NAMESILO, LLC
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(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 consolidated financial statements as at and for the years ended December 31, 2021 and 2020.
### Consolidated Statements of Financial Position
(Unaudited – Expressed in United States Dollars)

The accompanying notes are an integral part of these consolidated financial statements.
### NAMESILO, LLC
### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
### For the years ended December 31, 2021 and 2020
### (Unaudited – Expressed in United States Dollars)

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

<table>
<thead>
<tr>
<th>Note</th>
<th>2021 $</th>
<th>2020 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>29,060,142</td>
<td>23,146,463</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>23,590,050</td>
<td>20,360,195</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5,470,092</td>
<td>2,786,268</td>
</tr>
</tbody>
</table>

**Expenses**
- Advertising and promotion: 164,446 4,515
- Depreciation: 4,078 -
- Consulting fees: 1,187,146 917,969
- Hosting fees: 82,114 113,305
- Merchant fees: 1,129,973 821,201
- Office and general: 161,301 71,451
- Professional fees: 58,252 114,975
- Salaries: 152,709 118,917

<table>
<thead>
<tr>
<th></th>
<th>2021 $</th>
<th>2020 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,940,019</td>
<td>2,162,333</td>
</tr>
</tbody>
</table>

**Income before other items**

<table>
<thead>
<tr>
<th></th>
<th>2021 $</th>
<th>2020 $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,530,073</td>
<td>623,935</td>
</tr>
</tbody>
</table>

**Other items**
- Realized (loss) gain on digital currency: (13,407) 326,454
- Other expense: (1,633,126) (196,357)

<table>
<thead>
<tr>
<th></th>
<th>2021 $</th>
<th>2020 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Other items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>883,540</td>
<td>754,032</td>
</tr>
<tr>
<td><strong>Income before taxes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(550,684)</td>
<td>(517,086)</td>
</tr>
<tr>
<td><strong>Net income for the year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>332,856</td>
<td>236,946</td>
</tr>
</tbody>
</table>

**Other comprehensive income**
- Digital currency revaluation: 5 4,134 4,329

<table>
<thead>
<tr>
<th></th>
<th>2021 $</th>
<th>2020 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>336,990</td>
<td>241,275</td>
</tr>
</tbody>
</table>
NAMESILO, LLC  
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS’ CAPITAL  
(Unaudited – Expressed in United States Dollars)

<table>
<thead>
<tr>
<th></th>
<th>Members’ Capital $</th>
<th>Accumulated Other Comprehensive Income (Loss) $ (Note 5)</th>
<th>Retained Earnings (Accumulated Deficit) $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, December 31, 2019</td>
<td>403,700</td>
<td>(7,540)</td>
<td>(751,114)</td>
<td>(354,954)</td>
</tr>
<tr>
<td>Net income for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital currency revaluation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution paid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, December 31, 2020</td>
<td>403,700</td>
<td>(3,211)</td>
<td>(1,443,209)</td>
<td>(1,042,720)</td>
</tr>
<tr>
<td>Net income for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital currency revaluation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution paid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, December 31, 2021</td>
<td>403,700</td>
<td>923</td>
<td>(4,726,756)</td>
<td>(4,322,133)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements
NAMESILO, LLC  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2021 and 2020  
(Unaudited – Expressed in United States Dollars)

<table>
<thead>
<tr>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**Operating activities:**

Net income for the year  
332,856  
236,946

Changes in non-cash working capital related to operations:

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables</td>
<td>547</td>
<td>(50,694)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>6,720</td>
<td>(6,720)</td>
</tr>
<tr>
<td>Registry deposits</td>
<td>(730,347)</td>
<td>66,246</td>
</tr>
<tr>
<td>Digital currency</td>
<td>(34,700)</td>
<td>547,149</td>
</tr>
<tr>
<td>Prepaid domain name registry fees</td>
<td>(3,686,047)</td>
<td>(774,005)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>1,127,777</td>
<td>222,732</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>519,889</td>
<td>161,403</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>5,048,787</td>
<td>1,310,415</td>
</tr>
</tbody>
</table>

Net cash provided by operating activities  
2,585,482  
1,713,472

**Financing activity:**

Distribution paid  
(3,616,403)  
(926,763)

Net cash used by financing activity  
(3,616,403)  
(926,763)

Change in cash and cash equivalents during the year  
(1,030,921)  
786,709

Cash and cash equivalents – beginning of the year  
1,529,076  
742,367

Cash and cash equivalents – end of the year  
498,155  
1,529,076

The accompanying notes are an integral part of these consolidated financial statements.
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 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

(b) **Basis of measurement**

These 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 consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) **Basis of consolidation**

These 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 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.

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. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements and have been applied consistently by the Company.

(a) Foreign currency

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Any foreign currency gains or losses are recognized in net income (loss) for the period.

(b) Financial instruments

Recognition and classification

The Company recognized a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.
Measurement

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in other comprehensive income.

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets, is recognized in profit or loss.

(c) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, and cash equivalents that are readily convertible into cash and which are subject to insignificant risk of changes in value.

(d) Registry deposits
Registry deposits represent amounts on deposit with, or receivable from, various domain name registries to be used by the Company to make payments for future domain registrations or renewals.
(e) Prepaid domain name registry fees

Prepaid domain name registry services fees represent amounts paid to registries, and country code domain name operators for updating and maintaining the registries. Domain name registry fees are recognized on a straight-line basis over the life of the contracted registration term.

(f) Digital currency

The Company accepts digital currencies as a form of payment as consideration for their services. Revenue is measured based on the fair value of the digital currencies received. The fair value is determined using the spot price of the digital currency on the date of receipt, based on Blockchain.info.

The Company has classified its digital currencies as indefinite life intangible assets. The Company is using the revaluation model to account for the digital currencies if there is an active market for their digital currencies and a significant value of daily transactions and a determinable market price for the digital currencies.

The digital currencies are recorded on the consolidated statement of financial position at their fair value and re-measured at each reporting date. Revaluation gains or losses are recognized in other comprehensive income. Realized gains and losses are transferred from accumulated other comprehensive income to retained earnings.

(g) Customer deposits

Customer deposits are collections and credits from customer that can be redeemed for services offered by the Company.

(h) Deferred revenue

Deferred revenue primarily relates to the unearned portion of revenues received in advance related to the unexpired term of registration fees from domain name registrations.

(i) Revenue recognition

Revenue is recorded when persuasive evidence of an arrangement exists, delivery of the product or service has occurred, the selling price is fixed or determinable and collectability is reasonably assured. Control of the promised product or service is transferred to customers in an amount reflecting consideration we expect to be entitled to for such purchases.

The Company’s revenues are derived from domain name registration fees and the sales of domain names. Amounts received in advance of meeting the revenue recognition criteria described below are recorded as deferred revenue. We have determined that our contracts do not include a significant financing component.

Domain services

The Company earns registration fees in connection with each new, renewed and transferred-in registration. Service has been provided in connection with registration fees once the Company has confirmed that the requested domain name has been appropriately recorded in the registry under contractual performance standards.

Domain names are generally purchased for terms of one to ten years. Registration fees charged for domain name registration and provisioning services are recognized on a straight-line basis over the life of the contracted term.

For arrangements with multiple deliverables, the Company allocates revenue to each deliverable if the delivered item(s) has value to the customer on a standalone basis and, if the arrangement includes a general right of return relative to the delivered item, delivery or performance of the undelivered item(s) is considered probable and
substantially in the control of the Company. The fair value of the selling price for a deliverable is determined using a hierarchy of (1) Company specific objective and reliable evidence, then (2) third-party evidence, then (3) best estimate of selling price. The Company allocates any arrangement fee to each of the elements based on their relative selling prices.

Commissions
If the Company acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognized is the net amount of commission made by the Company.

5. DIGITAL CURRENCY

The Company holds 0.70 bitcoin with a fair value of $34,196 as at December 31, 2021 (2020 – 2 bitcoins with a fair value of $57,477).

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.

6. SEGMENTED REPORTING

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

During the years ended December 31, 2021 and 2020, 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.