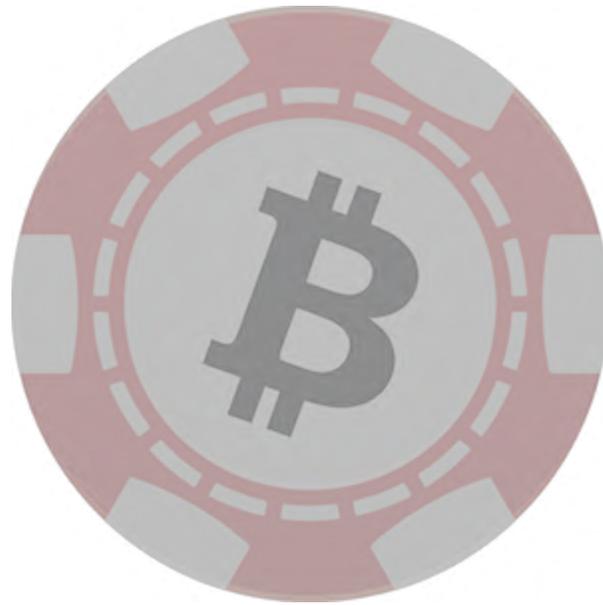# CasinoBitco.in

# June 2014 Monthly Report

# HavelockInvestments.com

Last Updated: 7/3/2014

# Monthly Overview

https://docs.google.com/spreadsheet/ccc?key=0AmSWZWkGJ1V3dFpxZHVTN0x6ZldUeHRteWdBd1pMNXc&usp=drive_web#gid=15

Today CasinoBitco.in reports its operationsal report for June 2014.  Despite being one of the slower months of the year between March Madness and the start of NFL season, June was an exciting one for CasinoBitco.in, with excellent progress in many critical areas where we've underperformed in past months. We are proud to report revenues of 52.71 BTC across all the CasinoBitco.in properties.

The highlight of the month has certainly been the action of the World Cup where we've been able to capitalize on our new third-party odds provider to offer excellent liquid markets with the best limits & vig for our players while also limiting our downside risk!

**A brief financial overview of the month includes:**
-25.47 BTC revenue in the sportsbook (before 3rd-party Bookmaker expenses and profit-share of $2883.64 USD).
-20.23 BTC revenue in the CasinoBitco.in HTML5 casino
-7.01 BTC revenue in Bit777/Peerbet (including house take on Altcoins)

What started out as a 2 man operation a year ago has now grown into a well run skunkworks team that includes Support Personnel, Developers, Testers, and Marketing resources. While this growth has resulted in small, gradual increases in our expenses, we believe that the work these folks are doing daily will result in a better CasinoBitco.in product and brand.

**June expenses include the following (further breakout is later in this document, as well as full P&L located in the appendix)**
-1.09 BTC on advertising
-6.3 BTC on player comps
-14.3538 BTC on contractor development including spending on improved security measures
-1.91 BTC in hosting expenses
-1 BTC in Havelock expenses
-5.3364 BTC in other expenses including our 3rd party bookmaker and seo costs.
For a total: 29.9961 BTC in expenses.

The remaining earnings of 22.7139 will be paid out in a dividend of 76 satoshi per Havelock unit.

# CasinoBitco.in

Over the "slow season" since March, CasinoBitco.in has maintained a direct user base of roughly 3,500 direct visitors out of 8,000 a month. Off a peak of roughly 23,500 visitors in March (for March Madness), we have the loyal user base set to multiply our site's traffic over the coming year.

We've included graphs below of our Sportsbook and Casino action. Please keep in mind these numbers are slightly flat or lower than the first quarter of the year, as April-July are considered the "slow" months for the Sportsbook. Also, we had action stop for about a week in June where we transitioned to our third-party lines provider. We're in a great position to multiply these numbers over the next year. Based on Vegas sportsbetting hold, the expectation would be a sportsbook revenue of roughly 20 BTC per month over the past quarter. We've also included some charts below from a public action dashboard we're working on releasing in July!
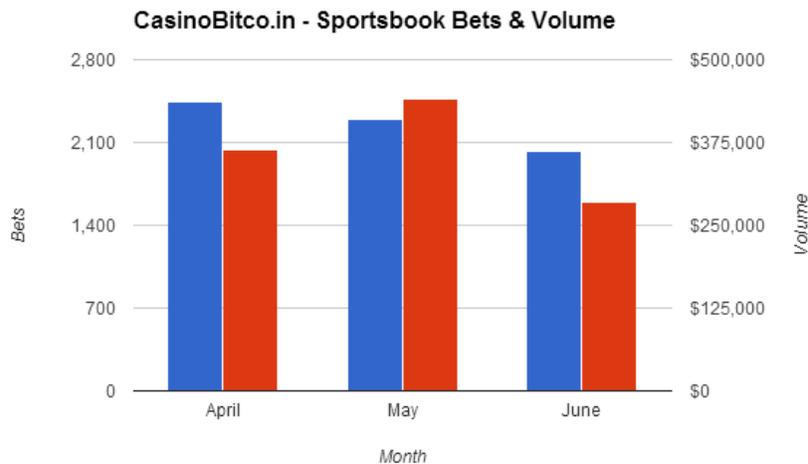


Our casino continues a nice draw with continued month over month growth, better reflecting the increasing loyalty of CasinoBitco.in users. Keep in mind, the numbers below don't include Video Poker or Hi-Lo which were both disabled in June as exploits were identified by our white hat hackers. We're updating our current analytics for various improvements including these games. Based on our recent handle, our expectation is roughly 40-45 BTC a month. We also plan to grow both the casino and sportsbook volume at least 15% per month over the next year.

# CasinoBitco.in - Casino Bets & Volume
## (Excludes Video Poker, Hi-Lo)
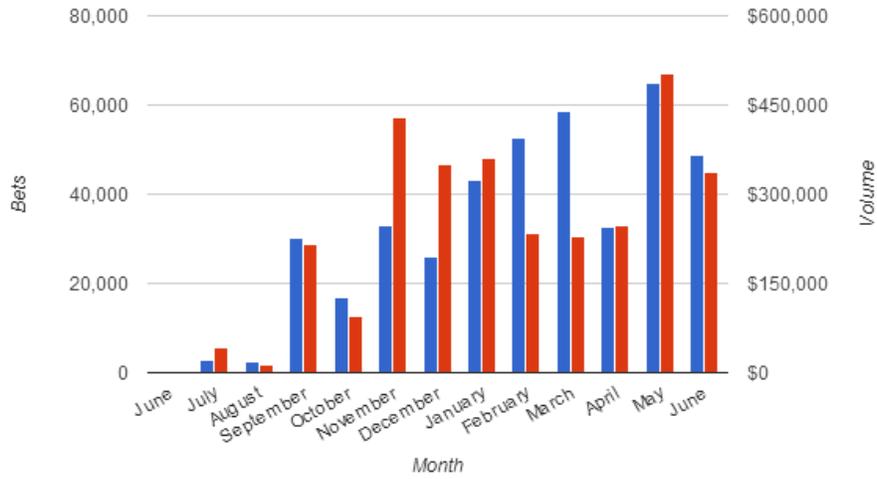


# Casino - Played by Game (Daily)

- BJ Hands
- Bac Hands
- Rou Spins

**Casino - mBTC Risked by Game (Daily)**
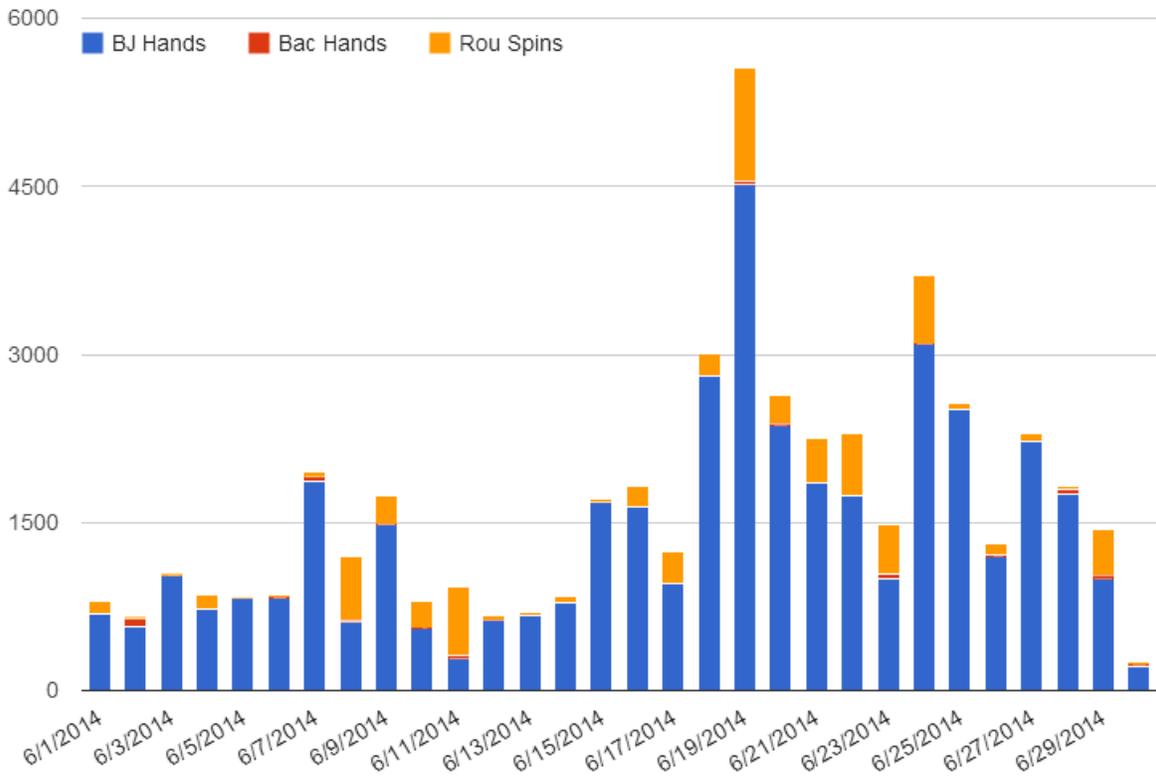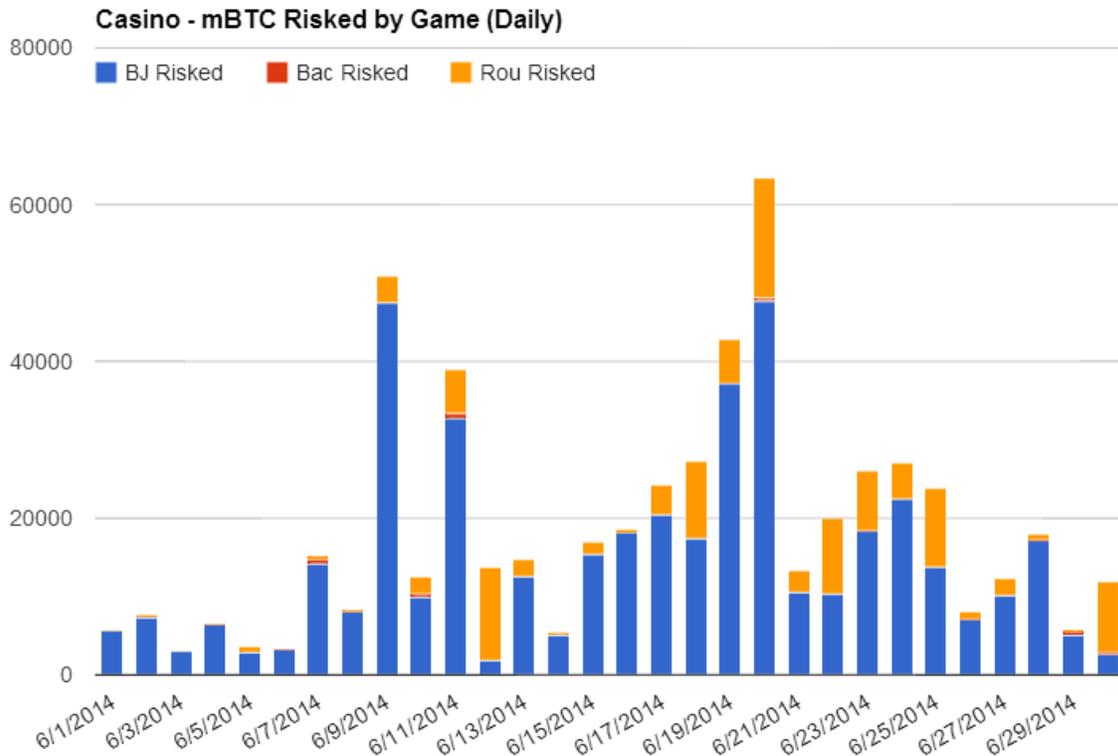


# Bit777/Peerbet

We anticipate the addition of Peerbet 2.0 will have an excellent organic growth effect in July, Peerbet traffic has decreased somewhat in the interim as we removed some features including free play vouchers and auto-dice bot. Fortunately, traffic seems to be growing again with improvements every week since the end of May. We'll follow-up on Bit777/Peerbet further in our next report, including more detailed analytics.

Noteworthy - with *just-dice* exiting abruptly, there is a large opportunity for PeerBet to capitalize and earn more users looking for a safe place to invest or play. We will be shifting, and acquiring new, resources to help ramp out our efforts on PeerBet ASAP.

After other foundational upgrades to the PeerBet codebase, and other added features, we plan on aggressively implementing the following UI overhaul in the July timeframe.

# 1. New Homepage



# 2. Redesigned Dice

# 3. Redesigned Wheel



# 4. Redesigned Raffles

# Retention & Organic Growth Efforts

Our promotions team stepped up their game in June! We've offered daily 75 mBTC kickbacks to all players on certain games if a certain event takes place, for bets over 75 mBTC: For example, if Belgium wins 2-0 vs the USA we'd credit losing bets 75 mBTC.

We've also offered a 1.5 BTC weekly price for our top 3 in World Cup handle in all 3 weeks of the World Cup!

Social media presence has been strong with increased traffic from these mediums as our dedicated marketing team works wonders.
-Social Media
-Comps

# Marketing/SEO

Our partnership with a third party SEO firm has already begun to pay dividends with our SEO strength beginning to improve as dozens of new articles in June begin to be crawled by Google and other search engines. We've redesigned our blog and are in the process of adding additional tracking for analytics. Additionally, we've successfully updated the settings on our in-house email campaign program to not go to user's bulk email boxes - which should increase conversions for our future marketing emails!

We've decided to target our future marketing efforts and potential spend increase for the US Football season - a point at which we feel our redesigned HTML5 and PeerBet casinos, along with Sportsbook 2.0 will be ready to measure up and beyond the expectations of the common player.

| Keyword | Current | Previous |
|---|---|---|
| bitcoin blackjack | 6 | 7 |
| bitcoin casino | 5 | 10 |
| bitcoin gambling | 22 | 29 |
| bitcoin mma | 1 | 3 |
| bitcoin nba | 39 | 0 |
| bitcoin ncaab | 1 | 2 |
| bitcoin ncaaf | 4 | 1 |
| bitcoin nfl | 5 | 8 |

| | | |
|---|---|---|
| bitcoin sportsbook | 6 | 6 |
| bitcoin tennis | 4 | 4 |
| bitocin nhl | 5 | 9 |
| btc baccarat | 92 | 0 |
| btc blackjack | 17 | 13 |
| btc casino | 5 | 5 |
| btc gambling | 21 | 0 |
| btc hi-lo | 10 | 24 |
| btc roulette | 0 | 0 |
| btc sportsbook | 10 | 9 |
| html5 baccarat | 12 | 7 |
| html5 blackjack | 4 | 4 |
| html5 hi-lo | 9 | 6 |
| html5 roulette | 42 | 57 |
| provably fair baccarat | 17 | 3 |
| provably fair blackjack | 5 | 7 |
| provably fair hi-lo | 9 | 7 |
| provably fair roulette | 18 | 18 |

# Expenses / Investment back into the Company

*Full P&L with exact breakdowns of expenses is located in the appendix of this document, callouts (only) are below*

1. Comps were up this month as we needed to offer promotions related to the World Cup to remain competitive with our competition. In contrast, we believe the Comps were well executed as we've gained some new loyal players that have been playing across the site, not just in the World Cup where the promotions were held.

2. Contractor development also ran high as two of our casino games were prone to exploits and we needed to enlist the help of outside resources to 'attack' the games and help us walk through steps to reproduce and rectify. As we have been identifying exploits which share similar patterns we are taking steps to harden the architecture across our games to prevent these from popping up again.

3. The 3rd Party Bookmaker takes a "cut" of our Sportsbook revenue by providing us with their service. Our partnership with the new third-party Bookmaker is a new expense, but clearly is money well spent. Investors should expect this expense to grow as revenue in the Sportsbook grows.

# Technical Product Accomplishments

**CasinoBitco.in / Sportsbook**
1. We've integrated the majority of our major markets into our 3rd Party Line and Odds provider, officially offsetting our risk - and allowing us to take much larger wagers than we ever had! Markets migrated over include Tennis, Soccer, Basketball and Baseball.

**CasinoBitco.in / Casino**
1. We successfully implemented the automation of our Casino Comp program and our proud to be the first (and only that we're aware of) Bitcoin Casino that is rewarding play by providing comps to our best and loyal players based on their play in the Casino for the given time period. The comp program will be run weekly and will e-mail users a notification if they've earned a Comp which will be automatically added to their account!

2. Overall in June the development team shifted focus on next gen deliveries to tackle exploits which occurred in Video Poker and Hi-Lo. While we were quick to react and take the games off-line, it took longer than expected to get the games re-certified and deployed as many architectural changes were made for easy reuse and eventual consistency across all our games - something we will be focussing on July.

**PeerBet**
1. Big foundational work was put into PeerBet last month to improve the performance of both the Dice and Wheel games offered on the site. This development was lengthy, but critical to support growth in PeerBet as the Dice and Wheel games are averaging over 30 "rolls or spins" per second! We believe the changes we've made will allow us to scale 4x without any hardware upgrades.

2. Leveraging some of the foundational work from #1 above, we were able to downgrade a few services on the PeerBet SQL Server Instance, which will yield a ~$450 monthly cost savings in Hosting Expenses moving forward.

# Near Term Product Developments

**CasinoBitco.in / Sportsbook**

1. We are going to continue to add more markets onto CasinoBitco.in, including Euro Basketball, more Soccer Leagues, as well as a proof of concept for Live Betting MLB all in July.

2. Our UX team will also begin a redesign of the sportsbook to ensure all pages are responsive and can be rendered in a mobile device with ease.  We're hopeful we can undergo a positive redesign of the Sportsbook ahead of the NFL season.

**CasinoBitco.in / Casino**

1. The team will continue redesigning all 5 Casino Games on CasinoBitco.in, significant focus will be spent on ensuring the footer for all pages is unified with deep links into the Provably Fair Verifier which will be a new addition to our site.

**PeerBet**

1. PeerBet v2.0 development will continue, and we continue to deliver more features to the PeerBet community as our team and capacity grows. Items we plan on focussing on in July are outlines below:

      a) Introduction of a new Alt-Coin (Dark Coin) for play and investment in Peerbet 2.0

      c) The ability to use Alt-Coins for Raffles (with a small stake for the house)

      d) Stretch goal of redesigning the user interface for PeerBet (screenshots above)

# About CasinoBitco.in:

After months of groundwork, CasinoBitco.in was launched in earnest in May 2013 with the vision of bringing bitcoin as a comprehensive online gaming chip to the masses. CasinoBitco.in is based in Panama. With each passing week and the progress it brings, we are ever-closer to our goal - appealing to the gaming market through a truly unique hybrid of proprietary, entertaining casino games and sportsbook, and revolutionizing online gaming with "provably-fair" mechanics building upon the versatility of bitcoin.

Visit our social media platforms here:

https://www.facebook.com/casinobitcoin
https://twitter.com/casinobitcoin

# Appendix

View our public documents, including full P&L, here: Public Drive