



BLACKWELLS CAPITAL

Blackwells Files Definitive Proxy Statement for Braemar Hotels & Resorts Inc.'s 2024 Annual Meeting

Urges Shareholders to Hold Braemar's Board Accountable for Massive Value Destruction and Enrichment of Monty Bennett

Recommends Shareholders Elect Blackwells' Highly Qualified Candidates to Serve All Shareholders

Launches www.NoMoreMonty.com to Promote Transparency

NEW YORK, April 10, 2024 – Blackwells Capital LLC (“Blackwells”), a shareholder of Braemar Hotels & Resorts Inc. (“Braemar” or the “Company”) (NYSE: BHR) has filed a definitive proxy statement with the Securities and Exchange Commission (the “SEC”) in connection with its nomination of four highly qualified candidates—Jennifer M. Hill, Betsy L. McCoy, Steven J. Pully and Michael Cricenti (collectively, the “Blackwells Nominees”)—for election to the board of directors of Braemar (the “Board”) at the Company’s 2024 annual meeting of shareholders (the “2024 Annual Meeting”) to be held on May 15, 2024.

Jason Aintabi, Chief Investment Officer of Blackwells, said:

“Braemar is in a pitiful state. Despite its exceptional assets, Monty Bennett’s failed leadership has had shareholders suffer through an almost 90% decline in share price over the last 10 years.ⁱ During the same period, management fees paid to Ashford Hospitality Advisors, LLC (“Ashford LLC”), have grown by **over 575%**.^{ii,iii} Braemar has become a thinly traded microcap stock with a measly \$133 million market capitalization.^{iv} Astonishingly, the termination fee Mr. Bennett and Ashford think they are owed—after having presided over this disaster—outstrips the entire market value of Braemar.^v **If this is not corporate piracy, we simply do not know what is.**

Several months ago, Blackwells called on Braemar to [investigate potential breaches](#) of fiduciary duty and/or other wrongdoing by the Board and/or management in connection with the Company’s relationship with Monty Bennett and Ashford. Blackwells also [made a proposal to acquire Braemar](#) in an offer that provided for a termination fee payable to Mr. Bennett of \$35 million—a fraction of what we believe Mr. Bennett thinks he and Ashford are owed.^{vi} Another institution may have recently made an offer to acquire Braemar, which Blackwells believes the Board of Braemar, perhaps under Mr. Bennett’s orders, swept under the rug as well.^{vii}

The Braemar Board could have pursued a range of options beneficial to shareholders, including, among others:

- Engage in good faith with Blackwells on its proposal;
- Engage with the other institution that recently made an offer to acquire Braemar;
- Run a proper sale process to seek the highest value for shareholders; and,

- Compel Mr. Bennett and Ashford to “come down to earth” and reduce their termination fee, which we currently estimate as being **substantially** more than the **entire** market value of Braemar.

Instead of acting in shareholders’ best interests as independent fiduciaries must, and in the face of Blackwells’ impending director nominations, the Board and Mr. Bennett chose to:

- Modify the Company’s Bylaws (the “Bylaws”) to require extensive disclosure in connection with director nominations, such that Blackwells’ nomination materials required the submission of a 445-page document package;
- File suit against Blackwells, its affiliates and its nominees in U.S. Federal Court to obstruct Blackwells’ nominations;
- Hire a law firm that we understand has a history of personal business with Mr. Bennett to whitewash and obstruct Blackwells’ demand for an independent investigation; and
- Use the “newspaper” Mr. Bennett publishes, *The Dallas Express*, to publish defamatory articles about Blackwells’ CIO, Jason Aintabi.

Blackwells believes Mr. Bennett’s behavior disqualifies him from being involved in any public company. More problematic still, is the ever-ballooning fee stream he and his affiliates derive from Braemar—having increased from approximately \$9 million in 2013 to a whopping \$61 million in 2023.^{viii} These fees represent **almost half** of the entire market value of Braemar, and have nearly doubled in the last two years alone.^{ix,x} As one might imagine, Braemar’s ‘conflicts committee’ is the subject of much examination by Blackwells, as will be revealed in upcoming materials.

Mr. Bennett can commission childish articles about Blackwells and its principals, he can continue to drive shareholders away from the real issues, and file meritless litigation meant to preserve his gravy train. This will not change the fact that Mr. Bennett must be removed from his roles at Braemar, and the external management agreement that Blackwells believes turns the Company into his personal “piggybank” must be terminated.

Braemar’s current directors have cowered to poor governance practices, and have permitted the Company’s management to entrench themselves at the expense of shareholder value. The Blackwells Nominees possess the skills necessary to transform the Board and business of Braemar, unlocking value for shareholders that the Board has incessantly decimated over the past decade.

We encourage shareholders to review our materials, the details of our engagement with the Company and other information at www.NoMoreMonty.com.

About the Blackwells Nominees

Jennifer M. Hill, currently serves as the Founder and CEO of Murphy Hill Consulting LLC, a Connecticut-based consulting business providing consulting services focused on the financial services, asset management, insurance and risk management industries, since January 2015. Ms. Hill served as the Chief Financial Officer of Bank of America Merrill Lynch (NYSE: BAC), an investment bank and financial services holding company, from July 2011 to December 2014.^{xi}

Betsy L. McCoy, currently serves as General Counsel and Vice President for The Related Group, a private real estate development company, a position she has served in since May 2010. In her role, Ms. McCoy oversees the in-house legal department, including all aspects of compliance, management of legal services, legal reporting to executives, and legal guidance and as legal and business counsel to an affiliated real estate management company. From January 2008 to May 2013, Ms. McCoy served as Associate General Counsel and Vice President of The Related Group.

Steven J. Pully, serves on public and private company boards, he provides investment banking and consulting services through Speyside Partners LLC, an investment banking firm he co-founded in 2017, and he serves as an expert witness in legal disputes, generally in connection with his expertise in governance matters. Over the course of his board service, he has served on boards of companies involved in a variety of different industries, he has served as Executive Chairman, Chairman, and Lead Director of various boards, and he has chaired a variety of board committees.

Michael Cricenti, currently serves as Managing Partner and Chief Investment Officer of Magis Capital Partners, a private investment firm that employs a fundamental, value-oriented approach to investing in special situations, since January 2017. Mr. Cricenti also served as a Senior Real Estate Investment Advisor at IsZo Capital Management LP, a hedge fund, from January 2017 to November 2021. Previously, from September 2009 until January 2017, Mr. Cricenti served as Managing Director at Bluestem Asset Management (“Bluestem”), an investment firm with more than \$1.5 billion in assets under management based in Charlottesville, Virginia.

About the Blackwells Proposals

Blackwells seeks Braemar shareholder support on proposals that include:

- The election of each Blackwells director nominees—Michael Cricenti, Jennifer M. Hill, Betsy L. McCoy and Steven J. Pully;
- The amendment of the Bylaws to remove the recently adopted provision that Blackwells believes is unlawful;
- The amendment of the Bylaws to preclude any current or former employee, director, officer, or control person of the Company or Ashford Inc. and Ashford’s affiliates from serving as the Company’s chairman of the Board;
- The requirement that the Board disclose all extraordinary transaction proposals made by shareholders, affiliates and third parties during the two most recently completed calendar years and the terms of those proposed transactions; and
- The requirement that the Board disclose all compensation paid by the Company to members of the Bennett family, *The Dallas Express* and employees, directors or agents of *The Dallas Express*, including Louis Darrouzet.

About Blackwells Capital

Blackwells Capital was founded in 2016 by Jason Aintabi, its Chief Investment Officer. Since that time, it has made investments in public securities, engaging with management and boards, both

publicly and privately, to help unlock value for stakeholders, including shareholders, employees and communities. Throughout their careers, Blackwells' principals have invested globally on behalf of leading public and private equity firms and have held operating roles and served on the boards of media, energy, technology, insurance and real estate enterprises. For more information, please visit www.blackwellscap.com.

Contacts

Shareholders

MacKenzie Partners, Inc.

Toll Free: +1 (800) 322-2885

proxy@mackenziepartners.com

Media

Gagnier Communications

Dan Gagnier & Riyaz Lalani

646-569-5897

blackwells@gagnierfc.com

IMPORTANT ADDITIONAL INFORMATION

Blackwells, Blackwells Onshore I LLC, Jason Aintabi, Michael Cricenti, Jennifer M. Hill, Betsy L. McCoy and Steven J. Pully (collectively, the "Participants") are participants in the solicitation of proxies from the shareholders of the Corporation for the 2024 Annual Meeting. On April 3, 2024, the Participants filed with the SEC their definitive proxy statement and accompanying **WHITE** proxy card in connection with their solicitation of proxies from the shareholders of the Corporation.

ALL SHAREHOLDERS OF THE CORPORATION ARE ADVISED TO READ THE DEFINITIVE PROXY STATEMENT, THE ACCOMPANYING WHITE UNIVERSAL PROXY CARD AND OTHER DOCUMENTS RELATED TO THE SOLICITATION OF PROXIES BY THE PARTICIPANTS, AS THEY CONTAIN IMPORTANT INFORMATION, INCLUDING ADDITIONAL INFORMATION RELATED TO THE PARTICIPANTS AND THEIR DIRECT OR INDIRECT INTERESTS IN THE CORPORATION, BY SECURITY HOLDINGS OR OTHERWISE.

The definitive proxy statement and an accompanying **WHITE** universal proxy card will be furnished to some or all of the Corporation's shareholders and are, along with other relevant documents, available at no charge on the SEC's website at <http://www.sec.gov/>. In addition, the Participants will provide copies of the definitive proxy statement without charge, upon request. Requests for copies should be directed to Blackwells.

ⁱ Capital IQ Pro from March 28, 2014 to the unaffected share price on March 28, 2024.

ⁱⁱ Ashford LLC is a subsidiary of Ashford Inc. (together, “Ashford”).

ⁱⁱⁱ Based on (i) a combined total of (A) advisory services fees paid to Ashford of approximately \$31.1 million, as disclosed in Braemar’s Annual Report for the year ended December 31, 2023, filed on Form 10-K with the SEC on March 14, 2024 (the “2023 Form 10-K”), (B) additional fees for products and services provided by Ashford (or entities in which Ashford has an interest) of approximately \$30.2 million, as disclosed in the 2023 Form 10-K, and (C) an estimated cash management fee paid to Ashford of approximately \$171,000, based on 20 bps of the year-end cash and cash equivalents balance for the year ended December 31, 2023 compared to (ii) approximately \$9.1 million (calculated by annualizing the total advisory fees paid to Ashford from November 19, 2013 through December 31, 2013, as disclosed in Braemar’s Annual Report for the year ended December 31, 2013, filed on Form 10-K with the SEC on March 31, 2014).

^{iv} Capital IQ Pro; based on the unaffected share price as of March 28, 2024.

^v Estimated termination fee varies depending on interpretation of the Fifth Amended and Restated Advisory Agreement, dated April 23, 2018, by and between Braemar, Braemar TRS Corporation, and Ashford LLC (as amended, the “Advisory Agreement”), as filed as Exhibit 10.2 to the 2023 Form 10-K. As stated in the Advisory Agreement the termination fee may be calculated to be an amount equal to (A) twelve multiplied by (B) the sum of (I) Net Earnings for the LTM Period; plus (II) to the extent not included in Net Earnings, any Incentive Fees that have accrued or are accelerated but have not yet been paid at the Termination Payment Time (each term as defined in the Advisory Agreement). Net Earnings is defined in the Advisory Agreement as (i) the total Base Fees and Incentive Fees, plus any other revenues reported on the Advisor’s income statement as pertaining to this Amended Agreement, in each case, in accordance with GAAP, including all EBITDA of the Advisor and any of its Affiliates and Majority or Minority Subsidiaries from providing any Additional Services to the Company, the Operating Partnership or any of their Affiliates or Subsidiaries, less (ii) the total incremental expenses (each term as defined in the Advisory Agreement). At a minimum, we estimate that the termination fee is equal to twelve multiplied by the 2023 Base Fee of \$13.9 million.

^{vi} For correspondence regarding Blackwells’ proposed termination fee in connection with its acquisition proposal and the Company’s response, please see Exhibit 2 to the Soliciting Materials filed on Form DFAN by Blackwells on March 29, 2024, available at https://www.sec.gov/Archives/edgar/data/1574085/000121390024027997/ea020276001-dfan14a_black.htm.

^{vii} *Braemar Hotels & Resorts Inc. v. Blackwells Capital LLC, et al.*, 3:24-cv-707-L, Compl. at ¶ 88.

^{viii} See endnote iii.

^{ix} Capital IQ Pro; based on the unaffected market capitalization of \$133 million as of March 28, 2024.

^x The 2023 Form 10-K at 144, 146 and 147.

^{xi} Bank of America Merrill Lynch was the marketing name for a division of Bank of America.