

Algorand

1st Half Report

(ALGO)

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H1 2026

Blockworks Advisory

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SECTION 01

Executive Summary

Algorand spent the first half competing where it is ahead: post-quantum resilience validated by Google and Coinbase research, agentic-commerce rails standing up, and real-world deployments in property tokenization and humanitarian payments.

\$3.0B

USDC TRANACTED
VOLUME

\$751M in June, an H1
record

2.02B

ALGO STAKED IN
CONSENSUS

80.6% community-
held

40.15M

ALGO STAKING
REWARDS

distributed across H1

\$69M

DEFI TVL

-27% across H1

Algorand's H1 2026 work concentrated on post-quantum resilience, agentic commerce, real-world asset tokenization, and humanitarian payments.

The post-quantum position earned the strongest third-party recognition. A Google Quantum AI whitepaper published in March cited Algorand 32 times, more than any other blockchain besides Bitcoin and Ethereum, and the Coinbase Quantum Advisory Council's April position paper described Algorand as "among the first blockchain platforms to deploy post-quantum (PQ) signature schemes in production across both consensus-related mechanisms and the execution layer." Neither paper is an endorsement or a commercial relationship; both are independent technical assessments of work already deployed in production. The chain's quantum-resilient checkpointing has now been running for three and a half years: state proofs generated 22,077 transactions in H1, taking the cumulative total past 152,000 since launch in late 2022.

In agentic commerce, the x402 payment standard reached full support on Algorand through a specification merge with Coinbase, with a live facilitator and working tooling. The 2.8-second block time with instant finality positions the network as a settlement layer for agentic commerce, where machine-to-machine payments need immediate, irreversible confirmation at negligible cost.

Real-world asset tokenization is generating recurring revenue rather than pilot activity: Lofty, the real-estate platform issuing property equity as Algorand Standard Assets, reports having tokenized more than \$100 million in assets and crossed \$5.2 million in cumulative rental income paid to investors in March. In

humanitarian payments, UNHCR scaled its reloadable-card assistance on HesabPay's Algorand rails to more than 625,000 refugee returnees and 17,500 internally displaced people in Afghanistan, delivering more than \$35 million in total. Mercy Corps Ventures research found aid delivery in Syria running 96% faster and 60% cheaper than legacy channels, and in June the German Federal Foreign Office piloted USDC aid payments to Damascus.

Network fundamentals stayed steady under these initiatives. Total ALGO staked held above 2.0 billion the entire half, with the community share of consensus stake above 80% every month, and 40.15 million ALGO distributed in validator rewards. Total wallets grew every month, from 49.56 million to 51.56 million, and new asset creation accelerated into June, when 192,000 new assets were created, more than the four preceding months combined.

Usage told a two-sided story. DeFi TVL fell 27% in dollar terms across the half, from \$95 million in January to \$69 million in June, though most of that is a currency effect: denominated in ALGO, deposits were down 5% and stayed inside a 779 million to 893 million band all half, and in June they rose 3.6% even as their dollar value fell 28.6%. USDC settlement ran clearly the other way, with \$3.0 billion transacted in H1 and a record \$751 million in June, more than 15 times the stablecoin's market capitalization on the network.

SECTION 02

Management Commentary

H1 showed that the conversation around blockchain is increasingly moving toward what it can enable. At Algorand, we're seeing that shift across post-quantum resilience, real-world payments, tokenized assets, and agentic commerce. The common thread is infrastructure that can support transactions happening at machine speed, with the certainty and finality that financial activity requires. Our focus for the second half is turning that technical readiness into broader adoption and usage.

Marc Vanlerberghe

Chief Strategy and Marketing Officer, Algorand Foundation

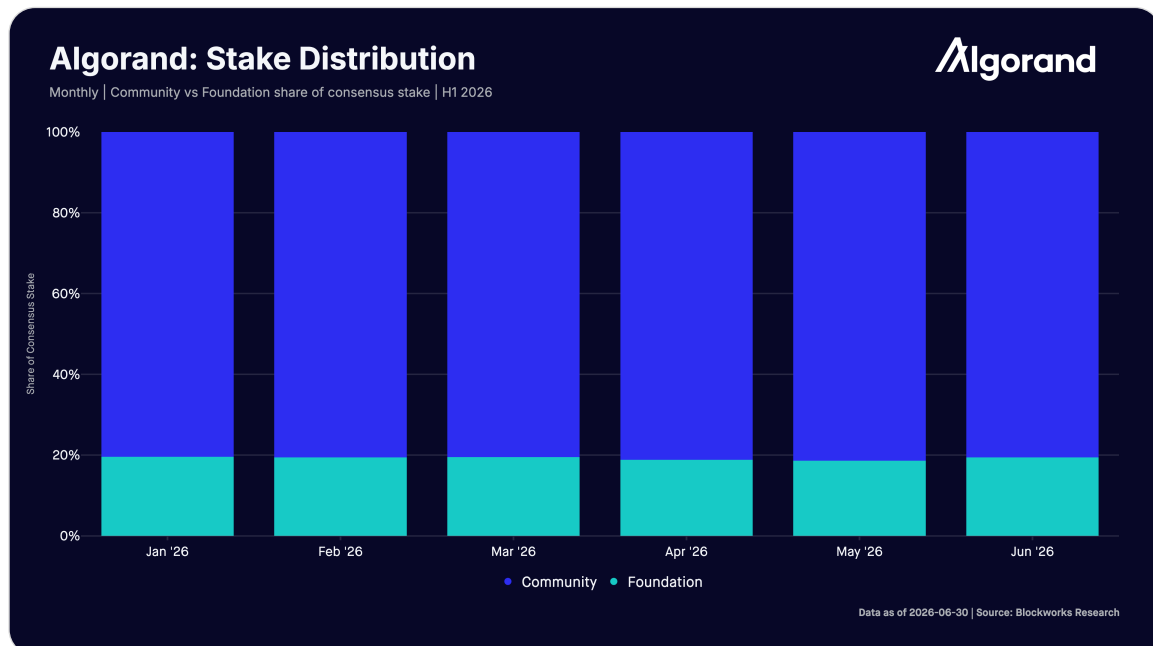
SECTION 03

Network & Financial Overview

Consensus security and staking economics held steady through the half, while DeFi collateral thinned and fee economics stayed deliberately near zero.

Consensus and staking economics

Total ALGO staked in consensus held between 2.0 billion and 2.11 billion every month in H1 2026. The community's share of stake stayed in a tight 80.4% to 81.4% band, leaving the Foundation below one-fifth of consensus weight throughout the half. Validators earned 40.15 million ALGO in staking rewards across H1, with monthly distributions ranging from 6.27 million to 6.93 million ALGO. For a Pure Proof-of-Stake network, this is the security posture working as designed: broad, steady participation, with node participation edging up 3% in June. Retail access widened in March, when ALGO staking went live on Revolut.



Algorand: Stake Distribution. Monthly | Community vs Foundation share of consensus stake | H1 2026.
Source: Blockworks Advisory

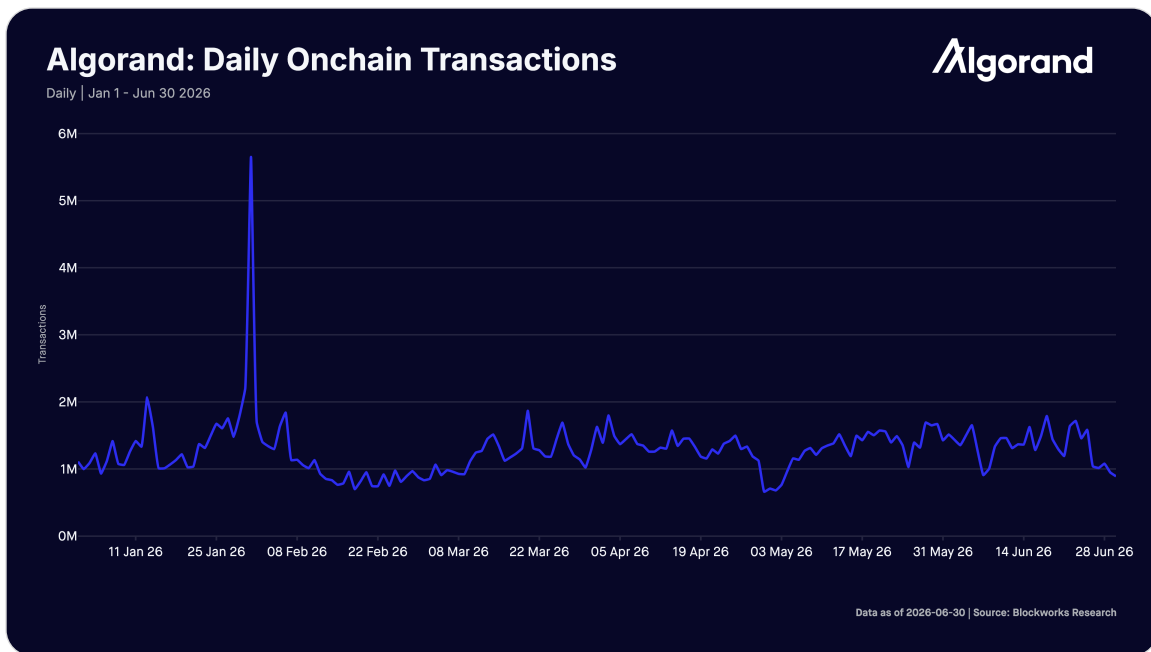
Circulating supply rose from 8.87 billion ALGO in January to 8.94 billion at the end of June, or 89.4% of the 10 billion maximum, a 0.8% increase across the half driven primarily by reward distribution.



Algorand: Monthly Staking Rewards. Monthly | ALGO earned by validators | 40.15M ALGO in H1 2026. Source: Blockworks Advisory

Network activity and fees

Algorand processed 233.3 million transactions in H1, averaging 1.29 million per day with a single-day peak of 5.65 million on January 31. Activity troughed at 29.0 million transactions in February and recovered through the second quarter to 40.4 million in June, 39% above the February low. The Foundation's own monthly reporting puts June at roughly 41 million, alongside more than 441,000 wallets added that month.



Algorand: Daily Onchain Transactions. Daily | Jan 1 - Jun 30 2026. Source: Blockworks Advisory

Fee economics remain a deliberate design outcome rather than a revenue engine. Users paid 277,000 ALGO in total network fees across the half, roughly \$29,000, or approximately 0.0012 ALGO per transaction, about one-hundredth of a cent.

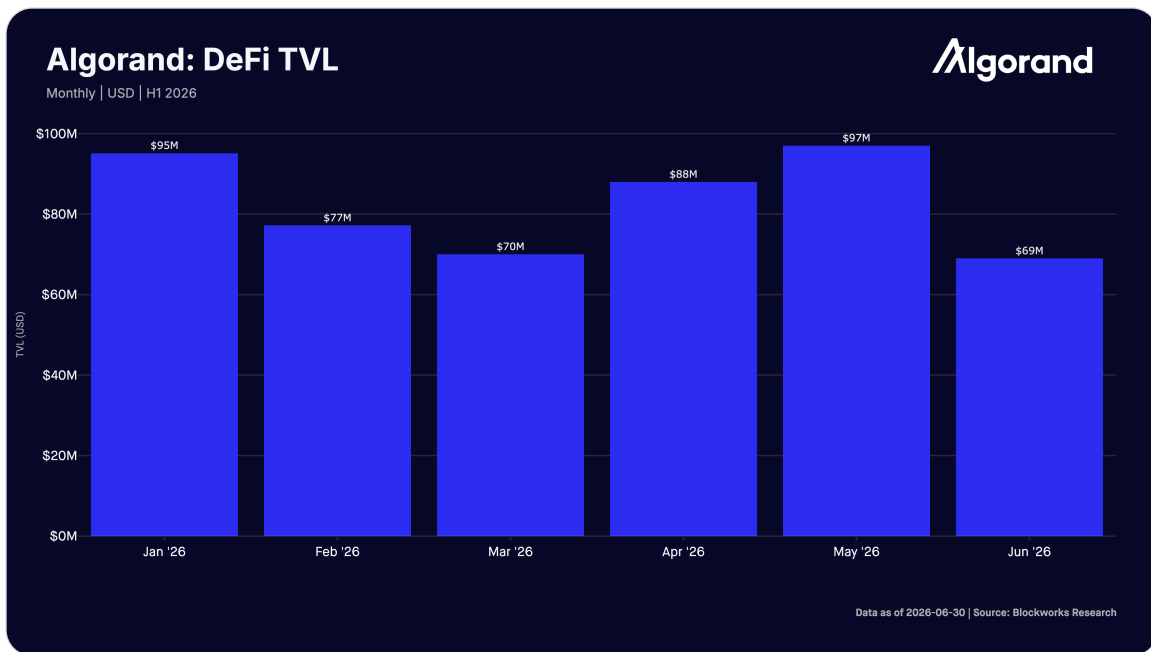
Monthly fees tracked usage rather than moving in one direction: 55,000 ALGO in January, a low of 34,000 in February, then a recovery to 44,000 in March, 47,000 in April, 50,000 in May, and 47,000 in June, the same shape the daily transaction count traced. Protocol-level scalability keeps Algorand's cost per transaction near zero, which is the foundation its payments and agentic-commerce strategies depend on. The fee line is best read as a usage indicator rather than a revenue line.



Algorand: Network Fees Collected. Monthly | denominated in ALGO | H1 2026. Source: Blockworks Advisory

DeFi and application-layer activity

DeFi liquidity contracted in dollar terms over the half, though considerably less than the headline suggests once the unit of account is held constant. On the Foundation's reporting, dollar TVL fell 27%, from \$95 million in January to \$69 million in June, and the path was not a straight line: liquidity troughed at \$70 million in March, recovered to \$97 million by May, then gave back 28.6% in June. DeFiLlama's Algorand series, which runs at roughly half the Foundation's level, shows the same direction over the half, \$46.8 million on January 1 to \$31.0 million on June 30.



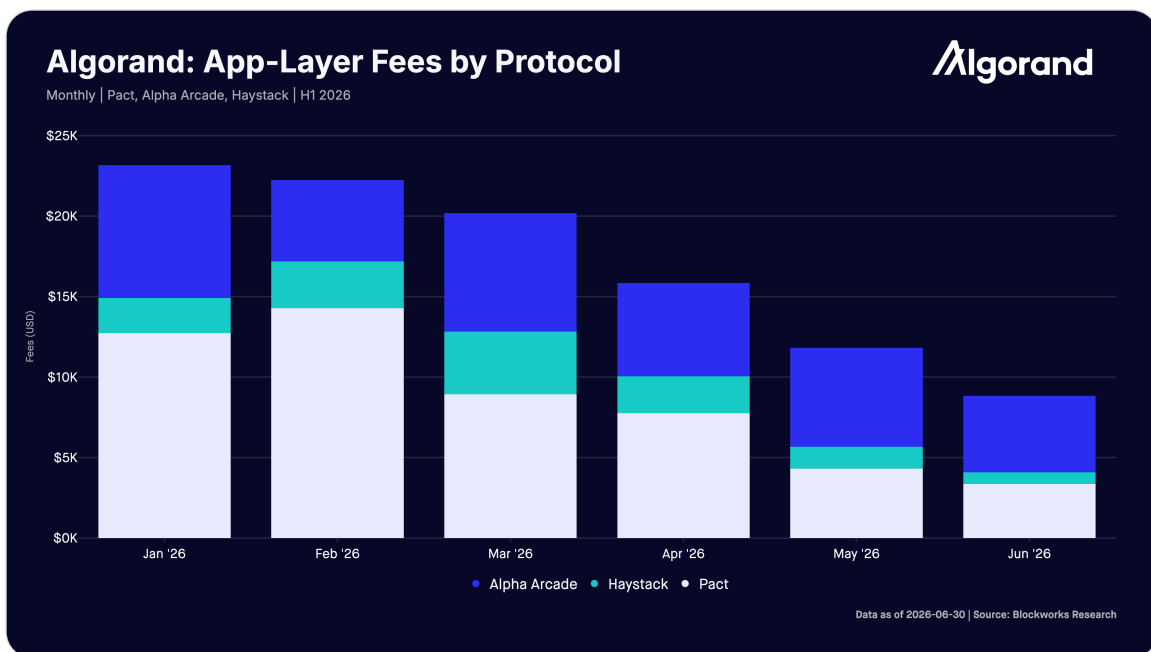
Algorand: DeFi TVL. Monthly | USD | H1 2026. Source: Blockworks Advisory

In ALGO terms, deposits fell 5% across the half, from 851 million ALGO in January to 807 million in June, and never left a 779 million to 893 million band. From May to June, they rose 3.6%, from 779 million to 807 million, even as dollar TVL fell 28.6% that same month, from \$97 million to \$69 million. The gap is explained by ALGO's price, not by depositors leaving. Users added to their positions in June; those positions were simply worth less in dollars because the token was worth less.



Algorand: DeFi TVL Denominated in ALGO. Monthly | native-unit TVL strips out ALGO price moves | H1 2026. Source: Blockworks Advisory

Application fees across the three largest fee-generating apps totaled \$102,000 for the half: \$51,300 from the AMM Pact, \$37,400 from prediction market Alpha Arcade, and \$13,400 from liquidity aggregator Haystack. Pact's monthly fees declined from \$12,700 in January to \$3,350 in June, Alpha Arcade held a steadier \$4,800 to \$8,300 monthly range, and Haystack peaked at \$3,900 in March before falling to \$727 in June.



Algorand: App-Layer Fees by Protocol. Monthly | Pact, Alpha Arcade, Haystack | H1 2026. Source: Blockworks Advisory

Digital-asset treasury exposure remains nascent as three companies held approximately 6.4 million ALGO throughout the half.



Algorand: Digital-Asset Treasury Holdings. Monthly, month-end | ALGO held by DAT companies | H1 2026. Source: Blockworks Advisory

SECTION 04

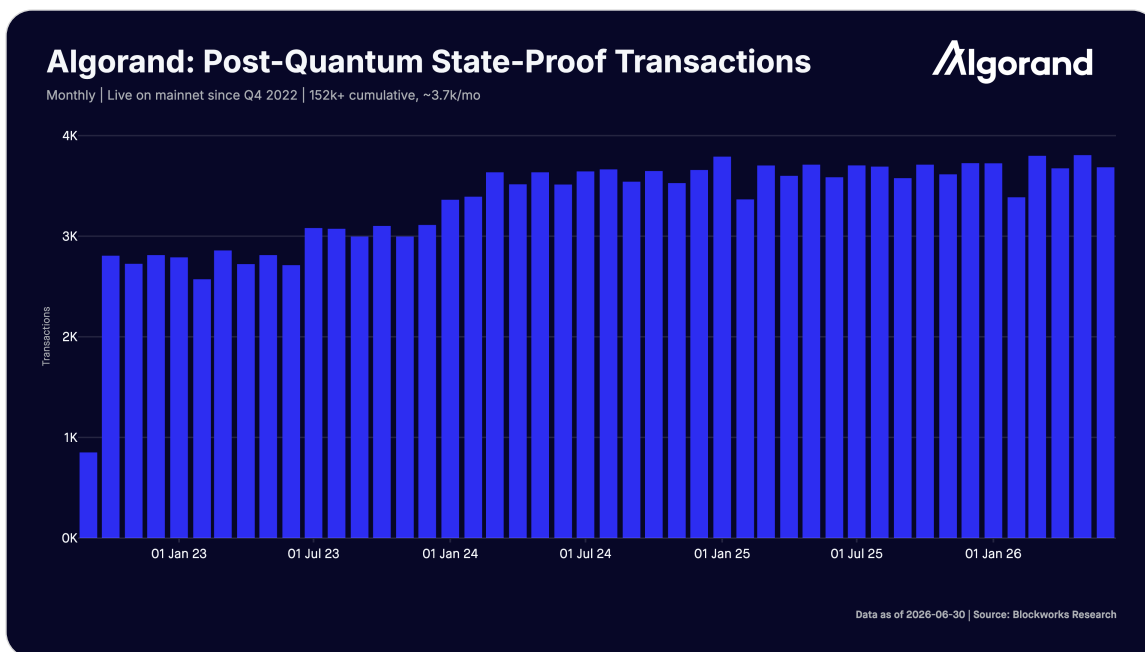
Strategic Initiatives

Four strategic fronts carried the half: post-quantum resilience, agentic commerce, tokenized real-world assets, and humanitarian payments, with stablecoin settlement as the throughput underneath them.

Post-Quantum Resilience

Post-quantum resilience is Algorand's most differentiated technical position, and it drew substantial external attention in H1 2026. In March, Google Quantum AI published a whitepaper on securing elliptic-curve cryptocurrencies against quantum attack that cited Algorand 32 times, more than any blockchain besides Bitcoin and Ethereum, highlighting the deployed Falcon signatures and native key rotation. On April 21, the Coinbase Quantum Advisory Council published "Quantum Computing and Blockchain," which stated that Algorand is "among the first blockchain platforms to deploy post-quantum (PQ) signature schemes in production across both consensus-related mechanisms and the execution layer." Both are independent research citations rather than commercial arrangements.

The operational record backs the citations. State proofs, quantum-resilient checkpoints that lock in the ledger's history every 256 rounds, have run on mainnet since late 2022 and are signed with Falcon, a NIST-selected post-quantum signature scheme. They generated 22,077 transactions in H1 at a steady cadence of roughly 3,700 per month, taking the cumulative total past 152,000. The first fully Falcon-signed user transaction was executed in November 2025.



Algorand: Post-Quantum State-Proof Transactions. Monthly | Live on mainnet since Q4 2022 | 152k+ cumulative, ~3.7k/mo. Source: Blockworks Advisory

The Q3 2026 protocol release introduces native post-quantum accounts based on Falcon-1024, with SDK derivation from the standard 25-word seed phrase and support expected in Pera Wallet and AlgoKit in the same window. Q4 2026 adds post-quantum multisignature support for institutional treasuries, and the Foundation plans to begin migrating its own treasury to post-quantum accounts. The stated target is broad quantum resilience by the end of 2027.

Agentic Commerce and AI

Algorand's case for agentic commerce is architectural. The network offers 2.8-second blocks, instant finality with no forks, atomic payment grouping, and sub-cent fees, the properties autonomous agents need to transact continuously. In H1, the network converted that case into working infrastructure. The x402 standard, which uses the HTTP 402 status code to let AI agents pay for APIs and services natively, reached full support on Algorand through a specification merge with Coinbase. A facilitator operated by GoPlausible went live alongside a running marketplace and developer tooling, and a March hackathon in Berlin drew more than 110 builders and 42 submitted projects across payments infrastructure and autonomous-agent applications.

The half also seeded the program that will test real demand. The Global x402 Challenge, announced during H1 and opened in mid-July, puts a \$100,000 prize pool plus 500,000 ALGO behind developers deploying paid x402 endpoints on

mainnet, with usage tracked on a public leaderboard and finalists presenting at Devcon 8 in India.

Tokenized Assets and RWAs

Real-world asset tokenization on Algorand centers on Lofty, which fractionalizes U.S. rental properties into Algorand Standard Assets, with entry positions as small as \$50, rental income paid in USDC, and a secondary market for exits. Buyers collectively own and manage each property through a legal DAO in the United States, voting on decisions from rent increases to appliance replacement. The company reports having tokenized more than \$100 million in assets, and investors have received \$5.2 million in cumulative rental income, a threshold the platform reported crossing in March. Settlement finality of three to four seconds and negligible fees are what make the model practical, since rent is distributed to hundreds of co-owners per property on a recurring basis. As a proof point for real-world asset tokenization, it is the network's most mature, with revenue-producing assets, retail-scale minimums, and recurring onchain cash flows rather than a pilot.

Humanitarian Aid Payments

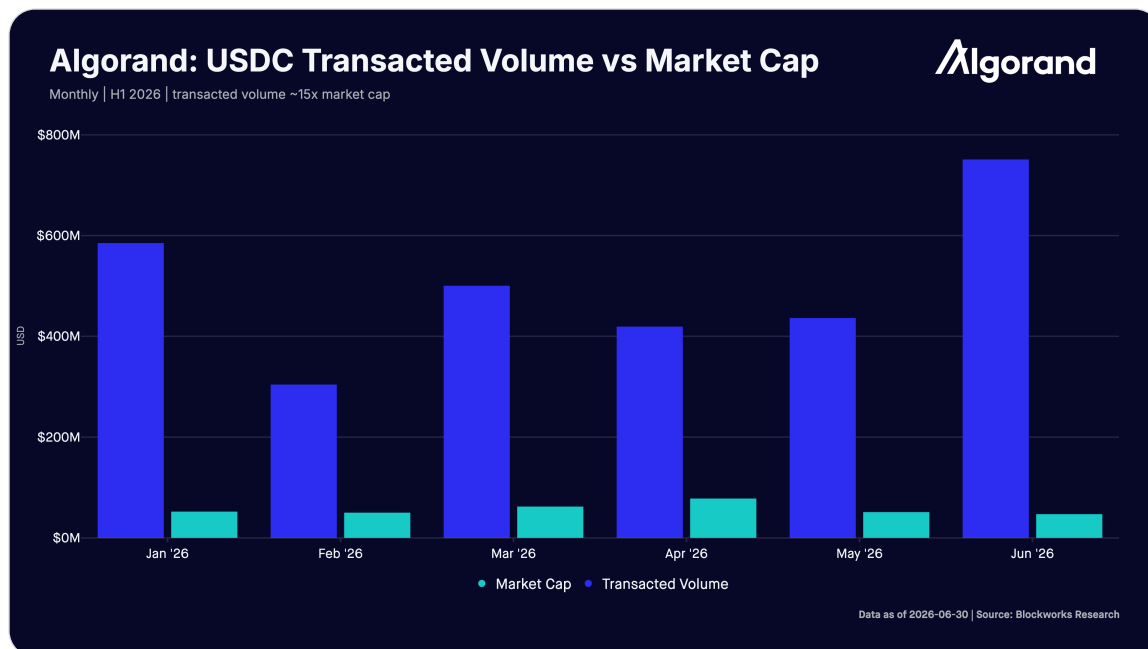
Humanitarian payments are Algorand's most distinctive live deployment, and the half extended a record that independent researchers have now documented. Through HesabPay, which runs on Algorand rails, UNHCR has scaled reloadable-card assistance to more than 625,000 refugee returnees and 17,500 internally displaced people in Afghanistan, delivering more than \$35 million, alongside cash-support programs funded by the World Food Programme and the World Bank. Mercy Corps Ventures documented aid delivery in Syria running 96% faster and 60% cheaper than legacy channels, and in June 2026 the German Federal Foreign Office and Polisync piloted USDC aid payments to Damascus via HesabPay. Academic documentation now spans the Refugee Law Initiative at the University of London and PeaceRep at the University of Edinburgh and LSE.

The institutional structure around this work is the Humanitarian Aid Payments Council convened by the Foundation, bringing together UNDP, WFP, UNHCR, Mercy Corps, Mastercard, Worldpay, Circle, and many others. The Aid Trust Portal, launched to give donors onchain aid transparency, lets funders trace disbursements from source to recipient. Momentum continued past the half's close: the third annual Council convening took place in Washington in July.

Stablecoin Settlement

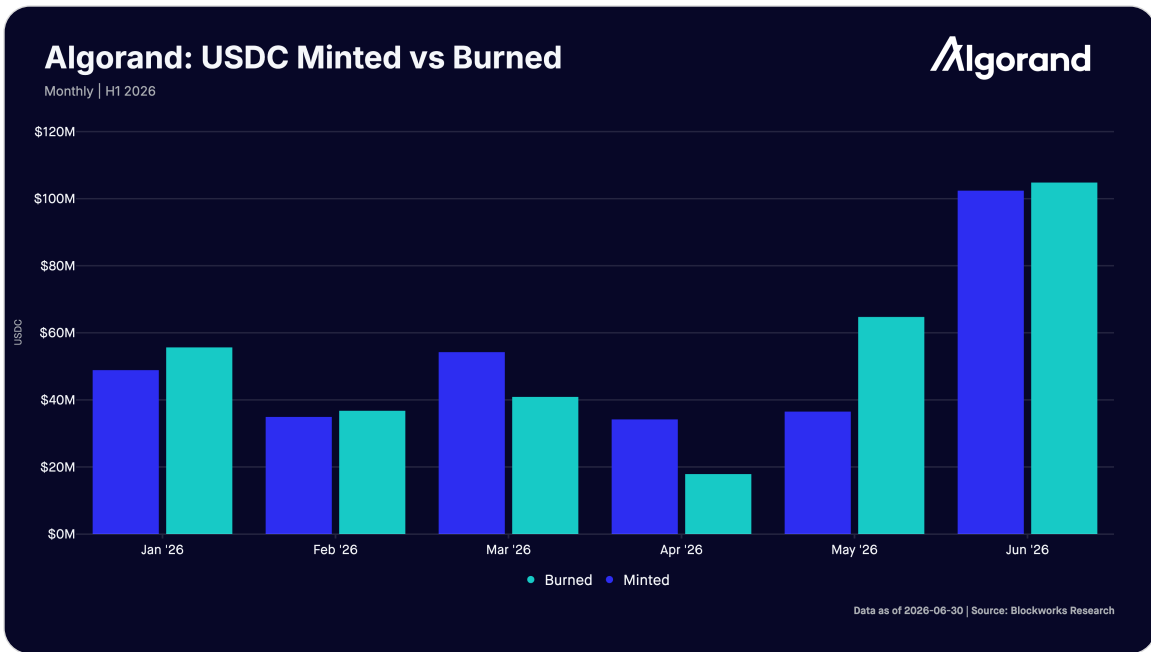
Stablecoin throughput is where Algorand's payments thesis shows up in the data. USDC, which accounts for roughly 97% of stablecoin market capitalization on the network, transacted \$3.0 billion across 22.6 million transactions in H1. June set the half's record at \$751 million transacted, up 72% month-over-month and more than

15 times USDC's market capitalization on Algorand that month, a velocity multiple that rose from roughly 8x in May.



Algorand: USDC Transacted Volume vs Market Cap. Monthly | H1 2026 | transacted volume ~15x market cap. Source: Blockworks Advisory

USDC supply on the network stayed compact, between \$47 million and \$78 million across the half. Roughly \$311 million of USDC was minted on Algorand against \$321 million burned, leaving net issuance modestly negative, so the existing float is being used more intensively rather than growing. USDC's turnover is high relative to its supply on the network, which is the pattern expected of a settlement network rather than a store of collateral. That pattern matches where Algorand's live deployments actually run: aid disbursement and consumer payments.



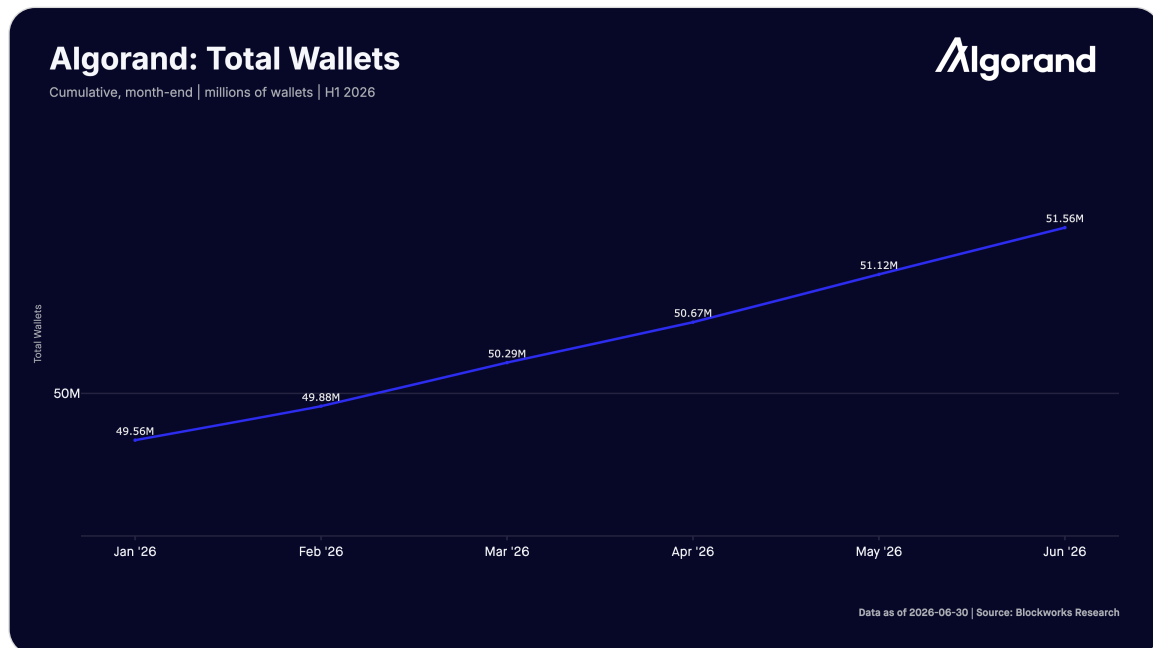
Algorand: USDC Minted vs Burned. Monthly | H1 2026. Source: Blockworks Advisory

SECTION 05

Ecosystem & Roadmap

Wallet and developer activity grew through the half, regulatory status clarified, and the second-half protocol calendar is dated and public.

The network's user base grew steadily, and its activity was volatile month-to-month. Total wallets rose every month of the half, from 49.56 million in January to 51.56 million in June, adding roughly two million wallets at a consistent 0.6% to 1.4% monthly pace. Cumulative transactions followed the same steady path, from 3.44 billion to 3.64 billion, with June alone contributing roughly 41 million.



Algorand: Total Wallets. Cumulative, month-end | millions of wallets | H1 2026. Source: Blockworks Advisory

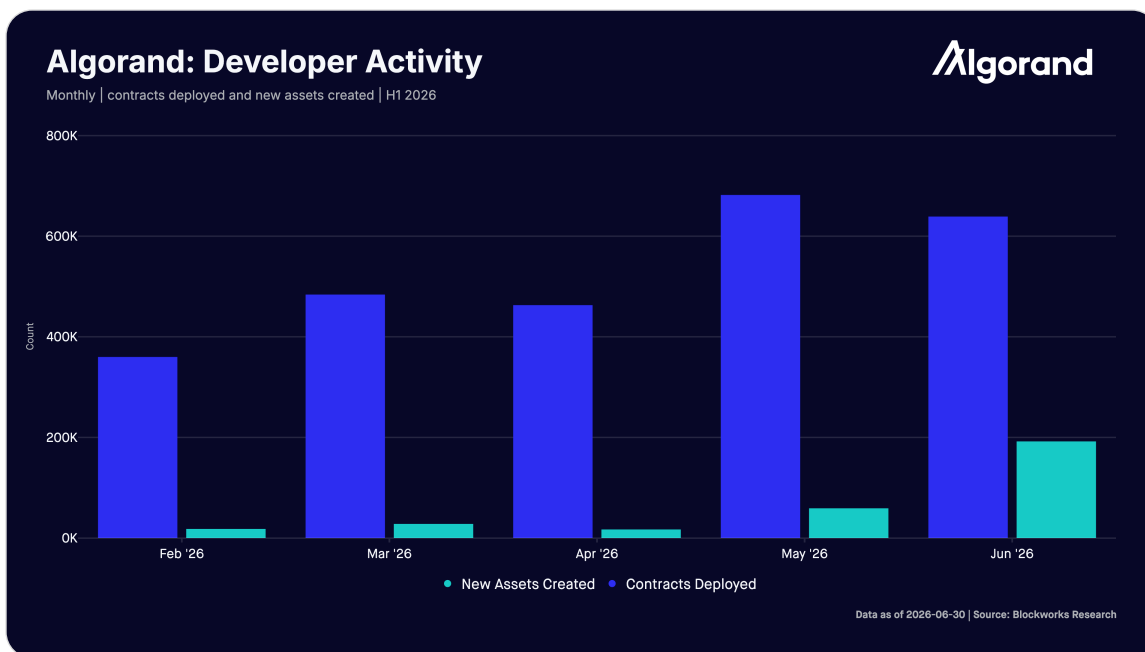
Monthly active wallets moved in a narrower band without a clear trend: 433,000 in February, 531,000 in March, 472,000 in April, 587,000 in May, and 516,000 in June. Activity oscillated in a 433,000 to 587,000 band, so month-over-month percentage swings of 12% to 24% reflect campaign and event timing rather than a change in the underlying base. The Foundation's own March observation, that active-wallet

growth outpaced new-wallet growth, is the more durable signal: existing users became more active rather than the base simply widening.



Algorand: Monthly Active Wallets. Monthly | H1 2026. Source: Blockworks Advisory

Developer activity also grew unevenly across the half, with the strongest months later in the period. Contracts deployed ran between 360,000 and 682,000 per month, peaking in May. New asset creation rose from 18,000 in February to 28,000 in March, 17,000 in April, 59,000 in May, and 192,000 in June, more than the four preceding months combined and the half's strongest growth signal. Against the flat DeFi picture, the growth is coming from applications, asset issuance, and payments.



Algorand: Developer Activity. Monthly | contracts deployed and new assets created | H1 2026. Source: Blockworks Advisory

Alpha Arcade became the ecosystem's breakout consumer application. Built on Algorand, it is now the third-largest prediction market by daily transactions, behind only Polymarket and Kalshi, and passed \$10 million in trading volume in January on the strength of Super Bowl markets before extending into geopolitics and entertainment.

Regulatory positioning improved materially in March. The SEC's March 17 guidance classifies ALGO as a digital commodity in footnote 51, on the reasoning that its value derives from Algorand's functional blockchain operations and market dynamics, which exempts it from securities regulation. For tokenholders that removes a long-standing question over the asset's U.S. status, and it arrives as the Foundation's compliance teams prepare a Blockworks Token Transparency Framework submission for later in the year.

On tooling and infrastructure, the Foundation shipped VibeKit and Agent Skills in February, developer tooling aimed at AI-assisted smart-contract development, alongside published security guidance for AI-generated code. AlgoKit 4.0, an AI-optimized developer toolkit, and Rocca Wallet, a consumer self-custody wallet, were both flagged for release in 2026. The 2026 roadmap also confirmed a new board, a sustainability framework under Project King Safety, and new financial primitives including tokenized-debt Algorand Standard Assets.

The protocol calendar for the second half is the roadmap: native Falcon-1024 post-quantum accounts in the Q3 release, post-quantum multisignature support in Q4, and the Foundation's own treasury migration beginning thereafter. Each item is

dated, scoped, and public, which gives tokenholders a concrete basis on which to measure execution.

SECTION 06

Closing Summary

Through H1 2026, Algorand combined Pure Proof-of-Stake (PPoS) consensus, production post-quantum cryptography, and instant-finality settlement with live deployments in humanitarian payments, real-estate tokenization, and early agentic-commerce rails. Google Quantum AI and the Coinbase Quantum Advisory Council both cited Algorand's production post-quantum deployment during the half. No other Layer-1 outside Bitcoin and Ethereum received comparable attention in the Google paper.

The gap to close is between infrastructure and paid usage, and the data shows both sides. Application fees totaled roughly \$102,000 for the half and DeFi TVL declined, both small in absolute terms, though the TVL fall is mostly a currency effect rather than depositors leaving. Meanwhile USDC settlement reached \$3.0 billion with June turnover at 16 times USDC supply on the network, total wallets grew every month to 51.56 million, new asset creation in June exceeded the four preceding months combined, and consensus security held above 2 billion ALGO staked with the community carrying more than 80% of it.

Four items in the second half will test execution. Falcon-1024 native accounts in the Q3 protocol release, post-quantum multisig and the start of the Foundation's own treasury migration in Q4, the Global x402 Challenge converting agentic-commerce rails into fee-paying endpoints by Devcon 8, and continued scaling of the aid corridors that already move real money. If those land on schedule, the adoption data will begin to reflect what the infrastructure already supports. That is the test H2 sets, and it is one Algorand's own published roadmap invites tokenholders to grade.

APPENDIX

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