ATLAS SYSTEM

SMART CYCLE 2

How the System Works and Where Funds Go

> Independent Smart Cycle 2 audits are in progress. Reports will be published when completed.
> The contract sends 2% to the designated recipient. Its code does not itself make compensation payments; the stated purpose of the recipient was supplied by the project team.

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Smart Cycle 2 · Participant guide · Atlas System document library · 19 October 2026

A plain-language explanation for participants: how Smart Cycle 2 works and how to verify it independently.

The main purpose of this document is to show, in simple terms, the full path of funds after creating a Smart Cycle, explain the purpose of each contract and provide a direct link for independently checking each address.

The registry was updated on 19 October 2026 with the main SC2 contract, deployment wallet, limit management, fee and fund recipients and LP position No. 7682306. The project team supplied the stated purposes of the service addresses.

1. Short Answer: Where Funds Go

When a participant creates a Smart Cycle 2 cycle, the sequence is as follows:

1. The participant confirms an `approve` allowance in their wallet. Funds are not transferred at this step.
2. The participant confirms creation of a cycle under the chosen tariff through SmartCycle2.
3. USDT is transferred from the participant's wallet to the SC2 contract.
4. The contract accounts for the inflow, specified deductions and related partner calculations.
5. Processed funds are placed in SC2's own LP position. The position is represented by an LP-NFT numbered `lpTokenId`.
6. The LP-NFT belongs to the SC2 contract; each cycle's conditions are recorded separately.

What the participant receives

A cycle record is stored on the blockchain: owner, amount, tariff, opening time and payout status. A separate LP position is not created for each participant. Treasury receives the specified fee, not all participant funds. Position liquidity and the Treasury balance are accounted for separately.

Where to check the route

On BscScan, reconcile the USDT transfer, cycle-creation call and contract events. The complete list of addresses to check is in Section 14; the data was updated on 19 October 2026.

2. The Whole Flow at a Glance

Main Smart Cycle flow

1. Participant wallet: approve + create Smart Cycle.
2. SmartCycle2: accounts for funds and creates the cycle.
3. Smart Cycle 2's own LP-NFT: owner is the SC2 contract; pool and position number are in the SC2 registry.
4. Once Claim conditions are met, SC2 uses its reserve and, if needed, the LP.
5. A: payout to participant. B: partner accruals; transfer at 1 USDT or above.

Distribution of incoming funds

Incoming USDT → SmartCycle2 → specified deductions and calculations → processed funds in the contract's own LP.

Participant wallet → `approve` and `create` → SmartCycle2 → own LP-NFT. Once Claim conditions are met, the contract uses the reserve and, if necessary, LP, pays the participant and performs the specified partner accruals. A partner transfer is performed when the 1 USDT threshold is reached. The specified deductions are accounted for on entry.

3. Complete List of Atlas Components

Participant contract

Component

Function

Address

SmartCycle2

Creates cycles, stores their conditions, carries out Claim and partner calculations.

`0x7E7BeDfcea906A1feF682ecb4e316F6bD87587E3`

Lockup Flow / **Daily Flow**

Two participation modes within SC2, determined by the selected tariff.

Same SC2 address

LP infrastructure and service roles

Field

Purpose

`lpTokenId`

Number of SC2's own LP-NFT position.

`lpManager`

External contract where the LP-NFT is registered.

`lpFactory` / **`lpPool`**

Factory and specific public pool.

`token`

USDT settlement token.

`lpToken0` / **`lpToken1`**

Tokens specified in the LP position.

`treasury`

Platform-fee recipient.

`manager`

Address with limited powers over limit policy and period openings.

`insuranceWallet`

Recipient of the 2% allocation to the SC1 fund, confirmed through the contract method of the same name.

The names SC2OwnLP, SC2CycleLedger and SC2PartnerSettlement refer to source-code modules of the single SC2 contract. They do not mean a participant must send funds to separate addresses for those modules.

4. What Happens When a Lockup Flow Cycle Is Created



A simplified Smart Cycle path: approval, creation, shared liquidity and subsequent Claim. Lockup Flow is for a cycle with a selected fixed duration. The participant interacts with SmartCycle2.

Step 1. Approve use of USDT

The participant's wallet calls `approve` on the settlement token and specifies the SC2 address. The allowance alone does not transfer USDT or create a cycle.

Step 2. Create a Smart Cycle

The participant confirms `create(tariffId, gross, sponsor)`. The contract:

1. Checks the chosen tariff, amount and whether admission is available.
2. Receives USDT and accounts for the deductions specified by the rules.
3. Stores a separate cycle record and the necessary partner-structure data.
4. Performs related calculations and places processed funds in its own LP position.

Step 3. Claim

After the term ends, the cycle owner calls `claim(id)`. The contract checks the owner and available payout, uses the accounted reserve and, if necessary, obtains the shortfall from LP, then pays the participant and performs the specified partner accruals.

If a required part of the operation cannot be performed, the whole transaction reverts.

5. What Happens When a Daily Flow Cycle Is Created

Daily Flow uses the same SC2 contract. The available payout is calculated differently: the cycle runs for 200 days, and the accumulated available amount can be claimed after a full calculation day.

1. The participant approves the use of USDT.
2. They create a Daily Flow cycle through SmartCycle2.
3. The contract records the cycle, accounts for incoming funds and places processed funds in its own LP.
4. After the next calculation period begins, the owner calls `claim(id)`.
5. SC2 identifies periods not yet paid and performs the calculation.
6. Periods already paid are not paid again.

What is included in the daily payout

Each daily payout includes repayment of part of the original amount and Delta. It is not a separate full repayment of the contribution on top of all daily payouts. Compare the tariff terms and calculation result against the individual cycle record.

Read the available amount using `pendingClaim(id)` and the cycle state using `getCycle(id)`.

6. What the Smart Cycle 2 LP-NFT Is



SC2's own LP-NFT belongs to a token-pair pool; its assets are accounted for separately from the pool's total liquidity.

In PancakeSwap V3, liquidity is held in special NFT positions. Here the NFT is not a picture or collectible. It represents the right to manage a specific liquidity position.

SC2 uses its own position. Its number is returned by `lpTokenId`; the Position Manager address is returned by `lpManager`. LP position No. 7682306 and its address are in Section 14.

Check token composition, pool fee and tick range using `positions(lpTokenId)` and compare them with SC2 parameters. The old SC1 position number and range do not apply to the new position.

The LP position belongs to a token-pair pool. In the SC2 implementation reviewed, SC2 contributes only the settlement token, not the second token. Distinguish the token pair's composition from the

position's actual assets.

Two numbers to distinguish

- **Current Atlas liquidity:** assets associated only with SC2's own LP position.
- **Total Pool Liquidity:** liquidity of the whole public pool, including other providers. This amount does not belong entirely to Atlas.

The SC2 reserve and capital-accounting rules must also be considered. A Treasury wallet balance cannot automatically be added to LP assets.

7. Who Owns the Position and How Management Is Limited

In the described SC2 model, SmartCycle2 itself owns the LP-NFT. The LP position is held by the contract; neither participants nor the administration can take it through a separate command.

The contract uses liquidity for payouts provided for by the code. Locking the LP does not prohibit normal cycle settlements.

Checks supporting this description

Check	What to compare
`ownerOf(lpTokenId)`	SmartCycle2 should be the owner.
`getApproved(lpTokenId)`	No third-party address should be approved for the individual NFT.
`isApprovedForAll`	Check operator permissions and their approval history.
Source code and bytecode	Check that arbitrary LP withdrawal, NFT transfer and functions changing fixed configuration are absent.

Why a manager remains

The manager calls `schedulePolicy` to announce limit policy and `scheduleOpening` to change the opening time of a period that has not yet opened. Monetary limits may only be increased; tariff availability and the proportion of short cycles may be changed within the code's constraints. Migration requires no special role but is checked against a fixed set. The manager cannot change executable code or arbitrarily remove LP.

If `manager` is a Safe, its threshold and signers are checked separately. A Safe in that role should not be confused with the LP-NFT owner.

8. What Treasury Is For

Treasury receives the fee specified by platform rules. For SC2's main tariffs, it is 6% of the incoming amount.

The `treasury` method returns the Treasury address. The verified address is in Section 14.

Important distinctions

1. Treasury is not where all participant contributions are stored.
2. Liquidity of SC2's own position and the Treasury balance are different metrics.
3. Incoming distribution terms and cycle payout terms are checked separately.
4. The `treasury` and `insuranceWallet` recipients are set when the contract is created. Their addresses were confirmed by reading deployed SC2 and are listed in the registry.

9. How Partner Payments Work

In SC2, partner rewards are calculated using the originating cycle's conditions and recorded structure data. Bonus accrual and an actual wallet transfer are different events.

Step 1. Record the conditions

Statuses, rates and eligibility for a reward are recorded when the originating cycle opens. Subsequent changes in qualification are applied to new cycles.

Step 2. Accrual and accumulation

The full calculated Lockup Flow bonus accrues at cycle opening. For Daily Flow, 20% accrues at creation; the remaining 80% is distributed evenly over 200 days and accrues when the cycle owner receives payouts.

The main bonus and matching are combined in the partner balance. When the available amount reaches 1 USDT, the entire amount is transferred. A balance below 1 USDT is retained; if there are no new accruals, it remains unavailable for payment until the threshold is reached.

Step 3. Verify independently

1. Compare the originating cycle with the recorded calculation conditions.
2. Check the accrued bonus, accumulated balance and completed transfers separately.
3. Confirm a transfer through a successful transaction and settlement-token transfer to the wallet.

In the final ABI, `partnerBalance(address)` shows the recipient's accumulated balance; `partnerReserved()` shows the total reserve for such balances. `PartnerRewardAccrued` records accrual and `PartnerPayoutPaid` a transfer. A positive accrual that brings the balance to 1 USDT triggers transfer of the whole balance. There is no separate manual claim for the partner balance. `partnerSettlementState(id)` holds cycle settlement markers.

10. What Is Stored in a Cycle Record



A cycle record stores its individual conditions and payout status; liquidity is used by the shared system.

In the final ABI, the cycle record stores:

- Cycle owner: `owner`.
- Tariff identifier: `tariffId`.
- Cycle amount: `principal`.
- Opening time: `openedAt`.
- Amount already paid: `paid`.
- Number of paid periods: `claimedPeriods`.

The tariff determines duration and calculation terms. The available payout is calculated from the cycle record, tariff and current time. The fields must be checked against the final ABI.

A cycle record does not create a separate wallet, a separate LP position, or an individual reserve exclusively for one participant.

Funds from different cycles may be held in the shared position. Conditions and payouts already made are tracked separately for each cycle.

11. What a Successful Claim Depends On

A cycle record alone is insufficient for a successful Claim. The contract must complete the required checks and the entire payout operation.

General conditions

- The cycle owner sends the transaction.
- The required term or full calculation day has passed.
- The corresponding amount has not already been paid.
- The network and settlement token permit the transaction.

Where the payout amount comes from

The accounted SC2 reserve is used first. If it is sufficient, no withdrawal from LP is required. If it is insufficient, the contract obtains the shortfall from its own LP position.

Additional checks when using LP

- SC2 owns the LP-NFT and it has no prohibited approvals.
- Position parameters match SC2's fixed parameters.
- The range state permits the specified operation.
- The necessary quantity of settlement token can be obtained from the position.
- External LP contracts process the calls.

If a required part of the operation fails, the whole transaction reverts. A partial result of that transaction is not recorded as a completed payout.

The mere presence of settlement token in the position does not guarantee a successful Claim. Cycle conditions, accounted reserve and, if LP must be used, the position's state matter.

12. How Participants Can Verify the System Themselves



Explorer checks: address, operation, cycle record and own LP position. Verification uses public blockchain data and does not require trusting the figures in the Atlas interface.

Check where the Smart Cycle was directed

1. Open your transaction hash in BscScan.
2. Make sure it calls the official SmartCycle2 address in the registry.
3. Open Token Transfers and check the USDT transfer from your wallet.
4. Compare the `CycleOpened` event and the created cycle number.
5. Read `getCycle(id)` and compare owner, amount and chosen tariff.

Check the LP position

1. Read `lpManager`, `lpTokenId` and `lpPool` in SC2.
2. Open the corresponding LP-NFT in Position Manager.
3. Confirm `ownerOf(lpTokenId)` returns SC2 and `getApproved(lpTokenId)` returns the zero address.
4. Compare tokens, fee and tick range with SC2 parameters.
5. Assess assets of this position, not total public-pool liquidity.

Check management

1. Read `manager`, `effectiveLimits`, `startWeek`, `scheduledWeek`, `followingWeek`, `policyAnnouncement` and `periodOpening`. The final ABI has no `entriesPaused` or `scheduledLimits` methods.
2. If the manager is a Safe, read its `getThreshold` and `getOwners`.
3. Check LP-NFT operator approvals and relevant events.
4. Record the block number and verification time.

Reading these data requires no wallet connection, transaction signature or gas payment.

13. What Is Outside the Blockchain

Sponsor information, recorded data for partner calculations and payouts are available in the contract in the described SC2 model. Displaying these data in the personal account remains an interface function.

Not every part of Atlas runs inside smart contracts. Outside the blockchain are:

- Website and personal account.
- Statistics display.
- Display of structure data and calculations in the interface.
- Loading and processing data for the interface.
- Notifications and support.
- RPC and indexers.
- Domain management and interface publication.

If a figure on the website differs from blockchain data, first check:

- Which address the website uses.
- Which block and time were used.
- Whether the figure relates only to SC2's own LP position.
- Whether total pool liquidity is being shown instead of the position.

- Whether Treasury or the SC2 reserve has been added separately without explanation.

14. Full Quick-Check Index

The registry was updated on 19 October 2026 with the SC2 main contract, deployment wallet, limit management, fee and fund recipients and LP position No. 7682306. The project team supplied the stated purposes of the service addresses.

Purpose	Address / value
Smart Cycle 2	`0x7E7BeDfcea906A1feF682ecb4e316F6bD87587E3`
Deployment wallet	`0x61726fbe5eC6b98d67dC4eA4B308FdFa0a18B424`
Limit management	`0xd587ba178010A34F7cFeEC6bd41D86eBEfAa11D3`
Company fee, 6%	`0x5F0411975A5500dBC465cceE16dEa1C7b93440f7`
SC1 compensation fund, 2%	`0x12aB84172C31DCE819aD2cbfcCFAD39C2D3d497f`
Position Manager	`0x46a15b0b27311cedf172ab29e4f4766fbe7f4364`
LP-NFT / tokenId	`7682306`
`SYSTEM_SPONSOR`	`0x28498D22Ff08fc0309d0a82335E8960336003C6b`

LP position on BscScan · LP position on PancakeSwap

The 2% recipient was confirmed through `insuranceWallet()` and the system sponsor through `SYSTEM_SPONSOR()` at block 128520088. The supplied sources and ABI matched SC2's executable code when compiled with solc 0.8.20 using the original settings and the verified `manager`. External component permissions are checked separately; the independent audit link will be added once the report is published.

At block 128510916 (2026-10-19T07:03:19+00:00), the `treasury` and `manager` addresses, LP-NFT number, its SC2 owner and zero individual `getApproved` approval were confirmed. The full verification table is in the contract registry.

15. Main Points to Remember

1. When a cycle is created, SC2 receives USDT, accounts for the specified deductions and

calculations, then places processed funds in its own LP.

2. The LP-NFT belongs to the SC2 contract. A separate LP position is not created for each participant.
3. Each cycle's conditions and state are recorded separately.
4. Treasury receives a fee, not the full participation amount.
5. Partner calculations are built into SC2 logic.
6. A payout depends on the conditions of the individual cycle and completion of the whole operation specified by the contract.
7. SC2's own liquidity and total public-pool liquidity are different measures.
8. Addresses, LP ownership, approvals and operations can be checked using public blockchain data.

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