ARBITRUM FOUNDATION

THE ARBITRUM FOUNDATION

Bi-Annual Progress Update H1 2026

Index

ARBITRUM H1 2026: BY THE NUMBERS

All figures are as of June 30, 2026, unless otherwise mentioned.
Data compiled from Token Terminal, RWA.xyz, DeFiLlama, Dune (@entropy_advisors), and Arbiscan.

Network Activity

478M
Transactions in H1
~18% of the network's 2.7B lifetime transactions

$206M
Ecosystem GDP across H1
Contributing to $1.7B in cumulative GDP since launch

$70B+
Average monthly stablecoin transfer volume
Stablecoin holders up 40% to 10.5M

Market Position

#1
by RWA deployments, with **2,000+ deployed assets**

1,142
live projects, making it a **top-3 blockchain** by protocol count

434%
growth in derivatives open interest over six months, **peaking at $1.5B**

Enterprise Momentum

Robinhood

Robinhood Chain, an Arbitrum Chain, launched its **testnet and mainnet** in H1 2026

LG Electronics

LG Electronics is building its **onchain advertising network** on Arbitrum

mastercard

Mastercard **expanded stablecoin settlement support to assets** on Arbitrum

PayPal

PayPal's PYUSD **peaked at $475M** on Arbitrum in Q1

ArbitrumDAO Financials

$6.19M
accrued to the DAO in H1 at **97%+ gross margins** across all protocol revenue streams

$125M
in non-native treasury assets as of June 2026

35%
of July's income was AEP fees ($360K)

Token Supply

92.3% of ARB supply already unlocked, with the schedule completing in March 2027

~9.23B unlocked* ~0.77B remaining

*The total unlocked supply includes the circulating supply and ARB held in the DAO treasury (as of Aug 17, 2026)

Chapter 1

ECOSYSTEM GROWTH

Strategic Grants, Partnerships & Builder Support Initiatives

SUCCESS STORIES

The Arbitrum ecosystem has produced several success stories and notable milestones in H1 2026 across major finance-native categories.

Enterprise

Robinhood

Robinhood's Stock Tokens crossed **2,000+ deployments on Arbitrum One.**

Robinhood Chain, an Arbitrum Chain, launched its public testnet in February, processing ~200M+ transactions before its mainnet launch on 1 July.

LG Electronics

LG Electronics announced a pilot **onchain advertising network** on Arbitrum.

RWAs

USD.ai

USDai's active loans are up from ~$500K to $188M.

Spiko

Spiko's TVL on Arbitrum nearly doubled, growing from $270M to ~$500M.

Perpetuals

Variational

Variational's volume on Arbitrum surged 42x from $3.75B to $160B.

Ostium

Ostium's volume on Arbitrum doubled while cumulative revenue scaled ~3x.

Consumer

Peanut

Peanut onboarded 10,000+ users, launched a card, and expanding globally.

Bleap Card

Bleap Card's volume more than doubled, surging from $12M to $28M.

DEALS & PARTNERSHIPS

The Foundation supports both emerging crypto-native projects and institutional partners through funding, collaboration, and builder programs. Capital is primarily deployed through milestone-based funding to onboard new teams across key verticals. **During the reporting period, less than $200,000 was deployed upfront without milestone requirements.**

43	11	32
Deals evaluated in H1 2026	Approved	Rejected

Despite a broader slowdown in deal formation across the industry, the Foundation remained disciplined in its capital allocation, **approving 26% of evaluated opportunities in H1 2026.** The teams that were rejected but showed high potential were supported through non-financial means such as marketing, BD, and fundraising.

As of 30 June 2026, the Foundation supported **29 active and signed deals.** During H1 2026, **20% of these projects completed their first funding milestone.** This figure reflects only first milestones achieved during the reporting period and excludes projects that had already progressed beyond their initial milestone prior to 2026.

STRATEGIC PARTNERSHIP FUND

The Foundation's 250M ARB Strategic Partnerships Budget, approved by the ArbitrumDAO in October 2024, supports long-term, milestone-based partnerships with high-impact projects. Since launch, it has helped expand the Arbitrum ecosystem across RWAs, FinTech, Arbitrum Chains, and DeFi. As of June 2026, **thirteen partnerships** have been funded. While full allocation details remain subject to confidentiality requirements, the Foundation may share additional information in future transparency reports, as appropriate.

ARBIFUEL: GAS SPONSORSHIP PROGRAM

ArbiFuel helps teams reduce user onboarding friction by sponsoring transaction fees for new users. Through this ongoing program, the Arbitrum Foundation sponsors up to 1,000,000 transactions per project, capped at $10,000.

112 H1 applications

$94.5K Funds committed

272,453 User operations sponsored

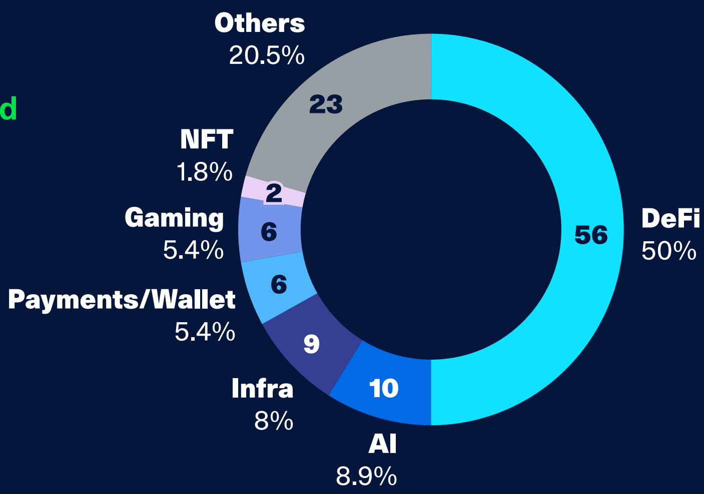
17% Acceptance rate

In H1 2026, the program received **112 applications**, of which **19 teams were approved and onboarded**. 84 projects were rejected, while 9 remained under review (as of June 30, 2026) pending broader grant discussions or project deployment milestones.

> **Although application volume increased compared to 2025, a more rigorous evaluation process for execution-readiness and a higher quality threshold reduced the acceptance rate from 35% (in 2025) to 17%.**

As of June 2026, the program extended **$94,500** in committed gas credits across the 19 accepted teams in 2026. Collectively, the program has sponsored **272,453 user operations.**

ArbiFuel Applicant Composition (H1 2026)



AUDIT PROGRAM

The Arbitrum Audit Program (AAP) was instituted in August 2025 to help establish Arbitrum as a security-first ecosystem by supporting teams with audits. As the allocation for AAP was denominated in ARB, the program's realisable funding capacity tracked the token's market price. As of 30 June 2026, the programme held assets valued at roughly $3.7 million.

194 H1 2026 applications

9,168 Lines of code audited

50 Vulnerabilities identified

4% Approval rate

The AAP program received **194 applications in H1 2026**, indicating a continued demand for security funding across the ecosystem. However, the program remained highly selective, with an approval rate of just 4%.

In H1 2026, seven teams were approved, 14 were in active review, and two were on hold (as of June 30, 2026) due to issues with audit readiness. From projects reviewed in H1 2026, a total of **9,168 lines of code (LOC)** have been audited, resulting in the identification of **50 vulnerabilities.** As of 30 June 2026, the program had committed roughly $1.42 million. With additional audits currently on hold, awaiting kickoff, or in commercial discussions, total committed funding is expected to increase to approximately $2 million in the coming months.

Additional detail on earlier periods is available in the quarterly transparency reports on the Arbitrum Foundation Forum.

Builder Support Initiatives

In addition to grants, the Foundation plays an active role in onboarding new developers and supporting early-stage teams with the resources needed to establish successful onchain businesses. To support this, the Foundation doubled down on two targeted initiatives in H1 2026.

ARBITRUM OPEN HOUSE PROGRAM

Arbitrum Open House is a global founder enablement program by the Arbitrum Foundation, designed to help builders go from idea to launch through online buildathons and in-person events, featuring hands-on workshops, targeted sessions on product and marketing strategies, and ongoing support from the Arbitrum ecosystem.

In H1 2026, Open House was centered around two regions – **New York City and London** – with the format remaining consistent: **a three-week online Buildathon followed by a three-day in-person Founder House** with targeted sessions breaking down how to find product-market fit, how to craft a go-to-market strategy, and dedicated mentorship hours and live pitches.

Metric	NYC		London	
	Buildathon	Founder House	Buildathon	Founder House
Unique Builders	512	529	775	573
Active Builders	178	102	350	85
Projects Submitted	127	56	278	64

Open House program scaled sharply from India (2025) through NYC to London in 2026, with Buildathon projects up 321% and Founder House projects up 205% since the first cohort.

Notes:
- **Reporting Period:** Metrics majorly reflect activity from H1 2026 (January 1 – June 30, 2026) unless otherwise specified.
- **Unique Builders:** Represents unique builder applications received across Founder Houses and builder registrations for Buildathons.
- **Active Builders:** Unique builders who submitted at least one project during a Founder House or Buildathon.
- **Projects Submitted:** Total projects submitted across Founder Houses and Buildathons.

OPEN HOUSE NYC

The NYC Open House was the first milestone of the Arbitrum Open House initiative in 2026. In total, **1041 applications** from unique builders were received across the online Buildathon and IRL Founder House, with **183 project submissions** and $300,000 in prizes and grants awarded.

The first phase of NYC Open House – Online Buildathon – was kicked off in February 2026, with **512 builders participating from more than 70 countries.** Three winning teams took home a sum of $30,000 in prizes. Meet the winning teams here.

The online buildathon was followed by an in-person **Founder House in NYC**, serving as a platform for promising early-stage teams to build on the success of the Buildathon. The NYC Founder House received overwhelming interest from builders with **529 applications**. 88 teams were selected to participate in the Founder House, and **55 projects were submitted.**

1,041 (+43.8%)
Registrations

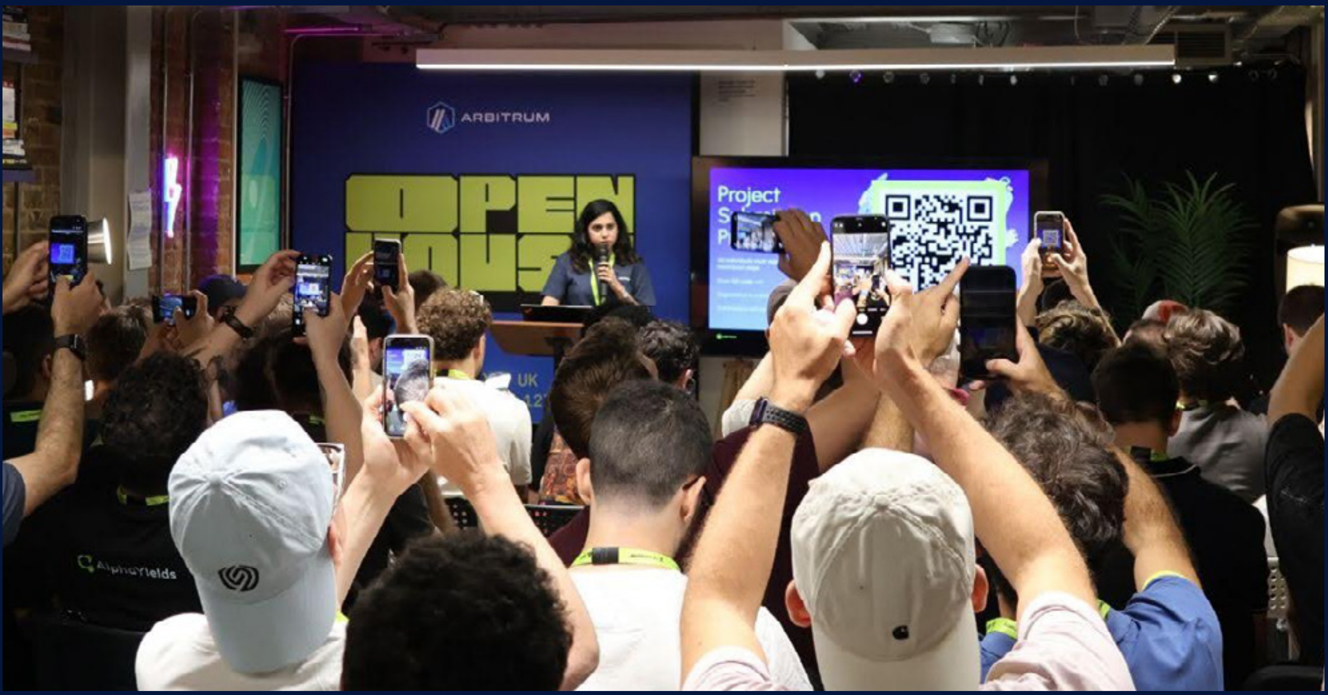
258 (+73%)
Active builders

183 (+105.6%)
Projects submitted

$300,000
Prize money

Percentages in the table indicate growth relative to Arbitrum Open House India 2025 across the corresponding metric.

OPEN HOUSE LONDON



Open House London immediately followed the Open House NYC in Q2 2026 with the same format and approach. The Foundation allocated $415,000 alongside milestone-based prizes to incentivize long-term success, spanning its Buildathon and Founder House programs..

The Open House London Buildathon, brought together 782 builders from across countries, competing for an **$85,000 prize pool. 278 project submissions** were made across DeFi, AI, RWAs, payments, privacy, and more. The winners can be found here.

Following the London Buildathon, the **IRL Founder House London** was held in July with $330,000 in prizes and grants.

> **Founder House London received broad interest from founders with 573 applications.**
> **Out of 147 approved applicants, 64 projects were submitted.**

Early-stage businesses across payments, tokenisation, AI, DeFi, and privacy showed interest in the program. A detailed breakdown of Founder House London is available here.

1,348 (+29.5%)
Registrations

407 (+57.8%)
Active builders

342 (+86.9%)
Projects submitted

$415,000
Prize money

Percentages indicate growth relative to Arbitrum Open House NYC 2026. Reported figures reflect program activity through July 12, 2026, including full Founder House London participation.

ARBITRUM MENTORSHIP PROGRAM

The Arbitrum Mentorship Program is the Foundation's equity-free accelerator for early-stage teams building on Arbitrum One and the Robinhood Chain. As the final stage of the Open House pipeline, the program is designed to improve positioning and investor readiness with direct access to Foundation and Offchain team members.

The inaugural cohort (ARB01) ran over eight weeks and attracted **902 applications, selecting 13 teams – a 1.4% acceptance rate** from around the world. 10 teams graduated on Demo Day on 7 July 2026, where a **$100,000 Robinhood-funded prize pool** was awarded. Of the graduating teams, five were new to the Arbitrum ecosystem, three expanded their existing presence, and two were existing Foundation-supported teams.

Within one month of graduation, five teams are live on Arbitrum or Robinhood Chain, three have raised a collective of $1.2M, and 66 investor introductions were made across 21 funds. And participants rated the program above 4.5 out of 5.

Some notable progress includes the following:

Team	Progress
Tilt Protocol	Onboarded **7 pilot fund managers** and launched **Season 1** of its AI trading competition.
Kustodia	Launched **private, agentic escrow** on Arbitrum with **USDC and MXNB** payment support.
Carbon	Launched its **CFDs platform** into open beta with **400+ beta users.** The CLP capital engine is live, backed by $750,000 committed, with more in the pipeline.
Bond Credit	Launched its **Watchtower** on Arbitrum and grew its TVL **10x** from **$10K to $100K.**
Capa	Achieved **breakeven** after strong growth of **150% MoM** on Arbitrum. Signed major cross-border payments partnership and integrated with the Robinhood mainnet.
Twyne	Integrated Arbitrum One and Morpho integrations and secured **Lido** as a pilot customer ahead of launch.

Developer Relations & Education

Throughout H1 2026, the Foundation continued to expand its developer outreach through educational content, technical workshops, and online plus in-person engagements at key events designed to help builders succeed on Arbitrum.

BUILDER'S BLOCK

Builder's Block is Foundation's dedicated newsletter for builders and developers, providing technical updates, ecosystem releases, tooling improvements, and other educational resources from across the Arbitrum ecosystem.

During H1 2026, Builder's Block published **12 editions** (two per month) and expanded to **10,000+ subscribers**, establishing it as a recurring touchpoint for existing and new founders and developers building on Arbitrum.

CONFERENCES & IN-PERSON ENGAGEMENT

Outside the Open House NYC and London chapters, which are the Foundation's flagship events for builder support and education, the DevRel team also maintained an active presence across major industry events, delivering technical talks, hosting builder activations, and engaging directly with developers and enterprise audiences.

Events	Activations
ETHDenver	The Foundation hosted an Open House experience with an onchain challenge activation, with the winner receiving a trip to the NYC Founder House
ETHCC	The Foundation hosted a Founders Night in April, featuring workshops and presentations on the Programmable Economy, a panel on agentic use cases, and a talk on enterprise Web3 adoption. The event also included an agentic challenge, with the winner receiving a trip to the London Founder House
ETHSilesia	Hosted an Open House activation onsite and delivered technical presentations
MoraBanc Innovation Event, Andorra	Represented Arbitrum and engaged with institutional audiences at the innovation forum in Andorra
ETHPrague	In-person engagements, along with delivering an x402 technical workshop at the main conference at one of Europe's most technical Web3 community events
DEVWorld Amsterdam	In-person engagements, along with delivering an x402 technical workshop at one of Europe's largest Web2 developer conferences on agentic payments amid growing industry adoption from AWS and Cloudflare
Berlin Blockchain Week	Co-sponsored founders' pitch night with DeFi Founders Club as an Open House activation, hosted workshops on the Programmable Economy and how Arbitrum supports founders, and joined a panel on L2 competitiveness at Futura Camp
Bitget AI Hackathon	Judged the Bitget AI Hackathon

ONLINE ENGAGEMENT

In addition to in-person events, the Foundation continued to engage developers through virtual workshops, webinars, and ecosystem discussions.

- **Avail x Arbitrum:** Hosted a live workshop in March.
- **Tokenized: The RWA Megaspace:** Co-hosted with House of Chimera, the event featured 10 panels exploring the RWA ecosystem, with participation from industry leaders including Pendle, LI.FI, Euler, and Liquity. The event generated over 268,000 views and reached more than 1,300 listeners.
- **AI: Beyond the Hype Megaspace:** Co-hosted with House of Chimera, the event featured 8 panels exploring agentic use cases, agentic payments, AI trading, infrastructure, and verification. It generated over 300,000 cumulative views and reached more than 2,000 listeners.
- **UXMaxx Hackathon:** Sponsored a developer prize as a funnel activation for Open House London and judged the hackathon.
- **ETH Mexico:** Hosted the workshop "Why building your MVP with AI is not enough" plus judged the hackathon.
- **x402 and agentic commerce:** Hosted a webinar in partnership with AWS on x402, following a month-plus of work with the AWS engineering team to change their x402 product offering to support Arbitrum.

MARKETING HIGHLIGHTS

The DevRel team continued to promote and amplify key initiatives, resources, and milestones for developers through targeted content campaigns, educational videos, and partner collaborations.

Highlighting just a few here:

- **Founder House London:** Produced promotional and recap videos, generating 31,000+ combined views.
- **Builder Stories:** Launched a three-part video series showcasing the journeys of Open House winners, attracting 63,000+ cumulative views.
- **Robinhood Developer Series:** Published technical guides and GitHub resources to simplify building and deployment on Robinhood Chain, generating 6,500+ impressions.
- **Agentic Commerce Campaign:** Collaborated with ecosystem partners including Superfluid, ReineraOS, bond.credit, Demos Network, House of Chimera, and Reveal Protocol to educate developers on emerging agentic commerce standards and use cases.

Chapter 2

CAPITAL MARKETS & INVESTMENT STRATEGY

Despite subdued market conditions during the reporting period, the Foundation remained actively engaged with capital markets, continuing its efforts to educate market participants about the Arbitrum ecosystem and its technology.

Arbitrum entered this phase from a position of strength supported by diversified protocol revenue, expanding institutional deployments, and a growing network of high-value Arbitrum Chains. Against this backdrop, the Foundation continued to engage with market participants to increase awareness and understanding of developments across the Arbitrum ecosystem. During the reporting period, the Foundation reached several milestones across these efforts and will continue to leverage this momentum to further strengthen Arbitrum's position in the capital markets.

Capital Markets Education & Engagement

Over the past six months, the Foundation participated in **15+ leading capital markets events, engaged with more than 150 institutional investors**, and maintained an active presence on behalf of the ecosystem with investment audiences. These ranged from public forums to private convenings that the Foundation hosted directly or accessed alongside partners in the Arbitrum ecosystem. Counterparties across these engagements included liquid allocators, VCs, hedge funds, capital markets allocators, institutions, and ecosystem partners.

Key Engagement in H1 2026

Onchain Capital Markets Brunch by the Arbitrum Foundation
London, UK

Goldman Sachs Digital Assets Conference 2026
London, UK

FalconX Private Investment Client Roundtable
New York, USA

WAIB Family Office Summit
Monaco, Monaco

DeFi Technologies Capital Market Series
London, UK

Istanbul Blockchain Week
Istanbul, Türkiye

Arca Investment Summit
West Palm Beach, USA

Digital Asset Forum
London, UK

The Foundation was also present at other events, including the **Digital Asset Summit (New York), Selini Investment Summit (Cannes), Consensus Miami, and Consensus Hong Kong.**

Institutional Research Coverage

Investment firms and financial research houses have increasingly invested in coverage of select protocols in the industry, mirroring the role of sell-side research in traditional capital markets. The Foundation has engaged with independent research providers by responding to factual information requests regarding the ecosystem. The period saw growth in independent market coverage of Arbitrum, including a variety of new relationships and initiated coverage. Examples include:

FalconX, one of the largest digital asset prime brokerages with **$11B in AUM**, published an independent research report to its institutional client base characterising **Arbitrum as "the AWS of blockchains".** Notably, FalconX included their financial model around Robinhood Chain's impact on Arbitrum's long-term protocol economics.

Read the report here

Canary Capital, the institutional investment firm managing **~$400 million in assets**, initiated research coverage of the Arbitrum ecosystem. They published an independent, in-depth report for investors examining the network's ecosystem, including Robinhood Chain, adoption trajectory, and long-term investment thesis for the Arbitrum platform.

Read the report here

Institutional Education

Over the past six months, the Foundation has observed a growing appetite from investors for vehicles that offer exposure to the Arbitrum ecosystem, supported by the emergence of new structures providing that access.

> **The Foundation provides factual information to a broad range of institutions that offer these structured vehicles and products for digital assets.**

This spans ETPs, syndicated products, and other opportunities as they emerge, ensuring market participants have the latest information regarding the Arbitrum ecosystem and are working from an accurate understanding of the ecosystem's fundamentals.

The Foundation was able to present directly to shareholders and investors of ARB ETPs, including at Valour Investment Group Investor Day, and to allocators of ARB-exposed fund vehicles at family office summits such as Arca and WAIB.

Chapter 3

TECHNICAL ADVANCEMENTS

The Foundation continues to sponsor and support the advancement of Arbitrum's technology stack via protocol upgrades, infrastructure improvements, and technical partnerships. These initiatives strengthened security, improved developer experience, and expanded the platform's capabilities.

Protocol Upgrades

Major protocol upgrades during H1 2026 are summarised below.

Fast Feed

At the approval stage as of the publication of this report.

Introduces a subscription-based data feed that provides earlier access to ordered transaction data for latency-sensitive applications while creating a new protocol revenue stream for the ArbitrumDAO.

Transition Arbitrum One Ordering Policy to Priority Gas Auctions

At the approval stage as of the publication of this report.

Replaces Timeboost with a permissionless Priority Gas Auction (PGA) transaction ordering mechanism on Arbitrum One. This enables open priority bidding and improves accessibility for builders while introducing a more competitive sequencing market.

Minimize Arbitrum Nova

Approved by ArbitrumDAO & Implemented in phases.

Transitions Arbitrum Nova to a lower-footprint architecture by adopting a passive DAC model, streamlining sequencer and validator infrastructure, and consolidating ecosystem activity onto Arbitrum One.

ArbOS 61 Elara

Approved by ArbitrumDAO & Implemented.

- Increased Stylus smart contract size limit from **24KB to 96KB (4×)**.
- Introduced foundational support for **Dynamic Pricing** (kept disabled on Arbitrum One & Nova pending further evaluation).
- Added native support for **Priority Fees**, enabling future adoption of Priority Gas Auctions.
- Introduced **Alternative Data Availability (AltDA) APIs** for Arbitrum Chains.
- Added optional compliance infrastructure and protocol improvements for enterprise-ready chains.

In Active Development

Alongside upgrades delivered in H1 2026, the Foundation continues to support long-term research and engineering efforts aimed at scaling the Arbitrum technology stack. All protocol upgrades will have to pass through the governance process for approval from ArbitrumDAO.

A few key areas of active development include:

- **Protocol-level compliance:**
  Native compliance infrastructure enabling configurable screening providers, transaction filtering, whitelisting, and real-time reporting for regulated applications.
- **Confidentiality architecture:**
  Privacy infrastructure to support selective disclosure, confidential applications, and fully private dedicated blockchains for enterprise deployments.
- **ZK settlement:**
  Zero-knowledge proving infrastructure to reduce settlement times and improve capital efficiency while supporting a multi-prover security model.
- **New economic levers for businesses:**
  New protocol capabilities, including Universal Intents, Yield-Bearing Bridges, Priority Gas Auctions, and Real-Time Sequencer Feeds, to improve capital efficiency, interoperability, and protocol revenue.

Developer Experience

The Foundation continued funding the Stylus ecosystem through improvements to developer tooling, platform capabilities, and community resources.

SDK & Tooling

- **v0.10.0 (Jan 2026):**
  Major SDK release introducing Cargo workspace support, the stylus-tools library, nested structs, custom storage slots, and repository consolidation.
- **v0.10.2 (Mar 2026):**
  Added reproducible Docker builders, a --wasm-file deployment flag, and verification improvements.
- **v0.10.15 (Apr 2026):**
  Enabled reentrancy safety by default, marking a significant security hardening milestone.

In addition to the above tooling improvements, platform enhancements via ArbOS 61 were implemented. With this, the maximum Stylus smart contract size was increased from **24KB to 96KB**, addressing one of the ecosystem's most requested developer features and enabling significantly larger, more sophisticated applications.

Simultaneously, community adoption of Stylus continued to expand, with the community-maintained StylusUp ecosystem directory growing to **52 live projects** by the end of H1 2026.

Chapter 4

GOVERNANCE

In H1 2026, the Arbitrum Foundation continued to extend strategic and operational support to the DAO. Alongside its ongoing support for governance processes, proposal execution, and DAO coordination, the Foundation played a critical role in responding to unforeseen events, including the KelpDAO exploit and the wind-down of Tally, helping ensure governance operations continued without disruption. Beyond the ecosystem, the Foundation also contributed to discussions on blockchain's role in advancing sustainable development and digital public infrastructure through its participation in the UNDP's Blockchain Advisory Group.

Security Council Elections: March 2026 Cohort Elections

The Foundation facilitated the March 2026 Security Council elections, overseeing candidate onboarding, community education, election administration, participant verification, and the transition of council responsibilities.

Sixteen candidates applied for six available seats, with eleven advancing to the final election. **Michael Lewellen, yoav.eth, Certora, and bartek.eth** were four re-elected incumbents, while **DZack23** and **Pablo Sabbatella** joined as new members.

New Governance User Interfaces

Following Tally's wind-down, the Foundation partnered with Offchain to develop a dedicated governance interface, ensuring uninterrupted governance operations for the ArbitrumDAO. The new UI is in continuous development and, as of the end of June, supports the full governance lifecycle, including proposal creation, voting, delegation, delegate profiles, and Security Council elections.

In parallel, the Foundation worked with Snapshot to integrate ArbitrumDAO's governor contracts into its open-source UI, providing an independent backup governance interface and strengthening the DAO's resilience against service disruptions.

DVP Quorum Improvements

Building on the Delegated Voting Power (DVP) quorum research and temperature check conducted in 2025, the Foundation published a comparative quorum study and conducted a successful follow-on temperature check to ratify the implementation and parameters of the new DVP-based quorum model. A successful onchain vote followed to execute these changes in 2026, enabling a more representative and resilient quorum model for the DAO.

Progress Across Initiatives

Treasury Management

Strengthened treasury operations, reduced counterparty risk, and expanded the DAO's treasury management capabilities.

- Executed yield-generation strategies under the ATMC mandate.
- Carried out a broader treasury clean-up, consolidating fragmented holdings into a leaner ATMC structure.
- Settled accrued interest and evaluated new market-maker loan proposals to support DEX and AMM liquidity across different venues.
- Strengthened treasury operations through tri-party custody arrangements, multisig signer onboarding, and standardized operational workflows.
- Onboarded a leading quantitative trading firm to support options-based treasury strategies.

Security Council Operations & Incident Coordination

Supported the Arbitrum Security Council in enabling a swift, coordinated emergency response to the KelpDAO exploit while ensuring the recovery process remains transparent and accountable to the ArbitrumDAO.

The Foundation facilitates Security Council operations, including incident response coordination, key rotations, and payments.

Following the KelpDAO/LayerZero exploit, the Arbitrum Security Council worked closely with the Foundation to facilitate an emergency response, including the freezing of stolen assets bridged to Arbitrum and supporting the subsequent DAO governance process to approve their release as part of the broader recovery effort.

UNDP Blockchain Advisory Group

Contributed to global dialogue on advancing sustainable development and digital governance.

The Foundation joined the UNDP's Blockchain Advisory Group. This senior-level forum brings together global leaders from industry, academia, and the public sector to explore how blockchain can advance sustainable development, strengthen public institutions, and support digital public infrastructure.

Watchdog Program

Supported oversight of DAO grant funding, improved accountability, and recovery of misused treasury assets.

Following the DAO's approval of the Watchdog program in 2025, the Foundation continued to be involved in legal and technical support, custody of funds, bounty payments, stakeholder support, and co-administering report reviews for pre-2025 cases, while also leading recovery efforts where misuse is proven.

As of June 30, 88 reports have been submitted to the program, ~532K ARB has been recovered, and ~268K ARB has been distributed for reporter bounties.

Audit Program

Supported the operation of the program in a transparent and efficient manner.

The Foundation continued to chair the Audit Committee and run the program and its applicant intake. During H1 2026, it published the second and third Audit Program transparency reports and supported further improvements to the program via governance.

Governance Operations

Enabled effective governance.

Alongside the OpCo, the Foundation continued supporting the day-to-day operations of the ArbitrumDAO by engaging delegates throughout the governance lifecycle, issuing voting reminders, providing proposal context, and moderating the governance forum.

Observer Roles

Facilitated decision-making and held accountability across key DAO initiatives.

The Foundation served as an observer on the AGV Council and continues to support the OAT Committee by facilitating decision-making, providing operational input, and strengthening accountability across key governance initiatives.

DAO Multisig Operations

Uninterrupted administration of DAO multisigs and the continued execution of treasury-backed ecosystem programs.

Following the sunset of the Multisig Support Services (MSS), the Foundation assumed responsibility for administering DAO multisigs. Throughout H1 2026, the Foundation continued managing multisig operations and disbursing funds in accordance with DAO-approved initiatives, including the Delegate Incentive Program and Stylus Sprint.

Updates on these multisigs are in the quarterly MSS handover reports.

Domain Allocator Offerings (D.A.O.) Program

Improved coordination between Foundation and DAO-led funding initiatives to ensure alignment and continuity of support for ecosystem builders.

Following the DAO's approval of $6.75 million for Season 3 of the D.A.O. program, the Foundation worked closely with domain allocators to align funding priorities and establish a two-way referral program between the Foundation and the D.A.O. program to retain builders.

The Foundation also supported the program's transition into its low-capacity phase, during which new applications are closed while existing grants continue through milestone reviews.

Stylus Sprint

Supported the DAO's efforts to accelerate Stylus adoption.

The Foundation served on the Evaluation Committee for the DAO's Stylus Sprint program, assessing 147 applications against technical, strategic, and sustainability criteria.

Twenty-six projects were selected to receive funding from the program.

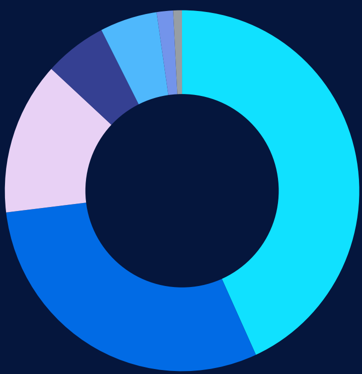
Chapter 5

FINANCE

The following tables present the Arbitrum Foundation's key financial details for the periods indicated:

EXPENSES INCURRED FROM JANUARY 01 TO JUNE 30, 2026

1H 2026 Costs	Costs (USD)	Costs (ARB)
General and Administrative	$6,619,565	
R&D	$6,589,903	
Technical Infrastructure	$8,554,086	
Events, Marketing and Communications	$2,837,117	
Total Operating Expenses	**$24,600,671**	
Ecosystem Growth	$3,105,100	4,600,000
Total Costs	**$27,705,770**	**4,600,000**



ECOSYSTEM GROWTH SPEND BREAKDOWN FOR H1 2026

- DeFi & Fintech — **43.2%**
- Enterprise — **29.9%**
- NFT — **13.7%**
- Infra — **5.7%**
- Arbitrum Chains — **5.2%**
- Gaming — **1.5%**
- Others — **0.8%**

THE ARBITRUM FOUNDATION TREASURY (AS OF JUNE 30, 2026)

	Quantity (as of June 30, 2026)	USD Value (using market price as of June 30, 2026)	% of Total
ARB (Unlocked)	427,046,391	$32,476,878	37%
Other Tokens	N/A	$3,874,595	4%
Fiat, Stablecoins & RWA Products	$50,529,435	$50,529,435	59%
Total Liquid and Accessible		**$86,880,908**	**100%**

FOOTNOTES TO FINANCIALS

Reporting Period and Expense Recognition

- Expenses incurred from January 1, 2026, to June 30, 2026

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 stablecoins 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

- Balances include ARB, ETH, and fiat/stablecoins as part of the Continued Funding proposal approved on June 25, 2026
- Includes all current assets as of June 30, 2026

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