

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Shiden (SDN)

Last updated on March 6, 2026

Disclaimer

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

Shiden Network is a smart-contract platform that operates as a parachain on Kusama. By inheriting consensus security from the Kusama Relay Chain, it provides an execution layer that supports both the Ethereum Virtual Machine (EVM) and WebAssembly (WASM). This dual-VM design lets developers deploy Solidity and Rust contracts side-by-side, while cross-chain messaging (XCM) links Shiden to other parachains. The network's distinctive feature, dApp staking, redistributes a portion of block inflation to nominated decentralised-application developers, collators and stakers, creating a built-in incentive for ecosystem growth.

SDN, Shiden's native token, is minted continuously, so the supply is inflationary. Holders use SDN to pay transaction fees, stake to collator nodes, back selected dApps in the dApp-staking programme, participate in parachain-slot auctions, and vote on governance proposals.

Who is behind the project?

Shiden was created by Stake Technologies Pte Ltd in 2021 and is maintained today by its successor organisation Startale Labs Pte Ltd, led by founder Sota Watanabe.

Tokenomics of SDN

SDN has an inflationary supply that currently stands at roughly 87.7 million tokens, which were originally allocated as follows:

Category	Amount
----------	--------

Lockdrop 1 & 2	30%
Parachain Auction 1	22%
Parachain Auction 2	8%
Parachain Auction Reserve	5%
Protocol Development	10%
Marketing	5%
On-chain DAO	5%
Ecosystem Growth	10%
Team	5%

General Risks

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

Risks specific to SDN

Competition

The Shiden network faces competition from other cryptocurrencies such as Moonriver and Acala, and many others. Shiden’s value derives from its broader adoption in the market. If the Shiden network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of SDN.

Developer Dependence

While there are many developers who contribute to Shiden, there are no guarantees that they will continue to contribute. SDN, Shiden’s native asset, could be negatively affected by an inability to retain and/or attract developers to keep up with market needs and improve its smart-contract tooling when necessary.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on SDN and determined that Kraken was permitted to make SDN available for trading to UK users, in compliance with UK law. This process generally consists of reviewing publicly available information on the following:

- The creation, governance, usage and design of SDN, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created SDN;

- The supply, demand, maturity, utility and liquidity of SDN;
- Material technical risks associated with SDN, including any code defects, security breaches and other threats concerning SDN 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 SDN, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of SDN, 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 SDN about whether SDN, 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.](#)

Payward Ltd (trading as Kraken) is registered as a cryptoasset firm with the Financial Conduct Authority (FRN: 928768) registered office at 6th Floor, One London Wall, London, EC2Y 5EB. Cryptoasset services offered by Payward Ltd are unregulated and not covered by the Financial Services Compensation Scheme as well as the FCA's consumer protection regulations. Note the value of cryptoassets can go down as well as up, gains may be subject to Capital Gains Tax and there may be extra charges when paying via credit card from your provider.