

Some of EDGE196™'s potential competitors may have more relevant experience, greater financial resources and more personnel than EDGE196™. There can be no assurances that EDGE196™ will locate an adequate number of attractive opportunities. To the extent that EDGE196™ encounters competition for purchases, returns to its digital asset holders may be negatively impacted as a result of EDGE196™ having to pay higher prices and not being able to diversify its investments as much as it would like.

The markets for technology products and services are highly competitive. We will seek to differentiate our portfolio companies' products from other suppliers, and to sustain profitability through a business strategy focused on developing new products and increasing sales, selectively expanding our products and services network, increasing sales through newly formed partnerships (traditional and non-traditional), developing innovative new products and services, and driving operational excellence by reducing costs and increasing customer service levels. We believe that competition in the industry is based on price, product and service quality, customer service and product features. Sustained increases in competitive pressures could have an adverse effect on results of operations and negatively impact sales and margins.

55. EDGE196™ may face negative publicity associated with litigation, governmental investigations, regulatory actions, and other public statements could damage our reputation or one of our portfolio company's reputations.

From time to time there are negative news stories about the technology industry. Such stories may follow the announcements of litigation or regulatory actions involving us or others in our industry. Negative publicity about our digital assets, alleged or actual practices or about our industry generally could adversely affect our business operations or those of our portfolio companies. Our current business depends on levels of research and development spending by academic and governmental research institutions, a reduction which could limit demand for our products and adversely affect our business and operating results.

Our revenue will be derived initially from the portfolio companies. Their income will be derived from the development of technology products. The demand for such products will depend in part upon the research and development budgets of academic and governmental research institutions, which are impacted by factors beyond our control, such as:

- Changes in government programs that provide funding to research institutions and companies
- Macroeconomic conditions and the political climate
- Changes in the regulatory environment
- Differences in budgetary cycles