Babylon Genesis Tokenomics

Overview

Property	Details
Token Name	BABY
Total Initial Supply	10,000,000,000 BABY (10 Billion)
Denomination	ubbn (micro BBN)
Decimals	6 (1 BABY = 1,000,000 ubbn)
Inflation Rate	8% per annum (4% BTC staking rewards, 4% BABY staking rewards)
Governance	On-chain via BABY token voting (BTC stakers do not participate)

The Role of BABY in Babylon Genesis

BABY is the native token of Babylon Genesis. It will play a critical role in transactions, governance, and security within the ecosystem.

BABY serves as the gas token for Babylon Genesis, facilitating transactions and smart contract execution. It also enables governance, allowing token holders and their delegated validators to vote on protocol changes and network upgrades.

Dual Staking & Security Model

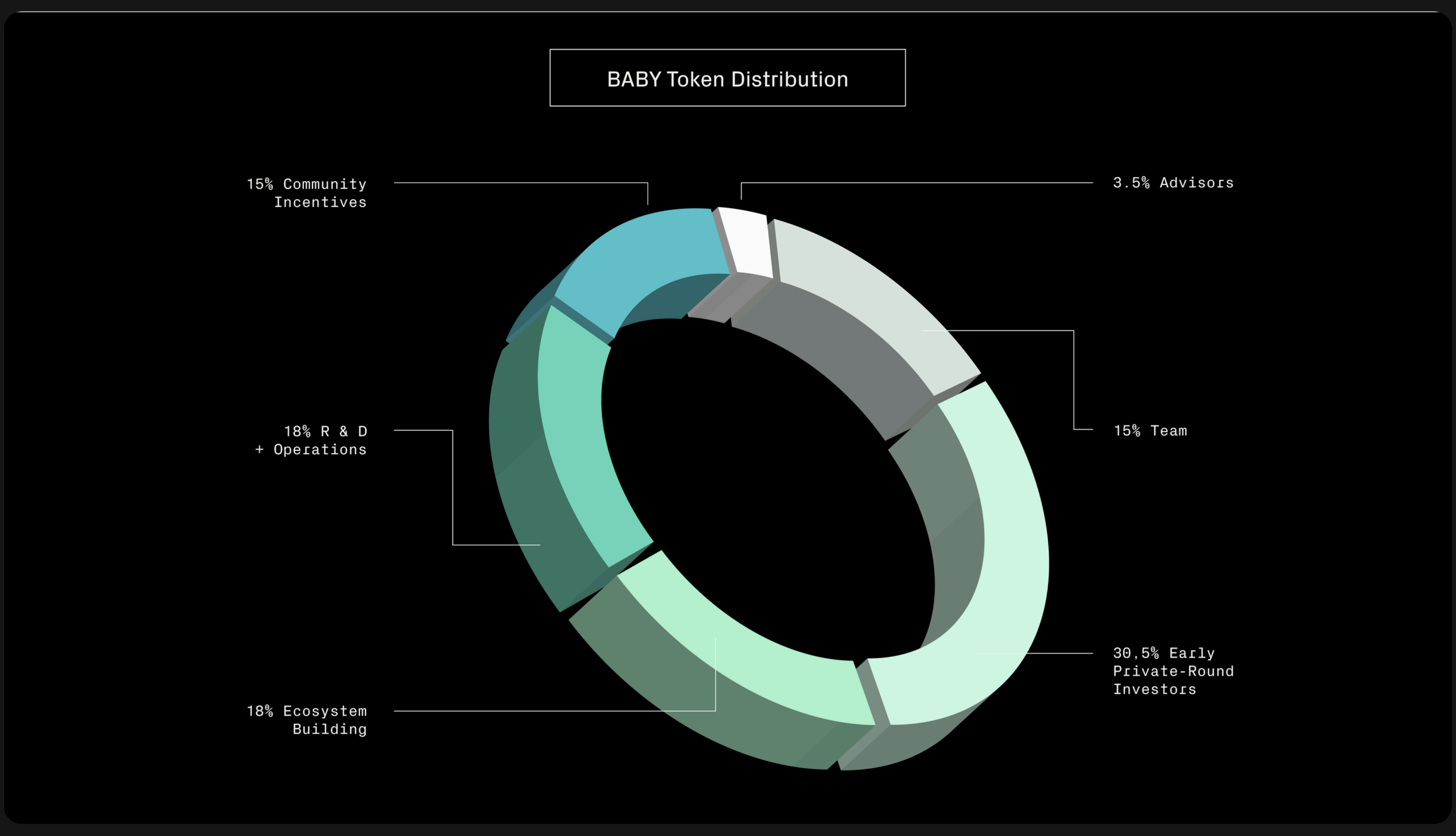
Babylon Genesis employs a dual staking model, utilizing both BABY and BTC to strengthen network security. Both Bitcoin stakers and BABY stakers contribute security and receive BABY rewards. This mechanism promotes long-term participation, supporting a sustainable security framework for the Babylon ecosystem.

By utilizing BABY tokens, Babylon Genesis aligns incentives across validators, Bitcoin stakers, and governance participants, positioning it to be a robust and decentralized Bitcoin Secured Network.

Token Distribution

Below is a breakdown of the planned allocation of 10,000,000,000 BABY tokens across various categories for a balanced distribution of incentives, ecosystem development, and governance. The allocation to the separate categories may be changed from time-to-time, and the names of the categories may change, provided that no additional allocation will be taken from other categories to be given to early team members, investors or advisors.

Category	Allocation (BABY)	Allocation (%)	Vesting	Unlocking
Community Incentives	1,500,000,000	15%	No	Fully unlocked
Ecosystem Building	1,800,000,000	18%	No	Yes, across 3 years
R&D + Operations	1,800,000,000	18%	No	Yes, across 3 years
Early Private Investors	3,050,000,000	30.5%	No	Yes, across 3 years
Team	1,500,000,000	15%	Yes, across 4 years	Yes, across 4 years
Advisors	350,000,000	3.5%	Yes	Yes, across 4 years



Community Incentives (15%)

To encourage participation in the Babylon ecosystem, 1.5 billion BABY tokens have been allocated for community incentives. These tokens, managed by the Babylon Foundation, are not locked and can be distributed at any time. Up to 400 million BABY tokens can be staked within this category, and any staking rewards will be attributed back to this category.

Ecosystem Building (18%)

To foster ecosystem growth, 1.8 billion BABY tokens (18%) have been allocated for grants, bounties, investments, marketing and acquisitions. These tokens will be unlocked over 3 years, with 25% unlocked at the Babylon Genesis network launch, and the rest unlocked linearly starting at the first anniversary of network launch.

Up to 800 million BABY tokens from this category can be staked, and any staking rewards will be attributed back to this category.

Research and Development + Operations (18%)

A total of 1.8 billion BABY tokens have been allocated to fund the operations of the Foundation as well as research and development activities for protocol and infrastructure development and advancing native use cases of Bitcoin. These tokens will be unlocked over 3 years, with 25% unlocked at the network launch, and the rest unlocked linearly starting at the first anniversary of network launch.

The Babylon Foundation has the flexibility to reallocate unlocked tokens from this category to support Community Incentives or Ecosystem Building if needed. Up to 800 million BABY tokens from this allocation can be staked, and staking rewards will be attributed back to this category.

Early Private-Round Investors (30.5%)

Early investors in Babylon are allocated 3.05 billion BABY tokens, following a 4-year unlocking schedule. The first unlocking event occurs on the first anniversary of the network launch, releasing 12.5% of the total allocation. The remaining tokens unlock linearly over 3 years. Investors cannot stake locked tokens in the first year. After the first year, the locked tokens can be staked.

Team (15%)

1.5 billion BABY tokens are allocated to the core Babylon team members. These tokens follow a 4-year vesting schedule, with a 1-year cliff followed by linear vesting of the remaining 3 years. Unvested tokens cannot be staked.

Vested tokens are subject to a 4-year unlocking schedule. The first unlocking event occurs on the first anniversary of the network launch, or one year service anniversary, whichever is later. This first unlock releases 12.5% of the total allocation. The remaining tokens unlock linearly over 3 years. Team members cannot stake locked tokens in the first year. After that, the locked tokens can be staked.

Advisors (3.5%)

350 million BABY tokens are allocated to advisors, following individual vesting schedules and the same 4-year unlocking schedule as the team. Unvested tokens cannot be staked. Advisors cannot stake locked tokens in the first year. After that, the locked tokens can be staked.