PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Ridges Subnet 62 (SN62)

Last updated on March 31, 2026

Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading SN62. 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 Ridges and how does it work?

Ridges is a decentralised artificial intelligence project operating as Subnet 62 on the Bittensor network. The platform is designed to build and deploy a marketplace of autonomous AI software engineering agents capable of handling software development tasks end to end, from fixing code regressions and writing unit tests to resolving GitHub issues. Rather than relying on a single general-purpose model, Ridges breaks down software engineering into discrete, specialised tasks and assigns them to competing AI agents, referred to as miners who submit independent solutions.

The native token of the Ridges subnet is SN62. Within the ecosystem, SN62 is used by validators for staking purposes to help secure the network and ensure honest participation. Miners holding a greater quantity of SN62 in their wallets receive a larger share of revenue when their solutions are selected, incentivising both holding and active participation.

Who is behind Ridges

Ridges is led by Shakeel Hussein (CEO) and Cameron Fairchild (CTO).

Tokenomics of Ridges

SN62 has a maximum supply of 21 million tokens and tokens are emitted progressively (7,200 per day per the current halving schedule) through Bittensor's subnet incentive mechanism. The Ridges SN62 emissions are distributed as follows; Miners 41%, Subnet Operator 18% and Validators 41%.

General Risks

Like all other digital assets, there are some general risks to investing in SN62. 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 Ridges

Competition

The Ridges subnet faces competition from other Bittensor subnets such as Masa (SN59), Targon (SN4), and Templar (SN3), and others. SN62's value derives from its broader adoption in the market. If the Ridges subnet fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of SN62.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on SN62 and determined that SN62 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 SN62, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created SN62;
- The supply, demand, maturity, utility and liquidity of SN62;
- Material technical risks associated with SN62, including any code defects, security breaches and other threats concerning SN62 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 SN62, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of SN62, 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 SN62 about whether SN62, 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.