

DOCUMENT 06 · GENESIS 200 PRICING METHODOLOGY

Genesis *Pricing.*

The ratified reward calculation. A 125,000 MLMA base scaled by the Genesis, Hex Type, and Data Demand Score multipliers, cohort-normalized to the 25M operator pool, milestone-vested over twelve months.

STATUS

Pre-Launch

FRAMEWORK

Six-Layer DePIN

MAINNET TARGET

Q4 2026

CARDANO PREPROD

Active

STATUS

v1.0 · ratified 2026-05-23

RESERVE PRICE

\$2,000 (flat)

LISTING RANGE

\$2,150 to \$2,850

BASE ALLOCATION

125,000 MLMA

OPERATOR POOL

25,000,000 MLMA

VESTING WINDOW

12 months from activation

Two prices per hex (Genesis reserve \$2,000 flat; listing reference \$2,150 to \$2,850). Three-multiplier reward calculation (Genesis Year 1 × Hex Type × Data Demand Score). Cohort-wide normalization to the 25M MLMA operator pool. Milestone vesting over 12 months from hardware activation.

This is the canonical pricing methodology for the Genesis 200 sale, ratified against Whitepaper v1 and MLMA Tokenomics v1. The multiplier framework, cohort normalization, transfer policy, governance composition, and the framing of Genesis 200 as bootstrap economics were approved by the Token Team on 2026-05-23.

§ 01

Network economics *summary*

METRIC	VALUE
Genesis nodes available externally	195
Genesis nodes reserved by Mālama Labs	5 (visible in explorer, separate allocation)
Genesis nodes total	200
Reserve price per hex	\$2,000
Gross Genesis raise (195 × \$2,000)	\$390,000
Base MLMA allocation per operator	125,000
Genesis Year 1 Multiplier	1.5×
Hex Type Multiplier range	0.95× to 1.30×
Data Demand Score Multiplier range	0.70× to 1.30×
Genesis 200 operator pool (cap, per Whitepaper v1)	25,000,000 MLMA
Effective per-operator share at full cap (25M / 195)	~128,205 MLMA average
Cohort-wide normalization	Applied if total calculated eligibility exceeds 25M
Allocation as share of total supply (500M)	5.0%
Hardware shipping target	end of December 2026
Vesting window	12 months from individual hardware activation

On the cap. Whitepaper v1 specifies the Genesis 200 operator pool at 25M MLMA. That figure is the cap binding on the 195 external operators; the 5 Mālama Labs hexes are funded separately (\$06). The effective average per-operator share at full cap is $25M / 195 = \sim 128,205$ MLMA. The 125,000 base remains the calculation headline; the slight uplift reflects the reserved hexes being funded outside the pool.

On normalization. Individual eligibility is calculated with the multiplier framework. If the aggregate across the 195 external operators exceeds 25M, a cohort-wide factor scales the total to exactly 25M. This preserves the 125,000 base as the headline, preserves the multiplier framework's differentiation, and guarantees the protocol cap is binding. Operators see their relative position within the cohort, not an absolute earnings promise.

§ 02

The two *prices*

Genesis reserve price: \$2,000 across every hex. Every hex carries the same \$2,000 reserve regardless of classification, score, or geography. It covers two things: the Hex Node hardware kit (current reference design; see the Hex Node Specification) and a non-exclusive geographic operating license (NFT-HEX) with on-chain custody on Base (canonical) and mirrored on Cardano. The reserve subsidizes early network formation and may not reflect long-term costs.

Why a flat reserve when hexes differ in value? Charging differential prices during Genesis would concentrate ownership among operators best positioned to pay for high-value urban hexes. A flat reserve trades short-term revenue for early geographic decentralization; the reward framework, not the price, reflects the value differential.

Listing reference price: estimated \$2,150 to \$2,850. Each hex carries an estimated listing reference price computed from its Data Demand Score, classification, and comparable third-party monitoring cost. It is illustrative, an internal benchmark for post-Genesis pricing, not a market valuation; Genesis 200 operators pay the \$2,000 reserve regardless.

§ 03

How listing reference price is *computed*

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Listing Reference Price = Base Listing ($1,800)
                        + Data Demand Premium ($1,000 × DDS / 100)
                        + Classification Adjustment
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Classification adjustment: Urban Core +\$200, Urban +\$100, Suburban \$0, Rural -\$50, Remote -\$150. Worked examples (rounded): Idaho Remote (DDS 57) → \$2,220; Tokyo Urban (DDS 93) → \$2,830; NYC Urban (DDS 91) → \$2,810; London Suburban (DDS 71) → \$2,510. Base listing is illustrative, pending validation against market comparables.

§ 04

How rewards are *calculated*

Two layers compute final earned MLMA.

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Layer 1 – Calculated Eligibility = Base Allocation
                                × Genesis Year 1 Multiplier
                                × Hex Type Multiplier
                                × Data Demand Score Multiplier

Layer 2 – Final Earned MLMA = Calculated Eligibility
                                × (25,000,000 / Total Cohort Calculated Eligibility)
```

If the cohort total comes in below 25M (forfeitures, undersubscription), the normalization factor is 1.0 and operators earn their full calculated amount up to the cap.

Base allocation: 125,000 MLMA. **Genesis Year 1 Multiplier:** 1.5×, active for the first 12 months from each operator's hardware activation (not calendar Year 1), applied uniformly across all milestone payouts in that window.

Hex Type Multiplier: Urban Core 0.95×, Urban 1.00×, Suburban 1.10×, Rural 1.20×, Remote 1.30×. Higher for sparser settlement, reflecting the premium value of undermonitored coverage; the compressed range balances differentiation against emissions discipline.

Data Demand Score Multiplier: $0.70 + (\text{DDS} \times 0.006)$, so 0 → 0.70×, 50 → 1.00×, 100 → 1.30×. See the Data Demand Score page.

Worked examples (calculated eligibility, before normalization): Idaho Remote DDS 57 → 254,000; Tokyo Urban DDS 93 → 235,875; NYC Urban DDS 91 → 233,625; London Suburban DDS 71 → 232,196. If the cohort total is roughly 47M at expected average multipliers, the normalization factor is ~0.53 and these scale to roughly 123,000 to 135,000. Post-normalization figures are illustrative and depend on actual cohort composition. Remote hexes earn modestly more than Urban, but the spread is tighter than the calculated view suggests.

Note. Calculated eligibility is not guaranteed earned. It is subject to milestone vesting, network performance (uptime, tamper, PONO), and cohort normalization (the 25M cap is binding per Whitepaper v1).

§ 05

Milestone vesting *schedule*

Calculated eligibility vests against five milestones over 12 months from hardware activation:

MILESTONE	%	TRIGGER
Boot	15%	Deployment registration, KYB, first signed reading
PONO 90-day	15%	90-day PONO qualification
6-month	20%	Continuous PONO + uptime threshold + no tamper
9-month	20%	Same conditions
12-month	30%	Same conditions

Detailed definitions are codified in the Token and Rewards Risk Disclosure and the Hex Node Purchase and Preorder Agreement, which are the binding source of truth.

Forfeited MLMA. If an operator fails a milestone, that tranche does not vest; subsequent milestones can still be qualified. Forfeited MLMA returns to the Genesis Performing Operator Bonus Pool and is redistributed to operators who complete all milestone qualifications, keeping the 25M cap within the founding cohort and adding a reliability incentive.

§ 06

The five reserved Mālama Labs *hexes*

Five of the 200 Genesis hexes are reserved by Mālama Labs for internal deployment: counted within the 200 (195 external + 5 reserved), visible in the explorer with a "Reserved · Mālama Labs" badge, and operated under the same requirements as external nodes. Rewards for the 5 reserved hexes are funded from the Mālama Labs treasury, not the 25M operator pool, so there is no insider dilution of external operator economics. The 25M pool is fully reserved for the 195 external operators.

§ 07

Genesis 200 in the emissions *context*

The Genesis 200 operator allocation (25M MLMA) is a separate community sub-allocation, 5% of total supply, funded distinctly from the 60M eight-year emission schedule rather than drawn from it. For scale, it is roughly 40% the size of that schedule. The rationale: founding-cohort operators assume disproportionate deployment, hardware, execution, and reputational risk before the protocol reaches maturity, and the allocation reflects a bootstrap premium to accelerate distributed infrastructure before revenue-funded incentives dominate.

This is a transitional phase, not steady-state operator economics. Genesis 200 receives the 25M grant via milestone vesting. Post-Genesis cohorts earn from the network emission schedule at compressed rates reflecting reduced execution risk. In the revenue-funded steady state (Year 4+), USDC validator fees become the dominant operator compensation while MLMA emissions taper toward the burn floor. Genesis 200 economics are infrastructure bootstrap economics, not recurring operator economics.

§ 08

Post-Genesis *pricing*

After the Genesis 200 sale closes: the \$2,000 reserve closes; newly issued hexes sell at the listing reference price (calibrated against market comparables first); a resale market opens (operators transfer or sell at any price; Mālama does not control secondary pricing); the Hex Type framework continues for new operators, but the Genesis Year 1 multiplier applies only to original Genesis 200 operators in their first 12 months and does not transfer on resale.

Governance of methodology changes. Reviewed annually by the Mālama Pricing Committee. Currently internal Mālama Labs members across product, token economics, operations, and legal. Operator-elected representation joins when both more than 75% of the Genesis 200 cohort is active and at least 12 months have elapsed post-launch. Changes follow a 14-day Operator Forum comment period, Committee review, 30 days notice, and operator notification.

§ 09

Validator fee accruals (outside the MLMA *cap*)

In addition to MLMA milestone rewards, Genesis 200 operators earn validator fees: protocol revenue distributed in USDC from commercial buyer relationships. Paid in USDC, not MLMA; entirely outside the 25M operator cap and the 60M emission schedule; distributed pro-rata by per-hex revenue accrual, weighted by uptime and PONO qualification; continuous (target monthly), not milestone-vested. Full mechanics are on the Validator Fees page.

§ 10

Buyer *protections*

Three guarantees apply to all Genesis 200 reservations. Hardware quality: if hardware fails on arrival or within the 90-day install window for reasons other than buyer negligence, Mālama replaces it at no charge. Warranty: if hardware fails within the first 12 months of verified operation due to manufacturing defect, Mālama replaces it at no charge (excluding physical damage, tampering, or out-of-spec deployment). License portability: a Genesis 200 operator can transfer their license; the NFT transfers on-chain and Mālama does not restrict transfers.

On transfers and the Genesis Year 1 multiplier: the multiplier compensates the original commitment to bootstrap the network, the risk of reserving hardware months before delivery in a pre-launch protocol. It is taken by the original purchaser, so license transfers reset it; the new operator earns under the standard framework without the 1.5x bonus.

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