

From: Stephen Hanson <[REDACTED]>

To: Jeffrey / E / Epstein <jeevacation@gmail.com>

Subject: Fwd: Q1 2018 Projections

Date: Sun, 05 Nov 2017 12:39:05 +0000

Attachments: Book1.xlsx

Inline-Images: image001.png; image002.png; image003.png; image001(1).png; image004.png; image005.png; image006.png

This is the nol for Q1. It had a nov opening
First of the year losses will be greater as you have no momentum going into first months of the year
I'll get you the 750k restaurant opening budget

Sent from my iPad

Begin forwarded message:

From: Alan Hochhauser <[REDACTED]>

Date: October 13, 2017 at 11:16:41 AM EDT

To: Steve Hanson <[REDACTED]>, David Mitchell <[REDACTED]>

Subject: Q1 2018 Projections

Steve & David,

Based on delays in opening, attached are updated projections assuming open early November upstairs with Speakeasy turned over two weeks later.

Pre-opening funding assumes a NOL for opening months, but because on the timing of the opening, I anticipate losses continuing through Q1. A number of factors contribute to this:

1. Q1 always the softest quarter for sales and I anticipate first year to be much softer than normal with only being open a few weeks prior. Restaurant will not have had the time to build a loyal following for return business. Keep in mind that after Thanksgiving, ala carte business is soft because of the increase in Holiday events people are attending.
2. Unlikely that we are reviewed by then, we were hoping to be reviewed in 2017
3. Hotel occupancy (based on budget and what's been booked) appears soft. Will take time to build as still don't have benefit of F&B
4. I anticipate costs (labor & cost of goods sold) to be high in Q1. November / December, while still below anticipated, should be OK for sales because of the season. This is assuming we are able to sell holiday events (which will be also be a challenge because of the late opening – people want to see the room before they book. Anything we get will be last minute, no advanced sales). The team will be focused on executing great service, by the time Q1 rolls around, they will still be in opening mode and fine tuning menu and staffing models. Will not be 100% efficient yet, this will be done during Q1 when we see what true sales patterns are. With the late opening, staff will still be very new for Q1 and will still be staffing higher than normalized operations. There is also the natural turnover that comes with an opening – was hoping to be through that and stable with the staff by year end, but unlikely, so assume labor costs also impacted by training costs.
5. I also projected higher costs for Q1 for linen. Plan was to perform services in house, but until we know where we'll end up with laundry room, projecting the costs to outsource laundry.

Overview of Q1 in regards to bottom line numbers:

1. EBITDA loss of \$313K
2. EBITDA loss includes \$138K in rent
3. Negative cash flow (NOL) net of rent is \$175K

Alan Hochhauser
Chief Financial Officer

LIFE RESTAURANT
At Life Hotel
19 West 31st St
NY NY 10001



lifehotel.com



@lifehotelnewyork

@lifehotelny

@liferestaurantny

@gibsonandluceny