



ST. REGIS RESORT ASPEN

Performance Update – Sept. 2020

● GENERAL

The positive trend observed over the summer has continued in September. Despite the overhanging COVID-19 impact on the overall hospitality market, we have experienced a year-on-year growth for the month of September, which is an amazing achievement.

As corporate travel is still non-existent the bulk of the occupancy was attributed to transient guests. We are still noticing a very large influx of drive-in guests over the week-ends.

On the pandemic front, Pitkin County announced that it will hire more public health staff for tracing and put other efforts to fight the Covid-19. Aspen City Council also extended a mandatory mask-wearing zone until May 1, 2021.

We recently received approval for having up to 100 guests per event which will enable us to accommodate larger groups in the winter. Separately we are lobbying the city to tent our courtyard so as to cater our guests with breakfast and dining options.

● ASPEN LIFE

The town remains very busy for this time of the year. Fall foliage attracts many nature lovers. Everyone is thinking about the upcoming winter. Skico has confirmed that it will open all 4 mountains and will limit capacity on the slopes. This means that we are likely to see a very busy town with venues fully booked as they will be operating at limited capacity.

🔴 HOTEL FINANCIALS

The performance for the month of September was very strong, registering a positive variance in total revenue versus revised forecast (+2,459k) coming from a sustained recovery in occupancy rate (70% vs 16%). September 2020 occupancy rate of 70% remarkably even surpassed the September 2019 number of 60%.

Please see the St. Regis Resort Aspen's performance for September 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:

- September closed out with a remarkable Total Revenue of \$3.3M, compared favorably (+\$2.5M) to the re-forecasted revenue of \$0.9M and 19% higher than the \$2.8M achieved in September of last year.
- Net Surplus Cash for the month of September was \$1M, a \$1.5M improvement compared to the -\$0.5M forecasted. The combination of higher occupancy rate and sustained cost contention efforts led to a 0.7M higher Net Surplus Cash compared to the same month last year. This is a great achievement considering the current context.
- The Year to date combined Net Surplus Cash stood at USD7.7M, representing a USD5.5M increase to re-forecast and a -USD4.8M (-39%) 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

CALL THE ST REGIS ASPEN YOUR HOME!



Become an investor in the property you love and benefit from our one-of-a-kind Owner Benefit Program.

BECOME AN OWNER

- It is now possible to own a piece of this beautiful Resort by acquiring Aspen Coin token, listed on the tZERO Exchange (<https://www.tzero.com/asset/ASPD>)
- As an investor, you will benefit from the future returns generated by the asset.

RECEIVE A CASH REBATE ON YOUR STAY

If you hold a minimum of 10,000 token, you will qualify to receive a cash rebate from 20% to 50% on your stay at the Resort (based on the size of your ownership interest in the hotel).

Visit www.aspencoin.io for more details.



Sincerely,

The Aspen Digital Team

The St. Regis Aspen Resort

Management Account Comparison Report

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

The St. Regis Aspen Resort	SEP - 2020	SEP - 2020	SEP - 2019	Sep/2020 (A) VS Sep/2020 (Fcst)		Sep/2020 (A) vs Sep/2019 (A)	
	(Actual)	(Fcst - June Open)	(Actual)	\$ Δ	% Δ	\$ Δ	% Δ
A Total Revenue	\$3,346,427	\$887,714	\$2,814,115	\$2,458,713		\$532,312	18.92% ▲
B Cost Of Sales	\$1,269,510	\$621,910	\$1,412,647	\$647,600	104.13% ▲	(\$143,137)	(10.13%) ▼
C Gross Operating Profit	\$2,076,917	\$265,804	\$1,401,469	\$1,811,112		\$675,448	48.20% ▲
% Gross Operating Profit	62.06%	29.94%	49.80%	\$0	107.28% ▲	12.26%	24.62% ▲
D Administration Expenses	\$715,846	\$566,388	\$758,645	\$149,458	26.39% ▲	(\$42,799)	(5.64%) ▼
E Management Fees	\$132,154	\$35,876	\$94,128	\$96,277		\$38,026	40.40% ▲
F Gross Profit	\$1,228,917	(\$336,460)	\$548,695	\$1,565,377		\$680,222	123.97% ▲
% Gross Profit	36.72%	(37.90%)	19.50%	\$1	196.89% ▲	17.23%	88.34% ▲
G Rent	\$98,663	\$30,582	\$25,729	\$68,081		\$72,934	
H Taxes	\$120,849	\$120,216	\$95,604	\$634	0.53% ▲	\$25,246	26.41% ▲
I Insurance Expenses	\$26,470	\$22,632	\$16,597	\$3,838	16.96% ▲	\$9,873	59.49% ▲
J Owner's Expenses	\$816	\$816	\$816	(\$0)	(0.02%) ▼		
K EBITDA	\$982,119	(\$510,706)	\$409,950	\$1,492,825		\$572,169	139.57% ▲
% EBITDA	29.35%	(57.53%)	14.57%	\$1	151.01% ▲	14.78%	101.46% ▲
L F.F.& E. Reserve		(\$35,509)	\$112,565	\$35,509	100.00% ▲	(\$112,565)	(100.00%) ▼
M Net Surplus Cash	\$982,119	(\$475,197)	\$297,385	\$1,457,316		\$684,734	
% Net Surplus Cash	29.35%	(53.53%)	10.57%	\$1	154.83% ▲	18.78%	177.72% ▲

The St. Regis Aspen Resort

Comparison of Operating Statistics

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

The St. Regis Aspen Resort	SEP - 2020	SEP - 2020	SEP - 2019	Sep/2020 (A) VS Sep/2020 (Fcst)		Sep/2020 (A) vs Sep/2019 (A)	
	(Actual)	(Fcst - June Open)	(Actual)	\$ Δ	% Δ	\$ Δ	% Δ
1 % Occupancy Rate	70.41%	15.85%	60.07%	\$4.56%		\$10.34%	17.20% ▲
2 Average Room Rate	\$595	\$524	\$514	\$70	13.40% ▲	\$80	15.63% ▲
3 REVPAR	\$419	\$83	\$309	\$336		\$110	35.52% ▲
A Total Revenue	\$3,346,427	\$887,714	\$2,814,115	\$2,458,713		\$532,312	18.92% ▲
B EBITDA	\$982,119	(\$510,706)	\$409,950	\$1,492,825		\$572,169	139.57% ▲
% EBITDA	29.35%	(57.53%)	14.57%	86.88%	151.01% ▲	14.78%	101.46% ▲
Room Department							
- Revenue	\$2,248,448	\$446,259	\$1,659,073	\$1,802,189		\$589,375	35.52% ▲
- Department Profit	\$1,768,193	\$223,249	\$1,159,034	\$1,544,944		\$609,158	52.56% ▲
- % Department Profit	78.64%	50.03%	69.86%	28.61%	57.20% ▲	8.78%	12.57% ▲
Food & Beverage Department							
- Revenue	\$592,273	\$302,265	\$689,271	\$290,007	95.94% ▲	(\$96,998)	(14.07%) ▼
- Department Profit	\$82,051	(\$3,069)	\$43,049	\$85,119		\$39,001	90.60% ▲
- % Department Profit	13.85%	(1.02%)	6.25%	14.87%		7.61%	121.81% ▲
Spa Department							
- Revenue	\$318,272	\$80,568	\$292,194	\$237,704		\$26,078	8.92% ▲
- Department Profit	\$79,043	(\$7,928)	\$67,571	\$86,971		\$11,472	16.98% ▲
- % Department Profit	24.84%	-9.84%	23.13%	34.68%		1.71%	7.39% ▲
Minor Operating Departments							
- Revenue	\$87,583	\$12,642	\$46,971	\$74,941		\$40,612	86.46% ▲
- Department Profit	\$47,778	\$7,572	\$5,206	\$40,207		\$42,572	
- % Department Profit	54.55%	59.89%	11.08%	-5.34%	(8.92%) ▼	43.47%	