

Such companies may have surpassed meaningful milestones, including raising capital to expand rapidly, developing new products, and being at or near commercialization with their products or services. However, these activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management of these activities.

59. EDGE196™ may invest through joint ventures and there are certain risks related to this manner of purchasing.

EDGE196™ may acquire interests in portfolio companies through joint ventures or other joint ownership arrangements with other investors, institutional purchasers or other partners. In some instances, EDGE196™ may not have control or may have to share control of the joint venture. In those cases, EDGE196™ may not have the ability to make material decisions (such as when to refinance or sell a portfolio company interest) for the joint venture and the decision-making ability of EDGE196™'s joint venture partner may have an impact on the returns EDGE196™ earns from a portfolio company.

60. EDGE196™ may make certain purchases, such as in technology purchases, which have inherent risks associated with them.

EDGE196™ plans to focus a significant portion of its purchasing on venture technology related companies. The value of EDGE196™'s digital assets may be susceptible to factors affecting the industry and to greater risk than an investment in a company that invests in a broader range of securities. Certain technology related risks faced by such companies include but are not limited to:

- a. changing regulatory environment
- b. products or technologies that may quickly become obsolete
- c. scarcity of management, technical, scientific, research and marketing personnel with appropriate training
- d. the possibility of lawsuits related to patents and intellectual property
- e. reductions in or elimination of subsidies
- f. changing purchaser sentiments and preferences with regard to technology venture capital sector purchases (which are generally perceived as risky)