PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Augur (AUGUR)

Last updated on July 27, 2026

Disclaimer

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

Augur is a decentralized prediction market and oracle protocol that operates on the Ethereum blockchain. The protocol lets users create and trade on markets for the outcomes of real world events, and it resolves those outcomes through a decentralized reporting system rather than through a central operator. The project is currently stewarded by the Lituus Foundation, with development contributed by Lituus Labs, the Dark Florist team, and ChainSafe.

The AUGUR token, known on chain as Reputation or REP, is used to report on the outcomes of events, to stake as bonds that back honest reporting during disputes, and to participate in the protocol governance mechanism known as forking. Holders who back the truthful outcome are rewarded, while holders who back a dishonest outcome can lose the tokens they staked.

Who is behind the project?

Augur was co founded in 2014 by Jack Peterson and Joey Krug, who developed the original protocol and its 2015 token sale. The project is now stewarded by the Lituus Foundation, whose co founder Phill Monastirsky has led the current relaunch. The Lituus Foundation funds two independent development teams, Lituus Labs and the Dark Florist, that build the oracle infrastructure and the user facing prediction market products.

Tokenomics of Augur

The total supply of AUGUR is fixed at a maximum of 11 million tokens. The token is not inflationary and has no burn or buyback mechanism. These figures reflect information available as of July 2026.

General Risks

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

Competition
The Augur protocol faces competition from other decentralized prediction market and oracle protocols such as Polymarket, Chainlink, UMA, and others. AUGUR's value derives from its broader adoption in the market. If the Augur protocol fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of AUGUR.

Regulatory Scrutiny
A regulatory crackdown on decentralized finance (DeFi) could have a negative impact on DeFi and the value of AUGUR.

Adoption by Protocols & Users
AUGUR's value derives from protocols building on Augur. If Augur fails to attract sufficient adoption, this could negatively impact the value of AUGUR.

Due Diligence

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