

# PAYWARD CANADA INC.

## CRYPTO ASSET STATEMENT

### Mango (MNGO)

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Last updated on August 13, 2025

#### **Disclaimer**

*Payward Canada Inc. (Kraken) is registered under Canadian securities laws as a restricted dealer and is offering Crypto Contracts on crypto assets in reliance on a prospectus exemption contained in the exemptive relief decision [Re Payward Canada Inc.](#) dated 04/01/2025 (the Decision). The statutory rights in section 130.1 of the Securities Act (Ontario), and, if applicable, similar statutory rights under the securities legislation of each other province and territory in Canada, do not apply in respect of the Crypto Asset Statement to the extent a Crypto Contract is distributed under the prospectus relief in the Decision.*

*No securities regulatory authority has expressed an opinion about the Crypto Contracts or any Crypto Assets (as defined in the Risk Statement) made available on the Kraken platform, including an opinion that MNGO is not itself a security and/or derivative. Changes to applicable law may adversely affect the use, transfer, exchange, or value of any of your crypto assets, and such changes may be sudden and without notice.*

*Please note that this Crypto Asset Statement may not be exhaustive of all risks associated with trading MNGO. Please review the [Risk Statement](#) and [Fee Schedule](#) for additional discussion of general risks and transaction fees associated with the Crypto Contracts and Crypto Assets made available through the Canadian 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 Crypto Asset Statement is based on publicly available information provided by third parties.*

#### **What is Mango and how does it work?**

Mango Markets is a decentralised finance (DeFi) protocol built on the Solana blockchain. Through a single cross-collateralised account, the application previously allowed users to lend, borrow and trade digital assets on both spot and perpetual-futures markets. Spot margin trades routed through the Serum decentralised exchange, while perpetual futures executed on a purpose-built Mango order book.

Deposits to a Mango account immediately began earning continuously compounding yield until used as trade collateral. The same deposits could support spot or leveraged positions in unrelated asset pairs, with leverage of up to 5x on spot margin and up to 20x on perpetuals. Users could also borrow against unused collateral and withdraw borrowed assets. A health-ratio metric, calculated from the dollar value of deposits, positions and borrowings, had to remain above zero to avoid liquidation.

Governance decisions are made by Mango DAO via the MNGO token. Token holders who lock MNGO in the governance contract can propose or vote on code upgrades, incentive programmes and treasury expenditures. In August 2024, the DAO approved a settlement with the U.S. Securities and Exchange Commission (SEC) over the 2021 MNGO sale, committing to destroy outstanding tokens and request exchange delistings. Follow-up proposals in January 2025 altered interest-rate and collateral parameters so that borrowing would become economically unviable, and contributors announced the wind-down of

Mango v4 and its Boost lending module. The DAO advised users to close remaining positions ahead of the scheduled shutdown, and total value locked has since fallen into single-digit millions of U.S. dollars.

### **Who is behind the Project?**

Mango Markets was founded in August 2021 by Maximilian Schneider, Britt Cyr and John Kramer. Development was initially coordinated through Mango Labs, while ongoing maintenance and upgrades were directed by Mango DAO token-holder votes.

The project no longer maintains an active core development team; work ceased in early 2025 following the DAO's decision to wind down operations.

### **Tokenomics of MNGO**

MNGO has a total supply of 5,000,000,000 tokens. The initial allocation was distributed as follows:

Category	Allocation
Held by the DAO, only to be unlocked by the token holder governance process	90%
Insurance fund, held by the DAO treasury and only to be deployed to absorb losses in the event of extreme volatility	5%
Creators of Mango Markets	5%
<b>Total</b>	<b>100%</b>

As of August 2025, there are approximately 1,117,466,989 MNGO tokens in circulation.

### **General Risks**

Like all other digital assets, there are some general risks to investing in MNGO. These include short history risk, volatility, and 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 Mango**

#### *Regulatory Scrutiny*

A regulatory crackdown on decentralized finance (DeFi) could have a negative impact on protocols such as Mango Markets and the value of MNGO. Legislation that regulates decentralized exchanges in the same manner as centralized exchanges could restrict Mango's operations and adversely affect demand for MNGO.

#### *Architecture*

Mango interacts with oracles that do not operate on a blockchain. These oracles are independently responsible for collecting real-world data requested by the contracts. Mango combines individual publishers' reported prices and confidence intervals into a single feed. While this mechanism is designed to produce robust pricing, Mango is unable to fully mitigate the risk of oracles producing incorrect or manipulated data. This risk was realized in October 2022, when Mango was exploited due to its reliance on an oracle for pricing its governance token, resulting in a significant loss of DAO treasury funds.

#### *Regulatory and Litigation Risk*

On September 27, 2024, the United States Securities and Exchange Commission (SEC) announced a settlement with Mango DAO and Blockworks Foundation relating to the unregistered sale of MNGO tokens in 2021. Under the settlement, the DAO is required to destroy its remaining MNGO tokens and request exchange delistings. Continued regulatory enforcement or litigation could negatively impact the value of MNGO.

#### *Adoption by Protocols & Users*

MNGO's value derives from users and protocols building on Mango. If Mango fails to attract or retain sufficient adoption, this could negatively impact the value of MNGO. In January 2025, the DAO approved changes that made borrowing and lending economically unviable, and contributors announced the wind-down of Mango v4 and the Boost lending module. This has led to a sharp decline in total value locked.

#### **Due Diligence**

Prior to listing on the Kraken platform, Kraken performed due diligence on MNGO and determined that MNGO is unlikely to be a security or derivative under Canadian 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 MNGO, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created MNGO;
- The supply, demand, maturity, utility and liquidity of MNGO;
- Material technical risks associated with MNGO, including any code defects, security breaches and other threats concerning MNGO 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 MNGO, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of MNGO, and (ii) consideration of statements made by any regulators or securities regulatory authorities in Canada, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to MNGO about whether MNGO, or generally about whether the type of crypto asset, is a security and/or derivative.