

Risk Disclosure

Utility tokens are digital assets that grant holders access to a product or service within a specific ecosystem, usually built on blockchain technology. While they may offer benefits such as discounts or access to platforms, their value is subject to risks. You are expected and required to understand the risks associated with purchasing the TOYOW Token and take sole responsibility for your decision to purchase the token.

1. Regulatory Risk

- **Regulations:** The TOYOW Token (TTN) token is issued by SoftHorizon Solutions sp.z.o.o registered in Poland. Global regulatory environment is evolving and as a result new rules and regulations may get introduced that could impact the legality, usage, or taxation of these tokens.
- **Jurisdictional Issues:** Different countries have different approaches to regulating utility tokens. An investment that is legal in one country may be restricted or outright banned in another, leading to potential loss of access or value. You are expected to research and understand the risk of ownership of the TOYOW Token in your own jurisdiction.

2. Project Failure or Delays

- **Technology Risks:** The TOYOW Token (TTN) is tied to the Base protocol. If the underlying technology of the Base protocol fails, is compromised, or is not developed as expected, the value of the token could be severely impacted.
- **Lack of Adoption:** Even if the technology works, there is a risk that the Toyow platform or ecosystem will not gain enough adoption to create demand for the token, thereby decreasing its utility and value.
- **Delays or Abandonment:** The project may face a delay in its roadmap or fail to meet milestones. Due to events beyond the control of the Token issuance team, the project development may be abandoned in a case scenario which will impact the token.

3. Market Volatility

- **Price Fluctuations:** The TOYOW Token (TTN), may demonstrate high price volatility. Market sentiment, speculative trading, or global economic conditions can contribute to these fluctuations.
- **Liquidity Risk:** \$TTN may have low trading volume, making it difficult to buy or sell at desired prices. If there is insufficient liquidity, investors may face slippage or be unable to exit their positions at favourable rates.

4. Security and Fraud

- **Hacking and Exploits:** Blockchain projects can be vulnerable to cyberattacks. The TTN project has industry standard security protocols like encryption of data, multi-factor authentication (MFA), multi-sig wallets. Even with the best of security protocols in place, security vulnerabilities can lead to a loss of value or access to tokens.

5. Token Inflation or Deflation

- **Token Burn Mechanisms:** The TTN project will implement a token burn mechanism to reduce supply over time. The method is well defined but if the mechanism is not effective or if demand does not increase, the token's value may still decrease.

6. Lack of Regulation of Token Usage

- **Overuse or Misuse of Tokens:** The use of the TTN is clearly defined in the white paper that is publicly available. Despite this if the token's primary function is misunderstood or abused within its ecosystem, its utility and value could diminish. For example, if the token becomes too easy to earn or not used effectively, it could lose its desirability.
- **Changes in Ecosystem Use:** The utility of the TTN token is dependent on the ecosystem, such as the Toyow platform and its service. If the Toyow project pivots or changes direction, the utility token may no longer be as useful, reducing its value.

7. Legal Claims and Disputes

- **Intellectual Property Risks:** Legal challenges could arise from disputes over the intellectual property rights associated with the project or its technology. This could affect the project's ability to operate and, by extension, the utility and value of its tokens.

8. Economic Factors

- **Market Sentiment and Speculation:** Utility tokens, like other cryptocurrencies, are often subject to speculative trading. Changes in investor sentiment, such as fear, uncertainty, or greed, can lead to sharp price movements.
- **Global Economic Conditions:** Macro factors, such as inflation, interest rates, or regulatory changes in major economies, can influence the value of utility tokens, just as they can impact traditional financial markets.

9. Token Utility Decline

- **Redundancy Risk:** If a competing technology or platform offers better functionality or services than the one associated with the utility token, demand for the token may decline.
- **Shifting Ecosystem Needs:** As technology evolves, the original purpose of a utility token may become obsolete. If the ecosystem shifts and the token is no longer needed for the new offerings, it may lose value.

Conclusion

Investing in utility tokens carries significant risks, including regulatory uncertainty, project failure, market volatility, and fraud. It's crucial for investors to conduct thorough research, understand the underlying technology, evaluate the credibility of the project, and stay informed about the legal landscape surrounding cryptocurrencies. As with all speculative investments, only invest what you can afford to lose and consider diversifying your portfolio to manage risk effectively.