

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Echelon Prime (PRIME)

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Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading PRIME. Investors should perform their own assessment to determine the appropriate level of risk for their personal circumstances. Be sure to do your own research and due diligence while taking into account your own financial situation and risk tolerance. Please review the [Risk Summary](#) for additional discussion of general risks associated with the assets made available in the platform. These materials are for general information purposes only and are not investment advice or a recommendation or solicitation to buy, sell or hold any crypto asset or to engage in any specific trading strategy. The information contained in this risk disclosure is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is Echelon Prime and how does it work?

Echelon Prime is an organization building a unified Web3 gaming ecosystem on the Ethereum blockchain. Its goal is to support play-to-earn titles by providing token-based incentives, developer grants (voted on by the community) and infrastructure such as software-development kits to help partner studios integrate blockchain functionality. PRIME is the ecosystem's ERC-20 utility token. Holders can purchase in-game items via dedicated marketplaces and participate in governance that shapes Echelon Prime's future direction.

The ecosystem is designed around games that embed PRIME in their core loop. As of May 2024 the flagship titles are Parallel TCG, a sci-fi trading-card game, and Parallel Colony, an AI-driven simulation centred on a mining outpost. Players may earn PRIME by winning ranked matches or through periodic in-game distributions funded by "PRIME Sinks," where a portion of spending on items is recycled back to the community. A "caching" mechanism allows users to lock eligible collectibles to receive additional PRIME rewards.

Governance is exercised on-chain: each PRIME equals one vote on proposals, including the election of eleven community representatives known as Emissaries Prime who steer ecosystem policy. PRIME holders also decide on grant allocations for new studios wishing to launch games or infrastructure within the network.

Who is behind the Project?

The Echelon Prime Foundation, the organisation that orchestrated the creation of the ecosystem, was founded in January 2022.

However, little is known about the original project team as the original Whitepaper details 11 pseudo-anonymous ‘Emissary Primes’, or leaders, of the foundation that are tasked with managing the ecosystems direction. As of August 2025, all Emissary Primes are still pseudo-anonymous.

Tokenomics of PRIME

The PRIME token has a maximum supply of 111,111,111, with a current circulating supply of approximately 53,480,368 as of August 2025. The token is subject to a 24 month vesting period and the proposed distribution, at genesis, of the circulating supply is set out below:

Category	Allocation
Gameplay pool	31.7%
Parallel studio reserve	19.7%
Parallel studio investors	16.2%
Caching	14.1%
Echelon foundation reserve	11.2%
Prime events	7.1%
Total	100%

General Risks

Like all other digital assets, there are some general risks to investing in PRIME. These include short history risk, volatility, and liquidity risk, demand risk, forking risk, code defects, cryptography risk, regulatory risk, concentration risk, electronic trading risk and cyber security risk. For more information on general risks associated with smart contracts and digital assets, see Kraken’s Risk Statement.

Risks specific to Echelon Prime

Competition risk

The Echelon Prime network faces competition from other gaming ecosystems. PRIME’s value derives from its broader adoption in the market. If the Echelon Prime network fails to achieve sufficient adoption compared with other options, this could negatively impact the value of PRIME.

Developer dependence

While many developers contribute to Echelon Prime, there are no guarantees that they will continue to do so. PRIME could be negatively affected by an inability to retain and/or attract developers to continue building out the protocol.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on PRIME and determined it was permitted to make PRIME available for trading to UK users. This process generally consists of reviewing publicly available information on the following:

- The creation, governance, usage and design of PRIME, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created PRIME;
- The supply, demand, maturity, utility and liquidity of PRIME;
- Material technical risks associated with PRIME, including any code defects, security breaches and other threats concerning PRIME and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and
- Legal and regulatory risks associated with PRIME, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of PRIME, and (ii) consideration of statements made by any regulators or securities regulatory authorities in the UK, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to PRIME about whether PRIME, or generally about whether the type of crypto asset, is a security and/or derivative.

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong. [Take 2 mins to learn more.](#)

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