

The White Paper of Mileage Point Integration Platform in Lifestyle Sectors

(Milk Coin)



version 0.9.8

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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 swap them interchangeably. It will gather small amounts of spread mileage points of various services into a meaningful amount and support the users' ability to swap 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 (Hereinafter 'Participating Company') 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.

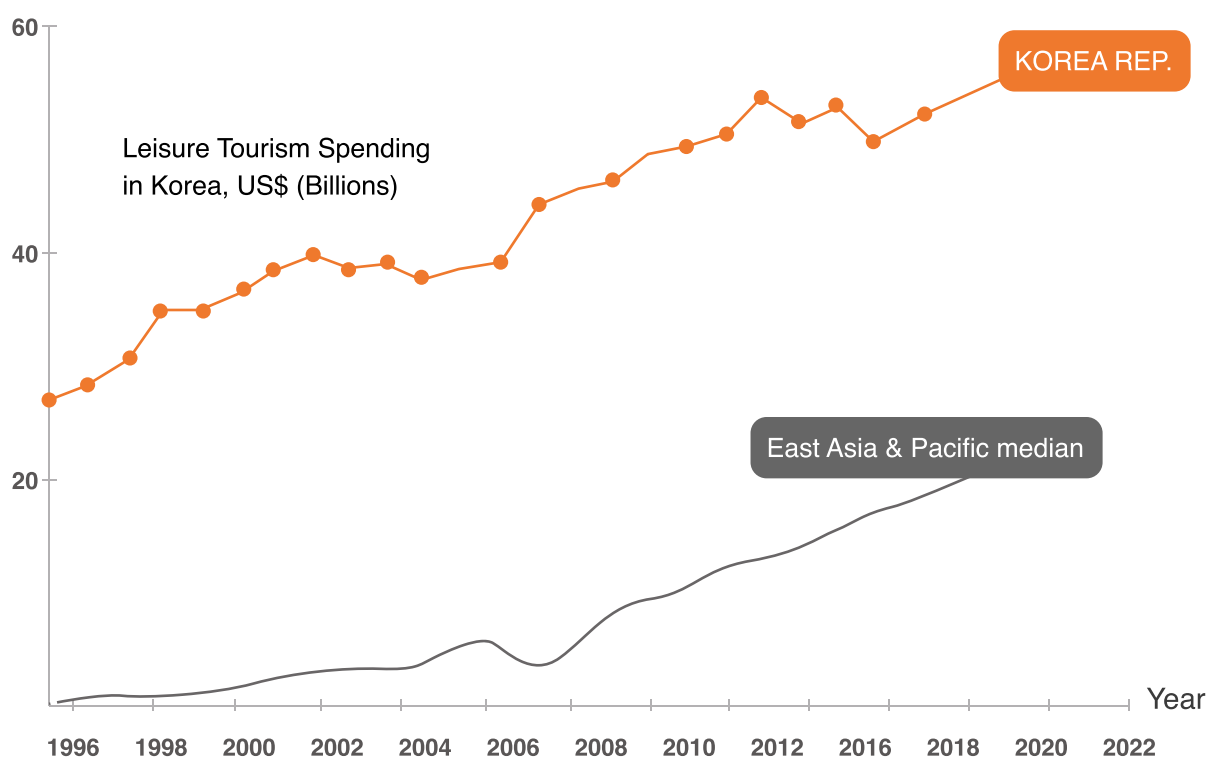
This project is supported through the joint efforts of Yanolja (the unrivaled leisure platform in Korea) and we are also in discussions with market leaders of various industries, and the number of participating companies will continue to grow. Through this project, we will demonstrate how blockchain 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 continuously.



<Data Source: World Travel & Tourism Council>

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).

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 the 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 representative 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 swap of personal information and the post-settlement.

For these issues, mileage integration and swap have been allowed only between certified businesses within the same industry or the 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 swap 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.

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 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 need 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 Milk Coin to each participating 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 Swapping 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 swapping mileage points in the token (Milk Coin), users will benefit from discounts when swapping the points. Further, by transferring Milk 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. By separating the data of each service company's mileage point, the internal information will not be leaked to other companies, and a company can check their chain and internal data at any time.

- **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's alliance 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 participating companies, we plan to create two types of tokens and a swapping 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 Milk Coin, which is the means to swap Brand Tokens on our platform.

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

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

- **Brand Token (BT)**

As Brand Tokens are the service companies' mileage points directly converted into tokens, the way of handling them is same as handling 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.

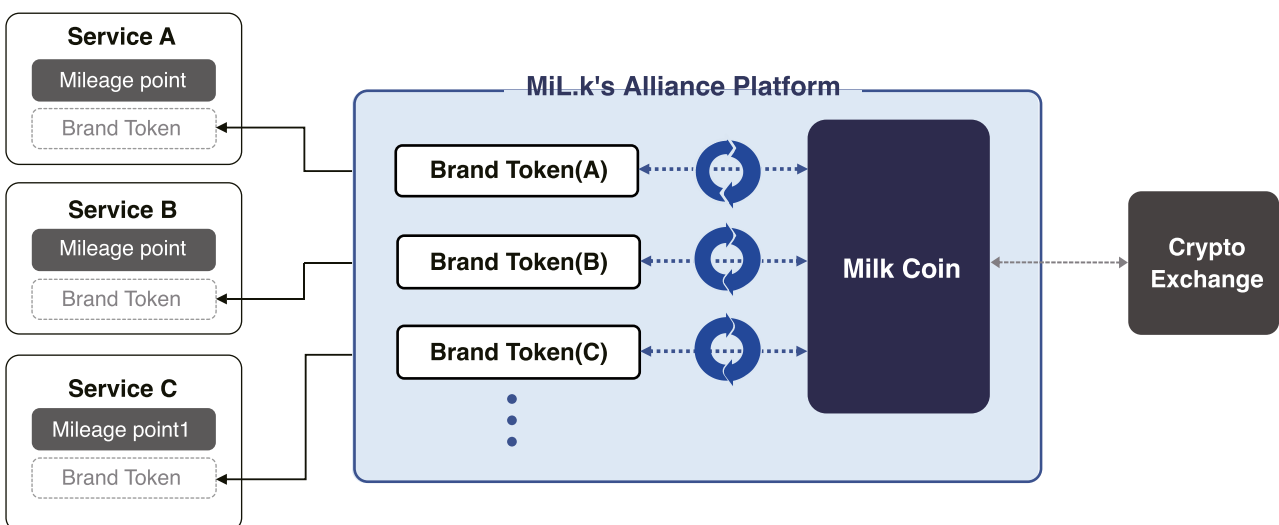
And yet, for users with Brand Tokens to use other functions to convert the tokens into other companies' Brand Tokens or into cash at crypto exchange, they must acquire Milk Coins by swapping their tokens first.

- **Milk Coin (MLK)**

Milk Coin is a cryptocurrency that functions as the currency of our platform and is the medium that integrates Brand Tokens of participating companies. On the platform, Milk Coin is the currency to swap with each Brand Token.

There are several ways to acquire Milk Coin. First, it can be earned when a user swaps his/her Brand Token (On the platform app) that he/she has earned by using its relevant service. Second, it can be traded at the external crypto exchange. Lastly, it can be individually transferred between users.

Since Milk 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**

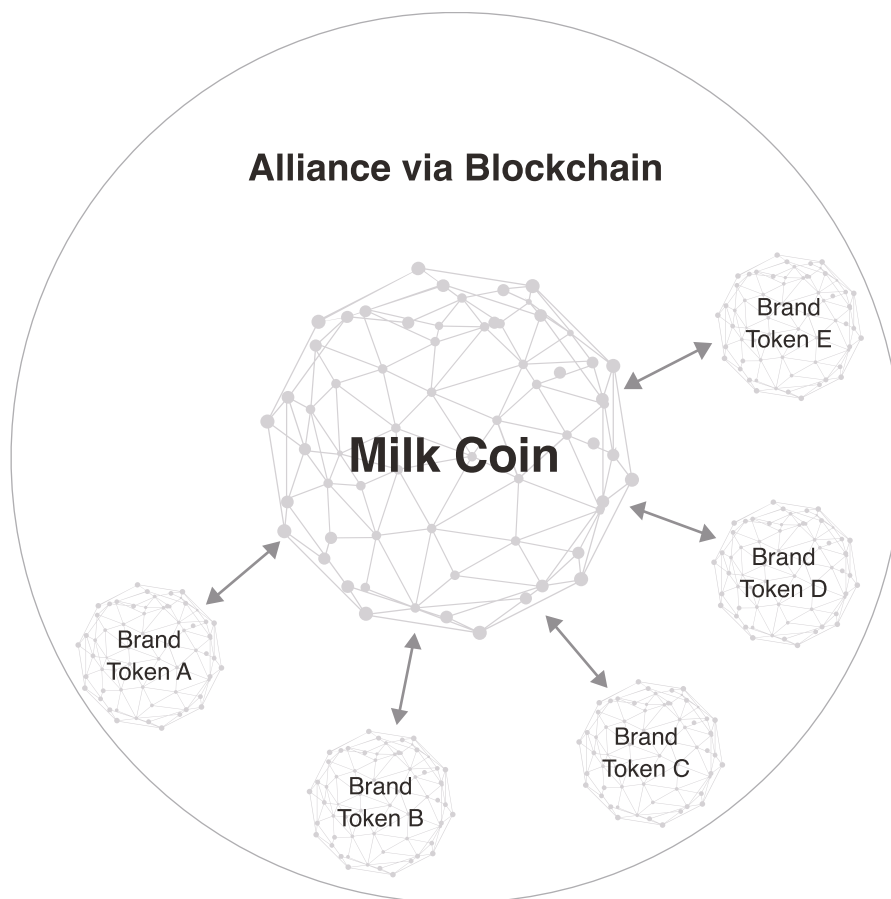
Our platform is not intended to have all the tokens on a single blockchain.

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 Milk Coin or other Brand Tokens.

To prevent those unwanted situations, we will organize completely separate blockchains for Milk Coin and each Brand Tokens. (However, Brand Token may not utilize the blockchain according to the arrangement with the service company.) 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 Milk Coin.

As shown below, the chain of Milk Coins will function as a square where each participating company’s users can gather and swap multiple Brand Tokens with Milk Coin.



3.2 Token Swap System

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

As mentioned above, our platform is the market for swapping Brand Tokens using Milk Coin. However, rather than individual, direct transactions between users, the platform itself will be a counterparty for the transactions based on the exchange rate set by its algorithm. And users will recognize this transaction as a mere swap between Brand Tokens and Milk Coins.

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

Detailed explanation of this is given below.

- **Swaps through the Platform**

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

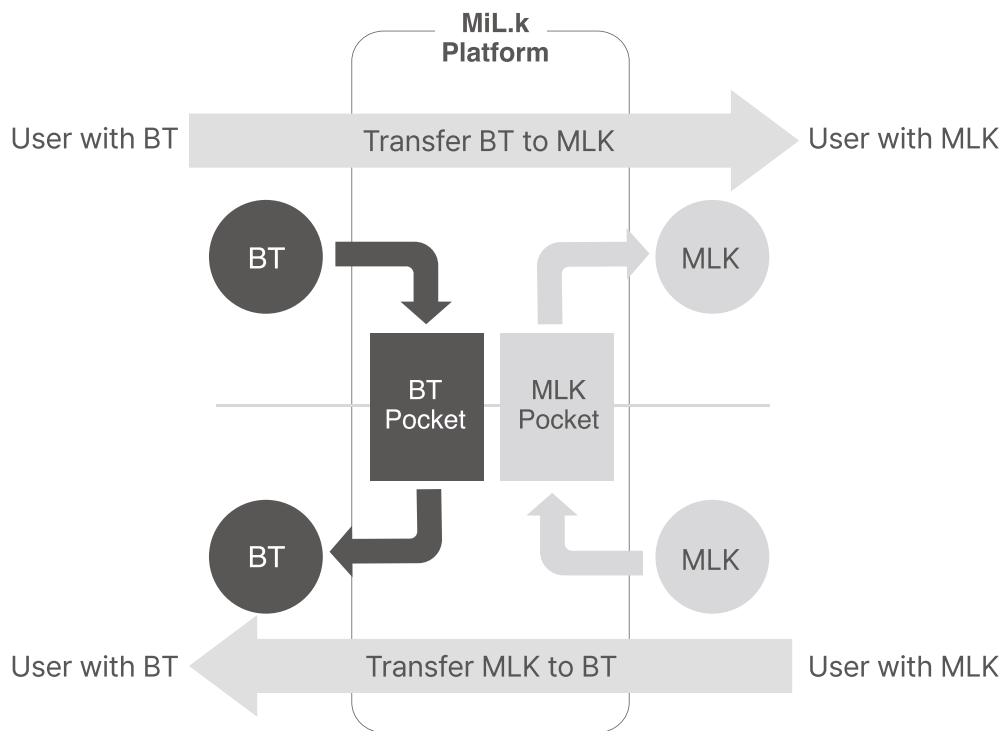
In that case, however, it would be quite hard to match wanted quantity and wanted price for each transaction, and the rate of 'deal accomplished' would be low. In other words, there will be unnecessary time and efforts required for users to make the deal.

Considering the size of a normal Brand Token transaction, which is small, and so the benefit from it is also small, such a 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 swapped to; not swapped directly between users.

That is, with its algorithm set the exchange rate for Brand Tokens, the platform will deal with all the demands for swapping 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 Milk 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 exchange rate of Brand Token**

The exchange rate of Brand Token (the exchange value of Brand Token in swap compared to the redemption value) will not be related to the price of Milk 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 swapping market, and Milk Coin just functions as the method of swap. For users who are swapping 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 Milk Coin's price fluctuation.

Accordingly, for Brand Token transactions, the exchange rate of Brand Token will be correlated to the preference of the Brand Token, and the amount of Milk Coin to be acquired for the swap will be decided reflecting the price of Milk Coin on the external crypto exchange.

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

Yet, this decision process of the exchange rate 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 exchange rate in each market is decided individually.

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

- **The demand for Milk Coin**

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

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

As the number of the swap increases caused by initial marketing events of service companies, the demand for Milk Coin will increase.

- 2) **Expansion of the platform with more participating companies in the growing stage**

Increase of the number of participating companies means that there are more Brand Tokens for customers to swap. Furthermore, with cross-offerings between the companies on the platform, the volume of Brand Tokens being swapped will increase.

- 3) **Increase of Brand Token swaps 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 swaps on the platform will proportionally increase.

4) Increase of customers' Milk Coin reserve caused by the platform's expansion into broad lifestyle industries

When the platform expands with more and more service companies on it, Milk Coin will be used by large customer groups for its benefit of discounts. Customers will constantly reserve Milk Coin for future swap, and this leads to increasing the reserving time and amount of Milk Coin owned by the customer. Consequently, the price of Milk 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's alliance, participating companies will get Milk Coin allocation (as specified in 7. Milk Coin Allocation) for their contribution to the platform. Major part of the allocation will be for each company's marketing promotions using Milk Coin. It will lead to increase the 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 exchange rate 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 Milk Coin ecosystem by stimulating healthy collaboration and growth within the alliance, we will set maximum and minimum limits for each Brand Token's exchange rate.

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

Detailed explanations on the maximal and minimal are as follows.

- The maximum exchange rate of a Brand Token is Y% of its usage value. When the maximum is reached, swapping Milk Coin to Brand Token will be restricted, and only the requests for swapping the Brand Token to Milk Coin will be accepted. When there are more demands to swap Brand Token to Milk Coin in the market, the exchange rate of Brand Token will go down again, and requests to swap Milk Coin to Brand Token will be accepted accordingly.
- The minimum exchange rate of a Brand Token is set by discussing with its service company because the exchange rate can be considered as the company's brand value (i.e. The minimum can be different between service companies).

- When the minimum exchange rate of a Brand Token is reached, the swap from Brand Token to Milk Coin will be restricted, and only requests to swap Milk Coin to Brand Token will be accepted. When there are more demands to swap Milk Coin to Brand Token in the market, the exchange rate will go up again, and requests to swap Brand Token to Milk Coin will be accepted accordingly.

Such a principle of setting the exchange rate 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's 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 participating 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 Milk 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 participating companies with customer acquisition. This can be narrowed down as follows.

- New comers to the platform with traded Milk Coin at the external crypto exchange.
- Existing customers of a certain aligned service getting to use another one on the platform with Milk 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 participating companies to collaborate on the platform such as 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 in 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 Milk Coin

As specified in 7. Milk Coin Allocation, participating companies will get Milk Coins. With increasing value of Milk 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, participating companies, and customers.

- **Platform Operator (Token Interchange 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 Milk Coins, TICA will be the exclusive main agent for supporting 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 the held amount of Milk Coin for supporting the swap are as follows.

Basic structure of swapping Brand Token

- Each swap is done between the user and the platform (TICA), not between users.
- When swapping, the exchange rate of a Brand Token is set by the platform with its algorithm.
- The exchange rate of Brand Token keeps varying with repetition of following situations.
 - Initial exchange rate announced
 - The request of swapping Milk Coin and Brand Token from users
 - Establishment of swapping Brand Token (user – platform)
 - Re-setting the exchange rate of the Brand Token

The source of the amount of Milk Coin to support swap

- TICA reserves some part of the total tokens (Milk Coin) only for providing Milk Coin to support the swap on the platform.

When the exchange rate 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 Milk Coin reserve would not change and maintain its stable phase. (The exchange rate of a Brand Token doesn't have to do with Milk Coin's price variations at the crypto exchange.)

- **Participating Companies**

Participating companies are the companies in the lifestyle industries that join our platform for the purpose of generating synergies with other participating companies.

As the goal of the alliance is to generate synergy among the participating 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 participating companies and must be under the service agreement with TICA.

In addition, participating companies that have joined the alliance will be the issuers of each relevant Brand Token and are liable for the obligations to utilize issued Brand Tokens following its redemption value.

- **Customers**

- **Existing Customers of the Participating Companies**

Customers of the participating companies within the alliance. They can receive relevant Brand Tokens by converting their mileage points of the participating companies and can swap them to acquire Milk Coins in turn.

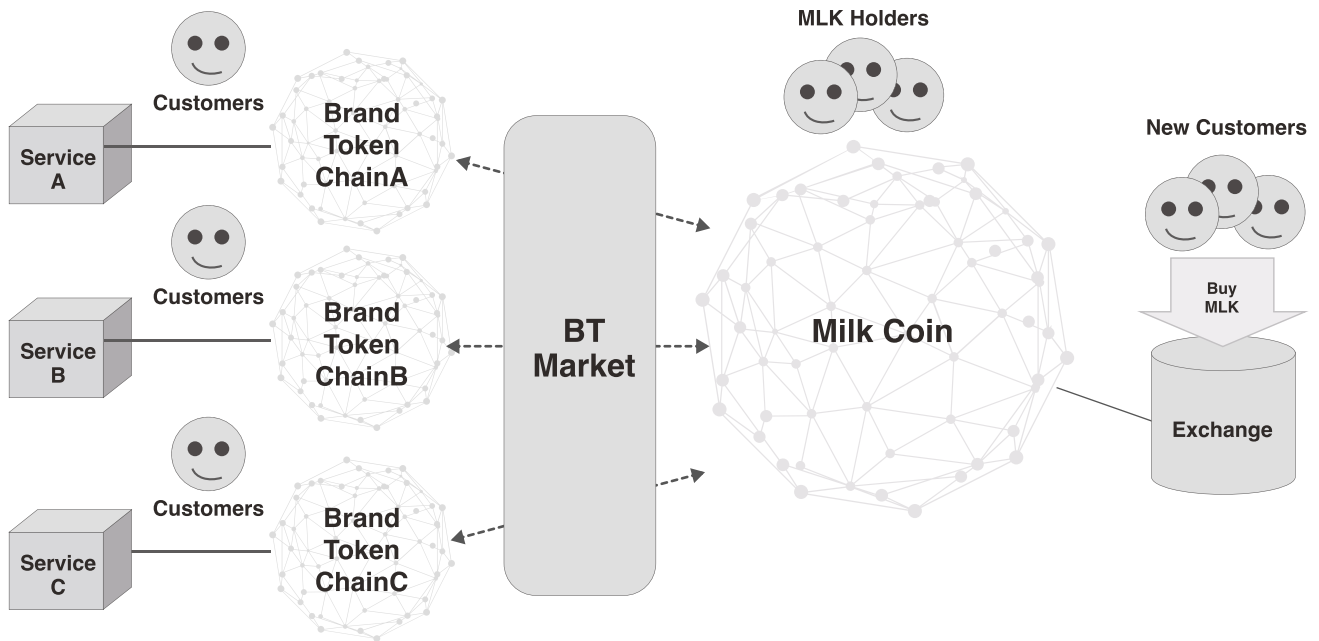
- **New holders of Milk Coin**

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

To use Milk Coin at a particular service company, they need to register for the platform, use its wallet app to swap the company's Brand Token, and register for the service company. In this process, they can earn a certain range of discounts compared 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

- **The initial composition of the blockchain**

MiL.k's Blockchain utilized the BaaS platform of Luniverse and had the structure of the main chain and the side chains.

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

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

The service chain for each Brand Token was linked to the participating company's legacy system, and the joining company to the alliance was provided the APIs for connecting to the blockchain.

The digital wallet that will be provided to users will be our platform's main DApp.

- **The migration of the mainnet**

For the global expansion of the ecosystem, MiL.k is planning to migrate its mainnet to Arbitrum One chain, the Ethereum Layer 2 in 2025. Considering various factors such as performance, user experience, and scalability, MiL.k will process all transactions through Arbitrum One chain without setting up a separate sidechain.

6. Our Platform's Features

6.1 The Brand Token Transaction System and its method of swap, Milk 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.

Milk Coin will be the only method of swap for transacting Brand Tokens on our platform and will serve as the means to integrate mileage points.

Since the price of Milk Coin at the external crypto exchange will have no influence whatsoever on the Brand Token transactions, users seeking to swap Brand Tokens with discounts, and combine their mileage points.

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

6.2 Ensuring Stability, Reliability, and Security for Participating Companies

As the blockchains for each participating company's Brand Token and the blockchain for Milk Coin are completely separate, each participating 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 participating company be changed by users or other participating companies.

Participating companies are not affected by the swap of Brand Token or Milk Coin's price fluctuation because they are not directly involved in the swap between Milk Coin and Brand Token.

Through this structure, participating 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, Milk Coin.

On the other hand, as for customers who have recently traded Milk Coin at the external crypto exchange and come into the platform to swap 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 Milk Coin's Intrinsic Value

As mentioned, Milk Coin is the only method of swapping Brand Tokens on the platform.

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

When transactions for Brand Tokens get active on the platform, the demand for its method of swap, Milk 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 swapped. This means that when there is a new service company joining the platform or a certain participating company's Brand Token's swapping volume increases with the company's growth, the demand for Milk Coin will increase proportionally.

7. Milk Coin Allocation

7.1 The initial issuance amount and allocation of Milk Coin

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

(1) Support for the Swap (Around 28%)

Amount to support the swap between Milk Coin and Brand Token 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 Marketing((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), swapping brand tokens, and other activities that contribute the platform's ecosystem and increase the demand for Milk Coin. The amount will be distributed mainly to the participating companies' existing customers for more than 2 years from the service launching.

(3) Partner Allocation (Around 37%)

Amount to be distributed to the participating 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 plan including lock-up schedule, and B distribution plan for contributions.

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 joining date of alliance or the date of initial listing)
- The amount has been decided to be distributed to 20 participating companies (amount for each company is to be decided individually)
- In the beginning stage of the platform, a few companies are expected to be onboarding on the platform, and relatively small amounts will be distributed. As more companies join the platform over time, the 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 participating 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 only necessary amounts 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 Milk 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

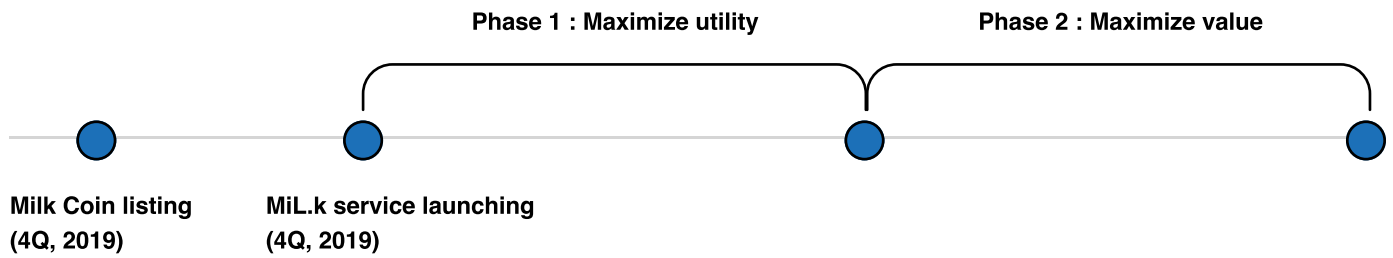
7.2 The changes of issuance amount and allocation of Milk Coin after burning.

MiL.k team has decided and announced on October 29, 2020 to burn some of Milk Coins from its initial issuance amount, 1,300,000,000 MLK for the activation of MiL.k app service and increasing the value of Milk Coin. The total of 313,754,581MLK has burnt in 3 times between November 2020 and June 2021.

As a result, the total supply of Milk Coin has decreased from its initial issuance amount of 1,300,000,000 MLK to 986,245,419MLK and after burning a certain amount of Milk Coin from each allocation, the ratio of allocation based on the remaining amount of Milk Coin has been partially changed as follows.

- (1) Support for the Swap (About 23%)
- (2) User Marketing (About 13%)
- (3) Partner Allocation (About 38%)
- (4) Amount to Fund Long-Term Operation (About 14%)
- (5) Amount to Fund Initial Construction (About 12%)

8. Roadmap



To establish a healthy ecosystem for Milk Coin and the alliance, we will prioritize maximizing Milk Coin's utility by getting a number of participating companies, customers, and general investors involved. That is phase 1 for the alliance.

Detailed explanations on the phases are as follows.

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

Phase 1.

The platform will increase Milk 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 Milk 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 a new business model where newly joining service companies will have to reserve certain amounts of Milk Coin and participate on the platform for the long-term. 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 reward general investors for holding Milk Coins and further, increase demand for their investing in Milk 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.

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