TOKEN AUDIT · 09.26

FINAL RATING — CCC

$ONDO

38 /100

ondo.finance

Ondo Finance is a real-world asset tokenisation platform: USDY, OUSG and Ondo Stocks. $3.47bn under management, first place in the RWA category.
ONDO is a governance token. The products work without it and no revenue is distributed to holders. Supply 10bn, 4.869bn in circulation.

FDV	MC	TVL	ANNUAL FEES	TO HOLDERS
$3.51bn	$1.71bn	$3.47bn	$57.9m	$0

UNLOCK 17.01.2027

$615m

This token is not needed: the products are bought with fiat and stablecoins, the fee switch is off, and there is no transmission mechanism between the success of the business and the value of the token

RWA category leader: TVL $3.47bn, organic revenue of $57.9m a year with zero spend on incentives, 25+ audits.

Tokenomics sustainability: the fee switch is off, no buybacks or burns; in January 2027 an unlock of 35% of the float with no absorption mechanism at all.

Executive summary of the ONDO Token Audit

- **The product is growing, the token is not.** Ondo's TVL rose from roughly $0.6bn at the start of 2025 to **$3.466bn**, while the token price sits **83.6% below** its December 2024 high. This is not a lag in timing but a consequence of how the model is built: there is no transmission mechanism between the success of the business and the value of the token.
- **Revenue does not reach the holder.** The products generate **$57.9m in fees** on an annualised basis, but the fee switch is off and there are no buybacks, dividends or burns. According to DefiLlama as of 07.08.2026, revenue distribution to ONDO holders is not active.
- **The token is not required for the products to work.** USDY, OUSG and Ondo Stocks are bought with fiat and stablecoins. Governance rights extend to the Flux Finance protocol, not to the RWA business. The official Ondo Chain FAQ does not mention the token once.
- **On 17 January 2027, $614.97m unlocks — 35.12% of the current float** in a single event, repeated in the same amount on 18 January 2028. Against daily trading volume of $117.7m this is a structural overhang, not a routine event.
- **Corporate control is under legal dispute.** After the founder's death in May 2026 his heir is challenging the authority of the sitting CEO; on 24 July 2026 the board she formed voted to remove him. The controlling block of voting shares is redacted in the court filings.
- **The strengths are real:** first place in the RWA category, institutional products in production, organic revenue with zero incentives and more than 25 audits from leading teams. The problem is not the business, but that the token is not connected to it.

Rating: 38 / 100, CCC.

Ondo Finance is a strong business with a weak token. The company has built the leading real-world asset tokenisation platform with revenue from real users, but ONDO remains a governance token with no economic rights to that revenue. While the fee switch is off and the treasury is managed by the Foundation, TVL growth and new product launches do not create demand for the token. The key question for a holder is a direct one: what has to happen for Ondo's success to start showing up in the ONDO price — and today the project's documentation has no answer to it.

1. Introduction

This audit has no commercial purpose and its conclusions are not investment advice. The audit is intended for a broad audience; its aim is to identify the weak points of the $ONDO token and to show them both to the project itself and to every $ONDO holder. Only public data from the internet is used in the audit.

For readers in the UAE the case is directly relevant: tokenised treasuries and tokenised equities are precisely the products being licensed under the ADGM and VARA frameworks, and several RWA issuers already operate from Abu Dhabi and Dubai. The audit question is not whether the business is in demand, but whether that demand reaches the token.

Ondo Finance is a real-world asset (RWA) tokenisation platform issuing institutional products backed by US Treasuries and public securities. The company consists of two arms: asset management (issuing tokenised funds) and a technology division (infrastructure and protocols).

Product line at the time of writing:

- **USDY** — a yield-bearing token backed by short-term US Treasuries. TVL $2.15bn, yield 3.55% p.a.
- **Ondo Stocks** — tokenised public securities: more than 440 assets, around 90,600 unique holders. TVL $1.01bn.

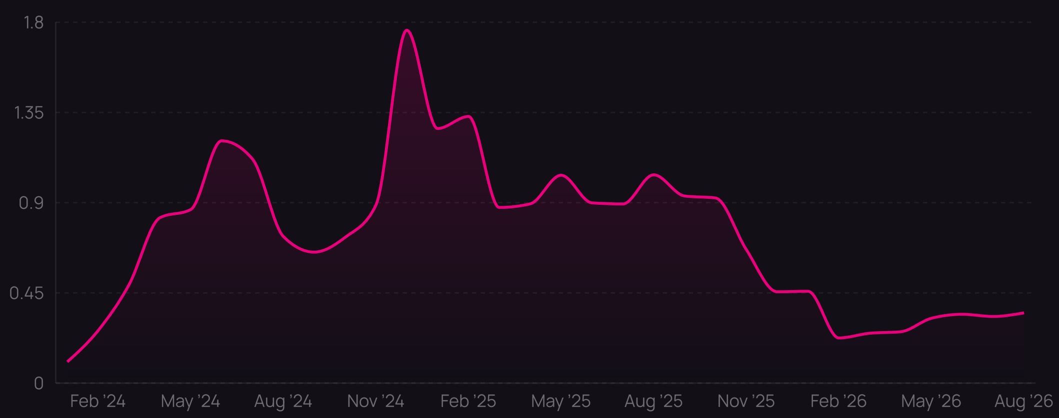
- **OUSG** — access to short-term US Treasuries for qualified investors with instant issuance and redemption. TVL $376.44m, yield 3.44% p.a.
- **Nexus** — instant issuance and redemption infrastructure for third-party issuers of tokenised Treasuries and stablecoins.
- **Ondo Chain** — a Layer-1 for institutional financial markets. According to the official FAQ it is at the testnet stage; mainnet has not launched.

The ONDO token was issued in a volume of 10bn units, and maximum supply is capped at the same figure. 4.869bn tokens are in circulation. The token is classified as a governance token; it has no utility function inside the company's products.

Website: ondo.finance

2. Token price

2.1 Token price analysis



Price chart at the time of writing, according to CoinGecko — monthly values, Jan '24 – Aug '26, coins.llama.fi

- Current price: $0.3507 as of 7 August 2026;
- All-Time High (ATH): $2.14, set on 15 December 2024 — the current price is 83.6% below it;
- All-Time Low (ATL): $0.08217, set on 18 January 2024;
- Market capitalisation: $1.708bn, 43rd by capitalisation;
- Daily trading volume: $117.7m — around 6.9% of capitalisation.

The chart breaks into two phases. The first runs from the January 2024 launch to the December 2024 peak: the price rose from $0.08 to $2.14 on the wave of interest in the RWA narrative. The second runs from the start of 2025 to the present: a steady decline to $0.35 with a local low of around $0.25 in the first quarter of 2026.

> Important
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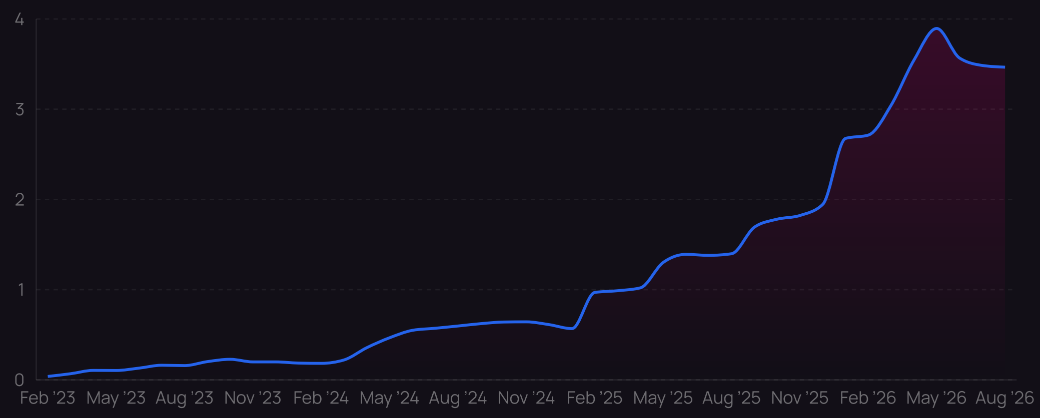
> the price decline in the second phase happened at the same time as the business grew. Over the same period TVL rose roughly fivefold. This points not to a weak product, but to the absence of a link between the product and the token.

Turnover of 6.9% of capitalisation indicates sufficient liquidity for a retail participant. However, the token's DEX liquidity amounts to just $3.14m — the ONDO market sits almost entirely on centralised venues, and on-chain depth is minimal.

2.2 TVL chart analysis



TVL chart as of the time of writing (DefiLlama) — month-end values, $bn

Current TVL: $3.466bn as of 7 August 2026.

The TVL trajectory is a story of steady growth without drawdowns. From the 2023 launch the figure rose evenly to around $0.6bn by the start of 2025, then accelerated: about $1bn in spring 2025, $2.3bn by the end of 2025 and $3.4–3.5bn by mid-2026. Ondo ranks first among RWA issuers on this metric.

> Important
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> the ratio of TVL to token capitalisation is roughly 2:1 — there are twice as many assets under management as the entire token is worth. For comparison: in protocols where the token receives a share of revenue this ratio is usually the other way round. The market values ONDO not as a stake in the Ondo business, but as a separate asset with its own, far more modest economics.

2.3 Conclusions on the token price

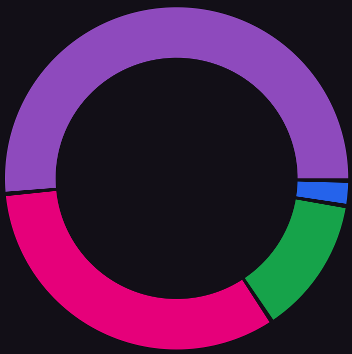
POSITIVE FACTORS AND RISK FACTORS

- ✓ Liquidity on centralised venues is sufficient: turnover of 6.9% of capitalisation, 43rd in the rankings, listings on major exchanges.
- ✓ The token has been through a full market cycle since its January 2024 launch and has held capitalisation above $1.7bn.
- ✓ The price sits more than four times above its all-time low — the sell-offs of the first months of trading have been overcome.
- – An eighteen-month price decline took place against a fivefold rise in TVL — the market does not connect the product's success with the token.
- – DEX liquidity of $3.14m against capitalisation of $1.708bn means the price is set by a handful of centralised venues and is exposed to their behaviour.
- – Ahead lies an unlock of $614.97m — more than five times daily trading volume, entering the market in a single event.

The ONDO price today is set by market interest in the RWA narrative, not by the economics of the token itself. As long as the holder receives no share of fees and is not required to own the token to use the products, growth in the business creates no buying pressure. The main price risk is the January 2027 unlock, for the absorption of which the model provides no mechanism at all.

3. Token distribution

Total and maximum supply is 10bn ONDO tokens. 4.869bn are in circulation; 48.70% of supply is unlocked and 51.30% is locked.



Token distribution at the time of writing (DefiLlama, cross-checked with Tokenomist), %

Unlocked / locked, % (DefiLlama)

Allocation	Share	Volume	Recipients
Ecosystem Growth	52.11%	5.21bn ONDO	Rewards and airdrops for users, third-party developers and ONDO partners
Protocol Development	33.00%	3.30bn ONDO	The project team
Private Sales	12.90%	1.29bn ONDO	Early investors
Community Access Sale	1.99%	198.9m ONDO	Public investors

Important

the public sale accounted for less than 2% of supply. The remaining 98% is split between structures connected to the project (Ecosystem Growth and Protocol Development, 85.11% combined) and private investors (12.90%). That structure means that over the long term the token's supply is almost entirely determined by Foundation decisions and the insider vesting schedule.

The Ecosystem Growth allocation deserves a separate examination: it accounts for 52.11% of supply — more than all the other groups combined. The official description exists in exactly one sentence. In the Ondo

Foundation proposal of 27 December 2023 it is called a strategic portion of tokens set aside for growth incentives such as airdrops and for contributors to the Ondo ecosystem — developers, educators, researchers and strategic contributors. The project has published neither a definition of a "strategic contributor" nor any breakdown of the 5.21bn ONDO across those directions.

How these tokens can be obtained is not publicly described. Neither the Foundation's website, nor the documentation, nor the blog contains a rulebook, an application procedure or selection criteria. The only live rewards programme — Ondo Points — pays out USDC rather than ONDO following the snapshot of 1 April 2026: 50 to 500 USDC per wallet plus lottery tickets. It is therefore not a distribution mechanism for this allocation. The Ondo Catalyst initiative of $250m, announced jointly with Pantera Capital in July 2025, does not disclose how it is funded, and there are no grounds for treating it as spending from Ecosystem Growth. No grant programmes, liquidity programmes or partner payouts denominated in ONDO could be found.

The wallets are only partly disclosed. On 5 December 2025 the Ondo Foundation published a single address holding locked tokens under the control of the Foundation Group — 0x677FD4Ed8aE623f2f625DEB2D64F2070E46cA1A1, labelled on Etherscan as Ondo Finance: Multisig 2. It is one multisig wallet with no separation by allocation: no address labelled specifically as Ecosystem Growth exists, and no vesting contract for this allocation is publicly documented. Matching movements of funds to a specific line of the distribution is impossible from public data. The balance the Foundation stated — 4.42bn ONDO — also fails to match the actual one: as of 2 September 2026 the address holds 5.33bn ONDO, or 53.29% of supply. The project does not explain the 907m token discrepancy.

There are no spending rules. Ondo has published no annual limits, no disclosure procedure and no reporting obligation for Ecosystem Growth. On-chain governance of ONDO extends only to the Flux Finance protocol; the Foundation's treasury lies outside the scope of holder voting, and the only question ever put to a vote was the removal of the global lock-up in December 2023. Spending of the allocation remains entirely at the Foundation's discretion.

> Important
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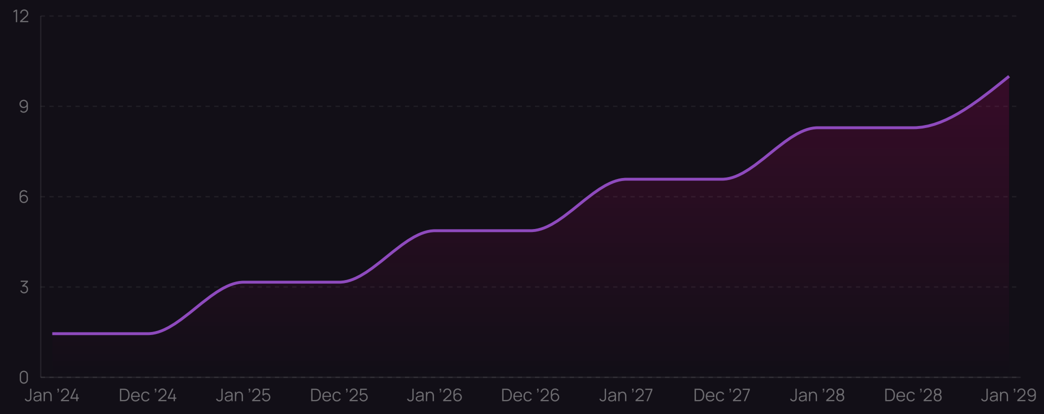
> an allocation amounting to 52.11% of supply has neither a publicly described way to earn it nor a public limit on how it is spent. No rule has been published under which an unclaimed portion would be burned or returned to the protocol: the tokens stay in the Foundation's multisig wallet and reach the market at its decision. For the holder this means that half of the supply exists not as a scheduled distribution with known rules, but as a managed reserve.

3.1 How tokens are distributed, cliffs and unlocks

According to the official Ondo Foundation proposal, tokens unlock 12, 24, 36, 48 and 60 months after the public launch. Private investors and core contributors had a minimum 12-month lock-up followed by a four-year distribution period. More than 85% of supply was locked initially.



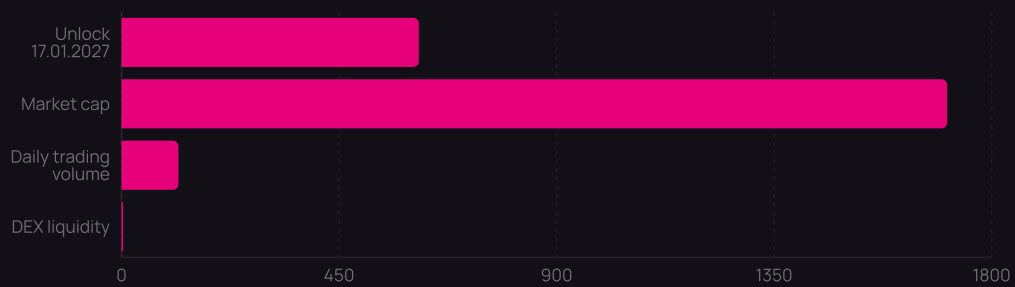
Token unlock schedule by group (DefiLlama) — cumulative unlocked supply, bn ONDO; steps are the 17–18 January cliff events

The defining feature of the schedule is its cliff structure: tokens reach the market not evenly, but in large one-off events.

Event	Date	Volume	Share of supply	Share of float
Unlock No. 1	17.01.2027	$614.97m	17.1%	35.12%
Unlock No. 2	18.01.2028	$614.97m	17.1%	—

Composition of the nearest event on 17 January 2027:

- Ecosystem Growth — $284.83m (792.05m ONDO);
- Protocol Development — $237.34m (660.00m ONDO);
- Private Sales — $92.80m (258.05m ONDO).



The January unlock against market capacity (8Blocks calculation on DefiLlama and CoinGecko data) — $m

Important

the volume of the unlock exceeds daily trading volume by roughly five times and the token's DEX liquidity by almost two hundred times. Meanwhile the economic model contains no mechanism at all for absorbing new supply: there is no buyback, no burn, no staking lock-up. The unlocked volume can only be absorbed by organic market demand.

3.2 Conclusions on token distribution

POSITIVE FACTORS AND RISK FACTORS

- ✓ The vesting schedule is published officially by the Ondo Foundation and tracked by independent sources (Tokenomist, DefiLlama) — dates and volumes are known in advance.
- ✓ Maximum supply is hard-capped at 10bn tokens; there is no hidden inflation.
- ✓ Almost half of supply has already been unlocked — the market has lived through part of the overhang.
- – 85.11% of supply sits in two allocations controlled by structures connected to the project; the public sale accounted for less than 2%.
- – The insider share of supply is rising: from 27.1% today to 33% at full unlock.
- – A cliff structure rather than linear vesting concentrates pressure into two dates instead of spreading it over time.
- – Tokens from the Ecosystem Growth allocation, rather than serving the stated purpose, will have a destructive effect on the token price: with no utility mechanisms in place they will be brought to market to be sold.
- – Address classification (exchanges, bridges, treasury, vesting contracts) was not carried out within this audit — the concentration assessment is based on allocations, not on actual wallets.

The distribution of ONDO is transparent in form but deeply centralised in substance. Transparency of the schedule reduces the risk of surprise, but it does not reduce the volume of pressure itself. The core problem here is not that the unlocks are hidden, but that there is nothing on the demand side to set against them.

4. Staking and farming

4.1 Analysis of the instruments

At the time of writing there are no official staking or farming mechanisms for the ONDO token. The project offers neither native staking, nor liquid staking, nor rewards programmes for providing liquidity.

The Incentives figure for the past year according to DefiLlama is **$0** — the token is not handed out as an incentive and is not used to attract liquidity.

> Important
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> the absence of emission-funded rewards is a strength of the model: supply is not diluted artificially and growth in the product's metrics has not been bought with token giveaways. But the same thing means the holder has no reason whatsoever to take the token out of free circulation. The token either sits in a wallet or is sold.

The yield Ondo offers belongs to the products, not to the token: USDY pays 3.55% p.a. and OUSG 3.44% p.a. That yield is paid to holders of the respective products and has nothing to do with ONDO holders.

4.2 Analysis of the formulas

There are no reward formulas because there are no reward mechanisms. For the planned Ondo Chain network the official FAQ describes the architecture, the validator model and cross-chain capabilities, but contains not a single mention of the ONDO token or its role in securing the network.

Important

if Ondo Chain uses ONDO as its staking and fee token at launch, that will become the first real source of demand for the token. As of today no such role is recorded in the official documentation, and it cannot be assessed as a working mechanism.

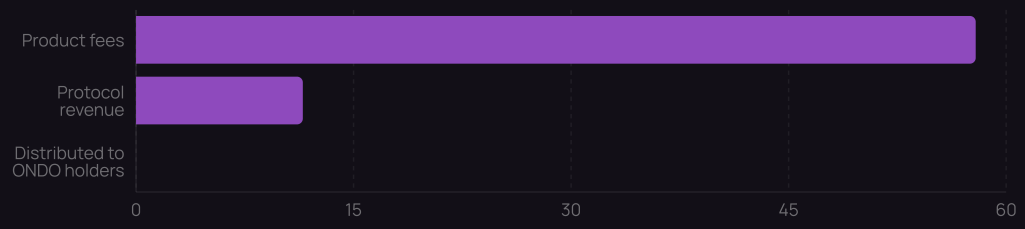
4.3 Analysis of cash flows

Flows generated by the products (annualised, DefiLlama):

- Product fees: $57.9m; cumulative to date – $74.15m;
- Protocol revenue: $11.54m; cumulative – $21.12m;
- DEX trading volume over 30 days: $595.44m; derivatives volume over 30 days: $5.069bn.

Flows reaching ONDO holders:

- Buyback of tokens from the market – none;
- Revenue distribution or dividends – none;
- Burns – none;
- Fee switch – off.



Protocol revenue against payouts to token holders (8Blocks calculation on DefiLlama data) – $m a year

Important

the economic value created by the products stays entirely inside the company and its shareholders. The Ondo Foundation owns a 99% stake in USDY LLC – the issuer of one of the key products. The ONDO token holder is not a beneficiary of this structure.

4.4 Conclusions

- No staking or farming mechanisms exist for ONDO; supply is not locked up for any period.
- The absence of emission-funded rewards is a plus for the cleanliness of the model, but it is not offset by any other source of demand.
- The yield on Ondo's products belongs to holders of those products, not to holders of the token – the two groups must not be conflated.

The section that in most audits describes the mechanics of holding a token here describes their absence. This is not a gap in the data but a characteristic of the model: ONDO is designed as a pure governance token with no economic rights.

5. Token utility

5.1 Use cases

The only recorded function of the token is participation in governance. According to DefiLlama Token Rights (updated 23 June 2026), the holder's rights look as follows:

Right	Status
Governance (protocol management)	yes
Revenue Decisions (economic parameters)	yes, per documentation
Fee Switch	off
Treasury Decisions (treasury)	no — managed by the Foundation
Buybacks	no
Dividends	no
Burns	no
Utility (product function)	no

> Important
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> the threshold for submitting a proposal is 100,000,000 ONDO — around $35m at the current price. This cuts off everyone from governance except the largest holders. According to the same source, not a single DAO proposal has been executed since 2024.

The boundaries of the governance rights are worth noting separately: proposals are discussed on the governance forum of Flux Finance, an auxiliary lending protocol. Management of the real-world asset tokenisation business, which is what generates the revenue, does not fall within the competence of token holders.

5.2 Tools and services

Ondo's product ecosystem is extensive and works without any involvement of the token:

- USDY, OUSG and Ondo Stocks are bought with fiat and stablecoins; holding ONDO is not required to access them;
- Nexus serves third-party issuers — settlement in the token is not provided for;
- The products are deployed across several networks (Ethereum, Solana, Noble, Stellar), which expands the business but creates no demand for ONDO.

> Important
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> this is the key test of the 8Blocks methodology: the product can grow without the token. In Ondo's case it not only can — that is exactly how it has been growing for the

past eighteen months.

5.3 Conclusions

- The token is not required for a single core user action in any of the company's products.
- The governance right exists formally, but is blocked by the 100m ONDO threshold and has not been exercised since 2024.
- The planned Ondo Chain network is the only place where the token could acquire an infrastructural function, but its role is not described in the official documentation and mainnet has not launched.

The central question of the 8Blocks methodology — «who will buy this token, and why?» — has no product-based answer today. Buying ONDO is a bet on the RWA narrative and on the link between the business and the token being built in the future.

6. Token circulation

6.1 How tokens move

1. Inflow into circulation:

- Cliff unlocks under the vesting schedule — $614.97m on 17 January 2027 and the same amount on 18 January 2028;
- Spending of the Ecosystem Growth allocation at the discretion of the Ondo Foundation — the rules and limits are not publicly fixed.

2. Withdrawal from circulation:

- Withdrawal mechanisms are absent entirely: there is no buyback, no burn, no staking, no collateral lock-ups and no treasury loop that puts tokens back to use.

> Important
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> the circulation of ONDO is one-way. Tokens enter the market and stay there. The treasury mechanism that the 8Blocks methodology treats as the core of a sustainable economic model is not present in the architecture: the Foundation's treasury accumulates and distributes tokens, but does not buy them back from the market and does not return value to holders.

6.2 Risks

- A complete absence of sinks ahead of an unlock of 35.12% of the float: the new supply has no counterbalancing absorption mechanism.
- The absence of public rules for spending the Ecosystem Growth allocation (52.11% of supply) makes part of future supply unpredictable even with a known vesting schedule.
- Minimal DEX liquidity ($3.14m) means the on-chain market cannot take any sizeable volume without a sharp price move.
- The dispute over corporate control creates uncertainty as to who will be taking decisions on treasury spending in the coming months.

Important

the key balance to watch is the appearance of any mechanism linking revenue to the token before January 2027. If the fee switch is not turned on and no buyback programme appears, the unlock will have to be absorbed by speculative demand alone.

7. Critical observations

- **The token is structurally disconnected from the business.** The company generates $57.9m in fees a year, owns a 99% stake in the issuer of USDY and manages $3.47bn in assets, while the token holder receives nothing from any of it: the fee switch is off, there are no buybacks or burns, and no dividends. This is not a temporary state but the design of the model.
- **Governance exists but does not function.** A proposal threshold of 100m ONDO (around $35m) and the absence of any executed DAO proposals since 2024 mean the stated governance right is not exercised in practice. The treasury, meanwhile, sits outside holders' control — it is managed by the Ondo Foundation.
- **The corporate governance crisis is unresolved.** After the founder's death in May 2026 his heir obtained representative authority through probate; on 24 July 2026 the board she formed voted to remove the sitting CEO, and on 6 August the case filings became public. The parties publicly dispute the legitimacy of each other's actions. For a token that has no economic rights of its own, the stability of the corporate structure is a critical factor.
- **Cliff unlocks instead of linear vesting.** Releasing 35.12% of the float in a single day is a decision that concentrates risk instead of spreading it. With absorption mechanisms in place this would be manageable; without them it is not.
- **The official documentation does not describe the token.** Neither the product documentation nor the Ondo Chain FAQ contains a description of the tokenomics, the economic rights or the role of the token. Information about holder rights has to be assembled from a third-party aggregator and an archived Foundation proposal.

None of these observations relates to the quality of the product. Ondo is a strong business: an institutional product line, organic revenue without subsidies, more than 25 audits from leading teams, and a flawless passage through the series of market incidents in April 2026. The observations relate solely to how that business is connected to its token.

8. Final conclusion

Ondo Finance is a rare case for the crypto market in which the link between the token and the project is entirely absent. The company has built the leading real-world asset tokenisation platform: $3.466bn under management, first place in the category, real institutional clients, and revenue from use of the product rather than from handing out incentives. On the fundamentals block this is one of the strongest projects one can encounter in an audit.

The problem is that there is no connection between that business and the ONDO token. Revenue goes to the company's shareholders and to the Foundation. The treasury is managed by the Foundation. The products do not require the token. Governance is limited to an auxiliary protocol and blocked by a $35m threshold. The token is not needed for the network to run, because the network has not launched and its documentation does not mention the token.

Eighteen months of price action is the empirical proof: TVL rose fivefold, the price fell 84% from its high. The model works exactly as it is built. The market has valued ONDO not as a stake in Ondo Finance, but as a separate asset whose economics amount to waiting for future decisions by the company.

The nearest fork in the road is January 2027. By that date $614.97m will reach the market, and there is nothing in the model to absorb that volume. Between today and that date the project has a window to build a value transfer mechanism: turn on the fee switch, launch a buyback, give the token a role in Ondo Chain. If the window is used, next year's audit will be about a different model. If not, the unlock will meet the market in its present form.

The corporate dispute must be taken into account separately. Until it is settled who lawfully controls the company, any decisions on the token's economics – turning on the fee switch, a buyback programme, treasury spending – cannot be considered final.

8.1 Recommendations for the project

1 Define and publicly fix the economic role of the token.

Today ONDO is a governance token with no economic rights, and the market prices it accordingly. A choice between two models is required: either a utility token that is mandatory for key actions (first and foremost as the gas and staking asset of Ondo Chain), or an instrument of participation in income with a transparent distribution formula. The state in between is the worst of the options.

2 Turn on the fee switch with a fixed share of revenue directed to buying the token back from the market.

The mechanism is formally provided for in the documentation and falls within the competence of governance, but has not been activated. Even a small share of $57.9m in fees would create the first source of organic demand in the token's history and would give the market a measurable figure instead of expectations.

3 Publish the rules for spending the Ecosystem Growth allocation: annual limits, directions, disclosure procedure.

This allocation accounts for 52.11% of supply, and today the market cannot assess future supply pressure even with a known vesting schedule.

4 Reconsider the structure of the January unlock: consider moving from a cliff event to a linear release, or tying part of the volume to operating metrics.

Releasing 35.12% of the float in a single day with a complete absence of absorption mechanisms will create strong pressure on the token price.

5 Lower the DAO proposal threshold from 100m ONDO to a level at which governance becomes genuinely accessible.

A governance right that cannot be used creates no value and cannot be counted as token utility. Alternatively, build a vote delegation mechanism so that a group of smaller holders can assemble the threshold described above.

6 Add a description of the token and its economics to the official documentation.

Today holder rights have to be reconstructed from a third-party aggregator and an archived Foundation post – for a project with institutional positioning this falls short of the standard.

7 Launch the announced bug bounty programme.

The blog states that details will be published, but the programme has still not launched — with 25 audits completed this is a noticeable open item.

8.2 Important notes for investors

1 ONDO should be assessed separately from the Ondo Finance business.

TVL growth, new product launches and institutional partnerships do not translate into demand for the token: there is no transmission mechanism. A positive view of the company does not mean a positive view of the token.

2 The main indicator to track is the status of the fee switch and the appearance of a buyback programme.

These are the only changes that would turn growth in the business into demand for the token. Their absence by the end of 2026 should be treated as confirmation of the current model.

3 The second indicator is the tokenomics of Ondo Chain.

If ONDO is given the role of gas and staking asset at mainnet launch, the token will acquire a mandatory function for the first time. Until an official announcement, this must not be treated as fact.

4 The date 17 January 2027 requires separate planning: $614.97m reaches the market, which exceeds daily trading volume by roughly five times.

The model contains no absorption mechanisms.

5 Track the outcome of the corporate dispute.

Who obtains control of the company and the Foundation determines every decision on the token's economics and on the spending of the treasury, which holds the bulk of supply.

6 Do not use the yield on the products (3.44–3.55% p.a. on OUSG and USDY) as an argument in favour of the token

that yield belongs to holders of the respective products and has nothing to do with ONDO.

ONDO rating under the 8Blocks methodology

Final rating: 38 / 100. Letter rating: CCC.

Interpretation. Token Product Linkage at 0.81 falls into the No / Very Weak Linkage category: the product's success is barely transmitted to the token at all. It is this block, carrying a 40% weight, that determines the final score and prevents strong fundamentals (86.5 out of 100) from lifting the rating any higher. The second constraint is Tokenomics Sustainability at 25.0 out of 100: cliff unlocks with a complete absence of supply absorption mechanisms.

Strengths: the fundamentals of the business (leadership in the RWA category, organic revenue, no subsidising of metrics with incentives) and security (more than 25 audits from leading teams, resilience through the April 2026 incidents).

What would have to change to raise the rating. Turning on the fee switch and directing a share of revenue to buying the token back would raise Value Capture and, as a result, TPL — this is the only change capable of moving the rating materially. The second most significant factor is giving the token a mandatory function in Ondo Chain. The third is restoring a working governance process: lowering the proposal threshold and resuming the DAO procedure.

Assessment confidence: 68 / 100 (Medium). The main limitations: on-chain verification of flows and address classification were not carried out within this audit; the project does not disclose the spending of the Ecosystem Growth allocation, so future supply pressure from that line is assessed from the vesting schedule rather than from actual operations. Scenario range: conservative 36, base case 38, optimistic 41 — a spread of 5 points, with the letter category stable.

Data snapshot date: 7 August 2026.

What this means for UAE-based token projects

ONDO is the cleanest example of a strong regulated business attached to a token with no economic rights: the products are sold for fiat and stablecoins, the revenue stays with the company and the Foundation, and governance does not reach the treasury. Under VARA and ADGM disclosure expectations that gap is exactly what a regulator or an exchange listing committee will probe: if a token confers neither utility nor a share of revenue, the issuer has to say so plainly, and a cliff unlock of 35% of the float without any sink will be read as a structural risk rather than a routine event. We run these reviews out of Dubai.

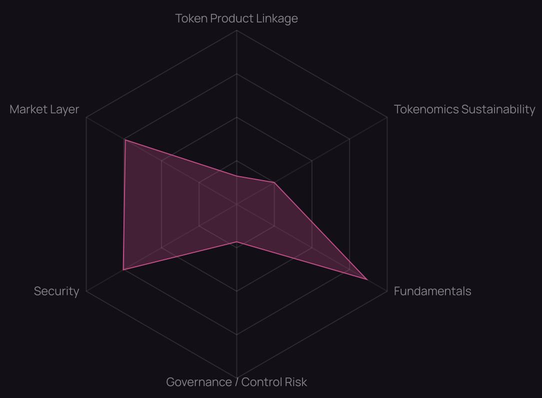
Appendix. Data sources

Data	Source	Date
Products, TVL by product, yields	ondo.finance (official website)	07.08.2026
Allocations, vesting, role of the Foundation	blog.ondo.foundation (official)	archive, 2024
Ondo Chain status, absence of a token role	docs.ondo.finance/ondo-chain/faq	07.08.2026
Smart contract audits	docs.ondo.finance/audits	07.08.2026
Incidents and security practices	ondo.finance/blog/ondo-security-philosophy	04.2026
Price, MC, FDV, supply, ATH/ATL, volume	CoinGecko	07.08.2026
TVL, fees, revenue, liquidity	DefiLlama	07.08.2026
Token holder rights, fee switch, governance	DefiLlama Token Rights	updated 23.06.2026
Unlocks and distribution	Tokenomist, cross-checked with DefiLlama Unlocks	07.08.2026
Corporate dispute	CoinDesk, The Block	06.08.2026
Purpose of Ecosystem Growth, the Ondo Points and Ondo Catalyst programmes	blog.ondo.foundation, ondo.finance/blog	02.09.2026
The Foundation's disclosed wallet and its balance	blog.ondo.foundation, Etherscan	02.09.2026
Revenue and Holders Revenue methodology	DefiLlama dimension-adapters, fees/ondo.ts	02.09.2026

Discrepancies between sources. First: DefiLlama's Revenue and Holders Revenue figures needed verification — on an annualised basis they are non-zero ($11.54m and $7.59m) while the 30-day, 7-day and 24-hour values are zero. Checking DefiLlama's adapter showed that for Ondo Finance fees are counted as the yield accruing to USDY and OUSG holders, and that Holders Revenue refers to holders of those products rather than to holders of the ONDO token; the annualised value is a 365-day average rather than a current run-rate, so the zero recent periods do not contradict it. The zeros themselves match the products' current terms: USDY carries no fee, and the 0.15% OUSG fee is waived until 2027. Second: the date of the nearest unlock is given as 17 January 2027 by DefiLlama and 18 January 2027 by Tokenomist; a one-day discrepancy does not affect the conclusions. Third: capitalisation at the time of collection differed between sources by up to 2.5% ($1.708bn on CoinGecko, $1.717bn on DefiLlama) because of different snapshot times. Fourth: the wallet balance the Foundation disclosed — 4.42bn ONDO — does not match the actual balance of the same address, 5.33bn ONDO as of 2 September 2026; the project has published no explanation. Under the 8Blocks sourcing policy the project's own documentation is primary; market figures are taken from the sources fixed for each data type.

Final rating

BLOCK PROFILE



BREAKDOWN (0-100)

Token Product Linkage	16.2
Tokenomics Sustainability	25
Fundamentals	86.4
Governance / Control Risk	21.6
Security	75.4
Market Layer	74

SUMMARY

Ondo leads the RWA category with $3.47bn under management and $57.9m in annual fees. But ONDO is a governance token with no economic rights: the fee switch is off, there are no buybacks or burns, the products are bought without the token, and on 17 January 2027 $615m — 35% of the float — unlocks in one event: rating CCC, 38/100.

FINAL RATING

38 /100

RATING CCC

Lead expert

Toni Efren in

Co-founder, 8Blocks

Block	Weight	Score (0–5)	Score (0–100)	Contribution
Token Product Linkage	40%	0.81	16.2	6.5
Tokenomics Sustainability	20%	1.25	25	5
Fundamentals	15%	4.32	86.4	13
Governance / Control Risk	10%	1.08	21.6	2.2
Security	10%	3.77	75.4	7.5
Market Layer	5%	3.7	74	3.7
Total	**100%**	**1.9**	**38**	**37.9**