

# Risk Factors

Blockchain projects can emit cryptocurrencies or tokens. Tokens and Cryptocurrencies, virtual currencies, digital "currencies" are not "electronic money" within the meaning of laws. It is a digital representation of a contractual value among its users that is not issued and guaranteed by any central bank in the world. Virtual currency is an imitation of money if the two sides of the transaction agree with each other. Virtual currencies can be subject to theft, e.g., as a result of a cyber-attack. Funds held in "virtual currencies" are not guaranteed by the Bank Guarantee Fund, as they are not bank deposits. Virtual currencies are not universally accepted in retail and service outlets. They are not legal tender or currency. Some offered forms of investing in virtual currencies may have the character of a financial pyramid that, in a short time, may lead to the loss of the investor's financial resources. All investments in "cryptocurrencies" carry the risk of losing their value and are intended for people with knowledge in the fields of investment and business.



## RISK FACTORS

An acquisition of the TGC tokens involves a high degree of risk. Each potential purchaser of the TGC tokens should carefully consider the following information about these risks before he decides to buy the TGC tokens. If any of the following risks actually occurs, the TGC platform and the value of the TGC tokens could be materially adversely affected. Risks and uncertainties described below in this White Paper may not be the only ones token holders face. Additional risks and uncertainties may also materially adversely affect on the TGC platform or the value of the TGC tokens

**Lack of Development of Market for TGC tokens.** Because there has been no prior public trading market for the TGC tokens, the sale of the TGC tokens described in this White Paper may not result in an active or liquid market for the TGC tokens, and their price may be highly volatile. Although applications have been made to the cryptographic tokenexchanges for the TGC tokens to be admitted to trading, an active public market may not develop or be sustained after the TGC token sale. If a liquid trading market for the TGC tokens does not develop, the price of the TGC tokens may become more volatile and token holder may be unable to sell or otherwise transact in the TGC tokens at any time.

**Risks Relating to Highly Speculative Traded Price.** The valuation of digital tokens in a secondary market is usually not transparent, and highly speculative. The TGC tokens do not hold any ownership rights to Company's assets and, therefore, are not backed by any tangible asset. Traded price of the TGC tokens can fluctuate greatly within a short period of time. There is a high risk that a token holder could lose his/her entire contribution amount. In the worst-case scenario, the TGC tokens could be rendered worthless.

**TGC Tokens May Have No Value.** The TGC tokens may have no value and there is no guarantee or representation of liquidity for the TGC tokens. Company Parties are not and shall not be responsible for or liable for the market value of the TGC tokens, the transferability and/or liquidity of the TGC tokens and/or the availability of any market for the TGC tokens through third parties or otherwise. For the purposes of this Section of the White Paper, the term "Company Parties" shall include Company and its respective past, present and future employees, officers, directors, contractors, consultants, attorneys, accountants, financial advisors, equity holders, suppliers, vendors, service providers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors and assigns.

**TGC Tokens May Be Non-Refundable.** Except for as provided in a legally binding documentation or prescribed by the applicable legislation, Company Parties are not obliged to provide the TGC token holders with a refund related to the TGC tokens. No promises of future performance or price are or will be made in respect to the TGC tokens, including no promise of inherent value, no promise of continuing payments, and no guarantee that the Tokens will hold any particular value. Therefore, the recovery of spent resources may be impossible or may be subject to foreign laws or regulations, which may not be the same as the private law of the TGC token holder.

**Blockchain Delay Risk.** On the most blockchain TGC used for cryptocurrencies' transactions (e.g., Ethereum), timing of block production is determined by proof of work so block production can occur at random times. For example, the cryptocurrency sent as a payment for the TGC tokens in the final seconds of the TGC token sale 43 may not get included into that period. The respective blockchain may not include the purchaser's transaction at the time the purchaser expects and the payment for the TGC tokens may reach the intended wallet address not in the same day the purchaser sends the cryptocurrency.

**Blockchain Congestion Risk.** The most blockchaTGC used for cryptocurrencies' transactions (e.g., Ethereum) are prone to periodic congestion during which transactions can be delayed or lost. Individuals may also intentionally spam the network in an attempt to gain an advantage in purchasing cryptographic tokens. That may result in a situation where block producers may not include the purchaser's transaction when the purchaser wants or the purchaser's transaction may not be included at all.

**Risk of Software Weaknesses.** The token smart contract concept, the underlying software application and software platform (i.e. the Ethereum) are still in an early development stage and unproven. There are no representations and warranties that the process for creating the TGC tokens will be uninterrupted or error-free. There is an inherent risk that the software could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of the cryptocurrency and/or the TGC tokens.

**Risk of New Technology.** The TGC platform, the TGC tokens and all of the matters set forth in this White Paper are new and untested. The TGC platform and the TGC tokens might not be capable of completion, creation, implementation or adoption. It is possible that no blockchain utilizing the TGC platform will be ever launched. Purchaser of the TGC tokens should not rely on the TGC platform, the token smart contract or the ability to receive the TGC tokens associated with the TGC platform in the future. Even if the TGC platform is completed, implemented and adopted, it might not function as intended, and any TGC tokens may not have functionality that is desirable or valuable. Also, technology is changing rapidly, so the TGC platform and the TGC tokens may become outdated.

**Risk of Loss of Private Keys.** The TGC tokens may be held by token holder in his digital wallet or vault, which requires a private key, or a combination of private keys, for access. Accordingly, loss of requisite private keys associated with such token holder's digital wallet or vault storing the TGC tokens will result in loss of such TGC tokens, access to token holder's token balance and/or any initial balances in blockchains created by third parties. Moreover, any third party that gaTGC access to such private keys, including by gaining access to login credentials of a hosted wallet or vault service the token holder uses, may be able to misappropriate the token holder's TGC tokens.

**Lack of Token Security.** The TGC tokens may be subject to expropriation and or/theft. Hackers or other malicious groups or organizations may attempt to interfere with the token smart contract which creates the TGC tokens or the TGC tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, because the Ethereum platform rests on open source software, there is the risk that Ethereum smart contracts may contain intentional or unintentional bugs or weaknesses which may negatively affect the TGC tokens or result in the loss of TGC tokens, the loss of ability to access or control the TGC tokens. In the event of such a software bug or weakness, there may be no remedy and holders of the TGC tokens are not guaranteed any remedy, refund or compensation.

**Attacks on Token Smart Contract.** The blockchain used for the token smart contract which creates the TGC tokens is susceptible to mining attacks, including double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks. Any successful attacks present a risk to the token smart contract, expected proper execution and sequencing of the TGC token transactions, and expected proper execution and sequencing of contract computations.

**Failure to Map a Public Key to Purchaser's Account.** Failure of a purchaser of the TGC tokens to map a public key to such purchaser's account may result in third parties being unable to recognize purchaser's TGC token balance on the Ethereum blockchain when and if they configure the initial balances of a new blockchain based upon the TGC platform.

**Risk of Incompatible Wallet Service.** The wallet or wallet service provider used for the acquisition and storage of the TGC tokens, has to be technically compatible with the TGC tokens. The failure to assure this may have the result that purchaser of the TGC tokens will not gain access to his TGC tokens.



## RISK FACTORS

**Risk Related to Reliance on Third Parties.** Even if completed, the TGC platform will rely, in whole or partly, on third parties to adopt and implement it and to continue to develop, supply, and otherwise support it. There is no assurance or guarantee that those third parties will complete their work, properly carry out their obligations, or otherwise meet anyone's needs, all of which might have a material adverse effect on the TGC platform.

**Dependence of TGC Platform on Various Factors.** The development of the TGC Platform may be abandoned for a number of reasons, including lack of interest from the public, lack of funding, lack of commercial success or prospects, or departure of key personnel.

**Lack of Interest to the TGC Platform.** Even if the TGC platform is finished and adopted and launched, the ongoing success of the TGC platform relies on the interest and participation of third parties like developers. There can be no assurance or guarantee that there will be sufficient interest or participation in the TGC platform.

**Changes to the TGC Platform.** The TGC platform is still under development and may undergo significant changes over time. Although the project management team intends for the TGC platform to have the features and specifications set forth in this White Paper, changes to such features and specifications can be made for any number of reasons, any of which may mean that the TGC platform does not meet expectations of holder of the TGC tokens.

**Risk Associated with Other Applications.** The TGC platform may give rise to other, alternative projects, promoted by unaffiliated third parties, under which the TGC token will have no value.

**Risk of an Unfavorable Fluctuation of Cryptocurrency Value.** The proceeds of the sale of the TGC tokens will be denominated in cryptocurrency, and may be converted into other cryptographic and fiat currencies. If the value of cryptocurrencies fluctuates unfavorably during or after the TGC token sale, the project management team may not be able to fund development, or may not be able to develop or maintain the TGC platform in the manner that it intended.

**Risk of Conflicts of Interest.** Company Parties may be engaged in transactions with related parties, including respective majority shareholder, companies controlled by him or in which he owns an interest, and other affiliates, and may continue to do so in the future. Conflicts of interest may arise between any Company Party's affiliates and respective Company Party, potentially resulting in the conclusion of transactions on terms not determined by market forces.

**Risks Related to Invalidation of Company Parties Transactions.** Company Parties have taken a variety of actions relating to their business that, if successfully challenged for not complying with applicable legal requirements, could be invalidated or could result in the imposition of liabilities on respective Company Party. Since applicable legislation may subject to many different interpretations, respective Company Party may not be able to successfully defend any 45 challenge brought against such transactions, and the invalidation of any such transactions or imposition of any such liability may, individually or in the aggregate, have a material adverse effect on the TGC platform.

**Risk Arising from Emerging Markets.** Company Parties or some of them may operate on emerging markets. Emerging markets are subject to greater risks than more developed markets, including significant legal, economic and political risks. Emerging economies are subject to rapid change and that the information set out in this White Paper may become outdated relatively quickly.

**Failure to Obtain, Maintain or Renew Licenses and Permits.** Although as of the date of starting of the TGC token sale there are no statutory requirements obliging Company to receive any licenses and permits necessary for carrying out of its activity, there is the risk that such statutory requirements may be adopted in the future and may relate to any of Company Parties. In this case, Company Parties' business will depend on the continuing validity of such licenses and permits and its compliance with their terms. Regulatory authorities will exercise considerable discretion in the timing of license issuance and renewal and the monitoring of licensees' compliance with license terms. Requirements which may be imposed by these authorities and which may require any of Company Party to comply with numerous standards, recruit qualified personnel, maintain necessary technical equipment and quality control systems, monitor our operations, maintain appropriate filings and, upon request, submit appropriate information to the licensing authorities, may be costly and time-consuming and may result in delays in the commencement or continuation of operation of the TGC platform. Further, private individuals and the public at large possess rights to comment on and otherwise engage in the licensing process, including through intervention in courts and political pressure. Accordingly, the licenses any Company Party may need may not be issued or renewed, or if issued or renewed, may not be issued or renewed in a timely fashion, or may involve requirements which restrict any Company Party's ability to conduct its operations or to do so profitably.

**Risk of Government Action.** The industry in which Company Parties operate is new, and may be subject to heightened oversight and scrutiny, including investigations or enforcement actions. There can be no assurance that governmental authorities will not examine the operations of Company Parties and/or pursue enforcement actions against them. All of this may subject Company Parties to judgments, settlements, fines or penalties, or cause Company Parties to restructure their operations and activities or to cease offering certain products or services, all of which could harm Company Parties' reputation or lead to higher operational costs, which may in turn have a material adverse effect on the TGC tokens and/or the development of the TGC platform.

**Risk of Burdensomeness of Applicable Laws, Regulations and Standards.** Failure to comply with existing laws and regulations or the findings of government Inspections, or increased governmental regulation of Company Parties operations, could result in substantial additional compliance costs or various sanctions, which could materially adversely affect Company Parties business and the TGC platform. Company Parties operations and properties are subject to regulation by various government entities and agencies, in connection with ongoing compliance with existing laws, regulations and standards. Regulatory authorities exercise considerable discretion in matters of enforcement and interpretation of applicable laws, regulations and standards. Respective authorities have the right to, and frequently do, 46 conduct periodic Inspections of any Company Party's operations and properties throughout the year. Any such future Inspections may conclude that any Company Party has violated laws, decrees or regulations, and it may be unable to refute such conclusions or remedy the violations. Any Company Party's failure to comply with existing laws and regulations or the findings of government Inspections may result in the imposition of fines or penalties or more severe sanctions or in requirements that respective Company Party cease certain of its business activities, or in criminal and administrative penalties applicable to respective officers. Any such decisions, requirements or sanctions, or any increase in governmental regulation of respective operations, could increase Company Parties' costs and materially adversely affect Company Parties business and the TGC platform. Unlawful or Arbitrary Government Action. Governmental authorities may have a high degree of discretion and, at times, act selectively or arbitrarily, without hearing or prior notice, and sometimes in a manner that is contrary to a law or influenced by political or commercial considerations. Moreover, the government also has the power in certain circumstances, by regulation or government act, to interfere with the performance of, nullify or terminate contracts. Unlawful, selective or arbitrary governmental actions have reportedly included the denial or withdrawal of licenses, sudden and unexpected tax audits, criminal prosecutions and civil actions. Federal and local government entities have also used common defects in matters surrounding the Token sale as pretexts for court claims and other demands to invalidate or to void any related transaction, often for political purposes. In this environment, Company Parties' competitors may receive preferential treatment from the government, potentially giving them a competitive advantage over Company Parties.