



Online Gaming Platform with Crypto Loans

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Abstract

NCoin is a groundbreaking blockchain that applies crypto-backed loans to online gaming. NCoin aims to be the most profitable cryptocurrency asset by utilizing the casino and loan profits to buyback and burn coins in circulation. Coupled with a continuous creation of demand through the offering of quality gaming content, NCoin will be subjected to a constant price appreciation momentum.

Executive Summary

Problem & Solution

The crypto market was introduced to a plethora of gambling projects since the cryptocurrency craze of 2017. However, none of these projects have achieved widespread success due to the two following issues

- **Volatility:** If the game currency is a cryptocurrency, players are virtually forced to a second set of wager due to the volatility in cryptocurrency price.
- **Reluctance:** Actors in the cryptocurrency sphere look forward to the appreciation of the price of their crypto assets. They are therefore reluctant to wager their cryptocurrencies as they might miss out on a future increase in price.
- **Complexity:** The process of depositing with crypto is too complicated for an average gamer

NCoin solved the issues above through the application of crypto-backed loans to online casinos.

- Players do not have to sell their crypto assets to deposit to a gaming site. Players store their crypto assets in the wallet to loan gaming chips from casino to place wagers. Since the crypto assets are not sold, players can benefit from price appreciation even during play.
- Gameplays are offered in fiat denominations and cryptos are only used as a collateral to back up game chips
- With a dedicated wallet and login authentication, game accessibility becomes easier than ever

Mission & Strategy

NCoin's mission is to establish the world's largest crypto gambling venue. Due to the unique positioning of the NCoin project, we expect a rush of adoption and collateralization upon launch. The collateralized assets will lead to profits from gameplay.

In order to achieve this mission, the NCoin project will employ a set of unique strategies:

- **Free Loan:** All players are offered free loans without interest.
- **Product:** NCoin will incorporate market-leading online poker, casino, and sports providers.
- **UX:** For optimal mobile UX, sign-ups will be removed while providing a unified authentication mechanism through the wallet.
- **Security:** NCoin partners with BitGo to secure all crypto assets. BitGo is the world's largest crypto custodian service provider.
- **Convenience:** Conversion rates will be at par or better than large exchanges so that players can focus on gameplay.

Our Gaming Products



Worldwide Online Poker Sites Traffic Report

Select a Country ▼

Last Updated: August 24, 2018 at 3:50 am PST

Rank	Poker Site	Online	Cash	24 H Peak	7 Day avg	Last Week	Play Now
1	PokerStars	33765	4561	13838	8600		Play Now
2	IDNPoker	13159	3483	6512	5000		Play Now
3	PokerStars Europe	—	547	2800	1600		Play Now
4	GGPoker	2619	845	1704	1250		Play Now
5	PartyPoker	2445	552	2246	1250		Play Now
6	Winamax.fr	1064	264	2383	1200		Play Now
7	888poker	—	611	2179	1150		Play Now
8	PaiWangLuo (Bodog)	—	0	2000	1000		Play Now
9	Winning Poker	4644	1267	1320	850		Play Now
10	iPoker	—	347	1280	650		Play Now

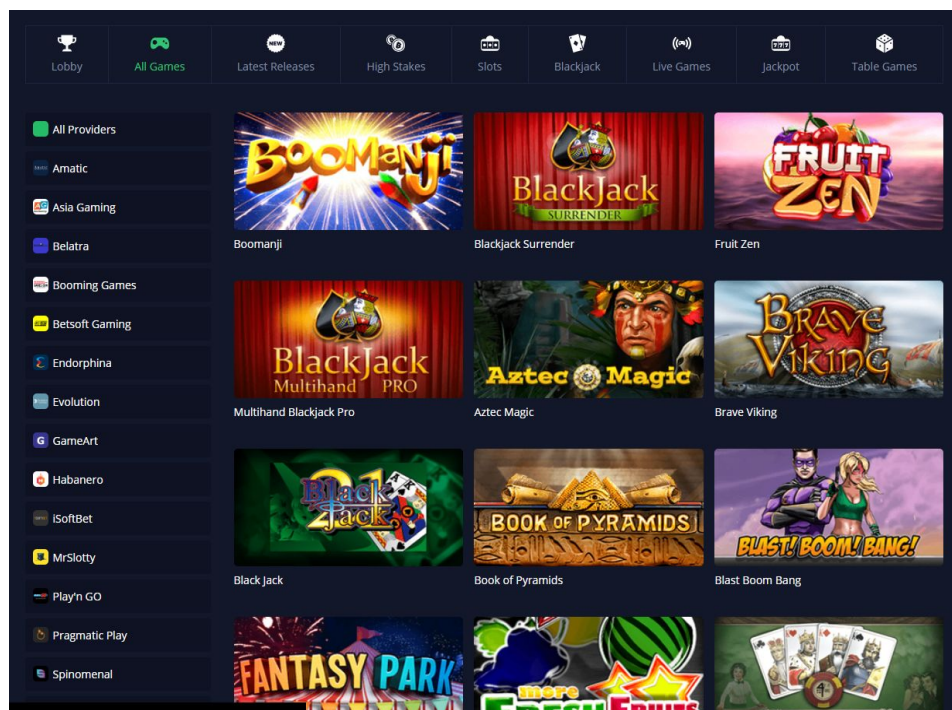
Existing crypto gaming projects (ex, FunFair, Edgeless) focus on decentralization at the expense of user experience. NCoin will bring together products that are current market-leaders in the online gambling industry to provide the best possible experience to the players.

NPoker <https://npoker.com>



NPoker is part of GGNetwork, world's leading provider of network poker software. GGNetwork's pool of 5,000 simultaneous players will be available for NPoker players through the USD currency.

NCasino <https://ncasino.com>

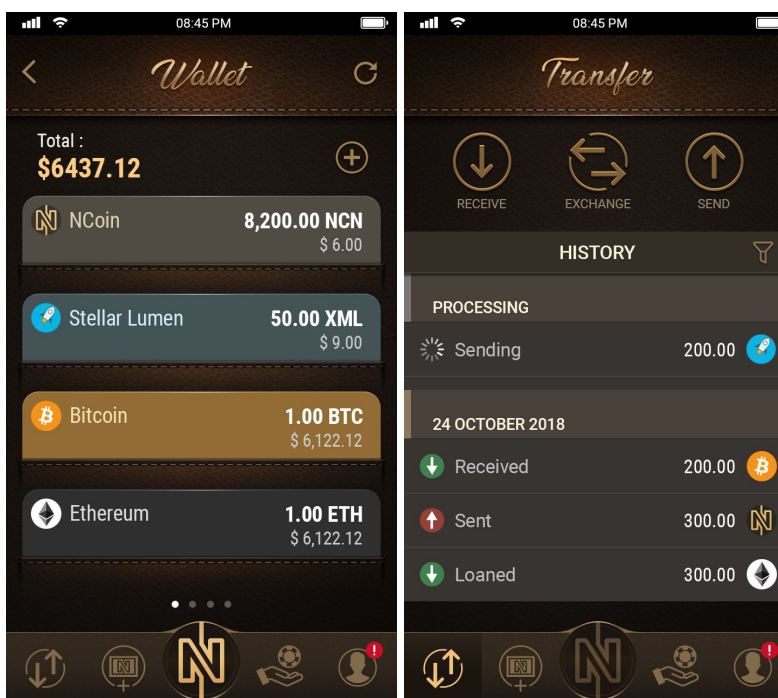


NCasino is an online casino offering a variety of casino games including Sports, Live Dealers, Slots, and Fishing Games. The game selection will be made and maintained by industry experts to provide players with the most popular games on the market at all times.

NGame <https://ngame.com>

NGame is a decentralized gaming platform - the concept is similar to Valve's Steam, but applied to the gaming and crypto industries. As the NCoin project matures, the NGame platform, drawing its user base from the N-Wallet users, will possess a stronger purchasing power than the likes of Google Play, Apple App Store, or Steam.

NCoin Wallet



N-Wallet is the key component that provides a player with a seamless gameplay experience across N-Products.

Cryptocurrency Wallet

N-Wallet, at its heart, is a mobile wallet that facilitates the storage and transfer of cryptocurrencies. N-Wallet will be available for download from the Apple Store and Play Store upon launch.

Login with N-Wallet

N-Wallet acts as the authenticator to log in to NPoker, NCasino, and NGame. N-Wallet holders will be able to log in to N-Products without having to sign-up- they can simply press the "Login with N-Wallet" button to access the services.

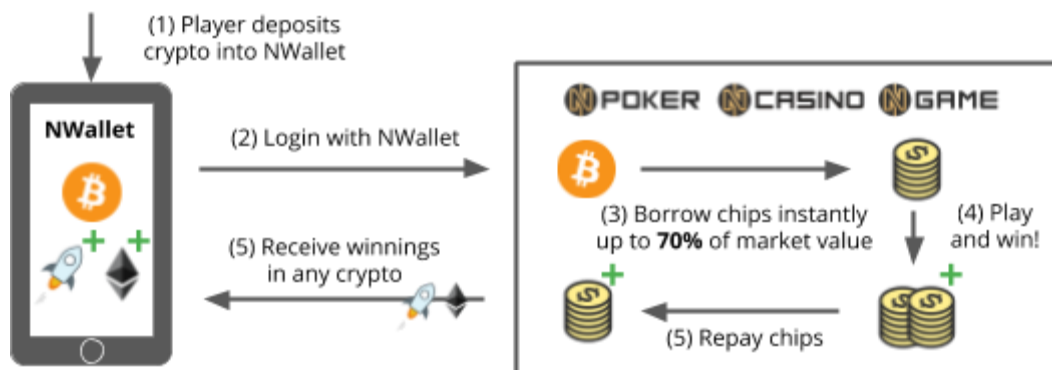
Supported Currencies

N-Wallet will support various currencies at launch. The following is a list of supported currencies

- BTC, BCH, BTG
- ETH and 70+ ERC-20 tokens
- XRP
- ZCASH
- Stellar
- NCoin

More coins will be added continuously according to demand.

Free Loan Gaming Chips with Crypto



Players can take out a loan, in gaming chips, by providing the cryptocurrency in the N-Wallet as collateral.

- Loans are completely interest-free.
- If the principal is paid in full, the collateral is returned in full.
- Loan maturity is 90 days, and if repayment has not been made by maturity, the crypto collateral will be liquidated.

LTV (Loan to Value)

Loan to Value (LTV) determines the chip amount that can be borrowed for each cryptocurrency. LTV values will be updated and published in real time through the analysis of the most recent 90 days' market data such as currency in circulation, volatility, trading volume.

ex) If the LTV of BTC is 70%, and the market value of 1 BTC = \$1,000, the player can borrow \$700 worth of game chips for a 1 BTC collateral.

Repay Chip

Players can repay the loan whenever they wish by returning the chips. When the value of the crypto collateral is deprecating, a partial repayment can be made to lower the LTV to avoid forced liquidation scenarios.

When repayment has not been made at maturity, the loan and the underlying crypto asset is liquidated. The original loan amount is deducted from the proceeds of the sale before returning the remaining amount to the player.

ex) Player borrowed \$500 worth of chips by providing 1 BTC as collateral when the price of 1 BTC = \$1,000. When the price of 1 BTC drops to \$600, the LTV becomes 83%, putting the loan at risk of liquidation. The player can replay \$100 worth of chips to decrease the outstanding loan amount to \$400, thereby lowering the LTV to 66%.

Buy/Sell Chips with Crypto

Buy Chips

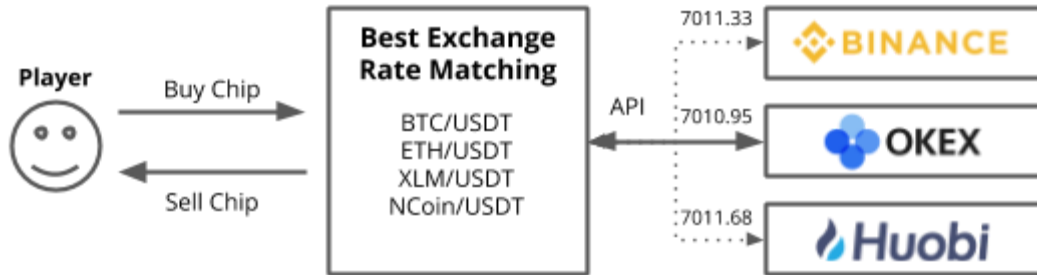
If a player wishes to play with chips equal in value to his entire cryptocurrency holding, he can purchase chips with his cryptocurrencies. If a player borrows chips through the crypto loan and loses chips on games, he needs to purchase chips in order to repay the loan.

- Purchase of chips is possible with all the currencies in the wallet
- Players will receive the chips immediately since there are no block confirmation delays

Sell Chips

Players can cash out, at all times, chips they win from games after repaying the loans. As with purchasing scenarios, chips can be sold to all currencies supported by N-Wallet and transactions will be made in real time.

Best Exchange Rate Matching



When players buy or sell chips, the best available market rate will be applied. This is made possible by the Exchange Rate Matching system, which will monitor the major exchanges for their rates to provide the best available rate to the player. This system allows players to transact without the burden of keeping track of exchange rates.

Financials

Revenue Model

The NCoin project has four profit models.

NPoker	Profit is generated from cash game rake and tournament fees.
NCasino	Profit is generated from player's losses from all casino games.
NGame	Profit is generated from revenue of games utilizing the platform.
N-Wallet	Profit is generated from deposit/withdrawal amount of merchants.

Revenue Projection

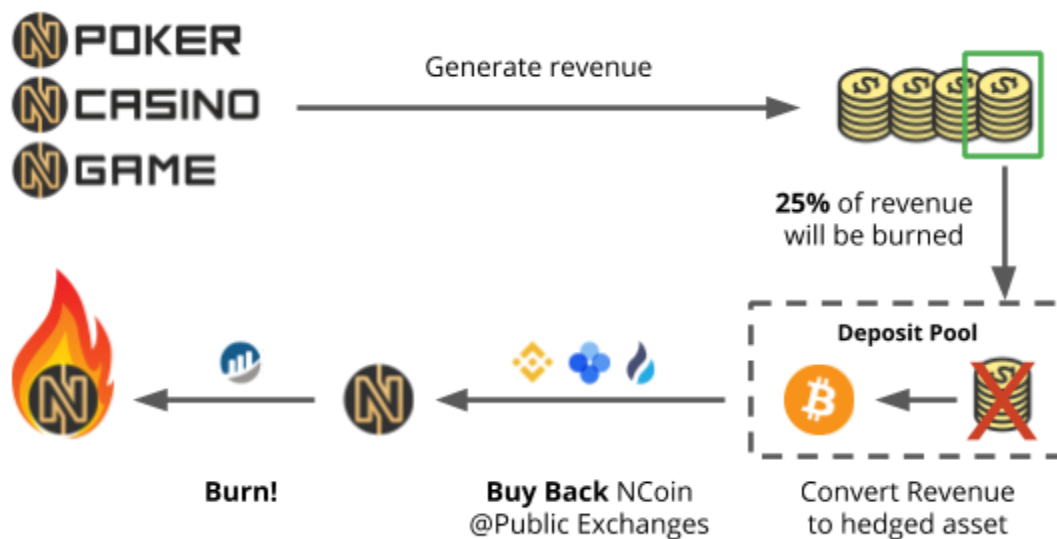
The following projection is based on multiple years of data accumulated through the operation of Poker/Casino/Sports verticals with the GGNetwork and GGPoker brands, as well as public data of TSG, GVC holdings.

- Marketing budget secured through the token sale (maximum of \$7,500,000) will be exhausted within the first two years.
- Operations are expected to stabilize after a year, at which point 25% of the NGR will be spent on marketing costs.

Days Open	Q1	Q2	Q4	Q8
KPI				

Monthly Active Players	100	500	3,000	10,000
NPoker GGR (\$)	\$30,000	\$150,000	\$900,000	\$3,000,000
NCasino GGR (\$)	\$0	\$15,000	\$270,000	\$3,000,000
NCasino Growth (%)	0.00%	10.00%	30.00%	100.00%
Revenue				
Poker Net Revenue (\$/monthly)	\$21,000	\$105,000	\$630,000	\$2,100,000
Casino Net Revenue (\$/monthly)	\$0	\$10,500	\$189,000	\$2,100,000
Total Monthly NGR (\$)	\$21,000	\$115,500	\$819,000	\$4,200,000
Total Annual NGR (\$)	\$252,000	\$1,386,000	\$9,828,000	\$50,400,000

Buy Back & Burn



25% of all profits generated by the NCoin system will be used to buy back and burn NCoins from the market - this will decrease the total supply of NCoins, leading to an increase in price. The token buyback will be performed each quarter starting three months after the launch and will continue until 50% of all tokens generated, or 275 million tokens, are purchased and burned.

Token burning will be performed on Etherscan for transparency.

NCoin Fair Price Calculation

NCoin is sold for \$0.10. The following section will make a projection of NCoin price two years after launch, assuming the project progresses according to the initial plans.

- Buy back & burn is equivalent to dividend distribution. Since the NCoin project will buy back & burn tokens worth 25% of its NGR each quarter, it can be assumed that owners of NCoin have 25% of the equity in the NCoin Project (without voting rights).
- Since the development N-products is included in the budget for the first two years, the launch of these services will have a positive effect on the price of NCoins. However, potential profits from N-products will not be taken into consideration for this calculation for a conservative estimate.
- After two years, all tokens for the team will be freed from its vesting period. Combined with the tokens sold during the sale, the total circulating supply becomes \$375 million tokens.

LeoVegas is a prominent company with a business model comparable to the NCoin project. This company aggregates 3rd party casino games into their platform to perform B2C business. While the PER of LeoVegas is 35, we assume a PER of 20 for the NCoin project for a conservative estimate.

*¹) <https://www.bloomberg.com/quote/LEO:SS>

There is a total of eight NCoin Buy Back events (Q1 to Q8) during two years, and the buying pressure resulting from token burn has a positive effect on price but will be ignored for a conservative estimate.

Implied Market Cap of NCoin Project

= Implied Annual Revenue X PER

= \$50M X 20

= \$1B

Implied Market Cap of NCoin

= Implied Market Cap of NCoin Project X 25%

= \$1B X 25%

= \$250M

Implied Fair Price of NCoin

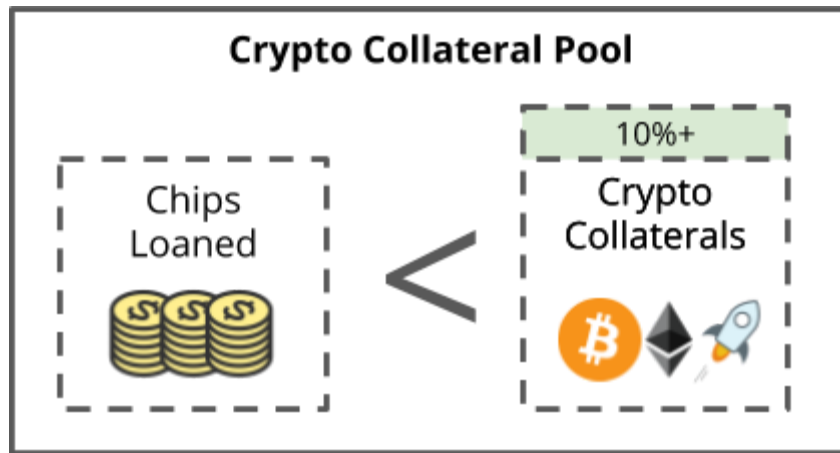
= Implied Market Cap of NCoin / Circulating Supply

= \$250M / 375M

= \$0.66

Risk Management

Over-collateralization Risk

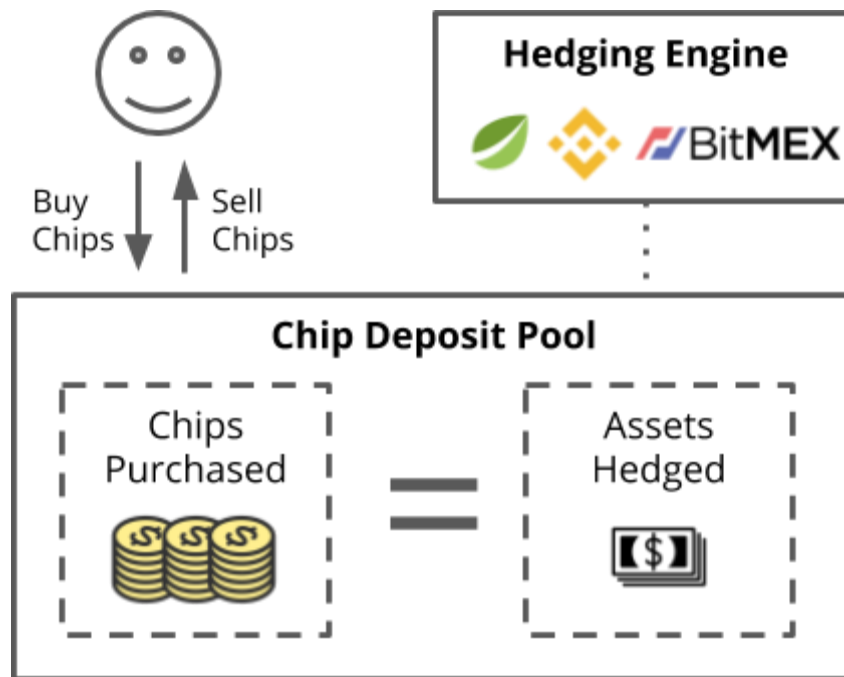


The total value of the loans will always be kept higher than the total amount loaned for the stability of the system. Whenever the value of a collateral falls to the point that the loaned amount exceeds the LTV, the system will force a closure of the loan by selling off the underlying collateral.

Players who had been subjected to a forced closure will have the remaining collateral returned, after the principal loan amount, and 10% penalty has been accounted for. Forced closures are likely to occur during unstable markets when the prices of the crypto collateral are depreciating rapidly. The 10% penalty on the original loan amount charged during forced closures will be used to buy back and burn NCoins from the market with the aim of stabilizing NCoin prices.

ex) A player has borrowed \$500 chips by mortgaging 1 BTC when the price of 1 BTC = \$1,000. When the price of BTC falls to 1 BTC = \$714.28, the LTV falls to 70%. The system will reclaim 0.7 BTC, and use 0.07 BTC to purchase and burn NCoins. The player will be returned $1 - 0.7 - 0.07 = 0.23$ BTC.

Crypto-Fiat Volatility Risk



When players make a direct purchase of chips using cryptocurrencies, the system will sell the chips at market rate. The same rate will be applied when the player changes his chips back to cryptocurrency, effectively putting the system under a crypto long position and under volatility risk.

**) The concept of buying and selling chips is similar to OTC (over the counter) transactions of BTC/USDT. In August 2018, the total daily volume of BTC/USDT transactions on top 5 exchanges was roughly \$1B, which far surpasses the expected volume of the NCoin project. Hence it can be assumed that the price change of coins from buying and selling BTC and the associated risk is negligible.*

The NCoin system will dynamically manage and mitigate volatility risks based on the market and financial conditions

- Buy/Sell USD (ex, Bitfinex)
- Buy/Sell USDT (ex, Binance)
- Long/Short Margin Trading (ex, Bitmex)

**) There is no need to hedge chips generated from crypto loans. This is because these chips will be removed from the system when the loan closes (including forced closure).*

$$\text{Total Circulating Chips} = \text{Total Chips Loaned} + \text{Total Chips Purchased}$$

Poker/Casino Risks - Excluded

Risks associated with servicing gambling content, such as poker cross-cage and the difference between casino net loss and GGR (1% of total bets), is out of the scope of this Whitepaper.

Technology

NCoin Oracle

NCoin Oracle is an automation system supporting the NCoin project's business model

- **Market Monitor:** real-time rates from exchanges are published to players and the internal hedging engine through APIs.
- **Loan Analyzer:** the value of the collateral is monitored in real-time. Push notifications are sent to players when their collateral is at risk and liquidation is performed when there are no actions taken.
- **Risk Manager:** Hedges the crypto assets held by the system against volatility using an automated hedging system and provides reports to the administrator.
- **Business Intelligence:** Based on player big-data, machine learning engine segments players. Based on these segments, the operations team applies data-driven decision making to operations such as automated marketing and predictive modeling.

Multi-Signature Wallet



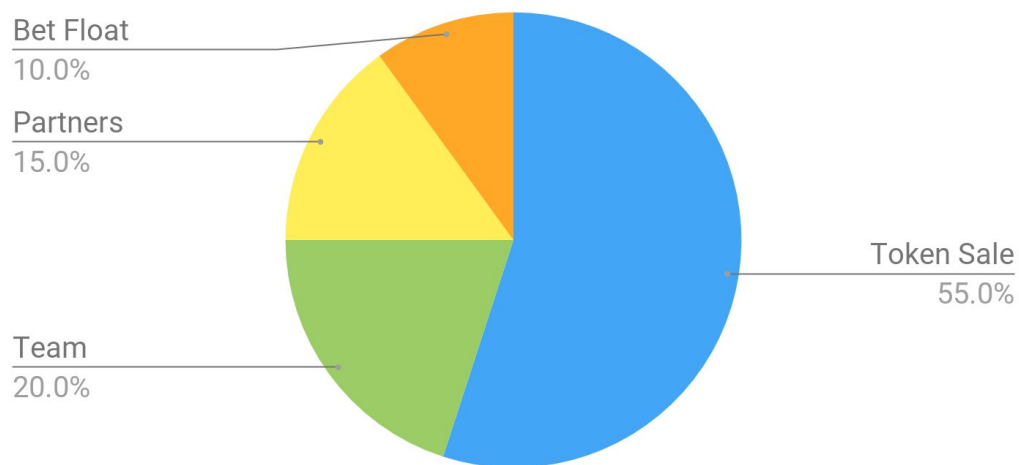
BitGo is a technology provider for industry-leading projects such as OKCoin, BitStamp, and UpBit. BitGo's wallets and custodial services allow clients to store and transfer digital assets using industry standards for security and financial privacy, complete with security key management, multi-signature setups, and setting of procedures and client-driven policies.

NCoin will secure end-to-end, institutional-grade security by the application of BitGo's technology.

Token Sale

A total of 500 Million NCN tokens will be generated on the Ethereum Network (ERC-20). Tokens can be purchased with BTC and ETH. Further details can be found at <https://ncoin.com>

Token Distribution

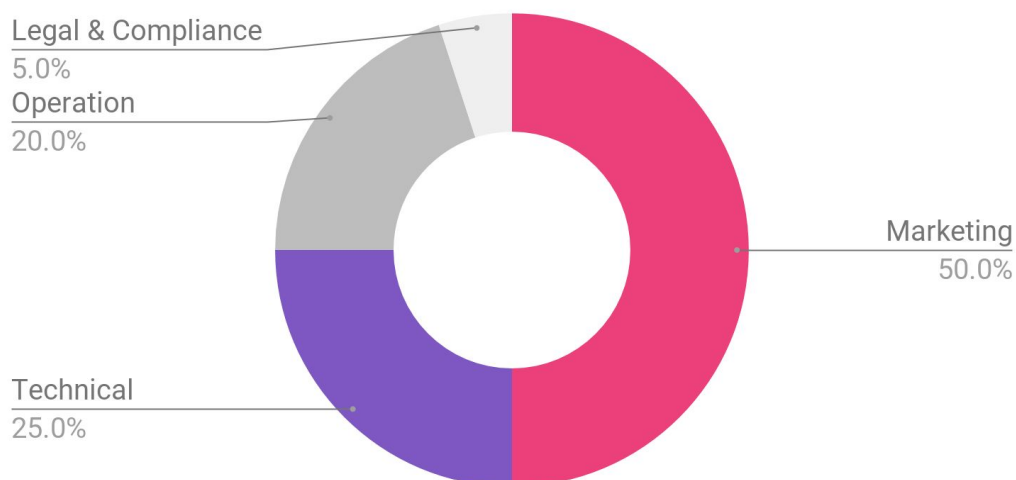


- **Token Sale:** A total of 275 Million tokens, amounting to 55% of total tokens, will be sold during the token sale for private investors and institutions.
- **Team:** Tokens will be released to the team over a 24 month vesting period.
- **Partners:** Tokens are allocated for partners, advisors, and influencers that support the NCoin project. A third of this allocation (5% of total token supply) will be utilized during the Token Sale, and the rest (10% of total token supply) will be reserved for potential partners that can positively affect the project in the future.
- **Bet Float:** use to mitigate Poker/Casino risk

NCoin Team Vesting Plan

After Sale	3 months	6 months	12 months	18 months	24 months
Release	20%	20%	20%	20%	20%

Use of Fund



- **Marketing:** Continued marketing and promotion is necessary for a successful entry into the cryptocurrency market. The NCoin project will reserve 50% of the total funds raised for marketing in order for a successful adoption.
- **Technical:** Funds associated with developing and maintaining the platform. Includes funds for maintaining the development team, infrastructure costs, 3rd party software costs, and funds for technology acquisitions.
- **Operation:** Funds associated with operating the platform. Includes funds for maintaining the operations team as well as financial costs for hedging against volatility risk.
- **Legal & Compliance:** Funds reserved for expansion into markets with jurisdictional requirements. Includes costs for license acquisition, copyright, and IP rights.