



# Blockworks

## Token Transparency Framework

**A Score Of 35-40:** indicates that the project has fully disclosed its revenue streams, equity to token holder rights, advisory service providers, and executive team personnel. Its token supply and allocation are characterized by transparent, onchain vesting with fair, well-documented distributions that align incentives between insiders and retail investors. Furthermore, the project has possibly shared comprehensive details on prior OTC rounds, committed to disclosing all material related-party transactions, and thoroughly explained its CEX and market-maker agreements. This score reflects a commitment to producing regular quarterly updates for token holders regarding financials, revenue streams, and operational progress.

**A Low Score Below 25:** A low overall score would indicate significant deficiencies and a lack of transparency across multiple critical areas. This would stem from opaque leadership, uncertain equity and token holder rights, and a heightened risk of a key person event negatively impacting the project. Such a score would suggest issues like undisclosed wallets, unclear vesting schedules, undeclared distributions from the Token Generation Event (TGE), and no clarity surrounding any new token launches. The project may have chosen not to disclose, or partially disclosed, critical information about prior OTC rounds, related-party transactions, and its agreements with centralized exchanges (CEXs) or market makers. Finally, the project possibly demonstrated little to no commitment to providing regular quarterly updates to its token holders concerning its financial health, revenue streams, and operational progress.

**Project and Team:** (Out Of 10) Reviews the people, governance structure, and conflict-of-interest controls that drive the protocol's day-to-day decisions.

- A max score indicates revenue streams, equity to token holder rights, advisory service providers, and personnel on the executive team are fully disclosed.
- A low score flags opaque leadership, uncertain equity to token holder distinctions, and heightened risk of a key person event.

**Token Supply and Allocation:** (Out Of 18) Assesses total supply, vesting schedules, and how tokens are distributed among insiders, the community, and the treasury.

- A max score signals transparent, onchain vesting with fair, well-documented allocations that align incentives between insiders and retail.
- A low score points to hidden wallets, unclear schedules, undeclared TGE distribution, and no clear future plans on new token launches.

**Transactions & Market Structure:** (Out Of 7) Examines trading liquidity, CEX and market-maker agreements, and related-party transactions that could influence price discovery.

- A max score displays that the protocol has shared details on prior OTC rounds, committed to disclosing material related party transactions, and generally explained CEX/MM agreements.
- A low score reveals that the protocol chose not to disclose or partially disclosed OTC rounds, related party transactions, and CEX/MM agreements.

**Financial Disclosure:** (Out Of 5) Looks at the reporting standards of the project's financials and operations

- A max score reflects a commitment to producing quarterly updates to token holders regarding financials, revenue streams, and operations.
- A low score means little commitment was made to produce quarterly updates on financials and operations.

# Token Transparency Framework

Euler, July 2025

**Blockworks Official Audited Score:** 39/40

**TTF Preparer:** Brandon Neal (COO)

**Date of Audit:** 07/18/25

## 1. Project and Team

### 1. A) Description of Project

**Definition:** A narrative description of the purpose of the project and its operation in layman's terms is provided.

**Weighting**

- 0: A simple description is not provided.
- 1: A simple description is provided.

**Submitted Response:** Euler is the modular, permissionless, DeFi super app designed with a fully modular architecture to maximize capital efficiency and flexibility. Euler enables users to lend, borrow, swap and build without limits.

**Score Received:** 1/1

### 1. B) Disclosure of Revenue Streams

**Definition:** A narrative description of the Project's primary sources of revenue is provided, broken out by entity (e.g. Foundation, Labs, DAOs, or other).

**Weighting**

- 0: A simple description is not provided.
- 2: A simple description is provided.

**Submitted Response:** Euler currently generates revenue primarily through fees on interest paid by borrowers. Revenue from fees accumulates in various tokens (USDC, DAI, etc.) and is

periodically transacted in Fee Flow auctions, converting varied tokens into EUL. The EUL proceeds from these auctions automatically enter the Euler DAO treasury. Euler Labs does not receive direct protocol revenue. Instead, protocol revenue supports DAO Treasury and ecosystem funding. The Euler Foundation itself does not currently generate profit and operates for the sole benefit of the Euler Protocol.

**Score Received:** 2/2

## 1. C) Equity-Token Relationship

**Definition:** The Project must clearly disclose the rights, value accrual mechanisms, and distinctions between token holders and DevCo equity holders. Any value allocated specifically to equity holders (e.g., dividends, profit-sharing) must be communicated separately from value accruing to token holders.

### Weighting

- 0: Rights and value mechanisms are unclear or undisclosed, or there is no distinction between token and equity holders.
- 1.5: Rights, value accrual, and differences between token and equity holders are clearly and explicitly defined with the constraints of existing regulations.
- 3: Rights, value accrual, and differences between token and equity holders are clearly and explicitly defined with the constraints of existing regulations. Team makes specific representations like "We do not plan to return cash flow to equity through including through dividends and share repurchases" or identifies that the Development Entity is not for profit.

**Submitted Response:** Euler Labs Ltd is a UK-based private company focused exclusively on research and development. UK Companies House information on Euler Labs Ltd can be found here: <https://find-and-update.company-information.service.gov.uk/company/12863550>

Euler products and associated governance processes are stewarded by the Euler Foundation, a Cayman-based entity and its subsidiaries, which serve as the legal representative of the Euler products and issuer of the EUL token. The Euler Foundation is a non-profit Foundation company responsible for overseeing operations related to Euler products. The Foundation operates at the direction of the DAO and has no independent claim over protocol revenue outside of what is explicitly approved by EUL tokenholders. All protocol revenue and upgradeable smart contracts are governed by the DAO through EUL tokenholder votes. Staking is not a requirement for DAO participation—EUL tokens confer governance rights directly without needing to be staked or locked. EUL tokenholders receive value via FeeFlow auctions, a mechanism for revenue accrual for the DAO, where fees are sent to the DAO treasury via automated smart contracts. EUL tokenholders govern the protocol and treasury via proposals on the community Forum and binding Snapshot votes. Proposals to fund Foundation-controlled

multisigs—including treasury and operational wallets—are transparently approved by the DAO.  
See:

<https://snapshot.box/#/s:eulerao.eth/proposal/0xc4afcdff85ca156f6f243de7243257f8be3aaa24aec535991dd56f53a1ec91d9> &

<https://snapshot.box/#/s:eulerao.eth/proposal/0xd3b63fb1df7a535e43ab50f897005217684e0389bce29cf9494142ac75ac22e9>

**Score Received:** 3/3

## 1. D) Disclosure of Advisory Billings to the Foundation

**Definition:** If core team members are compensated by any Tokens allocated to the Foundation through advisory services or similar agreements, or by any other payment method (i.e. fiat), these payments must be disclosed. Note, foundation team members known and exclusively compensated by the Foundation are excluded.

### Weighting

- 0: No acknowledgment or visibility of advisory payments from Advisory.
- 1.5: Advisory payments are mentioned, but details (amount, recipient, services) are unclear or incomplete.
- 3: All advisory payments to insiders are fully disclosed, including the recipient, scope, and amount.

**Submitted Response:** Euler Foundation compensates Euler Labs as a primary services provider. <https://forum.euler.finance/t/renewal-of-contract-for-services-with-euler-labs/1344>. The Euler Foundation is managed by independent directors, transparently governed and publicly documented.

Euler Foundation has multisig wallets funded by approval of the DAO for operations and varied ecosystem initiatives.

Transparency reports of Euler Foundation are public, ongoing, and can be found here: <https://euler.foundation/transparency>

**Score Received:** 3/3

## 1. E) Known Project Team

**Definition:** The identities of key team members (e.g., founders, CEO, CTO, COO of Labs, President of Foundation, etc.) are publicly disclosed.

### Weighting



- 0: No method to verify or prove the identities of key team members
- 1: A Method to verify or prove the public identities of key team members is provided.

**Submitted Response:**

The Euler founders and key contributors are all publicly disclosed and can be found at the Euler Labs LinkedIn site: <https://www.linkedin.com/company/euler-xyz/>

- Michael Bentley ([LinkedIn](#))
- Doug Hoyte ([Website](#))
- Brandon Neal ([LinkedIn](#))
- Kasper Pawlowski ([LinkedIn](#))
- Antoine Loth ([LinkedIn](#))

Advisors:

- Mick de Graaf ([Twitter](#))
- Laurence E. Day ([LinkedIn](#), [Twitter](#))

**Score Received:** 1/1

## 2. Token Supply and Allocation

### 2. A) Governance & Token Documentation Provided

**Definition:** The Project must provide publicly accessible documentation covering the Token's governance rights, rights to value accrual, any additional utility, and the mechanism by which token governance is implemented (e.g. an insider multi-sig).

**Weighting**

- 0: None of the three areas are documented.
- 0.5: Not all three areas are documented.
- 1: All three areas are clearly documented.

**Submitted Response:** EUL is an ERC20 token that acts as the native governance token of the Euler protocol. EUL tokens are used in Fee Flow auctions that effectively converts earnings into EUL tokens, and represent voting power to effect change over protocol code or the Euler DAO treasury. EUL can be transferred freely across multiple networks. The token utility and distribution can be found the published documents for the protocol.

<https://euler.foundation/euler-DAO/governance>

<https://docs.euler.finance/EUL/overview/> &  
<https://www.euler.finance/blog/fee-flow-eulers-approach-to-navigating-fee-accumulation>

**Score Received:** 1/1

## 2. B) Initial Allocation

**Definition:** Disclosed information explaining the launch and initial supply that includes: the total number of tokens issued, the category of the recipient (team, investor, foundation, community), the total supply of the token and if it is capped, and the initial vesting schedule.

### Weighting

- 0: No initial allocation schedule is provided.
- 1: An initial allocation schedule is provided, but some information is absent.
- 2: A complete initial allocation schedule is provided.

**Submitted Response:** The total supply of EUL is 27,182,818 (pays homage to Euler's number, e). The *initial* four-year breakdown of the EUL total supply was as follows:

25% (6,795,705 EUL) to users of the Euler protocol.

1% (271,828 EUL) to all users who deposited or borrowed assets on Euler during its soft launch (see Epoch0).

13.83% (3,759,791 EUL) to the Euler Treasury, unlocked.

25.85% (7,026,759 EUL) to Euler Labs shareholders, with an 18 month linear unlock schedule starting on 01 Jan 2022 (TGE record date).

9.67% (2,628,170 EUL) to partners of EulerDAO, with an 18 month linear unlock schedule starting on 01 Jan 2022.

4% (1,087,313 EUL) to Encode, an early project incubator, with a linear 30 month unlock schedule starting on 01 Jan 2022.

20.65% (5,613,252 EUL) to employees, staff, advisors and consultants of Euler Labs, the service provider to the Euler Foundation. Co-founders with a 4-year linear unlock schedule starting on 01 Jan 2022. All others with individual agreements, typically 3- or 4-year non-linear vests with greater value weighted to outer years.

**Score Received:** 2/2

## 2. C) Vesting Insider Tokens

**Definition:** All Insider Token allocations (team, investor, foundation) must be transparent, per the disclosed Initial Allocation. If vesting occurs at a custodian, clearly disclose the employee categories and associated vesting schedules clearly in your documentation.

### Weighting

- 0: None of these areas are clearly documented.
- 1: Some of these areas are clearly documented.
- 2: Most of these areas are clearly documented.
- 3: All areas are clearly documented.

**Submitted Response:** The initial EUL token launch announcement included detailed vesting schedules. Founder allocations vest linearly over four years with no cliff. Pre-TGE Euler Labs staff allocations typically followed 3 or 4 year vesting schedules with no cliff, the majority of vesting was backloaded to later years to align incentives. These team allocations were disclosed publicly at launch. For post-TGE staff, vesting is handled offchain for operational and jurisdictional reasons. Post-TGE employees allocations typically follow 3 or 4 year vesting schedules. All token allocation decisions post-launch have been approved by the DAO, with governance proposals posted publicly on the Forum and Snapshot. The initial 4% EUL network tokens was supplemented by an additional 1.6m EUL, by DAO vote, in March of 2024, here: <https://snapshot.box/#/s:eulerao.eth/proposal/0x8ac487df0dc8e5e219922a5e823a049ab254f433534a5d766d7e3f691b06a80d>

Investors and founders did not start vesting until TGE. Investors vested linearly over 18 months. Founder tokens unlock over a 48-months linear vesting schedule. All initial token allocations were published and discussed publicly. Full transparency has been the Euler credo from the outset.

**Score Received:** 3/3

## 2. D) Labelled Unissued Token Wallets

**Definition:** Addresses that hold any Unissued Tokens (e.g. foundation, future contributors, treasury) must be publicly labelled (address listed in docs) and be held in distinct wallets. This includes the foundation allocation. The party (e.g. team, foundation, DAO) that controls the funds must also be disclosed.

### Weighting

- 0: No wallets labeled. No ownership disclosure.
- 1.5: Some wallets are labeled, but the info is partial, unclear, or outdated. Categories may overlap.



- 3: 100% of relevant wallets are labeled and verifiable, with wallet ownership disclosed.

**Submitted Response:** Key multisigs of the foundation:

Main Treasury (core funds, grants, future investments, reserve):

0xcAD001c30E96765aC90307669d578219D4fb1DCe

Ecosystems Initiatives (liquidity provisions and such):

0xA88810261b57FCAB703e2A6A224b6FCF0508e5e9

Operational funding (Cayman Foundation expenses and operations):

0x967B10c27454CC5b1b1Eeb163034ACdE13Fe55e2

EUL staff allocation reserve (as above, reserved for core contributors or staff):

0x25Aa4a183800EcaB962d84ccC7ada58d4e126992

**Score Received:** 3/3

## 2. E) Airdrop Process

**Definition:** The project must disclose all airdrop eligibility criteria clearly and provide a full CSV list of recipients, including addresses and amount received.

### Weighting

- 0: Airdrop process is opaque or arbitrary.
- 1: Some criteria are disclosed, but details are incomplete, unclear, or hard to access.  
The recipient list may be provided, but not in an auditable format.
- 2: All criteria are fully disclosed, and the recipient list is clear, accessible, and auditable.

**Submitted Response:** Wallets that were using the protocol during 26 November 2021 to 21 March 2022 were allocated a share of 1% of the total supply of EUL as a one-off retroactive distribution.

A total amount of 271,828 EUL was distributed to users who interacted with the protocol to that point.

Initial EUL distribution data can be found here:

<https://docs.google.com/spreadsheets/d/1jTEckKiMDMvj1UdaU0AEFfhW8IN0SiBfkNFYpTdWIf0/edit?gid=0#gid=0>

Blockworks Internal Copy:

[https://docs.google.com/spreadsheets/d/1dE4YFDeNIF47VjlwD5h9\\_gQMgl0Yw0VdC80sRD0ykXE/edit?usp=sharing](https://docs.google.com/spreadsheets/d/1dE4YFDeNIF47VjlwD5h9_gQMgl0Yw0VdC80sRD0ykXE/edit?usp=sharing)

**Score Received:** 2/2

## 2. F) Locked Staking Reward to Insiders

**Definition:** Disclose information on insiders (Team, Investors, Foundation, Advisors) tokens that are locked and can earn rewards.

### Weighting

- 0: None of these areas are clearly documented.
- 1.5: Some of these areas are clearly documented.
- 3: All areas are clearly documented.

**Submitted Response:** Investors and Advisors may receive reward tokens (rEUL). The Foundation also may receive reward tokens, which are accounted for in its quarterly transparency reports. There are some Euler Labs staff that may receive immaterial quantities of reward tokens.

**Score Received:** 3/3

## 2. G) Future Token Issuance

**Definition:** The project commits that any future token issuance (e.g., minting or emissions outside scheduled vesting) will be publicly disclosed and justified on an official platform (e.g., governance forum, blog, or docs).

### Weighting

- 0: No public disclosure of token issuance.
- 1: Issuance is announced but lacks detail, is disclosed late, or is not in a permanent, verifiable location.
- 2: All token issuances are disclosed before or at issuance with full details (amount, reason, recipient, context) in an official, permanent public channel.

**Submitted Response:** The total supply of EUL is fixed for the first 4 years, after which EUL token holders may enact a governance proposal to inflate the supply by a maximum 2.718% per year. In that scenario, newly minted EUL will enter circulation via the Treasury. This is enabled by smart contract and the information was provided at the project outset, here:

<https://docs-v1.euler.finance/eul/about>

**Score Received:** 2/2

## 2. H) Future & Related Token Launches

**Definition:** The team discloses all tokens launched by its key team members in the past and explicitly lays out its philosophy around launching new tokens, related to the project or otherwise. (e.g. "We do not plan to launch additional tokens" or "Any additional tokens will be given 1:1 to existing token holders who can then vote on proposals submitted by the management team.")

### Weighting

- 0: Language around new tokens is vague, non-committal, or missing entirely.
- 1: Plans around additional tokens are defined clearly. The team explains its past reasoning around token transactions and bridges from these transactions to its existing policy.
- 2: The Team represents that it will not launch additional tokens.

**Submitted Response:** The team represents that it will not launch additional tokens. The only derivative token that was launched was rEUL, after consultation (<https://forum.euler.finance/t/reward-eul-reul/1133>) with the DAO. rEUL is a form of EUL that allows holders to receive EUL based on a vesting schedule. That schedule allows for 20% immediate unlock upon receiving rEUL (via liquidity mining), with the remaining 80% vesting linearly over the subsequent six month period. rEUL acquires its value only from EUL. EUL is the sole token for Euler and that will continue to be the case.

**Score Received:** 2/2

## 3. Transactions & Market Structure

### 3. A) Insider & Related Person Transactions

**Definition:** The project commits to disclosing any material Related Party & Insider Transaction within 30 days and includes: The nature of the transaction, the Related Person, the basis on which the person is a Related Person, and the number of tokens involved in the transaction. This includes tokens issued by the foundation.

### Weighting

- 0: The project does not commit to disclosing related party transactions within 30 days.
- 3: The project commits to disclosing related party transactions within 30 days.

**Submitted Response:** The project commits to disclosing material related-party transactions within 30 days.

**Score Received:** 3/3

### 3. B) Prior Token Sales & Fundraising

**Definition:** Disclosed information of previous fundraising rounds, material OTC rounds to investors, or discounted market maker sales involving the Project and its Token that includes: the date of sale, number of tokens sold, and the vesting schedule of these tokens. The Project commits to disclosing any material OTC deal involving token sales and purchases by the foundation within 30 days.

#### Weighting

- 0: No prior sales are disclosed.
- 1: All prior sales are disclosed, but terms are absent.
- 2: All prior sales are disclosed with terms provided.

**Submitted Response:** For our strategic partners:

~4% (1,087,313 EUL) were allocated to Encode, an early project [incubator](#).

~10% (2,718,282 EUL) were allocated to [Seed](#) round partners, including Lemniscap, CMT Digital, Launchub, and others.

~15.85% (4,308,477 EUL) were allocated to [Cohort A](#) growth partners, including Paradigm, a variety of industry angel investors, and others.

~9.67% (2,628,170 EUL) were allocated to [Cohort B](#) growth partners, including Haun Ventures, Coinbase Ventures, Uniswap Labs Ventures, Jane Street, and others.

**Score Received:** 2/2

### 3. C) Transparent Market Maker Deals & Exchange Listings

**Definition:** Projects must disclose key details of market making and centralized exchange agreements affecting token liquidity, including: names of all market makers & centralized

exchanges involved, the token allocation for each (as % of total supply), and the duration of each agreement.

#### **Weighting**

- 0: No public information on market makers (MM) or centralized exchanges (CEX)
- 1: Some MM or/and CEX details are disclosed, but not all three elements are provided.
- 2: All three key elements are fully disclosed for MM & CEX.

**Submitted Response:** Euler is able to disclose that there are no existing exchange listing agreements. As new information is available, it will be provided at the euler.foundation site.

**Score Received:** 1/2

## 4. Financial Disclosure

### 4. A) Disclosure of Assets and Cash Flow

**Definition:** The Project commits to providing updates to token holders on a quarterly basis via forum posts, live dashboards, or reports that cover core project KPIs, changes to Token supply or allocations, and disclosure of top line revenue and expenses. The Project may engage third-party contractors to prepare and deliver these updates.

#### **Weighting**

- 0: The project does not commit to disclosing Token Holder Relations Reports.
- 3: The project commits to disclosing Token Holder Relations Reports.

**Submitted Response:** Euler has been, **and will continue to be**, committed to quarterly transparency reports.

[Quarter 1, 2024](#)

[Quarter 2, 2024](#)

[Quarter 3, 2024](#)

[Quarter 4, 2024](#)

[Quarter 1, 2025](#)

Please see <https://euler.foundation/transparency>

**Score Received:** 3/3

## 4. B) Public Token Holder Relations Reports

**Definition:** The foundation's assets or working capital are held onchain and publicly labelled, providing the ability to track asset holdings, revenue, and expenses. Or, the foundation publishes a quarterly, publicly available financial report of its assets, working capital, revenue and expenses.

### Weighting

- 0: Foundation wallets are not publicly labeled.
- 1: Treasury wallets are tagged, but revenue and expense flows are incomplete or fragmented.
- 2: Wallets that touch any assets and revenue streams are labelled onchain, with clear, traceable expenses. Quarterly reports detailing assets, revenue, and expenses are provided.

**Submitted Response:** All quarterly reports of the foundation can be found in the Foundation's website under the transparency page:

### Reporting

The Euler Foundation publishes transparency reports which detailed financial and operational aspects related to Euler.

[Quarter 1, 2024](#)

[Quarter 2, 2024](#)

[Quarter 3, 2024](#)

[Quarter 4, 2024](#)

[Quarter 1, 2025](#)

Transparency page in Foundation's website: <https://euler.foundation/transparency>. All wallets can be found in 2.D

**Score Received:** 2/2



