



# Q2 Quarterly Call

Dash Core Group, Inc.  
August 8, 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

# Strategy

Market Performance

Financials

Roadmap

Growth

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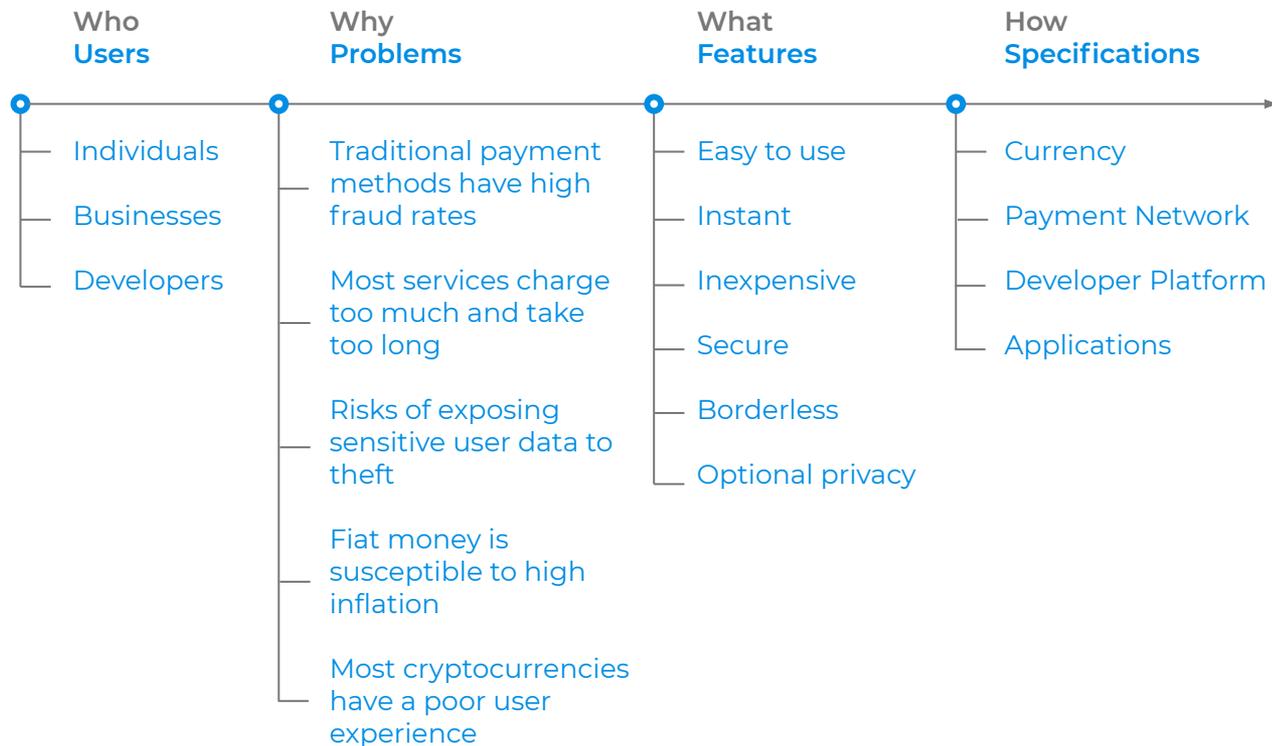
# What is Dash?

## Goal

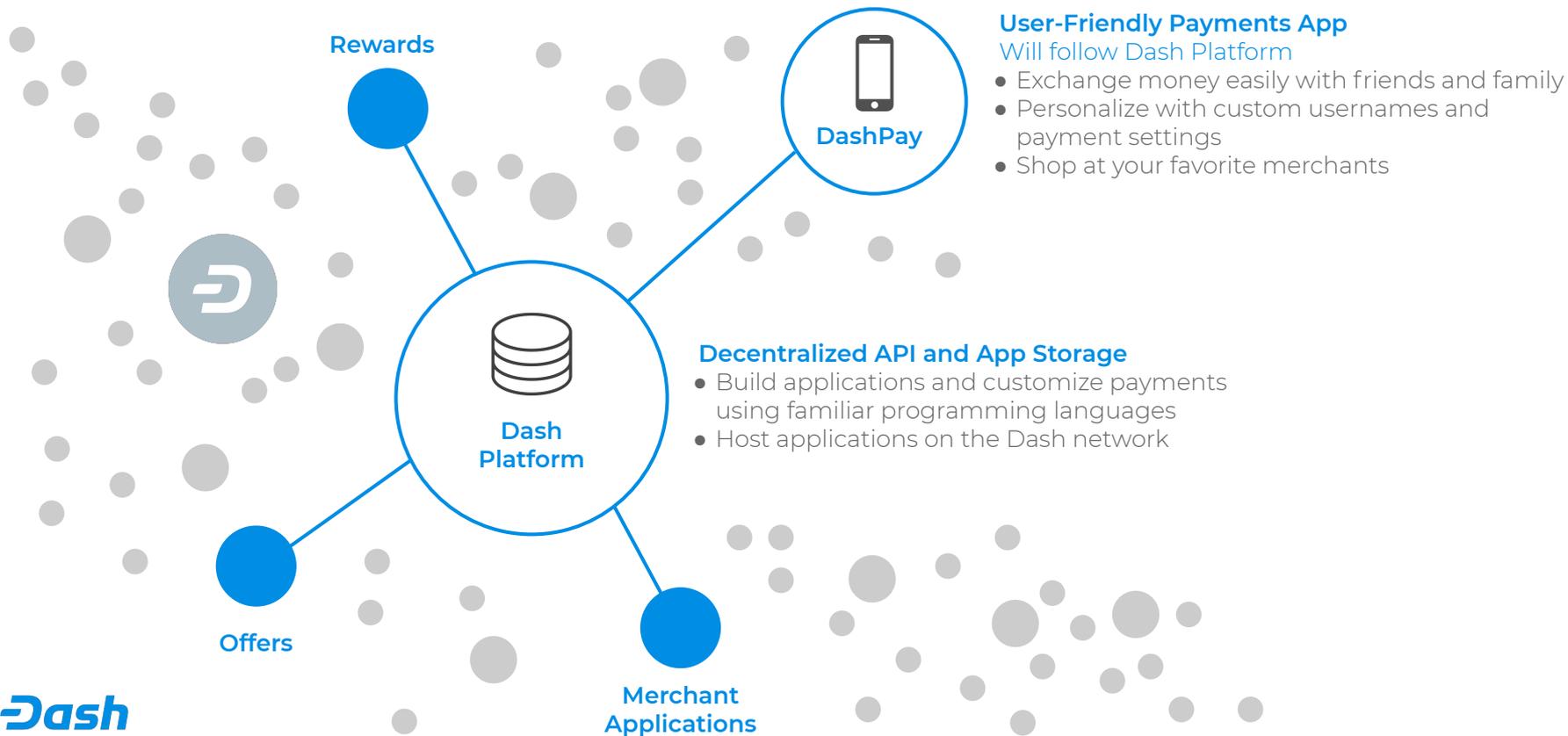
Financial freedom for everyone  
Your money, your way - move your money to anyone, anywhere, anytime.

## Mission

Make payments as quick, easy, secure and inexpensive as possible.



# What is Evolution?



# How DCG is Growing Dash

## Growth Build the ecosystem

### 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

Greatest Need

Venezuela

Greatest Fit

Remittances

Crypto Trading

Gaming

U.S. Cannabis

Growth Multipliers

Developers

Community

Merchants

## Product Put users first

### Functional

Functions as intended

### Reliable

Secure and performant

### Easy to use

Fast, affordable, intuitive

### Delightful

Fun to use

Network Operators

Currency  
Borderless

Network  
Instant + cheap

Developers

Applications  
User friendly

Individuals  
Businesses

## Technology Build the system

### 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

Layer 1 | Payments  
Peer-to-peer + trustless

Layer 2 | Data  
Data and message storage

Layer 3 | Applications  
Applications for the blockchain

.....  
Network  
.....  
Governance  
.....

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# Market Performance

Question	Metric	Q2 '19	QoQ	YoY
<b>PRODUCT: Is Dash a Better Way to Move Money?</b>				
<i>How much is the currency fluctuating?</i>	Daily Volatility	4.42%	23.9%	-16.1%
<i>How much does it cost to send a payment?</i>	Median Fee	\$0.0005	85%	-42%
<b>USERS: Are More People Using Dash?</b>				
<i>How many daily active addresses?</i>	Avg Daily Active addresses	71.07K	-2.5%	49.1%
<i>How many DCG wallets are installed on active mobile devices?</i>	Installed wallets on active devices	41,007	26.6%	13.2%
<i>How many addresses have a balance greater than 1 USD?</i>	Total addresses > 1\$	600,349	-3.2%	15.2%
<b>USAGE: What are Dash Users Doing?</b>				
<i>How much Dash is traded daily on exchanges?</i>	Avg Daily Traded Vol	\$365M	71%	261%
<i>What is the total payment volume?</i>	TPV	\$3.30B	35.8%	-45.8%
<i>What was the number of economic transactions?</i>	Economic Transactions	1.16M	29.0%	29.3%
<i>What is the median transaction value?</i>	Avg Daily Median Tx Value	\$20.76	97.9%	12.0%
<i>What was the number of mixing transactions?</i>	Mixing Transactions	321.9k	19%	290%
<i>What percentage of transactions are InstantSend?</i>	% InstantSend	35.37%	4,616%	5,101%
<i>What percentage of transactions are PrivateSend?</i>	% PrivateSend	0.62%	-22%	15%
<b>NETWORK: How is Dash Network Performing?</b>				
<i>How many miners own 51% of Dash network's hashrate?</i>	# Mining Pools	3	flat	flat
<b>MARKET: What is Dash Market Value?</b>				
<i>How many coins are circulating?</i>	Supply	8.89M	2.0%	8.9%
<i>What was the quarterly (last day mean) price of Dash?</i>	Price	\$164.81	56.0%	-31.6%
<i>What is the network value of Dash?</i>	Market Cap	\$1.47B	59.1%	-25.5%

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# Balance Sheet

(Non-GAAP compliant. See disclaimer.)

Cash/Dash assets at the end of Q2 2019 totaled ~\$1.4M, up from \$900k at the end of Q1 2019.

Dash Core Group received 60% of the Dash Network treasury during Q2 2019

Q-o-Q increase in balance sheet due mostly to the continued build-up in core team salaries reserve, reversing a reduction in the previous quarter. This increase was driven by compensation revenue received from proposal system exceeding compensation expense



	At June 30 2019	At March 31 2019	Percent Increase / Decrease Vs. Prior Quarter
<b>(In thousands \$US)</b>			
<b>Assets- USD Equivalent, DASH at market value</b>			
<b>Budget Accounts</b>			
Bus Dev - General	218	252	-14%
Core Team Salaries	706	337	109%
Evolution Outsourcing	127	63	100%
Infrastructure	6	38	-85%
Legal	83	45	86%
Marketing / Comm / Conf / Travel	150	107	40%
Property Lease	8	16	-51%
Public Relations	24	26	-5%
Escrow	8	42	-81%
<b>Other</b>			
Prepaid Expenses & Retainers	57	24	136%
Other Current Assets	25	14	78%
<b>Total Assets</b>	<b>1,412</b>	<b>965</b>	<b>46%</b>
<b>Liabilities</b>			
A/P & Accrued Expenses	259	176	47%
Escrow Balances	8	42	-80%
Other Current Liabilities	15	0	0%
<b>Equity</b>			
Retained Earnings	746	868	-14%
Net Income	384	(122)	NM
<b>Total Liabilities &amp; Equity</b>	<b>1,412</b>	<b>965</b>	<b>46%</b>

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.

# Income Statement

(Non-GAAP compliant. See disclaimer.)

Recognized \$1.4mm as revenue from the Dash Network proposal system in Q2 2019

DCG expenses revenue exceeded expenses in the quarter resulting in positive net income for the quarter

The largest expense item continued to be compensation, dwarfing the rest of the expense categories



(In thousands \$US)	At June 30 2019	At March 31 2019	Percent Increase / Decrease Vs. Prior Quarter
<b>Revenue</b>			
Dash Budget System	1,390	852	63%
Uncategorized Income	0	30	-100%
<b>Total Revenue</b>	<b>1,390</b>	<b>882</b>	
<b>Expenses</b>			
Bus Dev / Marketing / PR	71	52	35%
Compensation Costs	771	858	-10%
General & Administrative	58	54	8%
Occupancy Costs	7	6	13%
Professional Fees	102	51	101%
Travel & Conferences	42	1	NM
<b>Total Expenses</b>	<b>1,051</b>	<b>1,022</b>	
<b>Other Gain/Loss</b>			
Exchange Gain (Loss)	43	19	125%
Fiat Guarantee Gain (Loss)	2	0	0%
Other Income	0	0	0%
<b>Total Other Gain (Loss)</b>	<b>45</b>	<b>19</b>	
<b>Interest Expense</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Tax Expense</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Net Income</b>	<b>384</b>	<b>(122)</b>	

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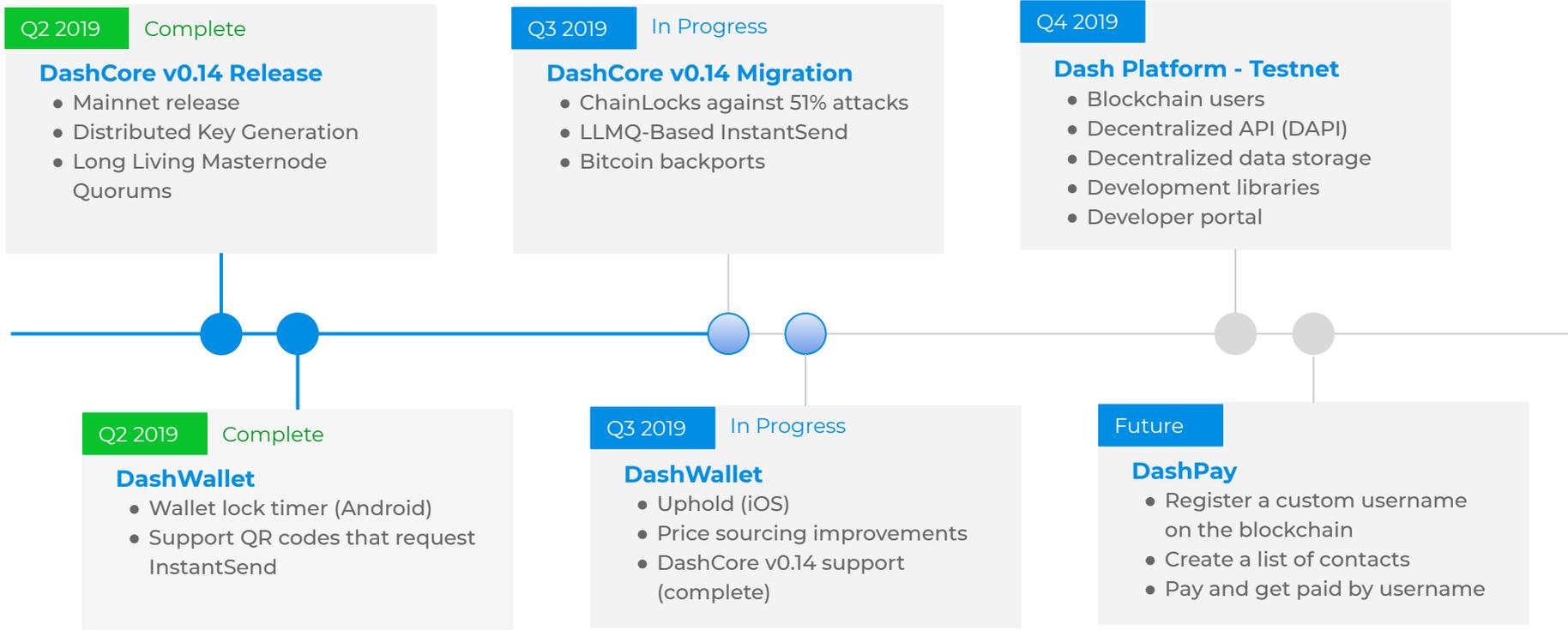
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# Roadmap



# Dash Platform on Testnet



## Dash Platform

*What will developers be able to do with it on testnet?*

- Spin up your own devnet or develop on Dash Platform locally to create custom contracts
- Create your own test wallet application (including SPV/light clients) using the DashPay contract
- Allow your wallet application users to register test identities using the Dash Platform Naming Service (DPNS) and try out the new system
- Clone the Dash Platform Naming Service (DPNS) to create your own naming service if desired
- Experiment with updating and saving test application data using state transitions (note: will only work with DPNS, DashPay, and any cloned contracts)

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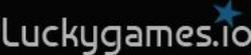
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# Growth

Venezuela	cryptobuyer    0%				
Trading		 crypto.com			
Chargebacks					
Remittances					
U.S. Cannabis					
Channel Partnerships					

# Gaming Integrations



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# Outlook

# Marketing

## Markets Who we target

### Targeted markets

When it is possible to segment, actions will target the preferred markets

### General markets

Most channels allow little segmentation, so general focus on individuals and business is still needed

## Channels How we reach them

### Owned channels

Website, social media, events

### Earned channels

PR, conferences

### Paid channels

Sponsorships, ads

Community multiplication

## Messages and actions What we do and what we tell

Adoption

Product

Education

Directly

Venezuela

Remittances

Developers

Crypto

Through partners

Gaming

U.S. Cannabis

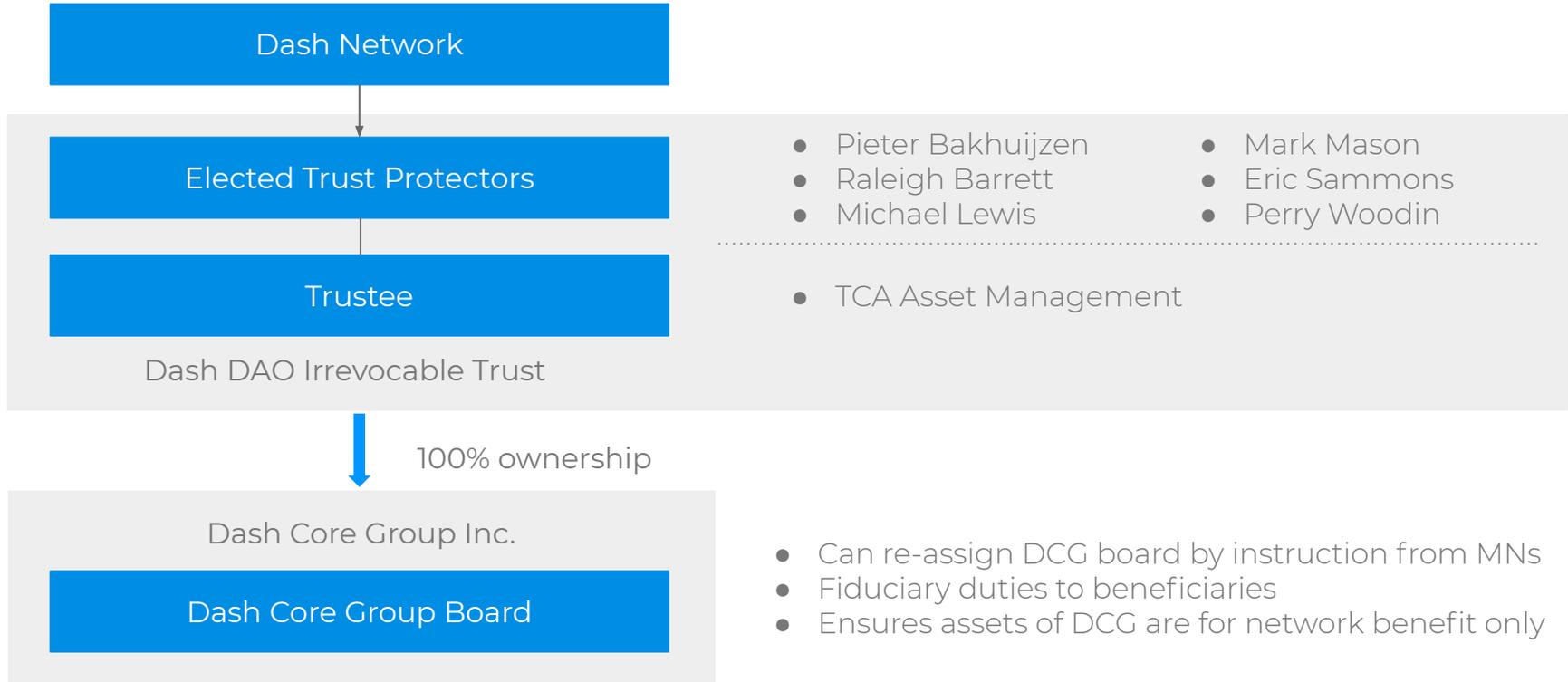
Focus on current resources

Website, social media, PR, community

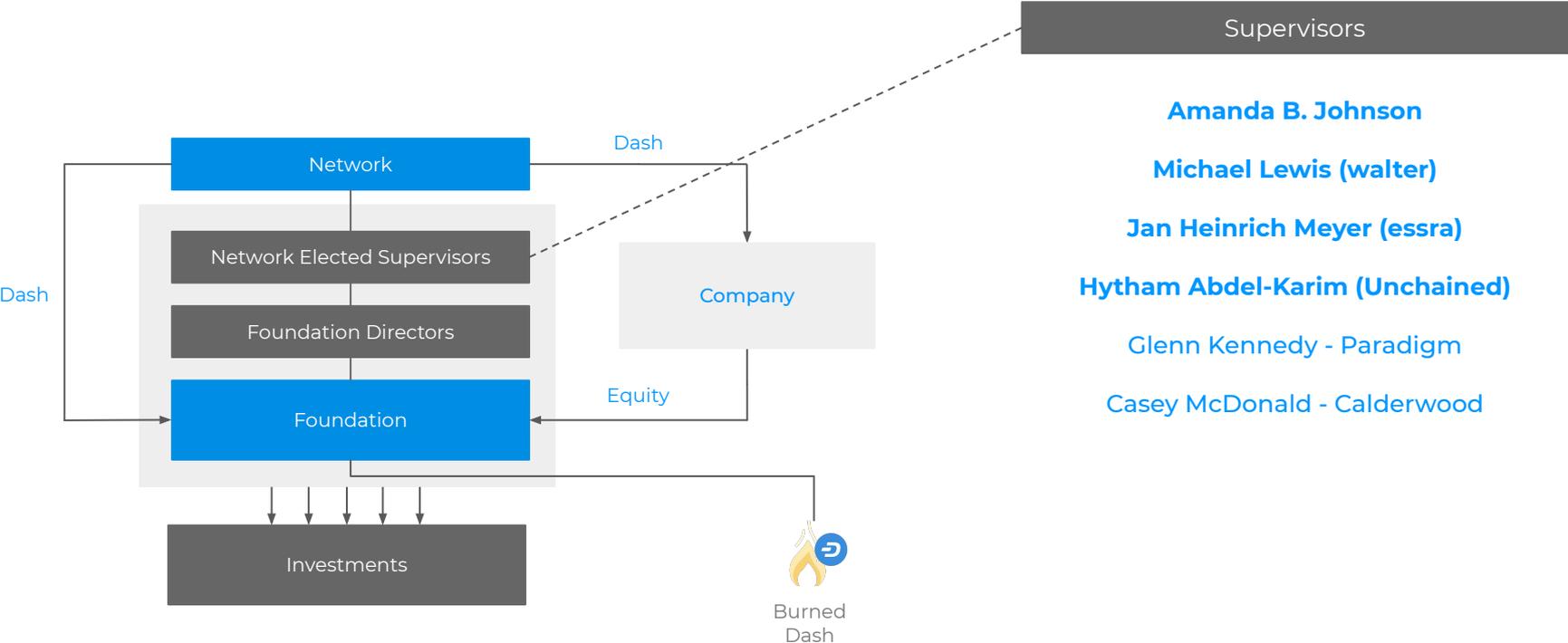
Expand on increased resources

PR, events, conference sponsorships

# Trust Protectors - Update



# Dash Investment Foundation



Supervisors

**Amanda B. Johnson**

**Michael Lewis (walter)**

**Jan Heinrich Meyer (essra)**

**Hytham Abdel-Karim (Unchained)**

Glenn Kennedy - Paradigm

Casey McDonald - Calderwood



# Bitcoin PrivateSend Transactions



## PrivateSend Legal Position

### Summary

Dash's transaction rules are identical to Bitcoin, and therefore for regulatory and compliance purposes Dash can and should be treated identically to Bitcoin.

### Overview

As cryptocurrency markets have matured and become more mainstream, regulators in a multitude of jurisdictions have expressed concerns about the possibility that cryptocurrencies may be used to facilitate illicit activities, including money laundering. One common reaction of legislative bodies and enforcement agencies is to attempt to ban exchanges and other market participants from integrating so-called "privacy-centric" cryptocurrencies, based on the assumption that these cryptocurrencies would be preferred by criminals. However, thus far the sophistication of the proposed bans appears to be on the basis of brand reputation, rather than on the basis of technical facts.



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# Q&A

1. As we move from build to launch of 1.0, how does DCG plan to support the go-to-market (of DashPay specifically)? Core team product marketing hires? Partnering with an external agency?
2. What has been happening with Shift PR since the DAO voted to change PR company, and what can we expect from them? Will there be any targeted focus to Shift's PR efforts regarding regions in which Dash has made good progress? And will they be reaching out to POs in those regions to coordinate such targeted efforts?
3. [...]What are the main pain points that currently hinder Dash from being considered a 'Blue Chip' crypto, with the obvious factors being the SEC no-action letter, and also their unwillingness to support a network that exhibits privacy features. What may need to be accomplished in order to give Dash the green light for institutional investment going forward?
4. What integrations with stock exchanges are taking place? Bitcoin Cash is trading on the Swiss exchange, can Dash Core also pursue those types of integrations?
5. [...] Is anyone currently looking into some sort of protocol level implementation of trustless masternode collateral sharing or is it an abandoned idea and it's left to trusted third parties to implement shared masternode solutions?
6. What's the plan of Dash to take advantage of the opportunities in Africa?
7. Now that Coinbase has acknowledged on its own blog to explore support for Dash and 7 other cryptocurrencies, can we expect the secrecy to be lifted on this specific topic and can we expect more information about the possible internal communication so far between Coinbase and Dash?
8. If there is a disagreement among DCG core team members about whether a pull request should be merged into the Dash code repository, how is the final decision made? Are the Dash Github administrator accounts legally owned/controlled by DCG (the entity), so that developers cannot go against a decision that was made from the aforementioned procedure? What about control over other assets of interest to the network such as Reddit (senior moderator is currently tungfa), is there an established hierarchy of control through DIF > DCG > DCG employees to ensure control ultimately lies with the network?
9. What is the real situation of Dash in Venezuela (past, present and future)?[...]
10. Does DCG have any information regarding the stress test/spam attack that happened last night? Was this planned? Do we know what person or agency did it?
11. What process should a third-party organization go through if it wants to implement its own type of transaction in the Dash blockchain? This applies to Special Transactions that were implemented in the Q1 of 2019.
12. Is anything known about the initiatives to launch a stable coins on the Dash blockchain (similar to TrueUSD and the like)?

**Thank you!**

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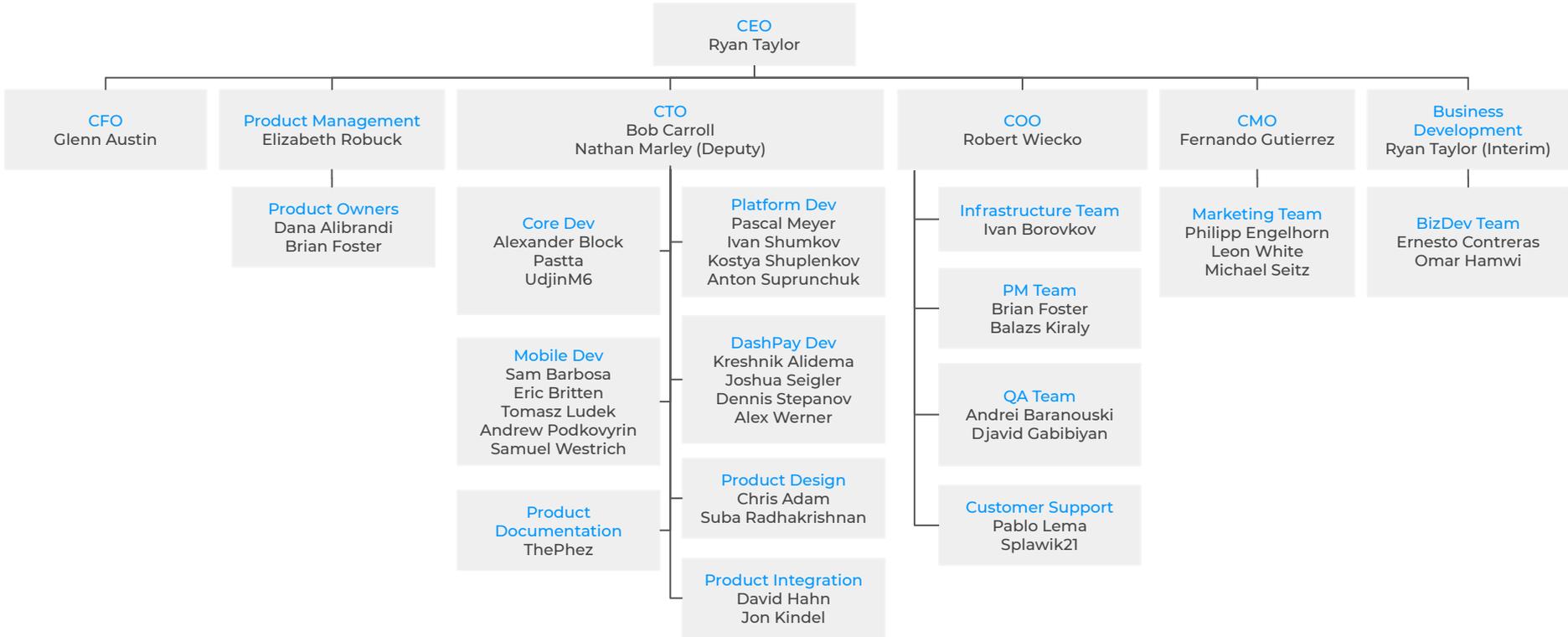
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# How DCG is Organized



# What the Teams Accomplished

## Tech

- Dash Core v0.14 released to mainnet
- Spork 17 activated for DKG
- Long-living masternode quorums began formation
- Budapest tech meet-up
- Dash Platform epic roadmap created
- Android wallet lock timer
- InstantSend request with QR codes

## Business Development

- Dash Core v0.14 Launch Prep Support
- eGifter gift cards with DashBack added to the dash.org website
- Added Colombian peso trading pair
- Several new support services added, such as accounting software with Dash support
- Channel partnerships were formalized with several existing Dash-accepting payment processors
- Developed InstantSend with ChainLocks exchange campaign (launching Q3)

## Marketing

- Improved build process for the website
- New languages and content for the website
- A/B testing setup for the website and initial experiment
- Completion of new PR firm selection process, with final vote by masternodes
- On boarding of Shift PR
- Publication and diffusion of content and guides for software releases
- Remittances to Venezuela focused events in Madrid with different DFOs

## Finance/HR

- Monthly Board of Directors reporting and weekly balance sheet report created
- Instrumental in creating Bitcoin PrivateSend transactions for use in discussions with regulators
- Supported the creation of Dash Investment Foundation
- Building DCG credit history by taking out a \$5,000 revolving credit line

## Operations

- Release planning process improvements
- Incident/Problem Management process creation
- Agile transformation project wrapped up
- IaaS automation for all environments
- Stagenet implementation
- AntiVirus and automatic VPN solutions available for the DCG contributors

## Product

- Finalized Dash Platform scope, pricing + positioning
- Drafted internal team level roadmaps
- Gathered feedback on initial product/feature prioritization process + proposed changes
- Completed DashWallet UI feedback survey
- Deferred analytics project pending budget availability

# Current Activities

## Management Team

**Understand problems and determine priorities**

CEO, CFO, CTO, CMO, COO, BusDev, Product

- Role descriptions refresh
- PrivateSend on Bitcoin
- BI/Analytics tools
- Partner funding policy

## Value Team

**Deliver products with user-first approach**

CEO, CTO, CFO, CMO, COO, BusDev, Product

- Product prioritization process
- App demos
- App store administration
- Team roadmaps

## Growth Team

**Design go-to-market activities and drive growth**

CEO, CMO, BusDev, Product

- Partner strategy planning
- Remittances training events
- Gaming strategy
- Marketing strategy
- LatAm strategy
- InstantSend & ChainLocks exchange campaign

# What's Next (Q3)

## Tech

- Dash Core v0.14 adoption thresholds reached
- Spork 19 activation for ChainLocks implementation
- Spork 20 activation for LLMQ-based InstantSend
- Decision on Developer Portal framework and tools
- Bitcoin backports to version 0.15
- Uphold integration with Dash Wallet for iOS
- Dash Wallet support for LLMQ and ChainLocks

## Business Development

- Shift Venezuela strategy to focus on repeat purchases and direct PoS integrations
- Integrate first exchange services in Mexico to support LatAm remittances strategy
- Add fiat pairs in top Venezuela migrant destinations
- Conduct InstantSend and ChainLock campaigns toward exchanges and gambling websites

## Marketing

- Definition and discussion with MNOs of PR plans for the coming months
- Preparatory work for Dash Platform and Dashpay releases, including two community events, in October, in Europe and the US
- Preparation of materials about remittances for the website
- Preparation of community support materials
- Launch of merchandise store in dash.org

## Finance/HR

- Rebuild a minimum amount of balance sheet reserve, particularly for compensation account
- Automate monthly salary payouts to contractors
- Accurately calculate and pay DCG corporate taxes
- Continue using incremental spend file to prioritize future spending

## Operations

- Project planning for v1.0 release
- Evolution documentation project launch
- Incident Management process implementation
- Creation of Business Continuity Plan
- Improvements in internal communication (internal quarterly call with AMA)
- Prepare Service Desk concept
- SSO implementation (if needed)

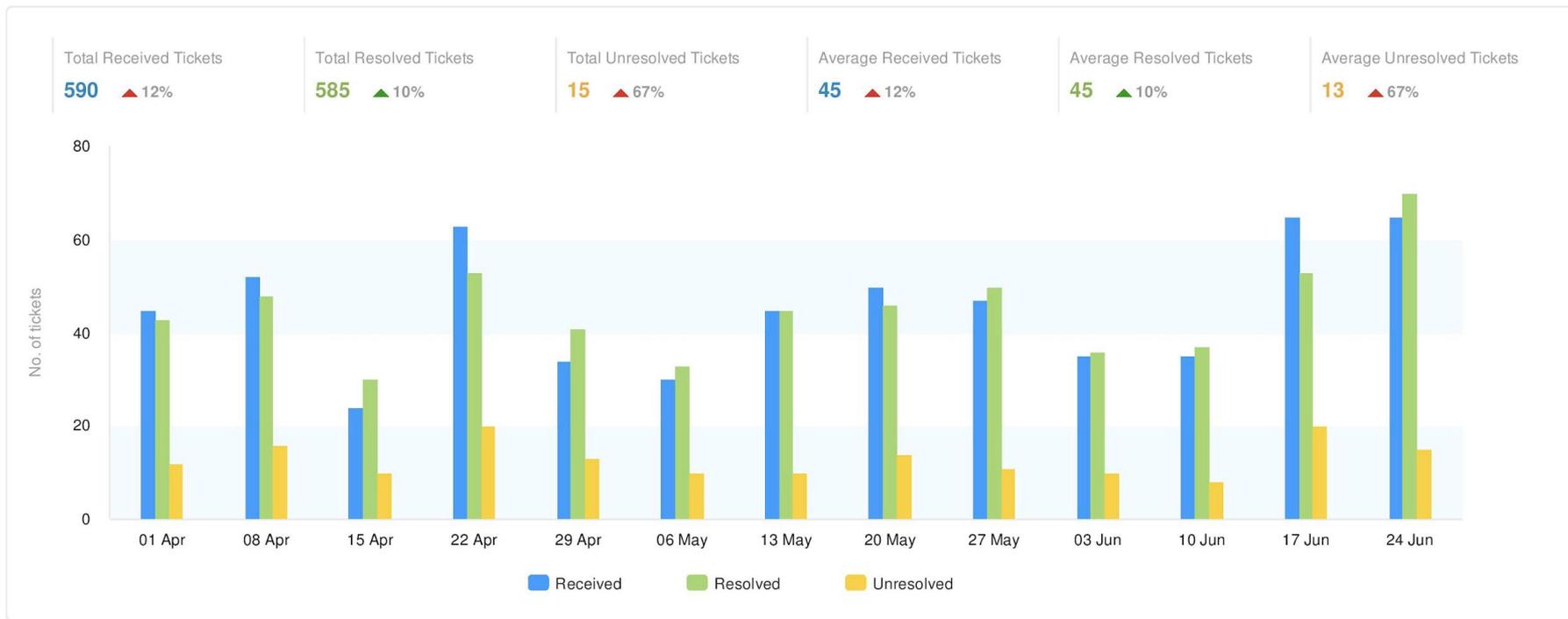
## Product

- Pilot user feedback interview process
- Refine product/feature prioritization process
- Improve access to available metrics
- Improve communications to appeal to broader audience

# Quarterly Performance Trends

Metric	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	QoQ	YoY
<b>PRODUCT</b>							
Daily Volatility	5.27%	5.78%	6.39%	3.57%	4.42%	23.9%	-16.1%
Median Fee	\$0.0009	\$0.0009	\$0.0004	\$0.0003	\$0.0005	85%	-42%
<b>USERS</b>							
Avg Daily Active addresses	47.67k	47.75k	45.18k	72.90k	71.07k	-2.5%	49.1%
Mobile Wallet Installs on Active Devices	36,236	35,823	33,591	32,384	41,007	26.6%	13.2%
Total addresses > 1\$	521,108	547,210	414,750	619,951	600,349	-3.2%	15.2%
<b>USAGE</b>							
Avg Daily Traded Vol	\$101M	\$189M	\$169M	\$214M	\$365M	71%	261%
TPV	\$6.09B	\$4.23B	\$1.48B	\$2.43B	\$3.30B	35.8%	-45.8%
Economic Transactions	896.4k	1.58M	4.32M	898.8k	1.16M	29.0%	29.3%
Avg Daily Median Tx Value	\$18.54	\$30.50	\$14.50	\$10.49	\$20.76	97.9%	12.0%
% InstantSend	0.68%	0.37%	0.13%	0.75%	35.37%	4,616%	5,101%
% PrivateSend	0.54%	0.33%	0.15%	0.79%	0.62%	-22%	15%
<b>NETWORK</b>							
# Mining Pools to 51% attack	3	3	4	3	3	--	--
<b>MARKET</b>							
Supply	8.16M	8.35M	8.54M	8.72M	8.89M	2.0%	8.9%
Price	\$241.03	\$187.79	\$80.95	\$105.65	\$164.81	56.0%	-31.6%
Market Cap	\$1.97B	\$1.57B	\$691M	\$922M	\$1.47B	59.1%	-25.5%

# Customer Support Q2 2019 Summary



# Data Glossary

METRIC	DEFINITION	SOURCE	NOTES
Median Fee	Mean of the daily median fee in USD for each day in the quarter	<a href="https://bitinfocharts.com">bitinfocharts.com</a>	
Daily Volatility	Standard deviation of daily close price variance	<a href="https://coinmarketcap.com">coinmarketcap.com</a>	
Avg Daily Active addresses	Mean Daily Active Addresses (sum of unique in-out addresses for the day)	<a href="https://bitinfocharts.com">bitinfocharts.com</a>	
Wallet Installs on Active Devices	Estimated number of instances of installed Dash Wallet app on devices that have been active within the last 30 days	<a href="https://google-play-console.itunesconnect.com">google-play-console.itunesconnect.com</a>	Only 29% of iOS users permit app reporting. In order to reach a more accurate estimate of the number of iOS wallets, we divided the number of app installations for iOS by 0.29. It is likely that this estimate is nonetheless below the actual installation count, since Dash and cryptocurrency users are more likely than the general population to value privacy.
Total addresses > 1\$	Amount of addresses with a balance greater than 1 USD (snapshot)	<a href="https://bitinfocharts.com">bitinfocharts.com</a>	Should be a snapshot of last day of the quarter, but the snapshot this quarter was not captured until July 9th.
Avg Daily Traded Vol \$	USD Volume traded on exchanges, daily mean	<a href="https://coinmarketcap.com">coinmarketcap.com</a>	CoinMarketCap relies on self-reported volume, which is known to be abused by exchanges to boost their perceived liquidity by a wide margin. OpenMarketCap is an alternative that reports only "trusted exchanges", and we intend to report this volume once the data source is able to support historical data that will allow full quarter comparisons.
TPV	Total Payment Volume in USD	<a href="https://bitinfocharts.com">bitinfocharts.com</a>	TPV includes coin mixing values. No readily-available data sources exclude coin mixing transactions.
Economic Transactions	Number of on-chain transactions excluding PrivateSend mixing and coinbase transactions	<a href="https://blockchain.com">blockchain</a>	
Avg. Daily Median Tx Value \$	Mean of the daily median transaction value in USD for each day in the quarter	<a href="https://bitinfocharts.com">bitinfocharts.com</a>	
% InstantSend	# InstantSend / # Economic Transactions	<a href="https://dashradar.com">dashradar.com</a>	no coinbase, 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	<a href="https://dashradar.com">dashradar.com</a>	no coinbase, no mixing in denominator
# Mining Pools	# of Miners that make up more than 51% of total network hashrate	<a href="https://chainz.cryptoid.com">chainz.cryptoid</a>	
Supply	Number of coins circulating	<a href="https://blockchain.com">blockchain</a>	
Price	Avg price for the final day of quarter (across a number of exchanges)	<a href="https://bitinfocharts.com">bitinfocharts.com</a>	
Market Cap	Product of Price and Circulating Supply	<a href="https://bitinfocharts.com">bitinfocharts.com</a>	Also known as Network Value