Over the Reality Investment Memo (Nov 2024)

Ovr is a mobile-first 3D mapping network powering the spatial consensus layer for AR/XR/MR developers.

Overview

- **OVR enables the crowd-sourced collection, processing, and monetization of 3D maps.** Users scan real-world points-of-interest via OVR's mobile app, earning ~$1 per verified scan. Designers create 3D assets and publish them to OVR's NFT marketplace. Developers build AR/XR apps via no-code Web Builder or the Unity SDK complex interactive AR games. Ovr Labs monetizes enterprise services and brand marketing campaigns built on top of the network.

- **At scale, 3D maps form the spatial consensus layer underpinning AR/XR/VR applications.** End-user devices - e.g., phones, glasses, headsets - must identify their position relative to the physical world in order to overlay seamless user experiences in 3D. One path, radio-based positioning, triangulates signals from satellites (GPS) or terrestrial (WiFi/BLE/UWB) beacons. Visual positioning systems offer orders-of-magnitude better precision but require significant up-front costs in the form of mapping a site in advance. Crypto-incentives are the only path to overcoming the massive coordination costs to create a global 3D map for spatial computing.

- **OVR built one of the largest web3 mapping networks in the depths of the bear market.** Since launching map2earn in Jan'23, OVR's community mapped 20K points-of-interest in the first year, 80k in the first two years, and continues to grow at double-digits MoM. The biggest web2 competitor - Niantic, owner of PokemonGo - claims 1m points-of- interest available on its spatial computing platform (collected via its 2021 acquisition of Scaniverse), but only 170K are available via its developer portal. This puts OVR at roughly half the size of the biggest web2 3D mapping network, while emitting less than 600K $OVR in cumulative incentives (0.6% of total supply).

- **$OVR is trading at distressed levels at a $10m market cap.** OVR launched its token in Dec'20 and saw the price +50x in the subsequent quarter, and has fallen -95% since (-50% YTD). The protocol works like this: contributors earn a fixed amount (~$1) in $OVR for each successful scan, effectively selling the rights to their images to Ovr Labs. Land-hex NFTs are auctioned for $OVR, whereby NFT-holders own and control the 3D content published within a specific geographic hex. Although 9M $OVR (10% of total supply) was taken out of supply via NFT auctions, the majority has been sold back into the open market to finance product development in '22-'24.

- **Restructuring protocol economics around $OVR token.** Historically, Ovr Labs has been the legal owner and beneficiary of the network's data, which made $OVR uninvestable: tokens were financed growth and product development but earned no ownership rights or share of revenues (only indirect value accrual via land-hex NFT auctions denominated in $OVR). The team is now committed to making $OVR tokenholders first-class citizens through two mechanisms: 1) revenue-share: 30% of revenues generated from the dataset will be paid to NFT-holders of the specific hexes used, in OVR; and 2) M&A contingency: acquirers of Ovr Lab's 3D Maps must compensate the protocol in stablecoins (2x cumulative historical incentives) and provide the network with grandfathered access to its data for at least 2 years. We believe the company will reach $1m ARR in annualized revenues returned to Over NFT-holders by year-end 2025.

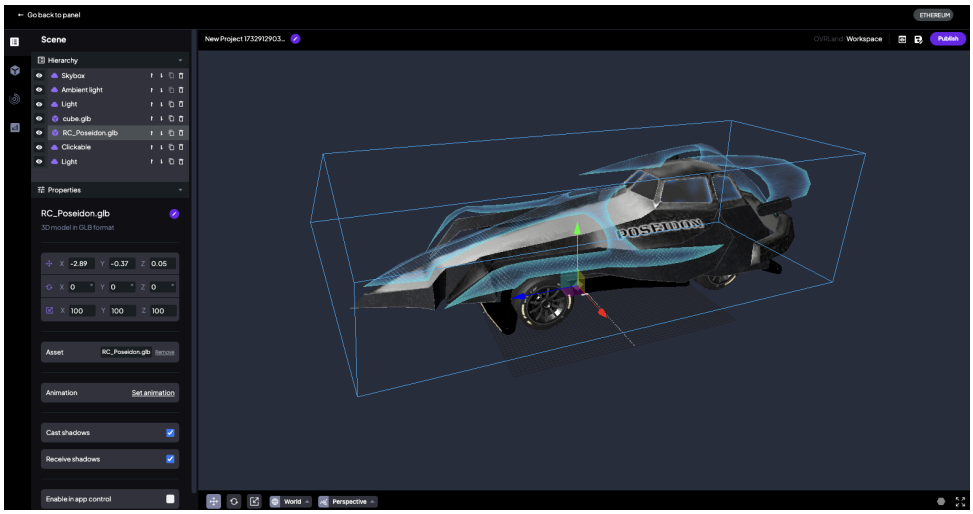
Key Stats: 80K points-of-interest | 400 daily new scans | 40M images collected | 24M m^2 mapped
Key Links: Website | Explorer | iOS & Android Apps | Whitepaper | Blog | Wiki

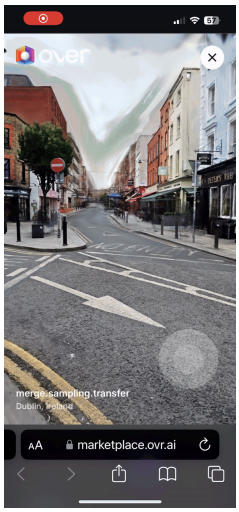
Technology

Niantic and Ovr are the only two full-stack platforms for AR/VR developers that have a first-party dataset of maps and 3D assets, the ability to upload scans and create new maps, browser-based no-code tools and developer SDKs to build on top of, and the ability to render real-time AR graphics natively inside a mobile browsers on both iOS/Android.

Niantic claims 170k locations available through their SDK vs 80k for Ovr. Anecdotally, after looking at the quality of the maps across many locations, Ovr has better map quality in >80% of locations vs Niantic where both are available. For example, here is a street corner in Berlin from Ovr (left) and Niantic (right).

You can demo Ovr's maps in-browser on desktop or mobile on their marketplace, for example inside a store in Amsterdam, at a plaza in Honolulu, or at an intersection in Dublin. Ovr also has a no-code web builder where anyone can import and manipulate 3D assets, and embed them into the real-world maps on Over's marketplace. Virtual reality experiences built on the web-builder are then accessible to anyone with a mobile browser.





Niantic recently announced plans to train a large geospatial model using its PokemonGo and Scaniverse data and published a public benchmarking of open-source models. Ovr has an opportunity to build a more powerful model built on top of its dataset and open-source AI networks like Bittensor and Akash. We are working with the team to explore these opportunities further in 2025.

Historical growth