Information in the right hands.

November 2, 2022

2022 Unaudited Condensed Consolidated Interim Financial Statements

For the Three Months and Nine Months Ended September 30, 2022

Contents

Condensed Consolidated Statements of Financial Position

As at (thousands of CAD, unaudited)	Note	**September 30, 2022**	December 31, 2021
Assets			
Current assets			
Cash		**$ 32,907**	$ 40,104
Short-term investments		**47**	36
Trade and other receivables	4	**17,733**	12,771
Contract assets	5	**1,011**	866
Income tax recoverable		**1,407**	8
Prepaid expenses and deposits		**4,421**	2,662
Total current assets		**57,526**	56,447
Non-current assets			
Property, plant and equipment	7	**1,862**	1,351
Right-of-use assets	8	**8,041**	7,861
Intangible assets	9	**90,898**	61,067
Goodwill	10	**100,973**	77,134
Deferred tax asset	14	**26,408**	28,638
Total non-current assets		**228,182**	176,051
Total assets		**$ 285,708**	$ 232,498
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	**$ 26,572**	$ 26,482
Contract liabilities	12	**1,230**	1,488
Lease obligations – current portion	13	**2,313**	1,847
Income tax payable	14	**813**	7,008
Short-term debt	16	**500**	-
Provisions		**-**	80
Total current liabilities		**31,428**	36,905
Non-current liabilities			
Lease obligations	13	**6,984**	7,186
Deferred tax liability	14	**14,376**	6,181
Long-term debt	16	**76,029**	40,975
Other liabilities	15	**1,868**	3,546
Total non-current liabilities		**99,257**	57,888
Shareholders' equity			
Share capital	19	**23,691**	19,955
Equity settled employee benefit reserve	15	**2,082**	2,464
Accumulated other comprehensive (loss)		**(1,065)**	(355)
Retained earnings		**130,315**	115,641
Total shareholders' equity		**155,023**	137,705
Total liabilities and shareholders' equity		**$ 285,708**	$ 232,498

See Note 25 for Commitments and Contingencies

See accompanying Notes

Condensed Consolidated Statements of Comprehensive Income

(thousands of CAD, unaudited)	Note	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021 (restated*)	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021 (restated*)
Revenue	21	**$ 48,768**	$ 41,369	**$ 143,791**	$ 125,140
Expenses					
Wages and salaries		**15,061**	9,643	**38,270**	39,156
Cost of goods sold		**12,245**	9,496	**37,208**	28,028
Depreciation and amortization		**3,983**	3,400	**10,635**	10,625
Information technology services		**2,504**	1,872	**7,379**	5,881
Occupancy costs		**1,126**	958	**2,836**	2,485
Professional and consulting services		**957**	700	**3,743**	3,179
Financial services		**394**	846	**2,068**	2,485
Other		**652**	354	**2,165**	1,010
Total expenses		**36,922**	27,269	**104,304**	92,849
Net income before items noted below		**11,846**	14,100	**39,487**	32,291
Finance income (expense)					
Interest income		**130**	44	**194**	98
Interest expense		**(1,168)**	(705)	**(2,333)**	(2,289)
Net finance (expense)		**(1,038)**	(661)	**(2,139)**	(2,191)
Income before tax		**10,808**	13,439	**37,348**	30,100
Income tax expense	14	**(3,052)**	(3,706)	**(10,528)**	(8,308)
Net income		**$ 7,756**	$ 9,733	**$ 26,820**	$ 21,792
Other comprehensive income (loss)					
Items that may be subsequently reclassified to net income					
Unrealized income (loss) on translation of financial statements of foreign operations		**29**	(7)	**(721)**	(779)
Change in fair value of marketable securities, net of tax		**19**	3	**11**	(21)
Other comprehensive income (loss)		**48**	(4)	**(710)**	(800)
Total comprehensive income		**$ 7,804**	$ 9,729	**$ 26,110**	$ 20,992
Earnings per share ($ per share)					
Total, basic	18	**$ 0.44**	$ 0.56	**$ 1.53**	$ 1.25
Total, diluted	18	**$ 0.43**	$ 0.54	**$ 1.50**	$ 1.21

**See Note 2*

See accompanying Notes

Condensed Consolidated Statements of Changes in Equity

(thousands of CAD, unaudited)	Note	Retained Earnings	Share Capital	Accumulated Other Comprehensive (Loss)	Equity Reserve	Total
Restated balance at January 1, 2021*		$ 98,088	$ 19,955	$ 706	$ 2,376	$ 121,125
Restated net income for the period		21,792	-	-	-	21,792
Other comprehensive loss		-	-	(800)	-	(800)
Stock option expense	15	-	-	-	75	75
Dividend declared		(10,500)	-	-	-	(10,500)
Balance at September 30, 2021		$ 109,380	$ 19,955	$ (94)	$ 2,451	$ 131,692
Balance at January 1, 2022		$ 115,641	$ 19,955	$ (355)	$ 2,464	$ 137,705
Net income		**26,820**	**-**	**-**	**-**	**26,820**
Other comprehensive loss		**-**	**-**	**(710)**	**-**	**(710)**
Stock option (recovery)	15	**-**	**-**	**-**	**(7)**	**(7)**
Stock options exercised	15	**-**	**3,736**	**-**	**(375)**	**3,361**
Dividend declared		**(12,146)**	**-**	**-**	**-**	**(12,146)**
Balance at September 30, 2022		**$ 130,315**	**$ 23,691**	**$ (1,065)**	**$ 2,082**	**$ 155,023**

**See Note 2*

See accompanying Notes

Condensed Consolidated Statements of Cash Flows

(thousands of CAD, unaudited)	Note	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021 (restated*)	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021 (restated*)
Operating					
Net income		**$ 7,756**	$ 9,733	**$ 26,820**	$ 21,792
Add: Charges not affecting cash					
Depreciation	7, 8	**788**	793	**2,107**	2,133
Amortization	9	**3,195**	2,607	**8,528**	8,492
Foreign exchange gains		**(155)**	(79)	**(252)**	(35)
Deferred tax (recovery) expense recognized in net income	14	**(347)**	163	**600**	(1,681)
Service concession arrangements	21	**(376)**	-	**(755)**	(269)
Gain on disposal of property, plant and equipment		**(3)**	-	**(3)**	-
Net finance expense		**1,038**	661	**2,139**	2,191
Stock option expense (recovery)	15	**-**	13	**(7)**	75
Net change in non-cash working capital	23	**3,162**	(57)	**(14,061)**	11,043
Net cash flow provided by operating activities		**15,058**	13,834	**25,116**	43,741
Investing					
Interest received		**130**	43	**194**	98
Cash received on disposal of property, plant and equipment		**3**	-	**3**	-
Additions to property, plant and equipment		**(183)**	-	**(411)**	-
Additions to intangible assets		**(122)**	(613)	**(733)**	(1,630)
(Acquisitions)/recovery on acquisitions post-closing adjustments	24	**-**	-	**(54,109)**	1,719
Net cash flow (used in) provided by investing activities		**(172)**	(570)	**(55,056)**	187
Financing					
Interest paid		**(949)**	(642)	**(1,740)**	(2,077)
Interest paid on lease obligations	13	**(107)**	(87)	**(302)**	(271)
Principal repayments on lease obligations	13	**(516)**	(506)	**(1,537)**	(1,526)
Repayment of long-term debt	16	**(5,000)**	(15,000)	**(5,000)**	(20,000)
Proceeds of long-term debt	16	**-**	-	**40,000**	-
Financing fees	16	**-**	(359)	**-**	(359)
Dividend paid		**(4,050)**	(3,500)	**(12,100)**	(10,500)
Stock options exercised	15	**1,376**	-	**3,361**	-
Net cash flow (used in) provided by financing activities		**(9,246)**	(20,094)	**22,682**	(34,733)
Effects of exchange rate changes on cash held in foreign currencies		**160**	108	**61**	(281)
Increase (decrease) in cash		**5,800**	(6,722)	**(7,197)**	8,914
Cash, beginning of period		**27,107**	49,582	**40,104**	33,946
Cash, end of period		**$ 32,907**	$ 42,860	**$ 32,907**	$ 42,860

** See Note 2*

See accompanying Notes

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

1 Nature of the Business

Information Services Corporation is the parent company of its subsidiary group (collectively, the “Company”, or “ISC”) and is a Canadian corporation with its Class A Limited Voting Shares (“Class A Shares”) listed on the Toronto Stock Exchange (“TSX”) under the symbol ISV. The Company is a provider of registry and information management services for public data and records. The head and registered office of the Company is 300 - 10 Research Drive, Regina, Saskatchewan, S4S 7J7. The Company maintains Canadian office locations in Regina, Saskatoon, Vernon, Toronto, Stratford, Milton and Etobicoke and an international office located in Dublin, Ireland. ISC has three reportable segments: Registry Operations, Services and Technology Solutions. A functional summary of these segments is as follows:

- Registry Operations operates registries and provides related services on behalf of governments at various levels. Currently, through this segment, ISC provides registry and information services on behalf of the Province of Saskatchewan under a 20-year Master Service Agreement (“MSA”), in effect until 2033. Additionally, through ISC’s wholly owned subsidiary, Reamined Systems Inc. (“Reamined”), ISC provides property tax services to the Province of Ontario and its municipalities.
- 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 functions are reported as Corporate and other.

As at September 30, 2022, ISC’s principal revenue-generating segments were Registry Operations and Services.

2 Basis of Presentation

Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 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”). Therefore, they do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s most recent audited annual consolidated financial statements for the year ended December 31, 2021, which have been prepared in accordance with IFRS.

These unaudited condensed consolidated interim financial statements have been prepared following the same accounting policies and methods of computation as the year-end financial statements for the Company for the year ended December 31, 2021, as described in Note 3 of the December 31, 2021, consolidated financial statements, except for the impact of the adoption of new policies and the standards and interpretations as described below in the changes in accounting policy section. The significant estimates and assumptions in determining the value of assets and liabilities and the significant judgments in applying accounting policies are the same as those applied in the Company’s consolidated financial statements for the year ended December 31, 2021. The unaudited condensed consolidated interim financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by management to fairly state the Company’s results of operations, financial position and cash flows.

These unaudited condensed consolidated interim financial statements were authorized by the Audit Committee of the ISC Board of Directors (“Board”) for issue on November 2, 2022.

Basis of measurement

The unaudited condensed consolidated interim financial statements have been prepared on a going concern basis using the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period.

Functional and presentation currency

These unaudited condensed consolidated interim financial statements are presented in Canadian dollars (“CAD”), which is the functional currency of the parent company.

Basis of consolidation

The unaudited condensed consolidated interim financial statements incorporate the financial statements of Information Services Corporation and its wholly owned significant operating subsidiaries: ISC Saskatchewan Inc. (“ISC Sask”), ISC Enterprises Inc. (“ISC Ent”), ESC Corporate Services Ltd. (“ESC”), Credit Risk Management Canada Ltd. (“CRM”), Credit Bureau of Stratford (1970) Limited (“CBS”), Reamined, and Enterprise Registry Solutions Limited (“ERS”). All intragroup assets and liabilities, equity, income, expenses and cash flows are eliminated in full on consolidation.

Use of estimates and judgments

The preparation of these unaudited condensed consolidated interim 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. Management believes that the following are the significant accounting estimates and judgments used in the preparation of the consolidated financial statements.

Significant items subject to estimates and underlying assumptions include:

- the carrying value, impairment and estimated useful lives of property, plant and equipment (Note 7);
- the carrying value, impairment and estimated useful lives of intangible assets (Note 9) and goodwill (Note 10);
- the allocation of the purchase price for the acquisition of the group of companies operating as UPLevel (“UPLevel”) and Reamined (Note 24);
- the recoverability of deferred tax assets (Note 14); and
- the amount and timing of revenue from contracts from customers recognized over time (Note 21).

Changes in accounting policies

The Company has adopted the following new accounting pronouncements or policies and 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.

Standard	Description
Amendments to IAS 37 – *Onerous Contracts – Cost of Fulfilling a Contract*	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). 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. 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.
Amendments to IFRS 3 – *Reference to the Conceptual Framework*	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 IFRIC 21 — *Levies*, 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. Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The Company has adopted this amendment on January 1, 2022 and has applied it to acquisitions completed during 2022.

Accounting for configuration and customization costs related to implementing SaaS arrangements

During 2021, the Company revised its accounting policy in relation to configuration and customization costs incurred in implementing Software-as-a-service (“SaaS”) arrangements in response to the International Financial Reporting Interpretations Committee (“IFRIC”) agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements. The details of this policy change are more fully described in the Company’s most recent audited annual consolidated financial statements for the year ended December 31, 2021.

Reconciliation of consolidated statements of income for the period ended September 30, 2021

Below is the effect of transition of the adoption of the IFRIC agenda decision item on our consolidated statements of income for the three and nine months ended September 30, 2021.

	Three Months Ended September 30, 2021			Nine Months Ended September 30, 2021		
(thousands of CAD, unaudited)	2021 (as reported)	IFRIC Adjustment	2021 Restated	2021 (as reported)	IFRIC Adjustment	2021 Restated
Revenue	$ 41,369	$ -	$ 41,369	$ 125,140	$ -	$ 125,140
Wages and salaries	9,643	-	9,643	39,139	17	39,156
Depreciation and amortization	3,474	(74)	3,400	10,840	(215)	10,625
Professional and consulting services	700	-	700	3,136	43	3,179
Total other expense excluding the above	13,526	-	13,526	39,889	-	39,889
Total expenses	27,343	(74)	27,269	93,004	(155)	92,849
Net income before items noted below	14,026	74	14,100	32,136	155	32,291
Net finance (expense)	(661)	-	(661)	(2,191)	-	(2,191)
Income before tax	13,365	74	13,439	29,945	155	30,100
Income tax expense	(3,686)	(20)	(3,706)	(8,266)	(42)	(8,308)
Net income	$ 9,679	$ 54	$ 9,733	$ 21,679	$ 113	$ 21,792

3 Summary of Significant Accounting Policies

Recent accounting pronouncements

The IAS Board 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 – *Classification of Liabilities as Current or Non-current*	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. 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. The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted. This amendment is currently being assessed by the Company to determine the impact.	January 1, 2023
Amendments to IAS 1 and IFRS Practice Statement 2 — *Disclosure of Accounting Policy Information*	The amendments to IAS 1 — Presentation of Financial Statements and IFRS Practice Statement 2 — Making Materiality Judgements require that an entity discloses its material accounting policies, instead of its significant accounting policies. 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.	January 1, 2023
Amendments to IAS 8 — *Definition of Accounting Estimates*	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. 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.	January 1, 2023
Amendments to IAS 12 — *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	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. 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.	January 1, 2023

4 Trade and Other Receivables

The components of trade and other receivables are as follows:

(thousands of CAD)	**September 30, 2022**	December 31, 2021
Trade receivables	**$ 16,515**	$ 12,679
GST/HST/VAT receivables	**223**	61
Other	**995**	31
Total trade and other receivables	**$ 17,733**	$ 12,771

5 Contract Assets

The components of contract assets are as follows:

(thousands of CAD)	September 30, 2022	December 31, 2021
Unbilled revenue	**$ 866**	$ 724
Contract fulfilment costs	**145**	142
Total contract assets	**$ 1,011**	$ 866

Unbilled revenue represents the aggregate asset value on the consolidated statements of financial position of all instances where revenue has been recognized but not yet invoiced to the customers. Contract assets in this category are reclassified to trade receivables when the customer is invoiced.

Contract fulfilment costs are costs the Company incurs related to the fulfilment of performance obligations in contracts where revenue is recognized over time, but prior to reaching a performance milestone. Once the milestone is achieved, these costs, along with the associated revenue, will be recognized in the consolidated statements of comprehensive income. Contract fulfilment costs also include payments for recovery services, which are reimbursed to the Company by customers that have contracted the services. Once this reimbursement occurs, this revenue is recognized in the consolidated statements of comprehensive income on a net basis with these costs.

The Company does not have any contract acquisition costs at the end of the reporting period and did not recognize any amortization of contract acquisition costs during the period (2021 – nil).

There were no impairment losses recognized on any contract asset during the reporting period (2021 – $0.3 million). The impairment in the prior year's third quarter is included in financial services in the consolidated statements of comprehensive income.

6 Seasonality

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. Ontario Property Tax Services revenue earned through Reamined does not experience seasonality, as revenue is received 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 the 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. 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 the current year trends would support historical patterns, at this time, we are uncertain if or when seasonality will return to historical patterns.

Technology Solutions does not experience seasonality; however, this segment is impacted by the timing of procurement activities largely undertaken by local 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, reported under Corporate and other, 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.

7 Property, Plant and Equipment

(thousands of CAD)	Leasehold Improvements	Office Furniture	Office Equipment	Hardware	Assets Under Development	Total
Cost						
Balance at December 31, 2020	$ 9,896	$ 3,236	$ 177	$ 3,104	$ 14	$ 16,427
Additions	-	-	-	-	10	10
Disposals	(1,922)	(131)	(16)	(278)	-	(2,347)
Foreign exchange adjustments	(3)	(3)	-	(18)	-	(24)
Balance at December 31, 2021	$ 7,971	$ 3,102	$ 161	$ 2,808	$ 24	$ 14,066
Acquired assets[1]	119	73	-	401	-	593
Additions	-	-	-	314	97	411
Disposals	(51)	(285)	(5)	(4)	-	(345)
Transfers	73	34	-	14	(121)	-
Foreign exchange adjustments	(2)	(2)	-	(13)	-	(17)
Balance at September 30, 2022	**$ 8,110**	**$ 2,922**	**$ 156**	**$ 3,520**	**$ -**	**$ 14,708**
Accumulated depreciation						
Balance at December 31, 2020	$ 8,491	$ 3,046	$ 163	$ 2,567	$ -	$ 14,267
Depreciation	361	50	7	260	-	678
Impairment[2]	128	7	-	-	-	135
Disposals	(1,922)	(131)	(16)	(278)	-	(2,347)
Foreign exchange adjustments	(1)	(1)	-	(16)	-	(18)
Balance at December 31, 2021	$ 7,057	$ 2,971	$ 154	$ 2,533	$ -	$ 12,715
Depreciation	201	36	2	249	-	488
Disposals	(51)	(285)	(5)	(4)	-	(345)
Foreign exchange adjustments	-	-	-	(12)	-	(12)
Balance at September 30, 2022	**$ 7,207**	**$ 2,722**	**$ 151**	**$ 2,766**	**$ -**	**$ 12,846**
Carrying value						
At December 31, 2021	$ 914	$ 131	$ 7	$ 275	$ 24	$ 1,351
At September 30, 2022	**$ 903**	**$ 200**	**$ 5**	**$ 754**	**$ -**	**$ 1,862**

[1] Acquired assets – see Note 24.
[2] Impairment – During the third quarter of 2021, the Company made the decision to close three of its regional service centers in Saskatchewan and recorded impairments of $0.1 million related to these regional service centres.

8 Right-of-use Assets

(thousands of CAD)		Property and Equipment[1]
Cost		
Balance at January 1, 2021	$	16,993
Additions and modifications		2,223
Disposals		(166)
Foreign exchange adjustments		(96)
Balance at December 31, 2021	$	18,954
Additions and modifications		606
Additions – acquisitions[2]		1,283
Reclass to accumulated depreciation		(2,721)
Foreign exchange adjustments		(151)
Balance at September 30, 2022	**$**	**17,971**
Accumulated depreciation		
Balance at January 1, 2021	$	9,413
Depreciation		1,902
Impairment[3]		13
Disposals		(166)
Foreign exchange adjustments		(69)
Balance at December 31, 2021	$	11,093
Depreciation		1,619
Reclass from cost		(2,721)
Foreign exchange adjustments		(61)
Balance at September 30, 2022	**$**	**9,930**
Carrying value		
At December 31, 2021	$	7,861
At September 30, 2022	**$**	**8,041**

[1] The Company's right-of-use assets consist primarily of property leases associated with the lease of office space.
[2] See Note 24.
[3] Impairment – During the third quarter of 2021, the Company made the decision to close three of its regional service centres in Saskatchewan and recorded impairments related to these regional service centres.

9 Intangible Assets

(thousands of CAD)	Internal Use Software – Acquired	Internal Use Software – Internally Developed	Business Solutions – Acquired	Business Solutions – Internally Developed	Brand, Non-Competes, Other	Contracts, Customer & Partner Relation-ships	Assets Under Develop-ment	Total
Cost								
Restated balance at January 1, 2021*	$ 26,951	$ 78,502	$ 2,174	$ 6,009	$2,391	$ 65,375	$ 955	$ 182,357
Additions	-	-	-	-	-	-	2,486	2,486
Disposals	(911)	-	-	-	(959)	-	-	(1,870)
Transfers	39	269	-	237	-	-	(545)	-
Foreign exchange adjustments	-	-	(163)	(217)	(34)	(58)	(88)	(560)
Balance at December 31, 2021	$ 26,079	$ 78,771	$ 2,011	$ 6,029	$ 1,398	$65,317	$ 2,808	$ 182,413
Acquired assets [1]	5,328	-	-	-	1,000	30,815	-	37,143
Additions	-	-	-	-	-	-	1,488	1,488
Disposals	-	(47)	-	-	-	-	-	(47)
Transfers	-	-	-	658	-	-	(658)	-
Foreign exchange adjustments	-	-	(113)	(162)	-	(40)	(127)	(442)
Balance at September 30, 2022	**$ 31,407**	**$ 78,724**	**$ 1,898**	**$ 6,525**	**$ 2,398**	**$96,092**	**$ 3,511**	**$ 220,555**
Accumulated depreciation								
Restated balance at January 1, 2021*	$ 17,363	$ 76,937	$ 1,267	$ 3,515	$ 1,499	$11,822	$ -	$ 112,403
Amortization	3,046	386	309	538	157	6,614	-	11,050
Disposals	(911)	-	-	-	(959)	-	-	(1,870)
Foreign exchange adjustments	-	-	(105)	(70)	(34)	(28)	-	(237)
Balance at December 31, 2021	$ 19,498	$ 77,323	$ 1,471	$ 3,983	$ 663	$18,408	$ -	$ 121,346
Amortization	1,789	310	187	420	160	5,662	-	8,528
Disposals	-	(47)	-	-	-	-	-	(47)
Foreign exchange adjustments	-	-	(84)	(64)	-	(22)	-	(170)
Balance at September 30, 2022	**$ 21,287**	**$ 77,586**	**$ 1,574**	**$ 4,339**	**$ 823**	**$24,048**	**$ -**	**$ 129,657**
Carrying value								
At December 31, 2021	$ 6,581	$ 1,448	$ 540	$ 2,046	$ 735	$ 46,909	$ 2,808	$ 61,067
At September 30, 2022	**$ 10,120**	**$ 1,138**	**$ 324**	**$ 2,186**	**$ 1,575**	**$ 72,044**	**$ 3,511**	**$ 90,898**

[1] Acquired assets – see Note 24.
* See Note 2.

10 Goodwill

The components of goodwill are as follows:

(thousands of CAD)	**September 30, 2022**	December 31, 2021
Balance, beginning of the period	**$ 77,134**	$ 77,455
Additions[1]	**24,063**	-
Foreign exchange adjustment	**(224)**	(321)
Balance, end of period	**$ 100,973**	$ 77,134

[1] See Note 24.

11 Accounts Payable and Accrued Liabilities

The components of accounts payable and accrued liabilities are as follows:

(thousands of CAD)		September 30, 2022		December 31, 2021
Trade payables	$	**2,307**	$	2,497
Accrued liabilities		**10,194**		8,957
Customer deposits		**3,960**		4,093
Dividend payable		**4,071**		4,025
Share-based accrued liabilities		**5,904**		6,910
Consideration due to vendor[1]		**136**		-
Total accounts payable and accrued liabilities	**$**	**26,572**	$	26,482

[1] See Note 24.

12 Contract Liabilities

The components of contract liabilities are as follows:

(thousands of CAD)			September 30, 2022		December 31, 2021
Amounts received in advance of Registry Operations transaction, maintenance and support contracts	(i)	**$**	**523**	$	329
Amounts received in advance of Technology Solutions support and delivery contracts	(ii)		**707**		1,159
Total contract liabilities		**$**	**1,230**	$	1,488

(i) Revenue that relates to Saskatchewan Registry Operations maintenance and support contracts transactions is recognized over time, while all other Saskatchewan Registry Operations revenue is recognized at a point in time. Revenue from Reamined, acquired on June 1, 2022 (see Note 24), is classified under Registry Operations and is recognized over time. A contract liability is recognized for payments received from end-use customers in advance of services being provided and is recognized into revenue either at the point in time the service is rendered or over the service period.

(ii) Revenue and other income related to Technology Solutions contracts, including government assistance, is recognized over time as the performance obligations in the contract are achieved. These obligations may be based on a time period or on performance-based milestones identified in the contract. A contract liability is recognized for payments received from customers in advance and is recognized into revenue either over the service period or when performance obligations are achieved.

Revenue recognized in the period that was included in the contract liability balance at December 31, 2021 and December 31, 2020:

	Three Months Ended September 30,				Nine Months Ended September 30,			
(thousands of CAD dollars)		**2022**		2021		**2022**		2021
Registry Operations transaction, maintenance and support contracts	**$**	**15**	$	18	**$**	**308**	$	319
Technology Solutions support and delivery contracts		**9**		372		**1,016**		1,335
Total revenue recognized that was included in the balance at the beginning of the period	**$**	**24**	$	390	**$**	**1,324**	$	1,654

The Company has elected to apply the practical expedient as per IFRS 15 B16 and does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which the Company recognizes revenue at the amount to which it has the right to invoice for services performed.

13 Lease Obligations

(thousands of CAD)		Property and equipment
Balance at January 1, 2021	$	8,852
Interest expense for the period		354
Effect of modification to lease terms		2,223
Lease payments		(2,368)
Foreign exchange adjustments		(28)
Balance at December 31, 2021	$	9,033
Additions		240
Additions – acquisitions[1]		1,283
Interest expense for the period[2]		302
Effect of modification to lease terms		366
Lease payments[2]		(1,839)
Foreign exchange adjustments		(88)
Balance at September 30, 2022	**$**	**9,297**

[1] See Note 24.

[2] Lease payments net of interest expense represent the principal portion of lease payments reflected on the consolidated statements of cash flows.

The Company's lease obligations consist primarily of property leases associated with the lease of office space. Expenses for short-term leases and leases of low-dollar value items are not material. All extension options have been included in the measurement of lease obligations.

14 Tax Provision

The Company is subject to federal and provincial income taxes at an estimated combined statutory rate of 27.0 per cent (2021 — 27.0 per cent).

	Three Months Ended September 30,				Nine Months Ended September 30,			
(thousands of CAD)		**2022**		2021 (restated*)		**2022**		2021 (restated*)
Current tax expense	**$**	**3,399**	$	3,543	**$**	**9,928**	$	9,989
Deferred tax expense (recovery)		**(347)**		163		**600**		(1,681)
Income tax expense	**$**	**3,052**	$	3,706	**$**	**10,528**	$	8,308

* See Note 2.

15 Share-Based Compensation Plans

The Company has established share-based compensation plans to provide directors and management of the Company with the opportunity to participate in the long-term success of ISC and to promote a greater alignment of interests between its directors, management and shareholders.

Performance share units ("PSUs")

Introduced in 2019, PSUs are granted with the objective of recognizing and rewarding management for performance and retention.

A summary of the status of the PSU plan and the changes within the nine months ended September 30, 2022, is as follows:

	Units
Balance at December 31, 2020	75,247.22
PSUs granted March 25, 2021	22,900.00
PSUs credited as a result of cash dividends paid	3,114.31
Balance at December 31, 2021	101,261.53
PSUs granted March 24, 2022	21,978.00
PSUs credited as a result of cash dividends paid	2,510.38
PSUs redeemed	(37,926.20)
PSUs forfeited	(1,708.19)
Balance at September 30, 2022	86,115.52

The share-based compensation expense related to the PSUs for the three months ended September 30, 2022 totalled $0.1 million (2021 — $0.4 million) and for the nine months ended September 30, 2022, totalled $0.3 million (2021 — $1.4 million). The total carrying amount of the liability arising from the PSUs as of September 30, 2022, totalled $1.4 million (December 31, 2021 — $2.5 million). The current portion of the liability, which amounts to $1.0 million (December 31, 2021 — $1.4 million), is included within accounts payable and accrued liabilities and the non-current portion of the liability, which amounts to $0.4 million (December 31, 2021 — $1.1 million), is within other non-current liabilities on the consolidated statements of financial position.

Share appreciation rights ("SARs")

Introduced in 2019, SARs are granted with the objective of recognizing and rewarding management for creating sustainable, long-term shareholder value, as well as retention. A SAR is a right granted by the Company to a participant to receive a cash payment equal to any appreciation in the Class A Shares in excess of the SAR price at the grant date during a specified period.

A summary of the status of the SAR plan and the changes within the nine months ended September 30, 2022, is as follows:

	Units	Weighted Average Award Price
Balance at December 31, 2020	534,502.00	$ 14.80
SARs granted March 25, 2021	133,791.00	23.86
SARs redeemed	(1,100.00)	16.11
Balance at December 31, 2021	667,193.00	$ 16.61
SARs granted March 24, 2022	88,410.00	22.81
SARs redeemed	(8,987.00)	15.22
SARs forfeited	(21,708.00)	17.15
Balance at September 30, 2022	**724,908.00**	**$ 17.37**

The share-based compensation expense related to the SARs for the three months ended September 30, 2022, totalled an expense of $0.6 million (2021 — $0.5 million recovery) and for the nine months ended September 30, 2022, totalled a recovery of $1.0 million (2021 — $3.7 million expense). The total carrying amount of the liability arising from SARs as of September 30, 2022, was $3.3 million (December 31, 2021 — $4.3 million). The current portion of the liability, which amounts to $1.9 million (December 31, 2021 — $1.9 million), is included within accounts payable and accrued liabilities, and the non-current portion of the liability, which amounts to $1.4 million (December 31, 2021 — $2.4 million), is within other non-current liabilities on the consolidated statements of financial position.

Deferred share units (“DSUs”)

A summary of the status of the DSU plan and the changes within the nine months ended September 30, 2022, is as follows:

	Units
Balance at December 31, 2020	127,667.15
DSUs granted May 12, 2021	14,855.00
DSUs credited as a result of cash dividends paid	4,222.00
DSUs redeemed	(3,601.11)
Balance at December 31, 2021	143,143.04
DSUs granted June 10, 2022	19,603.00
DSUs credited as a result of cash dividends paid	4,324.00
DSUs redeemed	(22,411.09)
DSU’s forfeited	(324.25)
Balance at September 30, 2022	**144,334.70**

Share-based compensation expense related to the DSUs for the three months ended September 30, 2022, totalled an expense of $0.4 million (2021 — $0.2 million recovery) and for the nine months ended September 30, 2022, totalled a recovery of $38 thousand (2021 — $1.5 million expense). The total carrying amount of the liability arising from the DSUs as of September 30, 2022, totalled $3.1 million (December 31, 2021 — $3.6 million). The liability amount is included within accounts payable and accrued liabilities on the consolidated statements of financial position.

The fair value of the DSUs at September 30, 2022, has been calculated using the market value of the Company’s Class A Shares on the TSX.

Stock options

A summary of the status of the stock option plan and the changes within the nine months ended September 30, 2022, are as follows:

	Options	Average Exercise Price
Balance at December 31, 2020	1,548,247	$ 17.27
Stock options granted during the year	-	-
Balance at December 31, 2021	1,548,247	$ 17.27
Stock options granted during the period	-	-
Stock options exercised	(201,498)	16.68
Stock options forfeited	(14,732)	17.85
Balance at September 30, 2022	**1,332,017**	**$ 17.35**

At the end of the period, the outstanding share options had a weighted average exercise price of $17.35 (December 31, 2021 — $17.27). The number of options exercisable at the end of the period was 1,332,017 (December 31, 2021 — 1,430,339) and had a weighted average exercise price of $17.35 (December 31, 2021 — $17.22) based on a range of exercise prices from $15.04 to $18.85 (December 31, 2021 — $15.04 to $18.85).

Compensation expense is recognized in proportion to the number of stock options vested. Share-based compensation expense related to the stock options for the three months ended September 30, 2022, totalled an expense of nil (2021 — $13 thousand) and for the nine months ended September 30, 2022, totalled a recovery of $7 thousand (2021 — $75 thousand expense). The total carrying amount of the equity settled employee benefit reserve arising from these stock options as of September 30, 2022, totalled $2.1 million (December 31, 2021 — $2.4 million).

16 Debt

Term debt is as follows:

(thousands of CAD)	September 30, 2022	December 31, 2021
Current		
Short-term debt	**$ 500**	$ -
Non-current		
Revolving term facility	**$ 76,029**	$ 40,975
Total debt	**$ 76,529**	$ 40,975

The short-term debt balance is unsecured and non-interest bearing with no specific terms of repayment. The debt was acquired as part of the acquisition of Reamined (see Note 24). It is the Company's intention to repay this amount during the next fiscal year.

Debt of $1.0 million acquired in the UPLevel acquisition (see Note 24) was settled shortly after acquisition via a non-cash transaction with the vendor, whereby an equal and offsetting amount due from the vendor was deemed to be settled against this debt.

At September 30, 2022, the Company's revolving term facility was $76.0 million, which reflects an advance of $40.0 million (2021 — nil) during the second quarter together with a prepayment described below.

From time to time, the Company has made voluntary prepayments against its revolving term facility. A voluntary prepayment of $5.0 million was made in the third quarter of 2022 against the Company's revolving term facility. In the third quarter of the prior year, the Company made a voluntary prepayment of $15.0 million and a total of $20 million of voluntary prepayments in the nine months ended September 30, 2021. The total aggregate amount available under the Credit Facility at September 30, 2022, remains at $150.0 million.

The effective interest rate of the Credit Facility is currently 5.98 per cent. The Company is recognizing costs of $0.4 million attributable to modifying the Credit Facility over the life of the facility. The amount of financing expense related to these costs and recognized in the consolidated statements of comprehensive income for the three months ended September 30, 2022, totalled $18 thousand (2021 — nil) and, for the nine months ended September 30, 2022, totalled $54 thousand (2021 — nil).

The Credit Facility contains financial covenants, positive covenants, negative covenants, events of default, representations and warranties customary for credit facilities of this nature. The Company was in compliance with all covenants throughout the period.

The amount of borrowing costs capitalized during 2022 and 2021 was nil.

17 Liabilities Arising from Financing Activities

The tables below provide the reconciliation of movements of cash and non-cash changes in liabilities arising from financing activities.

(thousands of CAD)		Three Months Ended September 30, **2022**	2021	Nine Months Ended September 30, **2022**	2021
Financing activities					
Interest paid	**(a)**	**$ (949)**	$ (642)	**$ (1,740)**	$ (2,077)
Interest paid on lease obligations	**(b)**	**(107)**	(87)	**(302)**	(271)
Principal repayments on lease obligations	**(b)**	**(516)**	(506)	**(1,537)**	(1,526)
Repayment of long-term debt	**(c)**	**(5,000)**	(15,000)	**(5,000)**	(20,000)
Proceeds of long-term debt	**(c)**	**-**	-	**40,000**	-
Financing fees	**(c)**	**-**	(359)	**-**	(359)
Stock options exercised	**(e)**	**1,376**	-	**3,361**	-
Dividends paid	**(f)**	**(4,050)**	(3,500)	**(12,100)**	(10,500)
Net cash flow (used in) provided by financing activities		**(9,246)**	(20,094)	**22,682**	(34,733)
Non-cash items					
Long-term debt assumed as part of acquisition	**(c)**	**-**	-	**1,001**	-
Non-cash deemed settlement of debt after close	**(c)**	**-**	-	**(1,001)**	-
Short-term debt assumed as part of acquisition	**(d)**	**-**	-	**500**	-
Net cash and non-cash liabilities (used in) provided by financing activities		**$ (9,246)**	$ (20,094)	**$ 23,182**	$ (34,733)

	As at December 31, 2021	Cash Flows		Non-cash Changes: Dividends Declared	Non-cash Changes: Other	**As at September 30, 2022**
Interest payable	$ 116	$ (1,740)	(a)	$ -	$ 1,978	**$ 354**
Lease obligation including current portion and interest paid	9,033	(1,839)	(b)	-	2,103	**9,297**
Long-term debt	40,975	35,000	(c)	-	54	**76,029**
Short-term debt	-	-	(d)	-	500	**500**
Share capital	19,955	3,361	(e)	-	375	**23,691**
Dividends payable	4,025	(12,100)	(f)	12,146	-	**4,071**
	$ 74,104	$ 22,682		$ 12,146	$ 5,010	**$ 113,942**

	As at December 31, 2020	Cash Flows		Non-cash Changes: Dividends Declared	Non-cash Changes: Other	As at September 30, 2021
Interest payable	$ 223	$ (2,077)	(a)	$ -	$ 2,017	**$ 163**
Lease obligation including current portion and interest paid	8,852	(1,797)	(b)	-	585	**7,640**
Long-term debt	76,316	(20,359)	(c)	-	-	**55,957**
Dividends payable	3,500	(10,500)	(f)	10,500	-	**3,500**
	$ 88,891	$ (34,733)		$ 10,500	$ 2,602	**$ 67,260**

18 Earnings Per Share

The calculation of earnings per share is based on net income after tax and the weighted average number of shares outstanding during the period. Details of the earnings per share are set out below:

(thousands of CAD, except number of shares and earnings per share)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021 (restated*)	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021 (restated*)
Net income	**$ 7,756**	$ 9,733	**$ 26,820**	$ 21,792
Weighted average number of shares, basic	**17,658,225**	17,500,000	**17,564,276**	17,500,000
Potential dilutive shares resulting from stock options	**320,352**	632,785	**352,122**	505,828
Weighted average number of shares, diluted	**17,978,577**	18,132,785	**17,916,398**	18,005,828
Earnings per share ($ per share)				
Total, basic	**$ 0.44**	$ 0.56	**$ 1.53**	$ 1.25
Total, diluted	**$ 0.43**	$ 0.54	**$ 1.50**	$ 1.21

* See Note 2.

19 Equity and Capital Management

The Company's authorized share capital consists of an unlimited number of Class A Shares, one Class B Golden Share (the "Golden Share") and an unlimited number of Preferred Shares, issuable in series. The Company currently has 17,701,498 Class A Shares issued and outstanding, one Golden Share issued and outstanding, and no Preferred Shares issued or outstanding. Class A Shares are entitled to one vote per share. The Golden Share, held by Crown Investments Corporation of Saskatchewan on behalf of the Government of Saskatchewan, has certain voting rights and obligations, including regarding the location of the head office and the sale of certain of the assets of the Company. The Golden Share has no pre-emptive redemption, purchase or conversion rights and is not eligible to receive dividends declared by the Company. The Preferred Shares can be issuable at any time and may include voting rights.

	Class A		**Class B**	
(thousands of CAD, except number of shares)	**Number of Shares**	**Share Capital**	**Number of Shares**	**Share Capital**
Balance at January 1, 2021	17,500,000	$ 19,955	1	$ -
No movement	-	-	-	-
Balance at December 31, 2021	17,500,000	$ 19,955	1	$
Balance at January 1, 2022	17,500,000	$ 19,955	1	$ -
Stock options exercised for treasury shares[1]	**201,498**	**3,736**	**-**	**-**
Balance at September 30, 2022	**17,701,498**	**$ 23,691**	**1**	**$ -**

[1] See Note 15.

Capital management

The Company's objective in managing capital is to ensure that adequate resources are available to fund organic growth and to enable it to undertake future growth opportunities while continuing as a going concern. The Company's capital is composed of debt and shareholders' equity.

Operating cash flows are used to provide sustainable cash dividends to shareholders and to fund capital expenditures in support of organic growth. In addition, operating cash flows, supplemented throughout the year with the operating facility if necessary, are used to fund working capital requirements.

Equity and the available but undrawn portion of the Credit Facility will assist in financing future growth opportunities.

The Company's capital at September 30, 2022, consists of short-term debt, long-term debt, share capital, employee benefit reserve, accumulated other comprehensive (loss) and retained earnings (comprising total shareholders' equity).

(thousands of CAD)	**September 30, 2022**	December 31, 2021
Short-term debt	**$ 500**	$ -
Long-term debt	**76,029**	40,975
Share capital	**23,691**	19,955
Accumulated other comprehensive (loss)	**(1,065)**	(355)
Equity settled employee benefit reserve	**2,082**	2,464
Retained earnings	**130,315**	115,641
Capitalization	**$ 231,552**	$ 178,680

20 Financial Instruments and Related Risk Management

The Company does not currently use any form of derivative financial instruments to manage its exposure to credit risk, interest rate risk, market risk or foreign currency exchange risk.

Fair value of financial instruments

The carrying values of cash, short-term investments, trade and other receivables, accounts payable and accrued liabilities excluding share-based accrued liabilities, and short-term debt approximate fair value due to their immediate or relatively short-term maturity. With long-term debt, the Company has amended and restated 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. The Company manages its interest rate risk by monitoring the effects of market changes in interest rates and does not believe that it has material exposure to interest rate risk on its financial instruments.

21 Revenue

The Company derives its revenue from the transfer of goods or services at either a point in time or over time. This is consistent with the revenue from third parties' information disclosed for each reportable segment under IFRS 8 — *Operating Segments* (see Note 22). The following table presents our third-party revenue disaggregated by revenue type. Sales and usage tax are excluded from revenue.

Segment revenue

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD)	**2022**	2021	**2022**	2021
Registry Operations	**$ 25,025**	$ 21,326	**$ 69,116**	$ 64,491
Services	**22,248**	18,273	**69,865**	54,616
Technology Solutions	**1,492**	1,769	**4,802**	6,030
Corporate and other	**3**	1	**8**	3
Total revenue	**$ 48,768**	$ 41,369	**$ 143,791**	$ 125,140

Revenue from Reamined, acquired on June 1, 2022 (see Note 24), is classified under Registry Operations. Property tax infrastructure and services are provided to the Province of Ontario and its municipalities through an exclusive contract with the Province of Ontario, and revenue is earned over time throughout the term of the agreement.

The following table presents our revenue disaggregated by the timing of revenue recognition:

Timing of revenue recognition (thousands of CAD)	Three Months Ended September 30, 2022	2021	Nine Months Ended September 30, 2022	2021
At a point in time				
Registry Operations revenue	**$ 20,232**	$ 20,705	**$ 61,402**	$ 62,120
Services revenue[1]	**21,931**	18,023	**68,876**	53,521
Corporate and other	**3**	1	**8**	3
	$ 42,166	$ 38,729	**$ 130,286**	$ 115,644
Over time				
Registry Operations revenue	**4,793**	621	**7,714**	2,371
Services revenue[1]	**317**	250	**989**	1,095
Technology Solutions revenue	**1,492**	1,769	**4,802**	6,030
	$ 6,602	$ 2,640	**$ 13,505**	$ 9,496
Total revenue	**$ 48,768**	$ 41,369	**$ 143,791**	$ 125,140

[1] In the fourth quarter of 2021, the Company changed the presentation of the revenue generated through the Recovery Solutions division within the Services segment to better reflect the performance obligations in the underlying customer contracts. As a result of this change, $2.0 million of the 2021 comparatives for the three months ended September 30 and $6.5 million of the 2021 year-to-date comparatives were reclassified to the “point in time” category from the “over time” category. These reclassifications have no impact on revenue, net income or earnings per share.

Service concession arrangement

The Company has agreed to a change pursuant to its MSA with the Government of Saskatchewan to prepare for certain updates to the Corporate Registry to support upcoming changes to legislation. Under the MSA, the Company owns the intellectual property during the term of the MSA.

As at September 30, 2022, there was an incremental $0.8 million increase to both intangible assets and other revenue recorded in 2022 in Registry Operations related to the project (2021 — $0.3 million). Amortization of the intangible asset is expected to commence in 2023 when development is complete.

22 Segment Information

Operating segments are identified as components of a company where separate discrete financial information is available for evaluation by the chief operating decision-maker regarding allocation of resources and assessment of performance. The Company uses earnings before interest, taxes, depreciation and amortization (“EBITDA”) and earnings before interest and taxes (“EBIT”) as key measures of profit to assess each segment's performance and to make decisions about the allocation of resources. EBITDA is calculated as income before depreciation and amortization, net finance expense and income tax expense. EBIT is calculated as income after depreciation and amortization expense, net finance expense and income tax expense.

ISC has three reportable segments – Registry Operations, Services and Technology Solutions, summarized as follows:

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

Corporate and other includes our corporate activities and shared services functions. The Registry Operations and Services segments operate substantially in Canada. The Technology Solutions segment operates both in Canada and Ireland.

We have restated our 2021 comparative segment results using the full retrospective method as a result of revising our accounting policy in relation to configuration and customization costs incurred in implementing SaaS arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements (see Note 2).

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. We account for transactions between reportable segments in the same way we account for transactions with external parties; however, we eliminate them on consolidation.

Revenue and EBIT

For the three months ended September 30, 2022

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
Revenue from third parties	**$ 25,025**	**$ 22,248**	**$ 1,492**	**$ 3**	**$ -**	**$ 48,768**
Plus: inter-segment revenue	**-**	**-**	**2,283**	**37**	**(2,320)**	**-**
Total revenue	**$ 25,025**	**$ 22,248**	**$ 3,775**	**$ 40**	**$ (2,320)**	**$ 48,768**
Expenses excluding depreciation and amortization	**(10,675)**	**(18,449)**	**(4,508)**	**(1,627)**	**2,320**	**(32,939)**
EBITDA	**14,350**	**3,799**	**(733)**	**(1,587)**	**-**	**15,829**
Depreciation and amortization	**(1,030)**	**(2,401)**	**(287)**	**(265)**	**-**	**(3,983)**
EBIT	**$ 13,320**	**$ 1,398**	**$ (1,020)**	**$ (1,852)**	**$ -**	**$ 11,846**
Net finance (expense)						**(1,038)**
Income tax expense						**(3,052)**
Net income						**$ 7,756**
Additions to non-current assets, including acquisitions	**$ 378**	**$ 191**	**$ 114**	**$ -**	**$ -**	**$ 683**

For the three months ended September 30, 2021

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
Revenue from third parties	$ 21,326	$ 18,273	$ 1,769	$ 1	$ -	$ 41,369
Plus: inter-segment revenue	-	-	2,453	36	(2,489)	-
Total revenue	$ 21,326	$ 18,273	$ 4,222	$ 37	$ (2,489)	$ 41,369
Expenses excluding depreciation and amortization	(7,628)	(13,570)	(3,919)	(1,241)	2,489	(23,869)
EBITDA	13,698	4,703	303	(1,204)	-	17,500
Depreciation and amortization	(566)	(2,229)	(328)	(277)	-	(3,400)
EBIT	$ 13,132	$ 2,474	$ (25)	$ (1,481)	$ -	$ 14,100
Net finance (expense)						(661)
Income tax expense						(3,706)
Net income						$ 9,733
Additions to non-current assets, including acquisitions	$ -	$ 155	$ 458	$ -	$ -	$ 613

For the nine months ended September 30, 2022

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
Revenue from third parties	**$ 69,116**	**$ 69,865**	**$ 4,802**	**$ 8**	**$ -**	**$ 143,791**
Plus: inter-segment revenue	**-**	**-**	**7,608**	**109**	**(7,717)**	**-**
Total revenue	**$ 69,116**	**$ 69,865**	**$ 12,410**	**$ 117**	**$ (7,717)**	**$ 143,791**
Expenses excluding depreciation and amortization	**(28,482)**	**(55,253)**	**(12,590)**	**(5,061)**	**7,717**	**(93,669)**
EBITDA	**40,634**	**14,612**	**(180)**	**(4,944)**	**-**	**50,122**
Depreciation and amortization	**(1,795)**	**(7,151)**	**(886)**	**(803)**	**-**	**(10,635)**
EBIT	**$ 38,839**	**$ 7,461**	**$ (1,066)**	**$ (5,747)**	**$ -**	**$ 39,487**
Net finance (expense)						**(2,139)**
Income tax expense						**(10,528)**
Net income						**$ 26,820**
Additions to non-current assets, including acquisitions	**$ 53,925**	**$ 10,551**	**$ 745**	**$ -**	**$ -**	**$ 65,221**

For the nine months ended September 30, 2021

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
Revenue from third parties	$ 64,491	$ 54,616	$ 6,030	$ 3	$ -	$ 125,140
Plus: inter-segment revenue	-	-	7,159	123	(7,282)	-
Total revenue	$ 64,491	$ 54,616	$ 13,189	$ 126	$ (7,282)	$ 125,140
Expenses excluding depreciation and amortization	(29,013)	(41,273)	(12,828)	(6,392)	7,282	(82,224)
EBITDA	35,478	13,343	361	(6,266)	-	42,916
Depreciation and amortization	(1,769)	(6,936)	(1,087)	(833)	-	(10,625)
EBIT	$ 33,709	$ 6,407	$ (726)	$ (7,099)	$ -	$ 32,291
Net finance (expense)						(2,191)
Income tax expense						(8,308)
Net income						$ 21,792
Additions to non-current assets, including acquisitions	$ 269	$ 386	$ 1,244	$ -	$ -	$ 1,899

Inter-segment revenues are charged among segments at arm’s-length rates, based on rates charged to third parties. Total consolidated revenue is attributed to customers within Ireland and Canada. For the three months ended September 30, 2022, revenue within Ireland was $1.3 million (2021 — $1.6 million), and the remainder was in Canada. For the nine months ended September 30, 2022, revenue within Ireland was $4.1 million (2021 — $5.3 million), and the remainder was in Canada. No single customer represented more than 10.0 per cent of the total consolidated revenue.

Assets and liabilities

As at September 30, 2022 (thousands of CAD)	**Registry Operations**	**Services**	**Technology Solutions**	**Corporate and other**	**Inter-Segment Eliminations**	**Consolidated Total**
Assets						
Total assets, excluding intangibles, goodwill and cash	**$ 25,597**	**$ 16,183**	**$ 5,294**	**$ 13,856**	**$ -**	**$ 60,930**
Intangibles	**32,795**	**53,617**	**4,483**	**3**	**-**	**90,898**
Goodwill	**21,099**	**71,537**	**8,337**	**-**	**-**	**100,973**
Cash	**-**	**-**	**-**	**32,907**	**-**	**32,907**
Total Assets	**$ 79,491**	**$ 141,337**	**$ 18,114**	**$ 46,766**	**$ -**	**$ 285,708**
Liabilities	**$ 19,125**	**$ 13,208**	**$ 4,291**	**$ 94,061**	**$ -**	**$ 130,685**

As at December 31, 2021 (thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
Assets						
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
Liabilities	$ 10,797	$ 13,381	$ 5,695	$ 64,920	$ -	$ 94,793

Non-current assets are held in Canada and Ireland. At September 30, 2022, non-current assets held in Ireland were $10.0 million (December 31, 2021 — $10.4 million), while the remainder were held in Canada.

23 Net Change in Non-Cash Working Capital

The net change during the period comprised the following:

(thousands of CAD)	Three Months Ended September 30, **2022**	2021	Nine Months Ended September 30, **2022**	2021
Trade and other receivables	**$ 3,451**	$ 136	**$ (2,442)**	$ 406
Prepaid expenses and deposits	**21**	295	**(959)**	242
Contract assets	**(29)**	352	**(170)**	656
Accounts payable and accrued liabilities	**8**	(1,697)	**(1,116)**	1,297
Contract liabilities	**(103)**	(529)	**(214)**	312
Other liabilities and provisions	**427**	(306)	**(1,758)**	3,741
Income taxes	**(613)**	1,692	**(7,402)**	4,389
Net change in non-cash working capital	**$ 3,162**	$ (57)	**$ (14,061)**	$ 11,043

Income taxes paid, net of refunds received, for the three months ended September 30, 2022, totalled $4.0 million (2021 — $1.9 million) and for the nine months ended September 30, 2022, totalled $17.3 million (2021 — $5.6 million).

24 Acquisitions

During the first nine months of 2022, the Company has completed two acquisitions: UPLevel and Reamined. Each is a business combination to which IFRS 3 – Business Combinations applies.

A table outlining the net cash flow related to each acquisition is provided below, followed by a table providing the allocation of the new purchase price for accounting purposes.

Net cash flows related to the acquisition

(thousands of CAD)	UPLevel	Reamined	**2022**	2021
Date Acquired	February 14, 2022	June 1, 2022		
Consideration paid in cash	$ 9,000	$ 45,900	**$ 54,900**	$ -
Working capital and other post-closing adjustments	458	65	**523**	-
Debt assumed	(1,001)	-	**(1,001)**	
Total consideration	$ 8,457	$ 45,965	**$ 54,422**	-
Non-cash deemed settlement of debt after close	1,001	-	**1,001**	-
Items not yet paid in cash:				
Working capital and other post-closing adjustments not yet cash settled at September 30, 2022	(71)	(65)	**(136)**	-
Net cash flows related to the acquisition	$ 9,387	$ 45,900	**$ 55,287**	$ -
Less cash balance acquired	248	930	**1,178**	-
Acquisition through business combination (net of cash acquired)	$ 9,139	$ 44,970	**$ 54,109**	$ -

The table below presents the finalized allocation of the net purchase price for accounting purposes for the UPLevel acquisition as well as the final allocation for the Reamined acquisition, including adjustments to the preliminary allocation.

		Reamined			
(thousands of CAD)	UPLevel – Final Allocation	Preliminary Allocation	Adjustments	**Final Allocation**	**Total**
Assets					
Cash	$ 248	$ 930	$ -	**$ 930**	**$ 1,178**
Trade and other receivables	1,049	1,481	-	**1,481**	**2,530**
Income tax recoverable	37	165	(10)	**155**	**192**
Prepaid expenses and deposits	126	682	(3)	**679**	**805**
Property, plant and equipment	108	485	-	**485**	**593**
Right-of-use assets	189	1,094	-	**1,094**	**1,283**
Intangible assets	5,420	31,723	-	**31,723**	**37,143**
	$ 7,177	$ 36,560	$ (13)	**$ 36,547**	**$ 43,724**
Liabilities					
Accounts payable and accrued liabilities	328	400	18	**418**	**746**
Short-term debt	-	500	-	**500**	**500**
Long-term debt – current portion	1,001	-	-	**-**	**1,001**
Lease obligations – current portion	83	288	-	**288**	**371**
Lease obligations	106	806	-	**806**	**912**
Deferred tax liability	1,367	8,467	1	**8,468**	**9,835**
	$ 2,885	$ 10,461	$ 19	**$ 10,480**	**$ 13,365**
Net assets acquired	$ 4,292	$ 26,099	$ (32)	**$ 26,067**	**$ 30,359**
Goodwill arising on acquisition					
Total consideration allocated	8,457	45,995	(30)	**45,965**	**54,422**
Net assets acquired	4,292	26,099	(32)	**26,067**	**30,359**
Total goodwill arising on acquisition	$ 4,165	$ 19,896	$ 2	**$ 19,898**	**$ 24,063**

Reamined Systems Inc.

On June 1, 2022, the Company, through a wholly owned subsidiary, acquired all of the issued and outstanding shares of Reamined by way of a Share Purchase Agreement ("SPA"). The purchase consideration is $45.9 million, subject to working capital and other post-closing adjustments set out in the SPA. Reamined provides property tax management infrastructure and services in the province of Ontario. The operations are located in Ontario and service over 440 municipalities across Ontario. The acquisition expands the services provided to the Province of Ontario, including supporting critical applications of information used by municipalities to facilitate the determination of property taxes annually. For reporting purposes, Reamined is included in the results of the Registry Operations segment.

Goodwill arising on the acquisition included amounts in relation to the benefit of an increased market presence and competencies and the assembled workforce of Reamined. None of the goodwill recognized is expected to be deductible for income tax purposes.

The intangible assets above consist of existing customer relationships of $26.3 million and existing technology and other items of $5.4 million.

Trade and other receivables with a fair value of $1.5 million acquired in this transaction are estimated to be fully collectible.

Professional fees associated with the cost of the acquisition expensed during the three months ended September 30, 2022, were $33 thousand and for the nine months ended totalled $0.7 million, and have been recorded in professional and consulting services expense on the condensed consolidated interim statements of comprehensive income.

UPLevel

On February 14, 2022, the Company, through its wholly owned subsidiary ESC, acquired all of the shares of a group of companies operating as UPLevel by way of a Share Purchase Agreement ("SPA"). The purchase consideration is $9.0 million, subject to working capital and other post-closing adjustments set out in the SPA. UPLevel provides contact and accounts receivable management, debt collection and Personal Property Security Act ("PPSA") search and registration services. The operations are located in Ontario and Quebec, with the ability to serve customers across Canada. The acquisition expands ESC's leading role in the PPSA market and augments its credit life-cycle product suite by adding early and late-stage collections.

The group of companies operating as UPLevel acquired during the quarter is made up of two operating subsidiaries: CRM and CBS. For reporting purposes UPLevel is included in the results of the Services segment.

Goodwill arising on the acquisition included amounts in relation to the benefit of an increased market presence and competencies, related market growth, and the assembled workforce of UPLevel. None of the goodwill recognized is expected to be deductible for income tax purposes.

The intangible assets above consist of existing customer relationships of $4.4 million and brand of $1.0 million.

Trade and other receivables with a fair value of $1.0 million acquired in this transaction are estimated to be fully collectible.

Professional fees associated with the cost of the acquisition expensed during the three months ended September 30, 2022, were nil and for the nine months ended totalled $0.3 million, and have been recorded in professional and consulting services expense on the condensed consolidated interim statements of comprehensive income.

The revenue and net earnings of the two acquisitions since their acquisition dates included in the condensed consolidated statement of comprehensive income for 2022 were $9.4 million and $0.4 million, respectively. Comprehensive income related to the newly acquired businesses includes amortization of the purchase price allocations and integration costs.

The consolidated revenue and comprehensive income for the Company and the acquirees combined for 2022, as though the acquisition date for the business combinations occurred during the year had been as of January 1, 2022, would have been $151.1 million, and $27.6 million, respectively.

25 Commitments and Contingencies

The Company's commitments have not materially changed from those described in Note 28 of the Company's 2021 Annual Consolidated Financial Statements.

Contingencies

Management's estimate of liability for claims and legal actions is based upon claims submitted. As at September 30, 2022, the liability was nil (December 31, 2021 — nil).

26 Subsequent Events

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