

LVC Tokenomics

Velocore on Linea Tokenomics

Velocore V2 utilizes two tokens for managing its utility and governance:

- LVC
- — ERC-20 utility and reward token of the protocol
- veLVC
- — ERC-20 governance token of the protocol
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LVC is used for rewarding liquidity providers through emissions.

veLVC is used for governance. AnyLVC holder can vote-escrow their tokens and receive the same number of veLVC at any time. There is no lock-up period and every veLVC token has the same voting power.

Conversion from LVC to veLVC is always possible, but it's irreversible. veLVC can be liquidated at any time through the LVC /veLVC pair on Velocore.

Different from the tokenomics of Velocore V1 in zkSync Era, we've removed the team allocation from the emissions.

ve(3,3) Mechanics

Velocore mechanics were inspired a blend of two DeFi concepts:

- Vote-Escrow
- — first introduced by Curve to bolster incentives for long-term token holders
- Staking/Rebasing/Bonding or (3,3) game theory
- — designed by Olympus DAO
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Velocore V2 is designed differently from the typical model known as ve(3,3), yet it inherits its spirit.

At the heart of Vote-Escrow is the virtuous cycle structure where high trading volume leads to high trading fees, high gauge votes, high rewards, and in turn, high Total Value Locked (TVL). This ensures the utility of the token and prevents distortion in the incentive structure. It's further optimized through the removal of epochs and a real-time voting mechanism.

The spirit of game theory, represented by (3,3), has been re-interpreted to give stakers the freedom to easily find the optimal balance point and act accordingly. While the structure that benefits the entire protocol when everyone stakes their rewards is maintained, the problem of liquidity difficulties faced by existing stakers and the barrier to entry for new users has been resolved. Now that veLVC has transitioned from NFT to a fungible ERC-20, it can be converted to LVC at any time according to market value.

V2 Initial Distribution

The initial supply of LVC is 76M.

Out of this, the initial circulating supply will be 19.32M (0.65M), with the remaining amount locked, vested, or allocated for liquidity provision.

At launch, LVC and veLVC tokens allocated to the community and ecosystem will be utilized to support and reward contributors in the Velocore and Linea ecosystems. (e.g., Pre-mining Event, official partnership, etc.)

LVC (Initial Circulating Supply)

- 18.48M
- for the presale unlocked immediately (24.32%)
- — 3.36M for the private presale
- — 15.12M for the public presale
- 0.84M
- for overflow farming reward unlocked with the presale (1.11%)
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LVC (Locked Supply)

- 7.92M
- for the presale linearly vested over two months, starting with one week after presale (10.42%)
- — 1.44M for the private presale
- — 6.48M for the public presale

- 0.36M
- for overflow farming reward linearly vested over two months, starting with one week after presale (0.47%)
- 6.8M
- for the Velocore community (8.95%)
- —2.5M for pre-mining and NFT airdrop events linearly vested over two months, starting with one week after presale
- —4.3M will be kept in reserve for future events or for the community
- Example: airdrops, special events, roles, and KOLs
- 8M
- for the Velocore team (10.53%)
- 2-month cliff with a 1-year vesting period
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veLVC (Locked Supply)

Note: These allocations except for the ecosystem airdrop for zkSyncEra users are kept in a locker contract where only voting is allowed * 14M * for the ecosystem fund (18.42%) * — 4M for veNFT holder airdrop in the zkSyncEra ecosystem * —10M for ecosystem reserve * 8M * for the Velocore team (10.53%) *

LVC for Initial Liquidity

Note : LP tokens will not be staked * 9.6M * for initial ETH/LVC liquidity (12.63%) * 2M * for initial LVC/veLVC liquidity (2.63%) *

V2 Emissions

100MLVC will be distributed over the course of ~68 weeks, with an exponential decay of 1%.

Weekly emissions start at 2MLVC (2% of the initial supply).

After 68 weeks, the total supply of LVC will be approximately 199M (199,022,822), tail emissions will be 0.05% of the total supply perpetually.

- 100,000 LVC / week
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Alternatively, users can calculate weekly emissions based on the previous week's emissions:

$$Emissions(week(N)) = Emissions(week(N-1)) * 0.99$$

$$Emissions(week(N)) = Emissions(week(N-1)) * 0.99$$

$$= Emissions(week(N$$

$$- 1))$$

$$* 0.99$$

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