

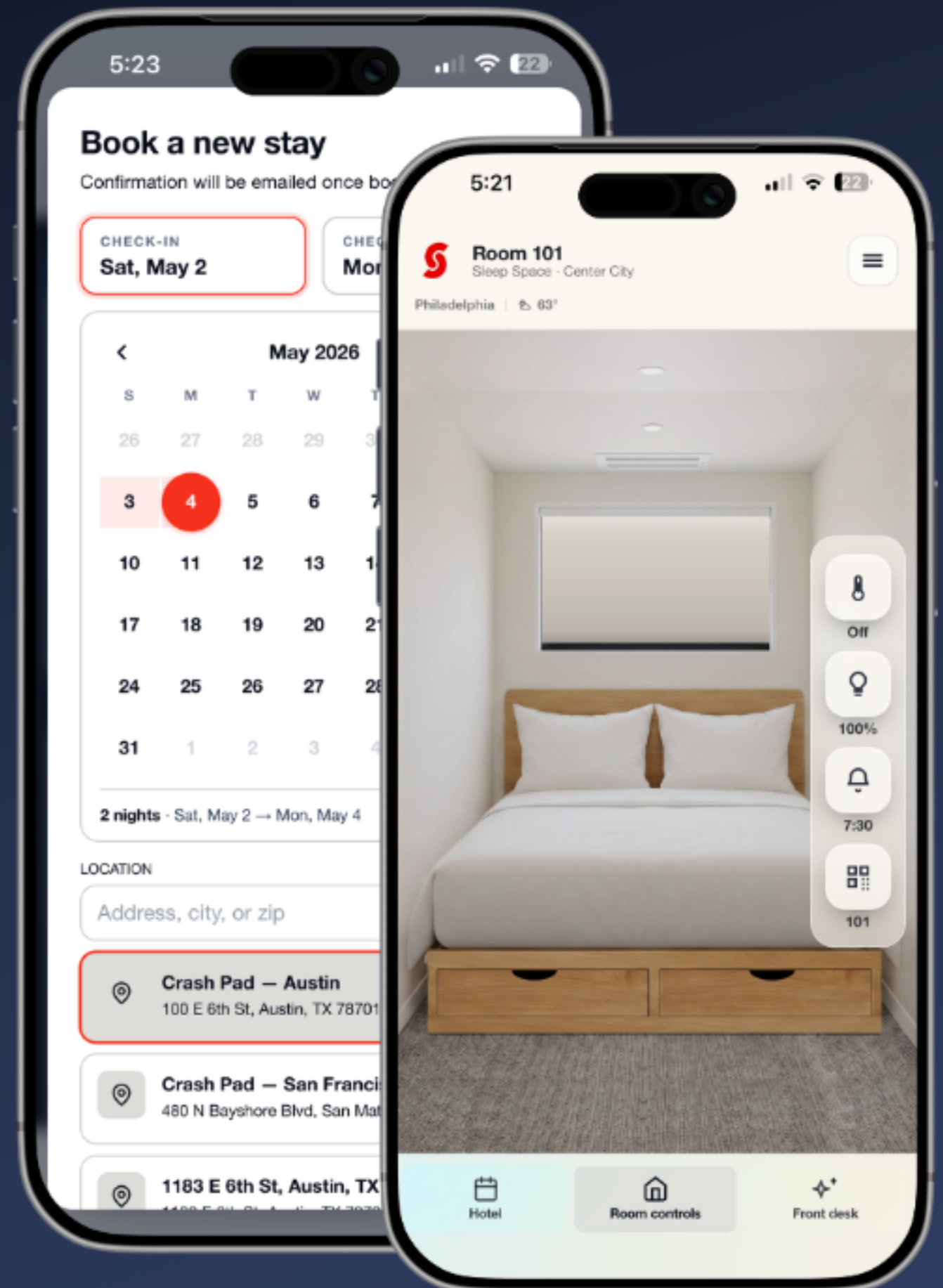


See More, Spend Less.

Budget hotels done right.

Prepared for prospective capital partners

Sleep Space - 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 want a clean, modern, secure room at an honest price - and most legacy economy brands are dated, fee-laden, and inconsistent.

There is a large market for budget hotels; however, customer satisfaction is extremely poor, as measured by their Net Promoter Scores (NPS).

THE SATISFACTION GAP

Legacy economy brands rank among the worst in lodging for guest satisfaction - even with billion-dollar systems behind them. That gap is the opening.

SLEEP SPACE - INVESTMENT OPPORTUNITY

Brand	Revenue	NPS
	\$1.8B	-93 NPS
	\$3.2B	-82 NPS
	\$1.4B	-93 NPS
	\$2.3B	-91 NPS

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 The current model keeps the investor-facing pro forma tied directly to construction budget, FF&E procurement, room mix and financing assumptions before return metrics are shown.

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

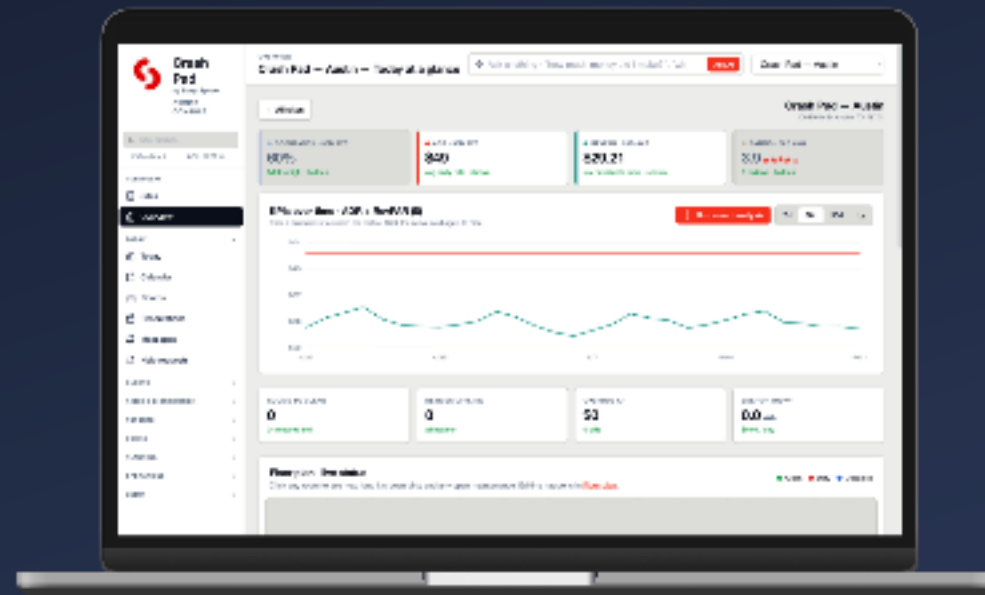
One platform runs the whole hotel

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

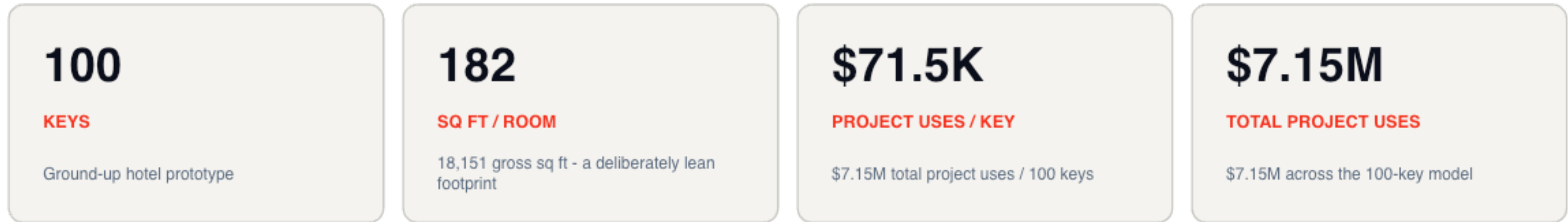


STAFF APP

Every room turn, tracked

A 100-key ground-up hotel prototype

Sleep Space's first development model - a purpose-built, micro-footprint hotel with an integrated pro forma.



SOURCES OF CAPITAL

Equity - 30%	\$2.14M
Construction debt - 70%	\$5.00M
Total sources	\$7.15M

USES OF CAPITAL

Land & acquisition	\$1.20M
Hard construction	\$4.58M
Owner direct & FF&E/OSE	\$0.72M
Bridge interest reserve	\$0.11M
Soft costs, design & pre-opening	\$0.54M
Total uses	\$7.15M

What the 100-key model shows

Updated to a 100-key prototype hotel. The pro forma connects operating assumptions, construction budget, FF&E procurement, and bridge financing.

100

KEYS

50 Economy Plus / 50 Economy

\$7.15M

TOTAL PROJECT USES

Includes hard costs, owner direct, FF&E/OSE and interim financing

\$5.00M

CONSTRUCTION LOAN

70% LTC; bridge interest reserve added

\$2.14M

EQUITY REQUIRED

30% equity contribution before operating refresh

NO STALE RETURN CLAIMS

IRR, equity multiple, return on cost and exit value should be re-run after STAR data and Year 1-4 operating assumptions are refreshed. The old 73-key return case has been removed from the deal room.

What changed in the model

The investor model now keeps the project summary connected to the pro forma assumptions section.

MODEL FOUNDATION

Single source of truth

Project Summary

Room count and mix

100 keys

Bridge financing

\$109K

Construction loan draws and bridge interest now sit outside permanent amortization.

OPERATING REFRESH

Monthly P&L should not rely on a simple annual / 12 shortcut. STAR-backed seasonality and Year 1-4 forecast logic are the next diligence step.

WHAT TO VALIDATE NEXT

Hard construction, FF&E/OSE and operating payroll should be validated against vendor backup before the deck shows final IRR, equity multiple or exit pricing.

The team behind Sleep Space



Ethan Sargent

FOUNDER & CEO

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



Greg Posmantur

ADVISOR

CEO of JYI Hospitality Consultants - 30+ hotel brands of limited-service operations, standards, and franchisee support.

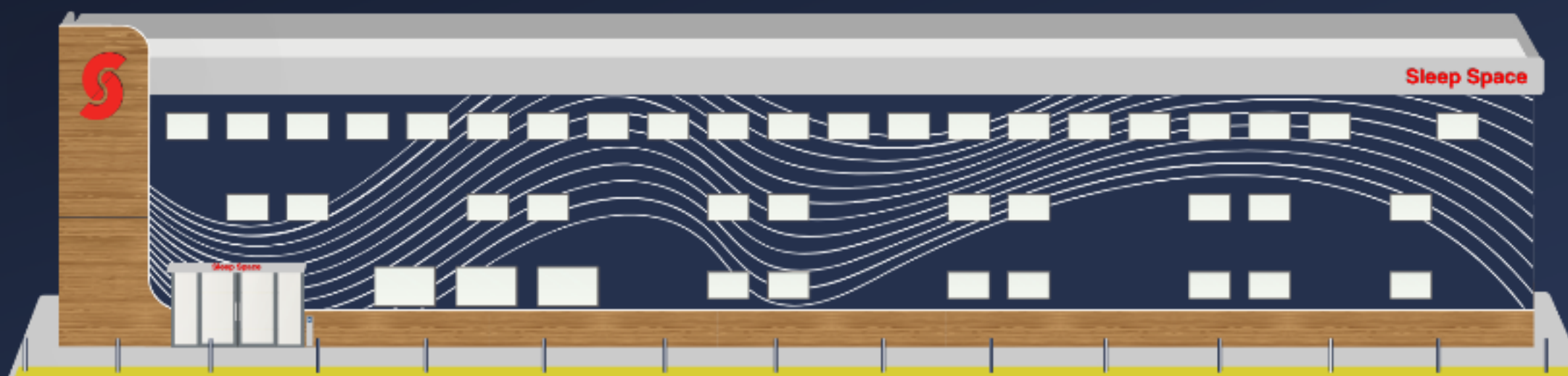


Navneet Aron

ADVISOR

CEO of Livio Building Systems - the prefabricated construction system Sleep Space is built on.

Let's build the first one together.



EMAIL

ethan.sargent@sleepspace.net

PHONE

(415) 419-1478

ONLINE

sleepspace.net

IMPORTANT NOTICE Confidential, for discussion only - not an offer to sell or a solicitation to buy any security. Figures are pro forma projections, rest on assumptions that may change, and are not a guarantee of future performance. Prospective investors should conduct their own diligence.