

Scaling Tokenomics for a Layer 2 DeFi Protocol

Client: NovaChain Labs | Industry: DeFi / Layer 2

The Challenge

NovaChain Labs launched a Layer 2 DeFi protocol focused on low-cost swaps and cross-chain liquidity routing. Despite early traction, the protocol began experiencing high token volatility and increasing sell pressure due to aggressive liquidity mining incentives and poorly structured unlock schedules.

Our Solution

We conducted a full tokenomics audit and redesigned the incentive structure to support sustainable growth, improve governance participation, and align stakeholder incentives.

Results

- 40% reduction in token sell pressure within 3 months
- 3.2x increase in governance participation
- \$4.5M new liquidity added to the protocol
- Token price volatility reduced by 35%
- TVL growth from \$12M to \$38M in 6 months