

Q3 2016 - Core Team Call



27 October 2016

US TOLL: +1-415-655-0001
Meeting Number: 190 615 677

Call Ground Rules

- The call is being recorded and will be published on Dash Youtube channel
- There are two moderators
 - Ryan Taylor – main moderator
 - Robert Wiecko – Q&A moderator
- To avoid any background noise, all accounts are on mute
- Only speakers' accounts have active microphone
- Questions should be submitted on the chat window. They will be asked during the Q&A part of the call
 - Chat window will allow you to ask any number of questions, however please allow everyone to put their questions
 - Follow-up questions should be asked with the original question and will be answered on the forum

Agenda

- Welcome and Introduction
- Status Update
 - Software Development
 - Business Development
 - Marketing and Communication
 - Project Organization
 - Project Finance
- Summary
- Q&A

Project Development Areas

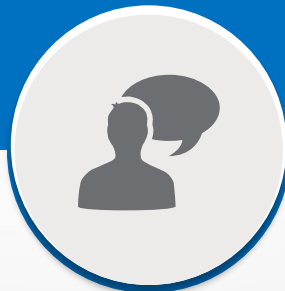
Software
Development



Business
Development



Marketing and
Communication



Project
Organization



Dash Development Team

Core Development

1. **Evan Duffield**
2. Udjinm6
3. Holger Schinzel
4. crowning
5. Timothy Flynn (new)
6. chaeplin (new)

Evolution Development

1. **Andy Freer**
2. Jon Kindel (snogcel)
3. John Rudd (acidburn)
4. quantumexplorer
5. Joshua Seigler (new)
6. Nathan Marley (new)
7. Oxfff (new)
8. JZA (new)

Dash Development Team

Other Developers

1. Tyler Willis (Electrum)
2. Perry Woodin (web)
3. Tomasz Ludek (integration and android)
4. hashengineering (android)
5. quantumexplorer (iOS)

Testing

1. elberethzone
2. splawik21
3. thelazier

Infrastructure

1. moocowmoo
2. Holger Schinzel
3. Jeff Smith (new)

Dash Development Team

Supporting Functions

1. Ryan Taylor (finance)
2. Fernando Gutierrez (legal)
3. Daniel Diaz (sales)
4. Philipp Engelhorn (social media)
5. David Dinkins (writer)
6. Robert Wiecko (project management)
7. Balazs Kirley (project management - new)
8. Ahmed Aseeri (project management - new)

Team

- **Evan Duffield**
- **Andy Freer**
- UdjinM6
- Holger Schinzel (flare)
- Jon Kindel (snogcel)
- John Rudd (acidburn)
- crowning
- Timothy Flynn (tgf314)
- Joshua Seigler
- Nathan Marley
- 0xff
- Tyler Willis (kefikus)
- Perry Woodin (node40)
- Tomasz Ludek
- hashengineering
- quantumexplorer
- chaeplin
- JZA



Software Development

2016 Goals

- Make masternode operation available from hardware wallets to increase security of operator tokens.
- Preparations of work for 2MB blocksize increase.
- Develop plan and implement PrivacyProtect (Darksend v2)
- InstantX security and processing improvements

Major achievements

- Expanded team - 12 new developers
- Dash core wallet v.0.12.1 with Sentinel on testnet
- Foundational Evolution structure
- Evolution backend in use
- Dash mobile wallets
- Hardware wallets integration (Trezor, KeepKey)



Software Development

Areas for improvement

- iOS wallet acceptance
- Status communication
- Decentralized team structure

Next steps

- Further development team expansion
- Core wallet v0.12.2 development
- DashDrive planning and implementation
- Evolution frontend development and integration with backend
- Evolution DAPI development

Team

- **Daniel Diaz**
- Robert Wiecko
- Ryan Taylor



Business Development

2016 Goals

- Improve fiat access to Dash tokens
- Build a network of DASH ATM machines
- Establish partnerships to improve hardware wallet integration to facilitate easy and safe storage of Dash tokens
- Expand merchant acceptance

Major achievements

- New partners:
 - Mycelium
 - Coinfirm
 - Cryptobuyer
 - ProtonMail
 - SatoshiLabs
 - KeepKey
 - Jaxx
 - TigoCTM
- Integrations
 - Jaxx
 - SpectroCoin
 - ShakePay
 - TigoCTM
- Business Development related press releases



Business Development

Areas for improvement

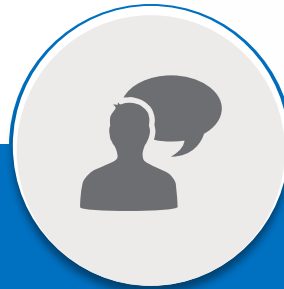
- Lack of formal processes for Dash integration
- No dedicated integration team
- No formal contracting process

Next steps

- Sales team expansion
- Support for the non-core proposals
- Technical integration team setup
- Contribution to the creation of contracting framework
- Marketing and PR support
- Developing Evolution DAPI sales strategy
- ATM compliance program

Team

- **Philipp Engelhorn**
- Chinese: Alexy + Raico + Team (4 guys)
- Portuguese: Junior + Studioz
- Spanish: SilvioHick + Support JZARussian: Alex-ru + Team (4-5 guys)
- French: Leonidas



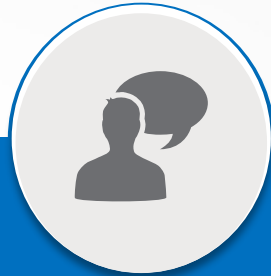
Marketing and Communication

2016 Goals

- Participate in TNABC in Miami
- Participate frequently in high-impact industry conferences and events
- Conduct a formal public relations campaign to build awareness and educate the public in existing Dash features and benefits
- Increase media presence and penetration of mainstream media through both advertising and public relations

Major achievements

- Newsletter and Social Media daily updates
- International outreach (China, Russia, Brazil)
- Wiki and video translations
- Wachsmann PR project
- Vanbex support
- d10e conference
- Atlanta Bitcoin Meetup
- Warsaw Block Meetup



Marketing and Communication

Areas for improvement

- Extended marketing
- Publications outside crypto space

Next steps

- Translate all Wikis (in top 4 languages)
- French Translations (Wiki + News) next on list
- Launch new webpage in all languages
- More presence on conferences
- Work on PR for outside Crypto Publications and inside Crypto
- Support community with meet-ups (e.g. pizza fees)
- Keep maintaining and expanding Social Media

Team

- Ryan Taylor
- Robert Wiecko
- Balazs Kirley
- Ahmed Aseeri



Project Organization

2016 Goals

- Improvements in communication and processes
- End to end project management of Dash projects and initiatives
- Refinement of the organization and coordination structure
- Introduction of financial planning processes

Major achievements

- Expanded project team
- Transparent finance management
- Coordination of 20 projects during Q3
- Regular monthly reporting
- Regular project updates
- Recruitment support
- Support in preparations to conferences
- Launch of two legal programs
- Project Management Framework (PMF) updates



Project Organization

Areas for improvement

- Long-term planning
- Coordinated business development and merchant integration support
- Supporting processes for development

Next steps

- 2017 strategic planning
- Effective team structure
 - Support team
 - Quality assurance
- Work on Dash integration processes
- Work on contracting framework
- Definition of the first version of PMF
- Marketing and PR support
- ATM compliance program

Project Finance

Income Statement

Dash Profit and Loss July 1 - September 30, 2016

| | <u>Total</u> |
|-----------------------------|----------------|
| Income | |
| Dash Budget System | 155,482 |
| Uncategorized Income | <u>28,145</u> |
| Total Income | <u>183,627</u> |
| Gross Profit | <u>183,627</u> |
| Expenses | |
| Commissions & fees | 2,151 |
| Dues & Subscriptions | 4,393 |
| Freight & Delivery | 1,182 |
| Job Materials | 1,900 |
| Legal & Professional Fees | 35,380 |
| Office Expenses | 269 |
| Promotional | 10,424 |
| Subcontractors | 53,815 |
| Travel | 4,482 |
| Uncategorized Expense | <u>27,917</u> |
| Total Expenses | <u>141,911</u> |
| Net Operating Income | <u>41,715</u> |
| Other Expenses | |
| Exchange Gain or Loss | <u>-30,699</u> |
| Total Other Expenses | <u>-30,699</u> |
| Net Other Income | <u>30,699</u> |
| Net Income | <u>72,414</u> |

- To provide a more accurate accounting picture, Dash's accounting is denominated in USD
- Core team collected ~\$155k from the network in Q3 (as measured at the time of distribution)
- Because of the price increase during the quarter, Dash experienced over \$30k in currency gains
- Uncategorized expense and income are generated by DASH to BTC trading → the difference is trading profits of \$227 during Q3
- Excluding currency and trading gains, Dash core team accumulated ~\$41k in reserves during the quarter; these enable a buffer against exchange rate and expense risks

Financial Key Performance Indicators

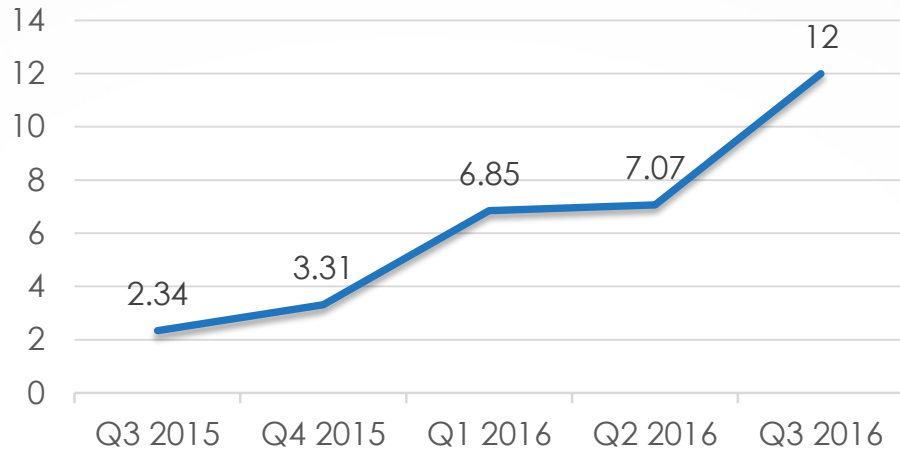
| KPI | Q3 2015 | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | QoQ Growth | YoY Growth |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|
| Dash Supply (m) | 5.83 | 6.10 | 6.33 | 6.55 | 6.77 | +3.3% | +16.1% |
| Price (\$) | 2.34 | 3.31 | 6.85 | 7.07 | 12.00 | +70% | +413% |
| Market Cap (\$, m) | 13.64 | 20.18 | 43.37 | 46.32 | 81.26 | +75% | +496% |
| % of market | 0.34% | 0.29% | 0.54% | 0.36% | 0.66% | | |
| Daily Price Volatility (σ) | 3.5% | 3.8% | 5.1% | 2.4% | 3.1% | +30.3% | -10.0% |
| Avg. Daily Trading Volume (\$, th) | 80 | 63 | 285 | 334 | 733 | +120% | +817% |
| Total transaction fees (Dash) | 587 | 998 | 1,314 | 1,151 | 1,191 | +3.5% | +103% |

Other Key Performance Indicators

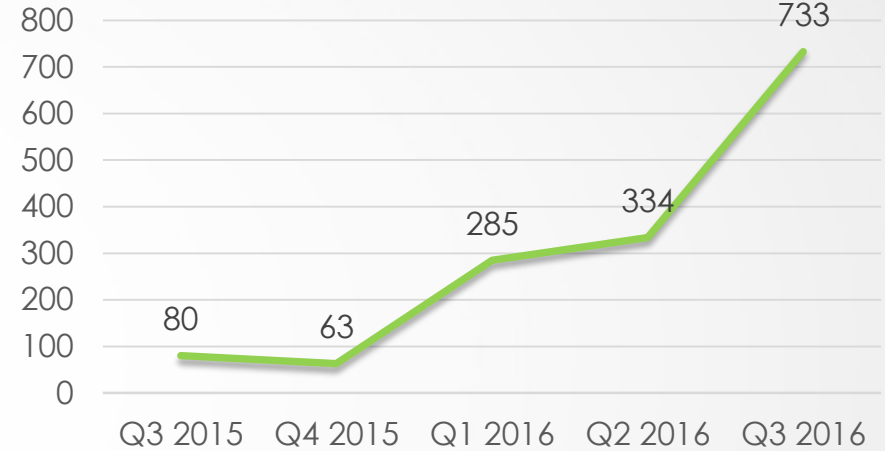
| KPI | Q3 2015 | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | QoQ Growth | YoY Growth |
|-------------------------|---------|---------|---------|---------|---------|------------|------------|
| Usage | | | | | | | |
| Active addr. / day (th) | 8.20 | 7.08 | 8.08 | 7.42 | 9.61 | +29.6% | +17.2% |
| Trans. / day (th) | 1.25 | 1.18 | 1.58 | 1.18 | 1.55 | +30.8% | +23.9% |
| Non-MN Active Nodes | 1,254 | 1,960 | 2,441 | 2,145 | 2,267 | +5.7% | +80.8% |
| TPV (\$, m) | 44.27 | 22.42 | 57.70 | 72.12 | 119.67 | +66% | +170% |
| | | | | | | | |
| Health | | | | | | | |
| Network congestion | 0.3% | 0.3% | 0.3% | 0.3% | 0.4% | | |
| Avg. hashrate (b/s) | 67 | 87 | 103 | 213 | 644 | +202% | +868% |
| | | | | | | | |
| Social Media | | | | | | | |
| Reddit subscribers | | | | 1,908 | 2,354 | +23.4% | |
| YouTube subscribers | | | | 1,667 | 3,512 | +111% | |

Key Financial Performance Indicators

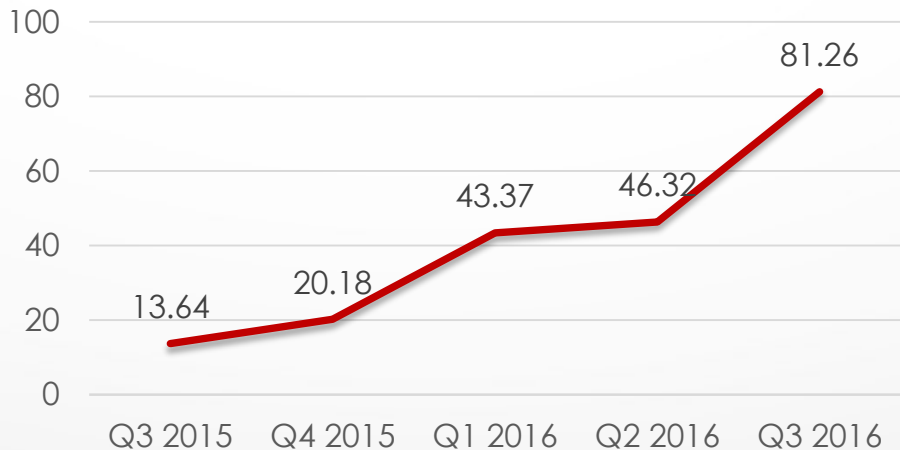
Price (\$)



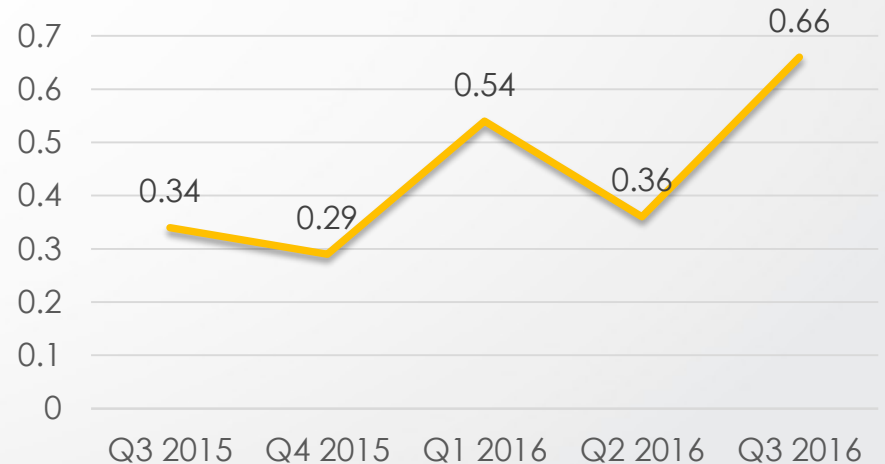
Avg. Volume (\$, th)



Market Cap (\$, m)



% of market



Balance Sheet

Dash
Balance Sheet
 As of September 30, 2016

| | <u>Total</u> | | <u>Total</u> |
|-----------------------------|----------------------|-------------------------------------|----------------------|
| ASSETS | | LIABILITIES AND EQUITY | |
| Current Assets | | Total Liabilities | |
| Bank Accounts | | Equity | |
| ATM Compliance | 8,987 | Opening Balance Equity | 3,602 |
| Bus Dev - General | 9,381 | Retained Earnings | |
| Conferences & Travel | 3,805 | Net Income | <u>72,414</u> |
| Core - Development | 4,934 | Total Equity | <u>76,016</u> |
| Core Team Salaries | 0 | TOTAL LIABILITIES AND EQUITY | <u>76,016</u> |
| Electrum Development | 0 | | |
| Electrum KeepKey Support | 0 | | |
| Electrum Trezor Support | 0 | | |
| Evo - Development | 16,042 | | |
| Evo - Graphic Designers | 11,081 | | |
| Evo - X11 Hash Port | 0 | | |
| Infra - Applications | 830 | | |
| Infra - Datacenter | 1,349 | | |
| Infra - Hardware | 0 | | |
| Infra - Liquidity Providers | 0 | | |
| Legal | 0 | | |
| Marketing & Communication | 48 | | |
| Marketing - Chinese | 2,904 | | |
| Marketing - Portuguese | 801 | | |
| Marketing - Russian | 1,197 | | |
| Marketing - Spanish | 1,231 | | |
| Poloniex - BTC | 97 | | |
| Poloniex - DASH | 0 | | |
| ProtonMail Integration | 7,182 | | |
| Public Relations - General | <u>2,549</u> | | |
| Total Bank Accounts | <u>72,420</u> | | |
| Total Current Assets | <u>72,420</u> | | |
| Fixed Assets | | | |
| Machinery & Equipment | <u>3,596</u> | | |
| Total Fixed Assets | <u>3,596</u> | | |
| TOTAL ASSETS | <u>76,016</u> | | |

- Cash assets at the end of Q3 totaled ~\$72k, though several large transactions were pending including
 - Funding the retainer for Cogent Law
 - September translator payments
 - Datacenter expense reimbursements
 - LaBITconf travel expenses
- Currency gains were a major contributor to some budgets during the quarter, due to rapid appreciation of DASH value – this has allowed the core team to forgo further funding of some recurring expenses in September and October

Q3 Highlights



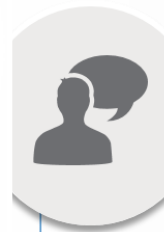
50% of Evolution



20 projects



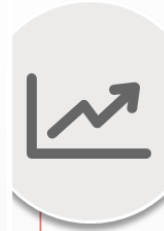
70% price growth



110 publications



9 new team members



10 new partners

Where Are We Today?





***Core Team
Delivery***

Q&A

Questions

| # | Person | Question |
|----|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | bhkien | How many people are there in the Core Team and Evolution Team? |
| 2 | bhkien | Is there any plan to grow number of developers? |
| 3 | bhkien | Is there any plan to reduce delay in releasing new version? |
| 4 | halso | Do you think recent delays (12.1) could have been mitigated by a greater focus on project management? For example, should the fake MN issue been identified as a risk earlier? |
| 5 | halso | In a recent interview, Evan didn't state when Evo is going to be released. http://forklog.net/evan-duffield-about-dash-evolution-crippled-ico-and-lack-of-competitors/ . Is the roadmap still relevant? Will a new project timeline be released? |
| 6 | halso | Evan previously alluded to a privacy solution some time ago that does not involve MNs. When will details of this solution be released? Can you describe the solution? |
| 7 | halso | Are the core team considering any other privacy solutions that do not involve mixing coins? |
| 8 | halso | If there are continued problems with mixing, at what point do we stop and pursue a different privacy solution? |
| 9 | halso | Ryan previously talked about the introduction of a DASH vault account. When will these accounts be introduced? Will these accounts also double as the interest bearing accounts? |
| 10 | halso | Legitimate questions and queries are often left unanswered on the forum. Is it possible to develop a set of agreed positions that can then be used to respond to community members? |
| 11 | halso | I previously proposed a legal option for MNs electing a foundation board. I.e. The roles and responsibilities of foundation members are amended to include a new duty of electing a board which is reflective of a popular MN vote. Members become effective delegates for the purposes of electing the board. Has this been given any consideration? |
| 12 | Defacto | Question about the unresolved MN issues (Github issue #624) |
| 13 | pille | When the limited keypool problem will be solved? people keep reporting losing coins with mixing (new addresses not covered by old backup). I think that's urgent! newcomers don't even know about this issue and can run into big trouble anytime. |

Answer Ad.11 (by Fernando)

- Regarding that specific proposal, although the board is legally entitled to amend the bylaws, I think we should not do that without consulting the members if that change is a major one that affects them. This one would take out their freedom to vote and turn them into mere proxies, so I don't think they would approve. I'm not even sure that the Arizona law that regulates non profits permits that. Please don't forget that the foundation doesn't control the protocol or network in any way. At the moment it is just a legal entity that helps the Dash project because that is its stated purpose in the bylaws. It has a very limited role and power and it is governed by its members.
In any case, we have considered -and keep doing it- different ways to eventually engage masternodes with the foundation because they are a major part of the Dash ecosystem.
The most attractive option would be to create a new class of members for masternodes and have the vote directly, but the legal hurdles are big because in order to have tax exempt status we need to have a list of members with name and address.
In the meantime, probably the most realistic approach would be to have the board put certain things to a vote by masternodes. We could even amend the bylaws for this to be required in certain cases.
However, we can't forget that masternodes are just one part of the ecosystem. They have a very important role and usually represent the network quite well. They are not the only actors and the foundation needs to take into account other parts of the network too in order to fulfill its purpose.

Dash

Digital Cash

www.dash.org