PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Avantis (AVNT)

Last updated on August 28, 2026

Disclaimer

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

Avantis is a decentralized derivatives exchange protocol built on Base, an Ethereum Layer 2 network. The protocol uses a vault model, backstopped by a staked security module, to underwrite liquidity provider losses and to price permissionless perpetual swaps without a central counterparty. In addition to crypto asset perpetuals, Avantis also lists perpetual contracts referencing real world assets such as foreign exchange, commodities, indices and equities, collateralized and settled in USDC on Base.

AVNT, the protocol's native token, has launched and is live; it trades on centralized exchanges including Coinbase and Binance and is tracked by market data providers such as CoinMarketCap and CoinGecko. Holders can stake AVNT to back liquidity providers against extreme market volatility and earn rewards. The protocol also operates a revenue linked buyback and burn program that uses a share of daily trading fees to repurchase and burn AVNT on the open market. AVNT is intended to carry governance rights over protocol upgrades. The protocol distributes fee shares and emissions to liquidity providers and rewards traders based on their on chain trading activity.

Who is behind the project?

Avantis Foundation created and developed the project under the leadership of co-founders Harsehaj Singh, Cheng Wanli Peng and Raymond Dong.

Tokenomics of Avantis

The total supply of AVNT is 1 billion tokens. As of early 2026, the circulating supply is approximately 341.1 million AVNT according to CoinMarketCap. A majority of the total supply is reserved for the protocol's community, including traders, liquidity providers, referrers and builders, with the remainder allocated to the team, investors and the Avantis Foundation.

General Risks

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

Competition

The Avantis Protocol faces competition from other decentralized derivatives platforms such as Perpetual Protocol, dYdX, and others. AVNT's value derives from its broader adoption in the market. If the Avantis Protocol fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of AVNT.

Due Diligence

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