

docs.apairy.com

The Bee's Knees

Introduction to Apiary

What happens when bulla and an OHMie have a one night stand?

Apiary.Finance is a treasury-backed protocol designed to perpetually accumulate **\$BGT** (Berachain Governance Token) through Berachain's **Proof of Liquidity** (PoL). This is a joint collaboration project by [The Bullas ↗](#) and [Vase Finance ↗](#).

Core Mechanics:

- If \$APIARY price > treasury backing → yield is swapped into \$APIARY and distributed to staked \$APIARY
- If \$APIARY price < treasury backing → 100% of yield is used to buy and burn \$APIARY until \$APIARY market cap is greater > the protocol treasury.



What is Apiary.Fi?

TLDR; numba go up tech.

Apiary.Fi is a protocol designed to perpetually accumulate **\$BGT** (Berachain Governance Token) via participating in **Proof of Liquidity**. The protocol token, **\$APIARY**, is minted when the token trades above the fair value of the protocol's treasury. This newly created **\$APIARY** is sold to the open market via bonds and directs 100% of bond proceeds (**\$iBGT** or **\$APIARY/\$HONEY LP** receipt tokens) to the treasury.

Learn more about bonds here → [Bonds & Staking](#)



In order to become a **\$BGT blackhole**, the protocol will progress through 3 phases:

Phase 1: Protocol Owned Liquidity Growth

Objective: Build foundational liquidity and establish price stability

Mechanics:

- **50%** of treasury yield → \$APIARY/\$HONEY liquidity
- **50%** of treasury yield → buy and burn \$APIARY

Exit Criteria:

Both of the following must be met to transition from Phase 1 → Phase 2

1. \$APIARY/\$HONEY LP > **\$100k**
2. Liquidity Depth > **\$50k**

Phase 2: Treasury Expansion

Objective: Accumulate \$iBGT and qualify for reward vault whitelisting

Mechanics:

- Issue bonds aggressively for \$iBGT acquisition
- Apply price management system (see [Protocol Functionality](#))
- Prepare Reward Vault mechanics

Exit Criteria:

Both of the following must be met to transition from Phase 2 → Phase 3

1. Reward Vault whitelisted and operational
2. First **\$BGT** emissions successfully received

Fallback Strategy: If whitelisting is not achieved within 1 month of reaching \$100k TVL, the protocol will continue Phase 1 mechanics and explore alternative yield strategies.

Phase 3: Proof of Liquidity Integration

Objective: Leverage Berachain's **PoL** for maximum capital efficiency

Mechanics:

- Use **\$iBGT** to bribe reward vaults → Earn **\$BGT** emissions
 - See below for Emission Strategy
- Claim **\$BGT** as **\$vBGT** through [Vase Finance ↗](#)
- Launch Apiary **subvalidator** on Berachain

(i) (Learn more about Sub Validators → [Here ↗](#).)

Price-Based Emission Strategy

\$APIARY Price vs Treasury Value

\$APIARY MC > 30% FV of Treasury	Max \$BGT Emissions directed to Reward Vault
\$APIARY MC within 30% of Treasury	Emissions directed to highest paying vaults, yield distributed to staked \$APIARY
\$APIARY < FV of Treasury	100% yield to buybacks

Note: During phase 3 there will be a 10% management fee that goes to the Apiary.Fi team

Easy as A Bee C

Tokenomics

Understanding \$APIARY

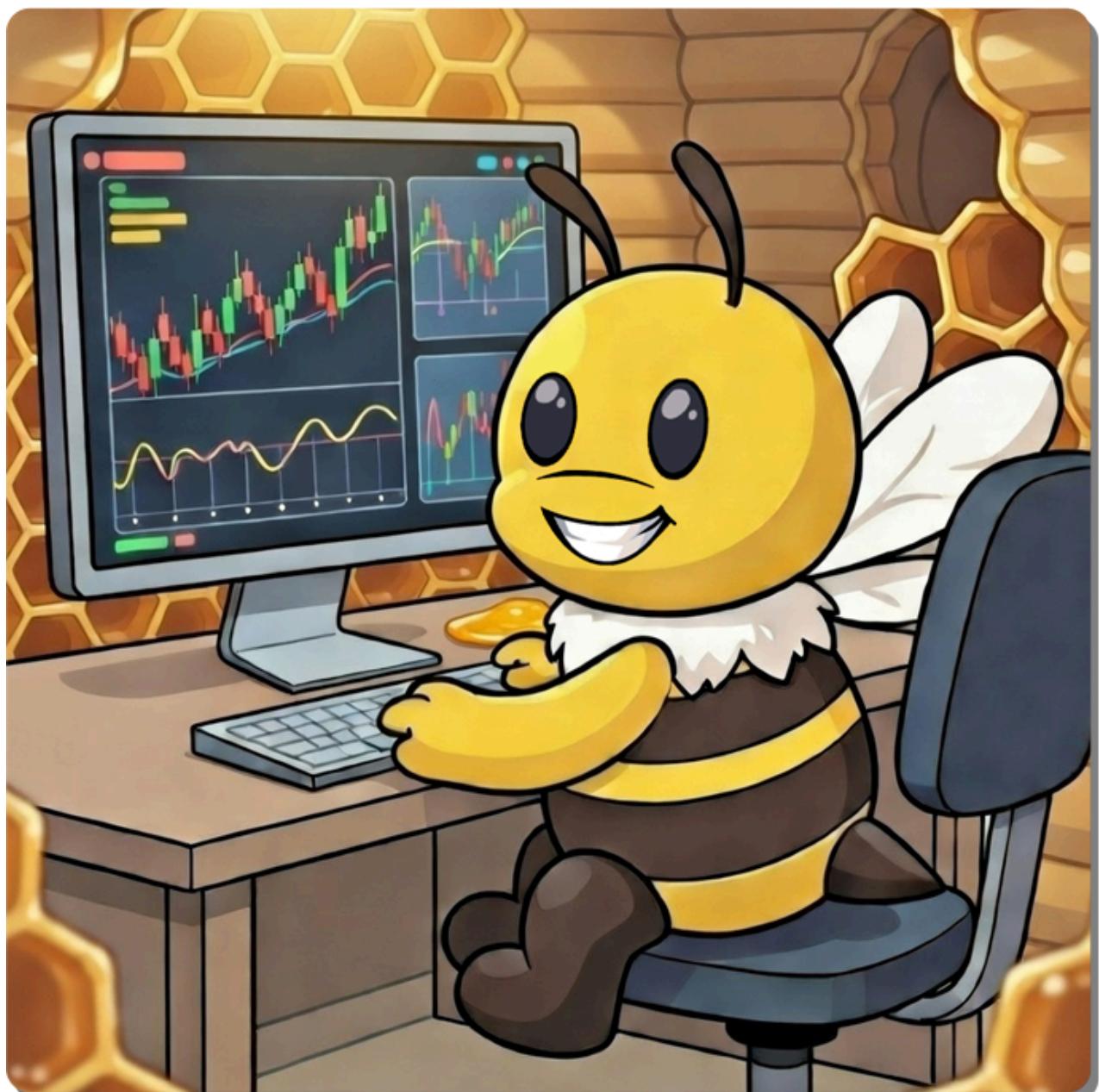
Allocation	%	Notes
Pre-Bonds	55%*	Auctioned at \$100k Market Cap with 5 day vesting
Team*	15%	Acquired at \$100k Market Cap with 5 day vesting
Bullas & Booga Beras	15%	Staked and Compounded Permanently*
Liquidity	10%	Paired with RFA and locked for Permanent Liquidity
Liquidity Provider	5%	Staked and compounded permanently*

Notes:

*Team tokens are subject to sticter terms than public pre-bonders

*[Bullas ↗](#) & [Booga Beras ↗](#)' Allocation of 15% will be compounded indefinitely and the yield will be used to buy and burn [Bullas ↗](#) and [Booga Beras ↗](#) NFTs

*Liquidity Provider's Allocation of 5% will be staked and compounded permanently, a portion of the yield will be used to incentivize \$APIARY/\$HONEY LP, with additional incentives to be provided in the future.



Bonds & Staking

Yawn Let's talk about Bonds....

Bonds

- Users can deposit \$iBGT or \$APIARY/\$HONEY LP receipt tokens to the treasury in exchange for discounted \$APIARY (**vested over 7 days**).
- Bonds allow the treasury to grow, fueled by the high yielding nature of \$iBGT and slow issuance period. Users benefit from receiving the best possible price for \$APIARY with a short vesting period of 7 days.

Bond Pricing

Debt Ratio (Outstanding Bonds/Treasury)	Discount Offered
0-3%	8% Discount
3-6%	5% Discount
6-10%	3% Discount
>10%	N/A (Bonds are paused)

- The Bond Control Variable (BCV) adjusted weekly based on demand:
 - **High Demand** (>80% of weekly capacity filled) → **discount reduced by 1%**
 - **Low Demand** (<30% of weekly capacity filled) → **discount increased by 1%**

Bond Limits:

- **Debt Ceiling:** Bonds outstanding cannot exceed 10% of treasury value
- **Maximum Single Bond:** 1% of Protocol Treasury Value
- **Maximum Daily Issuance:** 3% of total \$APIARY supply

Staking

- As the protocol's treasury collects yield, it is able to mint new \$APIARY tokens backed by the increased treasury value. These freshly minted tokens may be used either to issue more bonds or distribute yield to staked \$APIARY. (See Phase 2 & 3 on [What is Apiary.Fi?](#) for more information regarding distributions to staked \$APIARY)
- TLDR: Stake ur \$APIARY tokens for more tokens!



Protocol Functionality

Price Management System

The protocol adjusts its behavior based on how \$APIARY trades in relation to treasury backing:

Market Cap vs. Treasury	Protocol Action
Market cap > treasury by +30%	Growth: Compound Yield to grow treasury
Market cap within 30% of treasury	Distribute yield to staked \$APIARY
Market cap < treasury	Buyback: 100% buyback and burn

Buffer Zones:

To prevent the protocol from constantly flipping between actions:

- Switch to "**growth**" mode when market cap rises above **32%** of the fair value of protocol treasury
 - The protocol will stay in growth mode until market cap drops below **28%** of the fair value of the protocol's treasury
- Switch to "**buyback**" mode when market cap falls **3% below** the fair value of protocol treasury
 - The protocol will stay in buyback mode until market cap rises **5% above** the fair value of the protocol's treasury

Additional Information

You like jazz?

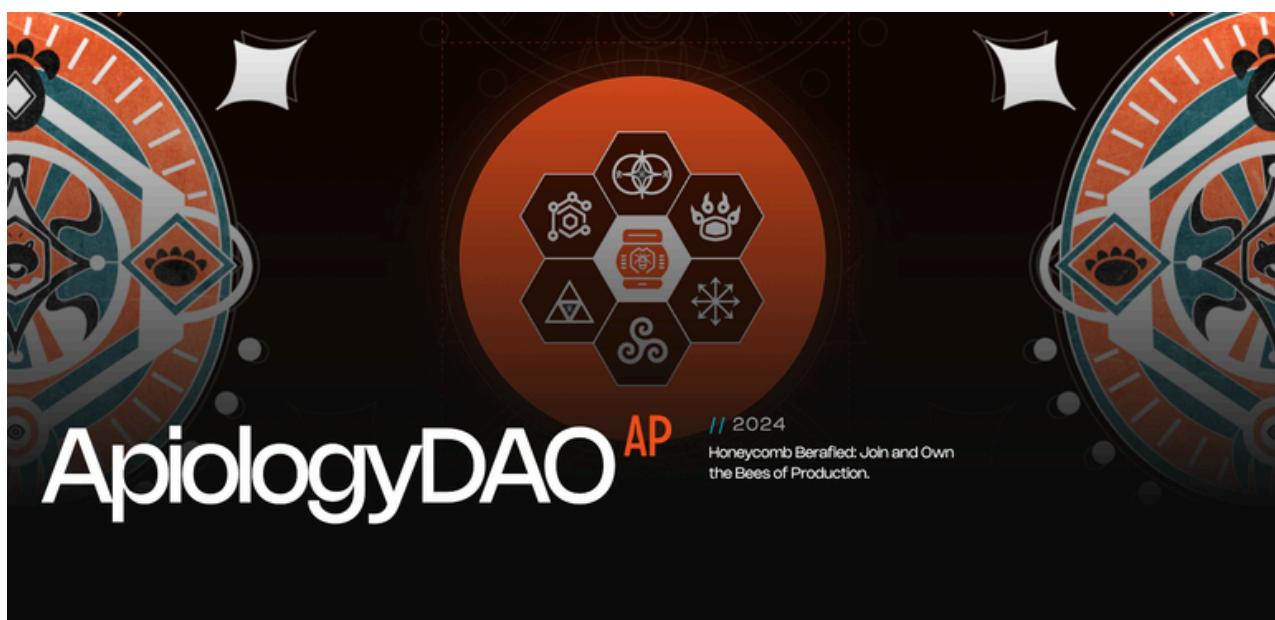
Initial Liquidity

- At launch, the protocol will seed liquidity using a portion of Apiary Finance's RFA allocation of 14,777.88 \$BERA.
- Any remaining \$BERA will be used to incentivize \$APIARY/\$HONEY LP.

Apiology Dao

During the Pre-Bond sale, Apiology DAO has the exclusive option to purchase up to 25% of the initial supply of bonds under the following terms:

- **Matching Commitment:** Must purchase 1 BERA worth of \$APIARY on open market for every 1 BERA worth purchased in pre-sale
- **Deadline:** 69 days from pre-bond sale
- **Enforcement:** tokens held in smart contract escrow; released only upon verified matching purchase
- **Slashing:** if matching purchase not completed, 50% of allocation is burned



Booga Bullas

During the Pre-Bond sale, the [Booga Bullas ↗](#) treasury can buy up to 25% of the initial supply of bonds under these terms:

- **Lockup:** Tokens held in non-withdrawable staking contract
- **Yield Usage:** 100% of yield to buy and burn [Booga Bulla NFTs ↗](#) or sell at a greater than 20% markup to expand treasury.
- **Enforcement:** Smart contract with no withdrawal function



Remaining 5%

There will be a raffle to distribute Pre-Bond Sale spots to top [Bullas ↗](#), [Booga Beras ↗](#), and [Booga Bullas ↗](#) Community members.

FAQ

Figure it out yourself....

Why does this work?

- The treasury earns yield and creates buy pressure for \$APIARY.
- This ensures that \$APIARY frequently trades at a premium to backing, allowing the protocol to issue bonds and further grow the treasury.
- In Phase 3 the protocol uses the iBGT earned via bonds to bribe the treasury reward vault.
- By leveraging PoL, the protocol can earn a return on bribes:
 - 1\$ worth of newly created supply turns into more than 1\$ worth of treasury growth

What if the flywheel breaks?

The protocol has automatic buybacks when trading below backing, which creates a natural floor. When \$APIARY trades below treasury value, 100% of yield goes to buying and burning tokens, reducing supply until price recovers.

How is this different from OHM?

Key improvements over OHM's original design:

1. Dynamic bond pricing with debt ceilings prevents runaway dilution
2. Buffer zones prevent oscillation between protocol modes
3. Explicit fallback strategies for each phase
4. Berachain-native design leverages PoL for sustainable yield generation

