House of Chimera x VIDT

TABLE OF CONTENT

KEY TAKEAWAYS:

VIDT APPROACH

- Clients can certify documents for a relatively low cost
- Validating certified documents is possible within a few seconds.
- Tokenomics are beneficial for investors and speculators

LATEST DEVELOPMENTS

- Actively partnering up with a complementary blockchain, LTO Network
- VIDT Datalink is actively getting new partnerships.
- VIDT Datalink is entering the expanding NFT market.

MARKET POTENTIAL

- The targeted industries of VIDT Datalink are estimated at over 1 trillion USD
- The market needs a transparency solution such as VIDT Datalink

STRATEGIC PARTNERS

- VIDT Datalink is working with industry giants
- VIDT Datalink is profitable and attracting new partners

GROWTH ECOSYSTEM

- The value of VIDT is increased by 202% in USD in 6 months
- The total validated documents has increased by 102% in 6 months.

PRODUCT RISK

- The concern of legal acceptance
- Geographical targeting is mainly in Europe.

THE ARCHITECTS OF THE COUNTERFEIT INDUSTRY

The art of forgery is as old as the human itself. It has been practiced since ancient times in every country where writing existed and paper was used for financial transactions. The first laws against forgery can be traced back to 80 BC. The Romans prohibited the falsifications of documents that transferred lands. Forgery was extremely common in Europe, especially in the Middle ages. The number of forged documents led to imminent problems such as identity fraud, money fraud, and document fraud for financial gain. Gradually a legal framework was passed to prohibit forgeries in every developed country. However, highly skilled forgeries are even in the modern age extremely hard to identify.

The art industry is extremely exposed to forgeries. An estimate of approximately 20% up to 40% of the paintings held by major museums will no longer be attributed to the original painter. Works by old masters turned out to be works of studio assistants, friends of the artists, or even forgers who may have lived centuries later. The value of a forged work is drastically lower than the original one and the demand for these works is notoriously low by art connoisseurs. Art forgery is highly profitable if the forger can sell the forged work as the original. To put the problem in perspective, Sotheby's and Christie's, one of the world's biggest auction houses, are considering prohibiting any Salvador Dali print made later than 1930 for sale. The entire art crime industry is valued at approximately 6$ billion, however, this is a rough estimation considering such approximations are extremely hard to verify. Han van Meegeren is considered one of the most ingenious art forgers of the 20th century. It is estimated that van Meegeren duped buyers, including the government of the Netherlands, for an equivalent of more than 30$ million in 1967. That is approximately 233.88$ million in 2020 corrected for inflation.

One of the measures to counter any form of forgery is an authenticity certificate. An art authenticity certificate demonstrates the owner and verifies the authenticity of a specific work of art. These certificates are signed by reputable art authentication services or art experts, which investigate if your artwork is authentic. However, authenticity certificates are not forgery-proof, even worse it ensures pseudo safety. Fraudsters forge authenticity certificates of reputable experts and sell it together with counterfeited artwork to convince potential buyers that their work is authentic. The amount of fake authenticity certificates is rising, considering it is relatively easy to forge in comparison with a centuries-old painting. A comparable trend is observable within most markets based on luxury products such as vintage wines and -watches.

The wine market is quickly growing, especially in the Asia-Pacific area. This is due to an increase in companies producing wine and the overall wealth growth which directly influences the demand for vintage wines. The wine market is just like all the other premium product markets not entirely counterfeit-proof. The counterfeit wine industry is valued at approximately 15$ billion and is experiencing comparable forgery issues as the art industry. Fraudsters are capitalizing on the rising demand in the Asia-Pacific area and manage to replicate vintage wines, bottles, and labels. These counterfeit wines are then sold to wealthy individuals. Rudy Kurniawan, a prominent fraudster within the wine industry and valued at around 550$ million, managed to counterfeit a prestigious Burgundy wine, Romanee-Conti Vintage 1971, and sell it for 85K USD. The fraudster flooded the market with counterfeits and it is believed that up to 12.000 bottles of fake vintage have been manufactured by Kurniawan in 2006 alone. In 2013 the fraudster got caught red-handed, however, the fake wines of Rudy Kurniawan are still being resold over and over again. While Rudy is sentenced, the issue of his forged vintage wines remains and still has a serious impact on the vintage wine industry.

The issue of counterfeits and forgery remains and is expanding within new industries, even observable within the cryptocurrency market with fake smart contracts of established coins on Uniswap. The finesse of such forgeries is dangerously increasing. Modern technology can replace existing images and videos with someone else with a high potential to deceive i.e. deep fakes. This opens up an enormous range of options to deceive and manipulate for malicious intends.

VIDT DATALINK APPROACH

The current global pandemic is surreal and is creating a chaotic narrative. The worldwide consequences of Covid19 are excessive and immediately felt with lockdowns and other extraordinary measures. The value of crude oil went quite literally to zero and the whole financial ecosystem started to show cracks. The unemployment rate was skyrocketing and the number of requests for unemployment benefits was exceptional. Turbulent times are often being used by malicious intent, to exploit flaws of the system potentially for financial gain. The COVID19 crisis is not an exception to this rule, the federal trade commission has estimated that at least 200 million USD is lost by fraud. The U.S. Government Accountability Office has estimated that 2.6 billion USD is improper payment. There are a few solutions to this problem, some more practical than the others, however, one of the most promising solutions is the blockchain.

One of these promising blockchain projects is VIDT Datalink. The team is based in the Netherlands and is founded in 2018. VIDT Datalink is an ERC-20 token and is likewise built on the Ethereum network. VIDT datalink their main product is a blockchain-powered document certification service. VIDT Datalink is highly user-friendly and is being praised for accessibility and ease. Matter of fact, VIDT Datalink is the winner of the Dutch Blockchain Enterprise Solution award of 2020.

The VIDT Datalink API enables organizations to certify and secure their digital data against fraud and deception. The issuing organization can certificate any file, allowing recipients to verify its authenticity within seconds and the verification process is without any charge. The VIDT Datalink ecosystem allows clients to additional anchor a certification on several networks such as Bitcoin, IBM Hyperledger, and LTO Network. The VIDT datalink ecosystem is using VIDT as a token for the certification fee.
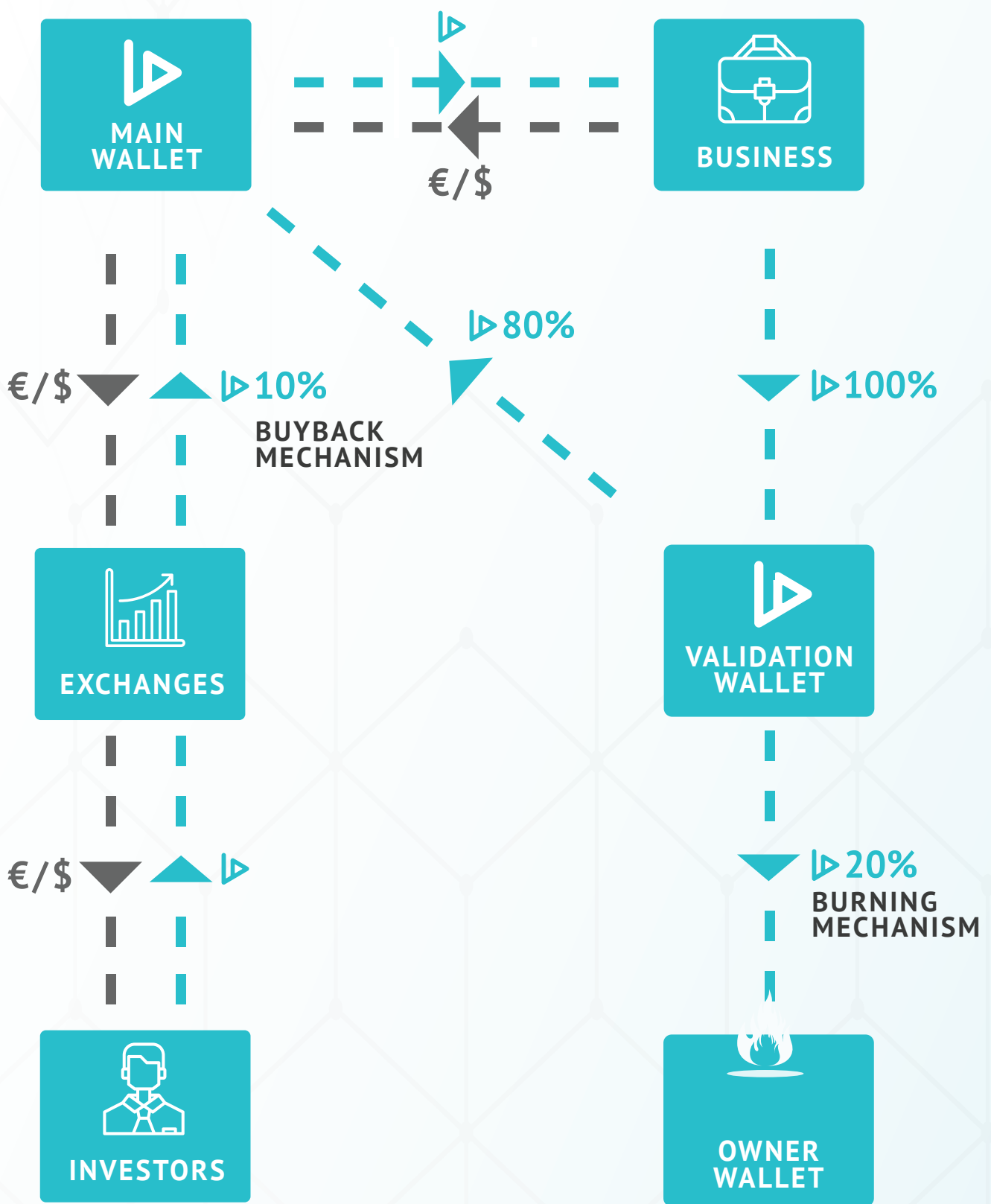
The tokenomics of VIDT are highly interesting for speculators and investors, considering the involvement of a linear burn and re-buy mechanism. These tokenomics are highly deflationary, which could have a positive effect on the value of the VIDT token. The ecosystem relies on the VIDT Datalink token, considering that validators pay in VIDT tokens for certification of documents.

These spent tokens by validators will end up in the validation wallet and every month 20% of these total spent tokens are burned. The remaining 80% of the total spent tokens flow back to the main wallet, where VIDT bundles are issued for businesses to use for certificating. The buy-back mechanism prevents the main wallet from eventually dry-up by the token burn mechanism, every month 10% of the total VIDT spent by businesses is bought back from exchanges. The VIDT Datalink team is actively developing the ecosystem and the latest developments are noticeable. The ecosystem is actively growing, the amount of unique validators is increasing together with the amount of total monthly certifications. The current development and the growth of the ecosystem will be highlighted in the upcoming sections.

CURRENT DEVELOPMENT OF THE VIDT DATALINK ECOSYSTEM

The VIDT Datalink ecosystem is actively in development and there has been a multitude of impressive partnerships and developments. The VIDT Datalink team partnered up with a dozen influential companies such as IBM, LTO, and AmSpec. These partnerships are valuable to the ecosystem considering it improves the reputation of VIDT Datalink as an ecosystem, and it creates potential demand for the VIDT token. On the other hand, the team has been focusing on expanding the NFT market by digitizing physical objects.

IBM

Environmental data is an extremely important source for identifying trends and demonstrating specific patterns. Environmental data might sound abstract, however, humans are daily exposed to carbon dioxide, micro dust, and air pollution, which all validate as environmental data. It is exceptionally important to keep data fair and integer, otherwise, it can be biased and by definition lose data credibility. The number of fraud cases with environmental data is astonishing. The reason behind these issues is a conflict of interest between influential parties. To put this in perspective, the whole Volkswagen emission scandal where Volkswagen performed fraud with carbon dioxide tests led to 800.000 cars in Europe expelling 10 to 40 times more carbon dioxide than proposed. The increase of carbon dioxide leads to an estimated 44.000 to 72.000 healthy years of humans lost in Europe. The VIDT Datalink team has been working closely together with IBM Netherlands, to place the first Internet of Environment (IoE) sensor. The IoE sensor is placed on the headquarters of IBM Netherlands and is the first step towards a sustainable data flow while being certified and verified by the blockchain of VIDT Datalink. The anchoring in the blockchain, while being easy to verify within seconds makes the data reliable, immutable, and accessible.

LTO NETWORK

LTO Network mainly focuses on the underlying data security structures, while VIDT Datalink is a more practical platform, with the intent for direct application. The blockchains are complementary to each other and that makes them valuable partners to each other. LTO Network and VIDT Datalink are getting increasingly woven together, while the two projects are steadily working with each other within the blockchain industry. LTO Network is the most important additional anchor blockchain for the VIDT Datalink ecosystem and allows clients to add another layer of security on certifications. The two projects are also working side to side on several projects such as; GDPR-compliant blockchain and The National geographic photographer project.

The European Commission is actively exploring the specific legislation for GDPR compliant blockchain applications. The GDPR framework is highly complex and requires data to be modified or erased where necessary to comply with legal requirements. The team of VIDT Datalink and LTO rolled out a GDPR-compliant blockchain solution for companies and governments. The GDPR-compliant blockchain relies on stamping of data as proof of the existence of this data at a certain moment, the confirmation of the data will be stored in the blockchain. This makes it GDPR-compliant considering that the data itself won't be stored in the blockchain. The National Geographic photographer project is an exceptionally interesting venture. As shown in the intro of this report, the art industry is excessively exposed to fraud and forgeries. The project of VIDT, LTO, ScanTrust, and Pim Volkers is attempting to end this form of fraud with a digital fingerprint of artworks in the blockchain. The photograph, in this specific case, is secured by patented QR-codes of Scantrust and VIDT Datalink ensures the accessibility of the verification process. The photograph will be anchored on the LTO blockchain to ensure and protect the authenticity.

AMSPEC

The crude oil and gas industry is one of the biggest industries in the world. The industry is constantly developing new techniques to have a wider and more sustainable mix of energy resources. This attracts criminals to capitalize on relatively new techniques and to exploit these for monetary gain. AmSpec is actively trying to end this form of fraud with incredible precise reports of crude oil and gas. These reports determine the market value of these commodities. The reports of AmSpec are naturally exposed to forgeries considering the value of the industry, the VIDT datalink tech will protect the authenticity by anchoring them into the Digibyte Blockchain. This ensures that clients of AmSpec consistently can rely on the authenticity of the reports and this adds reliability to their service.

NFT MARKET

The NFT-market is an interesting and expanding industry. The industry is fairly new, however, it is estimated to be worth approximately 100 million USD. The revolutionary aspect of NFT's is changing how the ownership and authenticity of (digital) assets are recognized. The VIDT Datalink team is likewise entering this market with their product. The VIDT Datalink tech allows a psychical object to be certified within the blockchain to ensure the authenticity of any unique physical object. The VIDT Datalink team, in partnership with Amsterdam Vintage Watches, has managed to certify a vintage Rolex. The certification of this specific watch is unique and solely available to the owner of that digital wallet.

THE GROWTH OF THE VIDT DATALINK ECOSYSTEM

The current growth of the blockchain industry is phenomenal, the industry is going through an incredible period of growth with sizable companies boarding the ship. The growth of the ecosystem as a whole is essential, especially in the long term horizon. The increasing need for simplifying and transparency of business processes and supply chains integrated with blockchain technology will be a major driving factor to the overall blockchain market.

Validations   Growth of Validations
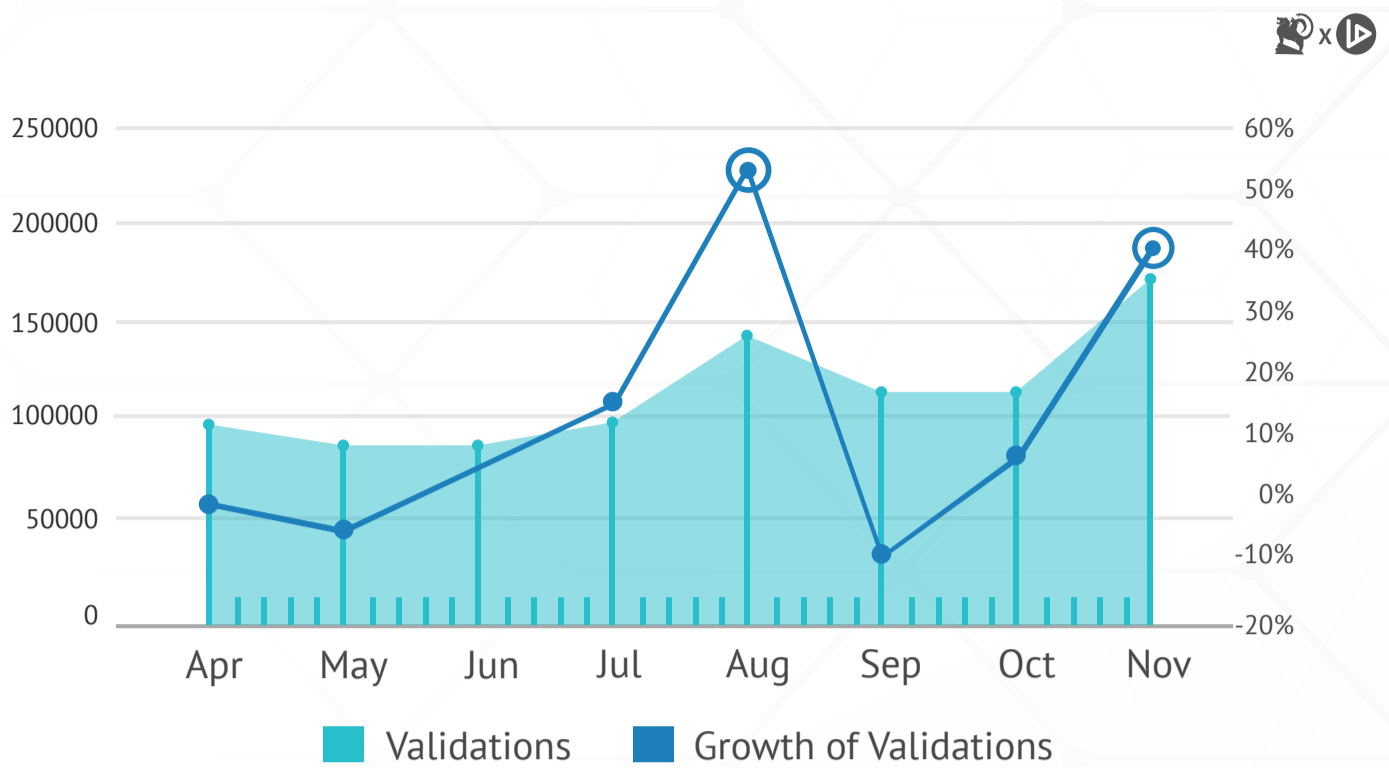
VIDT Datalink is unquestionably influenced by this growth of the blockchain industry. Their product is steadily growing with new partnerships and overall more usage of the ecosystem. The unique validators of the VIDT Datalink ecosystem have increased by 20% in 6 months, while there were 56 unique validators in June 2020, there are 67 unique validators in November 2020. The increase of validators is observable in the total validations on the VIDT Datalink ecosystem. In June 2020, there were 82235 validations, while this increased to 166612 in November 2020, which is an increase of 102%. Most of the validations went through the VIDT Datalink API. The ecosystem is experiencing more usage by new validators and established validators to validate their documents. The value of the VIDT token increased by 202% in 6 months, this has a direct consequence of the total tokens spent by validators. The correlation between the token price and the total tokens spent by validators is negative if the demand for the token is unchanged. The fee to validate a document is fixed to 1.24 Euro; if the token price increases, the fee in VIDT tokens to validate a document will decrease, and the total tokens spent by validators decrease. The same reasoning can be used for the linear buy-back and burn mechanisms, the decrease of total tokens spent will lead to a decrease of total buy-back and burn tokens. However, the amount of total USD spent on buybacks will increase with the amount of validations.

Spent tokens by Validators   Average price of VIDT
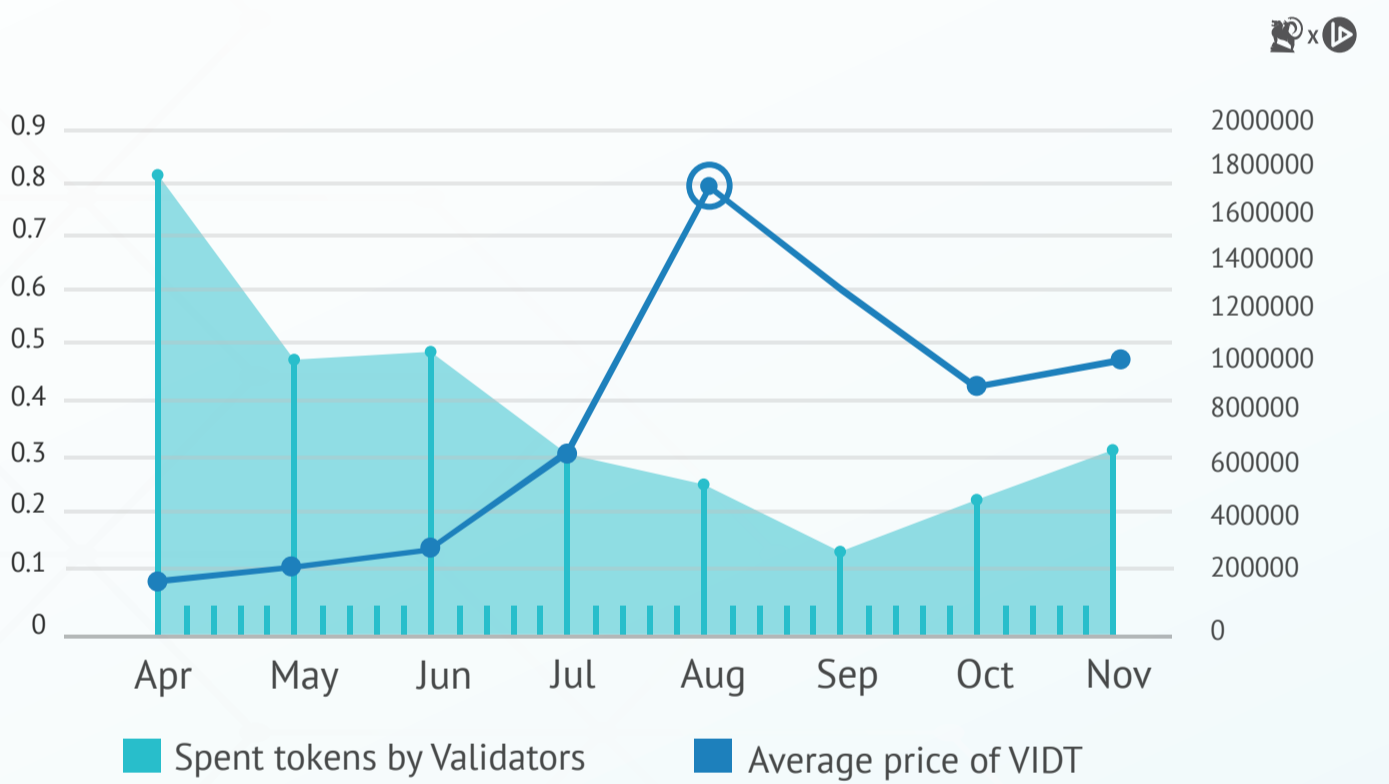
The VIDT Datalink ecosystem is impressively growing in the last 3 months. The total spent tokens are growing and increased by 132% while the price decreased by 23,7%. The real growth of the total tokens spent by validators is somewhat inflated by the decrease in price, however, the increase is exceptionally higher than the decrease in value of VIDT. This leads to the conclusion that the demand for VIDT tokens is increasing by the validators. The decrease in value of the price is debatable because in September there was a mini-bull run on alts. This led to an inflated price of VIDT which is reflected within the decrease in value in the last 3 months. This effect should be temporary and is not necessarily a bearish sign for the VIDT ecosystem, considering that every altcoin has an incredibly high negative correlation with Bitcoin. Last but not least, the total unique validators of the VIDT Datalink ecosystem grew by 8% in the last 3 months. This is in line with the previous months and if VIDT Datalink can hold this steady form of growth, it will outgrow several projects within the medium time horizon.

Growth of spent tokens (%)   Growth of validations (%)

Increase in price (%)   Growth of unique validators (%)
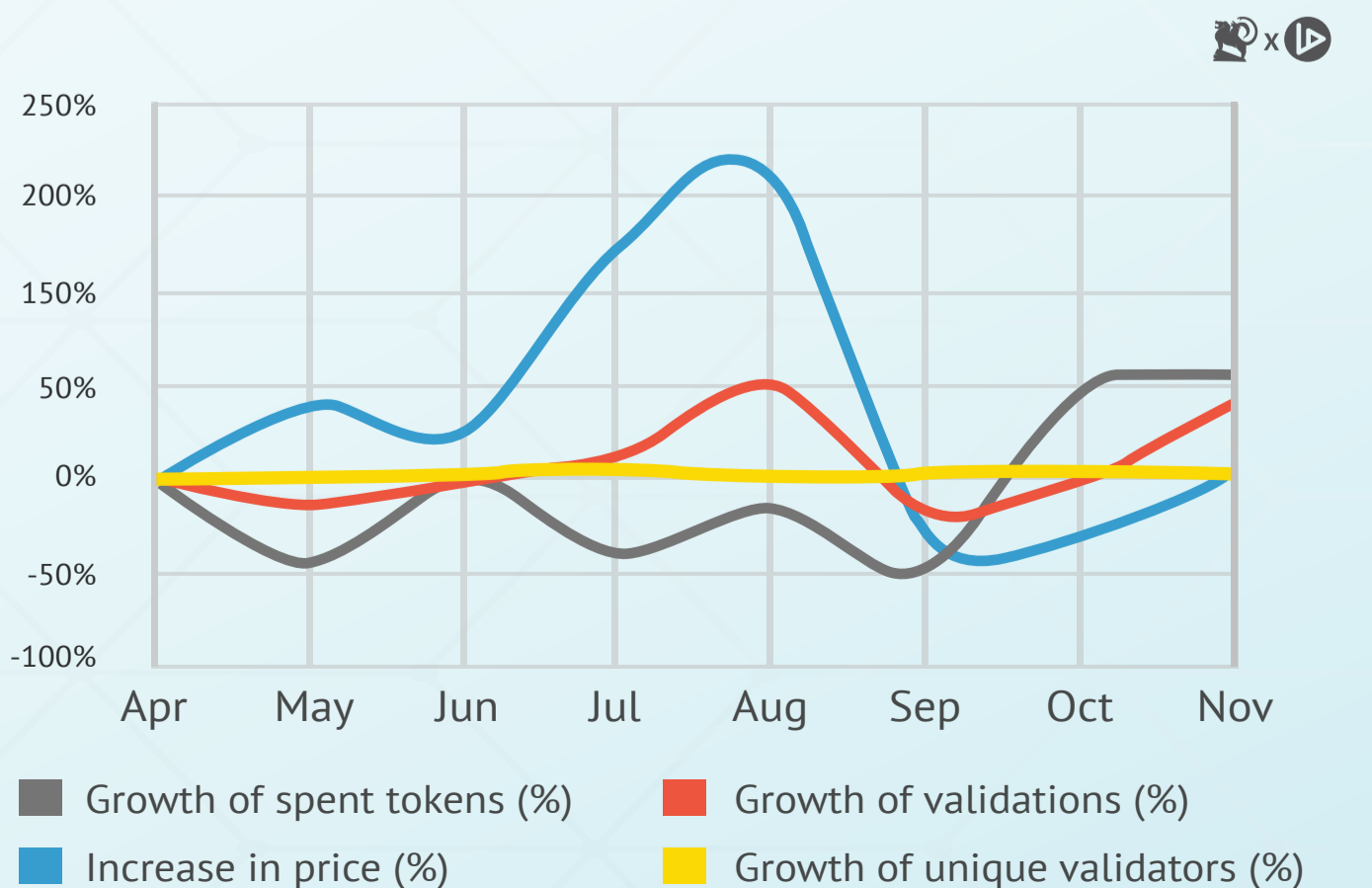
MARKET POTENTIAL

The industries the VIDT Datalink team is targeting are industries with a lack of transparency. These industries are various and distinctive, this is highly beneficial for their validating product and holders of the VIDT token. The reason behind this narrative is that VIDT Datalink has multiple industries to penetrate and implement their product, this lowers the risk of the overall product in terms of sustainability. The industries VIDT Datalink is actively trying to penetrate are the following; art, luxury items, energy, hard- and software, environment, certification, governmental and data industry. These industries are valued . Considering the size of these industries and the growth potential of the data industry, VIDT Datalink has enormous growth potential. VIDT Datalink has some of the biggest companies as a client of the targeted industries such as IBM and AmSpec. This increases the credibility of the VIDT Datalink as a product and improves the reputation of VIDT as an ecosystem.

VIDT'S MARKET POTENTIAL

HOUSE OF CHIMERA

Target Industries
Estimated Value of
1.2$ Trillion USD

Unique Validators
An Increase of 20%
of Unique Validators in 6 Months

Price
202% USD Increase
in 6 Months

Total Validations
102% Increase
in Validations in 6 Months

GDPR Policy
Fully GDPR
Compliant

The current timeframe with a global pandemic, where chaos led the world for a while is potentially beneficial for VIDT Datalink. The global pandemic is hard to control for a set of reasons, however, one of the major reasons is a lack of transparency. The economic and social distress could lead to a new standard of transparency and interest in more decentralized and flexible options such as the blockchain. This trend is already observable with central banks exploring central bank digital currencies (CBDC). VIDT Datalink has an excellent market-fit within this narrative, considering that it can provide transparency within seconds and with little to no costs. This could potentially increase the usage of VIDT Datalink and increase the VIDT token price considering VIDT is being used as a validating fee. The current growth of VIDT datalink in the last 6 months is overwhelmingly positive for the long term horizon. The VIDT Datalink product is welcoming more and more unique validators and the overall validations are steeply increasing. The growth is reflected by the token price of VIDT, considering the asset is up by more than 200% in the last 6 months. The tokenomics increase the overall growth effect in the value of VIDT, considering the deflationary nature. The VIDT investor is rewarded by holding VIDT, considering the decreasing overall circulation supply. The validators are getting rewarded by lower fees in VIDT tokens. The tokenomics are beneficial for both parties and prevent an issue of conflict of interest.

The GDPR policy in Europe can be cumbersome and regressive. However, VIDT Datalink is fully GDPR compliant and highly secure and is one of the first in their industry. This makes VIDT Datalink a realistic alternative instead of non-blockchain competitors like Microsoft and Adobe.

STRATEGIC PARTNERS

A network of stable and valuable strategic partners is critical for steady growth for VIDT Datalink. The growth of the VIDT ecosystem mostly relies on these strategic partners, considering these partners use the VIDT Datalink platform and spend VIDT tokens. This makes the network of strategic partners even more crucial for VIDT, in comparison with other cryptocurrency assets. On the other hand, VIDT needs valuable partners to be competitive with much bigger non-blockchain companies such as Microsoft and Adobe.

VIDT Datalink has managed to partner up with some of the biggest in their industry, Airbus, IBM, AmSpec, CMS law and Procentec. This list of partners is incredible for a startup as VIDT Datalink and this improves the reputation of their product. The cryptocurrency industry reputation is more as often referred to as sketchy and shady, this could be a huge threshold for traditional companies to use a blockchain-powered solution. This makes reputation within and outside the cryptocurrency industry extremely important. The aspect which makes VIDT Datalink extraordinary is that the product is being used by traditional companies. Besides that, VIDT Datalink is profitable due to real-world companies instead of pure speculation.

PRODUCT RISKS

The blockchain is a relatively new technique and the legal framework is fragile or nonexistent in most countries. The legal acceptance of blockchain solutions is questionable, especially considering that the legal framework of blockchain is far from being complete. The concern of the legal acceptance of VIDT Datalink validated documents is valid. There is no clear legal jurisdiction on validating documents by the blockchain. However, considering that the USA, Asia and Europe are all pushing for regulation for cryptocurrencies and blockchain solutions, this issue of legal acceptance would most likely be a matter of time. Nonetheless, the issue of different legal policies and frameworks in different geographical locations can push VIDT Datalink into a tough spot where local solutions might be more accepted.
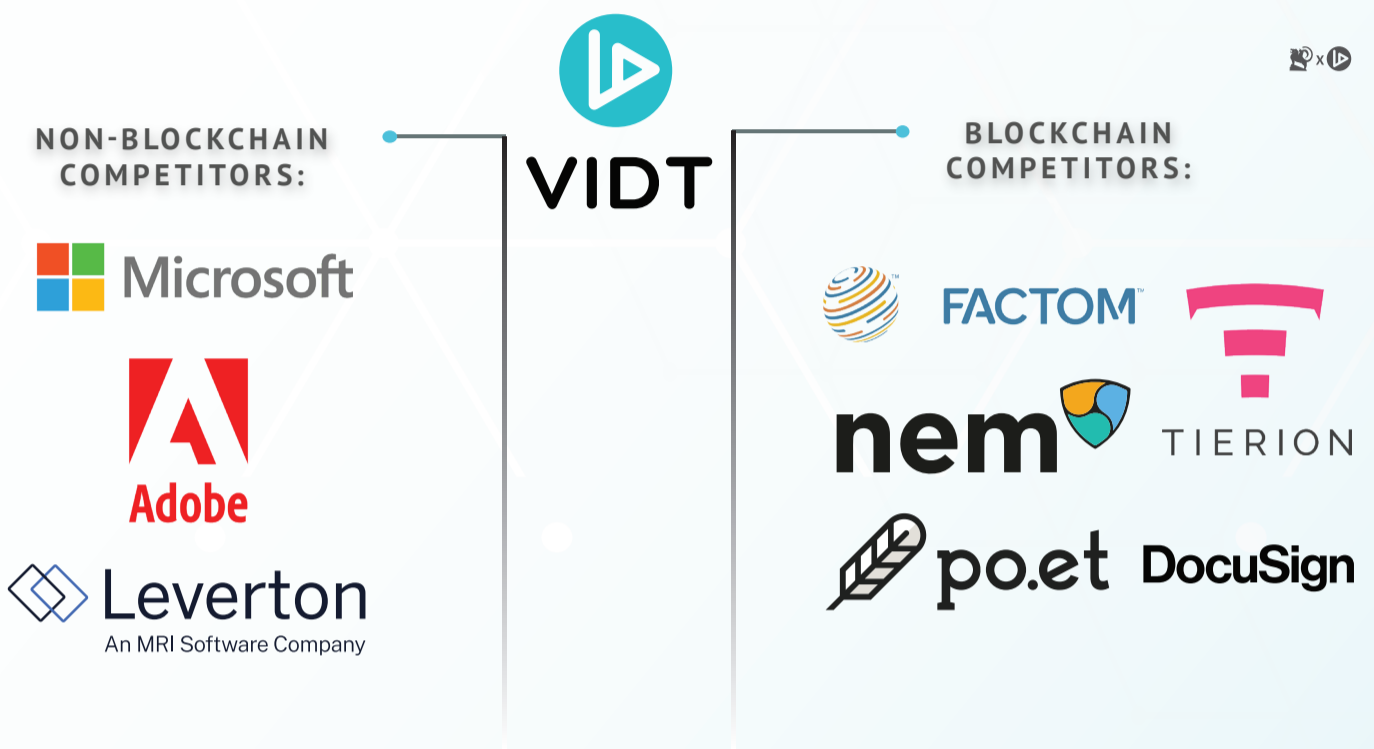
The industry of verifying documents within a blockchain or without is very competitive and especially the non-blockchain companies are considerably bigger than VIDT Datalink. Microsoft and Adobe are arguably the biggest non-blockchain competitors of VIDT Datalink. These companies are very influential and can deploy their verification application on several channels and do not rely on partnerships with external parties, considering their size and client size. Besides the non-blockchain competitors, blockchain competitors are also substantial. The biggest blockchain competitors of VIDT Datalink are; Factom, PO.ET and Tierion. These coins all have their benefits and flaws, however, they are all still developing and trying to get the edge of each other. The risk is that VIDT Datalink cannot penetrate the targeted markets and is not able to compete with companies that are bigger than the whole cryptocurrency market together.

The VIDT Datalink is actively targeting Western Europe, however, as shown in our latest report on Zilliqa, the economical center is shifting to Asia. The appearance of VIDT Datalink in Asia is rather minimal and could be an issue, considering the rapid economic growth in Asia. The focus on western Europe is logical, considering the HQ of VIDT Datalink is located in The Netherlands and that their marketing budget is limited. Nonetheless, the focus on mainly western Europe could lead to long term sustainability issues. The competitors of VIDT Datalink are active in Asia and do recognize the enormous market of potential clients.

The VIDT Datalink team is active in industries where a lack of transparency is an issue i.e. asymmetrical information. These specific industries are exposed to fraud and forgeries, this makes these industries full of legal issues. As stated in our intro, the competence of fraudsters and modern technology can make it incredibly hard to detect counterfeits. The deep fake technology is already in such a state that it is for humans near impossible to detect fakery. The issue is that if a forgery is validated by the VIDT Datalink team as authentic and is validated, this could lead to imminent legal issues. This could lead to heavy reputational damage and imminent financial issues considering that lawsuits are in general expensive and time-consuming.

AMA

COMMUNITY QUESTIONS:

Question: VIDT is expanding to the UK, are there any specific regions VIDT has an interest in? (@Arwa7166)

> We do not have a specific region in mind, but approach it like we do in other countries, looking for similar use cases as we already rolled out someplace else, like in certification for instance. We have multiple ins, as customers, like AmSpec, are already present and connected there. We do expect to encounter some temporary bumps due to Brexit, with increased amounts of paperwork, or simply with companies having to apply resources to adapting to new legislations and such.

Question: Can you explain exactly how Procentec and their clients will use the validation service, and at what kind of rate (@Flashingsteel)

> In industrial automation, like manufacturing plants for instance, everything functions in unison on an industrial network. This network consists of an enormous amount of cables and hardware. On this hardware, like switches and routers from companies like Siemens, you have firmware running, plus task-specific instructions or settings in the form of GSD files. Managing the installation and updates of both firmware and GSD files over hundreds, even thousands of devices to ensure the uptime of a facility is an enormous continuing operation, especially when multiplied with companies running dozens of facilities worldwide. If a single component fails, it shuts down, and downtime is devastating, since it can cost a fortune per hour. Currently, the installed files come from various sources and most facility managers do not have a 100% overview of which files and versions are installed on what devices. So, with the vulnerability and risks of the firmware and GSD files identified, Procentec and VIDT developed a platform called Lockbox. Lockbox is an online platform where Procentec's clients, their component suppliers and Procentec themselves can manage firmware and GSD files. Lockbox acts as the de facto reliable library of verified files to install on network devices, eliminating the risks of downtime caused by faulty or even malicious files. The second revolutionary new factor that Lockbox introduces is usage data. As Lockbox will also be connected to Procentec's suite of network diagnostics systems, suppliers will for the first time get proper overviews of usage and install bases, which on its own is extremely valuable feedback.

Question: Are there any plans for the team funds you could share? (instead of selling) like burn, liquidity, etc (@Lattenpresser)

> We acknowledge the wishes of our community for ever increasing liquidity and have set aside a substantial amount of funds for this exact purpose and marketing efforts. The company has enough revenue to keep itself afloat and more for the foreseeable future. We can not share more than this as we are continuously in negotiations with multiple parties to achieve our common goal which is optimal availability and acknowledgement of the VIDT Datalink proposition and token.
> We burned an extra 2.2M tokens on top of the usual monthly burn of about 2.4M tokens so far in 2020, totalling to about 10% of maximum supply.

QUESTIONS BY HOUSE OF CHIMERA

Financial crime is an imminent issue, considering it is growing every year and the transnational crime industry is valued as much as 2.2$ trillion per year. The Financial Action Task Force (FATF) is actively trying to prevent money laundering and terrorism financing by compliance guidelines. Financial institutions are especially exposed to financial crime and the global cost of financial crime compliance is over 180 billion dollars per year.

Question: What role can VIDT play within this imminent problem, considering the financial crime industry is growing by the year and the digitalization of traditional currencies can inflate these numbers.

- *Proactive document authentication: "if not verified, we will not use it"*
- *Stamping every step enables the possibility to trace back where something went wrong if it were to happen*
- *Stamping enables transparency, so incorrect finger pointing is not possible*

VIDT is currently using an ERC-20 smart contract and using a few other contracts such as BEP20. The ERC-20 smart contract is by far the most used contract by clients. One of the current major flaws of the Ethereum Network is the congestion and this leads to an arguably high fee. To put it into perspective, the current Ethereum fee is considered relatively low, however, it is still 0.9-1.2$ for every transaction. While this might be not an issue for big companies, this might be an issue for small companies and especially the B2C market. These issues might be resolved with Ethereum 2.0, however, a full launch is at least a few years away.

Question: What will VIDT do to prevent high fees in the future, especially if Ethereum 2.0 doesn't fulfill its promises?

> *Anticipating the development of gas fees we have improved our timestamping systems to allow for batching of timestamps using blockchain agnostic methods. Although this does lower gas fees, processing timestamps is still sometimes limited by congestion of the Ethereum blockchain. Simply raising gas fees does not suffice for already queued items as the fees often simply spike up. This thus lowers the maximum throughput per publisher and is simply not 100% reliable.*
> *These are part of our reasoning to use multiple blockchains which all have their pros and cons.*

Last but least, VIDT is actively developing and growing as seen in the report. This trend is observable within the number of verifications, unique total validators, and unique active validators. The growth is also reflected within the asset value, considering VIDT is up 202%, in dollar value, in just 6 months. The end of the year is nearing and is there anything VIDT would like to share with the cryptocurrency community?

> *As you will understand, we never comment on any numbers let alone predictions, but we very much appreciate the support, insights, even leads, and most importantly fun, that the community adds to VIDT.*

Question: Is there an interesting feature, listing, or partnership within the short term horizon, VIDT is willing to share with the cryptocurrency community?

> *As always we can not share more details than we do in the official channels. The community has seen plenty of big surprise clients and collaborations in 2020, and lead-wise we feel the opportunities are getting much larger, much faster. We are very much outgrowing the startup phase and have big steps planned to accommodate our expected growth in 2021.*

DISCLAIMER