Soundspace Technology, Inc.

Business Plan

June 2024

CONFIDENTIAL

The Future of Space Sharing

EXECUTIVE SUMMARY

Problem Summary

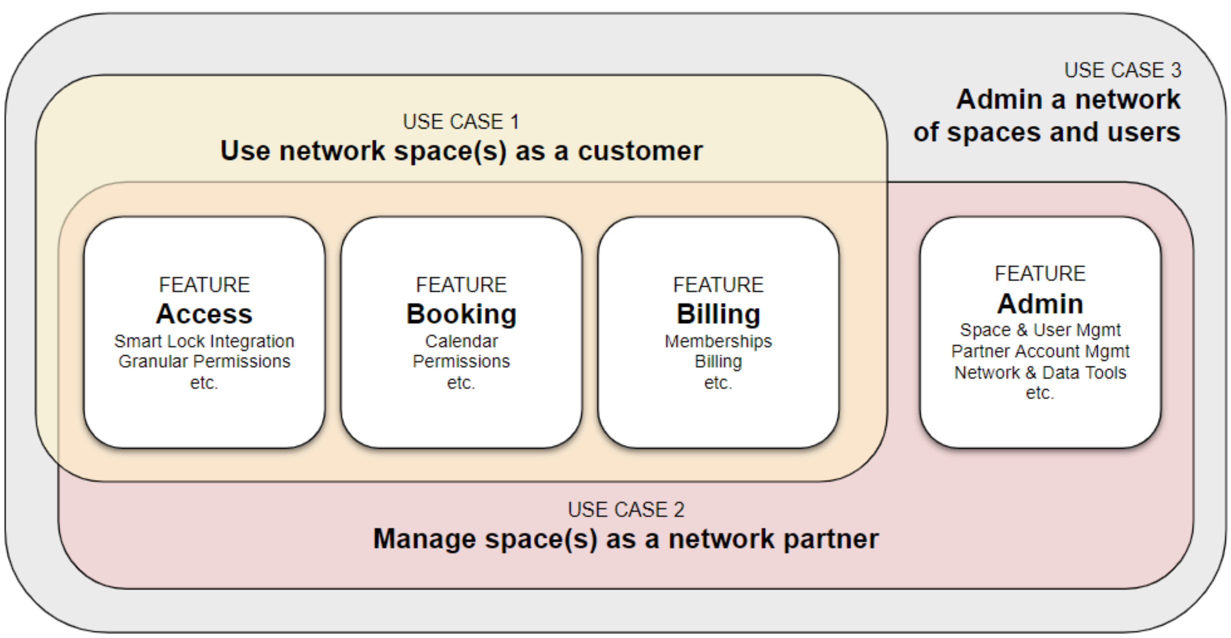
As vacancies in the United States Commercial Real Estate (CRE) sector remain at an all-time high, there remains over $5 Trillion of US Citizen capital invested in CRE spaces with over half of that coming due as debt in the next few years. This represents a multi-trillion-dollar issue for CRE owners across the US with current coworking spaces and coworking management software not living up to the challenge of solving this vacancy crisis.

Enter Soundspace: a centralized, standardized, and affordable solution for shared spaces of all kinds. With 24/7 access control, online booking, and self-managing calendars, Soundspace offers a sustainable membership-based model that prioritizes convenience and accessibility. Whether it's recording music, filming a podcast, rehearsing for a performance, creating any type of content, forming and running your own business, or sitting down to work your remote day job Soundspace provides a consistent and reliable experience that empowers people to focus on their craft and bring their visions to life.

Solution Summary

A unified platform and pricing model for a network of shared smart spaces and users:

Unified Management Solution for a Network of Shared Smart Spaces & Users



In today's fast-paced working landscape, finding a suitable space to work or create any form of content can be a real challenge. Many people face the same issue of finding a standardized and affordable space that's available when they need it. With Soundspace, we aim to revolutionize the shared space industry by introducing a sharing economy model that's easy to set up and profitable for everyone involved.

Our solution is designed to eliminate the barriers to local workplace resources by allowing any qualified space to become a shareable and membership-driven Soundspace. Our software standardizes the space booking experience, providing 24/7 security access to spaces based on automated individual bookings. With Soundspace, you can bring new and frictionless customers to underutilized work spaces, and generate consistent monthly recurring revenue through memberships.

Our software integrates and facilitates memberships and booking information, permissions, and data. It allows for limits on the number of concurrent bookings and hours related to individual or group users, facilitating the Soundspace "unlimited" model formulas based on real-world data.

Soundspace is not just about work; it's about creating a flexible and affordable space for creatives of all kinds. Whether you're a musician, podcaster, small business owner, entrepreneur, or content creator, Soundspace is the solution you've been looking for. With our sharing economy model and cutting-edge technology, we're making it easy to find, book, and use spaces whenever you need them.

Market

At the height of the pandemic in 2021, Indianapolis had a 12% vacancy rate in the downtown square. Today, that vacancy rate is up to 26% and continues to rise with Regions Tower defaulting on its loan due to these vacancies. The change in American work culture is apparent: the single-tenant lease model of real estate is coming to an end and the era of shared spaces is upon us.

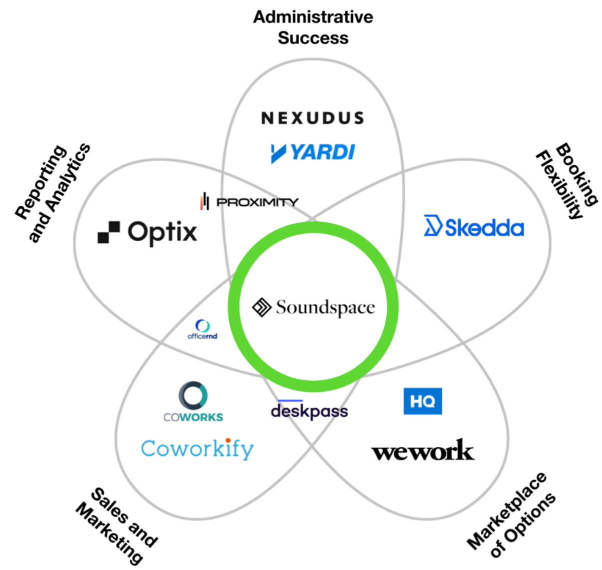
Vacancies are a missed opportunity for the industry, with significant value left untapped in the underutilized facilities. Soundspace seeks to unlock that value by building a market for these spaces and providing management tools that enable more efficient use.

Feature Competition

Soundspace has a few competitors in the market of affordable space booking and very few in music space management, but no competitors with the same level of service to the client, robustness of data, and quality of life features for people using network spaces. The following competitive analysis discusses the following features:

Product Market Fit | Solution Comparison

Soundspace will win with the only true all-in-one solution



For space customers, the primary competitors are [Skedda](), [OfficeRnD](), and [Nexudus]() for non-niche scheduling and space management software and Omnify for music space management software. However, none of these competitors offer consistent support in all the necessary areas to run spaces with ongoing 24/7 memberships across multiple resources. Furthermore, none of the software competitors to Soundspace offer split billing for multi-member plans, data integration for business reporting to the same degree, and a single-application and single-membership experience.

Why Soundspace?

The team at Soundspace invented a better way to run a 24/7 full-access community facility for music production and practice that allows for regular, affordable, and equitable access to music-making equipment and space. Only Soundspace has dared to ditch the hourly rate in favor of recurring subscription revenue – all with no-code development and grassroots marketing – affording a deep and actionable customer data set and multi-year head start. Soundspace is cut of the same cloth as studio owners, but with scalable business savvy and bold vision that is wholly uncommon in the industry.

Now, we are taking that bold vision broader, to help tackle the issue of booking and managing shared spaces across the USA. With so much vacancy and demand for shared spaces, any space can become a Soundspace and share in the profitability of consistent membership income from flex spaces everywhere.

Financial Forecast

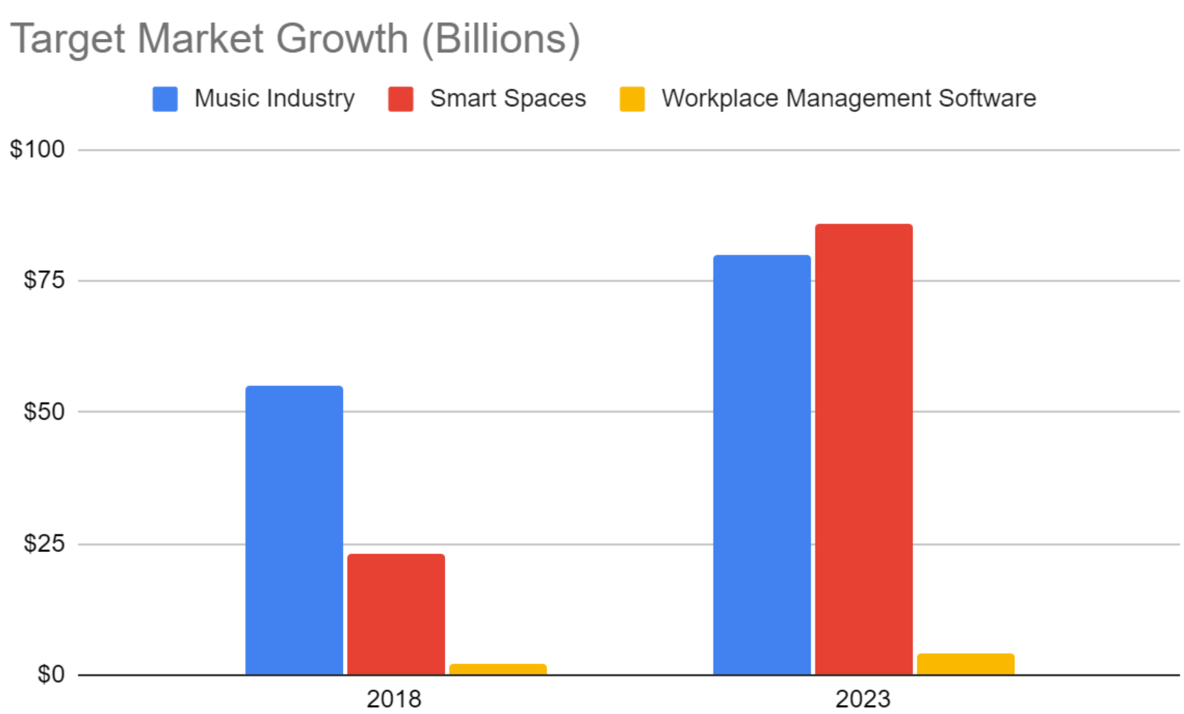
[5-Year Consistently Updated ProForma]

Startup Costs

Soundspace Technology has successfully launched and is now generating $12,000 in monthly recurring revenue (MRR). To continue our growth, we are seeking a first tranche of funding of $250,000, with an estimated ARR goal of $500k. This funding will allow us to further develop our technology and expand our reach to new markets.

MARKETING STRATEGY

Target Market Size & Segments

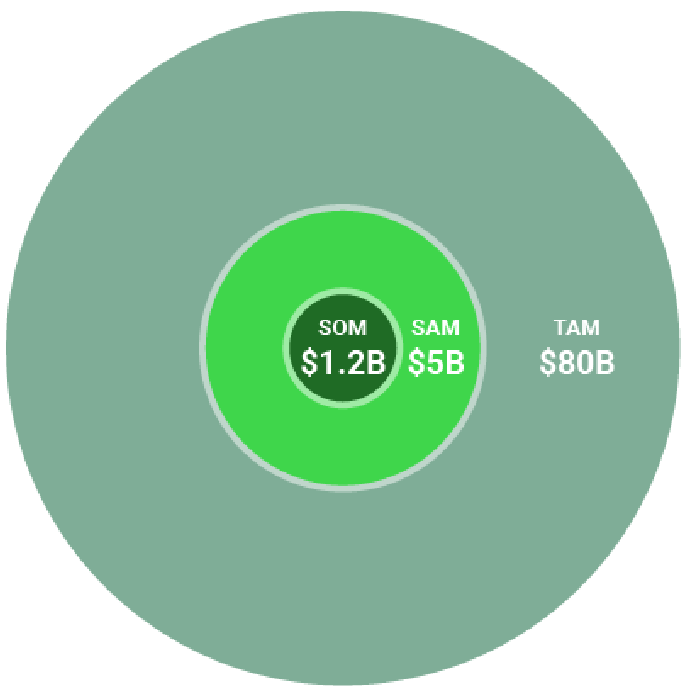


The market for "Smart Space" technology is expected to exceed $86 billion by 2026, growing at a rate of 17.6% annually across three segments: hardware, software, and services. The music industry is also predicted to grow significantly, with revenue expected to reach $131 billion by 2030. The global music recording market is expected to recover and grow at a CAGR of 6%

from 2021, reaching $66.5 billion in 2023. The combination of these markets, along with the growth potential of white-labeling and Soundspace's music space niche, creates a Total Addressable Market of approximately $5 billion. Based on the growth projections and the niche nature of the software and hardware solution to many space owners, Soundspace has the potential to capture a 25% market share, amounting to a Serviceable Addressable Market of $1.3 billion by 2024.

The calculated market share of 25% is specifically for the space and workplace management software segment, which is expected to reach $1.3 billion by the end of 2024 according to Verdantix. This is the segment in which Soundspace operates and provides its solutions to music recording and rehearsal spaces.

In terms of our target ideal customer personas, we are focused on multi-space coworking spaces struggling with the administration of their spaces and looking to potentially hire someone new to help manage the spaces as our beach-head market. These spaces are often testing different solutions to find what works best and are open to trying new softwares that could help improve their member experiences. Since there are over 6000 coworking spaces in the USA alone, we have a tight knit market to tackle with a direct sales team. After testing with this initial market, we plan to move towards assisting with vacancy mitigation in the Commercial Real Estate market; taking a fraction of the 1 Billion sq ft of empty space in the USA alone.



According to the Indianapolis Chamber Market Research Overview, Indianapolis is expected to experience steady population growth. With over 7% of careers in the area being invested in the arts, and a projected population of over 2,000,000 by 2021, the regional market for music and sound recording/engineering is projected to grow steadily. We have identified local coworking spaces, recording studios, rehearsal spaces, and podcasting studios as our initial target markets in Indianapolis. We estimate there are approximately 20,000+ musicians in the city with an estimated 300 viable coworking, music, rehearsal, and podcasting spaces for the Soundspace Management Software.

Cities like Indianapolis provide great spaces for physical development as well as software sales. However, larger cities like New York City and Chicago with inaccessible real-estate markets can primarily utilize Soundspace software, allowing for expansion into new markets. The primary age range for predicted early adopters is 26 to 40, a market that is growing at a very fast pace as technology becomes more abundant for personal recording as compared to professional recording studios.

Market Research / Initial Traction

In early 2018, Indianapolis stakeholders gathered to discuss the growth and development of the city's music scene. The City Chamber conducted a comprehensive study of the Indianapolis music industry, comparing it to other major cities and identifying resources for local musicians. Meanwhile, in November 2019, Soundspace Beta was founded, initially offering rehearsal memberships and expanding to recording and networking with other musicians. Despite the challenges posed by the Covid-19 pandemic, Soundspace Beta grew from 15 members to 75 members, generating an average of $6,000 in monthly recurring income. In contrast, traditional music studios struggled during the economic recession and some sought out Soundspace for operational assistance. This prompted the development of Soundspace Technology, which is a tech-driven marketplace that enables any music space to operate like Soundspace HQ and generate consistent, economically resilient membership income. The technology was developed through a combination of studying existing solutions and learning from the fully operational beta test space. Soundspace Technology is now poised to serve as a game-changing solution for the space sharing industry.

After our success in music, we expanded our market research to asking coworking managers about their experiences with existing space sharing solutions. There was a market gap when it came to simplicity and cross communication while making the booking process easier and more engaging for the end users. The market gap we uncovered can be filled by whitelabeling our marketplace product and helping other private multi-space networks operate like our Public Creative Marketplace. We are currently expanding in that direction.

Marketing Plan

Strategy

Soundspace represents a massive shift in sales and marketing potential for a flex space, but also an opportunity for competitive advantage through membership and more consistent revenue during off-hours.

Our strategy for market penetration starts with private whitelabel sales from our lean sales team. When we close a SaaS deal, we can offer two additional options: 1) Publicly listing spaces that could be making more money. 2) Sponsoring private members to book on the public network of spaces.

Therefore, whenever a SaaS deal closes, we are able to leverage the momentum into building a demand aggregation system that connects private SaaS marketplace clients together into one large public marketplace.

Normally, to enter any market effectively, we must establish a core Minimum Viable Network consisting of one Coworking space, Rehearsal space, Recording studio, and Podcasting studio for the public creative marketplace to thrive. Ideally, a larger, well-known studio joins as a key partner, significantly reducing our overhead for required buildouts. With the SaaS plan, we start with seed spaces in any market where we have a sale. Thus, we have a much easier and more capital effective head start on our Minimum Viable Network of spaces. After the seed has been planted in any market, and the MVN has been achieved, we can then start regular marketing efforts using the playbook of WeWork and other market-by-market expansion companies. This all starts with our Go-To-Market partners and a well-coordinated P.R. media blitz that brings our model and offer of setting up any space with the capability to host members into the spotlight. Transparency is key, and we will both hire expert salespeople to help with a direct sales model as well as speaking as thought leaders at news appearances, podcasts, or informational webinars.

Execution

Initial execution is all about inbound and outbound work from a lean B2B SaaS sales team focused on bringing on SaaS clients with high margins. Our efforts will primarily focus on inbound click funneling as experts in the area of shared space management while we outbound consistently targeting our ICP. As operators of a network of spaces ourselves, we can leverage our momentum to date to pivot the conversation to Coworking leadership. Once we have a Minimum Viable Network in any specific market, we will then focus on demand aggregation through local marketing efforts.

Soundspace will begin local marketing with coordinated prequalifying engagement, public release, and Spacemaker ambassador campaigns to drive awareness and traffic to a new market's network. We will also leverage fee discounts for local corporations, institutions, and vendors, utilizing the combined relationships of Soundspace's executive team and local influencers who have agreed to act as Soundspace ambassadors. This campaign will be primarily to bring on early adopters where Soundspace can be tested and iterated upon quickly. After iterations with local and larger partners from around the Midwest, Soundspace Technology will start a social media and traditional media blitz offering a second round of set-up fee discounts to enter new markets across the country with additional discounts for successful referrals.

Post-launch, our paid social media will drive tours to new spaces as membership leads for market managers to convert, while our organic social media platforms will become thought leadership spaces for the space sharing industry and innovations aimed exclusively at helping creative people to learn and develop into competent career-minded individuals. From this, traditional marketing should be effective via LinkedIn campaigns and direct referral connections through satisfied customers and hungry ambassadors. The general expansion plan is to leverage existing businesses in high-cost real-estate markets and build locations when necessary or pertinent through our facility's sister company in newer markets similar to the Indianapolis market. However, almost always there will be existing underutilized real estate in every market, so the need for any direct buildout is null.

Sales Plan

The client-relations management (CRM) pipeline of Soundspace B2B clients is generated and prioritized through the greatest pains and needs of shared space networks. Those feeling the pinch of rising vacancies are the first clients we will bring on regardless of market. A Soundspace Tech salesperson will propose solutions fit to suit the individual needs of each client, based on their innate understanding of what a space needs to thrive. Maintenance of this skill set will require understanding the current and historical state of the local industry, relationship building, and quarterly sales, marketing, and communications training.

A comprehensive client-relations management pipeline of targeted business clients will lead sales goals as the marketing funnel warms clients through thought leadership and local connections. Closing sales is the responsibility of the employees of Soundspace Technology who will undergo training every 2 months to enhance personal skills and professional abilities. These workshops and skill enhancements will include sales, production, marketing, brand identity, and client relationship management skills.

Types of Business Interactions by Priority

1. White-Labeled SaaS - This product is for a private off-network location or locations, requiring a $500/mo minimum SaaS fee with tiered pricing and options as seen in this document.

2. Managed Services: Soundspace upsells to manage more of the member activities such as support and retention efforts.

3. Public Credit Listings: Space owners can list their flex spaces on our public marketplace to tap into greater space demand more easily and increase revenues at specific spaces.

4. Franchise Locations: We've had outside interest in franchising our original locations and would be open to new spaces coming about with licensure should the opportunity be right.

5. Owned and Operated by Soundspace - We started initial spaces and have a comprehensive Private-Equity driven option for data-driven space expansion that is not currently prioritized.

LEADERSHIP TEAM

Our management team has more than fifty years of combined business, technology development, and musical experience. Throughout those careers, we have collectively raised more than $2 million in investor and foundation capital and have successfully delivered multiple full life cycle products to market in high-tech, music, creative, and manufacturing environments.

Founder, CEO: Richard Anderson III is a musician of over 15 years with a background in Neuroscience, Biotechnology, Business Development, Operations, and Marketing for complex intellectual properties in science. Richard runs Argona Partners, Inc., the parent company to Soundspace and its properties, which brings an additional team of advisers and professionals specializing in business development and marketing consulting.

COO, CTO: Aaron Hogan is a musician of 30 years with an extensive background in music production, engineering, and recording. In his professional career, he has worked with major brands in industries such as mar-tech, emergent tech, defense, consumer goods, entertainment, finance, and healthcare for 15+ years as director, employee, consultant, and contractor. Aaron is an expert in music business, audio engineering and music workflows, and deeply experienced in communications, design, design thinking, agile project management, and team leadership.

PROPOSED FUNDING

Sources of Funds

Soundspace Technology has been making waves in the music industry with its innovative approach to music spaces and software development. To fund its growth and expansion plans, the company is seeking $250,000 in a Pre-Seed raise. This funding will provide the necessary startup costs and runway for the company to continue developing its software and expanding its reach.

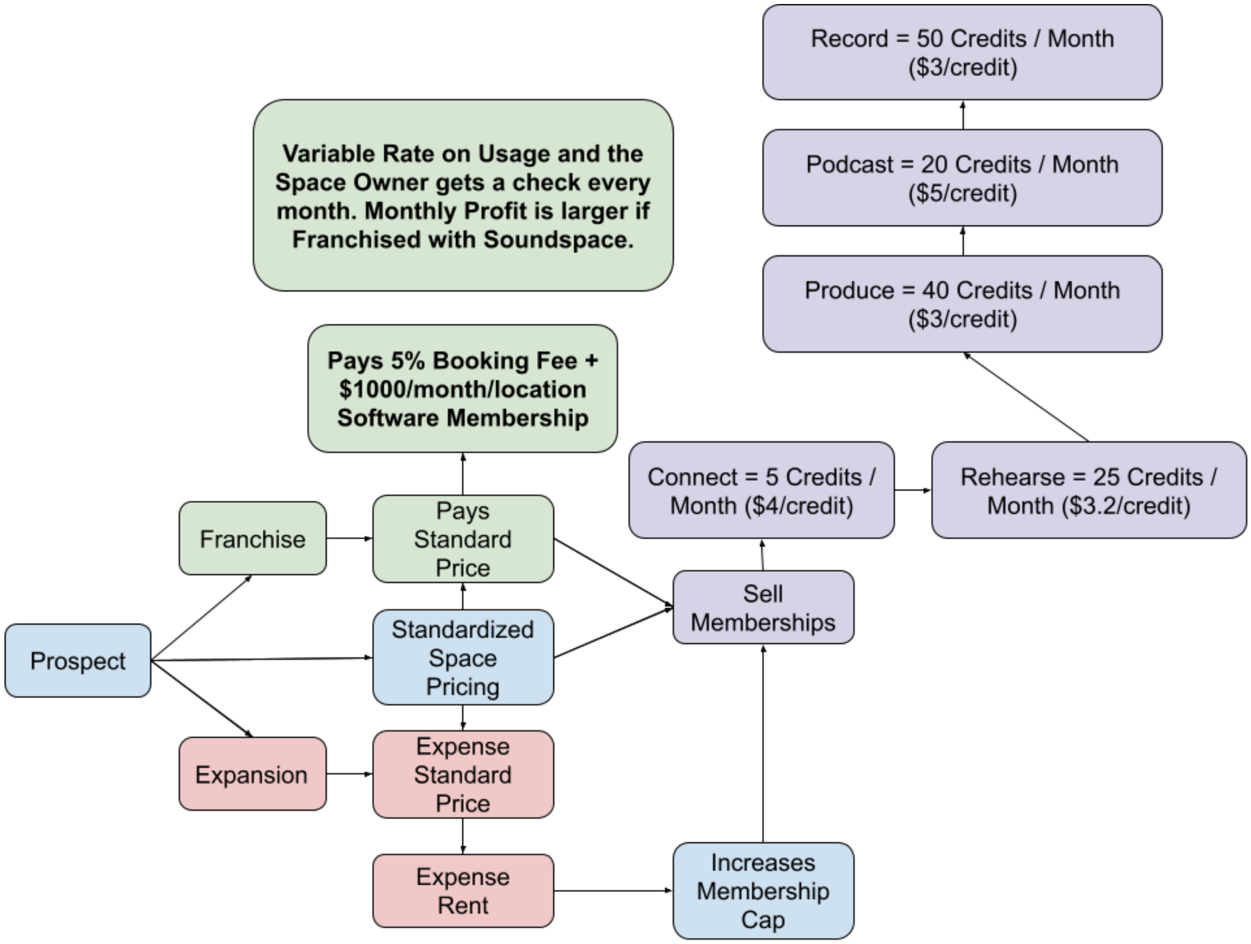
FUTURE FUNDING

The company's fiscal strategy is to leverage the success of its test location and Go-To-Market partners to provide valuable feedback and insights for a growth stage. Additional rounds of investment will be opened up if necessary to ensure at least 18 months of runway for the company's operations.

CONCLUSION

Soundspace Technology is more than just a music space provider - it's a hub for connecting creative people to spaces to create. Our unique approach to music spaces and software development is designed to provide musicians of all skill levels with the opportunity to collaborate, learn, and grow. With the support of our talented staff, we aim to help businesses succeed in their goals and creations. By bridging the gap between artists and spaces, we're poised to make a significant impact in the music industry, creating new opportunities for growth and success for all involved. With a proven track record of success, including a recent $300,000 SAFE raise, we're confident that Soundspace Technology will continue to be at the forefront of innovation in the music space industry.

Appendix and Archive



Sales of Soundspace Memberships to individual musicians and bands as shown above is broken into different credit amounts similar to the ClassPass model of monthly allotments. The diagram below gives examples of calculations based on a proprietary formula taking into account a number of data-backed variables including location. Similar to LA Fitness or Planet Fitness, a member can designate a Home Studio or Space that then allows them unlimited bookings at that one space.

Example 1: Non-Home Record member books 300 sq ft Azmyth Room in Indy from 8pm to Midnight on Friday Night. Azmyth only open 12 hours a day as a Soundspace.

= 19 Credits

Example 2: A Non-Home Rehearse member needs a 250 sq ft space at HOME in Nashville for a 4 hour block on Wednesday afternoon before a gig that night. 10 am to 2 pm.

= 8 Credits

Example 3: A Home Record member needs the 500 sq ft space during peak hours at the IMCC on Tuesday from 6pm to 9pm.

= 0 Credits (At Home Designated Studio is Unlimited)

Example 4: A Non-Home Connect member needs a 100 sq ft Pirate Studio meeting room during peak hours in LA on Saturday from 9am to 12pm. Pirate Studios only uses Soundspace from midnight to noon each day.

= 5 Credits