Q1 Quarterly Call

Dash Core Group, Inc.
May 9, 2019

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 were collected previously and will be answered at the end

Moderator: Ryan Taylor, CEO

Operator: Robert Wiecko, COO
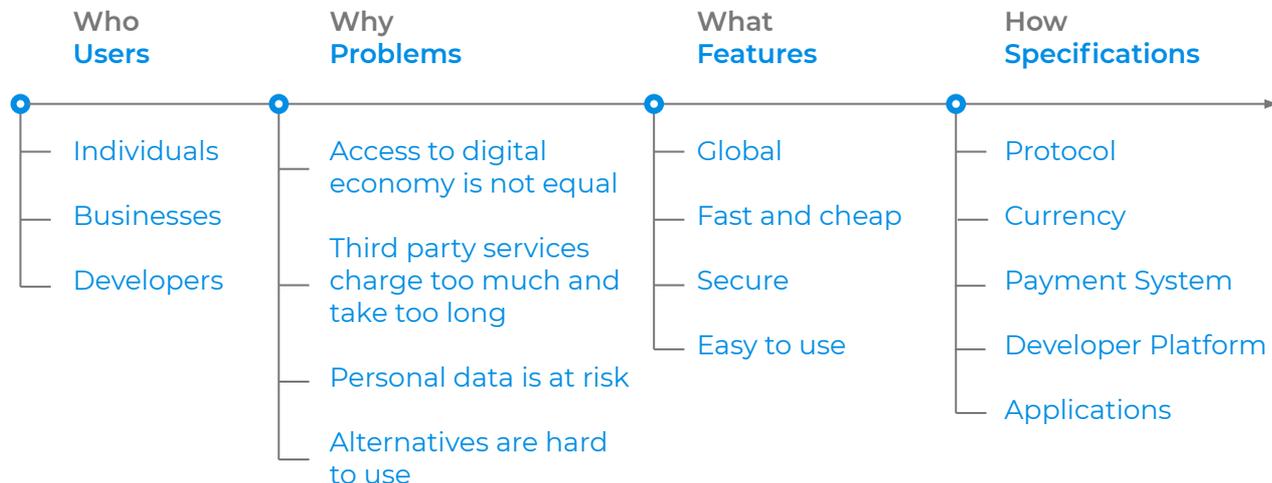
Dash

Strategy

Dash

What is Dash?

Goal
Financial freedom for everyone
Move money your way. Exchange value, build applications, create your own economy.

Mission
Dash lets you pay and get paid in a better way, and shape the future of your digital business.

Who
Users

- Individuals
- Businesses
- Developers

Why
Problems

- Access to digital economy is not equal
- Third party services charge too much and take too long
- Personal data is at risk
- Alternatives are hard to use

What
Features

- Global
- Fast and cheap
- Secure
- Easy to use

How
Specifications

- Protocol
- Currency
- Payment System
- Developer Platform
- Applications

Local money must be exchanged for cross-border payments, requires a centralized third party service, is susceptible to economic instability and capital controls, and not everyone has access to financial services

Third party services take too long and cost too much, cash handling is inefficient at large scale, cryptocurrencies are hard to use, and blockchain-based applications are hard to build

Most payment networks store personal data and carry privacy risks

Public + available to all
Fees under $.01 per transaction
Instant payments
Decentralized, peer-to-peer
Consumer-level privacy
Accessible channels (mobile, desktop)

Open-source, blockchain-based cryptocurrency
Two-tier architecture, distributed governance
Secured with proof of work cryptography
Easy access via standard internet protocol (HTTP)

Dash

What DCG is Building

Global Currency
Dash - Digital Cash

- Digital cash for the internet economy

- Access with a mobile phone, no cash or plastic credit cards to carry

- Convert to other international currencies any time

- Real-time payments and always updated balance

Digital Payment System
Dash Network

- Send and receive money across borders without costly fees and foreign exchange rates

- Use for less than a penny with anyone, anywhere, anytime

- Accept business and merchant payments, e-commerce and point of sale, and access a new market — with no chargebacks

Open Source API + Libraries
Dash Developer Platform

- Build applications and customize payments with a few lines of familiar code

- Host applications with near zero fees — no infrastructure required

- Manage and store application data on a distributed network for enhanced security

User-Friendly Mobile Apps
DashPay + DashWallet

- Exchange money with family and friends in easy to use mobile applications

- Personalize with custom user names and payment settings

- Shop online or buy things you want in-store at your favorite merchants

Dash

How DCG is Growing Dash

Technology
Build the system

Product
Productize as a platform

Growth
Build the ecosystem

Increase access
Provide solutions for consumers, merchants and developers

Extend capabilities
Create blockchain platform upon which to build distributed applications

Scale performance
Ensure network level performance while scaling transaction volume

Improve user experience
Provide easy to use products with with innovative features

Expand use cases
Encourage contributors to build by providing easy-to-use tools and inspiring new use cases

Build brand
Increasing brand awareness by expanding Dash's presence in verticals in addition to blockchain

Build community
Cultivate a community of contributors and maximize the network's potential

Build partnerships
Prioritize financially underserved markets based on user need and market fit

Layer 1 | Payments
Peer-to-peer + trustless

Layer 2 | Payment Metadata
Message storage

Layer 3 | Application Integration
Allows 3rd party applications to easily integrate with blockchain

Network

Governance

Currency
Global

Network Operators

Payment System
Fast and cheap

Developers

Applications
User friendly

Individuals
Businesses

Greatest Need

Venezuela	

Greatest Fit

US Cannabis	Crypto Trading
MX-US Transfers	Chargebacks

Growth Multipliers

Developers	Community
Individuals	Merchants

Dash

Market Performance

Question	Metric	Q1 '19	QoQ	YoY
PRODUCT: Is Dash a Better Way to Move Money?				
How much is the currency fluctuating?	Daily Volatility	3.57%	-44.1%	-50%
How much does it cost to send a payment?	Median Fee	$0.000258	-42%	-97%
USERS: Are More People Using Dash?				
How much media exposure did Dash have through media channels?	Exposure	29.34k	-5.51%	-56.28%
How many people did Dash potentially reach through media channel exposure?	Potential Reach	200.05M	48.0%	-81.8%
How many daily active addresses exist?	Avg Daily Active addresses	72.9k	61.3%	52.7%
How many users are downloading Dash wallets?	Mobile Wallet Downloads	16,202	-14.5%	-51.9%
How many addresses have a balance greater than 1 USD?	Total addresses > 1$	619,951	49.5%	25.6%
USAGE: What are Dash Users Doing?				
How much Dash is traded daily on exchanges?	Avg Daily Traded Vol	$214M	26.6%	74.0%
What is the total payment volume?	TPV	$2.43B	47.6%	-78.5%
What was the number of economic transactions?	Economic Transactions	898.8k	-79.1%	12.6%
What is the median transaction value?	Avg Daily Median Tx Value	$10.49	-27.7%	-95.5%
What was the number of mixing transactions?	Mixing Transactions	270.6k	137%	294%
What percentage of transactions are InstantSend?	% InstantSend	0.75%	476%	N/A
What percentage of transactions are PrivateSend?	% PrivateSend	0.79%	426%	6.8%
NETWORK: How is Dash Network Performing?				
How many miners own 51% of Dash network's hashrate?	# Mining Pools	3	-25%	50%
MARKET: What is Dash Market Value?				
How many coins are circulating?	Supply	8.72M	2.1%	9.3%
What was the quarterly (last day mean) price of Dash?	Price	$105.65	30.5%	-66.9%
What is the network value of Dash?	Market Cap	$933M	33.3%	-63.9%

Balance Sheet
(Non-GAAP compliant. See disclaimer.)

Cash/Dash assets at the end of Q1 2019 totaled ~$1M, down from $1.1M at the end of 2018.

Dash Core Group received 60% of the Dash Network treasury during Q1 2019

Q-o-Q decrease in balance sheet due mostly to reduction in core team salaries reserve. The decline in the reserve was driven by compensation expenses exceeding compensation related revenue from the proposal system

(In thousands $US)	At March 31 2019	At December 31 2018	Percent Increase / Decrease Vs. Prior Quarter
Assets- USD Equivalent, DASH at market value			
Budget Accounts			
Bus Dev - General	252	296	-15%
Core Team Salaries	337	424	-21%
External Outsourcing	63	72	-12%
Infrastructure	38	5	650%
Legal	45	129	-65%
Marketing / Comm / Conf / Travel	107	85	27%
Property Lease	16	3	398%
Public Relations	26	19	34%
Escrow	42	32	31%
Other			
Prepaid Expenses & Retainers	24	49	-51%
Other Current Assets	14	14	0%
Total Assets	965	1,130	-15%
Liabilities			
A/P & Accrued Expenses	176	230	-23%
Escrow Balances	42	32	31%
Other Current Liabilities	0	0	0%
Equity			
Retained Earnings	868	1,228	-29%
Net Income	(122)	(361)	-66%
Total Liabilities & Equity	965	1,130	-15%

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America ("US GAAP"). If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters. Treatment of "DASH" as a foreign currency and its "mark-to-market" accounting is not in compliance with US GAAP; Statement of Cash Flows has been omitted.

Dash

Income Statement
(Non-GAAP compliant. See disclaimer.)

Recognized $850 thousand dollars as revenue from the Dash Network proposal system in Q1 2019

DCG expenses exceeded revenue and exchange gains, resulting in negative net income for the quarter

The largest expense item was compensation, significantly dwarfing the rest of the expense categories

(In thousands $US)	At March 31 2019	At December 31 2018	Percent Increase / Decrease Vs. Prior Quarter
Revenue			
Dash Budget System	852	1,311	-35%
Uncategorized Income	30	101	-70%
Total Revenue	**882**	**1,411**	
Expenses			
Bus Dev / Marketing / PR	52	334	-84%
Compensation Costs	858	1,008	-15%
General & Administrative	54	64	-16%
Occupancy Costs	6	15	-60%
Professional Fees	51	118	-57%
Travel & Entertainment	1	45	-97%
Total Expenses	**1,022**	**1,584**	
Other Gain/Loss			
Exchange Gain (Loss)	19	(119)	NM
Fiat Guarantee Gain (Loss)	0	(68)	-100%
Other Income	0	0	0%
Total Other Gain (Loss)	**19**	**(187)**	
Interest Expense	0	0	0%
Tax Expense	0	0	0%
Net Income	**(122)**	**(361)**	

Dash

Dash

Roadmap

Q1 2019 — Complete

DashCore v0.13
- Automatic InstantSend
- Deterministic Masternode List
- Special Transactions
- New masternode keys
- .001 PrivateSend denomination

Q2 2019

DashCore v0.14
- Long Living Masternode Quorums
- ChainLocks against 51% attacks
- LLMQ-Based InstantSend
- Bitcoin backports

2019

DashCore v1.0
- Blockchain users
- Decentralized API (DAPI)
- Decentralized data storage
- Development libraries and SDKs

Q1 2019 — Complete

DashWallet
- Unlock wallet with fingerprint (Android)
- iOS library integration (iOS)
- InstantSend receiving (iOS)
- Price sourcing alignment

Q2 2019

DashWallet
- Uphold (iOS)
- Price sourcing improvements
- Wallet lock timer (Android)
- DashCore v0.14 support

Long Living Masternode Quorums (LLMQs)

- **Dash's 2-tier consensus allows for user experience improvements that maintain a high level of security.**
  - InstantSend allows users to send and receive transactions instantly in a secure way using masternodes to prevent double spends
  - Masternodes form quorums to 'agree' on whether an InstantSend transaction is valid

- **With improvements, quorums can power many more value-added use cases beyond InstantSend.**
  - The current quorum system limits the scalability potential of the network as too much additional load would strain the network as well as node hardware
  - The final decision of a quorum is not deterministic and unique

- **LLMQs broaden the universe of use cases of the Dash network, reduce overhead, and improve security.**
  - Quorums will vary in size based on the level of security needed for a particular use case
  - Quorum decisions will be propagated with a single signature, allowing for no ambiguity

Dash

ChainLocks

- **Dash focuses on solutions to user experience problems.**
  - Bitcoin is highly secure, but wait time for block confirmations to reach an acceptable level of security negatively impacts the user experience and limits its applications

- **With InstantSend, users get immediate confidence that a transaction will later be confirmed.**
  - The masternode tier provides a second layer of security on the Dash network that provides this confidence, faster
  - Still, not all transactions could be sent instantly - and for those that were, 6 confirmations were required by the protocol before the recipient could resend that money via InstantSend

- **With ChainLocks, users will no longer have to wait for 6 confirmations to be confident in a transaction.**
  - Users will get immediate confirmation that a transaction is secure after just 1 block, which will enable real time transactions
  - A network attack on Dash would cost hundreds of $USD millions and require supermajority control of *both* mining and masternode functions of the network

Dash

Dash

Growth

Greatest Traction

Venezuela
Cryptobuyer Traki
Church's Chicken Promo
Coinbene Brazil

US Cannabis
Alt Thirty Six - Partner Referrals
Promotion and Conference Planning Support

Establishing Foundation

Remittances
Liquid Fiat Ramps
Remittance Partners

Chargebacks
Technology Development
Channel Partnerships

Prioritization

Crypto Trading
Strategy
Crypto Facil Uruguay
Vega Wallet

V.13.0 Support

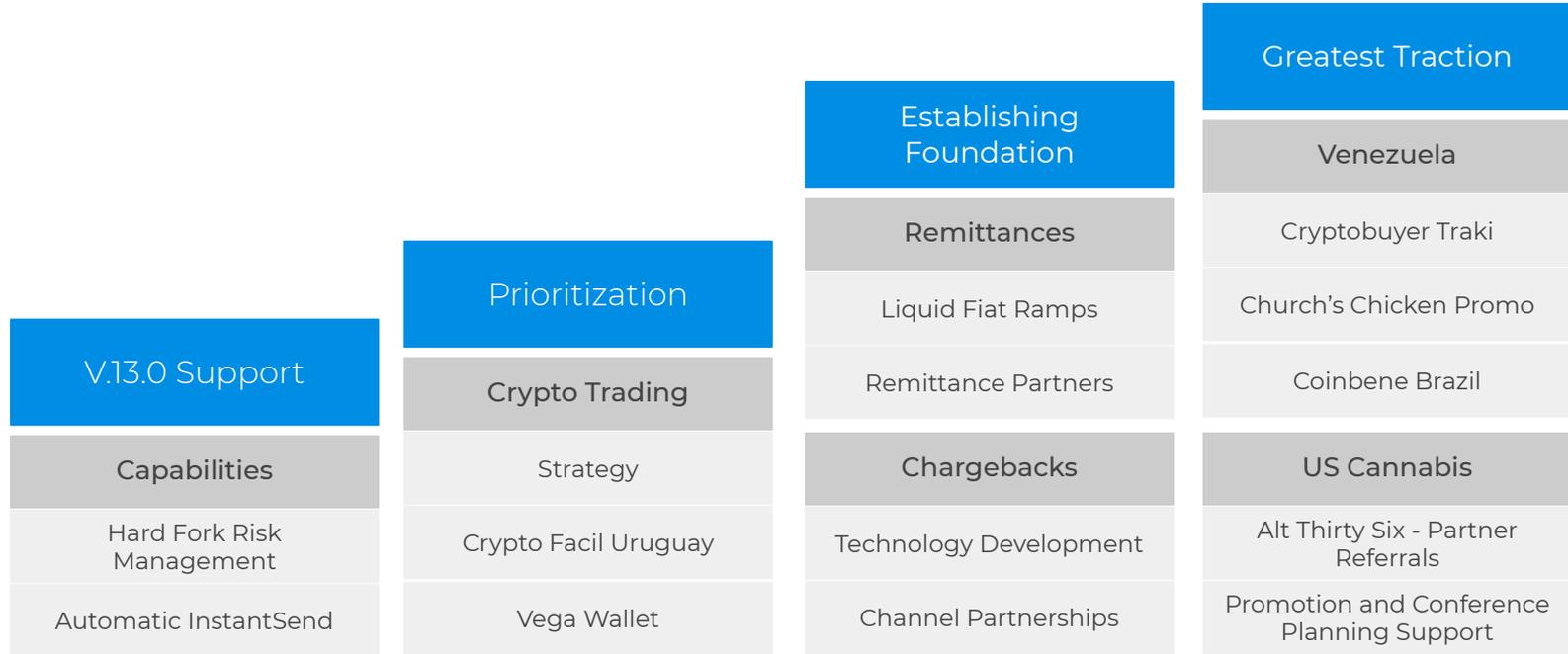| Capabilities |
| --- |
| Hard Fork Risk Management |
| Automatic InstantSend |

Dash

Strategy
Market Performance
Financials
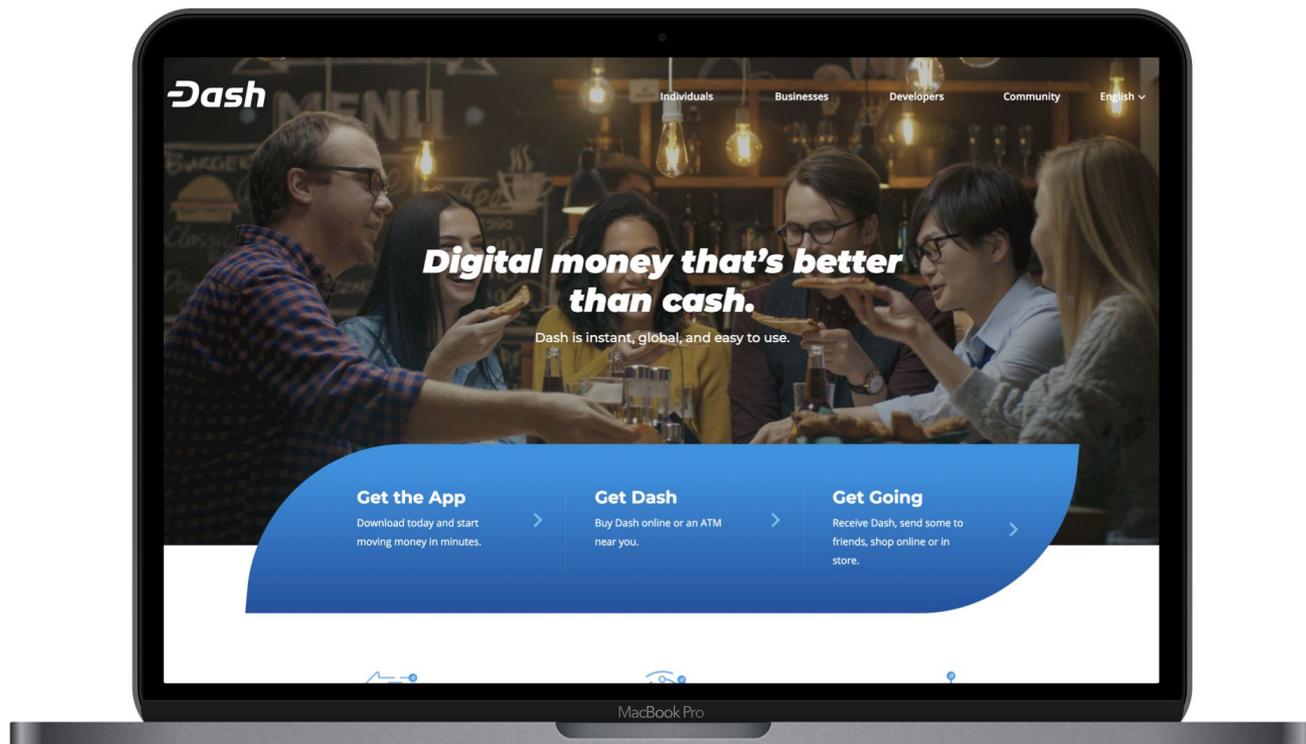Roadmap
Growth

Outlook

Q&A
Appendix

Dash

Outlook

Website

Design consistent with brand

Segmentation of user experiences

Clearer information structure

More flexible and expandable infrastructure
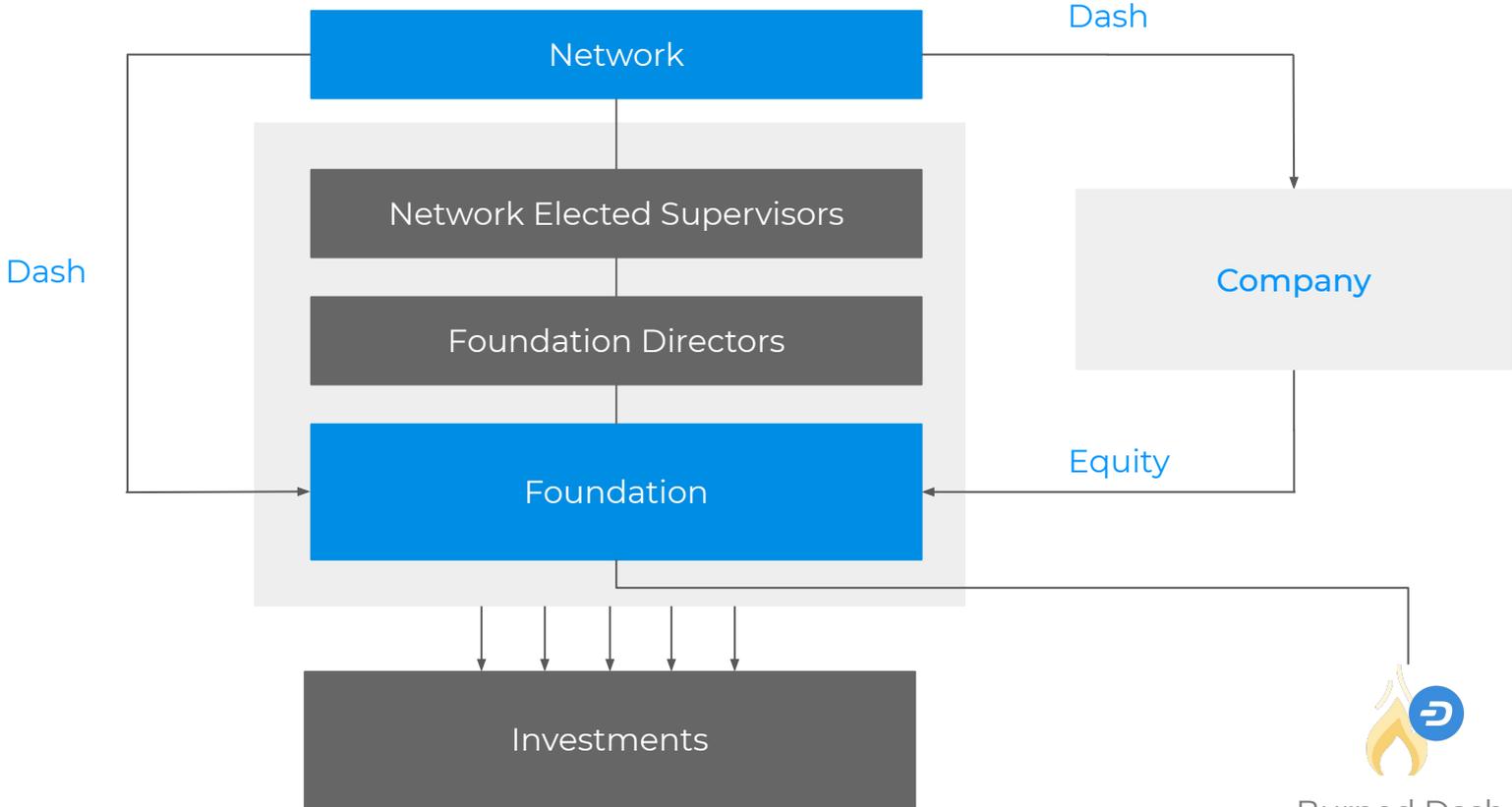
Dash

Trust Protectors

Network

Elected Trust Protectors

- Pieter Bakhuijzen
- Raleigh Barrett
- Michael Lewis
- Mark Mason
- Eric Sammons
- Perry Woodin

Trustee

- TCA Asset Management

Dash DAO Irrevocable Trust

100% ownership

Dash Core Group Inc.

Dash Core Group Board

- Can re-assign DCG board by instruction from MNs
- Fiduciary duties to beneficiaries
- Ensures assets of DCG are for network benefit only

Dash

Dash Investment Foundation

Strategy

Market Performance

Financials

Roadmap

Growth

Outlook

Q&A

Appendix

Dash

Q&A

1. After resetting the votes on DIP3 activation, the most recent treasury cycle was the first in a long time not to use all the funds. What does DCG think about this and would things be done differently in hindsight and with future migrations?

2. Does DCG have any ideas on how to win market-share away from Localbitcoins in Venezuela? https://coin.dance/volume/localbitcoins/VES/BTC With those kind of numbers for Bitcoins being transacted per week in the country, it's possible that we are getting creamed in the savings/purchasing-power market--that people are choosing Bitcoin en mass! Further, if look at our local Dash sites (Dashous & Dashnearby), they appear to be almost dead for use in VEZ.

3. Has there been any discussion or research on how to improve Dash's fungibility, both functionally and time-wise? I refer to the following post, "I traced a PrivateSend"

4. What steps if any is DCG taking in order to improve the intractability and anonymity of PS transactions? And I'd like to add: Is DCG doing, funding, or participating in any kind of (academic) research in breaking and improving PS security?

5. Could Core provide a fairly detailed update on the progress of Alt-36? They seem reluctant to interact directly with the Masternode community. In some respects, that is totally understandable.

6. I was hoping you could inform me of the status of the Dash exclusivity that was included in the Alt36 proposal to the Dash treasury. Did that timeframe start when payment was received? Or once B2C system is fully launched? Or something else?

7. Now that we have only v0.14 to go on the roadmap and it is on testnet, do we have a target date for sending v1.0 to testnet?

8. Are all devs now working on 0.14, or is there also progress made on v1.0 like usernames on blockchains, GUI etc?

9. Does the newly released Crypto Token Guidance from the SEC offer any clarity for the expected status of the non-action letter? https://www.coindesk.com/the-sec-just-released-its-crypto-token-guidance https://www.sec.gov/files/dlt-framework.pdf

10. In June it is expected that the G-20 countries will meet and can dictate a global agreement about cryptocurrencies. What is the current status of the agreement with Coinfirm signed in 2016? about KYC/AML for institutional.

11. Once we have Dash Drive, will we store the DAO Trust Election Results on Drive?

12. There have been agreements with the Arizona's University that the treasury has financed. It is known that there are problems to find developers or mathematicians in blockchain. Is there a plan to recruit talented students to incorporate them as scholarship or developers within the DCG team?

Dash

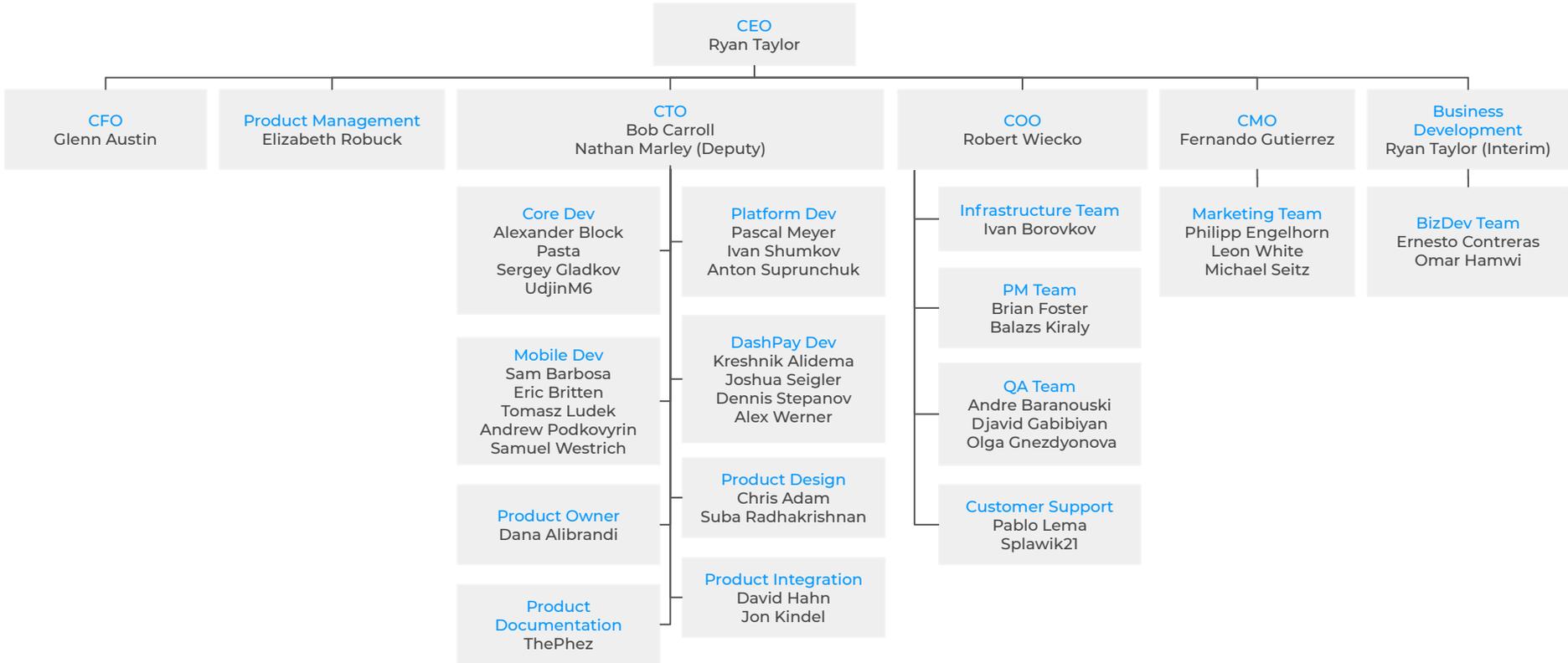Thank you!

Strategy

Market Performance

Financials

Roadmap

Growth

Outlook

Q&A

Appendix

Dash

How DCG is Organized

CEO
Ryan Taylor

CFO
Glenn Austin

Product Management
Elizabeth Robuck

CTO
Bob Carroll
Nathan Marley (Deputy)

COO
Robert Wiecko

CMO
Fernando Gutierrez

Business Development
Ryan Taylor (Interim)

Core Dev
Alexander Block
Pasta
Sergey Gladkov
UdjinM6

Platform Dev
Pascal Meyer
Ivan Shumkov
Anton Suprunchuk

Infrastructure Team
Ivan Borovkov

Marketing Team
Philipp Engelhorn
Leon White
Michael Seitz

BizDev Team
Ernesto Contreras
Omar Hamwi

Mobile Dev
Sam Barbosa
Eric Britten
Tomasz Ludek
Andrew Podkovyrin
Samuel Westrich

DashPay Dev
Kreshnik Alidema
Joshua Seigler
Dennis Stepanov
Alex Werner

PM Team
Brian Foster
Balazs Kiraly

QA Team
Andre Baranouski
Djavid Gabibiyan
Olga Gnezdyonova

Product Owner
Dana Alibrandi

Product Design
Chris Adam
Suba Radhakrishnan

Customer Support
Pablo Lema
Splawik21

Product Documentation
ThePhez

Product Integration
David Hahn
Jon Kindel

Dash

What the Teams Accomplished

Tech

- v0.13 to testnet
- v0.13 to mainnet implementing deterministic masternode list
- v0.13.1 & v0.13.2 to mainnet to assist with upgrade efforts
- v0.14 code complete on devnet with long-living masternode quorums
- Published all Layer 2 Dash Evolution repositories on GitHub

Business Development

- Dash Core v0.13.x Launch Prep Support
- Coinbene, Cryptobuyer - Traki Launch (VZN)
- Church's Chicken Promotion
- Cryptofacil (Uruguay)
- VegaWallet - US (Cannabis and Exchanges)
- Coinpayments and VegaWallet added IS
- Coinflip and vegawallet partnership - Enhances partnership value

Marketing

- New website released
- RFP released to PR firms and initial screening to launch public selection in April
- Translations for v0.13
- Extended product communication campaign

Finance/HR

- Engaged contingency plans to deal with significantly lower price of Dash
- Monthly and weekly reports DCG financial situation to internal stakeholders
- Updated internal HR policies and procedures

Operations

- Job descriptions for all roles created (as a joined effort with Tech)
- Release planning process published
- Updated internal HR policies and procedures
- Internal DCG Security Policy published
- Internal VPN service implemented
- Terraform software implemented
- Internal Service Desk launched

Product

- VZN user survey - analysis of segment 1 (Dash teams in VZN) finalized + shared internally
- DashPay onboarding strategy and design direction finalized; UI prototype created
- DashWallet Evolution initial integrated demo on temp UI; UI redesign direction finalized
- Dash Platform MVP product strategy planning sessions initiated; began gathering partner feedback to inform approach
- Core v0.14 scope finalized; product brief published w/ launch to testnet

Current Activities

Management Team
Understand problems and determine priorities
CEO, CFO, CTO, CMO, COO, BusDev, Product

Value Team
Deliver products with user-first approach
CEO, CTO, CFO, CMO, COO, BusDev, Product

Growth Team
Design go-to-market activities and drive growth
CEO, CMO, BusDev, Product

Management Team	Value Team	Growth Team
Dash Ventures	Design system	Partner strategy planning
Trust elections	Roadmap	Remittances training events
Patent	Release management v0.14	Exchange analysis
Role descriptions refresh	Dashpay demo	Integration launch checklists
PrivateSend on Bitcoin	State transition fee model	Website expansion
Trademark and logo registration for Dash	Dash Platform blog posts	Gaming analysis
HR processes		
Partner funding policy		

Dash

What's Next (Q2)

Tech

- Implementation of partner testing network
- v0.14 to testnet
- v0.14 to mainnet with long-living masternode quorums and ChainLocks
- Publish Dash Evolution reference application repositories on GitHub
- Conduct technical webinar on Evolution

Business Development

- Implement improved outreach strategy
- Build solutions that enable InstantSend, ChainLocks and Special Transactions.
- Increasing focus on Venezuela strategy
- Develop foundational work for U.S. - Mexico remittance cashout options
- Grow B2C customer base in cannabis industry
- Integrate with payment processors in the gaming industry
- Exchanges: BTI and CoinMarketCap to achieve volume

Marketing

- Extension of website
- Selection/validation of PR firm
- Remittances events series
- Developer webinars

Finance/HR

- Continue to request 60% of overall Dash treasury unless there is a rapid and sustained recovery in price
- File actual FY 2018 taxes with U.S. federal and state tax authorities
- Facilitate in creating and standing up the Dash Investment Foundation legal entity
- Assist in completing exercise to reproduce Dash PrivateSend transaction on the Bitcoin network

Operations

- Release planning process improvements
- Incident/Problem Management process creation
- Improvements in internal communication e.g. internal quarterly call with AMA
- IaaC automation for all environments
- Stagenet implementation (if needed by BizDev)
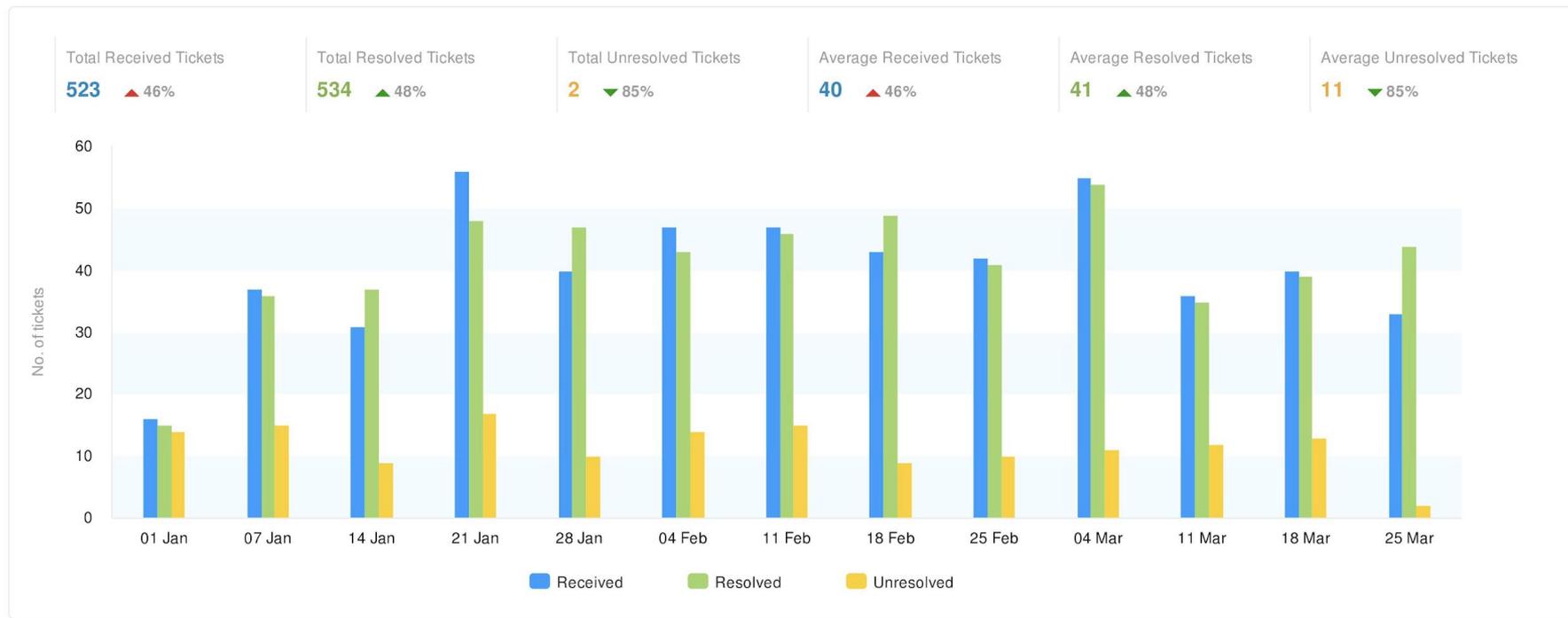- AntiVirus solution available for the DCG contributors

Product

- Finalize Dash Platform MVP scope, pricing, + positioning
- Complete integrated DashPay demo
- Publish design toolkit to web
- Complete DashWallet UI feedback survey
- Simple QT UI update
- Draft team level roadmaps (internal)
- Identify analytics provider

Quarterly Performance Trends

Metric	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	QoQ	YoY
PRODUCT							
Daily Volatility	7.13%	5.27%	5.78%	6.39%	3.57%	-44.1%	-50%
Median Fee	$0.0086	$0.0009	$0.0009	$0.0004	$0.0003	-42%	-97%
USERS							
Exposure	67.11k	148.33k	47.9k	31.05k	29.34k	-5.5%	-56.3%
Potential Reach	1.1B	900.76M	542.44M	135.19M	200.05M	48.0%	-81.8%
Avg Daily Active addresses	47.74k	47.67k	47.75k	45.18k	72.90k	61.3%	52.7%
Mobile Wallet Downloads	33,673	23,810	18,669	18,954	16,202	-14.5%	-51.9%
Total addresses > 1$	493,480	521,108	547,210	414,750	619,951	49.5%	25.6%
USAGE							
Avg Daily Traded Vol	$123M	$101M	$189M	$169M	$214M	26.6%	74.0%
TPV	$11.31B	$6.09B	$4.23B	$1.48B	$2.43B	47.6%	-78.5%
Economic Transactions	798.4k	896.4k	1.58M	4.32M	898.8k	-79.1%	12.6%
Avg Daily Median Tx Value	$233.10	$18.54	$30.50	$14.50	$10.49	-27.7%	-95.5%
% InstantSend	N/A	N/A	0.37%	0.13%	0.75%	476%	N/A
% PrivateSend	0.74%	0.54%	0.33%	0.15%	0.79%	426%	6.8%
NETWORK							
# Mining Pools	2	3	3	4	3	-25%	50%
MARKET							
Supply	7.98M	8.16M	8.35M	8.54M	8.72M	2.1%	9.3%
Price	$320.07	$241.03	$187.79	$80.95	$105.65	30.5%	-66.9%
Market Cap	$2.48B	$1.91B	$1.57B	$691M	$921M	33.3%	-63.9%

Dash

Customer Support Q1 2019 Summary

Total Received Tickets	Total Resolved Tickets	Total Unresolved Tickets	Average Received Tickets	Average Resolved Tickets	Average Unresolved Tickets
523 ▲ 46%	**534** ▲ 48%	**2** ▼ 85%	**40** ▲ 46%	**41** ▲ 48%	**11** ▼ 85%

Dash

Data Glossary

METRIC	DEFINITION	SOURCE	NOTES
Median Fee	Median fees in USD	blockchain	using coinmarketcap for USD rates
Daily Volatility	Standard deviation of daily close price variance	coinmarketcap.com	
Avg Daily Active addresses	Mean Daily Active Addresses (sum of unique in-out addresses for the day)	blockchain	
Wallet Downloads	All downloads to Android + iOS, including re-installs	google play console, iTunes connect	
Total addresses > 1$	Amount of addresses with a balance greater than 1 USD (snapshot)	bitinfocharts.com	Snapshot of last day of the quarter
Avg Daily Traded Vol $	USD Volume traded on exchanges, daily mean	coinmarketcap.com	Currently excluding the following exchange pairs [ZB.com	DASH/ZB], [OOOBTC	DASH/BTC], [Coinsuper	DASH/BTC, DASH/ETH], [ABCC	DASH/ETH, DASH/USDT], [Cashierest	DASH/BTC, DASH/KRW], [CoinEx	DASH/USDT, DASH/BTC, DASH/BCH], [Bithumb	DASH/KRW], [ABCC	DASH/BTC, DASH/ETH]
TPV	Total Payment Volume in USD	bitinfocharts.com	
Economic Transactions	Number of on-chain transactions excluding Mixing, Coinbase and Coinstake	blockchain	
Avg. Daily Median Tx Value $	Avg Daily Median TX Value in USD	blockchain	using coinmarketcap for USD rates
% InstantSend	# InstantSend / # Economic Transactions	dashradar.com	no coinbase, no coinstake, no mixing. Data for Q3 2018 is incomplete, it starts July 4th 2018 and ends August 31st 2018. The data gap is accounted for in the denominator
% PrivateSend	# PrivateSend / # Economic Transactions	dashradar.com	no coinbase, no coinstake, no mixing
# Mining Pools	# of Miners that make up more than 51% of total network hashrate	chainz.cryptoid	
Supply	Number of coins circulating	blockchain	
Price	Avg of Open / Close for last day of the quarter	coinmarketcap.com	Mean of Daily Close / Open Price
Market Cap	Product of Price and Circulating Supply	coinmarketcap.com	Also known as Network Value
Exposure	Number of PR in media (news plus social)	Meltwater	private deployment
Reach	Potential reach of PR, based on unique monthly visitors to source	Meltwater	private deployment

Dash