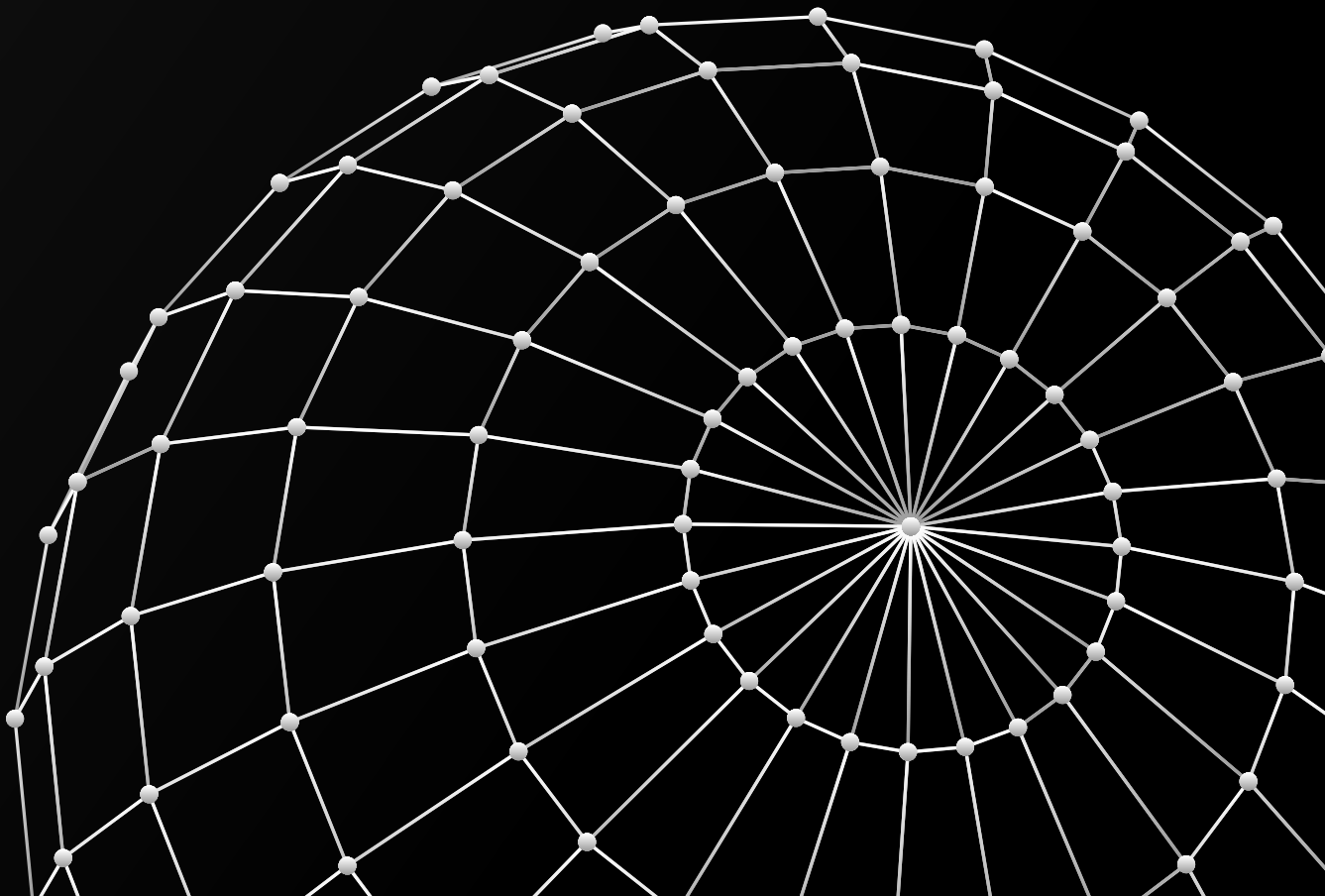
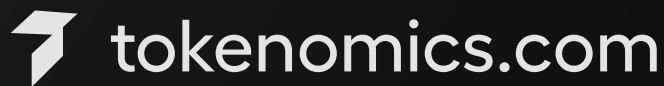




**This document aims to
clearly present our
systematic tokenomics
audit process and
structured methodology,
detailing the five key
verticals we focus on.**



About



A specialized tokenomics
firm for institutional investors,
exchanges and web3 projects.



At tokenomics.com, we provide **an all-in-one solution for tokenomics.**

We've developed the most structured and data-backed platform for tokenomics analysis in the industry.

Built with intention, powered by data.

Over the past five years we've collected more than 1900+ unique tokenomics records across RWA, L1s, DePIN, AI, and more (keeps growing daily).

We don't just collect numbers; we **study what actually works**, breaking down successful models from similar protocols to spot the winning patterns.

By cross-referencing the **tokenomics design with real market performance**, we ensure our insights are built on **actual results, not assumptions.**

In a field as technical as **tokenomics, without data, you're just another person with an opinion.**

We are a lean team of economists, data scientists, and simulation engineers.

Our **headquarters are in Lisbon, Portugal**, with our company registered in Hong Kong.



VCs
identify risks before they invest



Exchanges
flag issues before listings



Projects
optimize before TGE

About us →

Introduction

In this report, we delve into everything we audit, from zero to one.

Tokenomics is a **multifaceted concept**.

Many founders think tokenomics is just about:

- A token's max supply number
- A pie chart showing 10%-20% allocated to the team
- An emissions schedule
- An allocation distribution chart

While these are elements of a project's tokenomics, they don't capture the full picture.

A full tokenomics framework covers the following 7 core verticals:

1. Purpose and Utility of the Token

2. Economical Model (we cover token allocation, inflation, supply shocks and more)

3. Fundraising Setup (we cover the potential valuation, terms and conditions for investors, etc)

4. Value Flow (creation, capture and accrual)

how the token ecosystem creates, captures and accrues back value to the token holders.

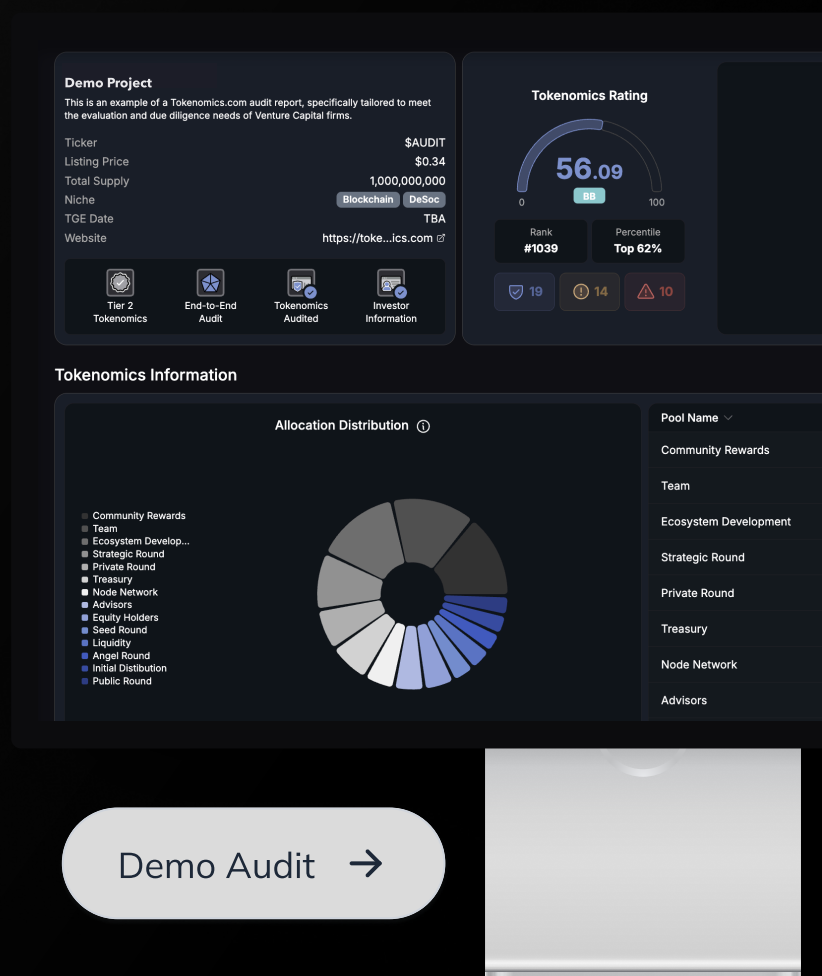
5. Incentives system (to direct users behaviour)

6. Modeling (what can happen and the relative probabilities of different outcomes)

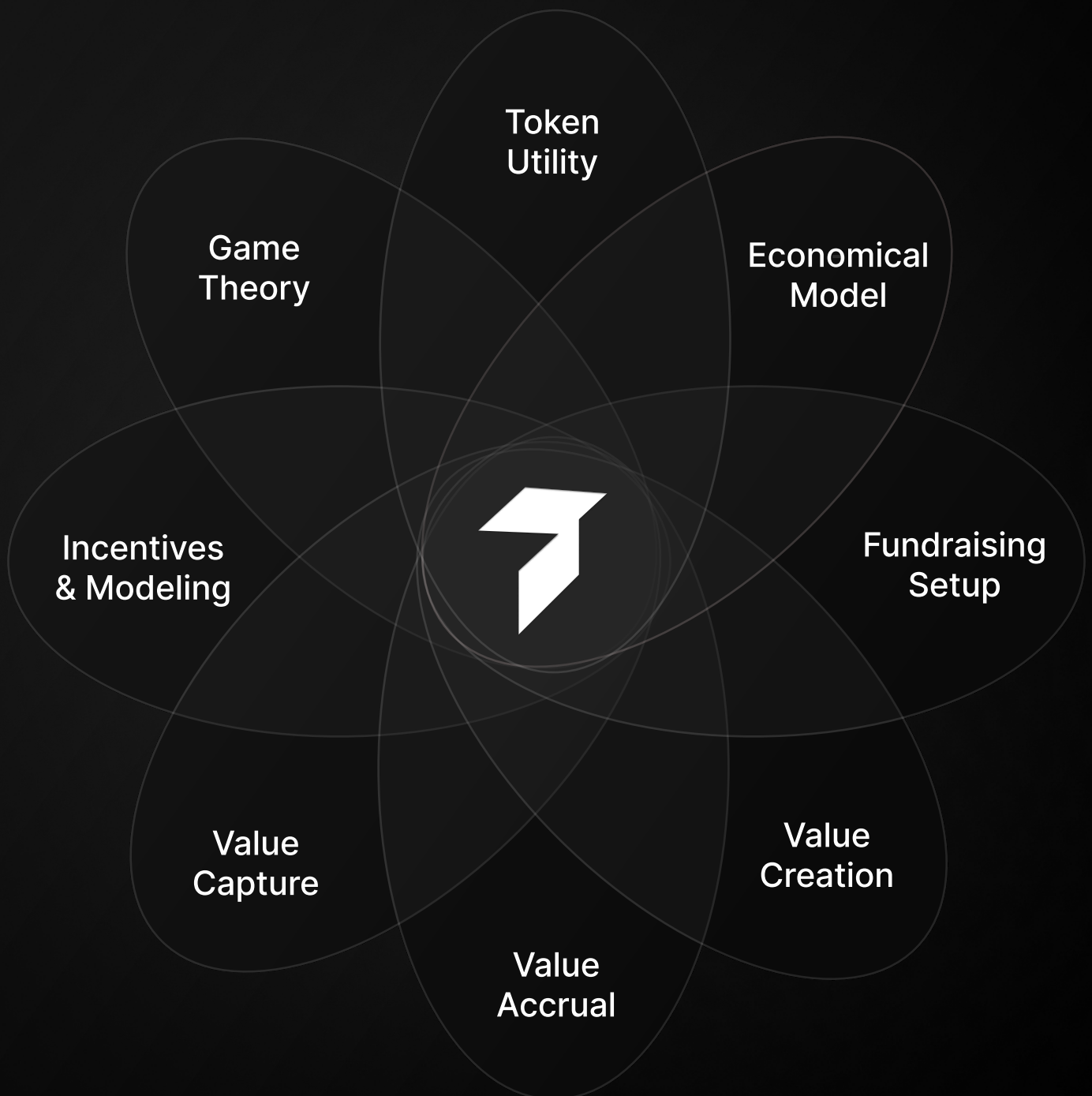
7. Game Theory (how participants interact within the system, ensuring no one can exploit the design)

To determine whether a tokenomics model is balanced, it is essential to analyze all of these verticals together.

This is why we use a **pentagon audit methodology**, ensuring that no single element is evaluated in isolation.



A complete tokenomics framework covers the following:



Distribution
Fairness
50.02

Economic Policies
48.67

Which we

Break-down

Market Makers
63.23

Investment &
Valuation
88.18

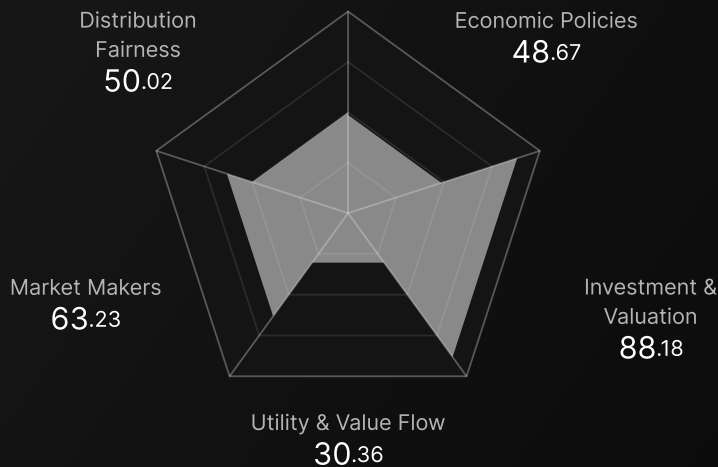
into 5 verticals and 23 modules



Rank
#1039

Percentile
Top 62%

Audits structure



There's was no standard, no framework for evaluating tokenomics **truly end to end**.

So after 4 years of gathering enough data, designing tokenomics for over 100+ projects, we built the tokenomics audit system we wished it existed.

We've now audited over 750+ tokenomics for projects.

Our audit methodology is composed of 5 verticals and 23 components, each section has highlights, warnings and alerts, where we:

- ✓ highlight what's working
- ✗ flag what's broken
- ⌚ warn where optimization is needed

To determine whether a tokenomics model is balanced, it is essential to analyze all of these verticals together.

This is why we use a **pentagon audit approach**, ensuring that no single element is evaluated in isolation.

Each of the 23 sections will be explained in detail in the following sections of the documentation.

5 verticals (23 modules)

▼ Distribution Fairness

1. Allocation Distribution
2. Deviation to Best Performers
3. Token Power and Governance
4. Dominance Test (*Insiders & Investors*)

▼ Monetary and Economic Policies

5. Inflation
6. Supply shocks
7. Float Analysis
8. Risk of dilution
9. Vesting schedule efficiency

▼ Investment and Valuation

10. Investors terms and conditions
11. Break-even Analysis
12. Balance in the terms
13. Valuation Analysis (FDV vs VDV)
14. Niche Performance Analysis

▼ Token Utility and Value Flow

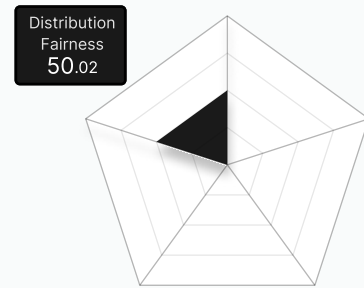
15. Token Utilities
16. Value Creation
17. Value Capture
18. Value Accrual

▼ Liquidity Terms

19. Agreement Structure
20. Liquidity at TGE
21. Liquidation controls
22. Performance Terms
23. Repayment Terms

Distribution Fairness #1

Data-driven



In this vertical, we analyze how fairly and strategically the tokens are distributed across all the main stakeholder groups of the project.

It starts with the complete Token Allocation analysis, which is one of the inputs provided either by the project itself or the venture capital firm requesting the audit.

Once we have the full breakdown, we reclassify all token pools into five standardized categories:

1. Investors

Allocated to external private investors, such as seed, strategic, or venture capital participants.

1. Insiders (Team & Advisors)

This pool is designated for team members, advisors, etc.

3. Foundation / Treasury

Managed by a non-profit or core entity, this pool supports ongoing operations and sustainability. It can include tokens for liquidity, grants, R&D, and other foundational needs.

4. Community

Allocated to users, developers, and supporters, this pool supports ecosystem growth through airdrops, rewards, and incentives.

5. Public Sale

This pool includes tokens available for purchase by the general public during a public sale.

From there, we move into benchmarking.

We don't compare against arbitrary assumptions, we benchmark the distribution against the best performing projects **in the same niche**, based on actual price performance.

This lets us evaluate whether the audited project's distribution structure is in line with models that have worked in the real world.

Fairness Quantification

To quantify how balanced the distribution is, we calculate a Gini coefficient adapted for token allocations.

A lower G value means a more even distribution.

In this vertical we not only focus on who owns the tokens, but who actually controls the circulating supply at different stages. This is a key insight when evaluating the token holder influence on **governance**.

We calculate the percentage of circulating supply held by each stakeholder group at different milestones:

- TGE / Launch
- Year 1 (after one year of vesting)
- Year 2
- Year 3
- Year 4
- Year 5

This type of analysis tells us who holds actual influence in the system at each point, and whether decentralization or governance risk is a concern.

Distribution Fairness #1

▼ Data-driven

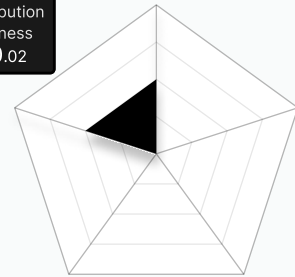
Allocation Distribution

Deviation to best performers

Token power and governance

Dominance test (Insiders & Investors)

Distribution
Fairness
50.02



Allocation Distribution / Distribution Fairness

Category Score

50.02



Percentile

Top 68%



Allocation Distribution Indicators

Highlights

1

Warnings

0

Alerts

1

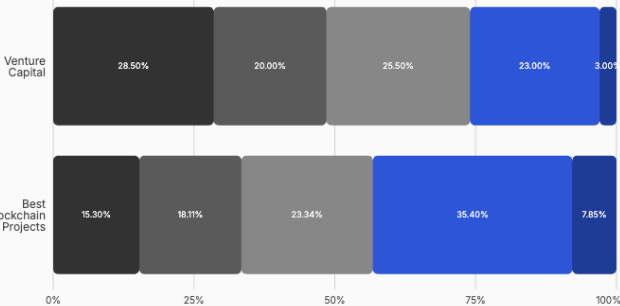
Distribution Fairness

Investors
Insiders
Foundation
Community
Public Sale



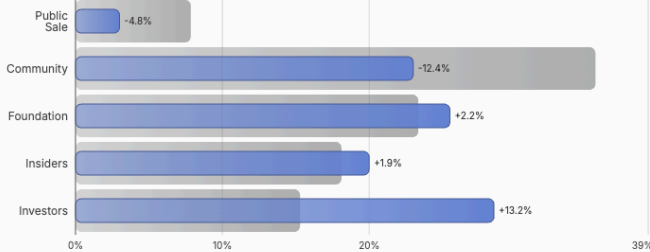
Distribution Fairness Benchmarks

Investors Insiders Foundation Community Public Sale



Deviation from Best Performers

Best Performers Venture Capital



Deviation Status

Public Sale -4.8% Low
Community -12.4% High
Foundation +2.1% Low
Insiders +1.8% Low
Investors +13.2% High

Deviation from Best Performers

This section analyzes whether the token distribution is balanced by comparing it to best-performing projects in the same niche. It highlights low, medium, or high deviation levels across stakeholder groups and evaluates how closely the overall allocation aligns with proven benchmarks.

Overall Deviation Status

Medium

Token Power & Governance / Distribution Fairness

Category Score

—



Percentile

—



Governance Indicators

Highlights

1

Warnings

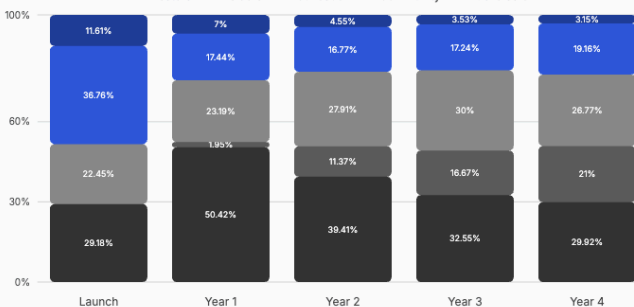
1

Alerts

2

Token Power

Investors Insiders Foundation Community Public Sale



Token Power

This section analyzes who holds actual control over the circulating supply year over year, with a focus on early stages where governance risk is highest. It assesses whether the governance power is centralized or decentralized, and flags any dominance by insiders or investors.

Token Control Status

Launch Semi-Centralized
Year 1 Centralized
Year 2 Centralized
Year 3 Centralized
Year 4 Centralized

Insider Dominance Test

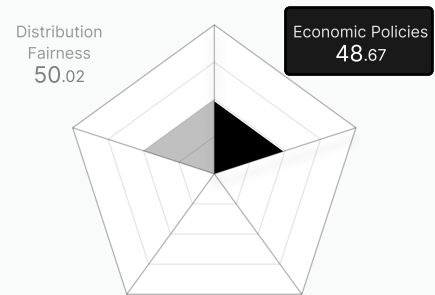
Failed

Investor Dominance Test

Failed

Economic Policies #2

Data-driven



This vertical breaks down the mechanics behind token issuance, how supply enters the market, and how it dilutes existing holders over time. We focus on four main areas: inflation, supply shocks, float, and dilution risk.

Yearly Inflation

We start by calculating the year-over-year inflation rate: how much the circulating supply grows relative to the total supply.

This is a foundational metric for understanding the overall emission pace of the token and how it aligns with demand growth.

Each project's inflation profile is benchmarked against two key anchors:

- **The best-performing projects** (based on price action)

Criteria for best performers:

- **The worst performer** in our database (from over 2,500 projects)

This gives us a comparative frame to understand how aggressive or conservative the audited project is in its emissions design.

We then analyse the supply shocks, also known as supply crunches, which we define as any month where more than 10% of the token supply unlocks into circulation. Even if the vesting schedule is linear or daily, we aggregate unlocks on a monthly basis to simplify the analysis and allow meaningful comparisons across different models.

We use the following function to detect and flag supply shocks:

$$\text{Supply Shock}_m = \begin{cases} 1 & \text{if } \frac{U_m}{T} > 0.15 \\ 0 & \text{otherwise} \end{cases}$$

Where:

- U_m : Tokens unlocked in month m
- T : Total token supply

If a project has several consecutive shock months early on, it increases dilution risk and decreases investor confidence. We measure not only the frequency but the clustering and impact window of each shock.

In this section we analyze how well-distributed the vesting schedule is over time. We calculate an index to assess balance in the emissions curve

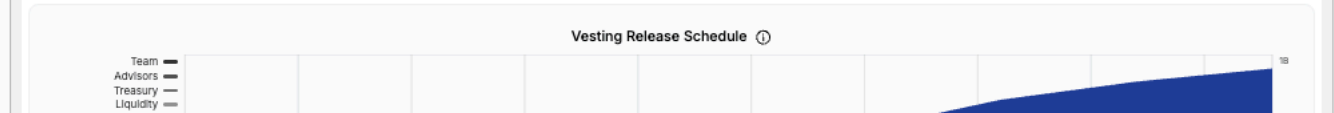
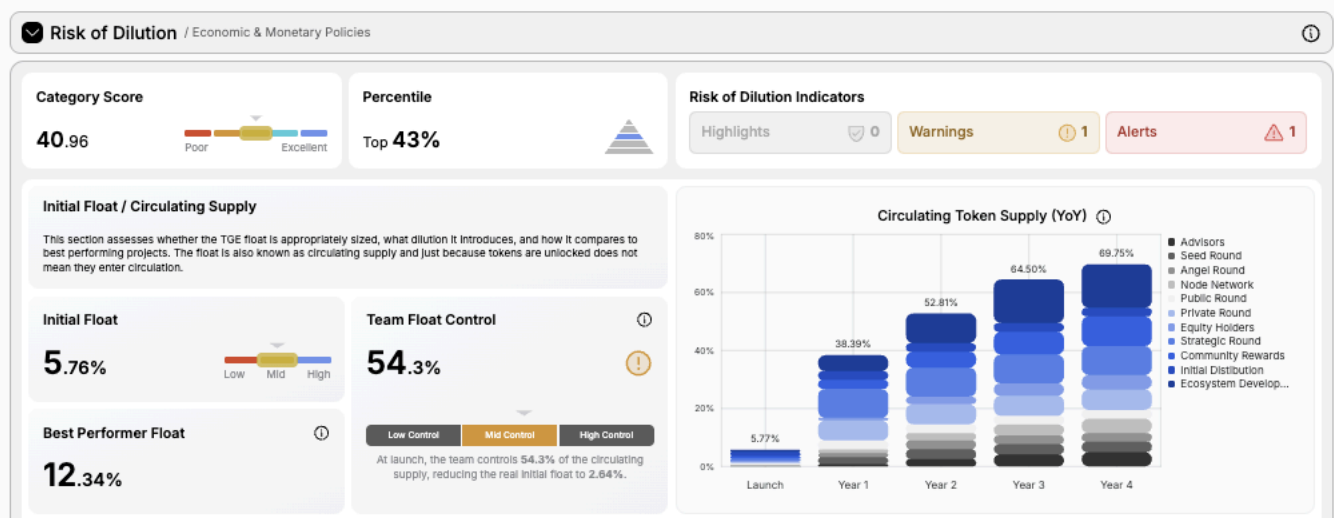
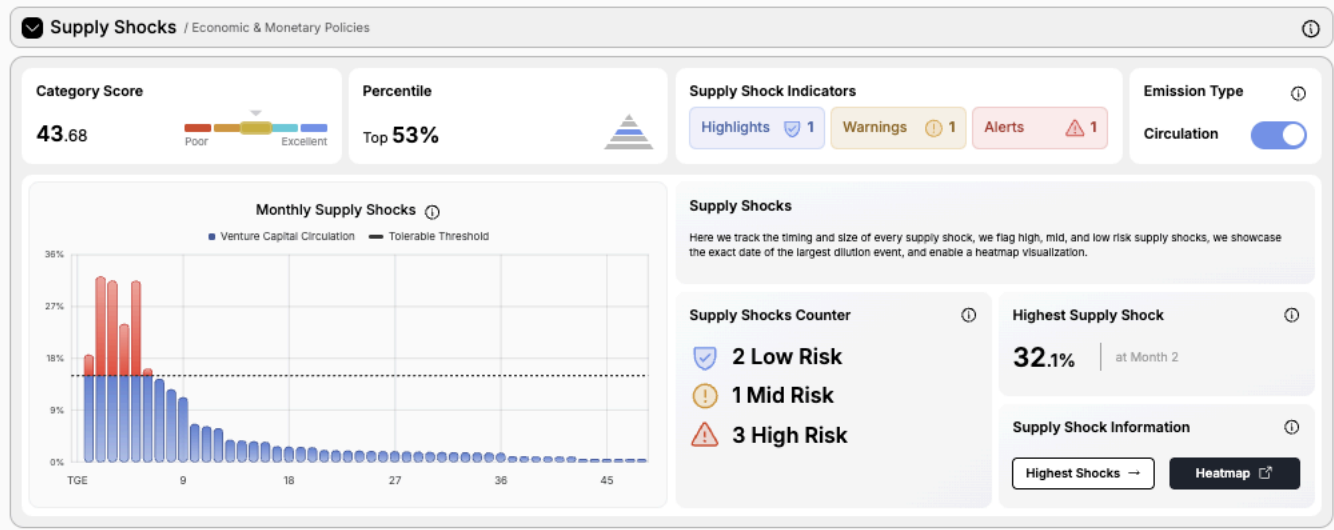
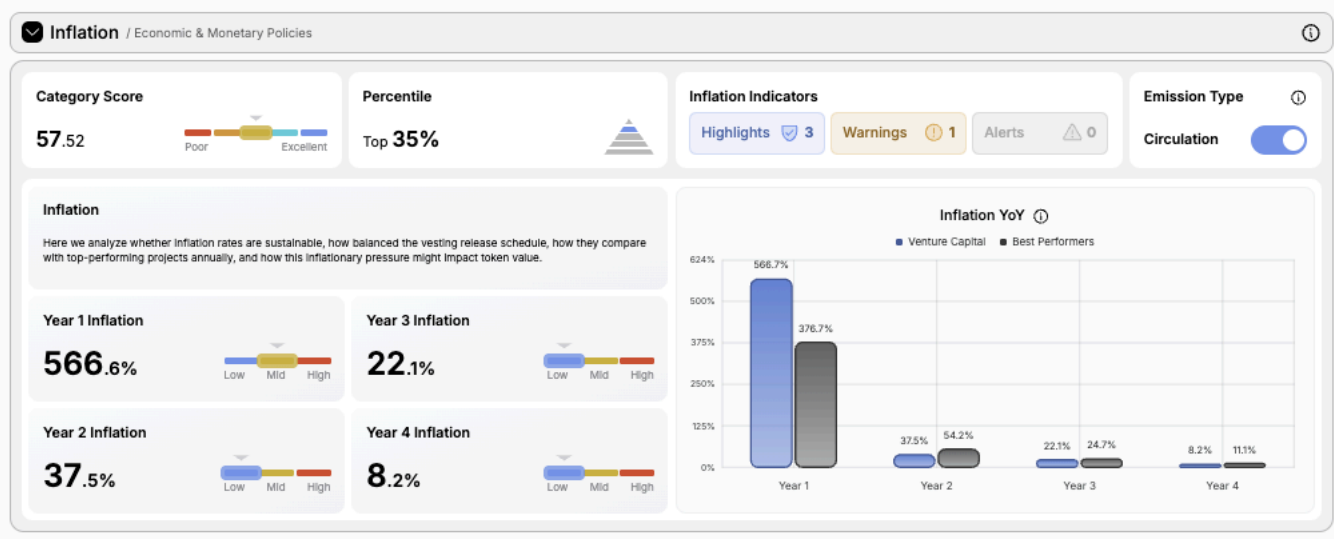
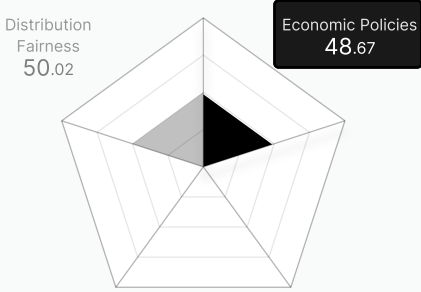
We finish this section by analyzing the initial float, or the percentage of tokens circulating at TGE. This simple yet powerful number sets the tone for early price dynamics and unlock risk.

This is then benchmarked against the top and bottom performers in the same vertical. Projects with very low initial float tend to create early artificial scarcity, which can backfire with severe post-TGE crashes once unlocks begin. High-float launches, on the other hand, trade short-term hype for long-term stability.

Economic Policies #2

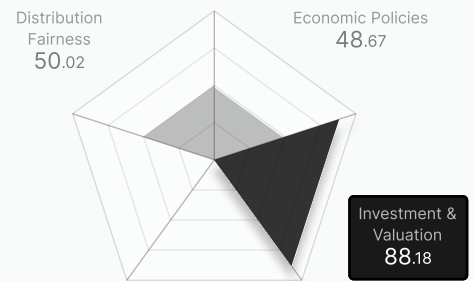
▼ Data-driven

- Inflation
- Supply shocks
- Float Analysis and risk of dilution
- Vesting schedule efficiency



Investment terms #3

Data-driven and modeling



This vertical focuses on the structure and dynamics of the investment rounds. It examines how investor terms are designed, how fair and balanced they are across stages, and what these mechanics imply for capital recovery, dilution exposure, and strategic entry.

It starts with a breakdown of each investment round, Seed, Private, Strategic, Public, capturing all relevant parameters: price per token, cliff, vesting duration, total allocation, and TGE unlock percentage. From here, we calculate how these terms stack up and interact, both independently and in relation to one another.

One of the core metrics in this section is TGE Recovery, a calculation of how much of the initial investment is recovered on the day of listing.

It reflects the real capital return at the point of highest volatility, giving a clear sense of short-term liquidity.

And the probability to recover the 100% initial investment at TGE, analyzing the terms and conditions but also data from competitors previous launches performance at day 1.

$$\text{TGE Recovery}_r = \frac{TGE_r \times P_{list}}{P_{entry_r}}$$

Where:

- TGE_r is the percentage of tokens unlocked at TGE for round r
- P_{list} is the projected listing price
- P_{entry_r} is the entry price per token for that round

This is calculated across all investor rounds, highlighting which rounds offer the highest immediate upside, and which are exposed to delayed recovery.

Beyond price and vesting, we evaluate whether the round structure creates aligned or conflicting incentives between different investor groups. For example:

- Do early-stage rounds receive more upside than late-stage rounds despite lower risk?
- Are public round participants entering at higher prices with more restrictive terms?
- Are insiders or advisors unlocking ahead of external capital?

These asymmetries are highlighted and flagged if they pose risks to fair capital treatment or investor trust.

For example, if Seed has a 12-month cliff and Private only 2 months, this introduces asymmetry that can create pricing pressure and erode fairness.

While some variability is expected, we highlight rounds that break typical norms and increase strategic risk.

This section of the audit gives full visibility into how each round is structured, how they compare to one another, and how return dynamics evolve across time. It identifies which rounds are well-structured, which are misaligned, and what the likely outcome is in terms of capital exposure, return horizon, and strategic control.

It's not about calling a round good or bad—it's about making the dynamics transparent, **so the trade-offs are understood before capital is deployed.**

Investment terms #3

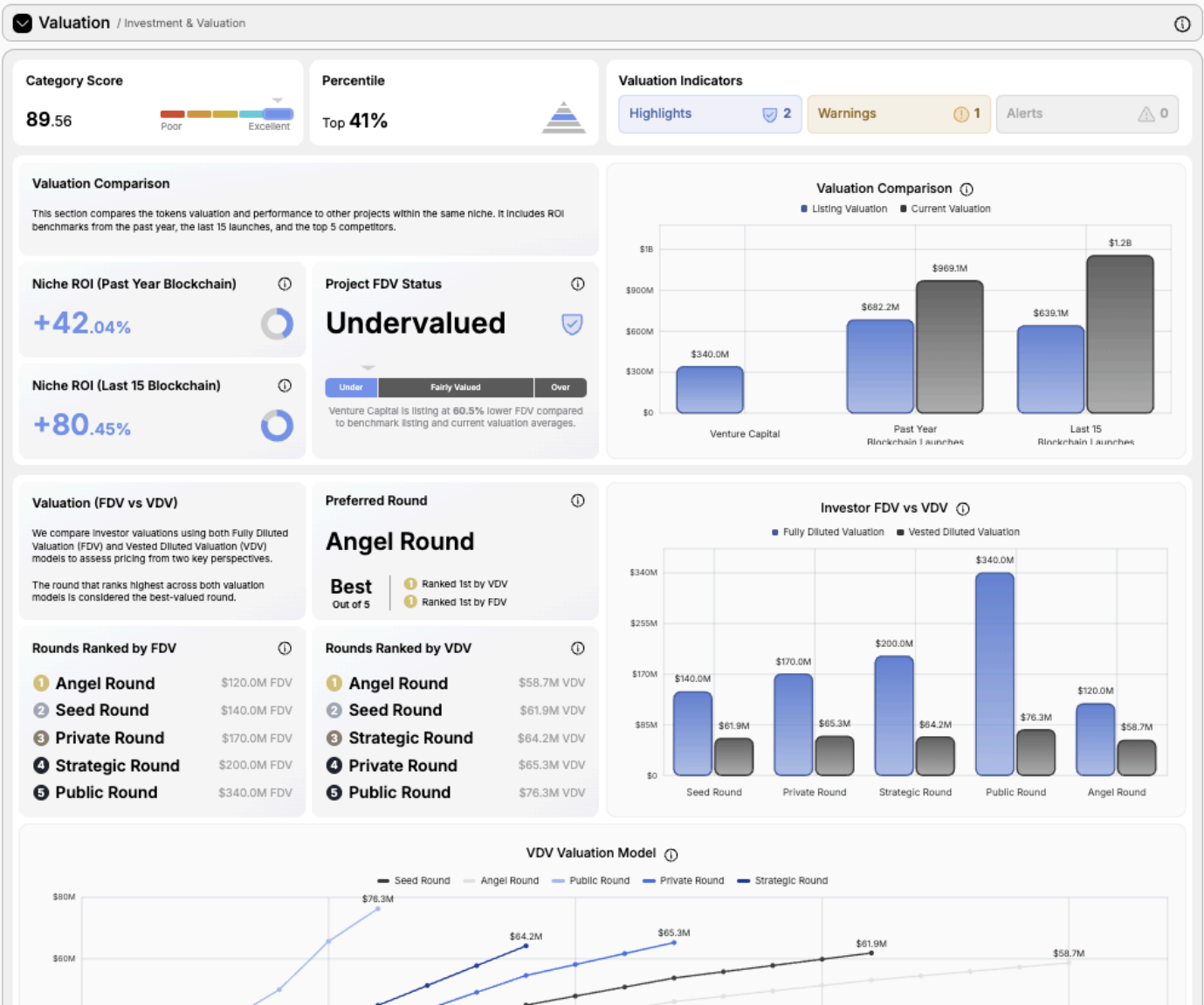
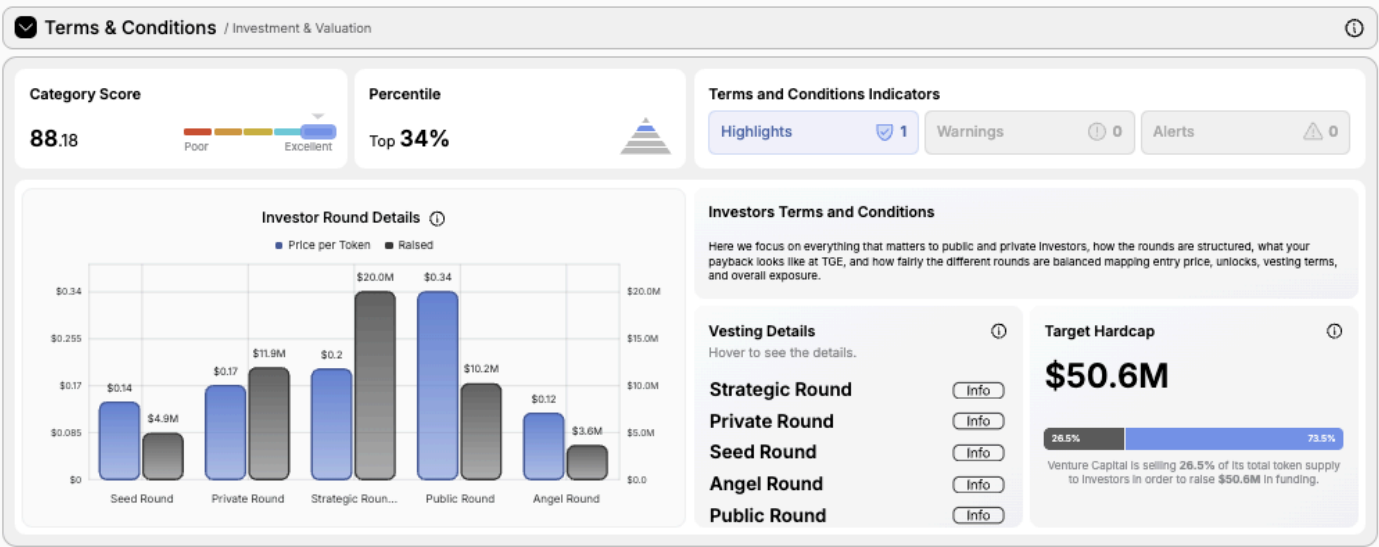
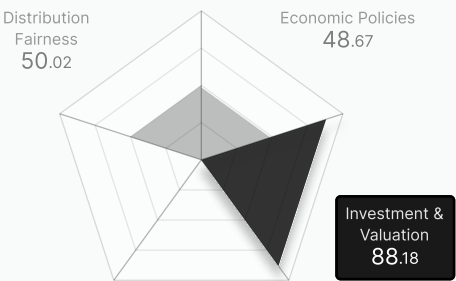
▼ Data-driven and modeling

Investors terms and conditions (balance)

Break-even Analysis

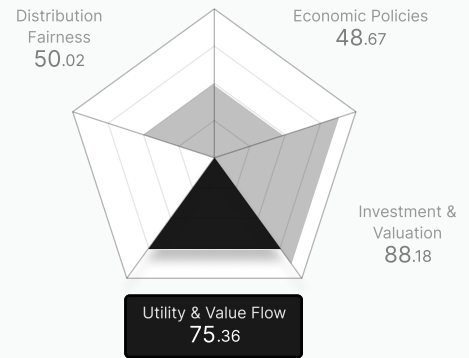
Valuation Analysis (FDV vs VDV)

Niche Performance Analysis



Utility and Value Flow #4

First-principle



Everything we've covered in this audit so far: distribution fairness, monetary policy, investor terms, valuation, and historical performance is critical to understanding a token's economic structure.

But structure alone is not enough.

Even a perfectly timed vesting schedule or a fairly priced listing can collapse if there's no actual demand for the token, or if that demand isn't directed in a way that retains value inside the ecosystem.

That's why this final vertical exists: to evaluate the system's utility, its ability to capture value, and whether that value accrues back to the token

This vertical examines whether the token has a reason to exist, and more importantly, a reason to be held.

We apply first-principles reasoning:

- What value does the system design create?
- Where does that value go?
- And how does the token participate in that flow?

We map three core layers of the token economy:

Value Creation: Is the protocol producing anything of economic or social value (transactions, compute, liquidity, data)?

Value Capture: Does the system retain part of that value inside the network/company/foundation, instead of letting it leak to external actors or intermediaries?

Value Accrual: Does the token itself absorb that captured value, through mechanisms like buybacks, burn, or fee redistribution?

If any one of these breaks, the token becomes a leaking mechanism: value is created by the product, but not retained by the token. It becomes a subsidy, not a system.

A token doesn't just need **a reason to exist**. It needs a reason to be **used**. A reason to be **held**.

And a system that rewards both actions.

A token with no value accrual (burning, buybacks, or protocol earnings flowing to holders) **is just a trading instrument**, purely driven by **speculation** (not by fundamentals).

This is the final layer of tokenomics. And it's often where the difference between short-term success and long-term sustainability is defined.

At the end of the day, you can get the structure right, you can price it fairly, and you can build a clean economic and vesting model. But if no one wants to hold the token, if the system doesn't retain value, or if what's created just slips out the back door, then all of that precision doesn't matter.

Without meaningful utility and proper value flow mechanics, the token remains economically fragile.

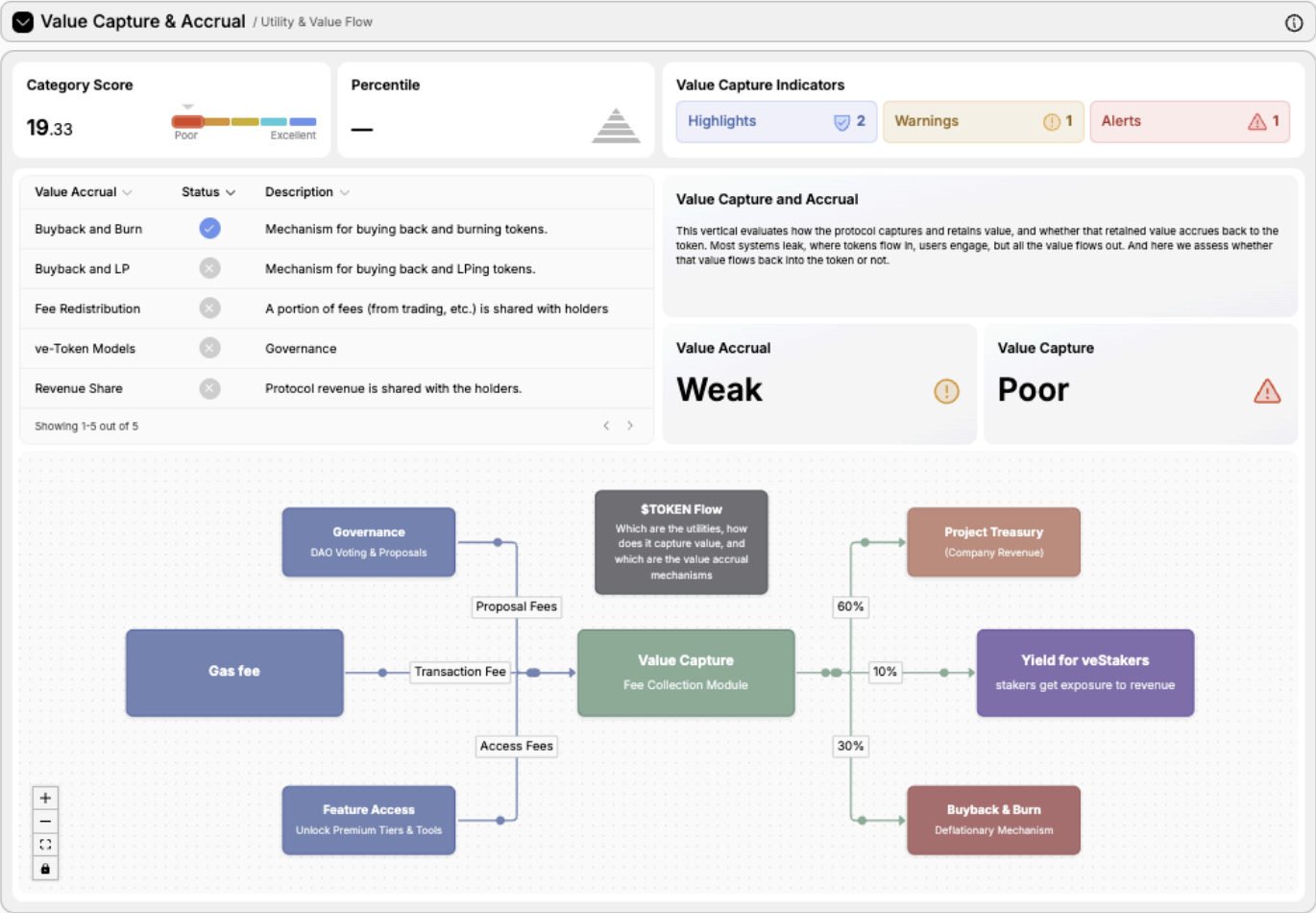
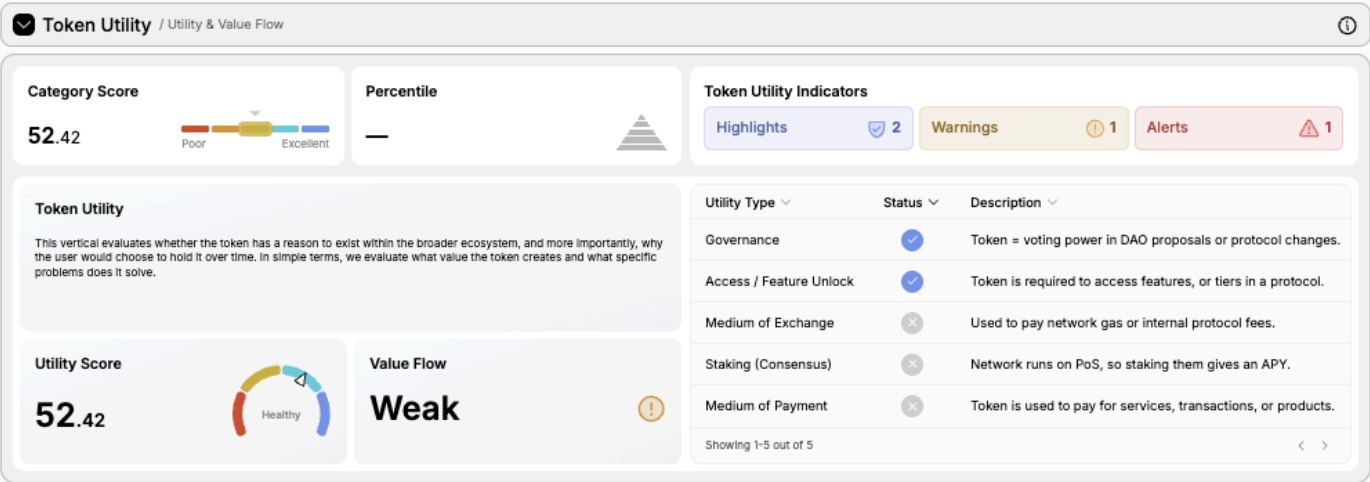
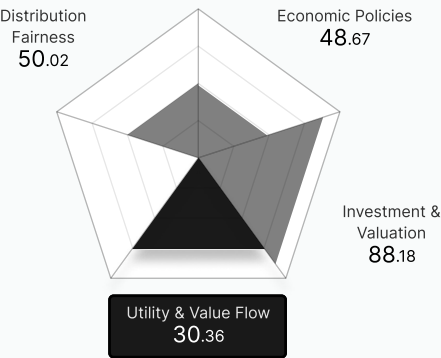
Think of it like a beautifully designed funnel with a hole at the bottom: value comes in, but never stays. That's what happens when utility, value capture, and accrual aren't aligned. The result? A token that's constantly playing defense, relying on hype, artificial scarcity, or short-term incentives to stay afloat.

That's why we include this as the final step of the audit, is where everything comes together and reveals whether the model is built to last, or just built to launch.

Utility and Value Flow #4

▼ First-principle

- Token Utilities
- Value Creation
- Value Capture
- Value Accrual



Liquidity #5

Market makers conditions

Liquidity is the link between the tokenomics design and live trading, so ONLY in loan options cases, we review the market makers (MM) agreements to determine whether market conditions will support or distort the economics you modeled.

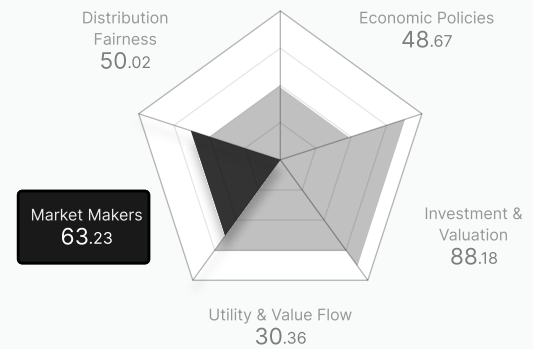
Liquidity is where tokenomics collides with execution.

That's why this final vertical exists: to audit the commercial and operational terms, specifically the loan agreement between the project and its market makers (MM).

We focus on:

- How much inventory is the MM holding or borrowing?
- How dominant are they at TGE relative to circulating float?
- What limits exist on selling, transferring, or rehypothecating that inventory?
- Are performance expectations (spread, depth, uptime, scaling) defined, monitored, and enforceable?
- If the relationship ends, or if the MM underperforms, what happens to the tokens?

We capture the core commercial terms: total token loan (absolute, % supply, % circulating), strike or reference pricing method used for the loan and any settlements, reporting cadence and data quality, whether key performance metrics (spread, depth, uptime, scaling rules) are contractually defined, and the loan term including tranche releases or review points.



We then measure launch exposure.

The audit calculates the actual tradable circulation at TGE that can hit the market on day one after lockups—and the share of that float controlled by MMs.

Post-launch protections are assessed through liquidation controls. We review whether a daily sell cap or similar pacing limit exists, whether that cap is enforced across exchanges or only on a primary venue, whether breach penalties or other enforcement clauses give the project leverage, and whether any vesting or staged release governs MM token access over time.

We check that the agreement defines a maximum orderbook spread, minimum liquidity depth within a specified price band, target uptime for quoting, and rules for scaling depth up (or down) as supply expands, new venues list, or volumes change. Without written KPIs, performance is difficult to monitor or enforce.

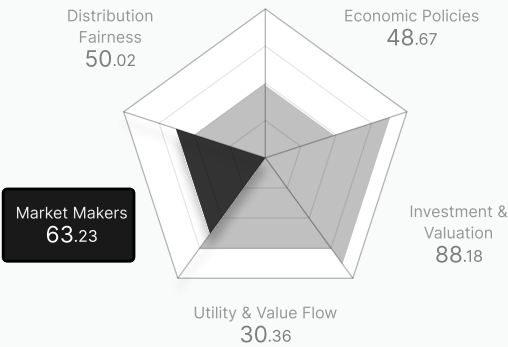
Finally, we evaluate exit and repayment protection. We record the repayment medium (tokens, USD, or MM choice), the pricing window used to value repayments (for example 7-day VWAP, 15-day TWAP, 30-day+ lookback), and any clawback, make-whole, or other provisions that protect the project if the MM underperforms or terminates early.

All elements feed a category score with highlights, warnings, and alerts surfaced in the audit interface; multiple MMs are shown individually and in aggregate so liquidity risk can be compared across providers.

Liquidity #5

▼ Market makers conditions

- Liquidity at TGE
- Liquidation controls
- Performance Terms
- Repayment Terms



✓ Liquidity at TGE / Market Makers

Category Score
67.32

Percentile
—

Indicators
Highlights 0 Warnings 1 Alerts 1

Liquidity at TGE → How Exposed are you at Launch?
This section evaluates the project's token liquidity exposure at the TGE. It measures how much of the total token supply enters circulation and how much of that is controlled by market makers.

Initial Circulation
5.76% / Total Supply

Market Maker TGE Dominance
41.67% / Initial Circulation

Liquidity at TGE
Low Medium High
At TGE 2.40% is allocated for initial liquidity, which is 41.67% of the initial circulation.

Elements	Wintermute	Flowdesk
Circulating Supply at TGE	57.6M \$AUDIT	57.6M \$AUDIT
Market Maker Allocation at TGE	4.0M \$AUDIT	20.0M \$AUDIT
Market Maker Share of TGE	6.94%	34.72%
Initial Marketcap at TGE	\$19.6M	\$19.6M
MM Token Value at TGE	\$1.4M	\$6.8M

✓ Liquidation Controls / Market Makers

Category Score
43.25

Percentile
—

Indicators
Highlights 2 Warnings 2 Alerts 1

Liquidation Controls → How Protected are you After Launch?
This section assesses the conditions under which the market maker can liquidate tokens, including the speed, structure, and limitations of their selling activity. It serves as the project's primary safeguard against excessive post-TGE sell pressure.

Daily Sell Cap
5.0% / Daily Volume
No Cap Limited Enforced
5% daily volume cap applies only to primary exchange, no cross-exchange monitoring or enforcement penalties

Sell Cap Clauses
Cross-Exchange Enforcement
Breach Penalty Clause

Vesting Details
Wintermute
Flowdesk

Token Vesting Schedule

✓ Performance Terms / Market Makers

Category Score
81.52

Percentile
—

Indicators
Highlights 3 Warnings 2 Alerts 1

Performance Terms → Are the Expectations Clearly Defined and Fair?
This section evaluates the clarity and enforceability of the market maker's obligations. Well-defined performance terms ensure alignment, reduce execution risk, and provide the project with leverage in case of underperformance.

Orderbook Spread
30 BPS
Tight

Liquidity Depth (±2%)
\$50K

Market Maker Uptime

Liquidity Depth Scaling

Liquidity Depth & Spread

How does the process work?

We've designed the audit process to be as simple as possible, just **one step on your end**, and we take care of the rest.

All you need to do is submit the tokenomics information through tokenomics.com/apply.

Once that's done, everything moves to our side.

Within 72 hours, we conduct the complete audit, analyzing the tokenomics across all six verticals.

The results are displayed on our platform, a dashboard that breaks down each area with clear charts, strengths, areas for optimization, concerns and more.

Every audit is also supported with a **detailed report** where we explain the findings and results of the different verticals, highlighting the strengths, and pinpointing the areas for optimization. If there are weak points, we show exactly where and why.

For venture capital firms and exchanges subscribed to our unlimited audits plan, there's no cap on the number of audits they can request each month.

They also get priority processing, with results delivered in under 48 hours.

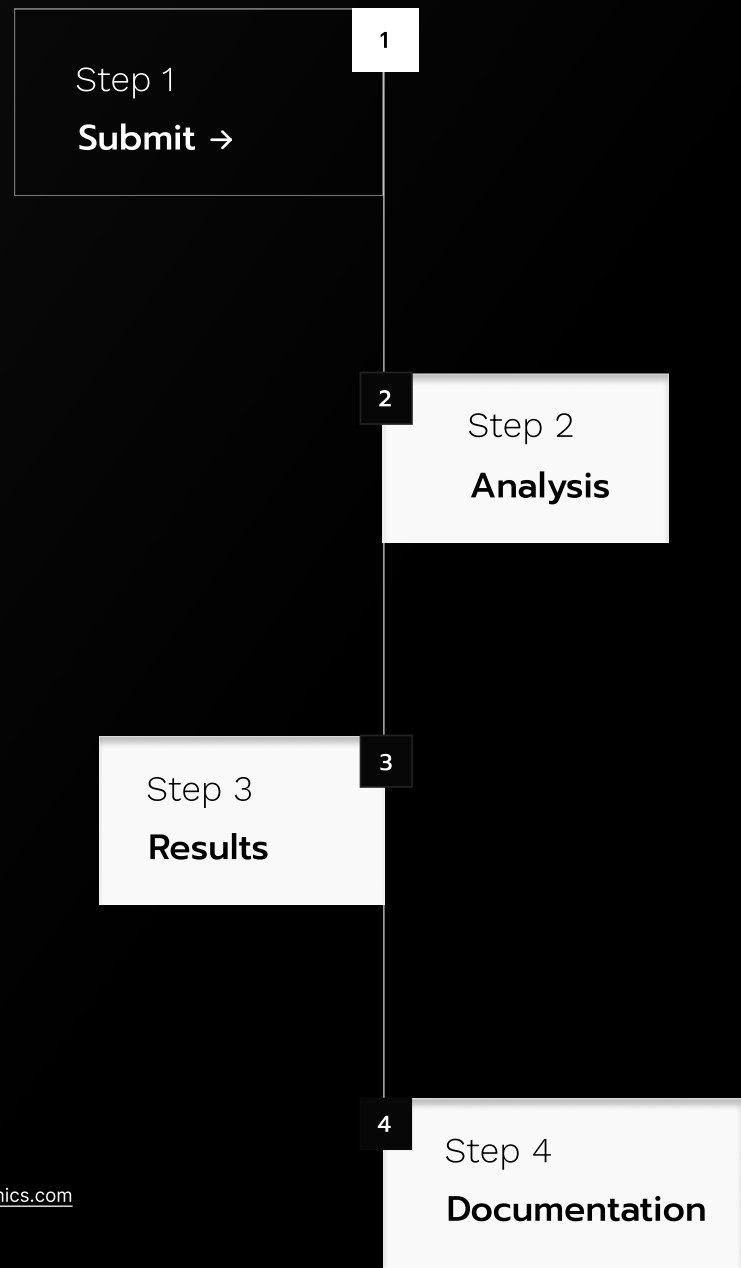
A one-step process

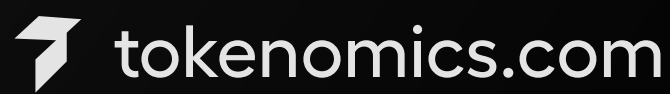
Just submit the information



And yes, we are operational also on the weekends, we understand that crypto doesn't stop, and neither do we.

Our audits were designed for web3 projects looking to audit their tokenomics to build community trust, venture capital firms looking to validate token sale terms, and exchanges or launchpads focused on vetting potential partners.





Contact us →

