

White Paper Update - June 2020

Preface

The Electroneum team, now consisting of more than 40 individuals in operations, marketing and development, have been working hard for two years to create one of the world's top cryptocurrency ecosystems. With enormous real world usage, Electroneum stands out by providing people in emerging markets with access to digital payments and the global task economy. Whilst our approach continues to evolve, our vision has remained the same:

"Gain mass adoption by increasing financial inclusion and by providing solutions that empower millions of people across the developing world. Teach new digital skills and allow people to earn from them, by giving access to the wealth and demand of the Global North."

The entire team at Electroneum would like to take this opportunity to once again thank our user community for their ongoing support. Their engagement is vital in the continued growth of the Electroneum project, as it drives forward to educate and provide global employment opportunities to those who can benefit the most. It truly is an exciting period for Electroneum, its partner organisations and the people it is serving.

“ Electroneum, seems to me to be just the kind of innovation which can help ensure that, by 2030, no-one is left behind, unconnected and financially excluded, as the world changes around them.

David Bull CBE
Ex CEO of UNICEF

”

Project Overview

Electroneum's statistics as of June 2020. These statistics are verified by a trusted third-party¹.

3.9 million+

registered users

300,000+

instant app to app transfers

2.5 million+

app downloads

155,000+

mobile top ups in 140+ countries

100,000+

blockchain transactions/month

1,700+

merchants accept ETN

Electroneum has genuine users, huge usage and a real-world ecosystem. Users are not just cryptocurrency enthusiasts. A massive number of ETN users are unbanked and they are finding that using ETN is adding real utility to their lives. We are not a charity, we are a sustainable business model that empowers real people.

According to The World Bank², more than 1.7 billion people cannot access traditional banking services. As the world becomes increasingly globalised, those cut off from banking suffer the most. One such example is within the task economy, which according to Mastercard³ is valued in excess of \$200 billion USD. Online marketplaces fuelling the task economy include the likes of Freelancer, Upwork and Fiverr. These marketplaces have made tremendous strides in providing buyers with low cost services, and sellers with an audience of global buyers. However, all existing task platforms suffer the same flaw; they require both buyer and seller to be banked.

Electroneum, established in 2017, overcomes this issue, providing a simple mobile application that enables anyone, anywhere, to buy and sell goods and services remotely. At its core is Electroneum's own blockchain and cryptocurrency, ETN. Electroneum's blockchain enables fast and secure transfer of value between users without incurring large transactional fees.

With more than 3.9 million registered users in just under three years, Electroneum has already become hugely popular. Key developments throughout 2018 and 2019, including their own instant payment notification system and KYC/AML compliance system, helped to reinforce the foundation from which Electroneum has continued to grow.

The first developmental focus for 2019 was a major redevelopment of the blockchain. This new network is not only faster, more energy efficient and significantly more secure than virtually all other blockchains in existence today, but it offers something no other blockchain has to this day; energy responsibility. Electroneum has successfully implemented a new blockchain protocol that we call 'proof of responsibility', delivering mining rewards not to anonymous miners around the world, but to NGOs across emerging markets who strive to help the very people Electroneum is setting out to educate and empower.

In 2019, we developed a revolutionary new freelancer platform called AnyTask.com that removes the need for sellers to have a bank account. Whilst buyers still pay with Visa or Mastercard, the seller receives payment in ETN⁴. Better still, the seller incurs no fees, ensuring they keep 100% of their profit. AnyTask.com went live in Q1 2020 and has already attracted 420,000+ registered users.

2020 saw the launch of two new platforms, the first being ETNeverywhere.com. A large global community of businesses and merchants who accept ETN. The platform gives merchants an official business listing that can be searched for and viewed by customers, both locally and across the world. With ETN-accepting merchants in more than 150 countries, customers can search the online map to find businesses in their local area or that deliver products or services in their country, making it even easier to find ways to spend their ETN.

The second platform, ETNdonate.com, empowers the crypto community to make vital donations to selected NGOs/Charities, to make a difference around the world. By giving selected charities the opportunity to accept donations of ETN, each charity is accessing a completely new way to fundraise. Electroneum is passionate about helping NGOs/Charities to increase their donations, especially in these uncertain times we are all facing.

As ETN adoption continues to grow across the world, Electroneum is looking for new ways users can spend their ETN. In 2019, Electroneum introduced the ability to top-up mobile airtime and data directly from within the Electroneum app⁵. That service is now available with hundreds of operators across more than 140 countries.

Utility top-up is an exciting next step for Electroneum and its users. Supporting major electricity suppliers in Nigeria, Mali, Gambia and Senegal, In Q2 of 2020, users will be able to top-up their prepaid electricity meter from within the Electroneum app. As this continues to grow rapidly, Electroneum plan to expand Utility top-ups to more regions.

The focus for Electroneum throughout the remainder of 2020 is to provide people in emerging markets access to the task economy via AnyTask.com, upskilling through a new platform, TaskSchool.com, and continuing our efforts to provide people with more ways to spend ETN in their communities. It is through these efforts that the Electroneum project will continue to grow and become a driving force for financial inclusion in emerging markets.

Key Differences

There are many important differences between Electroneum and the other 3,000+ cryptocurrencies. Electroneum's focus is to become a sustainable solution to financial inclusion in emerging markets:

- Only major cryptocurrency project focused on improving the lives of people in emerging markets through education, charitable initiatives and employment
- First cryptocurrency to introduce an instant payment system (patent pending), ensuring ETN can be used for everyday purchases and transactions
- First cryptocurrency to voluntarily adopt KYC/AML compliance procedures ahead of the 5th European AML directive, highlighting Electroneum's stance on regulatory compliance
- One of the fastest growing cryptocurrencies with more than 3.9 million registered users in just under three years, surpassed only by a few top five projects
- In-app mobile airtime and data top-up using ETN in over 140 countries and the first cryptocurrency to collaborate with a Major Network Operator⁶
- One of the largest online communities found within the cryptocurrency sector having attracted more than 400,000 followers across major social media platforms
- Invited by the GSMA⁷ (Global System for Mobile Communications) to sit on their GSMA Intelligence Panel and join more than 800 mobile operators and 300 companies in becoming an associate member
- One of the only blockchains to be insusceptible to 51% attack⁸ (the largest threat to blockchain networks)
- Reduced blockchain energy consumption from equivalent of powering approximately 14 million light bulbs to around a dozen⁹
- Replaced anonymous miners with permissioned NGO miners, rewarding vocational charities¹⁰ instead of international large-scale mining pools
- Launched affordable \$50 USD Electroneum M1 smartphone, designed for those in emerging markets who otherwise can only afford a reconditioned phone
- Launched AnyTask.com, a new freelancer platform in Q1 2020, enabling anyone in emerging markets to sell digital services online to a global audience of buyers

Target Audience

Of the 1.7 billion 'unbanked' people across the world, there are more than 350 million people who have smartphones; a number which increases substantially every year.

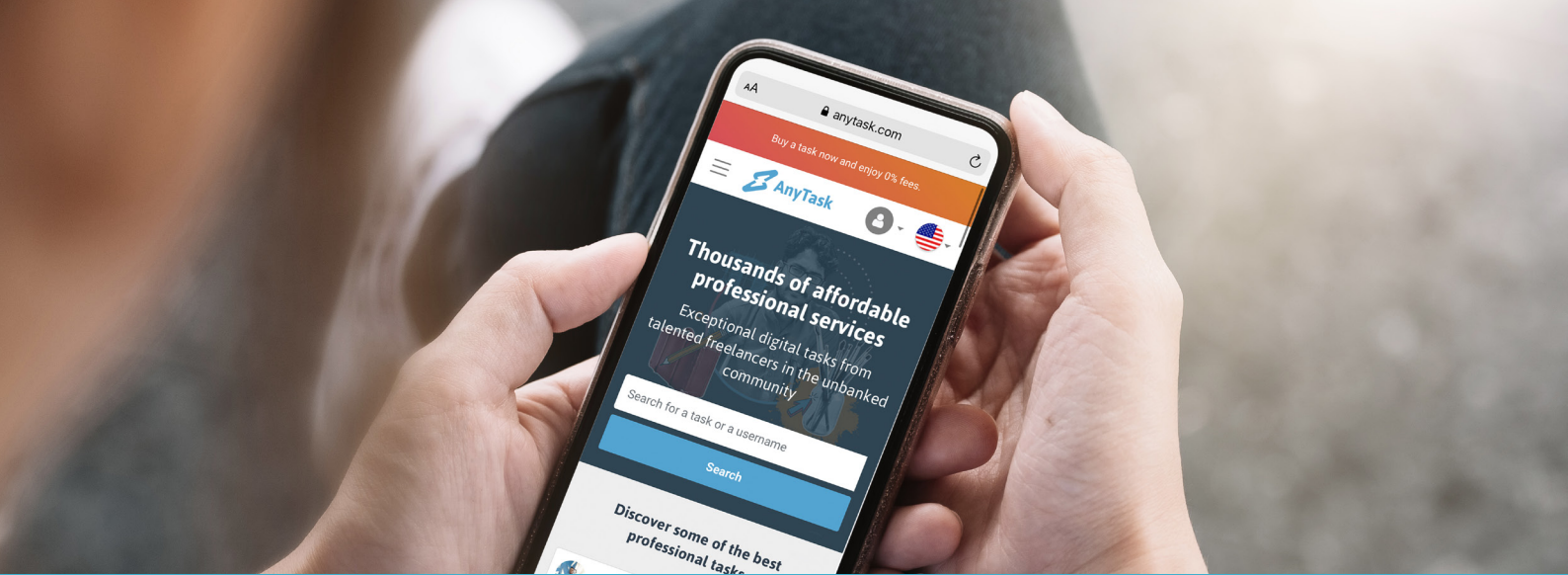
“

...Blockchain is an exciting advancement that could help revolutionize fields beyond finance. It could, for example, power financial inclusion by providing new, low-cost payment methods to those who lack bank accounts and in the process empower millions in low-income countries.

Christine Lagarde Managing Director,
International Monetary Fund

”

This group do not see themselves as unbanked. They are individuals with their own hopes and fears, which brands have failed to understand. In order to connect and activate the great potential in this group, one must understand who they are. Banking does not equate to opportunity. AnyTask.com empowers people via the power of ETN.



Today's leading freelance platforms have made tremendous leaps in providing individuals and businesses a way of getting jobs done quicker and cheaper, whilst offering freelancers the ability to earn a living online. However, they all have one major restriction, in that both buyer and seller require access to a bank account. That is no longer the case with AnyTask.

AnyTask works similarly to other leading freelance marketplaces, offering buyers a variety of digital services, from logo design and video creation, to translation and remote training. Buyers still pay in US Dollars with their debit or credit card, however the key difference is in how the payment is delivered to the seller⁴.

Unlike any other freelance marketplace, payment is delivered in Electroneum (ETN), meaning they do not require a bank account. They receive payment directly into their Electroneum wallet, no matter where they are in the world. Better still, they pay zero seller fees.

Why not head over to AnyTask.com and take a look.

420,000+

total registered users

4,000+

active sellers

5,000+

total active tasks



ETN Everywhere

As societies around the world gradually use less cash, and transactions become fully digital, cryptocurrencies are clearly the next step in the evolution of currency. Electroneum is one of only a few cryptocurrencies that has gone a step beyond, entirely bypassing the need for a bank account, allowing users to purchase mobile airtime, data top-ups and everyday items at participating stores.

To encourage local merchants in developing countries to see the benefits of signing up to receive payments in ETN, we have launched ETNeverywhere.com.

ETN Everywhere is a global community of businesses and merchants who accept ETN. The platform gives merchants an official business listing that can be searched for and viewed by customers, both locally and across the world.

With hundreds of ETN-accepting merchants in over 150 countries, customers can search the online map to find businesses that will serve them and accept payments in ETN.

As Electroneum continues to expand into the global digital economy, ETN will become increasingly usable and widely accepted. This real-world ecosystem will allow ETN to be used every day to purchase everyday items by the people who need it most.



Cryptocurrency can make a difference

ETNdonate.com empowers the crypto community to make vital donations to selected NGOs/Charities, to make a difference around the world. By giving selected charities the opportunity to accept donations of ETN, each charity is accessing a completely new way to fundraise. Electroneum is passionate about helping NGOs/Charities to increase their donations, especially in these uncertain times we are all facing.



Law & Regulation

Every country has different cryptocurrency regulations. Electroneum has been designed from the ground up to allow different requirements in different regions, subject to the local laws.

Electroneum voluntarily introduced KYC/AML compliance procedures ahead of the 5th EU AML Directive. Electroneum Ltd. is registered in England and Wales and is owned and operated from within the United Kingdom – the centre of the global financial services industry.

Electroneum will be supervised by the UK's Financial Conduct Authority for AML purposes by 2021.

Electroneum can provide government reporting, showing exactly how much ETN is owned in a country, how many transactions have taken place, transaction sizes, adoption rates and much more.

Under English law, Electroneum may be regarded as a Payment/Exchange Token, which is neither a Utility Token nor a Security Token.



Electroneum Mobile App

The Electroneum mobile application enables users to easily manage their ETN.

A user's wallet is only accessible via their own secure passcode. Once inside the app, the wallet informs the user how much ETN they have. Using the in-built converter, the user can at any time display their ETN balance in their local FIAT currency.

ETN can be transferred to any other ETN wallet, be it in-person or remotely. ETN wallets use a 98-character public address, known as a public key or ETN wallet address. Anyone can send ETN to a wallet, either by copying and pasting the address, or by scanning the QR Code generated by the Electroneum app.

The growing number of in-store and online options available gives users somewhere to spend their ETN. Users have the option to top-up their mobile airtime and data within the app in over 140 countries.

ETN Cryptocurrency & Blockchain

Cryptocurrency (ETN)

Electroneum, the cryptocurrency, is a payment/exchange token commonly referred to as ETN. It has a total circulation of 21 billion that will never be increased. ETN is used to send or receive value, either in-person or remotely. Similar to FIAT currencies, ETN has a market value that fluctuates, be it up or down. The Electroneum app handles any fluctuation using the built-in converter, making it one of the easiest cryptocurrencies for everyday use.

Electroneum has built its own instant payment notification system, which guarantees the delivery of ETN, ensuring both buyer and seller can complete their transaction instantly and without fear of the payment not arriving⁵. This overcomes the largest obstacle towards cryptocurrency adoption.

In contrast to FIAT currency transactions which make take several days to complete, ETN can be transferred to anyone in the world instantly and at virtually no cost.

For businesses of any size, Electroneum has made it incredibly easy to accept ETN as payment, be it through the Electroneum app, via an ePOS system or via an eCommerce website. All methods can be found on ETNEverywhere.com website.

ETN can be stored in several ways, including digital wallet (hot wallet) and paper wallet (cold storage) formats.

Blockchain

The Electroneum blockchain uses a unique algorithm that we've termed PoR (Proof of Responsibility). The blockchain has received significant praise from the blockchain space¹¹, including the co-inventor of the blockchain, Dr. Scott Stornetta, whose work from 1991 is included in the original Bitcoin whitepaper. He praised Electroneum for the implementation of its moderated blockchain, including its improved security and philanthropic approach to redirecting mining rewards to those who need it the most.

A Safer Blockchain

Following the implementation of its new blockchain protocol, Electroneum became one of the most secure blockchains in existence today, becoming insusceptible to blockchain's largest threat; the 51% attack. This was achieved through a number of initiatives, the first of which was the move to a permissioned, moderated network. In addition to selecting and authenticating its validators, Electroneum implemented a new moderation layer. The layer remains dormant all the while the network is running smoothly; however, in the case of a possible attack, the layer will determine where the attack is originating from and shut down the compromised validators.

A More Responsible Blockchain

Originating in 2017 as a non-permissioned network, anyone, or any entity could mine the blockchain. This resulted in thousands of miners, many of whom were part of commercial mining operations, who simply mined the blockchain to profit from the ETN block rewards. These miners had no interest in the sustainability of the project.

The move to a permissioned network in 2019 enabled Electroneum to overcome this issue. They selected a number of Non-Governmental Organisations (NGOs) to be validators, who would use the ETN block rewards to enhance their existing charitable initiatives. We currently have 12 network validators including:

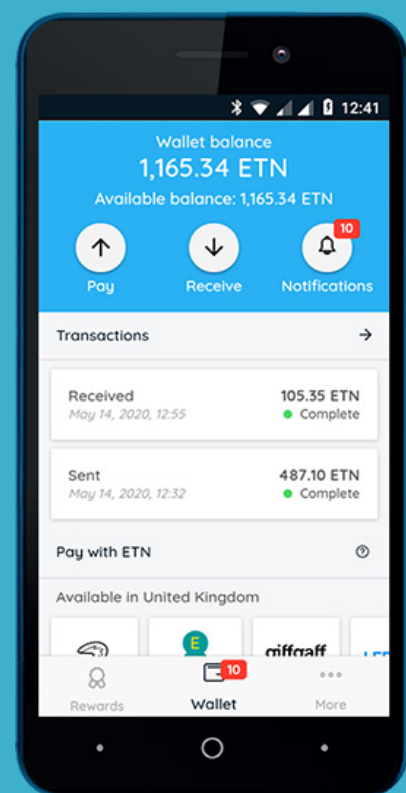
- [Ubuntu Pathways](#), a non-profit organisation that provides an integrated support system of health, education, and social support in the townships of Port Elizabeth, South Africa.
- [WONDER Foundation](#), a non-profit organization that aims to empower women, girls and their community through access to quality education, so that they can exit poverty for good.
- [Project Child](#), a non-profit organization that aim to provide every child in Indonesia with the opportunity to learn, to have a healthy start, and to feel supported and secure living in a clean environment that is prepared for natural disasters.
- [Lawyers for Good](#) is for charities/NGOs looking for legal support or lawyers looking for more meaning. Their share of the ETN Block Rewards go towards the project Children's Fund Malawi, The GreenMatala Entrepreneurial Village. The project is helping to improve the lives of underprivileged children and young adults with tangible financial, vocational, life and entrepreneurial skills.

A Greener Blockchain

Despite thousands of transactions taking place each day, ETN's energy consumption has been drastically reduced with the implementation of PoR. Prior to the upgrade, the hashing power to mine ETN consumed energy equivalent to 14 million light bulbs⁸, each and every day. However, after the implementation of the moderated blockchain, the energy required by NGO's to validate blocks was reduced the equivalent of powering around a dozen light bulbs.

Electroneum M1

In February 2019, Electroneum exhibited at MWC19, the world's largest exhibition for the mobile industry. Unlike like many other affordable smartphones, the \$50 Electroneum M1 offers quality specifications, including 4G connectivity, dual sims, quad core processor, as well as front and rear facing cameras. Targeted at those in emerging markets, where \$50 would typically buy a reconditioned phone, the Electroneum M1 remains a promising prospect for many. And is part of many commercial discussion with mobile operators and distributors across several emerging market countries.





Coming soon

TaskSchool gives the opportunity for any of the millions that are unbanked to access online digital learning at no cost. By accessing our e-Learning platform, people in developing countries will have the opportunity to gain new skills that they can sell on AnyTask.com.

TaskSchool teaches users a range of skills from extremely simple tasks, such as photo retouching, to more complex tasks like designing logos on a laptop with free software such as Inkscape.

AnyTask allows people around the world, including those without a bank account, to earn in a new way with these new basic skills they can acquire through TaskSchool.



Conclusion

Electroneum is still under three years old and yet has achieved more than virtually all other cryptocurrencies in terms of real world usage. We have carved out access to a niche market that consists of hundreds of millions of people and have made great strides towards empowering them, making ETN an attractive way to earn and spend.

Our cryptocurrency ecosystem sees the circulation of ETN without the need to continuously convert to FIAT via exchanges. This is one of the first times in modern history that we have seen a new medium of exchange being used in the real world, by so many people.

Electroneum started its mission to gain mass adoption of cryptocurrency and considers it has done more to achieve this than 99.9% of projects.

Electroneum is actively demonstrating its potential to provide new learning opportunities to a vast new audience across the emerging markets.

The Electroneum brand has started building a name outside of the crypto community, particularly in South Africa, Brazil, Nigeria, Uganda, Tanzania and Turkey (countries where in-app usage has been highest). Mobile top-ups in ETN is a popular feature with over 145,000 transactions to date. Utility top-ups and further developments will make ETN increasingly valuable to use.

Two key activities for Electroneum are AnyTask and the launch of TaskSchool. These platforms provide a way for people to earn in new ways and also a use case for other established platforms, who, through AnyTask's success, may choose to adopt ETN as a form of payment.

Expanded in 2020, ETN Everywhere continues Electroneum's efforts to grow the use and acceptance of ETN across emerging markets.

In conclusion, we are now in a stronger position than ever to take Electroneum forward to becoming one of the top 10 brands in the cryptocurrency space.

Bibliography & References

1. Verified by Cointelligence
<https://news.electroneum.com/cointelligence-electroneum-is-an-example-of-transparency-in-a-crypto-space-that-is-mostly-secretive>
2. The World Bank
<https://globalindex.worldbank.org/>
3. Mastercard
<https://newsroom.mastercard.com/wp-content/uploads/2019/05/Gig-Economy-White-Paper-May-2019.pdf>
4. AnyTask Terms & Conditions
<https://anytask.com/terms-and-conditions>
5. Electroneum Terms & Conditions
<https://electroneum.com/terms-and-conditions/>
6. Major Network Operator
<https://news.electroneum.com/electroneum-first-cryptocurrency-to-work-directly-with-a-mobile-network-operator-cellcard-to-also-sell-the-m1-smartphone>
7. GSMA
<https://www.gsma.com/membership/membership-types/associate-membership/>
8. Insusceptible to 51% attack
<https://electroneum.prezly.com/electroneum-creates-positively-disruptive-blockchain-that-shields-etn-from-51-attacks>
9. A greener blockchain
<https://electroneum.prezly.com/electroneum-is-the-greenest-crypto-after-reducing-mining-energy-needs-to-nearly-zero>
10. NGOs/Charities
<https://electroneum.prezly.com/electroneum-and-ubuntu-pathways-join-forces-in-ground-breaking-deal>
11. Dr. Scott Stornetta
<https://news.electroneum.com/founding-father-of-blockchain-scott-stornetta-talks-bitcoin-and-electroneum>

