



Q1 Quarterly Call

Dash Core Group

May 4, 2018

A few things before we get started...

This call is being [recorded](#) and will be shared on the Dash YouTube Channel.

Audience microphones are [muted](#).

Questions may be submitted in the [chat window](#) and will be answered at the end.

Moderator: Ryan Taylor, CEO

Operator: Robert Wiecko, COO



Why are we here?

The Quarterly Calls are intended to:

[Update](#) the community on Dash Core Group development

Review past quarter [performance](#) data

Share our thinking with you about the present and [future](#)

Give us a chance to answer your [questions](#)



What will we talk about?

Topics we'll cover today include:

Why We're Here

Goals and values

Team Updates

How we're executing our strategy

Metrics

How we're tracking success

Q&A

We answer your questions



What is Dash?

Problem

Payments take too long and cost too much .



What is Dash?

Dash is digital cash with instant transactions and micro-fees. Anytime, anywhere.



Our Goal

Improve financial freedom by giving people a better way to pay and get paid.



Payments take too long and cost too much

People wait too long and spend too much on payments

- Money networks are slow and expensive
- Too many entities involved
- Borders, exchange prices, closing times

Some people have to wait longer and pay more

- Lack bank account
- Lack of access to digital economy
- Live in destabilized economies
- Use a rapidly inflating local currency
- Face onerous capital controls

Everyone deserves better

- Access to financial services
- Store value in accounts
- Safe and secure access
- Fast and cheap transactions
- No borders, no closing times
- Personal control over data



Dash values financial freedom

So we built a better payment network

with tech based on values

Public

Anyone can use

Blockchain

Safe and secure

Peer-to-peer

Direct payments, no third party

Cryptocurrency

Fast and cheap

Distributed network

No central databases or personal data

Autonomous organization

Network governance and budget

Open-source

Anyone can implement

Downloadable software

Easy to use



Dash is a better way to pay and get paid

Money networks	take too long	and cost too much.
Cash	Physical travel	10-15% cash-handling fees
Check	2-5 days/tx	Free/tx
Money Order	2-5 days/tx	\$5-10/tx
Cards	2-5 days/tx	3%/tx
Wire	2-3 hours/tx	\$10-50/tx
ACH	1-3 days/tx	\$1-3/tx
Mobile Payments	2-7 days/tx	2.9%+\$0.30/tx
Payment Processors	2-5 days/tx	2.9%/ + \$0.30tx

Dash is digital cash with instant transactions and micro-fees. Anytime, anywhere.

Digital cash network

Instant	2-3 seconds/tx	\$.05/tx
Standard	2-12 minutes/tx	\$.005/tx



People use Dash for quick and cheap payments



Individuals

Store value
Transfer money
Make and receive payments from
smartphone or desktop

Remittance
ATM
Debit card
Bill payment
Retailers

Phone top-up
Gaming
Compliance
Brokers

2,000+ merchants and service providers
50+ exchanges
160 countries



Businesses

eCommerce to point-of-sale
Startup to enterprise
Business-to-consumer to
business-to-business

Use a third party payment service
company plugin
Use a web wallet integrator
Host an instance of Dash network
Use a custody service

Accept basic payments in Dash
Create custom payments processes (e.g.
split payments)
Manage Dash payments internally
Have access to money managed by high
fidelity third party

What about volatility?

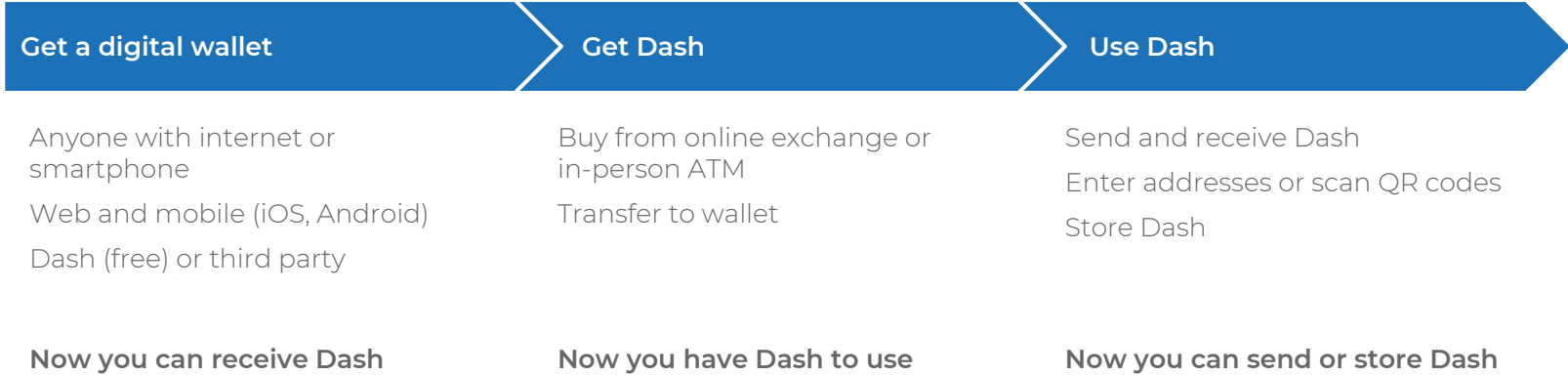
Storing value may only be a better option for people in **destabilized economies** with no bank account.

Cryptocurrencies have volatile prices. Money stored in Dash has a risk of sudden **price gain or drop**.

Individuals convert any time at online **exchanges**. Businesses use third-party **auto-converters**.



How you get Dash



Making Dash easier for everyone

Evolution is the next major update to the Dash Core protocol with a focus on user experience and ease of access.



Individuals

Now

Digital wallets are hard to use

- Cryptographic addresses
- Signing keys with no way to recover if lost
- No way to store contacts
- Third party on- and off-ramps
- Must know and enter contact's correct cryptographic address



Businesses

Network is hard to access

- Requires dedicated hosting and computing to run Dash software node
- 3rd party API's exist, but are hosted on central server and charge fees

Evolution Goals

Offer a wallet with an intuitive user experience

- Create profile with human username
- Create [and be able to recover] a password
- Create a list of contacts
- Buy and sell Dash via the app
- Exchange payments by username

Provide tools for easier integration

- SDKs for the DAPI for easy integration of key Evolution functions
- Dash network can host application data
- Decentralized API
- Businesses to connect directly to network

Product

DashPay App

- iOS and Android apps that allow users to access digital wallet
- No previous knowledge of cryptocurrencies required

DAPI

- Enables easy integration with the Dash network
- Businesses can build DAPs
- Increased security and stability due to decentralization



Team Updates





Strategy (Alexander Chopan)

Category	Planned (Q1 '18)	Achieved	Status (Q1 '18)	Next (Q2 '18)
Management	Create common operating picture Align activities + plans Solve problems as team	Y	Set up management meetings, getting better Weekly developer and bi-weekly management meetings using same format	Iterate
Strategy	Refine value proposition "What + Why is Dash"	Y	Updated. Will iterate each quarterly. Refining business development strategy	Strategy, campaigns, integrated plans
Research	Engineering: ASU CASCADE - Investigate scalability of network, "How big can blocks be without breaking the network"	Y	Built models, ran simulations, tested propagation protocols (traditional, compact blocks, xthin). Preparing research for publication.	Explore new models
	Business: explore ASU W.P. Carey Business School partnership "How can we better understand cryptocurrencies, autonomous organizations, and technology adoption"	Y	Preparing proposal for ASU W.P. Carey Business School Cryptocurrency + Blockchain certificate program (5-6 courses)	Submit proposal, if funded, develop curriculum with ASU
Product	Hire product manager	Y	Hired product manager	Product roadmap
	Build product management process + artifacts	Y	Finalizing MVP Evolution	Partner feedback surveys
	Define users, problems, goals, priorities, features	Y		Website refresh Customer journey maps
Business Intelligence	Determine requirements	Y	Hiring business intelligence manager Exploring channel partner data High level outline of quarterly metrics, business development frameworks	Hire, onboard Get more, better data Reframe quarterly metrics
Internal Transparency	Update Dash Core Group team on plans and activities		Sharing management meeting notes	Iterate
External Transparency	Update community on plans and activities	Y	Sharing "What's Going On at Dash Core Group"	Iterate





Software Development (Nathan Marley)

Category	Planned (Q1 '18)	Achieved	Status (Q1 '18)	Next (Q2 '18)
People	Hire UX designer, developers and technical writer	Y	UX designer, 9 developers, technical writer onboarded	Hire 2 Product Owners and 2+ additional developers
Core	- <i>Release 12.3</i> . Includes compact blocks, named devnets, governance and PrivateSend improvements, pruning support, bug fixes - Write, improve and release DIPs	Y	- Implemented and prepping for release of 12.3 - Prepping DIPs for release	- <i>Release 12.4</i> . Deterministic masternode list, special transactions - Release DIPs
Drive	Store Evolution data Sync data across master nodes according to blockchain consensus	Y	Integration with DashCore and Dash consensus schemas Storing and replication of Evo platform data across master nodes Test coverage almost 100%	Evolution protocol schema v3 Querying Evo platform data End-to-end tests
DAPI	PoC to validate aggregate signature types (BLS threshold signatures)	Y	PoC complete Research on quorums, distributed key generation, aggregate signatures ongoing	Implement BLS signatures for quorums Implement SPV for transition packets
	SPV solutions for verifying state transitions	Y	Research ongoing	
Mobile	- CoPay transition to Mobile Team - Android wallet Buy/Sell Dash feature - Dash Control App	Y	- QA running performance and load tests - Uphold integration finishing - Dash Control iOS in polishing phase; Android in mid dev phase	- Address long-term scalability issues for CoPay - Uphold release on Android/Integration on iOS - Release Dash Control on iOS/Android - Create Dash Sync libraries on iOS/Android
UX/PoC	Build Experiences (prototypes, mockups) Prove concepts (DAP interfaces, user flows, product requirements)	Y	Full-Stack Prototype Demo delivered, Copay Beta released Digested public demo feedback, developed DAP interfaces, iterated user flows	- Additional public product demos - Taking on VMN block explorer and other front-end components of the dash-schema project - Evolving prototype into an alpha DashPay DAP alpha - Incorporate Tharp & Clark work into graphic designs - Develop a Branded Component Library



Business Development (Bradley Zastrow)

Category	Planned (Q1 '18)	Achieved	Status (Q1 '18)	Next (Q2 '18)
People	Hire US/Canada Regional Manager Build Latin America (LATAM)	Y	US/Canada Regional Manager hired LATAM Regional Manager verbally accepted	Hire CRM Manager Begin hiring process for Asia Pacific Exploring country manager strategy
Integrations	Onboard additional partners	Y	Onboarded 15 additional partners such as Abra, Bitwage, and MorphToken	Onboard additional partners Build integration documentation
Account Management	Collect partner feedback Get tools in place	Y	Exploring multi-partner network effects Recurring meetings with large partners CRM tool implemented	Building multi-partner business solutions Align efforts with strategy and marketing Map and analyze business processes





Marketing (Fernando Gutierrez)

Category	Planned (Q1 '18)	Achieved	Status (Q1 '18)	Next (Q2 '18)
People	Hire CMO Hire marketing managers	Y N	-CMO hired and onboarded -Marketing Managers hiring in process	Hire 2 Marketing Managers
Conferences	Event calendar	Y	-Attended 4 Conferences in US, Europe, Asia -Developed internal event calendar	- Publish updated event calendar - Bitcoin & Blockchain Conference Moscow, Global Blockchain Summit Denver, Wall of Coins, Weedclub, Consensus, Money 20/20 Amsterdam, MoneyConf Dublin - Start preparing Second Dash Conference
Brand	Define new branding	N	Finishing style guide	Implement style guide
Website	Onboard research and design firm (brand and product content, website redesign)	N	-Vendor for website uplift selected -Evaluating vendors for full site redesign	Uplift website Begin full website redesign
Advertising	Online advertisement tests and user research	Y	Testing ads and user engagement in Venezuela, UK and Spain	- Completes mid-May. Will share results with community - Use new branding in next campaign - Align marketing with business development efforts - Experiment with viral actions, smaller networks, alternative providers - Work with Google on whitelist certification
PR	Increase media attention and improve personnel placement	N	-Working on increasing scope of PR work -New tool to support and measure PR	- Develop regional focused PR strategy - Get more feature stories on Dash - Improve media placement
Marketing Plan	Develop first draft of marketing plan	N	In process	Onboard team, develop first draft of plan Align with Business Development





Human Resources (Kelly Kopp-Schuetz)

Category	Planned (Q1 '18)	Achieved	Status (Q1 '18)	Next (Q2 '18)
Recruitment & Hiring	Initiate Google Hire applicant tracking system to better track and inform applicants and management of hiring status	Y	Rolled out Recruitment ATS system	Continue training and implementation
PEO	PEO onboarding for select staff members (contractor/employee conversion)	Y	Review of staff for first round of offers complete Initial US and international employee population rollout has started	Phase 2/Phase 3 of rollout (international and US)
Salary	Roll out market-appropriate salaries for blockchain industry knowledge for new and existing staff	Y	Salary increase plan drafted	Bring to board for approval
Retention	Provide retention bonus plans to those being converted to employment status	Y	Retention plan approved by board	Roll out in conjunction with phased rollout of PEO
HR	Implement HRIS system	N	In process	Employees and contractors will use HRIS system to track time off and time worked to streamline HR processing through HR/accounting
Legal / Compliance	Implement GDPR compliance	N	Function heads trained on GDPR	Implement controls Add GDPR phrases to website Update consent language on website and contracts with Europe





Operations (Robert Wiecko)

Category	Planned (Q1 '18)	Achieved	Status (Q1 '18)	Next (Q2 '18)
People	<ul style="list-style-type: none">- Hire Portfolio Manager- Hire QA engineers- Hire COO	Y	<ul style="list-style-type: none">- Hired Portfolio Manager- Hired 2 QA engineers- Hired COO and agreed on responsibilities	<ul style="list-style-type: none">- Finalize onboarding of Portfolio Manager
PM	<ul style="list-style-type: none">- Adoption of agile methodologies into delivery model- Collect information about internal processes/procedures Define list of key DCG policies	Y	<ul style="list-style-type: none">- Clarified necessary roles and responsibilities- Clarified team structures (agile/service teams)- Created training plan and started work on roadmap- Compiled list of processes and began documentation- Began documentation of policies	<ul style="list-style-type: none">- Create Portfolio Management process and reporting- Select Portfolio Management tool- Create backlog for development teams- Complete training in agile tools- Begin sprints and other agile workflows- Complete process documentation and publish- Have key policies documented, approved and published
Legal	Patents	Y	Patents filed	Patents to become public after 18 months (released by government)
QA	Build out QA team	Y	Providing QA resources to teams ad hoc	Establish QA process as a service
Infrastructure	<ul style="list-style-type: none">- Infrastructure support and maintenance- Explore concept of internal service desk	Y	<ul style="list-style-type: none">- Support of Copay development- Testnet deployments- Evaluation of the security tools- Gathering requirements for internal service desk	<ul style="list-style-type: none">- Establish infrastructure as a service- Create plan for internal service desk and implement workflows- Take over services in collaboration tools- Implement monitoring for infrastructure services- Security review and assessment
Customer Service	Continue as is	Y	2 customer service staff members	<ul style="list-style-type: none">- Test run on production environment- Estimate necessary resources





Finance (Glenn Austin)

Category	Planned (Q4 '17)	Achieved	Status (Q1 '18)	Next (Q2 '18)
People	Hire CFO	Y	Hired CFO	Build out team. Add 1 headcount (senior accountant)
Financial Relationships	Diversify financial relationships	Y	Established account with broker dealer	Additional bank account may be warranted
Budget	<ul style="list-style-type: none">- Cover operating costs- Maintain reserve buffer for currency fluctuation- Maintain healthy balance between core team and community proposals	Y	<ul style="list-style-type: none">- All submitted budget proposals approved- Carried small balance in each balance sheet line item at all times- DCG proposals funded in Q1 represented ~15% of Dash distributed for all proposals	<ul style="list-style-type: none">- Improve budget planning process transparency- Consider Increasing buffer reserves- Remain mindful of Dash Core budget requests relative to community
Invoices	<ul style="list-style-type: none">- Continue managing invoicing process- Provide escrows and fiat guarantees	Y	<ul style="list-style-type: none">- Identifying opportunities to streamline invoice processing- Dash Core liability, role, resources and fees unclear	<ul style="list-style-type: none">- Establish financial incentives for suppliers accepting Dash- Determine short term and long term solutions; fee will definitely be component of escrow
Reporting & Taxes	Work with accounting firm to file taxes	Y	In process (fiscal year end June 30)	Prepare for payment of tax liability





Finance (Glenn Austin)

Income Statement

(In thousands US)	At March 31 2018	At December 31 2017	Percent Increase / Decrease Vs. Prior Quarter
Income			
Dash Budget System	2,690	1,782	51%
Uncategorized Income	0	49	NM
Total Income	2,690	1,831	47%
Expenses			
Compensation			
Subcontractors	968	707	37%
Subtotal	968	707	37%
Professional Fees			
Advertising	335	12	NM
Legal & Professional Fees	542	254	114%
Promotional	1,304	571	128%
Travel	247	100	146%
Subtotal	2,429	937	159%
Other			
Bank Charges	13	0	NM
Commissions & Fee	26	14	89%
Dues & Subscriptions	11	14	-22%
Rent or Lease	13	19	-31%
Uncategorized Expense	0	51	-100%
Subtotal	63	98	-36%
Total Expenses	3,460	1,742	99%
Net Operating Income	-772	89	NM
Other Expenses			
Exchange Gain or Loss	6,311	-7,077	NM
Miscellaneous	350	592	-41%
Total Other Expenses	6,661	-6,485	NM
Net Income	-7,433	6,574	NM

Highlights

- Conduct all of our accounting in USD to provide a stable picture of our financials
- Received a total of \$2.7 million dollars in payments from Dash's proposal system in Q1 2018 (including escrow for third-party projects)
- DCG expenses exceeded funds received from the network in Q1 2018 and net income was negative due to the effect of a large currency loss recognized in Q1 2018
- The three largest expense items were promotional, compensation and professional services





Finance (Glenn Austin)

Balance Sheet

(in thousands US)	At March 31 2018	At December 31 2017	Percent Increase/Decrease Vs. Prior Quarter
Assets			
Compensation			
Core Team Salaries	298	2,295	-87%
Evo - External Contractors	224	793	-72%
Subtotal	522	3,088	-83%
Infrastructure			
Infra - Applications	64	207	-69%
Infra - Datacenter	43	139	-69%
Subtotal	106	346	
Professional Services			
Legal	194	809	-76%
HR Outsourcing	42	1	NM
Subtotal	237	810	-71%
Promotional			
Bus Dev - General	755	3,390	-78%
Conferences and Travel	77	637	-88%
Public Relations - General	34	163	-79%
Subtotal	866	4,190	-79%
Marketing and PR			
Marketing & Communication	530	340	56%
Marketing - Branding	114	355	-68%
Subtotal	644	695	-7%
Other			
Other (bank accounts)	28	0	NM
Binfinex - BTC	18	35	-48%
Checking Account	49	77	-37%
Property Lease	16	72	-78%
Research	137	783	-82%
Escrow	41	0	NM
Subtotal	289	967	-70%
Fixed Assets	4	4	0%
Total Assets	2,668	10,096	-74%

	At March 31 2018	At December 31 2017	Percent Increase/Decrease Vs. Prior Quarter
Liabilities & Equity			
Total Liabilities	0	0	
Equity			
Opening Balance	4	4	0%
Retained Earnings	10,096	75	NM
Net Income	7,433	10,018	-26%
Total Equity	2,668	10,097	-74%

(in thousands US)	At March 31 2018	At December 31 2017	Percent Increase/Decrease Vs. Prior Quarter
Liabilities & Equity			
Total Liabilities	0	0	
Equity			
Opening Balance	4	4	0%
Retained Earnings	10,096	75	NM
Net Income	-7,433	10,018	-174%
Total Equity	2,668	10,096	-74%
Total Liabilities & Equity	2,668	10,096	-74%

Highlights

- Cash assets at the end of Q1 2018 totaled ~\$2.7M, down from \$10.1M at the end of 2017
- Despite Dash's significant price correction, Dash Core Group, Inc. submitted only four funding proposals (totaling 2,788 Dash) to the network in Q1 2018
- Several balance sheet accounts remain well capitalized (e.g. external contractors, infrastructure, property lease) and we do not anticipate requesting funding for them in the near future



Metrics



How the currency performed

Dash	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	By Quarter	By Year
Supply (m)	7.20	7.39	7.59	7.81	7.98	+2.2%	+10.9%
Price (\$)	74.56	179.53	331.01	999.91	320.07	-68%	+329%
Market Cap (\$)	0.54B	1.32B	2.51B	7.80B	2.55B	-67%	+376%
Daily Price Volatility (σ)	6.9%	6.2%	5.2%	5.8%	6.9%	+18.2%	—
Avg. Daily Trading Volume (\$)	13.4M	32.6M	51.9M	154.7M	123.3M	-20%	+820%

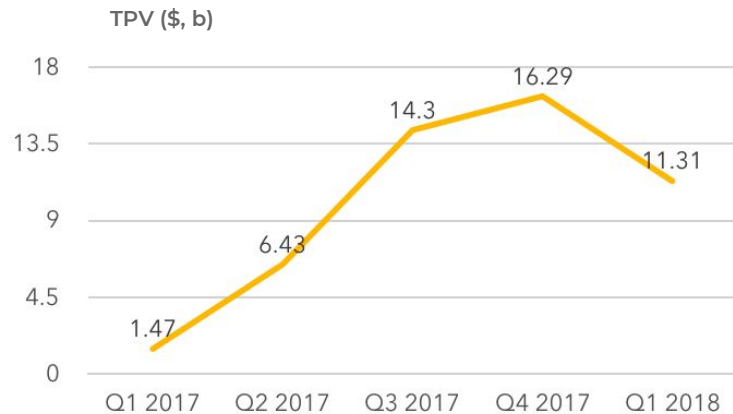
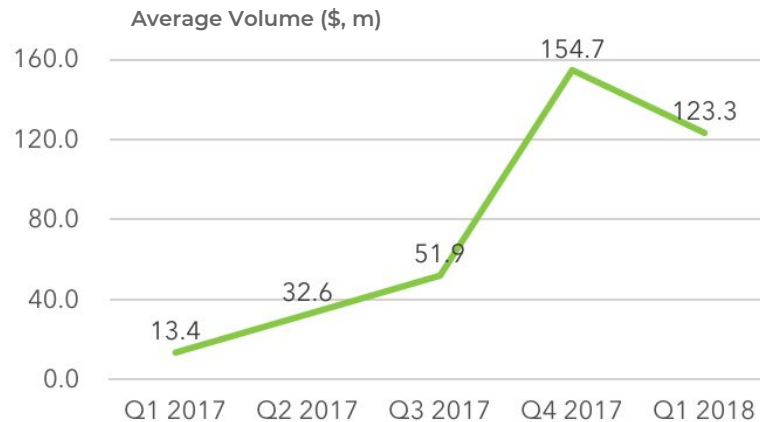
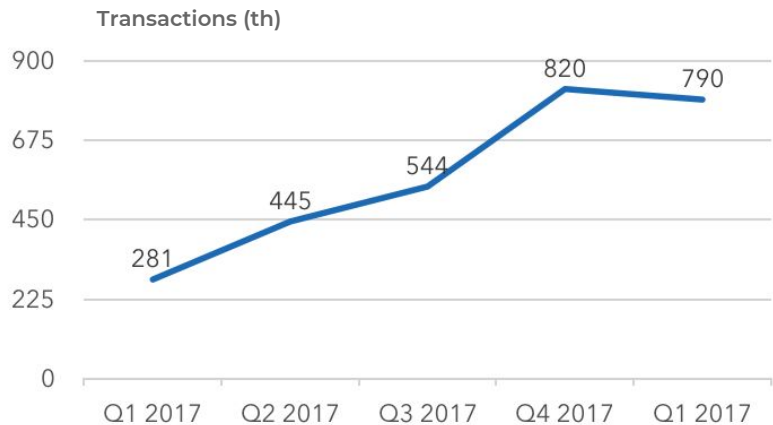


How the network performed

Dash Network	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	QoQ Growth	YoY Growth
Usage							
Active addr. / day (th)	18.94	24.88	28.89	39.20	42.26	+8%	+123%
Trans. / day (th)	3.12	4.89	5.91	8.91	8.87	—	+184%
TPV (\$, B)	1.47	6.43	14.30	16.29	11.31	-31%	+671%
Health							
Network congestion	0.7%	1.0%	1.1%	0.7%	0.7%		
Avg. hashrate (PH/s)	0.002	0.004	0.031	1.195	2.126	+78%	+87,490%
Social Media							
Reddit subscribers (th)	4.2	6.1	9.3	17.5	20.2	+16%	+379%
YouTube subscribers (th)	10.4	14.9	17.8	21.5	23.1	+8%	+124%
Twitter Followers (th)			77	267	292	+9%	



Trends



CEO Summary

Ryan Taylor



Community Q&A



Community Q&A

The Core Team wanted to take this opportunity to address questions we pulled from the Dash Forum, Discord, subreddit, and Dash central.

I. Community & Communication

When is the date of the next demo? What will the frequency of these demos be in the future?

Do we have a date on when the official logo change will be made?

Shouldn't Dash Core Group Executives (Fernando, Ryan, Robert etc) give their opinion on proposals that are of massive value and importance?

II. Technology

What are the scaling plans for block size/time?

Is it possible to make a smart-contract with dApp tools on Evolution platform? If not, what's the difference between a smart-contract and a contract on the Dash network?

III. Product & Roadmap

After Evolutions release, will a person's contact list be visible to others, whether through viewing their profile, or blockchain analysis, or other methods? Is there a limit to the amount of contacts a user can have?

What is average Dash transaction fee? How does that fee change with the amount being transacted?

IV. Legal

What about personal data on Evolution? Can it be erased in accordance with European privacy law GDPR?

What is Dash doing to comply with Anti Money Laundering laws in terms with encrypted transactions like Privatesend?

Do you think that the regulatory environment is becoming a significant obstacle to Dash because of PrivateSend?



Thank you!

