

20. The Company's management will have broad discretion over the use of the net proceeds from this Offering.

At present, the net proceeds of the Offering are expected to be used for (i) portfolio investments; (ii) the future development of the digital assets, (iv) the development and functionality of the EDGE ecosystem, (iii) general corporate purposes, which may include capital expenditures, acquisitions, debt repayments, cybersecurity upgrades, augmenting technology, infrastructure and personnel, development of products and services, and short term investments, among other things, (iv) lobbying law makers and regulatory authorities for the purpose of bringing about changes to laws and regulations related to blockchain technologies, particularly in regards to digital assets, and (vii) offering, legal and accounting expenses. The failure by the Company's management to apply these funds effectively could have a material adverse effect on the Company and the value of our digital assets. Since the commencement of the Offering through the date of this Memorandum, the Company has utilized approximately \$0 million, excluding amounts that may become due in connection with the purchase of portfolio investments.

21. Our digital assets may be subject to registration under the Exchange Act if the Company has assets above \$10 million and more than 2,000 holders, which would increase the Company's costs and require substantial attention from management.

Companies with total assets above \$10 million and more than 2,000 holders of record of its equity securities, or 500 holders of record of its equity securities who are not accredited investors, at the end of their fiscal year must register that class of equity securities with the SEC under the Exchange Act. The Company could trigger this requirement as a result of the Offering and be required to register the digital assets with the SEC under the Exchange Act, which would be a laborious and expensive process. Furthermore, if such registration takes place, the Company will have materially higher compliance and reporting costs going forward.

22. Purchasers may lack information for monitoring their investment.

Our digital assets do not have any information rights attached to them (other than certain rights to Company information afforded digital asset holders under Delaware law), and purchasers may not be able to obtain all the information they would want regarding the Company or our digital assets. In particular, investors may not be able to receive information regarding the financial performance of the Company with respect to the ability of the Company to pay dividends. The Company is not currently registered with the SEC and currently has no periodic reporting requirements. As a result of these matters, as well as other uncertainties, a purchaser may not have accurate or accessible information about the Company or our digital assets.