

Series M Redeemable Preferred Stock Term Sheet



Series M Redeemable Preferred Stock

Offering Size: Up to \$500,000,000

Price per Share: \$25.00

Investment Minimums:

Qualified Accounts: \$5,000

Non-Qualified Accounts: \$5,000

Dividend Reinvestment Plan (DRP):

Stockholders may reinvest dividends to acquire additional shares at no extra expense

Annual Dividend¹

Year 1: 8.20% **Year 4:** 8.50%

Year 2: 8.30% **Year 5:** 8.60%

Year 3: 8.40% **Year 6+:** 8.70%

Stockholder Redemption Option

- Upon Issuance for Stated Value, less a 1.50% redemption fee
- After 1 year, for Stated Value
- Optional Redemption following Death or Qualifying Disability of Stockholder at Stated Value

Company Redemption Option

- After 2 years, BHR may redeem for Stated Value

Investment Features and Benefits

8.20%

**Initial Annual
Dividend;
Paid Monthly**

**Senior Position
to Common Stock**

**Dividend
Reinvestment
Program (DRP)**

**Full Investment
(Stated Value)
on Client Statement***

¹ One year period beginning on the date the purchased CUSIP was issued.

Dividends on our preferred stock, including the Series M Preferred Stock, are discretionary. Braemar cannot guarantee that we will be able to pay dividends in the future or what the actual dividends will be for any future period.

* Stated value is an amount assigned to a corporation's stock for internal accounting purposes when the stock has no par value. Stated value has no relation to market price.

Braemar Hotels and Resorts, a publicly traded REIT, Series M redeemable preferred stock. By way of background, traditional traded preferred securities are fixed-income investments with equity-like features mainly issued by large banks and insurance companies. These securities are perpetual and callable, typically pay dividends instead of coupons, offer multiple rate structures, often have investment grade ratings, and are subordinated in the capital structure. The security has priority of receiving dividends over common stockholders.

SERIES M TERM SHEET DISCLOSURES

This sales and advertising literature does not constitute an offer to sell nor a solicitation of an offer to purchase the Series M Redeemable Preferred Stock ("Series M Preferred Stock") described herein. An offering will be made only by Braemar Hotels & Resorts Inc. (The "Company") with the Prospectus, dated as of February 25, 2020 (the "Base Prospectus"), and Prospectus supplement no. 1, Dated as of April 2, 2021 (together with the Base Prospectus, as amended and supplemented to date, the "Prospectus"). This material must be preceded or accompanied by the Prospectus. You should read the Prospectus and the documents incorporated by reference therein in order to understand fully all of the implications and risks of the offering of securities to which it relates. An investment in the Series M Preferred Stock should be made only after careful review of the Prospectus and the documents incorporated by reference therein. All information contained in this material is qualified in its entirety by the Prospectus. The achievement of any goals or objectives is not guaranteed.

This material, the Prospectus and the documents incorporated by reference therein contain forward-looking statements that are subject to risks and uncertainties. These forward-looking statements include, among others, statements about the company's possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. These forward-looking statements are based on the Company's current beliefs, assumptions, and expectations of its future performance, taking into account all information currently available to it. You should not place undue reliance on these forward-looking statements. These beliefs, assumptions, and expectations can change as a result of many possible events or factors, not all of which are known to the Company, and the Company cannot guarantee that it will achieve any or all of these expectations.

Series M Redeemable Preferred Stock Term Sheet



SERIES M TERM SHEET DISCLOSURES (continued)

Investors should consider the risks inherent in the Company and the Series M Preferred Stock. See "SUMMARY RISK FACTORS" on the back of this term sheet for additional risk disclosures. If the Company is unable to effectively manage the impact of the risks inherent in its business, the Company may not meet its investment objectives and, therefore, you should purchase the Series M Preferred Stock only if you can afford a complete loss of your investment.

In the event of the Company's liquidation and with respect to the payment of dividends and distributions, the Series M Preferred Stock ranks senior to the Company's common stock and on par with the Company's other series of preferred stock, including the Series E Redeemable Preferred Stock, the 5.50% Series B Cumulative Convertible Preferred Stock and the 8.25% Series D Cumulative Preferred Stock.

There is no established trading market for the Series M Preferred Stock and there is no intent to apply for a listing of the Series M Preferred Stock on any national securities exchange.

SUMMARY RISK FACTORS

An investment in the Series M Preferred Stock involves significant risks. Prior to making a decision about investing in the Series M Preferred Stock, and in consultation with your own financial, tax and legal advisors, you should carefully consider, among other matters, the following risk factors related to this offering and the Series M Preferred Stock, as well as the other risk factors disclosed in the Prospectus and the documents incorporated by reference therein, including in the Company's most recent annual report on form 10-K, as updated by the Company's subsequent quarterly reports on form 10-Q and other filings the Company files with the securities and exchange commission. Each of the risks described herein and in each of these documents could materially and adversely affect our business, financial condition, results of operations and prospects, and could result in a partial or complete loss of your investment. The principal risks relating to an investment in the Series M Preferred Stock include those summarized below.

- There is no public market for the Series M Preferred Stock and we do not expect one to develop.
- The Series M Preferred Stock is subordinated in right of payment to the Company's existing and future debt, and your interests could be diluted by the issuance of additional preferred stock, and by other transactions.
- The change of control conversion feature may not adequately compensate you, and the change of control and redemption features of the Series M Preferred Stock may make it more difficult for a party to take over the Company or discourage a party from taking over the Company.
- Dividend payments on the Company's preferred stock, including the Series M Preferred Stock, are discretionary. The Company cannot guarantee that it will be able to pay dividends in the future or what the actual dividends will be for any future period.
- The Series M Preferred Stock has not been rated. Investors in the Series M Preferred Stock will be subject to the risks associated with investing in non-rated securities.
- We will be required to terminate this offering if the Company's common stock is no longer listed on the New York Stock Exchange or another national securities exchange.
- In the event you exercise your option to redeem Series M Preferred Stock, the Company's ability to redeem such shares of Series M Preferred Stock may be subject to certain restrictions and limits.
- The Series M Preferred Stock may be redeemed for shares of Company's common stock, which rank junior to the Series M Preferred Stock with respect to dividends and upon liquidation, dissolution or winding up of the Company's affairs.
- The Series M Preferred Stock will bear a risk of early redemption by the Company.
- The amount of the liquidation preference on the Series M Preferred Stock is fixed and, therefore, holders of Series M Preferred Stock will have no right to receive any greater payment (other than accrued and unpaid dividends) regardless of the circumstances of the liquidation. However, holders of Series M Preferred Stock could receive less than \$25 per share.
- Upon the sale of any hotel properties, holders of Series M Preferred Stock do not have a priority over holders of the Company's common stock regarding return of capital.
- The Company established the offering price and other terms for the Series M Preferred Stock pursuant to discussions with the dealer manager (an affiliate of the Company's advisor). As a result, the actual value of your investment may be substantially less than what you pay.
- The Company intends to use the net proceeds from this offering to fund future investments and for other general corporate and working capital purposes, but this offering is not conditioned upon the closing of properties in the Company's current pipeline and the Company will have broad discretion to determine alternative uses of proceeds.
- Your percentage of ownership may become diluted if the Company issues new shares or other securities, and issuances of additional preferred stock or other securities by the Company may further subordinate the rights of the holders of the Company's common stock (which you may become upon receipt of redemption amounts paid in common stock).
- The Company's ability to pay dividends and redeem shares of Series M Preferred Stock may be limited by the requirements of Maryland law.
- Investors in the Series M Preferred Stock will not enjoy the protections afforded by registration of this offering under state securities laws.
- The dealer manager's relationship with the Company may cause a conflict of interest and may hinder the dealer manager's performance of its due diligence obligations.
- Compliance with the regulation best interest by participating broker-dealers may negatively impact the Company's ability to raise capital in this offering, which could harm the Company's ability to achieve its investment objectives.
- Your ownership of Series M Preferred Stock is subject to the ownership limits contained in the Company's charter.
- Past performance is not indicative of future results.

Ashford Securities LLC (member FINRA/SIPC) is the dealer manager of the offering of the Series M Preferred Stock.

**There is no public market for the Series M Preferred Stock and we do not expect one to develop.
Investors should consider the risks inherent in the program, including limited liquidity.**

For more information, please contact
your Financial Advisor or Ashford Securities LLC
at (888)-490-4292 or visit ashfordsecurities.com

Securities offered through:
Ashford Securities LLC • Member FINRA/SIPC