

Project Name

: Polynomial Protocol

Author Name

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Defillama TVL (at snapshot)

: \$0M (approx \$2m)

Transactions/day (at snapshot)

: 150

Tier

: 3

Optimism native

: Yes

Revisions to metrics used

:

At the time of the snapshot, Polynomial had just launched their product, and there was no DefiLlama page; therefore on the spreadsheet - it shows up as \$0 TVL; it is up now and can be accessed by everyone at

[Polynomial Protocol: TVL and stats - DefiLlama](#)

Number of OP tokens to claim

: 900,000

L2 Recipient Address

: 0x59672D112d680CE34C20fF1507197993CC0bA430

Proposal for token distribution (under 1000 words)

:

Polynomial provides automated option strategies for its users. As an Optimism native project, Polynomial has a direct interest in the overall success of Optimism. By receiving an allocation from the \$OP governance fund, Polynomial will seek to benefit its users and the adoption of the entire Optimism ecosystem.

Goals

Polynomial has the following goals in mind:

1. Bring more users into the Optimism ecosystem.
2. Improve accessibility/visibility to our vaults
3. Increase TVL

Q) How will the OP tokens be distributed?

Retroactive Airdrop

Amount

: 180,000 \$OP

Criteria

: Existing users of Polynomial Earn Vaults

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Liquidity Mining

Amount

: 450,000 \$OP

Criteria

: Future users of Polynomial Products

To incentivize the product usage on optimism, we will be giving liquidity mining rewards to future vault users of Polynomial.

We have four Earn vaults, and plan to release v2 versions of these vaults along with Lyra's Avalon update. We plan to distribute \$OP tokens to these vaults equally for approx ~1-2 months following TGE. Before TGE, if more vaults are released, the tokens will be distributed amongst them too.

Allocation to a vault = total OP allocation * (vault capacity / total capacity of all vaults).

Newer vaults get a small multiplier (~1.5-2x).

Grants

Amount

: 128,580 \$OP

Criteria

:Contributors / Bug Bounty / Tooling / Hackathons(20% for early builders and 80% for future rewards)

Polynomial will reward the grants for bug bounties, toolings(i.e: Dune Analytics, Zapper), content creations and hackathons. Several volunteer community members have been building and creating with Polynomial for the past few months, and with these grants, we look forward to having more people build with Polynomial.

Building blocks

Amount

: 72,000 \$OP

Criteria

: Be an LP in Lyra

The capacity of Polynomial Vaults is directly proportional to the liquidity in Lyra.

Currently, Polynomial Vaults are almost operating at full capacity due to the inability to increase the vault size. Incentivizing LP'ing in Lyra will help us raise the vault capacity and help us bring more users to Optimism

Frens of Polynomial

Amount

: 69,420 \$OP

Criteria

: Be our fren

We love Optimism and are optimistic about the derivative ecosystem being built here.

We would love to pay it forward to the core devs of Optimism Native Derivative Projects :

Synthetix, Lyra, Perp, Pika, Kwenta and Thales

Questions

Q) How will this distribution incentivize usage and liquidity on Optimism?

Polynomials bring users to Optimism which stays as long term as Optimism. Since Polynomial is still at its day 1, we want to

incentivize root level growth that can profoundly impact the Optimism ecosystem. We are also an OP native project. Hence our growth is directly aligned with OP.

Polynomial is built on top of Synthetix and Lyra. Hence all incentives will drive growth for the underlying protocols as well.

Q) Why will the incentivized users and liquidity remain after incentives dry up?

Gas

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We are trying to onboard the next-gen users to web3; most new users find the gas in L1 relatively high. Hence being on OP helps drive user growth more than L1.

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65% of users are depositing under \$100. Combined with the low gas fees experienced when transacting on Optimism, this presents a relatively accessible option for onboarding new users to the option vaults.

User Retention

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Polynomial Earn Vaults have amassed a sizeable amount of sticky users - Unique addresses deposited against withdrawals since launch show that 78% of the users are still in the vaults, even after the considerable selloff in the crypto markets in May.

The vaults have operated at near capacity for most of the weeks it has been live.

Q) Over what period of time will the tokens be distributed?

We intend to distribute the tokens within a 6 month timeframe, liquidity mining will be done in 1-2 months.

Q) How much will your project match in co-incentives?

Polynomial doesn't have a token but we'll match bug bounty in USDC (capped at \$50K)