

# NAIRA COIN

Fiat Currency on the Ethereum

Blockchain



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# Executive Summary

The NairaCoin Project is a pioneer project of Flourish Blockchain Software Solutions and Tech Limited. A company incorporated under the corporate affairs commission of Nigeria (RC 1554727). Flourish Blockchain Software Solutions and Tech Ltd abbreviated as Flourish Blockchain is a Technology Company Pre-money valued at \$7million, focused on providing blockchain solutions to businesses and government agencies in Nigeria and Africa at Large. We have been providing services and proprietary software solutions to more than 53 businesses in two states in the western part of Nigeria.

The NairaCoin Project is the starting point for several other projects to be unveiled because Naira is important to the Nigerian economy as a legal tender for businesses and individual transactions. Presently, we have developed the prototype for the NairaCoin Project and equally have Proof of Concept for other sectors such as Blockchain banking and payments, Healthcare, Supply chain, Insurance and Government solutions such as Blockchain secure and accurate voting, public record keeping, citizen identification (IDs) and border control.

# Executive Summary

Flourish Blockchain 's Vision is to become the number one blockchain software solution provider for businesses and government agencies in Nigeria and Africa at large. With the launch of NairaCoin project we are offering 30% share of our company to investors which would be raised through security token offering of Flourish Blockchain (FLB) tokens. This implies that the NairaCoin project is a product of Flourish Blockchain and as such do not require an ICO or IEO before listing on exchanges. It also means that investors who buy and hold FLB tokens do not only get dividends on NairaCoin project profit alone but also on all other products and services the company shall unveil periodically.

We believe there is no better time than now to provide world-class blockchain solutions for businesses on our continent to assist them in scaling up their ventures and open them up to international opportunities. The skill set needed to provide these solutions is rare and with our knowledge and expertise we are in a better position to achieve our dream of becoming the number one top-notch for blockchain services in Nigeria and Africa. We invite you to join us as we embark on our humanitarian and technology adventure of providing quality services to helping individuals, organizations and governments in achieving their goals.





# Abstract

Constant volatility of cryptocurrency market has seen a lot of people losing their hard-earned funds, especially due to lack of adequate tools to correctly predict the direction of crypto-markets. This has been a major set back in getting masses to adopt blockchain solutions despite its flexibility and innovativeness.

Few blockchain companies have risen to the occasion to create a dollar-backed token which has made the market quite easy for users to understand and has recorded significant success so far since its existence. However, liquidity into the cryptocurrency arena has been hindered in so many regions because of lack of gateways in converting blockchain products to fiat and vice versa. The creation of fiat-backed tokens has changed that in some regions around the world. Therefore, we propose a fiat backed cryptocurrency for Nigerian users to aid the introduction of cryptocurrency for mass adoption.

The Naira Coin is a naira-backed digital token for individuals and organizations with a robust and decentralized method of exchanging value while using familiar accounting unit.



# Intro

- Banks are necessary institutions who help to keep and preserve our liquid assets, but sometimes access to these assets are restricted especially when one needs them the most.
- Nigeria remittance industry is valued at \$21 billion annually. Majority of this fund about 10-16% goes to transaction fees into pockets of giant financial institutions who do little or nothing in giving back to the society from which the huge amount is earned.
- Opportunity provided by blockchain can be leveraged by techpreneurs to break the monopoly of giant institutions.
- Some of the primary advantages of cryptocurrencies are: low transaction costs, international borderless transferability and convertibility, trustless ownership and exchange, pseudo anonymity, real-time transparency, and immunity from legacy banking system problems.

We are providing a similar service with focus on applications wherein the Naira fiat value is stored and transmitted with software that is opensource, cryptographically secure, and uses distributed ledger technology on the Ethereum blockchain.





With the advent of cryptocurrency, individuals are not only able to make fast transactions, they also have full control over their wealth.





# Proposed Implementation Strategies

- Naira Coin can be used just like bitcoins, i.e. in a p2p, pseudo-anonymous, decentralized, cryptographically secure environment.
- Naira Coin can be integrated with merchants, exchanges, and wallets just as easily as Flourish Blockchain Tech Limited employs a simple but effective approach for conducting Proof of Reserves which significantly reduces our counterparty risk as the custodian of the reserve assets.
- Naira Coin issuance or redemption will not face any pricing or liquidity constraints. Users can buy or sell as many Naira Coins as they want, quickly, and with very low fees.
- Naira Coins will not face any market risks such as Black Swan events, liquidity crunches, etc. as reserves will be maintained in a one-to-one ratio rather than relying on market forces.
- Naira Coin's one-to-one backing implementation is easier for nontechnical users to understand as opposed to collateralization techniques or derivative strategies.

Naira Coin will run on the Ethereum blockchain rather than a less developed/tested “altcoin” blockchain nor within closed source software running on centralized, private databases.



# Target Audience

- Merchants
- Exchange Liquidity
- Diaspora Remittance
- Small and Medium Scale Enterprises



# Why Merchants?

We target merchants to provide the most flexible form of payment options with minimum costs. The most common and flexible form of payment option for merchants across the country is POS machines. Despite the flexibility offered by POS machines it comes at a huge cost to merchants paying about 1% per transaction on every sales made. Considering that average POS transaction ranges from 46 to 56 transaction monthly. This is a huge cost for merchants. However, with Naira Coin MPOS software, merchants can accumulate multiple sales payments free of cost into their online wallets and redeem it once daily/monthly. That's only when they'll be charged withdrawal fee of less than \$0.70 or #200 per transaction. Thereby saving huge costs for merchants. without the need to purchase a POS machine from us, all transactions can be carried out on mobile smartphones.

# Why Merchants?

A previous study on Lagos POS adoption survey has also revealed the inconsistency with POS machines as higher percentage of the respondents indicate that the success rate of receiving payments is less than 25% while many merchants are actively using POS machines, many more that are yet to adopt it indicate high transaction cost, and technical malfunctioning amongst other reason for not using POS machines. Presently, recorded active POS terminals across the country stands at 170,000 with monthly transaction averaging N150 – N170 billion naira (\$416- \$480 million dollars)

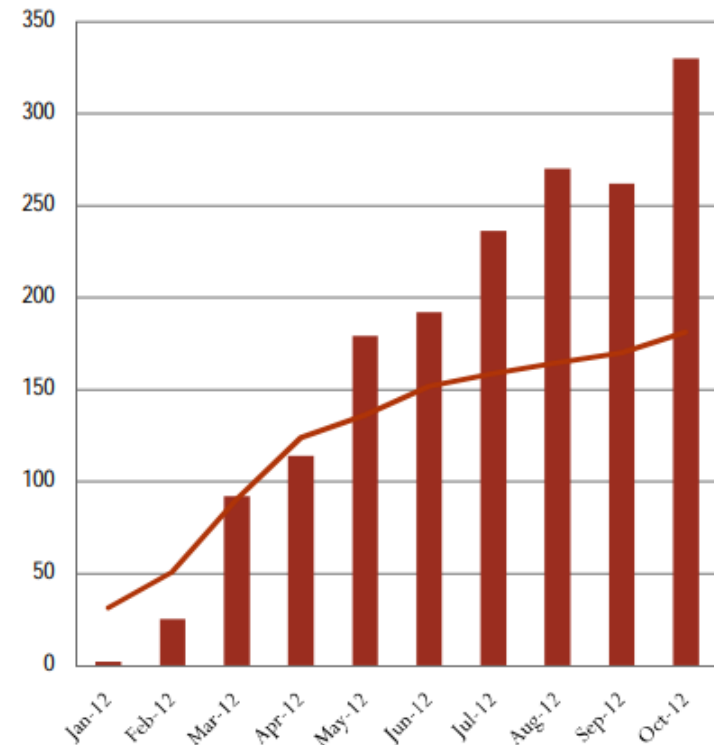
Meanwhile Smartphone and internet connectivity usage continues to soar higher every year from 11 million in 2014 to 23 million in 2019 and 57.7 million to 93 million in 2019 respectively.

Data Below:



# PoS Adoption Rate In Context

- ❑ Deductions from available data on total number of PoS terminals deployed and volume of transactions conducted indicates that PoS terminals deployed recorded an average of 46 transactions and a maximum of 56 transactions per PoS terminal monthly over the period under consideration

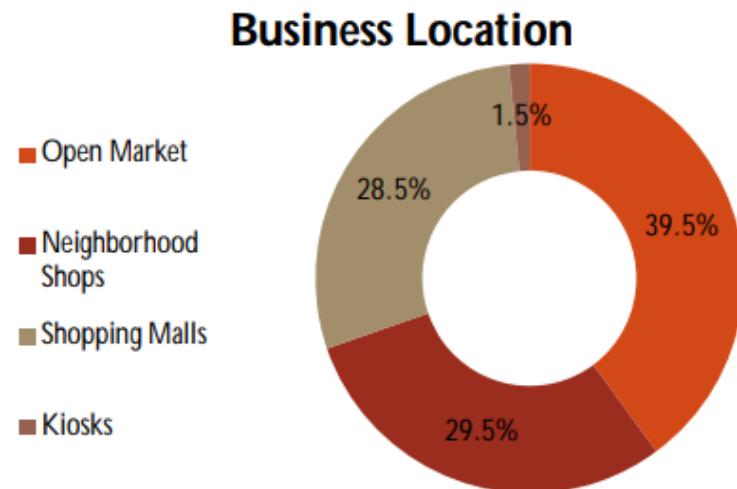
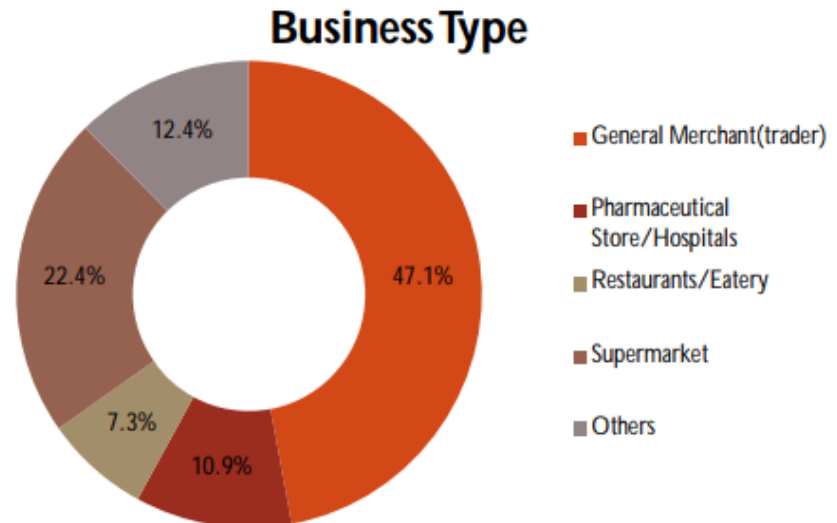


	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12
Vol. of PoS Transactions ('000)	2	25	92	114	179	192	236	270	262	330
No. of PoS Terminals ('000)	31	51	90	124	136	152	159	165	170	181

Source: NIBSS

# Merchants with PoS Terminals

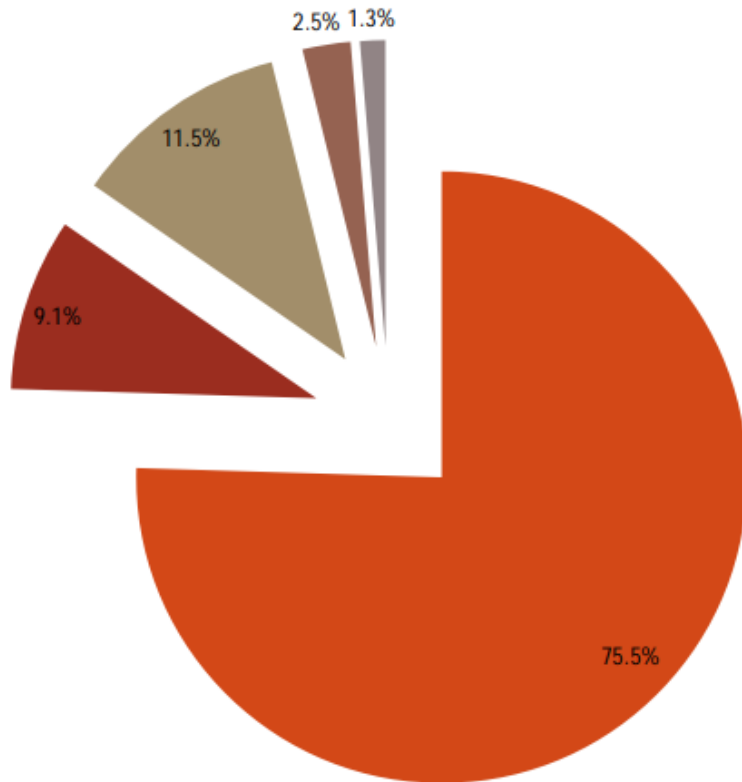
- According to the survey results, of the 3,562 merchants with PoS terminals
  - 47% are general merchants
  - 22.4% operate supermarkets
  - 10.9% are pharmaceutical stores/hospitals
  - 7.3% are restaurants/eateries
  - 12.4% are other forms of businesses
- These business types are mostly located in open markets (39.5%)
  - Neighborhood shops constitute 29.5%



# Merchants with PoS Terminals

## Accepted Payment Methods

### Preferred Payment Methods



■ Cash ■ Cheques ■ Cards ■ EFT ■ others

### By preference

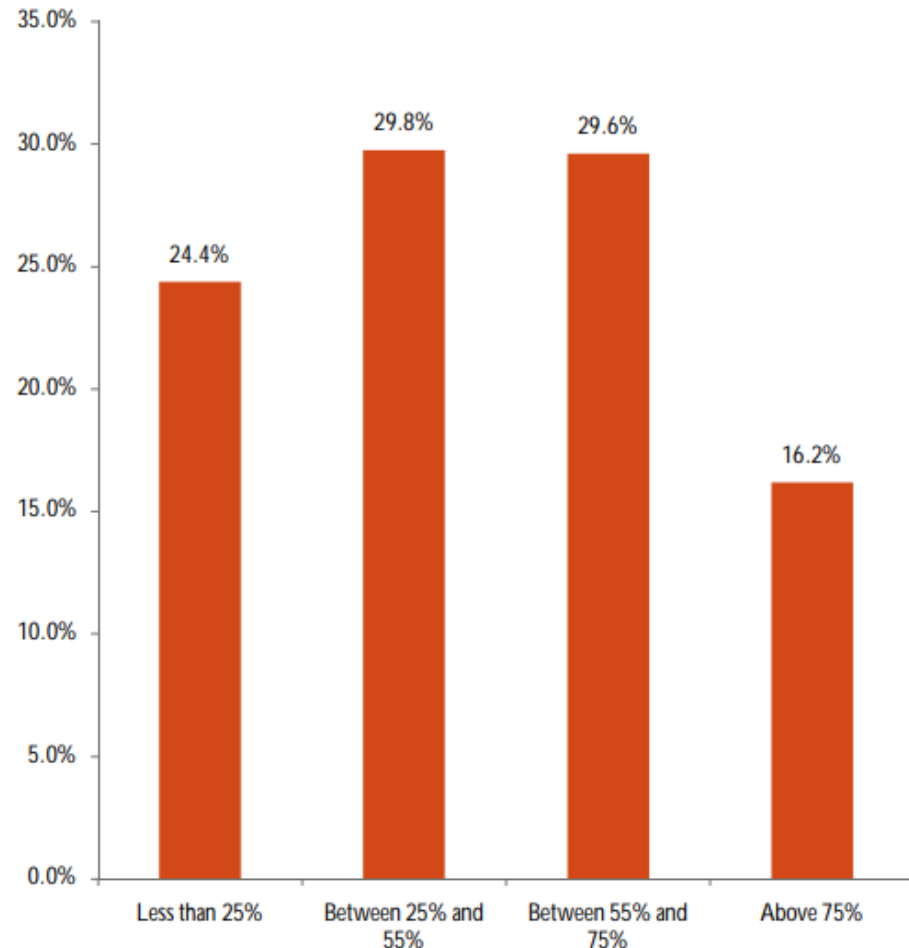
- 75.5% of merchants prefer cash as the method of payment
- 9.1% rating for cheques
- 11.5% for cards
- 2.5% for EFTs
- 1.3% for other means of payments



## Merchants with PoS Terminals

- ❑ A total of 24.4% of merchants indicated that the success rate of cards is less than 25%
- ❑ 29.8% of merchants believe the success rate to be between 25% and 55%.
- ❑ 29.6% claimed that success rate was between 55% and 75%
- ❑ 16.2% of the merchants indicated that the success rate of card payment was above 75%

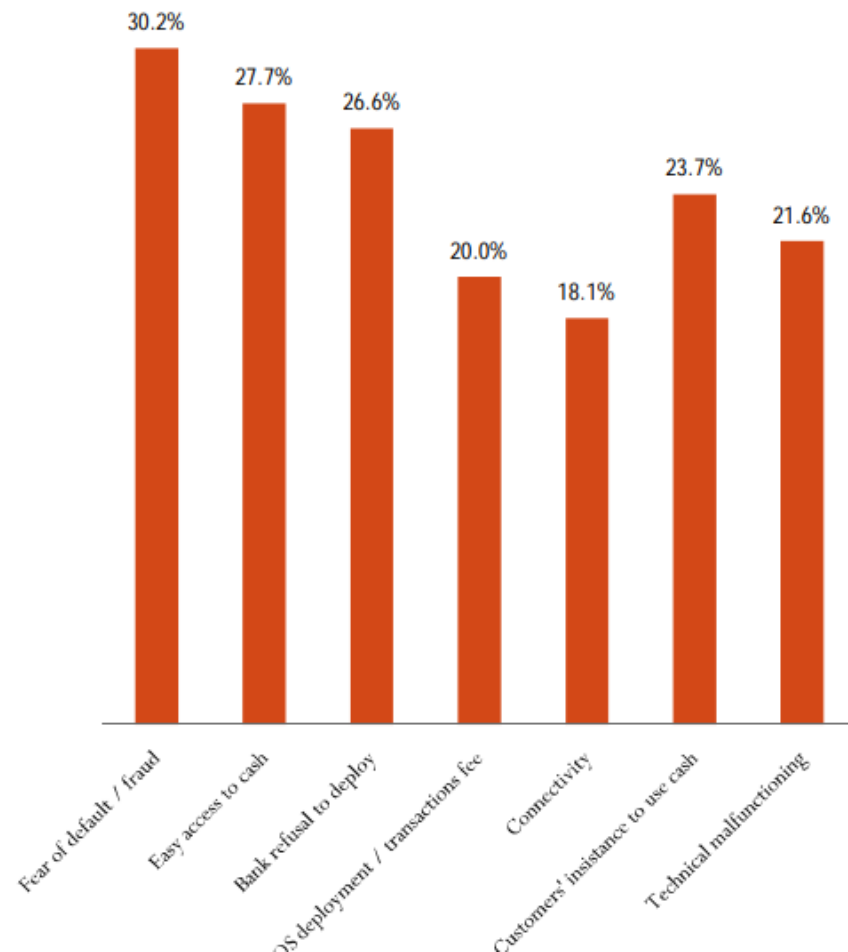
Card Payment Success Rate



## Merchants Without PoS

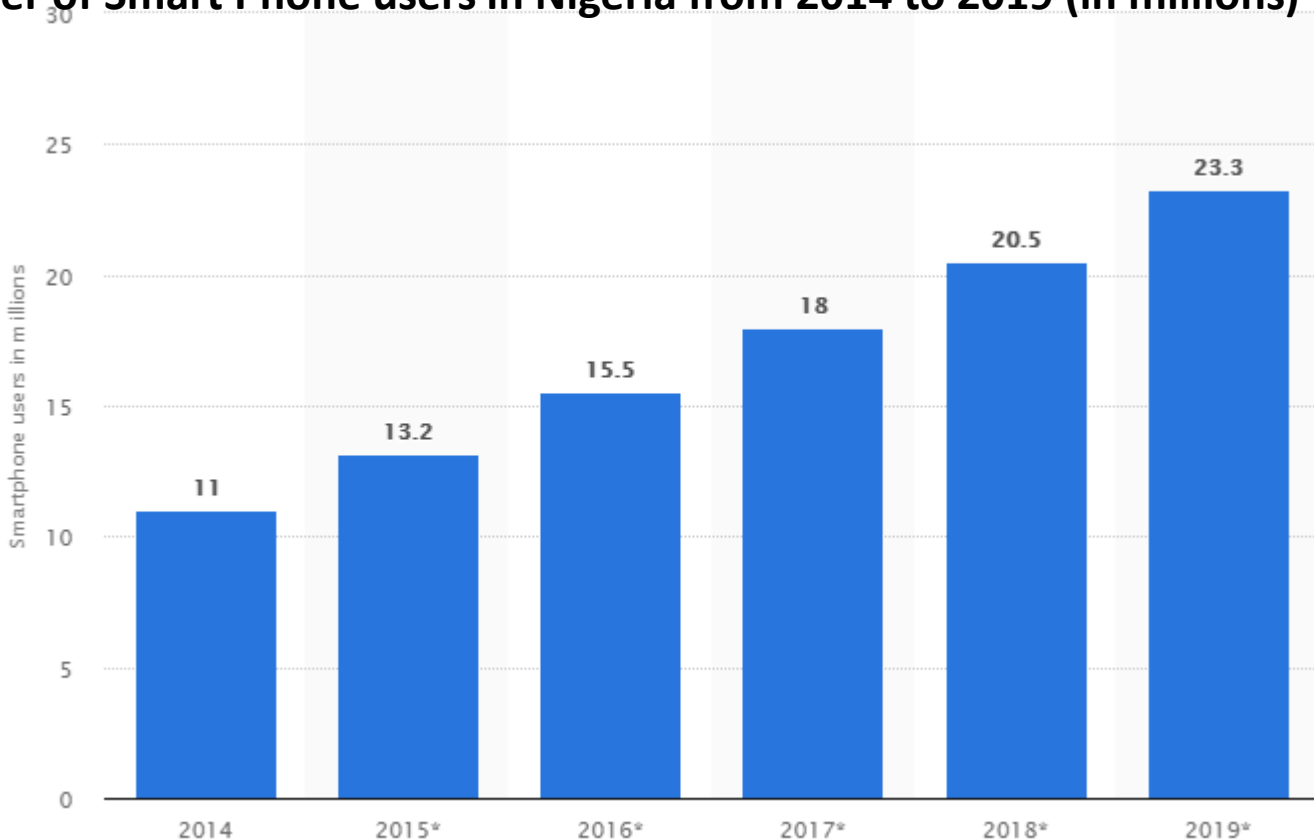
- ❑ Reasons alluded for not having PoS Terminals in descending order are:
  - ❑ Fear of default and fraud - 30.2%
  - ❑ Easy access to cash – 27.7%
  - ❑ Bank refusal to deploy – 26.6%
  - ❑ Customer's insistence to use cash – 25.7%
  - ❑ Technical malfunctioning – 21.6%
  - ❑ PoS Deployment/Transaction fee – 20.0%
  - ❑ Connectivity – 18.1%

### Reasons for not having PoS



# Smartphone records from Satista

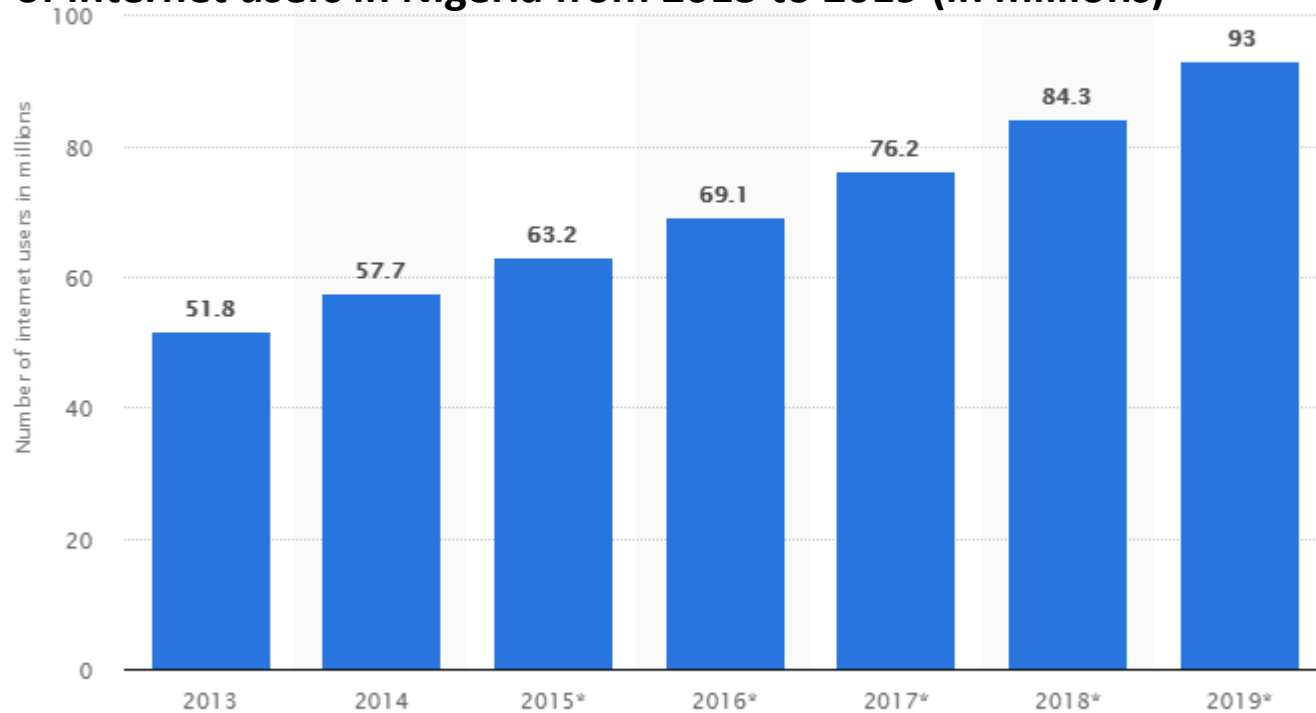
Number of Smart Phone users in Nigeria from 2014 to 2019 (in millions)





# Nigeria internet record from Satista

Number of internet users in Nigeria from 2013 to 2019 (in millions)



Data visualized by  tableau

© Statista 2019 

# Why Remittance?

It's not uncommon for Nigerians in Diaspora to send funds home to cater for their loved ones. Yearly it is estimated that actual remittance industry stands at \$21 billion and above. Despite the hard labour of our citizens in diaspora to help fuel the Nigerian dream. A substantial amount of these funds are eaten up by transaction fees to large financial corporations without social impact. It is estimated that 16-21% of the total amount is spent on transaction fees. That's about to change with Naira Coin, we are set to ease the yoke of our brothers abroad. Anyone from any part of the world can now send money home to their loved ones at their convenience. All they must do is buy Naira Coin on any of the exchanges Naira Coin would be listed and send it directly to the wallet of their loved ones at home who can then redeem Naira Coin on 1:1 basis without transaction costs. Whether you're redeeming a million Naira or an hundred million naira the withdrawal fee of #200 remains constant.

# Why SMEs?

In every economies small and medium scale enterprises has been seen as a pivotal instrument of economic growth and development either in developed or developing economies. Several studies have confirmed this. Data from the federal offices of statistics in Nigeria affirmed this importance when it reveals that about 97% percent of the entire enterprises in the country are SMEs and they employed an average of 50% of the working population as well as contributing to 50% of the country industrial output. SMEs in Nigeria are not only catalyst of economic growth and development but are also the bedrock of the nation.

Many problems confront SMEs in Nigeria and the most grievous of all is financial exclusion. Many Small businesses are unable to get financial support due to lack of proper documentation and government issued ids. They cannot account for their sales records nor do they have cash registers of inflow and outflow of cash and profit or loss documentation



# Why SMEs?

Small scale businesses are heavily dependent on cash. Situation often arises where a customer brings high denomination of currency to purchase a product, but the retailer is unable to provide the corresponding change to the customer. It is estimated that at least 30% of daily sales are lost in the early hours of the day due to inability of these business to provide change to customers. Business that accepts NairaCoin will never lose a potential sale again or a fraction of their income due to inability to provide change. With more than 20 million estimated SMEs across the country, we believe we can provide the tools to make these businesses scale much effectively. Our future plan is to provide micro lending with ZERO interest to these SMEs depending on transaction volumes and performance over time.

# Uses of the Naira Coin

1. Users completely own, access and spend from virtual savings account without risk or a need for third party approval.
2. Expose traders to forex trading through naira coin trading against other stable coins such as TUSD and Naira Coin.
3. Act as a store of value and absolute control of individual's assets.
4. Merchant integration for both online and offline stores. Online stores using online wallets/software. Offline through partnership with POS machine providers and merchants using POS.
5. International remittance through partnership with other stable coin providers such that importation businesses using Naira coin can redeem them for dollars in USA through us at a very reduced cost



At any given time, the balance of Naira fiat currency held in our reserves will be equal to (or greater than) the number of Naira Coin in circulation.







# General Benefits

- Properties of Ethereum bestowed upon other asset classes
- Less volatile, familiar unit of account
- World's assets migrate to the Ethereum blockchain





# Issues with Exchanges Accepting Fiat for Deposits & Withdrawals

1. Identifying the right payment providers for the exchange
2. Irreversible transactions, fraud protection, lowest fees, etc
3. Integrating the platform with banks who have no APIs
4. Liaising with these banks to coordinate compliance, security, and to build trust
5. Prohibitive costs for small value transfers
6. 3-7 days for international wire transfers to clear
7. Poor and unfavorable currency conversion fees




# Benefits of Naira Coin for Exchanges

1. Allows users to move fiat in and out of exchange more freely, quickly, cheaply
2. Outsource fiat custodial risk to Flourish Blockchain Limited just manage cryptos
3. Easily add other Coin pegged fiat currencies as trading pairs to the platform
4. Secure customer assets purely through accepted crypto processes
5. Multi-signature security, cold and hot wallets, HD wallets, etc
6. Conduct audits easier and more securely in a purely crypto environment
7. Anything one can do with Ethereum as an exchange can be done with Naira Coin







Anything one can do with  
Bitcoin & Ethereum as an  
exchange can be done with  
Naira Coin.



# Benefits for Individuals

1. Transact in NGN/fiat value, pseudoanonymously, without any middlemen/intermediaries
2. Cold store NGN/fiat value by securing one's own private keys
3. Avoid the risk of storing fiat on exchanges move crypto/fiat in and out of exchanges easily
4. Avoid having to open a fiat bank account to store fiat value
5. Easily enhance applications that work with Ethereum to also support Naira Coin
6. International money transfer and withdrawal without risk of losing values due to volatility at near to zero fee
7. Anything one can do with Ether as an individual one can also do with Naira Coin





# Benefits for Merchants

1. Price goods in NGN/fiat value rather than Ethereum (no moving conversion rates/purchase windows)
2. Avoid conversion from Ether to NGN/fiat and associated fees and processes
3. Prevent chargebacks, reduce fees, and gain greater privacy
4. Provide novel services because of fiat crypto features
5. Micro-tipping, gift cards, more.





# Unfair Advantage for our Merchants.

Features	Naira coin	Traditional POS
Cost	Free	0.75-1% per transaction
Receive money by Email	Yes	No
Receive money by Text message	Yes	No
Gift card & Loyalty Programs	Yes	No
Globally Tradable	Yes	No
Zero Interest Lending	Yes	No
Chargebacks	No	Yes

Naira coin will onboard 20,000 merchants across various states in Nigeria within its first year of operations

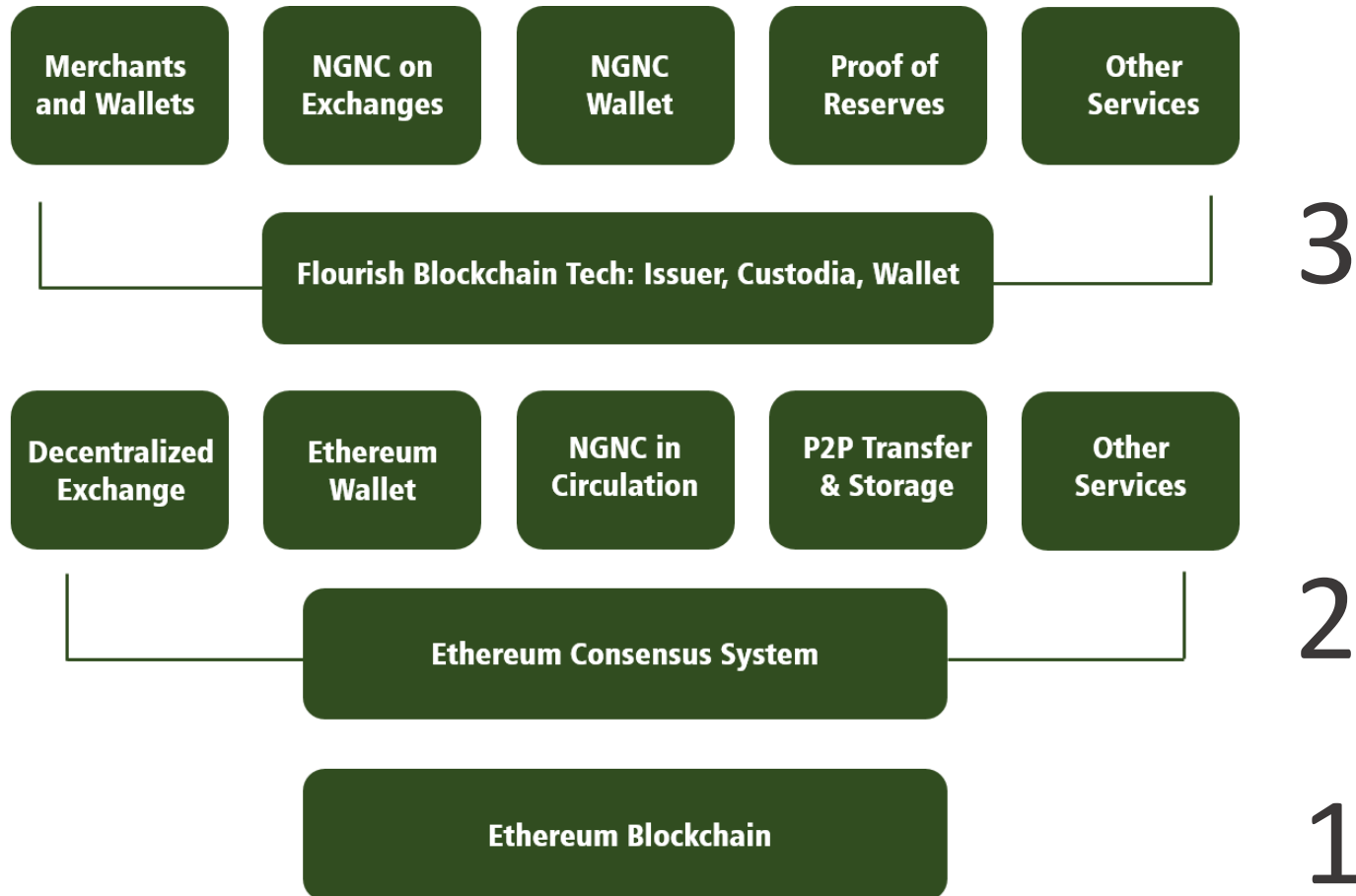




# Future Innovations

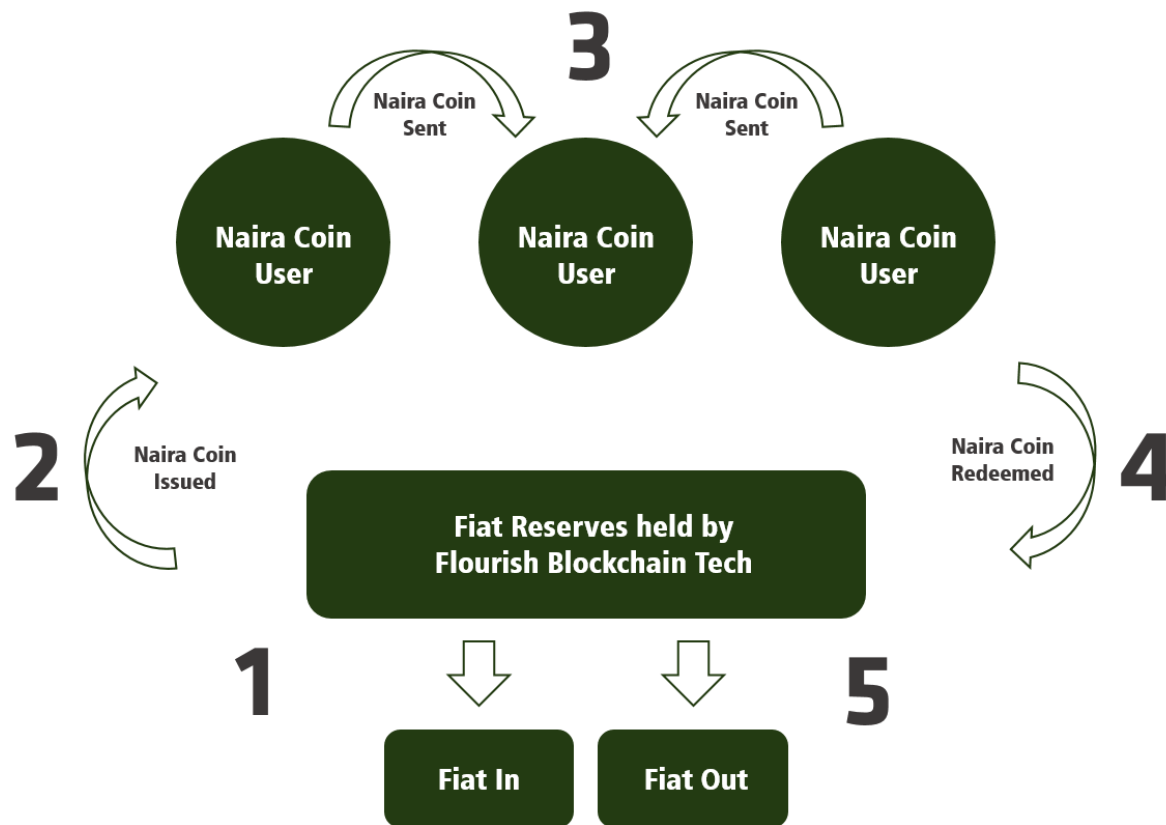
- Onboarding 20,000 merchants across various states of Nigeria in first year of operations
- Mobile payment facilitation between users and other parties, including other users and merchants (MPOS/ API)
- Instant or near instant fiat value transfer between decentralized parties (such as multiple exchanges)
- Introduction to the use of smart contracts and multi-signature capabilities to further improve the general security process, Proof of Reserves, and enable new features.
- Zero interest Lending for our merchants.

# Naira Coin Technology Stack

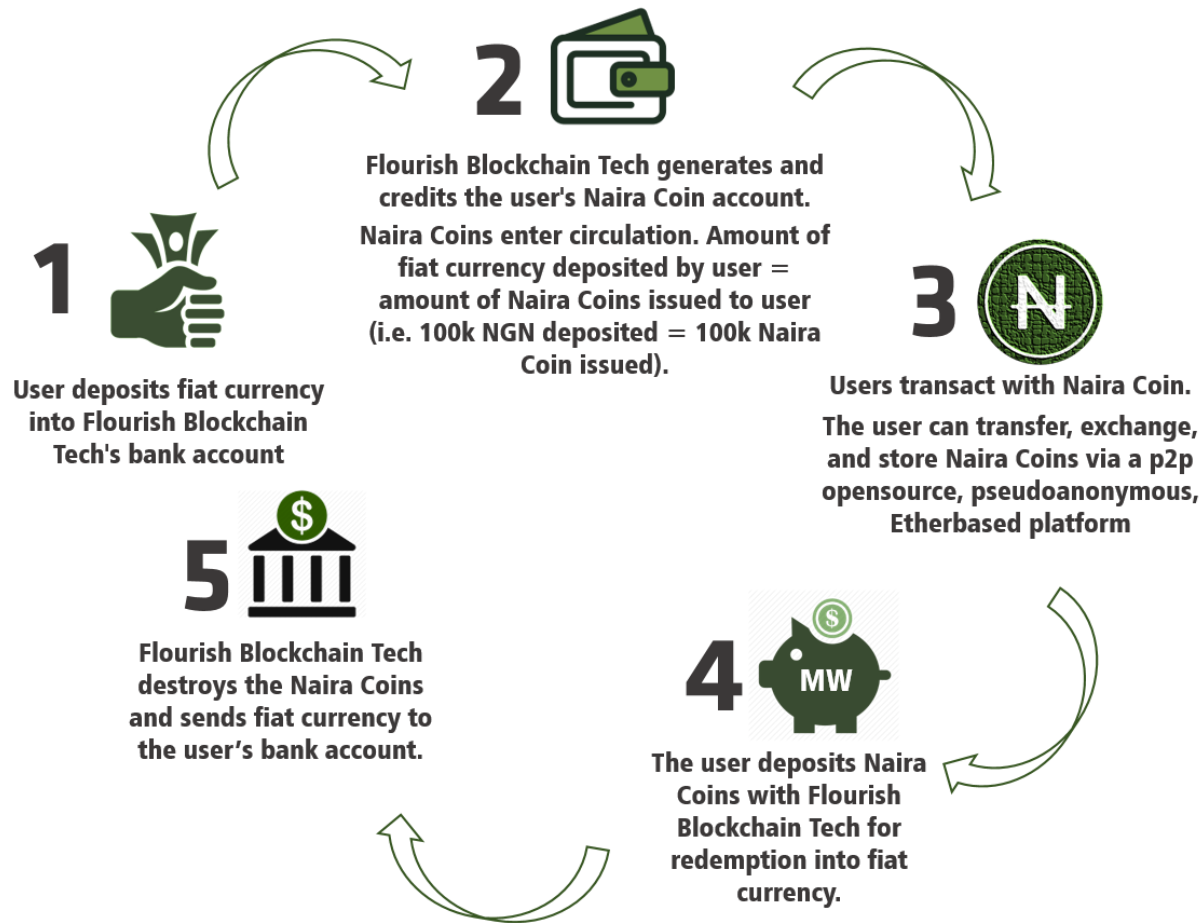




# Fund Flow Process



# Fund Flow Process



# Proof of Reserves Process

Flourish Blockchain issues all Naira Coins via the ERC20 protocol which operates on top of the Ethereum blockchain and therefore all issued and redeemed. Existing Naira Coins, including transactional history, are publicly auditable via the tools provided at Etherscan.

## NGNCissue

Total number of Naira Coins issued under this asset ID

## NGNCredeem

Total number of Naira Coins redeemed under this asset ID

## NGNC

Total number of Naira Coins in circulation at any time

$$\text{NGNC} = \text{NGNCissue} - \text{NGNCredeem}$$

$$\text{NGNC} = \text{“Total Property Tokens”}$$



# Proof of Reserves Process

Flourish Blockchain has bank accounts which will receive and send fiat currency to users who purchase/redeem Naira Coins directly with us.

NGNCdepo

Total number of Naira Coins deposited into this account

NGNCwithd

Total number of Naira Coins withdrawn from this account

NGNC

Dollar balance of this bank account

$$\text{NGNC} = \text{NGNCdepo} - \text{NGNCwithd}$$





# Proof of Reserves Process

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The Solvency Equation is simply  $NGNC = DNGNC$

Every Naira Coin issued or redeemed, as publicly recorded by the Ethereum blockchain will correspond to a deposit or withdrawal of funds from the bank account.

The provability of NGNC relies on the Ethereum blockchain.

We publish the bank account balance on our website's Transparency page.

Professional auditors will regularly verify, sign, and publish our underlying bank balance and financial transfer statement.

Each Naira Coin issued will be backed by the equivalent amount of currency unit (one Naira Coin NGNC equals one Nigerian Naira). By combining the above crypto and fiat accounting processes, we conclude the “Solvency Equation” for the Naira Coin System.



# Revenue Model

Since our business follows a Business-to-Business as well as Business-to-Customer model, we shall focus on making revenue through international remittance from near zero fees of withdrawal.

The remittance industry in Nigeria stands at about \$21B annually and we shall target at least 1% of the industry within our three years of operations.





# Our Promise to Investors

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Seed Investing connotes 30% share of Flourish Blockchain Technology Limited backed by digital share certificate and an entitlement to share of profits which would be distributed annually.

Naira coin development will involve Pre-mint of about 50% of investors funds backed 1=1 Nigerian Naira in Flourish Blockchain Ltd custody to provide liquidity for exchanges. This liquidity will give us visibility on coinmarketcap and other coin listing websites

Both FLB and NGNC tokens would be immediately listed on multiple Global Exchanges

Transfer and sales of shares can be done anytime as FLB tokens would be listed on Security compliant exchange while NairaCoin will be listed on utility exchange

“Seed investing connotes 30% share of Flourish Blockchain Software Solutions & Tech Limited backed by digital share certificate and an entitlement to share of profits which would be distributed annually”

# Tokenomics

Maximum supply: 10,000,000  
representing 30% of company  
shares.

Tokens for offering: 6,000,000

Locked tokens: 4,000,000

Private sale: 1,700,000  
Price (\$0.35)

(Minimum invest 1ETH)

Public sale: 3,000,000  
Price (\$0.50)

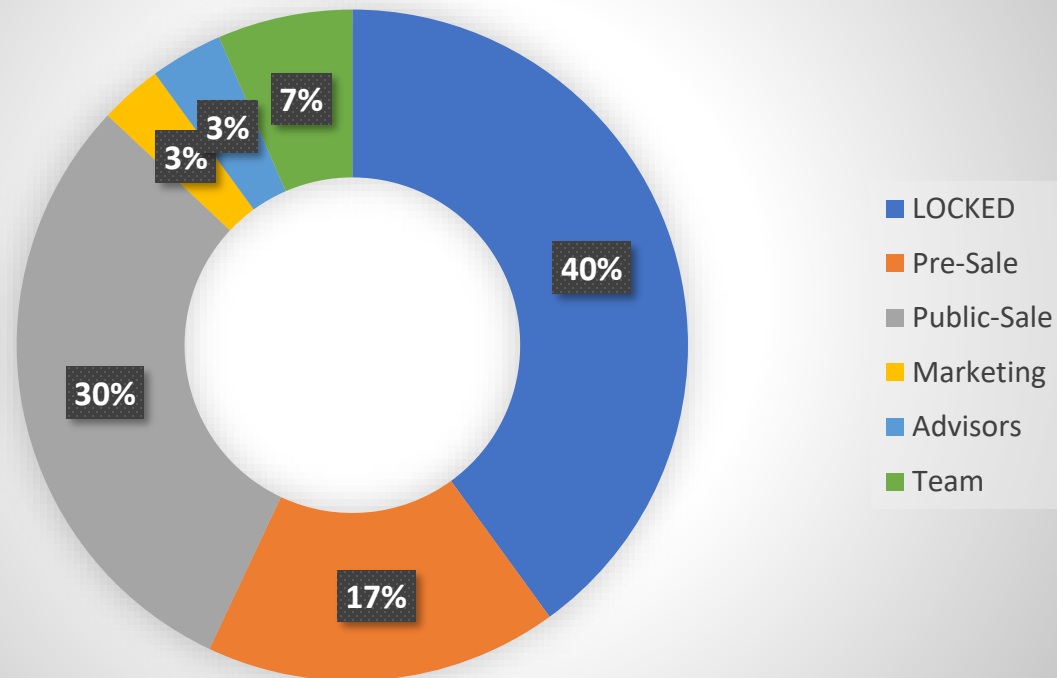
(Minimum invest 0.1ETH)

Marketing: 300,000

Advisors: 350,000

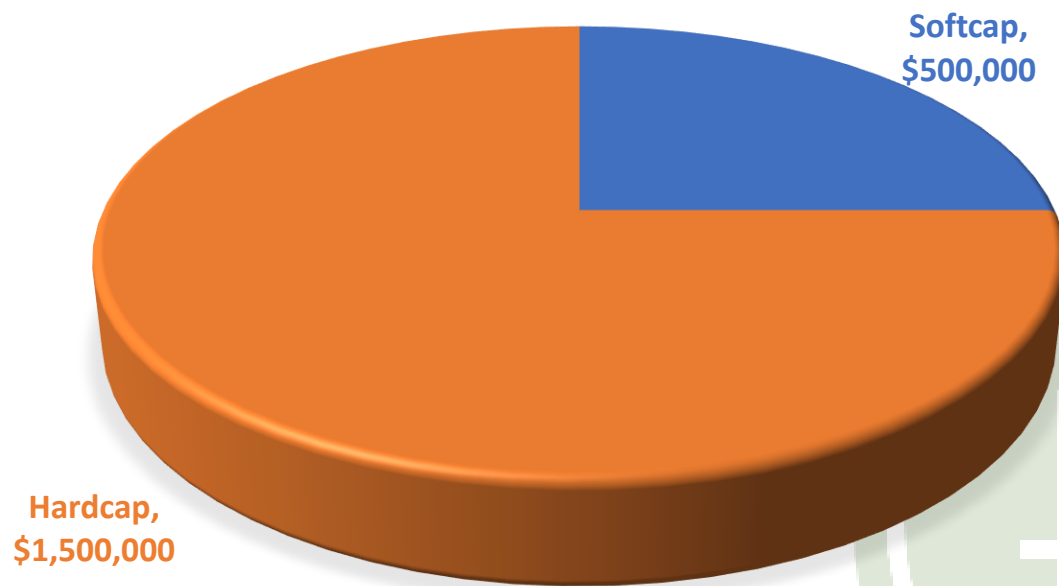
Team: 650,000

## Maximum Supply 10million FLB



# Softcap Vs Hardcap

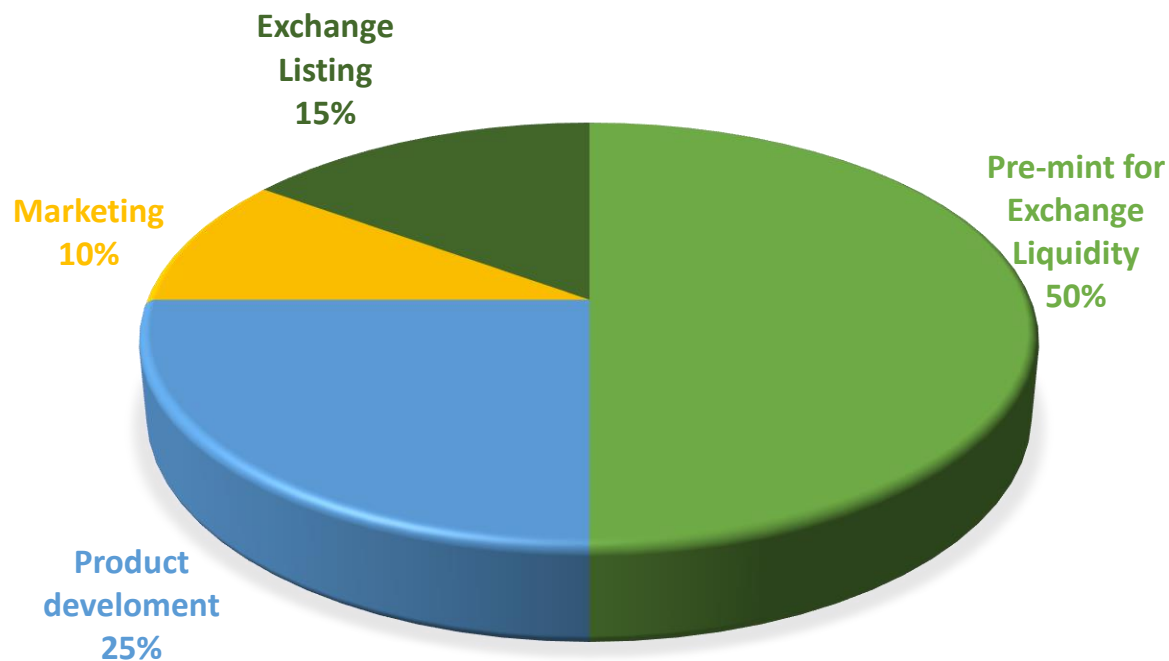
## SEED FUNDING





# Distribution of Required Seed Funding of \$2M

## DISTRIBUTION OF FUNDS



# Financial Projection 2019/2020

Two Years Financial Projection of Flourish Blockchain Software Solutions. This two years financial projection shall be effective after 6 months of NairaCoin becoming Live on exchanges.

By raising Softcap of \$500,000 less our liabilities we will be able to provide liquidity to the sum of \$220,000 on various exchanges NairaCoin would be listed.

By reaching our Hardcap of \$2,000,000 we will be able to list on more exchanges and provide liquidity on various exchanges NairaCoin would be listed to a sum above \$1million. This will give us visibility on coinmarketcap.com and boost users confidence in the project to attract more users daily.

# Income Projection

This income projection is made on basis that we accumulate our ideal users of 200,000 in numbers and given the worst scenario that each user made a cash-out only once in a given month.

1<sup>st</sup> Profit breakout given that we raised \$500,000 only. 2<sup>nd</sup> Profit Breakout given that we reached hardcap of \$2,000,000 [Breakout Profit is the level at which the business begins to make profit onwards]

## 1<sup>st</sup> Year Income Projection

Months	Target	Monthly Cash-out	Cash-out Cost	Income Projection	Profit Analysis
January	10,000	10,000	\$0.70	\$7000	
February	20,000	20,000	\$0.70	\$14,000	
March	30,000	30,000	\$0.70	\$21,000	
April	40,000	40,000	\$0.70	\$28,000	
May	50,000	50,000	\$0.70	\$35,000	
June	60,000	60,000	\$0.70	\$42,000	
July	70,000	70,000	\$0.70	\$49,000	
August	80,000	80,000	\$0.70	\$56,000	
September	90,000	90,000	\$0.70	\$63,000	
October	100,000	100,000	\$0.70	\$70,000	
November	110,000	110,000	\$0.70	\$77,000	
December	120,000	120,000	\$0.70	\$84,000	Profit Breakout
Total	120,000	780,000	\$0.70	\$546,000	

# Financial Projection 2019/2020

## 2<sup>nd</sup> Year Financial Projection

Months	Target	Monthly Cash-out	Cash-out Cost	Income Projection	
January	130,000	130,000	\$0.70	\$91,000	
February	140,000	140,000	\$0.70	\$98,000	
March	150,000	150,000	\$0.70	\$105,000	
April	160,000	160,000	\$0.70	\$112,000	
May	170,000	170,000	\$0.70	\$119,000	
June	180,000	180,000	\$0.70	\$126,000	
July	190,000	190,000	\$0.70	\$133,000	
August	200,000	200,000	\$0.70	\$140,000	
September	200,000	200,000	\$0.70	\$140,000	
October	200,000	200,000	\$0.70	\$140,000	
November	200,000	200,000	\$0.70	\$140,000	
December	200,000	200,000	\$0.70	\$140,000	Profit Breakout
Total	200,000	1,320,000	\$0.70	\$1484,000	



# Marketing Strategy

## How we plan to achieve this:

Our target audience: Traders, Merchants, Subscription Service Providers and University Students.

Nigeria has more than 100 Universities and Colleges of Education all together. With students averaging from 5,000 to over 50,000 in some schools. Many of these youths are tech-oriented and are always ready to embrace new innovations. Consequently, Our plan is to target users who will pass on the knowledge to the next generation making them a perfect fit.

## Strategy:

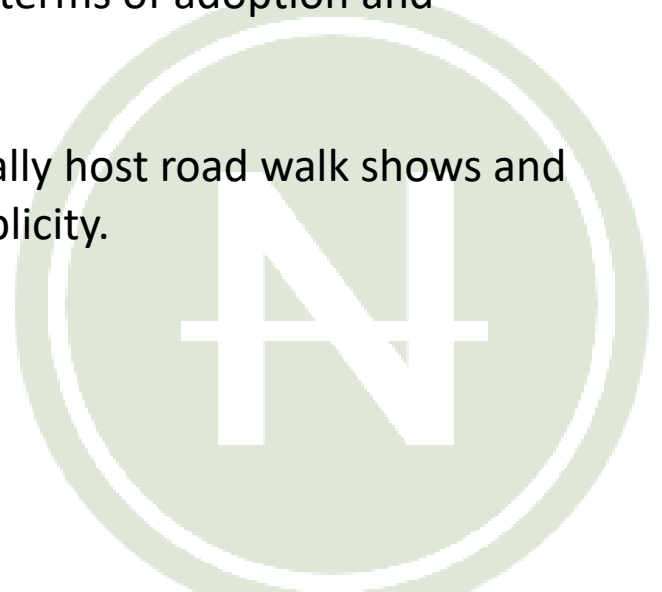
- **Ambassador program:** Our Strategy is to start ambassadorship programs in selected tertiary institutions who will act as NairaCoin Ambassador to introduce and recruit Businesses within the University campuses to start accepting NairaCoin. Rewards will be based on performance and position would be rotated yearly.
- Some Universities are located in remote areas where students will have to travel miles to get to ATM cash point. NairaCoin has future Plans to provide NairaCoin ATM machines in those institutions and rural areas alike such that only users of NairaCoin can have access to Cash and purchase cryptocurrencies.

# Marketing Strategy

- **Multilevel Marketing:** We shall use referral program to onboard users who will be tipped with some NairaCoin for inviting other users. We believe this would be of great help in onboarding process
- **Advertisements:** We shall use traditional media advertisements such as weekly radio and television jingles to attract users such as market men and women, SMEs and older generations. Social media channels like facebook, Youtube, Instagram, google ads, and twitter would also be regularly used to attract wider audience worldwide.
- **Mouth to Mouth Advertisement:** We shall hold weekly trainings which would be advertised regularly on radio jingles where we shall teach users about NairaCoin its benefits and most importantly how they can get loans with zero interest by using NairaCoin regularly.

# Marketing Strategy

- **Promotional Materials:** NairaCoin accepted here barners, posters and rollups to be distributed free of charge to all real businesses accepting NairaCion for payments nationwide.
- **Competitions:** We shall from time to time host or support competitions that will be NairaCoin centered or will benefit NairaCoin in terms of adoption and showcasing.
- **Road Shows and Yearly Events:** We shall occasionally host road walk shows and plan towards a yearly event for awareness and publicity.



# Conclusion

Naira Coin will be an Ethereum based fiat pegged cryptocurrency.

NGNC would be based on the Ethereum blockchain, a secure and well-tested blockchain and public ledger in existence.

NGNC will be fully reserved in a one-to-one ratio, completely independent of market forces, pricing, or liquidity constraints.

NGNC will have a simple and reliable Proof of Reserves implementation and transparent audits.

NairaCoin has no ICO or IEO, rather, funds raised through FLB token sale will be used to develop NairaCoin and profits from NairaCoin and other products of Flourish Blockchain will be distributed to FLB holders as dividends

**With good banking relationships, compliance, and legal structure we are confident to provide a secure foundation for the custodian of reserve assets and issuing of NGNC.**





# Thank You

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