



PE Location Expansion Strategic Plan

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Business Model

Soundspace is the future of easy space sharing. Soundspace's SaaS platform manages all aspects of operations for shared spaces including booking, payments, memberships, financials, and more. Soundspace's platform can be used to make any commercial real estate space into an easily bookable or short-term rental workspace. Using Soundspace, space owners can drive consistent repeatable revenues from otherwise vacant spaces, cut their admin spend by more than 50%, and allow for a significantly easier space-sharing and booking experience for their community. Soundspace, a Delaware C-Corp, currently generates **~\$12K in Gross MRR across 9 Public Network locations and 2 Whitelabel Private Network clients.**

- Users of the application pay membership monthly to book spaces on the Soundspace Network with options for additional purchases.
- Soundspace Tech handles user interface, bookings, collections, and payouts
- Soundspace's proprietary algorithms calculate membership and booking values and automate payouts.
 - Public locations receive payouts based on total Reusable Credits used at their location each month, marketing, operations, and customer support.
 - Private (White Labeled SaaS) locations pay a \$500/mo minimum.

Single Space, Single Resource Economics

- Average Net Balance breaks even during month 8 of operations. Here is our [calculator!](#)
- All numbers take into account 15% of revenue sharing to Soundspace Tech.
- Cash on Cash Average Return: %18.89 at a stabilized maximum of \$17,000 MRR

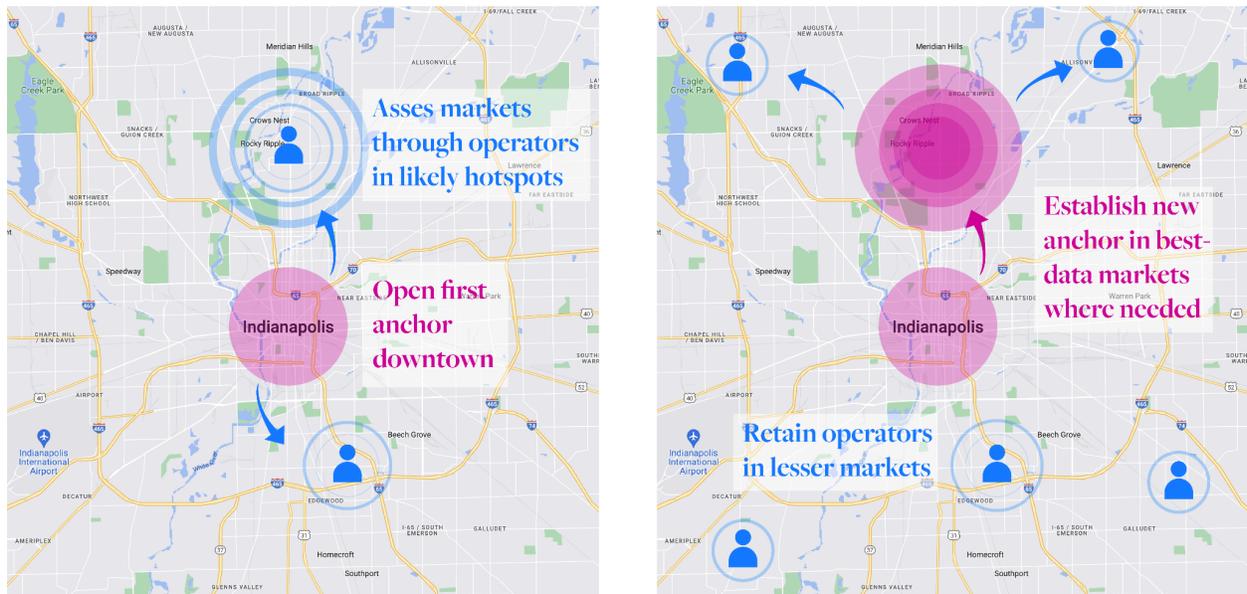
Assumptions	Avg Investment to Open	Year 1 Net Revenue	Year 2 Net Revenue	Year 3 Net Revenue
10 Sales/Month	\$25,000	\$36,000	\$147,600	\$259,200
15 Sales/Month	\$25,000	\$57,600	\$169,200	\$280,800
Studio Upgrade w/ 10 Sales/Mo	\$35,000	\$120,500	\$369,800	\$619,100

Any Soundspace location using the economics above produces enough net investment after one year of operations to support the expansion of another location. Given these numbers, one location in 10 cities would require ~\$1,200,000 in investment accounting for employee expenses. To get to 5 locations (3 Soundspace-operated and 2 tech-enabled) within 10 cities for a firm seeding, ~\$2,500,000 in additional investment is needed.

Multi-Space Strategy & Economics

1) The Minimum Viable Network we believe is required to successfully launch our creative network in a new market is one of each core resource: Rehearsal, Recording, and Podcast studios.

To minimize overhead, the Recording studio should be a third-party operator, while Soundspace opens and operators one or both of the more cost-efficient core Rehearsal and Podcast studios. The first Soundspace owned, operated, and branded location (“Anchor space”) should be located within 1.5 miles of downtown. 2) The two additional core studios should be prepared to launch simultaneously, arranged strategically around the city to maximize market reach and data. Market data from operators should be used to identify potential markets for new “Anchor spaces”, where Soundspace stands to earn 100% of the revenue.



Above: Demonstration of data-informed expansion

Market Penetration Strategy

Soundspace is using a data-driven approach to testing network viability and market penetration in 10 cities, with Tier 1, Tier 2, and Tier 3 designations. Tier 1 markets are major metropolises, such as Chicago, Atlanta, and Los Angeles. Tier 2 markets are cities generally large enough for multiple Major League sports franchises, such as Indianapolis, Denver, or Detroit. Tier 3 markets are generally 250,000-750,000 populations, with us engaging music pursuant cities, such as Huntsville, Madison, or Richmond. We intend to launch these markets in 2 cohorts of 5, with the first five testing our go-to-market strategies for respective market tiers.

This approach will provide addressable markets by proven demographic probabilities and reduce selection bias. By running targeted qualifying interest campaigns in these cities, along with proactively developing key community relationships, we can pursue markets with

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confidence and – minimize company representative travel between states. This model then lets us expand within any new market on a data-driven basis with minimal risk using a regression model analysis and objectively deciding not only which cities are working best for our model, but what areas in which cities are performing best - strengthening our case for expansion within specific socioeconomic areas across the world.

Our first cohort of cities (Q3 2024) is Chicago, Cincinnati, Huntsville, Indianapolis, and Nashville. Chicago is the closest geographical Tier 1 market to Soundspace HQ. Cincinnati was the home of our Gener8tor accelerator cohort, where we were able to make substantial local connections. The city of Huntsville has engaged us for a city-sponsored discovery visit in January of 2023. Soundspace is headquartered in Indianapolis, while we have a branded location already in Nashville, which is known as Music City. Our projected second cohort of cities (Q4 2024) is Austin, Columbus, Denver, Detroit, and Los Angeles. Austin and Los Angeles are Tier 1 markets, while Denver is a fringe Tier 1/2 market, all with direct flights. Columbus is easily accessible for us as well, with an Ohio-born Founder on the team. Detroit is a rich music city where Gener8tor Music is headquartered. We believe we have the resources and capacity to launch a core network of Soundspaces in each of these cities in the next 3 quarters.

Traction

Soundspace has been successful with the testing of the basic Software Model (run primarily in Indianapolis, IN and expansions in Nashville, TN and Dallas, TX). Currently, the Soundspace Beta has 120 paid memberships. These members are generating a Monthly Recurring Revenue of ~\$12,000. Additional room/resource expansions add on average 80 memberships per room.

Fund Raising Roadmap (Venture or Internal Cashflow Equivalent)

\$250,000 Pre-Seed- Hire our team full-time and expand via technology.

\$4,000,000 Seed - Expand to all major US music Tier 1 cities

\$10,000,000 Series A- Expand to all major US cities and internationally

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