



tokenomist

The Trusted Source for Tokenomics Insights

Annual Report 2025

Tokenomist.ai

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Introduction

2025: The Year Tokenomics Grew Up

The first quarter of 2025 tested crypto markets with significant volatility driven by tariff announcements and escalating geopolitical tensions. Yet amid uncertainty, institutional adoption accelerated. Traditional finance firms like Visa, BlackRock, Fidelity, and JPMorgan Chase expanded their crypto offerings, while tech-native challengers like PayPal, Stripe, and Robinhood launched competing products. This convergence of mainstream capital and market turbulence created a new dynamic: investors demanded more than narratives. They demanded fundamentals.

Tokenomics emerged as the critical differentiator. As capital became more selective, the market shifted focus from speculative metrics to sustainable value creation. Projects that could demonstrate real revenue, disciplined supply management, and transparent mechanisms attracted capital; those relying on inflationary incentives or opaque treasury operations struggled.

The numbers reflect this shift. Buybacks surged from \$3.3B in 2024 to \$8.1B in 2025, a 145% increase. Burns exceeded \$14.3B. But the market grew sophisticated enough to distinguish signal from noise. Revenue-funded burns clearly outperformed treasury-funded ones. Net emission (burns minus issuance) emerged as the metric that actually predicted long-term performance. Projects with extreme FDV multiples ($>50\times$) crashed an average of -87.9% post-TGE, while conservative valuations ($<10\times$) averaged -29.4% .

Established protocols responded by treating tokenomics as evolving systems rather than fixed blueprints. Jupiter cut supply by 30%, Wormhole restructured its vesting schedule, Solana debated accelerating disinflation, Hyperliquid and Uniswap passed landmark deflationary proposals within days of each other in December — all signals that sustainable token economics had become table stakes.

This report provides a systematic overview of 2025's defining tokenomics trends: the buyback wave, burn mechanism evolution, TGE performance patterns, major redesigns, and the year's most impactful unlock events, demonstrating how supply dynamics increasingly separate winners from losers in crypto markets.

What's New at Tokenomist

As tokenomics moved from background detail to investment thesis, Tokenomist built the infrastructure to track this evolution

- **Buyback & Burn Analytics:** The industry's first standardized classification with source attribution (revenue vs. treasury), destination tracking (burn vs. hold vs. distribute), and real-time monitoring across 25+ protocols.
- **Builder Mode:** Deep analysis tools for protocol teams designing tokenomics from scratch.
- **Advanced Filters:** Slice data by burn type (programmatic vs. discretionary), funding source, net emission rate, and unlock schedules.
- **Redesigned Token Pages:** Comprehensive views combining vesting, burns, and supply dynamics.
- **Updates Feed:** Track tokenomics changes, fundraising rounds, and listings as they happen.

The 2025 Buyback Wave: Why Source and Destination Matter More Than Headlines

TL;DR

- Crypto buybacks exploded from \$3.3B in 2024 to \$8.1B in 2025
- 17 of 25 major protocols launched buyback programs in 2025 alone
- Short-term price pops are common (outperform right after announcement), but 90-day outperformance is inconsistent
- The market celebrates dollar amounts while ignoring what actually matters: funding source and token destination
- Revenue-funded buybacks create sustainable flywheels. Treasury-funded buybacks may signal desperation.
- Burn vs Hold vs Distribute creates completely different tokenomics, same buyback size, different outcomes.

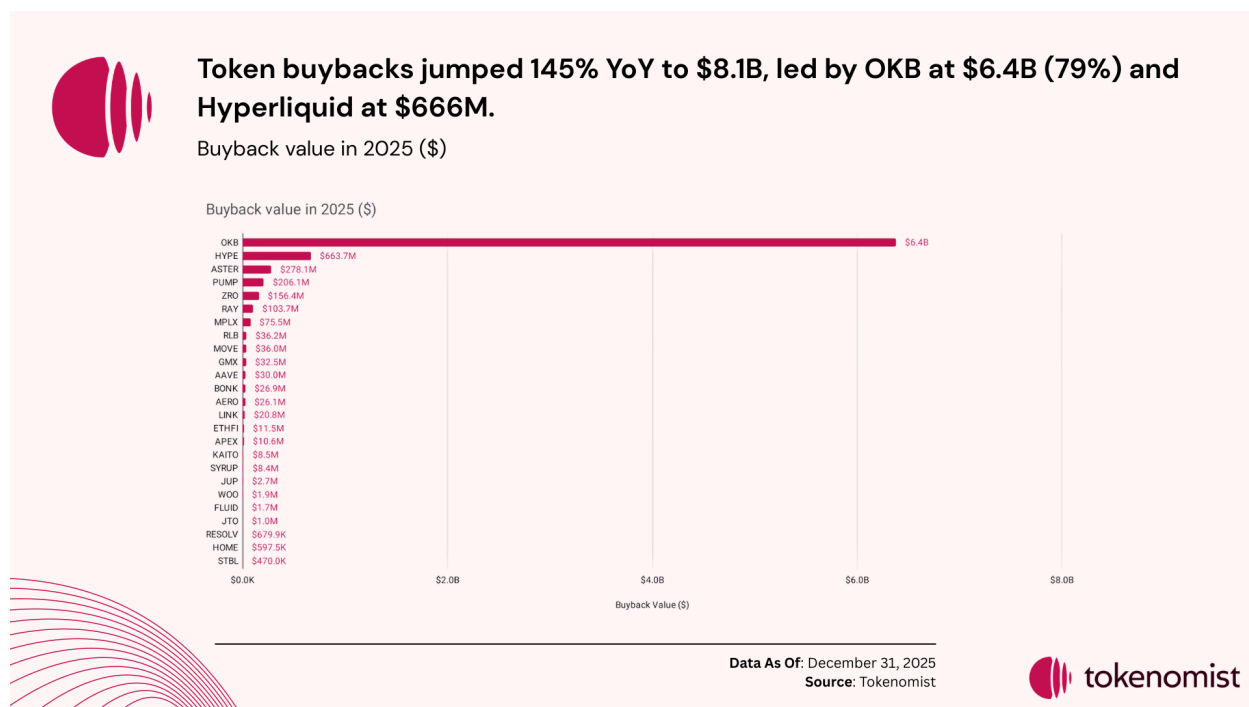
The more you dig into buyback data, the clearer the pattern becomes: The protocols winning long-term are not the ones with the biggest announcements. They are the ones who understand that where the money comes from and where the tokens go determines everything.

Sample Selection & Limitations

Twenty-five projects were selected from Tokenomist's data set based. The sample size limits statistical generalizability, market conditions affect comparability, and performance is measured at a single point (December 15, 2025). Buyback methods may change through governance decisions.

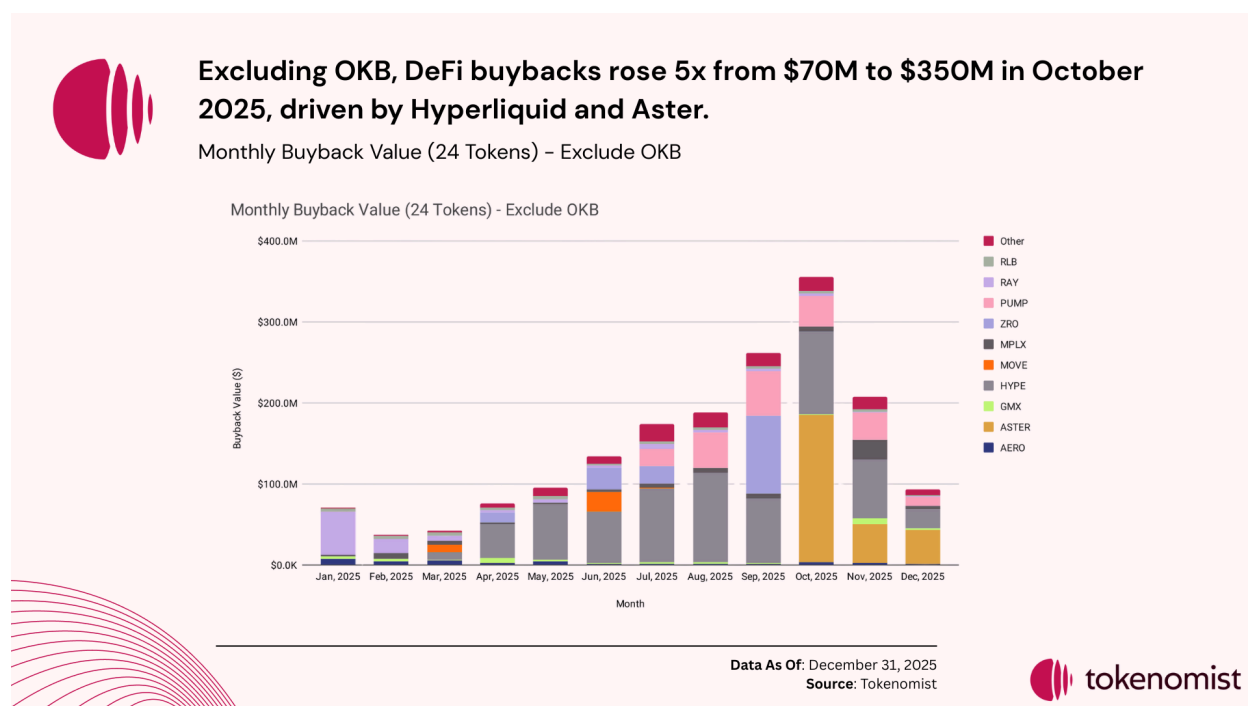
The buyback explosion nobody measured properly

Token buybacks jumped from \$3.3B in 2024 to \$8.1B in 2025, a 145% year-over-year increase. OKB alone accounts for **\$6.4B (79%)** of all buybacks, with Hyperliquid second at \$663M (8%).



Projects with the top buybacks in 2025. Buyback value is estimated by using the closing price on the day the project executed the buyback, multiplied by the amount of tokens bought each day.

Even excluding OKB as an outlier, monthly DeFi buybacks still grew from \$70M in January to **\$350M at peak in October 2025**, a 5x surge driven primarily by Hyperliquid & Aster.



Monthly buyback value comparison (excluding OKB).

But the composition matters more than the peak. **17 of 25 protocols launched buyback programs in 2025 alone.** This wasn't one innovator, it was industry-wide adoption. OKB announced burning 75% of supply and rallied 300% in days. AAVE surged 13% when governance approved buybacks with 99.63% support. Jupiter, Hyperliquid, Raydium, suddenly everyone had a buyback program.

However, **short-term rallies do not equal long-term outperformance.**

Token Symbol	First Buyback Date	Price at First Buyback Date	7d Price Change (%)	30d Price Change (%)	90d Price Change (%)	Price Change vs 19 Dec (%)
JUP	2025-11-28	0.255491	-4.4%			-26.0%
ASTER	2025-10-10	1.69	-26.0%	-38.3%		-52.4%
APEX	2025-10-04	2.04	-47.0%	-49.5%		-77.4%
FLUID	2025-10-03	6.15	0.5%	-29.9%		-52.5%
STBL	2025-09-30	0.435197	-29.7%	-77.5%		-89.3%
HOME	2025-08-31	0.03590225	12.1%	-15.3%	-35.2%	-39.9%
RESOLV	2025-08-25	0.151284	-5.2%	-24.8%	-15.2%	-51.2%
JTO	2025-08-17	1.77	10.2%	1.7%	-66.2%	-79.7%
LINK	2025-08-07	16.68	44.3%	33.6%	-11.6%	-22.8%
PUMP	2025-07-15	0.00583872	-28.7%	-31.8%	-25.8%	-56.9%
BONK	2025-05-07	0.00001685	38.9%	-13.2%	58.2%	-48.2%
ZRO	2025-04-19	2.41	19.1%	11.6%	-6.2%	-39.8%
AAVE	2025-04-09	124.95	7.3%	64.1%	126.8%	55.4%
SYRUP	2025-03-31	0.120294	-21.5%	15.5%	419.1%	118.9%
MOVE	2025-03-25	0.433298	-6.7%	-43.4%	-73.1%	-91.0%
KAITO	2025-03-06	1.8	-17.8%	-47.2%	1.7%	-70.0%
HYPE	2024-11-29	6.51	112.3%	324.0%	220.6%	311.1%
GMX	2024-10-23	23.23	5.2%	29.3%	-3.5%	-64.8%
ETHFI	2024-07-31	2.07	-33.3%	-35.3%	-31.4%	-62.2%
MPLX	2024-06-26	0.3618	6.1%	-20.7%	18.6%	-79.5%
AERO	2023-12-21	0.06769	-9.3%	-34.8%	925.7%	695.5%
RLB	2023-10-03	0.067877	-0.2%	-2.3%	-27.1%	-10.2%
WOO	2023-05-22	0.222993	1.2%	-8.5%	-22.4%	-89.0%
RAY	2022-04-23	2.63	-11.4%	-58.3%	-66.5%	-63.5%
OKB	2019-05-10	1.62	-9.3%	-9.3%	123.5%	6503.1%

7d, 30d, and 90d price change for tokens following the first buyback date.

The first 7 days after buyback announcements show consistent price bumps. However, 30 or 90 days show mixed results. Some protocols like OKB, Hyperliquid, AAVE sustained momentum, while others gave it all back. A few actually underperformed: pump.fun, Etherfi and Aster prices continued dropping despite recurring buyback commitments. The difference was not luck, it was structure.

The market treats all buybacks as equivalent, but they are not. A \$10 million treasury-funded buyback redistributed to stakers creates fundamentally different dynamics than \$10 million in revenue-funded burns. Same dollar amount. Opposite tokenomic impact.

Most coverage focuses on the headline number. How much did they buy? How much did they burn? The right questions are: where did the money come from? Where did the tokens go? And can this program scale or is it a one-time stunt?

How buybacks actually work

Token buybacks execute through four phases, with each helping to indicate whether the program is sustainable or not.

Phase 1: Source allocation

Projects commit capital from three sources:

1. **Protocol fees** scale with usage, trading fees, borrowing interest, liquidation penalties, and real revenue from real activity. For example, Hyperliquid dedicates 97% of trading fees. Jupiter allocates 50% of protocol fees. When volume doubles, buybacks double automatically.
2. **Treasury reserves** are finite. For instance, a \$50 million treasury funding \$2 million monthly buybacks has a 25-month runway. Then what? Works as a bridge while building revenue, but cannot sustain long-term.
3. **Mixed revenue** combines operational income streams. Aave pulls from lending fees, For example, GHO stablecoin interest, liquidations, and flash loans, diversified sources generating \$100 million+ annually.

The allocation percentage matters as much as the source. One example is that Hyperliquid's 97% commitment versus a 5% allocation creates vastly different scale and signals completely different priorities.

Phase 2: Execution

Most protocols use one of two methods:

1. **Automated smart contracts** trigger purchases when revenue thresholds hit, , ensuring transparent, consistent, and verifiable onchain execution with no discretion and delays.
2. **Time-Weighted Average Price (TWAP)** strategies split large orders across hours or days to minimize market impact. One example is that Aave executes \$1 million weekly purchases via TWAP. Reduces slippage but requires trusted execution through multisigs.

Phase 3: Purchase venue

1. **Decentralized Exchanges (DEXs)** provide full transparency, and anyone can verify buyback transactions onchain. Most protocols announce official wallet addresses for community tracking.
2. **Centralized Exchanges (CEXs)** offer deeper liquidity for larger purchases with less slippage. OKB uses its native OKX exchange. Less verifiable but more efficient at scale.

Phase 4: Destination

The destination for the bought back tokens

1. **Burn:** Tokens removed from circulation immediately, reducing both Total Supply and Circulating Supply. This is scarcity creation, the most aggressive deflationary approach. BNB and OKB burns highlight this path.
2. **Treasury Hold:** Tokens held in protocol-controlled wallets, reducing Circulating Supply but maintaining Total Supply. These remain available for future governance decisions: ecosystem grants, liquidity provision, or team compensation. Aave's approach follows this model.
3. **Redistribution:** Tokens recycled through staking rewards, long-term locks, or vesting schedules. This removes immediate sell pressure while signaling long-term commitment, but tokens eventually return to circulation. Jupiter locks for three years in the "Litterbox", reducing sell pressure while maintaining utility.

Same buyback size. Three completely different tokenomic outcomes.

Why source and destination determine everything

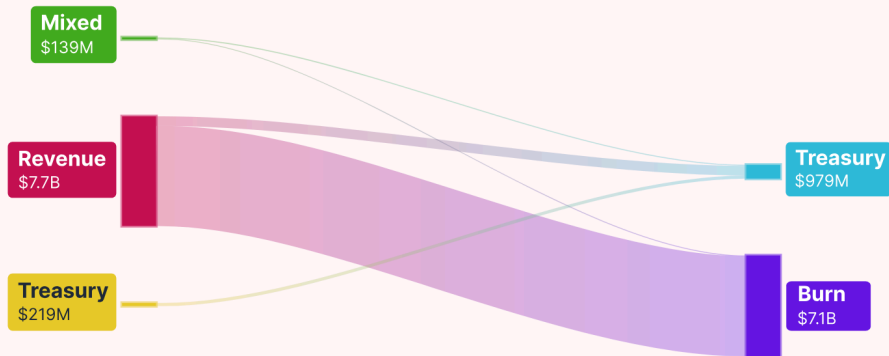
The market obsesses over unlock schedules. Buybacks are the opposite side of that equation, and most analysis treats them as afterthoughts.

The sankey diagram in the next page shows where \$8.1B actually moved in 2025. The dominant red band \$7B revenue flowing to burns, represents the market's verdict: sustainable sources win. The thin lines, treasury and mixed sources, are afterthoughts.



The market obsesses over unlocks but ignores buybacks. In 2025, \$7B of \$8.1B went to revenue-funded burns.

Buyback sankey



Data As Of: December 31, 2025
Source: Tokenomist



What the 90-day performance data suggests

We tracked 90-day performance across different buyback structures. The data shows patterns, but the timeframe is short and many factors influence token performance beyond buybacks.

Buyback Source → Destination	90d Performance
Revenue → Burn & Buyback	+73.6%
Revenue → Treasury Buyback	+61.1%
Mixed → Treasury Buyback	+25.8%
Treasury → Treasury Buyback	-33.8%
Mixed → Burn & Buyback	-52.4%

Revenue-funded burns lead the pack at +73.6%, barely edging out revenue-funded redistribution at +61.1%. The difference suggests the market slightly prefers permanent scarcity over flexible allocation, but both strategies work when backed by real cash flow.

The real insight: **Source determines success or failure. Destination fine-tunes the outcome.**

Revenue-funded burns (+73.6%) crushed treasury-funded anything (-33.8% to -52.4%). That is a huge **spread**, same destination, opposite source, completely different outcome.

When buybacks actually make sense

Not every protocol should buy back tokens. Early-stage projects burning treasury funds to pump price are waving red flags, not green ones. Buybacks only make sense once a project has product-market fit, steady revenue, and more cash than it can effectively deploy to growth.

Treasury-funded = Finite runway

If a protocol has \$50 million treasury and commits \$20 million to buybacks, that is 2.5 years at \$1 million monthly. Then the program ends unless revenue kicks in.

These work as transition mechanisms. Aave's pilot used \$26 million treasury while building sustainable revenue streams. But standalone treasury buybacks are desperation moves, burning capital to support price when growth has stalled.

Revenue-funded = Sustainable flywheel

If trading volume doubles, fee revenue doubles, and buyback allocation doubles automatically. No treasury drain. No finite runway. The program scales with the protocol.

Hyperliquid's 97% fee allocation means buybacks grow proportionally with platform usage. More users → more fees → larger buybacks → more scarcity → higher price → more attention → more users.

But this only works if the revenue is real and the product genuinely solves problems. FTX had aggressive FTT buybacks funded by fake revenue. The model matters less than the fundamentals underneath.

Destination creates different games

Burn represents maximum aggression through permanent supply reduction; it is simple to communicate and works even without an engaged community. However, it permanently removes capital, cannot fund development or strategic adjustment, and forfeits future

growth This makes it best suited for high-inflation protocols needing dramatic supply reduction, such as CEX tokens, meme tokens, and projects in maximum-emission phases.

Treasury hold preserves optionality by reducing circulating supply today while maintaining flexibility for tomorrow. It can fund ecosystem development, provide liquidity, and incentivize growth, but requires community trust in governance and offers a less explicit price signal than burns. However, it enables “buyback and make” strategies aligned with Placeholder VC’s view that preserving capital often matters more than destroying it, making it best suited for protocols with uncertain future needs or long-term strategic growth plans.

Distribution represents sophisticated alignment by rewarding long-term participants, increasing staking yields without new emissions, and creating secondary flywheels where higher yields attract more staking and further reduce circulating supply. While complex to execute and communicate and with tokens eventually returning to circulation after lockups expire, it signals protocol maturity by moving beyond supply gimmicks toward capital allocation that strengthens the ecosystem, making it best suited for mature protocols with strong communities.

What this means

For investors: Stop celebrating buyback announcements. Start asking:

- What funds this program? Revenue or treasury?
- What is the revenue-to-buyback ratio? 50%+ is commitment. Sub-10% is theater.
- Where do bought tokens go? Burn, hold, or distribute?
- What is the net supply impact after accounting for new emissions and unlocks?

For protocols: Your buyback strategy reveals your maturity:

- Burning signals scarcity focus, you are competing on deflation supply
- Redistribution signals ecosystem focus, you are building long-term community alignment
- Treasury holding signals flexibility focus, you are preserving capital for uncertain future needs

Choose the strategy that matches your actual situation, not what sounds good in X threads.

The Net Supply Reality Check

Buybacks mean nothing if emissions exceed them. The market celebrates buyback announcements. But here's what actually matters:

$$\text{Net Emission} = \text{Emission \%} - \text{Buyback \%}$$

The data table below reveals which programs create actual scarcity versus which are performative:

Token	Buyback Value 2025 (\$)	Buyback %	Emission %	Net Emission %
OKB	\$6.4B	46.28%	0.00%	-46.28%
HYPE	\$659.2M	4.96%	2.59%	-2.37%
ASTER	\$270.0M	5.50%	4.03%	-1.47%
PUMP	\$204.2M	11.36%	0.00%	-11.36%
ZRO	\$156.4M	18.45%	38.16%	19.70%
RAY	\$103.4M	18.81%	0.00%	-18.81%
MPLX	\$73.7M	38.24%	10.67%	-27.57%
AERO	\$39.7M	4.45%	26.54%	22.09%
MOVE	\$36.0M	6.33%	21.05%	14.72%
RLB	\$36.0M	10.75%	0.00%	-10.75%
GMX	\$32.0M	20.14%	1.15%	-18.99%
AAVE	\$30.0M	0.84%	2.88%	2.04%
BONK	\$26.9M	1.07%	6.89%	5.82%
LINK	\$20.8M	0.19%	0.00%	-0.19%
ETHFI	\$11.3M	2.00%	64.14%	62.14%
KAITO	\$8.5M	2.32%	19.03%	16.71%
SYRUP	\$8.4M	0.86%	3.29%	2.43%
JUP	\$2.6M	0.33%	55.97%	55.63%
WOO	\$1.9M	1.29%	0.00%	-1.29%
FLUID	\$1.7M	0.51%	8.09%	7.59%
JTO	\$1.0M	0.09%	39.18%	39.09%
RESOLV	\$669.9K	2.06%	40.62%	38.55%
HOME	\$597.5K	0.62%	17.93%	17.32%
STBL	\$470.0K	0.09%	45.22%	45.13%

The spread tells the story. OKB achieves -46% net deflation through massive buybacks and zero emissions. Raydium, Pump.fun, and Rollbit keep it simple: meaningful buybacks, zero new issuance. GMX and Metaplex buy back far more than they emit.

Then the numbers flip. EtherFi buys back 2% while emitting 64%, net 62% inflation. The buyback is noise. Jupiter's buyback represents 0.33% of supply while emissions run 56%. LayerZero's impressive 18.45% buyback still cannot overcome 38% emissions.

Of 24 protocols tracked, only 8 achieve actual deflation. The other 16 inflate supply despite buyback headlines. This is why performance diverges long-term. You cannot buy back your way out of infinite inflation.

The new standard: Stop asking "how much did they buy back?" Start asking "what's net emission?" The 108 percentage point spread between OKB (-46%) and ETHFI (+62%) explains performance better than any revenue source or destination choice.

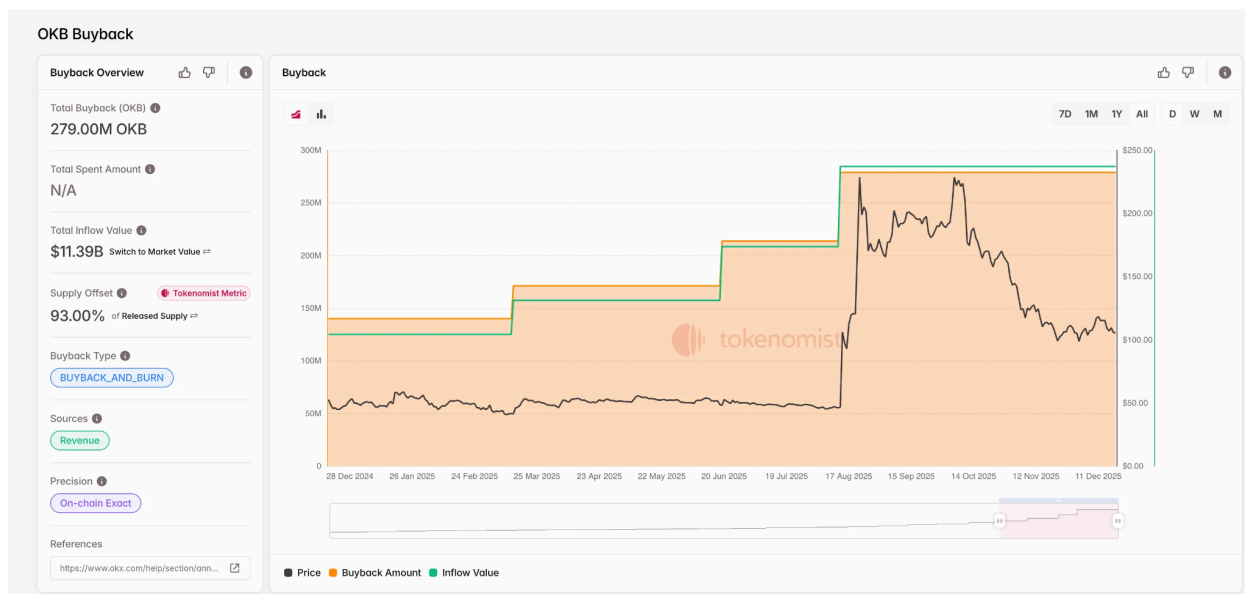
The proof: 3 models in practice

OKB: Huge Tokenomics Restructure

OKB dwarfs everyone. **\$6.4B in buyback & burns at \$45.95 average price**, more than Hyperliquid, Aave, Pump.fun, and Metaplex combined.

OKX Targeting 75% of total supply burned. Quarterly burns funded by OKX exchange profits.

The announcement triggered a 300% rally (from \$45 to over \$228) in just a few days, demonstrating the market psychology surrounding aggressive burn commitments. Let's dive deep into what's behind this pump. The OKB buyback overview is shown on the next page.



<https://tokenomist.ai/okb/buyback>

[OKX restructured its OKB token economics in August 2025](#), executing one of the largest token burns in cryptocurrency history and permanently ending its six-year quarterly buyback-and-burn model. [The exchange burned 65.26 million OKB worth](#) approximately **\$3 billion** in a single event, slashing total supply by 93% to mirror Bitcoin's 21 million fixed cap.

Before the major restructuring, OKX continued its regular quarterly buyback-and-burn cadence through Q2 2025:

Burn Round	Date	OKB Burned	Burn Period
28th	June 19, 2025	42,437,632 OKB	March 1 – May 31, 2025
27th	March 14, 2025	31,158,862 OKB	December 1, 2024 – February 28, 2025
26th	December 6, 2024	18,488,690 OKB	September 1 – November 30, 2024

But OKX faces unique dynamics. Exchange profitability is cyclical. Bull markets generate massive profits enabling huge burns. Bear markets reduce burn capacity. The model works when the underlying business prints cash. When it does not, buybacks disappear.

OKX has shown long-term commitment, but the model fundamentally depends on exchange success, which depends on market conditions outside the protocol's control.

Hyperliquid: The 97% commitment

\$1+ billion bought back. 97% of all trading fees directed to continuous HYPE purchases and burns.

By November 2025, the Assistance Fund accumulated over **\$645 million** in repurchased tokens (2.1% of supply), with the protocol generating \$320 billion in perpetual volume and \$86.6 million in monthly revenue.



<https://tokenomist.ai/hyperliquid/buyback>

This is the most aggressive allocation in crypto. Nearly all protocol value flows directly to token holders through burns. Combined with finite 1 billion max supply, it creates massive deflationary pressure that scales automatically with trading volume.

This is perfectly sustainable. If volume doubles, buybacks double. If volume drops 50%, buybacks drop 50% but remain funded. No treasury drain risk.

The model works because Hyperliquid generates real fee revenue from real trading activity. As long as the DEX maintains market share, buybacks continue indefinitely.

Aave: The redistribution pioneer

AAVE just started their buyback program in early April 2025. \$50 million annually permanent program. \$1 million weekly purchases via TWAP, distributed through Anti-GHO to stakers (80%) and LPs (20%).

Although the price impact is not as strong as OKB and HYPE, this model is sustainable in the long run. Instead of burning capital forever, Aave recycles it into ecosystem rewards. Stakers receive effectively free tokens funded by protocol revenue. This increases yields without new emissions, attracting more stakers and further reducing circulating supply.



<https://tokenomist.ai/aave/buyback>

The six-month pilot acquired ~106,000 AAVE at \$234 average, generating \$2.6 million unrealized profit while reducing supply. Now permanent at \$50 million yearly from \$100 million+ revenue.

This is mature tokenomics. Combines buybacks with 50% emission reductions and new safety modules. Comprehensive reform, not price support theater.

The data problem nobody solved until now.

Until recently, no one could measure buybacks properly.

Projects announced programs on Twitter. Some are updated quarterly. Most provided zero standardized reporting.

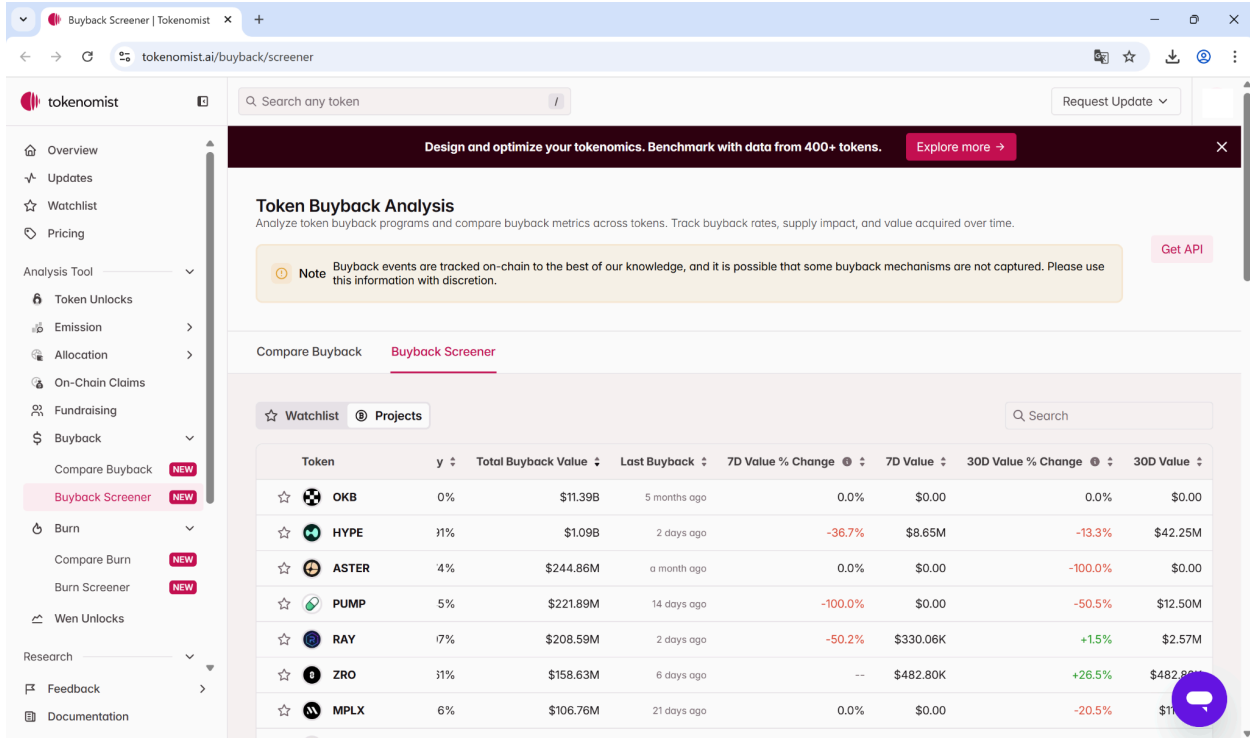
- No central database: data scattered across blogs, governance forums, Discord
- No standardization: some report gross, others net of emissions, others just total spent
- No burn velocity visibility: cannot compare rates across protocols
- No supply pressure metrics: no way to calculate net deflationary impact
- No historical ranking: cannot identify acceleration or deceleration trends

Institutional investors built custom Dune dashboards. Analysts scraped Twitter. Researchers reverse-engineered burn addresses from explorers. Everyone maintained spreadsheets tracking governance proposals.

This is why the only buyback dollar value stat is poorly supported. The data infrastructure to properly measure buyback effects across cohorts and timeframes did not exist.

Tokenomist's Buyback & Burn Analytics Stack

We built the industry's first standardized buyback analytics to solve this infrastructure gap.



The screenshot displays the Tokenomist Buyback Screener interface. The left sidebar contains navigation links for Overview, Updates, Watchlist, Pricing, Analysis Tool, Token Unlocks, Emission, Allocation, On-Chain Claims, Fundraising, Buyback, Compare Buyback, Buyback Screener, Burn, Compare Burn, Burn Screener, Wen Unlocks, Research, Feedback, and Documentation. The main content area features a search bar, a banner for tokenomics benchmarking, and a section for Token Buyback Analysis. A table lists various tokens with their buyback metrics.

Token	y	Total Buyback Value	Last Buyback	7D Value % Change	7D Value	30D Value % Change	30D Value
OKB	0%	\$11.39B	5 months ago	0.0%	\$0.00	0.0%	\$0.00
HYPE	11%	\$1.09B	2 days ago	-36.7%	\$8.65M	-13.3%	\$42.25M
ASTER	4%	\$244.86M	a month ago	0.0%	\$0.00	-100.0%	\$0.00
PUMP	5%	\$221.89M	14 days ago	-100.0%	\$0.00	-50.5%	\$12.50M
RAY	17%	\$208.59M	2 days ago	-50.2%	\$330.06K	+1.5%	\$2.57M
ZRO	11%	\$158.63M	6 days ago	--	\$482.80K	+26.5%	\$482.80M
MPLX	6%	\$106.76M	21 days ago	0.0%	\$0.00	-20.5%	\$11.11M

<https://tokenomist.ai/buyback/screener>

Standardized classification:

- On-chain exact (verified)
- Reported (announced)
- Estimated (projected)
- Source attribution: Protocol Fees, Treasury, External, Mixed
- Event type: Repurchase, Burn, Buyback-and-Burn, Treasury, Redistribution.

Real-time tracking: This reveals which "aggressive programs" are actually net inflationary once you account for emissions.

- Daily buyback trends
- Source transparency
- Destination tracking.

Historical comparisons:

- Top protocols by 30/7-day volume
- Acceleration and deceleration trends
- Cumulative impact since inception
- Percentage of circulating supply removed.

For institutions, this replaces manual scraping, dozens of Dune dashboards, and spreadsheet calculations with one verified source.

For protocols: Want your buyback program featured in industry-leading analytics? Contact us to ensure proper tracking and classification.

[Explore the Buyback Screener](#)

Beyond the hype

The \$8.1 billion buyback wave of 2025 shows crypto maturing. Protocols finally implementing systematic value accrual beyond staking. But headline dollar amounts miss what matters.

Evaluate buybacks by source (treasury versus revenue, finite versus scaling), destination (burn versus hold versus distribute), and net impact (buybacks minus new emissions). A \$5 million revenue-funded buyback-and-burn often creates more lasting value than \$50 million treasury-funded with continued high emissions.

Of 24 protocols tracked, only **8 achieve negative net emission**, where buybacks exceed new token issuance. The other 16 are still inflating supply, just announcing buybacks to mask it. Short-term rallies follow announcements. Long-term outperformance belongs to protocols with sustainable revenue, mature products, and comprehensive tokenomics, not buyback theater.

The opportunity: For investors, lack of standardized analytics creates information asymmetry. Proper tooling reveals genuine deflationary pressure versus marketing. For protocols, the right structure signals maturity and strategic priorities.

The 2025 buyback wave will not be remembered for dollar amounts. It will be remembered for which protocols understood that where money comes from and where tokens go determines everything.

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Deflationary Mechanisms: The Evolution of Token Burns in 2025

TL;DR

- Token burns have evolved from marketing stunts into core protocol strategy.
- Burn value alone tells an incomplete story. Net emission, burns minus new issuance, reveals the true deflationary impact.
- Both Hyperliquid and Uniswap passed landmark burn proposals at the end of the year, with Uniswap committing to burn 100 million UNI and redirect all protocol fees to deflation.
- Markets no longer reward burns for their size alone. They reward burns that actually outpace supply growth.

Burns move from background to foreground

For years, token burns were quarterly press releases. A project would announce a burn, the community would celebrate, and everyone would move on until the next announcement. That era is over.

2025 raised the bar. Scarcity alone is not enough. Regular, clear, and economically-aligned burns have become the standard serious projects must meet. Whether through programmatic fee burns, treasury decisions, or governance votes, projects are now judged on burn consistency and transparency rather than headline numbers alone.

This shift reflects crypto's broader maturation. Burns signal commitment to long-term value creation by permanently removing supply. Some projects fund burns through protocol revenue, others through treasury management or one-time decisions. The mechanism varies, but the signal is consistent: teams willing to reduce supply are betting on their token's future.

2025 Deflation Leaders by Value

Token	2025 Burn Value	Burn %	Emission %	Net Emission %
OKB	\$6.38B	46.3%	0.0%	-46.3%
BNB	\$4.70B	3.1%	0.0%	-3.1%
BGB	\$1.36B	15.5%	12.2%	-3.2%
HYPE	\$897.4M	13.0%	2.6%	-10.4%
SOL	\$338.32M	0.3%	4.2%	+3.9%
PENGU	\$295.34M	38.6%	0.3%	-38.3%
ETH	\$281.84M	0.1%	0.6%	+0.5%
BONK	\$53.02M	2.8%	6.9%	+4.1%
JUP*	\$33.54M	4.2%	56.0%	+51.8%

** The JUP burn % excludes the 3B supply reduction because it was burned from locked supply, not circulating supply. This makes the emission comparison more fair.*

The net emission column reveals who is actually winning the deflation game. OKB achieved -46.3% net emission in 2025 alone, meaning burns far exceeded any new supply entering circulation. PENGU followed at -38.3%. Meanwhile, even with substantial burns, Ethereum remained net inflationary at +0.5% due to ongoing issuance outpacing fee burns post-Dencun.

Understanding burn models: not all burns are created equal

Before diving into specific projects, it helps to understand the three dominant burn models that emerged in 2025.

1. **Profit and revenue-linked burns** tie deflation directly to earnings. A fixed percentage of revenue flows into burns, making the mechanism highly auditable and predictable. Gate, KuCoin, and MEXC operate this way. The trade-off is regulatory

exposure, since profit-linked burns resemble traditional stock buybacks and may attract securities scrutiny.

2. **Formula and treasury-driven burns** use algorithmic rules detached from revenue. BNB and OKB fall into this category. These burns are scalable but can be opaque, with rules that shift over time. The regulatory upside is meaningful: burns disconnected from profits are easier to defend as "not a security."
3. **Governance-driven burns** let communities decide. Ethereum's EIP-1559 burns fall here, as do AVAX and NEAR fee burns. The mechanism is decentralized but carries political risk. When governance controls burns, governance can also reverse them.

Tokenomist tracks these differences through two key classifications.

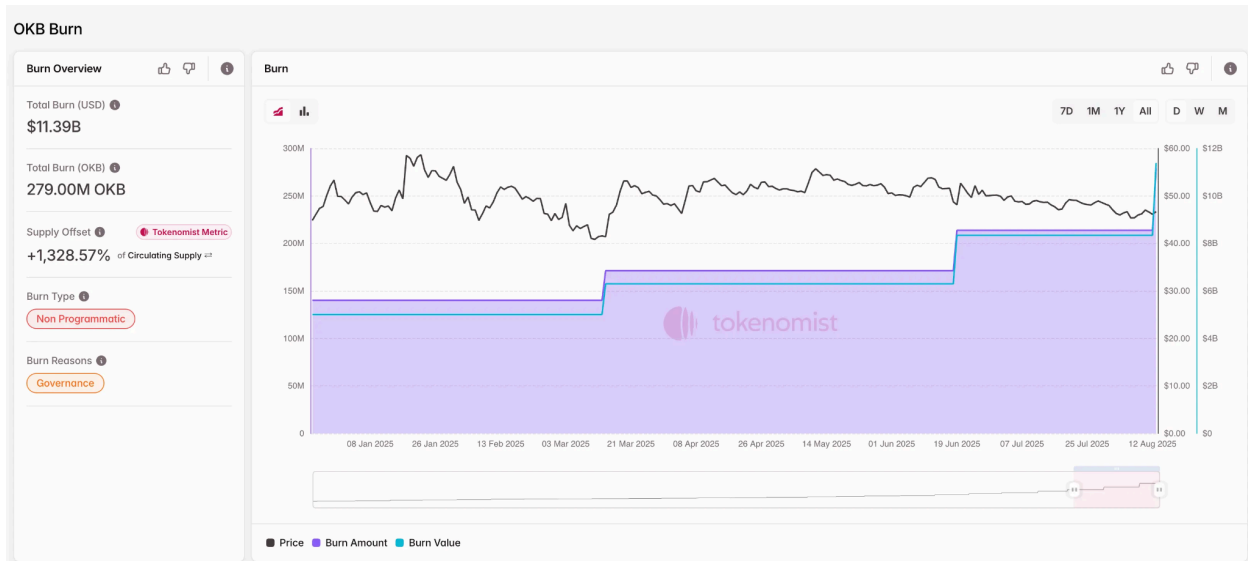
1. **Burn Type** distinguishes programmatic burns (automated, trustless, embedded in protocol code) from non-programmatic burns (discretionary, team-initiated, or governance-approved).
2. **Burn Reason** identifies whether deflation stems from protocol design (hardcoded mechanics), project decisions (team or foundation choices), or governance (community votes).

These distinctions matter because they predict durability. Protocol design burns are difficult to undo. Governance burns can be reversed if governance is captured.

CEX tokens: the billion-dollar burn machine

Centralized exchange tokens dominated 2025's burn landscape. Three projects stand out.

OKB led all tokens with \$6.38 billion burned in 2025 alone, achieving an extraordinary -46.3% net emission rate. The August 2025 mega burn eliminated 93% of total supply, permanently capping OKB at 21 million tokens in a deliberate parallel to Bitcoin's supply mechanics. This mega burn worked because it validated years of consistent quarterly burns. One-off events generate headlines, but they build credibility only when they confirm existing patterns. OKB's burn was not a surprise pivot. It was the logical culmination of sustained commitment. The illustration on the next page shows the OKB burn overview.

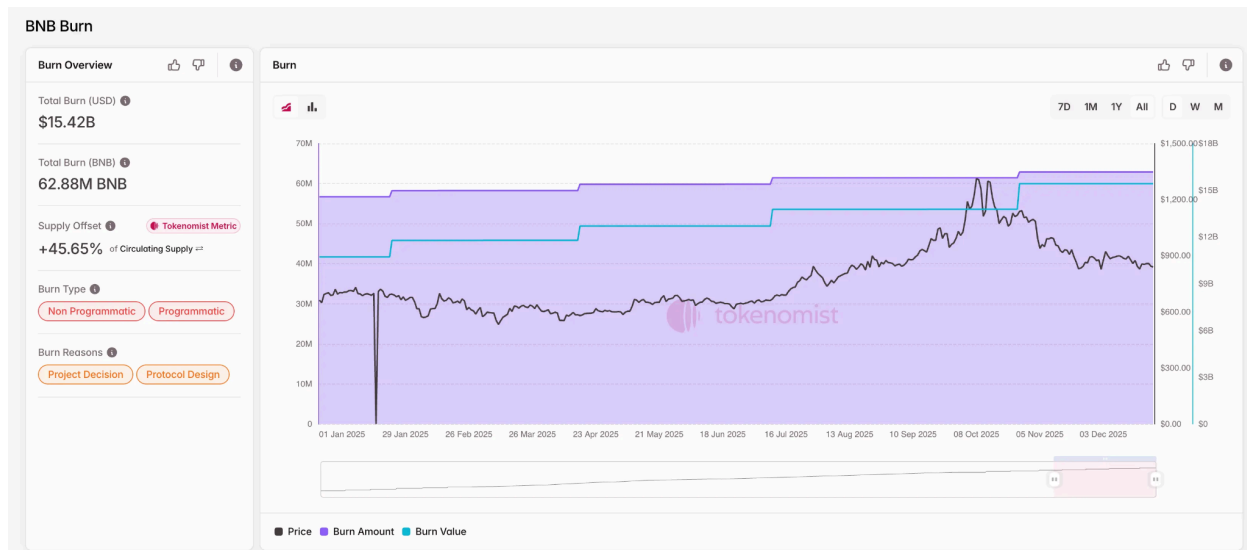


<https://tokenomist.ai/okb/burn>

BNB burned \$4.70 billion in 2025, representing 3.1% of supply with zero new emission, yielding -3.1% net emission. Binance runs a hybrid model combining quarterly Auto-Burns with BEP-95 real-time gas burns on BNB Chain. The mechanism has evolved significantly over the years, shifting from profit-linked burns to formula-driven calculations to the current hybrid approach. This evolution appears partly regulatory-motivated: decoupling burns from profits reduces securities classification risk. The illustration on the next page shows the BNB burn overview.

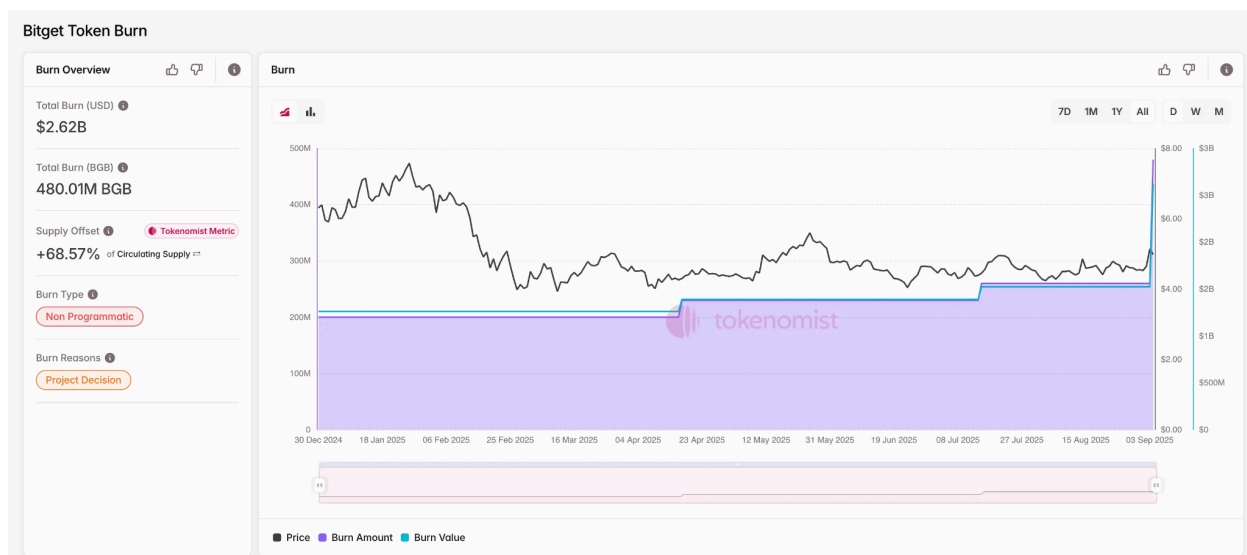
The quarterly burns in 2025 included:

- **Q1 (January):** [1.63 million BNB](#) (\$1.16B)
- **Q2 (April):** [1.58 million BNB](#) (\$916M)
- **Q3 (July):** 1.60 million BNB (\$1.02B)
- **Q4 (October):** [1.44 million BNB](#) (\$1.21B)



<https://tokenomist.ai/binancecoin/burn>

BGB (Bitget Token) burned \$1.36 billion in 2025, removing 15.5% of supply. However, with 12.2% emission, the net deflationary impact was -3.2% . The burn was substantial, but the mechanism raises questions. Without programmatic enforcement or governance structure, BGB's deflation depends entirely on continued team commitment.



<https://tokenomist.ai/bitget-token/burn>

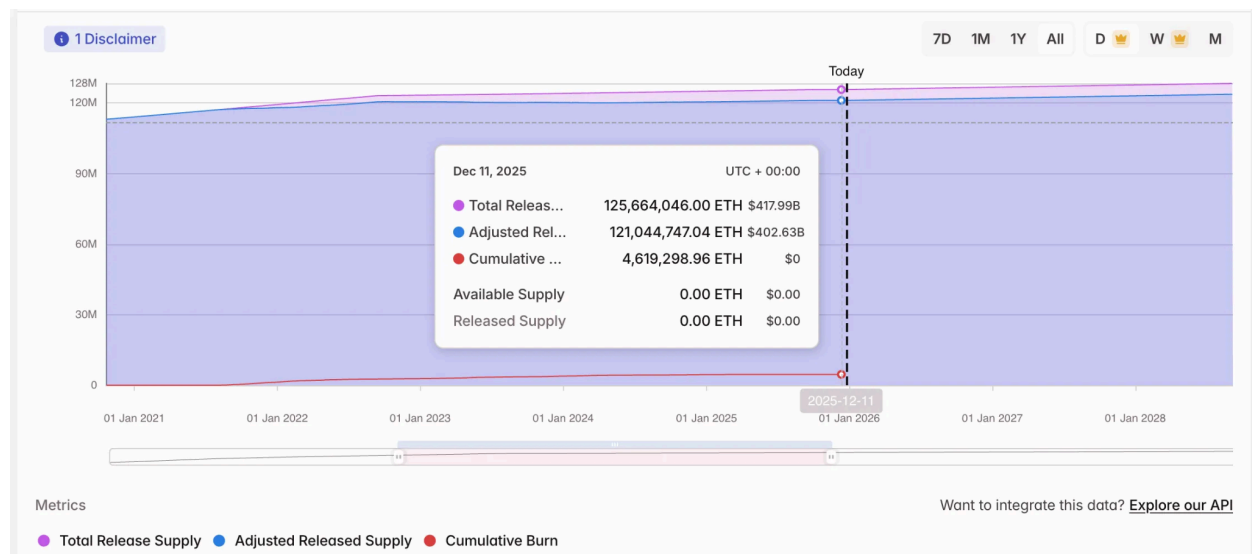
The CEX burn phenomenon reflects these platforms' business model. Exchanges generate consistent fee income, which enables sustained burn programs for those that choose to implement them.

Layer 1 protocol burns: programmatic deflation at scale

Layer 1 blockchains pioneered programmatic burns, embedding deflation directly into protocol operations. No team decisions. No governance votes. Just code executing automatically with every transaction.

Ethereum burned \$281.84 million in 2025 through EIP-1559's base fee mechanism. Every transaction burns a portion of gas fees automatically, requiring no governance and no human intervention. This is trustless deflation at scale.

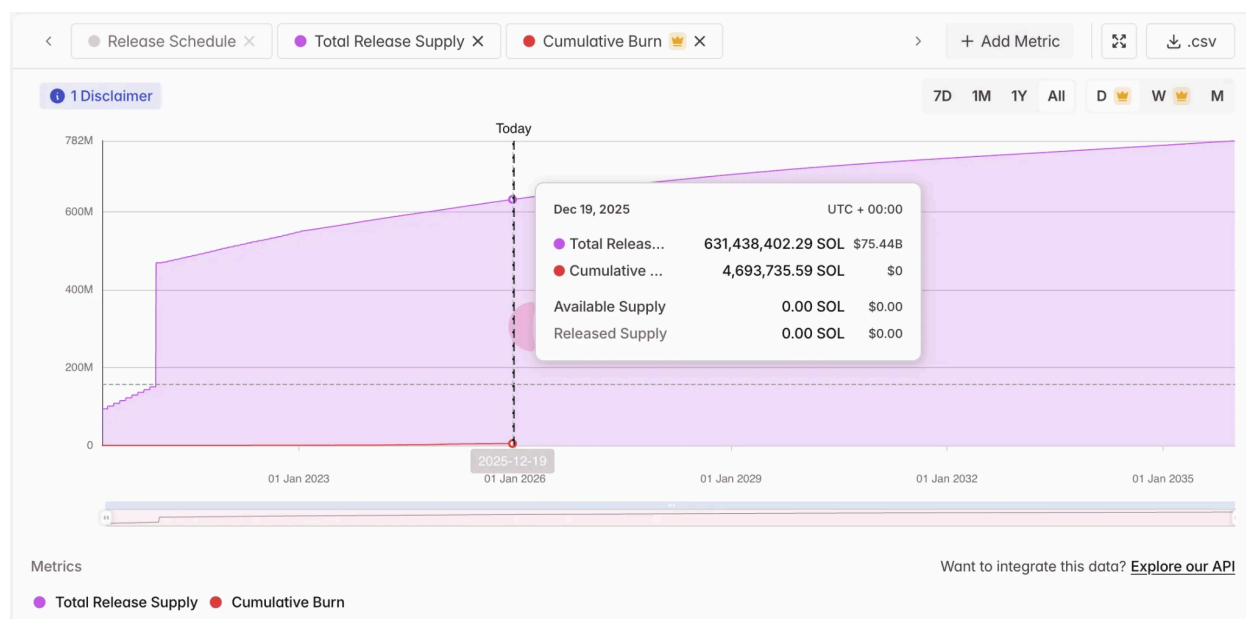
But 2025 tested Ethereum's deflationary thesis. The Dencun upgrade made Layer 2 transactions dramatically cheaper, shifting activity away from mainnet. The results in +0.5% net emission, meaning issuance outpaced burns. For Ethereum to achieve deflation, [average gas prices must consistently exceed 16-23 gwei](#). This is a far cry from the "ultrasound money" narrative that dominated earlier cycles. Ethereum's burn mechanism works exactly as designed. The question is whether mainnet usage can sustain meaningful deflation as L2s capture an increasing share of activity.



<https://tokenomist.ai/ethereum>

Solana underwent the most dramatic burn mechanism change of any major protocol in 2025. The activation of **SIMD-0096 on February 12, 2025** [redirected 100% of priority fees to validators instead of the previous 50/50 burn-validator split](#). Since priority fees constitute approximately 90-93% of all Solana fees, effective daily burns collapsed from 17,000-18,000 SOL to roughly 600-1,000 SOL, a **95% reduction**. Despite this, Solana still burned **\$338.32 million** in 2025 (0.3% of supply through base fee burns). However, with

4.2% staking emissions, net issuance came in at **+3.9%**. Solana's programmatic, protocol-designed burn mechanic means deflation scales automatically with network adoption, but current issuance still far outpaces burns, making SOL structurally inflationary for the foreseeable future.



<https://tokenomist.ai/solana>

Avalanche burned \$861K (0.0% of supply, +8.1% net emission), **NEAR** burned \$1.82M (0.1% of supply, +11.0% net emission), and **Aptos** burned \$282K (0.0% of supply, +30.0% net emission). These L1s remain firmly inflationary as issuance dominates their supply dynamics.

The L1 burn story in 2025 is one of structural maturity meeting economic reality. These protocols burn tokens because that is how the systems were architected. But for most L1s, programmatic burns cannot yet offset ongoing token issuance.

Emerging burn adopters: memecoins find a mechanism

Perhaps the most surprising development of 2025 was memecoins embracing burns as credibility signals.

PENGU burned \$295 million, eliminating 38.64% of released supply. **BONK** followed with \$151 million burned at 12.30% of supply. Both were non-programmatic project decisions rather than protocol-level automation.

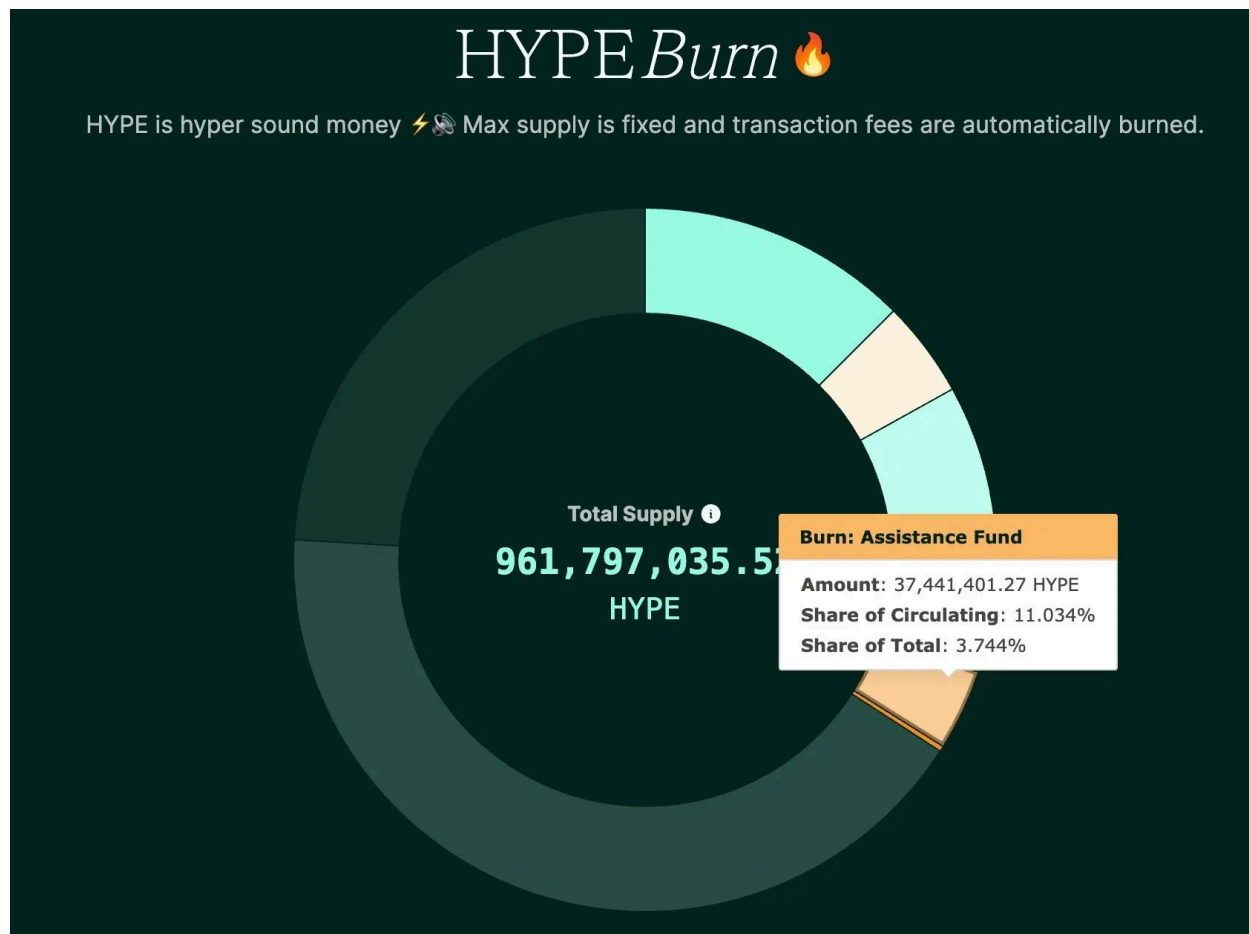
In a category known for pump-and-dump dynamics, burns serve as commitment devices. By permanently removing tokens, teams sacrifice potential future selling. This creates a credible signal that aligns team incentives with holder interests. Whether these burns represent sustainable mechanisms or one-time marketing remains to be seen. The 2026 report will have more data.

Utility tokens also expanded their burn programs. APEX burned an extraordinary \$1.29 billion (235.82% of released supply through governance), while WOO removed \$122 million (41.78% of supply). Jupiter's \$33.54 million burn (4.20% of supply) combined project decisions with governance. These projects are discovering what DeFi protocols learned about buybacks: when you have real revenue, returning value to token holders builds sustainable communities.

Key governance moments: burns in the spotlight

Two governance events in late December 2025 will likely define burn mechanism design for years to come.

Hyperliquid's Assistance Fund burn marked a milestone in governance-driven deflation. The Assistance Fund (AF) automatically converts trading fees to HYPE as part of L1 execution, accumulating tokens in a system address with no private key, making funds mathematically irretrievable without a hard fork. In December 2025, the Hyper Foundation proposed a validator vote to formally recognize these tokens as burned. [The proposal passed on December 24 with 85% of stake voting in favor, 7% against, and 8% abstaining.](#) This burn reduces fully diluted valuation by \$1 billion and circulating supply by 13%. The vote established binding social consensus to never authorize a protocol upgrade accessing this address. The pie chart is presented in the next page.



<https://www.hypeburn.fun/>

Uniswap's Unification proposal passed with overwhelming support on December 25, 2025. The vote concluded with 125.3M UNI in favor versus just 742 against, far exceeding the 40 million quorum. The proposal includes burning 100 million UNI tokens from treasury, activating fee switches, and removing frontend fees after a 2-day timelock. The mechanism introduces TokenJar and Firepit, immutable smart contracts where accumulated fees can only be withdrawn by burning UNI. It also created Protocol Fee Discount Auctions that internalize MEV (value that would otherwise flow to searchers and validators) and redirect it to burns. The fee rollout begins with v2 pools and select v3 pools on Ethereum mainnet, with plans to expand to L2s, v4, UniswapX, and aggregator hooks. Unichain sequencer fees, already generating approximately \$7.5 million annually, will flow into this mechanism. The voting activity status is illustrated in the following page.

Voting activity

FOR - 125,342,017

AGAINST - 742



Quorum 40,000,000

SUCCEEDED

Ended 1:49 pm Dec 25, 2025

<https://x.com/Cointelegraph/status/2004371735517319445?s=20>

This transforms UNI from a governance token with theoretical value into a deflationary asset directly tied to protocol usage. It represents the most sophisticated burn mechanism design in DeFi, and its passage marks a watershed moment for tokenomics.

The burn credibility framework

After tracking burns across multiple projects, one pattern stands out: consistency beats size. Markets price recurring burn size and predictability of cadence, not one-time percentages. OKB's mega burn worked because it confirmed years of quarterly burns. BGB's large burn raises questions because the cadence remains unproven.

Key metrics to track: % of released supply burned (intensity), 30D burn value (current activity), burn type (programmatic vs discretionary), and burn reason (protocol design vs governance). Protocol design burns are hardest to reverse. Governance burns can be undone if governance is captured.

Risks and warnings: burns are not always permanent

The CRO reversal stands as 2025's clearest warning about burn durability. [In March 2025, Crypto.com re-minted 70 billion CRO tokens that had been previously burned.](#) Community polling showed 77–95% opposition, but concentrated voting power (11.86% of wallets controlling 70–80% of votes) approved the re-minting anyway.

The lesson is stark: governance-controlled burns can be reversed if governance is captured. This is why Tokenomist tracks Burn Reasons separately from Burn Types. Protocol design burns are embedded in code and difficult to undo. Governance burns depend on continued community alignment. The CRO reversal showed what happens when that alignment breaks down.

Regulatory positioning increasingly influences burn design. Profit-linked burns attract higher scrutiny because they resemble stock buybacks. Formula-driven burns provide easier regulatory defense by detaching deflation from revenue. Binance's mechanism shifts over the years may reflect regulatory strategy as much as tokenomics optimization.

Treasury concentration risk affects CEX tokens especially. When exchanges recycle profits into their own tokens rather than holding cash or stablecoins, they concentrate treasury value in a single volatile asset. This creates reflexive risk: if business weakens, the token drops, treasury value shrinks, and burn capacity diminishes precisely when it matters most.

What to watch in 2026

Several open questions will determine whether 2025's burn evolution continues or reverses.

Will Uniswap's fee burn proposal pass and set a template for DeFi deflation? Will L2 adoption continue pressuring Ethereum's burn rate? Can memecoin burns sustain beyond initial commitment signals? Will more projects follow OKB's mega burn playbook, or was it a one-time event?

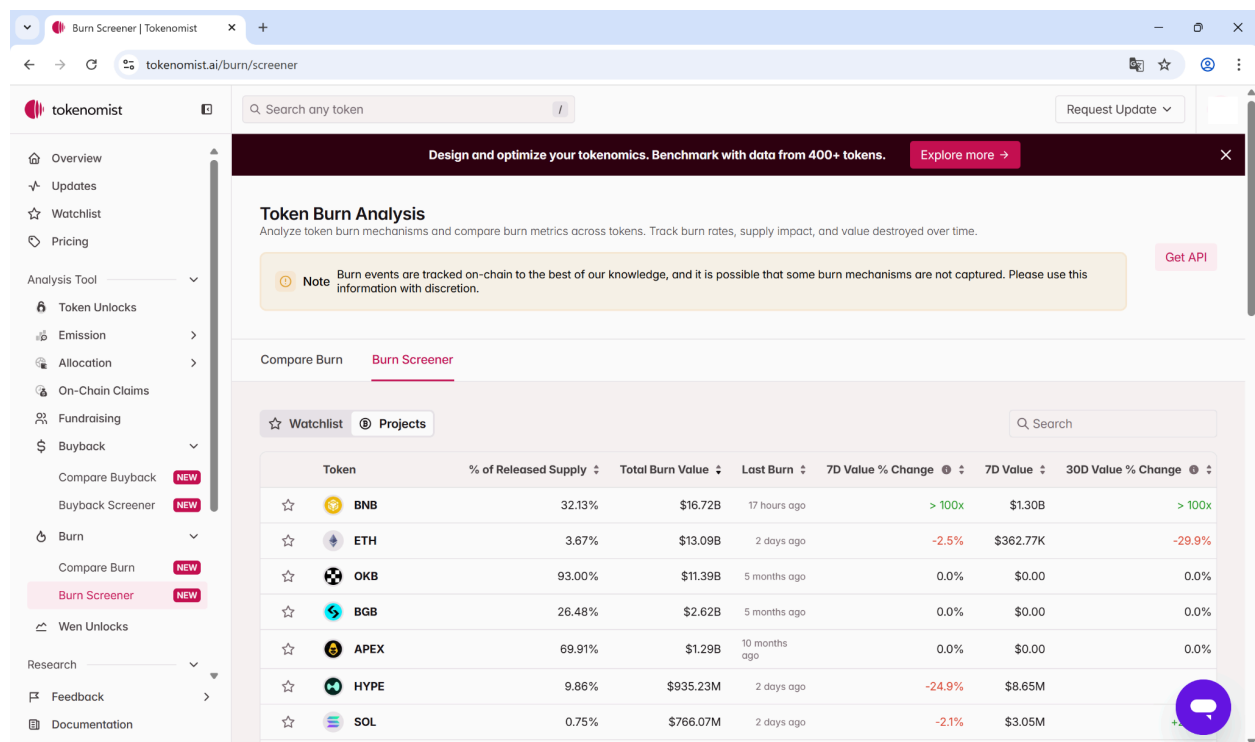
And most importantly: will consistency win, or will projects revert to burning as quarterly marketing?

The projects that treat burns as core economic strategy rather than press release fodder will likely outperform. Just as buybacks reveal which DeFi protocols have real product-market fit, burns reveal which projects understand long-term value creation.

Track Burn Quality, Not Just Quantity

Tokenomist's Burn Screener uniquely categorizes deflation across every tracked token:

- **Burn Types:** Programmatic (automated, trustless) vs Non-Programmatic (discretionary, team-initiated)
- **Burn Reasons:** Protocol Design (hardcoded), Project Decision (team choice), or Governance (community vote)
- **30D Burn Value:** Identify which projects are actively burning now, not just historically
- **% of Released Supply:** Compare burn intensity across tokens, normalized for supply differences



The screenshot shows the Tokenomist Burn Screener interface. The left sidebar contains navigation links: Overview, Updates, Watchlist, Pricing, Analysis Tool (Token Unlocks, Emission, Allocation, On-Chain Claims, Fundraising, Buyback, Compare Buyback, Buyback Screener, Burn, Compare Burn, Burn Screener, Wen Unlocks), Research (Feedback, Documentation), and a search bar. The main content area is titled 'Token Burn Analysis' and includes a note about on-chain tracking. Below this is a 'Burn Screener' section with a table of token burn metrics.

Token	% of Released Supply	Total Burn Value	Last Burn	7D Value % Change	7D Value	30D Value % Change
BNB	32.13%	\$16.72B	17 hours ago	> 100x	\$1.30B	> 100x
ETH	3.67%	\$13.09B	2 days ago	-2.5%	\$362.77K	-29.9%
OKB	93.00%	\$11.39B	5 months ago	0.0%	\$0.00	0.0%
BGB	26.48%	\$2.62B	5 months ago	0.0%	\$0.00	0.0%
APEX	69.91%	\$1.29B	10 months ago	0.0%	\$0.00	0.0%
HYPE	9.86%	\$935.23M	2 days ago	-24.9%	\$8.65M	
SOL	0.75%	\$766.07M	2 days ago	-2.1%	\$3.05M	

The Burn Page provides comprehensive analysis for each project: cumulative burn totals, historical charts overlaid with price, detailed event tables with on-chain transaction links, and mechanism classifications. Do not just ask "how much was burned?" Ask "is this repeatable, transparent, and aligned with economics?"

[Explore the Burn Screener](#)

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Fundraising

TL;DR

- The 2025 crypto market witnessed a wave of high-profile token generation events (TGEs).
- Seven major projects collectively raised **\$3 billion** and launched at a combined market capitalization of **\$9.46 billion**.
- All seven analyzed projects posted negative returns, with an average decline of -51.4%. Five projects lost over 80% of their value, suggesting challenging market conditions for 2025 TGE cohort.
- Projects with extreme FDV-to-raise multiples (>50x) experienced catastrophic declines averaging -87.9%, while those with conservative multiples (<10x) averaged -29.4%. This correlation proved far stronger than any tokenomics design factor.
- Over \$546 million in investor tokens are scheduled to unlock throughout Q3 2026. This concentration creates potential systematic risk for the cohort.

Projects Analyzed

Project	Sector	Raised	TGE FDV	Performance	TGE Date
Pump.fun	DeFi	\$1.82B	\$5.43B	-38.17%	July 12, 2025
Plasma	Layer 1	\$397M	\$13.0B	-88.69%	September 25, 2025
Bio Protocol	DeSci	\$37.1M	\$2.87B	-94.25%	January 3, 2025
Monad	Layer 1	\$432M	\$2.60B	-20.69%	November 24, 2025
Berachain	Layer 1	\$211M	\$4.08B	-87.86%	February 6, 2025
Kaito	SocialFi	\$10.8M	\$2.82B	-80.87%	February 20, 2025
Story Protocol	IP Protocol	\$134.3M	\$2.60B	-9.07%	February 13, 2025

Projects selected based on TGE market cap ranking and narrative prominence in 2025. See [Sample Selection & Limitations](#) for detailed criteria.

Implications

For Investors: Extreme caution warranted on projects with >30x FDV multiples regardless of tokenomics design. Monitor fundamentals over vesting schedules.

For Projects: Prioritize reasonable valuations (<15x FDV) over aggressive fundraising. Conservative Day 1 unlocks (<5%) and extended vesting (4+ years) provide secondary support but cannot overcome overvaluation.

Looking Ahead: The 2025 cohort serves as a stress test for 2026, when \$546M in unlocks will reveal whether markets can absorb substantial supply increases from projects already trading significantly below TGE valuations.

Introduction

This analysis examines seven major TGE projects from 2025, representing a combined TGE market capitalization of **\$9.36 billion** and total fundraising of **\$3 billion**. These projects span diverse sectors including DeFi infrastructure (Pump.fun), Layer 1 blockchains (Plasma, Monad, Berachain), decentralized science (Bio Protocol), SocialFi (Kaito), and intellectual property protocols (Story Protocol).

The data reveals a stark reality: **all seven projects have posted negative returns**, with average declines exceeding 60%. As we approach 2026, over **\$546 million in investor tokens** are scheduled to unlock within the first year of vesting, raising critical questions about market capacity, tokenomics design, and the relationship between fundraising structures and long-term performance.

Methodology & Data Sources

This report uses comprehensive data from [Tokenomist](#) for vesting schedules and [CoinGecko](#) for price data, collected as of December 17, 2025. Project whitepapers and official documentation provided supplementary verification.

Key Performance Metrics

Price Change measures pure token price movement.

$$\Delta Price = \frac{Current\ Price - TGE\ Price}{TGE\ Price}$$

A -50% result means the token price declined by half.

Supply Change tracks circulating supply increase.

$$\Delta Supply = \frac{Adjusted\ Related\ Supply - TGE\ Unlocked}{TGE\ Unlocked}$$

This captures tokens released from community/reserve schedules, as investor unlocks haven't occurred yet due to 1-year cliffs.

Market Cap Change combines both effects.

$$\Delta Market\ Cap = \frac{Current\ Market\ Cap - TGE\ Market\ Cap}{TGE\ Market\ Cap}$$

Tokenomist's "**Adjusted Released Supply**" includes both actively traded tokens and those held in stakeholder wallets (unlocked but not yet sold), providing a complete picture of potential selling pressure. "**Adjusted Market Cap**" multiplies current price by this broader supply metric.

Valuation Metrics

FDV Multiple (TGE FDV / Total Raised) measures how much launch valuation exceeded fundraising. Higher multiples indicate more aggressive pricing. **Market Cap Multiple** uses circulating supply instead of FDV, always resulting in lower values when initial circulation is below 100%.

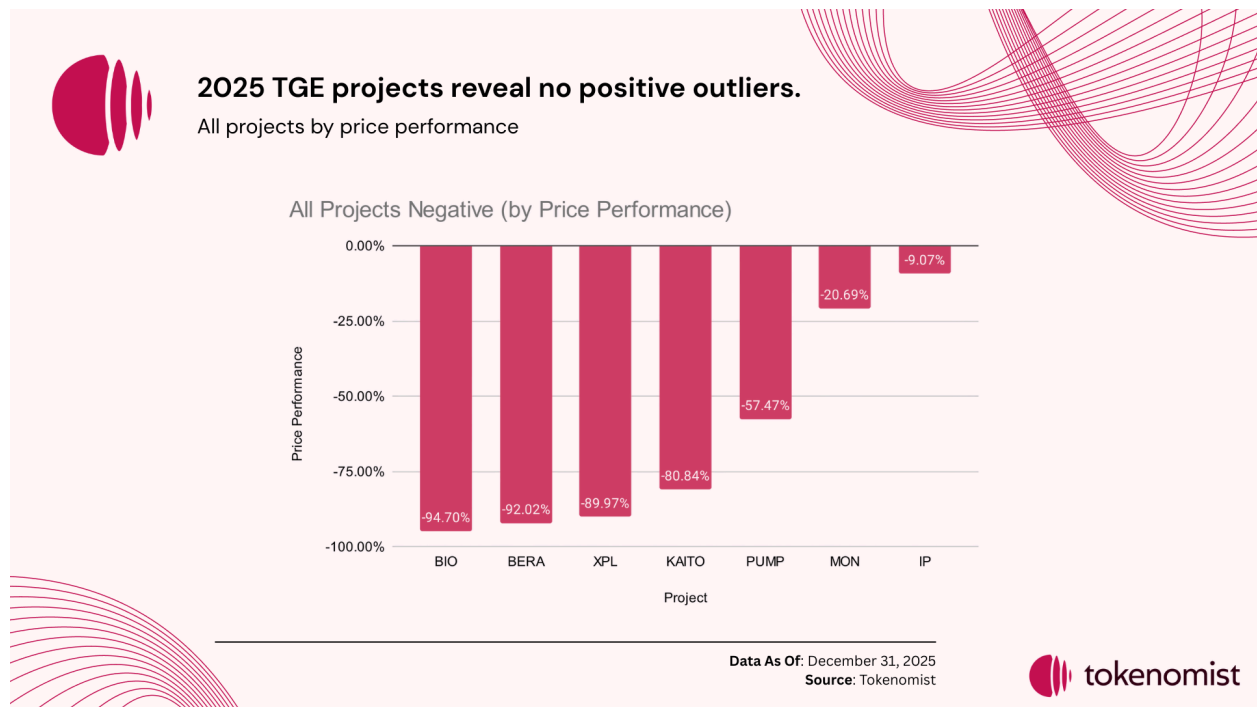
Sample Selection & Limitations

Seven projects were selected based on TGE market cap >\$500M, narrative prominence in 2025, 1-year cliff vesting structures (industry standard), comprehensive Tokenomist data availability, and significant fundraising (>\$10M).

The sample size limits statistical generalizability, market conditions affect comparability, and performance is measured at a single point (December 17, 2025). Vesting schedules may change through governance decisions.

Project Performance Overview

Market Performance Summary



The performance among 2025 TGE projects reveals universal underperformance, with no positive outliers:

All Projects Negative (by Price Change:

- **Bio Protocol (BIO):** -94.25% (Market Cap: \$1.36B → \$78.2M)
- **Berachain (BERA):** -87.86% (Market Cap: \$742.4M → \$90.2M)
- **Plasma (XPL):** -88.69% (Market Cap: \$2.32B → \$262.8M)
- **Kaito (KAITO):** -80.87% (Market Cap: \$680.7M → \$130.2M)
- **Pump.fun (PUMP):** -38.17% (Market Cap: \$2.34B → \$1.44B)
- **Story Protocol (IP):** -9.07% (Market Cap: \$638.1M → \$580.2M)
- **Monad (MON):** -20.69% (Market Cap: \$1.29B → \$212.2M)

Performance measured by token price change from TGE to December 17, 2025. Market cap changes shown for context but may differ from price change due to supply dilution effects. See Section 1.1 for methodology.

Key Observations

The data reveals several critical patterns:

Five projects have lost over 80% of their value, representing near-total value destruction. The average decline among these five is -88.3%, indicating fundamental rejection of TGE pricing.

Best Performers Still Negative:

- Story Protocol (-9.07%) is the relative winner but still negative
- Monad (-20.69%) ranks second but lost one-fifth of value
- Pump.fun (-38.17%) is third-best yet down by more than one-third

Worst Performers Catastrophic:

- Bio Protocol (-94.25%): Lost 94% of value
- Plasma (-88.69%): Down nearly 90%
- Berachain (-87.86%): Similar catastrophic decline
- Kaito (-80.87%): Over 80% value destruction

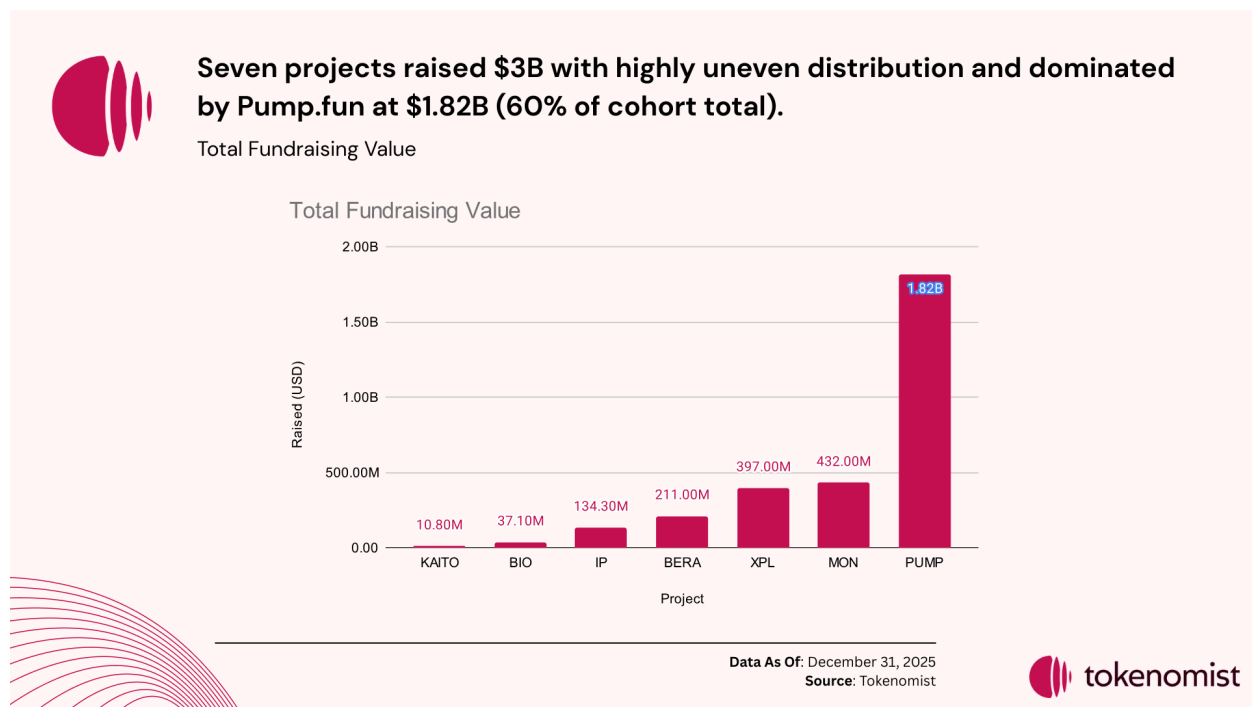
Project	TGE Unlock %	Performance	Observation
Monad	49.50%	-20.69%	High unlock, moderate decline
Bio Protocol	47.40%	-94.25%	High unlock, catastrophic decline
Pump.fun	43.00%	-38.17%	High unlock, significant decline
Story Protocol	24.53%	-9.07%	Low unlock, best performance
Kaito	24.14%	-80.87%	Low unlock, severe decline
Berachain	18.20%	-87.86%	Lowest unlock, catastrophic decline
Plasma	17.87%	-88.69%	Lowest unlock, catastrophic decline

Conclusion: Initial circulating supply percentage shows no observable relationship in this sample for performance. Projects with low initial unlocks (Plasma, Berachain) performed just as poorly as those with high unlocks (Bio Protocol).

Fundraising Analysis

Fundraised Breakdown

The seven projects collectively raised **\$3 billion**, though the distribution is highly uneven:



Project	Total Raised	Private	Public	Structure	Notable Investors
Pump.fun	\$1.82B	\$720M	\$1.1B	60% public	–
Monad	\$432M	\$244M	\$188M	57% private	Dragonfly, OKX Ventures, Paradigm
Plasma	\$397M	\$24M	\$373M	94% public	Founders Fund
Berachain	\$211M	\$211M	\$0	Private only	Polychain, Brevan Howard, Framework
Story Protocol	\$134.3M	\$134.3M	\$0	Private only	a16z, Polychain, Hashed
Bio Protocol	\$37.1M	\$9.2M	\$27.9M	75% public	YZi Labs
Kaito	\$10.8M	\$10.8M	\$0	Private only	Spartan Group, Superscript, Dragonfly

Pump.fun dominated with \$1.82B (60% of cohort total), while four projects opted for private-only fundraising structures. Public participation varied dramatically, from Plasma's 94% public allocation to pure institutional rounds by Berachain, Story Protocol, and Kaito.

Valuation Analysis

Valuation Multiples (Raised → TGE Market Cap & FDV)

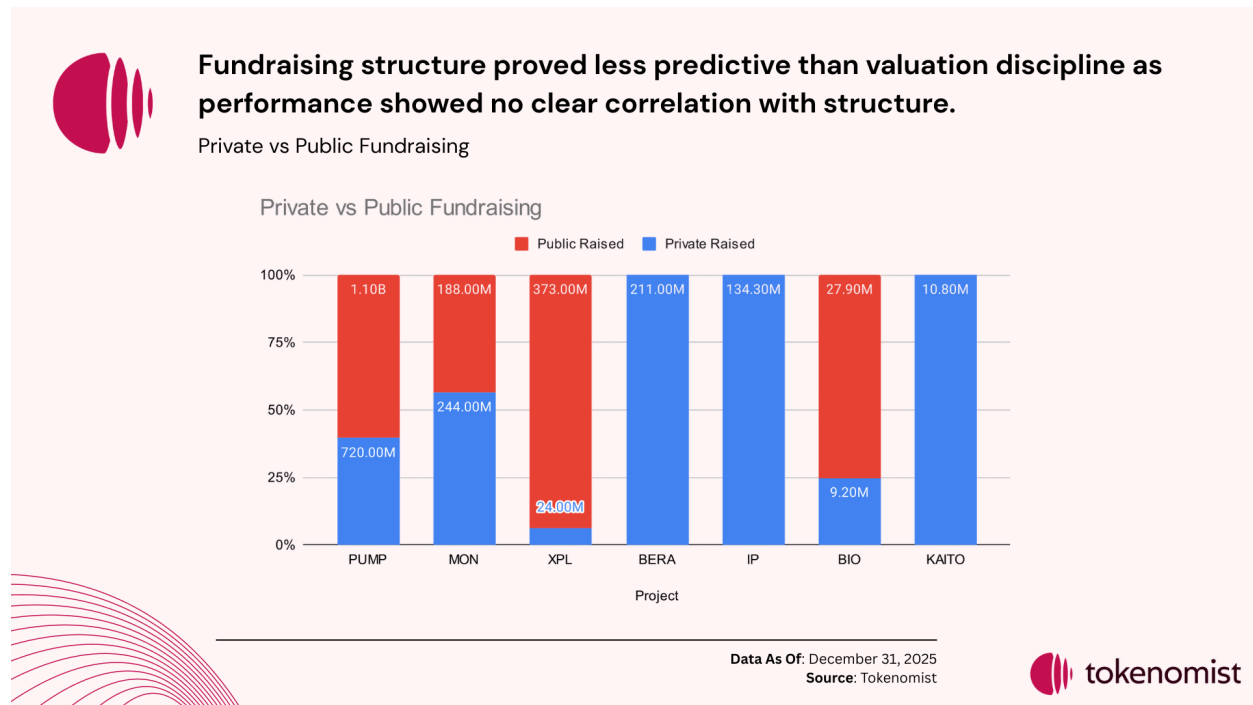
Projects with extreme FDV multiples experienced catastrophic declines. Kaito's 261x ratio (launching at \$2.82B on \$10.8M raised) resulted in –80.87% performance, while Bio Protocol's 77x multiple (\$2.87B on \$37.1M) led to –94.25% collapse. Plasma's 33x multiple and Berachain's 19x ratio similarly failed to prevent severe underperformance of –88.69% and –87.86% respectively.

Project	Raised	TGE Market Cap	M.Cap Multiple	TGE FDV	FDV Multiple	Performance
Kaito	\$10.8M	\$680.7M	63x	\$2.82B	261x	-80.87%
Bio Protocol	\$37.1M	\$1.36B	37x	\$2.87B	77x	-94.25%
Plasma	\$397M	\$2.32B	6x	\$13.0B	33x	-88.69%
Berachain	\$211M	\$742.4M	4x	\$4.08B	19x	-87.86%
Story Protocol	\$134.3M	\$638.1M	5x	\$2.60B	19x	-9.07%
Monad	\$432M	\$1.29B	3x	\$2.60B	6x	-20.69%
Pump.fun	\$1.82B	\$2.34B	1x	\$5.43B	3x	-38.17%

In contrast, conservative valuations demonstrated relative resilience. Pump.fun's 3x FDV multiple limited decline to -38.17%, while Monad's 6x ratio yielded -20.69% performance, or second-best in the cohort. Story Protocol, despite its 19x multiple matching Berachain's ratio, achieved -9.07% performance through strong fundamental execution, suggesting that project quality can partially offset aggressive pricing.

Bio Protocol exemplifies valuation disconnect: \$37.1M raised cannot credibly support \$2.87B FDV (77x multiple) with only 47.40% circulating supply. The market's -94.25% rejection brought valuation to \$78.2M, a more realistic 2.1x multiple on capital raised, highlighting the unsustainability of extreme premiums absent proportional network effects or revenue.

Private vs Public Fundraising Patterns



Fundraising structure proved less predictive than valuation discipline. Four projects pursued private-heavy rounds (Berachain \$211M, Story Protocol \$134.3M, Kaito \$10.8M) or private-heavy structures (Monad 57% private), while three emphasized public participation (Plasma 94%, Bio Protocol 75%, Pump.fun 60%).

Performance showed no clear correlation with structure. Among private-only projects, Story Protocol achieved -9.07% (best performance) while Berachain and Kaito declined -87.86% and -80.87% respectively. Public-heavy projects fared no better, with Plasma posting -88.69% despite 94% public allocation and Bio Protocol collapsing -94.25% with 75% public participation.

Monad's balanced approach (57% private, 43% public) yielded -20.69%, second-best performance, though this likely reflects its conservative 6x FDV multiple rather than structural balance. The determining factors appear to be valuation discipline, project fundamentals, and execution quality rather than whether capital originates from institutions or public markets.

Key Insights

When grouped by performance outcome, valuation patterns emerge within this limited sample:

Best Performers (declined <30%):

- Story Protocol: 19x FDV → -9.07%
- Monad: 6x FDV → -20.69%
- **Average FDV: 12.5x**

Both projects limiting losses below 30% launched with FDV multiples under 20x. Story Protocol's -9.07% performance at 19x valuation suggests that fundamentals can support moderate premiums, though the sample size limits broader conclusions.

Moderate Decline (-30% to -50%):

- Pump.fun: 3x FDV → -38.17%

Despite the lowest valuation multiple (3x), Pump.fun declined -38.17%, indicating that conservative pricing alone may not ensure success—other factors including sector dynamics and execution likely matter.

Catastrophic Losses (declined >80%):

- Kaito: 261x FDV → -80.87%
- Berachain: 19x FDV → -87.86%
- Plasma: 33x FDV → -88.69%
- Bio Protocol: 77x FDV → -94.25%
- **Average FDV: 97.5x**

Four projects experienced 80–90% declines. Their FDV multiples ranged from 19x to 261x, averaging 97.5x. Notably, Berachain's 19x valuation, identical to Story Protocol's, resulted in -87.86% decline, showing that moderate valuations don't prevent collapse without supporting fundamentals.

Observed Pattern: Within this sample, projects limiting losses below 30% launched under 20x FDV, while those exceeding 30x FDV experienced severe declines. At ~19x valuation, Story (-9.07%) and Berachain (-87.86%) diverged dramatically, suggesting that execution and fundamentals may separate outcomes at moderate valuations, though the sample size (n=7) limits statistical confidence.

Major Tokenomics Redesigns

TL;DR

- 2025 marked a shift toward more flexible tokenomics, as major protocols revisited supply designs once real usage data became available.
- Jupiter reduced total supply by 30%, lowering future dilution and placing community emissions under governance control.
- Wormhole changed how tokens unlock, replacing large cliffs with frequent unlocks and extending vesting without changing total supply.
- Solana proposed faster disinflation, reducing long-term emissions while rebalancing staking and on-chain incentives.
- How changes are made matters: clear trade-offs and governance-driven decisions helped build credibility and trust.

Introduction

In 2025, several major protocols revisited their tokenomics frameworks, introducing adjustments to issuance, vesting, and other supply parameters that had largely been defined at launch.

In most cases, the underlying token models remained intact, while specific assumptions were re-evaluated as protocols matured and real usage data became available. Collectively, these revisions highlight a growing willingness among established ecosystems to treat token supply mechanics as evolving rather than immutable design constraints.

Jupiter reduces supply by 30%.

Jupiter and its initial tokenomics

At genesis in 2021, JUP adopted a fixed supply with no continuous emissions. The initial supply was split evenly between community and team stakeholders (dubbed “50/50 tokenomics”). The half allocated to the team was subjected to standard time-based vesting, while the remaining half allocated to the community was reserved, to be distributed to the community through periodic airdrop events known as “Jupuaries”.

This structure concentrated future issuance into two distinct channels

1. Discrete community distributions occurring periodically
2. Schedule team unlocks following a standard vesting curve

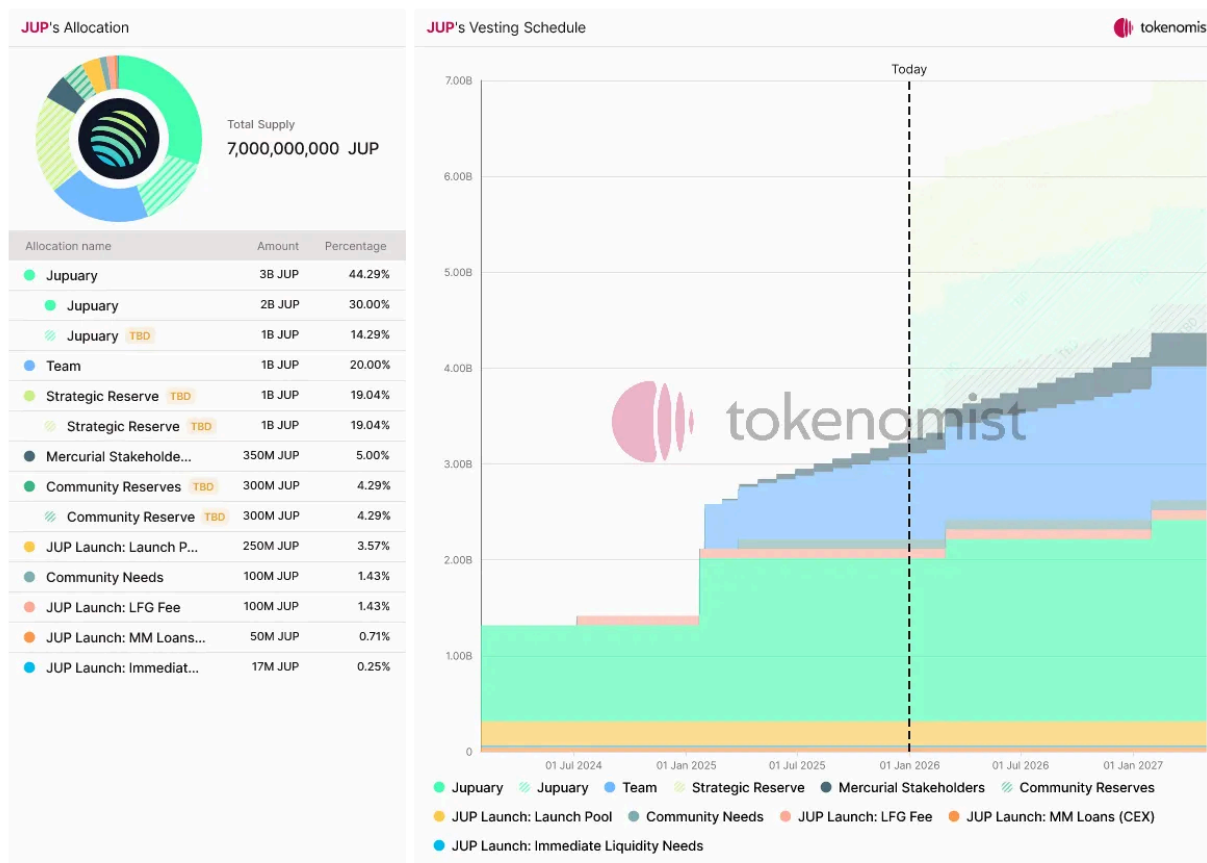
As such, a large share of total supply remained non-circulating in the years immediately following launch, with the timing of future emissions largely known at genesis.

The proposal

In early 2025, Jupiter governance approved a reduction in JUP's total supply from 10 billion to 7 billion tokens. The reduction was applied exclusively to non-circulating supply. The supply cut was also symmetric across stakeholder groups. Thirty percent of team allocated tokens were removed from future vesting, while an equivalent amount was deducted from undistributed community allocations.

From a supply-structure perspective, this impacted the following

1. **Shortened future issuance:** the removal of 3 billion JUP from future emissions significantly reduced the amount of supply scheduled to enter circulation, shortening the long tail of post-launch emissions.
2. **Lowered pre-committed dilution:** since the reduction applied only to undistributed tokens, this decreased the degree of dilution that was locked in at genesis.



Jupiter's allocations and vesting schedules after the tokenomics update, as seen on Tokenomist.

In addition to the supply reduction, the proposal modified how future community allocations would be determined. Future distributions were made subject to token-holder votes, shifting issuance authority from predefined parameters to community governance. Potentially, this would help increase the legitimacy of future dilution decisions, while preserving flexibility to adjust incentives following the supply reduction.

The proposal argued that, now a year since JUP's launch, both the team and community had better visibility into actual protocol usage and operating requirements. The supply reduction and related adjustments were an opportunity to realign token allocations with real needs as opposed to initial assumptions designed at genesis.

Takeaways

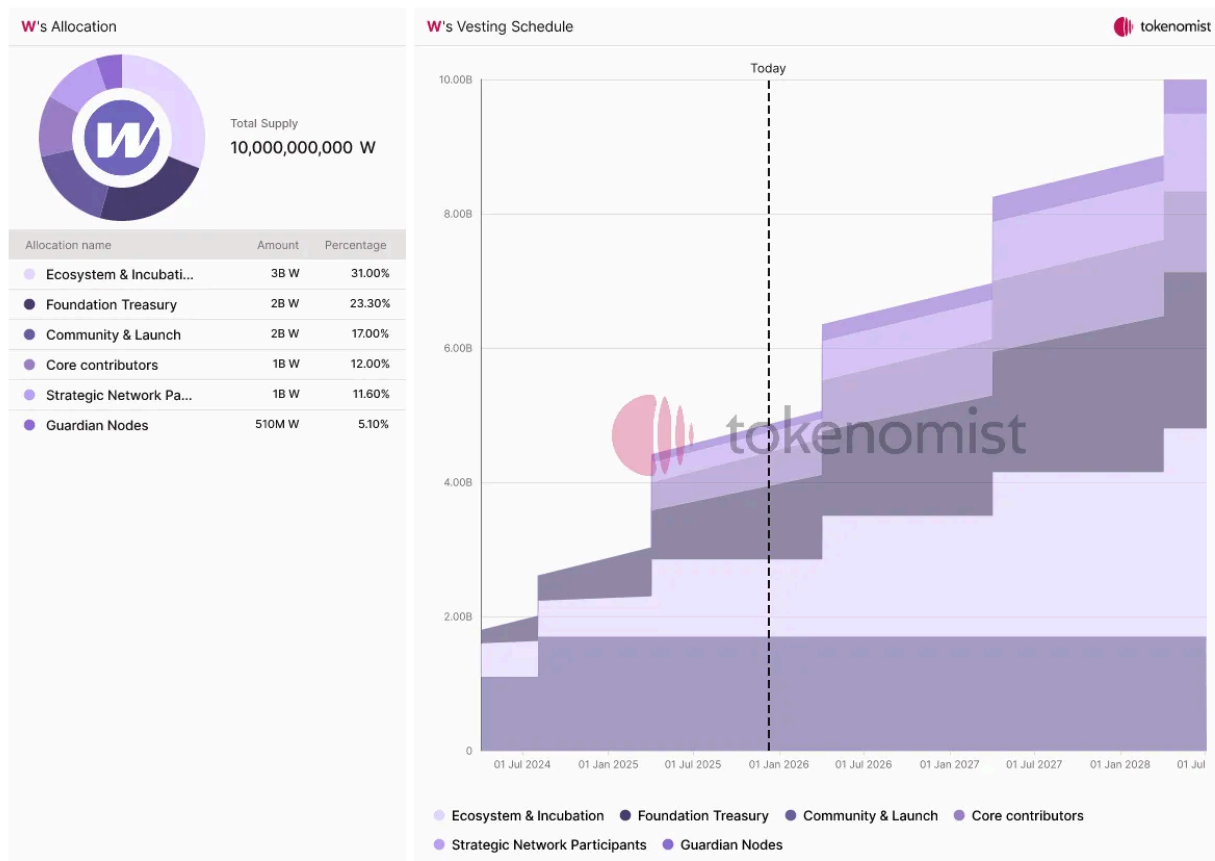
This supply cut highlights many broader lessons for teams (re)designing tokenomics in an ever evolving ecosystem. In particular

1. **High FDV and large future unlocks create anxiety:** smoother supply curves can meaningfully reduce long term uncertainty. Even if unlocks are years away, their mere existence can create community anxiety.
2. **Tokenomics can be revisited as real usage becomes clearer:** initial distributions are often designed under significant uncertainty. As protocols mature, these assumptions should be revisited.
3. **Community governance over emissions creates trust:** democratically chosen emissions are easier to justify and harder for the community to resent. Giving token holders control over dilution will increase their trust in the project.

W updates to version 2.0.

Wormhole and its initial tokenomics

Wormhole launched in late 2020. Its native token, W, was partially released at genesis, with the majority of supply following a multi-year vesting schedule characterized by large, infrequent unlock events. Annual cliffs accounted for a substantial share of schedule future issuance.



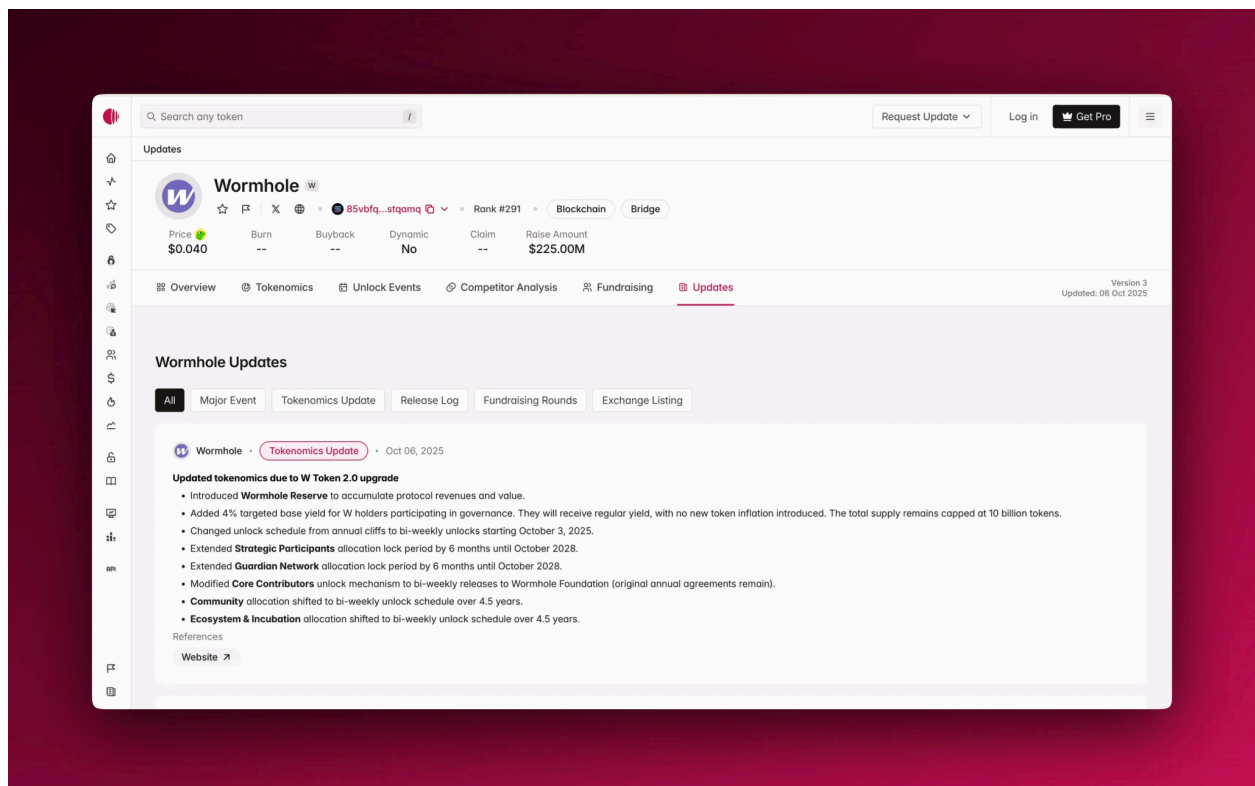
Wormhole's initial allocations and vesting schedule.

W version 2.0

In September 2025, Wormhole announced a tokenomics update alongside the release of W version 2.0. In addition to several protocol level changes, such as the introduction of the Wormhole Reserve and adjustments to governance staking rewards, one of the most

impactful modifications from a supply perspective was a restructuring of unlock schedules across several major allocations.

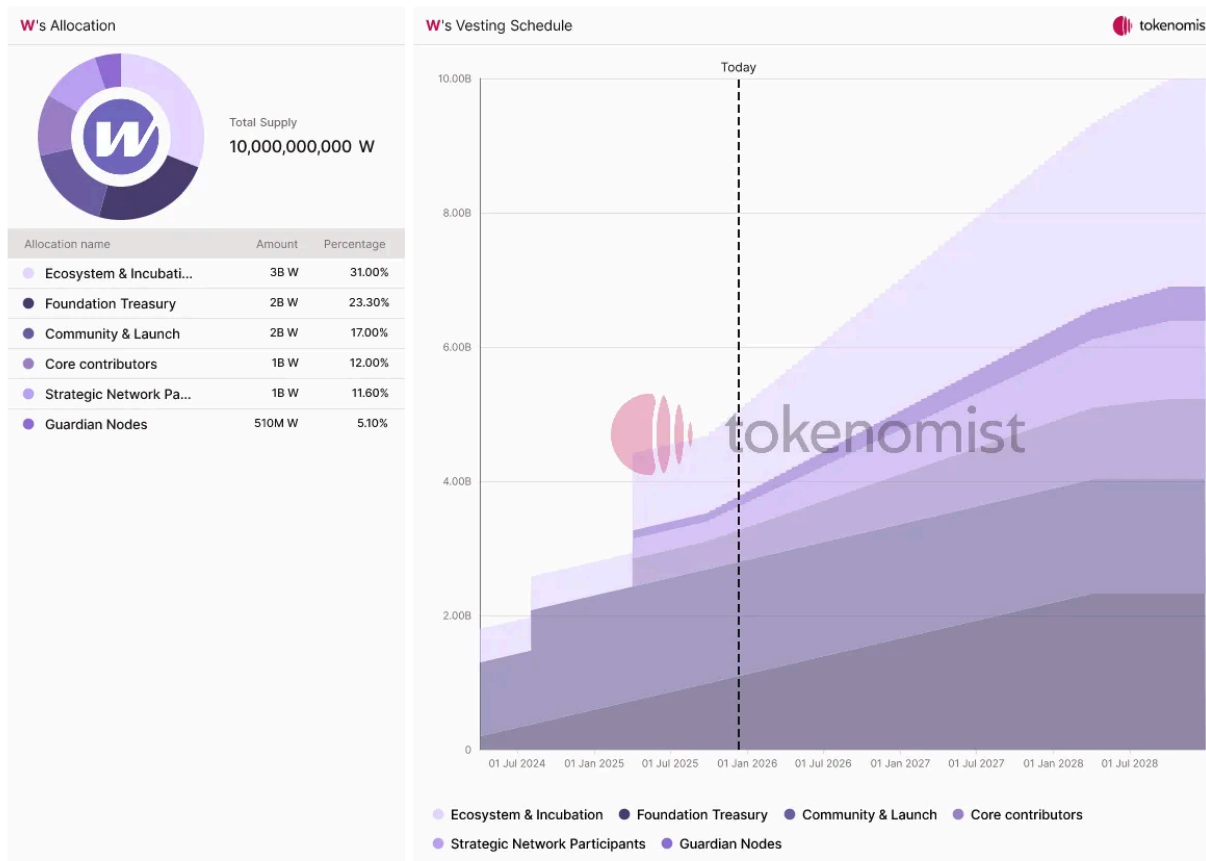
Under the redesign, allocations previously subject to annual cliff unlocks (Guardian Nodes, Community and Launch, Ecosystem and Incubation, and Strategic Network Participants) were converted to biweekly unlocks beginning October 2025. At the same time, vesting schedules for investors and Guardian validators were extended by six months, pushing their final unlocks to October 2028.



From a supply standpoint, this redesign would alter both the frequency and duration of future issuance.

- Replacing large, infrequent cliffs with smaller, continuous unlocks substantially reduced unlock concentration. This helped to smoothen the flow of tokens entering circulation without changing allocated amounts.
- Extending vesting increased the time-weighted alignment of core stakeholders, delaying full supply realization while maintaining existing incentive structures.

Taken together, both of these changes neither reduced total supply or emissions, but reshaped how and when supply entered circulation.



Wormhole's allocations and vesting schedules after the tokenomics update, as seen on Tokenomist.

Takeaways

Wormhole's vesting redesign reflects a broader shift in how token supply is structured in mature protocols. Vesting models that concentrate large volumes of supply into infrequent cliff events, a practice that was common when Wormhole was launched, are increasingly being replaced by more granular unlock schedules that distribute supply over time.

Two structural patterns are particularly of note

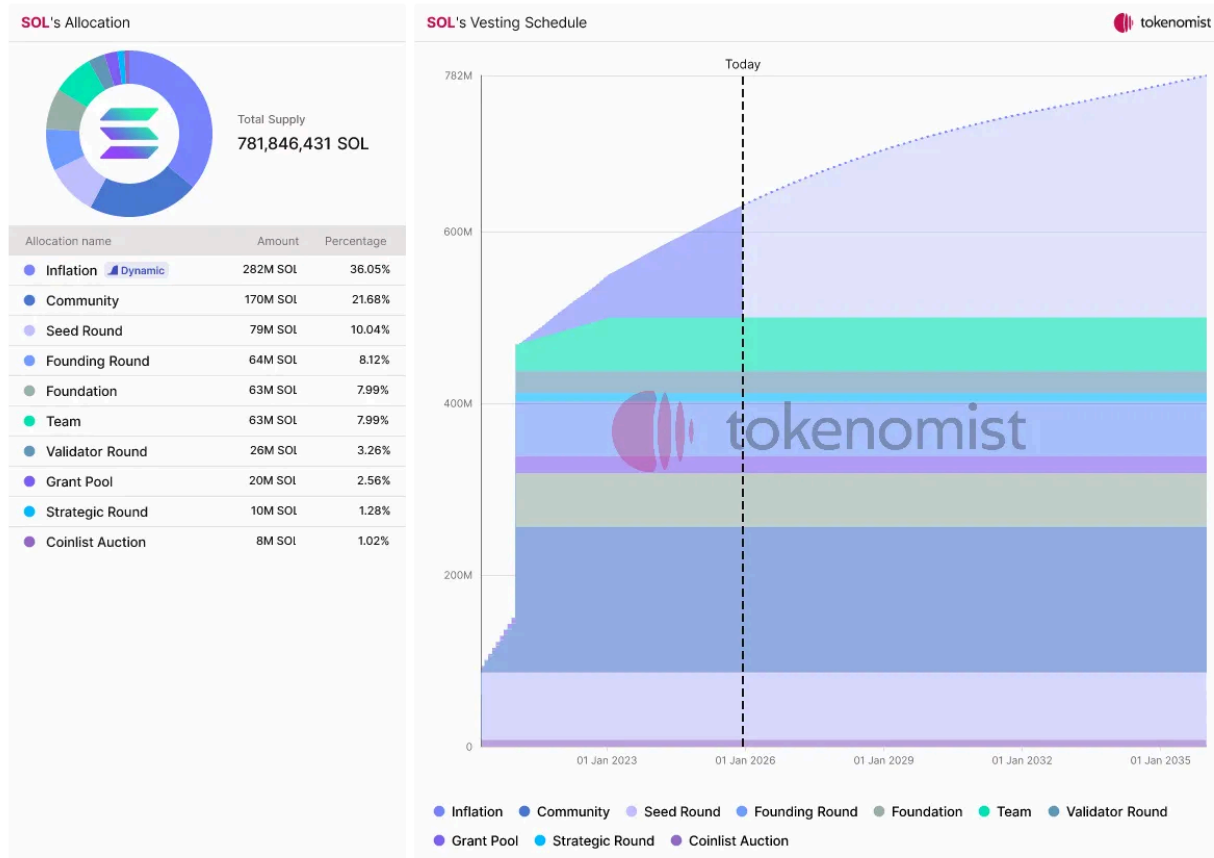
- **Unlock concentration matters independently of total emission:** lower single-period unlock concentration reduces the impact of discrete issuance events and improves predictability around circulating supply changes.
- **Vesting duration affects the timing of full supply realization:** extending vesting schedules increases the time-weighted exposure of core stakeholders, shifting liquidity availability further into the future while preserving the original distribution.

Solana proposes increased disinflation.

Solana and its initial tokenomics

At launch, Solana's tokenomics were designed primarily around early ecosystem bootstrapping and network security. It needed to provide continuous incentives for validators while funding long-term ecosystem growth. This led to the adoption of an inflationary supply model, where ongoing issuance was treated as a core protocol feature.

Solana does not have a fixed maximum supply. Rather, it uses the aforementioned inflationary model, with initial inflation rates set to 8% annually, reducing by 15% each year until a baseline inflation rate of 1.5% annually is reached. This inflation is primarily used to incentivize validators, while some goes to the Solana Foundation for growth initiatives.



Solana's allocations, vesting, and inflation over time, as seen on Tokenomist.

The proposal

In 2025, a proposal arose with the Solana ecosystem to accelerate the network's disinflation schedule by doubling the annual reduction rate, aiming to reach the terminal inflation rate of 1.5% faster.

The motivation for the change was primarily structural. The proposal argued the following

- **Supply reduction:** accelerating disinflation would materially reduce cumulative future issuance. In particular, given current SOL prices, this would be a 3 billion dollar reduction in overall emissions (about 22.3M SOL lower than the existing trajectory).
- **Opportunity cost:** high inflation increases the relative attractiveness of staking compared to other on-chain uses of SOL such as lending, liquidity provision, or other DeFi applications. This adjustment would also rebalance incentives across the ecosystem while allowing validators to reach economic break-even sooner, as reliance on inflationary rewards declined.

From an implementation standpoint, this would require changing a single disinflation pattern, introducing no new mechanisms. As a result, it carried minimal technical risk and avoided introducing additional governance or execution complexity.

Community response has been mixed, however, with many participants expressing concern over staking yield, despite supporting lower cumulative emissions. Accelerated disinflation may compress validator rewards into a shorter time horizon, potentially affecting validator economics and network security if not handled properly.

Takeaways

While the proposal remains under discussion, it illustrates several broader dynamics relevant to inflationary token models.

- **Inflation is a double edged sword:** inflation can play a critical role in bootstrapping a network early on. Over time, the same mechanism can become the primary driver of dilution. Additionally, high inflation discourages users from exploring other DeFi applications, as staking becomes the only rational default.
- **Emission parameters shape incentives:** adjusting inflation rates affects many core stakeholder groups, affecting validator rewards, non-staking utility, and the distribution of economic value across participants. It should be handled carefully.

Key takeaways

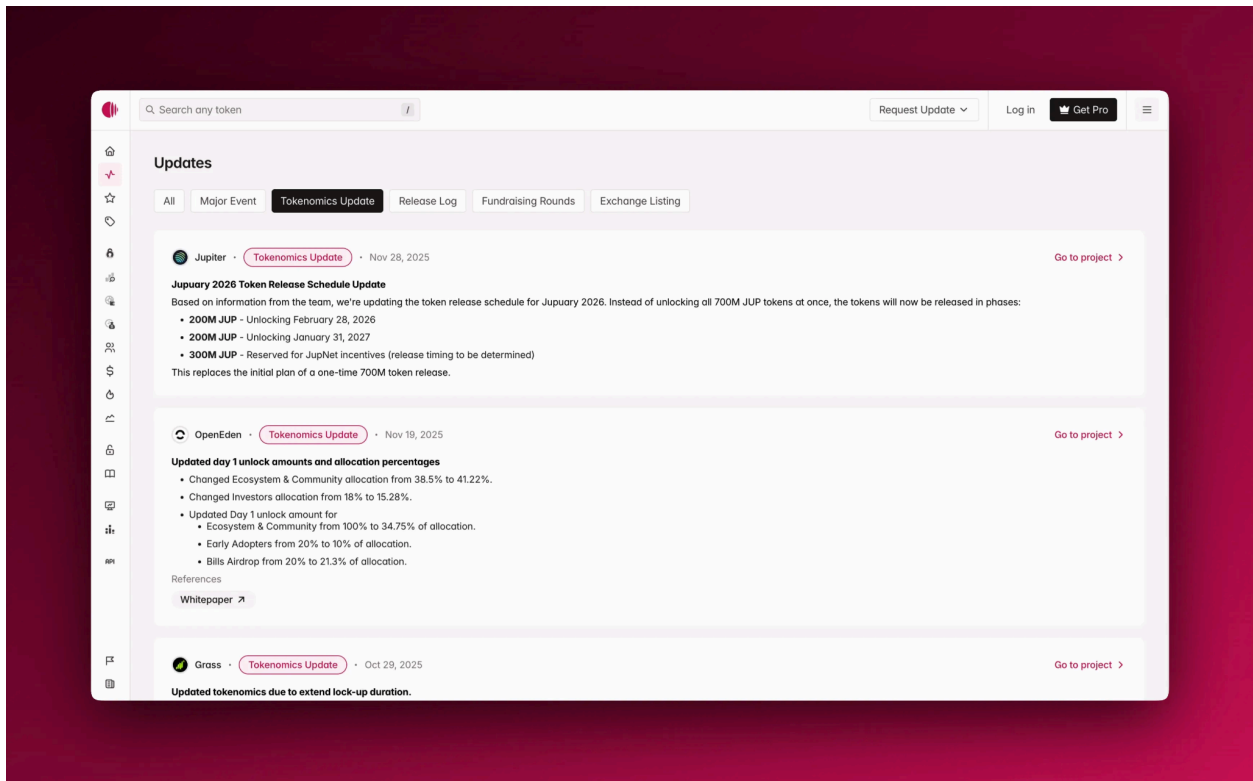
Taken together, the token supply adjustments observed in 2025 reflect a broader shift in how mature protocols approach tokenomics.

We've seen that

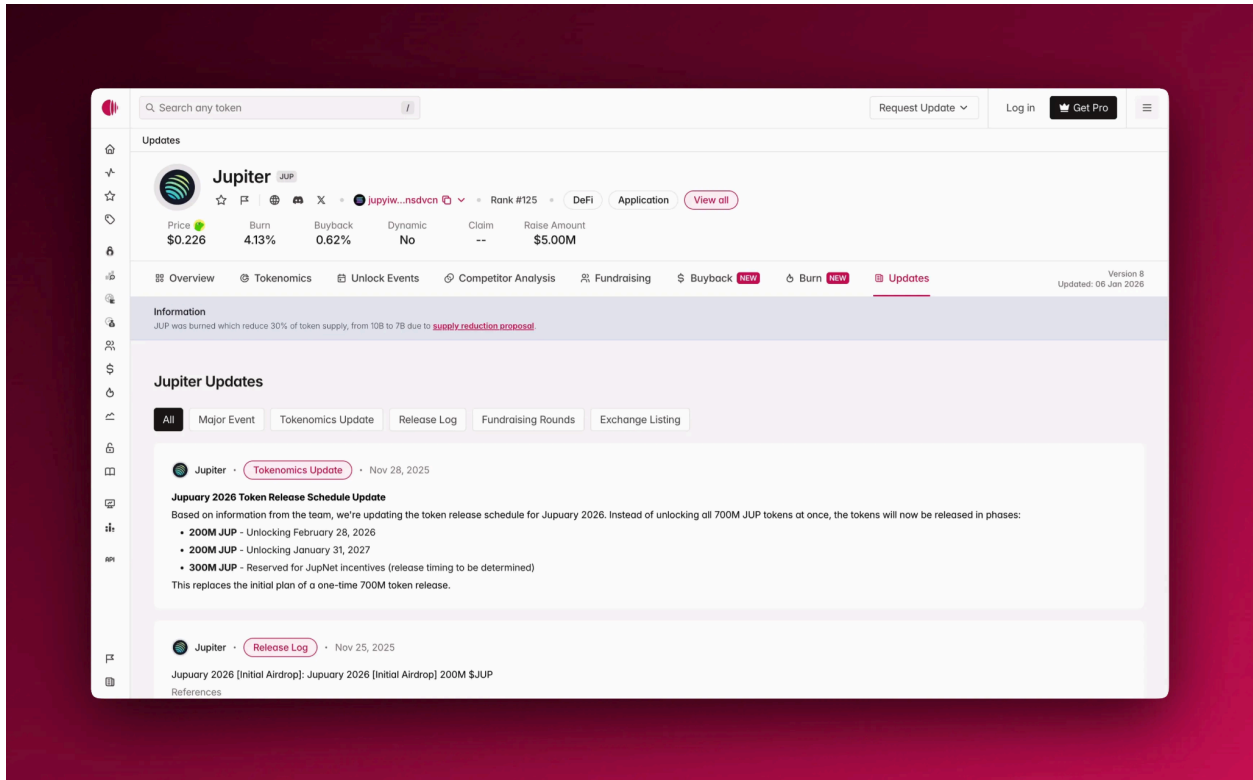
1. **Tokenomics are increasingly treated as adjustable.** Many supply models are defined before protocols reach meaningful scale or obtain enough data to ascertain usage patterns. As ecosystems mature, revisiting initial assumptions has become a mechanism for incorporating realized data into tokenomics, as illustrated by Jupiter, Wormhole, and Solana.
2. **Emissions are powerful, but costly.** Inflation can support early network security, liquidity, and participation. At scale, it can translate into large increases in circulating supply, causing their long-run effects to become more impactful. The Solana proposal highlights how changes to emission trajectories can alter these dynamics without completely reworking a protocol's design.
3. **The process by which tokenomics changes are introduced are as important as the changes themselves.** Across the examples we explored in this section, adjustments were proposed with transparency around trade-offs and the introduction of explicit governance processes. The way a tokenomics change is introduced can shape how the changes are interpreted by stakeholders.

Keeping track of updates

As projects change over time, it can be difficult to stay up to date with those that matter to you. Recently this year, Tokenomist introduced a new Updates feature that allows you to track major token redesigns and tokenomics updates.



It can also be used to track fundraising rounds, exchange listing events, and release logs (i.e., updates to TBD allocations). You can also view updates for a singular project on an individual token's page.



Check it out at [Tokenomist](https://tokenomist.com).

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Notable Unlocks of 2025

TL;DR

- The 2025 crypto market experienced over \$10 billion in token unlocks across major projects.
- Among the top 10 unlocks by dollar value ranging from WhiteBit's \$2.3 billion to Bittensor's \$584 million, nine projects experienced price declines while one posted gains.
- Consistent patterns across high-dilution unlocks suggests that relative supply increase plays a significant role in price impact.

Introduction

When locked tokens become tradable, recipients (typically early investors, team members, or protocol treasuries) gain the ability to sell. Even if recipients don't do so immediately, the increased supply available for sale can affect market dynamics. Basic supply-demand principles suggest that increasing supply while demand remains constant should pressure prices downward, though the magnitude depends on actual selling behavior and offsetting demand factors.

The relationship between unlock events and price movement, however, proves more complex than simple supply increases. Project fundamentals, market conditions, token utility, and investor expectations all influence outcomes. A project with strong revenue generation and token burning mechanisms might absorb new supply better than one without such demand drivers, even if unlock magnitudes are similar.

Top 10 Unlocks by Dollar Value

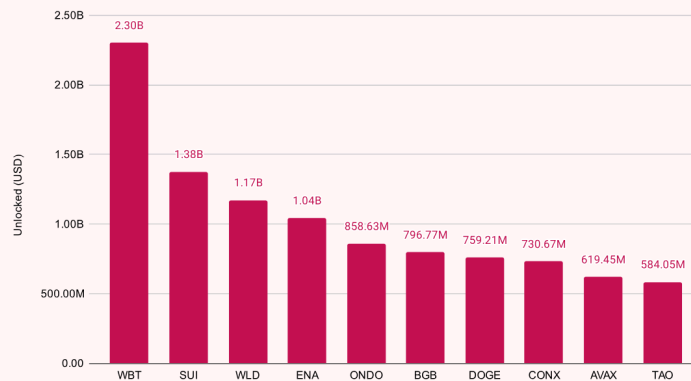
The Scale of 2025 Unlocks



The largest 2025 token unlocks ranged from \$2.3B to \$584M, signaling major supply releases across exchange tokens, L1s, and DeFi.

Top 10 Token Unlocks by USD Value in 2025

Top 10 Token Unlocks by USD Value in 2025



Data As Of: December 31, 2025
Source: Tokenomist



The largest token unlocks of 2025 by absolute dollar value spanned from \$2.3 billion to \$584 million, representing significant supply releases across exchange tokens, Layer 1 blockchains, and DeFi protocols.

Project	Unlocked (USD)	Supply Increase	Price Change
WhiteBit (WBT)	\$2.30B	+15.6%	+136%
Sui (SUI)	\$1.38B	+27.6%	-59%
Worldcoin (WLD)	\$1.17B	+76.8%	-71%
Ethena (ENA)	\$1.04B	+140%	-73%
Ondo (ONDO)	\$859M	+134%	-67%
Bitget Token (BGB)	\$797M	+14%	-40%
Dogecoin (DOGE)	\$759M	+3.4%	-52%
Connex (CONX)	\$731M	+85%	-32%
Avalanche (AVAX)	\$619M	+9%	-60%
Bittensor (TAO)	\$584M	+25%	-40%

Among the top 10 token unlocks by dollar value, nine projects experienced price declines while one posted gains. WhiteBit (WBT) released \$2.3 billion in tokens, the largest unlock of 2025, yet gained +136%, combining the year's largest absolute unlock with modest +15.6% dilution. As an exchange token with revenue generation and burning mechanisms, WBT benefits from direct utility that may have helped absorb the supply release.

The remaining nine projects showed varied negative performance. Projects with supply increases exceeding 100% experienced particularly severe impacts: Ethena (+140% dilution) declined -73% and Ondo (+134% dilution) fell -67%, despite each unlocking over \$850 million. In contrast, established projects with lower relative dilution showed mixed results. Dogecoin's 3.4% dilution still saw -52% decline, while Avalanche's 9% increase led to -60% drop.

The data reveals no clear threshold where absolute dollar amounts alone determine outcomes. Bitget Token's \$797 million unlock (-40%) versus Worldcoin's \$1.17 billion unlock (-71%) suggests the differentiating factor is dilution percentage: 14% versus 76.8% respectively.

Top 10 Unlocks by Supply Dilution

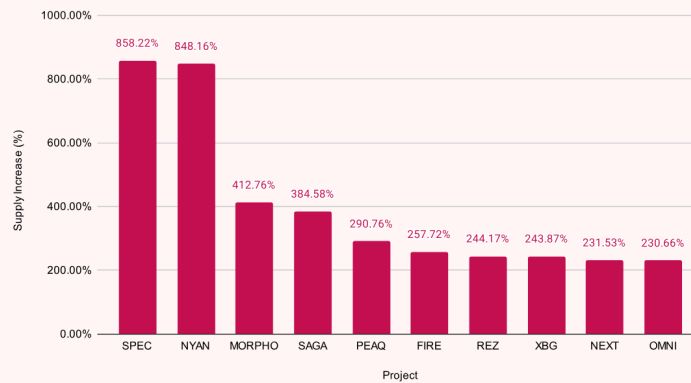
Extreme Dilution Events



Projects with the highest percentage supply rose more than 200% and demonstrated extreme dilution.

Top 10 Token Unlocks by Supply Increase in 2025

Top 10 Token Unlocks by Supply Increase in 2025



Data As Of: December 31, 2025
Source: Tokenomist



Projects with the highest percentage supply increases in 2025 demonstrated extreme dilution, with the top 10 all exceeding 200% supply expansion. These unlocks ranged from relatively small dollar values to hundreds of millions, but shared the common characteristic of doubling, tripling, or increasing supply nearly 10-fold.

Project	Supply Increase	Unlocked (USD)	Price Change
Spectral (SPEC)	+858%	\$4.5M	-99%
Nyan (NYAN)	+848%	\$155K	-99%
Morpho (MORPHO)	+413%	\$240M	-66%
Saga (SAGA)	+385%	\$14.9M	-95%
Peaq (PEAQ)	+291%	\$49.7M	-93%
Matr1x Fire (FIRE)	+258%	\$3.2K	-99.96%
Renzo (REZ)	+244%	\$24M	-84%
XBorg (XBG)	+244%	\$10M	-83%
Connex (NEXT)	+232%	\$0	-100%
Omni Network (OMNI)	+231%	\$32.8M	-83%

Projects with extreme supply dilution showed severe price declines. Spectral (SPEC) expanded supply by approximately 9.6x (+858%) and experienced -99% price decline. Nyan followed with +848% dilution and -99% decline. Among all ten projects, six declined 90% or more, with none experiencing less than -66% decline.

The pattern persisted across varying project characteristics. Morpho, representing established DeFi infrastructure with \$240 million unlock value, declined -66% following +413% supply increase. Projects with smaller absolute amounts showed comparable impacts when dilution was extreme: Matr1x Fire released just \$3,200 but experienced -99.96% decline with +258% dilution.

The contrast with dollar-value rankings proves instructive. Spectral's \$4.5 million unlock triggered a -99% decline due to 858% dilution, while WhiteBit's \$2.3 billion unlock, 512 times larger, gained +136% with only 15.6% dilution. This suggests markets respond more dramatically to relative supply changes than absolute dollar amounts.

Understanding Unlock Risk Assessment

Token unlocks represent scheduled supply increases that can create selling pressure. Among the projects examined in 2025, those with larger relative dilution (supply increases as percentage of existing supply) generally experienced more severe price impacts than those with larger absolute dollar values but lower percentage increases.

Expected dilution can be calculated by dividing the unlock amount by current circulating supply. The 2025 data shows that projects with supply increases exceeding 100% faced particularly significant challenges, with all such projects in this sample declining at least 66%. The distinction between absolute and relative unlock size matters: a \$1 billion unlock might represent 5% dilution for a large-cap project or 200% dilution for a smaller one.

Projects with modest dilution (<25%) showed varied outcomes in 2025, from Dogecoin's -52% to WhiteBit's +136%, indicating multiple factors influence results. Projects with extreme dilution (>200%) showed consistent severe declines, though the small dataset limits broader conclusions.

Unlock events in the 2025 sample often triggered volatility. Large unlocks (>\$500M) typically saw 30-60% declines, and most projects stabilized 30-70% below pre-unlock prices in the following months. The one project that gained — WhiteBit's +136% — demonstrated characteristics that may have contributed: exchange utility, modest dilution (+15.6%), and revenue-based economics.

Conclusion

The year 2025 marked a clear shift away from static, one-time tokenomics designs. Instead, we saw a shift toward tokenomics redesigns, based on real usage, incentives, and market conditions.

Many projects increasingly recognized the importance of net supply dynamics, how emissions are funded, and whether incentives are sustainable rather than appealing in the short term. Headline metrics like FDV, burn, or buyback, have shown themselves to not always capture the underlying dynamics that drive long-term value.

Teams demonstrated a greater willingness to revisit earlier assumptions, even when they required difficult trade-offs or reduced flexibility, reflecting a maturing governance culture. What once might have been perceived as backtracking increasingly came to be viewed as responsibility.

As token markets continue to mature, the most resilient designs will not be those that promise permanent scarcity or complex tokenomics, but those that align issuance, demand, and incentives in a transparent and adaptable way. In that sense, 2025 may be remembered less for any single mechanism, and more as the year tokenomics began to behave like a living system rather than a fixed blueprint.

Disclaimer

This report is for informational and educational purposes only and does not constitute financial, investment, legal, or tax advice. The analysis presented herein represents observations of a limited sample of seven projects and should not be interpreted as comprehensive market analysis or predictive of future performance.

Key Limitations:

- Past performance does not guarantee or indicate future results
- Sample size of seven projects limits generalizability of findings
- Market conditions, regulatory changes, and project developments may significantly impact future outcomes
- Token prices are highly volatile and subject to significant risk of loss
- Vesting schedules are subject to change through project governance decisions

No Recommendations: References to specific projects are for analytical purposes only and do not constitute buy, sell, or hold recommendations. Readers should conduct their own research and consult with qualified financial advisors before making any investment decisions.

Data Accuracy: While every effort has been made to ensure accuracy, the authors make no representations or warranties regarding the completeness, accuracy, or reliability of the information contained herein. Data sources may contain errors or omissions.

Forward-Looking Statements: This report contains analysis of future events such as token unlocks. Actual results may differ materially from projections due to numerous factors including but not limited to market conditions, project execution, regulatory changes, and macroeconomic factors.

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