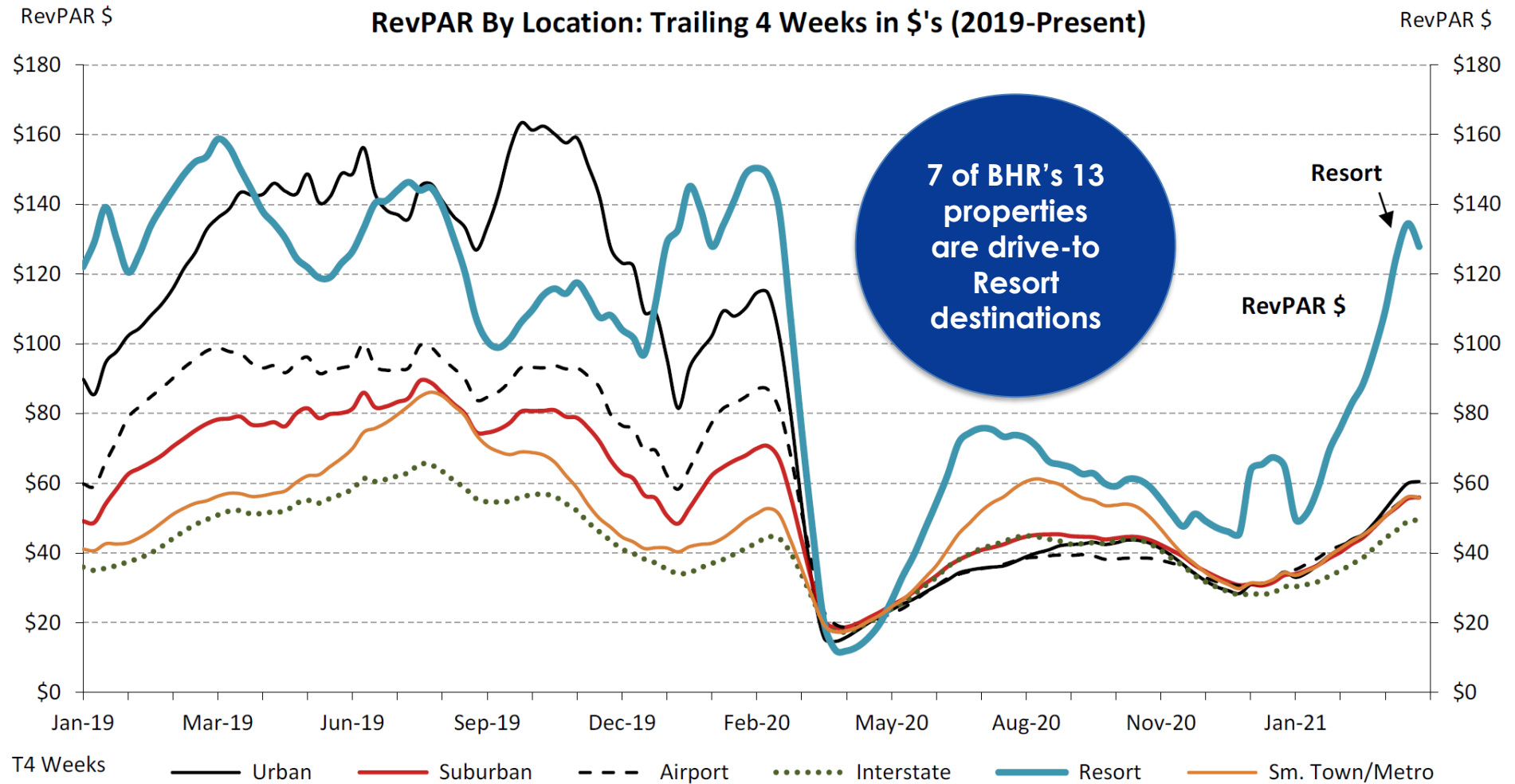
# Luxury Asset Class Recovering Rapidly



Source: B. Riley Securities and STR, a CoStar company



# Resort Markets Outperforming



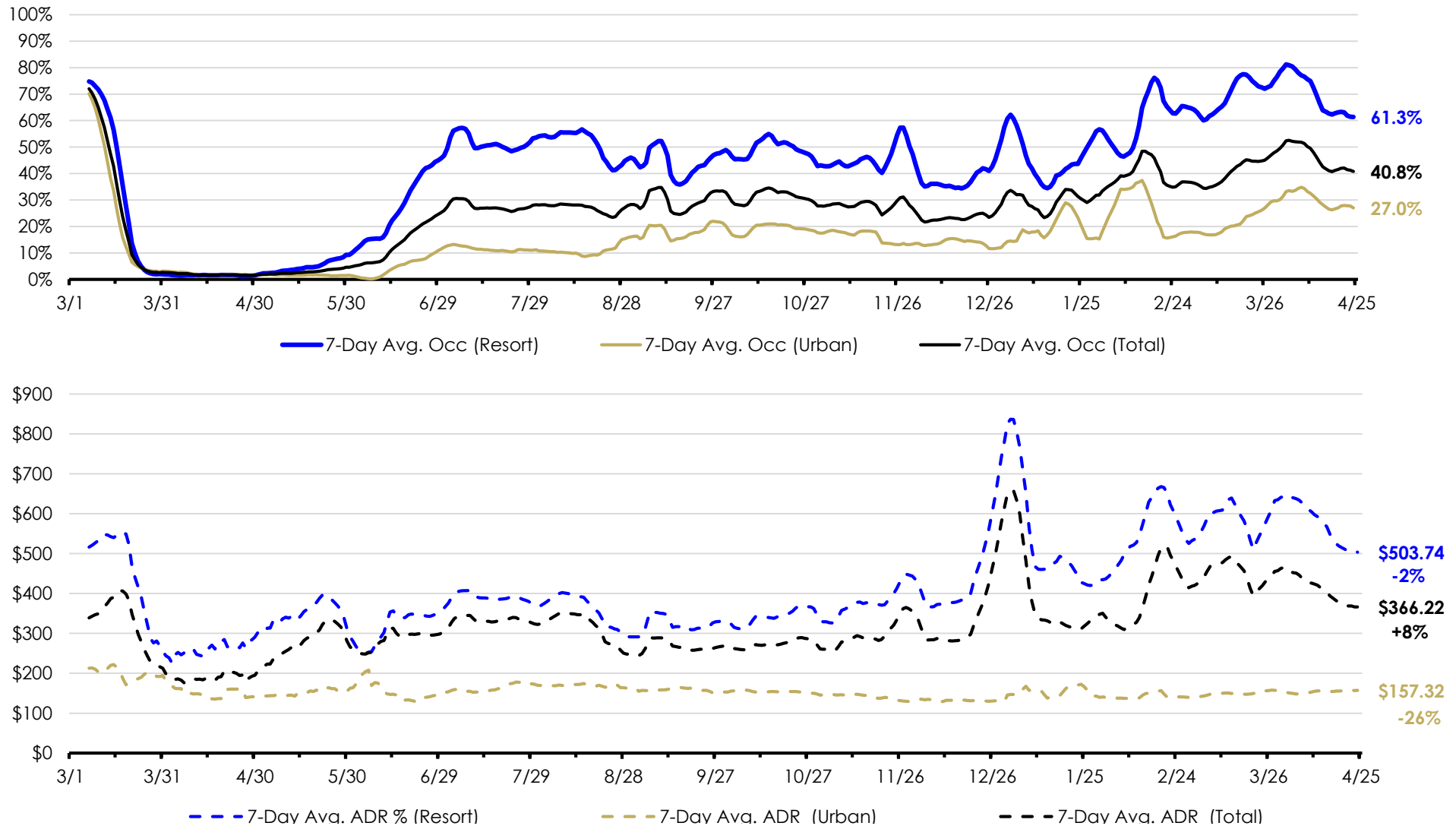
Source: B. Riley Securities and STR, a Costar Company



# Portfolio Resort Exposure Lifts Performance



## Occupancy and ADR Ramping Up – 03/1/20 to 04/24/21

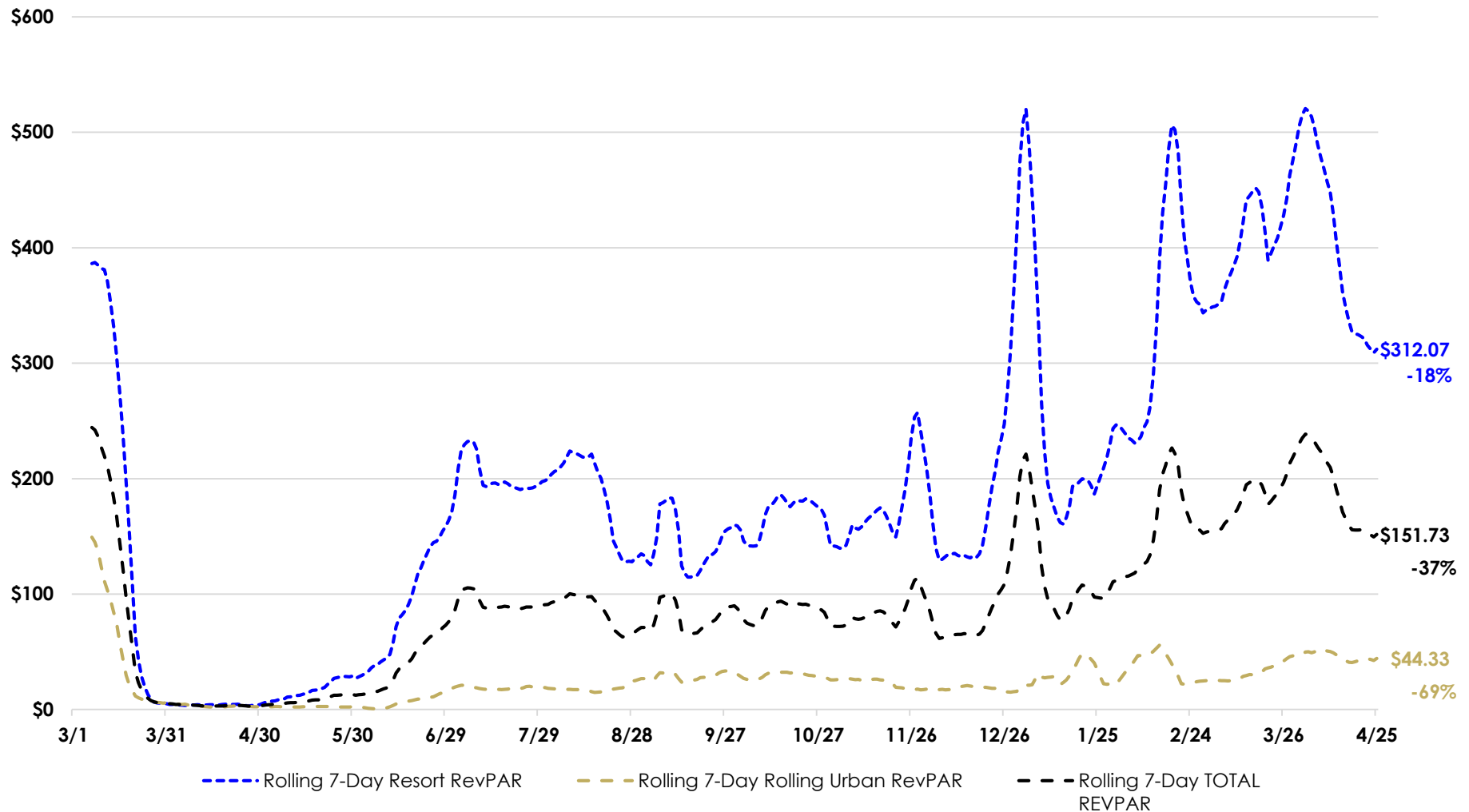


**Resort:** Bardessono, Hotel Yountville, Ritz-Carlton St. Thomas, Pier House, Hilton Torrey Pines, Park Hyatt Beaver Creek, Ritz-Carlton Lake Tahoe and Ritz-Carlton Sarasota  
**Urban:** The Clancy, The Notary Hotel, Marriott Seattle Waterfront, Capital Hilton, and Sofitel Chicago



# Portfolio Resort Exposure Lifts Performance

## Rolling 7-Day RevPAR – 03/1/20 to 04/24/21



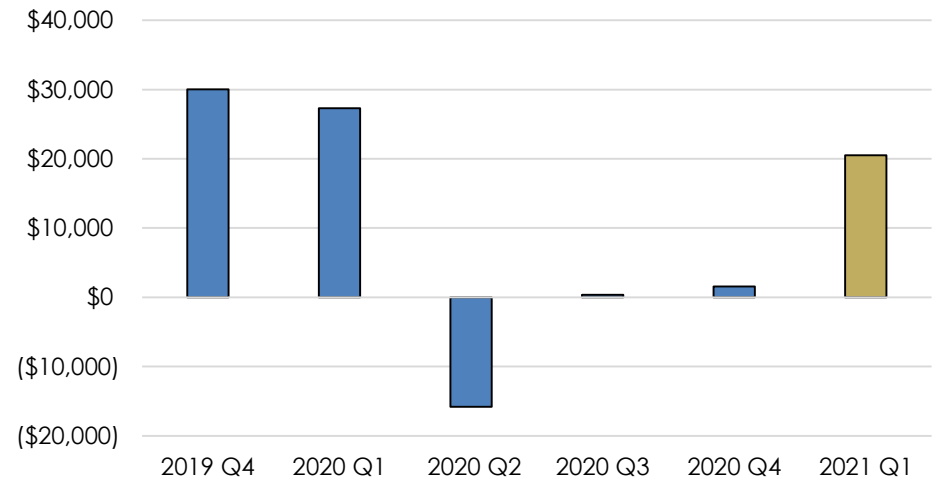


# Strong Asset Class and Strategic Market Exposure Position Portfolio for Potential Rapid Recovery

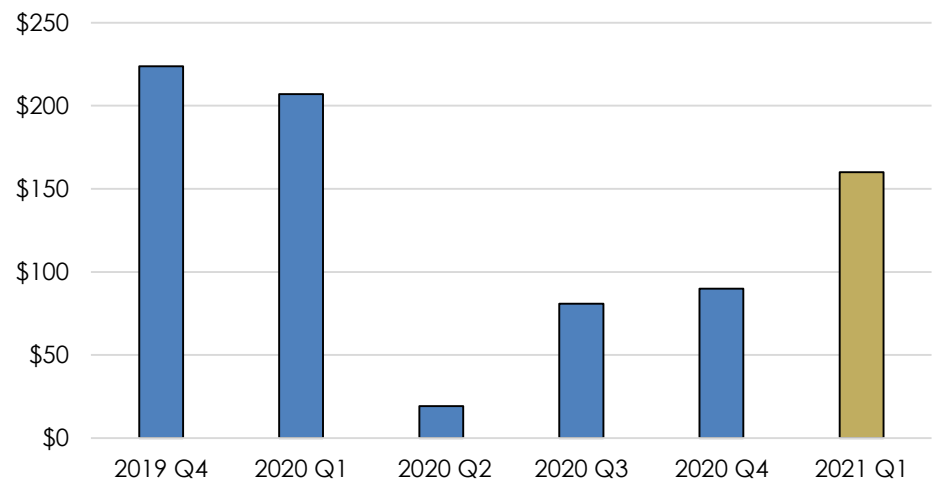


Ritz-Carlton Lake Tahoe

### Quarterly EBITDA ( In Thousands)



### Quarterly RevPAR





# Reduced New Supply Estimates

## DECLINING ESTIMATED GROSS SUPPLY GROWTH<sup>(1)(2)</sup>



The Clancy

NEXT 12  
MONTHS

NEXT 13-24  
MONTHS

**PRE-COVID**  
*As of Feb-2020*

**+2.3%**

**+2.0%**

**CURRENT**  
*As of Mar-2021*

**+1.5%**  
**+0.3%<sup>(3)</sup>**

**+2.0%**  
**+0.3%<sup>(3)</sup>**

(1) Source: Smith Travel Research  
(2) Weighted by revenue exposure by market  
(3) Weighted by revenue exposure by tract



# Current Liquidity<sup>(1)</sup>

## CASH POSITION

CASH & CASH  
EQUIVALENTS

**\$85.7M**

RESTRICTED CASH

**\$39.3M**

DUE FROM 3<sup>RD</sup>  
PARTY MANAGERS

**\$18.6M**

**TOTAL CASH**

**\$143.6M**

## POSITIVE OPERATING CASH FLOW<sup>(2)</sup>

ADJ. EBITDARE

**\$16.6M**

INTEREST EXPENSE

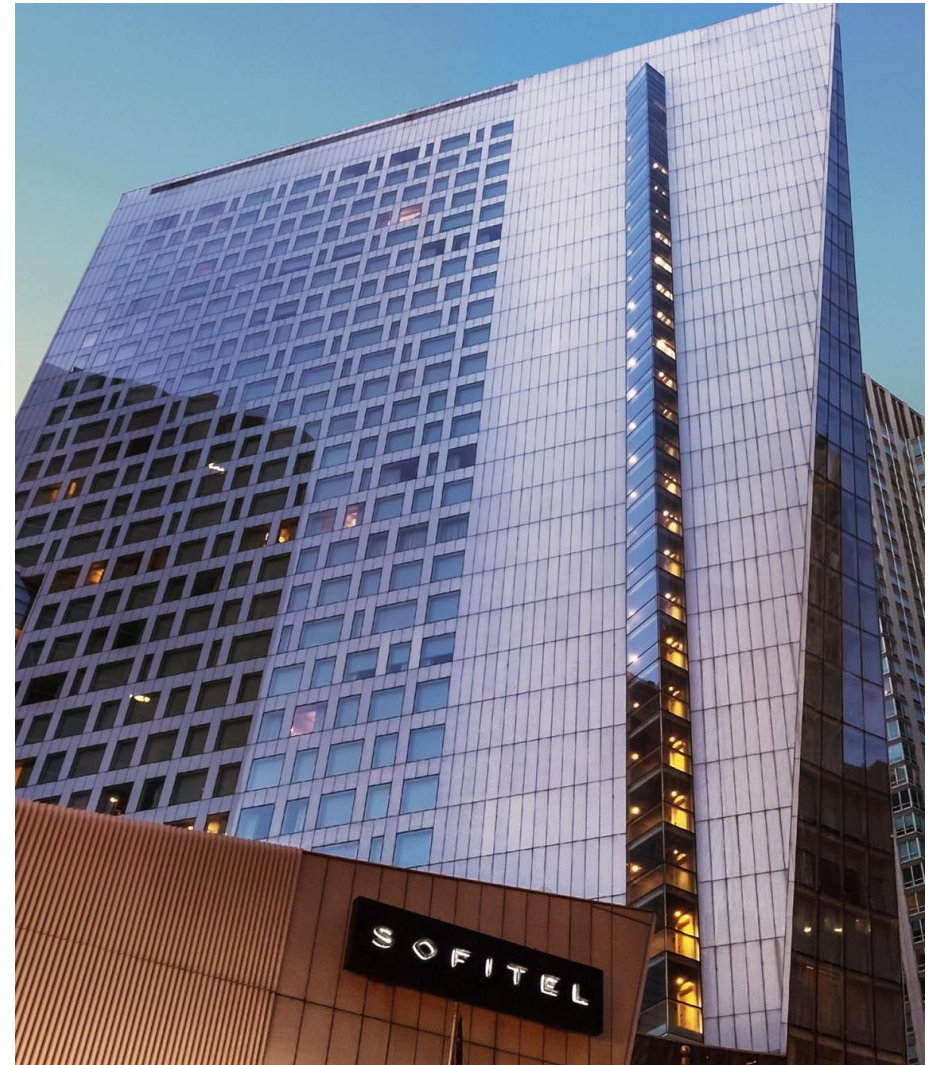
**(\$6.0M)**

PREFERRED DIVIDENDS +  
CAPEX

**(\$7.1M)**

**CASH FLOW**

**~\$3.5M**



Sofitel Chicago

(1) As of 3/31/21  
(2) Q1 2021

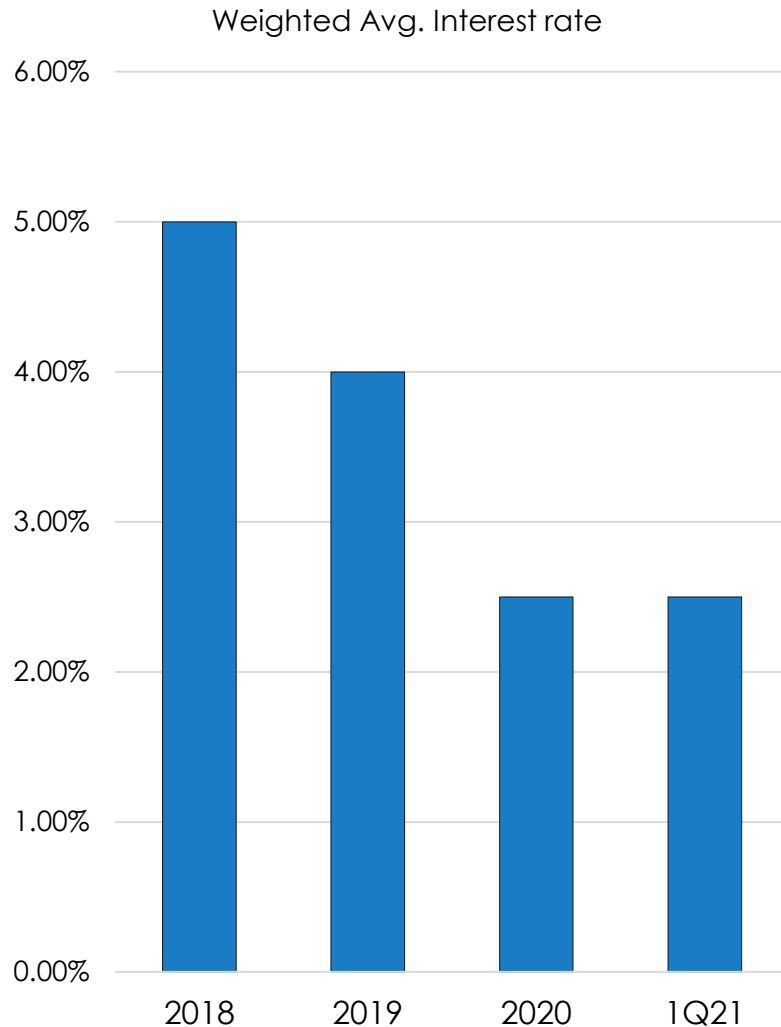


# Leverage Strategy

Well Designed to Handle Pandemic Impact



## Overview



Delever to **35%** Net Debt to Gross Assets

Hold **10% of Gross Debt Balance** as cash on the balance sheet

Floating-rate debt provides a **natural hedge** to hotel cash flows and **maximizes flexibility** in all economic environments

Proactive strategy to opportunistically refinance loans and extend maturities

Long-standing **lender relationships**



# Debt Maturities



The Notary Hotel

## OVERVIEW

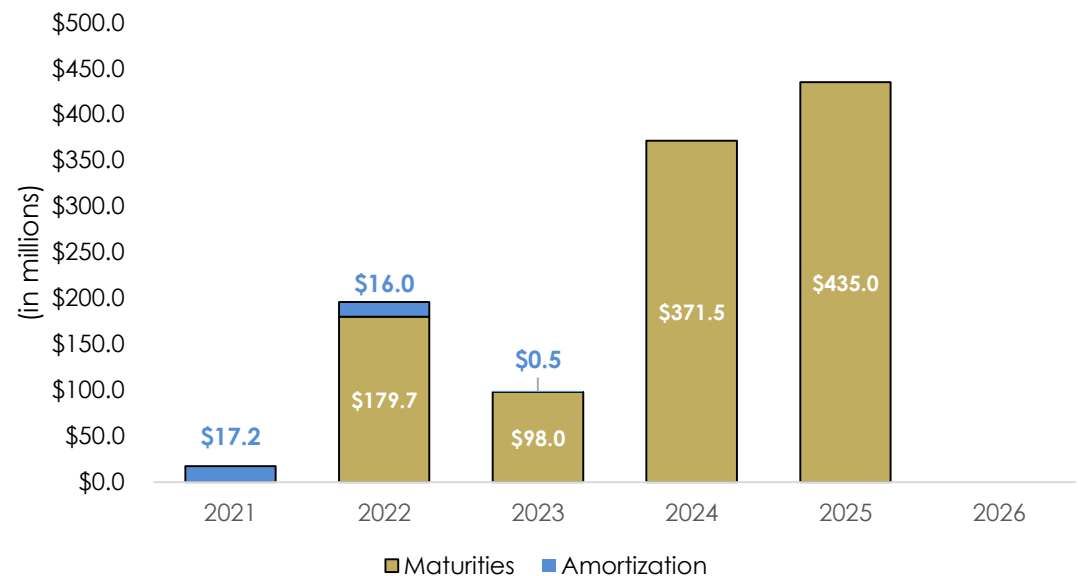
**2022**

NEXT HARD DEBT  
MATURITY

**2.5%**

WEIGHTED AVG.  
INTEREST RATE<sup>(1)</sup>

## Laddered debt maturities<sup>(1)(2)</sup>



(1) As of 3/31/2021  
(2) Assumes extension options are exercised. There can be no guaranty that extension options are exercisable on or before maturity. In the event one or more extensions are not exercisable we will be subject to the prevailing conditions of the debt markets at that time, which could result in increased or decreased borrowing cost or the inability to borrow at all. In such case, our ability to repay the amounts owed under the legally debt arrangements may not be feasible or could have a negative impact on our financial performance



## Strategic Initiatives Position Braemar for Ramp Up in 2021



**Beach Improvement**  
*Completed 2019*

**Villa Construction**  
*Completed 2019*



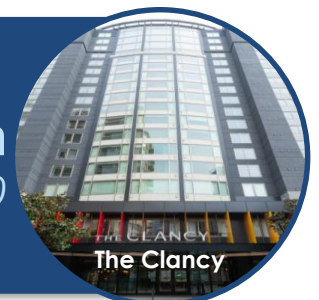
**Autograph Conversion**  
*Completed 2019*

**Hurricane Recovery**  
*Completed 2019*



**Lobby Renovation**  
*Completed 2019*

**Autograph Conversion**  
*Completed Q3 2020*





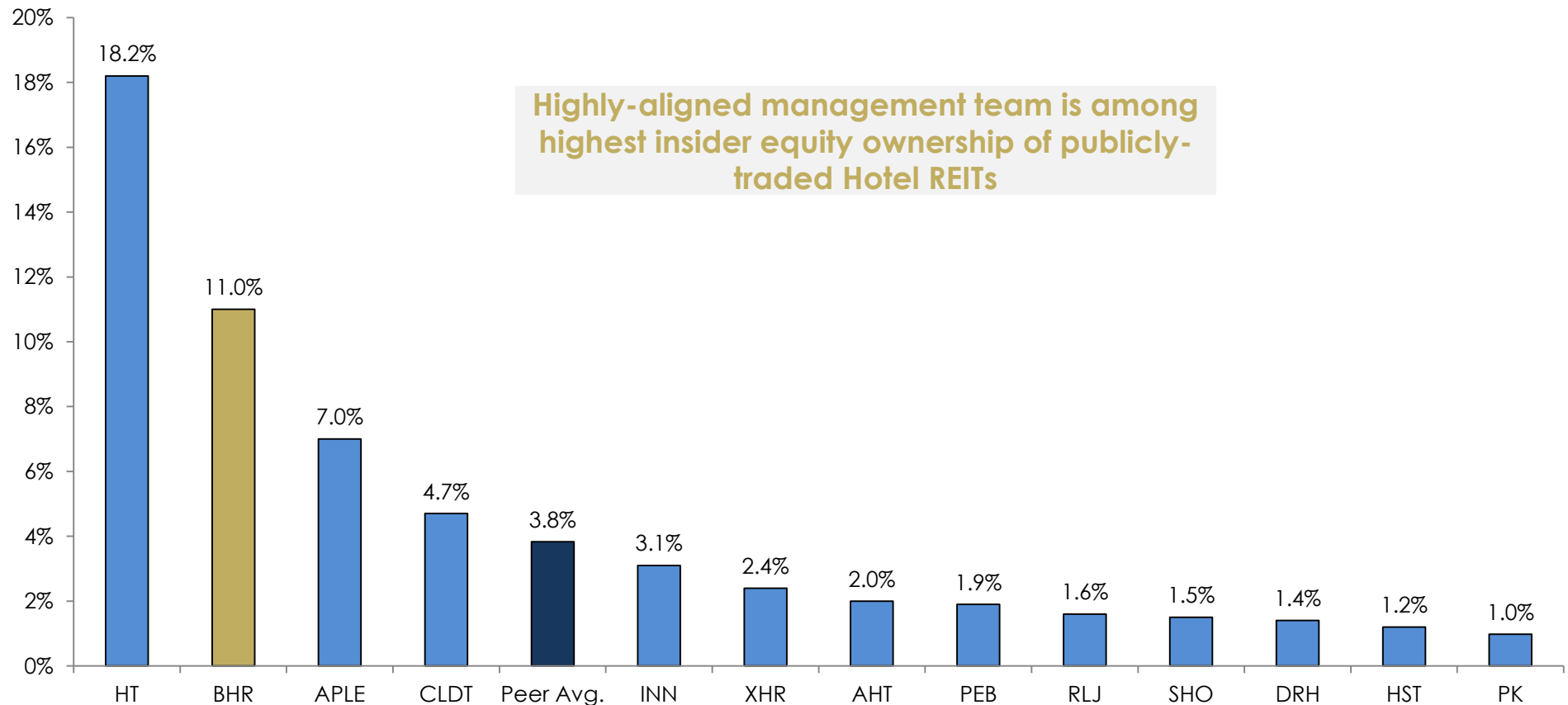
# Highly Aligned Management Team



**11.0%** Management has significant personal wealth invested in the Company

**2.9x** Insider ownership 2.9x higher than public lodging REIT industry average

**\$36.4M** Total dollar value of insider ownership (as of 05/03/2020)





# Key Takeaways



**Conserve Liquidity**



**Manage the Balance Sheet**



**Return to Profitability**



**Grow the Portfolio**



**The Ritz-Carlton Sarasota**  
Sarasota, FL



Appendix



# Reconciliation of Net Income (Loss) to Comparable Hotel EBITDA



In thousands

	2021	2020	2020	2020	March 31, 2021
	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	TTM
Net income (loss)	\$ (698)	\$ (19,811)	\$ (10,667)	\$ (39,781)	\$ (70,957)
Non-property adjustments	(496)	—	(10,149)	813	(9,832)
Interest income	(8)	(10)	(10)	(18)	(46)
Interest expense	3,160	3,236	2,315	6,275	14,986
Amortization of loan costs	303	301	297	287	1,188
Depreciation and amortization	18,352	17,973	18,507	18,553	73,385
Income tax expense (benefit)	1	(336)	8	(804)	(1,131)
Non-hotel EBITDA ownership expense	(115)	220	57	(1,129)	(967)
Hotel EBITDA including amounts attributable to noncontrolling interest	20,499	1,573	358	(15,804)	6,626
Non-comparable adjustments	—	—	—	—	—
Comparable hotel EBITDA	\$ 20,499	\$ 1,573	\$ 358	\$ (15,804)	\$ 6,626

	2018	2018	2018	2018	December 31, 2018
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	TTM
Net income (loss)	\$ 6,525	\$ 14,567	\$ 38,623	\$ 16,761	\$ 76,476
Non-property adjustments	(26)	—	(15,423)	12	(15,437)
Interest income	(61)	(57)	(39)	(18)	(175)
Interest expense	4,342	4,100	4,335	3,123	15,900
Amortization of loan costs	284	279	277	199	1,039
Depreciation and amortization	15,092	14,474	14,811	13,006	57,383
Income tax expense (benefit)	(353)	(44)	382	154	139
Non-hotel EBITDA ownership expense	1,147	26	755	368	2,296
Hotel EBITDA including amounts attributable to noncontrolling interest	26,950	33,345	43,721	33,605	137,621
Non-comparable adjustments	(27)	(135)	(4,127)	3,331	(958)
Comparable hotel EBITDA	\$ 26,923	\$ 33,210	\$ 39,594	\$ 36,936	\$ 136,663

	2020	2020	2020	2020	December 31, 2020
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	TTM
Net income (loss)	\$ (19,811)	\$ (10,667)	\$ (39,781)	\$ (1,459)	\$ (71,718)
Non-property adjustments	—	(10,149)	813	—	(9,336)
Interest income	(10)	(10)	(18)	(62)	(100)
Interest expense	3,236	2,315	6,275	4,906	16,732
Amortization of loan costs	301	297	287	282	1,167
Depreciation and amortization	17,973	18,507	18,553	18,338	73,371
Income tax expense (benefit)	(336)	8	(804)	335	(797)
Non-hotel EBITDA ownership expense	220	57	(1,129)	4,970	4,118
Hotel EBITDA including amounts attributable to noncontrolling interest	1,573	358	(15,804)	27,310	13,437
Non-comparable adjustments	—	—	—	—	—
Comparable hotel EBITDA	\$ 1,573	\$ 358	\$ (15,804)	\$ 27,310	\$ 13,437

	2017	2017	2017	2017	December 31, 2017
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	TTM
Net income (loss)	\$ 35,206	\$ 10,705	\$ 21,607	\$ 14,951	\$ 82,469
(Income) loss from consolidated entities attributable to noncontrolling interest	(1,035)	(872)	(1,825)	(1,444)	(5,176)
Net income (loss) attributable to the Company	34,171	9,833	19,782	13,507	77,293
Non-property adjustments	(23,720)	1,008	—	—	(22,712)
Interest income	(13)	(18)	(10)	(10)	(51)
Interest expense	2,986	2,744	2,204	1,280	9,214
Amortization of loan costs	310	307	271	130	1,018
Depreciation and amortization	12,705	14,134	13,468	11,851	52,158
Income tax expense (benefit)	(607)	(404)	366	133	(512)
Non-hotel EBITDA ownership expense	1,301	4,554	465	396	6,716
Income (loss) from consolidated entities attributable to noncontrolling interest	1,035	872	1,825	1,444	5,176
Hotel EBITDA including amounts attributable to noncontrolling interest	28,168	33,030	38,371	28,731	128,300
Non-comparable adjustments	(1,076)	(2,402)	(2,474)	4,573	(1,379)
Comparable hotel EBITDA	\$ 27,092	\$ 30,628	\$ 35,897	\$ 33,304	\$ 126,921

	2019	2019	2019	2019	December 31, 2019
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	TTM
Net income (loss)	\$ 31,519	\$ 9,196	\$ 12,770	\$ 16,470	\$ 69,955
Non-property adjustments	(26,320)	1,441	(9)	—	(24,888)
Interest income	(69)	(79)	(77)	(62)	(287)
Interest expense	5,210	4,829	4,965	4,856	19,860
Amortization of loan costs	309	229	209	345	1,092
Depreciation and amortization	18,310	16,831	18,474	16,686	70,301
Income tax expense (benefit)	(173)	(78)	422	115	286
Non-hotel EBITDA ownership expense	1,277	1,048	1,395	1,279	4,999
Hotel EBITDA including amounts attributable to noncontrolling interest	30,063	33,417	38,149	39,689	141,318
Non-comparable adjustments	(44)	11	161	650	778
Comparable hotel EBITDA	\$ 30,019	\$ 33,428	\$ 38,310	\$ 40,339	\$ 142,096



# Reconciliation of Net Income (Loss) to EBITDAre and Adjusted EBITDAre



In thousands

**BRAEMAR HOTELS & RESORTS INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NET INCOME (LOSS) TO EBITDA, EBITDAre AND ADJUSTED EBITDAre**  
(in thousands)  
(unaudited)

	Three Months Ended March 31,	
	2021	2020
<b>Net income (loss)</b>	<b>\$ (11,034)</b>	<b>\$ (15,387)</b>
Interest expense and amortization of loan costs	6,756	11,897
Depreciation and amortization	18,353	18,338
Income tax expense (benefit)	145	1,370
Equity in (earnings) loss of unconsolidated entity	64	40
Company's portion of EBITDA of OpenKey	(63)	(39)
<b>EBITDA</b>	<b>14,221</b>	<b>16,219</b>
(Gain) loss on insurance settlement and disposition of assets	(499)	—
<b>EBITDAre</b>	<b>13,722</b>	<b>16,219</b>
Amortization of favorable (unfavorable) contract assets (liabilities)	138	207
Transaction and conversion costs	340	491
Other (income) expense	—	138
Write-off of loan costs and exit fees	351	—
Unrealized (gain) loss on derivatives	20	(1,156)
Non-cash stock/unit-based compensation	1,416	1,985
Legal, advisory and settlement costs	205	613
Advisory services incentive fee	371	—
Company's portion of adjustments to EBITDAre of OpenKey	5	3
<b>Adjusted EBITDAre</b>	<b>\$ 16,568</b>	<b>\$ 18,500</b>

**BRAEMAR HOTELS & RESORTS INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NET INCOME (LOSS) TO EBITDA, EBITDAre AND ADJUSTED EBITDAre**  
(in thousands)  
(unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
<b>Net income (loss)</b>	<b>\$ (13,913)</b>	<b>\$ 28,444</b>	<b>\$ 2,585</b>	<b>\$ 28,324</b>
Interest expense and amortization of loan costs	13,712	10,194	49,653	38,937
Depreciation and amortization	15,092	12,689	57,383	52,262
Income tax expense (benefit)	(82)	(856)	2,432	(522)
Equity in (earnings) loss of unconsolidated entity	88	—	234	—
Company's portion of EBITDA of OpenKey	(77)	—	(220)	—
<b>EBITDA</b>	<b>14,820</b>	<b>50,471</b>	<b>112,067</b>	<b>119,001</b>
Impairment charges on real estate	—	60	71	1,068
(Gain) loss on sale of hotel property	(27)	(23,797)	(15,738)	(23,797)
<b>EBITDAre</b>	<b>14,793</b>	<b>26,734</b>	<b>96,400</b>	<b>96,272</b>
Amortization of favorable (unfavorable) contract assets (liabilities)	52	44	195	180
Transaction and management conversion costs	2,000	74	2,965	6,774
Other (income) expense	63	85	253	377
Write-off of loan costs and exit fees	—	1,531	4,178	3,874
Unrealized (gain) loss on investments	4,672	(6,314)	8,010	(9,717)
Unrealized (gain) loss on derivatives	(721)	527	82	2,056
Non-cash stock/unit-based compensation	1,295	665	7,004	(1,327)
Legal, advisory and settlement costs	426	203	(241)	3,711
Advisory services incentive fee	(2,241)	—	—	—
Contract modification cost	—	—	—	5,000
Software implementation costs	—	—	—	79
Uninsured hurricane and wildfire related costs	—	248	412	3,821
Company's portion of adjustments to EBITDAre of OpenKey	8	—	7	—
<b>Adjusted EBITDAre</b>	<b>\$ 20,347</b>	<b>\$ 23,797</b>	<b>\$ 119,265</b>	<b>\$ 111,100</b>

**BRAEMAR HOTELS & RESORTS INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NET INCOME (LOSS) TO EBITDA, EBITDAre AND ADJUSTED EBITDAre**  
(in thousands)  
(unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
<b>Net income (loss)</b>	<b>\$ (30,128)</b>	<b>\$ 17,095</b>	<b>\$ (124,677)</b>	<b>\$ 1,196</b>
Interest expense and amortization of loan costs	6,937	12,613	45,104	54,507
Depreciation and amortization	17,973	18,121	73,371	70,112
Income tax expense (benefit)	216	271	(4,406)	1,764
Equity in (earnings) loss of unconsolidated entity	79	50	217	199
Company's portion of EBITDA of OpenKey	(79)	(48)	(214)	(195)
<b>EBITDA</b>	<b>(5,002)</b>	<b>48,102</b>	<b>(10,603)</b>	<b>127,583</b>
(Gain) loss on insurance settlement and disposition of assets	—	(26,319)	(10,149)	(25,165)
<b>EBITDAre</b>	<b>(5,002)</b>	<b>21,783</b>	<b>(20,754)</b>	<b>102,418</b>
Amortization of favorable (unfavorable) contract assets (liabilities)	213	285	834	651
Transaction and conversion costs	242	893	1,370	2,076
Other (income) expense	1,320	13,577	5,126	13,947
Write-off of loan costs and exit fees	348	—	3,920	647
Unrealized (gain) loss on investments	—	(13,262)	—	(7,872)
Unrealized (gain) loss on derivatives	(1,211)	131	(4,959)	1,103
Non-cash stock/unit-based compensation	1,853	2,035	7,892	7,943
Legal, advisory and settlement costs	820	93	2,023	527
Advisory services incentive fee	—	(77)	—	—
Company's portion of adjustments to EBITDAre of OpenKey	7	3	13	25
<b>Adjusted EBITDAre</b>	<b>\$ (1,410)</b>	<b>\$ 25,461</b>	<b>\$ (4,535)</b>	<b>\$ 121,465</b>



# Reconciliation of Net Income (Loss) to Adjusted FFO



In thousands

	Three Months Ended March 31,	
	2021	2020
<b>Net income (loss)</b>	<b>\$ (11,034)</b>	<b>\$ (15,387)</b>
(Income) loss attributable to noncontrolling interest in consolidated entities	1,247	572
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	1,079	1,885
Preferred dividends	(2,388)	(2,555)
Gain (loss) on extinguishment of preferred stock	(73)	—
Net income (loss) attributable to common stockholders	(11,169)	(15,485)
Depreciation and amortization on real estate	17,659	17,559
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	(1,079)	(1,885)
Equity in (earnings) loss of unconsolidated entity	64	40
(Gain) loss on insurance settlement and disposition of assets	(499)	—
Company's portion of FFO of OpenKey	(64)	(40)
<b>FFO available to common stockholders and OP unitholders</b>	<b>4,912</b>	<b>189</b>
Series B Cumulative Convertible Preferred Stock dividends	1,563	1,730
(Gain) loss on extinguishment of preferred stock	73	—
Transaction and conversion costs	340	491
Other (income) expense	—	138
Interest expense accretion on refundable membership club deposits	202	213
Write-off of loan costs and exit fees	351	—
Amortization of loan costs	706	1,053
Unrealized (gain) loss on derivatives	20	(1,156)
Non-cash stock/unit-based compensation	1,416	1,985
Legal, advisory and settlement costs	205	613
Advisory services incentive fee	371	—
Company's portion of adjustments to FFO of OpenKey	5	3
<b>Adjusted FFO available to common stockholders, OP unitholders and Series B Cumulative Convertible preferred stockholders on an "as converted" basis</b>	<b>\$ 10,164</b>	<b>\$ 5,259</b>
Adjusted FFO per diluted share available to common stockholders, OP unitholders and Series B Cumulative Convertible preferred stockholders on an "as converted" basis	\$ 0.20	\$ 0.12
Weighted average diluted shares	50,315	43,751



# Indebtedness

In thousands

Lender	Hotels	Maturity	Interest Rate	Fixed-Rate Debt	Floating-Rate Debt		Total Debt	Comparable TTM Hotel EBITDA <sup>(7)</sup>	Comparable TTM EBITDA Debt Yield
BAML	See footnote	June 2021	LIBOR + 2.16%	\$ —	\$ 435,000	(1)	\$ 435,000	\$ (18,297)	(4.2)%
Apollo	Ritz-Carlton, St. Thomas	August 2021	LIBOR + 3.95%	—	42,500	(2)	42,500	8,100	19.1 %
JPMorgan	Park Hyatt Beaver Creek	April 2022	LIBOR + 2.75%	—	67,500	(3)	67,500	3,882	5.8 %
BAML	Hotel Yountville	May 2022	LIBOR + 2.55%	—	51,000	(5)	51,000	(204)	(0.4)%
BAML	Bardessono	August 2022	LIBOR + 2.55%	—	40,000	(5)	40,000	1,117	2.8 %
BAML Term Loan	N/A	October 2022	Base Rate(4) + 1.25% to 2.65% or LIBOR + 2.25% to 3.65%	—	51,221	(6)	51,221	N/A	N/A
BAML	Ritz-Carlton, Sarasota	April 2023	LIBOR + 2.65%	—	100,000	(5)	100,000	13,210	13.2 %
BAML	Ritz-Carlton, Lake Tahoe	January 2024	LIBOR + 2.10%	—	54,000	(5)	54,000	1,816	3.4 %
Prudential	Capital Hilton and Hilton Torrey Pines	February 2024	LIBOR + 1.70%	—	196,671		196,671	(10,173)	(5.2)%
BAML	Pier House Resort	September 2024	LIBOR + 1.85%	—	80,000	(5)	80,000	7,175	9.0 %
Total				\$ —	\$1,117,892		\$1,117,892	\$ 6,626	0.6 %
Percentage				— %	100.0 %		100.0 %		
Weighted average interest rate				— %	2.51 %		2.51 %		

- (1) This mortgage loan has five one-year extension options subject to satisfaction of certain conditions, of which the first was exercised in June 2020. This mortgage loan is secured by the Chicago Sofitel Magnificent Mile, The Clancy, Seattle Marriott Waterfront and The Notary Hotel.
- (2) This mortgage loan has three one-year extension options subject to satisfaction of certain conditions. This mortgage loan has a LIBOR floor of 1.00%.
- (3) This mortgage loan has three one-year extension options subject to satisfaction of certain conditions, of which the third was exercised in April 2021.
- (4) Base Rate, as defined in the term loan agreement, is the greater of (i) the prime rate set by Bank of America, or (ii) federal funds rate + 0.5%, or (iii) LIBOR + 1.0%.
- (5) This mortgage loan has a LIBOR floor of 0.25%.
- (6) This mortgage loan has a LIBOR floor of 0.50%.
- (7) See pg. 21 for reconciliation of net income (loss) to hotel EBITDA.



# Indebtedness



In thousands

Lender	Hotels	2021	2022	2023	2024	2025	Thereafter	Total
JPMorgan	Park Hyatt Beaver Creek	\$ —	\$ 67,500	\$ —	\$ —	\$ —	\$ —	\$ 67,500
BAML	Hotel Yountville	—	51,000	—	—	—	—	51,000
BAML	Bardessono	—	40,000	—	—	—	—	40,000
BAML Term Loan	N/A	—	21,221	—	—	—	—	21,221
BAML	Ritz-Carlton, Sarasota	—	—	98,000	—	—	—	98,000
BAML	Ritz-Carlton, Lake Tahoe	—	—	—	54,000	—	—	54,000
Prudential	Capital Hilton and Hilton Torrey Pines	—	—	—	195,000	—	—	195,000
Apollo	Ritz-Carlton, St. Thomas	—	—	—	42,500	—	—	42,500
BAML	Pier House Resort	—	—	—	80,000	—	—	80,000
BAML	See footnote 1	—	—	—	—	435,000	—	435,000
Principal due in future periods		\$ —	\$179,721	\$ 98,000	\$371,500	\$435,000	\$ —	\$1,084,221
Scheduled amortization payments remaining		17,171	16,000	500	—	—	—	33,671
Total indebtedness		<u>\$17,171</u>	<u>\$195,721</u>	<u>\$ 98,500</u>	<u>\$371,500</u>	<u>\$435,000</u>	<u>\$ —</u>	<u>\$1,117,892</u>

(1) This mortgage loan is secured by the Chicago Sofitel Magnificent Mile, The Clancy, Seattle Marriott Waterfront and The Notary Hotel.



# Reconciliation of Net Income (Loss) to Adjusted FFO Q4



## BRAEMAR HOTELS & RESORTS INC. AND SUBSIDIARIES RECONCILIATION OF NET INCOME (LOSS) TO FUNDS FROM OPERATIONS ("FFO") AND ADJUSTED FFO (in thousands, except per share amounts) (unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
<b>Net income (loss)</b>	<b>\$ (30,128)</b>	<b>\$ 17,095</b>	<b>\$ (124,677)</b>	<b>\$ 1,196</b>
(Income) loss attributable to noncontrolling interest in consolidated entities	1,461	(282)	6,436	(2,032)
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	2,943	(1,563)	12,979	1,207
Preferred dividends	(2,555)	(2,545)	(10,219)	(10,142)
Net income (loss) attributable to common stockholders	(28,279)	12,705	(115,481)	(9,771)
Depreciation and amortization on real estate	17,284	17,324	70,426	66,933
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	(2,943)	1,563	(12,979)	(1,207)
Equity in (earnings) loss of unconsolidated entity	79	50	217	199
(Gain) loss on insurance settlement and disposition of assets	—	(26,319)	(10,149)	(25,165)
Company's portion of FFO of OpenKey	(79)	(50)	(216)	(201)
<b>FFO available to common stockholders and OP unitholders</b>	<b>(13,938)</b>	<b>5,273</b>	<b>(68,182)</b>	<b>30,788</b>
Series B Cumulative Convertible Preferred Stock dividends	1,730	1,720	6,919	6,842
Transaction and conversion costs	242	893	1,370	2,076
Other (income) expense	1,320	13,577	5,126	13,947
Interest expense accretion on refundable membership club deposits	202	213	818	864
Write-off of loan costs and exit fees	348	—	3,920	647
Amortization of loan costs	681	1,076	3,332	4,263
Unrealized (gain) loss on investments	—	(13,262)	—	(7,872)
Unrealized (gain) loss on derivatives	(1,211)	131	(4,959)	1,103
Non-cash stock/unit-based compensation	1,853	2,035	7,892	7,943
Legal, advisory and settlement costs	820	93	2,023	527
Advisory services incentive fee	—	(77)	—	—
Company's portion of adjustments to FFO of OpenKey	7	4	13	28
<b>Adjusted FFO available to common stockholders, OP unitholders and Series B Cumulative Convertible preferred stockholders on an "as converted" basis</b>	<b>\$ (7,946)</b>	<b>\$ 11,676</b>	<b>\$ (41,728)</b>	<b>\$ 61,156</b>
Adjusted FFO per diluted share available to common stockholders, OP unitholders and Series B Cumulative Convertible preferred stockholders on an "as converted" basis	<b>\$ (0.17)</b>	<b>\$ 0.27</b>	<b>\$ (0.93)</b>	<b>\$ 1.41</b>
Weighted average diluted shares	47,272	43,381	44,890	43,387

## BRAEMAR HOTELS & RESORTS INC. AND SUBSIDIARIES RECONCILIATION OF NET INCOME (LOSS) TO FUNDS FROM OPERATIONS ("FFO") AND ADJUSTED FFO (in thousands, except per share amounts) (unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
<b>Net income (loss)</b>	<b>\$ (13,913)</b>	<b>\$ 28,444</b>	<b>\$ 2,585</b>	<b>\$ 28,324</b>
(Income) loss from consolidated entities attributable to noncontrolling interest	(274)	(528)	(2,016)	(3,264)
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	1,826	(2,996)	751	(2,038)
Preferred dividends	(2,083)	(1,708)	(7,205)	(6,795)
Net income (loss) attributable to common stockholders	(14,444)	23,212	(5,885)	16,227
Depreciation and amortization on real estate	14,320	11,952	54,350	49,361
Impairment charges on real estate	—	60	71	1,068
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	(1,826)	2,996	(751)	2,038
Equity in (earnings) loss of unconsolidated entity	88	—	234	—
(Gain) loss on sale of hotel property	(27)	(23,797)	(15,738)	(23,797)
Company's portion of FFO of OpenKey	(78)	—	(224)	—
<b>FFO available to common stockholders and OP unitholders</b>	<b>(1,967)</b>	<b>14,423</b>	<b>32,057</b>	<b>44,897</b>
Series B Cumulative Convertible Preferred Stock dividends	1,707	1,708	6,829	6,795
Transaction and management conversion costs	2,000	74	2,965	6,774
Other (income) expense	63	85	253	377
Interest expense accretion on refundable membership club deposits	300	—	676	—
Write-off of loan costs and exit fees	—	1,531	4,178	3,874
Amortization of loan costs	1,080	1,125	4,164	4,804
Unrealized (gain) loss on investments	4,672	(6,314)	8,010	(9,717)
Unrealized (gain) loss on derivatives	(721)	524	82	2,053
Non-cash stock/unit-based compensation	1,295	665	7,004	(1,327)
Legal, advisory and settlement costs	426	203	(241)	3,711
Advisory services incentive fee	(2,241)	—	—	—
Contract modification cost	—	—	—	5,000
Software implementation costs	—	—	—	79
Uninsured hurricane and wildfire related costs	—	248	412	3,821
Tax reform	—	(161)	—	(161)
Company's portion of adjustments to FFO of OpenKey	8	—	7	—
<b>Adjusted FFO available to common stockholders and OP unitholders</b>	<b>\$ 6,622</b>	<b>\$ 14,111</b>	<b>\$ 66,396</b>	<b>\$ 70,980</b>
Adjusted FFO per diluted share available to common stockholders and OP unitholders	<b>\$ 0.15</b>	<b>\$ 0.33</b>	<b>\$ 1.55</b>	<b>\$ 1.73</b>
Weighted average diluted shares	43,026	42,406	42,787	40,957



# Reconciliation of Net Income (Loss) to Adjusted FFO Q3



## BRAEMAR HOTELS & RESORTS INC. AND SUBSIDIARIES RECONCILIATION OF NET INCOME (LOSS) TO FUNDS FROM OPERATIONS ("FFO") AND ADJUSTED FFO (in thousands, except per share amounts) (unaudited)

	Three Months Ended September 30, 2020		
	As Previously Reported	Adjustments	As Adjusted
<b>Net income (loss)</b>	\$ (19,061)	\$ (3,996)	\$ (23,057)
(Income) loss attributable to noncontrolling interest in consolidated entities	766	1,233	1,999
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	2,102	279	2,381
Preferred dividends	(2,554)	—	(2,554)
Net income (loss) attributable to common stockholders	(18,747)	(2,484)	(21,231)
Depreciation and amortization on real estate	17,791	—	17,791
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	(2,102)	(279)	(2,381)
Equity in (earnings) loss of unconsolidated entity	58	—	58
(Gain) loss on insurance settlement and disposition of assets	(10,149)	—	(10,149)
Company's portion of FFO of OpenKey	(57)	—	(57)
<b>FFO available to common stockholders and OP unitholders</b>	(13,206)	(2,763)	(15,969)
Series B Cumulative Convertible Preferred Stock dividends	1,729	—	1,729
Transaction and conversion costs	517	—	517
Other (income) expense	3,604	—	3,604
Interest expense accretion on refundable membership club deposits	201	—	201
Write-off of loan costs and exit fees	1,335	—	1,335
Amortization of loan costs	670	—	670
Unrealized (gain) loss on derivatives	(3,561)	—	(3,561)
Non-cash stock/unit-based compensation	2,006	—	2,006
Legal, advisory and settlement costs	142	—	142
Company's portion of adjustments to FFO of OpenKey	1	—	1
<b>Adjusted FFO available to common stockholders, OP unitholders and Series B Cumulative Convertible preferred stockholders on an "as converted" basis</b>	\$ (6,562)	\$ (2,763)	\$ (9,325)
Adjusted FFO per diluted share available to common stockholders, OP unitholders and Series B Cumulative Convertible preferred stockholders on an "as converted" basis	\$ (0.15)	\$ (0.06)	\$ (0.21)
Weighted average diluted shares	44,793	—	44,793

## BRAEMAR HOTELS & RESORTS INC. AND SUBSIDIARIES RECONCILIATION OF NET INCOME (LOSS) TO FUNDS FROM OPERATIONS ("FFO") AND ADJUSTED FFO (in thousands, except per share amounts) (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
<b>Net income (loss)</b>	\$ (8,954)	\$ (626)	\$ (15,899)	\$ 16,498
(Income) loss from consolidated entities attributable to noncontrolling interest	(1,899)	(1,695)	(1,750)	(1,742)
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	1,465	452	2,770	(1,075)
Preferred dividends	(2,533)	(1,707)	(7,597)	(5,122)
Net income (loss) attributable to common stockholders	(11,921)	(3,576)	(22,476)	8,559
Depreciation and amortization on real estate	16,036	13,720	49,609	40,030
Impairment charges on real estate	—	—	—	71
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	(1,465)	(452)	(2,770)	1,075
Equity in (earnings) loss of unconsolidated entity	48	81	149	146
(Gain) loss on disposition of assets and sale of hotel property	1,163	—	1,154	(15,711)
Company's portion of FFO of OpenKey	(51)	(81)	(151)	(146)
<b>FFO available to common stockholders and OP unitholders</b>	3,810	9,692	25,515	34,024
Series B Cumulative Convertible Preferred Stock dividends	1,708	1,707	5,122	5,122
Transaction and management conversion costs	506	—	1,183	965
Other (income) expense	114	64	370	190
Interest expense accretion on refundable membership club deposits	213	226	651	376
Write-off of loan costs and exit fees	335	—	647	4,178
Amortization of loan costs	1,029	1,070	3,187	3,084
Unrealized (gain) loss on investments	1,471	(2,158)	5,390	3,338
Unrealized (gain) loss on derivatives	754	578	972	803
Non-cash stock/unit-based compensation	2,359	1,674	5,908	5,709
Legal, advisory and settlement costs	203	277	349	(667)
Advisory services incentive fee	(132)	1,380	77	2,241
Uninsured hurricane and wildfire related costs	—	—	—	412
Company's portion of adjustments to FFO of OpenKey	5	2	24	4
<b>Adjusted FFO available to common stockholders and OP unitholders</b>	\$ 12,375	\$ 14,512	\$ 49,955	\$ 59,779
Adjusted FFO per diluted share available to common stockholders and OP unitholders	\$ 0.29	\$ 0.34	\$ 1.14	\$ 1.40
Weighted average diluted shares	43,335	42,930	43,388	42,707

## BRAEMAR HOTELS & RESORTS INC. AND SUBSIDIARIES RECONCILIATION OF NET INCOME (LOSS) TO FUNDS FROM OPERATIONS ("FFO") AND ADJUSTED FFO (in thousands, except per share amounts) (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Net income (loss)</b>	\$ (626)	\$ (217)	\$ 16,498	\$ (1,20)
(Income) loss from consolidated entities attributable to noncontrolling interest	(1,695)	(1,143)	(1,742)	(2,736)
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	452	360	(1,075)	958
Preferred dividends	(1,707)	(1,707)	(5,122)	(5,087)
Net income (loss) attributable to common stockholders	(3,576)	(2,707)	8,559	(6,985)
Depreciation and amortization on real estate	13,720	13,406	40,030	37,409
Impairment charges on real estate	—	1,008	71	1,008
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	(452)	(360)	1,075	(958)
Equity in (earnings) loss of unconsolidated entity	81	—	146	—
(Gain) loss on sale of hotel property	—	—	(15,711)	—
Company's portion of FFO of OpenKey	(81)	—	(146)	—
<b>FFO available to common stockholders and OP unitholders</b>	9,692	11,347	34,024	30,474
Preferred dividends	1,707	1,707	5,122	5,087
Transaction and management conversion costs	—	260	965	6,700
Other (income) expense	64	22	190	292
Interest expense accretion on refundable membership club deposits	226	—	376	—
Write-off of loan costs and exit fees	—	380	4,178	2,343
Amortization of loan costs	1,070	1,331	3,084	3,679
Unrealized (gain) loss on investments	(2,158)	(1,875)	3,338	(3,403)
Unrealized (gain) loss on derivatives	578	531	803	1,529
Non-cash stock/unit-based compensation	1,674	(921)	5,709	(1,992)
Legal, advisory and settlement costs	277	560	(667)	3,508
Advisory services incentive fee	1,380	—	2,241	—
Contract modification cost	—	—	—	5,000
Software implementation costs	—	—	—	79
Uninsured hurricane and wildfire related costs	—	3,573	412	3,573
Company's portion of adjustments to FFO of OpenKey	2	—	4	—
<b>Adjusted FFO available to the Company and OP unitholders</b>	\$ 14,512	\$ 16,915	\$ 59,779	\$ 56,869
Adjusted FFO per diluted share available to the Company and OP unitholders	\$ 0.34	\$ 0.40	\$ 1.40	\$ 1.41
Weighted average diluted shares	42,930	42,519	42,707	40,465

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# Reconciliation of Net Income (Loss) to Adjusted FFO Q2



	Three Months Ended June 30, 2020		
	As Previously Reported	Adjustments	As Adjusted
<b>Net income (loss)</b>	\$ (51,491)	\$ (4,614)	\$ (56,105)
(Income) loss attributable to noncontrolling interest in consolidated entities	2,404	—	2,404
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	5,297	473	5,770
Preferred dividends	(2,555)	—	(2,555)
<b>Net income (loss) attributable to common stockholders</b>	<b>(46,345)</b>	<b>(4,141)</b>	<b>(50,486)</b>
Depreciation and amortization on real estate	17,792	—	17,792
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	(5,297)	(473)	(5,770)
Equity in (earnings) loss of unconsolidated entity	40	—	40
Company's portion of FFO of OpenKey	(40)	—	(40)
<b>FFO available to common stockholders and OP unitholders</b>	<b>(33,850)</b>	<b>(4,614)</b>	<b>(38,464)</b>
Series B Cumulative Convertible Preferred Stock dividends	1,730	—	1,730
Transaction and conversion costs	120	—	120
Other (income) expense	64	—	64
Interest expense accretion on refundable membership club deposits	202	—	202
Write-off of loan costs and exit fees	2,237	—	2,237
Amortization of loan costs	928	—	928
Unrealized (gain) loss on derivatives	969	—	969
Non-cash stock/unit-based compensation	2,048	—	2,048
Legal, advisory and settlement costs	413	—	413
Company's portion of adjustments to FFO of OpenKey	2	—	2
<b>Adjusted FFO available to common stockholders, OP unitholders and Series B Cumulative Convertible preferred stockholders on an "as converted" basis</b>	<b>\$ (25,137)</b>	<b>\$ (4,614)</b>	<b>\$ (29,751)</b>
Adjusted FFO per diluted share available to common stockholders, OP unitholders and Series B Cumulative Convertible preferred stockholders on an "as converted" basis	\$ (0.58)	\$ (0.10)	\$ (0.68)
Weighted average diluted shares	43,715	—	43,715

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
<b>Net income (loss)</b>	\$ (5,623)	\$ 12,854	\$ (6,945)	\$ 17,124
(Income) loss from consolidated entities attributable to noncontrolling interest	248	(89)	149	(47)
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	865	(1,235)	1,305	(1,527)
Preferred dividends	(2,532)	(1,708)	(5,064)	(3,415)
<b>Net income (loss) attributable to common stockholders</b>	<b>(7,042)</b>	<b>9,822</b>	<b>(10,555)</b>	<b>12,135</b>
Depreciation and amortization on real estate	17,669	14,052	33,573	26,310
Impairment charges on real estate	—	59	—	71
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	(865)	1,235	(1,305)	1,527
Equity in (earnings) loss of unconsolidated entity	51	62	101	65
(Gain) loss on sale of hotel property	(9)	(15,711)	(9)	(15,711)
Company's portion of FFO of OpenKey	(49)	(63)	(100)	(65)
<b>FFO available to common stockholders and OP unitholders</b>	<b>9,755</b>	<b>9,456</b>	<b>21,705</b>	<b>24,332</b>
Series B Cumulative Convertible Preferred Stock dividends	1,707	1,708	3,414	3,415
Transaction and management conversion costs	235	462	869	965
Other (income) expense	139	63	256	126
Interest expense accretion on refundable membership club deposits	213	150	438	150
Write-off of loan costs and exit fees	—	4,176	312	4,178
Amortization of loan costs	1,003	1,050	2,158	2,014
Unrealized (gain) loss on investments	4,626	6,024	3,919	5,496
Unrealized (gain) loss on derivatives	(654)	298	218	225
Non-cash stock/unit-based compensation	2,021	1,442	3,549	4,035
Legal, advisory and settlement costs	75	197	146	(944)
Advisory services incentive fee	(1,105)	691	209	861
Uninsured hurricane and wildfire related costs	—	(55)	—	412
Company's portion of adjustments to FFO of OpenKey	8	2	19	2
<b>Adjusted FFO available to common stockholders and OP unitholders</b>	<b>\$ 18,023</b>	<b>\$ 25,664</b>	<b>\$ 37,212</b>	<b>\$ 45,267</b>
Adjusted FFO per diluted share available to common stockholders and OP unitholders	\$ 0.42	\$ 0.60	\$ 0.86	\$ 1.06
Weighted average diluted shares	43,347	42,743	43,412	42,593

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
<b>Net income (loss)</b>	\$ 12,854	\$ 386	\$ 17,124	\$ 97
(Income) loss from consolidated entities attributable to noncontrolling interest	(89)	(1,614)	(47)	(1,593)
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	(1,235)	343	(1,527)	598
Preferred dividends	(1,708)	(1,707)	(3,415)	(3,380)
<b>Net income (loss) attributable to common stockholders</b>	<b>9,822</b>	<b>(2,592)</b>	<b>12,135</b>	<b>(4,278)</b>
Depreciation and amortization on real estate	14,052	12,752	26,310	24,003
Impairment charges on real estate	59	—	71	—
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	1,235	(343)	1,527	(598)
Equity in (earnings) loss of unconsolidated entity	62	—	65	—
Gain (loss) on sale of hotel property	(15,711)	—	(15,711)	—
Company's portion of FFO of OpenKey	(63)	—	(65)	—
<b>FFO available to common stockholders and OP unitholders</b>	<b>9,456</b>	<b>9,817</b>	<b>24,332</b>	<b>19,127</b>
Preferred dividends	1,708	1,707	3,415	3,380
Transaction and management conversion costs	462	2,112	965	6,440
Other (income) expense	63	113	126	270
Interest expense accretion on refundable membership club deposits	150	—	150	—
Write-off of loan costs and exit fees	4,176	—	4,178	1,963
Unrealized (gain) loss on investments	6,024	1,563	5,496	(1,528)
Unrealized (gain) loss on derivatives	298	100	225	998
Non-cash stock/unit-based compensation	1,442	597	4,035	(1,071)
Legal, advisory and settlement costs	197	3	(944)	2,948
Contract modification cost	—	5,000	—	5,000
Software implementation costs	—	79	—	79
Uninsured hurricane and wildfire related costs	(55)	—	412	—
Company's portion of adjustments to FFO of OpenKey	2	—	2	—
<b>Adjusted FFO available to the Company and OP unitholders</b>	<b>\$ 23,923</b>	<b>\$ 21,091</b>	<b>\$ 42,392</b>	<b>\$ 37,606</b>
Adjusted FFO per diluted share available to the Company and OP unitholders	\$ 0.56	\$ 0.50	\$ 1.00	\$ 0.95
Weighted average diluted shares	42,743	42,556	42,593	39,426



# Reconciliation of Net Income (Loss) to Adjusted FFO Q1



	Three Months Ended March 31,	
	2020	2019
<b>Net income (loss)</b>	<b>\$ (15,387)</b>	<b>\$ (1,322)</b>
(Income) loss attributable to noncontrolling interest in consolidated entities	572	(99)
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	1,885	440
Preferred dividends	(2,555)	(2,532)
<b>Net income (loss) attributable to common stockholders</b>	<b>(15,485)</b>	<b>(3,513)</b>
Depreciation and amortization on real estate	17,559	15,904
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	(1,885)	(440)
Equity in (earnings) loss of unconsolidated entity	40	50
Company's portion of FFO of OpenKey	(40)	(51)
<b>FFO available to common stockholders and OP unitholders</b>	<b>189</b>	<b>11,950</b>
Series B Cumulative Convertible Preferred Stock dividends	1,730	1,707
Transaction and conversion costs	491	634
Other (income) expense	138	117
Interest expense accretion on refundable membership club deposits	213	225
Write-off of loan costs and exit fees	—	312
Amortization of loan costs	1,053	1,155
Unrealized (gain) loss on investments	—	(707)
Unrealized (gain) loss on derivatives	(1,156)	872
Non-cash stock/unit-based compensation	1,985	1,528
Legal, advisory and settlement costs	613	71
Advisory services incentive fee	—	1,314
Company's portion of adjustments to FFO of OpenKey	3	11
<b>Adjusted FFO available to common stockholders and OP unitholders</b>	<b>\$ 5,259</b>	<b>\$ 19,189</b>
Adjusted FFO per diluted share available to common stockholders and OP unitholders	<b>\$ 0.12</b>	<b>\$ 0.44</b>
Weighted average diluted shares	<b>43,751</b>	<b>43,474</b>

	Three Months Ended March 31,	
	2019	2018
<b>Net income (loss)</b>	<b>\$ (1,322)</b>	<b>\$ 4,270</b>
(Income) loss from consolidated entities attributable to noncontrolling interest	(99)	42
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	440	(292)
Preferred dividends	(2,532)	(1,707)
<b>Net income (loss) attributable to common stockholders</b>	<b>(3,513)</b>	<b>2,313</b>
Depreciation and amortization on real estate	15,904	12,258
Impairment charges on real estate	—	12
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	(440)	292
Equity in (earnings) loss of unconsolidated entity	50	3
Company's portion of FFO of OpenKey	(51)	(2)
<b>FFO available to common stockholders and OP unitholders</b>	<b>11,950</b>	<b>14,876</b>
Series B Cumulative Convertible Preferred Stock dividends	1,707	1,707
Transaction and management conversion costs	634	503
Other (income) expense	117	63
Interest expense accretion on refundable membership club deposits	225	—
Write-off of loan costs and exit fees	312	2
Amortization of loan costs	1,155	964
Unrealized (gain) loss on investments	(707)	(528)
Unrealized (gain) loss on derivatives	872	(73)
Non-cash stock/unit-based compensation	1,528	2,593
Legal, advisory and settlement costs	71	(1,141)
Advisory services incentive fee	1,314	170
Uninsured hurricane and wildfire related costs	—	467
Company's portion of adjustments to FFO of OpenKey	11	—
<b>Adjusted FFO available to common stockholders and OP unitholders</b>	<b>\$ 19,189</b>	<b>\$ 19,603</b>
Adjusted FFO per diluted share available to common stockholders and OP unitholders	<b>\$ 0.44</b>	<b>\$ 0.46</b>
Weighted average diluted shares	<b>43,474</b>	<b>42,440</b>

## Net income (loss)

(Income) loss from consolidated entities attributable to noncontrolling interest  
 Net (income) loss attributable to redeemable noncontrolling interests in operating partnership  
 Preferred dividends

Net income (loss) attributable to common stockholders

Depreciation and amortization on real estate

Net income (loss) attributable to redeemable noncontrolling interests in operating partnership

## FFO available to common stockholders and OP unitholders

Preferred dividends  
 Transaction costs  
 Other (income) expense  
 Write-off of loan costs and exit fees  
 Unrealized (gain) loss on investments  
 Unrealized (gain) loss on derivatives  
 Non-cash stock/unit-based compensation  
 Legal, advisory and settlement costs  
 Company's portion of unrealized (gain) loss of investment in securities investment fund

## Adjusted FFO available to the Company and OP unitholders

Adjusted FFO per diluted share available to the Company and OP unitholders

Weighted average diluted shares

	Three Months Ended March 31,	
	2017	2016
<b>Net income (loss)</b>	<b>\$ (289)</b>	<b>\$ (139)</b>
(Income) loss from consolidated entities attributable to noncontrolling interest	21	(145)
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	255	150
Preferred dividends	(1,673)	(894)
<b>Net income (loss) attributable to common stockholders</b>	<b>(1,686)</b>	<b>(1,028)</b>
Depreciation and amortization on real estate	11,251	11,200
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	(255)	(150)
<b>FFO available to common stockholders and OP unitholders</b>	<b>9,310</b>	<b>10,022</b>
Preferred dividends	1,673	894
Transaction costs	4,328	-
Other (income) expense	157	10
Write-off of loan costs and exit fees	1,963	-
Unrealized (gain) loss on investments	(3,091)	1,493
Unrealized (gain) loss on derivatives	898	(3,533)
Non-cash stock/unit-based compensation	(1,668)	(613)
Legal, advisory and settlement costs	2,945	3,313
Company's portion of unrealized (gain) loss of investment in securities investment fund	-	2,650
<b>Adjusted FFO available to the Company and OP unitholders</b>	<b>\$ 16,515</b>	<b>\$ 14,236</b>
Adjusted FFO per diluted share available to the Company and OP unitholders	<b>\$ 0.46</b>	<b>\$ 0.39</b>
Weighted average diluted shares	<b>36,272</b>	<b>36,290</b>