

Dusk Network

Report 2022

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Preface

Dear Community,

This report is released in August 2022 and is the fourth transparency report since the beginning of Dusk Network and the first since the launch of our testnet DayBreak. Since the last issue of our report update in December of last year, Dusk Network has continued along a solid pathway to long-term growth despite unprecedented volatility in the global economy. It's not just the economy that is unpredictable, policymakers are shipping many new proposals for crypto regulation. Dusk Network is uniquely positioned to adapt quickly to any new reality. With its compliance function, Dusk Network can evolve and therefore be the blockchain that the world needs.

Dusk Network is creating the first-ever privacy blockchain for financial assets. Through a combination of Zero-Knowledge Proof technology & breakthrough cryptography, Dusk Network is approaching the launch of an infrastructure set to catapult capital markets into the 21st century.

Not long ago, we launched testnet Daylight, an important milestone showcasing the breakthroughs that power Dusk Network. Our community has been all over it, firing transactions and visiting the block explorer for network activity, and for that we have the deepest appreciation.

In the upcoming period, we will continue to mature on many levels; the development team is adopting release cycles, the marketing team is working on the rebranding of Dusk Network, new content and PR opportunities, the team is surpassing 40+ members, and we are taking steps to further decentralize our development operations.

We are looking forward to onboarding our community of testers. They will help us to ensure that the next million people, can securely experience the most advanced zero-knowledge blockchain in the world.

Enjoy the read,

Dusk Network Team

Dusk Network

A Blockchain-Based Financial Ecosystem

Executive Summary

The Dusk Network Report 2022 comes at a time of much uncertainty. We see inflation numbers reaching double digits in the European region, while companies in every sector are searching far and wide to attract much-needed people, and the United States has shown economic decline for two quarters in a row, leaving them to re-evaluate the actual description of a recession. That is why the Dusk Network team is proud to communicate that it is **not dependent on any of its native token reserves** for continued development. In fact, in terms of funding, people, and technology, we have never been in a better position, and we can't wait to make our mark on the financial system.

In this report, we touch upon our mission to empower users to exert **complete control over the assets they own**, and how we aim to be the leading blockchain for regulated decentralized finance by accelerating the world's transition towards an asset-backed token economy. We execute on this vision by advancing the first permissionless blockchain for the issuance, trading, and management of programmable digital assets that keeps confidential information private and meets today's industry compliance standards.

Dusk Network is purposefully designed to be the first decentralized **Security Token Blockchain** to provide confidentiality and deterministic settlement finality.

Since our last report, Dusk Network has seen significant progress in multiple areas. We have updated the external **roadmap**, which differentiates between four different phases ranging from foundation and decentralization to smart contracts, security tokens, and applications. Not only has the roadmap given us increased transparency and clarity on our way forward, it has also initiated a hiring spree to attract the most talented people in the right domains. The **Helios Grants** Program continued its operations, with, for example, a grant to **HOPR** to strengthen our partnership with them, and to increase our presence in the Web3 privacy sector. We've also seen a steady increase in the Dusk Network token's presence on exchanges (30+), with the latest being **KuCoin**, one of the top five cryptocurrency exchanges.

Empowering users to exert complete control over the assets they own

Users

Technically speaking, every person or entity accessing Dusk Network can be classified as a user. More importantly, anybody with a specific wish to exert control over an asset they own should be able to do so. Whether you are a investor, developer, issuer, or corporation.

Assets

Any resource (tangible or intangible) that can be owned and used to produce positive economic value. Tangible assets are typically physical assets or property owned by a user, such as stocks, equipment or real estate. An intangible asset is a resource without physical substance, such as patents, trademarks, and brand equity.

Complete Control

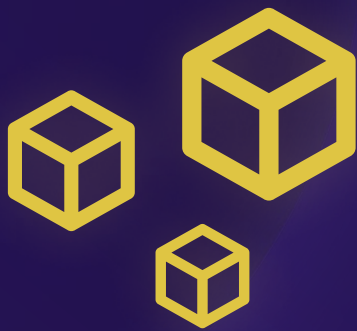
The freedom to create programmable assets that allow any holder to interact with it, in accordance with the assets' terms and conditions, shareholder agreements, articles of association, and applicable laws.



“In all areas, Dusk Network is developing into the kind of organization it needs to be to deliver on our vision of accelerating the world’s transition to a token-backed economy.”

- Emanuele Francioni, Founder & Tech Lead

To be the leading blockchain for regulated decentralized finance, by accelerating the world's transition towards an asset-backed token economy



We execute on this vision by advancing the first **permissionless blockchain** for the issuance, trading, and management of programmable **digital assets** that keeps confidential information private and meets today's **industry compliance standards**.

This Is How We Do It: Security Token Blockchain

Do Security Tokens Need A New Blockchain?

Our conception of the traditional financial sector of the future has completely transitioned from traditional assets to tokenized assets. The benefit? Creating efficiencies for companies across the entire security token value chain, from company incorporation all the way to IPO, by reducing overhead costs and increasing access and opportunities to investments.

Security tokens virtually represent assets via a security token contract, capture the identity of the asset's owners, and provide the programmability of compliance rules through compliance and control modules. However, for these tokens to be compliant with legislation and regulations, they need to be issued on a blockchain that provides confidentiality and deterministic settlement finality.

Confidentiality

Businesses need confidentiality and privacy of trades and positions. In fact, financial institutions must always protect client information in order to comply with privacy requirements and safeguard their own financial interests.

Most public blockchains, however, are pseudonymous by nature, meaning that anyone can observe the holdings of any public address. This creates a barrier for market participants who need their positions and trades to remain confidential. Furthermore, pseudonymity does not guarantee privacy, and it is still possible, in many cases, to figure out who public addresses belong to.

Deterministic Settlement Finality

The concept of settlement finality sits at the heart of any type of commercial transaction. It refers to the exact moment in time when obligations pass from one party to the counterparty, in an unconditional and irrevocable manner. Given the benefits of finality in terms of legal certainty, they are an absolute requirement for a security token blockchain. General purpose blockchains like Ethereum depend on probabilistic finality and never entirely finalize transactions.

On Dusk Network, transactions benefit from deterministic settlement finality; meaning that transactions made on the network are irrevocable and final after the blocks are properly finalized.

Dusk Network's Take On Markets In Crypto-Assets (MiCA) Regulation

EU Crypto Legislation Lays Out A Clear Path To New Opportunities For Dusk Network

The last six months have been exciting times for cryptocurrency legislation in the European Union. After months of negotiations, the Council and the member states struck a deal on June 30, 2022, on a final draft of the Markets in Crypto Assets Regulation (MiCA).

MiCA lays out clear guidelines for issuers of crypto assets wishing to either offer them for sale to European citizens, or to get listed on exchanges based in the EU, as well as establishing a licensing and regulatory regime for providers of crypto asset services.

The European Union has a myriad of reasons to implement MiCA, ranging from general fear of stablecoins and their threat to central bank currency, to tackling market manipulation, and protecting the already existing financial ecosystem. What we at Dusk Network are most excited about is how MiCA is part of a series of cornerstones that lays out clear and easy-to-understand guidelines for building experimental DLT-based products and utilizing them across all 27 member states.

Dusk Network's vision is to accelerate the world's transition to an asset-backed token economy, and to do this we must work with our partners in traditional finance to help them gain the advantages that come with DLT-based technology. On the other side of the equation, we believe that this transition will allow DeFi investors to diversify their portfolios into products like equity and bonds that have been hitherto out of reach. This single, unified financial market, where everyone can exert complete control over the assets that they own, can only operate in an environment where organizations feel safe experimenting with new products and feel that their investments are protected. MiCA creates this environment. And for that reason, Dusk Network welcomes the new regulations.

MiCA helps to put the Reg into RegDeFi, and as a company, we will continue to monitor this and other developments closely.

[Read More](#)



“The introduction of MiCA, together with other legislation around blockchain pilots and crowdfunding platforms in the first half of 2022, creates an environment in the European Union in which companies and entrepreneurs will feel comfortable experimenting with tokenization and other DLT-based products.”

- Ryan King, Senior Project Manager

Development Secured For The Next 2+ Years

At Dusk Network, we intend to be budget-smart at all times. While strategies can be altered in the short-term, our long-term solvency objective never changes. Regardless of market conditions, Dusk Network is not depending on any of its native token reserves for continued development. This is something we're proud of.

Dusk Financials



50%+

of expenditures flow
directly into **Tech
Development**

10M+

Stablecoins and Fiat
account for 50% of treasury

Since The Last Report

Our Most Notable Events

Selected Events From The Dusk Ecosystem

January

Provisioner Applicants

Enthusiasm for the upcoming testnet was given concrete numbers, with over 1700 applicants registering their intent to run Provisioner nodes on the network in the first week. A new Release of Kadcast improved network efficiency, backpressure control, advanced forward error correction, a wide configurability, and additional improvements.

February

Expanding the Team

Team expansion became a top priority for 2022, with over a dozen new hires occurring in the first months. Meanwhile, the technical breakthrough known as PlonKup saw its release; A new zero-knowledge proving system to make cryptographic obfuscation of data on layer-1 blockchains more affordable for public network

March ☆

Testnet Daybreak

The launch of testnet Daybreak drew all the attention in an already exciting month. A revised Insights & Highlights release detailed the improved tokenomics of Dusk Network, while the FORT Protocol Research Paper elaborated on how NFT & ZKP technology could reinforce each other.

Testnet Daybreak Launch

Testnet Daybreak Saw Light On March 22, 2022

On March 22, Testnet Daybreak went live and had its first interaction with our loyal community and the general public. It marks the beginning of showcasing the unique techniques that we are building and how we envision a fairer financial future.

Testnet Daybreak and beyond

With its launch, the network is now open for public scrutiny. Users can visit the Block Explorer to inspect the network's block times and learn more about ongoing activities. Those who are looking to contribute can apply for the waiting list, which is currently sitting at over 2500 sign-ups. Tech-savvy users can install the CLI wallet from the Portal and start executing transactions on the network.

Release cycles

Since the launch of our testnet, we are focused on improving the network by incorporating the feedback we receive from the community and extensively testing its many components in a real-world environment.

This is why we'll be instituting release cycles as we move forward, to continuously deliver upgrades of all Dusk ecosystem libraries and components, with a stream of releases publicly shared on our Github repositories.

The upgrades will then be pushed on Daybreak, along with overall feature progression and stability enhancements, to deliver constant and tangible improvements for every user trying out the network.

Technical breakthroughs

Daybreak contains three major technical breakthroughs that allow for privacy, instant settlement finality, and smart contract functionality, making it possible to service regulatory-compliant financial applications on blockchain technology. By utilizing **PlonK**, the lightning-fast standard in zero-knowledge (ZK) technologies, all transactions on Dusk Network benefit from confidentiality. **Succinct Attestation** is a unique Proof-of-Stake (PoS) consensus mechanism that delivers much-needed settlement finality. The Confidential Smart Contract platform **RUSK** opens up development of a new breed of powerful decentralized applications (dApps) and enables anyone to program privacy-enabled smart contracts.

Media attention

The testnet wasn't only well-received by our community and investors, but the media was also eager to learn how compliance and regulations would be met together with privacy. You can find all the coverage [here](#).

April

Release cycles

With the testnet Daybreak launch under their belt, developers switched to a release cycle development planning. Every 3 weeks, new releases become available to tech-savvy users to interact with before deployment on testnet.

May

KuCoin listing

KuCoin is one of the top five cryptocurrency exchanges, with over 10 million users in 207 different countries on its platform. We're excited to kick-off the partnership between Dusk Network and KuCoin with the listing of the DUSK token.

June ☆

The Internet of Assets Podcast

Dusk Network launches the first episodes of its podcast series about the not-so-distant future of finance. We dive deep into the world of blockchain with top-notch guests in the DeFi and Crypto space.

☆ July

Testnet Daylight

Dusk Network launches the second iteration of its testnet: Daylight. Among the newly implemented features is the network's upgraded staking contract, which improves the stability of the blockchain, and paves the way for scalable node participation.

Testnet Launch Daylight

Launch Date: July 6, 2022

Daylight is the next step towards growing the node economy supporting the network. Even though this is largely still in a protected environment, we aim to introduce malicious nodes and invite a small number of community participants to run their own node. This phase is an important step to ensure a smooth transition to a fully community-powered testnet as soon as possible.

Release cycles

Besides the possibility of opening up the network to our community, there were also improvements made to the UX/UI of the **Block Explorer**. For example, the TPS statistic has been replaced with a statistic that indicates the total number of transactions in the last 100 blocks and users will now be able to track **gass expenditures in real-time**. The Daylight upgrade also brings a new Command Line Interface (CLI) wallet for users to interact with the Daylight testnet, fully replacing the old CLI wallet. The new **CLI wallet** boasts fast synchronization times and a stable cache mechanism to fetch user balances quickly. This update aims to fully resolve connectivity issues.

Podcast: Internet Of Assets

Recently we launched the first episode of our podcast series, Internet of Assets. The podcast about the not-so distant future of finance. In this interview series, we deep dive into the world of blockchain with top-notch guests from the DeFi and Crypto industries.

Subscribe yourself to the podcast via Apple Music or Spotify.



Financials

Financials

Dusk Network Is Not Depending On Any Of Its Native Token Reserves For Continued Development Into 2025

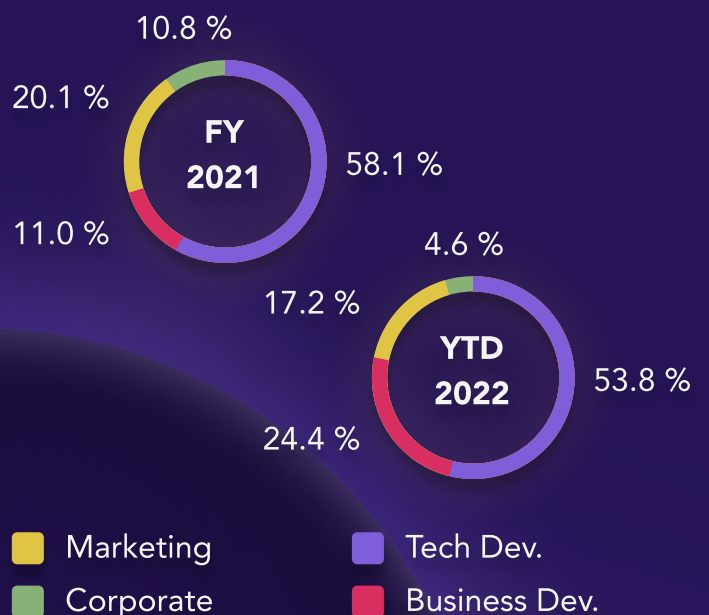
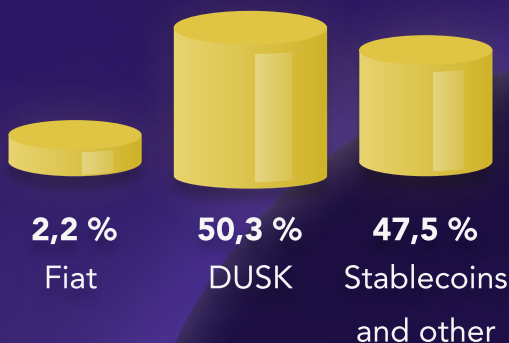
The assets held by Dusk Network as of June 30, 2022, has a total market value of USD 21.3 million. The asset portfolio is, for a large part, in DUSK (50.3%). With respect to our position in terms of held fiat, stablecoins, and other assets, we report a total increase of 54.7% compared to nine months ago, which amounts to an absolute increase of USD 3.7 million.

In addition, Dusk Network's stablecoin position is well-balanced between USDC, USDT, and BUSD, while other investments are predominantly in BNB.

We reduced our fiat position by 74.4%, and simultaneously increased our USD stablecoin positions by 107.8%. Due to the lower DUSK valuation, the value of DUSK held in treasury is also lower (-42.3%).

In a cryptocurrency market that has shown to be volatile, we report a total asset position synchronous with the current market situation. That being said, we plan our budget independently of the value of the position of our native token. In fact, Dusk Network is budgeting for its continued development into 2025 based on its non-DUSK assets and is therefore not depending on any of its native token reserves for the foreseeable future. As we work our way towards delivering the leading blockchain for regulated decentralized finance, the majority of quarterly expenditures flow directly into tech development. In Q2, we notice an increase in spending on Business Development, thanks to new hires and the realization of incentive programs.

\$ 21,331,010





“We have a strong financial position and are less dependent on current market conditions. Our runway is secured going into 2025.”

- Yvo Rico, Head of Corporate Office

Government Grants

Two Successful Grant Applications Allow Dusk Network To Work On New Ideas

With the majority of our expenditures flowing directly into tech development, our commitment to cutting-edge technology marks significant breakthroughs such as PlonK, zero-knowledge cryptography, and important open source libraries that are used as a baseline for third parties

To expand our development capacity, evolve our skills, and gain more awareness about Dusk Network's technical specifications, we participate in tenders for Dutch grants and subsidies. Last year, we were honored to be awarded two Dutch government grants.

Grants like this not only help us to fund developments without drawing on our core funds but also reinforce both the importance of research to Dusk Network as an entity and the centrality of including regulation and compliance into our tech stack. We are grateful to those government entities who choose to work with us on research like this, and we look forward to future opportunities.

[Read More](#)

Digital Finance Labs

A share in a 7m USD grant has been allocated to us, with the purpose of creating an education platform in collaboration with Investor Ready. The aim of the platform is to make it easier for businesses to learn about and adopt security tokens. This project is currently ongoing.

MIT Noord-Holland

A share in a 5m USD grant has been allocated to us by the Uitvoerings-regeling Subsidie MKB Innovatiestimulering Topsectoren (MIT) Noord-Holland (North Holland's SME Innovation and Stimulation Subsidy for Implementing Regulations) to research the feasibility of an NFT standard built on top of Dusk Network. This project is currently in its final stages.

Roadmap

The Future Of Finance

Roadmap

On A Journey To Reshape The Financial Industry

Dusk Network follows a meticulous development program where features are grouped into well-defined phases which are interconnected with each other. Although these phases outline a linear roadmap, it is worth noting that various teams work on different aspects and features simultaneously, regardless of the phase they belong to.

To achieve the vision of being the leading blockchain for regulated decentralized finance, we've carefully planned our product roadmap. Through extensive market research and validation from our partners, we identified a significant market opportunity for a blockchain that satisfies the strict requirements of security tokens, such as privacy, deterministic settlement finality, and compliance. The roadmap is focused on delivering a secure, performant, and decentralized infrastructure to fulfill each of these requirements and unlock the inception of the internet of assets.

1 Daybreak

Foundation

To provide privacy guarantees in a scalable manner, we invested countless hours comparing all Zero-Knowledge Proof (ZKP) systems, after which the SNARK-based PlonK system showed the most potential for scalable privacy. Dusk Network's Rust implementation of PlonK has since become widely adopted by other blockchain companies and remains the most popular implementation to date.

As ZKPs take up computational power on the prover and verifier sides, the node infrastructure, consensus protocol and storage need to be tailored to these distinctive requirements. This led to the development of groundbreaking Proof-of-Stake based consensus protocol Segregated Byzantine Agreement (SBA) and its successor, the Succinct Attestation (SA) Agreement: the end result of extensive research and development efforts.

Also deserving of mention is Phoenix - our novel transaction model that allows users to keep their privacy, even when they are dealing with public data - the official CLI wallet, the many other libraries powering Rusk, Dusk Network's virtual machine, as well as the rest of our comprehensive decentralized architecture.

- ✓ **PlonK**, the lightning- fast standard in zero-knowledge technologies
- ✓ **Succinct Attestation**, a unique Proof-of-Stake consensus mechanism
- ✓ **RUSK**, a Confidential Smart Contract Platform

2 Daylight

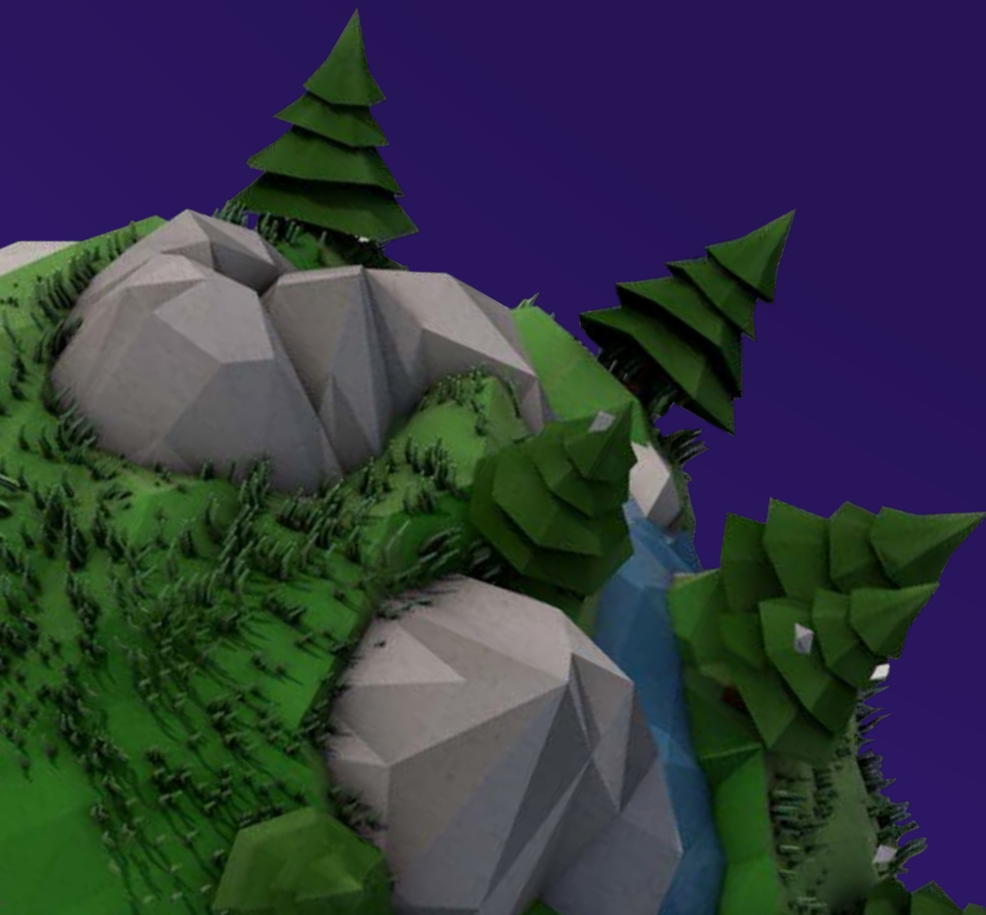
Decentralization

Building upon Daybreak, the Daylight phase introduces many incremental improvements designed to expand the utility, stability and functionality of the network.

This phase comprises the early steps to transition gradually toward decentralization. With Daylight, we foresee a transition toward a community-run network, less dependent on Dusk Network's centralized infrastructure.

With the ramp-up of our decentralization, we expect more complexity and higher stress on the network, which will likely bring bugs and unexpected corner cases to the surface. We welcome this, as every patch leads to a higher degree of security and robustness.

- Web-wallet:** increased network participation
- Community-run nodes:** decentralized inception
- Incentivized testnet:** aligning incentive with development



3 Alba

Smart Contracts

After Daylight decentralizes the system's core, Alba unleashes the power of confidential smart contracts. Developers will be empowered to create complete privacy-preserving applications thanks to the Confidential Token Standard (XC) shipped during this phase. A user-friendly development toolkit will be included to abstract away the intricacies of the underlying technology (i.e. WebAssembly, Zero-Knowledge, Rust, etc), and ease the deployment of simple confidential tokens.

With the integration of smart contracts, Alba marks a significant step forward in the capability of the Dusk Network, while enabling community experimentation with a new type of token. Developers and businesses from all over the world will finally be able to lay the foundation for a truly confidential ecosystem: the internet of assets.

- User-friendly development tool-kit**
- Confidential Token Standard (XC)**
- Launch of **confidential token applications** on native network

4 Aurora

Security Tokens & Applications

Building upon Alba, Aurora focuses on security tokens and the associated functionalities, such as on-chain compliance framework, whitelisting capability and life-cycle management tools.

Aurora will harness the power of Zedger, the groundbreaking model for confidential security token transactions. Zedger is an essential building block for regulated financial products, which require the satisfaction of both privacy and compliance capabilities.

Once Zedger is operational, Dusk Network will be ready to fulfill its ambition to launch Confidential Security Contracts (XSC) and to become the first complete blockchain protocol with all desired properties of privacy, compliance, and deterministic settlement finality.

- Confidential Security Contract (XSC)** generation
- Network audits and security stress-testing**
- Launching the first **RegDefi smart contract** on the network



Research & Development

Spotlight

Make It Private, Make It Efficient

Dusk Network Research Improves Zero-Knowledge Proofs

Privacy is the core foundation upon which Dusk Network is built, and our research team is always working hard to review that our cryptographic protocols are technically sound and efficient.

One of the most outstanding outcomes of this last half-year has been the release of PlonKup, a fully succinct ZK-SNARK that integrates lookup tables into PlonK in an efficient way. One of the bottlenecks of our circuits is the implementation of Merkle proofs, which require multiple hash operations. The combination of PlonKup with Zelbet, the hash function developed by our team member Dmitry Khovratovich, will make the generation of our zero-knowledge proofs significantly more efficient.

Recently, we have focused our research efforts towards recursion of pairing-based zero-knowledge proofs (e.g. PlonK), which involves the study of cycles of pairing-friendly curves. The project is still in an early stage. However, preliminary results are very promising and we are keen to continue our research efforts into this stream of recursion.

We are also proud to announce that Dusk Network researcher Xavier Salleras shared his first documentation on FORT, a right-proving and attribute-blinding self-sovereign authentication protocol that could be integrated into Dusk in the near future.

Research is central to what we do at Dusk Network and will continue to be so going forward.



“We are delighted with the outcome of PlonKup, a fully succinct ZK-SNARK that improves the original PlonK implementation, and FORT, a self-sovereign authentication protocol that could be integrated into Dusk in the near future.”

- Marta Bellés Muñoz, Lead Researcher

Succinct Attestation

A More Efficient Consensus To Take The Financial World By Storm

Dusk Network is secured by the Succinct Attestation, a fast and novel Proof-of-Stake (PoS) consensus, that delivers much-needed settlement finality. This is an important requirement for financial use cases, as it is essential for regulatory compliance.

Succinct Attestation enables instant settlement of transactions **within 15 seconds**.

On Dusk Network, completed transactions are final and irreversible as soon as they are processed, providing a legal certainty of ownership at all times. In addition, its PoS basis is more environmentally friendly than Proof-of-Work, as it doesn't rely on the power-intensive computation of mining. All it needs are Provisioners.

Provisioners are what we call the nodes that operate and secure the Dusk Network. They stake DUSK to be eligible to participate in consensus. And as long as their stake is active their full-node is connected with the internet and running, they are participating in the consensus rounds.

Every consensus round, there are multiple Provisioner Committees and a single Block Generator. The committees are tasked with validating, voting, and re-propagating the candidate block that should be added to the chain. The Block Generator proposes its block to the Provisioner Committees in a multi-step process, which, if successful, results in accepting such a block into the blockchain. And the settlement is final.

FORT Protocol

Using NFT's And ZKP Technology To Create A Privacy-Respecting Authentication Solution

Today, many digital and in-person services are provided and paid for online, all of which require some form of authentication. Think about your video streaming subscriptions, car-share or vehicle parking apps, the latest concert tickets you purchased, and many more. All these service providers issue tokens that are directly related to the identities of their users after they sign-up for their platform.

After registering, users can authenticate themselves by using the same credentials over and over again, or they receive a ticket, which proves their specific right to use that service at a given time and location. This seems straightforward, save for the fact that all these different platforms use centralized systems that do not ensure customer privacy.

These service providers are in fact **trusted third parties**, as they all handle private data about users. The current situation brings unnecessary risk into the equation, as users are not in control of their own sensitive information and are susceptible to data leaks and data misuse.

To present an alternative, Dusk researcher Xavier Salleras and two colleagues from the Department of Information and Communication Technologies, Universitat Pompeu Fabra, Barcelona, came up with a decentralized system that allows customers to prove their rights to use services, either online or in-person, without revealing sensitive information. How would this work you might ask? It would involve the use of NFTs on a blockchain like Dusk Network.

To achieve decentralization, Salleras et al. propose a solution where all of the data are handled by a blockchain. With the help of non-fungible tokens (NFTs), we are able to describe and uniquely identify users' rights for a specific service. Possession of these rights (i.e. said NFTs) is demonstrated by using zero-knowledge proofs (ZKPs), which are cryptographic primitives that allow us to guarantee customers' privacy. Only by combining NFTs and ZKPs into the blockchain can we create a decentralized solution that ensures customers' privacy.

Download the FORT Protocol Research Paper:

[Download](#)

Helios Grants Program

Helios Grants Program Looks To The Future

Opportunities Abound For Those Seeking Funding To Work With Dusk Network

The Helios Grants Program is alive and well, and looking forward to the next half-year at Dusk Network.

Helios is a \$5,000,000 fund announced at DuskCon on April 9, 2021, created with the intention of engaging the community and bringing in outside talent to help us with key components of its development, and to accelerate the growth and accessibility of Dusk Network.

While we welcome applications from anyone broadly interested in the mission of Dusk Network, we especially seek initiatives in three key areas:

We have funded a series of exciting initiatives through Helios. Most recently, HOPR, a layer-0 metadata solution received a grant from the program and formed the foundation of what

we believe will become a key partnership to further privacy in the blockchain space.

The coming half-year has the potential to be very exciting for Helios. As we move deeper into the next phase of development, and as tooling and research move forward at ever-faster speeds, opportunities for initiatives in the first two areas will expand dramatically.

We therefore welcome individuals and entities that are interested in working together with Dusk Network in these (or other) areas to reach out and apply using our Helios Grants Program application portal and help us to build the future of decentralized finance together.

[Grants Application](#)

Ecosystem Tooling And Improved Infrastructure:

i.e. hardware wallets integration, mobile wallet integration, smart contract creation suite, etc.

Research Proposals For Future-Proofness Of The Network:

(Layer-2) scaling, sharding, quantum-resistance

Applications And Use-Cases That Drive Mainstream Adoption:

Multi-signature contracts, privacy-respecting decentralized finance

HOPR Receives Helios Grant

Investment And Partnership Deepens A Joint Commitment To End-To-End Privacy

We were very happy to announce the allocation of funding from Dusk Network's Helios Grants Program to HOPR on May 20, 2022.

HOPR is a layer-0 metadata privacy protection protocol that can be used to connect devices and the cloud, and complement private transactions on the chain. HOPR has developed cutting-edge technologies for digital privacy, layer-zero data transmission, and decentralized governance.

Dusk Network was particularly attracted by HOPR's sharp and committed focus on maintaining data privacy during the transmission phases of blockchain interaction, an often overlooked part of the industry. When making transactions in the Web3 space, much metadata and other information, such as IP addresses, can be leaked in the process, and HOPR's commitment to solving this problem made it a perfect partner for Dusk Network's commitment to on-chain privacy.

Despite the current market conditions, HOPR is investing heavily in expanding its ecosystem and greatly expanding its bounty program to encourage developers to build a variety of dApps that showcase how transport-level privacy is a fundamental building block of Web3. At the same time, HOPR's research, in collaboration with institutions such as Imperial College London, is bringing awareness of just how far we have to go to build robust decentralized systems, and why privacy cannot be separated from security. Dusk Network was extremely proud to be able to contribute to this investment.

HOPR's founder Sebastian Bürgel said: "Web3 doesn't work without privacy baked in throughout the entire stack. On-chain privacy by Dusk and network privacy by HOPR is a match made in heaven for the most resilient Web3 dApps"

The HOPR logo is displayed in a bold, lowercase, sans-serif font. The letters are a vibrant blue color. The logo is centered within a large, semi-circular shape that has a yellow-to-white gradient, resembling a rising sun or a bright light source.

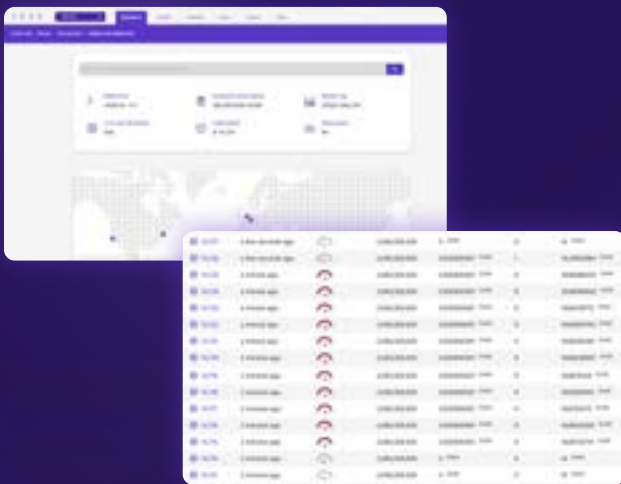
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Dusk Portal

Block Explorer

Open Ledger, Privacy Assured

The Daylight Block Explorer allows the community to glean relevant information on the state of testnet. Since the network automatically preserves user- and transactional privacy, the block explorer is limited in what it can reveal.



Current Features

The Block Explorer offers a wealth of network insights while retaining user privacy, including staking statistics (such as number of tokens stakes, number of nodes operational), block details (including block numbers, block height, block age), and throughput (such as transactions per second, transaction history, number of transactions per block).



Future Development

A powerful tool for transparency, yet more potential remains. Dusk Network's technical team is working on a host of new features, such as additional search functionalities and filters, mempool statistics, overall transaction volume, and other planned interaction opportunities. The upcoming incorporation of the greater community into the consensus mechanism will result in even more insights into the network's health.

[Visit The Explorer](#)

DUSK CLI Wallet

With the release of testnet Daylight a new version of our Command Line Interface (CLI) wallet was released, fully replacing the old CLI wallet.

The new CLI wallet boasts fast synchronization times and a stable cache mechanism to fetch user balances quickly. This update also aims to fully resolve connectivity issues.

The CLI wallet is currently compatible with Windows, Mac, and Linux OS, and is operated by a terminal, suited for developers and/or advanced users.

The CLI wallet provides everything you need to execute your own DUSK transactions, visible on the Block Explorer.

[Download CLI Wallet](#)

By Numbers



583

Wallets

105,278,940

DUSK Staked

**staking
1M**

47

44.6%

47,000,000 DUSK

**staking
100k +**

175

45.1%

47,516,068 DUSK

**staking
< 100k**

361

10.2%

10,762,872 DUSK

Pre-Staking

Zeroing In On The Future Set Of Consensus Participants

Since the start of the Provisioner Pre-staking contract in October 2020, many have shown their support to secure and bolster the network. As Dusk Network has entered its next phase of decentralization - Daylight - let's take some time to zero in on some statistics.

Community Growth

Once Block Generator staking was combined with the Provisioner contract, we saw a steady increase in wallets and in DUSK staked. The amount staked increased from 40 million to well above 100 million in the last year. Today, approximately 25% of total DUSK in circulation is inside the pre-staking contract.

DUSK In Contract

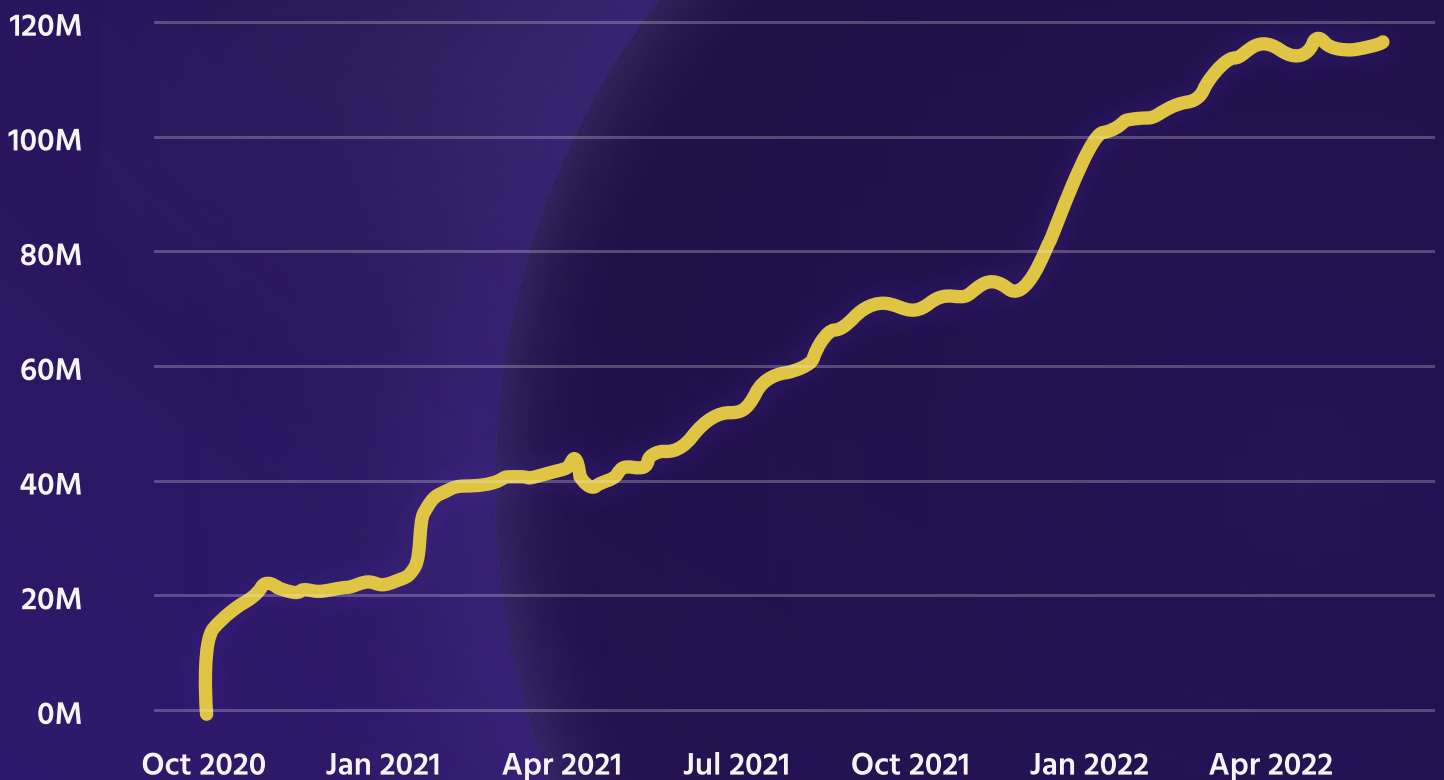
If we look inside the wallets themselves and the stakes within the contracts, we find an interesting distribution pattern. Of the 586 wallets total, almost 40% (224) represent around 90% of the total DUSK staked, very different to the distribution patterns one typically finds in financial data.

Furthermore, around 50% of total value staked comes from 50% of the wallets - very healthy indeed. With staking numbers ranging from gigantic amounts to pocket-sized amounts across the distribution, it is safe to say that DUSK provisioners come in many shapes and sizes.

Rewards Distributed

Over the course of 21 months, Provisioners in the staking contract accumulated a total of 13 million DUSK in rewards. Note that for the first year after network launch, we expect between 25- and 50 million DUSK to be rewarded on top of transaction fees to support a healthy set of Provisioners. Read more about the token emission schedule in the [Economic Model Paper](#).

Wallets Growth Over Time



Partners

Shared Goals

Partners

We are excited to work together with the industry's brightest minds to tap into the power of zero-knowledge and re-think privacy on a public network. **Dare to join us?**



Dusk Network



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