



Information in the right hands.

March 14, 2023

Management's Discussion and Analysis

For the Fourth Quarter and Year Ended December 31, 2022



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INTRODUCTION

This Management's Discussion and Analysis ("MD&A") for Information Services Corporation ("ISC") discusses our financial and operating performance, business indicators and outlook from management's viewpoint.

This document should be read in its entirety and is intended to complement and supplement ISC's audited Consolidated Financial Statements ("Financial Statements") for the years ended December 31, 2022, and 2021. Additional information, including our Annual Information Form for the year ended December 31, 2022, is available on the Company's website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com.

This MD&A contains information from our Financial Statements for the years ended December 31, 2022, 2021 and 2020, prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The financial information that appears throughout our MD&A is consistent with the Financial Statements.

This MD&A also includes certain measures, which have not been prepared in accordance with IFRS, such as EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin and free cash flow. Rather, these measures are provided as additional information to complement those IFRS measures. Refer to section 8.8 "Non-IFRS financial measures" for discussion of why we use these measures and their most closely related IFRS measures within the Financial Statements. Refer to section 2 "Consolidated Financial Analysis" for a reconciliation of EBITDA and adjusted EBITDA to net income and section 6.1 "Cash flow" for a reconciliation of free cash flow.

Unless otherwise noted, or unless the context indicates otherwise, "ISC", the "Company", "we", "us" and "our" refer to Information Services Corporation and, as applicable, its subsidiaries. Any statements in this MD&A made by, or on behalf of, management are made in such persons' capacities as officers of ISC and not in their personal capacities.

The Financial Statements are presented in Canadian dollars ("CAD"). In this MD&A, all references to "\$" or "dollars" are to CAD and amounts are stated in CAD unless otherwise indicated.

This MD&A contains forward-looking information and should be read in conjunction with the "Caution Regarding Forward-Looking Information" that follows. This MD&A is current as of March 14, 2023.

A reference made in this MD&A to other documents or to information or documents available on a website does not constitute the incorporation by reference into this MD&A of such other documents or such other information or documents available on such website, unless otherwise stated.

RESPONSIBILITY FOR DISCLOSURE

The ISC Board of Directors ("Board") carries out its responsibility for review of this disclosure primarily through the Audit Committee ("Audit Committee") of the Board, which is comprised exclusively of independent directors.

The Audit Committee reviews the fiscal year-end MD&A and recommends it to the Board for approval. Interim MD&As are reviewed and approved by the Audit Committee.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this MD&A and certain information incorporated by reference herein contain forward-looking information within the meaning of applicable Canadian securities laws. The purpose of the forward-looking information is to provide a description of management's expectations regarding future events or developments and may not be appropriate for other purposes.

Forward-looking information that may be found in this MD&A includes, without limitation, that contained in the "Outlook" section hereof, and management's expectations, intentions, and beliefs concerning the anticipated integration and growth of the Reamined, UPLLevel, and Regulis (as these terms are defined herein) businesses, industries in which we operate, business strategy and strategic direction, growth opportunities, integration, contingent consideration, development and completion of projects, the competitive landscape, seasonality, our future financial position and results of operations, capital and operating expectations, projected costs, the impact of certain payments to the Government of Saskatchewan, access to financing, debt levels, free cash flow, expectations for meeting future cash requirements, the economy and the real estate market, reporting currency and currency fluctuations, dividend expectations, market trends, and other plans and objectives of or involving ISC. The words *may*, *will*, *would*, *should*, *could*, *expect*, *plan*, *intend*, *anticipate*, *believe*, *estimate*, *predict*, *strive*, *strategy*, *continue*, *likely* and *potential* or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking information.

Forward-looking information is based on estimates and assumptions made by us in light of ISC's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that ISC believes are appropriate and reasonable in the circumstances. There can be no assurance that such estimates and assumptions will prove to be correct. Certain assumptions with respect to our ability to implement our business strategy and compete for business (other than our exclusive service offerings to the Government of Saskatchewan) and market our technology assets and capabilities, our ability to integrate Reamined Systems Inc. ("Reamined") as well as the group of companies operating as UPLLevel ("UPLLevel") and Regulis S.A. ("Regulis") on terms consistent with our expectations and these businesses performing in a manner consistent with our expectation, as well as business, economic, market and other conditions, availability of financing, currency exchange rates, consumer confidence, interest rates, level of unemployment, inflation, liabilities, income taxes, and our ability to attract and retain skilled staff, are material factors in preparing forward-looking information.

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. Factors that could cause our actual results or events to differ materially from those expressed or implied by such forward-looking information include, without limitation, operational, economic, market, financial, competitive, regulatory, technological and other risks (including those arising from public health concerns such as COVID-19) detailed from time to time in the filings made by the Company, including those detailed in our Annual Information Form for the year ended December 31, 2022, and the Financial Statements, copies of which are available on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com. You should consider these factors carefully. We caution that the foregoing list is not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, this forward-looking information. See section 7.2 "Business risks and risk management".

Furthermore, unless otherwise stated, the forward-looking information contained in this MD&A is made as of the date of this MD&A. We have no intention and undertake no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. You should not place undue reliance on forward-looking information contained herein.

1 Overview

In 2022 ISC performed well and slightly ahead of our expectations at the beginning of the year even after adjusting for contributions from the new businesses acquired during the year. The impact of economic tightening due to rising interest rates, which we expected to start to impact our business in the second quarter, was deferred to the last half of 2022, and more specifically, the fourth quarter. As a result, the strength of the business in the first half of the year combined with the contributions from our newly acquired businesses resulted in relatively stable earnings for the year considering the exceptional results experienced in 2021, which were fueled by an influx of dollars from pandemic-related stimulus.

In our Registry Operations business, as anticipated, we saw a return to historical pre-pandemic levels for Saskatchewan Land Registry transactions midway through 2022, as Saskatchewan real estate levels and high-value transactions stabilized from unprecedented activity experienced in 2021. Land Registry transactions are now reflecting normalized and seasonal levels with higher average land values. Registry Operations also benefitted from earnings contributed for the quarter and year-to-date from the new Ontario Property Tax Assessment Services business, Reamined, acquired in June 2022.

Services continued to deliver transaction and customer growth throughout 2022, increasing revenue for the quarter and full year by 9 per cent and 23 per cent respectively. As a result, full-year EBITDA saw growth of 7 per cent when compared to the comparable periods in the prior year. This resulted from a focus on technology advancements, including enhancements to the *Registry Complete* platform and the release of the *Recovery Complete* platform. Our focus on technology along with strong customer service also led to growing our business through existing [customers](#), along with the acquisition and onboarding of new customers. This growth was supplemented by the acquisition of UPLlevel in February 2022, adding accounts receivable management to our Recovery Solutions suite of services and a focus on people and technology as we ensure Services remains well positioned to continue to execute on future growth.

While Technology Solutions was most affected by COVID-19, this segment saw an increase in procurement activities in the last two quarters of 2022. However, during the year, we saw delays to active projects resulting in weaker results in 2022 compared to 2021. Our increased focus on working with clients to ensure that projects advance in a more timely manner is expected to yield results in the long term.

Overall, 2022 was another successful year for ISC with increases in revenue, EBITDA and free cash flow along with stable net income.

1.1 Consolidated highlights

2022 CONSOLIDATED RESULTS

Revenue

\$189.9M

+12% vs 2021

Net income

\$30.8M

(4%) vs 2021

Earnings per share, diluted

\$1.71

(4%) vs 2021

EBITDA¹

\$60.9M

+1% vs 2021

Adjusted EBITDA¹

\$64.4M

(5%) vs 2021

Free cash flow¹

\$45.9M

+2% vs 2021

Dividends paid

\$16.2M

+16% vs 2021

¹ EBITDA, adjusted EBITDA and free cash flow are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures reported by other companies; refer to section 8.8 “Non-IFRS financial measures”. Refer to section 2 “Consolidated Financial Analysis” for a reconciliation of EBITDA and adjusted EBITDA to net income. Refer to section 6.1 “Cash flow” for a reconciliation of free cash flow.

SELECT FINANCIAL INFORMATION

The select annual financial information set out for the years ended December 31, 2022, 2021 and 2020, is derived from the Financial Statements and has been prepared on a consistent basis. In the opinion of the Company’s management, such financial data reflects all adjustments necessary for a fair presentation of the results for those periods.

(thousands of CAD)	Year Ended December 31,			
	2022	2021	2020	
Revenue	\$ 189,895	\$ 169,379	\$ 136,723	
Net income	30,769	32,078	20,825	
EBITDA ¹	\$ 60,930	\$ 60,532	\$ 43,392	
Adjusted EBITDA ¹	64,390	67,815	49,210	
EBITDA margin (% of revenue) ¹	32.1%	35.7%	31.7%	
Adjusted EBITDA margin (% of revenue) ¹	33.9%	40.0%	36.0%	
Free cash flow ¹	\$ 45,909	\$ 44,800	\$ 36,235	
Dividend declared per share	\$ 0.92	\$ 0.83	\$ 0.80	
Earnings per share, basic	1.75	1.83	1.19	
Earnings per share, diluted	1.71	1.78	1.18	

	As at December 31,		
	2022	2021	2020
Total assets	\$ 283,454	\$ 232,498	\$ 241,377
Total non-current liabilities	\$ 88,240	\$ 57,888	\$ 92,963

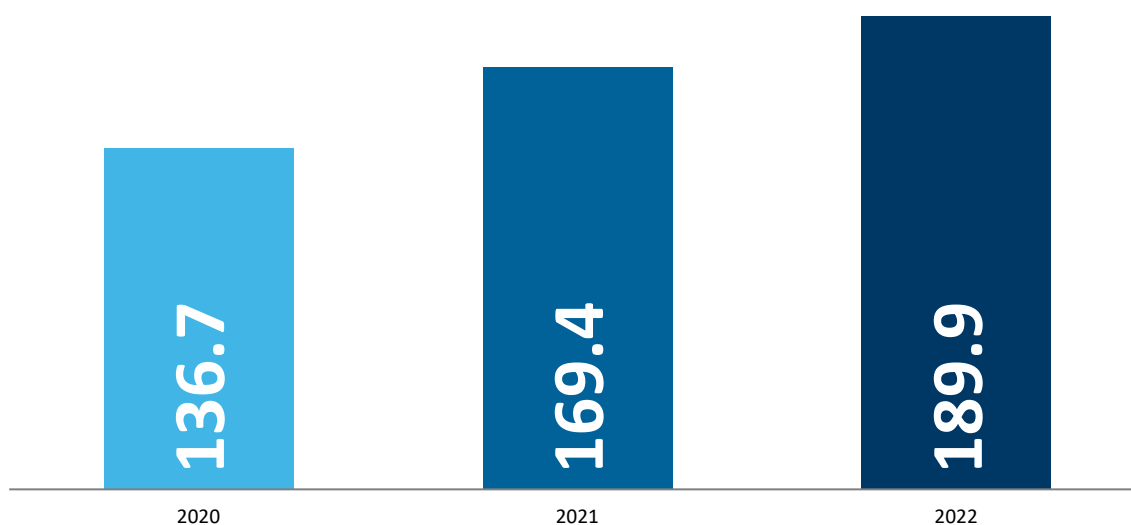
¹ EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin and free cash flow are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures reported by other companies; refer to section 8.8 “Non-IFRS financial measures”. Refer to section 2 “Consolidated Financial Analysis” for a reconciliation of EBITDA and adjusted EBITDA to net income. Refer to section 6.1 “Cash flow” for a reconciliation of free cash flow.

ISC's results over the last three years have been an indication of the resiliency of our business. Despite the challenges that arose due to the COVID-19 pandemic, the Company performed well throughout that time, while seeing a return to more familiar pre-pandemic trends in the second half of 2022. Our overall results for 2022 have demonstrated continued strength in an environment of economic uncertainty, high inflation and rising interest rates. Acquisitions made during the year have continued to diversify our product offerings within our core competencies of registries and registry related services.

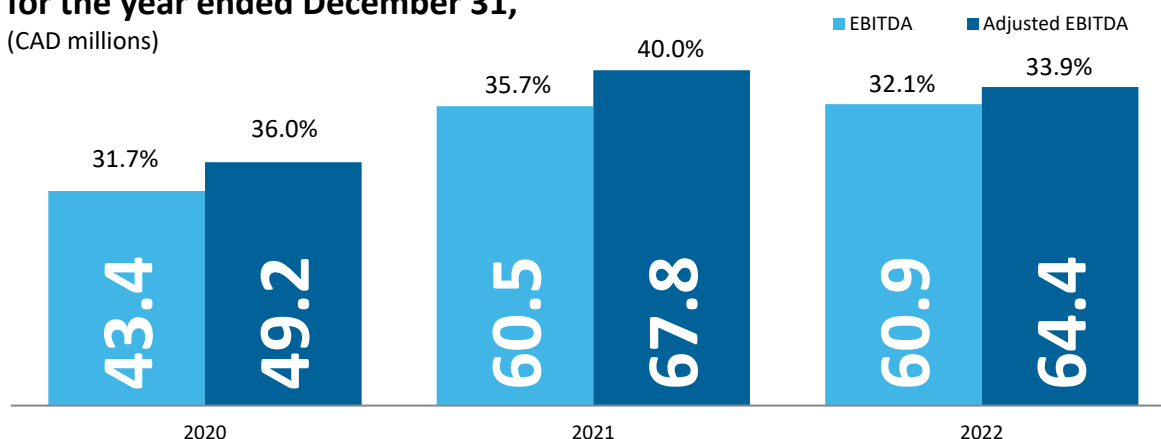
- Revenue rose by 12 per cent from \$169.4 million in 2021 to \$189.9 million in 2022, largely as a result of additional revenue from acquisitions during the year and growth in Services.
 - Registry Operations performed as expected, with record high-value transactions in the Saskatchewan Land Registry in the first two quarters of the year. While we did see transaction levels, including high-value transactions, return to pre-pandemic levels in the Saskatchewan Land Registry in the latter part of the year, the addition of revenue following the acquisition of Reamined in June 2022 had a positive impact.
 - Services revenue also grew in 2022 compared to 2021. This growth was driven by customer and transaction growth as customers transitioned to our *Registry Complete* platform. The addition of new service offerings for our customers, including the new services to *Registry Complete*, also played a key role in the growth for this segment. Further supplementing this growth was the addition of \$5.8 million in new revenue contributed from the UPLlevel business acquired in February 2022.
- After expenses, which included investments in people and technology intended to help drive our growth, EBITDA was \$60.9 million, up 1 per cent compared to 2021 which was \$60.5 million.
- Free cash flow increased to a new record of \$45.9 million in 2022, up 2 per cent over the previous record set in 2021.

Consolidated Revenue for the year ended December 31,

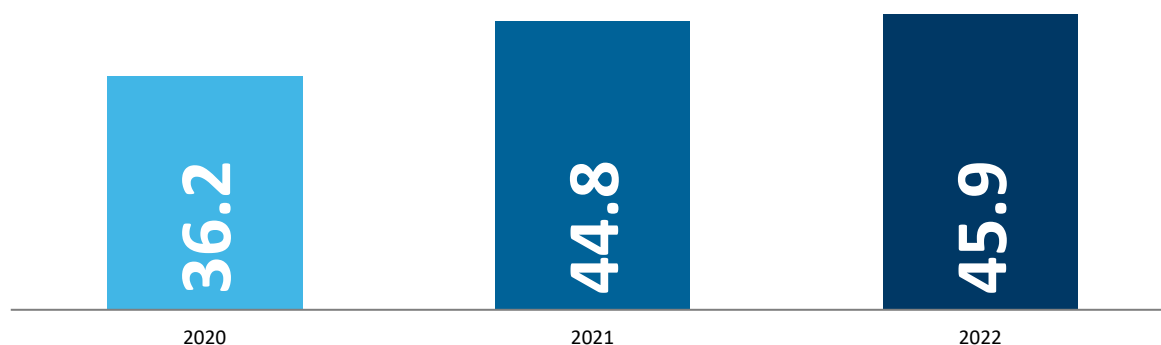
(CAD millions)



Consolidated EBITDA and Consolidated Adjusted EBITDA for the year ended December 31, (CAD millions)



Consolidated Free Cash Flow for the year ended December 31, (CAD millions)



FOURTH QUARTER CONSOLIDATED HIGHLIGHTS

- Revenue** was \$46.1 million for the quarter, an increase of \$1.9 million or 4 per cent compared to the fourth quarter of 2021. This was due to continued transaction and customer growth in Services, specifically in the Corporate Solutions division, along with \$1.5 million of revenue contributed from the UPLLevel business that was acquired in February 2022. Registry Operations' newest division, Ontario Property Tax Assessment Services, created following the acquisition of Reamined in June 2022, contributed \$3.8 million of revenue during the quarter. This was partially offset by lower overall transaction volumes and lower high-value transactions in the Saskatchewan Land Registry following several increases in interest rates during 2022, which has slowed economic activity. The consolidated revenue increase was partially offset by a \$1.6 million decline in Technology Solutions third-party revenue during the quarter.
- Net income** was \$3.9 million or \$0.22 per basic and diluted share compared to \$10.3 million or \$0.59 per basic share and \$0.57 per diluted share in the fourth quarter of 2021. The reduction of \$6.4 million in net income for the quarter can be primarily attributed to a \$2.7 million increase in share-based compensation as a result of an increase in the Company's share price year-over-year, a reduction in revenues in the Saskatchewan Land Registry during the quarter of \$2.7 million due to a return of transaction volumes to more normalized pre-pandemic levels, and reduced revenue and earnings contributed by Technology Solutions during the quarter.

- **EBITDA** was \$10.8 million compared to \$17.6 million for the same quarter in 2021, due to an increase of \$2.7 million in share-based compensation during the quarter as a result of an increase in the Company's share price during the quarter compared to a decrease during the same period in the prior year, a reduction in revenues from the Saskatchewan Land Registry during the quarter of \$2.7 million due to a return of transaction volumes to more normalized pre-pandemic levels, and reduced EBITDA contributed by Technology Solutions of \$2.6 million. These reductions were offset by EBITDA in the quarter contributed from acquisitions completed during the year of \$1.0 million. **EBITDA margin** was 23.4 per cent for the quarter compared to 39.8 per cent in 2021. The change in margin year-over-year was driven by reduced EBITDA resulting from the above noted factors combined with increased Services revenue, which has a lower margin profile.
- **Adjusted EBITDA** was \$13.5 million for the quarter compared to \$17.2 million in 2021. The decrease related to lower 2022 EBITDA offset by the removal of higher share-based compensation for the quarter when compared to the prior year. As a result, **adjusted EBITDA margin** was 29.3 per cent compared to 38.9 per cent in 2021, with the change coming from the above noted factors reducing adjusted EBITDA accompanied by increased Services revenue at a lower margin.
- **Free cash flow** for the quarter was \$7.9 million, a decrease of 43 per cent compared to the fourth quarter of 2021. The decrease for the quarter primarily relates to results of operations that began to experience the effects of economic tightening that occurred throughout 2022 resulting in reduced transaction volumes in the Saskatchewan Land Registry and reduced contributions from Technology Solutions accompanied by increased people and technology costs when compared to the prior year.
- On November 2, 2022, the Board declared a quarterly cash dividend of \$0.23 per Class A Limited Voting Share ("Class A Share"), payable on or before January 15, 2023, to shareholders of record as of December 31, 2022.
- On December 20, 2022, the Company, through its wholly owned subsidiary, ISC Atlantic Services Inc., acquired all of the shares of Regulis, the Registrar designate for the International Registry for Railway Rolling Stock, for purchase consideration of \$0.6 million (€0.4 million) with up to an additional €1.6 million to be paid in future years as certain criteria are met. The Company has included Regulis within the Corporate segment until the time it commences operations.

YEAR-END CONSOLIDATED HIGHLIGHTS

- **Revenue** was \$189.9 million for the year ended December 31, 2022, an increase of 12 per cent compared to 2021. The revenue increase was driven by continued transaction and customer growth in Services, specifically within the Regulatory and Corporate Solutions divisions, combined with \$5.8 million contributed by UPLLevel since its acquisition in February 2022. Registry Operations' Saskatchewan business experienced a strong first half of the year, as expected, with transaction volumes beginning to trend towards pre-pandemic levels in the second half of the year. Registry Operations revenue was also bolstered by \$8.9 million of additional revenue from Ontario Property Tax Assessment Services following the acquisition of Reamined in June 2022.
- **Net income** was \$30.8 million or \$1.75 per basic share and \$1.71 per diluted share compared to \$32.1 million or \$1.83 per basic share and \$1.78 per diluted share in 2021. Current year results are relatively consistent when compared to the record high net income earned in 2021. The decline relates to a reduction in revenue in the Saskatchewan Land Registry during the year of \$3.8 million due to a return of transaction volumes to more normalized pre-pandemic levels and reduced revenue and earnings contributed by Technology Solutions during the year. Partially offsetting this decline were earnings from acquisitions made during the year and a \$4.5 million decrease in year-over-year share-based compensation due to a reduction in the Company's share price.

- **EBITDA** was \$60.9 million compared to \$60.5 million in 2021, due to increased revenue in Services and Registry Operations, a reduction in share-based compensation when compared to the prior year due to a reduction in the Company's share price, offset by investments made in people and technology across the business. **EBITDA margin** was 32.1 per cent for the year compared to 35.7 per cent in 2021.
- **Adjusted EBITDA** was \$64.4 million compared to \$67.8 million in 2021. The decrease relates to lower share-based compensation and an increase in acquisition and integration costs offset by consistent EBITDA. **Adjusted EBITDA margin** was 33.9 per cent compared to 40.0 per cent in the prior year with the change coming from increased Services revenue, specifically in Corporate Solutions, which is a lower margin division of the business, and lower revenue overall in the Saskatchewan Land Registry for the year.
- **Free cash flow** for the year ended December 31, 2022, was \$45.9 million, an increase of \$1.1 million compared to \$44.8 million in 2021. The increase was due to results contributed by both Registry Operations and Services accompanied by additional EBITDA from acquisitions made during the year as well as less capital expenditures.
- On February 14, 2022, the Company's Services segment, through its wholly owned subsidiary ESC, acquired all of the shares of a group of companies operating as UPLLevel. The total cash paid related to the acquisition was \$9.4 million.
- On June 1, 2022, the Company acquired all of the shares of Reamined, a recognized leader in providing Property Tax Assessment Services in the Province of Ontario, for total cash paid of \$45.8 million. Due to its alignment with the Registry Operations segment, Reamined is reported as part of Registry Operations.

1.2 Subsequent events

- On February 27, 2023, the Company announced the appointment of Amber Biemans, K.C., to ISC's Board of Directors by the Province of Saskatchewan, along with the reappointments of Joel Teal and Douglas Emsley, which will take effect immediately following the Company's 2023 annual general meeting.
- On March 14, 2023, the Board declared a quarterly cash dividend of \$0.23 per Class A Share, payable on or before April 15, 2023, to shareholders of record as of March 31, 2023.

1.3 Outlook

The following section includes forward-looking information, including statements related to future results, including revenue, net income, EBITDA and adjusted EBITDA, segment performance, the industries in which we operate, economic activity, growth opportunities, investments, completion of projects, ISO 27001 and acquisitions. Refer to "Caution Regarding Forward-Looking Information".

As the world begins to navigate post-pandemic conditions, including a higher interest rate environment, we continue to believe that ISC is positioned for success, given the proven robustness of our business. The Company anticipates revenue consistency in 2023, driven by its two core segments, Registry Operations and Services, through the addition of Ontario Property Tax Assessment Services revenue and the continuing expansion of our Services suite of products and services to existing customers.

The Registry Operations segment is expected to remain a strong free cash flow contributor and a direct beneficiary of any future upswing in economic conditions in Saskatchewan. We will continue to monitor economic conditions, particularly any further increases to interest rates in 2023, which can have a temporary dampening effect on transaction volumes. However, provincial market publications suggest the housing market is changing as consumers adjust to higher lending rates and higher costs of living. Saskatchewan continues to fare better than many other regions in the country, and this is expected to persist in 2023. Based on the data we use to model our own trends and forecasts, we agree with this view. In addition, following the acquisition of Reamined in June 2022, and the addition of Property Tax Assessment Services to our Registry Operations segment, we expect additional, consistent revenue from that division – adding to the segment's overall revenue in 2023.

In Services, we expect to work on new opportunities with our customers and continue our investment in *Registry Complete* and *Recovery Complete* in 2023. With the addition of accounts receivable management complementing asset recovery within our Recovery Solutions suite of services, we have expanded our product offerings in this division to support our customers all the way through to the end of the lending life cycle. With the introduction of *Recovery Complete*, our customers across all our divisions will have access to our entire suite of products and services, improving our revenue potential from our existing customer base. Despite expected changes to the Ontario Business Registry in 2023, we believe Services is sufficiently diversified for any industry, market or economic challenges that might present in 2023. Additionally, our investments in people, technology and new opportunities will further expand and diversify the business.

In Technology Solutions in 2023, we expect to complete and deliver solution implementation projects deferred from 2022. Although active projects decreased during the pandemic, there is refreshed interest in new and deferred projects as customers look to reactivate initiatives paused due to COVID-19. We are optimistic about the current state of our new business pipeline due to the ongoing need to update technology solutions. We are in a unique position to provide solutions that are aligned with our customers' needs.

The key drivers of expenses will continue to be wages and salaries, cost of goods sold, information technology costs, and costs associated with the pursuit of new business opportunities. With current inflationary pressures, we continue to look at the appropriateness of our pricing across the business (except for the Saskatchewan Registries, where pricing is governed by the Master Services Agreement) to maintain margins while remaining competitive. During 2023 and as part of our corporate strategy related to information security, we also expect to complete certification for ISO 27001. This international certification will demonstrate our adherence to controls in the management of information security assets.

With these factors in mind, we expect revenue growth well over 2022 levels between \$200.0 million and \$205.0 million, net income to be between \$27.0 million and \$32.0 million, and EBITDA¹ to be between \$58.0 million and \$63.0 million in 2023. Considering the evolution of the business over the last two years, we believe adding adjusted EBITDA to our guidance metrics will help provide a better understanding about the performance of our business by removing the impact from share-based compensation, acquisition expenses or any other non-recurring costs. In 2023, we expect adjusted EBITDA¹ to be between \$65.0 million and \$70.0 million.

The diversification of our business remains a key part of our strategy. As such, we will continue to look for efficiencies across the business, drive organic growth in our Services and Technology Solutions segments by winning new business, and explore appropriate acquisition targets that complement or add value to our existing lines of business.

¹ EBITDA and adjusted EBITDA are not recognized as measures under IFRS and do not have standardized meanings prescribed by IFRS and, therefore, may not be comparable to similar measures reported by other companies; refer to section 8.8 "Non-IFRS financial measures". Refer to section 2 "Consolidated Financial Analysis" for a reconciliation of historical EBITDA and adjusted EBITDA to net income.

2 Consolidated Financial Analysis

Revenue was up 4 per cent and 12 per cent, respectively, for the three months and year ended December 31, 2022, compared to the same periods in the prior year. For the quarter, net income was down by 62 per cent compared to the same quarter in 2021. This was due to a \$2.7 million increase in share-based compensation following an increase in the Company's share price during the quarter compared to a decrease during the prior year quarter, a reduction in revenue in the Saskatchewan Land Registry of \$2.7 million due to a return of transaction volumes to more normalized pre-pandemic levels, and reduced net income contributed by Technology Solutions during the quarter.

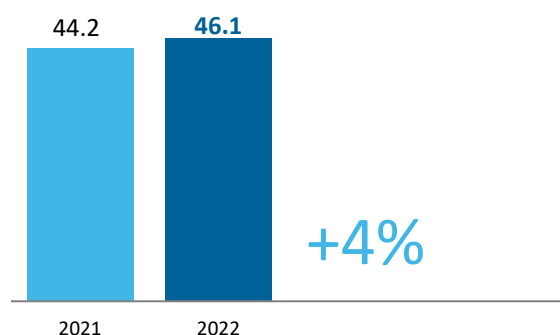
On an annual basis, net income was down 4 per cent compared to the year ended December 31, 2021. The decline relates to a reduction in revenue in the Saskatchewan Land Registry during the year of \$3.8 million following a return of transaction volumes to more normalized pre-pandemic levels and reduced revenue and earnings contributed by Technology Solutions during the year. Partially offsetting this decline were net income from acquisitions made during the year and a \$4.5 million decrease in year-over-year share-based compensation due to a reduction in the Company's share price.

2.1 Consolidated statements of comprehensive income

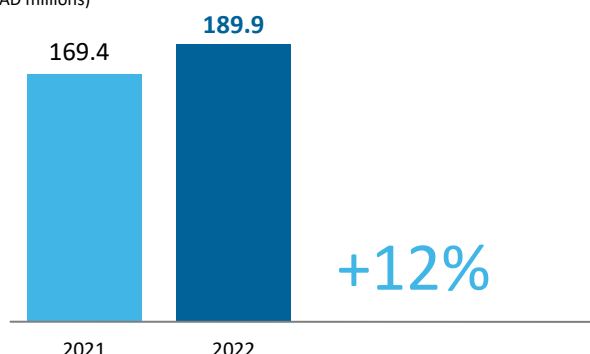
(thousands of CAD)	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Revenue				
Registry Operations	\$ 22,605	\$ 21,076	\$ 91,721	\$ 85,567
Services	22,441	20,549	92,306	75,165
Technology Solutions	1,047	2,613	5,849	8,644
Corporate and other	11	-	19	3
Total revenue	46,104	44,238	189,895	169,379
Expenses				
Wages and salaries	15,997	9,600	54,267	48,757
Cost of goods sold	12,007	12,331	49,215	40,359
Depreciation and amortization	4,100	3,153	14,735	13,778
Information technology services	3,205	2,111	10,584	7,992
Occupancy costs	1,167	946	4,003	3,430
Professional and consulting services	1,245	692	4,988	3,872
Financial services	601	559	2,669	3,044
Other	1,074	383	3,239	1,393
Total expenses	39,396	29,775	143,700	122,625
Net income before items noted below	6,708	14,463	46,195	46,754
Finance income (expense)				
Interest income	269	42	463	140
Interest expense	(1,307)	(524)	(3,640)	(2,813)
Net finance (expense)	(1,038)	(482)	(3,177)	(2,673)
Income before tax	5,670	13,981	43,018	44,081
Income tax expense	(1,721)	(3,695)	(12,249)	(12,003)
Net income	3,949	10,286	30,769	32,078
Other comprehensive income (loss)				
Unrealized income (loss) on translation of financial statements of foreign operations	688	(269)	(33)	(1,048)
Change in fair value of marketable securities, net of tax	-	7	11	(13)
Other comprehensive income (loss)	688	(262)	(22)	(1,061)
Total comprehensive income	\$ 4,637	\$ 10,024	\$ 30,747	\$ 31,017

2.2 Consolidated revenue

**Consolidated Revenue
for the three months ended December 31,
(CAD millions)**



**Consolidated Revenue
for the year ended December 31,
(CAD millions)**



(thousands of CAD)	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Registry Operations	\$ 22,605	\$ 21,076	\$ 91,721	\$ 85,567
Services	22,441	20,549	92,306	75,165
Technology Solutions	1,047	2,613	5,849	8,644
Corporate and other	11	-	19	3
Total revenue	\$ 46,104	\$ 44,238	\$ 189,895	\$ 169,379

Total revenue for the quarter increased by \$1.9 million compared to the fourth quarter of 2021 due to:

- a full quarter of new Ontario Property Tax Assessment Services revenue in Registry Operations totalling \$3.8 million contributed by Reamined (acquired in June 2022), which offset a \$2.7 million decline in Saskatchewan Land Registry revenue, following lower activity in the Saskatchewan real estate sector, including a decline in high-value transactions; and
- increased revenue of \$1.9 million in Services, as a result of revenue from UPLLevel (acquired in February 2022) contributing \$1.5 million of this increase accompanied by continued transaction and customer growth in the Segment including Recovery Solutions;
- partially offset by a reduction in Technology Solutions third-party revenue of \$1.6 million during the quarter from \$2.6 million in the prior year to \$1.0 million in the current year as we experienced continued delays in completion of active solution delivery projects.

Total revenue for the year increased by \$20.5 million or 12 per cent compared to the prior year, again mainly due to:

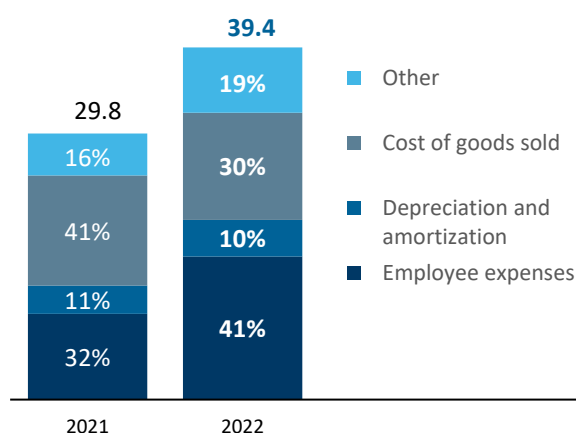
- increased revenue of \$6.2 million in Registry Operations, of which \$8.9 million relates to Ontario Property Tax Assessment Services revenue following the acquisition of Reamined in June 2022, which offset the \$3.8 million decline in Saskatchewan Land Registry revenue for the year due to a cooling of activity in the Saskatchewan real estate sector to pre-pandemic levels following rising interest rates throughout much of 2022;
- increased revenue of \$17.1 million in Services resulting primarily from transaction and customer growth in the Regulatory and Corporate Solutions divisions as well as the addition of accounts receivable management to our product suite within our Recovery Solutions business during the current year. Revenue contributed for the year following the acquisition of UPLLevel in February 2022 was \$5.8 million. Since the fourth quarter of 2021, customers have been transitioning to the *Registry Complete* platform, resulting in additional value-added services made available to these customers. The response from customers continues to be extremely positive. A portion of the increase in the Regulatory and Corporate Solutions divisions for the year was due to this transition, where customer revenue is accounted for on a gross instead of net basis due to additional services

being provided. This resulted in an increase in revenue and a corresponding increase in cost of goods sold of \$5.4 million with no change in net income or EBITDA; and

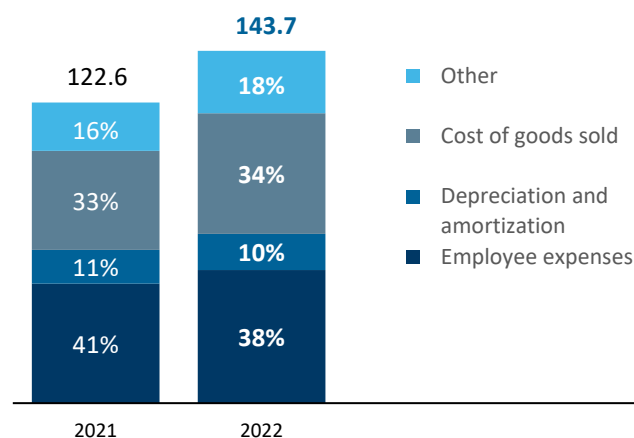
- decreased third-party revenue of \$2.8 million in Technology Solutions from \$8.6 million in the prior year to \$5.8 million in the current year as we experienced continued delays in completion of active solution delivery projects and fewer third-party revenue-generating opportunities during the year due to the impact of COVID-19 delaying procurement activities.

2.3 Consolidated expenses

Consolidated Expenses
for the three months ended December 31,
(CAD millions)



Consolidated Expenses
for the year ended December 31,
(CAD millions)



Note: Values may not add due to rounding.

(thousands of CAD)	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Wages and salaries	\$ 15,997	\$ 9,600	\$ 54,267	\$ 48,757
Cost of goods sold	12,007	12,331	49,215	40,359
Depreciation and amortization	4,100	3,153	14,735	13,778
Information technology services	3,205	2,111	10,584	7,992
Occupancy costs	1,167	946	4,003	3,430
Professional and consulting services	1,245	692	4,988	3,872
Financial services	601	559	2,669	3,044
Other	1,074	383	3,239	1,393
Total expenses	\$ 39,396	\$ 29,775	\$ 143,700	\$ 122,625

Total expenses were \$39.4 million for the fourth quarter, an increase of \$9.6 million compared to the same quarter in 2021 and were \$143.7 million for the full year compared to \$122.6 million in 2021.

The increase in expenses during the quarter when compared to the fourth quarter of 2021 is due to the following:

- additional staff and other related expenses that were added following the acquisitions of UPLLevel and Reamined, which contributed \$5.2 million in expenses;
- increased investments in people and technology; and
- increase in share-based compensation of \$2.7 million compared to the fourth quarter of 2021 related to an increase in share price during the quarter.

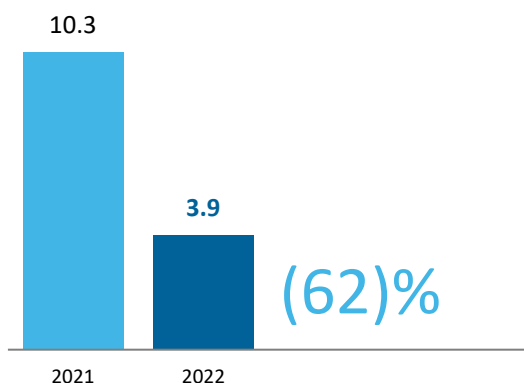
The year-over-year rise in expenses for the year ended December 31, 2022, compared to the prior year was due to:

- increased wages and salaries related to key investments in people and a more competitive wage environment across the organization;
- additional staff and other related expenses that were added following the acquisitions of UPLevel and Reamined, which contributed \$14.1 million in expenses; and
- increased cost of goods sold of \$8.9 million contributed by transaction and customer growth in Services accompanied by the change in the accounting method for revenue from net to gross as customers transitioned to the *Registry Complete* platform thereby accessing more services of \$5.4 million, which had no impact on EBITDA or net income.

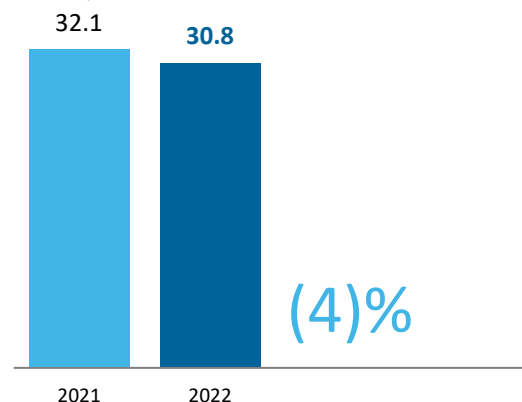
These increases were partially offset by a reduction in share-based compensation for the year of \$4.6 million when compared to 2021. The appreciation of the share price in the prior year contributed \$6.1 million of expense related to share-based compensation, while the cumulative current year expense was \$1.5 million.

2.4 Consolidated net income

**Consolidated Net Income
for the three months ended December 31,**
(CAD millions)



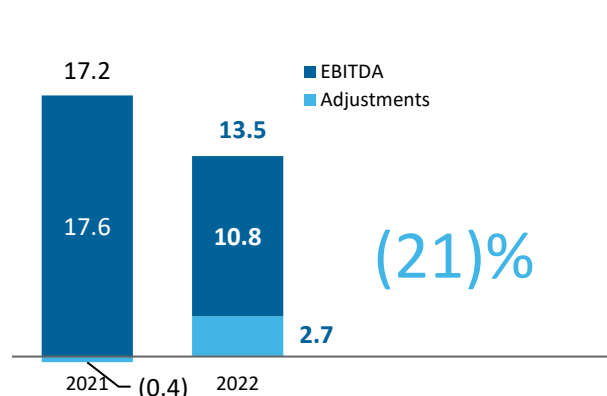
**Consolidated Net Income
for the year ended December 31,**
(CAD millions)



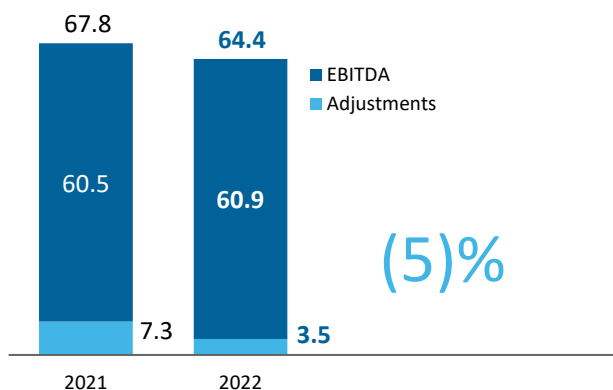
Net income for the quarter was \$3.9 million or \$0.22 per basic share and diluted share, a decrease compared to \$10.3 million or \$0.59 per basic share and \$0.57 per diluted share in the fourth quarter of 2021. For the full year, net income was \$30.8 million or \$1.75 per basic share and \$1.71 per diluted share compared to \$32.1 million or \$1.83 per basic share and \$1.78 per diluted share in 2021. The decrease for the quarter was due to increased investments in people and technology and increased share-based compensation due to an increase in share price during the quarter. The decrease for the year relates to increased revenue offset by heightened investment in people and technology to prepare the Company for future growth.

2.5 Consolidated EBITDA and adjusted EBITDA

**Consolidated EBITDA and Adjusted EBITDA
for the three months ended December 31,**
(CAD millions)



**Consolidated EBITDA and Adjusted EBITDA
for the year ended December 31,**
(CAD millions)



(thousands of CAD)	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Net income	\$ 3,949	\$ 10,286	\$ 30,769	\$ 32,078
Depreciation and amortization	4,100	3,153	14,735	13,778
Net finance expense	1,038	482	3,177	2,673
Income tax expense	1,721	3,695	12,249	12,003
EBITDA	\$ 10,808	\$ 17,616	\$ 60,930	\$ 60,532
Adjustments				
Share-based compensation expense	2,180	(553)	1,490	5,972
Stock option expense (recovery)	-	13	(7)	88
Acquisition and integration costs	537	150	1,981	1,225
Gain on disposal of property, plant and equipment assets	(1)	(1)	(4)	(2)
Adjusted EBITDA	\$ 13,524	\$ 17,225	\$ 64,390	\$ 67,815
EBITDA margin (% of revenue)	23.4%	39.8%	32.1%	35.7%
Adjusted EBITDA margin (% of revenue)	29.3%	38.9%	33.9%	40.0%

EBITDA for the quarter was \$10.8 million compared to \$17.6 million for the fourth quarter in the prior year, primarily due to increased share-based compensation of \$2.7 million when compared to the prior year quarter, accompanied by additional investments in people and technology. Adjusted EBITDA decreased to \$13.5 million from \$17.2 million in the prior year as we began to see a return to pre-pandemic activity levels in the Saskatchewan Land Registry and an impact across the business from the economic tightening that occurred in Canada in 2022.

For the year, EBITDA was \$60.9 million compared to \$60.5 million in the prior year due to lower results from operations offset by reduced share-based compensation of \$4.5 million. Adjusted EBITDA for the year was \$64.4 million, down 5 per cent from the comparative \$67.8 million in the prior year.

2.6 Consolidated finance costs

Net finance expense was \$1.0 million for the quarter, up from the \$0.5 million in the prior year due to increased long-term debt of \$66.0 million as at December 31, 2022, compared to \$41.0 million at the prior year-end. The net increase in long-term debt coupled with increased interest rates in the current year has led to higher finance costs.

For the year, net finance expense was \$3.2 million in 2022 compared to \$2.7 million in 2021 primarily due to increased interest expenses from our Credit Facility.

2.7 Tax provision

The Company is subject to federal and provincial income taxes at an estimated combined statutory rate of 27.0 per cent (2020 – 27.0 per cent). Income tax expense varies from the amounts that would be computed by applying the statutory income tax rate to earnings before taxes for the following reasons:

(thousands of CAD)	2022		2021	
Net income before tax	\$	43,018	\$	44,081
Combined statutory income tax rate		27.0%		27.0%
Expected income tax expense		11,615		11,902
Increase (decrease) in income tax resulting from:				
Non-deductible expenses		162		49
Foreign income tax rate differential		488		39
Adjustment to prior years' deferred tax assets		(6)		(25)
Other		(10)		38
Income tax expense	\$	12,249	\$	12,003

In assessing the recovery of deferred income tax assets, management considers whether it is probable that the deferred income tax assets will be realized. The recognition and measurement of the current and deferred income tax assets and liabilities involve dealing with uncertainties in the application of complex tax regulations and in the assessment of the recoverability of the deferred income tax assets. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences are deductible.

3 Business Segment Analysis

Headquartered in Canada, ISC is a leading provider of registry and information management services for public data and records. Throughout our history, we have delivered value to our customers by providing solutions to manage, secure and administer information.

ISC currently has three operating segments:

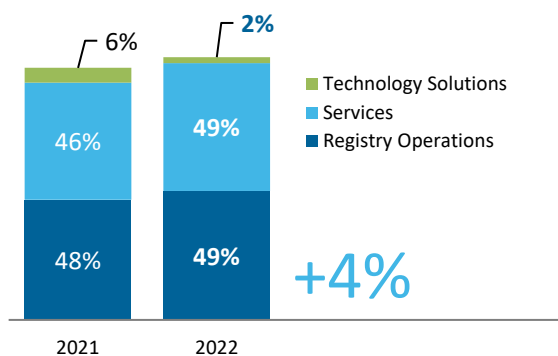
Registry Operations operates registries and provides related services on behalf of governments at various levels.

Services delivers value-add services to the financial and legal sectors, utilizing public data and records.

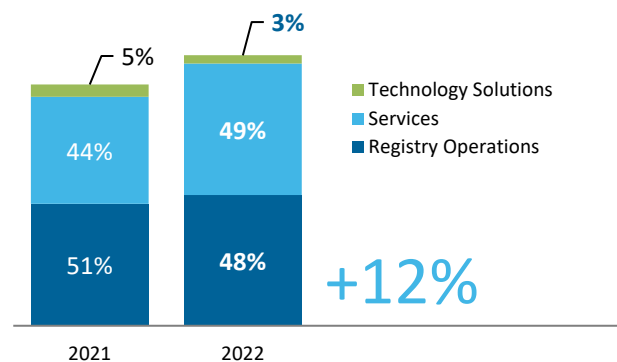
Technology Solutions designs, implements and supports registry and regulatory technology solutions.

The balance of our corporate activities and shared services are reported as Corporate and other.

Revenue by Segment¹
for the three months ended December 31,

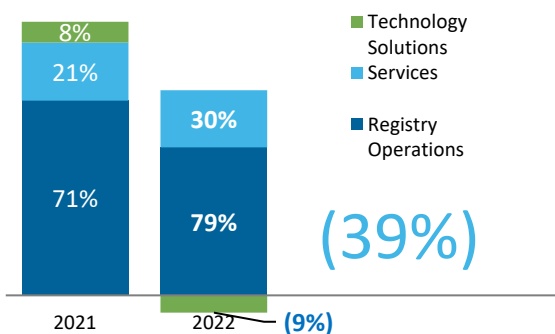


Revenue by Segment¹
for the year ended December 31,

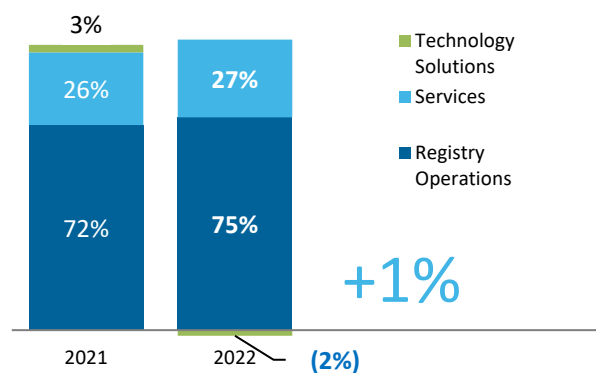


¹ Corporate and other and Inter-segment eliminations are excluded. Values may not add due to rounding.

EBITDA by Segment¹
for the three months ended December 31,



EBITDA by Segment¹
for the year ended December 31,



¹ Corporate and other and Inter-segment eliminations are excluded. Values may not add due to rounding.

3.1 Registry Operations

Our Registry Operations segment delivers registry and information services on behalf of governments and private sector organizations. This segment currently has two major clients with long-term agreements, one agreement with the Province of Saskatchewan and one with the Province of Ontario. We report these contracts as sub-segments known as “Saskatchewan Registries” and “Ontario Property Tax Assessment Services”.

For services in this segment, competitors include infrastructure funds and private equity firms as well as information services companies, registry software providers, and other such information-based companies that develop and provide software platforms to manage registry and related information services. These types of companies may compete with ISC by acting as, or partnering with, businesses that can provide other required processes, such as customer service and delivery, in conjunction with software platforms to provide full-service solutions.

Saskatchewan Registries

ISC provides services on behalf of the Province of Saskatchewan under a 20-year Master Service Agreement (“MSA”), in effect until 2033, and is the exclusive full-service solution provider of the Saskatchewan Land Registry (including the Saskatchewan Land Titles Registry (“Land Titles Registry”), the Saskatchewan Land Surveys Directory (“Land Surveys”) and Saskatchewan Geomatics services (“Geomatics”), collectively the “Land Registry”), the Saskatchewan Personal Property Registry (“Personal Property Registry”) and the Saskatchewan Corporate Registry (“Corporate Registry”). Additional information about the MSA is available in our Annual Information Form for the year ended December 31, 2022, on our website at www.company.isc.ca and in the Company’s profile on SEDAR at www.sedar.com.

Our Saskatchewan Registries sub-segment experiences moderate seasonality, primarily because Land Titles Registry revenue fluctuates in line with real estate transaction activity in Saskatchewan. Typically, the second and third quarters of the fiscal year generate higher revenue, as that is when real estate activity is traditionally highest; however, the COVID-19 pandemic has disrupted our normal pattern of seasonality. Ontario Property Tax Assessment Services does not experience seasonality, as revenue is spread evenly throughout the year as per the agreement with the Province of Ontario.

Saskatchewan Land Registry

The Saskatchewan Land Registry (“Land Registry”) includes the Saskatchewan Land Titles Registry (“Land Titles Registry”), Saskatchewan Land Surveys Directory (“Land Surveys”) and Saskatchewan Geomatics services (“Geomatics”).

The Land Titles Registry issues titles to land and registers transactions affecting titles, including changes of ownership and the registration of interests in land, in Saskatchewan.

Revenue for the Land Titles Registry is earned through registration, search and maintenance fees. Registration fees are either flat or value-based, calculated as a percentage of the value of the land and/or property being registered.

We typically charge a flat fee per transaction for search and maintenance transactions. However, in certain instances, we may charge a negotiated fee for a customized search or maintenance transaction such as certain mineral certification or bulk data requests.

Because the Land Titles Registry revenue comprises both residential and non-residential activity, mortgage rates and business lending rates may affect revenue. Changes in land values, provincial population and mortgage qualifying requirements also affect the housing market, which, in turn, influences changes of ownership and revenue.

Approximately 88 per cent of all Land Titles Registry registration transactions were submitted online in 2022.

Land Surveys registers land survey plans and creates a representation of Saskatchewan land parcels in the cadastral parcel mapping system. Revenue related to all Land Survey services is earned as a flat fee per transaction.

Geomatics manages geographic data related to the cadastral parcel mapping system, which is integrated with the Land Titles Registry and Land Surveys. Fees for Geomatics services are typically negotiated per transaction, based

on the type and nature of services required.

Saskatchewan Personal Property Registry

The Saskatchewan Personal Property Registry (“Personal Property Registry”) is a notice-based public registry in which security interests and certain other interests in personal property (property other than land, buildings and other property affixed to land) may be registered.

Customers are charged flat fees per transaction, and the automated web-based system enables real-time completion of search and registration services as well as minimizes operational effort to deliver services.

General provincial economic drivers, including vehicle sales, interest rates and the strength of commercial activity across the province, influence the revenue in the Personal Property Registry.

Customers complete almost all searches in the registry online. The high online usage is stable, with minimal numbers of end-use consumers needing staff assistance to complete their transactions.

Saskatchewan Corporate Registry

The Saskatchewan Corporate Registry (“Corporate Registry”) is a province-wide system for the registration of business entities, including business corporations, non-profit corporations, co-operatives, sole proprietorships, partnerships and business names.

Unlike other registries, the Corporate Registry earns most of its revenue from maintenance services, including annual returns and changes to corporate articles, ownership or directorship.

Approximately 94 per cent of all registrations in the Corporate Registry were submitted online in 2022.

Ontario Property Tax Assessment (“OPTA”) Services

ISC has an exclusive agreement with the Province of Ontario (the “OPTA Agreement”) by which Reamined provides property tax assessment services to over 440 municipalities in Ontario, facilitating the management of property tax rates and distribution.

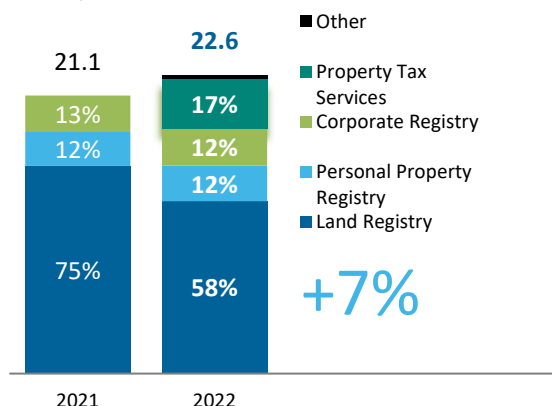
Reamined has provided these services to the Province of Ontario for over 25 years and, on a regular basis, has negotiated and typically renewed up to five-year agreements with the province. These services support critical applications of information used by municipalities to facilitate the determination of property taxes annually.

The total revenue for each year of the agreement is determined at the time of renewal and is paid monthly by the Province of Ontario to Reamined. Should the province request any change orders during the term of the contract, the revenue from any order is based on the scope of work agreed to by the parties and is in addition to regular revenue. OPTA Services does not experience seasonality, as revenue is spread evenly throughout the year as per the agreement with the Province of Ontario.

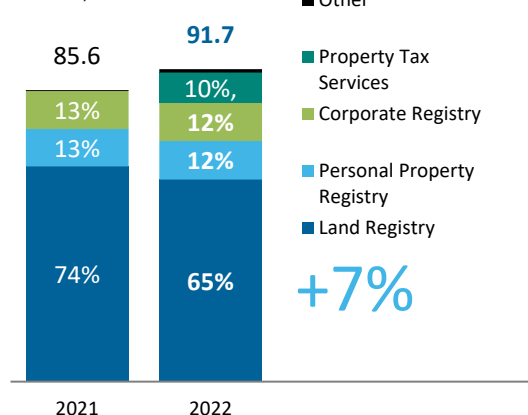
All transactions were submitted online in 2022.

REGISTRY OPERATIONS REVENUE

**Registry Operations Revenue
for the three months ended December 31,**
(CAD millions)



**Registry Operations Revenue
for the year ended December 31,**
(CAD millions)



Note: Values may not add due to rounding.

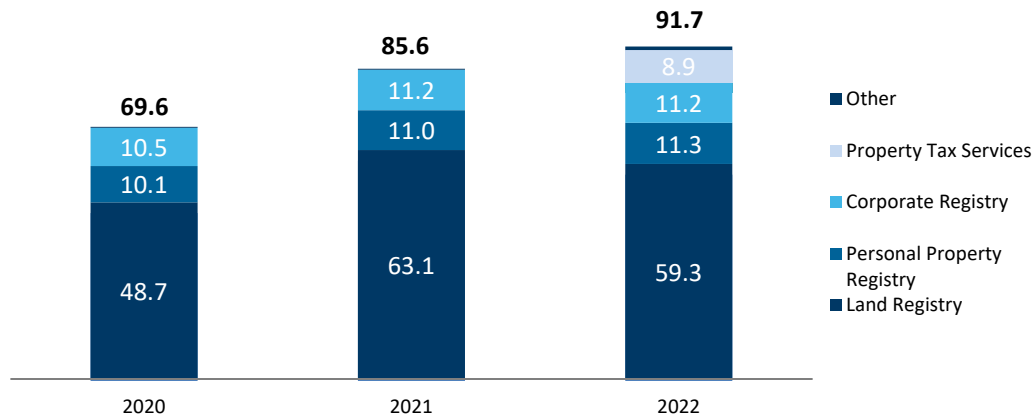
(thousands of CAD)	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Land Registry	\$ 13,062	\$ 15,742	\$ 59,310	\$ 63,141
Personal Property Registry	2,699	2,563	11,337	10,993
Corporate Registry	2,787	2,771	11,221	11,164
Property Tax Assessment Services	3,814	-	8,856	-
Other	243	-	997	269
Registry Operations revenue	\$ 22,605	\$ 21,076	\$ 91,721	\$ 85,567

Revenue for Registry Operations was \$22.6 million for the quarter, up \$1.5 million or 7 per cent compared to \$21.1 million in the fourth quarter of 2021. The fourth quarter increase in revenue was due to new revenue following our acquisition of Reamined in June 2022. The fourth quarter decrease in Land Registry revenue was, as expected, due to lower activity in the Saskatchewan real estate sector, as well as a decline in revenue from high-value transactions compared to the prior year quarter.

For the year, revenue for Registry Operations was \$91.7 million compared to \$85.6 million in the prior year, an increase of 7 per cent or \$6.2 million. Land Registry revenue declined, as expected, compared to 2021, while the Corporate and Personal Property Registries experienced modest increases compared to the same period in the prior year. Similar to last quarter, this net decrease was offset by the addition of new revenue from Reamined of \$8.9 million.

The Government of Saskatchewan commissioned ISC to prepare for certain updates to the Corporate Registry to support upcoming changes to legislation. This project is accounted for in the Other category and is expected to be completed in early 2023.

Registry Operations Revenue
for the year ended December 31,
(CAD millions)



Note: Values may not add due to rounding.

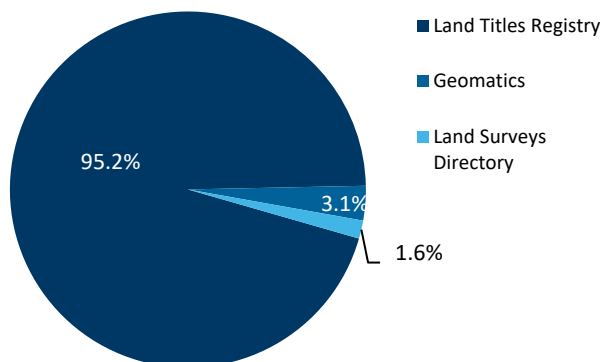
The top five customers for Registry Operations made up nearly 26 per cent of the total segment revenue year-to-date. Of those customers, no single customer accounted for more than 10 per cent of total Registry Operations revenue.

Saskatchewan Land Registry

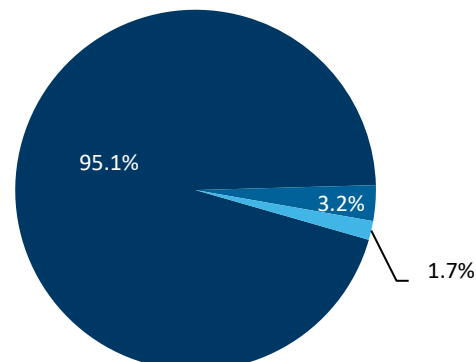
For the fourth quarter of 2022, revenue for the Land Registry was \$13.1 million, down by \$2.7 million or 17 per cent compared to the same period in 2021. This was due to a decline in the Land Titles Registry revenue, mainly due to reduced activity in the real estate sector, including a decline in high-value transactions, when compared to the same period in 2021.

Most of the revenue generated from the Land Registry is from the Land Titles Registry and is derived from value-based (ad valorem) fees. Land Titles Registry revenue for the quarter was \$12.4 million, a decline of \$2.6 million or 18 per cent compared to the record fourth quarter in 2021. The decline was due to lower Land Titles Registry transaction volume, which decreased by 15 per cent in the fourth quarter, and lower high-value property registration revenue, which fell by 36 per cent.

Saskatchewan Land Registry Revenue, for the year ended December 31, 2022

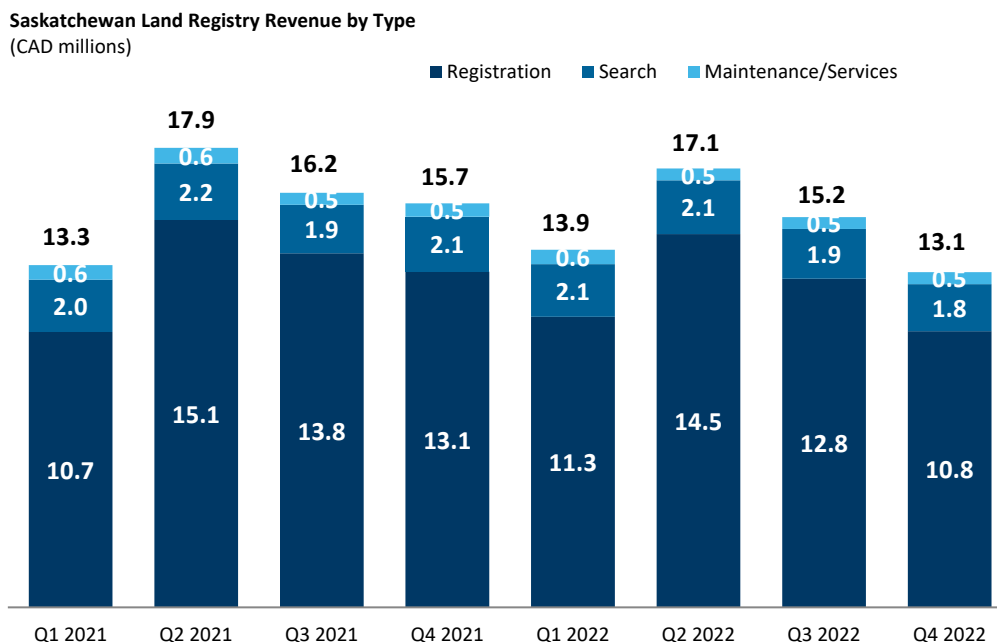


Saskatchewan Land Registry Revenue, for the year ended December 31, 2021

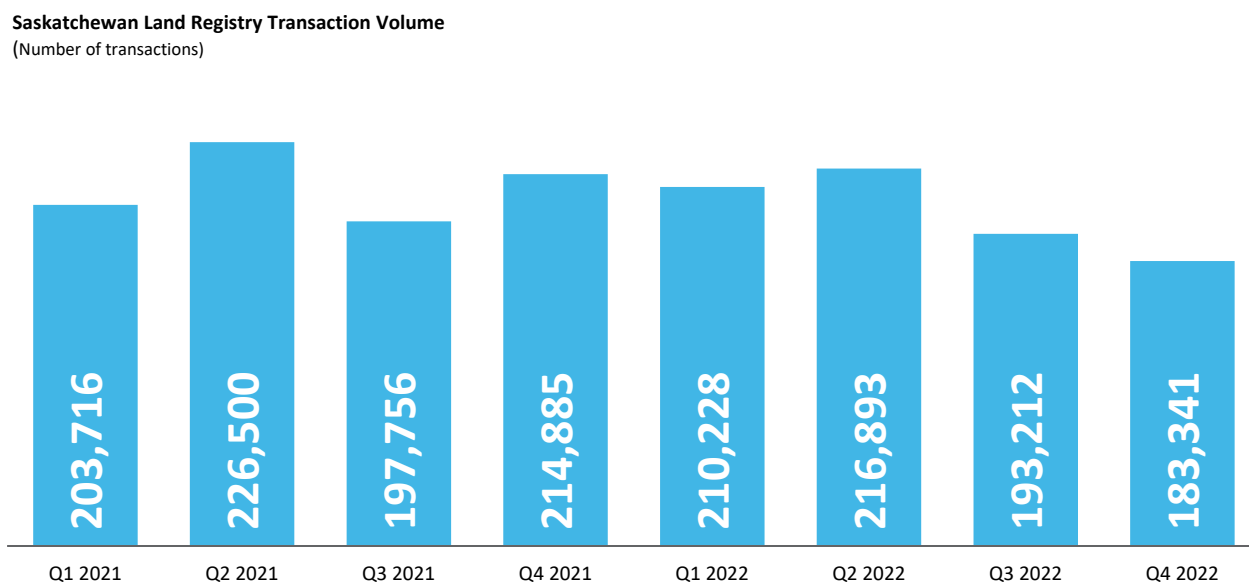


Note: Values may not add due to rounding.

The following graphs show the Land Registry revenue by type of transaction and the overall transaction volume, respectively. Typically, the second and third quarters generate the most revenue for the Land Registry. For more information on seasonality, refer to section 4 “Summary of Consolidated Quarterly Results”.



Note: Values may not add due to rounding.



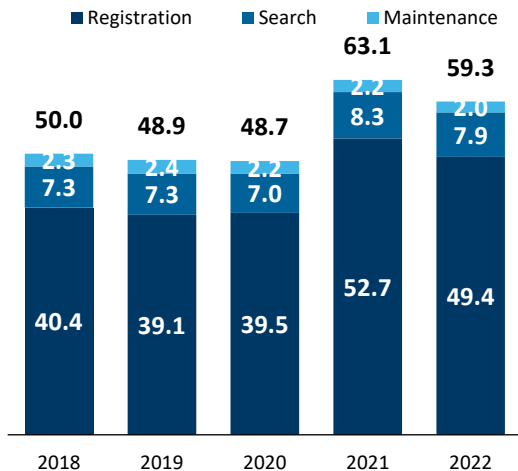
Revenue-generating transactions in the Land Titles Registry contracted by 15 per cent for the fourth quarter of 2022 when compared to a very strong fourth quarter in 2021, including a decline in the volume of title searches compared to the same period in 2021. Title searches make up the largest component of transaction volume, comprising 75 per cent of the volume for the registry during the quarter. Regular land transfers and mortgage

registrations volume also declined during the period, dropping by 17 per cent and 25 per cent, respectively, when compared to a stronger fourth quarter of 2021.

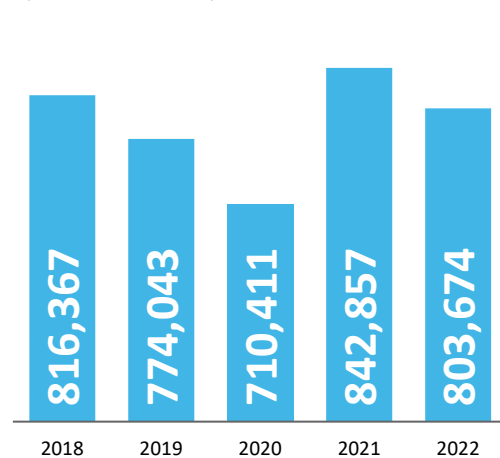
For the full year, Land Registry revenue was \$59.3 million in 2022, a decline of 6 per cent or \$3.8 million compared to the \$63.1 million recorded in 2021, mostly due to decreased activity in the real estate sector during the second half of 2022. Of that, Land Titles Registry revenue was \$56.5 million, down 6 per cent compared to \$60.1 million in 2021. This was mainly due to volume declines in regular land transfers and mortgage registration volume, which ended the year lower, down 12 per cent and 16 per cent, respectively. Title search volume also ended the year lower, down 4 per cent. As a result, overall transaction volumes dropped 4 per cent when compared to 2021. The decline in volume for the year was partially offset by an increase in the average land values for regular land transfers in 2022. It is, however, important to note that 2021 was an unusual year and consideration should be given to that when comparing 2022's results for the Land Registry to the prior year.

The following graphs present Land Registry results over the past five years to highlight historical trends, which includes the impact of the pandemic in 2020, the subsequent unusual performance in 2021 and the start of a return to normal, pre-pandemic conditions in the second half of 2022.

Saskatchewan Land Registry Revenue by Type for the year ended December 31,
(CAD millions)



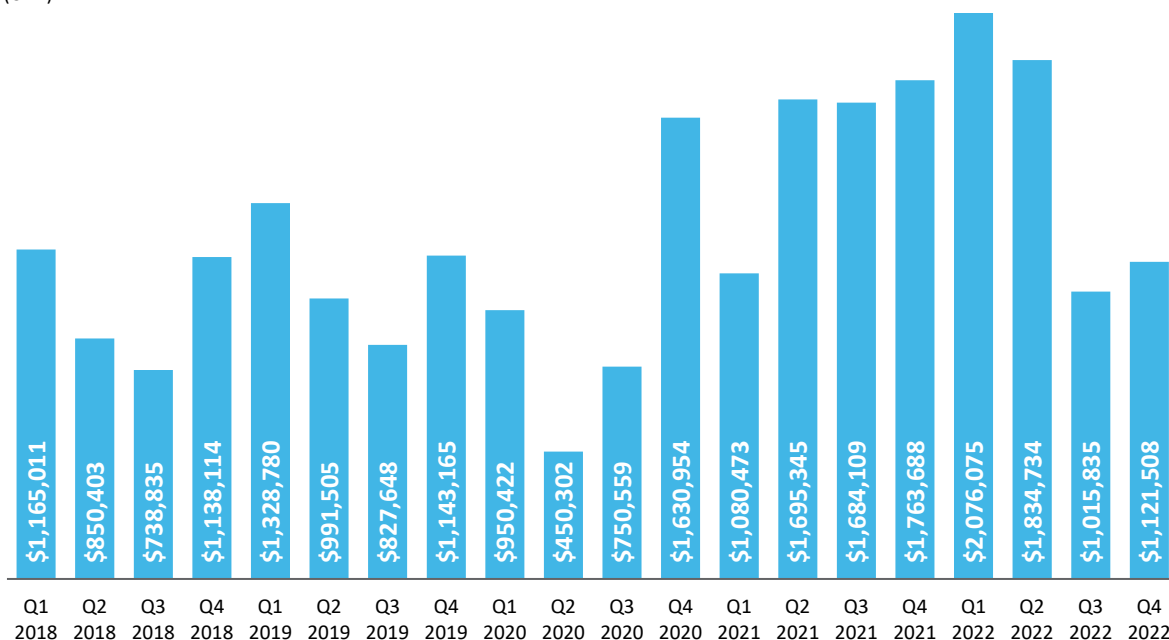
Saskatchewan Land Registry Transaction Volume for the year ended December 31,
(Number of transactions)



Note: Values may not add due to rounding.

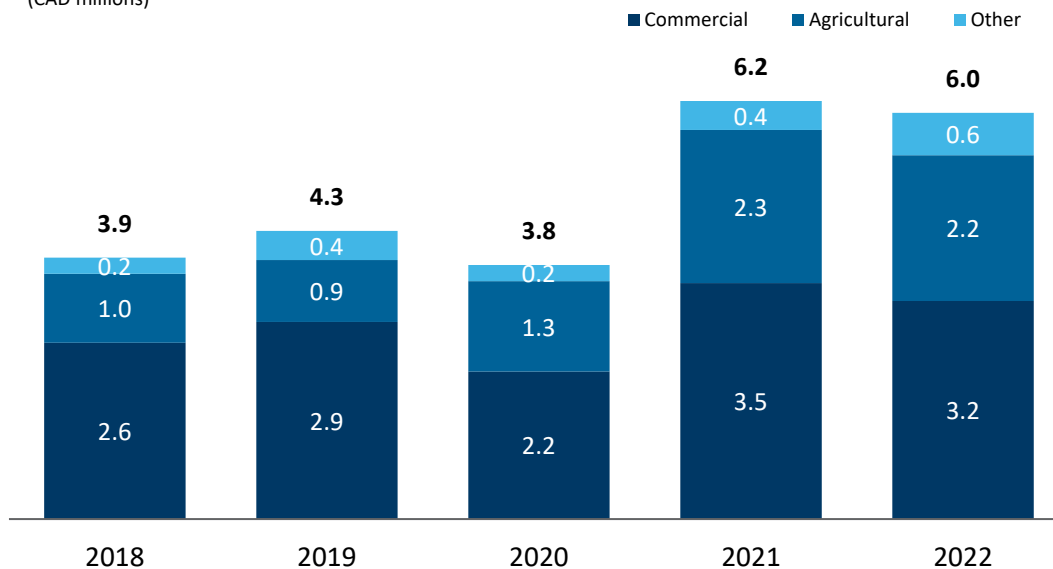
High-value property registration revenue declined to \$1.1 million during the last quarter of 2022, compared to \$1.8 million in the fourth quarter of 2021. Each high-value registration generates revenue of \$10,000 or more and is typically seen in both commercial and larger agricultural transactions. The graph below shows the last 20 quarters of high-value transaction revenue. As illustrated below, revenue from these transactions dropped during the last two quarters, coming down from the elevated levels we had experienced over the prior five quarters, but remained near historical averages. This is in keeping with our expectations of a return to pre-pandemic transaction levels.

Saskatchewan Land Titles Registry - High-Value Transaction Revenue
(CAD)



Annual high-value property registration revenue was \$6.0 million in 2022, the second-best year on record following 2021's record-setting \$6.2 million. The first half of 2022 saw records in both the first and second quarters, while the second half of the year saw revenue from these transactions return closer to historical pre-pandemic norms. The following graph presents the split of high-value transactions over the past five years between commercial, agricultural and other.

Saskatchewan Land Titles Registry - High-Value Transaction Revenue
(CAD millions)



Note: Values may not add due to rounding.

The main customers of the Land Registry include law firms, financial institutions, governments, surveyors, developers and resource companies as well as the general public. For 2022, the top 20 Land Registry customers encompassed just under 42 per cent of the revenue, and the top 100 Land Titles Registry customers made up about 78 per cent of revenue.

Saskatchewan Personal Property Registry

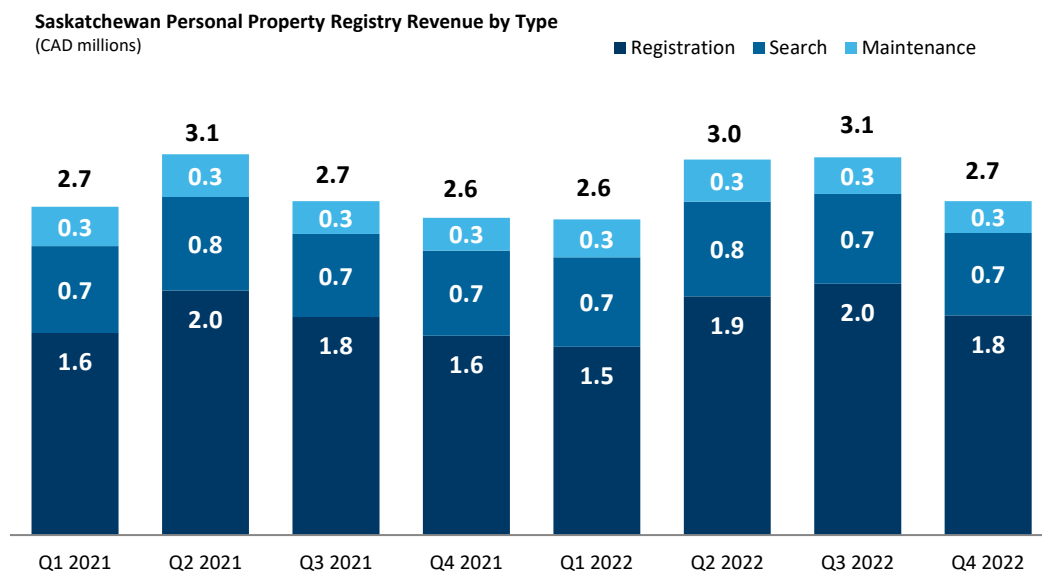
For the fourth quarter of 2022, revenue for the Personal Property Registry was \$2.7 million, up \$0.1 million or 5 per cent compared to \$2.6 million from the same quarter in 2021. Overall volume was down 1 per cent during the period when compared to the same period of 2021. Revenue grew at a faster pace as a result of Saskatchewan CPI pricing adjustments that were implemented in July 2022.

Supply chain challenges, especially semiconductor shortages, had a negative impact on new motor vehicle supply and sales throughout Canada in 2022. Saskatchewan was not immune to this trend with sales in the province below historical averages, particularly early in the year. However, Saskatchewan has outperformed the national trend in more recent months. The stronger new motor vehicle market has been a factor driving registration volume to rise by 3 per cent during the last quarter of 2022 when compared to the same period in the prior year. Accordingly, registration revenue saw an increase in the fourth quarter, up by 10 per cent compared to 2021. Registration revenue grew at a greater rate than volume due to pricing changes, despite average term-length for registrations dropping slightly when compared to the same quarter in 2021.

Search volume, which represented 63 per cent of the volume for the registry this quarter, decreased by 3 per cent during the quarter when compared to the same period in the prior year. As a result, search revenue also contracted by 3 per cent for the fourth quarter of 2022 compared to the same quarter in 2021.

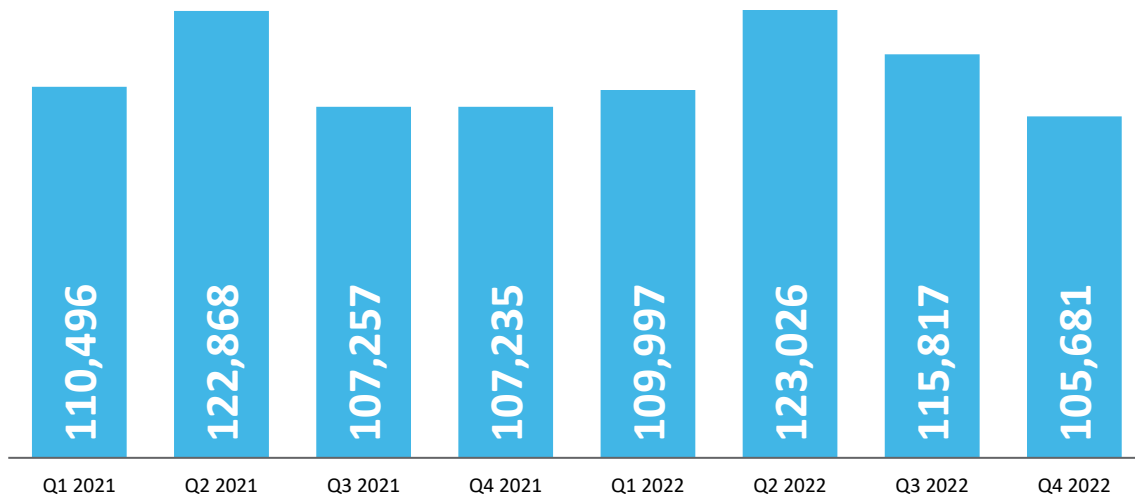
Maintenance revenue was flat in the fourth quarter while volume was flat compared to the same period in the prior year. This was due to a decline in average term-length for renewals of personal property security registrations during the quarter.

The pattern of seasonality for this registry typically has higher revenue during the second and third quarter each year, illustrated by the graph below.



Note: Values may not add due to rounding.

Saskatchewan Personal Property Registry Transaction Volume
(Number of transactions)

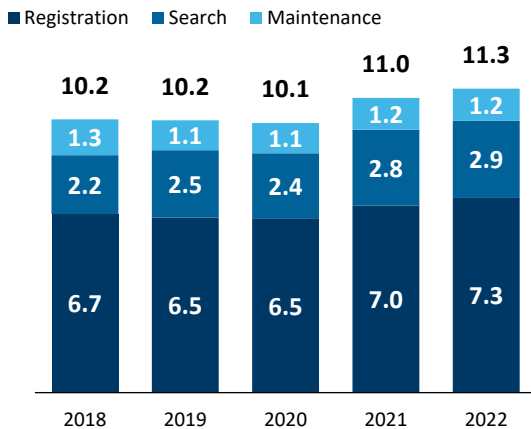


Annual revenue for the Personal Property Registry was \$11.3 million in 2022, an increase of \$0.3 million or 3 per cent compared to 2021. Overall volume for 2022 increased by 1 per cent compared to the prior year largely driven by search activity, which rose by 2 per cent. Registration volume experienced a modest increase of under 1 per cent in 2022 resulting from personal property security registration setup volume growing by 1 per cent in 2022 when compared to 2021. Maintenance volume was flat compared to the prior year.

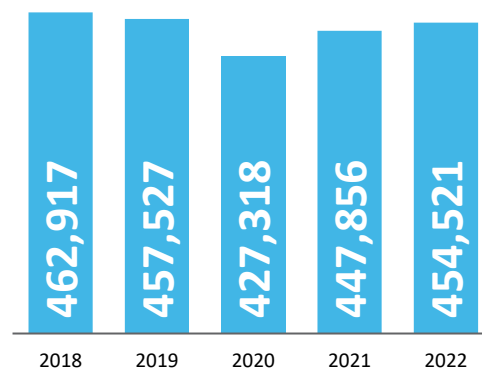
Pricing changes made in July 2022 resulted in a higher revenue growth rate than volume growth rate in 2022. Registration, search and maintenance revenue rose by 4 per cent, 2 per cent and 1 per cent, respectively. Average term-length for both personal property security registration setups and renewals saw a modest decrease in 2022 when compared to 2021.

The following tables present Personal Property Registry results over the past five years showing further trends, and the reduction in revenue and volume that COVID-19 contributed to in 2020. It also illustrates the recovery of volume during 2021 and 2022, despite volumes having been affected by supply chain issues impacting the availability of new vehicles during these years.

Saskatchewan Personal Property Registry Revenue by Type for the year ended December 31,
(CAD millions)



Saskatchewan Personal Property Registry Transaction Volume for the year ended December 31,
(Number of transactions)



Note: Values may not add due to rounding.

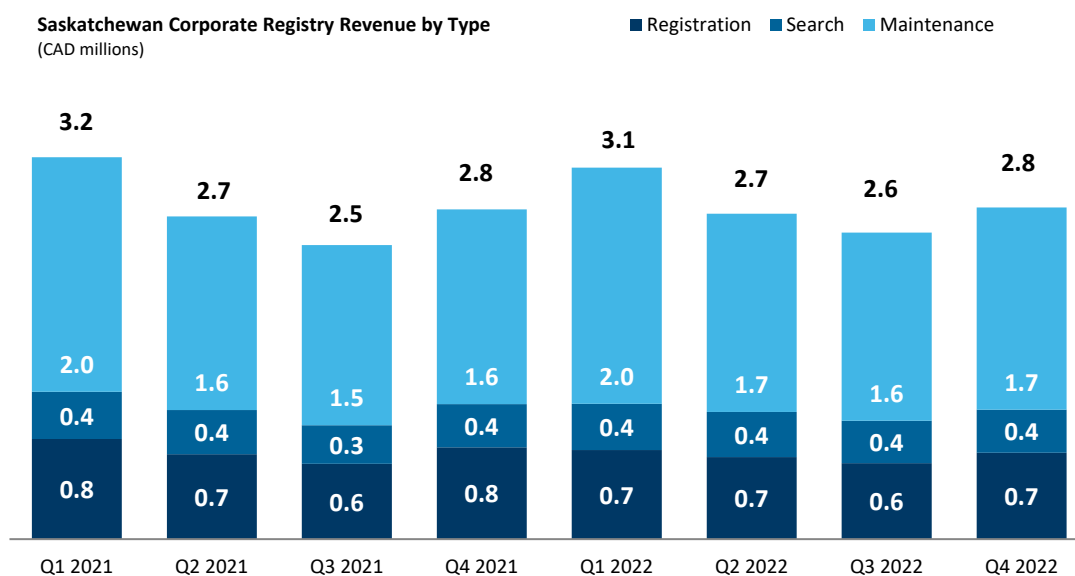
Customers of the Personal Property Registry are primarily in the financial sector but also include law firms. The top 20 Personal Property Registry customers accounted for about 84 per cent of the revenue in 2022, while the top 100 produced 95 per cent of the revenue.

Saskatchewan Corporate Registry

Revenue for the Corporate Registry for the fourth quarter of 2022 was \$2.8 million, essentially flat compared to the same period in 2021.

Registration revenue declined by 6 per cent compared to the same period in 2021 as a result of lower levels of new entity creation in the registry. Search revenue was flat for the fourth quarter. Maintenance revenue, the largest of the three revenue streams, was up 4 per cent, due to annual returns and renewals, which saw increases when compared to 2021, as well as a higher volume of entity amendments processed in the quarter.

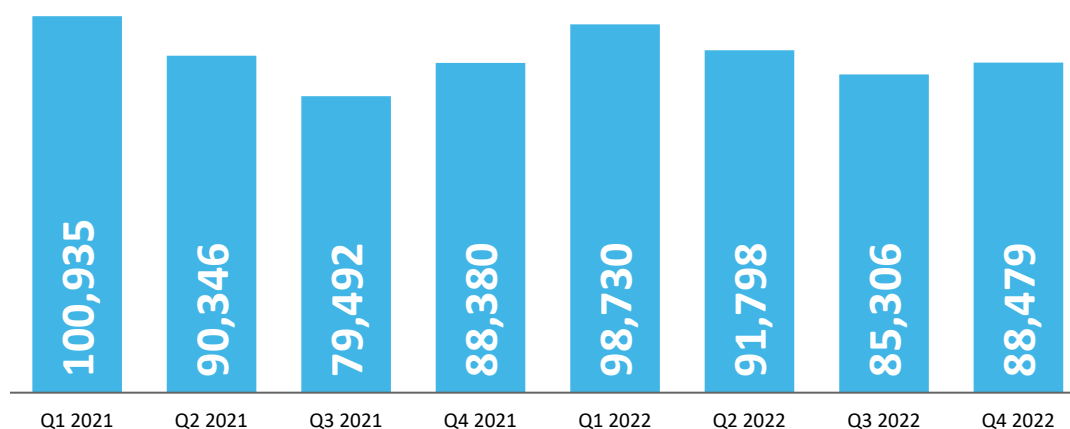
The following graph illustrates the Corporate Registry revenue by type of transaction. Quarterly revenue in this registry continues to mirror the usual pattern of seasonality, as seen below.



Note: Values may not add due to rounding.

The following graph shows the transaction volumes for the Corporate Registry by quarter.

Saskatchewan Corporate Registry Transaction Volume
(Number of transactions)



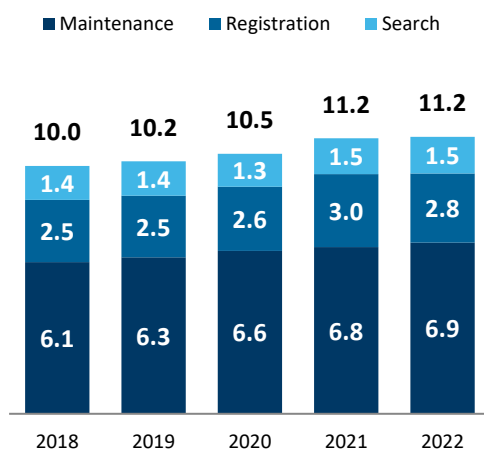
Transaction volumes for the fourth quarter were flat when compared to the same period in the prior year. The largest component of volume, search transactions, was flat compared to the fourth quarter of 2021. Registration volume fell by 5 per cent, while maintenance volume rose by 2 per cent compared to the same period in 2021.

For the full year, revenue for the Corporate Registry in 2022 was \$11.2 million, flat when compared with 2021. During 2022, registration revenue fell by 5 per cent when compared to 2021. More specifically, 2022 revenue from the incorporation and registration of new business entities dropped 4 per cent and drove registration revenue decline. This was offset by increases in search and maintenance revenue, up by 2 per cent and 3 per cent, respectively, when compared to 2021. Revenue from the filing of annual returns and renewals was up over 1 per cent for the year, which impacts maintenance revenue.

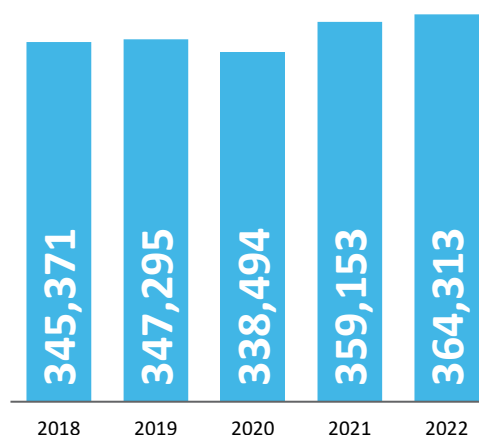
Annual transaction volume for 2022 rose by over 1 per cent compared to 2021. While registration volume dropped 7 per cent for the year, this was offset by search and maintenance volume growth of 3 per cent and 1 per cent, respectively, compared to the prior year.

The following graphs present Corporate Registry results over the past five years illustrating further trends.

Saskatchewan Corporate Registry Revenue by Type for the year ended December 31,
(CAD millions)



Saskatchewan Corporate Registry Transaction Volume for the year ended December 31,
(Number of transactions)



Note: Values may not add due to rounding.

As of December 31, 2022, there were 79,007 active Saskatchewan Business Corporations registered with the Corporate Registry compared to 77,329 as of December 31, 2021.

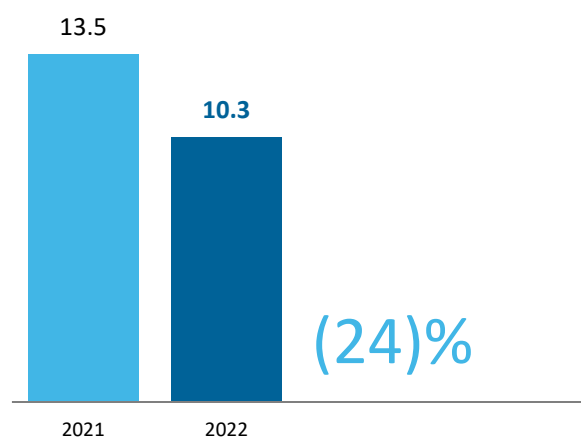
For the Corporate Registry, customers include law firms and companies in the financial sector, as well as the Government of Saskatchewan. They also include corporations, non-profit corporations, co-operatives and sole proprietorships that are, were or will be registered in the Corporate Registry. The top 20 Corporate Registry customers generated approximately 33 per cent of revenue for all of 2022 and the top 100 customers produced approximately 51 per cent of revenue.

Ontario Property Tax Assessment Services

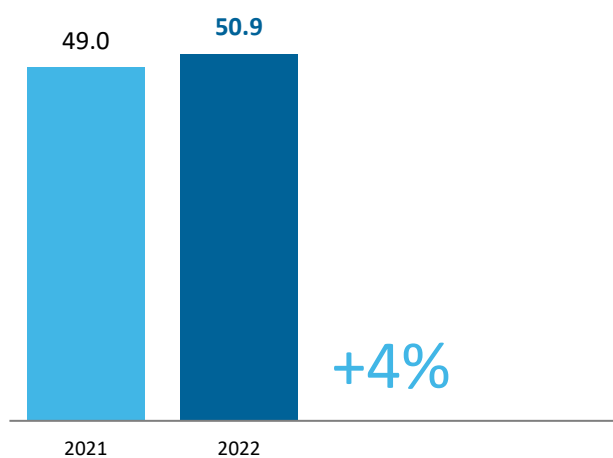
Revenue for OPTA Services in the fourth quarter was \$3.8 million. Year-to-date revenue since the acquisition of Reamined in June 2022 was \$8.9 million. The total revenue for each year of the agreement with the Province of Ontario is determined at the time of renewal and is paid monthly by the province to Reamined. Should the province request any change orders during the term of the contract, the revenue from any change order is based on the scope of work agreed to by the parties and is in addition to regular revenue.

REGISTRY OPERATIONS EXPENSES AND EBITDA

**Registry Operations EBITDA
for the three months ended December 31,**
(CAD millions)



**Registry Operations EBITDA
for the year ended December 31,**
(CAD millions)



(thousands of CAD)	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Revenue	\$ 22,605	\$ 21,076	\$ 91,721	\$ 85,567
Total expenses ¹	12,346	7,572	40,828	36,585
EBITDA	\$ 10,259	\$ 13,504	\$ 50,893	\$ 48,982

¹ Total expenses exclude interest, taxes, depreciation and amortization.

EBITDA for Registry Operations for the fourth quarter was \$10.3 million, down 24 per cent compared to the same period in the prior year and was \$50.9 million for the full year, an increase of 4 per cent compared to \$49.0 million in 2021.

The increase in expenses in the fourth quarter of 2022, resulted from an increase in corporate allocations of \$2.3 million during the quarter primarily related to share-based compensation resulting from an increase in the Company's share price and the addition of Reamined expenses of \$2.2 million.

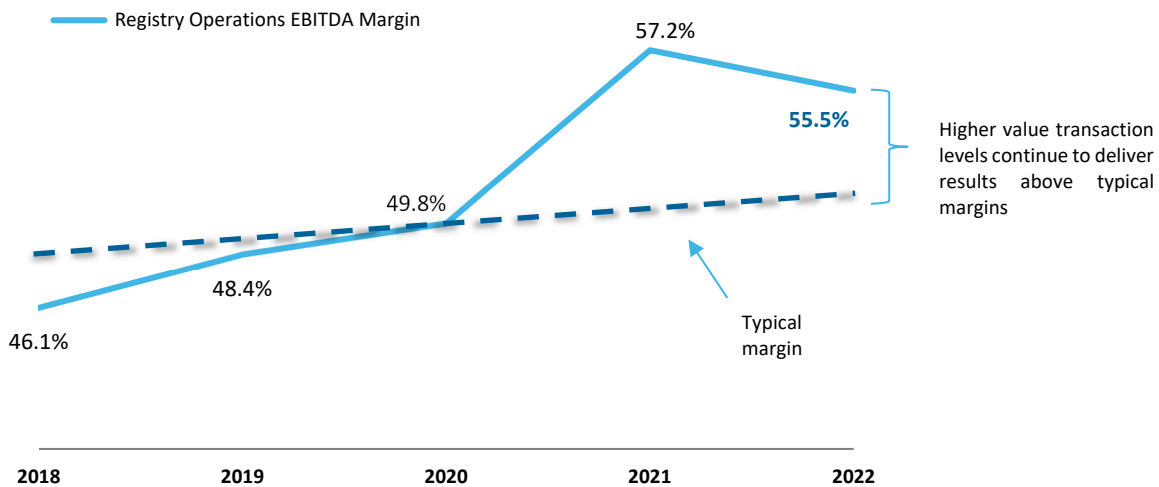
EBITDA for the quarter declined due to a reduction in revenue from the Land Registry as Land Registry transaction volumes and high-value transactions trended more towards historical pre-pandemic levels following two years of

historically high levels. Added to this was an increase in corporate allocations offset by EBITDA contributed by Reamined of \$1.6 million for the quarter. Registry Operations continued to manage expenses for its Saskatchewan operations where costs remained flat year-over-year.

For the year, EBITDA has increased due to contributions from the new Ontario Property Tax Assessment Services offering acquired through the Reamined acquisition of \$4.1 million, supplemented by a reduction in share-based compensation due to a decline in the Company’s share price during the year compared to an increase in share price during the prior year. These increases have been partially offset by a reduction in Land Registry revenue as Saskatchewan real estate activity began to trend towards historical pre-pandemic levels in the last half of 2022.

Registry Operations EBITDA, which continues to be above historical levels, remains a major contributor to consolidated EBITDA. This is due to a combination of a robust Saskatchewan real estate market leading to higher transaction values, increased high-value transactions in the first two quarters of 2022 and slightly higher transaction volumes in the Land Registry over the past two years combined with the acquisition of Reamined in June 2022. While we expect to see continued strength in Registry Operations’ EBITDA margin, we anticipate it to continue to trend closer to historical pre-pandemic levels in the future.

**Registry Operations EBITDA Margin
for the year ended December 31,**



3.2 Services

Services delivers solutions uniting public records data, customer authentication, corporate services, collateral management, asset recovery and accounts receivable management to support registration, due diligence and lending practices of customers across Canada.

Our offerings are generally categorized into three divisions, namely Corporate Solutions, Regulatory Solutions and Recovery Solutions. The table below sets out the various offerings provided by the Services segment.

Category	Offering	Software	Products
Corporate Solutions	Incorporation Services	<i>Registry Complete</i>	Nationwide Business Name Registration and Renewals Security Filings and Registrations
	Corporate Supplies	<i>Registry Complete</i> Custom in-house	Minute Books Seals and Stamps Corporate Legal Packages
Regulatory Solutions	Know-Your-Customer ("KYC") and Due Diligence	<i>Registry Complete</i> SIDni®, AttestNet® LEV®	Individual Identification Legal Entity Validation Beneficial Ownership Validation Account Onboarding Services US and International Corporate Entity Validation Corporate Profile or Business Name Searches NUANS ¹ Searches Real Estate Searches Vital Statistics Searches
	Collateral Management	<i>Registry Complete</i>	PPSA ² /RDPRM ³ Search and Registrations Bank Act Filing Notice of Security Interest (Fixture) Registrations US UCC ⁴ Search and Filings
Recovery Solutions	Asset Recovery	Repo>>Connect <i>Recovery Complete</i>	Fully managed service across Canada Identification, retrieval and disposition of movable assets
	Accounts Receivable Management	FACS ⁵ DRS ⁶	Early-stage collection activities Late-stage collection activities

Competition

Our competitors vary by market and geography. They primarily include other intermediaries and suppliers to lenders and legal professionals.

Corporate Solutions

Corporate Solutions captures revenue from nationwide search, business name registration and corporate filing services sold to legal professionals or the general public directly or indirectly through our government relationships. It also captures revenue from our corporate supplies business. Our customers include legal professionals, the consumer market and the general public.

¹ A NUANS® report is a search that provides a comprehensive comparison of proposed corporate, business or trademark names with existing names already in use by other businesses and corporations. NUANS® name reports reserve the proposed name for 90 days, providing the time necessary to prepare and file incorporation, extra-provincial registrations, amalgamations or other relevant corporate filings.

² *Personal Property Security Act*.

³ Registre des Droits Personnels et Réels Mobiliers (translated as Register of Personal and Real Movable Rights).

⁴ Uniform Commercial Code.

⁵ Flexible Automated Collections System.

⁶ Debt Recovery System.

Incorporation Services

- Corporate Solutions provides a convenient, cost-effective method to incorporate businesses online or through our staff-assisted process. Leveraging our online technology platforms, Corporate Solutions services legal customers and the general public through a team of experienced law clerks in Ontario and Quebec.
- Currently, the Company holds one of the two exclusive licences, which allows us to access the Ontario Corporate Registry electronically on behalf of customers. Ontario has been transitioning to a new licensing model and launched the first phase of its new public portal on October 19, 2021. The Company expects to continue to hold one of the two exclusive licences until Ontario begins to roll out the partner portal (which may begin in the first half of 2023). We believe that our strong customer service supported by the industry leading *Registry Complete* platform will allow us to differentiate our service from the public portal. The Company also has non-exclusive licences to do the same in all other provincial and federal (Corporations Canada) corporate registries across Canada.
- In addition to incorporations, various other corporate filings are often required to operate a business. These items include amendments to a company's governing articles, amalgamations, the continuance of a company, a change in registered address or changes to a board of directors. Corporate Solutions also provides online and real-time NUANS® and business name searches, registered agents of service and corporate document preparation to assist in the organization and maintenance of a business.

Corporate Supplies

- Corporate Solutions provides a comprehensive array of corporate supplies to help companies organize and maintain their corporate legal documents. This is primarily done through the most common corporate supplies in packaged or individual formats, including customized corporate minute books, corporate seals/embossers, by-laws and share certificates, as well as a large variety of rubber and self-inking stamps.

Regulatory Solutions

Regulatory Solutions captures revenue from our KYC, collateral management and general due diligence service offerings. The Company uses its proprietary platform to assist customers with intuitive business rules and advanced automation to deliver regulatory services to support their credit/banking and legal processes. Public registry data is leveraged to provide insights and improved customer experience through a single technology. All our technology is supplemented with deep subject-matter knowledge offered through our legal professionals in three locations (Montreal, Que.; Toronto, Ont.; and Vernon, B.C.).

Our newest technology platform, *Registry Complete*, is a unified and streamlined platform that enables legal organizations to search and register with the various ministries across Canada in a secure cloud-based environment. This enhanced service allows legal organizations to take advantage of expanded Application Programming Interface ("API") service offerings, improved tools, faster turnaround, and a greater array of services in the pursuit of exceptional and expedient due diligence checks and customer service. It also addresses key operational gaps in the modern legal industry landscape.

Our customers include non-legal customers, such as financial institutions and auto and equipment finance companies.

Know-Your-Customer ("KYC") and Due Diligence

- Regulatory Solutions supports legal and financial institution due diligence activities for compliance purposes through the KYC verification (corporate and individual), public records search and registration services across Canada. Customers can obtain numerous reports and intelligence to verify and authenticate customer data to comply with their internal customer onboarding policies mandated by FINTRAC¹/Anti-Money Laundering

¹ Financial Transactions and Reports Analysis Centre of Canada.

regulations. Using a web-based tool and associated APIs that provide real-time access to validate and verify an individual's or a business' existence, our KYC service aggregate information from multiple trusted sources to provide reliable and accurate identification of an individual and/or a business and its principals.

- Our public records search offerings include corporate profiles, business name searches, NUANS®, PPSA searches, security searches and real estate searches.
- Due diligence is an essential component of most merger and acquisition and financing transactions, where searches are performed to obtain a complete understanding of all legal obligations associated with a person or business. During a due diligence undertaking, law firms, lenders and/or other professional advisors will often order a series of public records searches to verify third-party information. These searches are commonly referred to as security (or securities) searches.
- Regulatory Solutions provides security searches that can be conducted against an individual, business or corporation, property and assets across the country. Searches will reveal both present and historical information relating to debts and liabilities, pending and potential lawsuits, bankruptcy, liens, judgments, and sales of assets across Canada.
- Regulatory Solutions also provides account onboarding services, which has expanded to include customer care following the acquisition of UPLLevel.

Collateral Management

- To ensure or to perfect a security interest against the personal property of a debtor, secured parties need to register in the statutory registry under the applicable personal property legislation. Registering provides the secured party with statutory protection and priority against other parties with competing security interests against the applicable movable collateral. Once a secured party has been paid out, or the security against the debtor is otherwise terminated, registrations (or liens) are then discharged and removed from the applicable security legislation.
- Regulatory Solutions services the adjudication and completes the loan fulfilment process, which involves detailed searches and registrations to be completed to perfect the security interest. The Company has invested in technology, processes and innovation to ensure customer and industry digitization strategies are supported. This allows us to offer a complete lien registry solution that reaches further than the traditional registry submission services and includes PPSA/RDPRM searches and management, fixture filings, garage/repair liens and US UCC filings.

Recovery Solutions

Recovery Solutions offers a fully managed asset recovery service accompanied by accounts receivable management services for our customers. Recovery Solutions allows us to offer our customers a complete solution in the credit life cycle, from origination to recovery. By connecting the registrations from our other offerings to our Recovery Solutions offering, our customers can leverage our lien registry services platform to optimize an early-stage portfolio assessment to validate the borrower's identity and ensure that their security on the asset in their portfolio is perfected.

Our customers include most of the major banks as well as credit unions and other creditors.

Asset Recovery

- Recovery Solutions offers a fully managed service across Canada, which aids in facilitating and co-ordinating asset recovery on behalf of our customers. Asset recovery involves identification, retrieval and disposal of movable assets such as automobiles, boats, aircraft and other forms of portable physical assets used as collateral security for primarily consumer-focused credit transactions.

- Our customers enjoy a complete turnkey solution where our team manages every step in the asset recovery process, including co-ordinating bailiffs, investigators and auctions.
- Our process also allows us to increase recoveries through our superior supply chain management experience and performance management of bailiffs, investigators and auctions.

Accounts Receivable Management

- As a licensed collections agency, the Company performs recovery services related to past due accounts in both a first-party capacity representing our customers, and a third-party collections capacity.
- Our customers receive a complete collections solution where they can assign overdue accounts at any stage in the default process to be pursued in a manner that is respectful to all parties and that has delivered strong historical results.

Revenue

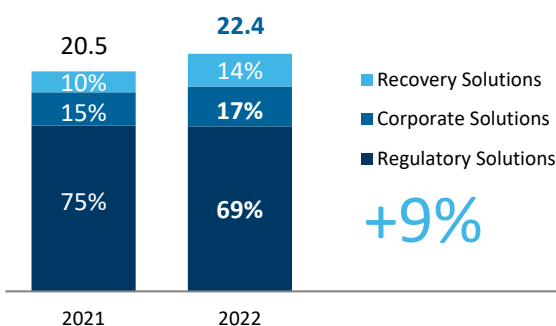
Revenue is earned through transaction fees for search and registration services provided through incorporation, KYC, public records and due diligence, and collateral management services. All government fees associated with the service are either embedded in the transaction or management service fee or charged in addition to the service transaction fee. Additional revenue is earned in Recovery Solutions through management fees and commissions earned by the provision of asset recovery and accounts receivable management services. Corporate supplies are charged a per-unit fee in the same manner as a retail transaction product.

Key drivers for our revenue include increased regulatory and compliance requirements; the growing trend towards outsourcing business processes and services to realize cost savings and focus on core business activities; economic activity, that can affect credit lending, mergers, acquisitions, incorporations and various new business start-up activities; and economic conditions impacting consumer behaviour, which can affect the financing or default of new and used movable property in our collateral management and asset recovery business.

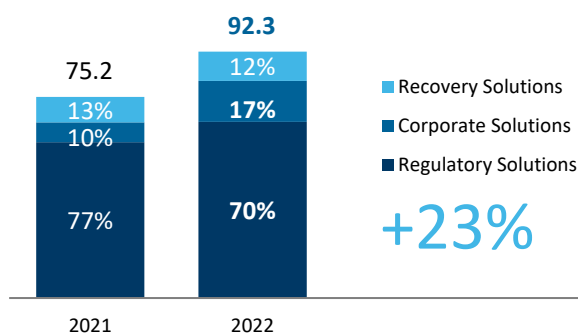
Our revenue in Corporate Solutions and Regulatory Solutions is reasonably diversified and has little seasonality; instead, it fluctuates in line with general economic drivers. In particular, our collateral management services experiences seasonality aligned to vehicle and equipment financing cycles, which are generally more robust in the second and fourth quarters. Recovery Solutions does not have specific seasonality, but is counter-cyclical to our other business in that it can perform better in poor economic conditions.

SERVICES REVENUE

Services Revenue for the three months ended December 31,
(CAD millions)



Services Revenue for the year ended December 31,
(CAD millions)



Note: Internal related parties and other revenue not displayed in graph. Values may not add due to rounding.

(thousands of CAD)	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Regulatory Solutions	\$ 15,410	\$ 15,485	\$ 65,863	\$ 58,263
Recovery Solutions	3,061	1,953	10,923	9,516
Corporate Solutions	3,725	3,111	15,275	7,386
Internal related parties and other	245	-	245	-
Services revenue	\$ 22,441	\$ 20,549	\$ 92,306	\$ 75,165

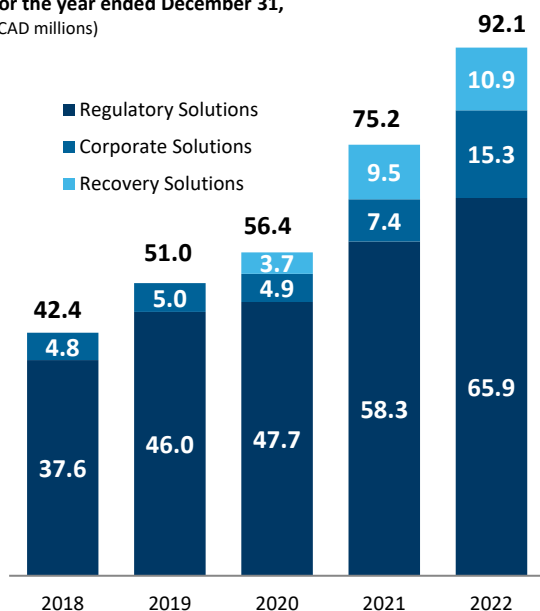
Revenue for Services was \$22.4 million for the fourth quarter of 2022, an increase of 9 per cent, or \$1.9 million compared to the same period in 2021, with increases in both the Corporate Solutions and Recovery Solutions divisions. The rise in Corporate Solutions revenue resulted from continued transaction and customer growth as customers find value in the *Registry Complete* platform. Recovery Solutions saw growth due to increased assignments from asset recovery customers as well as new accounts receivable management revenue following the acquisition of UPLLevel in February 2022. Total revenue contributed for the quarter by UPLLevel to Regulatory Solutions and Recovery Solutions totalled \$1.2 million.

On an annual basis, 2022 saw revenue rise by 23 per cent or \$17.1 million to \$92.3 million compared to the prior year's result of \$75.2 million. During the year, the Regulatory and Corporate Solution divisions continued to drive transaction growth, new customer acquisitions and enhanced uptake of new services by existing customers. During 2022, customers have continued to transition from our legacy platform to our leading *Registry Complete* platform resulting in these customers being able to access additional value-added services. The response from customers continues to be extremely positive and has led to an increase in revenue. Recovery Solutions has also experienced growth year-to-date due to additional revenue from UPLLevel's accounts receivable management business. The accounts receivable management service offering synergizes with our asset recovery services to provide our customers with a full end-to-end recovery solution, and we continue to invest in further integration technologies to optimize the Recovery Solutions service offering. Total revenue contributed by UPLLevel during the year in both Regulatory and Recovery Solutions totalled \$5.6 million. In addition, during the year, the Company has reviewed its fee structure for all users including casual users and is making appropriate adjustments as contracts are renewed to offset inflationary costs.

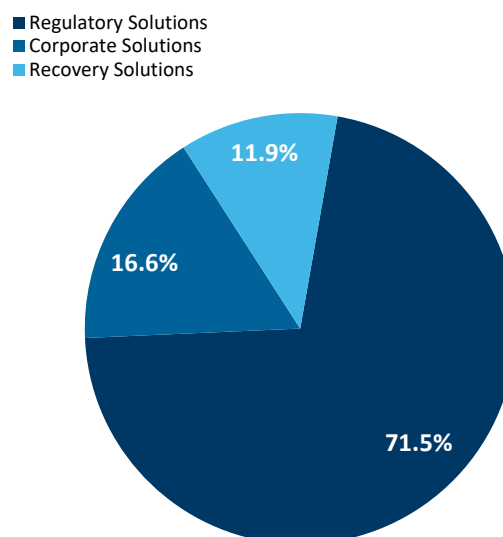
A portion of the year-over-year increase in revenue in Regulatory Solutions and Corporate Solutions relates to changes in the accounting method for revenue from net to gross as customers were transitioned to *Registry Complete*, where they are able to access more value-added services. This resulted in an increase in revenue of \$5.4 million year-over-year along with corresponding increases in cost of goods sold and therefore no impact on net income or EBITDA. The impact of this change to the fourth quarter of 2022 was not significant as transitioning commenced in the third quarter of 2021.

The following table demonstrates the growth in Services revenue over the past five years. The year-over-year revenue increases are the result of organic growth combined with the acquisition of various value add businesses. Additionally, \$5.4 million of the increase in 2022 related to the change in accounting method for revenue from net to gross as customers transitioned from legacy systems to *Registry Complete*.

Services Revenue by Type
for the year ended December 31,
(CAD millions)



Services Revenue by Type
for the year ended December 31, 2022



Note: Internal related parties and other revenue not displayed in the graph. Values may not add due to rounding.

Regulatory Solutions

Revenue in Regulatory Solutions for the last quarter of 2022 was \$15.4 million, a modest decline of \$0.1 million compared to the same period in 2021. This decline in revenue follows the economic tightening throughout most of 2022, which is beginning to impact some customers offset by new Regulatory Solutions revenue contributed by UPLLevel during the quarter of \$0.7 million. As previously stated, the accounting impact of the transition of customers to *Registry Complete* did not have an impact this quarter. Revenue for the year was \$65.9 million, an increase of 13 per cent or \$7.6 million compared to \$58.3 million in 2021. Year-to-date revenue grew due to transaction growth, onboarding of new customers, expansion of additional services to existing clients and new revenue of \$3.6 million following the acquisition of UPLLevel in February 2022.

During 2022, \$1.3 million of the increase in revenue relates to changes in the accounting method for revenue from net to gross as customers migrated to *Registry Complete* where additional value-added services are available. This change resulted in an increase in revenue and a corresponding increase in the cost of goods sold, with no change in EBITDA.

Recovery Solutions

Revenue in Recovery Solutions for the fourth quarter of 2022 was \$3.1 million, an increase over the same period in 2021 of \$1.1 million or 57 per cent. The growth for the quarter is attributed to additional revenue from UPLLevel's accounts receivable management business of \$0.6 million in revenue, along with an increase in asset recovery revenue driven by increased assignments received throughout the quarter compared to 2021.

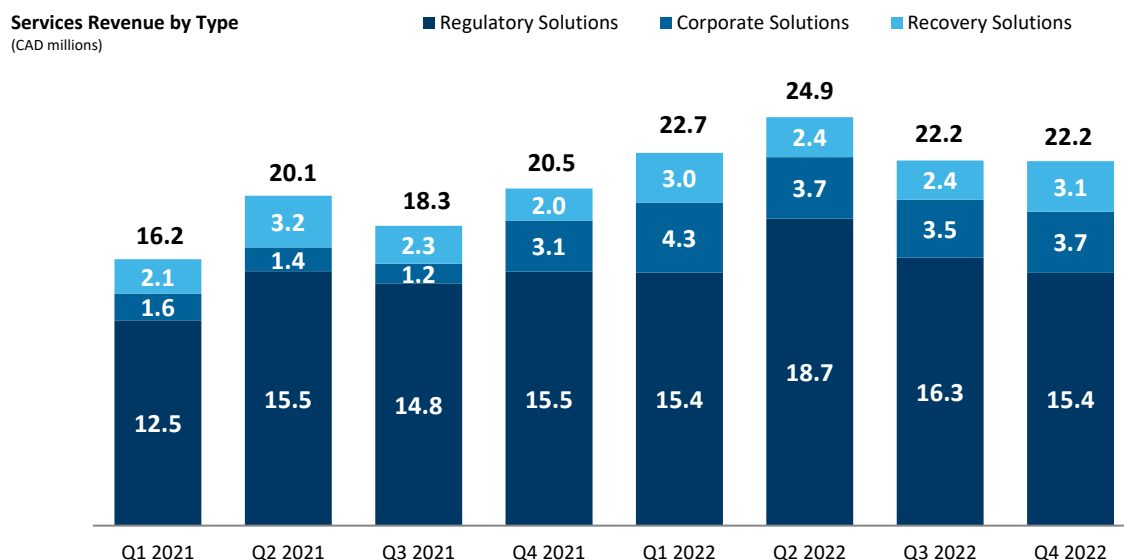
On an annual basis, revenue in 2022 was \$10.9 million compared to \$9.5 million in 2021, an increase of 15 per cent or \$1.4 million. The increase is due to the accounts receivable management revenue of \$2.0 million year-to-date from UPLLevel, which was partially offset by lower-than-expected asset recovery revenue, where although there was an increase in assignments, redemption rates were higher throughout the year.

Corporate Solutions

Corporate Solutions revenue for the final quarter of 2022 was \$3.7 million, increasing by 20 per cent or \$0.6 million compared to \$3.1 million in the fourth quarter of 2021. Annual revenue was \$15.3 million compared to \$7.4

million in 2021, an increase of 107 per cent. This increase for the quarter and year-to-date is due to the onboarding of new customers, accompanied by the addition of corporate filing products to *Registry Complete* and the transitioning of existing customers from our legacy platform to *Registry Complete*, where revenue is now recognized on a gross instead of net basis due to additional services being provided. While this change in accounting treatment did not impact the fourth quarter of 2022, it accounted for \$4.1 million of the increase during the year to both revenue and cost of goods sold with no impact to net income or EBITDA.

Our Services revenue by division is shown in the following graph.

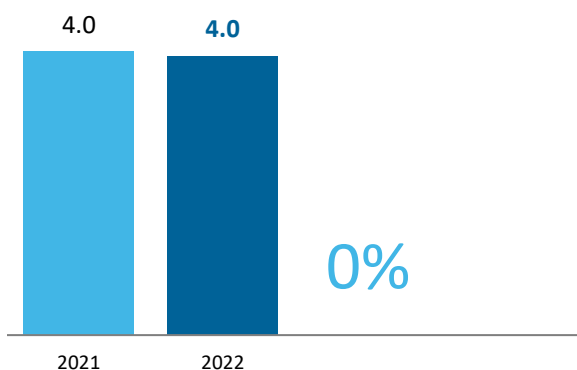


Note: A change was made to the categorization of revenue between Regulatory and Recovery Solutions, resulting in previously reported values for the quarter ended June 30, 2022 being edited. Internal related parties and other revenue not displayed in graph. Values may not add due to rounding.

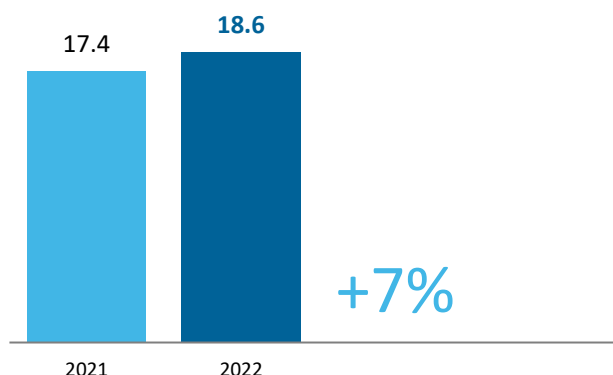
The top 20 Services customers for all of 2022 accounted for almost 63 per cent of the revenue, while the top 100 Services customers covered 80 per cent of revenue. No single customer accounted for more than 25 per cent.

SERVICES EXPENSES AND EBITDA

Services EBITDA
for the three months ended December 31,
(CAD millions)



Services EBITDA
for the year ended December 31,
(CAD millions)



(thousands of CAD)	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Revenue	\$ 22,441	\$ 20,549	\$ 92,306	\$ 75,165
Total expenses ¹	18,458	16,515	73,711	57,788
EBITDA	\$ 3,983	\$ 4,034	\$ 18,595	\$ 17,377

¹ Total expenses exclude interest, taxes, depreciation and amortization.

EBITDA for Services was \$4.0 million for the quarter, flat compared to the fourth quarter of 2021. Services EBITDA for the year was \$18.6 million compared to \$17.4 million in 2021. The 2022 full-year increase was due to the increased revenue from transaction and customer growth through the year, supplemented by *Registry Complete* providing additional services to existing and new Regulatory and Corporate Solutions clients. This growth in revenue was partially offset by additional people and information technology investments to support this growth, *Registry Complete*, and additional expenses related to the acquisition of UPLevel.

Services expenses were \$18.5 million for the quarter compared to \$16.5 million in the fourth quarter of 2021. For the year, expenses were \$73.7 million compared to \$57.8 million in 2021. The increase in expense for the quarter was primarily due to incremental expenses from the new UPLevel business and by increased people and information technology investments to support business growth. For the year, the increase was due to the same referenced items for the quarter as well as increased cost of goods sold related to both the increase in revenue and change in accounting treatment for revenue recognition due to additional services being provided to customers as they migrated from legacy systems to *Registry Complete*.

As we have transitioned customers to *Registry Complete* where additional services are being provided, we have changed the accounting treatment of these revenues and expenses to be on a gross instead of net basis. While this has increased revenue and cost of goods sold with no impact on EBITDA, this change has reduced consolidated EBITDA margin for the year-to-date. While there was no notable impact from this adjustment during the fourth quarter of 2022, the impact for the full year is \$5.4 million.

3.3 Technology Solutions

Technology Solutions provides the development, delivery and support of registry (and related) technology solutions, generating revenue through the following:

- sale of software licences related to our technology platforms;
- provision of technology solution definition and implementation services; and
- provision of monthly hosting, support and maintenance services.

We offer RegSys — a complete registry solution that provides a readily transferable technology platform capable of serving a wide range of registry needs. RegSys is a multi-register platform that delivers the flexibility, scalability and features that enable public sector organizations to deliver enhanced services to businesses and citizens.

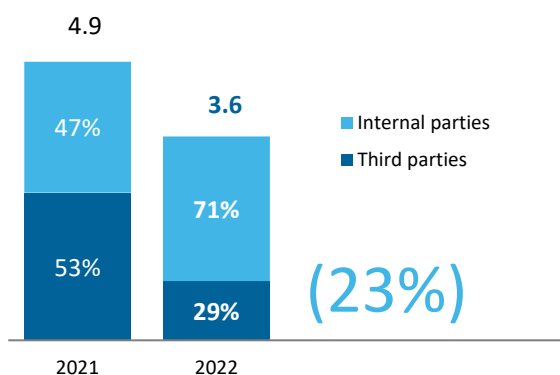
With a full suite of integrated modules that provide core functionality for submission, enforcement and inquiry processing, RegSys delivers solutions enabling the provision of core services to citizens in a user-friendly, efficient manner across multiple access points. The RegSys solution has also been used to manage other legal registers such as intellectual property, securities, licences, charities, UCC and pension schemes.

Competitors in this segment include other registry software providers that develop and provide software platforms to manage registries. On the technology services side, our competitors include all technology services organizations that provide application development, systems integration and/or application management services. This includes large multinationals or local niche players, both of which we can partner with to complement our offering depending on the customers' needs.

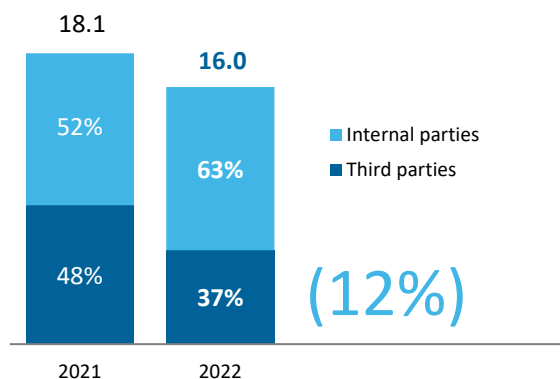
Technology Solutions does not experience seasonality but does fluctuate due to the timing of project-related revenue.

TECHNOLOGY SOLUTIONS REVENUE

**Technology Solutions Revenue
for the three months ended December 31,**
(CAD millions)



**Technology Solutions Revenue
for the year ended December 31,**
(CAD millions)



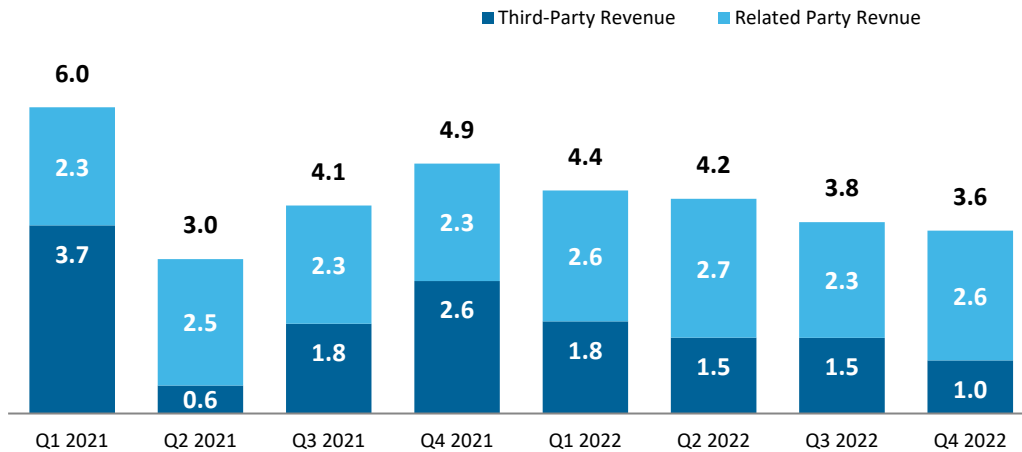
(thousands of CAD)	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Third parties	\$ 1,047	\$ 2,613	\$ 5,849	\$ 8,644
Internal related parties	2,560	2,317	10,168	9,475
Technology Solutions revenue	\$ 3,607	\$ 4,930	\$ 16,017	\$ 18,119

Revenue in Technology Solutions was \$3.6 million for the quarter, a decrease of \$1.3 million compared to \$4.9 million in the fourth quarter of 2021.

Revenue from third parties for the quarter decreased \$1.6 million compared to the fourth quarter of 2021 and decreased \$2.8 million for the full year compared to the same period in 2021. The decline in revenue in both the fourth quarter and the full year compared to the prior periods is attributable to fewer third-party revenue-generating opportunities due to the impact of COVID-19 delaying procurement activities. While we continue to see progress on solution delivery projects, certain milestones anticipated to be completed in the fourth quarter of 2022 have been delayed into 2023 due to customer delays and the need to rescope the respective projects. Revenue on our solution implementation projects will continue to be recognized in the quarters in which it is earned either through achievement of milestones or percentage of completion consistent with the revenue recognition method adopted for projects.

Internal related party revenue in any quarter is dependent on resources used or consumed internally, particularly in Registry Operations. Our intent is to continue to service the needs of internal customers as efficiently and effectively as possible, including the provision of service via related party resources; therefore, this figure may continue to fluctuate over time, particularly as we pursue additional third-party revenue.

Technology Solutions Revenue by Type
(CAD millions)



Note: Values may not add due to rounding.

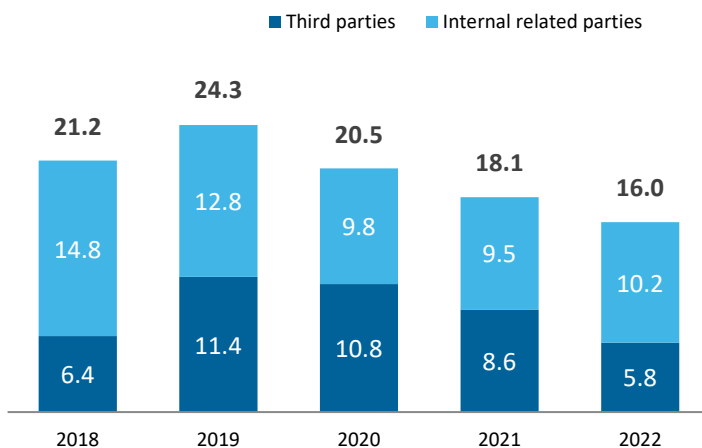
Revenue for the year was \$16.0 million, a decrease of \$2.1 million from \$18.1 million in 2021.

Revenue from third parties was \$5.8 million compared to \$8.6 million in 2021. Revenue from third parties decreased in 2022 versus 2021 resulting from continued delays in active solution delivery projects.

Internal related party revenue year-to-date increased as enhanced focus has been placed on integrating and supporting new acquisitions and heightening security across the organization.

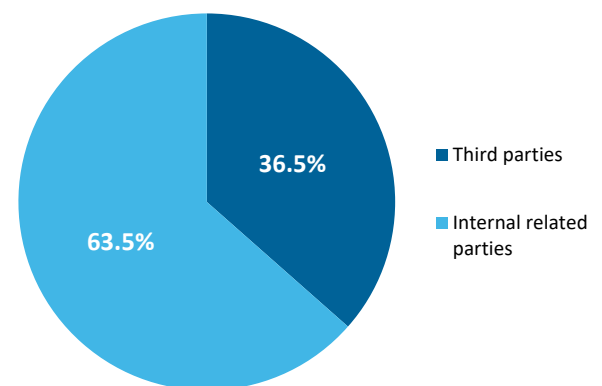
The following graphs provide details on Technology Solutions revenue over the past five years. Technology Solutions third-party revenue has been impacted by the COVID-19 pandemic through delays in active solution delivery projects, as well as new projects coming to market as governments around the world have focused on healthcare and pandemic measures.

Technology Solutions Revenue by Type
(CAD millions)



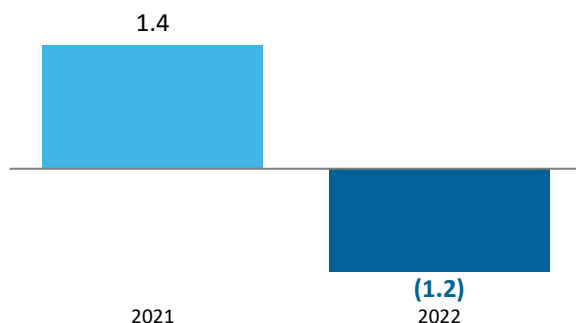
Note: Values may not add due to rounding.

Technology Solutions Revenue for the year ended December 31, 2022

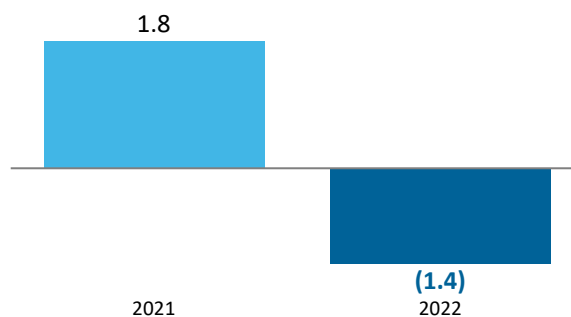


TECHNOLOGY SOLUTIONS EXPENSES AND EBITDA

**Technology Solutions EBITDA
for the three months ended December 31,**
(CAD millions)



**Technology Solutions EBITDA
for the year ended December 31,**
(CAD millions)



(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Revenue	\$ 3,607	\$ 4,930	\$ 16,017	\$ 18,119
Total expenses ¹	4,807	3,489	17,397	16,317
EBITDA	\$ (1,200)	\$ 1,441	\$ (1,380)	\$ 1,802

¹ Total expenses exclude interest, taxes, depreciation and amortization.

EBITDA for Technology Solutions for the quarter decreased \$2.6 million, and for the year decreased \$0.9 million, compared to the same period in 2021. EBITDA decreased for the quarter and the year primarily due to lower third-party revenue on solution implementation contracts combined with increased costs related to people and technology as increased resources are applied to complete outstanding solution delivery projects and less salaries are capitalized when compared to the fourth quarter of 2021 due to the phase of the projects. Additionally, EBITDA for the quarter was further impacted by an increase in share-based compensation as a result of an increase in share price during the quarter compared to a decrease in the prior year period, thereby increasing corporate costs allocated to the segment.

For the quarter, Technology Solutions expenses were \$4.8 million, an increase of \$1.3 million from \$3.5 million for the fourth quarter in 2021. Technology Solutions expenses were \$17.4 million for the year, an increase of \$1.1 million from \$16.3 million in 2021.

3.4 Corporate and other

Corporate and other includes expenses related to our corporate activities and shared services functions. The Company previously included eliminations of Inter-segment revenue and costs in Corporate and other. These are now presented separately in the Financial Statements and therefore excluded below. Management believes this format provides a more transparent representation of the Corporate and other activities.

Following the acquisition of Regulis on December 20, 2022, the Company has included Regulis within the Corporate segment until it commences operations. Regulis holds a contract under the Luxembourg Rail Protocol of the Cape Town Convention which provides it the exclusive right and obligation to develop, deliver and operate the International Registry for Railway Rolling Stock for a period of 10 years from the date the registry goes live as defined in the Luxembourg Rail Protocol. The acquisition will continue to expand the Company's portfolio of services and solutions to help improve the delivery of modern registry services by and for governments and intergovernmental and private organizations.

(thousands of CAD)	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Third parties	\$ 11	\$ -	\$ 19	\$ 3
Internal related parties	36	34	145	157
Corporate and other revenue	\$ 47	\$ 34	\$ 164	\$ 160
Total expenses ¹	2,281	1,397	7,342	7,789
EBITDA	\$ (2,234)	\$ (1,363)	\$ (7,178)	\$ (7,629)

¹ Total expenses exclude interest, taxes, depreciation and amortization.

EBITDA decreased compared to the same quarter in 2021, as a result of an increased staffing complement to support delivery on corporate strategy, accompanied by an increase in share-based compensation in the current quarter as a result of an increase in the Company's share price during the quarter compared to a decrease in the prior year quarter.

For the year, share-based compensation expense was lower than the prior year increasing EBITDA due to a decline in the Company's share price year-over-year. This was partially offset by increased people and technology costs across the corporate supporting business units to prepare the business for growth.

4 Summary of Consolidated Quarterly Results

The following table sets out select quarterly results for the past eight quarters. As outlined earlier, Registry Operations experiences moderate seasonality, primarily because Land Registry revenue fluctuates in line with real estate transaction activity in Saskatchewan. Typically, the second and third quarters of the fiscal year generate higher revenue, as that is when real estate activity is traditionally highest. OPTA Services revenue earned through Reamined does not experience seasonality, as revenue is recognized evenly throughout the year as per the agreement with the Province of Ontario.

In Services, our Corporate Solutions and Regulatory Solutions revenue is relatively diversified and has little seasonality; instead, it fluctuates in line with general economic drivers. Some smaller categories of products or services can have some seasonal variation, increasing slightly during the second and fourth quarters. In particular, our collateral management services experience seasonality aligned to vehicle and equipment financing cycles, which are generally stronger in the second and fourth quarters. Our Recovery Solutions revenue also does not have specific seasonality, but is counter-cyclical to our other business, in that it can perform better in poor economic conditions.

The Company has observed that its historical pattern of seasonality in Registry Operations, and to some degree in Services has been impacted due to the COVID-19 pandemic. Although current year trends support historical patterns, at this time, we are uncertain if or when seasonality will fully return to historical patterns.

Technology Solutions does not experience seasonality; however, this segment is impacted by the timing of procurement activities largely undertaken by governments around the world. While this was impacted by COVID-19, we have seen an increase in procurement activities over the past two quarters.

The balance of our corporate activities and shared services functions do not experience seasonality. Expenses are generally consistent from quarter to quarter but can fluctuate due to the timing of project-related or acquisition activities. As a result, our EBITDA margin fluctuates in line with the cumulative impact of the above factors.

(thousands of CAD)	2022				2021			
	Q4	Q3	Q2	Q1	Q4	Q3 (restated) ¹	Q2 (restated) ¹	Q1 (restated) ¹
Revenue	\$ 46,104	\$ 48,768	\$ 50,870	\$ 44,153	\$ 44,238	\$ 41,369	\$ 44,623	\$ 39,148
Expenses	39,396	36,922	33,919	33,463	29,775	27,269	34,626	30,954
Net income before items noted below	6,708	11,846	16,951	10,690	14,463	14,100	9,997	8,194
Net finance (expense)	(1,038)	(1,038)	(666)	(435)	(482)	(661)	(737)	(793)
Income before tax	5,670	10,808	16,285	10,255	13,981	13,439	9,260	7,401
Income tax expense	(1,721)	(3,052)	(4,628)	(2,848)	(3,695)	(3,706)	(2,749)	(1,853)
Net income	\$ 3,949	\$ 7,756	\$ 11,657	\$ 7,407	\$ 10,286	\$ 9,733	\$ 6,511	\$ 5,548
Other comprehensive (loss) income	688	48	(310)	(448)	(262)	(4)	(37)	(759)
Total comprehensive income	\$ 4,637	\$ 7,804	\$ 11,347	\$ 6,959	\$ 10,024	\$ 9,729	\$ 6,474	\$ 4,789
EBITDA margin	23.4%	32.5%	40.2%	31.3%	39.8%	42.3%	30.4%	30.3%
Adjusted EBITDA margin	29.3%	34.9%	37.8%	33.0%	38.9%	41.8%	41.5%	37.8%
Earnings per share, basic	\$ 0.22	\$ 0.44	\$ 0.66	\$ 0.42	\$ 0.59	\$ 0.56	\$ 0.37	\$ 0.32
Earnings per share, diluted	\$ 0.22	\$ 0.43	\$ 0.65	\$ 0.41	\$ 0.57	\$ 0.54	\$ 0.36	\$ 0.31

¹ In the fourth quarter of 2021, the Company changed its accounting policy with respect to customization and configuration of Software-as-a-service arrangements.

5 Business Strategy

STRATEGIC PRIORITIES

ISC's strategy focuses on delivering value to shareholders through the consistent performance of its existing business and the execution of appropriate growth opportunities. The Company's strategy is delivered through three key segments:

- Registry Operations, which operates registries and provides related services on behalf of governments at various levels;
- Services, which delivers value-add services to the financial and legal sectors, utilizing public data and records; and
- Technology Solutions, which designs, implements and supports registry and regulatory technology solutions.

Through our segments, ISC's strategy is executed with the intent to:

- deliver leading registry and regulatory services and solutions to customers around the world through existing lines of business and potential extension into adjacent opportunities through innovation and/or acquisition;
- ensure an exceptional customer experience for those interacting with ISC's systems, people and information; and
- meaningfully grow revenue with continued emphasis on corresponding EBITDA growth.

ISC's strategy is influenced by a set of principles:



Long-term Orientation

Strategic focus on the sustainability of the business and the services we deliver



Growth

Attainable organic and inorganic growth available in the near-term



Innovation

Innovation for growth/competitiveness and extension into new verticals is key given Canadian and global market limitations



Values and Differentiation

Laser focus on quality of service delivery and how we treat our customers and employees remains at the core

We regularly review and adjust our strategy to ensure that the Company remains well positioned in the long term, while being adaptable to near-term factors. Our objective is to consistently execute transactions that fulfil our fundamental acquisition criteria for opportunities that add products, services or competencies that align with our strengths and where we can add value while augmenting our strong free cash flow and EBITDA profile.

6 Financial and Capital Management

6.1 Cash flow

Our primary source of operating cash flow is generated from revenue related to the Registry Operations and Services segments. Our primary uses of funds are operational expenses, capital and other growth-related expenditures, and the payment of dividends.

Historically, ISC has financed its operations and met its capital and finance expenditure requirements through cash provided from operating activities. The Company has also used borrowing to supplement cash generated from operations to finance acquisition activities. The Company believes that internally generated cash flow, supplemented by additional borrowing that may be available to us through our existing Credit Facility, will be sufficient to meet cash requirements, capital expenditures, merger and acquisition activity, and anticipated dividend payments (refer to Note 16 in the December 31, 2022 Financial Statements, which are available on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com for our existing Credit Facility).

Liquidity risk is managed based on financial forecasts and anticipated cash flow. The majority of cash is held with Canadian chartered banks and the risk of loss is believed to be minimal. As at December 31, 2022, the Company held \$34.5 million in cash compared to \$40.1 million as at December 31, 2021, a decrease of \$5.6 million.

The Company expects to be able to meet its cash requirements, including being able to settle current liabilities of \$39.6 million (December 31, 2021 – \$36.9 million) and meet any unanticipated cash requirements due to changes in working capital commitments. Such changes that would affect our liquidity may arise from, among other factors, general economic conditions and the failure of one or more customers to pay their obligations. Deficiencies arising from short-term working capital requirements and capital expenditures may be financed on a short-term basis with bank indebtedness or on a permanent basis with offerings of securities.

CONSOLIDATED FREE CASH FLOW

(thousands of CAD)	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Net cash flow provided by operating activities	\$ 18,420	\$ 17,471	\$ 43,536	\$ 61,212
Net change in non-cash working capital ¹	(10,224)	(3,142)	3,837	(14,185)
Cash provided by operating activities excluding working capital	\$ 8,196	\$ 14,329	\$ 47,373	\$ 47,027
Cash additions to property, plant and equipment	(163)	(10)	(574)	(10)
Cash additions to intangible assets	(157)	(587)	(890)	(2,217)
Consolidated free cash flow	\$ 7,876	\$ 13,732	\$ 45,909	\$ 44,800

¹ Refer to Note 23 of the Financial Statements for reconciliation.

Consolidated free cash flow for the quarter was \$7.9 million compared to \$13.7 million for the same quarter in 2021 and was \$45.9 million for the full year compared to \$44.8 million in 2021. The decrease for the quarter primarily relates to results of operations that are beginning to be impacted by the economic tightening that has occurred throughout 2022 with reduced transaction volumes in the Saskatchewan Land Registry and Regulatory Solutions accompanied by increased people and technology costs compared to the fourth quarter of 2021. The increase for the full year when compared to 2021 results primarily from reduced capital spending.

The following table summarizes our sources and uses of funds for the three months and years ended December 31, 2022 and 2021:

(thousands of CAD)	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Net cash flow provided by operating activities	\$ 18,420	\$ 17,471	\$ 43,536	\$ 61,212
Net cash flow (used in) investing activities	(563)	(553)	(55,619)	(366)
Net cash flow (used in) provided by financing activities	(16,435)	(19,541)	6,247	(54,274)
Effects of exchange rate changes on cash held in foreign currencies	150	(133)	211	(414)
Increase (decrease) in cash	\$ 1,572	\$ (2,756)	\$ (5,625)	\$ 6,158
Cash, beginning of period	32,907	42,860	40,104	33,946
Cash, end of period	\$ 34,479	\$ 40,104	\$ 34,479	\$ 40,104

NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES

Net cash flow provided by operating activities was \$18.4 million for the quarter compared to \$17.5 million for the same period in 2021.

For the quarter, cash provided by operating activities was slightly ahead of the prior year. The increase was driven by more favourable levels of working capital relative to the prior year's fourth quarter, which was partly offset by reduced operating results compared to the fourth quarter of 2021.

For the year, cash provided by operating activities was \$43.5 million compared to \$61.2 million in the prior year. During the year, the Company has continued to deliver strong operating results translating into consistent cash flow; however, changes in net non-cash working capital were an outflow of \$3.8 million in the current year compared to an inflow of \$14.2 million in the prior year. The working capital variance is a net outflow of \$18.0 million, which is attributable to incremental outflows across most categories, including:

- \$14.6 million is attributable to taxes. Strong results in the prior year attracted increased taxes, \$7.0 million of which were paid in the current year, and the remainder reflects a higher instalment base relative to the prior year;
- \$6.4 million is attributable to share-based compensation, where liability values move with fluctuations in the share price. The closing share price at December 31, 2022 was \$24.17, which is \$1.12 lower than the share price of \$25.29 at December 31, 2021. In the comparable period for 2021, the share price rose \$5.38 from \$19.91 at the start of the year; and
- these outflows were partially offset by \$3.0 million cash inflow from other working capital items.

NET CASH FLOW USED IN INVESTING ACTIVITIES

Net cash flow used in investing activities for the quarter was \$0.6 million, which is consistent with the fourth quarter of 2021. During the fourth quarter, this spend was primarily related to the acquisition of Regulis for \$0.6 million. For the year, net cash used in investing activities increased by \$55.3 million when compared to the prior year primarily related to the acquisitions of UPLlevel, Reamined and Regulis for a total of \$54.7 million.

NET CASH FLOW USED IN FINANCING ACTIVITIES

Net cash flow during the quarter used in financing activities was \$16.4 million compared to cash used in the prior year of \$19.5 million. During the current quarter, the Company made \$10.0 million in voluntary debt prepayments, paid \$4.1 million of dividend payments and settled \$0.5 million in short-term debt related to the Reamined acquisition. Most of the outflow in the fourth quarter of 2021 was attributable to \$15.0 million in voluntary debt prepayments and dividends of \$3.5 million.

For the year, net cash provided by financing activities was \$6.2 million, compared to net cash used in financing activities of \$54.3 million in the prior year. In 2022, this primarily relates to \$40.0 million of borrowings to finance the Reamined acquisition partially offset by debt prepayments of \$15.0 million, dividends of \$16.2 million and

settlement of short-term debt of \$0.5 million. Primary outflows in 2021 were \$35 million in voluntary debt prepayments and dividends of \$14.0 million.

6.2 Capital expenditures

Capital expenditures were \$0.6 million for the fourth quarter of 2022, consistent with the same period in 2021. For the full year, capital expenditures remained consistent with the prior year at \$2.5 million primarily related to system development work across our business segments.

(thousands of CAD)	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Registry Operations ¹	\$ 291	\$ 30	\$ 1,016	\$ 299
Services	278	171	707	557
Technology Solutions	(57)	396	688	1,640
Corporate and other	50	-	50	-
Total capital expenditures	\$ 562	\$ 597	\$ 2,461	\$ 2,496

¹ Registry Operations includes consideration for Service concession arrangements.

6.3 Debt

At December 31, 2022, the Company's debt was \$66.0 million compared to \$41.0 million at December 31, 2021. Debt of \$1.5 million, that was acquired as part of the acquisitions in 2022, was settled prior to December 31, 2022, including a deemed non-cash settlement of \$1.0 million associated with the UPLLevel acquisition shortly after close.

During the quarter, the Company made a \$10.0 million (2021 – \$15.0 million) voluntary prepayment against its revolving facility due to excess cash and to minimize interest expense. In addition, during the quarter, the \$0.5 million of debt to the former shareholders of Reamined was repaid.

During the year ended December 31, 2022, the Company made a total of \$15.0 million of voluntary prepayments compared to prepayments totalling \$35.0 million in the prior year. The total aggregate amount available under the Credit Facility at December 31, 2022 remains at \$150.0 million.

For further information on our Credit Facility, refer to Note 16 in the December 31, 2022 Financial Statements, which are available on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com.

The Company was in compliance with all covenants throughout the period. The amount of borrowing costs capitalized during 2022 and 2021 was nil.

6.4 Total assets

Total assets were \$283.5 million at December 31, 2022, compared to \$232.5 million at December 31, 2021.

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and Other	As at December 31, 2022
Total assets excluding intangibles, goodwill and cash	\$ 23,667	\$ 15,838	\$ 4,408	\$ 14,829	\$ 58,742
Intangibles	32,301	51,383	4,638	671	88,993
Goodwill	21,098	71,537	8,605	-	101,240
Cash	-	-	-	34,479	34,479
Total assets	\$ 77,066	\$ 138,758	\$ 17,651	\$ 49,979	\$ 283,454

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and Other	As at December 31, 2021
Total assets excluding intangibles, goodwill and cash	\$ 23,108	\$ 12,516	\$ 4,099	\$ 14,470	\$ 54,193
Intangibles	1,506	54,794	4,755	12	61,067
Goodwill	1,200	67,372	8,562	-	77,134
Cash	-	-	-	40,104	40,104
Total assets	\$ 25,814	\$ 134,682	\$ 17,416	\$ 54,586	\$ 232,498

6.5 Working capital

At December 31, 2022, working capital was \$17.6 million compared to \$19.5 million at December 31, 2021.

(thousands of CAD)	As at December 31, 2022	As at December 31, 2021
Current assets	\$ 57,216	\$ 56,447
Current liabilities	(39,626)	(36,905)
Working capital	\$ 17,590	\$ 19,542

The main drivers of the \$2.0 million decrease in working capital year-over-year are as follows:

(thousands of CAD)	
2022 Acquisitions	\$ (54,671)
Remove portion financed with long-term debt	40,000
Subtotal	(14,671)
Free cash flow for 2022	45,909
Financing and other items:	
Repayment of long-term debt	(15,000)
Dividends paid	(16,172)
Interest and lease payments	(5,442)
Stock options exercised	3,361
All other	63
Total change in working capital	\$ (1,952)

6.6 Outstanding share data

The number of issued and outstanding Class A Shares as at December 31, 2022, was 17,701,498 and the number of issued and outstanding share options as at December 31, 2022, was 1,332,017. As of March 14, 2023, the date of filing, the number of issued and outstanding Class A Shares was 17,701,498 and the number of issued and outstanding share options was 1,332,017.

6.7 Common share dividend

On November 2, 2022, the Board declared a quarterly cash dividend of \$0.23 per Class A Share paid on or before January 15, 2023, to shareholders of record as of December 31, 2022.

6.8 Commitments

The Company has commitments over the next five years that include future minimum payments for leasing of office space, an information technology service agreement with Information Systems Management Canada Corporation (“ISM”), other management services contracts and a commitment to the Government of Saskatchewan under the MSA. The following table summarizes our commitments as of December 31, 2022:

(thousands of CAD)	2023	2024	2025	2026	2027	Thereafter	Total
Operating leases and non-lease component of office leases ¹	\$ 1,558	\$ 1,418	\$ 631	\$ 366	\$ 303	\$ 705	\$ 4,981
Information technology ² and other service agreements	4,495	1,724	981	478	370	370	8,418
Master Service Agreement ³	500	500	500	500	500	3,000	5,500
Total	\$ 6,553	\$ 3,642	\$ 2,112	\$ 1,344	\$ 1,173	\$ 4,075	\$ 18,899

¹ The Company leases all of its office space and certain office equipment. The office spaces have lease terms of between two and 10 years, with various options to extend. The office equipment leases relate to photocopiers and have lease terms of three years. The Company does not have an option to purchase the leased assets at the expiry of the lease period.

² The Company has service agreements related to Information Technology with various service providers, including lease commitments for computer equipment where the Company has taken the exemption for low-value assets. Other service agreements relate to service contracts associated with corporate and shared services infrastructure.

³ The MSA requires the Company to pay the Government of Saskatchewan the sum of \$0.5 million annually, in a single instalment payable on or before March 1, in each calendar year of the term for a 20-year period expiring on May 30, 2033.

7 Business Risks

7.1 Financial instruments and financial risks

Financial instruments held in the normal course of business included in our consolidated statements of financial position as at December 31, 2022, consist of cash, trade and other receivables, accounts payable and accrued liabilities excluding share-based accrued liabilities, and long-term debt.

The Company does not currently use any form of derivative financial instruments to manage our exposure to credit risk, interest rate risk, market risk or foreign currency exchange risk. Refer to Note 20 of the Financial Statements for information pertaining to financial instruments and related risk management.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of cash, trade and other receivables, accounts payable and accrued liabilities excluding share-based accrued liabilities approximate fair value due to their immediate or relatively short-term maturity. With long-term debt, ISC has its borrowings under the Credit Facility, which is managed with prime loans, short-term bankers' acceptance, letters of credit or letters of guarantee. These borrowings will bear interest at a base rate of prime plus applicable margin varying between 0.20 per cent and 1.00 per cent per annum.

CREDIT RISK

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Company extends credit to its customers in the normal course of business and is exposed to credit risk in the event of non-performance by customers but does not anticipate such non-performance would be material. The Company monitors the credit risk and credit rating of customers on a regular basis. The Company has significant concentration of credit risk among government sectors. Its customers are predominantly provincial, federal and municipal government ministries and agencies, and its private sector customers are diverse.

The majority of cash is held with Canadian chartered banks, and the Company believes the risk of loss to be minimal. The maximum exposure to credit risk at December 31, 2022, is \$49.4 million (December 31, 2021 — \$52.9 million), equal to the carrying value of the Company's financial assets, those being cash at \$34.5 million (December 31, 2021 — \$40.1 million) and trade and other receivables at \$14.9 million (December 31, 2021 — \$12.8 million). Quarterly reviews of the aged receivables are completed. The Company expects to fully collect the carrying value

on all outstanding receivables. Therefore, the risk to the Company is low.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's cash resources are managed based on financial forecasts and anticipated cash flows.

MARKET RISK

The Company's exposure to market risk is limited to the deferred share units, share appreciation rights and performance share unit liabilities whose fair values are affected by equity prices.

INTEREST RATE RISK

Interest rate risk arises from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is subject to interest rate risks on its debt. This debt bears interest at rates that float, which can vary with changes in prime borrowing rates. The Company manages interest rate risk by monitoring its balance sheet, cash flows, debt services ratios, future expected performance and the effect of changes in interest rates. The Company has the option of using short-term bankers' acceptance notes and/or derivative instruments to lock in rates at any time.

The Company has estimated that a 100 basis point spread in interest rate for the year ended December 31, 2022 would increase/decrease comprehensive income by \$468.0 thousand (2021 — \$488.0 thousand).

FOREIGN CURRENCY EXCHANGE RISK

The Company operates internationally and is exposed to fluctuations in various currencies, with the euro being the most material, followed by the US dollar. Movements in foreign currencies against the Canadian dollar may impact revenue, and the value of assets and liabilities, and affect the Company's profit and loss. The Company's exposure to other currencies is not significant at the end of the period.

7.2 Business risks and risk management

All companies are exposed to risk and are required to mitigate risks on a daily and long-term basis. A key component of creating strong and sustainable corporate performance is to balance risk and reward.

ISC considers risks that may affect the Company's ability to achieve its goals and objectives on an ongoing basis and implements processes to manage those risks. ISC is continuously monitoring numerous existing and emerging risks. Our corporate strategies and plans are designed to implement effective risk mitigation or management approaches on an ongoing basis.

The Board oversees ISC's Enterprise Risk Management ("ERM") framework. This includes ensuring appropriate management systems are in place to ensure ISC's risks are prudently managed.

The senior leadership team is accountable for providing executive oversight of ISC's ERM activities, including the ongoing identification and assessment of risks and the development of mitigation strategies to manage the corporate risks facing the Company.

The following is a high-level list of ISC's key business risks. A complete list of risk factors is contained in the Company's Annual Information Form available on the Company's website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com.

Cyber and Data Security	There is a risk that ISC could experience unplanned outages, unauthorized access, or unplanned disclosure of confidential information or loss of critical corporate or customer data due to a cybersecurity incident.
Technology Infrastructure and Applications	There is a risk that ISC's information technology systems and services, including applications, may become ineffective, inadequate, unreliable or incapable of effectively facilitating current and future requirements to support our business needs and the achievement of our strategic goals. We also rely on third-party service providers for aspects of our IT infrastructure and the provision of critical IT-related services.
Competition	ISC may be ineffective in its ability to compete against current or future competitors, in some cases given others' potential advantage of having more innovative products, greater longevity in the market, or access to low-cost capital, private ownership, etc. or as a result of ISC's potential requirement to receive service or other approvals from the Office of Public Registry Administration or other regulators.
Revenue Diversification	There is a risk that ISC's current revenue sources are not significantly diversified to withstand economic challenges or downturns connected to common revenue drivers.
Talent and Teams	ISC may not have the required competencies, skills and knowledge to execute on strategic priorities and achieve its strategic goals.
Compliance with Customer Contracts	Inability to comply with the requirements in customer contracts, including the Master Service Agreement with the Government of Saskatchewan, could result in the loss/termination of customer contracts as well as impacting ISC's reputation and future growth strategies.
Acquisitions	There is a risk that acquisitions are not fully aligned with ISC's lines of business or appropriately and efficiently integrated with ISC's operations, brand and information technology systems.
Cost/Efficiency/Profitability	There is a risk that ISC's business model and resourcing mix will not allow ISC to achieve cost efficiencies in new or existing product lines or be sufficiently nimble to take advantage of business development opportunities or adapt to volume changes within its business.
Economic Conditions	Changes in the condition of the economy, including those arising from economic tightening or public health concerns, could also adversely affect our employees and our operations, as well as our ability to implement our strategy to look for opportunities to grow revenue in other jurisdictions, which could have an adverse effect on our business, financial performance and financial condition.

8 Accounting Policies, Financial Measures and Controls

8.1 Off-balance sheet arrangements

The Company had no off-balance sheet arrangements as at December 31, 2022.

8.2 Related party transactions

Routine operating transactions with related parties are settled at agreed-upon exchange amounts under normal trade terms. Refer to Note 22 in the December 31, 2022 Financial Statements, which are available on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com for information about transactions with related parties.

8.3 Critical accounting estimates

ISC's critical accounting estimates are contained in Note 2 of the Financial Statements under the summary of use of estimates and judgments and include references to:

- the carrying value, impairment and estimated useful lives of property, plant and equipment;
- the carrying value, impairment and estimated useful lives of intangible assets and goodwill;
- the allocation of the purchase price for the acquisition of UPLLevel and Reamined;
- the recoverability of deferred tax assets; and
- the amount and timing of revenue from contracts from customers recognized over time.

The preparation of the Financial Statements, in conformity with IFRS, requires management to make estimates and underlying assumptions and judgments that affect the accounting policies and reported amounts of assets, liabilities, revenue and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Critical accounting estimates and judgments are those that have a significant risk of causing material adjustment.

8.4 Changes in accounting policies

The Company has adopted the following revised standards, along with any consequential amendments, effective January 1, 2022, or on such date as they became applicable. These changes were made in accordance with the applicable transitional provisions. Refer to Note 2 of the Financial Statements for further information pertaining to the adoption and changes in these policies.

Proposed Standard	Description
Amendments to International Accounting Standard ("IAS") 37 – <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	<p>The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).</p> <p>The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.</p> <p>This amendment will affect the assessment of and accounting for onerous contracts. The Company has adopted this amendment to IAS 37 effective January 1, 2022, which has had no impact on the consolidated financial statements. The Company continues to assess its contracts in accordance with the amendments to IAS 37.</p>
Amendments to IFRS 3 – <i>Reference to the Conceptual Framework</i>	<p>The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of International Financial Reporting Interpretations Committee ("IFRIC 21") – <i>Levies</i>, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.</p> <p>Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.</p> <p>The Company adopted this amendment on January 1, 2022 and has applied it to acquisitions completed during 2022.</p>

The IASB and IFRIC issued the following new standards and amendments to standards and interpretations, which become effective for future periods.

Proposed Standard	Description	Effective Date
Amendments to IAS 1 and IFRS Practice Statement 2 — <i>Disclosure of Accounting Policy Information</i>	<p>The amendments to IAS 1 — <i>Presentation of Financial Statements</i> and IFRS Practice Statement 2 — <i>Making Materiality Judgements</i> require that an entity discloses its material accounting policies, instead of its significant accounting policies.</p> <p>The amendment is effective for annual periods beginning on or after January 1, 2023. This change will impact disclosures in Note 2 to the Notes to the Consolidated Financial Statements.</p>	January 1, 2023
Amendments to IAS 8 — <i>Definition of Accounting Estimates</i>	<p>The amendments introduce a definition of accounting estimates and are intended to help entities distinguish changes in accounting policies from changes in accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. This distinction is important because changes in accounting policies must be applied retrospectively while changes in accounting estimates are accounted for prospectively.</p> <p>The amendment is effective for annual periods beginning on or after January 1, 2023. The Company has assessed the impact of the adoption of this amendment, and it is not expected to have a material impact on the Company’s Consolidated Financial Statements.</p>	January 1, 2023
Amendments to IAS 12 — <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	<p>The amendments narrow the scope of the initial recognition exemption to clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.</p> <p>The amendment is effective for annual periods beginning on or after January 1, 2023. The Company has assessed the impact of the adoption of this amendment, and it is not expected to have a material impact on the Company’s Consolidated Financial Statements.</p>	January 1, 2023
Amendments to IAS 1 — <i>Classification of Liabilities as Current or Non-current</i>	<p>The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.</p> <p>The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of “settlement” to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.</p> <p>The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024, with early application permitted. This amendment is currently being assessed by the Company to determine the impact.</p>	January 1, 2024

8.5 Financial measures and key performance indicators

Revenue, expenses and net income are key performance indicators the Company uses to manage its business and evaluate its financial results and operating performance. In addition to these results, which are reported in accordance with IFRS, certain non-IFRS measures are supplemental indicators of operating performance and financial position as well as for internal planning purposes. The Company evaluates its performance against these metrics by comparing actual results to management budgets, forecasts and prior period results. These non-IFRS

financial measures include EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin and free cash flow. Refer to section 8.8 “Non-IFRS financial measures”.

8.6 Internal controls over financial reporting

The Company’s management, including the President and Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining appropriate internal controls over financial reporting. Internal controls over financial reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS and management has concluded these controls were operating effectively as of December 31, 2022.

The design scope of internal controls over financial reporting has been limited to exclude controls, policies and procedures of UPLLevel, as it was acquired less than 365 days prior to December 31, 2022. See section 8.7 “Disclosure controls and procedures” for UPLLevel’s contribution to the Financial Statements.

Other than as described above, no changes in our internal controls over financial reporting that have occurred during the period have materially affected or are reasonably likely to materially affect our internal controls over financial reporting.

It should be noted that all internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

8.7 Disclosure controls and procedures

The Company’s management, including the President and Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining appropriate disclosure controls and procedures. Disclosure controls and procedures are designed to provide reasonable assurance that relevant information is gathered and reported to senior management, including the President and Chief Executive Officer and the Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosures. Management has concluded these controls were operating effectively as of December 31, 2022.

The design scope of disclosure controls and procedures has been limited to exclude controls, policies and procedures of UPLLevel, which was acquired less than 365 days prior to December 31, 2022.

The contribution of UPLLevel to the Financial Statements for the three months ended December 31, 2022, was approximately 3 per cent of revenue and 5 per cent of expenses, and for the year ended December 31, 2022, was approximately 3 per cent of revenue and 4 per cent of expenses. At December 31, 2022, UPLLevel contributed approximately 6 per cent of current assets, 4 per cent of non-current assets, 2 per cent of current liabilities and 1 per cent of non-current liabilities.

8.8 Non-IFRS financial measures

This MD&A includes certain measures that have not been prepared in accordance with IFRS, such as EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin and free cash flow. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our financial performance from management’s perspective, to provide investors with supplemental measures of our operating performance, and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures.

Management also uses non-IFRS measures to facilitate operating performance comparisons from period to period, prepare annual operating budgets, and assess our ability to meet our future capital expenditure and working capital requirements.

Accordingly, these non-IFRS measures should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS. Such measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies.

Non-GAAP Performance Measure	Why we use it	How we calculate it	Most comparable IFRS financial measure
EBITDA EBITDA Margin	<ul style="list-style-type: none"> To evaluate performance and profitability of segments and subsidiaries as well as the conversion of revenue. We believe that certain investors and analysts use EBITDA to measure our ability to service debt and meet other performance obligations. EBITDA is also used as a component of determining short-term incentive compensation for employees. 	EBITDA: Net income add Depreciation and amortization, net finance expense, income tax expense EBITDA Margin: EBITDA divided by Total revenue	Net income
Adjusted EBITDA Adjusted EBITDA Margin	<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. 	Adjusted EBITDA: EBITDA add (remove) Share-based compensation expense, stock option expense, acquisition and integration costs, gain on disposal of property, plant and equipment assets Adjusted EBITDA Margin: Adjusted EBITDA divided by Total revenue	Net income
Free Cash Flow	<ul style="list-style-type: none"> To show cash available for debt repayment and reinvestment into the Company. 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	Net cash flow provided by operating activities

8.9 Non-IFRS financial measures definition

EBITDA is defined as earnings before interest, taxes, depreciation and amortization expense. Adjusted EBITDA adjusts EBITDA for share-based compensation expense or income, stock option expense, transactional gains or losses on assets, asset impairment charges, and acquisition and integration costs. These measures, in addition to net income and income from operations, measure business performance and cash flow generation because it removes cash flow fluctuations caused by the above adjustments. Furthermore, we use adjusted EBITDA for business planning purposes and to evaluate and price potential acquisitions. In addition to use by management, we also believe these measures are widely used by securities analysts, investors and others to evaluate the financial performance of the Company and for comparing our results with those of other companies. EBITDA margin and adjusted EBITDA margin are calculated as a percentage of overall revenue.

Free cash flow is used as a financial measure in our evaluation of liquidity and financial strength. Adjusting for the swings in non-cash working capital items due to seasonality or other timing issues and cash additions to property, plant and equipment and intangible assets, free cash flow assists in the long-term assessment of liquidity and financial strength. This measurement is useful as an indicator of our ability to service our debt, meet other payment obligations and make strategic investments. Free cash flow does not represent residual cash flow available for discretionary expenditures.