

## **NameSilo Technologies Corp.**

Management's Discussion and Analysis

June 30, 2023

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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 August 28, 2023. It should be reviewed together with the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2023 (the "Interim Financial Statements"), and the audited annual consolidated financial statements and MD&A for the year ended December 31, 2022. 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 10 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. 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 has become a provider of domain name registration services and marketplace services for the buying and selling of domain names, under the NameSilo brand. We now also provide web services like hosting, SSL, email, and premium DNS.

On January 3, 2019, the Company acquired NamePal.com, LLC ("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.

### **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 4.62 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. More information about NameSilo LLC is available at [https://www.namesilo.com/domain\\_count.php](https://www.namesilo.com/domain_count.php).

#### 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 June 30, 2023, primary registrations represented approximately 94.4% 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 June 30, 2023, domain marketplace services represented approximately 3.3% of NameSilo's revenue.

*Shared Website Hosting and Email Accounts.* 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 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. As of June 30, 2023, hosting and email accounts services represented approximately 2.3% 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. NameSilo now offers a vast array of web products including hosting, presence and business applications products.

The Company has the following digital service products

*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.

*NameLot Brokerage Service.* NameSilo has launched its beta brokerage to service its domainers needs.

*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.

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

*Email Management.* NameSilo allows a user to create an email address to associate to their domain quickly and easily with Google Workspace or Titan Mail.

*Shared Hosting.* NameSilo offers a low cost shared hosting option.

*Catch.Club.* NameSilo offers a drop catching solution to allow users to be able to place bids on dropping domains in one location and be able to compete for the domain at multiple drop catching operators.

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 digital 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 4.77 million as of the date of this MD&A. Additionally, NameSilo maintains a customer retention rate of approximately 55%. 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. The Company recognized revenues of \$12,008,757 during the three months ended June 30, 2023. The breakdown of revenues in 2020 was \$7,568,804 from 2020 Q1, \$7,593,173 from 2020 Q2, \$8,070,601 from 2020 Q3 and \$7,818,402 from 2020 Q4 respectively. The breakdown of revenues in 2021 was \$7,989,594 from 2021 Q1, \$8,411,202 from 2021 Q2, \$9,217,902 from 2021 Q3 and \$10,808,189 from 2021 Q4 respectively. The breakdown of revenues in 2022 was \$10,759,824 from 2022 Q1, \$11,248,570 from 2022 Q2, \$11,569,000 from 2022 Q3, and \$11,426,356 from 2022 Q4. The Company also recognized revenues of \$11,908,958 during 2023 Q1. 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 period, 55% 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 six months ended June 30, 2023, the Company had a working capital deficit of \$7,758,660 and an accumulated deficit of \$34,701,378. 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. The Company's business financial condition and results of operations may be negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts of the conflict in Ukraine to the business to be limited, the indirect impacts on the economy could negatively affect the business and may make it more difficult to raise equity or debt financing. Moreover, the Company's business also depends on the changes in rules and policies of government entities around the world. Certain governments might have more restrictive measures against registrars and violation of which may result in registrars being blocked. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future. The outcome of these matters cannot be predicted at this time.

## **Discussion of Operations**

### ***Six months ended June 30, 2023 compared to the six months ended June 30, 2022:***

The Company recognized revenues of \$23,917,715 during the six months ended June 30, 2023. The Company's revenues are derived from domain name registration fees, the sale of domain names, hosting services, SSL services, email services and premium DNS services. 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 2023 revenues are higher compared to 2022 revenues of \$22,008,394, as the Company is continuing to increase its number of total customers, domains under management, and marketplace domain sales. During the current fiscal period, 55% 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 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 volume.

During the six months ended June 30, 2023, the Company generated a gross profit of \$4,190,093 which accounts for 17.5% of its revenues, compared to a gross profit of \$4,420,587 which accounted for 20.1% of its revenues in 2022. This is due to the lack of volume rebates for the current quarter, which lowered the gross profit percentage.

The Company had a net loss of \$989,208 during the six months ended June 30, 2023 compared to the net loss of \$352,427 for 2022. The higher loss is primarily due to lower gross profit in 2023 and higher contractor payments incurred in 2023.

General and administrative expenses of \$3,607,864 for the six months ended June 30, 2023 were higher compared to \$3,100,186 for 2022. A portion of the consulting fees incurred this period were related to product and software development to expand the Company's product offerings.

***Three months ended June 30, 2023 compared to the three months ended June 30, 2022:***

The Company recognized revenues of \$12,008,757 during the three months ended June 30, 2023. The Company's revenues are derived from domain name registration fees, the sale of domain names, hosting services, SSL services, email services and premium DNS services. 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 2023 revenues are higher compared to 2022 revenues of \$11,248,570, as the Company is continuing to increase its number of total customers, domains under management, and marketplace domain sales. During the current fiscal period, 55% 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 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 volume.

During the three months ended June 30, 2023, the Company generated a gross profit of \$2,103,915 which accounts for 17.5% of its revenues, compared to a gross profit of \$2,196,621 which accounted for 19.5% of its revenues in 2022. This is due to the lack of volume rebates for the current quarter, which lowered the gross profit percentage.

The Company had a net income of \$828,011 during the three months ended June 30, 2023 compared to the net loss of \$683,040 for 2022. The higher net income is primarily due to other expense recovery of \$462,494 in 2023 and a gain on investments of \$285,343 as opposed to a loss on investments of \$1,049,675 in 2022.

General and administrative expenses of \$1,850,008 for the three months ended June 30, 2023 were higher compared to \$1,634,870 for 2022. A portion of the consulting fees incurred this period were related to product and software development to expand the Company's product offerings.

## Investments

As of June 30, 2023, the Company has the following investments:

Name	# of Shares	Value
Allur Group	523,332	\$78,500
Atlas Engineered Products Ltd.	971,079	\$1,136,162
ImmunoPrecise Antibodies Ltd.	557,500	\$2,189,816
West Mining Corp.	180,000	\$6,300
Yuansfer	-	\$63,390
Lawson West Capital Corp.	445,833	\$350,000
Erebus Capital Corp.	2,250,000	\$1,038,125
Ceapro Inc.	74,000	\$31,820
Bomb Beverages	-	\$32,387
<b>Total Investments</b>		<b>\$4,926,500</b>

## Summary of Quarterly Results

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

(\$)	2023		2022				2021	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Gross Revenues	12,008,757	11,908,958	11,426,356	11,569,000	11,248,570	10,759,824	10,808,189	9,217,902
Net Income (Loss) for the Period	828,011	(1,817,219)	(2,478,179)	716,496	(683,040)	330,613	(1,630,906)	(503,078)
Basic & Diluted Income (Loss) per Share	0.01	(0.02)	(0.02)	0.00	(0.01)	0.00	(0.02)	(0.01)

The Company has been increasing its revenues quarter over quarter as the number of domains under management have increased.

The Company had a net income for Q2 2023 as compared to the other quarters, primarily due to the other expense recovery of \$462,494 and a gain on investments of \$285,343 during the quarter.

The Company had a higher loss for Q1 2023 as compared to the other quarters, primarily due to lower gross profit and a larger loss on investment of \$1,653,066 during the quarter.

The Company had a net income for Q4 2022 as compared to losses for most of the other quarters, primarily due to higher gross profit and a larger gain on investment of \$1,024,536 during the quarter.

The Company had a net income for Q3 2022 as compared to losses for most of the other quarters, primarily due to higher gross profit and no share-based payment recorded.

The Company had a net loss of \$683,040 for Q2 2022 after experiencing net income in Q1 2022, as a result of the loss on investment of \$1,049,675 during the quarter.

The Company had a net income for Q1 2022 as compared to losses for most of the other quarters, primarily due to a smaller loss on investment of \$229,551 during the quarter.

The Company had a larger net loss of \$1,630,906 for Q4 2021 compared to Q3 2021, due to a slightly larger loss on investment of \$577,542 during Q4 2021 as compared to the gain on investment of \$453,120 in the previous quarter.

The Company had a smaller net loss for Q3 2021 compared to prior quarters, as a result of the gain on investment of \$453,120 during the quarter.

## 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 and six months ended June 30, 2023.

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 include 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		Six months ended	
	2023	June 30, 2022	2023	June 30, 2021
	\$	\$	\$	\$
Net loss	828,011	(683,040)	(989,208)	(352,427)
Income tax expense	58,268	-	83,184	-
Amortization	292,808	278,437	587,750	554,566
Foreign exchange gain	16,183	(28,864)	14,277	(11,743)
Interest and loan accretion expense	176,077	171,116	348,647	340,067
Interest income	(300)	(196)	(300)	(196)
Loss on investments (including realized and unrealized)	(285,343)	1,049,675	1,367,723	1,279,226
Realized loss (gain) on digital currency	(76,495)	53,060	(213,361)	65,474
<b>Adjusted EBITDA</b>	<b>1,009,209</b>	<b>840,188</b>	<b>1,198,712</b>	<b>1,874,967</b>

	Three months ended		Six months ended	
	June 30,		June 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Revenue	12,008,757	11,248,570	23,917,715	22,008,394
Change in deferred revenue	155,466	835,791	815,314	1,135,970
<b>Total bookings</b>	<b>12,164,223</b>	<b>12,084,361</b>	<b>24,733,029</b>	<b>23,144,364</b>

### Liquidity and Capital Resources

Cash and cash equivalents at June 30, 2023 totaled \$1,378,768 compared to \$1,203,008 as at December 31, 2022.

As of June 30, 2023, the Company had a working capital deficit of \$7,758,660 compared to working capital deficit of \$7,741,099 as at December 31, 2022.

At June 30, 2023, the Company had a cash and cash equivalents balance of \$1,378,768, accounts receivable of \$167,633, prepaid expenses of \$9,809, registry deposits of \$2,189,083, and prepaid domain name registry fees of \$21,579,057 to settle current liabilities of \$33,083,010.

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's business financial condition and results of operations may be negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts of the conflict in Ukraine to the business to be limited, the indirect impacts on the economy could negatively affect the business and may make it more difficult to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future. 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 October 19, 2021, the Company entered into a loan agreement with a third party lender (the "Lender") whereby the Lender advanced to the Company a total of \$3,900,000 (the "Loan"). The Loan is for a term of three years and accrues interest at a rate of 12% per annum. The Loan was used to refinance the Company's existing loans.

Under the terms of the loan agreement, the Lender may convert, at its option, all or any portion of the principal to common shares of the Company at a price of \$0.25 per share. The Company will have the right to cause a forced conversion of 50% of the outstanding principal amount into common shares if the weighted average price of the common shares is equal to or greater than \$0.50 per share over twenty consecutive trading days.

The Company will have the right to prepay all or any portion of the principal at any time. If the Company elects to repay any portion of the Loan, the Lender will be entitled to a fee equal to one year of interest on the principal amount repaid by the Company. The Lender has been granted certain security interests in the business of the Company.

On February 23, 2022, the Company announced its intention to initiate a normal course issuer bid ("NCIB") through the facilities of the CSE. Under the NCIB, the Company intends to acquire up to 4,500,000 common shares of the Issuer, representing approximately 4.85% of its issued and outstanding common shares. The NCIB commenced on March 2, 2022 and will end no later than March 2, 2023. The Company may terminate the NCIB earlier if it feels it is appropriate to do so and has appointed Canaccord Genuity Corp. to conduct the NCIB. All shares acquired will be



returned to treasury and cancelled. During the year ended December 31, 2022, the Company repurchased 2,544,500 common shares at a price of \$0.16 per share for a total of \$412,331.

### 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 and six months ended June 30, 2023 and 2022 are:

	Three months ended		Six months ended	
	2023	June 30, 2022	2023	June 30, 2022
	\$	\$	\$	\$
Professional fees	43,582	34,417	70,280	60,911
Management fees	90,000	90,000	180,000	180,000
	133,582	124,417	250,280	240,911

During the three and six months ended June 30, 2023, Paul Andreola, President and Director was paid or accrued management fees of \$45,000 and \$90,000 (2022 - \$45,000 and \$90,000), Colin Bowkett, Director was paid or accrued management fees of \$45,000 and \$90,000 (2022 - \$45,000 and \$90,000), and Malaspina Consultants Inc., a company in which Natasha Tsai, Chief Financial Officer is a shareholder, was paid or accrued professional fees of \$43,582 and \$70,280 (2022 - \$34,417 and \$60,911).

Included in accounts payable and accrued liabilities at June 30, 2023 is \$23,105 (December 31, 2022 - \$2,894) 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 six months ended June 30, 2023 and 2022.

### 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 brand, customer relationship and goodwill and related determination of the net realizable value and write-down of these assets where applicable; and
- b. Fair value for share-based compensation transactions;
- c. Fair value of investments in private companies;
- d. Estimate of indirect tax payable;
- e. Bifurcation of convertible debenture; and
- f. The tax basis of assets and liabilities and related deferred income tax assets and liabilities.

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; and
- d. 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 15 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.

**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.

**Competition:** The market for providing our services is highly fragmented and competitive. These services are also rapidly evolving, creating opportunity for new competitors to enter the market with new products or to address specific segments of the market. Our competitors include providers of domain registration services, web hosting solutions, website creating and other productivity tools. We also expect continued competition from companies in the domain and hosting markets.

**Tax Legislation:** Changes in taxation laws and regulations may discourage the registration or renewal of domain names. Due to the global nature of the Internet, it is possible that any U.S. or foreign federal, state or local taxation authority attempt to regulate our transmissions or levy transactions, income or other taxes related to our activities. Tax authorities at the international, federal, state or local tax regulations may subject either us or our customers to additional sales, income or other taxes. New or revised taxes, in particular sales and other transaction taxes, would likely increase the cost of doing business online and decrease the attractiveness of advertising and selling goods and services over the Internet. New taxes could also create significant increase in internal costs necessary to capture data and to collect and remit taxes. Any of these events could have an adverse effect on our business and results of operations.

### 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	91,585,648
Preferred	Nil	Unlimited	Nil

Security Type	Number Outstanding	Exercise / Convert Price	Conversion / Expiry Date
Options	325,000	\$0.42	September 16, 2024
Options	2,750,000	\$0.22	September 17, 2027
Options	2,350,000	\$0.18	October 25, 2027

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 six months ended June 30, 2023 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.sedarplus.ca](http://www.sedarplus.ca).

**Additional Information**

Additional information relating to our Company is available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca). 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.