PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Nockchain (NOCK)

Last updated on June 02, 2026

Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading NOCK. 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 NOCK and how does it work?

Nockchain is a Layer-1 blockchain that uses a Zero-Knowledge Proof-of-Work (ZKPoW) consensus mechanism, in which miners secure the network and produce blocks by generating zero-knowledge proofs in a proof-of-work competition. The network is designed as a base layer for verifiable computation, allowing developers to build applications, known as NockApps, and application-specific rollups that perform computation off-chain and settle on the main chain through succinct proofs. It combines fixed-supply, sound-money principles with zero-knowledge proof technology.

NOCK is the native asset of the network. It pays for transaction settlement on Nockchain and is the unit of account for the market for verifiable computation the network secures.

Who is behind the project?

Nockchain was developed by Zorp Corp, established in 2022 and founded by Logan Allen. Logan Allen serves as Zorp Corp's Chief Executive Officer.

Tokenomics of NOCK

The total supply of NOCK is capped at 2^{32} tokens, which is 4,294,967,296 NOCK, and all tokens are issued to miners as block rewards through a fair launch with no pre-mine. As of June 2026, the circulating supply is approximately 2.2 billion NOCK based on publicly available market data.

General Risks

Like all other digital assets, there are some general risks to investing in NOCK. These include short history risk, volatility risk, 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 NOCK

Competition

The Nockchain network faces competition from other Layer 1 blockchains and zero-knowledge networks such as Aleo, Iron Fish, and others. NOCK's value derives from its broader adoption in the market. If the Nockchain network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of NOCK.

Proof of Work Pushback

Proof of Work cryptocurrencies have come under considerable criticism because of their energy use. Regulatory efforts around the world could move to clamp down on Proof of Work mining, making it harder for the network to operate and affecting market perception. These criticisms could have negative impacts on the value of NOCK.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on NOCK and determined that NOCK is unlikely to be a security or derivative under UK securities legislation. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

- The creation, governance, usage and design of NOCK, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created NOCK;
- The supply, demand, maturity, utility and liquidity of NOCK;
- Material technical risks associated with NOCK, including any code defects, security breaches and other threats concerning NOCK 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 NOCK, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of NOCK, 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 NOCK about whether NOCK, or generally about whether the type of crypto asset, is a security and/or derivative.

as up, gains may be subject to Capital Gains Tax and there may be extra charges when paying via credit card from your provider.