PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Basic Attention Token (BAT)

Last updated on September 8, 2026

Disclaimer

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

Basic Attention Token (BAT) is the utility token of the Brave browser, a privacy oriented web browser built by Brave Software, Inc. Brave blocks third party trackers and intrusive advertising by default, and its Brave Rewards program lets users earn BAT for choosing to view privacy preserving advertisements. Advertisers fund these advertisements, and users can direct the BAT they earn to support the content creators they follow.

At present BAT is used to reward users who choose to view privacy preserving advertisements in the Brave browser, and to let those users tip and support content creators. It is also being extended for use across the Brave Wallet, the Brave Rewards Card, and BravePay payments.

Who is behind the project?

Brave Software, Inc. was founded in 2015 by Brendan Eich and Brian Bondy. Brendan Eich, the creator of JavaScript and a founding figure at Mozilla, serves as Chief Executive Officer. BAT and the Brave browser are operated by Brave Software, Inc., a company incorporated in the United States.

Tokenomics of Basic Attention Token

The total supply of BAT is 1.5 billion tokens which is distributed as follows:

BAT Allocation	Percentage
Public token sale (2017 ICO)	67%
User Growth Pool	20%
Development and team	13%
Total	**100%**

General Risks

Like all other digital assets, there are some general risks to investing in *BAT*. 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 Basic Attention Token

Competition
The Basic Attention Token platform faces competition from other digital advertising and attention economy platforms such as Presearch, AdEx, and others. BAT's value derives from its broader adoption in the market. If the Basic Attention Token platform fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of BAT.

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