

NAMESILO TECHNOLOGIES CORP.

Condensed Interim Consolidated Financial Statements

(Unaudited – Expressed in Canadian dollars)

For the Three and Nine Months Ended September 30, 2024 and 2023

Index

Notice of No Auditor Review of Interim Financial Statements

Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Statements of Financial Position

Condensed Interim Consolidated Statements of Comprehensive Income (Loss)

Condensed Interim Consolidated Statements of Changes in Equity

Condensed Interim Consolidated Statements of Cash Flows

Notes to the Condensed Interim Consolidated Financial Statements

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 nine months ended September 30, 2024 and 2023.

NAMESILO TECHNOLOGIES CORP.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited – Expressed in Canadian Dollars)

		September 30, 2024	December 31, 2023
	Notes	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		4,981,005	2,379,275
Receivables		81,129	114,505
Prepaid expenses		121,443	5,031
Registry deposits		2,975,960	2,983,795
Prepaid domain name registry fees, current portion		22,897,791	20,580,013
		31,057,328	26,062,619
Prepaid domain name registry fees, long-term portion		1,037,609	1,081,316
Digital currency	3	1,231,960	158,908
Investments	4	1,517,532	2,562,123
Promissory note receivable	5	134,990	-
Investment in joint venture	5	163,332	-
Investment in associates	6	1,955,588	1,661,090
Equipment	7	184,694	64,644
Customer relationships	9	823,599	1,533,193
Goodwill	10	8,231,765	8,065,288
Deferred income tax asset		390,787	382,883
		46,729,184	41,572,064
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	11	5,807,480	6,132,728
Customer deposits		3,934,940	3,043,598
Deferred revenue, current portion	12	28,406,552	24,969,653
Convertible debenture – liability portion	13	3,889,316	3,703,172
		42,038,288	37,849,151
Deferred revenue, long-term portion	12	1,253,951	1,295,268
		43,292,239	39,144,419
SHAREHOLDERS' EQUITY			
Share capital	14	34,422,936	34,480,957
Subscription advances		15,608	15,608
Convertible debt – equity portion	13	566,106	566,106
Contributed surplus	14	2,652,607	2,545,187
Accumulated other comprehensive loss		(186,496)	(48,718)
Deficit		(34,079,259)	(35,300,832)
Total equity attributable to shareholders of the Company		3,391,502	2,258,308
Attributable to non-controlling interest		45,443	169,337
		3,436,945	2,427,645
		46,729,184	41,572,064

Nature of operations and going concern (note 1)

Subsequent events (note 18)

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 nine months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

		For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
	Notes	\$	\$	\$	\$
REVENUE	12	14,351,076	12,454,667	40,328,806	36,372,382
COST OF SALES		(11,136,180)	(10,191,135)	(31,568,621)	(29,918,757)
GROSS PROFIT		3,214,896	2,263,532	8,760,185	6,453,625
GENERAL AND ADMINISTRATION EXPENSES					
Amortization	7, 8, 9	251,918	262,574	753,760	850,324
Contractor fees		551,316	458,213	1,388,149	1,448,250
Management fees	16	90,000	90,000	270,000	270,000
Marketing		116,817	(47,122)	369,954	130,827
Merchant fees		438,576	390,505	1,156,733	1,000,854
Office and general		103,060	51,613	413,586	354,168
Product development		168,047	152,605	430,758	478,748
Professional fees	16	98,073	79,793	376,911	391,706
Salaries		49,009	55,266	177,924	176,434
Share-based payment	14, 16	107,420	-	107,420	-
		1,974,236	1,493,447	5,445,195	5,101,311
Income before other items		1,240,660	770,085	3,314,990	1,352,314
OTHER ITEMS					
Foreign exchange (loss) gain		(20,959)	227	5,978	(14,050)
Interest and loan accretion expense	13	(181,027)	(177,035)	(537,464)	(525,682)
Realized (loss) gain on digital currency	3	(107,673)	50,557	128,895	263,918
Loss on investments	4	(285,320)	(693,543)	(460,414)	(2,061,266)
Share of income from investment in joint venture	5	163,332	-	163,332	-
Loss from equity pick-up	6	(71,197)	-	(170,252)	-
Other expense		(138,686)	(44,802)	(341,349)	(15,769)
		(641,530)	(864,596)	(1,211,274)	(2,352,849)
Income (loss) before income tax		599,130	(94,511)	2,103,716	(1,000,535)
Income tax expense		(111,066)	(8,883)	(175,954)	(92,067)
Net income (loss)		488,064	(103,394)	1,927,762	(1,092,602)
Other comprehensive income (loss)					
Digital currency revaluation		237,223	(25,083)	(167,550)	(20,985)
Exchange difference on subsidiary translation		(38,614)	(27,002)	(1,502)	(58,221)
Total comprehensive income (loss)		686,673	(155,479)	1,758,710	(1,171,808)
Income (loss) attributable to:					
Shareholders of the Company		250,278	(278,114)	1,221,573	(1,493,161)
Non-controlling interest		237,786	174,720	706,189	400,559
		488,064	(103,394)	1,927,762	(1,092,602)
Comprehensive income (loss) attributable to:					
Shareholders of the Company		412,144	(320,563)	1,083,795	(1,557,713)
Non-controlling interest		274,529	165,084	674,915	385,905
		686,673	(155,479)	1,758,710	(1,171,808)
Basic and diluted income (loss) per share		0.01	(0.00)	0.02	(0.01)
Weighted average number of shares outstanding – basic and diluted		89,865,148	91,585,648	89,865,148	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	-	-	-	-	-	-	-	-	-	(538,584)	(538,584)
Net and comprehensive loss for the period	-	-	-	-	-	-	-	(64,552)	(1,493,161)	385,905	(1,171,808)
Balance, September 30, 2023	91,585,648	34,841,553	(1,483,500)	(240,398)	15,608	566,106	2,545,187	12,267	(34,979,492)	265,101	3,025,932
Share repurchases	-	-	(637,500)	(120,198)	-	-	-	-	-	-	(120,198)
Cancellation of shares	(1,720,500)	(326,895)	1,720,500	326,895	-	-	-	-	-	-	-
Distributions	-	-	-	-	-	-	-	-	-	(211,225)	(211,225)
Net and comprehensive loss for the period	-	-	-	-	-	-	-	(60,985)	(321,340)	115,461	(266,864)
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	-	-	-	-	-	-	-	-	-	(798,809)	(798,809)
Share-based payment	-	-	-	-	-	-	107,420	-	-	-	107,420
Net and comprehensive loss for the period	-	-	-	-	-	-	-	(137,778)	1,221,573	674,915	1,758,710
Balance, September 30, 2024	89,865,148	34,514,658	(650,500)	(91,722)	15,608	566,106	2,652,607	(186,496)	(34,079,259)	45,443	3,436,945

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)

	2024	2023
Nine months ended September 30,	\$	\$
CASH FLOWS PROVIDED BY (USED IN):		
Operating activities		
Net income (loss) for the period	1,927,762	(1,092,602)
Adjustment for items not involving cash:		
Accretion expense on convertible debenture	186,144	174,361
Amortization	753,760	850,324
Foreign exchange gain	(166,477)	-
Loss on investments	460,414	2,061,266
Realized gain on digital currency	(128,895)	(263,918)
Share of income from investment in joint venture	(163,332)	-
Loss from equity pick-up	170,252	-
Share-based payment	107,420	-
	3,147,048	1,729,431
Changes in non-cash working capital related to operations:		
Receivables	33,376	(53,375)
Prepaid expenses	(116,412)	(2,578)
Registry deposits	7,835	(404,846)
Prepaid domain name registry fees	(2,274,071)	(639,535)
Digital currency	(1,111,707)	(515,468)
Accounts payable and accrued liabilities	(325,248)	(552,672)
Customer deposits	891,342	585,471
Deferred revenue	3,395,582	1,673,927
Net cash provided by operating activities	3,647,745	1,820,355
Investing activities		
Sale of investments	584,221	150,626
Purchase of investments	(464,794)	(1,015,000)
Purchase of equipment	(126,393)	-
Promissory note receivable	(134,990)	-
Net cash used in investing activities	(141,956)	(864,374)
Financing activities		
Share repurchases	(58,021)	-
Distributions to non-controlling interest	(798,809)	(538,584)
Net cash used in financing activities	(856,830)	(538,584)
Foreign exchange on cash	(47,229)	(36,017)
Increase in cash during the period	2,601,730	417,397
Cash – beginning of the period	2,379,275	1,203,008
Cash – end of the period	4,981,005	1,584,388
Cash paid for interest	(233,358)	(351,321)
Cash paid for income tax	(902,380)	(359,626)

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 nine months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

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 September 30, 2024, the Company had a working capital deficit of \$10,980,960 and an accumulated deficit of \$34,079,259. 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 November 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	
			Sep 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

For the three and nine months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

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.

(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.

3. DIGITAL CURRENCY

The Company holds 14.41 bitcoins with a fair value of \$1,231,960 (US\$912,631) as at September 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 kraken as the exchange to transact in bitcoin.

NAMESILO TECHNOLOGIES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

4. INVESTMENTS

September 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	-	-	-	-	-	-	(557,500)	(584,221)	
Gain (loss)	-	-	-	450	-	(5,278)	-	(678,935)	
Balance, Sept 30, 2024	523,332	\$ 78,500	18,000	\$ 4,050	1,746	\$ 8,782	-	\$ -	

	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	44	44
Proceeds from sale	-	-	-	-	-	-	-	-	(584,221)
Gain (loss)	-	223,349	-	-	-	-	-	-	(460,414)
Balance, Sept 30, 2024	971,079	\$ 1,330,379	-	\$ 63,390	-	\$ 32,387	3,260	\$ 44	\$ 1,517,532

NAMESILO TECHNOLOGIES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

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.

NAMESILO TECHNOLOGIES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

5. 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 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 may lend to Newco in the principal amount of up to 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.

On March 8, 2024, NameSilo LLC entered into a promissory note with Newco, pursuant to which NameSilo LLC has lent to Newco in the principal amount of US\$100,000, bearing no interest and maturing on May 27, 2028.

The interest in the joint venture is accounted for using the equity method. The carrying amount of the initial investment was determined to be \$nil. Summarized financial information of the joint venture and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

NAMESILO TECHNOLOGIES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

	September 30, 2024 \$	December 31, 2023 \$
Current assets	550,294	-
Current liabilities	(14,489)	-
Non-current liabilities	(134,990)	-
Net assets	400,815	-
Ownership percentage	40.75%	40.75%
Proportion of the Company's ownership interest	163,332	-

	Three months ended September 30, 2024 \$	September 30, 2023 \$	Nine months ended September 30, 2024 \$	September 30, 2023 \$
Revenue	2,868,480	-	2,868,480	-
Expense	(2,544,961)	-	(2,544,961)	-
Net and comprehensive gain	323,519	-	323,519	-

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	265,000
Equity loss	(93,239)
Balance, September 30, 2024	1,306,562

The equity accounting for Ola Media is based on financial results for the nine months ended September 30, 2024. The Company's estimated equity share of Ola Media's net loss for the nine months ended September 30, 2024 was \$93,239.

NAMESILO TECHNOLOGIES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

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 accounted 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	(77,013)
Balance, September 30, 2024	649,026

The Company’s estimated equity share of Alchemy’s net loss for the nine months ended September 30, 2024 was \$77,013.

7. 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	-	126,393	126,393
Foreign exchange	-	831	831
Balance, September 30, 2024	8,517	214,771	223,288
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	-	6,754	6,754
Foreign exchange	-	420	420
Balance, September 30, 2024	8,517	30,077	38,594
Net Book Value:			
December 31, 2023	-	64,644	64,644
September 30, 2024	-	184,694	184,694

NAMESILO TECHNOLOGIES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

8. 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 nine months ended September 30, 2024 are as follows:

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

9. 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 nine months ended September 30, 2024 are as follows:

	\$
Balance, December 31, 2022	2,561,670
Amortization	(988,175)
Foreign exchange	(40,302)
Balance, December 31, 2023	1,533,193
Amortization	(747,006)
Foreign exchange	37,412
Balance, September 30, 2024	823,599

10. 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 nine months ended September 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	166,477
Balance, September 30, 2024	8,231,765

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

NAMESILO TECHNOLOGIES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

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%.

11. 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 September 30, 2024, an accrual for estimated indirect tax liabilities of \$3,825,514 (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. 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.

12. DEFERRED REVENUE

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

	September 30, 2024	December 31, 2023
	\$	\$
Current	28,406,552	24,969,653
Non-current	1,253,951	1,295,268
	29,660,503	26,264,921

The increase in the deferred revenue balance is primarily driven by payments received in advance of satisfying our performance obligations, affected by \$38,782,674 of revenue recognized during the nine months ended September 30, 2024. The changes in the value of deferred revenue during the year ended December 31, 2023 and nine months ended September 30, 2024 are as follows:

	\$
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	42,178,256
Transferred to revenue	(38,782,674)
Balance, September 30, 2024	29,660,503

NAMESILO TECHNOLOGIES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

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

	September 30, 2024 \$	September 30, 2023 \$
Domain Services	38,782,674	34,487,388
Market Place Transactions	1,212,027	1,177,502
Other	334,105	707,492
	40,328,806	36,372,382

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.

13. 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 has a term of three years and accrues interest at a rate of 12% per annum.

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 has 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 nine months ended September 30, 2024, the Company recorded interest expense of \$117,962 and \$351,320 (2023 - \$117,962 and \$351,321) on the Loan.

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

	Liability Component (\$)	Equity Component (\$)
Balance, December 31, 2022	3,468,764	566,106
Accretion	234,408	-
Balance, December 31, 2023	3,703,172	566,106
Accretion	186,144	-
Balance, September 30, 2024	3,889,316	566,106

14. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

Unlimited number of preferred shares without par value.

NAMESILO TECHNOLOGIES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

(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 ended on September 26, 2024. All shares acquired have been 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 nine months ended September 30, 2024, 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.

In September 2024, the Company granted a total of 675,000 stock options to its officers, directors and consultants. The options are exercisable at a price of \$0.315 per share for a period of five years from the date of grant. The fair value of the options granted was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions: share price at the time of issuance \$0.315; risk-free interest rate of 2.79%; expected life of 5 years; dividend yield of 0%; forfeiture rate of 0% and annualized volatility of 56%.

For the three and nine months ended September 30, 2024, \$107,420 and \$107,420 (2023 - \$nil and \$nil) has been recorded as share-based payment.

NAMESILO TECHNOLOGIES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

A summary of the stock option activity is as follows:

	September 30, 2024		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
Granted	675,000	\$0.315	-	-
Expired	(325,000)	\$0.42	(1,300,000)	0.35
Balance, end of period/year	5,775,000	\$0.21	5,425,000	\$0.21

As at September 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
2,750,000	2,750,000	\$0.22	September 17, 2027
2,350,000	2,350,000	\$0.18	October 25, 2027
675,000	675,000	\$0.315	September 6, 2029
5,775,000	5,775,000		2.76 years remaining

15. 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, June, July, August and September 2024, NameSilo LLC made cash distributions to all its members. The total amount of distributions made to the 18.5% non-controlling interest were \$798,809 (US\$587,187) during the nine months ended September 30, 2024.

16. RELATED PARTY TRANSACTIONS

The aggregate amount of expenditures made to parties not at arm's length to the Company for the three and nine months ended September 30, 2024 and 2023 are:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Professional fees	26,976	18,494	116,314	88,774
Management fees	90,000	90,000	270,000	270,000
Share-based payment	95,484	-	95,484	-
	212,460	108,494	481,798	358,774

NAMESILO TECHNOLOGIES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

During the three and nine months ended September 30, 2024 and 2023, Paul Andreola, President and Director was paid or accrued management fees of \$45,000 and \$135,000 (2023 - \$45,000 and \$135,000), Colin Bowkett, Director was paid or accrued management fees of \$45,000 and \$135,000 (2023 - \$45,000 and \$135,000), and Malaspina Consultants Inc., a company in which Natasha Tsai, Chief Financial Officer is a shareholder, was paid or accrued professional fees of \$26,976 and \$116,314 (2023 - \$18,494 and \$88,774).

Included in accounts payable and accrued liabilities at September 30, 2024 is \$5,287 (December 31, 2023 - \$2,210) 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 nine months ended September 30, 2024 and 2023.

17. 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.

18. SUBSEQUENT EVENTS

On October 3, 2024, the Company entered into a promissory note with Pathfinder Partners' Fund ("Pathfinder") for a loan of \$1,500,000. The loan from Pathfinder bears interest at 8% per annum and is due one year from the date of the loan. The loan is secured against the personal property of the Company.

On October 7, 2024, the Company repaid the outstanding balance of the Loan in the amount of \$3,900,000.