



Luckbox

**ESPORTS BETTING
DONE RIGHT**

WHITEPAPER

Disclaimer

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Abstract

The esports explosion has created an enormous opportunity in the gambling industry that, as yet, has not been properly seized.

Traditional operators do not understand the sector and, therefore, do not appeal to esports fans.

Several newer platforms have emerged and, while enjoying significant success, have failed to comply with necessary laws and jurisdictions. This not only puts them at risk of incurring severe penalties but means they are unable to grow due to marketing restrictions.

This paper aims to outline why the combination of Luckbox's unique platform, secure digital currency, adherence to the highest levels of regulation and highly experienced team provide the foundation for a project with incredible global potential.

It also outlines Luckbox's pioneering token structure, which gives contributors the opportunity to own "profit share" tokens, entitling the holder to a proportion of the business's annual profits. This means contributors can enjoy the rewards as Luckbox rapidly grows into a global brand.



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PART I:

LUCKBOX'S GOALS

Luckbox is an ambitious and innovative project with huge potential scalability. Part I outlines what Luckbox will achieve and how this crowdsale helps to make it possible.

What is Luckbox?

Luckbox will be a fully regulated gambling platform where players engage with fellow esports fans and their favourite games in a safe and secure environment.

Luckbox will allow fans of games such as CS:GO and League of Legends to bet on all of their favourite events as well as enjoy an esports-themed casino.

The platform will be designed to foster a highly active community, in which esports players can watch and discuss a variety of games and events. Luckbox will be dedicated to interacting with the esports community at all levels, including active support of grassroots players and teams.

Luckbox will accept Fiat, in-game items and digital currency as payment methods, allowing access to customers in previously inaccessible regions.

Visitors can use our own token - which we intend to name LuckCash. LuckCash is a utility token that can be used on the platform to enjoy various advantages, as outlined in the description of the token structure.

Luckbox is being devised and delivered by a team with vast experience in the iGaming and esports industries.



Key product features

- Dedicated to making esports fans feel at home
- An engaging environment for fans and players of a wide variety of games
- Regulated for player safety to operate in all key territories globally
- Accessible in app stores
- Option to deposit traditional currencies, crypto and ingame items
- In-game / skins betting - fully legal and compliant
- Focused on building thriving community
- The highest levels of player protection
- Esportsbook on games including LoL, Dota 2, CS:GO
- In-play betting
- Esports-themed casino
- Live streams of esports events
- Available on desktop, tablet and mobile
- Support for grassroots esports
- Development of esports training academy
- Exclusive content, including videos, interviews and insight
- Business built to be agile and highly scalable quickly
- Operated by a team with vast experience in gambling and esports sectors
- Built by a skilled and experienced team of developers with a strong background in delivering innovative products
- Development of in-house games
- Engaging player experience based on behavioural analytics, including Luckbox rewards, achievements, VIP system, and more.



Crowdsale overview

Luckbox has been years in the planning and this crowdsale represents the last stage before final development and launch.

- Luckbox will launch two tokens - **LuckCash** and **LuckProfit**.

LuckCash

- LuckCash is a utility token with distinct advantages during the token sale and after launch.
- On the Luckbox platform, LuckCash reduces payment friction for players in many regions and the token can be used by to enjoy various benefits, including attaining rewards faster and making purchases in the VIP store.

LuckProfit

- After launch, LuckProfit may be purchased by qualified investors at 1:1 ratio. LuckProfit holders earn rights towards 20% of company profit.

Double appeal

- The dual-token structure makes Luckbox an attractive proposition for contributors* both short and longer-term.
- The crowdsale will take place in Q1 2018 with a hardcap of 20 million USD.
- The crowdsale has a low hardcap with fair distribution (with significant percentage of tokens locked by vesting).
- Tokens held by the team and advisors are vested and not immediately available. Any unsold tokens will be allocated to the user adoption marketing pool.
- Luckbox will impose a minimum contribution amount and supporters will be required comply with stringent KYC checks.



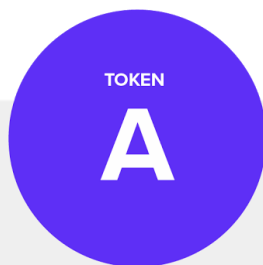
- Integrity and security underpin every action undertaken by Luckbox and this also applies during the crowdsale. The crowdsale process has been and will continue to be conducted with a high level of scrutiny, with the aim of safeguarding the future of the business and protecting fellow investors.

*Jurisdictional restrictions might apply. US residents must be accredited investors{1}. LuckCash remains available for use on platform for eligible products.

Token structure

Hardcap: 20million USD
Public crowdsale: Q1 2018

Preminted ERC20, divisible by eight decimal places.



LuckCash
 (provisional name)

Utility token available to purchase in the crowdsale

Can be bought with Fiat, crypto and skins
 Reduces payment friction for players
 Entitles players to faster rewards
 Platform currency of choice



LuckProfit
 (provisional name)

Available at product launch, entitles holder to profit share*

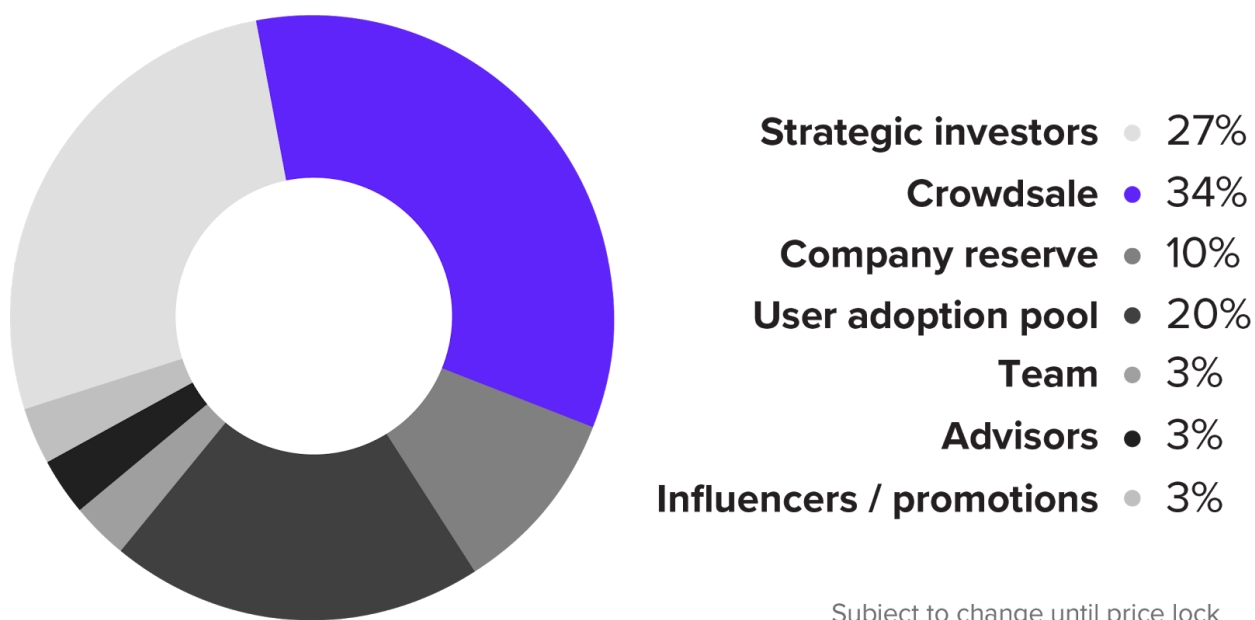
Available to accredited investors
 May be purchased using LuckCash tokens (1:1 ratio)
 Token must remain on platform while owned (staked)
 Profit share earned pro-rata by time staked



Luckbox Token A - LuckCash

- Utility token used for gambling and purchases on Luckbox
- Faster VIP rewards when gambling using tokens
- Significantly improved access to gambling payments for billions of potential customers
- Reduces payment processing costs v traditional methods for customers and company
- User journeys created to incentivise and promote use of LuckCash over other currencies
- Tokens will be awarded from Luckbox crates
- Exclusive method to purchase/upgrade Luckbox VIP crates
- Required to purchase items/rewards in the Luckbox VIP Store

Token A distribution



Strategic investors: Early contributors to the project.

Crowdsale: Those who purchased Luck tokens in during the pre-sale and crowdsale.

Company reserve: Tokens kept in reserve by the company, details to be announced.

User adoption pool: Funds used for acquiring and retaining customers, including reward programme (see 'Player acquisition and marketing').

Team: Tokens distributed to the Luckbox team.

Advisors: Tokens distributed to project advisors.

Influencers / promotions: Tokens distributed to influencers and used for campaigns.



Details of the development and marketing pools makeup to be announced. Dev pool will be locked behind milestones.

A small percentage of the marketing pool will be used during the token sale.

Tokens will be distributed as soon as possible following audit of crowdsale.

Total tokens

Total tokens and sale price of tokens to be announced on lock date.

Accepted crowdsale payments

ETH.

Minimum contributions

Presale: 10k USD. **Crowdsale:** 250 USD.

Whitelist, KYC and auditing

A whitelist will be in place for the public crowdsale. All contributors will be required to complete stringent KYC checks. Tokens will be audited by an external third party.

Bonuses - Earn Your Luck

Contributors will be invited to earn bonuses by helping spread the word about Luckbox with blog posts, YouTube videos and sharing on social media. Details to be announced.

Provisional timeline

- Presale: January 22 2018 to February 15 2018
- Crowdsale: February 15 2018 to March 1 2018
- Sale finishes early if USD hardcap of \$20m is reached

Luckbox Token B - LuckProfit

- Can be exchanged for Token A, “profit share” token
- Staked tokens accrue proportional rights to 20% of company’s net profits
- Can be exchanged at ratio of 1:1 for LuckCash
- Can be purchased by accredited investors on the Luckbox platform

Token B distribution

- 100% of tokens sold

Token locking



- Founders: vested over at least 2 years
- Team: vested over at least 12 months
- Advisors: vested over at least 6 months

Token sale so far

The Luckbox crowdsale is generating funds to help set the business in a strong position to achieve its goals of becoming a leading global brand in the industry.

A private sale that began in September 2017 attracted a phenomenal response, with strategic contributors committing to LuckCash with 483.5 Bitcoin. The support from early contributors has been essential in getting the project to this stage.

Why Luckbox?

The problem

There is rapid growth in the esports sector but it is underserved when it comes to gambling platforms. Some existing platforms are operating without being properly regulated - some outright illegal - while traditional bookmakers who are compliant have not fully embraced esports. Lack of compliance also prevents entry to app stores and payment processors, meaning very limited access to players on mobile and limited ability to offer popular payment options.

This presents a significant opportunity. There are billions of people residing in markets where processing gambling payments in Fiat is expensive or outright impossible, despite it being fully legal. This is true in areas such as China, Africa and Latin America and some parts of Europe.

Meanwhile the esports market is currently underserved and much of the market is occupied by unlicensed actors with unsustainable business practices (causing a number of scandals[2]).

While legitimate operators have enjoyed success, arguably no one has yet fully capitalised on the opportunities available.

With both the esports and the crypto gambling space lacking serious business practices, there is a huge gap in the market that can be filled by a legitimate operator with a forward-leaning, innovative mindset.



The solution

Luckbox will solve the problems outlined by being a fully licensed gambling platform dedicated to the esports market.

Luckbox will offer a fully licensed crypto gambling solution to capitalise on its distinct advantages, while also accepting traditional payment methods and in-game items in a safe environment. The variety of payment solutions means access for players in regions where gambling is permitted but banks prove an obstacle.

Compliance with the highest levels of regulation will enable Luckbox to penetrate markets across the globe, as well as access to app stores, such as Google Play and Apple.

Luckbox has built a team of executives, each with 10-plus years' experience managing gambling, digital currencies and/or esports projects. The team represents a broad spectrum of specialisation, across management, technology, product, design, licensing, regulatory affairs, operations and marketing.

Part of this picture is scaling. To grow into a big business, marketing and consumer adoption has to be at the centre of everything Luckbox does.

By creating a great player experience, offering a fully legal and safe place to play, Luckbox not only ensures that players want to come back, but that we are able to work with big, compliant, B2B partners (marketing, app stores, game developers etc).

The team at Luckbox knows that success depends on very significant investments and reinvestments into marketing and consumer adoption, and a great product.



Where Luckbox is going

Business plan overview

Integrity, transparency and accountability underpin Luckbox's operations and these sound foundations will not only help create a great player experience but also put the business in a strong position to grow.

All decisions will be made to optimise player experience, prioritising lasting relationships over short-term gains.

Our goal is to make Luckbox the most successful online gaming company serving the esports community, offering an unrivalled player experience and in so doing, return as much money (through dividends and capital growth) back to contributors as possible.

Our two-token structure gives contributors the chance to hold a utility token and, after the product launches, attain a token that entitles them to a share of the company's profits going forward.

Through the support of discerning contributors and the commitment and drive of our knowledgeable industry executives we aim to create a business that takes the largest share of the esports gambling market and to achieve this we will:

- Create a platform that is engaging for players to create a sustainable gaming community
- Implement a technology platform that will allow the ready implementation of new games developed by third parties and, from our own development studio
- Ensure Luckbox is successful by creating an amazing entertainment product with mass appeal
- Use key influencers in the esports community to drive profitable traffic our way in preference to other sites
- Create a framework to ensure people do not develop a gambling addiction, help players set their own limits, allow for self-exclusion, create systems to identify and educate potential problem gamblers

Engagement

We will listen to and respond to our customers - we want them to feel involved in our technology.



The esports community is by definition “tech savvy”, and we plan to tap into that, enabling players to share their ideas and tips with others and also create a community feeling, allowing players some influence in the design of the site and the products offered. By doing so we will increase the attraction of our site, reduce the need for players to go elsewhere and increase our turnover.

We will also use the latest technology and principles of decision theory to maximise engagement in the individual player as well as the community. For example, through our Luckbox crate, VIP programmes, clan systems, and achievements.

Innovative approach

Initially, we will use products from third parties to service our community. However, this is not our plan in the medium-term.

Building our own games in future will ensure that we develop our own image and USP. To achieve this we will have a basic platform that will allow products to be switched in and switched out again if they fail to generate sufficient income.

We also want our customers to stay and play with us, not move to another site to spend their money there. To keep them with us we will implement technology that will enable us to use the latest artificial intelligence, data mining and machine learning tools to increase sustainable turnover through steering customer behaviour.

Operating responsibly

Being seen as an operator that believes in responsible gambling can also be profitable. This is the message that has been learned in other industries and is one that needs to be learned by the gambling sector. It is not just a “bolt on” however, it is a business tenet and one that must be built in from the start.

We will, of course, separate player funds from operations cash, adopt the KYC procedures necessary to ensure that our licence obligations are met and accept business only from territories permitted by our licence. However, we will go further than this – we will use the information that we hold to proactively identify players who show signs of gambling addiction and work with them to prevent what should be a fun leisure activity turn into a life problem.

Adopting this approach will prevent Luckbox from being the subject of enforcement actions from regulators which is expensive not only from a financial perspective but also from the time and resources which are required to be wasted dealing with issues which should never have happened in the first place.



Use of influencers

We already work with a number of individuals involved in marketing esports participants and we intend to fully leverage and monetise the connections they bring. As the esports market is still very new there is a limited number of individuals and agencies who have these connections.

The experience they bring to us will mean that we are able to maximise the benefits we achieve from our marketing spend, increase the number of player signups and reduce the amount of “wasted” marketing spend.

All of these factors combined will improve our profitability and increase the lifetime value to Luckbox of players who sign up to our site.

To summarise, Luckbox will be:

Legitimate

- Fully segregated and protected player funds
- Licensed and regulated in top-tier jurisdictions
- Compliant with all relevant laws

Attractive

- A safe place to play
- Accepting unique mix of traditional, crypto and in-game currencies (skins)
- Gambling platform designed to be uniquely engaging and social; creating enduring communities
- Option to bet on a wide variety of the most popular esports games and events
- In-play betting on esports
- Live streams of esports events in a social setting
- Esports-centric casino games
- Exclusive esports content, including interviews and analysis with leading figures
- Esports training academy to help players increase their skills and knowledge
- “Giving back” to the esports community by, for example, supporting for smaller streamers, hosting tournaments, competitions and charity streams

Equipped for the future

- Opening up billion-people markets (including Asia and LATAM)
- Competitive cost structures; significant savings on transaction fees
- Aggressive marketing to capture significant esports market share



- A hub of high traffic/low monetisation esport communities, media and services
- Gambling-as-a-service offerings (tech and licensing is B2B-ready)
- Utilise affiliates and no upfront cost approaches to traditional gambling markets



PART II: BUILDING FOR SUCCESS

How will Luckbox achieve its goals? The next part of this paper details how the business will be built to thrive, including an overview of the current market and practises and how Luckbox will stand apart.

How gambling operators make money

The monetisation of a gaming website occurs through different means depending on the game. For example, house edge in the casino, overround in betting games, or rake in tournaments.

In general this can be expressed as a percentage measurement, and represents the amount that the gaming site would expect to retain, on average, from each game or spin, given normal patterns of play.

Examples include:

- In games such as roulette or slots, the edge is achieved by the casino paying slightly less than the true odds for a bet. For example the true odds for a single roulette number to win are 37/1, given there are 37 numbers, but the house pays out at 36/1.
- In games such as blackjack, the dealer wins all bets from losing players, even if their own bet is a bust. By contrast, the player can only win if their hand beats the house.
- In a sportsbook or esportsbook, the house edge is known as the overround. In any given event the sum of possible outcomes, in reality, of course, is 100%, but with the overround it is always slightly higher. Take these odds, for example:



Home win: 2.50
Draw: 3.25
Away win: 3.00

To convert these odds as a percentage, we do this:

$1 / 2.5 = 0.4$ (40% chance of home win)
 $1 / 3.25 = 0.31$ (31% chance of draw)
 $1 / 3.00 = 0.30$ (30% chance of away win)

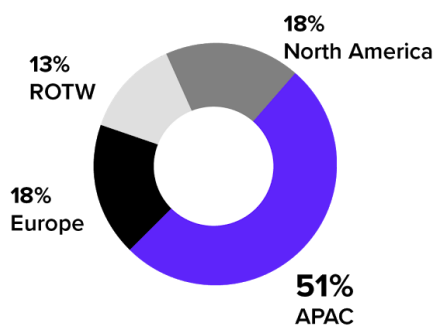
Then you add the percentages up to get $40\% + 31\% + 30\% = 104\%$

Giving us an overround of 4%.

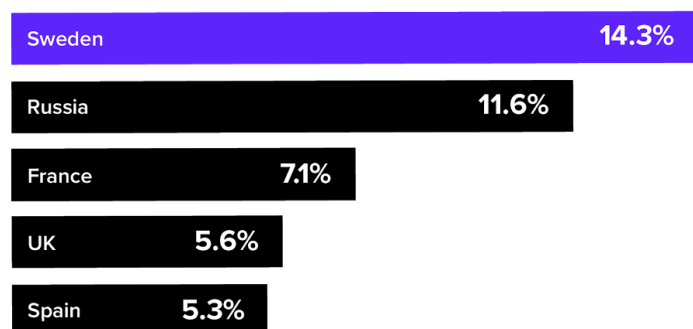
Sometimes, this is also referred to as Return To Player (RTP), e.g. a slot game may have 96% RTP and, on average, pay back 96c on a \$1 bet.

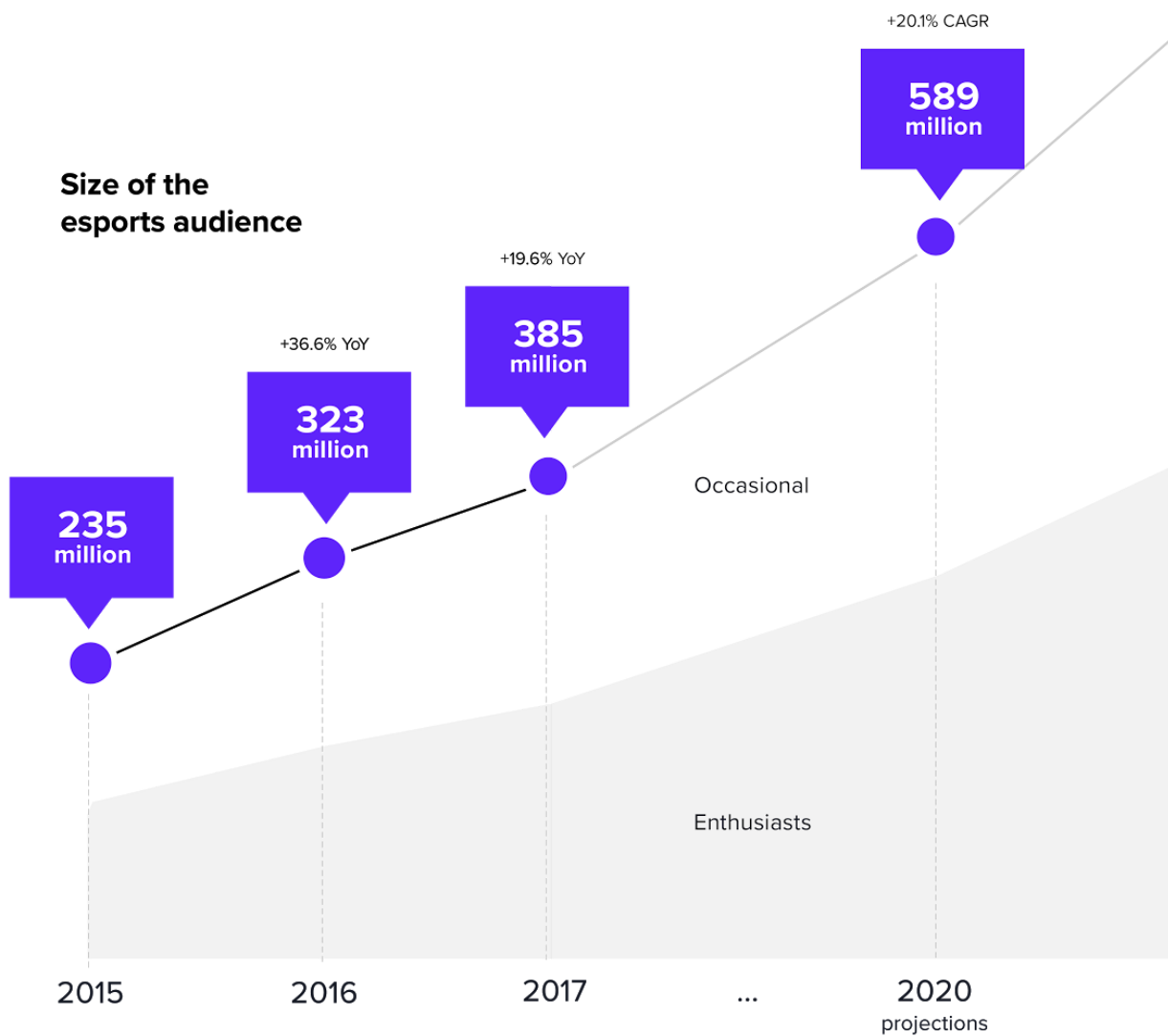
The esports market

**Esports enthusiasts by
GEO location, 2017**

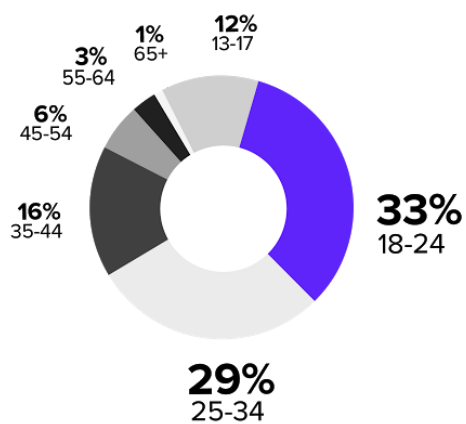


**Top 5 esports countries in Europe,
ranked by revenue share, 2016**

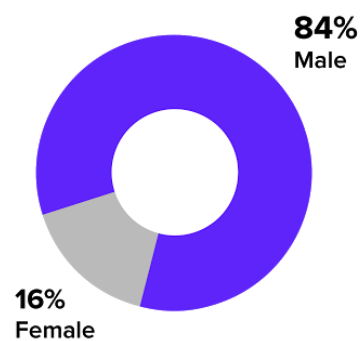




Esports audience age in Europe, 2016



Esports enthusiasts in Europe by gender, 2016



Devices Used by Esports Fans in Select Countries to Play Video Games, June 2017

Platform	UK	Germany	France
PC	39%	51%	54%
Playstation 4	35%	32%	34%
Xbox One	32%	12%	19%

Ways in Which Esports Fans in Select Countries View Esports/Sports Events, June 2017

Activity	UK	Germany	France
View a live stream esports event online (live/as it happened)	65%	59%	60%
View a sporting event on TV (live/as it happened)	60%	59%	55%
View an esports event on TV (live or pre-recorded/on-demand)	36%	34%	33%
View a live stream of a sporting event online (live/as it happened)	38%	39%	40%
Attend a live sporting event (in person/as a spectator)	33%	32%	24%
View a sporting event on TV (pre-recorded/on-demand)	37%	29%	24%
Attend a live esports event (in person/as a spectator)	14%	16%	11%

Sources:

European esports market conducted by SuperData Research, May 2017

Newzoo 2017 Global Esports Market Report

Nielsen, "The Esports Playbook," Oct 3, 2017



Skins and other virtual items

Skins are in-game virtual items within certain computer games that can be earned or bought.

Many games offer players the ability to re-assign these skins to other players, either through trade, or by selling them in a marketplace for real money, for example OPskins.

As these licences of skins are transactable, they have value. Some items can be worth as little as a couple of cents, while others can have value of up to tens of thousands of dollars.

The importance here is not the value, but the fact that they *have* value as long as players are willing to transact these skins. Thus, an ingame item for one player might have no value to him personally, but have value to others.

Starting with betting on the very esports where these items exists, the fan is already invested in the success and value of the skins.

Because of the popularity of these games, the marketplace of skins is comparably large. There is a \$6bn market around CS:GO items alone, which is only one of several games.

The market is relatively new and still growing massively and, as a consequence, a large number of anything from incompetent to outright unethical operators (occasionally nothing but a scam) has surfaced. This creates distrust in the market as well as pushing the necessity of regulation closer.

Luckbox will be entering this largely untapped acquisition resource with focus.

By operating ethically and ensuring Luckbox is properly licensed, the company will possess a significant advantage against unlicensed operators, being in an ideal position to grow, capture market share and establishing ourselves as a trusted place to play.



Regulation

A key element of Luckbox is regulation. Compliance with the most stringent rules sets us apart from competitors and provides a strong foundation for rapid and far-reaching global growth.

Why regulate?

Regulation is a tool used to achieve social, political, environmental and economic outcomes that would otherwise not be achieved within the market. Regulation does heighten barriers to entry and, unfortunately, stifles innovation in many cases. However, it is still necessary to ensure a fair and honest operation within the market.

In the case of online gambling, regulation is focused on keeping the industry crime-free, to ensure that the services offered by licence holders are fair and that players receive their true winnings and to protect the young and vulnerable.

All responsible gambling sites should be regulated for many business and legitimacy reasons, yet many skins gambling sites profess to exploit a legal loophole to avoid regulation.

This is concerning as it is an attempt to legitimise the lack of gambling licenses and, in most high-value markets, it is not the case that a legal loophole exists. Most jurisdictions with an online, or remote gambling licensing regime, have taken the same stance; skins and cryptocurrencies are “money or money’s worth” and as such, fall within the scope of regulation.

The UK Gambling Commission (UKGC) was one of the first to start the domino effect by introducing crypto-specific policies and many jurisdictions have followed. More are following also. There are numerous top-tier European regulators that approve licences to companies that comply with their requirements.

Platforms that are regulated have gone through a stringent process of due diligence on the business model, relationships with third parties and the owners/operators. Being properly licensed offers peace of mind for customers, contributors and connected businesses.



A gambling site without a licence may never achieve credibility, or legal market access and the proceeds are likely to be deemed derived from a criminal enterprise. If a site does not have a reputable regulatory seal of approval, they are demonstrating a total lack of respect for solid business practices and customers can expect to be treated accordingly.

The Luckbox philosophy determines the business will operate in a regulated framework, which will help mitigate a lot of potential risks. Regulation also ensures the stability and security of investments made in the company.

Luckbox will be registered in the Isle of Man as it carries the highest regulatory standard of any of the top-tier jurisdictions.

Online Gambling Regulation Act 2001 (OGRA) is the primary legislation regulating the online gambling industry designed to ensure the gambling industry is kept crime-free, protect the young and vulnerable; and to ensure that the facilities offered by licensees are fair and that players receive their true winnings.

Currently the following regulations are in force under OGRA:

- Online Gambling Duty Regulations 2008.
- Online Gambling (Advertising) Regulations 2007.
- Online Gambling (Prescribed Descriptions) Regulations 2007.
- Online Gambling (Systems Verification) (No. 2) Regulations 2007.
- Online Gambling (Betting and Miscellaneous Provisions) Regulations 2007.
- Online Gambling (Disaster Recovery) (No. 2) Regulations 2007.
- Online Gambling (Registration and Accounts) Regulations 2008.
- Online Gambling (Registration and Accounts) (Amendment) Regulations 2014.
- Online Gambling (Licence Fees) Regulations 2009.
- Online Gambling (Exclusions) Regulations 2010.
- Online Gambling (Exclusions) (Amendment) Regulations 2014.
- Online Gambling (Participants' Money) Regulations 2010.
- Online Gambling (Participants' Money) (Amendment) Regulations 2014.
- Online Gambling (Network Services) Regulations 2011.

The licensing process to meet these regulations is extensive, which is why some recent gambling-related crowdsales have chosen to ignore, plead ignorance, claim regulations do not apply to them or opt for a less reputable licence.

The approach at Luckbox is to protect the customer, the investors and the business by engaging with regulation early to avoid penalties and, potentially, total loss of operations down the line, through government intervention.

To successfully apply for an OGRA license, applicants must produce a robust suite of documents that accurately reflect business operations going forward, these include, but are not limited to: A business plan; anti-money laundering and counter terrorist financial manual; risk register; terms



and conditions; privacy policy; data protection policy; business continuity plan and three-year financial forecasts.

In practice, this includes: protecting 100% of player funds, ensuring that the services offered are fair and that players receive their true winnings, identifying and protecting the vulnerable, and ensuring children cannot gamble. It also includes extensive background checks on the individuals involved to ensure only “fit and proper” persons are operating the licence.

Licences must also integrate contingencies for loss of continuity of play, foresight and proper planning that we believe is lacking in many of the current unregulated offerings, and adhere to the Money Laundering and Terrorist Financing (Online Gambling) Code 2013, which increases overheads, but has a significant benefit of protecting investors’ long-term interests.

Protected funds

Players who gamble with operators licensed by the Isle of Man benefit from a number of protections under the Gambling Supervision Commission (GSC).

One of these is the way players’ money is protected: the GSC ensures all licensees have a system in place which fully protects all player funds. This means that any deposits or winnings you have with an GSC-regulated gaming firm are secure and can be enforced by law. Players’ money is classed as deposits, plus winnings, plus any bonuses that have been earned.

The Commission undertakes quarterly checks to ensure that the value of the money held in these mechanisms matches the value of player deposits. It also conducts random checks to detect any shortfalls. The Commission also requires that if its operators suspend or cease operations, all players are contacted and their money is returned. Unlike other regulators, the Commission has never received a complaint from a player who could not obtain their money.

Independent testing

All operators must have the games they offer independently tested by an external testing facility, approved by the Gambling Supervision Commission, to ensure their mechanisms are fully random and, therefore, fair.



Ongoing reviews

The Commission's functions in respect of the interests of the player also include reviewing the ongoing marketing and advertising activities of licensees, and continually monitoring all policies in respect of player protection and underage gambling.

Complaints

Players are first advised to contact the licensee regarding a grievance. If a player is dissatisfied with their response and have exhausted all avenues, they can contact the Commission.

Every licensee is required to have extensive policies and procedures regarding complaints and player requested defined prior to receiving license approval. Regular testing is completed both by the licensee and the GSC, on the effectiveness and adherence to the policies and procedures also.

Random Number Generator

A key component of independent testing is satisfying the following criteria for randomness (save where different rules apply and have been approved by the Commissioners and published to the Participant or potential Participant prior to its participation):

- following Schneier - the data must be randomly generated, passing appropriate statistical non static output results tests of randomness (e.g., Marsaglia's "Diehard" set of tests) uniformly distributed over the set range;
- the data must be unpredictable, i.e. it must not be computationally feasible to predict what the next number will be, given complete knowledge of the algorithm or hardware generating the sequence, and all previously generated numbers;

the series cannot reliably be reproduced, i.e. if the sequence generator is activated again with the same input (as exactly as humanly possible) it will produce two completely unrelated random sequences.

All licensees must disclose to an accredited test facility, the methodology of any random seeding and any seeding must be proven to result in an unpredictable output.



The outcome of any Game or Lottery, and the return to the Participant, must be independent of the CPU, memory, disk or other components used in the computer or other device used by the Participant.

The game or lottery outcome, must not be affected by the effective bandwidth, link utilisation, bit error rate or other characteristic of the communications channel between the System and the computer or other device used by the Participant.

Despite the rigorous nature of these tests and low-cost traditional RNG operating in a successful and growing, global legal gambling market, we are dedicated to transparency and have started scoping the development of our own, fully regulated, transparent RNG.

Cryptocurrencies in gambling

The employment of digital currencies in the gambling and igaming sector has several significant advantages, including:

- Opening the door to new gambling markets
- Reducing payment processing costs
- Reducing fraud
- Increased security for operators and users

Payments are a key battleground for online gambling operators, especially those with a non-European focus. The inability to process payments efficiently is stifling growth across Asia, Africa and Latin America.

In mature markets serviced by high volumes of payment processors, high penetration of Visa and MasterCard credit cards and many other alternative payment methods, the customer has choice of deposit methods, usually linked to a validated bank account. However, what is not evident is the cashflow and chargeback issues that frustrate both customers and operators and reduce profitability.

Benefits of cryptocurrencies in gambling

Two of the main benefits of making cryptocurrencies available in a gambling platform are increased market access and lower transaction fees.

Using cryptocurrencies makes it possible for players to enjoy Luckbox from regions that operators have struggled to penetrate with other payment methods.



Transaction fees are typically lower when using cryptocurrency as there is no involvement from a third party (such as VISA) which adds on a charge for its service. Lower transaction fees can benefit both the business and the players.

Cashflow

Payment Service Providers (PSPs) such as VISA/MasterCard, PayPal, Entropay, Skrill and Optimal offer a mass-market penetration.

Often, operators engage less recognisable names to transact with customers in new markets. What is not evident to the customer is that the payment is not immediate. For example, if one deposits with PayPal, the payment appears to have left the customer's bank account immediately. However, it does not necessarily reach the operator's account immediately. Because it is not commercially viable for PayPal for each payment to be executed separately, therefore the settlement of accumulated funds is made on a periodic basis.

This can present a cashflow issue, especially for peer-to-peer operators and startups.

Chargebacks

Chargebacks affect the ability for all operators to transact efficiently. A chargeback is the return of funds to a consumer initiated by their issuing bank. In gambling terms, this is usually when the customer calls their credit card provider to say they have not made a transaction to a gambling site, or direct credit card fraud.

The onus is on the operator ("merchant") to prove the transaction was valid, leading to many legitimate transactions (where the customer did make the purchase), being voided.

The security and transparency of cryptocurrencies solves this problem.

Crypto and skins payments opportunities

Some regions present significant opportunities for alternative gambling. Africa has famously skipped the landline and broadband infrastructure, instead customers have moved directly to smartphones and mobile payments are widespread and growing in many parts of Africa. The alternative payment methods available to Luckbox offer significant synergies in these regions.



Asia is perhaps even more attractive, as there are reasonably well serviced markets in terms of game content, yet operators struggle with accessing their customers directly, instead using super affiliates, transfer affiliates and credit betting to facilitate transfers with customers.

Unfortunately, these models are open to abuse, significant leakage and can be frustratingly slow for their customers. Crypto and skins gambling offers a direct relationship with customers and almost immediate cash-out mechanisms that, we believe, will attract unprecedented growth within the business.

Luckbox vs competition

	Luckbox	TRADITIONAL COMPETITION	CRYPTO COMPETITION	SKIN GAMBLING COMPETITION
Legally compliant	♥	♥	some	—
Able to transact real money	♥	♥	some	—
Able to transact crypto	♥	some	♥	some
Able to transact in-game items	♥	—	some	♥
Access to app stores	♥	♥	some	—
Access to compliant marketing channels	♥	♥	some	—
Modern approach to data science, decision theory and A.I.	♥	some	—	—
Community-centric platform	♥	—	—	—
Full suite of player protections	♥	♥	—	—

Technology

Using proven gambling-grade technology, trusted third-party services, and building upon years of industry experience, the Luckbox team can focus development efforts within its areas of expertise.



This will produce meaningful results faster than what would be considered a typical development cycle. An additional benefit, apart from reliability, is that it simplifies the development team expansion, making recruiting expert personnel familiar with these popular platforms much easier.

We will announce our strategic partners as part of our marketing strategy during the crowdsale. Luckbox will work with reputable and renowned services to provide:

- **Game and transactional engine:** Featuring all major functionality required by regulators (as outlined in 'Regulation' section), while proven to be flexible, secure and scalable.
- **Payments gateway:** We have selected an aggregator solution preferred by some of the biggest brands in igaming, allowing access to about 200 different payment methods around the world.
- **Esportsbook:** We will work with a leading provider of sports betting services that also offers esports markets for all major games and events, including in-play betting.

Full details of each partnership will be announced as part of our publicity drive.

Technology overview

It is our deliberate policy to make use of widely used, well known software frameworks and tools to enable us to recruit quality staff and reduce training times. These include:

- Debian 9: A mature and stable operating system
- Docker: A resource management tool to enable clustering and rapid scalability
- HAProxy load balancer and network reporting tool to ensure the user experience is optimal from wherever the user is based
- NetData to monitor the performance and uptime of our network which also issues messages and alerts before issues cause downtime
- Node.js runtime environment to ensure our users encounter low response times
- MariaDB database server for industry-standard security, reliability and fine-tuned performance

Other services and applications in use for development purposes include Rollbar to monitor and report on application issues and GitLab, a code repository and software development support tool designed to ensure that fine-grained control is exercised over the versions of our software, and to manage deployments to test and production environments.

We have made use of RAID 1 disk storage technology to allow us to hot-swap hard drives, thereby reducing downtime and increasing system reliability. This is used in association with live database replication by means of real-time incremental data backups.

This is an industry-standard approach which is designed to completely prevent data loss. Should the unlikely event of a system failure occur, our high-frequency scheduled backups policy in



conjunction with automated recovery procedures would help us recover services in accordance with generally accepted timescales for high-volume, online operations. To maintain compliance with our OGRA licence a detailed disaster recovery plan is in place.

Development process

For long-term success, every area of a project must be built on a solid foundation - this is especially true when dealing with technology. To address this, Luckbox puts high emphasis on the development process to ensure high standards at every stage, from blueprinting to shipping final products.

To ensure quality, as well as speed and agility, we are relying on an iterative development process, using the widely popular SCRUM software development methodology. SCRUM focuses on strict separation of responsibilities, on development team autonomy and on the full engagement of all team members.

By embracing an agile mindset, we are making sure that we both deliver on time, and that we are flexible enough, so that we can adapt quickly to a changing business environment. That way we are confident that we will simultaneously be delivering the best possible product on time, and that we have a means to stay on the forefront of innovation in the years to come.

Test-driven development

The development process also follows a methodology called test-driven development, which takes care of the, sadly, very often neglected need for writing tests and documentation. Tests serve the crucial role of ensuring a project's ability to satisfy its growth needs by making complexity management easier and by avoiding the constant introduction of bugs.

After a feature graduates from the rigorous planning phase, the first development step is creating tests and documentation. Tests provide a solid way to prevent the introduction of bugs, regressions and incompatibilities across the system. In addition, documentation acts as a knowledge vault, accessible at all times, saving tremendous amount of time otherwise spent on implementation questions, onboarding new recruits and working on old, long-forgotten functionality.

Automation, standards, builds and deployment

After implementing the new functionality and the code is checked in, several systems perform automated checks on it to ensure it conforms to all standards and it is not broken:

- An error checker finds any code mistakes that might have slipped in accidentally
- A code style linter makes sure the codebase is neat and consistent



- All project tests run to ensure the new code works as expected, and no bugs or regressions to old functionality were introduced

When all of the above pass, an isolated testing environment with the new functionality is built automatically and a quality assurance engineer is assigned to perform manual testing and code review. If the feature is ready to be shipped, it gets deployed to the production environment, with all downtime, migration and administration tasks handled automatically.

Thanks to automating all of the above, the process becomes way less frustrating for the team, as it prevents many human errors along the way, saves time from unnecessary back-and-forth communication between developers and removes execution of menial tasks.

Development environment

As a final key point, all development is handled through a personalised development environment. It hosts a local copy of the application and the full suite of tools for team communication, project management and development. It is a "one-click" solution to getting started on working on the project, which makes the onboarding extremely fast and painless.

Big data and machine learning

To improve our users' experience, Luckbox will utilise several artificial intelligence systems that help analyse and recognise various behavioral patterns on the website. We collect customer usage data and metrics and run our machine learning algorithms on it.

This trains a complex set of neural networks that identify the above-mentioned behavioral patterns and custom-tailors the experience of each individual user in real-time. To make all this possible and cope with the massive amounts of data, we will use a hybrid approach, which leverages technologies such as the Cassandra big data storage engine, TensorFlow's long short-term memory neural networks, pre-trained user data-sets cached in Redis and continuous asynchronous processing. Our team has experience using these tools in the past.



Player acquisition and marketing

Customer acquisition via esports is an area not well understood by traditional operators, while being underutilised and undervalued by companies already in the space.

At this stage, we are keen not to divulge the specifics of our marketing plan. By creating a superior and more engaging product than the competition, we will acquire a significant number of users organically; by word of mouth and friend-to-friend recommendations.

Luckbox will use:

- Content marketing
- Social Media
- PPC, SEO
- Influencers

The brand message will focus primarily on the elements that make us stand out:

- Safe, legitimate
- Fun, exciting
- Social, community
- Tailored products for each individual esports
- First-mover into new/growing games

The user adoption pool will be used for:

- Conversion from free play to real money play via promoting first deposit through tailored first deposit bonus offers.
- Early Retention of new players during critical weeks of their activity on the site via new players' boosts of Luckbox crates reward program and beginner challenges
- Long-term engagement of existing players via state of art Luckbox crates rewards
- Churn prevention of existing players by applying anti-churn offers that will be triggered by predictive analytics of players' behaviour.

At present, the acquisition cost per user in the space is low, particular for skin gambling operators. We believe this is not sustainable as we and emerging competition saturate the market, but that costs will remain below the costs seen in the gambling space for years to come.

Thus, we forecast :



- Year 1: £25 growing to £50
- Year 2 £55 to £65
- Year three: £70 to £90.

Retention

The highly social aspect of Luckbox means player retention is crucial, particularly in the weeks immediately after launch.

A sprint strategy to reach critical mass as quickly as possible, ensuring the Luckbox community is sufficiently active at certain dates and times, will ensure an enriched player experience and lead to repeat visits. This will be executed to ensure a vibrant 24/7 community in a short timeframe.

Informing and attracting players will primarily be done utilising influencers targeting the now quite populous niche communities surrounding the esports and gaming industries. This is effective because of the pre-existing social standing of the influencer and the audiences proven willingness and interest in interacting with the people they enjoy watching stream.

Luckbox's audience is especially reachable through social engagement platforms such as Twitch and YouTube Live, but platforms such as Reddit, Steam and YouTube (traditional) can be powerful methods of reaching potential players.

Engagement

Engagement is the most important element in drawing and retaining customers. Luckbox will offer players the opportunity to engage with games and events they are interested in and that offer emotional engagement.

Engagement (fun) = retention and virality = low acquisition costs

Luckbox will capitalise on its uniquely social platform, for instance through influencers “crashing the chat” with their followers.

Twitch, YouTube Live and similar platforms will provide the most effective platforms in terms of ROI and most virality as it gives the influencer scope to provide live demonstrations of the product, engage directly with the target audience, and create incentives to convert that engagement into registrations and deposits.



Solid ancillary options will be YouTube (video) influencers for similar reasons. The engagement is lower, but it gives us demonstration power as well as sizeable audiences.

Luckbox will also use of some more traditional tools (AdSense, Reddit, Facebook, etc) which offer flexibility, though less engagement and likely somewhat lower margins.

These campaigns can be tailored to help reach critical mass of players on the platform at the right times, creating the fast-paced social experience the audience loves. Paid search and display ads also offer a more complete picture of the entire revenue stream, useful to de-risk marketing cost risks.

Via Steam and other social platforms, Luckbox will communicate directly with the audience, generating positive brand engagement, soliciting and implementing user-demanded features and create a level of trust unparalleled in this sector

The Luckbox team have wealth of experience and data to facilitate the targeting of locations and markets we know are especially profitable (for example, Norway) or with large Counter-Strike specific audiences (e.g. Poland, Russia) or a mix of high-value customers and large CS:GO following (Germany , Sweden). These are natural targets for our efforts.

Luckbox crate reward program

Luckbox's approach to player acquisition and retention will involve using a variety of rewards and incentives (both monetary and non-monetary), including the Luckbox reward programme.

The Luckbox crate reward programme is a simple, fair and fun way of rewarding player loyalty.

The nature of the reward programme means the incentive to keep playing will be both monetary and non-monetary. It is based entirely around the concept of a player growing and then opening their Luckbox.

The Luckbox is a treasure chest that contains a random reward. The size of the reward is dependent on the amount of Net Gaming Revenue (NGR) a player has contributed. This is not expressly stated to the player, but rather visually represented by the size and grandeur of the player's Luckbox.

A player can only have one Luckbox at a time, which continues to grow until the player decides to open it. Once opened, the reward prize is paid and the Luckbox resets to a smaller size. In order to encourage continued play, the Luckbox will reset at 20% of its previous value.



Many of the prizes will have a simple cash value, which will be paid in Luckbox Tokens, raising awareness and use of the native cryptocurrency.

A new player will begin with a basic 'locked' Luckbox. Once the player reaches a nominal amount of NGR (e.g. \$5), the Luckbox becomes 'unlocked', and a reward can be claimed.

However, by opening the smallest-sized Luckbox, their reward is likely to be minimal. Based on a \$5 NGR contribution, the prize will fall in a range of \$1 (high likelihood) to \$10 (low likelihood).

Once the player reaches a new threshold in NGR (e.g. \$10), the player is notified that their Luckbox has 'grown'. In visual terms the small, basic Luckbox has become slightly larger and more ornate. More importantly the reward range is now bigger, with a basic prize of \$2.50 and a top prize of \$25.

This process continues, with the Luckbox growing at gradually increasing intervals and the potential prizes expanding at a similar rate.

Please note that the values in this example are provisional and subject to change.

Boosting LuckCash

The reward programme will be used to incentivise the use of LuckCash token on the platform with players' Luckboxes growing at a faster rate than those who use other currencies.

For example players who use the LuckCash token can open their first Luckbox having reached \$4 NGR, rather than \$5.



PART III: RISK AND REWARD

As well as already possessing vast experience and expertise, the team at Luckbox has carried out meticulous research that has enabled the project to reach this stage and preparing for the journey ahead. Risks and how they will be mitigated have been highlighted, as has the huge potential for success.

Risk management

Introduction

The purpose of risk management is to minimise, avert and/or mitigate risks with potential to harm the business. Over time it has become clear that unlicensed operators carry significant risks not only to its customers, but also to its investors, management and staff.

It is crucial for any business, but particularly an operator in a heavily regulated space, to look at risk in a wide perspective and create strong procedures to quickly identify, evaluate and resolve unforeseen events with grace.

One of the most effective tools of ensuring crises are handled well is having strong core values. To us, doing what is right is more important than short-term greed, leading to decisions such as getting our remote gaming licence in one of the strictest top-tier jurisdictions.



Potential risks, problems, and how we intend to handle them

There are a number of risks associated with a project such as Luckbox, which can be divided into four main groups:

- Player-related risks
- Business-related risks
- Investor-related risks
- Risks due to change in external circumstances

The first step of risk management is to identify risks as clearly as possible.

Player-related risks

- Site security breach
- Fraud
- Money laundering
- Scammers
- Problem gamblers

Any business is exposed to problems such as these. Banks, gambling operations and others holding significant value are especially vulnerable. We will mitigate these risks with practices outlined in the technology section of this paper.

Business-related risks

- Currency/value volatility/manipulation: When it comes to currency instability either due to changing legal status, manipulation or other reasons, the proper way to handle it is to create a risk-averse currency portfolio. The purpose of company funds is not to speculate in currencies, but to have an operating budget that can handle our product offering.
- Badly structured deals: Structuring deals well is an art. Requiring exercises such as formal cost/benefit analysis may be time-consuming and come at a cost, but performing sufficient due diligence ensures better understanding of what *exactly* we intend to accomplish and forms basis for deals that are in full alignment with company objectives.
- Scaling: Scaling is a critical issue for a company intending to grow as quickly as we are. To ensure this will not be an issue we have sourced core infrastructure components that have already been tested at scale. The design is modular from the bottom up, ensuring we can add new products with ease, replace components where required, etc.



Crowdsale contributor risks

Many crowdsale projects are flawed by little or no oversight. To mitigate this, we have ensured all our business is carried out in highly reputable jurisdictions, voluntarily submitting to regulatory oversight. Forecasts have been independently verified and funds are protected by a third party who will only approve release upon completion of defined milestones.

Change in external circumstances

External change will be handled in large part by our ability to pivot and adapt Luckbox's product and market strategy, for example

- Market share is threatened by competitors (e.g. big operators entering the market, or other operators becoming better/more efficient.)
- The overall market is threatened by bad and/or unlicensed operators, either due to direct scams or threatening the confidence in the overall market.

Luckbox's dedication to being properly regulated and a market leader when it comes to licensing will help us mitigate the damage and impact of bad and/or unlicensed operators.

- Changes to cryptocurrencies
- Changes to legal ramifications
- Changes to skins/item trading

To mitigate further risk in a changing legal environment it is important to go beyond the current limits of licensing and industry standards in order to have a working business strategy in place prior to the fact. Thus the company core values of innovation, integrity, transparency and "doing what's right" will play directly into our ability to successfully handle external risks.

Summary of Risk Management

The Luckbox philosophy establishes the context for risk management. It helps guide the company's iterative process of continuously identifying, analysing, and evaluating risk in the organisation.



It will also help the business handle unforeseen circumstances in a consistent manner, as well as delegating the handling of emergencies lower down in the organisation, thereby making decisions as close to the incidents as possible.

By creating a framework based on values coupled with a framework of internal policies and procedures, the organisation is equipped to identify, assess and act on potential risks, often before they materialise, while having detailed action lists for scenarios that have been identified.

For example, the Luckbox business continuity plan and the gaming regulations require plans to ensure limited loss of data and minimal disruption to the business, even in the case our hosting provider being destroyed.

Company jackpot conditions

There are certain clear conditions for Luckbox, as a company, to hit the jackpot. These jackpot conditions related to how well we succeed in being the first (innovator), the largest (quantity), or the best (quality) in creating communities and bringing products to the market.

Be the first (innovator)

- First to put a product to the market, e.g. betting on a new esport that explodes in popularity.
- First to create a community for a new esport and/or game that makes it big.
- Succeed engaging the esports community in such a way that they naturally join our other products, optimising acquisition.

Be the largest (quantity)

- Have the market lead in the products we are offering, e.g. biggest market share of CS:GO betting.
- Become the biggest community of fans dedicated to an esports game.
- Build a community is so large that non-gambling revenue streams open up.



Be the best (quality)

- Put the best product to the market, so that anyone that knows about the product, e.g. opening skin crates, will instantly think of us as synonymous with the product.
- Be the go-to resource for a major esport. For example if fans want to know what is going on in an esport community, Luckbox is the place to go.
- Manage to optimise player behaviour through data analysis and AI so that each individual is contributing in a stable and long-term way for a steady revenue stream.
- Be the market leader when it comes to going above and beyond legal and moral obligations and thereby being the only major player that fulfils new market regulations and legal environment. Competitors would be forced out of the market by regulators while Luckbox is allowed to remain.



Financial projections

ASSUMPTIONS			
Quarterly Average Revenue Per User (ARPU)	£146.80	£146.80	£146.80
Customer Lifetime Value	£261.56	£261.56	£261.56
Customer Acquisition Cost (CAC)	£25 increasing to £50	£55 increasing to £65	£70 increasing to £90
New Real Money Users	73,000	240,122	336,806

COMPARISONS	Kindred	32red (casino)	Betfair
Competitor Quarterly ARPU	£166.00	£380.00	£200.00
Competitor CAC	£93.69	£197	N/A

MARKET SHARE	Year 1	Year 2	Year 3
Online Gambling	0.04%	0.18%	0.33%
Esports Gambling	2.70%	10.05%	14.69%
Skins Gambling	5.31%	17.95%	28.88%

FINANCIALS	Year 1	Year 2	Year 3
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Gaming Win (Gross Gaming Revenue)	£14,854,401	£70,373,769	£132,248,712
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Salaries, Product Development	£2,902,773	£4,730,475	£5,282,950
Operations (ex-salaries)	£1,433,000	£1,505,000	£1,523,000
COGS	£10,131,843	£43,592,351	£77,470,796
User Acquisition	£4,300,000	£16,500,000	£28,500,000
Player Retention	£1,782,528	£8,444,852	£14,295,789
License fees	£2,525,248	£11,963,541	£22,482,281
Payment processing & fraud	£1,286,396	£5,557,977	£10,076,747
Gaming Duty	£237,670	£1,125,980	£2,115,979
Total Expenses	-£14,467,616	-£49,827,826	-£84,276,746

Bottom line contribution	£386,785	£20,545,943	£47,971,966
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One-page summary

Luckbox's ambition is to be **a global leader in esports betting**, with player safety, product innovation, pioneering payment solutions and a thriving community as key features of the business.

Luckbox will be **built by esports fans for esports fans**. It will be **fully licensed**, offering players peace of mind and giving Luckbox the opportunity to access markets globally.

As well as a love of esports, the team behind Luckbox boasts **decades of experience** in the gambling sector, across all areas of operations.

While adopting technology and methods at the forefront of the industry, Luckbox will be built to be **highly and rapidly scalable**.

Our pioneering dual token structure offers contributors the opportunity to share Luckbox's success as the business grows, with access to LuckProfit, which entitles holders to a **share of the company's annual profits**.

Unlike many esports betting platforms, Luckbox will comply with the **highest levels of regulation**, safeguarding players, the future of the business and the interest of crowdsale contributors. This high-level compliance also means Luckbox can be the first operator to genuinely reach out to esports fans across the globe.

Unlike many established gambling operators which have attempted to enter the esports space, Luckbox has been built by a team possessing a **wealth of esports knowledge** and enthusiasm.

Players at Luckbox can use **traditional currency, cryptocurrency and in-game items** (skins) in a fully legal and regulated environment.

Luckbox will be a fully regulated, crypto-friendly home for esports fans to engage with their favourite games with enormous global potential.



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- (f) you agree and acknowledge that in the case where you wish to purchase the Tokens are NOT to be construed, interpreted, classified or treated as:
 - (i) any kind of currency other than cryptocurrency;
 - (ii) debentures, stocks or shares issued by any person or entity (whether Luckbox Limited and/or RTGHL), rights, options or derivatives in respect of such debentures, stocks or shares;
 - (iii) units in a collective investment scheme;
 - (iv) units in a business trust;
 - (v) derivatives of units in a business trust; or
 - (vi) any other security or class of securities.
- (h) you have a basic degree of understanding of cryptocurrencies, blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology;
- (i) you are fully aware and understand that in the case where you wish to purchase the Tokens, there are risks associated with Luckbox Limited and RTGHL, their respective business and operations, the Tokens, and the Token Sale;
- (j) you agree and acknowledge that neither Luckbox Limited, RTGHL, nor the is liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this White Paper or any part thereof by you; and
- (k) all of the above representations and warranties are true, complete, accurate and non-misleading from the time of your access to and/or acceptance of possession this White Paper or any part thereof (as the case may be).

Cautionary Note on Forward-Looking Statements

This White Paper may contain certain forward-looking statements including, but not limited to, statements as to future operating results and plans that involve risks and uncertainties. We use words such as “expects”, “anticipates”, “believes”, “estimates”, the negative of these terms and similar expressions to identify forward looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Luckbox Limited, RTGHL, and/or the Luckbox Foundation to differ materially from any future results, performance or achievements expressed or implied by those projected in the forward-looking statements for any reason.

No Advice

No information in this White Paper should be considered to be business, legal, financial or tax advice regarding Luckbox Limited, RTGHL, the Luckbox Foundation, the Tokens, and the Token Sale. You should consult your own legal, financial, tax or other professional adviser regarding Luckbox Limited, RTGHL and/or the Luckbox Foundation and their respective businesses and



operations, the Tokens, and the Token Sale. You should be aware that you may be required to bear the financial risk of any purchase of the Tokens for an indefinite period of time.

Restrictions on Distribution and Dissemination

The distribution or dissemination of this White Paper or any part thereof may be prohibited or restricted by the laws, regulatory requirements and rules of any jurisdiction. In the case where any restriction applies, you are to inform yourself about, and to observe, any restrictions which are applicable to your possession of this White Paper or such part thereof (as the case may be) at your own expense and without liability to Luckbox Limited, RTGHL and/or the Luckbox Foundation. Persons to whom a copy of this White Paper has been distributed or disseminated, provided access to or who otherwise have the White Paper in their possession shall not circulate it to any other persons, reproduce or otherwise distribute this White Paper or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

No Offer of Securities or Registration

This White Paper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction. No person is bound to enter into any contract or binding legal commitment and no cryptocurrency or other form of payment is to be accepted on the basis of this White Paper. Any agreement in relation to any sale and purchase of the Tokens is to be governed by only the T&Cs of such agreement and no other document. In the event of any inconsistencies between the T&Cs and this White Paper, the former shall prevail.

No regulatory authority has examined or approved of any of the information set out in this White Paper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of this White Paper does not imply that the applicable laws, regulatory requirements or rules have been complied with.

Risks and Uncertainties

Prospective purchasers of the Tokens should carefully consider and evaluate all risks and uncertainties associated with Luckbox Limited, RTGHL, the Luckbox Foundation and their respective businesses and operations, the Tokens, and the Token Sale, all information set out in this White Paper and the T&Cs prior to any purchase of the Tokens. If any of such risks and uncertainties develops into actual events, the business, financial condition, results of operations and prospects of Luckbox Limited, RTGHL and/or the Luckbox Foundation could be materially and adversely affected. In such cases, you may lose all or part of the value of the the Tokens.



Risk Factors

A purchase of LuckCash tokens or LuckProfit tokens (collectively, the “Tokens”) involves a high degree of risk. You should consider carefully the risks described below, together with all of the other information contained in this White Paper before making a decision to purchase the Tokens. The following risks entail circumstances under which, our business, financial condition, results of operations could suffer.

Real Time Games Holdings Limited (“RTGHL”) may not successfully obtain an OGRA license, develop, market and launch the business.

The primary legislation regulating the online gambling industry is the Online Gambling Regulation Act 2001, commonly abbreviated to OGRA. RTGHL has applied for and had its OGRA license application accepted by the Isle of Man Gambling Supervision Commission (“GSC”). The GSC is currently reviewing the application and provide no guarantee the license will be issued until the licensing process is successfully completed. RTGHL may have to make changes to the business model or Tokens for any number of legitimate reasons. It is possible that RTGHL may never receive the OGRA license and the Tokens may not ever be released and there may never be an operational Token or that the business launch will not occur. RTGHL or the Tokens, if successfully developed and maintained, may not meet purchaser expectations at the time of purchase. Furthermore, despite good faith efforts to develop and obtain the OGRA license and launch the business, it is still possible that the application fails, would negatively impact the value of the Tokens.

Luckbox Limited will use the proceeds of the Pre-Sale and public sale to invest into RTGHL to make significant investments to develop and launch RTGHL upon which users can realize utility and value. RTGHL may not have or may not be able to obtain the technical skills and expertise needed to successfully develop the business. While RTGHL has sought to retain and continue to competitively recruit experts, there may be a shortage of management, technical, scientific, research and marketing personnel with appropriate training to develop and maintain RTGHL.

RTGHL may be forced to cease operations or take actions that result in a Dissolution Event.

It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of cryptographic and fiat currencies, the inability to obtain an OGRA license and the Tokens’ utility, the failure of commercial relationships, or intellectual property ownership challenges, RTGHL may no longer be viable to operate and RTGHL may dissolve or take actions that result in a dissolution event.

The tax treatment of the Token distribution is uncertain and there may be adverse tax consequences for purchasers upon certain future events.



The tax characterization of the Tokens is uncertain, and each purchaser must seek their own tax advice in connection with a purchase in the Tokens. A purchase of the Tokens pursuant to the Token Sale may result in adverse tax consequences to purchasers, including withholding taxes, income taxes and tax reporting requirements. Each purchaser should consult with and must rely upon the advice of its own professional tax advisors with respect to tax treatment of a purchase of the Tokens.

The products offered by Luckbox through RTGHL may not be widely adopted and may have limited users.

It is possible that RTGHL will not be used by a large number of individuals, companies and other entities or that there will be limited public interest in the creation and development of the business. Such a lack of use or interest could negatively impact the development of RTGHL and therefore the potential utility of the Tokens.

The regulatory regime governing the blockchain technologies, cryptographic tokens and token offerings is uncertain, and new regulations or policies may materially adversely affect the development of RTGHL and the utility of the Tokens.

Regulation of tokens and token offerings such as this, cryptocurrencies, cryptographic tokens, and blockchain technologies is undeveloped and likely to rapidly evolve, varies significantly among international, federal, state and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies may in the future, adopt laws, regulations, guidance, or other actions, which may severely impact the development and growth of RTGHL and the adoption and utility of the Tokens. Failure by RTGHL, Luckbox Limited or certain users of RTGHL to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including criminal penalties, civil penalties and fines.

Purchasers will have no control and Luckbox Limited may only have limited control once the RTGHL hard launch occurs.

Purchasers are not and will not be entitled, to vote or receive dividends or be deemed the holder of capital stock of RTGHL, Luckbox Limited, or the Luckbox Foundation for any purpose, nor will anything be construed to confer on purchasers any of the rights of a stockholder of RTGHL, Luckbox Limited, or the Luckbox Foundation or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive subscription rights or otherwise.

There may be occasions when certain individuals involved in the development and hard launch of RTGHL may encounter potential conflicts of interest, such that said party may avoid a loss, or even realize a gain, when other purchasers of the Tokens are suffering losses.

Purchasers of Tokens may also have conflicting investment, tax, and other interests with respect to the Tokens, which may arise from the terms of the Tokens or the timing of RTGHL, or other



factors. Decisions made by the key employees of RTGHL, Luckbox Limited, or Luckbox Foundation on such matters may be more beneficial for some purchasers than for others.

Purchasers may lack information for monitoring their investment.

A purchaser may not be able to obtain all information it would want regarding RTGHL, or the Tokens, on a timely basis or at all. It is possible that a purchaser may not be aware on a timely basis of material adverse changes that have occurred with respect to RTGHL.

The Tokens have no history.

The Tokens will be a newly formed token and has no history. Each Token should be evaluated on the basis that any Luckbox Limited or any third party's assessment may not prove accurate, and that RTGHL may not achieve its objective. Past performance of any similar token is not predictive of future results.

If RTGHL is unable to satisfy data protection, security, privacy, and other government-and industry-specific requirements, its growth could be harmed.

There are a number of data protection, security, privacy and other government and industry-specific requirements, including those that require companies to notify individuals of data security incidents involving certain types of personal data. Security compromises could harm RTGHL's reputation, erode user confidence in the effectiveness of its security measures, negatively impact its ability to attract new users, or cause existing users to stop using RTGHL's services.

The prices of blockchain assets are extremely volatile. Fluctuations in the price of digital assets could materially and adversely affect our business, and the Tokens may also be subject to significant price volatility.

A decrease in the price of a single blockchain assets may cause volatility in the entire blockchain asset industry and may affect other blockchain assets including the Tokens. For example, a security breach that affects investor or user confidence in ETH may affect the industry as a whole and may also cause the price of the Tokens and other blockchain assets to fluctuate.

