

Project Research Dossier: Variational (\$VAR)

Author: keimajo (The Republic) | Date: Sep 27, 2026 | Status: pre-TGE, TGE guided for Q4 2026, no public sale or ICO announced | Source tags [n] map to the list at the end

Bottom line

Variational has a live product, named and linkable founders, two published audits and a clear token split. The main open questions are (1) total supply and FDV, which are not disclosed, so every figure below is a share of supply; (2) revenue concentration: the only revenue source feeding the \$VAR buyback is a share of spread earned by a single team-operated market maker (OLP); and (3) a supply step-up after month 12, when team and investor tokens start vesting into a float made up entirely of airdropped tokens.

1. What it builds and why it matters

- **Variational Protocol:** a peer-to-peer derivatives protocol on Arbitrum. Trades are quoted via RFQ, margin sits in isolated on-chain **settlement pools**, and prices come from a Variational oracle [1][2].
- **Omni:** the retail perps app built on the protocol. It charges zero trading fees and lists around 500 crypto and traditional (RWA) markets. It makes money from the bid-ask spread instead [1][3]. Deposits and withdrawals cost a flat \$0.10, and liquidations are filled 0.5% through the bid or ask [3].
- **OLP (Omni Liquidity Provider):** a vertically integrated market maker, operated and initially funded by the team, and the **sole counterparty to every Omni trade**. The protocol treasury takes roughly one fifth of OLP spread. User deposits into OLP are not open yet; a community vault is planned [4].
- **Why it matters:** routing one venue to CEX, DEX and dealer liquidity lets a small team list hundreds of markets, including gold, oil and other RWAs, without bootstrapping separate order books [1][10].
- **Status:** Omni mainnet is still in **private beta**. Public mainnet, API trading, the OLP vault and \$VAR are listed as pending on a roadmap the team says is not a commitment [5][6].

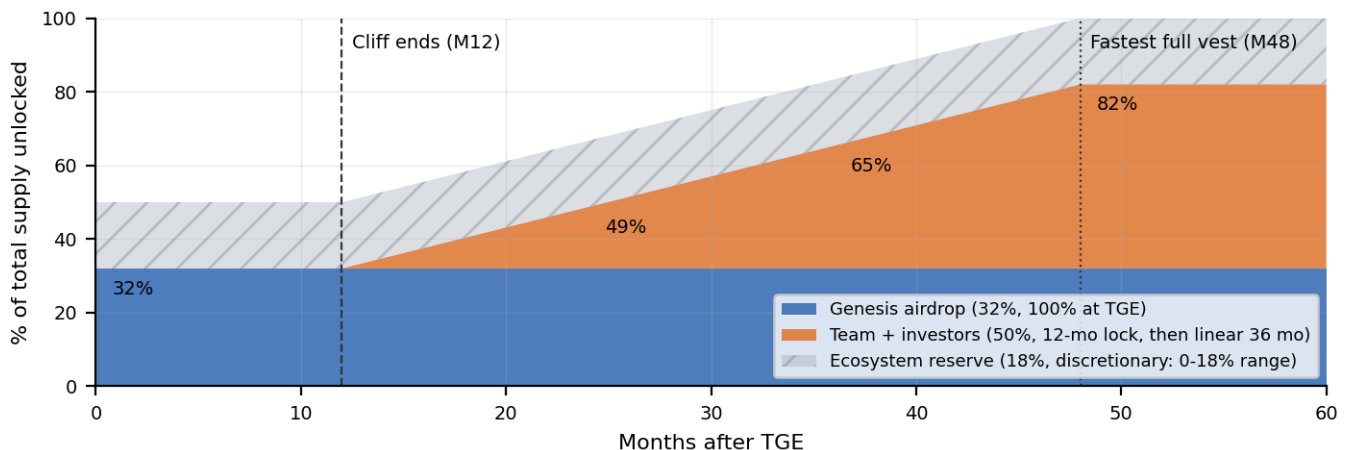
2. Tokenomics (official, from docs [7] and the Sep 24, 2026 announcement [8])

Bucket	Share	Unlock terms	Who controls it
Genesis distribution	32%	100% unlocked at TGE; pro rata to Omni points; unclaimed tokens burned	Points holders
Ecosystem reserve	18%	No schedule; distributed at Foundation discretion	Variational Foundation
Team and investors	50%	12-month lock after TGE, then vesting of at least 3 years; individual team schedules differ	Team, VCs
Total supply / FDV	n/a	Not disclosed as of Sep 27, 2026	

- **Emissions:** no inflation schedule is published. Pre-TGE, points are the emission: about 3M retroactive points at launch (Dec 17, 2025), then weekly drops [9]; the announcement cites 150,000 per week until TGE [8]. If that rate held throughout, roughly 11M points would share the 32% genesis bucket. This is my estimate, not a disclosed figure.
- **Value accrual:** the team states all treasury revenue will go to \$VAR buybacks and burns [7][8]. The only described treasury revenue is the protocol's roughly 20% share of OLP spread [4].
- **FDV vs circulating:** at TGE, float is at most 50% of supply (32% genesis plus up to 18% ecosystem) and at least 32%. Team and investor tokens are 0% of float at TGE.

3. Unlock and dilution model

Assumptions: TGE = month 0; team/investor vesting is linear from month 12 to month 48. The docs say "at least" 3 years, so this is the **fastest schedule permitted**, a worst case for dilution. The ecosystem reserve is drawn as a range because it has no schedule.



Month	Unlocked, ex-ecosystem	If full ecosystem released	What changes
0 (TGE)	32%	50%	Entire float is airdrop, 100% liquid on day one
12	32%	50%	Lock ends; about 1.39% of supply per month starts vesting
13	33.4%	51.4%	Monthly flow = 4.3% of ex-ecosystem float (2.8% if reserve fully out)
24	48.7%	66.7%	Year 2 adds 16.7% of supply, +52% vs month-12 float
48	82%	100%	Fully vested under the fastest schedule

Read-out. Cliff vs linear: there is no lump unlock at month 12 unless the individual team schedules include one, which the docs leave open [7]. The risk is the change in slope. Year 1 is a fixed float with airdrop sell pressure at TGE and no insider supply. From month 12, insider supply grows float by roughly half again within a year. For buybacks to offset that, the treasury's share of OLP spread would need to absorb about 1.39% of supply every month.

4. Team verification: verifiable vs marketing

- **Verifiable:** named co-founders Lucas Schuermann and Edward Yu, with personal sites and X accounts linked from the docs [6][11]. Four mainnet contracts (Protocol Treasury, Core OLP Vault, Settlement Pool Factory, Oracle) have published Arbitrum addresses [12]. Audits by Zelic (Dec 2024) and Spearbit (Mar 2025) are linked [13]. A \$50M Series A led by Dragonfly with Bain Capital Crypto and Coinbase Ventures was reported May 21, 2026 [10]; Dragonfly, Bain and Coinbase Ventures are also listed as backers in the docs [1]. A public Dune dashboard is linked [6].
- **Claimed, needs independent checks:** Columbia background, founding Qu Capital (2017) and its 2019 acquisition by DCG, executive roles at Genesis Trading, and team members from Google, Meta, Virtu, IMC and Jane Street [11]. The "\$200B+ volume since 2025" figure comes from press coverage, not an on-chain source I could reconcile [10].
- **Gaps:** no public GitHub repository is listed in official links [6]. Audits predate the RWA, swap and points features, and the audit page does not scope later deployments [13].

5. Key risks

- **Counterparty and revenue concentration:** OLP is the only counterparty and is team-operated. Docs note OLP can lose money; trader funds stay in segregated pools, but buyback revenue depends on one book's spread P&L [4].
- **Execution:** public mainnet, API trading and the OLP vault are unshipped, and the roadmap is explicitly non-binding [5].
- **Incentives:** points were earned by trading on a zero-fee venue, which invites volume farming. A 100%-liquid airdrop float can be sold immediately. The team can adjust point totals for suspicious activity [9].
- **Governance:** 18% sits under Foundation discretion with no schedule, and individual team vesting is undisclosed [7]. No governance rights for \$VAR are described.
- **Disclosure:** no total supply, FDV or treasury revenue figures yet, so valuation cannot be modeled in dollars.
- **Legal/regulatory:** perps on commodities and other RWAs sit close to regulated derivatives, and access is geo-restricted [14]. Rules for these products can change by jurisdiction.

6. Disclosure

I hold no \$VAR, no Variational points and no position in any Variational product. I have no financial relationship with Variational or its investors. This dossier is written for a Legion Republic quest, which may award VP. It is research, not investment advice.

Sources (primary unless marked; accessed Sep 27, 2026)

- [1] Docs, What is Variational: <https://docs.variational.io/getting-started/readme>
- [2] Docs, Protocol overview and key concepts (RFQ, oracle, settlement pools): <https://docs.variational.io/variational-protocol/overview>
- [3] Docs, Omni fees: <https://docs.variational.io/omni/trading/fees>
- [4] Docs, The Omni Liquidity Provider (OLP): <https://docs.variational.io/omni/the-omni-liquidity-provider-olp>
- [5] Docs, Roadmap: <https://docs.variational.io/getting-started/roadmap>
- [6] Docs, Official links (app, socials, Dune): <https://docs.variational.io/getting-started/official-links>
- [7] Docs, \$VAR token: <https://docs.variational.io/token/usdvar>
- [8] Variational on X, "\$VAR Tokenomics and TGE Timing" (Sep 24, 2026): https://x.com/variational_io/article/2102929439063765192
- [9] Docs, Omni points: <https://docs.variational.io/omni/rewards/points>
- [10] Secondary/corroborating: CoinDesk, May 21, 2026: <https://www.coindesk.com/business/2026/05/21/peer-to-peer-trading-startup-variational-raises-usd50-million-for-real-world-perps-in-funding-round-led-by-dragonfly>
- [11] Docs, Core contributors: <https://docs.variational.io/getting-started/core-contributors>
- [12] Docs, Mainnet contracts (Arbitrum): Treasury 0x5e91b40467fb8902c46a7b6cb90482363188d645; OLP Vault 0x74bbbb0e7f0bad6938509dd4b556a39a4db1f2cd; Settlement Pool Factory 0x0F820B9afC270d658a9fD7D16B1Bdc45b70f074C; Oracle 0x84BE56470d45b7f6629A66A219a38681F6BA6172: <https://docs.variational.io/technical-documentation/mainnet-contracts>
- [13] Docs, Audits (Zelic Dec 2024, Spearbit Mar 2025): <https://docs.variational.io/technical-documentation/audits>
- [14] Docs, Restricted persons: <https://docs.variational.io/legal/restricted-persons>