

NAMESILO, LLC
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(Unaudited – Expressed in United States Dollars)

NOTICE OF NO AUDITOR REVIEW OF 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 months ended March 31, 2020 and 2019.

NAMESILO, LLC
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in United States Dollars)

	Note	March 31, 2020 \$	December 31, 2019 \$
Assets			
Current assets			
Cash and cash equivalents		926,816	742,367
Receivables		-	69,361
Registry deposits		2,105,385	1,239,405
Prepaid domain name registry fees, current portion		10,674,965	10,867,782
		13,707,166	12,918,915
Prepaid domain name registry fees, long-term portion		452,198	985,933
Digital currency	4	161,520	602,575
Total assets		14,320,884	14,507,423
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		800,544	1,265,579
Customer deposits		1,269,215	882,298
Deferred revenue, current portion		11,503,146	11,648,937
		13,572,905	13,796,814
Deferred revenue, long-term portion		962,520	1,065,563
		14,535,425	14,862,377
Members' capital			
Members' capital		403,700	403,700
Accumulated other comprehensive loss		(46,885)	(7,540)
Deficit		(571,356)	(751,114)
		(214,541)	(354,954)
Total liabilities and members' capital		14,320,884	14,507,423

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

NAMESILO, LLC
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended March 31, 2020 and 2019
(Unaudited – Expressed in United States Dollars)

	Note	2020 \$	2019 \$
Revenue		5,627,782	4,879,310
Cost of sales		4,964,248	4,304,716
Gross profit		663,534	574,594
Expenses			
Consulting fees		-	13,284
Hosting fees		26,393	9,008
Office and general		358,049	236,260
Salaries		37,520	-
		421,962	258,552
Income before other items		241,572	316,042
Other items			
Realized gain on digital currency		213,365	-
Net income for the period		454,937	316,042
Other comprehensive loss			
Digital currency revaluation	4	(39,345)	23,592
Comprehensive income for the period		415,592	339,634

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

NAMESILO, LLC
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL
(Unaudited – Expressed in United States Dollars)

	Members' Capital	Accumulated Other Comprehensive Income (Loss) (Note 4)	Retained Earnings (Accumulated Deficit)	Total
	\$	\$	\$	\$
Balance, December 31, 2018	403,700	(9,818)	238,441	632,323
Net income for the year	-	-	802,677	802,677
Digital currency revaluation	-	2,278	-	2,278
Distribution paid	-	-	(1,792,232)	(1,792,232)
Balance, December 31, 2019	403,700	(7,540)	(751,114)	(354,954)
Net income for the period	-	-	454,937	454,937
Digital currency revaluation	-	(39,345)	(2,278)	(41,623)
Distribution paid	-	-	(272,901)	(272,901)
Balance, March 31, 2020	403,700	(46,885)	(571,356)	(214,541)

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

NAMESILO, LLC
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2020 and 2019
(Unaudited – Expressed in United States Dollars)

	2020	2019
	\$	\$
Operating activities:		
Net income for the period	454,937	316,042
Changes in non-cash working capital related to operations:		
Receivables	69,361	-
Registry deposits	(865,980)	2,284,677
Digital currency	399,432	(165,799)
Prepaid domain name registry fees	726,552	(815,426)
Accounts payable and accrued liabilities	(465,035)	(135,224)
Customer deposits	386,917	(14,710)
Deferred revenue	(248,834)	123,971
Net cash provided by operating activities	457,350	1,593,531
Financing activity:		
Distribution paid	(272,901)	-
Net cash used by financing activity	(272,901)	-
Change in cash and cash equivalents during the period	184,449	1,593,531
Cash and cash equivalents – beginning of the period	742,367	627,207
Cash and cash equivalents – end of the period	926,816	2,220,738

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

NAMESILO, LLC
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2020 and 2019
(Unaudited – Expressed in United States Dollars)

1. NATURE OF OPERATIONS

NameSilo, LLC (the “Company”) is a limited liability company incorporated in the United States of America with limited liability under the legislation of the State of Arizona. 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.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, using the same accounting policies as detailed in the Company’s consolidated financial statements for the year ended December 31, 2019. They do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and therefore should be read together with the consolidated financial statements for the year ended December 31, 2019.

(b) Basis of measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are carried at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Basis of consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and NamePal.com, LLC, a subsidiary wholly owned and controlled by the Company.

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, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

(d) Functional and presentation currency

These condensed interim consolidated financial statements are presented in United States dollars, which is the functional currency of the Company and its subsidiary.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

NAMESILO, LLC
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2020 and 2019
(Unaudited – Expressed in United States Dollars)

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 estimates and judgements made in the preparation of these consolidated financial statements include, but are not limited to, the following areas, with further information contained in the applicable accounting policy or note:

Functional currency

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 sale prices and the cost of providing goods and services in each jurisdiction in which the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

Digital currency

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.

4. DIGITAL CURRENCY

The Company holds 26 bitcoins with a fair value of \$161,520 as at March 31, 2020 (December 31, 2019 – 83 bitcoins with a fair value of \$602,575).

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 significant impact on the Company's other comprehensive income and financial position. The Company uses Blockchain.info as the exchange to transact in bitcoin and bitcoin cash.

5. SEGMENTED REPORTING

The Company operates in a single reporting segment, domain services.

During the three months ended March 31, 2020 and 2019, no customer accounted for more than 10% of total revenue.

The Company operates in a single geographic region, the United States of America, because it is impracticable to determine the country of the customer.