

ICO Review: ChainLink (LINK)

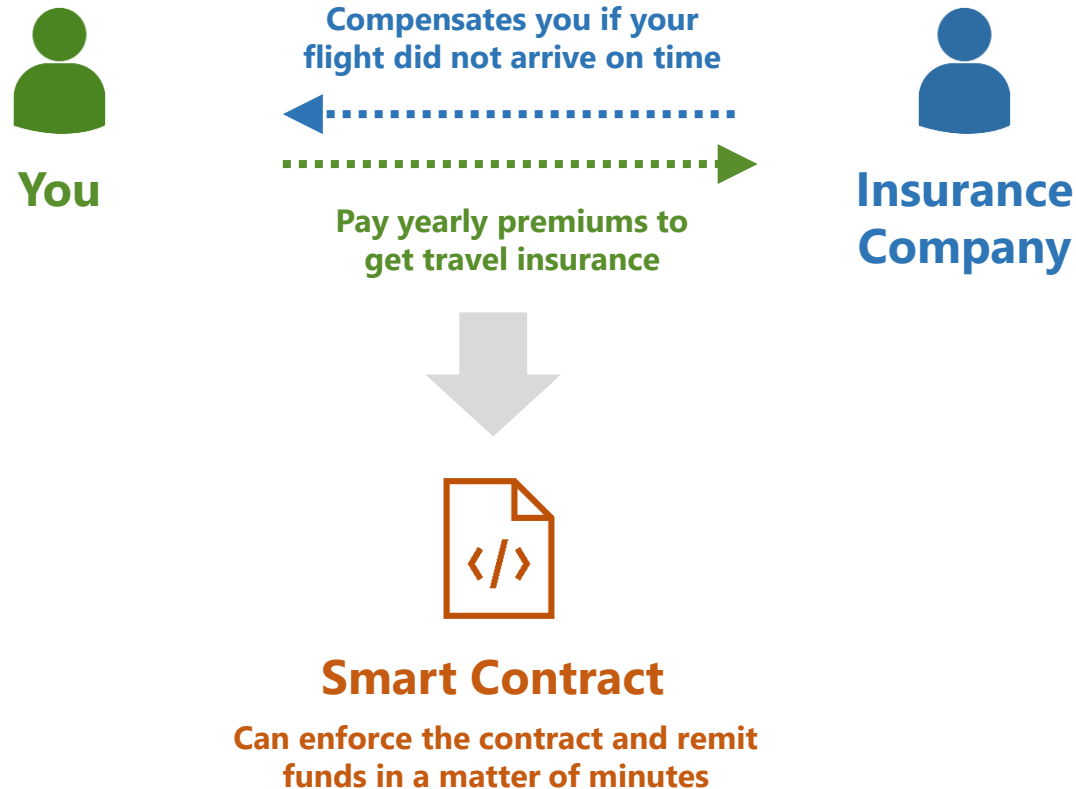
Decentralized Oracle Connecting
Blockchain With Outside Data

September 1, 2017

SmartContract

Introduction – what is a smart contract?

HYPOTHETICAL EXAMPLE



TRADITIONAL VS. SMART CONTRACTS

Traditional Contracts	Smart Contracts
Paper / physical document	Software protocol
Requires trust in a third party (brokers, lawyers)	Trustless and no intermediaries
Days to weeks	Minutes
Higher administration and service costs	Cheaper and less prone to human error
Manual payment of funds	Automatic remittance
Escrow required	Escrow is not necessarily required
Physical signature	Digital signature

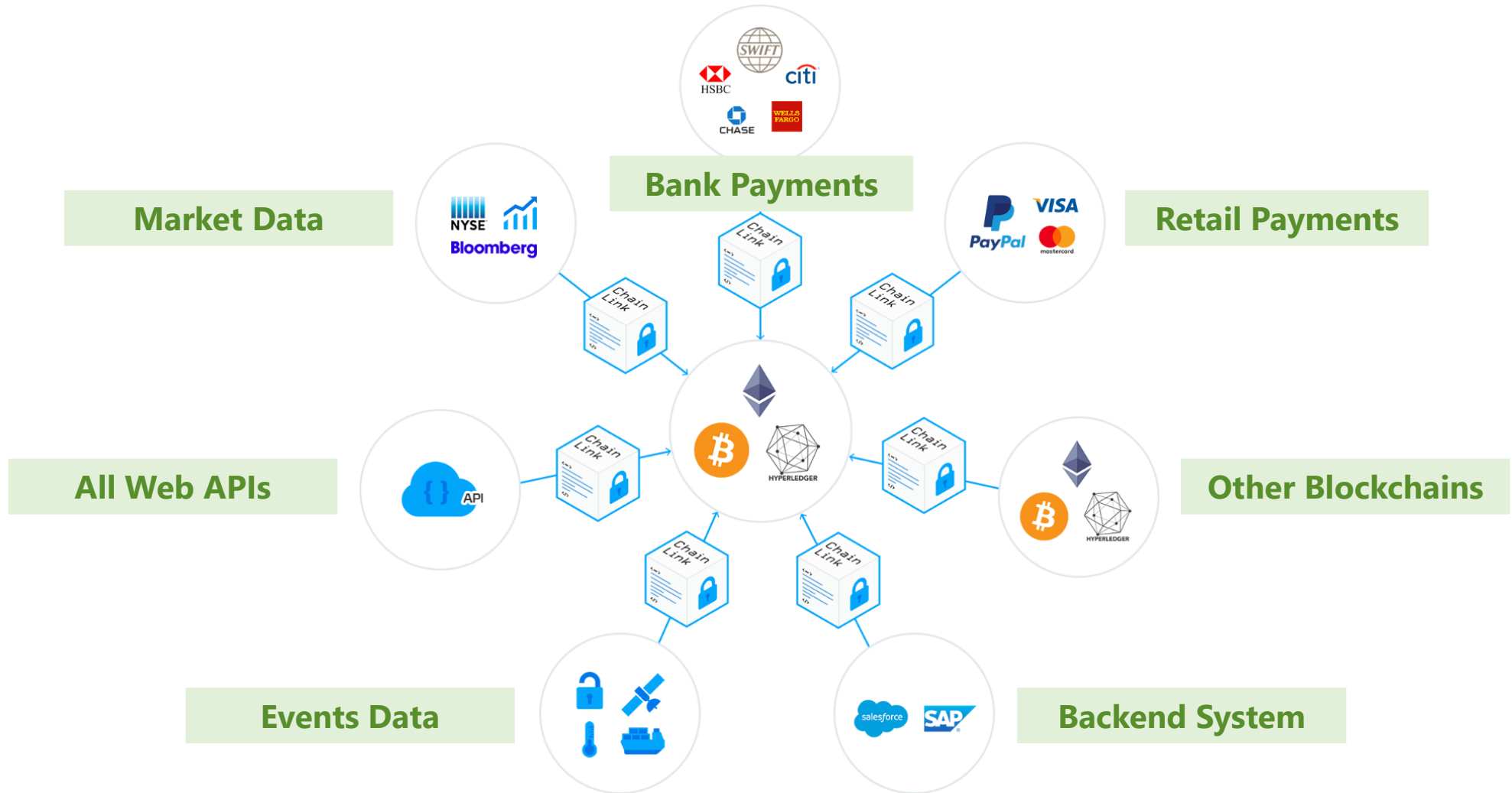
What is ChainLink?

- ChainLink is the necessary middleware that connects smart contracts with off-chain resources such as data feeds, APIs, etc.
- This middleware is known as **oracles**.
- Oracles make it possible to create programmable contracts that do payouts between two parties once certain criteria have been met, without involving a middleman.

EXAMPLE – ETHER TO USD ORACLE

The screenshot displays a user interface for a ChainLink Oracle. At the top, there are two tabs: 'CHAINLINK DETAILS' and 'CHAINLINK ACTIVITY'. The 'CHAINLINK ACTIVITY' tab is active, showing a green status bar with a checkmark and the word 'Completed'. Below this, a green button says 'Please see Contract Activity for details'. The main content area is divided into three sections: 'CHAINLINK CREATOR', 'CHAINLINK SIGNERS', and 'DATA FEED'. The 'CHAINLINK CREATOR' section shows a profile for 'SmartContract.com' with a verified signature from May 15th, 2017. The 'CHAINLINK SIGNERS' section shows a similar profile for 'SmartContract.com' with a verified signature from May 15th, 2017. The 'DATA FEED' section contains text explaining that a Town Crier instance will pull the Ethereum price from a specific API endpoint and report it to an Ethereum contract at a specific function with a gas limit of 35,000. It also notes that updates are scheduled daily at 00:00 UTC until 07/15/2017 23:15:00 UTC. The 'TOWN CRIER DETAILS' section provides background information on the Town Crier project, mentioning its development by Cornell's Initiative for Cryptocurrencies and Contracts, its use of Intel's SGX technology for security, and references to white papers and development pages.

What is ChainLink?



LINK token sale summary

ICO SUMMARY

- **Project name:** ChainLink
- **Token ticker:** LINK
- **Website:** <https://smartcontract.com/link>
- **Hard cap:** US\$32 million (ICO contributors own 35% of total token supply if hard cap is reached)
- **Soft cap:** None
- **Total supply:** 1 billion LINK
- **Max market cap at ICO:** US\$91 million
- **Bonus structure:** 20% bonus during presale
- **Pre-sale or whitelist available:** Pre-sale is over
- **ERC20 token:** Yes
- **Timeline:** September 7, 2017
- **Token distribution date:** Immediately after the end of crowdsale

USE OF TOKENS

- The token system guarantees accurate data and increases decentralization.
- Smart contract users compensate the data providers they use with LINK tokens.
- As LINK tokens are used as a currency on the ChainLink platform, the more the platform is used, the more valuable LINK tokens should be.

THE TEAM

Who are the people behind ChainLink?



Sergey Nazarov
CEO

Serial entrepreneur, veteran in the blockchain space. Prior to SmartContract, he was the founder of Secure Asset Exchange, an exchange network similar to ShapeShift, and CryptoMail, a decentralized email service.



Steve Ellis
CTO

Serial entrepreneur, having worked together with Sergey Nazarov on Secure Asset Exchange. Previously worked as a software engineer at Pivotal Labs.

USERS AND INDUSTRY RECOGNITION



Working with them to develop an oracle that allows smart contracts on various networks to make payments, send governance instructions, and release collateral with over 11,000 banks.



Selected as 2017 Blockchain Applications Cool Vendor by Gartner.



Partnered with Cornell's IC3 to help launch the first Intel SGX secured link between smart contracts and external data.



Selected in their Tipping Point report as the "Shift in Action" for Smart Contracts, for their work on allowing smart contracts in the Bitcoin network to be automatically triggered by external data.

What are the opportunities and concerns?

Opportunities

- With oracles, blockchain technology and smart contracts will become vastly more useful. ChainLink could help blockchain technology reach mass adoption.
- Their partnership with SWIFT, which is used by over 11,000 banks worldwide, allows them to easily partner with other financial institutions going forward.
- The team has been working together in the blockchain space for a few years already and came up with functioning products in their previous venture.
- Network effect - the platform will become increasingly more useful as it becomes the go-to source for blockchain data feeds.

Concerns

- The whitepaper has not been released yet as of September 1, 2017. The delay may deter some potential investors and hamper demand for the tokens.

What do we recommend?

For flipping: **Good.**

- The project has a strong team and advisors.
- A portion (amount unspecified) of the hard cap has already been sold in the presale.
- Tokens will be distributed immediately after the end of crowdsale.

For long-term holding: **Neutral.**

- ChainLink is solving a real and highly lucrative problem with a lot of use cases.
- The partnership with SWIFT legitimized ChainLink and provided traction with SWIFT being a paying customer.

CrushCrypto