



Decentralised Autonomous Future

Strategy documents GRN & PowerDAO Associations

Introduction

GreenPower (cryptocurrency) and Powerchain (blockchain) are ready for a new future.

During 2022 and beyond, the new strategy will be rolled out. The Associations will be responsible for support, promotion and education related to the GRN, GOV and PWR tokens. The Associations are part of an ecosystem that will also include two DAO's (PowerDAO and GreenDAO) that are responsible for systems, development and maintenance. Via an overall ecosystem governance structure, members and token holders make further decisions for both the Associations and DAO's.

To make this possible, new platforms are being built to support all the new functionality, including our unique governance system that is the first of its kind in the world.

At the same time, the community's wish is also to have tangible products available as soon as possible, in order to create new token value quickly. Keep in mind that we have members with different mindsets in our community. There are speculators and short term and long term investors.

It's impossible to serve all groups to their full satisfaction, but we do have an obligation to do the best we can for all community members. However, based on the results of the first voting rounds the prime focus is on long term token value

This strategy document consists of three parts.

1. An exploration of the market
2. The analysis of our new DAOs
3. The draft planning for 2022

Due to the amount of information, it has been decided to first release part 1 to give community members the opportunity to acquire this knowledge and to ask questions about it. Creating this collective knowledge is essential for understanding part 2 of this document and for making further intelligent decisions within the separate Associations and DAO's

Our aim is to release Part 2 within 10 working days. This will be in two separate documents, one for the PowerDAO Association and one for the GRN Association. We need this extra time because we can only release this part after the formal registration with the Swiss Chamber of Commerce is completed. Unfortunately this is taking much longer than we originally expected.

In the following week, the draft 2022 planning will follow, in which the concrete deliverables are included, again with separate versions for each Association. At the same time both websites will be published and the full strategy documents will be published there too.

We are very excited that our new journey has finally started and are honoured to serve the community in our new role.

GRN Association

Mark Hall
President and Chairman

PowerDAO Association

Jeffrey Leichel
President and Chairman

The Cryptocurrency Market

Ultimo December 2021, the total market value of cryptocurrencies was approximately \$2,000,000,000,000 (2,000 billion). That's about 1,5% of the total money system (fiat money, investments, derivatives and cryptocurrencies).

Bitcoin represents approximately 40% of the value of over 17,000 cryptocurrencies in the market. The top ten crypto's combined represent a value of approximately 80% of the total crypto market!

Cryptocurrencies are divided into coins and tokens. Coins are cryptocurrencies that run on their own blockchain (e.g. BTC and ETH). Tokens are cryptocurrencies that use other blockchains (for example, Uniswap or Chainlink which are built on the ETH blockchain). For convenience, we will further use the word 'token' in this strategy document.

Subsequently, tokens can be divided into Security or Utility tokens. Security tokens (from the word securities, like stocks and bonds) are tied to a company and are subject to a strict regime of supervision. Utility tokens are not specifically tied to a company. Bitcoin and most other tokens are primarily utility tokens, although this is not clear for all tokens. For example, XRP (Ripple) is under fire from regulators because there is doubt whether XRP is a security or not. It is beyond the scope of this document to analyse this further.

Utility tokens can be divided into seven categories. There are more, but these are the main ones.

1. Digital currency tokens

Mainly used as a means of payment. Examples are Bitcoin Cash (Bitcoin is seen more as a store of value token, but you can also pay with it), Litecoin and Stellar.

2. Exchange tokens

These coins are linked to the services that an exchange provides. For example, exchanging BTC for GRN. Well-known exchanges are Coinbase, Binance, Uniswap and Sushi, the last two are decentralized exchanges.

3. Smart contract tokens

These are tokens that are used to execute smart contracts. Well-known examples of smart contract tokens are ETH and ADA (Cardano).

4. NFT tokens

NFT stands for Non Fungible Token. A unique token that is linked to a unique product, artwork or other (digital) asset. This allows exclusive ownership to be proven. One of the first NFTs was that of Cryptokitties.

5. Asset-backed tokens

These are tokens that are 1 on 1 linked to a hard asset. Examples are the USDT token (also known as stable coin and pegged to the USD), Kinesis (pegged to gold and silver), Petro (pegged to oil).

6. Pure utility tokens

These are tokens that enable a specific blockchain service in various industries. Examples are Filecoin (for storing files), Chainlink (supports data for smart contracts) and Vinchain (specialized in car history and mobility). Pure utility tokens represent a broad group of tokens that offer all kinds of blockchain products and services for specific branches. DeFi (Decentralised Finance) for example, are dApps (Decentralised Apps) that use their utility token to settle transactions for staking and lending.

7. Meme tokens

In its core meme tokens are digital currency tokens but with no other ambition than to create the value of their token through marketing techniques, influencers and FOMO (Fear Of Missing Out) strategies. Well-known examples are Dogecoin and Shiba coin.

General Market Developments in Crypto

Because there are so many different markets and (potential) tokens, there are many developments that we could look at. However, it would go too far to list them all here. That's why we will focus on the most important ones for our objectives and based on our research.

1. Legislation

Because cryptocurrencies gradually are claiming a larger share of the monetary market (both in value and use), traditional parties (such as banks) feel increasingly threatened and therefore lobby for stricter legislation for cryptocurrencies.

Governments are also afraid that their tax revenues will decrease because token transactions typically take place outside the regular money system. Because of that, governments are also in favour of stricter legislation.

2. Volatility

The cryptocurrency market is still relatively young and marginal. This gives large players in the market a disproportionate position of power. They can make or break a token. Larger players mostly are professional traders, that need volatility to make their profits. The more extreme volatility is, the better it is for them.

Of the approximately 23 million BTC wallets, it has been calculated that 87% of all Bitcoins are in only 0.5% of all wallets. Because of this concentration there is in fact a crypto elite that can divide and rule.

In addition, FUD (Fear, Uncertainty, Doubt) is a well-known phenomenon in the crypto market. Due to relatively small events, token prices can drop 30% to 60% just like that. The crypto elite plays a major role in creating FUD, followed by volatility, for their own benefit (example: Elon Musk). The majority of smaller token holders also are inexperienced speculators who overreact on FUD creating deeper volatility.

3. The Great Reset

Under leadership of the World Economic Forum (WEF), a great reset is being prepared that will radically change the world as we know it. The underlying reason for this reset is that our current fiat money system is at the end of its life cycle. This reflects in the enormous amount of money that is being printed worldwide, the unsustainable debts that result from this and the inflation that is rising sharply worldwide as a result.

The WEF's strategy is to enforce a new economic reality through robotization, Artificial Intelligence, Internet of Things, the Climate Plan (Green deal) and several other new economies. The USD as the world currency will likely lose its position during this reset and CBDCs (Central Bank Digital Currency) will be introduced all over the world to create a new system of money supply and money control. The CBDC is also seen as an outright competitor to cryptocurrency.

4. The economic war between West and East

The economic war between the USA (the West) and The East (such as Russia and China) is deepening. China is on its way to take over America as the largest economic power on our globe. China is also currently rolling out its CBDC and in that strategy there is no place for cryptocurrency. And more countries in the East are banning exchanges and issuance of tokens.

Another important development is the conflict between China and USA regarding ownership of Taiwan, the largest microchip supplier in the world. Escalation could easily lead to new downfalls for especially crypto, that is highly dependent of these chips for their industry.

5. Cyber attacks and cyber pandemics

Criminal organizations are increasingly shifting their focus to the digital world, including crypto. But we also see potential threats in the WEF-scenarios for long-term shutdowns of electricity networks, telephone networks and the Internet in large parts of the world. Each and every one of these threats can also seriously damage the cryptocurrency world.

6. Fiat payments with cryptocurrency

The crypto community is interested in buying goods with crypto in physical stores. Although some providers can be found that work both with real time and/or prepaid card programs that convert crypto into fiat, this is still a very small market. Mainly because most crypto holders hardly make daily payments with crypto. Although there is a potential interest in 'real world' payments in crypto, it's clear that mass adoption is essential to bring such systems to fruition. And we're a long way from that.

7. Fiat Gateways

A crucial factor for the further growth of cryptocurrency are the exchange possibilities from fiat to crypto and vice versa. The larger exchanges like Coinbase and Binance are centrally managed companies. Therein lies a risk for crypto holders who do not use cold storage for holding their tokens. Also there are many exchanges that are not as reliable as they present themselves. Losing assets because of hacks and internal fraud is a potential risk here too.

The process to swap fiat for crypto is still very complicated for the mass. The fear of losing key words is a big 'no go' for many. Just imagine your grandmother opening an account and doing a swap.

8. Stable coin risk

There are increasing concerns about the trustworthiness of stable coins. It seems that, just like in the fiat world, forms of fractional banking are used here. In other words, there are far fewer assets (like US-dollars for USDT) than stable coins issued. This could lead to extremely dangerous system risks that can crush the entire crypto market.

9. Crypto retail

Although online purchases in the traditional online business have exploded due to Corona, retail sales in the crypto realm are still marginal. At GokuMarket we also see the focus shifting further towards typical digital trade and exchange products for crypto. The availability of physical products in GokuMarket is still very minimal. The crypto retail market is yet far from mature and it will probably take at least 5 to 10 years before we see serious volumes here.

10. Metaverse

A very interesting development for crypto is the Metaverse. This digital world, developed by Facebook and Microsoft, offers people the opportunity to lead a complete virtual life through their avatar using VR-glasses (Virtual Reality).

According to WEF-plans robotization and AI (Artificial Intelligence) will take over many jobs that are now done by people. Millions will be unemployed because of this development and are likely to receive a UBI (Universal Base Income) and could end up spending most of their (free) time in their own virtual world where they can be who they want.

Google and Microsoft are investing enormous amounts of money in the development of the Metaverse. On the other hand, Facebook is developing its own token, so it remains to be seen how much leeway other cryptocurrencies or blockchain solutions will get in the Metaverse realm.

11. Decentralised Finance (DeFi)

DeFi is, without a doubt, the fastest growing market in crypto, with lending and staking as their most important products. It's increasingly taking over traditional banking services. But there are also dangers lurking. Staking returns (yields) are often unlikely high and legislation enforcing regulations on DeFi could have a negative impact on this product market combination (PMC).

Mutual credit systems could solve this problem. These are systems that offer decentralised DeFi solutions that will make it nearly impossible to regulate.

12. Decentralised Autonomous Organisation (DAO)

DAO's are hot in 2021 and 2022. It is a movement that resonates well with the decentralized thinking in crypto. A DAO can't be seen as a traditional organisation, there is no hierarchy, no centralised ownership and via blockchain and smart contracts, the organisation manages itself.

This makes it difficult or even impossible for governments to impose domestic regulations and because it's not a centralised managed organisation security token discussions are minimised.

13. Web3

Web3 is the next big thing in Internet. Bottom line is that the internet as we know it (extremely centralised and known as Big Tech), will gradually become decentralized. To support this development blockchain solutions and new sorts of validation networks will be key for the acceleration of this development.

14. Online Gaming & Gambling

These large and professional digital markets have been eyeing blockchain and crypto for some years now. The real breakthrough could well be right around the corner. This niche is specifically interesting for developments like the Metaverse, NFTs and reward models that can be built into these games and gambling platforms.

15. Niche markets

Niche markets are the future of blockchain. With intelligent smart contracts the market will be able to develop more and more dApps for the real world and take over those processes. The linked tokens are primarily used for settling transactions.

Typically these tokens need to have a stable and predictable value to make sure the underlying service doesn't become too expensive. Therefore, the business model is based on transaction volumes, rather than token value. Industries with large volumes are likely to be the first that will profit from this development.

16. Micro nodes

While many nodes to validate crypto and blockchain transactions are often run by professional companies, decentralised validation is gaining popularity. For example, it is conceivable that your smartphone can become a node. This would open up a whole new market for validation of transactions and generate passive income for phone holders at the same time.

17. Promising developments in 2022

We also looked at expert forecasts for 2022. The following developments stand out.

- **Interoperability;** enables transactions and trades between different blockchains
- **Blockchain Oracles;** Software that extracts information from the traditional world and is used as input in dApps to make smart contracts more intelligent.
- **Decentralized exchanges;** the largest exchanges in the world are centrally managed. Advanced technology is attracting interest in decentralized exchanges such as Uniswap and Sushiswap, because they are more transparent and safer.
- **Smart contract platforms;** The ongoing developments of ETH and ADA platforms are starting to pay off. 2022 could well be the first year such platforms push Bitcoin out of the limelight and capitalize on it in terms of more users and value growth.

This completes our research on market developments. In Part 2 we'll take a closer look at how the DAO's are organised, how they interact together and how they meet market demands as summed up above.