VERSION 1

BBN REVENUE INDEX

PUBLIC METHODOLOGY

The BBN Revenue Index is BitBullNews' monthly indicator of monetization conditions across the crypto and blockchain industry. It shows whether crypto activity is being converted into economically meaningful revenue — not just into volume, market capitalization, token-price performance or headline usage.

HOW TO READ IT

Like every index in the BBN family, it is a diffusion index: a reading of 50.0 means improving and weakening revenue are balanced month-on-month, above 50 means improvement is broader than deterioration, and below 50 the opposite. The further from 50, the stronger the pace of change. It is best read alongside the three-month moving average rather than as a single-month verdict.

< 50.0	50.0	> 50.0
DETERIORATION	NO CHANGE	IMPROVEMENT

Index family	BBN Indices — Crypto Industry Health
Index name	BBN Revenue Index
Primary objective	Measure month-on-month improvement or deterioration in crypto-industry revenue generation, fee capture and monetized usage across a structured panel of crypto entities
Update frequency	Monthly
Coverage standard	250–450 eligible revenue entities and series; 175–300 valid series per month across nine sector sleeves
Minimum publication	90 valid series (provisional) / 125 valid series (full headline), subject to sector coverage and source-quality requirements
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01 WHAT THE INDEX MEASURES

BBN Revenue measures the direction and breadth of revenue generation inside the crypto industry. It asks one practical question: across the panel of crypto entities, are more businesses improving their monetization this month than weakening it? It is not a measure of token prices, market capitalization, total value locked or raw trading volume. It is a monetization indicator that combines retained protocol revenue, user-paid fees, sector breadth, monetization quality and selected company-level revenue signals into a repeatable monthly reading.

DIMENSION	WHAT IT CAPTURES
Protocol revenue	The portion of user-paid fees retained by a protocol, network, application or treasury — distinct from fees passed through to liquidity providers, validators or other counterparties.
User-paid fees	Total fees paid by users, traders, borrowers, validators or application participants, before any distribution between the protocol and counterparties.
Monetized usage	Activity that generates a measurable revenue or fee event, distinct from incentive-driven volume.
Revenue breadth	Share of eligible entities with improving revenue conditions across the panel.
Sector momentum	Revenue direction by business model — networks, exchanges, DeFi, infrastructure, stablecoin and payment services.
Revenue quality	Persistence, recurrence, concentration and incentive sensitivity of revenue streams.

02 REVENUE DEFINITIONS

Crypto revenue is a definitionally complex area. Industry providers — Token Terminal, DeFiLlama and Artemis — have converged on broadly consistent taxonomies, though residual disagreement remains for specific protocol categories. BBN Revenue applies two core measures consistently across all in-scope entities.

User-paid fees (F) are the total fees paid by end users to interact with a network, protocol, application or service, measured before any split between protocol and counterparties such as liquidity providers, validators or lenders. Protocol revenue (R) is the portion of those fees retained by the protocol entity itself — its DAO, treasury, foundation or operating company — after pass-through to counterparties. R is the figure typically used as a fundamental valuation input. These map to the “Fees” and “Revenue” lines reported by the major aggregators.

CATEGORY	USER-PAID FEES (F)	PROTOCOL REVENUE (R)
EVM L1/L2 gas fees	Gross gas fees paid by transacting users.	Pre-EIP-1559 networks: fees received by validators. EIP-1559 networks: validator tips plus burned base fee, on the principle that burning is value retained by token holders. Reported as a combined retained-value metric.
Uniswap-style AMM swap fees	Gross swap fee paid by traders.	Protocol fee component only (for example 1/6 of the LP fee when the fee switch is active; 0 otherwise). Fees passed to LPs are user-paid but not protocol-retained.
Lending protocols (Aave, Compound)	Total interest paid by borrowers.	Reserve factor times borrower interest. Interest paid to suppliers is not protocol revenue.
Liquid staking (Lido, Rocket Pool)	Total staking rewards earned by all delegated stake.	Fee taken by the protocol from staking rewards (for example 10% for Lido). Operator fees reported separately.
Stablecoin issuers	Not directly applicable; users do not pay a per-transaction fee to most issuers.	Net interest income on reserve assets plus mint/redeem fees where charged. For decentralized issuers (MakerDAO, Sky): protocol surplus as disclosed on chain.
Centralized exchanges (Coinbase, Kraken)	Total trading fees, custody fees and net spread revenue as disclosed.	Same as user-paid here — fees are retained by the operating company. Distinct from net income.
MEV	Reported where directly observable on chain.	Not added to protocol revenue by default, because MEV typically accrues to validators and searchers rather than protocols. Treated as context only.

03 EXCLUSIONS AND SOURCE-DISAGREEMENT RESOLUTION

The index counts observed values only and excludes items that would overstate genuine operating revenue.

EXCLUDED ITEM	REASON
Token price and market-cap gains	Asset-price changes, not operating revenue.
Total value locked by itself	A deposit or balance-sheet measure, not revenue.
Gross volume without observed fees	Volume can be large while monetization stays weak; volume alone is not revenue.
Token emissions, rewards and incentives	Stimulate activity but are not revenue unless retained as economic value. Reported separately for quality scoring.
Treasury gains and one-off asset sales	Distort recurring operating revenue; excluded from the protocol-revenue measure.
FDV-based revenue estimation	Inferred rather than observed; BBN Revenue uses observed values only.
Wash activity on unverified venues	Reported volume on unverified venues is materially overstated by wash trading.

When Token Terminal, DeFiLlama and Artemis disagree on a specific protocol's figure, the disagreement is resolved as follows.

SITUATION	RESOLUTION
Disagreement from definition differences (for example inclusion vs exclusion of MEV)	Use the source whose definition matches the BBN Revenue category rule, and document the choice in the entity mapping.
Disagreement from data latency	Use the source with the most recent confirmed update for the reference month.
Persistent unexplained disagreement above 25%	Flag the series and review against on-chain data directly where possible. Where unresolved, exclude it from the value component but retain it in breadth components with a low-confidence flag.

04 TOKEN-DENOMINATED VERSUS USD REVENUE

A meaningful share of protocol revenue is paid in native tokens — ETH gas, native chain fees, native trading pairs. USD-denominated revenue therefore moves with two distinct forces: changes in underlying monetized usage, and changes in the USD price of the receipt token. In a bear market a network can show stable or rising native-token revenue while USD revenue falls sharply.

BBN Revenue uses USD-denominated revenue throughout, converted at the daily closing price of the receipt token on the day of the transaction, or, where transaction-day data is unavailable, the daily volume-weighted average price. Because the index is a diffusion construction, the impact of token-price moves is partially neutralized: it measures the share of entities whose revenue improved or weakened, not the aggregate USD level. A coordinated drop in receipt-token prices can still push the reading below 50 if it weakens USD revenue across most entities at once, but the effect is far smaller than in a level-based index.

To make that contribution visible, the index publishes alongside the headline a Constant-Token Decomposition: an estimate of what the reading would have been had receipt-token prices stayed at the start-of-period level. The decomposition is provided for transparency only and is not part of the headline.

05 REVENUE UNIVERSE AND COVERAGE STANDARD

The index uses a mapped revenue universe rather than a raw list of all crypto projects. An entity is eligible when it has observable revenue, fee or monetized-usage data that can be tracked consistently over time and assigned to a clear sector sleeve.

BBN Revenue is designed around a target universe of 250–450 eligible revenue entities and series, and in normal conditions targets 175–300 valid revenue series per month. A full headline reading is published with at least 125 valid series and coverage of at least six of the nine sector sleeves. A provisional reading is published with 90–124 valid series, or with 125 or more series but fewer than six sleeves represented, and is labelled accordingly. No headline is published below 90 valid series; a short coverage note is issued instead.

06 SECTOR COMPOSITION

Revenue conditions differ sharply by business model — a trading-fee cycle is not a blockspace-fee cycle, and stablecoin or payment revenue behaves differently from DeFi lending or infrastructure revenue. The index uses sector sleeves so that no single activity type dominates the headline. Target weights are reviewed at least once every twelve months, with any material change announced at least 30 days before it takes effect.

SECTOR SLEEVE	TARGET WEIGHT	REVENUE SIGNAL CAPTURED
Networks, L1 / L2 blockspace and settlement	18%	Transaction fees, sequencer revenue, priority fees and retained network-level value, including EIP-1559 burned base fee.
DeFi trading, AMMs and spot venues	14%	Swap fees, protocol take rates and user-paid trading activity.
Derivatives, perpetuals and structured trading	12%	Trading fees, funding-related revenue and high-frequency monetized flow.
Lending, credit, staking and liquid staking	12%	Borrowing interest spread, staking-related fees and protocol-level retained value.
Stablecoin, payments and settlement	10%	Reserve-asset interest income, mint/redeem fees, transfer fees and on-chain surplus where observable.
CeFi and listed crypto businesses	12%	Publicly disclosed exchange, brokerage, custody, subscription or service revenue.
Infrastructure, data, security and middleware	10%	API, subscription, security, monitoring, oracle and middleware monetization.
Consumer apps, wallets, gaming and social	7%	Application fees, wallet monetization, user-paid services and transaction-based revenue.
Other eligible crypto services	5%	High-confidence revenue series that do not fit cleanly into the sleeves above.
Total	**100%**	**—**

07 DATA SOURCE HIERARCHY AND WASH-ACTIVITY FILTER

Sources are ranked by reliability before they enter the calculation. On-chain data can be strong, but it still requires classification, cleaning and comparability checks.

TIER	SOURCE TYPE	RELIABILITY ROLE
Tier 1	Directly verifiable on-chain revenue, fee or contract-level data with documented methodology (block explorers, disclosed Dune queries, protocol-native dashboards).	Highest confidence for on-chain protocols.
Tier 2	Official project dashboards, financial disclosures, shareholder reports, regulatory filings (SEC, MAS, FCA equivalents) or audited statements.	High confidence when definitions are clear.
Tier 3	Recognized aggregators with published methodology — primarily Token Terminal, DeFiLlama and Artemis.	Strong where definitions are documented and stable; subject to the disagreement rule above.
Tier 4	Direct company responses from finance, operations or executive teams, used primarily for private-company revenue.	Used when internally consistent and validated against any available external signal.
Tier 5	Media estimates, unverified community dashboards, promotional claims and social posts.	Context only unless independently verified; not used directly for the headline.

For trading-fee revenue, eligible centralized venues must meet the same verified-volume criteria used by the BBN Liquidity Index: a CCData Exchange Benchmark rating of AA or higher, inclusion in the Bitwise verified-volume list, or regulated status in a recognized jurisdiction. Trading fees from unverified venues are excluded from the value component but may be retained in the breadth component with a low-confidence flag, because wash-traded volume can otherwise produce material fake-fee revenue that distorts any unfiltered measure.

08 CALCULATION FRAMEWORK

BBN Revenue is a diffusion index. For every eligible series it records the direction of change against a smoothed baseline and aggregates those directions onto a 0–100 scale, where 50.0 means an equal share of improvement and deterioration across the panel. The construction follows established diffusion practice (ISM and S&P Global PMIs and the wider BBN family) and is used in place of a level-based USD index because crypto revenue is heavily right-skewed and cyclical with token-price regimes — a level index would be dominated by token-price swings and by the largest one or two entities in any month.

PER-SERIES DIRECTIONAL SIGNAL

DIRECTIONAL SIGNAL — MONTH T

$$d(i, t) = \text{direction of } [\, R_{i,t} - MA3(\, R_{i,t-1}\,)\,]$$

$R_{I,T}$ = USD PROTOCOL REVENUE FOR ENTITY I; MA3 = TRAILING THREE-MONTH AVERAGE ENDING T−1. THE SAME FORM APPLIES TO USER-PAID FEES $F_{I,T}$.

IMPROVING	UNCHANGED	WEAKENING
1.0	**0.5**	**0.0**
Above the smoothed baseline by more than the material-change threshold τ.	Within ±τ of the smoothed baseline.	Below the smoothed baseline by more than τ.

The threshold τ is series-specific, set at 2% of the series' trailing 12-month average absolute month-on-month change, with a floor of 1% and a cap of 10%. It prevents noise-level moves from registering as directional change, and is reviewed annually with the sector-weight review.

COMPONENT DIFFUSION SCORES

Six components are each computed as a weighted diffusion score across eligible series.

COMPONENT SCORE — COMPONENT X

$$X(t) = 100 \times \Sigma\, \omega_i \cdot s(i, t) \div \Sigma\, \omega_i$$

S(I, T) ∈ {0, 0.5, 1.0} IS THE PER-SERIES STATE; Ω_I IS THE ENTITY WEIGHT.
A SCORE OF 50 MEANS EQUAL IMPROVING AND WEAKENING SHARES WITHIN THE COMPONENT.

COMPONENT	DIRECTIONAL SIGNAL APPLIED TO
Revenue Momentum (R)	Per-series direction of protocol revenue vs the trailing three-month baseline.
Fee Momentum (F)	Per-series direction of user-paid fees vs the trailing three-month baseline.
Revenue Breadth (B)	Equal-weighted share of panel entities with improving revenue this month, with no entity weighting applied.
Sector Momentum (S)	Mean across sector sleeves of sleeve-level diffusion, equal weight per sleeve, so one large sleeve cannot dominate.
Monetization Quality (Q)	Diffusion of the entity-level QualityFactor — the share of entities whose quality composite improved.
Public Company Layer (C)	Diffusion of public-company revenue direction, using the quarterly-to-monthly bridge below.

09 MONETIZATION QUALITY AND THE PUBLIC-COMPANY LAYER

The Monetization Quality component is built from three entity-level sub-metrics combined into one QualityFactor per entity per month; its diffusion across the panel produces the Q score.

SUB-METRIC	DEFINITION	DIRECTION
Persistence	Share of the trailing 12 months in which the entity reported positive protocol revenue.	Higher is better
Variance penalty	Coefficient of variation of trailing 12-month revenue; high CV indicates choppy, less durable revenue.	Lower is better
Incentive sensitivity	Pearson correlation between trailing 12-month protocol revenue and token-incentive emissions, where emissions data is available; high correlation indicates subsidy-driven revenue.	Lower is better

QUALITYFACTOR — ENTITY I, MONTH T

$$\text{QualityFactor}(i, t) = \text{Persistence}(i, t) - 0.5 \cdot \text{CV}(i, t) - 0.5 \cdot \text{IncentiveCorr}(i, t)$$

An entity is counted as improving in Q if its QualityFactor rose against the prior month by more than $\tau_Q = 0.02$ (reviewed annually). Entities with under six months of history, or without emissions data, use neutral values for the missing sub-metrics and count as Unchanged for Q until enough history accumulates.

Public-company revenue is reported quarterly. To integrate it into a monthly diffusion index without artificial step changes, each in-scope listed company contributes a directional state from the year-over-year change in its latest quarterly report.

SITUATION	TREATMENT
Month with a new quarterly report	Direction set by YoY revenue change — positive is Improving, flat within ±2% is Unchanged, negative is Weakening — and counted in C diffusion that month.
Months with no new report	The most recent direction is carried forward at full weight for one additional month, half weight for the second, and zero thereafter until the next report.
In-scope companies	Coinbase, Marathon Digital, Galaxy Digital, Robinhood (crypto-revenue segment only), CleanSpark, Riot Platforms and other crypto-relevant listed entities reporting in a comparable format. Reviewed annually and published with the methodology.

The 5% headline weight on C is intentionally modest, because public-company revenue is only a partial view of the industry and its quarterly cadence does not align naturally with a monthly index.

10 HEADLINE FORMULA, WEIGHTING AND CAPS

HEADLINE — BBN REVENUE, MONTH T

$$\text{BBN Revenue}(t) = 0.35 \cdot R(t) + 0.20 \cdot F(t) + 0.15 \cdot B(t) + 0.15 \cdot S(t) + 0.10 \cdot Q(t) + 0.05 \cdot C(t)$$

COEFFICIENTS SUM TO 1.00. EACH COMPONENT IS BOUNDED IN [0, 100] WITH A NO-CHANGE MIDPOINT OF 50, SO THE HEADLINE IS BOUNDED IN [0, 100] WITH THE SAME INTERPRETATION. ROUNDED TO ONE DECIMAL PLACE.

Within each component, entities are not weighted equally. A purely equal-weighted panel would overstate very small protocols; a purely revenue-weighted panel would let one or two large entities dominate. The index uses a capped, sector-balanced approach.

WEIGHTING LAYER	TREATMENT
Sector sleeve weight	Each sleeve receives its target weight; extreme under-coverage triggers provisional status.
Entity weight	Proportional to the entity's trailing 12-month median revenue contribution, capped at 12% of any individual sleeve's weight.
Revenue scale adjustment	Log-scale weight, ln(1 + trailing-12m median revenue), so a 100× larger protocol matters more but does not crowd out small ones.
Quality adjustment	Tier 1 and Tier 2 sources receive 1.0× weight; Tier 3 receives 0.85×; Tier 4 receives 0.7×.
Continuity adjustment	Series with definition breaks (chain migration, fee-schedule overhaul, major upgrade) are flagged and may be excluded from the directional signal until at least six months of post-break data accumulate; they remain in breadth components throughout.
Single-entity cap	No single entity may exceed 5% of total headline weight.

11 A WORKED EXAMPLE

COMPONENT	SCORE	WEIGHT	CONTRIBUTION
Revenue Momentum (R)	54.0	0.35	18.90
Fee Momentum (F)	57.0	0.20	11.40
Revenue Breadth (B)	52.0	0.15	7.80
Sector Momentum (S)	49.0	0.15	7.35
Monetization Quality (Q)	53.0	0.10	5.30
Public Company Layer (C)	61.0	0.05	3.05
Headline = 53.8 · Modest improvement			

The 53.8 reading sits in the Modest improvement band. Fee momentum is leading the move — more entities report improving user-paid fees than improving retained revenue — while public-company revenue is strongly positive, consistent with listed exchanges and miners in an upswing. Sector momentum just below 50 indicates the improvement is concentrated rather than broad, so the published commentary would flag both the public-company tailwind and the sector-concentration nuance.

12 INTERPRETATION FRAMEWORK

Headline values are rounded to one decimal place and classified into non-overlapping bands so that every reading falls into exactly one category, with no gaps.

READING	LABEL
≥ 60.0	Strong revenue expansion
55.0 – 59.9	Solid improvement
50.1 – 54.9	Modest improvement
= 50.0	No net change
45.0 – 49.9	Modest deterioration
35.0 – 44.9	Revenue contraction
< 35.0	Severe revenue contraction

The index is best read alongside the three-month moving average and the Constant-Token Decomposition, since monthly USD revenue can be influenced by token-price movement even within a diffusion construction, and alongside other BBN indicators where available — Activity for operating conditions, Funding for capital formation, Liquidity for market structure.

13 DATA VALIDATION AND QUALITY CONTROLS

CONTROL	HOW IT WORKS
Source confidence scoring	Tier-based confidence weights (Tier 1–2: 1.0×, Tier 3: 0.85×, Tier 4: 0.7×) applied in the weighting layer.
Outlier review	A series is flagged when its month-on-month change exceeds the 99th percentile of its trailing 24-month distribution, or when a single entity contributes more than 2.5 points to headline movement in one month. Flagged items are checked against documented events; confirmed events are retained or held per rule, and unexplained spikes are held for verification.
Material-change threshold τ	Set at 2% of the series' trailing 12-month average absolute month-on-month change, with a 1% floor and 10% cap. Reviewed annually.
Incentive-sensitivity review	Revenue that appears subsidy-driven reduces the quality contribution but is not excluded.
Wash-activity filter	Venues failing verified-volume criteria are excluded from the directional signal.
Entity and sector caps	5% single-entity cap and 12% entity-within-sleeve cap; excess weight is downweighted proportionally.
Definition-consistency checks	Series with documented definition breaks are flagged and routed through the continuity adjustment.
Survivorship control	When an in-scope entity ceases revenue, the cessation month is recorded and counted as Weakening; subsequent absence appears in the panel-change note. Attrition above 5% of the panel in a single month is accompanied by commentary.
Revision log	A public log of material restatements, source updates and methodology changes accompanies each release.

14 PUBLICATION, REVISIONS AND REPORTED OUTPUTS

The index is published monthly for a calendar-month (UTC) reference period, normally within the second half of the following calendar month once source data, on-chain queries and quality checks complete. A full headline requires at least 125 valid series and at least six of the nine sleeves; a provisional reading covers 90–124 valid series, or 125 or more with fewer than six sleeves, and carries a “Provisional” label; below 90 valid series no headline is published and a brief coverage note is issued instead.

A prior monthly value is restated when source restatements, definition corrections or late data would change the headline by 0.5 points or more; smaller corrections are noted internally without a restated public value. Restatements normally occur in the immediately following release, are accompanied by a revision note giving the original value, the new value and the reason, and are exceptional beyond one cycle. Material methodology changes are announced with at least 30 days' public notice before they take effect.

Each release reports the headline reading with its month-over-month and twelve-month change; the six component scores; the three-month moving average; the Constant-Token Decomposition; sector commentary for sleeves meeting coverage thresholds; a coverage statement with valid-series count, sleeve coverage and source-tier distribution; a panel-change note covering additions, exits and cessations; and a revision note whenever a prior reading is restated.

15 SCOPE, LIMITATIONS AND LEGAL NOTE

BBN Revenue is a monthly diffusion indicator of crypto-industry monetization conditions, combining protocol revenue, user-paid fees, breadth, sector momentum, monetization quality and public-company signals into a USD-denominated reading centered on the no-change line at 50.0. It is not an official statistic, a regulated benchmark, a valuation model, a token-price forecast or a complete income statement for the industry — private revenue, undisclosed deals and many bilateral arrangements are structurally invisible. It is not fully insulated from token-price effects, which the Constant-Token Decomposition surfaces, and it measures direction rather than absolute revenue levels. Readings can be affected by changes in market activity, fee schedules, incentive programs, chain migrations, protocol upgrades, data definitions and one-off events, and are best read alongside the other BBN indices rather than in isolation.

LEGAL NOTE