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Company: UNOMi

Market: Animation Software

Product: AI-video animation software

Company Highlights

- In 2022, the company increased its user base by approximately 122% year-over-year, to a total of around 1,100 users
- UNOMi's technology is being used to produce KnuckTales, an animated series by Pixel Pirate Studios and The Player's Tribune that features stories of professional basketball playersⁱ
- In November 2022, UNOMi was accepted into NVIDIA's Inception Program, giving it NVIDIA's technology, opportunities to connect with venture capitalists, and technical resources from NVIDIAⁱⁱ
- UNOMi was founded by Obi Onyejekwe, a serial entrepreneur and founder of Nito, a marker-less face-tracking technology company that was sold to AOL in June 2016ⁱⁱⁱ

WHY IT'S INTERESTING

When was the last time you felt profound emotions for an animated character? The world of animation has burgeoned from mere entertainment to a creative medium for communication, storytelling, and education, and more. With the rising popularity of streaming platforms, gaming, and educational apps, animation has become an important facet of contemporary media consumption.^{iv v} According to Precedence Research, the global animation market size was valued at \$392.54 billion in 2022.^{vi} Beyond its popularity, animation, especially 3D animation, presents its set of challenges. The cost of producing high-quality 3D animations can be high, encompassing expenses from software licenses and specialized hardware to the skilled labor required. As the demand for animated content diversifies, grows, and expands across age groups and sectors, from advertisements to e-learning, the industry grapples with the need for cost-effective solutions that don't compromise on quality.^{vii viii ix x}

Founded in 2016, UNOMi offers artificial intelligence- (AI-) driven animation software designed to simplify the animation process. Its products, such as the Avatar Creator Plugin and the 2D and 3D Lip Sync Applications, integrate with popular animation platforms like Adobe Creative Cloud, Apple Final Cut Pro, and Motion, and are designed to make the creation process more efficient.^{xi} Through these solutions, users can access animation capabilities and create a fully-realized persona without the need for specialized equipment or training. Since inception, UNOMi's suite of animation software has been leveraged by more than 1,100 users. In 2022, the company gained 610 new users, representing a year-over-year increase of approximately 122% from 2021. Additionally, the company is in early-stage discussions with employees from major corporations in the entertainment industry as well as universities with animation programs for the use its animation software.^{xii}



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EXECUTIVE SNAPSHOT

UNOMi aims to provide creators with an easier and more efficient way to create animated content. The company's software products are designed to automate many of the more time consuming tasks in animation production and enable creators of all skill levels to save money and time in design and production. UNOMi leverages voice recognition and motion capture technology with the goal of streamlining many of the most labor-intensive elements of animation creation. Its voice recognition software understands human speech in multiple languages, allowing animators around the world to easily animate the speech of multiple 2D and 3D animated characters. The company was founded by Obi Onyejekwe, a serial entrepreneur who has contributed large commercial and multi-media marketing expertise to Fortune 500 companies including Spike, Nickelodeon, and BET, as well as founding Nito, a face-tracking technology company that was sold to AOL in June 2016.^{xiii xiv}

PERKS

You are investing in a Crowd Note in this Offering. Perks are meant to be a thank you from the company for investing. The perks below are subject to Regulation CF investment limits.

- **\$1,000+** – Free Plugin
- **\$4,000+** – Free Plugin and SaaS Software

In addition to the above perks, investors that purchase the first 250,000 Crowd Notes, and thereby fund the first \$250,000, will receive Crowd Notes with a conversion provision based on a \$4 million valuation cap instead of a \$6 million valuation cap. That means, in connection with equity financing of at least \$1,000,000 (a "Qualified Equity Financing"), the company has the option to convert the Crowd Note into shares of non-voting preferred stock (Conversion Shares) at a price based on the lower of (A) the price per share paid for Preferred Stock by investors in the Qualified Equity Financing or (B) the price per share based on a \$4 million valuation cap (instead of a \$6 million valuation cap).

COMPANY SUMMARY

Opportunity

In the detailed landscape of animation, producing characters that move and express emotions authentically has always been a challenge. Perfectly aligning animated facial expressions, especially the nuanced movements of lips with corresponding voiceovers, is a complex aspect of animation. This task demands a harmonious blend of artistic touch, technical acumen, and, typically, specialized tools and training. For many budding animators and even some seasoned professionals, these prerequisites can sometimes be overwhelming, resulting in animations that might miss the mark in terms of realism and engagement. The complexities associated with achieving impeccable lip-syncing and capturing subtle character motions can often act as constraints, potentially diminishing the creative aspirations and final quality of many in the animation field.^{xv xvi}

Aiming to address these challenges, UNOMi has developed a suite of AI-driven animation software engineered to streamline and enhance the animation process. Its Avatar Creator Plugin, for instance, is not just a tool, but a bridge that can integrate with widely used platforms such as Adobe Creative Cloud, Apple Final Cut Pro, and Motion. This enables animators who utilize these platforms to have a familiar environment while benefiting from UNOMi's features. Delving deeper into the realm of voice synchronization, its 3D and 2D Lip Sync Applications are designed to harness the power of AI. These applications aim to match mouth poses to voice recordings allowing characters speak with a realism previously difficult to achieve.^{xvii}



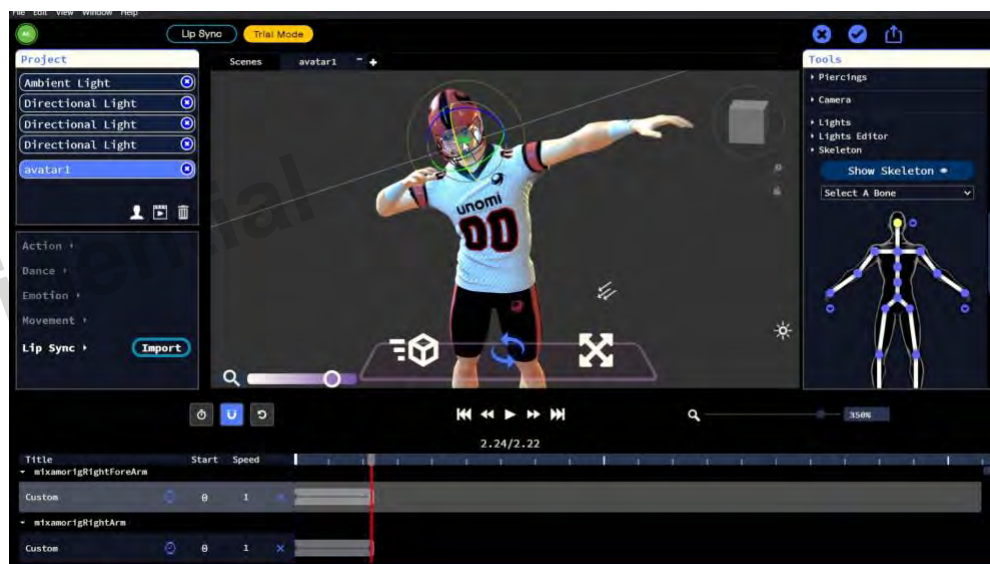
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Product

Avatar Creator

UNOMi's Avatar Creator is a 3D plugin designed to facilitate the creation and animation of 3D characters. With compatibility across various platforms, including Adobe Creative Cloud, Apple Final Cut Pro, and Motion, it aims to offer a user-friendly experience without the need for special equipment or training. The plugin's avatar creation feature provides pre-existing moves and motion-tracking software for crafting custom animations. Its interface aims to simplify character creation, while the motion capture functionality enables users to track and replicate movements from footage. Additionally, the Avatar Creator employs AI technology to automate lip-syncing, synchronizing characters' movements with audio recordings.^{xviii}



Insert Video

Source: UNOMi YouTube



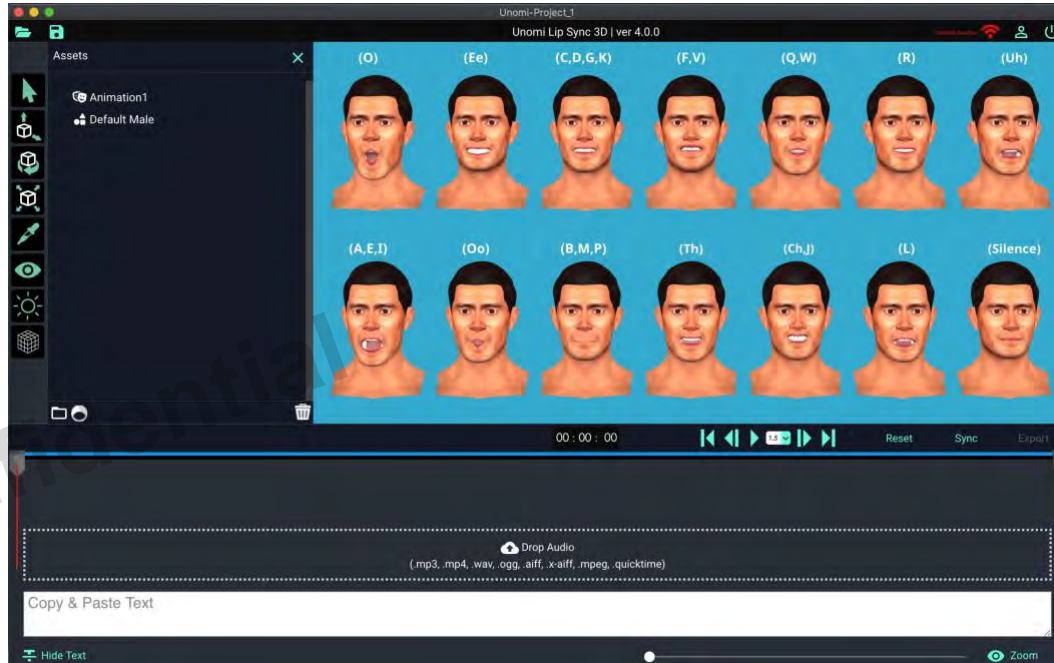
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3D Lip-Sync



UNOMi's 3D Lip-Sync Application is a specialized tool designed to synchronize mouth poses with voice recordings, aiming to accelerate the animation process. Compatible with platforms like Maya and Cinema 4D, this application offers technology in an easy-to-use format without the need for specialized training. Users can add sculpted mouth poses to match phonetic sounds, requiring only 14 mouth poses to create high-quality speech animations. The 3D Lip-Sync Interface is designed for intuitive control, allowing users to import mouth poses, audio, and scripts, and fine-tune animations before the final render.

3D Lip-Sync's features include the ability to swap mouth poses after syncing an audio file, organize multiple files in the "Assets Window," and create RAM previews anywhere in the timeline. The application also supports multiple file formats like .FBX and .GLTF, as well as audio files like .MP3, .AIFF, and .WAVE files. With quick rendering capabilities and support for languages such as English, French, German, Italian, Japanese, Spanish, Portuguese, and others, UNOMi's 3D Lip-Sync Application is designed to provide a comprehensive solution for creating 3D animated conversations.^{xix}



Insert Video

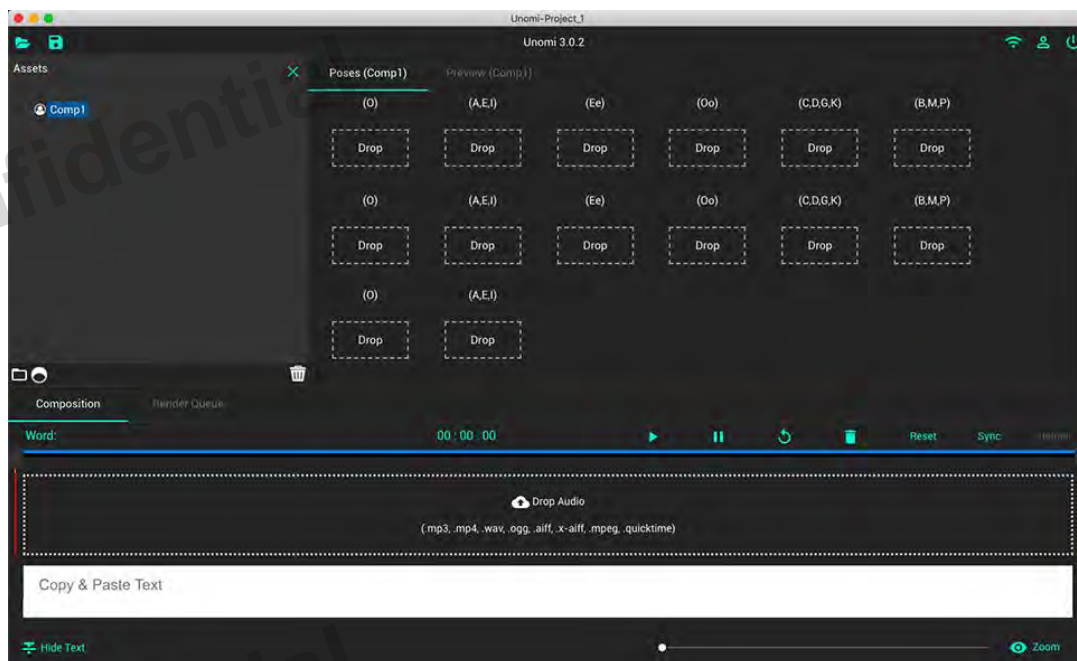
Source: UNOMi YouTube



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2D Lip-Sync

Similar to its 3D application, UNOMi's 2D Lip-Sync is an application designed for synchronizing mouth poses with voice recordings in 2D animations. Integrating with platforms like Toonboom, Adobe Animate, and TVPaint, the application aims to offer a straightforward experience without the need for extensive training. The 2D Lip-Sync interface is designed to empower animators, regardless of their expertise, to craft multiple scenes with lip-syncing across a variety of characters and poses. By utilizing .PNG and .JPEG files, the application can align mouth poses to phonetic sounds. Additionally, features such as the ability to add and delete key-frames, organize multiple files in the "Assets Window," and create RAM previews, are designed to enhance the animation process. 2D Lip-Sync also boasts compatibility with popular file formats from Flash, Photoshop, and Illustrator, and supports a range of audio files. With capabilities for batch rendering and support for multiple languages, UNOMi's 2D Lip-Sync Application aims to be a solution for animators aiming to bring authenticity to their 2D characters' speech.^{xx}

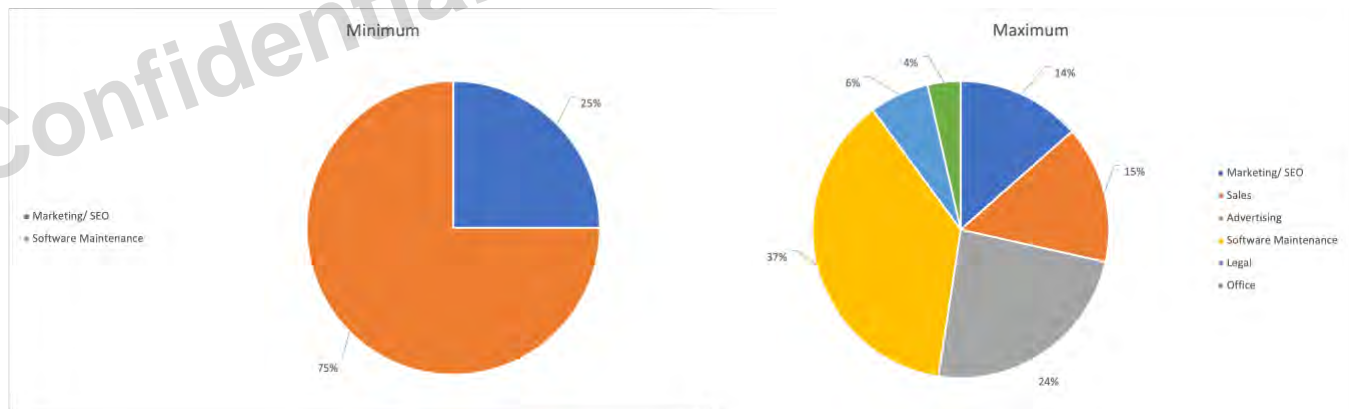


Use of Proceeds

If UNOMi raises the minimum (\$22,750) or the maximum (\$584,937) offering amount net of fees, it intends to use the proceeds as follow:



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- **Marketing/Search Engine Optimization (SEO):** Funds to pay content creators to produce videos that promote the software, influencers, Chief Executive Officer (CEO), and public relations (PR)
- **Sales:** Two salespeople to target enterprise clients
- **Advertising:** Payments to ad portals like Meta (Facebook and Instagram) and Google (Google Ads and YouTube Ads)
- **Software Maintenance:** Fees dedicated to maintaining the software on the front and backend
- **Legal:** Legal fees associated with patents and potential acquisitions
- **Office:** Rent and office supplies

Product Roadmap

In October 2023, UNOMi expects to release Motion Capture as well as an update to its 2D Lip Sync product. Details of each release include:

- **Motion Capture:** A marker-less motion tracking technology that allows users to track human movement from prerecorded footage. Content creators do not need to wear a tracking suit to get quality motion tracking. UNOMi Motion Capture will give users access to motion capture software within their home or studio, which will potentially eliminate the need to rent expensive motion capture studio space and equipment. Large-scale animation studios also may be able to reduce costs allowing them to create more content in a significantly shorter amount of time. UNOMi has also released an AR/VR, 3D object plugin for Adobe and Final Cut. It will allow users to easily create 3D characters and objects quickly and easily. Each UNOMi software will be intuitive enough that the learning curve will be non-existent for most users.
- **2D Lip Sync Update:** UNOMi's 2D Lip Sync software has given 2D animators the ability to sync mouth poses in seconds. Weeks of tedious work can now be completed in seconds. UNOMi's AI voice recognition software understands human speech in multiple languages. This allows an animator in the world to easily create the speech of multiple 2D and 3D animated characters and for some, UNOMi gives them the ability to create content daily.



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Business Model

UNOMi operates a software-as-a-service (SaaS) business model, where customers purchase services and are charged a monthly subscription, a one-time fee based on the number of seats they require, or a combination of both. According to UNOMi, its services can be leveraged by students, hobbyists, and animation professionals, among others. The company's current pricing, by product, is as follows:^{xxi}

- **Avatar Creator (Adobe Plug In)** - \$299 per seat*
- **3D Lip Sync** - \$24.60 per month*
- **2D Lip Sync** - \$18.50 per month*

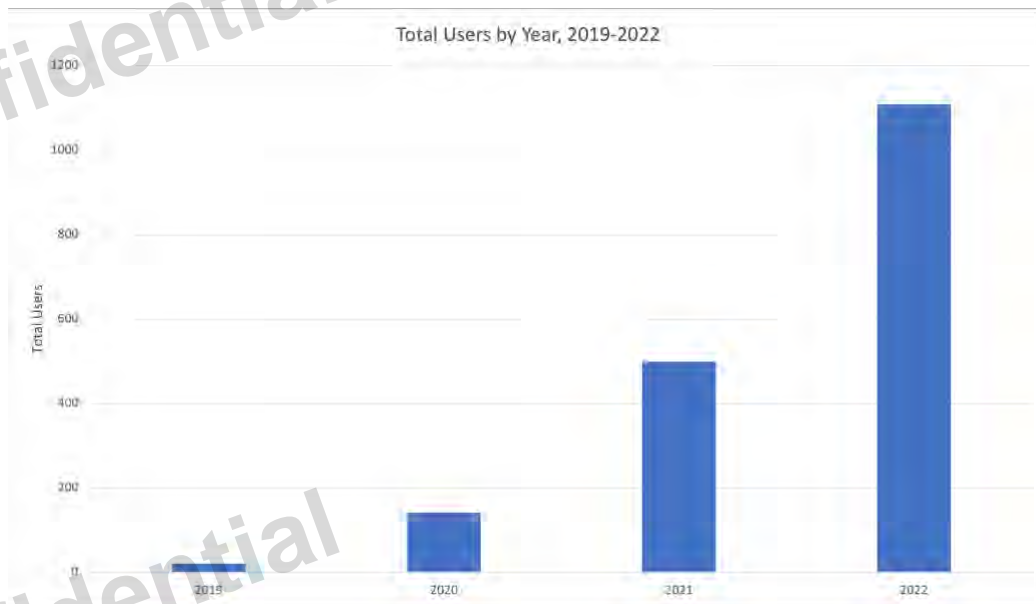
**All products come with either a one week or one month free trial that enables users to test drive the platform and all of its features.*

USER TRACTION

Since inception, UNOMi's suite of animation software has been leveraged by more than 1,100 users. In 2022, the company gained 610 new users, representing a year-over-year increase of approximately 122% from 2021. The company's total users by year are as follows:



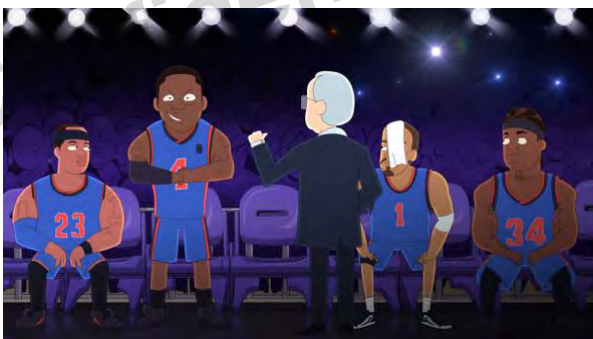
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Source: Graph made by MicroVentures using UNOMi data

Confidential

Additionally, the company is in early-stage discussions with employees from BET, Nickelodeon, and Central Michigan University to potentially use its animation software. Furthermore, UNOMI anticipates giving Georgia State University access to its upcoming motion-capture technology, with plans to deliver a trial license upon its launch in October 2023.^{xxii}



Additionally, UNOMi's animation software is currently being used by L.A.-based Pixel Pirate Studio and The Players' Tribune, a media platform founded by Derek Jeter, which offers daily sports discussions and firsthand accounts from professional athletes. Pixel Pirates is using UNOMi's solutions to create an animated series titled "KnuckTales", which showcases stories from renowned basketball players, narrated by sports podcast Knuckleheads' hosts and NBA veterans, Darius Miles and Quentin Richardson. The series has reportedly been well-received, especially among the

athlete community, with notable figures like LeBron James expressing their appreciation. The episodes have featured basketball legends such as Nate Robinson, Eddy Curry, and Michael Jordan.^{xxiii}



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Partnerships and Programs



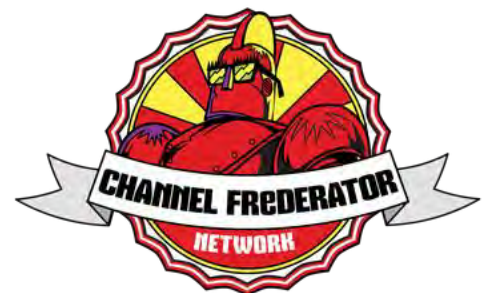
UNOMi is currently in partnership discussions with an employee of Maxon, a software company that produces various solutions for filmmaking, motion design, animation, and more. While still in the early stages, UNOMi is looking to potentially integrate several of its animation products into Maxon's Cinema 4D, a 3D computer animation, modeling, simulation, and rendering software.^{xxiv} Additionally, Maxon may provide future marketing elements to UNOMi as its solutions potentially become more integrated into the Cinema 4D platform.

In July 2023, UNOMi formed an agreement with FxFactory, an online marketplace that offers a collection of visual effect plugins and apps for video editors. Through the agreement, UNOMi's Avatar Creator plugin is listed on FxFactory's website. FxFactory receives approximately 60,000 to 80,000 monthly visits to its website and is reportedly used by notable enterprises such as Disney, Google, HBO, and Adobe.^{xxv xxvi}



In November 2022, UNOMi was accepted into NVIDIA's Inception Program. The initiative is designed to help expedite the evolution of startups by offering them access to NVIDIA's technology, opportunities to engage with venture capitalists, and access to the latest technical resources from NVIDIA. According to NVIDIA, the program is committed to working closely with its members to provide the best technical tools, up-to-date resources, and opportunities to connect with potential investors.^{xxvii}

Channel Frederator Network, a social media agency for animation influencers, and UNOMi announced an expansion to their partnership in August 2021. After their initial partnership in 2020, the two companies introduced a pilot program at the School of Visual Arts in New York, where students and faculty are testing UNOMi's software for ongoing projects. Kenny Ash, VP and GM of Frederator Digital, stated "We were very impressed with Obi's story and the product itself. Our goal is to help the animation community in and out of social media, so this is the step in the direction we've been working to traverse to and aligns perfectly well with our brand promise."^{xxviii}





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Accelerators

UNOMi has participated in two accelerator programs since inception in 2017.

Backstage Accelerator: Venture capital firm Backstage Capital operates an accelerator program for underrepresented founders. The global program first launched in Los Angeles, CA, Detroit, MI, Philadelphia, PA, and London, England. In March 2019, the firm launched its inaugural cohort of 25 companies, which it selected from over 1,800 applicants. UNOMi was a member of this program, where they received funding, mentorship, introductions to potential future investors, as well as curriculum geared towards the needs of underrepresented founders.^{xxix}



PRECCELERATOR

Stubbs Alderton and Markiles, Preccecelerator Program:

Preccecelerator Program is a Santa Monica-based startup accelerator that focuses on providing mentorship, sophisticated legal services, potential networking opportunities, and co-working space, among other benefits to its startups. UNOMi was announced as a member of the program's tenth class of companies in August 2018.^{xxx}

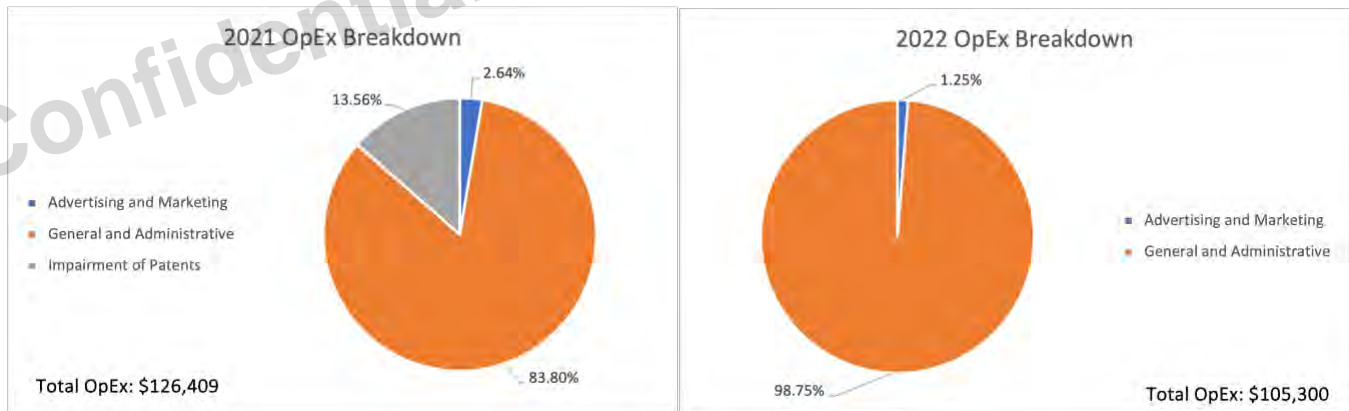
HISTORICAL FINANCIALS

UNOMi has reported annual revenue growth over the last couple of years. In 2023 (through August), UNOMi has generated over \$1,300 of revenue, more than double its 2022 revenues of \$543. Revenues in 2022 grew by 33% compared to 2021 when it brought in \$409.

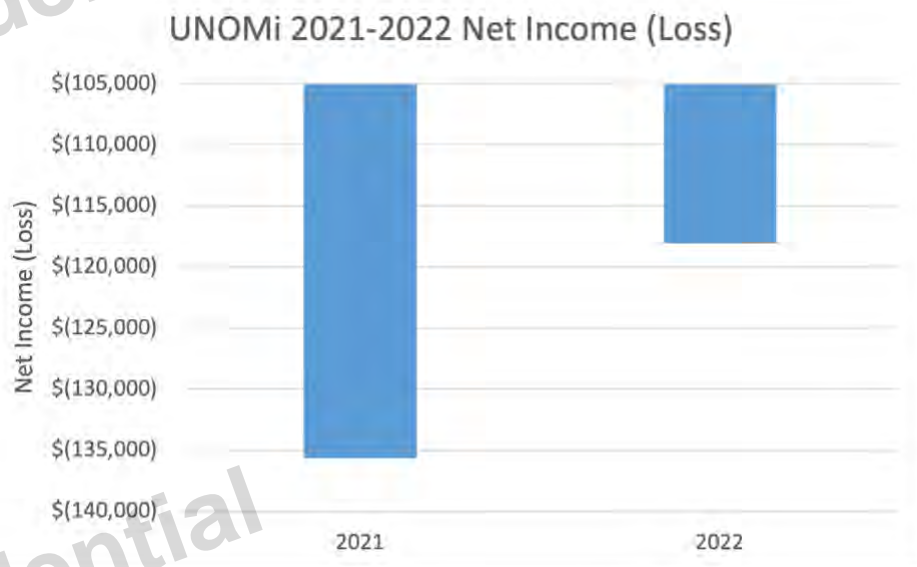
In 2023 (through August), UNOMi has incurred approximately \$221,000 of operating expenses, a majority of which came from general and administrative costs. A nominal amount of expenses were allocated towards marketing. This expense mix was similar in 2022, when the company incurred over \$105,000 of operating expenses. Within this year, it was able to decrease its operating costs compared to 2021, when it incurred \$126,409 of operating expenses, while boosting revenue. In the full years of 2021 and 2022, general and administrative expenses represented the majority of its OpEx at 83.80% and 98.75%, respectively. The company also recognized a \$17,146 patent impairment in 2021 as it decided to abandon the application and focus resources on software development.



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Through the first eight months of 2023, and up to September 7, 2023, the company recorded net losses of \$219,673 as it continues to develop and update its animation software. In 2022, the company recorded net losses of \$118,092 due to a combination of higher revenue and lower OpEx during the year, which was a slight decrease from net losses of \$135,655 in 2021.



INDUSTRY AND MARKET ANALYSIS

According to Precedence Research, the global animation market, encompassing offerings such as software and services and product types like 2D Animation, 3D Animation, Motion graphics, and Stop Motion, was estimated at \$392.54 billion in 2022. The industry is forecasted to reach over \$779.73 billion by 2032, representing a compound annual growth rate (CAGR) of 6.8%. Key drivers of this growth reportedly include advancements and developments across the communications and technology sectors, a growing media and entertainment industry, and increased internet penetration across different regions. Technological advancements and the emergence of Extended Reality (XR) technologies like Virtual Reality (VR) and AI are also expected to have a transformative effect on the animation industry.^{xxxi}



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Within the global animation market, the 3D animation segment reached an estimated value of approximately \$20.56 billion in 2022, according to a report from Expert Market Research. The industry is projected to grow at CAGR of 11.80%, reaching around \$40.2 billion by 2028. Key drivers of this growth include advancements in, and increasing affordability of, 3D animation technology, anticipatorily leading to a surge in applications and usage across various sectors. According to the report, the growing penetration of the internet and rising consumer expectations are resulting in more companies adopting 3D animation to help enhance visibility and impact. More specifically, the increasing demand for 3D animation in education and academics, such as e-learning platforms, is aiding the market growth, with techniques like 3D modeling growing in demand. Moreover, the integration of 3D animation with live action and the advent of streaming services like Netflix and Amazon Prime Video are diversifying the animation market, thereby catalyzing growth.^{xxxii}

Serving as a facet of the 3D animation sector, the 3D Motion Capture industry plays a role in transforming real-world movements into animated realism. According to Mordor Intelligence, the 3D Motion Capture Market is projected to grow from an estimated \$218.79 million in 2023 to \$412.11 million by 2028, at a CAGR of 13.50%. This growth is driven by advancements in computer vision technology and an increasing demand for high-quality 3D animations. One of the primary reasons for utilizing 3D motion capture is to expedite the creation process for intricate 3D computer-generated imagery (CGI) characters in movies, television, or video games. The technology is also gaining traction in various applications, such as robotics, with significant growth anticipated in the robotics sector potentially driving growth in the 3D animation sector. Furthermore, the post-COVID-19 emergence of the metaverse and the increasing demand for virtual events are also expected to further propel the market's growth.^{xxxiii}

UNOMi is currently focused on targeting three customer segments within the broader animation industry:

- **Animation and Gaming-Focused Universities:** As of 2023, there are over 700 colleges and universities with animation-related curriculum across the globe.^{xxxiv xxxv}
- **Animation Studios:** There are more than 700 animation studios globally, with some of the largest being Pixar Animation Studios, Walt Disney Animation Studios, and DreamWorks Animation.^{xxxvi xxxvii}
- **Animators:** In 2021, there were approximately 58,900 Special Effects Artists and Animators in the U.S.^{xxxviii}



Venture Financing

UNOMi competes within the broader Multimedia and Design Software Industry which saw \$4.90 billion in capital invested across 848 deals in 2022. Investment activity pulled back in 2022 following a record year in 2021, however, capital invested was still up almost 40% from 2019. The median post-money valuation for companies in

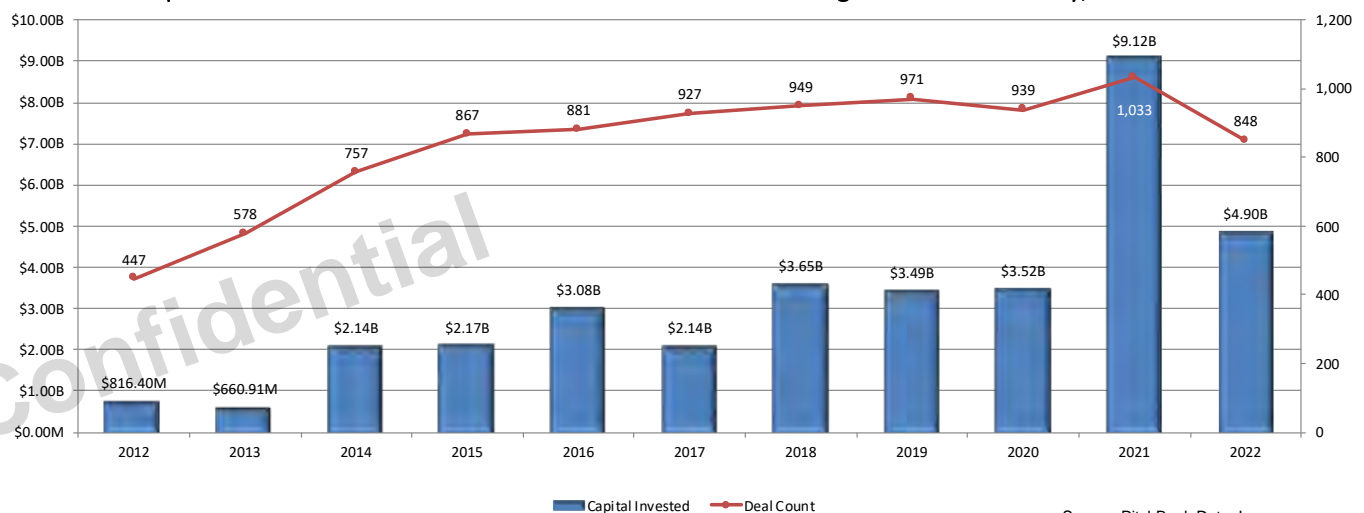


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2022 reached an all-time high of \$20.22 million, rising by 12% year-over-year. Additional highlights from the Multimedia and Design Software industry include:

- \$35.69 billion in capital invested across 9,197 deals from 2012-2022
- Median deal size of \$1.54 million during 2022
- Record median pre-money valuation of \$17 million in 2022, a 13.33% increase from 2021

Capital Invested and Deal Count in the Multimedia and Design Software Industry, 2012-2022



COMPETITORS



Unity (NYSE: U): Founded in 2004, Unity is a software company specializing in the development of interactive 3D content creation tools. The company's core product, the Unity Engine, provides a platform for creating and deploying content across various domains such as video games, film, automotive, and architecture. It supports multiple platforms, including mobile devices, consoles, desktops, and virtual reality devices.^{xxxix} In addition to the Unity Engine, the company offers solutions for gaming such as Unity Build Server (on-premise licensing solution for offloading Unity projects)^{xl} and artists with SpeedTree (enables the creation of vegetation for different environments).^{xli} According to the company, its solutions are used monthly by 1.8 million creators worldwide and on 18+ different platforms.^{xlii} Its solutions have been used in popular games such as Among Us, Everguild, and Subway Surfers.^{xliii} Reportedly, Unity recently began focusing on AI, as it believes the technology can multiply revenues across all its business segments. According to an employee of the company, AI has already helped scale its ads platform and will hopefully be used to scale other products in the future.^{xliv} In 2022, Unity reported \$1.39 billion in revenues, representing a 25% year-over-year increase from 2021.^{xlv}



Genies: Founded in 2016, Genies is a technology company specializing in the creation of digital avatars, focusing specifically on identity and fashion. The company's main product offering includes customizable avatars that allow users to express their unique personalities and styles in the digital realm. In addition to individual avatars, Genies has introduced SILVER STUDIO, its first mobile experience that further explores the intersection of identity and fashion.^{xlvi} According to the company, it has a 99% celebrity avatar market share and hopes to continue building



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its position through its partnerships with media companies Universal Media Group and Warner Music Group. Since inception, the company has produced thousands of avatars and digital goods for celebrities such as Justin Bieber, Migos, and Cardi B.^{xlvi} In April 2022, Genies raised a \$150 million round that valued it at \$1 billion. The round was led by Silver Lake and included participation from Bond, NEA, and Tamarack Global.^{xlvi}



RADiCAL: Founded to develop computer vision technology, RADiCAL is a company developing technology that detects and reconstructs 3D human motion from 2D content using AI-powered 3D motion capture technology. The company's products include CORE, a platform for uploading videos for cloud processing and exporting FBX data; LIVE, which offers real-time, multiplayer 3D virtualization; and an API, giving direct access to Core and Live in the cloud for building applications around RADiCAL's AI. RADiCAL's technology does not require specific environments, clothing, or equipment, and it can integrate with various environments. The company's applications are found in fields such as film, TV, art, gaming, AR/VR, industrial, and health. RADiCAL has also reportedly received support from Epic Games via a grant and offers educational access for academia and children.^{xlvi} In May 2022, RADiCAL received an undisclosed amount of funding from 3D design and software company Autodesk.ⁱ



DeepMotion: Founded in 2014, DeepMotion is a technology company specializing in Motion Intelligence, focusing specifically on the development of AI-generated animation tools for various applications including entertainment, social media, and the Metaverse.ⁱⁱ The company's main product, Animate 3D, utilizes AI to create 3D animations from video, offering features such as Hand Tracking, Multi-Person Tracking (in Beta testing as of October 2023), and Face Tracking. The company also provides different versions of Animate 3D, such as Animate 3D Cloud, Animate 3D API, and Animate 3D Real-Time SDK, each catering to different user needs. According to the company, it's established partnerships with several notable organizations including Samsung, Qualcomm, Intel, and Nvidia, among others.ⁱⁱⁱ In 2019, DeepMotion raised a \$2.2 million round led by Samsung Venture Investment Corp and Scrum Ventures.^{liii}



Reallusion (ROCO: 6882): Founded in 2000, Reallusion is an animation software company that has expanded its reach across various industries including Media and Entertainment, Metaverse, Digital Twin factories, Architectural visualizations, and AI Simulations. The company's suite of tools and technology includes Character Creator 4 (CC4), designed to enliven and personalize any biped humanoid, iClone 8 (iC8), aimed at simplifying character animation, and Cartoon Animator, for 2D animation and creative design. Reallusion also offers plugins and devices for enhanced connectivity, such as iClone Motion Capture device profiles and the Headshot plugin for Character Creator. The company's ecosystem and workflow are designed to be highly accessible, exporting easily to game engines or 3D tools like Unreal Engine, Unity, Blender, and more.^{liv} In 2022, the company reportedly generated revenues of \$11.28 million, a slight decrease from 2021's \$12.02 million.^{lv}



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EXECUTIVE TEAM



Obi Onyejekwe, Co-Founder and Chief Executive Officer: Obi Onyejekwe founded UNOMi in 2016 and has served as its Chief Executive Officer (CEO) since inception. In addition to his responsibilities at UNOMi, Obi serves as the Chief Operating Officer (COO) and Co-Founder of Pixel Pirate Studio, a production company that develops animated content and mobile games for brands. Before that, he was the Founder and CEO at Nito, a content branding startup where he led strategic efforts of the company. In June 2016, he sold Nito to AOL.^{lvii} Obi has also worked on multi-media campaigns for large companies and major entertainment entities like Spike TV, Nickelodeon, BET, and others. Obi graduated Cum Laude with a degree in Graphic Design from Georgia State

University.^{lvii}

PAST FINANCING

To date, UNOMi has raised approximately \$540,000 in total funding. In 2021, the company completed its second Regulation Crowdfund offering with MicroVentures and raised approximately \$123,000 in the offering by issuing crowd notes with a \$4 million and \$5 million valuation cap with a 5% interest rate and 20% discount. In the same year, the company raised \$65,000 through a \$20,000 convertible promissory note with a 5% interest rate, and a \$45,000 SAFE with a 10% income sharing provision, 2x payment cap, and 10-year payment term. The \$20,000 convertible note has since converted into in 2,850 shares of common stock.

Defined in the SAFE with the income sharing provision, UNOMi will be required to make monthly payments for a certain period of time. The amount of the payments will be deferred if UNOMi's annualized Earned Income is less than \$40,000. If UNOMi makes 75% of the payments within 60 months, the company will no longer be required to make any payments and the agreement will be considered satisfied. In the event of a sale of the company, UNOMi will be required to pay an aggregate amount equal to the payment cap (\$90,000) less any monthly payments already made. The agreement also features a SAFE claw back provision in which the investor was issued a SAFE that will convert into 1.125% of the fully diluted capitalization of the company. The number of shares that the investor receives from the SAFE will be reduced, in proportion to the number of payments UNOMi makes towards the Payment Cap, up to a maximum of 2/3rds of the total conversion amount. However, any reduction of the Payment Cap that is made under this agreement will not apply to this section. For example, if the UNOMi repays 50% of the Payment Cap, the number of shares the investor receives will be reduced by 50%; if UNOMi repays 70% of the Payment Cap, the number of shares the investor receives will be reduced by 66.66%.

From 2016 to 2020, the company raised approximately \$356,000 in the form of convertible notes (5% interest rate), SAFEs (\$2 million valuation cap), and crowd notes (\$4 million and \$5 million valuation cap with a 20% discount). In addition, SAM Venture Partners executed a warrant to purchase 2.5% of UNOMi common stock, once/if the company sells \$1.5 million of preferred stock. In exchange, UNOMi's accelerator fee was waived for the Precceclerator Program (SAM Venture Partners is an affiliate) in Los Angeles, CA.



Security Type: Crowd Notes

Round Size: Min: \$25,000 Max: \$618,000

Valuation Cap: \$4 million or \$6 million

Conversion Provisions: In connection with equity financing of at least \$1 million, 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) the price per share for Preferred Stock by investors in the Qualified Equity Financing or (B) the price per share paid on a \$4 million or \$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.

PRESS

Animation Magazine: Pixel Pirate Studio Delivers a Slam Dunk with 'KnuckTales'

Animation Magazine: Channel Frederator Network Teams with UNOMi to Bring Automation Software to Schools

TechWeek: UNOMi – SaaS platform for animators to automate speech integration

Holy Shannon: UNOMi's AI Solving Pain Points in Animation and Gaming

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 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,



MICROVENTURES

- 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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