

ZEN Rooms announces US\$ 4.1M series A funding round to consolidate leadership in Asian budget accommodation market

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SUMMARY

• ZEN Rooms successfully closed a US\$4.1M Series A funding round to consolidate its leadership in the South-East Asian budget accommodation market, bringing total funding raised by the company to US\$8M // • Financing comes from South Korea's Redbadge Pacific and SBI Investment Korea, with participation from the Asia Pacific Internet Group (APACIG) // • Funding follows ZEN Rooms' fast growth in the budget accommodation sector since launching early 2016

ZEN Rooms, one of the leading budget hospitality companies in South East Asia announces it has raised a US\$4.1M series A round from leading investors Redbadge Pacific and SBI Investment Korea with participation from existing investor APACIG. ZEN Rooms will use the funding to further expand its operations across Asia as well as launch new features to bring innovation to the sector. This brings total equity financing raised by the company to date to US\$8M including all previous rounds.

With the simple motto Sleep well, Pay Less! ZEN Rooms' breakthrough franchise model was launched in Jakarta (Indonesia) in 2015 to shake the local budget accommodation market and offer better value-for-money stays to the region's growing number of budget-conscious travelers. Since then, ZEN rapidly expanded its presence and in 2017 became a top 5 budget hotel franchise in Indonesia, Malaysia, Philippines, Singapore and Thailand.

ZEN Rooms' franchise improves local, independent budget accommodation providers (hotels, guest houses, B&Bs, apartments) through strict quality controls, operational improvements, data analysis, innovation and economies of scale. This brings greater value-for-money for travelers and increased occupancy for franchisees. ZEN's en-suite double rooms with A/C and Wi-Fi start at only USD10 all included - well below most local hotel chains. This disruptive value-for-money proposition has led to industry-leading customer satisfaction ratings and partnerships with some of the region's leading brands such as AirAsia and Uber.

Kiren Tanna, ZEN Rooms' Co-Founder and Global Managing Director, comments: "We founded ZEN in 2015 to put an end to widespread, unreliable low-cost stays in Indonesia. Since then, we have become the top-rated budget accommodation franchise in the region and expanded to eight countries. We are already bringing much needed customer-centric innovation with the likes of pay-at-hotel, self check-in kiosks, and more in the pipeline. For many hotels, we are now managing all their

rooms on commercial and ops processes including data-driven pricing, distribution and corporate sales, something that many independent hotels are not able to do themselves. I am delighted with the fast growth we are seeing, allowing safe, value-for-money travel for thousands of guests daily and higher occupancy for our partners. This funding round is now an important milestone to consolidate our early leadership and launch more features to modernize temporary budget accommodation in South-East Asia”

Jonathan C. Kim, one of Redbadge Pacific’s Managing Partners, comments: “ZEN Rooms as a company has achieved early success in its cross-border business model in providing travelers a reliable lodging option at an affordable price. We look forward to working with the team to further build the ZEN Rooms brand in order to offer more value to its travelers.”

Hanno Stegmann, CEO of APACIG adds: “ZEN Rooms is a highly promising company within our portfolio, efficiently addressing the large problem of budget travel reliability & safety in emerging markets. In less than 2 years, ZEN has now become the best value-for-money option to travel in South-East Asia and a concrete alternative to the region’s existing hotel chains. We are now delighted to be teaming up with the Redbadge Pacific and SBI Investment Korea to continue to support ZEN’s growth.”

About ZEN Rooms

ZEN Rooms is a leading budget hospitality company founded in 2015 to offer the best value-for-money accommodation in South East Asia. ZEN Rooms is now present in 8 countries, more than 40 cities and 1,000+ locations. Fully equipped double rooms start as low as US\$10. To learn more, visit www.zenrooms.com

About Redbadge Pacific

Redbadge Pacific is the Asia-Pacific arm of Redbadge, a U.S.-based private investment firm that provides capital and strategically works with innovative growth and expansion-stage companies. Since its founding in 1976, Redbadge has a long history of partnering with passionate founders and investing in premier businesses with game-changing ideas, many of which have achieved success through mergers and acquisitions or going public. With Redbadge Pacific’s launch of the Global Gateway Fund in 2016, the firm continues to help support great companies that are poised to have a global impact. For more information, visit www.redbadge.com

About SBI Investment Korea

SBI Investment Korea Co., Ltd. is the first venture capital house in South Korea, with 30 years of history. Since its establishment in 1986, it has invested in more than 800 venture companies and 150 companies among them has been listed on the domestic and overseas stock exchanges. Since its acquisition in March 2010 by SBI Group, one of Japan’s top tier financial companies, SBI Investment Korea is expanding its business quickly. As of March 2017, it is managing 19 funds (KRW 822.2 billion) backed by leading domestic institutional investors.

About APACIG

The Asia Pacific Internet Group (APACIG) has become, since its founding in 2014 by Rocket Internet and Ooredoo, one of the major players in the Asian e-commerce market. It is one of Asia's fastest growing Internet platforms. It is home to some of Asia's most successful Internet companies like Daraz, Carmudi, Kaymu and Everjobs.



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