

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Storj (STORJ)

Storj (STORJ)

Last updated on September 09, 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 STORJ 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 STORJ. 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 Storj and how does it work

Storj is a decentralized cloud-storage network that allows anyone running its software to rent spare hard-drive space to users who need to store files. Like traditional object-storage services (e.g., Amazon S3 or Google Cloud Storage), Storj offers an S3-compatible API; unlike them, it relies on a global peer-to-peer network rather than centrally owned data-centres.

Clients may run an uplink that compresses, encrypts and splits each file into many segments and finer-grained stripes. After receiving permission from a satellite (a coordination layer that also stores metadata and distributes payments), the uplink disperses those stripes across independent storage nodes. Redundancy settings ensure enough replicas exist to survive node outages, and satellites perform cryptographic audits that require each node to prove it still holds its data. Successful proofs trigger payments.

The native STORJ token is the unit of account for the network. Customers can pay storage and bandwidth fees in STORJ, while node operators earn it for reliably hosting data. A July 2025 token-economy update introduced a two-phase plan of market buy-backs followed by smart-contract staking funded from those buy-backs; at the date of this statement that staking contract has not yet gone live, so STORJ remains a non-stakeable utility token.

Who is behind the Project?

Storj Labs, the company behind the Storj platform, was co-founded by Shawn Wilkinson and John Quinn in 2014. The platform was able to raise 910 bitcoin worth ~\$460,000 in 2014 in a public crowdsale. They raised \$3 million in a seed funding round three years later and then held a token sale, generating an additional \$30 million that same year.

Tokenomics of STORJ

The total supply of 500 million STORJ was distributed as follows:

Category	Number of tokens
Reserve	245 million
Burned	75 million
Investors	Approximately 73 million
Storj Labs	54.92 million
Service providers	2.99 million
Total	100%*

*It's unclear how the remaining ~49 million STORJ was distributed.

There is no maximum token supply and as of September 2025, the circulating supply is 143,787,438 tokens.

General Risks

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

Competition

Storj faces competition from the other cryptocurrency decentralized based cloud storage platforms like: Filecoin (FIL), Sia (SC), Arweave (AR), and many others. STORJ's value derives from Storj's broader adoption in the market. If Storj fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of STORJ.

Due Diligence

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