

ZXN Protocol

Litepaper v1.4

Abstract

The XEN Crypto has fundamentally reshaped our understanding of fairness in crypto. With the lowest barrier to entry and a protocol-level burning mechanism, XEN Crypto is the best onboarding tool for every new project.

The DBXen Project emerged as a practical solution to counterbalance the excessive inflation caused by the surging popularity and adoption of XEN Crypto. With its limited capped supply and distinctive rewards mechanism in the native token, DXN has become the 'yang' to XEN's 'yin' - the digital gold to its digital cash.

The DBXen Project helped to curb XEN's inflation by burning over 4.7 trillion XEN tokens and it's due for a well-deserved recognition.

That's where the ZNX Protocol comes into play. Now, instead of just burning XEN tokens, participants can send their DXN tokens to a contract and use them as a burn multiplier. This action not only removes the tokens from the already scarce circulating supply but also increases their value.

Please note, the process of sending DXN to a contract will be referred to as "burning". However, this is not "burning" in the traditional sense, where tokens are permanently removed from circulation by sending them to an inaccessible or "dead" wallet. Instead, the DXN tokens will be held by the ZNX Protocol contract and later used as a bonus participation reward for protocol users.

Overview of ZNX Protocol

ZNX Protocol is designed to distribute a new token, ZNX, to users who actively contribute to the network by burning XEN and DXN tokens. This mechanism directly contributes to XEN deflation, helps maintain a balanced supply, and also gives additional utility to the DXN token.

Starting with zero supply, the ZNX token can only be minted through the burning of XEN and DXN tokens. It carries no inherent value and does not have any VC or investor backing at its inception. The ZNX Protocol isn't managed by any team; it exists simply as a piece of immutable code secured by the blockchain. Once

deployed, it is irrevocable and cannot be altered or stopped by any party. The code is open-source and available for anyone to verify.

The token's smart contract ensures fair token distribution, with all participants following the same immutable rules secured by the blockchain.

Operating under the Proof of Burn protocol (PoB), ZNX underscores the principle of individual ownership. This implies that participants in the ZNX Protocol retain full rights to self-custody.

The daily allocation of ZNX tokens is determined based on the Burn Credits (BC) that users have acquired during each active 24-hour cycle.

Additionally, there are no:

- pre-mints
- private or public sales
- OA (origin address)
- treasury allocation
- protocol or developer fees

Tokenomics

Total Supply

With a maximum supply of 1,000,000,000 tokens, ZNX tokens are distributed over 400 active cycles, each lasting 24 hours. Each active cycle has a fixed allocation of 2,500,000 ZNX tokens that are distributed among users based on their respective Burn Credits (BC).

Participation & Burn Credits

In order to participate in the ZNX distribution process, participants are required to burn XEN tokens. The burn process is batched, with the smallest permissible batch being 1,000,000 XEN tokens.

Each batch burn of 1,000,000 XEN tokens equates to 1 Burn Credit (BC). These Burn Credits are integral to the distribution of ZNX tokens during each cycle.

In addition to burning XEN, users can also burn DXN to increase their BC. Each DXN burned multiplies the BC gained from burning XEN by 1. For instance, if a user, burns 2,000,000 XEN and 3 DXN, he gets a total of 6 BC (2 XEN BC * 3 DXN MULTIPLIER). Another example, if another user, burns 10,000,000 XEN and 10 DXN, she gets 100 BC (10 XEN BC * 10 DXN MULTIPLIER).

This mechanism amplifies the user's contribution to the network and results in a larger share of the daily ZNX allocation.

Batches & Burn Credits (BCs)

Batch is a token burn multiplier.

MIN XEN batches = 1 or 1 Million XEN tokens

MAX XEN batches = 1000,000 or 1 Trillion XEN tokens

MIN DXN batches = 1 or 1 DXN token

MAX DXN batches = 10,000 or 10,000 DXN tokens

1 XEN batch is equal to 1 Burn Credit (BC)

1 DXN batch is equal to a 1 multiplier to Burn Credit (BC)

Please note the following:

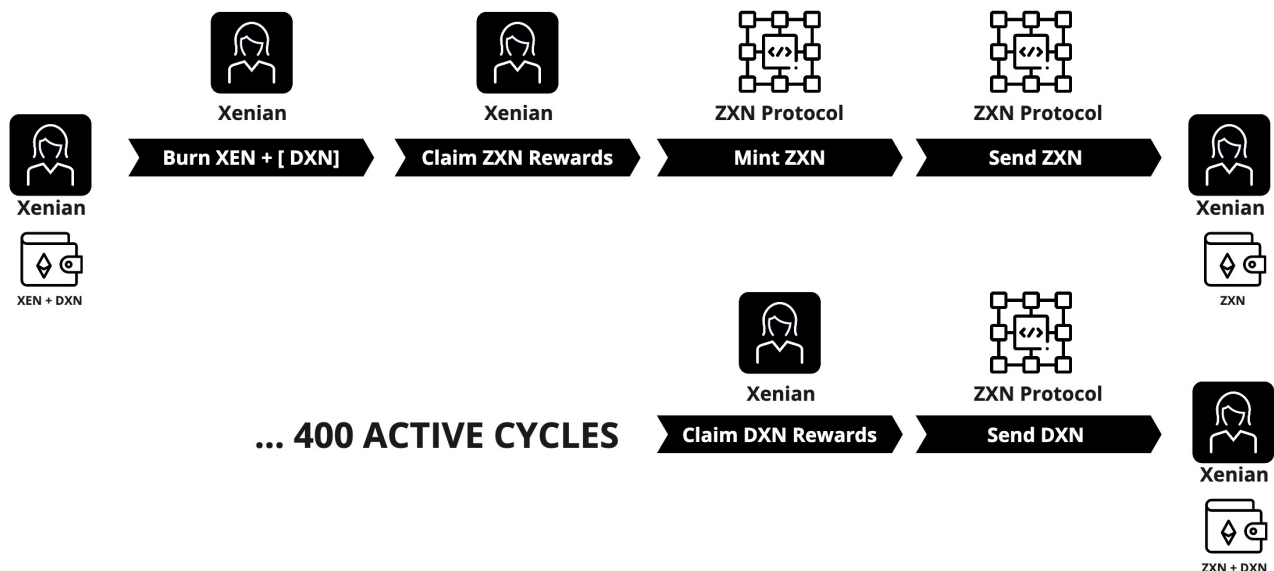
- Burn at least 2 batches of DXN if you wish to have a multiplier effect on BC.
- Burning 10 million XEN along with 1 DXN has the same effect as burning 10 million XEN by itself.
- Burning 10 million XEN and 5 DXN equates to the same impact as burning 50 million XEN.

Token Distribution

At the end of each 24-hour cycle, the 2,500,000 ZXN tokens are distributed proportionally to all users based on their BCs. The more BCs a user has accumulated during a cycle, the higher the share of ZXN tokens they receive.

The percentage of ZXN tokens a participant receives in a given cycle is determined by the percentage of their BC contribution to the total BCs for that cycle. In other words, if a participant contributes 10% of the total BCs in a cycle, they will receive 10% of the 2,500,000 ZXN tokens distributed in that cycle or 250,000 ZXN.

To illustrate another use case, if a user burns 2,000,000 XEN during a cycle, he will earn 2 BC. Suppose he is the only user who burned XEN during this cycle, he will receive the entire allocation of 2,500,000 ZXN tokens for that cycle.



1 XEN batch = 1,000,000 XEN
1 DXN batch = 1 DXN

Active Cycle 1

Participant	Burned XEN	DXN Multiplier	Burn Credits	XEN Cost	DXN Cost	Total Cost	ZXN Reward
User 1	10,000,000	2	20	\$10	\$10	\$20	15,527.95
User 2	100,000,000	10	1,000	\$100	\$50	\$150	776,397.52
User 3	1,000,000,000	0	1,000	\$1,000	\$0	\$1,000	776,397.52
User 4	100,000,000	0	100	\$100	\$0	\$100	77,639.75
User 5	50,000,000	10	500	\$50	\$50	\$100	388,198.76
User 6	20,000,000	5	100	\$20	\$25	\$45	77,639.75
User 7	100,000,000	3	300	\$100	\$15	\$115	232,919.25
User 8	20,000,000	10	200	\$20	\$50	\$70	155,279.50
Total Burn Credits:			3,220	Daily ZXN Rewards:			2,500,000

*cost is based on \$0.000001 XEN and \$5 DXN

Active Cycle 2

Participant	Burned XEN	DXN Multiplier	Burn Credits	XEN Cost	DXN Cost	Total Cost	ZXN Reward
User 1	20,000,000	5	100	\$20	\$25	\$45	16,949.15
User 2	100,000,000	10	1,000	\$100	\$50	\$150	169,491.53
User 3	1,000,000,000	10	10,000	\$1,000	\$50	\$1,050	1,694,915.25
User 4	100,000,000	0	100	\$100	\$0	\$100	16,949.15
User 5	50,000,000	40	2,000	\$50	\$200	\$250	338,983.05
User 6	30,000,000	15	450	\$30	\$75	\$105	76,271.19
User 7	200,000,000	5	1,000	\$200	\$25	\$225	169,491.53
User 8	10,000,000	10	100	\$10	\$50	\$60	16,949.15
Total Burn Credits:			14,750	Daily ZXN Rewards:			2,500,000

*cost is based on \$0.000001 XEN and \$5 DXN

Claiming rewards (ZXN)

Once a cycle ends, the rewards associated with it are ready to be claimed. A user claiming their rewards will receive the entire amount of ZXN tokens earned in all previous cycles. ZXN tokens are minted by the contract only when rewards are claimed.

Bonus Participation Rewards (DXN)

All DXN tokens collected during 400 active cycles will be given as a bonus participation reward for ZNX Protocol participants. Protocol participants will receive the rewards based on their total Burn Credits (BC) accumulated during 400 active cycles.

DXN rewards can be claimed after all 400 active cycles were completed and ZNX rewards were claimed.

Participant	Burn Credits	DXN Reward
User 1	200,000	3,076.92
User 2	45,000	692.31
User 3	30,000	461.54
...
User n	10	0.15
Total Burn Credits:	1,300,000	Total Collected DXN: 20,000

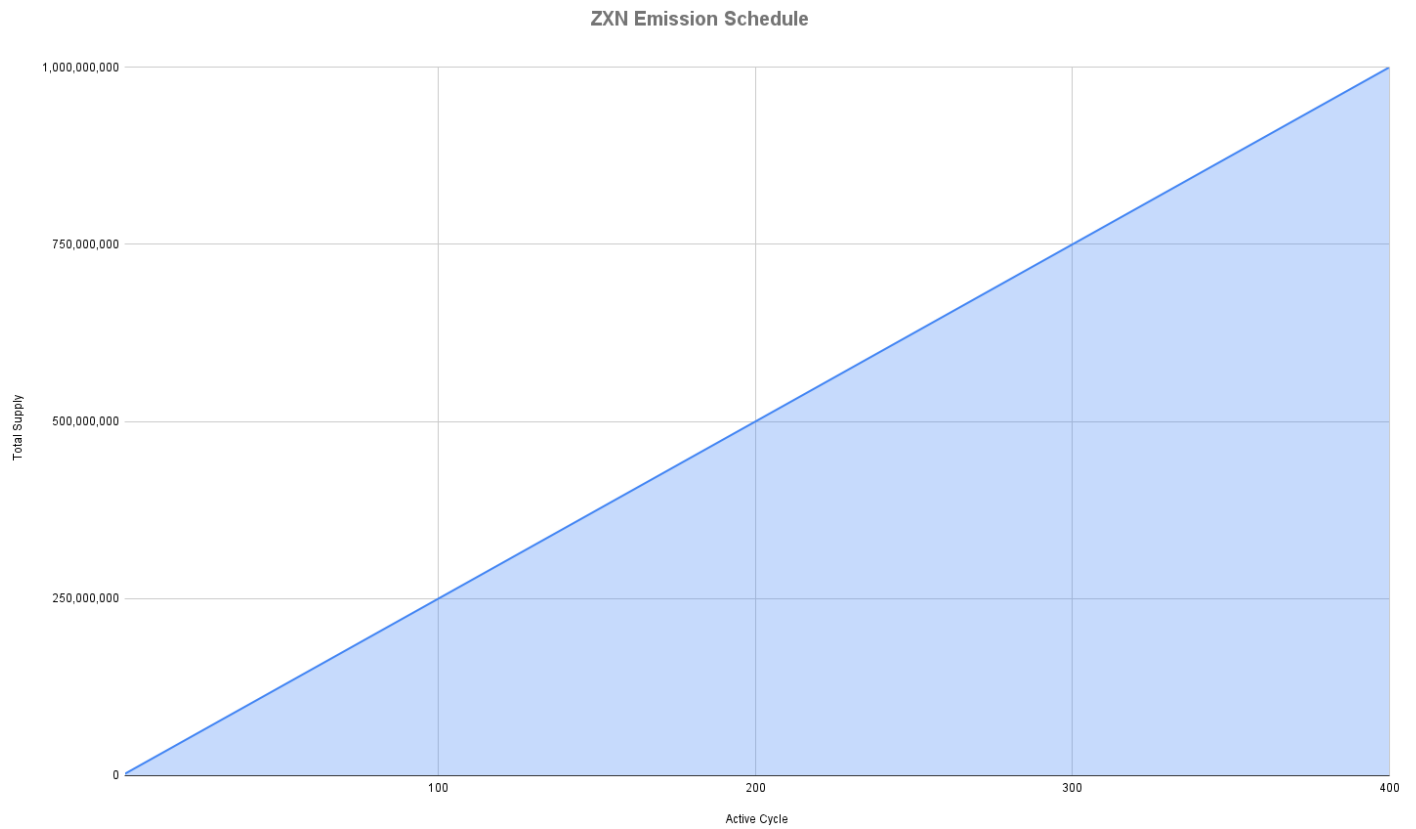
Burn Cycles & ZNX Emission Schedule

There are two types of burn cycles: active and inactive.

After at least 1 XEN batch is burned during a cycle that cycle becomes active.

If no batches are burned within a complete 24-hour cycle, that cycle remains inactive and is not included in the count towards the 400 burn cycles.

The entire supply of ZNX tokens is distributed across 400 active cycles.



Initial ZXN Supply

ZXN has no initial coin supply. The supply is minted by the ZXN Protocol once participants claim their daily rewards, generating 2,500,000 ZXN tokens per active 24-hour cycle.

ZXN Token Utility

Crypto development is never certain, and almost every single roadmap inevitably changes, which has led us to avoid relying on fixed roadmaps and promises.

All too often, founders of crypto projects make development promises, setting expectations for users, only to pivot later, altering their commitments and undertaking different actions.

We advise not placing your trust in founders, roadmaps and promises; instead, believe only in the code that has been deployed and made open-source.

Should we develop any future ZXN utility, our announcement will not be made any sooner than one month prior to its launch, ensuring there are no expectations of any kind before that.

ZXN token value

The ZXN token starts with no inherent value, but its value might or might not increase over time based on user demand and how it's used within the ecosystem.

We encourage all members of the community to take an active role in their financial journey. It is essential to remember that your financial decisions should always be based on your personal circumstances, objectives, and risk tolerance.

Crypto investments, like any investment, carry risks, and the value can go up or down. We strongly recommend that you conduct your own research, consult with a financial advisor, and make financial decisions that are right for you. You are the best steward of your financial future. Empower yourself with knowledge and make informed choices.

Summary

ZXN protocol aims to be a community-centered project built on principles of fairness and community participation that rewards its users for active engagement and brings value to the XEN ecosystem. By burning XEN and DXN, users can earn ZXN tokens, and thereby benefit from their involvement in the network.