Information in the right hands.

May 7, 2024

Management's Discussion and Analysis

For the Three Months Ended March 31, 2024

CONTENTS

INTRODUCTION

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

This document should be read in its entirety and is intended to complement and supplement ISC's unaudited condensed consolidated financial statements for the three months ended March 31, 2024, and 2023 ("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, prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting, using accounting policies that are consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IAS Board"). The financial information that appears throughout our MD&A is consistent with the Financial Statements.

This MD&A also includes certain measures which have not been prepared in accordance with IFRS, such as 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. Refer to Section 8.8 "Non-IFRS financial measures" for discussion on why we use these measures, the calculation of them, 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 *first quarter* refer to the three months ended March 31, 2024. All results commentary is compared to the equivalent period in 2023 or as at March 31, 2023, 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 May 7, 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

Following a very successful 2023, the first quarter of 2024 continued in that vein and in line with our expectations for the beginning of the year. Revenue and adjusted EBITDA for the first quarter were up 15 and 34 per cent respectively, compared to the first quarter of 2023. The robust, year-over-year growth was due to strong operating results across all of the Company's segments.

In Registry Operations, revenue and adjusted EBITDA were up 15 and 37 per cent, respectively. The fee adjustments implemented in July 2023 (in connection with the Extension Agreement and annual CPI adjustments) in the Saskatchewan Registries division in Registry Operations continued to have a positive impact on revenue despite volumes in the Land Registry that were consistent with the prior year period. For more information about the Extension and the Extension Agreement, please refer to Section 3.1 "Registry Operations – Saskatchewan Registries".

The Services segment continues to deliver solid customer and transaction growth, mainly in the Regulatory Solutions division where financial institutions and auto finance customers continued to enhance due diligence processes in an environment of higher interest rates and increased regulatory oversight. Revenue was up 9 per cent while adjusted EBITDA was consistent with the prior year period.

Technology Solutions saw the impact of continued execution of Third Party solution definition and implementation contracts with an increase in revenue of 64 per cent and positive adjusted EBITDA compared to the first quarter of 2023, coming in at just under $1 million.

While expenses were up by $11.2 million compared to the first quarter of 2023, a large portion of this was due to an increase in share based compensation of $5.8 million as a result of an increase in the Company's share price during the first quarter of 2024 compared to a decrease in the Company's share price in the same prior year period. All other expenses, including an increase in cost of goods sold related to our Services segment and an increase to interest expense and operating expenses associated with the Extension Agreement, were in line with our expectations.

Toward the end of the quarter, the Company announced a goal to double the size of ISC on a revenue and adjusted EBITDA basis, based on 2023 results, over the course of a five year period, through a combination of organic growth and M&A. With the key ingredients in place to deliver organic growth, the first quarter of 2024 marks a strong start towards the execution of this goal. For more information about our strategy and our five year goal, please refer to Section 5 "Business Strategy".

1.1 Consolidated highlights

SELECT CONSOLIDATED FINANCIAL INFORMATION

Revenue	Net income	Earnings per share, diluted	Net cash flow provided by operating activities
$56.4M	$0.4M	$0.02	$10.5M
+15% vs Q1 2023	-94% vs Q1 2023	-95% vs Q1 2023	+82% vs Q1 2023

Adjusted net income[1]	Adjusted EBITDA[1]	Adjusted free cash flow[1]
$8.5M	$19.4M	$11.6M
+26% vs Q1 2023	+34% vs Q1 2023	+18% vs Q1 2023

SELECT FINANCIAL INFORMATION

The select quarterly financial information set out for the three months ended March 31, 2024 and 2023, is derived from the Financial Statements and has been prepared on a consistent basis. In the opinion of the Company's management, such financial data reflects all adjustments necessary for a fair presentation of the results for those periods.

	Three Months Ended March 31,	
(thousands of CAD)	**2024**	2023
Revenue	**$ 56,400**	$ 49,124
Net income	**423**	6,864
Net cash flow provided by operating activities	**10,468**	5,738
Adjusted net income[1]	**$ 8,498**	$ 6,752
Adjusted EBITDA[1]	**19,440**	14,516
Adjusted EBITDA margin (% of revenue)[1]	**34.5%**	29.5%
Adjusted free cash flow[1]	**$ 11,636**	$ 9,883
Dividend declared per share	**$ 0.23**	$ 0.23
Earnings per share, basic	**0.02**	0.39
Earnings per share, diluted	**0.02**	0.38
Adjusted earnings per share, basic	**0.47**	0.38
Adjusted earnings per share, diluted	**0.47**	0.37

	As at March 31, 2024	As at December 31, 2023
Total assets	**$ 532,783**	$ 536,323
Total non-current liabilities	**$ 301,301**	$ 304,048

[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" for the calculation of these measures and for more information. 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.*

FIRST QUARTER CONSOLIDATED HIGHLIGHTS

- **Revenue** was $56.4 million, an increase of 15 per cent compared to the first quarter of 2023. Growth was due to fee adjustments within the Saskatchewan Registries division made in the third quarter of 2023 pursuant to the Extension and annual CPI adjustments, customer and transaction growth in Services' Regulatory Solutions division and the advancement of project work on existing and new solution definition and implementation contracts in Technology Solutions.
- **Net income** was $0.4 million or $0.02 per basic share and $0.02 per diluted share compared to $6.9 million or $0.39 per basic and $0.38 per diluted share in the first quarter of 2023. Strong operating results were offset by increased share-based compensation expense due to a rise in the Company's share price during the quarter compared to a decrease in the prior year quarter, alongside increased interest expense and amortization associated with the Extension Agreement executed in July 2023.
- **Net cash flow provided by operating activities** was $10.5 million for the quarter, an increase of $4.7 million or 82 per cent from $5.7 million in the first quarter of 2023. The increase in net cash flow was primarily due to an increase in cash from changes in non-cash working capital.
- **Adjusted net income** was $8.5 million or $0.47 per basic share and $0.47 per diluted share compared to $6.8 million or $0.38 per basic share and $0.37 per diluted share in the first quarter of 2023. The growth in adjusted net income reflects strong operating results offset by increased financing costs associated with the additional borrowings that were used to fund the Upfront Payment. For more information about the Upfront Payment, please refer to Section 3.1 "Registry Operations – Saskatchewan Registries".
- **Adjusted EBITDA** was $19.4 million for the quarter compared to $14.5 million in the first quarter of 2023. The increase is due to the impact of fee adjustments in Registry Operations' Saskatchewan Registries division pursuant to the Extension Agreement and annual CPI adjustments. Technology Solutions adjusted EBITDA also grew compared to the prior year quarter due to increased revenue from existing and new solution definition and implementation contracts. **Adjusted EBITDA margin** was 34.5 per cent compared to 29.5 per cent in the first quarter of 2023 driven by pricing increases discussed above.
- **Adjusted free cash flow** for the quarter was $11.6 million, up 18 per cent compared to $9.9 million in the first quarter of 2023, due to stronger results in our operating segments. This was partially offset by an increase in costs associated with the Extension Agreement, including interest on the increased borrowings to fund the Upfront Payment and an increase in interest rates.
- Voluntary prepayments of $4.0 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. See Section 6.3 "Debt" for more information on ISC's Credit Facility.
- On February 5, 2024, ISC announced the retirement of Ken Budzak, Executive Vice President, Registry Operations, effective May 2024. During this transition period, the Company is undertaking 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 the Regulis Share Purchase Agreement executed in 2022, additional purchase consideration of €0.6 million (approximately $0.9 million CAD) was paid during the quarter.

1.2 Subsequent events

- On May 7, 2024, the Board declared a quarterly cash dividend of $0.23 per Class A Share, payable on or before July 15, 2024, to shareholders of record as of June 30, 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".

The Bank of Canada has held its key interest rate at 5.0 per cent since July 2023. We expect this to continue to be a factor that will impact parts of our business, most notably the Saskatchewan Land Registry. However, the robust nature and diversity of our business means we are well-positioned to deliver on our expectations for 2024 and beyond.

In Registry Operations, we expect transactions in 2024 to be largely flat with revenue growth through 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. The Saskatchewan real estate sector has seen challenges with inventory in the first quarter while consumers continue to live with higher mortgage costs and higher costs of living driven by inflation. We continue to monitor interest rates and other economic conditions which can impact real estate activity. The Registry Operations segment is anticipated to remain a strong free cash flow and adjusted EBITDA contributor in 2024.

Services will continue to be a significant part of our organic growth, with a forecasted increase in transactions and number of customers. The current trend of enhanced due diligence in an environment of higher interest rates and increased regulatory oversight is expected to continue. 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 are expected to increase because of the enhancement of the Saskatchewan Registries but will remain immaterial overall. As a result, the Company continues to expect to see robust free cash flow in 2024.

In light of the preceding, we maintain our annual guidance for 2024 with revenue to be within a range of $240.0 million to $250.0 million and adjusted EBITDA to be within a range of $83.0 million to $91.0 million.

2. Consolidated Financial Analysis

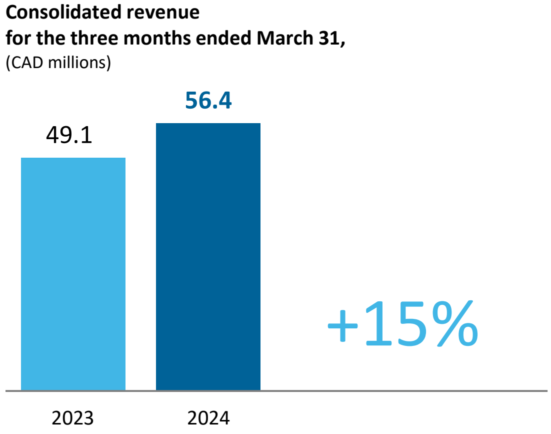
Revenue for the three months ended March 31, 2024, was up $7.3 million or 15 per cent compared to the same period last year due to growth in all operating segments. Revenue for the quarter primarily grew due to fee adjustments within the Saskatchewan Registries division made in the third quarter of 2023 pursuant to the Extension and annual CPI adjustments, customer and transaction growth in Services' Regulatory Solutions division and execution on existing and new solution definition and implementation contracts in Technology Solutions.

Net income for the three months ended March 31, 2024 was $0.4 million, down from $6.9 million in the first quarter of 2023. Strong operating results were offset by increased share-based compensation expense due to a rise in the Company's share price during the quarter compared to a decrease in the Company's share price in the prior year quarter, alongside increased interest expense and amortization related to the Extension.

2.1 Consolidated statements of comprehensive income

	Three Months Ended March 31,	
(thousands of CAD)	**2024**	2023
Revenue		
Registry Operations	**$ 26,268**	$ 22,782
Services	**27,037**	24,721
Technology Solutions	**3,092**	1,609
Corporate and other	**3**	12
Total revenue	**56,400**	49,124
Expenses		
Wages and salaries	**20,692**	14,234
Cost of goods sold	**14,316**	12,445
Depreciation and amortization	**6,774**	4,128
Information technology services	**3,664**	3,035
Occupancy costs	**1,174**	1,186
Professional and consulting services	**1,533**	1,646
Financial services	**719**	1,100
Other	**947**	791
Total expenses	**49,819**	38,565
Net income before items noted below	**6,581**	10,559
Finance income (expense)		
Interest income	**249**	310
Interest expense	**(6,166)**	(1,215)
Net finance expense	**(5,917)**	(905)
Income before tax	**664**	9,654
Income tax expense	**(241)**	(2,790)
Net income	**423**	6,864
Other comprehensive (loss) income		
Unrealized (loss) gain on translation of financial statements of foreign operations	**(26)**	110
Other comprehensive (loss) income for the period	**(26)**	110
Total comprehensive income	**$ 397**	$ 6,974

2.2 Consolidated revenue

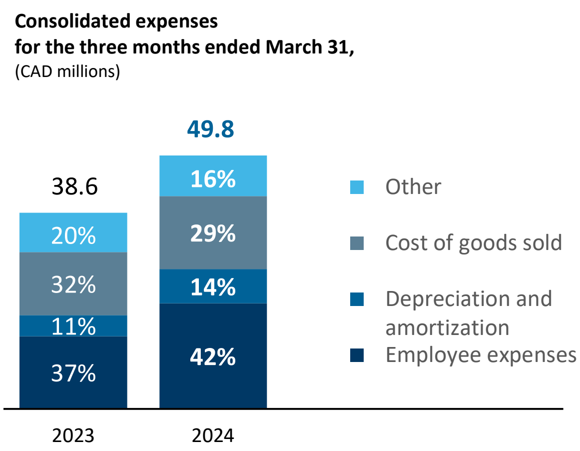


(thousands of CAD)	Three Months Ended March 31, 2024	2023
Registry Operations	**$ 26,268**	$ 22,782
Services	**27,037**	24,721
Technology Solutions	**3,092**	1,609
Corporate and other	**3**	12
Total revenue	**$ 56,400**	$ 49,124

Total revenue increased during the quarter by $7.3 million as a result of:

- Increased revenue in Registry Operations of $3.5 million, or 15 per cent compared to the first quarter of 2023 following the implementation of fee adjustments in the Saskatchewan Registries division in the third quarter of 2023 pursuant to the Extension discussed above and annual CPI adjustments.
- A revenue increase of $2.3 million in Services, or nine per cent for the first quarter of 2024, compared to the first quarter in 2023. Growth was driven by continued customer and transaction growth in Regulatory Solutions where financial institutions 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 in Technology Solutions of $1.5 million, or 92 per cent compared to the first quarter of 2023, due to advancement of project work on existing and new solution definition and implementation contracts.

2.3 Consolidated expenses



(thousands of CAD)	Three Months Ended March 31, 2024	2023
Wages and salaries	**$ 20,692**	$ 14,234
Cost of goods sold	**14,316**	12,445
Depreciation and amortization	**6,774**	4,128
Information technology services	**3,664**	3,035
Occupancy costs	**1,174**	1,186
Professional and consulting services	**1,533**	1,646
Financial services	**719**	1,100
Other	**947**	791
Total expenses	**$ 49,819**	$ 38,565

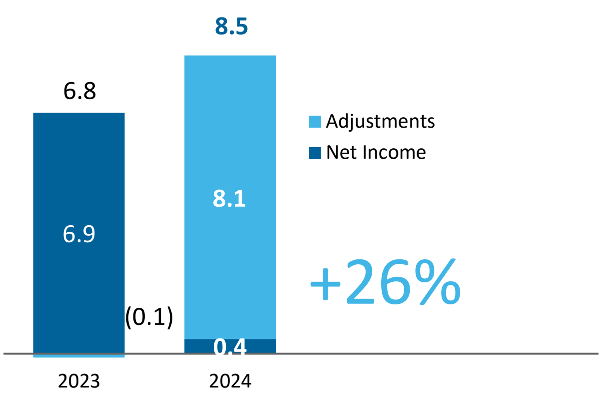
Note: Values in table may not add due to rounding.

Expenses were $49.8 million for the quarter, an increase of $11.2 million compared to the same quarter last year. The increase in the quarter was due to:

- An increase in wages and salaries of $6.5 million when compared to the prior year quarter. This relates to a $5.8 million increase in share-based compensation expense due to an increase in the Company's share price during the quarter versus a decrease in the prior year quarter and increased investment in people to support business growth.
- An increase in depreciation and amortization of $2.6 million related to amortization of the intangible asset associated with the right to manage and operate the Saskatchewan Registries, which was capitalized in July 2023.
- An increase in cost of goods sold of $1.9 million related to the increase in Services revenue within the Regulatory Solutions division.

2.4 Consolidated net income and adjusted net income

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



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

	Three Months Ended March 31,					
	Pre-tax		Tax[1]		After-tax	
(thousands of CAD)	**2024**	2023	**2024**	2023	**2024**	2023
Adjusted net income	**$ 11,727**	$ 9,501	**$ (3,229)**	$ (2,749)	**$ 8,498**	$ 6,752
Add (subtract):						
Share-based compensation expense	**(4,635)**	1,190	**1,251**	(321)	**(3,384)**	869
Acquisition, integration and other costs	**(1,450)**	(1,019)	**392**	275	**(1,058)**	(744)
Effective interest component of interest expense	**(65)**	(18)	**18**	5	**(47)**	(13)
Interest on vendor concession liability	**(2,599)**	-	**702**	-	**(1,897)**	-
Amortization of right to manage and operate the Saskatchewan Registries	**(2,314)**	-	**625**	-	**(1,689)**	-
Net income	**$ 664**	$ 9,654	**$ (241)**	$ (2,790)	**$ 423**	$ 6,864

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

	Three Months Ended March 31, 2024	2023
Earnings per share, basic	**$ 0.02**	$ 0.39
Earnings per share, diluted	**0.02**	0.38
Adjusted earnings per share, basic	**0.47**	0.38
Adjusted earnings per share, diluted	**0.47**	0.37
Weighted average # of shares	**18,021,225**	17,701,498
Weighted average # of diluted shares	**18,203,632**	18,007,207

Net income for the quarter was $0.4 million or $0.02 per basic and diluted share, a decrease compared to $6.9 million in the first quarter of 2023 or $0.39 per basic share and $0.38 per diluted share.

The decrease in net income for the three months ended March 31, 2024, compared to the prior year period was due to:

- Adjusted EBITDA growth of $4.1 million in Registry Operations following the implementation of fee adjustments within the Saskatchewan Registries division made in the third quarter of 2023 pursuant to the Extension and annual CPI adjustments.
- An increase in adjusted EBITDA of $1.9 million in Technology Solutions, compared to the first quarter of the prior year. This was due to the advancement of project work on existing and new solution definition and implementation contracts.

Offsetting this was:

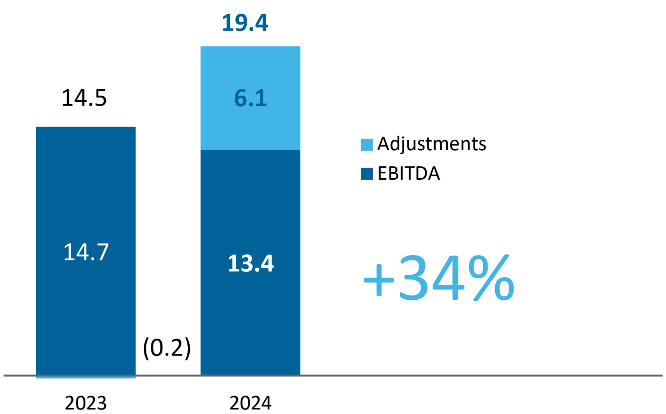
- An increase in share-based compensation expense of $5.8 million compared to the prior year quarter. This was driven by an increase in the Company's share price during the current quarter compared to a decrease in the share price during the same period in 2023.
- An increase in interest expense of $5.0 million in the current quarter compared to the same prior year period due to increased borrowings associated with the Upfront Payment, an increase in interest rates and non-cash interest accrued on the vendor concession liability to the Government of Saskatchewan.
- Increased depreciation and amortization expense of $2.6 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 2023.

Adjusted net income for the quarter was $8.5 million or $0.47 per basic share and $0.47 per diluted share compared to $6.8 million or $0.38 per basic share and $0.37 per diluted share in the first quarter of 2023.

The growth in adjusted net income reflects the strong operating results partially offset by increased financing costs due to an increase in borrowings to fund the Upfront Payment, increased wages and salaries and IT Services to support delivery on existing and new solution definition and implementation contracts.

2.5 Consolidated EBITDA and adjusted EBITDA

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



Adjusted EBITDA for the quarter was $19.4 million, an increase of $4.9 million from $14.5 million in the first quarter of 2023. The increase was due to increased adjusted EBITDA contributions from Registry Operations due to fee increases as a result of the Extension Agreement in July 2023 and as part of the annual review of registry fees related to Saskatchewan CPI. Technology Solutions' adjusted EBITDA growth was due to the advancement of project work on existing and new solution definition and implementation contracts.

EBITDA was $13.4 million compared to $14.7 million in the first quarter of 2023. The adjusted EBITDA growth in Registry Operations, Services and Technology Solutions was offset by a $5.8 million increase in share-based compensation expense reflected in EBITDA.

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

	Three Months Ended March 31,	
(thousands of CAD)	**2024**	2023
Adjusted EBITDA	**$ 19,440**	$ 14,516
Add (subtract):		
Share-based compensation expense	**(4,635)**	1,190
Acquisition, integration and other costs	**(1,450)**	(1,019)
EBITDA[1]	**$ 13,355**	$ 14,687
Add (subtract):		
Depreciation and amortization	**(6,774)**	(4,128)
Net finance expense	**(5,917)**	(905)
Income tax expense	**(241)**	(2,790)
Net income	**$ 423**	$ 6,864
EBITDA margin (% of revenue)[1]	**23.7%**	29.9%
Adjusted EBITDA margin (% of revenue)	**34.5%**	29.5%

[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" for calculation of EBITDA and EBITDA margin.*

2.6 Consolidated net finance expense

	Three Months Ended March 31,			
(thousands of CAD)		**2024**		2023
Interest Income	**$**	**249**	$	310
Interest expense on long-term debt	**$**	**(3,368)**	$	(1,102)
Interest on vendor concession liability		**(2,599)**		-
Interest on lease liabilities		**(134)**		(95)
Effective interest component of interest expense		**(65)**		(18)
Interest expense	**$**	**(6,166)**	$	(1,215)
Net finance expense	**$**	**(5,917)**	$	(905)

Note: Brackets in the above table denotes expense

Consolidated net finance expense was $5.9 million for the quarter, up $5.0 million from the prior year quarter. Consolidated net finance expense was higher due to higher average long-term debt outstanding in the quarter compared to the prior year quarter due to the draw down of the Credit Facility to fund the Upfront Payment and 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.

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:

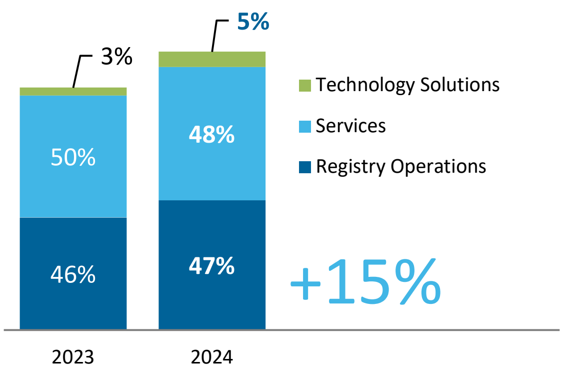
Registry Operations delivers registry and information services on behalf of governments and private sector organizations.

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

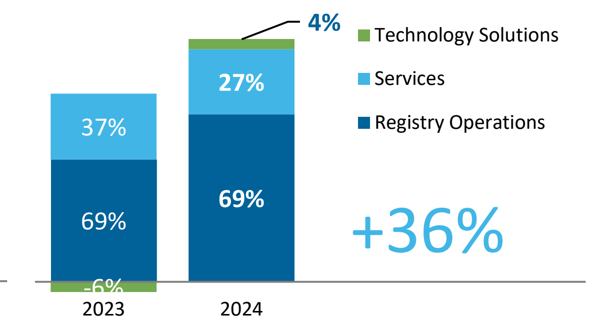
Technology Solutions provides the development, delivery and support of registry (and related) technology solutions.

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

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



Adjusted EBITDA by segment[1]
for the three months ended March 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.

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.

A more detailed description of our Registry Operations business can be found in our Annual Information Form and Management's Discussion and Analysis for the year ended December 31, 2023, which are available on our website at www.isc.ca or on SEDAR+ at www.sedarplus.com. No material changes have taken place since that date.

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 an Extension Agreement (referred to herein as the "Extension Agreement") to extend ISC's exclusive right to manage and operate the Saskatchewan Registries until 2053 (referred to herein as the "Extension"). 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:

- an upfront payment (referred to herein as 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 zero per cent to one per cent;
    - 50 per cent of any revenue associated with long-term volume growth between one per cent to three per cent;
    - ISC to retain unlimited upside on any incremental volume growth in excess of three per cent.

ISC has commenced enhancement of the Saskatchewan Registries (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.

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. Land Surveys registers land survey plans and creates a representation of Saskatchewan land parcels in the cadastral parcel mapping system. Geomatics manages geographic data related to the cadastral parcel mapping system, which is integrated with the Land Titles Registry and Land Surveys.

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.

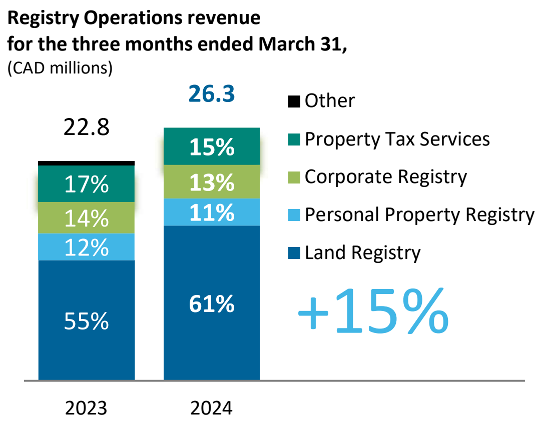
Saskatchewan Corporate Registry

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.

Ontario Property Tax Assessment Services

ISC 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.

REGISTRY OPERATIONS REVENUE



(thousands of CAD)	Three Months Ended March 31, 2024	2023
Land Registry	$ 16,103	$ 12,511
Personal Property Registry	2,816	2,775
Corporate Registry	3,465	3,272
Property Tax Assessment Services	3,884	3,825
Other	-	399
Registry Operations revenue	$ 26,268	$ 22,782

Revenue for Registry Operations for the first quarter of 2024 was $26.3 million, up $3.5 million or 15 per cent compared to the first quarter of 2023. The main reason for the increase is due to fee adjustments in the Saskatchewan Registries made in the third quarter of 2023 pursuant to the Extension and annual CPI adjustments which resulted in higher revenue in the Land Registry and Corporate Registry.

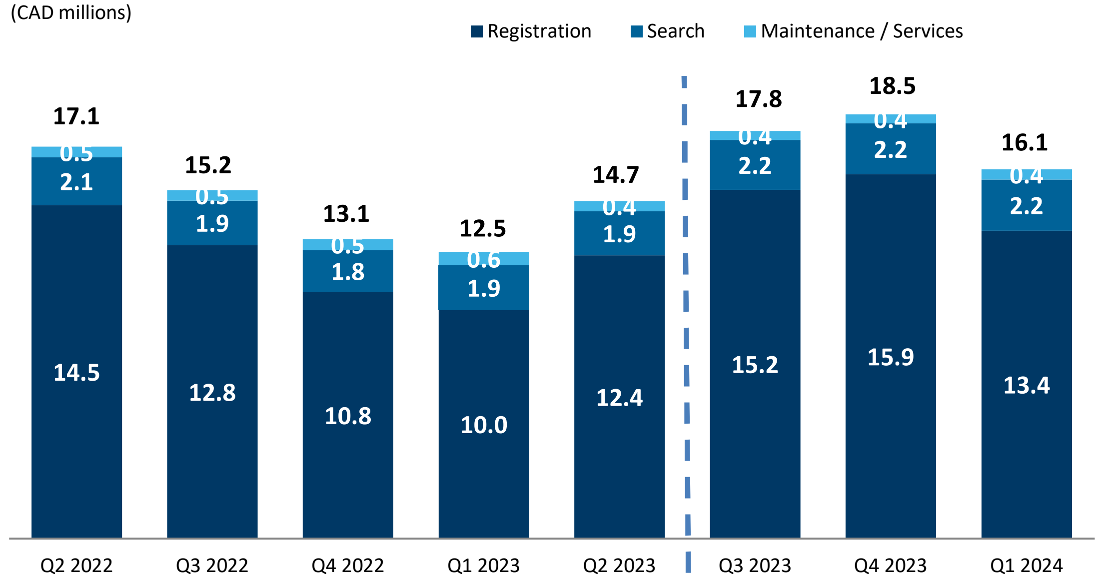
Saskatchewan Land Registry

For the first quarter of 2024, revenue for the Land Registry was $16.1 million, an increase of $3.6 million or 29 per cent compared to the same period in 2023. Fee adjustments implemented in the third quarter of 2023 in relation to the Extension and annual CPI adjustments led to the increase in revenue.

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 first quarter was $15.4 million, an increase of $3.7 million or 32 per cent compared to the first quarter in 2023. The growth was due to fee adjustments made in the third quarter of 2023, pursuant to the Extension Agreement and annual CPI adjustments.

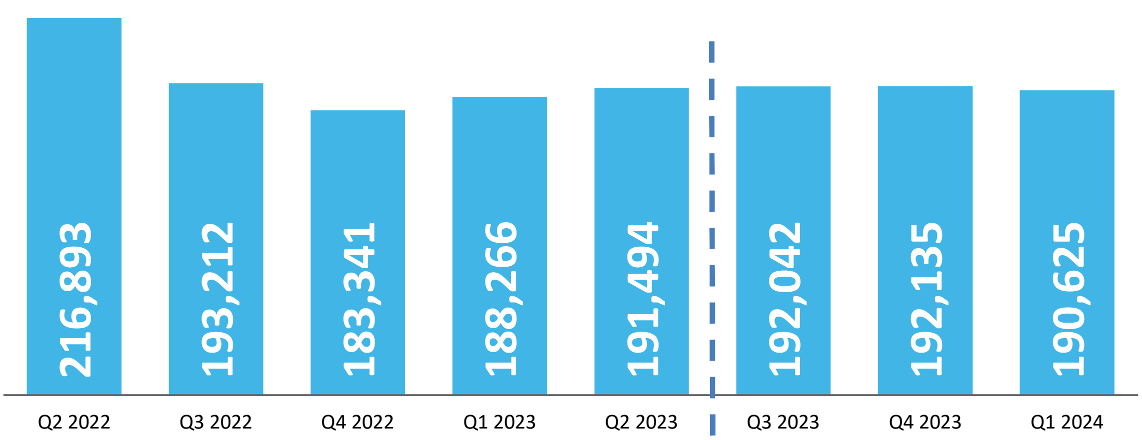
The following graphs show Land Registry revenue by type of transaction and overall transaction volume, respectively, for the last eight quarters. Typically, the second and third quarters generate the most revenue for the Land Registry. Fee adjustments made in relation to the Extension Agreement effective 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 fees and volumes for the third quarter of 2023 and onward. 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)

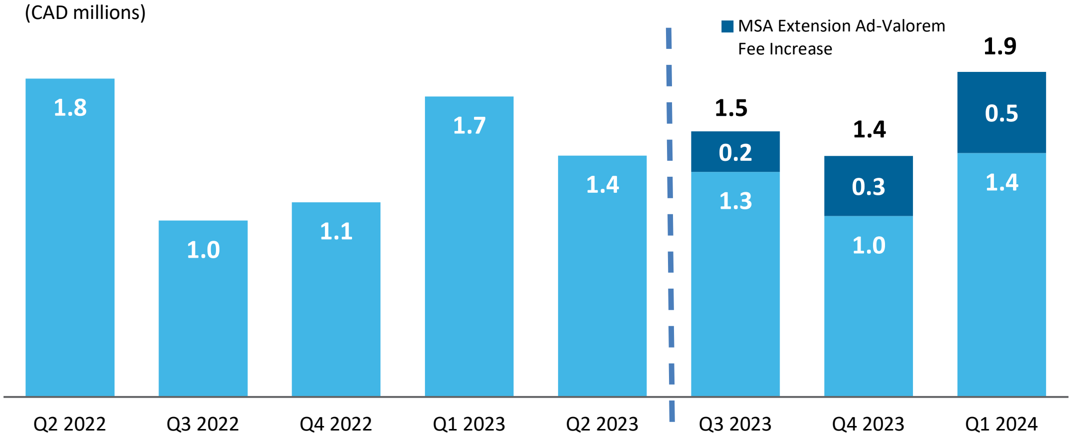


Note: The fee adjustments implemented in July of 2023 positively impacted fees and volumes for the third quarter of 2023 and onward. Therefore, results are not directly comparable to prior quarters' results for the reasons described throughout this section.

Transaction volume in the Land Titles Registry for the first quarter of 2024 was up compared to the same period in 2023. The difference between this quarter and the prior year quarter was due to the introduction of a mortgage discharge fee in July 2023 when fee adjustments related to the Extension Agreement were implemented. Excluding this new transaction type, volume would have decreased by three per cent during the quarter. Volume of regular land transfers was consistent this quarter while mortgage registrations grew during the period, increasing by five per cent when compared to the first quarter of 2023. The current quarter saw a decline in the volume of title searches of four per cent. Title searches make up the largest portion of transaction volume at 71 per cent during the quarter.

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 indicates the impact of the additional revenue from the new ad-valorum rate. The first five 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 quarter of 2023 onward was 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 first quarter of 2024 was $1.9 million, an increase compared to $1.7 million in the first quarter of 2023. This growth is due to the increase in the ad valorem fee that took effect in July of 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 $1.4 million, as illustrated in the graph above which shows the last eight quarters of high-value transaction revenue.

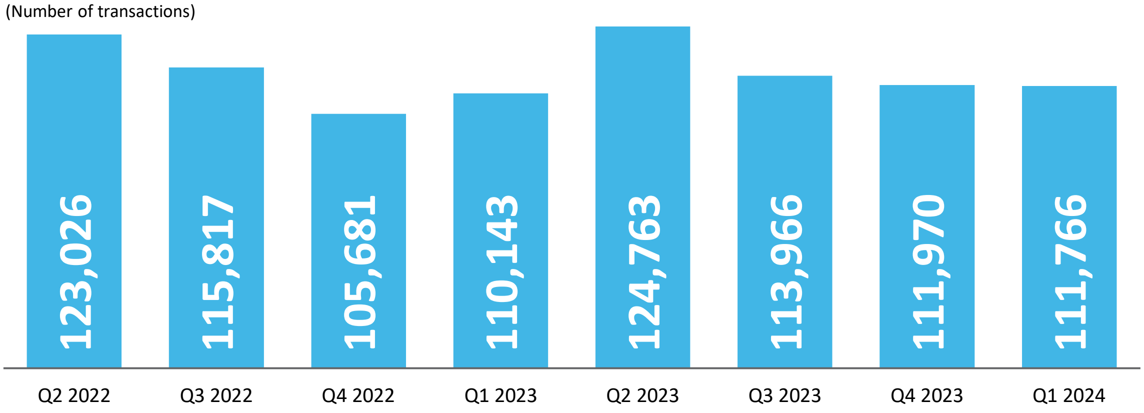
Saskatchewan Personal Property Registry

For the first quarter of 2024, revenue for the Personal Property Registry was $2.8 million, up one per cent compared to the same quarter in 2023. Registration and maintenance revenue both grew by one percent, while search revenue rose by two per cent when compared to the same quarter last year.

Overall volume during the period was consistent when compared to the same period of 2023.

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

Saskatchewan Personal Property Registry transaction volume
(Number of transactions)

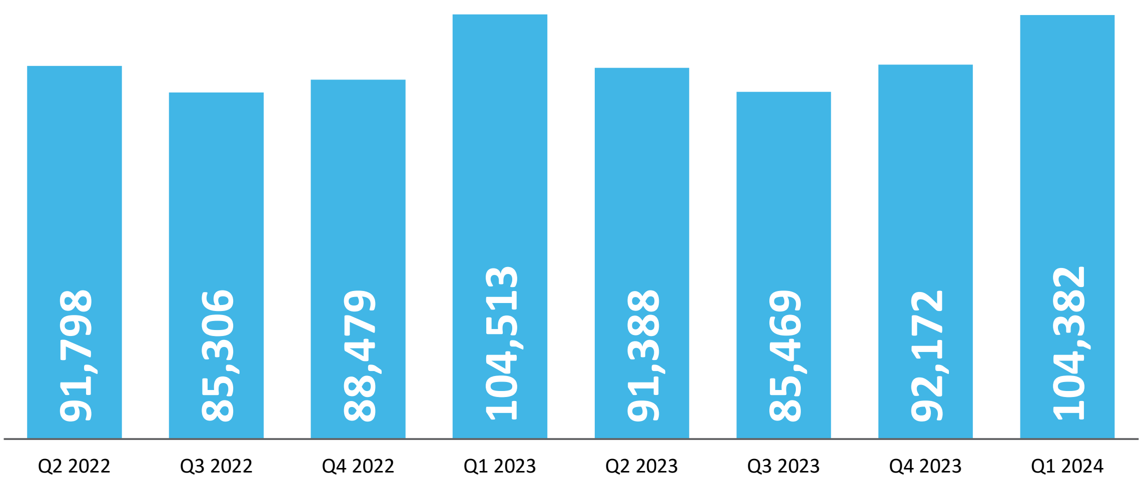


Saskatchewan Corporate Registry

Revenue for the Corporate Registry for the first quarter of 2024 was $3.5 million, an increase of six per cent, or $0.2 million, compared to the same period in 2023. Search revenue grew by 52 per cent mainly due to CPI fee adjustments which came into effect in July 2023. Registration revenue declined by four per cent as a result of lower transaction volume, while maintenance revenue was consistent.

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

Saskatchewan Corporate Registry transaction volume
(Number of transactions)

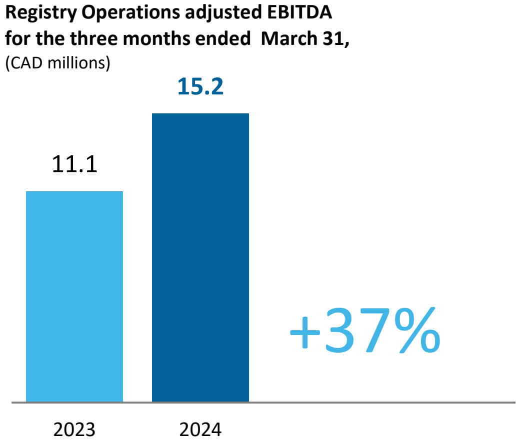


Transaction volume for the first quarter of 2024 was consistent when compared to the same period of 2023.

Ontario Property Tax Assessment Services

Revenue for the Ontario Property Tax Assessment Services division in the first quarter of 2024 was $3.9 million, an increase of two 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 to the Ontario Property Tax Assessment Services division. 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 addition to regular revenue.

REGISTRY OPERATIONS EXPENSES, EBITDA AND ADJUSTED EBITDA



(thousands of CAD)	Three Months Ended March 31, 2024	2023
Revenue	$ 26,268	$ 22,782
Total expenses[1]	15,878	11,352
EBITDA	$ 10,390	$ 11,430
Adjustments[2]	4,783	(325)
Adjusted EBITDA	$ 15,173	$ 11,105

[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 first quarter was $15.2 million, up 37 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 annual CPI adjustments. Total expenses increased in the quarter compared to the prior year quarter due to continued work on registry enhancements and share-based compensation of $2.7 million. The increase in Registry Operations' adjusted EBITDA margin during the quarter, compared to the prior period, was driven by the $3.6 million increase in Land Registry revenue due to fee adjustments described above with volumes remaining relatively stable.

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

Division	Offering	Products
		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

A more detailed description of our Services business lines can be found in our Annual Information Form and Management's Discussion and Analysis for the year ended December 31, 2023, which are available on our website at www.isc.ca or on SEDAR+ at www.sedarplus.com. No material changes to the Services segment have taken place since that period.

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.

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.).

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.

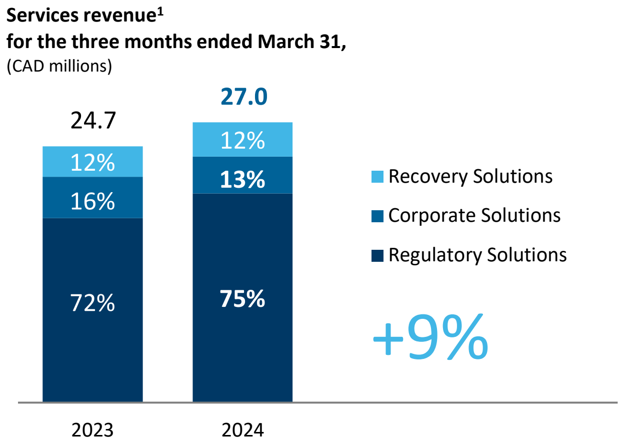
[1] *A NUANS® report is a search that provides a comprehensive comparison of proposed corporate, business or trademark names with existing names already in use by other businesses and corporations. NUANS® name reports reserve the proposed name for 90 days, providing the time necessary to prepare and 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.*

SERVICES REVENUE



(thousands of CAD)	Three Months Ended March 31, 2024		2023	
Regulatory Solutions	$	**20,173**	$	17,813
Recovery Solutions		**3,304**		2,928
Corporate Solutions		**3,560**		3,980
Services revenue	$	**27,037**	$	24,721

[1]Internal related parties and other revenue not displayed in graph. Values may not add due to rounding.

Revenue for Services was $27.0 million for the first quarter of 2024, an increase of nine per cent, or $2.3 million compared to the same period in 2023. Growth was driven by continued customer and transaction growth in Regulatory Solutions where financial institutions and auto finance customers continued to enhance due diligence processes in an environment of higher interest rates and increased regulatory oversight.

Regulatory Solutions

Regulatory Solutions revenue for the first quarter of 2024 was $20.2 million, an increase of $2.4 million or 13 per cent compared to the same quarter in 2023. The increase in revenue was a direct result of customer and transaction growth where financial institutions and auto finance customers continued to enhance due diligence in an environment of higher interest rates and increased regulatory oversight.

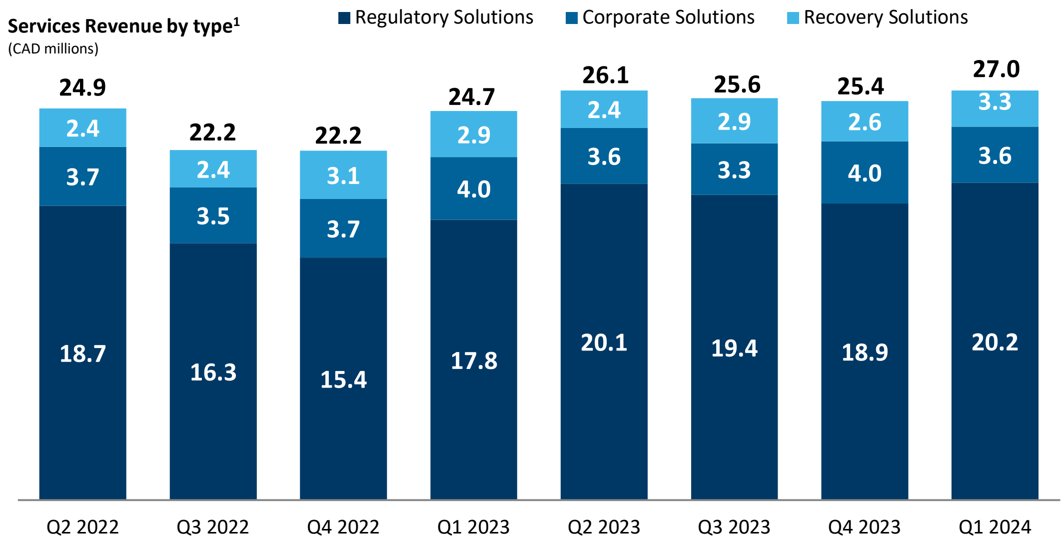
Recovery Solutions

Revenue in Recovery Solutions for the first quarter of 2024 was $3.3 million, a rise of $0.4 million or 13 per cent compared to the same prior year period. Growth during the quarter was due to an increase in individual Asset Recovery customer assignments, slightly offset by a decrease in revenue per sold unit due to lower used vehicle values. Accounts Receivable Management revenue remained consistent year-over-year.

Corporate Solutions

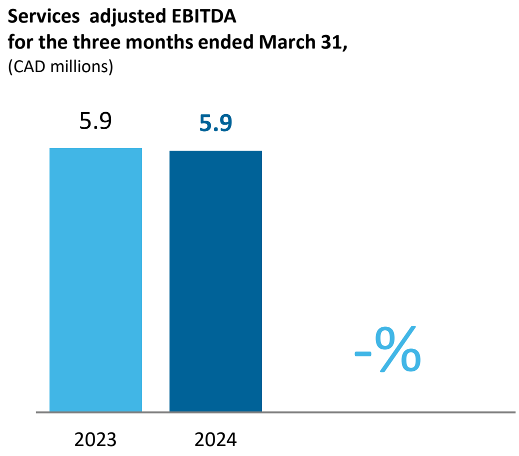
Corporate Solutions revenue for the quarter was $3.6 million, a decrease of $0.4 million or 11 per cent compared with the first quarter of 2023. The decline was due to reduced Ontario corporate filing transactions following further opening of the Ontario Business Registry in March 2023.

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



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

SERVICES EXPENSES, EBITDA AND ADJUSTED EBITDA



	Three Months Ended March 31,	
(thousands of CAD)	**2024**	2023
Revenue	**$ 27,037**	$ 24,721
Total expenses[1]	**21,464**	18,689
EBITDA	**$ 5,573**	$ 6,032
Adjustments[2]	**324**	(83)
Adjusted EBITDA	**$ 5,897**	$ 5,949

[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 $5.9 million for the first quarter, consistent with the same period last year. Increased revenue was driven by continued customer and transaction growth in Regulatory Solutions, as the financial institution and auto finance sectors continued to enhance due diligence processes in an environment of elevated interest rates and increased regulatory oversight. The increase in expense was driven by higher cost of goods sold related to the additional revenue in Regulatory Solutions, increased investment in people to support continued business growth and increased client security compliance costs. Further increasing total expenses was $0.3 million in share-based compensation due to the increase in the Company's share price during the quarter, which is not reflected in adjusted EBITDA.

3.3 Technology Solutions

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

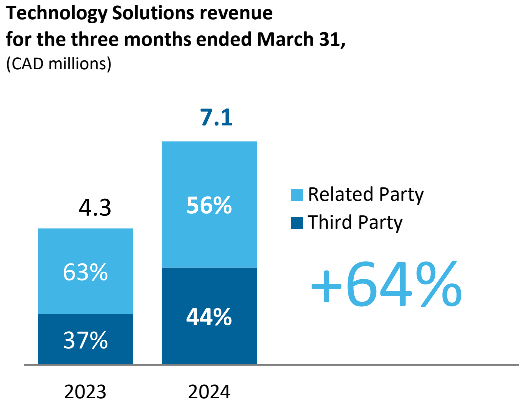
- sale of software licences related to our technology platforms;
- provision of technology solution definition and implementation services; and
- provision of monthly hosting, support and maintenance services.

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.

A more detailed description of our Technology Solutions business can be found in our Annual Information Form and Management's Discussion and Analysis for the year ended December 31, 2023, which is available on our website at www.isc.ca or on SEDAR+ at www.sedarplus.com. No material changes have taken place since that date.

TECHNOLOGY SOLUTIONS REVENUE



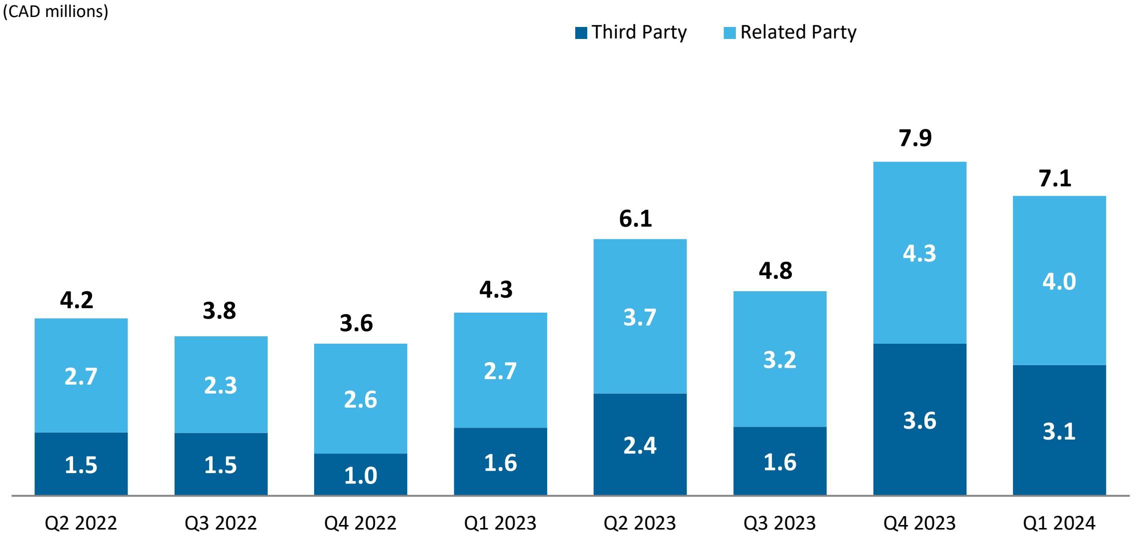
(thousands of CAD)	Three Months Ended March 31, 2024	2023
Third Party	**$ 3,092**	$ 1,609
Related Party	**4,010**	2,726
Technology Solutions revenue	**$ 7,102**	$ 4,335

Revenue in Technology Solutions was $7.1 million for the quarter, an increase of $2.8 million or 64 per cent compared to the first quarter of 2023.

Third Party revenue for the first quarter of 2024 was $3.1 million, an increase of $1.5 million or 92 per cent compared to the same prior year period. The increase in revenue is due to the advancement of existing and new solution definition and implementation contracts.

Related Party revenue for the first quarter of 2024 was $4.0 million, an increase of $1.3 million or 47 per cent compared to the same quarter in 2023. The increase in Related Party revenue is primarily a result of continued delivery of registry enhancements for the Saskatchewan Registries division in Registry Operations and the development of the system to support the International Registry of Interests in Rolling Stock during the quarter. 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.

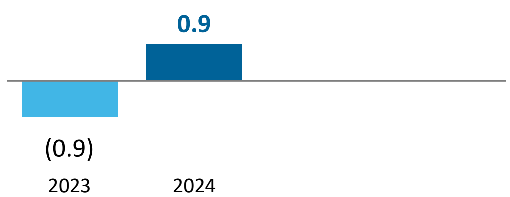
Technology Solutions revenue by type
(CAD millions)



Note: Values may not add due to rounding.

TECHNOLOGY SOLUTIONS EXPENSES, EBITDA AND ADJUSTED EBITDA

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



	Three Months Ended March 31,	
(thousands of CAD)	**2024**	2023
Revenue	**$ 7,102**	$ 4,335
Total expenses[1]	**6,636**	5,153
EBITDA	**$ 466**	$ (818)
Adjustments[2]	**463**	(119)
Adjusted EBITDA	**$ 929**	$ (937)

[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 $0.9 million for the quarter compared to a loss of $0.9 million in the first quarter of 2023. Progress continues to be made on existing and new Third Party solution definition and implementation contracts combined with related-party projects, including registry enhancements for Registry Operations. Continued investment in people, including contractors, to deliver on solution definition and implementation contracts has been a key driver of revenue growth.

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 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.

On March 8, 2024, Regulis launched the International Registry of Interests in 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 as defined in the Luxembourg Rail Protocol. The launch of this new international registry aligns well with ISC’s expertise in the development, management and operation of registry solutions. Regulis is in its initial operating phase, with a shift towards promoting awareness of the Registry and benefits to potential customers. It is anticipated Regulis will continue to operate within the Corporate segment as the business progresses through its early stages of maturity.

	Three Months Ended March 31,			
(thousands of CAD)		**2024**		2023
Third Party	**$**	**3**	$	12
Related Party		**39**		38
Corporate and other revenue	**$**	**42**	$	50
Total expenses[1]		**(3,116)**		(2,007)
EBITDA	**$**	**(3,074)**	$	(1,957)
Adjustments[2]		**1,490**		431
Adjusted EBITDA	**$**	**(1,584)**	$	(1,526)

[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 March 31, 2024, was consistent with the prior year period. Included in total expense is share-based compensation of $1.1 million which is up $1.4 million from a recovery of $0.3 million in the same quarter in the prior year due to a rise in the Company’s share price during the quarter compared to a decline in the share price during the previous year quarter.

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. 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 related to the Extension Agreement and annual CPI adjustments 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 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 existing and new 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.

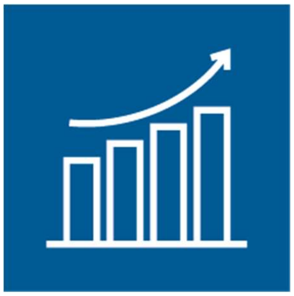
	2024			2023			2022	
(thousands of CAD)	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	**$ 56,400**	$ 57,491	$ 54,610	$ 53,295	$ 49,124	$ 46,104	$ 48,768	$ 50,870
Expenses	**49,819**	43,683	43,334	40,965	38,565	39,396	36,922	33,919
Income before items noted Below	**6,581**	13,808	11,276	12,330	10,559	6,708	11,846	16,951
Net finance expense	**(5,917)**	(6,218)	(5,171)	(889)	(905)	(1,038)	(1,038)	(666)
Income before tax	**664**	7,590	6,105	11,441	9,654	5,670	10,808	16,285
Income tax expense	**(241)**	(1,876)	(1,871)	(3,208)	(2,790)	(1,721)	(3,052)	(4,628)
Net income	**$ 423**	$ 5,714	$ 4,234	$ 8,233	$ 6,864	$ 3,949	$ 7,756	$ 11,657
Other comprehensive income (loss)	**(26)**	104	(27)	5	110	688	48	(310)
Total comprehensive income	**$ 397**	$5,818	$ 4,207	$ 8,238	$ 6,974	$ 4,637	$ 7,804	$ 11,347
EBITDA	**$ 13,355**	$ 20,451	$ 16,900	$ 16,441	$ 14,687	$ 10,808	$ 15,829	$ 20,458
Adjusted EBITDA	**19,440**	21,317	19,209	17,824	14,516	13,521	17,037	19,246
Adjusted net income	**8,498**	9,848	8,357	9,256	6,752	5,942	8,652	10,785
Free cash flow	**4,917**	12,695	11,978	10,713	10,054	6,282	10,149	14,430
Adjusted free cash flow	**11,636**	13,975	14,444	12,468	9,883	8,995	11,357	13,218
EBITDA margin	**23.7%**	35.6%	30.9%	30.8%	29.9%	23.4%	32.5%	40.2%
Adjusted EBITDA margin	**34.5%**	37.1%	35.2%	33.4%	29.5%	29.3%	34.9%	37.8%
Earnings per share, basic	**$ 0.02**	$ 0.32	$ 0.24	$ 0.47	$ 0.39	$ 0.22	$ 0.44	$ 0.66
Earnings per share, diluted	**$ 0.02**	$ 0.32	$ 0.23	$ 0.46	$ 0.38	$ 0.22	$ 0.43	$ 0.65

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.

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[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.*

- 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 (five years), through a combination of organic growth and M&A.

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 five years.	Measured by regular customer survey results and employee turnover.
HOW	• Significant organic revenue growth targets[2] • Supplemented with M&A and other growth acquisitions, targeting one to two 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.

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.

[2] *Such as shown through our 2024 revenue guidance.*

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 March 31, 2024, the Company held $20.2 million in cash compared to $24.2 million as at December 31, 2023, a decrease of $4.0 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 $65.8 million (December 31, 2023 – $63.5 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 & ADJUSTED FREE CASH FLOW

	Three Months Ended March 31,	
(thousands of CAD)	**2024**	2023
Adjusted free cash flow	**$ 11,636**	$ 9,883
Add (subtract):		
Share-based compensation expense	**(4,635)**	1,190
Acquisition, integration and other costs	**(1,450)**	(1,019)
Registry enhancement capital expenditures	**(634)**	-
Free cash flow[1]	**$ 4,917**	$ 10,054
Add (subtract):		
Cash additions to property, plant and equipment	**965**	15
Cash additions to intangible assets	**1,152**	269
Interest received	**(249)**	(310)
Interest paid	**3,433**	1,152
Interest paid on lease obligations	**134**	95
Principal repayment on lease obligations	**695**	593
Net change in non-cash working capital[2]	**(579)**	(6,130)
Net cash flow provided by operating activities	**$ 10,468**	$ 5,738

[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" for calculation of free cash flow.

[2] Refer to Note 17 to the Financial Statements for reconciliation.

Free cash flow decreased to $4.9 million for the first quarter of 2024 compared to $10.1 million in the first quarter of the prior year. The decrease was due to the following:

- Increased share-based compensation expense related to an increase in the Company's share price during the quarter compared to a decrease in the same prior year period.
- 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.
- Increased capital expenditures including continued work related to registry enhancements for the Saskatchewan Registries division in Registry Operations and development of a system for the International Registry of Interests in Rolling Stock.

The decreases above were partially offset by:

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

Adjusted free cash flow for the first quarter was $11.6 million, up 18 per cent compared to $9.9 million in the same quarter in 2023. This change is driven by increased cash flows related to the fee adjustments for the Saskatchewan Registries in Registry Operations that took effect in July 2023 along with Technology Solutions advancing existing and new solution definition and implementation contracts. The increased cash flows are partially offset by increased capital expenditures and financing costs.

The following table summarizes sources and uses of funds for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
(thousands of CAD)	**2024**	2023
Net cash flow provided by operating activities	**$ 10,468**	$ 5,738
Net cash flow used in investing activities	**(2,746)**	(129)
Net cash flow used in financing activities	**(11,692)**	(15,911)
Effects of exchange rate changes on cash held in foreign currencies	**9**	42
Decrease in cash	**$ (3,691)**	$ (10,260)
Cash, beginning of period	**24,193**	34,479
Cash, end of period	**$ 20,232**	$ 24,219

NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES

Net cash flow provided by operating activities was $10.5 million for the quarter compared to cash provided of $5.7 million for the first quarter of 2023. The increase of $4.8 million was due primarily to a $5.6 million increase in cash from changes in non-cash working capital. Non-cash working capital changes mainly include the following:

- An $8.6 million increase in cash flow associated with recognition of accounts payable and accrued liabilities and other liabilities and provisions. The increase is primarily attributable to an increase in the Company's share price during the quarter compared to a decrease in the share price in the prior year quarter, which has increased share-based compensation liabilities.
- A $1.9 million decrease related to the timing of prepaid expenses attributable to deposits on account with the Government of Ontario related to search and registration in Services.
- A $1.2 million decrease in cash flow due to the timing of Technology Solutions receipts related to contract assets, which is due to timing differences in revenue recognition and contract payments relative to the comparable period.

NET CASH FLOW USED IN INVESTING ACTIVITIES

Net cash used in investing activities for the quarter was $2.7 million compared to $0.1 million in the comparative period. The increase in the quarter was primarily as a result of registry enhancement capital expenditures and the development of the technology system for the International Registry of Interests in Rolling Stock. In addition, as part of our acquisition of Regulis completed in 2022, the Company paid $0.9 million (€0.6 million) of additional contingent consideration during the quarter related to the commencement of the operations of the International Registry of Interests in Rolling Stock.

NET CASH FLOW USED IN FINANCING ACTIVITIES

Net cash flow used in financing activities during the quarter was $11.7 million, compared to $15.9 million in the first quarter of 2023. As part of the Company's ongoing program to deleverage, a $4.0 million prepayment was made in the quarter towards the Credit Facility, down from $10.0 million paid in the comparative quarter in the prior year. In addition, interest paid increased $2.3 million compared to the prior year quarter due to increased borrowings associated with the Extension Agreement and an increase in interest rates.

6.2 Sustaining capital expenditures

For the purpose of this analysis, sustaining capital expenditures 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 quarter of $0.9 million (€0.6 million) related to the additional purchase consideration of Regulis discussed above, 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 amounted to $2.1 million, an increase from $0.3 million in the first quarter of the prior year. The increase primarily resulted from increased system development work across our business segments, including registry enhancements.

	Three Months Ended March 31,	
(thousands of CAD)	**2024**	2023
Registry Operations	**$ 239**	$ 6
Services	**702**	241
Technology Solutions	**996**	35
Corporate and other	**180**	2
Total capital expenditures	**$ 2,117**	$ 284

6.3 Debt

At March 31, 2024, the Company's debt was $173.4 million compared to $177.3 million at December 31, 2023.

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 2024 and 2023 was nil.

During the quarter, the Company made voluntary prepayments of $4.0 million (2023 – $10.0 million) against its revolving credit facility to minimize interest expense.

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 $532.8 million at March 31, 2024, consistent compared to $536.3 million at December 31, 2023.

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and other	**As at March 31, 2024**
Total assets excluding intangibles, goodwill and cash	$ 23,856	$ 19,642	$ 7,549	$ 12,377	**$ 63,424**
Intangibles	300,470	39,895	5,464	2,040	**347,869**
Goodwill	21,098	71,537	8,623	-	**101,258**
Cash	-	-	-	20,232	**20,232**
Total assets	$ 345,424	$ 131,074	$ 21,636	$ 34,649	**$ 532,783**

(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

6.5 Working capital

Between December 31, 2023, and March 31, 2024, working capital decreased by $2.9 million.

(thousands of CAD)	**As at March 31, 2024**	As at December 31, 2023
Current assets	**$ 47,662**	$ 48,332
Current liabilities	**(65,765)**	(63,496)
Working capital	**$ (18,103)**	$ (15,164)

The main drivers of the $2.9 million decrease in working capital compared to December 31, 2023, are as follows:

Free cash flow for 2024	**$ 4,917**
Financing and other items:	
Dividends paid	**(4,141)**
Repayment of long-term debt	**(4,000)**
Acquisitions and post closing adjustments	**(879)**
Stock options exercised	**711**
All other	**453**
Total change in working capital	**$ (2,939)**

6.6 Outstanding share data

The number of issued and outstanding Class A Shares as at March 31, 2024, was 18,127,612 and the number of issued and outstanding share options as of March 31, 2024, was 730,057. As of May 7, 2024, the date of filing, the number of issued and outstanding Class A Shares was 18,127,612 and the number of issued and outstanding share options was 730,057.

6.7 Common share dividend

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

7. Business Risks

7.1 Financial instruments and financial risks

Financial instruments held in the normal course of business included in our consolidated statements of financial position as at March 31, 2024, 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 13 to the Financial Statements for information pertaining to financial instruments and related risk management.

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 March 31, 2024.

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 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 adopted the Amendments to IAS 1 that affect the presentation of liabilities as current or non-current in the statement of financial position effective for annual periods beginning on or after January 1, 2024. 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 adoption of these amendments has not had a material impact on our financial results.

For details on future accounting policy changes, refer to Section 8.4 of our December 31, 2023 MD&A, which is available on our website at www.isc.ca and in the Company's profile on SEDAR+ at www.sedarplus.ca. We are continuing to evaluate the impact of standards that are effective for us after fiscal 2023.

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, 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. 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.

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.

No changes in our internal controls over financial reporting that have occurred during the three-month 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.

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

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, 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.	Net cash flow provided by operating activities deduct (add) Net change in non-cash working capital, cash additions to property, plant and equipment, cash additions to intangible assets, interest received and paid as well as interest paid on lease obligations and principal repayments on lease obligations	Net cash flow provided by operating activities
Adjusted free cash flow	• 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	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

	based on continuing operations while excluding short term non-operational items.		

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. Adjusted earnings per share, both on a basic and diluted basis, are calculated as adjusted net income divided by the weighted average number of common shares outstanding for adjusted earnings per share, basic and the diluted weighted average number of common shares outstanding for adjusted earnings per share, diluted.

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, 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.