API3 DAO · CYCLE PROPOSAL

Funding Proposal
September – November 2026

Cycle: 1 September – 30 November 2026 · On-chain action: symbolic transfer of 1 USDC (§8)
Data as of 25 August 2026 — API3 DAO Tracker · Revenue & expenses dashboard

$20M	~61%	≈2,440 ETH	$18.2M
UNDER CURATION, 58% OUTSIDE CAPITAL	OPEX COVERED BY REVENUE (AUG PROJECTED)	TREASURY STACK, ~$1,846 ENTRY	TOTAL TREASURY

1. Summary

Six months ago curation ran on our own treasury. Today outside depositors hold **$11.6M of the $20M we curate**, on whose yield we earn a 5% fee. Total curated capital crossed **$20M** for the first time this week. Cycle revenue comes to roughly **$411,000** with August projected to month end, covering about **61%** of our costs, up from 43% last cycle.

We hold **≈2,440 ETH-equivalent at a ~$1,846 average entry**, rebuilt 34% below the ~$2,811 we sold at in December to fund the curation build-out. About $5.5M of USDC remains to deploy, 11 weekly tranches, finished by early November. The treasury stands at **~$18.2M**, of which **$14.5M is not $API3**, against a market cap of roughly $34M.

Starting September, **OEV, curator fees and ETH staking yield buy $API3 each month**, until a future proposal changes the policy (§4). AirnodeHub is live and direct API3 marketing restarts (§5).

The budget is unchanged from last cycle. Execution is a symbolic 1 USDC transfer.

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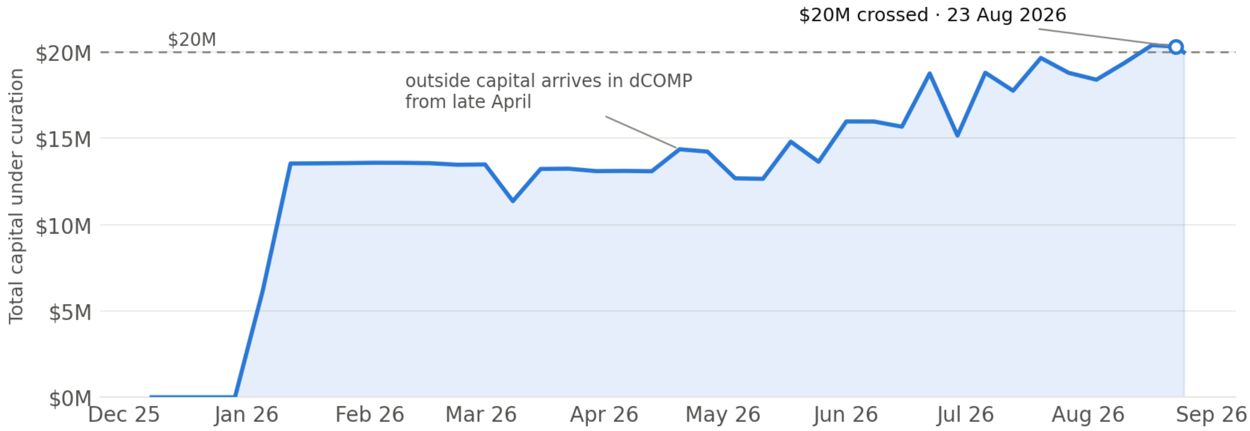
2. The business

We curate Morpho vaults and earn from them in two ways: yield on our own deposits, and a 5% performance fee on the yield of everyone else's. The fee stream went from nothing to a majority of what we curate in four months, and total curated capital crossed **$20M** for the first time this week.

Vault	Chain	Total TVL	DAO capital	Outside	Outside share
Api3 dCOMP USDC	Ethereum	$14,122,290	$2,542,074	$11,580,216	**82.0%**
Api3 Core USDC	Ethereum	$2,763,755	$2,748,917	$14,838	0.5%
Kabu WETH	Base	$1,309,587	$1,309,261	~$0	~0%
Kabu USDC	Ethereum	$719,512	$715,240	$4,272	0.6%
Purinta USDC	Ethereum	$501,907	$501,821	$86	~0%
Purinta USDG	Robinhood	—	$50,140	—	seed
Staged for deployment	Ethereum	$500,000	$500,000	—	—
Total	**3 chains**	**~$19.97M**	**~$8.37M**	**~$11.60M**	**58.1%**

Vault totals read on-chain (`totalAssets`), 25 August 2026. The staged line is USDC withdrawn this week ahead of the next deployment tranche.

Until May, TVL was mostly our own USDC. Since then outside capital has grown to a majority while we withdrew our own. Our working USDC fell from ~$12.6M in January to $7.1M, the difference went into ETH, and revenue still rose. Nearly all outside capital sits in dCOMP today, and bringing the other vaults along is this cycle's work.



Total capital under API3 curation, weekly on-chain totalAssets reads per vault, Dec 2025 to 23 Aug 2026. WETH vault valued at today's ETH price.

We launched Purinta in July, the only curated market where memecoins can be used as collateral for borrowing. Its borrow book grew from $741 in the first week to $47k by week six. We expect high borrow demand for this asset class if the market picks up. Kabu WETH on Base followed on 4 August, our first non-stablecoin vault, seeded with 521.84 WETH of our own ETH. The target there is outside WETH deposits, which add curator fees on top.

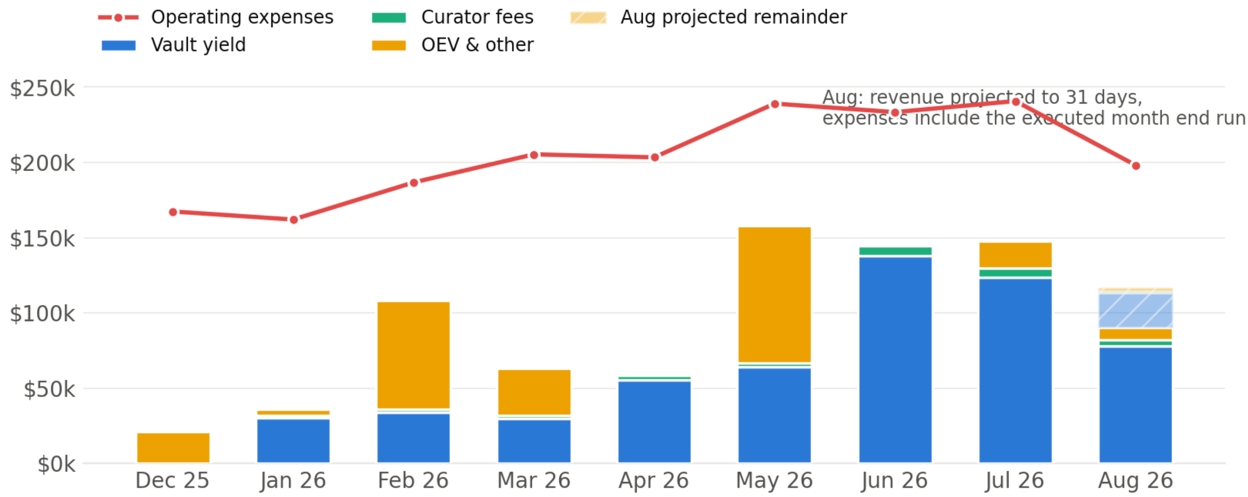
The Robinhood Chain deployment shows what our stack makes possible. Because we bring our own oracles, our own markets and our own frontend, we can put the full curation product on a new chain within days of it opening. No other curator can do that end to end, and we intend to capitalize on it whenever a new market presents itself.

Robinhood also showed where growth gets throttled. Morpho's own frontend lists no vaults there besides Steakhouse's, so our market does not appear on it. It is being used anyway. Borrowers most likely found it through monarchlend.xyz, an alternative frontend that lists all markets. Even there our markets currently sit behind default filters, because the collateral token and the oracle are not yet recognized. That is exactly what we are fixing together with Monarch. Markets using API3 oracles will be automatically whitelisted and show a recognized oracle feed instead of unknown, which legitimizes them on the frontends borrowers actually use. We also run our own frontend at purinta.xyz. Distribution matters as much as the markets themselves.

Month	Vault yield	Curator fees	Other	stETH yield	Revenue	Expenses	Net
Jun 2026	$137,822	$6,898	$1,025	$200	**$145,944**	($233,417)	($87,473)
Jul 2026	$123,471	$6,173	$14,669	$3,314	**$147,627**	($240,755)	($93,128)
Aug (proj.)	$100,836	$5,075	$3,381	$7,654	**$116,945**	($198,149)	($81,204)
Cycle	**$362,129**	**$18,146**	**$19,075**	**$11,168**	**$410,516**	**($672,321)**	**($261,805)**

August projected to month end from 24 days of data. Expenses include the executed month end payment run.

Revenue covers about 61% of projected cycle costs, up from 43% last cycle. June and July earned yield on a larger USDC base than remains today, so stablecoin yield declines as the ETH rotation completes.

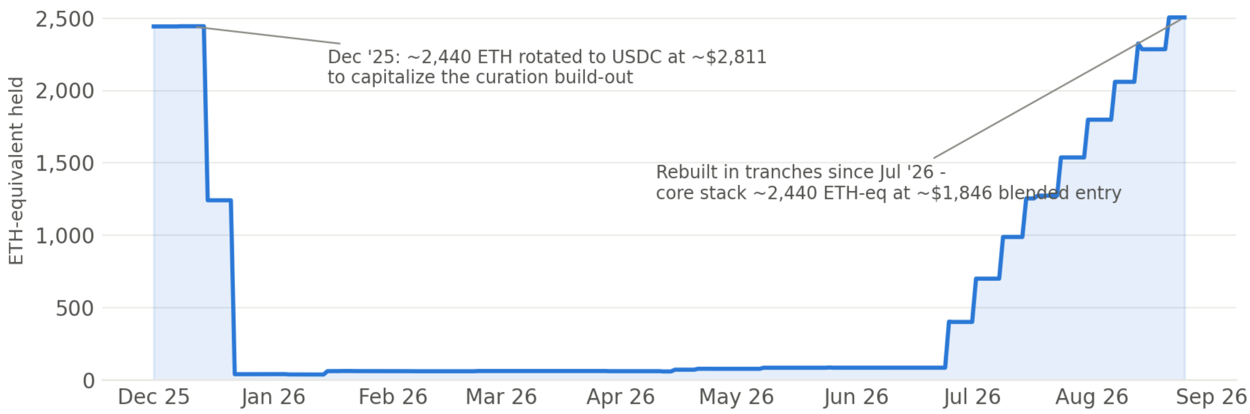


Monthly treasury revenue by stream vs operating expenses, Dec 2025 to Aug 2026. August is projected to month end.

3. The treasury

We sold ~2,440 ETH at ~$2,811 last December to fund the curation build-out. We have now rebuilt the position 34% cheaper.

Core ETH stack	**≈ 2,440 ETH-eq** (1,542.96 wstETH + 521.88 WETH)
Capital deployed / average entry	~$4.50M / **~$1,846 per ETH**
Value at $2,509 / unrealized	**~$6.12M / ≈ +$1.62M (+36%)**



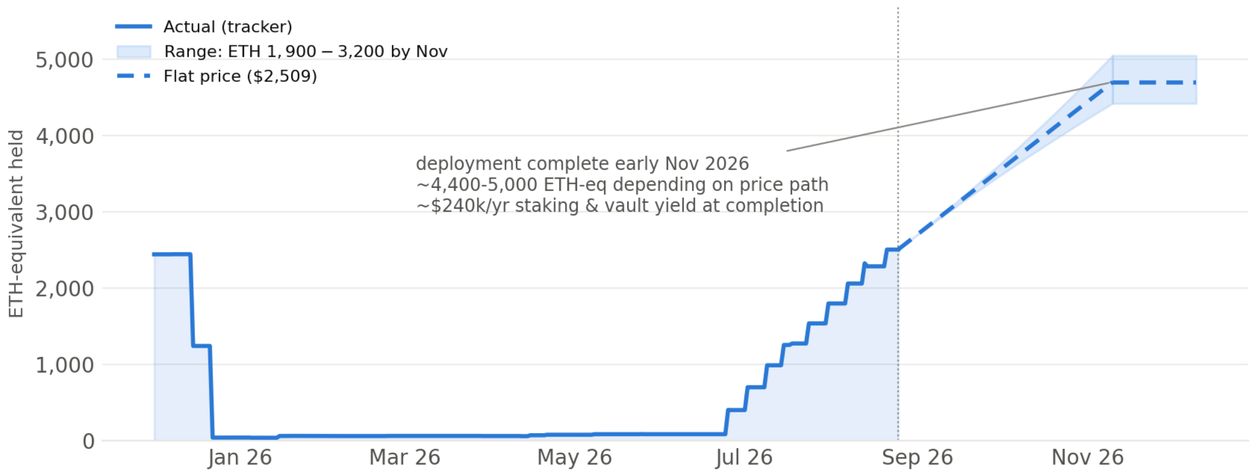
Treasury ETH-equivalent holdings (ETH + wstETH), Dec 2025 to Aug 2026. Data from the DAO Tracker and Dune.

Our USDC policy is simple. We keep a floor that covers three cycles of spend and put everything above it into ETH.

Reserve	Amount
USDC in our own curated vaults (earning yield)	**$1,500,000**
Secondary treasury	**$100,000**
Emergency Liquidation Fund (lending-market backstop)	**$500,000**
Total USDC floor	**$2,100,000**

That is roughly eleven months at the budgeted rate and nine at last quarter's recorded spend, and the reserve earns yield while it waits.

With this month's payment run executed, about **$5.5M** remains above the floor. That is **11 weekly tranches, finishing in early November.** We end with roughly 4,400 to 5,000 ETH-equivalent depending on price, ~4,700 if it stays flat. A dip means more coins. A rally means the 2,440 we already hold gain more than the remaining buys give up. At completion the position earns roughly **$240k per year** in staking and vault yield assuming reasonably comparable rates to current amounts, about double today.



ETH deployment. Actual holdings plus 11 projected weekly tranches of ~$500k. The band spans ETH at $1,900 vs $3,200 by November, the dashed line is flat price.

The last proposal said we believed a bottom was forming, and we began deploying capital on that belief. Any reduction in ETH allocation of the treasury happens in the same pre-announced tranches, visible on the tracker.

4. The token

Starting with this proposal, what the business earns buys API3.

The buyback runs on three streams. OEV, curator fees and ETH staking yield. From December through July those three streams earned **$52,770**. $25,715 of OEV, $23,541 of curator fees and $3,514 of staking yield. That amount buys API3 on the market once this proposal passes. August's buy is executed in addition in early September, once its numbers are final, and from then on each month's buy follows once the month closes. These streams grow with the business and don't touch the reserve, and stablecoin yield on our own USDC stays in USDC to pay costs. A typical month runs $10k to $20k, with OEV the swing factor and ETH yield doubling as the deployment completes. The buys execute on the market through the multisig. The bought $API3 is held in the multisig and accumulates there for token-denominated needs such as grants, vesting and other commitments, visible on the tracker like every other position. The buyback itself runs until a proposal changes it.

5. AirnodeHub

Live at airnodehub.api3.org. A marketplace of APIs for AI agents, with the first data providers already serving. Every response is signed at the source and returned with an attestation. Every Airnode publishes a machine-readable contract that an agent can discover and call without a human. Billing is free in the early access. Go check it out.

Agents increasingly choose which data gets used, and nobody builds for the data source. A signed response is the one thing a scraper cannot forge. We have spent years building provider relationships, and that is the part AI cannot replicate.

This cycle we onboard more providers, add consumer credits and agent keys, take x402 pay-per-call live and publish usage numbers. The rule it shipped under applies to everything we build now. Release rough, iterate with real users, or kill it. That is a different release strategy than API3 has historically used. We used to build the polished version first and learn about demand last. Now a working version ships in weeks and real usage decides what gets built further, or whether it gets built at all. Direct API3 marketing restarts alongside it, limited to what ships.

6. Funding request

Operating categories are unchanged from the previous cycle. Services previously funded through a separate primary proposal are now under Development & operations, so one table shows the full cost.

Category	Monthly	Cycle total
Grants	$73,500.00	$220,500.00
Data providers	$26,410.00	$79,230.00
Development & operations	$90,803.50	$272,410.50
Total (USDC)	**$190,713.50**	**$572,140.50**

Token-denominated grants. 59,000 API3 per month, 177,000 API3 for the cycle.

Execution. A symbolic 1 USDC transfer, as in previous cycles. Capital is withdrawn from deployed positions as spent, and every movement is on the tracker.

7. Treasury overview

Total ~$18.20M (25 Aug 2026, after the month end payment run; API3 $0.2333, ETH $2,508.74, wstETH $3,116.59)

Holding	Amount	Value
Stablecoins in curated vaults	6,558,192 USDC/USDG	**$6,558,192**
WETH in curated vaults	521.88 WETH	**$1,309,261**
wstETH	1,542.96	$4,808,766
API3 held by the DAO	14,925,380	$3,481,853
Liquid USDC (incl. $500k staged for deployment)	$1,488,618	$1,488,618
Uniswap V4 LP (ETH/API3)	76.7 ETH + 841,540 API3	$388,291
ETH (gas & operational wallets)	65.1	$163,308
Total		**~$18,198,000**

The DAO Tracker was rebuilt from the ground up this cycle. It now covers the treasury, every vault position, revenue and expenses, staking, proposals and member history, updates daily and needs no wallet connection. Every number in this document can be verified there.

8. Proposal parameters

A symbolic 1 USDC transfer. Operating capital stays deployed and is withdrawn as required. Funds are administered by a 3-of-5 multisig (Dave, Emanuel, Varia Law, Yondhi AB, Bedirhan).

Field	Value
Target contract	`0xa0b86991c6218b36c1d19d4a2e9eb0ce3606eb48` (USDC, Ethereum)
Function	`transfer(address,uint256)`
Destination	`0xBBE0dE9757F93e3306aDBfeBE906AB285EDD13DA`
Amount	`1000000` (1 USDC, 6 decimals)

Verify on Etherscan. USDC contract · destination multisig