The Virtual Reality Future Forward!
Market insights, consumers, developers, & distributors of software and devices

SPACEOUT VR
Spaceout.VR
Multi-featured VR Entertainment

SpaceoutVR, Inc. was founded in 2015. Formerly Daydream.VR, we gained 60,000 users in a 5 month marketing period. We make software that transforms your personal media into Virtual Reality entertainment, communication and games. We are an integrated content publisher for Google, Oculus, Vive, Gear VR and the Spaceout.VR Viewer.

The most recent advancements of the software platform include the addition of the Soundcloud Music Streaming, The Beta Test of the powwow.vr Chat application. The manufacturing and delivery of the Spaceout.VR plastic viewer.
State of VR Today

The status quo

Missing:
> Private brands of plastic/cardboard viewers
> Millions of 3D cinema goggles in Asia
> Glasses Based Cardboard- Google Daydream platform
> Other devices
Social

“[VR] has the potential to be the most social platform ever. Immersive, virtual, and augmented reality will be part of people’s daily lives.”

– Mark Zuckerberg
CEO of Facebook

Games

“Working on game development, we always try to create a new kind of experience, and having VR technology is almost unfair.”

– Shuhei Yoshida
President of Sony PlayStation Studios

Film

“We’re right on the cusp of a major upheaval of the entertainment world once [VR] technology really kicks in.”

– Peter Jackson
Director of Lord of the Rings Trilogy

Music

“I can only do so many concerts. So to be able to have more people experience them through VR… that would be epic.”

– Miley Cyrus
Singer/Songwriter

Advertising

“[VR] is a perception changer for any advertiser that wants to associate with a new frontier in media.”

– Mitch Gelman
VP of Product for Gannet Digital

Education

“[VR] is going to be really important for education. Because kids don’t learn best from reading a book or looking at a chalkboard.”

– Palmer Luckey
Creator of the Oculus Rift
Market Matrix of VR

<table>
<thead>
<tr>
<th>IMMERSIVE VR</th>
<th>MIXED REALITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>HTC VIVE</td>
<td>magic leap</td>
</tr>
<tr>
<td>oculus</td>
<td>Microsoft HoloLens</td>
</tr>
<tr>
<td>SONY</td>
<td>ODG</td>
</tr>
<tr>
<td>FOVE</td>
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<table>
<thead>
<tr>
<th>VIRTUAL REALITY</th>
<th>AUGMENTED REALITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samsung GearVR</td>
<td>META</td>
</tr>
<tr>
<td></td>
<td>EPSON</td>
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<td>DAQRI</td>
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<td>IMMIL</td>
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<td>SKULLY</td>
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<td>Vuzix</td>
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<td>Recon</td>
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Artificial Reality

1) Virtual Reality - 360 - Immersive - Goggles
2) Augmented Reality - Data Overlay - Glasses
3) Mixed Reality - Holographic, 4D objects in normal light - Glasses or contact lenses.
VR Content Matrix Driving Usage

To use VR technology you need:

1) Device - Head Mounted Display (HMD)
2) Software - 3D Engine to render images and environments.
3) Content - Entertainment, Games, Social, Information, Music.
## VR Device Market Share

### Light Mobile VR
- **71% 27.1M**
  - **2016**: 9,600,000
  - **2017**: 17,280,000
  - **2018**: 31,104,000
  - **2019**: 55,987,200

- **Notable Devices**
  - Google Cardboard ($10-$120)
  - Samsung Gear VR ($100)
  - Supporting hardware:
    - Smartphone ($350+)

### Premium Mobile VR
- **7% 2.5M**
  - **2016**: 1,248,000
  - **2017**: 2,246,400
  - **2018**: 4,043,520
  - **2019**: 7,278,336

- **Notable Devices**
  - Samsung Gear VR ($100)
  - Supporting hardware:
    - Samsung Galaxy Smartphone ($500+)

### PC VR
- **17% 6.6M**
  - **2016**: 3,750,000
  - **2017**: 6,750,000
  - **2018**: 12,150,000
  - **2019**: 21,870,000

- **Notable Devices**
  - Oculus Rift, HTC Vive ($300-$700+)
  - Supporting hardware:
    - Gaming PC ($1000+)

### Console VR
- **5% 1.9M**
  - **2016**: 4,602,000
  - **2017**: 8,283,600
  - **2018**: 14,910,480
  - **2019**: 26,838,864

- **Notable Devices**
  - Playstation VR ($400-$600)
  - Supporting hardware:
    - Playstation 4 ($350)
VR Market Opportunity

By 2020, the AR/VR market is projected to reach $150 billion in total revenue.

VR Software revenue worldwide from 2015-2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
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<tbody>
<tr>
<td>2015</td>
<td>$129 MM</td>
</tr>
<tr>
<td>2016</td>
<td>$1.09 B</td>
</tr>
<tr>
<td>2017</td>
<td>$2.57 B</td>
</tr>
<tr>
<td>2018</td>
<td>$4.66 B</td>
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</tbody>
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VR Head Mounted Displays revenue worldwide from 2015-2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$685 MM</td>
</tr>
<tr>
<td>2016</td>
<td>$2.98 B</td>
</tr>
<tr>
<td>2017</td>
<td>$3.89 B</td>
</tr>
<tr>
<td>2018</td>
<td>$3.88 B</td>
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Number of paying VR users worldwide from 2015-2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
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<tbody>
<tr>
<td>2015</td>
<td>570k</td>
</tr>
<tr>
<td>2016</td>
<td>4.8 MM</td>
</tr>
<tr>
<td>2017</td>
<td>12 MM</td>
</tr>
<tr>
<td>2018</td>
<td>28 MM</td>
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Source: Digi-Capital
Audience and Behaviors for Mobile VR

**Total: 89.8 MM**

- **2013**: 5MM
- **2014**: 9.8MM
- **2015**: 105MM

Google searches for "Virtual Reality"

VR will reach over 55M users in 2016E

- **INVESTORS**
- **CONTENT PLATFORMS**
- **HEADSET MANUFACTURERS**
- **HARDWARE MANUFACTURERS**
- **CONTENT DEVELOPERS**

**VIRTUAL REALITY USERS, 55.8M**

daydream.io virtualizes popular mobile behaviors

- Text messaging: 97%
- Voice/video calls: 92%
- Internet: 89%
- Email: 88%
- Social networking: 75%
- Take pictures/videos: 60%
- News: 55%
- Watching video: 50%
- Games: 47%
- Maps: 41%
- Music or podcasts: 41%

Sources: Google Search, CTIA, Emarketer
The Spaceout.VR Mobile VR Platform

Transform your music into a hallucinatory audiovisual experience.

Explore and share your photo & video in magnificent 3D memory palaces.

Socialize in a smart VR space that visualizes a trail of data from your ideas.

Rhythm.VR

Visions.VR

Powwow.VR
Rhythm.VR

• Transform your music into fantastical immersive worlds

• Music “virtualizer” responds to frequencies of audio

• Plays local music from your phone

• Streams from Soundcloud, Spotify, Apple Music, etc.

• Fun music/game overlay (like DDR, Guitar Hero).

A view of the music selector
Visions.VR

• Create immersive museums of your photos and videos
• Share with friends
• Visit your picture palaces and movie theaters together
• Import photo/video from your phone
• Virtualize your facebook, flickr, Youtube or instagram profiles
• Experience VR videos from all over the world.

Share with friends on multiple platforms
Powwow.VR

• Socialize in VR & leave an intelligent trail of data from your conversations

• Images, links & transcriptions augment your thoughts

• Visualize the web and social networks as 3D holograms

• Iterate ideas in a data-rich environment that is tuned to enhance your mind

• Review and edit sessions with time transportation tools

Discussing George Orwell in a virtualized Troy, NY
Potential VR Commerce Activity

**Virtual Goods:**

1) Games: In App Purchases - Unlocks, Features, Power Ups
2) Entertainment: Music, Movies, Streaming Content
3) Subscriptions

**Ecommerce:**

1) Apparel
2) Consumer Goods
3) Subscriptions
4) VR Headsets

**Travel and Leisure:**

1) Airfare, Hotels, Car Rentals, Vacations, Cruises
2) Restaurants, Delivery

**Financial Services:**

1) Credit
2) P2P
3) Bill Payment
4) Donations

#eBayVR

https://www.youtube.com/watch?v=0kEmwQII5Z0
VR HMD Sales & Shipments

Problems:

Sizes

Bulky VR goggles

Handle with Care

Many sizes from large to small packages

International vs Domestic

Commerce platforms lack flexibility in packing
VR Headsets Shipped - Cardboard v1.0

Packing
L 1
W 8
H 10

Shipping
L 1
W 9
H 11

Weight
130g/4.5oz
VR Headsets Shipped- Cardboard v2.0

Box
L 7.5
W 3
H 5

packaging
L 8
W 4
H 6

Weight
153g/5.39oz
VR Headsets Shipped- Spaceout.VR Plastic

Inside Box
L 6
W 8.5
H 5

Shipping Package
L 7
W 9
H 6

Weight
263g/9.277oz
ReadyPost 12 x 10 x 8-inch Mailing Carton
12" x 10" x 8"
$5.94 - $33.00

Priority Mail Express Box - 1
11" x 8-1/2" x 5-1/2"

Dual-Use Priority Mail (Flat Rate)/Priority Mail Express (Weight & Zone) Box - 1
11" x 8-1/2" x 5-1/2"
Business opportunities for Shipping

SMB VR Service Ideas

VR Shippers

a) Boxes - Sizes to fit products - on-demand
b) Rates - Bulky but not heavy, should reflect in prices for VR shipments.
c) Volume discounts
d) Priority/First Class
e) Remote packing designs - Custom Logo’s, Promo
USPS VR Mail Integration Potential

VR COMMERCE SUPPORT

Make app SDK for adding mail support to VR environments and worlds

Use WEB VR to make experimental Post office
Unique UI/UX
Conclusion

NEXT 10 YEARS

From the information to immersive age

NEXT 20 YEARS

"CONVERGENCE"

IoT + AI + VR/AR = complete redesign of postal support for business and consumer operations
Thank you!

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dga@spaceoutvr.com