ISC

Information in the right hands.

GROWTH ON THE HORIZON

ANNUAL REPORT 2023

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ABOUT US

Headquartered in Canada, ISC (TSX:ISV) is a 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 through our Registry Operations, Services and Technology Solutions segments.

OUR BUSINESS

Registry Operations

Delivers registry and information services on behalf of governments and private sector organizations

ISC

Services

Delivers products and services that utilize public records and data to provide value to customers in the financial and legal sectors

eSC

Technology Solutions

Provides the development, delivery and support of registry (and related) technology solutions

ERS

2023 HIGHLIGHTS

$214.5 M

in record revenue generated

$72.9 M

in record adjusted EBITDA generated

$50.8 M

in adjusted free cash flow generated

$16.4 M

in dividends paid out to shareholders

COMPLETED

multiple key transactions in line with our commitment to growth, including the extension of ISC's MSA with the province of Saskatchewan until 2053

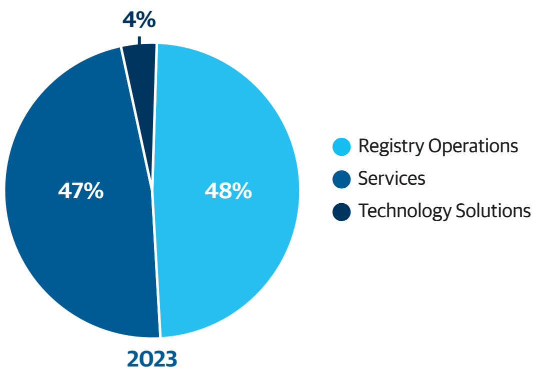
ACHIEVED

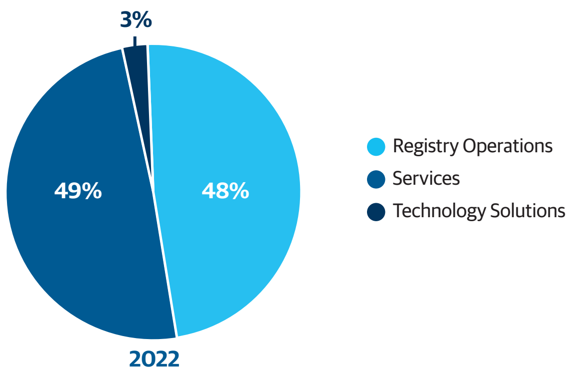
ISO/IEC 27001 certification

2023 Financial Results

	2023 Results	2022 Results
Revenue	**$214.5 M**	$189.9 M
Net income	**$25.0 M**	$30.8 M
Adjusted EBITDA[1]	**$72.9 M**	$64.4 M
Adjusted free cash flow[1]	**$50.8 M**	$44.4 M
Earnings per share (basic)	**$1.41**	$1.75

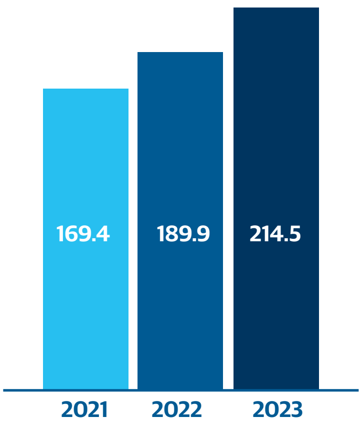
Revenue[2] distribution by segment for the year ended December 31,





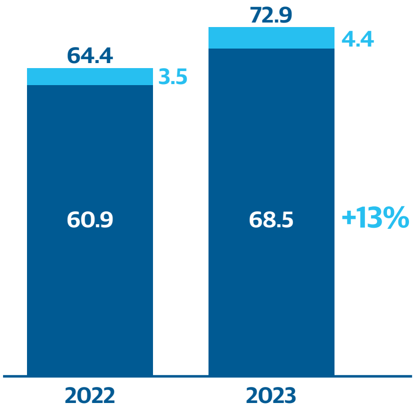
Consolidated Revenue for the year ended December 31,

(CAD millions)



Consolidated EBITDA[1] and adjusted EBITDA[1] for the year ended December 31,

(CAD millions)



[1] Adjusted EBITDA and adjusted 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 of the Management's Discussion and Analysis "Non-IFRS financial measures". Refer to Section 2 "Consolidated Financial Analysis" for a reconciliation of adjusted EBITDA to net income. Refer to Section 6.1 "Cash flow" for a reconciliation of adjusted free cash flow.

[2] Corporate and other and Inter-segment eliminations are excluded. Technology Solutions revenue included in the above chart is third-party revenue. Values may not add due to rounding.

LETTER TO SHAREHOLDERS FROM THE CHAIR

"It has been 10 years since my first letter to you in our 2013 Annual Report. At that time, we were beginning our journey as a publicly traded company."

Some of you may recall that I spoke about the tremendous foundation provided to us by the then 20-year Master Service Agreement with the Government of Saskatchewan. I also noted that your Board of Directors recognized "the importance of using this foundation as a platform to protect and improve the future performance of the Company."

Since then, I believe that we have done just that. Not only have we protected the core of the Company while delivering excellent financial and operational performance year after year but we have solidified our foundation for the next generation of stakeholders. In July, we announced the extension of the Master Service Agreement from 2033 to 2053 in a landmark deal for both the Company and the Government of Saskatchewan. This achievement, which is the first to be successfully completed in the Canadian registry market since ISC secured the initial MSA in 2013, underscores your Board's commitment to registries and their opportunities for sustained growth and long-term stability.

When we began our journey 10 years ago, ISC had one line of business and a presence in one Canadian province. Today, the Company has three lines of business generating over $200 million in revenue and has more than doubled in size (based on revenue) over the last 10 years. This has been achieved through the careful and strategic deployment of capital in support of our overall growth strategy. Since 2013, ISC has invested over $200 million in value-add acquisitions and has paid over $150 million in dividends to its shareholders, including an increase to its annual dividend in 2021. The Company's footprint has grown beyond Saskatchewan to span Canada with a presence in Europe along with international business opportunities.

We are a company with a long-term view and have always had an eye on the future. With the Extension Agreement secured, ISC is now a company with an eye on the very distant future. This means that we can continue to be prudent with our decision making, knowing that everything we do must be right for us and ultimately for our shareholders.

While the Board and I, along with Management, had a strong focus on completing the Extension Agreement, this did not mean that we were not attentive to our regular responsibilities around providing oversight of governance and strategy. In parallel, Management was also hard at work thinking beyond the Extension Agreement and what ISC should be focusing on in the coming years. I encourage you to read our CEO's letter to shareholders in which Shawn Peters, our President and CEO addresses our strategic intent for the continued growth of ISC.

Like any year at ISC, there has been no shortage of dedication and commitment from Management. I would like to congratulate Shawn and his team for putting in a tremendous shift in 2023 to complete the Extension Agreement while plotting our course for the immediate future. I would also like to pay tribute to my fellow Board members for their steadfast dedication and helping to steer us along the right path over the years. Ours is a complex business with complex challenges at times but with their experience and insight, I believe that we have the right balance around the Board table to ensure the sustainability of our journey over the next 10 years and beyond, always with the goal of delivering value to shareholders in mind.

Yours sincerely,

Joel Teal
Chair, Board of Directors

LETTER TO SHAREHOLDERS FROM THE CEO

"I have been fortunate to have been on the ISC journey over the last 10 years. As I reflect on that time and all our accomplishments, one thing is obvious: ISC is a tremendous business; one which has gotten better and better over time and one which will get even stronger in the future."

My letter last year noted that "ISC remains a robust, diverse and financially exceptional organization fueled by a strategy for growth and a business that consistently delivers outstanding results to all our stakeholders." That has not changed, nor do I expect it to. Our performance in 2023 is a steadfast demonstration of that, with our record revenue and record adjusted EBITDA in 2023.

As our Chair noted, in 2023, we secured an extension of our Master Service Agreement with the Government of Saskatchewan to 2053, giving us a 30-year exclusive right to operate the registries. At the same time, we achieved our ISO 27001 certification, we turned our Technology Solutions business around with positive EBITDA, we acquired two new registry contracts with Bank of Canada and Regulis, and we announced several new contract wins during the year.

While all of that is impressive, what is truly exciting is what is ahead of us. Our expectations for 2024 are that we will continue to grow organically through our existing business and surpass the records set for 2023. Our original single line of business, generating just under $80 million per year in revenue and approximately $34 million per year in adjusted EBITDA has grown to an expected over $240 million in revenue and over $83 million in adjusted EBITDA in 2024. And that is just the beginning.

In our Management's Discussion & Analysis, you will see that we have updated our strategy, outlining our intent for meaningful organic growth through our existing business and further M&A. Notably, this is just an evolution of our previous strategy. When we completed our IPO in 2013, we had the building blocks to do something special with ISC. We partnered our strong business with a clear understanding of the market trends of the time and how we expected them to unfold in the years to come. And we executed against that. As a result, over the past 10 years, we have doubled the size of the company on a revenue and adjusted EBITDA basis.

As I've spoken to various shareholders and potential investors about growth over the last couple of years, in 2022 and 2023 we deliberately invested in our people and our technology to be able to scale our growth, all while achieving record results. With that in place we've outlined our goal for the next 5 years in our updated strategy, which includes substantial growth. Much of this will come from our focus on organic growth, especially from our Services segment, which we started in 2015 and have spent the last 8 years strengthening the offering and making us the partner of choice for our customers. The balance, as you would expect, will be achieved through targeted M&A, which as you know has been underpinned by our prudent and proven approach.

As it stands today, and is reflected in our 2024 guidance, the first year will be driven entirely by organic growth, mainly from our Services segment, with support from our Registry Operations and Technology Solutions segments. This is by design and a reflection of the strength of the house we have assembled using the building blocks we had at the start of our journey.

As we move into our next phase of growth, I know that if it is anything like our last, it will mirror our track record for consistent performance, but with an increased focus on growth, which will be to the benefit of all our stakeholders. I look forward to the journey.

Yours sincerely,

Shawn B. Peters, CPA, CA, ICD.D
President and CEO

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

This summary presents information on ISC's program (as well as that of its subsidiaries) related to environmental, social and governance ("ESG" or the "ESG Program") interests that impact our organization and society.

ACTIVITIES

Our ESG approach and strategic intent is reflected in how we manage operations to positively impact our employees, customers, shareholders and the public. It also provides a standard for assessing business risks and opportunities.

In 2022, ISC commenced an exploratory review to understand our current practices and how best to undertake ESG activities, management and reporting in alignment with our business and stakeholders.

From this work, ISC is transitioning its reporting focus from a Corporate Social Responsibility ("CSR") lens to an ESG framework. We continue to monitor evolving compliance and reporting standards and will comply with regulatory requirements as they emerge.

ENVIRONMENTAL

ISC recognizes and embraces our responsibility to manage our activities with care for the protection of the environment.

As ISC continues to refine its ESG activities, we aim to define how our day-to-day business and industry are impacting our environment, and how ISC can monitor and manage this impact. Environment related initiatives at ISC include:

Procurement

Where possible, ISC seeks out suppliers focused on reducing their environmental impact. As part of the procurement process, ISC asks suppliers to state their environmental considerations and methods undertaken to minimize impact on the environment through the agreement.

Recycling

PRINTING

Every ISC workplace has recycling bins, a paper shredder and a recycling program. In addition, all locations participate in a printer toner recycling program.

MOBILE PHONES

In Saskatchewan, ISC mobile phones procured from SaskTel are returned to SaskTel after use and are recycled or donated through the SaskTel Phones for a Fresh Start program.

COMPUTERS

ISC provides unused computer equipment to Computers for Schools Plus (CFS+). For 30 years, the program has helped extend the useful life of electronic equipment and reduce the environmental impact of electronic waste across Canada. Additionally, ERS contributes electronic equipment, batteries and other materials after use to a recycling program conveniently located within their building.

Research[1] demonstrates that protecting our native grasslands is one of the most effective nature-based solutions available for lessening the effects of climate change. That is why ISC has partnered with the **Nature Conservancy of Canada (NCC)** for nearly 10 years to support their efforts in conservation while empowering student interns to gain valuable field experience. In 2023, ISC helped NCC to **conserve 82 new projects totalling 163,035 hectares and protecting habitat for 250 species at risk**.

[1] Hisey, F., Heppner, M. and Olive, A. (2022), Supporting native grasslands in Canada: Lessons learned and future management of the Prairie Pastures Conservation Area (PPCA) in Saskatchewan. "*The Canadian Geographer / Le Géographe canadien*".

SOCIAL

ISC's people-first culture supports and unites our employees over a shared passion to better our communities. This past year, ISC made a renewed commitment to people and culture initiatives to enhance workforce stability, mental health and engagement, as well as supporting flexible work arrangements where possible.

We strive to create an environment where each employee is empowered both professionally and personally, and our community partners are able to expand their reach in ways they haven't before.

To advance our efforts, we align our social initiatives around three consistent and strategic pillars: **Community, Health and Wellbeing**, and **Economy**.

Through our commitment to uphold equity in the workplace, ISC was honoured in ***The Globe and Mail*'s 2023 *Report on Business* Women Lead Here** list for the fourth consecutive year as well as being recognized as one of **Saskatchewan's Top Employers** for the 15th consecutive year.

53

Total number of non-profit organizations and community initiatives supported through donations and sponsorships

$517,062

Total contribution to external social initiatives

+

$327,936

Total contribution to internal social initiatives

=

$844,998

Total contribution to all social initiatives

Community

For over 20 years, ISC has championed involvement in community outreach initiatives through our historic partnerships as well as new sponsorships which meet our employees' needs.

ISC and our employees are donating time, money and talent to causes that matter. Whether lending expertise to local organizations, participating in neighbourhood food programs or assisting with disaster relief efforts, we believe in making a positive impact on communities around the world.

Ernestine's Women's Shelter

For nearly two decades, Reamined has fundraised for **Ernestine's Women's Shelter**, which provides crisis intervention and shelter to women, two-spirit, trans, non-binary and gender diverse individuals and their children experiencing violence in the Toronto area.

Children's Health Foundation Crumlin
Supporting Children's Health Ireland

Last fall, ERS employees ran in the Irish Life Dublin Half Marathon to raise funds for the **Children's Health Foundation – Crumlin Children's Hospital** in support of a colleague whose young daughter spent several weeks admitted to the hospital.

FOUNDATION 50/50 ISC

Following a successful Grey Cup Festival partnership in 2022, ISC signed an exclusive contract as the **Presenting Partner of the Saskatchewan Roughrider Foundation 50/50** raffle for the 2023 to 2026 seasons. This investment helps to provide an opportunity for youth to reach their full potential through health, education and amateur football.

Health and Wellbeing

Supporting the health and wellbeing of our employees and community members is fundamental to our culture, which is why in 2023, ISC sponsored or made donations to 53 different charitable organizations and community programs. We will continue to invest in health organizations, resources and global relief causes to do what is right for our employees and our communities.

In March 2023, there were over 1.9 million visits to food banks in Canada – a 32 per cent increase from March 2022. We know that food security is imperative to the health of our employees, communities and economy overall, and that is why in 2023, our employees came together to fundraise for the **Regina and Saskatoon Food Banks, United Way Regina, Albert Community School** and **Toronto's Daily Bread Food Bank**.

STARS®

Over the last decade, ISC has provided **STARS Air Ambulance** with in-kind access to our specialized data services in addition to monetary donations. This has made a significant impact in Saskatchewan, where STARS recently announced its 10,000th lifesaving mission in December 2023.

Canadian Red Cross

Around the world, we look to the **Canadian Red Cross** in times of need. ISC has been proud to donate to a number of active responses over the years, most recently the **British Columbia Fires Appeal** and **2023 Northwest Territories Fires Appeal**, as well as the **Earthquake in Türkiye and Syria Appeal**. ISC is also an annual sponsor of the **RED Gala**, ensuring that our province can effectively support the needs of our local communities as well as any domestic or international operations.

ISC is committed to honouring domestic and internationally accepted labour standards and supports the protection of human rights of all of its employees and stakeholders. In 2024, we will report under Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act in accordance with the requirements under that Act.

Economy

We know that education is a key factor to empower people to do more on their own and thus make a lasting impact on society. Education broadens opportunities for personal growth and professional development, and we strive to ensure that the people around us and our own colleagues can achieve their full potential in their careers.

As a provider and enabler of corporate registries globally, we have a keen interest in the success of current and emerging business owners and leaders.

ISC champions our future business leaders of all ages and has become an annual sponsor of the **University of Regina's JDC West** team as well as the **First Nations University of Canada's Indigenous Youth Entrepreneurship Camp** and the **Women Entrepreneurs of Saskatchewan (WESK)**.

Each summer, ISC hosts a Summer Student Program which gives post-secondary students the opportunity to gain hands-on experiences in various departments. In addition to their contributions inside the office, summer students get a chance to get out and network while giving back to our local community through regular volunteer days.

Throughout 2023, ISC has endeavoured to procure products and services through locally owned and operated businesses, including Canadian and Irish small businesses **The Happy Box** and **Wild Fern**; Saskatchewan's **QCGifts.ca** and; Creative Fire, a business strategy and communications enterprise owned by **Des Nedhe Group**, the economic development arm of English River First Nation.

The efforts of ISC to move forward with sustainably sourced local businesses is a first step in the Company's mission to enhance procurement processes across ISC and all subsidiaries.

JDC West

FIRST NATIONS UNIVERSITY OF CANADA

University of Regina

GOVERNANCE

Our Board plays an important role in providing governance oversight and direction for our strategy and business affairs. The Board guides ISC to operate as a sustainable business, to optimize financial returns while effectively managing risk, and to conduct our business in a way that is transparent and ethical.

Board Composition and Renewal

The Governance and Nominating Committee ("GNC") reviews Director competencies annually against a skills matrix to validate that they continue to meet ISC's needs. Bi-annually, each Director completes a self-assessment of their competencies following a prescribed rating scale and meets with the Board Chair to review their self-assessment. The GNC reviews the results for consistency and to confirm that the Directors possess skills in these areas.

Board Diversity

A Board with a mix of diverse skills, backgrounds, experience, gender and age is important for sound decision making and good governance. The Board has a formal Diversity Policy, which includes a set of measurable objectives for achieving diversity on the Board. Of ISC's current Directors, three are female (30 per cent of the total number of Directors).

Business Ethics

Our Code of Conduct (the "Code") guides how we uphold our value of integrity. The Code applies to all employees, executives and members of ISC's Board and subsidiary Boards. It sets out our principles and guidelines for ethical behaviour at ISC and with our shareholders, communities and all stakeholder groups.

Conduct and Ethics Training

Every year, all new and current employees at ISC and its subsidiaries complete Code of Conduct online training and submit a declaration statement. The training covers key issues such as conflicts of interest, fraud prevention, privacy matters, acceptable gifts and invitations from vendors, respectful workplace matters and avenues available to raise concerns about ethics matters.

Whistleblower Hotline

Through a third-party service provider, we offer an anonymous whistleblower hotline that is open to all employees, contractors and suppliers from across our operations. Information about the hotline is broadly communicated to employees to let them know they can communicate any concerns to us in this way. Results of whistleblower complaints are reported to the Company's Audit Committee and the Board.

GOVERNANCE INFORMATION

Ethics	
Code of Conduct for Directors, executives and employees	**Yes**
Securities Trading & Insider Reporting Policy	**Yes**
Board Composition and Independence	
Size of Board	**10**
Independent Directors	**10**
Separate Chair and CEO	**Yes**
Independent Chair (required)	**Yes**
Comprehensive Board Assessment Process	**Yes**
Directors who are financially literate	**100%**
Board meetings held in 2023	**11**
Average meeting attendance	**99%**
Majority Voting Policy	**Yes**
Board Renewal and Diversity	
Annual election of Directors	**Yes**
Average age of Directors	**62**
Female Board members	**30% (3)**
Board Diversity Policy	**Yes**
Board Orientation and Education Policy	**Yes**
Executive Compensation Framework	**Yes**
Director Share Ownership Guidelines	**Yes**

Privacy Management

ISC's privacy management program ensures compliance with applicable privacy and data protection laws. ISC uses appropriate security measures, policies, privacy notices, privacy impact assessments, data flow maps, incident and breach notification protocols, contract and vendor risk management and employee training to mitigate risks to data privacy and integrity.

Cyber Security

As a trusted partner of choice to governments, industries and communities around the world, data and information security is at the forefront of everything we do. At the end of 2023, ISC achieved **ISO/IEC 27001** certification across the enterprise.

ISO/IEC 27001 defines requirements that an information security management system ("ISMS") must meet in order to obtain certification. The ISO/IEC 27001 standard provides companies of any size and from all sectors of activity with guidance for establishing, implementing, maintaining and continually improving an ISMS. Conformity with ISO/IEC 27001 means that an organization or business has put in place a system to manage risks related to the security of data owned or handled by the company, and that this system respects all the best practices and principles enshrined in this International Standard.

ISC successfully completed an audit by third-party firm BSI Group Canada Inc. to verify that it meets all requirements of the ISO/IEC 27001 standard.

This achievement reinforces the Company's commitment to maintaining the highest levels of information security and giving customers and clients added confidence in its products and services.

MD&A

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Fourth Quarter and Year Ended December 31, 2023

Introduction

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

This document should be read in its entirety and is intended to complement and supplement ISC's audited consolidated financial statements for the years ended December 31, 2023, and 2022 ("Financial Statements"). Additional information, including our Annual Information Form for the year ended December 31, 2023, is available on the Company's website at **www.isc.ca** and in the Company's profile on SEDAR+ at **www.sedarplus.ca**.

This MD&A contains information from the Financial Statements for the years ended December 31, 2023, 2022 and 2021, prepared in accordance 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 adjusted net income, adjusted earnings per share, basic, adjusted earnings per share, diluted, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, free cash flow and adjusted free cash flow. These measures are provided as additional information to complement IFRS measures. During the second quarter of 2023, ISC added adjusted net income, adjusted earnings per share, basic, adjusted earnings per share, diluted and adjusted free cash flow as new non-IFRS financial metrics that exclude certain items outside the normal course of business and are believed to provide useful information related to ISC's performance. Refer to Section 8.8 "Non-IFRS financial measures" for discussion on why we use these measures and their most closely related IFRS measures within the Financial Statements. Refer to Section 2 "Consolidated Financial Analysis" for a reconciliation of adjusted net income, EBITDA and adjusted EBITDA to net income and Section 6.1 "Cash flow" for a reconciliation of free cash flow and adjusted free cash flow to net cash flow provided by operating activities.

Unless otherwise noted, or unless the context indicates otherwise, "ISC", the "Company", "we", "us" and "our" refer to Information Services Corporation and its subsidiaries. Any statements in this MD&A made by, or on behalf of management are made in such persons' capacities as officers of ISC and not in their personal capacities. In this MD&A, this quarter, the quarter, or fourth quarter refer to the three months ended December 31, 2023, and year-to-date or year-over-year refer to the year ended December 31, 2023 unless the context indicates otherwise. All results commentary is compared to the equivalent period in 2022 or as at December 31, 2022, as applicable, unless otherwise indicated.

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

This MD&A contains forward-looking information and should be read in conjunction with the "Caution Regarding Forward-Looking Information" that follows. This MD&A is current as of March 12, 2024.

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

Responsibility For Disclosure

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

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

Caution Regarding Forward-Looking Information

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

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

Forward-looking information is based on estimates and assumptions made by us in light of ISC's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that ISC believes are appropriate and reasonable in the circumstances. There can be no assurance that such estimates and assumptions will prove to be correct. Certain assumptions with respect to our ability to implement our business strategy and compete for business (other than our exclusive service offerings) and market our technology assets and capabilities, 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, 2023, and the Financial Statements, copies of which are available on our website at **www.isc.ca** and in the Company's profile on SEDAR+ at **www.sedarplus.ca**. You should consider these factors carefully. We caution that the foregoing list is not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, this forward-looking information. See Section 7.2 "Business risks and risk management".

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

1 Overview

2023 was one of the most significant years in the history of the Company. Securing an extension from the Government of Saskatchewan to operate the Saskatchewan Registries (as defined in Section 3.1 "Saskatchewan Registries") until 2053 (the "Extension" or "Extension Agreement") marked a milestone for ISC, projecting an estimated $1.3 billion in cash flow through the extended period and an impressive 90 per cent increase in total assets.

This achievement (the first to be successfully completed in the Canadian registry market since ISC secured the initial master service agreement (the "MSA") with the Government of Saskatchewan in 2013), underscores the Company's commitment to registries and the opportunities for sustained growth and long-term stability they represent.

As part of the Extension, the Company increased its credit facility (the "Credit Facility") and entered into an amended and restated credit agreement (the "Amended and Restated Credit Agreement") to fund the upfront payment (the "Upfront Payment") to the Government of Saskatchewan of $150.0 million. More information about our Credit Facility can be found in Section 6.3 "Debt".

During the year the Company's expansion continued with the addition of the operational rights for two registries: the Bank of Canada Bank Act Security Registry and the International Registry of Interests in Rolling Stock. These additions reflect ISC's strategic move towards diversification in its expansion of service offerings, enhancing the Company's presence in key registry sectors.

ISC also attained notable success on the national and international front, securing multiple contracts for its Technology Solutions segment. Contracts such as the Bank of Canada, the State of Michigan, States of Guernsey and the Department of Registrar of Companies and Intellectual Property in Cyprus demonstrate the Company's global reach and reputation for delivering high-quality solutions. The Company's Services segment continued to be the driver of organic growth in a market that continues to see strong demand for its solutions.

In line with the focus on high-quality solutions and overall excellence, ISC also achieved ISO/IEC 27001 certification enterprise-wide, underscoring its dedication to maintaining the highest standards of security and reliability in its operations.

The investments the Company has made in 2023, while still delivering record revenue and record adjusted EBITDA, consistent with guidance and maintaining robust quarterly cash dividend payments in 2023, has positioned ISC for the next stage of our growth, beginning in 2024, and underscores the Company's strong financial performance and dedication to delivering shareholder value.

1.1 Consolidated highlights

SELECT CONSOLIDATED FINANCIAL INFORMATION

Revenue	Net income	Earnings per share, diluted	Net cash flow provided by operating activities
$214.5M	$25.0M	$1.39	$56.8M
+13% vs 2022	(19%) vs 2022	(19%) vs 2022	+30% vs 2022

Adjusted net income[1]	Adjusted EBITDA[1]	Adjusted free cash flow[1]
$34.2M	$72.9M	$50.8M
+3% vs 2022	+13% vs 2022	+14% vs 2022

[1] Adjusted net income, adjusted EBITDA and adjusted 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 adjusted net income and adjusted EBITDA to net income. Refer to Section 6.1 "Cash flow" for a reconciliation of adjusted free cash flow to net cash flow provided by operating activities.

SELECT FINANCIAL INFORMATION

The select quarterly financial information set out for the years ended December 31, 2023, 2022 and 2021, 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.

			Year Ended December 31,
(thousands of CAD)	**2023**	2022	2021
Revenue	**$ 214,520**	$ 189,895	$ 169,379
Net income	**25,045**	30,769	32,078
Net cash flow provided by operating activities	**56,771**	43,536	61,212
Adjusted net income[1]	**$ 34,213**	$ 33,348	$ 37,414
Adjusted EBITDA[1]	**72,866**	64,390	67,815
Adjusted EBITDA margin (% of revenue)[1]	**34.0%**	33.9%	40.0%
Adjusted free cash flow[1]	**$ 50,770**	$ 44,390	$ 47,308
Dividend declared per share	**$ 0.92**	$ 0.92	$ 0.83
Earnings per share, basic	**1.41**	1.75	1.83
Earnings per share, diluted	**1.39**	1.71	1.78
Adjusted earnings per share, basic	**1.92**	1.89	2.14
Adjusted earnings per share, diluted	**1.90**	1.86	2.08

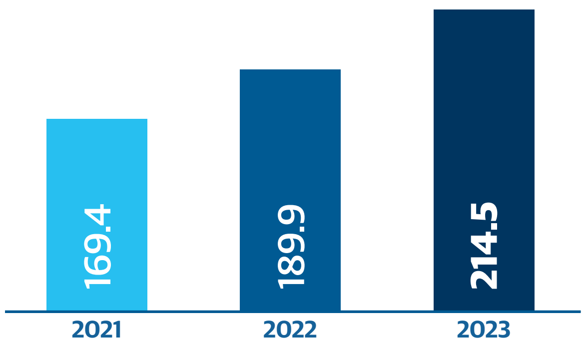
			As at December 31,
	2023	2022	2021
Total assets	**$ 536,323**	$ 283,454	$ 232,498
Total non-current liabilities	**$ 304,048**	$ 88,240	$ 57,888

[1] Adjusted net income, adjusted earnings per share, basic, adjusted earnings per share, diluted, adjusted EBITDA, adjusted EBITDA margin and adjusted 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 adjusted net income and adjusted EBITDA to net income. Refer to Section 6.1 "Cash flow" for a reconciliation of adjusted free cash flow to net cash flow provided by operating activities.

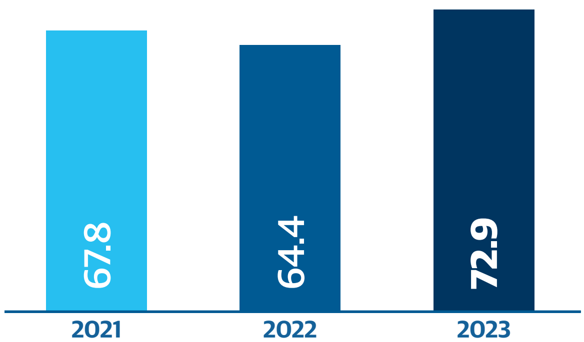
ISC has generated strong consolidated results over the past three years through robust organic growth and executing value-add M&A. Some of the key financial highlights for 2023 were:

- Revenue grew by 13 per cent from $189.9 million in 2022 to a record $214.5 million in 2023 as a result of the following:
  - Registry Operations revenue grew by 13 per cent due to fee adjustments made in July associated with the Extension Agreement, resulting in higher revenue from the Saskatchewan Land Registry accompanied by a full year of revenue compared to seven months in the prior year from our acquisition of Ontario Property Tax Assessment Services in June 2022.
  - Services revenue grew by 10 per cent year-over-year due to customer and transaction growth in the Regulatory Solutions division.
  - Technology Solutions revenue grew by 45 per cent year-over-year due to Third Party revenue growth as this segment began to deliver on new solution definition and implementation contracts announced earlier this year as well as continued to make progress on ongoing contracts.
- Adjusted EBITDA grew by 13 per cent from $64.4 million in 2022 to a record $72.9 million in 2023 as a result of strong operating results across Registry Operations, Services and Technology Solutions.
- Net income for the year was $25.0 million, down from $30.8 million in the prior year as strong operating results were offset by increases in net finance expense and depreciation and amortization costs associated with the Extension Agreement and investments in acquisition, integration as well as other costs required to support-long term sustainability and growth.
- Adjusted free cash flow increased to a record $50.8 million in 2023, up 14 per cent over the 2022 results, demonstrating the Company's continuing ability to generate strong free cash flow.

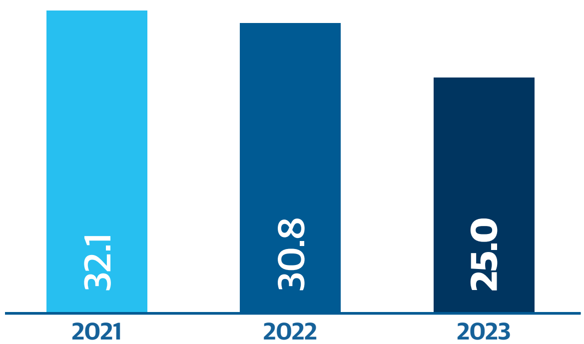
Consolidated revenue for the year ended December 31,
(CAD millions)



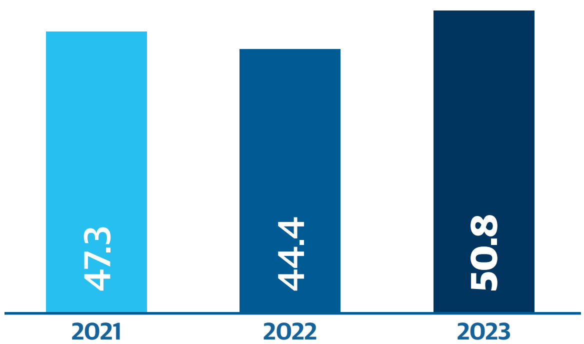
Consolidated adjusted EBITDA for the year ended December 31,
(CAD millions)



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



Consolidated adjusted free cash flow for the year ended December 31,
(CAD millions)



FOURTH QUARTER CONSOLIDATED HIGHLIGHTS

- **Revenue** was a record $57.5 million for the quarter, an increase of 25 per cent compared to the fourth quarter of 2022. Growth was due to fee adjustments implemented in July for the Saskatchewan Registries in Registry Operations, customer and transaction growth in Services' Regulatory Solutions division and the execution of Third Party solution definition and implementation contracts in Technology Solutions.
- **Net income** was $5.7 million or $0.32 per basic and diluted share compared to $3.9 million or $0.22 per basic and diluted share in the fourth quarter of 2022. Strong adjusted EBITDA growth in all operating segments drove the increase in net income during the quarter. This was partially offset by an increase in costs associated with the Extension Agreement including increased borrowings, an increase in interest rates, interest accrued on the vendor concession liability and amortization of the intangible asset associated with the Extension.
- **Net cash flow provided by operating activities** was $22.2 million for the quarter, a 20 per cent increase from $18.4 million in the fourth quarter of 2022. This was due to increased results driven by stronger contributions in all operating segments, offset by a net increase of $6.0 million in non-cash working capital, mainly due to changes in accounts payable and the timing of income tax payments.
- **Adjusted net income** was $9.8 million or $0.55 per basic share and $0.54 per diluted share compared to $5.9 million or $0.34 per basic share and $0.33 per diluted share in the fourth quarter of 2022. The reason for the increase in adjusted net income is similar to that regarding net income, with the exception of the interest accrued on the vendor concession liability and the amortization related to the intangible asset associated with the Extension, as these items are excluded from adjusted net income.
- **Adjusted EBITDA** was a record $21.3 million for the quarter compared to $13.5 million in 2022 due to the impact of fee adjustments in Registry Operations' Saskatchewan Registries division and continued customer and transaction growth in Services' Regulatory Solutions division. Technology Solutions' adjusted EBITDA also grew compared to the prior year quarter due to increased revenue from new solution definition and

implementation contracts announced in 2023 as well as ongoing contracts. **Adjusted EBITDA margin** was 37.1 per cent compared to 29.3 per cent in the fourth quarter of 2022.

- **Adjusted free cash flow** for the quarter was $14.0 million, up 55 per cent compared to $9.0 million in the fourth quarter of 2022, due to stronger results in our operating segments. This was partially offset by an increase in costs associated with the Extension Agreement, including increased borrowings to fund the Upfront Payment and an increase in interest rates.
- Voluntary prepayments of $10.0 million were made towards ISC's Credit Facility during the quarter demonstrating ISC's plan to deleverage towards a long-term net leverage target of 2.0x – 2.5x.
- On November 1, 2023, ISC announced a new US$3.2 million (approximately CAD$4.5 million) contract with the State of Michigan for a period of five years to be delivered through its Technology Solutions segment. This contract includes the delivery of a modern, online Uniform Commercial Code System using the Company's RegSys platform to support service improvement and efficiencies.
- On November 7, 2023, our Board declared a quarterly cash dividend of $0.23 per Class A Limited Voting Share ("Class A Share"), payable on or before January 15, 2024, to shareholders of record as of December 31, 2023.
- On November 20, 2023, ISC announced that the Company, including its subsidiaries, achieved ISO/IEC 27001 certification. ISO/IEC 27001 defines requirements that an information security management system ("ISMS") must meet in order to obtain certification. Achieving ISO/IEC 27001 certification is expected to benefit our current customers as well as help generate new revenue and adjusted EBITDA growth in the future.
- On December 4, 2023, ISC announced that the Bank of Canada selected the Company as operator and technology solutions provider for the Bank Act Security Registry, which enables security interests to be registered under section 427 of the Bank Act across Canada. Registry Operations will be responsible for service delivery related to this new registry with development and implementation of the technology solution provided by Technology Solutions.
- On December 11, 2023, ISC announced the appointment of Jeff Fallowfield as President of ESC Corporate Services Ltd. with accountability for the Services segment, effective January 1, 2024.

YEAR-END CONSOLIDATED HIGHLIGHTS

- **Revenue** was a record $214.5 million for the year ended December 31, 2023, an increase of 13 per cent compared to $189.9 million in 2022. This growth was due to the same reasons given for the quarter accompanied by a full year of revenue from Ontario Property Tax Assessment Services in the current year compared to seven months in the prior year.
- **Net income** was $25.0 million or $1.41 per basic share and $1.39 per diluted share for the year ended December 31, 2023, compared to $30.8 million or $1.75 per basic share and $1.71 per diluted share in 2022. The year-over-year decrease is due to higher net finance cost, amortization expense, and acquisition, integration and other costs related to the Extension, and commencement of registry enhancements (as further discussed under Section 3.1 "Saskatchewan Registries") offset by increased adjusted EBITDA contributions from Registry Operations, Services and Technology Solutions.
- **Net cash flow provided by operating activities** was $56.8 million for the year ended December 31, 2023, an increase of $13.2 million compared to 2022. This was attributable to higher contributions from all operating segments, augmented by a net decrease of non-cash working capital of $2.6 million related to accounts payable and the timing of income tax payments.
- **Adjusted net income** was $34.2 million or $1.92 per basic share and $1.90 per diluted share for the year ended December 31, 2023, compared to $33.3 million or $1.89 per basic share and $1.86 per diluted share for the year ended December 31, 2022. The year-over-year increase was due to increased contributions from all operating segments, partially offset by increased interest expense due to an increase in long-term debt to fund the Upfront Payment and higher interest rates as compared to the prior year, which impacted our cost of borrowing.
- **Adjusted EBITDA** was a record $72.9 million for the year compared to $64.4 million last year. The increase relates to higher adjusted EBITDA in Registry Operations from a combination of fee adjustments implemented in its Saskatchewan Registries division in July, which offset reduced volume in the Land Registry (reflecting reduced activity in the Saskatchewan real estate sector due to a higher interest rate environment) and a full year of contributions from Ontario Property Tax Assessment Services in the current year compared to seven months in the prior year. In addition, Services continued to deliver strong customer and transaction growth in its Regulatory Solutions division while Technology Solutions advanced work on both new solution definition and implementation contracts announced during the year as well as on ongoing contracts. Partially offsetting this adjusted EBITDA growth were increased cost of goods sold associated with the growth in Services' Regulatory Solutions division along with increased investment in the Corporate segment in people and technology. **Adjusted EBITDA margin** for the year was 34.0 per cent, consistent with 2022.
- **Adjusted free cash flow** for the year ended December 31, 2023, was a record $50.8 million, which represented an increase of $6.4 million compared to $44.4 million in 2022. The increase was due to stronger results from our operating segments, partially offset by increased cash interest expense during the current year due to increased borrowings to fund the Upfront Payment and an increase in interest rates.
- On July 5, 2023, the Company entered into the Extension Agreement with the Government of Saskatchewan to extend the

term of its exclusive MSA until 2053. The Extension Agreement extends ISC's exclusive right to manage and operate the Saskatchewan Registries. Further details can be found in Section 3.1 "Registry Operations".

- In connection with the Extension Agreement, ISC entered into an Amended and Restated Credit Agreement with its syndicate of lenders in connection to its Credit Facility, increasing the amount available under the Credit Facility from $150.0 million to $250.0 million. Further details can be found in Section 6.3 "Debt".
- On July 27, 2023, ISC announced that it has expanded the lenders under the Company's Credit Facility to include the Bank of Montreal ("BMO"). The syndicated Credit Facility now includes the Royal Bank of Canada ("RBC"), the Canadian Imperial Bank of Commerce ("CIBC") and BMO.
- Voluntary prepayments on our debt facilities during the year totalled $39.0 million of which $10.0 million was paid in the fourth quarter, demonstrating ISC's commitment to deleverage its balance sheet towards a long-term net leverage target of 2.0x – 2.5x. Long-term debt at December 31, 2023 was $177.3 million.

1.2 Subsequent events

- On February 5, 2024, ISC announced the retirement of Ken Budzak, Executive Vice President of Registry Operations, effective May 2024. During this transition period, the Company will undertake a process to fill the role.
- On March 8, 2024, Regulis S.A. ("Regulis"), a wholly owned subsidiary of ISC, launched the International Registry of Interests in Rolling Stock consistent with its contract under the Luxembourg Rail Protocol of the Cape Town Convention which provides the exclusive right and obligation to develop, deliver and operate the International Registry of Interests in Rolling Stock for a period of 10 years from the date of go live. Pursuant to our Share Purchase Agreement of Regulis executed in 2022, additional purchase consideration of €0.6 million (approximately $0.9 million) has been paid following setting of the go live target date.
- On March 12, 2024, the Board declared a quarterly cash dividend of $0.23 per Class A Share, payable on or before April 15, 2024, to shareholders of record as of March 31, 2024.

1.3 Outlook

The following section includes forward-looking information, including statements related to our strategy, future results, including revenue and adjusted EBITDA, segment performance, expenses, operating costs and capital expenditures, the industries in which we operate, economic activity, growth opportunities, investments and business development opportunities. Refer to "Caution Regarding Forward-Looking Information".

In 2024, we expect revenue to grow within a range of $240.0 million to $250.0 million and adjusted EBITDA to grow within a range of $83.0 million to $91.0 million. When compared to our actual results for 2023, our guidance for 2024 represents expected year-over-year increases of up to 17 per cent for revenue and up to 25 per cent for adjusted EBITDA.

Our expected performance year-over-year marks the beginning of the next phase of ISC's growth plan. We intend to leverage the investments and achievements of 2023 while intensifying our focus on organic growth and continuing to execute on accretive M&A opportunities.

In Registry Operations, we expect transactions in 2024 to be largely flat with revenue growth through a realization of a full year of fee adjustments, including those amended in July 2023 because of the Extension Agreement and regular annual CPI fee adjustments. Services will continue to be a significant part of our organic growth, with a forecasted increase in transactions and number of customers. Our Technology Solutions segment is also forecasted to see double-digit growth as we deliver on existing and new solutions delivery contracts in 2024.

The key drivers of expenses in adjusted EBITDA in 2024 are expected to be wages and salaries and cost of goods sold. Furthermore, as a result of the Extension Agreement, the Company will have additional operating costs associated with the enhancement of the Saskatchewan Registries and increased interest expense arising from additional borrowings in 2023, which are excluded from adjusted EBITDA.

Our capital expenditures will also increase because of the enhancement of the Saskatchewan Registries but will remain immaterial overall. As a result, the Company expects to see robust free cash flow in 2024, which will support the deleveraging of our balance sheet to realize a long-term net leverage target of 2.0x – 2.5x.

2 Consolidated Financial Analysis

Revenue for the three months and year ended December 31, 2023, was up 25 and 13 per cent respectively, compared to the same prior year periods due to growth in all operating segments. Revenue for the quarter primarily grew due to fee adjustments implemented for the Saskatchewan Registries division in Registry Operations in July, customer and transaction growth in Services' Regulatory Solutions division and execution on new and ongoing third-party solution definition and implementation contracts in Technology Solutions. Full year revenue grew for the same reasons as in the fourth quarter, with the exception of having a full year of Ontario Property Tax Assessment Services division revenue within Registry Operations compared to only seven months in the prior year.

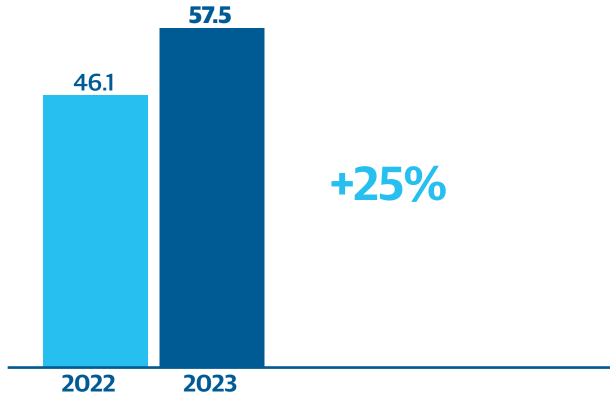
Net income was up 45 per cent for the three months ended December 31, 2023, and down 19 per cent for the year ended December 31, 2023, when compared to the same prior year periods. The increase during the quarter compared to the prior year quarter was the result of increased profitability in all operating segments, partially offset by increased net finance costs and depreciation and amortization related to the Extension. The year-over-year reduction in net income is due to higher net finance costs, depreciation and amortization, acquisition, integration and other costs related to the Extension and commencement of registry enhancement (as further discussed under Section 3.1 "Saskatchewan Registries") offset by increased adjusted EBITDA contributions from all operating segments.

2.1 Consolidated statements of comprehensive income

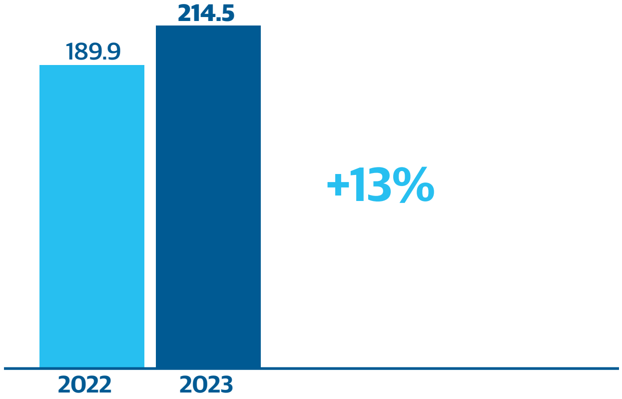
	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2023**	2022	**2023**	2022
Revenue				
Registry Operations	**$ 28,519**	$ 22,605	**$ 103,516**	$ 91,721
Services	**25,368**	22,441	**101,712**	92,306
Technology Solutions	**3,604**	1,047	**9,268**	5,849
Corporate and other	**–**	11	**24**	19
Total revenue	**57,491**	46,104	**214,520**	189,895
Expenses				
Wages and salaries	**15,098**	15,997	**59,999**	54,267
Cost of goods sold	**13,946**	12,007	**55,387**	49,215
Depreciation and amortization	**6,643**	4,100	**20,506**	14,735
Information technology services	**3,654**	3,205	**13,280**	10,584
Occupancy costs	**1,166**	1,167	**4,648**	4,003
Professional and consulting services	**1,522**	1,245	**5,981**	4,988
Financial services	**751**	601	**3,077**	2,669
Other	**903**	1,074	**3,669**	3,239
Total expenses	**43,683**	39,396	**166,547**	143,700
Net income before items noted below	**13,808**	6,708	**47,973**	46,195
Finance income (expense)				
Interest income	**264**	269	**1,163**	463
Interest expense	**(6,482)**	(1,307)	**(14,346)**	(3,640)
Net finance (expense)	**(6,218)**	(1,038)	**(13,183)**	(3,177)
Income before tax	**7,590**	5,670	**34,790**	43,018
Income tax expense	**(1,876)**	(1,721)	**(9,745)**	(12,249)
Net income	**5,714**	3,949	**25,045**	30,769
Other comprehensive income (loss)				
Unrealized gain (loss) on translation of financial statements of foreign operations	**104**	688	**192**	(33)
Change in fair value of marketable securities, net of tax	**–**	–	**–**	11
Other comprehensive income (loss) for the period	**104**	688	**192**	(22)
Total comprehensive income	**$ 5,818**	$ 4,637	**$ 25,237**	$ 30,747

2.2 Consolidated revenue

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



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



	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2023**	2022	**2023**	2022
Registry Operations	**$ 28,519**	$ 22,605	**$ 103,516**	$ 91,721
Services	**25,368**	22,441	**101,712**	92,306
Technology Solutions	**3,604**	1,047	**9,268**	5,849
Corporate and other	**–**	11	**24**	19
Total revenue	**$ 57,491**	$ 46,104	**$ 214,520**	$ 189,895

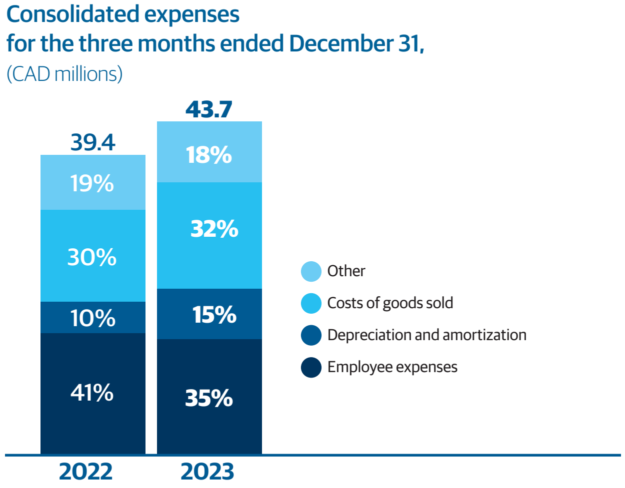
Total revenue increased during the quarter by $11.4 million compared to the prior year quarter as a result of:

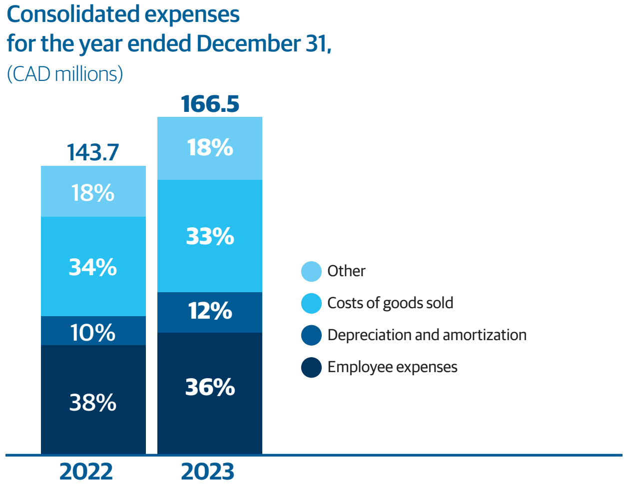
- Increased revenue in Registry Operations of $5.9 million, or 26 per cent, compared to the fourth quarter of 2022 following the implementation of fee adjustments in the third quarter in the Saskatchewan Land Registry.
- A revenue increase of $2.9 million in Services, or 13 per cent, for the fourth quarter of 2023 compared to the same period in 2022. Growth was driven by continued customer and transaction growth in the Regulatory Solutions division where financial institutions and equipment and auto finance customers continued to enhance due diligence processes in an environment of higher interest rates and increased regulatory oversight.
- Increased Third Party revenue of $2.6 million in Technology Solutions compared to the fourth quarter of 2022, as revenue continues to be recognized for new contracts announced in 2023 accompanied by revenue recognized for other ongoing contracts.

Total revenue for the year increased by $24.6 million or 13 per cent compared to the prior year, again mainly due to:

- Increased revenue of $11.8 million, or 13 per cent, in Registry Operations compared to the prior year. Growth was due to a combination of fee adjustments made in the third quarter of 2023, resulting in higher revenue from the Saskatchewan Registries division, accompanied by $6.7 million in incremental revenue earned for the full year from the Ontario Property Tax Assessment Services division compared to seven months in the prior year when it was acquired.
- Increased revenue of $9.4 million, or 10 per cent, in Services driven primarily by customer and transaction growth in the Regulatory Solutions division as outlined in the quarterly results above.
- Increased Third Party revenue of $3.4 million, or 58 per cent, in Technology Solutions due to progress during the year on both new and ongoing solution definition and implementation contracts.

2.3 Consolidated expenses





Note: Values in tables may not add due to rounding.

	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2023**	2022	**2023**	2022
Wages and salaries	**$ 15,098**	$ 15,997	**$ 59,999**	$ 54,267
Cost of goods sold	**13,946**	12,007	**55,387**	49,215
Depreciation and amortization	**6,643**	4,100	**20,506**	14,735
Information technology services	**3,654**	3,205	**13,280**	10,584
Occupancy costs	**1,166**	1,167	**4,648**	4,003
Professional and consulting services	**1,522**	1,245	**5,981**	4,988
Financial services	**751**	601	**3,077**	2,669
Other	**903**	1,074	**3,669**	3,239
Total expenses	**$ 43,683**	$ 39,396	**$ 166,547**	$ 143,700

Expenses were $43.7 million for the quarter, an increase of $4.3 million compared to the same quarter last year. The increase in the quarter was due to:

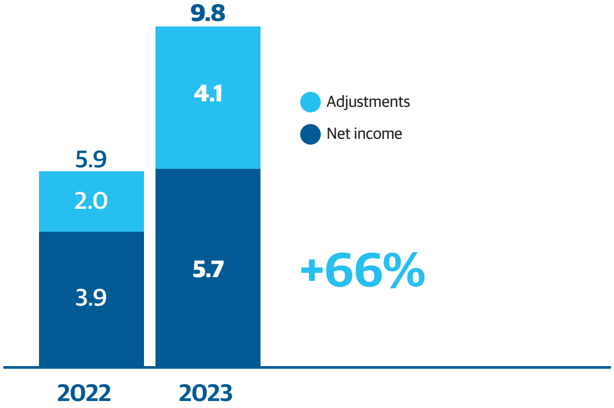
- An increase in depreciation and amortization of $2.5 million related to amortization of the intangible asset associated with the right to manage and operate the Saskatchewan Registries, which was capitalized in July.
- An increase in cost of goods sold of $1.9 million related to the increase in Services revenue within the Regulatory Solutions division.
- Increased information technology costs of $0.4 million related to project delivery work in Technology Solutions.
- An increase in professional and consulting services of $0.3 million driven by increased acquisition, integration and other costs related to the Extension Agreement and registry enhancements.

Increases were offset by a decrease in wages and salaries of $0.9 million when compared to the prior year quarter. This relates to a $1.9 million decrease in share-based compensation expense and a $1.0 million increase in investment in people to support execution on Technology Solutions contracts and additional capacity in Corporate to support growth priorities.

The year-over-year rise in expenses for the year ended December 31, 2023, was $22.8 million. This was driven by the same factors outlined for the quarter, accompanied by a full year of expenses for the operations of acquisitions made in the prior year reported within Services and Registry Operations in February and June 2022, respectively.

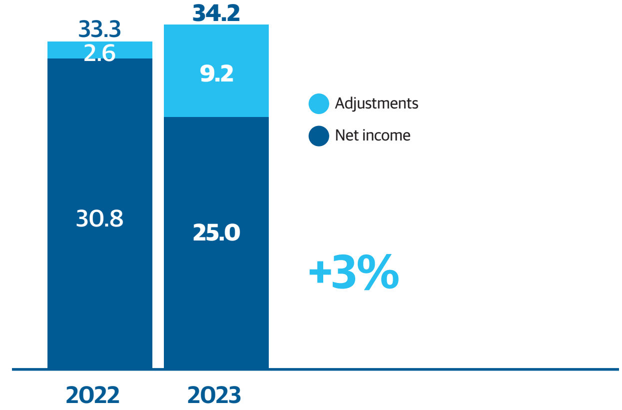
2.4 Consolidated net income and adjusted net income

Net income and adjusted net income for the three months ended December 31,
(CAD millions)



Note: Values in tables may not add due to rounding.

Net income and adjusted net income for the year ended December 31,
(CAD millions)



	Three Months Ended December 31,					
	Pre-tax		Tax[1]		After-tax	
(thousands of CAD)	**2023**	2022	**2023**	2022	**2023**	2022
Adjusted net income	**$ 13,253**	$ 8,401	**$ (3,405)**	$ (2,459)	**$ 9,848**	$ 5,942
Add (subtract):						
Share-based compensation (expense)	**(307)**	(2,180)	**83**	589	**(224)**	(1,591)
Acquisition, integration and other costs	**(559)**	(533)	**151**	144	**(408)**	(389)
Effective interest component of interest expense	**(64)**	(18)	**17**	5	**(47)**	(13)
Interest on vendor concession liability	**(2,599)**	–	**702**	–	**(1,897)**	–
Amortization of right to manage and operate the Saskatchewan Registries	**(2,134)**	–	**576**	–	**(1,558)**	–
Net income	**$ 7,590**	$ 5,670	**$ (1,876)**	$ (1,721)	**$ 5,714**	$ 3,949

[1] Calculated at ISC's statutory tax rate of 27.0 per cent.

	Year Ended December 31,					
	Pre-tax		Tax[1]		After-tax	
(thousands of CAD)	**2023**	2022	**2023**	2022	**2023**	2022
Adjusted net income	**$ 47,350**	$ 46,550	**$ (13,137)**	$ (13,202)	**$ 34,213**	$ 33,348
Add (subtract):						
Share-based compensation (expense)	**(283)**	(1,483)	**76**	400	**(207)**	(1,083)
Acquisition, integration and other costs	**(4,104)**	(1,977)	**1,108**	534	**(2,996)**	(1,443)
Effective interest component of interest expense	**(165)**	(72)	**45**	19	**(120)**	(53)
Interest on vendor concession liability	**(4,332)**	–	**1,170**	–	**(3,162)**	–
Amortization of right to manage and operate the Saskatchewan Registries	**(3,676)**	–	**993**	–	**(2,683)**	–
Net income	**$ 34,790**	$ 43,018	**$ (9,745)**	$ (12,249)	**$ 25,045**	$ 30,769

[1] Calculated at ISC's statutory tax rate of 27.0 per cent.

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	**2023**	2022
Earnings per share, basic	**$ 0.32**	$ 0.22	**$ 1.41**	$ 1.75
Earnings per share, diluted	**0.32**	0.22	**1.39**	1.71
Adjusted earnings per share, basic	**0.55**	0.34	**1.92**	1.89
Adjusted earnings per share, diluted	**0.54**	0.33	**1.90**	1.86
Weighted average # of shares	**18,004,641**	17,701,498	**17,820,729**	17,598,864
Weighted average # of diluted shares	**18,130,264**	18,012,223	**18,023,777**	17,949,493

Net income for the quarter was $5.7 million or $0.32 per basic and diluted share compared to $3.9 million or $0.22 per basic and diluted share in the fourth quarter of 2022 and was $25.0 million or $1.41 per basic share and $1.39 per diluted share in 2023 compared to $30.8 million or $1.75 per basic share and $1.71 per diluted share last year.

The increase in net income for the three months ended December 31, 2023, compared to the prior year period was due to:

- Strong adjusted EBITDA growth of $5.5 million in Registry Operations following the implementation of fee adjustments in July 2023 coupled with Technology Solutions generating $3.2 million more in adjusted EBITDA when compared to the prior year quarter. The increase in Technology Solutions was due to revenue recognized on new contracts announced in the first quarter of 2023. Services also continued to be a strong contributor to adjusted EBITDA.
- A decrease in share-based compensation expense of $1.9 million compared to the prior year quarter driven by a smaller increase in the Company's share price during the current year quarter compared to the previous year quarter.

Partially offsetting these items were:

- An increase in net finance expense from $1.0 million in the comparative quarter to $6.2 million during the three months ended December 31, 2023 due to a combination of increased borrowings associated with the Upfront Payment of $150.0 million that was made in the third quarter in connection with the Extension Agreement, an increase in interest rates and non-cash interest accrued on the vendor concession liability to the Government of Saskatchewan of $2.6 million.
- Increased depreciation and amortization expense of $2.5 million due to a full quarter of amortization with respect to the extended right to manage and operate the Saskatchewan Registries, which was capitalized in July.

For the full year, the decrease in net income from $30.8 million in the prior year to $25.0 million in the current year related to:

- Increased net finance costs and depreciation and amortization expense of $10.0 million and $5.8 million, respectively. The increase in net finance expense relates to a combination of additional borrowings to fund the Upfront Payment for the Extension Agreement, an increase in interest rates and non-cash interest accrued on the vendor concession liability to the Government of Saskatchewan. The increased depreciation and amortization expense relates to five months of amortization of the extended right to manage and operate the Saskatchewan Registries under the Extension.

Partially offsetting these items was:

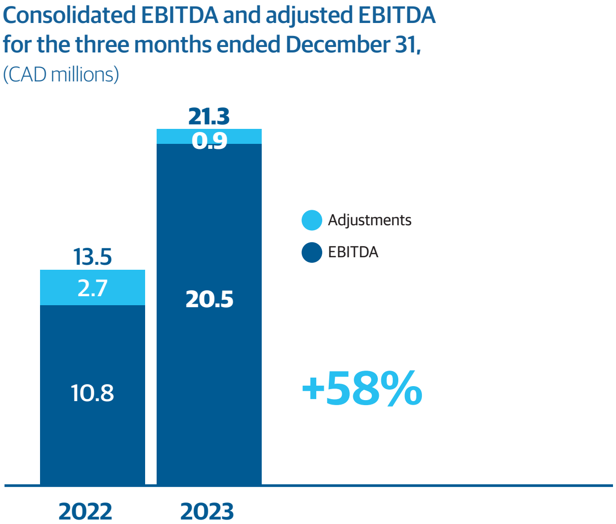
- Increased adjusted EBITDA contributions across Registry Operations, Services and Technology Solutions.

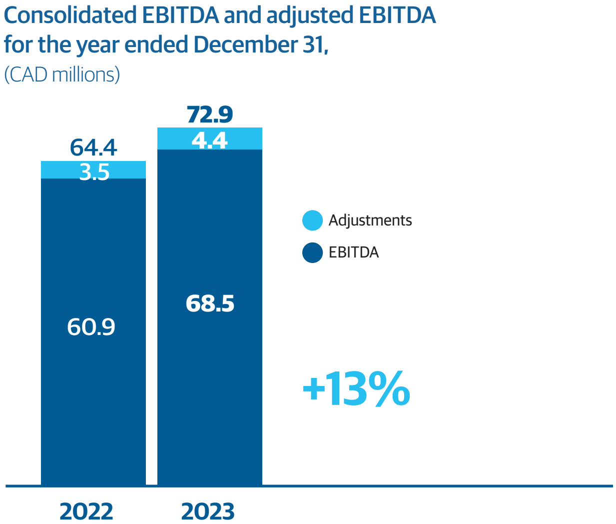
Adjusted net income for the quarter was $9.8 million or $0.55 per basic share and $0.54 per diluted share, an increase compared to $5.9 million in the comparative quarter last year or $0.34 per basic share and $0.33 per diluted share. For the year, adjusted net income was $34.2 million or $1.92 per basic share and $1.90 per diluted share compared to adjusted net income of $33.3 million or $1.89 per basic share and $1.86 per diluted share.

The increase in adjusted net income for the fourth quarter of 2023 compared to the prior year was due to increased adjusted EBITDA contributions from Registry Operations, Services and Technology Solutions discussed above, partially offset by increased interest expense due to increased borrowings and an increase in interest rates.

Adjusted net income for the year increased by $0.9 million resulting from higher year-over-year adjusted EBITDA contributions from all operating segments, offset by higher interest expense on long-term debt associated with the Extension and higher interest rates impacting our cost of borrowing as compared to the prior year.

2.5 Consolidated EBITDA and adjusted EBITDA





Note: Values in tables may not add due to rounding.

	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2023**	2022	**2023**	2022
Adjusted EBITDA	**$ 21,317**	$ 13,521	**$ 72,866**	$ 64,390
Add (subtract):				
Share-based compensation (expense)	**(307)**	(2,180)	**(283)**	(1,483)
Acquisition, integration and other costs	**(559)**	(533)	**(4,104)**	(1,977)
EBITDA[1]	**$ 20,451**	$ 10,808	**$ 68,479**	$ 60,930
Add (subtract):				
Depreciation and amortization	**(6,643)**	(4,100)	**(20,506)**	(14,735)
Net finance expense	**(6,218)**	(1,038)	**(13,183)**	(3,177)
Income tax expense	**(1,876)**	(1,721)	**(9,745)**	(12,249)
Net income	**$ 5,714**	$ 3,949	**$ 25,045**	$ 30,769
EBITDA margin (% of revenue)[1]	**35.6%**	23.4%	**31.9%**	32.1%
Adjusted EBITDA margin (% of revenue)	**37.1%**	29.3%	**34.0%**	33.9%

[1] EBITDA and 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".

Adjusted EBITDA for the fourth quarter was $21.3 million, an increase of $7.8 million or 58 per cent from $13.5 million in the fourth quarter of 2022 due to:

- An increase in adjusted EBITDA in Registry Operations for the fourth quarter of $5.5 million when compared to the same quarter of 2022. The increase was due to a full quarter of fee adjustments implemented in the third quarter in the Saskatchewan Registries division pursuant to the Extension Agreement.
- An increase in adjusted EBITDA in Services of $0.4 million, or 9 per cent, compared to the fourth quarter of 2022. The increase resulted from customer and transaction growth in the Regulatory Solutions division. This was partially offset by increased cost of goods sold and investments in technology.
- Technology Solutions advancing delivery on both new solution definition and implementation contracts announced during the year as well as ongoing contracts and related party projects. This translated into $3.2 million in growth in adjusted EBITDA, compared to the fourth quarter of 2022.

For 2023, adjusted EBITDA was $72.9 million, an increase of $8.5 million, or 13 per cent, compared to $64.4 million in 2022. This was mainly due to:

- Increased adjusted EBITDA in Registry Operations of $6.9 million when compared to the prior year. The increase resulted from a combination of fee adjustments implemented in July in the Saskatchewan Registries division and a full year of contributions from the Ontario Property Tax Assessment Services division in the current year compared to seven months in the prior year.
- Growth in Services' adjusted EBITDA of $2.1 million, or 11 per cent, compared to the prior year. The increase resulted from customer and transaction growth in Regulatory Solutions partially offset by increased cost of goods sold and increased investments in technology.
- Increased adjusted EBITDA in Technology Solutions of $2.1 million when compared to the prior year for the same reasons as described above for the quarter.

These factors were offset by a reduction of $1.1 million in Corporate adjusted EBITDA due to an increased investment in people and technology to support ISC's continued focus on growth initiatives.

Adjusted EBITDA margin for the quarter grew when compared to the prior year from 29.3 per cent to 37.1 per cent. The increase for the quarter was due to the implementation of fee adjustments in the Saskatchewan Registries division in July, consistent year-over-year adjusted EBITDA margin in Services, as well as increased profitability in Technology Solutions following progress on both third-party contracts and related party projects.

The adjusted EBITDA margin for the year was 34.0 per cent, consistent with the margin in the prior year. The adjusted EBITDA margin for the year reflects lower year-over-year transaction volume within the Land Registry, most noticeably in the first half of 2023, when compared to the first half of 2022, which impacted revenue in that period, offset by fee adjustments implemented in July 2023.

2.6 Consolidated net finance expense

	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2023**	2022	**2023**	2022
Interest income	**$ 264**	$ 269	**$ 1,163**	$ 463
Interest expense on long-term debt	**$ (3,696)**	$ (1,188)	**$ (9,449)**	$ (3,165)
Interest on vendor concession liability	**(2,599)**	–	**(4,332)**	–
Interest on lease liabilities	**(123)**	(101)	**(400)**	(403)
Effective interest component of interest expense	**(64)**	(18)	**(165)**	(72)
Interest expense	**$ (6,482)**	$ (1,307)	**$ (14,346)**	$ (3,640)
Net finance expense	**$ (6,218)**	$ (1,038)	**$ (13,183)**	$ (3,177)

Note: Brackets in the above table denote expense

Net finance expense was $6.2 million for the quarter, up $5.2 million from the prior year. For the year, net finance expense was $13.2 million in 2023, up compared to $3.2 million in 2022.

Net finance expense for the quarter and the year was higher due to higher interest expense as a result of:

- Higher average long-term debt outstanding in 2023 as compared to 2022 due to the draw down of the Credit Facility to fund the Upfront Payment.
- Increased interest expense due to higher interest rates impacting our cost of borrowing on long-term debt outstanding following successive interest rate increases by the Bank of Canada commencing in the first quarter of 2022 through July 2023.
- Non-cash interest on the vendor concession liability to the Government of Saskatchewan related to the Extension Agreement which requires ISC to make five annual cash payments of $30.0 million per year, commencing in July 2024.

2.7 Tax provision

The Company is subject to federal and provincial income taxes at an estimated combined statutory rate of 27.0 per cent (2022 – 27.0 per cent). Income tax expense varies from the amounts that would be calculated by applying the statutory income tax rate to earnings before taxes as outlined below:

(thousands of CAD)	**2023**	2022
Net income before tax	**$ 34,790**	$ 43,018
Combined statutory income tax rate	**27.0%**	27.0%
Expected income tax expense	**9,393**	11,615
Increase (decrease) in income tax resulting from:		
Non-deductible expenses	**223**	162
Foreign income tax differential	**19**	488
Adjustment to prior years' deferred tax assets and liabilities	**(3)**	(6)
Other	**113**	(10)
Income tax expense	**$ 9,745**	$ 12,249

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

3 Business Segment Analysis

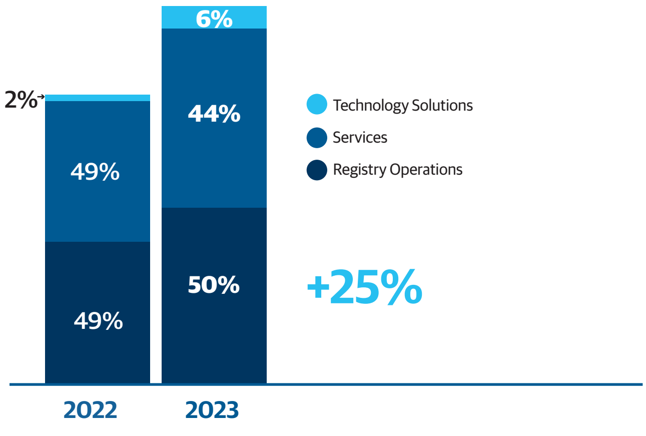
Headquartered in Canada, ISC is a leading provider of registry and information management services for public data and records. Throughout our history, we have delivered value to our customers by providing solutions to manage, secure and administer information.

ISC currently has three operating segments:

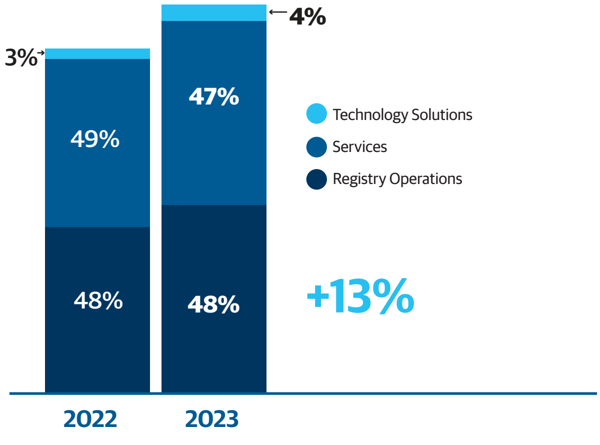
Registry Operations delivers registry and information services on behalf of governments and private sector organizations.	**Services** delivers products and services that utilize public records and data to provide value to customers in the financial and legal sectors.	**Technology Solutions** provides 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.

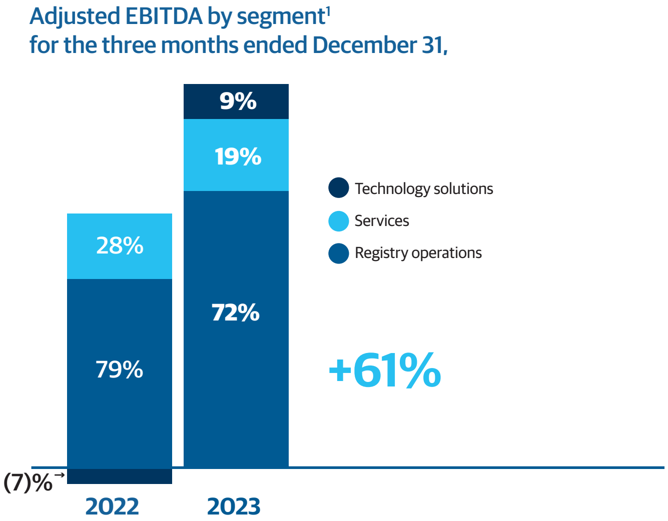
Revenue by segment[1]
for the three months ended December 31,

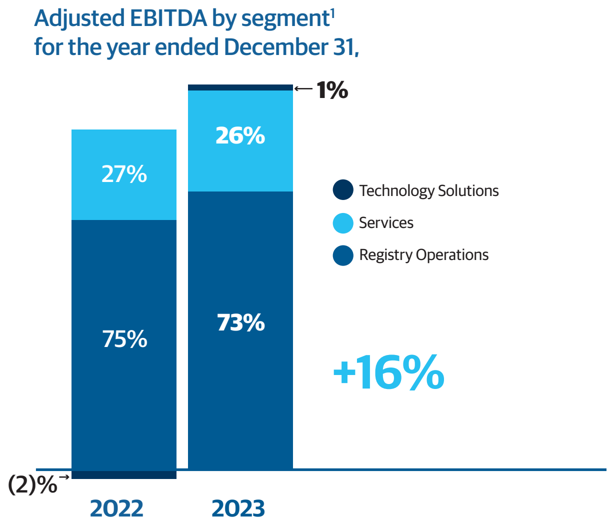


Revenue by segment[1]
for the year ended December 31,



[1] Corporate and other and Inter-segment eliminations are excluded. Technology Solutions revenue included in the above graphs is Third Party revenue. Values may not add due to rounding.





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

3.1 Registry Operations

Our Registry Operations segment delivers registry and information services on behalf of governments and private sector organizations. This segment currently has two major clients: the Government of Saskatchewan and the Government of Ontario.

Our offerings are categorized into two divisions: Saskatchewan Registries and Ontario Property Tax Assessment Services.

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

Saskatchewan Registries

ISC provides services on behalf of the Government of Saskatchewan under the amended and restated Master Service Agreement (the "Amended and Restated MSA") in effect until 2053 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") (collectively, the "Saskatchewan Registries").

On July 5, 2023, the Company entered into the Extension Agreement to extend ISC's exclusive right to manage and operate the Saskatchewan Registries until 2053. Under the Extension Agreement, ISC was granted the right to introduce and/or enhance fees on certain transactions. Applicable fee adjustments became effective July 29, 2023.

The Amended and Restated MSA implemented certain incremental terms and conditions, the objectives of which are to enhance security features and protocols for the Saskatchewan Registries; contemplate emerging and future technology enhancements for the Saskatchewan Registries and the services provided pursuant to the Amended and Restated MSA; refresh and clarify governance practices and structure; adjust the registry fees chargeable by the Company; and provide flexibility for change over the life of the extended term. Certain costs associated with the Extension along with a portion of the transaction costs associated with the Extension have been capitalized as an intangible asset related to the right to manage and operate the Saskatchewan Registries, while the remainder of the costs have been expensed pursuant to IFRS.

The consideration paid and to be paid by ISC to the Government of Saskatchewan with respect to the Extension consists of:

- the Upfront Payment of $150.0 million, paid in July 2023;
- five cash payments of $30.0 million per year, totalling $150.0 million, commencing in July 2024 with the final payment expected to be made in 2028 (the "Subsequent Payments"); and

- annual contingent payments potentially payable after 2033 if cumulative annual volume growth for certain Saskatchewan Land Registry transactions falls within a pre-determined range, calculated in any given year as follows:
  - 25 per cent of any revenue associated with long-term volume growth between 0 per cent to 1 per cent;
  - 50 per cent of any revenue associated with long-term volume growth between 1 per cent to 3 per cent;
  - ISC to retain unlimited upside on any incremental volume growth in excess of 3 per cent.

ISC has commenced enhancement of the Saskatchewan Registries (also referred to as registry enhancements), leveraging ISC-owned technology to offer a best-in-class technology, security and user experience. In accordance with IFRS, these expenditures will be capitalized as intangible assets or expensed.

Additional information about the Amended and Restated MSA is available on our website at **www.isc.ca** and in the Company's profile on SEDAR+ at **www.sedarplus.ca**.

Our Saskatchewan Registries division experiences moderate seasonality, primarily because Land Titles Registry revenue fluctuates in line with real estate transaction activity in Saskatchewan. Typically, the second and third quarters of the fiscal year generate higher revenue, as that is when real estate activity is traditionally highest.

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 flat or value-based, calculated as a percentage of the value of the land and/or property being registered.

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

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

Approximately 89 per cent of all Land Titles Registry registration transactions were submitted online in 2023.

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 certain other interests in personal property (property other than land, buildings and other property affixed to land) may be registered.

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

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

Customers complete almost all searches in the registry online. 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 the registration of business entities, including business corporations, non-profit corporations, co-operatives, sole proprietorships, partnerships and business names.

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

Approximately 95 per cent of all registrations in the Corporate Registry were submitted online in 2023.

Ontario Property Tax Assessment Services

ISC also has an exclusive agreement with the Government of Ontario (the "OPTA Agreement") by which Ontario Property Tax Assessment Services provides online property tax analysis services to over 440 municipalities in Ontario, facilitating the management of property tax rates and distribution.

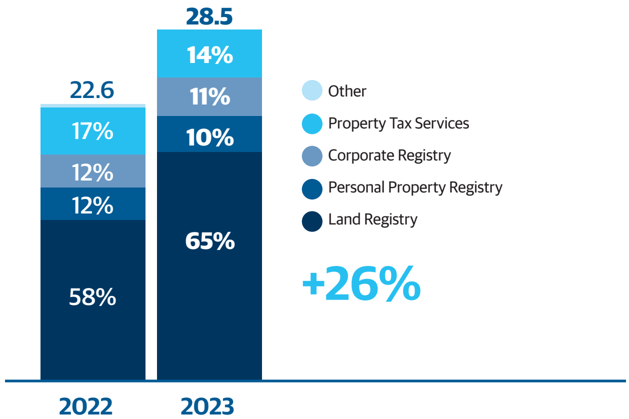
Reamined Systems Inc. ("Reamined"), which operates as the Ontario Property Tax Assessment Services division of Registry Operations, has provided these services to the Government of Ontario for over 25 years and, on a regular basis, has negotiated and typically renewed up to five-year agreements with the government. The current agreement expires in 2025. These services support critical applications of information used by municipalities to facilitate the annual determination of property taxes.

Total revenue for each year of the agreement is determined at the time of renewal and is paid monthly by the Government of Ontario to Ontario Property Tax Assessment Services. Should the government request any change orders during the term of the contract, the revenue from any order is based on the scope of work agreed to by the parties and is in addition to regular revenue. Ontario Property Tax Assessment Services does not experience seasonality, as revenue is spread evenly throughout the year under the agreement with the Government of Ontario.

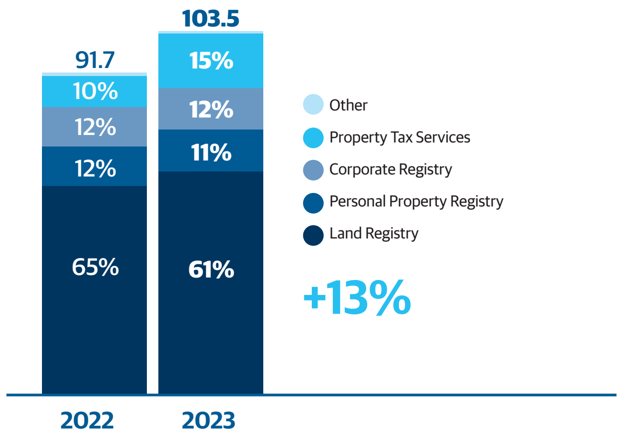
The majority of business is conducted online.

REGISTRY OPERATIONS REVENUE

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



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



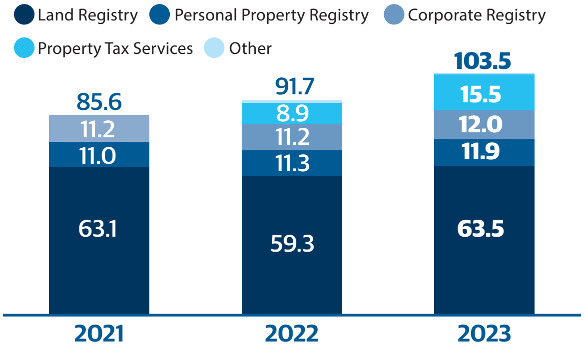
Note: Values may not add due to rounding.

(thousands of CAD)	Three Months Ended December 31, 2023	2022	Year Ended December 31, 2023	2022
Land Registry	**$ 18,501**	$ 13,062	**$ 63,525**	$ 59,310
Personal Property Registry	**2,885**	2,699	**11,879**	11,337
Corporate Registry	**3,163**	2,787	**11,979**	11,221
Property Tax Assessment Services	**3,970**	3,814	**15,545**	8,856
Other	**–**	243	**588**	997
Registry Operations revenue	**$ 28,519**	$ 22,605	**$ 103,516**	$ 91,721

Revenue for Registry Operations for the quarter was $28.5 million, up $5.9 million or 26 per cent compared to the fourth quarter of 2022. The primary reason for the increase is due to fee adjustments in the Saskatchewan Registries made in the third quarter pursuant to the Extension and as part of the annual review of registry fees related to Saskatchewan CPI which resulted in higher revenue in the Land Registry and Corporate Registry.

For the year, revenue was $103.5 million compared to $91.7 million in 2022, an increase of $11.8 million or 13 per cent. The increase was due to a full 12 months of revenue from Ontario Property Tax Assessment Services in the current year compared to seven months in the prior year and fee adjustments described above in the explanation for the quarter. The increase in Saskatchewan Registries revenue was partially offset by a reduction in Saskatchewan Land Registry transaction volume year-over-year due to reduced activity in the Saskatchewan real estate sector, particularly in the first half of the year, following the impact of successive interest rate increases by the Bank of Canada that commenced in the first quarter of 2022 and continued until mid-2023.

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



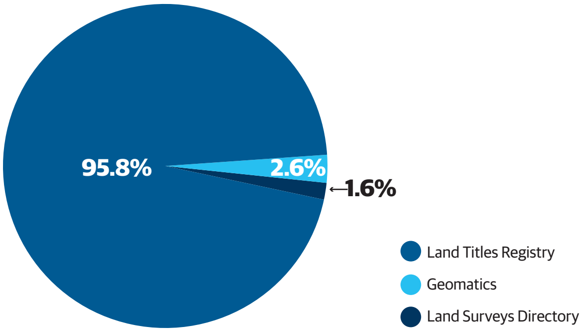
The top five customers for the Saskatchewan Registries made up 20 per cent of total division revenue in 2023. Of those customers, no single customer accounted for more than 10 per cent of total Saskatchewan Registries revenue. The Ontario Property Tax Assessment Services division earns its revenue from the Government of Ontario.

Saskatchewan Land Registry

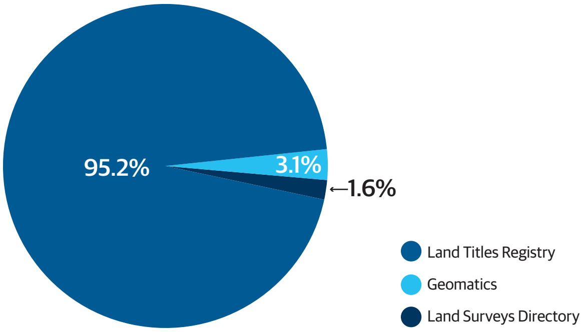
For the fourth quarter of 2023, revenue for the Land Registry was $18.5 million, an increase of $5.4 million or 42 per cent compared to the same period in 2022. Fee adjustments implemented in the third quarter in relation to the Extension, as well as fee changes made as part of the annual review of registry fees related to Saskatchewan CPI, led to the increase in revenue. It should also be noted that Saskatchewan CPI for 2022 was 6.6 per cent, much higher than in recent years due to the impact of inflation.

Most of the revenue generated from the Land Registry is from the Land Titles Registry and is derived from value-based (ad valorem) fees. Land Titles Registry revenue for the fourth quarter was $17.9 million, increased by $5.5 million or 45 per cent compared to the fourth quarter in 2022. The growth was due to fee adjustments made in the third quarter of 2023.

Saskatchewan Land Registry revenue, for the year ended December 31, 2023

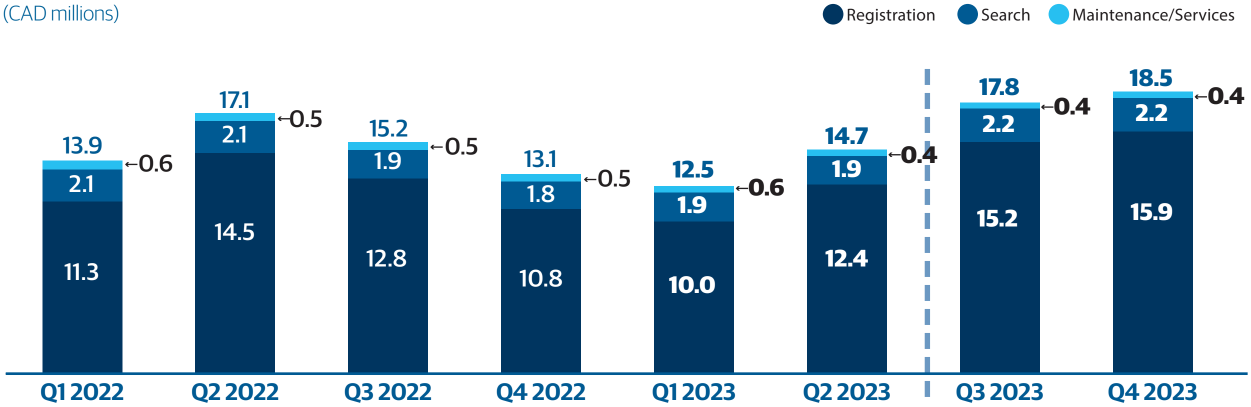


Saskatchewan Land Registry revenue, for the year ended December 31, 2022



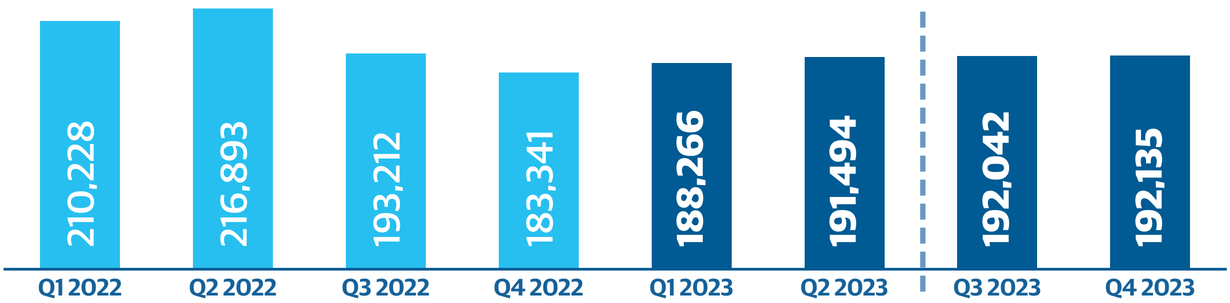
The following graphs show Land Registry revenue by type of transaction and overall transaction volume, respectively, for the last eight quarters. Typically, the second and third quarters generate the most revenue for the Land Registry. Fee adjustments made in relation to the Extension Agreement effective in July 2023, have temporarily impacted revenue seasonality in the short-term as we realize the first full year of these fee adjustments.

Saskatchewan Land Registry revenue by type
(CAD millions)



Note: The fee adjustments implemented in July 2023 positively impacted revenue for the third and fourth quarters of 2023. Therefore, results are not directly comparable to prior quarters' results for the reasons described throughout this section. Values may not add due to rounding.

Saskatchewan Land Registry transaction volume
(Number of transactions)



Note: The fee adjustments implemented in July of 2023 positively impacted volume for the third and fourth quarters of 2023 with the introduction of a new fee tied to mortgage discharge transactions. Therefore, results are not directly comparable to prior quarters' results for the reasons described throughout this section.

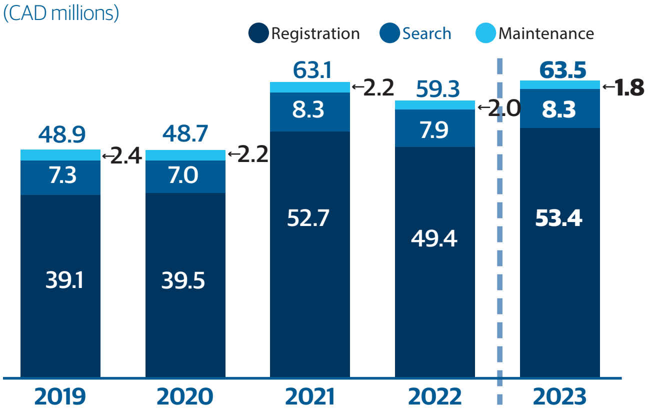
While transaction volume in the Land Titles Registry rose by 5 per cent for the fourth quarter of 2023 when compared to the same period in 2022, most of the growth is due to volume from the introduction of a mortgage discharge fee in July 2023 when fee adjustments related to the Extension Agreement were made. Excluding this transaction type, volume would have increased by 1 per cent during the quarter. Regular land transfers and mortgage registrations grew during the period, increasing by 9 per cent and 10 per cent, respectively, when compared to the fourth quarter of 2022. The current quarter saw a decline in the volume of title searches of 2 per cent. Title searches make up the largest portion of transaction volume at 69 per cent during the quarter.

For the year ended December 31, 2023, Land Registry revenue was $63.5 million compared to $59.3 million in 2022, an increase of $4.2 million or 7 per cent. Successive interest rate increases by the Bank of Canada from 2022 to mid-2023 led to lower year-over-year activity in the Saskatchewan real estate sector, which resulted in lower revenue during the first half of 2023 compared to the same period in 2022. The second half of 2023 saw volume stabilize compared to 2022 and revenue improve due to fee adjustments made in July.

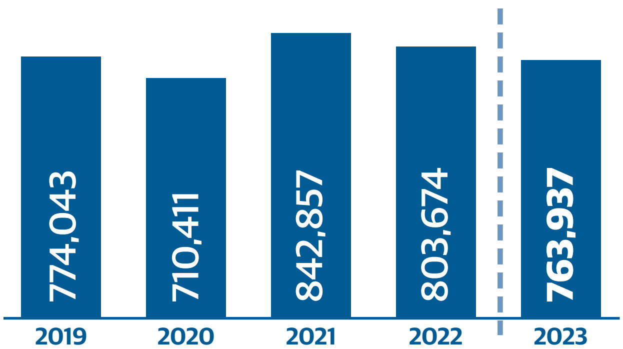
Land Titles Registry revenue was $60.8 million for 2023, up 8 per cent compared to $56.5 million in 2022. This was due to fee adjustments made on July 29, 2023, despite lower volume, overall, during the year. Regular land transfers and mortgage registration volume ended the year lower, down 7 per cent and 10 per cent, respectively. Title search volume also ended the year lower, down 6 per cent. As a result, overall transaction volume declined 5 per cent when compared to 2022.

The following graphs present Land Registry results over the past five years to highlight historical trends. As noted above, the fee adjustments implemented in the third quarter have positively impacted current year revenue and volume.

Saskatchewan Land Registry revenue by type for the year ended December 31,
(CAD millions)



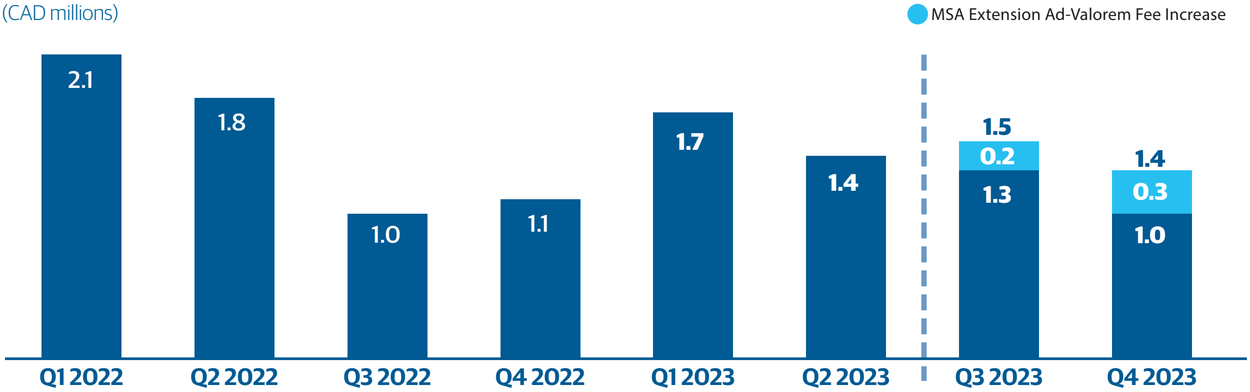
Saskatchewan Land Registry transaction volume for the year ended December 31,
(Number of transactions)



Note: The fee adjustments implemented in July of 2023 positively impacted revenue and volume for 2023. Therefore, 2023 results are not directly comparable to prior years' results for the reasons described throughout this section. Values may not add due to rounding.

As a result of the increase to the ad-valorem fee (from 0.3 per cent to 0.4 per cent of the value of a land transfer) that was implemented on July 29, 2023, the revenue related to high-value transactions has increased. For comparative purposes, the graph below has been adjusted so that the impact of the additional revenue from the new ad-valorem rate is clear. The first six quarters in the graph below were prepared on the basis that a high-value transaction was a transaction that generated revenue of $10,000 (i.e., from a land value of $3.3 million or more). The light blue bar for the third and fourth quarters of 2023 were prepared using all transactions with a land value of $3.3 million or more at the previous ad-valorem rate of 0.3 per cent (for comparison), while the dark blue bar shows the additional revenue generated at the new ad-valorem rate of 0.4 per cent.

Saskatchewan Land Titles Registry – high-value transaction revenue
(CAD millions)



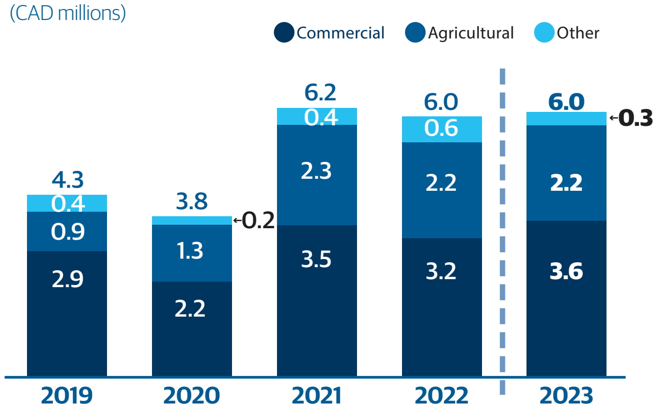
Note: Values may not add due to rounding.

High-value property registration revenue for the fourth quarter of 2023 was $1.4 million, an increase of $0.3 million compared to $1.1 million in the fourth quarter of 2022. This growth is due to the increase in the ad valorem fee that took effect in July, 2023. Had the ad-valorem rate remained at 0.3 per cent, high-value transactions revenue in the fourth quarter of 2023 would have been $1.0 million, as illustrated in the graph above which shows the last 8 quarters of high-value transaction revenue.

High-value property registration revenue was $6.0 million in 2023, consistent with 2022. The first half of 2023 experienced lower revenue from these transactions, while the second half of the year saw higher revenue due to the fee adjustments implemented in July. The following graph presents the split of high-value transactions over the past five years between commercial, agricultural and other.

The main customers of the Land Registry include law firms, financial institutions, governments, surveyors, developers and resource companies as well as the general public. For 2023, the top 20 Land Registry customers comprised 40 per cent of revenue and the top 100 Land Registry customers represented 79 per cent of revenue.

Saskatchewan Land Titles Registry – high-value transaction revenue
(CAD millions)



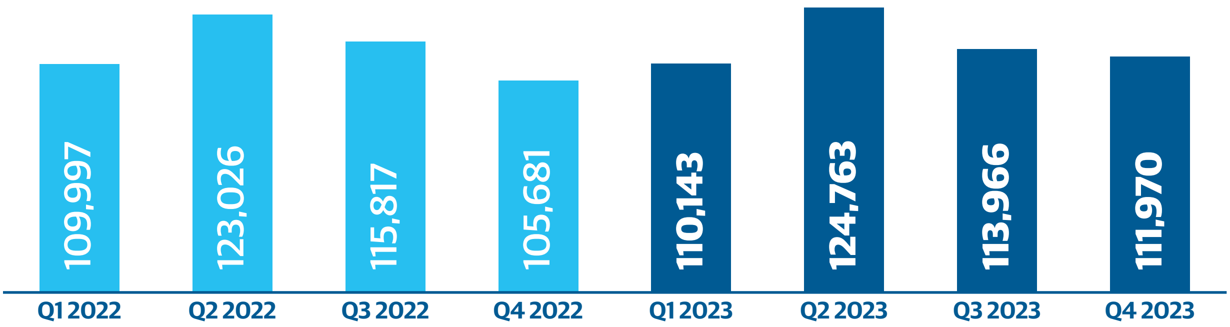
Note: The fee adjustments implemented in July of 2023 positively impacted revenue for 2023. Therefore, 2023 results are not directly comparable to prior years' results for the reasons described throughout this section. Values may not add due to rounding.

Saskatchewan Personal Property Registry

For the fourth quarter of 2023, revenue for the Personal Property Registry was $2.9 million, consistent with the same quarter in 2022. Overall volume was up 6 per cent during the period when compared to the same period of 2022. Registration, search and maintenance volume rose by 6 per cent, 6 per cent and 3 per cent, respectively, compared to the same period in 2022.

The following graph shows the transaction volume for the Personal Property Registry by quarter.

Saskatchewan Personal Property Registry Transaction Volume
(Number of transactions)

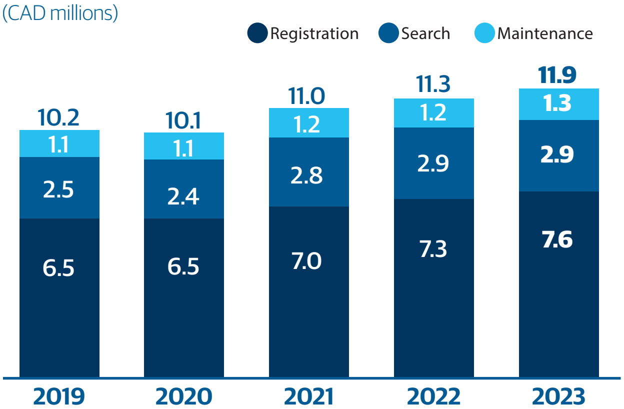


Full year revenue for the Personal Property Registry was $11.9 million in 2023, an increase of $0.5 million or 5 per cent compared to 2022. Registration, search and maintenance revenue rose by 5 per cent, 2 per cent and 9 per cent, respectively. Fee adjustments made in July 2022 resulted in a higher revenue growth rate than volume growth during the first half of 2023, which was the main driver of the revenue increase year-over-year.

Overall volume for 2023 was consistent with 2022. Search volume, which represented 63 per cent of the volume for the registry this year, rose by 2 per cent. Registration and maintenance volume were consistent with the prior year.

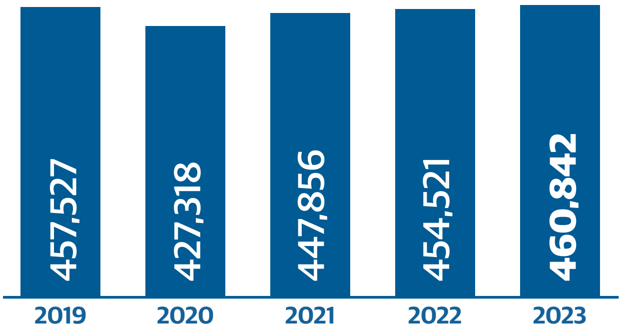
The following graphs present Personal Property Registry revenue and transaction volume to show trends over the past five years.

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



Note: Values may not add due to rounding.

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



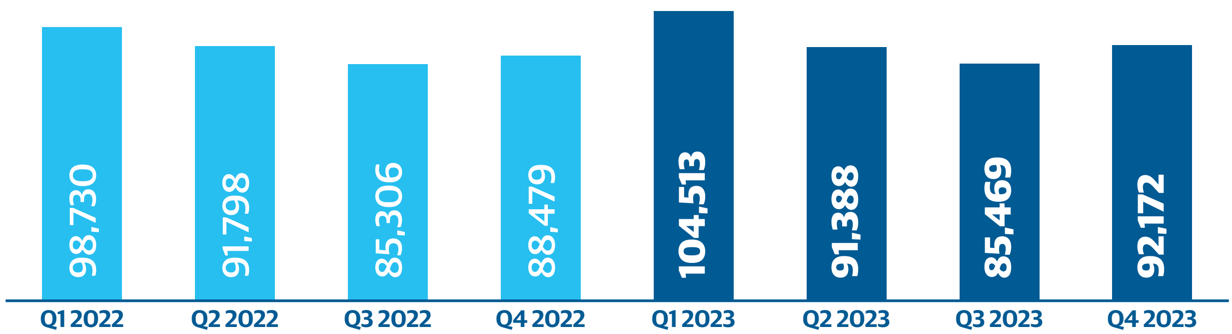
Customers of the Personal Property Registry are primarily in the financial sector but also include law firms. The top 20 Personal Property Registry customers encompassed about 85 per cent of the revenue in 2023, while the top 100 yielded 95 per cent of the revenue.

Saskatchewan Corporate Registry

Revenue for the Corporate Registry for the fourth quarter of 2023 was $3.2 million, an increase of 13 per cent, or $0.4 million, compared to the same period in 2022. Search revenue grew by 61 per cent mainly due to Saskatchewan CPI fee adjustments which came into effect in July 2023. Registration revenue grew by 15 per cent as a result of higher levels of new entity creation in the registry, while maintenance rose by 3 per cent.

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

Saskatchewan Corporate Registry transaction volume
(Number of transactions)



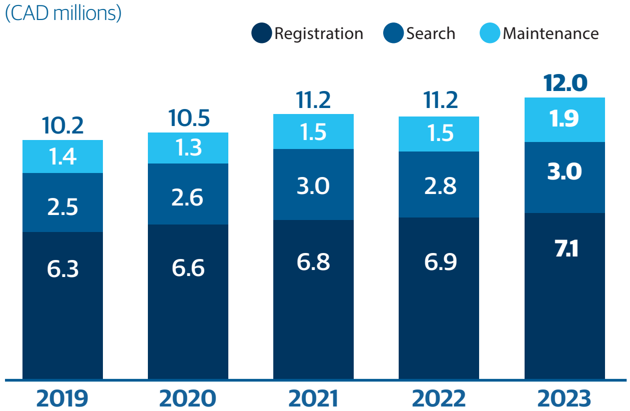
Transaction volume for the fourth quarter of 2023 grew by 4 per cent when compared to the same period of 2022. Search transactions, which are the largest component of volume and accounted for 63 per cent of overall volume during the quarter, rose by 4 per cent. Registration volume increased by 12 per cent while maintenance volume remained consistent with the same period in 2022.

For the full year, revenue for the Corporate Registry was $12.0 million, an increase of $0.8 million, or 7 per cent, compared with 2022. During 2023, registration revenue rose by 6 per cent when compared to 2022. Search revenue grew by 25 per cent due to CPI pricing increases which came into effect on July 29, 2023. Maintenance revenue, the largest of the three revenue streams, increased by 3 per cent during the year when compared to 2022.

Annual transaction volume for 2023 rose by 3 per cent compared to 2022. Registration volume grew by 5 per cent as a result of higher levels of new entity creation in the registry during the year. Search volume grew at 3 per cent while maintenance volume remained flat when compared to the prior year.

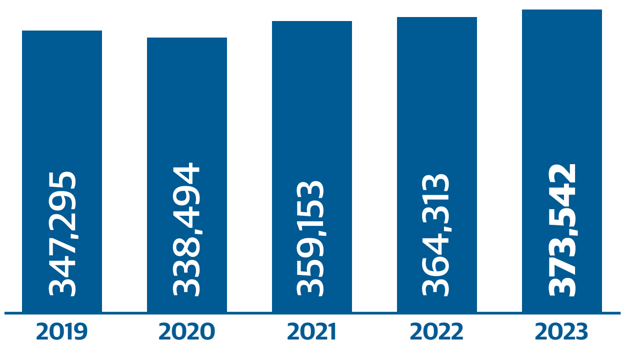
The following graphs present Corporate Registry revenue and transaction volume over the past five years illustrating further trends.

Saskatchewan Corporate Registry revenue by type for the year ended December 31,
(CAD millions)



Note: Values may not add due to rounding.

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



For the Corporate Registry, customers include law firms and companies in the financial sector, as well as the Government of Saskatchewan. They also include corporations, non-profit corporations, co-operatives and sole proprietorships that are, were or will be registered in the Corporate Registry. The top 20 Corporate Registry customers produced 34 per cent of revenue in 2023 and the top 100 customers accounted for 52 per cent of revenue for the year.

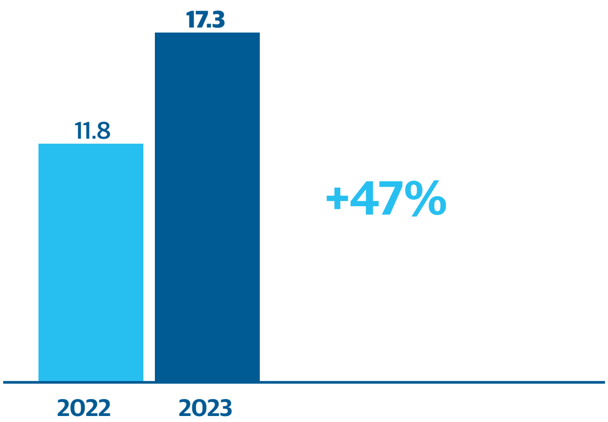
Ontario Property Tax Assessment Services

Revenue for the Ontario Property Tax Assessment Services division in the fourth quarter of 2023 was $4.0 million, an increase of 4 per cent compared to $3.8 million in the same quarter last year. Total revenue for each year of the agreement with the Government of Ontario is determined at the time of renewal and is paid monthly. Should the Government of Ontario request any change orders during the term of the contract, the revenue from any change order is based on the scope of work agreed to by the parties and is in addition to regular revenue.

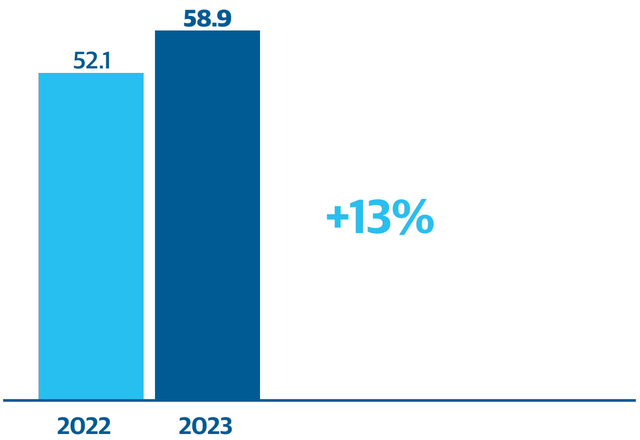
Ontario Property Tax Assessment Services revenue for the year ended December 31, 2023, was $15.5 million, $6.7 million higher than the $8.9 million realized in 2022, as a result of a full year of revenue during the current year when compared to seven months in the prior year.

REGISTRY OPERATIONS EXPENSES, EBITDA AND ADJUSTED EBITDA

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



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



	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2023**	2022	**2023**	2022
Revenue	**$ 28,519**	$ 22,605	**$ 103,516**	$ 91,721
Total expenses[1]	**12,782**	12,346	**48,236**	40,828
EBITDA	**$ 15,737**	$ 10,259	**$ 55,280**	$ 50,893
Adjustments[2]	**1,590**	1,555	**3,644**	1,166
Adjusted EBITDA	**$ 17,327**	$ 11,814	**$ 58,924**	$ 52,059

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

[2] As shown in Section 2.5 "Consolidated EBITDA and adjusted EBITDA", adjusted EBITDA adjustments are comprised of share-based compensation and acquisition, integration and other costs applicable to each segment.

Adjusted EBITDA for Registry Operations for the fourth quarter was $17.3 million, up 47 per cent compared to the same period last year. The increase was largely due to the fee adjustments made in July 2023, pursuant to the Extension Agreement and as part of the annual fee adjustments made based on Saskatchewan CPI. Overall expenses, which include expenses related to registry enhancements, remained relatively constant for the quarter compared to the prior year quarter. The increase in Registry Operations adjusted EBITDA margin during the quarter compared to the prior period was largely driven by the $5.4 million increase in Land Registry revenue due to fee adjustments described above with volume remaining largely consistent with the prior year.

Year-over-year, adjusted EBITDA was $58.9 million, an increase of $6.9 million, or 13 per cent. This was driven by the fee adjustments discussed above combined with a full year of revenue from Ontario Property Tax Assessment Services compared to seven months in the prior year. Offsetting this was a reduction in Saskatchewan Land Registry transactions year-over-year due to reduced activity in the Saskatchewan real estate sector, particularly in the first half of the year, following the impact of successive interest rate increases by the Bank of Canada that commenced in the first quarter of 2022 and continued until mid-2023. Expenses for the full year included expenses related to registry enhancements for the Saskatchewan Registries, which are expected to continue into 2024, as well as a full year of expenses from Ontario Property Tax Assessment Services compared to seven months in the prior year.

3.2 Services

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

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

Division	Offering	Products
Corporate Solutions	Incorporation Services	Nationwide Business Name Registration and Renewals Security Filings and Registrations
	Corporate Supplies	Minute Books Seals and Stamps Corporate Legal Packages
Regulatory Solutions	Know-Your-Customer ("KYC") and Due Diligence	Individual Identification Legal Entity Validation Beneficial Ownership Validation Account Onboarding Services US and International Corporate Entity Validation Corporate Profile or Business Name Searches NUANS®[1] Searches Real Estate Searches Vital Statistics Searches
	Collateral Management	PPSA[2]/RDPRM[3] Search and Registrations Bank Act Filing Notice of Security Interest (Fixture) Registrations Land Searches US UCC[4] Search and Filings
Recovery Solutions	Asset Recovery	Fully managed service across Canada Identification, retrieval and disposition of movable assets
	Accounts Receivable Management	Early-stage collection activities Late-stage collection activities

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

2 Personal Property Security Act.

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

4 Uniform Commercial Code.

Competition

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

Corporate Solutions

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

Incorporation Services

- Corporate Solutions provides a convenient, cost-effective method to incorporate businesses online or through our staff-assisted process. Leveraging our online technology platforms, Corporate Solutions services legal customers and the general public through a team of experienced law clerks in Ontario and Quebec.
- The Company has historically held one of the two exclusive licences, which has allowed us to access the Ontario Corporate Registry electronically on behalf of customers. Ontario has been transitioning to a new licensing model and launched the first phase of its new public portal in October 2021 and subsequently took steps to further open this portal in the first quarter of 2023. During the third quarter of 2023, an extension to the contract with the Government of Ontario that retains our preferential access rights was renegotiated. We believe that our strong customer service supported by the industry-leading Registry Complete platform will allow us to differentiate our service from the public portal. The Company also has non-exclusive licences to do the same in all other provincial and federal (Corporations Canada) corporate registries across Canada.
- In addition to incorporations, various other corporate filings are often required to operate a business. These include amendments to a company's governing articles, amalgamations, the continuance of a company, a change in registered address or changes to a board of directors. Corporate Solutions also provides online and real-time NUANS® and business name searches, registered agents of service and corporate document preparation to assist in the organization and maintenance of a business.

Corporate Supplies

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

Regulatory Solutions

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

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

Our customer base includes both legal and non-legal customers, such as financial institutions and auto and equipment finance companies.

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

- Regulatory Solutions supports legal and financial institutions' due diligence activities for compliance purposes through the KYC verification (corporate and individual), public records search and registration services across Canada. Customers can obtain numerous reports and intelligence to verify and authenticate customer data to comply with internal customer onboarding policies mandated by FINTRAC[1]/Anti-Money Laundering regulations. Using a web-based tool and associated APIs that provide real-time access to validate and verify an individual's or a business' existence, our KYC service aggregates information from multiple trusted sources to provide reliable and accurate identification of an individual and/or a business and its principals.
- Our public records search offerings include corporate profiles, business name searches, NUANS®, PPSA searches, security searches and real estate searches.
- Due diligence is an essential component of most merger and acquisition and financing transactions, where searches are performed to obtain a complete understanding of all legal obligations associated with a person or business. During a due diligence undertaking, law firms, lenders and/or other professional advisors will often order a series of public records searches to verify third-party information. These searches are commonly referred to as security (or securities) searches.

[1] Financial Transactions and Reports Analysis Centre of Canada.

- Regulatory Solutions provides security searches that can be conducted against an individual, business or corporation, property and assets across the country. Searches will reveal both present and historical information relating to debts and liabilities, pending and potential lawsuits, bankruptcy, liens, judgments and sales of assets across Canada.
- Regulatory Solutions also provides account onboarding services and customer care.

Collateral Management

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

Recovery Solutions

Recovery Solutions offers fully managed asset recovery accompanied by accounts receivable management services to our customers. Recovery Solutions allows us to provide our customers with a full service offering across the credit life cycle from origination to recovery. By connecting the registrations from our other offerings to our Recovery Solutions services, we provide our customers with a seamless recovery process.

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

Asset Recovery

- Recovery Solutions offers a fully-managed service across Canada, which aids in facilitating and co-ordinating asset recovery on behalf of our customers. Asset recovery involves identification, retrieval and disposal of movable assets such as automobiles, boats, recreational vehicles and other forms of portable physical assets used as collateral security for primarily consumer-focused credit transactions.
- Our customers enjoy a complete turnkey solution where our team manages every step in the asset recovery process, including co-ordinating bailiffs, investigators and auctions. Our process also allows us to increase recoveries through our superior supply chain management experience.

Accounts Receivable Management

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

Revenue

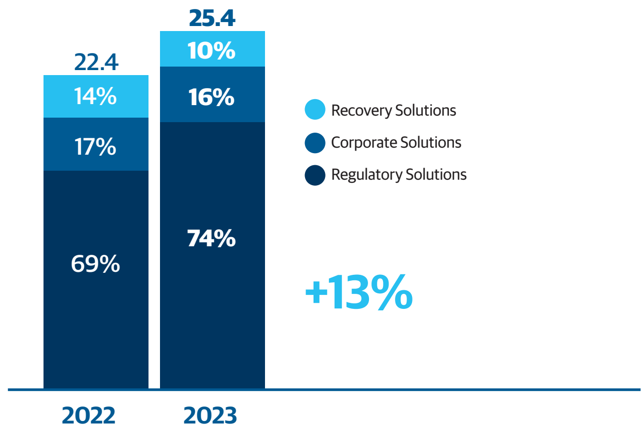
Revenue is earned through transaction fees for search and registration services provided through incorporation, KYC, public records and due diligence, and collateral management services. All government fees associated with the service are either embedded in the transaction or management service fee or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

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

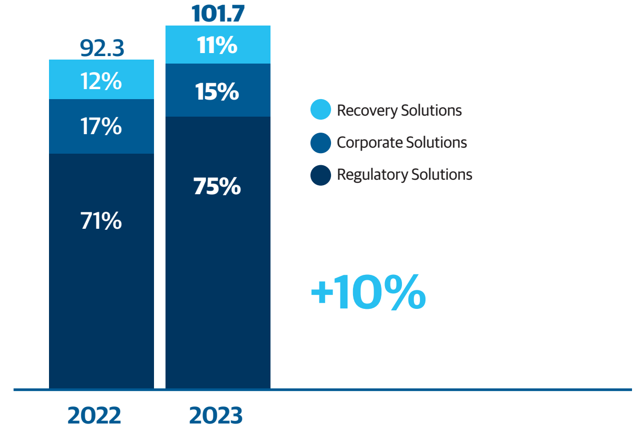
Our revenue in Corporate Solutions and Regulatory Solutions is reasonably diversified and has little seasonality; instead, it fluctuates in line with general economic drivers. In particular, our collateral management services experience seasonality aligned to vehicle and equipment financing cycles, which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

SERVICES REVENUE

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



Services revenue[1]
for the year ended December 31,
(CAD millions)



[1] Related Party and other revenue not displayed in graph. Values may not add due to rounding.

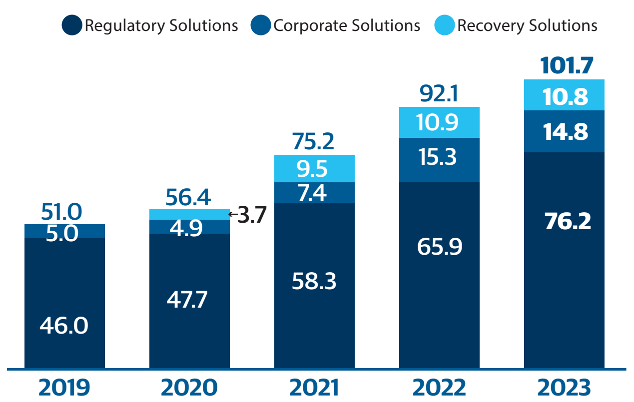
	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2023**	2022	**2023**	2022
Regulatory Solutions	**$ 18,850**	$ 15,410	**$ 76,166**	$ 65,863
Recovery Solutions	**2,567**	3,061	**10,791**	10,923
Corporate Solutions	**3,951**	3,725	**14,755**	15,275
Related Party and other	**–**	245	**–**	245
Services revenue	**$ 25,368**	$ 22,441	**$ 101,712**	$ 92,306

Revenue for Services was $25.4 million for the fourth quarter of 2023, an increase of 13 per cent, or $2.9 million compared to the same period in 2022. Growth was driven by continued customer and transaction growth in Regulatory Solutions, where financial institutions and equipment and auto finance customers continued to enhance due diligence processes in an environment of higher interest rates and increased regulatory oversight.

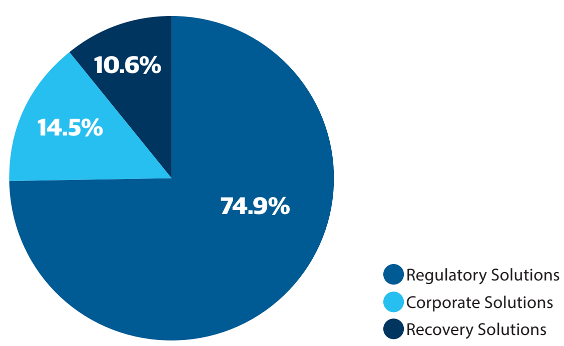
Revenue on a year-over-year basis increased by 10 per cent or $9.4 million due to customer and transaction growth in Regulatory Solutions.

The following graph demonstrates the growth in Services revenue over the past five years, representing a cumulative annual growth rate of 19 per cent. These revenue increases are the result of new customer onboarding, the addition of value-added services and transaction growth combined with the acquisition of various value add businesses.

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



Services Revenue by type
for the year ended December 31, 2023



Note: Related Party and other revenue not displayed in the graphs. Values may not add due to rounding.

Regulatory Solutions

Revenue in Regulatory Solutions for the fourth quarter of 2023 was $18.9 million, an increase of $3.4 million or 22 per cent compared to the same period in 2022. The increase in revenue was a direct result of customer and transaction growth where financial institutions and equipment and auto finance customers continued to enhance due diligence in an environment of higher interest rates and increased regulatory oversight.

For the full year, revenue was $76.2 million, an increase of $10.3 million or 16 per cent compared to the same period in 2022. Annual revenue grew from 2022 for the same reasons described above for the fourth quarter.

Recovery Solutions

Revenue in Recovery Solutions for the fourth quarter of 2023 was $2.6 million, a decrease of $0.5 million or 16 per cent compared to the same prior year period. The decline during the quarter was due to a reduction in revenue per file in Asset Recovery as a result of a reduction in used vehicle prices from the highs seen in the prior year combined with reduced Accounts Receivable Management activity.

Revenue for 2023 was $10.8 million, which was consistent with 2022. Following successive interest rate increases by the Bank of Canada starting in 2022 to mid-2023, we have seen a reduction in used vehicle prices compared to the highs experienced during the COVID-19 pandemic, thereby reducing the revenue per file in Asset Recovery. During the year we saw an increase in individual Asset Recovery customer assignments which was offset by the loss of one customer who exited the retail auto finance business. We expect a continued increase in assignments in 2024 from existing customers and by winning new customers.

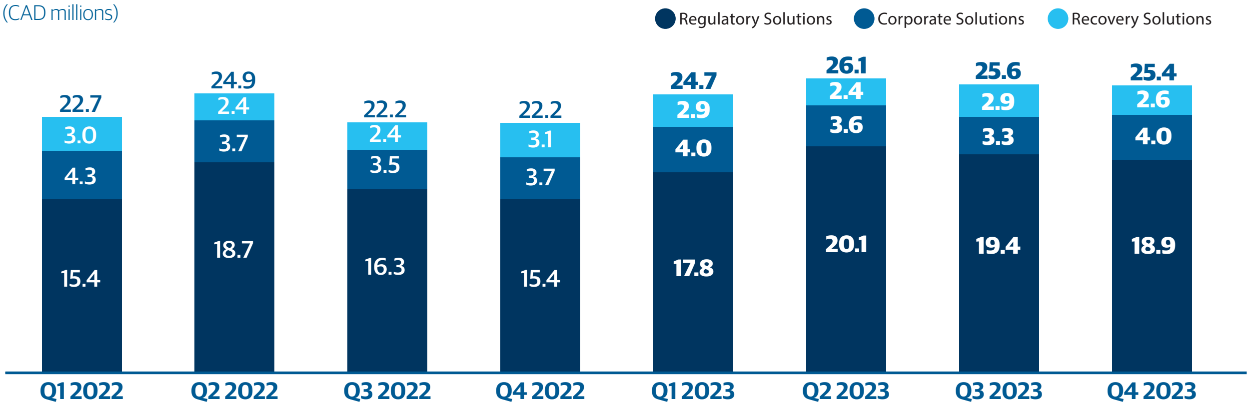
Corporate Solutions

Corporate Solutions revenue for the quarter was $4.0 million, consistent with the fourth quarter of 2022.

Revenue for 2023 was $14.8 million, a decrease of $0.5 million or 3 per cent compared to 2022. This was due to an expected reduction in Ontario corporate filing transactions following further opening of the Ontario Business Registry in March 2023, partially offset by new customer onboarding during the year.

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

Services Revenue by type[1]
(CAD millions)

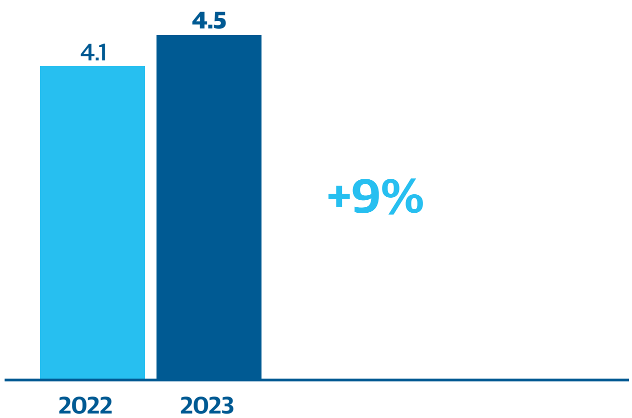


[1] Related Party and other revenue not displayed in graph. Values may not add due to rounding.

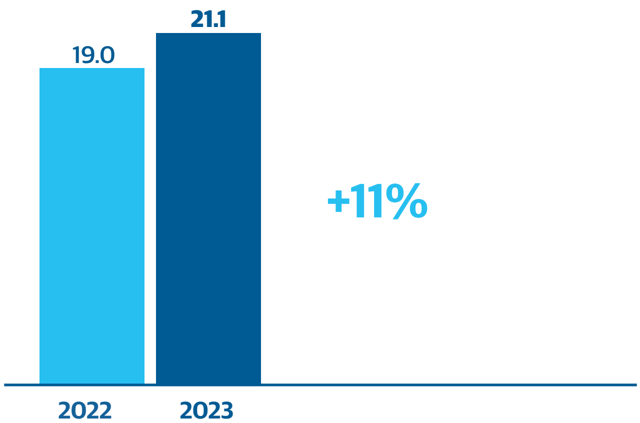
The top 20 Services customers for 2023 comprised almost 65 per cent of revenue, while the top 100 Services customers accounted for 82 per cent of revenue. No single customer accounted for more than 25 per cent of revenue.

SERVICES EXPENSES, EBITDA AND ADJUSTED EBITDA

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



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



	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2023**	2022	**2023**	2022
Revenue	**$ 25,368**	$ 22,441	**$ 101,712**	$ 92,306
Total expenses[1]	**20,880**	18,458	**80,669**	73,711
EBITDA	**$ 4,488**	$ 3,983	**$ 21,043**	$ 18,595
Adjustments[2]	**22**	152	**20**	366
Adjusted EBITDA	**$ 4,510**	$ 4,135	**$ 21,063**	$ 18,961

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

[2] As shown in Section 2.5 "Consolidated EBITDA and adjusted EBITDA", adjusted EBITDA adjustments are comprised of share-based compensation and acquisition, integration and other costs applicable to each segment.

Adjusted EBITDA for Services was $4.5 million for the fourth quarter compared to $4.1 million for the same period last year. The increase was driven by continued customer and transaction growth in Regulatory Solutions, augmented by customers in the financial institution and auto finance sectors as they continued to enhance due diligence processes in an environment of higher interest rates and increased regulatory oversight. This increase was partially offset by an increase in the cost of goods sold related to the additional revenue and increased investment in technology.

For the year, Services adjusted EBITDA was $21.1 million compared to $19.0 million in the prior year, an increase of 11 per cent, due to customer and transaction growth in Regulatory Solutions partially offset by increased cost of goods sold related to this additional revenue and increased investment in technology. Other costs in Services remained stable when compared to the prior year.

3.3 Technology Solutions

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

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

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

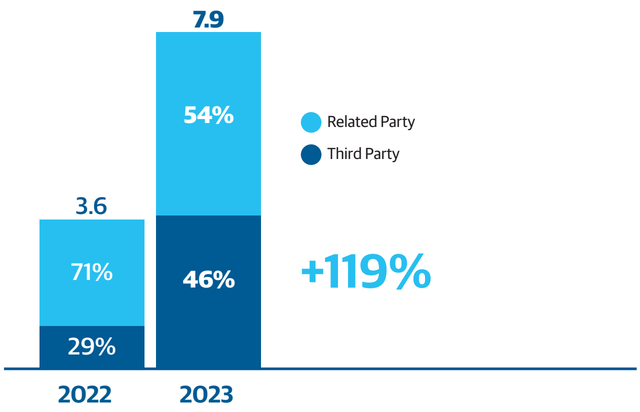
With a full suite of integrated modules that provide core functionality for submission, enforcement and inquiry processing, RegSys delivers solutions enabling the provision of core services to citizens in a user-friendly, efficient manner across multiple access points. The RegSys solution has also been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

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

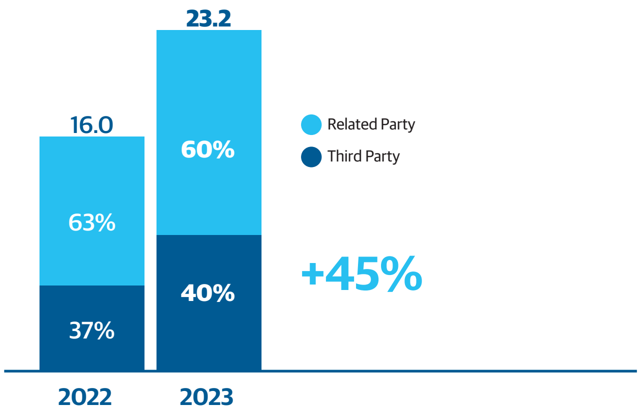
Technology Solutions does not experience seasonality but does fluctuate due to the timing of project-related revenue.

TECHNOLOGY SOLUTIONS REVENUE

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



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

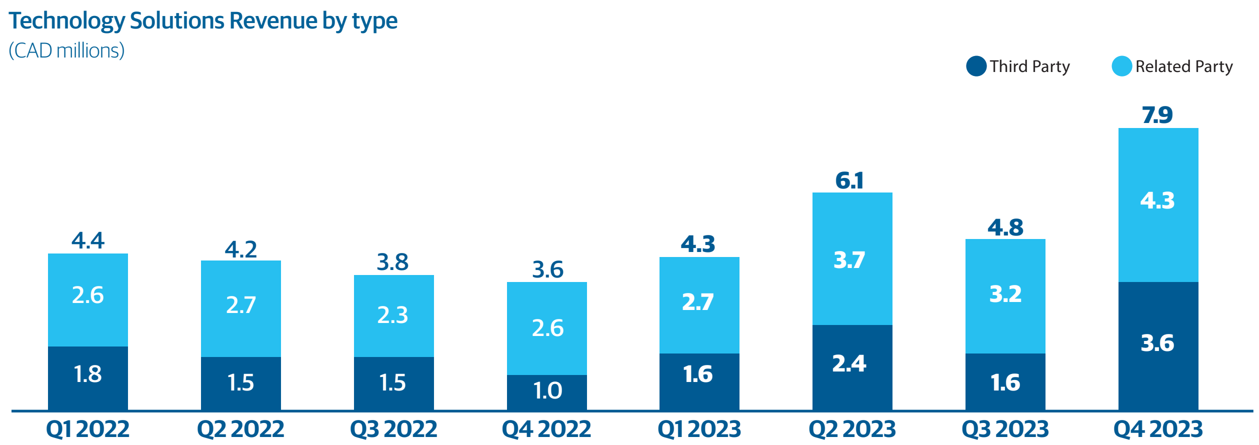


(thousands of CAD)	Three Months Ended December 31, 2023	2022	Year Ended December 31, 2023	2022
Third Party	**$ 3,604**	$ 1,047	**$ 9,268**	$ 5,849
Related Party	**4,312**	2,560	**13,906**	10,168
Technology Solutions revenue	**$ 7,916**	$ 3,607	**$ 23,174**	$ 16,017

Revenue in Technology Solutions was $7.9 million for the quarter, an increase of 119 per cent or $4.3 million compared to $3.6 million for the same period in 2022.

Third Party revenue for the quarter increased by $2.6 million compared to the fourth quarter of 2022. Project work continued on new contracts disclosed in the first quarter of 2023, including for the States of Guernsey and the Department of Registrar of Companies and Intellectual Property in Cyprus, accompanied by execution on other ongoing contracts.

Technology Solutions continued delivery of registry enhancements for the Saskatchewan Registries division in Registry Operations, in addition to support and development work for the rest of the organization. The segment is also continuing development of a registry solution to support operation of the International Registry of Interests in Rolling Stock (formerly referred to as the International Registry for Railway Rolling Stock) that will be operated by Regulis, currently reported under our Corporate segment. 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 through related-party resources; therefore, segment revenue may continue to fluctuate over time, particularly as we pursue additional Third Party revenue.

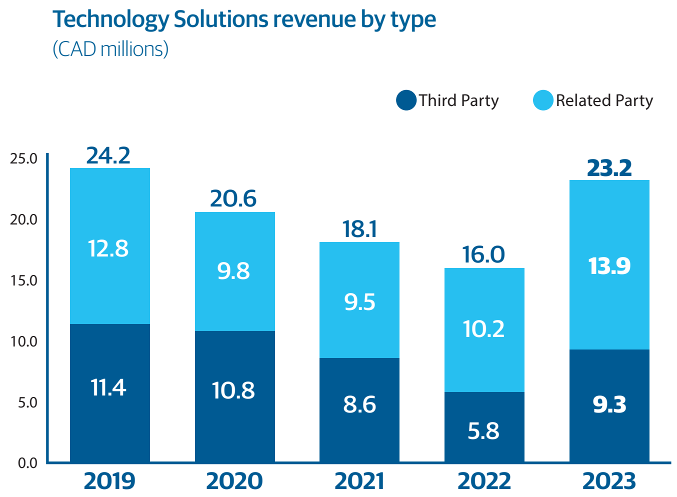


Revenue for the year was $23.2 million, an increase of $7.2 million or 45 per cent compared to 2022.

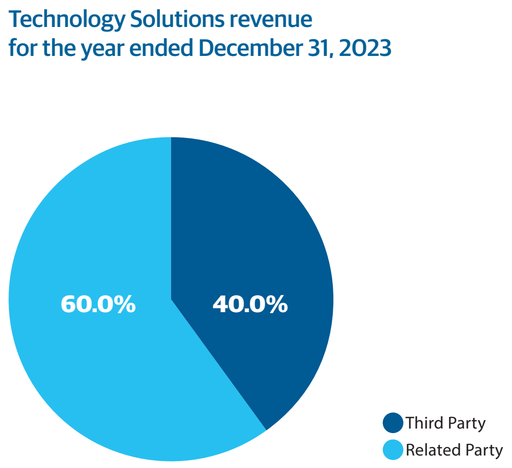
Third Party revenue for 2023 was $9.3 million compared to $5.8 million in 2022 due to continued progress with new contracts announced in 2023 and ongoing solution definition and implementation contracts. The solution definition and implementation revenue was supported by consistent hosting, support and maintenance revenue when compared to the prior year.

Related Party revenue for the year increased for the same reason as the quarter.

The following graph provides details on Technology Solutions revenue over the past five years. While Technology Solutions Third Party revenue was impacted by the COVID-19 pandemic through delays in active solution definition and implementation contracts as well as new projects coming to market, we began to see renewed interest in procurement activities for these projects in 2022. This translated into new wins announced early in 2023 and the recovery of Third Party revenue in 2023 overall.

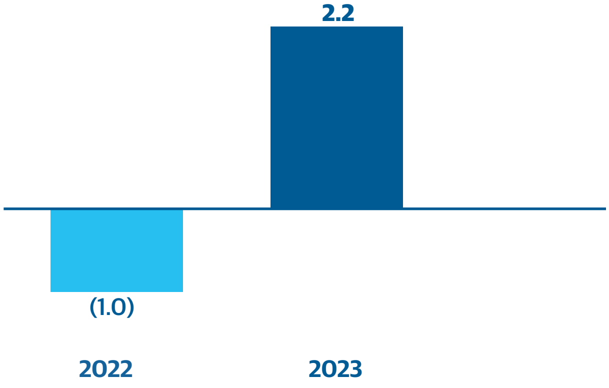


Note: Values may not add due to rounding.

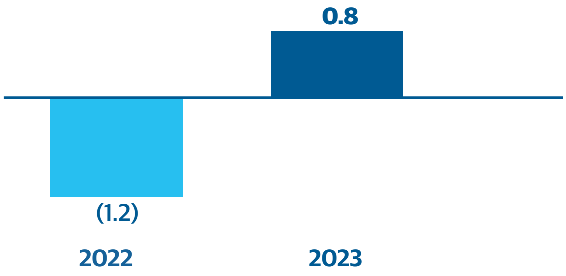


TECHNOLOGY SOLUTIONS EXPENSES, EBITDA AND ADJUSTED EBITDA

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



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



(thousands of CAD)	Three Months Ended December 31, 2023	2022	Year Ended December 31, 2023	2022
Revenue	**$ 7,916**	$ 3,607	**$ 23,174**	$ 16,017
Total expenses[1]	**5,722**	4,807	**22,376**	17,397
EBITDA	**$ 2,194**	$ (1,200)	**$ 798**	$ (1,380)
Adjustments[2]	**30**	218	**28**	148
Adjusted EBITDA	**$ 2,224**	$ (982)	**$ 826**	$ (1,232)

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

[2] As shown in Section 2.5 "Consolidated EBITDA and adjusted EBITDA", adjusted EBITDA adjustments are comprised of share-based compensation and acquisition, integration and other costs applicable to each segment.

Adjusted EBITDA for Technology Solutions was $2.2 million for the quarter compared to a loss of $1.0 million in the fourth quarter of 2022 and $0.8 million for the year ended December 31, 2023, compared to a loss of $1.2 million for 2022. Progress continues to be made on new and continuing solution definition and implementation contracts combined with related-party projects, including registry enhancements for Registry Operations. The advancement of these contracts has led to increased revenue for both the quarter and year when compared to the same prior year periods. Growth in revenue has been partially offset by continued investments in people to deliver on solution definition and implementation contracts as well as related-party priorities as described above.

3.4 Corporate and other

Corporate and other includes expenses related to our corporate activities and shared services functions. The operations of Regulis are also currently reported in this segment. Eliminations of inter-segment revenue and costs are presented separately in the Financial Statements and therefore excluded below. Management believes this format provides a transparent representation of the Corporate and other activities.

Subsequent to the end of the fourth quarter, on March 8, 2024, Regulis launched the International Registry of Interests in Rolling Stock (formerly referred to as the International Registry for Railway Rolling Stock). Regulis holds a contract under the Luxembourg Rail Protocol of the Cape Town Convention, which provides the exclusive right and obligation to develop, deliver and operate the International Registry of Interests in Rolling Stock for a period of 10 years from the date the registry goes live. The launch of this new international registry aligns well with ISC's expertise in the development, management and operation of registry solutions.

On November 30, 2023, ISC announced that the Company, including its subsidiaries, achieved ISO/IEC 27001 certification. This certification, which defines requirements for an ISMS, reflects ISC's commitment to establishing, implementing, maintaining and continually improving an ISMS and ensuring a robust system for managing risks related to data security. Costs associated with obtaining this certification have been included within Corporate and other for 2023.

	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2023**	2022	**2023**	2022
Third Party	**$ –**	$ 11	**$ 24**	$ 19
Related Party	**37**	36	**150**	145
Corporate and other revenue	**$ 37**	$ 47	**$ 174**	$ 164
Total expenses[1]	**(2,005)**	(2,281)	**(8,816)**	(7,342)
EBITDA	**$ (1,968)**	$ (2,234)	**$ (8,642)**	$ (7,178)
Adjustments[2]	**282**	788	**2,162**	1,780
Adjusted EBITDA	**$ (1,686)**	$ (1,446)	**$ (6,480)**	$ (5,398)

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

2 As shown in Section 2.5 "Consolidated EBITDA and adjusted EBITDA", adjusted EBITDA adjustments are comprised of share-based compensation and acquisition, integration and other costs applicable to each segment.

Adjusted EBITDA for the three months ended December 31, 2023, was consistent with the prior year period. For the year, adjusted EBITDA decreased by $1.1 million due to an increase in corporate costs related to investments in people, technology including ISO/IEC 27001 and ISC's continued focus on growth initiatives.

4 Summary of Consolidated Quarterly Results

The following table sets out select results for the past eight quarters. Registry Operations experiences moderate seasonality, primarily because Saskatchewan Land Registry revenue fluctuates in line with real estate transaction activity in Saskatchewan. Typically, the second and third quarters of the fiscal year generate higher revenue, when real estate activity is traditionally highest. Fee adjustments made in July 2023 have temporarily impacted revenue seasonality in the short-term as we realize the first full year of these fee adjustments. Volume seasonality has also been impacted with the introduction of mortgage discharge fees starting in July. Ontario Property Tax Assessment Services revenue does not experience seasonality, as revenue is recognized evenly throughout the year under the agreement with the Government of Ontario.

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

Technology Solutions does not experience seasonality; however, this segment is impacted by the timing of procurement activities largely undertaken by governments around the world and the timing of revenue recognition related to the progress of work on solution definition and implementation contracts.

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

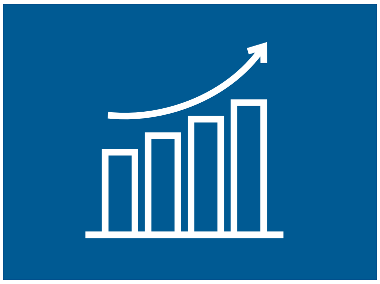
	2023				2022			
(thousands of CAD)	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	**$ 57,491**	$ 54,610	$ 53,295	$ 49,124	$ 46,104	$ 48,768	$ 50,870	$ 44,153
Expenses	**43,683**	43,334	40,965	38,565	39,396	36,922	33,919	33,463
Net income before items noted below	**13,808**	11,276	12,330	10,559	6,708	11,846	16,951	10,690
Net finance expense	**(6,218)**	(5,171)	(889)	(905)	(1,038)	(1,038)	(666)	(435)
Income before tax	**7,590**	6,105	11,441	9,654	5,670	10,808	16,285	10,255
Income tax expense	**(1,876)**	(1,871)	(3,208)	(2,790)	(1,721)	(3,052)	(4,628)	(2,848)
Net income	**$ 5,714**	$ 4,234	$ 8,233	$ 6,864	$ 3,949	$ 7,756	$ 11,657	$ 7,407
Other comprehensive income (loss)	**104**	(27)	5	110	688	48	(310)	(448)
Total comprehensive income	**$ 5,818**	$ 4,207	$ 8,238	$ 6,974	$ 4,637	$ 7,804	$ 11,347	$ 6,959
EBITDA	**$ 20,451**	$ 16,900	$ 16,441	$ 14,687	$ 10,808	$ 15,829	$ 20,458	$ 13,835
Adjusted EBITDA	**21,317**	19,209	17,824	14,516	13,521	17,037	19,246	14,586
Adjusted net income	**9,848**	8,357	9,256	6,752	5,942	8,652	10,785	7,969
Free cash flow	**12,695**	11,978	10,713	10,054	6,282	10,149	14,430	10,069
Adjusted free cash flow	**13,975**	14,444	12,468	9,883	8,995	11,357	13,218	10,820
EBITDA margin	**35.6%**	30.9%	30.8%	29.9%	23.4%	32.5%	40.2%	31.3%
Adjusted EBITDA margin	**37.1%**	35.2%	33.4%	29.5%	29.3%	34.9%	37.8%	33.0%
Earnings per share, basic	**$ 0.32**	$ 0.24	$ 0.47	$ 0.39	$ 0.22	$ 0.44	$ 0.66	$ 0.42
Earnings per share, diluted	**$ 0.31**	$ 0.23	$ 0.46	$ 0.38	$ 0.22	$ 0.43	$ 0.65	$ 0.41

5 Business Strategy

The Company'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

Strategically leverage the investments and achievements of 2023 while intensifying our focus on organic growth and continuing to execute on accretive M&A opportunities

Values and Differentiation

Strategically focus on service delivery quality – how we treat our customers and employees remains at the core.

Leveraging our proven approach for sustainable growth, underpinned by our strategic principles, the updated pillars of our growth strategy include:

(1) Organizational Excellence to Provide a Strong Foundation

- Deliver leading registry and regulatory services and solutions to customers through existing and new lines of business, ensuring an exceptional customer experience for those interacting with ISC's people and information.
- Deploy capital on M&A and internal investments to generate a return that exceeds our cost of capital and aligns with our long-term return on invested capital ("ROIC")[1] target.

(2) Organic Growth in Our Three Segments

- Accelerate our revenue growth while maintaining strong adjusted EBITDA margins.
- Registry Operations: Operates registries and provides related services on behalf of governments and other institutions.
- 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.

(3) M&A and Partnerships as an Accelerant

- Deploy capital on M&A and internal investments to generate a return that exceeds our cost of capital and aligns with our long-term ROIC target.
- Acquisitions will continue to play an important part in our growth strategy, enabled by our strong free cash flow generation and organizational capability.
- We look for companies that align with our customer needs, possess the right cultural fit, and have the ability to generate strong financial returns for ISC shareholders.

This will enable us to execute on our next phase of growth. Having doubled the size of ISC on a revenue and adjusted EBITDA basis over the last 10 years, our goal is to again double the size of the Company, on a similar metrics basis and based on 2023 results, but in half the time (5 years), through a combination of organic growth and M&A.

[1] The Company does not provide ROIC guidance and will not be disclosing the ROIC targets. Disclosure of the ROIC targets would reveal sensitive information, including information relating to forecasted earnings and capital structure extending beyond a fiscal year.

Our measures of success will be driven by a mix of:		
TARGET	Profitable Annual Revenue Growth	Customer and Employee Satisfaction
MEASURES	Measured by progress towards doubling within 5 years.	Measured by regular customer survey results and employee turnover.
HOW	• Significant organic revenue growth targets[1] • Supplemented with M&A and other growth acquisitions, targeting 1 to 2 transactions per year, ensuring the long-term returns exceed our cost of capital.	• Ensure an exceptional customer experience creating delighted customers and ISC ambassadors. • Advance a high-performance organization that people love working at.

[1] Such as shown through our 2024 revenue guidance.

We regularly review and if necessary, adjust our strategy to ensure that the Company remains well positioned in the long term, while being adaptable to near-term factors.

6 Financial and Capital Management

6.1 Cash flow

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

Historically, ISC has financed operations and met capital and finance expenditure requirements through cash provided from operating activities. The Company has also used borrowings to supplement cash generated from operations to finance acquisition activities. The Company believes that internally-generated cash flow, supplemented by additional borrowings that may be available to us through our Credit Facility and Base Shelf Prospectus dated April 3, 2023, will be sufficient to meet cash requirements, capital expenditures, merger and acquisition activity and anticipated dividend payments (refer to Note 15 in the December 31, 2023 Financial Statements, which are available on our website at **www.isc.ca** and in the Company's profile on SEDAR+ at **www.sedarplus.ca** for our existing Credit Facility). In connection with the Extension Agreement, ISC entered into the Amended and Restated Credit Agreement with its syndicate of lenders discussed further in Section 6.3 "Debt".

Liquidity risk is managed based on financial forecasts and anticipated cash flow. The majority of cash is held with Canadian chartered banks and the risk of loss is believed to be minimal. As at December 31, 2023, the Company held $24.2 million in cash compared to $34.5 million as at December 31, 2022, a decrease of $10.3 million as the Company used excess cash to reduce its long-term debt.

The Company expects to be able to meet its cash requirements, including being able to settle current liabilities of $63.5 million (December 31, 2022 – $39.6 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 AND ADJUSTED FREE CASH FLOW

(thousands of CAD)	Three Months Ended December 31, 2023	2022	Year Ended December 31, 2023	2022
Adjusted free cash flow	**$ 13,975**	$ 8,995	**$ 50,770**	$ 44,390
Add (subtract):				
Share-based compensation (expense)	**(307)**	(2,180)	**(283)**	(1,483)
Acquisition, integration and other costs	**(559)**	(533)	**(4,104)**	(1,977)
Registry enhancement capital expenditures	**(414)**	–	**(943)**	–
Free cash flow[1,2]	**$ 12,695**	$ 6,282	**$ 45,440**	$ 40,930
Add (subtract):				
Cash additions to property, plant and equipment	**144**	163	**394**	574
Cash additions to intangible assets[3]	**714**	157	**2,000**	890
Interest received	**(263)**	(269)	**(1,163)**	(463)
Interest paid	**3,840**	1,162	**8,533**	2,902
Interest paid on lease obligations	**123**	101	**400**	403
Principal repayment on lease obligations	**637**	600	**2,383**	2,137
Net change in non-cash working capital[4]	**4,263**	10,224	**(1,216)**	(3,837)
Net cash flow provided by operating activities	**$ 22,153**	$ 18,420	**$ 56,771**	$ 43,536

1 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".

2 Commencing on January 1, 2023, ISC revised the definition of free cash flow which is a non-IFRS measure to include interest received and paid as well as principal repayments on lease obligations. This is further defined in Section 8.8 "Non-IFRS financial measures", reconciled above and has been reflected in the comparative period. The impact of the change to free cash flow to include interest received and paid, interest paid on lease obligations and principal repayments on lease obligations on the previously stated prior year results was a $1.6 million decrease for the three months ended December 31, 2022 and a decrease of $5.0 million for the year ended December 31, 2022.

3 During the year, ISC entered into the Extension Agreement which resulted in the acquisition of an intangible asset related to the right to manage and operate the Saskatchewan Registries until 2053. Cash paid during the year of $153.4 million has been excluded from the above calculation due to its long-term and transformational nature.

4 Refer to Note 26 to the Financial Statements for reconciliation.

Free cash flow increased to $12.7 million for the fourth quarter of 2023 compared to $6.3 million in the prior year quarter due to stronger results from operations during the current period. This was due to:

- A full quarter of increased cash flows related to the fee adjustments for the Saskatchewan Registries in Registry Operations that took effect in July 2023.
- Continued customer and transaction growth in Services increasing cash flows.
- Technology Solutions advancing new and ongoing solution definition and implementation contracts increasing the segment's cash flow contributions when compared to the prior year quarter.

The stronger results of operations were partially offset by increased interest paid on debt obligations during the quarter compared to the same period in the prior year due to a combination of increased borrowings associated with the Extension Agreement and an increase in interest rates.

For the year ended December 31, 2023, free cash flow was $45.4 million, up from $40.9 million in the prior year due to the explanations provided above for the fourth quarter. While the Company experienced lower Land Registry volume resulting from lower activity in the Saskatchewan real estate sector during the first half of the year, this was offset by the fee adjustments made in July 2023. Strong results in Services were also a contributing factor with customer and transaction growth in the Regulatory Solutions division accompanied by increased contributions in 2023 by Technology Solutions.

Adjusted free cash flow for the quarter was $14.0 million, up 55 per cent compared to $9.0 million in the fourth quarter of 2022 and was $50.8 million for the full year, compared to $44.4 million in 2022, an increase of 14 per cent. While certain items are excluded from adjusted free cash flow, including the commencement of registry enhancement work for Registry Operations, the explanation for the increase from the prior year for both the quarter and the full year is consistent with the reasons cited for free cash flow.

The following table summarizes sources and uses of funds for the fourth quarter and year ended December 31, 2023 and 2022:

(thousands of CAD)	Three Months Ended December 31, 2023	2022	Year Ended December 31, 2023	2022
Net cash flow provided by operating activities	**$ 22,153**	$ 18,420	**$ 56,771**	$ 43,536
Net cash flow used in investing activities	**(594)**	(563)	**(154,886)**	(55,619)
Net cash flow provided by (used in) financing activities	**(18,742)**	(16,435)	**87,799**	6,247
Effects of exchange rate changes on cash held in foreign currencies	**(15)**	150	**30**	211
Increase (decrease) in cash	**$ 2,802**	$ 1,572	**$ (10,286)**	$ (5,625)
Cash, beginning of period	**21,391**	32,907	**34,479**	40,104
Cash, end of period	**$ 24,193**	$ 34,479	**$ 24,193**	$ 34,479

NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES

Net cash flow provided by operating activities was $22.2 million for the fourth quarter compared to cash provided of $18.4 million for the same period last year. The increase of $3.7 million was due to improved contributions across all operating segments, partially offset by a $6.0 million reduction in cash from changes in non-cash working capital. Non-cash working capital changes mainly include the following:

- A $4.2 million decrease in cash flow from non-cash working capital due to a smaller increase in accounts payable in the current quarter when compared to the prior year quarter. This is primarily attributable to a lower share price reducing share-based compensation liabilities, together with timing differences in payables in the Services' Recovery Solutions division.
- A $3.3 million decline in cash flow due to the timing of Technology Solutions payments related to contract assets and contract liabilities, which is due to timing differences in revenue recognition and contract payments relative to the comparable period.

The above declines in cash are offset by a $2.0 million net favourable change in cash relating to timing of income tax payments.

For the year ended December 31, 2023, cash provided by operating activities was $56.8 million compared to $43.5 million in the prior year. This was the result of a year-over-year increase in contributions from operating segments, augmented by a $2.6 million increase in cash from changes in non-cash working capital primarily related to the timing of tax payments. This was partially offset by the items described above for the quarter.

NET CASH FLOW USED IN INVESTING ACTIVITIES

Net cash used in investing activities for the quarter was consistent with the prior year quarter.

Net cash used in investing activities for the year ended December 31, 2023, was $154.9 million compared to $55.6 million in the comparative period. The current year increase primarily resulted from the Upfront Payment required by the Extension Agreement compared to the acquisition of Reamined and the UPLevel group of companies in the prior year.

NET CASH FLOW USED IN FINANCING ACTIVITIES

Net cash flow used in financing activities during the quarter was $18.7 million, compared to $16.4 million in the fourth quarter of 2022. As ISC embarked on its deleveraging strategy, $10.0 million in debt prepayments were made in the quarter, consistent with the comparative quarter in the prior year. In addition, interest paid increased $2.7 million compared to the prior year quarter due to increased borrowings associated with the Extension Agreement and an increase in interest rates.

Net cash flow provided by financing activities for the full year was $87.8 million compared to $6.2 million in the prior year, for a net increase of $81.6 million. Primary drivers of the increase were the following:

- Additional borrowings of $150.7 million with respect to the Upfront Payment and other costs associated with the Extension Agreement, compared to $40.0 million in borrowings in the prior year to finance the acquisition of Reamined.
- In line with our deleveraging strategy, ISC voluntarily prepaid $39.0 million in debt during the year, an increase of $24.0 million from the prior year.
- Similar to the quarterly explanation, interest paid during the year increased over the prior year by $5.6 million to $8.5 million primarily due to a higher average principal balance outstanding associated with funding the Upfront Payment and higher interest rates, which increased our cost of borrowing compared to the prior year.

6.2 Sustaining capital expenditures

ISC capital expenditures for the purpose of this analysis include cash additions of sustaining property, plant and equipment and intangible assets excluding additions subject to business combinations. The capital expenditures listed below also exclude cash paid during the year of $153.4 million related to the right to manage and operate the Saskatchewan Registries to 2053, which made up part of the intangible assets capitalized.

These capital expenditures have been excluded from sustaining capital as they are not considered part of business-as-usual activities given the long-term and transformational nature of the expenditure. Sustaining capital expenditures were $0.9 million for the quarter, compared to $0.3 million in the prior year quarter and $2.4 million for the year compared to $1.5 million in the prior year. The increase for the quarter and the year when compared to the prior year periods primarily resulted from increased system development work across our business segments, including registry enhancements for Registry Operations.

	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2023**	2022	**2023**	2022
Registry Operations	**$ 28**	$ 49	**$ 189**	$ 19
Services	**157**	278	**709**	707
Technology Solutions	**439**	(57)	**1,066**	688
Corporate and other	**234**	50	**430**	50
Total capital expenditures	**$ 858**	$ 320	**$ 2,394**	$ 1,464

6.3 Debt

At December 31, 2023, the Company's debt was $177.3 million compared to $66.0 million at December 31, 2022.

In connection with the Extension Agreement, ISC entered into the Amended and Restated Credit Agreement with its syndicate of lenders on July 5, 2023. The aggregate amount available under the Credit Facility has been increased from $150.0 million to $250.0 million and consists of ISC's existing $150.0 million revolving credit facility together with a new $100.0 million revolving credit facility. In addition, ISC maintains access to a $100.0 million accordion option, providing the flexibility to upsize the aggregate revolving credit facility up to $350.0 million. The Consolidated Net Funded Debt to EBITDA financial covenant has been increased to provide additional balance sheet flexibility to ISC. The expiry date of the Credit Facility of September 2026 remains unchanged. ISC funded the Upfront Payment and other related transaction costs for the Extension by drawing on the Credit Facility.

On July 27, 2023, ISC announced that it has expanded the lenders under the Company's Credit Facility to include BMO. The syndicated Credit Facility now includes RBC, CIBC and BMO. The total amount available under the Credit Facility remained unchanged.

The Company was in compliance with all its covenants throughout the period. The amount of borrowing costs capitalized during 2023 and 2022 was nil.

During 2023, the Company made voluntary prepayments of $39.0 million (2022 – $15.0 million) against its revolving credit facility to minimize interest expense. $10.0 million (2022 – $10.0 million) of the total voluntary prepayments were made in the fourth quarter, which is consistent with the comparable period. In 2022, the Company borrowed $40.0 million to finance the acquisition of Reamined, offset by $15.0 million of debt prepayments.

The Company is focused on continuing sustainable growth and deleveraging its balance sheet towards a long-term net leverage target of 2.0x – 2.5x. The prepayments described above are a reflection of deleveraging plans.

For further information on our Credit Facility, refer to Note 15 in the December 31, 2023, Financial Statements, which are available on our website at **www.isc.ca** and in the Company's profile on SEDAR+ at **www.sedarplus.ca**.

6.4 Total assets

Total assets were $536.3 million at December 31, 2023, compared to $283.5 million at December 31, 2022. Total assets increased during the year as a result of the acquisition of the $277.6 million intangible asset associated with the right to manage and operate the Saskatchewan Registries in connection with the signing of the Extension Agreement.

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and Other	**As at December 31, 2023**
Total assets excluding intangibles, goodwill and cash	$ 23,281	$ 17,812	$ 5,843	$ 12,158	**$ 59,094**
Intangibles	303,548	42,322	4,874	1,026	**351,770**
Goodwill	21,098	71,537	8,631	–	**101,266**
Cash	–	–	–	24,193	**24,193**
Total assets	$ 347,927	$ 131,671	$ 19,348	$ 37,377	**$ 536,323**

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

6.5 Working capital

Between December 31, 2022, and December 31, 2023, working capital decreased by $32.8 million largely driven by the impact of the Extension.

(thousands of CAD)	**As at December 31, 2023**	As at December 31, 2022
Current assets	**$ 48,332**	$ 57,216
Current liabilities	**(63,496)**	(39,626)
Working capital	**$ (15,164)**	$ 17,590

The main drivers of the $32.8 million decrease in working capital compared to December 31, 2022, are as follows:

(thousands of CAD)	
Cash additions to intangible assets pursuant to the Extension Agreement	**$(153,430)**
Portion financed with long-term debt	**150,684**
Subtotal	**(2,746)**
Free cash flow for 2023	**45,440**
Financing and other items:	
Repayment of long-term debt	**(39,000)**
Dividends paid	**(16,355)**
Stock options exercised	**4,379**
Vendor concession liability – current portion	**(20,816)**
All other	**(3,656)**
Total change in working capital	**$ (32,754)**

6.6 Outstanding share data

The number of issued and outstanding Class A Shares as at December 31, 2023, was 18,004,641 and the number of issued and outstanding share options as of December 31, 2023, was 1,005,198. As of March 12, 2024, the date of filing, the number of issued and outstanding Class A Shares was 18,004,641 and the number of issued and outstanding share options was 1,005,198.

6.7 Common share dividend

On November 7, 2023, the Board declared a quarterly cash dividend of $0.23 per Class A Share, paid on or before January 15, 2024, to shareholders of record as of December 31, 2023.

6.8 Commitments

The Company has commitments over the next five years that include future minimum payments for leasing of office space, information technology service agreements and other management services contracts. The following table summarizes our commitments as of December 31, 2023:

(thousands of CAD)	2024	2025	2026	2027	2028	Thereafter	Total
Operating leases and non-lease component of office leases[1]	$ 1,830	$ 1,053	$ 763	$ 704	$ 642	$ 512	$ 5,504
Information technology[2] and other service agreements	6,972	3,749	3,621	3,526	3,154	–	21,022
Total	$ 8,802	$ 4,802	$ 4,384	$ 4,230	$ 3,796	$ 512	$ 26,526

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

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

7 Business Risks

7.1 Financial instruments and financial risks

Financial instruments held in the normal course of business included in our consolidated statements of financial position as at December 31, 2023, consist of cash, trade and other receivables, accounts payable and accrued liabilities excluding share-based accrued liabilities, the vendor concession liability and long-term debt.

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of cash, trade and other receivables, accounts payable and accrued liabilities excluding share-based accrued liabilities approximate fair value due to their immediate or relatively short-term maturity. The fair values of the vendor concession liability and long-term debt are estimated by discounting the future contractual cash flows at the cost of borrowing of the Company. With long-term debt, ISC has its borrowings under the Credit Facility, which is managed with prime loans, CDOR loans and letters of credit. Certain borrowings will bear interest at a base rate of prime plus applicable margin varying between 0.20 per cent and 3.00 per cent per annum while other borrowings will bear interest at CDOR rates between 1.20 per cent and 3.00 per cent per annum.

CREDIT RISK

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

The majority of cash is held with Canadian chartered banks and the Company believes the risk of loss to be minimal. The maximum exposure to credit risk at December 31, 2023, is $39.9 million (December 31, 2022 — $49.4 million), equal to the carrying value of the Company's financial assets: those being cash at $24.2 million (December 31, 2022 — $34.5 million) and trade and other receivables at $15.7 million (December 31, 2022 — $14.9 million). Quarterly reviews of the aged receivables are completed. The Company expects to fully collect the carrying value on all outstanding receivables. Therefore, the risk to the Company is low.

LIQUIDITY RISK

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

MARKET RISK

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

INTEREST RATE RISK

Interest rate risk arises from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is subject to interest rate risks on its debt. This debt bears interest at rates that float, which can vary with changes in prime borrowing rates. The Company is managing its interest rate risk through its treasury function, the continued focus on debt repayment and keeping excess cash in higher interest short-term savings.

The Company has estimated that a 100 basis point spread in interest rate for the year ended December 31, 2023 would increase/decrease comprehensive income by $0.8 million (2022 — $0.5 million).

FOREIGN CURRENCY EXCHANGE RISK

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

7.2 Business risks and risk management

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

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

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

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

A complete list of ISC's key business risks is contained in the Company's Annual Information Form available on the Company's website at **www.isc.ca** and in the Company's profile on SEDAR+ at **www.sedarplus.com**.

8 Accounting Policies, Financial Measures and Controls

8.1 Off-balance sheet arrangements

The Company had no off-balance sheet arrangements as at December 31, 2023.

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 23 in the December 31, 2023 Financial Statements, which are available on our website at **www.isc.ca** and in the Company's profile on SEDAR+ at **www.sedarplus.ca** for information about transactions with related parties.

8.3 Critical accounting estimates

ISC's critical accounting estimates are contained in Note 2 to 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.

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

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

8.4 Changes in accounting policies

The Company has adopted the following new accounting pronouncements or policies and revised standards, along with any consequential amendments, effective January 1, 2023, or on such date as they became applicable. These changes were made in accordance with applicable transitional provisions.

Proposed Standard	Description
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 Company adopted this amendment on January 1, 2023, and has only disclosed material accounting policies as described in Note 3 to the Notes to the Consolidated Financial Statements.
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 Company adopted this amendment to IAS 8 effective January 1, 2023, which has had no impact on the consolidated financial statements.
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 Company adopted this amendment to IAS 12 effective January 1, 2023, which has had no impact on the consolidated financial statements.
IFRS 17 – *Insurance Contracts*	IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 – *Insurance Contracts*. The Company adopted IFRS 17 effective January 1, 2023, and analysed all relevant contracts. There has been no impact on the consolidated financial statements as a result of the adoption of IFRS 17.

The International Accounting Standards Board and IFRS Interpretations Committee 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. These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements. The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024, with early application permitted. This amendment is currently being assessed by the Company to determine the impact.	January 1, 2024
Amendments to IFRS 16 – *Lease liability in a Sale and Leaseback*	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 – *Revenue from Contracts with Customers* to be accounted for as a sale. The amendment is effective for annual periods beginning on or after January 1, 2024. 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, 2024
Amendments to IAS 7 and IFRS 7 – *Supplier Finance Arrangements*	The amendments add disclosure requirements and 'signposts' within existing disclosure requirements that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for annual periods beginning on or after January 1, 2024. The Company has assessed the impact of the adoption of the amendments and they are not expected to have a material impact on the Company's consolidated financial statements.	January 1, 2024

8.5 Financial measures and key performance indicators

Revenue, expenses, net income and net cash flow provided by operating activities 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 used 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 adjusted net income, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, free cash flow and adjusted free cash flow. Refer to Section 8.8 "Non-IFRS financial measures".

8.6 Internal controls over financial reporting

The Company's management, including the President and Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining appropriate internal controls over financial reporting. Internal controls over financial reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS and management has concluded these controls were operating effectively as of December 31, 2023.

No changes in our internal controls over financial reporting that have occurred during the period have materially affected or are reasonably likely to materially affect our internal controls over financial reporting.

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

8.7 Disclosure controls and procedures

The Company's management, including the President and Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining appropriate disclosure controls and procedures. Disclosure controls and procedures are designed to provide reasonable assurance that relevant information is gathered and reported to senior management, including the President and Chief Executive Officer and the Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosures. Management has concluded these controls were operating effectively as of December 31, 2023.

8.8 Non-IFRS financial measures

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

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

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

Non-IFRS performance measure	Why we use it	How we calculate it	Most comparable IFRS financial measure
Adjusted net income Adjusted earnings per share, basic Adjusted earnings per share, diluted	• To evaluate performance and profitability while excluding non-operational and share-based volatility. • We believe that certain investors and analysts will use adjusted net income and adjusted earnings per share to evaluate performance while excluding items that management believes do not contribute to our ongoing operations.	Adjusted net income: Net income add Share-based compensation expense, acquisitions, integration and other costs, effective interest component of interest expense, debt finance costs expensed to professional and consulting, amortization of the intangible asset associated with the right to manage and operate the Saskatchewan Registries, amortization of registry enhancements, interest on the vendor concession liability and the tax effect of these adjustments at ISC's statutory tax rate. Adjusted earnings per share, basic: Adjusted net income divided by weighted average number of common shares outstanding Adjusted earnings per share, diluted: Adjusted net income divided by diluted weighted average number of common shares outstanding	Net income Earnings per share, basic Earnings per share, diluted

Non-IFRS performance measure	Why we use it	How we calculate it	Most comparable IFRS financial measure
EBITDA EBITDA margin	• To evaluate performance and profitability of segments and subsidiaries as well as the conversion of revenue. • We believe that certain investors and analysts use EBITDA to measure our ability to service debt and meet other performance obligations.	EBITDA: Net income add (remove) Depreciation and amortization, net finance expense, and income tax expense EBITDA margin: EBITDA divided by Total revenue	Net income
Adjusted EBITDA Adjusted EBITDA margin	• To evaluate performance and profitability of segments and subsidiaries as well as the conversion of revenue while excluding non-operational and share-based volatility. • We believe that certain investors and analysts use adjusted EBITDA to measure our ability to service debt and meet other performance obligations. • Adjusted EBITDA is also used as a component of determining short-term incentive compensation for employees.	Adjusted EBITDA: EBITDA add (remove) share-based compensation expense, acquisition, integration and other costs, gain/loss on disposal of assets and asset impairment charges if significant Adjusted EBITDA margin: Adjusted EBITDA divided by Total revenue	Net income
Free cash flow	• To show cash available for debt repayment and reinvestment into the Company on a levered basis. • We believe that certain investors and analysts use this measure to value a business and its underlying assets. • Free cash flow is also used as a component of determining short-term incentive compensation for employees.	Free cash flow: Net cash flow provided by operating activities deduct (add) Net change in non-cash working capital, cash additions to property, plant and equipment, cash additions to intangible assets, interest received and paid as well as interest paid on lease obligations and principal repayments on lease obligations	Net cash flow provided by operating activities

Non-IFRS performance measure	Why we use it	How we calculate it	Most comparable IFRS financial measure
Adjusted free cash flow	• To show cash available for debt repayment and reinvestment into the Company on a levered basis from continuing operations while excluding non-operational and share-based volatility. • We believe that certain investors and analysts use this measure to value a business and its underlying assets based on continuing operations while excluding short term non-operational items.	Adjusted free cash flow: Free cash flow deduct (add) Share-based compensation expense, acquisition, integration and other costs and registry enhancement capital expenditures	Net cash flow provided by operating activities

8.9 Non-IFRS financial measures definition

Adjusted net income is defined as net income adjusted for share-based compensation expense or income, acquisition, integration and other costs, the effective interest component of interest expense, amortization of the intangible asset associated with the right to manage and operate the Saskatchewan Registries and amortization of registry enhancement capital expenditures, interest on the vendor concession liability and the tax effect of these adjustments at ISC's statutory tax rate. We believe this measure provides useful information to evaluate earnings while excluding non-operational and share-based volatility.

EBITDA is defined as earnings before interest, taxes, depreciation and amortization expense. Adjusted EBITDA adjusts EBITDA for share-based compensation expense or income, transactional gains or losses on assets, asset impairment charges and acquisition, integration and other costs. These measures, in addition to net income and income from operations, remove fluctuations caused by the above adjustments. EBITDA margin and adjusted EBITDA margin are calculated as a percentage of overall revenue.

Free cash flow is used as a financial measure of liquidity and financial strength. By 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, as well as interest received and paid including interest paid on lease obligations and principal repayments on lease obligations, free cash flow assists in the long-term assessment of liquidity and financial strength. Adjusted free cash flow adjusts for share-based compensation expense or recovery, acquisition, integration and other costs and registry enhancement capital expenditures. Adjusted free cash flow does not represent residual cash flow available for discretionary expenditures.

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

Management's Responsibility

Management's Report on Consolidated Financial Statements

The accompanying consolidated financial statements of Information Services Corporation were prepared by management, which is responsible for the integrity and fairness of the information presented, including the many amounts that must, of necessity, be based on estimates and judgments. These consolidated financial statements were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Financial information appearing throughout our Management's Discussion and Analysis is consistent with these consolidated financial statements.

In discharging our responsibility for the integrity and fairness of the consolidated financial statements and for the accounting systems from which they are derived, we maintain the necessary system of internal controls designed to ensure that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring employees, policies and procedure manuals, a corporate code of conduct and accountability for performance within appropriate and well-defined areas of responsibility.

The Board of Directors oversees management's responsibilities for financial reporting through an Audit Committee, which is composed entirely of directors who are neither officers nor employees of Information Services Corporation. This Committee reviews our consolidated financial statements and recommends them to the Board of Directors for approval. Other key responsibilities of the Audit Committee include reviewing our existing internal control procedures and planned revisions to those procedures and advising the directors on accounting matters and financial reporting issues.

Deloitte LLP, who was appointed by the shareholders of Information Services Corporation upon the recommendation of the Audit Committee and the Board of Directors' approval, has performed an independent audit of the consolidated financial statements and that report follows. The auditor has full and unrestricted access to the Audit Committee to discuss the audit and related findings.

Shawn B. Peters, CPA, CA, ICD.D
President and Chief Executive Officer

Robert (Bob) Antochow, CPA, CA, CMA
Chief Financial Officer

March 12, 2024

Independent Auditor's Report

To the Shareholders and the Board of Directors of Information Services Corporation:

Opinion

We have audited the consolidated financial statements of Information Services Corporation (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and December 31, 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flow for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill – Services and Technology Solutions — refer to Notes 3 and 9 to the financial statements

Key Audit Matter Description

The Company's annual assessment for goodwill impairment involves the comparison of the recoverable amount of each cash generating unit ("CGU") to its carrying value. The Company determines the recoverable amount of its CGUs based on a value in use ("VIU") analysis under the income approach. The Company used the discounted cash flow method to determine the recoverable amount of the Services and Technology Solutions CGUs, which required management to make estimates and assumptions. The recoverable amounts for both the Services and Technology Solutions CGUs exceeded its carrying value as of the measurement date and no impairment was recognized.

Given the magnitude of the goodwill balance in the Services and Technology Solutions CGUs, the performance of audit procedures over revenue forecasts, perpetual growth rates and the discount rates for both CGUs required an increased extent of audit effort, including the need to involve fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the revenue forecasts, perpetual growth rates and the discount rates used to determine the recoverable amount of the Services and Technology Solutions CGUs included the following, among others:

- Evaluated management's ability to accurately forecast by comparing management's historical forecasts to actual results;
- Evaluated the reasonableness of management's revenue forecasts by comparing to (1) historical results, (2) internal communications to management and the Board of Directors, (3) forecasted information included in Company press releases, analyst and industry reports and by assessing management's pipeline for the Technology Solutions CGU;
- With the assistance of fair value specialists
  - Evaluated the perpetual growth rates by comparing management's selected perpetual growth rates to forecasted inflationary and economic growth applicable to Canada.
  - Evaluated the discount rates by testing the source information underlying the determination of the discount rates and developing a range of independent discount rates and comparing to the discount rates selected by management.

Extension and Amendment of Master Services Agreement – Refer to Notes 1, 8 and 16 to the financial statements

Key Audit Matter Description

On July 5, 2023, the Company entered into an extension agreement to extend the term of its exclusive Master Service Agreement (the "MSA") with the Province of Saskatchewan to manage and operate the Saskatchewan Land Registry, the Saskatchewan Land Surveys Directory, the Saskatchewan Corporate Registry and the Saskatchewan Personal Property Registry until 2053. As a result of the MSA, the Company recorded a contract, customer and partner relationships intangible asset ("intangible asset"), a vendor concession liability, a deferred tax asset and a deferred tax liability. The intangible asset and vendor concession liability are determined based on future cashflows (contractual payments) and discount rate.

Management was required to make judgments to determine the accounting treatment of the MSA and as such, auditing that accounting treatment required complex analysis and consideration. The assumption with the highest degree of subjectivity and judgement used to value the intangible asset and vendor concession liability is the discount rate. Auditing such required a high degree of auditor judgement and an increased extent of audit effort, including the need to involve technical accounting, tax and fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the accounting treatment of the MSA and the discount rate used to value the intangible asset and the vendor concession liability included the following, among others:

- With the assistance of technical accounting and tax specialists evaluated the accounting treatment of the MSA by:
  - Assessing the information in the MSA to evaluate that all relevant factors were analyzed;
  - Evaluating management's determination of the accounting treatment of the MSA by analyzing specific facts and circumstances against relevant accounting guidance;
  - Assessing the tax implications related to the MSA to determine that recording a deferred tax asset and liability is appropriate;
- With the assistance of fair value specialists evaluated the discount rate by testing the source information underlying the determination of the discount rate and developing a range of independent discount rates and comparing to the discount rate selected by management.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Brian Ralofsky.

Deloitte LLP

Chartered Professional Accountants
Regina, Saskatchewan
March 12, 2024

Consolidated Statements of Financial Position

(thousands of CAD)	Note	As at December 31, 2023	As at December 31, 2022
Assets			
Current assets			
Cash		$ 24,193	$ 34,479
Trade and other receivables	4	15,673	14,933
Contract assets	5	2,649	985
Income tax recoverable	13	2,626	2,215
Prepaid expenses and deposits		3,191	4,604
Total current assets		48,332	57,216
Non-current assets			
Property, plant and equipment	6	2,101	1,813
Right-of-use assets	7	8,682	7,553
Intangible assets	8	351,770	88,993
Goodwill	9	101,266	101,240
Deferred tax asset	13	24,172	26,639
Total non-current assets		487,991	226,238
Total assets		$ 536,323	$ 283,454
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	$ 36,114	$ 33,876
Vendor concession liability	16	20,816	–
Contract liabilities	11	2,764	2,720
Lease obligations – current portion	12	2,809	2,299
Income tax payable	13	993	731
Total current liabilities		63,496	39,626
Non-current liabilities			
Lease obligations	12	7,055	6,508
Deferred tax liability	13	11,257	13,883
Long-term debt	15	177,302	66,047
Vendor concession liability	16	107,720	–
Other liabilities	14	714	1,802
Total non-current liabilities		304,048	88,240
Shareholders' equity			
Share capital	19	28,542	23,691
Equity settled employee benefit reserve	14	1,610	2,082
Accumulated other comprehensive loss		(185)	(377)
Retained earnings		138,812	130,192
Total shareholders' equity		168,779	155,588
Total liabilities and shareholders' equity		$ 536,323	$ 283,454

See Note 28 for Commitments and Contingencies

See accompanying Notes

APPROVED BY THE BOARD OF DIRECTORS ON MARCH 12, 2024:

Joel Teal
Director

Laurie Powers
Director

Consolidated Statements of Comprehensive Income

(thousands of CAD)	Note		Year Ended December 31, 2023		Year Ended December 31, 2022
Revenue	21	$	214,520	$	189,895
Expenses					
Wages and salaries			59,999		54,267
Cost of goods sold			55,387		49,215
Depreciation and amortization	6, 7, 8		20,506		14,735
Information technology services			13,280		10,584
Occupancy costs			4,648		4,003
Professional and consulting services			5,981		4,988
Financial services			3,077		2,669
Other			3,669		3,239
Total expenses			166,547		143,700
Net income before items noted below			47,973		46,195
Finance income (expense)					
Interest income			1,163		463
Interest expense	22		(14,346)		(3,640)
Net finance expense			(13,183)		(3,177)
Income before tax			34,790		43,018
Income tax expense	13		(9,745)		(12,249)
Net income		$	25,045	$	30,769
Other comprehensive income (loss)					
Items that may be subsequently reclassified to net income					
Unrealized gain (loss) on translation of financial statements of foreign operations			192		(33)
Change in fair value of marketable securities, net of tax			–		11
Other comprehensive income (loss)			192		(22)
Total comprehensive income		$	25,237	$	30,747
Earnings per share ($ per share)					
Total, basic	18	$	1.41	$	1.75
Total, diluted	18	$	1.39	$	1.71

See accompanying Notes

Consolidated Statements of Changes in Equity

(thousands of CAD)	Note	Retained Earnings	Share Capital	Accumulated Other Comprehensive Income	Equity Reserve	Total
Balance at January 1, 2022		$ 115,641	$ 19,955	$ (355)	$ 2,464	$ 137,705
Net income		30,769	–	–	–	30,769
Other comprehensive loss		–	–	(22)	–	(22)
Stock option recovery	14	–	–	–	(7)	(7)
Stock options exercised	14	–	3,736	–	(375)	3,361
Dividend declared	19	(16,218)	–	–	–	(16,218)
Balance at December 31, 2022		$ 130,192	$ 23,691	$ (377)	$ 2,082	$ 155,588
Balance at January 1, 2023		$ 130,192	$ 23,691	$ (377)	$ 2,082	$ 155,588
Net income		**25,045**	**–**	**–**	**–**	**25,045**
Other comprehensive income		**–**	**–**	**192**	**–**	**192**
Stock options exercised	14	**–**	**4,851**	**–**	**(472)**	**4,379**
Dividend declared	19	**(16,425)**	**–**	**–**	**–**	**(16,425)**
Balance at December 31, 2023		**$ 138,812**	**$ 28,542**	**$ (185)**	**$ 1,610**	**$ 168,779**

See accompanying Notes

Consolidated Statements of Cash Flows

(thousands of CAD)	Note	**Year Ended December 31, 2023**	Year Ended December 31, 2022
Operating			
Net income		**$ 25,045**	$ 30,769
Add: Charges not affecting cash			
Depreciation	6, 7	**3,022**	2,920
Amortization	8	**17,484**	11,815
Foreign exchange gains		**(3)**	(189)
Deferred tax recovery recognized in net income	13	**(155)**	(111)
Registry Operations service concession arrangement	21	**(588)**	(997)
Gain on disposal of property, plant and equipment		**(1)**	(4)
Net finance expense		**13,183**	3,177
Stock option recovery	14	**–**	(7)
Net change in non-cash working capital	26	**(1,216)**	(3,837)
Net cash flow provided by operating activities		**56,771**	43,536
Investing			
Interest received		**1,163**	463
Cash received on disposal of property, plant and equipment		**1**	4
Short-term investments realized		**–**	49
Additions to property, plant and equipment	6	**(394)**	(574)
Additions to intangible assets	8	**(155,430)**	(890)
Acquisitions and post-closing adjustments	27	**(226)**	(54,671)
Net cash flow used in investing activities		**(154,886)**	(55,619)
Financing			
Interest paid	22	**(8,533)**	(2,902)
Interest paid on lease obligations	12, 22	**(400)**	(403)
Principal repayments on lease obligations	12	**(2,383)**	(2,137)
Repayment of short-term debt	15	**–**	(500)
Repayment of long-term debt	15	**(39,000)**	(15,000)
Proceeds of long-term debt	15	**150,684**	40,000
Financing fees	15	**(593)**	–
Dividends paid	19	**(16,355)**	(16,172)
Stock options exercised	14	**4,379**	3,361
Net cash flow provided by financing activities		**87,799**	6,247
Effects of exchange rate changes on cash held in foreign currencies		**30**	211
Decrease in cash		**(10,286)**	(5,625)
Cash, beginning of year		**34,479**	40,104
Cash, end of year		**$ 24,193**	$ 34,479

See accompanying Notes

NOTES TO THE CONSOLIDATED 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 Saskatchewan, British Columbia and Ontario and international offices in Ireland and Luxembourg. ISC has three reportable segments: Registry Operations, Services and Technology Solutions. A functional summary of these segments is as follows:

- Registry Operations delivers registry and information services on behalf of governments and private sector organizations. This segment currently has two major clients - the Government of Saskatchewan and the Government of Ontario. Registry Operations offerings are categorized into two divisions, Saskatchewan Registries and Ontario Property Tax Assessment Services.
  - On July 5, 2023, the Company entered into an extension agreement (the "Extension Agreement") to extend ISC's exclusive right to manage and operate the Saskatchewan Land Registry, the Saskatchewan Land Surveys Directory, the Saskatchewan Corporate Registry and the Saskatchewan Personal Property Registry (collectively, the "Saskatchewan Registries") until 2053. Under the Extension Agreement, ISC also undertook to renew the registry technology systems and was granted the right to introduce and/or enhance fees on certain transactions. Applicable fee adjustments became effective July 29, 2023. The master service agreement was also amended and restated (the "Amended and Restated MSA") to, among other things, implement certain incremental terms and conditions including registry enhancement, the objectives of which are to enhance security features and protocols for the Saskatchewan Registries, contemplate emerging and future technology enhancements, refresh and clarify governance practices and structure and provide flexibility for change over the life of the extended term.
- Services delivers solutions uniting public records data, customer authentication, corporate services, collateral management, asset recovery and accounts receivable management to support registration, due diligence and lending practices across Canada.
- Technology Solutions provides the development, delivery and support of registry (and related) technology solutions.

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

As at December 31, 2023, ISC's principal revenue-generating segments were Registry Operations and Services.

2 Basis of Presentation

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The Company's Board of Directors (the "Board") authorized the consolidated financial statements for the year ended December 31, 2023, for issue on March 12, 2024.

Basis of measurement

The consolidated 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, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 — *Share-based Payment* and measurements that have some similarities to fair value but are not fair value, such as net realizable value in International Accounting Standard ("IAS") 2 — *Inventories* or value in use in IAS 36 — *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars ("CAD"), which is the functional currency of the parent company.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of ISC and its wholly owned significant operating subsidiaries: ISC Saskatchewan Inc. ("ISC Sask"), ISC Enterprises Inc. ("ISC Ent"), ESC Corporate Services Ltd. ("ESC"), Reamined Systems Inc. ("Reamined"), Enterprise Registry Solutions Limited ("ERS"), Credit Risk Management Canada Ltd. ("CRM"), Credit Bureau of Stratford (1970) Limited ("CBS") and Regulis S.A. ("Regulis"). 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 consolidated 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:

- the carrying value, impairment and estimated useful lives of property, plant and equipment (Note 6);
- the carrying value, impairment and estimated useful lives of intangible assets (Note 8) and goodwill (Note 9);
- the recoverability of deferred tax assets (Note 13); and
- the amount and timing of revenue from contracts from customers recognized over time (Note 21).

The relevant accounting policies in Note 3 contain further details on the use of these estimates and assumptions.

Changes in accounting policies

The Company adopted the following new accounting pronouncements or policies and revised standards, along with any consequential amendments, effective January 1, 2023, or on such date as they became applicable. These changes were made in accordance with applicable transitional provisions.

Standard	Description
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 Company adopted this amendment on January 1, 2023, and has only disclosed material accounting policies as described in Note 3 to the Notes to the Consolidated Financial Statements.
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 Company adopted this amendment to IAS 8 effective January 1, 2023, which has had no impact on the consolidated financial statements.
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 Company adopted this amendment to IAS 12 effective January 1, 2023, which has had no impact on the consolidated financial statements.

Standard	Description
IFRS 17 – *Insurance Contracts*	IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts. The Company adopted IFRS 17 effective January 1, 2023, and analysed all relevant contracts. There has been no impact on the consolidated financial statements as a result of the adoption of IFRS 17.

3 Material Accounting Policy Information

Revenue

The Company recognizes revenue either at a point in time or over time as determined by an analysis of the terms and performance conditions of each individual customer contract on a contract-by-contract basis. The individual contract terms determine whether, when and the amount of the revenue recognized.

The Company considers and assesses enforceability, collectability, contract combinations and modifications as part of the revenue recognition process.

The revenue recognition policies associated with each of the Company's revenue streams are as follows:

Registry Operations revenue

Registry Operations delivers registry and information services on behalf of governments and private sector organizations. This segment currently has two major clients - the Government of Saskatchewan and the Government of Ontario.

Our offerings are categorized into two divisions, Saskatchewan Registries and Ontario Property Tax Assessment Services.

Saskatchewan Registries' division revenue is recognized under the Amended and Restated MSA and is generated by earning fees from end-use customers through registrations, searches, maintenance transactions and value-added services on behalf of the Government of Saskatchewan.

The majority of the associated transaction fees under the Amended and Restated MSA are based on a flat price per transaction or a percentage of the transaction value (ad valorem), or stand-alone selling price for each distinct service that is recognized at a point in time. There is a smaller amount of fees generated under the Amended and Restated MSA related to programs and other registries whereby the Company earns an annual operating fee or hosting and management fees versus revenue per transaction. Revenue from annual operating fees and hosting and management contracts is recognized over time on a monthly basis.

A smaller portion of revenue in the Saskatchewan Land Registry is from value-added services and relates to our Geomatics business. Geomatics revenue is contract dependent, based on the distinct goods or service promised to the customer, and is either recognized at a point in time or over time for support and maintenance contracts.

The Ontario Property Tax Assessment Services division has an exclusive agreement with the Government of Ontario (the "OPTA Agreement") by which Ontario Property Tax Assessment Services provides online property tax analysis services to over 440 municipalities in Ontario, facilitating the management of property tax rates and distribution. Revenue is recognized over time throughout the term of the OPTA Agreement.

Amounts received from customers in advance of the satisfaction of our performance obligations are recorded as "contract liabilities" on our consolidated statements of financial position. Amounts in "contract liabilities" are recognized as revenue as we render services to our customers.

Services revenue

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

The Company categorizes its Services revenue into three divisions, namely Corporate Solutions, Regulatory Solutions and Recovery Solutions.

Corporate Solutions captures revenue from nationwide search, business name registration and corporate filing services sold primarily to legal professionals or to the general public directly or indirectly through our government relationships. It further derives revenue from our corporate supplies business where our customers include legal professionals and the general public. Revenue for Corporate Solutions is recognized at a point in time when services are rendered, or goods are delivered.

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

Recovery Solutions offers fully-managed asset recovery accompanied by accounts receivable management services to our customers. Recovery Solutions allows us to provide our customers with a full service offering across the credit life cycle from origination to recovery. Asset recovery involves the identification, retrieval and disposal of movable assets such as automobiles, boats, aircraft and other forms of portable physical assets used as collateral security for primarily consumer-focused credit transactions. Accounts receivable management involves the Company, as a licenced collection agency, performing recovery services related to past due accounts in both a first-party capacity representing our customers, and a third-party collections capacity. Recovery Solutions revenue in our Services segment includes administration fees and commissions earned by the provision of asset recovery and accounts receivable management services. Administration fee revenue is earned over time throughout the management of each asset recovery file or in accordance with each accounts receivable management contract. Commissions and other revenue is earned at a point in time when services are delivered. In the case of commissions, they are not recognized until any variable component can be determined with sufficient certainty such that a significant reversal in the amount recognized will not occur.

Much of our Services revenue involves interacting with government registries to access public records to provide services to our customers. For this access, our Services segment usually pays a fee to the government. Where we provide simple searches to our customers, government fees are not included in our revenue (government fees are recorded on a net basis) as they are passed through to our customers. Where our services include a number of collateral management services, government fees are a key input to these services and are recorded in revenue (government fees are recorded on a gross basis) as well as cost of goods sold.

Technology Solutions revenue

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.

Licensing revenue is determined by assessing each individual contract to determine whether the licence obligation is distinct from the other performance obligations within the contract. The Company may have various types of licence obligations depending on the contract:

- If the licence obligation is distinct, the Company determines if the licence should be recognized at a point in time ("right to use") or over time ("right to access") throughout the licence period.
  - For contracts that provide the customer with a right to use the Company's intellectual property ("IP") at a point in time, licence revenue is recognized once the technology is available for use and the control over the right to use the IP is transferred to the customer.
  - For contracts that provide the customer with a right to access the Company's IP over time, licence revenue is recognized over the licence period.
- For those contracts where the licence obligation is determined not to be distinct from other performance obligations, the licence revenue is allocated to the associated performance obligations and recognized upon achievement of performance applicable to those obligations.

The Company is currently allocating the majority of its licence revenue along with the associated performance obligations and recognizing it upon achievement of performance applicable to those obligations.

Revenue associated with solution definition and implementation services is recognized either at a point in time or over time depending on the terms of the contract and the performance obligations therein. Most prevalent are contracts where the revenue is recognized over a period of time. The Company has an enforceable right to payment for service work done and revenue is recognized over time using an estimate of the proportion of costs incurred for work performed to date, relative to the total estimated cost of completing the performance obligations of the contract.

Hosting, support and maintenance revenue is recognized according to the delivery of the performance obligations in the contract and the stand-alone selling price allocated to the obligations. These services may be provided through either fixed-price, deliverable-based contracts or fee-for-service contracts. Hosting contracts generally result in linear monthly revenue recognition over the term of the contract. Service revenue from fixed-price contracts to provide services is recognized by reference to the stage of completion as defined in the contract when the outcome of the contract can be estimated reliably. Service revenue from time and material contracts is recognized at the contractual rates as labour hours are delivered and direct expenses are incurred.

Amounts received from customers in advance of the satisfaction of our performance obligations are recorded as "contract liabilities" on our consolidated statements of financial position. Amounts in "contract liabilities" are recognized into revenue either over the service period or when performance obligations are achieved. Costs the Company incurs related to the fulfilment of a contract, but prior to reaching a performance milestone, are recorded as a "contract asset" on the consolidated statements of financial position. Once the milestone is achieved, these costs are recorded in the consolidated statements of comprehensive income.

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 promote a greater alignment of interests between its directors, management and shareholders.

A long-term incentive plan utilizing performance share units ("PSUs") and share appreciation rights ("SARs") was approved by the Board on May 15, 2020 and amended and restated effective September 1, 2023, to include Restricted Share Units ("RSUs"). No RSUs have been granted as at December 31, 2023.

All share-based compensation expenses are recognized in wages and salaries in the consolidated statements of comprehensive income. For each plan, the Company recognizes compensation expense proportionately over the vesting period. The cumulative carrying value of all active and recognized stock options is reflected in the equity settled employee benefits reserve in shareholders' equity in the consolidated statements of financial position. The fair value of units recognized in all other plans are reflected as obligations in the consolidated statements of financial position in other liabilities and/or accounts payable and accrued liabilities.

For PSUs and deferred share units ("DSUs"), compensation expense consists of the difference between the fair value of the units recognized at the start and end of the reporting period plus the value of any units redeemed in the period. The fair value of the PSUs and DSUs is based on the market value of the Company's Class A Shares on the TSX. Any change in estimate is recognized as an increase or decrease to the liability and a corresponding charge or credit to expense at the end of the reporting period, as applicable. PSUs and DSUs earn dividend equivalent units ("DEUs") in the form of additional PSUs and DSUs, as applicable, at the same rate as dividends on Class A Shares.

For SARs, the Black-Scholes methodology is used to value each SAR grant when awarded. The inputs used in this valuation are described below. At the end of each reporting period, the market value of the SARs is equivalent to the market value of the Company's Class A Shares in excess of the SARs' grant value (the "in the money" portion) multiplied by the cumulative number of SAR units active and recognized that are in the money at the reporting date. Compensation expense consists of the difference between the fair value of the units recognized at the start and end of the reporting period plus the value of any units redeemed in the period. Any change in estimate is recognized as an increase or decrease to the liability and a corresponding charge or credit to expense at the end of the reporting period, as applicable.

For the stock option plan, the Black-Scholes methodology is used to value each option when awarded. The Company has used the following variables as inputs in the Black-Scholes methodology for the valuation of the SARs and the stock options. The inputs are subject to review as applicable:

- Option term: the maximum duration before expiry;
- Risk-free rate: estimated based on 10-year Canada bond rate;
- Dividend yield: based on ISC's three-year average annual yield rate; and
- Equity volatility: based on ISC's three-year standard deviation of Total Shareholder Return.

More details on each of the share-based compensation plans can be found in Note 14.

Business acquisitions

Business acquisitions are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated at the date of acquisition as the sum of the fair values of the assets transferred by the Company and the liabilities incurred by the Company to the former owners of the acquiree in exchange for the control of the acquiree. Acquisition costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair values, except the deferred tax assets and liabilities, which are recognized and measured in accordance with IAS 12 – *Income Taxes*.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree, if applicable, over the net of the identifiable assets acquired and the liabilities assumed at the date of acquisition.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in fair value of the contingent consideration that do not qualify as a measurement period adjustment depends on how the contingent consideration is classified. Contingent consideration classified as equity is not measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9 – *Financial Instruments*, or IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss recognized in net earnings or loss.

Business acquisitions versus asset acquisitions

Acquired businesses are assessed by management and where the acquired operations do not consist of inputs and substantive processes with the ability to create outputs, the definition of a business is not met and in such cases the acquisition is treated as an asset acquisition.

When there is contingent consideration in an asset acquisition an accounting policy choice exists whereby an entity may recognize a liability for the expected variable payments at the time control of the underlying asset is obtained or they may only recognize such a liability as the related activity that gives rise to the variability occurs. The Company has opted to recognize the liability only when the related activity that gives rise to the variability occurs.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and any provisions for impairment. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-developed assets includes materials, services, direct labour and directly attributable overhead. Interest costs associated with major capital and development projects are capitalized during the development period. Depreciation of assets under development will commence once they are operational and available for use.

The costs of maintenance, repairs, renewals or replacements that do not extend the productive life of an asset are charged to operations when incurred. The costs of replacements and improvements that extend the productive life are capitalized.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Depreciation is recorded on property, plant and equipment on the straight-line basis, which is the cost of the asset less its residual value over the estimated productive life of each asset. The useful life of each asset is as follows:

Leasehold improvements	Shorter of lease term or useful life
Office furniture	2–10 years
Office equipment	2–10 years
Hardware	3–4 years

The estimated useful life and depreciation methods are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Gains or losses arising from the disposition or retirement of an item of property, plant and equipment are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statements of comprehensive income.

Intangible assets

Intangible assets consist of acquired and internally developed internal-use software and business solutions. They also include externally acquired contracts, customer and partner relationships, brand, non-competes, other intangible assets, and assets under development.

Intangible assets acquired

Internal-use software and business solutions acquired are carried at cost less accumulated amortization and any accumulated impairment losses. Acquired contracts as well as internal-use software, business solutions, customer and partner relationships, brand, non-competes and other intangible assets acquired through business combinations are initially recorded at their fair values based on the present value of expected future cash flows, which involves estimates about future cash flows and discount rates.

Internally generated intangible assets

Research expenditures are expensed while expenditures for internal-use software developed internally and business solutions developed internally and marketed externally are capitalized only when they meet the recognition criteria for internally generated intangible assets as provided under IFRS. An internally generated intangible asset arising from development is recognized if and only if all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to reliably measure the expenditure attributable to the intangible asset during its development.

The amount initially recognized for an internally generated intangible asset is the sum of the expenditures incurred from the date when the intangible asset first meets the recognition criteria. If no internally generated intangible asset can be recognized, development expenditures are charged to operations in the period in which they are incurred. Subsequent to initial recognition, an internally generated intangible asset is reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as an intangible asset acquired separately.

Amortization of intangible assets

Amortization is recorded on intangible assets using the straight-line method over the corresponding estimated useful life of the applicable assets. The estimated useful life and amortization methods are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statements of comprehensive income.

Internal-use software	3–15 years
Business solutions	3–7 years
Contracts	Term of contract
Customer and partner relationships	5–15 years
Brand, non-competes and other	4–15 years
Assets under development	N/A (not ready for use)

Impairment of tangible and intangible assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs; otherwise, they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified. Intangible assets not yet available for use are tested for impairment annually in December and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized immediately in comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, insofar as the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in comprehensive income.

Goodwill

Goodwill arising on the acquisition of a business represents the excess of the purchase price over the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired business recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Impairment of goodwill

For the purpose of impairment testing, goodwill is allocated to the CGUs expected to benefit from the synergies of the combination. CGUs are tested for impairment annually or more frequently if events indicate that the units may be impaired. The Company's operating segments that correspond to the CGUs for impairment testing are disclosed in Note 9.

When the recoverable amount of the CGU is less than the carrying amount of the CGU, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the CGU on a pro-rata basis. An impairment loss recognized for goodwill is not reversed in a subsequent year. The Company performs its annual review of goodwill in December each year.

Financial instruments

Financial assets

The Company's financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") or amortized cost ("AC"). The Company determines the classification of financial assets at initial recognition.

(i) Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in profit or loss in the period in which they arise. The Company does not have any assets classified as FVTPL.

(ii) Financial assets at FVTOCI – Equity investments

Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Company can make an irrevocable election (on an instrument-by-instrument basis) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value remains in other comprehensive income (loss) and is not recycled to profit or loss.

(iii) Financial assets at AC

Financial assets are classified at AC if the objective of the business model is to hold the financial asset for the collection of contractual cash flows and the assets' contractual cash flows solely comprise payments of principal and interest. The Company's cash and trade and other receivables are recorded at AC as they meet the required criteria.

Financial liabilities

The Company's financial liabilities are initially recorded at fair value, net of transaction costs and are subsequently measured at AC, using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company's financial liabilities include accounts payable and accrued liabilities, excluding share-based accrued liabilities, vendor concession liability and long-term debt, which are classified at AC.

Below is a summary showing the classification and measurement bases of our financial instruments.

Financial Instrument	IFRS 9 — *Financial Instruments*	
	Classification	**Measurement**
Assets		
Cash	AC	Amortized cost using effective interest rate method
Trade and other receivables	AC	Amortized cost using effective interest rate method
Liabilities		
Accounts payable and accrued liabilities excluding share-based accrued liabilities	AC	Amortized cost using effective interest rate method
Vendor concession liability	AC	Amortized cost using effective interest rate method
Long-term debt	AC	Amortized cost using effective interest rate method

Impairment of financial assets

The Company recognizes lifetime expected credit losses ("ECL") for trade and other receivables. The ECL on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The Company's credit losses are historically low as most customers with credit are governments, banking institutions and legal firms with strong credit.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease obligation for all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease obligation is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease obligation are comprised of the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise and lease payments in an optional renewal period if the Company is reasonably certain not to terminate early; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease obligation is presented in the consolidated statements of financial position with current and long-term classifications.

The lease obligation is subsequently measured by increasing the carrying amount to reflect the interest on the lease obligation (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease obligation (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed, or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease obligation is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease obligation is remeasured by discounting the revised lease payment using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease obligation is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets comprise the initial measurement of the corresponding lease obligation and lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statements of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, Plant and Equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease obligation and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “occupancy costs” in the consolidated statements of comprehensive income.

As a practical expedient, IFRS 16 – *Leases* permits a lessee not to separate non-lease components and instead, account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components at amortized cost using the effective interest method.

Foreign currency

The individual financial statements of each subsidiary entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each subsidiary entity are presented in Canadian dollars, which is the functional currency of the parent company and the presentation currency for the financial statements.

In preparing the individual subsidiaries’ financial statements, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Exchange differences are recognized in earnings in the period in which they arise. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company’s foreign operations are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Foreign currency gains and losses are recognized in other comprehensive income. The relevant amount in the cumulative foreign currency translation adjustment is reclassified into earnings upon disposition or partial disposition of a foreign operation and attributed to non-controlling interests as appropriate.

Recent accounting pronouncements

The IASB and IFRS Interpretations Committee ("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. These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements. The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024, with early application permitted. This amendment is currently being assessed by the Company to determine the impact.	January 1, 2024
Amendments to IFRS 16 — *Lease liability in a Sale and Leaseback*	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 — *Revenue from Contracts* with Customers to be accounted for as a sale. The amendment is effective for annual periods beginning on or after January 1, 2024. 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, 2024
Amendments to IAS 7 and IFRS 7 — *Supplier Finance Arrangements*	The amendments add disclosure requirements and 'signposts' within existing disclosure requirements that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for annual periods beginning on or after January 1, 2024. The Company has assessed the impact of the adoption of the amendments and they are not expected to have a material impact on the Company's consolidated financial statements.	January 1, 2024

4 Trade and Other Receivables

The components of trade and other receivables are as follows:

(thousands of CAD)	**December 31, 2023**	December 31, 2022
Trade receivables	**$ 14,607**	$ 14,049
GST/HST/VAT receivables	**296**	192
Other	**770**	692
Total trade and other receivables	**$ 15,673**	$ 14,933

5 Contract Assets

The components of contract assets are as follows:

(thousands of CAD)	**December 31, 2023**	December 31, 2022
Unbilled revenue	**$ 2,104**	$ 589
Contract fulfilment costs	**545**	396
Total contract assets	**$ 2,649**	$ 985

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 customer. 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 year (2022 — nil).

There were no impairment losses recognized on any contract asset during the reporting period (2022 — nil).

6 Property, Plant and Equipment

(thousands of CAD)	Leasehold Improvements	Office Furniture	Office Equipment	Hardware	Assets Under Development	Total
Cost						
Balance at January 1, 2022	$ 7,971	$ 3,102	$ 161	$ 2,808	$ 24	$ 14,066
Acquired assets[1]	119	73	–	401	–	593
Additions	–	9	–	468	97	574
Disposals	(51)	(285)	(5)	(12)	–	(353)
Transfers	73	34	–	14	(121)	–
Foreign exchange adjustments	–	–	–	8	–	8
Balance at December 31, 2022	8,112	2,933	156	3,687	–	14,888
Additions	3	–	–	317	679	999
Disposals	–	(391)	(1)	(1,022)	–	(1,414)
Transfers	13	–	–	9	(22)	–
Foreign exchange adjustments	–	–	–	2	–	2
Balance at December 31, 2023	**$ 8,128**	**$ 2,542**	**$ 155**	**$ 2,993**	**$ 657**	**$ 14,475**
Accumulated depreciation						
Balance at January 1, 2022	$ 7,057	$ 2,971	$ 154	$ 2,533	$ –	$ 12,715
Depreciation	266	45	3	394	–	708
Disposals	(51)	(285)	(5)	(12)	–	(353)
Foreign exchange adjustments	–	1	–	4	–	5
Balance at December 31, 2022	7,272	2,732	152	2,919	–	13,075
Depreciation	254	38	2	417	–	711
Disposals	–	(391)	(1)	(1,022)	–	(1,414)
Foreign exchange adjustments	–	–	–	2	–	2
Balance at December 31, 2023	**$ 7,526**	**$ 2,379**	**$ 153**	**$ 2,316**	**$ –**	**$ 12,374**
Carrying value						
At December 31, 2022	$ 840	$ 201	$ 4	$ 768	$ –	$ 1,813
At December 31, 2023	**$ 602**	**$ 163**	**$ 2**	**$ 677**	**$ 657**	**$ 2,101**

[1] Acquired assets – see Note 27.

7 Right-of-use Assets

(thousands of CAD)	Property and Equipment[1]
Cost	
Balance at January 1, 2022	$ 18,954
Additions and modifications	606
Additions – acquisitions[2]	1,283
Reclass to accumulated depreciation	(2,721)
Foreign exchange adjustments	(32)
Balance at December 31, 2022	$ 18,090
Additions and modifications	3,430
Disposals	(311)
Foreign exchange adjustments	12
Balance at December 31, 2023	**$ 21,221**
Accumulated depreciation	
Balance at January 1, 2022	$ 11,093
Depreciation	2,212
Foreign exchange adjustments	(47)
Reclass from cost	(2,721)
Balance at December 31, 2022	$ 10,537
Depreciation	2,311
Disposals	(311)
Foreign exchange adjustments	2
Balance at December 31, 2023	**$ 12,539**
Carrying value	
At December 31, 2022	$ 7,553
At December 31, 2023	**$ 8,682**

[1] The Company's right-of-use assets consist primarily of property leases associated with the lease of office space.

[2] Acquired assets – see Note 27.

8 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 and Partner Relationships	Assets Under Development	Total
Cost								
Balance at January 1, 2022	$ 26,079	$ 78,771	$ 2,011	$ 6,029	$ 1,398	$ 65,317	$ 2,808	$ 182,413
Acquired assets[1]	5,328	–	–	–	1,000	31,466	–	37,794
Additions	–	–	–	–	–	–	1,887	1,887
Disposals	–	(47)	–	–	(176)	–	–	(223)
Transfers	–	–	–	658	–	–	(658)	–
Foreign exchange adjustments	–	–	22	32	–	29	52	135
Balance at December 31, 2022	$ 31,407	$ 78,724	$ 2,033	$ 6,719	$ 2,222	$ 96,812	$ 4,089	$ 222,006
Acquired assets	–	–	–	–	–	277,634	–	277,634
Additions	–	–	–	–	–	–	2,588	2,588
Disposals	(43)	–	–	–	–	–	–	(43)
Transfers	–	1,585	–	373	–	–	(1,958)	–
Foreign exchange adjustments	–	–	14	19	–	9	24	66
Balance at December 31, 2023	**$ 31,364**	**$ 80,309**	**$ 2,047**	**$ 7,111**	**$ 2,222**	**$ 374,455**	**$ 4,743**	**$ 502,251**
Accumulated depreciation								
Balance at January 1, 2022	$ 19,498	$ 77,323	$ 1,471	$ 3,983	$ 663	$ 18,408	$ –	$ 121,346
Amortization	2,571	413	249	561	217	7,804	–	11,815
Disposals	–	(47)	–	–	(176)	–	–	(223)
Foreign exchange adjustments	–	–	31	35	–	9	–	75
Balance at December 31, 2022	$ 22,069	$ 77,689	$ 1,751	$ 4,579	$ 704	$ 26,221	$ –	$ 133,013
Amortization	3,042	669	262	659	278	12,574	–	17,484
Disposals	(43)	–	–	–	–	–	–	(43)
Foreign exchange adjustments	–	–	12	11	–	4	–	27
Balance at December 31, 2023	**$ 25,068**	**$ 78,358**	**$ 2,025**	**$ 5,249**	**$ 982**	**$ 38,799**	**$ –**	**$ 150,481**
Carrying value								
At December 31, 2022	$ 9,338	$ 1,035	$ 282	$ 2,140	$ 1,518	$ 70,591	$ 4,089	$ 88,993
At December 31, 2023	**$ 6,296**	**$ 1,951**	**$ 22**	**$ 1,862**	**$ 1,240**	**$ 335,656**	**$ 4,743**	**$ 351,770**

[1] Acquired assets – see Note 27

During the year, ISC entered into the Amended and Restated MSA extending the term of the MSA from May 2033 to July 2053. The consideration to be paid includes an upfront cash payment of $150 million ("Upfront Payment") which was paid during the year, five annual cash payments of $30 million per year commencing July 2024 (the "Subsequent Payments") and annual contingent payments potentially payable after 2033 if certain volume growth criteria are met. In addition, annual cost contribution amounts of $0.5 million over the 30-year term will continue. ISC has capitalized the extension of the right to manage and operate the Saskatchewan Registries in accordance with IAS 38. The liability for the contingent payments will only be recognized in the consolidated statement of financial position and consolidated statement of comprehensive income as the related activity that gives rise to the variability occurs. Directly attributable costs of $3.4 million have also been capitalized as part of the purchase price. The payments and directly attributable costs have been present valued in accordance with IFRS 9 — *Financial Instruments* and included in acquired assets.

9 Goodwill

The components of goodwill are as follows:

(thousands of CAD)	December 31, 2023	December 31, 2022
Balance, beginning of year	$ 101,240	$ 77,134
Additions[1]	–	24,063
Foreign exchange adjustment	26	43
Balance, end of year	$ 101,266	$ 101,240

[1] Acquired assets – see Note 27.

For the purposes of the annual impairment testing, goodwill is allocated to the following CGUs, which are the groups of units expected to benefit from the synergies of the business combinations:

(thousands of CAD)	December 31, 2023	December 31, 2022
Registry Operations	$ 21,098	$ 21,098
Services	71,537	71,537
Technology Solutions	8,631	8,605
Balance, end of year	$ 101,266	$ 101,240

The Company performs a goodwill impairment test annually on December 31 and whenever there is an indication of impairment. No impairment of goodwill was identified as a result of the Company's most recent annual impairment test.

The Company uses the traditional cash flow approach for determining value in use for the Registry Operations segment, while value in use for each of the Services and Technology Solutions segments was determined using the expected cash flow approach. The Company uses the discounted cash flow method to determine the recoverable amount, which required management to make estimates and assumptions related to revenue forecasts, related party costs, direct employee costs, corporate cost allocations, perpetual growth rates and discount rates. The estimates and assumptions are highly sensitive to changes in customer demand and changes in the assumptions could significantly impact the recoverable amount, the amount of any goodwill impairment charge, or both. In all cases, the operating and investing cash flows of the segments used the Company's most recent multi-year plan, with assumptions based on experience and future expectations for business performance.

Registry Operations

Key assumptions for this segment include the performance of the Saskatchewan economy, revenue growth, related party costs, corporate cost allocations required to support infrastructure, and future technological investment in and related to this infrastructure as well as the renewal of the contract with the Government of Ontario in the Ontario Property Tax Assessment Services division. In 2023, annual impairment testing for this segment used a pre-tax discount rate of 14.4 per cent (2022 — 15.1 per cent) and a perpetual growth rate of 2.0 per cent (2022 — 2.0 per cent). Given the strong cash flow in Registry Operations relative to the size of goodwill, the risk of impairment is remote and as a result the traditional cash flow approach was used for this segment.

Services

Key assumptions for this segment include the performance of the Canadian economy, revenue growth, including attracting new customers and adding incremental value to existing customers, related party costs, corporate cost allocations required to support infrastructure and future technological investment in and related to this infrastructure. The most material estimates and assumptions include revenue forecasts, perpetual growth rates and discount rates. Performance during the multi-year planning period is consistent with past performance, which experienced growth in operating cash flow in excess of the perpetual growth rate of 2.75 per cent (2022 — 2.75 per cent) used in the annual test. In 2023, annual impairment testing for this segment used a pre-tax discount rate of 17.8 per cent (2022 — 18.5 per cent).

Technology Solutions

Key assumptions for this segment, which has operations in both Ireland and Canada, include revenue growth, the ability to attract new customers, actual contract delivery performance compared to the level of performance anticipated when the contract was negotiated, the level of support required by related party customers, direct employee costs and corporate cost allocations required to support infrastructure, as well as future technological investment in and related to intellectual property. The estimates and assumptions with the highest degree of subjectivity are revenue forecasts, perpetual growth rates and discount rates. This segment was negatively impacted by COVID-19 as governments deferred registry projects and redirected attention to the preservation of the health and safety of their populations. During the latter part of 2022, there was renewed procurement activity, which has generated an active pipeline of opportunities as well as new solution definition and implementation contracts that are currently in the process of being delivered. This renewed procurement activity and new customer contracts to be delivered during the multi-year planning period has resulted in segment expectations returning to those consistent with pre-COVID-19 performance/trends, which experienced growth in operating cash flow in excess of the perpetual growth rate of 2.0 per cent (2022 — 2.0 per cent) used in the annual impairment test. In 2023, annual impairment testing for this segment used a pre-tax discount rate of 17.1 per cent (2022 — 17.1 per cent) in its Canada-based operations and 17.1 per cent (2022 — 17.1 per cent) in its Ireland-based operations.

10 Accounts Payable and Accrued Liabilities

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

(thousands of CAD)		December 31, 2023		December 31, 2022
Trade payables	$	6,842	$	7,444
Accrued liabilities		12,941		9,765
Customer deposits		4,400		4,221
Dividend payable		4,141		4,071
Share-based accrued liabilities		7,790		8,149
Consideration due to vendor		–		226
Total accounts payable and accrued liabilities	$	36,114	$	33,876

11 Contract Liabilities

The components of contract liabilities are as follows:

(thousands of CAD)		December 31, 2023		December 31, 2022
Amounts received in advance of Registry Operations' Saskatchewan Registries division maintenance and support contracts [i]	$	232	$	320
Amounts received in advance of Technology Solutions support and delivery contracts [ii]		2,532		2,400
Total contract liabilities	$	2,764	$	2,720

(i) Revenue that relates to Registry Operations' Saskatchewan Registries division maintenance and support contracts is recognized over time, while all other Saskatchewan Registries division revenue is recognized at a point in 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 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 against commitments 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 against contractual commitments is achieved.

Revenue recognized during the year that had been included in the contract liability balance at the beginning of the year is as follows:

(thousands of CAD)		Year Ended December 31, 2023		2022
Registry Operations' Saskatchewan Registries division maintenance and support contracts	$	320	$	314
Technology Solutions support and delivery contracts		962		325
Total revenue recognized that was included in the balance at the beginning of the year	$	1,282	$	639

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.

12 Lease Obligations

(thousands of CAD)	Year Ended December 31, 2023	2022
Balance, beginning of year	**$ 8,807**	$ 9,033
Additions	**3,430**	240
Additions – acquisitions[1]	**–**	1,283
Interest expense	**400**	403
Effect of modification to lease terms	**–**	366
Lease payments[2]	**(2,783)**	(2,540)
Foreign exchange adjustments	**10**	22
Balance, end of year	**$ 9,864**	$ 8,807

[1] Acquired assets – see Note 27.

[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 considered in the measurement of lease obligations.

The following table presents the contractual undiscounted cash flows for lease obligations:

(thousands of CAD)	Year Ended December 31, 2023	2022
Year 1	**$ 3,293**	$ 2,642
Year 2	**2,044**	2,531
Year 3	**1,757**	1,260
Year 4	**1,641**	950
Year 5	**1,530**	811
Thereafter	**1,036**	1,697
Balance, end of year	**$ 11,301**	$ 9,891
Unearned interest	**(1,437)**	(1,084)
Balance, end of year	**$ 9,864**	$ 8,807
Reflected as:		
Lease obligations – current portion	**$ 2,809**	$ 2,299
Lease obligations	**7,055**	6,508
Balance, end of year	**$ 9,864**	$ 8,807

13 Tax Provision

The Company is subject to federal and provincial income taxes at an estimated combined statutory rate of 27.0 per cent (2022 — 27.0 per cent).

(thousands of CAD)	Year Ended December 31, 2023	2022
Current tax expense	**$ 9,900**	$ 12,360
Deferred tax recovery	**(155)**	(111)
Income tax expense	**$ 9,745**	$ 12,249

Income tax expense varies from the amounts that would be computed by applying the combined statutory income tax rate to earnings before taxes for the following reasons:

(thousands of CAD)	Year Ended December 31, 2023	2022
Income before tax	**$ 34,790**	$ 43,018
Combined statutory income tax rate	**27.00%**	27.00%
Expected income tax expense	**9,393**	11,615
Increase (decrease) in income tax resulting from:		
Non-deductible expenses	**223**	162
Foreign income tax differential	**19**	488
Adjustment to prior years' deferred tax assets and liabilities	**(3)**	(6)
Other	**113**	(10)
Income tax expense	**$ 9,745**	$ 12,249

Income tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities are as follows: :

(thousands of CAD)	**Net Balance January 1, 2023**	**Recognized in Profit or Loss**	**Foreign Exchange Movement**	**Acquisitions[1]**	**Net Balance December 31, 2023**	**Deferred Tax Asset**	**Deferred Tax Liability**
Property, plant and equipment	$ 196	$ 68	$ –	$ –	$ 264	$ 177	$ 87
Right–of–use assets	(1,806)	(334)	–	–	(2,140)	(1,121)	(1,019)
Intangible assets	10,526	(914)	1	11,015	20,628	29,807	(9,179)
Goodwill	(1,799)	(402)	–	–	(2,201)	–	(2,201)
Non–capital losses	703	635	5	–	1,343	1,338	5
Lease obligations	2,131	313	–	–	2,444	1,394	1,050
Vendor concession liability	–	1,170	–	(11,015)	(9,845)	(9,845)	–
Share–based compensation and other	2,805	(381)	(2)	–	2,422	2,422	–
Net deferred tax assets (liabilities)	**$ 12,756**	**$ 155**	**$ 4**	**$ –**	**$ 12,915**	**$ 24,172**	**$ (11,257)**

[1] See Notes 8 and 16.

(thousands of CAD)	Net Balance January 1, 2022	Recognized in Profit or Loss	Foreign Exchange Movement	Acquisitions[1]	Net Balance December 31, 2022	Deferred Tax Asset	Deferred Tax Liability
Property, plant and equipment	$ 340	$ (55)	$ –	$ (89)	$ 196	$ 162	$ 34
Right–of–use assets	(1,880)	365	(1)	(290)	(1,806)	(1,419)	(387)
Intangible assets	20,311	39	1	(9,825)	10,526	22,994	(12,468)
Goodwill	(1,376)	(423)	–	–	(1,799)	–	(1,799)
Non–capital losses	–	608	16	79	703	367	336
Lease obligations	2,196	(357)	2	290	2,131	1,730	401
Share–based compensation and other	2,866	(66)	5	–	2,805	2,805	–
Net deferred tax assets (liabilities)	$ 22,457	$ 111	$ 23	$ (9,835)	$ 12,756	$ 26,639	$ (13,883)

[1] See Note 27.

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

Actual income taxes could vary from these estimates as a result of future events, including changes in income tax laws or the outcome of tax reviews by tax authorities and related appeals. To the extent the outcome is different from the amounts initially recorded, such differences, which could be significant, will impact the tax provision in the period in which the outcome is determined.

No deferred tax has been recognized in respect of temporary differences associated with investments in the Company's subsidiaries where the Company can control the timing and reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

At December 31, 2023, a deferred tax asset of $0.4 million (2022 — $0.4 million) has been recognized in respect of $3.3 million of tax losses (2022 — $2.7 million) related to ERS. Management anticipates that ERS will earn sufficient future taxable income to utilize the tax losses, which do not expire. A deferred tax asset of $0.8 million (2022 — $0.3 million) has been recognized at December 31, 2023, in respect of $2.9 million of tax losses (2022 — $1.3 million) related to CRM. Management anticipates that CRM will earn sufficient future taxable income to utilize the tax losses which do not commence expiry until 2042.

14 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.

Share-based compensation expenses are recognized in wages and salaries on the consolidated statements of comprehensive income:

	Year Ended December 31,	
(thousands of CAD)	**2023**	2022
Performance share units	**$ 735**	$ 913
Share appreciation rights	**(689)**	200
Deferred share units	**237**	377
	283	1,490
Stock options	**–**	(7)
Share-based compensation expense	**$ 283**	$ 1,483
Market price, beginning of year	**$ 24.17**	$ 25.29
Market price, end of year	**$ 22.18**	$ 24.17

Performance share units

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

A PSU is a notional unit equivalent to a Class A Share granted by the Company to the participant, entitling such participant to receive the PSU payment value, which is conditional on attaining specific PSU performance criteria.

PSU awards vest at the end of the specified vesting period – currently three years – if the performance conditions determined by the Board in the grant agreement are met. PSUs earn dividend equivalent units in the form of additional PSUs at the same rate as dividends on Class A Shares. The cash redemption value of the PSUs is equivalent to the market value of the Class A Shares when redemption takes place, multiplied by a multiplier based on the grant agreement and the performance against the performance conditions as specified. The maximum PSU payout multiplier is 150.0 per cent.

On the settlement date, the Company delivers to each participant a cash payment equal to the redemption value of the PSU. A summary of the status of the PSU plan and the changes within the years ended December 31, 2023 and 2022, is as follows:

(thousands of CAD, except number of units)	Total Units Granted	Units Recognized	Short-Term Liability[1]	Long-Term Liability[2]	Total Liability[3]
Balance at January 1, 2022	101,261	73,080			
Units proportionally recognized in the current period, from previous grants	–	20,541			
March 24, 2022 grant	21,978	7,306			
Dividend units	3,330	3,330			
PSUs redeemed	(37,926)	(37,926)			
PSUs forfeited	(1,708)	(1,259)			
Balance at December 31, 2022	86,935	65,072	$ 1,801	$ 198	$ 1,999
Balance at January 1, 2023	86,935	65,072			
Units proportionally recognized in the current period, from previous grants	–	14,517			
August 14, 2023 grant	28,648	9,523			
Dividend units	3,384	3,384			
PSUs redeemed	(41,805)	(41,805)			
PSUs forfeited	(5,202)	(2,732)			
Balance at December 31, 2023	**71,960**	**47,959**	**$ 1,137**	**$ 205**	**$ 1,342**

1 Included within accounts payable and accrued liabilities on the consolidated statements of financial position.

2 Included within other non-current liabilities on the consolidated statements of financial position.

3 The liability balances include the impact of estimated performance adjustments by individual grant year.

Fully Vested Units:	**Units Vested**
Balance at December 31, 2022	40,928
Balance at December 31, 2023	**24,121**

Share appreciation rights

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.

SAR awards vest and become exercisable at a rate of 25.0 per cent on each anniversary of the grant date beginning with the first anniversary, unless an alternate vesting schedule is specified by the Board at the time of the award. SARs expire eight years after the grant date.

The participant is able to exercise the SARs as they vest. The cash redemption value of the SARs is equivalent to the excess of the market value of the Class A Shares at the exercise date over the SAR price in the grant agreement.

On the settlement date, the Company delivers to each participant a cash payment equal to the redemption value of the SARs.

A summary of the status of the SAR plan and the changes within the years ended December 31, 2023 and 2022, is as follows:

(thousands of CAD, except number of units and per unit prices)	Units	Weighted Average Award Price	FV Market Price at Reporting Period	Units Recognized	Short-Term Liability[1]	Long-Term Liability[2]	Total Liability
Balance at January 1, 2022	667,193	$ 16.61	$ 24.17	461,394			
SARs proportionately recognized in the year from grants awarded in previous years	–	$ –	$ 24.17	122,100			
SARs granted March 24, 2022	88,410	$ 22.81	$ 24.17	35,556			
SARs redeemed	(8,987)	$ 15.22	$ 24.17	(8,987)			
SARs forfeited	(21,708)	$ 17.17	$ 24.17	(12,306)			
Balance at December 31, 2022	724,908	$ 17.37	$ 24.17	597,757	$ 2,856	$ 1,604	$ 4,460
Balance at January 1, 2023	724,908	$ 17.37	$ 22.18	597,757			
SARs proportionately recognized in the year from grants awarded in previous years	–	$ –	$ 22.18	86,793			
SARs granted August 14, 2023	78,270	$ 24.64	$ 22.18	15,496			
SARs redeemed	(40,448)	$ 16.45	$ 22.18	(40,448)			
SARs forfeited	(21,941)	$ 21.14	$ 22.18	(14,413)			
Balance at December 31, 2023	**740,789**	**$ 18.08**	**$ 22.18**	**645,185**	**$ 2,924**	**$ 509**	**$ 3,433**

1 Included within accounts payable and accrued liabilities on the consolidated statements of financial position.

2 Included within other non-current liabilities on the consolidated statements of financial position.

Fully Vested Units:	Units Vested
Balance at December 31, 2022	343,716
Balance at December 31, 2023	**484,769**

A summary of the ending balance of the SAR plan for the years ended December 31, 2023 and 2022, is as follows:

(thousands of CAD, except number of units and per unit prices)	Total Number of Units	Number of Units Accrued	Grant Price	End of Year Share Price	Total Liability
Granted November 18, 2019	214,590	214,590	$ 16.11	$ 22.18	$ 1,302
Granted March 26, 2020	255,334	251,576	$ 13.71	$ 22.18	$ 2,131
Granted March 25, 2021	117,095	105,770	$ 23.86	$ 22.18	$ –
Granted March 24, 2022	80,524	58,748	$ 22.81	$ 22.18	$ –
Granted August 14, 2023	73,246	14,501	$ 24.64	$ 22.18	$ –
Balance at December 31, 2023	**740,789**	**645,185**			**$ 3,433**

(thousands of CAD, except number of units and per unit prices)	Total Number of Units	Number of Units Accrued	Grant Price	End of Year Share Price	Total Liability
Granted November 18, 2019	230,742	217,968	$ 16.11	$ 24.17	$ 1,757
Granted March 26, 2020	277,983	251,136	$ 13.71	$ 24.17	$ 2,627
Granted March 25, 2021	127,773	93,097	$ 23.86	$ 24.17	$ 28
Granted March 24, 2022	88,410	35,556	$ 22.81	$ 24.17	$ 48
Balance at December 31, 2022	724,908	597,757			$ 4,460

Deferred share units

The Company has established a DSU plan to provide directors of ISC with the opportunity to participate in the long-term success of ISC and to promote a greater alignment of interests between its directors and shareholders. The Board may award DSUs at its discretion, from time to time, in accordance with the plan and upon such other terms and conditions as the Board may prescribe. DSU awards vest according to the vesting schedule approved by the Board at the time of the award.

DSUs earn dividend equivalent units in the form of additional DSUs at the same rate as dividends on Class A Shares. The participant is not allowed to redeem the DSUs until termination of employment/directorship or death. The cash value of the DSUs is equivalent to the market value of the Class A Shares when redemption takes place.

On each applicable redemption date, the Company delivers to each participant a cash payment equal to the redemption value of the DSUs, or an equivalent number of Class A Shares purchased on the TSX. A summary of the status of the DSU plan and the changes within the years ended December 31, 2023 and 2022, is as follows:

(thousands of CAD, except number of units)	Units	Units Recognized	Short-Term Liability[1]
Balance at January 1, 2022	143,143	142,564	
Units proportionally recognized in the current period, from previous grants	–	579	
DSUs granted June 10, 2022	19,603	18,364	
DSUs credited as a result of cash dividends paid	5,702	5,702	
DSUs redeemed	(22,411)	(22,411)	
DSUs forfeited	(324)	(324)	
Balance at December 31, 2022	145,713	144,474	$ 3,492
Balance at January 1, 2023	145,713	144,474	
Units proportionally recognized in the current period, from previous grants	–	1,239	
DSUs granted August 8, 2023	16,840	15,947	
DSUs credited as a result of cash dividends paid	6,462	6,462	
DSUs redeemed	–	–	
DSUs forfeited	–	–	
Balance at December 31, 2023	**169,015**	**168,122**	**$ 3,729**

[1] Included within accounts payable and accrued liabilities on the consolidated statements of financial position.

Fully Vested Units:	Units Vested
Balance at December 31, 2022	140,604
Balance at December 31, 2023	**164,717**

The fair value of the DSUs at December 31, 2023, has been calculated using the market value of the Company's Class A Shares on the TSX.

Stock options

The Company established a stock option plan approved by shareholders in 2014 and subsequently amended and restated at various points. The exercise price of options issued under the stock option plan is determined by the Board at the time of the grant but shall not be less than the closing price for the Class A Shares on the TSX on the trading day immediately preceding the date of the grant.

Unless the Board determines otherwise, options granted will vest and become exercisable in equal tranches over the four years following the date of the grant. Once vested, options may be exercised at any time within eight years of the date of the grant, after which they expire and terminate.

A summary of the status of the stock option plan and the changes within the years ended December 31, 2023 and 2022, is as follows:

	2023		2022	
	Units	Weighted Average Exercise Price	Units	Weighted Average Exercise Price
Outstanding, beginning of year	1,332,017	$ 17.35	1,548,247	$ 17.27
Stock options exercised[1]	(326,819)	$ 15.21	(201,498)	$ 16.68
Stock options forfeited	–	$ –	(14,732)	$ 17.85
Outstanding, end of year	**1,005,198**	**$ 18.04**	1,332,017	$ 17.35
Vested and exercisable, end of year	**1,005,198**		1,332,017	

[1] During the period a portion of the 326,819 options exercised were settled net, which resulted in the aggregate issuance of 303,143 shares from treasury.

The number of options outstanding by grant date as of December 31, 2023, is shown in the following table:

		Options Outstanding			Options Exercisable	
Grant Date	**Expiry Date**	**Units Outstanding**	**Weighted Average Remaining Contractual Years**	**Weighted Average Exercise Price**	**Units Outstanding**	**Weighted Average Exercise Price**
Aug 12, 2016	Aug 12, 2024	275,141	0.6	$ 17.40	275,141	$ 17.40
May 17, 2017	May 17, 2025	317,341	1.4	$ 18.85	317,341	$ 18.85
May 16, 2018	May 16, 2026	412,716	2.4	$ 17.85	412,716	$ 17.85
		1,005,198	**1.6**	**$ 18.04**	**1,005,198**	**$ 18.04**

The number of options outstanding by grant date as of December 31, 2022, is shown in the following table:

		Options Outstanding			Options Exercisable	
Grant Date	Expiry Date	Units Outstanding	Weighted Average Remaining Contractual Years	Weighted Average Exercise Price	Units Outstanding	Weighted Average Exercise Price
Aug 12, 2015	Aug 12, 2023	303,451	0.6	$ 15.04	303,451	$ 15.04
Aug 12, 2016	Aug 12, 2024	298,509	1.6	$ 17.40	298,509	$ 17.40
May 17, 2017	May 17, 2025	317,341	2.4	$ 18.85	317,341	$ 18.85
May 16, 2018	May 16, 2026	412,716	3.4	$ 17.85	412,716	$ 17.85
		1,332,017	2.1	$ 17.35	1,332,017	$ 17.35

The carrying amount of the equity settled employee benefit reserve arising from these stock options as of December 31, 2023, totalled $1.6 million (December 31, 2022 — $2.1 million).

15 Debt

Following the execution of the Extension Agreement, the Company entered into an amended and restated credit agreement (the "Amended and Restated Credit Facility") in connection with its secured credit facility (the "Credit Facility") initially provided by its lenders on August 5, 2020 and maturing on September 17, 2026. The aggregate amount available under the Amended and Restated Credit Facility has been increased from $150.0 million to $250.0 million and consists of ISC's existing $150.0 million revolving credit facility together with a new $100 million revolving credit facility. In addition, ISC will maintain access to a $100.0 million accordion option, providing the flexibility to upsize the aggregate revolving credit facility up to $350.0 million. The Amended and Restated Credit Facility has been considered a modification of debt for accounting purposes.

The Credit Facility bears interest at a base rate of prime, Canadian Dollar Offered Rate ("CDOR") loans, or letter of credit fee plus a margin varying between 0.20 per cent and 3.00 per cent per annum (2022 — 0.20 per cent and 2.00 per cent per annum) depending on the type of advance and the performance on certain covenants.

The Company is also required to pay a commitment fee quarterly in arrears on the unutilized portion of the Credit Facility, at a rate between 0.24 per cent and 0.60 per cent per annum (2022 — 0.24 per cent and 0.40 per cent per annum) depending on the performance on certain covenants.

The Company is amortizing transaction costs of $0.8 million attributable to modifying the Credit Facility over the life of the facility, using an effective interest rate that is currently 7.92 per cent. The amount of financing expense related to these costs and recognized in the statements of comprehensive income for the year ended December 31, 2023, totalled $0.2 million (2022 — $0.1 million). Details of the debt outstanding under the Credit Facility are as follows:

(thousands of CAD)	**December 31, 2023**	December 31, 2022
Non-current		
Revolving term facility – principal component – beginning of year	**$ 66,316**	$ 41,316
Funds drawn from revolving term facility	**150,684**	40,000
Principal repayments during the year	**(39,000)**	(15,000)
Revolving term facility – principal component – end of year	**$ 178,000**	$ 66,316
Unamortized costs	**(698)**	(269)
Total debt	**$ 177,302**	$ 66,047

Financing available under the Credit Facility commitment is as follows:

(thousands of CAD)	**December 31, 2023**	December 31, 2022
Financing available:		
Maximum available	**$ 250,000**	$ 150,000
Cash drawings – principal component	**(178,000)**	(66,316)
Letters of credit and other non-cash drawings	**(1,761)**	–
Total unused and available portion of the Credit Facility	**$ 70,239**	$ 83,684

The Amended and Restated Credit Facility contains financial covenants that require the Company to maintain a ratio of Consolidated Net Funded Debt to EBITDA, as defined in the agreement, of less than 4.85:1 and EBITDA, as defined in the agreement, to interest expense ratio of greater than 3:1. The Company was in compliance with all covenants throughout the year.

The indebtedness under the Credit Facility is secured by a first ranking security interest over substantially all of the Company's assets (subject to the Government of Saskatchewan's security under a debenture), including security interests, pledges and guarantees granted by certain of its subsidiaries.

The amount of borrowing costs capitalized during 2023 and 2022 was nil.

16 Vendor Concession Liability

The Extension Agreement outlines the consideration payable for the extension. The Subsequent Payments consist of five cash payments of $30.0 million per year, totaling $150.0 million, commencing in July 2024 with the final payment expected to be made in 2028. The Amended and Restated MSA outlines the continuing annual cost contribution payments of $0.5 million, with the next payment due in March 2024 and the final payment expected to be made in 2053. The payments have been present valued in accordance with IFRS 9 — *Financial Instruments*.

(thousands of CAD)	**December 31, 2023**
Balance, beginning of year	**$ –**
Additions	**124,204**
Accretion	**4,332**
Balance, end of year	**$ 128,536**

The following table presents the contractual undiscounted cash flows for vendor concession liability:

(thousands of CAD)	**December 31, 2023**
Year 1	**$ 30,500**
Year 2	**30,500**
Year 3	**30,500**
Year 4	**30,500**
Year 5	**30,500**
Thereafter	**12,500**
Balance, end of year	**$ 165,000**
Unearned interest	**(36,464)**
Balance, end of year	**$ 128,536**
Reflected as:	
Vendor concession liability – current portion	**20,816**
Vendor concession liability – non-current portion	**107,720**
Balance, end of year	**$ 128,536**

17 Liabilities Arising from Financing Activities

The table below provides the reconciliation of movements of liabilities to cash flows arising from financing activities:

	As at December 31, 2022	Cash Flows	Non–cash Changes		**As at December 31, 2023**
			Dividends Declared	Other	
Interest payable	$ 379	$ (8,533)	$ –	$ 9,450	**$ 1,296**
Lease obligation including current portion and interest paid	8,807	(2,783)	–	3,840	**9,864**
Long–term debt	66,047	111,091	–	164	**177,302**
Share capital	23,691	4,379	–	472	**28,542**
Dividends payable	4,071	(16,355)	16,425	–	**4,141**
	$ 102,995	$ 87,799	$ 16,425	$ 13,926	**$ 221,145**

	As at December 31, 2021	Cash Flows	Non-cash Changes: Dividends Declared	Non-cash Changes: Other	As at December 31, 2022
Interest payable	$ 116	$ (2,902)	$ –	$ 3,165	$ 379
Lease obligation including current portion and interest paid	9,033	(2,540)	–	2,314	8,807
Long–term debt	40,975	25,000	–	72	66,047
Short–term debt	–	(500)	–	500	–
Share capital	19,955	3,361	–	375	23,691
Dividends payable	4,025	(16,172)	16,218	–	4,071
	$ 74,104	$ 6,247	$ 16,218	$ 6,426	$ 102,995

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 year. Details of the earnings per share are set out below:

(thousands of CAD, except number of shares and earnings per share)	Year Ended December 31, **2023**	2022
Net income	**$ 25,045**	$ 30,769
Weighted average number of shares, basic	**17,820,729**	17,598,864
Potential dilutive shares resulting from stock options	**203,048**	350,629
Weighted average number of shares, diluted	**18,023,777**	17,949,493
Earnings per share ($ per share)		
Total, basic	**$ 1.41**	$ 1.75
Total, diluted	**$ 1.39**	$ 1.71

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 18,004,641 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 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.

(thousands of CAD, except number of shares)	Class A Number of Shares	Class A Share Capital	Class B Number of Shares	Class B Share Capital
Balance at January 1, 2022	17,500,000	$ 19,955	1	$ –
Stock options exercised for treasury shares[1]	201,498	3,736	–	–
Balance at December 31, 2022	17,701,498	$ 23,691	1	$ –
Balance at January 1, 2023	17,701,498	$ 23,691	1	$ –
Stock options exercised for treasury shares[1]	303,143	4,851	–	–
Balance at December 31, 2023	**18,004,641**	**$ 28,542**	**1**	**$ –**

[1] See Note 14.

Dividends

The Company paid dividends to shareholders during the year ended December 31, 2023 of $16.4 million (2022 — $16.2 million) based on an annual dividend rate of $0.92 per share (2022 - $0.92 per share).

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 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 term facility will assist in financing future growth opportunities.

The Company's capital at December 31, 2023, consists of long-term debt, share capital, accumulated other comprehensive income, equity settled employee benefit reserve and retained earnings (comprising total shareholders' equity).

(thousands of CAD)	**December 31, 2023**	December 31, 2022
Long-term debt	**$ 177,302**	$ 66,047
Share capital	**28,542**	23,691
Accumulated other comprehensive income	**(185)**	(377)
Equity settled employee benefit reserve	**1,610**	2,082
Retained earnings	**138,812**	130,192
Capitalization	**$ 346,081**	$ 221,635

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.

Credit risk

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

The majority of cash is held with Canadian chartered banks and the Company believes the risk of loss to be minimal. The maximum exposure to credit risk at December 31, 2023, is $39.9 million (December 31, 2022 — $49.4 million), equal to the carrying value of the Company's financial assets, which are itemized in the table below. Quarterly reviews of the aged receivables are completed. The Company expects to fully collect the carrying value on all outstanding receivables. Therefore, the risk to the Company is low.

The following table sets out details of cash and ageing of receivables:

(thousands of CAD)	**December 31, 2023**	December 31, 2022
Cash	**$ 24,193**	$ 34,479
Trade and other receivables:		
- current	**14,160**	12,662
- up to three months past due date	**694**	1,342
- greater than three months past due date	**819**	929
Total credit risk	**$ 39,866**	$ 49,412

Interest rate risk

Interest rate risk arises from the effect of changes in prevailing interest rates on the Company's financial instruments.

The Company is subject to interest rate risks on its debt (Note 15). The Company has borrowings under the Credit Facility, which is managed with prime loans, CDOR loans, or letters of credit. Certain borrowings will bear interest at a base rate of prime plus applicable margin varying between 0.20 per cent and 3.00 per cent per annum while other borrowings will bear interest at CDOR rates between 1.20 per cent and 3.00 per cent per annum. The Company is managing its interest rate risk through its treasury function, the continued focus on debt repayment and keeping excess cash in higher interest short-term savings.

The following table presents a sensitivity analysis to changes in market interest rates and their potential impact on the Company for the years ended December 31, 2023 and 2022. As the sensitivity is hypothetical, it should be used with caution.

	December 31, 2023		December 31, 2022	
(thousands of CAD)	**+ 100 bps***	**– 100 bps**	+ 100 bps	– 100 bps
Increase (decrease) in interest expense	**$ 1,149**	**$ (1,149)**	$ 641	$ (641)
Decrease (increase) in net income before tax	**$ 1,149**	**$ (1,149)**	$ 641	$ (641)
Decrease (increase) in total comprehensive income	**$ 839**	**$ (839)**	$ 468	$ (468)

* bps = basis point spread

Liquidity risk

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

The following summarizes the contractual maturities for the Company's financial liabilities at December 31, 2023:

(thousands of CAD)	Carrying Amount	Contractual Cash Flows	0-6 Months	7-12 Months	12+ Months
Long-term debt	$ 177,302	$ 216,216	$ 7,022	$ 7,098	$ 202,096
Vendor concession liability	128,536	165,000	500	30,000	134,500
Lease obligations	9,864	11,300	1,647	1,646	8,007
Accounts payable and accrued liabilities	36,114	36,114	36,114	–	–
Total liabilities	**$ 351,816**	**$ 428,630**	**$ 45,283**	**$ 38,744**	**$ 344,603**

Contractual cash flows for long-term debt and lease obligations include principal and interest.

Market risk

The carrying amount and fair value of the financial assets and financial liabilities are as follows:

			December 31, 2023		December 31, 2022	
(thousands of CAD)	Classification	Level	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Cash	AC		**$ 24,193**	**$ 24,193**	$ 34,479	$ 34,479
Trade and other receivables	AC		**15,673**	**15,673**	14,933	14,933
Financial liabilities						
Accounts payable and accrued liabilities excluding share-based accrued liabilities	AC		**28,324**	**28,324**	25,727	25,727
Vendor concession liability	AC		**128,536**	**124,329**	–	–
Long-term debt	AC		**177,302**	**176,061**	66,047	66,192

Fair value of financial instruments

The carrying values of cash, trade and other receivables, accounts payable and accrued liabilities excluding share-based accrued liabilities approximate fair value due to their immediate or relatively short-term maturity. The fair values of the vendor concession liability and long-term debt are estimated by discounting the future contractual cash flows at the cost of borrowing to the Company.

Foreign currency exchange risk

The Company operates internationally and is exposed to fluctuations in various currencies, with the euro being the most material, followed by the US dollar. Movements in foreign currencies against the Canadian dollar may impact revenue, the value of assets and liabilities and affect the Company's profit and loss.

Based on the balance of foreign net monetary assets and net assets carried on the consolidated statements of financial position, the impact of an increase (decrease) of 10.0 per cent in the euro relative to the Canadian dollar as at December 31, 2023, on net monetary assets was a decrease (increase) of $0.2 million (December 31, 2022 — $0.3 million) and on net assets was an increase (decrease) of $1.2 million (December 31, 2022 — $1.1 million). The impact of an increase (decrease) of 10.0 per cent in the US dollar relative to the Canadian dollar as at December 31, 2023, on net monetary assets was a decrease (increase) of $0.1 million (December 31, 2022 — $0.3 million). The Company's exposure to other currencies was not significant at the end of the year.

21 Revenue

The Company derives its revenue from the transfer of goods or services either at a point in time or over time. This is consistent with the revenue from third party information disclosed for each reportable segment under IFRS 8 — *Operating Segments* (see Note 25). The following table presents our third-party revenue disaggregated by revenue type. Sales and usage tax are excluded from revenue.

Segment revenue (thousands of CAD)	Year Ended December 31, **2023**	2022
Registry Operations	**$ 103,516**	$ 91,721
Services	**101,712**	92,306
Technology Solutions	**9,268**	5,849
Corporate and other	**24**	19
Total revenue	**$ 214,520**	$ 189,895

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

Timing of revenue recognition (thousands of CAD)	Year Ended December 31, **2023**	2022
At a point in time		
Registry Operations revenue	**$ 84,922**	$ 79,313
Services revenue	**100,086**	90,811
Corporate and other	**24**	19
	$ 185,032	$ 170,143
Over time		
Registry Operations revenue	**18,594**	12,408
Services revenue	**1,626**	1,495
Technology Solutions revenue	**9,268**	5,849
	$ 29,488	$ 19,752
Total revenue	**$ 214,520**	$ 189,895

In the "over time" category, some Land Registry and Corporate Registry contracts result in linear revenue recognition over the life of the contract. In Services, Recovery Solutions administration fee revenue is also recognized over the life of the asset recovery and accounts receivable management file. Likewise, the hosting, support and maintenance portion of contracts related to Technology Solutions revenue primarily results in linear revenue recognition over the life of the contract. Conversely, revenue recognition associated with the licence and solution definition and implementation portion of contracts depends on milestone achievement or percentage of completion. In 2023, the portion of Technology Solutions contract revenue recognized that was dependent on milestone achievement or percentage of completion versus total revenue recognized was 44.0 per cent (2022 — 16.0 per cent). At December 31, 2023, the Company has contracts where the milestone was either in progress or expected to be satisfied in the near term. For the unsatisfied portion of contracts dependent on milestone achievement or percentage of completion, the Company expects that 86.7 per cent (2022 — 76.4 per cent) of the total will be recognized in the next fiscal year.

Registry Operations service concession arrangement

In 2022, the Company agreed to a change pursuant to its MSA with the Government of Saskatchewan to prepare for certain updates to the Corporate Registry to support changes to legislation. Under the MSA, the Company owns the intellectual property during the term of the MSA.

As at December 31, 2023, the development associated with the change order is 100.0 per cent complete (2022 — 71.4 per cent) and an incremental $0.6 million increase to both intangible assets and other revenue was recorded in 2023 in Registry Operations related to the project (2022 — $1.0 million). The intangible asset was put into use and depreciation commenced in the first quarter of 2023.

22 Interest Expense

(thousands of CAD)	Year Ended December 31, 2023	2022
Interest expense on long-term debt	$ 9,449	$ 3,165
Vendor concession liability accretion	4,332	–
Interest on lease liabilities interest	400	403
Effective interest component of interest expense	165	72
Total interest expense	**$ 14,346**	$ 3,640

23 Related Party Transactions

Included in these consolidated financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the Company by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). The Company has elected to take the exemption under IAS 24 — *Related Party Disclosures*, which allows government-related entities to limit the extent of disclosures about related party transactions with government or other government-related entities.

Routine operating transactions with related parties are settled at agreed-upon exchange amounts under normal trade terms. In addition, the Company pays provincial sales tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases. Other amounts and transactions due to and from related parties and the terms of settlement are described separately in these consolidated financial statements and the Notes thereto.

24 Compensation of Key Management Personnel

Key management personnel includes the directors, President and Chief Executive Officer, Chief Financial Officer, Executive Vice-Presidents, Vice-Presidents, President, ESC and Head of ERS. The compensation of the key management team during the year was as follows:

(thousands of CAD)	Year Ended December 31, 2023	2022
Wages, salaries and short-term benefits	$ 4,298	$ 4,005
Share-based compensation	283	1,482
Defined contribution pension plans	229	214
Termination benefits	–	242
Total compensation	**$ 4,810**	$ 5,943

The compensation of directors and the President and Chief Executive Officer is determined by the Board upon recommendation of its Compensation Committee having regard to the performance of individuals and market trends. The values in the table above represent amounts included in expenses during the year. Portions not paid in cash have been accrued as liabilities on the statement of financial position.

25 Segment Information

The Chief Executive Officer of the Company is the chief operating decision maker ("CODM") and regularly reviews the operations and performance by segment. Due to the evolution of the business over the last two years, the CODM now uses adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") to measure and assess each segment's performance and make decisions about the allocation of resources to the operating segments, as adjusted EBITDA helps to provide a better understanding about the performance of the Company by removing the impact of share-based compensation, acquisition, integration and other costs. The CODM considers adjusted EBITDA to be a meaningful measure because it is not impacted by long-term investment and financing decisions, but rather focuses on the performance of our day-to-day operations.

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

- 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; and
- Technology Solutions provides the development, delivery and support of registry (and related) 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.

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 year ended December 31, 2023

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and Other	Inter-Segment Eliminations	Consolidated Total
Revenue from third parties	$ 103,516	$ 101,712	$ 9,268	$ 24	$ –	$ 214,520
Plus: inter–segment revenue	–	–	13,906	150	(14,056)	–
Total revenue	$ 103,516	$ 101,712	$ 23,174	$ 174	$ (14,056)	$ 214,520
Total expenses including net finance expense	(56,321)	(90,753)	(23,659)	(23,053)	14,056	(179,730)
Income (loss) before tax	47,195	10,959	(485)	(22,879)	–	34,790
Net finance expense	–	–	–	13,183	–	13,183
EBIT[1]	47,195	10,959	(485)	(9,696)	–	47,973
Depreciation and amortization	8,085	10,084	1,283	1,054	–	20,506
EBITDA[2]	55,280	21,043	798	(8,642)	–	68,479
Share–based compensation recovery	167	20	28	68	–	283
Acquisition, integration and other costs	3,477	–	–	2,094	(1,467)	4,104
Adjusted EBITDA	$ 58,924	$ 21,063	$ 826	$ (6,480)	$ (1,467)	$ 72,866
Additions to non–current assets, including acquisitions	$ 278,998	$ 4,155	$ 1,067	$ 431	$ –	$ 284,651

For the year ended December 31, 2022

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and Other	Inter-Segment Eliminations	Consolidated Total
Revenue from third parties	$ 91,721	$ 92,306	$ 5,849	$ 19	$ –	$ 189,895
Plus: inter–segment revenue	–	–	10,168	145	(10,313)	–
Total revenue	$ 91,721	$ 92,306	$ 16,017	$ 164	$ (10,313)	$ 189,895
Total expenses including net finance expense	(43,656)	(83,356)	(18,588)	(11,590)	10,313	(146,877)
Income (loss) before tax	48,065	8,950	(2,571)	(11,426)	–	43,018
Net finance expense	–	–	–	3,177	–	3,177
EBIT[1]	48,065	8,950	(2,571)	(8,249)	–	46,195
Depreciation and amortization	2,828	9,645	1,191	1,071	–	14,735
EBITDA[2]	50,893	18,595	(1,380)	(7,178)	–	60,930
Share–based compensation recovery	875	104	148	356	–	1,483
Acquisition, integration and other costs	291	262	–	1,424	–	1,977
Adjusted EBITDA	$ 52,059	$ 18,961	$ (1,232)	$ (5,398)	$ –	$ 64,390
Additions to non–current assets, including acquisitions	$ 54,215	$ 11,087	$ 797	$ 701	$ –	$ 66,800

[1] EBIT is calculated as income before net finance expense and income tax expense.

[2] EBITDA is calculated as income before depreciation and amortization, net finance expense and income tax expense.

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 year ended December 31, 2023, revenue within Ireland was $12.1 million (2022 — $5.0 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 December 31, 2023 (thousands of CAD)	**Registry Operations**	**Services**	**Technology Solutions**	**Corporate and Other**	**Inter-Segment Eliminations**	**Consolidated Total**
Assets						
Total assets, excluding intangibles, goodwill and cash	**$ 23,281**	**$ 17,812**	**$ 5,843**	**$ 12,158**	**$ –**	**$ 59,094**
Intangibles	**303,548**	**42,322**	**4,874**	**1,026**	**–**	**351,770**
Goodwill	**21,098**	**71,537**	**8,631**	**–**	**–**	**101,266**
Cash	**–**	**–**	**–**	**24,193**	**–**	**24,193**
Total assets	**$ 347,927**	**$ 131,671**	**$ 19,348**	**$ 37,377**	**$ –**	**$ 536,323**
Liabilities	**$ 146,845**	**$ 16,584**	**$ 7,885**	**$ 196,230**	**$ –**	**$ 367,544**

As at December 31, 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	$ 23,667	$ 15,838	$ 4,408	$ 14,829	$ –	$ 58,742
Intangibles	32,301	51,383	4,638	671	–	88,993
Goodwill	21,098	71,537	8,605	–	–	101,240
Cash	–	–	–	34,479	–	34,479
Total assets	$ 77,066	$ 138,758	$ 17,651	$ 49,979	$ –	$ 283,454
Liabilities	$ 19,093	$ 15,430	$ 6,432	$ 86,911	$ –	$ 127,866

Non-current assets are held in Canada, Ireland and Luxembourg. At December 31, 2023, the value of non-current assets, excluding deferred tax assets, held in Ireland and Luxembourg was collectively $11.5 million (December 31, 2022 — $11.0 million), while the remainder was held in Canada.

26 Net Change in Non-Cash Working Capital

The net change during the year comprised the following:

(thousands of CAD)	Year Ended December 31, 2023	2022
Trade and other receivables	**$ (774)**	$ 337
Prepaid expenses	**1,411**	(1,134)
Contract assets	**(1,671)**	(101)
Accounts payable and accrued liabilities	**1,014**	6,016
Contract liabilities	**41**	1,161
Provisions and other liabilities	**(1,088)**	(1,824)
Income taxes	**(149)**	(8,292)
Net change in non-cash working capital	**$ (1,216)**	$ (3,837)

Income taxes paid, net of refunds received, for the year ended December 31, 2023, totalled $10.0 million (2022 — $20.7 million).

27 Acquisitions

No acquisitions were completed in 2023. In 2022, the Company completed three acquisitions: the UPLevel group of companies (collectively, "UPLevel"), Reamined and Regulis. Management's assessment of each acquisition under IFRS 3 — Business Combinations concluded that the acquisitions of Reamined and UPLevel were both business combinations whereas the acquisition of Regulis did not meet the definition of a business and as such, was treated as an asset acquisition.

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

Net cash flows related to the acquisition	Business Combinations		Asset Acquisition	
(thousands of CAD)	UPLevel	Reamined	Regulis	Total
Date acquired	February 14, 2022	June 1, 2022	December 20, 2022	
Consideration paid in cash	$ 9,000	$ 45,900	$ 564	$ 55,464
Working capital and other post-closing adjustments	458	65	–	523
Debt assumed	(1,001)	–	–	(1,001)
Transaction costs	–	–	129	129
Total consideration	$ 8,457	$ 45,965	$ 693	$ 55,115
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 December 31, 2022[1]	(71)	(155)	–	(226)
Net cash flows related to the acquisition	$ 9,387	$ 45,810	$ 693	$ 55,890
Less cash balance acquired	248	930	41	1,219
Acquisition (net of cash acquired)	$ 9,139	$ 44,880	$ 652	$ 54,671
Made up of:				
Acquisition through business combination (net of cash acquired)	$ 9,139	$ 44,880	$ –	$ 54,019
Acquisition through asset acquisition (net of cash acquired)	$ –	$ –	$ 652	$ 652

[1] Total balance of $226 thousand was cash settled during 2023.

The table below presents the finalized allocation of the net purchase price for accounting purposes for the UPLevel, Reamined, and Regulis acquisitions:

	Business Combinations		Asset Acquisition	
(thousands of CAD)	UPLevel	Reamined	Regulis	Total
Assets				
Cash	$ 248	$ 930	$ 41	$ 1,219
Trade and other receivables	1,049	1,481	11	2,541
Income tax recoverable	37	155	–	192
Prepaid expenses and deposits	126	679	2	807
Property, plant and equipment	108	485	–	593
Right–of–use assets	189	1,094	–	1,283
Intangible assets	5,420	31,723	651	37,794
	$ 7,177	$ 36,547	$ 705	$ 44,429
Liabilities				
Accounts payable and accrued liabilities	328	418	12	758
Short–term debt	–	500	–	500
Long–term debt – current portion	1,001	–	–	1,001
Lease obligations – current portion	83	288	–	371
Lease obligations	106	806	–	912
Deferred tax liability	1,367	8,468	–	9,835
	$ 2,885	$ 10,480	$ 12	$ 13,377
Net assets acquired	$ 4,292	$ 26,067	$ 693	$ 31,052
Goodwill arising on acquisition				
Total consideration allocated	8,457	45,965	693	55,115
Net assets acquired	4,292	26,067	693	31,052
Total goodwill arising on acquisition	$ 4,165	$ 19,898	$ –	$ 24,063

28 Commitments and Contingencies

As of December 31, 2023, the Company has commitments over the next five years as follows:

(thousands of CAD)	**IT and Other Service Agreements[1]**	**Operating Leases and Non-Lease Component of Office Leases**	**Total**
2024	$ 6,972	$ 1,830	$ 8,802
2025	3,749	1,053	4,802
2026	3,621	763	4,384
2027	3,526	704	4,230
2028	3,154	642	3,796
Thereafter	–	512	512
Total commitments	**$ 21,022**	**$ 5,504**	**$ 26,526**

[1] Includes minimum lease commitments for low-value assets not recognized under IFRS 16.

Non-lease component of office leases

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

The Company separates the lease and non-lease components of office space, disclosing the lease payment commitments in Note 12.

Contingencies

Management's estimate of liability for claims and legal actions is based upon claims submitted. As at December 31, 2023, the estimate of liability was nil (December 31, 2022 — nil).

29 Pension Expense

The total pension costs under the Company's defined contribution plans for the year were $2.5 million (2022 — $2.1 million).

30 Subsequent Events

On March 12, 2024, the Board declared a quarterly cash dividend of $0.23 per Class A Share, payable on or before April 15, 2024, to shareholders of record as of March 31, 2024.

BOARD OF DIRECTORS

Joel Douglas Teal
Saskatoon, Saskatchewan
Director since: 2013
Chair of the Board of Directors

Amber Biemans
Humboldt, Saskatchewan
Director since: 2023
Member of the Governance and Nominating Committee

Roger Brandvold
Calgary, Alberta
Director since: 2021
Member of the Audit Committee

Doug Emsley
Regina, Saskatchewan
Director since: 2013
Chair of the Compensation Committee

Tony Guglielmin
Vancouver, British Columbia
Director since: 2013
Member of the Audit Committee

Iraj Pourian
Vancouver, British Columbia
Director since: 2016
Member of the Governance and Nominating Committee

Laurie Powers
Kelowna, British Columbia
Director since: 2018
Chair of the Audit Committee

Jim Roche
Ottawa, Ontario
Director since: 2021
Member of the Compensation Committee

Heather Ross
Toronto, Ontario
Director since: 2018
Member of the Compensation Committee

Dion E. Tchorzewski
Regina, Saskatchewan
Director since: 2013
Chair of the Governance and Nominating Committee

ISC LEADERSHIP

Shawn B. Peters, CPA, CA, ICD.D
President and Chief Executive Officer

Robert (Bob) Antochow, CPA, CA, CMA
Chief Financial Officer

Susan Bowman
Head of ERS

Ken Budzak
Executive Vice-President, Registry Operations

Loren Cisyk
Executive Vice-President, Technology Solutions

Jeffrey Fallowfield
President, ESC Corporate Services Ltd.

Laurel Garven
Vice-President, Corporate Development and Business Strategy

Kathy E. Hillman-Weir, K.C.
Executive Vice-President, Chief Corporate Officer, General Counsel and Corporate Secretary

Catherine McLean
Vice-President, People and Culture

CORPORATE INFORMATION

Head Office

Suite 300 — 10 Research Drive
Regina, Saskatchewan S4S 7J7 Canada

Stock Exchange Listing and Symbol

Toronto Stock Exchange: ISV

Share Capital

Authorized — the Company's authorized share capital consists of an unlimited number of Class A Limited Voting Shares ("Class A Shares"), one Class B Golden Share ("Golden Share") and an unlimited number of Preferred Shares.

Class A Limited Voting Shares

Issued and outstanding — 18,004,641 Class A Shares as at December 31, 2023.

The Company's articles and the *ISC Act* limit ownership of Class A Shares, including joint ownership, to no more than 15 per cent of the Class A Shares issued and outstanding.

Class B Golden Share

Issued and outstanding — 1 Golden Share as at December 31, 2023.

The Golden Share held by the Government of Saskatchewan has certain voting rights with respect to the location of the head office and the sale of all or substantially all 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.

Preferred Shares

Issued and outstanding — Nil as at December 31, 2023.

Preferred Shares are issuable at any time and may include voting rights.

Ownership

As of March 12, 2024, the Board and management are not aware of any shareholder who directly or indirectly owns or exercises, or directs control over, more than 10 per cent of our Class A Shares, other than:

a) Crown Investments Corporation of Saskatchewan ("CIC"), which holds 5,425,000 Class A Shares representing 30.1 per cent of the issued and outstanding Class A Shares;

b) CI Investments Inc., which holds 2,453,176 Class A Shares representing approximately 13.6 per cent of the issued and outstanding Class A Shares; and

c) QV Investors Inc., which holds 2,215,105 Class A Shares representing 12.3 per cent of the issued and outstanding Class A Shares.

Auditors

Deloitte LLP
Suite 900 — 2103 11th Avenue
Regina, Saskatchewan S4P 3Z8 Canada

Transfer Agent

TSX Trust Company

For inquiries related to shares, dividends, and changes of address:
Toll-free inside North America: 1-800-387-0825
www.tsxtrust.com
shareholderinquiries@tmx.com

Regulatory Filings

The Company's filings are available through the System for Electronic Document Analysis and Retrieval (SEDAR+) at www.sedarplus.ca.

Investor Contact Information

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Dividends on Class A Shares

Our objective is to achieve dividend growth over time while balancing our strategic business priorities. The payment of dividends is not guaranteed and the amount and timing of any dividends payable by the Company will be at the discretion of the Board and will be established based on our cash available for distribution, our financial requirements, any restrictions imposed by our credit facilities, the requirements of any future financings and other factors existing at the time. The table below shows annual dividends per Class A Share that have been declared by the Board for the last three years:

Year	Type	Ex-Dividend Date	Record Date	Payable Date	Amount
2023	Quarterly	Dec 28, 2023	Dec 31, 2023	Jan 15, 2024	$0.23
2023	Quarterly	Sep 28, 2023	Sep 30, 2023	Oct 15, 2023	$0.23
2023	Quarterly	Jun 29, 2023	June 30, 2023	Jul 15, 2023	$0.23
2023	Quarterly	Mar 30, 2023	Mar 31, 2023	Apr 15, 2023	$0.23
2022	Quarterly	Dec 29, 2022	Dec 31, 2022	Jan 15, 2023	$0.23
2022	Quarterly	Sep 29, 2022	Sep 30, 2022	Oct 15, 2022	$0.23
2022	Quarterly	Jun 29, 2022	June 30, 2022	Jul 15, 2022	$0.23
2022	Quarterly	Mar 30, 2022	Mar 31, 2022	Apr 15, 2022	$0.23
2021	Quarterly	Dec 30, 2021	Dec 31, 2021	Jan 15, 2022	$0.23
2021	Quarterly	Sep 28, 2021	Sep 30, 2021	Oct 15, 2021	$0.20
2021	Quarterly	Jun 29, 2021	Jun 30, 2021	Jul 15, 2021	$0.20
2021	Quarterly	Mar 30, 2021	Mar 31, 2021	Apr 15, 2021	$0.20

Dividends are eligible dividends pursuant to the *Income Tax Act* (Canada) as amended. An eligible dividend paid to a Canadian resident is entitled to the enhanced dividend tax credit. For further information on tax implications, please consult a tax advisor.

Non-IFRS Financial Measures

This report also includes certain measures that have not been prepared in accordance with International Financial Reporting Standards ("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" in ISC's Management's Discussion and Analysis for the fourth quarter and year ended December 31, 2023 ("MD&A"), included herein and filed on SEDAR+ at www.sedarplus.ca, for discussion of why we use these measures and their most closely related IFRS measures within the Financial Statements. Refer to Section 2 "Consolidated Financial Analysis" of the MD&A for a reconciliation of EBITDA and adjusted EBITDA to net income and Section 6.1 "Cash flow" of the MD&A for a reconciliation of free cash flow.

Cautionary Note Regarding Forward-Looking Information

This report contains forward-looking information within the meaning of applicable Canadian securities legislation including, without limitation, statements related to the industries in which we operate, growth opportunities, and our future financial position and results, including expected revenue, EBITDA margin and EBITDA. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such forward-looking information. Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to changes in the condition of the economy, including those arising from public health concerns, reliance on key customers and licences, dependence on key projects and clients, securing new business and fixed-price contracts, identification of viable growth opportunities, implementation of our growth strategy, competition, and other risks detailed from time to time in the filings made by the Company, including those detailed in ISC's Annual Information Form for the year ended December 31, 2023, and ISC's audited Consolidated Financial Statements and Notes and Management's Discussion and Analysis for the fourth quarter and year ended December 31, 2023, included herein, copies of which are filed on SEDAR+ at www.sedarplus.ca. The forward-looking information in this report is made as of the date hereof and, except as required under applicable securities laws, ISC assumes no obligation to update or revise such information to reflect new events or circumstances.

Information in the right hands.

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