Wayfinder PRIME Staking Proposal 2

Author(s): Milamber Date: 17 April 2025

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Summary

We propose to extend our caches of 350,000 PRIME tokens in the Wayfinder staking contract to the maximum three years, yielding a points multiplier of 85.19x, vs. our current average multiplier of c.44x.

We are currently caching 150,000 PRIME for the maximum three years, 200,000 at an average multiplier of c.26x and 150,000 at an average multiplier of 16x. We are able to take advantage of our early caching and extend all of these locks to improve our PROMPT earning rate to c.85x.

Assuming everything remains static (i.e. dilution does not change), this move would increase our remaining PROMPT at the end of the period from 3.7m to 8.6m tokens, with potential upside if over time less users decide to cache or remain cached, or we add to our position with P2E earnings.

Motivation and Rationale

Now that the PROMPT TGE has taken place and there is a better sense of project value and expected ongoing returns, the DAO has the opportunity to max cache its current cached prime to get an 85x multiplier across everything, which would significantly increase its daily points and total PROMPT return.

In doing so we estimate the remaining PROMPT emitted to the DAO (assuming all things remain even) would increase from 3.7m to 8.6m, more than doubling the points and PROMPT earned. The team believes that doing so would provide better value to its tokenholders vs. continually extending caches or eventually selling the PRIME for the following reasons:

PRIME is underperforming and PROMPT has more upside

The value of selling PRIME today is less than the future PROMPT return the DAO would receive based on its existing multiplier and much less vs. extending. This is also an environment and market where liquidity and price are low and we would not want to sell. At present it feels like Wayfinder has more of the momentum and PROMPT is more likely to deliver a better return.

Being further exposed to PROMPT means better exposure to a wider part of the market and therefore larger upside vs. PRIME which has a narrower audience as primarily a TCG token at present. It would refresh the narrative around our own token and offer some further diversity.

Additionally, caching PRIME does not remove it from the Treasury - it will still show on our Treasury Dashboard and in Debank and other platforms for TVL purposes. PRIME would be returned at the end.

It positions PDT as a treasury asset to own to get exposure to PROMPT

Users will get access to an instant 85x multiplier and maximum badge set vs. buying PRIME and caching today for 50x. This will become more attractive over time as the multiplier drops, building on the time machine narrative.

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It will allow the DAO to diversify its content and operations further

Pivoting part of the day to day work towards Wayfinder will provide more opportunities for content, marketing PDT more easily as a Parallel and Wayfinder ecosystem beta vs. just Parallel TCG, and gives us additional opportunities through acting as validators, creation of paths and incorporation into Priming.

It will work with our existing buyback and burn strategy

As people unstake and sell PDT and we buy it back and burn it, the value delivered to stakers via PROMPT increases over time, rewarding those loyal stakers that stick around. Additionally more PROMPT is better for us as validators, and provides more opportunity to earn yield via PROMPT LPs which are delivering far more volume than PRIME. This yield can then be used for more buybacks.

It is the right decision now and we risk being diluted if we do nothing

When we first cached, we chose to cache around a third of our PRIME at the maximum amount, which made sense based on treasury goals and given the price of PRIME was much higher and uncertainty around how the token launch would play out was also high. Now with clarity and the drop in the PRIME price, what did not make sense then makes much more sense now and as more and more PRIME holders realise this, they will extend their caches to max and dilute what we expect to get.

Specification

Perform calculations to determine whether it is worth max caching

Various calculations have been performed to determine whether there is more value in max caching vs. holding or selling PRIME. The output of some of these is shared in the Workings section. Additional resources created by community members further validate our conclusions:

@Daveeemor (Researcher) - https://x.com/Daveeemor/status/1911480518526247103
@Sathematical (EP) - https://x.com/Sathematical/status/1912389903113240583

Discuss with Treasury Council and largest tokenholders to confirm support

Private discussions have been undertaken with our largest tokenholders as well as the Treasury Council to validate our conclusions and confirm their support for the proposal, which has been given. Following this, the proposal is being shared more widely with the community for further comment.

Wait an appropriate amount of time before executing

While this is a Treasury Council decision, the Easter weekend will be provided for people to comment on our public discussion forum before the transactions are executed on 21 April 2025.

Continue to monitor returns and determine if further caches are required

Due to dilution risk, the DAO may want to consider adding to its caches via the PRIME earned in other areas (TCG), vesting grant PRIME and the current uncached PRIME the treasury is holding.

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Workings

High-level calculations have been prepared and checked but are subject to change

The table below demonstrates the calculations used to determine the impact of extending all of our PROMPT caches. There are a number of unknown facts and factors impacting the final output as well as changes in cacher behaviour we are unable to predict,therefore these calculations should be seen as an estimate only and not a guarantee. Final PROMPT could be both higher or lower than presented.

PARAGONS TIP 8

ESTIMATED IMPACT	
METRIC	**VALUE**
TGE Date	10-Apr-25
End Date	19-Jun-27
Total Days	1,109
TGE Days	309
Days Left	800
Points at TGE	353,856,081,496
Estimated Final Points	1,692,055,271,096
Points Remaining	1,338,199,189,600
Total Prompt Airdrop	400,000,000
TGE Prompt	111,451,758
Prompt Remaining	288,548,242
Daily Prompt (All)	360,685
Daily Points (All)	1,672,748,987
Our Daily Points	21,450,728
Our Points Share	1.3%
Our Prompt Share	4,625
Final Estimated Prompt	3,700,238
Daily Points (All)	1,697,748,987
Our Daily Points	50,000,000
Our Points Share	2.9%
Our Prompt Share	10,622
Final Estimated Prompt	8,497,965
Staked PDT	90,000,000
Prompt Per 1,000 PDT	37.00
If Extended	84.98

By extending our caches to the maximum, the DAO could earn an additional c.130% PROMPT

Based on the number of days remaining and the current daily points the DAO earns relative to total points emitted daily, and assuming this stays equal (which it will not), we expect to earn around another 3.7m PROMPT in total. This results in c.37 tokens for each 1,000 PDT staked over the course of the next 800 days.

In extending our caches, the daily points earned would significantly increase and therefore the DAO's total share of PROMPT emitted. We estimate that this could result in an additional 4.7m PROMPT for a final total of 8.5m which works out at c.85 PROMPT per 1,000 PDT.

The impact of our max set of badges should be captured within the points figures used (taken from another community tool - https://prompt-points.com) and may also be subject to error.

A number of assumptions and estimates have been made to arrive at the final output, and it is subject to further changes such as new badges or changes in behaviour.

We have sense-checked these against the community calculations noted above and believe them to be current best estimates.

Timeline

Proposal to be enacted at the end of the weekend on 21 April 2025.

Costs

350,000 PRIME and gas costs for executing. No other costs are expected relating to this proposal.