# White paper drafted under the European Markets in Crypto-Assets Regulation (EU) 2023/1114 for FFG 5ZCF8MLPL

# Preamble

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## 01. Date of notification

2025-10-29

## 02. Statement in accordance with Article 6(3) of Regulation (EU) 2023/1114

This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The person seeking admission to trading of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

## 03. Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114

This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 of the European Parliament and of the Council and, to the best of the knowledge of the management body, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.

## 04. Statement in accordance with Article 6(5), points (a), (b), (c), of Regulation (EU) 2023/1114

The crypto-asset referred to in this crypto-asset white paper may lose its value in part or in full, may not always be transferable and may not be liquid.

## 05. Statement in accordance with Article 6(5), point (d), of Regulation (EU) 2023/1114

Since the token has multiple functions (hybrid token), these are already conceptually not utility tokens within the meaning of the MiCAR within the definition of Article 3, 1. (9), due to the necessity “exclusively” being intended to provide access to a good or a service supplied by its issuer only.

## 06. Statement in accordance with Article 6(5), points (e) and (f), of Regulation (EU) 2023/1114

The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council or the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

## Summary

## 07. Warning in accordance with Article 6(7), second subparagraph, of Regulation (EU) 2023/1114

Warning: This summary should be read as an introduction to the crypto-asset white paper. The prospective holder should base any decision to purchase this crypto–asset on the content of the crypto-asset white paper as a whole and not on the summary alone. The offer to the public of this crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law. This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council or any other offer document pursuant to union or national law.

## 08. Characteristics of the crypto-asset

The PEAQ tokens referred to in this white paper are crypto-assets other than EMTs and ARTs, and are issued on the PEAQ blockchain (2025-10-20 and according to DTI FFG shown in F.14) with a total number of roughly 5.67 billion tokens, following a disinflationary model. The first activity on peaq can be viewed on 2024-01-03 (see https://peaqscan.xyz/block/1).

## 09. Information about the quality and quantity of goods or services to which the utility tokens give access and restrictions on the transferability

Not applicable.

## 10. Key information about the offer to the public or admission to trading

This white paper concerns the admission to trading of the crypto-asset "peaq" by "Peaq Network Ltd." in accordance to Article 5 of REGULATION (EU) 2023/1114 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937.

The following platforms are in scope for this while drafting up this white paper: Payward Global Solutions Limited. Further platforms are also being sought for this purpose in the future.

## Part A – Information about the offeror or the person seeking admission to trading

**A.1 Name**

Peaq Network Ltd.

**A.2 Legal form**

6EH6

**A.3 Registered address**

VG – Craigmuir Chambers, Road Town, Tortola, VG1110, British Virgin Islands

**A.4 Head office**

Not applicable.

**A.5 Registration date**

2023-04-18

**A.6 Legal entity identifier**

Not available.

**A.7 Another identifier required pursuant to applicable national law**

BVI Company Number: 2122236

**A.8 Contact telephone number**

Not applicable.

**A.9 E-mail address**

chu@peaq.xyz

**A.10 Response time (Days)**

030

**A.11 Parent company**

Peaq Foundation Ltd.

**A.12 Members of the management body**

| Name | Position | Address |
|---|---|---|
| Annette Collins | Director | VG – Craigmuir Chambers, Road Town, Tortola, VG1110, British Virgin Islands |

**A.13 Business activity**

The offeror's principal business activity is the development, maintenance, and promotion of the peaq blockchain, a Layer-1 distributed ledger infrastructure optimized for the Machine Economy. The company supports the design, implementation, and governance of the protocol, provides tools and SDKs for developers, and fosters ecosystem growth

by engaging with decentralized physical infrastructure networks (DePINs), robotics, and related machine economy applications.

The company does not operate a trading platform and does not engage in investment, lending, or custody services. Its activities are limited to protocol development, ecosystem support, and related administrative and compliance functions.

**A.14 Parent company business activity**

Peaq Foundation Ltd. is a non-profit entity that supports the development and governance of the peaq network.

**A.15 Newly established**

Yes

**A.16 Financial condition for the past three years**

Not applicable.

**A.17 Financial condition since registration**

Since its inception, Peaq Network Ltd. has raised funding through several structured rounds of token sales and community participation. The project completed a Pre-Seed round in Q2 2018, followed by a Seed round in Q3 2018, a Private round in June 2022, a Pre-Launch Private round in March 2024, and a Community Sale in May 2024. Each of these rounds followed defined vesting and lock-up schedules to ensure long-term alignment between the company and its stakeholders.

Proceeds from these rounds have been applied toward the development and launch of the peaq Layer-1 blockchain, the growth of core engineering and operational capacities, and the onboarding of ecosystem partners and decentralized physical infrastructure networks (DePINs). The company maintains a diversified treasury composed of native tokens, stablecoins, and fiat reserves to fund operations and ecosystem expansion. Additional resources are generated through protocol revenues, including transaction fees and staking rewards.

Since its incorporation, the company has maintained stable financial conditions and has operated on a cash-flow positive basis. The entity has generated sufficient operational

revenues to cover its ongoing expenses and financing needs. As of the date of this document, the company holds a share capital of 50,000.00 USD and has not incurred any material liabilities or contingent obligations that could adversely affect its financial stability. The overall financial position is considered sustainable, with adequate liquidity and capital resources to support current and planned business activities

## Part B – Information about the issuer, if different from the offeror or person seeking admission to trading

**B.1 Issuer different from offeror or person seeking admission to trading**

No

**B.2 Name**

Not applicable.

**B.3 Legal form**

Not applicable.

**B.4. Registered address**

Not applicable.

**B.5 Head office**

Not applicable.

**B.6 Registration date**

Not applicable.

**B.7 Legal entity identifier**

Not applicable.

**B.8 Another identifier required pursuant to applicable national law**

Not applicable.

**B.9 Parent company**

Not applicable.

**B.10 Members of the management body**

Not applicable.

**B.11 Business activity**

Not applicable.

**B.12 Parent company business activity**

Not applicable.

## Part C – Information about the operator of the trading platform in cases where it draws up the crypto-asset white paper and information about other persons drawing the crypto-asset white paper pursuant to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114

**C.1 Name**

Not applicable.

**C.2 Legal form**

Not applicable.

**C.3 Registered address**

Not applicable.

**C.4 Head office**

Not applicable.

**C.5 Registration date**

Not applicable.

**C.6 Legal entity identifier**

Not applicable.

**C.7 Another identifier required pursuant to applicable national law**

Not applicable.

**C.8 Parent company**

Not applicable.

**C.9 Reason for crypto-Asset white paper Preparation**

Not applicable.

**C.10 Members of the Management body**

Not applicable.

**C.11 Operator business activity**

Not applicable.

**C.12 Parent company business activity**

Not applicable.

**C.13 Other persons drawing up the crypto-asset white paper according to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114**

Not applicable.

**C.14 Reason for drawing the white paper by persons referred to in Article 6(1), second subparagraph, of Regulation (EU) 2023/1114**

Not applicable.

## Part D – Information about the crypto-asset project

**D.1 Crypto-asset project name**

Long Name: "PEAQ", Short Name: "PEAQ" according to the Digital Token Identifier Foundation (www.dtif.org, DTI see F.13, FFG DTI see F.14 as of 2025-10-19).

**D.2 Crypto-assets name**

Long Name: "PEAQ"

**D.3 Abbreviation**

Short Name: "PEAQ"

**D.4 Crypto-asset project description**

peaq is a Layer-1 blockchain purpose-built for the Machine Economy. It provides protocol-native functions (identity, stake, claims, rules, time) that enable autonomous machines to authenticate, transact, and coordinate. The network is designed to support decentralized physical infrastructure networks (DePINs), machine-to-machine and machine-to-human applications, and financial primitives such as Machine RWAs and Machine DeFi. The PEAQ token is used for transaction fees, staking, governance, and access to these core functions.

**D.5 Details of all natural or legal persons involved in the implementation of the crypto-asset project**

| Name | Position | Address |
|---|---|---|
| Peaq Network Ltd. | Issuer | VG – Craigmuir Chambers, Road Town, Tortola, VG1110, British Virgin Islands |
| Peaq Foundation Ltd. | Parent Company of the issuer | SG-01, 3 Fraser Street #05-25, Duo Tower, Singapore 189352 |
| Annette Collins | Director of the issuer | VG – Craigmuir Chambers, Road Town, Tortola, VG1110, British Virgin Islands |

| | | |
|---|---|---|
| Leonard Dorlöchter | Core Contributor | VG – Craigmuir Chambers, Road Town, Tortola, VG1110, British Virgin Islands |
| Maximillian Thake | Core Contributor | VG – Craigmuir Chambers, Road Town, Tortola, VG1110, British Virgin Islands |

**D.6 Utility Token Classification**

The token does not classify as a utility token.

**D.7 Key Features of Goods/Services for Utility Token Projects**

Not applicable.

**D.8 Plans for the token**

The PEAQ token is already live and functional on the peaq network, where it serves as the native token underpinning all core activities.

Since its initial issuance, the token has been fully operational and is used for on-chain transactions and decentralized applications within the peaq ecosystem, including decentralized physical infrastructure networks (DePINs) and machine-to-machine applications.

Past milestones include the successful deployment of the peaq Layer-1 blockchain, the launch of its native token, and the admission of PEAQ to trading on several centralized and decentralized exchanges. The token has been integrated into core network functions such as staking, governance and transaction fee settlement, and is already utilized by several ecosystem projects building DePIN and machine-economy solutions. The issuer and its foundation have also implemented comprehensive transparency measures by publishing wallet addresses, vesting schedules, and annual token-use reports, ensuring accountability regarding token distribution and treasury management.

Future milestones focus on the expansion of token functionality within the machine economy. The project intends to extend PEAQ's use as the medium for machine-to-machine payments, staking for machine identities, and decentralized access management. As the network evolves, the governance model will gradually transition toward full community-based decision-making, allowing token holders to propose and vote on upgrades, monetary policy adjustments, and treasury allocations. The ecosystem is expected to continue growing through integrations with partners across mobility, energy, IoT, and robotics sectors, further increasing the real-world use of the token.

However, no assurance or guarantee can be provided that the token or the peaq ecosystem will develop as expected. The implementation of technical milestones, market adoption, and the evolution of network utility are subject to numerous external factors – including general market conditions, regulatory developments, technological advances, and user behaviour – that remain beyond the control of the issuer or the foundation. Consequently, the actual outcome of the project may differ materially from the plans or projections described in this section, and no warranty is given regarding future performance, market acceptance, or value stability of the PEAQ token.

**D.9 Resource allocation**

The total supply of the PEAQ token is allocated across several defined categories intended to ensure the sustainable development, security, and long-term growth of the peaq ecosystem. Approximately 34 % of the total supply is assigned to investors across various early-stage rounds, including Pre-Seed (7 %), Seed (5 %), Private (13 %), and Pre-Launch Private (9 %) rounds. These allocations were structured with vesting and lock-up periods to align long-term incentives and support project continuity.

A total of 21 % of the supply has been allocated to the community, including community sales and programs designed to foster engagement, network participation, and decentralized governance involvement. This category also supports rewards and airdrops aimed at incentivizing ecosystem adoption and ensuring fair access to network participants.

Another significant portion, totaling 20 %, is allocated to Ecosystem & Treasury purposes. This segment is subdivided into distinct functional pools: 3.75 % for market making and

liquidity provision, 11.18 % for reserves, 0.30 % for capital contributions, 1.77 % for ecosystem grants, and 3.00 % for the expansion reserve. These allocations are designed to provide ongoing financial resources for protocol maintenance, ecosystem incentives, partnerships, and operational stability. Treasury-held tokens are staked in part to generate yield for network operations, while others are reserved for future ecosystem development and strategic expansion.

The Core Contributors collectively hold 20 % of the total supply, distributed as 11.5 % for core contributors and 8.5 % for EoT Labs. These tokens are subject to a 9-month lock-up period followed by a 36-month vesting schedule, ensuring that compensation for development and governance participation remains aligned with the project's long-term progress.

An additional 5 % is reserved for Network Security, divided into three sub-components: 3.46 % for the Security Reserve managed by the foundation, 0.04 % for the Genesis Node Set, and 1.5 % for the Core Time Lease. These allocations provide the necessary resources to support validator incentives, staking security, and continued network resilience.

All foundation-managed wallets are publicly verifiable, secured by multi-signature procedures, and disclosed through the project's transparency framework. These measures ensure accountability regarding the use of allocated resources and provide stakeholders with visibility into token movement and treasury management.

The allocation model follows a disinflationary supply framework, under which the total token supply increases gradually according to a predefined schedule until it reaches a capped amount of approximately 5.67 billion PEAQ. This mechanism supports predictable token issuance and prevents uncontrolled supply expansion. While this framework provides transparency and stability, it should be noted that the effective timing of token releases into circulation may vary due to vesting schedules, governance decisions, or operational needs, which may in turn influence the circulating supply, liquidity, and market concentration over time.

### D.10 Planned use of Collected funds or crypto-Assets

Not applicable, as this white paper was drawn up for the admission to trading and not for collecting funds for the crypto-asset-project.

## Part E – Information about the offer to the public of crypto-assets or their admission to trading

### E.1 Public offering or admission to trading

The white paper concerns the admission to trading (i. e. ATTR).

### E.2 Reasons for public offer or admission to trading

The crypto asset is to be listed on the platforms: Payward Global Solutions Limited. Additional platforms aren't excluded in the future.

### E.3 Fundraising target

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

### E.4 Minimum subscription goals

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

### E.5 Maximum subscription goals

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

### E.6 Oversubscription acceptance

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

### E.7 Oversubscription allocation

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**E.8 Issue price**

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**E.9 Official currency or any other crypto-assets determining the issue price**

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**E.10 Subscription fee**

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**E.11 Offer price determination method**

Once the token is admitted to trading its price will be determined by demand (buyers) and supply (sellers).

**E.12 Total number of offered/traded crypto-assets**

The total supply of the PEAQ token is defined by the protocol's disinflationary issuance model and therefore evolves dynamically over time. At the time of drafting this white paper, the total token supply amounts to approximately 4.319 billion PEAQ, representing the cumulative amount issued since the network's genesis. A portion of this total supply is intended to admitted to trading. However, the overall token supply is not static, as the protocol continues to issue new tokens in accordance with the predefined inflation schedule until the long-term capped supply of approximately 5.67 billion PEAQ is reached.

Investors and market participants should note that the circulating supply - that is, the effective amount of tokens available on the market at a given time - may differ from the total supply. Variations in the circulating amount depend on the release of tokens subject to vesting or lock-up schedules, the allocation of reserves, and potential reductions through burning or other protocol decisions. Consequently, while the long-term supply framework is transparent and rule-based, the actual number of tokens in circulation will continue to adjust over time in line with the project's issuance schedule and governance decisions.

**E.13 Targeted holders**

ALL

**E.14 Holder restrictions**

The Holder restrictions are subject to the rules applicable to the Crypto Asset Service Provider as well as additional restrictions the Crypto Asset Service Providers might set in force.

**E.15 Reimbursement notice**

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**E.16 Refund mechanism**

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**E.17 Refund timeline**

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**E.18 Offer phases**

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**E.19 Early purchase discount**

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**E.20 Time-limited offer**

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**E.21 Subscription period beginning**

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**E.22 Subscription period end**

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**E.23 Safeguarding arrangements for offered funds/crypto- Assets**

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**E.24 Payment methods for crypto-asset purchase**

The payment methods are subject to the respective capabilities of the Crypto Asset Service Provider listing the crypto-asset.

**E.25 Value transfer methods for reimbursement**

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**E.26 Right of withdrawal**

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**E.27 Transfer of purchased crypto-assets**

The transfer of purchased crypto-assets are subject to the respective capabilities of the Crypto Asset Service Provider listing the crypto-asset.

**E.28 Transfer time schedule**

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**E.29 Purchaser's technical requirements**

The technical requirements that the purchaser is required to fulfil to hold the crypto-assets of purchased crypto-assets are subject to the respective capabilities of the Crypto Asset Service Provider listing the crypto-asset.

**E.30 Crypto-asset service provider (CASP) name**

Not applicable.

**E.31 CASP identifier**

Not applicable.

**E.32 Placement form**

Not applicable.

**E.33 Trading platforms name**

Payward Global Solutions Limited. Other platforms are also planned for future listing.

**E.34 Trading platforms Market identifier code (MIC)**

Payward Global Solutions Limited: PGSL

**E.35 Trading platforms access**

This depends on the trading platform listing the asset.

**E.36 Involved costs**

This depends on the trading platform listing the asset. Furthermore, costs may occur for making transfers out of the platform (i. e. "gas costs" for blockchain network use that may exceed the value of the crypto-asset itself).

**E.37 Offer expenses**

Not applicable, as this crypto-asset white paper concerns the admission to trading and not the offer of the token to the public.

**E.38 Conflicts of interest**

MiCAR-compliant Crypto Asset Service Providers shall have strong measurements in place in order to manage conflicts of interests. Due to the broad audience this white-paper is adressing, potential investors should always check the conflicts of Interest policy of their respective counterparty.

**E.39 Applicable law**

Not applicable, as it is referred to on "offer to the public" and in this white-paper, the admission to trading is sought.

**E.40 Competent court**

Not applicable, as it is referred to on "offer to the public" and in this white-paper, the admission to trading is sought.

## Part F – Information about the crypto-assets

**F.1 Crypto-asset type**

The crypto-asset described in the white paper is classified as a crypto-asset under the Markets in Crypto-Assets Regulation (MiCAR) but does not qualify as an electronic money token (EMT) or an asset-referenced token (ART). It is a digital representation of value that can be stored and transferred using distributed ledger technology (DLT) or similar technology, without embodying or conferring any rights to its holder.

The asset does not aim to maintain a stable value by referencing an official currency, a basket of assets, or any other underlying rights. Instead, its valuation is entirely market-driven, based on supply and demand dynamics, and not supported by a stabilization mechanism. It is neither pegged to any fiat currency nor backed by any external assets, distinguishing it clearly from EMTs and ARTs.

Furthermore, the crypto-asset is not categorized as a financial instrument, deposit, insurance product, pension product, or any other regulated financial product under EU law. It does not grant financial rights, voting rights, or any contractual claims to its holders,

ensuring that it remains outside the scope of regulatory frameworks applicable to traditional financial instruments.

**F.2 Crypto-asset functionality**

The PEAQ token serves as the native token of the peaq blockchain and performs several core functions essential to the operation of the network. It is required for the payment of transaction fees associated with all on-chain activities, including those executed by decentralized applications and machine-based services. Validators and delegators use the token to stake and thereby contribute to the security and integrity of the blockchain under the network's Nominated Proof-of-Stake mechanism. With the gradual implementation of full on-chain governance, holders of PEAQ will be able to participate on-chain governance, enabling them to propose and vote on protocol updates, parameter changes, and other community-driven decisions. Beyond these utilities, the token provides access to the network's protocol-native machine functions, such as identity creation, staking mechanisms for machines, verification of claims, rule enforcement, and time-based operations, all of which form the technical foundation for application builders to develop their peaq machine economy applications.

**F.3 Planned application of functionalities**

Future milestones focus on the expansion of token functionality within the machine economy. The project intends to extend PEAQ's use as the medium for machine-to-machine payments, staking for machine identities, and decentralized access management. As the network evolves, the governance model will gradually transition toward full community-based decision-making, allowing token holders to propose and vote on upgrades, monetary policy adjustments, and treasury allocations. The ecosystem is expected to continue growing through integrations with partners across mobility, energy, IoT, and robotics sectors, further increasing the real-world use of the token.

However, no assurance or guarantee can be provided that the token or the peaq ecosystem will develop as expected. The implementation of technical milestones, market adoption, and the evolution of network utility are subject to numerous external factors – including general market conditions, regulatory developments, technological advances, and user behaviour – that remain beyond the control of the issuer or the foundation.

Consequently, the actual outcome of the project may differ materially from the plans or projections described in this section, and no warranty is given regarding future performance, market acceptance, or value stability of the PEAQ token.

## A description of the characteristics of the crypto asset, including the data necessary for classification of the crypto-asset white paper in the register referred to in Article 109 of Regulation (EU) 2023/1114, as specified in accordance with paragraph 8 of that Article

### F.4 Type of crypto-asset white paper

The white paper type is "other crypto-assets" (i. e. "OTHR").

### F.5 The type of submission

The white paper submission type is "NEWT", which stands for new token.

### F.6 Crypto-asset characteristics

The tokens are crypto-assets other than EMTs and ARTs, which are available on the peaq blockchain. The tokens are fungible (up to 18 digits after the decimal point). It does not confer ownership, profit participation, or other financial rights.

### F.7 Commercial name or trading name

peaq

### F.8 Website of the issuer

https://www.peaq.xyz/

### F.9 Starting date of offer to the public or admission to trading

2025-11-27

### F.10 Publication date

2025-11-27

### F.11 Any other services provided by the issuer

It is not possible to exclude a possibility that the issuer of the token provides or will provide other services not covered by Regulation (EU) 2023/1114 (i.e. MiCAR).

**F.12 Language or languages of the crypto-asset white paper**

EN

**F.13 Digital token identifier code used to uniquely identify the crypto-asset or each of the several crypto assets to which the white paper relates, where available**

NS1DNL6DT

**F.14 Functionally fungible group digital token identifier, where available**

5ZCF8MLPL

**F.15 Voluntary data flag**

Mandatory.

**F.16 Personal data flag**

The white paper does contain personal data.

**F.17 LEI eligibility**

The issuer should be eligible for a Legal Entity Identifier.

**F.18 Home Member State**

Ireland

**F.19 Host Member States**

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Iceland, Liechtenstein, Norway

## Part G – Information on the rights and obligations attached to the crypto-assets

**G.1 Purchaser rights and obligations**

The crypto-asset does not grant any legally enforceable or contractual rights or obligations to its holders or purchasers.

Any functionalities accessible through the underlying technology are of a purely technical or operational nature and do not constitute rights comparable to ownership, profit participation, shareholder governance, or similar entitlements known from traditional financial instruments.

Accordingly, holders do not acquire any claim capable of legal enforcement against the issuer or any third party.

**G.2 Exercise of rights and obligations**

As the crypto-asset does not establish any legally enforceable rights or obligations, there are no applicable procedures or conditions for their exercise.

Any interaction or functionality that may be available within the technical infrastructure of the project - such as participation mechanisms or protocol-level features - serves an operational purpose only and does not create or evidence a contractual or statutory entitlement.

**G.3 Conditions for modifications of rights and obligations**

Because the crypto-asset does not confer legally enforceable rights or obligations, there are no conditions or mechanisms under which such rights could be modified.

Adjustments to the technical protocol, smart contract logic, or related systems may occur in the ordinary course of development or maintenance.

Such changes do not alter any legal position of holders, as no contractual or regulatory rights exist. Holders should not interpret technical updates or governance-related changes as amendments to legally binding entitlements.

**G.4 Future public offers**

This white paper refers to admission to trading. The issuer reserves the right to make further offers in the future. This means that future public offers cannot be ruled out, although there are no current plans to do so.

**G.5 Issuer retained crypto-assets**

The total supply of the PEAQ token is allocated across several defined categories intended to ensure the sustainable development, security, and long-term growth of the peaq ecosystem. Approximately 34 % of the total supply is assigned to investors across various early-stage rounds, including Pre-Seed (7 %), Seed (5 %), Private (13 %), and Pre-Launch Private (9 %) rounds. These allocations were structured with vesting and lock-up periods to align long-term incentives and support project continuity.

A total of 21 % of the supply has been allocated to the community, including community sales and programs designed to foster engagement, network participation, and decentralized governance involvement. This category also supports rewards and airdrops aimed at incentivizing ecosystem adoption and ensuring fair access to network participants.

Another significant portion, totaling 20 %, is allocated to Ecosystem & Treasury purposes. This segment is subdivided into distinct functional pools: 3.75 % for market making and liquidity provision, 11.18 % for reserves, 0.30 % for capital contributions, 1.77 % for ecosystem grants, and 3.00 % for the expansion reserve. These allocations are designed to provide ongoing financial resources for protocol maintenance, ecosystem incentives, partnerships, and operational stability. Treasury-held tokens are staked in part to generate yield for network operations, while others are reserved for future ecosystem development and strategic expansion.

The Core Contributors collectively hold 20 % of the total supply, distributed as 11.5 % for core contributors and 8.5 % for EoT Labs. These tokens are subject to a 9-month lock-up period followed by a 36-month vesting schedule, ensuring that compensation for development and governance participation remains aligned with the project's long-term progress.

An additional 5 % is reserved for Network Security, divided into three sub-components: 3.46 % for the Security Reserve managed by the foundation, 0.04 % for the Genesis Node Set, and 1.5 % for the Core Time Lease. These allocations provide the necessary resources to support validator incentives, staking security, and continued network resilience.

All foundation-managed wallets are publicly verifiable, secured by multi-signature procedures, and disclosed through the project's transparency framework. These measures ensure accountability regarding the use of allocated resources and provide stakeholders with visibility into token movement and treasury management.

The allocation model follows a disinflationary supply framework, under which the total token supply increases gradually according to a predefined schedule until it reaches a capped amount of approximately 5.67 billion PEAQ. This mechanism supports predictable token issuance and prevents uncontrolled supply expansion. While this framework provides transparency and stability, it should be noted that the effective timing of token releases into circulation may vary due to vesting schedules, governance decisions, or operational needs, which may in turn influence the circulating supply, liquidity, and market concentration over time.

**G.6 Utility token classification**

No

**G.7 Key features of goods/services of utility tokens**

Not applicable.

**G.8 Utility tokens redemption**

Not applicable.

**G.9 Non-trading request**

The admission to trading is sought.

**G.10 Crypto-assets purchase or sale modalities**

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

**G.11 Crypto-assets transfer restrictions**

The crypto-assets as such do not have any transfer restrictions and are generally freely transferable. The Crypto Asset Service Providers can impose their own restrictions in agreements they enter with their clients. The Crypto Asset Service Providers may impose

restrictions to buyers and sellers in accordance with applicable laws and internal policies and terms.

**G.12 Supply adjustment protocols**

No, there are no fixed protocols that can increase or decrease the supply implemented as of 2025-10-17. Also, it is possible to decrease the circulating supply, by transferring crypto-assets to so called "burn-addresses", which are addresses that render the crypto-asset "non-transferable" after sent to those addresses.

**G.13 Supply adjustment mechanisms**

The peaq network does not include any automatic or algorithmic mechanisms that adjust the circulating supply of the PEAQ token in response to changes in market demand, trading volume, or price fluctuations. In other words, there is no supply-modulation feature that reacts dynamically to market behaviour or external economic variables.

Instead, the supply of PEAQ tokens follows a pre-defined disinflationary issuance schedule established at the protocol level. This schedule governs the rate of new token issuance in a transparent and predictable manner, independent of market conditions. These mechanisms are enforced by the protocol rules and may only be changed through governance. The intended schedule is presented below:

| Year | Inflation Rate | Newly Minted Tokens | End-of-Year Supply |
|---|---|---|---|
| 0 | – | – | 4,200,000,000.00 |
| 1 | 3.50% | 147,000,000.00 | 4,347,000,000.00 |
| 2 | 3.15% | 136,930,500.00 | 4,483,930,500.00 |
| 3 | 2.84% | 127,119,429.68 | 4,611,049,929.68 |

| | | | |
|---|---|---|---|
| 4 | 2.55% | 117,650,939.63 | 4,728,700,869.31 |
| 5 | 2.30% | 108,587,521.76 | 4,837,288,391.07 |
| 6 | 2.07% | 99,998,971.96 | 4,937,287,363.03 |
| 7 | 1.86% | 91,948,808.82 | 5,029,236,171.85 |
| 8 | 1.67% | 84,516,259.87 | 5,113,752,431.72 |
| 9 | 1.51% | 77,781,209.64 | 5,191,533,641.36 |
| 10 | 1.36% | 71,819,757.27 | 5,263,353,398.63 |
| 11 | 1.22% | 66,701,842.14 | 5,330,055,240.77 |
| 12 | 1.10% | 62,490,937.16 | 5,392,546,177.93 |
| 13 | 1.00% | 53,925,461.78 | 5,446,471,639.71 |
| 14 | 1.00% | 54,464,716.40 | 5,500,936,356.11 |
| 15 | 1.00% | 55,009,363.56 | 5,555,945,719.67 |
| 16 | 1.00% | 55,559,457.20 | 5,611,505,176.87 |
| 17 | 1.00% | 56,115,051.77 | **5,667,620,228.64** |

All supply adjustments occur strictly within this predetermined framework and are executed automatically through the blockchain's consensus rules. These adjustments are not discretionary, are not triggered by external demand indicators, and can only be modified through a formal on-chain governance process.

It is important for token holders and prospective purchasers to note that while the inflation rate decreases over time, the total token supply will continue to expand until the disinflationary schedule reaches its endpoint.

**G.14 Token value protection schemes**

No, the token does not have value protection schemes.

**G.15 Token value protection schemes description**

Not applicable.

**G.16 Compensation schemes**

No, the token does not have compensation schemes.

**G.17 Compensation schemes description**

Not applicable.

**G.18 Applicable law**

Applicable law likely depends on the location of any particular transaction with the token.

**G.19 Competent court**

Competent court likely depends on the location of any particular transaction with the token.

## Part H – information on the underlying technology

**H.1 Distributed ledger technology (DTL)**

The crypto asset in scope is using the peaq blockchain as DLT-Layer, following the standards described below.

**H.2 Protocols and technical standards**

The blockchain is based on Substrate with support for Ethereum-compatible smart contracts (Solidity) and WebAssembly. It leverages modular runtime upgrades, governance, and cross-chain interoperability.

**H.3 Technology used**

Substrate provides modularity and security. The peaq blockchain integrates EVM compatibility, WASM execution, and JavaScript/TypeScript SDKs for developers and DePIN operators.

**H.4 Consensus mechanism**

In the peaq network, deterministic finality is achieved through its consensus mechanism based on Nominated Proof of Stake (NPoS) and the GRANDPA (GHOST-based Recursive ANcestor Deriving Prefix Agreement) finality protocol.

Here's how deterministic finality is accomplished:

Nominated Proof of Stake (NPoS): In the peaq network, validators are selected based on a staking process where nominators delegate their tokens to trusted validators. These validators are responsible for proposing new blocks and validating transactions. The NPoS mechanism ensures that only a set of highly trusted and staked validators can propose and validate blocks, adding security to the network.

Block Production (BABE): Block production in the peaq network happens through the BABE (Blind Assignment for Blockchain Extension) protocol, which randomly assigns validators to produce blocks in specific time slots. This mechanism ensures that blocks are proposed efficiently and fairly by different validators.

GRANDPA Finality Protocol: While blocks are produced continuously through BABE, finality is determined by GRANDPA, which allows validators to agree on the final state of the chain even if not all nodes see the same blocks at the same time. With GRANDPA, once validators reach consensus on a block, that block, and all preceding blocks, are deterministically finalized.

peaq's generated blocks are submitted to Polkadot Relay Chain validators for verification and finality, benefiting from Polkadot's robust security and decentralized validator network. This live integration ensures that peaq inherits Polkadot's shared security, scalability, and proven finality, providing a strong foundation for the ecosystem. The Polkadot Relay Chain live setup is fully operational. In 2026, peaq will introduce Ethereum-based state anchoring to further enhance network resilience.By anchoring select state data to Ethereum, peaq will gain an additional layer of immutability and cross-ecosystem security, creating a dual anchoring setup across two of the most secure and established blockchain networks. This step will expand interoperability and strengthen peaq's position as a multi-chain infrastructure layer for decentralized applications and economies.

**H.5 Incentive mechanisms and applicable fees**

Validators and nominators are incentivized with block rewards and transaction fees. Misbehavior results in slashing. Transaction fees are minimal to enable scalable DePIN and machine use cases.

**H.6 Use of distributed ledger technology**

Yes, DLT operated by the issuer or a third-party acting on the issuer's behalf.

**H.7 DLT functionality description**

The blockchain is intended to provide secure, low-cost, and scalable infrastructure for decentralized physical infrastructure networks (DePINs). It supports governance, staking, payments, and interoperability.

**H.8 Audit**

As we are understanding the question relating to "technology" to be interpreted in a broad sense, the answer to whether an audit of "the technology used" was conducted is that no guarantee can be given that all parts of the technology have been audited. This report focuses on risk, and it cannot be assured that each component of the underlying infrastructure, applications, and integrations has been subject to a full audit.

Nevertheless, certain parts of the technology, such as specific smart contracts or selected infrastructure modules, have undergone audits or external reviews. These measures,

however, were limited in scope and point in time, and therefore cannot provide comprehensive assurance for the overall system. Future risks, vulnerabilities, or changes in the technology stack may still arise, regardless of any audits conducted to date.

#### H.9 Audit outcome

With reference to the information in H.8, results can be found under: https://skynet.certik.com/projects/peaq.

## Part I – Information on risks

#### I.1 Offer-related risks

1. Regulatory and Compliance

This white paper has been prepared with utmost caution; however, uncertainties in the regulatory requirements and future changes in regulatory frameworks could potentially impact the token's legal status and its tradability. There is also a high probability that other laws will come into force, changing the rules for the trading of the token. Therefore, such developments shall be monitored and acted upon accordingly.

2. Operational and Technical

Blockchain Dependency: The token is entirely dependent on the blockchain the crypto-asset is issued upon. Any issues, such as downtime, congestion, or security vulnerabilities within the blockchain, could adversely affect the token's functionality.

Smart Contract Risks: Smart contracts governing the token may contain hidden vulnerabilities or bugs that could disrupt the token offering or distribution processes.

Connection Dependency: As the trading of the token also involves other trading venues, technical risks such as downtime of the connection or faulty code are also possible.

Human errors: Due to the irrevocability of blockchain-transactions, approving wrong transactions or using incorrect networks/addresses will most likely result in funds not being accessibly anymore.

Custodial risk: When admitting the token to trading, the risk of losing clients assets due to hacks or other malicious acts is given. This is due to the fact the token is hold in custodial wallets for the customers.

3. Market and Liquidity

Volatility: The token will most likely be subject to high volatility and market speculation. Price fluctuations could be significant, posing a risk of substantial losses to holders.

Liquidity Risk: Liquidity is contingent upon trading activity levels on decentralized exchanges (DEXs) and potentially on centralized exchanges (CEXs), should they be involved. Low trading volumes may restrict the buying and selling capabilities of the tokens.

4. Counterparty

As the admission to trading involves the connection to other trading venues, counterparty risks arise. These include, but are not limited to, the following risks:

General Trading Platform Risk: The risk of trading platforms not operating to the highest standards is given. Examples like FTX show that especially in nascent industries, compliance and oversight-frameworks might not be fully established and/or enforced.

Listing or Delisting Risks: The listing or delisting of the token is subject to the trading partners internal processes. Delisting of the token at the connected trading partners could harm or completely halt the ability to trade the token.

5. Liquidity

Liquidity of the token can vary, especially when trading activity is limited. This could result in high slippage when trading a token.

6. Failure of one or more Counterparties

Another risk stems from the internal operational processes of the counterparties used. As there is no specific oversight other than the typical due diligence check, it cannot be guaranteed that all counterparties adhere to the best market standards.

Bankruptcy Risk: Counterparties could go bankrupt, possibly resulting in a total loss for the clients assets hold at that counterparty.

7. Information asymmetry

Different groups of participants may not have the same access to technical details or governance information, leading to uneven decision-making and potential disadvantages for less informed investors.

**I.2 Issuer-related risks**

1. Insolvency

As with every other commercial endeavor, the risk of insolvency of entities involved in the project is given. This could be caused by but is not limited to lack of interest from the public, lack of funding, incapacitation of key developers and project members, force majeure (including pandemics and wars) or lack of commercial success or prospects.

2. Counterparty

In order to operate, entities involved in the project have most likely engaged in different business relationships with one or more third parties on which they and the network strongly depend on. Loss or changes in the leadership or key partners of entities involved in the project and/or the respective counterparties can lead to disruptions, loss of trust, or project failure. This could result in a total loss of economic value for the crypto-asset holders.

3. Legal and Regulatory Compliance

Cryptocurrencies and blockchain-based technologies are subject to evolving regulatory landscapes worldwide. Regulations vary across jurisdictions and may be subject to significant changes. Non-compliance can result in investigations, enforcement actions, penalties, fines, sanctions, or the prohibition of the trading of the crypto-asset impacting its viability and market acceptance. This could also result in entities involved in the project to be subject to private litigation. The aforeementioned would most likely also lead to changes with respect to trading of the crypto-asset that may negatively impact the value, legality, or functionality of the crypto-asset.

4. Operational

Failure to develop or maintain effective internal control, or any difficulties encountered in the implementation of such controls, or their improvement could harm the business, causing disruptions, financial losses, or reputational damage of entities involved in the project.

5. Industry

The network and all entities involved in the project  are and will be subject to all of the risks and uncertainties associated with a crypto-project, where the token issued has zero intrinsic value. History has shown that most of this projects resulted in financial losses for the investors and were only set-up to enrich a few insiders with the money from retail investors.

6. Reputational

The network and all entities involved in the project face the risk of negative publicity, whether due to, without limitation, operational failures, security breaches, or association with illicit activities, which can damage the reputation of the network and all entities involved in the project and, by extension, the value and acceptance of the crypto-asset.

7. Competition

There are numerous other crypto-asset projects in the same realm, which could have an effect on the crypto-asset in question.

8. Unanticipated Risk

In addition to the risks included in this section, there might be other risks that cannot be foreseen. Additional risks may also materialize as unanticipated variations or combinations of the risks discussed.

**I.3 Crypto-assets-related risks**

1. Valuation

As the crypto-asset does not have any intrinsic value, and grants neither rights nor obligations, the only mechanism to determine the price is supply and demand.

Historically, most crypto-assets have dramatically lost value and were not a beneficial investment for the investors. Therefore, investing in these crypto-assets poses a high risk, and the loss of funds can occur.

2. Market Volatility

Crypto-asset prices are highly susceptible to dramatic fluctuations influence by various factors, including market sentiment, regulatory changes, technological advancements, and macroeconomic conditions. These fluctuations can result in significant financial losses within short periods, making the market highly unpredictable and challenging for investors. This is especially true for crypto-assets without any intrinsic value, and investors should be prepared to lose the complete amount of money invested in the respective crypto-assets.

3. Liquidity Challenges

Some crypto-assets suffer from limited liquidity, which can present difficulties when executing large trades without significantly impacting market prices. This lack of liquidity can lead to substantial financial losses, particularly during periods of rapid market movements, when selling assets may become challenging or require accepting unfavorable prices.

4. Asset Security

Crypto-assets face unique security threats, including the risk of theft from exchanges or digital wallets, loss of private keys, and potential failures of custodial services. Since crypto transactions are generally irreversible, a security breach or mismanagement can result in the permanent loss of assets, emphasizing the importance of strong security measures and practices.

5. Scams

The irrevocability of transactions executed using blockchain infrastructure, as well as the pseudonymous nature of blockchain ecosystems, attracts scammers. Therefore, investors in crypto-assets must proceed with a high degree of caution when investing in if they invest in crypto-assets. Typical scams include – but are not limited to – the creation

of fake crypto-assets with the same name, phishing on social networks or by email, fake giveaways/airdrops, identity theft, among others.

6. Blockchain Dependency

Any issues with the blockchain used, such as network downtime, congestion, or security vulnerabilities, could disrupt the transfer, trading, or functionality of the crypto-asset.

7. Smart Contract Vulnerabilities

The smart contract used to issue the crypto-asset could include bugs, coding errors, or vulnerabilities which could be exploited by malicious actors, potentially leading to asset loss, unauthorized data access, or unintended operational consequences.

8. Privacy Concerns

All transactions on the blockchain are permanently recorded and publicly accessible, which can potentially expose user activities. Although addresses are pseudonoymous, the transparent and immutable nature of blockchain allows for advanced forensic analysis and intelligence gathering. This level of transparency can make it possible to link blockchain addresses to real-world identities over time, compromising user privacy.

9. Regulatory Uncertainty

The regulatory environment surrounding crypto-assets is constantly evolving, which can directly impact their usage, valuation, and legal status. Changes in regulatory frameworks may introduce new requirements related to consumer protection, taxation, and anti-money laundering compliance, creating uncertainty and potential challenges for investors and businesses operating in the crypto space. Although the crypto-asset do not create or confer any contractual or other obligations on any party, certain regulators may nevertheless qualify the crypto-asset as a security or other financial instrument under their applicable law, which in turn would have drastic consequences for the crypto-asset, including the potential loss of the invested capital in the asset. Furthermore, this could lead to the sellers and its affiliates, directors, and officers being obliged to pay fines, including federal civil and criminal penalties, or make the crypto-asset illegal or impossible to use, buy, or sell in certain jurisdictions. On top of that, regulators could take action

against the network and all entities involved in the project as well as the trading platforms if the the regulators view the token as an unregistered offering of securities or the operations otherwise as a violation of existing law. Any of these outcomes would negatively affect the value and/or functionality of the crypot-asset and/or could cause a complete loss of funds of the invested money in the crypto-asset for the investor.

10. Counterparty risk

Engaging in agreements or storing crypto-assets on exchanges introduces counterparty risks, including the failure of the other party to fulfill their obligations. Investors may face potential losses due to factors such as insolvency, regulatory non-compliance, or fraudulent activities by counterparties, highlighting the need for careful due diligence when engaging with third parties.

11. Reputational concerns

Crypto-assets are often subject to reputational risks stemming from associations with illegal activities, high-profile security breaches, and technological failures. Such incidents can undermine trust in the broader ecosystem, negatively affecting investor confidence and market value, thereby hindering widespread adoption and acceptance.

12. Technological Innovation

New technologies or platforms could render the network's design less competitive or even break fundamental parts (i.e., quantum computing might break cryptographic algorithms used to secure the network), impacting adoption and value. Participants should approach the crypto-asset with a clear understanding of its speculative and volatile nature and be prepared to accept these risks and bear potential losses, which could include the complete loss of the asset's value.

13. Community and Narrative

As the crypto-asset has no intrinsic value, all trading activity is based on the intended market value is heavily dependent on its community.

14. Interest Rate Change

Historically, changes in interest, foreign exchange rates, and increases in volatility have increased credit and market risks and may also affect the value of the crypto-asset. Although historic data does not predict the future, potential investors should be aware that general movements in local and other factors may affect the market, and this could also affect market sentiment and, therefore most likely also the price of the crypto-asset.

15. Taxation

The taxation regime that applies to the trading of the crypto-asset by individual holders or legal entities will depend on the holder's jurisdiction. It is the holder's sole responsibility to comply with all applicable tax laws, including, but not limited to, the reporting and payment of income tax, wealth tax, or similar taxes arising in connection with the appreciation and depreciation of the crypto-asset.

16. Anti-Money Laundering/Counter-Terrorism Financing

It cannot be ruled out that crypto-asset wallet addresses interacting with the crypto-asset have been, or will be used for money laundering or terrorist financing purposes, or are identified with a person known to have committed such offenses.

17. Market Abuse

It is noteworthy that crypto-assets are potentially prone to increased market abuse risks, as the underlying infrastructure could be used to exploit arbitrage opportunities through schemes such as front-running, spoofing, pump-and-dump, and fraud across different systems, platforms, or geographic locations. This is especially true for crypto-assets with a low market capitalization and few trading venues, and potential investors should be aware that this could lead to a total loss of the funds invested in the crypto-asset.

18. Timeline and Milestones

Critical project milestones could be delayed by technical, operational, or market challenges.

19. Legal ownership: Depending on jurisdiction, token holders may not have enforceable legal rights over their holdings, limiting avenues for recourse in disputes or cases of fraud.

20. Jurisdictional blocking: Access to exchanges, wallets, or interfaces may be restricted based on user location or regulatory measures, even if the token remains transferable on-chain.

21. Token concentration: A large proportion of tokens held by a few actors could allow price manipulation, governance dominance, or sudden sell-offs impacting market stability.

22. Ecosystem incentive misalignment: If validator, developer, or user rewards become unattractive or distorted, network security and participation could decline.

23. Governance deadlock: Poorly structured or fragmented governance processes may prevent timely decisions, creating delays or strategic paralysis.

24. Compliance misalignment: Features or delivery mechanisms may unintentionally conflict with evolving regulations, particularly regarding consumer protection or data privacy.

**I.4 Project implementation-related risks**

As this white paper relates to the "Admission to trading" of the crypto-asset, the implementation risk is referring to the risks on the Crypto Asset Service Providers side. These can be, but are not limited to, typical project management risks, such as key-personal-risks, timeline-risks, and technical implementation-risks.

**I.5 Technology-related risks**

As this white paper relates to the "Admission to trading" of the crypto-asset, the technology-related risks mainly involve the DLT networks where the crypto asset is issued in.

1. Blockchain Dependency Risks

Network Downtime: Potential outages or congestion on the involved blockchains could interrupt on-chain token transfers, trading, and other functions.

2. Smart Contract Risks

Vulnerabilities: The smart contract governing the token could contain bugs or vulnerabilities that may be exploited, affecting token distribution or vesting schedules.

3. Wallet and Storage Risks

Private Key Management: Token holders must securely manage their private keys and recovery phrases to prevent permanent loss of access to their tokens, which includes Trading-Venues, who are a prominent target for dedicated hacks.

Compatibility Issues: The tokens require compatible wallets for storage and transfer. Any incompatibility or technical issues with these wallets could impact token accessibility.

4. Network Security Risks

Attack Risks: The blockchains may face threats such as denial-of-service (DoS) attacks or exploits targeting its consensus mechanism, which could compromise network integrity.

Centralization Concerns: Although claiming to be decentralized, the relatively smaller number of validators/concentration of stakes within the networks compared to other blockchains might pose centralization risks, potentially affecting network resilience.

5. Evolving Technology Risks: Technological Obsolescence: The fast pace of innovation in blockchain technology may make the used token standard appear less competitive or become outdated, potentially impacting the usability or adoption of the token.

6. Bridges: The dependency on multiple ecosystems can negatively impact investors. This asset bridge creates corresponding risks for investors, as this lock-in mechanism may not function properly for technical reasons or may be subject to attack. In that case, the supply may change immediately or the ownership rights to tokens may be changed.

7. Forking risk: Network upgrades may split the blockchain into separate versions, potentially creating duplicate tokens or incompatibility between different versions of the protocol.

8. Economic abstraction: Mechanisms such as gas relayers or wrapped tokens may allow users to bypass the native asset, reducing its direct demand and weakening its economic role.

9. Dust and spam attacks: Low-value transactions may flood the network, increasing ledger size, reducing efficiency, and exposing user addresses to tracking.

10. Frontend dependency: If users rely on centralised web interfaces or wallets, service outages or compromises could block access even if the blockchain itself continues to operate.

#### I.6 Mitigation measures

None.

## Part J – Information on the sustainability indicators in relation to adverse impact on the climate and other environment-related adverse impacts

#### J.1 Adverse impacts on climate and other environment-related adverse impacts

#### S.1 Name

Peaq Network Ltd.

#### S.2 Relevant legal entity identifier

Not applicable.

#### S.3 Name of the cryptoasset

PEAQ

#### S.4 Consensus Mechanism

In the peaq network, deterministic finality is achieved through its consensus mechanism based on Nominated Proof of Stake (NPoS) and the GRANDPA (GHOST-based Recursive ANcestor Deriving Prefix Agreement) finality protocol.

Here's how deterministic finality is accomplished:

Nominated Proof of Stake (NPoS): In the peaq network, validators are selected based on a staking process where nominators delegate their tokens to trusted validators. These validators are responsible for proposing new blocks and validating transactions. The NPoS

mechanism ensures that only a set of highly trusted and staked validators can propose and validate blocks, adding security to the network.

Block Production (BABE): Block production in the peaq network happens through the BABE (Blind Assignment for Blockchain Extension) protocol, which randomly assigns validators to produce blocks in specific time slots. This mechanism ensures that blocks are proposed efficiently and fairly by different validators.

GRANDPA Finality Protocol: While blocks are produced continuously through BABE, finality is determined by GRANDPA, which allows validators to agree on the final state of the chain even if not all nodes see the same blocks at the same time. With GRANDPA, once validators reach consensus on a block, that block, and all preceding blocks, are deterministically finalized.

peaq's generated blocks are submitted to Polkadot Relay Chain validators for verification and finality, benefiting from Polkadot's robust security and decentralized validator network. This live integration ensures that peaq inherits Polkadot's shared security, scalability, and proven finality, providing a strong foundation for the ecosystem. The Polkadot Relay Chain live setup is fully operational. In 2026, peaq will introduce Ethereum-based state anchoring to further enhance network resilience.By anchoring select state data to Ethereum, peaq will gain an additional layer of immutability and cross-ecosystem security, creating a dual anchoring setup across two of the most secure and established blockchain networks. This step will expand interoperability and strengthen peaq's position as a multi-chain infrastructure layer for decentralized applications and economies.

**S.5 Incentive Mechanisms and Applicable Fees**

Validators and nominators are incentivized with block rewards and transaction fees. Misbehavior results in slashing. Transaction fees are minimal to enable scalable DePIN and machine use cases.

**S.6 Beginning of the period to which the disclosure relates**

2024-10-21

**S.7 End of the period to which the disclosure relates**

2025-10-21

**S.8 Energy consumption**

24966.00000 kWh/a

**S.9 Energy consumption sources and methodologies**

For the calculation of energy consumptions, the so called 'bottom-up' approach is being used. The nodes are considered to be the central factor for the energy consumption of the network. These assumptions are made on the basis of empirical findings through the use of public information sites, open-source crawlers and crawlers developed in-house. The main determinants for estimating the hardware used within the network are the requirements for operating the client software. The energy consumption of the hardware devices was measured in certified test laboratories.

The information regarding the hardware used and the number of participants in the network is based on assumptions that are verified with best effort using empirical data. In general, participants are assumed to be largely economically rational. As a precautionary principle, we make assumptions on the conservative side when in doubt, i.e. making higher estimates for the adverse impacts.

**S.10 Renewable energy consumption**

32.7956468965 %

**S.11 Energy intensity**

0.00009 kWh

**S.12 Scope 1 DLT GHG emissions – Controlled**

0.00000 tCO2e/a

**S.13 Scope 2 DLT GHG emissions – Purchased**

8.30901 tCO2e/a

**S.14 GHG intensity**

0.00003 kgCO2e

**S.15 Key energy sources and methodologies**

To determine the proportion of renewable energy usage, the locations of the nodes are to be determined using public information sites, open-source crawlers and crawlers developed in-house. If no information is available on the geographic distribution of the nodes, reference networks are used which are comparable in terms of their incentivization structure and consensus mechanism. This geo-information is merged with public information from Our World in Data, see citation. The intensity is calculated as the marginal energy cost wrt. one more transaction. Ember (2025); Energy Institute - Statistical Review of World Energy (2024) - with major processing by Our World in Data. "Share of electricity generated by renewables - Ember and Energy Institute" [dataset]. Ember, "Yearly Electricity Data Europe"; Ember, "Yearly Electricity Data"; Energy Institute, "Statistical Review of World Energy" [original data]. Retrieved from https://ourworldindata.org/grapher/share-electricity-renewables.

**S.16 Key GHG sources and methodologies**

To determine the GHG Emissions, the locations of the nodes are to be determined using public information sites, open-source crawlers and crawlers developed in-house. If no information is available on the geographic distribution of the nodes, reference networks are used which are comparable in terms of their incentivization structure and consensus mechanism. This geo-information is merged with public information from Our World in Data, see citation. The intensity is calculated as the marginal emission wrt. one more transaction. Ember (2025); Energy Institute - Statistical Review of World Energy (2024) - with major processing by Our World in Data. "Carbon intensity of electricity generation - Ember and Energy Institute" [dataset]. Ember, "Yearly Electricity Data Europe"; Ember, "Yearly Electricity Data"; Energy Institute, "Statistical Review of World Energy" [original data]. Retrieved from https://ourworldindata.org/grapher/carbon-intensity-electricity Licenced under CC BY 4.0.