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Company: BizzTech

Market: Virtual Reality

Product: Interactive 3D events platform

Company Highlights

- Offers a 3D, virtual reality & metaverse platform called Tookey that is an alternative space for in-person meetings, events, business communities and 100% digital meeting environments
- In June 2022, the company launched an open alpha under the label MetaLinked as a proof of concept for business communities in the Metaverse
- The company claims that their technology does not need to be downloaded or require high-speed internet
- Onboarded first paying customer in October 2022

WHY IT'S INTERESTING

Within the last couple of years, virtual interactions have become commonplace as companies and organizations quickly shifted from in-person work and events to online meetings and webinars. Despite in-person meetings and events being held again, virtual interactions are still increasingly common. In fact, 94% of participants in a 2021 survey reported they were planning for virtual events in 2022, with almost half stating they plan to increase the number of events they host, according to a 2021 survey conducted by Kaltura.ⁱ

More widely adopted in response to the health concerns and spread of COVID-19, virtual meetings and events have gained massive popularity in recent years and continue to gain traction in 2022. Zoom for example, has 350 million daily meeting participants in 2022, up from only ten million at the end of 2019.ⁱⁱ On the back of this, Meta and many other companies have begun to focus on the next evolution of this trend: The Metaverse. A recent study by McKinsey estimates that the metaverse will be a \$5 trillion market by 2030,ⁱⁱⁱ and a report by Citibank estimates that number could reach \$13 trillion by 2030.^{iv} In December 2021 Bill Gates stated “Within the next two or three years, I predict most virtual meetings will move from 2D camera image grids — to the metaverse, a 3D space with digital avatars.”^v More recently, Ciena conducted a survey that concluded that 78% of professionals are prepared for the metaverse.^{vi}

This massive shift to virtual interactions has the potential to put Austin-based BizzTech in an ideal position. The company's Tookey platform is an advanced virtual reality and metaverse platform led by a team of experienced professionals from the gaming, software, and virtual events industries. The platform aims to combine traditional business meeting functions such as file, screen sharing, and video calls with immersive gaming technology to designed produce a data rich 3D networked environment for companies and professionals to meet and conduct business.

Pitch Deck / Video



Through constant dissatisfaction with existing platforms hosting events and holding business events, BizzTech's founders entered the B2B virtual events space to create its own immersive and engaging platform for virtual businesses. In April 2022, the company entered into a business development agreement with a third party to facilitate a sales pipeline and marketing strategy for the Tookeyo platform. The technology is engineered to offer customers the ability to rent out existing 3D environments, integrate into partially tailored 3D environments, or request a fully bespoke metaverse platform to conduct or engage in business. Its use-cases range from daily meetings, auctions, and events to university classrooms, or product showrooms.



Opportunity

How much time have you spent in the metaverse this year? Estimates from the research firm Gartner predict that by 2026, 25% of people will spend at least one hour per day in the metaverse for work, shopping, education, and social or entertainment. The report claimed that enterprises will be able to provide better engagement, collaboration, and connection to their employees through workplaces in virtual environments.^{vii} Furthermore, a survey from McKinsey found that 95% of executives surveyed believe that the metaverse will have a positive impact on their industry.^{viii} However, virtual reality (VR) and augmented reality (AR) applications usually require high computing power as well as physical headsets to operate efficiently, resulting in a huge cost for businesses.

BizzTech aims to solve these problems by providing an affordable Metaverse-as-a-Service (MaaS) platform for professionals and businesses. The company has a web-based metaverse, which does not need to be downloaded or require high-speed internet (operational at only 4Mbps), making the platform accessible to businesses of all sizes in any regions that have historically lacked high-speed internet. Furthermore, BizzTech's platform is designed to allow businesses get access to a full metaverse environment containing next-gen avatars and a number of business tools including whiteboards, presentations, private rooms, and real-time webcam sharing.

Product

BizzTech's virtual reality platform, Tookeyo, seeks to immerse users in a virtual space, which can be used for a host of different events, business meetings, or social gatherings. Tookeyo is a web-based platform engineered to be useable with no download needed and low bandwidth requirements (4mbps), making it extremely accessible for a wide variety of customers. Some features on the platform include:

- **Online Business Matchmaking:** Engineered to match attendee with prospective leads during events. This eliminates the time waste of wandering around conferences, hoping to bump into the right person.



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- **Business Community Building:** Seeks to allow users to build communities on the platform by inviting their target audience to join. With a community, event hosts can promote upcoming events, sell ads and sponsoring, and more.
- **Interactive & Customizable 3D Environments:** Events can be customized for a variety of use cases including trade shows, education, conferences, meetings, and team trainings.

Expo Hall



BizzTech aims to help businesses step into the metaverse by providing tailored solutions. The company's goal is to meet its customers' needs by offering three separate services:

Existing 3D environments

Use Cases:

- Meetings
- Trainings
- NFT Auctions
- Business Events
- Trade Shows





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Partially tailored 3D environments

Use Cases:

- Business Communities
- Service Providers
- Marketing Agencies
- Podcasters & Content Creators



Fully customized Metaverse environment

Use Cases:

- Universities
- Corporations stepping into the Metaverse
- Bringing a website into the Metaverse
- Art, Fashion, and Music
- Product Showrooms

BizzTalk

BizzTalk is a series of episodes where Jason Shuster, BizzTech's Chief Operating Officer, sits down with industry veterans to discuss the emergence of metaverses in their respective industries. These discussions can be found on [BizzTech's YouTube page](#).



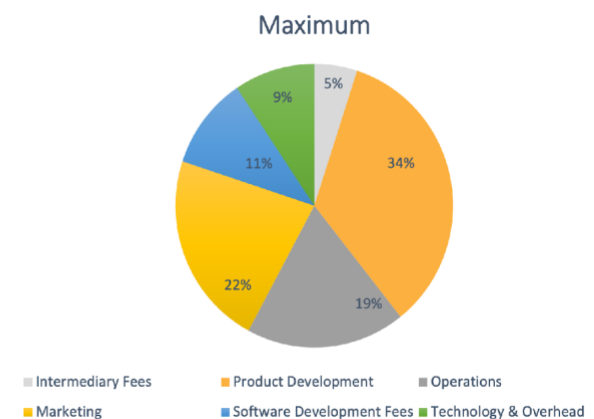
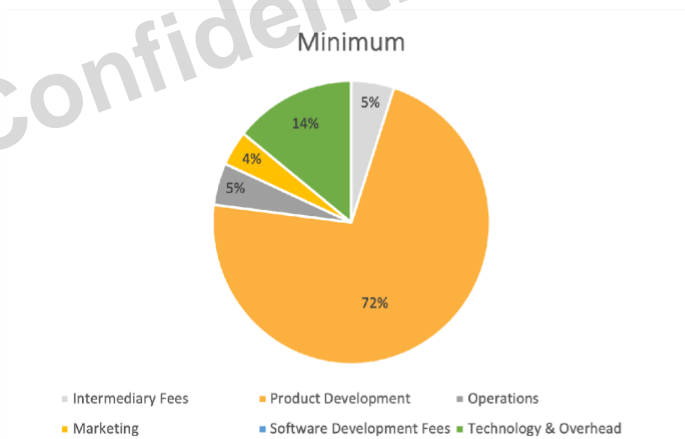


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Use of Proceeds

If the minimum amount is raised (\$25,000) or the maximum amount (\$950,000) is met, the company expects to use the proceeds as follows:



- Intermediary Fees: BizzTech will use a portion of the funds from this raise to pay intermediary fees
- Product Development: Further development of products, mainly key features, and functions for BizzTech's target customer base
- Operations: Basic operations of the company, including daily operations, finance, and customer success
- Marketing: General marketing costs, campaigns, social media, and sales staff
- Software Development Fees: Costs related to further develop its software
- Technology & Overhead: Software, hardware, and server costs needed for daily operations



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Product Roadmap

BizzTech plans to use a portion of the funds from this raise for product development. Specifically, the company intends to upgrade and improve the Tookey platform in various stages:

Alpha 1.5

- Upgrade Systems & User Experience
 - Upgrade infrastructure & 3D engine to improve graphics and data computing capability, allowing for other cloud providers beyond AWS such as IBM, Rack Space, and Azure
 - Introduce new environments for more use cases including e-commerce, government, and education
 - Incorporate data reporting for customers
 - Streamline onboarding & usability by improving the user interface and user experiences

Alpha 2.0

- Streamline Processes and Monetization
 - Further improve user experience with 1-click solutions for sign-up
 - Introduce self-service for B2B clients such as administrative functions and user driven customization

Beta 1.0

- Full Business Feature Integration
 - Introduce next-gen avatars with higher end graphics, animations, and customization
 - Streamlined business communities features and creation
 - Integrate e-commerce back-end capabilities for customers
 - Real-time audio translation

Beta 2.0

- Full Web 3.0 Integration
 - Introduce Blockchain, Cryptocurrencies, Digital Wallets, NFTs, and Membership Models

Gold 1

- Full Product Launch
 - Introduce Full VR option for headsets
 - 50+ Environments for different use cases
 - Marketplace integration for creators, events, communities, and sponsors

Business Model

BizzTech operates a Metaverse-as-a-Service (MaaS) business model, charging companies for access, customized services, and advertising on its platform. The company currently offerings the following pricing options:^{ix}

Existing 3D environment rentals – From \$15 Per User Per Day

Partially tailored 3D environment rentals – Starting from \$15,000*

Fully bespoke metaverse platforms and environments – Starting from \$50,000*



*Pricing is determined on a case-by-case basis

USER TRACTION

Partners and Clients

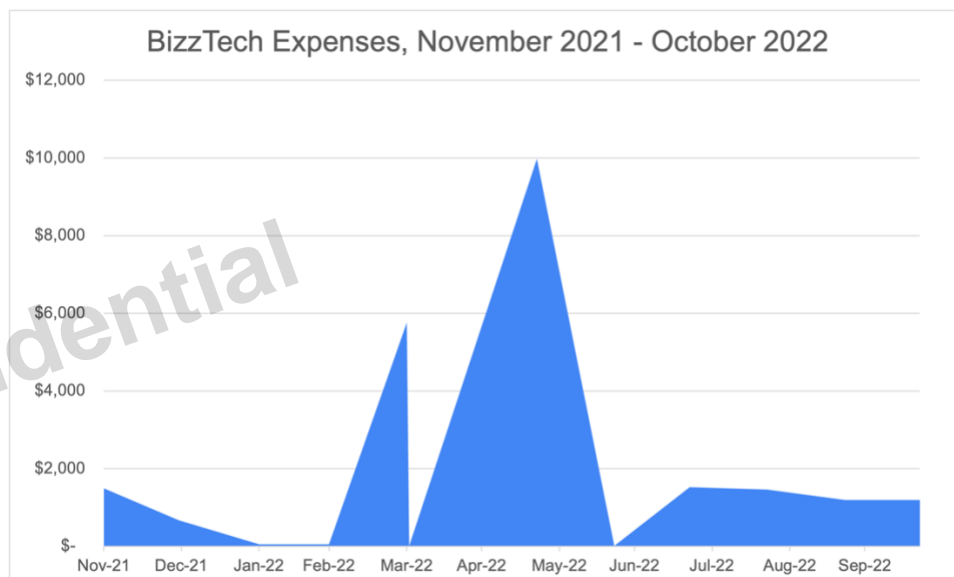
- Current clients include Surgery & Therapy Summit
 - Currently engaged in discussions with the Surgery & Therapy summit to host 3 events on the platform
- Technology partners include AWS
 - Joined AWS's Activate Portfolio program

Other Traction Highlights

- In June 2022, the company launched a limited open alpha under the label MetaLinked as a proof of concept for business communities in the metaverse
- Company has a reseller agreement to sell Tookeyo services

HISTORICAL FINANCIALS

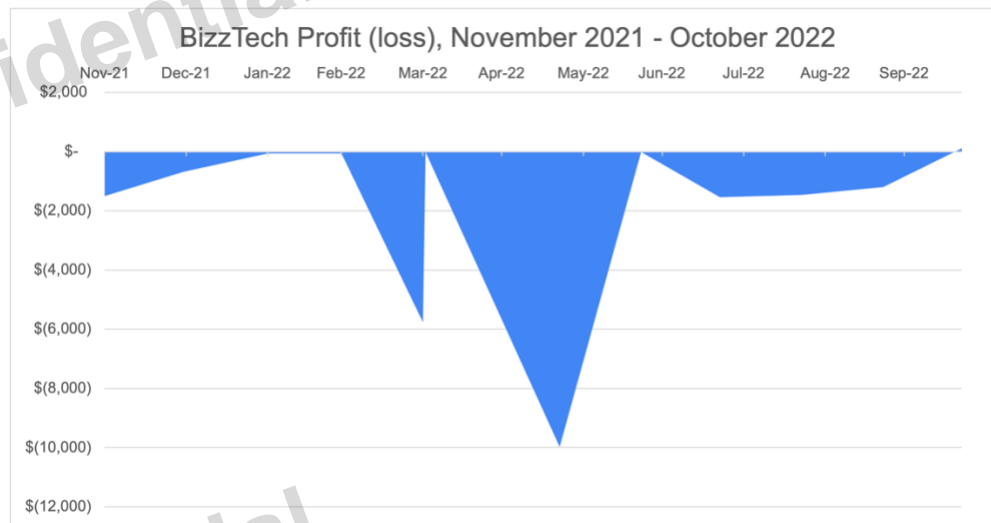
BizzTech's general expenses include items such as tuition for NewChip's Startup Accelerator program, Amazon Web Services fees, and 3rd party expenses for art and design. The company's expenses peaked in May 2022 with NewChip's Startup Accelerator program tuition, software bills, and the purchase of outsourced 3D art for the platform.



BizzTech began generating revenue via its Metaverse-as-a-Service model in October 2022 as it received its first customer, Surgery and Therapy summit.



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INDUSTRY AND MARKET ANALYSIS

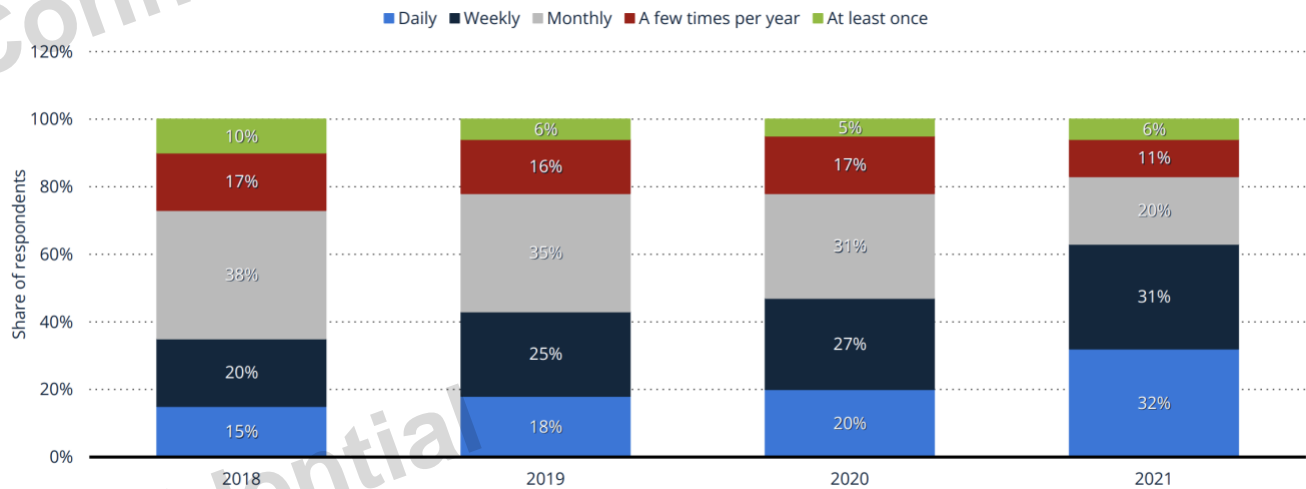
According to Statista, the global metaverse market was estimated to be worth \$38.85 billion in 2021 and will rise to \$47.48 billion in 2022 before soaring to \$678.8 billion by 2030.^x A recent study by McKinsey estimates that the metaverse will be a \$5 trillion market by 2030,^{xi} and a report by Citibank estimates that number could reach \$13 trillion by 2030.^{xii} The same McKinsey study states that an estimated >15% of corporate revenue is expected to come from the metaverse in the next 5 years according to 25% of senior executives surveyed. Major factors expected to drive this growth include a growing focus on integrating digital and physical worlds using the internet, increasing momentum and popularity of mixed reality (MR), augmented reality (AR), and virtual reality (VR), and the outbreak of COVID-19. Additionally, tailwinds like the rise of cryptocurrency could potentially bolster further growth to the market as digital assets are often purchased using cryptocurrencies such as Bitcoin and Ethereum.^{xiii}

In September 2022, a global study commissioned by Ciena revealed that business professionals are eager to collaborate in the virtual world. The company found that 96% of the 15,000 people surveyed see the value of virtual meetings, and 78% say they would participate in more immersive experiences. Moreover, unreliable network performance was cited by 38% as the top concern for organizations. Lastly, 71% of professionals could see the metaverse becoming incorporated into their existing work functions, and 40% believe they will move towards more immersive and virtual reality-based platforms in the next two years.^{xiv}



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Virtual Reality Usage Frequency in the U.S., 2018 – 2021



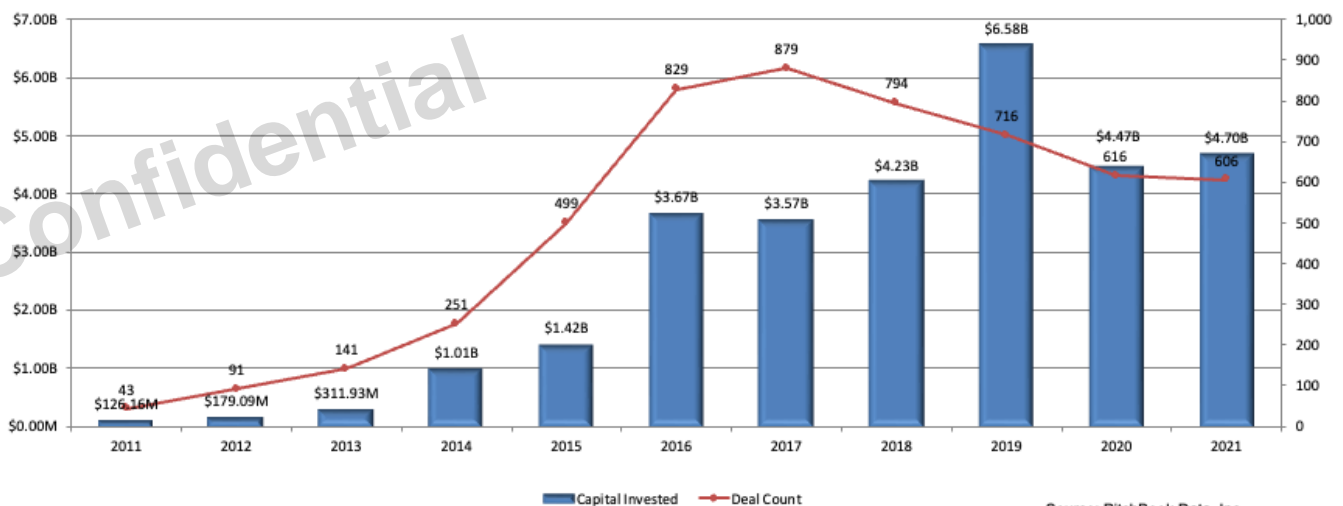
Source: [Statista](#)

Virtual Reality Financings

In the past 11 years, a total of \$30.25 billion has been invested in Virtual Reality companies across 5,465 deals. In 2021, \$4.7 billion was invested across 606 deals. Additional financing highlights include:^{xv}

- Capital invested increased at a compounded annual growth rate of 5.07% since 2016.
- Capital invested reached an 11-year high in 2019 at \$6.58 billion, while deal count peaked in 2017 at 879
- Median deal size increased reached \$1.87 million in 2021, an 11-year high

Capital Invested and Deal Count in the Virtual Reality Industry, 2011 - 2021



Source: PitchBook Data, Inc.



Virbela

remote teams to be more connected and productive.^{xvi} Some of their notable clients include companies like the Royal Bank of Canada (RBC), HTC, and MIT Sloan School of Management.^{xvii} In November 2018, eXp World Holdings, the holding company for eXp Realty, the largest residential real estate brokerage by geography in North America acquired the assets of Virbela^{xviii} for approximately \$11 million.^{xix}



Mytaverse: Founded in 2020, the Mytaverse platform, which is powered by GathR Virtual Studios Inc, creates 3D immersive settings which provide businesses, nonprofits, academic, and government institutions with digitally visualized hybrid workspaces. The fully-immersive ecosystem employs the Epic Games Unreal Engine and meshes with other core platform components and integrated third-party applications creating a 3D experience without virtual reality (VR) goggles.^{xx} Since launching Mytaverse has landed large clients including PepsiCo, Dassault Aviation, Asian Sky Group, and Zaha Hadid Architects.^{xxi} In April 2022, the company raised a \$7.6 million Seed round led by Blumberg Capital with participation from Baselayr Ventures, Correlation Ventures, and Accelerator Ventures. Capital from the raise will go towards accelerating product development, expanding sales and technology teams, and further deepening interactions with brands.^{xxii}



Spatial: Founded in 2016, Spatial allows NFT creators to customize a virtual space and gather for events such as exhibitions, brand experiences, and conferences. The company empowers its users to leverage beautiful spaces to share content, build a community, and drive meaningful sales of their creative works and products. It also allows its users to create functional 3D spaces as NFTs to sell or rent to others looking to host immersive experiences. Spatial offers free services for creators looking to host exhibitions, meetup, and live events. Spatial+ costs \$25 per month for creators looking to host more curated and controlled experiences. Lastly, customers can reach out for custom quotes on specially tailored events.^{xxiii} In December 2021, the company raised \$25 million in a Series B round,^{xxiv} bringing its total funding to \$47.3 million.^{xxv}



The Sandbox: The Sandbox is a decentralized, community-driven platform, where creators can make voxel assets and gaming experiences and monetize them on the blockchain. It features three main components: an NFT builder, a Marketplace, and a Game Maker. Players can create digital assets, upload them to the marketplace and create game experiences. The Sandbox secured over 50 partnerships to build a fun creative play-to-earn gaming platform, owned and made by players. The Sandbox aims to bring blockchain into gaming,



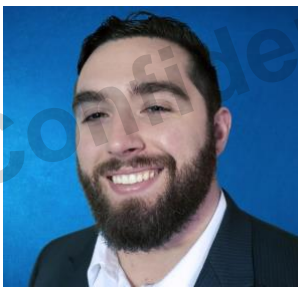
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attracting both crypto and non-crypto enthusiasts by offering the advantages of true ownership, digital scarcity, monetization capabilities and interoperability. The company raised a \$93 million Series B funding round in November 2021 led by Softbank Vision Fund 2.^{xxvi}

EXECUTIVE TEAM



Dirk Schmidt, Co-founder & CEO: Prior to co-founding BizzTech and the European University Esports (EUE), Dirk Schmidt built a chain of fitness centers in Switzerland that was acquired by TC Holdings in 2001. After the acquisition, he served as Finance Manager for two years where he was responsible for 14 gyms with over 12,500 members and 350 employees. Since leaving TC Holdings in 2003, Schmidt has been active in many personal investments involving real estate and early-stage startups.



Jason Shuster, Chief Operating Officer: Prior to joining BizzTech, Jason Shuster launched his career in tech and gaming by co-founding Bad Panda Games Inc, – a game development studio in Austin, TX, where he served as the Head of Finance for three years. Shuster has additional startup experience through a health and life insurance agency called Rocky Mountains Benefits Group, which he co-founded in 2017, as well as through his current role as Director for Athena Worlds, UK-based gaming, and software startup. Shuster earned his bachelor's in Business Management from Brigham Young University's Idaho campus and then a Master of Science: Finance degree from the University of Utah's David Eccles School of Business.



Rosi Vieira, Co-founder & Chief Marketing Officer: Rosa Vieira is a co-founder and Chief Marketing Officer. At BizzTech, Vieira is responsible for spearheading the marketing strategy, executing the marketing plan, and increasing social media engagement. Prior to BizzTech, Vieira served as a Marketing Director for a café chain and industrial donut production company for two years. She holds a degree in Marketing, Administration, & Business Finance and another degree in Coach Ontological & Emotional Intelligence from the Universidad Nacional de Educación a Distancia.



Andrew Maner, CTO: Andrew Maner has a strong background in academics, algorithm, and software development, and is an experienced leader of small- to mid-sized engineering teams. Over the past two decades, he has worked in the defense industry for companies such as Raytheon, USAF, Boeing, McClendon, US Army, RADEOS, and Ai Tampa. Additionally, he's held multiple faculty roles for several universities like ITT Technical Institute and The Art Institute of Tampa where he currently serves as the Chair of Education. Maner holds a PhD in Applied Mathematics and an MS in Mathematics from the University of Alabama at Birmingham (UAB) and a BS in Physics from Georgia State University.



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John VanderZwet, Head of Product: John VanderZwet currently serves as Head of Product at BizzTech in a part-time capacity, however, he's planning to join the company full-time after the financing round. Currently, VanderZwet serves as CEO and Co-Founder of Asylum Entertainment, a video game studio company. Prior to founding Asylum in 2014, VanderZwet was a Lead Developer for Camel Cup Graphics for nearly two years, where he managed and directed an art production team of eight. Before that, he held multiple roles including Lead Programmer & Project Manager, Programmer & Producer, and Programmer & Project Manager at companies such as Gaming Asylum, Star Vault, and Curse. VanderZwet holds a BS in Law and Administration from St. Lawrence College.

PAST FINANCING

The company has not raised any capital prior to this crowd note offering. It has \$403,121.52 worth of loans outstanding. More detailed descriptions and terms for each loan can be found listed in the Form C.

INVESTMENT TERMS

Security Type: Crowd Note

Round Size: Min: \$25,000 Max: \$950,000

Discount Rate: 20%

Valuation Cap: \$6 million

Conversion Provisions: In connection with equity financing of at least \$950,000, the Company has the option to convert the Crowd Note into non-voting preferred stock (Conversion Shares) at a price based on the lower of (A) a 20% discount to the price per share for Preferred Stock by investors in the Qualified Equity Financing or (B) the price per share paid on a \$6 million valuation cap. Please refer to the Crowd Note for a complete description of the terms of the Crowd Note, including the conversion provisions.

RISKS

Investment Risk

An investment in the company is speculative, and as such is not suitable for anyone without a high tolerance for risk and a low need for liquidity. You should invest only if you are able to bear the risk of losing your entire investment. There can be no assurance that investors will receive any return of capital or profit. Investors should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of their entire investment and the risks of lack of liquidity) that are characteristic of private placement investments. There will be no public market for the securities being offered, applicable securities laws will restrict any transfer of the securities, and the securities will not be transferable without the company's consent.

The information provided herein is not intended to be, nor should it be construed or used as, investment, tax or legal advice, a recommendation to purchase, or an offer to sell securities of the company. You should rely on the



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offering statement and documents attached as exhibits to the offering statement when making any investment decision. An investment in the company is not suitable for all investors.

Company Risk

The company's industry is highly competitive, and the company may not be able to compete effectively against the other businesses in its industry. The company is subject to a number of significant risks that could result in a reduction in its value and the value of the company securities, potentially including, but not limited to:

- Rapidly changing consumer preferences and market trends,
- Inability to expand and maintain market acceptance for the company's services and products,
- Inability to gain access to international markets and comply with all applicable local laws and regulations,
- Inability to achieve management's projections for growth, to maintain or increase historical rates of growth, to achieve growth based on past or current trends, or to effectively manage rapid growth,
- Inability to develop, maintain and expand successful marketing relationships, affiliations, joint ventures and partnerships that may be needed to continue and accelerate the company's growth and market penetration,
- Inability to keep pace with rapid industry, technological and market changes that could affect the company's services, products and business,
- Technological problems, including potentially widespread outages and disruptions in Internet and mobile commerce,
- Potential costs and business disruption that may result if the company's customers complain or assert claims regarding the company's technology,
- Failure to adequately address data security and privacy concerns in compliance with U.S. and international laws, rules and policies,
- Performance issues arising from infrastructure changes, human or software errors, website or third-party hosting disruptions, network disruptions or capacity constraints due to a number of potential causes including technical failures, cyber-attacks, security vulnerabilities, natural disasters or fraud,
- Inability to adequately secure and protect intellectual property rights,
- Potential claims and litigation against the company for infringement of intellectual property rights and other alleged violations of law,
- Difficulties in complying with applicable laws and regulations, and potential costs and business disruption if the company becomes subject to claims and litigation for legal non-compliance,
- Changes in laws and regulations materially affecting the company's business,
- Liability risks and labor costs and requirements that may jeopardize the company's business,
- Dependence on and inability to hire or retain key members of management and a qualified workforce,
- Ongoing need for substantial additional capital to support operations, to finance expansion and/or to maintain competitive position,
- Issuance of additional company equity securities at prices dilutive to existing equity holders,
- Potential significant and unexpected declines in the value of company equity securities, including prior to, during, and after an initial public offering, and
- Inability of the company to complete an initial public offering of its securities, merger, buyout or other liquidity event.



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- ⁱ <https://blog.hubspot.com/marketing/future-of-events>
- ⁱⁱ <https://www.amraandelma.com/zoom-statistics/>
- ⁱⁱⁱ <https://drive.google.com/file/d/18e5i6Q04dxxhYkn6qPGNr8cltZltT-rx/view>
- ^{iv} chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://ir.citi.com/gps/x5%2BFQJT3BoHXVu9MsqVRoMdiws3RhL4yhF6Fr8us8oHaOe1W9smOy1%2B8aaAgT3SPuQVtwC5B2%2Fc%3D
- ^v <https://www.gatesnotes.com/About-Bill-Gates/Year-in-Review-2021>
- ^{vi} <https://www.ciena.com/about/newsroom/press-releases/78-of-business-professionals-are-ready-for-the-metaverse>
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- ^{viii} <https://www.mckinsey.com/about-us/new-at-mckinsey-blog/meet-the-metaverse-creating-real-value-in-a-virtual-world>
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- ^{xiii} [https://www.grandviewresearch.com/industry-analysis/metaverse-market-report#:~:text=Key%20factors%20that%20are%20driving,development%20of%20Decentralized%20Finance%20\(DeFi\)](https://www.grandviewresearch.com/industry-analysis/metaverse-market-report#:~:text=Key%20factors%20that%20are%20driving,development%20of%20Decentralized%20Finance%20(DeFi))
- ^{xiv} <https://www.ciena.com/about/newsroom/press-releases/78-of-business-professionals-are-ready-for-the-metaverse>
- ^{xv} Pitchbook Data, Downloaded June 30th, 2022
- ^{xvi} <https://www.linkedin.com/company/virbela/>
- ^{xvii} <https://www.virbela.com/customers>
- ^{xviii} <https://www.globenewswire.com/news-release/2018/11/30/1660285/0/en/eXp-World-Holdings-Completes-Asset-Acquisition-of-VirBELA.html>
- ^{xix} <https://www.sdbj.com/news/2020/dec/02/virbela-sees-record-growth-its-virtual-worlds/#:~:text=The%20publicly%20traded%20company's%20revenue,it%20brought%20in%20%24282.2%20million.>
- ^{xx} <https://www.linkedin.com/company/gathr-virtual-studios/>
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