
Variational (\$VAR) - pre-TGE dossier

Checked 27 September 2026. Primary sources only. Research for a Legion Republic quest; no investment recommendation.

Scope and eligibility

The official \$VAR page targets Q4 2026 for launch, so this is pre-TGE as of the check date. The token page does not advertise an active public token raise or sale; absence of a notice is not proof that no sale exists elsewhere. The team says it previously raised \$10 million of project funding, which must not be confused with a public \$VAR sale. Recheck launch and sale status before judging eligibility. [1][2]

Product and execution

Variational provides on-chain infrastructure for bilateral derivatives trading. Omni quotes perpetuals through one market maker, the Omni Liquidity Provider (OLP), which is counterparty to every Omni trade. The team's proprietary engine prices and hedges exposure at external venues. Each user and OLP have an isolated USDC settlement pool. This makes the user collateral path more inspectable, but it does not eliminate OLP solvency or execution risk: the docs explicitly state that OLP losses and bad debt are possible. [3][4]

Token supply, valuation and dilution

The published allocation is 32% genesis distribution to points holders, fully unlocked at TGE; 18% Foundation ecosystem reserve, allocated at its discretion with no release schedule stated; and 50% team and investors, locked for 12 months after TGE and then unlocking over a minimum of three years. The team/investor split, exact vesting shape and reserve release schedule are not yet published. Therefore 32% is the stated unlocked genesis allocation, **not a verified 32% circulating float**: actual circulation also depends on claims, transfers, reserve distribution and market liquidity. [1]

The same page gives neither a confirmed total supply nor an offer/listing price. $FDV = \text{total supply} \times \text{token price}$; $\text{circulating market cap} = \text{circulating supply} \times \text{price}$. Neither can be calculated responsibly today. A low observed circulating cap after launch could coexist with materially larger FDV. A 12-month lock delays the 50% insider bucket but does not specify a monthly release rate. Do not model linear unlocks as a published schedule. [1]

Cash flow and incentives

Omni advertises zero trading fees but users pay the OLP's quoted spread. The official OLP page currently says 20% of spreads paid to OLP goes to the protocol treasury and warns this percentage is under test and may change. The \$VAR page intends to use 100% of **revenue directed to the treasury** for buy-and-burn. This is not a promise to spend 100% of total spread or trading volume on buybacks. Verify treasury receipts on the listed Arbitrum address and the burn mechanism before assigning token value to the policy. [1][3][5]

Verification signals and principal risks

Official docs identify Lucas Schuermann and Edward Yu as co-founders and list Spearbit (March 2025) and Zellic (December 2024) audits, a bug bounty and mainnet contract addresses. These are useful verification leads, not proof of present contract safety; check report scope, fixes, deployed bytecode and admin controls independently. [2][5][6]

Key risks are (a) one proprietary market maker as sole counterparty and external hedge-venue exposure; (b) oracle, liquidation or extreme-volatility failure, including counterparty liquidation/ADL; (c) unknown day-one float and Foundation-controlled 18% reserve; (d) an unpriced token with undefined FDV and changeable treasury share; and (e) jurisdictional restrictions in the project's own legal documentation. Isolated pools limit cross-pool claims but cannot guarantee payment if OLP is insolvent. [1][3][4][7][8]

Questions for the team and disclosure

Before TGE, request a fixed total supply, genesis claim mechanics, reserve custody and release policy, team/investor split and complete vesting calendar, buy-and-burn transaction rules, and independent reconciliation of treasury inflows against OLP spreads. Ask for audit report-to-deployed-code mapping and emergency admin design. I made no \$VAR purchase or trade for this research. I cannot verify the account holder's existing holdings or points balance, so I do not assert a zero position. This dossier earns quest progress/VP, a publication incentive. [1][3][5]

Primary sources

- [1] <https://docs.variational.io/token/usdvar>
- [2] <https://docs.variational.io/getting-started/core-contributors>
- [3] <https://docs.variational.io/omni/the-omni-liquidity-provider-olp>
- [4] <https://docs.variational.io/variational-protocol/key-concepts/settlement-pools>
- [5] <https://docs.variational.io/technical-documentation/mainnet-contracts>
- [6] <https://docs.variational.io/technical-documentation/audits>
- [7] <https://docs.variational.io/omni/trading/automatic-deleveraging-counterparty-liquidation>
- [8] <https://docs.variational.io/legal/restricted-persons>