

Monster BYTE

Financial, Metric, and Product Report
Q4 2017

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Q4 2017 Financial Statement

(unaudited)

	As of September 30, 2017		As of January 1, 2018	
Income				
Sportsbook (in btc)	5.904		7.455	
Casino (in btc)	8.164		3.379	
Bit777 / Peerbet (in btc)	0.958		-1.850	
Peer to Peer Games (in btc)	\$0		0.150	
Syndication / Wholesale	\$0		\$0	
Intangibles (BCH Liquidation)	\$30,125		\$35,000	
Bitcoin / USD Conversion	\$4,353		\$15,120	
Total Income (in US Dollars)		\$96,668		\$173,097
Expenses				
Accounting	\$0.00		\$0.00	
Advertising	\$13,748.00		\$7,240.00	
Depreciation	\$0.00		\$0.00	
Comps (Players)	\$4,702.00		\$60,480.00	
Interest	\$0.00		\$0.00	
Legal	\$3,500.00		\$5,000.00	
Salaries	\$20,000.00		\$20,000.00	
SEO	\$2,881.00		\$1,750.00	
Server / Hosting fees	\$2,995		\$2,860	
Token Buyback	\$0		\$25,099	
Wages (Contractor)	\$17,477		\$11,683	
Total Expenses		\$65,303		\$134,112
Profit / (Loss)		\$31,365		\$38,986

Revenue and Expense Commentary

The final quarter of 2017 largely continued to perform in the trend of Q3 2017, with several significant outcomes in both business and product enhancements boosting growth and allowing Monster Byte to realize a 97% increase in revenue over the previous quarter.

Following the Sportsbook relaunch in Q3, this reporting period saw the addition of in-game live wagering for the NBA, NFL, NHL, Soccer and Tennis to Monster Byte's B2C showcase site, BitcoinRush.io.

Additional design overhauls continued to take shape in Q4 with relaunches of Blackjack, Baccarat, Hi-Lo, and Video Poker. Thus far, the new design of the casino games have been well received, reflected in the increase of play through in both the Sportsbook and Casino. Specific design and technical details can be found in the Product Update section later in this document.

Income-wise, our enhanced Sportsbook recorded more than 20% growth over the last quarter, likely a result of our improved risk mechanism that allows us to offer the best odds in the industry.

In November, we formalized a [partnership with ADK](#), as part of work to enable multi-crypto support for BitcoinRush.io. Aidos Kuneen Coin (ADK) itself was added as an alternative currency on BitcoinRush.io in December and the influx of new players from the ADK community should be something to look forward to in the new year.

An external factor impacting revenue was that Bitcoin price experienced an incredible surge in Q4. It is only natural that gamblers would wager less BTC than usual and we did notice the drop in play as Bitcoin surpassed \$10,000. Our immediate measure was to lower minimum wagers to 0.1 mBTC (from 1 mBTC) and the addition of ADK, but more

alternative cryptocurrencies will follow in Q1 2018 as we seek to preserve the low-cost, quick transactions that made crypto gambling so popular.

As we did in Q3 2017, we will disburse another round of funds from our Bitcoin Cash liquidation gained from the ICO funds and will continue to do so to offset further expenses from product development and marketing necessary at these early stages.

A significant expense has been towards promotional campaigns and player comps across our Casino games and Sportsbook. This reporting period, we launched a monthly leaderboard giveaway for Blackjack players, paid out winners for our NFL Survivor Contests, and lowered our tier upgrade requirements on the BitcoinRush.io VIP Program (comps system).

With much of the relaunch completed or near-completion, we organized a summit meeting in mid-December to establish clarity for directions from 2018, essentially shifting our focus to B2B development and exchange considerations. 2017 ended on a high note, with the acquisition of and merger with MoneyPot, another veteran name in the industry (full details in MoneyPot acquisition section below).

All in all, we are very pleased with the growth we have already recorded in what is another profitable quarter - not to mention the steadily appreciating price of MBI in this reporting period. We look forward to the 2018, when our synergies with new partners start generating exciting prospects.

Q4 2017 Dividend Information

In line with our long-term commitment to ICO participants and equity partners, Monster Byte will be issuing its second dividend on Tuesday, February 6th, representing profits from the reporting period of Q4 2017.

The dividend formula is as follows: Q4 2017 Nett Profit / Total Monster Byte (MBI) tokens. That is, \$38,986 / 40,000,000 = \$0.000974.

Q4 2017 dividends will be paid out in Bitcoin, at an amount equivalent to a fixed rate of USD 0.000974 per MonsterByte (MBI) token owned, at the CoinDesk exchange rate on Tuesday, February 6th 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 Tuesday, February 6th 2018 (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.

Q4 2017 Key Performance Indicators

BitcoinRush.io

	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
# of unique depositors (players)	109	146	106	174	188
# of deposits	200	367	274	388	385
Volume of Deposits (in btc)	130.57	137.39	31.28	51.66	39.858
Volume of Deposits (in USD)	\$130,178	\$149,618	\$94,403	\$216,972	\$597,870
# of casino bets	61597	25559	27206	32457	39895
# of unique casino players	59	108	110	197	217
Volume of Bets (in btc)	501.7	154.78	111.65	97.565	79.123
Volume of Bets (in USD)	\$500,195	\$168,555	\$336,960	\$410,749	\$1,186,845
# of sportsbook bets	2270	2269	2954	3180	6221
# of unique sportsbook players	72	150	155	216	435
Volume of Sportsbook Bets (in btc)	1087.7	449.24	164.678	163.37	189.76
Volume of Sportsbook Bets (in USD)	\$1,084,437	\$489,222	\$496,998	\$687,788	\$2,846,400

Highlights

- 359% YoY and 175% QoQ **increase** in the the volume of deposits.
- 397% YoY **increase** in the number of active players that played in the Casino or Sportsbook
- 137% YoY and 188% QoQ **increase** in the volume of play in the Provably Fair Casino.
- 162% YoY and 313% QoQ **increase** in the volume of play in the Sportsbook.

As presented earlier, the massive appreciation of Bitcoin value in the reporting period has translated to depreciating BTC deposits and wager volumes across the board, as the majority of players bet with a fiat mentality. Sportsbook play bucked this trend, however, largely because almost twice as many people played, placing almost twice as many bets in Q4 compared to the previous quarter.

MoneyPot Acquisition

One of the most significant achievements we recorded in Q4 was the historic merger and acquisition of the MoneyPot platform and software - best known for its innovative use of a global casino bankroll and cross-application funds transfer. It was a complex consideration that took us almost three months to work out, meshing their broad expertise and experience, for example in multi-crypto wallets and simplified fund transfer, but we are very pleased to have such an established name and a group of talented developers together with us under the Monster Byte brand.

This new partnership provides an obvious revenue augmentation to our own gaming products but, more importantly, the MoneyPot business model fits into our focus shift this year on B2B operations development. This will soon enable us to expand on:

- **Syndication:** through custom whitelabeling for some or all our provably fair casino and sportsbook products, as well as direct API access for existing gaming owners to use our provably fair casino and sportsbook;
- **Friendly wallet with multi-crypto support:** which would give gamers a single easy-to-use platform for all their gaming needs. As we would levy fees to project developers keen to have our wallet support their coin, this also brings in more revenue. The first of these is ADK, with others in the pipeline. Further, we will be developing our own exchange platform as part of MoneyPot, supporting all the cryptocurrencies used on our gaming products. This opens up more options for our users, enabling to use wallet funds to trade, exchange or play with.
- **Market share:** While the gaming industry is growing, it continues to face challenges of player attrition. Our aim is not only to sustain players by enhancing interaction, involvement and variety - we want to grow our community. Our very ambitious goal is to capture 5% of the global market by the end of 2019.

There's a lot still to do to achieve all of this, beginning first with the integration of MoneyPot into our platform, but we're motivated by the potential and encouraged by the support we've received. Our work in 2018 is definitely cut out for us, but we're glad to have this challenge!

Product Updates

We completed a lot of exciting work in the past quarter including the complete redesign of our Provably Fair Blackjack, Hi-Lo, Video Poker, and Baccarat. These games were professionally designed with a “mobile-first” mentality and provides the Casino with a much needed makeover!

In addition, the team refactored most of the foundational code that powers BitcoinRush.io to support more than just Bitcoin for wagering. This was an important step as the previous benefits of Bitcoin being a fast and cheap form of remittance for gaming was no longer realistic for the foreseeable timeframe as the Bitcoin network struggles to scale with increased adoption and use. The first coin we added was ADK and we have seen a good wave of new players from Asian regions leverage ADK in both the Casino and Sportsbook. In the upcoming quarter, we will continue to add additional cryptocurrencies (both mainstream and emerging coins).

Finally, as we deployed each new game, we were also able to lower the minimum bet considering the rising fiat value of Bitcoin. Below are live screenshots of the games from both a desktop, and mobile, view.

Blackjack

BITCOINRUSH HOME BITCOIN CASINO SPORTSBOOK LIVE WAGERING **฿23.8 MBTC** BTC

BLACKJACK

GAME ID: 1232118 BALANCE: 23.8 mBTC

DEALER
10 7
♦ ♥ Dealer: 17

PLAYER
8 J
♥ ♠ Player: 18

PLACE YOUR BET

- 0.1 +

1/2 Max X2

Stand Hit

Double Split

Deal

Rules Provably Fair

BITCOINRUSH MENU

BLACKJACK

GAME ID: 1232118 BALANCE: 23.8 mBTC

DEALER
10 7
♦ ♥ Player: 18

PLAYER
8 J
♥ ♠

PLACE YOUR BET

- 0.1 +

Deal

Stand Hit

Hi-Lo

BITCOINRUSH HOME BITCOIN CASINO SPORTSBOOK LIVE WAGERING 23.8 MBTC BTC

HI / LO

GAME ID: 49454 BALANCE: 23.7 mBTC

8 ♣	6 ♣	BITCOIN RUSH	BITCOIN RUSH	↑ High
				↓ Low
BITCOIN RUSH	BITCOIN RUSH	BITCOIN RUSH	BITCOIN RUSH	
BITCOIN RUSH	BITCOIN RUSH	BITCOIN RUSH	BITCOIN RUSH	

PLACE YOUR BET

0.1

Cash Out

Rules Provably Fair

Balance	Bet High	Bet Low
0.15 mBTC	Multiplier: 1.5 Potential: 0.225	Multiplier: 2.1 Potential: 0.315

BITCOINRUSH MENU

HI / LO

GAME ID: 49454 BALANCE: 23.7 mBTC

8 ♣	6 ♣	BITCOIN RUSH	BITCOIN RUSH
BITCOIN RUSH	BITCOIN RUSH	BITCOIN RUSH	BITCOIN RUSH
BITCOIN RUSH	BITCOIN RUSH	BITCOIN RUSH	BITCOIN RUSH

↑ High ↓ Low

Baccarat

BITCOIN RUSH HOME BITCOIN CASINO SPORTSBOOK LIVE WAGERING \$23.7 MBTC BTC

BACCARAT

GAME ID: 88164 BALANCE: 23.7 mBTC

PLAYER
A 4 7
Player: 2

BANKER
Q 3 Q
Banker: 3

PLACE YOUR BET

- 0.1 +

Tie Banker 0.1 Player

Deal

Rules Provably Fair

BITCOIN RUSH MENU

BACCARAT

GAME ID: 88164 BALANCE: 23.7 mBTC

PLAYER
A 4 7
Player: 2

BANKER
Q 3 Q
Banker: 3

PLACE YOUR BET

- 0.1 +

Tie Banker 0.1 Player

Deal

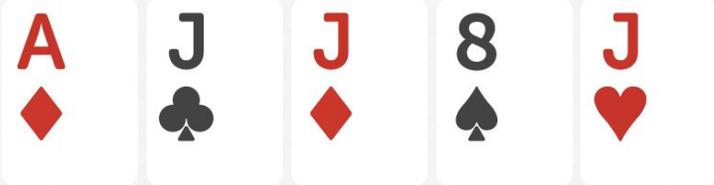
Video Poker

BITCOINRUSH HOME BITCOIN CASINO SPORTSBOOK LIVE WAGERING ₿23.695 MBTC BTC

VIDEO POKER

GAME ID: 162691 BALANCE: 23.9 mBTC

YOUR HAND



PLACE YOUR BET

0.1

1/2 Max X2

Deal

Rules Provably Fair

Odds Table

Four of a Kind 25	Straight Flush 50	Royal Flush 250
Straight 4	Flush 6	Full House 9
Jacks or Better 1	Two Pair 2	Three of a Kind 3

BITCOINRUSH MENU

VIDEO POKER

GAME ID: 162691 BALANCE: 23.9 mBTC

YOUR HAND



PLACE YOUR BET

0.1

Deal

Rules Provably Fair

Odds Table

B2B Product Updates

London Affiliate Conference

Monster Byte will have representatives in person for the entirety of the LAC which takes place from February 7th to 10th, 2018. Our mission and objective for this event are to not only network with various representatives in the iGaming space, but also to pitch the advantage of our B2B product suite of provably fair responsive games to the various providers, affiliates, and online sites which will be in attendance.

First Integration Coming

Late last year, we landed a partnership with a very large, up-and-coming cryptocurrency platform that has agreed to leverage a white label version of our Casino software within their product. As the exact timing, and details, are still unfolding - we are not privileged to share the name of the platform but will do so in due time. We will continue to seek out similar deals as the year continues; each deal brings both licensing fees as well as a share of the revenue incurred on the white label platform.

What's Next?

Casino Redesign Finalization

Carrying the momentum of last quarter's updating of 4 of the 5 Provably Fair Casino games, we will officially finalize the BitcoinRush redesign by launching an updated Roulette game by the end of January. Following that, we will have a player vote to add a 6th Provably Fair game to our Portfolio - players can choose to add either 3-card poker, or Pai Gow Poker.

Redesigned MonsterByte.io

In early February we will launch a redesigned MonsterByte.io website which will enable us to better pitch our B2B products to the community.

MoneyPot Integration

We will have our hands full with MoneyPot all year!

To start things off, we will be bringing some well needed transparency and control to all the app owners that leverage the MoneyPot API and global wallets with a dedicated portal. This portal will give up-to-date stats on their players, application performance, and overall earnings.

Throughout the quarter we will also be adding additional altcoin support to MoneyPot based on community feedback and overall demand. In addition, we will also be adding extra security by introducing Two-Factor Authentication (2FA) to all user accounts.

In addition, we will begin the development work necessary to build a MoneyPot-powered cryptocurrency exchange. This concept was one of the biggest drivers which led us to acquire MoneyPot, as we believe we can target the smaller coin and token market that are facing increasingly difficult challenges in getting listed on exchanges based on tremendous demand. We expect to be in a closed beta by the end of the quarter, and plan to have at least a dozen different new ICO coins and tokens ready to leverage our exchange soon after.

Additional Altcoin Support

With all the refactoring we have done to support ADK last quarter, we now have much more flexibility to add additional cryptocurrency support to BitcoinRush.io. As such, we will be adding several popular coins (to be announced at a later date) to our platform beginning in February. Just like ADK, these new coins will bring new users and additional revenue to our platforms.

Licensing

Finally, we have already begun our search for a gaming licence that will provide a blanket of protection for both our B2B line of business and BitcoinRush.io. This is a pivotal step to legitimize the work we've put into our products, and a matter we are

treating with the utmost due diligence. We plan to complete this in the first quarter of 2018.