

Nimbus Token (NIM) Risk Factors

It is imperative that all risk factors identified below along with all the information contained in the Terms of Use before deciding to participate in the Nimbus Token (NIM) Platform crowdsale. To the best of Nimbus Token LLC's ("The Company") knowledge and belief, all material risk factors that can influence your informed judgment to participate in the crowdsale have been outlined below. If any of the following considerations, uncertainties or material risks develops into actual events, the business, financial position and/or results of operations of the Company and the maintenance and level of usage of the NIM TRANSACTION PLATFORM and the NIM Tokens could be materially and adversely affected. In such cases, the price or market value of NIM Tokens (in the case where they are listed on a cryptocurrency exchange) may decline due to any of these considerations, uncertainties or material risks, and you may lose all or part of your NIM Tokens.

Definitions

The "NIM Token" refers to a general-purpose cryptocurrency, implemented on the public Ethereum blockchain (the "Ethereum Platform") as an ERC20 token. NIM Tokens are intended to be used in the Nimbus Token Platform and for all transactions within the Nimbus Token ecosystem that can be developed in the future.

Risks Relating to Participation in the Crowdsale

Cryptocurrencies are extremely risky, highly volatile and unstable. You may lose some or ALL of your money by purchasing Nimbus Tokens.

NIM are a utility token only and not an asset. It can only be used on the Nimbus Token Platform for opening stores, upgrading stores and adding features.

NIM Token is not backed by any hard assets or other credit.

NIM will be priced independently by markets and exchanges, similar to any other crypto token. The price of NIM will be mostly defined by external factors and market forces that are outside the control and purview of the Company.

No assurance is given for approval of NIM trading on a cryptocurrency exchange.

Trading of NIM Tokens will depend on the consensus of its value between market participants.

No one is obligated to purchase any NIM Token from any holder of NIM Token.

There is no guarantee of liquidity or market price of NIM Token at any extent at any time.

At any given time in transacting in NIM, there may be limited or no liquidity in the ability to buy and/or sell NIM to effectuate transactions. The Company bears no responsibility for this lack of liquidity in NIM nor in maintaining a support (floor) price for NIM at any time. Liquidity refers to the extent to which a market allows assets to be bought and sold at stable prices. Lower liquidity tends to result in a more volatile market (especially when large orders are placed), and it causes prices to change more drastically; whereas higher liquidity creates a less volatile market, and prices do not fluctuate as significantly.

NIM Token is not a currency issued by any national, supra-national or central bank or organization.

There is no prior market for NIM Token may not result in either an active or liquid market for the NIM Tokens.

In case an approval for NIM Token, trading is granted by a cryptocurrency exchange, there is no assurance that an active or liquid market for NIM Tokens will develop, or if developed, be sustained after the NIM Tokens are available for trading on a cryptocurrency exchange.

NIM Tokens may not be resold to any jurisdiction where the purchase/sale of NIM Tokens may be in violation of applicable laws.

The Company cannot ensure that there will be any demand or market for NIM Tokens, or that the Purchase Price is indicative of the market price of NIM Tokens after they have been made available for trading on a cryptocurrency exchange.

Future sales or issuance of the NIM Tokens could materially and adversely affect the market price of NIM Tokens.

Any future sale or issuance of the NIM Tokens would increase the supply of NIM Tokens in the market and this may result in downward price pressure on the NIM Token.

The sale or distribution of a significant number of NIM Tokens outside of the Platform (including but not limited to the sales of NIM Tokens undertaken after the completion of the initial crowdsale, issuance of NIM Tokens to persons other than purchasers for purposes of community initiatives, business development, academic research, education and market expansion and issuance of NIM Tokens as a reward to users of the Nimbus Token platform), or the perception that such further sales or issuance may occur, could adversely affect the trading price of the NIM Tokens.

Negative publicity or unfavorable press or media coverage may materially and adversely affect the price of the NIM Tokens.

Negative publicity involving the Company, the NIM TRANSACTION PLATFORM, or NimbusToken.com website or any of the key personnel of the Company.

Regulation of cryptocurrencies in the US or worldwide, may materially and adversely affect the market perception or market price of the NIM Tokens, whether or not it is justified.

There is no assurance that there will be sufficient engagement in the TRANSACTION PLATFORM and Nimbus Token's Advertising Platform such that you will receive any rewards anticipated to be distributed to active users of the NIM TRANSACTION PLATFORM.

There is no assurance that the market price of NIM Token will not decline below its original purchase price (Purchase Price).

The purchase price is not indicative of the market price of NIM Tokens after they have been made available for trading on a cryptocurrency exchange.

Further, even in the event there is substantial engagement and interactions among the users and the NIM TRANSACTION PLATFORM, profits generated through the NIM TRANSACTION PLATFORM will not in any way, directly or indirectly, be allocated to users.

There is no assurance of any success of NIM TRANSACTION PLATFORM and CannaSOS' Advertising platform or any Future Business Line. The value of, and demand for, the NIM Tokens materially relies on the continuous and active engagement of its users in influencing and independently establishing the value of the tokens.

There is no assurance that the NIM TRANSACTION PLATFORM will gain traction after its launch and achieve any commercial success.

There is no assurance that any of the business lines contemplated by Nimbus Token will be launched and generate sufficient customer traction.

There is also no assurance that the cryptocurrencies raised in the crowdsale will be sufficient for the development of the NIM TRANSACTION PLATFORM and/or for the proper structuring and licensing of the anticipated NIM TRANSACTION PLATFORM future anticipated business lines.

For the foregoing or any other reason, any further development of the NIM TRANSACTION PLATFORM and launch of the anticipated NIM TRANSACTION PLATFORM future business lines may not be completed and there is no assurance that it will be launched at all. As such, distributed NIM Tokens will be used only at the currently existing platform which may adversely impact the value of the tokens.

The funds raised in the crowdsale are exposed to risks of theft. The funds received from the crowdsale will be securely held in an escrow wallet. Further, upon receipt of the funds from the Company, Nimbus Token will make every effort to ensure that the funds received by it from the Company will be securely held through the implementation of security measures. Notwithstanding such security measures, there is no assurance that there will be no theft of the cryptocurrencies as a result of

hacks, sophisticated cyber-attacks, distributed denials of service or errors, vulnerabilities or defects on the platform website, in the smart contract(s) on which the escrow wallet and the crowdsale relies, on the Ethereum or any other blockchain, or otherwise. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. In such event, even if the crowdsale is completed, the Company may not be able to receive the cryptocurrencies raised and may not be able to use such funds for the development of the NIM TRANSACTION PLATFORM and advancement of Nimbus Token Platform and API System and/or for launching any future business line, including but not limited to the structuring and licensing of the NIM TRANSACTION PLATFORM's future business lines. In such case, the launch of the NIM TRANSACTION PLATFORM and the structuring and licensing of the NIM TRANSACTION PLATFORM's future business lines might be temporarily or permanently curtailed. As such, distributed NIM Tokens may hold little worth or value.

Risks Relating to the Crowdsale Wallet

The private keys to the crowdsale wallet may be compromised and the cryptocurrencies may not be able to be disbursed. The crowdsale wallet is designed to be secure. Each of the holders of the private keys to the escrow wallet will use all reasonable efforts to safeguard their respective keys, but in the unlikely event that any of the keys to the crowdsale wallet are, for any reason whatsoever, lost, destroyed or otherwise compromised, the funds held by the crowdsale wallet may not be able to be retrieved and disbursed, and may be permanently unrecoverable. In such event, even if the crowdsale is successful, the Company will not be able to receive the funds raised and will not be able to use such funds for the development of the NIM Transaction Platform and the structuring and licensing of the NIM TRANSACTION PLATFORM's future business lines. As such, distributed NIM Tokens may hold little worth or value.

Risks Relating to NimbusToken.com and Nimbus Token, LLC.

The NIM TRANSACTION PLATFORM is developed, operated and maintained by Nimbus Token, LLC. Any events or circumstances which adversely affect Nimbus Token, LLC and NimbusToken.com or any of its successor operating

entities (collectively referred to herein as “Nimbus Token, LLC”) may have a corresponding adverse effect on the NIM TRANSACTION PLATFORM and any future business line, including but not limited to structuring and launch of the TRANSACTION PLATFORM’s future business lines. Such adverse effects would correspondingly have an impact on the utility, liquidity, and the trading price of the NIM Tokens.

The financial technology and cryptocurrency industries, and the legal cryptocurrency markets in which Nimbus Token, LLC competes have grown rapidly over the past few years and continue to evolve in response to new technological advances, changing business models, shifting regulations and other factors. As a result of this constantly changing environment, Nimbus Token, LLC may face operational difficulties in adjusting to the changes, and the sustainability of Nimbus Token, LLC will depend on its ability to manage its operations and ensure that it hires qualified and competent employees, and provides proper training for its personnel.

As its business evolves, Nimbus Token, LLC must also expand and adapt its operational infrastructure. Nimbus Token, LLC’s business relies on its blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology, and efficient real estate management. All of these systems, tools, and skillsets represent complex, costly, and rapidly changing technical infrastructure. In order to demonstrate continued ability to effectively manage technical support infrastructure for the NIM TRANSACTION PLATFORM, Nimbus Token, LLC will need to continue to upgrade and improve its data systems and other operational systems, procedures and controls. These upgrades and improvements will require a dedication of resources, are likely to be complex and increasingly rely on hosted computer services from third parties that Nimbus Token, LLC does not control. If Nimbus Token, LLC is unable to adapt its systems and organization in a timely, efficient and cost-effective manner to accommodate changing circumstances, its business, financial condition and results of operations may be adversely affected.

If the third parties whom Nimbus Token, LLC relies on are subject to a security breach or otherwise suffer disruptions that impact the services Nimbus Token, LLC uses, the integrity and availability of its internal information could be compromised, which may consequently cause the loss of confidential or proprietary information, and economic loss. The loss of financial, labor or other resources, and any other adverse effect on Nimbus Token, LLC’s business, financial condition and operations,

would have a direct adverse effect on Nimbus Token, LLC's ability to maintain the NIM TRANSACTION PLATFORM and/or to structure and license the anticipated NIM TRANSACTION PLATFORM future business lines. Any adverse effects affecting Nimbus Token, LLCs business or technology are likely to also adversely impact the utility, liquidity, and trading price of the NIM Tokens.

Nimbus Token, LLC may experience system failures, unplanned interruptions in its network or services, hardware or software defects, security breaches or other causes that could adversely affect Nimbus Token, LLC's infrastructure network, and/or the NIM TRANSACTION PLATFORM.

Nimbus Token, LLC is not able to anticipate when there would be occurrences of hacks, cyberattacks, distributed denials of service or errors, vulnerabilities or defects in the NIM TRANSACTION PLATFORM, the smart contracts on which the Company, Nimbus Token, LLC, or the NIM TRANSACTION PLATFORM relies or on the Ethereum or any other blockchain. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. Nimbus Token, LLC may not be able to detect such hacks, cyber-attacks, distributed denials of service errors vulnerabilities or defects in a timely manner, and may not have sufficient resources to efficiently cope with multiple service incidents happening simultaneously or in rapid succession.

Nimbus Token, LLC's network or services, which would include the NIM TRANSACTION PLATFORM and, if successfully structured, licensed, and launched, the NIM TRANSACTION PLATFORM future business lines, could be disrupted by numerous events, including natural disasters, equipment breakdown, network connectivity downtime, power losses, or even intentional disruptions of its services, such as disruptions caused by software viruses or attacks by unauthorized users, some of which are beyond Nimbus Token, LLC's control.

Nimbus Token, LLC has taken steps against malicious attacks on its appliances or its infrastructure, which are critical for the maintenance of the NIM TRANSACTION PLATFORM, there can be no assurance that

cyber-attacks, such as distributed denials of service, will not be attempted in the future, that Nimbus Token, LLC's enhanced security measures will be effective.

Nimbus Token, LLC may be prone to attacks on its infrastructure intended to steal information about its technology, financial data or user information or take other actions that would be damaging to Nimbus Token, LLC and/or holders of the NIM Tokens. Any significant breach of Nimbus Token, LLC's security measures or other disruptions resulting in a compromise of the usability, stability and security of the NIM TRANSACTION PLATFORM may adversely affect the utility, liquidity and/or trading price of the NIM Tokens.

Nimbus Token, LLC is dependent in part on the location and data center facilities of third parties. Nimbus Token, LLC's current infrastructure network is in part established through servers which it owns and houses at the location facilities of third parties, and servers that it rents at data center facilities of third parties. If Nimbus Token, LLC is unable to renew its data facility lease on commercially reasonable terms or at all, Nimbus Token, LLC may be required to transfer its servers to a new data center facility, and may incur significant costs and possible service interruption in connection with the relocation. These facilities are also vulnerable to damage or interruption from, among others, natural disasters, arson, terrorist attacks, power losses, and telecommunication failures. Additionally, the third-party providers of such facilities may suffer a breach of security as a result of third party action, employee error, malfeasance or otherwise, and a third party may obtain unauthorized access to the data in such servers. As techniques used to obtain unauthorized access to, or to sabotage systems change frequently and generally are not recognized until launched against a target, Nimbus Token, LLC and the providers of such facilities may be unable to anticipate these techniques or to implement adequate preventive measures. Any such security breaches or damages which occur which impact upon Nimbus Token, LLC's infrastructure network and/or the NIM TRANSACTION PLATFORM may adversely impact the utility, liquidity, and/or trading price of the NIM Tokens.

General global market and economic conditions may have an adverse impact on NIM Transaction Platform's operating performance. General

weaknesses in the economy may have a negative effect on Nimbus Token, LLC's business, operations and financial condition, including decreases in revenue and operating cash flows, and inability to attract future equity and/or debt financing on commercially reasonable terms. Additionally, in a down-cycle economic environment, Nimbus Token, LLC may experience the negative effects of a slowdown in trading and usage of the NIM TRANSACTION PLATFORM and may delay or cancel the structuring, licensing, and launch of the anticipated NIM TRANSACTION PLATFORM future business lines.

Suppliers on which Nimbus Token, LLC relies for servers, bandwidth, location and other services could also be negatively impacted by economic conditions that, in turn, could have a negative impact on Nimbus Token, LLC operations or expenses. There can be no assurance, therefore, that current economic conditions or worsening economic conditions or a prolonged or recurring recession will not have a significant adverse impact on Nimbus Token, LLC's business, financial condition and results of operations and hence the NIM TRANSACTION PLATFORM and/or ability to structure, license and launch the NIM TRANSACTION PLATFORM future business lines. Any such circumstances would then correspondingly negatively impact the utility, liquidity, and/or trading price of the NIM Tokens. The Company, Nimbus Token, LLC or the NIM Tokens may be affected by newly implemented regulations.

Cryptocurrency trading is generally unregulated worldwide and highly uncertain, while numerous regulatory authorities across jurisdictions have considered implementing regulatory regimes which govern cryptocurrency or cryptocurrency markets. Any such regulations could then negatively impact the utility, liquidity, and/or trading price of the NIM Tokens. The Company, Nimbus Token, LLC or the NIM Tokens may be affected by newly implemented regulations.

Should the costs (financial or otherwise) of complying with such newly implemented regulations exceed a certain threshold, maintaining the NIM TRANSACTION PLATFORM and structuring, licensing, and launching the NIM TRANSACTION PLATFORM future business lines may no longer be commercially viable and the Company or Nimbus Token, LLC

may opt to discontinue the NIM TRANSACTION PLATFORM, the anticipated NIM TRANSACTION PLATFORM future business lines and/or the NIM Tokens.

It is difficult to predict how or whether governments or regulatory authorities may implement any changes to laws and regulations affecting distributed ledger technology and its applications, including the NIM TRANSACTION PLATFORM, the anticipated NIM TRANSACTION PLATFORM future business lines and the NIM Tokens. The Company or Nimbus Token, LLC may also have to cease operations in a jurisdiction that makes it illegal to operate in such jurisdiction, or make it commercially unviable or undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction. In scenarios such as the foregoing, the utility, liquidity, and/or trading price of NIM Tokens will be adversely affected or NIM Tokens may cease to be traded.

There may be unanticipated risks arising from the NIM Tokens
Cryptographic tokens such as the NIM Tokens are a relatively new and dynamic technology. In addition to the risks included in the above discussion of Risk Factors, there are other risks associated with your purchase, holding and use of the NIM Tokens, including those that the Company and Nimbus Token, LLC cannot anticipate. Such risks may further appear as unanticipated variations or combinations of the risks discussed above.

Risks relating to the change of US federal and state laws affecting cryptocurrencies or new policies under US federal and state laws. To the extent the Company and/or Nimbus Token, LLC may not prevent certain of its users from using NIM Tokens in violation of us federal law, it may subject the Company and/or Nimbus Token, LLC to civil and/or criminal liability and the utility, liquidity, and/or trading price of NIM Tokens will be adversely affected or NIM Tokens may cease to be traded.