

PROJECT RESEARCH DOSSIER

Variational (\$VAR) | Pre-TGE Primary-Source Due Diligence | 29 Sep 2026

Research posture: technically live product with identifiable contracts and audits, but token valuation is not yet computable from primary sources because total supply, token price, and the Ecosystem Reserve release schedule are undisclosed. The key diligence question is supply control and post-cliff dilution, not a made-up FDV.

1. What the project builds

- Variational is an on-chain peer-to-peer derivatives protocol. Omni is its retail-facing application; Pro is planned for customizable institutional OTC derivatives.
- Omni uses request-for-quote execution and isolated settlement pools. Each user trades bilaterally against the Omni Liquidity Provider (OLP), so one pool's positions/margin are separated from others.
- The protocol says treasury-directed revenue will be used 100% to buy and burn \$VAR. This is narrower than saying all platform revenue is automatically burned.

2. Eligibility / source status

- Official docs state \$VAR 'will be launched in Q4 2026'; as of 29 Sep 2026 the token is therefore pre-TGE.
- The disclosed allocation contains Genesis Distribution, Ecosystem Reserve, and Team & Investors; no public-sale bucket is disclosed in the current official token page.
- Official docs identify private backers, but no official public token sale or active ICO was found in the reviewed first-party pages. This satisfies the quest constraint on the evidence reviewed, while the absence of a sale cannot be proven beyond the disclosed materials.

3. Tokenomics and long-game dilution

Bucket	Allocation	TGE status	Cliff / vesting	Diligence implication
Genesis Distribution	32%	100% unlocked	None stated	Immediate airdrop supply; allocated pro rata to points.
Ecosystem Reserve	18%	Not specified	Not disclosed	Foundation discretion creates an unresolved supply-control range.
Team + Investors	50%	0% during first 12m	12m lock; unlocks over >=3 years	Largest long-term dilution block; team also has individual vesting.

FDV vs. circulating: Total \$VAR supply and token price are not disclosed in the official sources reviewed, so numeric FDV cannot be responsibly calculated. 'Unlocked' also does not equal 'circulating'. The hard disclosed TGE unlock is 32%; the 18% Ecosystem Reserve timing is unspecified.

Normalized supply model (100 = total supply): TGE known unlocked = 32. If the entire Ecosystem Reserve were made liquid, the disclosed upper bound would be 50. Team/investors stay locked until TGE+12m.

Time	Officially certain	Illustrative linear case*	Main risk
TGE	32% Genesis unlocked	32%-50% unlocked range	Ecosystem timing undisclosed
TGE + 12m	Insider cliff ends	32%-50% before insider vest starts	Cliff transition begins
TGE + 24m	Unlocking underway; cadence undisclosed	+16.67% supply from insiders if 36m linear	Sustained sell-side dilution
TGE + 48m	Minimum 3y insider unlock period completed	Up to 82%-100% depending ecosystem	Float can approach full supply

**Illustrative only: 50% / 36 months = 1.39% of total supply per month after the 12-month cliff. Official docs do not state linear vesting or an exact 36-month period.*

4. Team / verification signals

- Official docs name co-founders Lucas Schuermann and Edward Yu and describe prior work at Qu Capital / Genesis. Because this is first-party biography, treat it as an identity signal, not independent proof of every résumé claim.
- Stronger verifiable signals: deployed Arbitrum mainnet contract addresses are published; the protocol documents audits by Spearbit (Mar 2025) and Zellic (Dec 2024); product mechanics for deposits, settlement pools, liquidation, and API data are publicly documented.
- Transparency gap: the reviewed official docs index does not expose a public source-code repository for the core protocol. Published contracts and audits help, but are not equivalent to full open-source reproducibility.

5. Key risks

Risk	Primary-source evidence	Why it matters
Counterparty / OLP	OLP is counterparty to every Omni trade; docs state OLP insolvency can create bad debt.	A profitable user can face payout impairment even if their own collateral remains segregated.
ADL / extreme volatility	Counterparty liquidation / ADL can close user positions when OLP faces severe liquidity constraints.	Execution outcome can diverge from a trader's desired position during stress.
Centralization / controls	Docs list an admin check that can disable trading; OLP pricing/hedging uses proprietary infrastructure.	Operational discretion and opaque market-making logic remain dependencies.
Smart-contract / oracle	Audits exist, but protocol terms warn contracts may contain vulnerabilities, bugs or errors.	Audits reduce, not eliminate, loss risk; oracle and contract correctness remain critical.
Tokenomics / governance	18% Ecosystem Reserve release is unspecified; 50% belongs to team+investors after a 12m lock.	Supply control and governance concentration can change materially after the cliff.
Regulatory / access	Platform terms restrict persons/jurisdictions; derivatives face jurisdiction-specific rules.	Access, product design, or distribution may change due to compliance obligations.

6. Decision-useful conclusion

The strongest evidence is product-level: Variational has a live derivatives application, documented settlement architecture, published mainnet contracts, and completed audits. The weakest evidence is valuation-level: total token supply, launch price, exact team/investor split, insider unlock cadence, and Ecosystem Reserve vesting are not yet fully specified. A defensible pre-TGE process is therefore to wait for those disclosures before treating any implied valuation or 'low-float' narrative as measurable. The first major dilution checkpoint is TGE+12 months, when the 50% team/investor block becomes eligible to begin unlocking.

DISCLOSURE - COMPLETE BEFORE SUBMISSION: [No position / holdings / points or incentives / other relationship]. Replace this with your actual status before posting.

Primary sources reviewed

- [\\$VAR token page](#)
- [What Is Variational](#)
- [Core Contributors](#)
- [Mainnet Contracts](#)
- [Audits](#)
- [OLP design / insolvency](#)
- [ADL / counterparty liquidation](#)
- [Fees / revenue](#)
- [Terms of Use](#)