

Monster BYTE

**Financial, Metric, and Product Report
Q1 2017**

Table of Contents

1. Financial Statement
2. KPIs
 - a. Commentary
3. Marketing Updates
 - a. Traffic Synopsis
 - b. SEO
 - c. Next Steps
4. Product Updates
 - a. Developed in Q1
 - i. Share Bet Slip
 - ii. PeerBet Scaled Infrastructure
 - iii. Updated Sportsbook UX
 - b. Planned for Q2
 - i. 0-Risk Automated Sportsbook
 - ii. Updated PeerBet
 - iii. BuyCoins.io Integration
5. Syndication Updates

Q1 2017 Financial Statement (unaudited)

	As of December 31, 2016		As of March 31, 2017	
Income				
Sportsbook (in btc)	8.500		11.793	
Casino (in btc)	9.985		14.996	
Bit777 / Peerbet (in btc)	0.510		1.830	
Peer to Peer Games	0.200		0.660	
Syndication / Wholesale	\$0		\$0	
Bitcoin / USD Conversion	\$998		\$1,087	
Total Income (in US Dollars)		\$19,156.61		\$31,826.93
Expenses				
Accounting	\$0.00		\$0.00	
Advertising	\$0.00		\$2,712.00	
Depreciation	\$0.00		\$0.00	
Comps (Players)	\$1,616.76		\$1,953.00	
Interest	\$0.00		\$0.00	
Legal	\$0.00		\$1,980.00	
Salaries	\$0.00		\$0.00	
SEO	\$3,763.20		\$2,508.80	
Server / Hosting fees	\$2,910.36		\$2,883.69	
Wages (Contractor)	\$2,650.00		\$7,830.00	
Total Expenses		\$10,940.32		\$19,867.49
Profit / (Loss)		\$8,216.29		\$11,959.44

Q1 2017 Key Performance Indicators

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
# of unique depositors (players)	133	110	114	109	146
# of deposits	466	374	306	200	367
Volume of Deposits (in btc)	107.18	64.4	145.32	130.57	137.39
Volume of Deposits (in USD)	\$44,587	\$43,534	\$89,084	\$130,178	\$149,618
Casino					
# of casino bets	67630	42019	46814	61597	25559
# of unique casino players	88	82	70	59	108
Volume of Bets (in btc)	421.73	409.21	270.26	501.7	154.78
Volume of Bets (in USD)	\$175,440	\$276,626	\$165,669	\$500,195	\$168,555
Sportsbook					
# of sportsbook bets	2458	1171	1952	2270	2269
# of unique sportsbook players	87	68	68	72	150
Volume of Sportsbook Bets (in btc)	213.02	135.2	604.5	1087.7	449.24
Volume of Sportsbook Bets (in USD)	\$88,616	\$91,395	\$370,559	\$1,084,437	\$489,222

First, we were able to beat both the previous quarter, as well as the past year as it relates to the number of active players making deposits. We also exceeded the volume of those deposits in both BTC & USD YOY and QOQ. This is no doubt a testament to investments we are making in organic search, player acquisition techniques, and our strong brand and reputation.

However, even though the number of unique players were up in the Casino, we do have a very large area of opportunity with increasing the amount of play from those players. A key driver to the low volume is likely isolated to our lack of Casino Contests and Promotions which we ran aggressively in Q4. This is an area of marketing focus as we enter Q2, normally a relatively low volume period.

Finally, we had a fantastic month in our Sportsbook, doubling the number of unique players YOY and QOQ, with seasonally strong volume in BTC & USD. Even with the increase in players, we did see a reduction in volume over the past quarter as we had to turn away a few of our larger bettors as we could not effectively offset their action; this is another large focus for our development team in the upcoming quarter and is addressed later in this report.

Marketing Updates

Traffic Synopsis

In the first quarter of every year, BitcoinRush.io always get a large lift in traffic with the Super Bowl occurring in early February; however, the challenge has always been to keep those players engaged so we can retain them beyond just the US Football season. We're happy to report this year that we've definitely accomplished that goal and are seeing strong traffic in our Peer to Peer games, and continued patronage in the Sportsbook.



SEO

SEO in the gaming industry has proven to be extremely challenging, even with professional help from a whitehat firm. For the upcoming quarter, we are actively working with our SEO vendor to alter our strategy from backlink acquisition to instead achieving a higher domain authority with more rich content pages throughout BitcoinRush.io.

KEYWORD	HISTORY	POS
bitcoin baccarat		7 ▼ (-2)
bitcoin videopoker		8 ▼ (-4)
bitcoin blackjack		9 ▼ (-1)
bitcoin sportsbook		12 ▼ (-1)
bitcoin roulette		12 ▼ (-4)
bitcoin gambling		22 ▲ (+2)
bitcoin casino		27 ▼ (-5)
btc casino		34 ▼ (-7)

We will continue to track this vertical very closely, and will pivot to a different vendor if we do not see an improvement in the next three months.

Next Steps

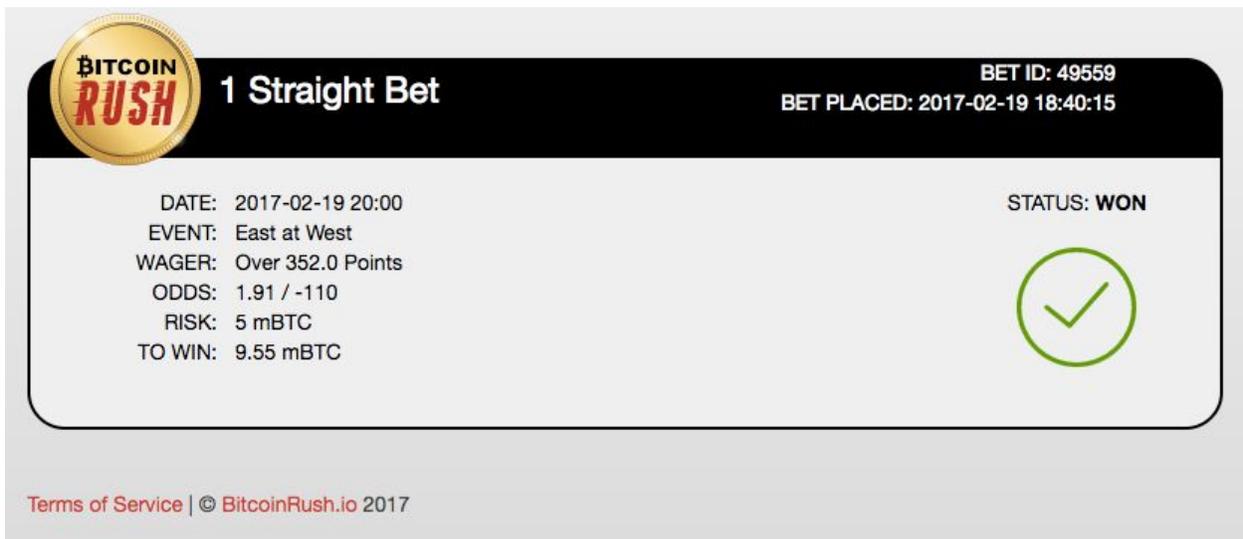
Aside from a micro focus on SEO, we plan on hiring a part-time marketer in April whose primary responsibility will be to engage with the community via various forums, social media, and the creation of new promotions and contests within the casino and sportsbook.

Product Updates

Developed or Deployed

Share Bet Slips

Earlier in the quarter we launched the ability for players to share their bet slip directly from BitcoinRush via the Open Bets, or Graded Bets sections of the site. This entices players to brag about their big wins, or complain about buzzer beaters. It also has the player's referral code embedded within, further promoting the site and rewarding people for sharing.



The image shows a screenshot of a bet slip from BitcoinRush.io. At the top left is the BitcoinRush logo, a gold coin with 'BITCOIN RUSH' written on it. To its right, the text '1 Straight Bet' is displayed. On the far right, the bet ID '49559' and the time '2017-02-19 18:40:15' are shown. Below this, the bet details are listed: DATE: 2017-02-19 20:00, EVENT: East at West, WAGER: Over 352.0 Points, ODDS: 1.91 / -110, RISK: 5 mBTC, and TO WIN: 9.55 mBTC. To the right of these details, the status is 'WON' with a green checkmark icon. At the bottom left, there is a link to 'Terms of Service' and a copyright notice for BitcoinRush.io 2017.

DATE: 2017-02-19 20:00	STATUS: WON
EVENT: East at West	
WAGER: Over 352.0 Points	
ODDS: 1.91 / -110	
RISK: 5 mBTC	
TO WIN: 9.55 mBTC	

[Terms of Service](#) | © BitcoinRush.io 2017

PeerBet New Infrastructure

As we began the work for an updated PeerBet.org (*more in next section*), we realized there was a need to rearchitecture both the codebase of the platform as well as the infrastructure it resides on.

When we launch the new PeerBet in Q2, we will have the crypto-currency wallets running on an isolated server, and the application itself running on separate server. This strategy will greatly improve the speed and efficiency of the site, and should also save us capital in server costs long term.

Updated Sportsbook UX

Earlier this year we engaged with a user experience firm to help create a new version of PeerBet, and cleanup BitcoinRush.io. What started out as simple new navigational treatment expanded into a complete redo of our Sportsbook UI for both Desktop and Mobile. Screenshots are below, but this will be launched with our new Automated 0-Risk Sportsbook in the Q2 timeframe.

Desktop Proof of Concept

The screenshot shows the BitcoinRush desktop sportsbook interface. At the top, there is a navigation bar with the BitcoinRush logo and menu items for Skill Games, Casino, Sportsbook, and a user ID. A dropdown menu is open over the Sportsbook link, listing various sports categories like College Basketball, NBA, MLB, Soccer, NHL, MMA, Boxing, Tennis, and Rules. Below the navigation is a table of betting odds for a game between the Minnesota Wild and Washington Capitals on 2017-03-14 at 18:05. The table includes columns for Date / Time, Match-Up, Money Line, Spread, and Total Points. Each row represents a different bet type with its respective odds and a plus sign icon.

Date / Time	Match-Up	Money Line	Spread	Total Points
2017-03-14 18:05	Minnesota Wild	+127/2.27	+1.5 -250/1.40	Over 5.5 +118/2.18
	Washington Capitals	-140/1.71	-1.5 +210/3.10	Under 5.5 -130/1.77
2017-03-14 18:05	Minnesota Wild	+127/2.27	+1.5 -250/1.40	Over 5.5 +118/2.18
	Washington Capitals	-140/1.71	-1.5 +210/3.10	Under 5.5 -130/1.77
2017-03-14 18:05	Minnesota Wild	+127/2.27	+1.5 -250/1.40	Over 5.5 +118/2.18
	Washington Capitals	-140/1.71	-1.5 +210/3.10	Under 5.5 -130/1.77
2017-03-14 18:05	Minnesota Wild	+127/2.27	+1.5 -250/1.40	Over 5.5 +118/2.18
	Washington Capitals	-140/1.71	-1.5 +210/3.10	Under 5.5 -130/1.77

Mobile Proof of Concept

The screenshot shows the BitcoinRush mobile sportsbook interface. At the top, there is a navigation bar with the BitcoinRush logo and a MENU button. Below the navigation bar, the match-up is identified as Washington Wild vs Minnesota Capitals on 2017-12-12 at 14:00. The interface is divided into two main sections: Minnesota Wild and Washington Capitals. Each section displays the Money Line, Spread, and Total Points for that team, along with a plus sign icon.

Team	Money Line	Spread	Total Points
Minnesota Wild	+127/2.27	+1.5 -250/1.40	Over 5.5 +118/2.18
Washington Capitals	-140/1.71	-1.5 +210/3.10	Under 5.5 -130/1.77

Product Updates

Planned for Q2

0-Risk Sportsbook

After three years of operations, we have finally found an automated, programmatic, solution to displace sharp action in the BitcoinRush Sportsbook allowing us to bring back bettors we have turned away in the past.

Even better, we will now have the ability to still make a profit on the bets we hedge as we can tweak the odds in such a way that we can make a profit no matter if the player wins or loses their wager. As mentioned above, we will roll this out with our updated look and feel, all within Q2 of 2017.

Updated PeerBet

PeerBet has no doubt been our most underutilized asset for a variety of reasons; however, we do plan on capitalizing on the strong PeerBet brand and hungry 'dice-based-gambling' community which exists in Cryptocurrency gaming with a relaunched site in Q2.

Below is a work-in-progress version of PeerBet where you can check out the new design:

<http://54.72.49.181/>

BuyCoins.io Integration

We have landed an exclusive partnership with BuyCoins.io which will allow us to seamlessly sell bitcoin to our players with a credit card, while not running into an AML and KYC constraints which exist in the banking sector. Conceptually the player would have this option within the "Account" section in BitcoinRush, be redirected to BuyCoins.io to complete their purchase, then sent back to BitcoinRush where their balance would be properly updated.

Syndication Updates

Finally, we do begin to start the development work necessary to syndicate, or re-sell, all the proprietary software we built on our properties through the years. Our first development track will be to wrap our Sportsbook up into an easy to use API set which can be leveraged by new or existing clients that want to engage in this sector. From there, we'll move onto the Provably Fair Casino, then Skill based games. This is a long-running track that needs considerable development, marketing, and sales strategy - but something we believe we can have running by the end of 2017 .

Below is a sample condensed 1-pager we will use for promotion once this line of business is stood up.

Monster **BYTE**
monsterbyte.io

**PLAY FOR FUN
WIN FOR REAL**

Boostrapped with \$250,000 self-funded investments,
\$200,000 in VC seed capital by the Panama Fund

SYNDICATION SERVICES

SPORTSBOOK
29 Different Sporting Events to Wager on, with custom Odds, Parlays, Teasers, and Built-in Risk-Management, all extendable via a series of restful APIs.

CASINO
Monster Byte offers a series of popular Casino games such as Blackjack, Roulette, Baccarat, and Video Poker - all made with a provably fair design ensuring you and your players have the most secure and fool-proof shuffling algorithm ever invented.

SKILL GAMES
Monster Byte is adding games like Roshambo, and Tic Tac Toe to their suite of Skill Based Gaming products which they plan to deploy on their various properties and extend to partners through their Syndication service.

THE PROPERTIES

BITCOINRUSH
Founded in April, 2013 - 8633 users
bitcoinrush.io
Originally founded as CasinoBitco.in in 2013 as the world's first Bitcoin Casino and Sportsbook in one! BitcoinRush.io offers a full Sportsbook, Provably Fair Casino Games, Peer to Peer Skill-Based Games, Survivor Pool Contests which supplement the Sportsbook, and tons of weekly promotions and incentives.

BIT777
Founded in May, 2012 - 3185 users
bit777.com
Bit777.com is a flash-based casino which offers over 49 different game variations based on Blackjack, Craps, Roulette and other table games. Launched in 2012, it was one of the first Bitcoin Casinos ever created! Monster Byte Inc. acquired the rights, IP, and users of Bit777 from UltraPlay LTD in February of 2014.

PeerBet
Founded in January, 2012 - 9354 users
peerbet.org
Launched in 2012, Peerbet.org was the first online bitcoin gambling platforms that offered wagering with just 1% house edge. It has since morphed into a dice site where players can set their own odds, with the house taking a 1% edge, and features other features like Raffles, and Crypto-Currency trading all within the application.