

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Codatta (XNY)

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Disclaimer

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

Codatta is a decentralized, multi-chain data infrastructure protocol that aims to transform human and AI-generated knowledge into structured, blockchain-based assets. The project focuses on building the "AI Knowledge Layer" by enabling contributors to annotate and validate data, which is then used to train AI models. Contributors receive perpetual royalties when their data is utilized, promoting a collaborative approach to data curation.

Codatta's XNY token plays a multifaceted role in both the crypto and AI ecosystems. By staking XNY, orchestration nodes help secure and operate the network supplying storage and compute resources and users can stake to build reputation, making their data contributions more likely to be validated and rewarded. Misconduct may lead to reputation reduction and XNY slashing. As a universal gas token, XNY simplifies multi-chain and multi-provider settlements; it also serves as the medium of exchange for purchasing AI data assets and distributing continuous royalties. The protocol addresses challenges such as data silos and lack of data integrity by aggregating and curating data through collaborative and automated mechanisms. Key features include account annotation and user demographic annotation, which are critical for applications like AML software, on-chain risk management, and personalized experiences in decentralized applications.

Who is behind the project?

Codatta is developed by Codatta Pte. Ltd., a private limited company incorporated in Singapore in 2022. The company is led by Yi Zhang, who serves as the Chief Executive Officer.

Tokenomics of Codatta

As of July 2025, XNY has a total supply of 10,000,000,000 billion tokens.

General Risks

Like all other digital assets, there are some general risks to investing in XNY. 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 Codatta

Competition

The Codatta network faces competition from other cryptocurrencies such as Ocean Protocol (OCEAN), The Graph (GRT), and others. XNY's value derives from its broader adoption in the market. If the Codatta network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of XNY.

Due Diligence

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

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong. [Take 2 mins to learn more.](#)

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