

USD.AI | Lighthouse 2026 YTD Report

Prepared from video captions for quarterly report readers

Document note: This transcript has been lightly edited from the source captions for readability, grammar, and flow. It preserves the substance, figures, and sequence of the original remarks while removing timestamp fragments, repetitions, and filler language.

Reader's Summary

- USD.AI reported approximately \$400 million in TVL, \$18 billion in trading volume, \$44.6 million in protocol ARR, and approximately \$30 million in expected DAO ARR.
- The protocol has seen nearly 400 inbound borrower opportunities representing approximately \$13 billion in expected origination volume.
- The team is targeting \$1 billion of loans originated and distributed by the end of 2026, with an active pipeline that supports materially larger deployment if capital supply scales.
- Average deal size has increased from early \$500,000 to \$600,000 loans to current and expected deals in the \$50 million to \$200 million range.
- USD.AI is developing agentic underwriting to improve execution speed, with a goal of moving from roughly 60-day V2 deal cycles toward approximately 45 days.
- sUSDai retention and mint/redeem behavior suggest increasing organic demand driven by yield, rather than points incentives alone.
- The CHIP launch expanded governance-token market access, while future work focuses on connecting sCHIP more clearly to protocol cash flows and institutional participation.

Edited Transcript

Opening and Agenda (00:00)

Hey everyone, David and Conor here. We're giving you an update on the USD.AI protocol. As we have now launched the governance token and there are a lot of things that happen behind the numbers that we present through our channels and this is to better illustrate the roadmap the plans, the activity and a lot of the exciting things happening behind the scenes And to start, we just want to go over a quick highlight of the main things We'll go over the milestones the roadmap a little bit more about the origination channels that's been developing over the last few months.

This is probably the most significant thing that you don't really see on the front end Additionally, we have started developing the data tracking and understanding the depositor behavior and users and what we're planning to do to expand this in the near future Afterwards, a few comments about what we're planning to do in collaboration with the USD.AI Foundation on how CHIP could evolve in collaboration with institutional markets which we think the design space for token economics can be expanded But more on that later.

Protocol Highlights (01:27)

First just a quick few highlights of course you see our numbers on the app with about \$400 million TVL but with trading volume of \$18 billion but most importantly two things that I want to highlight which we'll go into is a bit more about the protocol ARR and what's being generated in both the origination fees as well as the net interest margin which are the two core drivers of revenue for the protocol which sits at the protocol ARR is \$44.6 million, but the DAO ARR, which is received by the CHIP holders, is about \$30 million expected ARR And additionally again with the originations we have almost 400 inbound deals representing \$13 billion of expected origination volume which is a massive increase in since the last public announcement we made about this about the development of our origination channel but more on this and how it's rapidly growing later in the deck.

Milestones and Institutionalization (02:28)

The key milestones you can go through but the most important thing is that we are rapidly institutionalizing Nasdaq-listed companies many of which that we're discussing with are starting to look at us as a very as really the only option for them to finance their operations and their growth. Of course we launched governance token but across everything around that point here is that we're starting to operate at a very professional level and our counterparts are getting better and bigger better and bigger. So it's pretty exciting to see what's happening behind the scenes we're starting to hire in areas that we need to grow such as the former CoreWeave CFO is now senior advisor we recently hired the an executive director at the DCM (Debt Capital Markets) desk at J.P.

Morgan, focusing on data centers, as well as head of DeFi at OKX and Circle to help us expand our deposit operations In any case our counterparties are getting better and better and our growth is in lockstep with that growth.

Roadmap and Strategic Priorities (03:35)

More on the roadmap of course the goals are the same from what we explained earlier in the year which is \$1 billion of loans originated and funds distributed as well as tightening the processes that we have in the business such as the underwriting as well as the borrower flows On the deposit and DeFi side, we are pushing the limits of what's available in DeFi We had a really successful launch with Fluid and Fluid Lite where A lot of our deposits are now originated through that channel but we are also looking with Aave, along with other tier 1 curators to help us expand the liquidity for USD.AI which has been the priority for season 2 We want to expand other distribution channels with CEXs which will require AMM liquidity along with other chain expansions such as with Solana and of course where CHIP is going to go We're again collaborating with the USD.AI Foundation to see what can be improved in this design space There's a lot of thinking to be done about how value cannot just be bought back and burned which is the typical standard but rather committed and compounded More on this will be detailed in a in a much longer post but I we think there are ways that again our path toward institutionalization We should be accommodating for these kinds of participants and that's what's planned for a CHIP and sCHIP.

As for these more experimental goals we have the stablecoin as a use case where you're settling compute contracts in USD.AI This might be more of a season 3 season 4 initiative but we're already seeing other business models build around the interest rate of the loan book that we are developing. So this is a nice beachhead to expand toward other use cases We're already doing three POCs Two successful POCs where you're able to lower the interest rate while still maintaining the same interest rate for our depositors but in a much lower risk way by routing the yield that won't be discussed too much in this Rather we will talk more about, of course, attraction but where the traction has been sourced and why things are growing. So on the origination side,.

ARR and Revenue Drivers (06:05)

Just to talk quickly about ARR, so in 2025 the ARR was about \$1.1 million Q2 2026 annualized is about \$30 million I think this is a really important thing to touch on just When we think about sUSDai and where the yield ultimately comes from and where the revenues to CHIP and the DAO come from really two places: one is origination fees and

the second is net interest margin on the loans. And so today as loans continue to get executed and capital from sUSDai continues to get deployed and turn from just stablecoin backing into actual productive lending activities we will continue to see revenues to the DAO grow and we're pretty happy to see \$30 million run rate in Q2 of 2026.

Origination Footprint and Active Loan Book (07:04)

So I'm going to turn over to originations now I think obviously we want to make this more visible publicly to the user base how much is happening behind the scenes on the originations side so first of all Geographically one of the big benefits of building things on blockchain rails is not having local jurisdiction limitations per se. So today we've had 100,000 wallets connected half a million users all across the globe and ultimately active deals across four continents and continue to expand deal presence in Europe North America, Asia Australia and even parts of South America currently. So to talk a little bit about the active loan book.

Today we have about an average loan size of about \$16 million but as you'll see in a second the average deal size continues to increase and we expect typical deals going forward to probably be in the \$50 million to \$200 million range that's the range where we seem to see the biggest advantage where USD.AI as an offering is differentiated because it's still deals that are smaller than bank lending and private credit funds would typically participate in but it's bigger than what equipment-leasing companies would be able to support and so this has been the sweet spot for for USD.AI if you look down at the weighted average APRs and principal by server type you'll see that the majority of the exposure is in Blackwells, a little bit in Hoppers and a very small portion in RTX Pro 6000 and 5090 I think this makes sense it generally tracks the distribution channels and the generations of servers as they come out so today Blackwells are most common they're the newest server type and as a result most of sUSDai's backing is in Blackwells as Vera Rubins continue to proliferate We just saw the first batch of Vera Rubins come to CoreWeave a couple weeks ago We just saw our first borrower come to us on a Vera Rubin deal yesterday We'll start to see Vera Rubins in the mix as well and this is really the benefit of USD.AI is having diversification not only horizontally across borrowers and servers but vertically across generations of exposure.

Origination Funnel and Underwriting Data (09:39)

So this is something that users really can't see very well and we wanted to articulate this in this presentation This shows you what the top of funnel on the origination side actually looks like USD.AI gets a tremendous amount of inbound today which wasn't really the case six months ago because USD.AI has found this niche of offering within this 50 to 200 million dollar deal size. So today we've seen 400 deals roughly \$13 billion in top of funnel value and this represents we just checked this the other day we've had 3,500 emails with borrowers and over 400 hours of calls with borrowers.

So this represents a tremendous amount of like raw material primary data points not to mention all the information that's shared from borrowers and all of this can be fed into one of the initiatives we're taking on currently which is agentic underwriting.

So taking all of this raw data and turning that into something that can then be used for rapid deployment of capital something that we talk about all the time and that users can see is the importance of being able to deploy deals quickly we'll have another slide on that in a minute But of that 13 billion of top line we've had \$200 million closed but another roughly \$1 billion of deals that are actively in discussions to close and this is where we get to that target of \$1 billion by the end of 2026 That being said we also have tens of billions of deals that we've passed on because there's just more deals than there is money right now.

And so we think the pipeline to be able to deploy between \$5 billion and \$10 billion in the next 24 months is there and it really comes down to making sure that the capital side is there as well on the sUSDai side. And to add here,.

This is something that I don't think any other fund has the diversity of visibility of all these other deals that are happening in the market because they're typically look at a private credit fund you look at like equipment leasing or you look at like a bank they're looking at maybe one or two deals and they that's the only underwriting they look at Well fortunately for us and the team that's being developed and the process that we're creating we get

to see many many dozens and we the entire flow and data is being funneled through our channels. So it's just something that's fairly unique and makes us probably at the top of the world in terms of specialty.

Sales Cycle and Execution Speed (12:30)

So this is the sales cycle this is what I was just touching on a minute ago We all know that the timeline to get these deals done is slower than especially crypto capital wants people want to see loans close and yields come up as fast as deposits can come in and that's not really the case of reality but what we have seen is just in the sort of iterative process of improving on the loan loan offering to borrowers The V1 deals took on average 121 days to close the V2 and upcoming deals are taking on average 60 days so we've already seen this Timeline reduced by about half down to 60 days And the goal would be to get down to about 45 days 15 days to get underwriting materials get a term sheet done 30 days to execute loan agreements and close deals and that's the goal And because we now have all of this primary data not only these calls and meetings with borrowers but all of the information that comes with underwriting deals and all the information the borrowers have to share We think that when we start to roll out the agentic underwriting that we're working on internally we'll be able to rapidly improve the pace of execution and accuracy of execution without expanding costs the way that a traditional lending entity would have to do.

So this is our goal is to get down to 45 days in the near term for loans closed and funded in escrow.

Loan Size Evolution (14:11)

We talked about this a minute ago but I think this is the story of of this entire product and protocol Which is that we started in July of 2025 with loans for \$500,000 and at that point in time USD.AI was not a known entity within the lending landscape and as USD.AI has improved its position in the market It's allowed for the offering to be more prominent in larger deals with more credible counterparties and ultimately the best way to deploy capital in an efficient manner is to deploy large amounts of capital.

And so we can see this in the growth from \$600,000 loan size up to \$30 million loan size up to now \$100 million loan size And we think that for the foreseeable future we'll be doing deals in this \$50 million to \$200 million range for the most part and so that will allow us to deploy capital more quickly and ultimately to hit those those milestone goals and have a high yielding product at scale within crypto.

Deposit Base and DeFi Integrations (15:23)

So now I'm gonna switch over to the deposit side and the DeFi integration side And this first slide is really just helping to demonstrate what the lay of the land is within the deposit base today. So obviously the majority of the deposits are smaller and there's a small number of larger deposits however if you look at how long the larger deposits hold they generally are stickier capital and they make up if you look down at the top percentage they make up a lot A lot of the actual total dollars. So even though they're 75,000 unique users the largest depositors make up the majority of the capital.

And so we expect to as we continue to expand the deposit base we expect to see this come from more and more frequently from larger capital sources where they're really focusing on the overall yield and credit quality and protections that are baked into the loan book and ultimately the product that sUSDai is and that's really where we feel like the most likely the source of the capital will be coming from primarily.

User Retention and Organic Yield (16:32)

I think this is really interesting this is the land and expand beachhead of what the user retention is over time And you can actually see pretty healthy user retention for USD.AI now Most of the holders of USDai today have been points incentivized and so we haven't had really a strong reason why those users would hold because USDai as a stablecoin has not really been relevant yet but if we go to the next slide which is sUSDai.

This is where you can really see the organic user base developing and forming within sUSDai holdings so today we've seen user retention roughly around 50% as far as almost half a year out And I think this really demonstrates the benefit of having an actual organic source of yield that's uncorrelated to the rest of crypto markets because it's showing you that there are users that have come to the protocol maybe they were originally coming on the basis of points incentives or otherwise and now they're finding that the yields are attractive enough that they want to stay in this position And we think based on the cost of capital for these GPU loans which is generally around 10% at tremendous scale that there is a path for just organic capital to continue to come in because the yield profile is attractive enough to warrant staying in the position relative to whatever else is out there in DeFi.

Mint/Redeem Activity and Peg Stability (18:02)

I'll just touch quickly on this.

This is a mint-and-redeem activity and I just wanted to demonstrate on this slide the edge events of large redemptions multiple hundred million dollar redemption days And the fact that the protocol has been able to service those and then if I go to the next slide that over time we've seen a market equilibrium in terms of net capital a mints versus burns so since March you've seen flat mints to burns And this is really again goes back to the organic demand that we think there is there is organic demand on the basis of the actual underlying yields being attractive to the market overlaying with those mints and redeems USDai and sUSDai as yield products are starting to show a history of being stable of being reliable and showing good history of aligning redemptions programmatically as well as delivering consistent yield and you see this in really overlaying the mint-and-redeem flows along with the peg analysis USDai is directly tied to PYUSD in our most recent evolution toward a and negotiate a deal with PayPal so it's been mostly stable because it really does represent a 1 to 1 redemption ability This will be upgraded pretty soon with a whitelisted redeem in collaboration with with PYUSDx where you'll see a pretty interesting mechanism come about that will again cater to the user's demands of instant redemption sUSDai is a lot more interesting because this is the yield bearing instrument with limited liquidity but back in February we had our largest redemption event because this was the end of season 1 so a lot of participants started to look at other yields A lot of them are coming back But what you see is a slow progression from our lowest point of a quote-unquote very slight depeg still under 1% but it was rapidly recovered into our redemption windows which have shown to be very powerful as you see in the volume days where we have done over \$100 million redemptions in a single period and you actually see now the price come to an over peg as we start developing the yield product over time and seasoning it for these different types of counterparties.

So it's been an interesting development and we expect this to continue As we always programmatically allow redemptions and we continue to deliver yield to our users.

Yield Performance and Product Evolution (20:40)

And you see here that it becomes a bit of a stepwise function at the very end that was again related to the evolution toward our PYUSD agreement Where it's more asynchronous delivery but again the yields are higher than the what they were at the T-bill rate But what you see in the APY is it's starting to stabilize toward a steady state as our utilization is increasing and as we move away from points as the primary way of generating yield and as the yield stabilizes then it becomes easier to use in across many DeFi applications and DeFi use cases such as looping and Pendle And as we develop more and more steady consistently higher than than peers we believe that more deposits will come about Because users want stable and long-dated yield as the user profile is now shifting in DeFi to to our belief toward reliable higher single digit yields and possibly low low double digits And you see this comparing against comps over time where the yields are able to deliver even though we're over \$100 million typically most stables or most yield profiles that are over \$100 million are not able to maintain a competitive yield But for us we're we've always been able to maintain this across the entire lifecycle of the product And it's not high volatility either you actually see this across different bands across peers where they might have higher volatility or lower volatility For us, because sUSDai earns its yield from uncorrelated yield from a typical crypto volatile asset yields we're able to keep pretty tight band and deliver consistent results and delivering yield to end users This was accelerated even more with

our escrow product to where the biggest criticism we had was our loans take too long to deliver the yield for especially after delivery We are able to shortcut that with this escrow product to where the borrowers now pay for that escrow period before install while not having any exposure to the risk it's just purely a waiting period so getting more APY to the users is the goal of the product And we're hoping to tighten this band even further and maybe raise it even higher as of today where the yields have now bumped closer to 8%.

User Behavior, Points API, and DeFi Distribution (23:08)

This is more high level details of user behavior Again, as we rely less on points and emissions and more toward actual yields being delivered and loans being deployed USDai has had a limited reason to grow until we start expanding the stablecoin use case which I was describing where you're actually using USDai to settle compute contracts for now We're really focusing on building up the interest rate and the loan book of course and that's been expressed through our DeFi integrations Fluid has been a great venue and partner in our expansion of socializing the yields across different and more creative ways and on DeFi capital markets We expect to develop that relationship and work with a few other A few of their new interesting offerings that show liquidity as a service But also adding more diversified DeFi integrations such as with Obex and Sky along with Aave with our recently approved ARFC along with other curators that have been collaborating with across different chains such as in Solana with Kamino and Jupiter and a few others.

This is a little more on the points statistics We just launched a points API for better auditability but also understanding user behavior a bit more unlock more complex transactions that people are doing We really want to build the datasets and the tracking to well, figure out how users maximize their their yields and how they interact with our protocol as we just issued the sUSDai and USDai but now we understand a bit more how on how they're using it more creatively but yeah that That's something worth checking out if you are actively looking at how the points are developing which will probably be more interesting as we develop more use cases for points that's not just limited to DeFi but that's for a future update.

CHIP Launch and Market Access (24:59)

Of course elephant in the room is that CHIP has launched And we had a pretty successful launch across many of the day-one exchange listings The objective of course for many day-one listings is not necessarily of course the volatility of a price but it's more so being able to have all the distribution venues in the future so that users are able to have access when they want to have exposure to CHIP And the reason we we got a lot of push back to not launch because it's a quote-unquote bear market but what we saw And what the product was starting to see was early PMF and we wanted to have users to have to we want to users to have access to the governance token at the very early instances of what we're starting to see as a very very cool product and yeah We've had great volume across the various venues with great partners And this is also a venue for our CEX integration for yield distribution as well for sUSDai in the future across Upbit, Coinbase Robinhood, and Binance We're starting to have those negotiations.

Protocol Structure and CHIP Utility (26:11)

Yeah so I think this We wanted to lay out exactly what underlies the protocol, the foundation the legal entities and how these all work in concert with the onchain components of USD.AI Because I don't think this is really ever super clear to to users or maybe it hasn't really been publicly disclosed. So I just wanted to walk through sUSDai holders are earning yield from USD.AI borrowers but how offchain how do those legal entities connect to the onchain flows. So there's the USD.AI Foundation and there's GPU Finance Limited which is the lender of record that is originating loans and then selling the exposure into the protocol.

And so sUSDai holders are earning yield from something called participation NFTs which are deposited into the protocol and represent the net asset value of the underlying loan book. So the fees that are paid to the protocol are then sent to the foundation in the case of origination fees and NIM and in the case of the underlying yield is sent to sUSDai holders.

Now as we work towards setting up governance and all of the things that you would want to see for CHIP and sCHIP the staked version of CHIP one thing that is we're super focused on is making a very clear connection between sCHIP and the actual cash flows that are being earned by the protocol as a whole And we'll have more to share on that side soon as well But this is something that I think is very top of mind for us Permian Labs which is the Delaware C-Corp that David and I sit in is a service provider to the foundation and so these are the entities and the connectivity between a DAO A foundation a permissionless protocol and a development company and how these all work in concert together.

And so what we'll be working on in the near future is trying to simplify some of this structuring and make it a little bit more programmatic how all of these cash flows and onchain and offchain components connect to each other.

Yeah and for us it is as Conor said top of mind and is the actually top priority of the foundation and Permian Labs to develop the utilities of the CHIP utility token and governance token that go beyond the existing design space that we've seen and researched across different counterparties And this includes Hyperliquid this includes Venus and a few other like peers that we've seen do it successfully CHIP is very different it's not just it's not It's not an exchange It represents something pretty powerful an exposure to AI of course but also to a unique product that doesn't exist in traditional finance and doesn't exist anywhere in the world without the powers of blockchain We'll present more about this we're very excited about what we have ideated and we think it will bring in the institutional counterparties on board that were previously locked out of the previous design that we had which was just a governance token.

Closing Remarks (29:36)

But yeah this is the first of the series of of Lighthouse, which more or less shares the behind the scenes of what's happening behind all the numbers and all the front end and all the development and what we're planning to do in the near future to expand the USD.AI presence all over the world. Yeah we continue to think that this is just the very beginning of the story of this protocol of the product and its success And we're super excited about what's to come and we wanted to share more information with users and token holders to be able to visualize some of the things that we see on a day-to-day basis, so thanks for tuning in.