ARBITRUM FOUNDATION

The Arbitrum Foundation

2024 Transparency Report

Contents

Executive Summary

Looking back at 2024, the Arbitrum Foundation has successfully upheld its mandate of supporting the Arbitrum ecosystem and enforcing the guidelines outlined in the ArbitrumDAO Constitution. Throughout the year, the Foundation has remained committed to fostering ecosystem growth, educating and building a strong community, and driving technological innovation while actively supporting the ArbitrumDAO in its initiatives.

✳️ Ecosystem Growth

The Arbitrum Foundation accelerates growth and innovation in the ecosystem through grants and strategic partnerships. In 2024, more than 276 projects benefitted from the Arbitrum Foundation Grant Program. The Foundation introduced specialized grants like the *AI Trailblazer and Frame It: Farcaster* to foster early-stage innovation, extending both financial support and guidance. The Foundation also bolstered its strategic partnerships budget to capture high-impact projects with long-term commitment.

Overall, Arbitrum grew remarkably last year with over 900 applications and 90+ chains across verticals. Arbitrum solidified its position as the leader in Layer 2 scaling when it surpassed $20B TVL in 2024—the first among L2s to do so—and garnered over 4M monthly active users.

👥 Community and Developer Education

In 2024, the Foundation also zeroed in on deepening developer education and cultivating a robust ecosystem. Through developer workshops, a strong presence at major events like EthCC, Token2049, and Devcon, and large-scale social engagements, the Arbitrum brand has become a mainstay in the blockchain landscape, both IRL and virtually. The Ambassador Program served as a firm anchor to Arbitrum's growing reach and influence. Dedicated ambassadors from 18 countries produced more than 9000 high-quality content spreading awareness and education. Developer-focused initiatives like 'Step into Arbitrum' and bounty programs attracted large numbers of builders to Arbitrum from emerging Web3 regions like APAC. Activities surrounding ArbitrumDAO'and SheFi events further boosted brand love and advocacy for the Arbitrum ecosystem.

⚙️ Technological Advancements

In 2024, the Arbitrum Foundation oversaw and supported significant technological advancements, including Stylus, BoLD, Timeboost, and Fast Withdrawals, among other research initiatives. In addition, the Foundation actively supports 90+ Arbitrum chains while continuously striving to enhance security, improve user experiences, and enable new features for dApp developers to build better products. Above all, the Foundation has ensured the Arbitrum tech stack progressively moves toward a Stage-2 Rollup and is truly *secured by Ethereum.*

🎧 Supporting ArbitrumDAO

The Foundation has always functioned as a neutral steward in support of ArbitrumDAO initiatives. While this approach remains, the Foundation has, at the DAO's request, taken on a more active role like assisting authors with their proposals, taking up observer seats at DAO-approved councils, and introducing programs like (Re)delegation Week to rally participation in the DAO. In 2024, the Foundation successfully proposed five technical proposals, oversaw two elections of Security Council members (in March and September 2024), operationalized critical DAO initiatives like the Stable Treasury Endowment Program (STEP) and the Gaming Catalyst Program (GCP), and launched a new governance-focused X account to maximize transparency. The Foundation is also working closely with delegates, teams, and service providers to bring more impetus, transparency, and operational rigor to the DAO's activities.

Note: This 2024 annual report builds on the H1 2024 Bi-annual Progress Update and offers a full-year snapshot of key developments with an emphasis on H2 2024. This report reflects data only up to December 31, 2024, unless stated otherwise. It does not include developments from 2025.

Read the full annual report below.

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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

The **Arbitrum Foundation Grant Program** was launched in 2023, shortly after the Foundation's inception, to support projects in the ecosystem and drive innovation. The program has significantly improved since the onset, including streamlined fund allocation, availability of helpful resources, and support for growth-oriented projects that advance the adoption of Arbitrum technology.

In 2024, the Foundation approved grants to 276 projects under the Arbitrum Foundation Grant Program. The grants were spread across a wide array of growth verticals, including DeFi, gaming, infrastructure, NFTs, and social applications, reiterating the breadth and potential of the Arbitrum ecosystem.

GRANTS APPROVED, BY CATEGORY

Others
51

DeFi & FinTech
117

SocialFi
5

NFTs
22

Total
276 Grantees

Infra
37

Gaming
44
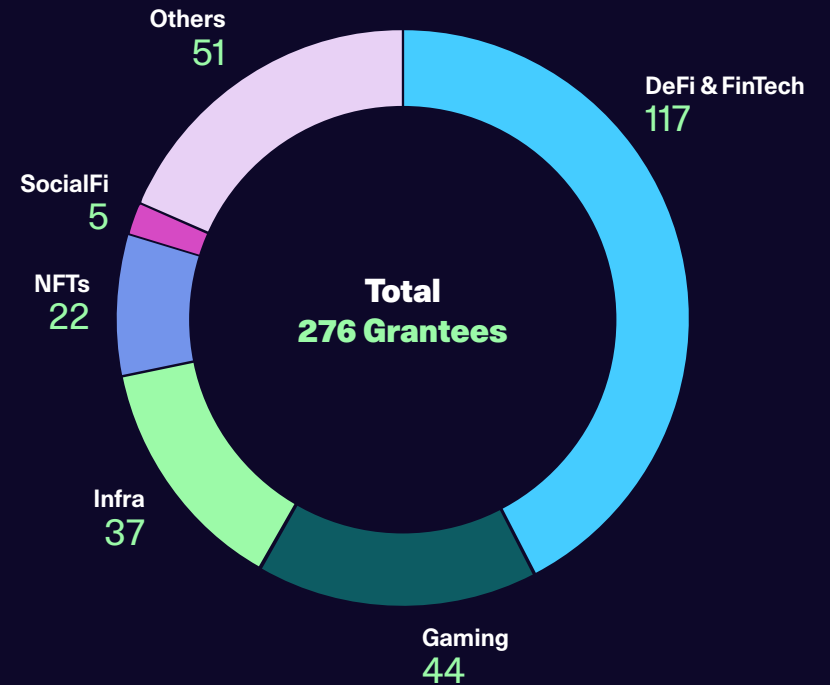
In 2024, the Foundation expanded its funding support by introducing the **Frame It Grants** and **Trailblazer AI Grant.** These specialized initiatives address emerging demands in the ecosystem and help boost early-stage innovation in select verticals.

FRAME IT - ARBITRUM X FARCASTER GRANTS

Launched in conjunction with Farcaster's integration of Arbitrum transactions, the **Frame It Buildathon** gave developers the opportunity to create innovative onchain 'Frames' that leverage Arbitrum's robust network. With **$500,000 in grants,** Frame It encouraged builders to experiment with different use cases, from NFT minters to DeFi tooling, expanding Arbitrum's reach across Farcaster's thriving social graph.

TRAILBLAZER AI GRANT

Trailblazer is an AI-focused program that offers **$1M in grants** to teams that harness Arbitrum's low latency, high throughput environment to build onchain AI agents and applications. With a focus on innovation, impact, and community engagement, the Trailblazer program attracted **over 100 applications** as of December 31, 2024.

GRANTEES IN NUMBERS

Pendle and **Dolomite** were the biggest grantees, by Total Value Locked (TVL), each contributing over $75M in TVL in 2024. Furthermore, on average, grantees onboarded over **6,000 new users** a week, with **Ether.fi, Pendle, and Dolomite seeing one of the biggest user growth.**

TESTIMONIALS FROM GRANTS RECIPIENTS

"Through the Foundation's extensive network, we quickly established crucial partnerships that have amplified our protocol's reach and impact, making Pendle one of the most recognizable brands in Arbitrum today."

TN Lee
CEO of Pendle

P E N D L E

"The Arbitrum Foundation connected us with top-tier VCs and like-minded projects; their support is much more than just grants. The guidance and genuine community support have accelerated our roadmap and expanded our network."

Shahmeer Chaudhry
CEO & Co-Founder of Superposition

Superposition

"Arbitrum Foundation's Grant Program gave us a competitive edge by jumpstarting our growth in strategic areas. For Mountain Protocol, it helped unlock growth in an especially fertile landscape because Arbitrum offers the most integrations of any L2."

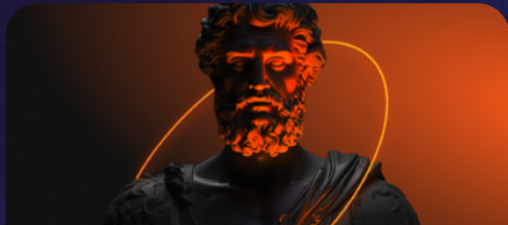**Martin Carrica**
Co-Founder at Mountain Protocol

Mountain Protocol

SUCCESS STORIES

Several Arbitrum Foundation Grant Program grantees have achieved significant milestones. Here are four highlights:

OSTIUM

Ostium stands out as a pioneer of perpetuals on Real World Assets (RWA), allowing users to trade non-crypto assets, like gold, oil, and even equity indices like SPX, directly from a wallet. By the end of December 2024, Ostium had recorded over **$2M in Total Value Locked (TVL) and over $180M in trading volume**—a testament to its rapid ascent and fast-growing user adoption.

Superposition

Superposition leverages the Orbit stack and Stylus to enhance onchain DeFi strategies in the Arbitrum ecosystem. Since its testnet launch, Superposition has gained substantial traction from users for its innovative approach to facilitate native liquidity and utility mechanisms for decentralised applications.

bleap
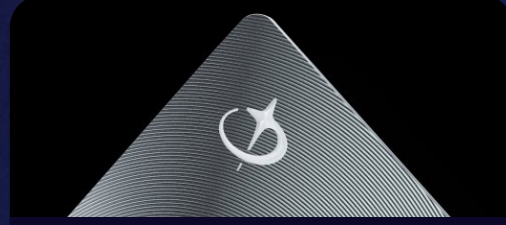
Bleap launched its beta version on Arbitrum One in November 2024, marking the start of a non-custodial fintech platform that features gasless transactions, secure cloud-based key storage, and MPC technology for enhanced security. By simplifying access and enabling full control through password-protected key recovery, Bleap enables broader user adoption and practical use cases of Arbitrum's tech stack.

Moby

Moby is an onchain options protocol that delivers competitively priced options and has sizeable liquidity backed by its Synchronized Liquidity Engine (SLE). Its tokenized options integrate easily with other DeFi services, Real World Assets (RWAs), and structured products, enhancing overall market efficiency. As of December 30, 2024, Moby had achieved $517M in notional volume and surpassed $2.54M in TVL in the last 30 days.

Strategic Partnerships Program

Alongside the grants program, the Arbitrum Foundation provides funding to key partners through the Strategic Partnerships Program to accelerate ecosystem growth. **The Foundation enters high-impact, milestone-based contracts with its strategic partners that last over a few years.** These contracts typically involve funding exceeding 2M ARB with an average duration of 2.1 years.

NEW INITIATIVE

In Q4 2024, the ArbitrumDAO approved a proposal allocating 250M ARB to the Arbitrum Foundation for strategic partnerships. This allocation supports high-impact opportunities requiring over 2M ARB, with agreements lasting a year or more. The primary objectives of the allocation include furthering Orbit chain development, onboarding RWAs, and nurturing partnerships with traditional financial institutions to encourage adoption of Arbitrum technology. The onchain proposal for the strategic partnerships initiative was executed on October 21, 2024, unlocking the Foundation's access to the funds. **At the end of 2024, the Arbitrum Foundation had committed over 11.2M ARB in strategic funding to support teams across various verticals, including RWAs, FinTech, and Orbit chains.** This proposal has unlocked opportunities for new partnerships that were previously not possible. Currently, the Foundation is negotiating multiple agreements to leverage this funding, furthering our mission to boost institutional adoption, integrate more real-world assets and use cases, and ultimately expand the Arbitrum ecosystem.

11.2M ARB
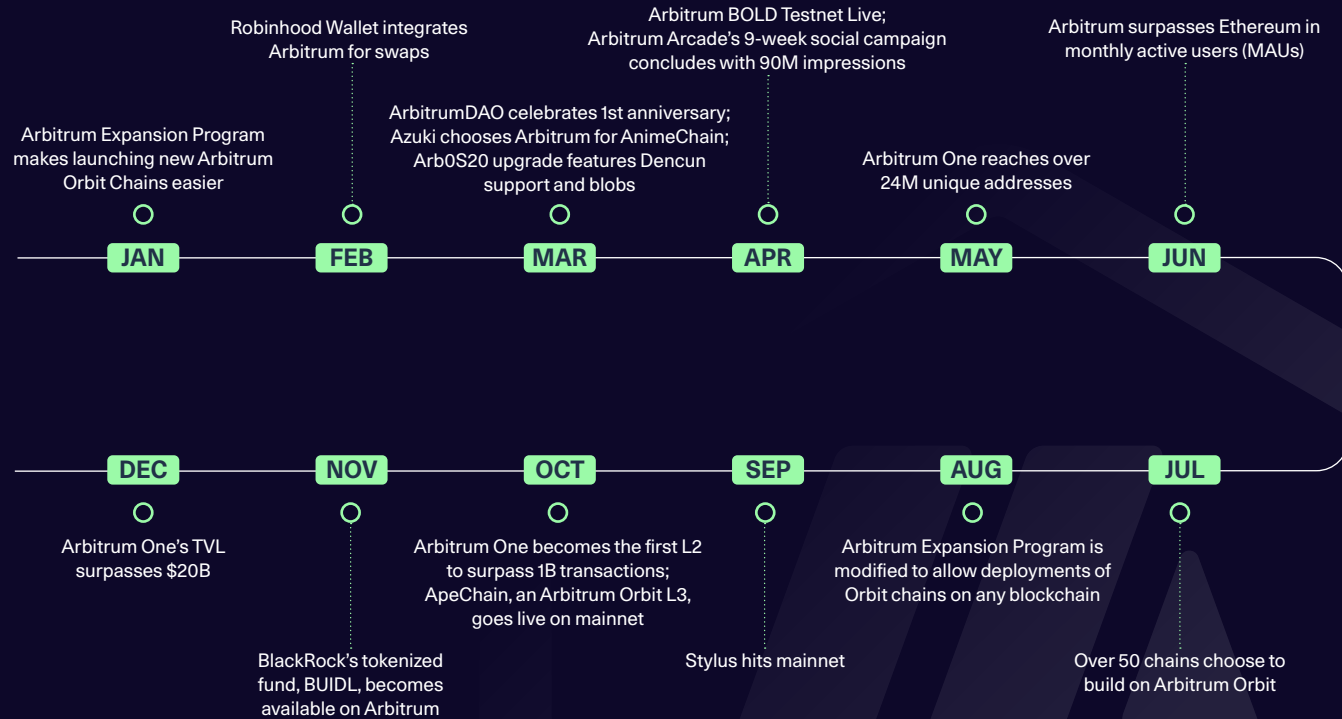Funds committed at the end of 2024

2.25M ARB
Average grant size

Ecosystem Growth

Arbitrum saw remarkable growth and innovation in 2024, with over 900 applications and 90+ chains across DeFi, gaming, NFTs, AI, bridges, infra and tools. Established projects like **GMX, Camelot, Radiant, XAI** and **Proof of Play** expanded their offerings while many projects such as **Robinhood, Apechain, Duckchain** and **AnimeChain** joined forces in 2024, expanding liquidity and opportunities on the network.

On the adoption front, Arbitrum solidified its position as the leader in Layer 2 scaling. **The network's TVL surpassed $20B in 2024—the first among L2s to do so—and celebrated over 4M active monthly users.** A mere three years since its mainnet launch, Arbitrum One became the first rollup to hit 1B transactions.

TIMELINE OF MAJOR MILESTONES FOR ARBITRUM IN 2024

Robinhood Wallet integrates Arbitrum for swaps

Arbitrum BOLD Testnet Live; Arbitrum Arcade's 9-week social campaign concludes with 90M impressions

Arbitrum surpasses Ethereum in monthly active users (MAUs)

Arbitrum Expansion Program makes launching new Arbitrum Orbit Chains easier

ArbitrumDAO celebrates 1st anniversary; Azuki chooses Arbitrum for AnimeChain; Arb0S20 upgrade features Dencun support and blobs

Arbitrum One reaches over 24M unique addresses

JAN   **FEB**   **MAR**   **APR**   **MAY**   **JUN**

DEC   **NOV**   **OCT**   **SEP**   **AUG**   **JUL**

Arbitrum One's TVL surpasses $20B

Arbitrum One becomes the first L2 to surpass 1B transactions; ApeChain, an Arbitrum Orbit L3, goes live on mainnet

Arbitrum Expansion Program is modified to allow deployments of Orbit chains on any blockchain

BlackRock's tokenized fund, BUIDL, becomes available on Arbitrum

Stylus hits mainnet

Over 50 chains choose to build on Arbitrum Orbit

ARBITRUM DEFI DOMINANCE CONTINUES

Arbitrum DeFi's ecosystem hit new heights in 2024, crossing the **$3B mark in Q4 2024 and hosting top-tier protocols like GMX, Camelot, Pendle, Aave,** and **Uniswap.** The ecosystem experienced growth in Liquidity Restaking Tokens (LRTs), Stablecoins, and RWA tokenization, and drew institutional interest from players like **Securitize** and **Franklin Templeton.**

Lending, a good indicator of an ecosystem's overall health, grew on Arbitrum in 2024. The top five lending protocols—**Aave, Compound, Dolomite, Silo Labs,** and **Fluid**—collectively processed **$68.5B** in transaction volume, including deposits, withdrawals, borrows, repayments, and liquidations. This growth was fueled by enhanced interoperability brought by solutions like **LayerZero** and **Synapse** and cross-ecosystem collaborations with platforms like **Robinhood** and **Venus Protocol.**

In 2024, Arbitrum solidified its position as the liquidity layer of Ethereum and a cradle for DeFi innovation by providing a credibly neutral and community-driven environment for applications.

KEY DEFI COLLABORATIONS IN 2024

BlackRock.
Marking a significant step toward institutional adoption of blockchain technology, BUIDL, the largest blockchain-based money market fund, was launched on Arbitrum. BlackRock USD Institutional Digital Liquidity Fund (BUIDL) is backed by the world's leading investment firm, BlackRock, and is issued in collaboration with tokenization platform, Securitize.

FRANKLIN TEMPLETON
Franklin Templeton, a $1.5 trillion asset manager, launched its Franklin Onchain U.S. Government Money Market Fund (FOBXX) on Arbitrum. Launched in 2021, FOBXX stands at a $420M market cap, making it the third-largest U.S. Treasury-linked onchain product, according to data from rwa.xyz.

CIRCLE
Circle Internet Financial, the manager of the US Dollar Coin (USDC) stablecoin integrated Arbitrum One into its Web3 infrastructure platform. This collaboration opened up Circle's full suite of products—Programmable Wallets, Gas Station, and Smart Contract Platform—to developers building on Arbitrum.

coinbase
Coinbase Wrapped BTC or cbBTC, an ERC-20 token that is backed 1:1 by Bitcoin (BTC) and held by Coinbase, went live on Arbitrum. cbBTC's launch on Arbitrum helps integrate Bitcoin liquidity into DeFi, not only enhancing Bitcoin's utility, but strengthening Arbitrum's ecosystem as well.

2024 INTEGRATIONS & MILESTONES

CamelotDEX Camelot, native DEX on Arbitrum, crossed $45B in volume traded and was deployed on 13 Orbit chains, including ApeChain, Sanko, XAI, and Corn.

Corn Corn, an L2 powered by the Orbit tech stack, allows users to participate in DeFi with Bitcoin.

defi.money defi.money, an autonomous credit facility powering stablecoin $MONEY, became available on Arbitrum.

FBTC Ignition's FBTC, an omnichain Bitcoin asset pegged 1:1 to BTC, went live on Arbitrum.

Fluid Fluid DEX begins its L2 journey by deploying on Arbitrum. Fluid became a top 5 lending protocol on Arbitrum soon after.

Hyperliquid Hyperliquid generates substantial bridge volume on Arbitrum. It allows users to trade perpetual futures directly on its native L1 blockchain.

Legion Legion brings its merit-based fundraising platform to Arbitrum.

Renegade Renegade, an onchain dark pool and a new type of DEX, uses Stylus for its core ZK proof verification written in Rust.

Royco Royco mainnet is bringing incentivized action markets to Arbitrum, ushering in a new way for innovators to execute onchain incentives.

Superposition The Superposition testnet, a yield-centric blockchain, leveraged Stylus to implement a native Payment for Order Flow (PFOF) model.

Tren Finance Tren Finance's Liquidity Generation Event goes live on Arbitrum as a pre-step to mainnet launch.
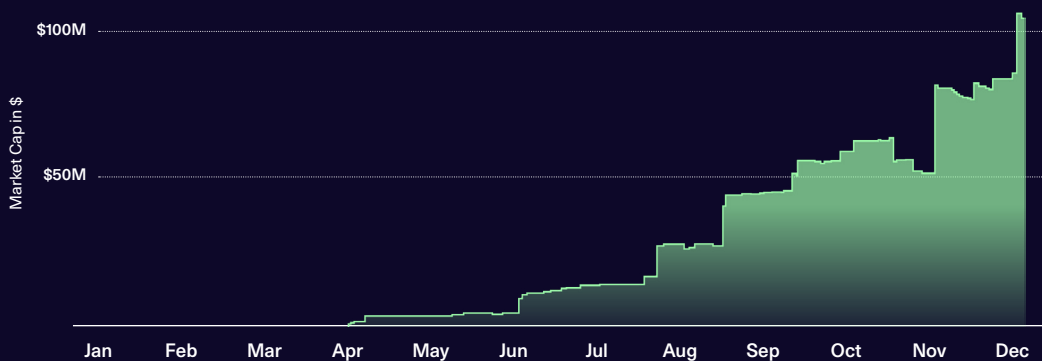
SPOTLIGHT ON TWO KEY DEFI VERTICALS

Two key DeFi verticals that the Arbitrum network helped reshape in 2024: RWA and Stablecoins

REAL-WORLD ASSET TOKENIZATION

Arbitrum has emerged as the chain of choice for institutions who want to tokenize assets. With less than $100,000 in early 2024, **RWA's TVL on Arbitrum crossed $100M in 2024,** with 99% of the tokenized assets being US Treasuries. Major asset managers like **Franklin Templeton** and **Blackrock** are deploying their tokenized Money Market Funds on Arbitrum for the network's reach and growth trajectory.

To further fuel RWA's momentum on Arbitrum, the ArbitrumDAO approved a **35M ARB investment into six real-world asset products through the Stable Treasury Endowment Program (STEP).** The program recipients included BlackRock's BUIDL Fund, Ondo Finance's US Dollar Yield Token, Superstate's USTB Fund, Mountain Protocol's USDM, OpenEden's TBill Fund, and Backed Finance's bIB01 asset.

STABLECOINS

At **$6.5B** (as of December 31, 2024)—a 3X leap since the beginning of the year—Arbitrum held the **highest stablecoin market cap among L2s in 2024.**

Arbitrum was also home to the **highest diversity of stables** in 2024. Circle's USDC accounted for 50% and Tether's

USDT accounted for 44% of the Arbitrum stablecoins market cap, prompting teams like GMX, Hyperliquid, Radiant Capital, and Aave to continue placing their trust in Arbitrum when seeking stablecoin liquidity.

TOKENIZATION ON ARBITRUM: US TREASURIES IN 2024

TOTAL ARBITRUM STABLECOIN MARKET CAP IN 2024

2024 KEY DEPLOYMENTS ON ARBITRUM ACROSS RWA AND STABLES

BlackRock
BlackRock USD Institutional Digital Liquidity Fund (BUIDL), issued in collaboration with tokenization platform Securitize, launched on Arbitrum.

Credbull
Onchain private credit fund, Credbull, integrates with Arbitrum to ease digital lending.

DigiFT
DigiFT, a Singapore-based, licensed RWA exchange, successfully tokenized a Money Market Fund and a High Yield Bank Bond on Arbitrum.

Estate Protocol
Estate Protocol, an RWA protocol for professionally managed real estate, enables fractional investment into regulated Dubai real estate.

Franklin Templeton
Franklin Templeton's onchain U.S. Government Money Market Fund (FOBXX) launched natively on Arbitrum with $51M in TVL, second only to Ethereum.

Ondo Finance
RWA Protocol, Ondo Finance expanded access to Ondo US Dollar Yield Token (USDY) via Arbitrum.

Ostium
RWA perpetuals platform Ostium launches mainnet on Arbitrum.

Paxos
Paxos launched Lift Dollar Stablecoin, USDL, natively on Arbitrum. USDL gives eligible users direct access to both US dollars and yields from cash-equivalent assets from outside the US.

GAMING ON ARBITRUM REACHES NEW HEIGHTS IN 2024

The Arbitrum ecosystem became the leading hub for gaming blockchains,

hitting remarkable user adoption and growth milestones in 2024. The year was marked by launches and achievements from both established and emerging players.

Proof of Play's **Apex and Boss** chains held the spot for top performance, while **Pirate Nation** earned the **GAM3 Best Browser Game Award,** reiterating the quality of the game offerings available on Arbitrum. **Ubisoft** introduced Captain Laserhawk onchain and **Lotte Group** partnered with Arbitrum to launch the **Caliverse** metaverse platform. Collaboration with Game7 DAO further accelerated momentum by spotlighting key Arbitrum projects on the **Game7 portal.**

ARBITRUM ORBIT BECOMES THE GO-TO FOR GAMING BLOCKCHAINS

According to the _State of Web3 Gaming_ report, developers are increasingly turning to Ethereum scaling solutions to build tailored blockchain environments. Arbitrum, largely driven by Arbitrum Orbit, has become a hotspot for migrations, with over a dozen games transitioning to its ecosystem in 2024.

In 2024, the Orbit framework welcomed **several new chains** including prominent players like **Proof of Play, Xai, HYCHAIN, ApeCoin, Geist Network, SuperChamps, and Genso Meta, among others. With the Game Catalyst Program (GCP)** in place, the ecosystem is well-poised for continued expansion in 2025.

Powered by Arbitrum

2024 MAJOR GAMING DEPLOYMENTS AND MILESTONES ON ARBITRUM

ApeChain

ApeChain went live on mainnet as an Arbitrum Orbit L3.

Geist Network

Community-owned gaming ecosystem Aavegotchi launched Geist mainnet, the world's first members-only, Arbitrum Orbit-powered gaming chain.

Lotte Caliverse

South Korean conglomerate Lotte Group's metaverse platform, Caliverse, entered a strategic partnership with Arbitrum to launch their platform.

MagicEden x UbiSoft

The MagicEden ecosystem teamed up with UbiSoft to launch their latest game, Captain Laserhawk: The Game, which was built on Arbitrum. This included a free mint for the Niji Warrior collection, which has since amassed over 3,000 unique holders in December 2024.

Proof of Play

Proof of Play launched Multichain, its 'constellation of blockchains' to power its fully onchain RPG, Pirate Nation, starting off with the Apex and Boss chains. In 2024, these two chains powered over 500M transactions, consumed over 400 trillion gas units, and serviced over 30,000 Pirate Nation players.

Ubisoft's Captain Laserhawk Universe

Ubisoft will be leveraging Arbitrum's technology to expand the universe of Captain Laserhawk onchain.

XAI Games

xAI games expanded its ecosystem to include a variety of new titles across genres, including PlanetX, Valeria, Tollan Universe, The Lost Glitches, RIFTSTORM, and more.
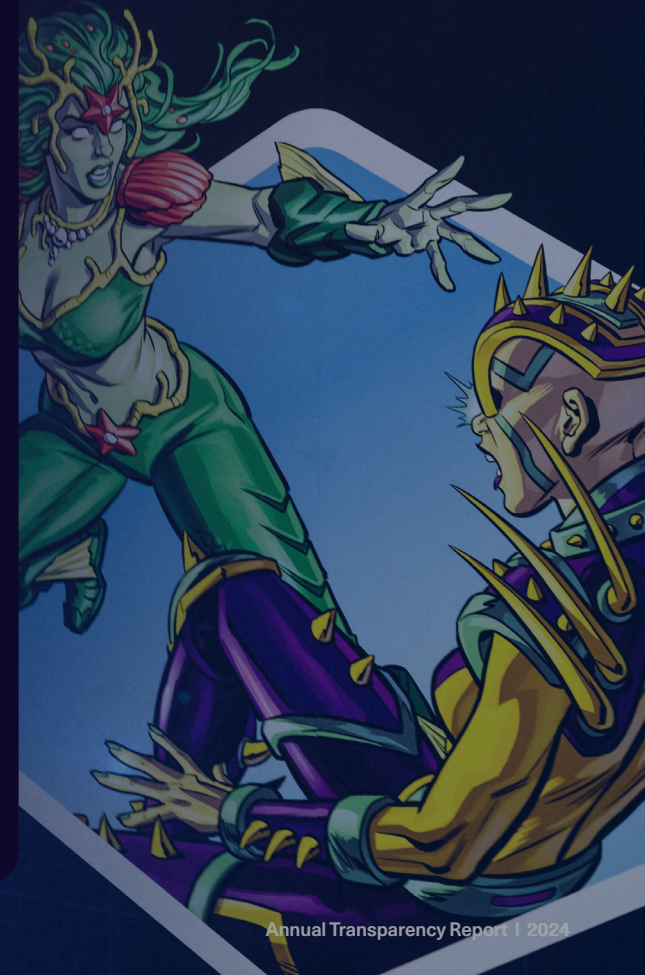
AI-AGENTS ON ARBITRUM

A key trend in 2024 was the growing synergy between artificial intelligence (AI) and the crypto ecosystem. While initially more focused on infrastructure, Q4 2024 saw a surge in AI-powered agents, many of which are being developed and deployed on Arbitrum due to its scalability, low-cost transactions, and robust developer ecosystem.

Capx AI, Conwai, Hybrid, and Spheron Network are some notable AI-based Arbitrum chains.

2024 KEY ARBITRUM-POWERED AI DEPLOYMENTS

AI ARENA	AI ARENA is an AI-enabled game on Arbitrum and an agent creation factory (nrm).
AI Sweat Shop and Overlord	AI Sweat Shop offers a framework to launch DeFi or DeSci AI services on Arbitrum. Overlord was the first AI service to be launched on AI Sweat Shop and effortlessly converts posts and mentions on X into onchain actions.
Aikaverse	Aikaverse is a multichain AI agent designed to help buy and sell crypto directly through X.
Allora	Allora is a self-improving, decentralized AI network. Steer Protocol is using Allora's BTC and ETH price prediction models to optimize liquidity management in Camelot pools.
Almanak	Almanak helps build, train, and manage autonomous financial agents.
Axal	Axal's Autopilot trading automates trading strategies for users. All trading of stablecoins and bluechip assets occur on Arbitrum.
Empyreal	Empyreal is a framework to launch onchain AI agents using chats on X.
EternalAI	EternalAI is a framework to create decentralized agents, write AI-powered smart contracts, and build dApps on Arbitrum
Vitalik AI	Vitalik AI is the first AI agent on Arbitrum to be built with the ELIZA framework.

ARBITRUM ORBIT CHAINS DRIVE EXPLOSIVE GROWTH

2024 was a breakthrough year for Arbitrum Orbit, cementing its role in scaling blockchain ecosystems and delivering value across diverse use cases. By enabling highly customizable Layer 3 solutions, Orbit chains have created opportunities for developers, businesses, and users that have led to ecosystem-wide growth.

ORBIT CHAIN DEVELOPMENT AND EXPANSION BEYOND ETHEREUM

In January 2024, the **Arbitrum Expansion Program (AEP)** was introduced, equipping projects with tools to fork and customize the Arbitrum codebase to their needs. These Orbit chains derive security from Ethereum and contribute to the broader Arbitrum ecosystem through revenue-sharing mechanism of 8% to the ArbitrumDAO and 2% to the new Arbitrum Developer Guild.

The use of Arbitrum One and Nova continue to be **free and permissionless for Layer 3s,** fostering a thriving and open development environment.

In Q3 2024, AEP was updated to allow Orbit chains to deploy on any network, not just Ethereum. This significantly broadened the Orbit tech stack's reach, making it compatible with ecosystems like Bitcoin, Binance Smart Chain, Cosmos, TON Network, and Solana.

ECOSYSTEM SUPPORT

To bolster the growth of Orbit chains, **Alchemy launched a $10M Orbit Fund** to support Orbit rollup operators. The program offers builders on Arbitrum up to **$500,000 in credits per team** and is distributed on a first-come, first-serve basis.

DuckChain became the first Orbit Chain settling on a non-EVM chain as Layer 2 of the TON network.

Several other Orbit L2s are in development in other ecosystems such as Solana and Berachain.

1.2M+
Wallets connected

$0.0045
Median fee per transaction

$315M
Total bridged

* Data as on December 31, 2024

GROWTH OF ORBIT CHAINS

The Orbit ecosystem saw remarkable growth in 2024, with **90+ teams** actively building Orbit chains across DeFi, DePIN, gaming, NFTs, and infrastructure. Among these, **30+ chains are in mainnet, with a dozen more in testnet and the developmental phase.**

2024 ORBIT CHAIN SPOTLIGHT

ApeChain

After deliberated discussions within the ApeCoin DAO on launching a dedicated blockchain, the community voted to launch ApeChain, a creator-centric Layer 3 blockchain that was developed using the Arbitrum Orbit framework. ApeChain's October 2024 mainnet launch saw over 50 apps rolled out within a few weeks.

CapX Chain

CapX Chain is an Orbit L2 that enables deploying and tokenizing AI agents seamlessly. CapX Super App, home to a wide range of AI agent applications that facilitate trade and earning rewards, went live in December 2024.

Corn

Designed for Bitcoin holders, Corn integrated Bitcoin liquidity into Ethereum DeFi. Corn has emerged as a key player in the BTCFi narrative.

Gravity chain by Galxe

Web3 credentials and loyalty platform Galxe launched Gravity alpha mainnet on Arbitrum's Nitro stack as a Layer 2 solution. In the first two months after it launched mainnet, Galxe processed over 200M transactions and exceeded $150M in TVL.

STYLUS ECOSYSTEM GROWTH

With the mainnet launch on September 3, 2024, Arbitrum Stylus became the first altVM that's fully interoperable with the Ethereum Virtual Machine (EVM), enabling developers to write smart contracts in popular programming languages like Rust, C, and C++. Aside from the mainnet launch, other key improvements were introduced to facilitate development. (Read about Stylus' advancements in 'Technical Advancement' section.)

ECOSYSTEM SUPPORT

The **Stylus Sprint Program** was launched to propel early adoption and offered 5M ARB in grants to developers who innovate blockchain solutions using Arbitrum Stylus. Funded by the ArbitrumDAO, this sprint supports teams that are either building with Stylus's Web Assembly (WASM) VM or building developer tools that supports Stylus.

Besides grant support, the team is making it easier for developers to work with Stylus through a series of educational campaigns. Case in point, **Stylus Showcases**, is one such effort.

A content series showcasing six teams using Stylus across projects, each group shares their experience with the tech stack.

Likewise, the **Stylus Pro Series** makes getting started with the Stylus tech stack much easier by providing simple product walk-throughs, with a focus on how to build advanced developer topics. In addition, **Stylus Case Studies** on projects like Renegade and Superposition explore the possibilities of what's possible with Stylus and help guide newcomers to the ecosystem.

BUILDING WITH STYLUS

Stylus projects address a wide array of challenges, with each iteration endorsing the tool's ability to inspire and unlock new onchain applications.

NOTABLE PROJECTS USING STYLUS*

Crypto Valley Exchange	CVEX is building the first portfolio-risk-capable platform for options and futures trading.
Fairblock	Fairblock is designing an encryption co-processor for DeFi, gaming, and AI applications using Stylus tooling.
Lit Protocol	Lit Protocol uses Stylus and Rust's cryptography libraries to deliver programmable key pairs that empower decentralized digital ownership.
OpenZeppelin	OpenZeppelin released a library of Stylus contracts for builders to use in addition to providing auditing services.
Renegade Finance	Renegade Finance is building onchain dark pools that use ZK proofs to ensure that trading activities are completely obscured from third parties. This is made possible in the EVM with Stylus.
Superposition	DeFi Native Layer 3 Superposition is creating an order book that steers order flows with faster execution speeds and permissionless liquidity.

*Information on notable projects is as of December 31, 2024.

2

Developer Education and Community Engagement

In 2024, the Arbitrum Foundation rolled out a four-pronged strategy to drive developer education and community engagement.

01 Cultivating a Resilient Arbitrum Ecosystem and Driving Excitement Around Innovation

02 Bootstrapping Regional Community Growth

03 Leading in Must-Win Verticals

04 Promoting Brand Love and Inclusivity

Developer workshops, education campaigns, and targeted grants empowered both existing and new builders in the ecosystem. Meaningful community engagement via events and outreach programs were also instrumental in building strong relationships with projects on Arbitrum and with community ambassadors who helped expand Arbitrum's reach and advocacy.

Cultivating a Resilient Arbitrum Ecosystem and Driving Excitement Around Innovation

In 2024, the Arbitrum Foundation dedicated significant efforts to scaling up community initiatives and bringing together different voices to work towards a common vision. The first step was to establish a compelling narrative through a clear and authentic story that resonates with the community. The ***Big Moves content series,*** along with supporting messaging across social media and other mediums, did just that in the second half of 2024.

BIG MOVES SERIES

As the essence of Arbitrum lies in the communities and individuals building on it, the Foundation aimed to spotlight them by telling human stories on how and why they build on Arbitrum. The Foundation launched the Big Moves series to highlight the human side of the Arbitrum community and the diverse perspectives on which the ecosystem is built.

Told through interviews with founders and builders, the series was a prominent feature at key events, such as at EthCC Brussels and ArbiVerse Singapore, and was shared across social media. *Big Moves* resonated with the community, earning **250,000+ organic interactions.**

ARBITRUM
BIG MOVES

ARBITRUM EVENTS

In H1 2024, the Foundation participated in leading Web3 events around the world, including **Consensus, EthDenver, and EthCC.** In July, the Arbitrum Foundation hosted its inaugural **Arbitrum Day** during EthCC in Brussels and featured keynotes from **Vitalik Buterin** and **Ed Felten** (more in our H1 2024 Report).

To maximize momentum, the Arbitrum Foundation doubled down on its community engagement efforts in H2 2024 with the introduction of **ArbiVerse**, an immersive, in-person builder gathering that encourages active networking and showcases the breadth and depth of the Arbitrum builder community.

ARBIVERSE SINGAPORE

The first ArbiVerse event was hosted at the ArtScience Museum in Singapore during Ethereum Singapore in September 2024. An open house for the community, ArbiVerse Singapore offered 1000+ attendees an unparalleled opportunity to engage with Arbitrum Foundation, ArbitrumDAO, and the key teams building on Arbitrum, including **XAI, Azuki, The Beacon, Pendle Finance, Ubisoft,** and **Apechain**.

The event hosted **podcasts, interactive arcade games, fireside chats, interviews,** and much more. Adding to the excitement, **ArbiVerse Singapore** also served as the launchpad for the **Road to Devcon** initiative.

1,000+
Attendees

19M
Earned reach

BANGKOK | NOV 11, 2024

ARBIVERSE BANGKOK

The second chapter of ArbiVerse, also hosted by the Arbitrum Foundation, took place in Bangkok during Devcon in November 2024. Attendees engaged with other builders at networking booths, hands-on Stylus workshops, onchain arcade games, and at the Arbitrum Thai night market, immersing in local Thai culture.

ArbiVerse Bangkok saw the **highest in-person attendance** and **online engagement** of any Arbitrum event in 2024.

57,241
Total engagement

26.9M+
Earned reach

1,300
Attendees

AZUKI x ARBITRUM

The Arbitrum Foundation joined forces with **Azuki,** the leading anime Web3 project, to co-host side events at **Token2049 Singapore** and **Devcon Thailand.**

H1 2024 witnessed the launch of **AnimeChain**, an initiative by Azuki and the AnimeCoin Foundation. To commemorate the collaboration, Azuki co-creator, **Steamboy**, launched a special edition **Arbzuki NFT** on Arbitrum. The mint, reaching an impressive 92,000, underscored the growing synergies between anime and Web3 innovation.

DEVELOPER EDUCATION

Multiple educational programs, including Learn & Earn, Bounties, and a series of hands-on workshops, were introduced at key events with the aim of transitioning developers onto the Arbitrum tech stack, especially to Stylus and Orbit.

Two well-received programs in H2 2024 were **Step into Arbitrum Learn & Earn Campaign and Arbitrum Builders Bounty Challenge.**

STEP INTO ARBITRUM

Step into Arbitrum was the first-ever online entry-level developer learning campaign organized by the Arbitrum Foundation. **It was met with excitement, with over 1,200 participants, 50% of whom were from APAC.** India topped the league, closely followed by Indonesia and Singapore. The eight-week-long Learn & Earn campaign primarily focused on developers who were new to Arbitrum, exposing them to the Arbitrum tech stack, the SDK, and how to build a dApp through five modularized quests.

ARBITRUM BUILDERS BOUNTY CHALLENGE

The Builders Bounty Campaign was a follow-up to the 'Step into Arbitrum' campaign, which provided developers an opportunity to build innovative dApps on Arbitrum. The Bounty was conducted online and across the two months leading up to Devcon 2024.

The Bounty attracted 260 participants and 33 high-quality submissions across DeFi, gaming, social, and developer tooling. **APAC projects accounted for half of the participation,** namely from India, Indonesia, and Vietnam.

STEP INTO ARBITRUM OUTCOME

1,200
Unique developers interacted with the Arbitrum Bridge

900+
Arbitrum SDK downloads

800+
Smart contracts deployed on Arbitrum Sepolia

500+
dApps built

AMBASSADOR PROGRAM

The Arbitrum Ambassador Program plays an important role in nurturing a grassroots community in the ecosystem. The program empowers community members to represent Arbitrum in their local chapters and encourages them to educate users and developers about the Arbitrum tech stack. Ambassadors can do this by running online education campaigns and offline workshops.

In 2024, the Ambassador Program widened its focus from university students to include developers, non-developers, and enthusiasts, and zeroed in on educational programs and driving awareness of the Arbitrum ecosystem. Ambassadors are supported with workshops, consistent feedback and grants that enable them to produce the best possible content.

The ambassador program generated high-quality content across a diverse range of topics, from foundational concepts like Arbitrum 101 to more specialized areas such as DeFi, gaming, and AI development on Arbitrum. Key contributors like @John_Peace1, @Tanaka_L2, and @BandaWeb3 have cultivated substantial regional followings, each numbering in the thousands. These individuals are instrumental in driving the program's core mission: educating and onboarding a wider Web3 community into the Arbitrum ecosystem. Their dedication and consistent efforts have significantly contributed to the program's success.

132
Ambassadors accepted into the program

18
Countries represented

9,000+
Original content posts

Bootstrapping Regional Community Growth

As Arbitrum's global footprint expanded, the Arbitrum Foundation remained committed to allocating the time and resources required to driving regional community growth. Asia and LATAM showed consistent growth throughout the year, with a plethora of initiatives in each region. (More on H1 2024 initiatives here.)

ASIA | Japan

The Arbitrum Foundation made a splash at Japan's largest Web3 conference, **WebX 2024,** in August 2024. The Foundation hosted **a prominent booth in partnership with ApeChain** and kicked off festivities with the first-ever Arbitrum Gaming & NFT Night at NOX Gallery, Japan's first physical NFT gallery. The event showcased the breadth and depth of Arbitrum Gaming, with titles like **Aavegotchi, Pirate Nation, Beacon, Zeeverse, and InfiniGods**, as well as promo footage for **Poglin Smash, Ubisoft's Captain Laserhawk: The G.A.M.E.,** and **Sanko GameCorp.**

1,000+
Attendees

15M+
Earned reach

WebX Tokyo also marked the strategic partnership between Arbitrum and Lotte Group to launch Lotte's metaverse platform, **Caliverse**. In the run-up to the WebX event, Arbitrum Foundation hosted the **Road to WebX** side event at IVS Tokyo and invited Japan's largest crypto publisher, CoinPost, to help educate and increase brand reach in Asia.

Korea

Korea Blockchain Week (KBW) coincided with the Stylus mainnet launch in September 2024. Across the KBW main event, the Foundation deepened relationships with the Web3 community at large through keynotes and workshops on Stylus. Beyond the main event, the Foundation hosted Arbitrum Day and a C-level Roundtable Forum. The Foundation also worked with top tertiary institutions like Yonsei University and Korean University to educate students on Arbitrum's tech stack, and collaborated with Ethena Labs in organizing open sessions for the community.

1,300+
Attendees

38M+
Earned reach

SOUTH EAST ASIA

To drive mainstream Arbitrum adoption in Southeast Asia, the Foundation launched the **Road to Devcon (RTD)** initiative in view of attracting young talent from the region. RTD took a comprehensive approach, consisting of education campaigns, bounties, workshops, and in-person meet-ups to maximize exposure and opportunities for its participants. Arbitrum Learn & Earn and Build Bounty Program (see previous section) were part of RTD initiative.

As part of the RTD, **ArbiLink** was introduced. A one-day event for the region's community builders, the event aimed to connect members with each other, with the Arbitrum ecosystem, and with the Aribtrum tech stack. The first ArbiLink event was held in **Jakarta, Indonesia**, and saw over 100 in-person participants and more than 27,000 joining the livestream.

In Vietnam, Arbitrum Foundation hosted and participated in various community events.

Three successful events include:
build w frens:
An Arbitrum Foundation-hosted community meetup in Ho Chi Minh City.

Web3 Saigon Meetup:
An Arbitrum 101 workshop organized at Web3 Saigon's Devcon-sponsored monthly meetup.

APAC DAO Mixer:
An Arbitrum Foundation X APAC DAO networking event.

GREATER CHINA

The Arbitrum Foundation hosted its first-ever Greater China event during SmartCon 2024 in Hong Kong:

Arbitrum X SNZ Builders' Night:
Builders and industry leaders attended the developer-focused evening that included expert talks, a RWA panel discussion, and networking opportunities.

Apechain X Duckchain X Arbitrum Hackathon:
The hackathon received 183 registrations out of which 13 qualified projects were successfully submitted.

LATAM

The Arbitrum ecosystem continued to expand its foothold in LATAM through several major Web3 events:

EthArgentina:
The ArbitrumDAO sponsored EthArgentina through Questbook, which counted over 800 attendees. The event featured technical workshops on Orbit and various talks on decentralized governance, among other key topics.

Crecimiento:
The ArbitrumDAO also sponsored a month-long pop-up city, Crecimiento, in Buenos Aires via Questbook.

Aleph Hackathon:
The DAO sponsored the hackathon through Questbook and attracted 50 submissions, of which 19 worked on the Arbitrum track.

Leading in Must-Win Verticals

In 2024, the Arbitrum Foundation focused on winning mindshare and driving user adoption across key verticals, including DeFi, gaming, RWA tokenization, and AI. This approach involved identifying and forming strategic partnerships in each niche and carving out a strong presence at vertical-specific events.

GAMING

In H1 2024, the Foundation showcased 12 Arbitrum games to 30,000+ conference attendees at the **Game Developer Conference (GDC)** in San Francisco. Soon after, the Foundation launched the **Arbitrum Arcade**, a nine-week-long social campaign that highlighted the diversity of games available in the Arbitrum ecosystem. The campaign drove a staggering 90M earned reach on social media.

In H2 2024, Arbitrum Foundation collaborated with leading game publishers like Ubisoft (developer of Assassin's Creed, Far Cry, Just Dance, and Prince of Persia) and with South Korean conglomerate, Lotte.

Lotte Caliverse

South Korea's, Lotte Group has partnered with Arbitrum to launch its metaverse platform, Caliverse. Announced at WebX 2024, Coinpost's global Web3 conference in Tokyo, this collaboration sets a new benchmark for Arbitrum's expansion into gaming and beyond.

Tokyo Game Nights

In collaboration with Aavegotchi and the Alchemy platforms, the Arbitrum Foundation hosted engaging game nights for the community.

Game7 DAO

The Arbitrum Foundation collaborated with Game7 to bolster support for the Arbitrum gaming community. As part of its commitment, Game7 launched a growth and retention campaign that allows players to participate and earn rewards from a $100,000 prize pool.

**CAPTAIN LASERHAWK —
THE G.A.M.E. LAUNCHES ON ARBITRUM**

Ubisoft, the creators of *Captain Laserhawk*, a game based on the Netflix series *Captain Laserhawk: A Blood Dragon Remix*, is leveraging Arbitrum technology to bring the game onchain. The launch also marked a key milestone for the Arbitrum ecosystem: the debut of Magic Eden's NFT marketplace. The collaboration between Arbitrum and Ubisoft saw the first Arbitrum-based NFT mints go live on Magic Eden.

RWA AND INSTITUTIONAL ADOPTION

In 2024, the Arbitrum Foundation participated in and sponsored high-profile finance events, including **The Bridge by the Tie** and the **Financial Times Crypto and Digital Assets Summit Asia.**

THE BRIDGE BY THE TIE

The Arbitrum Foundation was the Platinum Sponsor at the 2nd annual *The Bridge by The Tie* conference. Over 1,000 executives from top financial institutions and digital asset firms attended expert panels, presentations, and private meetings, to discuss the future of digital assets and finance. The Foundation also hosted an exclusive breakfast comprising both existing and prospective partners from within the Arbitrum ecosystem.

The event facilitated connections with leading institutions and fintech companies, most notably **Securitize, Fidelity, WisdomTree,** and **Franklin Templeton,** who expressed interest in further collaborating with Arbitrum.

FINANCIAL TIMES CRYPTO AND DIGITAL ASSETS SUMMIT ASIA 2024

The Arbitrum Foundation sponsored *Crypto and Digital Assets Summit Asia,* a Singapore-based event organized by the Financial Times in December 2024. In attendance were key decision-makers from major global institutions, including **Franklin Templeton, Bank of New York Mellon,** and **Northern Trust,** as well as leading regional players, DBS and UOB. The event spurred discussions on institutional adoption of digital assets, RWA tokenization, and regulatory frameworks in Asia, once again spotlighting Arbitrum as the go-to platform for institutional adoption in Asia.

Promoting Brand Love and Inclusivity

SHEFI EVENTS

The Arbitrum Foundation has continued its work with the SheFi team in H2 2024, in view of furthering its inclusivity goals and bringing more women into the space. The Foundation co-sponsored **SheFi's Singapore Summit** and participated in panel discussions and booth activities, connecting and engaging with the 400-strong audience.

At Devcon 2024, the Arbitrum Foundation hosted a **first-in-kind High Tea** with the SheFi team. Overlooking Bangkok, the event offered an inclusive (and delicious!) space for women to share innovative ideas, collaborate, and connect with each other.

THE ARBITRUM BRAND ON SOCIAL MEDIA

In 2024, the Arbitrum Foundation's strategic social media efforts yielded substantial growth in community engagement and global reach. The flagship X account (@arbitrum) achieved a significant milestone, exceeding one million followers and concluding the year with over 1.1 million, a 21% increase. Furthermore, the developer-focused (@arbitrumdevs) and core community (@arbitrumcore) accounts experienced even more remarkable growth, with increases of 33% and 95%, respectively. Newly launched Korean and governance-focused accounts rapidly garnered thousands of followers, demonstrating the efficacy of targeted outreach.

CONTENT POSTS
2,833
(117% of 2023)

EARNED REACH
205M
(153% of 2023)

ARBITRUMDAO'S FIRST ANNIVERSARY

In early 2024, the Arbitrum Foundation launched a campaign commemorating the first anniversary of the ArbitrumDAO and the ten-year history of the Arbitrum project. As part of this celebration, a commemorative Soulbound Token (SBT) NFT was offered to the community. This SBT represents the history, values, and diverse ecosystem of projects built on Arbitrum. The two-day campaign, which began on April 11, 2024, saw significant engagement, reaching 51,079 unique users.

3

Technical
Advancements

Technical Advancements

In 2024, the Arbitrum Foundation prioritized four core pillars for technical innovation:

01 **Expanding Arbitrum into an ecosystem of chains**

02 **Advancing the developer experience**

03 **Moving closer to Stage-2**

04 **Exploring major innovations in Arbitrum**

The Foundation supports external teams working on interesting upgrades to the Arbitrum tech stack. The Arbitrum One and Arbitrum Nova networks are governed by the ArbitrumDAO and require a constitutional proposal to make changes to these networks. If approved by the DAO, upgrades are executed via onchain governance smart contracts and becomes available immediately across all Arbitrum chains.

TECHNICAL PROPOSALS SUBMITTED BY THE ARBITRUM FOUNDATION TO THE ARBITRUM DAO IN 2024

Proposal name	Theme	Description
AIP: ArbOS Version 20 'Atlas'	Developer Experience	An upgrade to the operating system that focused on compatibility with Ethereum's Dencun upgrade. This includes native support for EIP-4844 data blobs which substantially reduced transaction fees for all users.
AIP: Support RIP-7212 for Account Abstraction Wallets (Arb 30)	Developer Experience	Enable secp256r1 that allows external developers to leverage passkey to manage cryptographic keys. It is in line with an upgrade that all rollups have agreed to adopt as part of the Rollup Improvement Process.
AIP: BoLD— permissionless validation for Arbitrum	Stage-2 Rollup	Bringing Arbitrum One and Nova closer to becoming a Stage-2 Rollup by integrating permissionless fraud proofs.
AIP: Funds to bootstrap the first BoLD validator	Stage-2 Rollup	Request funds from the ArbitrumDAO treasury to bootstrap a BoLD-enabled proposer run by the Arbitrum Foundation. Additionally, it defines a gas refund policy and reward scheme for active proposers, that will be manually run by the Arbitrum Foundation.

TECHNICAL PROPOSALS SUBMITTED BY THE ARBITRUM FOUNDATION TO THE ARBITRUM DAO IN 2024

Proposal name	Technical theme	Description
Constitutional AIP: Proposal to adopt Timeboost, a new transaction ordering policy	MEV	Modify the transaction ordering policy implemented by the Sequencer to allow MEV searchers to participate in an auction and win exclusive access to an express lane. The proposal is to reduce latency games played by MEV searchers on the Sequencer and to help return some of the fees back to the chain's revenue.
The Arbitrum Expansion Program and Developer Guild	Ecosystem of Chains	An expansion program was introduced to enable projects to deploy an Orbit chain on Ethereum or any chain that derives security from Ethereum. In return, the new Orbit chain should return 10% of the chain's net revenue back to the ArbitrumDAO. It also introduced a Developer Guild, which receives a portion of the chain's net revenue to help fund independent contributors to the Arbitrum tech stack.
Change Arbitrum Expansion Program to allow deployments of new Orbit chains on any blockchain	Ecosystem of Chains	Proposal to allow Orbit chains to deploy on any blockchain and not just a chain that derives security from Ethereum.
AIP: ArbOS 31 "Bianca" - Activation of Arbitrum Stylus, RIP-7212 Support, & Nova Fee Router Proposal	Developer Experience	ArbOS 31 was activated on Arbitrum One and Nova, introducing Arbitrum Stylus for Rust and C++ applications on the EVM, a new secp256r1 precompile (RIP-7212), and directing Nova's fee collection to the DAO treasury.
Constitutional - Extend Delay on L2Time Lock	Stage-2 Rollup	Extends the L2 Core Time Lock on Arbitrum One, increasing the delay for constitutional proposals from three to eight days. This change allows the Security Council more time to respond to malicious proposals and gives users additional time to withdraw assets, which moves Arbitrum One a step closer to a Stage-2 rollup.

Expanding Arbitrum into an Ecosystem of Chains

Since the launch of the Arbitrum Expansion Program in early 2024, 90+ chains have adopted the Orbit tech stack.

Notable projects include **AnimeChain, ApeChain, Proof of Play, Kinto, Superposition Cometh, WINR, and Gravity,** among others.

Furthermore, adjusting the Arbitrum Expansion Program to allow Arbitrum Chains to deploy on any blockchain network has enabled new Layer 2s such as Corn on Bitcoin and Duckchain on TON. This showcases the flexibility and adaptability of the Arbitrum technology stack.

90+
chains adopted the Orbit stack in 2024

As low as
100ms
transaction speeds

Custom gas tokens

FEE ROUTER IMPLEMENTATION

With ArbOS31 release, a router was implemented to automatically route all fees collected from **Arbitrum Nova** to the **DAO Treasury on Arbitrum One.**

The router implementation gives the DAO faster and easier access to these funds.

Additionally, the fee router contracts are reusable by Orbit chains to route fees to an Arbitrum Foundation-controlled multisig wallet on the Ethereum mainnet. This simplifies the process for Orbit chains to allocate 10% of their net protocol revenue back to the broader Arbitrum ecosystem.

FAST WITHDRAWALS

The Arbitrum Foundation has sponsored the implementation of fast withdrawals for Arbitrum Chains. If enabled, this allows users to transfer tokens from the Arbitrum Chain to the parent chain within a short period of time and effectively bypasses the usual seven-day wait for the fraud proof window to complete. More generically, it facilitates the rapid delivery of onchain messages.

Fast withdrawals are available for any Arbitrum Chain with a Data Availability Committee (DAC). In this configuration, the security of funds relies on the presence of at least one honest member within the committee. Should any issues arise, this honest party can independently activate the fraud proof mechanism.

The key to enable fast withdrawals is this: if a published assertion has unanimous support amongst the committee, it implies the single honest party has also verified and attested to the assertion's validity. The fraud proof mechanism can be skipped and the assertion instantly finalized, enabling the immediate processing of withdrawals and the delivery of messages from the Arbitrum Chain.

Fast withdrawals enhance the user experience by reducing wait times while maintaining trust and security within the ecosystem.

UNIFIED TRANSACTION HISTORY ON ARBITRUM.IO

The **Bridge page on Arbitrum.io** now displays a comprehensive transaction history, allowing users to track all deposits and withdrawals. This update unifies the experience for managing transactions across Arbitrum chains, providing greater transparency and convenience.

CUSTOM GAS TOKENS FOR ORBIT CHAINS

In January 2024, custom gas token support was made available on the Arbitrum technology stack and allows any Arbitrum Chain to charge gas fees using an ERC20 token of their choice.

A new milestone was unlocked in August 2024 with Circle extending bridged USDC support for custom gas tokens. With USDC support, builders benefit from increased convenience, price stability, and access to the USDC Grant Program.

Additionally, Omnichain Fungible Tokens (OFTs), LayerZero's token standard that is an extension of the ERC-20 standard, is now fully compatible with Arbitrum chains. With this integration, Arbitrum chains can opt-in to adopt OFTs as gas tokens and reap the benefits of unified liquidity and seamless bridging.
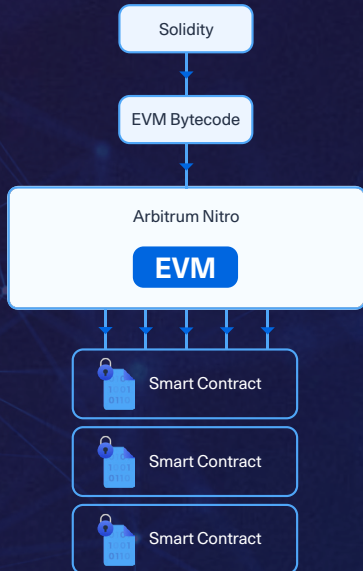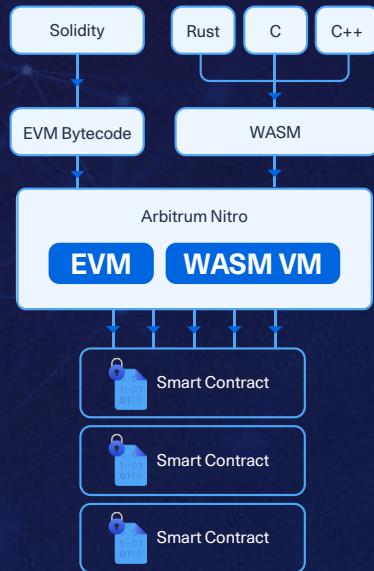
Advancing the Developer Experience

STYLUS: THE MULTIVM FOR ARBITRUM

STYLUS GIVES YOU MULTIVM

This is EVM

Solidity

EVM Bytecode

Arbitrum Nitro

EVM

Smart Contract

Smart Contract

Smart Contract

This is MultiVM

Solidity | Rust | C | C++

EVM Bytecode | WASM

Arbitrum Nitro

EVM | **WASM VM**

Smart Contract

Smart Contract

Smart Contract

As detailed in Chapter 1, Stylus is a new virtual machine and additive to the existing Arbitrum tech stack that enables interoperability between EVM and WASM-based smart contracts. It allows developers to implement smart contracts in more languages, like Rust and C/C++, while still empowering the smart contract to interact with existing Solidity smart contracts. Most importantly, Stylus smart contracts will be able to perform much more compute-intensive applications that were previously not possible before with Solidity, such as onchain zero-knowledge proving and options pricing algorithms like Black-Scholes.

The onchain Tally vote to implement Stylus was passed with an overwhelming majority and went live on September 3, 2024. Prior to the vote, a detailed security audit by Trail of Bits was mandated and completed, the reports from which are publicly available. Stylus SDK 0.6.0 is the recommended release for usage at the time of the Stylus release on Arbitrum mainnet, with Stylus SDK 0.7 expected in Q1 2025. With 0.7, the SDK will have addressed the majority of crit/high/med vulnerabilities found in the initial audit.

STYLUS: THE MULTIVM FOR ARBITRUM

To grow the Stylus ecosystem, the Foundation has partnered with several key players.

01 **OpenZeppelin** released an audited version of their Stylus libraries (including unit testing, and e2e testing frameworks) with 0.2 coming soon that'll add new contracts for use. They also have a sample template to be used for UniswapV4 hooks.

02 **Etherscan** and **Blockscout** support Stylus contract verification, thereby promoting trust, transparency, safety, and usability.

03 **Tenderly, QuickNode, Chainstack, Ankr, Infura,** and **Alchemy** are all RPC providers that support contract debugging and tracing (with v0.5.6, Cargo Stylus now supporting LLDB for mac users).

04 **DSRV Labs** contributed and maintains the Remix Stylus plugin.

EIP-4844 AND ACCOUNT ABSTRACTION WALLETS

In 2024, the Arbitrum Foundation proposed and executed two key ArbOS upgrades. Software updates that alter an Arbitrum chain's ability to produce valid Arbitrum blocks are referred to as ArbOS upgrades.

ArbOS 20 Atlas.

In preparation for Ethereum's Decun upgrade scheduled in March 2024, the ArbOS 20 upgrade focused on enabling support for EIP-4844, which has dramatically reduced transaction costs on Arbitrum One and Arbitrum Nova.

ArbOS 32 Bianca.

Focuses on enabling Account Abstraction Wallets and the EVM+ Virtual Machine with Stylus, ArbOS 32 Bianca is the latest release from the 'Bianca' family for 2024. The Arbitrum Security Council proactively stepped in to fix the technical issues with ArbOS30 and ArbOS31, and upgraded it to ArbOS32.

Learn more about ArbOS upgrades by referring to our official ArbitrumDocs

Moving Closer to Stage-2

The Arbitrum Foundation is continuously working toward upgrading the Arbitrum core technology stack to enhance security, improve user transaction experiences, and enable new features for dApp developers to build better products.

BOUNDED LIQUIDITY DELAY (BoLD)

The current Arbitrum fraud-proof system has been fully functional since its launch in September 2021. However, it always requires validators to be pre-approved before they can participate and are limited to an allow-listed set of parties (maintained by the ArbitrumDAO) to reduce the risks of delay attacks. Delay attacks are costly but allow malicious entities to stop the confirmation of assertions for as long as they are willing to pay for the delay.
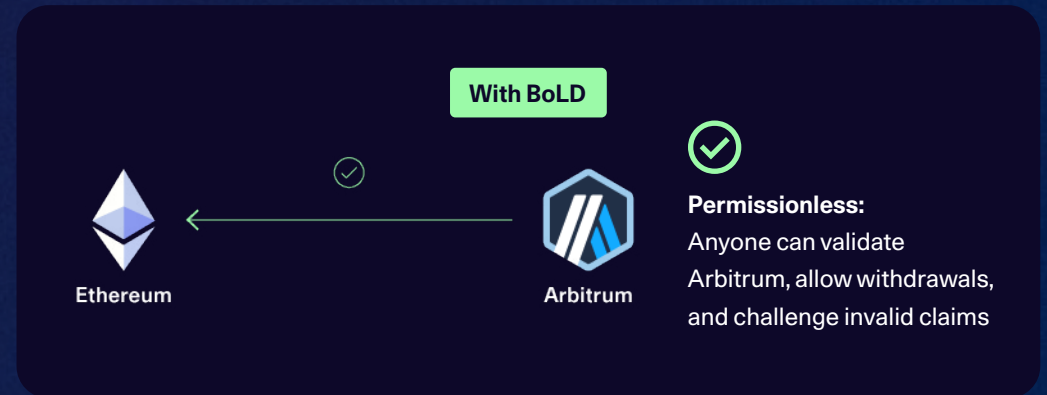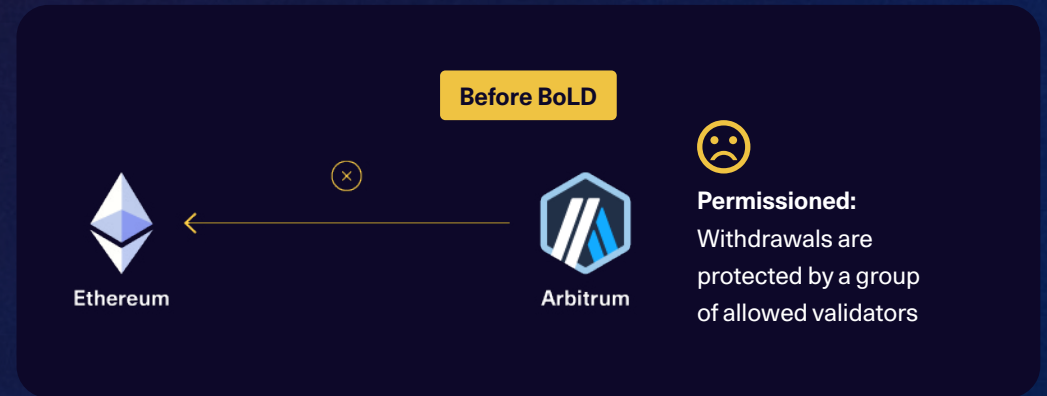
Bounded Liquidity Delay (BoLD) Protocol is proposed as an innovative upgrade to Arbitrum's existing dispute protocol. This enables permissionless validation for Arbitrum chains, meaning it allows anyone

to challenge and win disputes within a fixed time period. In other words, a single honest party can defend against malicious claims to an Arbitrum chain's state and mitigate the risks of delay attacks.

The new dispute resolution protocol brings the following benefits to Arbitrum chains:

- **Fixed delay time for assertion confirmation.** All challenges will be completed within a fixed time window of two challenge periods (~14 days).

- **Security Council Safety-First Approach.** The Arbitrum Foundation has implemented a two-day grace period for the Security Council to step in and halt an assertion, if needed.

Permissionless validation

Before BoLD

Ethereum ← Arbitrum

Permissioned: Withdrawals are protected by a group of allowed validators

With BoLD

Ethereum ← Arbitrum

**Permissionless:** Anyone can validate Arbitrum, allow withdrawals, and challenge invalid claims

As of December 31, 2024, **BoLD** was live on the public testnet and open for testing by teams. Earlier, the Arbitrum Foundation submitted the BoLD AIP on the Forum, inviting community discussions. A temperature check on BoLD was proposed and approved on Snapshot by the ArbitrumDAO with overwhelming support. In Q1 2025, a formal AIP was presented for an onchain vote on Tally and passed.

At the request of the Arbitrum Research and Development Committee (ARDC), OpenZeppelin conducted a **BoLD security analysis**, with the results made publicly available. BoLD's implementation has undergone extensive testing and auditing to ensure its safety and effectiveness.

BOLD BRINGS ARBITRUM CLOSER TO A STAGE 2 ROLLUP

BOLD represents the next step on the journey to having the Arbitrum technology stack being recognized as a Stage 2 Ethereum rollup. A key requirement to be considered a Stage 2 Rollup is to allow anyone to validate the L2 state and post fraud proofs to Ethereum without restraints, which the BoLD unlocks. This is reflected in L2Beat's Risk Analysis Pie Chart with 'State Validation' turning from red to yellow.

ARBITRUM ONE'S RISK ANALYSIS CHART BY L2BEAT (as of Dec 31, 2024)
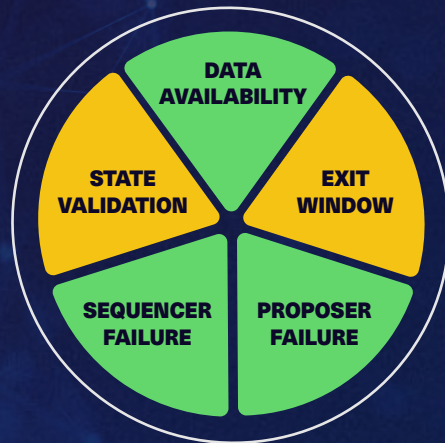
EXTEND DELAY ON L2TIMELOCK

The Arbitrum Foundation proposed to the ArbitrumDAO to change a configuration setting for the onchain smart contracts called the L2TimeLock.

The L2TimeLock enforces a waiting period between the conclusion of an onchain vote and delivering the message with the vote's results to the applicable smart contracts. The waiting period, historically 3 days for both spending from the treasury and software upgrades, provides time for the security council to review the bytecode for the onchain execution for potential security vulnerabilities. If they find an issue with the upgrade that may harm the Arbitrum ecosystem, then they have the authority to cancel the proposal. Additionally, if users of Arbitrum are unhappy with the approved proposal by the ArbitrumDAO, then they can safely exit their funds within this time period, and be confident their funds will be removed from the system before the upgrade is executed onchain.

The proposal changed the waiting period from three days to eight days for a constitutional proposal (software upgrade). This meets the minimum requirements from L2Beat's rollup security framework for the exit window to become a 'yellow slice' and another step closer to becoming a Stage 2 rollup. The ArbitrumDAO approved the configuration change and the upgrade was executed onchain.

Exploring Major Innovations in Arbitrum

TIMEBOOST

Timeboost is a new transaction ordering policy for Arbitrum chains and a response to the latency game played by MEV searchers.

The goal is to allow chain owners to capture the Maximal Extractable Value (MEV) on their chain and reduce latency, racing, and spam while preserving existing benefits of Arbitrum chains, such as frontrunning protection and fast block time.

It does this by introducing auctions for the rights to an 'express lane' that gives the winner a short-term time advantage to include transactions and capitalize on back-running opportunities. The auction mechanism helps democratise the profits of MEV, as the auction is expected to be competitive amongst searchers and the proceeds are sent to the ArbitrumDAO.

The default blocktime for Arbitrum chains remains unchanged at 250 ms. All transactions not sent on the express lane will have a short delay of 200 ms before it is ordered for execution, but we do not expect this delay to create a noticeable difference for most users interacting with the chain.

As of December 31, 2024, extensive third-party audits have been conducted on Timeboost's auction contracts to ensure production-readiness. A temperature check vote on snapshot passed on September 19, 2024. The Timeboost proposal will next move onto an onchain vote before the end of Q1 2025. If approved by the ArbitrumDAO, Timeboost will be an additional feature available to chain owners.

Learn more about Timeboost: ArbitrumDocs

ZK Research

The Arbitrum Foundation is actively exploring advancements in Zero Knowledge (ZK) technology, focusing on incorporating validity proofs. Two primary approaches are under consideration:

1 **Full ZK Rollup Transition:**
This approach would replace the existing fraud-proof system, become a full ZK Rollup, and prove the validity of every block.

2 **Hybrid Model:**
This model retains the top-level challenge game while replacing the bi-section protocol with a validity proof. Validity proofs would only be generated in the event of a dispute, potentially simplifying the fraud-proof system in the upcoming BoLD protocol.

The Foundation is currently investigating the feasibility of the hybrid model, as it offers a balance between maintaining the current system and leveraging ZK technology. If validity proofs become economically viable, transitioning to a full zkRollup may be considered.

To advance this research, the Foundation is collaborating with leading teams in the ZK space to evaluate the feasibility of proving an Arbitrum block, including components such as Stylus/WASM.

Foundation Finance and Operational Update

Finances

In line with its mission as laid out in the bylaws, the Arbitrum Foundation is committed to fostering ecosystem growth through strategic partnerships, while also building capacity to support the development of technical improvements and engage with the community.

OVERVIEW

In 2024, the Foundation made significant strides in establishing a robust financial infrastructure to support its mission and provide transparent reporting to key stakeholders. Highlights include:

- Assembling a dedicated finance team responsible for all aspects of the finance function.

- Investment in software and tools to manage those financial processes and the treasury.

- Implementing standardized financial processes such as treasury management, payables processing, and financial reporting.

- Establishing numerous checks and balances (as highlighted in the previous transparency report) to prevent fraudulent activity and enable smooth financial operations.

By building a strong team, implementing robust processes, and leveraging critical tools, the Foundation's finance function is well positioned to support the growth of the Foundation, the ecosystem, and the ArbitrumDAO, and to execute against its large mandate.

OPERATING EXPENSES

In 2024, the Foundation's operating expenditures were predominantly allocated to research and development, technical infrastructure, marketing, and general and administrative costs.

RESEARCH AND DEVELOPMENT (R&D)

R&D includes payments to technical and research service providers, external security audit providers, and other related expenses.

R&D expenses were consistent throughout the year.

TECHNICAL INFRASTRUCTURE

Technical infrastructure expenses include costs for hosting, node infrastructure providers, software subscriptions, the Security Council, and related expenses.

Technical infrastructure expenses were lower in the second half of 2024 primarily due to a number of expenses related to 2023 being paid in the first half of 2024.

EVENTS, MARKETING AND COMMUNICATIONS

Events, Marketing, and Communications expenses include costs for event sponsorships, marketing agencies, analytics, and related costs.

Expenses increased in the second half of the year due to more large events and spending related to Foundation's 2025 strategy.

GENERAL AND ADMINISTRATIVE (G&A)

G&A encompasses personnel, contractors, service providers, legal, insurance, and other operational costs.

G&A expenses decreased in the second half of 2024, primarily due to lower operational costs, such as legal services and insurance premiums.

2024 COSTS (Jan 1 to Dec 31, 2024)

*The Foundation incurs costs in USD and ARB. The costs for 2024 are as below:*

	Costs (USD)	Costs (ARB)
Research and Development	$19,468,231	
Technical Infrastructure	$15,131,699	
Events, Marketing and Communications	$11,936,740	
General and Administrative	$16,859,167	
Total Operating Expenses	**$63,395,837**	
Ecosystem Growth	$11,096,058	39,656,742
Total Costs	**$74,491,895**	**39,656,742**

ECOSYSTEM GROWTH

The Foundation continued to invest in ecosystem growth, reflecting its strategic emphasis on expanding and nurturing the ecosystem. Ecosystem growth includes all disbursements toward grants, infrastructure service providers, and strategic partnerships.

The Foundation invested USD 11.1 million and 39.6 million ARB in ecosystem growth during 2024 encompassing partnerships and initiatives beyond the Foundation's Grant program. This allocation is expected to continue growing as the Foundation explores further opportunities to support and enhance the ecosystem.

ECOSYSTEM GROWTH SPEND BREAKDOWN

USD 11.1M
+
39.6M ARB
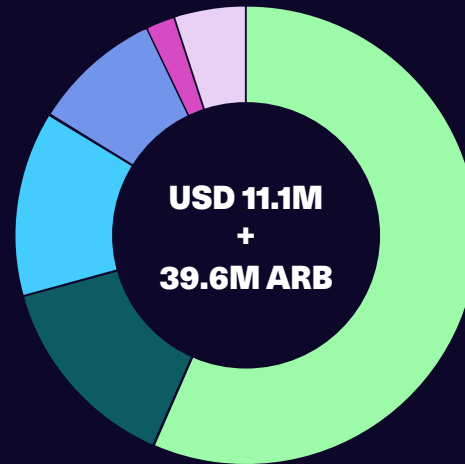
Infra		55.9%
Gaming		14.3%
DeFi & Fintech		13.4%
NFT		9.2%
SocialFi		1.9%
Others		5.3%

TREASURY MANAGEMENT

The Foundation's approach to treasury management remained consistent in 2024 with a focus on capital preservation and generating liquidity to support its operations while continuing capital deployment to execute against its mission. The composition of the Foundation's holdings changed to include RWA products alongside its holdings in fiat/stablecoin and ARB.

THE ARBITRUM FOUNDATION TREASURY (as of Dec 31, 2024)

	Quantity	USD Value (using Dec 31 2024 Price)	% of Total
ARB (Unlocked)	93,769,586	$67,621,937	40%
ETH	3,015	$10,044,828	6%
Fiat, Stablecoins & RWA Products	89,858,681	$89,858,681	54%
		$167,525,446	

FOOTNOTES TO FINANCIALS

Reporting Period and Expense Recognition
- Expenses incurred from January 1, 2024, to December 31, 2024.
- Includes expenses for activities from 2023 that were paid in 2024.

ARB and USD Costs
- For enhanced transparency, financial reporting has been augmented to show ecosystem growth spending in fiat versus ARB.
- 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.

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.

Treasury Breakdown
- Includes all current assets as of December 31, 2024.

Personnel

In 2024, the Arbitrum Foundation grew its team from 20 to 32 full-time contributors (FTC).

The increase in capacity has helped keep up with the Foundation's growing mandate and address the needs of an advancing ecosystem. The new recruits primarily added force to critical areas of Finance, Marketing, and Legal. The 32 full-time Foundation members can be grouped in the following buckets:

3
Governance

7
Ecosystem Growth and DevRel

5
Operations, Finance, and HR

3
Legal and Compliance

14
Marketing and Community

32
Globally distributed full-time contributors (FTC) (As of Dec 31, 2024)

The Foundation has been building a team capable of executing against what it views as its mission statement as laid out in its bylaws.

While doing so, the Foundation is extremely cautious and diligent in its hiring process. All hiring decisions are made by an internal 4-member hiring committee approved and supervised by the Board. In 2025, the Foundation will continue ramping up capacity to meet the growing demands of the ecosystem effectively.

5

Facilitating Governance for the ArbitrumDAO

The Arbitrum Foundation provides a supporting role for operational and legal activities related to the ArbitrumDAO.

Initially, the Arbitrum Foundation served purely as a neutral steward and supported activities voted on and approved by delegates. This approach continues but has evolved over the past year as the ArbitrumDAO has requested the Arbitrum Foundation to play a larger role in the lifecycle of proposals and most importantly, provide assistance with authors throughout a proposal lifecycle.

The Arbitrum Foundation takes this opportunity to outline key proposals throughout the year and how we have played a role to facilitate its success. Of course, the Foundation performs agreements and compliance for all proposals, so the focus is on how we assisted with DAO proposals beyond the basic operational requirements.

FUNDS TO BOOTSTRAP THE FIRST BOLD VALIDATOR

The DAO approved the transfer of 5,134 ETH to the Arbitrum Foundation to serve as the first active and honest proposer for BoLD.

The allocation includes 4,234 ETH for assertion and challenge bonds to ensure system security, 500 ETH as service fees for active proposers, and 400 ETH to reimburse Layer 1 (L1) gas costs for advancing the chain and defending against malicious challenges. This funding aims to address the absence of economic incentives in the BoLD upgrade by enabling the Foundation to perform critical proposer duties while ensuring transparency and accountability.

All funds will be managed via multi-signature wallets, and will be returned to the DAO treasury if the subsequent onchain AIP to bring BoLD to the mainnet is unsuccessful. Additionally, the ArbitrumDAO reserves the right to revoke the Arbitrum Foundation's proposer any time and return the funds to the treasury.

SECURITY COUNCIL:
SEPTEMBER COHORT ELECTIONS

Similar to the Security Council election for the March 2024 cohort, the Arbitrum Foundation facilitated the Security Council election process for the **September 2024 cohort, between September 15 and November 21, 2024.** The election process and awareness building was almost identical to that of the previous election, the only difference being that the Grace Period was five days longer as a result of the Extend Delay on L2Time Lock proposal.

Refer to Security Council Election for March Cohort section (page 40-41) in the previous Transparency Report to learn more about the Security Council election process as well as the role of the Security Council in securing the Arbitrum ecosystem.

The Election Process and Results

39
Candidates applied

13
Qualified for election

6
Members elected

Member Election Results:
On November 3, the following six new members of the Security Council were elected for September Cohort: Gzeon, John Morrow, Emiliano Bonassi, Immunefi, Dennison Bertram, and Griff Green.

March Cohort (As of Dec 31, 2024)

- Bartek.eth
- Zellic
- Yoav.eth
- Fred
- Certora
- OpenZeppelin

September Cohort (As of Dec 31, 2024)

- Gzeon
- John Morrow
- Emiliano Bonassi
- Immunefi
- Dennison Bertram
- Griff Green

OPERATIONALIZING THE STEP PROGRAM FOR TREASURY DIVERSIFICATION & YIELD

The Arbitrum Foundation helped operationalize the DAO-approved proposal to allocate **35M ARB into RWA backed by treasury bills** via the **Stable Treasury Endowment Program (STEP),** which has generated **$216,617 in yield (as on December 31, 2024).**

The Arbitrum Foundation has successfully:

1 Completed all compliance procedures and due diligence on the six DAO-selected service providers and their respective funds.

2 Converted ARB to fiat/stabelcoin for use in the investment products.

3 Established communication protocols and operational processes to manage tokens representing investments in the U.S. Treasuries, in collaboration with the DAO-appointed program manager, Steakhouse Financial.

4 Executed the DAO-approved allocations across the six investment products.

The Arbitrum Foundation will continue to provide operational support to ensure STEP continues to align with the DAO's directives. This includes periodically transferring earned interest to the DAO treasury and compensating Steakhouse Financial monthly from the accrued yield, in accordance with the DAO's approval.

GAMING CATALYST PROGRAM (GCP)

In accordance with the DAO-approved proposal to launch the Gaming Catalyst Program (GCP) with a budget of 225M ARB, the Arbitrum Foundation was tasked with operationalizing the initiative. Since the publishing of Arbitrum's H1 2024 Transparency Report, the Foundation has achieved several key milestones:

- Established a new DAO-governed entity, the GCP Foundation, which enables the GCP team to execute their proposal while ensuring transparency and accountability throughout.

- Worked closely with the GCP team and council to architect an oversight structure to ensure the 225M ARB is used for the program's intended activities and the DAO's interest is upheld.

- Overseeing operational functions, such as holding and safeguarding the 225M ARB allocated to the program, and setting up payment operations and systems to streamline the disbursement of funds to the GCP Foundation in a timely and responsible manner.

- Participating in GCP team and council discussions as an Observer on the GCP council.

The Arbitrum Foundation remains committed to supporting the program and serving as an observer to the GCP Foundation's initiatives as they execute GCP's three-year mandate. Per the approved DAO proposal, the Foundation will work with the GCP team and council to prioritize clear communication, transparency, and accountability to the DAO throughout the program's duration.

A NEW DELEGATE CODE OF CONDUCT & CONFLICT RESOLUTION

The Arbitrum Foundation supported Entropy Advisors in drafting and implementing the Delegate Code of Conduct and Updates to the DAO Procedures.

In both mandates, if called upon, the Arbitrum Foundation will act as a neutral mediator in escalated conflicts between delegates and investigate instances of delegates breaching these mandates. Akin to how any DAO member can propose a Snapshot vote to remove a DAO-elected representative, the Arbitrum Foundation can suggest that a delegate be removed from the DIP or that a candidate be disqualified from an election. In both cases, final decisions can be appealed by the respective delegate or DAO-elected representative.

Both mandates are currently being piloted until May 30th, 2025, before they will be considered for permanent inclusion in the ArbitrumDAO Constitution.

Code of Conduct:

Fosters a culture of transparency, integrity, and civility by outlining community values as well as guidelines for how delegates (including participants in the Delegate Incentive Program (DIP) and DAO-elected representatives) should conduct themselves. Furthermore, it specifies how delegates should disclose the nature and extent of any conflict of interest that may exist in a given proposal, as well as any conflict resolution and escalation procedures. (Based on the Snapshot proposal here.)

Updates to DAO Procedures:

Standardizes the DAO's operations by implementing a regular voting schedule. The new procedures also set election standards, including a responsible voting policy that outlines how delegates should vote in elections that they are running in, as well as the default election format and application period. (Based on the Snapshot proposal here.)

STYLUS SPRINT - EVALUATION COMMITTEE

The Stylus Sprint program is a strategic initiative designed to promote early adoption and development of Stylus-based smart contracts and tooling within the Arbitrum ecosystem. This one-time program is funded with up to 5,000,000 ARB, targeting projects that demonstrate the unique capabilities and efficiency advantages of Stylus technology.

The Arbitrum Foundation, as part of the Evaluation Committee, reviews applications and funding processes based on five criteria: scalability, innovation, alignment with Stylus goals, and sustainability.

(RE)DELEGATION WEEK

The Arbitrum Foundation hosted (Re)delegation week from **July 17 to 23, 2024.** (Re)delegation Week was aimed at **enabling newer and active contributors to step up,** make themselves heard, and potentially receive more voting power to become more involved in governance. It helped strengthen active and decentralized delegation within ArbitrumDAO by:

- Bringing awareness to the importance of participation and promoting the diverse voices of newer and/or active contributors (through AMA governance calls).

- Boosting delegate participation in governance.

- Encouraging community members to (re)assess and (re)assign their voting power to representatives who align with their values and vision for the DAO. Free (re)delegation was made available on Tally during the initiative and following month.

The initiative also educated the wider community on what it means to be a good delegate and delegator, why these roles are important to Arbitrum's decentralized governance, and what to do if you don't want to delegate to anyone.

57
delegates registered to participate in (Re)delegation week

3.8M
ARB was newly delegated (across ~3.4k tx)

6.6M
ARB re-delegated (across ~7k tx) in the month following the event

GOVERNANCE-FOCUSED X HANDLE

With the ArbitrumDAO expanding and the number of governance initiatives and proposals rising, the need for simplified and effective education and awareness has become paramount. To address this, the Arbitrum Foundation launched a dedicated governance-focused Twitter/X handle

𝕏 @arbitrumdao_gov

This platform serves as a go-to resource for governance enthusiasts to stay informed of the latest developments, discussions, and updates within the DAO, and ensures that important updates are not overshadowed by other ecosystem news on the main @arbitrum handle.

WORKING WITH THE DAO ON EVENTS BUDGET FOR 2025

To ensure alignment with the ecosystem's strategic objectives, the Arbitrum Foundation will continue its collaboration with the ArbitrumDAO Procurement Committee (ADPC), Entropy Advisors, and DisruptionJoe in the planning and management of the 2025 events budget, amounting to 4M ARB (~USD 1.5M), as approved by the DAO.

This coordinated approach is designed to streamline event planning, minimize reliance on ad-hoc governance processes, and enhance flexibility for community-driven initiatives. Priority events include delegate gatherings and ecosystem growth activities. Per the proposal, this budget will primarily be focused on bolstering Arbitrum's presence at major conferences and will support DAO-approved initiatives such as hackathons, educational workshops, and partnerships at non-crypto events.

ARDC V2: RECOMMENDATIONS AND OBSERVER ROLE

With the ArbitrumDAO approving a six-month extension for the Arbitrum Research & Development Collective (ARDC), with the potential for an additional six months, the Arbitrum Foundation has posted recommendations outlining possible initiatives, focusing on research, risk, and security, which could be impactful for the members to work on.

The list is not exhaustive and the Supervisory Council (alongside the Collective) may wish to pursue other initiatives as well. The recommendations outlined are intended as non-prescriptive suggestions, highlighting a range of impactful areas that, in the Arbitrum Foundation's view, merit consideration by the ARDC. Of course, given the extensive nature of the recommendations, others in the community may want to pick up and work on it.

Additionally, the Arbitrum Foundation will take an **Observer** seat on the Supervisory Council (non-voting and non-compensated) to work alongside the council on planning and prioritizing initiatives that the ARDC members work on. The Foundation looks forward to continued engagement with the ARDC and its members, with the aim of collaborating effectively and ensuring that the ARDC's contributions meaningfully advance the DAO's progress and strategic objectives.

ADPC V2: SECURITY SUBSIDY FUND AND MORE

The ArbitrumDAO approved the continuation of the ArbitrumDAO Procurement Committee (ADPC) for a second term.

The committee's mandate includes:

- Continue management of the Security Subsidy Fund program.

- Provide procurement services for up to two verticals including for events identified within the DAO's Events Strategy for 2025 and for RPC Providers.

- Create an Operational Expense (OpEx) budget to be allocated towards the utilisation of service providers as whitelisted by the ADPC.

Through the Security Subsidy Fund, the ArbitrumDAO distributed 1,911,806 USDC to support security audits for 22 Arbitrum projects (out of 56 projects that applied for the program), through nine whitelisted audit service providers.

The Arbitrum Foundation supported the program by creating the legal documents, evaluating the final subsidy deals with the ADPC, liaising with both service providers and projects participating in the program, investigating disputes and certain non-competitive behaviors that emerged and converting the ARB to stablecoins via OTC on behalf of the program.

The ADPC also co-authored the **'Establishing a DAO Events Budget for 2025'** initiative, alongside Entropy and Disruption Joe, to earmark a $1.5M for DAO-events for 2025 and take the lead on running

ongoing RFPs to satisfy the DAO's event demands. $400,000 of this budget was earmarked to be used by the Arbitrum Foundation to host events at major industry conferences.

TREASURY MANAGEMENT V1.2

With the ArbitrumDAO approving a treasury management proposal which outlines a Treasury Management track (TM) and a Growth Management track (GM), the Arbitrum Foundation is responsible for holding, safeguarding and acting as the counterparty for the earmarked funds at all times. The Arbitrum Foundation has created two SAFE multi-sigs to custody the funds.

In addition, the Arbitrum Foundation as per the proposal will support the GM council in identifying and pursuing strategies, as well as evaluate risk in protocol partnerships through the deployment of the DAO's ETH.
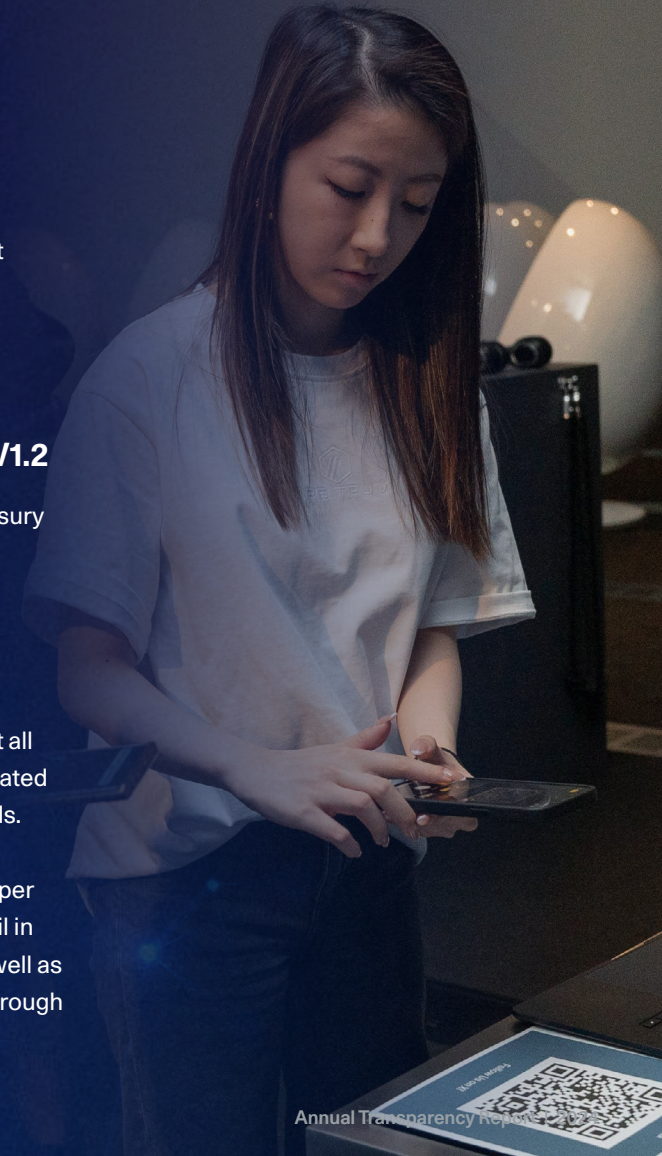
ENTROPY ADVISORS:
EXCLUSIVELY WORKING WITH ARBITRUMDAO

In early H1 2024, the Arbitrum Foundation extended a grant to Entropy Advisors, a governance-focused team with experience in DAO dynamics and operations, with the condition they went to the ArbitrumDAO for long-term funding.

By summer 2024, Entropy Advisors applied and received grants from the ArbitrumDAO to continue its work. The entity has committed to work for 1-year term exclusively with the ArbitrumDAO.

TO DATE, ENTROPY ADVISORS HAVE LED OR ARE LEADING THE FOLLOWING INITIATIVES:

- ArbitrumDAO's Grant Misuse Bounty Program.

- OpCo: A DAO-adjacent Entity for Strategy Execution.

- Arbitrum Strategic Objective Setting; Unifying Arbitrum's Mission, Vision, Purpose (MVP).

- Treasury Management v1.2.

- Establishing a DAO Events Budget for 2025.

- Supporting the Stylus Sprint.

- Framing a Delegate Code of Conduct.

- Formalizing the DAO's Operations and the Arbitrum Multi-sig Support Service (MSS).

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