PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Rekt (REKT)

Last updated on September 7, 2026

Disclaimer

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

Rekt is a brand and community memecoin connected to the Rekt consumer product line, most notably Rekt Drinks, a range of beverages marketed to a crypto and culture focused audience. It began as the Rektguy digital art and collectibles community on Ethereum and grew into a wider consumer brand. The REKT token is issued on Ethereum and is also bridged to several other networks. It is associated with the brand ecosystem and community rather than any financial product or platform.

Who is behind the project?

Rekt Brands Inc. was founded in November 2023 by co-founders Ovie Faruq, Michael Anderson, Benjamin Cowley, and Miah Vu. Ovie Faruq serves as Chief Executive Officer of Rekt Brands Inc.

Tokenomics of Rekt

The total supply of REKT is 420.69 billion tokens which is distributed as follows:

REKT Allocation	Percentage
Community	63.5%
Contributors	15%
Ecosystem	11%
Investors	7.5%
Advisors	3%
Total	**100%**

General Risks

Like all other digital assets, there are some general risks to investing in *REKT*. 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 Rekt

Competition

The Rekt token faces competition from other memecoins such as Dogecoin, Shiba Inu, Pepe, and others. REKT's value derives from its broader adoption in the market. If the Rekt token fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of REKT.

Due Diligence

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