PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Kinetiq (KNTQ)

Last updated on February 5, 2026

Disclaimer

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

Kinetiq is a liquid staking protocol built on Hyperliquid. It is designed to let users stake HYPE while receiving a liquid token, kHYPE, that represents their staked position. The protocol's stated design is that staking rewards are reflected through changes in the exchange rate between kHYPE and HYPE over time, rather than by requiring users to manually claim rewards.

Kinetiq also has a governance token, KNTQ. KNTQ is described as the token used for governance within the Kinetiq ecosystem, and it is also used in a staking system where KNTQ can be staked to receive sKNTQ, which is subject to a withdrawal delay.

Who is behind Kinetiq?

Kinetiq is cofounded by Kristofer Chapoteau and Magnus Lai.

Tokenomics of KNTQ

Category	Amount
Protocol Growth and Rewards	30.0%
Liquidity	4.0%

Investors	7.5%
Foundation	10.0%
Core Contributors	23.5%
Genesis	25.0%
Total	**100.0%**

General Risks

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

Competition

Kinetiq faces competition from other liquid-staking providers on Hyperliquid such as Kintsu and Staked Hype. KNTQ's value derives from the project's broader adoption in the market. If Kinetiq fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of KNTQ.

Due Diligence

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

KNTQ, 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 KNTQ about whether KNTQ, 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.**

Payward Ltd (trading as Kraken) is registered as a cryptoasset firm with the Financial Conduct Authority (FRN: 928768) registered office at 6th Floor, One London Wall, London, EC2Y 5EB. Cryptoasset services offered by Payward Ltd are unregulated and not covered by the Financial Services Compensation Scheme as well as the FCA’s consumer protection regulations. Note the value of cryptoassets can go down as well as up, gains may be subject to Capital Gains Tax and there may be extra charges when paying via credit card from your provider.