
Rollbit: The Crypto Casino

Rollbit, self-proclaimed as "Crypto's Most Rewarding Casino," emerged in the online gaming space in February 2020. Founded by a team of entrepreneurs with a shared passion for online gaming, Rollbit has since been dedicated to offering unique and enjoyable experiences for all of its users. The goal of this report is to delve into the features, games, and performance of Rollbit, contextualizing its offerings within the broader trends of the crypto industry in order to provide an outlook based on its rapid ascent to success.

Launched in February 2020 by a visionary team of entrepreneurs, Rollbit has swiftly ascended the ranks to become a premier crypto casino, boasting over 1 million registered users. With an estimated daily wager of \$40 million and an overall wager exceeding \$5 billion, Rollbit has not only revolutionized the online gaming space but has also seamlessly integrated the dynamic world of cryptocurrencies into its platform. This report provides an in-depth analysis of Rollbit's offerings, its innovative approach, along with its strategic positioning in the blossoming sector of crypto casinos.

Rollbit's Genesis and Growth:

Founded with a shared passion for online gaming, Rollbit has expanded its horizons beyond traditional casino games. Within a short span, it has attracted a vast user base across both the Solana and Ethereum blockchains. Its diverse offerings range from slots, table games, game shows, sports betting, to exclusive in-house games. Beyond its gaming suite, Rollbit has also introduced a lottery system, underpinned by the RLB token, further enhancing its ecosystem.

Historical Context: Crypto Trends and Their Influence

Rollbit is no stranger to controversy. First gaining traction within the Crypto Twitter community in late 2022, Rollbit has since exploded its mindshare after migrating its RLB token liquidity from Solana to Ethereum on June 28th of this year. Since then, RLB increased in price over 1,000% at its peak, currently sitting at a price of \$0.156 and a market capitalization of over \$500 million.

While much of crypto's history has focused on expanding and democratizing access to finance, Rollbit's success and popularity comes in contrast to this - many have a great disdain for gambling and the casino industry as a whole. However, while many view this as a shame that crypto is benefiting from the act of gambling, so much of the success in its thirteen-year history as an asset class has been due to speculation. Ultimately, the industry flows with bull and bear cycles, and the unimaginable rise in Bitcoin's price and influence since the release of Satoshi's whitepaper stand as an attractive reason for new users or investors to enter the space.

In years past, sectors and booms within DeFi (Decentralized Finance) and NFTs (Non-fungible Tokens) had started as humble ways of exchanging value between users or collecting images online with the aid of cryptocurrency, before eventually turning into multi-billion sub sectors within what we refer to as the cryptocurrency industry. There isn't anything inherently wrong with this: almost everything we do these days is financialized in some form. Regardless of whether or not Rollbit

Overview of Rollbit's offerings

Now that we've covered the basics of how Rollbit has grown in popularity and attracted millions of users, we can take a look at their product offerings and the games that keep users coming back.

Diverse Gaming Selection:

Rollbit boasts a wide array of games, ranging from slots, table games, and game shows to exclusive in-house games. This diversity ensures that users have a plethora of options to choose from, catering to varied gaming preferences. Because Rollbit offers so many games and lets users decide where they spend their time, they're able to retain more users and in turn generate more revenue. If sports betting isn't your cup of tea, you can embrace the degeneracy available to you with unreasonably high leverage or play traditional online casino games.

Rollbit Rewards Program:

The platform's exclusive rewards program, "Rollbit Rewards" is designed to give back up to 70% of the house edge received from user bets. As users rank up in the platform's leveling system, they unlock unique bonuses, with rewards being up to 20% of the house edge on the wagering required to level up. Ensuring users feel rewarded has been crucial to Rollbit's success, as recent history has shown that success of online casinos can be fleeting as it's difficult to differentiate yourself between competitors offering the same services.

Bonus Battles:

A unique PvP game mode, Bonus Battles, offers players an exhilarating way to enjoy Bonus Features within popular slot games. Participants compete against each other in a winner-takes-all style game, with the victor winning all balances.

Exclusive Games:

Rollbit offers several exclusive games, including X-Roulette, X-Crash, X-Flip, and Rollercoaster. Each game has its unique spin, offering users a fresh gaming experience.

Referral and Deposit Systems:

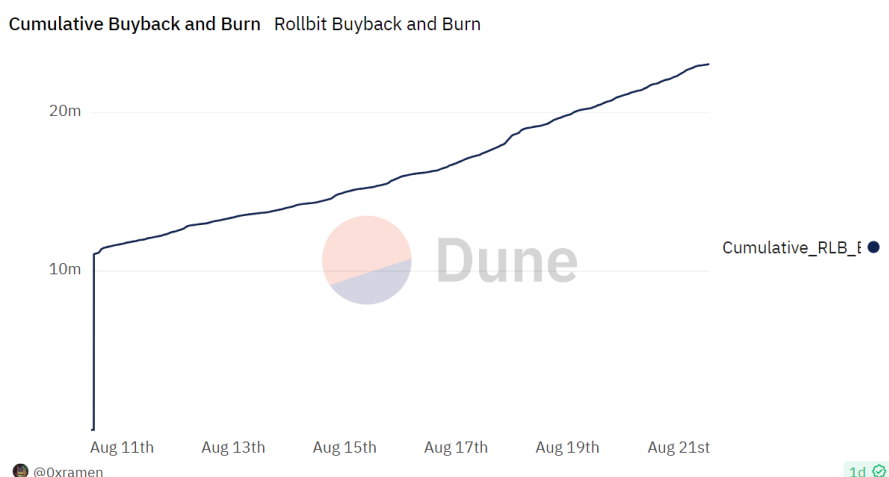
Rollbit has a referral system where users can earn 10% of the house edge of every bet placed by a new user using their code. The platform supports multiple cryptocurrencies for deposits and withdrawals, including Bitcoin, Ethereum, Litecoin, and Solana, with varying confirmation requirements for each.

The RLB Token: A Cornerstone of Rollbit's Ecosystem:

The Rollbit Coin was strategically launched as a pivotal component of the Rollbit Lottery. Eschewing the conventional ICO route, Rollbit opted for an airdrop, distributing the entire RLB supply for free to its users. Historically, airdrops have been instrumental in fostering growth, incentivizing community development, and rewarding early adopters. Initially birthed on the Solana blockchain, RLB faced challenges due to Solana's bottlenecks. This led to its migration to the Ethereum blockchain, where it has flourished. The token not only serves as a utility token for the casino but also plays a crucial role in the lottery system. A portion of Rollbit's profits is channeled into the lottery, offering players enticing prizes. The lottery's burn mechanism ensures a limited token supply, potentially augmenting its value over time.

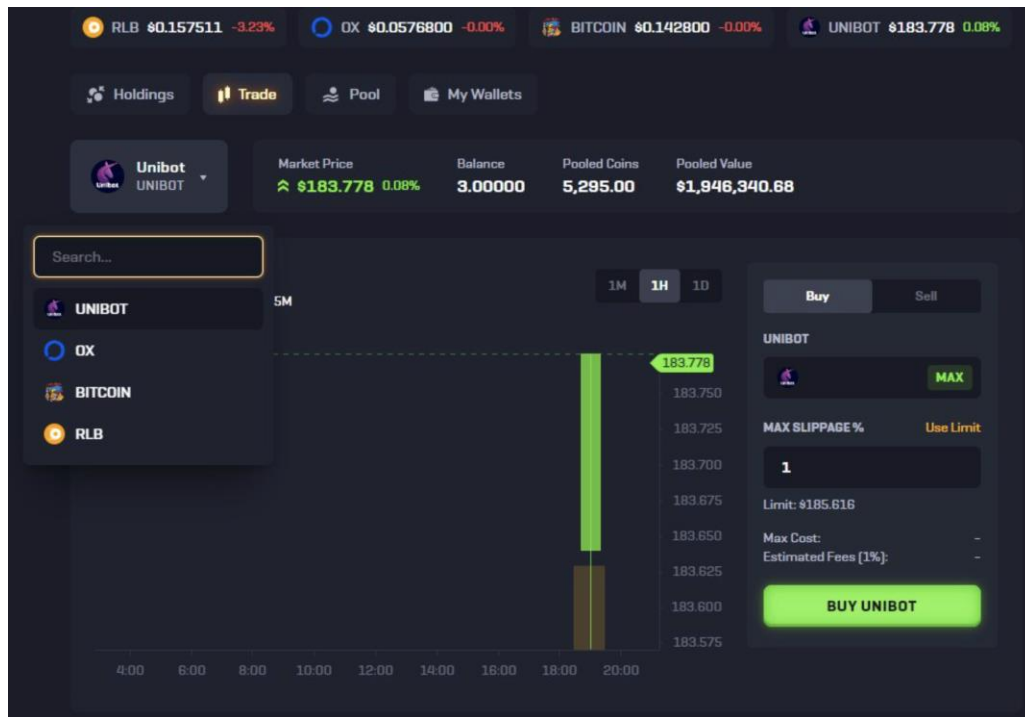
More recently, Rollbit has introduced some significant updates to its RLB token system. A new revenue dashboard has been added for enhanced transparency, with both revenue and the RLB Lottery pool now updated on an hourly basis. For those staking Rollbots, there's a lock-in period of 30 days. In a move to reward stakers, 10% of purchased RLB is now distributed hourly to staked Rollbots. Additionally, Rollbit is working towards automating burns on-chain in the forthcoming period. Lastly, a major incentive for users is that the RLB Lottery has been made more accessible, as it's now free to play without any RLB fee.

To date Rollbit has bought back and burned over 23,000,000 tokens worth over \$3.4 million at current RLB price levels.



Rollbit's Degen Exchange

Rollbit has unveiled its latest feature, the Degen Exchange, in a bid to further solidify its position as an all-encompassing crypto platform. This new exchange aims to streamline the token trading process, emphasizing simplicity and enhanced liquidity for popular tokens. Unlike traditional centralized exchanges that rely on order books, the Degen Exchange employs an automated market maker system (AMM), allowing anyone to become a liquidity provider (LP) and earn income through trading fees.



The initial tokens available for trading include \$RLB, \$OX, \$UNIBOT, and \$BITCOIN. This innovative approach not only simplifies trading but also offers a decentralized touch, giving it a competitive edge over both centralized and decentralized exchanges by combining the best of both worlds.

Understanding Rollbit's Leverage System:

Rollbit's introduction of a 1000x leverage futures offering has been a topic of discussion. With such high leverage, a small amount of underlying collateral can create massive amounts of notional volume. For instance, with 10-40M in collateral levered 100x, one can easily reach the \$1-4B daily volume numbers, assuming only one trade per day.

Analyzing Rollbit's Volume Claims:

There have been claims of Rollbit's \$1-4B in daily volume being wash trading. However, considering the leverage used on the platform and the turnover per day, the required collateral for

such volumes seems feasible. Most users on Rollbit aren't going there to execute traditional trading strategies like they would on Binance or even a decentralized exchange like Uniswap - they're using Rollbit because of the immense upside potential that 100x-1000x leverage provides them.

One of Rollbit's most popular products is its Rollercoaster game, which allows users to trade a synthetic crypto token and speculate on which direction it will move, utilizing the aforementioned 1000x leverage.



Revenue Estimates:

Rollbit's revenue generation from its futures trading is intriguing. Traditional perpetual futures, like those on Binance, match every long with a short, making it zero-sum. However, Rollbit seems to be taking the opposite side of each trade on its futures platform.

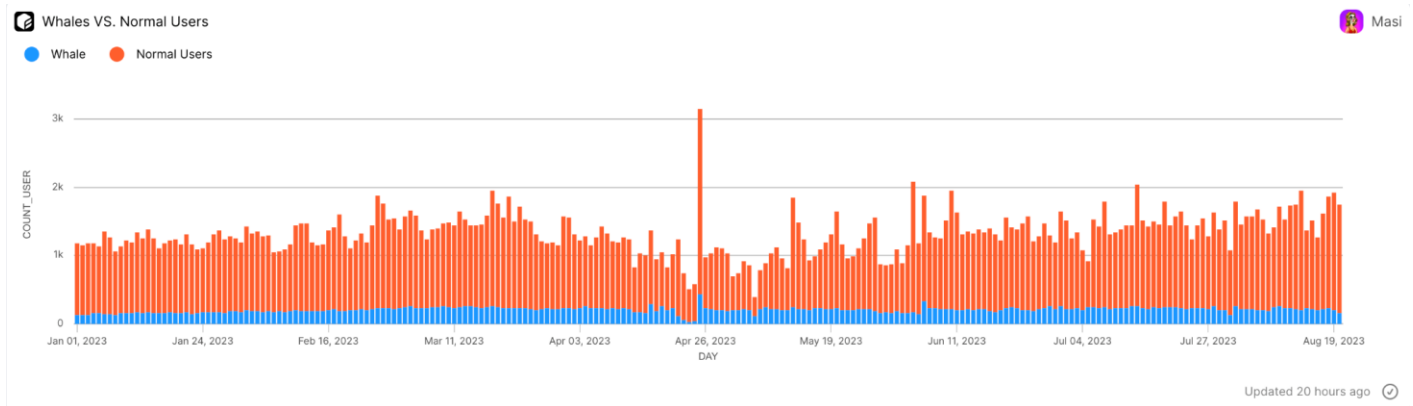
Given its fee structure, which includes a flat fee starting at 4.1bps and an effective house edge ranging from 10-30% depending on leverage, revenue estimations can be made. Some have taken it upon themselves to extrapolate the 4bps to the \$1-4B in daily volume, estimating a daily revenue between \$400,000 - \$1.6 million (in an off season for most major sports) - which annualized totals between \$146 million to \$474 million in revenue. This means RLB is currently trading between 1.1-3.5 times revenue. However, considering the high leverage options on Rollbit, many traders might opt for the house edge model, making such estimations potentially flawed. In addition, wash trading has historically been a major issue in crypto and there hasn't been any evidence to rule this out for Rollbit.

Regardless of this, Rollbit's traction is impressive and has seen more daily users than most crypto apps, giving some credence to the claims that crypto and gambling are a perfect match for users in the short term.

Rollbit Analysis in the Broader Gambling Landscape

The global gambling industry, estimated to be worth hundreds of billions of dollars, has historically been dominated by brick-and-mortar casinos. The transition to online platforms has been a game-changer, with crypto casinos like Rollbit further revolutionizing the space. By integrating crypto trends and offering decentralized financial transactions, Rollbit positions itself at the intersection of traditional gambling and modern financial technology.

Rollbit has been able to attract both whales and regular users in a healthy ratio, displaying some form of product market fit for those looking to go beyond the traditional route of cryptocurrency investing. A healthy balance is crucial for the platform, as Rollbit is a casino at the end of the day and wants to avoid losing money to more experienced users. However, the numbers below show that Rollbit has been expanding rapidly and given the recent appreciation of the RLB token's price, more eyes are on the platform now than ever before.



Even further, Stake - an online casino - did over \$2.6 billion in revenue in 2022, contributing to a large portion of crypto transactions that occurred in the calendar year. Stake is immensely popular as sports betting has risen in popularity with younger generations over recent years, often due to the ease of access and increasing lack of taboo around the sector in general. Should Rollbit continue to expand its offerings and make it even easier for users to onboard, they could potentially become the crypto equivalent of an application like Stake.

Final Thoughts

Rollbit's commitment to creating unique experiences is evident in its diverse game offerings and innovative features like Bonus Battles and NFT integration. The platform's rewards program is particularly enticing, offering users the chance to earn back a significant portion of the house edge. The integration of NFTs, a booming sector in the crypto space, showcases Rollbit's forward-thinking approach and its aim to stay relevant in the ever-evolving online gaming industry.

However, as with any online casino, potential users should be aware of the risks associated with gambling and ensure they are making informed decisions. The platform's transparency in terms of house edges, reward systems, and deposit requirements is commendable, but a deeper dive into

its revenue and user success rates would provide a more comprehensive understanding of its overall performance.

Rollbit has done well to create a brand and image in recent months, serving as the premier destination for crypto users looking to take risks. While sustainable growth is difficult to gauge (especially considering potential regulatory pressures), Rollbit appears here to stay, at least in the midterm.

In conclusion, Rollbit has positioned itself as a major player in the crypto casino space, offering a blend of traditional and innovative gaming experiences. Its continuous efforts to enhance user engagement and rewards, coupled with its integration of broader crypto trends, make it a platform worth watching in the future.

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