

Former eBay Canada COO maps out plan for Spacefy

Toronto, Ontario--(Newsfile Corp. - January 16, 2019) - [Spacefy Inc.](#) (CSE: SPFY) ("Spacefy", or the "Company").

In response to investor questions arising from Russ Patterson's appointment, the Company is pleased to share the following question and answers from Russ:

What is Spacefy?

Spacefy is a marketplace for inspiring short-term space rentals that is centred around the creative industry. Space owners list their properties on the marketplace for free, where people looking for spaces for their creative projects can find them.

What's the business model?

Spacefy takes 15% on each rental transaction - 7.5% paid by the renter and 7.5% by the space owner. There is also potential to add revenue streams in the future through additional value-add services for creatives, either directly or through partnerships.

What type of spaces are listed on Spacefy?

We have everything from purpose-built creative industry spaces such as post-production facilities, studios, rehearsal and performance spaces, to commercial and residential properties that could be suitable for activities like films shoots, fashion shows, or yoga classes. It's important that we offer a tremendous selection of possibilities. Some of our early adopters are filmmakers, location managers and photographers, and what they need most is a huge breadth of possibilities.

What was your role at eBay?

I was lucky enough to have a very long run at eBay - over 15 years in fact. I started out as a Canadian product manager, and eventually moved into leadership roles. I co-managed the Canadian eBay business for 8 years, finishing up as COO and Director of Product for eBay Canada. I also held global platform responsibilities for a couple years, as interim product director and then North American business partner for many of the buyer-facing features on eBay's platform, all while remaining based in Toronto and hanging on to my Canadian role. It was an amazing experience because on one hand I was part of an incredible global organization, and on the other hand the Canadian operation always felt more like a start-up, with a small team, a small budget and an entrepreneurial spirit. It was like graduate school for how to run a marketplace business. eBay was the first great online marketplace on the Internet, and it was amazing to be part of their journey.

What attracted you to join Spacefy?

First and foremost, Spacefy's mission is extremely cool because it revolves around helping creative people to do creative things. And I love the way the marketplace is taking some directions the founders could not have predicted. It turns out that a space inventory that helps creative people do creative things also helps ordinary people to do ordinary things in amazing, unexpected places.

It appeals to me that Judeh Siwady, Spacefy's founder and first CEO, is sticking around to help me as he has been appointed as Chief Operating Officer by the Board of Directors. It's nice to have an orderly transition of leadership. I spent a couple months getting to know Judeh and his team before I agreed to join, and I think we make a terrific team.

Then there's the potential of the business. We're still an early stage company, so when you compare our valuation on a per space basis to some of our peers, it gets me pretty excited. I mean, you've got AirBnB at something like \$8k per space, Peerspace at \$7k, Breather at over \$500k per space... These companies are all a little different from us of course, but the point is that there is tremendous value to be unlocked in peer to peer space rentals. With Spacefy sitting at just over \$2k per space, it's a compelling comparison. AirBnB has led the way, and now you're seeing lots of niche players for commercial space rentals who are doing exciting things. That's a nice wave to be part of.

I also love that Spacefy is a marketplace positioned in the sharing economy, like Uber and AirBnB. At their roots, both of those businesses were founded around the idea of helping people to monetize unused resources. There's something very elegant about that, and it reminds me of what originally attracted me to join eBay many years ago, when they were still mostly a C2C auction platform for used goods. We were keeping stuff out of landfill, creating online communities, unlocking a ton of value for shareholders, and having a blast doing it.

Spacefy holds that same excitement for me as the early days at eBay. It gives me an opportunity to pull together and apply everything I've learned in my career - from marketplaces to technology to business management and leadership.

I also get to apply my education and personal interests in a way that makes me feel this job was tailor-made for me. In the late eighties, I was an aspiring filmmaker attending Ryerson Film School. I remember trying to negotiate with business owners to let me shoot my 16mm films in their venues. It was very time-consuming, and it took a lot of shoe leather.

Everyone on the Spacefy team has a deep interest in art, music, performance and film. This is a business that is fun and rewarding for us. Art can happen when creativity, content and context converge in interesting ways. At our best, we like to think our platform helps make that convergence happen.

How does Spacefy differentiate itself from other space-sharing marketplaces?

Spacefy is focused squarely on the needs of the creative industry. Our inventory of spaces is curated with the needs of filmmakers, musicians, photographers and artists in mind. As we develop new customer experiences, these are the customers who are front of mind for us.

What is Spacefy's global footprint?

Today, our deepest inventory of spaces is in Toronto and New York, and we're growing in Los Angeles, Atlanta and Vancouver and a few other North American cities.

Once we've honed our playbook, it will be exciting to expand to other international markets. I ran a bilingual eBay.ca website on an international eBay platform for many years, and I learned a lot about how to set up your customer experiences, platform and processes for international scale. We're building local with global in mind.

What's the opportunity for Spacefy?

We think it's big. In 2017, the creative industry spent close to 3 billion on space rentals in North America alone. And that's just creative industry. On top of that, you've got the spillover that is happening organically into sectors like fitness and yoga classes, and events - both corporate and private, and that's super-interesting to me. The breadth of inventory that Spacefy is curating for the creative industry seems to have legs outside the creative industry, because of the unusual possibilities. Like the laundromat someone recently booked for a birthday party.

It's not hard to imagine getting from where we are now to 10,000 spaces and beyond. And if we're able to do that and we're able to get to a value per space that's more in line with our peers, that would really be something. Could we get to \$5k per space? That would mean a \$50 million valuation. So, it's pretty exciting. The ceiling on this business is not low, but we've still got a lot of work to do.

What's the most unusual Spacefy booking to date?

The first-ever booking on the platform was a self-hypnosis class. I didn't even know that was a thing.

What are your priorities for 2019?

I took some time to work with the team on strategy and culture before I joined, and our IPO is complete, so now we're focused and ready. The mission for 2019 is pretty clear. We need to apply design thinking to keep evolving the customer experience in a way that is grounded in real business and customer insights. We need to continue to develop our inventory, and to begin to lean in on demand-generation in key cities.

There are two key lessons I learned at eBay. I think these are X-factors for success. First, you need to be obsessed about the needs of both sides of the marketplace. It's not like being a retailer - we are an ecosystem business. Successful marketplaces balance the needs of both parties to the transaction thoughtfully. That's a minimum condition for communities of interest to emerge with you, grow with you, and stay with you. Second, you need to be relentless about developing the best possible team, and the best possible culture. I am proud that I was able to develop a reputation for finding and developing top talent as a leader at eBay, and I'm looking forward to applying those skills at Spacefy.

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