

in the acceptance or popularity of cryptocurrency or cryptosecurity offerings may have a material impact on the Company's operations and financial conditions.

39. Dividends made pursuant to the terms of the digital assets may detract from the capital the Company could otherwise deploy to improve its business.

Following the issuance of the digital assets, if declared by the Company out of funds lawfully available therefor, holders of the EDGE-Q digital assets will receive dividends. Any capital used to pay dividends detracts from the capital available for the Company to deploy in developing its business. Diverting the funds from the Company's operations may put the Company at a significant disadvantage in comparison to its competitors who do not make similar dividend payments. This disadvantage may have an adverse impact on the operations and financial conditions of the Company.

40. The Company owes significant amounts to its founder and has limited cash flow to fund both its ongoing operating costs and debt service. The Company may need additional financing to fund its continuing operations.

In each of years ended December 31, 2019, and 2020, the Company recorded a net loss.

41. The value ascribed to the digital assets by the holders may depend, in part, on the number and scope of Discretionary Benefits that the Company may provide to digital asset holders in the future.

The Company expects to endeavor to create certain Discretionary Benefits for holders of the digital assets in the future. The terms and conditions of our digital assets do not entitle holders to any Discretionary Benefits, and potential purchasers should not ascribe any value to such Discretionary Benefits in making their investment decision. If in the future, certain Discretionary Benefits are provided to holders of the digital assets, it is possible that token holders will ascribe some value to these Discretionary Benefits. However, any such Discretionary Benefits may be terminated and cease at any time and, to the extent that holders are attributing value to such Discretionary Benefits, any such termination or cessation may cause the value of the digital assets to decrease and such decrease may be material.