ISC

May 5, 2020

Management's Discussion and Analysis

For the Three Months Ended March 31, 2020

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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 unaudited condensed consolidated interim financial statements ("Financial Statements") for the three months ended March 31, 2020, and 2019. Additional information, including our Annual Information Form for the year ended December 31, 2019, 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 the Financial Statements, prepared in accordance with International Accounting Standard 34 — *Interim Financial Reporting*, using accounting policies that are consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IAS Board"). 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". Refer to section 2 "Consolidated Financial Analysis" for a reconciliation of EBITDA and adjusted EBITDA to net income.

Unless otherwise noted, or unless the context indicates otherwise, "ISC", the "Company", "we", "us" and "our" refer to Information Services Corporation, its subsidiaries and its predecessors. 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 Canadian dollars and amounts are stated in Canadian dollars 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 May 5, 2020.

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 contains forward-looking information within the meaning of applicable Canadian securities legislation. 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 which 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 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, 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*, *should*, *expect*, *plan*, *intend*, *anticipate*, *believe*, *estimate*, *strategy*, *continue*, *likely*, *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), 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) 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, 2019, and the Financial Statements, copies of which are available on our website at www.company.isc.ca and in the Company's profile filed 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 "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

Our 2020 first quarter results showed continued growth over last year but were muted by the impact of COVID-19 in the last weeks of the quarter. In March 2020, the World Health Organization declared COVID-19 a global pandemic and the restrictions that have been put in place to control the spread of the disease have negatively affected the ability of our customers and ultimately their customers to transact, which has a direct impact on our revenue. The impact of COVID-19 to the quarter is outlined herein but the full impact it may have on the Company in 2020 is not currently determinable. Refer to section 1.3 "Outlook" and section 7 "Business Risks".

1.1 Consolidated highlights

SELECT CONSOLIDATED FINANCIAL INFORMATION

EBITDA[1]	Adjusted EBITDA[1]	Revenue	Earnings per share	Free cash flow[1]
$7.8M	$7.9M	$29.6M	$0.20	$6.4M
+6% vs Q1 2019	+1% vs Q1 2019	+3% vs Q1 2019	+15% vs Q1 2019	+21% vs Q1 2019

The select consolidated quarterly financial information set out for the three months ended March 31, 2020, and 2019, 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.

	Three months ended March 31,			
(thousands of CAD dollars)		2020		2019
Revenue	$	29,596	$	28,607
Net income		3,470		3,011
EBITDA[1]	$	7,834	$	7,366
Adjusted EBITDA[1]		7,898		7,803
EBITDA margin (% of revenue)[1]		26.5%		25.7%
Adjusted EBITDA margin (% of revenue)[1]		26.7%		27.3%
Free cash flow[1]	$	6,370	$	5,265
Dividend declared per share	$	0.20	$	0.20
Earnings per share, basic		0.20		0.17
Earnings per share, diluted		0.20		0.17
		As at March 31, 2020		December 31, 2019
Total assets	$	167,164	$	171,579
Total non-current liabilities	$	31,448	$	32,683

[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.

FIRST QUARTER CONSOLIDATED HIGHLIGHTS

- Revenue was $29.6 million for the quarter, an increase of $1.0 million or 3.5 per cent compared to the first quarter of 2019, due to growth in Technology Solutions and Services offsetting lower results in Registry Operations.
- Net income for the quarter was $3.5 million or $0.20 per basic and diluted share compared to $3.0 million or $0.17 per basic and diluted share in 2019. The increase is due to the increased results of operations in Technology Solutions and Services.
- EBITDA for the quarter was $7.8 million compared to $7.4 million for the same quarter last year due to increased results in Technology Solutions and Services.
- EBITDA margin for the first quarter was 26.5 per cent compared to 25.7 per cent in the same quarter in 2019.
- Excluding stock-based compensation expense or income, stock option expense, transactional gains and losses on assets, and acquisition and integration costs, adjusted EBITDA was $7.9 million for the quarter compared to $7.8 million in the same quarter last year.
- Free cash flow for the quarter was $6.4 million, an increase of $1.1 million compared to the first quarter of 2019 due to higher results of operations and less additions to intangible assets compared to last year.
- On March 17, 2020, our Board declared a quarterly cash dividend of $0.20 per Class A Limited Voting Share ("Class A Share"), paid on April 15, 2020, to shareholders of record as of March 31, 2020.

1.2 Subsequent events

- On May 5, 2020, our Board declared a quarterly cash dividend of $0.20 per Class A Share, payable on or before July 15, 2020, to shareholders of record as of June 30, 2020.

1.3 Outlook

The following section includes forward-looking information, including statements related to the industries in which we operate, growth opportunities and our future financial position and results. Refer to "Caution Regarding Forward-Looking Information".

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn.

We have been and continue to monitor the potential impact of COVID-19 on our people, operations and business. The situation continues to evolve, and our corporate Business Continuity Plan has been adapted to address COVID-19. Our primary focus, until all restrictions related to COVID-19 are removed is ensuring the continuity of our services with the health and safety of our employees, customers and stakeholders a top priority. All our employees have been urged to take protective measures, as recommended by government health authorities, to help prevent the spread of infection. We have closed all our physical offices to the public and most of our employees have been working from home since mid-March. Our technology systems are robust and have handled the additional load placed on them with employees working from home. We also expect that as more customers transact business online than normal, they will be able to do so seamlessly.

ISC has built a strong, sustainable and growing business underpinned by our two largest segments, Registry Operations and Services. These two segments deliver consistency and growth, respectively, while our Technology Solutions segment focuses to become a meaningful contributor to our consolidated results in the years to come.

One factor influencing the outlook for both our Registry Operations and Services segments is the impact on our transaction volumes due to the restrictions put in place to help contain the spread of COVID-19. Despite this, the services offered by both segments have remained available to our customers via our online portal or telephone and without interruption since the spread of COVID-19. Nevertheless, we expect our volumes from existing customers to be lower than normal for the balance of 2020.

For our Technology Solutions segment, several implementations are ongoing. As jurisdictions focus on responding to COVID-19, we expect that the timelines and hence the recognition of our revenues for some of our implementations will be delayed.

Due to the uncertainty surrounding the duration and potential outcomes of the COVID-19 pandemic, we are unable, at this time, to predict the overall impact on our operations and financial results for the remainder of the year, but the impact may be material. As a result, we are withdrawing our guidance.

Although we expect COVID-19 to adversely impact transaction volumes, revenue and EBITDA in the short term, the Company is well positioned to manage through this situation and our long-term strategy remains centered on delivering value for shareholders through the consistent performance of our existing business and the execution of appropriate growth opportunities.

The Company will also explore appropriate acquisition targets which are complementary to or add value to existing lines of business. The diversification of our business remains a key part of our strategy, which we will continue to pursue.

2 Consolidated Financial Analysis

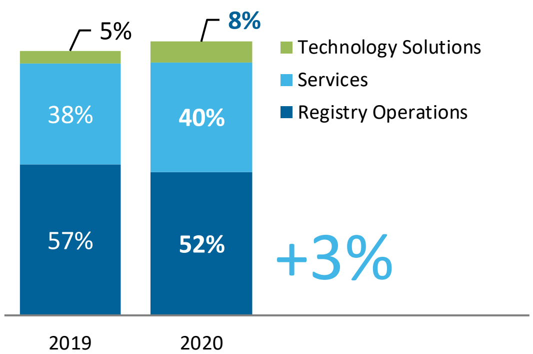
Consolidated revenue was up 3.5 per cent for the three months ended March 31, 2020, compared to the same period last year. Net income was also up in the quarter compared to last year primarily due to improved results in Technology Solutions and Services.

2.1 Consolidated statements of comprehensive income

	Three Months Ended March 31,	
(thousands of CAD dollars)	**2020**	2019
Revenue		
Registry Operations	**$ 15,531**	$ 16,270
Services	**11,848**	11,028
Technology Solutions	**4,664**	4,878
Corporate and other	**(2,447)**	(3,569)
Total revenue	**29,596**	28,607
Expenses		
Wages and salaries	**9,985**	9,597
Cost of goods sold	**6,859**	6,367
Depreciation and amortization	**2,759**	2,597
Information technology services	**1,926**	2,101
Occupancy costs	**720**	752
Professional and consulting services	**891**	1,054
Financial services	**881**	858
Other	**500**	512
Total expenses	**24,521**	23,838
Net income before items noted below	**5,075**	4,769
Finance (expense) income		
Interest income	**69**	86
Interest expense	**(343)**	(345)
Net finance expense	**(274)**	(259)
Income before tax	**4,801**	4,510
Income tax expense	**(1,331)**	(1,499)
Net income	**3,470**	3,011
Other comprehensive income (loss)		
Unrealized gain (loss) on translation of financial statements of foreign operations	**711**	(314)
Change in fair value of marketable securities, net of tax	**(45)**	(7)
Other comprehensive income (loss) for the period	**666**	(321)
Total comprehensive income	**$ 4,136**	$ 2,690

2.2 Consolidated revenue

Consolidated revenue [1]
for the three months ended March 31,



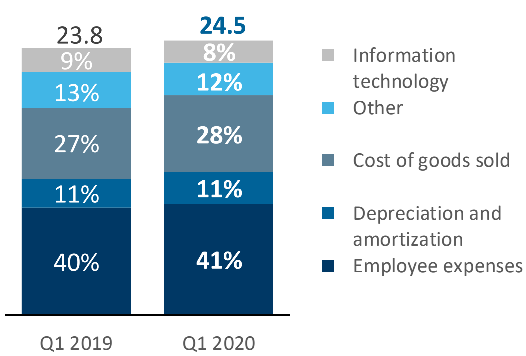
(thousands of CAD dollars)	Three Months Ended March 31, 2020	2019
Registry Operations	$ 15,531	$ 16,270
Services	11,848	11,028
Technology Solutions	4,664	4,878
Corporate and other	(2,447)	(3,569)
Total revenue	$ 29,596	$ 28,607

[1] Technology Solutions and Services are net of Corporate and other revenue/eliminations.

Total revenue increased in the quarter compared to the same period last year due to a combination of organic growth from existing customers and the ramping up of new customers in Services, and continued execution of contracts in our Technology Solutions.

2.3 Consolidated expenses

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



(thousands of CAD dollars)	Three Months Ended March 31, 2020	2019
Wages and salaries	$ 9,985	$ 9,597
Cost of goods sold	6,859	6,367
Depreciation and amortization	2,759	2,597
Information technology	1,926	2,101
Occupancy costs	720	752
Professional and consulting	891	1,054
Financial services	881	858
Other	500	512
Total expenses	$ 24,521	$ 23,838

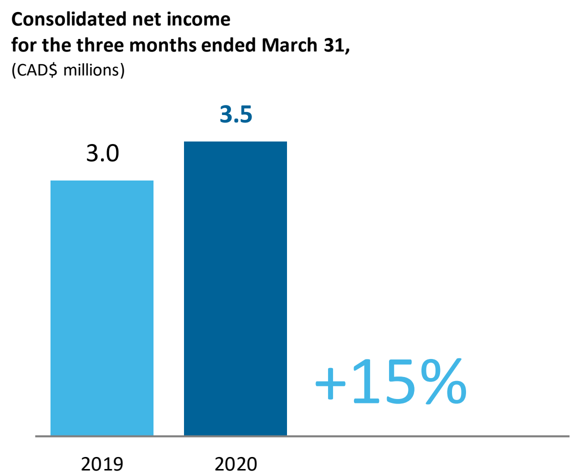
Consolidated expenses were $24.5 million for the first quarter, an increase of $0.7 million compared to the same first quarter last year. The increase was mainly due to:

- increased cost of goods sold consistent with increased revenue in Services; and

- increased wages and salaries in Services and Technology Solutions to support our growing business and customer needs, and our execution of implementation contracts.

These increases were partially offset by lower information technology costs, decreased staffing in Registry Operations related to regional service centre closures in the third quarter of 2019 as well as decreased professional and consulting services.

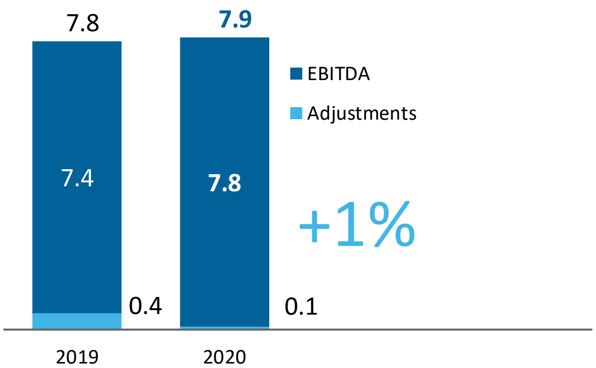
2.4 Consolidated net income



Net income for the quarter was $3.5 million or $0.20 per basic and diluted share, an increase of $0.5 million compared to $3.0 million or $0.17 per basic and diluted share for the first quarter last year due to improved results in Technology Solutions and Services.

2.5 Consolidated EBITDA and adjusted EBITDA

Consolidated EBITDA and adjusted EBITDA[1]
for the three months ended March 31,
(CAD$ millions)



EBITDA for the quarter was $7.8 million compared to $7.4 million for the same quarter last year, due to improved results in Technology Solutions and Services. Adjusted EBITDA was stable at $7.9 million for the quarter, compared to $7.8 million in the first quarter of 2019.

	Three Months Ended March 31,	
(thousands of CAD dollars)	**2020**	2019
Net income	**$ 3,470**	$ 3,011
Depreciation and amortization	**2,759**	2,597
Net finance expense	**274**	259
Income tax expense	**1,331**	1,499
EBITDA[1]	**$ 7,834**	$ 7,366
Adjustments		
Stock-based compensation expense	**(16)**	99
Stock option expense	**80**	163
Acquisition and integration costs	**-**	175
Adjusted EBITDA[1]	**$ 7,898**	$ 7,803
EBITDA margin (% of revenue)[1]	**26.5%**	25.7%
Adjusted EBITDA margin (% of revenue)[1]	**26.7%**	27.3%

[1] EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin 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 by other companies. Refer to section 8.8 "Non-IFRS financial measures".

3 Business Segment Analysis

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

ISC currently has three operating segments:

- Registry Operations delivers registry and information services on behalf of governments and private sector organizations.
- Services delivers products and services that utilize public records and data to provide value to customers in the financial and legal sectors.
- Technology Solutions provides the development, delivery and support of registry (and related) technology solutions.

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

3.1 Registry Operations

When providing registry and information services to governments and private sector organizations, we work with those clients to support their policies and execute procedures to ensure the integrity of the data, and manage the information technology, data management and authentication processes.

Most significantly, Registry Operations 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, 2019, on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com.

Competitors in this segment 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.

Registry Operations experiences moderate seasonality, primarily because land titles revenue fluctuates in line with real estate transaction activity in Saskatchewan. Typically, our second and third quarters generate higher revenue during the fiscal year when real estate activity is traditionally highest.

Saskatchewan Land Registry

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 a flat fee or value-based, calculated as a percentage of the value of the land and/or property being registered. Approximately 80.4 per cent of all Land Titles Registry registration transactions were submitted online in 2019.

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 is comprised of 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.

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 Personal Property Registry is a notice-based public registry in which security interests and other certain 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 automotive 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

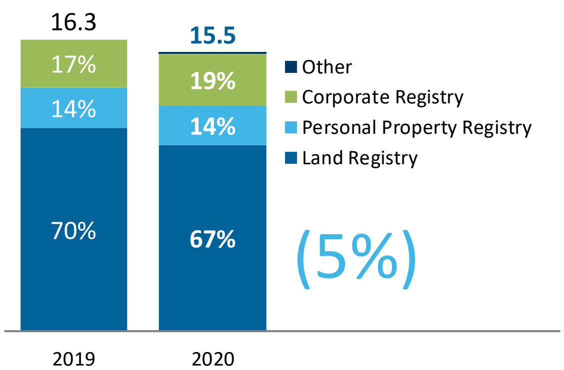
The Corporate Registry is a province-wide system for registering business corporations, non-profit corporations, co-operatives, sole proprietorships, partnerships and business names. Every corporation must be registered in the Corporate Registry to maintain its legal status and carry on business within Saskatchewan.

Services are billed as flat fees for each transaction. Unlike other registries, the Company earns most of its fees in the Corporate Registry in relation to maintenance services provided to business entities that file annual returns or wish to make changes to their structure or profile.

Approximately 90.8 per cent of all registrations in the Corporate Registry were submitted online in 2019.

REGISTRY OPERATIONS REVENUE

Registry Operations Revenue
for the three months ended March 31,
(CAD$ millions)



	Three Months Ended March 31,	
(thousands of CAD dollars)	**2020**	2019
Land Registry	**$ 10,365**	$ 11,308
Personal Property Registry	**2,201**	2,271
Corporate Registry	**2,881**	2,691
Other	**84**	-
Registry Operations revenue	**$ 15,531**	$ 16,270

Revenue for Registry Operations was $15.5 million for the quarter compared to $16.3 million in the first quarter of 2019. The decrease was primarily due to lower Land Registry revenue.

Transaction volumes and revenues in our Land Registry and Personal Property Registry for the quarter were lower than expected due to restrictions implemented in response to the COVID-19 pandemic. To date, the restrictions have negatively affected the ability of our customers and ultimately their customers to transact. Nevertheless, the Registries remain operational and our staff are able to provide service to customers via our online portal or by telephone.

Our Other revenue consists of fees associated with a change order pursuant to the MSA to continue the development of our registry systems. Under the MSA, the Company owns the intellectual property during the term of the MSA and amortization of the intangible asset being created is expected to commence in 2020 when the development is complete.

The top five customers for Registry Operations represented 18.7 per cent of the total segment revenue for the first quarter of 2020. Of those customers, no single customer accounted for more than 10.0 per cent of total Registry Operations revenue.

Saskatchewan Land Registry

For the first quarter, revenue for the Land Registry was $10.4 million, down by $0.9 million or 8.3 per cent compared to the same period in 2019. Lower revenue from the Land Titles Registry was the primary reason for the decline.

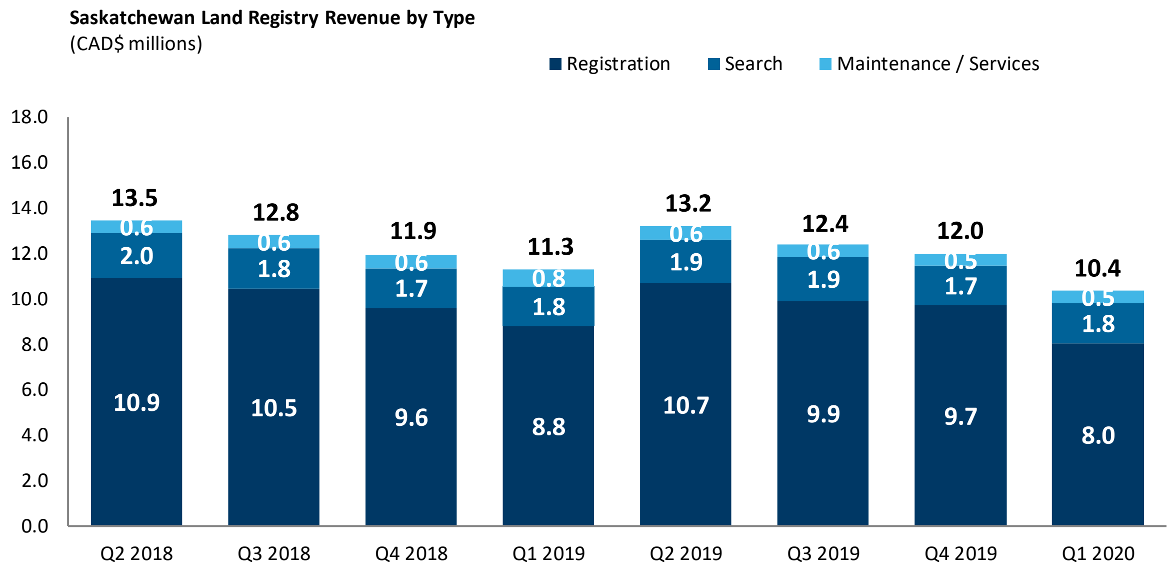
Most of the revenue generated from the Land Registry is from the Land Titles Registry and is derived from value-based fees. Land Titles Registry revenue for the first quarter was $9.6 million, a decrease of $0.7 million or 6.8 per cent compared to the same period in 2019. Most of the decrease in revenue was due to transaction volumes that were down by 4.6 per cent for the quarter, primarily from lower volumes during the last half of March 2020 due to restrictions imposed for COVID-19. In addition, revenue was affected by slightly lower average land values for regular land transfers in the first quarter.

Saskatchewan Land Registry Revenue by Type, for the three months ended March 31, 2020

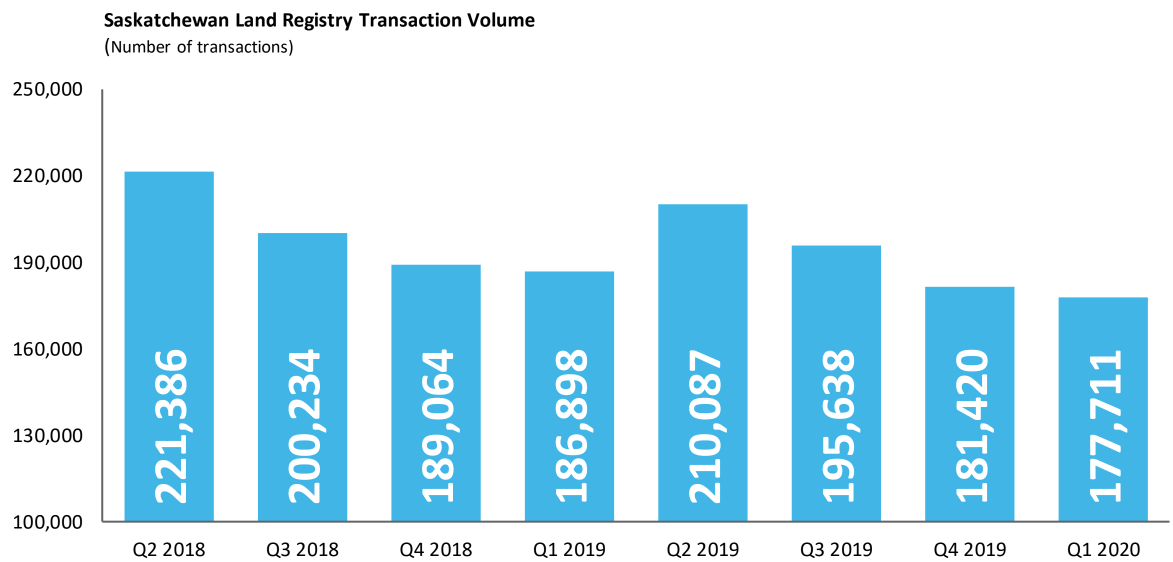
Saskatchewan Land Registry Revenue by Type, for the three months ended March 31, 2019

High-value property registration revenue was down in the quarter at $1.0 million when compared to a record first quarter in 2019 at $1.3 million. Each high-value registration generates revenue of $10,000 or more.

The following graphs show the Land Registry revenue by type of transaction and the overall transaction volume, respectively. Seasonality for the first quarter was consistent year-over-year. Typically, the second and third quarters generate the most revenue for the Land Registry, however, our normal seasonality pattern may be impacted by the effects of COVID-19, wherein we anticipate our second and third quarters to be more negatively impacted than we saw in the first quarter. For more information on seasonality, please refer to section 4 "Summary of Consolidated Quarterly Results".



Note: Registration and search groupings have been reclassified to reflect a better alignment with revenue tracking. These amendments do not impact the overall revenue for this registry. Values may not add due to rounding.



Revenue-generating transactions in the Land Titles Registry fell 4.6 per cent in the first quarter, due mostly to lower volumes from mid-March to the end of the quarter, which we expect are the impacts of restrictions put in place for COVID-19. The volume of regular land transfers and title searches declined by 11.1 per cent and 2.9 per cent, respectively, compared to the first three months of 2019. Mortgage registrations volume improved by 4.0 per cent in the quarter compared to the same period last year.

The primary customers of the Land Titles Registry are law firms, financial institutions, developers and resource companies. For the quarter, our top 20 Land Titles Registry customers accounted for nearly 42.5 per cent of revenue, and our top 100 Land Titles Registry customers made up 77.9 per cent of revenue.

Land Surveys customers include surveyors, developers, resource companies, governments and other businesses that access our mapping systems and survey plans to support their development plans. For the quarter, our top 20 Land Surveys customers accounted for 91.7 per cent of revenue, and the top 100 customers made up 98.9 per cent of revenue.

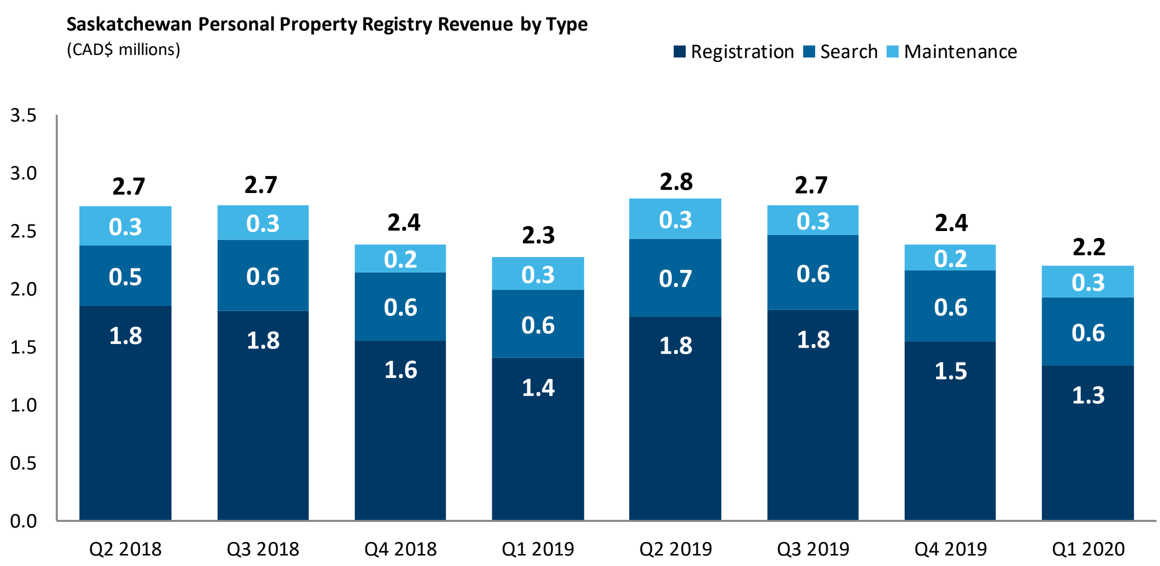
Geomatics customers include government departments (provincial and municipal), resource companies, land developers, other businesses and the general public. They also include utility, pipeline and transportation companies. For the quarter, the top 20 Geomatics customers produced 91.7 per cent of revenue, while the top 100 customers formed 98.9 per cent of revenue.

Saskatchewan Personal Property Registry

Revenue for the Personal Property Registry was $2.2 million for the quarter, down $71 thousand or 3.1 per cent from the same quarter in 2019. Overall volume was down 1.7 per cent for the quarter compared to the same period in 2019, with some impact from the restrictions imposed for COVID-19 in the last two weeks of the quarter.

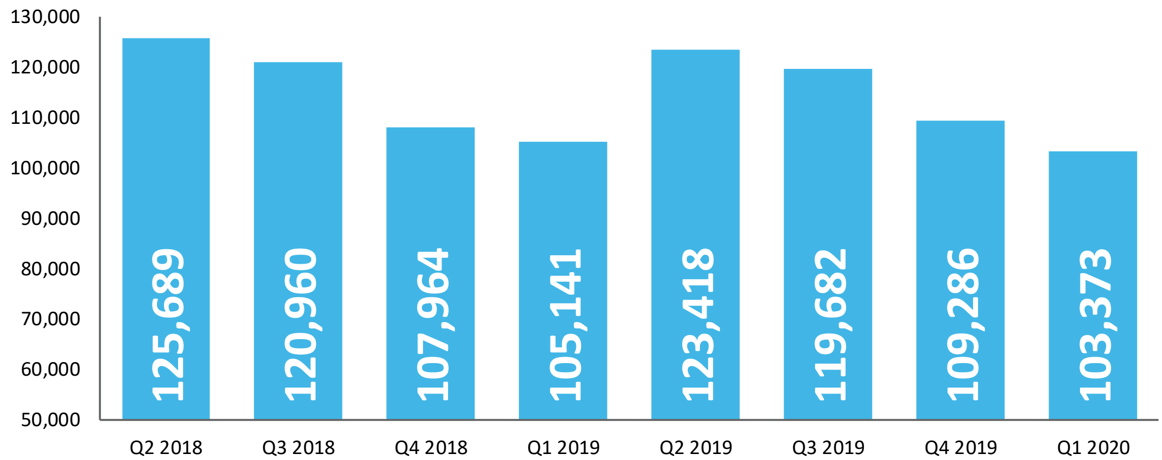
Registration revenue in the quarter was down by 4.7 per cent from 2019, while volumes were down 4.8 per cent. Search revenue was flat on stable volumes compared to last year. Maintenance revenue was down 2.1 per cent compared to the same period in 2019 on lower volumes, which were down 5.4 per cent.

Revenue results for the first quarter, shown by type of transaction on the following graph, are similar to the first quarter of 2019, reflecting the typical pattern of seasonality.



Note: Values may not add due to rounding.

Saskatchewan Personal Property Registry Transaction Volume
(Number of transactions)



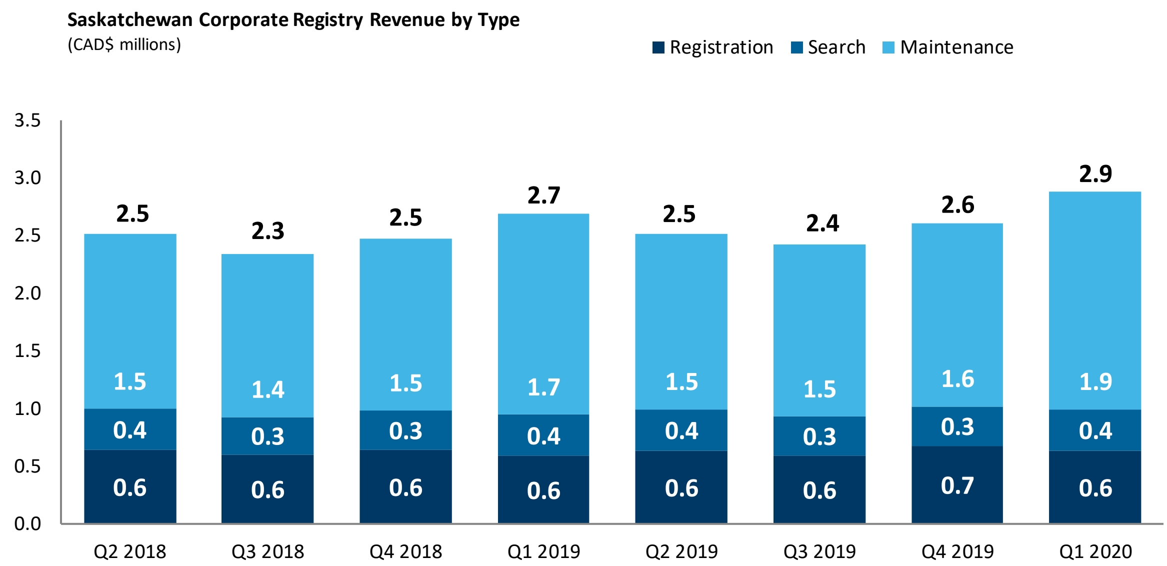
Customers of the Personal Property Registry are primarily in the financial sector but also include law firms. The top 20 Personal Property Registry customers accounted for about 82.4 per cent of the revenue for the first three months of 2020, while the top 100 produced 94.2 per cent of revenue.

Saskatchewan Corporate Registry

Revenue for the Corporate Registry for the quarter was $2.9 million, up $0.2 million or 7.1 per cent compared to the same period in 2019, as pricing changes came into effect during the third quarter of 2019. Pricing changes resulted in maintenance revenue growing by 8.2 per cent and a 7.7 per cent increase to the registration category in the quarter compared to the same period in 2019. Search revenue was flat in the first quarter of 2020 compared to the same period in 2019.

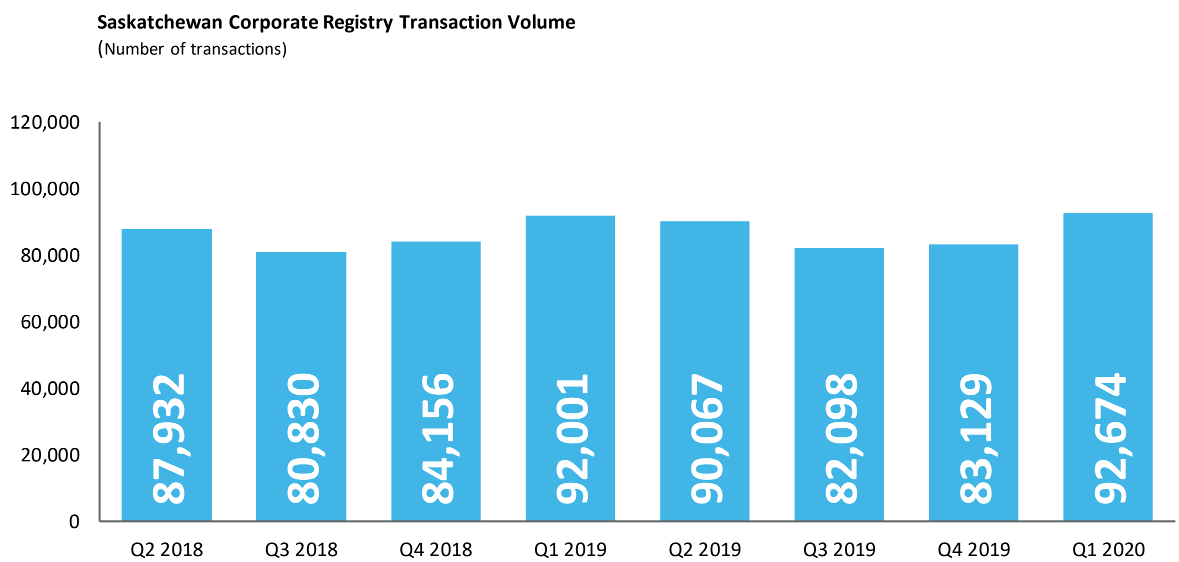
As of March 31, 2020, there were approximately 74,748 active Saskatchewan Business Corporations registered with the Corporate Registry compared to approximately 74,377 as at March 31, 2019.

The following graph illustrates the Corporate Registry revenue by type of transaction. Quarterly revenue continues to mirror the Corporate Registry's typical pattern of seasonality.



Note: Values may not add due to rounding.

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



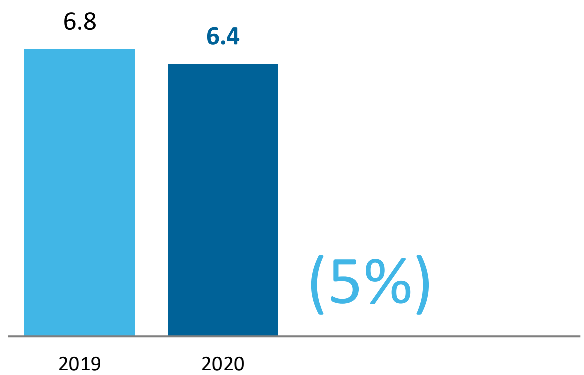
Transaction volumes for the first quarter were stable, increasing by a modest 0.7 per cent compared to the same period last year. Specifically, registration and maintenance volumes declined by 1.9 per cent and 0.6 per cent, respectively, while search volume increased by 1.8 per cent compared to the same period in 2019. Volumes during the last half of March 2020 were lower when compared to the same period in 2019, suggesting COVID-19 has impacted transaction volumes.

For the Corporate Registry, customers include law firms, companies in the financial sector, as well as the Government of Saskatchewan. They also include businesses such as corporations, non-profit corporations, co-operatives and sole proprietorships that were, or will be, registered in the Corporate

Registry. For the quarter, the top 20 Corporate Registry customers formed nearly 32.6 per cent of revenue and the top 100 customers delivered about 50.6 per cent of revenue.

REGISTRY OPERATIONS EXPENSES AND EBITDA

Registry Operations EBITDA [1]
for the three months ended March 31,
(CAD$ millions)



	Three Months Ended March 31,			
(thousands of CAD dollars)		**2020**		2019 [2]
Revenue	**$**	**15,531**	$	16,270
Total expenses (excluding depreciation and amortization)		**9,084**		9,495
EBITDA	**$**	**6,447**	$	6,775

1 EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin 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 by other companies. Refer to section 8.8 "Non-IFRS financial measures".

2 On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared service provided to the operating segments in the current year. Had this method been applied in 2019, certain amounts in the 'Total expenses (excluding depreciation and amortization)' would have been adjusted, resulting in a Registry Operations EBITDA for 2019 of $6,795.

EBITDA for Registry Operations for the quarter was $6.4 million compared to $6.8 million for the same period last year. The decrease was due to decreased revenue as explained earlier from the impact of COVID-19, which was partially offset by reduced expenses as we continue to manage costs.

Registry Operations expenses were $9.1 million for the quarter, a decrease of $0.4 million compared to $9.5 million for the same period in 2019. The decrease in the quarter was due to lower technology solutions costs as well as decreased wages and salaries due to reduced staffing, as a result of our decision in the third quarter last year to close three of our regional service centres.

3.2 Services

Services delivers solutions uniting public record data, customer authentication, corporate legal services and collateral management to support lending practices of clients with business across Canada.

We earn revenue through transaction fees for search and registration services, as well as Know-Your-Customer ("KYC") services. All government fees associated with the service are either embedded in the search fee or charged in addition to the service transaction fee. Corporate supplies are charged a per unit fee in the same manner as a product in a retail transaction.

We classify our services as either Legal Support Services or Financial Support Services for the purposes of categorizing revenue.

Key drivers for Services include increased regulatory and compliance requirements for financial institutions, as well as the growing trend to outsource business processes and services to realize cost savings and focus on core business activities. Economic activity can affect credit lending, mergers, acquisitions, incorporations and various new business startup activities, which also impacts activity for our Services segment.

This core revenue is fairly diversified and has little seasonality; rather, it fluctuates in line with general economic drivers. Our collateral management services experience seasonality aligned to vehicle and equipment financing cycles, which are generally stronger in the second and fourth quarters. Some smaller categories of products or services can have some seasonal variation, increasing slightly during the second and fourth quarters.

Legal Support Services

Legal Support Services captures revenue from nationwide search, registration and filing services to legal professionals directly or indirectly. This also includes our corporate supplies business, which helps companies to organize and maintain their corporate legal documents and provides customized corporate minute books, corporate seals, share certificates, legal supplies and related ancillary accessories for businesses and corporations. We also service the consumer market through direct supply relationships with office products providers.

We have an online workflow platform to service legal customers through a team of experienced law clerks in both Ontario and Quebec. We hold an official service licence under the Ontario Business Information System from the Government of Ontario's Ministry of Government and Consumer Services, which is currently renewed until January 2021. We also hold licences from the Government of Ontario to distribute and register *Personal Property Security Act* searches and registrations, as well as the Government of Quebec's Corporate Registry and Corporations Canada for registering corporations directly within each of these two registry systems.

Our competitors vary by market and geography. They primarily include other intermediaries and suppliers to legal professionals that provide value through convenience and intermediation of various public registries. There is a small number of competitors supplying the legal market with customized products, while the consumer market is typically serviced by big box office supply retailers.

Financial Support Services

We support financial and credit institutions' due diligence activities for compliance purposes and credit service solutions through the verification, storage and retrieval of corporate and business information compiled and obtained from public registry sources.

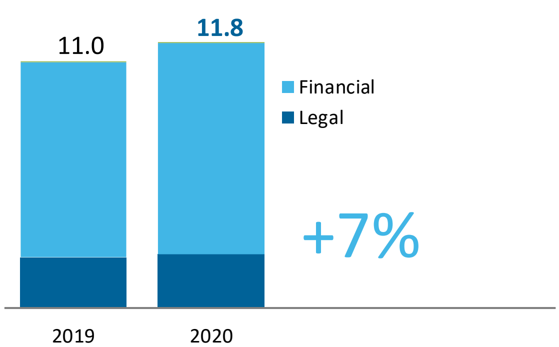
We use our proprietary platform to assist clients in on-boarding new commercial accounts. The customer on-boarding verification reports we generate leverage our search services to provide our clients with a process and system to verify, retrieve and store information about corporate clients to meet regulatory requirements.

In addition, we provide automation software technology services to serve lending, leasing, and credit issuing businesses and institutions in Canada. We service the full credit-lending cycle and deliver proven credit due diligence, protection and default solutions to the Canadian financing industry.

In the financial support services marketplace, we compete against a small number of distinctly different service providers, some of whom offer KYC programs as part of their other services.

SERVICES REVENUE

Services revenue[1]
for the three months ended March 31,
(CAD$ millions)



[1] Internal related party and other revenue not displayed in graph.

	Three Months Ended March 31,	
(thousands of CAD dollars)	**2020**	2019
Legal support services	**$ 2,397**	$ 2,252
Financial support services	**9,447**	8,719
Internal related parties	**4**	56
Services revenue	**$ 11,848**	$ 11,028

Revenue for Services was $11.8 million for the first quarter, an increase of $0.8 million or 7.4 per cent compared to the same period in 2019, due to a combination of organic growth from existing customers and the ramping up of new customers, mainly in KYC, due diligence and collateral security registration. The transaction volume in both Legal and Financial Support Services was negatively impacted in the last two weeks of March due to the impact of COVID-19.

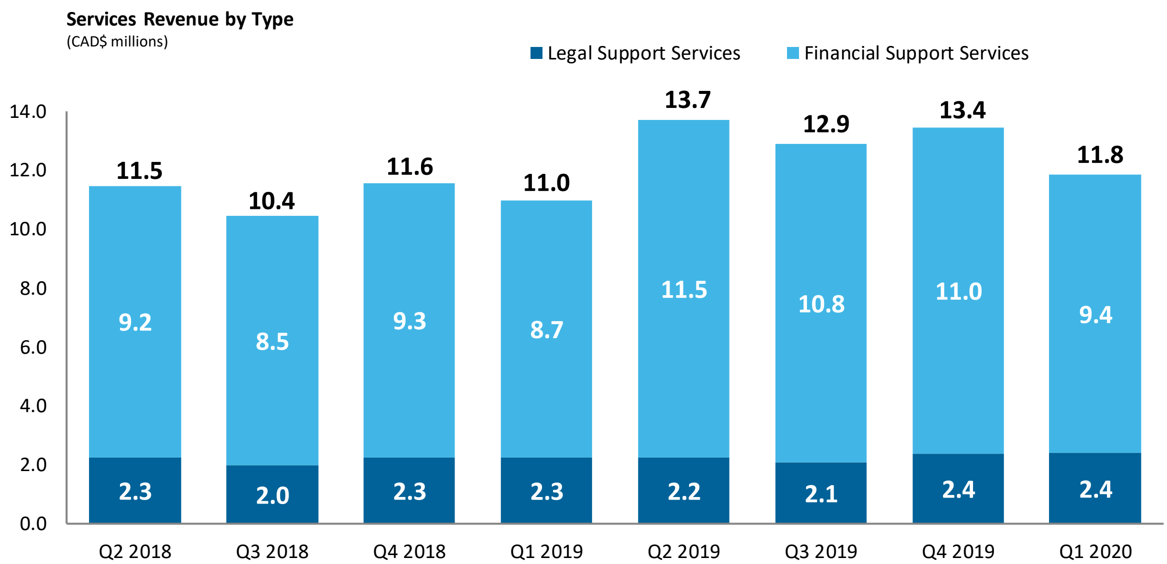
Legal Support Services

Revenue in Legal Support Services for the quarter increased to $2.4 million, up 6.4 per cent compared to the first quarter of 2019, due to organic growth and product expansion.

Financial Support Services

Revenue in Financial Support Services for the quarter was $9.4 million, up $0.7 million or 8.3 per cent compared to $8.7 million for the same period of 2019. Revenue growth is due to new customers in our collateral management services and expanding our KYC offerings to existing customers.

Our Services revenue for the last eight quarters is shown in the following graph.

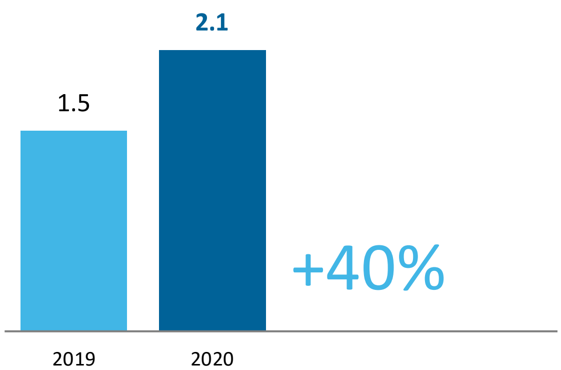


Note: Values may not add due to rounding.

For the quarter, the top 20 Services customers comprised approximately 72.6 per cent of the revenue, while the top 100 Services customers made up nearly 87.1 per cent of revenue. No single customer accounted for more than 25.0 per cent of Services revenue in the same period.

SERVICES EXPENSES AND EBITDA

Services EBITDA[1]
for the three months ended March 31,
(CAD$ millions)



(thousands of CAD dollars)	Three Months Ended March 31, 2020	2019[2]
Revenue	**$ 11,848**	$ 11,028
Total expenses (excluding depreciation and amortization)	**9,776**	9,551
EBITDA	**$ 2,072**	$ 1,477

1 EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin 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 by other companies. Refer to section 8.8 "Non-IFRS financial measures".

2 On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared service provided to the operating segments in the current year. Had this method been applied in 2019, certain amounts in the 'Total expenses (excluding depreciation and amortization)' would have been adjusted, resulting in a Services EBITDA for 2019 of $1,930.

EBITDA for Services was $2.1 million for the quarter, compared to $1.5 million for the same period last year, up $0.6 million due to increased revenue.

Services expenses for the quarter were $9.8 million, an increase of $0.2 million compared to the same period in 2019. The increase was primarily due to increased cost of goods sold, consistent with the increase in revenue, and increased information technology services costs as we continue our technology improvements to support future growth and scale.

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 the technology platform;
- provision of technology solution definition and implementation services; and
- provision of monthly hosting, support and maintenance services.

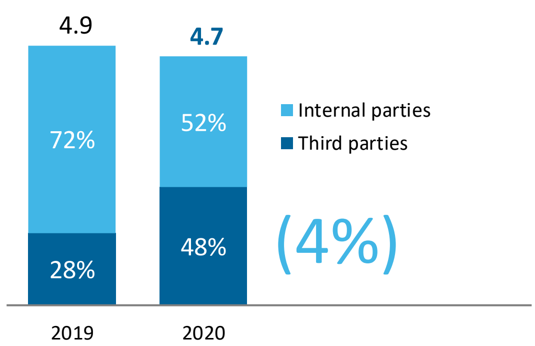
We offer RegSys — a complete registry solution that provides a readily transferable technology platform capable of serving a wide range of registry needs. RegSys is a multi-register platform that delivers the flexibility, scalability and features that enable public sector organizations to deliver enhanced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

With a full suite of integrated modules which provide core functionality for submission, enforcement and enquiry 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, Uniform Commercial Code and pension schemes.

Competitors in this segment include 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 clients' needs.

TECHNOLOGY SOLUTIONS REVENUE

Technology Solutions revenue
for the three months ended March 31,
(CAD$ millions)



	Three Months Ended March 31,	
(thousands of CAD dollars)	**2020**	2019
Third parties	**$ 2,220**	$ 1,361
Internal related parties[1]	**2,444**	3,517
Technology Solutions revenue	**$ 4,664**	$ 4,878

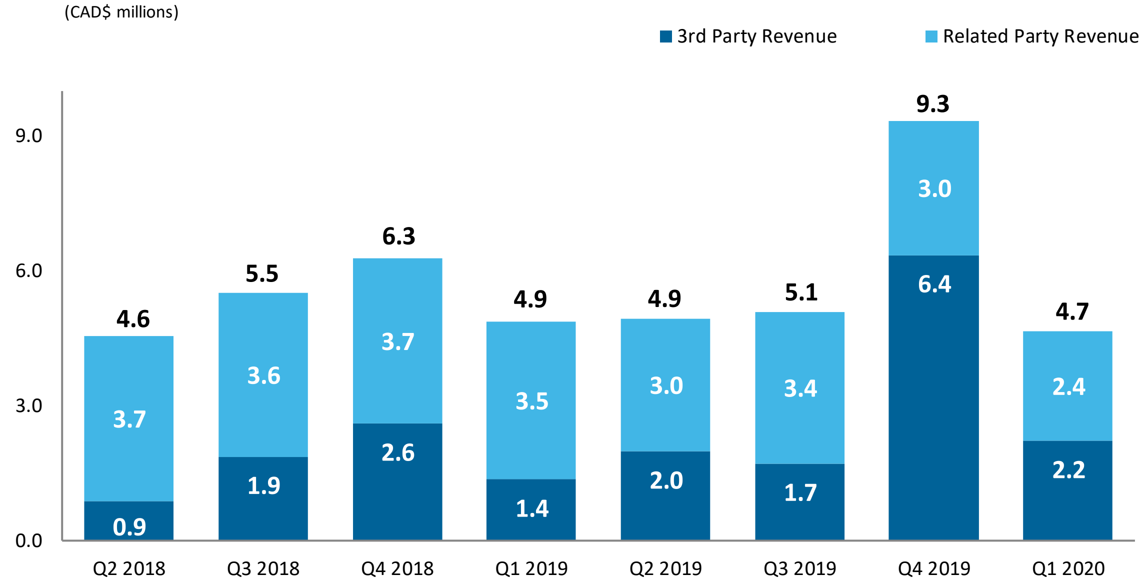
[1] On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared service provided to the operating segments in the current year. This change is not material for the quarter.

Revenue in Technology Solutions was $4.7 million for the quarter, a decrease of $0.2 million compared to $4.9 million for the same period in 2019.

Revenue from external parties for the quarter was $2.2 million, an increase of $0.8 million compared to the same period in 2019, due to the completion of milestones in the quarter on current contracts.

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 vary over time.

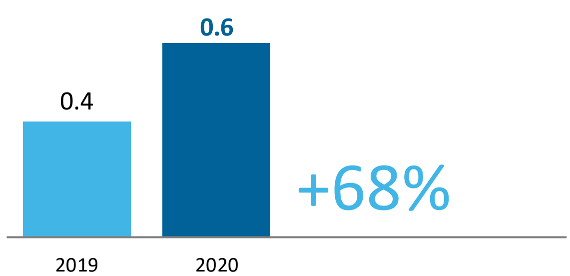
Technology Solutions Revenue by Type
(CAD$ millions)



Note: Values may not add due to rounding.

TECHNOLOGY SOLUTIONS EXPENSES AND EBITDA

Technology Solutions EBITDA[1]
for the three months ended March 31,
(CAD$ millions)



	Three Months Ended March 31,	
(thousands of CAD dollars)	**2020**	2019[2]
Revenue	**$ 4,664**	$ 4,878
Total expenses (excluding depreciation and amortization)	**4,022**	4,495
EBITDA	**$ 642**	$ 383

[1] EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin 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 by other companies. Refer to section 8.8 "Non-IFRS financial measures".

[2] On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared service provided to the operating segments in the current year. Had this method been applied in 2019, certain amounts in the inter-segment 'Revenue' and 'Total expenses (excluding depreciation and amortization)' would have been adjusted, resulting in a Technology Solutions EBITDA for 2019 of $173.

EBITDA for Technology Solutions was $0.6 million for the quarter compared to $0.4 million in the first quarter of 2019. EBITDA was up as external parties' revenue in the quarter increased as noted above, and expenses were down as we continue to look for efficiencies in our technology service provision.

3.4 Corporate and other

Corporate and other includes expenses related to our corporate activities and shared services functions, and eliminations of inter-segment revenue and costs.

	Three Months Ended March 31,	
(thousands of CAD dollars)	**2020**	2019
Third parties	**$ 1**	$ 4
Internal related parties[1]	**(2,448)**	(3,573)
Corporate and other revenue	**$ (2,447)**	$ (3,569)
Total expenses (excluding depreciation and amortization) [1]	**1,120**	2,300
EBITDA[2]	**$ (1,327)**	$ (1,269)

1 On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared service provided to the operating segments in the current year. Had this method been applied in 2019, certain amounts in 'Internal related parties' and Total expenses (excluding depreciation and amortization)' would have been adjusted, resulting in a Corporate and other EBITDA for 2019 of $(1,532).

2 EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin 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 by other companies. Refer to section 8.8 "Non-IFRS financial measures".

EBITDA for the quarter was flat compared to the first quarter of 2019 as we work to manage our corporate costs.

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 Titles revenue fluctuates in line with real estate transaction activity in Saskatchewan. Typically, our second and third quarters generate higher revenue during the fiscal year when real estate activity is traditionally highest.

In Services, our core legal and financial services revenue has little seasonality; rather, it fluctuates in line with general economic drivers. Our collateral management services experience some seasonality aligned to vehicle and equipment financing cycles, which are generally stronger in the second and fourth quarters. Some smaller categories of products or services can have some seasonal variation, increasing slightly during the second and fourth quarters.

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

We note that our normal seasonality pattern may be impacted in 2020 by the effects of COVID-19, wherein we anticipate our second and third quarters to be more significantly and negatively impacted.

As a result, our EBITDA margin fluctuates in line with the cumulative impact of the above factors.

	2020	2019				2018 (restated)[3]		
(thousands of CAD dollars)	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	**$29,596**	$37,942	$32,175	$34,244	$28,607	$31,015	$30,186	$31,058
Expenses	**24,521**	28,308	26,888	26,308	23,838	25,887	23,688	24,227
Net income before items noted below	**5,075**	9,634	5,287	7,936	4,769	5,128	6,498	6,831
Net finance (expense)/income	**(274)**	(288)	(422)	(277)	(259)	(155)	423	(526)
Change in contingent consideration	**-**	-	-	-	-	(195)	2,762	1,000
Income before tax	**4,801**	9,346	4,865	7,659	4,510	4,778	9,683	7,305
Income tax expense	**(1,331)**	(1,999)	(1,607)	(1,875)	(1,499)	(1,620)	(1,921)	(2,155)
Net income	**$ 3,470**	$ 7,347	$ 3,258	$ 5,784	$ 3,011	$ 3,158	$ 7,762	$ 5,150
Other comprehensive income (loss)	**666**	1	(133)	(56)	(321)	210	(159)	(265)
Total comprehensive income	**$ 4,136**	$ 7,348	$ 3,125	$ 5,728	$ 2,690	$ 3,368	$ 7,603	$ 4,885
EBITDA margin (% of revenue)[1, 2]	**26.5%**	32.5%	26.7%	31.4%	25.7%	26.1%	40.2%	34.4%
Adjusted EBITDA margin (% of revenue)[1]	**26.7%**	33.4%	26.9%	31.8%	27.3%	26.7%	32.3%	32.3%
Earnings per share, basic	**$ 0.20**	$ 0.42	$ 0.19	$ 0.33	$ 0.17	$ 0.18	$ 0.44	$ 0.29
Earnings per share, diluted	**$ 0.20**	$ 0.42	$ 0.19	$ 0.33	$ 0.17	$ 0.18	$ 0.44	$ 0.29

[1] EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin 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.

[2] The Q2, Q3 and Q4 2018 EBITDA includes net adjustments in relation to the fair value estimate of the contingent consideration associated with our AVS Systems Inc. acquisition of $1.0 million, $2.8 million and $(0.2) million, respectively.

[3] In 2019, the Company adopted IFRS 16 using the full retrospective method, therefore, the 2018 comparative information has been restated. Refer to Note 2 of the December 31, 2019, Consolidated Financial Statements for further details.

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 realized through three key functions:

- operating registries on behalf of governments;
- implementing and supporting registry and regulatory technology solutions; and
- delivering value-add services utilizing public data and records.

Through these functions, 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;
- produce increasing revenue with continued emphasis on EBITDA growth; and
- provide an enhanced customer experience for those interacting with ISC's systems, people and information.

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 – active pursuit of attainable organic and inorganic growth;
- innovation – emphasis on product and service innovation and exploration of new verticals; and
- company values – prominent focus on quality of service delivery and the engagement of our customers and employees.

With respect to the impact of COVID-19 on our strategy, the Company is well positioned to manage through this situation as explained in section 1.3 "Outlook" and as such, remains committed to its priorities, principles and long-term strategy.

6 Financial and Capital Management

6.1 Cash flow

Our primary source of operating cash flow is generated from revenue related to our Registry Operations and Services segments. Our primary uses of funds are operational expenses, capital 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. Most recently, the Company has also utilized 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 Facilities, will be sufficient to meet cash requirements, capital expenditures and anticipated dividend payments (refer to Note 18 in the December 31, 2019, 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 Facilities).

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. At March 31, 2020, the Company held $21.2 million in cash compared to $23.7 million as at December 31, 2019, a decrease of $2.5 million.

The Company expects to be able to meet its cash requirements, including being able to settle current liabilities of $20.8 million (December 31, 2019 – $24.7 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

	Three Months Ended March 31,			
(thousands of CAD dollars)		**2020**		2019
Net cash flow provided by operating activities	**$**	**2,101**	$	1,335
Net change in non-cash working capital[1]		**4,492**		4,791
Cash provided by operating activities excluding working capital		**6,593**		6,126
Cash additions to property, plant and equipment		**(19)**		(84)
Cash additions to intangible assets		**(204)**		(777)
Consolidated free cash flow[2]	**$**	**6,370**	$	5,265

[1] Refer to Note 25 of the Financial Statements for reconciliation.

[2] Free cash flow is not recognized as a measure under IFRS and does 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".

Consolidated free cash flow for the quarter was $6.4 million compared to $5.3 million for the same period in 2019. The increase was due to higher results of operations and less additions to intangible assets in the quarter.

The following table summarizes our sources and uses of funds for the three months ended March 31, 2020, and 2019:

	Three Months Ended March 31,	
(thousands of CAD dollars)	**2020**	2019
Net cash flow provided by operating activities	**$ 2,101**	$ 1,335
Net cash flow used in investing activities	**(154)**	(7,543)
Net cash flow used in financing activities	**(4,748)**	(4,707)
Effects of exchange rate changes on cash held in foreign currencies	**231**	(92)
Increase (decrease) in cash	**$ (2,570)**	$ (11,007)
Cash, beginning of period	**23,731**	28,651
Cash, end of period	**$ 21,161**	$ 17,644

NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES

Net cash flow provided by operating activities was $2.1 million for the quarter compared to $1.3 million for the same period of 2019. The increase in the quarter is due to higher results of operations and changes in working capital.

NET CASH FLOW USED IN INVESTING ACTIVITIES

Net cash flow used in investing activities for the quarter was $0.2 million compared to $7.5 million in the same period last year. The decrease this year was primarily due to our acquisition of Securefact Transaction Services, Inc. in February of 2019 as well as less additions to assets in the first quarter of 2020.

NET CASH FLOW USED IN FINANCING ACTIVITIES

Net cash flow used in financing activities for the quarter was $4.7 million, flat compared to 2019.

6.2 Capital expenditures

Capital expenditures were $0.3 million for the quarter, compared to $0.9 million for the same period in 2019. Capital expenditures in the first three months of 2020 were primarily related to the purchase of systems supporting Corporate and other and system development work across our business segments versus larger technology additions in 2019.

(thousands of CAD dollars)	Three Months Ended March 31, 2020	2019
Registry Operations	**$ 84**	$ 108
Services	**91**	157
Technology Solutions	**21**	286
Corporate and other	**111**	310
Total capital expenditures	**$ 307**	$ 861

6.3 Debt

At March 31, 2020, our debt was $17.5 million compared to $18.0 million at December 31, 2019.

At March 31, 2020, the Company had nil cash drawings on Facility 1 (2019 — nil) and non-cash drawings, consisting of letters of credit and similar, were approximately $0.2 million (2019 — $0.2 million).

For further information on our Credit Facilities, refer to Note 18 in the December 31, 2019, 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 2020 and 2019 was nil.

6.4 Total assets

Total assets were $167.2 million at March 31, 2020, compared to $171.6 million at December 31, 2019.

(thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	**As at March 31, 2020**
Total assets excluding intangibles, goodwill and cash	$ 26,860	$ 10,478	$ 6,977	$ 16,178	**$ 60,493**
Intangibles	3,462	30,451	4,487	1,322	**39,722**
Goodwill[1]	1,200	35,715	8,873	-	**45,788**
Cash	-	-	-	21,161	**21,161**
Total assets	$ 31,522	$ 76,644	$ 20,337	$ 38,661	**$ 167,164**

(thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	As at December 31, 2019
Total assets excluding intangibles, goodwill and cash	$ 26,384	$ 10,951	$ 6,467	$ 17,321	$ 61,123
Intangibles	3,803	31,647	4,525	1,221	41,196
Goodwill[1]	1,200	35,715	8,614	-	45,529
Cash	-	-	-	23,731	23,731
Total assets	$ 31,387	$ 78,313	$ 19,606	$ 42,273	$ 171,579

[1] In 2019, $4.6 million of goodwill was reallocated to Technology Solutions from Registry Operations for both the current and comparative periods. See Note 12 of the Company's 2019 Annual Consolidated Financial Statements for further details.

6.5 Working capital

At March 31, 2020, working capital was $19.5 million compared to $17.7 million at December 31, 2019.

The increase in working capital is primarily the result of decreased current liabilities related to the timing of payables and the payment of taxes as well as decreased income tax payable.

(thousands of CAD dollars)	**As at March 31, 2020**	As at December 31, 2019
Current assets	**$ 40,229**	$ 42,333
Current liabilities	**(20,758)**	(24,655)
Working capital	**$ 19,471**	$ 17,678

6.6 Outstanding share data

The number of issued and outstanding Class A Shares at March 31, 2020, was 17.5 million and the number of issued and outstanding share options as of March 31, 2020, was 1,548,247. These amounts are unchanged as of the filing date.

6.7 Common share dividend

On March 17, 2020, our Board declared a quarterly cash dividend of $0.20 per Class A Share, paid on April 15, 2020, to shareholders of record as of March 31, 2020.

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 March 31, 2020, consist of cash, short-term investments, trade and other receivables, contract assets, accounts payable and accrued liabilities, lease obligations, long-term debt and provisions.

The Company does not 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 21 of the Financial Statements for information pertaining to financial instruments and related risk management.

7.2 Business risks and risk management

ISC faces certain risks which can impact its business and its financial and operational performance. For the information on the risk management approach, business risks and risk management, refer to the Management's Discussion and Analysis and Annual Information Form for the year ended December 31, 2019, which are available on the Company's website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com. The main risks and uncertainties that could affect our future business results and associated risk mitigation activities have not materially changed since the release of our Management's Discussion and Analysis for the year ended December 31, 2019, which include the impacts from COVID-19. Any prolonged economic downturn resulting from COVID-19 could have an adverse effect on our business, results of operations 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 March 31, 2020.

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 25 in the December 31, 2019, 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 pertaining to 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 recoverability of deferred tax assets; and
- the amount and timing of revenue from contracts from customers recognized over time with milestones and the associated carrying value of assets recognized from the costs incurred to fulfil the contracts.

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 IAS Board and International Financial Reporting Interpretations Committee ("IFRIC") issued the following new standards and amendments to standards and interpretations, which became effective January 1, 2020.

<table>
<tr><th>Standard</th><th>Description</th></tr>
<tr><td>Amendments to IFRS 3 – Definition of a Business</td><td>The amendments to IFRS 3 result in a change to the definition of a business which:
clarifies that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
narrows the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
adds guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
removes the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
adds an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.
This change will impact the analysis of business combinations. The amendment is prospective and the Company has not been affected upon transition.</td></tr>
<tr><td>Amendments to IAS 1 and IAS 8 – Definition of Material</td><td>The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of "material" and align the definition used in the Conceptual Framework and the standards.

The change in definition may impact the quantity and level of detail of disclosures in the Company's financial statements. The amendment is prospective and the Company has not been affected upon transition.</td></tr>
</table>

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

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 Executive Vice-President and 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.

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 Executive Vice-President and 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 Executive Vice-President and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosures.

8.8 Non-IFRS financial measures

This MD&A 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 by providing further understanding of our results of operations 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.

8.9 Non-IFRS financial measures definition

EBITDA is defined as earnings before interest, taxes, depreciation and amortization expense. Adjusted EBITDA adjusts EBITDA for stock-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.