



ST. REGIS RESORT ASPEN

Performance Update – August 2020

GENERAL

We are happy to report that August has continued to show an increase in occupancy rate and ended up with a very good performance considering the circumstances. The resort is experiencing high demand and is benefitting from more time flexibility on the part of the guests, probably due to work-from-home and homeschooling possibilities. September seems to be following the same trend.

Special activation strategies are deployed whenever some gaps appear in the bookings in order to target guests that are able to take a decision on a shorter notice.

As of the 15th of September, the Pitkin County “Coronameter” remains in the “cautious” level. The County is reiterating the importance of respecting the safety measures.

ASPEN LIFE

The city remains extremely busy as many people have permanently relocated to Aspen. This includes our President Stephane De Baets. The real estate market is on fire. The hospitality sector is now eagerly waiting the announcement of SkiCo regarding the plan for the winter season. Week-ends are usually at or close to full capacity while week days are slightly softer.

HOTEL FINANCIALS

For the month of August, we saw a positive variance in total revenue versus revised forecast (+2,145k) coming mainly from a rapidly recovering occupancy rate (69% vs 27%). Similar to last month, this higher occupancy rate drove the Cost of Sale slightly higher (+440k) than forecasted.

Please see the St. Regis Resort Aspen's performance for August 2020 at the end of this report and some highlights below. Note that performance highlights are in reference to the updated forecast integrating COVID-19 impacts to revenue:

- August closed out with a Total Revenue of \$3.5M, compared favorably (+\$2.1M, 158%) to the forecasted August revenue of \$1.4M but still 26% inferior to the \$4.8M achieved in August of last year.
- Net Surplus Cash for the month of August was \$1.5M, a \$1.7M improvement compared to the -\$0.2M forecasted. Due to great cost contention efforts, we managed to bring the Net Surplus Cash in August 2020 to the same level as the one reached in August 2019. This is a great achievement considering the current context.
- The Year to date combined Net Surplus Cash stood at USD6.7M representing a USD4M (+148%) increase to forecast, and a -USD5.5M (-45%) variance year over year.

Reminder: our assumption for our revised Forecast is that after a reopening on June 12th with a limited occupancy, the hotel ramps up operations slowly throughout the summer with appropriate safety and health measures. We are assuming that there will not be a "second wave" of COVID-19 and that we will enjoy a "new normal" winter season.

We will continue to monitor closely the evolution of the situation and are ready to react with agility in case anything needs to be adjusted.

🔴 ASPEN COIN innovates with a new Owner Benefit Program!

We are very excited to present this new program which represents a first in the world of digital securities. Here is the press release:

SEPTEMBER 16, NEW YORK, NY—[Aspen Digital, Inc.](#) today announced that it intends to launch an owner benefit program extended to all equity owners of the St. Regis Aspen Resort, including those who hold their ownership through Aspen Digital Tokens. Under this new program, all equity owners of the St. Regis Aspen Resort will be eligible to receive from Aspen Digital a cash rebate on their stay at the St. Regis Aspen Resort based on the size of their ownership interest in the hotel. For holders of Aspen Digital Tokens owned for at least 30 days, the cash rebates are as follows:

of Aspen Digital Tokens / Cash Rebate

10,000 – 99,999 / 20%
 100,000 – 499,999 / 35%
 500,000 and more / 50%

The cash rebate is calculated based on resort charges net of taxes, gratuity and resort service fees.

Additional conditions under the program include that an owner of Aspen Digital Tokens must be present during the stay at the resort and is eligible to receive the cash rebate for no more than 30 room nights per calendar year. There are no blackout periods under the program. Full terms and conditions of the owner benefit program are available at www.aspencoin.io.

Said Stephane De Baets, President of Aspen Digital: *"We believe in creating a community around the property and this program allows our token holders and other owners to take advantage of the great hospitality we extend at our resort whenever their travels take them to Aspen."*

Sincerely,

The Aspen Digital Team

The St. Regis Aspen Resort
Management Account Comparison Report
August/2020 (Actual) vs August/2020 (Fcst - June Open) and August/2020 (Actual) vs August/2019 (Actual)

The St. Regis Aspen Resort	AUG - 2020	AUG - 2020	AUG - 2019	Aug/2020 (A) vs Aug/2020 (Fcst)		Aug/2020 (A) vs Aug/2019 (A)	
	(Actual)	(Fcst - June Open)	(Actual)	\$ Δ	% Δ	\$ Δ	% Δ
A Total Revenue	\$3,500,384	\$1,354,919	\$4,753,563	\$2,145,465	158.35% ▲	(\$1,253,179)	(26.36%) ▼
B Cost Of Sales	\$1,145,370	\$704,986	\$1,582,597	\$440,385	62.47% ▲	(\$437,226)	(27.63%) ▼
C Gross Operating Profit	\$2,355,014	\$649,933	\$3,170,966	\$1,705,080		(\$815,952)	(25.73%) ▼
% Gross Operating Profit	67.28%	47.97%	66.71%	\$0	40.26% ▲	0.57%	0.86% ▲
D Administration Expenses	\$510,780	\$604,985	\$977,993	(\$94,205)	(15.57%) ▼	(\$467,213)	(47.77%) ▼
E Management Fees	\$141,496	\$54,890	\$349,225	\$86,606	157.78% ▲	(\$207,729)	(59.48%) ▼
F Gross Profit	\$1,702,738	(\$9,942)	\$1,843,748	\$1,712,680		(\$141,010)	(7.65%) ▼
% Gross Profit	48.64%	(0.73%)	38.79%	\$0		9.86%	25.42% ▲
G Rent	\$23,915	\$23,349	\$18,183	\$567	2.43% ▲	\$5,732	31.53% ▲
H Taxes	\$120,386	\$120,216	\$97,866	\$170	0.14% ▲	\$22,520	23.01% ▲
I Insurance Expenses	\$27,086	\$31,476	\$23,967	(\$4,390)	(13.95%) ▼	\$3,119	13.01% ▲
J Owner'S Expenses	\$816	\$816	\$816				
K EBITDA	\$1,530,535	(\$185,798)	\$1,702,916	\$1,716,332		(\$172,381)	(10.12%) ▼
% EBITDA	43.72%	(13.71%)	35.82%	\$1		7.90%	22.05% ▲
L F.F.& E. Reserve			\$190,143			(\$190,143)	(100.00%) ▼
M Net Surplus Cash	\$1,530,535	(\$185,798)	\$1,512,773	\$1,716,332		\$17,761	1.17% ▲
% Net Surplus Cash	43.72%	(13.71%)	31.82%	\$1		11.90%	37.40% ▲

The St. Regis Aspen Resort

Comparison of Operating Statistics

August/2020 (Actual) vs August/2020 (Fcst - June Open) and August/2020 (Actual) vs August/2019 (Actual)

The St. Regis Aspen Resort		AUG - 2020	AUG - 2020	AUG - 2019	Aug/2020 (A) VS Aug/2020 (Fcst)		Aug/2020 (A) vs Aug/2019 (A)	
		(Actual)	(Fcst - June Open)	(Actual)	\$ Δ	% Δ	\$ Δ	% Δ
1	% Occupancy Rate	68.88%	27.48%	83.55%	41.39%	150.62% ▲	(\$14,679)	(17.56%) ▼
2	Average Room Rate	\$642	\$539	\$687	\$103	19.13% ▲	(\$45)	(6.57%) ▼
3	REVPAR	\$442	\$148	\$574	\$294	198.56% ▲	(\$132)	(22.98%) ▼
A	Total Revenue	\$3,500,384	\$1,354,919	\$4,753,563	\$2,145,465	158.35% ▲	(\$1,253,179)	(26.36%) ▼
B	EBITDA	\$1,530,535	(\$185,798)	\$1,702,916	\$1,716,332		(\$172,381)	(10.12%) ▼
	% EBITDA	43.72%	(13.71%)	35.82%	57.44%		7.90%	22.05% ▲
Room Department								
	- Revenue	\$2,453,740	\$821,855	\$3,185,751	\$1,631,885	198.56% ▲	(\$732,011)	(22.98%) ▼
	- Department Profit	\$1,987,767	\$570,328	\$2,633,444	\$1,417,438		(\$645,678)	(24.52%) ▼
	- % Department Profit	81.01%	69.40%	82.66%	11.61%	16.74% ▲	(1.65%)	(2.00%) ▼
Food & Beverage Department								
	- Revenue	\$545,069	\$330,072	\$863,259	\$214,997	65.14% ▲	(\$318,190)	(36.86%) ▼
	- Department Profit	\$123,324	\$19,628	\$173,885	\$103,696		(\$50,562)	(29.08%) ▼
	- % Department Profit	22.63%	5.95%	20.14%	16.68%		2.48%	12.32% ▲
Spa Department								
	- Revenue	\$297,794	\$127,332	\$414,742	\$170,462	133.87% ▲	(\$116,948)	(28.20%) ▼
	- Department Profit	\$90,025	\$2,942	\$135,460	\$87,083		(\$45,435)	(33.54%) ▼
	- % Department Profit	30.23%	2.31%	32.66%	27.92%		(2.43%)	(7.44%) ▼
Minor Operating Departments								
	- Revenue	\$70,026	\$22,701	\$67,514	\$47,324		\$2,512	3.72% ▲
	- Department Profit	\$20,143	\$4,078	\$5,880	\$16,065		\$14,263	
	- % Department Profit	28.77%	17.96%	8.71%	10.80%	60.13% ▲	20.06%	