TOKEN AUDIT · 07.26

FINAL RATING — BBB

$STON

63/100

ston.fi

STON.fi is a decentralized automated market maker (AMM) built on the TON blockchain.
The native STON token is used within the STON.fi ecosystem, serving as both a utility and governance token: it is used in DAO governance, staking, and reward mechanisms. The tokenomics is built on a deflationary model with systematic token burns.

FDV
$67.4M

MC
$23.8M

TVL
$32.6M

FEES PER MONTH
$1.2M

DEX ON TON
TOP-1

> The token is not required to be used

> Token-product linkage: the project has a well-thought-out relationship between the token and the product, under which demand for the DEX creates fees, a portion of which is allocated to buying the token back off the market.

> Token utility logic flaw: the core demand for the token relies on a buyback mechanism, but its influence is too weak. Its potency is further diminished by the fact that most of the repurchased tokens are recycled back to the market via staking mechanisms.

1. Introduction

This section constitutes an independent audit of the STON.fi protocol tokenomics and its native token STON. The purpose of the audit is to objectively evaluate the sustainability of the project's economic model, the quality of its token allocation and utility, as well as the degree to which the actual supply dynamics and incentives have managed to accomplish the protocol's stated goals, along with the interests of the community.

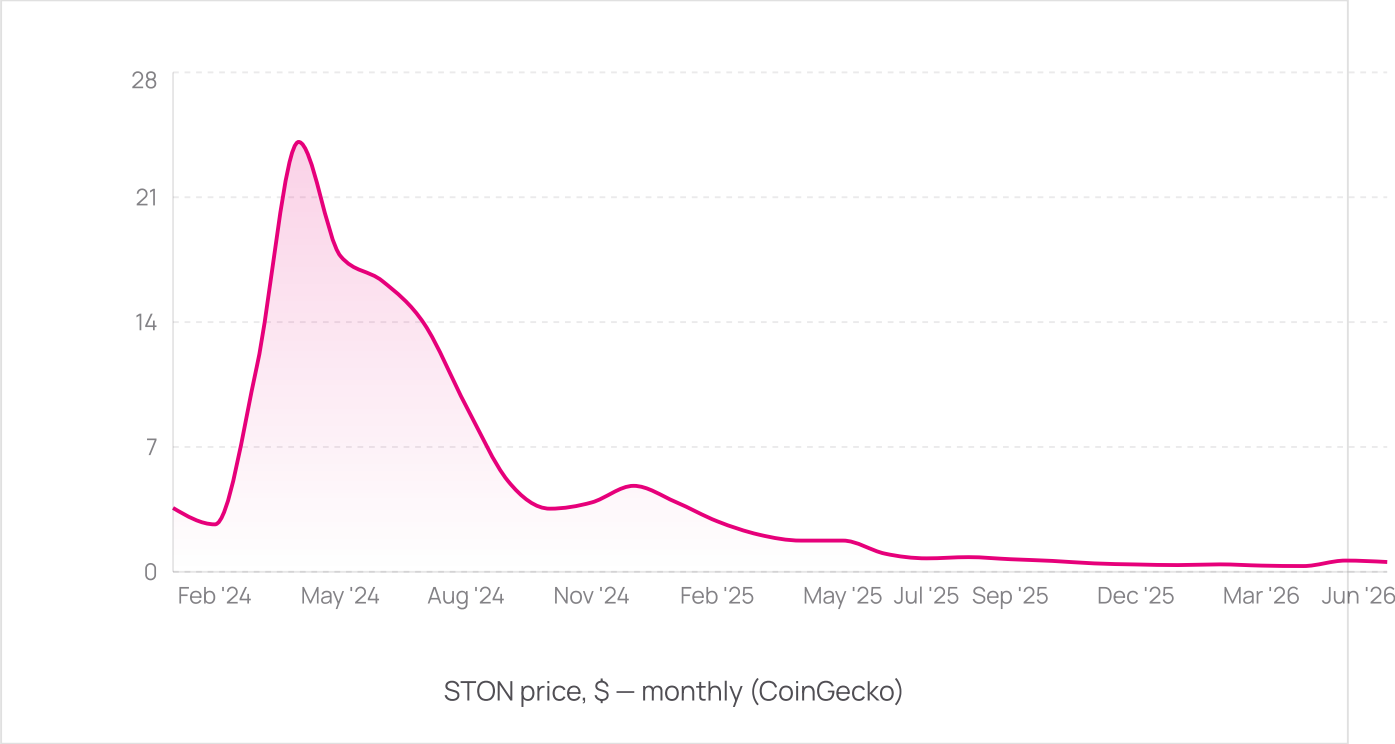
STON.fi is a decentralized automated market maker (AMM) protocol built on the TON blockchain.

STON native token is used in the STON.fi ecosystem, performing functions of the utility and governance token. It's used in DAO governance, staking, and rewards mechanisms. The tokenomics is built on a deflationary model: issuance is capped at the original supply and a token-burning system is in place to reduce the circulating supply.

2. Token price

- Starting price and trading launch: STON token was launched on June 28, 2023, during a token generation event (TGE) on TON network;
- STON is also used on decentralized automated market maker (AMM) platform STON.fi, operating on TON blockchain, where it was listed on August 11, 2024;
- The current price as of May 30, 2026: about $0.60;
- All-Time High (ATH): $32.65, recorded April 12, 2024;
- All-Time Low (ATL): $0.2843, recorded October 10, 2025.

2.1 Price chart over the entire period



STON price, $ — monthly (CoinGecko)

Key STON price phases:

Early growth phase after listing (starting in April 2024) Within the first months of its debut, STON demonstrated exponential growth. The peak of that push happened on April 12, 2024, when it posted its All-Time High (ATH) at $32.65. The growth was accompanied by swarming speculative interest in the project, amidst general hype for the TON ecosystem and active efforts to attract liquidity into STON.fi 's pools.

Profound correction and prolonged contraction (second half of 2024 until June 2025) After the ATH was reached, protracted downward pressure ensued. The price steadily continued to drop, accelerated by early buyers selling off the token and the general crypto market heading south, thereby posting a historic low of $0.6793 on June 24, 2025. It lost a total of 97% of its value relative to its peak.

The events of October 10, 2025, culminated in the all-time low (ATL) that was reached, posting $0.2843. There are no grounds for any argument that this played a key role in creating the protracted decline, since that trend had been ongoing since long before those events took place.

Partial recovery and stabilization (May 2026 until the present) After bottoming out in October, the token fought back with a moderate rebound, gaining 380% before a subsequent pullback, during which the price finally settled within the $0.60–0.75 range. This price turnaround was brought about on the heels of the favorable news coverage that Pavel Durov and Telegram were assuming control of TON.

Analysis of the STON token price chart allows for the following conclusions:

Sensitive to market trends: STON's dynamics are tightly correlated with the general crypto market scene and happenings within the TON ecosystem. Periods of growth in the TON ecosystem and the development of the DeFi segment on TON have caused spikes, while global market corrections have brought about profound contractions.

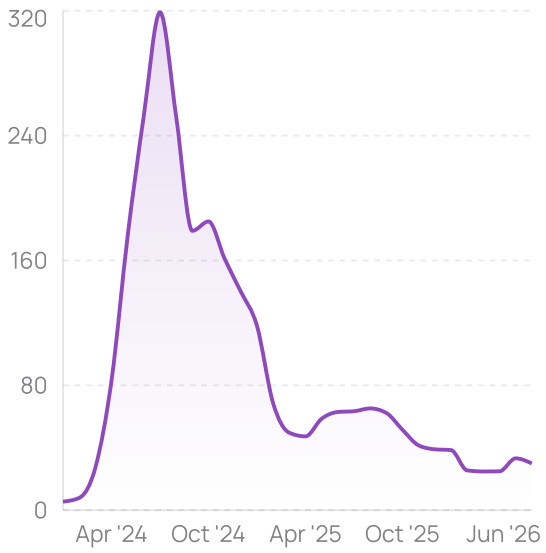
Impact of token unlocks and vesting: Sales by the team, investors, and the DAO treasury have triggered price pressure at times when unlock periods have concluded. These have been accompanied by waves of volatility and trading volumes as well.

Reactive to ecosystem events: Announcements of new liquidity pools and integrations with Telegram Mini Apps and other partners have powered short-term growth spurts and liquidity injections.

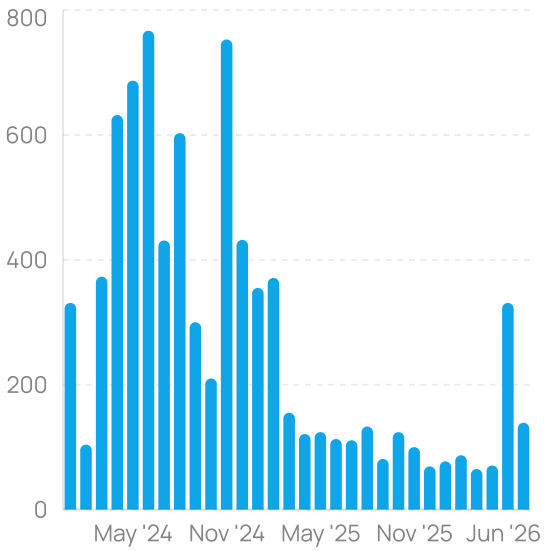
Highly volatile: Medium-term price fluctuations at times surpass 30-50% in short order, which requires investors to be on their toes with active risk management.

Gap between market cap and FDV: A significant share of tokens remains vested (DAO treasury, team, investors), which signals the potential for further looming price pressure the more tokens that are released onto the market.

2.2 TVL chart analysis



TVL, $M (DefiLlama)



DEX volume, $M / month (DefiLlama)

Current TVL figure: approximately $32.6M.

An analysis of the STON.fi protocol TVL chart indicates:

Phase	TVL ($M)	Description
Launch growth	100 → 300	Effect of novelty and an influx of liquidity enabled by DeFi on TON (May–July 2024)
ATH TVL	373	Peak user trust and active participation
TVL contraction	32.6	Liquidity outflow of more than 90%

Highly sensitive to phases of interest: TVL STON.fi grew quickly when a lot of hype was being stoked around the TON ecosystem, as well as when subsequent developments were underway, but it also steadily declined when user activity subsided.

Impact of fundamental events: TVL spikes are correlated with the debut of new functions (for instance, Omniston) as well as general DeFi user migration onto TON.

Activity quieting down is cause for active monitoring: The current TVL level ($32M) is a substantial fall from the previous apexes. This may speak to fizzling interest, a disappearance of a portion of liquidity, or diversification of capital within the ecosystem.

Significance for the ecosystem's stability: TVL is a key indicator of trust and depth of liquidity. A tumbling TVL can limit trading volume, increase slippage, and decrease yields for LPs.

2.3 Conclusions on the token price

STON's price dynamics reflect both the internal processes of the STON.fi protocol and the general trends within the TON ecosystem as well as the cryptomarket at large. Over its short lifespan, the token has seen phases of hyped growth, large-scale correction, and partial recovery, thus rendering it a great example for demonstrating how highly volatile DeFi assets can be. An analysis of its key phases serves to highlight an array of important features and risks that impact the asset's investment attractiveness.

- High volatility and sharp trend reversals Since the moment that STON was listed, it has undergone extreme price fluctuations – from skyrocketing all the way to cratering for a steep 97% drop. This extreme range is indicative of the impact that speculation and rocky price stability so often face market trend conditions.
- Sensitivity to the news environment and ecosystem events Growth spurts have coincided with announcements of new functions, integrations, and expansion of the TON

ecosystem, seeing as a lack of positive news and unlock events accelerated token sell-offs. This speaks to how highly dependent demand for STON is on the team's and news drive's activity.

- Impact of unlock events and vesting A significant share of supply remains locked, and these tokens being released onto the market may exert short-term pressure on the price. It's important for investors and holders to track the vesting calendar to watch out for periods of potential supply enlargements.
- Rift between trading volume on DEXs, token price, and TVL: There is no correlation between demand for the main product and the token. Under stable trading turnover on the DEX, the token's price has gradually declined. At other times, when demand for DEXs has shot up, the token's price and TVL, nevertheless, remained practically unchanged.

3. Token distribution

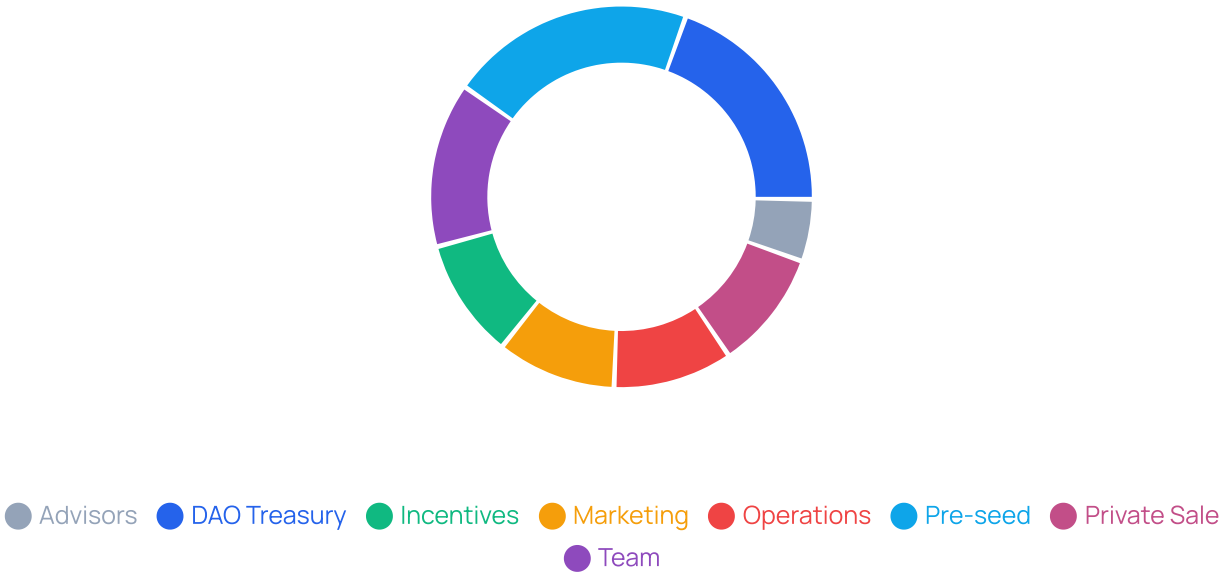
3.1 How tokens are distributed, cliffs, and unlocks

The total supply of STON tokens is capped at 100 million STON. The allocation is built around several key pools and vesting constraints to balance the interests of the team, investors, and ecosystem.

Distribution structure

- DAO treasury: 50% (50M STON) Intended for the ecosystem's development, marketing, and operational expenses
- Cliff: 24-month lock-up period.
- Unlocking schedule: subsequent linear release subject to DAO governance decisions.
- Team and consultants: 19% (19M STON) Rewarding key project participants
- Cliff: 12 months.
- Unlocking schedule: linear distribution over a 2-year period.
- Early investors: 31% (31M STON), including:
- Pre-seed – 21%:
- Cliff: 12 months.
- Unlocking schedule: linear distribution over 2 years.
- Advisors – 5%:

- Cliff: 12 months.
- Unlocking schedule: linear distribution over 2 years.
- Protocol incentives: (part of the DAO pool but allocated separately under the schedule)
- Linear release over 5 years.
- Marketing: part of the DAO pool:
- 2 million STON available right away.
- The rest: linear release over 3 years.
- Operational funds: part of the DAO pool:
- 4 million STON available right away.
- The rest: linear release over 5 years.



STON distribution, % (100M STON total)

Category	Tokens	Share	Cliff (months)	Initial unlock	Vesting (months)
DAO Treasury	20 000 000	20%	0	100%	staked
Incentives	10 000 000	10%	0	0	60
Marketing	10 000 000	10%	0	20%	36
Operations	10 000 000	10%	0	40%	60

Category	Tokens	Share	Cliff (months)	Initial unlock	Vesting (months)
Pre-seed	21 000 000	21%	12	0	24
Team	14 000 000	14%	24	0	24
Private Sale	10 000 000	10%	12	0	24
Advisors	5 000 000	5%	12	0	24

Cumulative unlock by pools, % of total supply (by year since the TGE):

Year since TGE	DAO Treasury	Team & Advisors	Pre-seed	Advisors
0	0%	0%	0%	0%
1	0%	0%	0%	0%
2	20%	10%	10%	2%
3	35%	15%	18%	4%
4	45%	17%	20%	5%
5	50%	19%	21%	5%

Key vesting features

- Lengthy cliffs for the team and investors: allow for curtailing the risk of instant price pressure following listing.
- Proportional distribution of the DAO pool: between incentives, marketing, and operational expenses provides developmental flexibility.
- Heavy token concentration in the DAO (50%): gives the community strategic control, but in the event this pool unlocks, the price could take dives.
- Gradual linear unlocks reduce supply flooding: however, major unlock events may boost volatility.

3.2 Critical token unlocks

- TGE (June 2023)
- Marketing: 2M (20% of pool) and Operations: 4M (40% of pool). This created the initial supply on the market and impacted the first weeks of liquidity.
- 12th month after the TGE (June 2024): the largest wave of linear unlocks began
- Vesting began for Pre-seed, Private Sale, and Advisors: a total of 36M in 24 months, in other words, about 1.50M STON per month until month 36. This was the most protracted source of supply pressure.
- Month 24 (June 2025): “double” critical threshold
- Team completes its cliff phase: adding roughly 0.58M per month for the next 24 months.
- DAO Treasury (20M) no longer “tightly” locked: partial withdrawal is allowed by DAO decision.
- During this period, another approximately 1.50M per month continues to be unlocked for investors (this ends at month 36), plus the current DAO programs (about 0. 489M per month from Marketing/Operations/Incentives). The total aggregate peak emission during the 24-36 months window could reach approximately 2.57M per month.
- Month 36 (June 2026): first supply pressure drop
- Linear unlocks for Pre-seed / Private / Advisors, and Marketing are over, and the monthly influx drops to 0.85M per month (Team + Operations + Incentives) until month 48.
- Month 48 (June 2027): second supply pressure drop
- Unlocks for the Team pool are over, while only Operations + Incentives remain; it’s about 0.267M per month until month 60.
- Month 60 (June 2028): primary emission ends
- Unlocks for the Operations and Incentive pools come to an end. Then, the supply pressure shall be determined mainly by DAO decisions via the Treasury (grants/incentives/buybacks/burning).

Risks this poses for the token’s price:

- Peak price pressure is probable between months 24 and 36 (unlocks for various pools coincided: investor, Team, and potential Treasury unlock).
- After month 24, everything depends on DAO decisions. If the DAO starts spending Treasury funds, that may incite selling. However, if they vote for buybacks or burning tokens along with price pressure, selling pressure will drop instead.
- Monitoring: unlocks calendar (months 12/24/36/48/60), DAO decisions on the Treasury, as well as the short-term campaign effects of marketing/incentives.

How to curtail the risks:

Treasury management

- Cap expenses: place a monthly/quarterly cap on emissions from the Treasury, as well as banning large, “one-off” tranches.
- Buyback and burning policy: automatically buying back and burning a portion of the protocol’s yields to compensate for net supply influx.

Distribution and vesting

- Voluntary lockup extensions: offer bonus yield to users who extend their lockup periods.

Governance and processes

- Major Treasury/emission decisions must be executed in a delayed fashion and using a high voting threshold.
- Trigger metrics: reduce Treasury expenses when the price/volumes fall.
- Transparency: public unlocks calendar, vesting progress dashboard, and notifications of large incoming tranches in advance.

Holder behavior

- Incentivize holders to route their unlocked tokens into staking or liquidity pools with enhanced APRs instead of immediately selling them off.

Communications

- Expectations framework: pre-defined Treasury spending rules and unlock schedules keep “panic” selling at bay.
- Product linkage: synchronize announcements of features/integrations with unlock windows to maintain demand during moments of supply inflow.

3.3 Conclusions

Incentives must be balanced out with supply pressure. The lengthy cliffs that investors/the team have and dragged-out linear vesting periods manage to smooth out one-time emissions, but in doing so, they leave a continuous “tail” of supply continuously entering the market. This does help to calm shocks; however, at the same time, it has kept price pressure going on in the background over several years.

A high share in the DAO is both a benefit and a risk at the same time. The 50% concentration in the DAO pool bolsters strategic flexibility (grants, incentives, listing, liquidity), but it simultaneously introduces substantial excess supply. Any spending or unlocking decisions on the DAO's part constitute events with major price implications.

As for critical vesting overlap windows, the riskiest periods are after month 12 (the start of investor vesting unlocks) and 24 (when a team allocation kicks in alongside the potential unlocking of a portion of the DAO treasury). During the interval from month 24 to month 36, the total monthly supply influx will reach its peak. That's a key zone calling risk management to the fore.

Early TGE unlocks have provided liquidity, but they exacerbated pressure at the start. Immediate unlocks of marketing/operational allocation shares have provided operational flexibility and listing/marketing support; however, they simultaneously added to circulating supply at an early stage, in so doing – fueling volatility.

Compatibility with long-term incentives is another matter. Incentive programs with gradual distribution and the opportunity to route a portion of unlocks into staking or LP positions shift the focus off "selling right away", thereby partially neutralizing market pressure.

Governance risk: actual distribution sustainability depends on how shrewdly DAO is governed (including timelocks, quorums, transparency, and accountability). Under weak leadership, inefficient distributions are the likely outcome, which may weigh down on the price and dilute long-term value.

The stated allocation model appears structurally balanced for the ecosystem's development, but is sensitive to its execution: without DAO discipline and competent market infrastructure, the period between month 12 and 36 may prove a source of protracted price pressure. Proper treasury policy and incentive placement serving as beneficial are the key to preserving STON's value in the medium term.

4. Staking and farming

4.1 Token analysis

STON staking

The user locks STON in a smart contract for a specified period of time as the rewards are distributed over the pre-set period. There are two tokens that are issued during the staking process:

- ARKENSTON: a soulbound-NFT 1:1 to staked STON, it affords access to DAO voting and is burned when staking for returning STON is over.
- GEMSTON: a liquid “engagement” token, likewise minted 1:1, its mechanism is set by DAO decisions and depends on the lockup period. The stake tab features an expected GEMSTON calculato r.

Benefits: participation in governance (via ARKENSTON) and predictable distribution logic under an established time frame. Downside /risks: lockup and missed benefits during times of elevated volatility in addition to GEMSTON value uncertainty on the market (it’s set by the DAO). Quick note about the program: the DAO has committed 20M STON from its treasury to a 24-month staking lockup, a mechanism that effectively aligns long-term incentives and renders emissions better disciplined.

Farming (LP staking)

First, liquidity is introduced into the pool (LP tokens are obtained), then LP tokens are locked in the “farm” for a limited period of time, yielding additional rewards on top of the standard protocol trading fees. Active farms are marked in the interface, awards are issued until the campaign is over, or the liquidity provider exits.

Benefits: dual yield channels: pool fees + farming incentives; pairs can be selected to match your risk profile (including stablecoins). Downside/risks: Impermanent loss, yield dependency on trading volume and campaign duration, as well as smart contract risks.

What enhances yield /sustainability:

- Omniston aggregator enhances the "flow-through ” volume across pools by routing transactions through multiple liquidity sources, which potentially supports LP fee revenue.
- STON.fi training and campaign materials (guides/blog) help choose strategies (stable farming, basic pools metrics like TVL, volume, and APR).

Monitoring metrics include:

- For staking: the share of STON staked, lockup time periods, as well as DAO decisions on GEMSTON and ARKENSTON rights.

- For farming: the trading volume and TVL pool, farm closing date, APR (excluding and including compounding), and potential IL.

4.2 Formulas analysis

LP yield off fee revenue (AMM pools)

Pool model: constant-product (x·y = k). Marginal price and price impact are derived from the constant product invariant, analogous to Uniswap v2-based liquidity pools.

Fee revenue: basic trading fee = 0.3%; of that, 0.2% goes to LPs, 0.1% to the protocol.

Annual APR from pool fees (for the entire pool):

$$APR_{\text{pool fees}} \approx \frac{0.2\% \cdot \text{Annual swap volume}}{\text{Pool TVL}}$$

Pool APR from fees

Share of a specific LP is proportional to its liquidity share:

$$APR_{\text{LP fees}} = APR_{\text{pool fees}} \times \text{LP share in pool}$$

APR of a specific LP

(In practice, the average daily volume and TVL are reviewed or the rolling metrics)

Exact swap output (price impact) derived from x·y=k:

if the trader supplies x, then

$$y_{\text{out}} = y - \frac{k}{x + \Delta x}, \quad k = x \cdot y$$

Exact token output on swap (price impact)

(shows why large transactions swing the price more).

Farming (LP staking): rewards

If a farm distributes rewards at an intensity R of tokens per time unit, a reward price P R, and the total value of staked LP tokens in a farm V farm, then the gross annual APR from farming is:

Individual APR depends on your share of staked LP tokens in the farm. (STON.fi publishes SDKs/stake and claim guides, but does not explicitly document the exact public farming APR formula.)

$$APR_{\text{farm}} \approx \frac{R \cdot P_R \cdot T_{\text{year}}}{V_{\text{farm}}}$$

Farming APR

Thus, finally, for LPs:

$$APR_{\text{total}} \approx APR_{\text{LP fees}} + APR_{\text{farm}}$$

Total APR for LP

Transition to APY (with reinvestment n times/year):

$$APY = \left(1 + \frac{APR_{\text{total}}}{n}\right)^{n} - 1$$

Transition to APY

Staking STON → ARKENSTON and GEMSTON

Official staking mechanics:

- When depositing STON, a user gets an equal amount of soulbound-NFT ARKENSTON back (which provides the right to participate in the DAO). At the end of the period, ARKENSTON is burned to return the STON.
- The user also gets an equal amount of GEMSTON (liquid engagement token) with additional properties/utility set by DAO decisions.
- In the DAO treasury, 20M STON are staked for 24 months (protocol commitment).

Conditional "release formulas" during staking:

$$\text{ARKENSTON}_{\text{mint}} = \text{STON}_{\text{staked}}; \quad \text{GEMSTON}_{\text{mint}} = \text{STON}_{\text{staked}}$$

Derivative issuance during staking

It's critical to understand these formulas when it comes to crafting optimal staking and STON farming strategies.

4.3 Money flow analysis

Internal flows DEX fees: The base fee on constant-product pools is 0.3%: 0.2% goes to liquidity providers (LPs) and 0.1% to the STON.fi protocol. It's the main on-chain yield source for LPs and the protocol's budget. Protocol fees distribution: Collected protocol fees are converted into STON and then distributed according to DAO decisions (the distribution contract diagram is indicated in the whitepaper). That ties the DEX revenue to the STON token's economics (including in burn/grant/incentive scenarios). STON staking: When STON is deposited, derivative assets are minted: ARKENSTON (a soulbound-NFT for DAO voting) and GEMSTON (a liquid engagement token). While they boost engagement and governance power, they are not

“cash” equivalents, and their value is created via governance decisions. Omniston aggregator: Aggregates liquidity from DEX and RFQ, bolstering the volume of executed swaps and, consequently, the LP/protocol the fee yield.

External flows Referral fees: In DEX v1: a fixed 10 bps (0.10%) off of each transaction; in DEX v2: adjustable in the 0.01-1% range. Accrued rewards accumulate in contract vaults, and they can be withdrawn by the referrer. Since these funds are routed to external addresses, they reduce the protocol’s net revenue.

Yield dynamics Dependence on volume: LP yield is ≈ 0.2% × swap volume in the pool (proportional to the LP share) while the protocol yield is ≈ 0.1% × DEX volume. Volume growth (including from Omniston) enhances both flows. Fee structure: Basic – 30 bps on constant-product pools; meanwhile, the STON.fi ecosystem supports dynamic fee scenarios (as a tool for compensating for IL during volatile times), which influences real yield for LPs.

Protocol budget expenses and impacts Fee converter and DAO distribution: Protocol fees are converted to STON and distributed as contracts in accordance with DAO parameters (options exist like burning, grants, liquidity incentives, etc.). This directly impacts supply overhead/burning and staking/farming incentives. Referral payments: A share of fees is passed on to the referrers (on-chain/via Vaults). This is an ecosystem marketing expense that boosts revenue but reduces the protocol’s “net” margin.

Risks and sustainability A drop in volume will trigger fee compression: LP and protocol yields linearly depend on turnover: when trading activity goes down, incentives (LP incentives, Omniston routing) suddenly become critical for maintaining the fee system. Impermanent loss for LPs: During times of high price volatility, IL can eat away at LP returns. Elevated or dynamic commissions partially compensate for the risk, but do not eliminate it entirely. Fee distribution governance risk: DAO decisions on shares designated for burning, incentives, and grants determine the net outflow or burning of STON and indirectly burden the price as well as dampening stakers’ and LPs’ motivation. Referral economics: Setting the wrong referral rates in v2 (up to 1%) can draw too large a share of fees externally. This calls for tight parameter control and continuous Vault balance monitoring.

Important for STON.fi flows’ sustainability: is preserving the depth of the pools and routing through Omniston (to maintain volumes), keeping a balanced protocol fee distribution system (conversion → STON → burn/incentives/grants according to the metrics), carefully calibrating the rates, and keeping staking beneficial to capture and redirect value back into the on-chain economy.

4.4 Conclusions

The yield source is transparent. The cash flow base is DEX trading fees. Farming tacks incentives on top of the base yield, but in and of itself does not constitute a new money flow. It merely redistributes it.

Staking is a direct bet on STON without IL. It's suitable when all they need is a position in STON and participation in governance (ARKENSTON) with bonus mechanics (GEMSTON). Staking profitability doesn't rely on commissions but rather on the governance/utility of the derivative tokens and DAO decisions.

Farming = pool fees + incentives, but with an IL risk. For LPs, yield is determined by trading volume/TVL and campaign parameters. Pairs with a high asset correlation reduce IL, while unstable pairs require stricter risk management.

Volume is the key to stability. Routing (Omniston), pool depth, and high-quality market making directly boost volume, and consequently, LP fees along with protocol revenue.

DAO parameters steer the direction of the economy. The distribution policy of protocol fees (conversion to STON, the share allocated for burn/incentives/grants), referral program rates, and staking rules determines the supply and holder motivation. Transparency and predictability are crucial in this regard.

5. Token utility

5.1 Use cases

Internal cases STON staking: administration and derivative rights. When STON is staked, an equal amount of ARKENSTON and GEMSTON is minted while the issue volume linearly depends on the lockup period. This ties the token to governance and incentivises long-term lockup. Fee Capture. All collected protocol fees are automatically converted to STON and then distributed via a Fee Distributor contract (including for burning, staking rewards, and liquidity mining), creating direct market demand for STON. Buyback & burn (deflationary model). A portion of buyback commissions in STON is burned, reducing the supply in circulation and creating a price jump for the token.

Use cases (ecosystem/market) Participation in DAO governance: Holders who staked STON and received ARKENSTON initiate/vote based on the protocol's parameters (fee models, new

features, networks, fee distribution). Farming/liquidity incentives: Through DAO decisions, flows converted into STON can be allocated as LP/staker rewards (liquidity mining, staking rewards), boosting strategy yield and locking capital in the protocol.

Optional cases (including DAO voting) Fee discounts for STON holders: The whitepaper envisages the possibility of fee discounts for holders/stakers of STON. This is activated/calibrated via governance. Indexing incentives to ARKENSTON weight: Contracts allow rewards to be distributed proportionally to the volume of ARKENSTON – a boosting tool for long-term stakers. Stake parameters (lockup duration range): Practically applied lockup periods (for instance, 3-24 months) are set by the interface/via DAO decisions and impact the release of ARKENSTON/GEMSTON and supply behavior.

What this gives to token economics Staking and participation in governance take a portion of the tokens out of circulation along with boosting participation value (the weight of a vote, reward). At the same time, conversion of protocol fees to STON and periodic burning facilitate stable demand and a deflationary effect. Thus, DEX performance (fee volume) directly translates to STON market dynamics while holders gain utility that goes far beyond pure speculation.

5.2 Tools and services

Internal (on-chain and first-party from STON.fi)

- STON staking contract: STON lockup → ARKENSTON minting (soulbound for voting) and GEMSTON (liquid engagement token); this “freezes” a portion of supply and ties ownership of it to governance.
- Liquidity & Farming: AMM pools and LP token farms (STON/TON, STON/stable etc.): pool fees + additional incentives through DAO programs.
- Fee Converter / Fee Distributor: Conversion of protocol fees to STON and routing: buyback & burn, grants, and incentive programs. Helps mold stable demand for STON.
- Referral Vaults: Smart contracts for the accumulation and payout of referral fees (rate configuration in v2) – a turnover growth and user acquisition tool.
- Governance (DAO): Voting portal and smart contracts (via ARKENSTON), fee/incentive/distribution parameters.
- Omniston (routing): Internal liquidity path aggregator. Maximizes swap execution volumes, drives growth in fees, and stimulates a larger flow to the Fee Converter.
- STON.fi app (Web + Telegram Mini App): Entry points: Swapping, Liquidity, Farming, Staking, Governance, and Referral – all utility under “one roof”.

External (3rd party ecosystem around STON/TON)

- TON wallets: Tonkeeper, Tonhub, etc. for convenient onboarding, transaction signature, as well as staking and farming in just 1 or 2 clicks.
- Analytics and monitoring: Dexscreener, GeckoTerminal, DefiLlama, and portfolio trackers – TVL, volumes, APR/yield, and fees and flows dynamics.
- TON explorers: Operational transparency: staking, farming, fee structure, DAO voting (on-chain auditing of utility footprints).
- Market makers/liquidity providers: External contractors supporting pair depth with STON on DEXs/CEXs, mitigating spreads and slippage.
- Exchanges: Submission/withdrawal of capital (fiat ↔ TON/USDT ↔ STON); influx of users into the protocol indirectly bolsters utility thanks to turnover growth.

5.3 Conclusions

The "product-token" linkage isn't working the way it was expected to work. Conversion of protocol commissions into STON and buyback/burn mechanics only creates a constant market demand and a deflationary effect. The greater DEX turnover is (including coming from Omniston), the stronger STON's fundamental support. Unfortunately, this mechanism hasn't rendered a substantial price growth impact on the token (see section 2).

Staking provides real utility: STON's lockup removes a portion of the supply from circulation and grants access to governance (ARKENSTON) and ecosystem bonuses (GEMSTON). This shifts token ownership from being a matter of "pure speculation" to participating in the protocol's economics.

Farming converts the token into liquidity: Pairs involving STON transform ownership into a flow of fees and incentives, but usher in the risk of impermanent loss (IL). Yield here is sensitive to trading volume and pool depth.

Referral payments are beneficial, but growth is "expensive": They enhance turnover and attract users; however, they reduce the protocol's net yield. Rates must be calibrated and kept within transparent limits.

The DAO treasury is the key to stability: Distribution policy (shares designated for burning/incentives/grants), streaming rates, and the prohibition of "one-time" large tranches determine the looming supply volume and trust in the token.

Critical dependencies and risks. STON's utility relies on: i) swapping volume (the market), ii) governance quality (fee distribution rules and ARKENSTON/GEMSTON rights), iii) liquidity

architecture (IL, depth, market making). Errors in these zones quickly convert into price/TVL pressure.

STON's utility mechanisms are properly crafted: product revenue is locked in the token, staking gives it functionality, while liquidity transforms ownership into cash flow. Long-term sustainability will depend on the DAO's discipline and stable trading volume. As long as these facets are observed, STON's utility will remain competitive and economically viable.

There's no requirement for DEX users to buy and use the token: The token bears attractive opportunities for those who wish to take part in the project's development, but it's completely useless to those who want to use STON.fi 's products and nothing more.

5.4 Recommendations

Fee policy → STON → distribution

- Fix the pipeline: X% of protocol fees converted into STON via TWAP auctions, of which Y% goes to buyback & burn, and Z% goes to incentives/grants. Introduce a dynamic where the lower the 30-day TWAP, the higher the share designated for burning.
- Avoid market pressure: conversion and distribution ought to be done via streaming (monthly), with no large one-off tranches going on.

DAO treasury

- Limits and timelock: monthly/quarterly spend caps, execution delays for decisions, and public payout calendar.
- Only allow "stream grants" from smart contracts with a DAO pause right. For large recipients, design it to be done via an OTC/TWAP instead of market sales.

Staking / Governance

- Enhance ARKENSTON's utility: vote weight/yield boosts in farms, early access to pair listings, grant priority, and fee discounts.
- For GEMSTON, add burning mechanisms: discounts/boosts for spending GEMSTON and bonding-curve conversion with a fee allocated to burn.

Liquidity and farming

- Pool fees: calibrate based on volatility (low volatility → lower, high volatility → higher) to compensate for IL and stable fee flow.

- Design farming campaigns as time-limited, featuring “descending” emissions (minimum LP period, fines for early exiting).

Routing and circulation

- Develop Omniston: the goal is maximum “flowing” volume and filling up pools with STON.
- Onboard professional market makers with strict KPIs to spread tightness and pool depth. Distribute rewards upon completion (on-chain metrics).

Transparency and metrics

- Public dashboards: % fee converted into STON, burn share, pools incentive volume, and staked STON share.
- Management KPIs: fee-capture rate, burn-rate, staking ratio, volume/TVL, referral channel LTV/CAC, and incentive efficiency (volume/incentive).

Anti-risk mechanics

- Emission automation: during decline, have it automatically reduce incentives, pause grants, and enhance burn.
- Liquidity support during unlock windows (months 24/36): allocate buyback/TWAP and temporary LP incentives to base pairs in advance.

Token utility

- The token needs to be integrated into the user path when trading on DEXs.

6. Token circulation

6.1 How the tokens move

Emission and internal distribution Anti-inflationary model: STON has a capped original supply of 100 million. Additional mints are prohibited via smart contract. The protocol implements buyback & burn: fees are converted into STON, and a portion of them is burned, thereby reducing total supply. Thus, internal “influx” is not generated by emission but by market fee buybacks. Fee Converter → Fee Distributor: Protocol fees are automatically converted into STON and then distributed via the distributor’s smart contract according to the DAO parameters

– either to be burned or for other designations (staker awards, liquidity mining, grants). This locks product money flow to the token.

Vesting and unlocks Base distribution: DAO: 50%, Team & Advisors: 19%, Investors: 31%.

Vesting by pools: DAO Treasury 20%: staked for 24 months, Incentives 10%: linearly over 60 months, Marketing 10%: 20% immediately, the rest over 36 months, Operations 10%: 40% immediately, the rest over 60 months, Pre-seed 21%: cliff for 12 months, then 24 monthly linearly, Private 10%: cliff for 12 months, then 24 months, Team 14%: cliff for 24 months, then linearly, Advisors 5%: cliff for 12 months, then 24 months. These events constitute scheduled "influx windows" for supply entering into circulation.

In-product utility DEX fees: In Constant Product pools, the base fee is 0.3%. The LP portion remains in the pools (thereby increasing their size). The protocol portion is subsequently converted to STON and is allocated/burned, thereby creating a steady internal demand for the token. Liquidity and farms: By adding STON to pools, users mint LP tokens (obtain a fee flow) and can stake LP tokens in farms to earn extra rewards, typically sourced from the Incentives pool. This leads to the cyclical movement of STON between the pool, LPs, and reward addresses.

Staking and associated derivatives The STON lockup period (3-24 months) temporarily removes a portion of supply from circulation. Derivatives are minted during staking: ARKENSTON (a soulbound-NFT for voting; reflects voting power) and GEMSTON (a liquid engagement token, whose issue volume depends on the period of the lockup, up to 1 GEMSTON for 1 STON at 24 months). At the end of the lockup, ARKENSTON is burned, and the STON are returned to the staker.

The market and external shifts Referral payments (DEX v2): The referral share of each transaction is adjustable within the 0.01–1% range and accumulates in a separate Vault contract assigned to the referrer's address until withdrawal. These are external fee recipients that reduce the "net" protocol margin but help drive turnover growth. Campaigns/airdrops: The DAO and partners can distribute STON/GEMSTON/ARKENSTON via campaigns, contests, and program engagement – an additional channel for tokens to find their way to users.

Summary of circulation dynamics Token influx into circulation is completed through scheduled unlocks (vesting windows), marketing/operational expense tranches, referral payouts, and LM/incentives. Outflow/retention is created by staking lockups as well as fee conversion into STON, along with subsequent burning according to the DAO rules. Altogether, this ties DEX trading activity to circulating supply dynamics and demand for STON.

6.2 Risks

Supply (vesting and unlocks)

- Unlock windows: Starting from month 12, the shares of investors and advisors start getting unlocked. The same happens for the team's shares starting in month 24. During the period of between 24 to 36 months out, a maximum influx of tokens is expected to go into circulation.
- DAO treasury: At 24 months out, the treasury stake may become partially unlocked by DAO decision. This poses a risk of an excess supply of tokens hitting the market.
- Ambiguities in the documentation: The whitepaper features different linear vesting periods for the Team pool. This renders making circulation forecasts more difficult. The team pool table lists a "24-month cliff + 24 months linear unlock". Next to it, it says "24-month cliff + 3 years linear unlock".

Money flows

- Buyback/burning is not fixed: Fees are converted into STON, but burn/incentive shares are decided by the DAO. The parameters can always be modified.
- Referral payouts: In DEX v2, a portion of the commissions goes to referrals (up to 1%). This reduces the share that ends up in buyback/burn and the protocol budget.
- Dependence on turnover: LP and protocol yield are based on trading fees. If the volumes decline, it takes an immediate toll on STON buybacks and the burn rate.

Staking

- GEMSTON: Issuance depends on the staking timetable. Its value and burning are established by the DAO. Its value can get clouded without some form of distinct utility in place.
- ARKENSTON (voting): During times of quiet engagement, influence could get distorted in favor of large, "fresh" stakes.

Liquidity and the market

- Impermanent loss and LP outflow: Volatility and the conclusion of farming campaigns can hamper LP yield, lower TVL, and exacerbate slippage.
- Focus on TON: Basic network/routing failures will take a toll on turnover and fee flows.

Technologies and management

- Contracts: Errors in the converter/distributor fee, staking, or pools pose a risk when it comes to token fee inflow, burning, and circulation.
- Governance: Quiet DAO activity or lackluster processes (without timelocks/quorums) raises the chance that decisions will be made that end up intensifying supply pressure.

Conclusion

- Key points of attention: the token unlock calendar (at 12/24/36 months out) and DAO configuration (burn, incentives, referral rates, treasury expenses). Transparent rules, limits, and monitoring of these parameters are the foundation of controlled circulation and stable demand for STON.

7. Key critiques

The gap between stated and actual functionality

In its publicized materials, the website places an emphasis on AMM-DEX on the TON network and its own aggregator, since in its whitepaper, STON.fi positions itself as cross-chain, based on a DEX. This is not false, but does create an “expectations gap”: part of what is stated is limited to the roadmap, rather than being present in stable production functionality.

Vesting: windows of pressure and description discrepancies Major unlocks happen at the 12/24/36 months marks, which enlarges the total supply in circulation. Furthermore, the documentation shows a gap in the vesting periods for the Team pool, which complications circulation forecasting.

The DAO treasury may usher in an influx of supply onto the market At the end of the 24-month lockup, a portion of the DAO treasury may theoretically enter the market. Unless rigid rules are put in place as to how those tokens are to be spent, that is a factor that will bring on additional pressure.

Buyback/burn depends on voting Fees are indeed converted to STON, but the share designated for burning or incentives/grants is regulated by the DAO. Reconfiguration of those parameters will be able to notably impact net demand for the token.

Referral payouts reduce the protocol’s net margin The new DEX version features the ability to reconfigure the referral rates. If they are posted too high, a significant share of the fees will go to external addresses and not make it into buyback/burning.

Derivative tokens: value uncertainty ARKENSTON and GEMSTON enhance engagement, but their economic “utility” and burning/limit mechanics depend on decisions that are going to be made afterwards. Without a clear policy, the value of the derivatives can get diluted.

Sustainability’s dependence on turnover The yield base comes from trading fees. Falling volumes will quickly reduce STON buyback and the burning rate, while growth in turnover, for instance, will serve to support the token. That is the key operational driver/risk.

Liquidity and IL for LPs With volatility afoot and farming campaigns about to conclude, an outflow of liquidity is always a possibility. There could be more slippage and fee flows could dry up. IL remains a constant risk factor for providers.

DAO governance risks Lackluster engagement or ineffective processes (voting thresholds, timelock, spending limits) raise the likelihood of decisions being made that further tack on supply pressure or cloud transparency.

Technological risks Even with audits and bounty programs in place, there still exists the risk of vulnerabilities in fee distribution, staking, and pool contracts. Any such mistake will leave a mark on token circulation and economics.

Final conclusion

STON.fi and its native token STON rely on a product-oriented architecture: DEX trading fees automatically convert into STON and are distributed via the DAO (including buyback & burn), staking transfers a portion of the supply to be locked up and provides governance rights (ARKENSTON) and additional engagement incentives (GEMSTON), while liquidity routing (Omniston) feeds turnover. This creates multi-layered demand tied to the actual use of the protocol. Unfortunately, this mechanism is incapable of keeping the token price propped up without DEX users being swayed using additional incentives.

Key strengths:

Direct product demand Fee-capture ties DEX turnover to the token: the greater the swapping volume, the more that is being converted into STON, and the larger the share being allocated to burning/incentives. A sustainable “value loop” emerges, where product metrics translate into demand for the token.

Staking as a means of “locking up” supply and utility The lock-up reduces the circulating supply. ARKENSTON serves for voting and governance weight, while GEMSTON boosts engagement.

That lays the groundwork for long-term holder participation and shifts their motivation from short-term sales to taking part in the protocol's economics.

Routing and liquidity depth Omniston enhances the volume passing through the pools, supports fee streams for LPs and the protocol, and, in so doing, boosts baseline demand for STON via the conversion fee.

Flexible DAO money flow governance The fee distribution parameters (burn/incentive/grant shares), treasury policy, and liquidity incentives are managed through governance. If properly configured, this provides a means to smooth out the market phases and maintain demand loop stability.

Maintaining balance and prospects The current model demonstrates a "product → turnover → fee → STON → burn/incentives → liquidity/staking" linkage, but if volumes go up and DAO policy is transparent, that is capable of rendering baseline demand the predominant factor in its value. The rules must be fixed and distinctly set in stone: the way fees are obtained and distributed (the fee funnel), what limits are in place for the treasury's spending, and that it issues out payments as an even stream. Alongside that, ARKENSTON and GEMSTON need to have their functionality expanded so as to render them more valuable. If these tokenomics conditions are met, STON will continue to be adaptive and viable, while the impact of speculative impulses and unlock windows will remain manageable.

Recommendations:

For STON.fi (protocol / DAO):

- Fee revenue distribution: Formalize a simple, straightforward pipeline: convert the fees into STON using the time-weighted average price (TWAP), then allocate X% to burning and Y% to incentives/grants. Publicize those shares and formalize a rule that the lower the 30-day TWAP, the greater the share that will be allocated to burning.
- DAO treasury: Introduce quarterly spending limits, a timelock, and only streaming payouts (without large, one-off tranches). Execute major transactions only through OTC/TWAP rather than as market sales.
- Referral program: Set a narrow range of rates, implement an anti-gaming protection alongside a vesting schedule for referral payouts, and burn a portion of the referral fees.
- Liquidity and incentives: KPI incentives for STON/TON and STON/USDT (volume, depth, LP retention). Fees from pools should be adapted for volatility (the greater the volatility, the greater the fee), and a market maker program should be launched with KPIs for spread and depth.

- ARKENSTON/GEMSTON utility: Add a “practical benefit”: discounts on fees, farming boosts, and grant priority. Introduce a “long-lockup, big bonus” principle. For GEMSTON, introduce some kind of burning/spending mechanisms.
- Transparency: Public dashboards: how many fees have been converted into STON, how much has been burnt, the unlock schedule, net burning, the incentives volume for the pools, and referral payouts. Kick off monthly DAO reports as well.
- Documents and processes: eliminate vesting discrepancies for the Team pool, update the WP when new modifications are introduced, and establish thresholds for voting.
- Security: Integrate regular update audits and an emergency reaction plan when incidents occur.
- Integrate the STON token into the user journey: Demand must be created for the token on the mass user’s part.

On the whole, STON is a well-thought-out, product-oriented model, where demand is generated from actual usage of the DEX, and fee capturing ties turnover to the token. Its core strengths include a distinct “value loop”, governance-tied staking, and a flexible DAO structure. The main threats it faces are a lack of balance between demand and supply during unlock windows, a reliance on trading volumes, and its DAO parameter configuration. If the proposed measures to fortify stable demand, manage unlocks, and boost transparency are taken, STON has the potential to escape cyclical volatility and achieve a more stable model that can be maintained through fundamental product flows. Meanwhile, its weakness is the lack of direct demand for the token. While trading fees create open-market demand to contract the circulating supply, the protocol ultimately re-injects these assets back into the market ecosystem via staking mechanisms. Unless the token has direct, straightforward functionality put in place for it in DEX trading operations, its price may continue to tumble.

STON token rating under the 8Blocks method

Total rating: 63 / 100

Letter rating: BBB

STON gets a 63/100 score. This is an operating model with a strong product basis, potent security, and its token plays a clear role in governance/staking, but STON isn’t absolutely required to be used in the actual DEX’s core loop. The main aspect impeding its rating is the moderate Token-Product Linkage: the protocol generates fees/revenue, but the linkage between the growth of the DEX’s activity and the direct benefit for STON holders remains too weak and in many ways dependent on the DAO’s parameters.

Segment	Weight	Score (0–5)	Score (0–100)	Contribution
Token Product Linkage	40%	2.9	58	23.2
Tokenomics Sustainability	20%	2.8	56	11.2
Fundamentals	15%	3.9	78	11.7
Governance / Control Risk	10%	2.6	52	5.2
Security	10%	4.1	82	8.2
Market Layer	5%	3.2	64	3.2
Base score	100%	—	—	62.7