

This following management's discussion and analysis ("MD&A") for NameSilo Technologies Corp. (the "Company" or "NameSilo") was prepared by management based on information available as at July 14, 2020. It should be reviewed together with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020 (the "Interim Financial Statements"), and the audited annual consolidated financial statements and MD&A for the year ended December 31, 2019. The discussion and analysis of our financial condition and results of operations is based on our Interim Financial Statements.

The referenced consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRIC's") as issued by the International Accounting Standards Board ("IASB"). Unless otherwise noted, all dollar amounts are expressed in Canadian dollars ("CAD\$" or "\$") and any references to common shares are to common shares in the capital of NameSilo Technologies Corp., unless the context clearly requires otherwise.

### **Forward-Looking Statements**

Certain information in this MD&A and the documents incorporated by reference contain forward-looking statements, which includes forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements are statements which relate to future events or our future performance, including our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", or "potential" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks described in the section titled "Risk Factors" commencing on page 11 of this MD&A, that may cause the Company's or the industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. No assurance can be given that any of the events anticipated by the forward-looking information and statements will occur or, if they do occur, what benefits we will obtain from them. This MD&A contains forward-looking information and statements, which may include but are not limited to: statements with respect to the financial and operating performance of the Company and its subsidiaries; investment objectives and strategies; the business goals and strategies; forecast operating and financial results; planned capital expenditures; potential future market for our products and services; our treatment under governmental regulatory and tax laws; competitive advantages; business prospects and opportunities; costs and timing of developmental new projects; our management's assessment of future plans and operations; our anticipated liquidity and various matters that may impact such liquidity; and requirements for additional capital.

The forward-looking information is based on the estimates and opinions of our management at the time they are made. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Readers of this MD&A are cautioned not to rely on these forward-looking information and statements and the Company assumes no obligation to update or revise them to reflect new events or circumstance, except as required by law.

### **Company Overview**

The Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario. On December 3, 2018, the Company changed its name from Brisio Innovations Inc. to NameSilo Technologies Corp. The Company's common shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol "URL".

On August 1, 2018, the Company completed its acquisition of NameSilo, LLC ("NameSilo LLC"), whereby the Company has acquired all of the issued and outstanding securities of NameSilo LLC. Upon completion of the acquisition, the Company is now a provider of domain name registration services and marketplace services for the buying and selling of domain names.

On January 3, 2019, the Company acquired NamePal pursuant to the terms of a share purchase agreement ("Purchase Agreement") among NameSilo LLC, Kristaps Ronka ("Ronka"), a director of the Company, and Market Plaza International LLC (the "Vendor"). NamePal is an ICANN domain name registrar and provider of domain registration, web hosting, email and SSL services.

### Acquisition of NameSilo, LLC

On August 1, 2018, the Company completed the acquisition of NameSilo LLC, whereby the Company has acquired all of the issued and outstanding securities of NameSilo LLC on terms as follows:

- USD\$9,511,500 (CAD\$12,422,300) was paid in cash on closing; and
- An earn-out payment of USD\$2,499,047 was satisfied by USD\$2,360,743 (CAD\$3,072,978) in cash and 529,499 common shares of the Company.

The transaction was accounted for as a business combination, as the operations of NameSilo LLC meet the definition of a business. As the transaction was accounted for as a business combination, transaction costs of \$39,089 were expensed. The goodwill resulting from the allocation of the purchase price to the total fair value of net assets represented the sales and growth potential of NameSilo LLC. Goodwill recorded is allocated in its entirety to NameSilo LLC.

The consideration transferred was allocated to the assets acquired and liabilities based on their estimated fair values at the date of acquisition. The Company has allocated the purchase price as follows:

	\$
Cash	15,495,278
529,499 common shares of the Company	180,030
Fair value of consideration	<u>15,675,308</u>
Cash	274,443
Digital currency	129,376
Registry deposits	2,753,158
Prepaid domain name registry fees	12,985,026
Brand	860,424
Customer relationships (not deductible for tax purposes)	8,585,984
Goodwill (not deductible for tax purposes)	8,273,678
Accounts payable and accrued liabilities	(344,283)
Customer deposits	(819,628)
Deferred revenue	(14,899,797)
Deferred income tax liability	(2,123,073)
	<u>15,675,308</u>

The fair value of the 529,499 common shares issued (\$180,030) was determined based on the fair value of the Company's shares immediately prior to the completion of the acquisition.

In August 2018, the Company entered into a share purchase agreement with 1161217 B.C. Ltd. (the "Digital Service Company") and the shareholders of the Digital Service Company. In consideration of the Digital Service Company, the Company has transferred 18.5% of the member interest of NameSilo LLC to the shareholders of the Digital Service Company. The value of the 18.5% of the member interest of NameSilo LLC was determined to be \$2,899,932 and is accounted for as a non-controlling interest.

## **Acquisition of NamePal.com LLC**

Under the terms of the Purchase Agreement, NameSilo LLC acquired 100% of the membership interest in NamePal and, in consideration of which, Ronka has agreed to transfer up to a 1.75% interest in NameSilo LLC to the Vendor as follows: (i) 0.5% of the membership interest within six months of closing, (ii) 0.5% of the membership interest within twelve months of closing, and (iii) 0.75% of the membership interest within eighteen months of closing. NameSilo LLC has also agreed to retain the principals and existing staff of NamePal in order to integrate value added services and expand the NameSilo LLC offering.

The value of the 1.75% of the member interest of NameSilo LLC was determined to be \$284,811 and is accounted for as a share based payment and charged to profit or loss over the vesting period of 18 months.

## **Description of the Business of NameSilo**

NameSilo is a low-cost provider of domain name registration and management services and is an ICANN-accredited registrar. NameSilo is a high growth registrar with over 3.3 million domains under management as of the date of this MD&A and customers from approximately 160 countries. NameSilo is one of the largest domain name registrars in the world and offers .com and .net domains as well as the latest top-level domains.

### Domain Name Registration

As a global domain registrar, NameSilo enables small businesses to establish an online presence by buying a domain name at a discounted price.

*Primary Registrations.* Using its website, NameSilo offers customers the ability to search for and register available domain names with the relevant registry. NameSilo's inventory for primary registrations is defined by the number of top-level domains (TLDs) it offers. As of the date of this MD&A, 399 different gTLDs (e.g. .com, .net and .org) and 15 different ccTLDs (e.g. .de, .ca, .in and .jp.) were available for purchase through NameSilo. Since 2013, hundreds of new gTLDs have been launched, making it easier for companies and individuals to find and register new, easy-to-remember domain names tailored to their ventures, industry or interests. ccTLDs are important to our international expansion efforts as NameSilo has found international customers may select the ccTLD for the country or geographic market in which they operate. As of March 31, 2020, primary registrations represented approximately 98.8% of NameSilo's revenue.

*Marketplace.* NameSilo also operates a domain marketplace, which processes aftermarket, or secondary, domain name sales. The marketplace platform is designed to enable the seamless purchase and sale of an already registered domain name through an online auction, an offer and counter-offer transaction or a "buy now" transaction. As of March 31, 2020, domain marketplace services represented approximately 1.2% of NameSilo's revenue.

## **Strategy and Outlook**

The Company's goal is to offer an extensive set of easy-to-use cloud-based technology products that will enable NameSilo customers to establish a digital presence and connect with their customers. In order to achieve this, NameSilo has created a new Digital Service Business product line, which will offer hosting, presence and business applications products. The Company believes that this new product line will increase the core revenue of NameSilo and margin growth opportunities, improve customer retention and significantly improve the Company's value proposition to its customers.

The Company has newly launched the following digital service products:

*Shared Website Hosting.* The term "shared hosting" refers to the housing of multiple websites on the same server. NameSilo operates, maintains and supports shared website hosting in owned and operated data centers and leased data centers using either Linux or Windows operating systems. NameSilo also plans to bundle its hosting plans with a variety of applications and products such as web analytics, secure sockets layer (SSL) certificates, WordPress and Google Apps. WordPress and Google Apps will be the most used content management application on the shared hosting platform.

*Email Accounts.* NameSilo offers a range of email service plans with a multi-feature web interface that connects to its customers' domains. The pricing of these plans depends on the customer's desired amount of storage and number of email addresses. All of the email accounts are advertising-free and include security functionality designed to provide protection from spam, viruses and other forms of online fraud, such as phishing.

*Secure Socket Layer ("SSL").* In order to ensure customers have a secure website, NameSilo also offers SSL certificates to ensure that customers establish a secure connection. NameSilo believes that this service would be ideal for small businesses as it ensures an encrypted connection with their visitors.

*Logo Maker.* NameSilo has launched its free logo maker product to allow customers to develop their brand including the creation of their own logo.

*New Domain Search.* NameSilo has launched a beta of its new domain search that will make it easier for its customers to find the right domain with the right extension.

*NameSilo Blog.* The NameSilo blog offers articles about privacy & security, domain names & website hosting, online marketing tips amongst many other information and resources.

*SEO Strategy working.* In December 2019, NameSilo started working on a new SEO strategy to optimize existing and new pages to allow search engines better visibility into the services NameSilo offers. Since then, NameSilo's Domain Authority on Google has increased from 56 to 80.

The Company plans to develop and offer the following digital service products:

*Website Hosting on Virtual Private Servers and Virtual Dedicated Servers.* NameSilo plans to implement a broad range of virtual private server (VPS) and virtual dedicated server offerings that allows customers to select the server configuration best suited for their applications, requirements and growth. The virtual private servers provide customers with a single virtual machine running on a single bare metal server that is running multiple other virtual machines for other customers. The planned VPS product is designed to meet the requirements of customers with a need for greater control, more advanced technical capabilities and higher performance than that offered by the shared hosting plans. NameSilo's customers will have the ability to tailor their virtual dedicated server plan based on a range of performance, storage, bandwidth and operating system needs.

*Managed Hosting.* With the managed hosting products, NameSilo will be able to set up, monitor, maintain, secure and patch software and servers for its customers. NameSilo plans to offer a variety of managed hosting plans to support its customers' needs including multiple tiers of Managed WordPress hosting on a platform optimized for WordPress. In addition to managed hosting plans tailored to NameSilo's customers' needs, NameSilo will also offer expert services, which provide additional support services.

*Marketing Tools.* NameSilo plans to offer a range of marketing tools designed to help businesses acquire and engage customers. These capabilities will be available in an integrated offering with its website and commerce tools, or as a stand-alone for customers using other website tools. The tools are designed for busy customers who may lack experience with online marketing, focusing on ease of use, mobile experience, and delivering business results. Search Engine Optimization will help customers get their websites found on major search sites through search engine optimization using a simple step-by-step wizard with targeted recommendations on which search phrases are most likely to drive traffic to a customer's site. Business listings capabilities bring business information to where customers are looking, including Google My Business. Email marketing lets people build targeted campaigns, either from scratch or using website or commerce content.

*Search Engine Optimization.* NameSilo plans to offer search engine optimization tools for its customers, which will allow them to increase the number of website visitors and potential online leads for their business.

*NameLot Brokerage Service.* NameSilo plans to launch its beta brokerage to service its domainers needs in Q2 2020.

The Company's growing list of planned value-add offerings are in direct response to NameSilo clients' desire for a one-stop source for essential services related to their domains. These additional services are slated for roll-out later in the calendar year. These new services continue our goal of being the highest quality, low cost provider of domain names and ancillary services with flexible, tiered offerings to handle scalable business requirements.

### **Overall Performance**

Since its acquisition of NameSilo, the Company has become a provider of domain name registration services and marketplace services for the buying and selling of domain names, under the NameSilo brand.

NameSilo has been organically growing its domain name registration business. It has grown its domain names under management from approximately 745,000 domains at the beginning of 2017 to over 3.3 million as of the date of this MD&A. Additionally, NameSilo maintains a customer retention rate of approximately 87%. The growth of the Company's business is fueled by excellent customer service, an array of domain related services, and affordable and consistent pricing.

The Company's revenues are derived from domain name registration fees and the sale of domain names. Domain names are generally purchased for terms of one to ten years. Registration fees charged for domain name registration and provisioning services are recognized on a straight-line basis over the life of the contracted term. As a result of the acquisition of NameSilo LLC, the Company recognized revenues of \$7,568,804 during the three months ended March 31, 2020, which was higher than the revenues recognized in three of the past four quarters. The breakdown of revenues was \$6,487,043 from 2019 Q1, \$6,957,544 from 2019 Q2, \$7,849,498 from 2019 Q3 and \$5,872,128 from 2019 Q4 respectively. The Company has been increasing its revenues as the number of domains under management have increased.

The Company is continuing to increase its number of total customers, domains under management, and marketplace domain sales. During the current fiscal year, 87% of the Company's total revenue was generated by customers who were also customers in the prior year. To track its growth and the stability of its customer base, the Company monitors, among other things, revenue and retention.

For the three months ended March 31, 2020, the Company has a net loss of \$647,172, has a working capital deficit of \$10,620,782, and has an accumulated deficit of \$29,951,265. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon generating positive cash flows from operations, earning sufficient returns on its investments and upon obtaining additional financing. In March 2020 there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business and continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. The outcome of these matters cannot be predicted at this time.

The Company has been generating positive cash flows from its operations. During the three months ended March 31, 2020, the net cash provided by operating activities was \$652,388.

### **Discussion of Operations**

#### ***Three months ended March 31, 2020 compared to the three months ended March 31, 2019:***

The Company recognized revenues of \$7,568,804 during the three months ended March 31, 2020. The Company's revenues are derived from domain name registration fees and the sale of domain names. Domain names are purchased for terms of one to ten years. The Company generally collects the full amount of fees at the time of sale, but recognizes revenue ratably over the applicable contract term. Domain registrations provide a customer with the exclusive use of a domain during the applicable contract term. After the contract term expires, unless renewed, the customer can no longer access the domain.

The 2020 revenues are higher compared to 2019 revenues of \$6,487,043, as the Company is continuing to increase its number of total customers, domains under management, and marketplace domain sales. During the current fiscal period, 87% of the Company's total revenue was generated by customers who were also customers in the prior year.

Costs of revenue are the direct costs incurred by the Company in connection with selling an incremental product to its customers. Substantially all cost of revenue relates to domain registration fees paid to the various domain registries, payment processing fees, and third-party commissions. Similar to its billing practices, the Company pays domain costs at the time of purchase for the life of each subscription, but recognizes the costs of service ratably over the term of the customer contracts. The terms of registry pricing are established by agreements between registries and registrars, and can vary significantly depending on the TLD. The Company expects both the revenue and the cost of revenue to increase in absolute dollars in future periods as the Company expands its domains business and develops the new Digital Service Business product line. Cost of revenue may increase or decrease as a percentage of total revenue, depending on the mix of products sold in a particular period and sales.

During the three months ended March 31, 2020 the Company generated a gross profit of \$892,387 which accounts for 11.8% of its revenues.

The Company had a net loss of \$647,172 during the three months ended March 31, 2020 compared to the net loss of \$934,509 for 2019. The decreased loss is primarily due to the positive gross margin generated of \$892,387 during 2020, which was offset by increases in certain non-cash costs such as the foreign exchange loss of \$505,344 (2019 – gain of \$137,385).

General and administrative expenses increased to \$1,309,527 for the three months ended March 31, 2020 compared to \$1,135,048 for 2019. The increased general and administrative expense is mostly due to office and general expense of \$547,447 compared to \$359,063 in 2019, and salaries of \$50,461 compared to \$nil in 2019. These expenses are all higher as a result of the Company's efforts to expand its business by offering more services.

## Investments

As of March 31, 2020, the Company has the following investments:

Name	# of Shares	# of Warrants	Value
Allur Group	523,332	-	\$78,500
Atlas Engineered Products Ltd.	898,579	-	\$223,750
ImmunoPrecise Antibodies Ltd.	2,550,000	250,000 <sup>(1)</sup>	\$1,914,974
Ironwood Capital	200,000	-	\$47,000
Lite Access Technologies Inc.	293,432	-	\$92,605
Pioneering Technologies	921,300	-	\$69,098
Renoworks Software Inc.	137,000	-	\$31,280
Total Telcom Inc.	340,000	-	\$20,800
Vigil Health Solutions	669,000	-	\$170,430
<b>Total Investments</b>			<b>\$2,648,437</b>

<sup>(1)</sup> Each warrant entitles the Company to acquire one additional ImmunoPrecise Antibodies Ltd. share at a price of \$1.25 per share until September 2020.

## Summary of Quarterly Results

The following table presents selected unaudited consolidated financial information for the last eight quarters:

	2020	2019				2018		
(\$)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Gross Revenues	7,568,804	5,872,128	7,849,498	6,957,544	6,487,043	6,474,126	3,394,721	-
Net Income (Loss) for the Period	(647,172)	(2,045,169)	(753,093)	(307,987)	(934,509)	(4,946,206)	(1,606,082)	530,307
Basic & Diluted Income (Loss) per Share	(0.01)	(0.04)	(0.01)	(0.00)	(0.02)	(0.09)	(0.04)	0.01

## NON-IFRS MEASURES

The following are non-IFRS measures and investors are cautioned not to place undue reliance on them and are urged to read all IFRS accounting disclosures present in the Interim Financial Statements and accompanying notes for the Interim Financial Statements for the three months ended March 31, 2020.

The Company uses certain non-IFRS financial measures as supplemental indicators of its financial and operating performance. These non-IFRS financial measures include adjusted EBITDA and total bookings. The Company believes these supplementary financial measures reflect the Company's ongoing business in a manner that allows for meaningful period-to-period comparisons and analysis of trends in its business.

Adjusted EBITDA is defined as earnings before interest income, taxes, depreciation and amortization, share-based compensation, restructuring costs, impairment charges and other non-recurring gains or losses. Management believes EBITDA is a useful measure that facilitates period-to-period operating comparisons.

Total bookings includes the full amount of cash received from new domain bookings, renewals and other related services. Whereas, under IFRS, the Company records revenue from domain booking and renewal fees on a straight-line basis over the life of the contract term. However, the Company's management believes that "total bookings" provides investors with insight into management's decision-making process because management uses this measure to run the

business and make financial, strategic and operating decisions. Further, "total bookings" also provides useful insight into the Company's operating performance on a yearly basis. "Total bookings" do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers.

Readers are cautioned that "EBITDA" and "total bookings" are not an alternative to measures determined in accordance with IFRS and should not, on their own, be construed as indicators of performance, cash flow or profitability. The non-IFRS measures are reconciled to reported IFRS figures in the tables below:

	Three months ended	
	March 31,	
	2020	2019
	\$	\$
Net loss	(647,172)	(934,509)
Amortization	620,759	613,656
Accretion expense	-	7,591
Foreign exchange (loss) gain	505,344	(137,385)
Interest and loan accretion expense	287,711	564,221
Loss on investments (including realized and unrealized)	(315,248)	71,600
Share-based payment	43,699	57,357
<b>Adjusted EBITDA</b>	<b>495,093</b>	<b>242,531</b>

	Three months ended	
	March 31,	
	2020	2019
	\$	\$
Revenue	7,568,804	6,487,043
Change in deferred revenue	1,171,448	(128,872)
<b>Total bookings</b>	<b>8,740,252</b>	<b>6,358,171</b>

### Liquidity and Capital Resources

Cash and cash equivalents at March 31, 2020 totaled \$1,330,333 compared to \$1,046,712 as at December 31, 2019.

As of March 31, 2020, the Company had a working capital deficit of \$10,620,782 compared to working capital deficit of \$11,395,105 as at December 31, 2019.

At March 31, 2020, the Company had a cash and cash equivalents balance of \$1,330,333, accounts receivable of \$558, registry deposits of \$2,986,910, and prepaid domain name registry fees of \$15,144,573 to settle current liabilities of \$30,102,049.

The Company's ability to continue as a going concern is dependent upon generating positive cash flows from operations, earning sufficient returns on its investments, and upon obtaining additional financing. The Company was in breach of certain debt covenants as of March 31, 2020 related to its bridge loan financing. The bridge loan has been presented as a current liability and the lender has made no demands for immediate re-payment of the outstanding balance as a result of this breach in covenants. The Company is currently in the process of obtaining a waiver from the lender for the breach of the debt covenants. In March 2020 there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business and continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. The outcome of these matters cannot be predicted at this time. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.



On June 17, 2019, the Company entered into amended loan agreements to restructure the loans. As a result of the restructuring, the Company repaid \$1,293,978 of the principal amount of the loans and the maturity date of the loans have been extended to December 17, 2020. The Company is now indebted to the lenders in the principal amount of \$4,430,000, USD\$2,115,000, and USD\$2,115,000 respectively. Each loan bears interest at a rate of 11% per annum and is payable on a quarterly basis. The Company will be required to pay 25% of each loan by July 17, 2020 and the balance of the loans by December 17, 2020. The loans remain unsecured and are pre-payable at any time without penalties. The Company was in breach of certain debt covenants as of March 31, 2020 related to its bridge loan financing. The bridge loan has been presented as a current liability and the lender has made no demands for immediate re-payment of the outstanding balance as a result of this breach in covenants. The Company is currently in the process of obtaining a waiver from the lender for the breach of the debt covenants.

During the year ended December 31, 2019, 1,323,833 warrants were exercised at a price of \$0.25 for gross proceeds of \$330,958 and 2,489,287 warrants were exercised at a price of \$0.30 for gross proceeds of \$746,786.

### Off-Balance Sheet and Other Financial Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

We do not have any commitments under contracts or other types of hedging arrangements which might expose us to commodity price or production volume risks.

We do not have in place any off-balance sheet financing type arrangements.

### Transactions between Related Parties

The aggregate amount of expenditures made to parties not at arm's length to the Company for the three years ended March 31, 2020 are:

	2020	2019
	\$	\$
Professional fees	24,220	11,815
Management fees	36,000	36,000
Share-based payment	-	57,357
	60,220	105,172

During the three months ended March 31, 2020, Paul Andreola, President and Director was paid or accrued management fees of \$18,000 (2019 - \$18,000), Colin Bowkett, Director was paid or accrued management fees of \$18,000 (2019 - \$18,000), Daniel Nanson, Director was paid or accrued professional fees of \$9,450 (2019 - \$nil), and Malaspina Consultants Inc., a company in which Natasha Tsai, Chief Financial Officer is a shareholder, was paid or accrued professional fees of \$14,770 (2019 - \$11,815).

Included in accounts payable and accrued liabilities at March 31, 2020 is \$13,603 (December 31, 2019 - \$6,033) due to officers and directors for unpaid management fees.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, unless otherwise noted.

There were no post-employment benefits, termination benefits or other long-term benefits paid to key management personnel for the three months ended March 31, 2020.

### **Critical Accounting Estimates**

The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant accounting estimates:

- a. The judgment of indications of impairment of each asset and related determination of the net realizable value and write-down of these assets where applicable;
- b. The tax basis of assets and liabilities and related deferred income tax assets and liabilities;
- c. The inputs used in determining the valuation of share purchase warrants owned by the Company; and
- d. The fair value of the convertible debenture.

Significant accounting judgments:

- a. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management;
- b. The Company has used judgment in determining the currency of the primary economic environment in which each entity operates. In making such determination, the management has considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates and also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained;
- c. There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for digital currencies and management has exercised significant judgement in determining appropriate accounting treatment. In making this determination on the accounting for the digital currencies the Company has reviewed the sources and uses of the digital currencies in the operations of its business. In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company's financial position and earnings;
- d. The acquisitions of NameSilo LLC and NamePal were accounted for as business combinations at fair value in accordance with IFRS 3, Business Combinations. The acquired assets and assumed liabilities were adjusted to their fair values assigned through completion of a preliminary purchase price allocation. The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed. The Company uses valuation techniques, which are generally based on forecasted future net cash flows discounted to present value, and also relies on work performed by third-party valuation specialists. These valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied; and

- e. The going concern risk assessment.

### **Financial Instruments and Other Instruments**

Our Company is exposed in varying degrees to a number of risks arising from financial instruments. The Board of Directors has overall responsibility for the establishment and oversight of our Company's risk management framework. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Board approves and monitors the risk management process. Please refer to Note 18 of our Interim Financial Statements for additional details on our Financial Instruments and Other Instruments.

### **Risk Factors**

Ongoing global economic instability has had a significant negative impact on many segments of the world economy due to many factors including, without limitation: the effects of the subprime lending and general credit market crises, slower economic activity, decreased consumer confidence, reduced corporate profits and capital spending, adverse business conditions, increased unemployment and liquidity concerns, high level of investment risk due to possibility of security prices rising and falling significantly in a short period of time. We cannot predict the timing or duration of economic slowdowns or the timing or strength of subsequent economic recoveries, worldwide or in our industry, and we cannot predict the extent to which economic slowdowns will impact our business. However, the uncertainty regarding the financial markets and worldwide political and economic climates are expected to likely have a negative impact on our business, financial condition and results of operations.

***Risks Related to the Departure of Key Employees and Contractors:*** The Company's success is closely linked to its ability to maintain a relationship with its key employees and contractors. If, for whatever reason, they leave or become unavailable for an extended period, this could have an impact on the Company.

The Company's future success will also depend on its ability to attract, train, retain and motivate very technically skilled employees and contractors. Losing one or more key employees, managers, or contractors, or failing to attract new highly skilled staff could have a significant negative impact on the Company's revenue, earnings and financial position. The Company is organised today in such a way as to minimise risk related to the departure or extended unavailability of key employees or managers. One measure aimed at reducing this risk is stock options.

***Risks Related to Dependence on Suppliers and Subcontractors:*** The Company works with several suppliers around the world and has not identified any major risks related to dependence on any supplier in particular.

The Company has no significant financial dependence on its subcontractors or suppliers that is likely to affect its development plan.

***Litigation – Legal Proceedings and Arbitration:*** There are no government, court or arbitration proceedings, including any proceedings of which the Company is aware, which are pending or with which it is threatened, that could have or have had a significant impact on the financial position or profitability of the Company over the past 12 months, although there is always the possibility that such proceedings could arise.

***Currency Fluctuations:*** We maintain our deposit accounts in U.S., Argentinean and Canadian currencies and we are therefore subject to currency fluctuations. These currency fluctuations could materially affect our financial position and results. We do not engage in currency hedging activities.

***Need to Manage Growth:*** We could experience rapid growth in profits, personnel, complexity of administration and in other areas. There can be no assurance that we will be able to manage the impact that future growth could place on our administrative infrastructure, systems, and controls.

If we are unable to manage future growth effectively, our business, operating results and financial condition may be materially and adversely affected.

**Reliance on Key Personnel/Employees:** The Company's success is largely dependent upon the performance of its directors and officers. As of July 2020, the Company has a \$500,000 Directors' and Officers' liability insurance policy. The loss of service of any director or officer could have a materially adverse effect on the Company.

**Financial Risks:** Financial risks include changing interest rates, which are beyond the Company's control. Additional financial risks are the Company's ability to raise capital to continue funding its operations.

**Price of Investments Risks:** Investors in equity securities may be exposed to a high level of risk because the prices of equity securities can rise and fall significantly in a short period of time. This could arise due to the ups and downs in the economic cycle and the fortunes of the issuing firm.

**Conflicts of Interest:** Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors or officers will be in direct competition with our Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the British Columbia *Business Corporations Act*. Some of our directors and officers are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to our Company and their duties to the other companies on whose boards they serve, the directors and officers of our Company have agreed to the following:

1. participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial ability and needs of the companies to participate;
2. no commissions or other extraordinary consideration will be paid to such directors and officers; and
3. business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to our Company except on the same or better terms than the basis on which they are offered to third party participants.

#### Outstanding Share Data

Our common shares are listed for trading on the CSE under the symbol "URL".

**As of the date of this MD&A, we had the following securities outstanding:**

Class of Shares	Par Value	Number Authorized	Number Issued
Common	Nil	Unlimited	62,323,018
Preferred	Nil	Unlimited	Nil

Security Type	Number Outstanding	Exercise / Convert Price	Conversion / Expiry Date
Options	100,000	\$0.45	April 5, 2021
Options	500,000	\$0.10	August 4, 2021
Options	1,000,000	\$0.23	December 20, 2022
Options	1,300,000	\$0.35	August 8, 2023
Options	250,000	\$0.45	March 22, 2024
Options	325,000	\$0.42	September 16, 2024

There are no common shares held in escrow or subject to pooling.

## **Disclosure Controls and Procedures**

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Additional Information**

Additional information relating to our Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). We also maintain a web site at [www.brisio.com](http://www.brisio.com) and an email address [support@brisio.com](mailto:support@brisio.com) for shareholder communication. Our phone number is (604) 644-0072.