NIK PROTOCOL

REAL WORLD ASSETS

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From NIKPLACE

To NIKSPACE

1. Preface : From NIKPLACE to NIKSPACE
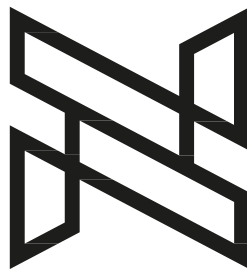
NIK
PROTOCOL

NIKSPACE seeks to give people trust by adding blockchain technology to existing methods under the slogan of "Grant Trust, Hold on Relation". To this end, we are launching the NIKPLACE project, which applies blockchain technology to the field of art and content that are inseparable from humans. By applying NIK token and NIKX technology to all areas of life, from PetDoctor, a non-face-to-face medical service, to Payrefun, an easy, enjoyable and smart year-end tax settlement accounting application, we want to create a NIK ecosystem so that people can lead a better life. "Grant Trust, Hold on Relation".

2.

NFT Art Platform NIKPLACE

: Beginning Of NIKSPACE

2. NFT Art Platform NIKPLACE : Beginning of NIKSPACE

2.1. Introduction

2.1.1. Recent Art Market Trends

2.1.1.1 Growth of Domestic Art Market

 The size of the art trade market is increasing. According to the '2019 Korean Art Market Performance' surveyed by the Arts Management Support Center, the size of the Korean art market is a worth a total of 922.3 billion won, including 328 billion won for auctions, 440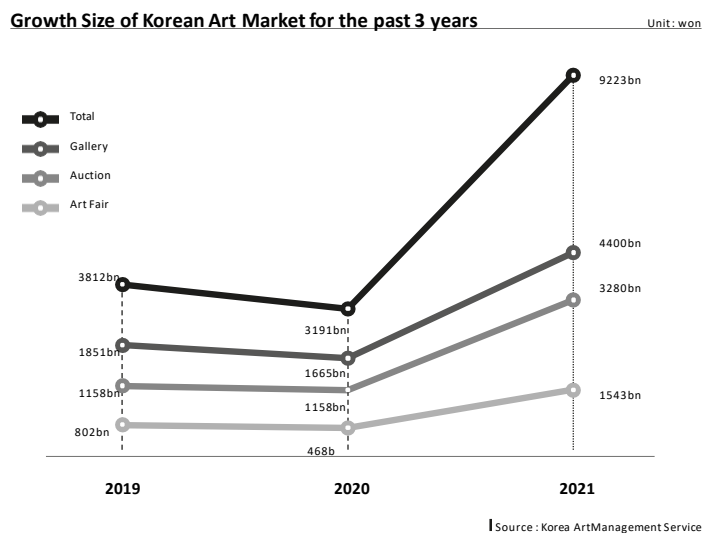 billion won for galleries, 154.3 billion won for exhibitions, etc. The size of the domestic art market is 922.3 billion won. The domestic art market has been growing since 2013, but in 2020, when COVID-19 broke out, the art market decreased   by 13.7% to 329.1 billion won. In 2021, however, it soared 2.8 times compared to 2020. In the auction market alone, it increased by 183.2% from 115.8 billion won in 2020 to 329 billion won in 2021, far exceeding 200 billion won in 2018 which is the largest annual winning bid. Compared to the size of the art market in other developed countries, which is 0.1 to 0.2% of gross domestic product (GDP), the Korean art market with only 0.02% of GDP has a big growth potential.

Growth Size of Korean Art Market for the past 3 years   Unit : won

	Total	9223bn
Gallery	4400bn
Auction	3280bn
Art Fair

3812bn · 3191bn · 1851bn · 1665bn · 1158bn · 1158bn · 802bn · 468b · 1543bn

2019   2020   2021

▌Source : Korea ArtManagement Service

2.1.1.2. Growth Factor of Art Market

2.1.1.2.1 Online Trend of Art Market

 Since the COVID-19 pandemic, overall social activities have shifted online and the 'untact economy' is emerging as a major issue. The art market is also undergoing many changes. According to the "2021 Art Market Report" published by Art Basel & UBS, sales in the global art market in 2020 remained at 50 billion dollars (about 55 trillion won)in the aftermath of COVID-19, down 22% from the previous year. In the first half of 2020, the size of the global auction market recorded 17.6 billion dollars (about 20   trillion won), down 30% from 2019. Accordingly, global auction companies are trying to make changes by boosting online sales and adopting hybrid system (auctions that take advantages of both online and offline).

The amount of online transactions in the global art market in 2020 doubled from 2019, accounting for 25% of all transactions. Art fairs have been held online rather than offline by introducs ing an 'online viewing room', and the online viewing room continues to be used as an auxiliary means of art fair events even after the offline art fair is reopened. Overseas exhibitions of Korean artists have also been transformed into simultaneous offline an d online exhibitions.

2.1.1.2.2. Art Tech Craze

The recent art investment 'Art Tech' craze is also expanding the market. According to Citibank's '2021 Art Marke t Report', the return on contemporary art from long-term investment assets from 1985 to 2022 was 11.5%, the second highest after private equity funds, and Masterwork's return on contempos rary art is much higher than 9. 5% of the S&P 500 index. In particular, the value of art is less sensitive to economic indicators than stocks and bonds, making it an attractive alternative investment asset.

Size of Online Art Market   Unit : dollar(Based on transaction)
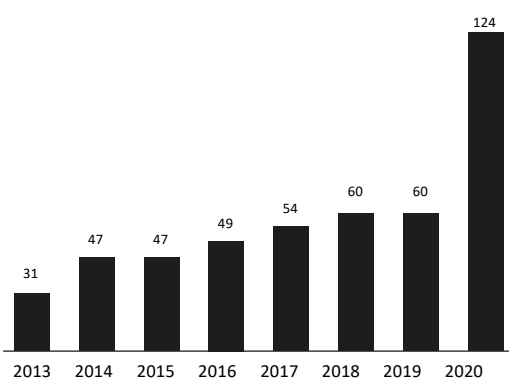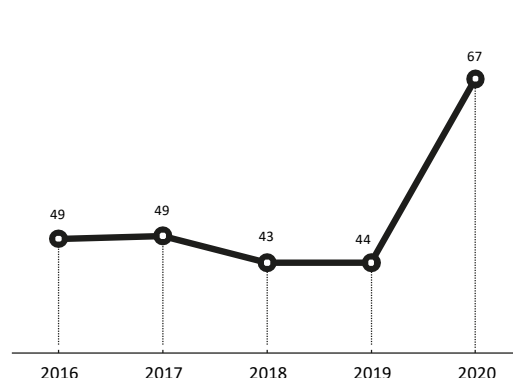

Source : Art Basel & UBS
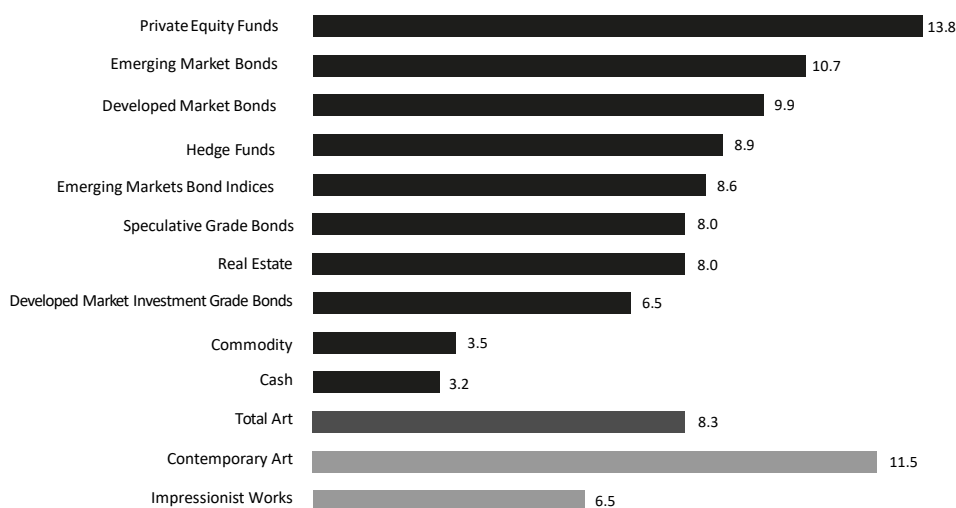
Percentage of Annual Art Online Purchaser   Unit : %

Source : Hoscox 2020

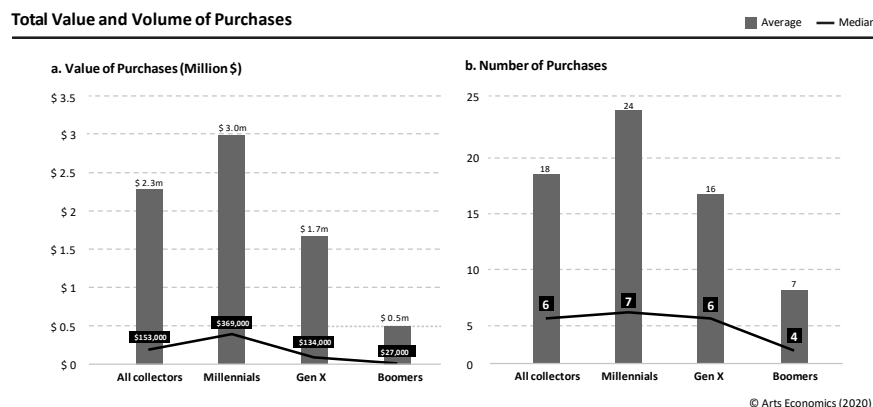**Comparison of Return by Investment Asset**   Unit : % (1985~2022 by year)

Source : Citi Bank

2.1.1.2.3. MZ Generation and New Collectors

Along with the online trend of the art market, growing influx of the MZ generation and the resulting change in the composition of the purchasing group are also noteworthy. The purchasing power of the MZ generation (collectively referred to as millennials born between the early 1980s and early 2000s as well as Z generation born between the mid-1990s and early 2000s) has remarkably increased, which brings new changes to the art market. The reason for looking at the future art market positively also lies in the purchasing power of millennials. According to the Art Economics survey of 1,300 High Net Worth people in 7 countries including the UK and France, millennial collectors accounted for the largest share of the art purchase market. Similar statistics were presented in "Art Market Report 2021" published by Art Basel & UBS. Among the 2,569 collectors with High Net Worth in 10 countries, includsing the U. S. and China, 56% were the MZ generation. As of the first half of 2021, millennials spend twice as much as Generation X and 4 times as much as the baby boomers on art. In a survey of 500 people with high net worth, half of the respondents said they intended to purchase digital works (NFT arts) within the next year.

2.1.1.2.4. Popularization of the art market

Along with the wealthy class who invests hundreds of millions of won in expensive works, there are increasing number of office workers in their 20s and 30s who collect artworks with spare money such as stock investment funds. This social phenomenon has occurred because the sense of distance towards art works has greatly decreased in society as a whole. In particular, Lee Kun-hee's collection, which was moved from the Samsung family storage to a public art museum after his death, received a lot of attention for donating a total of 23,000 works and paying the inheritance tax in kind worth 10 trillion won in market capitalization. In the meantime, more than 3 million people have visited the 'Lee Kun-hee Collection' exhibition, which served as an opportunity to get interested in various art collecs tions and investment in art. Artists and influencer collectors also had a great impact. Apart from exists ing artists, singers Song Min-ho, Kang Seung-yoon, and Henry who are familiar to us drew public attention when they exhibited at the Saatchi Gallery in London in October 2021. BTS RM is famous for collecting various works from domestic and foreign masters to emerging artists, and his fans are also interested in the works he is collecting. When RM went abroad to see the exhibition of Yoon Hyung-ges un, a monochrome master, the total amount of winning bids in the auction market for Yoon Hyung-ge

un in 2021 entered the top 10 for the first time. The development of information and communication technology and the sharing economy are also promoting the popularization of investment in art. The MZ generation, that has emerged as a mainstream consumer of the art market, is enjoying art in a new way, not only by purchasing famous artworks through online auctions, but also by jointly purchasing artworks without directly owning them.

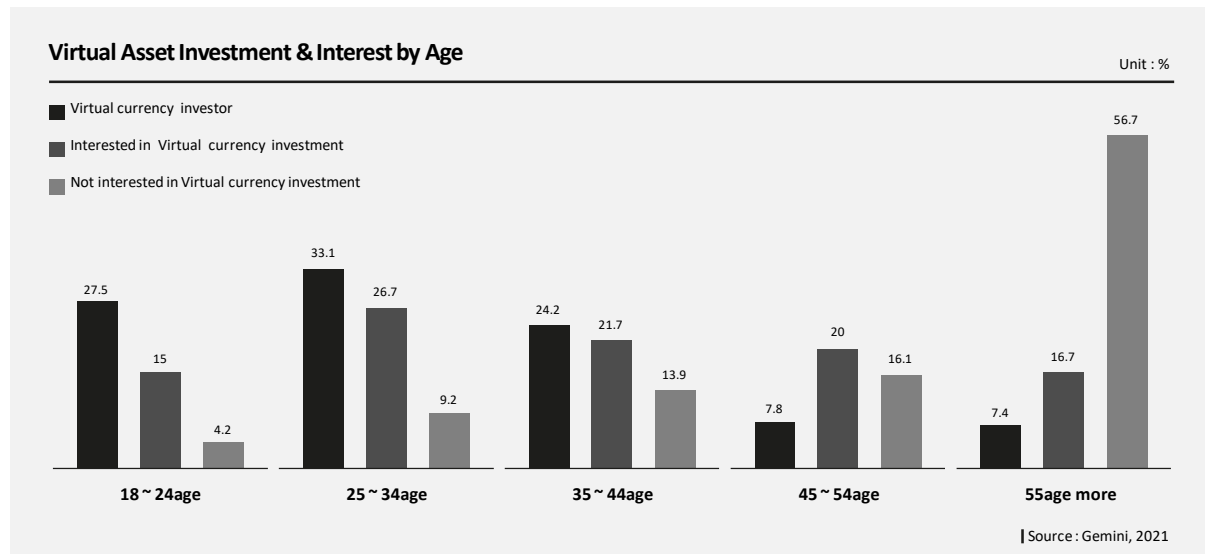## 2.2.2. Blockchain and Web 3.0, NFT

2.1.2.1. Growth of Blockchain Market

As the novel coronavirus pandemic has made it difficult to directly interact in the real world since 2020, transactions in the virtual world including online transactions have grown rapidly. In particular, the 'blockchain' technology, which shares content with all participants, is being naturally applied to society as a whole. Various business models are being developed based on blockchain technology, and a large number of start-ups appear mainly in the financial sector. As such, talent attraction and investment scale are also increasing. According to Pitchbook, a market intelligence firm, $28 billion was invested in blockchain startups around the world in 2021. As the blockchain industry enters the early stage of the technology cycle, investors are also showing interest in the blockchain market, where various opportunities continue to be offered. In the case of Open Sea, the world's largest NFT exchange, the company was valued at $13.3 billion in 4 years after receiving an investment of $100 million from Andreessen Horowitz, a company specializing in IT venture investment at the initial stage of its establishment. According to data released by The Block Research in 2022, the number of blocks chain-related unicorns has risen to 65 as large-scale investments have been made in blockchain coms panies.

2.1.2.2 MZ Generation's New Investment Methods

Virtual assets are more popular than the traditional investment methods because people can invest quickly and easily, while being in the spotlight with the MZ generation in particular. Furthermore, virtual asset investment can be made online 24 hours a day, 365 days a year, allowing access regards less of time and place. The MZ generation tends to prefer short-term, high-yield investment products when it comes to investing. In addition, virtual assets capable of short-term high returns are drawing attention, as it is difficult to prepare real estate assets that have surged due to wages and investments from existing financial institutions.

2.1.2.3. Web 3.0 Enabling Self-ownership of Data

Virtual Asset Investment & Interest by Age

Unit : %

■ Virtual currency investor
■ Interested in Virtual currency investment
■ Not interested in Virtual currency investment

	18～24age	25～34age	35～44age	45～54age	55age more
Virtual currency investor	27.5	33.1	24.2	7.8	7.4
Interested	15	26.7	21.7	20	16.7
Not interested	4.2	9.2	13.9	16.1	56.7

Source : Gemini, 2021

From 2022, Web 3.0 is appearing as a topic in various economic prospects. Web 3.0 is the third version of the Web, following Web 1.0 of the World Wide Web (www), which began as a browser in the early 1990s, and Web 2.0 with various features such as e-commerce and social media in the early 2000s. The evolution of web pages that change with the introduction of new technology can be seen as a process of data evolution. Unlike data in Web 1.0, data creates value in Web 2.0 which consists of user-generats ed data. For example, restaurant reviews posted on social media feel more reliable and valuable than restaurant promotion posts uploaded directly by restaurant owners. Moreover, the value of data is increasing, with the emergence of other services or businesses by analyzing user-created data to idens tify trends.The digital advertising business uses this data to create a lot of added value. Companies such as Google and Meta are generating advertising revenue based on the vast amount of data uploaded by users, which accounts for a large proportion of the company's total sales. In such a market environment, only companies can make profits based on user-generated data. While this structure created an awareness of problem, Web 3.0 concept emerged, which allowed individuals to freely own and exchange their creations and data in a decentralized environment without a platform that monopolizes data.

In Web 3.0, all data can be stored from around the world with blockchain technology centered on a distributed system, and data can be utilized without the intervention of companies such as Google and Meta through smart contract technology. Blockchain system that cannot be hacked or leaked can store, move, and hold data freely through NFT. This Web 3.0 will revolutionize the market.

2.1.2.4. NFT(Non-Fungible Token)

The online trend of art market and the emergence of the MZ generation with strong purchasing power have brought about new consumption category such as digital art. Amid these changes, NFT is considered a representative art tech different from the traditional art market. NFT can be seen as a certificate based on blockchain technology. By utilizing the characteristics of blockchain technology, NFT is evaluated to be free from controversies over manipulation, damage, and authenticity by encrypting all transaction details and purchase procedures such as payment, contract, and artwork transmission of creators and collectors. Since it has a unique identification value, it is convenient to store data (JPG, video, etc.) that is easy to copy. In addition, as the blockchain is optimized to preserve important records, the owners' records (provenance) are transparently disclosed whenever works are displayed or resold on other platforms. This enhances the transparency and efficiency of transactions, and eliminates the need for each transaction entity to specify reliability and transaction details individually.

2.1.2.5. NFT Transaction Trend

NonFungible, which analyzes NFT transactions, reported that the total amount of NFT transactions increased from 62 million dollars in 2019 to 250 million dollars in 2021. It recorded 220 million dollars in March alone, a 2.5 time increase from 2019. NonFungible classified NFTs into 7 categories: collectis ble, game, DeFi(Decentralized Finance), artwork, utility, Metaverse, and sports. Artworks recorded 30,000 daily transactions in March 2021, the second largest amount following collectibles in total transactions. The biggest topic at Christie's art auction in the spring of 2021was Beeple's digital paints ing work. This work, titled 'Every Day-5000 Days', is a collage of JPG files posted daily by Michael Winkelman for 5000 days. According to Christie, the work sold for 69.3 million dollars (about 78.5 billion won), making it the third-highest price in the history of auction for living artists. As Christie led a successful NFT auction with Beeple, NFT Art began to be actively accepted by auction companies. Sotheby's and Phillips joined the NFT art market with PAK and Mad Dog Jones, respectively. Not only auction companies, but also museum and gallery workers are rapidly showing interest in NFT items. World-renowned artists Damien Hirst and Takashi Murakami started to join the NFT wave, and Könick Gallery in Berlin also attempted an NFT auction.

2.1.2.6. Utility of NFT Art Market

Size of Global NFT Market   Unit : won

96bn

42bn

16.8bn

28.8bn   80bn
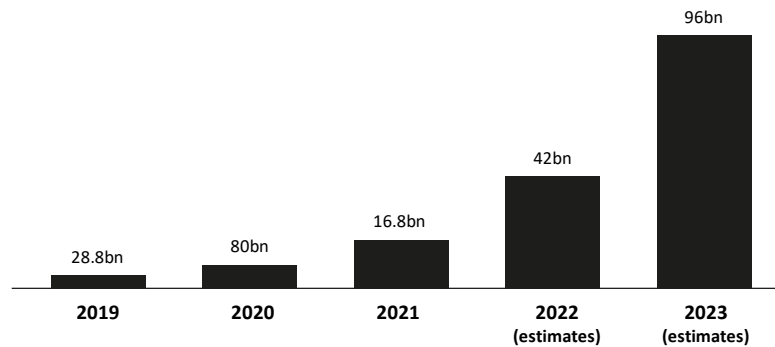
| **2019** | **2020** | **2021** | **2022** **(estimates)** | **2023** **(estimates)** |

| Source : statista, jaffray estates

It is no exaggeration to say that the NFT art market is led by art creators and their communities. In the past, crea tors who produced digital works had to make real products such as printed copies, stations ery, clothing, and m usic albums to earn profits from artworks. Paintings, videos, and sound recordings displayed and distributed onli ne only served as artists' portfolios and were vulnerable to copyright infringement risks such as unauthorized c opying and transformation. If NFT becomes popular and establishes itself as a means of trading digital art, this c opyright protection problem could be solved. This is because NFT-based technology has the nature of 'digital ori ginal copyright' in that it gives an irreplaceable unique recognition value. Furthermore, the 'Smart Contract' syst em enables safe and transparent transactions without contracts or certificates, thereby enhancing transaction e fficiency. This leads to the guarantee of the artist's Resale Right, because it can be systematized so that the orig inal artist can receive a part of the profit from the transaction when the work is resold. Unlike sound recordings and books, for which steady royalty payments can be received, no compensation can be received for artworks n o matter how much the price of the work rises, once they leave the hands of original artists. NFT will improve t he ecosystem by providing a new profit-generating strucs ture to the visual arts community.

The traditional art market had a structure in which both production and consumption were concens trated on a few privileged groups. NFT can act as an alternative to this closed structure. While exhibis tion opportunities in f amous galleries or art museums were concentrated on a small number of artists and the prices and entry barrier s of works were high, the NFT platform allows anyone to trade artworks transparently and efficiently. It can con tribute to the expansion of the ecosystem and enhancement of soundness by reducing the authority of instituti ons and distributing power to creas tors and consumers.

2.1.3. Limitations of Current Market

2.1.3.1. Problems of Untransparent Art Market due to Non-registration of Ownership

Transactions of artworks are not transparent in structure. There are no explicit regulations on owners ship regist ration or acquisition report, and it is impossible to set a fixed price due to the nature of the product. Furthermo re, no transaction records are left, making it difficult to identify transactions between galleries and individuals. S ince it is not a registered property, it is difficult for financial authorities to track it down, and an expedient can b e employed to report the purchase price low.

These structural problems often lead to controversy over counterfeiting of works, galleries that sell works secon darily have to make efforts to re-evaluate each work. However, it is difficult to say that this process is completely flawless. It is the controversy over the counterfeiting of 'Portrait of a Beauty' by Chun Kyung-ja that clearly sho ws that problem. In addition, the problem of the untransparent art market is a factor that makes it more difficul t to introduce the artist's resale rights. When the Korea-EU FTA was signed in 2011, it was decided to introduce t he resale right for Korean artists within 2 years after the agreement come into force. However, the resale right has not been introduced properly due to the difficulty of accurately tracking the transaction process of artworks. . The distorted perception of the art market caused by this raises the entry barriers for the public and hinders th e emergence and growth of new and unknown artists, adversely affecting all industries. Therefore, in order to c ope with these structural problems, it is necessary to increase accessibility to the art market and expand the po ol of consumers, rather than simply imposing taxes. In order to induce voluntary reporting and registration in th e industry, it is necessary to provide incentives or tax deductions for small art transacs tions, and to activate the o nline market.

2.1.3.2. Problems with Online Art Sales Platform

As online art purchases become more active, individual artists began to upload their works on the platform the mselves. This method has the advantage of being able to minimize the brokerage fees by selling works without multiple intermediaries in the process of selling works by artists. However, counterfeits or imitations are often r egistered on the platform due to the absence of screening for works. In particular, there are cases where someo ne other than the original artist steals the work and uploads it on the platform first, or uploads the actual work on the platform without permission. There is also the problem of copyright infringement. When a work is transf erred after registering on the platform, it follows the method stipulated by the terms and conditions of the tran saction platform. The right of digital ownership has not been legalized as ownership is not recognized under the current law for intangible objects such as NFTs. For this reason, the legal nature of NFT art transactions follows th e rules of the terms and conditions established by the platform and agreed by users at the moment. Whether th e transferee of NFT art has the complete disposal right and exclusive use right depends on whether the nature o f the transaction stipulated in the terms and conditions is a license or a compres hensive transfer of intellectual property rights. In this process, there is a high possibility that the specific contents of the terms and conditions will be inconsistent with the true intentions of the transs action parties.

2.1.3.3. High Gas Price Hindering Platform Activation

As traffic increases rapidly, problems such as errors and withdrawal delays frequently occur on Ethereum, the most popular blockchain platform. After the release of Ethereum 2.0, the EIP-4488 protocol was introduced in anticipation of reducing gas prices, but there was a problem that miners deliberately delayed transactions and eventually paid more. Currently, many users have to pay gas prices and other expenses with Ethereum blockchain wallets linked to the NFT minting platform for transactions with NFT minting, but there is a high burden of Ethereum gas prices incurred during remittance. This burden is a factor that hinders the develops ment of the platform in the long term by raising the entry barrier for new users.

2.2. NIKSPACE's First Project : NIKPLACE

2.2.1 NIKPLACE's Why

NIKPLACE's why is that "Think Different, Think Better: We want to add better thinking to the old way so that people can have better, progressive and enjoyable experiences." So, NIKPLACE is trying to challenge the problems and limitations of the field of art and content that makes humans more human, so that people can have better, progressive and enjoyable experiences. Therefore, we'd like to solve the problems raised above with an integrated platform based on Klaytn.

2.2.2. NIKPLACE's Solutions

2.2.1.1. Make NFT for artworks and their guarantees

Blockchain, which is called a public transaction ledger, boasts high reliability, security, and scalability beyond existing centralized systems through a mutually distributed ledger. Since transaction details containing various data are stored in a number of distributed systems, the risk of forgery and falsification can be eliminated, and efficient history tracking is possible. The NIKSPACE team stores artworks and their guarantees in NFTs that can operate on such a blockchain platform. Since a work is stored on the blockchain as an NFT, provenance of the work is created when it is traded, thereby securing the originalis ty of the work and preventing the controversy over counterfeiting. In addition, it is eco-friendly and permanent compared to paper guarantees, since there is no need to issue a work guarantee several times. Art works are stored as NFTs so that provenance is tracked and smart contracts can be applied, which guarantees the artist's resale right. In addition, royalties can be distributed to collectors and gallers ies participating in the transaction, creating an ecosystem where everyone can grow together.

2.2.1.2. Artwork Inspection & Management System Operation

Galleries have an eye to see good artists and works, and apply this to the NIKPLACE ecosystem. A device that primarily select artists and works is put in place by actively including galleries as players in the ecosystem. This makes it possible to curate works and block the possibility of registration of forgery and imitation of works. The NIKSPACE team also has its own work curating team to curate and select good works for customers across the platform. Furthermore, it plans to introduce an original author verification system using AI inside the platform to encourage more active registration of works.

Regarding character IP and PFP NFT, character IP and PFP NFT are supplied to the market through direct contract with the company that owns the character IP or project company. The NIKSPACE team supports all matters so that the company or project team can continue to carry out the project, helps ing customers who use NIKPLACE can access the project safely and reliably.

2.2.1.3. Building its Own Protocol & Platform based on Klaytn

A block chain platform Klaytn developed by Ground X, a block chain affiliate of Kakao, is drawing attention as a platform that compensates for the inconvenience and limitations of service users due to Ethereum's high platform fee and slow processing speed. The NIKSPACE team will build the NIKPLACE protocol based on Klaytn and use it as an integrated blockchain platform to provide a pleasant envis ronment for users and induce sustainable activities. NIKPLACE TOKEN (NIKTOKEN, NIK), which is used as a payment method and reward compensation, can be used to purchase NFTs or use other blocks chain services, thereby preventing excessive fees or service delays.

2.3. NFT Art Tech Platform

2.3.1. Platform Overview

NIKPLACE, the artwork NFT art tech platform, seeks to create an ecosystem to provide a reliable and sustainas ble service environment for creators and collectors. Therefore, NIKPLACE has built its own Klaytn-based protocol called 'NIK Protocol' to provide a platform that revitalizes the art market and makes the arts enjoyable by using NFT token NIKX to transform various artworks to NFTs for transaction.

Artwork NFT Platform
NFT (NIKX) Issue
NFT (NIKX) Buy
NFT (NIKX) Auction
Self-Wallet Service
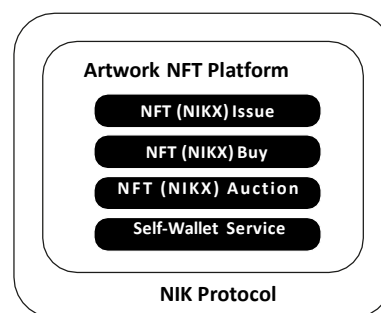
NIK Protocol

Figure 1. Platform Overview

2.3.2. NIK Protocol

The NIK protocol is a value exchange protocol for a more transparent art transaction. In the ecosystem to be created by the NIKPLACE protocol, all art transaction details are recorded on the blockchain, and this record is open to anyone. Through the blockchain network, it will create a transparent environs ment in the art market and lower the entry barrier to expand the consumer pool. The data reliability and transparency of blockchain technology can solve the chronic copyright infringement problems. Digital assets issued by NFT cannot be suspected of authenticity, and the holder of the painting is clear. In the event of a resale of the artwork, the original artist or the previous collectors of the painting lost their status on the platform and could not receive any compensation. In the new ecosystem, hows ever, they can acquire a fixed status and receive a portion of the profit from the resale amount minus the amount of work acquired as royalties. Their status arises from the transaction details stored in the blockchain network. In other words, the status is to gain strength based on the reliability of the transaction details. The roles of the participants in the n-th market is implemented through smart contracts and off-chain systems to provide a reward program to transaction contributors as well as resale rights to galleries and artists. Digital works issued through the NIK protocol cannot be forged or tampered with,

and their value can be recognized as a work because they have the nature of the origis nal like real works. Details on this are described in Chapter 2.2.2.2 Connecting Benefit. The NIK protos col enables the trading of artworks i n virtual reality. In particular, the NIK protocol creates an environs ment where the digitalized product itself can b e divided and sold. NIKPLACE's sales process of divided product also supplies new works derived from the origina l, which activates the art market. In the case of existing divided products, consumers cannot personally own any section of the work, whereas in NIKPLACE's divided products, a portion of the whole work or one complete visu al work is included is in the NIKs (receipt) that can be received after purchase, allowing for individual installation and appres ciation. Finally, it expands the art market with Metaverse that is still unfamiliar but cannot be ignore d. This will be explained in detail in Chapter 2.5 NIKPLACE's Mission.

2.3.2.1. Key Elements of NIK Protocol

The key elements of the NIK protocol can be explained by dividing them into On-blockchain and Off-blockchain as shown in the Fig. 1. When the NIKPLACE service requests NFT issuance, the uploaded digital assets are stored in the digit al asset storage within the NIKPLACE and an a ccessible URL is issued. Meta

data such as issued url, artist, issuer, initial sales price, etc. are stored in the

Klaytn meta data storage. When a URL accessible to the stored details is issued, the NIKX smart contract is executed. NIKX is issued as a result of execution.

| Figure 2. NIK Protocol Key Elements
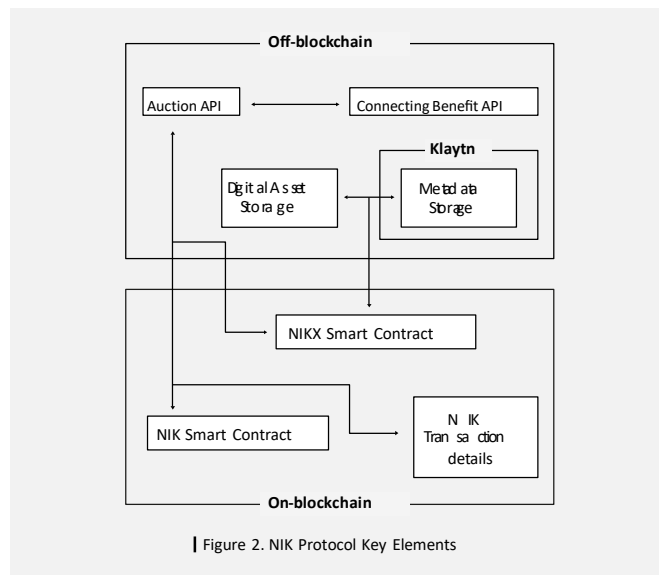
NIKX refers to the NFT issued by the NIKPLACE protocol. When the auction is successful, the NIK smart contract is executed to settle the payment, and when the settlement is completed, the NIKX smart con tract is executed and NIKX is sent to the successful bidder. All smart contracts run on the public blockchain. ' Connecting Benefit' is a royalty distribution method designed by NIKPLACE. Reselling NIKX brings transaction details recorded on the blockchain. The royalties are distributed to the artist and the previous painting collec tors in accordance with an established rule of distribus tion. A detailed explanation will follow in the next part .

2.3.2.2 Connecting Benefit

NFT artworks purchased on the NIKPLACE platform can be resold on the platform. When a buyer resells the NFT, the profit from the resale amount minus the acquisition amount of the work are generated, just like in traditional real transactions. The profit generated are distributed as royalties on a differential basis to the latest painting owner, the original artist, gallery, and previous painting collectors in accordance with the distribution rule. This process is called the 'Connecting Benefit' on the

Figure 3. NIK Protocol Reward Model
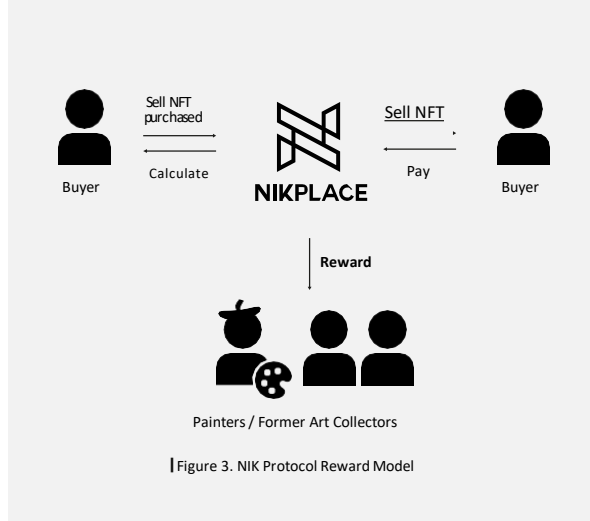
NIKPLACE platform. Rewards are paid in NIK. Among the profit incurred at the time of resale, 75% of the total amount is paid to the latest seller. 25% of the remaining 25%, or 6.25%, is paid to the original artist (painter). About 4.68%, 25% of the remaining amount after distribution, is paid to the issuer, the gallery. Regarding the balance amount after distribution as 100%, 25% is repeatedly paid to previous painting collectors. The least quantity of NIK in the NIKPLACE Protocol is 0.0000000000000001NIK. If the paid NIK quantity is less than the least NIK quantity, the least NIK quantity is paid. The remaining quantity after the distribution is returned to NIKPLACE. This is to cover the gas price incurred while running the Connecting Benefit.

L : Profit incurred from resale
(Resale amount-Acquisition amount)

N : Platform usage charge

A : Royalty to be received by artists

P_1 : Royalty to be received by the previous seller

Pn : Royalty to be received by the n-th seller in the most recent sorting(n≥3)

$$P_1 = L * 0.75$$

$$N = L * 0.03$$

$$A = (L - (P_1 + N)) * 0.25 = L * 0.22 * 0.25 = L * 0.055$$

$$G = (L - (P_1 + N + A)) * 0.25 = L * 0.04125$$

$$P_2 = (L - (P_1 + N + A + G)) * 0.25$$

$$P_n = (L - (P_1 + N + A + G + \sum_{1}^{n-1})) * 0.25$$

The Connecting Benefit is only executed when the profits are generated. If the resale price is lower than the acquisition price of the work, the connecting benefit will not be executed, because there is no profit. A chart is attached to help your understanding. There is 1 NIKX. The order of purchase is A, B, C, D, E, and F in time sequence from oldest. The order of sale is E(1st), D(2nd), C(3rd), B(4th), and A(5th) in time sequence from most recent. The situation is that E resells NIKX to F. At this time, the distribusion of the profit is as shown in the chart below.
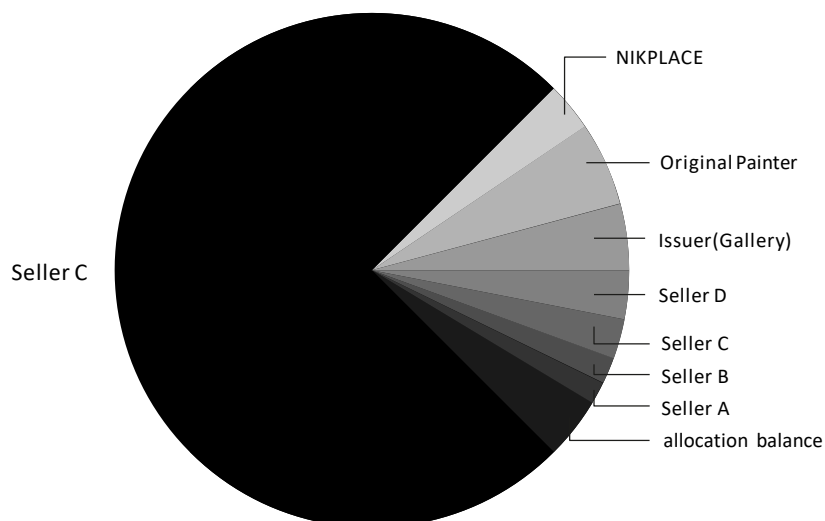
| Chart 1. NIK Protocol Reward Example

2.3.3. Detailed Features of Platform

2.3.3.1. Self-Wallet NIKHOLDER

As an e-wallet acquired by subscribing, this can store NIKPLACE TOKEN(NIK) and NFT(NIKX).

2.3.3.2. NFT Minting

The work can be minted with the accounts of gallery admin / artist admin / NIKPLACE admin.

2.3.3.3. NFT Purchase

When NFT works are first registered on the platform or released through Drops, that is, in the primary market, NFT works can be acquired in the form of a purchase. At this time, the work can be purchased with real money including card payment.

2.3.3.4. NFT Auction

This is a secondary market that is used to sell NFTs purchased in the primary market to other collecs tors, whic h consists of an auction system. NFT Auction uses NIKPLACE TOKEN (NIK) for transaction stability, and connectin g benefits are applied.

2.3.5 Giving NFT as a Gift

With the function to transfer tokens such as NFT from wallet to wallet, you can send and receive NFT as a gift b etween NIKPLACE members. You can also transfer tokens to an external wallet.

2.3.4 Product Types Handled by Platform

2.3.4.1. Real Works

2.3.4.1.1. Real works(Guarantees)

This is the transaction of the actual real works. It is a guarantee of a real work that operates as NFT on the platfo rm. When NFTs are traded on the platform, real works are traded, which is accompanied by the receipt of real works and the movement of NFTs.

2.3.4.1.2. Digital Edition of Real Work

This is a digitized work of a real work, and data in formats such as JPG and MP4 is the basis of NFT. It is a work and NFT in itself.

2.3.4.2. Digital Works

This is an artwork created by digital methods, and data in formats such as JPG and MP4 is the basis of NFT. It is a work and NFT in itself.

2.3.4.3. PFP Works

This collectively refers to character digital works and PFP works.

2.3.4.3.1. PFP NET

This is a PFP type NFT created based on character IP including generative art.

2.3.4.3.2. PFP ACC NFT

This is an accessory type NFT that can be mounted and synthesized with PFP NFT. It can be synthes sized with PFP NFT on the PFP exclusive platform 'NIKPLAY'.

2.3.5. User Scenario

We want to help you understand the token mechanism to be introduced in the future through general user scenarios of the NIKPLACE platform.

Terms	Definition
Gallery NIK	Busan LCT-based art museum that sells artworks both online and offline.
METANIK	NIKPLACE Protocol-based Metaverse
NIK	NIKPLACE Token unit
NIKOIN	Abbreviation for NIKPLACE Token
NIKX	NFT of NIKPLACE Protocol
NIKHOLDER	NIKPLACE' virtual currency wallet

ǀ Table 1. Summary of Key Terms in Scenario

ǀ Figure 4. NIK Protocol Sevice Model

Scenario #1:NFT Sales within Web service

Seller's perspective	Buyer's perspective
Gallery NIK wants to sell Work A on/offline. The digital asset is created by 3D scanning of real Work A.	Eden in his 30s is interested in financial technique. Offline activities are constrained due to COVID-19. He seeks online financial technique.
NIKX is issued for the digital asset through NIKPLACE web service.	He wants to buy NFT art from NIKPLACE web service
Sales of issued NIKX is carried out.	He purchases what he likes and selects
* The system automatically sends NIKX to the successful bidder.	
Sales revenue is transferred to NIK-HOLDER.	The awarded NIKX can be seen in NIK-HOLDER.

Scenario #2 : NFT Utilization within Metaverse

Seller's Perspective	Buyer's Perspective
Gallery NIK is also operating in META-NIK. META-NIK's gallery NIK handles only NFT art. Just like in the real world, it sells/auctions as well as exhibits the works.	Outdoor activities are restricted due to the COVID-19 pandemic. Anna is enjoying her outdoor activities through META-NIK.
	While browsing the exhibition held at Gallery NIK, she finds Work C and wants to buy it. She asks the person concerned about the purchase.
Work C was purchased for 10,000 NIK. The selling price was set at 17,000 NIK with royalties of 7,000 NIK. The selling price is informed to the buyer.	
	Payment is made with NIKOIN.
NIKX is sent to the buyer's NIK-HOLDER. Royalties arising from resale are distributed through the 'Connecting Benefit' system.	
	The purchased NIKX can be seen in My Space of NIK-HOLDER or META-NIK.

2.3.6. Token Model

 The NIKPLACE protocol is designed to allow all token model participants to have a fixed position in a sustainable and scalable revenue structure. It functions by enabling the issuance of NIKX, the most basic and important feature, through smart contracts. NIKOIN was created for a more secure transacs tion of NIKX.

2.3.6.1. NIKPLACE Token

NIKOIN is based on the KIP-7 token standard. As the target customers of the NIKPLACE platform is in Korea, it was designed as 'bApp'[1] in consideration of convenience and scalability in the future. The reason why NIKPLACE adopted Klaytn[2] is also in terms of investor protection. The biggest feature of the Klaytn platform is to first lay the institutional foundation necessary for popularization, even if decentralization, a key element of blockchain technology is somewhat abandoned at this point. As the government's sanctions imposed on the blockchain business are getting tightened, it is investors who are actually losing money due to several dApps that are shut down without a separate notice. It was believed that the blockchain platform with domestic birth background would be able to be opers ated stably within the allowable range. When the NIK value is stabilized and the payment usabi lity test is completed, the ERC-20 standard will also be supported in the future.

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[1] A name of Kalyton based application

[2] Klayton was developed by KAKAO subsidiary block chain company, "Ground X". It is a development platform for decentralized application Dapp like ETHEREUM and EOS.

NIKPLACE devised NIKOIN to defend against attacks (abusing, DoS attacks, etc.) that occur in online payments. It plays a role in defending the online payment process which can be seen as a kind of data exchange, by allowing the payment itself to be made through the block chain, not merely recording the result of the payment on the block chain. In addition, NIK provides rewards to users who conduct platform activities, marketing, and promotional activities that help activate the NIKPLACE services. There are various types of rewards, such as issuing NFTs, promoting social media, recommending friends, and purchasing NFTs. The amount of rewards varies depending on the difficulty, the value price of NIK, and the market circulation of NIK, which will affect the total amount of NIK mining.
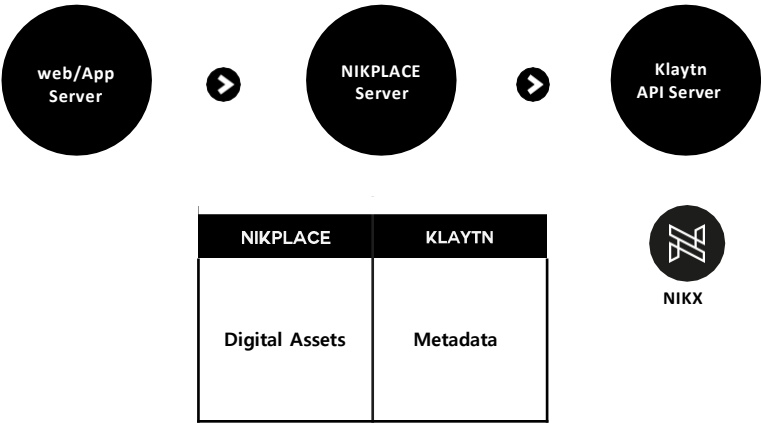

Figure 5. NIK Protocol NIKX Model

2.3.6.2. NIKX

NIKX is the unit and name of NFT issued by the NIKPLACE protocol. NIKX is based on the KIP-17 token standard. It was designed as a bApp for the same reason as NIKOIN. When NIK is expanded to the Ethereum-based token standard, NIKX is also designed to support the ERC-721 standard. NIKX can be issued in a variety of types as well as simple image digital assets. This means issuing NFTs for digital assets in various formats. This feature means you can buy ans sell copyrights as much as you want according to the issuer by putting items such as the scope of copyright use in NIKX. It is possible to expand to everything that is 'issued' in the real world, such as issuing NFTs to confirm purchase of real assets offline.

2.3.6.3. NFT Art Platform

As explained in the key elements, digital assets with value are stored in NIKPLACE's DB and the Meta Data including this proof is stored in Klaytn's DB. While reducing the dependence on the central server as much as possible, which is essential for digitalizing real assets, it guarantees the uniqueness and unity of data. The proof of Meta data issued by Klaytn is now issued in NIKX. With the above structure, NIKPLACE can issue any proof in NIKX. NIK adopted the picture standard system for value stability. At present, it is not easy to stabilize the value of NIK with this concept. We would like to try to control the amount of deposits-mining through NFT. Multi-token NIKX (KIP-37) containing NIK is issued. It is posssble to control the amount of deposits-mining like the gold standard, by suspending/resuming the issued multi-tokens according to the value of NIK.

2.3.6.4. Execution of Smart Contract

 The blockchain node is not directly installed on the NIKPLACE server for management. It executes pre-deployed smart contracts through the Klaytn API. This is to minimize errors that may occur during platform development and to keep the user's account key (e-wallet private key) more secure. NIKPLACE cannot access the issued account key by any means. When virtual currency suddenly disaps peared from my wallet, it is commonplace that the platform is ignorant, and users are often suspicious of the company. In fact, there are cases where reasonable doubts are raised. NIKPLACE is able to be free from this situation. The above method not only increases the reliability of the platform, but also goes in line with NIKPLACE's philosophy, which aims to raise NIK's value in a reasonable manner by creating an active ecosystem with a comfortable service environment, rather than aggressively trying to enhance the value of virtual currency.

2.3.6.5. Gas Price

 A fee is incurred for executing NIK and NIKX smart contracts. The execution of a smart contract is not a simple data transfer. It is a labor for very complex calculations. The fee for this labor, that is, the coms pensation, is called the gas price. Because the blockchain of NIK Protocol uses Klaytn main net, Klays tn's gas price formula is applied. The total gas usage varies by transaction, and more detailed informas tion can be found at Klaytn's Gas Price.

peb : KLAY's smallest monetary unit

F : Transaction fee

TG : Total gas consumption

GP : Unit price of gas (as of date of preparation:$25*10$ peb)

$w1$: Current price of 1 KLAY in won

$w2$: Current price of 1 NIK in won

$$1 Klay = 10^{18} peb , 1 Klay = (w1/w2) NIK$$

$$1 NIK = (w2/w1)10^{18} peb$$

$$F = (TG * GP)$$

$$F = (TG * 25 * 10^9 peb)$$

$$F = \frac{25 * TG * w1}{10^9 peb * w2} NIK$$

2.3.7. Introduction to Additional Services

2.3.7.1. NFT Drops

When the NFT project is first released, NFT will be released with Drops.

2.3.7.2. Works Safe Delivery Confirmation System

 If the guarantee of a real work is in the form of NFT, the NFT transaction means the transaction of the real work . Only when it is confirmed that the collector who purchases the work through auction receives the real work from the collector who sells the work, the NFT will be delivered to the buying collector, and the delivery cost including the NFT purchase price will be delivered to the selling collecs tor on the platform. In general, the seller is responsible for the direct delivery, but NIKPLACE somes times provides delivery service due to the special nature of art works.

2.3.7.3. Joint Purchase and Sale System of Works

This refers to a method of sharing art works after joint purchase of expensive works. After the joint purchase, the works are stored in the NIKPLACE storage, and auction participation, sale of the works, etc. will be carried out through the DAO decision of the joint purchase holders.

2.3.7.4. Deposit and Exchange Services based on De-Fi

De-Fi is expected to be operated with the NIKPLACE (NIK) token as the key currency. Through decens tralized financial services, the NIKSPACE team will provide holders of NIK tokens with various financial benefits such as deposit interest and mortgage loans. It also plans to establish an exchange system with various virtual assets so that individuals can directly exchange or trade without brokers or mans agers. The NIK token, the key currency of the service, will be used for payment of various fees and interest. As a concept similar to deposits, it plans to operate a staking service in which a certain amount of NIK is entrusted and profits are rewarded in return. Through the staking service, holders of NIK tokens will receive additional profit rewards just by holding the tokens. As the staking volume increases, the external circulation decreases and the value of tokens will rise further.

2.3.7.5. Art Pool Service

By placing NFT art and real art in the art pool, the collector commits to the commercial use and exhibis tion of the work until it is removed from the pool contract. In return, the owner of NFT art and real art will have the opportunity to showcase their work to more people. At the same time, 100% of commers cial profits and additional rewards will be distributed to the staking pool. The system is designed to procure NFTs and real works directly from the art pool for events or exhibitions. It is important to specs ify the authenticity or ownership of each work to prevent reproductions or imitations from being displayed. In doing so, skeptical potential buyers can be sure of the authenticity of the NFT.

2.3.7.6. Art Poster Service

When purchasing a digital edition of a real work in the primary market, an opportunity will be provids ed to purchase art posters for free or at the lowest price. When a digital edition of a real work is sold in the secondary market or auction, collectors who have purchased from the secondary market will have an opportunity to purchase art posters at a low price.

2.3.7.7. Ethereum Network Transfer Service

It provides a service to transfer NFT and NIKX issued by NIK Protocol which have been created based on the Klaytn network to the Ethereum network. By moving NIKX from the NIK Protocol to the Etheres um network, NFTs can be sold on Open Sea and Rarible serviced on the Ethereum network, with scalability being expected.

2.3.7.8. PFP NFT Specialized Platform : NIKPLAY

While the NIKPLACE platform that was previously serviced is an NFT transaction platform that started from real works, PFP NFT specialized platform NIKPLAY is a NFT platform composed of PFP NFT and PFP ACC NFT. Only PFP NFTs can be collected, viewed and traded, whereas PFP ACC NFTs can be synthesized into PFP NFTs on this platform. Compared to NIKPLACE, it has a more gamification form and can be used as a PFP and avatar in the NIKPLACE Metaverse and METANIC, which will be discussed later.

2.3.7.9. NIKPLACE Metaverse : METANIK

As a Metaverse-based art ecosystem that overcomes physical limitations, it provides a solution that allows you to enjoy NFT works acquired from NIKPLACE, NIKPLAY, and METANIK in your own space in various ways, including screens and VRs. It rents the space within the METANIC to galleries to form the expected space for each gallery. Art-related events such as exhibitions will be held, and PFP NFT can be used as PFP and avatars.

2.3.7.10. Genuine Work Tag

A tag is attached to the back of the work to immediately check the NFT guarantee, and used for authenticating the work. The genuine work tag makes it possible to scan through the NIKPLACE app and prevents forgery of the work.

▌2.4. Ecosystem

[NIK Protocol Network]

1) Payment
2) Transaction
3) Connecting Benefit

Nik Protocol blockchain is responsible for verifying and processing the above three. As described above, the main characteristic of the NIK protocol is to execute the distributed contract using the API. As the blockchain is in a transitional period of growth, network failures may occasionally occur. We were able to have a device that collects network failures in the form of a stack and retries in order. It is a device that solves the situation where the system is stopped because of a network failure but no callback, or protects against double errors caused by users in the disrupted situation, which enables the platform to be used more safely and stably.

2.4.1. Franchisees

Franchisee refer to companies that use NIK payment. They receive NIK as much as the price of prods ucts and services selected by users, and provide the corresponding items. Franchisees can introduce a blockchain payment system using REST API without linking to SDK or library. By providing options of

whether to pay the gas price, they can choose whether to receive the gas price from users or whether the franchisee will pay the gas price. The payment fee is less than 1%. Depending on the item using NIK payment, marketing and promotion can be carried out with consultation.

2.4.2. Galleries & Artists

After registering as a member on the NIKPLACE platform, NIK can be used as a secondary market transaction and payment option. Art works tend to take a long time to sell, which can be seen as a result of a closed structure. The NIKPLACE platform is in service around the world. To be more accus rate, the service is available in 177 countries based on the Android App Store. The sales period can be shortened by exposing gallery products to more customers. Since artists are guaranteed the right to resale with the Connecting Benefit, they can concentrate on their new work. The active art market means the growth of the NIK Protocol ecosystem. The growth of the Nick Protocol ecosystem means more rewards for artists, which is expected to help artists improve their livelihood and environment.

2.4.3. IP Holding Subjects & PFP NFT Project Subjects

IP Holding Subjects & PFP NFT Project Subjects refer to those who want to conduct IP NFT projects on the NIKPLACE platform. Based on NIKPLACE's experience of conducting the NFT projects, the IP Holds ing Subjects & PFP NFT Project Subjects can set up NFT roadmaps with the guidance of NIKPLACE, and proceed with NFT projects while building the holder community in the NIKPLACE community. In the current ecosystem where there are high hurdles in carrying out and promoting NFT projects, IP Holds ing Subjects & PFP NFT Project Subjects get help to make the project move forward in overall project progress and NFT minting, and users can access good projects.

2.4.4. Users

Users refer to those who own and use NIK to purchase artworks, goods, and services in the NIK Protos col ecosystem. When a user makes a transaction using NIK in the secondary market, they will be regiss tered in the Connecting Benefit and receive a certain reward from the next transaction. As long as the product exists in the NIK Protocol ecosystem, the Connecting Benefit will not end, so continuous rewards can be expected. The Connecting Benefit promotes growth and circulation of NIK as a reward program that applies to galleries, artists, and transaction contributors alike.

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[4] 'Gallery NIK' and 'Gallery the Sky' within LCT in Busan.

[5] Vision APIs provide a robust machine learning model that has been pre-trained through REST APIs and RPC APIs.

▎2.5. Mission of NIKPLACE

The NIKSPACE team aims to solve the problems raised earlier through blockchain technology and ultimately eatablish an NFT-based metaverse ecosystem.

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1) We provide a solution that allows for efficient and transparent transaction and management of artworks in offline galleries.

2) We provide a platform that promotes digital transformation of the art market and the expansion throughout the industry, such as online transaction of artworks and digital artwork curation.

3) We seek solutions to the serious piracy problem in the NFT market.

4) We provide 'META-NIK', an O2O metaverse platform that connects online and offline, to facilitate interaction bet ween creators and consumers beyond time and space constraints.

NIKPLACE issues individual information data protected via NFT for transactions. When a consumer purchases a desired work through exhibition or auction, NFT technology is used to link it online. An NFT that authenticates t he artwork in the offline gallery[3] is issued to conduct an online auction for real/digital assets, and the NFT issue d after the auction is delivered to the successful bidder, while his/her information is recorded on blockchain wh ere arbitrary copying, hacking or manipulating is impossible. Through the information contained in the NFT, buy ers will be able to fully own the value of the work including ownership of the work, the rights to post and resell, and copy protection. As such, the NIKSPACE team intends to solve the chronic problems of the art industry, such as illegal copyright infringement and product value degradation, and to support the promotion of a healthy art e cosyss tem.

As a responsible player to revitalize the domestic NFT art market, NIKPLACE strives to solve the probs lems of th e service. The biggest problem in the NFT art market to this day is unauthorized theft. NIKPLACE solves this by a llowing only galleries that have signed a contract to issue NFTs at the begins ning of the service. Google's Vision API[4] is applied to provide services that all participants can issue NFTs. The Vision API is applied to determine wh ether the NFT issuer and the original artist are identis cal.

NIKPLACE aims to create a metaverse-based art ecosystem that overcomes physical limitations beyond a simpl e trading platform. The NIKSPACE team provides a solution that allows users to enjoy the NFT works acquired t hrough the metaverse platform 'META-NIK' in various ways such as screens and VRs in their own space. Further more, by activating secondary creation, such as directly designing and selling metaverse items with purchased w orks, the content value of works distributed in NIKPLACE will be enhanced, and proactive appreciation and crea tive culture will be promoted. It will provide opportunities for emerging artists to exhibit their works and gener ate profits revenue. Furthermore, it will lower the entry barriers to works and the industry for more potential vi ewers and buyers, and will be an alternative to the cultural infrastructure and disparity problems that are conc entrated in major cities like Seoul.

3.

ECTENSION OF NIKPLACE

'NIK ECOSYSTEM'

NIKSPACE

3. Extension of NIKPLACE, 'NIK ECOSYSTEM' NIKSPACE

▌3.1. Remote non face-to-face pet medical service, 'Petdoctor'

3.1.1. Introduction

3.1.1.1. Current pet medical market situation

The recent pandemic affects all over the world and changed the life pattern from the root. One of the distinct change is non fact-to-face work in every side of life. COVID-19 virus which is spreading by contact forced the remote society avoiding close contact of people. The issue is COVID-19 is contaminating not only people but also pet animals and such cases are reported from USA, HONGKONG and other regions. These cases make people afraid of going out with pet animals seriously and keep people from visiting veterinarian. Similarly in Korea, people raised the issue of the non face-to-face medical service for pet animals. Especially, such remote medical service should be tested for pet animals prior to human so that the remote medical service for pet animals is going to be discussed and practiced sooner or later.

When we review the past situation, remote medial service for pet animal was tried time to time but failed due to network device, cost, and human resources issue. However, most of those challenge was resolved with the help of fast network, high resolution video call, and remote medical devices. Besides technical issues, legal issues are rising. The practiced veterinarian's interest is one of core issue for remote medical service but it is high time to discuss and introduce the remote pet medical services even from the small parts at the start.

3.1.1.2. Limitations of Current Market

It is commonly agreed to treat animals with remote medical service requires more attention than to treat human. There is inevitably communication gap among veterinarian, people, and pets that results short of information. Another issue is how exactly veterinarian check the situation of pet animals with remote devices. Technical faults, wrong information on animal also always possible. Due to these limitation, there should be acceptable guide for remote medical service like over seas practice. We may allow the veterinarians who has treated the pet animals on site to practice remote medical service. We have reference case for medical doctors can practice treatment and medical script remotely and send medicine to the patients who had visited the medical doctor on site before.

The regulations allow remote medical treatment under specific circumstances. We may take the recent pandemic situation into consideration to allow remote medical treatment with guide and regulation. It is already practiced for the residents in remote area from medical service since year 2009. The remote area residents case throws insight for remoted medical practice of pet animals. Animals in geographically out of medical service are in big demand for remote medical treatment.

The practiced veterinarians are currently not so favorable to the remote medical treatment. They worry the remote medical treatment would be beneficial only to such big size hospital which can afford to install all the equipment and devices for remote treatment and mid-small size hospital without remote medical service device would be excluded from this new market. It is another possibility to induce level systems of medical site according to severance. With this level system, simple treatment can be allowed only to small-mid size hospital.

3.1.2. How Petdoctor runs

3.1.2.1.   Remote non face−to−face medical treatment service platform with reception, chat advice, payment

3.1.2.2.   Medical treatment is practiced and recorded by NIKPLACE protocol that prevent forgery and fake information.

3.1.2.3.   Off−Blockchain allows users to access "My Data" with their mobile devices. It helps users to find and present the past information on medical treatment of their pet animals easier and quicker.

3.1.2.4.   Based on blockchain technology, it provides a linkage service that issues pedigree certificates as NFTs to manage pure bloodlines and foster companion animals for products.

▍3.2. Personal Year-end Settlement Accounting Service, 'Payrefun'

3.2.1. Introduction

3.2.1.1. Current Status and Limitations of Personal Tax Accounting Market

With the spread of autonomous commuting and non-face-to-face work due to the COVID-19 pandems ic, the definition and concept of 'work' are changing. The era of 'Free Agent' predicted by futurist Daniel Pink is becoming a reality. Free agents refer to a professionals who work under the desired conditions for place and time, apart from a large organization. In the past, experts in a specific area such as translators and interpreters fell into this area, but recently, the area is gradually becoming diversified to digital marketers, communication specialists, management coaches, etc. This phenoms enon is expected to accelerate further. In 2015, the World Bank predicted that the size of the online outsourcing market would grow more than 10 times from $1.9 billion in 2013 to $15 ~ $25 billion in 2020. As outsourcing increases, occupational groups and fields are diversified with the transaction amount per case also increased. In Korea, the gig economy (an economic phenomenon in which non-regular freelance work forms are spreading to cope with the rapid changes in the times) is widely spreading. It is fast becoming more common due to the COVID-19 pandemic as well as changes in labor policies and the environment, such as the 52-hour workweek. Companies that find it burdens some to hire regular workers are gradually shifting their employment to outsourcing. The related market is especially expanding with the emergence of talent and professional know-how trading platforms.

According to the big data analysis company IGAWorks Mobile Index, platform companies such as Kmong, Taling, Sumgo, and Class 101 saw their MAUs increase by 30% to 100% or more from February to April 2020, respectively, compared to the corresponding period of the previous year after the spread of Corona 19. According to Kmong, the size of the domestic freelance market is estimated to be around 16 trillion won, and it is still in the early stage of the market with high growth potential. Especially in Korea, the proportion of the self-employed is 25%, which is more than 3 times that of the United States, so the freelance market can be even bigger. Along with the growth of the freelance market, the personal tax market is showing significant growth. However, there are currently few services that can meet the needs of the personal tax market, which has 5 million people in the comprehensive income tax market and 18 million people in the year-end settlement market.

3.2.2. Payrefun's How

3.2.2.1 User-friendly UI makes it convenient and easy to use tax accounting services such as individual comprehensive income tax reporting and year-end settlement.

▌3.3. Giving Value to NIKPLACE(NIK)
: Expanding the real economy area through online and offline

 Starting with NIKPLACE, an art NFT trading platform, the NIKSPACE team plans to provide a variety of blockchain finance and payment services. In addition, the NIKPLACE (NIK) tokens will be applied to the real economy including offline payments, through its affiliates such as telemedicine service, Teles doctor and personal tax accounting service, Payrefun, in order to increase the value and usability of the tokens. The NIKSPACE team has established and will provide a payment platform called NKKPAY to enable online and offline payment with NIK tokens. By introducing NIKPAY system of NIK tokens to NIKSPACE, which includes its affiliates, such as non-face-to-face telemedicine service 'Teledoctor' and personal accounting service 'Payrefun', it will gradually expand to allow NIK tokens to be used in real life.

4.

Token Economy

4. Token Economy

NIKPLACE (NIK) token is a key payment and reward means in services to be opened in the future, including the NFT platform NIKPLACE. The supply and demand for NIKPLACE (NIK) tokens are as follows.

4.1. Token Supply : How to Acquire

- Tokens can be acquired through Presale, ICO, etc. conducted by the NIKSPACE team.
- Tokens can be acquired by purchasing and releasing WantCard, which is sold as multi-NFT tokens on the NIKPLACE platform.
- If NIKPLACE (NIK) tokens are listed on the exchange, NIKPLACE (NIK) tokens can be purchased with legal currency or other cryptocurrencies on the exchange.
- External cryptocurrencies can be exchanged for NIKPLACE (NIK) tokens on the cryptocurrency swap platform.
- Tokens can be acquired when purchasing NFTs such as art or artworks within the NIKPLACE service, or by rewards for purchases, royalties according to Connecting Benefits, etc.
- When operating deposit and swap services such as De-Fi and Art-Pool, token holders can acquire NIKPLACE (NIK) tokens as a concept of interest after fixing NIKPLACE (NIK) tokens to the staking pool for a certain period of time.
- The above contents are subject to change due to various circumstances including market changes, and NIKPLACE (NIK) tokens can be acquired through various other methods.

4.2. Token Demand : How to Use

- Payment : Auction in NIKPLACE, Petdoctor, and NIKPLACE related items
- Transaction : NIKPLACE(NIK) can be converted to external token and hard currency
- Swap : NIKPLACE(NIK) can be exchanged with external crypto currency in swap market
- Service : NIKPLACE(NIK) can be used as payment in services provided by NIKSPACE
- Staking : NIKPLACE(NIK) can be used for crypto currency staking service and getting interest
- Governance : NIKPLACE(NIK) can be usfed for NIK ecosystem governance

4.3. Token Retirement & Compensation

- The schedule and amount of retirement shall be decided by the NIKSPACE team in consideration of market conditions.

- In case of retirement, compensation, etc., it will be announced through the official website and community in advance.

5.

Token Information

5. Token Information

- Token Name : NIKPLACE
- Token Symbol(TIK) : NIK
- Main Net : Klaytn
- Type : Utility
- Total Volume Issued : 2,300,000,000 NIK
- Decimal Point : 16 Digits

6.

Token Issuance, Distribution & Lock-up Plan

6. Token Issuance, Distribution & Lock-up Plan

The total issuance of NIKPLACE tokens is 2,300,000,000. Tokens may be retired depending on the value of the token, but the total volume of tokens issued is maintained by reissuing as much as the retired volume.

6.1. Private & Public Sale Volume(Ecosystem Creation) : 10%

To create a healthy ecosystem for the NIKPLACE business, 10% of the total issued volume shall be allocated to the public sale volume. The private sale is going on for early investors on NIKPLACE and will be sold with a ceiling of 3% (69,000,000 pieces) of issuance. 100% of the sales amount will be set aside as a reserve. The reserve is maintained until the token price stabilizes. After the private sale ends, the remaining volume will be converted to public sale volume. It plans to allocate and distribute tokens in the order of the most smooth token distribution platform as possible, and will determine the distribution volume for each platform. To prevent 100% of the tokens from being circulated to the outside at a time, the tokens held after the first distribution are managed as a deposit. The public sale will proceed with the following structure.

6.2 Company Reserved Volume : 33%

Based on Lock-Up status for 4 years, it will be distributed after the NIK value is stabilized and settled in the market. In the event of a shortage of supplies, it will be distributed after going through a prior consent process. All reserves are deposited in dollars, the base currency unit.

6.3 Project Operation & Development Cost Volume : 3%

The NIKSPACE team has allocated 3% of the issuance volume to project operation and development costs, and plans to boost the stable operation of the project and development of various services.

6.4 Reward Deposit Volume : 1%

In order to increase the value of NIKPLACE (NIK) tokens, it is important to allow the tokens to be used for various services. It plans to expand the scope of use of NIKPLACE tokens by encouraging the use of services with various types of rewards, such as providing NIKPLACE tokens as incentives through various services including NIKPLACE, the NFT platform, and other partner services.

6.5. Business Partner Distribution Volume : 10%

This is the volume distributed to business partners who help boost the project. The NIKSPACE team aims to successfully operate the project by collaborating with several partners with outstanding professional capabilities in each field, and ultimately increase the value of the NIKPLACE (NIK) token.

6.6. Marketing Cost Volume : 1%

Various marketing activities will be promoted to increase the usability and value of NIKPLACE (NIK) tokens. It will be used for securing participants, stabilizing the ecosystem, and continuing the busis ness.

6.7. Team & Advisor Distribution Volume : 2%

It will be distributed to related experts who helped plan and design the initial project, including team members who participated in the planning, operation, and development of the NIKPLACE project. Using this NIKPLACE (NIK) token blockchain technology, it will be distributed for expansion of sustains able ecosystem and cooperatio n for system operation, and it is locked-up for 3 years to ban external distribution.

6.8. NIKSPACE Ecosystem Expansion Volume : 40%

It will be used to develop various services so that tokens can be used in real life, in order to build NIK's online and offline payment ecosystem, which NIKSPACE dreams of. It will expand the NIKSPACE ecosystem by distributi ng 20% each to telemedicine services, 'Teledctor', personal year-end settles ment accounting services, and 'Payrefun'.

7.
Milestone

7. Milestone

	On-Chain	Off-Chain	Business
21 Q1	- Architecture of Token and NFT model		
21 Q2	- Smart Contract development and release	- API development for block chain integration - Development of NIKPLACE platform	
21 Q3		- Web service development completion - Service QA/QC	- Beta service launching and post R&D completion
21 Q4		- App service development completion - Release to app stores	- Official service launching
22 Q1			- Apply Klaytn Partners
22 Q4			- List on exchange market like DeFi
23 Q3	Review integration with Ethereum based token and NFT	- Delivery system for art works planning - Delivery system for art works development - NFT drops service planning - NFT drops service development	- Launching Petdoctor
23 Q4	Release dApp smart contract	- Add NIK_HOLDER ERC token	- Beta service launching for delivery system for art works - NFT drops service launching
24 Q1		- NIKPLAY service planning - NIKPLAY service development	- Official launching of delivery system of art works
24 Q2		- Artpool service planning - Artpool service development	- NIKPLAY beta service launching - Ethereum network migration service beta launching
24 Q3		- Art poster service planning - Art poster service development	- PayRefun launching
24 Q4		- NIKPLAY development completion and service QA/QC	- NIKPLAY service official launching - Artpool service beta launching - Art poster service beta launching
25 Q1		- META-NIK service panning	
25 Q2		- META-NIK development	- Artpool service official launching - Art poster service official launching

	On-Chain	Off-Chain	Business
25 Q3		- Defi service development planning - Group purchasing and selling system for art works planning	
25 Q4		- Defi service development - Group purchasing and selling system for art works development	- META-NIK beta service launching
26 Q2			- Defi service beta launching - Group purchasing and selling system for art works beta launching
26 Q3		- META-NIK development completion and service QA/QC	- META-NIK service official launching
26 Q4		- Author verification system using Vision API development	
27 Q1			- Defi service official launching - Group purchasing and selling system for art works official launching - Author verification system using Vision API beta launching
27 Q2		- Hidden-Tag service for art works planning - Hidden-Tag service for art works development	
27 Q3			- Author verification system official launching
27 Q4			- Hidden-Tag service for art works beta launching

8.

Exemption Clause

8. Exemption Clause

8.1. This white paper has been prepared for the purpose of explaining services of NIKPLACE and NIKSPACE and may be reviewed and revised from time to time without separate notice due to business progress and other factors.

8.2. The version of this white paper was written based on the date indicated at the top of the document, reflecting only the contents of the business promotion direction and progress until that date. This paper is not complete, comprehensive, or final but intends ed to provide general information, and is subject to change at any time after the date of preparation without separate notice.

8.3. This white paper was not prepared for the purpose of raising or receiving funds. No one can raise or receive funds based on this paper, and the act of sending this white paper has nothing to do with the offer for purchase.

8.4.

This white paper was not prepared to propose an investment or to recruit investors, and cannot be construed as an investment proposal or recruitment of investors by any geographic or environmental factors.

8.5. NIK distribution is made through a separate contract from this white paper. The details of the contract shall be subject to the applicable contract. If the contents of this white paper do not match or conflict with those of the contract, the contents of the contract shall prevail.

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8.7. NIK as defined in this white paper cannot be construed as financial investment products such as bonds, stocks, securities, options, derivatives, etc. and no one can claim rights in any case. NIK shall not guarantee income and profit such as financial interest in any case. In addition, buyer s of NIK shall not in any case regard the purchase of NIK as an act for investment and profit generation, and no one shall understand or recognize it as an object capable of earning financial gain such as investment returns, interest, etc.

8.8. NIK performs full function at the time of transmission.

8.9. This white paper does not guarantee the integrity of the NIKPLACE Protocol business. Services of NIKPLACE and NIKSPACE will be provided to the extent possible for contracts ing parties who wish to use the NIKPLACE Protocol provide. With respect to the contents of this white paper, we are not responsible for any errors, delays in schedules, and relats ed matters that may occur in the process of providing and developing services, and no one can hold us responsible for them.

8.10. Covering the contents of the future plan, this white paper was written based on the implementation of the plan. However, it does not guarantee the implementation of the future plan, nor the contents of this white paper guarantee the integrity of services developed in the future.

8.11. The contents of this white paper cannot be construed as advice on law, finance, accounting, tax, etc. under any circumstances. In the process of purchasing and using NIKOIN, separate disposal may occur in terms of law, finance, accounting, tax, etc. Buyers or users may need separate advice on this. NIKPLACE and NIKSPACE are not responsible for these matters.

8.12. Due to reasons not intended by NIKPLACE and NIKSPACE, such as system attacks from third parties, natural disasters and force majeure, the creation of the ecosystem may be delayed, or other tangible and intangible losses may occur.

8.13. NIKPLACE and NIKSPACE are not responsible for the buyer's risk caused by loss or leaks age of the buyer's personal key.

8.14. It is not free from all risks, including decline in token value, changes in the market envis ronment, uncertainty, political risk, and competition with other companies, which may result in disruption of the development of NIKPLACE and NIKSPACE or change in the service direction and plan.

8.15. NIKPLACE and NIKSPACE are a technology under development, and changes in techs nology that may occur during the development of technology may negatively affect NIKPLACE and NIKSPACE.

8.16. NIKPLACE and NIKSPACE do not delegate or transfer all decisions to others, including the operating policy of the ecosystem and the suspension of operation, and all decisions are made at the discretion of NIKPLACE and NIKSPACE.

9.
Contact

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