Story Foundation

$IP Token

WHITE PAPER

00 TABLE OF CONTENTS

01 DATE OF NOTIFICATION

2025-05-30

- **COMPLIANCE STATEMENTS**

02 This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The [person seeking admission to trading/ operator of the trading platform] [TBC]of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

Where relevant in accordance with Article 6(3), second subparagraph of Regulation (EU) 2023/1114, reference shall be made to 'person seeking admission to trading' or to 'operator of the trading platform' instead of 'offeror'.

03 This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 and, to the best of the knowledge of the management body, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.

04 The crypto-asset referred to in this white paper may lose its value in part or in full, may not always be transferable and may not be liquid.

05 The utility token referred to in this white paper may not be exchangeable against any good or service described in the crypto-asset white paper, especially in the case of a failure or discontinuation of the crypto-asset project.

06 The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council.

The crypto-asset referred to in this white paper is not covered by the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

- **SUMMARY**

07 Warning in accordance with Article 6(7), second subparagraph, of Regulation (EU) 2023/1114

Warning

This summary should be read as an introduction to the crypto-asset white paper.

The prospective holder should base any decision to purchase this crypto-asset on the content of the crypto-asset white paper as a whole and not on the summary alone.

The offer to the public of this crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law.

This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council or any other offer document pursuant to Union or national law.

08 Characteristics of the crypto-asset

The $IP token allows users to record information on, and commercial transactions of, intellectual property registered on the Story blockchain. This may include tasks just as licensing or creating a royalty model. The token is a utility token that serves to pay for “gas fees” on the Blockchain.

09 False

10 Key information about the offer to the public or admission to trading

This whitepaper is issued as part of an admission-to-trading process across a range of digital asset exchanges with operations in Europe, Asia and North America.

Admission to trading	OKX, Bitvavo, Coinbase, Bitthumb Other exchanges as may be reasonably requested from time to time

- **PART A - INFORMATION ABOUT THE OFFEROR OR THE PERSON SEEKING ADMISSION TO TRADING**

A.1 Name

Story Foundation

A.2 Legal Form

Cayman Islands Foundation

A.3 Registered Address

3119 9 Forum Lane, Camana Bay, P.O. Box 144, Grand Cayman, KY1-9006, Cayman Islands

A.4 Head Office

3119 9 Forum Lane, Camana Bay, P.O. Box 144, Grand Cayman, KY1-9006, Cayman Islands

A.5 Registration Date

2024-04-19

A.6 Legal Entity Identifier

254900FX6QADHTOLX316

A.7 Another Identifier Required Pursuant to Applicable National Law

N/A

A.8 Contact Telephone Number

+1 345 526 1515

A.9 E-mail Address

mica@story.foundation

A.10 Response Time (Days)

30

A.11 Parent Company

N/A

A.12 Members of the Management Body

Full Name	Business Address	Function
Matthew Shaw	3119 9 Forum Lane, Camana Bay, P.O. Box 144, Grand Cayman, KY1-9006, Cayman Islands	Director
Marc Piano	3119 9 Forum Lane, Camana Bay, P.O. Box 144, Grand Cayman, KY1-9006, Cayman Islands	Director
Seung Soo Kim	3119 9 Forum Lane, Camana Bay, P.O. Box 144, Grand Cayman, KY1-9006, Cayman Islands	Director

A.13 Business Activity

Story is a purpose-built Layer 1 blockchain designed to tokenize and manage intellectual property (IP) as programmable digital assets. By embedding transparent licensing, automated attribution, and fair monetization mechanisms, Story creates a secure foundation for AI-driven innovation and decentralized collaboration. The protocol introduces a novel approach to IP management, enabling creators and AI agents to register, license, and monetize IP assets seamlessly across the internet.

Traditional IP systems are centralized, opaque, and ill-equipped to handle the rapid proliferation of digital and AI-generated content. Creators often lack control over their works, facing challenges in attribution, licensing, and fair compensation. Moreover, AI models frequently utilize copyrighted data without proper authorization, leading to legal and ethical concerns.

Story addresses these challenges by providing:

- On-Chain IP Registration: Creators can register their IP assets on-chain, establishing clear ownership and provenance.
- Programmable Licensing: Through the Programmable IP License (PIL), users can define and enforce usage terms, enabling automated royalty distributions and compliance.
- Decentralized IP Graph: A network-wide graph coordinates all IP assets, representing their relationships and legal commitments.
- AI Integration: The Agent TCP/IP protocol facilitates agent-to-agent exchange of IP assets, allowing AI models to autonomously license and utilize content.

A.14 Parent Company Business Activity

N/A

A.15 Newly Established

Yes

A.16 Financial Condition for the past three Years

The Foundation was established in April 2024.

A.17 Financial Condition Since Registration

The Foundation was established in April 2024. The remainder of 2024 consisted primarily of exploratory research to determine the viability of the software, project and token. The Foundation incurred expenses of approximately US$663,000 and did not generate any revenues.

The Story Foundation entered into a series of loan agreements in Q1 2025 necessary to establish operations, including hiring staff and retaining external services firms (e.g. legal, accounting).

In February 2025 the $IP token became available for trading on multiple digital asset centralized exchanges.

The Foundation maintains a treasury reserve of over 380 million native tokens in $IP which, if sold from time-to-time, could enable it to repay outstanding loan balances and fund continued technical development and would increase its material reserves. The Foundation believes that it has the resources and capabilities to fund ongoing business opportunities in line with its business plan.

B. Part B - Information about the issuer, if different from the offeror or person seeking admission to trading

B.1 Issuer different from offeror or person seeking admission to trading

Yes

B.2 Name

Narrative Universe Ltd.

B.3 Legal Form

Panama Foundation

B.4 Registered Address

Oceania Business Plaza, 21st Floor, Tower 1000, Isaac Hanono Missri Street, Punta Pacifica, Panama City, Panama

B.5 Head Office

N/A

B.6 Registration Date

2022-09-30

B.7 Legal Entity Identifier

N/A

B.8 Another Identifier Required Pursuant to Applicable National Law

N/A

B.9 Parent Company

N/A

B.10 Members of the Management Body

Full Name	Business Address	Function
Diana Munoz	Oceania Business Plaza, 21st Floor, Tower 1000, Isaac Hanono Missri Street, Punta Pacifica, Panama City, Panama	Council member and president
Omar Camargo	Oceania Business Plaza, 21st Floor, Tower 1000, Isaac Hanono Missri Street, Punta Pacifica, Panama City, Panama	Council member and treasurer
Yarelis Yanis	Oceania Business Plaza, 21st Floor, Tower 1000, Isaac Hanono Missri Street, Punta Pacifica, Panama City, Panama	Council member and treasurer

B.11 Business Activity

Narrative Universe Foundation was established to develop and support the growth and development of the Story Network, Story Protocol and associated ecosystem. Narrative Universe Foundation was the genesis entity for the $IP token, with such generation event occurring on January 19, 2025. Narrative Universe Foundation does not engage in commercial activity, nor does it have any assets.

B.12 Parent Company Business Activity

N/A

C. Part C - Information about the operator of the trading platform in cases where it draws up the crypto-asset white paper and information about other persons drawing the crypto-asset white paper pursuant to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114

C.1 Name

N/A

C.2 Legal Form

N/A

C.3 Registered Address

N/A

C.4 Head Office

N/A

C.5 Registration Date

N/A

C.6 Legal Entity Identifier

N/A

C.7 Another Identifier Required Pursuant to Applicable National Law

N/A

C.8 Parent Company

N/A

C.9 Reason for Crypto-Asset White Paper Preparation

N/A

C.10 Members of the Management Body

N/A

C.11 Operator Business Activity

N/A

C.12 Parent Company Business Activity

N/A

C.13 Other persons drawing up the white paper under Article 6 (1) second subparagraph MiCA

N/A

C.14 Reason for drawing up the white paper under Article 6 (1) second subparagraph MiCA

N/A

D. Part D - Information about the crypto-asset project

D.1 Crypto-Asset Project Name

Story

D.2 Crypto-Assets Name

IP Token

D.3 Abbreviation

$IP

D.4 Crypto-Asset Project Description

Story Protocol is a purpose-built Layer 1 blockchain designed to tokenize and manage intellectual property (IP) as programmable digital assets. By embedding transparent licensing, automated attribution, and fair monetization mechanisms, Story creates a secure foundation for AI-driven innovation and decentralized collaboration. The protocol introduces a novel approach to IP management, enabling creators and AI agents to register, license, and monetize IP assets seamlessly across the internet.A brief description of the crypto-asset project.

D.5 Details of all persons involved in the implementation of the crypto-asset project

Full Name	Business Address	Function
Story Protocol, Inc. DBA PIP Labs	248 Homer Avenue, Palo Alto, California 94301 USA	Initial core contributor

D.6 Utility Token Classification

Yes

D.7 Key Features of Goods/Services for Utility Token Projects

The $IP token serves multiple functional roles within the Story Protocol ecosystem, aligning with MiCA's definition of a utility token:

- Access to Services: $IP is required for various on-chain operations, including IP registration, licensing, and transaction processing.
- Network Security: Validators stake $IP to secure the network, ensuring its integrity and reliability.
- Governance Participation: Token holders can participate in governance decisions, influencing protocol developments and policies.

These functionalities indicate that $IP is designed to provide access to a digital service and is not intended as a means of payment or investment, fitting the criteria for a utility token under MiCA.

The services include:

- IP Asset Registration: Creators can register their intellectual property as on-chain assets (IP Assets), represented by ERC-721 NFTs, enabling transparent ownership and management.
- Programmable Licensing: Through the Programmable IP License (PIL), creators can define licensing terms that are enforced by smart contracts, facilitating automated and legally binding agreements.
- Royalty Distribution: The protocol automates royalty payments, ensuring that revenue is fairly distributed among original creators and contributors of derivative works.
- Dispute Resolution: An on-chain arbitration system allows for efficient resolution of conflicts related to IP rights and usage.

- AI Integration: The platform supports AI-generated content, enabling AI agents to interact with tokenized IP, fostering innovation in content creation.

D.8 Plans for the Token

The $IP token was listed for trading on various internal exchanges on February 13th. On the public launch date, At the public launch date, the token could be used to pay „gas fees“ to record transactions on the Story L1 blockchain.

D.9 Resource Allocation

The Story Foundation has outlined a clear allocation strategy for the $IP token to support ecosystem growth and sustainability:

- Ecosystem and Community (38.4%): Dedicated to supporting developers, community initiatives, marketing, events, and grant programs to foster ecosystem development.
- Initial Incentives (10%): Allocated for early rewards programs to encourage adoption and active participation.
- Foundation (10%): Reserved for operational expenses, including employee compensation and essential services for long-term development.
- Early Backers (21.6%): Distributed among early investors and advisors who supported the protocol's development.
- Core Contributors (20%): Allocated to attract and retain talented team members contributing to the Story Protocol.

This allocation strategy ensures that resources are effectively distributed to support the protocol's objectives and community engagement.

D.10 Planned Use of Collected Funds or Crypto-Assets

Any funds collected should be used to fund the ongoing operations of the Foundation, including educational efforts, maintaining network security, and ongoing product and feature development.

The fees received for services are typically automatically removed from circulation, and are adjustable based on the L1 version adopted by validators. .

E. Part E - Information about the offer to the public of crypto-assets or their admission to trading

E.1 Public Offering or Admission to Trading

ATTR

E.2 Reasons for Public Offer or Admission to Trading

The $IP token is currently listed on various digital asset exchanges. As the $IP token enables holders to engage in various commercial transactions, making the token available to purchase and use in territories subject to MICA compliance would enable broader adoption of the platform.

There is no contemplated fundraise.

E.3 Fundraising Target

N/A

E.4 Minimum Subscription Goals

N/A

E.5 Maximum Subscription Goal

N/A

E.6 Oversubscription Acceptance

N/A

E.7 Oversubscription Allocation

N/A

E.8 Issue Price

N/A

E.9 Official Currency or Any Other Crypto-Assets Determining the Issue Price

N/A

E.10 Subscription Fee

N/A

E.11 Offer Price Determination Method

N/A

E.12 Total Number of Offered/Traded Crypto-Assets

N/A

E.13 Targeted Holders

ALL

E.14 Holder Restrictions

Exchanges may impose certain user and KYC restrictions

E.15 Reimbursement Notice

N/A

E.16 Refund Mechanism

N/A

E.17 Refund Timeline

N/A

E.18 Offer Phases

The $IP token is currently publicly listed on various exchanges. It is anticipated that following MICA compliance measures, including publication of this white paper, that certain exchanges operating in the EU will permit the token to be available to parties under MICA jurisdiction.

E.19 Early Purchase Discount

N/A

E.20 Time-Limited Offer

No

E.21 Subscription Period Beginning

N/A

E.22 Subscription Period End

N/A

E.23 Safeguarding Arrangements for Offered Funds/Crypto-Assets

N/A

E.24 Payment Methods for Crypto-Asset Purchase

N/A

E.25 Value Transfer Methods for Reimbursement

N/A

E.26 Right of Withdrawal

N/A

E.27 Transfer of Purchased Crypto-Assets

N/A

E.28 Transfer Time Schedule

N/A

E.29 Purchaser's Technical Requirements

N/A

E.30 Crypto-asset service provider (CASP) name

N/A

E.31 CASP identifier

N/A

E.32 Placement Form

NTAV

E.33 Trading Platforms name

N/A

E.34 Trading Platforms Market Identifier Code (MIC)

N/A

E.35 Trading Platforms Access

N/A

E.36 Involved Costs

N/A

E.37 Offer Expenses

N/A

E.38 Conflicts of Interest

N/A

E.39 Applicable Law

Malta

E.40 Competent Court

Subject to mandatory applicable law, any dispute arising out of or in connection with this white paper and all claims in connection with the $IP Token shall be exclusively, including the validity, invalidity, breach or termination thereof, subject to the jurisdiction of the courts in the Cayman Islands.

F. Part F - Information about the crypto-assets

F.1 Crypto-Asset Type

The $IP token is primarily a utility token used for “gas fees”, allowing users to record a series of actions on the blockchain.

F.2 Crypto-Asset Functionality

$IP serves as the native utility token within the Story ecosystem, facilitating:

- Transaction Fees: Payment for network operations and smart contract executions.
- Staking: Validators stake $IP to secure the network and earn rewards.
- Royalty Distributions: Automated payments to IP holders based on usage and licensing terms.
- Agent Transactions: Medium of exchange for AI agents utilizing IP assets.
- Governance: Participation in voting about Story Protocol and Story Network decisions such as Story Foundation management, protocol upgrades, parameter decisions and certain ecosystem grants, as described in the DAO Constitution (the current version of which is available at https://www.story.foundation/constitution.pdf).

F.3 Planned Application of Functionalities

Additional commercial applications are in development which may simplify the processes of licensing, registering, and other similar interactions with intellectual property assets.

F.4 Type of white paper

OTHR

F.5 The type of submission

NEWT

F.6 Crypto-Asset Characteristics

Technical Characteristics

- The $IP token is a fungible digital asset deployed natively on the Story blockchain, a Layer 1 chain optimized for managing intellectual property.
- It complies with standard token contract interfaces (e.g. ERC-20, or equivalent on Cosmos/EVM bridge).
- Tokens are transferable and divisible, with decimal support defined at the protocol level.

Functional Characteristics

$IP is used for:

- Transaction fees on the Story blockchain
- Staking and securing the network via Proof-of-Stake (CometBFT consensus)
- Governance participation in protocol upgrades and parameter decisions
- Payment and settlement for licensing intellectual property via on-chain programmable IP licenses (PILs)
- Royalty distributions to creators, licensors, or contributors in the IP Graph

Rights Attached to the Token

- $IP does not confer ownership, profit participation, or equity rights in Story Foundation or any affiliated legal entity.
- It does confer limited governance rights, such as voting on protocol improvements and ecosystem grants, when held or staked.
- It may be used as economic consideration in licensing agreements and programmable royalty flows.
- $IP is not a stablecoin or e-money token, and it does not entitle holders to any redemption or reimbursement.

Limitations and Conditions

- Network participation (e.g., staking, governance) may require holding a minimum balance of $IP or staking for a defined period.
- Licensing and royalty payments are governed by the smart contract terms embedded in the framework.
- Transfer and use may be restricted under applicable law or by exchange listing terms.

F.7 Commercial name or trading name

N/A

F.8 Website of the issuer

N/A

F.9 Starting date of offer to the public or admission to trading

2025-05-31

F.10 Publication date

2025-05-12

F.11 Any other services provided by the issuer

N/A

F.12 Identifier of operator of the trading platform

Segment MIC for the trading platform operated by the CASP, where available, otherwise operating MIC.

N/A

F.13 Language or languages of the white paper

English

F.14 Digital Token Identifier Code used to uniquely identify the crypto-asset or each of the several crypto assets to which the white paper relates, where available

FHFWKJ3KT

F.15 Functionally Fungible Group Digital Token Identifier, where available

N/A

F.16 Voluntary data flag

True

F.17 Personal data flag

True

F.18 LEI eligibility

True

F.19 Home Member State

Home member state as defined in Article 3 paragraph 33 of Regulation (EU) 2023/1114.

Malta

F.20 Host Member States

Host member state as defined in Article 3 paragraph 34 of Regulation (EU) 2023/1114.

The Netherlands and others to come but information currently n/a.

G. Part G - Information on the rights and obligations attached to the crypto-assets

G.1 Purchaser Rights and Obligations

A description of the rights and obligations, if any, of the purchaser (as defined in the Terms & Conditions).

Purchaser may have governance rights as described in the DAO Constitution at story.foundation.

G.2 Exercise of Rights and Obligation

Procedure and conditions for the exercise of rights can be found in the DAO Constitution at story.foundation.

G.3 Conditions for Modifications of Rights and Obligations

The rights and obligations may be modified under the policies and procedures of the DAO Constitution, found at story.foundation.

G.4 Future Public Offers

N/A

G.5 Issuer Retained Crypto-Assets

The issuer does not currently own any digital crypto assets.

G.6 Utility Token Classification

True

G.7 Key Features of Goods/Services of Utility Tokens

To pay for gas fees on the Story blockchain.

G.8 Utility Tokens Redemption

N/A

G.9 Non-Trading Request

True

G.10 Crypto-Assets Purchase or Sale Modalities

N/A

G.11 Crypto-Assets Transfer Restrictions

The $IP token is not available for purchase and/or use in sanctioned / restricted territories.

Tokens owned by core contributors and early backers are subject to transfer restrictions and lockup restrictions as described on story.foundation. The initial lockup release date for these tokens will be on February 13th, 2026. These can be enforced via legal contracts (enforced by custodian providers) or smart contracts.

Tokens currently available on exchanges are not subject to transfer restrictions.

G.12 Supply Adjustment Protocols

During the first year following public launch, there will be approximately 20 million newly-created tokens which will reward validators and stakers.

The token has a burn mechanism for transaction fees.

G.13 Supply Adjustment Mechanisms

The annual supply increase in future periods will be determined by validator consensus of a hard fork of the Layer 1.

G.14 Token Value Protection Schemes

False

G.15 Token Value Protection Schemes Description

N/A

G.16 Compensation Schemes

False

G.17 Compensation Schemes Description

N/A

G.18 Applicable Law

Malta

G.19 Competent Court

Subject to mandatory applicable law, any dispute arising out of or in connection with this white paper and all claims in connection with the $IP Token shall be exclusively, including the validity, invalidity, breach or termination thereof, subject to the jurisdiction of the courts in the Cayman Islands.

H. Part H – information on the underlying technology

H.1 Distributed ledger technology

General Information on Distributed Ledger Technology and Blockchain

Distributed Ledger Technology (DLT) describes a decentralized and distributed network system architecture where multiple participants maintain and verify a shared database. Unlike traditional databases, DLT systems do not rely on a central authority to ensure data consistency and security. Rather, they distribute control across a network of computers (nodes) and require all changes to be recorded and agreed by the nodes. This distributed approach enhances the resilience and security of such a system, and transparency of the data stored in it without the need for trust between the actors of the systems.

Blockchain technology is a subset of DLT, where the distributed database maintains a continuously growing list of records, called blocks, which are linked together in chronological order and secured using cryptographic techniques. A blockchain generally has the following key characteristics:

- Distribution: A blockchain operates on a network of nodes, each holding a copy of the ledger and each participating in the transaction verification and synchronization process.
- Security: Blockchain employs advanced cryptographic methods to secure data. Each block contains a cryptographic hash (a 'digital fingerprint') of the previous block, a timestamp, and transaction data. This structure ensures that once data is recorded, it cannot be altered retroactively without also changing all subsequent blocks, which would require consensus from the majority of the network nodes.
- Transparency and Immutability: Transactions on a blockchain are usually visible to all participants in the network, providing transparency. Once a transaction is confirmed and added to the blockchain, it is virtually immutable due to the cryptographic methods used, meaning it cannot be changed or deleted.

The Story Blockchain

H.1.1 Introduction

Story Network is a purpose-built layer 1 blockchain combining features of EVM and Cosmos SDK. It was designed to handle complex data structures like intellectual property networks by implementing a graph-like data storage into the execution layer and natively enshrining a Proof-of-Creativity Protocol. This way, big networks of IP relationships can be traversed quickly and cost-efficiently. This is the fundamental cornerstone powering Story's core IP features like permissionless licensing and automated royalty payments, which would be infeasible on other layer 1 or layer 2 solutions.

Purpose-built blockchains present a fundamental shift from prior infrastructure, not only because they built their technology using a modular approach; their main difference from general purpose and performance-oriented blockchains is that they are not trying to provide a one-size-fits-all, but rather pose a decentralized platform that is centered around a typical use case. Their approach to building a solution does not start with a Web3-native problem—as is the case with performance-oriented blockchain—but rather with an issue that lies beyond the scope of the industry: a real-world use case that decentralized technology adapts to.

As in Story's case, this targeted performance enhancement is often achieved by enshrining pre-compiled smart contracts that carry the chain's essential business logic. In combination, the modular layers are chosen with the particular use case in mind, allowing a fine-tuned approach with a

clear goal. Finally, the design of a dedicated, purpose-built blockchain allows for the implementation of validator-specific logic to unleash advanced use cases. The clear focus on one use case allows purpose-built blockchains to inject problem-specific logic at the infrastructure layer, providing users of the blockchains performance benefits for the specific use case without needing to adhere to all possible use cases (as with general-purpose blockchains).

H.1.2 Further Information Sources and Links

- http://www.story.foundation provides comprehensive information about the Story blockchain, including its technology, vision, roadmap, staking, governance, developer resources, and the latest updates on ecosystem projects.
- https://github.com/storyprotocol/protocol-core-v1. The official repository for the Story Protocol. Contains the core smart contracts for the Story Protocol, including implementations of IPAssets and IPAccounts, which are based on a modified ERC-6551 standard. These contracts facilitate the registration and management of intellectual property on-chain
- https://github.com/storyprotocol/protocol-periphery-v1. Houses peripheral smart contracts that interact with the core protocol. These contracts simplify complex operations, such as bundling multiple interactions into a single transaction, enhancing developer efficiency.

H.2 Protocols and Technical Standards

Token Protocol and Ledger Infrastructure

The $IP token is a fungible utility token natively deployed on the Story blockchain, a Layer 1 network developed using the Cosmos SDK. It is secured by the CometBFT (Tendermint Core) consensus mechanism, a Byzantine Fault Tolerant Proof-of-Stake protocol that ensures finality and validator-driven governance.

The token adheres to Cosmos-native standards and is also fully EVM-compatible, enabling interoperability with Ethereum-based smart contracts, tools, and wallets. Cross-chain compatibility is supported via the Inter-Blockchain Communication Protocol (IBC).

Smart Contract Standards and IP Tokenization Framework

Story Protocol employs the following open-source smart contract standards and protocol extensions to enable IP asset registration, licensing, and monetization:

- ERC-20 Equivalent: For $IP token functionality in EVM environments.
- ERC-721: For non-fungible IP asset representation.
- ERC-6551 (Token-Bound Accounts): To allow IP assets to function as autonomous smart accounts.
- Programmable IP License (PIL): A proprietary licensing framework developed by Story Foundation, enabling legal and economic license terms to be codified and enforced on-chain.
- Smart contracts are developed in Solidity (for EVM deployment) and CosmWasm (for Cosmos-native execution).

Interoperability and Messaging Standards

- IBC (Inter-Blockchain Communication) is used to support interoperability between Story Protocol and other Cosmos-based chains.

- Cross-chain bridges to Ethereum and other networks use standardized token-wrapping and validation protocols (e.g., canonical bridge contracts and light-client relays).
- Merkle trees are used for whitelist and claim verification during token distribution phases, ensuring secure and auditable allocation.

Metadata and Licensing Standards

- IP licensing contracts reference standard legal templates aligned with Creative Commons and custom licensing schemas defined within the PIL.
- Licensing metadata may be encoded using JSON-LD or RDFa, and stored via decentralized storage protocols such as IPFS or Arweave.
- The IP Graph—a composable data layer connecting derivative and original works—is indexed using a custom graph protocol and serialized using open data structures.

Security, Audit, and Coding Standards

All production smart contracts are subject to formal audits using best practices aligned with:

- The Smart Contract Weakness Classification and Test Cases (SWC) registry,
- OpenZeppelin Security Guidelines, and
- Deployment through multi-signature wallets and time-locked upgrade contracts.

All smart contracts are version-controlled, open-sourced, and licensed under a permissive license (e.g., MIT or Apache 2.0).

User Interface and SDK Standards

- Client-facing SDKs and dApps comply with modern application security protocols:
- HTTPS, OAuth 2.0, and OpenID Connect for secure API access and user authentication.
- Frontend libraries follow OWASP security practices.
- SDKs are published in TypeScript and maintained via the official @storyprotocol/sdk package on npm.

Marketing and Distribution Standards

- No marketing automation or algorithmic targeting is conducted via on-chain or protocol-level code. Distribution of tokens follows MiCA-compliant procedures:
- No airdrops to unsolicited parties.
- Public sales or unlocks, if any, are subject to prior notification and applicable AML/CFT procedures.
- Token recipients may be required to undergo KYC via integrated third-party providers in jurisdictions where applicable.

H.3 Technology Used

Network Infrastructure

The $IP token operates on Story Protocol, a proprietary Layer 1 blockchain developed using the Cosmos SDK, a modular and open-source blockchain framework. The network is secured by the

CometBFT consensus engine, a Byzantine Fault Tolerant Proof-of-Stake (BFT-PoS) algorithm that enables fast finality and validator participation in governance and block production.

Key attributes include:

- Block time: ~5 seconds
- Finality: Deterministic, with no probabilistic reorgs
- Validator set: Staked node operators elected based on $IP token delegation

Smart Contract Layer

Story uses a dual smart contract execution environment:

- EVM-compatible runtime for Solidity-based contracts and Ethereum interoperability
- CosmWasm module for custom, high-performance smart contracts native to the Cosmos stack
- Contracts facilitate programmable interactions with tokenized IP, licensing agreements, revenue-sharing mechanisms, and staking/reward modules.

Token Lifecycle Management

The $IP token supports the following lifecycle events:

- Minting and Allocation: Initial supply minted under protocol governance; allocation governed by vesting and ecosystem incentive schedules
- Transfer: Peer-to-peer transfers validated by the Story blockchain
- Staking: Tokens may be delegated to validators to secure the network and earn rewards
- Use in Smart Contracts: $IP is required to execute transactions, pay for gas, and activate licensing modules

On-Chain Licensing and Asset Management

Story Protocol introduces the Programmable IP License (PIL) framework, allowing IP owners to encode terms of use as smart contracts. IP assets are managed as:

- ERC-721 tokens with metadata pointing to licensing terms and provenance
- ERC-6551-compliant Token-Bound Accounts, enabling IP tokens to act as agents (holding other tokens, signing transactions, receiving royalties)
- This creates an IP graph that is stored on-chain and accessible via query interfaces.

H.4 Consensus Mechanism

Story utilizes the CometBFT consensus engine, a Byzantine Fault Tolerant (BFT) Proof-of-Stake (PoS) protocol. This mechanism ensures fast finality, deterministic block production, and resilience against malicious validators.

Proof-of-Stake Architecture

- Validator Set: A dynamic set of validators is responsible for proposing and voting on new blocks. Validators are selected based on the amount of $IP tokens staked (either self-staked or delegated by token holders).
- Voting Power: Proportional to the amount of $IP staked with each validator.

- Block Finality: Finality is achieved within a single block round, meaning blocks are finalized as soon as a supermajority (2/3+ of voting power) signs off.
- Block Time: Approximately 5 seconds per block under normal network conditions.

Validators are required to maintain high availability and participate in consensus rounds. If a validator misbehaves (e.g., double-signs or fails to sign blocks), a slashing mechanism automatically reduces their staked tokens, and they may be jailed (temporarily removed from the validator set).

Delegators who stake with misbehaving validators may also incur partial penalties, incentivizing due diligence.

Network upgrades are coordinated via on-chain governance proposals. Once a proposal is approved by majority vote (weighted by stake), validators are expected to upgrade their nodes at the scheduled block height.

This consensus mechanism supports secure, decentralized validation of transactions and ensures that the ledger state underlying the $IP crypto-asset remains tamper-resistant and transparent. It is widely adopted across the Cosmos ecosystem and benefits from a strong history of production-grade security and performance.

H.5 Incentive Mechanisms and Applicable Fees

Story's incentive structure is designed to ensure the long-term sustainability of the network, encourage active participation in the consensus mechanism.

- **Block Rewards**: Validators receive newly minted $IP tokens and a share of transaction fees for their participation.
- **Staking Rewards**: Staking rewards are distributed proportionally to validators and their delegators. There are incremental rewards for longer staking periods and for unlocked tokens.
- **Burning**. Gas fees are typically burned as per EIP 1559
- **Commission Rates**: Validators set a commission fee for the services they provide, deducted from delegators' rewards.

H.6 Use of Distributed Ledger Technology

False

H.7 DLT Functionality Description

The Story network does not rely on a single entity but is rather operated by all nodes participating in transaction validation and block generation. The network is sufficiently decentralized so that there is no central party operating the system. Anyone is open to operate a node and contribute to Cardano's operation.

H.8 Audit

True

H.9 Audit Outcome

Story and its smart contract protocol, Proof of Creativity (PoC) have undergone several rounds of independent audits for every major release, by independent third party organizations specializing in cybersecurity for blockchain technology: Slowmist, FuzzingLabs, Halborn, Trust Security. The reports

are public and can be found https://drive.google.com/drive/folders/1VS_WBQnTwKJN1OesyqelsjmArwzWBQ4y.

The audits scrutinized the implementation of different technical areas like consensus, staking and slashing, execution, registration, licensing, etc. All issues were addressed by the initial core development team.

To further secure the network, the Story Foundation organized a timeboxed public competition for independent security auditors where the auditors competed to find code vulnerabilities with a total prize pool of $US 1 million.

The Foundation maintains an ongoing bug bounty campaign where security researchers are incentivized to responsibly disclose live potential security vulnerabilities to Story.

I. Part I – Information on risks

Subject only to the limitations and requirements of MiCA and applicable mandatory statutes, each user of the crypto-asset as covered by this white paper acts in their own sole responsibility and on their own sole risk. All liability in regards to the risks mentioned herein is excluded, as far as legally permissible.

I.1 Offer-Related Risks

Absence of Guaranteed Exchange Listing: There is no guarantee that the $IP token will be admitted to trading on centralized or decentralized trading platforms. Without listing, liquidity may be limited or nonexistent, which may affect the ability of token holders to sell or exchange tokens after acquisition.

Offering Jurisdiction Limitations: The $IP token may not be lawfully offered or distributed in some jurisdictions. Purchasers who circumvent geo-restrictions or otherwise acquire the token in restricted regions may face regulatory or legal consequences, and may not have access to recourse or full protocol functionality. to trading.

Ineligibility for Certain Use Cases at Launch: Certain expected utilities of the $IP token ("Token") (e.g., licensing payments, or governance participation) may still be in development. The rollout of such features may depend on additional technical deployments or governance approvals, limiting short-term use of the token.

Taxation Risk: Changes in tax rates and/or tax laws or exposure to additional tax liabilities could negatively impact our business.

○ I.2 Issuer and Offerer-Related Risks

Regulatory & Legal Compliance Risks: Issuers of crypto assets must adhere to a wide array of regulatory requirements across different jurisdictions. If the blockchain and the protocol are unable to satisfy data protection, security, privacy, and other government- and industry-specific requirements, its growth could be harmed. Non-compliance can result in fines, sanctions, or the prohibition of the crypto asset offering, impacting its viability and market acceptance.

Litigation Risks: Legal uncertainties, potential lawsuits, or adverse legal rulings can pose significant risks to issuers. Legal challenges may affect the legality, usability, or value of the Story token.

Copyright/Patent Infringement Risk:Assertions by third parties of infringement or other violation by us of their intellectual property rights could harm our business, operating results, and financial condition.

Reputational Risks: Negative publicity, whether due to operational failures, security breaches, or association with illicit activities, can damage an issuer's reputation and, by extension, the intellectual property assets registered on the blockchain and the use of the $IP token.

Operational & Management Risks: These include risks related to the issuer's internal processes, personnel, and technologies, which can affect their ability to manage crypto-asset operations effectively. We rely on the performance of highly skilled personnel, including our management and other key employees, and the loss of one or more of such personnel, or of a significant number of our employees, or the inability to attract and retain executives and employees we need to support our operations and growth, could harm our business. Failures in operational integrity might lead to disruptions, financial losses, or reputational damage.

Fraud and Mismanagement Risks: There is a risk of fraudulent activity or mismanagement by the issuer, which can lead to directly impacting the usability or value of a crypto-asset or damage the credibility of the project.

Financial Stability Risks: We may require additional capital to meet our financial obligations and support business growth, and this capital might not be available on acceptable terms or at all.

- **I.3 Crypto-Assets-Related Risks**

Liquidity Risk: The $IP token might suffer from low liquidity, making it difficult to buy or sell large amounts without affecting the market price, which could lead to significant losses, especially in fast-moving market conditions.

Regulatory and Tax Risk: Changes in the regulatory environment for crypto-assets (such as consumer protection, taxation, and anti-money laundering requirements) could affect the use, value, or legality of the token in a given jurisdiction.

Market Risk: Crypto-assets are notoriously volatile, with prices subject to significant fluctuations due to market sentiment, regulatory news, technological advancements, and macroeconomic factors.

Smart Contract Risk: Crypto-assets might be connected to or be issued with the help of smart contracts. Smart contracts are code running on a blockchain, executing the programmed functions automatically if the defined conditions are fulfilled. Bugs or vulnerabilities in smart contract code can expose blockchain users to potential hacks and exploits. Any flaw in the code can lead to unintended consequences, such as the loss of crypto-assets or unauthorized access to sensitive data.

Custodial Risk: Risks associated with the theft of crypto-assets from exchanges or wallets, loss of private keys, or failure of custodial services, which can result in the irreversible loss of crypto-assets.

Fraud, Misconduct & **Scam Risk**: Risk of loss from scams, frauds, or other bad actors, such as via phishing attempts, fake airdrops or giveaways, identify theft, employees, among others.

Anti-Money Laundering/Counter-Terrorism Financing Risks: Crypto-asset wallets holding $IP or transactions in $IP may be used for money laundering or terrorist financing purposes, or identified to a person known to have committed such offenses.

Reputational Risk: Association with illicit activities, high-profile thefts, or technological failures can damage the reputation of certain crypto-assets, impacting user trust and market value.]

- **I.4 Project Implementation-Related Risks**

Limited Operating History: The Story Foundation has a limited operating history, which makes it difficult to predict future operations**.** There is no assurance that the Foundation’s proposed activities and business plans will succeed. The Foundation has also encountered, and will continue to

encounter, risks and uncertainties frequently experienced by growing companies in rapidly changing industries

Technology Management Risks: Inadequate management of technological updates or failure to keep pace with technological advancements can render Story, and/or the $IP token, obsolete or vulnerable to security risks.

User Adoption & **Product Market Fit:** The Story Network and rotocol were released for public use in February 2025 and have yet to gain widespread market adoption. If Story is not able to make products that appeal to blockchain users, the business may be harmed.

Ecosystem Development: 3rd party applications and services are still fairly nascent. An "ecosystem" around the Story L1 may never develop.

Reliance on highly-skilled personnel: Story relies on the performance of highly skilled engineering and business personnel to continue developing, and monitor the health of, the blockchain and Protocol. The loss of one or more of such personnel needed to support the ecosystem, could harm the project.

Unanticipated & Combined Risk: The further development and acceptance of blockchain networks, including the blockchain and the protocol, which are part of a highly competitive and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate.

- **I.5 Technology-Related Risks**

Private Key Management Risk and Loss of Access to Crypto-Assets: The security of crypto-assets heavily relies on the management of private keys, which are used to access and control the crypto-assets (e.g. initiate transactions). Hacking, theft, or loss of private keys, or respective credentials, can lead to irreversible loss of access to crypto-assets.

Settlement and Transaction Finality: By design, a blockchain's settlement is probabilistic, meaning there is no absolute guaranteed finality for a transaction. There remains a theoretical risk that a transaction could be reversed or concurring versions of the ledger could persist due to exceptional circumstances such as forks or consensus errors. The risk diminishes as more blocks are added, making it increasingly secure over time. Under normal circumstance, however, once a transaction is confirmed, it cannot be reversed or cancelled. Crypto-assets sent to a wrong address cannot be retrieved, resulting in the loss of the sent crypto assets.

Scaling Limitations and Transaction Fees: As the number of users and transactions grows, a blockchain network may face scaling challenges. This could lead to increased transaction fees and slower transaction processing times, affecting usability and costs.

Economic Self-sufficiency and Operational Parameters: A blockchain network might not reach the critical mass in transaction volume necessary to sustain self-sufficiency and remain economically viable to incentivize block production. In failing to achieve such inflection point, a network might lose its relevance, become insecure, or result in changes to the Protocol's operational parameters, such as the monetary policy, fee structure and consensus rewards, governance model, or technical specifications such as block size or intervals.

Network Attacks and Cyber Security Risks: Blockchain networks can be vulnerable to a variety of cyber-attacks, including 51% attacks, where an attacker gains control of the majority of the network's consensus, Sybil attacks, or DDoS attacks. These can disrupt the network's operations and compromise data integrity, affecting its security and reliability.

Consensus Failures or Forks: Faults in the consensus mechanism can lead to forks, where multiple versions of the ledger coexist, or network halts, potentially destabilizing the network and reducing trust among participants.

Bugs in the Blockchain's Core Code: Even with thorough testing, there is always a risk that unknown bugs may exist in a blockchain protocol, which could be exploited to disrupt network operations or manipulate account balances. Continuous code review, audit trails, and having a bug bounty program are essential to identify and rectify such vulnerabilities promptly.

Smart Contract Security Risk: Smart contracts are code running on a blockchain, executing the programmed functions automatically if the defined conditions are fulfilled. Bugs or vulnerabilities in smart contract code can expose blockchain networks to potential hacks and exploits. Any flaw in the code can lead to unintended consequences, such as the loss of crypto-assets or unauthorized access to sensitive data.

Technology Development Risk: The application of distributed ledger technology is novel and untested and may contain inherent flaws or limitations.

Dependency on Underlying Technology: Blockchain technology relies on underlying infrastructures, such as specific hardware or network connectivity, which may themselves be vulnerable to attacks, outages, or other interferences.

Risk of Technological Disruption: Technological advancements or the emergence of new technology could impact blockchain systems, or components used in it, by making them insecure or obsolete (e.g. quantum computing breaking encryption paradigms). This could lead to theft or loss of crypto-assets or compromise data integrity on the network.

Governance Risk: Governance in blockchain technology encompasses the mechanisms for making decisions about network changes and protocol upgrades. Faulty governance models can lead to ineffective decision-making, slow responses to issues, and potential network forks, undermining stability and integrity. Moreover, there is a risk of disproportionate influence by a group of stakeholders, leading to centralized power and decisions that may not align with the broader public's interests.

Validator Risk: The blockchain's functionality may depend on a community of validators, computer networks and their continued operations. If such networks do not contribute to the blockchain, such as if validators do not participate in the blockchain's consensus mechanism, or if such validators fail to maintain their operations as expected, it could have a material adverse impact on the blockchain. A decentralized community of validators may never materialize, which could have a material adverse impact on the blockchain, the protocol and the $IP tokens.

Anonymity and Privacy Risk: The inherent transparency and immutability of blockchain technology can pose risks to user anonymity and privacy. Since all transactions are recorded on a public ledger, there is potential for sensitive data to be exposed. The possibility for the public to link certain transactions to a specific address might expose it to phishing attacks, fraud, or other malicious activities.

Data Corruption: Corruption of blockchain data, whether through software bugs, human error, or malicious tampering, can undermine the reliability and accuracy of the system.

Third-Party Risks: Crypto-assets often rely on third-party services such as exchanges and wallet providers for trading and storage. These platforms can be susceptible to security breaches, operational failures, and regulatory non-compliance, which can lead to the loss or theft of crypto-assets.

- **I.6 Mitigation Measures**

The Foundation is committed to implementing mitigation measures to address the various risks. Such measures include, but are not limited to:

- currently n the process of creating a Security Council, consisting of independent experts in cryptography and digital asset wallet management, to support the board in identifying and addressing potential risks
- The Foundation engages with regulatory counsel to monitor global developments
- Token distribution mechanisms are designed with restrictions, disclaimers and compliance obligations are reassessed regularly
- Regular upgrades are coordinated through community governance and validator consensus
- Bug bounty programs may be established to incentivize responsible disclosure of flaws
- Governance rights are distributed across a diverse set of token holders and validators
- Documentation and education are prioritized to enable meaningful participation
- The Foundation has also implemented KYC / KYB processes and similar compliance and monitoring measures for grantees, vendors, consultants, employees, advisors and partners
- Controls and oversight over the ecosystem and community token wallets include segmentation of duties, requiring multiple signers for every transaction, geographic distribution, and real time alerts.

J. Part J – Additional Information Relevant to the Offering or Admission to Trading

J.1 Tax Considerations

Prospective purchasers of $IP tokens should be aware that the acquisition, holding, or transfer of crypto-assets may trigger tax obligations under applicable national or international tax laws. These may include income tax, capital gains tax, value-added tax (VAT), or withholding tax. The tax treatment of crypto-assets varies significantly between jurisdictions and may change over time. Token holders are responsible for consulting independent tax advisors to understand their specific obligations.

J.2 Legal and Regulatory Restrictions

- The $IP token is not offered, sold, or distributed to any person in a jurisdiction where such offer, sale, or distribution would be unlawful. In particular:
- Persons located in countries subject to sanctions or embargoes administered by the EU, OFAC, or UN may be excluded from participation.
- Access to $IP token may be restricted in jurisdictions where crypto-assets are prohibited or tightly regulated.
- Purchasers are responsible for ensuring their compliance with local laws and regulations.

J.3 Project Continuity and Funding Risks

The Story project is under active development and is subject to ongoing changes, upgrades, and refinements. The continued development of the protocol depends on sufficient funding, contributor participation, and market adoption. Although the Story Foundation currently supports the protocol, there is no guarantee that it will continue to do so indefinitely. Governance mechanisms may transfer control over certain decisions to token holders.

J.4 Dependence on External Infrastructure

The Story Protocol integrates several third-party technologies and infrastructures, including:

- IPFS and Arweave for off-chain storage of licensing metadata
- Ethereum and other EVM-compatible blockchains for interoperability
- IBC-compatible bridges and relayers for cross-chain functionality

Disruptions or failures in these systems may impair the availability or functionality of the $IP token or the associated licensing tools.

J.5 Smart Contract Risks

Although the Story Protocol's smart contracts are open source and undergo regular audits, they may still be subject to bugs, exploits, or unforeseen behaviors. Losses resulting from the use or failure of smart contracts are not recoverable, and users interact with the protocol at their own risk.

J.6 Intellectual Property Use and Dispute Resolution

Use of IP assets via the Story Protocol is governed by smart contracts and associated metadata but may still be subject to off-chain legal disputes. While the protocol provides tools for on-chain licensing and attribution, disputes involving ownership, authorship, or infringement may require resolution through traditional legal systems.

J.7 No Legal Rights or Ownership

Holding $IP tokens does not confer any equity, voting rights in the Foundation, or ownership stake in any legal entity. The $IP token is a utility token intended solely for participation in the Story Protocol ecosystem, including governance, staking, and licensing use cases.

PART S –INFORMATION ON THE SUSTAINABILITY INDICATORS IN RELATION TO ADVERSE IMPACT ON THE CLIMATE AND OTHER ENVIRONMENT-RELATED ADVERSE IMPACTS

S.1 Name

Story Network

S.2 Relevant legal entity identifier

254900FX6QADHTOLX316

S.3 Name of the crypto- asset

Story

S.4 Consensus Mechanism

Story uses a Proof-of-Stake (PoS) consensus algorithm. Validators are selected proportionally to the amount of stake they hold and are rotated deterministically to propose blocks. This mechanism does not rely on energy-intensive cryptographic mining, which significantly reduces electricity consumption compared to Proof-of-Work (PoW) systems. No mining equipment, ASICs, or GPU clusters are involved in the consensus mechanism.

The PoS mechanism used by Story results in low per-transaction energy consumption. Validators generally operate on standard cloud servers with modest energy profiles (≈ 400–500 kWh/year per node).

Compared to PoW chains such as Bitcoin, Story's consensus consumes >99% less energy per block. This aligns with the EU's sustainability objectives and supports scalable, low-footprint decentralized infrastructure.

S.5 Incentive Mechanisms and Applicable Fees

Story.Foundation implements an on-chain incentive mechanism to ensure validator participation and liveness. Validators receive block rewards and a portion of transaction fees, denominated in the native $IP token.

Transaction fees are nominal, designed to prevent spam but not to extract rent — this encourages real usage while minimizing unnecessary computational and energy overhead.

Unlike high-throughput chains that incentivize high-frequency, low-value transactions (increasing total energy use), Story's model emphasizes content-centric usage and semantic blockchain operations. As a result, transaction patterns are less resource-intensive, with block space optimized for real creative or AI-linked workflows rather than raw throughput.

Validator rewards are calibrated to support stable infrastructure costs, allowing participation from energy-efficient cloud-hosted without requiring heavy computational equipment.

S.6 Beginning of the period to which the disclosure relates

February 13, 2025

S.7 End of the period to which the disclosure relates

March 31, 2025

S.8 Energy consumption

Mandatory key indicator on energy consumption

1. **Inventory of nodes that draw power**

Layer-1 role	Count	Source
Active validator nodes	64	Story explorer
Total nodes modelled	**64**	

2. **Estimated annual electricity use**

Parameter	Value	Source / rationale
Measured electricity per PoS validator	**427 kWh yr^{-1}**	CCRI network assessment of the CELO PoS chain – 47 MWh for 110 validators → 427 kWh each carbon-ratings.com
Nodes in operation (see §1)	**64**	—
Story electricity, annualised	**≈ 28 MWh (27 968 kWh)**	427 kWh × 64

3. **Estimated resource usage**

Indicator	Figure	How it was derived
Total estimated energy consumption (A)	27,968 kWh yr^{-1}	see §2
Estimated share from non-renewables (B)	≈ 62 %	World grid mix ≈ 38 % renewables in 2023 (IEA) → 62 % non-renewable
Energy from non-renewables	≈ 17,340 kWh yr^{-1}	A × B
GHG scope 2 emissions	≈ 6.3 t CO_2e yr^{-1}	27,968 kWh × 0.367 kg CO_2 kWh^{-1} (CCRI carbon intensity for CELO)
Energy / transaction	≈ 0.0014 kWh	assume 20 million tx in Year 1 → A / 20,000,000

S.9 Energy consumption sources and methodologies

Electricity consumption is calculated by multiplying the average measured watt-draw of a standard validator server (based on CCRI's hardware benchmarks for comparable Tendermint-based PoS networks) by the number of validator, sentry and RPC nodes operated during the reporting period. Carbon emissions correspond to Scope 2 only and rely on location-based emission factors.