

Dash Q3 2017 - Core Team Call

09 November 2017

US TOLL: **+1-415-655-0001**

Meeting Number: **196 385 031**

Call Ground Rules

- The call is being recorded and will be published on Dash [Youtube channel](#)
- To avoid any background noise, only speakers' accounts have active microphone (and all accounts will be put on mute)
- The call is moderated by Ryan Taylor and operated by Robert Wiecko
- Questions should be submitted on the chat window.
 - 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

Call Agenda

- Welcome and Introduction
- Dash Core Group Status Update
- Summary
- Q&A Session

Project Development Areas

Software
Development



Business
Development



Marketing and
Communication



Project
Organization



Software Development

Software
Development



Q3 Achievements



DashCore v0.12.2 Release

2MB block, 10x lower min fees, stability & performance improvements



DIPs Definition

Specification for Evo development



Developers Meeting in London

Evolution design agreements



Development of Evo DAPI and SDK

Preparation for integrations



New Team Members

3 New developers + 1 DevOps + 1 QA

Q4 Plans and Goals



Workshop in Hong Kong

Launch of Evolution Development



Publication of Evolution DIPs

Progressive release of Tech Specs



Integration of Evolution Components

Internal Evolution Masternode build



Recruitment

Hiring of UX/UI Engineers, Designers, QA, Backend developers.



New Development Model






Synthesis of Core and Evolution development efforts

Business Development

Business
Development



Q3 Major Achievements

-  **Apple Store approval**
Any app can integrate Dash
-  **Dash / BlockCypher grant**
Program launched to encourage Dash adoption
-  **Expansion in cannabis to B2B**
CannTrade platform integration
-  **Relationship expansion into Asia**
e.g., Bitkan wallet integration
CRYPTOS exchange
-  **Fiat access expansion**
Wirex & CEX.IO

Q4 Plans and Goals

-  **Business Development Manager**
hiring & team expansion
-  **Fiat gateway expansion**
 - Asian exchanges
 - ATM manufacturers
 - Debit cards
 - In-store voucher & gift cards
 - Major market bank transfer brokerage services
-  **Consumer services**
 - In-store discounting
 - Payment processors
 - Phone top-ups
-  **B2B opportunities**

Marketing and Communication

Marketing and
Communication



Q3 Achievements



PR Partnership

New contract with WPR



Marketing Agency Hired

Ogilvy works on new branding and marketing campaign



Conferences

Dash Conference in London, Money20/20



Publications

8,614 articles, 9.46 billion views



Wiki and dash.org updates

Wiki professional hired

Q4 Plans and Goals



Marketing Support

Global marketing partner selection



PR Expansion

Continuous focus on Europe and Asia



Marketing Campaign

Launch of marketing campaign



Dash Social Media

Daily news and updates



Participation in Conferences

More participation in Europe

Project Organization

Project
Organization



Q3 Achievements



Legal Entities Setup

Legal structure setup launched



Recruitment Support

New recruiter hired, 8 Newhires



New Hires

2 New full time PMs



Support Organization

Work on delivery model



DashLabs in HK

New initiative of Evan Duffield

Q4 Plans and Goals



Legal Entites

Finalization of the legal structure setup



Evo Development Support

Strong PM support for each team



Delivery Model

Implementation, improvements



Recruitment Support

Role definition, interviews



Support Organization

Standard operating procedures

Project Finance

Financial Key Performance Indicators

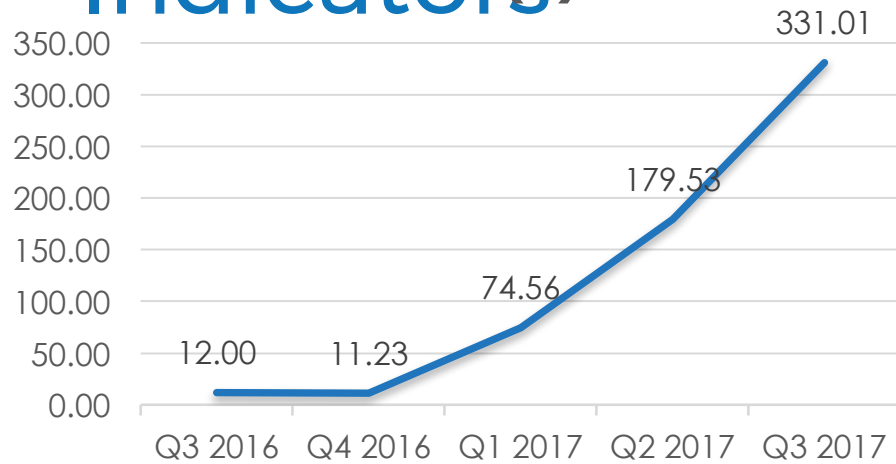
KPI	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	QoQ Growth	YoY Growth
Dash Supply (m)	6.77	6.99	7.20	7.39	7.59	+2.6%	+12.1%
Price (\$)	12.00	11.23	74.56	179.53	331.01	+84%	+2,659%
Market Cap (\$, m)	81.3	78.5	536.6	1,327.3	2,511.9	+89%	+2,991%
% of market	0.66%	0.45%	2.08%	1.33%	1.54%		
Daily Price Volatility (σ)	3.1%	2.3%	6.9%	6.2%	5.2%	-16%	+66%
Avg. Daily Trading Volume (\$, m)	0.73	1.17	13.39	32.59	51.89	+59%	+6,976%
Total transaction fees (USD, th)	14.3	16.3	73.9	71.5	154.3	+116%	+979%

Other Key Performance Indicators

KPI	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	QoQ Growth	YoY Growth
Usage							
Active addr. / day (th)	9.61	8.74	18.94	24.88	28.89	+16%	+201%
Trans. / day (th)	1.55	1.24	3.12	4.89	5.91	+21%	+282%
Non-MN Active Nodes	2,267	2,087	4,346	5,862	5,712	-3%	+152%
TPV (\$, B)	0.12	0.08	1.47	6.43	14.30	+122%	+11,849%
Health							
Network congestion	0.4%	0.3%	0.7%	1.0%	1.1%		
Avg. hashrate (TH/s)	0.6	1.3	2.4	4.1	31.2	+667%	+4,744%
Social Media							
Reddit subscribers (th)	2.35	2.59	4.23	6.09	9.34	+53%	+297%
YouTube subscribers	3.51	5.21	10.35	14.90	17.80	+19%	+407%

Key Financial Performance Indicators

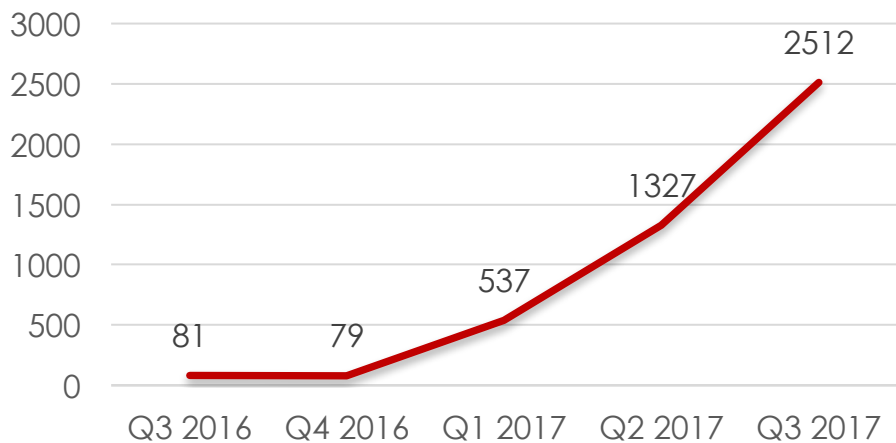
Price (\$)



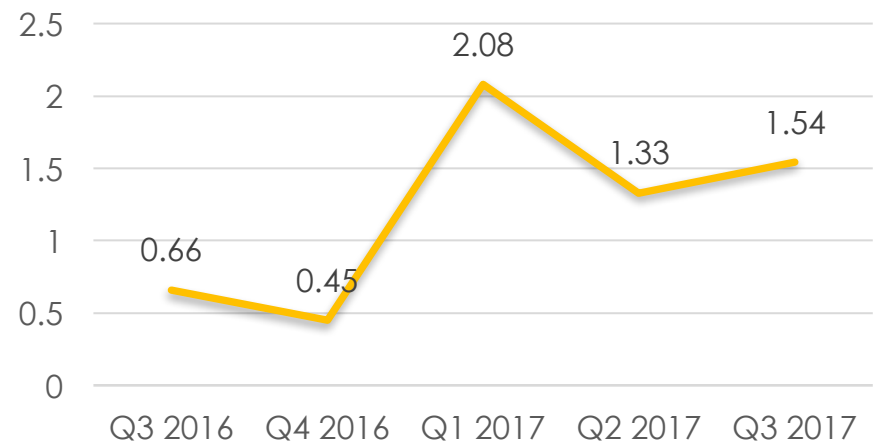
Avg. Volume (\$, m)



Market Cap (\$, m)



% of market



Income Statement

Dash Profit and Loss April - June, 2017

	<u>Total</u>
Income	
Dash Budget System	860,762
Uncategorized Income	<u>92,864</u>
Total Income	<u>953,626</u>
Gross Profit	953,626
Expenses	
Advertising	3,748
Bank Charges	230
Commissions & fees	4,577
Dues & Subscriptions	16,244
Legal & Professional Fees	485,171
Office Expenses	1,828
Promotional	559,237
Rent or Lease	6,026
Subcontractors	553,222
Travel	20,415
Uncategorized Expense	<u>93,500</u>
Total Expenses	<u>1,744,198</u>
Net Operating Income	-790,572
Other Expenses	
Research	50,000
Exchange Gain or Loss	<u>-1,798,405</u>
Total Other Expenses	<u>-1,748,405</u>
Net Other Income	<u>1,748,405</u>
Net Income	957,833

- To provide a more relatable accounting picture, Dash's accounting is denominated in USD
- Core team collected ~\$861 thousand from the network in Q3 2017 (as measured at the time of distribution) – this includes escrow for Alt Thirty Six of \$257 thousand, down from \$1.20 million the previous quarter
- Because of the price increase during the period, Dash experienced \$1.80 million in currency gains; currency gains were more financially significant than our budget system draws
- Uncategorized expense and income are generated by DASH to BTC trading → the difference is trading losses of \$636

Balance Sheet

Dash
Balance Sheet
As of Sept 30, 2017

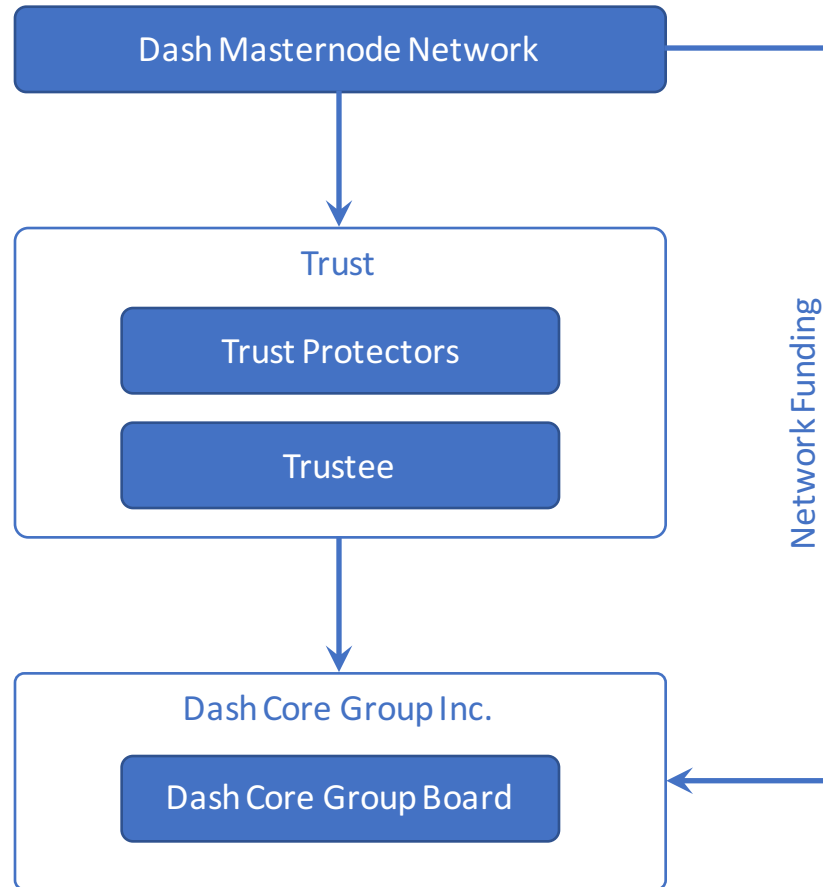
	<u>Total</u>		<u>Total</u>
ASSETS		LIABILITIES AND EQUITY	
Current Assets		Total Liabilities	0
Bank Accounts		Equity	
ATM Compliance	1,655	Opening Balance Equity	3,602
Bitfinex - BTC	172	Retained Earnings	2,565,468
Bus Dev - General	1,246,704	Net Income	<u>957,833</u>
Conferences & Travel	302,049	Total Equity	<u>3,526,903</u>
Core Team Salaries	900,205	TOTAL LIABILITIES AND EQUITY	3,526,903
Checking Account	107		
Evo – External Contractors	306,259		
HR Outsourcing	45,904		
Infra – Applications	71,500		
Infra - Datacenter	50,922		
Legal	317,159		
Marketing & Communication	51,720		
Marketing – Branding	117,507		
Property Lease	31,343		
Public Relations - General	79,971		
Research	<u>132</u>		
Total Bank Accounts	<u>3,523,307</u>		
Total Current Assets	<u>3,523,307</u>		
Fixed Assets			
Machinery & Equipment	<u>3,596</u>		
Total Fixed Assets	<u>3,596</u>		
TOTAL ASSETS	3,526,903		

- Cash assets at the end of Q3 2017 totaled ~\$3.53 million, up from ~\$2.57 million at the end of Q2 2017
- Significant reserves existed at the end of the quarter in the business development budget, the core team salaries budget, and the legal budget
- Because of currency gains, we discontinued funding requests for all budget categories except conferences and travel, and a research grant to Arizona State University

CEO Summary



Dash Core Group Legal Structure



Q&A Session

Questions From the Forum

Business

- **From alex-ru:**
 - What is going on with business development of Dash? Is Daniel Dias still active in this area and what are team's plans in this direction?
 - What is going on with Evan Duffield - Is he working on his "scalability project" and what is happening there?
- **From Stealth923 :**
 - Understand we have growing pains but how can Core provide consistent and professional standard of communications and be accountable to the community, to the standard a multi billion dollar business should? A large number of long timers/MNOs are continuously frustrated at the lack of communication and wrong expectations being set. What will Core do to ensure this gap can be solved?
 - What is the actual number of full time vs part time developers working on Dash Core vs Evolution?
- **From illuyankas:**
 - Other projects in the space today are springing up - labeling themselves as competition to Paypal. Such example is UTrust. How does Dash view the projects coming up in this space and is their any plans of cross integration collaboration with projects?
 - What's the status on the BlockCypher Dash Grant program?

Questions From the Forum

Business

- **From Iñaki :**
 - Is there an adoption strategy and if, what is it, for the Asian market?
- **From solarguy:**
 - If we complete, and begin to use the the legal entity for Dash and/or the Masternodes in Switzerland, will that change our status with regard to the Howey Test? I'm sure you have considered this, I just want a little hand-holding and assurance that we do not need, and will not get the SEC crawling into bed with us.
 - Do we have "Key Man" insurance? This has two versions.
 - The literal version is that a business or group can purchase life/disability insurance on specific team members, such that if this key member were to die or become disabled, the group gets a substantial amount of money to hire a very high caliber replacement on an emergency basis. I'm not suggesting we need to take a life insurance policy out on Even and/or Ryan and/or our top 10 essential team members. (although that is a real and legitimate insurance product).
 - The second version (which I am suggesting) is to have a plan in place to compensate for the sudden/unplanned loss of a critical team member for any reason. Do we have such a plan? How many people on Core are critical for timely progress, and would be difficult to replace, which could set the whole project back significantly?
- **From Patrice Gaucher :**
 - How is DASH going to attract merchants to adopt the currency?
 - What would be the advantages of these merchants to work with Dash as opposed to a 'universal' payment converter such as UTRUST which would allow clients to pay in whatever currency they want, and merchants to receive fiat.

Questions From the Forum

Business

- **From TanteStefana:**
 - When will Dash begin the marketing plan and what will it look like?
 - Would it not be important to begin press releases and some sort of marketing by now?
- **From Rocksteady:**
 - Direct ramps to Dash are a pain point especially for US citizens and depending on what state you live in your options are limited. Any new direct ramps to Dash in the pipeline?
 - Any update on talks with a large US broker that was mentioned on prior call - maybe adding Dash in Q4? Is that still likely?
- **From Mark Mason (to Ryan):**
 - Do we have any updates on the \$20,000 TV grade professional commercial that was treasury funded from [Dash Core's Marketing & Communication \(April\) proposal](#)? Can you please tell us what the current status of commercial is and will it ever be released for public viewing?

@Ryan Taylor spoke very passionately about commercial concept in the Dash Forums back in March. I was recently reminded about this by a Dash community member. I recall the community was quite excited about this when proposal was fresh.

I quote from Ryan "Now we are at the stage where we need to take the rough animation, sound, and music and have it professionally polished. Everything is being done at cost as a favor to the project. We are getting close in quality to the \$200,000-\$300,000 version I referenced, and we've done it at a fraction of the cost. It could wind up being the best money we've ever spent.

DASH

The Future of Money