

Monster BYTE

Financial, Metric, and Product Report
Q3 2017

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Q3 2017 Financial Statement

(unaudited)

	As of June 30, 2017		As of September 30, 2017	
Income				
Sportsbook (in btc)	4.064		5.904	
Casino (in btc)	3.355		8.164	
Bit777 / Peerbet (in btc)	0.897		0.958	
Peer to Peer Games (in btc)	0.11		0.26	
Syndication / Wholesale	\$0		\$0	
Intangibles (BCH Liquidation)	\$0		\$30,125	
Bitcoin / USD Conversion	\$2,510		\$4,353	
Total Income (in US Dollars)		\$21,149		\$96,668
Expenses				
Accounting	\$0.00		\$0.00	
Advertising	\$0.00		\$13,748	
Depreciation	\$0.00		\$0.00	
Comps (Players)	\$3,376		\$4,702	
Interest	\$0.00		\$0.00	
Legal	\$0.00		\$3,500	
Salaries	\$0.00		\$20,000	
SEO	\$2,881		\$2,881	
Server / Hosting fees	\$2,714		\$2,995	
Wages (Contractor)	\$5,560		\$17,477	
Total Expenses		\$14,531		\$65,303
Profit / (Loss)		\$6,618		\$31,365

Revenue and Expense Commentary

Q3 2017 was a productive period for Monster Byte, during which it oversaw the successful implementation of several key developments, driving record revenue and growth during the reporting period.

This began with the full subscription of Monster Byte's modest ICO in June, providing the necessary resources to bootstrap several in-flight projects on the drawing board. These included a relaunched Sportsbook at the end of August, a complete redesign of the BitcoinRush.io website (excluding the Casino games) in September, and achieving 90% completion on a relaunched Peerbet.

Monster Byte also received a revenue boost this quarter with the liquidation of a fair amount of Bitcoin Cash (BCH), gained in August from the Bitcoin received from the ICO. Some of that value will be returned to token holders over various periods as it will help offset some of the heavy expenses already incurred and foreseen as we begin to scale our product development and marketing strategies.

Advertising expense grew this period due to our need to get the word out for our ICO, as well as multiple test marketing campaigns for BitcoinRush. We anticipate advertising expenses to stay on par or grow slightly higher in the next quarter as we continue to work on strategies to gain traction for BitcoinRush.

Monster Byte recognizes that it will take months to fully realize several synergies within our marketing and organic search verticals. Yet we are encouraged by the results thus far and can only be optimistic with what's to come once our marketing strategies begin to pay off.

Q3 2017 Dividend Information

In line with our long-term commitment to ICO participants and equity partners, Monster Byte will be issuing its first dividends on Tuesday, October 17, 2017, representing profits from the reporting period of Q3 2017.

The dividend formula is as follows: Q3 2017 Nett Profit / Total MonsterByte (MBI) tokens. That is, $\$31,365 / 40,000,000 = \0.00078 .

Q3 2017 dividends will be paid out in Bitcoin, at an amount equivalent to a fixed rate of USD 0.00078 per MonsterByte (MBI) token owned, at the CoinDesk exchange rate on Tuesday October 17th at 06:00 UTC

It's important to stress that Monster Byte is running now, not in "two weeks" like other ICO projects that still have yet to launch a minimal viable product. Monster Byte is not only active but already making a profit and sharing it with token holders.

Dividends will only be distributed to tokens held in a corresponding Waves wallet. Therefore, token owners must hold their MBI tokens in their personal Waves wallet to receive dividends. If you have any tokens on an exchange or in a wallet you do not control, you should move them to a Waves wallet in which you would like to receive your Bitcoin-based dividends before Tuesday, October 17, 2017 (UTC).

The entire exercise is expected to conclude after 24 hours, so please be patient and hold off any enquiries until the distribution is over on Wednesday, October 18, 2017 (UTC).

Q3 2017 Key Performance Indicators

While revenue growth is the easiest way to measure our success, the KPIs below are further validation that we are essentially on the right track.

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
# of unique depositors (players)	114	109	146	106	174
# of deposits	306	200	367	274	388
Volume of Deposits (in btc)	145.32	130.57	137.39	31.28	51.66
Volume of Deposits (in USD)	\$89,084	\$130,178	\$149,618	\$94,403	\$216,972
# of casino bets	46814	61597	25559	27206	32457
# of unique casino players	70	59	108	110	197
Volume of Bets (in btc)	270.26	501.7	154.78	111.65	97.565
Volume of Bets (in USD)	\$165,669	\$500,195	\$168,555	\$336,960	\$410,749
# of sportsbook bets	1952	2270	2269	2954	3180
# of unique sportsbook players	68	72	150	155	216
Volume of Sportsbook Bets (in btc)	604.5	1087.7	449.24	164.678	163.37
Volume of Sportsbook Bets (in USD)	\$370,559	\$1,084,437	\$489,222	\$496,998	\$687,788

Highlights

- 52% YoY and 64% QoQ **increase** in the number of unique players which made a real deposit and played.
- 147% YoY and 21% QoQ **increase** in the volume of play in the Fair Casino.
- 85.6% YoY and 38% QoQ **increase** in the volume of play in the Sportsbook.

While it's true that some growth is attributed to seasonality, we are ultimately seeing higher volumes and more unique players, both quarter over quarter (QoQ) and Year over Year (YoY) in both the Casino and Sportsbook.

Pending confirmation from long-term statistical evidence, we can tentatively attribute some of Q3 2017 growth to a range of marketing and promotional efforts post ICO reflected by expenses in these areas. These have come alongside visual improvements to user interface as well as a fine-tuned risk management platform built in our sportsbook, resulting in Bitcoin Rush offering odds better than the most-recognised names in crypto-based Sportsbooks. For more information, please refer to the section on Product Updates.

Marketing Updates

Progress

While we accelerated efforts on this track in September, we ultimately made the business decision to not exhaust too much effort into Marketing because the BitcoinRush website was under such a drastic overhaul. Ultimately, we didn't want to spend much money sending users to a disjointed or flat-out poor user experience that they were likely not to return to.

Now that the BitcoinRush website is completely relaunched and optimized for mobile, this is an area where we will begin to spend significantly more time, resources, and focus on in Q4.

We already have some social media partners spreading the word about our new Sportsbook, and have extended various update to all Affiliates, but could always use help as 'word of mouth' is a leading source of our acquisition of players. If you have a social media following, or website, be sure to checkout the Affiliate program on BitcoinRush and help us spread that word.

SEO

BitcoinRush is gaining some organic traction with the newly updated homepage and various landing pages; however, we know we will need to outsource this work to a professional SEO firm that specializes in the online gaming sector due to its competitiveness. We have extended several inquires out to some very reputable firms, and have narrowed it down to three vendors. We aim to execute an agreement with a firm and begin our work in the month of October.

Product Updates

Redesigned BitcoinRush

BitcoinRush, our flagship property, was in desperate need of a visual overhaul, a legacy of various UX designers making ad hoc minor and major updates through the years. We took a mobile-first



approach to all pages, and are happy to say that we have received very encouraging feedback from long-time users, but are also beginning to see organic search benefits from the new design patterns we are using.

Updated Sportsbook UX

Our biggest product update in Q3 2017 was the official relaunch of the BitcoinRush Sportsbook. This was a radical update that was nearly six months in the making as we rebranded all the Sportsbook pages, integrated into a new odds provider, and built a custom framework to handle risk in a more intelligent fashion which either allows us to programmatically offset bets for known sharp users, or take action for known below average users.

Outside of the visual appeal, since our relaunch, we have been offering odds and margins consistently better than our biggest competitors. We will continue to tout this in social media, but will also begin some paid advertising campaigns around this fact.

Roadmap Updates

Planned for Q4

Updated PeerBet

This reporting period, we dedicated significant focus on revamping and relaunching PeerBet, one of the oldest dice sites in the cryptocurrency gaming space. We are near completion and will be in a limited beta by the end of October, with a view for an official relaunch in November.

Sportsbook API



As part of our broader strategy to syndicate our offerings to other cryptocurrency and fiat gaming providers, we will be extending the development work completed in Q2 2017 and begin some proof-of-concept Sportsbook API functions, starting with a variety of functions to view our current odds and fixtures. From there, we will begin offering this free API to affiliates to show our current odds on their corresponding marketing sites enticing users to BitcoinRush. In 2018, we will build on top of these functions, ultimately allowing 3rd parties to leverage this API to take zero-risk sports bets on their corresponding gaming portals.

Casino API and BitcoinRush Redesign

Our design team has already begun wireframing all our Casino offerings on BitcoinRush.io with a 'mobile-first' mentality.

In parallel, our development team has begun converting all five casino games into a set of robust APIs, which will be leveraged by our Syndication Venture as well as on BitcoinRush.io.

Ultimately, by the end of 2017, our goal is to have all the Casino games relaunched on BitcoinRush.io with a slick new UI that also leverages the Monster Byte Casino APIs. This allows us to test our own software with larger volumes and shake out any kinks and bugs before we begin to resell this software to the broader gaming community.



Exchange Updates

We fully agree with everyone that has been vocal on social media, Slack, forums and email about the need to get listed – there is no question about that. On that note, we would like to close this quarter's report with an update on our efforts at getting our tokens listed on an additional exchange beyond the Waves DEX.

Our challenge thus far has been that two very Waves-friendly exchanges (Liqui.io and Tidx) have turned us down without giving any reasons. Others were prepared to accept our listing, on the condition that we pay hefty fees (nearly USD 50,000). We believe this to be an unrealistic demand, particularly when it is much higher than the

cost of listing on secondary stock markets in North America (such as OTC, PINK and CSE). This exorbitant cost is simply unjustifiable in our business case.

Nevertheless, we remain fully committed to getting MBI listed on legitimate exchanges, acknowledging the added benefits to all token holders that would bring. At the time of writing, we are negotiating with C-CEX and NovaExchange. But if you have other recommendations, don't hesitate to let us know. We'll be happy to look into it.

Legal Compliance

Monster Byte is a Panama based technology company which performed a fundraising event (ICO) in June of 2017. As part of that fundraising activity, Monster Byte strictly forbid US based users from participating via various technical means. Monster Byte tokens which were offered in the fundraising event will eventually be used as a token of exchange (utility) in an upcoming Monster Byte developed cryptocurrency exchange. Proceeds from Monster Byte business operations will be used to buy back, and 'burn', all Monster Byte tokens in existence over time.

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