



Digital Dream Labs

"Every child's fun introduction to any topic"

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HoneyComb Credit Pitch

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// Welcome! Who is Digital Dream Labs?



- We have positioned ourselves at the confluence of the digital and physical worlds to deliver engaging educational content.
- Our cornerstone is Edtech – toys and games that have deeper meanings.
- We use digital media to drive marketing and to communicate STEAM topics to children.
- Our business model: Hardware upfront with a SAAS backend.



// The Market – Race Car Games



- Retail toy market for toys and games in US \$20.91 billion (2019 Trend Report).
- Toy car market is \$1.29 billion in US alone (2019 – FMCG) .
- Recession resistant. Q4 2008 only experienced a 5% decline in sales – NPD Group.
- Covid depressing sales by about 10% - National Retail Federation

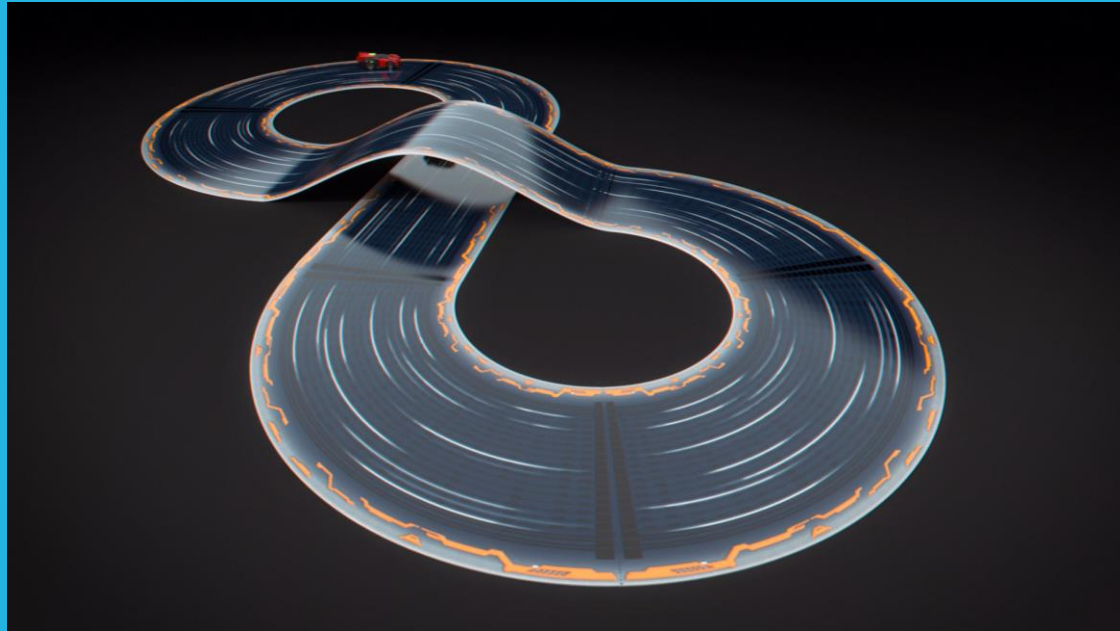
// The Problem



- People ages 15 to 24 years old spend 40 minutes a day playing games in 2019.
- Children under the age of 12 play an average 2 hours a day.
- 100% of current customers complain that game time of 20 to 30 minutes is too short.



// The Solution/Product - OverDrive -> InfiniDrive



// Business Model – Retail Products – Razor Blade



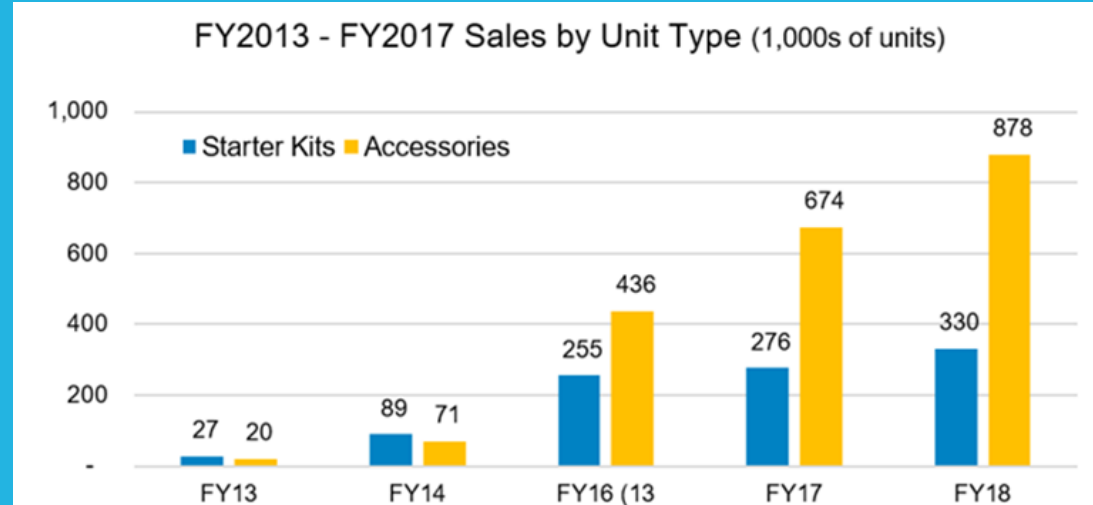
Customer	FY'17	FY'18
Amazon	\$38.2	\$36.3
Toys R Us	\$21.0	\$25.6
Target	\$9.2	\$11.9
Anki Direct	\$10.7	\$3.8
Best Buy	\$5.2	\$8.0

- COGS - \$50 per set – retail price \$160.
- Add-on games – Augmented Reality \$37.
- In app purchases and subscription services built in the games.

// Market Adoption to Date



- Close to 3 million customers.
- Customers extremely active and willing to spend money.
- Eight figure revenue since 2014.
- Massive growth in accessories.



// Competition



Poor execution from sleepy incumbents.

- Mattel - HotWheels debacle.



- Hasbro – Anxious to license our IP.



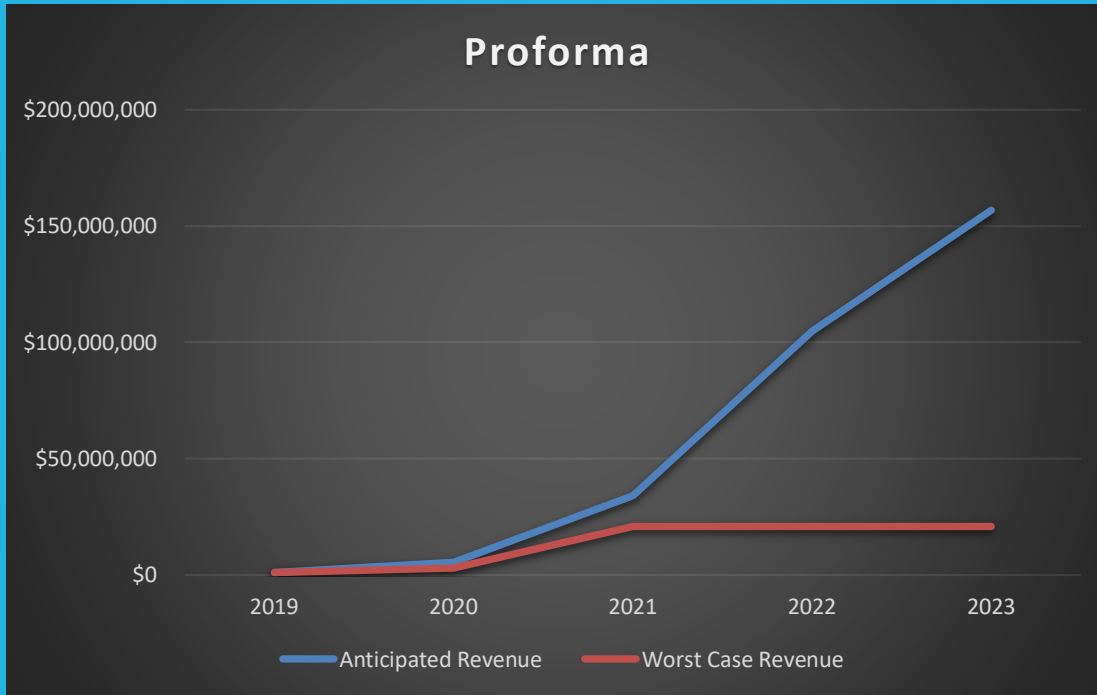
- Carrera – Anxious to license our IP.

// Competitive Advantages



- #1 or #2 in category in key markets.
- Very healthy margins, more than 50% if wholesale to brick and mortar.
- Strong patents and execution of products.
- Deep product knowledge and understanding of customers. We send a survey out and get ten of thousands of responses.
- More than 300,000 visitors to our Shopify site a month, 2 million hits of our website a month (top 200k in the world).
- Low cost of marketing. Billions of views on YouTube. 100ks followers across several social media platforms.

// Milestones - Projections



- Thousands of copies of 2.6 OverDrive sold. Top ten app store for a few weeks. Buds are fixed. Cornerstone app going forward.
- Wait list of thousands of people wanting to get their batteries replaced.
- InfiniDrive - New tech, new patent, blowing away any competition.



- Thank you.