

BotGaming

Blockchain powered gambling platform for messenger bots

White Paper v1.1

Abstract

BotGaming – is a blockchain powered gambling platform for messenger bots. We started game development in 2016, and initially we focused on a social gambling business model with monetization solely through in-app purchases. Today the total number of our bots installed on all platforms exceeds 370,000, with more than 30,000 monthly active users. Our products have been mentioned by Forbes, TechCrunch and CNet.

In May 2017, we made a decision to create a fully-featured gambling platform for messenger apps by obtaining a MGA (Malta Gambling Authority) license, which entitles the company to operate in the European market.

The core value of BotGaming is verifiability and user trust. Our open source RNG generator and the performance of all transactions on the blockchain ensures provably fair gambling.

BotGaming's token - BotCoin (BOT) will be used as the primary in-game currency for all of our games. It will be connected across all platforms and allow users to gamble for real money against their friends on their devices.

BotGaming uses blockchain protocol as a strong bidirectional payment channel between players, casino and affiliates. Needless to say, this solution guarantees the fairness of reward payout and gives players a complete control over their funds.

When a player starts a game session we ask him about amount of BOT tokens he want to play. This is consistent with the principle of responsible gambling. Then we deploy a game contract, which lock the corresponding number of tokens on his wallet. When a player decides to quit the game session, the smart contract distributes reward and the outcome of all operations would be added to the blockchain.

As can be seen from this, BotGaming uses blockchain at the game session level only. This approach solves the issue with transactional fees and speed. We need to pay gas only twice - to open and close game session. Once the game session is open, all transactions like slotmachine spins or hand-drawing in poker are gas-free, and are applied with almost instant speed.

The next task is to make any in-game interaction provably fair and transparent. So, we are going to use Pseudo Random Numbers Generator (PRNG) with open code and reproducible results. It is mean that initialize a PRNG with the same seed yields the same result.

Our PRNG source in Java, C++, Python will be hosted on Github and everyone could test it and be convinced of honesty. Also, we will host on Github downloadable client that allows to playback the result of work of the PRNG with a specific argument.

In addition, each spin in slotmachine will be accompanied by a link to the web-based PRNG, thus the player will be able to verify the correctness of the algorithm.

BotGaming uses messengers only as front end, and all interaction with the blockchain happens on the side of our servers. So, we ensure the security of transactions and is not dependent in this sense on the messenger messengers

Currently the BotGaming platform consolidates four bots.

[PokerBot](#) – is considered to be the Top1¹ bot in Telegram. PokerBot provides the means of playing Texas Holdem Poker with friends or random users at tables for 5-9 people. The bot is translated into 14 languages. The total number of installs of PokerBot exceeds the figure of 300,000.

[SlotoBot](#) - is an arcade machine for messengers. In the current version, there are social functions of tournaments and duels with friends or casual users implemented, as well as a boosters store. The bot is translated into 30 languages. The versions of SlotoBot for the following messengers are released: Telegram, Facebook Messenger, Kik, Slack, Line, Wechat. The total number of bot installs exceeds the figure of 70,000.

TotoBot – is a peer-to-peer totalizator for messengers. The players make bets between each other, and this is the key difference between TotoBot and the products of betting companies. Now the MVP version of the bot is being developed.

LotoBot – is an instant lottery for messengers. Now the MVP version of the bot is being developed.

BotGaming – is a product information bot. In future, the development of bots with the games Dice, Blackjack, Baccarat, Roulette is planned.

¹ <http://telegramgeeks.com/2016/04/mypokerbot-top-1-bot-telegram-store-bot/>

Table of Content

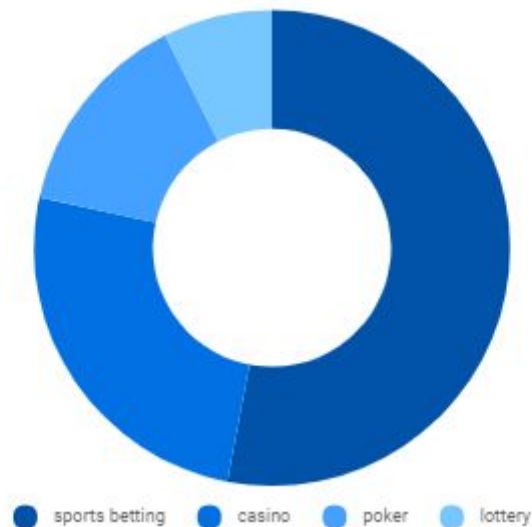
Abstract	1
Table of Content	3
1. Market Analysis	5
1.1. Blockchain technologies in online gambling	6
Common issues that players face in online gambling	6
Issues that blockchain based gambling startups faced	7
Issues solved by BotGaming	7
1.2. Messengers and online gambling	7
Advantages of using of a messenger as a platform	7
2. Introduction to the product	7
2.1. PokerBot	8
2.2. SlotoBot	8
Key functions of SlotoBot:	8
2.3. TotoBot	8
2.4. LotoBot	9
2.5. BotGaming	9
2.7. Payment methods	9
2.8. Reward withdrawal	9
3. Product Specific Section	9
3.1. Slotobot	9
3.2. Pokerbot	10
3.3. TotoBot	10
3.4. LotoBot	10
4. Marketing Strategy	10
4.1. Work with the community	10
4.2. Media buying	11
4.3. Affiliate Programs	11
5. BotCoin (BOT) token	11
6. Technical	12
Front End	12
	3

Blockchain protocol	12
PRNG	12
7. The Tokensale	12
Tokens allocation	13
8. Roadmap of development	13
9. Financial Projection	14
10. Team	15
Management team	15
Development Team	16
Advisers	17
11. Partners	18
12. Conclusion	18

1. Market Analysis

There are following products traditionally presented in the online gambling market: sports bets, casinos, poker and lotteries.

As per a Juniper Research forecast², total wagers made on mobile and online gambling services will grow from \$553.8 billion in 2016, to \$946.0 billion in 2021, a CAGR of 14.1%.

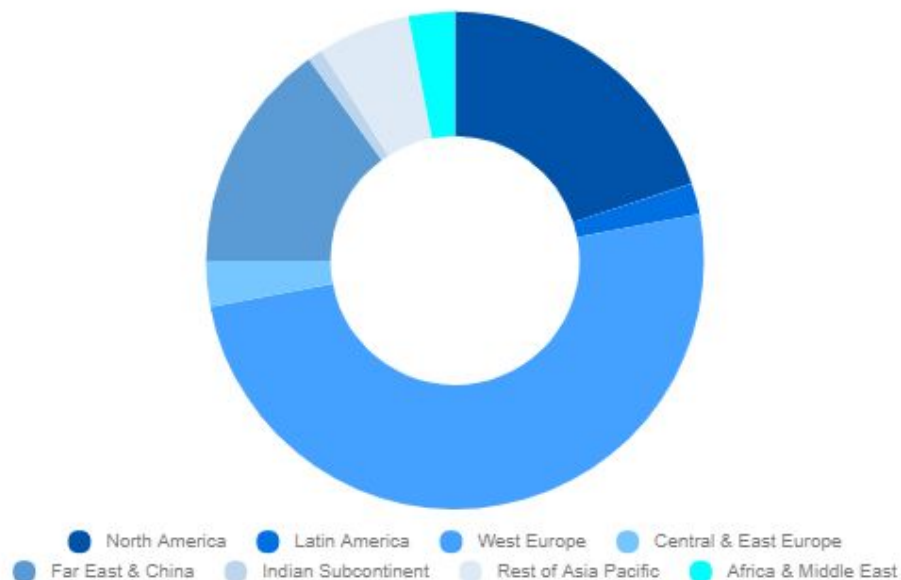


As specified in the research, one of the main growth drivers of the gambling market is the players' move to mobile devices, which is related to the common availability of 3G, 4G and Wi-Fi.

Another tendency is the players' change-over from sports betting (now it comprises more than 50% of all bets) to casual games, especially online casinos.

Although the Western European share in online gambling market comprises more than 50%, the highest rates of users growth are observable in the countries of Asia. The main driver here is online lotteries in China.

²<https://www.juniperresearch.com/researchstore/content-applications/mobile-online-gambling/mobile-online-gambling-casinos-lotteries-be>



It is no coincidence that the most successful exit in the industry is related to China. Jack Ma's consortium bought Playtika, a developer of social gambling games (Slotomania, Caesars Casino Vegas, Downtown Slots) for \$4.4B. It's worth noting that although Playtika games are represented on all platforms (AppStore, GooglePlay), the main audience and profits of the company came from Facebook. Thus, the concept of "business in business", which we develop, has proved its success.

1.1. Blockchain technologies in online gambling

Despite the high rates of growth of the industry, online gambling is constantly confronted with a lack of users' trust. This problem covers all aspects of the gambling industry - from PRND to payments.

Some gambling start-ups try to use blockchain at all stages of the game. It leads to problems with speed in very dynamic in nature games, where latency is simply not allowed. Also, high cost of smart contract execution is a real deal-breaker for micro bets, because transaction fees can exceed wager amounts.

For example, let's take the slotmachine. Any in-game action, like bet or change bet amount normally acts through the blockchain. But such method slowed down the game, raised fee and made it nearly impossible to play.

So, BotGaming uses blockchain protocol in the game session level only. Once the game session is open, all transactions like slotmachine spins or hand-drawing in poker are gas-free, and are applied with almost instant speed.

We use PRNG with open source to make transactions inside the game session transparent and verifiable.

Common issues that players face in online gambling

- Denied access to the game account
- Hidden fees for deposits and withdrawals
- Unreasonably high bookmakers' fees
- Hidden terms that enable casinos not to pay or detain rewards
- Nonverifiable PRNG-algorithms
- Aggressive marketing (email, phone calls, etc.)

Issues that blockchain based gambling startups faced

- Low speed
- High cost of smart contract execution

Issues solved by BotGaming

- No risk of fraud from the operator
- No hidden terms and hidden fees
- Completely verifiable PRNG-algorithm
- No risk of non-payment of rewards
- Almost instant ingame transaction speed
- Payment for the execution of a smart contract only at the opening and closing of the game session

1.2. Messengers and online gambling

As noted above, one of the drivers of the industry growth is the emergence of mobile users. As the users of mobile devices spend up to 70% of time on messengers, it makes it especially promising to use them as mobile gambling platforms. This is completely correlated with the concept of the development of the messengers themselves, which turn into ecosystem enclosures with their own sticker stores, payment systems (Telegram) and their own cryptocurrencies (Kik).

Advantages of using of a messenger as a platform

- A user doesn't need to install a new application, there are no requirements to the device performance and quality of cellular network
- Ad traffic of messengers costs extremely cheaper than usual mobile traffic
- A high potential for building affiliate networks of channel owners on messengers
- Possibility to work in the regions where the phone is the only user's device
- Possibility to use the messengers' social functions

2. Introduction to the product

BotGaming is a platform for gambling bots for messengers that uses blockchain technology to implement the principle of provably fair gambling. For betting and withdrawal rewards, the ingame currency of BotCoin (BOT) is used.

The purchase of BotCoin is available with popular wallets, through exchanges or directly at BotGaming website. The reward is immediately transferred to the user's wallet. Verifiability and fair play are provided by the PRNG algorithm with open code.

2.1. PokerBot

PokerBot – is recognized as the Top1³ bot in Telegram. PokerBot enables users to play Texas Holdem Poker at the tables for 5-9 people. The bot is translated into 14 languages. The total number of downloads exceeds the figure of 300.000.

- Play with friends or random users
- Play at a public table and possibility to create your own table
- A bonus program (includes rewarding bonuses for being active)
- Players' ratings
- A referral program for players

Currently the bot is only monetized through in-app purchases.

2.2. SlotoBot

SlotoBot is an arcade slot machine for messengers. It is possible to play in emoji mode and in graphic mode. In the latter case, a separate picture is rendered for each spin. The bot is translated into 30 languages. The total number of downloads exceeds 70,000. The versions of SlotoBot for the following messengers are released:

- Telegram
- Facebook Messenger
- Kik
- Slack
- Line
- WeChat

Key functions of SlotoBot:

- Single player mode
- Duel mode with friends or random players
- Tournaments with prize fund
- A bonus program (includes rewarding bonuses for being active)
- Players' ratings
- Boosters stores (for duels and tournaments)
- A billing system
- A referral program for player

Currently SlotoBot is only monetized through in-app purchases.

2.3. TotoBot

³ <http://telegramgeeks.com/2016/04/mypokerbot-top-1-bot-telegram-store-bot/>

TotoBot is a p2p totalizator for messengers. The betting between players is the key difference between TotoBot and the products of the betting companies. Now the MVP version of the bot is being developed.

2.4. LotoBot

LotoBot is an instant lottery (bingo) for messengers. At the moment, the MVP version of the bot is being developed.

2.5. BotGaming

BotGaming is the product information bot. At the moment, the MVP version of the bot is being developed.

In the future, the development of bots with games Dice, Blackjack, Baccarat, Roulette is planned.

2.7. Payment methods

Bets in the bots running on BotGaming platform are accepted in intergame currency - BotCoin. After the completion of the Tokensale, BotCoin can be purchased through highly used wallets.

2.8. Reward withdrawal

A reward is immediately transferred to the player's wallet when game session ends and can be converted into any cryptocurrency or fiat money.

3. Product Specific Section

3.1. Slotobot

The Gambling Gross Yield (GGY) of the slotmachine operator is made up of the difference between the amount of deposits for a period, the sum of rewards withdrawn, transition fees (3-5% of GGY) and royalties of content providers (10-15% of GGY).

Another important indicator of the performance of the arcade machines is Return to Player (RTP), the ratio of winning and losing bets. In most jurisdictions, a minimum 95% is secured in legislation.

By the use of blockchain system and our own development, we will be able to minimize all costs and raise the RTP to 97%. This will increase the lifetime of users and the company's profits in the long term.

Consider: the economic model of Slotobot work when buying traffic. During our test advertising campaigns, the download cost of the Telegram-bot by European users (regions Tier2, Tier3) was \$0.1 - \$0.25.

Let's consider the most pessimistic scenario, in which the conversion from download to payment comprises 10%, the average revenue from one payment user (ARPPU) from one player is \$50, and payouts equal to 75% of turnover or ARPPU .

Ad Budget	Slotobot Installs	Payment Users	ARPPU	Payouts	GGY	ROI
\$100 000	400000	40000	\$2 000 000	\$1 500 000	\$500 000	400%

With an advertising budget of \$100.000, we get \$500,000 GGY (taxes will be withheld of this amount), and the marketing ROI is 400%. The turnover, and therefore, the volume of trades in tokens are 20 times higher than the marketing budget.

3.2. Pokerbot

The profit of the poker room consists of a commission from the Pot at each hand. Depending on the size of Buy-In, it comprises 1-5% of the Pot.

Average Blind in online poker is \$0.01 and average Pot is about 30 Blinds that equals \$3. So, the commission rate from one pot is up to \$ 0.15.

The advanced poker player draw more than 100,000 hands for a lifetime that corresponds to the commission \$15,000.

3.3. TotoBot

The profit consists of a commission from a prize pool for each event, and it comprises 5-10% of the total prize pool.

3.4. LotoBot

The profit of instant lotteries consists of the difference between the amount received from ticket sales and the prize pool of each lottery, and it comprises 10% of the total amount of the tickets sold.

4. Marketing Strategy

BotGaming global development strategy is based on customization for each region. We will focus on popular messengers in each country and games allowed in its jurisdiction.

4.1. Work with the community

Tokensale for us is not only a tool for attracting investments, but also a way to express ourselves in the cryptocurrency community. We provided the roles of the bankroll backer and affiliate partners for the tokenholders (more details in section 4), which makes not only speculative investments interesting, but also long-term cooperation.

4.2. Media buying

Currently the audience of the messenger channels is underestimated. This is due to the low efficiency of transfusion of traffic from the messenger's ecosystem to other platforms, whether it's web or mobile applications. We offer the channel owners a reliable way to monetize their audience by placing our advertising or participating in affiliate program.

Besides, we have gained considerable expertise in the purchase of traffic from traditional mobile advertising networks and its subsequent monetization in our bots. It is worth noting that regardless of the source of traffic, the install of a bot for a messenger costs 5-10 times lower than an install of a mobile application.

4.3. Affiliate Programs

3 types of affiliate programs will be implemented in BotGaming.

The program for players enables each user to send out a personal referral link to all their contacts. Once an attracted friend registers at any bot of BotGaming, the referrer gets 20% of GGY of this player's company.

The program for the channel owners implies placing posts with referral links. Registration as an affiliate partner is available at the project website or in the information bot BotGaming. There is a referral commission for this type of partners: up to 50% of GGY.

The calculation of referral payments is instant when game session ends. Identification of users at the device level enables to avoid fraud in affiliate programs.

5. BotCoin (BOT) token

BOT is a utility token based on ERC20 standards. It is used as in-game currency for all the game contracts integrated within the BotGaming platform. Keys to BOT can be stored in platform wallets by players and in any Ethereum client or by more advanced Ethereum users.

There is already significant use of our platform. It is fast, can handle many users and is ready to scale after the crowdsale. We assume that every 100,000 Slotobot installs generate a trading volume of tokens equivalent to \$1,000,000. We want to become the most reputable and well known messenger bot gaming platform and we welcome our base to join us to become part of the BotGaming community.

6. Technical

Front End

BotGaming uses messengers only as front end, and all interaction with the blockchain happens on the side of our servers. So, we ensure the security of transactions and is not dependent in this sense on the messengers.

Blockchain protocol

BotGaming uses blockchain protocol as a strong bidirectional payment channel between players, casino and affiliates. When a player starts a game session we ask him about amount of BOT tokens he want to play. This is consistent with the principle of responsible gambling. Then we deploy a game contract, which lock the corresponding number of tokens on his wallet. When a player decides to quit the game session, the smart contract distributes reward and the outcome of operations would be added to the blockchain.

As can be seen from this, BotGaming uses blockchain at the game session level only. This approach solves the issue with transactional fees and speed. We need to pay gas only twice - to open and close game session. Once the game session is open, all transactions like slotmachine spins or hand-drawing in poker are gas-free, and are applied with almost instant speed.

PRNG

We are going to use Random Numbers Generator (PRNG) with open code and reproducible results. It is mean that initialize a PRNG with the same seed yields the same result.

Our PRNG source in Java, C++, Python will be hosted on Github and everyone could test it and be convinced of honesty. Also, we will host on Github downloadable client that allows to playback the result of work of the PRNG with a specific argument.

In addition, each spin in slotmachine will be accompanied by a link to the web-based PRNG, thus the player will be able to verify the correctness of the algorithm.

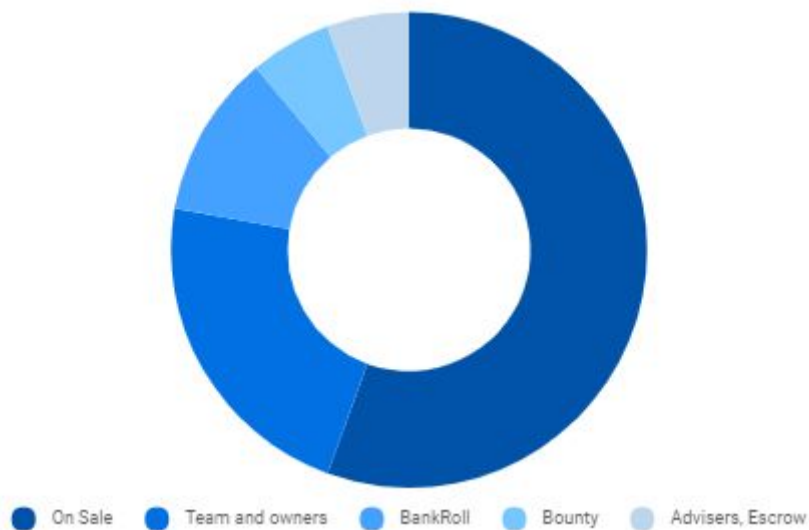
For more information learn [Technical Appendix](#).

7. The Tokensale

- Basic token cost 0.0001 ETH
- Minimal limit \$3,000,000
- Hardcap \$20,000,000

Tokens allocation

On Sale	60.00%
Team and owners	20.00%
BankRoll	10.00%
Bounty	5.00%
Advisers, Escrow	5.00%



8. Roadmap of development

June - July 2017

- Market research

August 2017

- Website
- White Paper 1.0
- Community
- Legal consulting

September 2017

- Legal structuring of business
- Launch BetBot and LotoBot for Telegram
- Adding to ICO lists
- Investors' private area

October 2017

- Marketing campaign
- Bounty campaign
- Price Discovery Campaign on Wings.ai

- PRNG with open code
- Smart contracts

November 2017

- The Tokensale

December 2017

- End of the Tokensale
- Token distribution
- Claim for Curacao Gambling License
- Listing the BOT token on exchanges
- PR campaign BotGaming

IQ 2018

- Curacao Gambling License
- MVP
- Marketing campaign in Europe

IIQ 2018

- Development of bots with games Dice, BlackJack, Baccarat, Roulette
- Html5 games
- Claim for Gambling License

9. Financial Projection

The structure of expenses of BotGaming is given in the diagram below.

Legal	10.00%
Token rate maintaining	15.00%
Development	30.00%
Marketing	40.00%
Operations	5.00%



Considerable costs for legal support of the company are stipulated not only by the specific character of blockchain, but also by the need to obtain licenses to run a gambling business. Malta Gambling Authority license is assumed to be obtained in order to operate in European market.

10. Team

Management team

Kirill Pyrev

CEO

Last years focused on messenger bots, online games and dating services. Also, as a CMO & co-founder, launched FXVan, a broker company, and expanded it to the Asian market.

Fedor Matasov, Ph.D.

CTO

More than 15 years experience in gambling and sport betting industry. Strong expertise in development of complex solution for offline gambling that cover software and hardware as well as high loaded online casinos.

Ruslan Mukhametkhanov

Marketing and PR manager

Experience in digital marketing for more than 10 years. Worked on leading positions at Ingate - one of the largest Internet agencies in East Europe. Now focused on product marketing and user acquisition.

Leo Kangin

Head of product

Chat Bots & AI evangelist, launched several successful messenger bots including MojiHunt (featured on Forbes, VentureBeat) and PennyCat (as seen on CNBC TV channels, LifeHacker, VentureBeat).

Mikhail Sinitsyn

Business development manager East Asia

Professional Chinese-speaking project manager, with vast experience in developing and executing projects related to the East Asia region, including start-ups (Diamond Education International Ltd. in China and Hong Kong), as well as governmental-level projects.

Dmitry Popov

Project Manager

Passionate PM, loves user centric product models and flexible workflow frameworks. Adept at analyzing the competitive landscape, conducting research and attaining continual profits through focused.

Boris Bobrov

Lawyer

Solid expertise in corporate law, M&A, litigation, intellectual property and international law. More than 9 years of practice on position of legal department.

Ksenia Gromenko

Community manager

Online community and social media strategist with 7 years experience in developing projects and creating communities around project.

Development Team

Dmitry Rozhkov

System Architect

Senior Java and C++ developer. Crypto enthusiast since 2013.

- Gambling protocols: G2S, SAS 4-0-6.2, cctalk, ccnet, ASP, ID003
- Programming language: Java, C/C++/C#, Python, Perl etc
- Frameworks: .NET, ASP.NET, ASP.NET MVC, WPF, WCF, JSF, Spring
- API: WinAPI, WinForms, Managed DirectX, MAPI
- DB: PostgreSQL, MSSQL, Interbase, xBase, MySQL

- ORM: XPO, NHibernate, Hibernate,
- VCS: Mercurial, VSS, TFS, SVN,

Mikhail Ruban

Full Stack Developer

Experience in software development for more than 8 years.

- Gambling protocols: G2S, SAS 4-0-6.2, cctalk, ccnet, ASP, ID003
- .NET: C#, WCF, ASP, LINQ, Entity Framework
- Java: Java 8, Spring, Hibernate
- BD: PostgreSQL, MS SQL

Kirill Glinsky

Full Stack Developer

Total experience in software development 7 years.

- .NET: C#, WCF, ASP, LINQ, Entity Framework
- Java: Java 8, Spring, Hibernate
- BD: PostgreSQL, MS SQL

Evgeny Savin

ChatBot Developer

Total experience in software development 7 years and 2 years experience at messenger bot developing.

- JavaScript, Node.js, ES6, NPM, babel, docker, sequelize, express, ejs, nunjucks, mocha, chai
- PostgreSQL, MySQL, Memcached, Redis
- PHP, Yii2, Sphinx, Smarty, Bootstrap 3, HTML, CSS, jQuery
- C#, Java

Dmitry Ruban

Quality Assurance Lead

More than 6 years experience in Q&A.

Advisers

Ariel Israilov

Investment Advisor

Ariel graduated from Finanz Akademie, Vienna and has trading and market making background with over 15 years of global entrepreneurship experience. As a venture capitalist his investment focus is East-African, ASEAN and CIS countries. Ariel is the CEO

and Founder of FRESHVALE LTD and several IT, finance and security technologies companies.

Samuel McMulloch

Advisor

Founder of SmartICOinvestor.com and ICO consultant. Options trader for multi-million USD fund and crypto investor.

Dean Cannell

Advisor

Dean Managing Partner at EntrepTract, Partner at CoVentures, he has 13+ years experience working with startup technology companies helping them from idea to funding or acquisition. Dean founded CoinFabric.com to establish a strong team of experts & advisors to help companies achieve their fundraising goals through ITO/ICO Crowdsales, & long-term goals of building scalable & successful blockchain companies.

Andrei Moskvitch

ICO Legal Advisor

Managing Partner at A2 law firm. Senior legal professional with over 10 years of experience in international law, legal & corporate strategy, IP due diligence, IPO IP structuring, tech transfer, patent protection and enforcement, Internet regulation, ICO and blockchain. Goal-oriented problem solver with an excellent track record of successful work for global players such as Adidas, AFK Sistema, Airbus, Biocad, Bombardier, IBM and Yandex.

11. Partners



Decentralized platform for crowdfunding projects. [Wings](#) is one of the top fintech startups according CoinTelegraph. WINGS is providing the platform and technical support for the BotGaming crowdsale campaign.

12. Conclusion

This document presents in great part the technological and marketing strategies planned and adopted with the objective of perfecting and maintaining the continuous development of BotGaming. Using blockchain and messengers as technology platform brings about new level of trust in gambling games and makes it extremely easy to access.

For more information visit botgaming.me or email kirill@botgaming.me.

Technical Appendix <https://botgaming.me/technical.pdf>