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PROOF OF RESERVES

Audit Report

January 20, 2025

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Executive Summary

The primary objective of this audit is to provide a comprehensive confirmation that Cryzen (hereinafter - Auditee, Cryzen), a leading digital asset wallet provider, diligently safeguards user liabilities for in-scope digital assets. Through rigorous Proof of Reserve audit procedures, including Proof of Liabilities, Proof of Ownership, Reserves calculation, and Proof of Reserves Assessment, Auditee has demonstrated its commitment to transparency and user trust.

During the meticulous Proof of Reserves process, Cryzen has successfully proved that its holdings provide full coverage for user liabilities, maintaining a remarkable 1:1 ratio for all in-scope assets. This assurance is substantiated by the compelling findings outlined.

Reserves Proofed

Proof of Liabilities	✓
Proof of Ownership	✓
Reserves Calculation	✓
PoR Assessment	✓

Report Details

- **Report Date:** January 20, 2025
- **Audit Date:** January 15, 2025
- **Auditor:** Hacken OU
- **Approved by:** Joaquin Girardi

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Building Trust Through Proof of Reserves

About Hacken's Proof of Reserves

By implementing the Hacken's Proof of Reserves service, organizations can provide verifiable evidence of their reserve holdings, reassuring customers and stakeholders that their assets are securely held and fully backed. This transparency is essential in establishing trust and differentiating organizations within the crypto industry.

At Hacken, we are focused on verifying an organization's liabilities, such as customer deposits or outstanding loans, to ensure that the liabilities are accurately represented and can be met by the organization's assets.

The purpose of conducting Proof of Reserves audit is to provide transparency and assurance to stakeholders that the organization is operating in a trustworthy and responsible manner. The main objectives of a Proof of Reserves audit include confirming the existence and authenticity of cryptocurrency holdings, verifying the amount of cryptocurrency held matches the amount claimed by the organization.

Proof of Liabilities

Proof of Liabilities involves calculating all liabilities, which are the balances of in-scope assets held by the Auditee users, to form a Client Liability Report. As auditors, we collect the minimum necessary data from client's users to ensure their privacy is safeguarded. This may include a pair of public addresses/balances or UUID/public address/balance, depending on the specific requirements.

Proof of Ownership and Reserve Calculation

Hacken, a trusted third-party Proof of Reserves Assessor, ensures the accuracy of the Total Reserves Balance by verifying ownership of auditee's wallets. This crucial verification process precedes the comparison of the Total Reserves Balance with the Client Liability Report.

To achieve this, Hacken employs secure and verifiable methods like Custom Digital Signatures and "Send-to-Self" Transactions, among other methods, to confirm the ownership of addresses associated with the client's wallets.

Methodology for Proof-of-Reserves Audit

1. Preliminary Meetings and Information Flow Understanding

The audit started with a series of meetings aimed at understanding the information flow and the client's asset management methods. These discussions were critical in gaining a comprehensive view of the client's operational structure and the handling of cryptocurrency assets.

2. Supervision and Analysis of Client's Procedures

The client's existing scripts used for compiling their balance sheets were closely supervised. This step was crucial to understand the client's methods for asset compilation and balance reporting.

3. Development of Independent Algorithms for Balance Evaluation

To ensure an independent and unbiased assessment, new scripts were developed by Hacken. These scripts focused on evaluating the client's available balance and staking, encompassing a range of assets such as cold wallets and hot wallets. The objective was to cross-verify the client's reported data with an independently sourced dataset.

4. Selection of Clientele for Testing

The client was requested to provide a list of customers to be included in the audit test. For confidentiality purposes, user liabilities were submitted in an aggregated format. No individual user identifiers or account-level details were shared. This measure ensured that Hacken could not associate any specific balances with identifiable individuals.

5. Procedure for User Data Collection

The client generated a snapshot of user liabilities in the specified format. The data was prepared using an internal algorithm that aggregated user balances. The integrity of the algorithm and its output was verified by Hacken, and the data generation was conducted under Hacken's supervision.

6. Simultaneous Data Retrieval and Comparison

While the client executed the script, Hacken's auditors concurrently ran the independently developed program to ascertain the company's cryptocurrency balances. This step involved a meticulous one-to-one comparison of the assets.

7. Conclusion and Reporting

Upon completing the comparison, conclusions were drawn regarding the accuracy and integrity of the client's reported cryptocurrency reserves. The results of this comprehensive audit provided a clear picture of the client's reserve status, contributing significantly to transparency and trust in their financial reporting.

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Proof of Reserves Scope & Findings

Proof of Reserves Audit Scope

Parameter	Details
Auditee	Cryzen
Auditee Website	https://cryzen.app
In-scope Assets	BTC, USDT
In-scope Networks	Bitcoin, Tron
Audit Type	Proof of Reserves

Proof of Reserves Audit Findings

Proof of Liabilities

Hacken's team obtained the total assets of Cryzen liabilities report, including all clients' balances greater than 0.00000000 of in-scope assets with nominal balances. The dump was inspected as the total Cryzen liabilities report to exclude any duplications of clients' user IDs. The total liabilities balance was summed from all clients' balances of in-scope assets.

Proof of Ownership and Reserves Calculation

Hacken's team obtained from Cryzen management a complete list of all public keys/addresses holding in-scope assets. For each address, Cryzen initiated a small outgoing transaction sending a minimum amount defined by Hacken from each address. Hacken monitored the respective blockchain and verified that the expected outgoing transactions with the defined amounts were received from each of the provided addresses. The fact that Cryzen could initiate outgoing transactions from those addresses conclusively proved their control and ownership over those addresses at the time of this audit.

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Audited Wallets

Bitcoin Network Addresses (15 Total)

```
bc1q080rkmk3kj86pxvf5nkxecdrw6nrx3zzy9xl7q
```

```
bc1q6tj4wm295pndmx4dywkg27rj6vqfxl5gn8j7zr
```

```
bc1q9wvygkq7h9xgcp59mc6ghzczrqlgrj9k3ey9tz
```

```
bc1qgrxsrmrhsapvh9addyx6sh8j4rw0sn9xtur9uq
```

```
bc1qrt7rkpswpgmcag7txzf6ps9mvepwgndshqdx6d
```

```
bc1q204dfzksn4l0rhhajm9fyd5h92dac8tnuur8jp
```

```
bc1qj5qvxe5x9zurzqyutkfgjpfz3r9qa3vgcj0tzk
```

```
bc1qaejwghcyre2p3m57tuuxgrlmh9jd6f8u49uenq
```

```
bc1qj2en5ttu9596mfcxrqq90d5xunauqz8wnqxgvt
```

```
bc1qscqax5wpnhmcdgr8rjl8d2893w6q3tyt92emjx
```

```
bc1qsxq98tp3ehxf4sfz7rudedkkmra6v9ylgz3m6h
```

```
bc1qxzu59twjt3400fzfsvqzhr6485tgc8k4hdueja
```

```
bc1qhhzg72xe9cjrn3c0g5ys7z0sm6cd4h63dvv930
```

```
bc1qp5w8pj7h95dprlafeca2a0ukjqmtrqfh7my4cx
```

```
bc1qndwhntf80jv90kkkgvs67vp48hhpxeetrk9f5m
```

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Tron Network Addresses (9 Total)

```
TDCx6xCJQoo3ZohxnDxkB1PnDe5fDfUkcx
```

```
TQeNNo5zVarhdKm5EiJSekfNXg6H1tRN4n
```

```
TS98H6jSx6uv1gG1vx6CJZMeYGkMZXgQ7K
```

```
TSGEXDSRMtzt9swPSgzr8MKefcgEawEdmb
```

```
TB1WQmj63bHV9Qmuhp39WABzutphMAetSc
```

```
TKpn4QSQ6Q1fKkF67Ljz2qmnskrLXGi9tP
```

```
TNYEPjMiVJiggES7AYL7mtmuen2oXicbXk
```

```
TGeCMTmmQKBrs8Vmx7YNGbPa2d3ZspDLNN
```

```
TUCS5ToZvL23Q6kKtWUhAGgMfJBwPUZgfu
```

Collateral Ratios

Asset	Collateral Ratio
BTC	>100%
USDT (TRC-20)	>100%

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Team Composition

#	Team Member and Role	Components to Review
1	Lead PoR Auditor (Joaquin Girardi) j.girardi@hacken.io	Audit Supervision, Interview conducting, Results and Recommendations
2	PoR Auditor (Tatiana Lukanieva) t.lukanieva@hacken.io	Development and maintenance of Hacken's Proof of Reserves and verification tools

Conclusion

Cryzen is dedicated to upholding the highest standards of financial security and ensuring the safety of its users' assets.

The Hacken team's Proof of Reserves audit, conducted on **January 15, 2025**, demonstrates that Cryzen maintains a reserve ratio of **> 100%** . This finding signifies that Cryzen possesses sufficient reserves to cover its liabilities, thereby bolstering trust and confidence among its users and stakeholders.

This report serves as a testament to the responsible financial management practices employed by Cryzen, as well as the company's dedication to transparency and accountability.

✓ Audit Successfully Completed

Reserve Coverage: >100% for all in-scope assets (BTC, USDT)

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Disclaimer

Hacken Disclaimers

The information given for the assessment has been analyzed based on best industry practices at the time of the writing of this report, with issues or inconsistencies, the details of which are disclosed in this report. The report contains no statements or warranties on identifying any technical security-related finding. The report covers the information submitted and reviewed, so it may not be relevant after any modifications.

While this report provides a point-in-time attestation of on-chain assets based on the provided and verified blockchain addresses and data, it should not be considered a comprehensive financial audit of all assets, liabilities, or the organization's overall financial position.

While this report includes a thorough analysis of the provided blockchain addresses and data, point-in-time verification alone should not serve as the sole basis for assessment — conducting multiple independent proof of reserves attestations on a recurring basis is recommended to maintain transparency of on-chain assets over time.

English is the report's original language. The Consultant is not responsible for the accuracy of the translated versions.

Clarifications

- The value was calculated at the time of the audit on January 15, 2025.
- This audit covers only the in-scope assets (BTC, USDT) on the specified networks (Bitcoin, Tron).
- All blockchain addresses were verified using independent verification methods.

References

- **Customer's Website:** https://cryzen.app
- **Customer's Support Email:** support@cryzen.app
- **Proof of Reserves Methodology:** https://hacken.io/por-methodology