The White Paper of Mileage Point Integration Platform in Lifestyle Sectors

(Mil.k Coin)

version 0.9.7

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1. Summary

Our goal is to create a system that integrates customers of different service companies in the travel, leisure, fashion, culture, and other lifestyle industries through the blockchain.

In the face of intense competition, most companies in the lifestyle sector offer rewards such as mileage points in order to encourage customers to reuse their services and raise customer loyalty.

However, since reward points can lead to the granting company’s burden, they are normally about 1% of the original payment. Therefore, using a certain service for a few times doesn’t actually benefit user with the rewards.

For this reason, securing regular customers with mileage points is not a satisfactory marketing strategy for service companies.

Our platform will function as a square by integrating mileage points from different services and providing means to trade them interchangeably. It will gather small amounts of spread mileage points of various services into a meaningful amount and support the users’ ability to trade these points according to their needs. In this way, our platform will make users to benefit from mileage points more substantially.

We will make integration and transaction of mileage points happen seamlessly by using reliable and fascinating methods powered by the blockchain.

In addition, we will create an ecosystem that will allow the participating service companies on the platform to both attract new customers and lock-in loyal customers through co-marketing and integration of services. Our platform will be more influential as number of participating companies from various industries grow and being part of it will become a large factor that differentiates participants from their competitors that are doing only independent marketing.

This project is supported through the joint efforts of Yanolja (the unrivaled leisure platform in Korea), Lambda 256 (which operates Luniverse and is a subsidiary of Dunamu, the owner of the crypto exchange, Upbit), and Key-Inside (which has proven its technical expertise in enterprise-blockchain development). We are also in discussions with market leaders of various industries, and the number of participating companies will continue to grow. Through this project, we will demonstrate how blockchain technology and the real economy can be combined and used in the real world.
2. Introduction

2.1 Growth of the Lifestyle Industry (Travel/Leisure/Fashion/Culture)

Travel, leisure, fashion, culture, and other such activities include all activities that people take to relieve physical or mental stress from daily life. And as a result of social changes such as economic growth, increase of household incomes, decrease of work hours, and improvements in productivity, the lifestyle market has been rapidly expanding.

As shown below, leisure spending in Korea has increased 60% over the last 10 years.

In addition, through the development of internet-based technology, diverse service companies providing online reservations or purchases have appeared, and lifestyle-related purchases that had been primarily made offline have shifted to online as well.

With the advancement of the online industry, competition among various platforms has accelerated. The costs for service companies to attract new customers have increased, and these companies are paying various forms of reward points to maintain their existing customers.

The total amount of mileage points paid to customers as rewards has been increasing each year (in 2017, total sum of (such) points among Korean credit card companies was KRW 2.9 trillion. Source: Korea Financial Supervisory Service).

<Data Source: World Travel & Tourism Council>
2.2 The Weaknesses of Spread Mileage Points

However, the current mileage points offered by service companies do not sufficiently provide benefits to customers or serve as incentives for re-purchase due to their limitations for usage. And vice versa, service companies also hardly benefit from mileage points, thus current mileage system is not being an effective marketing method.

In other words, as price competition in the lifestyle industry has intensified through the rise of various online platforms, the amount of mileage points that service companies offer to customers has become limited. Thus, Customers earn only a small amount of mileage points from each purchase.

For customers, other forms of incentives such as discounts provide greater motive for purchase than the value of the mileage points. Thus, many customers are using multiple platforms even within the same service category and holding mileage points earned through diverse lifestyle activities spread to various platforms.

Many of them are not even aware how much mileage points they have on which platforms, and if they are not diligent consumers, they may end up neglecting their mileage points. Problem is that unlike cash, mileage points have expiration dates, and many customers fail to use them before their points are still valid.

This means that in many cases, the mileage points offered by service companies do not serve as a sufficient incentive for customers to make re-purchases.

2.3 Limitations of Existing Mileage Point-Integration Programs

Because of the issues with mileage points mentioned above, various attempts have taken place so far to integrate mileage points in order to increase their value and utility.

The most representing case has been the attempts to integrate mileage points among group subsidiaries/affiliates and mileage alliances between airline companies. However, both attempts for mileage integration have had two requirements, the physical exchange of personal information and the post-settlement.

For these issues, mileage integration and exchange have been allowed only between certified businesses within same industry or same subsidiaries/affiliates. Therefore, there is no successful platform enabling efficient mileage integration regardless of the industry and group subsidiaries/affiliates status.

Service companies in the lifestyle industry need a new platform to raise the usability and utility of mileage points.
2.4 Our Platform's Vision

We aim to build a platform that integrates mileage points of various, different service companies in the lifestyle industries, including travel, leisure, fashion, and culture.

Through the blockchain, we will implement a mileage point integration platform that secures the credibility of data, does not require direct exchange of personal information between companies, and has no needs for the post-settlement.

This will provide substantial benefits to users, increase customer loyalty by raising the value of the mileage points, and expand the customer pool for service companies on the platform. In this manner, each service company will have a clear competitive edge over its competitors.

Our platform is an ‘alliance platform’ that promotes collaboration of multiple service companies and benefits not a specific company but rather all participating companies.

2.5 Our Platform’s Direction

- Maximization of Mileage Point Value

  Our primary goal is to maximize the mileage points' value.

  So far, mileage points have been used only within a certain company. The amount of it has been mostly small, and it has had expiration dates. So, utilizing mileage points has required significant efforts and commitments to customers. To solve these problems, we plan to increase the number of participating services so that customers can have more options to gather and spend their mileage points from/on. And further, we will enable cashing out the points as well.

  Through our platform, customers will enjoy such benefits, and service companies, the issuer of the points, will have enhanced marketing effects.

- Partnership among Various Lifestyle Service Companies

  There are various services and products in the lifestyle industry, and competition among service companies is quite fierce.

  For our partners, that is the participating service companies on our platform, we will maximize their marketing effectiveness by sharing massive pool of customers within the platform. There will be only collaborations, not a competition on the platform because we only allow for one company to join and represent its belonging sector. With this structure, participating companies will make synergies by sharing their customers and carrying out marketing events together on the platform.
Partnership with Global Companies

The platform will make partnerships with global companies in the lifestyle industries (travel/leisure/fashion/culture/and such), and this will be a chance for our existing partners to enter into global market without efforts.

Mileage Point Integration without Burdens related to Cost and Technology

Service companies will be able to join our platform by simply using the APIs provided. This goes for some companies without mileage point systems. By using our platform, they can start it with no burden.

As mentioned above, there will be no needs for sharing customer information or the post-settlement between participating companies, so they will not have operational, financial, and customer related issues being on the platform.

Furthermore, our platform will allocate Mil.k Coin to each service company according to their contributions to the platform. The allocation can be their marketing resources to give benefits to customers.

2.6 Reasons for Mileage Platform to be built on blockchain

Establishment of Trading Market through Tokenization

Reliability and credibility are one of the most important aspects of blockchain. By tokenizing mileage points, transactions of them will be more secure and reliable. As a token, mileage points will be much easier to be transferred and transacted between different services and users without needs for post settlements among the aligned service companies.

By trading mileage points in the token (Mil.k Coin), users will benefit from discounts when purchasing the points. Further, by transferring Mil.k Coin to the external crypto exchange, a user can benefit from cashing it.

Establishing a platform that integrates mileage points without needs for the post settlement can also be done without blockchain. However, it will require much more resources to ensure the reliability and security of transactions.

Expandability to global partnerships and global crypto exchanges

The platform aims to integrate lifestyle service companies globally, and blockchain technology has become a standard infrastructure for global IT companies. Establishing the platform on blockchain is beneficial for itself and its service companies to expand globally.
Data Credibility

As for a service company considering joining the platform, sharing its mileage point information, which is an important financial aspect, can be quite a burden. And credibility of shared information can be another issue between the aligned service companies.

By using blockchain and utilizing its reliability and credibility, those issues can be solved. Further, there will be an individual chain for each service company’s mileage point so that any internal information would not leak to other companies, and a company can check their chain with a blockchain for audit.

Much Less Cost for Establishment

As for a service company, establishing its own mileage program would take at least 3 to 6 months to invest, plan, and operate resources. As for a company that already has its own program and wants to swap it with other services, it can also take at least 3 to 6 months to discuss system infrastructure, developing language, and further security issues.

To do so, the companies would have to spend much more expenses than participating in Mil.k Alliance’s blockchain where an API is provided for linking to the platform.
3. Establishment of Mileage Points Integration System Through Blockchain

3.1 Two-Type Token System

To build a system to integrate the mileage points among service companies, we plan to create two types of tokens and a trading system for these tokens.

One type of token is Brand Token, which is the tokenized version of mileage points originally issued by service companies. The other type is Mil.k Coin, which is the means to trade Brand Tokens on our platform.

For example, if there are company A and B, the structure will involve A tokens and B tokens (Brand Tokens), and the transactions of them will only be through Mil.k Coin, the means to trade on the platform.

Mil.k Coin is a cryptocurrency that functions as the currency of our platform and is the medium that integrates individual Brand Tokens of service companies.

- **Brand Token (BT)**

  As Brand Tokens are the service companies' mileage points (rewards) directly converted into tokens, the way of handling them is same as handing mileage points. (Brand token is issued and managed off-chain and its transaction is recorded on-chain.)

  In other words, both the issuance and circulation amount are controlled by the service company, and when customers of the company use their Brand Tokens, the company shall guarantee the same redemption value for the tokens spent.

  When earning and using Brand Tokens, customers will not feel the difference from using conventional mileage points and will not even recognize that they are using the blockchain technology.

  And yet, for users with Brand Tokens to use other functions; to convert the tokens into other companies’ Brand Tokens or into cash, they must acquire Mil.k Coins by selling their tokens first.

- **Mil.k Coin**

  Mil.k Coin is a cryptocurrency that functions as the currency of our platform and is the medium that integrates Brand Tokens of the aligned service companies. On the platform, Brand Token is like a product, and Mil.k Coin is the currency to purchase it.

  There are several ways to acquire Mil.k Coin. First, it can be earned when a user sells his/her Brand Token (On the platform app) that he/she has earned by using its relevant service. Second, it can be purchased at the external crypto exchange. Lastly, it can be individually transferred between users.
Since Mil.k Coin is a cryptocurrency being traded at the external crypto exchange, the price fluctuates depending on its supply and demand at the exchange.

**A Platform with Multiple Blockchains Connected**

Our platform is not intended to have all the tokens on a single blockchain.

A certain service company would not want other participating companies to know how many Brand Tokens it has issued, nor will it want its own mileage token system to be impeded (or experience performance degradations) from traffic issues regarding Mil.k Coin or other Brand Tokens.

To prevent those unwanted situations, we will organize completely separate blockchains for Mil.k Coin and each Brand Tokens. This will resolve further issues such as information security, system stability, and performance issues.

For these reasons, we have designed a multi-blockchain system in which chains are separately constructed for each Brand Token, and each of them will be linked to the center chain of Mil.k Coin.

As shown below, the chain of Mil.k Coin will function as a square where each service company’s users can gather and trade multiple Brand Tokens with Mil.k Coin.
3.2 Token Exchange System

The most innovative aspect of our system is its construction where Brand Tokens of fixed redemption value can be naturally exchanged to the fluctuating price of Mil.k Coin in accordance with market fundamentals.

As mentioned above, our platform is the market for transacting Brand Tokens using Mil.k Coin as the method of payment. However, rather than individual, direct transactions between users, the platform itself will be a counterparty for the transactions based on prices set by its algorithm. And users will recognize this transaction as mere exchange between Brand Tokens and Mil.k Coins.

In this process, the platform will always set Brand Token’s price based on its supply and demand. And the price of Mil.k Coin itself will not have a direct effect on the price of Brand Token because the value of Mil.k Coin on the platform is reflecting its current price at the external crypto exchange.

Detailed explanation of this is given below.

- **Exchanges through the Platform**

  It is possible to imagine Brand Token transactions directly and individually done between users. (Transactions between Brand Tokens and Mil.k Coins)

  In that case, however, it would be quite hard to match wanted quantity and wanted price for each transaction, and the rate of ‘deal accomplished’ would be low. In other words, there will be unnecessary time and efforts
required for users to make the deal.

Considering the size of a normal Brand Token transaction, which is small, and so the benefit from it is also small, such requirement is not desirable.

To establish desirable environment, we have come up with a better model in which the platform functions as a counterparty that Brand Tokens are traded to; not traded directly between users.

That is, with its algorithm-set price for Brand Tokens, the platform will deal with all the demands for selling/buying Brand Tokens as a counterparty and as a square where all the users gather.

We plan for the platform to charge a fixed transaction fee (initially set at 1.5%), which will be used as a source of funds to maintain the stability of the platform.

For the stable operation of the system above, the platform will hold sufficient amounts of Mil.k Coins and each company’s Brand Tokens. When there is an equilibrium between a certain Brand Token’s supply and demand, the amount of the Brand Token held on the platform can also be maintained without much differences in quantity.

### The Pricing of Brand Token

The pricing of Brand Token will not be related to the price of Mil.k Coin at the external crypto exchange and will only reflect the supply and demand of the Brand Token itself on the platform.
As mentioned, our platform is fundamentally a Brand Token trading market, and Mil.k Coin just functions as the method of payment. For users who are trading our platform's product, Brand Tokens, it is quite important to see market predictability and stability. To assure that, the price of Brand Token will only be based on its supply and demand, not on Mil.k Coin's price fluctuation.

Accordingly, for Brand Token transactions, the price of Brand Token will be correlated to cash value, and the amount of Mil.k Coin to be acquired or paid will be decided reflecting the price of Mil.k Coin on the external crypto exchange.

In addition, although Brand Token will have similar usability to cash, since it can be used only at the relevant service company, it is economically reasonable that its price will be lower than its redemption value. (cash value)

The fact that the prices of Brand Tokens are always lower than their redemption value means that it is always more beneficial for users to purchase Brand Tokens with Mil.k Coin on the platform than directly purchasing the relevant service with cash since there are always discounts for Brand Tokens on the platform.

Again, the price for Brand Token will be set considering market principles. (supply-demand) The price will go up when demand is high and go down when supply is high, so ultimately the equilibrium point will be reached in times.

Yet, this pricing process will be done through an algorithm, not arbitrarily. (specific theory is confidential and will not be disclosed)

And since there are separate Brand Token transaction markets for each service company, the transaction price in each market is decided individually.

For example, if there are 10 service companies on the alliance, 10 Brand Token transaction markets would exist, and the transaction prices of these 10 Brand Tokens will be individually decided based on their individual supply and demand.

- **The demand for Mil.k Coin**

  When the volume of total Brand Tokens being traded on the platform increases, the demand for Mil.k Coin will proportionally increase. There are 5 scenarios how the volume and demand would constantly increase.

  **1) Increase of Brand Token trades in the initial stage of the platform**

  As the number of the trades increase caused by initial marketing events of service companies, the demand for Mil.k Coin will increase.

  **2) Expansion of the platform with more aligned service companies in the growing stage**

  Increase of the number of aligned service companies means that there are more Brand Tokens for customers to trade. Furthermore, with cross-offerings between the companies on the platform, the volume of Brand Tokens being traded will increase.
3) Increase of Brand Token trades caused by each company’s growth

Most of the service companies that are participating in our platform are on their growing stage, and it is likely that they will keep growing by making synergies on the platform collaborating and doing co-marketing. With all these factors, the volume of Brand Token trades on the platform will proportionally increase.

4) Increase of customers’ Mil.k Coin reserve caused by the platform’s expansion into broad lifestyle industries

When the platform expands with more and more service companies on it, Mil.k Coin will be used by large customer group for its benefit of discounts. Customers will constantly reserve Mil.k Coin for future purchase, and this leads to increased time and amount of a person’s coin reserve. Consequently, the price of Mil.k Coin will be stable, and its demand will increase as well.

5) Establishment of virtuous cycle in Mil.k ecosystem

By participating in Mil.k Alliance, service companies will get Mil.k allocation (as specified in 7. Mil.k Coin Allocation) for their contribution to the platform. Major part of the allocation will be for each company’s marketing promotions using Mil.k Coin. It will lead to increased loyalty of their customers on the platform, and accordingly the allocation amount will increase. This virtuous cycle is what the alliance is aiming for.

Policy Adjustments

As mentioned, the price of Brand Token is set based on the market principle of supply and demand.

However, to maintain stable transactions for each Brand Token and develop Mil.k Coin ecosystem by stimulating healthy collaboration and growth within the alliance, we will set maximum and minimum limits for each Brand Token’s transaction price.

The maximum price (X% of the redemption value) exists according to the policy of guaranteeing a minimum discount rate ((100-X)%), and the minimum price exists to preserve the brand value of the aligned service company.

Detailed explanations on the maximal and minimal are as follows.

- The maximum price of a Brand Token is 95% of its usage value. When the maximal is reached, purchasing the points will be restricted, and only selling requests will be accepted. When there are more selling amounts in the market, the price will go down again, and purchasing requests will be accepted accordingly.

- The minimum price of a Brand Token is set by discussing with its service company because the price can be considered as the company’s brand value (i.e. The minimal can be different between service companies).

- When the minimum price of a Brand Token is reached, selling the points will be restricted, and only purchasing requests will be accepted. When there are more purchasing amounts in the market, the price will go up again, and selling requests will be accepted accordingly.

Such pricing principle of Brand Token’s maximum and minimum limit may vary depending on future circumstances.
4. Benefits for Service Companies for Participating in the Alliance

4.1 Implementation of Integrated Marketing

One of the most important assets for online service companies is their subscribers. To gain and maintain their customer (subscriber) pool, service companies are making lots of marketing efforts, and mileage point program is one of them. However, since most companies are doing same promotions and events, the effect of the program is not worth its cost most of the time.

Mil.k Alliance will be a solution for those service companies because it provides a platform where all the aligned service companies, in other words, their existing customers will gather together.

Detailed benefits for the aligned service companies are as follows.

- **Customer Retention Growth**

  By integrating mileage points of lifestyle service companies, customers would have better usability with their mileage points combined in Mil.k Coin. This means that customers would be more likely to stay in the alliance with better usability of their points. An aligned company can benefit from this without any expense.

- **Customer Acquisition Effects**

  The platform can also benefit service companies with customer acquisition. This can be narrowed down as follows.

  - Newly comers to the platform with purchased Mil.k Coin (at the external crypto exchange).
  - Existing customers of a certain aligned service getting to use another one on the platform with Mil.k Coin.

  e.g. Company A has 20s and 30s as its main customer. Company B, on the other hand, has 40s and 50s and eager to expand its customer pool. By being aligned on the platform, company B would have much better chance to entice company A’s customers than making individual efforts. And the most important aspect of it is that it does not cost company B any expense.

- **Synergy by Collaborating on Marketing Promotions**

  Our platform consists of service companies in the lifestyle (travel/leisure/fashion/culture/and such) sectors. And since one set of activity relates to multiple sectors, (e.g. one period of vacation takes sleeping in a hotel, doing outdoor activity, shopping at a mall, etc.) interrelationship and similarity of customer behavior is higher than any other industry.
This means that there are huge possibilities for the aligned service companies to collaborate on the platform as to making service packages, promoting co-events, and so forth. So, the platform will not only function as a square to integrate mileage points, but also as a market where the companies can collaborate and make synergies.

4.2 Global Partnership

The platform aims to cover top-tier service companies in lifestyle sectors internationally. By participating the alliance, a service company would have chance to entice global customers and collaborate with global companies on the platform.

4.3 Financial benefits with distributed Mil.k Coin

As specified in 7. Mil.k Coin Allocation, participating service companies will get Mil.k Coins. With increasing value of Mil.k Coin followed by the alliance's growth, the companies will directly benefit from their distributed Coins.
5. The Composition of the Platform

5.1 The Entities Comprising the Platform

The entities comprising our platform can be divided into the platform operator, aligned service companies, and customers.

- **Platform Operator (Token Inter-Change Agency, TICA)**

  TICA will be the proprietor of our platform and the agency that will directly operate the Brand Token transaction market. By holding large number of Mil.k Coins, it will be the exclusive liquidity provider for Brand Token transactions and will also collect the transaction fees. In addition, it will play the role of organizing and maintaining the alliance through service agreements with the service companies.

  Detailed explanations on how the TICA maintains liquidity are as follows.

  **Basic structure of Brand Token trades**
  - Each trade is done between the user and the platform (TICA), not between users.
  - When trading, the price of a Brand Token is set by the platform with its algorithm.
  - The price keeps varying with repetition of following situations.
    - Initial price announced
    - buy-sell orders from users
    - Establishment of trades (user - platform)
    - Re-pricing of the point and announcement of it

  **The source of liquidity provision**
  - TICA reserves 28% of the total tokens (Mil.k Coin) only for providing liquidity on the platform.

  When the price of a Brand Token is stable, since it means that the point's supply and demand are in balance, the amount of the platform's Mil.k Coin reserve would not change and maintain its stable phase (The price of a Brand Token doesn't have to do with Mil.k Coin's price variations at the crypto exchange).

- **Aligned Service Companies**

  Aligned service companies are the companies in the lifestyle industries that join our platform for the purpose of generating synergies with other aligned companies.

  As the goal of the alliance is to generate synergy among the aligned companies, the platform allows for only one company to join and represent its belonging industry so that there is no competition within the platform, only collaborations. The joining of a certain company needs to be agreed by other aligned service companies and must be under the service agreement with TICA.

  In addition, service companies that have joined the alliance will be the issuers of each relevant Brand Token and are liable for the payment obligations regarding the issued Brand Tokens.
**Customers**

- **Existing Customers of the Aligned Service Companies**

  Customers of the service companies within the alliance. They can receive relevant Brand Tokens by converting their mileage points of the service companies and can sell them to acquire Mil.k Coins in turn.

- **New Mil.k Coin Purchasers**

  Customers who have never used the platform's aligned services. But with possessions of Mil.k Coins through purchases on the external crypto exchange, they could become potential customers for the service companies on the platform.

  To use Mil.k Coin at a particular service company, they need to register for the platform, use its wallet app to buy the company's Brand Token, and lastly register for the service company. In this process, they can earn certain range of discounts comparing to using cash.
5.2 The Overall Configuration of the Platform

The parties mentioned above are connected in the following structure.

5.3 Technical Explanation of the Platform

Mil.k Blockchain utilizes Luniverse’s BaaS platform and has the structure of the main chain and the side chains.

Constant transactions, usage, and transfers on the platform will be done on the Hyperledger-based side chains for better performance. And connecting to the external crypto exchange will be done through Luniverse’s main chain maximizing its confidentiality and stability.

Hyperledger Fabric, on which our platform is built, is a permissioned blockchain framework originally contributed by IBM and currently hosted by Linux Foundation.

The service chain for each Brand Token will be linked to the service company’s legacy system, and the joining company to the alliance will be provided the APIs for connecting to the blockchain.

The digital wallet that will be provided to users will be our platform’s main DApp.
6. Our Platform's Features

6.1 The Brand Token Transaction System and its method of payment, Mil.k Coin

The biggest feature of our platform is that it tokenizes the mileage points that users have acquired and are holding, and through this process, the platform expands the usability of the mileage points and further, provides users direct benefits such as discounts on the points.

Mil.k Coin will be the only method of payment for transacting Brand Tokens on our platform and will serve as the means to integrate mileage points and convert them to cash.

Since the price of Mil.k Coin at the external crypto exchange will have no influence whatsoever on the Brand Token transactions, users seeking to buy Brand Tokens with discounts, combine their mileage points, or cash them out (all through Mil.k Coin) will manage to do so without worrying about the price fluctuation on Mil.k Coin.

Consequently, the Brand Token transaction system can be operated stable.

6.2 Ensuring Stability, Reliability, and Security for Service Companies

As the blockchains for each service company's Brand Token and the blockchain for Mil.k Coin are completely separate, each service company's customer information will not be leaked to other companies or outside the platform, nor will the total amount of a certain Brand Token issued by a service company be changed by users or other service companies.

Service companies are not affected by the Brand Token transactions or Mil.k Coin's price fluctuation because they are not directly involved in the Mil.k Coin - Brand Token transaction.

Through this structure, service companies can be assured of the platform's security, reliability, and stability.

6.3 Providing Clear Benefits to Customers

For customers, benefitting from their mileage points before expiration is quite important.

Our platform benefits customers by enabling them to convert their mileage points from a certain service to others, integrate their spread points to one currency, Mil.k Coin, and even cash them.

On the other hand, as for customers who have recently purchased Mil.k Coin at the external crypto exchange and come into the platform to buy Brand Tokens, they will benefit from discounts.

For both types of customers, we provide economic values, and this is the greatest strength of our platform.
6.4 Mil.k Coin’s Intrinsic Value

As mentioned, Brand Token is like a product on the platform and Mil.k Coin is the only method of payment.

For customers, using Mil.k Coin to buy Brand Token is better than using cash because they can benefit from discounts on the platform, and this means possessing Mil.k Coin leads to possessing potential right for discounts.

When transactions for Brand Tokens get active on the platform, the demand for its method of payment, Mil.k Coin will increase accordingly. And considering strong factor of discount it offers, the increase of the demand is more likely so.

The activeness of transactions on the platform is subject to the number of its users and the volume of Brand Tokens traded. This means that when there is a new service company joining the platform or a certain aligned company’s Brand Token trading volume increases thanks to the company’s growth, the demand for Mil.k Coin will increase proportionally.
7. Mil.k Coin Allocation

A total of 1,300,000,000 Mil.k Coins will be issued, and the plan for the distribution and allocation of the supply is as follows.

(1) Liquidity Supply (Around 28%)
Amount to provide liquidity for transactions on the platform, which is held by TICA. This can temporarily go up or down, but the volume will remain constantly and will not be distributed externally.

(2) User Distribution (Around 11%)
Amount to reward users for their participation on the platform. A user’s participation can be his/her account connection (from each service to the platform), purchasing/selling brand tokens, and other activities that contribute the platform’s ecosystem and increase the demand for Mil.k Coin. The amount will be distributed mainly to the partners’ existing customers for more than 2 years from the service launching.

(3) Partner Allocation (Around 37%)
Amount to be distributed to the aligned service companies, developing companies, and advisors. Distribution amount for each partner will be different depending on the point of joining the alliance, and the distribution schedule will be determined based on their contribution to the platform.

This amount is divided into A. Distribution with lock up schedule and B. Distribution for Contribution.

A. Distribution with lock up schedule: About 52% of the partner allocation.

- Lock up period is over 3 years (from the later date of: the company’s alliance-joining date or the date of initial listing)
- The amount has been decided to be distributed to 20 service companies (amount for each company is to be decided individually)
- In the beginning stage of the platform, a few companies are expected to be on it, and relatively small amounts will be distributed. As more companies join the platform over time, distribution amount will accordingly increase.

B. Distribution for Contribution: About 48% of the partner allocation. It is the amount rewarded to partners for inducing their existing customers to switch from its mileage point system to our ecosystem

- The whole period of distribution is planned to be 5 to 10 years
- Amount distributed to a service company: X% of the amount that its customers transact on the platform
- The rate gets reduced year after year to extend the period of distribution

(4) Amount to Fund Long-Term Operation (Around 14%)
This amount will be held by TICA to fund long-term operation of the platform such as technical upgrades, and
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(4) Amount to Fund Long-Term Operation (Around 14%)
This amount will be held by TICA to fund long-term operation of the platform such as technical upgrades, and only necessary amount will be used when such circumstances arise.

(5) Amount to Fund Initial Construction (Around 10%)
Amount to be funded in the beginning stage of the business and allocated to fund initial development and other such activities. Lock up period has been set to prevent the value of Mil.k Coin to be damaged with radical increase of supply. The period is about 2 years.

Use of Proceeds:
- Development and operation
- Launching and marketing
- Consulting on the law and accounting
To establish healthy ecosystem for Mil.k Coin and the alliance, we will prioritize maximizing Mil.k Coin’s utility by getting a number of service companies, customers, and general investors involved. That is phase 1 for the alliance.

With the plan successfully accomplished, phase 2 will begin where maximizing the value of Mil.k Coin will be prioritized.

Detailed explanations on the phases are as follows.

Phase 1.
The platform will increase Mil.k Coin’s usability by getting service companies to join the alliance and so, bring in their existing customers as well. This will increase the demands for Mil.k Coin and entice general investors with its concrete utility model.

Phase 2.
After having proven the platform’s successful functionality in phase 1, the platform will start applying a staking model where newly joining service companies will have to stake and take certain amounts of Mil.k Coin. In turn, they will benefit from the platform's marketing effect such as enticing new customers by promotions and events on the platform. As for customers, there will be service packages and additional discounts provided on the platform. These factors will lead to rewarding general investors for their stakes and further, increased demand for their investing on Mil.k Coin. This is the objective of the alliance.
9. Disclaimers

This white paper explains the business plan and vision and does not promise or guarantee that the contents of this white paper are accurate or that the business details will be implemented or conducted at a certain point in the future. Therefore, in the process of business promotion, based on reasonable management judgment, the contents regarding the business described in the white paper may be changed, supplemented, or deleted without notice to third parties, and it should be sufficiently recognized that the actual business promotion may differ based on business conditions and progress status.

In addition, restrictions may arise in the future regarding the issuance and use of cryptocurrencies based on the legislative direction of each country’s government in relation to this project, so some of the disclosures in this white paper may need to be changed.

The coins and tokens described in this white paper do not guarantee or signify that any equity interest, shares, debts, securities, beneficiary interests, bonds, management participation rights, or any other such rights based on these rights with respect to the platform’s business will be granted or claimable. Therefore, no benefit distributions or voting rights of any kind whatsoever are granted to the coin/token owners, including rights to claim or participate in the determination of dividends, distributions, or dispositions of profits that arise or will arise from the platform’s business. Furthermore, this white paper does not guarantee or signify that the platform will provide a certain quality or amount of goods, services, etc.

The sole purpose of this white paper is to provide potential contributors to the construction of the platform, etc. information regarding the platform, and thus the white paper is not binding in any form and does not impose any legal obligations on any entity. This white paper is also intended to broadly explain the future direction of development, and therefore does not include any form of agreement. Thus, any materials, codes, functions, etc. do not stipulate our obligations, and such disclosures may change based on a variety of variables.

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