PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
XCN

Onyxcoin (XCN)

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Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading XCN. Investors should perform their own assessment to determine the appropriate level of risk for their personal circumstances. Be sure to do your own research and due diligence while taking into account your own financial situation and risk tolerance. Please review the [Risk Summary](#) for additional discussion of general risks associated with the assets made available in the platform. These materials are for general information purposes only and are not investment advice or a recommendation or solicitation to buy, sell or hold any crypto asset or to engage in any specific trading strategy. The information contained in this risk disclosure is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is Onyxcoin and how does it work?

Onyxcoin (XCN) is the digital token used in the Onyx ecosystem, a blockchain platform designed to help businesses build financial services and applications.

The Onyx Protocol allows different networks to connect and share information securely. XCN plays several roles within this system:

- Payments and fees: XCN is used to pay transaction fees when using Onyx products and services.
- Discounts and access: Holding and using XCN can give users discounts and access to premium features on the platform.
- Governance: XCN holders can vote on decisions about how the Onyx Protocol is managed through the Onyx DAO (a decentralized governance process).

The Onyx network is designed to be efficient and secure. Transactions are validated by a group of participants, and the system ensures that no single party has full control.

In short, Onyxcoin is both a utility token for using Onyx's blockchain services and a governance token that lets holders influence the future of the protocol.

Who is behind the project?

The Onyx project began as Chain, founded in 2014 by Adam Ludwin. In 2018, Chain Inc. was acquired by Lightyear Corp. The project was rebranded to Onyxcoin (XCN) in January 2023. Since 2021, the company has operated privately, with development carried out by its team and supported through community governance.

Tokenomics of XCN

The maximum supply of Onyxcoin (XCN) is 68,892,071,756 tokens. Token issuance follows a governance-controlled emission framework:

- Timelock Treasury: Releases 200 million XCN per month until March 1, 2030.
- DAO Treasury: Authorized to release up to 200 million XCN per month, subject to Onyx DAO governance. Unused amounts accrue for future use.
- Circulating Supply: Adjusts dynamically based on emissions, staking participation, and token burns.

As of August 2025, the circulating supply of XCN is approximately 34 billion.

General Risks

Like all other digital assets, there are some general risks to investing in XCN. These include short history risk, volatility, and liquidity risk, demand risk, forking risk, code defects, cryptography risk, regulatory risk, concentration risk, electronic trading risk and cyber security risk. For more information on general risks associated with smart contracts and digital assets, see Kraken's Risk Statement.

Risks specific to XCN

Competition

XCN faces competition from other smart contract platforms such as Arbitrum, OP Mainnet, Base, and many others. XCN's value derives from XCN's broader adoption in the market. If XCN fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of XCN.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on XCN and determined that Kraken was permitted to make XCN available for trading to UK users, in compliance with UK law. This process generally consists of reviewing publicly available information on the following:

- The creation, governance, usage and design of XCN, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created XCN;
- The supply, demand, maturity, utility and liquidity of XCN;
- Material technical risks associated with XCN, including any code defects, security breaches and other threats concerning XCN and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and
- Legal and regulatory risks associated with XCN, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of XCN, and (ii) consideration of statements made by any regulators or securities regulatory authorities in the UK, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to XCN about whether XCN, or generally about whether the type of crypto asset, is a security and/or derivative.