



PEAQ



Impact Projection Report

AN OVERVIEW OF THE NETWORK'S PROJECTED IMPACT BETWEEN 2024 AND 2027, CREATED BY TIDAL IMPACT



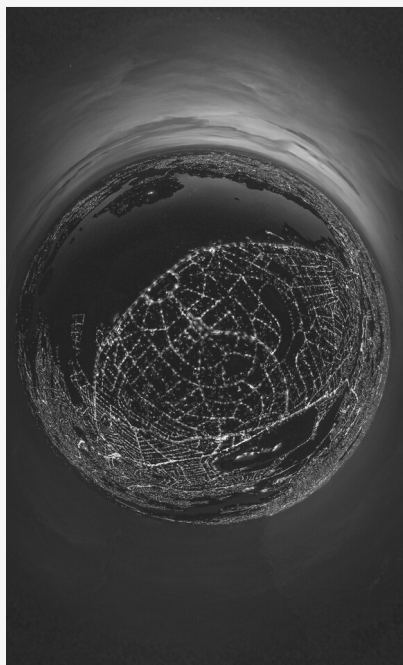
APRIL 2023



INTRODUCTION TO PEAQ

peaq enables entrepreneurs and developers to build decentralized applications (dApps) and Decentralized Physical Infrastructure Networks (DePINs) for vehicles, robots and devices, while empowering users to govern and earn as connected machines provide goods and services.

We are entering an unprecedented era of automation, driven by the rapid advancements in technology, especially artificial intelligence. peaq's overarching vision is to harness the immense potential of increasingly autonomous machines (artificial intelligence) to create a more efficient, interconnected and prosperous world. As we look to the future, we acknowledge the profound impact of automation on the job market. By 2030, a significant portion of today's jobs may be performed by machines, and this trend will only accelerate as we approach 2050. peaq is leveraging Web3 to power a machine economy in which communities of people own, profit and govern the machines and device* that drive our collective future, together – without the need for centralized third parties.



PEAQ'S VISION

peaq envisions a future where machines are not merely tools of productivity but also catalysts for progress, propelling humanity to new heights of achievement and prosperity. By embracing the age of automation and fostering a symbiotic relationship between humans and machines, we can unlock unprecedented opportunities for growth, sustainability and innovation.

SUSTAINABLE DEVELOPMENT GOALS (SDG) ALIGNMENT



IMPACT HIGHLIGHTS

\$1.81BN

Total impact value generated by 2027

\$40

Impact generated per \$ invested

193.2M

Cumulative # of device owners by 2027

\$50

Cumulative increased wealth distribution per owner by 2027 (193.2M total owners)

\$12M

Cumulative increased passive income among peaq retail investors by 2027

12BN

Cumulative # of economic transactions by 2027

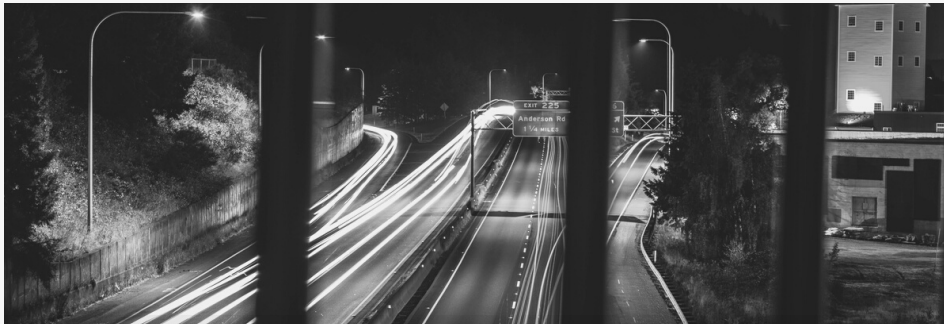
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*Note: In this report, 'devices' refers to connected devices, machines, vehicles and robots, autonomous, semi-autonomous and not autonomous.



ACCESS TO OWNERSHIP OF AUTONOMOUS DEVICES

peaq provides a platform where users can access, manage and profit from various autonomous devices that generate economic value.



DEMOCRATIZING ACCESS TO AUTONOMOUS DEVICES

peaq's platform lowers the barriers to entry by making it easy for individuals to invest in and own a share of autonomous economic devices, such as self-driving cars, drones or other devices enabled by the Internet of Things (IoT). Through tokenization and fractional ownership, users can purchase a portion of these assets, allowing them to participate in the economic benefits generated by these devices without the need for large upfront investments.



DECENTRALIZED MANAGEMENT AND CONTROL

Users will be able to easily manage their autonomous devices through decentralized applications (dApps) and smart contracts. This approach ensures that ownership rights, decision-making and revenue distribution are transparent and secure. As more people participate in the platform, new ideas, services and business models will emerge, contributing to the development and proliferation of autonomous technologies.



WEALTH CREATION THROUGH PEAQ'S ECONOMIC MODEL

peaq is designed to empower individuals by enabling them to own, manage and profit from connected devices in the Economy of Things (EoT). peaq allows connected device owners to benefit directly from the economic value generated by their assets.



DIRECT REVENUE STREAMS

peaq's decentralized platform facilitates direct transactions between users and connected device owners, bypassing the need for intermediaries. This allows device owners to retain a larger portion of the revenue generated by their assets, as they no longer have to pay significant commissions to centralized platforms. Consequently, this increases the wealth of connected device owners and encourages more people to participate in the sharing economy.



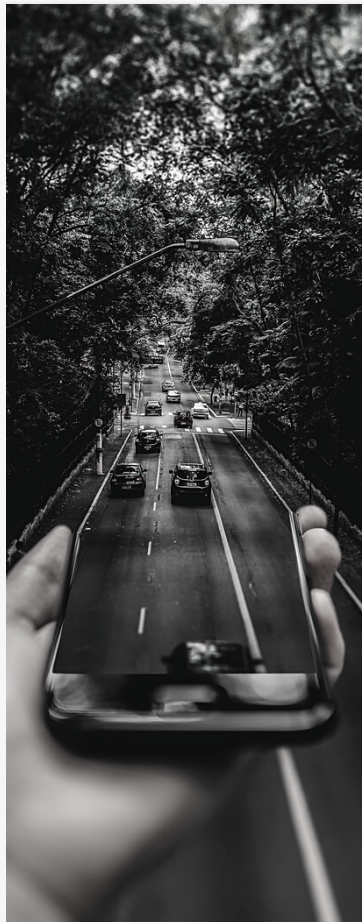
TOKENIZATION AND FRACTIONAL OWNERSHIP

peaq's platform employs tokenization and fractional ownership, allowing individuals to invest in and own a share of connected devices. This democratizes access to asset ownership and enables a broader range of people to benefit from the economic value generated by these devices. As the devices generate revenue, the profits are distributed among the token holders, providing them with a new source of passive income and contributing to wealth creation.



WEB3 RIDE SHARING ON THE PEAQ NETWORK

The sharing economy is transforming industries and creating new opportunities, with a forecasted value of \$335 billion by 2025. The ride-sharing sector is one such example, revolutionized by companies like Uber and Lyft. However, the current model relies on third-party centralized platforms, often resulting in high commission fees. peaq aims to disrupt this market by removing intermediaries, allowing direct transactions between drivers and passengers. Ride-sharing is just one example of a use case that can run on the network and serves as a base model for calculating peaq's total impact.



HOW IT WORKS

peaq is a Web3 platform that enables third-party developers to build apps such as decentralized ridesharing solutions that eliminate the need for intermediaries. It enables passengers to order rides peer-to-peer and pays drivers directly. This reduces commission fees and provides drivers with more control over their work and earnings. In addition to streamlining transactions, peaq promotes shared ownership of vehicles, promoting a more sustainable approach to transportation ownership. IoT technology plays a crucial role in this model, as it connects shared vehicles to the peaq platform, enabling seamless management, tracking and access control.

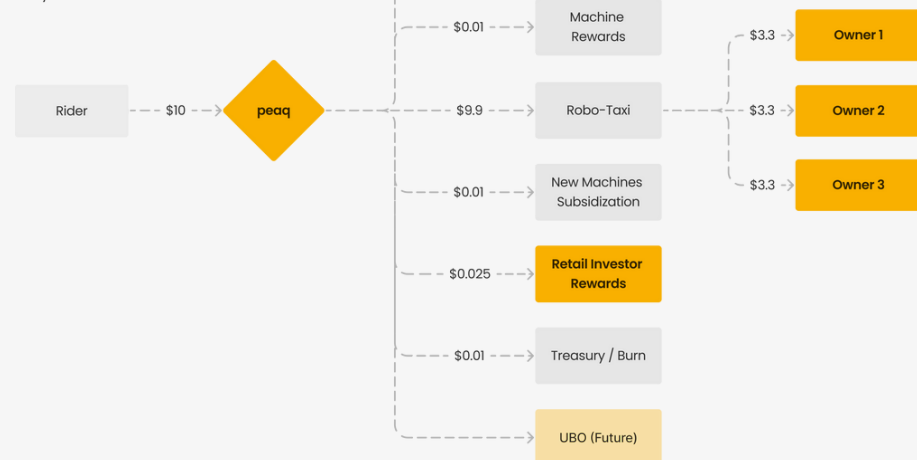
THE FUTURE WITHOUT PEAQ

With the current model, a robo-taxi, which refers to a self-driving taxi, would be fully owned by an existing ride-sharing platform and receive 100% of the payments made by the rider.



THE FUTURE WITH PEAQ

With peaq, the majority of the payment for a ride would go to the robo-taxi owners. Only a small transaction fee is charged by peaq which gets distributed in multiple ways across its network.





PEAQ APPLICATIONS

peaq is a people-powered network powering a people-powered economy. Harnessing the potential of Web3, peaq is working towards a better future where individuals, not Big Tech companies, own, earn and control devices, vehicles and machines.

FUTURE APPLICATIONS

The peaq network will encompass machines operating in the four domains of land, sea, sky and space, which cover a wide range of sectors such as:



Mobility



Energy Systems



Agriculture



Smart Cities



Logistics



Healthcare



Environment



Industry



Home Automation

A NETWORK MADE FOR DEPIN

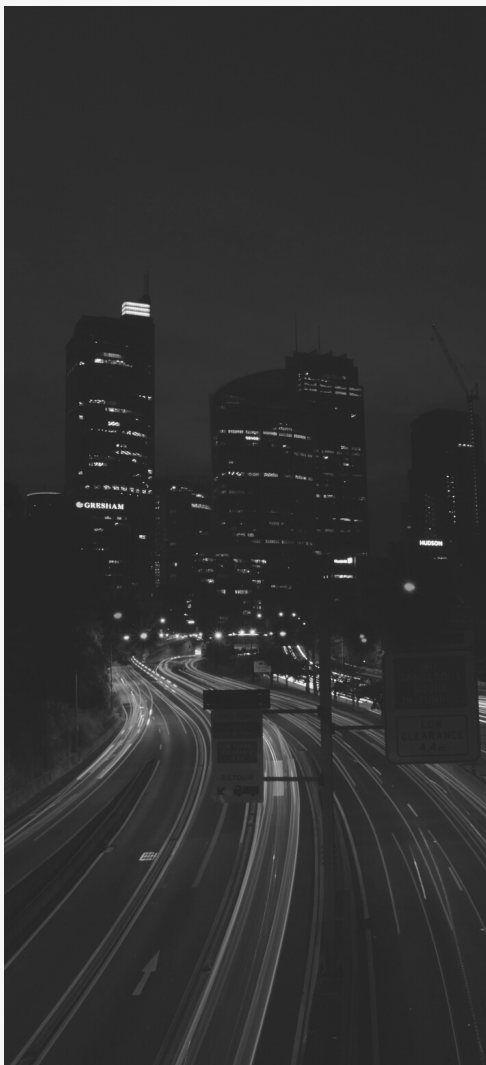
peaq is a Web3 platform where decentralized physical infrastructure networks (DePINs) can be built, representing the latest development in crypto-based network evolution. DePIN networks employ crypto-economic protocols to facilitate the implementation of tangible physical infrastructure and hardware networks. These systems use blockchains to orchestrate the efforts of millions of individuals in establishing programmable infrastructure. The DePIN sector hosts protocols that aim to disrupt traditional, billion-dollar infrastructure industries which can be broken down into four main categories: Server Networks, Wireless Networks, Sensor Networks and Energy Networks.

PEAQ'S FUTURE IMPACT AMBITIONS

In the long term, peaq envisions the implementation of a Universal Basic Ownership (UBO) system designed to decrease inequality and poverty. Unlike Universal Basic Income (UBI), which is government dependent, peaq's UBO system will run in a decentralized manner from the platform. This process will enable users to claim a unique UBO token which grants them ownership rights to receive income in a secure digital currency. This pool will be funded by transaction fees collected from trades that occur on decentralized applications (dApps). peaq's platform will use smart contracts to manage the distribution of these tokens, ensuring a transparent process where users can generate income.



PEAQ'S IMPACT



Three impact outcomes have been identified to calculate peaq's total impact between 2024 and 2027. The following showcases the impact projections of these outcomes, as well as the metrics that were used to generate these outcomes. As the peaq network is due to be launched within the next 12 months, no numbers are projected for the previous year.

Outcome 1: Access to ownership of autonomous devices

peq assumes that starting in 2024, one device will have three owners on the peaq network. A regulatory framework for multi-ownership of devices is already in place in Europe. It is also assumed that the amount of owners per device will increase over time and predict that in 2027, one device will have six owners.



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Outcome 2: Increased wealth among owners of connected devices

Based on the number of owners on the network, as well as the total amount of stable tokens paid through transactions, the increased wealth generated for owners is calculated for each year. The number decreases per owner as the amount of owners in total and per device increase over time.

Outcome 3: Increased passive income among peaq retail investors

peaq assumes that there will be a 0.5% transaction fee for every economic transaction, which refers to the buy or sell of a service or goods. Please note that an economic transaction is not equal to a single blockchain transaction fee. The project also assumes that the average price of a good or service sold through an economic transaction on the network is \$0.2. This is as some services (eg taxi rides) have a higher price but at a lower quantity compared to other services at a lower price and higher quantity.

2024

\$18

Increased wealth distribution per owner (1.2M owners)

\$24

Wealth distributed per owner (1.2M owners)

\$21.16M

Total increased owner distribution

2024

\$141.3K

Increased passive income among peaq retail investors

\$28.4M

Total amount of stable tokens paid through economic transactions

20K

of peaq retail investors

2027

\$9

Increased wealth distribution per owner (153.6M owners)

\$17

Average wealth distributed per owner (153.6M owners)

\$1.35BN

Total increased owner distribution

2027

\$9.05M

Increased passive income among peaq retail investors

\$1.82BN

Total amount of stable tokens paid through economic transactions

160K

of peaq retail investors

Total Cumulative Numbers (2024 – 2027)

\$50

Cumulative increased wealth distribution per owner (193.2M total owners)

\$67

Cumulative average wealth distributed per owner (193.2M total owners)

\$1.8BN

Cumulative total increased owner distribution

Total Cumulative Numbers (2024 – 2027)

\$12.02M

Cumulative increased passive income among peaq retail investors

\$2.41BN

Cumulative total amount of stable tokens paid through economic transactions

305K

Cumulative # of peaq retail investors

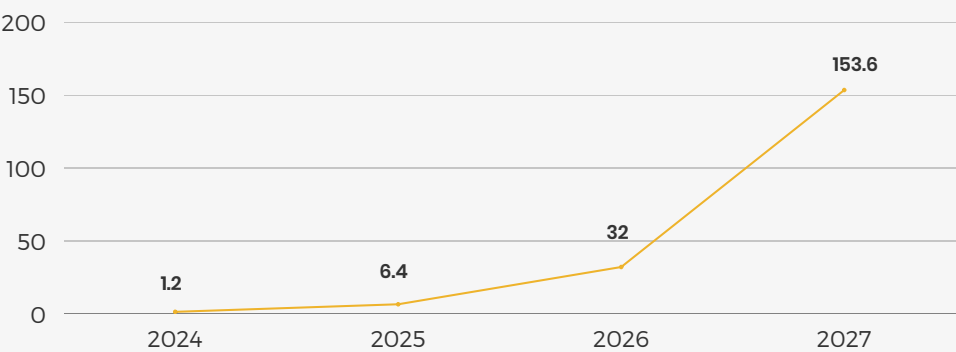
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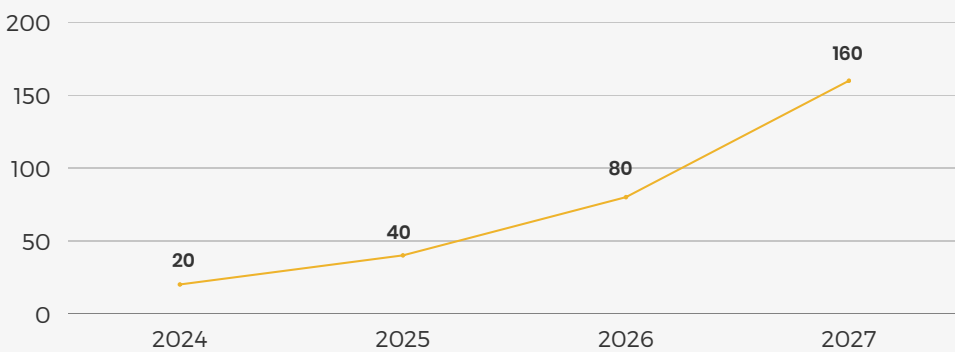


KEY FIGURES AND TRENDS

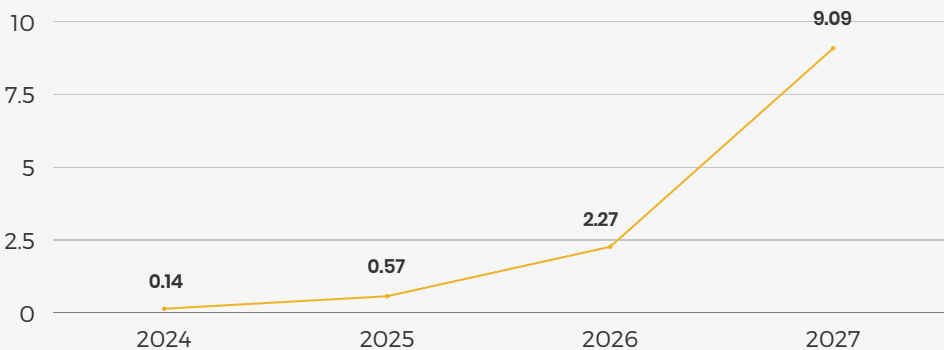
DEVICE OWNERS (IN M)



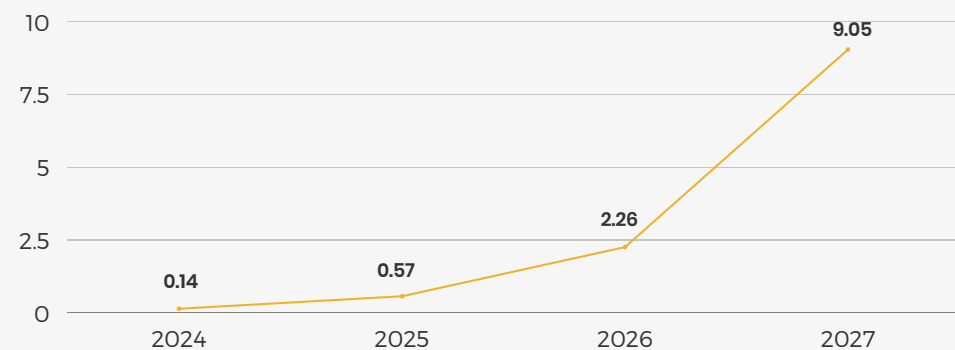
APPLICATIONS



ECONOMIC TRANSACTIONS (IN BN)



INCREASED WEALTH FOR PEAQ RETAIL INVESTORS (IN M)



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PEAQ'S FIVE DIMENSIONS OF IMPACT

Indicator #	Dimensions & Indicators	Opinion & Debate	5-Year Projection
A Contribution			
A1	To what extent do similar initiatives already exist?	There are a multitude of Web3 projects that exist in the IoT space, however, none operating with the same model such as peaq. In many cases, peaq would create partnerships with companies in the same sector, leading to more collaboration. A similar company that has already launched its network and token manufactures devices themselves which is complex and challenging to scale. In comparison, peaq collaborates with existing manufacturers which creates a more scalable ecosystem. peaq also provides core functions such as ID, access, payment, for builders to quickly and easily build compliant dApps, which is a larger set of tools compared to other similar players. Furthermore, peaq is shaping the EU standard for Machine IDs as part of Gaia-X, an initiative that develops a digital governance for more transparency, controllability, portability and interoperability across data and services, all based on European values. Next to peaq, only one other layer-1 blockchain is part of the Gaia-x moveID consortium.	
B Who & Where			
B1	Who experiences the impact created by peaq and where does it take place?	peaq's mission is to harness the potential of machines and automation to create a more efficient, interconnected and prosperous world. The impact is experienced by people and communities who gain the ability to own, profit and govern the machines that drive our collective future without the need for centralized third parties. This is reflected by the increase in access to ownership of autonomous economic devices which results in increased wealth for the device owners. Impact is also experienced by peaq's own retail investors in the form of increase in passive income.	153.6M device owners in 2027 iX 160 different applications in 2027 25.6M devices in 2027 9.09bn economic transactions in 2027 193.2M cumulative total device owners between 2024 and 2027 300 cumulative total applications between 2024 and 2027 34M cumulative total devices between 2024 and 2027 120.7bn cumulative total economic transactions between 2024 and 2027
C What			
C1	What type of impact is experienced by stakeholders of Peaq?	People will have increased access to ownership of autonomous economic devices via the peaq network. Furthermore, the amount of increased wealth distribution per device owner as well as the total wealth distributed per owner increases over time. peaq retail investors, meaning those who invest in the peaq token, will increase their passive income through the total increase of economic transactions happening on the peaq network.	In addition to B1: \$12 in increased wealth distribution per owner (153.6M owners) in 2027 iX \$17 in average wealth distributed per owner (153.6M owners) in 2027 \$135bn in total increased owner distribution in 2027 \$50 in cumulative increased wealth distribution per owner (193.2M total owners) between 2024 and 2027 \$67 in cumulative average wealth distributed per owner (193.2M total owners) between 2024 and 2027 \$18bn in cumulative total increased owner distribution between 2024 and 2027 \$9.05M in increased passive income among peaq retail investors in 2027 \$182bn in total amount of stable tokens paid through economic transactions in 2027 \$241bn in cumulative total amount of stable tokens paid through economic transactions \$181bn total impact value generated between 2024 and 2027 \$40 of impact generated per \$ invested
D How Much			
D1	How many stakeholders benefit and how?	peaq's key stakeholders, the device owners and peaq retail investors, will both increase proportionally over time, as activities on the network increase. See C1 for how they benefit.	In addition to C1: 153.6M device owners in 2027 iX 193.2M cumulative total device owners between 2024 and 2027 160k peaq retail investors in 2027 305k peaq retail investors between 2024 and 2027



Indicator #	Dimensions & Indicators	Opinion & Debate	5-Year Projection
D2	What is the depth of stakeholder benefit/change?	Today, peaq's impact is measured in relation to its device owners and retail investors. However, the users are naturally also impacted as they gain access to devices without the necessity to go through third parties. Furthermore, the variety of applications and industries is continuously expanding over time (see slide 4), which creates further depth, as well as the introduction of novel concepts such as Universal Basic Ownership (UBO) in the future.	In the coming few years, peaq applications will operate in a variety of sectors, such as: Home automation, energy systems, agriculture, smart cities, logistics, healthcare, environment, industry, mobility.
D3	What is the estimated potential of the impact peaq claims to have by 2027?	peaq has a clear impact trajectory across the next 4-5 years. Its impact, measured in terms of increased access to device ownership, wealth generated for device owners, and passive income created for peaq retail investors proportionally increases with the rising number of devices on the network, as well as economic transactions. The numbers are likely to further increase in the future.	
E Risks			
E1	Evidence The probability that insufficient high-quality data exists to determine what impact is occurring.	<u>Low</u> Data related to the metrics used to measure peaq's impact will be available on the peaq network. Thus, the probability of insufficient evidence being available is very low.	
E2	External The probability that external factors disrupt their ability to deliver the impact.	<u>Medium</u> The projections in this report have been made with conservative assumptions which means that actual numbers are likely going to be higher. Furthermore, the total addressable market for DePIN is estimated to be greater than \$2.2 trillion, and it is projected to reach \$3.5 trillion by 2028, which means that there will be more demand for solutions like peaq over time. At the moment, there are no laws or regulations preventing peaq from achieving its vision. However, as Web3 is a fairly recent industry, there is always a chance for new and unforeseen external factors to emerge.	
E3	Stakeholder Participation The probability that the stakeholders are not engaged at adequate frequency and that their expectations are not taken into account.	<u>Medium</u> Stakeholders have a strong financial incentive to stay engaged on the peaq network either through owning a device or investing into the peaq token. However, as the network is still new, it is not possible to accurately project the degree of engagement and involvement from stakeholders at present.	
E4	Drop-off The probability that positive impact does not endure and/or that negative impact is no longer mitigated.	<u>Low</u> The peaq network incentivizes stakeholders to engage with its ecosystem through an economic model that enables people to earn in relation to the value they create. This means that the more they create, the more they earn.	
E5	Efficiency & Execution The probability that the organization lacks the right resources, know-how or partnerships to deliver the activities as planned.	<u>Medium</u> peaq has been demonstrating strong subject-matter expertise in the Web3/IoT/DePIN space, for example, through its participation in the reputable Gaia-X initiative (see A1) as one of only two layer-1 blockchains. However, as the peaq network is due to launch in the next 12 months, there may be unforeseeable risks as with any new project launch.	
E6	Alignment The probability that impact is not locked into the enterprise model, making mission-drift more likely.	<u>Low</u> The success of the peaq network is tied to the number of devices, applications, owners, and retail investors. Thus, mission-drift is highly unlikely.	
E7	Endurance The probability that the required activities are not delivered for a long enough period.	<u>Low</u> As explained above, the economic success of the peaq network is dependent on a proportional growth of its impact. Thus, for as long as the network exists, the impact is unlikely to decrease.	
E8	Unexpected Negative Impact The probability that significant unexpected negative impact is experienced by people and the planet.	<u>Medium</u> There is a risk that the devices that can be potentially harmful to the planet or people are added to the network. However, peaq mitigates this risk by creating incentives for more sustainable and impactful devices, such as electric vehicles, to be onboarded.	



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