

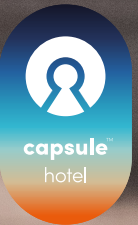


Businessplan / Presentation

# capsule hotel „chapter lucerne“

safe - fair - cosy

We make it possible  
for everyone to explore  
the world.



# capsule hotel „chapter lucerne“- what is planned?

In Lucerne's old town, a modern capsule hotel with 79 Swiss Capsules™ is being built. The Swiss Capsules™ offer more privacy and a restful night's sleep at an affordable price. The entire hotel is designed in the „Artistic Library“ style, giving the location a cosy and relaxed atmosphere, which is also intended to attract local guests. Various artistic elements and the cosily furnished common area offer guests the opportunity to develop, exchange and concretise next goals and plans. The capsule hotel „chapter lucerne“ closes the gap between the private room offers such as AirBnB, the hostels and the high-priced hotels in the city of Lucerne.

## Why Lucerne?

Lucerne is one of the most beautiful cities in the world and is rich in sight-seeing and cultural attractions. In addition to the world-famous Chapel Bridge and the Water Tower, the Musegg Wall, the Jesuit Church, the Spreuer Bridge, the Lion Monument, the Culture and Convention Centre Lucerne (KKL) and many other buildings contribute to Lucerne's impressive cityscape.

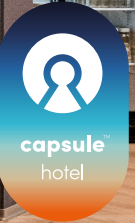


# What is a capsule hotel

The concept and idea for capsule hotels comes from Japan. With this type of accommodation, it is possible to offer guests a relaxing place to sleep despite expensive real estate prices and limited space. Capsule hotels cater to individual guest needs and allow for contact opportunities and immersion in the environment through spacious and inviting common areas.

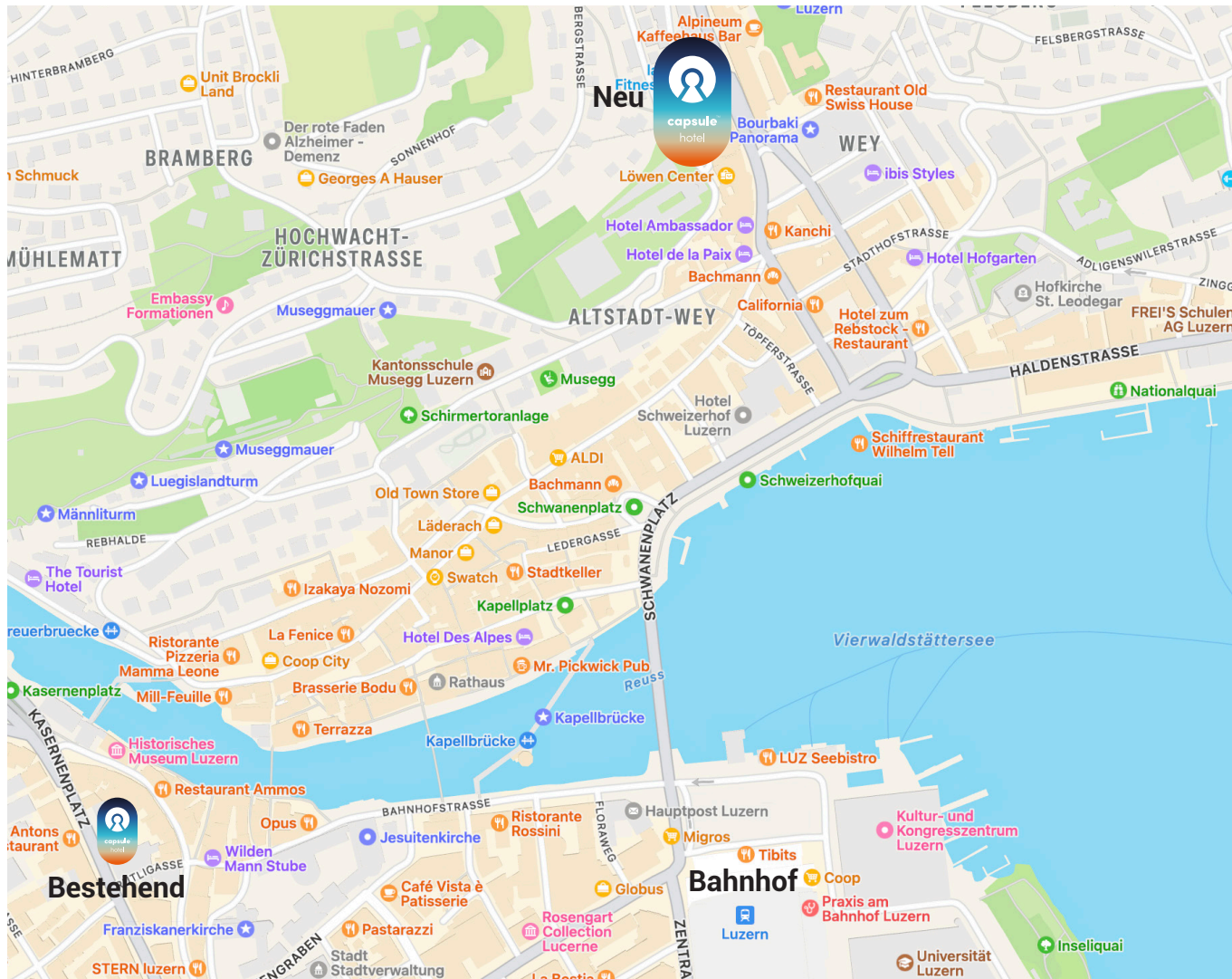
**Today, however, a capsule hotel is much more. It is a:**

- Unique accommodation experience
- Individually enclosed sleeping area in a shared room
- Sleeping space that offers security and privacy
- Unforgettable, comfortable and restful sleeping experience
- Hotel with thoughtful design elements
- Hotel with a high focus on customer service using automation
- Hotel that significantly reduces its ecological footprint
- Hotel that can be used in different existing ecosystems



# Location

The new location is in the middle of the old town and can be reached on foot from Lucerne railway station in 10 minutes or with various bus lines in 5 minutes. In addition, the new capsule hotel is only a few minutes' walk from monuments such as the Lion Monument or the Musegg Wall. The large car stop for group tours is right nearby.



# Room concept / Offer

## What rooms does the hotel offer?

The capsule hotel „chapter lucerne“ is divided into 5 rooms, each with 14-16 Swiss Capsules™ and a separate room for a barrier-free capsule. The communal washrooms are located in the centre of the hotel. The hotel is complemented by a communal area with around 40 different seating options and tables, as well as a bar.

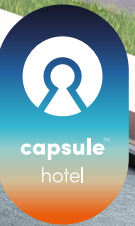
## What food and beverages are offered?

The bar with the host desk is open from 7am to midnight and offers a variety of hot drinks, beer, wine, soft drinks and long drinks. Various hot dishes such as pizza, pasta and sandwiches are also planned. Outside the bar's opening hours, vending machines with food and drink will be available. In the communal area, people from Lucerne will be able to mingle freely with hotel guests for an after-work beer.



# The Design-Theme „artistic library“

The overall theme of the interior design is: „Artistic Library“. After a tour of the city, the guest lands in a cosy world of original art and lots of books. Cosy armchairs invite you to linger and the dimmed and partly coloured light invites you to unwind. A place where everyone immediately feels at ease, where one can let the soul wander and let oneself drift into another world. A painter creates murals in selected places and a graphic artist designs wallpaper to complement the walls. The common area comes alive in the evening as the painter's pictures are illuminated with black light and begin to glow. The room lighting is changed to mood lighting. Materials will be predominantly wood, leather and fabric. The walls are designed in the colours violet and museum green. Carpets and plants create a welcoming atmosphere.



# The Design-Theme „artistic library“



# Blueprint

1.Floor Zürichstrasse 31, Luzern





# Swiss Capsule™

The Swiss Capsule™ was developed and manufactured in Switzerland.  
More information on the Swiss Capsule™ can be found here: [www.capsule-services.com](http://www.capsule-services.com)



Noise reduction



Lockable door for optimal privacy and security



Easy to use and inexpensive to maintain



Diverse design options - customisation of the imagery as well as the outer shell possible



Quiet, pleasant ventilation



Thoughtful lighting system with LED lighting



USB / USB-C ports



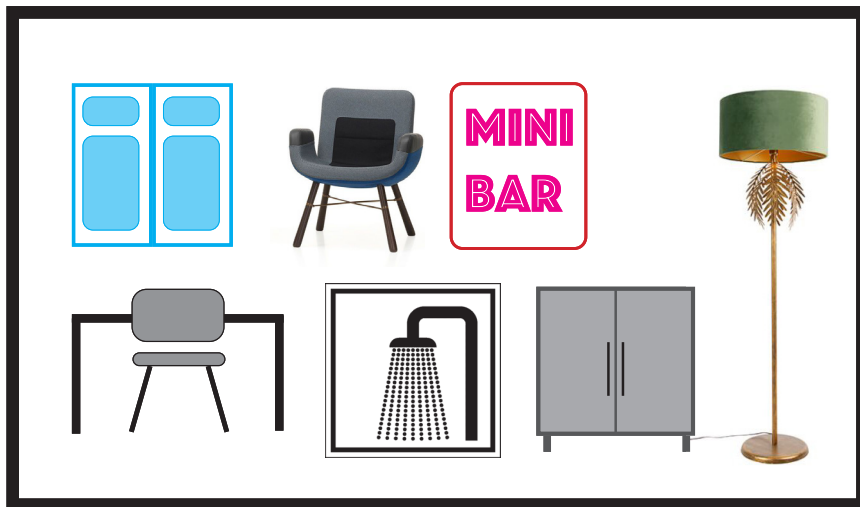
Extralong mattress 210cm x 90cm  
Swiss Made



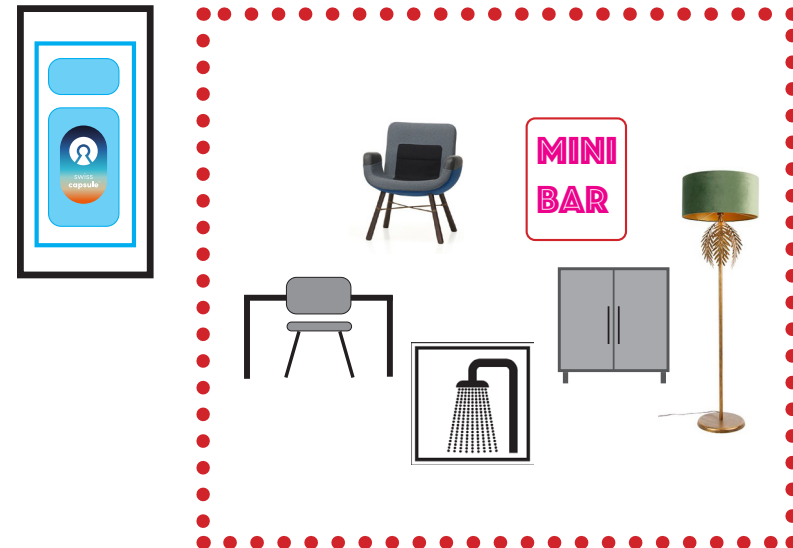
# Compact accommodation - many common areas

The concept of a capsule hotel is to reduce the sleeping space to the bare essentials. In contrast, the common space is enhanced and expanded. Elements such as workspaces, sofas and a mini-bar, which are often found in hotel rooms, are all integrated into the common area. This enhances the experience and interaction between guests without compromising on privacy. All areas of the hotel are designed with great attention to detail and offer a pleasant, welcoming ambience.

Traditional hotel room



Capsule and common area



# Customer Journey / Guest Experience

**This is how it works to make a booking with capsule hotels:**

**Step 1:**

Booking via our website, one of our OTAs (Online Travel Agents), or QR code on site & pay for the capsule in advance by credit card.

**Step 2:**

Communication via email until arrival - booking confirmation & check-in information, directions.

**Step 3:**

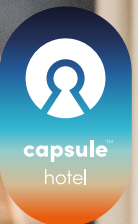
Check-in online or on-site at check-in kiosk and receive personal pin for the locks, via email or SMS.

**Step 4:**

Orientation at one of the screens, get your capsule, stay / overnight.

**Step 5:**

Check-out online or at one of the kiosks & receive the check-out email.



# The Team

We are passionate about creating an exceptional experience for our guests. To achieve this goal, our strengths-based approach empowers each team member to excel in their area of expertise. In doing so, we push the boundaries of what is possible in the hotel industry. Fairness is important to us, be it towards people as well as nature. Our vision is to revolutionise the hotel industry.

**Our values:**

- People first
- Go big
- Strength oriented
- Adapt for the future

**Adrie Vreeke**  
Chief Executive Officer

**Beat Schiffhauer**  
Chief Financial Officer

**Peter Schiffhauer**  
Chief Design Officer

**Michaela Rube**  
Managing Director



# Target groups / Customer segments

Lucerne is a well-known destination for tourists from all over the world, and accordingly the customer group in Lucerne is diverse and international. The most important guest groups in Lucerne include travellers from Switzerland, Germany, the USA and Asia. The market for solo travellers has grown very strongly in recent years. With the new capsule hotel „chapter lucerne“, we want to address these „solo travellers“ and their needs, such as discovering the world, seeking freedom and independence, as well as the goal of networking with other travellers. In particular, we are targeting the following audiences with our hotel and offer:

## **Solo travellers / backpackers**

- Geographical: international
- Demographic: 20 - 29 years, single
- Psychographic: outgoing, adventurous, independent
- User behaviour: good vibes, meet new people, share the experience via social media, explore Switzerland

## **Budget-conscious leisure traveller**

- Geographical: CH, EU, UK
- Demographic: 25 - 40 years, couples, families, groups of friends, medium professional education
- Psychographic: Safety-conscious, experience-oriented, digital
- User behaviour: Sightseeing-oriented, budget-oriented

## **Groups of 10-30 people**

- Geographical: international (esp. Asia, South America)
- Demographic: 30 - 40 years, friends, family, young professionals
- Psychographic: technology-savvy, community-oriented, uncomplicated
- User behaviour: Experience, interest in culture and history, event visitors, more secure in a group than alone.



# Competitive situation

The existing „the LAB“ capsule hotel in Lucerne has enjoyed a high level of popularity since its opening in 2018. Over the whole of 2022, it achieved an occupancy rate of over 70%. The city hotels in Lucerne achieved an occupancy rate of 60% in the same period. In pre-Corona times, the beds in Lucerne were occupied at over 70%, although the occupancy rate is likely to have been even higher, particularly in the low-price segment. This year, „the LAB“ capsule hotel Lucerne achieved an occupancy rate of 68% as early as March and as high as 93% in April. And this at an average price of over CHF 55. In terms of price, we are moving with the current capsule hotel in Lucerne between CHF 55 and 75, depending on the season.

## What is the price structure of the competition?

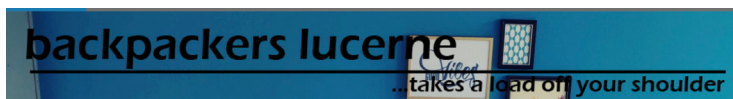
Hostels - shared rooms (central location)

- low season between CHF 45 and 55
- high season between CHF 55 and 85

Hostels / Hotels - private rooms with shared bathroom

- low season between CHF 90 and 125
- high season between CHF 100 and 140

Based on these facts, we are aiming for a price structure of CHF 65 - 85 for the new capsule hotel „chapter lucerne“. In our budget planning, we expect CHF 65-70.



# Budget - Construction

The development costs for capsule hotel „chapter lucerne“ are estimated at CHF 2.2 million (incl. reserve). Including costs for the operational start (around CHF 200,000), we expect a capital requirement of CHF 2.4 million for the financing of the hotel and the start-up phase.

The takeover of the space is planned for 1 December 2023. Construction will start on the same date, provided the approval process goes as planned. The operating concept has already been submitted and the first preliminary tests with the authorities have been positive.

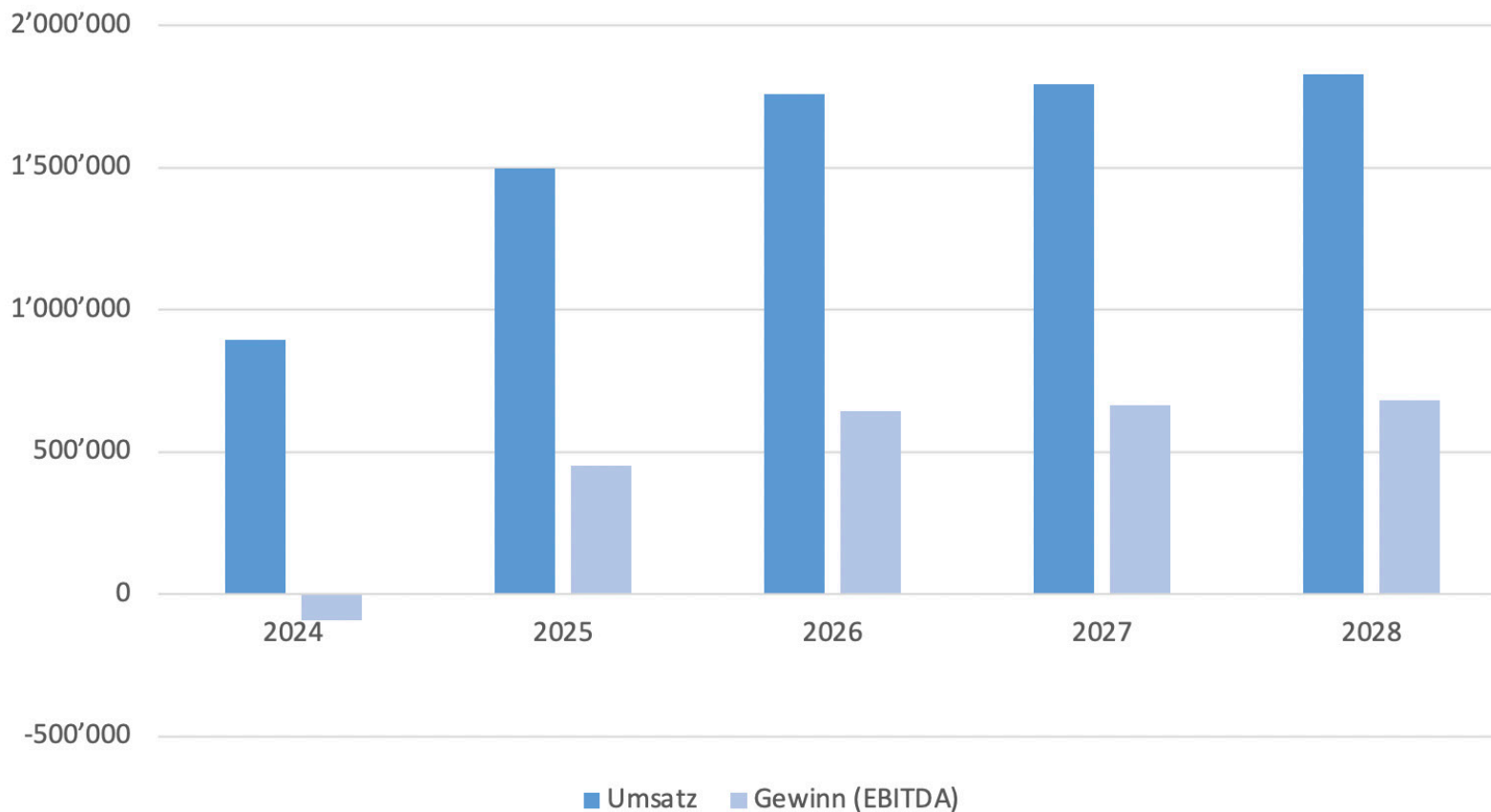
The construction and test phase will last just under 5 months and the opening is planned for 1 April 2024.



# Operating business budget

The location is rented for at least 20 years, after which a continuation at the same location is planned. For budgeting purposes, a price per overnight stay of CHF 65-70 is assumed. In the first year, an occupancy rate of around 40% is assumed, in the second year 65% and in each of the following years 75%. These assumptions are based on our market analysis and the experience with our own capsule hotel in Lucerne.

We expect an F&B turnover of about 10% of the hotel turnover. This corresponds to the experience of the capsule hotels we run at Zurich Airport and Basel.





# Offer for investors

The investors of capsule hotel „alpine garden“ will be given priority and can invest exclusively until July 30, 2023. Should there still be corresponding shares left, the shares will be offered to other interested parties.

## What does the offer look like in concrete terms?

### Participation certificates

Alternatively, there is the possibility to purchase participation certificates for CHF 10'000. They have a return option after 5 years with a profit of +40%. If the investment is CHF 50'000 or higher, they have a return option after 5 years with a profit of +50%.

The participation certificates are entitled to dividends but have no voting rights.

It is planned to issue a maximum of 150 participation certificates.

### Shares

The price per share is CHF 3'600. Each share has full voting and dividend rights.

A maximum of 230 shares are planned to be issued.

For both shares and participation certificates, each investor receives 2 free nights per year for each investment. These can be redeemed both in Lucerne and at Zurich Airport.

Investors should benefit from the company's profits as promptly as possible. In the current budgeting, the first dividend distribution is planned for the end of the 2027 business year (after the repurchase of the participation certificates). From then on, a dividend yield of around 8-11% can be expected.



# Company structure

The operating company founded for the new capsule hotel „chapter lucerne“ is a subsidiary of capsule services AG. capsule services AG will retain the majority of the operating company capsule hotel „chapter lucerne“. The new operating company has its registered office in Lucerne.

The Board of Directors is constituted as follows:

**Adrie Vreeke**, President of the Board of Directors

**Beat Schiffhauer**, Vice-president of the Board of Directors

**Peter Schiffhauer**, Member of the Board of Directors

**Contact:**

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Hirschengraben 40 / 6003 Luzern



# Risk factors

## **1. Competitive environment**

Competitive conditions in Lucerne exist due to other, already existing and new hotels and hostels. The opening of a new hotel upsets existing market structures and can temporarily lead to intensified competition.

## **2 Business Model - Tourism**

The company's business model is to run a capsule hotel with additional retail and catering services. In order to meet its commitments, the company is dependent on the tourism industry returning to normal as far as possible and not being subject to renewed restrictions.

## **3 Dependence on Key Personnel**

The success of the company depends on being able to fill the Board of Directors and the Executive Board at any time with people who have the necessary professional qualifications, the necessary commitment and the right networks. The loss of key personnel at these levels could have a negative impact on the development of the Business Plan and the success of the business.

## **4. Operational risks**

Operational risks can result in damages due to many factors, such as inadequate business processes and controls, ill-defined competencies, human error, misjudgement, safety deficiencies and external factors. In addition, damages may arise from incomplete or legally unenforceable or unfavourable contracts. Although certain operational risks and, in particular, misappropriation in the flow of funds between the borrower and the lender are covered by appropriate insurance policies, it cannot be ruled out that such operational risks may lead to uncovered claims and/or significant reputational damages.

## **5. Risks due to pandemics**

The company's business model exposes it to significant risks related to a pandemic and corresponding measures and changes in customer behaviour. The company mitigates parts of these risks through insurance solutions. However, this does not cover the entire loss.

## **6 Risks from fire, water and wilful damage**

Hotel operations are exposed to the risk of fire and damage to property by guests. These risks are partially limited by insurance and appropriate precautions. Nevertheless, a corresponding event can cause considerable damage, which cannot be fully covered by insurance benefits.

## **7. Pest contamination**

Due to the large number of guests, the hotel is exposed to the risk of infestation by pests. This can lead to the temporary closure of parts or the entire hotel. capsule services AG takes appropriate precautions through the selection of materials (aluminium) as well as through the design of the hotel (temporarily heatable rooms) in order to be able to act quickly and efficiently against such pests in all of its hotels.

## **8 Software failure / IT infrastructure failure**

Due to the high degree of automation, the company is dependent to a considerable degree on the functioning of the corresponding software and hardware. These risks are already limited in advance, as only software and hardware is used in the new hotel that has already been extensively tested and used in the other hotels of capsule services AG.

