

**WHITEPAPER**

# PIXY BOX & TOKENS

NFT BOXES



PIXYBOX

[www.pixybox.io](http://www.pixybox.io)

## 1. Executive Summary

Pixy Box is the first gamified curation platform and accelerator for NFTs (non-fungible tokens). The mission is clear: boost sales, circulation, and exposure for creators and brands, while allowing collectors to unbox and discover rare digital assets. Via the Pixy Box Marketplace, collectors unlock sealed packages of NFTs, curated from diverse pools (Collections) of NFT assets. Curation is at the core of our value proposition. As such, the platform's commission structure incentivizes curators (independent contributors) to develop balanced, high quality Pixy Box Collections.

Through the Pixy Box Launchpad, creators can host decentralized crowdfunding campaigns. The launchpad framework Pixy Token creators to sell customized ERC-20 tokens to raise funds to support the creation of future NFT projects. For collectors, this feature allows them to be early investors and direct supporters of creators. It also Pixy Token them to earn passive income from the sales of the creator's future work.

The underlying tech is a powerfully scalable dApp (decentralized app) launching on BSC in Q1 2022. We will migrate to Polygon in Q3 2022. Concerning governance, Pixy Box is a fully functional DAO (decentralized autonomous organization), where token holders vote on decisions that impact the future operation of the platform. Users also vote on the roster of creators that get to launch tokenized crowdfunding campaigns. Pixy Box merges the ingenuity of artists, with the transparency of blockchain, and the excitement of mystery Box.

For creators, Pixy Box increases direct sales and ongoing royalties for their portfolio. For collectors, opening Box provides opportunities to discover new artists and scout valuable assets for their NFT portfolios. For curators, crafting high quality collections is directly incentivized via commission.

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## 1.1 Value Proposition for Creators

For creators, the platform greatly expands the exposure, reach, and circulation of their work. Creators receive proceeds each time their work is sold within a Pixy Box. Smart contracts ensure they also benefit from subsequent resales of their work. Through Pixy Box Launchpad, creators can host tokenized crowdfunding campaigns to support the development of future NFT projects. To further cultivate a vibrant community, we have also established the Pixy Box Fund. From this pool, creators can apply for grants to support the creation of innovative pieces of work.

We understand the time, effort, and creativity that goes into creating unique work. As such, we prioritize direct monetization pathways for creators.



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## 1.2 Value Proposition for Collectors

For collectors, the platform is a fun, beginner-friendly sandbox to build and curate their NFT collections. Each Pixy Box gives them access to unique limited-edition assets with approachable price tags. One value of curation is that it eliminates the “paradox of choice” hurdle which can be frustrating for mainstream shoppers. Moreover, the auction framework does not appeal everyone. Pixy Box simplified, fixed price framework will attract buyers who do not like the stress or strategy required to participate in auctions.

Through Pixy Box Launchpad, collectors gain early access to invest in the careers of emerging and well-established creators. By participating in a creator’s coin offering, they unlock the ability to earn passive income from future sales of a creator’s work. They are also directly supporting creators in a streamlined, transparent, and decentralized way.

We recognize that not every art collector is highly tuned into blockchain. Therefore, we have set a low barrier to entry to the platform. Delving into the world of NFT collecting no longer requires a high degree of tech-savviness or an engineering degree. Our streamlined onboarding and purchasing framework will appeal to collectors across age and economic demographics.

Pixy Box offers collectors a fun, curated, beginner-friendly platform to collect NFTs and invest in emerging artists.

## 2. Current Market Frictions

### 2.1 Valuation

The scarcity of NFT assets makes the valuation of individual pieces difficult. Currently, investors see NFT sales history as the best metric for determining the value of an asset. Yet the transaction history of an asset may be skewed due to a market manipulating practice called wash trading. Wash trading occurs when an investor places a sell order, then places a buy order to fulfill his or her own sell order. This chain of transactions is completed with the sole purpose of feeding misleading information to the market. Given the relatively small number of NFT assets being traded today, the impact of this practice can have a particularly distorting effect. Pixy Box will work with external auditors to highlight potential wash-trading activity.

Pixy Box pools NFTs and their associated trading histories from a wide variety of sources. These values are displayed to buyers and seller to encourage balanced pricing practices. By unifying these values on one platform, Pixy Box offers transparency that facilitates value discovery for cultivators and traders.

Pixy Box eliminates the possibility for wash trading through its unique mystery box framework.

## 2.2 Circulation

The one-of-a-kind, indivisible nature of NFTs makes them inherently illiquid. Fungible assets can be broken up into smaller pieces and freely traded on exchanges. Non-fungible assets must be purchased in whole, directly from the sellers. Buyers must use multiple, unconnected platforms to search for NFT pieces, and then bid individually on them. This 1:1 transaction mechanism presents friction that hinders circulation and scalability.

Pixy Box increases the supply of NFTs by:

1. strategic outreach to traditional artists and creators across categories
2. facilitating the tokenization of their existing body of work
3. offering attractive grants to support the creation of exclusive content

Pixy Box increases the demand for NFTs by:

1. lowering the barrier of entry for new collectors, enthusiasts, and speculators
2. gamifying the purchasing experience using the mystery box mechanism
3. consolidating high quality NFTs, aggregated from many sources, into one place

Pixy Box increases circulation and liquidity within the NFT market by boosting both the supply and demand of tokenized collectibles. Inclusion in a Pixy Box Collection increases the probability that a creator's assets are sold, instead of remaining stale on a marketplace.

## 2.3 Incentives

Since the sector is still in the early stages, there are no well-established incentive mechanisms to encourage creators to tokenize their art. Unlike in the physical art world, where the routes to monetization, brand recognition, and fame are well established, the options for digital artists are opaque. We see the emergence of NFTs as a prime opportunity to work with creators to create value and grow their careers in this new frontier.

Pixy Box boosts the volume and exposure of tokenized works by independent creators.

Current platforms can be intimidating to new collectors. Each platform exists in its own silo. This causes users to jump between sites if they want to build a diverse portfolio of assets. Sticker shock is also an issue, since the reserve prices for individual pieces can make the barrier of entry too high mainstream collectors.

Pixy Box simplifies the discovery process. Instead of searching for individual NFT works via many different platforms, users can purchase Pixy Box filled with a variety of limited-edition, and potentially highly valuable collectibles, aggregated from across the NFT ecosystem.

Pixy Box seamlessly bridges multiple platforms and lowers the barriers of entry for new NFT collectors by being easy to use and not requiring high initial investments.

## 2.4 Transparency

Traditional collectible markets are often opaque. From creation to the initial sale, to secondary market sales - every transaction around an NFT associated asset is public and traceable. Given the decentralized structure of blockchain, these underlying properties cannot be altered or tampered with. This property of immutability is absent in the traditional collectiPixy Tokenmarket, where trusted clearinghouses are needed to verify that a piece is not forged or stolen.

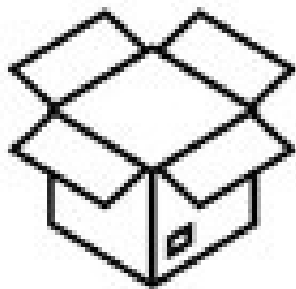


## 3. Game Mechanics

### 3.1 Overview

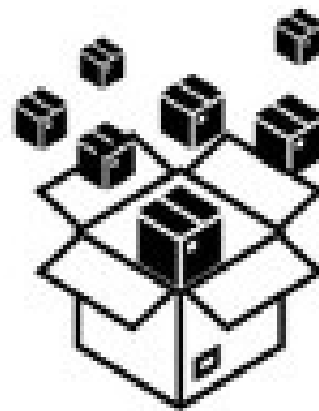
# Decentralized Autonomous Marketplace

Curated Collections Meets Blind Boxes



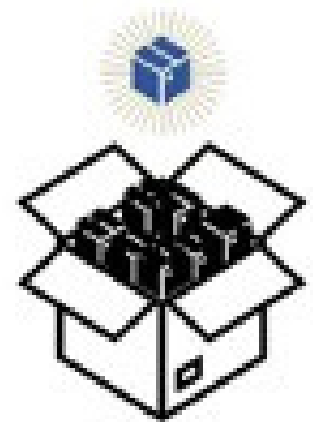
Curator\* creates an empty collection

Curator invites creators to join the collection



Creators add NFTs to the collection

A flat rate is set for all boxes in the collection



Collectors draw boxes randomly from the collection at the flat rate

- Curator chooses the size, theme, and collaborators for the collection
- Curator whitelists creators that can join the pool
- Creators freely price their own NFTs
- Curators can remove mispriced or undesired NFTs from the pool
- Buyers can see the overall contents of a collection
- Boxes are randomly assigned, and the contents are only revealed once the draw is opened
- Curator and the platform split the commission from the collection's total sales

Commission


5%

Curator

5%

Platform

\*anyone can be a curator



**First collectiPixy Tokenare aggregated from platforms, brands, and individual creators. The works are then pooled by curators into collections and offered for sale. Each box in a collection has the same price (equal to the average value of all assets in the collection). Box are released from the collection at random until the collection is empty. The individual creators receive 90% of the proceeds from the sale of their own NFTs. The remaining 10% is split equally between the curator and the Pixy Box platform**

**Market dynamics will reward curators that create balanced collections. For example, blending a select number of pieces of high monetary value, with more moderately priced assets will make the collection more appealing to buyers. For buyers, anticipation, the element of surprise, and the desire to collect NFTs drive the appeal for purchasers. Opening Pixy Box also rewards players withPixy Tokens.Pixy Tokens offer users with voting rights and the ability to create their own Pixy Box.**

**Pixy Box incentivizes curators to scout talented creators, bring them to the platform, and generate income.**

## 4.Tech

### 4.1 NFT Overview

Non-fungible tokens (NFTs) are unique, non-interchangeable assets, minted on-chain. These tokens can be linked to anything from digital art to physical assets. The core attributes of NFTs give them unique value and categorically separate them from other types of assets. These properties include being verifiably unique and indivisible. The transparent nature of the underlying code means that the scarcity and ownership of any given token are evident without the need of a trusted intermediary. We view the emergence of NFTs as a continuation of a paradigm shift from centralized to decentralized systems. This framework is now unlocking fresh business models for the creators of digital and physical collectibles.

Cryptokitties was one of the first widely known NFT projects when it launched in 2017. This dApp was originally built on the Ethereum blockchain. It has since migrated to its own smart contract protocol, Flow. Through this dApp, players collect, breed, and trade digital Kitties. Each Kitty represents a unique NFT that lives on a blockchain. The underlying token for each Kitty encodes a unique genome that defines its appearance, traits, and hereditary lineage. Cryptokitties cannot be replicated and cannot be transferred without the user's permission. The company behind Cryptokitties, Dapper Labs, has generated nearly \$100 million in NFT sales so far. In February 2022, Dapper Labs announced that it was raising \$250 million at \$2 billion valuation.

Most NFTs currently in existence are tied to one-of-a-kind digital collectibles, however the potential scope for this technology is expansive.

## 4.2 Pixy Box DApp

The Pixy Box DApp is being built with scalability, interoperability, future integrations in mind. Non-fungible tokens (NFTs) are unique, non-interchangeable assets, minted on-chain. While NFTs can be minted in various standards, Ethereum's ERC-721 is the most ubiquitous. Today Pixy Box is being built to accommodate Ethereum standards. Notably, our long-term roadmap includes support for alternative standards including ERC-1155.

It is evident that the Ethereum Mainnet has several limitations which prevent it from being fully viable for DApps aiming to operate at scale. In the setting of NFTs, one key hurdle curbing mainstream adoption is high Ethereum gas fees. Depending on the network traffic, it can cost between \$25 and \$100 to mint a single ERC-721 token. These rates can make it cost-prohibitive for some users to mint and trade NFTs on the Ethereum Mainnet. Layer 2 solutions are designed to address this and other key limitations for dApps on Ethereum.

## 4.3 Bridging

Compared to other layer 2 solutions, BUSD has the most robust solutions for protocol interoperability. The TokenBridge architecture is used to seamlessly move and convert assets between chains. With the BUSD chain, the bridge converts Dai into BUSD. Once converted, BUSD is used as a native token for transactions on a chain, where block times are fast and transactions are stable and inexpensive. When a user is finished using BUSD, they can convert it back to Dai using the same bridge.

Instead of setting up a proprietary bridge infrastructure, we utilize the Arbitrary Message Bridge (AMB), with the associated set of validators, to relay contract method calls from one chain to another. This allows users to stake ERC-721 tokens to the platform and withdraw ERC-721 tokens from the platform. As such, NFTs, along with all associated metadata, are seamlessly transferred across chains with minimal fees and energy expenditure. This system provides a fast and inexpensive way to create and manage NFTs across the ecosystem.

DAI, a decentralized stablecoin soft-pegged to the US Dollar, is the unit of account in the Pixy Box dApp. We utilize OmniBridge to form a bridge between the Ethereum Mainnet and BUSD. This allows users to seamlessly stake and withdraw DAI (ERC20). There are no fees to transfer assets from Ethereum to the BUSD chain. The fee to transfer assets from the BUSD chain to Ethereum is 0.05%.

## 4.4 Pixy Boxing Process

**Creators add individual NFTs to the platform using a clean user-friendly interface.**

- **Creator generates empty collection in BUSD through the Main Smart Contract**
- **Creator deposits the NFT to NFT Holder, a smart contract in Ethereum deployed by the dApp**
- **NFT Holder syncs its states to the Main Smart Contract in BUSD through AMB**
- **Creator adds the NFT into a collection through the Main Smart Contract**
- **Creators have the option to add one or more items to a collection before selecting "publish"**

**Success! After publishing the collection, the NFTs are ready to be randomized and then offered to collectors to purchase as Pixy Box.**

## 4.7 Integrations

Pixy Box uses APIs to aggregate historical pricing and trading data existing NFT platforms and ecosystem partners such as Open Sea and Rarible. This data assists in valuation and is provided for reference to Creators and Collectors. We will also provide an integration to MetaMask for users to store their NFT assets.

Pixy Box will migrate from BSC to Polygon in 2022 Q3. Polygon allows blockchains to seamlessly interoperate in a parallel and agile manner.

## 5. Project Timeline

Artists have already started to be onboarded to the platform. Ecosystem partnerships are developing organically and on a steady trajectory. The user interface demo will be ready by August 5, 2022. The smart contracts will be completed by March 7, 2023. Looking ahead, we will have the product running on test-net by July 15, 2022. The public launch is targeted for August 2022.

## 6. Considerations

The security of our platform is an important consideration. One potential vulnerability would be safety issues within the BUSD side chain. Currently, we are not aware of any concerns or breaches. The protocol has a strong track record, as demonstrated by other platforms building on it (Perpetual Proto, Honeyswap, 1Hive, Circles).

Of particular importance is the possibility of smart contract vulnerabilities. As such, we are committed to a rigorous 3rd party auditing process. Other considerations include complex hacks, token wallet malfunctions, and other operational mishaps. To further safeguard our stakeholders, we will onboard a decentralized insurance provider such as NexusMutal.



## 7 Partnerships

### 7.1 Creators

From the onset, we are targeting creators across broad categories of art and collectibles. Independent creators and established NFT platforms will be key partners for the Pixy Box platform. We currently have 100+ artists on our roster. The platform is currently invite-only and we are accepting applications here.

Until recently, digital creators have had limited avenues towards monetizing their work. One means has been to leverage advertising-fueled platforms such as Instagram, YouTube, Facebook. Here, the road to monetization is opaque, especially for less established artists. While a small group of artists can profit through these channels, most artists struggle to gain recognition and income in these crowded, algorithm-driven spaces. Another pathway to revenue has been the licensing of access to content via centralized platforms such as Shutterstock, or Spotify. Although these deals can be somewhat lucrative for individual creators, the ability to earn through this route is typically limited to only the most famous creators.

Tokenizing an artwork transforms it into a verifiably unique asset. This paradigm Pixy Token digital creators to sell their work the same way that creators of physical art can. Owing to the transparency of blockchain and smart contract, NFTs mean assets can be traded at their fair market values, without the need for trusted intermediaries.

NFTs open entirely new pathways for digital creators to earn near term and recurring income for their work.



## 7.2 Ecosystem Partners

**We see existing platforms such as Open Sea, Rarible, and Dapper Labs as potential partners for this project. We are also in conversations with established gaming platforms and other sources for high quality NFT assets. Through the extensive networks of our founders, advisors, and project investors, we are actively engaging KOLs, celebrities, influencers, and communities within the art, gaming, and crypto spaces. We see Pixy Box as an enabling hub within the broader ecosystem. Follow our Medium channel to see our most recent partnership announcements.**

**The nascent NFT market is in an exciting building phase. Pixy Box is primed to be a trusted partner to established and emerging stakeholders across the industry.**

## 8.Tokenomics

### 8.1 Supply, Staking, Burning

**PiXY TOKEN** is the governance token of the Pixy Box platform. In total, only 100,000,000,000 Pixy Tokens will ever be minted. Out of the total supply, a minimum of 500,000,000 \$PiXY TOKEN will be reserved for community issuance.

The primary way to acquire \$PiXY TOKEN is by participating in the ecosystem. For example, players mine tokens each time they open a Pixy Box. Other ways to acquire \$PiXY TOKEN include:

- selling NFTs for \$Pixy
- trading \$PiXY TOKEN through centralized and decentralized exchanges
- receiving mining rewards for winning or voting in competitions
- receiving a Foundation Grant as a creator

Many of the advanced benefits of holding PiXY TOKEN arise from the world of decentralized finance (DeFi). Key reasons to hold \$PiXY TOKEN include:

- Earning interest by staking Pixy
- Using PiXY TOKEN to pay for NFTs
- Voting on issues that determine the governance of the platform
- Using PiXY TOKEN to vote in contests

The platform will also feature a token burn mechanism to counteract the potentially inflationary effects of mining.

By offering staking and other layers of utility to BLES, Pixy Box is bridging the gap between traditional consumer marketplaces and DeFi.

## **9. Disclaimers**

### **9.1 Important Notice**

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**(ii) debentures, stocks or shares issued by any person or entity (whether Pixy Box and/or the Distributor)**

**(iii) rights, options or derivatives in respect of such debentures, stocks or shares;**

**(iv) rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss;**

**(v) units in a collective investment scheme;**

**(vi) units in a business trust; (vii) derivatives of units in a business trust; or**

**(viii) any other security or class of securities.**





**(h) you have a basic degree of understanding of the operation, functionality, usage, storage, transmission mechanisms and other material characteristics of cryptocurrencies, blockchain-based software systems, and smart contract technology;**

**(i) you are fully aware and understand that in the case where you wish to purchase any \$PIXY TOKENtokens, there are risks associated with Pixy Box and the Distributor and their respective business and operations, the \$PIXY TOKENtokens, the Token Sale (each as referred to in the Litepaper);**

**(j) you agree and acknowledge that neither Pixy Box nor the Distributor is liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this Litepaper or any part thereof by you; and**

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PIXYBOX TOKEN

# tokenomics

1.000.000.000 Total Supply

%10 Founder

%10 Foundation

%5 Team

%10 Development

%10 Eco-System

%10 Advisors

%5 Partners

%20 Strategic Initives

%15 Liquidity & Listing

%5 Seed Round