

Project Name:

Revert Compoundor

Author Name:

[@mariorz](#)

I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant:

Yes, grant recipient is Revert Labs Inc.

L2 Recipient Address:

0x8cadb20a4811f363dadb863a190708bed26245f8

Grant category:

Governance Fund, Phase 1

Is this proposal applicable to a specific committee?

Yes, the proposal falls under the DeFi committee. Perhaps also the Tooling Committee if they are willing to review.

Project description:

Revert's mission is to build powerful analytic tools for liquidity providers in AMM protocols while keeping them open and accessible by everyone.

This proposal focuses on the "Revert Compoundor

" a protocol to automate compounding of fees for LPs on Uniswap v3.

The Revert auto-compounder allows LPs to automate the compounding of the accrued fees in exchange for a fixed percentage of the compounded fees. This serves to incentivize a maximum number of compounds at optimal times with regards to gas costs.

Depending on the fee APR and size of positions this can significantly improve returns.

Project links:

- Website: <https://revert.finance/>
- Gitcoin: [Revert | Grants | Gitcoin](#)
- Docs: [Auto-compounder - Revert](#)
- Whitepaper: [Revert Compoundor - HackMD](#)
- Twitter: <https://twitter.com/revertfinance>
- Discord/Discourse/Community: [Discord](#)
- Please include all other relevant links below: [Revert on Defilama](#)

Additional team member info:

Founder: [@mariorz](#)

Relevant Usage Metrics:

- Revert Compoundor:
- \$1,500,000 USD across all chains, latest TVL can be checked on Defi Llama
- \$200,000 on Optimism
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- \$200,000 on Optimism
- Revert App Connected accounts:
- Over \$940,000,000 USD across all chains

- Over \$2,000,000 USD on Optimism
- Over \$940,000,000 USD across all chains
- Over \$2,000,000 USD on Optimism

Is this project be open sourced?

Yes, the compoundor contract and related projects (comopoundor-js) are open sourced along side other open sourced repos [Revert · GitHub](#)

Optimism native?:

No

Date of deployment/expected deployment on Optimism:

Revert Compoundor has been live on Optimism since July 18th.

Ecosystem Value Proposition:

Our mission is to build powerful tools for liquidity providers in AMM protocols. We believe AMMs are going to become a fundamental part of financial markets in the coming years, this will create new investment opportunities for retail investors but will also require open, transparent, and accessible tools for everyone. Optimism, by lowering gas costs, makes LPing more accessible to a much larger number of users, also making more active strategies viable for non-whales, which in turn makes tools like the sort we build required by a larger number of users.

So far we've built and integrated with Optimism the following tools:

- Uniswap v3 position analytics
- Uniswap v3 initiator: backtest and initiate positions on Uniswap v3

<https://revert.finance/#/initiator?fee&network=optimism&token0&token1>

- Top positions: browse top performing v3 positions and filter/sort by different criteria
- Compoundor: Protocol to automate compounding of LP fees for Uniswap v3 positions This is what we are hoping to incentivize in driving liquidity towards Optimism.
- More info on our docs: <https://docs.revert.finance>

Has your project previously applied for an OP grant?

No

Number of OP tokens requested:

240,000

After reviewing other incentivized projects, we believe this is a reasonable amount to validate the strategy proposed with the goal of migrating sticky liquidity from mainnet towards Optimism. With ~300,000K USD to distribute over a 3 month period we believe we should be able to increase Uniswap liquidity on Optimism by over ~20m USD (total liquidity is currently around 60m). This would be measurable separate from Uniswap growth by measuring the TVL of the Revert Compoundor itself.

Did the project apply for or receive OP tokens through the Foundation Partner Fund?:

We have not.

How much will your project match in co-incentives?:

We have already done the heavy lifting in the sense that we are fully integrated with Optimism. But we will promote the OP rewards program with our users and the expected APR improvements in migrating their existing liquidity and make that as easy as possible.

Revert will also contribute with a significant marketing push over our community and user base by promoting this program on our Twitter account, Discord server, Mirror blog, and more importantly in-product, highly directed, communication on our app.

Proposal for token distribution:

- How will the OP tokens be distributed?

100% will go to Uniswap v3 LPs on the Revert Compoundor Protocol on Optimism.

All LPs will be eligible to join the program, except team wallets which will be excluded. The distribution will be done in tranches via merkle airdrops. We will iterate on the criteria and parameters for the distribution, but they will be based on TVL, compounded amounts, and forms of vesting or minimum timeframes. The specific criteria and scripts will of course be made public. We will likely favor popular assets, or otherwise make sure valueless pairs are not a vector for exploiting the program.

- Over what period of time will the tokens be distributed?
- We are targeting 3 months, but we will adjust the period to try to incentivize more sticky liquidity as we learn from the results. Also explained in the previous answer.
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- How will this distribution incentivize usage and liquidity on Optimism?
- It will make LPing any specific asset pair on Optimism more attractive, particularly more so for positions with a high fee-apr which would imply in-range liquidity and pools that have low liquidity relative to volume. In other words it will incentivize liquidity in Uniswap in the pools and ranges where it is more needed.
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- Why will the incentivized users and liquidity remain after incentives dry up?
- Ultimately we believe our users as LPs will flow towards the pools that offer the best returns. However, because compounding has a cost of gas and compoundor (keeper) fees, there is a period until using the autocompoundor reaches break-even. In general our protocol is more attractive to positions that have longer time frame expectations. We go into this in our whitepaper.
- We will target the distribution rate of the rewards so that it incentivizes existing liquidity on Ethereum towards the Optimism pools, without being high enough to attract temporary “farming” liquidity. So the period over which the period will be distributed will be adjusted accordingly. We will also analyze and share the results of the incentives program, in terms of attracting long-term liquidity to Optimism, as a case study from which we can all learn from.
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- Please list the milestones/KPIs you expect to achieve for each initiative, considering how each relates to incentivizing sustainable usage and liquidity on Optimism.
- With the requested amount, we expect to increase Compoundor TVL on Optimism by at least 20m. We will evaluate and publish results of 3 iterations of setting and parameters to maximize the amount of sticky liquidity we can bring to Optimism.
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Please provide any additional information that will facilitate accountability:

Revert Compoundor Address: 0x5411894842e610C4D0F6Ed4C232DA689400f94A1