

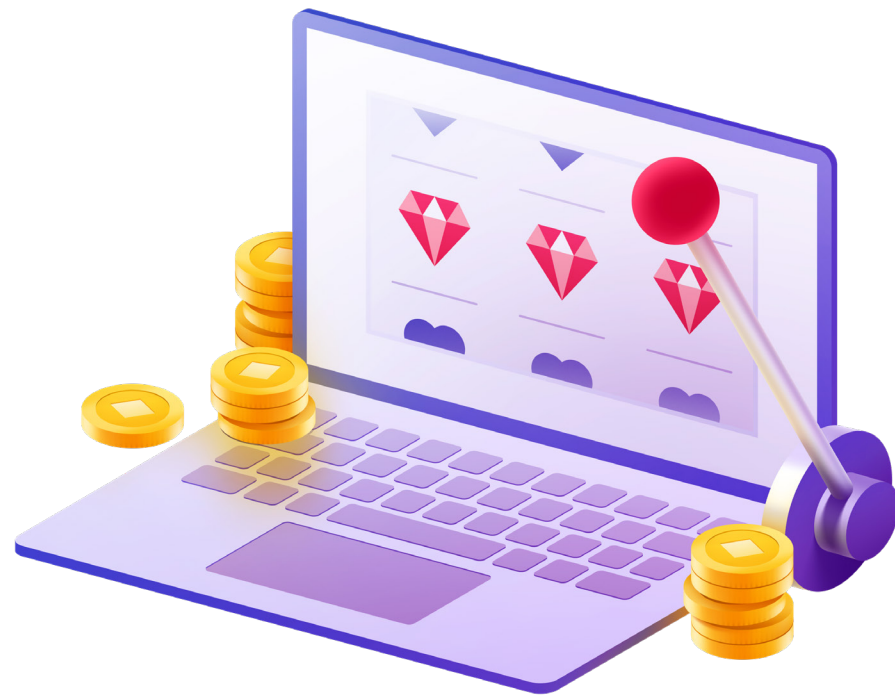
social casino solutions

KAN

Spigo®

What is a Social Casino?

Social Casinos offer endless hours of entertainment for millions of people around the globe who enjoy playing casino games without risking real money. It's a fun, low-risk way of scratching that gambling itch.



Why Offer Social Casino?

Online gaming is a huge opportunity for the future-facing media companies, high-reach online portals, land-based casinos, and other entertainment focused brands.

As part of this overall trend, a Social Casino can act as a branded entertainment hub, marketing channel, and data-capture tool.

Generate ancillary revenue

Translate traffic to your website or existing apps into revenue by selling entertainment! Virtual Coins allow visitors to have fun competing with others and serve as an extra revenue stream.

Attract a new and loyal audience

Playing at a social casino appeals to more people than playing for real money, which is perfect for tapping into a whole new customer base.

The social aspect combined with the fun, engaging features builds loyalty, which translates into a long term customer base who keep coming back. Indeed, the average lifetime value of a player is €200+.



Diversify for the future

Social Casino can be offered in non-regulated online casino markets to start building a player-base for future offerings once a market is regulated.

This can prove strategically beneficial when regulation is introduced: the social casino acts as an attraction for potential clients that brands can monetize once a license for real-cash gaming is acquired.

Why KAU Social Casino?

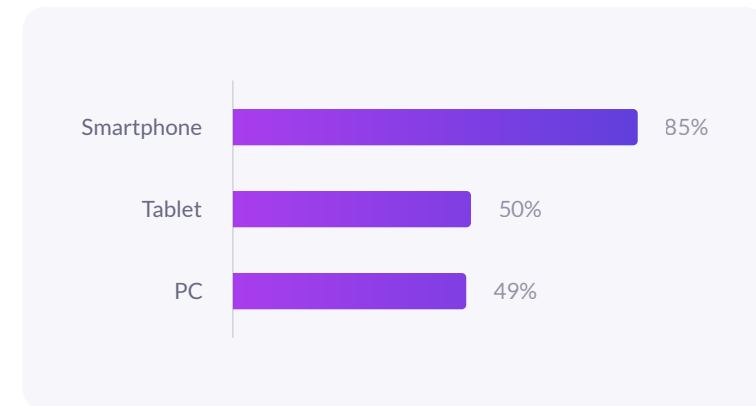
We develop Social Casino the right way so brands can offer a well-balanced combination of classic casino fun, community, and competition through a seamless mobile and web experience.

With a fine-tuned balanced set of social mechanics, games, and Virtual Coins, a social casino can become a very profitable business - all within the unique brand identity of the operator's choosing.

Revenue-generation opportunities are baked into the system from the beginning: offering the possibilities for the sales of Virtual Coins, premium social features, and core business product placement.

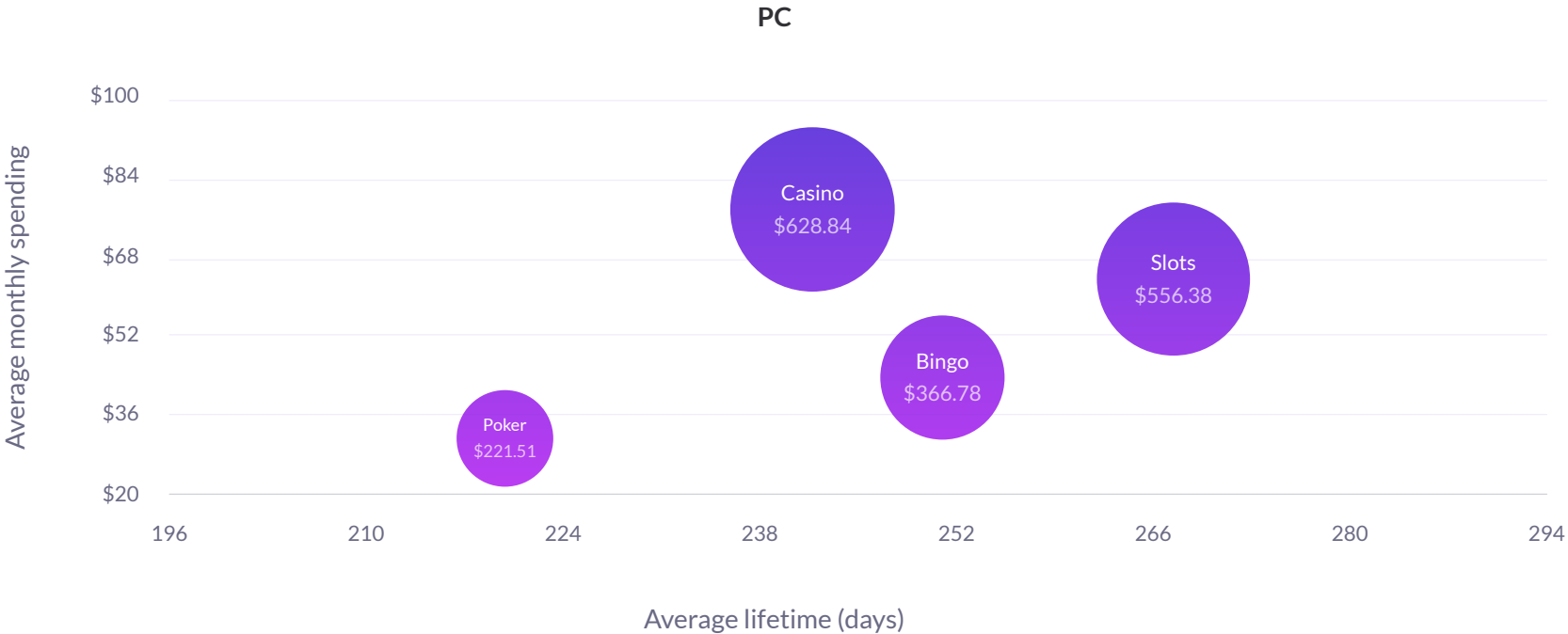
Mobile First Solution

Smartphones are now almost twice as popular among social casino players as PCs or tablets, and B2B platform providers are increasingly focusing on "mobile-first":



Offer Popular Entertainment

Casino style games have the highest LTV on desktop and tablets, but slots win on smartphones.



source: <https://www.superdataresearch.com/market-data/social-casino-survey/>

Games



Spigo Game Integration

The solution integrates natively with the vast games library by Spigo, a leading supplier of digital highly customisable casino games. All Spigo social casino games can be played for with virtual casino coins on any device.

Game Advertising

Feature which will promote certain games to certain players at certain time based on data mining and deep learning algorithms.

NETENT


YGGDRASIL



GAMOMAT
passion for games

3rd Party Game Integration

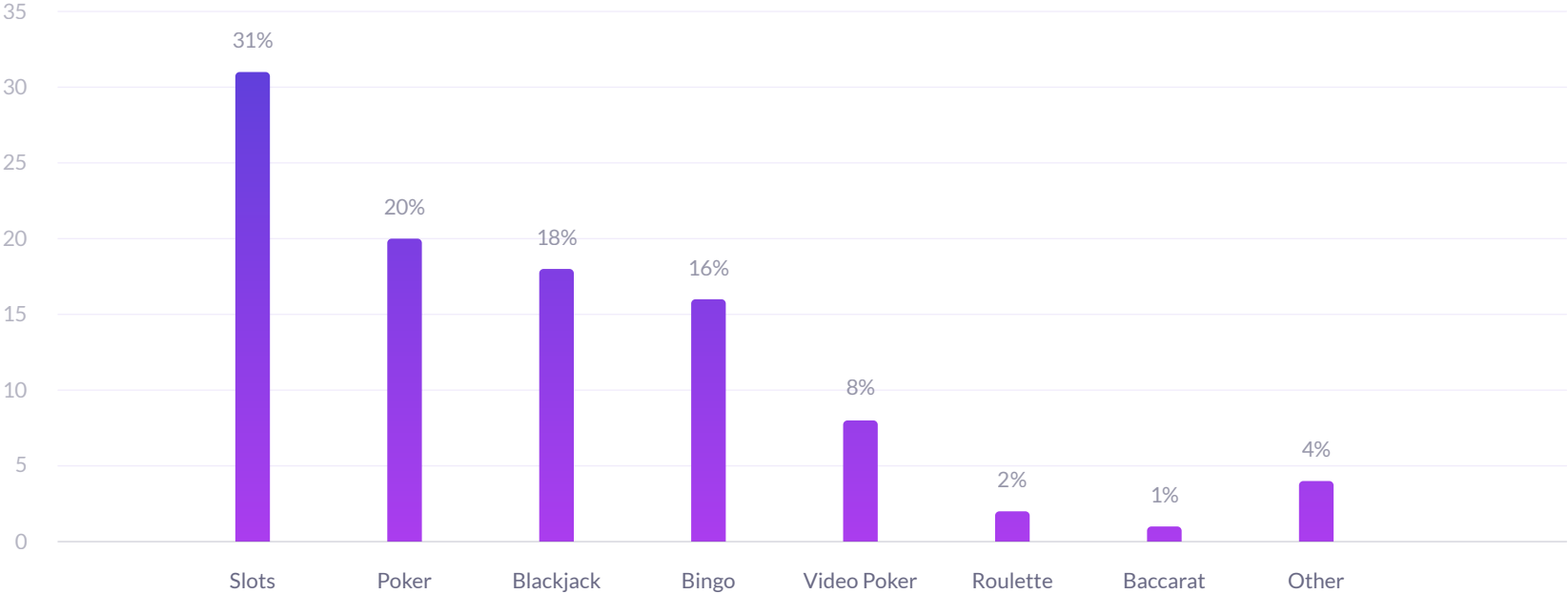
Any 3rd party RGS provider which offers games for virtual coins can be integrated depending on requirements. Optionally, we can even integrate with real money game providers where cash is transformed into virtual casino coins through our proprietary middleware.

Market Overview

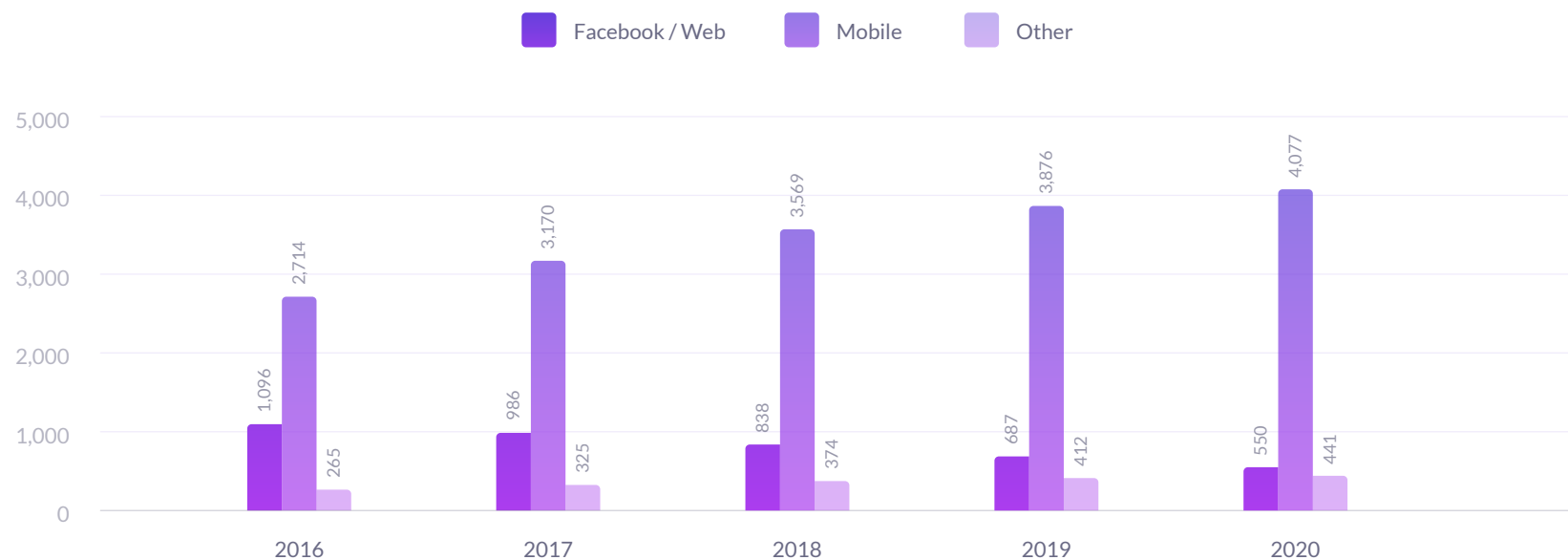
The **social casino games market** has been evolving for years. Smartphones and good connectivity unlocked new opportunities for connection with players, who are enticed by innovations in genres and mechanics and kept engaged in one of the highest-grossing genres in mobile games worldwide.



In the United States, slots ranked highest in popularity, followed by Poker and Blackjack. All three game categories are supported within the system.



Social casino games played by players in the United States from August 2017:
source: <https://www.statista.com/statistics/748741/us-social-casino-gamers-leading-game-types/>



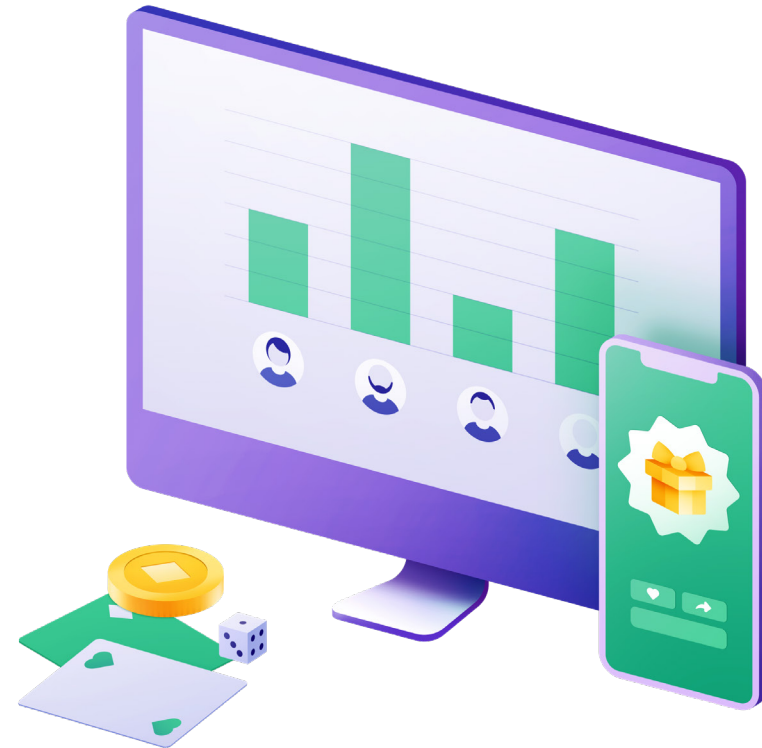
Social Casino revenue worldwide from 2016 to 2020, by platform: (in millions of dollars)

Social platforms associated with land-based operations are part of the \$4.5 billion worldwide social games market.

Social Casino global revenue 2017: \$ 4.5 billion. 200 million players have played at least 1x social casino. In the United States alone, Social Casinos revenue 2017 was \$ 1.7 billion. 62 million US Americans have played at least 1x social casino. Germany represents 5% of the world market share with €200 million and 5-10 million players.

Main Features

Players are actively engaged with tournaments, missions, challenges —there is **something new every day** that gives them **more reason to come back and keep playing**.



Note: The features below are all available through the Player's App, or can be access through the API to be featured inside existing customer facing apps.



Virtual Coins

Players can play games with Virtual Coins, which can either be won or purchased. Coins allow players to level-up faster and access premium features quicker. This puts them in the running to win Jackpots and get their hands on goods like lottery and sportsbook slips, concert and festival tickets.



Jackpots

Jackpots are integrated with all our games and a great way to drive player engagement. Winners get a deluge of Social Casino chips that they can exchange to upgrade their social experience in-app, or even trade-in for prizes: perfect for product placement!



Chat

Let players enjoy the feeling of friendly competition they get from visiting the casino in person. This features allows for sharing gameplay moments with chat features that they've come to love and expect on mobile like stickers, GIFS, emoji, reactions and more.





Leaderboards & Highscores

Tap into the competitive instinct. Players are driven to compete against others based on who gets the best daily, weekly, monthly and all time scores and times within games.



Latest Winners

Winning players enjoy the feelings of validation and status that come when their victory is broadcast to other players.



Loyalty Points

Encourage loyalty with extra points each day a player checks into the social casino or spends casino coins on any game. Loyalty points can be used to cross-sell other products that form the core business.



Experience Points

Reward experimentation. These are earned every time the player tries different games and new features and games and can be used to unlock more social casino features,





Challenges

Players can send challenges to their friends across platforms to compete in a specific game, aiding engagement for already existing players or attracting new players to sign-up.



Achievements

Trophies or virtual medals can be unlocked whenever the player accomplishes something within a game or the social features. Achievements can be viewed publicly on a player's profile, making the casino experience social and engaging.



Tournaments

Drive real-time activity to coincide with a promotional campaign, while giving players added value in an organised tournament that pits them against others in knock-out or played-in pools. Tournaments are well suited to advertise special prizes for the winner(s) which makes them excellent as marketing tools.



Analytics and Insights

Player data collected is GDPR compliant and stored in our secure, encrypted database. These include usage history, points, settings (like favourite games), transaction history, experience points and more. Data are mined to understand player origins as well as behavior within the app and we provide tools to personalise the experience.





Coin Transactions and Purchases

Show past casino coins transactions and make it possible to buy casino coins with funds from the customer / operator user wallet.



Coins Pricing and Discounts

Edit the pricing of casino coins and the creation of limited casino coins discounts to be used for promotion within the social casino or elsewhere.



CMS

Look up player accounts to see their account status and recent transactions as well as manage games availability or promotions.



API and Integration

Interface with any game supplier or operator regardless of the technical platform.

Other Features

Social Casino Backend:

- Analysis and reporting available in real time, including Data visualization.
- Play Account Management.
- Multi-level loyalty program integration for marketing and marketing Advertising campaigns.
- Creation of marketing campaigns for desktop and mobile casinos.
- Widget-based configurable dashboards.
- Supports desktop, mobile and tablet marketing and
- Reporting.

Social Casino Mobile App:

- User interface adapted to the operator with slot and table Games from well-known providers.
- Free customer App in the Play Store.
- Optimized iOS & Android.
- Facebook integrated.
- Marketing Tools, KYC and Loyal Portal / Loyalty Program
- Player notifications system
- Intelligent location-based marketing tools.

Monetization

In social casino, the house makes money if the players have more fun, not if they lose.

This makes the experience more positive for them - as well as predictably profitable for the operation, who never has to “cash out on a big loss.” Revenue streams can include:

- Selling Virtual Casino Coins
- Subscriptions to access premium social features (e.g: private chat)
- Advertising
- Cross selling other products
- Affiliates

Projected Revenue

Average money bets per player / monthly		30 €
Operator unique visitors: e.g. 10.000 visits / day		300.000 visits / month
Monthly visits		300.000
Conversion rate		1 %
Online Player monthly		3.000
Average Gross gaming revenues (GGR)	€ 30	90.000 €
less VAT	19%	14.370 €
Net gaming revenues monthly		75.630 €
B2B Social Casino License monthly	22%	16.640 €
Operator revenue monthly	78%	58.990 €

Pricing

Setup

€50,000 - € 150.000

The initial setup costs will cover the infrastructure necessary:

- Design & Development of branded website and Mobile App
- Integration with the Casino Operator's existing system(s)
- Setup and creation of back-end frameworks and the establishment of Operator, Database and player accounts.

Operation

- License Fee is **22% of Gross Revenue**

This covers all recurring fees for the Social Casino Platform as well as subcontractors such as games suppliers.

- Minimum Fee per month is **€2,000**

The minimum fee would cover the regular updates of the games and social casino platform. Technical 2nd level support service included and other support and operational services can be requested.



Custom Development

This includes project management, documentation, testing and all other development overhead costs.

The amount of hours per feature is an estimate only but any amount of hours exceeding the estimates will be discounted by 30%.

- Backend development is €50 per hour
- Frontend development is €40 per hour
- Graphic design is €40 per hour

Payment

50% Setup fee is to be paid on contract signing and 50% on completion of each feature. Each feature will be presented and evaluated so the operator can check development milestones and progress. At any time in the development the operator can pull out if something is not to their total satisfaction and progressing as planned / promised.

Operational fee and custom development is invoiced monthly on the first bank day in each month using numbers from the previous month.

Who We Are



KAU

KAU is a digital entertainment and games company founded back in 2004 by Software Engineer and entrepreneur Kasper Kau. Since then it has created a long series of successful game products to be enjoyed online in browsers and played in the app stores by 100s of millions of players.



SPIGO

Spigo is a privately owned Danish company that enjoys a presence in Malta and Miami. We are a 100% independent online gambling software provider and only operate in regulated markets. Spigo currently holds an MGA (Malta Gaming Authority) license, and all of our software meets the criteria for the Danish market, as outlined by the Danish Gaming Authority.



What We Do

We partner with traditional casinos and media brands to develop “spin-off” entertainment hubs to help support the core business, build a loyal player base, and prepare for future regulation.

Our Social Casino Concept is all about having fun in a friendly environment, not about winning or losing real money. This makes it super-attractive to general audiences who enjoy playing on the go.

Our social casino solutions are tailor made, white-label experiences that combine our knowledge in developing new products with casino operators with technical mastery for a blazingly fast and intuitive product on mobile.

Through our partnership with Spigo Games we can deliver 100's of games like Slots and Scratch Cards within the solution, including both new and beloved classics. We can also easily integrate all our features with any game supplier, or have them imported within pre-existing player apps.

