TOKEN AUDIT · 06.26

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 across the STON.fi ecosystem as both a utility and governance token: in DAO governance, staking, and reward mechanisms. Its tokenomics follow a deflationary model with systematic token burns.

FDV
$67.4m

MC
$23.8m

TVL
$32.6m

FEES PER MONTH
$1.2m

DEX ON TON
#1

> This token is not required to use the product

> Token-product linkage: the project has a well-considered link between the token and the product, where demand for the DEX generates fees, part of which is directed to buying the token back from the market.

> Flaw in the token-utility logic: the main source of demand for the token is the buyback mechanism, but its impact is too small. The effect is further weakened by the fact that most of the bought-back tokens return to the market through staking mechanisms.

1. Introduction

This audit isn't intended for commercial purposes, and its conclusions shouldn't be considered investment advice. It's designed for a broad audience and aims to identify structural weaknesses in the $STON token model, presenting them clearly to both the project team and token holders. The analysis is based exclusively on publicly available information.

This review is also written with the UAE and Dubai Web3 community in mind. With virtual assets regulated locally through Dubai's VARA and Abu Dhabi's ADGM, the Emirates have become one of the world's fastest-growing hubs for token projects, exchanges and crypto funds — and independent, methodology-based token audits are increasingly part of how regional investors and teams assess an on-chain asset before allocating capital.

This section presents an independent audit of the tokenomics of the STON.fi protocol and its native token STON. The goal of the audit is to objectively assess the sustainability of the project's economic model, the quality of the token's distribution and utility, as well as the degree to which the actual dynamics of supply and incentives align with the protocol's stated goals and the interests of the community.

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

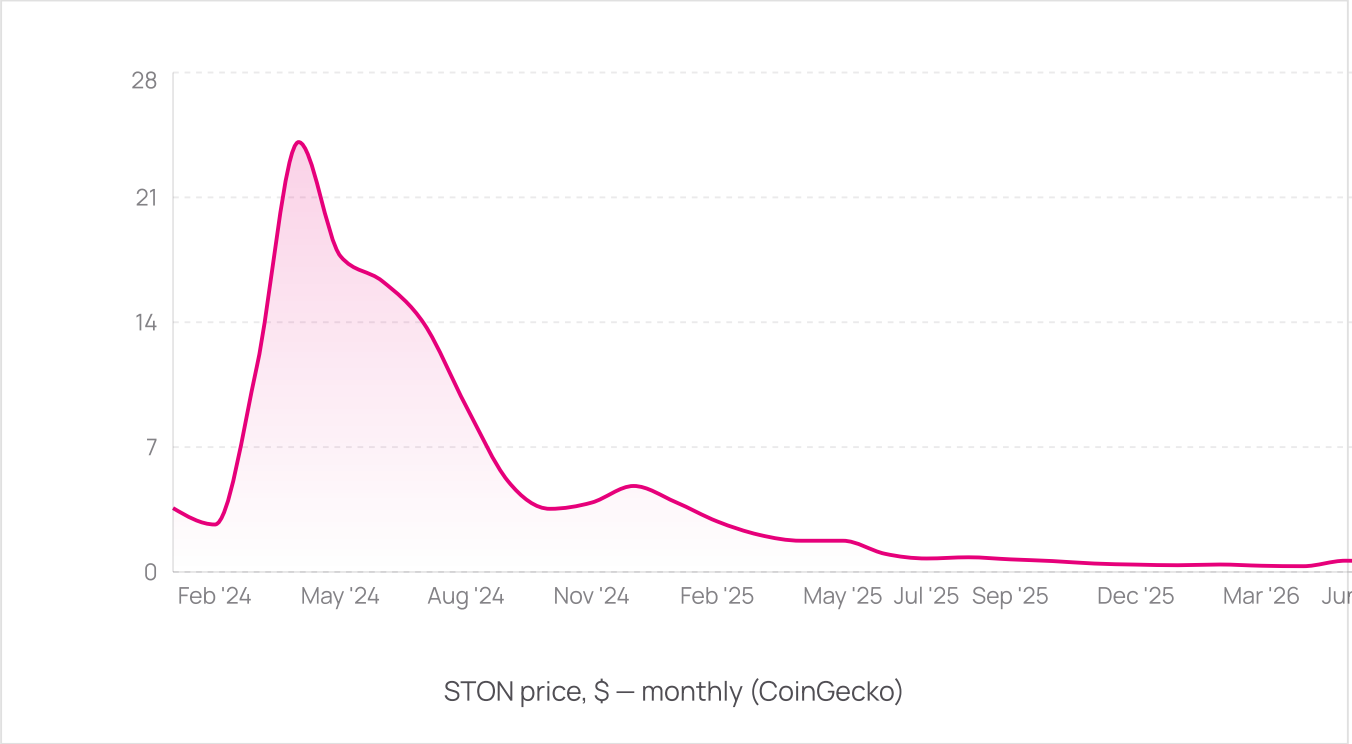
The native token STON is used within the STON.fi ecosystem, serving as both a utility and governance token. It is used in DAO governance, staking, and the operation of reward mechanisms. The tokenomics are built on a deflationary model: issuance is limited to the initial supply and provides for the systematic burning of tokens to reduce supply.

2. Token Price

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

- All-Time Low (ATL): $0.2843, recorded on October 10, 2025.

2.1 Price Chart for the Entire Period



STON price, $ — monthly (CoinGecko)

Key phases of the STON price:

Early post-listing growth phase (inception – April 2024) In the first months after its launch, STON demonstrated exponential growth. The peak of this movement occurred on April 12, 2024, when the All-Time High (ATH) of $32.65 was recorded. The growth was accompanied by heightened speculative interest in the project amid the general hype around the TON ecosystem and active attraction of liquidity into STON.fi pools.

Deep correction and prolonged decline (second half of 2024 – June 2025) After reaching its ATH, a prolonged downward movement followed. The gradual decline in price, intensified by sell-offs from early participants and the overall downturn of the crypto market, led to the formation of a historical low at $0.6793 on June 24, 2025. The total loss of value from the peak amounted to approximately -97%.

The events of October 10, 2025, led to the All-Time Low (ATL) price of $0.2843. It cannot be said that this event played a key role in forming the prolonged downward trend, since this trend had begun long before it.

Partial recovery and stabilization (May 2026 – present) After the October bottom, the token demonstrated a moderate rebound, gaining about +380% with a subsequent pullback, where the price settled in the range of $0.60–0.75. This price change was driven by the positive news backdrop from Pavel Durov and the transfer of TON's control to Telegram.

From the analysis of the STON token's price chart, it follows that:

Sensitivity to market trends. STON's dynamics were closely correlated with the overall conditions of the crypto market and activity within the TON ecosystem. Periods of growth in the TON ecosystem and the development of the DeFi segment on TON led to sharp rises, while global market corrections led to deep drawdowns.

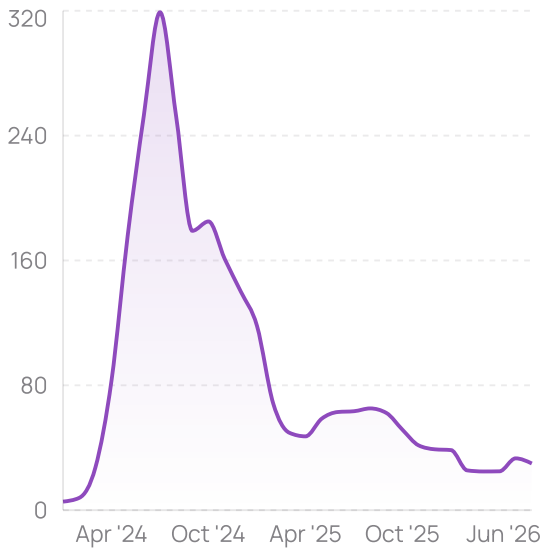
Impact of unlock events and vesting. Sales by the team, investors, and the DAO fund put pressure on the price at the moments when lockup periods ended. This was accompanied by spikes in volatility and trading volumes.

Reaction to ecosystem events. Announcements of new liquidity pools, integrations with Telegram Mini Apps, and other partnerships triggered short-term growth impulses and increased liquidity.

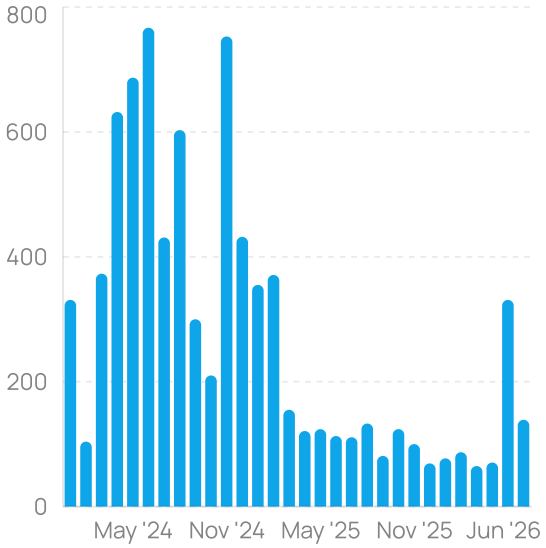
High volatility. Medium-term price fluctuations exceed 30–50% over short periods, which requires investors to engage in active risk management.

Gap between market capitalization and FDV. A significant share of tokens remains in vesting (DAO treasury, team, investors), which implies further potential pressure on the price as the tokens enter the market.

2.2 TVL Chart Analysis



TVL, $M (DefiLlama)



DEX volume, $M / month (DefiLlama)

Current TVL value: about $32.6 million.

From the analysis of the TVL chart of the STON.fi protocol, it follows that:

Phase	TVL ($ million)	Description
Launch growth	100 → 300	Novelty effect and liquidity inflow driven by DeFi on TON (May–July 2024)
ATH TVL	373	Peak of trust and active user participation
TVL reduction	32,6	Liquidity outflow of more than 90%

High sensitivity to interest phases. STON.fi's TVL grew rapidly during the hype around the TON ecosystem and subsequent developments, but also declined sharply when user activity decreased.

Impact of fundamental events. Spikes in TVL can be directly correlated with the release of new features (for example, Omniston), as well as with the overall influx of users into DeFi on TON.

A decline in activity is a reason for careful monitoring. The current TVL level ($32M) represents a significant drop from its peaks. This may signal waning interest, the departure of part of the liquidity, or the diversification of capital within the ecosystem.

Significance for ecosystem sustainability. TVL is a key indicator of trust and liquidity depth. A reduction in TVL can limit swap volume, increase slippage, and reduce yield for LPs.

2.3 Conclusions regarding the token price

The price dynamics of STON reflect both the internal processes within the STON.fi protocol and the general trends in the TON ecosystem and the crypto market as a whole. Over its short lifecycle, the token has gone through phases of hype-driven growth, a large-scale correction, and a partial recovery, making it an illustrative example of a highly volatile DeFi asset. Analyzing the key price phases allows us to highlight a number of important characteristics and risks that affect the investment appeal of the asset.

- High volatility and sharp trend reversals. Since listing, STON has gone through extreme price swings — from rapid growth to a deep 97% drop. Such a range indicates a strong influence of speculative factors and low price stability amid market trends.
- Sensitivity to the news backdrop and ecosystem events. Periods of price growth coincided with announcements of new features, integrations, and the expansion of the TON ecosystem, whereas the absence of positive news and unlock events intensified

sell-offs. This points to a high dependence of demand for STON on the team's activity and news-driven momentum.

- Impact of unlock events and vesting. A significant portion of the supply remains locked, and the release of tokens onto the market may exert short-term pressure on the price. It is important for investors and holders to track the vesting calendar in order to account for periods of potential supply growth.
- Divergence between trading volumes on the DEX, the token price, and TVL. There is no correlation between demand for the core product and demand for the token. With stable trading turnover on the DEX, the token price gradually declined, while during a sharp increase in demand on the DEX, the token price and TVL remained virtually unchanged.

3. Token distribution

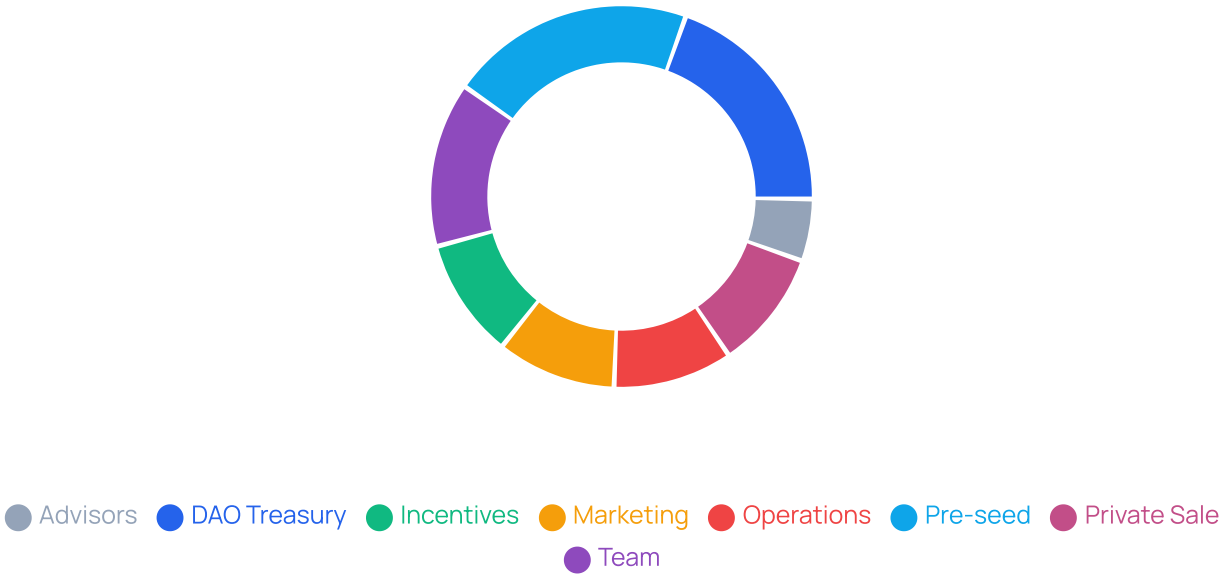
3.1 How the tokens, cliffs, and unlocks are distributed

The total supply of the STON token is fixed at 100M STON. The distribution is structured around several key pools and vesting restrictions in order to balance the interests of the team, investors, and the ecosystem.

Distribution structure

- DAO treasury – 50% (50M STON). Intended for ecosystem development, marketing, and operational expenses.
- Cliff: 24 months of lock-up.
- Unlock: subsequent linear release in accordance with DAO decisions.
- Team & Advisors – 19% (19M STON). Compensation for key project participants.
- Cliff: 12 months.
- Unlock: linearly over 2 years.
- Early investors – 31% (31M STON), including:
- Pre-seed – 21%:
- Cliff: 12 months.
- Unlock: linearly over 2 years.
- Advisors – 5%:
- Cliff: 12 months.

- Unlock: linearly over 2 years.
- Protocol incentives – (part of the DAO pool, but allocated separately by plan)
- Linear release over 5 years.
- Marketing – part of the DAO pool:
- 2M STON available immediately.
- The rest – linear release over 3 years.
- Operational funds – part of the DAO pool:
- 4M STON available immediately.
- 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
Pre-seed	21 000 000	21%	12	0	24

Category	Tokens	Share	Cliff (months)	Initial unlock	Vesting (months)
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 pool, % of total supply (by year since 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

- Long cliffs for the team and investors help reduce the risk of immediate price pressure after listing.
- Proportional allocation of the DAO pool across incentives, marketing, and operational expenses provides flexibility in development.
- A strong concentration of tokens in the DAO (50%) gives the community strategic control, but price drawdowns are possible during unlocks of this pool.
- Gradual linear unlocks reduce sharp swings in supply; however, large unlock events can increase volatility.

3.2 Critical token unlocks

- TGE (June 2023)
- Marketing – 2M (20% of the pool), Operations – 4M (40% of the pool). This formed the initial market supply and influenced the first weeks of liquidity.
- Month 12 after TGE (June 2024) – start of the largest wave of linear unlocks
- Vesting for Pre-seed, Private Sale, Advisors begins: a total of 36M over 24 months, i.e., approximately 1.50M STON/month until month 36. This is the longest-running source of supply pressure.
- Month 24 (June 2025) – a "double" critical milestone
- Team exits the cliff: an additional approximately 0.583M/month for the next 24 months.
- DAO Treasury (20M) ceases to be "hard" locked: partial withdrawal is allowed by DAO decision.
- During this period, approximately 1.50M/month continues to unlock for investors (ending by month 36), plus current DAO programs (approximately 0.489M/month from Marketing/Operations/Incentives). In total, peak combined emission in the 24–36 month interval can reach approximately 2.57M/month.
- Month 36 (June 2026) – first decline in load
- Linear unlocks for Pre-seed / Private / Advisors and Marketing conclude; the monthly inflow drops to 0.85M/month (Team + Operations + Incentives) until month 48.
- Month 48 (June 2027) – second decline in load
- Unlocks for the Team pool end, leaving only Operations + Incentives, which is approximately 0.267M/month until month 60.
- Month 60 (June 2028) – the main emission runs out
- Unlocks for the Operations and Incentives pools conclude. Thereafter, supply pressure is determined mainly by DAO decisions on the Treasury (grants/incentives/buybacks/burns).

What risks this poses for the token price:

- Maximum price pressure is likely from month 24 to month 36 (the overlap of unlocks for several pools: investor, Team, and the potential Treasury unlock).
- After month 24, everything depends on DAO decisions. If the DAO begins spending funds from the Treasury, this may increase selling pressure. If, on the other hand, it votes for buybacks or token burns, price pressure will conversely decrease.
- Monitoring: the unlock calendar (12/24/36/48/60 months), DAO decisions on the Treasury, as well as short-term effects of marketing/incentive campaigns.

How to reduce risks:

Treasury management

- Spending limits: a monthly/quarterly cap on emission from the Treasury, as well as a ban on "one-off" large tranches.
- Buyback and burn policy: automatic buyback and burn of part of the protocol's revenue to offset net supply inflow.

Allocation and vesting

- Voluntary lockup extensions: offer a bonus yield to those who extend their lockup.

Governance and processes

- Major decisions on the Treasury/emission should be made with an execution delay and a high vote threshold.
- Trigger metrics: reduce Treasury spending when price/volumes fall.
- Transparency: a public unlock calendar, a vesting progress dashboard, and advance notifications of large tranches.

Holder behavior

- Encourage holders to direct unlocks into staking/LP with elevated APR instead of immediate selling.

Communications

- Setting expectations: pre-announced rules for Treasury spending and the unlock schedule reduce "panic" selling.
- Linkage to the product: synchronize announcements of features/integrations with unlock windows to support demand during moments of supply inflow.

3.3 Conclusions

Balance of incentives vs. supply pressure. Long cliffs for investors/team and extended linear vesting smooth out one-time emission but create a prolonged supply "tail" into the market. This reduces shocks; however, it maintains background pressure on the price over several years.

A high DAO share is simultaneously both a benefit and a risk. Concentrating 50% in the DAO pool strengthens strategic flexibility (grants, incentives, listings, liquidity), but at the same time creates substantial excess supply. Any DAO decisions on spending/unlocks become events that significantly affect the price.

Critical windows of overlapping vestings. The riskiest periods are after month 12 (start of investor vestings) and after month 24 (the team is added + a potential unlock of part of the DAO treasury). In the 24–36 month interval, the total monthly supply inflow is at its maximum — this is the key zone for risk management.

Early TGE unlocks provided liquidity but increased pressure at launch. Immediate unlocks of the marketing/operations share ensured operational flexibility and listing/marketing support, but increased circulating supply at an early stage, amplifying volatility.

Compatibility with long-term incentives. Incentive programs distributed gradually, and the ability to direct part of the unlocks into staking/LP positions, shift the focus away from "sell immediately," which partially neutralizes market pressure.

Governance risk. The actual sustainability of the distribution depends on the quality of DAO governance (timelock, quorums, transparency, reporting). With weak processes, there is a high probability of inefficient distributions, which can increase pressure on the price and dilute long-term value.

The stated distribution model looks structurally balanced for ecosystem development, but sensitive to execution: without DAO discipline and sound market infrastructure, the period from month 12 to month 36 could become a source of prolonged price pressure. A proper treasury policy and the linkage of incentives to useful activity are the key to preserving the value of STON over the medium-term horizon.

4. Staking and farming

4.1 Analysis of instruments

STON staking

The user locks STON in a smart contract for a chosen term, and rewards are distributed over a set period. Two tokens are issued during staking:

- ARKENSTON — a soulbound NFT at 1:1 to the staked STON; it grants access to DAO voting and is burned upon completion of staking to return the STON.
- GEMSTON — a liquid "engagement" token, also accrued at 1:1; its further mechanics are determined by DAO decision and depend on the lockup. The Stake tab has a calculator for the expected GEMSTON.

Pros: participation in governance (via ARKENSTON), predictable accrual logic based on the chosen term. Cons/risks: lockup and opportunity cost if volatility rises, market uncertainty over the value of GEMSTON (set by the DAO). A nuance of the program: the DAO placed 20M STON from the treasury into staking for 24 months; such a lockup aligns incentives and makes issuance more disciplined.

Farming (LP staking)

First, liquidity is provided to a pool (LP tokens are received), then the LP tokens are locked in a "farm" for a limited period and earn additional rewards on top of the share of trading fees. Active farms are marked in the interface, and rewards are issued until the campaign closes or the LP exits.

Pros: two channels of yield: pool fees + farm incentives, and you can select pairs to match your risk profile (including stablecoins). Cons/risks: Impermanent loss, dependence of yield on trading volume and campaign duration, as well as smart contract risks.

What strengthens yield/sustainability:

- The Omniston aggregator increases the "flowing" volume through pools by routing across several liquidity sources, which potentially supports LP fee income.
- STON.fi educational and campaign materials (guides/blog) help in choosing strategies (stable farming, basic pool metrics — TVL/volume/APR).

Metrics for monitoring

- For staking: the share of STON in stake, lockup terms, DAO decisions on GEMSTON/ARKENSTON rights.
- For farming: the pool's trading volume and TVL, the farm's closing date, APR (excluding and including compounding), potential IL.

4.2 Analysis of formulas

LP income from fees (AMM pools)

Pool model: constant-product (x·y = k). The marginal price and price impact follow from the invariant, as in Uniswap-v2-like pools.

Fee: base trading fee = 0.3%, of which 0.2% goes to LP and 0.1% to the protocol.

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

$$APR_{\text{pool fees}} \approx \frac{0{,}2\% \cdot \text{Annual swap volume}}{\text{Pool TVL}}$$

Pool APR from fees

A specific LP's share is proportional to its share of liquidity:

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

APR of a specific LP

(In practice, one looks at the average daily volume and TVL, or rolling metrics)

Exact token output on a swap (price impact) from x·y=k:

If a trader contributes Δx, then:

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

Exact token output on a swap (price impact)

(shows why large trades "move" the price more strongly).

Farming (LP staking) — rewards

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

The individual APR depends on your share of staked LP in the farm. (STON.fi publishes SDK/guides on staking and claiming, but does not fix the exact public farm APR formula in its documentation.)

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

Farming APR

Bottom line for LP:

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

Final APR for LP

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

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

Conversion to APY

Staking STON → ARKENSTON and GEMSTON

Official staking mechanics:

- When depositing STON, the user receives an equal amount of soulbound NFT ARKENSTON (grants the right to participate in the DAO). At the end of the term,

ARKENSTON is burned to return the STON.

- The user also receives an equal amount of GEMSTON (a liquid engagement token); its further properties/use are determined by DAO decisions.
- In the DAO treasury, 20M STON are staked for 24 months (a protocol commitment).

Notional "issuance formulas" during staking:

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

Issuance of derivatives during staking

Understanding these formulas is critical for building optimal STON staking and farming strategies.

4.3 Cash Flow Analysis

Internal flows DEX fees. The base fee on constant-product pools is 0.3%: 0.2% goes to liquidity providers (LP), 0.1% to the STON.fi protocol. This is the main on-chain income source for LP and the protocol budget. Distribution of protocol fees. The protocol converts collected fees into STON and then distributes them per DAO decisions (the diagram of distribution contracts is provided in the whitepaper). This ties DEX revenue to the economics of the STON token (including burn/grants/incentives scenarios). STON staking. When STON is deposited, derivatives are minted: ARKENSTON (soulbound NFT for DAO voting) and GEMSTON (a liquid engagement token). They strengthen engagement/governance, but they are not equal to "cash"; their value is shaped by governance decisions. Omniston aggregator. It aggregates liquidity from DEX and RFQ, increasing the volume of swaps conducted and, accordingly, the fee income of LP/protocol.

External flows Referral fees. In DEX v1 — a fixed 10 bps (0.10%) per trade; in DEX v2 — configurable 0.01–1%. Accruals accumulate in contract storages (Vaults) and can be withdrawn by the referrer. Since these funds go to external addresses, they reduce the protocol's net income.

Revenue dynamics Dependence on volume. LP income ≈ 0.2% × swap volume in the pool (proportional to the LP share), protocol income ≈ 0.1% × DEX volume. Growth in volumes (including via Omniston) strengthens both flows. Fee regimes. By default — 30 bps on constant-

product pools; at the same time, the STON.fi ecosystem supports dynamic fee scenarios (as a tool to compensate for IL in volatility), which affects the real income of LP.

Expenses and effects on the protocol budget Fee converter and DAO distribution. Protocol fees are converted into STON and distributed by contracts in accordance with DAO parameters (possible directions include burn, grants, liquidity incentives, etc.). This directly affects the supply overhang/burn and incentives in staking/farming. Referral payouts. A share of fees goes to referrers (on-chain/via Vaults) — this is a marketing expense of the ecosystem that increases turnover but reduces the protocol's "net" margin.

Risks and sustainability A drop in volumes will lead to a compression of fees. LP and protocol income depend linearly on turnover: when trading declines, the activity of incentives (LP incentives, Omniston routing) becomes critical for maintaining the fee flow. Impermanent loss for LP. With strong price shifts, IL can "eat up" LP income. Increased/dynamic fees partially compensate for the risk but do not eliminate it. Governance risk of fee distribution. DAO decisions on shares for burn/incentives/grants determine the net outflow/burn of STON and indirectly affect the price and the motivation of stakers/LP. Referral economy. Incorrect configuration of referral rates in v2 (up to 1%) can pull too large a share of fees outward; control of parameters and monitoring of Vault balances is required.

For the sustainability of STON.fi flows, it is important to: preserve pool depth and routing through Omniston (to maintain volumes), keep a balanced scheme for distributing protocol fees (conversion → STON → burn/incentives/grants by metrics), carefully calibrate referral rates, and continue making staking useful in order to close value back into the on-chain economy.

4.4 Conclusions

The source of yield is transparent. The base of cash flow is DEX trading fees. Farming adds incentives on top of the "base" yield, but by itself it does not create a new cash flow — it redistributes it.

Staking = a direct bet on STON without IL. Suitable when you need a position only in STON and participation in governance (ARKENSTON) with bonus mechanics (GEMSTON). The profitability of staking relies not on fees, but on the design of governance/utility of the derivative tokens and on DAO decisions.

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

Volume is the key to sustainability. Routing (Omniston), pool depth, and quality market-making directly strengthen volume, and therefore LP fees and protocol income.

DAO parameters change the economics. The policy for distributing protocol fees (conversion into STON, share for burn/incentives/grants), referral program rates, and staking rules determine the volume of supply and the motivation of holders. Transparency and predictability are critical here.

5. Token Utility

5.1 Use Cases

Internal scenarios STON staking — governance rights and derivatives. When STON is staked, an equal amount of ARKENSTON and GEMSTON is minted; the issuance volume depends linearly on the lock-up term. This ties the token to governance and incentivizes long lock-ups. Fee Capture. All collected protocol fees are automatically converted into STON and then distributed by the Fee Distributor contract (including to burn, staking rewards, liquidity mining) — direct demand for STON from the market. Buyback & burn (deflationary model). Part of the bought-back fees in STON is burned, reducing circulating supply and creating a "price sink" for the token.

User scenarios (ecosystem/market) Participation in DAO governance. Holders, having staked STON and received ARKENSTON, initiate/vote on protocol parameters (fee models, new features, networks, fee distribution). Farming/liquidity incentives. By DAO decisions, the flows converted into STON can be directed to rewards for LP/stakers (liquidity mining, staking rewards), increasing the yield of strategies and anchoring capital in the protocol.

Optional scenarios (enabled by DAO vote) Fee discounts for STON holders. The whitepaper provides for the possibility of fee discounts for STON holders/stakers — enabled/calibrated via governance. Indexing incentives to ARKENSTON weight. The contracts allow the distribution of rewards proportional to the amount of ARKENSTON — a boost tool for long-term stakers. Staking parameters (range of terms). The practically applied lock-up terms (e.g., 3–24 months) are set by the interface/DAO decisions and affect the issuance of ARKENSTON/GEMSTON and supply behavior.

What this gives the token economy Staking and participation in governance take part of the tokens out of circulation and increase the value of participation (voting weight, rewards). At the same time, the conversion of protocol fees into STON and periodic burning create steady demand and a deflationary effect. As a result, DEX outcomes (fee volume) are directly

translated into STON's market dynamics, and holders gain utility that goes beyond pure speculation.

5.2 Tools and Services

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

- STON staking contract. Lock-up of STON → minting of ARKENSTON (soulbound for voting) and GEMSTON (a liquid engagement token); this "freezes" part of the supply and ties ownership to governance.
- Liquidity & Farming. AMM pools and LP-token farms (STON/TON, STON/stable, etc.): pool fees + additional incentives under DAO programs.
- Fee Converter / Fee Distributor. Conversion of protocol fees into STON and routing: buyback & burn, grants, incentive programs. Forms steady demand for STON.
- Referral Vaults. Contracts for the accumulation and payout of referral fees (rate configuration in v2) — a tool for turnover growth and user acquisition.
- Governance (DAO). Voting portal/contracts (via ARKENSTON), parameters of fees/incentives/distributions.
- Omniston (routing). Internal aggregator of liquidity paths. Increases the volume of swaps passing through, which leads to fee growth and a larger flow into the Fee Converter.
- STON.fi app (Web + Telegram Mini App). Entry points: Swap, Liquidity, Farming, Staking, Governance, Referral — all token utility "under one roof."

External (3rd-party ecosystem around STON/TON)

- TON wallets. Tonkeeper, Tonhub, etc. — convenient onboarding, transaction signing, stake/farm in 1-2 clicks.
- Analytics and monitoring. Dexscreener, GeckoTerminal, DefiLlama, portfolio trackers — TVL, volumes, APR/yield, fee and flow dynamics.
- TON explorers. Transparency of operations: staking, farming, fee distribution, DAO votes (on-chain audit of token utility traces).
- Market makers/liquidity providers. External counterparties that maintain the depth of pairs with STON on DEX/CEX, reducing spreads and slippage.
- Exchanges. Capital on/off-ramps (fiat ↔ TON/USDT ↔ STON), inflow of users into the protocol, indirectly strengthening token utility through increased turnover.

5.3 Conclusions

The "product–token" linkage does not work as expected. The conversion of protocol fees into STON and the buyback/burn mechanics create constant market demand and a deflationary effect. The higher the DEX turnover (including via Omniston), the stronger the fundamental support for STON. Unfortunately, this mechanism does not have a significant impact on the token's price growth (see section 2).

Staking provides real utility. Locking up STON removes part of the supply from circulation and grants access to governance (ARKENSTON) and ecosystem bonuses (GEMSTON). This shifts token ownership from "pure speculation" to participation in the protocol's economy.

Farming converts the token into liquidity. Pairs with STON turn ownership into a stream of fees and incentives, but add impermanent loss (IL) risk; the yield here is sensitive to trading volume and pool depth.

Referral payouts — useful but "expensive" growth. They boost turnover and user acquisition, but reduce the protocol's net income. Rates need to be calibrated and kept within transparent limits.

The DAO treasury — the key to sustainability. The distribution policy (shares for burn/incentives/grants), streaming rates, and a ban on "one-off" large tranches determine the overhanging supply volume and trust in the token.

Critical dependencies and risks. STON's utility relies on: i) swap volume (the market), ii) governance quality (fee-distribution rules, ARKENSTON/GEMSTON rights), iii) liquidity architecture (IL, depth, market-making). Errors in these areas quickly convert into pressure on price/TVL.

STON's token utility mechanisms are designed correctly: product revenue is tied back to the token, staking gives it a function, and liquidity turns ownership into cash flow. Long-term sustainability depends on DAO discipline and stable trading volume; when these are upheld, STON's utility remains competitive and economically meaningful.

There is no need for DEX users to buy and use the token. The token offers good opportunities for those who want to participate in the project's development, but it is completely useless for those who simply want to use STON.fi products.

5.4 Recommendations

Policy: fee → STON → distribution

- Lock in the pipeline: X% of protocol fees are converted into STON via TWAP auctions, of which Y% goes to buyback & burn and Z% to incentives/grants. Introduce dynamics: the lower the 30-day TWAP, the higher the burn share.
- Avoid market pressure: carry out conversion and distribution via streaming (monthly), without one-off large tranches.

DAO treasury

- Limits and timelock: monthly/quarterly caps on spending, a delay in executing decisions, a public payout calendar.
- Only "stream grants" from smart contracts with a DAO pause right; for large recipients — OTC/TWAP rather than market sales.

Staking / Governance

- Strengthen ARKENSTON utility: voting weight/yield boosts in farms, early access to pair listings, priority in grants, fee discounts.
- For GEMSTON, add burn mechanisms: discounts/boosts for spending GEMSTON, bonding-curve conversion with a fee going to burn.

Liquidity and farming

- Pool fees — calibrate by volatility (low volatility → lower, high → higher) to compensate for IL and ensure a sustainable fee flow.
- Make farming campaigns time-limited, with a "decay step" in emissions (minimum LP term, penalty for early exit).

Routing and turnover

- Develop Omniston: the goal is maximum "flowing" volume and fill rate of pools with STON.
- Attract market makers with KPIs on spread/depth, with rewards paid upon actual fulfillment (on-chain metrics).

Transparency and metrics

- Public dashboards: % of fees converted into STON, burn share, volume of incentives by pool, staked share of STON.
- Governance KPIs: fee-capture rate, burn-rate, staking ratio, volume/TVL, LTV/CAC of the referral channel, incentive efficiency (volume/incentive).

Anti-risk mechanics

- Emission automation: on a decline — automatic reduction of incentives, a pause on grants, increased burn.
- Liquidity support during unlock windows (24/36 months): pre-allocate buyback/TWAP and temporary LP incentives on core pairs.

Token application

- The token needs to be embedded into the user journey when trading on the DEX.

6. Token circulation

6.1 How tokens move

Emission and internal distribution. Non-inflationary model. STON has a fixed initial supply of 100M. Additional mints are prohibited by the smart contract. The protocol implements buyback & burn: fees are converted into STON, and a portion of them is burned, reducing total supply. Thus, the internal "inflow" is created not by emission, but by buying back fees from the market. Fee Converter → Fee Distributor. Protocol fees are automatically converted into STON and then distributed by the distributor smart contract according to DAO parameters — to burn or other purposes (staker rewards, liquidity mining, grants). This ties the product's cash flow to the token.

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

Vesting by pool: DAO Treasury 20% – staked for 24 months, Incentives 10% – linear over 60 months, Marketing 10% – 20% upfront, the rest over 36 months, Operations 10% – 40% upfront, the rest over 60 months, Pre-seed 21% – 12-month cliff, then 24 months linear, Private 10% – 12-month cliff, then 24 months, Team 14% – 24-month cliff, then linear, Advisors 5% – 12-month cliff, then 24 months. These events form scheduled "inflow windows" of supply into circulation.

Use within the product. DEX fees. In Constant Product pools the base fee is 0.3%. The LP portion stays in the pools (increasing their size), the protocol portion is then converted into STON and distributed/burned, creating sustained internal demand for the token. Liquidity and farms. By adding STON to pools, users mint LP tokens (receiving a fee stream) and can stake LP in farms with additional rewards, typically from the Incentives pool. This leads to a cyclical movement of STON between the pool, LP and reward addresses.

Staking and related derivatives. STON lockup (3–24 months) temporarily removes part of the supply from circulation. Staking mints derivatives: ARKENSTON (soulbound NFT for voting; reflects voting power) and GEMSTON (a liquid engagement token, the issuance volume of which depends on the lockup term, up to 1 GEMSTON per 1 STON at 24 months). At the end of the lockup ARKENSTON is burned, and STON is returned to the staker.

Market and external movements. Referral payouts (DEX v2). The referral share of each trade is configurable in the 0.01–1% range and accumulates in a separate Vault contract per referrer address until withdrawal. These are external fee recipients that reduce the "net" protocol margin, but help grow turnover. Campaigns/airdrops. The DAO and partners may distribute STON/GEMSTON/ARKENSTON through campaigns, contests and engagement programs — an additional channel for moving tokens to users.

Overall circulation picture. Inflow into circulation is formed by scheduled unlocks (vesting windows), marketing/operational tranches, referral payouts and LM/incentives. Outflow/retention is created by staking lockups, as well as conversion of fees into STON with subsequent burn under DAO rules. In aggregate, this links DEX trading activity to the dynamics of circulating supply and demand for STON.

6.2 Risks

Supply (vesting and unlocks)

- Unlock windows. From month 12, investor and advisor shares begin to unlock, and from month 24 — the team's. In the 24–36 month period the maximum inflow of tokens into circulation is expected.
- DAO treasury. After 24 months the treasury stake may partially unlock by DAO decision — there is a risk of excess token supply on the market.
- Documentation ambiguities. For the Team pool, different linear vesting terms appear in the WP — this complicates circulation forecasting. The table for the Team pool states "24-month cliff + 24-month linear unlock", while the adjacent text says "24-month cliff + 3-year linear unlock".

Cash flows

- Buyback/burn are not fixed. Fees are converted into STON, but the shares allocated to burn/incentives are decided by the DAO, and the parameters may change.
- Referral payouts. In DEX v2 part of the fees goes to referrers (up to 1%). This reduces the share that goes into buyback/burn and into the protocol budget.

- Dependence on turnover. LP and protocol revenue is built on trading fees; a drop in volumes immediately hits STON buybacks and the burn rate.

Staking

- GEMSTON. Issuance depends on staking terms, and value and "burners" are set by the DAO. Without clear utility, value dilution is possible.
- ARKENSTON (votes). With low engagement, an imbalance of influence in favor of large "fresh" stakes is possible.

Liquidity and market

- Impermanent loss and LP outflow. Volatility and the end of farming campaigns may worsen LP yield, reduce TVL and increase slippage.
- Focus on TON. Failures of the base network/routing would hit turnover and fee flows.

Technology and governance

- Contracts. Errors in the fee converter/distributor, staking or pools — a risk to the flow of fees, the burn and the token's circulation.
- Governance. Low DAO activity or weak processes (without timelock/quorums) increase the chance of decisions that intensify supply pressure.

Conclusion

- Key areas of attention: the token unlock schedule (12/24/36 months) and DAO settings (burn, incentives, referral rates, treasury spending). Transparent rules, limits and monitoring of these parameters are the foundation of controlled circulation and sustainable demand for STON.

7. Critical notes

Gap between declared and actual functionality.

Public materials on the website emphasize an AMM-DEX on the TON network and a proprietary aggregator, whereas in the WP STON.fi is positioned as a cross-chain DEX-based product. This is not an error, but an "expectation gap": part of what is declared is on the roadmap, not in stable production functionality.

Vesting: pressure windows and inconsistency of descriptions. Large unlocks fall on months 12/24/36, which intensifies supply in circulation. In addition, there is a discrepancy in the documentation regarding vesting terms for the Team pool — this complicates circulation forecasts.

The DAO treasury may cause an inflow of supply to the market. After the end of the 24-month lockup, part of the DAO treasury can theoretically enter the market. Without strict spending rules this is a factor of additional pressure.

Buyback/burn depends on votes. Fees are indeed converted into STON, but the share that goes to burn or to incentives/grants is governed by the DAO. Reconfiguring the parameters can noticeably change the net demand for the token.

Referral payouts reduce the protocol's net margin. In the new version of the DEX referral rates are configurable. If set too high, a significant part of the fees goes to external addresses and does not enter buyback/burn.

Derivative tokens: uncertainty of value. ARKENSTON and GEMSTON enhance engagement, but their economic "utility" and burn/limit mechanics depend on further decisions. Without a clear policy, the value of the derivatives may become blurred.

Dependence of sustainability on turnover. The yield base is formed from trading fees. A drop in volumes quickly reduces STON buybacks and the burn rate, while a rise in turnover, conversely, supports the token. This is a key operational driver/risk.

Liquidity and IL for LPs. Under volatility and the end of farming campaigns, liquidity outflow, increased slippage and worsening fee flows are possible. IL remains a constant risk factor for providers.

DAO governance risks. Low engagement or weak processes (vote threshold, timelock, spending limits) increase the likelihood of decisions that intensify supply pressure or reduce transparency.

Technological risks. Even with audits and bounty programs in place, risks of vulnerabilities remain in the contracts for fee distribution, staking and pools – any error affects the token's circulation and economy.

Final conclusion

STON.fi and its native token STON rely on a product-oriented architecture: DEX trading fees are automatically converted into STON and distributed through the DAO (including buyback & burn), staking moves part of the supply into lockup and grants governance rights (ARKENSTON) and additional engagement incentives (GEMSTON), while liquidity routing (Omniston) fuels turnover. This forms multi-layered demand tied to the protocol's real usage. Unfortunately, this mechanism is unable to hold or grow the token's price without additional incentives on the part of DEX users.

Key strengths:

Direct product demand. Fee-capture links DEX turnover to the token: the higher the swap volume, the greater the conversion into STON and the share directed toward burn/incentives. A sustainable "value loop" emerges, where product metrics translate into demand for the token.

Staking as a "freeze" of supply and utility. Lockup reduces the circulating supply. ARKENSTON grants voting power and weight in governance, GEMSTON increases engagement. This forms long-term holder participation and shifts motivation away from short-term selling toward participation in the protocol's economy.

Routing and liquidity depth. Omniston boosts the volume passing through pools, supports fee flows for LPs and the protocol and, as a result, increases the base demand for STON via fee conversion.

Flexible DAO management of cash flows. The fee distribution parameters (burn/incentives/grants shares), treasury policy and liquidity incentives are managed by governance. When configured correctly, this allows smoothing out market phases and maintaining the sustainability of demand loops.

Balance and prospects. The current model demonstrates the chain "product → turnover → fee → STON → burn/incentives → liquidity/staking", which, with growing volumes and a transparent DAO policy, is capable of making base demand the dominant factor of value. The rules need to be clearly fixed: how fees pass through and are distributed (the fee pipeline), what limits are set on treasury spending, and that payouts from it go via even streaming. In parallel, the practical value of ARKENSTON and GEMSTON should be expanded. If these conditions are met, STON's tokenomics will remain adaptive and viable, while the influence of speculative impulses and unlock windows will be manageable.

Recommendations:

For STON.fi (protocol / DAO)

- Fee distribution. Fix a simple and clear pipeline: convert fees into STON at a time-averaged price (TWAP), then X% – to burn, Y% – to incentives/grants. Publish these shares and use the rule: the lower the 30-day TWAP, the larger the burn share.
- DAO treasury. Introduce quarterly spending limits, a timelock and only streaming payouts (without one-off large tranches). Conduct large deals via OTC/TWAP instead of selling on the market.
- Referral program. Set a narrow range of rates, provide protection against manipulation and vesting of referral payouts, and burn part of the referral fees.
- Liquidity and incentives. KPI incentives for STON/TON and STON/USDT (volume, depth, LP retention). Adapt pool fees to volatility (higher volatility – higher fee), launch a market-making program with KPIs on spread/depth.
- ARKENSTON/GEMSTON utility. Add "practical value": fee discounts, farming boosts, priority in grants. The principle "longer lockup – larger bonus". For GEMSTON, introduce "burn"/spending mechanisms.
- Transparency. Public dashboards: how much fee was converted into STON, how much was burned, the unlock schedule and net burn, the volume of incentives per pool, referral payouts. Monthly DAO reports.
- Documents and processes. Eliminate discrepancies in vesting for the Team pool, update the WP when changes occur, set voting thresholds.
- Security. Implement regular audits of updates and a rapid incident response plan.
- Embed the STON token into the user scenario. It is necessary to create demand for the token from the mass user.

Overall, STON is a well-thought-out, product-oriented model, where demand arises from the real usage of the DEX, and fee-capture links turnover to the token. The strengths are the "value loop", staking with governance and a flexible DAO. The main threats are the imbalance of supply and demand during unlock windows, dependence on trading volumes and the configuration of DAO parameters. If the proposed measures to strengthen sustainable demand, manage unlocks and increase transparency are implemented, STON has the potential to move away from cyclical volatility toward a more stable model supported by fundamental product flows. The weak side, however, is the absence of direct demand for the token. Fees from trading operations create demand to withdraw the token from the market, but they also return it back through staking mechanisms. Without direct and clear functionality for using the token in trading operations on the DEX, its price may continue to fall.

STON token rating by the 8Blocks methodology

Final rating: 63 / 100

Letter rating: BBB

STON receives a score of 63/100. This is a working model with a strong product base, good security and a clear role for the token in governance/staking, but without a strict mandatory requirement for STON in the core-loop of the DEX itself. The main constraint on the rating is a moderate Token Product Linkage: the protocol generates fees/revenue, but the link between growth in DEX activity and direct benefit for the STON holder remains insufficiently tight and largely depends on DAO parameters.

Block	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
Total	100%	—	—	62.7

For founders and investors based in the UAE and Dubai, STON is a useful benchmark: under VARA's disclosure-oriented approach, the tokens that age well in this market are those with demonstrable, product-linked demand rather than a well-told narrative — the same standard 8Blocks, as a Dubai-based tokenomics firm, applies in every audit.