

## ITEM 19

### FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

#### **1. Average Occupancy, ADR, and RevPAR of Established Hotels**

The following table sets forth certain historical financial and performance information for established Affordable Suites of America™ hotels (the “Established Hotels”) for the trailing 12-month period ending February 28, 2025 (the “Measured Period”). Established Hotels are Affordable Suites of America™ hotels that: (i) were open and operating under the Brand for at least 18 calendar months as of February 28, 2025; (ii) reported data to us and to STR (defined below) for the Measured Period; and (iii) were not undergoing significant renovations that, during the Measured Period, caused more than 7% of total rooms to be out of order.

As of February 28, 2025, there were 31 Affordable Suites of America hotels operating in the United States, of which 12 were owned by our affiliates and 19 were franchised. Of these, 21 qualified as Established Hotels. 9 Established Hotels were owned and operated by our affiliates (the “Established Company-Owned Hotels”), and 12 Established Hotels were owned by franchisees (the “Established Franchised Hotels”), 11 of which were managed by our affiliate. The performance results for hotels managed by our affiliates do not materially differ from the performance results for other hotels included in this Item 19.

<b>Performance of Established Hotels for the Measured Period</b>				
	<b>Number of Included Hotels</b>	<b>Average Occupancy Rate</b>	<b>ADR</b>	<b>Average RevPAR</b>
<b>All Established Hotels</b>	21	79.8%	\$64.35	\$51.10
<b>Established Company-Owned Hotels</b>	9	80.5%	\$60.68	\$48.73
<b>Established Franchised Hotels</b>	12	79.3%	\$67.10	\$52.87

#### Table Notes:

- (1) “Average Occupancy Rate” means the average occupancy rate for the described period
- (2) “ADR” means the average daily room rate for the described period
- (3) “Average RevPAR” means the average revenue per available room for the described period

This Item 19 does not include 1 franchised hotel that did not report data for the Measured Period, as well as 4 new franchised hotels that opened in 2024 and 1 franchised hotel that changed ownership and management in 2024. Also excluded are 1 franchised hotel and 3 company-owned hotels that underwent major room renovations during the Measured Period.

Of the 21 Established Hotels for the trailing 12-month period ending February 28, 2025, 11 hotels or 52% had an average Occupancy Rate that met or exceeded the stated average, 9 hotels or 43% had an ADR that met or exceeded the stated average, and 11 hotels or 52% had an average RevPAR that met or exceeded the stated average; the median Occupancy Rate was 80.4%, the median ADR was \$63.22, and the median RevPAR was \$51.12.

Of the 9 Established Company-Owned Hotels for the trailing 12-month period ending February 28, 2025, 6 hotels or 67% had an average Occupancy Rate that met or exceeded the stated average, 4 hotels or 44% had an ADR that met or exceeded the stated average, and 5 hotels or 56% had an average RevPAR that met or exceeded the stated average; the median Occupancy Rate was 81.3%, the median ADR was \$60.23, and the median RevPAR was \$51.02.

Of the 12 Established Franchised Hotels for the trailing 12-month period ending February 28, 2025, 5 hotels or 42% had an average Occupancy Rate that met or exceeded the stated average, 5 hotels or 42% had an ADR that met or exceeded the stated average, and 6 hotels or 50% had an average RevPAR that met or exceeded the stated average; the median Occupancy Rate was 78.6%, the median ADR was \$66.34, and the median RevPAR was \$52.66.

The “Average Occupancy Rate” was derived by dividing the total number of guest rooms reported as occupied during the trailing 12-month period ending February 28, 2025 by the total number of guest rooms reported as available during the same period. “ADR” was derived by dividing the Gross Room Revenues reported for the trailing 12-month period ending February 28, 2025 by the total number of guest rooms reported as occupied during the same period. “Average RevPAR” was derived by dividing the annual Gross Room Revenues by the total number of available rooms for the trailing 12-month period ending February 28, 2025. The median is the middle data point of the numbers used to calculate the corresponding averages.

The Average Occupancy Rate, ADR, and Average RevPAR are calculated based on information routinely reported to us by individual hotels operating in the Business System. ADR and Average RevPAR are calculated on the basis of Gross Room Revenues, which we define as the total revenues and receipts resulting from the rental of guest rooms, whether made for cash or credit and whether or not collected by the franchisee. “Gross Room Revenues” do not include charges for food and beverages, telephone, laundry, entertainment, security deposits or applicable sales tax.

## **2. Explanatory Notes**

The information presented in this Item 19 is derived from data reported to us on a monthly basis by company-owned and franchised hotels, including hotels that our affiliates manage. We have not independently verified or audited this information.

You should conduct an independent investigation of the costs and expenses you will incur in operating an Affordable Suites of America™ hotel. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information.

**Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

Written substantiation for the financial performance representations in this Item will be made available to you upon reasonable request.

Other than as described in the preceding financial performance representation, we do not make any financial performance representations or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Adam Binder, Vice President of Franchise Operations, at 10801 Monroe Road, Suite 200, Matthews, North Carolina 28105, (980) 368-8100, the Federal Trade Commission, and the appropriate state regulatory agencies.

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**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NUMBER 1**  
**Systemwide Hotel Summary**  
**For Years 2022 to 2024**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2022	14	14	+/-0
	2023	14	15	+1
	2024	15	18	+3
Company-Owned	2022	10	12	+2
	2023	12	12	+/-0
	2024	12	12	+/-0
Total Hotels	2022	24	26	+2
	2023	26	27	+1
	2024	27	30	+3

**TABLE NUMBER 2**  
**Transfers of Hotels From Franchisee to New Owners (Other than the Franchisor)**  
**For Years 2022 to 2024**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Virginia	2022	0
	2023	0
	2024	1
TOTAL	2022	0
	2023	0
	2024	1