

Electroneum - Tech Update, Instant Payment Patent & More

Hi Everyone,

I'm currently whizzing around Asia and the Middle East to meet with some important contacts that were made at the Mobile World Congress in Barcelona.

This is going to be quite a long update (I've just read through it as I make this comment – and it's a monster! I knew I should have written a novel) Here's a synopsis (not in any order) for a fast update – then read the detail below, if you want to know more...

Patent Pending Secured!

We've worked on this since last year, it protects our cryptocurrency hybrid system that will allow us to provide INSTANT cryptocurrency payments as well as cryptocurrency subscription payments! It is a game changer for the entire cryptocurrency industry, when it comes to everyday use.

Market sentiment (and how to change it)

I'll cover why the market has been filled with FALSE negativity and how we are going to change it (you can help too!).

Tech update (51% Attack, ASICS & more)

There is no hard evidence that there IS a 51% attack taking place. The evidence that is being used is not evidence of a 51% attack in this instance, it's a timestamp bug that is causing no problems at all. ASICS are nothing to worry about – we have ASIC resistance in the next update – which will be before the ASIC chips are widely available. Blockchain flooding, we are working on this from two ends – a blockchain update AND our patent makes the blockchain flooding far less problematic.

New technical team member introductions

Two new blockchain based team members to introduce, who are already well in to fixing everything the market is worried about.

Growth (let's end on a positive note!)

Did you know that Electroneum is ahead of Twitter, Facebook & Dropbox in speed of growth? I'll explain why.

Here are the full details if you want to dive in. Otherwise, thanks for reading this far - have a great day!

Changing the market sentiment...

There is an enormous amount of negative and often false information flying around the internet about Electroneum. There has been a concerted effort by a number of very credible sounding people to try and damage the Electroneum brand for their own reasons or for their own financial gain.

A relatively small number of people have been spreading lies, fears and doubts at any sign of positivity. There is also an automated trading strategy that has kept

placing tiny sell orders just under the market price which along with the negative narrative, has resulted in loop of negativity that seems to feed itself.

I'd like everyone to know that the Electroneum project is not in any danger and whilst there are some legitimate questions such as when we will be implementing ASIC resistance (covered below), there is nothing that is going to cause us long term harm.

An important thing to remember is that a group of people think it is worth spending a lot of their own money, and time, trying to discredit Electroneum and our team. We've always expected this because we are disruptive to the industry.

There is no other cryptocurrency that is poised to reach so many users, and there is no other cryptocurrency that has solved the problem of instantaneous transactions that will allow cryptocurrencies (not jut ours!) to be spent online or in shops, restaurants, cafés etc. Currently the volume of ETN traded every day is low and the ability for someone to manipulate the price exists. As we move forwards onto the largest crypto exchanges and we start delivering on our promises, I hope to see that daily trading volumes grow to the point that that cannot be manipulated. We will change the sentiment of people who doubt the project of the coming weeks and months with both innovative technology and by becoming the first cryptocurrency to start being used in everyday transactions by millions of users.

If you'd like to see market sentiment changing – don't forget you can help! Any time you see negativity for negativity's sake make a comment that points out some positives. I'm not asking for a giant spam army to take over the world (evil laugh) but all of YOU are Electroneum. It wouldn't exist without you, so feel free to get involved and make positive comments about YOUR project. Electroneum.

Two New Blockchain Developers to Introduce

Chris Harrison, working from our UK office. Chris joined us recently and has a background in Fintech and blockchain. He brings an exceptionally high level of understanding of the mathematics behind cryptocurrencies and develops in C++ (among others!), the language that our blockchain codebase is written in. He is working closely with our existing team and our second new blockchain starter Andre. <https://www.linkedin.com/in/christopher-harrison-3a95a2a0/>

Andre Patta, working from Brazil. Andre has a huge amount of experience as a corporate software engineer working with companies such as Ericsson, and has spent much of his time in recent years working on the interaction of decentralised technology with the financial sector. He has worked extensively with the blockchain technologies of Ethereum and Monero. <https://br.linkedin.com/in/andre-patta-77859b56>

We are very lucky to have an AWESOME Electroneum team and both of the two new developers will add their strengths and take us to new heights.

Tech Update

Both of the new team members are already working closely with our existing team to

get a blockchain update ready for release. This will include ASIC resistance, update to the core blockchain code, an algorithm tweak to prevent empty blocks being profitable for miners and a number of bug fixes and tweaks.

ASIC Resistance

There seems to be a lot of misinformation circulating about ASICS. ASICS are a type of computer chip designed to do just one job, and do it well. There is a new ASIC out that enables owners of those machines to mine ETN at a much higher hashrate than GPU miners, however there are currently only very limited numbers of them, and they are not available to purchase at the moment (they are not easy to buy, we are trying to get some for testing). The next batch are due out in June. We will have our ASIC resistance in place before they become a potential problem to us.

51% attack.

There are rumours that a 51% attack on ETN is happening. People have been quoting altered timestamps as evidence of this, but that is a bug that we are aware of and has been there since the first day we launched. It will be fixed but is nothing to worry about. Orphaned blocks have no fundamentally negative effect on the functionality of the blockchain.

Any cryptocurrency can suffer from a 51% attack – where someone controls 51% or more of the mining power, it gives them the ability to make false entries into the ledger – however there is no HARD evidence that this is taking place. Our investigations have been unable to identify an attack, however people are starting to believe it because of the credibility of some of the article writers and the timestamp issue. Ask yourself this – if someone could manipulate a cryptocurrency and make money from that manipulation, why would they announce their ability by altering time stamps? They would not. The rumours of this attack are what is called FUD in this market (the spreading of Fear Uncertainty and Doubt).

Blockchain flooding.

It's true that someone is spending their own money to flood the ETN blockchain with transactions. Whilst a lot is being made of it by the same people, It's actually been quite useful to us, as we need to understand the load requirements for true mass adoption. We have some great data from it and are working on a tweak to the blockchain code that will enable us to do something about this, including a change to the dynamic block sizing algorithm (more on this in another update) – but remember that our instant payment system that is coming and is protected in our patent (see below), makes a blockchain flooding attack completely harmless against ETN. Our systems can verify the payment and if it takes hours to hit the blockchain, the user and vendor are unconcerned (read about this in the patent section below).

In short, don't worry, all the tech is in hand. Technical glitches and problems will always happen in any company scaling as fast as we are – but we will always find them and resolve them.

Instant cryptocurrency payments & crypto subscriptions - Patent Pending

We are completely confident we will be the largest cryptocurrency by user numbers within a year.

We are also confident that we will be the most widely USED cryptocurrency, with

developments in instant EPOS (electronic point of sale – or tills as we call them in England!) and ecommerce.

Our instant cryptocurrency payment technology patent is now officially “patent pending” so we can now discuss some exciting details about it.

I’ve made hints about this for weeks, I really thought we’d have it submitted sooner, but it’s an exceptionally detailed patent that enables us to do some VERY exciting things!

Instantaneous Cryptocurrency Payments

We have a hybrid model, with a centralised app and decentralised blockchain it enables us to INSTANTLY confirm to a vendor (shop or online store) that an Electroneum user HAS the funds available in their wallet and therefore they can checkout of an ecommerce system or pay at a shop till and take the goods or service, instantly. We then (internally) ring-fence the funds to prevent them double spending (just like the blockchain does) – and move the transaction to the blockchain in good time.

The vendor and the user are happy because they got to buy something in a shop or online with zero fuss, bother or delay, and the vendor trusts us to ensure the payment is on its way. Vendors are used to waiting after an instant SUCCESS or FAILURE message – as that’s what a credit card machine does. The money from a credit card sale is only deposited into the vendors bank after a couple of days or more.

Some of the retailers we’ve been speaking to right back from last year, absolutely needed instantaneous payments before they would ever consider accepting cryptocurrency – which is why we’ve spent so much time and effort on this patent and the back-end technology that allows it. (not a small amount of money either!). A lot of large vendors have been waiting for this patent to be filed, as it changes the entire way a cryptocurrency can be used and takes it out from being just a relatively small technical user group, to being a genuinely useful way to make real world transactions.

If the user is using the Electroneum App or web wallet system, and the vendor has an account with us, the instant payment system will be available to them. Instant payments can even happen between our users – allowing anyone to instantly transfer funds.

The back – end system is not quite ready to roll out, but we’ve already been writing the code in advance of the patent going live. We will have it to MVP (minimum viable proposition) within the next couple of months (sooner if we can), which will allow vendors to get an instant notification of a payment, which they can hook in to their existing payment processing facility. We are working with integration with a couple of mobile network operators first, as we are commercially further ahead with them than anyone else. We are keen to work with any large brands as they can leverage being “first in their industry” to accept cryptocurrency and gain the benefit of free publicity.

Cryptocurrency Subscription Payments

So, if instant cryptocurrency payments wasn't exciting enough, the technology and the patent covers something else that is a first in cryptocurrencies too, subscription payments in crypto!

Our hybrid model ALSO allows us to prompt a user for permission and then set up a subscription to make a regular payment to a vendor! Who do we know who likes subscriptions? Well, just about everybody in business is the answer – starting with the mobile operators.

Our patent covers subscriptions in cryptocurrencies and it covers subscriptions in cryptocurrencies to the value of any fiat currency, allowing a subscription to be either XX ETN per month (or week etc) or YY US Dollars worth of ETN per month. Users can control their subscriptions and permissions via a web interface (to be released).

Our patent covers all cryptocurrencies and even allows us to provide instant payments or subscriptions in any OTHER cryptocurrency via our system. The patent is over 100 pages of text and flowcharts, so it's extremely robust and covers a number of other cryptocurrency innovations too, but I think that's enough for now!

That's right – we now have a protected patent that allows us to add bitcoin, Ethereum, monero or virtually any other cryptocurrency to our app and allow users to make instant crypto payments to any vendor who wants to have the convenience of instant check-out. This won't be happening this year, as we want to get Electroneum (ETN) out there first into the market, but it gives us the ABILITY to provide this if the market demands it. We could therefore work with a large multinational vendor who had chosen a different cryptocurrency, but still leverage the Electroneum brand, as part of our strategy for brand dominance and growth.

There's bound to be a ton of questions and there's bound to be a lot of people trying to claim that this can't happen or it doesn't exist – but I assure you that the patent is filed (patent app. Number 1805708.3) and Dentons are confident of our claims, and we are going to deliver everything we've said we will. This single jurisdiction patent application protects the idea we apply for global patents.

It covers a number of other things too, that we've discovered by being the first people to ever handle this volume of cryptocurrency users in a hybrid app. Since we've found solutions for a lot of the problems, we've patented the techniques to give Electroneum the intellectual property rights, enabling us to protect the process, or even earn royalties from their use elsewhere.

One of the phrases we heard last year speaking to one of the large vendors we are in discussion with was "Where is your moat?". What they meant by this is what is to stop someone else coming along and offering the same thing. What protects the Electroneum business model (other than our massive first mover advantage)? This patent is exactly what they were after. It gives them a reason to publicly endorse us as a fintech partner, because we are following the corporate path.

We are now protected. No new ICO can think "great idea" and take it, as it's protected by global patent laws.

Faster growth than Twitter & Facebook - a positive thought to finish on.

In amongst some of the negativity recently I thought – “hey! There’s another thing I’d like to point out to detractors and those with only negative comments for ETN”. We are already up there with some of the greats. Think about it, we’ve already shown that we can grow faster than Twitter, Facebook and Dropbox (we hit 1m users after 5 months of being live – Twitter took 2 years, Facebook 10 months and Dropbox 7 months).

Now think what we can do with a global patent that enables us to transact any cryptocurrency instantly into any shop or ecommerce system, coupled with a method to introduce new users to cryptocurrency in their millions.

I hope you are as excited about the future as I am.

Don’t worry about the future of Electroneum, we are building strong foundations to ensure we deliver what we’ve always promised. Cryptocurrency mass adoption. It’s coming...

As always, I wish you all health, happiness and a wonderful weekend

Richard Ells
Electroneum Founder