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ISC SECURES EXCLUSIVE SASKATCHEWAN REGISTRIES EXTENSION UNTIL 2053

July 5, 2023

company.isc.ca TSX:ISV



Legal

This presentation contains forward-looking information within the meaning of applicable Canadian securities legislation including, without limitation, statements related to the industries in which Information Services Corporation (“ISC” or the “Company”) operates, growth opportunities and ISC’s future financial position and results of operations including anticipated changes in Revenue, Adjusted EBITDA, Adjusted Net Income and Adjusted Free Cash Flow, payment of the consideration, including the upfront payment, subsequent payments and contingent payment structure, anticipated fee adjustments, expectations for value creation and economics to ISC’s shareholders, capital structure changes and anticipated accretion, technology enhancements and continued development of registry technology and capital allocation strategy. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such forward-looking information. Important factors that could cause actual results to differ materially from the Company’s plans or expectations include risks relating to ISC’s payment of the upfront or subsequent amounts, changes in the condition of the economy, reliance on key customers and licences, dependence on key projects and clients, securing new business and fixed-price contracts, identification of viable growth opportunities, implementation of ISC’s growth strategy, competition and other risks detailed from time to time in the filings made by the Company including those detailed in ISC’s Annual Information Form for the year ended December 31, 2022 and ISC’s Management’s Discussion and Analysis (“MD&A”) for year ended December 31, 2022 and the quarter ended March 31, 2023, copies of which are filed on SEDAR at www.sedar.com.

The forward-looking information in this presentation is made as of the date hereof and, except as required under applicable securities legislation, ISC assumes no obligation to update or revise such information to reflect new events or circumstances.

This presentation also includes certain measures, which have not been prepared in accordance with International Financial Reporting Standards, such as Adjusted Net Income, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Free Cash Flow. These measures do not have a meaning prescribed by IFRS and, therefore, may not be comparable to similar measures reported by other companies, however, have been provided as additional information to complement IFRS measures. For more information, please refer to section 8.8 “Non-IFRS Financial Measures” and section 2 “Consolidated Financial Analysis” for a reconciliation of Adjusted EBITDA to Net Income and section 6.1 “Cash Flow” for a reconciliation of Free Cash Flow to Net Cash Flow from operating activities in Management’s Discussion and Analysis for the quarter ended March 31, 2023. Adjusted Net Income and Adjusted Free Cash Flow are new non-IFRS measures that have not previously been reported and historical reconciliation and descriptions of these measures can be found in Appendix B along with the other non-IFRS reporting measures found in this document. Adjusted Earnings Per Share and Adjusted Free Cash Flow Per Share referenced in this presentation are calculated by dividing Adjusted Net Income and Adjusted Free Cash Flow by the average number of shares outstanding, respectively.

Throughout this presentation endnotes have been utilized to provide further information and endnotes can be seen on pages 25 and 26.

This presentation is dated July 5, 2023.

Presenters



Shawn B. Peters
President and Chief Executive Officer



Robert (Bob) Antochow
Chief Financial Officer

Transaction Highlights

Strategic extension of Master Service Agreement (the “MSA”) secures ISC’s exclusive right to operate the Saskatchewan Registries for an additional 20 years to 2053

ABOUT THE DEAL	DEAL BENEFITS
<p>EXTENDS TERM OF MSA FROM 2033 to 2053</p>	 <p>EXTENDS LONG-STANDING AND SUCCESSFUL PUBLIC-PRIVATE PARTNERSHIP FOR AN ADDITIONAL 20 YEARS</p>
<p>\$300M PURCHASE PRICE</p> <p>COMPRISED OF:</p> <p>\$150M UPFRONT PAYMENT \$150M SUBSEQUENT PAYMENTS OVER 5 YEARS</p>	 <p>UNLOCKS VALUE OF THE SASKATCHEWAN REGISTRIES, A HIGH-QUALITY INFRASTRUCTURE ASSET</p>
<p>\$17M OF NEW REVENUE⁽¹⁾</p>	 <p>PROVIDES ISC WITH STRONG, STABLE, LONG-TERM CASH FLOW</p>
<p>+30% NAVPS⁽²⁾ ACCRETION</p>	 <p>NEW REVENUE MEANINGFULLY ENHANCES ISC’S SCALE AND FINANCIAL PROFILE</p>
<p>+10% UNLEVERED RETURN⁽³⁾</p>	 <p>ATTRACTIVE TRANSACTION ECONOMICS CREATE SIGNIFICANT VALUE FOR ISC’S SHAREHOLDERS</p>
<p>IMMEDIATELY ACCRETIVE TO ADJ. FCFPS⁽⁴⁾⁽⁵⁾ AND ADJ. EPS⁽⁴⁾⁽⁵⁾</p>	 <p>ACTS AS A CATALYST TO ACCELERATE ISC’S LONG-TERM GROWTH STRATEGY</p>

Transaction Summary

Overview

- The MSA term between ISC and the Province of Saskatchewan (the “Province”) has been extended from May 2033 to July 2053
 - Exclusive right to operate the Saskatchewan Land Registry, the Saskatchewan Land Surveys Directory, the Saskatchewan Corporate Registry and the Saskatchewan Personal Property Registry (collectively, the “Saskatchewan Registries”)
- ISC has also been granted the right to introduce and / or enhance fees
 - Expected to go into effect on July 29, 2023 and result in incremental annual revenue to ISC of approximately \$17M per year⁽¹⁾

Consideration

- Consideration to be paid by ISC to the Province consists of a (i) \$150M Upfront Payment payable on or before July 28, 2023 and (ii) \$150M of Subsequent Payments (\$30M per year for 5 years beginning in July 2024 with the final payment to be made in 2028)
- ISC and the Province to share in growth through annual contingent payments potentially payable by ISC to the Province between 2033 and 2053, if cumulative annual volume growth for certain Saskatchewan Land Registry transactions falls within a pre-determined range, calculated in any given year as follows:
 - 25% of any revenue associated with long-term cumulative annual volume growth between 0% - 1%
 - 50% of any revenue associated with long-term cumulative annual volume growth between 1% - 3%
 - ISC to retain unlimited upside on any incremental volume growth in excess of 3%

Financial Highlights

- ISC intends to fund the \$150M Upfront Payment by drawing on its \$250M Amended and Restated Credit Facility and with cash-on-hand
- The Subsequent Payments are expected to be financed using internally-generated cash flow
- Pro forma Net Debt / LTM Adj. EBITDA⁽⁶⁾ of 4.0x is expected to rapidly decline towards long-term net leverage target of 2.0x – 2.5x (prior to the Extension, Net Debt / LTM Adjusted EBITDA was 0.6x as at March 31, 2023).
- Attractive transaction economics: +30% NAVPS⁽²⁾ accretion, +10% unlevered internal rate of return⁽³⁾, and immediately accretive to Adj. FCFPS⁽⁴⁾⁽⁵⁾ and Adj. EPS⁽⁴⁾⁽⁵⁾

Compelling Strategic Rationale

1

Reinforces ISC's position as one of Canada's leading registry operators

Strategic extension of the MSA keeps a successful public-private partnership in the hands of a proven management team with a best-in-class operational track record

2

Unlocks value of the Saskatchewan Registries

The Saskatchewan Registries are a valuable, high-quality infrastructure asset that ISC has the exclusive right to operate until 2053

3

Provides ISC with strong, stable, long-term Free Cash Flow

Predictable, high-margin revenue supported by an asset-light model drives substantial cash flow generation

4

New revenue meaningfully enhances ISC's scale and financial profile

Immediate fee adjustments significantly enhance ISC's Revenue, Adj. EBITDA⁽⁴⁾, Adj. EBITDA margin⁽⁴⁾, Adj. Net Income⁽⁴⁾, and Adj. Free Cash Flow⁽⁴⁾

5

Attractive transaction economics create significant value for ISC's shareholders

Robust risk-adjusted returns with low execution risk underpinned by meaningful NAVPS⁽²⁾, Adj. FCFPS⁽⁴⁾⁽⁵⁾ and Adj. EPS⁽⁴⁾⁽⁵⁾ accretion

6

Long-term growth catalyst

Significant incremental cash flow generation enables ISC to accelerate its long-term organic and acquisition growth strategy

Extension Underscores Long-Term Cash Flow Certainty

Strong, stable long-term cash flow supported by a robust macroeconomic backdrop in Saskatchewan

Strategic MSA Extension Provides Certainty on 30-years of Cash Flow



The Saskatchewan Registries are a Valuable, High-Quality Infrastructure Asset

- ✓ Exclusive right to provide essential registry services in Saskatchewan
- ✓ High-margin, asset-light model generating substantial cash flow
- ✓ Predictable and recurring revenues supported by stable volumes linked to population / GDP growth, and CPI-linked price escalators
- ✓ Strong contractual framework with public-private partnership-like protections

Long-term Registry Cash Flows Supported by a Strong Saskatchewan Economy

Key Macroeconomic Indicators ⁽⁷⁾⁽⁸⁾⁽⁹⁾	Saskatchewan	Canada	SK Provincial Rank
Population Annual Growth Forecast (2020 – 30)	1.8%	1.2%	-
GDP Per Capita (2022A)	\$67.9k	\$52.1k	2 nd
Real GDP Growth (2022A)	5.7%	3.6%	1 st
Real GDP Growth (2023E)	1.5%	0.7%	2 nd
YoY Change in Housing Starts (May-23LTM)	5.7%	(1.6%)	4 th
YoY Change in Capital Investment (2023E)	21.5%	4.3%	1 st
Unemployment Rate (May-23)	4.4%	5.2%	2 nd Lowest
Provincial Net Debt to GDP (Mar-23A)	14.1%	27.0%	2 nd Lowest

New Revenue Enhances Scale and Financial Profile

Immediately increases revenue, Adj. EBITDA⁽⁴⁾, Adj. EBITDA Margin⁽⁴⁾, Adj. Net Income⁽⁴⁾ and Adj. Free Cash Flow⁽⁴⁾

Attractive Pro Forma Financial Profile

In C\$ millions	FY2022 (Actual)	Full-Year Adjustment ⁽¹⁰⁾	PF FY2022	% Change
Revenue	\$190	+\$17	\$207	+9%
Adj. EBITDA ⁽¹⁰⁾	\$64	+\$16	\$80	+24%
Adj. EBITDA Margin ⁽¹⁰⁾	34%		39%	+5%
Adj. Net Income ⁽¹⁰⁾	\$33	+\$2	\$36	+7%
Adj. Free Cash Flow ⁽¹⁰⁾	\$44	+\$8	\$52	+18%

Expected Impact on 2023 Financial Results

In C\$ millions	Current 2023 Guidance	Expected Transaction Impact ⁽¹¹⁾
Revenue	\$200 - \$205	+\$7
Adj. EBITDA	\$65 - \$70	+\$6

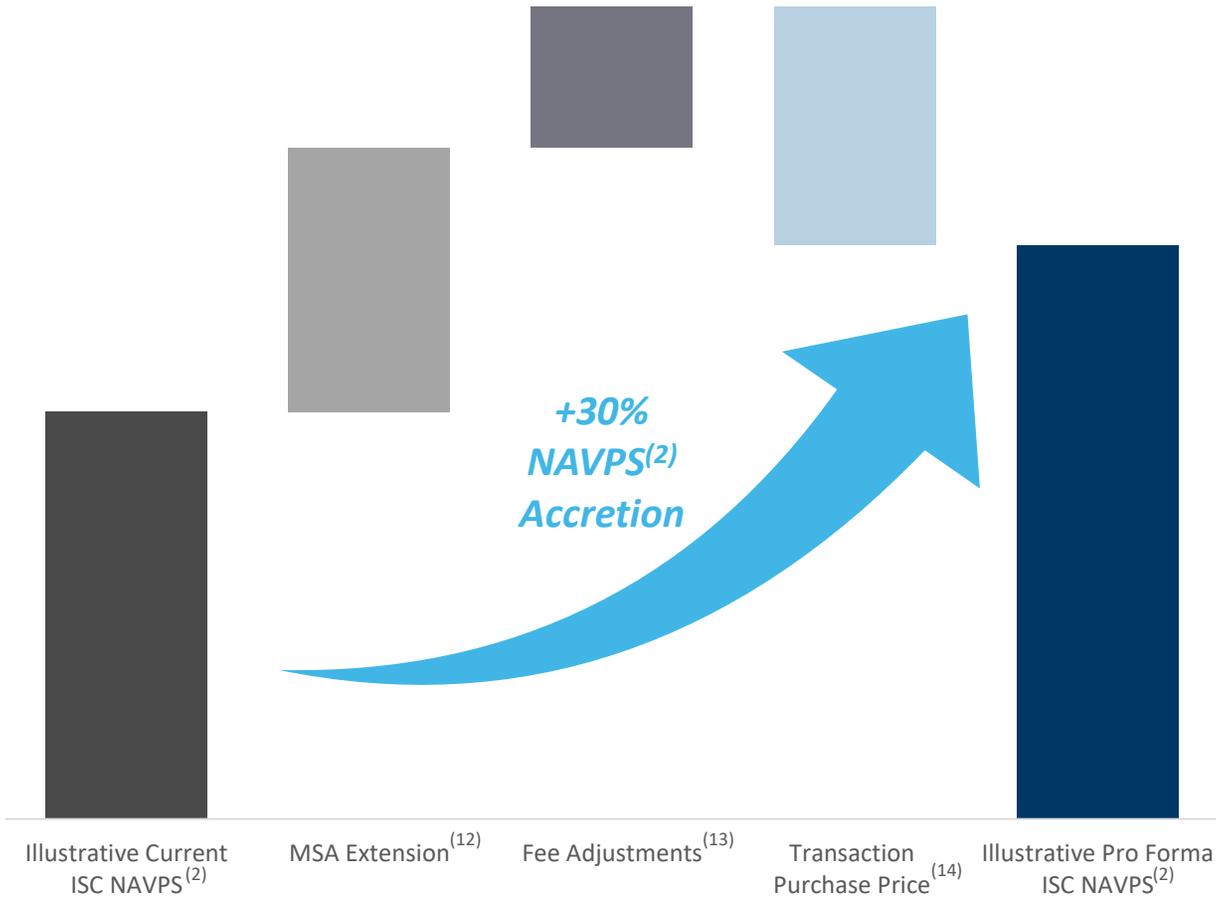
ISC intends to formally update its annual guidance for 2023 when it reports its financial results for Q2 2023

Attractive Transaction Economics

Significant value creation for ISC's shareholders

- Compelling NAVPS⁽²⁾ Accretion of +30%
- Attractive Risk-Adjusted Unlevered Return⁽³⁾ of +10%
- Immediately Accretive to Adj. FCFPS⁽⁴⁾⁽⁵⁾ and Adj. EPS⁽⁴⁾⁽⁵⁾

Illustrative Pro Forma ISC NAVPS⁽²⁾



Catalyst for Strong, Sustainable Growth

The extension of the MSA will enable ISC to generate significant incremental cash flow over the next three decades, which will be deployed to meaningfully grow the business in alignment with our strategy

M&A

- ISC is committed to its accretive M&A growth strategy
- ISC will pursue opportunities to expand its reach and capabilities in its existing lines of business, and seek to further diversify its revenue streams

Registry Technology

- ISC will embark on developing the next generation of its registry technology
- This benefits the people of Saskatchewan but will also support ISC's pursuit of new registry opportunities globally

Organic Growth

- ISC will continue to pursue growth opportunities in its Services and Technology Solutions segments by deepening relationships with existing customers, establishing partnerships, and adding new products and services

Capital Allocation

- ISC has a history of disciplined capital allocation
- Strong future focus on de-leveraging, maintaining and growing its dividend, and investing in growth

Strong Pro Forma Financial Position (as at March 31, 2023)

- \$150M Upfront Payment to be funded by drawing on \$250M Credit Facility and with cash-on-hand
- Pro forma Net Debt / LTM Adj. EBITDA⁽⁶⁾ of 4.0x
- \$150M of Subsequent Payments to be funded in the future with internally-generated cash flow

- Approximately \$42M of liquidity available on the Amended and Restated Credit Facility after funding the Upfront Payment
- Rapid deleveraging towards long-term net leverage target of 2.0 – 2.5x
- Flexibility to fund ongoing organic and acquisition growth strategy

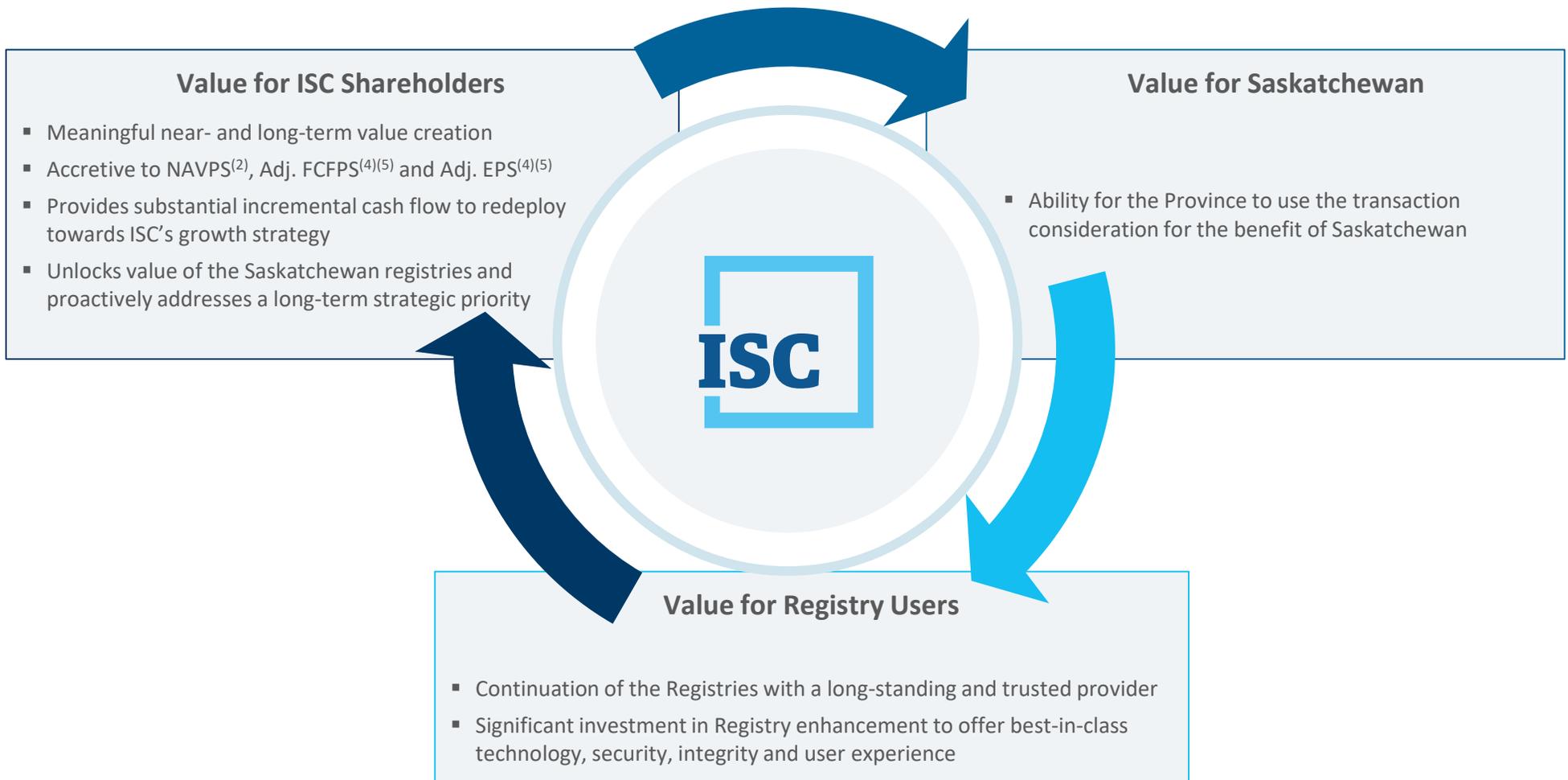
Sources of Funds	
Draw on Credit Facility	\$152
Cash-on-Hand	4
Total Subsequent Payments	150
Total	\$306

Uses of Funds	
Upfront Payment	\$150
Transaction Fees	6
Total Subsequent Payments	150
Total	\$306

	As at March 31, 2023		
	ISC Current	Adj.	Pro Forma
Long-Term Debt	\$56	\$152	\$208
Lease Obligations	9	-	9
GoS Liability ⁽¹⁵⁾	-	124	124
Total Debt	\$65	\$275	\$340
Less: Cash	(24)	4	(20)
Net Debt	\$40	\$279	\$320
Pro Forma LTM Adj. EBITDA⁽⁶⁾	\$64	\$16	\$80
PF Net Debt / LTM Adj. EBITDA⁽⁶⁾	0.6x		4.0x
<i>Available Liquidity on Credit Facility</i>	<i>\$94</i>		<i>\$42</i>

Delivers Long-Term Value

Strategic extension is a “win-win-win” for ISC’s Shareholders, the Province and Registry Users, and will enable ISC to pursue new registry opportunities globally



Transaction Highlights

The extension of the MSA and its continuation for the next 30 years is a transformational investment that will enable ISC to continue to exclusively operate the Saskatchewan Registries until 2053



**EXTENDS LONG-STANDING
AND SUCCESSFUL PUBLIC-
PRIVATE PARTNERSHIP**



**UNLOCKS VALUE OF THE
SASKATCHEWAN
REGISTRIES, A HIGH-
QUALITY INFRASTRUCTURE
ASSET**



**PROVIDES ISC WITH
STRONG, STABLE,
LONG-TERM CASH FLOW**



**NEW REVENUE
MEANINGFULLY ENHANCES
ISC'S SCALE AND FINANCIAL
PROFILE**



**ATTRACTIVE TRANSACTION
ECONOMICS CREATE
SIGNIFICANT VALUE FOR
ISC'S SHAREHOLDERS**



**ACTS AS A CATALYST TO
ACCELERATE ISC'S LONG-
TERM GROWTH STRATEGY**

Contact



Jonathan Hackshaw

Senior Director, Investor Relations & Capital Markets

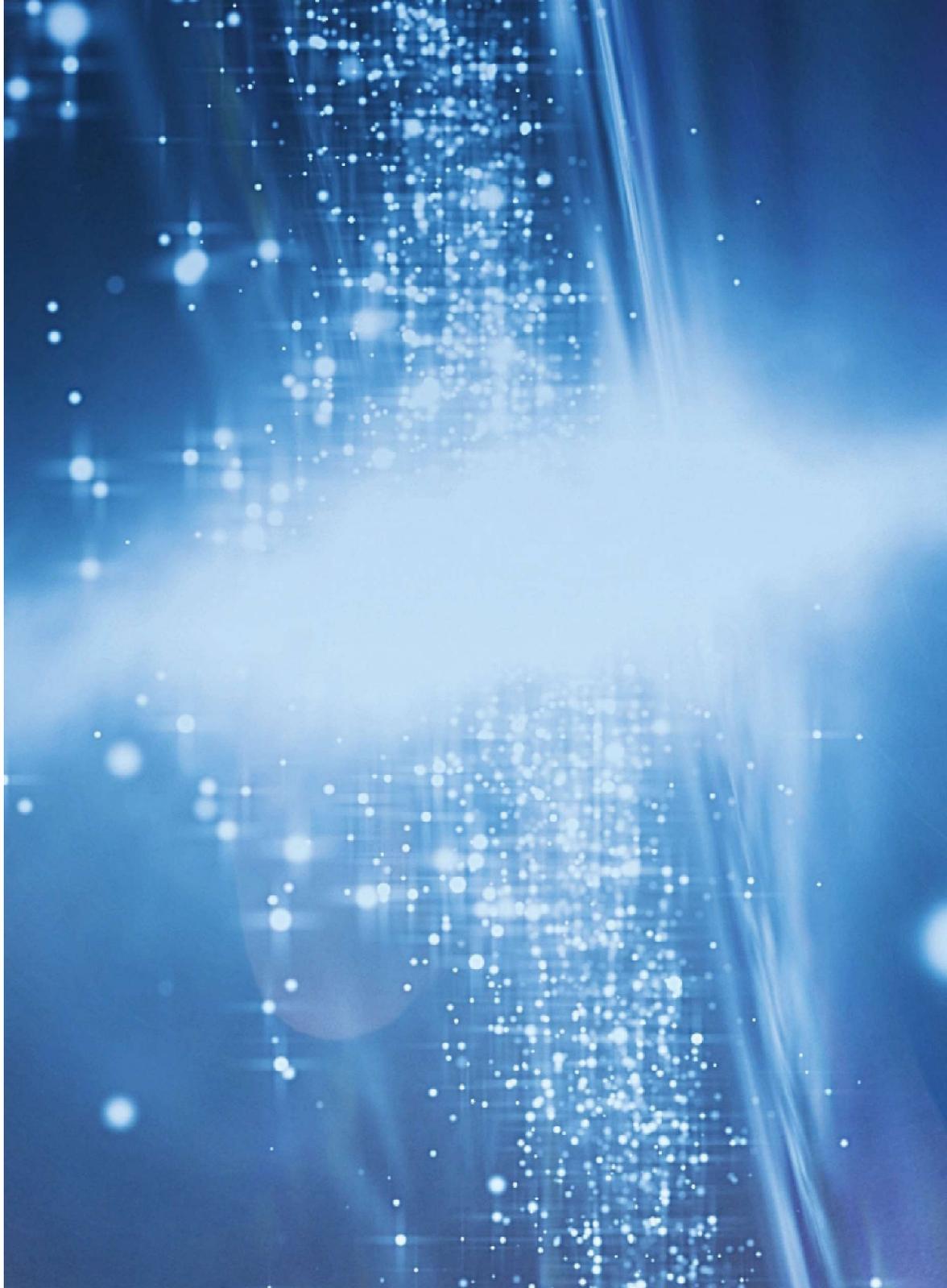


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Appendix A: Overview of ISC



Overview of ISC

ISC is a leading provider of registry and information management services for public data and records

ISC Segments

Registry Operations

- Operates the Land Surveys Directory and Land, Personal Property and Corporate registries in Saskatchewan on behalf of the Province
- High-quality infrastructure asset
- Longstanding Public-Private Partnership
- Provides Online Property Tax Analysis (“OPTA”) services to municipalities across Ontario through Reamined Systems



Services

- Delivers products and services that utilize public records data
- Capitalizes on the growing trend towards business process outsourcing



Technology Solutions

- Develops, delivers and supports registry technology solutions
- Key offering includes RegSys – a complete registry solution platform



Key Statistics (LTM Q1 2023)⁽¹⁶⁾

\$195M

Revenue

\$64M

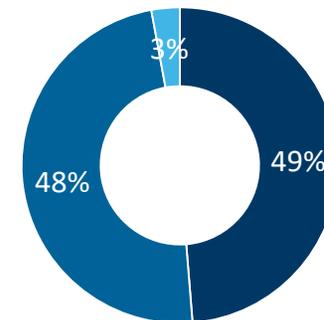
Adj. EBITDA⁽⁴⁾

33%

Adj. EBITDA Margin %⁽⁴⁾

Revenue Breakdown (LTM Q1 2023)

- RegOps
- Services
- Technology Solutions

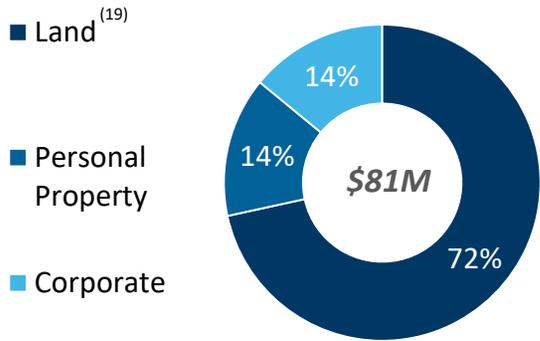


Saskatchewan Registries-at-a-Glance

ISC has the exclusive right to provide essential registry services in Saskatchewan

Land Registry	<ul style="list-style-type: none"> ▪ Essential to the administration of Saskatchewan’s real estate markets ▪ All new property sales, re-sales and transfers require registration to formalize ownership interests
Personal Property Registry	<ul style="list-style-type: none"> ▪ Essential for individuals and businesses to register security interests in personal property⁽¹⁷⁾
Corporate Registry	<ul style="list-style-type: none"> ▪ Essential for business activity and the creation of a legal presence for businesses and not-for-profits ▪ All corporate entities must be registered to maintain legal status and carry on business

Saskatchewan Registries Revenue⁽¹⁸⁾ Breakdown (LTM Q1'23)⁽¹⁶⁾



Registries Underpin Economic Activity in Critical Industries

 Law Firms	 Auto Dealers	 Accountants	 Financial Institutions
 Non-Profits	 Resource Companies	 Realtors	 Insurance Companies

Long History of Strong Financial Performance

ISC has a proven track record of robust financial performance and shareholder returns

Significant Shareholder Value Creation⁽²⁰⁾⁽²¹⁾ Significant Revenue and EBITDA Growth



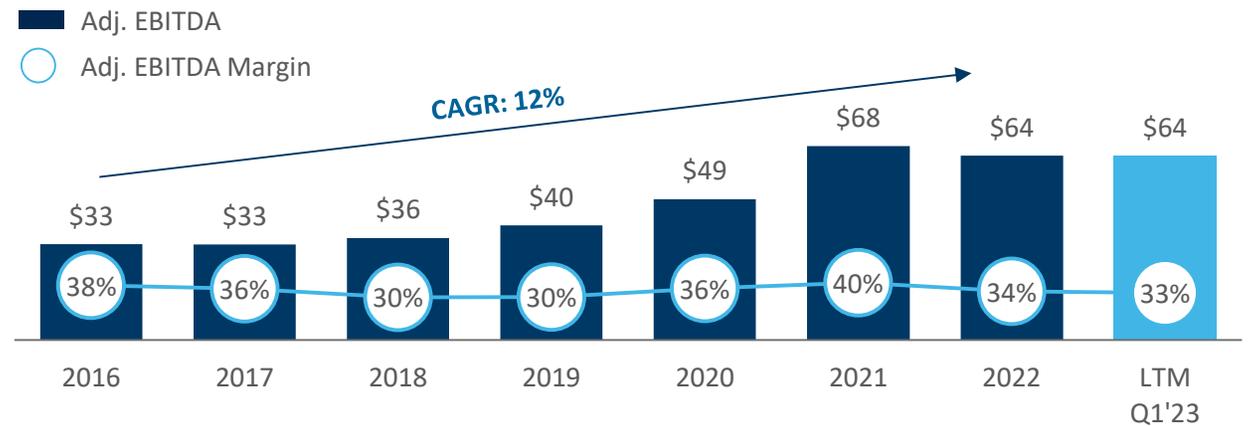
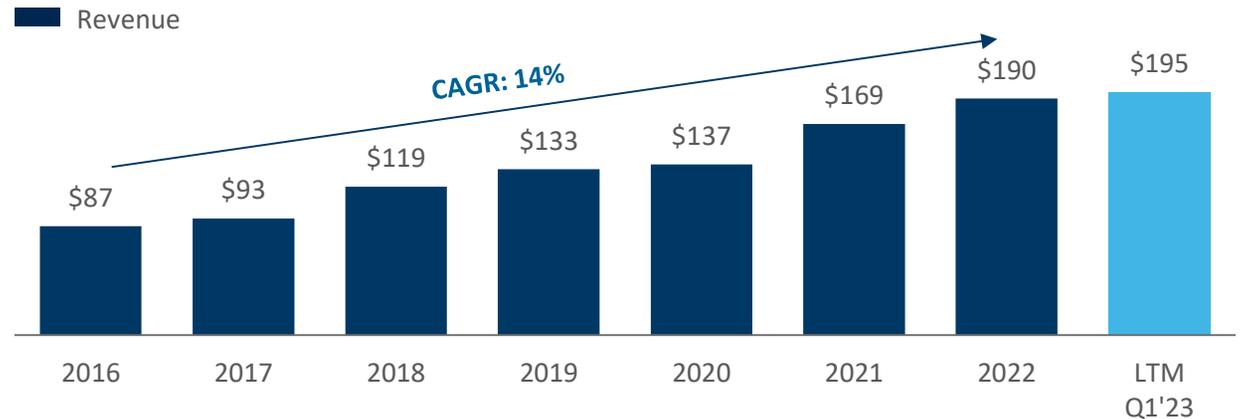
\$205+
MILLION
OF CAPITAL
DEPLOYED ON M&A



\$135+
MILLION
IN DIVIDEND
PAYMENTS

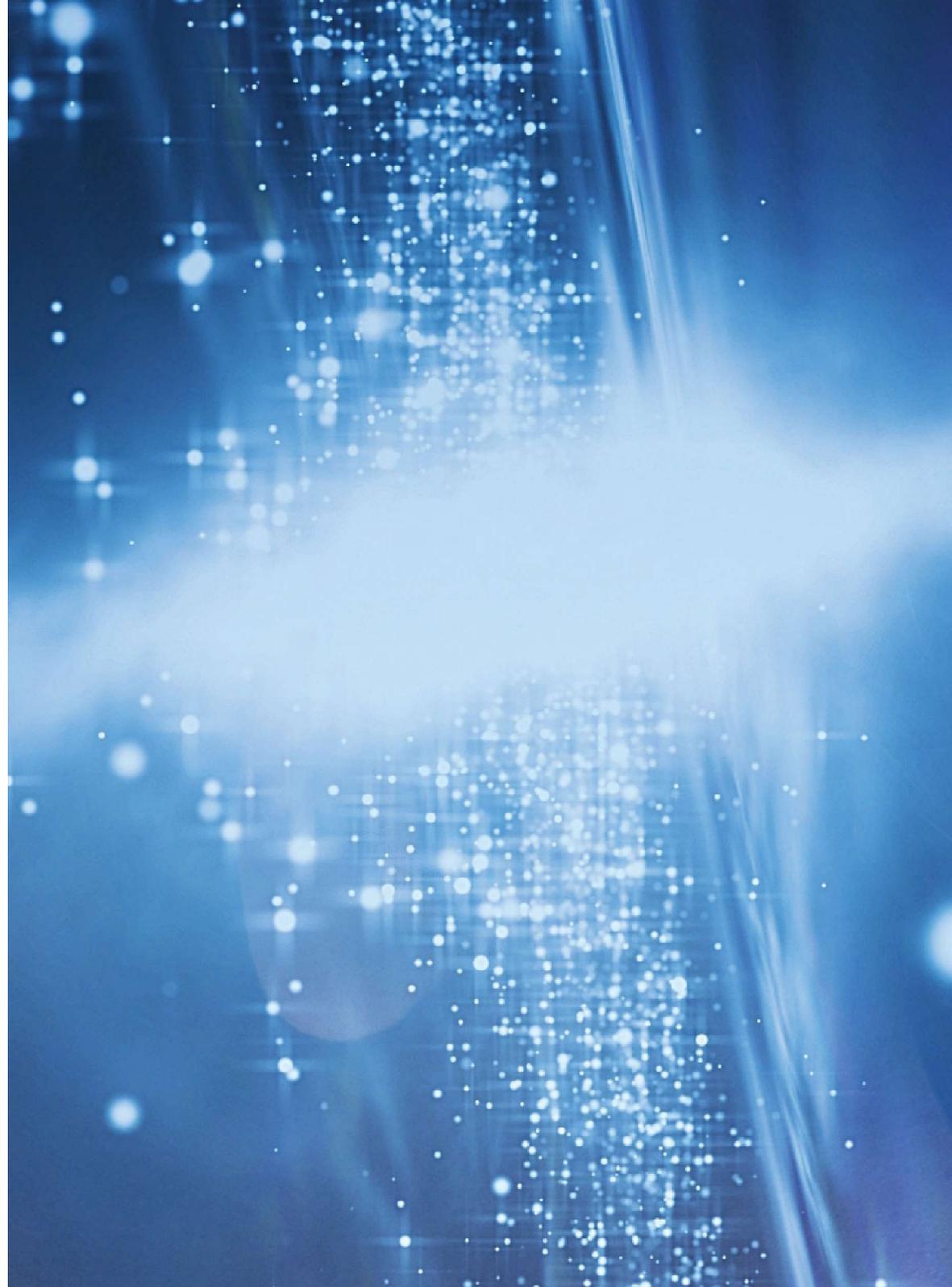


TOTAL SHAREHOLDER
RETURN OF
134%



Note: Represents consolidated ISC financials for the years ended December 31 in C\$ millions. Figures may represent restated values in subsequent years if applicable.

Appendix B: Non-IFRS Measures & Definitions



Reconciliation of Non-IFRS Financial Measures

In connection with this extension, management has made the decision to add Adjusted Net Income and Adjusted Free Cash Flow as new financial metrics that exclude certain items outside the normal course of business and are believed to be useful to management and the market in reviewing ISC's performance. They are not recognized measures under IFRS and do not have a standardized meaning under IFRS, so may not be reliable ways to compare us to other companies.

On this and the following three slides, we reconcile the non-IFRS measures used by ISC for the year ended December 31, 2022, as well as discuss why we use them, how they are calculated and the most comparable IFRS financial measures. Where new reconciling items exist following this extension that did not exist before, a line is included in the reconciliation however the historical values presented are nil. Further information and details can be found in our March 31, 2023 MD&A in sections 8.8 "Non-IFRS financial measures", Section 2 "Consolidated Financial Analysis" and section 6.1 "Cash Flow".

Adjusted EBITDA to Net Income	2022 Results Year ended December 31, 2022
Adjusted EBITDA	\$64.4M
Depreciation and amortization	(14.7)M
Net finance expense ⁽²²⁾	(3.2)M
Income tax expense	(12.3)M
Share-based compensation expense	(1.5)M
Acquisition, integration and other costs	(2.0)M
Gain on disposal of property, plant and equipment assets	0.0M
Net Income	\$30.8M

Note Values may not add due to rounding.

Reconciliation of Non-IFRS Financial Measures (Cont'd)

Adjusted Net Income to Net Income	2022 Results Year ended December 31, 2022
Adjusted Net Income	\$33.4M
Share-based compensation expense	(1.5)M
Acquisition, integration and other costs	(2.0)M
Effective interest component of interest expense	(0.1)M
Amortization of the intangible asset related to the extension of the MSA with GoS ⁽²³⁾	-
Debt finance costs expensed to professional and consulting ⁽²³⁾	-
Accretion on liability to Government of Saskatchewan ⁽²³⁾	-
Amortization of registry enhancement intangible assets ⁽²³⁾	-
Tax effect on above adjustments ⁽²⁴⁾	1.0M
Net Income	\$30.8M

Adjusted Free Cash Flow to Net Cash Flow Provided by Operating Activities	2022 Results Year ended December 31, 2022
Adjusted Free Cash Flow	\$44.4M
Share-based compensation expense	(1.5)M
Acquisition, integration, and other costs	(2.0)M
Registry enhancement capital expenditures required by extension ⁽²³⁾	-
Free Cash Flow	\$40.9M
Cash additions to property, plant and equipment	0.6M
Cash additions to intangible assets	0.9M
Interest received	(0.5)M
Interest paid	2.9M
Interest paid on lease obligations	0.4M
Principal repayment on lease obligations	2.1M
Net change in non-cash working capital	(3.8)M
Net Cash Flow provided by operating activities	\$43.5M

Note Values may not add due to rounding.

Non-IFRS Measures Notes

Non-IFRS Performance Measure	Reason for Inclusion	Calculation	Most Comparable IFRS Financial Measure
Adjusted EBITDA	<ul style="list-style-type: none"> To evaluate performance and profitability of segments and subsidiaries as well as the conversion of revenue while excluding non-operational and share-based volatility. We believe that certain investors and analysts use Adjusted EBITDA to measure our ability to service debt and meet other performance obligations. 	Net income, add / (remove) Depreciation and amortization, net finance expense, income tax expense, share-based compensation expense, and acquisition, integration and other costs	Net Income
Adjusted EBITDA Margin	<ul style="list-style-type: none"> Same as Adjusted EBITDA. 	Adjusted EBITDA divided by revenue	Net Income Margin
Adjusted Net Income	<ul style="list-style-type: none"> To evaluate performance and profitability while excluding non-operational and share-based volatility. We believe that certain investors and analysts will use Adjusted Net Income and Adjusted Earnings Per Share to evaluate performance while excluding items that management believes do not contribute to our ongoing operations. 	Net income, add share-based compensation expense, acquisitions, integration and other costs, effective interest component of interest expense, debt finance costs expensed to professional and consulting, amortization of the intangible asset related to extension of the Master Service Agreement with the Government of Saskatchewan and amortization of registry enhancements required by the Extension, accretion on the liability to Government of Saskatchewan and the tax effect of these adjustments at ISC's statutory tax rate	Net Income
Adjusted Earnings Per Share, Basic	<ul style="list-style-type: none"> Same as Adjusted Net Income but on a basic per share basis. 	Adjusted Net Income divided by weighted average number of common shares outstanding	Earnings Per Share, Basic
Adjusted Earnings Per Share, Diluted	<ul style="list-style-type: none"> Same as Adjusted Net Income but on a diluted per share basis. 	Adjusted Net Income divided by diluted weighted average number of common shares outstanding	Earnings Per Share, Diluted

Non-IFRS Measures Notes (Cont'd)

Non-IFRS Performance Measure	Reason for Inclusion	Calculation	Most Comparable IFRS Financial Measure
Free Cash Flow	<ul style="list-style-type: none"> To show cash available for debt repayment and reinvestment into the Company on a levered basis. We believe that certain investors and analysts use this measure to value a business and its underlying assets. 	Net Cash Flow provided by operating activities, deduct / (add) Net change in non-cash working capital, cash additions to property, plant and equipment, cash additions to intangible assets, interest received and paid as well as interest paid on lease obligations and principal repayments on lease obligations	Net Cash Flow Provided by Operating Activities
Adjusted Free Cash Flow	<ul style="list-style-type: none"> To show cash available for debt repayment and reinvestment into the Company on a levered basis from continuing operations while excluding non-operational and share-based volatility. We believe that certain investors and analysts use this measure to value a business and its underlying assets based on continuing operations while excluding short term non-operational items. 	Free Cash Flow, deduct / (add) Share-based compensation expense, acquisition, integration and other costs and registry enhancement capital expenditures required by the Extension	Net Cash Flow Provided by Operating Activities
Adjusted Free Cash Flow Per Share	Same as Adjusted Free Cash flow but on a per share basis.	Adjusted Free Cash Flow divided by diluted weighted average number of common shares outstanding	Net Cash Flow Provided by Operating Activities

Accounting / Tax Implications

Recognition of an Intangible Asset

- Extension of right to operate the Saskatchewan Land Registry, the Saskatchewan Land Surveys Directory, the Saskatchewan Corporate Registry and the Saskatchewan Personal Property Registry until 2053 to be accounted for as a contract intangible asset and will be amortized over the 30-year remaining term of the agreement.
- Intangible asset will initially be valued based on the \$150M Upfront Payment plus the present value of the subsequent \$150M payments as well as the present value of the annual cost contribution payments of \$0.5M based on ISC's prevailing market rate of interest. Current estimate is approximately \$278M.
- For tax purposes, the recognition of the intangible asset will result in a \$300M addition to UCC Class 14 with annual capital cost allowance deducted on a straight-line basis over the remaining term of the agreement.

Subsequent Payments to GoS Recognized as Liability

- Subsequent payments totaling \$150M payable over five years at annual amounts of \$30M will be recognized as liability initially at the present value of the payments. This liability will then be accreted up to the future value of the payments with the accretion being recognized as non-cash interest accretion expense. Current estimate is approximately \$118M.
- Other GoS payments totaling \$15M payable over 30 years at annual amounts of \$0.5M will be recognized as a liability initially at the present value of the payments. This liability will then be accreted up to the future value of the payments with the accretion being recognized as non-cash interest accretion expense. Current estimate is approximately \$5.5M.
- For tax purposes, the interest accretion expense is not deductible.

Contingent Payments

- Contingent payments will not be accrued for/expensed until conditions are met and they become payable. Tax treatment will follow accounting.

Fee adjustments

- Fee adjustments to be recognized as revenue at the time of the transaction consistent with existing revenue recognition policies for Registry Operations

Transaction costs

- For accounting purposes, transaction costs will be either expensed or capitalized depending on their nature
 - Costs associated with negotiating the agreements will be capitalized as part of the intangible asset
 - Direct costs associated with the upsizing of the Credit facility will be treated as part of debt whereas indirect costs will be expensed
- For tax purposes, costs associated with negotiating the agreements will either be expensed or capitalized as UCC Class 14 depending on their nature and date incurred. Costs associated with amending the credit facility will be capitalized for tax purposes and deducted on a straight-line basis over 5 years.

Endnotes

- ¹ Fee adjustments expected to go into effect on July 29, 2023 and result in incremental annual revenue to ISC of approximately \$17M and Adj. EBITDA of \$16M.
- ² Net Asset Value is a supplementary financial measure and represents the estimated fair value of each of ISC's business segments, less its long-term debt, short-term and long-term lease liability, government of Saskatchewan liabilities, plus cash. Net Asset Value per Share ("NAVPS") represents the Net Asset Value divided by the number of shares outstanding.
- ³ Unlevered return is a supplementary financial measure which represents the rate of return by considering the present value of future cash flows related to this agreement extension excluding the cost of financing.
- ⁴ This is a non-IFRS measure and does not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures reported by other companies. See Appendix B for additional information, including a definition and reconciliation to the most comparable IFRS measures.
- ⁵ Total shares outstanding at June 30, 2023 are 17,701,498.
- ⁶ This financial ratio is a non-IFRS ratio used by management to evaluate borrowing capacity and capital allocation strategies. Pro forma Net Debt/LTM Adj. EBITDA is defined as pro forma Net Debt divided by pro forma LTM Adj. EBITDA. Net Debt includes total bank debt plus lease obligations and the present value of the commitments payable to the Province of Saskatchewan pursuant to the MSA, and certain transaction-related expenses less cash. Pro forma LTM Adj. EBITDA is calculated as ISC's net income plus net finance expense, depreciation and amortization, taxes, share-based compensation, acquisition, integration and other costs as well an adjustment to give effect to management's estimates of the annualized EBITDA generated by fee adjustments offset by incremental expenses. Prior to the Extension, Net Debt/LTM Adj. EBITDA was 0.6x as at March 31, 2023.
- ⁷ Government of Saskatchewan Provincial Budget 2023 – 2024. While these figures have been reproduced from their originating documents, ISC has not validated the data in the underlying publication.
- ⁸ Government of Saskatchewan Business and Economy Dashboard. While these figures have been reproduced from their originating documents, ISC has not validated the data in the underlying publication.
- ⁹ Government of Saskatchewan Growth Plan – 2020 to 2030 for Saskatchewan and OECD Economic Outlook for Canada. While these figures have been reproduced from their originating documents, ISC has not validated the data in the underlying publication.
- ¹⁰ Represents the estimated full-year contribution of revenue from fee adjustments offset by impact of incremental expenses.
- ¹¹ Assumes implementation of fee adjustments on July 29, 2023 resulting in 5 months' contribution of the transaction to 2023 financials.
- ¹² Relates to forecasted incremental cash flow generated from the extension of ISC's Saskatchewan Registries MSA from May 2033 to July 2053.
- ¹³ Incremental cash flow from immediate fee adjustments offset by the impact of incremental expenses and the registry enhancement plan.

Endnotes (Cont'd)

¹⁴ Extension purchase price includes \$150M Upfront Payment, Present Value of \$150M of Subsequent Payments, and transaction fees.

¹⁵ This liability represents the present value of the \$150M in subsequent payments to be made to the Government of Saskatchewan.

¹⁶ Last twelve-month actual results include March 31, 2023 which have not been audited.

¹⁷ Property other than land, buildings and property attached to land.

¹⁸ Excludes contribution from Property Tax Assessment Services.

¹⁹ Includes revenue from Land Surveys Director and Geomatics.

²⁰ S&P Capital IQ as of June 30, 2023.

²¹ Since IPO.

²² Net finance expense includes interest income net of interest expense and includes interest on lease obligations and the effective interest component of interest expense.

²³ This Agreement will result in new adjustments that have not occurred historically. These new non-IFRS adjustments, are expected to be incurred in the future and have therefore been included with nil values in these historical reconciliations.

²⁴ Calculated at ISC's statutory tax rate of 27.0 per cent

Definitions

- **PF:** Pro forma which indicates that the calculation includes adjustments to account for certain events or factors that are not representative of the company's historical or current operations. These adjustments are made to display the expected impacts of this contract extension that have not been part of ISC's historical business activities.
- **PF LTM Adj. EBITDA:** PF LTM Adj. EBITDA stands for "Pro Forma Last Twelve Months Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization." Pro forma LTM Adj. EBITDA is a non-IFRS financial measure defined as ISC's net income plus net finance expense, depreciation and amortization, taxes, share-based compensation, acquisition, integration and other costs as well an adjustment to give effect to management's estimates of the annualized EBITDA generated by fee adjustments offset by incremental expenses.
- **NAVPS:** Net Asset Value per Share (NAVPS) is a supplementary measure and is used to determine the value of a company's assets per outstanding share of its common stock or unit. Net Asset Value ("NAV") represents the estimated fair value of each of ISC's business segments, less its long-term debt, short-term and long-term lease liability, government of Saskatchewan liabilities, plus cash. NAVPS represents the Net Asset Value divided by the number of shares outstanding.
- **Net Leverage:** Alternatively called Net Debt/PF LTM Adj. EBITDA. Net Leverage is a non-IFRS ratio employed by management to assess borrowing capacity and make informed capital allocation decisions. Pro forma Net Debt/LTM Adj. EBITDA is defined as pro forma Net Debt divided by pro forma LTM Adj. EBITDA. Net Debt includes total bank debt plus lease obligations and the present value of the commitments payable to the Province of Saskatchewan pursuant to the MSA, and certain transaction-related expenses less cash. Pro forma LTM Adj. EBITDA is calculated as ISC's net income plus net finance expense, depreciation and amortization, taxes, share-based compensation, acquisition, integration and other costs as well an adjustment to give effect to management's estimates of the annualized EBITDA generated by fee adjustments offset by incremental expenses.
- **YoY:** Refers to Year over Year.
- **GoS:** Refers to the Government of Saskatchewan.
- **SK:** Refers to the Province of Saskatchewan.