ARBITRUM
FOUNDATION

THE ARBITRUM FOUNDATION

Annual Transparency Report 2025

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Chapter 1

ECOSYSTEM GROWTH

2025 Ecosystem Highlights

2025 marked a period of rapid maturation across the industry as traditional finance began integrating onchain infrastructure into mainstream financial activity. Amid this transition, Arbitrum strengthened its position as a leading blockchain platform.

Arbitrum is by far the only blockchain platform that is both a top-five blockchain by economic activity and a top-five stack to launch chains.

Today, the network supports large-scale retail trading (through platforms like **Robinhood**), anchors institutional-grade deployments by the world's leading asset managers (including **Franklin Templeton and BlackRock**),

and continues to attract a growing community of builders globally. By the end of 2025, over **1,000 projects** from across DeFi, gaming, AI, payments, infrastructure, and other sectors were being built on or launched using Arbitrum technology.

This chapter outlines key milestones achieved across the Arbitrum ecosystem in 2025 – and that will continue fuelling growth in 2026.

$20B
total value secured in 2025, retaining the lion's share of the L2 market

2.1B+
lifetime transactions on Arbitrum One

30%+
increase in Arbitrum ecosystem GDP

100+
Arbitrum chains live or in development

Note: All data points are as of December 2025 unless otherwise mentioned.

NETWORK HEALTH

Arbitrum One sustained strong network growth and resilience throughout 2025.

2.1 billion lifetime transactions

Lifetime transactions **surpassed 2.1 billion**, with the network processing its second billion transactions in under 12 months (versus roughly 20 months for the first), reflecting a staggering acceleration in usage and throughput.

The network remained the leading Layer 2 by market share, reaching **over $20B in Total Value Secured** (TVS) and supporting an average of **more than 200K daily active wallets.** Economic activity on the network scaled in parallel, with applications on Arbitrum One contributing over **$600M to the ecosystem's GDP – a 30%+ YoY lift** (based on fees collected across the application layer).

Enterprise-grade deployments from the likes of **Robinhood and PayPal** validated the network's operational readiness to support high-scale, production-critical products.

ROBINHOOD SELECTS ARBITRUM AS ITS BLOCKCHAIN PLATFORM

In June, Robinhood launched tokenized US stocks and ETFs for EU customers on Arbitrum, marking a defining moment in the mainstream adoption of asset tokenization. This was the first time a **major global fintech company leveraged crypto** not as an asset but as core financial infrastructure to power the next evolution of finance.

2,000+

tokenized equities issued by Robinhood on Arbitrum One

In just six short months, the offering expanded to nearly **2,000 tokenized equities on Arbitrum One,** prompting many to deem the partnership as 2025's **most consequential institutional tokenization milestone** in blockchain.

Number of Assets Tokenized by Robinhood on Arbitrum One
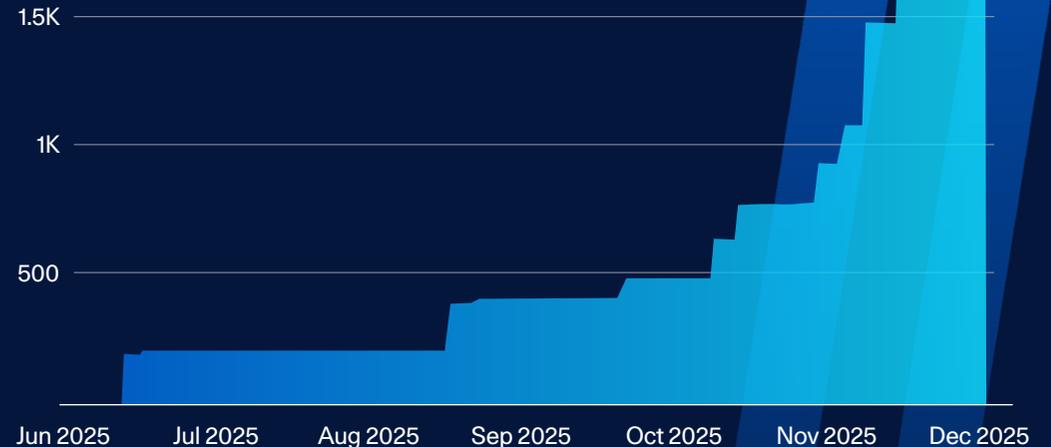
Source: https://dune.com/entropy_advisors/robinhood-stock-tokens

The launch bridged traditional finance and onchain infrastructure, transforming familiar equities into programmable assets while onboarding new retail users through products they already understood.

In 2026, Robinhood continues to accelerate this momentum with a dedicated blockchain built using the Arbitrum stack.

ECOSYSTEM EXPANSION

The Arbitrum ecosystem sustained an upward trajectory in 2025 with demand for both application deployment and chain-level customization. Despite markets consolidating, several Arbitrum chains saw strong traction throughout the year, including **SX Network, Plume, and ApeChain.** Newly launched chains in 2025 further expanded the range of use cases.

> **Robinhood launching a dedicated Arbitrum Chain – the Robinhood Chain – is a testament to the Arbitrum tech stack as an infrastructure layer for high-volume consumer use cases.**

With over **1,000 projects** powered by Arbitrum technology, it is one of the top blockchains by number of active protocols.

Notable Arbitrum Chain Launches in 2025

Arbitrum Chains	Focus Area	Description
Blackbird Flynet	Consumer/Payments	Restaurant loyalty and payments platform that integrates onchain rewards
Capx	AI	Layer 2 blockchain that enables the creation, deployment, and trading of tokenized AI agents
EDU Chain by Open Campus	Education	Layer 3 blockchain which enables learn-to-earn and AI-driven education ecosystems
Ethereal	DEX	Layer 3 chain and DEX for spot and perpetual trading using USDe
T-Rex Chain by EVG	Entertainment	A purpose-built chain for entertainment, content, and cultural distribution by Everest Ventures Group
Bless Network by Loomdart	DePin	P2P computing network where users can contribute idle compute to distributed workloads
EarnM	Consumer/Rewards	Layer 2 blockchain focused on rewards and incentive-based applications
The Humanity Protocol	Identity	Secure and privacy-preserving layer 2 blockchain for decentralized identity and credential verification

DEFI & FINANCIAL INFRASTRUCTURE

Arbitrum remained the **dominant anchor for DeFi,** with stablecoins and RWAs seeing accelerating adoption across the network.

Arbitrum continued as the **default liquidity hub for stablecoins.** Stablecoin supply on the network peaked at $10 billion in October last year. The network maintained the highest stablecoin market capitalization among L2s throughout the year.

Growth was driven not only by depth but also diversity, spanning from USDC and USDT to newer assets like USDai, thBILL, and syrupUSDC. While USDC's share of stablecoin liquidity increased over the year, January 2025 also saw the launch of USDT0, an omnichain implementation of USDT that uses Arbitrum One as its central liquidity hub. Ecosystem initiatives like DRIP (launched in September 2025) further accelerated stablecoin growth on Arbitrum.

In 2025, Arbitrum remained the **leading venue for tokenization**, expanding beyond treasuries to every major asset class, including tokenized equities, bonds, private credit commodities, and even real estate. By end December, total RWA value on Arbitrum exceeded **$800M, representing a ~5x year-on-year (YoY) increase.**

Arbitrum also hosted the **largest deployments of Aave and Uniswap** outside of Ethereum, with active loans rising 109% to $1.5B and new lending products from teams like **Fluid** expanding over 460%. The DRIP program welcomed new teams such as **Morpho, Euler, and Maple Finance** into the ecosystem.

Average daily perpetual DEX volume on Arbitrum reached $551.7M in 2025. **GMX** remained the leading venue, while newer entrants also captured meaningful share. **Ethereal Perp DEX** reached $50M TVL in alpha, **Ostium** supported $30B+ in cumulative volume, and **Variational** processed $75B+ in volume within its first year. In parallel, yield-focused products, such as **Boros by Pendle** and payment applications, including **El Dorado, Tria, and Peanut**, broadened Arbitrum's DeFi footprint beyond trading into structured yield and everyday financial uses.

2025 Stablecoin Market Cap on Arbitrum

Source: https://www.growthepie.com/fundamentals/stablecoin-market-cap/arbitrum

INSTITUTIONAL DEPLOYMENTS

As real-world assets moved onchain and entered the mainstream, Arbitrum became the **venue of choice for major institutions** to bring financial products onto blockchain. **Robinhood's partnership with Arbitrum** underscored this shift and signaled large-scale confidence in tokenized financial infrastructure.

Institutional participation on Arbitrum was further reinforced via STEP 2.0, an ArbitrumDAO-approved initiative that allocated **35M ARB (~$15.6M)** towards RWA deployments. The program supported products from **Franklin Templeton, WisdomTree, and Spiko**. Within its first year on Arbitrum, Spiko exceeded **$200M in assets under management**.

Arbitrum also sat at the intersection of TradFi and DeFi innovation. USD.ai tokenized real-world AI infrastructure financing on Arbitrum, exceeded **$600M+ in TVL** within months of its launch in May 2025. Meanwhile, **Theo Network's thBILL** partnered with **Wellington Management** to deploy a tokenized U.S. Treasury strategy, which reached **$100M+ in assets within three months** of launch.

FINANCIAL STRENGTH

Arbitrum is uniquely positioned for high and sustainable margins as an L2, allowing the DAO to reinvest into a compounding flywheel for significant long-term growth. Arbitrum's ecosystem ended the year with **over 90% gross margins** across four different revenue streams, up from just two last year.

The four different revenue streams are

① **Transaction fees**
② **Timeboost**
③ **The Arbitrum Expansion Program**
④ **ArbitrumDAO's Treasury Management Program**

Arbitrum Timeboost, for example, launched in April last year and generated **$6M+ in revenue** by year-end, accounting for over 20% of the network's transaction fees. Arbitrum ended 2025 with a gross profit of **$23.49M – a 9.4% YoY growth** – with October generating the highest gross profit at $4.23M.

The DAO also strengthened its balance sheet, holding over **$150M in non-native assets**, including cash equivalents and ETH, positioning the ecosystem for sustained and strategic expansion. Over $100M was deployed across RWA, ETH, ARB and stablecoin strategies in 2025 via the ArbitrumDAO's Treasury Management Program, generating over **$2M in interest** with a 30D average.

$4.23M

the highest monthly gross profit achieved for ArbitrumDAO in 2025

$150M+

in non-ARB assets held or allocated by DAO Treasury

90%+

gross margins across 4 different revenue streams

$6M+

revenue from Arbitrum Timeboost in 2025

Note: All data points are as of December 2025 unless otherwise mentioned.

Projects that adopted Arbitrum in 2025:

ARBITRUM CONSUMER

In 2025, Arbitrum's consumer vertical saw strong adoption from builders of prediction markets, gaming, and collectibles. Coupled with Arbitrum's strong stablecoin growth, the consumer vertical provides a strong foundation for significantly more onchain activity in 2026.

Tap Nation	Tap Nation integrated Arbitrum One into *Monster Squad Rush* and *Cornhole League*, prompting **500K new, unique wallets opened and 300K NFTs minted**
Blackbird	Restaurant loyalty and rewards platform – Blackbird – deployed its Arbitrum chain as an L3 settling to Base
OpenSea x Arbitrum	A joint activation between Arbitrum and OpenSea that resulted in **$850M in trading volume**
Hyve Labs	Hyve Labs deployed its cross-platform game development and hosting stack to Arbitrum. In October, Hyve Labs' *Voxel World* became the first game that's playable from within an iFrame on X
Forkast	Forkast migrated its prediction market to a new home on Arbitrum One, with volumes increasing by around 100% post-migration
Prediction Market Adoption	Over 10 prediction markets began building and utilising Arbitrum One. Polymarket and Kalshi opened deposits and withdrawals to Arbitrum One, and other teams are building event-based smart contracts on the chain
Yuga Lab's Otherside	Otherside partnered with Amazon Gaming to become the **first Web3 game featured on the Amazon.com** storefront. This collab included a paid NFT mint for the Boximus skin (redeemable in-game on Apechain), which was sold for $60 on Amazon. Separately, a free mint of Otherside's playable Arbinaut skin drove over 1.2M mints from over 400k wallets
L3E7	A mobile, location-based-service ARPG with anime themes held its Open Beta in August, driving **1.9M transactions on Arbitrum One over 30 days** – equivalent to ~3% of the chain's total transactions
T-Rex Chain	T-Rex Chain launched on mainnet, with the launch campaign driving over **400K new wallet creations**
Wildcard	The Wildcard Alliance (the team building the Wildcard game) and Thousands Protocol (a Web3 streaming platform), both founded by industry veterans Paul and Katy Bettner (creators of Words with Friends, Age of Empires, and Lucky's Tale), migrated to Arbitrum in 2025

Grants, Partnerships, and Builder Support Programs

In 2025, the Arbitrum Foundation adopted a **highly targeted and outcome-driven ecosystem growth strategy** that put grants and partnerships at its core. Ecosystem needs have evolved over the past year, with many teams now building production-grade applications while Arbitrum's technical surface area continuously expands. This led to greater precision in capital deployment across grant programs, shifting focus from expansion to depth and long-term impact.

189
Approved Deals

74
Grants & Strategic Partnerships

56
Trailblazer Grants

37
ArbiFuel Grants

22
Audit Program Grants

In 2025, a total of **189 deals were approved**, of which two-thirds were awarded via dedicated, purpose-built support programs like **Trailblazer, ArbiFuel, and the Audit Subsidy Program**. This approach helped meet specific builder needs across growth stages and provide bespoke support to new developers, emerging ventures, and mature projects.

This was complemented by end-to-end builder and founder enablement initiatives like the **Open House and mentorship pilot programs,** extending support beyond capital and addressing critical execution bottlenecks faced by early teams.

Collectively, these initiatives set the stage for a well-rounded and disciplined ecosystem development strategy that merges capital, education and community to set builders up for long-term success.

SUCCESS STORIES

Several Arbitrum Foundation-supported teams achieved significant milestones in 2025:

OSTIUM

Ostium stood out as a pioneer of perpetuals on real-world assets, allowing users to trade both crypto and non-crypto assets, including gold, bitcoin, oil and equity, directly from their wallet. By end 2025, Ostium reached **$57M in Total Value Locked (TVL) and over $30B in cumulative trading volume** – up from $2M and $180M, respectively, a year ago – signalling seismic growth and strong user adoption.

USD.AI

USDai is a yield-bearing synthetic dollar protocol that's backed by real-world infrastructure assets like compute, energy, and telecom. By end 2025, USDai secured **$685M TVL on its innovative yield-bearing stablecoin** (up from $30M in July 2025), showcasing significant traction.

PENDLE

Pendle established itself as a leading protocol for onchain yield and interest rate markets. By the end of 2025, Pendle surpassed **$500M in TVL** on Arbitrum alone. Boros reached around $7M in TVL shortly after launch and is now one of the largest yield-trading products in its category. Pendle remains the clear leader in yield trading, with fixed-rate products seeing significant usage on Arbitrum.

Peanut

Peanut is a global peer-to-peer payments platform. Its popularity was particularly visible at Devconnect in Argentina, where it stood out against 200 competitors to take home the Startup World Cup. Peanut's weekly active users on Arbitrum reached over 1,500 users by November, while weekly USDC payment volume scaled to several hundred thousand dollars. It peaked above **$560,000 in a single week** and remained consistently high thereafter.

GRANTS AND STRATEGIC PARTNERSHIPS

In 2025, the Foundation continued supporting projects through grants and strategic partnerships. A total of **74 deals** were executed with high-impact teams showing strong execution capability and credible paths to sustained growth. Through this track, the Foundation proactively identified projects that align with the ecosystem's long-term priorities and, where appropriate, formalizes that support through strategic partnerships. Grants were awarded to applications built on Arbitrum One as well as projects that launched their own chains using the Arbitrum tech stack.

Grants Allocated, by Category

43%

16%

8%

11%

22%
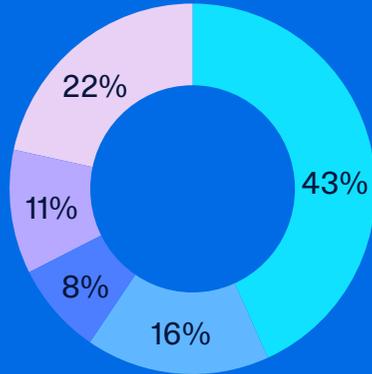
- DeFi & Fintech
- Gaming
- Arbitrum chains
- Infra
- Others

Total of
74 Deals

STRATEGIC PARTNERSHIPS FUND

In late 2024, the ArbitrumDAO approved a **250M ARB Strategic Partnerships Fund**, empowering the Foundation to pursue high-impact, long-term opportunities that require larger capital commitments. The fund has since unlocked critical partnerships that were previously out of reach and enabled early expansion into key verticals such as RWAs and FinTech.

Through this fund, the Arbitrum Foundation committed funding for deals across RWAs, FinTech, and Arbitrum chains. In addition, the Foundation is also in the process of negotiating with multiple teams (many in their final stages) to help boost institutional adoption and bring more real-world use cases onchain, ultimately expanding the Arbitrum ecosystem.

TRAILBLAZER GRANTS

Trailblazer was a **$2M grant program** designed to accelerate Arbitrum's leadership at the intersection of AI and onchain execution. Delivered in two phases, the program offered rapid, targeted support to teams building AI agents and other production-grade onchain AI applications. The first phase focused on broad experimentation, while the second supported DeFi agents and projects built on **Vibekit**, an Arbitrum-native Model Context Protocol (MCP) developed by Ember.

The Trailblazer program has received a total of **367 applications, of which 80 projects were supported; 56 of them were granted funding in 2025.** The program formally concluded on December 31, 2025 after having fulfilled its mandate of establishing a focused pipeline for AI-native builders on Arbitrum.

Trailblazer Success Stories:

Alloc8

Created a DeFi frontend enabling users to engage using natural language. It launched its first agents on Camelot and actively manages LP strategies to grow Arbitrum transaction volume.

capx

Built an Arbitrum Orbit L2 that's focused on building, trading, and ownership of AI agents. AI capital markets on CAPX reached a cumulative market cap of $75M.

SteerProtocol

Steer's infrastructure gives builders a simple way to plug into different Web3 protocols and create data-driven, omni-chain applications without having to deal with all the heavy lifting under the hood.

Ember AI

The Foundation supported Ember's vibe framework within the program, encouraging teams to build on it and enabling Arbitrum-based AI agents to interact with external systems for better interoperability. Offering that level of visibility to Ember's tech was a huge success for Trailblazer.
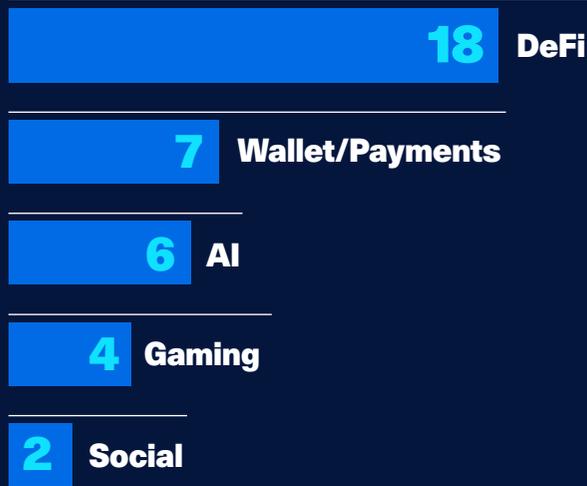
ARBIFUEL:
GAS SPONSORSHIP PROGRAM

ArbiFuel is a gas sponsorship program designed to help builders onboard new users to Arbitrum by covering transaction fees. The program supports the distribution of gas credits (via Pimlico and ZeroDev) by sponsoring up to 1,000,000 transactions per project, capped at $10,000.

The ArbiFuel program initially ran from May to August 2025 and officially reopened in November 2025. Over the course of the year, the program received 105 applications across wallets, payments, gaming and DeFi.

37 projects were selected for gas sponsorship – a 35% acceptance rate. DeFi formed the majority of applications, with Bleap and ZyFai being successful applicants to the program.

Breakdown of ArbiFuel Projects, by Category

- **18** DeFi
- **7** Wallet/Payments
- **6** AI
- **4** Gaming
- **2** Social

105	37	35%
Applicants	Accepted	Acceptance rate

The gas sponsorship program addresses a key pain point faced by builders. Through ArbiFuel, we subsidized our clients' gas fees while scaling the technology, significantly improving the user experience. We now deliver a competitive, fully onchain fintech experience without compromising usability. Support from the Arbitrum Foundation has been excellent.

Joao Alves
Co-Founder, Bleap

bleap
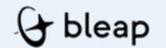
ArbiFuel was a meaningful boost for Zyfai. The grant helped cover gas sponsorship for our users, allowing us to move faster and focus on shipping and user validation. It's a practical program that genuinely supports builders in the ecosystem.

Utkir
CTO, Zyfai

Zyfai

ARBITRUM AUDIT PROGRAM

The Arbitrum Audit Program was launched in August 2025 following ArbitrumDAO's approval to support teams with high-quality security audits, which are often expensive and inaccessible to early-stage projects. **A $10M budget was earmarked over 12 months** to subsidize third-party smart contract audits of projects that demonstrate strong product-market fit and growth potential.

The program received **125 applications** since launch, 22 of which were approved – **an 18% acceptance rate.** DeFi accounted for 65% of the projects, with Infrastructure & Tools being the second largest group.

125
Applications

18%
Acceptance rate

Breakdown of 2025 Applications, by Category

DeFi **70**
Gaming **14**
Infrastructure **13**
AI **13**
NFT **2**
Others **12**

During the first quarter of the year-long programme (August to October 2025), the Foundation approved 11 projects (13% approval rate) and committed $548,000 in subsidies.

In the second quarter (November 2025–January 2026), 14 out of 69 applications were approved – a 20% approval rate. $454,000 was committed during this period. The jump in approval efficiency reflects a stronger applicant pool, driven by high-quality referrals and broader program visibility due to targeted marketing efforts.

In preparation for the launch of this program, the Foundation conducted an elaborate exercise to secure interest from potential auditors and select them based on their technical capabilities, track record, pricing, and programme alignment. Out of the **31 auditors who applied, 11 were finalized.** An ongoing **Audit Committee,** chaired by the Arbitrum Foundation, was also established to oversee application reviews. To fill the technical expert position of the Audit Committee, the Foundation ran a thorough recruitment process; Gustavo Grieco was elected by the DAO for a one-year tenure.

Support Beyond Grants

In 2025, the Foundation doubled down on non-financial growth levers, supporting early-stage teams with more than just grants. The Foundation stepped forward to provide the following support:

1 MENTORSHIP

Following the Arbitrum Open House, the Arbitrum Foundation piloted the Mentorship Program to continue supporting winning teams with product development, go-to-market strategies, fundraising, and ecosystem alignment. The mentorship program supplements the Foundation's 'funnel-to-focus' approach by identifying high-potential teams from a wide pool of hackathon participants. This ensures mentorship resources are channeled towards the highest impact projects instead of being spread too thinly across many. This pilot serves as the foundation for a more structured framework in 2026.

2 CONTINUED GROWTH SUPPORT

The Foundation remained actively involved by supporting teams beyond the grant stage, providing ongoing help across marketing, business development, and growth functions prior to and after launch. More than **25 teams were featured in spotlights and newsletters** across Arbitrum's owned channels. Community leaders and ecosystem contributors, often working closely with the Foundation, play a vital role in amplifying projects and bringing them early users.

3 ENABLING CROSS-INTEGRATION

The Foundation actively encourages teams to collaborate rather than operate in silos, allowing network effects to compound across the ecosystem. These efforts have led to several high-impact, cross-functional integrations that expanded mindshare and revenue for teams. Notable examples from 2025 include **Silo integration of Theo T-Bills and Pendle's USDAI, as well as Fluid's integration of USDAI.**

Arbitrum's technical alignment and the Foundation's ecosystem support have been critical to Fluid's growth. From strategic connections to ecosystem amplification, this support enabled high-impact integrations and sustainable adoption, helping establish Fluid as a core DeFi protocol and liquidity venue on Arbitrum.

Samyak Jain
Co-Founder & CTO, Bleap

bleap
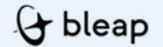
Arbitrum has been an exceptional partner for El Dorado. We're building simple, accessible tools so anyone can move their money easily and freely. Working with the Arbitrum team has helped us continue scaling, significantly improving user experience, subsidizing gas fees, and running marketing campaigns so more people know the range of opportunities our app unlocks.

Guillermo Goncalvez
CEO, El Dorado

EL DORADO

It's great building in the Arbitrum ecosystem, surrounded by great minds and supportive folks across the Arbitrum Foundation and ecosystem of builders! Support from initiatives such as the audit grants and gas sponsorship has been a great help for builders and users alike, providing security and smoother experiences.

George Benton
Co-Founder, Footium

Footium

Chapter 2

TECHNICAL ADVANCEMENTS

In 2025, Arbitrum's technical roadmap evolved beyond performance gains to a more sustainable and open infrastructure that's designed for scale.

Upgrades such as Timeboost ushered in a new protocol-native revenue stream for ArbitrumDAO while refining transaction ordering, reflecting a growing emphasis on aligning network economics with technical design.

While improvements in throughput, cost efficiency, and latency remained key priorities through upgrades such as ArbOS Dia and the introduction of dynamic pricing, the broader objective was to ensure the Arbitrum stack could support expanding production usage, institutional adoption, and a diverse global developer base.

Technical-related Proposals Passed by ArbitrumDAO in 2025

The Arbitrum ecosystem underwent both major and routine technical upgrades in 2025. The Arbitrum Foundation led awareness-building and governance coordination for each upgrade, while development and testing were handled by technical contributors such as Offchain Labs.

Activate Arbitrum BoLD + Infura Nova Validator Whitelist	Request to Increase the Stylus Sprint Committee's Budget	Adopt Timeboost + Nova Fee Sweep	Arbitrum Audit Program	AIP: ArbOS Version 40 Callisto	Register the Sky Custom Gateway contracts in the Router	Register $BORING in the Arbitrum generic-custom gateway	Remove Cost Cap, Update Executors, Disable Legacy USDT Bridge	AIP: Activate ArbOS 51 (Dia) and Gas Pricing Updates
Decentralization	**Developer Experience**	**User & Developer Experience**	**Ecosystem Security**	**EVM Equivalence**	**User Experience**	**User Experience**	**User Experience**	**User & Developer Experience**
Introduces a new dispute resolution mechanism for Arbitrum One and Nova. Arbitrum One operates with permissionless validation, whilst Nova's validator whitelist has been expanded to include Infura.	Requests an additional 4 million ARB to extend the budget of the Stylus Sprint Committee.	Activates Timeboost, a new transaction ordering policy.\n\nActivates Nova Fee Sweep, which forwards historical transaction fees to the Arbitrum DAO Treasury.	Launches an open application, including a subsidy scheme, to help support audit projects that need financial support.	Upgrades Arbitrum One and Nova to add support for relevant Ethereum execution layer changes included in the Pectra hard fork. Included are EIP-7702, EIP-2537 and EIP-2935.	Requests that Arbitrum DAO register the Sky Custom Gateway contracts in the router contracts so users can bridge USDS and sUSDS through the Arbitrum Bridge UI.	Enables $BORING to be bridgeable to Arbitrum.	Removes the cost cap on Arbitrum Nova, updates the upgrade executors, and disables the legacy Tether Bridge.	Activates ArbOS 51: Dia on Arbitrum One and Nova, adding support for relevant EIPs from Ethereum's recent Fusaka hard fork.\n\nImplements a gas target increase, including improvements to the pricing algorithm and a raising of the L2 minimum base fee.

ArbOS 40 CALLISTO

June 2025 saw the activation of ArbOS Version 40 Callisto, one of Arbitrum's most important AIPs of the year. This upgrade supports relevant Ethereum Execution Layer (EL) changes that were introduced as part of Ethereum's Pectra Hard Fork. One of the headlining features was EIP-7702, which allows Externally Owned Accounts (EOAs) to execute smart contracts directly from their own addresses. This blurred the boundary between accounts and contracts, opening the door to more seamless onboarding, richer wallet experiences, and application designs akin to traditional fintech products.

ArbOS 51 DIA

Callisto was followed by ArbOS 51: Dia, a major upgrade deployed on both Arbitrum One and Nova. Dia integrated key Fusaka EIPs, including MaxTxGasLimit, enabling full block utilization and improving throughput under sustained demand. The upgrade also introduced updates that allow Arbitrum to raise the gas target, refine its pricing algorithm, and adjust the L2 minimum base fee. This will lead to improved fee responsiveness, and ensure more efficient utilization of network resources.

In practice, the Dia upgrade reduces the severity of congestion spikes, improves onboarding experiences for applications, and ensures the network can absorb rising demand, while maintaining operational stability.

Dia represented a shift away from raw performance towards product-grade scalability. This brought Arbitrum's execution environment closer to Ethereum while strengthening the foundation's need for long-term ecosystem growth.

DYNAMIC PRICING

Gas Price on Arbitrum One Adjusting to Demand Spikes After Dia Upgrade

● Old simulated price   ● Observed gas price
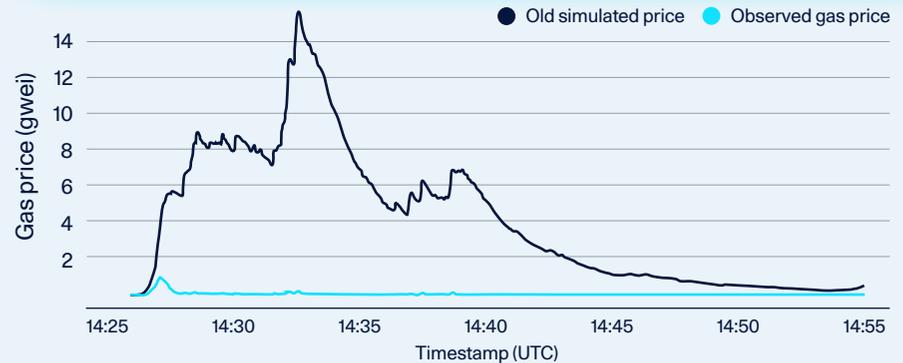
Arbitrum integrated Dynamic Pricing, aligning its gas model with Ethereum, and allowing fees to better reflect actual resource usage. The practical outcome is more consistent pricing, a smoother experience for users during demand spikes, and fee predictability where developers can build with confidence. By reducing unpredictable cost swings, the upgrade makes Arbitrum One more attractive for consumer-facing applications and long-term production deployments, supporting sustained ecosystem growth and market share expansion.

The ArbOS Dia upgrade reduced gas price by 98% during peak activity compared to the previous single-target pricing model. The takeaway is not that fees will always be low, but that pricing behavior will become more stable and predictable for identical demand conditions.

Decentralization

BoLD UPDATE

In early 2025, the Bounded Liquidity Delay (BoLD) protocol moved from testnet to mainnet. The Activate Arbitrum BoLD + Infura Nova Validator Whitelist proposal was passed by the DAO and featured Arbitrum BoLD, the new dispute resolution protocol that enables validators on Arbitrum One and Nova to use Arbitrum Nitro software to post assertions, along with the ability to challenge invalid assertions.

This enables anyone to run their own node and participate in validation on Arbitrum One. Do note that Arbitrum Nova still operates with a permissioned validator set, though this governance proposal approved the addition of Infura to Arbitrum Nova's validator whitelist, increasing the scope of Nova's decentralization.

ALTERNATIVE CLIENTS

Supporting the long-term scalability, resilience, and decentralization of the Arbitrum network requires more than a single client implementation.

In 2025, the ecosystem welcomed Nethermind as an additional Ethereum execution client (alongside Nitro) as well as a core contributor to the Arbitrum tech stack. This addition improved client diversity, node accessibility, and overall performance. The Foundation oversaw selection, negotiation, onboarding, and ongoing monitoring of performance.

NETHERMIND

HIGH PERFORMANCE WITH LOWER OVERHEADS

Nethermind emphasizes execution performance and operational efficiency, offering **faster sync times, improved RPC handling, and support for higher gas targets.** By optimizing throughput and reducing latency for demanding workloads, Nethermind improves operational performance for Arbitrum chains and broadens the range of validated execution environments that are available to the network.

Developer Experience

STYLUS UPDATE

September 2025 marked one year since the launch of Stylus, Arbitrum's cutting-edge program that broadens the scope for developers, enabling Arbitrum smart contracts to be written in languages other than Solidity, including Rust, C, and C++.

STYLUS RUST SDK IMPROVEMENTS

Over the past year, Stylus continued making strides in efficiency gains and improving the overall builder experience. Some of the latest updates to Stylus include contract interface improvements and enhanced tooling support, which enhance contract verification workflows. Additionally, H2 2025 saw the completion of the majority of work underpinning the official release of Stylus Rust SDK v0.10.0.

Over the same period, both reliability and composability underwent considerable improvements, with legacy code being removed. Contract interactions were improved to be even more secure, and internal tooling was streamlined to

support more efficient development and future releases. Most importantly, all of this was achieved without negatively impacting the developer/user experience.

The Foundation also released official Stylus workshop templates, including a Game of Life implementation and a devcontainer base that provides a preconfigured development environment. Developers can clone and start building immediately without configuring Rust toolchains or Stylus dependencies locally.

COMMUNITY INITIATIVES

In addition to efforts from the Foundation and other Arbitrum-aligned entities, several notable improvements have come from the community:

StylusPort Migration Toolkit
Oak Security and Range

A community-built tool guide that streamlines migration from Solana to Arbitrum via a comprehensive handbook and a CLI AI assistant trained on migration workflows, reducing cross-ecosystem friction.

Move-to-Stylus ERC-20 Toolkit
Rather Labs

A new toolkit enabling developers to write fully functional ERC-20 contracts using the Move programming language and to deploy them directly on Arbitrum Stylus. Expands the language surface area and opens Arbitrum to the Move-native developer ecosystem.

Stylus AssemblyScript SDK
Wake Up Labs

A new SDK (currently in alpha) allows developers to write and deploy smart contracts on Arbitrum Stylus using AssemblyScript. This lowers the barrier to entry for JavaScript/TypeScript developers and introduces a familiar development environment.

Bobcat SDK
The team behind the Stylus Saturdays newsletter

A new SDK similar to Stylus, though approximately 3x smaller. The much-reduced abstractions in the SDK result in significant gas savings. The tool is already integrated with Superposition Passport.

ArbOS Foundry
iosiro

The Stylus-compatible fork of the Foundry toolkit allows developers to use a familiar workflow with full Stylus support.

UltraHonk Stylus Verifier
Wake Up Labs

Bridges Noir zero-knowledge capabilities with Stylus via a compatible verifier, enabling advanced ZK applications.

Motsu Stylus Testing Framework
by OpenZeppelin

A Rust-native testing framework developed for fast and isolated testing of Stylus smart contracts through WASM-level mocking of execution environments. The tool strengthens developer workflows and improves the reliability and security posture of Stylus-based applications.

NOTABLE PROJECTS THAT LEVERAGED STYLUS IN 2025

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

ThirdWeb

ThirdWeb uses Stylus to design more efficient airdrop contracts that support ERC-20, ERC-721, and ERC-1155 tokens across bulk airdrops, Merkle claims, and signed airdrops using EIP-712. In each of these scenarios, Stylus has been able to handle the expensive work of hashing and proof verification, while token transfers used standard EVM calls for composability.

ThirdWeb has enjoyed meaningful gas savings with Stylus when running hashing, parsing, and Merkle proof verification within contracts. Specifically, a 10% gas savings has been observed on Merkle claim computations, along with nearly half a million gas saved in large push-based airdrops and cheaper EIP-712 hashing.

Lit Protocol

Stylus empowers Lit Protocol to run its heavy cryptographic logic more efficiently, removing the need to convert Rust to Solidity in order to deploy on EVM-compatible chains - a process that demands heavy compromises on speed and effectiveness.

Lit Protocol is a decentralized key management and signing network that lets developers create programmable cryptographic keys without relying on a single custodian. Instead of one server holding a private key, Lit distributes key shares across a network of MPC threshold-signature nodes running in trusted execution environments.

With Stylus, the Lit team was able to natively run Rust smart contracts onchain, making it possible to run battle-tested Rust libraries (such as hashes and elliptic curves) as-is and still execute them onchain.

Redstone

Redstone, on the other hand, leverages Stylus to run a dedicated Rust SDK natively on Arbitrum at lightning-fast speeds, enabling seamless interoperability with Solidity contracts that are already live on Arbitrum. In addition, Stylus enabled direct memory access, eliminating costly stack-based data handling, and had efficient data structures that matched hardware-level word sizes.

Improvements unlocked by Redstone using Stylus:

Metric	EVM	Stylus	Improvement
Base Computational Overhead	35K	23K	34.3% reduction
Per-feed Computation	16K	8K	50% reduction

Protocol Economics & Sustainability

TIMEBOOST:
NEW TRANSACTION ORDERING POLICY

In 2025, Timeboost transitioned from experimentation to production. Following DAO approval, Timeboost launched a transaction-ordering mechanism, which allows users to bid for priority transaction sequencing. Timeboost also helps reduce network spam, preserve fast block times, and redirect MEV that would otherwise be extracted back to the communities operating Arbitrum chains.

Timeboost unlocked a new revenue stream for the ArbitrumDAO in 2025: by year end, it had **generated over 1,982 ETH, with approximately 1,923 directed to the ArbitrumDAO,** significantly strengthening protocol sustainability over the long term.

Timeboost Fees Collected, 2025

97%
of Timeboost proceeds go to the DAO

3%
of Timeboost proceeds go to the Arbitrum Developer Guild

AEP FEE ROUTER IMPROVEMENTS

The Arbitrum Expansion Program (AEP) enables Arbitrum Chains to deploy permissionlessly on any chain. Under the AEP, Arbitrum Chains deployed outside of Arbitrum One and Arbitrum Nova must pay 8% to the ArbitrumDAO and 2% to the new Arbitrum Developer Guild from their protocol net revenue.

As the number of customized Arbitrum Chains grew, it became clear that the existing AEP routers and the payment workflow had limitations. The process was largely manual and required chain operators to perform complex custom fee calculations. Fee collection has transitioned to an automated and verifiable system that reduces the lift required of chain operators and others parties. Multi-token support was also enabled. **Routers now automatically trigger transfers to designated wallets with any custom gas token and on any chain that ultimately settles on Ethereum.**

This has served the Arbitrum Foundation well by facilitating the monitoring and collection of AEP fees from chain operators.

ARBITRUM DEVELOPER GUILD (ADG) UPDATE

The Arbitrum Developer Guild was established to recognise and support long-term contributors whose work would strengthen the Arbitrum technology, tooling, and infrastructure.

The Guild was introduced as part of the Arbitrum Expansion Program, which created a self-service path for launching custom Arbitrum chains. Currently, the Guild receives the following allocations for its operation: 2% of the Net Protocol Revenue share from Arbitrum chains, 3% of Timeboost fees and community donations.

As of publishing this report, the ecosystem has expanded to more than a dozen Arbitrum Chains, including the recent launch of the Robinhood Chain, which contributes to the ADG. While the long-term revenue potential for the Guild is substantial, the current scale of funds available reflects the ecosystem's early growth phase. As high-growth participants such as Robinhood scale their activity and additional chains join the ecosystem, contributions to the ADG will grow accordingly.

Over the last year, the Foundation has strengthened the underlying infrastructure and advanced the Guild's operational framework. This includes implementing AEP fee automation and progressing key governance components such as the funding mechanism, membership criteria, and review and approval processes, along with the guiding principles for Guild operations.

During this initial phase, the Arbitrum Foundation will continue to act as facilitator for the Guild. Its responsibilities will include:

- Reviewing and approving membership applications
- Allocating and adjusting revenue streams
- Re-evaluating members when appropriate
- Overseeing fund disbursement
- Updating governance parameters as needed
- Representing the Guild externally

The ADG will introduce a revenue-sharing model for protocol teams contributing to core Arbitrum technology, based upon regularly scheduled member assessments, which will include members submitting detailed reports on their activities to the Arbitrum Foundation, capturing technical contributions and ecosystem impact metrics.

To ensure stability and efficiency at this stage, the Guild will prioritize organisations with demonstrated technical capabilities as contributors. This approach may evolve over time to include outstanding individual contributors as the Guild matures.

The Foundation remains open to expressions of interest from prospective contributors.

EDUCATION AND COMMUNITY ENGAGEMENT

2025 was a pivotal phase for accelerated onchain adoption, with Arbitrum leading this transition.

Throughout the year, the Foundation prioritized expanding brand reach, onboarding new builders, and deepening engagement across a much wider spectrum of audiences, using education and community as primary levers.

#1
in mindshare among L2s

600+
unique developers engaged

680
dedicated global Arbitrum ambassadors

30+
countries with Arbitrum representation

14.5B+
earned reach on X

Note: All data points are as of December 2025 unless otherwise mentioned.

The Arbitrum Foundation's 4 Pillars of Growth

Through a series of coordinated initiatives, including the refreshed brand narrative, an end-to-end founder enablement program, social leaderboards, research publications, and a strengthened ambassador program, the Arbitrum ecosystem dominated mindshare and reach while expanding its footprint across regions in 2025.

The Foundation will build on this momentum in 2026, shifting focus from reach to activation in order to grow in builders, users and ecosystem revenue. As crypto increasingly abstracts into the background and seamlessly integrates with everyday products, the Foundation will continue putting applications and partners at the forefront of user adoption, and capture market share through their successes.

Last year, the Arbitrum Foundation centered itself around four core pillars. This chapter zooms in on how each pillar was executed and how they each advanced the Foundation's mandate in 2025.

Pillar 1
Developer Education and Builder Support

Pillar 2
A Unified Brand Narrative

Pillar 3
Amplifying the Arbitrum Signal

Pillar 4
Go Glocal

Pillar 1:
Developer Education and Builder Support

In 2025, builder activation was a primary focus for the Foundation. Multiple builder-centric grants and initiatives were launched, and included workshops, hackathons, technical content, and hands-on developer support. At the heart of these efforts was the Arbitrum Open House, which held its inaugural edition in India.

ARBITRUM OPEN HOUSE

Arbitrum Open House is a global end-to-end founder-enablement program that activates developers and founders through a structured hybrid model of online and in-person experiences. The program features three tracks: **Buildathon, Founder House and an in-person mentorship program.** Each of these tracks bridges the Foundation and developers at different stages of their journey.

This framework forms a pipeline that ushers developers from the conceptualization stage to project formation, prototyping, and early founder mode.

1

Buildathon is a multi-week online event where participants develop projects with continuous technical guidance and actionable feedback.

2

Founder House is an in-person hacker house where founders work closely with Arbitrum engineers and ecosystem partners to further their projects.

3

The in-house **mentorship program** completes the funnel by advancing selected projects toward a potential mainnet launch.

OPEN HOUSE: INDIA EDITION

India served as the inaugural location for Open House, reflecting the country's rapidly growing developer base and sustained community interest. The program was delivered in **three phases from August to September 2025** and guided developers from learning the basics to in-person collaboration and project prototyping.

Stream 1:
Online Workshops and Buildathon

Prior to the online buildathon in India, **a series of online workshops** helped introduce new builders to the Arbitrum ecosystem. Over **550 participants** completed the interactive, self-paced coursework that was hosted on a whitelabel platform by HackQuest.

Thereafter, the three-week Buildathon offered participants a structured environment where they could develop proofs of concept and compete for **$33,000 in prizes.** A whitelabelled project submission and judging platform was also created by HackQuest for this exercise.

178	**72**
Builders participated	Project submissions

9
Winning teams

Stream 2:
IRL Founder House

The Founder House was a 4-day in-person event in Bengaluru that brought together developers, mentors, and ecosystem partners to build MVPs and compete for a **$70,000 prize pool.** The **100+ participants** were each supported by mentors from **Couchbase,**

Appwrite, Skynet, Web3Compass, Etherspot, and Estate Protocol. Workshops, project pitches, and structured mentorships were offered at the beginning of the event, before transitioning into focused sessions where teams progressed towards submission.

102	**3**
Total hackers	Winners

Stream 3:
Online mentorship

A mentorship program was piloted to continue supporting winning teams. Builders were paired with experienced operators, founders, and technical contributors to offer guidance on product development, go-to-market strategy, fundraising, and ecosystem alignment.

IMPACTS AND LEARNINGS

Open House is the ecosystem's largest builder activation to date, engaging

600+
unique builders

across workshops, meetups, online programs, and in-person events. Across the touchpoints, the Foundation helped convert first-time Arbitrum developers into active contributors.

The Foundation tracked retention at every stage of the funnel and assessed post-event engagement. This data included workshop performance, onboarding velocity, and early project formation and now helps inform how Open House expands into 2026.

Active participation from winning teams (via both the Buildathon and Hacker House) has continued through the Foundation's ongoing mentorship. Open Houses in 2026 are planned in 4 new cities: **New York, London, Singapore, and Dubai.**

Builder's Block Newsletter & Other Support

Builder's Block is the Foundation's **direct channel for developer outreach, education, and ecosystem updates.** It regularly relays high-signal, technical information to builders and serves as an ongoing library of resources that developers can reference over time. Launched in August as a prelude to Open House, the biweekly newsletter curates protocol and tools updates, new ecosystem releases, and practical learning resources from across the Arbitrum stack.

Builder's Block published seven editions and reached 9k+ subscribers in 2025.

Catch the previous editions here

The Foundation furthered builder enablement by:

- Broadening the technical content library with repeatable workshops

- Introducing short-form educational content to maximize reach across channels, and

- Releasing additional starter repositories and self-serve resources (including Farcaster mini-app templates) to lower onboarding friction.

The Foundation also continued to provide hands-on technical support and mentorship at hackathons and events like **Encode London's AI Hackathon, Bitso MXNB Hackathon, Modular Carnival in Brazil, EthGlobal Agentic Ethereum Hackathon and ArbiLink+ Hong Kong.**

Pillar 2:
A Unified Brand Narrative

Creating a more cohesive and resonant Arbitrum brand experience was a key focus in 2025. At the heart of this effort lies the "Arbitrum Everywhere" narrative, a strategic articulation of Arbitrum's role as the go-to blockchain platform. This pillar outlines how this initiative played a central role in Arbitrum's identity in 2025.

A UNIFIED PLATFORM STORY

"we can build everything that we are envisioning for the next 10 years on the Arbitrum chain"

– Johann Kerbrat from Robinhood

Full video here

The Foundation successfully launched the longawaited **Arbitrum Everywhere** video series in H2. This integrated multi-channel, builder-centric campaign uses storytelling to illustrate the ecosystem's extensive reach.

The campaign features high-profile interviews and deep-dive podcasts with industry experts like **Vitalik Buterin** (Ethereum co-founder), **Johann Kerbrat** (SVP & GM of Crypto at Robinhood), and **Anthony Sassano** (founder of The Daily Gwei). Further technical advocacy is driven through strategic sessions with **Ryan Berckmans** (Ethereum researcher) and **Steven Goldfeder** (CEO at Offchain Labs),

reinforcing Arbitrum's position at the forefront of Ethereum scaling.

Arbitrum.io has long been more than a landing page. It is one of the main entry points into Arbitrum as a business platform. The website was refreshed to spotlight the **Arbitrum Everywhere** narrative. The outcome is **a clearer, more unified platform experience** where developers can choose to build applications on a shared liquidity layer like Arbitrum One or launch their own chain using the Arbitrum tech stack. This articulation reflects the practical expression of Arbitrum's dual-product strategy.

ARBITRUM EVERYWHERE:
NARRATIVE TO NUMBERS

In H2 2025, the Arbitrum Everywhere narrative continued to gain credibility and data-backed validation via coverage from independent research firms like Messari, Blockworks and Castle Labs.

Messari published the **Arbitrum Everywhere: Beyond the Limits** report during Devconnect, providing a deep dive into the four strategic pillars that have defined Arbitrum's trajectory over time: *builders, enterprises, DeFi, and the Digital Sovereign Nation*. The report presented a cohesive narrative analysis, making it a valuable reference for teams evaluating L2 ecosystems and for institutions curious about long-term platform direction.

The report's impact extended beyond publication. At Devconnect, Messari took to the ArbiVerse stage and delivered keynotes on Arbitrum Everywhere to Latin American executives in a session organised by SeedGov. Earlier in July, Messari presented its findings at the Google Campus in Shibuya to institutional and developer audiences.

The Arbitrum Everywhere narrative was consistently reinforced via Arbitrum-aligned entities, driving the message home among institutional audiences. For instance, **A.J. Warner, Chief Strategy Officer at Offchain Labs,** made a notable presentation **at the New York Stock Exchange** during a NextFin-hosted event. Similar representations were made across audiences, including founders, policymakers and investors.

PRESS COVERAGE: STORY TO HEADLINES

The breadth of media coverage in 2025 clearly signaled a growing recognition of Arbitrum's product direction, as well as its expanding role and enterprise adoption. Rather than sheer volume, Arbitrum's share of voice mainly spread through **high-impact stories** that demonstrated meaningful engagement from mainstream and crypto-native press.

Policy and Regulatory Influence:

In a pivotal year for legislative advancement around the APAC region, Arbitrum's increasingly vital role in shaping the next generation of digital-asset policy frameworks was spotlighted by some of the biggest media in the world, including Bloomberg and the South China Morning Post.

Ecosystem Adoption and Partnerships:

Crypto media's coverage of Arbitrum shifted meaningfully in 2025, going from framing it as a **high-performance L2 to recognising it as a turnkey that empowers production-grade applications.** This transition cemented Arbitrum's role in enabling real-world use cases, as was reflected in media coverage spanning gaming (example: My Pet Hooligan's Studio Chain), institutional finance (example: DigiFT's Invesco private credit token), and stablecoin infrastructure (example: Tether's cross-chain USDT deployment).

Capital Allocation:

Throughout 2025, media outlets kept a close eye on DAO-led capital decisions, including the DeFi incentive (DRIP) rollout and the 35M ARB allocation to tokenized U.S. Treasuries (STEP), capturing the growing recognition of ArbitrumDAO's scale, capital deployment, and influence in the broader RWA and DeFi ecosystem. Importantly, such coverage reiterates ArbitrumDAO's strength as an effective allocator that supports long-term ecosystem growth.

Government Recognition:

Being officially recognized by an **official Argentine government channel** in relation to Arbitrum Bridge LATAM and the Digital Asset Leadership Forum, which were co-organized by the Arbitrum Foundation and chaired by the Democratic Party of Korea, was one of the loudest signals of Arbitrum's institutional presence in key regions that are undergoing rapid crypto adoption.

Pillar 3:
Amplifying the Arbitrum Signal

In 2025, the Foundation focused on increasing mindshare through a stronger social flywheel and narrative presence. Efforts spanned from online engagements to select in-person activations, most notably the launch of the Arbitrum Yapper Leaderboard on Kaito.

The momentum gained by Kaito was reinforced by sustained thought leadership from Arbitrum Ambassadors, core contributors, and ecosystem partners, as well as strong IRL presence across major regions. Together, these efforts contributed to a more coherent and durable narrative foundation for Arbitrum throughout 2025.

ARBITRUM MINDSHARE LEADERBOARD

In 2025, the Arbitrum Foundation launched the Arbitrum Yapper Leaderboard in collaboration with Kaito to expand the reach of Arbitrum-related discourse on X. The initiative introduced an incentive-driven framework to identify and reward high-impact contributors based on the engagement and reach of their content.

Across multiple campaign cycles, the initiative activated hundreds of high-value participants producing Arbitrum-related content and generating over 3M engagements. The program also brought together 15 ecosystem partners around thematic campaigns covering areas such as DeFi, AI, and Arbitrum Chains. These campaigns significantly strengthened Arbitrum's social presence. **Mindshare on X increased by over 30%,** while engagement across Arbitrum's

main account rose substantially as community contributors amplified ecosystem updates, product launches, and governance discussions. The program also helped expand the network of ecosystem advocates, contributing to Arbitrum becoming the most engaged L2 brand on X during the year.

Looking ahead, the Foundation will build on these learnings while refining its approach. Future efforts will place greater emphasis on targeted, account-based strategies, focusing on builders, institutions, and key decision-makers in must-win verticals such as finance.

LEADING MINDSHARE ACROSS X

Arbitrum ended 2025 with leading mindshare and reach, with its presence on X becoming one of the strongest brand touchpoints at **1.1 million followers. At over 6.7M total engagements (500% increase YoY) and 14B reach (30%+ increase YoY).** The increased engagements are indicative of wider amplification from creators, ecosystem partners and community members, helping Arbitrum significantly deepen penetration across the industry.

The Foundation also expanded its presence in high crypto adoption markets through regional X accounts, such as those in India and in Brazil (Portuguese), as mechanisms to address community needs from these regions. With these additions, the Foundation now manages **10 official X handles,** forming a globally distributed and regionally responsive communications network.

6.7M
Total engagements

1.1M
Total followers

14.5B+
Earned reach, a 34% YoY increase

ARBITRUM EVENTS:
EXTENDING SIGNAL ACROSS GLOBAL BUILDER MARKETS

In 2025, Arbitrum events served two primary goals:

1 Reinforce Arbitrum's technical positioning in markets with strong developer momentum

2 Build lasting relationships with founders, enterprises, institutions, and ecosystem partners

Over the year, Arbitrum participated in **more than 50 events across Asia, the Middle East, Europe, and the Americas.** In addition to its presence at marquee industry events like ETHDenver, Gaming Developer Conference, ETHCC and Devconnect, the Foundation also prioritized smaller, more targeted gatherings attended by high-intent builders, C-level decision-makers, and other stakeholders.

This section highlights Arbitrum's global engagements in the second half of 2025. For events that occured in the first half of 2025, refer to the _H1 2025 Progress Update._

DIGITAL ASSET LEADERSHIP FORUM (KBW)

The forum gathered over 130 participants, including 20 senators, global blockchain leaders, and major industry institutions

The Digital Asset Leadership Forum was a significant milestone for Arbitrum in the Asia-Pacific region. **Chaired by the Democratic Party of Korea at the Korean National Assembly,** the Forum established a direct working relationship between Arbitrum and representatives from Korea's ruling party at a time when key crypto legislations were being discussed. Given the KRW-denominated trading volume, this alignment placed Arbitrum in a meaningful position during policy discussions.

The event also elevated Arbitrum's profile internationally, with coverage from major Korean outlets such as Donga Ilbo and Yonhap News, and other global media.

DEVCONNECT

Devconnect was Arbitrum's final major activation of the year. Across a week of activations in Buenos Aires, Argentina – one of the fastest-growing crypto markets in the world – the Foundation engaged with **2,496 builders, partners, and institutional stakeholders.** Through workshops, community events, ecosystem showcases, and governance discussions, Devconnect saw one of the highest engagements of any Arbitrum activation in 2025, with **15.5k+ online engagements.**

2,496
In-person engagements

15.5K+
Online engagements

GOVERNANCE AT DEVCONNECT

At Devconnect, the Foundation actively participated in key governance dialogues to highlight ArbitrumDAO's evolving governance model. During Governance Day, the team moderated and spoke on panels covering AI-governed DAOs and the limits of decentralization, presented DVP quorum research, and outlined near-term governance priorities. At ArbiCasa, the Foundation hosted workshops on the proposed Rewarding Active Delegates Program, facilitated sessions on builder participation in governance, and led discussions on the evolving role of delegates and incentive structures.

ARBIVERSE BUENOS AIRES

The Foundation hosted the third edition of **ArbiVerse at Casa Futuro – one of the most attended and key highlights of Devconnect 2025.** Across a day of technical workshops, partner showcases, and community engagement, the Foundation actively engaged with **750+ participants.**

ArbiVerse featured partner booths included **Fluid, Kleros, Alchemy, El Dorado, OpenZeppelin, Berry, and Peanut.** To encourage participation, the Foundation introduced the ArbiTracker game booklet, where attendees could earn points via activities and redeem Arbitrum merchandise. With learning sessions, partner interactions, and community-driven activities, the engaging and standout experiences firmly anchored Arbitrum's presence at Devconnect.

750+
participants

UNITED NATIONS DEVELOPMENT PROGRAM (UNDP)

The Arbitrum Foundation participated in multiple UNDP-hosted events throughout the year. Members of the Foundation's Governance Team spoke on the following panels:

- **Governance Unchained – DAOs & the UN**, covering what it takes to introduce DAO governance into international institutions

- **Reimagining Governance: Exploring DAOs in the Public Sector** as part of the Blockchain4Good Summit

- **Cross-Border Governance for Emerging Technologies: Aligning Blockchain with Public Mandates** as part of the Blockchain Impact Forum

The Arbitrum Foundation, alongside representatives from the UN and other blockchain ecosystems, private-sector innovators, and humanitarian partners, also participated in the High-Level Strategic Dialogue on **Blockchain for Development** during the UN General Assembly and in Technical Working Groups to refine thematic priorities to guide the formation of the **UNDP Blockchain Advisory Group** for advancing blockchain for the sustainable development goals, which the Arbitrum Foundation will be a part of.

STABLECOIN SUMMIT LATAM

In LATAM, Arbitrum was **well-represented at Bitso's Stablecoin Summit in Mexico City** in August 2025 by members of the Foundation and Offchain Labs, highlighting the network's strengths in stablecoins. Soon after, Bitso's Mexican Peso stablecoin was deployed on Arbitrum.

BITSO MXNB HACKATHON 2025

The Foundation sponsored the **MXNB Hackathon** organised by Bitso Business in partnership with Juno. The four-week, online-only hackathon focused on developing **real-world payments and DeFi applications using MXNB on Arbitrum** and supported with a $7,500 MXNB prize and a one-year gas sponsorship. The event was attended by over **1,200 people,** showing increasing excitement around stablecoin-driven use cases in the region.

Pillar 4: Go Glocal

Arbitrum's growth strategy in 2025 was anchored in a simple premise: **global scale requires local depth.** The Foundation believes that meaningful ecosystem adoption needs to be nurtured community by community, language by language, and market by market. The Foundation's "Go Glocal" approach embodied this philosophy, with the Arbitrum Ambassador Program as its cornerstone initiative.

Ambassador Program in 2025

680+
Ambassadors

1.17B
Total reach

881K
Engagements

10
Global regions

9.5K
Program applications

40K+
Content pieces published

ARBITRUM AMBASSADOR PROGRAM

The Ambassador Program is nearly as old as the ArbitrumDAO itself. What started as a student-driven initiative on campuses has become a global community-led movement. The mission – **to place Arbitrum Everywhere** – hasn't changed, but how we get there has evolved.

A key shift in 2025 was the **regionalization of the program.** Beginning in Q1, ambassadors were encouraged to produce content in their **native languages.** At the end of 2025, the program was operating in **six languages:** English, Portuguese, Spanish, Mandarin, Korean, and Bahasa Indonesia. Expansion into each region depended on several key factors, including crypto adoption potential, community energy, historic contributions, and regional demand, among others.

Ambassadors produced **40K+** content pieces in 2025, ranging from educational threads and technical explainers to regional ecosystem insights. Many of these pieces reached

Arbitrum Ambassador Expansion in 2025

thousands of users and shaped community understanding around the protocol. Video content also soared, with **1.2K+ submissions** that rippled across short-form platforms.

REGIONAL WINS

The Foundation expanded Arbitrum's regional footprints across several high-growth markets through a combination of invite-only meetups, workshops, educational programs, and activations with local ambassadors. Each region's contributions were different, but 2025 showed steady growth momentum across all communities.

LATAM

LATAM has been a strategic region for Arbitrum's expansion, and 2025 saw that deepen as regional communities, builders, and institutions accelerated their engagement with the ecosystem. The expansion began with the launch of the Ambassador Program in Brazil and Argentina, forming the backbone for long-term community engagement. More than **14 ambassador-led, Foundation-supported events** were organized in the region.

ROAD TO DEVCONNECT 2025

Ahead of Devconnect Buenos Aires, the Foundation hosted a series of activations across Brazil, Mexico, and Argentina.

ArbiLink Brazil:
Organised by Modular Crypto with support from GMX, the Arbitrum Foundation and Brazilian ambassadors, the event strengthened ties with local developers and community leaders.

Arbitrum Day Brazil Chapter (ETH Latam)
A full-day meet-up supported by the ArbitrumDAO involved the Foundation's oversight across hackathon workshops, networking sessions, and jury evaluation. This event introduced many new developers to Arbitrum's technology and opportunities.

Ethereum México:
A flagship national Web3 event supported by ArbitrumDAO; the Foundation mobilized ambassadors and oversaw booth operations, ecosystem talks, and on-site participation to expand Arbitrum's ecosystem footprint.

The Foundation also hosted ArbiLunch: Rio Edition, an invite-only gathering in Rio de Janeiro that also marked the launch of the Arbitrum Portuguese X account.

SOUTHEAST ASIA (SEA)

The Foundation continued its momentum in Southeast Asia through highly targeted community events, meetups, and university-focused activations that strengthened local engagement and key stakeholder relationships.

ArbiMix Singapore

ArbiMix Singapore gathered a diverse but highly selective audience from premier ecosystem projects like TermMax, Uniswap, Altlayer, and Wintermute, as well as representatives from notable TradFi institutions and renowned universities like SMU, NTU, and SUTD.

ArbiMix Jakarta

ArbiMix Jakarta, with **~100 in-person attendees,** drew participation from both regulatory and industry stakeholders. Notable participants included the OJK (Financial Services Authority of Indonesia) and Komdigi (Ministry of Communications & Digital), along with many other industry players and universities from the region.

JAPAN

Japan remained a priority market in 2025. The Foundation executed a coordinated series of activations designed to deepen engagement across AI, gaming, institutions, and the broader Web3 ecosystem.

Uniswap x Azuki x Arbitrum

The year kicked off with the Foundation co-hosting a high-decibel joint networking event with Uniswap and Azuki in Shibuya, Tokyo. The event was a first-of-its-kind collaboration, bringing together three major Web3 communities in Japan. The event reached **6,900+ engagements and saw 738,000+ mints** for the co-branded Arbzukiswap NFT.

AI x Blockchain Executive Roundtable

The Foundation convened a roundtable of 50-plus key decision-makers, executives, and technologists to further AI-blockchain convergence. Participants included leaders from Offchain Labs, Shibuya Startups, and Mewtant, representing a cross-section of Web3, AI, and Japan's startup ecosystem.

ArbiLink Tokyo

The Foundation executed multi-channel programming around WebX, Japan's largest Web3 conference. **ArbiLink Tokyo, held at the Google Campus,** was a popular event with over **9,200+ online engagements.** Messari led a live presentation on *Arbitrum Everywhere* based on its report to a high-impact audience of decision-makers and founders.

GREATER CHINA

Greater China saw steady progress across developer education, community engagement, and localized content distribution. Developer participation provided the **APAC Mini Hackathon,** which received submissions from 70+ teams. A Chinese-language online course for developers saw more than 1,000 participants complete the first lesson and over 250 complete the whole course. These programs provided a solid foundation for developers who were new to Arbitrum.

ArbiLink Hong Kong, the first major event for Arbitrum in the market, gathered 300+ participants and more than 10M in earned reach. ArbiLink featured technical workshops, panel discussions, and information booths that spotlighted ecosystem partners.

INDIA

India has been a key pillar of Arbitrum's global strategy in 2025. For this reason, the inaugural Open House, the end-to-end founder enablement program, launched in India first.

Ahead of the formal launch, the Foundation conducted a multi-city Open House Gather series across **Hyderabad, Pune, Mumbai, and Delhi** to engage local builders and community members. The meet-ups generated high-quality applications to the Ambassador Program and helped funnel qualified participants to the Buildathon and Founder House activations. Details on Open House India can be found in the 'Developer Education and Builder Support' section.

AFRICA

Arbitrum strengthened brand reach in Africa by sponsoring the **Web3Lagos Conference,** one of the continent's largest Web3 gatherings. With **2000+ active engagements** across keynotes and technical workshops for developers, the Foundation was able to step up its reach and influence in the region.

EUROPE

Arbitrum maintained an active presence across European hubs. The Foundation engaged with builders and local contributors at key events, including **EthMilan, EthBucharest and EthWarsaw.**

At **EthMilan**, the Foundation marked its first appearance in Italy through an ArbitrumDAO-funded Arbitrum Day, featuring technical workshops on Stylus and Arbitrum chains and other panel discussions. At **EthBucharest**, also sponsored by the ArbitrumDAO, the Foundation represented Arbitrum at booths, delivered technical workshops, and mentored hackathon participants.

At **EthWarsaw**, the Foundation presented a breakdown of the ArbitrumDAO governance model, highlighting its evolution into a resilient system of decentralized decision-making, balancing community participation with operational effectiveness.

MENA

The Foundation maintained a focused, high-impact presence at tentpole fintech and tokenization conferences across MENA, most notably, **Blockchain Life and Abu Dhabi Finance Week.**

Chapter 4

SCALING GOVERNANCE FOR THE ARBITRUMDAO

2025 marked a year of rapid growth and maturity for the ArbitrumDAO.

It continued evolving as a governance proof of concept stewarding over a billion dollars in assets and an increasingly diversified revenue base. Over the past year, the DAO voted on **73 proposals** (including temperature checks and onchain votes), while **delegated voting power rose 12.5%** to 357.49M ARB and **average participation per proposal increased 28% year** over year. This reflects **sustained governance activity** with an average of one to two governance decisions each week.

73
proposals across Snapshot and Tally

213M
avg votes per proposal, up 28% YoY*

357M
active delegated voting power, up 12.5% YoY

94.4%
of onchain proposal passed**

3,414
delegates voted in over 50% of onchain proposals, up ~6% YoY***

Indicates an increased number of ARB tokens are becoming active in governance.
**Only one onchain proposal failed out of 18 that went to vote in 2025. This indicates efficient early screening of proposals, keeping the number of wasted governance cycles low. The proposal pass rate for temperature checks was 85%.*
****Indicates increased governance participation among existing delegates.*

In 2025, the Foundation **expanded its involvement across governance,** including proposal research and drafting, coordination, and execution.

This shift was rooted in understanding the structural challenges within the DAO and taking steps to improve operational efficiency while aligning governance with the ecosystem's long-term objectives.

Several of these changes were structural. The Foundation mapped out a clear operational vision for the DAO, helped establish the OpCo and Arbitrum Gaming Ventures (AGV), and liaised between major contributors. The new model lets delegates focus on strategic oversight while day-to-day operations are left to Arbitrum-aligned entities (AAEs).

In addition to structural changes, the Foundation also re-examined any governance mechanisms that were limiting. The **Rewarding Active Delegates (RAD) program,** for instance, underwent several iterations before converging on a framework that rewards participation based on voting activity. Likewise, the Foundation is driving a revised **quorum framework** to address longstanding challenges tied to ARB's circulating supply.

The successful coordination of five independent entities (the Arbitrum Foundation, Offchain Labs, OpCo, Entropy Advisors and the AGV) to work together on a shared mission demonstrates a meaningful and unprecedented step towards applied decentralization.

Looking ahead, the Foundation will steward governance systems that will enable the DAO to succeed at scale. Its focus will extend to improving decision quality, creating a governance environment that attracts meaningful participation from large stakeholders, and maintaining long-term alignment with the ecosystem goals.

SECURITY COUNCIL ELECTIONS

The Arbitrum Foundation facilitates the end-to-end security council election process every six months. This includes (but is not restricted to) inviting the right candidates to apply, educating audiences on its importance, running the multi-phase election smoothly, verifying participants' credentials, and transferring ownership once the election is over.

The most recent member election (September 2025 cohort) took place from October 13 until November 3, 2025. Details of March 2025 cohort elections are covered in the 2025 Biannual Progress Report.

A total of **19 candidates applied to participate in the election process,** of which 13 proceeded to the final election phase. **Five of the six seats were reelected (Griff Green, Emiliano Bonassi, gzeon, Gauntlet, and Immunefi), with ZachXBT joining as a new member.**

September Cohort Election Results

19
Candidates applied

13
Qualified for the final election

5
Members re-elected

In Q3, the Foundation stewarded a set of improvements to the security council election process. Through a temperature check vote, the ArbitrumDAO showed support for extending security council cohort durations from one year to two years, reduce qualification thresholds from 0.2% to 0.1% of votable ARB, allow any existing security council members who re-applied to bypass the nominee selection phase, and make it easy for candidates and members to rotate their keys. Most of these changes will likely go to an onchain vote in 2026.

September Cohort

John Morrow	Immunefi
gzeon	Emiliano Bonassi
Griff Green	zachxbt

March Cohort

Fred	Yoav.eth
Bartek.eth	Certora
Michael Lewellen	OpenZeppelin

NEW DELEGATE INCENTIVE PROGRAM: REWARDING ACTIVE DELEGATES (RAD)

A key area of focus in 2025 was to boost governance participation and reduce voter apathy. To address this, the DAO and Foundation jointly created the **Rewarding Active Delegates (RAD) Program** (an iteration of the Delegate Incentive Program (DIP)) to mobilize informed voters and increase transparency - an initiative that took into consideration the community's feedback.

The RAD program rewards active delegates based on their voting record and for sharing their voting rationale publicly. The OpCo, with the help of a third-party program manager, oversees the RAD's evolution. Now fully operational, the Foundation has also handed over compliance, payments, and vendor management to the OpCo.

THE WATCHDOG PROGRAM

To strengthen oversight of grant allocations by the DAO and reduce misuse, the ArbitrumDAO approved the Watchdog program and granted it **400,000 ARB to reward verifiable reports of misused funds.** The program is jointly administered by the Foundation, Entropy Advisors, and SeedGov.

The Foundation custodies the funds, co-administers report reviews to determine the severity of misuse (if any) and also leads recovery efforts where misuse is proven. For any outstanding projects where misused funds have not been returned, the Foundation may pursue legal action, smart contract enforcement, or community measures like blacklisting.

As of December 31, **56 reports have been submitted to the program, ~247K ARB has been recovered, and ~67K ARB have been earmarked for reporter bounties.**

THE FOUNDATION'S ROLE ACROSS DAO INITIATIVES

Operating DAO multisigs

With the Multisig Support Services (MSS) sunset, ArbitrumDAO chose to move the administration responsibilities for all DAO-related multisigs to the Arbitrum Foundation.

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, which spans five domains: New Protocols, Education, Community Growth, and Events, Tooling, Gaming, and Orbit.

DRIP

The DeFi Renaissance Incentive Program (DRIP) is a new incentives framework focused on targeting specific assets and activities across Arbitrum rather than specific protocols. It will run in 3-month seasons, with a total budget of 80M ARB.

AGV

Arbitrum Gaming Ventures (AGV) exists to support the next generation of builders shaping the future of gaming, with a core focus on advancing the Arbitrum ecosystem and delivering long-term value back to the DAO.

The Arbitrum Foundation continued to manage and operate all related funds in accordance with DAO-approved programs. As of December 31, these were the outstanding initiatives receiving support:

1. Delegate incentive program
2. Stylus Sprint
3. Event Horizon Delegation
4. ADPC Security Subsidies Fund

The Foundation played the following role:

• Worked with domain allocators and program managers to align the program with its strategic priorities.

• Facilitated a two-way referral stream between the Foundation and the D.A.O. program to retain ecosystem builders.

• Coordinated key program-funded events, including Arbitrum Bridge LatAm, connecting the ecosystem with regional stakeholders to showcase real-world applications of Arbitrum's technology in finance and infrastructure.

The Arbitrum Foundation worked with Entropy Advisors on the following aspects of DRIP:

• Branding, distribution and program launch.

• Legal contracting and operations.

• Management of the funds as necessary, making relevant disbursements to participants.

• The Arbitrum Foundation is also on the committee with Offchain Labs and Entropy Advisors to decide where incentives should be allocated and for what purpose, along with ensuring smooth operations

As the AGV Observer on the AGV Council, the Foundation participates in discussions and works with the AGV Council to prioritise clear communication, transparency, and accountability to the DAO, as well as safeguard the program's budget and facilitate payment operations.

The Foundation also facilitates all AGV Council votes and advises on procedures like treasury management, council member elections and onboarding.

THE FOUNDATION'S ROLE ACROSS DAO INITIATIVES

Stylus Sprint

The Stylus Sprint 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 continues to review applications and funding processes based on scalability, innovation, alignment with Stylus goals, and sustainability.

23 teams remain in the program at the time of publishing this report, with 53% of the total budget already distributed to teams.

Entropy season 2

ArbitrumDAO extended its partnership with Entropy Advisors for two more years, starting September 1, 2025. The engagement focuses on treasury strategy, incentives design, data, and special projects to drive ecosystem growth.

The Arbitrum Foundation continued to closely work with Entropy Advisors on DRIP, the Watchdog portal, data efforts, ATMC, the Code of Conduct, and other key initiatives.

Quorum research

In an onchain governance system, quorum dictates the minimum amount of participating voting power for a proposal outcome to be considered valid.

The Arbitrum Foundation published two research reports (1 and 2) analysing the security properties, practicality, and relative performance of ArbitrumDAO's quorum design.

The Foundation raised a successful temperature check on upgrading the quorum computation logic to a DVP-based quorum model.

The Foundation also helped increase delegated ARB from ~315M ARB to 357M ARB in 2025.

Scaling operations with the OpCo

The Operation Company (OpCo) is tasked to act as the ArbitrumDAO's operational mesh layer. Its core mandate is to work on, manage, and provide oversight for DAO-approved initiatives that have the potential to benefit the Arbitrum ecosystem.

The Arbitrum Foundation supported both the OpCo and its Oversight Board (OAT) in OpCo's bootstrapping phase with onboarding initial hires, exchanging resources, and facilitating financial and legal operations, as well as bringing them up to speed on high-impact DAO projects. Currently, the Foundation and OpCo collaborate on various initiatives such as RAD, IRL activations during conferences, delegate relationships, forum moderation, and more.

The Arbitrum Treasury Management Council (ATMC)

The Arbitrum Treasury Management Council is a DAO-appointed body responsible for treasury strategy and execution.

The Arbitrum Foundation is responsible for operational execution of deployments, accounts payable, ARB conversions, agreements, compliance (KYC/KYB), and custody.

According to the latest EOY treasury management report, $105M worth of assets are being managed by the ATMC as of December 31, 2025.

THE FOUNDATION'S ROLE ACROSS DAO INITIATIVES

Governance Tooling: Maintenance & Evolution

The Arbitrum Foundation maintains the tools that power Arbitrum governance.

Governance Operations

The Arbitrum Foundation handles day-to-day governance tasks to facilitate smooth DAO operations.

OAT Observer Role

The Oversight and Transparency (OAT) Committee is a group of five individuals with the mandate to oversee OpCo's operations.

Arbitrum Audit Program

The DAO approved $10M in 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.

Code of Conduct and DAO procedures

The DAO's Code of Conduct and Procedures was introduced in late 2024 as a trial to establish clearer expectations around delegate and contributor behaviours and formalize how the DAO operates.

The Arbitrum Foundation continued to maintain tools that enable Arbitrum governance. In the second half of 2025, the foundation kickstarted a governance UX improvement initiative. An extensive, governance-experience-focused survey was published to collect feedback from the community.

Additionally, the Foundation continued to support Tally to enable proposal cancellation functionality in ArbitrumDAO's governance contracts ahead of its onchain implementation.

The Foundation engages delegates before and during votes, providing voting reminders and the context necessary for good decision-making.

The Foundation also moderates the governance forum – ensuring correct categorisation of posts, removing spam and monitoring violations of the code of conduct.

The Arbitrum Foundation, in its role as an observer to the OAT, attends meetings, facilitates OAT votes, liaises between the OAT and AF teams, and maintains the ability to signal to the DAO if needed. For the complete list of responsibilities of the AF as an OAT observer, refer to the OpCo's bylaws.

The Foundation chairs the Audit Committee. It oversees the program setup, vendor whitelisting, and the applicant intake process.

For a more extensive summary of progress in the Audit Subsidy Program, refer to the 'Fostering Ecosystem Growth' section.

Based on the feedback provided by the Foundation, Entropy Advisors proposed slight modifications to the DAO's Code of Conduct and Procedures, as well as an extension to the current trial periods, which was approved by the DAO.

The Foundation continues to oversee adherence to these guiding documents.

FOUNDATION OPERATIONAL UPDATES

Personnel

As the ecosystem grew in scale and complexity, the Foundation expanded its resources as anticipated in the 2024 annual transparency report. In 2025, headcount increased to **44 full-time members**, followed by a period of stabilization in the latter part of the year.

While the year saw an influx of new talent, the hiring process remained deliberate and disciplined. All recruitment decisions were made after careful considerations by an internal hiring committee approved and supervised by the Board. New hires were concentrated in areas the Foundation considers strategically critical, particularly developer relations and data engineering on the technical side, alongside investments and other growth-focused functions.

Stepping into 2026, any new hires will focus on adding strength to existing functions as well as opening up new market opportunities that will help the Foundation to effectively drive long-term growth and revenue to the ArbitrumDAO.

Headcount breakdown across departments as of Dec 31, 2025 (total 44 FT):

4
Governance

6
Ecosystem Growth

17
Marketing & community

11
Ops, Legal, HR, Finance

1
Investments

5
Technology

Finances

In accordance with its mission as defined in its bylaws, the Arbitrum Foundation is committed to fostering ecosystem growth through grants and strategic partnerships, while strengthening its capacity to support technical improvements and meaningfully engage with the community.

OVERVIEW

In 2025, the Foundation operated in a market environment characterized by periods of extreme volatility. In response, the Foundation took steps to contain operating expenses and deployed resources with the goal of generating a high return on investment for the ecosystem.

This disciplined approach allowed the Foundation to end the year with a strong balance sheet.

Additionally, while navigating a highly turbulent 2025, the Foundation improved processes and controls, laying the foundation for 2026.

OPERATING EXPENSES

In 2025, the Foundation's operating expenditures were predominantly allocated to research and development (R&D), technical infrastructure, marketing, and general and administrative costs.

Research & Development (R&D) Expenses

- R&D expenditures primarily relate to payments to technical and research service providers, external security audit firms, and other associated costs.

- R&D spending increased year-on-year to support new features and enhancements that drove adoption of the technology.

Technical Infrastructure Expenses

- Technical infrastructure expenses comprise costs related to hosting, node infrastructure providers, software subscriptions, the Security Council, and other associated expenditures.

- Despite increased transaction volume on Arbitrum One and new Arbitrum chain launches, technical infrastructure expenses increased only slightly year over year. This reflects a stable underlying cost structure and effective expense control exercised by the Foundation on behalf of the ecosystem.

Events, Marketing and Communications

- Events, Marketing, and Communication expenses include costs related to business development initiatives, ambassador program, event sponsorships, marketing agencies, marketing initiatives, PR & Branding and other related expenditures.

- Investment in this area yielded valuable new partnerships and expanded Arbitrum's visibility during a time of intense competition.

General & Administrative (G&A) Expenses

- G&A expenditure primarily relates to personnel, contractors, external service providers, legal and insurance costs, and other operating expenses.

- G&A expenses contracted year-over-year due to cost savings from reduced use of outside legal and other service providers, and the impact of ARB price fluctuations.

ECOSYSTEM GROWTH

The Foundation continued to invest in ecosystem development in line with its strategic priorities. Ecosystem growth expenditure comprises disbursements related to grants including milestone based payments, infrastructure service providers, and strategic partnerships.

In 2025, the Foundation allocated **$33.5 million in USD and 38 million ARB to ecosystem growth,** supporting high impact partnerships and initiatives. This level of allocation is expected to continue in line with the Foundation's mandate to identify and support opportunities that contribute to the development and strengthening of the ecosystem.

To maximize the impact of ecosystem spending, the Foundation's ecosystem team implemented numerous oversight measures. This included conducting regular, in-depth reviews of all grantees and partners to verify that funds were being utilized effectively

$33.5M
USD allocated to ecosystem growth

38M
ARB allocated to ecosystem growth

and in accordance with the agreed-upon objectives. Additionally, the Foundation proactively took action in situations where a grantee or partner did not meet mutually agreed upon milestones or violated contractual obligations. These controls ensure the Foundation maintains a high bar for performance and maximizes the return on investment for the Arbitrum ecosystem.

TREASURY MANAGEMENT

The Foundation effectively managed its own treasury, acting as both a custodian and steward of its assets, and utilized its finance infrastructure for the benefit of numerous DAO initiatives. The Foundation prioritized capital preservation, liquidity management, and disciplined risk oversight, in line with treasury management best practices.

Effective Risk Management and Value Preservation

The Foundation takes a prudent and risk aware approach to Treasury Management with a focus on ecosystem value preservation. The Foundation took proactive steps to mitigate risk during periods of elevated macroeconomic volatility.

Driving Ecosystem Value Through Strategic Initiatives

The Foundation expanded its support for key ecosystem-wide treasury initiatives, driving significant value:

- **Real-World Assets:** The Foundation managed more than **$30 million in institutional-grade RWA products** as part of the DAO's STEP program. These funds were allocated across tokenized funds from leading asset managers such as **BlackRock, Franklin Templeton, and WisdomTree,** supporting mission-aligned deployments while generating passive yield for the ecosystem.

- **ETH-Correlated Positions:** Leveraging the Foundation's mature treasury infrastructure and in close collaboration with Entropy Advisors and OpCo, the Foundation deployed approximately 5,000 ETH for the DAO across a diversified set of onchain ETH strategies including 1,500 ETH in GMX's GLV WETH-USDC vault and 3,500K ETH in ether.fi weETH restaking. These deployments generate yield, deepen liquidity and support the Arbitrum ecosystem.

- **Call Options:** In collaboration with Entropy Advisors and OpCo, the Foundation is deploying 3,500 ETH for the DAO into options-based yield strategies, leveraging its treasury infrastructure and institutional financial partners.

- **Stablecoin Positions:** In collaboration with Entropy Advisors and OpCo, the Foundation allocated roughly **$8 million in stablecoins** into institutional-grade, yield-generating strategies. Enabled by the Foundation's robust treasury infrastructure, these deployments produce income for the DAO while deepening Arbitrum-native liquidity and improving metrics on the Morpho protocol.

Operational Efficiency and Execution

The Foundation operationalized the DAO's treasury by managing large-scale ARB conversions and managing the payables process for multiple DAO initiatives.

- **ARB Conversions:** During 2025, the Foundation managed all ARB conversions needed for approved DAO programs. These conversions were executed in a prudent and systematic manner while managing counterparty risk.

- **DAO Program Execution & Accounts Payable:** In parallel, the Foundation executed the accounts payable for multiple DAO initiatives, ensuring accurate and timely processing of approved transactions. This improved operational efficiency strengthened financial controls, and provided a reliable execution layer for DAO programs.
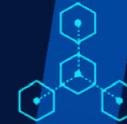
Conclusion

Looking ahead, the Foundation remains well capitalized to continue delivering on its existing mandates and supporting the broader ecosystem. This treasury position provides a strong buffer against market volatility and supports near-term operational stability. At the same time, the Foundation will continue to evaluate resource needs as activity scales and new opportunities emerge, ensuring the ecosystem is well-positioned for sustained growth and continued leadership in DeFi, stablecoin adoption, RWAs, and institutional finance.

KEY FIGURES

FY 2025 COSTS

2025 Costs (Jan. 01 to Dec. 31, 2025)	Costs (USD)	Costs (ARB)
General and Administrative	$11,361,462	
R&D	$23,324,575	
Technical Infrastructure	$16,759,961	
Events, Marketing and Communications	$14,616,507	
Total Operating Expenses	**$66,062,505**	
Ecosystem Growth	$33,496,081	38,002,530
Total Costs	**$99,558,586**	**38,002,530**

2024 VS 2025 OPERATING EXPENSES

Operating Expenses (Jan. 01 to Dec. 31, 2025)	2024 Costs (USD)	2025 Costs (USD)
General and Administrative	$16,859,167	$11,361,462
R&D	$19,468,231	$23,324,575
Technical Infrastructure	$15,131,699	$16,759,961
Events, Marketing and Communications	$11,936,740	$14,616,507
Total Operating Expenses	**$63,395,837**	**$66,062,505**

THE ARBITRUM FOUNDATION TREASURY

	Quantity (as of Dec. 31, 2025)	USD Value (using market price as on Dec. 31, 2025)	% of Total
ARB (Unlocked)	208,019,837	$38,795,700	43%
Other Tokens	N/A	$5,690,741	6%
Fiat, Stablecoins & RWA Products	$45,064,999	$45,064,999	51%
Total Liquid and Accessible		**$89,551,440**	**100%**

ECOSYSTEM GROWTH SPEND BREAKDOWN FOR FY 2025

- DeFi & Fintech — **45.7%**
- Infrastructure — **29.6%**
- Arbitrum Chains — **16.6%**
- Gaming — **2.4%**
- Others — **5.7%**
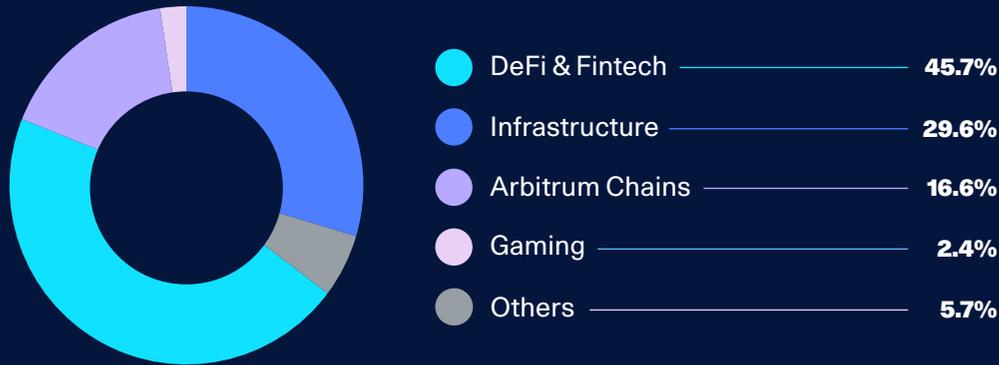
FOOTNOTES TO FINANCIALS

Reporting period and expense recognition
- Expenses incurred from January 1, 2025, to December 31, 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.

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, 2025

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