



Important Information: Risk Factors to Consider

Bitcache Holdings LLC, Bitcache Limited and K.IM, any affiliate or related entity of any of them, and any person or entity associated with any of them, and whether in respect of any one, some or all of them (“K.im”, “Bitcache”, “we” or “us”) do not intend to make 1) an offer of securities, or financial or investment products or instruments and/ or 2) an invitation to any person to apply for or to subscribe for, participate in or buy any securities in K.im and/or Bitcache and/or 3) an invitation to participate in the business undertakings and/or profits or gains arising from any of their activities. In any event, the risk factors described below are some of the material risks that arise or may arise in respect of, in relation to and/or in connection with the technologies, products, services, business, platform and/or network of K.im, K.im Payment and/or Bitcache, which may or may not have a flow on effect on the utility and/or the value of the cryptocurrency for use on K.im and K.im Payment, known as Kimcoins. Also below are some of the material risks that arise or may arise in respect of, in relation to and/or in connection with the issuance, and/or use and/or value of Kimcoins. It is not a comprehensive list of all possible risk factors, and in particular it does not take into account the potential individual risk factors of any person or entity other than Bitcache or K.im.

For clarity these risk factors only relate to K.im, the K.im Platform, K.im Payment and Kimcoins and do not relate to Kim Development Coins (KDCs) or any sale of KDCs. For more information on KDCs and any sale of such <https://k.im/download/whitepaper.pdf>.

If any of the risks described below were to occur, the technologies, products, services, business, platform and/or network of K.im, K.im Payment and/or Bitcache, and/or the Kimcoins, may not commence or be developed, progressed, established or completed.

This could result in the technologies, products, services, business, platform and/or network of K.im, K.im Payment and/or Bitcache (including its business, financial condition, operating results and prospects), and/or the issuance, use and/or value of Kimcoins, being materially and adversely affected. For the purposes of the Risk Factors set out below, any reference to a risk to the value of the Kimcoins relates to its value in the use of the products, services, business, platform and/or network of K.im, K.im Payment and/or Bitcache and the pricing or price payable for any such use. Kimcoins are intended to be used solely within K.im and K.im Payment and the provision of services, as such the value of the Kimcoins for secondary market trading or external valuation (if any) is not endorsed, approved or commented on by us.

RISKS FACTORS

The business is not yet established and no revenue has been generated.

K.im and K.im Payment are in the early start-up phase, with development still being undertaken, no revenue has been generated to date and revenue is not expected to be generated in the near

future. K.im Payment and K.im are not expected to go live until the development and establishment of the services and a network has been sufficiently progressed and tested. We may make K.im Payment and K.im services available to certain users on a staged basis. Development and establishment of the services, network and customer base have incurred and may continue to incur substantial upfront costs. We cannot assure you that when or even if we will achieve profitability in the future or that, if we do become profitable, we will sustain profitability.

We have no operating history which makes it difficult to predict our future operating results.

As we have no historical trading history, our ability to accurately forecast our future operating results is limited and subject to a number of uncertainties. Going forward we will continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries. We have made assumptions regarding these risks and uncertainties to plan our business. However, if these assumptions are incorrect or change due to changes in our markets or if we do not address these risks and uncertainties successfully, our operating and financial results could differ materially from our expectations and the business could suffer.

We will compete in markets that are likely to be or become highly competitive, and if we do not compete effectively, our operating results could be harmed.

The markets in which K.im, K.im Payment and/or Bitcache will compete in are evolving and likely to be competitive markets. As new technologies are developed we expect competition to intensify. Pricing pressures and increased competition generally could result in reduced sales, lower margins, losses or the failure of services to achieve or obtain widespread acceptance and adversely affect the utility and/or the value of the Kimcoins.

If the market develops more slowly than we expect or declines, our business could be adversely affected.

The market for K.im and K.im Payment is not mature, and it is uncertain whether a service like ours will achieve and subsequently sustain consumer demand and market acceptance. Our success will depend on the adoption of K.im and K.im Payment.

The expansion of the markets depend on a number of factors including the cost, performance and perceived value associated with K.im, K.im Payment and/or Bitcache, as well as the ability of companies that provide such services to address security and privacy concerns. If we or other providers experience security incidents, losses of consumer data, tokens being subject to malicious attacks, disruptions in delivery or other such problems, the market for such services as a whole (including our services) may be negatively affected.

If K.im and K.im Payment do not achieve widespread adoption caused by a lack of consumer acceptance, technological challenges, weakening economic conditions, security or privacy concerns, competing technologies and products, decreases in corporate spending or otherwise, it may result in decreased revenue, harm our growth rates and adversely affect our business and operating results and adversely affect the utility and/or the value of the Kimcoins.

Our business depends on consumer uptake and consumers continuing to use our services. Failure to achieve adequate customer uptake or the continued use by our consumers may harm our future operating results.

In order to achieve our operating forecasts, it is important for consumers to adopt and continue to use the services. Our consumers have no obligation to use our services and we cannot assure you that consumers will continue to do so.

Retention rates may fluctuate as a result of a number of factors, including consumers' satisfaction or dissatisfaction with the services, the effectiveness of the consumer support services, the pricing, the prices of competing products or services, mergers and acquisitions affecting our consumer base, the effects of global economic conditions or reductions in our consumers' spending levels. If consumers do not adopt or continue to use the services, revenue may not reach the estimated forecasts and we may not realise the estimated operating results.

If we cannot provide successful enhancements, new features and modifications to our services, our business could be adversely affected.

The markets for K.im and K.im Payment require rapid technological developments and new and enhanced applications and services. If we are unable to provide enhancements and new features for the proposed services that achieve market acceptance or that keep pace with rapid technological developments, our business could be adversely affected. Our success depends on several factors including the timely completion, introduction and market acceptance of such enhancements, features or services. Failure in this regard may significantly impair our revenue growth resulting in consumer dissatisfaction and adversely affect the utility, adversely affect our business and/or the value of the Kimcoins.

As our services are designed to operate on a variety of systems and networks, we will need to continuously modify and enhance our services to keep pace with changes in internet-related hardware, mobile operating systems, and other software, communication, browser and database technologies. We may not be successful in either developing these modifications and enhancements or in bringing them to market in a timely fashion. Furthermore, modifications to the proposed services and technologies will incur significant research and development expenses. Any failure of our services to operate effectively with future network platforms and technologies could reduce the demand for our services, result in consumer dissatisfaction, affect the utility and/or the value of the Kimcoins.

Actual or perceived security vulnerabilities in our services or any breaches of our security controls and unauthorised access to a consumer's data or tokens could harm our business and operating results.

Cyber-attacks and other malicious internet-based activity continue to increase in frequency and in magnitude. Token and content services have been targeted in the past. As we establish and build our consumer base and brand recognition, we may become more of a target for these third parties.

If our security measures are breached as a result of third party action, human negligence and/or error, malfeasance, product defects or otherwise, and this results in the disruption of the confidentiality, integrity or availability of our consumers' data or Kimcoins, we may incur significant liability to third parties and our business may suffer and our reputation may be damaged.

Techniques used to obtain unauthorised access to or to sabotage, systems or networks, change frequently and generally are not recognised until launched against a target. Therefore, we may be unable to anticipate these techniques, react in a timely manner or implement adequate preventative measures.

Privacy concerns and laws and regulations may reduce the effectiveness of our services and harm our business.

Our services will likely involve the storage of personal or identifying information. Various jurisdictions have adopted or are considering adopting laws and regulations regarding the collection, use and disclosure of personal information obtained from consumers and other individuals. The costs of compliance with and other burdens imposed by such laws and regulations may limit the use and adoption of our services and reduce overall demand for them.

Compliance with current and proposed laws and regulations globally can be costly to comply with, can delay or impede the development of new products, result in negative publicity, increase operating costs, require significant management time and attention and expose us to claims, liabilities, fines or demands.

Furthermore, government agencies may seek to access sensitive information that is provided to or stored through the K.im and K.im Payment systems, or restrict users' access to K.im and K.im Payment. Laws and regulations relating to government access and restrictions are evolving, and compliance with such laws and regulations could limit adoption of our services by users and create burdens on our business. Moreover, regulatory investigations into our compliance with privacy-related laws and regulations may increase costs and divert management attention.

If we are unable to satisfy data protection, security, privacy, and other government and industry specific requirements, our growth could be harmed.

There are a number of data protection, security, privacy and other government and industry specific requirements, including those that require companies to notify individuals of data security incidents involving certain types of personal data. Security compromises experienced by our competitors, consumers or by us may lead to public disclosures which could harm our reputation, erode consumer confidence in the effectiveness of our security measures, negatively impact our ability to attract new consumers, or cause existing consumers to elect not to use the services.

K.im and K.im Payment is intended to integrate with a variety of operating systems and software applications that are developed by others, and if we are unable to ensure that our solutions interoperate with such systems and applications, our service may become less competitive, our operating results may be harmed and the utility and/or the value of the Kimcoins may be adversely affected.

We offer our services across a variety of operating systems and through the internet. We are dependent on the interoperability of our platform with third party mobile devices, desktop and mobile operating systems, as well as web browsers that we do not control. Any changes in such systems, devices or web browsers that degrade the functionality of our services or give preferential treatment to competitive services could adversely affect usage of our services. In order to deliver

high quality services, it is important that they work well with a range of operating systems, networks, devices, web browsers and standards that we do not control.

As a substantial number of our users are likely to access our services through mobile devices, we will likely be dependent on the interoperability of our services with mobile devices and operating systems. We may not be successful in developing relationships with key participants in the mobile industry or in developing services that operate effectively with these operating systems, networks, devices, web browsers and standards. In the event that it is difficult for our users to access and use our services, our user growth may be harmed, our business and operating results could be adversely affected and the utility and/or the value of the Kimcoins may be adversely affected.

If we fail to effectively manage our technical operations infrastructure, our consumers may experience service outages and delays in the further deployment of our services, which may adversely affect our business.

We intend to maintain sufficient excess capacity in our operations infrastructure to meet the needs of all of our consumers. We also seek to maintain excess capacity to facilitate the rapid provisioning of new consumers. In addition, we need to properly manage our technological operations infrastructure in order to support changes in hardware and software parameters and the evolution of our services. We may experience website disruptions, outages and other performance problems. These problems may be caused by a variety of factors, including infrastructure changes, government interference, human or software errors, viruses, security attacks, fraud, spikes in consumer usage and denial of service issues. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time, which may harm our reputation, operating results and the utility and/or the value of the Kimcoins.

If we do not accurately predict infrastructure requirements we may experience service outages which may lead to financial penalties, financial liabilities and consumer losses. If our operations infrastructure fails to keep pace with increased sales, consumers may experience delays as we seek to obtain additional capacity, which could adversely affect our reputation and our revenue.

Interruptions or delays in service from our third party providers may impair the delivery of our services and harm our business.

We may use third party providers from time to time to provide or support various aspects of our products and services. Third party providers may cause or suffer from interruptions or delays for various reasons and this may cause interruptions or delays to our services. Any such interruptions or delays may adversely affect our reputation and our revenue.

If we overestimate or underestimate our data centre capacity requirements, our operating results could be adversely affected.

Costs associated with leasing and maintaining data centres and/or server farms will likely constitute a significant portion of our capital and operating expenses. We intend to continuously evaluate our short and long term data centre capacity requirements and to undertake an elastic capacity approach to ensure we can scale our capacity for new and existing consumers on a dynamic basis in order to minimise unnecessary capacity costs. If at any time we over or underestimate the demand for our services this may impair revenue growth.

We depend on highly skilled personnel to grow and operate our business, and if we are unable to hire, retain and motivate our personnel, we may not be able to grow effectively.

Our future success will depend upon our continued ability to identify, hire, develop, motivate and retain highly skilled personnel, including senior management, engineers, designers, product managers, sales representatives, consumer support representatives and other highly skilled personnel. Our ability to operate efficiently is dependent upon identifying, recruiting, training, integrating and retaining our employees and contractors. From time to time there may be changes in our senior management, design, marketing or development teams that may be disruptive to our business. If our senior management, design, marketing or development teams, including any new hires that we may make, fail to work together effectively and to execute on our plans and strategies on a timely basis, our business could be harmed. We may need to invest significantly to attract and retain new employees and contractors and we may never realise returns on these investments. If we are not able to effectively add and retain employees, our ability to achieve our strategic objectives will be adversely impacted, and our business will be harmed.

We may be sued by third parties for alleged infringement of their proprietary rights.

There is likely to be considerable intellectual property development activity in our markets. Our success depends on our not infringing upon the intellectual property rights of others. Our competitors, as well as a number of other entities, including non-practicing entities, and individuals, may own or claim to own intellectual property relating to our markets or consumer content.

We cannot provide any assurance that third parties will not allege infringement by us of third party intellectual property or that prosecutions will not be brought against us. In the future, others may claim that our services, underlying technology or content stored, infringes or violates their intellectual property rights. However, we may be unaware of the intellectual property rights that others may claim cover some or all of our technology or services. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our services, or require that we comply with other unfavourable terms.

We may also be obligated to indemnify our consumers or business partners or pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to obtain licenses, modify services, or refund fees, which could be costly. Even if we were to prevail in such a dispute, any litigation regarding our intellectual property could be costly and time consuming and divert the attention of our management and key personnel from our business operations.

Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand.

Our success and ability to compete will depend in part on our intellectual property. We primarily rely on copyright, trade secret and trademark laws, trade secret protection and confidentiality or license agreements with our employees, contractors, consumers, partners and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defences, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Accordingly, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. Our failure to secure, protect and enforce our intellectual property rights could materially adversely affect our brand and adversely impact our business.

We may need to rely on third parties for certain financial and operational services essential to our ability to manage our business. Any failure or disruption in these services could materially and adversely affect our ability to manage our business effectively.

We may rely on third parties from time to time for certain essential financial and operational services. As a result, we depend upon these vendors providing us with services that are always available and are free of errors or defects that could cause disruptions in our business processes, which would adversely affect our ability to operate and manage our operations.

We are intending to focus on product innovation and user engagement.

We intend to focus heavily on product and service development and launching new and innovative products and features, as well as on improving the user experience of our services. We will also focus on consumer uptake of the services. We intend to prioritise innovation and the experience for K.im and K.im Payment and growing our user base. We may make product and service decisions that reduce our short-term operating results if we believe that the decisions are consistent with our goals to improve the user experience and to develop innovative features that we feel our users desire. These decisions may not be consistent with the short-term expectations of revenue and may not produce the long-term benefits expected.

If our services fail to perform properly to meet the needs of our consumers, our reputation could be adversely affected, our market share could decline and we could be subject to liability claims.

Our services although simple for consumers to use are inherently complex and may contain material defects or errors. Any defects either in functionality or that cause interruptions in the availability of our services, as well as user error, could result in:

- loss or delayed market acceptance and sales;
- breach of warranty claims;
- loss of consumers;
- diversion of development and consumer service resources; and
- harm to our reputation.

The costs incurred in correcting any material defects or errors might be substantial and could adversely affect our operating results and the utility and/or the value of the Kimcoins.

Because of the types of services provided, it is possible that hardware failures, errors in our systems or user errors could result in data loss or corruption that our consumers regard as significant.

Furthermore, the availability or performance of our services could be adversely affected by a number of factors, including consumers' inability to access the internet, the failure of our network or software systems, security breaches or variability in consumer traffic for our services. We may be required to issue credits or refunds or otherwise be liable to our consumers for damages they may incur resulting from some of these events. In addition to potential liability, if we experience interruptions in the availability of our services, our reputation could be adversely affected, which could result in the loss of consumers. For example, our consumers access our services through their internet service providers. If a service provider fails to provide sufficient capacity to support our services or otherwise experiences service outages, such failure could interrupt our consumers' access to our services, adversely affect their perception of our services' reliability and consequently reduce our revenue.

Any errors and omissions insurance policies that we may have at the time may be inadequate. In addition, any policy we have may not cover all claims made against us, and defending a lawsuit, regardless of its merit, could be costly and divert management's attention.

If the prices we charge for our services are unacceptable to our consumers, our operating results will be harmed.

As the market for our services matures, or as new or existing competitors introduce new products or services that compete with ours, we may experience pricing pressure and be unable to retain consumers or attract new consumers at prices that are consistent with our pricing model and operating budget. If this were to occur, it is possible that we would have to change our pricing model or reduce our prices, which could harm our revenue, gross margin, operating results and the utility and/or the value of the Kimcoins.

Sales internationally expose us to risks.

Our services are to be provided to consumers around the world. Operating in multiple jurisdictions and markets requires significant resources and management attention and will subject us to multiple regulatory, economic, geographic and political risks. Risks involved in doing business internationally that may adversely affect our business, include (but are not limited to):

- the localisation and adaptation of our services for specific countries, including translation into foreign languages and associated expenses;
- data privacy laws that, among other things, could require that consumer data be stored and processed in a designated territory;
- difficulties in staffing and managing foreign operations;
- different pricing environments, longer sales cycles and longer accounts receivable payment cycles and collections issues;
- new and different sources of competition;
- differing levels of protection for intellectual property and other legal rights and practical difficulties in enforcing such;
- laws and business practices favouring local competitors;
- laws and business practices as to the use of cryptocurrencies or tokens;
- compliance challenges related to the complexity of multiple, conflicting and changing

governmental laws and regulations, including employment, tax, privacy, anti-money laundering and data protection

laws and regulations;

- increased financial accounting and reporting burdens and complexities;
- restrictions on the transfer of funds;
- adverse tax consequences; and
- unstable regional, economic and political conditions.

We intend to sell our services in certain cryptocurrencies, primarily in Bitcoin and Kimcoins, however operating expenses will be incurred in various crypto and fiat currencies. Therefore, fluctuations in the value of cryptocurrencies and fiat currencies may impact our operating results. We intend to monitor changes in the financial environment and seek to limit the risk of such fluctuations. However, any such fluctuations may affect the pricing of the services and the utility and/or the value of the Kimcoins which may adversely affect our business and operating results.

If we are unable to maintain and promote our brand, our business and operating results may be harmed.

We believe that maintaining and promoting our brand is critical to expanding our consumer base. Maintaining and promoting our brand will depend largely on our ability to provide useful, reliable and innovative services, which we may not do successfully. We may introduce new features, products, services or terms of service that our consumers do not like, which may negatively affect our brand and reputation.

The actions of third parties may also affect our brand and reputation if consumers do not have a positive experience using third-party apps or other services that are integrated with our services. Maintaining and enhancing our brand may require us to make substantial investments, and these investments may not achieve the desired goals. If we fail to successfully promote and maintain our brand or if we incur excessive expenses in this effort, our business and operating results could be adversely affected.

Our growth may depend in parts on the success of strategic relationships with third parties.

In order to grow our business, we anticipate that we may need to depend on relationships with third parties, such as alliance partners, distributors, system integrators and developers. Identifying partners and resellers, and negotiating and documenting relationships with them, requires significant time and resources. Also, we depend on our ecosystem of system integrators and developers to create applications that will integrate with our platform. Our competitors may be effective in providing incentives to third parties to favour their products or services, or to prevent or reduce subscriptions to our services. In addition, acquisitions of our partners by our competitors could result in a decrease in the number of current and potential consumers, as our partners may no longer facilitate the adoption of our services by potential consumers.

If we are unsuccessful in establishing or maintaining relationships with third parties, our ability to compete in the marketplace or to grow our revenue could be impaired and our operating results may suffer. Even if we are successful, we cannot assure you that these relationships will result in increased consumer usage of our services or increased revenue.

Furthermore, if our partners and resellers fail to perform as expected, our reputation may be harmed and our business and operating results and the utility and/or the value of the Kimcoins could be adversely affected.

We may depend on our ecosystem of system integrators and developers to create applications that will integrate with K.im and K.im Payment.

It is anticipated that we will have an ecosystem of partners, system integrators and developers that may develop, applications, products and services that connect and/or integrate with our services and/or platform. We will not be able to provide any assurance that any such applications, products or services meet our quality standards. To the extent that they contain bugs or defects this may cause disruptions to our services or negatively affect our brand. We are unlikely to provide any support for third party applications and users may be left without support if these system integrators and developers do not provide adequate support for their applications. There is also an additional risk that these system integrators and developers may not possess the appropriate intellectual property rights to develop and share their applications. Such risks are outside our control.

Our services are likely to contain open source software, and we may license some of our software through open source projects, which may pose particular risks to our proprietary software, products, and services in a manner that could have a negative impact on our business.

We may use open source software in our services. We may contribute software source code to open source projects under open source licenses or release internal software projects under open source licenses, and anticipate doing so in the future. The terms of many open source licenses have not been interpreted by many courts globally, and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our services.

We may face claims from third parties claiming ownership of or demanding release of the open source software or derivative works that we developed using such software, which could include our proprietary source code, or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require us to make our software source code freely available, purchase a costly license or cease offering the implicated services unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and development resources, and we may not be able to complete it successfully.

Use of certain open source software can lead to greater risks than use of third party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. Additionally, because any software source code we contribute to open source projects is publicly available, our ability to protect our intellectual property rights with respect to such software source code may be limited or lost entirely, and we are unable to prevent our competitors or others from using such contributed software source code. We intend to mitigate these risks through unit and integration testing, however these risks may be difficult to eliminate or manage, and, may have a negative effect on our business, financial condition, operating results and the utility and/or the value of the Kimcoins.

Future acquisitions and investments could disrupt our business and harm our financial condition and operating results.

Our success will depend, in part, on our ability to expand our services and develop and grow our business in response to changing technologies, consumer demands, and competitive pressures. In some circumstances, we may choose to do so through the acquisition of complementary businesses and technologies rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming and costly, and we may not be able to successfully complete identified acquisitions. The risks we face in connection with acquisitions include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- coordination of research and development and sales and marketing functions;
- retention of key employees from the acquired company;
- cultural challenges associated with integrating employees from the acquired company into our organisation;
- integration of the acquired company's accounting, management information, human resources and other administrative systems;
- the need to implement or improve controls, procedures, and policies at a business that prior to the acquisition may have lacked effective controls, procedures and policies;
- liability for activities of the acquired company before the acquisition, including intellectual property infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities;
- unanticipated write-offs or charges; and
- litigation or other claims in connection with the acquired company, including claims from terminated employees, consumers, former stockholders or other third parties.

Our failure to address these risks or other problems encountered in connection with our past or future acquisitions and investments could cause us to fail to realise the anticipated benefits of these acquisitions or investments cause us to incur unanticipated liabilities and harm our business generally. Future acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortisation expenses, incremental operating expenses or the write-off of goodwill, any of which could harm our financial condition or operating results.

We may require additional capital to support our operations or the growth of our business, and we cannot be certain that this capital will be available on reasonable terms when required, or at all.

We may from time to time require financing to operate or grow our business. Our ability to obtain additional financing will likely depend on investor and lender demand, our operating performance, the condition of the capital markets and other factors. We cannot guarantee that any financing required will be available to us on favourable terms when required, or at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support the operation or growth of our business could be significantly

impaired and our operating results may be harmed.

Adverse economic conditions may negatively impact our business.

Our business depends on the overall demand for our services and on the economic health of our current and prospective consumers. Any financial recession may reduce demand for our services. This could result in reductions in the sales of our services, longer sales cycles, reductions in subscription duration and value, slower adoption of new technologies and increased price competition. Any of these events would likely have an adverse effect on our business, operating results, financial position and the utility and/or the value of the Kimcoins.

Changes in laws and regulations related to the internet or changes in the internet infrastructure itself may diminish the demand for our services, and could have a negative impact on our business.

The success of K.im and K.im Payment depends upon the continued use of the internet as a primary medium for commerce, communication and business services and the uptake of cryptocurrencies. Government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium. Changes in these laws or regulations may require us to modify and adapt our services in order to comply with these changes. In addition, government agencies or private organisations may begin to impose taxes, fees or other charges for accessing the internet or commerce conducted via the internet. These laws or charges could limit the growth of internet-related commerce or communications generally, or result in reductions in the demand for internet-based services such as ours.

The use of the internet and in particular the cloud as a business tool could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease of use, accessibility, and quality of service. The performance of the internet and its acceptance as a business tool have been adversely affected from time to time by “viruses,” “worms” and similar malicious programs, and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the internet is adversely affected by these issues, demand for our services could suffer.

We may employ third party licensed software for use in or with our services, and the inability to maintain these licenses or errors in the software we license could result in increased costs, or reduced service levels, which would adversely affect our business.

We may rely on third party software and development tools. Although there may be commercially reasonable alternatives to any such third party software we choose to license, this may not always be the case, or it may be difficult or costly to replace.

Integration of the software used in our services with new third party software may require significant work and require substantial investment of our time and resources. To the extent that our services may depend upon the successful operation of third party software in conjunction with our software, any undetected errors or defects in this third party software could prevent the deployment or impair the functionality of our services, delay new services introductions, result in

a failure of our services, and injure our reputation. Any use of additional or alternative third party software would require us to enter into additional license agreements with third parties.

Tax laws or regulations could be enacted or changed and existing tax laws or regulations could be applied to us or to our consumers in a manner that could increase the costs of our services and adversely impact our business.

The application of global tax laws to services provided electronically is unclear and continuously evolving. Income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted or amended at any time, possibly with retroactive effect, and could be applied solely or disproportionately to services provided over the internet. These enactments or amendments could adversely affect our sales activity due to the inherent cost increase the taxes would present and ultimately result in a negative impact on our operating results and cash flows.

In addition, existing tax laws, statutes, rules, regulations or ordinances could be interpreted or applied adversely to us, possibly with retroactive effect, which could require us or our consumers to pay additional tax amounts, as well as require us or our consumers to pay fines or penalties, as well as interest for past amounts. If we are unsuccessful in collecting such taxes due from our consumers, we could be held liable for such costs, thereby adversely impacting our operating results and cash flows.

We may be subject to additional tax liabilities.

We may be subject to income, sales, use, value added and other taxes in multiple countries in which we conduct business, and such laws and rates vary by jurisdiction. Certain jurisdictions in which we do not collect sales, use, value added or other taxes on our sales may assert that such taxes are applicable, which could result in tax assessments, penalties and interest, and we may be required to collect such taxes in the future. Significant judgment is required in determining our worldwide provision for income taxes. Such determinations are highly complex and require detailed analysis of the available information and applicable statutes and regulatory materials. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination may be uncertain.

Although we will seek to ensure any tax estimates are reasonable, the final determination of tax audits and any related litigation could be materially different from such estimates. If we receive an adverse ruling as a result of an audit, or we unilaterally determine that we have misinterpreted provisions of the tax regulations to which we are subject, there could be a material effect on our tax provision, net income or cash flows in the period or periods for which that determination is made. In addition, liabilities associated with taxes are often subject to an extended or indefinite statute of limitations period. Therefore, we may be subject to additional tax liability (including penalties and interest) for a particular year for extended periods of time.

Risks Arising from Taxation.

The tax characterisation of cryptocurrency tokens is uncertain. Those who purchase or receive Kimcoins must seek their own tax advice. We are not responsible for any taxation on Kimcoins in any jurisdiction.

Our reported financial results may be adversely affected by changes in generally accepted accounting principles.

Generally accepted accounting principles are subject to interpretation and review by various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of a change.

Blockchain Risks

Kimcoins will be minted and issued on a private and federated blockchain, that is not publicly available. Such Blockchain may suffer or cause an action which affects, alters or causes the Kimcoins to disappear from the Blockchain. We will not be responsible for any matter that affects the Blockchain and /or the Token, including if any matter on the Blockchain is altered, affected or disappears.

Cryptocurrency risks.

Kimcoins are utility tokens that are similar to other forms of cryptocurrency. Kimcoins will not be mined but minted. While cryptocurrencies, including Kimcoins, have some characteristics of fiat currency, they are not the same. The regulatory regime for cryptocurrencies is different around the world, depending on the jurisdiction. The utility and/or the value of a particular cryptocurrency, including Kimcoins, is not guaranteed and can go to zero.

The Kimcoins are not being structured or sold as securities or any other form of investment product. Accordingly, any information provided by K.im or Bitcache is not intended to form the basis for any decision to purchase and/or receive Kimcoins, and no specific recommendations are intended. Although we expressly disclaim any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from reliance on any information provided, any error, omission or inaccuracy in any such information and/or or any action resulting from such information, we cannot prevent third parties from seeking recovery.

Risk of losing access to Kimcoins due to loss of private key(s), custodial error or purchaser error.

Kimcoins may be held by a customer in a digital wallet or vault, which may include the K.im Payment Wallet. A private key, or a combination of private keys, is necessary to control and deal with Kimcoins. A loss of requisite private key(s) associated with the digital wallet or vault storing Kimcoins may result in loss of such Kimcoins. Any third party access to such private key(s) may result in a misappropriation of Kimcoins. We are not responsible for any such loss or misappropriation of Kimcoins.

Digital wallets may experience errors or malfunctions including where such is caused by the failure to properly maintain or use the digital wallet, which may result in the loss of Kimcoins. We will not be responsible for any failure by a customer to follow precisely the procedures set out for the buying and receiving of Kimcoins.

Risks Associated with Protocols.

We may base some of our smart contracts on third party protocols. Any malfunction, breakdown, or abandonment of such third party protocols may have an adverse effect on K.im, K.im Payment, Bitcache, our business, operating results, financial position and the utility and/or the value of the Kimcoins.

Advances in technologies adverse to K.im, K.im Payment, Bitcache or the Kimcoins, such as quantum computing, could present risks to K.im, K.im Payment, Bitcache or the Kimcoins. These may have an adverse effect on our business, operating results, financial position and the utility and/or the value of the Kimcoins.

Risks Associated with Markets for Tokens.

The Kimcoins are intended to be used solely within K.im and K.im Payment and the provision of our services.

The secondary trading of Kimcoins may occur through third party exchanges. Such exchanges may be subject to little or no regulatory oversight, making them more susceptible to fraud or manipulation. Furthermore, to the extent that third parties do ascribe an external exchange value to cryptocurrencies (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile and may diminish to zero.

Risk of Uninsured Losses.

Kimcoins are uninsured unless private insurance is obtained to insure them. In the event of loss or loss of utility value, there is no public insurer or governmental body that may offer recourse for such losses.

Risks Associated with Uncertain Regulations and Enforcement Actions.

The regulatory status of Kimcoins and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory agencies may apply existing regulations, implement changes to laws and regulations with respect to such technology and its applications, including to the Kimcoins.

Regulatory actions may negatively impact the K.im, K.im Payment, Bitcache and the Kimcoins in various ways, for example, through a determination that the purchase, sale and delivery of the Kimcoins constitutes unlawful activity or that the Kimcoins are a regulated instrument that require registration or licensing of those instruments or some or all of the parties involved in the purchase, sale and delivery thereof.

We may cease operations in a jurisdiction or prohibit persons from such jurisdictions from purchasing or using the Kimcoins in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

Risk of an Unfavorable Fluctuation of Value.

The value of Kimcoins may fluctuate for various reasons, including without limitation, changes in interest rates, exchange rates of fiat currencies, asset prices, cryptocurrency prices, commodity prices, securities prices and/or a market (of any kind and in any jurisdiction).

Risks Arising from Lack of Governance Rights.

Kimcoins do not confer any governance rights of any kind in relation to any of any of our entities or decisions involving our services and such decisions will be made by us in our sole discretion, including, but not limited to, decisions to discontinue any services, to create and sell more Kimcoins or to liquidate. Any of these events may have an adverse effect on our business, operating results, financial position and the utility and/or the value of the Kimcoins.

Unanticipated Risks.

Cryptographic tokens such as the Kimcoins are a new and untested technology. In addition to the risks set out above, there are other risks associated with your receipt, purchase, possession and/or use of Kimcoins, including unanticipated risks. Such risks may further materialise as unanticipated variations or combinations of the risks discussed above.