

Project Research Dossier

Variational (\$VAR) — pre-token research | Cut-off: 29 September 2026 | Disclosure: no \$VAR; holds Omni points

1. What Variational actually builds

Variational is an on-chain derivatives protocol with two products. **Omni** offers zero-fee, cross-margined perpetuals across 500+ markets using USDC on Arbitrum, while **Variational Pro** targets advanced, institutional-style OTC derivatives. Omni does not use a normal order book: the **Omni Liquidity Provider (OLP)** is the counterparty to every trade. The protocol says 20% of spreads paid to OLP are directed to the treasury, although the docs say this rate is subject to change.

This makes the product simpler than a traditional exchange in some ways, but it also creates a direct dependency on OLP staying solvent, liquid and competitive.

2. \$VAR tokenomics

Bucket	Share	Unlock / status
Genesis distribution	32%	Airdrop to points holders; 100% unlocked at TGE
Ecosystem reserve	18%	Foundation discretion; detailed vesting not disclosed
Team + investors	50%	12-month lock, then unlock over at least 3 years; split undisclosed

The TGE is announced for **Q4 2026**, but no exact date or launch price is published. Total supply is also not disclosed in the primary sources reviewed, so a current FDV cannot be calculated honestly. Exact TGE circulating supply also cannot be calculated: 32% is the clearly disclosed fully-unlocked genesis bucket, while the 18% reserve timing remains unclear.

Variational says treasury revenue is intended to be used to buy and burn \$VAR. That is an **intention**, not a binding on-chain buyback rule, so I would not count future burns in a valuation model today.

3. Unlocks and dilution

The 50% team-and-investor bucket is the main long-term dilution issue. It has a 12-month cliff, then unlocks over at least three years. The exact team/investor split is not public. The 18% ecosystem reserve is the bigger near-term unknown because its release schedule is not defined.

Scenario	TGE	M12	M24	M48
A — reserve linear 48m	32%	36.5%	58%	100%
B — reserve mostly out by M24	32%	41%	67%	100%
C — reserve follows insider timing	32%	32%	55%	100%

These are my scenarios, not disclosed schedules. Under Scenario A, the combined team/investor and reserve unlock after M12 is roughly 1.8% of total supply per month. At an illustrative \$1B FDV, the insider portion alone would represent about \$14M of new supply per month. The \$1B FDV is purely a modeling assumption.

4. Team and verification signals

The project publicly identifies co-founders **Lucas Schuermann** and **Edward Yu**. Verification signals include published mainnet contract addresses, Zelic and Spearbit audits, an Immunefi bug bounty and a public GitHub organization. The public GitHub exposes a Python SDK, but not the full core protocol codebase, so some verification still relies on contracts, audits and documentation.

Claims about unnamed 'Google, Meta, Jane Street veterans', unnamed TradFi liquidity providers and the undisclosed strategic partnership are not treated as verified evidence here.

5. Key risks

- **Initial sell pressure:** 32% is fully unlocked at TGE. Actual float depends on how much of the airdrop is claimed.
- **Insider overhang:** 50% is team + investors; the split is undisclosed. The 12-month cliff delays dilution rather than removing it.
- **Reserve uncertainty:** Foundation controls 18% and its release schedule is not published.
- **OLP counterparty risk:** OLP is the sole counterparty. The docs state that if OLP becomes insolvent, future accrued PnL can become bad debt, and ADL can close positions during stress.
- **Audit scope:** listed audits predate some newer product areas, including RWA, pre-IPO and swap products.
- **Value-accrual risk:** the 20% treasury share and proposed burn do not yet establish a durable relationship between protocol activity and \$VAR value.

6. Bottom line

My current view is **watchlist, not thesis**. The product, founders, funding history and security work give Variational a real research base. The token side is much less complete. Before treating \$VAR as a clean tokenomics story, I would want total supply, the team/investor split, the ecosystem-reserve schedule and a concrete on-chain rule for any buyback or burn. The 12-month cliff is the first obvious major dilution test.

Disclosure

I hold no \$VAR because the token has not launched. I do hold Omni points, which may convert into the genesis airdrop, so I could benefit from a successful launch. I receive no compensation from Variational. This is research for the Legion Republic mission and is not investment advice.

Primary sources

Variational \$VAR tokenomics — <https://docs.variational.io/token/usdvar>

Protocol overview — <https://docs.variational.io/variational-protocol/overview>

Mainnet contracts — <https://docs.variational.io/technical-documentation/mainnet-contracts>

Audits — <https://docs.variational.io/technical-documentation/audits>

Bug bounties — <https://docs.variational.io/technical-documentation/bug-bounties>

Core contributors — <https://docs.variational.io/getting-started/core-contributors>

Official GitHub — <https://github.com/variational-research>

Official TGE announcement — https://x.com/variational_io/status/2102929439063765192

Method note: Facts and disclosed terms are separated from illustrative unlock scenarios. Where primary sources do not disclose supply, valuation, reserve timing or the team/investor split, this dossier does not invent those numbers.