

## Inspace XR

### Designing for the future using extended reality

Inspace XR is an extended reality company specialising in solutions for the architecture, engineering and construction (AEC) sector. Its signature product, River Fox, allows users to create interactive VR experiences from their computer-aided design (CAD) files with just one click. Extended reality (XR) bridges the gap between the digital and physical worlds by allowing engineers, architects, designers and managers to view assets in their natural form. By interacting with realistic products in the virtual space, these professionals can make better decisions earlier in the process, prior to developing the actual product or building.

### Background

Inspace XR was co-founded in April 2017 by CEO Justin Liang and the company's product designer Eric Fear. Prior to founding Inspace XR, Justin covered AR/VR at AMP Ventures. He also comes from a family in the architecture business and came up with the idea after buying an off-the-plan apartment. Eric was co-ordinator of 3D/VR at AIE (a game development school) and his portfolio includes Coke, Nike, Adidas, Avengers and Happy Feet. In 2017, the company won first prize in Alibaba Cloud's inaugural Create@Alibaba's Australian and New Zealand pitch competition. Inspace won US\$50,000 credit for cloud product resources from Alibaba Cloud, mentoring services and a trip to the 2017 global final in Shanghai. In April, Inspace XR has also recently won the Australian Techsauce 2018 pitchfest and competed in the global competition held in Bangkok on June 22-23. Inspace XR also came first place at the OTEC competition in May and is competing in the finals in August and was one of four companies selected for the Charter Hall Accelerator program.

### The business model

Inspace XR currently offers its River Fox software on a fixed and floating licence. The fixed licence costs A\$96 per month or \$1,152 annually which allows the user to log in to a single PC licence. The floating licence costs \$119 per month or \$1,428 per year and allows one user to occupy the licence on any given PC at any given time. The company also has Inspace Labs which delivers bespoke AR/VR productions for companies such as CBRE, JLL, Charter Hall and Folkestone. It is also in the process of building Meerkat, VR for engineering. CEO Justin Liang estimates that the company will increase revenues three-fold in FY18 to over \$300,000.

### The market

The global XR market is predicted by Goldman Sachs to increase to US\$80b by 2025 with US\$35bn generated by software. In its January 2016 report, *Virtual & Augmented Reality, Understanding the Race for the Next Computing Platform*, Goldman Sachs predicted that the US\$52bn generated in real estate commissions in the US (US\$107bn in the US, UK, Germany and Japan) would be disrupted by VR/AR as would the US\$20bn engineering software market.

#### Share details

No of shareholders <10

#### Size of market

Goldman Sachs forecasts that extended reality (XR) will generate US\$80bn in revenue by 2025. International Data Corporation (IDC) forecasts that the worldwide headset market for augmented and virtual reality will grow at a CAGR of 58% to 2021.

#### Upside Case

- High growth segment on a global scale
- Opportunity to save the AEC sector time and money
- Company has secured some high-profile customers and supporters in its journey

#### Downside Case

- Global consulting groups such as Accenture and Gartner offer AR/VR solutions for enterprise clients
- Key markets driving the technology shift are US, UK and Europe; Australia a long way from these
- Several players targeting this segment

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