Cycle Network MiCAR White Paper

IN ACCORDANCE WITH

TITLE II OF REGULATION (EU) 2023/1114

02. Statement in accordance with Article 6(3) of Regulation (EU) 2023/1114:

This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The person seeking admission to trading of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

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01. Date of Notification: 2025-09-15

Regulatory Disclosures

03. Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114

This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 and, to the best of the knowledge of the management body of Cycle Network, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.

04. Statement in accordance with Article 6(5), points (a), (b), (c):

The crypto-asset referred to in this white paper may lose its value in part or in full, may not always be transferable and may not be liquid.

05. Statement in accordance with Article 6(5), point (d):

The utility token referred to in this white paper may not be exchangeable against the good or service promised in the crypto-asset white paper, especially in the case of a failure or discontinuation of the crypto-asset project.

06. Statement in accordance with Article 6(5), points (e) and (f):

The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council. The crypto-asset referred to in this white paper is not covered by the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

Summary

07. Warning:

This summary should be read as an introduction to the crypto-asset white paper. The prospective holder should base any decision to purchase this crypto-asset on the content of the crypto-asset white paper as a whole and not on the summary alone. The offer to the public of this crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law. This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council (36) or any other offer document pursuant to Union or national law.

08. Characteristics of the Crypto-Asset Purchasers of CYC have the right of ownership but no additional obligations. Ownership allows the holder to use the token for its intended utilities within the Cycle Network, such as paying for transaction fees and accessing services. These rights are exercised by holding CYC in a compatible digital wallet or on an exchange platform, which is subject to completing KYC/AML verification and adhering to the platform's terms. The issuer cannot alter the rights and obligations of the token; any modifications can only be made in accordance with applicable laws or regulations, with prior notification given to token holders.

09. Utility Token Summary The CYC token is a utility and governance token for the Cycle Network's universal all-chain settlement layer. The token's primary functions include: (i) paying for gas and transaction fees for bridgeless cross-chain interactions; (ii) enabling access to the Cycle SDK and APIs for B2B integrations; (iii) participating in ecosystem governance; and (iv) staking to unlock premium features and earn rewards. The total supply is fixed at 1 billion CYC tokens. Transferability of CYC is restricted for allocations to the team, investors, and treasury, which are subject to lock-up cliffs of up to 12 months followed by vesting periods lasting up to 48 months. Additionally, sanctioned individuals and U.S. persons are restricted from holding the token.

10. Key Information About the Admission to Trading No public offer of Cycle Network (CYC) tokens is being made for fundraising purposes. This disclosure concerns the admission to trading of the token, not a new issuance or sale. Consequently, there is no associated fundraising target, issue price, or subscription period. The admission to trading is intended to enhance transparency, increase accessibility for users, and support the growth of the Cycle Network ecosystem. No crypto-asset service provider has been appointed to place the token. Admission to trading is being sought for the Kraken trading platform.

A. Information about the Person Seeking Admission to Trading

A.1 Name: EasyRoll Tech PTE. LTD.

A.2 Legal Form: 6EH6

A.3 Registered address: Craigmuir Chambers, Road Town, Tortola, VG1110, VG

A.4 Head office: N/A

A.5 Registration Date: 2023-05-15

A.6 Legal entity identifier: N/A

A.7 Another identifier required pursuant to applicable national law: 2124141

A.8 Contact telephone number: +65 98698097

A.9 E-mail address: team@cyclenetwork.io

A.10 Response Time (Days): 002

A.11 Parent Company: N/A

A.12 Members of the Management body:

Name	Business Function	Business Address
Jessica Zheng	CEO	Craigmuir Chambers, Road Town, Tortola, VG1110, VG
Camila Chu	CMO	Craigmuir Chambers, Road Town, Tortola, VG1110, VG

A.13 Business Activity:

1. Business Activity

Cycle Network is building a universal all-chain settlement layer and a bridgeless liquidity network, providing unified stablecoin settlement, liquidity aggregation, and verifiable reconciliation with bank reserves & RWAs. It offers Cycle SDK, settlement APIs, and developer tools to businesses and developers.

2. Market Activities

Cycle Network has executed a series of high-impact ecosystem campaigns to expand token utility, community engagement, and liquidity opportunities:

1. UnicornX Staking Campaign (Sep 4 – Oct 4)

Cycle Network partnered with UnicornX to launch a staking initiative offering 14% APY on $CYC, alongside additional X Points rewards. The campaign promoted "diamond hands" by rewarding holders through soft staking — users simply needed to hold their tokens without selling or transferring.

2. Summer of Symbiotic Campaign on Galxe

Through @Galxe, Cycle Network joined the "Summer of Symbiotic" initiative, offering community-driven missions. Users could stake $CYC on @mellowprotocol to unlock attractive yields and participate in gamified engagement activities.

3. Cycle Vault Launch with Mellow Protocol

Cycle Network introduced Cycle Vault on @mellow_protocol, offering staking yields of up to 200% APR for the first 10 million $CYC deposited. This limited-time opportunity drove significant on-chain activity, positioning Cycle as a high-yield DeFi player and expanding its liquidity infrastructure.

4. Cycle Network Offline Events

Cycle Network has been actively engaged in major crypto events and will soon be attending KBW in Korea and Token2049 in Singapore.

A.14 Parent Company Business Activity: N/A

A.15 Newly Established: true

A.16 Financial condition for the past three years:

1. **Financial Overview Since Incorporation**

- The company was incorporated in May 2023, and the operating period has not yet exceeded three years.
- In December 2023, the company received its first round of financing. As of now, the total financing raised amounts to USD 3,175,000.
- Since product launch, the company has gradually generated revenue, with a cumulative business profit of USD 696,358.7.
- At present, the company maintains a stable monthly revenue of approximately USD 50,000–60,000, reflecting steady business growth.

2. **Financial Statements and Explanatory Notes**

- Due to the company's short operating history, the available annual financial statements cover only a limited period.
- Funds have primarily been allocated to research and development, market expansion, and team operations.

- No abnormal or extraordinary events have occurred that had a significant adverse impact on revenue.

3. **Capital Resources and Cash Flow**

- Capital resources: Short-term resources are mainly operational funds, while long-term resources are derived from cumulative financing.
- Cash flow: The main sources are financing and product-related revenue. Financing has provided a stable cash reserve, complemented by steadily growing business income, ensuring robust financial capacity for operations.

4. **Recent Developments**

- The company has completed the development of its core products and achieved initial market validation, with stable recurring monthly revenue at this stage.
- Going forward, the company will continue to leverage its existing financing and cash reserves to strengthen investment in technology R&D, market expansion, and ecosystem partnerships, with the goal of further scaling revenue and enhancing profitability.

B. Information about the issuer, if different from the offeror or person seeking admission to trading

B.1 Issuer Information: false, the offeror and entity are the same, so this section is not applicable

B.2 Name: N/A

B.3 Legal Form: N/A

B.4 Registered address: N/A

B.5 Head office: N/A

B.6 Registration Date: N/A

B.7 Legal entity identifier: N/A

B.8 Another identifier required pursuant to applicable national law: N/A

B.9 Parent Company: N/A

B.10 Members of the Management Body: N/A

B.11 Business Activity: N/A

B.12 Parent Company Business Activity: N/A

C. Information about the operator of the trading platform in cases where it draws up the crypto-asset white paper and information about other persons drawing the crypto-asset white paper pursuant to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114

C.1 Name: N/A, This section is not applicable, as neither the operator of a trading platform nor any other person, apart from the issuer, has drawn up or contributed to the preparation of the crypto-asset white paper.

C.2 Legal Form: N/A

C.3 Registered address: N/A

C.4 Head office: N/A

C.5 Registration Date: N/A

C.6 Legal entity identifier of the operator of the trading platform: N/A

C.7 Another identifier required pursuant to applicable national law: N/A

C.8 Parent Company: N/A

C.9 Reason for Crypto-Asset White Paper Preparation: N/A

C.10 Members of the Management body: N/A

C.11 Operator Business Activity: N/A

C.12 Parent Company Business Activity: N/A

C.13 Other persons drawing up the crypto- asset white paper according to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114: N/A

C.14 Reason for drawing the white paper by persons referred to in Article 6(1), second subparagraph, of Regulation (EU) 2023/1114: N/A

D. Information about the Crypto-Asset Project

D.1 Crypto-asset project name: Cycle Network

D.2 Crypto-assets name: CYC

D.3 Abbreviation: CYC

D.4 Crypto-asset project description: Cycle Network is building a universal all-chain settlement layer and a bridgeless liquidity network for the entire blockchain ecosystem, aiming to become the VisaNet of crypto.

D.5 Details of all natural or legal persons involved in the implementation of the crypto-asset project:

Name	Business Function	Business Address
Jessica Zheng	CEO	Craigmuir Chambers, Road Town, Tortola, VG1110, VG
Camila Chu	CMO	Craigmuir Chambers, Road Town, Tortola, VG1110, VG

D.6 Utility Token Classification: true

D.7 Key Features of Goods/Services for Utility Token Projects:

CYC is embedded into the core of Cycle’s infrastructure and product layer:

- Used for gas in bridgeless cross-chain interactions (Rollin/Rollout)
- Needed for SDK/API access and B2B integrations with SuperApps, stablecoin issuers, and payment apps

As more developers and businesses adopt Cycle, demand for token usage will grow accordingly.

Governance and Long-Term Alignment

CYC will power governance in the Cycle ecosystem, incentivizing long-term holding among contributors and the community. As the protocol scales, more decisions will be delegated to token holders, enhancing token relevance and value capture.

D.8 Plans for the token:

Cycle Network conducted its Token Generation Event (TGE) on August 4, 2025. The native token, CYC, is a fixed-supply utility and governance token with a total supply of 1,000,000,000 CYC. No further tokens will ever be minted.

The allocation and release schedule are designed to ensure long-term sustainability, incentivize community growth, and secure the network:

- Team & Advisors (20%) Locked with a 12-month cliff post-TGE (no tokens released in the first year), followed by linear vesting over 48 months.
- Business & Ecosystem Incentives (20%) A dedicated fund for ecosystem growth, such as rewarding projects that drive volume, providing grants to infrastructure builders, and strategic ecosystem partnerships. Distribution begins with measurable contributions; once governance is live, allocation decisions will transition to community voting.
- Community (15%) Reserved for community initiatives, including airdrops and user incentive programs. Rewards are distributed semi-annually and fully unlocked after three years.
- Investors (15%) Allocated to early investors and strategic partners. Subject to a 12-month cliff post-TGE, followed by vesting over 24–36 months depending on agreement terms.
- Treasury (10%) Locked for six months post-TGE, then gradually unlocked over 48 months. Provides long-term reserves for protocol sustainability.
- Market Expansion & Platform Staking (10%) Designed to support market expansion, liquidity provision, and staking incentives. A portion may be used at TGE for initial liquidity or listings, with the remainder released gradually to reinforce growth campaigns and liquidity depth.
- Staking & Shared Security Rewards (10%) Incentives for network security via staking and restaking mechanisms (e.g., through Symbiotic). Distributed linearly over 60 months (5 years) to ensure stable, long-term security rewards and encourage validator/restaker commitment.

D.9 Resource Allocation:

Cycle Network allocates resources across several key areas to ensure sustainable growth and ecosystem development:

• Technology & Development – A major portion of resources is dedicated to building and maintaining the all-chain settlement layer, rollup infrastructure, and the bridgeless liquidity network.
• Security & Audits – Continuous security audits, bug bounties, and monitoring are prioritized to protect users and maintain trust.
• Marketing & Awareness – Dedicated resources are allocated to marketing campaigns, strategic brand positioning, content creation, and partnerships to expand visibility, attract new users, and strengthen global recognition of Cycle Network.
• Ecosystem Growth – Resources are allocated to incentivize liquidity providers, staking

participants, and partner projects through token rewards and liquidity incentives.
• Community & Governance – Investment in community engagement, education, and governance participation ensures long-term decentralization and alignment with users.
• Operations & Compliance – Resources are directed toward operational support, partnerships, and ensuring compliance with relevant regulations.

D.10 Planned Use of Collected Funds or Crypto-Assets:

- Used for gas in bridgeless cross-chain interactions (Rollin/Rollout)
- Needed for SDK/API access and B2B integrations with SuperApps, stablecoin issuers, and payment apps

E. Information about the Admission to Trading

E.1 Public Offering or Admission to trading: ATTR

E.2 Reasons for Public Offer or Admission to trading: The decision to conduct a public offer and seek admission of the Cycle Network Token to trading venues is primarily driven by the objectives of transparency, accessibility, and sustainable ecosystem growth.
• Transparency and Compliance – A public offer under MiCAR provides legal certainty and demonstrates Cycle Network's commitment to operating within a regulated framework, ensuring investors and users benefit from enhanced protections and full disclosure.
• Accessibility and Liquidity – Admission to trading facilitates broader access to the token, enabling participants worldwide to acquire and use it seamlessly. It also enhances liquidity, which supports fair price discovery and long-term utility.
• Ecosystem Growth – A tradable token strengthens adoption of the Cycle Network, incentivizes participation in staking, governance, and liquidity provision, and fosters confidence among partners and developers.
• User and Investor Protection – Listing on regulated venues ensures that trading activity occurs in a secure, transparent, and monitored environment, aligning with MiCAR's objectives of market integrity and user protection. By pursuing a public offer and admission to trading, Cycle Network ensures that its token achieves the accessibility, credibility, and market infrastructure necessary to support the project's long-term mission.

E.3 Fundraising Target: N/A

E.4 Minimum Subscription Goals: N/A

E.5 Maximum Subscription Goal: N/A

E.6 Oversubscription Acceptance: N/A

E.7 Oversubscription Allocation: N/A

E.8 Issue Price: N/A

E.9 Official currency or any other crypto- assets determining the issue price: N/A

E.10 Subscription fee: N/A

E.11 Offer Price Determination Method: N/A

E.12 Total Number of Offered/Traded Crypto- Assets: 1

E.13 Targeted Holders: ALL

E.14 Holder restrictions: Purchasers must complete KYC/AML. Sanctions-listed individuals and U.S. persons are restricted.

E.16 Refund Mechanism: N/A

E.17 Refund Timeline: N/A

E.18 Offer Phases: N/A

E.19 Early Purchase Discount: N/A

E.20 Time-limited offer: N/A

E.21 Subscription period beginning: N/A

E.22 Subscription period end: N/A

E.23 Safeguarding Arrangements for Offered Funds/Crypto-Assets: N/A

E.24 Payment Methods for Crypto-Asset Purchase: Accepted payment methods include USDT, USDC, and fiat payment service providers (PSPs).

E.25 Value Transfer Methods for Reimbursement: Refunds, if applicable, will be processed to the same-name account or wallet after KYC re-verification.

E.26 Right of Withdrawal: N/A

E.27 Transfer of Purchased Crypto-Assets: Tokens are delivered via on-chain transfer to the purchaser's self-custody wallet or credited to their exchange account.

E.28 Transfer Time Schedule: N/A

E.29 Purchaser's Technical Requirements: An EVM-compatible wallet address, sufficient gas fees, and successful completion of KYC.

E.30 Crypto-asset service provider (CASP) name: N/A

E.31 CASP identifier: N/A

E.32 Placement form: N/A

E.33 Trading Platforms name: Kraken

E.34 Trading Platforms Market Identifier Code (MIC): PGSL

E.35 Trading Platforms Access: The issuer does not impose any costs on investors for accessing Kraken. Any costs incurred are limited to Kraken's standard exchange fees, which may include trading fees (spot/derivatives transaction fees), as well as deposit and withdrawal fees. These costs are determined independently by Kraken and may vary depending on the type of transaction and payment method used.

E.36 Involved costs: The issuer does not impose any costs on investors for accessing the trading platforms. Any costs incurred are limited to standard exchange fees, which may include: - Trading fees (spot/derivatives transaction fees charged by the CASP), -

Deposit and withdrawal fees, as determined by each platform. These costs are set independently by the trading platforms and may vary between CASPs.

E.37 Offer Expenses: N/A

E.38 Conflicts of Interest: The issuer confirms that it does not operate any of the trading platforms on which the crypto-asset is admitted to trading. Accordingly, there are no conflicts of interest between the issuer and the trading platforms. Any potential conflicts would be disclosed promptly to investors in line with MiCA requirements.

E.39 Applicable law: The laws of the British Virgin Islands.

E.40 Competent court: The laws of the British Virgin Islands

F. Information about the Crypto-Assets

F.1 Crypto-Asset Type: CIC tokens are considered as crypto-assets other than EMTs and ARTs under Regulation (EU) 2023/1114. CIC tokens are fungible utility tokens.

F.2 Crypto-Asset Functionality:

CYC is embedded into the core of Cycle's infrastructure and product layer:

- Used for gas in bridgeless cross-chain interactions (Rollin/Rollout)
- Needed for SDK/API access and B2B integrations with SuperApps, stablecoin issuers, and payment apps

As more developers and businesses adopt Cycle, demand for token usage will grow accordingly.

Governance and Long-Term Alignment

CYC will power governance in the Cycle ecosystem, incentivizing long-term holding among contributors and the community. As the protocol scales, more decisions will be delegated to token holders, enhancing token relevance and value capture.

F.3 Planned Application of Functionalities:

The core multi-chain asset settlement functionality is already live — our system currently supports settlement across 20+ different crypto assets.

We are continuously expanding by integrating new blockchain networks and adding support for additional crypto assets based on ecosystem demand.

This ensures that our settlement layer is not only available today, but also evolving rapidly to meet the needs of new chains and assets.

F.4 Type of white paper: OTHR

F.5 The type of submission: NEWT

F.6 Crypto-Asset Characteristics:

Fixed supply: 1,000,000,000

Transferable, no freeze

No privacy features

Ethereum-compatible standard

F.7 Commercial name or trading name: Cycle Network

F.8 Website of the issuer: https://www.cyclenetwork.io/

F.9 Starting date of offer to the public or admission to trading: 2025-10-13

F.10 Publication date: 2025-10-13

F.11 Any other services provided by the issuer:

In addition to the issuance of $CYC, Cycle Network provides SDKs, APIs, and developer support services. These are purely software and technical integration services and therefore fall outside the scope of crypto-asset services regulated under Regulation (EU) 2023/1114, being instead subject to general Union and national laws applicable to IT and commercial services.

F.12 Language or languages of the white paper: English

F.13 Digital Token Identifier Code used to uniquely identify the crypto-asset or each of the several crypto assets to which the white paper relates, where available: N/A

F.14 Functionally Fungible Group Digital Token Identifier, where available: Not applicable

F.15 Voluntary data flag: false

F.16 Personal data flag: false

F.17 LEI eligibility: true

F.18 Home Member State: IE

F.19 Host Member States: AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IS, IT, LI, LV, LT, LU, MT, NL, NO, PL, PT, RO, SK, SI, ES, SE

G. Information on the rights and obligations attached to the crypto-assets

G.1 Purchaser Rights and Obligations: Purchasers have no additional rights and obligations other than ownership of the crypto-asset.

G.2 Exercise of Rights and obligations: Rights are exercised by maintaining custody of the crypto-asset in a compatible wallet or account with an admitted trading platform. Conditions include the successful completion of onboarding (KYC/AML) and compliance with trading platform rules.

G.3 Conditions for modifications of rights and obligations: The Cycle Network Foundation is not able to modify any rights and obligations of the CYC Token. Rights and obligations may only be modified in accordance with applicable EU or national law, regulatory requirements, or by decisions adopted under the MiCA framework, with prior notification to investors.

G.4 Future Public Offers: At present, no additional public offers beyond the current admission to trading are planned. Any future offers will be made in compliance with MiCA and disclosed to the competent authority in advance.

G.5 Issuer Retained Crypto-Assets: 150000000

G.6 Utility Token Classification: true

G.7 Key Features of Goods/Services of Utility Tokens:

CYC is a utility token issued by Cycle Network with the following core functionalities:

- Transaction Fees: Tokens are required to pay for transaction settlement and execution within the all-chain settlement layer and rollup infrastructure.
- Staking and Network Participation: CYC can be staked to support network security and stability. Stakers are eligible to receive staking rewards in accordance with the tokenomics framework.
- Access to Ecosystem Services: Tokens grant access to partner applications and services built on Cycle Network, such as liquidity pools, DeFi integrations, and cross-chain utilities.
- Payment and Settlement: CYC facilitates permissionless payments and settlements across assets supported on the Cycle Network, reducing friction in cross-chain transactions.
- Governance Participation: CYC holders may engage in governance activities, including submitting and voting on proposals that influence the development and operation of the Cycle Network ecosystem.

G.8 Utility Tokens Redemption:

The CYC token may be redeemed by holders through its application within the Cycle Network ecosystem. Redemption mechanisms operate as follows:

- **Service Access** – Tokens can be spent directly within the network to access settlement services, cross-chain transfers, and other protocol-level utilities.
- **Staking and Governance** – Redemption occurs when tokens are locked or committed to staking programs or governance modules, granting corresponding rights or rewards.
- **Ecosystem Applications** – Tokens may be exchanged within partner platforms for liquidity incentives, yield opportunities, or premium service access.
- **Consumption of Tokens** – In certain use cases, redemption is final and results in permanent consumption (burn) of tokens, thereby reducing overall supply.

These mechanisms ensure that every token holder has a clear, transparent, and enforceable pathway to exercise the token's utility within the ecosystem.

G.9 Non-Trading request: true

G.10 Crypto-Assets purchase or sale modalities: N/A

G.11 Crypto-Assets Transfer Restrictions:

Tokens are freely transferable, except for lock-up or vesting schedules applicable to certain allocations.

G.12 Supply Adjustment Protocols: false

G.13 Supply Adjustment Mechanisms: N/A

G.14 Token Value Protection Schemes: false

G.15 Token Value Protection Schemes Description: N/A

G.16 Compensation Schemes: false

G.17 Compensation Schemes Description: N/A

G.18 Applicable law:

the laws of the British Virgin Islands

G.19 Competent court: The laws of the British Virgin Islands

H. Information on the Underlying Technology

H.1 Distributed ledger technology:

Cycle Network operates as a zk-Rollup–based distributed ledger, designed to provide a unified settlement layer for multi-chain ecosystems. - Security Layer: Cycle leverages Ethereum as its trust anchor, periodically submitting zero-knowledge proofs (ZKPs) to inherit Ethereum's Proof-of-Stake consensus security and finality. - Verifiable State Aggregation (VSA): Cycle introduces VSA technology to aggregate and verify cross-chain states, enabling bridgeless cross-chain liquidity and settlement without relying on external custodial bridges. This ensures asset integrity, minimizes fragmentation, and reduces systemic risks associated with conventional bridge architectures. - Multi-Layer Architecture: - Security Layer: Anchored in Ethereum for validation and finality. - Extended Layers: External L1s, L2s, and app-chains (EVM and non-EVM) connected via endpoints for data availability and event proofs. - Cycle Layer: A zk-EVM Rollup executing transactions, sequencing operations, and generating state roots for verification.

H.2 Protocols and technical standards:

Cycle Network adheres to widely adopted blockchain standards to maximize interoperability: - EVM Compatibility: Full support for EVM-based smart contracts, ensuring developers can deploy existing Solidity applications seamlessly. - Token Standards: Support for ERC-20, ERC-721, ERC-1155, and ERC-4626, enabling fungible tokens, NFTs, multi-asset standards, and tokenized vaults. - Cross-Chain Messaging: Native Rollin/Rollout interfaces for asset entry/exit, with verifiable proofs submitted to the Cycle Layer, ensuring consistent state across chains. - Data Availability Standards: Extended Data Availability (EDA) ensures transaction data is accessible and verifiable across connected chains.

H.3 Technology Used:

Cycle Network integrates a robust technical stack to support cross-chain settlement and scalability: - zk-EVM Prover: Generates cryptographic proofs of transaction validity for submission to Ethereum, ensuring trust-minimized execution. - Decentralized Sequencer Network: Multiple sequencers order and batch transactions; sequencing rights are secured via - Symbiotic staking of CYC, enabling slashing for malicious behavior. - Omni State Channel Indexer (OSCI): Indexes global state across connected chains, synchronizing liquidity and asset balances. - Cycle SDK/API: Provides developers and enterprises (e.g., SuperApps, stablecoin issuers, payment providers) with integration tools for seamless asset and liquidity access.

H.4 Consensus Mechanism:

Cycle Network does not implement an independent Layer-1 consensus protocol. Instead, it inherits Ethereum's Proof-of-Stake security and finality by submitting zk-proofs to Ethereum.

• Transaction Ordering: Managed by decentralized sequencers, whose operations are validated through ZK proofs.
• Finality: Transactions on Cycle are considered final once proofs are submitted and verified on Ethereum.
• Decentralization: Sequencers are permissionless participants secured through staking mechanisms, ensuring censorship resistance and resilience.

H.5 Incentive Mechanisms and Applicable Fees:

Cycle Network employs a multi-layered incentive and fee framework to ensure network security, sustainability, and liquidity depth:
• Protocol Fees: Transaction execution on Cycle may incur minimal Rollup gas fees.
• Sequencer Incentives: Sequencers stake CYC tokens via Symbiotic; rewards are earned for correct sequencing, while misbehavior leads to slashing.
• Liquidity Incentives: Liquidity providers and integrators may receive rewards for supporting cross-chain liquidity pools and payment rails. Liquidity mining campaigns can be launched to bootstrap adoption.

H.6 Use of Distributed Ledger Technology: false

H.7 DLT Functionality Description: N/A

H.8 Audit: true

H.9 Audit outcome:

The technology audit has been completed by Salus Security. No critical issues were found, and minor findings have been addressed and resolved. Audit Link: https://xjl2b5etm07.sg.larksuite.com/wiki/VOVfwqhr8iw2JHkRnVplbCs0gjd#share-WVAOdqETvoreTExcWbMlqCO1g3d

I. Information on Risks

I.1 Offer-Related Risks: The value of the CYC token is subject to high price volatility driven by market dynamics, speculative interest, and the evolving cross-chain settlement and liquidity infrastructure ecosystem. Holders may face challenges with limited liquidity on secondary markets, which can make it difficult to execute large trades without impacting the price. Market and venue risks include volatility, liquidity fluctuations, and varying listing policies across exchanges. The evolving regulatory landscape for crypto-assets could introduce changes that affect the token's availability, legality, or usage across different jurisdictions. There is also a risk that trading platforms may decline to list the token for their own internal reasons, further limiting liquidity and accessibility. Information asymmetry typical of early-stage tokens in the infrastructure space may create additional market inefficiencies.

I.2 Issuer-Related Risks: N/A

I.3 Crypto-Assets-related Risks: The CYC token has no intrinsic value and does not confer any ownership, profit rights, or redemption guarantees. Its value is subject to speculative trading and demand fluctuations within the broader cross-chain settlement ecosystem, and there is a significant risk of total loss if the Cycle Network project fails to achieve its objectives or faces competitive displacement. Holders face security risks including potential theft from exchanges or digital wallets, permanent loss of assets if private keys are compromised, and smart-contract bugs that could affect token functionality. Bridge exploits and cross-chain vulnerabilities present additional risks given CYC's multi-chain nature and settlement layer functionality. Slippage and liquidity risks during volatile periods may impact trading execution. Engaging with third-party exchanges, bridges, or DeFi protocols introduces counterparty risk, where the failure of these services could lead to losses. Since all transaction details are publicly recorded on the blockchain, there are privacy considerations, as analysis could potentially link pseudonymous addresses to real-world identities over time.

I.4 Project Implementation-Related Risks: Successful implementation of the Cycle Network ecosystem is subject to several risks, including potential delays in the deployment of the universal settlement layer infrastructure, inability to scale the bridgeless liquidity network effectively to meet demand, and the potential loss of key personnel or strategic partners. Adoption risk across partners and users represents a significant challenge, as the project's success depends on widespread adoption by developers, stablecoin issuers, payment applications, and SuperApps seeking cross-chain settlement solutions. Competitive dynamics among cross-chain infrastructure providers create market pressure that could impact Cycle Network's market position and growth trajectory. Integration complexity for various blockchain networks, stablecoin protocols, and RWA reconciliation systems may create technical hurdles that delay feature rollouts or limit compatibility. The project's success also depends on establishing effective partnerships with financial institutions, payment processors, and ecosystem participants, and there is a risk that potential deals or integrations may not materialize as planned.

I.5 Technology-Related Risks: The underlying technology presents several risks specific to cross-chain settlement infrastructure and bridgeless liquidity networks. Cross-chain messaging and settlement systems introduce additional attack surfaces including relayer and validator liveness issues, MEV (Maximum Extractable Value) exploitation, and routing correctness problems that could affect transaction execution and settlement finality. The smart contracts powering the Cycle SDK, settlement APIs, and liquidity aggregation infrastructure, while audited, could contain bugs or exploits that impact system functionality. The settlement layer depends on multiple blockchain networks' finality and data availability guarantees, creating dependencies on external networks that may experience congestion, high fees, or failure. Users face custody risks, as the loss or compromise of private keys can result in the irreversible loss of funds. Other risks include potential cybersecurity threats to the underlying blockchain networks (such as 51% attacks), dependencies on external infrastructure like internet connectivity and oracle systems for RWA reconciliation, and the theoretical possibility of transaction reversals during blockchain reorganizations. The complexity of multi-chain settlement operations and stablecoin reconciliation increases the potential attack surface and operational risks.

I.6 Mitigation measures: To address technological risks, Cycle Network has subjected its smart contracts to multiple independent security audits by Salus Security and implements formal verification where feasible. The project mitigates blockchain-related risks by utilizing battle-tested networks known for their security and resilience, such as Ethereum mainnet for core settlement operations. The team implements staged rollouts and feature flags to ensure controlled deployment of new functionality, along with multisig controls featuring transparent timelocks for critical operations. Comprehensive bug bounty programs incentivize security researchers to identify potential vulnerabilities in the settlement layer and SDK components. The project maintains rigorous monitoring and observability systems with fallback procedures to handle unexpected events in cross-chain operations. Clear guidance on wallet security and private key management is provided to users and integration partners to help them safeguard their assets. The project also stays informed of the evolving legal and regulatory landscape to ensure ongoing compliance across multiple jurisdictions where the settlement technology operates, particularly regarding stablecoin regulations and cross-border payment compliance.

J. Information on the sustainability indicators in relation to adverse impact on the climate and other environment-related adverse impacts

S.1 Name: Cycle Network

S.2 Relevant legal entity identifier: N/A.

S.3 Name of the crypto-asset: CYC

S.4 Consensus Mechanism:

Cycle Network does not implement an independent Layer-1 consensus protocol. Instead, it inherits Ethereum's Proof-of-Stake security and finality by submitting zk-proofs to Ethereum.
• Transaction Ordering: Managed by decentralized sequencers, whose operations are validated through ZK proofs.
• Finality: Transactions on Cycle are considered final once proofs are submitted and verified on Ethereum.
• Decentralization: Sequencers are permissionless participants secured through staking mechanisms, ensuring censorship resistance and resilience.

S.5 Incentive Mechanisms and Applicable Fees:

Cycle Network employs a multi-layered incentive and fee framework to ensure network security, sustainability, and liquidity depth:
• Protocol Fees: Transaction execution on Cycle may incur minimal Rollup gas fees.
• Sequencer Incentives: Sequencers stake CYC tokens via Symbiotic; rewards are earned for correct sequencing, while misbehavior leads to slashing.
• Liquidity Incentives: Liquidity providers and integrators may receive rewards for supporting cross-chain liquidity pools and payment rails. Liquidity mining campaigns can be launched to bootstrap adoption.

S.6 Beginning of the period to which the disclosure relates: 2025-01-27

S.7 End of the period to which the disclosure relates: 2025-06-27

S.8 Energy consumption: 3,504 kWh

S.9 Energy consumption sources and methodologies:

Total Energy Consumption Disclosure

Reporting Period: 28 January 2025 – 28 June 2025

Total Energy Consumption (period):≈ 1,752 kWh

Methodology:

Cycle Network is a universal all-chain settlement rollup that inherits Ethereum security. Energy consumption arises from two main components:

1. **Layer-2 Infrastructure (Validator and Sequencer Nodes)**
    a. Hardware configuration per node: CPU 4-core, RAM 16GB, Storage 300GB, Network throughput ~100 Mbps.
    b. Estimated average power draw per node: 0.10 kW (100W).
    c. Daily consumption per node: 2.4kWh
    d. Reporting period length: 152 days.
    e. With 4 active nodes: 1,459 kWh
2. **Data Availability (Rollup Submissions to Ethereum)**
    a. Hourly rollup submissions ≈ 24/day → ~3,648 submissions over 152 days.
    b. Ethereum post-Merge average energy ~0.0061 kWh per transaction (CCRI indices).
    c. DA submissions therefore consume: 22kWh

Total Estimate:

Validator/sequencer infrastructure (~1,459 kWh) plus DA submissions (~22 kWh) gives a total consumption of approximately **1,752 kWh** for the reporting period. Taking this number and extrapolating this over the course of a year estimates to a total amount of 3,504 kWh annually.