

# **NAMESILO TECHNOLOGIES CORP.**

## **Condensed Interim Consolidated Financial Statements**

(Unaudited – Expressed in Canadian dollars)

**For the Three and Six Months Ended June 30, 2024 and 2023**

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## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited condensed interim consolidated financial statements as at and for the three and six months ended June 30, 2024 and 2023.

**NAMESILO TECHNOLOGIES CORP.**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Unaudited – Expressed in Canadian Dollars)

	Notes	June 30, 2024 \$	December 31, 2023 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,911,548	2,379,275
Receivables		103,021	114,505
Prepaid expenses		262,289	5,031
Registry deposits		3,439,278	2,983,795
Prepaid domain name registry fees, current portion		22,838,376	20,580,013
Loan receivable	3	86,228	-
		<b>29,640,740</b>	26,062,619
Prepaid domain name registry fees, long-term portion		1,181,924	1,081,316
Digital currency	4	1,103,954	158,908
Investments	5	2,299,154	2,562,123
Investment in associates	6	1,871,785	1,661,090
Equipment	8	168,163	64,644
Customer relationships	10	1,085,590	1,533,193
Goodwill	11	8,346,409	8,065,288
Deferred income tax asset		396,228	382,883
		<b>46,093,947</b>	41,572,064
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	12	5,809,415	6,132,728
Customer deposits		3,642,180	3,043,598
Deferred revenue, current portion	13	28,245,893	24,969,653
Convertible debenture – liability portion	14	3,826,251	3,703,172
		<b>41,523,739</b>	37,849,151
Deferred revenue, long-term portion	13	1,423,131	1,295,268
		<b>42,946,870</b>	39,144,419
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	15	34,422,936	34,480,957
Subscription advances		15,608	15,608
Convertible debt – equity portion	14	566,106	566,106
Contributed surplus		2,545,187	2,545,187
Accumulated other comprehensive loss		(348,362)	(48,718)
Deficit		(34,329,537)	(35,300,832)
Total equity attributable to shareholders of the Company		2,871,938	2,258,308
Attributable to non-controlling interest		275,139	169,337
		<b>3,147,077</b>	2,427,645
		<b>46,093,947</b>	41,572,064

Nature of operations and going concern (note 1)

Approved on behalf of the Board

\_\_\_\_\_  
“Paul Andreola”                      Director                      \_\_\_\_\_  
“Colin Bowkett”                      Director

*The notes are an integral part of these condensed interim consolidated financial statements*

**NAMESILO TECHNOLOGIES CORP.**  
**Condensed Interim Consolidated Statements of Comprehensive Income (Loss)**  
**For the three and six months ended June 30, 2024 and 2023**  
(Unaudited – Expressed in Canadian Dollars)

	Notes	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
		\$	\$	\$	\$
<b>REVENUE</b>	13	<b>13,175,765</b>	12,008,757	<b>25,977,730</b>	23,917,715
<b>COST OF SALES</b>		<b>(10,291,974)</b>	(9,904,842)	<b>(20,432,441)</b>	(19,727,622)
<b>GROSS PROFIT</b>		<b>2,883,791</b>	2,103,915	<b>5,545,289</b>	4,190,093
<b>GENERAL AND ADMINISTRATION EXPENSES</b>					
Amortization	8, 9, 10	<b>252,768</b>	292,808	<b>501,842</b>	587,750
Contractor fees		<b>512,709</b>	504,787	<b>836,833</b>	990,037
Management fees	17	<b>90,000</b>	90,000	<b>180,000</b>	180,000
Marketing		<b>148,852</b>	86,834	<b>253,137</b>	177,949
Merchant fees		<b>372,945</b>	330,450	<b>718,157</b>	662,509
Office and general		<b>161,029</b>	99,388	<b>283,073</b>	236,317
Product development costs		<b>139,314</b>	163,155	<b>262,711</b>	326,143
Professional fees	17	<b>176,735</b>	216,955	<b>278,838</b>	311,913
Salaries		<b>66,762</b>	57,776	<b>128,915</b>	121,168
Transfer agent and filing		<b>21,152</b>	7,855	<b>27,453</b>	14,078
		<b>1,942,266</b>	1,850,008	<b>3,470,959</b>	3,607,864
<b>Income before other items</b>		<b>941,525</b>	253,907	<b>2,074,330</b>	582,229
<b>OTHER ITEMS</b>					
Foreign exchange gain (loss)		<b>1,818</b>	(16,183)	<b>26,937</b>	(14,277)
Interest expense	14	<b>(116,679)</b>	(117,962)	<b>(233,358)</b>	(233,359)
Accretion expense	14	<b>(62,043)</b>	(58,115)	<b>(123,079)</b>	(115,288)
Other income		<b>481</b>	300	<b>481</b>	300
Realized gain on digital currency	4	<b>114,781</b>	76,495	<b>236,568</b>	213,361
(Loss) gain on investments	5	<b>(440,197)</b>	285,343	<b>(175,094)</b>	(1,367,723)
Loss from equity pick-up	6	<b>(60,577)</b>	-	<b>(99,055)</b>	-
Other (expense) recovery		<b>(117,404)</b>	462,494	<b>(203,144)</b>	28,733
		<b>(679,820)</b>	632,372	<b>(569,744)</b>	(1,488,253)
<b>Income (loss) before income tax</b>		<b>261,705</b>	886,279	<b>1,504,586</b>	(906,024)
Income tax expense		<b>(36,497)</b>	(58,268)	<b>(64,888)</b>	(83,184)
<b>Net income (loss)</b>		<b>225,208</b>	828,011	<b>1,439,698</b>	(989,208)
<b>Other comprehensive (loss) income</b>					
Digital currency revaluation		<b>(288,207)</b>	(129,841)	<b>(404,773)</b>	4,098
Exchange difference on subsidiary translation		<b>14,123</b>	(23,331)	<b>37,112</b>	(31,219)
<b>Total comprehensive (loss) income</b>		<b>(48,876)</b>	674,839	<b>1,072,037</b>	(1,016,329)
<b>Income (loss) attributable to:</b>					
Shareholders of the Company		<b>8,983</b>	641,862	<b>971,295</b>	(1,215,047)
Non-controlling interest		<b>216,225</b>	186,149	<b>468,403</b>	225,839
		<b>225,208</b>	828,011	<b>1,439,698</b>	(989,208)
<b>Comprehensive (loss) income attributable to:</b>					
Shareholders of the Company		<b>(214,396)</b>	517,028	<b>671,651</b>	(1,237,150)
Non-controlling interest		<b>165,520</b>	157,811	<b>400,386</b>	220,821
		<b>(48,876)</b>	674,839	<b>1,072,037</b>	(1,016,329)
<b>Basic and diluted income (loss) per share</b>		<b>0.00</b>	0.01	<b>0.02</b>	(0.01)
<b>Weighted average number of shares</b>					
<b>outstanding – basic and diluted</b>		<b>89,865,148</b>	91,585,648	<b>89,865,148</b>	91,585,648

*The notes are an integral part of these condensed interim consolidated financial statements*

**NAMESILO TECHNOLOGIES CORP.**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
(Unaudited – Expressed in Canadian Dollars)

	Number of Shares #	Share Capital \$	Number of Treasury Shares #	Treasury Share Amount \$	Subscription Advances \$	Convertible Debenture – Equity Component \$	Contributed Surplus \$	AOCI \$	Deficit \$	NCI \$	Total \$
Balance, January 1, 2023	91,585,648	34,841,553	(1,483,500)	(240,398)	15,608	566,106	2,545,187	76,819	(33,486,331)	417,780	4,736,324
Distributions	-	-	-	-	-	-	-	-	-	(338,122)	(338,122)
Net and comprehensive loss for the period	-	-	-	-	-	-	-	(22,103)	(1,215,047)	220,821	(1,016,329)
Balance, June 30, 2023	91,585,648	34,841,553	(1,483,500)	(240,398)	15,608	566,106	2,545,187	54,716	(34,701,378)	300,479	3,381,873
Share repurchases	-	-	(637,500)	(120,198)	-	-	-	-	-	-	(120,198)
Cancellation of shares	(1,720,500)	(326,895)	1,720,500	326,895	-	-	-	-	-	-	-
Distributions	-	-	-	-	-	-	-	-	-	(411,687)	(411,687)
Net and comprehensive loss for the period	-	-	-	-	-	-	-	(103,434)	(599,454)	280,545	(422,343)
Balance, December 31, 2023	89,865,148	34,514,658	(400,500)	(33,701)	15,608	566,106	2,545,187	(48,718)	(35,300,832)	169,337	2,427,645
Share repurchases	-	-	(250,000)	(58,021)	-	-	-	-	-	-	(58,021)
Distributions	-	-	-	-	-	-	-	-	-	(294,584)	(294,584)
Net and comprehensive loss for the period	-	-	-	-	-	-	-	(299,644)	971,295	400,386	1,072,037
<b>Balance, June 30, 2024</b>	<b>89,865,148</b>	<b>34,514,658</b>	<b>(650,500)</b>	<b>(91,722)</b>	<b>15,608</b>	<b>566,106</b>	<b>2,545,187</b>	<b>(348,362)</b>	<b>(34,329,537)</b>	<b>275,139</b>	<b>3,147,077</b>

*The notes are an integral part of these condensed interim consolidated financial statements*

**NAMESILO TECHNOLOGIES CORP.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
(Unaudited – Expressed in Canadian Dollars)

<b>Six months ended June 30,</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS PROVIDED BY (USED IN):</b>		
<b>Operating activities</b>		
Net income (loss) for the period	1,439,698	(989,208)
Adjustment for items not involving cash:		
Accretion expense on convertible debenture	123,079	115,288
Amortization	501,842	587,750
Foreign exchange gain	(281,121)	-
Loss on investments	175,094	1,367,723
Realized gain on digital currency	(236,568)	(213,361)
Loss from equity pick-up	99,055	-
	<b>1,821,079</b>	<b>868,192</b>
Changes in non-cash working capital related to operations:		
Receivables	11,484	(101,441)
Prepaid expenses	(257,258)	(4,967)
Registry deposits	(455,483)	279,942
Prepaid domain name registry fees	(2,358,971)	(389,175)
Digital currency	(1,113,251)	(196,709)
Accounts payable and accrued liabilities	(323,313)	(556,391)
Customer deposits	598,582	99,151
Deferred revenue	3,404,103	815,314
Net cash provided by operating activities	<b>1,326,972</b>	<b>813,916</b>
<b>Investing activities</b>		
Sale of investments	87,920	150,626
Purchase of investments	(309,795)	(640,000)
Purchase of equipment	(105,015)	-
Loan receivable	(86,228)	-
Net cash used in investing activities	<b>(413,118)</b>	<b>(489,374)</b>
<b>Financing activities</b>		
Share repurchases	(58,021)	-
Distributions to non-controlling interest	(294,584)	(338,122)
Net cash used in financing activities	<b>(352,605)</b>	<b>(338,122)</b>
<b>Foreign exchange on cash</b>	<b>(28,976)</b>	<b>189,340</b>
Increase in cash during the period	532,273	175,760
Cash – beginning of the period	2,379,275	1,203,008
Cash – end of the period	<b>2,911,548</b>	<b>1,378,768</b>
Cash paid for interest	(233,358)	(233,359)
Cash paid for income tax	(685,505)	(351,351)

Supplemental cash flow information (Note 19)

*The notes are an integral part of these condensed interim consolidated financial statements*

**NAMESILO TECHNOLOGIES CORP.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and six months ended June 30, 2024 and 2023**  
(Unaudited – Expressed in Canadian Dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

NameSilo Technologies Corp. (the “Company”) is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia. The Company’s shares are listed on the Canadian Securities Exchange (“CSE”). The head office and principal address is 1100 – 1199 West Hastings Street, Vancouver, BC, Canada, V6E 3T5. The Company is a provider of domain name registration services and marketplace services for the buying and selling of domain names.

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As at June 30, 2024, the Company had a working capital deficit of \$11,882,999 and an accumulated deficit of \$34,329,537. 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 outcome of these matters cannot be predicted at this time. These material uncertainties 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. These condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

**2. BASIS OF PREPARATION**

**(a) Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and International Accounting Standard 34, Interim Financial Reporting. They do not include all the information required for full annual financial statements.

These condensed interim consolidated financial statements were approved by the Board of Directors on August 27, 2024.

**(b) Basis of consolidation**

These condensed interim consolidated financial statements include the financial statements of the Company and the following subsidiaries subject to control by the Company:

	Incorporated in	Status	Percentage owned	
			Jun 30, 2024	Dec 31, 2023
Netco Argentina S.A.	Argentina	Active	100%	100%
1155064 BC Ltd.	Canada	Active	100%	100%
NameSilo, LLC (“NameSilo LLC”)	USA	Active	81.5%	81.5%
NamePal.com, LLC (“NamePal”)	USA	Active	81.5%	81.5%

**NAMESILO TECHNOLOGIES CORP.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

**(c) Functional and presentation currency**

The functional currency of a company is the currency of the primary economic environment in which the Company operates. The presentation currency for a company is the currency in which the Company chooses to present its financial statements.

The functional currency of the Company, Netco Argentina S.A. and 1155064 BC Ltd. is the Canadian dollar. The functional currency of NameSilo LLC and NamePal is the US dollar. The presentation currency of the Company is the Canadian dollar.

Entities whose functional currencies differ from the presentation currency are translated into Canadian dollars as follows: assets and liabilities – at the closing rate as at the reporting date, and income and expenses – at the average rate of the period. All resulting changes are recognized in other comprehensive income as cumulative translation differences.

Transactions in foreign currencies are translated into the functional currency at exchange rates at the date of the transactions. Foreign currency differences arising on translation are recognized in profit or loss. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

When the Company disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive income related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive income related to the subsidiary are reallocated between controlling and non-controlling interests.

**(d) Basis of measurement**

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at their fair value.

In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.



**NAMESILO TECHNOLOGIES CORP.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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**(e) Use of estimates and judgments**

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 customer relationship and goodwill and related determination of the net realizable value and write-down of these assets where applicable;
- b. Fair value of investments in private companies;
- c. Carrying value and recoverability of investment in associates;
- d. Carrying value of investment in joint venture;
- e. Estimate of indirect tax payable; and
- f. The tax basis of assets and liabilities and related deferred income tax assets and liabilities.

Significant accounting judgments:

- a. 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
- b. The going concern risk assessment (see note 1).

## **NAMESILO TECHNOLOGIES CORP.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

#### **For the three and six months ended June 30, 2024 and 2023**

(Unaudited – Expressed in Canadian Dollars)

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#### **3. LOAN RECEIVABLE**

During the six months ended June 30, 2024, the Company advanced \$86,228 (US\$63,000) to a director of the Company. The loan is non-interest bearing, due on demand, unsecured and has no maturity date. The balance of the loan receivable is \$86,228 as of June 30, 2024 (December 31, 2023 – \$nil).

#### **4. DIGITAL CURRENCY**

The Company holds 12.90 bitcoins with a fair value of \$1,103,954 (US\$806,571) as at June 30, 2024 (December 31, 2023 – 2.84 bitcoins with a fair value of \$158,908 (US\$120,148)). The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices or lack of an active market for the digital currencies would have a minimal impact on the Company's other comprehensive income and financial position. The Company uses Blockchain.info as the exchange to transact in bitcoin.

**NAMESILO TECHNOLOGIES CORP.**  
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**5. INVESTMENTS**

**June 30, 2024**

	Allur Group		West Mining Corp.		Ceapro Inc.		ImmunoPrecise Antibodies		
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
Balance, Dec 31, 2023	523,332	\$ 78,500	18,000	\$ 3,600	74,000	\$ 14,060	557,500	\$ 1,263,156	
Exchanged	-	-	-	-	(72,254)	-	-	-	
Proceeds from sale	-	-	-	-	-	-	(30,000)	(87,920)	
Gain (loss)	-	-	-	1,800	-	(3,462)	-	(445,335)	
<b>Balance, Jun 30, 2024</b>	<b>523,332</b>	<b>\$ 78,500</b>	<b>18,000</b>	<b>\$ 5,400</b>	<b>1,746</b>	<b>\$ 10,598</b>	<b>527,500</b>	<b>\$ 729,901</b>	

  

	Atlas Engineered Products Ltd.		Yuansfer		Bomb Beverages		Domai Technologies Ltd		Total
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
Balance, Dec 31, 2023	971,079	\$ 1,107,030	-	\$ 63,390	-	\$ 32,387	-	\$ -	\$ 2,562,123
Purchased	-	-	-	-	-	-	3,260	45	45
Proceeds from sale	-	-	-	-	-	-	-	-	(87,920)
Gain (loss)	-	271,903	-	-	-	-	-	-	(175,094)
<b>Balance, Jun 30, 2024</b>	<b>971,079</b>	<b>\$ 1,378,933</b>	<b>-</b>	<b>\$ 63,390</b>	<b>-</b>	<b>\$ 32,387</b>	<b>3,260</b>	<b>\$ 45</b>	<b>\$ 2,299,154</b>

**NAMESILO TECHNOLOGIES CORP.**  
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**December 31, 2023**

	Pioneering Technologies		Renoworks Software Inc.		Allur Group		Total Telecom Inc.		West Mining Corp.		Ceapro Inc.		Sensus Healthcare	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance, Dec 31, 2022	821,300	\$ 16,426	100,000	\$ 19,000	523,332	\$ 78,500	45,000	\$ 6,975	180,000	\$ 8,100	200,000	\$ 118,000	3,000	\$ 30,162
Purchased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale	(821,300)	(16,231)	(100,000)	(16,953)	-	-	(45,000)	(10,650)	-	-	(126,000)	(74,656)	(3,000)	(20,571)
Gain (loss)	-	(195)	-	(2,047)	-	-	-	3,675	-	(4,500)	-	(29,284)	-	(9,591)
Balance, Dec 31, 2023	-	\$ -	-	\$ -	523,332	\$ 78,500	-	\$ -	180,000	\$ 3,600	74,000	\$ 14,060	-	\$ -

  

	ImmunoPrecise Antibodies		Atlas Engineered Products Ltd.		Yuansfer		Alchemy Labs Inc. (formerly Lawson West Capital Corp.)		Ola Media Innovations Inc. (formerly Erebus Capital Corp.)		Bomb Beverages		Total
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
Balance, Dec 31, 2022	560,000	\$ 3,953,600	971,079	\$ 728,309	-	\$ 63,390	445,833	\$ 350,000	1,950,000	\$ 400,000	-	\$ 32,387	\$ 5,804,849
Purchased	-	-	-	-	-	-	294,118	250,000	3,610,000	815,000	-	-	1,065,000
Proceeds from sale	(2,500)	(11,565)	-	-	-	-	-	-	-	-	-	-	(150,626)
Reclassification	-	-	-	-	-	-	(739,951)	(600,000)	(5,560,000)	(1215,000)	-	-	(1,815,000)
Gain (loss)	-	(2,678,879)	-	378,721	-	-	-	-	-	-	-	-	(2,342,100)
Balance, Dec 31, 2023	557,500	\$ 1,263,156	971,079	\$ 1,107,030	-	\$ 63,390	-	\$ -	-	\$ -	-	\$ 32,387	\$ 2,562,123

The investments in Yuansfer and Bomb Beverages are Simple Agreement for Future Equity (“SAFE”) investments. The Company designated the SAFEs at FVTPL. The fair value of the SAFEs, at each reporting period, is estimated using Level 3 inputs of the fair value hierarchy.

The Company holds investments where there is no quoted market price or active market for the investment. These investments are currently measured at the fair value equivalent to the fair value of the shares from the initial purchase. There are no indicators during the current or prior periods that the value of the shares might not be representative of fair value.

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**6. INVESTMENT IN ASSOCIATES**

Ola Media Innovations Inc.

During the year ended December 31, 2023, the Company purchased additional 3,610,000 shares of Ola Media Innovations Inc. (formerly Erebus Capital Corp.) (“Ola Media”). As a result, the Company’s ownership of Ola Media became 20% on October 10, 2023. In addition to share ownership interest, the Company considered various qualitative factors including representation rights on Ola Media’s board of directors in arriving at the determination that significant influence exists. Ola Media is a related party to the Company, by virtue of a common director.

	\$
Balance, December 31, 2022	-
Reclassification from investments	1,215,000
Equity loss	(80,199)
Balance, December 31, 2023	1,134,801
Purchase	110,000
Equity loss	(62,200)
Balance, June 30, 2024	1,182,601

The equity accounting for Ola Media is based on financial results for the six months ended June 30, 2024. The Company’s estimated equity share of Ola Media’s net loss for the six months ended June 30, 2024 was \$62,200.

Alchemy Labs Inc.

As at December 31, 2023, the Company owned 739,951 common shares of Alchemy Labs Inc. (formerly Lawson West Capital Corp.) (“Alchemy”), which accounts for only 3% of the issued shares of Alchemy. However, in addition to share ownership interest, the Company considered various qualitative factors including representation rights on Alchemy’s board of directors in arriving at the determination that significant influence exists. Alchemy is a related party to the Company, by virtue of a common director.

	\$
Balance, December 31, 2022	-
Reclassification from investments	600,000
Equity loss	(73,711)
Balance, December 31, 2023	526,289
Purchase	199,750
Equity loss	(36,855)
Balance, June 30, 2024	689,184

The Company’s estimated equity share of Alchemy’s net loss for the six months ended June 30, 2024 was \$36,855.

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#### **7. TRANSACTION WITH SAW TECHNOLOGIES INC.**

On May 25, 2023, NameSilo LLC entered into an asset purchase agreement (the “Asset Purchase Agreement”) with Saw Technologies Inc., a newly formed Florida company (“Newco”), pursuant to which NameSilo LLC sold certain assets (the “Assets”) relating to the domain brokerage business of NameLot (the “NameLot Business”) to Newco (the “Transaction”), and in consideration of which Newco issued an aggregate of 20,000,000 common shares in the capital of Newco to the shareholders of NameSilo LLC. Saw.com Incorporated (“Saw”) also sold the assets relating to its domain brokerage business of Saw.com (the “Saw Business”) to Newco in exchange for 20,000,000 common shares in the capital of Newco.

On May 27, 2023, Saw entered into a promissory note with Newco, pursuant to which Saw has lent to Newco in the principal amount of US\$598,500, accruing interest at the US Prime Rate, compounded annually and due within 5 years. NameSilo LLC has granted a guarantee with respect to the promissory note.

Newco is owned as follows: 50% by Saw, 40.75% by the Company, 9.25% by remaining minority shareholders of NameSilo LLC.

In accordance with the terms of the Asset Purchase Agreement, NameSilo LLC will: (i) be responsible for up to \$300,000 of marketing expenses of the NameLot Business over a period of two years following the closing date of the Transaction (the “Closing Date”); and (ii) provide support for the NameLot Business for a period of six months following the Closing Date, including IT and development services, in order to develop the NameLot Business.

The Transaction closed on May 27, 2023. NameSilo LLC and Saw signed a shareholders agreement (“Shareholders Agreement”) dated May 27, 2023, which governs the operations and activities of Newco.

The Shareholders Agreement does not give each party the right to the assets and obligations for the liabilities relating to the arrangement, rather they split the net value. No profits can be distributed without consent by the majority of the board of directors. As such, the Transaction is determined to be a joint venture, because NameSilo LLC and Saw control the arrangement collectively, and joint control exists because the relevant activities require the unanimous consent of both parties. Newco is a related party to the Company, by virtue of common directors.

The interest in the joint venture is accounted for using the equity method. The carrying amount of the initial investment and equity loss was determined to be \$nil, resulting in a balance of \$nil as at June 30, 2024 (December 31, 2023 – \$nil) for the interest in the joint venture.

# NAMESILO TECHNOLOGIES CORP.

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#### 8. EQUIPMENT

	Furniture & Equipment	Server & Domains	Total
	\$	\$	\$
Cost:			
Balance, December 31, 2022	8,517	89,652	98,169
Foreign exchange	-	(2,105)	(2,105)
Balance, December 31, 2023	8,517	87,547	96,064
Addition	-	105,015	105,015
Foreign exchange	-	3,832	3,832
<b>Balance, June 30, 2024</b>	<b>8,517</b>	<b>196,394</b>	<b>204,911</b>
Accumulated Amortization:			
Balance, December 31, 2022	6,972	14,489	21,461
Amortization	1,545	8,932	10,477
Foreign exchange	-	(518)	(518)
Balance, December 31, 2023	8,517	22,903	31,420
Amortization	-	4,497	4,497
Foreign exchange	-	831	831
<b>Balance, June 30, 2024</b>	<b>8,517</b>	<b>28,231</b>	<b>36,748</b>
Net Book Value:			
December 31, 2023	-	64,644	64,644
<b>June 30, 2024</b>	<b>-</b>	<b>168,163</b>	<b>168,163</b>

#### 9. BRAND

The brand was acquired as a result of the acquisition of NameSilo LLC. The brand was amortized using the straight-line method over the useful life of 5 years. The changes in the value of the brand during the year ended December 31, 2023 and six months ended June 30, 2024 are as follows:

	\$
Balance, December 31, 2022	104,101
Amortization	(103,740)
Foreign exchange	(361)
Balance, December 31, 2023 and June 30, 2024	-

#### 10. CUSTOMER RELATIONSHIPS

The customer relationships were acquired as a result of the acquisition of NameSilo LLC. The customer relationships are amortized using the straight-line method over the useful life of 7 years. The changes in the value of the customer relationships during the year ended December 31, 2023 and six months ended June 30, 2024 are as follows:

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	\$
Balance, December 31, 2022	2,561,670
Amortization	(988,175)
Foreign exchange	(40,302)
Balance, December 31, 2023	1,533,193
Amortization	(497,345)
Foreign exchange	49,742
Balance, June 30, 2024	1,085,590

**11. GOODWILL**

The goodwill was acquired as a result of the acquisition of NameSilo LLC. The changes in the value of the goodwill during the year ended December 31, 2023 and six months ended June 30, 2024 are as follows:

	\$
Balance, December 31, 2022	8,259,207
Foreign exchange	(193,919)
Balance, December 31, 2023	8,065,288
Foreign exchange	281,121
Balance, June 30, 2024	8,346,409

The Company performs a goodwill impairment test annually and when circumstances indicate that the carrying value may not be recoverable. The CGU is the reportable segment, being domain registration and related services. The recoverable amount of the CGU was based on value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The cash flows were projected over a five-year period based on past experience and actual operating results. The Company performed its annual goodwill impairment test in April 2024 and no impairment was indicated for the period tested. The values assigned to the key assumptions represented management's assessment of future trends in the industry and were based on historical data from both internal and external sources. The key assumptions applied in the impairment test include a weighted average cost of capital of 20%, average customer growth rate of 8% per year and terminal value growth rate of 5%.

**12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The Company is subject to indirect taxation in some, but not all, of the various states and foreign jurisdictions in which the Company conducts business. Laws and regulations attempting to subject communications and commerce conducted over the internet to various indirect taxes are becoming more prevalent, both in Canada and internationally, and may impose additional burdens on the Company in the future. Taxing authorities may impose indirect taxes on the internet-related revenue generated by the Company based on regulations currently being applied to similar, but not directly comparable, industries. There are many transactions and calculations where the ultimate indirect tax determination is uncertain. The Company may be audited in the future, which could result in changes to the indirect tax estimates.

As at June 30, 2024, an accrual for estimated indirect tax liabilities of \$3,878,792 (December 31, 2023 – \$3,748,148) has been included in accounts payable and accrued liabilities. This accrual reflects management's best estimate of the probable liability based on an analysis of the Company's business activities, revenues subject to indirect taxes and applicable regulations.



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Although the Company believes its indirect tax estimates and associated liabilities are reasonable, the final determination of indirect tax audits or settlements could be materially different than the amounts established for indirect tax contingencies. The current period effect of indirect tax is recognized as other expense in profit or loss.

**13. DEFERRED REVENUE**

Deferred revenue consists of the following as at June 30, 2024 and December 31, 2023:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Current	28,245,893	24,969,653
Non-current	1,423,131	1,295,268
	<b>29,669,024</b>	<b>26,264,921</b>

The increase in the deferred revenue balance is primarily driven by payments received in advance of satisfying our performance obligations, affected by \$24,931,687 of revenue recognized during the six months ended June 30, 2024. The changes in the value of deferred revenue during the year ended December 31, 2023 and June 30, 2024 are as follows:

	<b>\$</b>
Balance, December 31, 2022	25,586,468
Additions	47,201,457
Transferred to revenue	(46,523,004)
Balance, December 31, 2023	26,264,921
Additions	28,335,790
Transferred to revenue	(24,931,687)
Balance, June 30, 2024	29,669,024

Revenue consists of the following types of services for the six months ended June 30, 2024 and 2023:

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
	<b>\$</b>	<b>\$</b>
Domain Services	24,931,687	22,587,604
Market Place Transactions	783,292	788,260
Other	262,751	541,851
	<b>25,977,730</b>	<b>23,917,715</b>

Costs of sales are the direct costs incurred by the Company in connection with selling an incremental product to its customers. Substantially all cost of sales relates to domain registration fees paid to the various domain registries.

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**14. CONVERTIBLE DEBENTURE**

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 prepay 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.

During the three and six months ended June 30, 2024, the Company recorded interest expense of \$116,679 and \$233,358 (2023 - \$117,962 and \$233,359) on the Loan.

The changes in the value of the convertible debenture during the year ended December 31, 2023 and six months ended June 30, 2024 are as follows:

	<b>Liability Component (\$)</b>	<b>Equity Component (\$)</b>
Balance, December 31, 2022	3,468,764	566,106
Accretion	234,408	-
Balance, December 31, 2023	3,703,172	566,106
Accretion	123,079	-
Balance, June 30, 2024	3,826,251	566,106

**15. SHARE CAPITAL**

(a) Authorized

Unlimited number of common shares without par value.  
Unlimited number of preferred shares without par value.

(b) Issued

On September 22, 2023, the Company announced its intention to initiate a NCIB through the facilities of the CSE. The NCIB commenced on September 26, 2023 and will end no later than September 26, 2024. 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, 2023, the Company repurchased 637,500 common shares at a price of \$0.18 per share for a total of \$120,198. 1,720,500 common shares have been cancelled during the year ended December 31, 2023. During the six months ended June 30, 2024,

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the Company repurchased 250,000 common shares at a price of \$0.23 per share for a total of \$58,021.

(c) Stock options

The Company has a stock option plan in accordance with the policies on the Canadian Securities Exchange whereby, from time to time at the discretion of the Board of Directors, stock options are granted to directors, officers and certain consultants.

Under the plan, up to 10% of the total number of issued common shares of the Company, calculated on a non-diluted basis, at the time an option is granted are available for the issuance of stock options. The exercise price of each option is based on the market price of the Company's common stock at the date of the grant less an applicable discount. The options can be granted for a maximum term of 10 years. The maximum number of options that may be granted to any one person must not exceed 5% of the common shares issued and outstanding at the time of grant unless disinterested shareholder approval is obtained. Any options granted to consultants or persons performing Investor Relations under the Amended Stock Option Plan shall vest to the optionee as follows: 25% at date of grant, 25% six months from date of grant, 25% nine months from date of grant and the remaining 25% twelve months from the date of grant. All other options granted under the stock option plan shall have vesting terms set at the discretion of the Board of Directors.

A summary of the stock option activity is as follows:

	<b>June 30, 2024</b>		December 31, 2023	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of period/year	5,425,000	\$0.21	6,725,000	\$0.24
Expired	-	-	(1,300,000)	0.35
Balance, end of period/year	5,425,000	\$0.21	5,425,000	\$0.21

As at June 30, 2024, the Company has outstanding directors' and employees' incentive stock options enabling the holders to acquire additional common shares as follows:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date
325,000	325,000	\$0.42	September 16, 2024
2,750,000	2,750,000	\$0.22	September 17, 2027
2,350,000	2,350,000	\$0.18	October 25, 2027
5,425,000	5,425,000		2.57 years remaining

(d) Warrants

As at June 30, 2024 and December 31, 2023, the Company has no share purchase warrants outstanding.

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**16. DISTRIBUTIONS FROM NAMESILO LLC**

In January, May, June, August, October and December 2023, NameSilo LLC made cash distributions to all its members. The total amount of distributions made to the 18.5% non-controlling interest were \$749,809 (US\$555,538) during the year ended December 31, 2023.

In January and June 2024, NameSilo LLC made cash distributions to all its members. The total amount of distributions made to the 18.5% non-controlling interest were \$294,584 (US\$216,829) during the six months ended June 30, 2024.

**17. RELATED PARTY TRANSACTIONS**

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, 2024 and 2023 are:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Professional fees	51,192	43,582	89,338	70,280
Management fees	90,000	90,000	180,000	180,000
	141,192	133,582	269,338	250,280

During the three and six months ended June 30, 2024 and 2023, Paul Andreola, President and Director was paid or accrued management fees of \$45,000 and \$90,000 (2023 - \$45,000 and \$90,000), Colin Bowkett, Director was paid or accrued management fees of \$45,000 and \$90,000 (2023 - \$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 \$51,192 and \$89,338 (2023 - \$43,582 and \$70,280).

Included in accounts payable and accrued liabilities at June 30, 2024 is \$21,037 (December 31, 2023 - \$2,210) due to officers and directors for unpaid management fees.

During the six months ended June 30, 2024, the Company advanced \$86,228 (US\$63,000) to a director of the Company. The loan is non-interest bearing, due on demand, unsecured and has no maturity date. The balance of the loan receivable is \$86,228 as of June 30, 2024 (December 31, 2023 – \$nil).

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, 2024 and 2023.

**18. DETERMINATION OF FAIR VALUES**

The Company's financial assets were classified into the following categories:

- FVTPL – Cash and cash equivalents, and investments
- FVOCI – None

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■ Amortized Cost – Receivables and loan receivable

Estimates of the fair value of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

At June 30, 2024, the Company's financial instruments include cash and cash equivalents, receivables, registry deposits, investments, loan receivable, accounts payable and accrued liabilities, customer deposits, and convertible debenture. Receivables, registry deposits, loan receivable, accounts payable and accrued liabilities, and customer deposits, convertible debenture are recognized on the consolidated statement of financial position at their carrying values which approximated their fair value.

All financial instruments measured at fair value are categorized into a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are described below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;  
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and  
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

<b>June 30, 2024</b>	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 2,911,548	\$ -	\$ -	\$ 2,911,548
Investment - shares	\$ 2,124,832	\$ -	\$ 78,545	\$ 2,203,377
Investment – SAFE	\$ -	\$ -	\$ 95,777	\$ 95,777
<b>December 31, 2023</b>	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 2,379,275	\$ -	\$ -	\$ 2,379,275
Investment - shares	\$ 2,387,846	\$ -	\$ 78,500	\$ 2,466,346
Investment – SAFE	\$ -	\$ -	\$ 95,777	\$ 95,777

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**19. SUPPLEMENTAL CASH FLOW INFORMATION**

The following changes in liabilities arose from financing activities:

	December 31, 2023 \$	Cash Flows \$	Bifurcation to Equity \$	Accretion \$	Foreign exchange movements \$	June 30, 2024 \$
Convertible debenture	3,703,172	-	-	123,079	-	3,826,251

	December 31, 2022 \$	Cash Flows \$	Bifurcation to Equity \$	Accretion \$	Foreign exchange movements \$	December 31, 2023 \$
Convertible debenture	3,468,764	-	-	234,408	-	3,703,172

The following is a breakdown of cash and cash equivalents:

	June 30, 2024 \$	December 31, 2023 \$
Cash	2,900,048	2,694,459
Cash equivalents	11,500	11,500
	2,911,548	2,705,959

**20. CONTINGENCY**

NameSilo LLC and NamePal were named defendants in a lawsuit. The plaintiff filed a complaint against certain websites and numerous domain registrars, including NameSilo LLC and NamePal, alleging that false and defamatory language was posted on these websites registered by the related domain registrars. NameSilo and NamePal are not the owners and operators of the websites therefore have no control on the contents to be posted on the websites. No loss provision has been recorded because management believes the claim to be frivolous towards the Company and without merit. There is no individual amount claimed by the plaintiff against each individual defendant.