

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Section 351; Section 358

18 Can any resulting loss be recognized? ▶ No.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The exchange occurred in calendar year 2018.

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ /s/Bruce Lewis Date ▶ June 13, 2018

Print your name ▶ BRUCE LEWIS Title ▶ CONTROLLER

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Biglari Holdings Inc.
Attachment to Form 8937

Part II

Line 14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

Biglari Holdings implemented a dual class structure on April 30, 2018. For each share of common stock owned on April 30, 2018, shareholders received (i) one (1) share of Class B common stock and (ii) 1/10th of one share of Class A common stock. A share of Class B common stock has economic rights equivalent to 1/5th of a share of Class A common stock, however, Class B common stock has no voting rights. Each class of common stock is traded on the New York Stock Exchange. Class A common stock is traded under the symbol "BH.A" and Class B common stock is traded under the symbol "BH". The transaction was intended to qualify as an exchange described in Section 351(a) of the Internal Revenue Code for U.S. federal income tax purposes.

Line 15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

The aggregate tax basis of the shares of Class A and Class B common stock is the same as the tax basis of the Company stock exchanged. The basis in each share of Biglari Holdings common stock exchanged should be allocated two-thirds or 66.67% to each Class B share received and one third or 33.33% to each 1/10th of a share of Class A share received.

Line 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

The U.S. federal income tax laws provide that the basis of the common stock of Biglari Holdings Inc. exchanged for Class A common stock and Class B common stock be allocated among the Class A common stock and Class B common stock received based on the respective fair market values of the stock of each class received. The basis for the Class A and Class B shares were based on trading prices of each class listed on the New York Stock Exchange on the first trading day after the closing of the transaction (May 1, 2018).

Stockholders should consult their tax advisors regarding the determination of fair market value of the Class A and Class B common stock received in the exchange. Stockholders who acquired different blocks of shares of Biglari Holdings Inc. common stock at different prices or different times should contact their tax advisors as to the determination of the tax bases and holding periods of the shares of Class A common stock and Class B common stock received in the exchange.

Biglari Holdings shareholders are urged to consult their own tax advisors with respect to their individual tax consequences. The information in this attachment does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code, or (ii) promoting, marketing or recommending any transaction or matter addressed herein.