

MORPHEUS WEB3 PRIMER

Morpheus XR
Metaverse for Enterprise Culture

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This primer gives an overview of how the Morpheus Metaverse Platform leverages the Web3 ecosystem and its technologies, as well as the goals, vision and philosophies that define our approach.

It is intended for a broad audience who are interested in mapping Morpheus to the landscape of the Web3 ecosystem. This primer focuses on concepts and principles rather than on their implementation. Further implementation details will be available in the forthcoming Morpheus Web3 Whitepaper.

EXECUTIVE SUMMARY

Morpheus is creating the metaverse of Enterprise culture.

We are offering a solution to one of the biggest problems organizations face today: how to build team cohesion, trust and meaningful culture with employees distributed across the world and working partially or fully remotely. The cost of ignoring this problem is too great- the private sector spends over 20 billion dollars a year on recruiting and retaining top talent, and still we are living through the Great Resignation where employees are leaving at unprecedented rates to find companies that make them feel valued, connected and free.

Culture builders and enterprises need new three-dimensional solutions that combine the power and presence of “in-person” with the ease and accessibility of virtual so they can improve the quality of engagement and increase the number of people who participate. Morpheus is providing this solution, leveraging the immersive qualities of virtual reality to capture the presence and value of real-life connections while providing culture builders and enterprises with spaces and tools designed purposefully to foster deep and meaningful connection with people. Enterprises can build their virtual culture program independently or hire culture builders, service providers and content creators through the Morpheus Marketplace. Culture builders and enterprises convene their teams together in their own private and brandable Universe in the Morpheus Metaverse which can serve as their Virtual Headquarters and digital home in “The Metaverse”.

We see a future in which “The Metaverse” is as ubiquitous a term as “The Internet” and it refers to an open Web3-based ecosystem composed of many different metaverses that share multiple layers of interoperability. The Morpheus metaverse will be one of many that make up “The Metaverse”.

We have structured the Morpheus metaverse as a collection of ‘Places’ that are leased or sold to individuals, organizations and DAOs. A Place may be a virtual headquarters campus nestled among sakura trees, a meditation garden in a quiet forest, a product showroom or art gallery floating above a city, a recreation center with arcade games, a learning and development center with large presentation screens, etc. A collection of these Places can be combined for use by an enterprise into one private or public Universe.

Using Web3 blockchain technology, we embed ownership, authorship and value-chain tracking into the very core of the Morpheus platform by introducing our very own currency, Yarn, thus empowering Morpheus ecosystem participants to weave their own story and exchange value through creation and facilitation. Creators in the Morpheus environment may develop and sell complete experiences, unique worlds, interactive objects, services, expertise, and much more.

By introducing the Yarn currency and the Morpheus Marketplace, we incentivize Creators to participate in a trustworthy ecosystem. Creators may market and sell their offerings directly and choose to allow others to create and sell derivative works. Use of Yarn to track and govern these transactions will ensure that the original Creator receives a share in the reward alongside any other contributors who added value to the purchased content, experience or service.

We will provide and support multiple sources of authority such as DAOs to ensure the necessary levels of quality and trust on our platform. We enable both DAOs of the Metaverse and traditional authority centers (e.g., professional organizations) to provide products like ‘certificates’, ‘memberships’, and ‘awards’.

Above all, we believe that the Morpheus platform is just one part of the much larger emerging Metaverse Ecosystem which is being shaped by many actors. Each of whom we believe has a responsibility to actively participate in forming a collective vision and setting standards for interoperability. Our role is to help this future come to life by contributing our knowledge, expertise and experience in bringing enterprises into the metaverse and in taking a stand for quality and trust to be a core component of The Metaverse Ecosystem.

I. MORPHEUS PLATFORM AND MARKETPLACE



Morpheus is creating the metaverse platform and marketplace for enterprise culture — specifically designed for culture builders and the enterprises who want to have meaningful, joyful and connective experiences with their employees, partners and clients.

The concept of telecommuting and “remote work” has been around since a NASA engineer coined the term in 1973. Prior to COVID, even “remote-first” companies still relied on in-person meetings, retreats or trainings to establish meaningful connections among employees. COVID took the option of “in-person” away for over two years during a time of great upheaval. People starting new jobs are asked to build trust and cohesive working relationships with people they never even met. Thus, managers are expected to build and empower effective teams dispersed across different cultures, geographies, and time zones without the opportunity to meet in person and form key social bonds and establish a shared culture.

Culture builders and enterprises need new three-dimensional solutions that combine the power and presence of “in-person” with the ease and accessibility of virtual so they can improve the quality of engagement and increase the number of people who participate. The Morpheus platform is this solution. It allows people to fully immerse themselves in a virtual “in-person” experience in spaces with tools all designed purposefully to foster deep and meaningful connection with people. The platform is optimized for the Quest 2 virtual reality headset, while it also has a desktop and mobile application that provides a compelling and engaging experience to ensure all team members can be included from anywhere at any time.

Culture builders and enterprises who use Morpheus Platform will convene their teams in their own private branded and customizable Universe. To serve their needs, they select spaces like virtual campuses, event venues, training facilities and other spaces one could envision for their organization.

Based in Morpheus Metaverse, a Universe serves its owners as Virtual Headquarters or as a digital home in 'The Metaverse'. Enterprises can use its virtual spaces for internal meetings, corporate events and other virtual culture programming. They have access to a curated marketplace of creators, service providers and expert culture builders. Marketplace offers a catalog of facilitated immersive experiences in leadership development, diversity and inclusion, wellness and other domains that foster human connection.

Through the Morpheus marketplace Enterprises can hire creators to custom build spaces or things for their universe, or hire professional services such as VR headset delivery, onboarding of new users, and content adaptation.

For example, a cross-functional product development team might independently host their own all-hands meeting to demo a new product feature and from the marketplace, hire a creator to build a digital twin of their headquarters and book a culture builder to thoughtfully facilitate a diversity & inclusion training workshop.

While initial offerings of the Morpheus Marketplace center on building and strengthening corporate culture, the breadth is immense for what is possible for businesses participating in the Morpheus Metaverse and will be well-served by incorporation of Web3 technology.

II. 'THE METAVERSE' MANIFESTO



Before we delve into how we see the Web3 ecosystem and our role in it, let's talk a bit about the philosophies behind our vision.

2.1. WHAT IS 'THE METAVERSE'?

Metaverse is a topic that has gained a lot of attention in recent years. Everyone is building their own Metaverse: Decentraland, Sandbox, Spatial, Mycoverse, Keys, Meta — the list goes on. But what is The Metaverse, really?

'The Metaverse', whatever it is, is bigger than anyone's own version of it.

'The Metaverse' is full of metaverses.

It is an expanding ecosystem of interconnected metaverses, each built and maintained by someone, each with its own rules.

Being a successor of Web2 and Web1, Web3 is built not on one platform, but on many. Just as there are many social platforms in Web2 and many more websites in Web1, Web3 will hold many metaverses working with each other on a greater level of interoperability than ever.

Claiming the territory of the next internet, Web3 will connect the real world with its new virtual reality. Web1's websites connected information, people, and businesses that already existed; Web2's apps, websites and more appealed to the first generation of digital natives and has become pervasive throughout our lives and work. Web3 seamlessly links economic activity between the creative class, enterprise organizations and social activity, in ways that were previously extremely challenging, if not impossible.

2.2. METAVERSE REALITY: SPACES, BEINGS, AND THINGS

Ultimately 'The Metaverse' promises to virtualize, enhance and augment practically anything and everything humans can experience in the real world. We believe there are three fundamental components of reality which must translate into The Metaverse for humans to perceive, interact and deeply connect with each other.

SPACES.

Immersive environments in which humans are embodied in their 'human-size' form. They see, hear, feel — experience — everything that surrounds them.

For example, simply walking in the park is experiencing its space: the sound of birds, the smell of flowers, the beautiful scenery of trees and bushes, the feeling of a cool breeze on one's face.

BEINGS.

Other — similar but different — beings that populate the environment with which humans can interact and connect emotionally. These beings are not limited to living humans, they can be virtual creatures that serve as avatars to humans or computer generated cats and dogs. Humans and other beings communicate with others: talk, touch, share experiences, do things together.

For example, a group of friends meeting together to play ball or just sitting with a cat.

THINGS.

Purposeful objects that are located in the environment.

By giving something a purpose, a meaning, humans 'extract' it from the environment so they can use it to create value for themselves and others.

For example, anything can become a hammer if you need to batter down a nail. Yet a proper hammer has been purpose-built for the job. In pursuit of creating value, various makers create specialized tools to enable tasks to be executed with ease, efficiency, and joy.

Any and every thing has a purpose in our world, even if it is simply decorative.

Not having a purpose is also a purpose in the same way as 'nothing is everything' in Zen, or 'meaning of art is what you put in it' in interpretable art.

For example, walls are usually made for several purposes, which include putting other things on them, keeping other people from passing through.

The purpose of The Metaverse is to allow us to individually or collectively experience all of these phenomena in virtual reality, regardless of the respective real world limitations of physics, geography and economy of the participants.

'Being virtual' means for us not just 'appearing to be real', but 'experiencing as real or perhaps better'.

2.3. CREATIVE METAVERSE: OWNERSHIP, AUTHORSHIP, VALUE EXCHANGE

That which defines and differentiates humanity from all other species is our creative culture. Human societies are built on certain fundamental rights and norms that help people not only to co-exist and to live together, but also to collaborate and create.

Ownership, authorship, and fair value exchange are crucial for creative culture to thrive.

OWNERSHIP.

Spaces and things (but not people!) are to be owned, to belong to someone who has ultimate authority over them. And with such authority also comes responsibility.

Ownership may be permanent, but also may be assumed in the form of a temporary lease.

For example, if there is land in The Metaverse, every piece of it is owned by someone and can be leased. If there is a powerful tool or even a weapon, someone owns it and is responsible for any consequence of that.

AUTHORSHIP.

When something is created (and everything in The Metaverse is created!) there is always an author who has a right to be acknowledged as such.

For example, if someone has created an object of art and sold it, it doesn't belong to them anymore, but the sale doesn't strip them of authorship.

FAIR VALUE EXCHANGE.

We create value not only for ourselves but also for others by means of direct communication and of tools which we make.

This value can be very diverse: from simple items of clothing to facilitating a complex working session for a team with a goal of creating a shared business vision.

As we create such value, we exchange it: some different value is given back as a reward. And this value exchange should respect all bits and pieces that contribute to it.

For example, if someone created a hammer and rented it to another person who has then been paid for the nails battered, it is fair to expect that all the participants of this value chain deserve some reward.

From the perspective of the creative culture, the purpose of The Metaverse is to facilitate, support, and respect ownership and value exchange concepts not only by convention (e.g., by introducing copyright laws and acts) but also by the very way The Metaverse is implemented.

III. THE MORPHEUS METAVERSE



Morpheus has established a platform purpose-built to become the dominant Metaverse for Enterprise Culture.

In the Morpheus Metaverse we implement the core principles of our Metaverse Manifesto while focusing — at first! — in delivering value in the area of Enterprise Culture. Such focus allows us to create a minimal viable implementation of our vision so that later, we can bring it to broader application within the corporate ecosystem.

For the purpose of brevity, we use ‘Metaverse’ here to designate just ‘Morpheus Metaverse’. We will return to ‘The Metaverse’ in the last section of the primer to describe our vision for the Web3 ecosystem as a whole.

3.1. SPACES OF THE MORPHEUS METAVERSE

Every human experience takes place somewhere. We call this ‘somewhere’ straightforwardly: a **Place**.

Every individual or organization should be able to have (which is to own or to lease) a place in the metaverse. Having such a place isn’t necessarily free, but there is a fundamental right of being able to participate.

We believe that places in the metaverse should be affordable and not subject to speculative pricing based on false scarcity. For the metaverse to truly become pervasive, it needs to be as affordable as it has become to build and host a website.

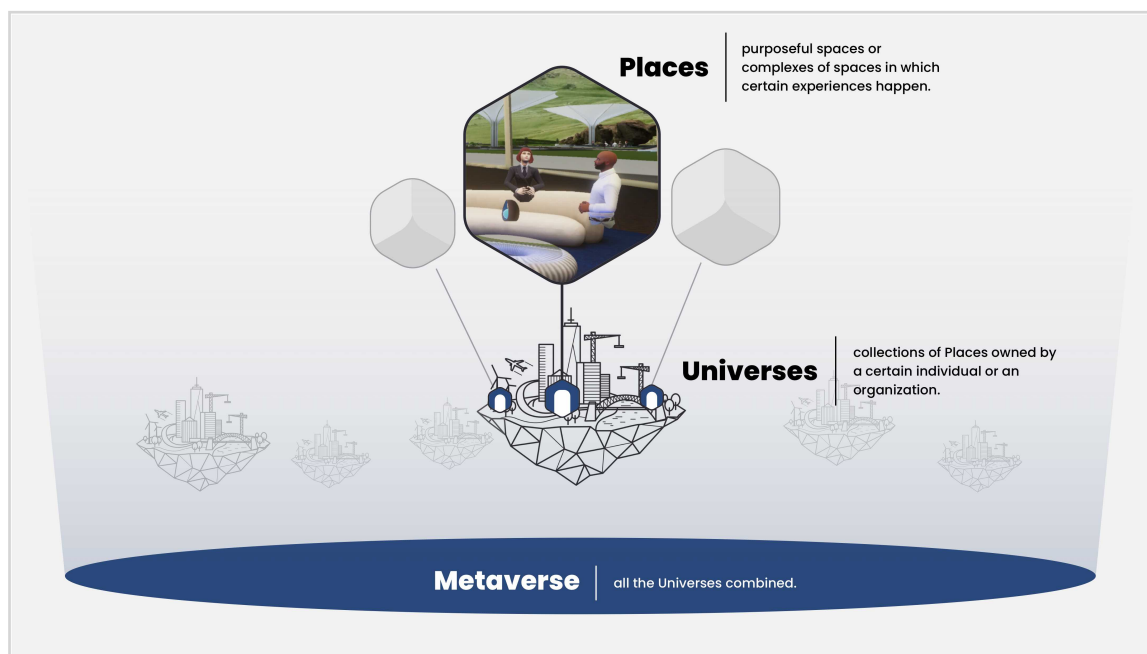
Those places can be very different, each having a different purpose, a certain meaning. There can be cities, buildings, planets, gardens, spaceships, and more.

The places can be as simple as ‘meeting rooms’ and as complex as ‘executive briefing complex’ or ‘natural history museum’. Complex places can be split into separate **Spaces**, like different ‘rooms’ or even ‘worlds’.

We intentionally don’t call our spaces ‘worlds’ or ‘rooms’ for such freedom of naming belongs to the ones who own those spaces.

Just like in real life, no individual or organization in the Metaverse is limited to use of a single place. Places are often purpose-built, expressly for the different types of experiences that take place within. Many organizations will require a collection of places to fulfill their needs over time.

We call this collection of places a **Universe**.



To summarize, the Morpheus Metaverse is built around places.

Place is a purposeful space or a complex of spaces — immersive continuous environments like ‘rooms’, ‘worlds’, ‘buildings’, — in which certain experiences happen.

Universe is the collection of all places owned by an individual or organization. Our **Metaverse** is a collection of all these universes combined.

3.2. THINGS OF THE MORPHEUS METAVERSE

We populate our Metaverse with objects, and each of them has a purpose. By appearance and behavior, an object makes its purpose visible and affordable.

For example, a hammer looks like a hammer. It has a handle designed for comfortable grip, and a head designed for battering and removing the nails. A person can grab and hold the hammer as well as to use it to bang a nail.

We relate to those real world phenomena so people won't need any special education to start using things they are already familiar with. Intentionally, and especially in the early days of adoption of Metaverse technology, we evade creation of special user interfaces in favor of embedding intuitive functionality in things.

For example, instead of baking 'voice amplification' features in the UI, we produce a thing — a microphone — which everyone (in our chosen Enterprise Culture setting) knows how to use.

Thus all the complexity of human interaction with the world and other people is made possible via such meaningful things.

As we are the builders of our metaverse, we intend to go further and to make our things truly virtual, meaning that objects have the capacity to become 'better than real world things'.

We capture the actual, in-depth purpose of a certain real world thing and create a virtual thing that fully embodies this purpose.

For example, we know the real purpose of the microphone is not to make your voice louder, but to make you heard (and help others focus their attention on you). This is how a better, virtual microphone should work: it should bring

your voice directly to the ears of your audience and help them to follow your narrative. If you pass a microphone to someone else, the audience focus should also be guided to the new speaker.

3.3. TOKENOMICS OF THE MORPHEUS METAVERSE

To fulfill our vision, we need to create a Metaverse that internally respects the basic rights mentioned in the Metaverse Manifesto, and above all, facilitates and incentivises value creation. To do so, we have established a **Marketplace** in which all participants can exchange things, experiences, and services. We leverage blockchain-based 'tokenomics' to establish and track ownership and incentivise participation, content creation, and value exchange.

We embed these core social rights in our Metaverse using Web3 blockchain technology.

We plan to use a public ledger platform to gain trust and to provide the necessary level of interoperability. We will keep the transaction costs to the minimum in order to focus on the real value.

Each and every thing and space is a non-fungible object that has an owner. This way ownership is always tracked and always respected. In the same way, authorship is respected. If a derivative work is produced, we keep and respect authors' rights of all contributors.

Every item published to Morpheus Marketplace is minted into a blockchain-based NFT called a **Valuable**. Before publishing to the Marketplace, people can create as many things as they want, and at the moment of publication the ownership and the authorship rights are registered.

VALUE EXCHANGE.

At the core of our tokenomics is the concept of ‘value exchange’ that describes what happens when someone creates value for someone else and gets rewarded for it. Purchasing valuables is certainly a kind of value exchange, but there are more.

To be able to keep track of all kinds of value exchange and make sure the reward is fairly distributed according to the wishes of all value creation participants, we need to describe different kinds of rights that authors and owners can manage to their liking.

One party is creating value, and another one is rewarding it — paying in certain monetary currency. Let’s start with the transaction part, and call the first participant ‘**Creator**’, and the second one — ‘**Buyer**’.

Thus, a ‘Buyer’ purchases created value from the ‘Creator’ and pays a ‘**Reward**’.

E.g., a facilitator (Creator) prepares and runs a workshop for a company, and the company (Buyer) is paying for this experience.

E.g., a consulting company (Creator) builds an experience module based on their proprietary content and licenses it on the marketplace to individual facilitators (Buyers).

E.g., a creative bureau (Creator) builds a wonderful architectural showroom and puts it on the marketplaces, where a corporate client (Buyer) buys it for their VHQ.

E.g., a creative VR studio (Creator) makes an interactive painting wand and sells it on the marketplace for people who make experience modules based on this wand (Buyers).

MANAGEMENT OF RIGHTS.

Our tokenomics are built around management of certain rights.

When a valuable object (a 'Valuable') is published to the Marketplace, its Creator sets up a contract which defines how the rights associated with that Valuable will be managed. A large set of different rights allows multiple business models to co-exist on the Marketplace.

E.g., a Creator makes a one-of-a-kind meditation area and then sells it by relinquishing their ownership right for a sum of money.

E.g., a Creator makes a 'prompt cube' and sells lots of copies of those to anyone who wants to use them. The ownership right for the cube is kept with the Creator, but the copies' owners have the right to use them (and maybe resell).

E.g., a Creator makes a 'prompt cube' and plans to improve it further on. The Creator doesn't want to just sell copies, they want instead to lend it to their customers. Customers then will have the right to use the cube as long as they pay (monthly), and the Creator may provide them improvements within the contract.

For a less obvious example, a Creator might prohibit destruction of the unique painting they sell, or set a very high price for demolishing their art.

DERIVATIVE WORK.

It is quite easy to see that a particular created value may be based on other valuables made by other people. We then call it '**Derived Valuable**', and the aforementioned valuables we will call '**Value Components**'. The parties who have created these Value Components are called '**Contributors**' in the context of the top-level value exchange.

E.g., a virtual basketball court (Derived Valuable) may be sold by Contributor A on the marketplace that uses Value Components from two other Contributors: Contributor B supplies a Basketball (Value Component) that embeds logic that allows the virtual ball to behave with the physics of a real

world ball, Contributor C supplies a large video screen (Value Component) that can be used to show replays of game action, while Contributor A includes those Value Components in their basketball arena that hosts the games.

The Morpheus tokenomics are designed to be able to split the reward of such complex value exchanges between the multiple contributing parties. As the end value is created, we track the whole added-value chain and ensure the rewards are distributed according to how each individual intends.

3.4. CURRENCY OF THE MORPHEUS METAVERSE

To distribute the reward across the value-chain, we introduce our own currency called **Yarn**.

For every value exchange, some part of the reward is distributed across all Contributors according to the smart contracts involved in the creation of the Valuable. This reward is minted into our own currency.

For example, a facilitator (A) has licensed an experience module from a training company (B), which used some tools made by a VR studio (C) and an environment made by a Design Bureau (D). When a corporate client is paying for the workshop, the facilitator A gets a sizable amount of money, and other participants (B, C, and D) receive smaller percentages in our currency.

The Yarn currency manifests the trace of value creation.

Our value chain establishes and tracks a strand which connects multiple creators together.

Every time a value exchange happens, a skein of Yarn is created and then the different strands of it are distributed amongst all Contributors according to the smart contracts defined upon minting of each NFT associated with Valuables.

Once you have Yarn, you can spend it in the Morpheus Marketplace on various valuables: beautiful custom spaces to build out places of your Universe, interactive things to play with, NFT paintings to gaze at, engaging experiences to participate in, and more.

However, we envision our currency to become not only a monetary tool, but also a social one. When you spend Yarn, you don't have it anymore. But you still have some magical **Glow** that is forever left on your shoulders.

Glow reflects the value that people provide to the community.

It reflects the value that you have created together with others. Glow becomes a participant's social capital and gamepass to exclusive content, events, and more.

3.5. AUTHORITY IN THE MORPHEUS METAVERSE

Morpheus enables not only individual and traditionally centralized organizations to have rights in our Metaverse. We fully support decentralized autonomous organizations (**DAO**) as a source of authority.

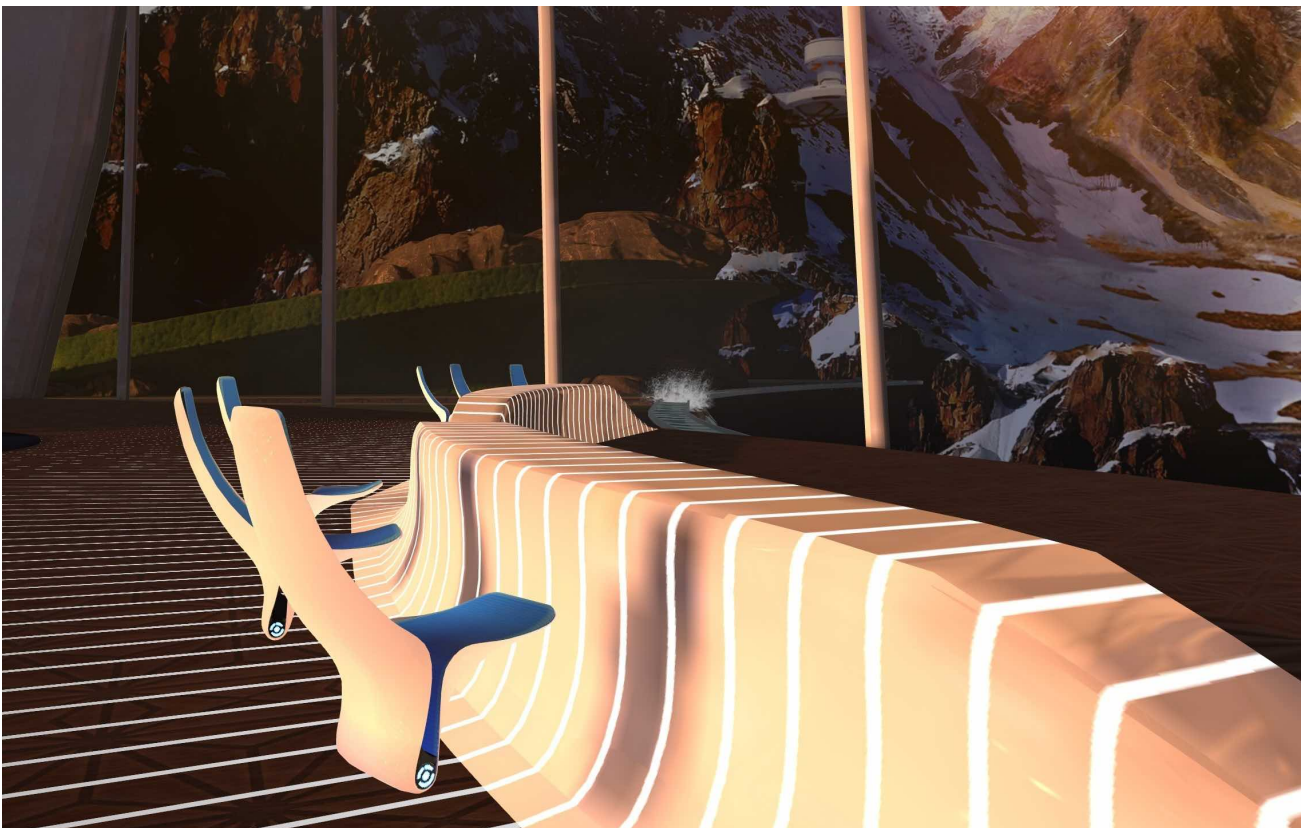
We will integrate with the current DAO ecosystem and welcome existing organizations to claim their universes and to leverage their authority on our Marketplace by creating authority products such as 'certificates', 'membership

status', or 'awards'. Those products will be treated in the same way as other non-fungible objects: they have authors, owners and a value-chain tracking.

We will also bring real-world authority centers — like professional associations, foundations and certifying organizations to our Metaverse and help them to join the Web3 ecosystem and to leverage its potential by transforming their authority products and providing them on our Marketplace. We see our role as enablers and guides for such organizations, especially in the world of Enterprise Culture.

We are implementing tokenomics with its contracts, incentives, and authority management in a way that is described in our forthcoming Morpheus Web3 Whitepaper which comprises the list of smart contracts, the model for NFT minting and currency exchange, and other implementation technology choices we are making.

IV. MORPHEUS' ROLE IN THE ECOSYSTEM



‘The Metaverse’ will be a place for diversity and abundance. There will be many participants who build different platforms and products. It is imperative that there should be an open ecosystem which allows the necessary diversity to happen.

Interoperability lies in the very foundation of such ecosystems. Different metaverses will be implemented in different ways, therefore it is crucial to establish and standardize protocols allowing those metaverses not only to co-exist, but also to be part of one ecosystem.

We believe that our platform should be a part of the much larger emerging Metaverse Ecosystem which is shaped by many actors. Hence, our vision is that Morpheus stewards its own metaverse while ensuring its interoperability with others.

To help the overall Metaverse Ecosystem, we will actively participate in standards bodies and organizations, drive interoperability, and contribute our knowledge, expertise, and experience in serving corporations within the metaverse.

‘The Metaverse’ can only come to life through community effort.

CONTACT US!

To learn more about Morpheus Metaverse for Enterprise Culture, become an early adopter, investor, or a partner, please contact our representatives.

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