Stay In Your Element

With a rapidly expanding portfolio, Element Hotels is transforming the longer stay segment. Bright modern design, eco-conscious amenities and an innovative guest experience that resonates with today’s traveler is driving soaring satisfaction scores and increasing developer demand. With updated room types, flowing multipurpose areas and a reduced cost to build, the time to build is now.

Unprecedented Growth Momentum
Since its launch, Element Hotels has created a buzz in the development community, resulting in a strong pipeline that continues to grow in key markets globally.

Flexible Building Options
Element has pioneered sustainable design while enhancing the guest experience. Its flexible design approach allows for customization of each product based on market and building type—including prototypical and non-prototypical new builds, conversions and adaptive reuse projects.

2019 Franchise Hotel Performance*

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Occupancy Rate</td>
<td>77.3%</td>
</tr>
<tr>
<td>Average Daily Room Rate</td>
<td>$151.76</td>
</tr>
<tr>
<td>Average RevPAR</td>
<td>$117.38</td>
</tr>
<tr>
<td>Average RevPAR Index</td>
<td>106.6</td>
</tr>
</tbody>
</table>

Loyal Customer Base
Average Percentage of Loyalty Program Contribution to Occupancy at Element is 50.2%

Lower Cost Bookings
Marriott’s channels generate 67.8% of Element reservations

Note: These results reflect the performance of system hotels before the emergence of the COVID-19 outbreak, which has impacted consumer and business travel and caused declines in key operating metrics. See our news page (https://news.marriott.com/) for the latest information.

Competitive Fee Structure*

<table>
<thead>
<tr>
<th>Fee Type</th>
<th>Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Fee</td>
<td>$75,000 plus $500 per guestroom in excess of 150 guestrooms</td>
</tr>
<tr>
<td>Royalty Fee</td>
<td>5.5% of Gross Room Sales</td>
</tr>
<tr>
<td>Program Services Contribution</td>
<td>3.15% of gross room sales (which includes a contribution to the Marketing Fund of 1% of gross room sales), plus $10,000 per year, plus $220 per guestroom per year.</td>
</tr>
</tbody>
</table>

Key Competitors
Homewood Suites, Hyatt House

Recent Openings
Element Toronto Airport, Ontario
Element Orlando Universal Blvd., FL

Optimized Cost Plan
Estimated Cost Per Key (for select costs)**

- 80 – 120 KEYS: $130,000–$226,000
- 120 – 150 KEYS: $126,000–$205,000

*2020 Element Franchise Disclosure Document. Additional details included on the back. For all other costs and fees, refer to the FDD.

**The "Estimated Cost Per Key" includes select building construction, kitchen and laundry equipment, FF&E, start-up costs, and certain additional funds. You will incur additional costs. Please refer to our 2020 Element Franchise Disclosure Document for complete details.
Rise Breakfast
Wake up to our signature breakfast featuring a fresh made-to-order item that rotates daily. Chobani yogurt station offering wholesome granola, fresh cut and whole fruit, plus gourmet coffee and more help guests start their day healthy and energized.

Relax
Rediscover the Relax evening reception. Guests can settle in and mingle over complimentary sustainable wine and local beer options from a fully recyclable keg or enjoy light bites focusing on fresh ingredients. With options for a custom bar cart and full service bars, there is a way for guests at every hotel to unwind four nights a week.

Restore
Restore pantry has been reimagined so that guests can stock up on healthy snacks, local specialties and more at check-in. Savory, fresh ready-to-cook meals plus wine and beer on tap allow guests access to everything they need anytime.

Guestroom/Studio Commons
The guestrooms are an open, energizing environment with extra space, clean designs and an abundance of natural light. To continue to innovate in the extended stay space, Element’s new “Studio Commons” communal room concept consists of four guest rooms centered around a common living space that allows guests in the surrounding rooms to congregate, interact, work or dine – even more space to live their lives.

Visit MarriottDevelopment.com or call 301.380.3200

Element Franchise Disclosure Document: As of December 31, 2019, there were 42 Element hotels open and operating in North America (U.S. and Canada); of these, 41 were franchised. The data above reflects the performance of the 25 franchised Element hotels open and operating in North America for 24 months as of December 31, 2019, for which Smith Travel Research, Inc. has data and which did not undergo material renovations or expansions during the 24 months preceding December 31, 2019. Of the 25 Element hotels, 11 (44.0%) achieved an average occupancy rate equal to or greater than 77.3%; 8 (32.0%) achieved an average daily room rate equal to greater than $151.76; 8 (32.0%) achieved or exceeded the average RevPAR of $117.38; 12 (48.0%) achieved an average RevPAR Index equal to or greater than 106.6; 11 (44.0%) had 67.8% or more of their total gross room nights booked at their hotel come from all Reservation Channels and 18 (72.0%) achieved or exceeded the average percentage of loyalty program contribution to occupancy of 50.2%. There is no assurance that you will do as well. OFFER AND SALE BY PROSPECTUS ONLY. See item 19 of our Franchise Disclosure Document dated March 31, 2020, for additional details.