



# Loyal Public Transparency Report Q4 2025

Period: Oct 21, 2025 → Dec 31, 2025

Currency: USDC

Accounting view: **Cash basis** (expenses recognized when paid)

## What happened during this reporting period (Oct 21–Dec 31)

- **Fundraise:** Loyal raised via **MetaDAO** on Oct 21; **2,500,000 USDC net received** (team accounting figure).
- **Shipped:**
  - **askloyal.com** — private LLM with agentic skills
  - **Loyal Telegram app** — private AI for Telegram (summaries, spam filtering, etc.)
- **Team buildout:** hired a **developer**, **UX/UI designer**, **two Discord moderators**, and a **community lead**.
- **Governance executed:** **two** MetaDAO proposals passed during the period

## Organizational status

- **Scope:** consolidated reporting for Loyal (no separate “company ops” vs “DAO ops” separation at this stage).
- **Incorporation:** in progress in the **Marshall Islands** (documents submitted, KYC passed; awaiting certificate issuance).
- **Legal provider:** **MiDAO**.

## Expense details for Q3 2025:

Total operating expenses paid (Oct 21–Dec 31): **131,803.94 USDC**

| Category       | Oct 21–31        | Nov              | Dec              | Total             |
|----------------|------------------|------------------|------------------|-------------------|
| Salaries       | 20,759.00        | 36,300.00        | 30,931.00        | 87,990.00         |
| Marketing      | 355.07           | 6,309.64         | 14,694.61        | 21,359.32         |
| Legal          | 5,000.00         | 1,848.00         | 2,800.00         | 9,648.00          |
| Administrative | 0.00             | 4,776.75         | 1,100.00         | 5,876.75          |
| Travel         | 0.00             | 1,495.60         | 2,583.30         | 4,078.90          |
| Software       | 248.00           | 346.12           | 2,256.85         | 2,850.97          |
| <b>Total</b>   | <b>26,362.07</b> | <b>51,076.11</b> | <b>54,365.76</b> | <b>131,803.94</b> |

Note: This operating expense summary excludes governance-directed capital actions (e.g., buybacks and liquidity changes), which are disclosed separately and are inherently dynamic.

# Statement of operations

Period: Oct 21, 2025 → Dec 31, 2025 • Currency: USDC • Accounting view: Cash basis

| Line item                | Amount (USDC)                         | % of operating expenses |
|--------------------------|---------------------------------------|-------------------------|
| Revenue                  | 0.00                                  | —                       |
| Total revenue            | 0.00                                  | —                       |
| Operating expenses       |                                       |                         |
| Salaries (including R&D) | 87,990.00                             | 66.76%                  |
| Marketing                | 21,359.32                             | 16.21%                  |
| Legal                    | 9,648.00                              | 7.32%                   |
| Administrative           | 5,876.75                              | 4.46%                   |
| Travel                   | 4,078.90                              | 3.09%                   |
| Software                 | 2,850.97                              | 2.16%                   |
| Total operating expenses | 131,803.94                            | 100.00%                 |
| Operating income (loss)  | (131,803.94)                          | —                       |
| Other income (expenses)  | 0.00 <i>(not disclosed in report)</i> | —                       |
| Net income (loss)        | (131,803.94)                          | —                       |

- **Salaries (66.76%)** represent the majority of spending, consistent with a post-raise build phase (engineering, design, and community operations).
- **Marketing (16.21%)** increased materially in December relative to October/November, indicating intensified distribution and/or launch preparation activities.
- **Legal (7.32%)** reflects ongoing structuring and legal work during incorporation and operational setup.
- **Administrative + software (6.62% combined)** remain comparatively low as a share of total spend, indicating a lean tooling/overhead posture during this initial period.
- **Totals reconcile:** the sum of monthly totals equals the sum of category totals (131,803.94 USDC).

## Balance Sheet (treasury & liquidity snapshot)

As of: Jan 13, 2026 (snapshot; outside the Oct 21–Dec 31 reporting window)

| Assets (USDC-denominated)                    |                  |
|--|------------------|
| Asset  | Amount (USDC)    |
| USDC — Squads treasury                       | 320,000          |
| USDC — operating wallet                      | 31,091           |
| USDC — in Futarchy AMM LP                    | 486,558          |
| <b>Total USDC assets (subtotal)</b>          | <b>837,649</b>   |
| Tokens (unit balances; not valued in report) |                  |
|  |                  |
| LOYAL — held in treasury                     | 5,833,214        |
| LOYAL — in Futarchy AMM LP                   | 5,833,214        |
| LOYAL — in Meteora LP position               | 2,055,257        |
| <b>Total LOYAL units (subtotal)</b>          | <b>7,978,525</b> |

### Published addresses

- **Squads treasury:** [AQyyTwCKemeeMu8ZPZFxrXMbVwAYTSbBhi1w4PBrhvYE](#)
- **Meteora LP:** [BGg7WsK98rhqtTp2uSKMa2yETqgwShFAjyf1RmYqCF7n](#)
- **Operating:** [92yGiPxBVG3E6voo1XyaKXaBR4Uvd7cntMsj3pL1fAYa](#)
- **LOYAL mint / CA:** [LYLikzBQtpa9ZgVrJsQYGQpR3cC1WMJrBHaXGrQmeta](#)
- **Futarchy AMM LP:** [GxpJkPEsPmuRCCTNnfZaDKg4X3gf4ZPgmmqgFqtibaPtK](#)

Loyal's treasury is governed through MetaDAO proposals and executed transparently on-chain. In the early stage, treasury strategy has two parallel objectives: **(1) fund product development and operations**, and **(2) manage market structure responsibly** via governance-approved actions. During this period, the community authorized a **structured buyback program** (recurring buys with a maximum price) and approved a **liquidity adjustment** intended to reduce unnecessary selling pressure from a single-sided liquidity position by withdrawing and burning tokens while retaining withdrawn USDC in the treasury. Together, these actions aim to keep execution aligned with long-term development while allowing community members to verify outcomes directly through published addresses and proposal records.

## Governance actions (MetaDAO proposals)

This section covers proposal-driven treasury decisions because they are core to how Loyal's capital actions are authorized and executed.

### 3.1 Proposal: Buyback LOYAL Up To NAV (passed)

The community approved a structured, time-distributed LOYAL buyback program, designed to buy tokens using treasury funds with a defined maximum price.

MetaDAO proposal page:

<https://www.metadao.fi/projects/loyal/proposal/2VjKHNQdkLfHtoH1GtPVseJv1kP3VUoLGcZLc29SttgS>

**Key terms (from the proposal specification):**

- **Allocation:** \$1.5M of treasury funds
- **Asset:** LOYAL token
- **Max price:** 0.238 per LOYAL
- **Mechanism:** recurring orders every **5 minutes** over **30 days (8,640 orders)**

### 3.2 Proposal: Liquidity Adjustment Proposal (passed)

The community approved a liquidity action intended to reduce unnecessary selling pressure from a single-sided liquidity position by withdrawing and burning a large portion of remaining tokens, while keeping withdrawn USDC in the treasury.

MetaDAO proposal page:

<https://www.metadao.fi/projects/loyal/proposal/GXdWao4Cy6EsvvS9atMb1kCPEAFwPXBe5kKCeLDtRJNm>

**Key terms (from the proposal specification):**

- **Action:** withdraw **90%** of tokens remaining in the **single-sided Meteora DAMM v2 pool** and burn half of this amount.
- **USDC:** withdrawn USDC remains in the project treasury
- **Pool address:** BGg7WsK98rhqtTp2uSKMa2yETqgwShFAjyf1RmYqCF7n
- **Referenced amount:** 809,995 LOYAL