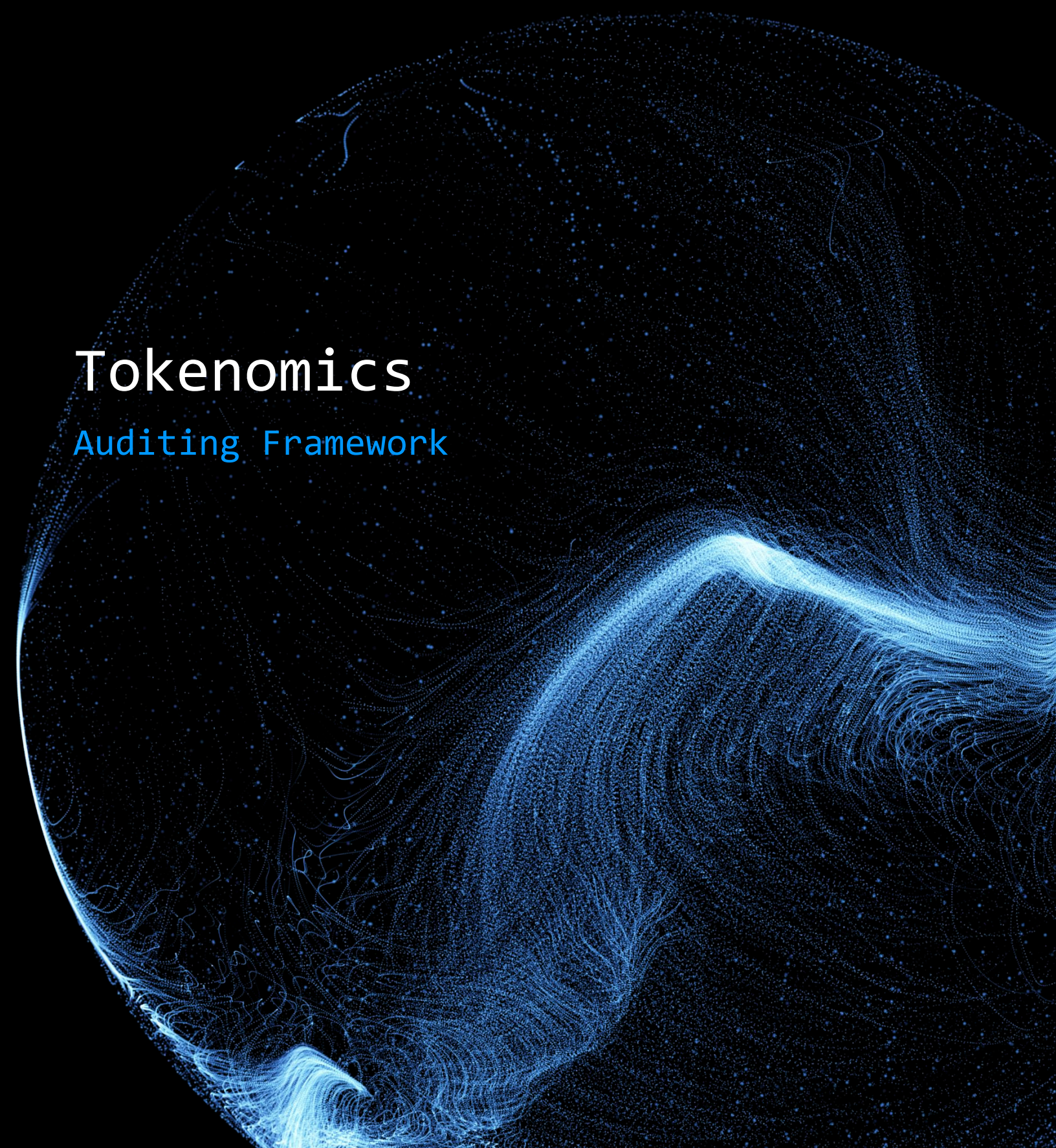


SUPER HOW?

Tokenomics

Auditing Framework



About This Framework

What it can be used for?

The tokenomics auditing framework is designed to help evaluate tokenomics projects and identify its weak points, that need to be improved.

Who is it for?

This framework is fit for tokenomics creators who are looking for ways to audit their project before market release.

It also can be beneficial for people that seek to evaluate certain tokenomics projects for personal needs.

How to use the framework?

The framework is made of 20 questions, that are divided into 8 parts. Each question has two possible answer options and points allocated to it. All 20 questions should be answered, and their points summed up for interpretation.

The origin of this framework

The SUPER HOW? tokenomics auditing framework is based on S. Kampakis, and L. Stankevičius tokenomics audit checklist.

BUSINESS – TOKEN INTERACTION		
Question	Answer	Points
Do tokens improve the current business model?	Yes	1
	No	0

Is the token nice to have or an essential part of the business model?	Essential	1
	Nice to have	0
Can the project (not the token) gain value in terms of fiat?	Yes	1
	No	-1

CASH - FLOWS

Question	Answer	Points
Does the token economy have an influx of value (e.g., in fiat) coming in?	Yes	0
	No	-1
Does money stay in the token economy, or is there pressure to sell immediately?	Stay	1
	Sell pressure	-1
Are there ponzi-like elements (ponzinomics)?	Yes	0
	No	1

MECHANISMS & ECONOMIC AGENTS

Question	Answer	Points
Do interactions generate additional value expressed in fiat?	Yes	1
	No	0
Does the project require a critical mass to be able to provide value? E.g., social networks.	Yes	0
	No	0.5
Are the incentives speculative? E.g., rewards with no underlying value?	Yes	-1
	No	0

DEMAND DRIVERS

Question	Answer	Points
Are there any demand drivers besides the token price? E.g.,	Yes	1
	No	0
Are there levers that the economy can use to influence demand?	Yes	1
	No	0
Do tokenomics demand drivers rely on entities creating real economic value or on internal/speculative factors (e.g., anticipated token appreciation from rewards)?	Economic value	1
	Speculative	-1

GOVERNANCE

Question	Answer	Points
Can a majority take over?	Yes	-1
	No	1
	Yes	0

Can governance cause sticky points? E.g., votes need to take place, but no one is voting.	No	1
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EMPIRICAL PROOF

Question	Answer	Points
Has there been proof that the mechanisms used in the project can work successfully?	Yes	2
	No	0

ALLOCATION AND DISTRIBUTION

Question	Answer	Points
Does the allocation favor pump-and-dumps?	Yes	-1
	No	0
Does it provide unnecessarily large stakes to certain actors?	Yes	-1
	No	0
Does the distribution avoid creating unnecessary sell pressure? An example of this can be excessive airdrops.	Yes	1
	No	0

STRESS TESTS & SIMULATIONS

Question	Answer	Points
Does the token appreciate when simulated? If the objective of the token is to provide a peg or some other functionality, then this question can be ignored.	Yes	1
	No	-2
Does the system have feedback loops, which could accelerate a crash? E.g., the Terra/Luna case	Yes	-1
	No	1
Is the liquidity sufficient to satisfy user demand?	Yes	1
	No	0

Score Interpretation

The points of this tokenomics auditing framework can add up to anywhere between -11 and 18,5. The calculated score can then be converted to a percentage expression, or a letter rating as shown in the table below.

SCORE CONVERSION		
Score	Percentage	Letter rating

SUPER HOW?

18,5 to 16	86% <	AAA
16 to 14	86% to 75%	AA
14 to 12	75% to 65%	A
12 to 10	65% to 54%	BBB
10 to 8	54% to 43%	BB
8 to 6	43% to 32%	B
6 to 4	32% to 22%	CCC
4 to 2	22% to 11%	CC
2 to 0	11% to 0%	C
0 to -4	0% to -21%	DDD
-4 to -8	-21% to -42%	DD
-8 >	-42% >	D

This valuation should provide you with an approximate valuation of the tokenomics project. However, due to non-standard specifics of the project the score can be misleading. It is advisable to do stress-testing and simulations that are specifically tailored for the project, to receive more reliable valuation of the tokenomics project.

Contact us at hero@superhow.com for custom made tokenomics simulations.