

PAYWARD CANADA INC.
CRYPTO ASSET STATEMENT
Decentraland

Decentraland (MANA)

Last updated on August 12, 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 Decentraland (MANA) 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 Decentraland (MANA). 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 Decentraland and how does it work?

Decentraland (MANA) is a virtual reality platform powered by the Ethereum blockchain that allows users to create, experience, and monetize content and applications. In this virtual world, users purchase plots of land that they can later navigate, build upon and monetize. Decentraland was launched following a \$24 million initial coin offering (ICO) that was conducted in 2017. The virtual world launched its closed beta in 2019 and opened to the public in February 2020. Since then, users have created a wide range of experiences on their parcels of LAND, including interactive games, sprawling 3D scenes and a variety of other interactive experiences.

Ownership, content, and governance are maintained through a set of smart contracts controlled by MANA holders via an on-chain voting system. Since 2022, users have been able to bridge MANA to the Polygon network, enabling low-fee transactions in the Decentraland marketplace. In late 2024 the

Foundation introduced Decentraland Worlds—personal 3-D spaces that can host up to 100 concurrent visitors and are accessible with a url—complementing the original Genesis City map.

A new desktop client, real-time voice chat, and creator-tool upgrades form part of the Foundation's 2025 roadmap aimed at expanding social features, user-generated economies, and interoperability with Layer-2 networks.

Who is behind the project?

Yemel Jardi serves as Executive Director of the Decentraland Foundation, the non-profit entity stewarding core development of the protocol. Esteban Ordano serves as Technical Advisor, and Ariel Meilich serves as Advisor.

Tokenomics of *Decentraland (MANA)*:

Decentraland has a maximum supply of approximately 2.193 billion MANA, with about 1.97 billion in circulation as of August 12 2025. Percentages refer to the total or max supply as of that date.

Category	Percentage
Investors (2017 token sale)	40 %
Decentraland Foundation	20 %
Development team	20 %
Community reserve	20 %

General Risks

Like all other digital assets, there are some general risks to investing in Decentraland. 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 Decentraland (MANA)

Competition

The Decentraland network faces competition from other virtual worlds such as The Sandbox, Otherside, Axie Infinity, and many others. Decentraland's value derives from its broader adoption in the market. If the Decentraland network fails to achieve sufficient adoption compared to other options in the market, this could negatively impact the value of MANA.

Developer Dependence

While there are many developers who contribute to Decentraland, there are no guarantees that they will continue to contribute. MANA, Decentraland's native asset, could be negatively affected by an inability to retain and/or attract developers to maintain and build out its metaverse.

Due Diligence

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