

# Monster BYTE

Financial, Metric, and Product Report  
Q3 2018

# Table of Contents

1. Financial Statement
  - a. Commentary
  - b. Dividend Details
2. Liquidity / Exchange Update
3. BitcoinRush.io KPIs
  - a. Commentary
4. Product Updates
  - a. MoneyPot
  - b. B2B
  - c. Nessie
5. Disclaimers

# Q3 2018 Financial Statement

(unaudited)

	As of July 1, 2018		As of October 1, 2018	
<b>Income</b>				
MoneyPot	\$8,000.00		\$0.00	
Sportsbook (in btc)	2.642		3.195	
Casino (in btc)	4.686		4.791	
Bit777 / Peerbet (in btc)	0.210		0.120	
Peer to Peer Games (in btc)	0.000		0.100	
Syndication / Wholesale	\$0		\$10,000	
Intangibles (Token Buyback Redemption)	\$25,099		0	
Bitcoin / USD Conversion	\$7,555		\$6,619	
<b>Total Income (in US Dollars)</b>		<b>\$82,053</b>		<b>\$64,318</b>
<b>Expenses</b>				
Accounting	\$0.00		\$0.00	
Advertising	\$1,750.00		\$1,200.00	
Comps (Players)	\$5,671.47		\$3,549.10	
Depreciation	\$0.00		\$0.00	
Interest	\$0.00		\$0.00	
Legal	\$1,780.00		\$0.00	
MoneyPot Development Costs	\$14,702		\$9,306	
Salaries	\$20,000.00		\$20,000.00	
SEO	\$6,600.00		\$6,600.00	
Server / Hosting fees	\$2,911		\$2,280	
Wages (Contractor)	\$23,620		\$14,055	
<b>Total Expenses</b>		<b>\$77,034</b>		<b>\$56,990</b>
<b>Profit / (Loss)</b>		<b>\$5,018</b>		<b>\$7,328</b>

# Revenue and Expense Commentary

The Monster Byte Q3 2018 report is the fifth installment of the quarterly issue. It follows much of the trends from the previous quarter in terms of play metrics and, in turn, profitability.

The underpinning Bitcoin market sentiment from July to October was that of consolidation and trepidation amid a historic period of price stability that saw Bitcoin trading within the \$6,000 to \$6,500 range for the majority of Q3. While further selloffs feared in Q2 were dispelled, this low-volume, low-volatility price action has as well led to a lack of confidence for a turnaround in fortunes, prolonging the slump of interest in crypto sectors, including gaming.

This has certainly been reflected in our play metrics across the board in our B2C vertical: fewer unique depositors, fewer unique casino players and fewer sportsbook players. Casino players dropped by half from Q2 numbers (less than 15% of players in Q1) while sports bettors slid 30% off Q2 totals (just under 50% of Q1).

This translated to the lowest volume of deposits since we started reporting, both in Bitcoin and USD. On the other hand, fewer players on casino have in fact counted more than 50% increase in BTC wagers (134+ BTC), while Sportsbook has seen more than 20% increase in total bets (6,296 bets), recording their highest-ever totals since Monster Byte started quarterly reporting. This may indicate that the fewer players on both casino and sportsbook are loyal, returning players; if so, it could be a good sign for longer-term sustainability.

There is a topline point from this: raw revenue made up the entire income for Q3 2018, moving away from the reliance on intangibles (*Bitcoin Cash Distributions and Token Buy-Back Redemptions*) in previous quarters to achieve positive income.

It should be noted that this profitability (despite being more than 20% lower than Q2) is owing partially to lowered expenses in Q3. During the reporting quarter, Monster Byte incurred no legal costs, took on fewer contractors for outsourced work, and adjusted down expenses across advertising, MoneyPot development and server/hosting

overheads. With regard to research and development on MoneyPot and server/hosting, we will continue to keep fine-tuning our expenses to achieve desired balance.

At the same time, we expect that our efforts thus far in both B2B and MoneyPot should begin to show desired results, provided the external conditions elaborated above do not deteriorate. With the former, we are already preparing to begin seeing revenue as the much-awaited two new projects are likely to launch in Q4 2018 – once these are live, we can expect to continue earning on revenue sharing agreements.

Monster Byte continues to see much reason for enthusiasm in the future, even in the face of prolonged uncertainty and unabating pressure in the overall cryptocurrency industry. We believe that our patient pursuits in B2B development should soon bear results, with other lines of business and revenue sure to come into the pipeline.

## Q3 2018 Dividend Information

Monster Byte will be issuing its fifth round of dividend issuance on November 23rd, 2018 to distribute profits accrued during the reporting period of Q3 2018.

The dividend formula is as follows: Q1 2018 Net Profit / Total MonsterByte (MBI) tokens. That is,  $\$7,328 / 40,000,000 = \$0.0001832$ .

As has been the past practice, Q3 2018 dividends will be paid out in Bitcoin, at an amount equivalent to a fixed rate of USD \$0.0001832 per MonsterByte (MBI) token owned, at the CoinDesk exchange rate on November 23rd, 2018 at 06:00 UTC.

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 November 13th, 2018 at 06:00 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.

## Liquidity / Exchange Commentary

In our last quarterly report we shared concerns around the liquidity of the Monster Byte token on the Waves Dex, and the lack of promotional support we've yet to receive from the Waves Community.

As part of that announcement, we received overwhelming support and feedback that the community would be open to converting to an ERC-20 token to broaden the reach and exposure for our token. However, at this point in time, and likely through the remainder of the year, we are going to hold off on any drastic measures to convert our token from Waves to Ethereum. While we fully understand the need to move to a platform other than Waves to help promote our products and success, our focus for the rest of the year is ensuring that we are spending ample time and energy on our Business to Business (B2B) goals and deliverables for 2018.

We will always be on the lookout for opportunities that help broaden our exposure, and the liquidity for token holders. If you are aware of any low risk, and low cost methods, please don't hesitate to reach out to us and we will investigate the feasibility.

# Q3 2018 Key Performance Indicators

BitcoinRush.io

	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
# of unique depositors (players)	174	188	154	103	95
# of deposits	388	385	430	243	266
Volume of Deposits (in btc)	51.66	39.858	21.54	15.46	12.392
Volume of Deposits (in USD)	\$216,972	\$597,870	\$195,152	\$119,197	\$78,706
# of casino bets	32,457	39,895	141,413	36,640	20,738
# of unique casino players	197	217	280	91	63
Volume of Bets (in btc)	97.565	79.123	99.487	82.763	134.36
Volume of Bets (in USD)	\$410,749	\$1,186,845	\$901,352	\$638,103	\$889,329
# of sportsbook bets	3,180	6,221	4,223	4,693	6,296
# of unique sportsbook players	216	435	194	138	95
Volume of Sportsbook Bets (in btc)	163.37	189.76	110.45	89.723	69.56733
Volume of Sportsbook Bets (in USD)	\$687,788	\$2,846,400	\$1,000,677	\$691,764	\$460,466

## Highlights

- Lowest number of unique players over the past 4 quarters, but highest ever BTC and USD volume in casino, and highest-ever sportsbook bets.
- Despite a 76% YoY drop in volume of BTC deposits, casino betting volume in BTC grew by over 37.7%.
- Despite a 56% YoY drop in sportsbook players, sportsbook bets almost doubled (98% growth).

The reduction in play metrics were a stark contrast against YoY comparisons and we recognize the need to further nudge these metrics up via further promotions of the Bitcoinrush.io Casino and Sportsbook. We commit to coming up with creative ways for this.

Despite the less-than-positive numbers, as mentioned in the revenue commentary, the increasing volume of bets could indicate better player retention, which, in the long run, contributes to more efficient revenue (including for affiliates).

As well, there are several indications that the BitcoinRush brand's differentiating factors such as wide lines and industry-low margins are beginning to receive organic awareness.

One example is [a recently active thread on Bitcointalk](#) by veteran user Dark\_Star, which highlighted evidence of Bitcoinrush's competitively low margins on popular markets compared to other Bitcoin sportsbooks. As acknowledged by the user, the direct consequence of this thread has been that other Bitcoin sportsbooks moved to lower their margins to compete directly with us.

Nevertheless, we are still ahead of most competitors for most markets (*we sweep the #1 rankings on Tennis, WTA, European International Soccer, MMA, Basketball, Ice Hockey and MLB*) and will continue to strive to offer the best odds on the market. Top that up with our regular cash back on sports bets and free withdrawals, we will be very, very hard to beat.

## Product Updates

**MoneyPot** - Before the end of the year, our main goal for MoneyPot is to on-board new partners which desire to build their own gaming app against the powerful set of MoneyPot APIs. In order to achieve this, we are going to streamline the onboarding of new apps via an automated Registration Portal, which we are in the process of developing. This will be a one-stop-shop for App developers to quickly register their project and get the necessary technical documentation they need to build robust MoneyPot applications.



In addition, we will be looking to entice the public to invest into the universal bankroll to ensure the bet sizes are more competitive than what they are today across all supported cryptocurrencies. By December, we will be running weekly, and monthly, promotions for users that invest the most, and play the most.



*AlteCarlo*

**B2B** - We are proud to announce the partnership with the team over at AlteCarlo.com who will be leveraging the Monster Byte white-label services for their own altcoin casino which is

set to launch in early December.

There are other white-label partnerships which will also launch in Q4 aside from AlteCarlo; however, we are unfortunately not privileged to share the details around their platform(s) as they are built around their own cryptocurrencies, which are not yet officially launched.

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**Nessie** - We are very content with the research and development we completed this past quarter which allowed us to officially launch the Nessie exchange. This work proved that the integration with MoneyPot APIs works seamlessly, and the trading engine we developed in-house works perfectly. However, we need to invest more capital, time, and energy in the marketing, and day to day support verticals of this product before we officially scale and begin to onboard new users, and other cryptocurrencies and tokens - these are all efforts we are tracking before the end of the year.



# Legal Compliance

*Monster Byte is a Panama 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 purchased back and burned at a price TBD. Eventually, 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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