



# The Arbitrum Foundation

Bi-annual Progress Update H1 2025



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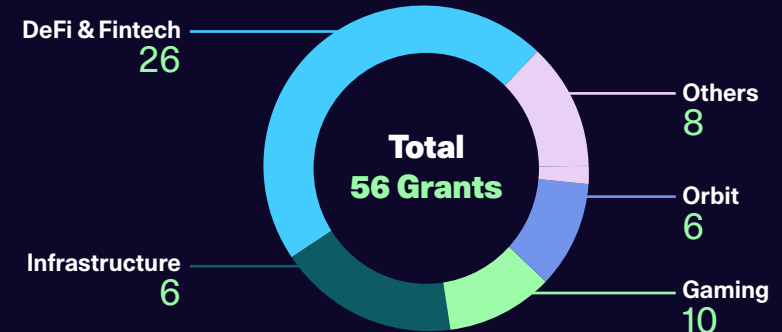
# Fostering Ecosystem Growth

The Arbitrum Foundation remains committed to growing the Arbitrum ecosystem meaningfully, collaboratively, and with transparency. Every initiative it undertakes aims to empower developers, drive innovation, and strengthen Arbitrum's inclusive community.

## Grants and Strategic Partnerships

Acting on the core mandate of driving ecosystem growth and innovation, the Arbitrum Foundation proactively extends grants and forges strategic partnerships with high-potential projects. In H1 2025, **the Foundation approved grants and partnerships for 56 projects across categories, with DeFi receiving the largest share.**

GRANTS ALLOCATED, BY CATEGORY\*



## DAO-APPROVED STRATEGIC PARTNERSHIPS FUND

The Foundation's 250M ARB Strategic Partnerships Budget, approved by the ArbitrumDAO in October 2024, supports long-term, milestone-based partnerships with high-impact projects. Since launch, it has helped expand the Arbitrum ecosystem across RWAs, FinTech, and DeFi. As of June, **eight partnerships have been funded.** While full allocation details remain subject to confidentiality requirements, the Foundation may share additional information in future transparency reports, as appropriate.

\*This includes projects supported through both the Foundation's administrative wallet and the Strategic Partnerships Budget.



# H1 2025 Ecosystem Highlights

The Arbitrum ecosystem saw significant growth in the first half of 2025, particularly in key focus areas like RWAs, the expansion of the Orbit ecosystem, and further integrations with Stylus. Most notably, **Robinhood launched tokenized stock trading on Arbitrum One** for EU customers, marking a significant milestone in mainstream adoption of blockchain technology in TradFi services.

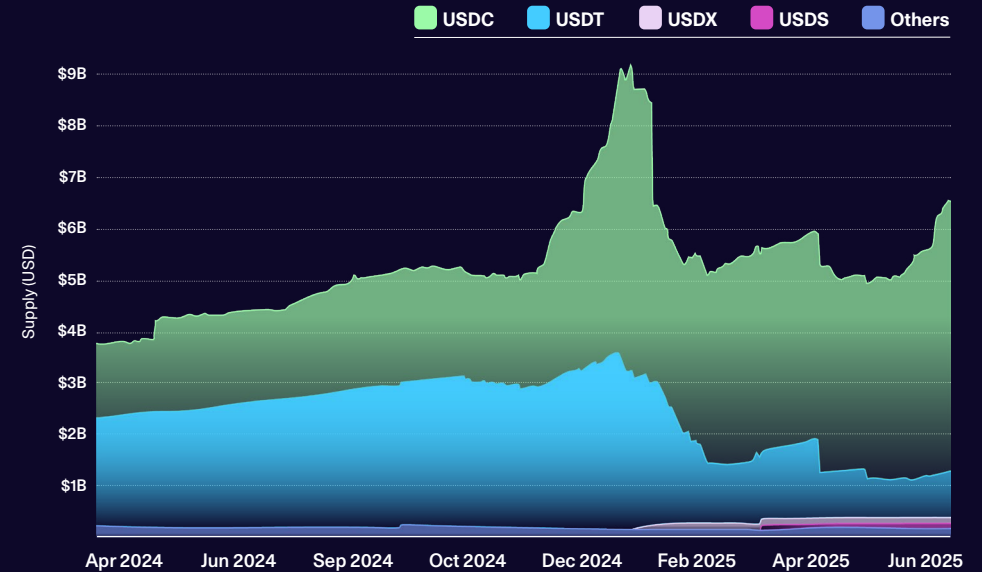
## DeFi

The DeFi ecosystem on Arbitrum continued to flourish in H1 2025, as demonstrated by the **\$2.4B value locked in DeFi** (at end-June), hosting of top-tier protocols **GMX, Camelot, Pendle, Aave, and Uniswap**, as well as up-and-coming protocols **Fluid, Ostium, and Renegade**. The deployment of Uniswap v4 in January 2025 kicked off to a stellar start, with the protocol amassing nearly \$3B in cumulative trade volumes since launch, making Arbitrum the platform of choice for Uniswap users. Similarly, long-standing players like PancakeSwap surpassed the **\$20B** cumulative trading volume.

## RWAs

With the rise of RWAs, Arbitrum has become a go-to destination for institutions migrating their assets onchain. Of the **\$25B** in tokenized assets onchain, over \$287M flowed into the Arbitrum ecosystem as of June 2025. Major financial institutions like **Franklin Templeton, BlackRock, and WisdomTree**, have been key contributors to this shift, and large tokenization firms like Securitize are choosing Arbitrum to launch their RWA blockchain. To further accelerate this momentum, STEP 2.0 (approved by ArbitrumDAO in February 2025) allocated **35M ARB toward RWA initiatives**, supporting products like **WisdomTree's WTGXX, Spiko's USTBL, and Franklin Templeton's BENJI**.

## ARBITRUM ONE'S STABLECOIN SUPPLY



## STABLECOINS


Recent RWA integrations have helped retain Arbitrum's dominance as the leading L2 ecosystem for stablecoin TVL. **Over \$6B has been amassed across all Arbitrum chains, primarily driven by USDC and USDT.** Arbitrum also houses the most diverse range of stablecoin assets, with 33 different types at the end of June. In January 2025, USDT0 **launched** as an omnichain implementation of USDT, with Arbitrum One as its central liquidity hub. Bitso, a leading crypto exchange in LATAM, introduced the Mexican peso-backed stablecoin, MXNB, natively on Arbitrum, unlocking remittances in the sizable LATAM market.






## ARBITRUM CHAINS

Arbitrum chains, powered by the Orbit stack, continue to meet builders where they are. In total, there are now **over 100 chains** across mainnet, testnet, and in active development. Each chain provides developers with a highly customizable, fast, and cost-efficient tech stack that's tailored to their specific needs.

 **Robinhood** is the latest to announce plans to adopt Orbit for the eventual launch of its chain, marking the **most impactful TradFi commitment to blockchain infrastructure to date.**

 **Converge**, built by Ethena and Securitize, recently joined the Orbit ecosystem with an ambitious goal of unifying over \$7B in liquidity across leading products like Ethena's USDe and BlackRock's BUIDL fund.

Other notable Orbit mainnet launches in H1 2025 include **Superposition, Blackbird, Edu Chain, and Plume Network.**

## GAMING

Gaming maintained its momentum with major titles and studios going onchain in H1 2025. **TapNation**, with over 1.5B downloads, integrated with Arbitrum and expanded both its player engagement and onchain reach. **Neuphoria**, a mobile-native game built on Arbitrum, launched on iOS and quickly rose to **the top of the charts in Brazil and the Philippines**, signaling strong demand for Web3-enhanced gameplay around the world. **Trala Games**, known for its strong publishing credentials, decided to revive its highly popular franchise, **Game of Dice**, on Arbitrum.

On the Orbit front, the creators of My Pet Hooligan announced the upcoming launch of **Studio Chain** and have secured approval to distribute the game on **Xbox**, a major step for Arbitrum-native games that want to break into mainstream platforms.

In tandem, **Arbitrum Gaming Ventures** kicked off its first round of investments, uplifting promising game developers, including **Wildcard, Xai Games, T-REX chain, and Proof of Play.**





## Special Ecosystem Programs

In addition to its ongoing grant and strategic partnership programs, the Foundation also announced short-term, specialized grant programs to support new growth areas.

### TRAILBLAZER 1.0

Trailblazer is a **\$1M grant program** that was rolled out in Q3 2024. It offered immediate funding to innovative teams building specialized AI agents and other onchain AI products on Arbitrum chains. To date, Trailblazer 1.0 has **funded over 60 teams** with many successful cases:

- **Ember** built a framework allowing Arbitrum-native AI agents to connect with external frameworks; is now central to the Trailblazer 2.0 program.
- **CapX** developed an Arbitrum L2 focused on the creation, trading, and ownership of AI agents.
- **Alloc8** created a DeFi frontend that enables users to engage using natural language. They launched the first agents on Camelot and actively managed LP strategies to grow transaction volumes on Arbitrum quickly.
- **Clutch Markets** deployed a parlay betting application on Arbitrum and ApeChain, and integrated with Polymarket and Ora's AI oracles.
- **Grix Finance** developed social agents and signal agents for options trading, advancing automated trading capabilities on Arbitrum.

### TRAILBLAZER 2.0

Building on the success of Trailblazer 1.0, the Arbitrum Foundation launched the \$1M Trailblazer 2.0 program in June 2025, which is currently underway. The program supports impactful DeFi agents and projects built with Vibekit, an Arbitrum-native Model Context Protocol (MCP) framework developed by Ember. Vibekit empowers Arbitrum-native AI agents to tap into frameworks beyond what is currently available in the Arbitrum ecosystem. Vibekit started supporting GMX, Aave, Pendle, and Camelot from the time it launched, positioning the framework as a comprehensive toolkit for building smart, autonomous DeFi agents.

**Through Trailblazer 2.0, the Foundation is able to leverage the DeFi agent ecosystem while supporting top-in-class agent-driven initiatives.**



ARBITRUM

## AGENTIC TRADING COMPETITION

The Foundation hosted the Agent Arena, a one-of-a-kind AI Agent Trading competition, where leading AI agent teams compete head-to-head on the Arbitrum network. The winner received a sizable \$50,000 in rewards. **Axal and Gekko AI emerged victorious, achieving a total trading volume exceeding \$5M.** The Agent Arena competition not only showcased the power of DeFAI, it reinforced Arbitrum as the go-to hub for sophisticated trading agents. The initiative was a big win for the ecosystem, empowering the agents built on Arbitrum to trade within the Arbitrum ecosystem, most notably via GMX and Ostium.

## ARBIFUEL

Always looking for ways to embolden builders, the Arbitrum Foundation launched ArbiFuel to accelerate the go-to-market process among early-stage developers. The gas fee sponsorship program eliminates gas costs and grants teams 1,000,000 transactions per project. **The program is currently ongoing and is powered by Pimlico's paymaster**, with additional paymaster providers in the pipeline for greater flexibility.

## Success Stories

Arbitrum Foundation Grant Program grantees achieved significant milestones in H1 2025. Here are the highlights:



OSTIUM

Ostium recorded over \$60M in Total Value Locked (TVL) and over \$10B in cumulative trading volume by end-June 2025.



FLUID

Fluid surpassed the \$90M TVL mark.



USD.AI

USDAi accumulated more than \$25M in TVL whilst still in Private Beta.



EL DORADO

ElDorado reached over 1M app downloads since launch and has over 100,000 active users.



Bitso

Bitso launched a native Arbitrum Mexican peso-backed stablecoin, MXNB, unlocking remittances in LATAM.



2

# Advancing Education and Community Engagement

The Arbitrum Foundation continued to champion developer education and grassroots engagement as pillars of ecosystem growth. H1 2025 marked a period of focused execution where strategic efforts spanned across technical education, global events, creator empowerment, and community-driven narratives.

The Foundation advanced its mission across five key pillars that together strengthen Arbitrum's presence in the broader crypto landscape →



## Strengthen Developer Enablement

Accelerate developer adoption through targeted education and content initiatives.



## Promote a Unified Brand Narrative

Lay the groundwork for a more cohesive, accessible Arbitrum experience.



## Amplify the Arbitrum Signal

Create the largest Web3 social flywheel to grow awareness and mindshare.



## Go Global

Scale impact globally by empowering regional communities and creators.



## Lead in Must-Win Verticals

Strengthen Arbitrum's position in DeFi, Gaming, AI, and Real-World Assets.



## Developer Education and Builder Support

In H1 2025, the Arbitrum Foundation **doubled down on Developer Relations**, focusing on technical education, hands-on builder support, and long-term ecosystem enablement.

**With an expanded DevRel team, the Foundation prioritized meeting developers where they are through immersive workshops, hackathons, and self-serve content.**

This work plays a foundational role in equipping builders with the tools and knowledge needed to succeed across Arbitrum. A major emphasis was placed on Stylus with dedicated workshops and talks on Arbitrum's tech stack for both Solidity-native and traditional developers. These sessions were hosted at key crypto and developer

events, including **ETHDam, ETHMilan, ETHCC, ZK Hack Berlin, and WeAreDevs**, reaching hundreds of developers. They were also delivered and shared with attendees at ArbiLink+ HK and Bitso's MXNB Hackathon, which was organized in collaboration with the Arbitrum Foundation, and attracted over 200 participants.

In parallel, the Foundation made a deliberate shift toward long-term builder enablement by expanding its education footprint and content repository in various formats. This included curating a library of introductory Stylus workshops (for Solidity and traditional developers), Farcaster x Arbitrum vibe coding YouTube videos, Farcaster mini-apps such as Geocaster and VibeWallet, and other popular community touchpoints such as interviews with DIA Oracles, X Spaces, and features in newsletters. BuidlGuidl, in collaboration with the Foundation, released a dedicated Arbitrum extension for Scaffold-ETH, which showcased bridging, addressed table precompiles, and forced transactions, along with a developer-friendly Contracts Debug web interface built in.







## A Unified Brand Narrative

Creating a more cohesive and resonant Arbitrum brand experience has been a key focus this year. At the heart of this effort lies the “Arbitrum Everywhere” narrative, a strategic articulation of **Arbitrum’s role as the go-to platform for developers across every stage of the application lifecycle.**

From deployment on a shared liquidity layer like Arbitrum One to future migration toward custom, use-case-specific L2 or L3 chains, the narrative reflects how the Arbitrum platform **empowers teams like Robinhood** and others throughout their onchain evolution. The “Arbitrum Everywhere” positioning has drawn attention and analysis from credible third-party research firms like Messari and Blockworks.

Messari’s in-depth report, *Arbitrum’s Economic Engine: Foundations of a Digital Sovereign Nation*, contextualizes the growth flywheel behind “Arbitrum Everywhere” with robust data, elevating the strategy from narrative to a measurable reality.

“

**The “Arbitrum Everywhere” vision reflects a strategy to support the complete application development lifecycle, from initial deployment on a shared liquidity layer to future migration to a specialized, custom network as needs evolve.”**

— Messari Report on Arbitrum

The narrative, also tested through a series of creative activations, has resonated deeply with the community. The flagship “Arbitrum Everywhere” [video](#), and the subsequent brand narrative posts, recorded 37,000 earned engagements, making it one of the most successful brand efforts to date.

The brand voice has been further amplified through initiatives that celebrate builders and partners alike. One standout example was the ArbitrumDAO’s second anniversary, marked by the [Land of Liquidity SBT NFT](#). The artwork, an ode to the builders and community members fueling the ecosystem’s growth, was created by [Perchy](#). It saw a record-breaking 152,920 mints, tripling the previous year’s tally and nurturing deep brand affinity within the Arbitrum community.



# Amplifying the Arbitrum Signal

In H1 2025, the Foundation set out to build the strongest social flywheel in crypto, powered by a carefully curated network of educators, influencers, and ecosystem advocates. A major highlight was the launch of the Arbitrum Yapper Leaderboard, held in conjunction with Kaito in May 2025. The 3-month campaign distributed **514K ARB of rewards to the top 100 contributors**.

Within days, Arbitrum soared to the top of Kaito's mindshare rankings, driving incredible brand visibility and influence. This momentum was further fueled with consistent thought leadership driven by Arbitrum Ambassadors, core contributors, and partners who've long-championed the ecosystem.

These efforts sit on a solid foundation of in-real life (IRL) presence, reiterating why 2025 has been a year of monumental milestones in Arbitrum's evolving story.

## ARBITRUM'S KEY IRL PRESENCE IN H1 2025



## Go Glocal

Arbitrum's community growth strategy hinges on scaling globally while empowering local ecosystems. At the heart of Arbitrum's advocacy efforts is the Ambassadors Program, which turns passionate advocates into community educators and global brand champions.

H1 2025 marked the program's most ambitious expansion yet. **Four new regions (Brazil, Korea, Greater China, and the Philippines) joined the existing three chapters (India, Mexico, and Nigeria)**, bringing the total to seven markets as of June 2025. The new rollout introduced native-language content tracks in Portuguese and Korean, empowering Ambassadors to connect more authentically and deeply with their audiences.

To further boost creator engagement, the Foundation launched a six-week video content challenge, replete with expert-led workshops and resource kits. The pilot event was met with enthusiasm and garnered over **1,256 video submissions and 370K+ earned engagements**.

# 318

Ambassadors

# 10.5K+

Content submissions

# 270M+

Impressions

## Lead In Must-win Verticals

In the first half of the year, Arbitrum solidified its position across verticals, adding real weight to the "Arbitrum Everywhere" narrative. This visibility wasn't by accident; it was the result of consistent, behind-the-scenes work and showing up as a credible ecosystem partner. From forging strategic collaborations to deepening Arbitrum's presence in key sectors, here are some key highlights from that journey:



**RWA**

- Ethena Labs and Securitize choosing Arbitrum to launch Converge Chain
- Planning Bitso x Arbitrum presence at Stablecoin Conference in LATAM, the world's fastest stablecoin growing region
- Working with Bitso to launch multi-city MXNB hackathons



**Gaming**

- Rebranding Arbitrum Core to Arbitrum Play on X.com to drive more gaming-targeted communications
- Boosting Arbitrum Gaming Ventures' first cohort visibility with co-marketing support
- In collaboration with the ArbitrumDAO, launching Season 3 of Questbook Gaming Grants to attract more quality creators, apps and agencies
- Leveling up Arbitrum's presence at global gaming conferences like GDC



**AI**

- Hosting the first-ever AI Agent Trading Competition
- Reinforcing AI narratives via the Trailblazer 2.0 program launch and "AI builders on Arbitrum" video series
- Powering the deployment of advanced AI agents like Talos on Arbitrum



3

# Fueling Technical Progress

In the first six months of 2025, Arbitrum achieved a number of important technical advancements, from UX and developer experience to security enhancements and new sustainability mechanisms.





The launch of **Timeboost** has **generated over \$2M in transaction fees as of June 2025**, with the new transaction ordering policy redirecting the amount to the ArbitrumDAO. Erigon and Nethermind started adding client support for the Arbitrum ecosystem, which has bolstered security and the decentralization of the Arbitrum protocol. Until recently, it relied solely on the Go Ethereum client (Geth).

## Arbitrum's most recent upgrade, ArbOS 40 Callisto, has arrived on Arbitrum One and Nova chains.

Callisto includes the integration of several important features from Ethereum's most recent Pectra upgrade,

including EIP-7702 (Account Abstraction), EIP-2537 (BLS Precompiles), and EIP-2935 (Block Hash Access). These improvements have significantly enhanced the Arbitrum experience for both users and developers.

SCALE  
YOUR  
REALITY



## STYLUS SPRINT UPDATE

To accelerate early adoption of Arbitrum Stylus, the DAO approved a **5M ARB grant program** in 2024. The response was massive, with **147 teams applying for a pot of 32M ARB**. After rigorous reviews, **17 teams** were selected from across the Open and RFP tracks. In February 2025, an **additional 4M ARB** was allocated to support **9 more teams that show high potential**. Entropy Advisors' detailed monthly Stylus Sprint Program Updates can be [found here](#).



As of June 2025, **CoBuilders Cache Manager** stands out for reaching Milestone 4 with a beta launch. Their user-friendly GUI for the Stylus Cache Manager lets developers bid for persistent contract storage on Arbitrum nodes, greatly reducing the cost of gas costs for compute-heavy contracts while making advanced storage optimizations available to all Stylus developers.



On the community front, **Stylus Saturday Odysseys** publishes a regular developer-led newsletter that showcases Stylus apps, tools, and interviews, along with practical guides on building voting apps, stablecoins, and even vending machines. The initiative also hosted a hackathon in Bucharest, further engaging and onboarding the Stylus dev community.



Technical Advancement	Theme	Description
<b>Timeboost</b>	MEV	A new transaction ordering policy for Arbitrum One and Nova. Timeboost introduces an off-chain auction, enabling faster inclusion and more efficient block times.
<b>Erigon &amp; Nethermind</b>	Decentralization	A collaboration that will introduce two new client implementations into the mix (alongside Geth), allowing for more client diversity to help bolster the decentralization of the Arbitrum protocol.
<b>ArbOS Callisto</b>	User experience	A protocol upgrade that adds support for Ethereum's recent Pectra hardfork. Callisto includes several highly anticipated EIPs, including EIP-7702 (Account Abstraction) and EIP-2537 (BLS Precompiles).
<b>Nova Fee</b>	Developer experience	Complementary to Timeboost, the Nova Fee Sweep action forwards historical Nova transactions (held in the <a href="#">L1TimelockAlias</a> ) fees to the ArbitrumDAO.
<b>BoLD + Infura Validator</b>	Decentralization	<p>BoLD (Bounded Liquidity Delay) is a dispute protocol that enables permissionless validation for Arbitrum chains while mitigating the risk of delay attacks.</p> <p>An AIP to add Infura to the Arbitrum Nova validator set was approved, further enhancing the security of Arbitrum Nova.</p>



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# Foundation Operations and Finance

## Personnel

Arbitrum's growing success has increased the Foundation's responsibility to deliver effectively across key functional areas defined in its bylaws.

This evolution has driven the fastest team expansion since the Foundation's inception, with 12 new hires in H1 2025, predominantly in Developer Relations, Marketing, and Finance. This has brought the total headcount to 44 full-time members as of June 30, 2025.

**The 44 full-time Foundation members are distributed across six focus areas:**

3

Governance

6

Ecosystem growth

9

Ops, HR, finance

4

Technology

19

Marketing and  
community

3

Legal and  
compliance

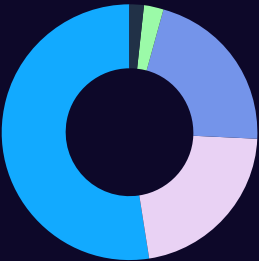


# Finances

## EXPENSES INCURRED FROM JANUARY 1 TO JUNE 30, 2025

	Costs (USD)	Costs (ARB)
General and Administrative	\$5,341,356	
R&D	\$11,241,525	
Technical Infrastructure	\$8,359,678	
Events, Marketing and Communications	\$7,851,647	
<b>Total Operating Expenses</b>	<b>\$32,794,206</b>	
Ecosystem Growth	\$24,360,054	13,168,989
<b>Total Costs</b>	<b>\$57,154,260</b>	<b>13,168,989</b>

## ECOSYSTEM GROWTH SPEND BREAKDOWN



DeFi & Fintech	52.4%
Orbit	21.7%
Infrastructure	2.5%
Gaming	1.8%
Others	21.5%

## THE ARBITRUM FOUNDATION TREASURY (AS OF JUNE 30, 2025)

	Quantity	USD Value (using market price)	% of Total
ARB (Unlocked)	116,690,322	\$40,363,182	36%
Other Tokens	N/a	\$10,267,946	9%
Fiat, Stablecoins & RWA Products	\$60,954,780	\$60,954,780	55%
<b>Total Liquid and Accessible</b>		<b>\$111,585,909</b>	100%

## NOTES

### Reporting Period and Expense Recognition

- Expenses incurred from January 1, 2025, to June 30, 2025.

### ARB and USD Costs

- Operating costs in ARB have been converted to USD using the ARB spot price at the time the costs were incurred.
- Costs incurred in fiat currencies or stablecoin have been shown in USD.

### Treasury Breakdown

- Includes all current assets as of June 30, 2025.

### Ecosystem Growth

- For the 'Ecosystem and Growth Spend Breakdown' table, costs in ARB have been converted to USD using the ARB spot price at the time the costs were incurred.

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# Facilitating Governance for ArbitrumDAO

ArbitrumDAO is evolving, and so is the Arbitrum Foundation. Fulfilling the Foundation's existing mandate to the DAO remained top of mind in H1 2025, but a sizable portion of its focus has shifted towards forward-looking efforts that support building a digital sovereign nation.

This includes forging a more efficient governance framework, securing the network, building an ecosystem of organizations, and supporting treasury efforts to make the DAO sustainable.

## Security Council: March 2025 Cohort Elections

The Arbitrum Foundation facilitates the Security Council elections every six months. The March 2025 cohort elections took place from March 15 to May 25, 2025.

### Election Process and Results:

A total of **22 candidates** applied for the election, of which **13 qualified to run**. Ultimately, **6 members were elected, including 5 who were re-elected from the March 2024 cohort**. The six new members elected to the March 2025 cohort on May 3, 2025 were: **fred, bartek.eth, Michael Lewellen, yoav.eth, Certora, OpenZeppelin**.

#### September Cohort\*



Gzeon

John  
MorrowEmiliano  
Bonassi

ImmuneFi

Dennison  
BertramGriff  
Green

#### March Cohort\*



Fred



Bartek.eth

Michael  
Lewellen

Yoav.eth



Certora



OpenZeppelin



## Scaling DAO Operations with OpCo

ArbitrumDAO approved the creation of an operations company, OpCo, and allocated **30M ARB over 30 months** to act as the **operational layer of the DAO**. OpCo helps improve execution, continuity, and coordination with service providers. The Foundation supported this initiative by facilitating ARB conversion, helping establish OpCo's legal structure, and assisting with early hiring.

To ensure transparency and accountability of OpCo, an **Oversight and Transparency (OAT) Committee** was put in place. Its election process and onboarding were closely overseen by the Foundation.

### OAT COMMITTEE MEMBERS

#### Elected members



Patrick McCorry



A.J. Warner



Frisson

#### Nominated members



Pedro Breuer



Gavin Wang

## A Vision for the Future of ArbitrumDAO

The Arbitrum Foundation laid out its vision for improving the DAO's operational efficiency and reset expectations for stakeholder roles.

aligned teams. Arbitrum will benefit from a capable ecosystem that's ready to take on these executional responsibilities.

**The Arbitrum Foundation is stepping up as an active participant, speaking up on key issues within the DAO and making suitable recommendations where possible.**

Under this evolving model, DAO proposals are encouraged to focus on strategy and innovation, while execution is delegated to experienced Arbitrum-

The **Arbitrum Aligned Entities (AAEs)**, including the Arbitrum Foundation, Offchain Labs, Entropy Advisors, and Arbitrum Gaming Ventures, would form a collaborative ecosystem of independent actors working toward Arbitrum's long-term success. AAEs would be authorized by the DAO to conduct strategic, discretionary, and operational decision-making, with OpCo serving as a bridge and accountability layer between the DAO and AAEs. This framework was developed and backed by the Arbitrum Foundation, together with Offchain Labs, as part of a long-term strategy for DAO evolution.

# The Foundation’s Role Across DAO Initiatives

The Arbitrum Foundation serves as the primary vehicle for executing and enabling the DAOs’ approved proposals. It provides cross-functional support across compliance, security, and marketing. This includes conducting due diligence, entering legal agreements on behalf of the DAO, providing feedback on proposals, and educating the community throughout the governance lifecycle. It also amplifies initiatives through its marketing channels, represents the DAO at conferences and events, and ensures adherence to the Code of Conduct and DAO Procedures. In addition, the Foundation monitors for fund misuse, facilitates payments, oversees the smooth execution of ongoing DAO initiatives (including those from previous years), and maintains the DAO’s governance platforms. The table outlines some of the key initiatives undertaken in H1 2025:

Theme	Foundations's Role	Overview
Supporting DAO-Organized Events	The DAO allocated \$55,800 from the <u>2025 Events Budget</u> to partner with <u>ETHBucharest</u> in April 2025.	<p>At <b>ETHBucharest</b> (April 2025), the Foundation provided event planning and marketing support, including sourcing keynote speakers, workshop hosts, hackathon judges, and handling booth design, merchandise, as well as branding.</p> <p>Similar support was extended to DAO-funded events under the <b>Domain Allocator Offering program</b>, including <b>ETHMilan and Namaste Arbitrum</b>.</p>
Hackathon Builder Continuation Program	ArbitrumDAO, in collaboration with RnDAO, launched a phased <u>six-month program</u> to support CollabTech Hackathon winners in evolving their projects from proof-of-concept (PoC) to minimum viable product (MVP). 251K ARB was invested in this initiative.	<p>The Foundation converted funds on behalf of the program in the absence of a conversion mechanism in the original proposal.</p> <p>To account for a <u>budget shortfall</u> (from the expected \$187,980), the Foundation facilitated the reallocation (as approved by the ArbitrumDAO) of excess funds from Questbook Grant Program Season 1. It also coordinated the transfer of any remaining surplus to the Treasury Management v1.2 program.</p>
Stable Treasury Endowment Program (STEP)	In <u>STEP 1.0</u> , the DAO deployed 35M ARB across RWAs backed by treasury bills and generated <b>\$900,700</b> in <u>yield</u> (as of June 30, 2025). Following this success, the DAO voted to <u>deploy another 35M ARB</u> through STEP 2.0, across stable, yield-bearing assets, including: <b>WisdomTree (WTGXX), Spiko (USTBL), and Franklin Templeton FOBXX (BENJI)</b> .	Similar to the support provided in STEP 1.0, the Foundation managed, converted, and deployed the funds on behalf of the DAO.





# The Foundation's Role Across DAO Initiatives

Theme	Foundations's Role	Overview
USDM Redemption & Reallocation	In May 2025, one of the treasury assets purchased as part of the STEP 1.0 program, USDM (a yield-bearing stablecoin from Mountain Protocol), wound down.	The Foundation redeemed the entire DAO's USDM position and reallocated funds to the STEP 2.0, following the DAO's <u>approval</u> .
Treasury Management v1.2	The DAO <u>approved</u> diversification of 7,500 ETH and 25M ARB (including 10M unallocated ARB) into various stablecoin and ETH yield strategies based on TMC and GMC recommendations.	The Foundation managed, converted, and deployed the assets into various DAO-approved strategies.
New Treasury Council Structure	<p>The DAO phased out the TMC, GMC, and STEP committees and put the <b>Arbitrum Treasury Management Council</b> in place to enhance the cohesion and effectiveness of the DAO's treasury management strategy.</p> <p>This new council comprises a Voting Body (OAT), an Execution Body (Entropy), and a Communications Body (Entropy until OpCo is operationalized).</p>	The Arbitrum Foundation will custody the funds, Offchain Labs will flag any BD efforts that may conflict with fund allocations, and delegates will approve high-level strategies and capital allocations to the Council.
MSS Handover	The Multi-Sig Support Service (MSS) was designed to streamline DAO-funded programs and cut operational costs. It was later sunsetted by the DAO due to rising complexity and budget constraints.	The Foundation <u>took over</u> MSS responsibilities, including administration and payment processing, to ensure continuity.



# The Foundation’s Role Across DAO Initiatives

Theme	Foundations’s Role	Overview
Greater Alignment with the D.A.O. Grant Program	The DAO approved \$6.75M for Season 3 of the Domain Allocator Offerings (D.A.O) program, spanning five domains: New Protocols, Education & Community, Tooling, Gaming, and Orbit.	<p>The Foundation worked with domain allocators and program managers to align the program with its strategic priorities.</p> <p>The Foundation facilitated a two-way referral stream between the Foundation and the D.A.O. program to help retain ecosystem builders.</p> <p>The Foundation also continued to convert 23.4M ARB from the proposal to the grant programs, dispersed in tranches.</p>
New and Improved Audit Program	The DAO approved 30M ARB for a one-year, ongoing audit subsidy program to support ecosystem projects. The Audit Committee includes the Arbitrum Foundation, Offchain Labs, technical expert Gustavo Grieco (elected by the DAO), and eventually the OpCo.	<p>The Foundation requested 30M ARB to fund the program and serves as chair of the Audit Committee. It also oversees the program setup, vendor whitelisting, and the applicant intake process.</p> <p>Over 30 audit firms applied, of which <b>12 have been whitelisted.</b></p>
The Watchdog Program	The DAO allocated <u>400K ARB</u> to a grant misuse bounty program that rewards verifiable reports of misused DAO funds. The program is jointly administered by the Foundation, Entropy Advisors, and SeedGov. A submission portal is currently being set up.	The Foundation custodies the funds and co-administers report reviews. It also leads recovery efforts where misuse is evident via legal action, smart contract enforcement, or community measures like blacklisting.



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<b>Supporting a Fresh Incentives Program</b>	The DAO-approved DeFi Renaissance Incentive Program proposes a new framework for incentives, potentially allocating up to 80M ARB for the first four seasons. Rather than focusing on specific protocols, DRIP will focus on assets and activities on Arbitrum through targeted 3-month "seasons" - each with a singular, measurable goal.	The Foundation will sit alongside Entropy Advisors and Offchain Labs to form the Season Selection Committee (SSC), which will be tasked with designing, managing, modifying, and selecting distribution and evaluation partners.
<b>Arbitrum Gaming Ventures (AGV) Observer Seat</b>	AGV is a strategic investment initiative by the DAO to accelerate the adoption of gaming and entertainment on the Arbitrum network.	As the Observer on the AGV Council, the Foundation participates in discussions and works with the AGV Council to prioritize clear communication, transparency, and accountability to the DAO, as well as safeguard the program's budget and facilitate payment operations.
<b>Arbitrum Research &amp; Development Collective (ARDC) Observer Seat</b>	The now-concluded ARDC authored risk, security, and research-oriented deliverables to advance the DAO's strategic priorities. Its latest deliverables can be found <a href="#">here</a> .	As the Observer on the ARDC's Supervisory Council, the Foundation helped plan, prioritise, and provide feedback on the ARDC's deliverables.
<b>Stylus Sprint</b>	The <a href="#">Stylus Sprint</a> is an ArbitrumDAO initiative offering 9M in ARB grants to promote the adoption of Stylus-based smart contracts and tooling within the Arbitrum ecosystem.	As part of the Evaluation Committee, the Arbitrum Foundation reviews applications and funding processes based on the following criteria: scalability, innovation, alignment with Stylus goals, and sustainability.

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