PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
STORJ

Storj (STORJ)
Last updated on September 09, 2025

Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading STORJ. 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 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 143,787,438tokens.

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 Kraken was permitted to make STORJ 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 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 the UK, 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.

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.](#)