



VR ARCADES

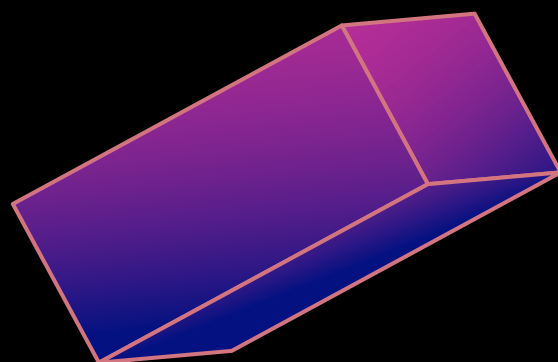
by



KNOXLABS
EVERYTHING VR



Why Now



VR is a unique medium. It's the only one you have to try instead of leaving it up to an advertisement on a 2D screen. Advertising TV on the Radio is unfeasible. The statistics below cement the growth, and solidify the public **need for VR Arcades.**

According to Digital Interground, **about 41% of adults will say yes to a VR set** whenever they are given the opportunity to do so.



41%
yes



44%

Based on a study conducted by HTC and Communications University of China, **VR games are 44% more addictive than PC or Console games.**

Based on the same study, VR gaming excitement level is **+20% above PC Gaming.**



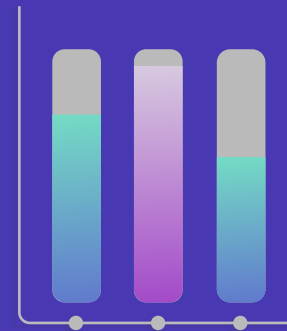
+20%

Counterpoint **predicts 100m+ VR headset sales by 2025**, which is four times larger than annual gaming console sales.

4x

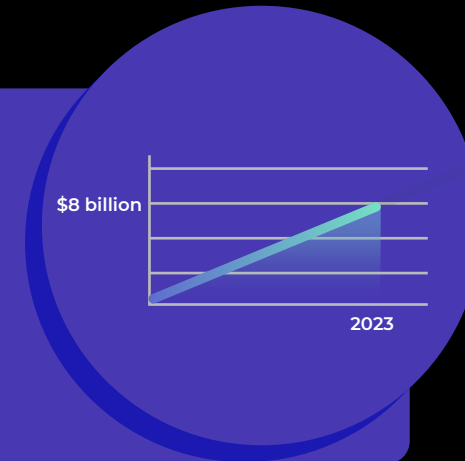
The latest virtual reality statistics show that the global market size of AR and VR is forecast to hit \$296.9 billion in 2024 (Statista, 2021). This is nearly ten times the \$30.7 billion market size registered as recently as 2021.

VR will become the fastest-growing content segment by 2025. Among all the traditional and digital content formats, VR is leading and is expected to grow at a compound annual growth rate (CAGR) of 30%, followed by cinema (29%) and general data consumption (27%).



According to a 2021 XR Industry Insider Survey, 83% of industry leaders believe that the pace of investment in immersive technology **will increase**.

According to Greenlight Insights, global location-based VR entertainment will double this year and **grow to over \$8 billion by 2023.**



The latest virtual reality statistics show that 52.1 million people in the US used the technology at least once per month in 2020 (eMarketer, 2020). This marks a 20.9 percent increase from 2019's 43.1 million. More and more US residents are also expected to use VR more frequently.

The statistics above show that the world is catching up on the potential and power of VR. Currently, VR hardware is expensive for the typical consumer, and most will want to try it out at VR Arcades before investing hundreds, if not thousands, of dollars.

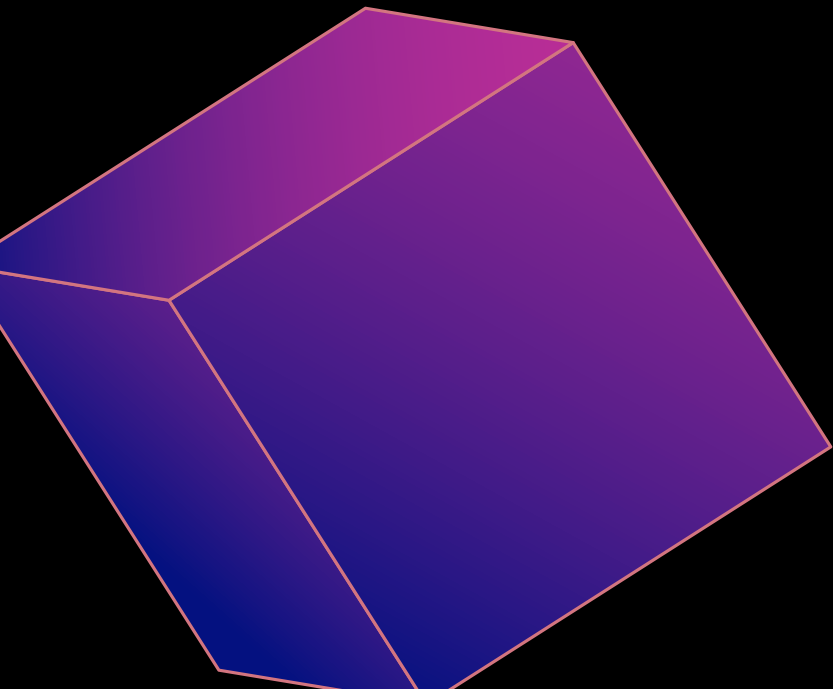


Izabel C F. - San Diego, CA

Business website: <https://www.warriorvrarcade.com>

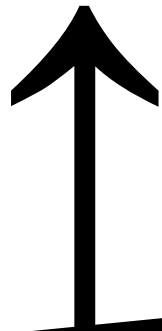
**“Woohoo, this place is soooooo fun!
We did 3 hours & it went by in a FLASH! OMG!
This is an awesome location for a kids bday
party or office get-together. My kids hubby and I
are not huge into gaming and I had personally
never had a VR experience. To be honest, I was a
little nervous, don't ask me why... WOW, Was. I.
Blown. Away!!! Can't wait to come back!!!”**

Playspace



The Challenge

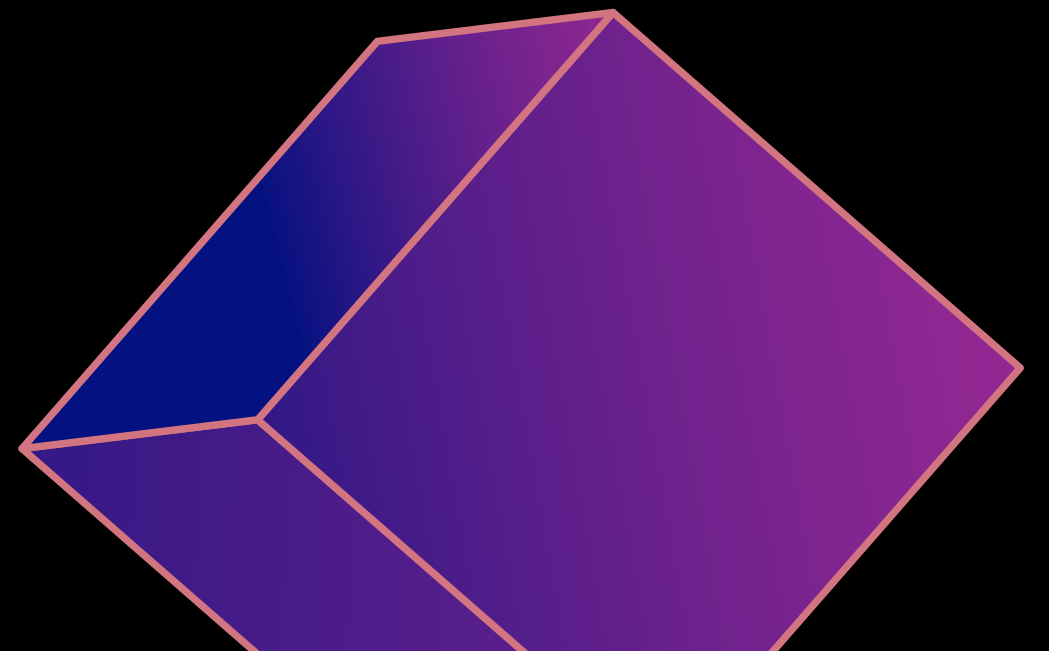
Future arcade owners need to understand the best use of physical space to achieve an optimal cost of play square footage. This issue is quite persistently noticed across various VR Arcades across the US. The cost of rent is high, and VR requires quite a lot of space, but VR treadmills present a unique solution.



Our Solution

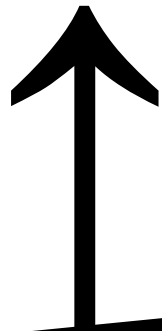
Yes, traditional VR Arcades take up immense space, and the player can only move a certain distance before punching or kicking the wall. Our system is designed to solve these challenges by offering the KAT Walk mini S, a VR treadmill. The player can move infinitely in full 360 degrees in VR while taking up considerably less space. More on this later.

Complicated VR
interfaces, tracking
time, and reporting.



The Challenge

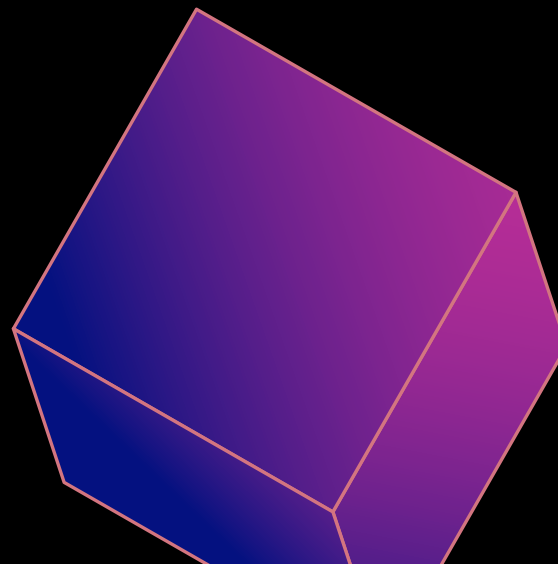
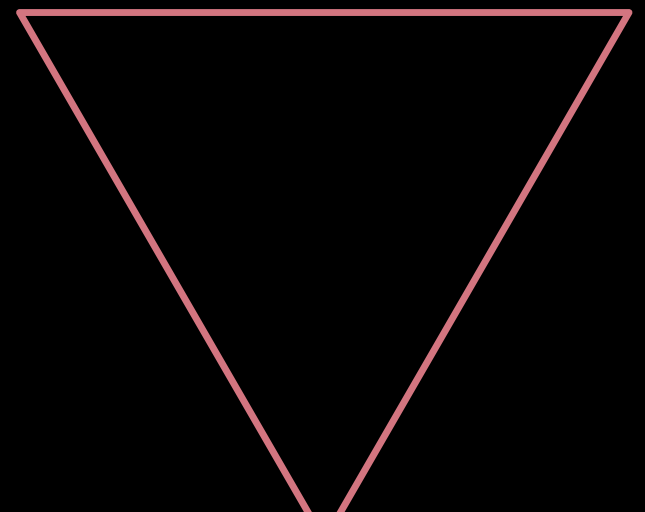
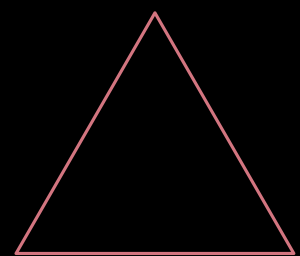
Many arcade owners have to track the time customers spend playing games manually. Perhaps the largest hurdle is training customers to navigate and use the hardware, play games, and switch between various titles.



Our Solution

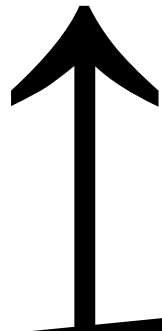
Along with the KAT Walk Mini S, our offering includes the KAT Station, a 43-inch VR-ready touch display with a built-in computer capable of running Springboard VR. Springboard VR reduces employee load by allowing an entire arcade's worth of titles to be run from a single device. The software also tracks time and provides customers with real-time notifications. The Springboard VR Game Library is tailored entirely for VR LBE (Location-Based Entertainment) Venues. Secondly, the device teaches customers basic gameplay with custom tutorials.

Outdated VR hardware, software, and boring titles



The Challenge

Not only is VR hardware designed explicitly for arcades scarce, but the information is also quite limited, leading to many Arcade owners malinvesting. VR Hardware is not exactly inexpensive, and a wrong decision can result in unforeseen consequences.



Our Solution

We work with industry leaders that leaders such as Google, Sony, HTC, Varjo, KatVR, bHaptics, and many others. As such, all our offerings engulf the best solutions currently available.



Kevin H. - Indianapolis, IN

Business website: <http://tryreason.com>

"I was blown away by the entire experience. I had never heard of doing something like this in a virtual environment, and I can only imagine what it's like in person. Our host was great and our team had a blast. HIGHLY recommend to anyone looking for a fun way to spend time with your team."



Our Competitors



Competition encourages businesses to improve the quality of goods and services they sell. Our primary competitive advantage over the following competitors is due to price, quality, and customer service. Let's have a look at our primary competitors and dive into their shortcomings.



Omni Arena

1

Shoes

Too many shoe sizes turns VR Arcades into a bowling alley. With our solution, there are 4 flexible sizes that cover the entire range of possible foot sizes.

2

Limited use-case

A specific catalog of games are available, which are not only low-budget and support their small ecosystem, but also have a quite substantial pricing.

3

Movement

Omni treadmills have an entire plastic ring that spans all the way around the player. If a user were to smash down, try to pick something up, or aim downwards, they wouldn't be able to do so because of this ring.

4

Pricing

They sell a VR arena, which entails 4 treadmills, PCs, headsets, and a whole cage system. 4 units will cost you approximately \$150-\$200k.

Sandbox

- Initial Franchise Fee: \$50,000
- Total Investment: \$717,000 to \$990,000
- Working Capital: \$75,000 to \$100,000
- Royalty Fee: 4.0%
- Outdated Headsets and Hardware (5-6 years old)

Hologate

With Hologate, only 2 people at once can play, and their experience is only limited to racing games. It is more of an attraction, whereas with KAT VR, the possibilities are considerably larger.

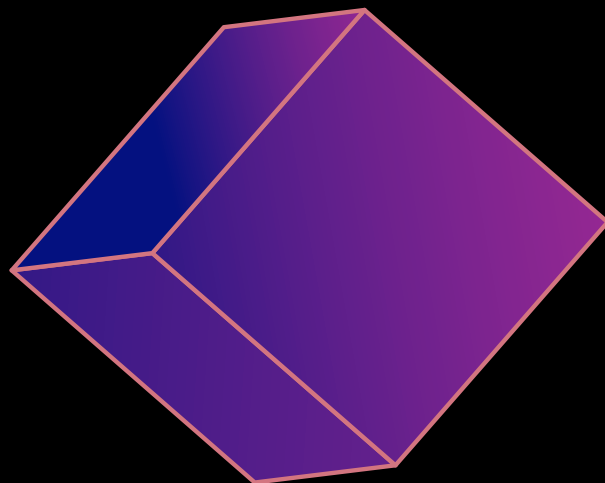
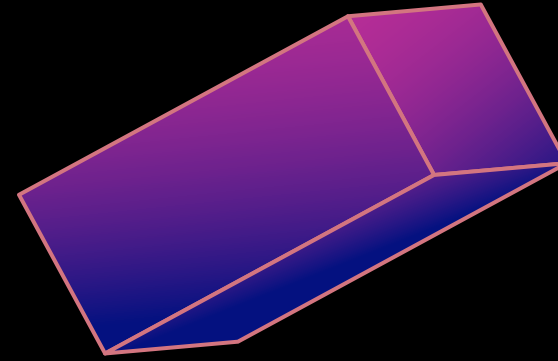


Vanessa E. - Plantation, FL

Business website: <https://www.warriorvrarcade.com>

"I am not much of a traditional gamer, but virtual reality changed my interest in gaming. This arcade is seriously awesome. They have over 80 games to choose from, so it's not all shoot 'em up types. I went this evening and had a fantastic experience playing in the solar system, saber beats and a few others. The owners are great and the staff was really helpful. If you're looking for something fun, active and different, it's so worth checking out. I'll be back with my friends."

Our Offering **Knoxlabs**





“ Occupies significantly less space than competitor offers and allows infinite movement in VR with built-in vibration module. ”

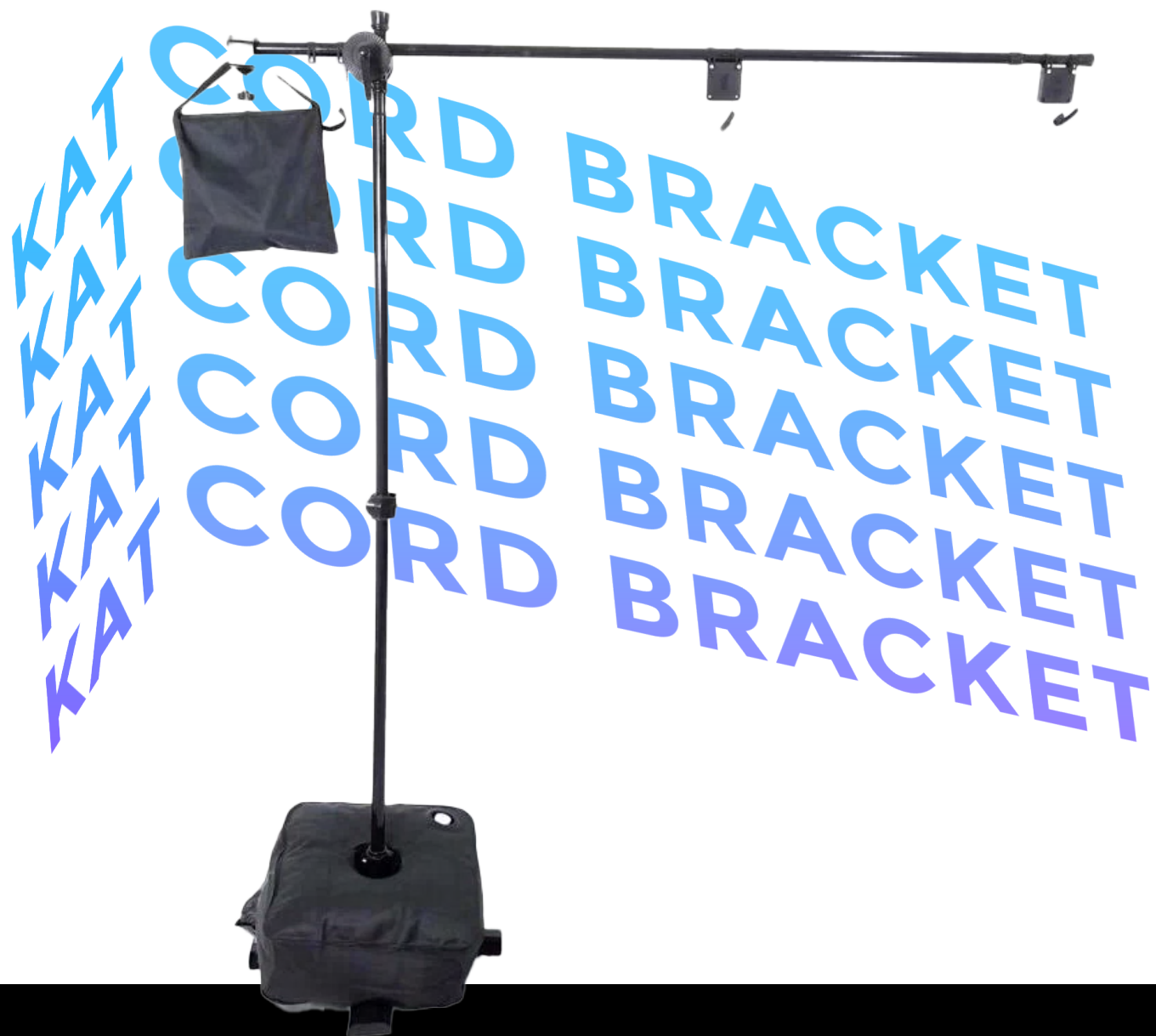


“ A 43-inch touch display with built-in computer capable of running Springboard VR - track time, send real-time notifications to customers, easy tutorials, and access to huge catalogue of games. ”

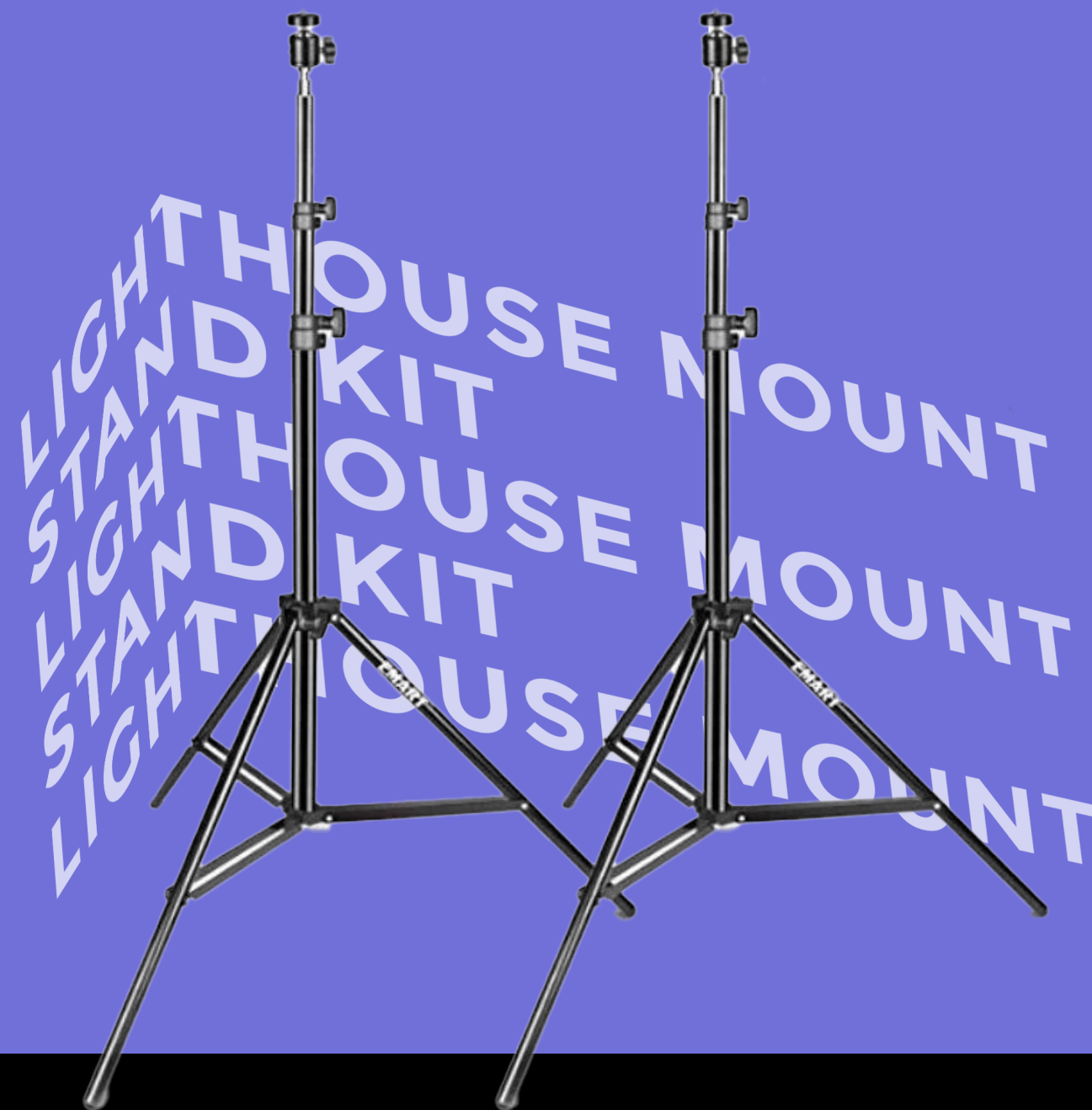


**“ High-end VR headset full
kit ready for Arcades ”**

The HTC VIVE Pro 2 headset is 5K VR done right. The 120Hz refresh rate and 120 fields of view deliver outstanding immersion ideal for graphics-intensive VR Arcade applications.



“ It will hold all cords in place
- a practical solution to
avoid getting tangled up. ”



“ Let's you easily place VR
motion sensors. ”



We offer white-glove service - we deliver and install everything you need to succeed. That includes the fully themed truss system, high-end computer tech and hardware, HTC Vive Pro headsets and controllers, proprietary software, access to an entire game library, operation and marketing advice and more. Want add-ons such as branded carpeting, haptic vest set, or an enhanced lighting package? We have those, too.



Laura A. - Studio City, Los Angeles, CA

Business website: <https://www.vrarcadeusa.com>

**"SO SO SO FUN!!!!
Omg highly recommend!!**

I honestly can't even explain the experience you just have to try it - worth it! It's sooo real and an absolute blast! Great family activity! This is going to blow up, so much more fun than a regular arcade."