

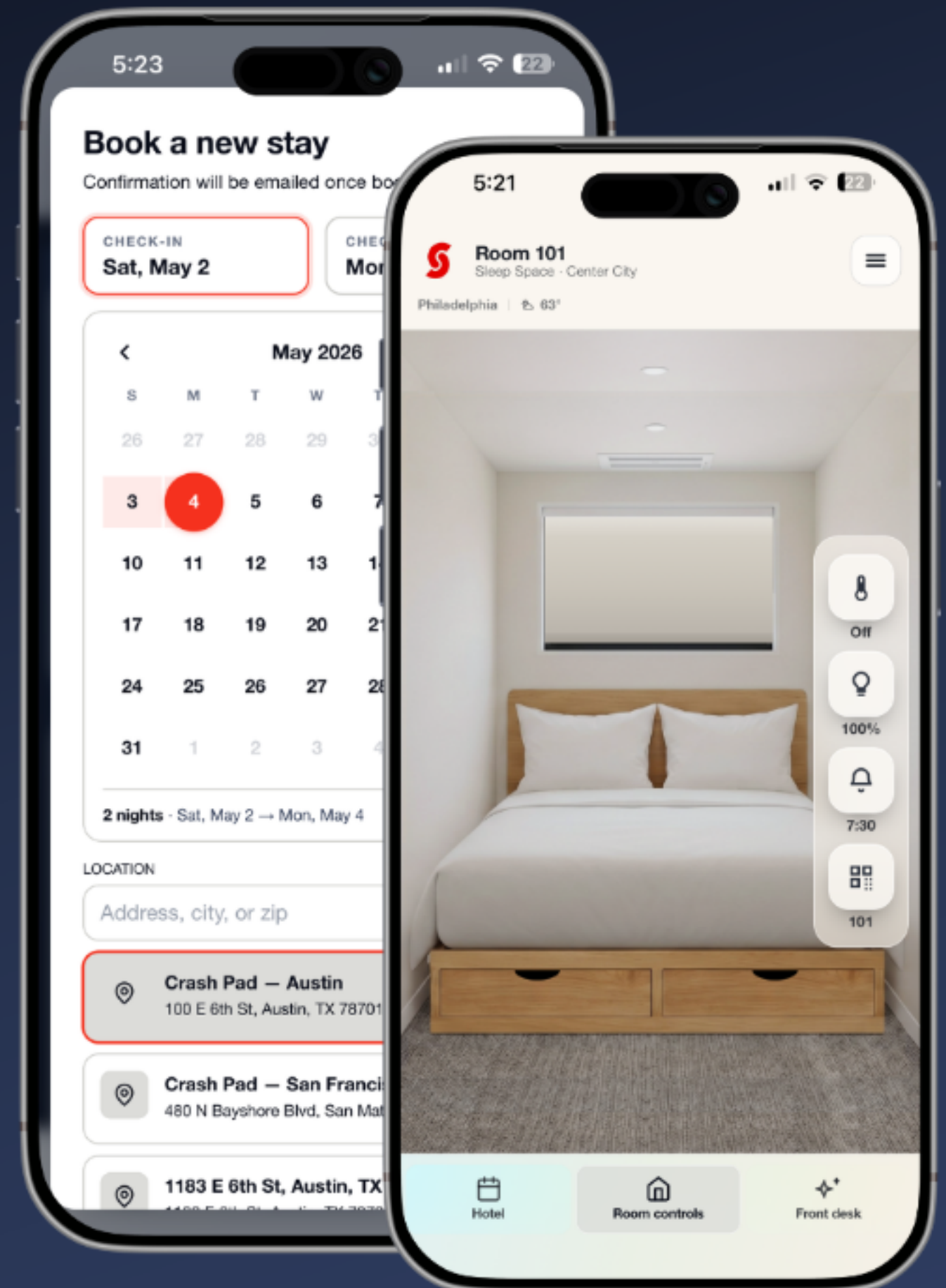


See More, Spend Less.

Budget hotels done right.

Prepared for prospective franchise partners

Sleep Space Franchising, LLC - sleepspace.net



A large market, ready for a better budget hotel

The U.S. economy lodging segment is enormous - and commoditized.

Travelers booking the budget tier are not asking for a lobby piano, a conference room, or a half-empty restaurant. They want a clean, modern, secure room at an honest price - and most legacy economy brands are dated, fee-laden, and inconsistent.

Sleep Space is purpose-built for that guest: a deliberate, efficient product that costs less to build and less to run - so the value shows up in the room, not the overhead.

2

ROOM TIERS

Economy & Economy Plus - one simple, published two-rate model

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FRONT-DESK LABOR

App-only check-in and smartphone unlock - no desk to staff, no guest lines

\$66,712

PER KEY, ALL-IN

Sleep Space's all-in cost per room in the development model - vs. \$115K-\$135K typical for limited-service

A leaner hotel, by design

Two purpose-built room footprints make the price obvious: less unused square footage, fewer unused amenities, and the same sleep-first core.

Economy

~54 sq ft sleep room

\$59 / night



- What you get
- Full XL bed
 - Private locking room
 - Single-use bathroom nearby
 - App-only check-in

- What keeps it at \$59
- Smaller room shell
 - Shared bathroom core
 - No front desk, gym, pool, or restaurant

Economy Plus

~120 sq ft en-suite room

\$89 / night



- What you get
- Full XL bed
 - Private en-suite bathroom
 - Free plus-one guest
 - Same app-only check-in

- Why it is still lean
- Pay for bath + space
 - Same no-frills hotel shell
 - No lobby desk, gym, pool, or restaurant

The math is simple: guests pay for the bed, bathroom, safety, and cleanliness - not the building features budget travelers rarely use.

Budget price. Not a budget room.

The room is small - nothing in it is cheap. Sleep Space strips out the incidentals budget guests never use and pours the savings into what they actually touch.

- **Premium memory-foam mattress**
The first thing budget hotels cut - the first thing we upgrade.
- **Egyptian cotton towels, 600 GSM**
Hotel-grade linen you actually feel.
- **Fresh-squeezed OJ & GIGA X8 coffee**
A simple, genuinely good breakfast - not a sad buffet.
- **In-room safe, smart climate & fast Wi-Fi**
The quiet essentials, every room, standard.
- **Salon-grade hair dryer + free laundry**
Free laundry on stays of three nights or more.



THE MATH OTHERS MISS At ~\$250 a sq ft to build, two square feet of room buys a genuinely premium mattress - others call that waste, we call it the reason you slept well.

Built to cost less - and run leaner

Compared with brand-flag benchmarks in the model, Sleep Space wins by removing non-room cost centers first. Guests still get the parts they actually feel.

■ Marriott / citizenM-style flags

- \$168K-\$223K/key benchmark range
- Lobby, breakfast, pool, gym, business center
- Front desk, night audit, brand systems, labor layers
- Fees and amenity programs guests may not use

■ Sleep Space 100-key model

- \$71.5K/key in current project uses
- 182 GSF/key - compact, purpose-built rooms
- No restaurant, pool, gym, front desk, keycards
- Spend goes to bed, bathroom, safety, cleanliness

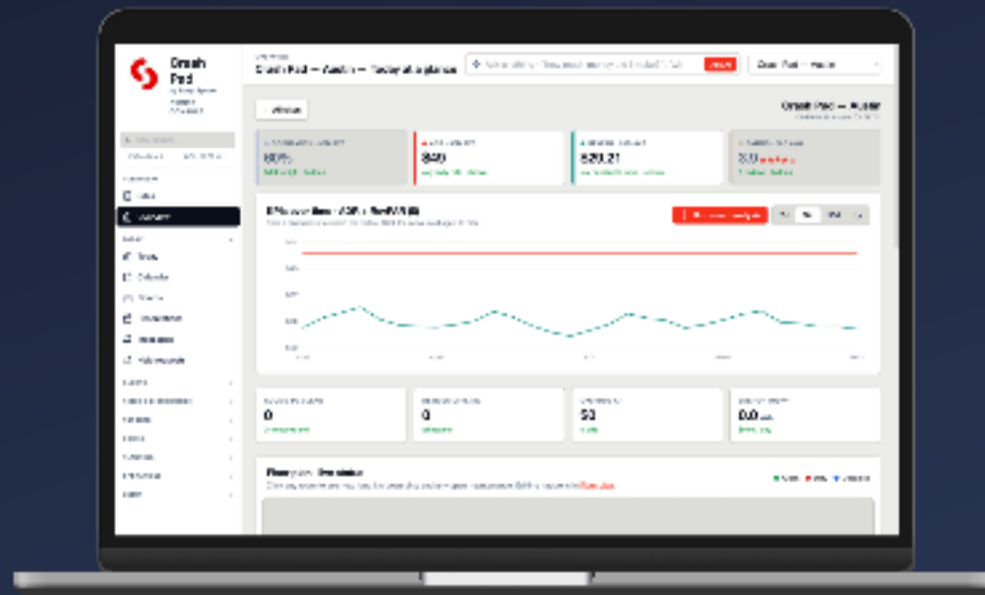
One platform runs the whole hotel

Crash Pad® is one connected platform - an owner console, a staff app, and the guest app - so every Sleep Space runs to one standard with far less payroll.



GUEST APP

Book, check in, unlock



CRASH PAD

Run the whole fleet



STAFF APP

Every room turn, tracked

We help you open - and keep you running

Before you open

- Approval of your location and review of construction plans
- Operations Manual, brand standards, and Crash Pad access
- Signage specification and approved-supplier introductions
- Pre-opening inspection against brand standards

Once you're open

- Central reservations, channel management, and payments
- The brand marketing program and guest application
- Remote operating support through the owner console
- Ongoing platform updates, inspections, and owner meetings

TRAINING

56 hrs

General Manager training

32 hrs

Second manager training

8 hrs

On-site pre-opening walkthrough

~8 hrs / yr

Ongoing refresher

What it takes to get started

Initial fees paid to Sleep Space Franchising, LLC

Fee	Amount
Application Fee	\$3,000
Initial Franchise Fee (first 50 keys)	\$30,000
Opening Package Fee	\$4,500
Opening Assistance Fee (+ travel)	\$1,500
Total initial fees - typical 60-key hotel	~\$43,000

Estimated total project investment

\$1.4M - \$4.2M+

all-in, depending on project type

Low end - a 24-key conversion of real estate you already control.
High end - a 60-key new-construction hotel including land.

Initial fees are uniform for all franchisees and are fully earned when paid. Estimated investment ranges are drawn from Item 7 of the Franchise Disclosure Document and exclude land if owned, financing costs, and operating losses beyond the stated reserve.

Recurring fees & franchise term

Recurring Fee	Amount	Basis
Royalty Fee	4.5%	of Gross Rooms Revenue, monthly
Marketing / Program Fee	3.5%	of Gross Rooms Revenue (cap 5.5%)
Reservation Fee	1.5%	of Gross Rooms Revenue (cap 2.0%)
Technology Fee	\$19	per guest room, per month
Payment Processing	At cost	passed through, no markup

15 years

Initial franchise term, from your opening date

+ 10 years

One renewal term, on the standards of the day

An optional hand on the capital stack

Capital Improvement Loan - up to \$100,000

Offered at our discretion to qualified franchisees, toward construction, equipping, or fit-out.

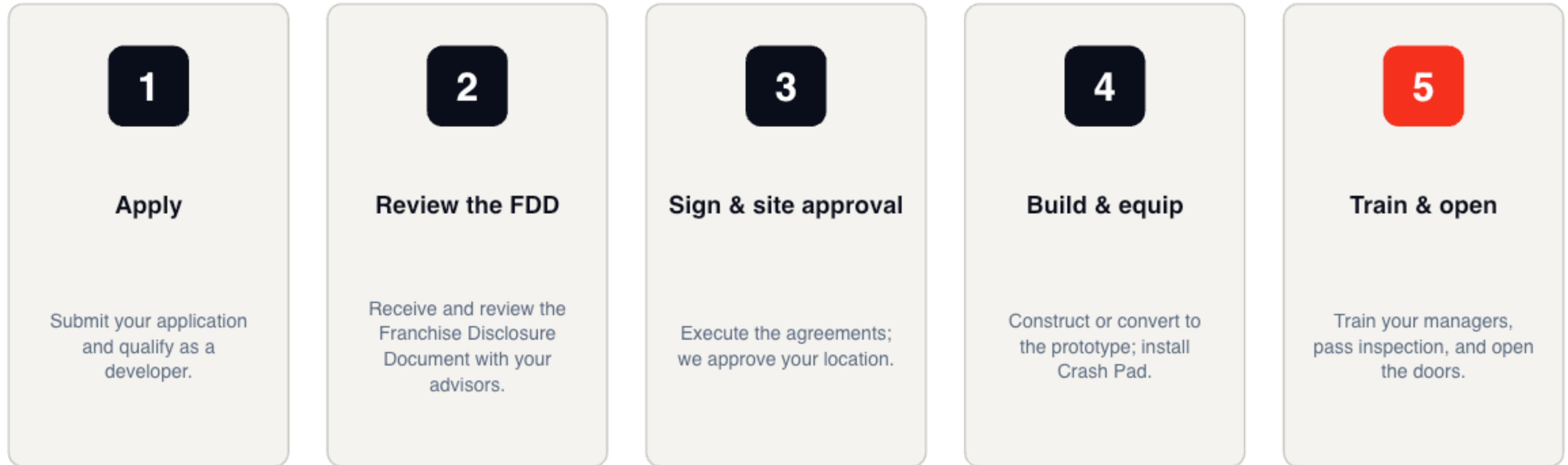
Priced at Wall Street Journal Prime + 3%, repaid over 24 monthly installments.

Lender introductions. We can also introduce you to commercial and SBA-approved lenders - with no fee or commission to us, and no guarantee of financing.

Sleep Space Franchising, LLC does not otherwise offer financing. See Item 10 of the Franchise Disclosure Document for full terms and conditions.



From application to opening day



Most of the relationship lives in two documents: the Franchise Agreement and the Technology License & Services Agreement for the Crash Pad platform.

The team behind Sleep Space

ADD PHOTO

Headshot - Ethan

Ethan Sargent

FOUNDER & CEO

Leads brand, product, and the Crash Pad operating platform across the Sleep Space system.

ADD PHOTO

Headshot - Greg

Greg Posmantur

ADVISOR

CEO of JYI Hospitality - limited-service hotel operations, standards, and franchisee support.

ADD PHOTO

Headshot - Navneet

Navneet Aron

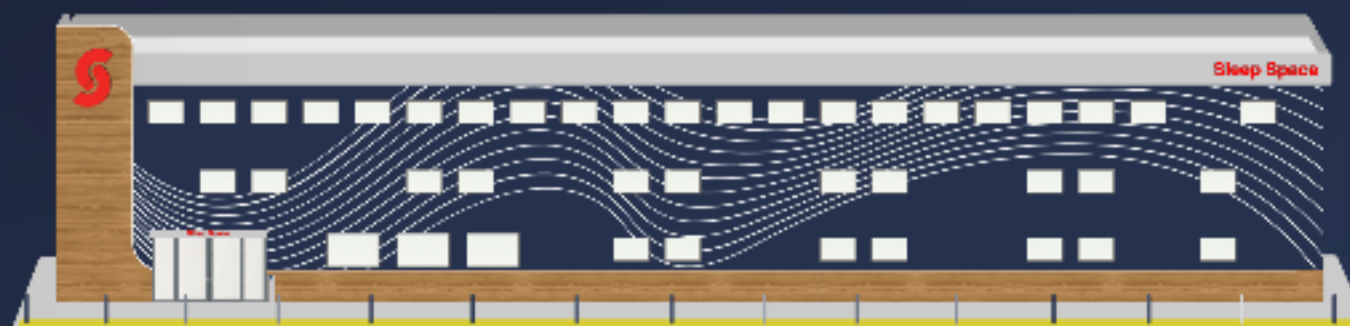
ADVISOR

Strategic advisor to Sleep Space.



Let's build the next one together.

If the model fits how you develop and operate, the next step is simple - request the Franchise Disclosure Document and let's talk through your market.



APPLY / INQUIRE

sleepspace.net

EMAIL

legal@sleepspace.net

ENTITY

Sleep Space Franchising, LLC

IMPORTANT NOTICE

This presentation is for informational purposes only and is not an offer to sell or the solicitation of an offer to buy a franchise. A franchise is offered solely by means of the Franchise Disclosure Document (FDD). No franchise will be sold in any state until the FDD has been registered or filed where required and delivered as the law requires. Sleep Space makes no representation about the financial performance of a Sleep Space hotel except as may be set out in Item 19 of the FDD. All figures shown are drawn from the FDD draft and are subject to confirmation by counsel.