PAYWARD CANADA INC.
CRYPTO ASSET STATEMENT
Eclipse (ES)

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Last updated on August 11, 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 ES 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 ES. 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 Eclipse and how does it work?

Eclipse is a Layer 2 blockchain that uses the Solana Virtual Machine (SVM) for executing smart contracts. The team states that this allows for parallelized transaction processing, similar to Solana's architecture. Eclipse also integrates zero-knowledge proofs using RISC Zero. According to project documentation, developers can deploy applications written for the Solana environment using familiar tools and frameworks.

At the time of writing, the ES token is not yet live, but the team plans for it to serve as the native token of the Eclipse network. ES will have two primary functions within the ecosystem: it will be used to pay for transaction fees and will also enable governance. This means that ES holders will be able to participate in protocol decisions.

Who is behind the Project?

Eclipse is developed by Eclipse Foundation. The project was founded by Neel Somani. In May 2024, Vijay Chetty was appointed as the new CEO following Somani's departure.

Tokenomics of ES

The total supply of ES is 1,000,000,000 tokens which is distributed as follows:

Category	Allocation
Airdrop	10%
Ecosystem and development	40%
Investors	31%
Contributors	19%
Total	100%

General Risks

Like all other digital assets, there are some general risks to investing in ES. 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 Eclipse

Competition risk
The Eclipse network faces competition from other Layer 2 solutions such as Optimism, Arbitrum, and many others. ES's value derives from its broader adoption in the market. If the Eclipse network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of ES.

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