



Information  
Services  
Corporation

# ISC



Headquartered in Regina, Saskatchewan, Canada, ISC is the exclusive provider of land, personal property and corporate registry administration and management services to the Government of Saskatchewan under a 20-year Master Service Agreement that was implemented in May 2013.

In 2013, ISC made the transition from a provincial Crown corporation owned by the Government of Saskatchewan to a publicly traded company with shares that began

trading on July 9, 2013 on the TSX under the symbol "ISV".

Today, we provide unique expertise in the full-service management and administration of registry services. This includes complementary and customized information services and solutions, as well the development of policies and procedures to support the integrity and authentication of data. We serve our customers both online and through personal interactions.

## Our Vision

To be a full-service provider of registry and information services and solutions to governments and private sector organizations.

## Our Values

- Integrity
- Excellence
- Customer Focus
- Accountability
- Commitment to People
- Leadership

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# Where Information Comes to Life

## At ISC, we bring reliability, security and authenticity to registry information.

We believe the value of what we do goes deeper than the maintenance of registries. We see the value gained as we bring information to life - related to the ownership information of homes, prized possessions or businesses.

Over the past 14 years, ISC has developed systems and processes to meet the needs of a broad range of end-use customers - individuals and businesses, including real estate agents, home builders, municipalities, governments, financial institutions, insurance companies, car and equipment dealers, land developers, and resource, utility and pipeline businesses as well as small businesses and corporations and established intermediary customers such as legal, survey and engineering firms.

Fuelled by our expertise in registry services and supported by a 20-year Master Service Agreement with the Government of Saskatchewan signed in 2013, we are drawing on our experience and our data to deliver more - by enhancing the way we gather information and exploring new ways to provide public data that matters.

At ISC, we are providing an alternative service delivery model for information management - meeting the needs of individuals, industries and governments who see information as opportunity.



## Joel Teal

Chair,  
Board of Directors



# Letter from Our Chair

The successful transformation of ISC from Crown corporation to publicly traded company was an exciting accomplishment – one that marked the beginning of an era filled with opportunities and potential.

The objective of our transformation has been clear from the outset: we believe ISC has a reputation and capabilities that hold value in a broader marketplace. As a Board, we see a well-run, well-managed business that can be successful not only in Saskatchewan, but in other jurisdictions as well. Quite simply, we view the transition as a springboard to a new and exciting path.

Creating value for our stakeholders, including the investors who recognized the potential of ISC, is a primary goal of our Board of Directors. We support the Company's plan for growth through the enhancement and expansion of services and possibly, when the right opportunities are presented, acquisitions.

Our Company has a track record of providing reliable service to its customers and, in doing so, generating the profitability to support a stable dividend. As a Board, we intend to maintain that course.

## Building Capacity

In striving to become a larger and more profitable business, we recognize the need to build capacity. That holds true at the board level as well.

To that end and in keeping with best practices, we remain attentive to our skills matrix to identify the various skill sets required for our Board to provide oversight and direction to management.

We continue to identify our strengths as well as areas that we can enhance in the years ahead. Even though our Board demonstrated its capabilities as we entered the publicly traded space, we will always push ourselves to get better.

## Assessing the Future

In the same way the Board took an objective approach to assessing our capabilities, we continually assess the strategies and performance of our senior management team.

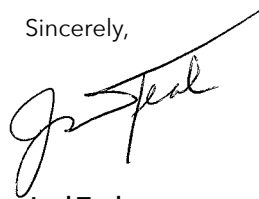
ISC has strong and talented leaders who share our desire to build capacity and to expand the company's services, reach and profitability. We know it will take time for some longer-term initiatives to take hold, but we are confident in their ability to adapt to changing times and to the needs of prospective customers.

As we work toward the Company's long-term goals, we also set expectations and benchmarks that help shape our executive compensation and incentive programs. We measure progress and reward our people for their achievements, knowing this is important to attracting and retaining top talent. *(Details are included in the Management Information Circular.)*

At all levels of our Company – from the Board to our executive team to our front-line employees – we have people committed to leading ISC forward and to delivering the performance required to reward our investors.

As a Board, we look forward to the ongoing success of ISC, confident in our ability to serve customers and create value for investors.

Sincerely,



**Joel Teal**  
Chair



## Jeff Stusek

President and  
Chief Executive  
Officer



# Letter from Our CEO

In 2014, our first full year as a publicly traded company, ISC had something to prove.

It was our mission to demonstrate that we could be successful in our transition from Crown corporation to private entity; that our people could build on a long history of customer service and innovation; and that we could deliver stable financial performance while laying the foundation for future growth, just as we promised in our initial public offering in 2013.

Thanks to the insight and determination of our people - from our Board of Directors to our front-line employees - we achieved those priorities. We adapted to the regulatory requirements of our

new structure; met the conditions outlined in our 20-year Master Service Agreement (MSA) with the Government of Saskatchewan; and made progress toward our longer-term objective of creating value for our investors and other stakeholders.

Now as we move forward, we will continue to be a leader in the administration and management of registry information. ISC is not only a place where information comes to life; we are a company that is vibrant and thriving.

### Performing in Times of Change

Significantly, our transition came in a year that saw a slowdown in economic growth across Canada - including Saskatchewan, where we have provided registry services since our inception.

Without question, a softer economy can affect the number of houses sold, construction projects started, corporations formed and survey plans submitted, but the work of collecting and maintaining information does not stop. To some, authentic, reliable information becomes even more valuable.

ISC generated revenues of \$80.5 million for the year ended December 31, 2014, an increase of \$1.4 million or 1.7 per cent compared to

\$79.1 million for the year ended December 31, 2013. While that represents a modest increase, it demonstrates that our existing business remains strong and stable, even in a challenging economic climate. Although we handled fewer transactions, the value of those transactions increased, contributing to improved financial performance.

At the same time, we tackled operational changes and introduced new services designed to optimize our performance in the years ahead. In our survey business, we introduced technology that enables customers to submit land survey plans online, giving them quicker feedback and reducing our costs. Furthermore, we also introduced improvements to our map-search technology. Delivering cost effective technology is an important part of our evolution moving forward.

To that end, we began working on technology improvements for the Corporate Registry that we expect to implement in 2016. It is a measure of how we think and operate - ISC is not content to merely maintain the services we provide; we are committed to advancing our systems and delivering value to our customers and our shareholders.

By continuing our own evolution, we are setting the stage for continuing strong, stable performance, even in a more challenging economic climate.

### Meeting Our Commitments

Fundamental to our business success is our ability to deliver on the requirements of the Master Service Agreement with the Government of Saskatchewan. As the long-time provider of registry services in the province of Saskatchewan, we have a primary responsibility to collect, authenticate and maintain registry information.

As our largest client, the Government of Saskatchewan established numerous criteria and performance measures to ensure ISC would continue to deliver reliable services and that the integrity of the registries would be maintained. It was a living test of our new relationship, as we addressed new requirements for transition, contingency plans and service levels.

Again, our people stepped up and proved their ability to meet the needs and expectations of our customers. We fulfilled all our service commitments to the Government of Saskatchewan in every area of our business and substantially completed all the required actions of our contract in 2014.

Meeting our commitments to our largest client provides a foundation for our business, but it is has another important context. One of our growth priorities is replicating the services we provide to the province of Saskatchewan in other jurisdictions. For this to be achieved, it is important that we continue to demonstrate we can reliably deliver services normally provided by governments.

I am pleased to say that we continue to receive positive ratings from our customers in our annual satisfaction survey.

We have travelled a long way in our first 18 months as a publicly traded company. Along the way, we have created a roadmap that will help other jurisdictions see it is possible to turn over the cost and responsibility for operating registry services without sacrificing quality of service or reliability.

By proving our capabilities in 2014, we moved along the path toward earning the trust of future clients and end-use customers.

### Our Next Steps

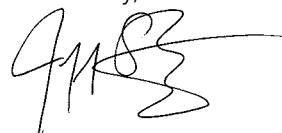
In 2015, we intend to continue the pursuit of our growth objectives - through the expansion of services, assessing acquisition opportunities, and offering an alternative service delivery model to governments in other jurisdictions.

In 2014, we saw initial success in our enhancement strategy having been awarded a contract by the Ministry of Labour and Workplace Safety in Saskatchewan to develop and administer an asbestos registry for Saskatchewan. We intend to pursue opportunities such as this in 2015.

Creating shareholder value is a priority and we will pursue this in a thoughtful and prudent manner. Knowing we need to walk before we run, we are ensuring we have the right processes in place to assess new opportunities, while protecting the value of our Company for shareholders.

We move into 2015 ready for the next stage of our evolution - ready to consistently deliver efficient performance while we explore new opportunities to deliver shareholder value.

Sincerely,



**Jeff Stusek**

President and Chief Executive Officer

# 2014 Performance Highlights: Bringing Our Strategy to Life

In 2014, ISC demonstrated its ability to execute on its strategic priorities. ISC adapted to its new structure as a publicly traded company, achieved modest growth and maintained the stability in service delivery and dividend return that stakeholders expect.



Although we were challenged by a slower rate of growth in Saskatchewan's economy, we increased our revenue by \$1.4 million over 2013. Consistent with our historical performance, the Land Registry accounted for \$62.0 million of revenue and remains the largest part of our business, while the Personal Property Registry added \$9.9 million and Corporate Registry \$8.2 million.

Revenue generated by our Land Titles Registry increased even though volumes have been relatively flat, as the percentage of high-value transactions rose from the previous year. As a large portion of our fees are charged based on the value of the transaction, we generated more revenue.



## EBITDA\* MARGIN

37.6%

## PURSUING EFFICIENCY

As we continue to seek opportunities to grow revenue, we are identifying areas to reduce our operating costs and increase net income.



## INNOVATING THROUGH TECHNOLOGY

MapSearch is one of the ways that ISC brings information to life - using our historical archives and survey information to provide detailed information about property in Saskatchewan. In December 2014, we implemented an upgrade to our MapSearch system, that makes it easier for customer to access the information they need.

In addition, we completed the transition to mandatory online submission for survey plans, streamlining the process for users and reducing our internal time and cost.

## ANNUAL DIVIDEND

\$0.80

Per Share

## PAYING DIVIDENDS

With a strong balance sheet, little debt and a long history of stable performance, ISC has made a priority of returning dividends to investors while using our significant free cash flow to responsibly explore new opportunities. ISC delivered approximately a 4 per cent dividend yield - \$14.0 million - to shareholders in 2014.



## EXPANDING SERVICES

The same capabilities that make ISC a leader in land, corporate and personal property registries can be applied in other areas and represent opportunities for growth. As an example, in October 2014, ISC was selected by Saskatchewan's Ministry of Labour Relations and Workplace Safety to develop an asbestos registry.

\* Earnings before interest, taxes, depreciation and amortization

# Our Strategic Priorities

While reliability and stability are ISC's foundation, we continue to look for ways to expand our business, build our revenue and create value for shareholders.

## 1. EARNINGS GROWTH AND SUSTAINABLE COST MANAGEMENT

With our core services and 20-year Master Service Agreement with the Government of Saskatchewan, we have a stable base and opportunities for organic growth by continuing to do what we do - and doing it well.

At the same time, we can generate greater returns through the ongoing improvement of internal systems. Our goal is to create long-term sustainable cost savings that allow us to maximize revenue growth.

## 2. ORGANIZATIONAL EFFECTIVENESS AND COMPLIANCE

In 2014, we placed a high priority on completing the successful transition from Crown corporation to publicly traded company - both as a business transition and a cultural shift.

We implemented systems and processes to ensure we met the requirements associated with being a publicly traded company as well as the commitments of our Master Service Agreement.

## 3. GROWTH IDENTIFICATION AND EXECUTION

In 2014, ISC moved toward growth on three key fronts:

### Expansion of Services

Each day presents new and immediate opportunities for growth. We listen to government, industry and individual customers to identify ways to deliver information and information management to their lives.

As the keeper of large volumes of reliable information, ISC's analytics can help shape decision-making for our customers.

### Acquisitions

In 2014, we continued to develop a framework for future acquisitions - developing the strategy and processes needed to assess and evaluate opportunities that are aligned with our long-term strategic plan.

### Replication

ISC's reputation and experience make it possible to deliver the same suite of services we provide to the Government of Saskatchewan to other jurisdictions. Although it requires time for governments to examine the benefits of alternative service delivery options, we are well positioned to provide a full-service solution as change happens.

# Management's Discussion and Analysis

of Financial Condition and Results of Operations  
For the Fourth Quarter and Year Ended December 31, 2014

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## Introduction

In the coming pages, Information Services Corporation ("ISC") presents its Management's Discussion and Analysis ("MD&A"), a report that discusses our financial and operating performance, business indicators and outlook from management's viewpoint. This document should be read in its entirety and is intended to complement and supplement ISC's audited Consolidated Financial Statements for the years ended December 31, 2014 and 2013. Additional information, including our Annual Information Form for the year ended December 31, 2014, is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## Responsibility for Disclosure

This MD&A contains information from our audited Consolidated Financial Statements (the "Financial Statements") for the years ended December 31, 2014, 2013 and 2012, prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The financial information that appears throughout our MD&A is consistent with the Financial Statements.

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

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

This MD&A is current as of March 17, 2015. The Board of Directors ("Board") carries out its responsibility for review of this disclosure primarily through the Audit Committee, which is comprised exclusively of independent directors. The Audit Committee reviews the MD&A and recommends it to the Board for approval. Other key responsibilities of the Audit Committee include reviewing our existing internal control procedures and planned revisions to those procedures, and advising the directors on auditing matters and financial reporting issues.

This MD&A contains forward-looking statements and should be read in conjunction with the "Caution Regarding Forward-Looking Statements" section below.

## Caution Regarding Forward-Looking Statements

Certain statements in this MD&A about ISC's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expect", "plan", "intend", "trend", "indicate", "anticipate", "believe", "estimate", "predict", "project", "targets", "strive", "strategy", "continue", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases are intended to identify forward-looking statements. By their nature, these statements involve assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements.

Discussions containing forward-looking statements may be found in this MD&A. Forward-looking statements, including, without limitation, those contained in the "Outlook" section hereof, management's expectations, intentions and beliefs concerning the registry services and information products industry and, in particular, the land, personal property and corporate registry sectors thereof, its competitive landscape, the general economy and the real estate market, fluctuations in the Canadian dollar, statements regarding the future financial position or results of ISC, business strategy, proposed acquisitions, growth opportunities, capital and operating expectations, access to financing on satisfactory terms, debt levels, free cash flow, potential litigation, projected costs, and plans and objectives of or involving ISC, are 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 the Saskatchewan economy, the impact of commodity prices, such as agricultural commodities, oil and potash and the value of the Canadian dollar on the Saskatchewan economy, consumer confidence, interest rates, level of unemployment, inflation, real estate market in Saskatchewan, claim liabilities, income taxes, our ability to attract and retain skilled staff, the compensation and benefits that will be paid or provided to employees and our level of customer service, as well as goodwill and intangibles are material factors in preparing forward-looking statements and management's expectations.

Many factors could cause actual results, levels of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors:

- potential disagreements with the Government of Saskatchewan;
- ISC's limited ability to set fees;
- legislative changes that affect our business;
- the Saskatchewan and Canadian economies, including conditions within the real estate market, inflation, interest rate levels, unemployment levels and consumer behaviour;
- the level of search and registration activities, principally as related to the Land, Personal Property and Corporate Registries (collectively, the "Registries");
- reliance on key personnel;
- our ability to execute our growth strategy;
- any compromise to the integrity or security of our information assets;
- our reliance on information technology systems or a material disruption in our computer systems;
- our reliance on third-party service providers or other contractors under key contractual arrangements;
- competition for service offerings (other than our exclusive service offerings to the Government of Saskatchewan);
- our insurance may not provide adequate coverage;
- litigation and tax matters;
- our liability to the Government of Saskatchewan under the Master Service Agreement ("MSA") is unlimited, except in certain specified circumstances;
- any adverse changes in labour relations;
- any failure to protect ISC's intellectual property rights;
- the potential for a volatile market price for our Class A Limited Voting Shares ("Class A Shares"); and
- our ability to pay dividends, which is dependent on our ability to generate sufficient income and cash flow.

These factors should be considered carefully. We caution that the foregoing listings of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding ISC's financial performance and may not be appropriate for other purposes. Readers should not place undue reliance on forward-looking statements made herein.

Furthermore, unless otherwise stated, the forward-looking statements contained in this MD&A are as of the date of this MD&A, and we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

## Highlights

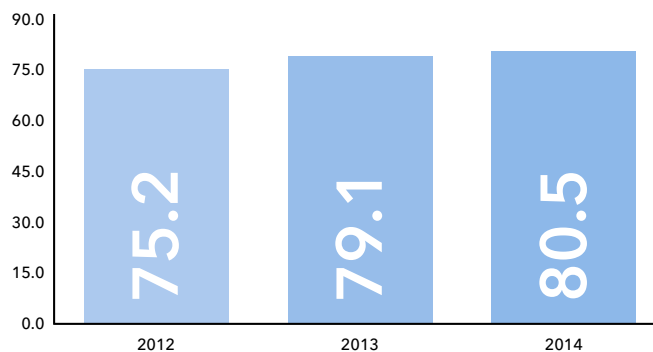
### Fourth Quarter Highlights

- Revenue was \$19.8 million for the three months ended December 31, 2014, a decrease of \$0.2 million or 1.4 per cent, compared to \$20.0 million for the three months ended December 31, 2013. Revenue excludes the Vital Statistics Registry, which is treated as a discontinued operation in 2013.
- EBITDA (earnings before interest, taxes, depreciation and amortization) for the fourth quarter of 2014 was \$7.0 million compared to \$8.3 million in the fourth quarter of 2013, a decrease of 15.5 per cent.
- ISC's EBITDA margin for the fourth quarter of 2014 was 35.6 per cent compared to the 41.6 per cent in the fourth quarter of 2013.
- Adjusted EBITDA was \$7.0 million for the quarter compared to \$8.4 million in the same quarter last year, with ISC generating an adjusted EBITDA margin of 35.6 per cent for the quarter compared to 41.9 per cent in the fourth quarter of 2013. The adjusted EBITDA margin for the three months ended December 31, 2013 was higher, reflecting adjustments for costs associated with the Initial Public Offering ("IPO") on July 9, 2013. As no adjustments were made for the IPO and discontinued operations in the fourth quarter 2014, adjusted EBITDA mirrors EBITDA for the period.
- Net income for the three months ended December 31, 2014 was \$4.0 million, or \$0.23 per share. In the fourth quarter of 2013, net income was \$4.7 million, or \$0.27 per share.

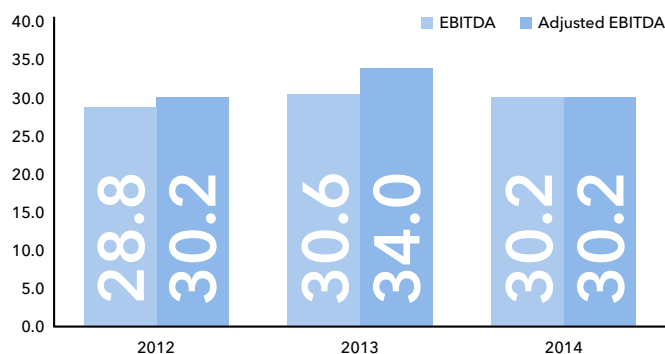
### Year End Highlights

- Revenue was \$80.5 million for the year ended December 31, 2014, an increase of \$1.4 million or 1.7 per cent, compared to \$79.1 million for the year ended December 31, 2013. Revenue excludes the Vital Statistics Registry, which is treated as a discontinued operation in 2013.
- EBITDA for the year ended December 31, 2014 was \$30.2 million compared to \$30.6 million for the year ended December 31, 2013, a decrease of 1.0 per cent.
- ISC's EBITDA margin for the year ended December 31, 2014 was 37.6 per cent compared to 38.1 per cent in the year ended December 31, 2013. The Land Titles Registry saw a large number of high value property transactions

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

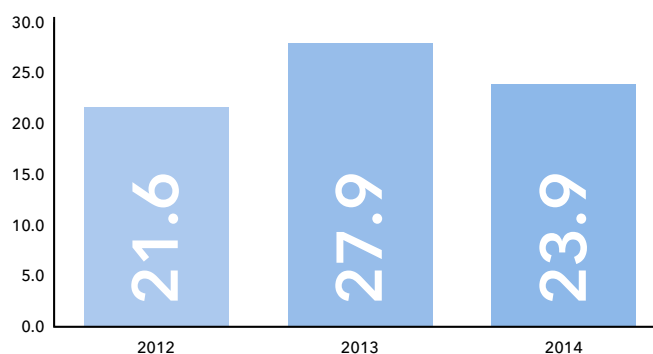


**EBITDA<sup>1</sup> and Adjusted EBITDA<sup>1</sup>**  
**for the year ended December 31,**  
(CAD\$ millions)



<sup>1</sup> For a reconciliation of EBITDA and adjusted EBITDA see section name "Financial Measures and Key Performance Indicators". EBITDA and adjusted EBITDA are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, are not comparable to similar measures by other corporations. See section name "Non-IFRS Measures".

**Free cash flow<sup>1</sup> for the year ended December 31,**  
(CAD\$ millions)



<sup>1</sup> Free cash flow is not recognized as a measure under IFRS and does not have a standardized meaning prescribed by IFRS and, therefore, is not comparable to similar measures by other corporations. See section name "Non-IFRS Measures".

in 2014, which generated a high fee per transaction. The number of high value transactions was higher than our long-term average. Typically, high value transactions are around 4.9 per cent of total revenue. In 2014, high value transactions were 6.7 per cent of the Company's revenue which directly affects EBITDA margins. Not considering these high value transactions, ISC would have achieved an EBITDA of 36.7 per cent in 2014.

- Adjusted EBITDA was \$30.2 million for the year ended December 31, 2014 compared to \$34.0 million in the same period last year, with an adjusted EBITDA margin of 37.6 per cent for the year ended December 31, 2014 compared to 43.0 per cent in the same period of 2013. The adjusted EBITDA margin for the year ended December 31, 2013 was unusually high; reflecting adjustments for costs associated with the IPO on July 9, 2013 and discontinued operations. As no adjustments were made for the IPO and discontinued operations in 2014, adjusted EBITDA mirrors EBITDA for the period.
- Net income for the year ended December 31, 2014 was \$18.4 million or \$1.05 per share. For the year ended December 31, 2013, net income was \$77.0 million, or \$4.40 per share; however, for comparative purposes, it is important to note that ISC claimed an income tax recovery in the second quarter of 2013. Excluding tax implications and discontinued operations, ISC saw a

decrease in income for the year ended 2014 compared to the same period of 2013 of \$0.5 million, or 2.0 per cent. This translates to \$1.45 per share for the year ended December 31, 2014 compared to \$1.48 per share for the same period in 2013.

- In 2014, ISC signed new five-year service agreements with the Company's information technology service providers.
- ISC delivered a new release of Map Search which supports improved performance, usability and new content that will meet the needs of customers more effectively.
- ISC completed the mandatory plan submission online ("PSO") project which will require all Plans of Survey to be submitted in a standardized digital format. The PSO tool allows surveyors to check their Plans of Survey for completeness and accuracy prior to submission to ISC. This is expected to reduce the amount of manual examination required and costs previously associated with the submission of survey plans.
- ISC engaged in a non-solicited presentation for the development of an asbestos registry with the Ministry of Labour Relations and Workplace Safety and was named the provider in an advanced contract award notice posted in October 2014.

## Selected Financial Information

The selected annual financial information set out for the years ended December 31, 2014, 2013 and 2012 is derived from the Company's 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.

The Vital Statistics Registry was transferred to eHealth Saskatchewan in 2013. As a result, our presentation includes adjusted numbers to provide a more accurate comparison of results between periods. The results for the Vital Statistics Registry are reflected under section name "Discontinued Operations".

(thousands of CAD dollars)	Year Ended December 31,		
	2014	2013	2012
Revenue	\$ 80,459	\$ 79,131	\$ 75,216
Net income and total comprehensive income	18,360	76,981	21,240
EBITDA <sup>1</sup>	\$ 30,240	\$ 30,554	\$ 28,794
Adjusted EBITDA <sup>1</sup>	30,240	34,008	30,167
EBITDA margin (% of revenue) <sup>1</sup>	37.6%	38.1%	37.2%
Adjusted EBITDA margin <sup>1</sup>	37.6%	43.0%	40.1%
Free cash flow <sup>1</sup>	\$ 23,914	\$ 27,862	\$ 21,612
Dividend declared <sup>2</sup>	0.80	0.38	-
Earnings per share (\$ per share)			
From continuing and discontinued operations, basic and diluted <sup>3</sup>	\$ 1.05	\$ 4.40	\$ -
From continuing operations excluding income tax expense and discontinued operations, basic and diluted <sup>4</sup>	1.45	1.48	-

	Year Ended December 31,		
	2014	2013	2012
Total assets	\$ 109,720	\$ 108,101	\$ 48,638
Total non-current liabilities	10,417	10,814	1,493

<sup>1</sup> For a reconciliation of EBITDA, adjusted EBITDA and free cash flow, see section name "Financial Measures and Key Performance Indicators". EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin and free cash flow are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, are not comparable to similar measures by other corporations. See section name "Non-IFRS Measures".

<sup>2</sup> Dividends declared per share for 2013 are since the Company's listing on the Toronto Stock Exchange ("TSX") on July 9, 2013.

<sup>3</sup> The calculation of earnings per share is based on net income after tax and the weighted average number of shares outstanding during the period.

<sup>4</sup> See section name "Results of Operations" for calculation.

## Business Overview

Headquartered in Regina, Saskatchewan, Canada, ISC is the exclusive provider of land, personal property and corporate registry administration and management services to the Government of Saskatchewan under a 20-year Master Service Agreement that was implemented in May 2013.

Since ISC's creation in 2000 as a provincial Crown corporation with a mandate to modernize the land titles registry, the Company has acquired and enhanced several registries within Saskatchewan.

In 2013, Information Services Corporation made the transition from a provincial Crown corporation owned by the Government of Saskatchewan to a publicly traded company with shares that began trading on July 9, 2013 on the TSX under the symbol "ISV".

ISC is distinguished from typical registry software providers by its unique expertise in the full-service management and administration of registries. In addition to the registry services, ISC offers complementary and customized information services and solutions. ISC works



with governments and private-sector organizations to develop policies and procedures to support the integrity of the data, then manages the information technology and data management and authentication processes. Finally, the Company delivers the customer service experience online and through personal interactions.

The end-users of our products and services are individuals and businesses, including real estate agents, home builders and municipalities, governments, financial institutions, insurance companies, car and equipment dealers, land developers, and resource, utility and pipeline businesses as well as small businesses and corporations and established intermediary customers such as legal, survey and engineering firms.

### Description of Revenue Sources

From a reporting perspective, in 2014, ISC presents its operational and financial performance based on its three major registry services:

- The Land Registry, which includes the Land Titles Registry, the Land Surveys Directory (“Land Surveys”) and Geomatics Services and Solutions (“Geomatics”);
  - Land Titles Registry issues titles to land and registers transactions affecting titles, including changes of ownership and the registration of interests in land;
  - Land Surveys registers land survey plans and creates a representation of Saskatchewan land parcels in the cadastral parcel mapping system; and
  - Geomatics services manage geographic data in relation to the cadastral parcel mapping system that is integrated with Land Titles Registry and Land Surveys. In addition, there are stand-alone services such as topographical maps and aerial photos.
- The Personal Property Registry (“PPR”), which is a notice-based public registry where individuals, corporations, lenders and others can register their interests (liens) on movable types of personal property such as automobiles, farm equipment, boats, etc.; and
- The Corporate Registry, which is a province-wide system for registering business corporations, non-profit corporations, co-operatives, sole proprietorships, joint ventures and business partnerships.

In each of these registries, there are three common revenue components. ISC generates revenue primarily by earning fees from our end-use customers for:

1. Registrations;
2. Searches; and
3. Maintenance transactions.

Registrations are conducted online or through staff-assisted services that facilitate the submission and registration of interests in land or property or registrations related to business entities. Our customers typically submit registration requests electronically, and registrations are completed through automated or manual processes.

Searches for current or historical information are conducted online by customers or in person at an ISC Customer Service Centre. Customized services are also available for searches of larger volumes of records or consolidated information from multiple registries and other sources.

Maintenance transactions are also conducted online or through our Customer Service Centres and include maintenance of registry information, mineral certifications and the annual filings required for corporate entities.

These transactions are primarily Core Registry Services as defined by the MSA, and the fees associated with these core services are defined within the agreement. ISC also has the ability to set and generate fees from non-core ancillary services, an example of which would be priority mineral certification services and geomatics-related services.

The following section provides readers with a business description and discusses the revenue drivers that ISC monitors to determine current and future financial performance.

### Description of Registries

#### The Land Registry

As noted previously, from a reporting perspective, the Land Registry includes the Land Titles Registry, the Land Surveys and Geomatics.

#### Land Titles 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. The Land Titles Registry contributes to Saskatchewan’s economic activity by ensuring access to timely and reliable land ownership information to support new and used home sales, land and home development transfers, and other value-added transactions that contribute to provincial economic development. Its primary users are legal firms, financial institutions, developers and resource-based companies.

Because the Land Titles Registry revenue is comprised of both residential and non-residential activity, mortgage rates and business lending rates may affect revenue. Changes in provincial population also affect the housing market, which, in turn, impacts vacancy rates, changes of ownership and revenue.

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

The following chart describes some of the main revenue components for the Land Titles Registry.

<p><b>REGISTRATION</b></p> <ul style="list-style-type: none"> <li>• Title transfers</li> <li>• Interest registrations, assignments and amendments</li> <li>• Revenue is earned through both value-based and flat fees</li> </ul>
<p><b>SEARCH</b></p> <ul style="list-style-type: none"> <li>• Web searches of Land Titles Registry information</li> <li>• Bulk data requests for Land Titles Registry information</li> <li>• Revenue is generated through flat fees for standard searches or flat or negotiated fees for customized services</li> </ul>
<p><b>MAINTENANCE</b></p> <ul style="list-style-type: none"> <li>• Mineral certification service</li> <li>• Bulk data requests</li> <li>• Flat fees for standard services</li> <li>• Flat or negotiated fees for customized services</li> </ul>

The Company typically charges a flat fee per transaction for search and maintenance transactions; however, in certain instances, we may charge a custom fee for a customized search or maintenance transaction such as certain mineral certification or bulk data requests.

### Land Surveys

Land Surveys registers land survey plans and creates a representation of Saskatchewan land parcels in the cadastral parcel mapping system. Land survey plans define the geographic boundaries of land parcels throughout Saskatchewan, while the cadastral parcel

mapping system depicts the land survey system with surface and mineral ownership parcel boundaries.

Land Surveys services include registrations, searches and related survey services. Revenue related to all services is earned as a flat fee per transaction.

Land Surveys supports significant economic development activity within the province, including land, resource, community and commercial developments. Our customers include surveyors, developers, resource companies and other businesses that need access to our mapping systems and survey plans to support their development plans.

The following chart describes some of the main revenue components for Land Surveys.

<p><b>REGISTRATION</b></p> <ul style="list-style-type: none"> <li>• Plan registrations</li> <li>• Plan change orders</li> <li>• Revenue is earned through flat fees</li> </ul>
<p><b>SEARCH</b></p> <ul style="list-style-type: none"> <li>• Web searches of Land Surveys information</li> <li>• Revenue is earned through flat fees</li> </ul>
<p><b>SERVICES</b></p> <ul style="list-style-type: none"> <li>• Parcel picture on demand service</li> <li>• Revenue is generated through flat fees for standard services or negotiated fees for customized services</li> </ul>

### Geomatics

Geomatics manages geographic data related to the cadastral parcel mapping system, which is integrated with the Land Titles Registry and Land Surveys. Geomatics data is searchable by the public and provides the cadastral and derived data used to produce the Saskatchewan provincial base map for land-related activities within the province. The services provided vary considerably.

For example, the Company has developed the GeoSask portal ([www.geosask.ca](http://www.geosask.ca)) to provide free online public access to Saskatchewan geospatial data in partnership with a group of Government of Saskatchewan ministries and agencies. Geospatial data combines an image of specific land-based attributes with its geographical location. ISC operates the portal, distributes data to end-users and has the right under license to use the geospatial

data within the GeoSask portal to support ancillary product and services offerings.

Unlike the other services offered within the Land Registry, Geomatics does not derive revenue from registration or maintenance services; rather, it produces revenue through searches and value-added services. Fees for Geomatics services are typically negotiated per transaction based on the type and nature of services required. For example, ISC receives an annual fee from certain Government of Saskatchewan ministries and agencies for operating the GeoSask portal, but does not receive transaction-based fees related to use of the portal.

The Company has also provided Geomatics services and solutions for land-related data and applications. ISC developed the Mineral Administration Registry Saskatchewan ("MARS") for the Ministry of the Economy, which provides an online system for issuing and administering Crown land mineral dispositions throughout Saskatchewan and eliminates the need to physically stake Crown mineral claims. In early 2015, we signed a service agreement with the Ministry of Economy to host and support the MARS system in exchange for a service fee.

In a similar service, ISC led the development of the Saskatchewan Civic Address Registry ("CAR Project"), under contract with the Ministry of Government Relations to create a province-wide civic address registry and an online maintenance system. We are finalizing the terms of a service agreement with the Saskatchewan Ministry of the Economy to host and support the CAR Project in exchange for a service fee.

### Personal Property Registry

The PPR is a notice-based public registry into which interests in movable types of personal property may be registered. The PPR enables lenders as well as buyers of personal property (e.g. motor vehicles) to search for information such as security interests registered against an individual, business or personal property used as collateral. Buyers and lenders search the PPR to ensure there are no outstanding notices of third-party interests in personal property.

General provincial economic factors, including automotive sales, interest rates and the strength in commercial activity across the province influence PPR revenue.

Under the PPR, customers are charged flat fees per transaction.

The following chart describes some of the main revenue components for the PPR.

#### REGISTRATION

- Registration or setup events for Personal Property security agreements or judgments
- Revenue is generated from flat fees

#### SEARCH

- Web searches of PPR or Judgment Registry information
- Revenue is generated from flat fees

#### MAINTENANCE

- Amendments
- Renewals
- Discharges
- Revenue is generated by flat fees

PPR's automated web-based systems enable real-time completion of search and registration services and minimize operational effort to deliver services. Approximately 99.0 per cent of searches in the PPR are completed online. The high online usage is stable, with minimal numbers of end-use consumers needing staff assistance to complete their transactions.

### Corporate Registry

The Corporate Registry is a province-wide system for registering business corporations, non-profit corporations, co-operatives, sole proprietorships, joint ventures and business partnerships. Every corporation must be registered in the Corporate Registry to maintain its legal status and carry on business within Saskatchewan. Records on all Saskatchewan businesses are maintained and made available to the public through the Corporate Registry.

This registry benefits from a strong provincial economy, competitive tax rates and business incentives that encourage new and existing businesses to register and maintain their legal status in Saskatchewan.

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

The following chart describes some of the main revenue components for the Corporate Registry.

<p><b>REGISTRATION</b></p> <ul style="list-style-type: none"> <li>• Registration or incorporations</li> </ul>
<p><b>SEARCH</b></p> <ul style="list-style-type: none"> <li>• Name search and reservation service</li> <li>• Searches of Corporate Registry information</li> </ul>
<p><b>MAINTENANCE</b></p> <ul style="list-style-type: none"> <li>• Annual returns</li> <li>• Amendments, amalgamations, discontinuances</li> <li>• Rush fees</li> </ul>

During the course of the third quarter of 2014, the Company engaged the support of a third-party vendor to assist with ISC's efforts to renew and enhance the operations which support the Corporate Registry. This includes the renewal and enhancement of the technology supporting the Corporate Registry which will help streamline processes and lead to an enhanced service for customers. The Company is currently targeting completion of this project for the spring of 2016.

### Business Registration Saskatchewan

We have developed and launched Business Registrations Saskatchewan which was first offered in 2011 as part of a new initiative designed to deliver a suite of government and information services to Saskatchewan business owners within a single window.

Business Registrations Saskatchewan enables new businesses to complete three initial steps to register in one online environment by permitting business owners to access the Corporate Registry, register as an employer with Saskatchewan Workers' Compensation Board and register for Provincial Sales Tax with the Saskatchewan Ministry of Finance. We do not currently charge any additional fees for business owners who register through Business Registrations Saskatchewan. Refer to our website for more information ([www.isc.ca/business-registrations](http://www.isc.ca/business-registrations)).

Pursuant to the Master Service Agreement, we have agreed to continue to provide services, and have been

appointed as the exclusive provider of services relating to the Business Registrations Saskatchewan (referred to in the Master Service Agreement as "Business Portal"), for a period (the "Initial Business Portal Term") ending on November 30, 2015. During the Initial Business Portal Term, we are entitled to develop and charge fees for additional services or add-ons. Should we wish to continue the provision of Business Registrations Saskatchewan after the Initial Business Portal Term, we will negotiate with the Province the terms, including any fees that we may charge, of such continuance.

### Saskatchewan Asbestos Registry

On November 7, 2013, Saskatchewan proclaimed legislation requiring mandatory reporting of public buildings known to contain asbestos. The Saskatchewan Asbestos Registry of Public Buildings has been created to share information about public buildings containing asbestos. The current registry is not searchable.

During 2014, ISC was named as the provider in an advanced contract award notice and began the development of an asbestos registry with the Saskatchewan Ministry of Labour Relations and Workplace Safety ("LRWS"). ISC is working with LRWS to develop a user-friendly, searchable online Asbestos Registry of Public Buildings. ISC will subsequently host and maintain the online registry on behalf of the Ministry.

### econveyance™ Transaction

On December 22, 2014, ISC announced that the Company entered into an asset purchase agreement with OneMove Technologies Inc., OneMove Online Systems Inc. and related parties, (collectively, "OneMove") to acquire econveyance™, a proprietary online conveyancing solution. On February 5, 2015, the Company announced that it had received a Request for Information from the Competition Bureau and that the closing of the transaction had not yet occurred. On March 16, 2015, the Company announced that, by mutual agreement, the sale by OneMove and purchase by ISC of the econveyance™ business, as previously announced, is not proceeding. OneMove and the Company have signed a mutual release and termination agreement.

## Expenses

Our expenses consist of the following:

- Wages and salaries are our largest expense and include employee salaries with related benefits for both unionized and non-unionized employees, as well as pension plan contributions, economic adjustments, performance increases, training and professional dues, and recruitment.
- Information technology services include contract services with third-party service providers, annual service agreements, repairs and maintenance, system support and consulting, network charges, and operational releases.
- Depreciation and amortization includes the cost of the property, plant and equipment and intangible assets over their useful life.
- Occupancy expenses include rent, parking, utilities, storage, janitorial supplies and services, facility repairs and maintenance, general office supplies, printed forms, mail, courier and telephone charges.
- Professional services include legal, audit and business consulting services.
- Project initiatives include costs that can be operational or costs that are not eligible to be capitalized as part of the development of the asset, therefore, must be expensed in the current year. Such costs include training, marketing, travel, selling, administration and general overhead costs.
- Other costs include financial services, travel and business costs, advertising and promotion, insurance and assurance, and other corporate expenses.

## Net Finance Expense (Income)

Net finance expense (income) is derived from interest paid on long-term borrowed funds offset by interest earned from cash on hand.

## Tax Provision

As a Crown corporation, ISC was exempt from federal and provincial income taxes under the *Income Tax Act* (Canada) as amended (the "Tax Act"). In accordance with section 149(1)(d.2), this exemption continued to apply through ISC's continuation as a wholly owned subsidiary of Crown Investments Corporation of Saskatchewan ("CIC"). ISC's tax-exempt status changed on June 27, 2013, when

ISC and CIC entered into an Underwriting Agreement with a syndicate of underwriters. As a result, the impact of the change in tax status is reflected in the December 31, 2013 comparative figures. ISC is subject to federal and provincial income taxes at an estimated combined rate of 27.0 per cent.

Upon the change in status, a new taxation year commenced and the Company's properties were deemed to have been disposed of at fair market value while the Company was still exempt from tax and have been reacquired at the amount at the commencement of the new taxation year. Consequently, the Company can amortize and deduct the cost of depreciable tangible and intangible properties in computing its income for tax purposes in accordance with the rules in the Tax Act. The increase in the tax bases of certain of the Company's assets upon the change in tax status created a deferred tax asset.

## Business Strategy

### Strategic Direction

In 2014, ISC demonstrated solidified operations as a publicly traded company, produced robust financial results, and advanced the exploration of growth opportunities. All of this was achieved while meeting current customer expectations and maintaining stable, effective operations, ensuring a strong foundation of continued stability to enable our growth.

ISC is committed to delivering on a strategy that focuses on the creation of shareholder value, provided through consistent financial excellence and an attractive, stable dividend, with an eye to prudently exploring growth opportunities in the evolving information services market.

We maintain our dedication to effectively delivering exclusive registry services to the Government of Saskatchewan through the 20-year Master Service Agreement. We continue to believe that the successful execution of these services to the Province and its citizens is key to enhancing our brand and exposing opportunities both inside and outside of Saskatchewan.

At the same time, we know that opportunities for growth, both through execution of new and enhanced offerings in Saskatchewan and beyond as well as earnings growth through increased margins, is an area worthy of pursuit. ISC will continue to seek opportunities to grow the Company in a meaningful, sustainable way, remaining attentive to alignment with the expectations of our shareholders.

## Strategic Priorities

ISC continues to focus on three strategic priorities that we believe contribute to value creation, risk management and efficiency enhancements:

### 1. Earnings Growth and Sustainable Cost Management

- Deliver consistent EBITDA growth with a focus on increased margins through the generation of permanent cost efficiencies; and
- Focus on primary cost centres to manage expenditures and prioritize investments.

### 2. Organizational Effectiveness and Compliance

- Implement systems and process renewal to support earnings growth and the evolving needs of current and potential customers; and
- Deliver on credible, efficient registry services in compliance with the Master Service Agreement with the Government of Saskatchewan.

### 3. Growth Identification and Execution

- Replication of ISC service offerings in other jurisdictions;
- Incremental growth through service enhancements and new products; and
- Acquisition of companies, systems and assets to enhance ISC's ability to compete in current or new business lines, markets or through expanded product offerings.

## Strategic Principles

In alignment with these priorities, we have identified several related principles that support our strategic focus, including:

- Diversifying revenues among our primary registries to reduce reliance on Saskatchewan and land registry-based income;
- Delivering reliable returns to shareholders by sustaining and enhancing dividends over time;
- Maximizing our balance sheet strength, both from a cash and debt perspective;
- Leveraging our brand and experiences gained through our long-term relationship with the Government of Saskatchewan to realize increased opportunities in the province;

- Exploring replication and alternative services delivery opportunities across Canada; and
- Harnessing the potential of data and analytics.

## Core Competencies and Strengths

We believe ISC's key core competencies and strengths continue to position us well to achieve our strategic objectives and succeed in the future:

### History

#### Extensive experience in developing and fostering relationships with governments

ISC has developed and maintains strong working relationships with the Government of Saskatchewan and its ministries regarding the development, provision and commercialization of registry and related information services. We understand the demands and service standards sought by governments, as well as the decision-making processes implemented by governments in connection with critical information services and the management of personal and business information.

### Innovation and Efficiency

#### Unique expertise in providing full-service registry services

ISC manages registry information and service delivery processes, providing a full-service offering for governments or private-sector organizations to fully outsource these processes. We have accumulated expertise in facilitating real property, personal property and corporate transactions, and our end-users rely on us to deliver quick and efficient processing of these transactions while avoiding unnecessary costs or errors. By providing full-service capabilities, we are able to achieve a critical objective of governments and private-sector organizations who seek to deliver high quality services to their customers at a lower cost.

### Stability

#### Long-term exclusive provider of registry and related information services to the Government of Saskatchewan

ISC is the provider of Land Registry, Land Surveys, Personal Property Registry, and Corporate Registry services for the Government of Saskatchewan. Under the terms of the MSA, we have the exclusive right to manage and operate the registries on behalf of the Government of Saskatchewan until 2033.

## Reliability

### Solid financial position

Our EBITDA, together with our low levels of capital expenditures and low levels of indebtedness, allow us to generate a strong cash flow for investment in new products and services, growth initiatives and dividends. We expect to continue generating predictable and stable cash flow, due to the non-discretionary nature of our core registry services. We intend to use our internally generated cash flow to meet our anticipated dividend payments, as well as other cash requirements.

## Transformation

### Experienced and committed team with a track record of performance and excellence in customer service

ISC has an experienced and committed management team with a proven track record of successfully acquiring, integrating and modernizing registries and related information services to serve individuals and businesses. ISC successfully completed the integration and automation of several registries, including a conversion of the Land Titles Registry, PPR and Vital Statistics Registry to online systems.

These initiatives have significantly improved service levels and turnaround times for our customers, as demonstrated by favourable customer survey results, while simultaneously generating cost savings and improved operating efficiencies through streamlined operational processes. We have an established infrastructure that includes customer service centres, key information systems and established processes that we believe can be leveraged to support additional registry and information services.

## Information

### Leveraging the information from our core assets and providing value to governments and businesses

As a result of our exclusive right to use and distribute the data available through the existing registry systems, we are able to provide data through various channels to many end-users and provide additional services in the future. Furthermore, by providing full-service capabilities, we are able to achieve a critical objective of governments and businesses who seek to deliver high quality services to their customers at a lower cost.

## Opportunity

### Maximizing our capital structure and corporate transformation to deliver new value

ISC's transformation in 2013 from a Crown corporation wholly owned by the Government of Saskatchewan to a publicly traded company with shares trading on the TSX was a significant milestone for our organization that positioned us to seek new opportunities and diversify our business into the future. With access to capital, low debt levels, significant free cash flow and a diversified shareholder base, ISC has the financial foundation upon which to grow our services in Saskatchewan and beyond.

## Results of Operations

### Fourth Quarter Results From continuing and discontinued operations

(thousands of CAD dollars)	Three Months Ended December 31,	
	2014	2013
Revenue		
Land Titles Registry, Land Surveys and Geomatics	\$ 15,054	\$ 15,688
Personal Property Registry	2,338	2,358
Corporate Registry	2,017	1,982
Other	350	11
	<b>19,759</b>	<b>20,039</b>
Expenses		
Wages and salaries	6,422	5,469
Information technology services	2,703	2,862
Depreciation and amortization	1,392	1,206
Occupancy costs	1,068	1,100
Professional and consulting services	1,263	943
Project initiatives	465	475
Other	803	860
	<b>14,116</b>	<b>12,915</b>
Income from continuing operations before net finance expense (income)	<b>5,643</b>	<b>7,124</b>
Finance expense (income)		
Interest income	(87)	(67)
Interest expense	30	68
Net finance expense (income)	<b>(57)</b>	<b>1</b>
Income from continuing operations before tax	<b>5,700</b>	<b>7,123</b>
Income tax expense	<b>1,686</b>	<b>2,380</b>
Net income and total comprehensive income	<b>\$ 4,014</b>	<b>\$ 4,743</b>
EBITDA <sup>1</sup>	<b>\$ 7,035</b>	<b>\$ 8,330</b>
Adjusted EBITDA <sup>1</sup>	<b>7,035</b>	<b>8,395</b>

<sup>1</sup> For a reconciliation of EBITDA and adjusted EBITDA, see section name "Financial Measures and Key Performance Indicators". EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, are not comparable to similar measures by other corporations. See section name "Non-IFRS Measures".

### Revenue

For the three months ended December 31, 2014, revenue from these activities was \$19.8 million, a decrease of \$0.2 million, or 1.4 per cent, compared to \$20.0 million for the three months ended December 31, 2013.

#### (i) Land Registry

Revenue for the Land Registry was \$15.1 million for the three months ended December 31, 2014, a decrease of \$0.6 million, or 4.0 per cent, compared to the three months ended December 31, 2013. Results were weaker in the last

quarter of 2014, as compared to the same period in 2013, due to a slowing Saskatchewan economy.

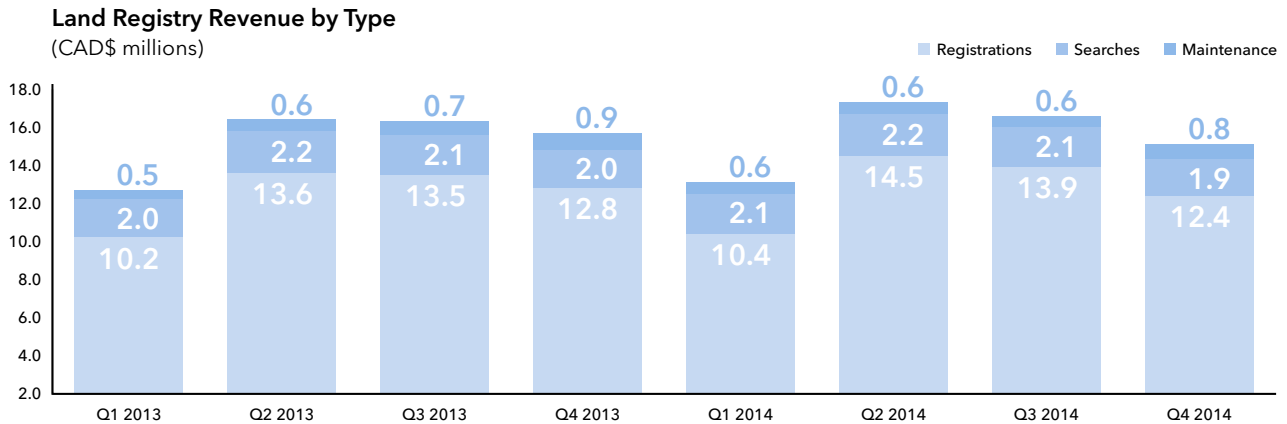
The majority of the revenue generated from the Land Registry is from the Land Titles Registry where the fees the Company earns are value based. While the average price of existing housing continues to increase in Saskatchewan, overall, the pace has slowed. The most recent data from Statistics Canada New Housing Price Index<sup>1</sup> for Saskatchewan as at November 2014 indicates that there was a year-over-year increase of 1.2 per cent compared to

<sup>1</sup> Statistics Canada. Table 327-0046 - New housing price indexes, monthly (index, 2007=100), CANSIM (database), accessed January 16, 2015.

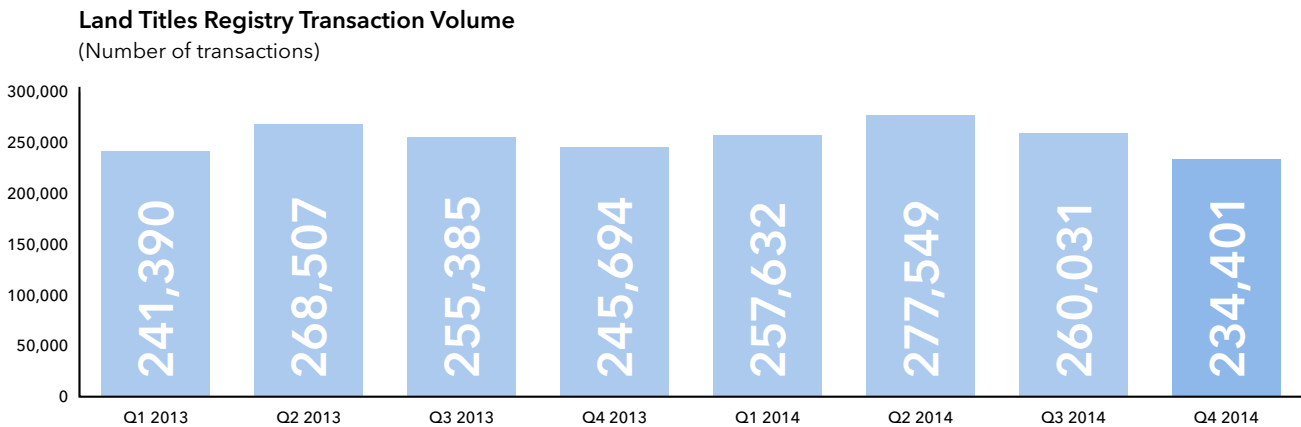


November 2013. This increase has been declining month to month for all of 2014, as the monthly index results themselves were relatively flat in 2014. The balance of revenue in the Land Registry is generated on flat fees charged on search and registration transactions.

The composition of the Land Registry’s revenue by type of transaction as shown in the chart below demonstrates decreases in registration, search and maintenance revenue when comparing the three months ended December 31, 2014 to the same period in 2013. The fourth quarter is typically weaker than the third quarter, which is consistent year-over-year. For more information on seasonality, please refer to the “Summary of Quarterly Results”.



Transaction volume, specific to the Land Titles Registry, decreased 4.6 per cent for the three months ended December 31, 2014 compared to the same period last year, while revenue was down 2.3 per cent.



Revenue for the Land Surveys and Geomatics was also lower during this period, collectively down 22.5 per cent.

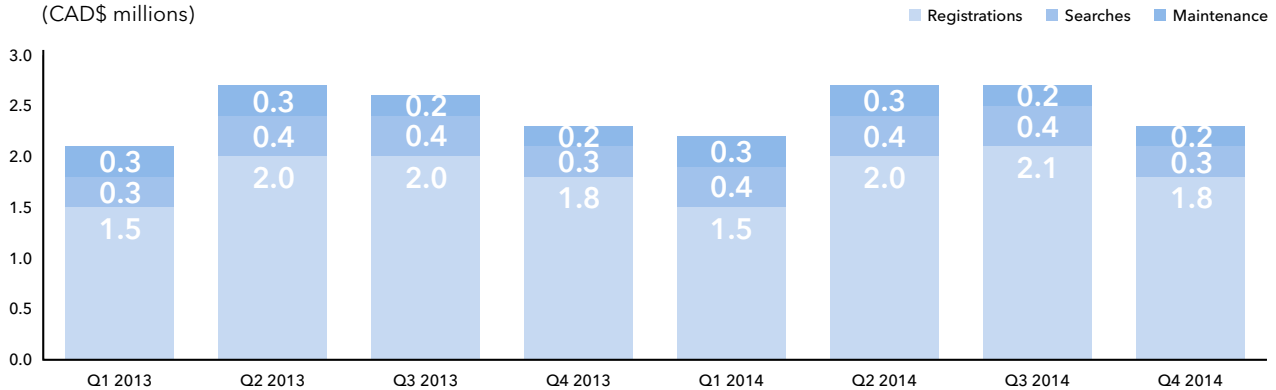
## (ii) Personal Property Registry

Revenue for PPR for the three months ended December 31, 2014 was \$2.3 million, which represents a decrease of 0.8 per cent from the same period in 2013.

The composition of PPR revenue by type of transaction, as shown below, remains fairly consistent when comparing the three months ended December 31, 2014 to the same period in 2013. Search and maintenance revenue was also similar when compared to the three months ended September 30, 2014, while registration revenue was lower, which aligns to the typical pattern of seasonality.

### Personal Property Registry Revenue by Type

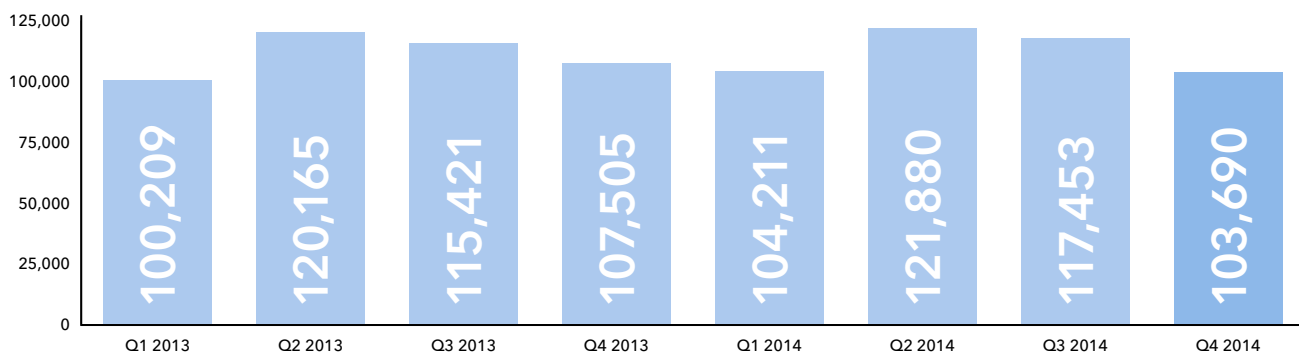
(CAD\$ millions)



Overall transaction volume was down for the fourth quarter of 2014 by 3.5 per cent compared to the same period last year. The main driver of revenue for this registry, personal property security registration setups, has shown a decrease in volume of 10.8 per cent, but only a slight decrease in revenue of 1.1 per cent when compared to the same period last year. Since the price per registration varies based on the nature and term of the security agreement, this suggests that more long-term registrations were completed in the fourth quarter of 2014.

### Personal Property Registry Transaction Volume

(Number of transactions)



Provincial employment, net migration, retail sales and, most importantly, new motor vehicle sales in Saskatchewan are drivers of activity in the PPR. According to Statistics Canada, for the first ten months of 2014, total new motor vehicle sales (units) for Saskatchewan<sup>2</sup> decreased by 1.2 per cent compared to the same period in 2013, which may have contributed to the decrease in volume in the personal property security registration setups. However, search volume in 2014 has demonstrated growth when compared to 2013 (4.7 per cent).

<sup>2</sup> Statistics Canada. Table 079-0003 - New motor vehicle sales, Canada, provinces and territories, CANSIM (database), accessed January 15, 2015.

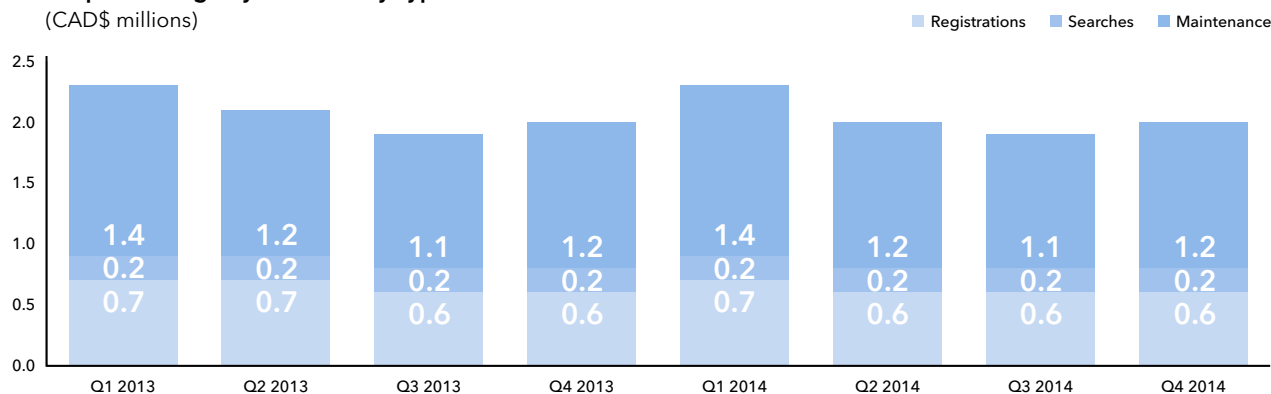
### (iii) Corporate Registry

Revenue for the Corporate Registry for the three months ended December 31, 2014 was \$2.0 million, an increase of 1.8 per cent when compared to the three months ended December 31, 2013. Revenue from the incorporation of new businesses, included in registrations, declined by 3.1 per cent in the same period; however, this was offset by an increase in revenue of 4.1 per cent from the filing of annual returns, which is included in maintenance.

The composition of Corporate Registry revenue by type of transaction remains consistent when comparing the three months ended December 31, 2014 to the same period in 2013. Compared to the previous quarter (three months ended September 30, 2014), registration and search revenue were the same while maintenance revenue is slightly higher.

#### Corporate Registry Revenue by Type

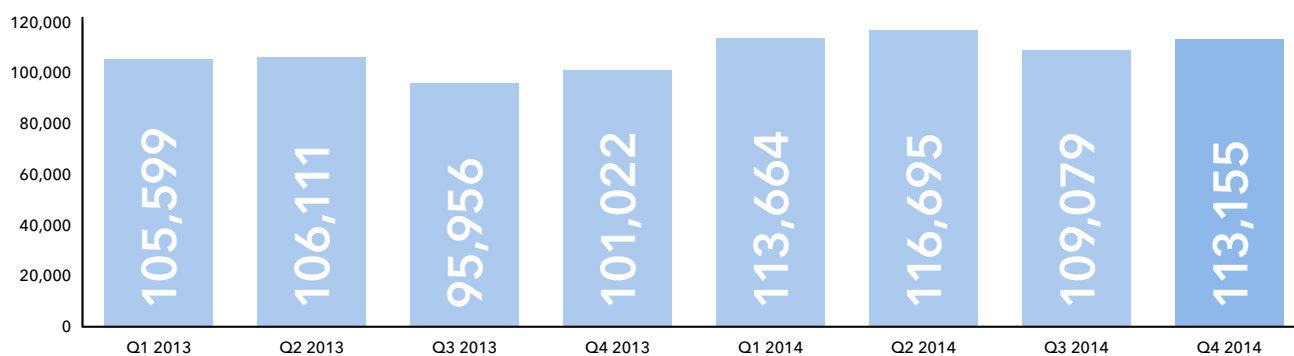
(CAD\$ millions)



Overall transaction volume as indicated below was up 12.0 per cent for the three months ended December 31, 2014 compared to the same period last year, primarily due to increased search and annual return filing volume.

#### Corporate Registry Transaction Volume

(Number of transactions)



Search and maintenance volume was higher for the quarter compared to the same period in 2013; however, volume for registration was lower. Search volume was the largest contributor to the increase in overall transaction volumes. As fee for search is relatively low, the impact to revenue was small.

As of December 31, 2014, there were 70,322 active Saskatchewan Business Corporations registered with the Corporate Registry. The number of active entities registered at the end of each quarter has shown a consistent increase quarter-over-quarter since 2013, which is reflected in the increase in revenue from the filing of annual returns.

During the course of the fourth quarter of 2014, the Company continued with its efforts to renew and enhance the operations which support the Corporate Registry. This includes the renewal and enhancement of the technology supporting the Corporate Registry, which will help streamline processes and lead to an enhanced service for customers. The Company is currently targeting completion of this project by the spring of 2016.

## Expenses

Expenses were \$14.1 million for the three months ended December 31, 2014, compared to \$12.9 million for the three months ended December 31, 2013, an increase of 9.3 per cent. The increase was a combination of the following:

- Wages and salaries were up \$1.0 million, to \$6.4 million for the three months ended December 31, 2014, compared to the same period in 2013. An increase in performance compensation, collective bargaining agreement increases and timing of payrolls in the fourth quarter of 2014, over the same period in 2013, led to the increase.
- Information technology service costs were \$2.7 million, a decrease of \$0.2 million for the three months ended December 31, 2014, compared to \$2.9 million in the same period in 2013. The decrease reflects lower pricing from new contracts as compared to previous contract pricing in the same period of 2013.
- Depreciation and amortization was \$1.4 million for the three months ended December 31, 2014, an increase of \$0.2 million compared to the same period of 2013. The quarter reflects the work undertaken to renew certain technology within the organization.
- Occupancy costs remained consistent at \$1.1 million for the three months ended December 31, 2014, compared to the same period in 2013.
- Professional and consulting services, which include legal, audit and consulting services, were \$1.3 million for the three months ended December 31, 2014, compared to \$0.9 million for the same period in 2013. The increase was related to costs associated with activities related to corporate development.
- Costs related to project initiatives for the fourth quarter of 2014 remained consistent at \$0.5 million, compared to the three months ended December 31, 2013.
- Other costs decreased \$0.1 million for the three months ended December 31, 2014, compared to the same period in 2013. The decrease was the result of lower financial services costs, travel and business expenses, and insurance and assurance expenses incurred in the fourth quarter of 2014, as compared to the same period in 2013.

## Net Finance Expense (Income)

Net finance expense (income) for the three months ended December 31, 2014 increased over the same periods in the previous year due to higher interest revenue being generated from higher cash on hand in 2014 than in 2013, offset by lower interest expense due to a lower annual interest rate on long-term debt in 2014.

## Discontinued Operations

Following the privatization of the Company, the Vital Statistics Registry was transferred to eHealth Saskatchewan effective June 16, 2013. Therefore, no revenue was recorded nor expenses incurred for the Vital Statistics Registry for the three months ended December 31, 2014, nor the same period of 2013.

## Net Income and Earnings per Share

Net income and total comprehensive income for the three months ended December 31, 2014 was \$4.0 million, or \$0.23 per share, compared to \$4.7 million or \$0.27 per share for the same period in 2013.

By way of comparison, income from continuing operations, excluding income tax expense for the three months ended December 31, 2014 was \$5.7 million, or \$0.33 per share, compared to \$7.1 million or \$0.41 per share for the same period in 2013.

(thousands of CAD dollars, except earnings per share)	Three Months Ended December 31,	
	2014	2013
Net income and total comprehensive income	\$ 4,014	\$ 4,743
Earnings per share from continuing operations, basic and diluted	\$ 0.23	\$ 0.27
Net income and total comprehensive income	\$ 4,014	\$ 4,743
Income tax expense	1,686	2,380
Income from continuing operations before tax	\$ 5,700	\$ 7,123
Earnings per share from continuing operations before tax, basic and diluted	\$ 0.33	\$ 0.41

The weighted average number of Class A Shares issued and outstanding as of December 31, 2014, was 17.5 million.

## Adjusted EBITDA

Adjusted EBITDA, excluding one-time costs associated with the IPO and, for the net loss on discontinued operations, totalled \$7.0 million for the three months ended December 31, 2014, compared to \$8.4 million for the same period in 2013. The decrease in adjusted EBITDA was due to an increase in expenses while revenue remained relatively flat.

## Year End Results

### From continuing and discontinued operations

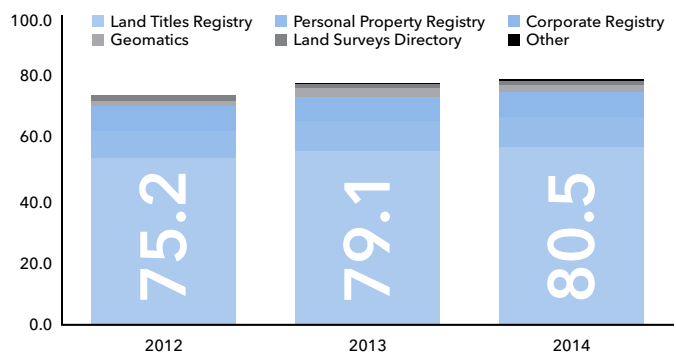
(thousands of CAD dollars)	Year Ended December 31,	
	2014	2013
Revenue		
Land Titles Registry, Land Surveys and Geomatics	\$ 61,999	\$ 61,141
Personal Property Registry	9,870	9,787
Corporate Registry	8,235	8,170
Other	355	33
	80,459	79,131
Expenses		
Wages and salaries	24,845	23,803
Information technology services	10,272	10,001
Depreciation and amortization	5,089	5,505
Occupancy costs	4,316	4,202
Professional and consulting services	3,875	1,864
Project initiatives	3,269	4,919
Other	3,642	3,033
	55,308	53,327
Net income from continuing operations before net finance income	25,151	25,804
Finance expense (income)		
Interest income	(306)	(237)
Interest expense	92	157
Net finance income	(214)	(80)
Income from continuing operations before tax	25,365	25,884
Income tax expense (recovery)	7,005	(51,852)
Income from continuing operations	18,360	77,736
Net loss from discontinued operations	-	(755)
Net income and total comprehensive income	\$ 18,360	\$ 76,981
EBITDA <sup>1</sup>	\$ 30,240	\$ 30,554
Adjusted EBITDA <sup>1</sup>	30,240	34,008

<sup>1</sup> For a reconciliation of EBITDA and adjusted EBITDA, see section name "Financial Measures and Key Performance Indicators". EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, are not comparable to similar measures by other corporations. See section name "Non-IFRS Measures".

## Revenue

For the year ended December 31, 2014, total revenue was \$80.5 million, an increase of \$1.4 million or 1.7 per cent, compared to the year ended December 31, 2013. Revenue excludes the Vital Statistics Registry, which is reflected under section name "Discontinued Operations". Over the past three years, ISC's revenue has increased 7.0 per cent which is a reflection of the strong Saskatchewan economy. However, the growth rate of the Saskatchewan economy slowed in 2014 compared to prior years.

### Total Revenue for the year ended December 31, (CAD\$ millions)



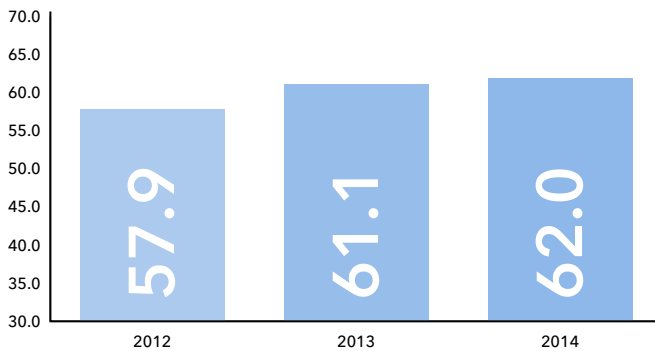
The MSA and related Registry Operating Agreements with the Government of Saskatchewan allow fees to be adjusted on a yearly basis, based on a prescribed formula tied to inflation, as measured by the Saskatchewan Consumer Price Index published by Statistic Canada. ISC increased most of its fees by 1.45 per cent on July 1, 2014. This fee increase was applied to all core registry flat fees and ancillary service fees within the Land Titles Registry, PPR, Land Surveys and Geomatics. The 1.45 per cent fee increase was not applied to the Corporate Registry and did not apply to the value-based fees in the Land Titles Registry.

**(i) Land Registry**

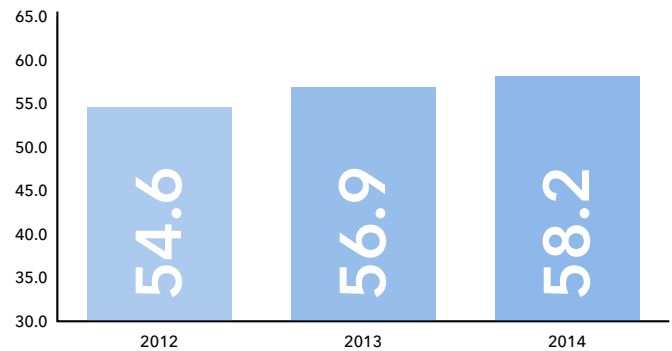
Revenue for the Land Registry was \$62.0 million for the year ended December 31, 2014, an increase of \$0.9 million, or 1.4 per cent, compared to the year ended December 31, 2013.

For the year ended December 31, 2014, Land Titles Registry generated \$58.2 million in revenue, 86.0 per cent of which was related to registrations. Overall, revenue generating transactions increased 1.8 per cent over 2013. Approximately 75.6 per cent of all Land Titles Registry transactions were received online in 2014, an increase of 2.0 per cent compared to 2013.

**Land Registry Revenue for the year ended December 31, (CAD\$ millions)**

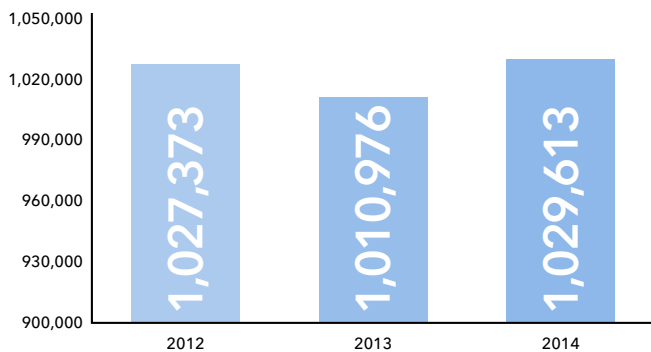


**Land Titles Registry Revenue for the year ended December 31, (CAD\$ millions)**

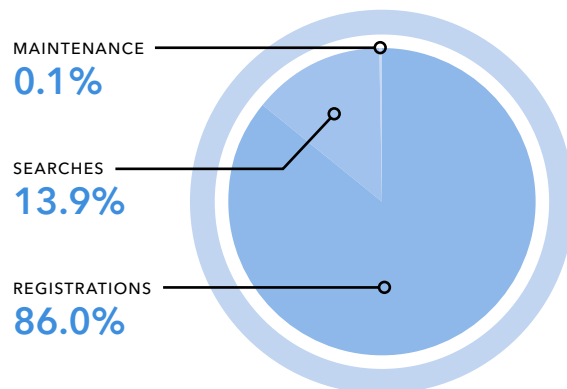


In 2014, the Land Titles Registry continued to see a large number of high value property transactions which generate a high fee per transaction. Although the amount of revenue was not as pronounced as 2013, the volume and corresponding value was above what has been typical of prior year periods and above our expectations for 2014.

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

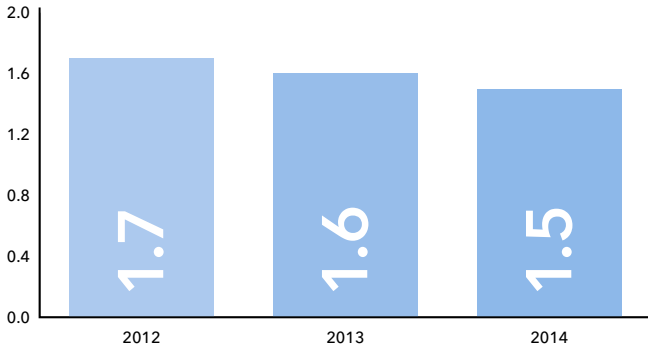


**Land Titles Registry Revenue by Type for the year ended December 31, 2014**

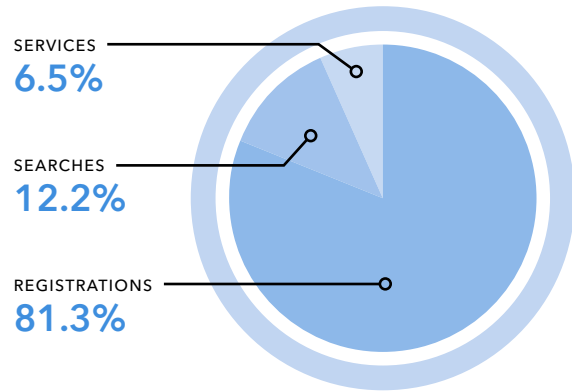


For the year ended December 31, 2014, Land Surveys generated approximately \$1.5 million in revenue, 81.3 per cent of which was from registrations.

**Land Surveys Revenue for the year ended December 31, (CAD\$ millions)**

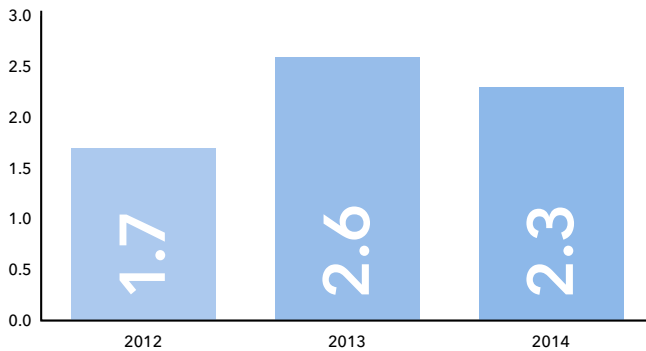


**Land Surveys Registry Revenue by Type for the year ended December 31, 2014**



Total revenue derived from Geomatics search and services was \$2.3 million for the year ended December 31, 2014.

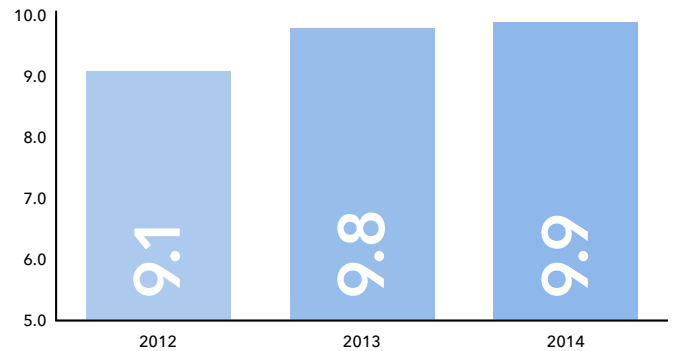
**Geomatics Revenue for the year ended December 31, (CAD\$ millions)**



**(ii) Personal Property Registry**

Revenue for the PPR for the year ended December 31, 2014 was \$9.9 million, which represents an increase of 0.8 per cent from the same period in 2013.

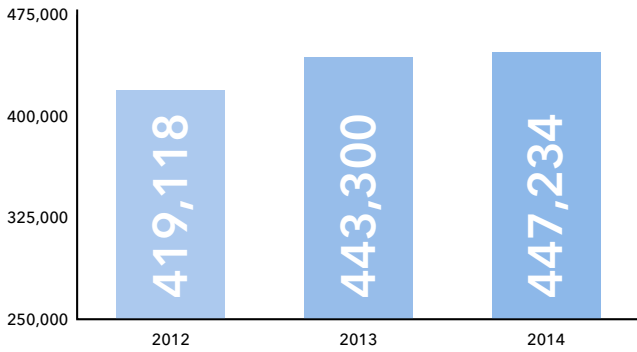
**Personal Property Registry Revenue for the year ended December 31, (CAD\$ millions)**



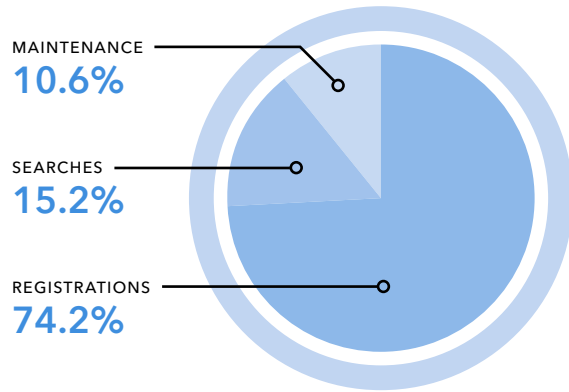


Under the PPR, ISC charges customers flat fees per transaction. The chart below reflects year-over-year transaction volume for PPR.

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



**Personal Property Registry Revenue by Type for the year ended December 31, 2014**

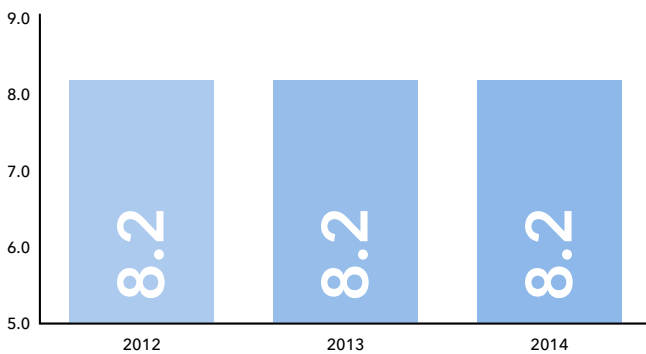


**(iii) Corporate Registry**

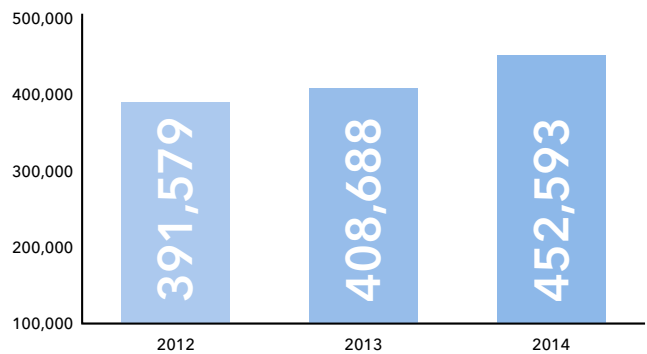
Revenue for the Corporate Registry for the year ended December 31, 2014 was \$8.2 million, nearly identical when compared to the year ended December 31, 2013.

The chart below reflects year-over-year transaction volume for the Corporate Registry.

**Corporate Registry Revenue for the year ended December 31,**  
(CAD\$ millions)

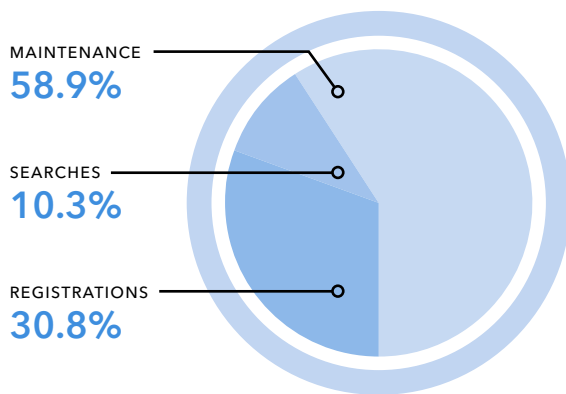


**Corporate Registry Transaction Volume for the year ended December 31,**  
(Number of transactions)



Maintenance service transactions accounted for 58.9 per cent of all transactions in the Corporate Registry. Search volume was the largest contributor to the increase in overall transaction volumes year-over-year. As the fee for a search is relatively low, the impact to revenue was small. For the top twelve transaction types, approximately 78.9 per cent were received online in 2014, an increase of 4.0 per cent compared to 2013.

#### Corporate Registry Revenue by Type for the year ended December 31, 2014



#### Expenses

For the year ended December 31, 2014, expenses were \$55.3 million, an increase of 3.7 per cent from \$53.3 million for the same period in 2013. The increase was a combination of the following:

- Wages and salaries were up by \$1.0 million, to \$24.8 million for the year ended December 31, 2014. The increase reflects increases in performance compensation, collective bargaining agreement increases and timing in payrolls.
- Information technology service costs were \$10.3 million, an increase of \$0.3 million for the year ended December 31, 2014. The increase reflects increases in the previous information technology base contracts offset by decreases in the new contracts and more support towards project costs incurred in 2014 compared to 2013.
- Depreciation and amortization was \$5.1 million for the year ended December 31, 2014, a decrease of \$0.4 million compared to the same period in 2013. The decline was due to certain projects reaching a

fully amortized state in 2013 and only moderate capital expenditures in 2014.

- Occupancy costs were \$4.3 million for the year ended December 31, 2014, compared to \$4.2 million for the same period in 2013.
- Professional and consulting services, which include legal, audit and business consulting services, were \$3.9 million for the year ended December 31, 2014, compared to \$1.9 million in the same period of 2013. In 2014, professional and consulting services included costs for the entire twelve month period related to being a publicly traded company, as compared to only six months as a publicly traded company in 2013.
- Costs related to project initiatives for the year ended December 31, 2014 were \$3.3 million compared to \$4.9 million for the same period in 2013. The higher amount in 2013 reflects the costs of the privatization of the Company and subsequent IPO.
- Other costs were \$3.6 million for the year ended December 31, 2014, an increase of \$0.6 million compared to the same period in 2013. The increase was the result of new costs incurred to support the requirements of a publicly traded company.

#### Net Finance Expense (Income)

Net finance income for the year ended December 31, 2014 increased \$0.1 million over the same period in the previous year due to higher interest revenue being generated from higher cash on hand in 2014 than in 2013, offset by lower interest expense due to a lower annual interest rate on long-term debt in 2014.

#### Discontinued Operations

Following the privatization of the Company, the Vital Statistics Registry was transferred to eHealth Saskatchewan effective June 16, 2013. No revenue was recorded nor expenses incurred for the Vital Statistics Registry for the year ended December 31, 2014, compared to a net loss of \$0.8 million in the same period of 2013.

(thousands of CAD dollars)	Year Ended December 31,	
	2014	2013
Revenue	\$ -	\$ 1,074
Expenses	-	1,829
Net loss from discontinued operations	\$ -	\$ (755)

## Tax Provision

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

(thousands of CAD dollars, except where noted)	Year Ended December 31,	
	2014	2013
Income from continuing operations before tax	\$ 25,365	\$ 25,129
Combined statutory income tax rate	27.0%	27.0%
Expected income tax expense	6,849	6,784
Increase (decrease) in income tax resulting from:		
Non-deductible expenses/non-taxable income	156	295
Non-taxable earnings pre-IPO	-	(2,367)
Income tax expense	7,005	4,712
Income tax recovery recognized as a result of change in tax status	-	(56,564)
Income tax expense (recovery)	\$ 7,005	\$ (51,852)
Effective income tax rate	27.6%	(206.3)%

## Net Income and Earnings per Share

Net income and total comprehensive income for the year ended December 31, 2014 was \$18.4 million, or \$1.05 per share, compared to \$77.0 million, or \$4.40 per share, for the same period in 2013. The unusual results in 2013 were due to an income tax recovery being recorded in the second quarter of 2013, with ISC becoming a taxable entity effective June 27, 2013.

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

(thousands of CAD dollars, except number of shares and earnings per share)	Year Ended December 31,	
	2014	2013
Income from continuing operations	\$ 18,360	\$ 77,736
Net loss from discontinued operations	-	(755)
Weighted average number of shares, basic	17,500,000	17,500,000
Potential dilutive shares resulting from stock option	18,141	-
Weighted average number of shares, diluted	17,518,141	17,500,000
Earnings per share (\$ per share)		
From continuing operations, basic and diluted	\$ 1.05	\$ 4.44
From discontinued operations, basic	-	(0.04)
Total, from continuing and discontinued operations, basic and diluted	\$ 1.05	\$ 4.40

The weighted average number of Class A Limited Voting Shares issued and outstanding as of December 31, 2014 was 17.5 million.

By way of comparison, after removing the income tax expense (recovery) and net loss from discontinued operations, income from continuing operations before tax for the year ended December 31, 2014 was \$25.4 million, or \$1.45 per share, compared to \$25.9 million, or \$1.48 per share, for the same period of 2013.

(thousands of CAD dollars, except earnings per share)	Year Ended December 31,	
	2014	2013
Net income and total comprehensive income	\$ 18,360	\$ 76,981
Earnings per share from continuing and discontinued operations, basic and diluted	\$ 1.05	\$ 4.40
Net income and total comprehensive income	\$ 18,360	\$ 76,981
Net loss from discontinued operations	-	755
Income tax expense (recovery)	7,005	(51,852)
Income from continuing operations before tax	\$ 25,365	\$ 25,884
Earnings per share from continuing operations before tax, basic and diluted	\$ 1.45	\$ 1.48

### Adjusted EBITDA

Adjusted EBITDA, excluding one-time costs associated with the IPO and, the net loss on discontinued operations, totalled \$30.2 million for the year ended December 31, 2014, a decrease of \$3.8 million or 11.1 per cent over the same period in 2013. The difference relates to adjustments made in 2013, for one-time expenses associated with the IPO and for the net loss from discontinued operations.

## Summary of Quarterly Results

The following table sets out selected quarterly results for the past eight quarters. The main factors affecting the results in the quarters presented below are the volumes of transactions in ISC's registries (which are driven by seasonality and the prevailing health of the Saskatchewan economy), changes in expenses as well as adjustments made for discontinued operations.

Our business experiences moderate seasonality, primarily because land titles revenue in the Land Registry fluctuates in line with real estate transaction activity in the province. Typically, our second and third quarters generate higher revenue during the fiscal year when real estate activity is normally highest. As a result, the Company's EBITDA margin also fluctuates in line with seasonality. Expenses, however, are generally consistent from quarter to quarter, but expenses can be expected to fluctuate due to the timing of project-related expenses.

It should also be noted that EBITDA margins and adjusted EBITDA margins for the second, third and fourth quarters of 2013 were unusually high. Expenses in 2013, excluding one-time expenses associated with the IPO, were significantly lower than normal because of ISC's focus on completing the IPO, which shifted resources and expenses away from operational initiatives that would be typical in the annual business cycle for ISC.

Revenue in the fourth quarter, when compared to the third quarter, returned to a level which the Company would expect, resulting in lower revenue offset by higher expenses from increases in wages and salaries and costs for corporate development opportunities. The third quarter is generally one of our strongest quarters so strong results are typical.

(thousands of CAD dollars, except where noted)	2014				2013			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	\$ 19,759	\$ 21,278	\$ 22,016	\$ 17,406	\$ 20,039	\$ 20,832	\$ 21,182	\$ 17,078
Expenses	14,059	12,808	14,658	13,569	12,916	12,531	14,510	14,045
Income before taxes	5,700	8,470	7,358	3,837	7,123	8,301	6,672	3,033
Income tax expense (recovery)	1,686	2,231	2,050	1,038	2,380	2,286	(56,518)	-
Net income	\$ 4,014	\$ 6,239	\$ 5,308	\$ 2,799	\$ 4,743	\$ 6,015	\$ 63,190	\$ 3,033
EBITDA margin <sup>1</sup>	35.6%	45.4%	38.9%	28.6%	41.6%	45.6%	37.4%	26.1%
Adjusted EBITDA margin <sup>1</sup>	35.6%	45.4%	38.9%	28.6%	41.9%	45.9%	50.3%	28.0%
Earnings per share, basic and diluted	\$ 0.23	\$ 0.36	\$ 0.30	\$ 0.16	\$ 0.27	\$ 0.35	\$ 3.61	-

<sup>1</sup> For a reconciliation of EBITDA margin and adjusted EBITDA margin, see section name "Financial Measures and Key Performance Indicators". EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, are not comparable to similar measures by other corporations. See section name "Non-IFRS Measures".

## Financial Measures and Key Performance Indicators

Revenue, expenses, and net income are the key performance indicators the Company uses to manage its business and evaluate its financial results and operating performance.

In addition to the results, which are reported in accordance with IFRS, certain non-IFRS financial measures are supplemental indicators of operating performance and financial position as well as for internal planning purposes. The Company evaluates its performance against these metrics by comparing actual results to management budgets, forecasts and prior period results. These non-IFRS financial measures include EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin and free cash flow. See section name "Non-IFRS Measures" for additional information.

### Earnings Before Interest, Taxes, Depreciation and Amortization

(thousands of CAD dollars, except where noted)	Three Months Ended December 31,		Year Ended December 31,	
	2014	2013	2014	2013
Net income and total comprehensive income	\$ 4,014	\$ 4,743	\$ 18,360	\$ 76,981
Depreciation and amortization	1,392	1,206	5,089	5,505
Net finance expense (income)	(57)	1	(214)	(80)
Income tax expense (recovery)	1,686	2,380	7,005	(51,852)
EBITDA <sup>1</sup>	7,035	8,330	30,240	30,554
Adjustments:				
One-time IPO expenses <sup>2</sup>	-	65	-	2,699
Net loss from discontinued operations <sup>3</sup>	-	-	-	755
Adjusted EBITDA <sup>1</sup>	\$ 7,035	\$ 8,395	\$ 30,240	\$ 34,008
EBITDA margin (% of revenue) <sup>1</sup>	35.6%	41.6%	37.6%	38.1%
Adjusted EBITDA margin <sup>1</sup>	35.6%	41.9%	37.6%	43.0%

<sup>1</sup> EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, they are not comparable to similar measures by other corporations. See section name "Non-IFRS Measures".

<sup>2</sup> One-time costs associated with the Company's IPO.

<sup>3</sup> Represents the net effect of revenue less directly attributable expenses and before taxes for the transfer of the Vital Statistics Registry to eHealth Saskatchewan effective June 16, 2013. See section name "Discontinued Operations".

### Free cash flow

(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2014	2013	2014	2013
Cash provided by operating activities	\$ 5,381	\$ 7,641	\$ 23,000	\$ 26,930
Cash additions to property, plant and equipment	(337)	-	(1,474)	(461)
Cash additions to intangible assets	(247)	(737)	(1,798)	(2,445)
Net change in non-cash working capital <sup>1</sup>	1,069	748	4,186	3,838
Free cash flow <sup>2</sup>	\$ 5,866	\$ 7,652	\$ 23,914	\$ 27,862

<sup>1</sup> See the Consolidated Financial Statements Note 20.

<sup>2</sup> Free cash flow is not recognized as a measure under IFRS and does not have a standardized meaning prescribed by IFRS and, therefore, is not comparable to similar measures by other corporations. See section name "Non-IFRS Measures".

## Liquidity and Capital Resources

### Cash Flow

Our primary source of operating cash flow is generated from revenue related to the Land Registry, Corporate Registry and PPR. Our primary uses of funds are operational expenses, sustaining and development capital expenditures and dividends.

Historically, ISC has financed its operations and met its capital and finance expenditure requirements through cash provided by operating activities. At this time, the Company does not expect any known trend or uncertainty to affect its ability to fund its expenditures from operating cash flow.

The Company believes that internally generated cash flow, supplemented by additional borrowing available under our Credit Facility (refer to Note 15 of the Financial Statements), would be sufficient to meet capital expenditures, anticipated dividend payments and other cash requirements. ISC also believes it can generate sufficient cash and cash equivalents to fund any potential growth opportunities.

Free cash flow for the three months ended December 31, 2014 was \$5.9 million compared to \$7.7 million for the same period in 2013. For the year ended December 31, 2014, free cash flow was \$23.9 million compared to

\$27.9 million for the year ended December 31, 2013. These decreases were due to income tax paid in 2014, compared to no income taxes paid in the same periods in 2013 or up until the point at which the Company became taxable.

Liquidity risk is managed based on financial forecasts and anticipated cash flow. Cash is held with the Royal Bank of Canada and the risk of loss is believed to be minimal. As of December 31, 2014, the Company held \$33.6 million in cash, an increase of \$6.0 million from December 31, 2013, which is an indication of the Company's ability to generate strong cash flow. The Company expects to be able to meet its cash requirements, including being able to settle current liabilities of \$14.0 million as well as meet any unanticipated cash requirements due to changes in working capital commitments. Such changes may arise from, among other factors, general economic conditions and the failure of one or more customers to pay their obligations.

As at December 31, 2014, the Company had long-term debt of approximately \$9.9 million, financed through a bankers' acceptance note, due January 5, 2015, bearing interest at 1.273 per cent, per annum. The bankers' acceptance note has been classified as long-term as it is provided under a three-year committed revolving term loan facility. Subsequent to the end of the year, the Company rolled over the bankers' acceptance note for another three months with a comparable interest rate.

The following table summarizes our sources and uses of funds for the three months and year ended December 31, 2014 and 2013:

(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2014	2013	2014	2013
Net cash flow provided by operating activities	\$ 5,381	\$ 7,640	\$ 23,000	\$ 26,930
Net cash flow used in investing activities	(498)	(669)	(2,939)	(2,669)
Net cash flow used in financing activities	(3,531)	(3,218)	(14,094)	(17,785)
Increase in cash	1,352	3,753	5,967	6,476
Cash, beginning of period	32,229	23,861	27,614	21,138
Cash, end of period	\$ 33,581	\$ 27,614	\$ 33,581	\$ 27,614

### Net Cash Flow Provided by Operating Activities

Net cash flow provided by operating activities for the three months ended December 31, 2014 was \$5.4 million, compared to \$7.6 million for the three months ended December 31, 2013. Net cash flow provided by operating activities for the year ended December 31, 2014 was \$23.0 million, compared to \$26.9 million for the year ended December 31, 2013. The decrease was mainly due to increased income tax paid in 2014, compared to the same period in 2013.

### Net Cash Flow Used in Investing Activities

Net cash flow used in investing activities for the three months ended December 31, 2014 was \$0.5 million, compared to \$0.7 million for the three months ended December 31, 2013. Net cash flow used in investing activities for the year ended December 31, 2014 was \$2.9 million, compared to \$2.7 million for the year ended December 31, 2013.

### Net Cash Flow Used in Financing Activities

Net cash flow used in financing activities for the three months ended December 31, 2014 was \$3.5 million, compared to \$3.2 million for the three months ended December 31, 2013. Net cash flow used in financing activities for the year ended December 31, 2014 was \$14.1 million, compared to \$17.8 million for the year ended December 31, 2013. As a Crown corporation, the Company was required to pay 90.0 per cent of its net income to the Government of Saskatchewan, which accounts for the larger amounts for the year ended in 2013, as compared to the same period in 2014.

Total assets increased to \$109.7 million at December 31, 2014, from \$108.1 million at December 31, 2013. The increase was primarily due to an increase in cash on hand of \$6.0 million as well as a higher Government Sales Tax/Harmonized Sales Tax ("GST/HST") receivable in 2014.

As at December 31, 2014, working capital was \$28.6 million compared to \$17.2 million in the prior year period, an increase of \$11.4 million. The overall increase in working capital was primarily due to an increase in cash and the GST/HST tax receivable offset by decreases in trade and other payables and income tax payable, thus having a positive impact on the Company's working capital position.

(thousands of CAD dollars)	Year Ended December 31,	
	2014	2013
Current assets	\$ 42,532	\$ 33,582
Current liabilities	(13,951)	(16,345)
Working capital	\$ 28,581	\$ 17,237

### Outstanding Share Data

The number of issued and outstanding Class A Shares as at December 31, 2014 was 17.5 million. Pursuant to the Company's Stock Option Plan, there were stock options issued and outstanding for 54,799 Class A Shares at December 31, 2014. Refer to the section below on share-based compensation plan and Note 15 of the

Financial Statements for the description of equity and capital management.

On November 12, 2014, the Board declared a quarterly cash dividend of \$0.20 per Class A Share for shareholders of record as at December 31, 2014.

## Share-Based Compensation Plan

### Deferred Share Unit Plan

The Company has established a Deferred Share Unit ("DSU") plan to provide directors and senior officers of ISC with the opportunity to acquire DSUs in order to allow them to participate in the long-term success of ISC and to promote a greater alignment of interests between its directors, senior officers and shareholders.

The Board may award DSUs at its discretion from time to time, in accordance with the plan and upon such other terms and conditions as the Board may prescribe. DSU awards vest immediately, unless an alternate vesting schedule is specified by the Board at the time of the award.

DSUs earn dividend equivalents in the form of additional DSUs at the same rate as dividends on Class A Shares, rounded down to the nearest whole DSU. No fractional DSUs shall be issued for dividends. The participant is not allowed to convert the DSUs until termination of employment/directorship or death. The cash value of the DSUs is equivalent to the market value of the Class A Shares when redemption takes place.

On each applicable redemption date, the Company can, at its sole discretion, deliver to the participant:

- a cash payment equal to the redemption value of such DSUs after deduction of applicable taxes and other source deductions required by applicable laws;
- such number of Class A Shares that have been purchased by the Corporation on the TSX as have an aggregate market value equal to the redemption value of such DSUs; or
- any combination of the foregoing, such that the cash payment, plus such number of Class A Shares purchased by the Company and delivered to the participant, has a fair market value equal to the redemption value of such DSUs.



On March 26, 2014, the Board issued an aggregate of 1,636.13 DSUs, comprised of: (i) 273.69 DSUs to the Board Chair at an award price of \$19.29 per DSU, which was the closing price of the Class A Shares on the TSX on the trading day immediately prior to the issuance of the DSUs; and (ii) 170.43 DSUs to each of the other eight directors at an award price of \$19.29 per DSU. This initial issuance of DSUs to the directors was for the period from the date of issuance to the Annual and Special Meeting of Shareholders on May 13, 2014.

On May 13, 2014, the Board issued an aggregate of 12,765.96 DSUs, comprised of: (i) 2,127.66 DSUs to the Board Chair at an award price of \$18.80 per DSU, which was the closing price of the Class A Shares on the TSX on the trading day immediately prior to the issuance of the DSUs; and (ii) 1,329.79 DSUs to each of the other eight directors at an award price of \$18.80 per DSU. This issuance of DSUs to the directors was for the approximate twelve-month period from the date of issuance.

A summary of the status of the DSU plan and the changes within the period ended December 31, 2014 is as follows:

	Units	Weighted Average Award Price
Balance at December 31, 2013	-	\$ -
DSUs granted March 26, 2014	1,636.13	19.29
DSUs granted May 13, 2014	12,765.96	18.80
Total notional dividends declared to date	454.00	18.48
Balance at December 31, 2014	14,856.09	\$ 18.84

At December 31, 2014, the DSUs had a redemption value of \$18.20 per DSU and a weighted average contractual life of 0.36 years.

The Company has recognized an obligation at an estimated amount based on the fair value of the DSUs as of the grant date. Compensation expense is recognized in proportion to the amount of DSUs vested. At the end of each reporting period, the estimates are re-assessed based on the fair value of the DSUs as of the reporting period. Any change in estimate is recognized in the obligation and expense at the end of the reporting period. Share-based compensation for the year ended December 31, 2014 related to DSUs totalled \$250 thousand (2013 - nil), which also represents the total carrying amount of the liability arising from the DSUs. The liability amount is included within Trade and Other Payables on the consolidated statement of financial position.

The fair value of the DSUs at December 31, 2014 has been calculated using the Black-Scholes option-pricing model based on the following inputs:

Market Price	\$ 18.20
Expected Volatility	22.5%
Risk Free Interest Rate	2.5%
Expected life (days)	133
Fair Value at December 31, 2014	\$ 18.20

### Stock Option Plan

ISC's Stock Option Plan was approved by the Board on March 19, 2014, and approved by the shareholders on May 13, 2014. The purpose of the Stock Option Plan is to provide employees of the Company with compensation opportunities that will encourage share ownership and enhance the Company's ability to attract, retain and motivate key personnel and reward significant performance achievements.

The maximum number of Class A Shares issuable pursuant to options granted under the Stock Option Plan, or pursuant to any other security-based compensation arrangement, may not exceed 10.0 per cent of the total number of issued and outstanding Class A Shares at the grant date of any options. Since the maximum number of Class A Shares issuable under the Stock Option Plan is not a fixed number, the Stock Option Plan will need to be approved by the shareholders every three years.

The exercise price of options issued under the Stock Option Plan is determined by the Board at the time of the grant, but shall not be less than the closing price for the Class A Shares on the TSX on the trading day immediately preceding the date of the grant. Unless the Board determines otherwise, options granted will vest and become exercisable in equal tranches over the four years following the date of the grant. Once vested, options may be exercised at any time within eight years of the date of the grant, after which they expire and terminate.

Pursuant to the Stock Option Plan, stock options were issued to the President and Chief Executive Officer ("CEO") for 54,799 Class A Shares on May 13, 2014, at an exercise price of \$18.80 per share, which was the closing price of the Class A Shares on the TSX on the trading day immediately prior to the issuance of the stock options. These stock options were issued by the Board in accordance with the executive compensation framework established by the Board and under the terms of the employment agreement with the President and CEO as long-term incentive compensation based on 50.0 per cent of the President and CEO's 2014 base salary to be provided through stock options.

Compensation expense is recognized in proportion to the amount of stock options vested. Share-based compensation for the year ended December 31, 2014 related to the stock option plan totalled \$50 thousand (2013 - nil), which also represents the total carrying amount of the equity settled employee benefit reserve arising from these stock options.

## Capital Expenditures

Capital expenditures are classified as either sustaining or development. ISC makes sustaining capital expenditures to support and maintain the infrastructure, modernize our technology and facilities, and address mandatory requirements resulting from legislative or policy changes from the Government of Saskatchewan. Development capital (previously referred to as growth capital) relates to strategic initiatives which are expected to enhance the earning potential of the business.

The following table summarizes our capital expenditures for the three months and year ended December 31, 2014 and 2013:

(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2014	2013	2014	2013
Sustaining capital	\$ 1,253	\$ 1,428	\$ 3,506	\$ 2,434
Development capital	100	79	214	1,312
Total capital expenditures	\$ 1,353	\$ 1,507	\$ 3,720	\$ 3,746

Capital expenditures for the three months ended December 31, 2014 were \$1.4 million, compared to \$1.5 million for the same period in 2013 and, for the year ended December 31, 2014, were flat at \$3.7 million compared to the same period in 2013. During the year, the Company assessed that an asset under development and not yet available for use was impaired because the work completed to date would not be transferable to the new solution. Capital expenditures in 2014 were focused on sustaining initiatives such as the renewal and enhancement of technology hardware and the renewal and enhancement of technology supporting the Corporate Registry.

Total capital expenditures for 2014, which were estimated to be between \$5.0 million and \$7.0 million, were less than anticipated due to a change in timing of certain enhancements.

## Outlook

*The following Outlook section includes forward-looking statements, including statements related to the prevailing and anticipated economics conditions, economic growth expectations for Saskatchewan, employment levels in Saskatchewan, the impact of extra housing inventory on average sale prices, forecast existing home sales and average home resale prices in Saskatchewan, decline in high value property registrations, changes in motor vehicle sales volume, uncertainty in consumer behaviour, expected impact of interest rate cuts, level of Saskatchewan exports, outlook on commodity prices, including potash and oil, drop in value of the Canadian dollar, the anticipated revenue outlook, increase in expenses, and EBITDA margin. Please see section entitled "Caution Regarding Forward-Looking Statements".*

In 2015, ISC expects to continue to focus on delivering stable and predictable returns.

The MSA and related Registry Operating Agreements specify the maximum fees allowed to be charged to the public for particular Core Registry Services as per the MSA. The maximum fees are adjustable on a yearly basis and are based on a formula tied to inflation as measured by the Saskatchewan Consumer Price Index published by Statistics Canada. These adjustment provisions do not apply to any value-based fees. There are no restrictions on the fees ISC may charge for non-core Ancillary Services that use registry data. ISC expects to generally adjust prices as outlined in the MSA.

Given that adjustments to our prices are fixed as outlined above, and that the majority of our revenue is linked to economic conditions in Saskatchewan, the Company expects that revenue for 2015 will be impacted. This is based on the Saskatchewan economy entering 2015 during a period of some economic uncertainty, which is supported by a number of banks reforecasting their growth expectations downward for 2015 for the province.

For example, according to Bank of Montreal Capital Markets<sup>3</sup> most recent economic forecast for Saskatchewan, the provincial economy is expected to post real gross domestic product (“GDP”) growth of 1.9 per cent in 2015, revised downward from 2.3 per cent at the end of November 2014.

The Company expects the housing market, which is a key driver of our Land Registry, to be impacted. Canada Mortgage and Housing Corporation Housing Market Outlook currently forecasts a decrease of 1.9 per cent in existing home sales volume in Saskatchewan for 2015. Average home resale prices are expected to increase by 1.4 per cent in 2015<sup>4</sup>.

Saskatchewan housing starts for all of 2014 were down 1.4 per cent over 2013, while the number of completions was up 10.4 per cent<sup>5</sup>. This increase in completions has contributed to a buyers’ market in certain parts of the province. The extra inventory may impact average sales prices negatively in 2015.

As well, the Land Titles Registry saw a large number of high value property registrations in 2014, which generate a high fee per transaction. High value property registrations in 2013 and 2014 were higher than our long-term average, however, we expect high value property registrations to drop to a more normalized level in 2015, which directly impacts revenue.

For the PPR, new vehicle sales are an indication of expected revenue. For all of 2014, the number of units of new vehicles sold decreased 1.2 per cent compared to the same period in 2013<sup>6</sup>. Scotiabank revised earlier forecasts downward, expecting annual motor vehicle sales in Saskatchewan to be 55,000 in 2015, an expected decrease over 2014 volumes<sup>7</sup>.

There is risk that consumer behaviour will be affected depending on the duration of this climate of uncertainty. Inactivity could occur if consumers take a ‘wait and see’ approach to their larger purchases such as homes and vehicles. Businesses could scale back or ramp up their investments, depending on which sector they are in. Further changes to interest rates could also impact consumer behaviour. As provincial economic conditions change, the Company’s revenue may be impacted.

Recent cuts in interest rates by the Bank of Canada, followed by the major banks, are intended to stimulate the economy. In addition, the outlook on potash prices is generally positive and the strengthening of the United States economy and the drop in the value of the Canadian dollar could positively impact Saskatchewan exports. These factors could positively impact ISC’s registries.

ISC has also monitored the decline in the price of oil and the potential impact to the Company. While there is no clear link between the price of oil and the Company’s revenue, oil and gas is one segment of the Saskatchewan economy, and therefore could have an impact on our overall registry business.

ISC’s key drivers of expenses will continue to be wages and salaries and information technology costs as the Company continues to focus on efficiency and effectiveness, leveraging investment in systems and processes while maintaining a high level of customer service. However, inflationary impacts are expected to move these costs marginally higher in 2015.

Management expects capital expenditures in 2015 to be in the range of \$4.0 million to \$6.0 million funded from operating cash flow. These expenditures are primarily expected to be sustaining capital expenditures which include general office improvements, enhancement and upgrades to core technology components and enterprise systems, and the continuation of the renewal and enhancement of the technology supporting the Corporate Registry.

As stated earlier, revenue in 2014 was higher than 2013, partly due to high value transactions. Typically, high value transactions have been approximately 4.9 per cent of total revenue. In 2014, high value transactions were 6.7 per cent of the Company’s revenue, which directly affects EBITDA margins. Not considering these high value transactions, ISC would have achieved an EBITDA margin of 36.7 per cent in 2014. In 2015, given the uncertain economic conditions described above, ISC expects its EBITDA margin to remain in the range of 36.0 per cent to 37.0 per cent.

<sup>3</sup> BMO Capital Markets Economics – Provincial Economic Outlook – February 6, 2015 and November 28, 2014.

<sup>4</sup> CMHC Housing Market Outlook – Canadian Edition – First Quarter 2015.

<sup>5</sup> Statistics Canada CANSIM Table 027-0001: Canada Mortgage and Housing Corporation, housing starts, under construction, and completions in centres 10,000 and over – February 23, 2015.

<sup>6</sup> Statistics Canada CANSIM Table 079-0003: New motor vehicle sales, Canada, provinces and territories – January 26, 2014.

<sup>7</sup> Scotiabank Global Economics – Global Forecast Update – February 3, 2015.

## Contractual Obligations and Other Commitments

The following table summarizes our obligations under contractual arrangements as of December 31, 2014:

(thousands of CAD dollars)	2015	2016	2017	2018	2019	Thereafter
Operating lease obligations <sup>1</sup>	\$ 2,314	\$ 2,570	\$ 2,390	\$ 2,317	\$ 2,303	\$ 9,877
Long-term debt <sup>2</sup>	-	9,935	-	-	-	-
Master Service Agreement <sup>3</sup>	500	500	500	500	500	7,000
Information Technology Service Agreements <sup>4,5</sup>	9,277	8,628	8,506	8,338	3,462	-
<b>Total</b>	<b>\$12,091</b>	<b>\$21,633</b>	<b>\$11,396</b>	<b>\$11,155</b>	<b>\$ 6,265</b>	<b>\$ 16,877</b>

<sup>1</sup> ISC leases all of our office space through operating leases. Operating leases related to office space include lease terms of between two to ten years, with various options to extend. ISC does not have an option to purchase the leased assets at the expiry of the lease period.

<sup>2</sup> The Revolving Term Facility loan will mature on July 5, 2016, unless renewed prior to that time.

<sup>3</sup> The MSA requires us to pay the Government of Saskatchewan and to manage and operate the Land Titles Registry, Land Surveys, PPR and Corporate Registry on behalf of the Government of Saskatchewan for a 20-year period.

<sup>4</sup> Hewlett Packard Company ("HP") provides application development, maintenance and support services related to the operation of the Land Titles Registry, PPR, and Geomatics pursuant to an agreement for information technology services. An Amending Agreement for a new five-year term was signed and effective as of June 1, 2014.

<sup>5</sup> Information Systems Management Canada Corporation ("ISM") provides hardware management services and support services for software and hardware infrastructure pursuant to a services agreement. An Amending Agreement for a new five-year term was signed and effective as of May 1, 2014.

### Master Service Agreement

Pursuant to a MSA with the Government of Saskatchewan dated May 30, 2013, ISC was appointed on an exclusive basis to manage and operate the Land Titles Registry, Land Surveys, PPR and Corporate Registry on behalf of the Government of Saskatchewan for a 20-year term expiring on May 30, 2033.

The MSA requires ISC to pay to the Government of Saskatchewan the sum of \$0.5 million annually in a single instalment payable on or before March 1 in each calendar year of the term, commencing with an initial payment paid on March 1, 2014.

### Off-Balance Sheet Arrangements

ISC had no off-balance sheet arrangements as of December 31, 2014.

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.

### Related Party Transactions

Refer to Note 17 to the Financial Statements for information pertaining to transactions with related parties.

### Changes in Accounting Policies

Refer to Note 3 to the Financial Statements for information pertaining to changes in accounting policies effective in 2014 and for information on issued accounting pronouncements that will be effective in future years.

### Critical Accounting Estimates

ISC's critical accounting estimates are contained in the Financial Statements (refer to Note 2 for the summary of use of estimates and judgments). The preparation of 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.

## Financial Instruments and Financial Risks

The Company does not use any form of derivative financial instruments to manage our exposure to credit risk, interest rate risk or market risk.

### Fair Value of Financial Instruments

The carrying values of cash, trade receivables, grant receivable, trade and other payables, and dividend payable approximate fair value due to their immediate or relatively short-term maturity. Long-term debt is currently managed throughout the three-year term with short-term bankers' acceptance notes and, as such, the carrying value approximates fair value due to the short term to maturity as well. It has been determined that there are no differences between the carrying amount and the fair market value of these instruments.

### Credit Risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. ISC extends credit to its customers in the normal course of business and is exposed to credit risk in the event of non-performance by customers, but does not anticipate such non-performance would be material.

ISC monitors the credit risk and credit rating of customers on a regular basis. The Company has significant concentration of credit risk among government sectors. Our customers are primarily provincial, federal and municipal government ministries and agencies, and its private sector customers are diverse.

Cash is held with a major Canadian chartered bank and management believes the risk of loss to be minimal. The maximum exposure to credit risk at December 31, 2014 is \$36.6 million (December 31, 2013 - \$30.6 million) equal to the carrying value of ISC's financial assets, those being cash at \$33.6 million (December 31, 2013 - \$27.6 million) and trade receivables at \$3.0 million (December 31, 2013 - \$3.0 million). Quarterly reviews of the aged receivables are completed. ISC expects to fully collect on all outstanding receivables; therefore, the risk to ISC is low.

### Liquidity Risk

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

### Market Risk

The Company is not exposed to market risk with respect to financial instruments as it does not hold any financial assets or liabilities whose fair value is affected by equity prices.

### Interest Rate Risk

The interest rates on long-term debt are currently managed throughout the three-year term with short-term bankers' acceptance notes with an option to lock in rates at any time. Therefore, this risk to ISC is low.

## Business Risks and Risk Management

### Risk Management Approach

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. This begins by understanding a company's risk tolerance and appetite for taking on new risks.

ISC actively identifies risks that may affect the Company's ability to achieve its goals and objectives and implements processes to manage those risks. At the foundation of this process are the frameworks, policies, tools and procedures that help the organization to ensure risks are being identified and managed at a strategic, operational and procedural level. ISC is constantly addressing numerous existing and emerging risks. Our corporate strategies and plans are designed to implement effective risk mitigation or management approaches on an ongoing basis.

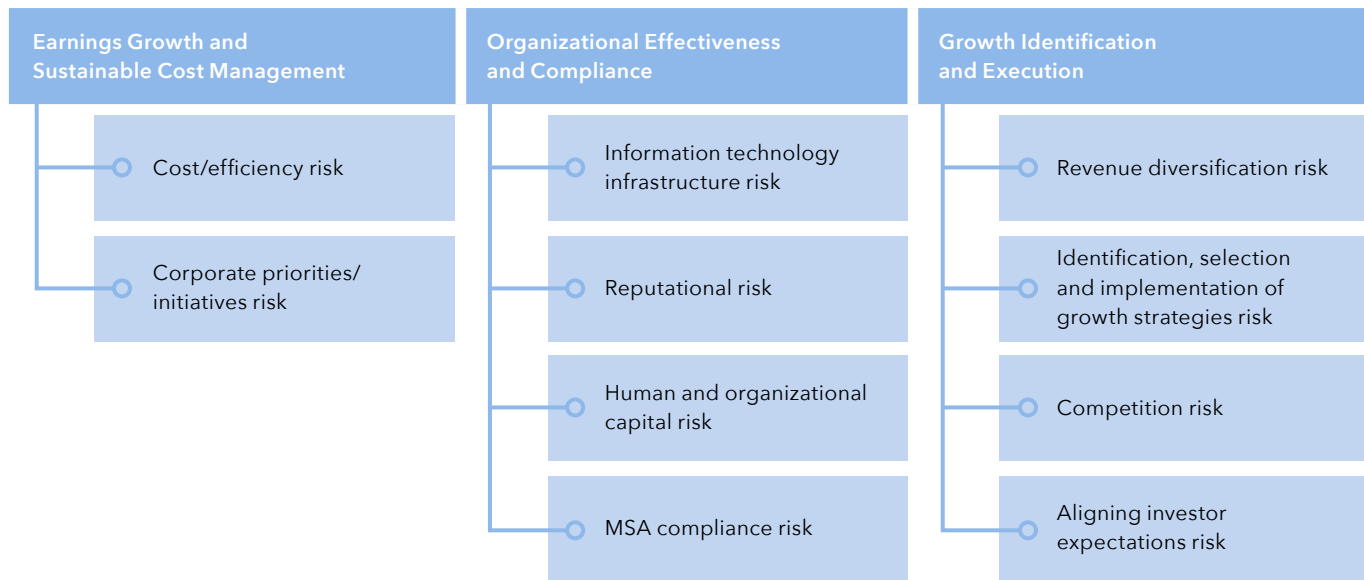
The Board oversees ISC's Enterprise Risk Management ("ERM") framework. This includes ensuring appropriate management systems are in place to ensure ISC's risks are prudently managed.

The executive team is accountable for providing executive oversight of ISC's ERM activities, including the ongoing identification and assessment of risks and the development of mitigation strategies to manage the corporate risks facing the Company. The key corporate risks are documented and tracked as part of ISC's risk register.

ISC continues to embed risk management into the corporate culture, so risk is not a process but, rather, a pervasive consideration in daily decision-making and activities. ISC is focused on continually improving our ERM framework to ensure a structured and disciplined approach.

## Key Risks to Our Strategic Priorities

ISC is attentive to the complete set of risks facing the Company; however, there are ten that emerge as primary business risks given their potential direct impact to the achievement of our strategic priorities. Consideration of the management and/or mitigation of these risks is entrenched in the Company's decisions, systems, processes and activities.



The following are high level descriptions of these primary business risks:

<b>Cost/efficiency</b>	There is a risk that ISC's business model and resourcing mix will not allow ISC to achieve cost efficiencies in new or existing product lines, or be sufficiently nimble to take advantage of growth opportunities or adapt to volume changes within its business.
<b>Corporate priorities/initiatives</b>	There is a risk that ineffective mechanisms to evaluate, prioritize, approve and allocate resources to new or existing projects/initiatives may result in conflicting priorities, delays, misallocation of resources, or failed projects/initiatives and, ultimately, failure to execute on ISC's corporate priorities.
<b>Information Technology infrastructure</b>	There is a risk that ISC does not have the information technology infrastructure (i.e., age, integrity or architecture of hardware, networks, software and facilities) in place to effectively facilitate current and future requirements to support its business needs and the achievement of its strategic goals. Any information technology infrastructure shortcomings or outages could adversely impact ISC's business, results of operations and financial condition.
<b>Reputational</b>	There is a risk that ISC's reputation or credibility will be damaged by one or more events, thereby negatively impacting ISC's business, results of operations and financial condition. Events that could impact ISC's reputation include the integrity and security of information, inability to successfully implement on growth strategies, and failure to comply with rules, regulation and disclosures.
<b>Human and organizational capital</b>	There is a risk that ISC does not have the required competencies, skills and knowledge to execute on the corporate strategy as a publicly traded company.

<b>Master Service Agreement compliance</b>	Inability to comply with the requirements in the Master Service Agreement could result in the loss/termination of the agreement, negatively impacting ISC's business, results of operations and financial condition.
<b>Revenue diversification</b>	Substantially all of ISC's current revenues consist of fees received in connection with search and registration activity in the Land Registry, PPR, Corporate Registry and Land Surveys. There is a risk that ISC's current product lines are not significantly diversified to sustain sufficient revenue to cover ISC's fixed costs in the case of a downturn in the Saskatchewan economy.
<b>Identification, selection and implementation of growth strategies</b>	There is a risk that ISC could fail to successfully identify, select and implement growth strategies, which could reduce the growth of our revenue and net income and adversely affect our business, results of operations and financial condition.
<b>Competition</b>	As ISC works to expand and evolve our product and services offerings, we may face competition with new products and services in Saskatchewan and beyond. Management of ISC cannot be certain that we will be able to compete successfully against current or future competitors. If ISC is unable to successfully compete, our ability to expand our business and revenues will be limited. In addition, possible regulation or other oversight of ISC's future business activities involving ancillary services may impact the Company's growth strategy.
<b>Aligning Investor expectations</b>	There is a risk that a lack of alignment of ISC's corporate strategy and vision with investor expectations may result in the inability of ISC to achieve corporate strategy and priorities.

You are cautioned that the foregoing discussion of risks and uncertainties is not exhaustive. Additional information on these and other risks that could affect our business, operations or financial results are also discussed in our Annual Information Form filed on [www.sedar.com](http://www.sedar.com) or on [www.isc.ca](http://www.isc.ca).

## Non-IFRS Measures

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

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

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

"EBITDA" is defined as earnings before interest, taxes, depreciation and amortization. "Adjusted EBITDA" is defined as EBITDA before fees related to our IPO including costs associated with becoming a publicly traded company and normalization adjustments relating to the transfer of the Government of Saskatchewan's Vital Statistics Registry. The above measures, alternatives to net income and income from operations, measure business performance and cash flow generation because it removes cash flow fluctuations caused by the above adjustments. "EBITDA margin" is calculated as EBITDA as a percentage of overall revenue. "Adjusted EBITDA margin" is calculated as adjusted EBITDA as a percentage of overall revenue.

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

## Evaluation of Internal Controls over Financial Reporting

The Company’s management, including the President and Chief Executive Officer, and the Vice President, Finance & Technology and Chief Financial Officer, is responsible for establishing and maintaining appropriate internal controls over financial reporting. The design and effectiveness of ISC’s internal controls over financial reporting in accordance with National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings as at December 31, 2014 was evaluated by management. The Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) was used to evaluate the effectiveness of our internal controls over financial reporting. Based on this evaluation, the President and Chief Executive Officer and the Vice President, Finance & Technology and Chief Financial Officer concluded that our internal controls over financial reporting were effective as at December 31, 2014.

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

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

## Evaluation of Disclosure Controls and Procedures

The Company’s management, including the President and Chief Executive Officer, and the Vice President, Finance & Technology and Chief Financial Officer, is responsible for establishing and maintaining appropriate disclosure controls and procedures. The design and effectiveness of ISC’s disclosure controls and procedures in accordance with National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings as at December 31, 2014 was evaluated by management. Based on the foregoing evaluation, the President and Chief Executive Officer and the Vice President, Finance & Technology and Chief Financial Officer, concluded that our disclosure controls and procedures are effective to provide reasonable assurance that material information relating to the Company is made known to them and that information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation.

The annual filings have no misrepresentations and fairly present in all material respects the financial condition, financial performance and cash flow of the Company.



# 2014 Consolidated Financial Statements

For the Year Ended December 31, 2014

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## Management's Responsibility

### Management's Report on Consolidated Financial Statements

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

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

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

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



**Jeff Stusek**  
President and Chief Executive Officer



**Shawn B. Peters, CPA, CA**  
Vice-President, Finance & Technology  
and Chief Financial Officer

March 17, 2015

## Independent Auditor's Report

### To the Shareholders of Information Services Corporation:

We have audited the accompanying consolidated financial statements of Information Services Corporation which comprise the consolidated statements of financial position as at December 31, 2014 and December 31, 2013, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

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

### Auditor's Responsibility

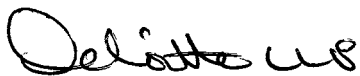
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Information Services Corporation as at December 31, 2014 and December 31, 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.



**Chartered Professional Accountants**

March 17, 2015  
Regina, Saskatchewan, Canada

## Consolidated Statement of Financial Position

(thousands of CAD dollars)	Note	As at December 31,	
		2014	2013
<b>Assets</b>			
Current assets			
Cash	4	\$ 33,581	\$ 27,614
Trade receivables		3,030	2,978
GST/HST receivable		4,999	2,145
Prepaid expenses		922	845
		<b>42,532</b>	<b>33,582</b>
Non-current assets			
Deferred tax asset	6	49,369	54,034
Property, plant and equipment	10	6,719	6,172
Intangible assets	11	11,100	14,313
<b>Total assets</b>		<b>\$109,720</b>	<b>\$108,101</b>
<b>Liabilities</b>			
Current liabilities			
Trade and other payables		\$ 5,082	\$ 5,623
Advances from customers		4,234	4,425
Income tax payable		524	2,181
Dividend payable		3,500	3,500
Deferred revenue	8	565	570
Provision for early retirement plan	7	46	46
		<b>13,951</b>	<b>16,345</b>
Non-current liabilities			
Provision for early retirement plan	7	-	46
Deferred revenue	8	482	833
Long-term debt	12	9,935	9,935
		<b>10,417</b>	<b>10,814</b>
<b>Shareholders' equity</b>			
Share capital	15	19,955	19,955
Equity settled employee benefit reserve		50	-
Retained earnings		65,347	60,987
		<b>85,352</b>	<b>80,942</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$109,720</b>	<b>\$108,101</b>

See Note 21 for Commitments and Contingencies

See Accompanying Notes

Approved by the Board of Directors on March 17, 2015:

  
**Joel Teal**  
 Director

  
**Anthony Guglielmin**  
 Director

## Consolidated Statement of Comprehensive Income

(thousands of CAD dollars)	Note	Year Ended December 31,	
		2014	2013
Revenue	19	\$ 80,459	\$ 79,131
Expenses			
Wages and salaries		24,845	23,803
Information technology services		10,272	10,001
Depreciation and amortization	10, 11	5,089	5,505
Occupancy costs		4,316	4,202
Professional and consulting services		3,875	1,864
Project initiatives		3,269	4,919
Other		3,642	3,033
		55,308	53,327
Net Income from continuing operations before net finance income		25,151	25,804
Finance expense (income)			
Interest income		(306)	(237)
Interest expense		92	157
Net finance income		(214)	(80)
Income from continuing operations before tax		25,365	25,884
Income tax expense (recovery)	6	7,005	(51,852)
Income from continuing operations		18,360	77,736
Net loss from discontinued operations		-	(755)
<b>Net income and total comprehensive income</b>		<b>\$ 18,360</b>	<b>\$ 76,981</b>
<b>Earnings per share (\$ per share)</b>			
From continuing operations, basic and diluted	14	\$ 1.05	\$ 4.44
From discontinued operations, basic	14	-	(0.04)
<b>Total, from continuing and discontinued operations, basic and diluted</b>	<b>14</b>	<b>\$ 1.05</b>	<b>\$ 4.40</b>

See Accompanying Notes

## Consolidated Statement of Changes in Equity

(thousands of CAD dollars)	Note	Retained Earnings	Share Capital	Equity Reserve	Total
Balance at January 1, 2013		\$ 21,941	\$ -	\$ -	\$ 21,941
Transfer to share capital		(19,955)	19,955	-	-
Net income		76,981	-	-	76,981
Dividend declared		(17,980)	-	-	(17,980)
Balance at December 31, 2013		60,987	19,955	-	80,942
Net income		18,360	-	-	18,360
Equity settled employee benefit reserve	9	-	-	50	50
Dividend declared		(14,000)	-	-	(14,000)
<b>Balance at December 31, 2014</b>		<b>\$ 65,347</b>	<b>\$ 19,955</b>	<b>\$ 50</b>	<b>\$ 85,352</b>

See Accompanying Notes

## Consolidated Statement of Cash Flow

(thousands of CAD dollars)	Note	Year Ended December 31,	
		2014	2013
<b>Operating</b>			
Net income from continuing operations		\$ 18,360	\$ 77,736
Add: Charges not affecting cash			
Depreciation	10	1,545	1,262
Amortization	11	3,544	4,243
Income tax expense (recovery) recognized in net income		7,005	(51,852)
(Gain) loss on disposal of property, plant and equipment		(13)	2
Loss on disposal of intangible asset		674	-
Recovery of MARS project expenses	11	232	212
Net finance income		(214)	(80)
Equity settled employee benefit reserve	9	50	-
Net change in non-cash working capital	20	(4,186)	(3,838)
Operating cash flow from discontinued operations		-	(755)
Income tax paid		(3,997)	-
<b>Net cash flow provided by operating activities</b>		<b>23,000</b>	<b>26,930</b>
<b>Investing</b>			
Interest received		306	237
Cash received on disposal of property, plant and equipment		27	-
Additions to property, plant and equipment		(1,474)	(461)
Additions to intangible assets		(1,798)	(2,445)
<b>Net cash flow used in investing activities</b>		<b>(2,939)</b>	<b>(2,669)</b>
<b>Financing</b>			
Interest paid		(94)	(176)
Repayment of short-term debt		-	(9,935)
Proceeds of long-term debt		-	9,935
Dividends paid		(14,000)	(17,609)
<b>Net cash flow used in financing activities</b>		<b>(14,094)</b>	<b>(17,785)</b>
Increase in cash		5,967	6,476
Cash, beginning of period		27,614	21,138
<b>Cash, end of period</b>		<b>\$ 33,581</b>	<b>\$ 27,614</b>

See Accompanying Notes

## 1 STATUS OF THE COMPANY

Information Services Corporation (“ISC” or the “Company”) was created by Order in Council as Saskatchewan Land Information Services Corporation, a Saskatchewan provincial Crown corporation on January 1, 2000, pursuant to *The Crown Corporations Act, 1993* (Saskatchewan). On November 1, 2000, the Company’s name was changed by Order in Council to Information Services Corporation of Saskatchewan.

In November 2012, the Government of Saskatchewan (the “Government”) announced its intention to privatize Information Services Corporation of Saskatchewan and introduced *The Information Services Corporation Act* (the “ISC Act”) into the Saskatchewan Legislature on November 19, 2012. The ISC Act received Royal Assent on May 15, 2013, and was proclaimed on May 30, 2013.

The proclamation of the ISC Act resulted in *The Crown Corporations Act, 1993* (Saskatchewan) ceasing to apply to the Company. The Company was continued under *The Business Corporations Act* (Saskatchewan) on May 30, 2013, as Information Services Corporation, a corporation with share capital, and a wholly owned subsidiary of Crown Investments Corporation of Saskatchewan (“CIC”).

In May 2013, the Government proclaimed *The Operation of Public Registry Statutes Act* (Saskatchewan) and *The Operation of Public Registry Statutes Consequential Amendments Act, 2013* (Saskatchewan). These Acts authorize the execution between the Government and the Company of detailed service agreements addressing the powers, duties, responsibilities, and remedies relating to the operation and management of the public registries. ISC’s wholly owned subsidiary, ISC Saskatchewan Inc. (“ISC Sask”), was incorporated on May 30, 2013 under *The Business Corporations Act* (Saskatchewan) to hold certain assets which are dedicated to the operation of the public registries.

The Acts also provided for the transfer of the Vital Statistics Registry, previously operated by the Company, to eHealth Saskatchewan (“eHealth”), another Government entity. This transfer was completed effective June 16, 2013.

As a result of the above actions, the Company is the provider of registry and information services and is the exclusive provider of the Land Titles Registry, Land Surveys Directory, Personal Property Registry (“PPR”) and Corporate Registry (collectively, the “Registries”) in Saskatchewan. The registered office of the Company is 300 - 10 Research Drive, Regina, Saskatchewan, S4S 7J7.

On July 9, 2013, the Company became publicly listed on the Toronto Stock Exchange (“TSX”) under the symbol “ISV”. As a result of the change of control, the Company’s status changed, and it is now subject to federal and provincial income taxes at an estimated combined rate of 27.0 per cent on income earned in Saskatchewan (see Note 6).

## 2 BASIS OF PRESENTATION

### Statement of compliance

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

The Company’s Board of Directors (the “Board”) authorized the consolidated financial statements for the year ended December 31, 2014 for issue on March 17, 2015.

### Basis of measurement

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention.

### Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars (“CAD”), which is the Company’s functional currency.

### Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiary ISC Sask. All intragroup assets and liabilities, equity, income, expenses and cash flows are eliminated in full on consolidation.

### Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant items subject to estimates and underlying assumptions include:

- the carrying amounts of property, plant and equipment ("PPE") (Note 10);
- the carrying amounts of intangible assets (Note 11); and
- deferred tax asset (Note 6).

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

Significant judgments have been made in the following areas:

- the presentation of contracts with various government organizations as operating revenue or government grants (Note 8); and
- the classification and valuation of the Master Service Agreement as an intangible asset (Note 21).

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Property, plant and equipment

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

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

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

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

Leasehold improvements	10 Years
Office furniture	10 Years
Office equipment	5 Years
Computer hardware	3 Years

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

#### Intangible assets

##### Intangible assets acquired separately

Finite intangible assets acquired separately are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is provided for on a straight-line basis over the corresponding estimated useful life of the applicable assets. The estimated useful life and amortization methods are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income.

Amortization on externally acquired system enhancements, including software, is recorded on the straight-line basis over the estimated productive life.

System enhancements ("SE")	
- externally acquired	3 Years

##### Internally generated intangible assets

Research expenditures are expensed and development expenditures are recognized only if they meet the recognition criteria for internally generated intangible assets as provided under IFRS. The amount initially recognized for an internally generated intangible asset is the sum of the expenditures incurred from the date when the intangible asset first meets the recognition criteria. If no internally generated intangible asset can be recognized, development expenditures are charged to operations in the period in which they are incurred. Internally generated intangible assets include: land titles automated network delivery ("LAND"), geographic information system ("GIS"), system enhancements, and assets under development.



An internally generated intangible asset arising from development is recognized if, and only if, all of the following have been demonstrated:

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

Subsequent to initial recognition, an internally generated intangible asset is reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as an intangible asset acquired separately. The estimated useful life and amortization methods for these assets are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Amortization is recorded on internally generated intangible assets on the straight-line basis over the estimated productive life.

LAND data conversion	15 years
LAND development	7 years
System enhancements	
- internally generated	3-7 years
Geographic information system	5 years
Other	3-5 years
Assets under development	N/A (not ready for use)

### Impairment of tangible and intangible assets

At each statement of financial position date, ISC reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, ISC estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and

consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets not yet available for use are tested for impairment annually in December and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in comprehensive income.

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

### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Company. ISC has determined that all leases entered into by the Company are classified as operating leases, as the risks and rewards of ownership have not been transferred to the Company.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-

line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### Revenue recognition

Revenues from the Land Registry, the Personal Property Registry, the Vital Statistics Registry, the Corporate Registry, the Land Surveys Directory, Geomatic Services and Solutions and other sources are recognized in the accounts when services are rendered. Amounts received in advance of Geomatics services being performed are reflected as deferred revenue and are recorded as revenue when services are rendered. Amounts received from customers in advance are reflected as advances from customer and are recorded as revenue when services are rendered.

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from a contract to provide services is recognized by reference to the stage of completion as defined in the contract when the outcome of the contract can be estimated reliably. The outcome of a contract can be estimated reliably when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

### Employee benefits

The Company provides pension plans for all eligible employees, including a defined contribution pension plan and a defined benefit pension plan. Employees hired after October 1, 1977, make contributions to The Public Employees Pension Plan, a defined contribution plan. Funding requirements are established by *The Superannuation (Supplementary Provisions) Act* (Saskatchewan) and the Company matches employee contributions.

The Company's obligations are limited to making regular payments to the plans for current services. These contributions are expensed. The obligation under the defined benefit pension plan is the responsibility of the General Revenue Fund of the Province of Saskatchewan.

### Government grants

Government grants are not recognized until there is reasonable assurance that ISC will comply with the conditions attached to them and that the grants will be received.

Government grants whose primary condition is that ISC should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the statement of financial position and transferred to profit on a systematic and rational basis over the useful life of the related assets.

Other government grants are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to ISC with no future related costs are recognized in profit or loss in the period in which they become receivable.

Other government grants are netted against the related expenses as services are performed.

### Financial instruments

#### Non-derivative financial instruments

Non-derivative financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and

rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

At initial recognition, all financial instruments are classified in one of the following categories depending on the purpose for which the instruments were acquired.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss ("FVTPL") are financial assets held for trading or that are designated as such by management. Such assets are held for trading if they are acquired principally for the purpose of selling in the short term. These assets are initially recognized, and subsequently carried, at fair value, with changes recognized in the consolidated statement of comprehensive income. Transaction costs are expensed. Assets in this category include cash.

#### Loans and receivables

Loans and receivables ("LAR") are subsequently measured at amortized cost using the effective interest method, less any impairment losses, with interest expense recognized on an effective yield basis. Assets in this category include trade and grant receivables.

#### Other financial liabilities

Other financial liabilities ("OFL") are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. Liabilities in this category include trade and other payables, dividend payable, provision for early retirement plan and short-term and long-term debt.

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

#### Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### Share-based compensation plan

A deferred share unit ("DSU") plan has been approved by the Board, which is described in Note 9. The Company has recognized an obligation at an estimated amount based on the fair value of the DSUs as of the grant date using the Black-Scholes option-pricing model. At the end of each reporting period, the estimates are re-assessed based on the fair value of the DSUs as of the reporting period. Compensation expense is recognized in proportion to the amount of DSUs vested. The DSUs can be settled in cash or shares that are purchased from the open market by a broker. As a result, at the end of each reporting period, the estimates are re-assessed based on the fair value of the DSUs with any change in estimate recognized in the obligation and expense.

A stock option plan has been approved by the Board and shareholders, which is described in Note 9. The Company has recognized an obligation at an estimated amount based on the fair value of the stock options as of the grant date using the Black-Scholes option-pricing model. The share-based compensation expense is recognized in proportion to the amount of stock options vested. This expense for the reporting period also represents the total carrying amount of the equity settled employee benefit reserve arising from these stock options.

## Changes in accounting policies

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2014, or on such date as they became applicable. These changes were made in accordance with the applicable transitional provisions. The adoption of these changes did not require any adjustments or it was determined that they do not apply to the consolidated financial statements.

Standard	Description
Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities	Amends IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements to provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments.
Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions	Amends IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.
IAS 32 - Financial Instruments: Presentation	Prescribes the recognition, measurement, presentation and disclosure requirement of financial instruments.
Amendments to IAS 32 - Offsetting Financial Assets and Financial Liabilities	Amends IAS 32 Financial Instruments to clarify certain aspects because of diversity in application of the requirements in offsetting the meaning of 'currently has a legally enforceable right of set-off', the application of simultaneous realization and settlement, the collateral amounts and the unit of account for applying these requirements.
Amendments to IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets	Amends IAS 36 Impairment of Assets to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used.
IFRIC 21 - Levies	Provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.
Amendments to IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting	Amends IAS 39 Financial Instruments: Recognition and Measurement to make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

## Recent accounting pronouncements

The IASB and International Financial Reporting Interpretations Committee issued the following new standards and amendments to standards and interpretations, which become effective for annual periods beginning on or after January 1, 2015, and which are currently being assessed by the Company to determine the impact.

Proposed standard	Description	Effective Date
IFRS 7 – Financial Instrument Disclosures (transition)	Amends certain criteria for grouping assets and liabilities into classes and certain disclosure requirements.	January 1, 2015
IFRS 9 – Financial Instruments	Addresses the classification and measurement of financial assets and financial liabilities.	January 1, 2018
IFRS 15 – Revenue from contracts with Customers	Provides a single, principles-based five-step model to be applied to all contracts with customers.	January 1, 2017
Amendments to IAS 27 – Equity Method in Separate Financial Statements	Amends IAS 27 Separate Financial Statements to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.	January 1, 2016
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	Amends IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture with a requirement of full recognition in the investor’s financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations) and the requirement of partial recognition of gains and losses where the assets do not constitute a business.	January 1, 2016
Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization	Amends IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.	January 1, 2016

## 4 CASH

Cash is held on deposit and earns interest at a rate of prime less 1.95 per cent. Interest revenue earned in 2014 is \$306 thousand (2013 – \$237 thousand).

## 5 SEASONALITY

The Company experiences moderate seasonality, primarily in relation to its Land Registry revenue which fluctuates in line with real estate transaction activity in the province. Typically, the Company’s second and third quarters generate slightly higher revenues during the fiscal year when real estate activity is highest. Fluctuations in revenue are seen from quarter to quarter with seasonality identified as a primary factor.

## 6 TAX PROVISION

As a Crown corporation, ISC was exempt from federal and provincial income taxes under the *Income Tax Act* (Canada), as amended (the "Tax Act"). In accordance with section 149(1) (d.2), this exemption continued to apply through ISC's continuation as a wholly owned subsidiary of CIC. ISC's tax-exempt status changed on June 27, 2013 when ISC and CIC entered into an Underwriting Agreement with a syndicate of underwriters. ISC is subject to federal and provincial income taxes at an estimated combined rate of 27.0 per cent.

Upon the change in status, a new taxation year commenced and the Company's properties were deemed to have been disposed of at fair market, while the Company was still exempt from tax, and have been reacquired at that amount at the commencement of the new taxation year. Consequently, the Company can amortize and deduct the cost of depreciable tangible and intangible properties in computing its income for tax purposes in accordance with the rules in the Tax Act. The increase in tax bases of certain of the Company's assets upon the change in tax status created a deferred tax asset.

(thousands of CAD dollars)	Year Ended December 31,	
	2014	2013
<b>Current tax expense</b>		
Current tax on earnings for the year	\$ 2,340	\$ 2,181
<b>Deferred tax expense</b>		
Current period expense	4,665	2,531
Income tax expense	7,005	4,712
Income tax recovery recognized as a result of change in tax status	-	(56,564)
<b>Income tax expense (recovery)</b>	<b>\$ 7,005</b>	<b>\$ (51,852)</b>

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

(thousands of CAD dollars)	Year Ended December 31,	
	2014	2013
<b>Net income before tax</b>	<b>\$ 25,365</b>	<b>\$ 25,129</b>
Combined statutory income tax rate	27.0%	27.0%
Expected income tax expense	6,849	6,784
Increase (decrease) in income tax resulting from:		
Non-deductible expenses/non-taxable income	156	295
Non-taxable earnings pre-Initial Public Offering	-	(2,367)
Income tax expense	7,005	4,712
Income tax recovery recognized as a result of change in tax status	-	(56,564)
<b>Income tax expense (recovery)</b>	<b>\$ 7,005</b>	<b>\$ (51,852)</b>
<b>Effective income tax rate</b>	<b>27.6%</b>	<b>(206.3)%</b>

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

(thousands of CAD dollars)	January 1, 2014	Taxes credited (charged) to net earnings due to current period temporary differences	December 31, 2014
<b>Deferred tax asset</b>			
Intangible assets	\$ 48,216	\$ (9,468)	\$ 38,748
Property, plant and equipment	20	-	20
Non-capital losses	5,435	4,910	10,345
Other assets	363	(107)	256
	\$ 54,034	\$ (4,665)	\$ 49,369
<b>Deferred tax liability</b>			
Other liabilities	\$ -	\$ -	\$ -
<b>Recorded on the consolidated statement of financial position as follows:</b>			
Deferred tax asset	\$ 54,034	\$ (4,665)	\$ 49,369
Deferred tax liability	-	-	-

In assessing the recovery of deferred income tax assets, management considers whether it is more likely than not that the deferred income tax assets will be realized. The recognition and measurement of the current and deferred tax assets and liabilities involves dealing with uncertainties in the application of complex tax regulations and in the assessment of the recoverability of deferred tax assets. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences are deductible.

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

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

## 7 GRANT RECEIVABLE AND PROVISION FOR EARLY RETIREMENT PLAN

An Order in Council (2001) authorized CIC to provide a grant to the Company in an amount not exceeding \$5.4 million to fund the retirement costs associated with Land Titles employees who experienced job loss as a result of the LAND project. The LAND project redeveloped the land titles system, integrated it with a geographic information system and developed an infrastructure for the delivery of services common to all registry systems to benefit program administration and client services. It involved automation, process redesign, legislative changes and organizational redevelopment.

As part of the privatization of ISC, on May 29, 2013, the grant receivable was paid to the Company in its entirety by CIC for the remaining balance owing to eligible employees. The funds will be disbursed by the Company to eligible employees as they become due.

At December 31, 2014, \$46 thousand (December 31, 2013 - \$92 thousand) is recorded in the accounts to provide for the outstanding amounts that management estimates will become payable with respect to eligible employees, with \$46 thousand (December 31, 2013 - \$46 thousand) expected to become due within the next twelve months.

## 8 DEFERRED REVENUE

The Company has received government grants for two of its projects. They are the Mineral Administration Registry Saskatchewan ("MARS") project and the Enhanced Mineral Cadastral project. The condition for the government grants issued to the projects was that the Company must complete the projects within the scope agreed between the Company and responsible government agencies. As of December 31, 2014, the Company was able to meet the conditions of the grants received.

The MARS project has delivered two major deliverables: a storefront component and a database component. Review has indicated that the storefront component does not meet the definition of intangible asset as prescribed under IFRS; therefore, expenditures incurred for the storefront portion were expensed immediately and the portion of government grant related to the storefront was netted against the expenditure. The database component meets the definition of intangible assets under IFRS and expenditures incurred on the database component are capitalized accordingly. The government grant related to the database was deferred and is recognized over the life of the database.

(thousands of CAD dollars)	As at December 31,	
	2014	2013
Current deferred revenue		
– government-related	\$ 351	\$ 362
Other deferred revenue	214	208
Total current deferred revenue	565	570
Non-current deferred revenue		
– government-related	482	833
<b>Total deferred revenue</b>	<b>\$ 1,047</b>	<b>\$ 1,403</b>

## 9 SHARE-BASED COMPENSATION PLAN

### Deferred share unit plan

The Company has established a DSU plan to provide directors and senior officers of ISC with the opportunity to acquire DSUs in order to allow them to participate in the long-term success of ISC and to promote a greater alignment of interests between its directors, senior officers and shareholders.

The Board may award DSUs at its discretion from time to time, in accordance with the plan and upon such other terms and conditions as the Board may prescribe. DSU awards vest immediately, unless an alternate vesting schedule is specified by the Board at the time of the award.

DSUs earn dividend equivalents in the form of additional DSUs at the same rate as dividends on Class A Limited Voting Shares ("Class A Shares"), rounded down to the nearest whole DSU. No fractional DSUs shall be issued for dividends. The participant is not allowed to convert the DSUs until termination of employment/directorship or death. The cash value of the DSUs is equivalent to the market value of the Class A Shares when redemption takes place.

On each applicable redemption date, the Company can, at its sole discretion, deliver to the participant:

- a cash payment equal to the redemption value of such DSUs after deduction of applicable taxes and other source deductions required by applicable Laws;
- such number of Class A Shares that have been purchased by the Corporation on the TSX which have an aggregate market value equal to the redemption value of such DSUs; or
- any combination of the foregoing, such that the cash payment, plus such number of Class A Shares purchased by the Company and delivered to the participant, have a fair market value equal to the redemption value of such DSUs.

On March 26, 2014, the Board issued an aggregate of 1,636.13 DSUs, comprised of: (i) 273.69 DSUs to the Board Chair at an award price of \$19.29 per DSU, which was the closing price of the Class A Shares on the TSX on the trading day immediately prior to the issuance of the DSUs; and (ii) 170.43 DSUs to each of the other eight directors at an award price of \$19.29 per DSU. This initial issuance of DSUs to the directors was for the period from the date of issuance to the Annual and Special Meeting of Shareholders on May 13, 2014.

On May 13, 2014, the Board issued an aggregate of 12,765.96 DSUs, comprised of: (i) 2,127.66 DSUs to the Board Chair at an award price of \$18.80 per DSU, which was the closing price of the Class A Shares on the TSX on the trading day immediately prior to the issuance of the DSUs; and (ii) 1,329.79 DSUs to each of the other eight directors at an award price of \$18.80 per DSU. This issuance of DSUs to the directors was for the approximate twelve-month period from the date of issuance.



A summary of the status of the DSU Plan and the changes within the period ended December 31, 2014 is as follows:

	Units	Weighted Average Award Price
Balance at December 31, 2013	-	\$ -
DSUs granted March 26, 2014	1,636.13	19.29
DSUs granted May 13, 2014	12,765.96	18.80
Total notional dividends declared to date	454.00	18.48
<b>Balance at December 31, 2014</b>	<b>14,856.09</b>	<b>\$ 18.84</b>

At December 31, 2014, the DSUs had a redemption value of \$18.20 per DSU and a weighted average contractual life of 0.36 years.

The Company has recognized an obligation at an estimated amount based on the fair value of the DSUs as of the grant date. Compensation expense is recognized in proportion to the amount of DSUs vested. At the end of each reporting period, the estimates are re-assessed based on the fair value of the DSUs as of the reporting period. Any change in estimate is recognized in the obligation and expense at the end of the reporting period. Share-based compensation for the year ended December 31, 2014, related to DSUs totalled \$250 thousand (2013 - nil), which also represents the total carrying amount of the liability arising from the DSUs. The liability amount is included within Trade and Other Payables on the consolidated statement of financial position.

The fair value of the DSUs at December 31, 2014, has been calculated using the Black-Scholes option-pricing model based on the following inputs:

Market Price	\$ 18.20
Expected Volatility	22.5%
Risk Free Interest Rate	2.5%
Expected life (days)	133
<b>Fair Value at December 31, 2014</b>	<b>\$ 18.20</b>

### Stock option plan

ISC's Stock Option Plan was approved by the Board on March 19, 2014, and approved by the shareholders on May 13, 2014. The purpose of the Stock Option Plan is to provide employees of the Company with compensation opportunities that will encourage share ownership and enhance the Company's ability to attract, retain and motivate key personnel and reward significant performance achievements.

The maximum number of Class A Shares issuable pursuant to options granted under the Stock Option Plan, or pursuant to any other security based compensation arrangement, may not exceed 10.0 per cent of the total number of issued and outstanding Class A Shares at the grant date of any options. Since the maximum number of Class A Shares issuable under the Stock Option Plan is not a fixed number, the Stock Option Plan will need to be approved by the shareholders every three years.

The exercise price of options issued under the Stock Option Plan is determined by the Board at the time of the grant, but shall not be less than the closing price for the Class A Shares on the TSX on the trading day immediately preceding the date of the grant. Unless the Board determines otherwise, options granted will vest and become exercisable in equal tranches over the four years following the date of the grant. Once vested, options may be exercised at any time within eight years of the date of the grant, after which they expire and terminate.

Pursuant to the Stock Option Plan, stock options were issued to the President and Chief Executive Officer ("CEO") for 54,799 Class A Shares on May 13, 2014, at an exercise price of \$18.80 per share, which was the closing price of the Class A Shares on the TSX on the trading day immediately prior to the issuance of the stock options. These stock options were issued by the Board in accordance with the executive compensation framework established by the Board and under the terms of the employment agreement with the President and CEO as long-term incentive compensation based on 50.0 per cent of the President and CEO's 2014 base salary to be provided through stock options.

The Company has recognized an equity reserve at an estimated amount based on the fair value of the stock options as of the grant date.

Spot Price	\$ 18.80
Expected Volatility	22.5%
Risk Free Interest Rate	2.5%
Expected life (days)	2,920
<b>Fair Value at May 13, 2014</b>	<b>\$ 2.7373</b>

Compensation expense is recognized in proportion to the amount of stock options vested. Share-based compensation for the year ended December 31, 2014, related to the stock option plan totalled \$50 thousand (2013 - nil), which also represents the total carrying amount of the equity settled employee benefit reserve arising from these stock options.

## 10 PROPERTY, PLANT AND EQUIPMENT

(thousands of CAD dollars)	Leasehold Improvements	Office Furniture	Office Equipment	Hardware	Asset under Development	Total
<b>Cost</b>						
Balance at December 31, 2012	\$ 8,125	\$ 3,039	\$ 88	\$ 1,812	\$ 302	\$ 13,366
Additions	680	56	15	9	(302)	458
Disposals	-	(6)	(6)	(141)	-	(153)
Balance at December 31, 2013	\$ 8,805	\$ 3,089	\$ 97	\$ 1,680	\$ -	\$ 13,671
Balance at December 31, 2013	\$ 8,805	\$ 3,089	\$ 97	\$ 1,680	\$ -	\$ 13,671
Additions	50	23	-	262	1,770	2,105
Disposals	(257)	(12)	(7)	(645)	-	(921)
Transfer	-	-	-	1,083	(1,083)	-
<b>Balance at December 31, 2014</b>	<b>\$ 8,598</b>	<b>\$ 3,100</b>	<b>\$ 90</b>	<b>\$ 2,380</b>	<b>\$ 687</b>	<b>\$ 14,855</b>
<b>Accumulated Depreciation</b>						
Balance at December 31, 2012	\$ 3,291	\$ 1,476	\$ 46	\$ 1,574	\$ -	\$ 6,387
Depreciation	841	266	13	142	-	1,262
Disposals	-	(6)	(4)	(140)	-	(150)
Balance at December 31, 2013	\$ 4,132	\$ 1,736	\$ 55	\$ 1,576	\$ -	\$ 7,499
Balance at December 31, 2013	\$ 4,132	\$ 1,736	\$ 55	\$ 1,576	\$ -	\$ 7,499
Depreciation	863	267	11	404	-	1,545
Disposals	(257)	(9)	(5)	(637)	-	(908)
<b>Balance at December 31, 2014</b>	<b>\$ 4,738</b>	<b>\$ 1,994</b>	<b>\$ 61</b>	<b>\$ 1,343</b>	<b>\$ -</b>	<b>\$ 8,136</b>
<b>Carrying Value</b>						
At December 31, 2013	\$ 4,673	\$ 1,353	\$ 42	\$ 104	\$ -	\$ 6,172
<b>At December 31, 2014</b>	<b>\$ 3,860</b>	<b>\$ 1,106</b>	<b>\$ 29</b>	<b>\$ 1,037</b>	<b>\$ 687</b>	<b>\$ 6,719</b>

## 11 INTANGIBLE ASSETS

(thousands of CAD dollars)	GIS	SE Externally Acquired	SE Internally Generated	Asset under Develop- ment	Other	LAND Develop- ment	LAND Data Conversion	Total
<b>Cost</b>								
Balance at December 31, 2012	\$ 6,705	\$ 1,577	\$29,301	\$ 6,707	\$ 1,414	\$ 30,685	\$17,262	\$ 93,651
Additions	-	-	-	3,289	-	-	-	3,289
Dividend-in-kind	-	(183)	(3,391)	-	-	-	-	(3,574)
Transfer	-	411	7,843	(8,254)	-	-	-	-
Balance at December 31, 2013	\$ 6,705	\$ 1,805	\$33,753	\$ 1,742	\$ 1,414	\$ 30,685	\$17,262	\$ 93,366
Balance at December 31, 2013	\$ 6,705	\$ 1,805	\$33,753	\$ 1,742	\$ 1,414	\$ 30,685	\$17,262	\$ 93,366
Additions	-	188	-	1,892	-	-	-	2,080
Impairment	-	-	-	(1,052)	-	-	-	(1,052)
Disposals	-	-	(193)	(465)	-	-	-	(658)
Transfer	-	-	213	(213)	-	-	-	-
<b>Balance at December 31, 2014</b>	<b>\$ 6,705</b>	<b>\$ 1,993</b>	<b>\$33,773</b>	<b>\$ 1,904</b>	<b>\$ 1,414</b>	<b>\$ 30,685</b>	<b>\$17,262</b>	<b>\$ 93,736</b>
<b>Accumulated Depreciation</b>								
Balance at December 31, 2012	\$ 6,705	\$ 1,249	\$23,206	\$ -	\$ 1,414	\$ 30,685	\$12,083	\$ 75,342
Amortization	-	168	2,925	-	-	-	1,151	4,244
Dividend-in-kind	-	(20)	(725)	-	-	-	-	(745)
Recovery of MARS expenses	-	-	212	-	-	-	-	212
Balance at December 31, 2013	\$ 6,705	\$ 1,397	\$25,618	\$ -	\$ 1,414	\$ 30,685	\$13,234	\$ 79,053
Balance at December 31, 2013	\$ 6,705	\$ 1,397	\$25,618	\$ -	\$ 1,414	\$ 30,685	\$13,234	\$ 79,053
Amortization	-	202	2,191	-	-	-	1,151	3,544
Disposals	-	-	(193)	-	-	-	-	(193)
Recovery of MARS expenses	-	-	232	-	-	-	-	232
<b>Balance at December 31, 2014</b>	<b>\$ 6,705</b>	<b>\$ 1,599</b>	<b>\$27,848</b>	<b>\$ -</b>	<b>\$ 1,414</b>	<b>\$ 30,685</b>	<b>\$14,385</b>	<b>\$ 82,636</b>
<b>Carrying Value</b>								
At December 31, 2013	\$ -	\$ 408	\$ 8,135	\$ 1,742	\$ -	\$ -	\$ 4,028	\$ 14,313
<b>At December 31, 2014</b>	<b>\$ -</b>	<b>\$ 394</b>	<b>\$ 5,925</b>	<b>\$ 1,904</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,877</b>	<b>\$ 11,100</b>

During the year, the Company assessed that an asset under development and not yet available for use was impaired because the work completed to date would not be transferable to the new solution.

## 12 LONG-TERM DEBT

The bankers' acceptance note has been classified as long-term as it is provided under a three-year committed revolving term loan facility and the Company expects to, and has the discretion to, refinance the obligation under this facility. At December 31, 2014, \$9.935 million was financed through a bankers' acceptance note, due January 5, 2015, bearing interest at 1.273 per cent per annum. In comparison, at December 31, 2013, \$9.935 million was financed through a bankers' acceptance note, due April 7, 2014, bearing interest at 1.380 per cent per annum.

### 13 DISCONTINUED OPERATIONS

As part of the privatization of the Company, the Government transferred the Vital Statistics Registry to another Government entity, eHealth, effective June 16, 2013. The intangible assets related to Vital Statistics were transferred at their net book value through a dividend-in-kind to the Government totalling \$2.8 million.

(thousands of CAD dollars)	Year Ended December 31,	
	2014	2013
Statement of discontinued operations		
Revenues	\$ -	\$ 1,074
Expenses	-	1,829
<b>Net loss from discontinued operations</b>	<b>\$ -</b>	<b>\$ (755)</b>

### 14 EARNINGS PER SHARE

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

(thousands of CAD dollars, except number of shares and earnings per share)	Year Ended December 31,	
	2014	2013
Net income from continuing operations	\$ 18,360	\$ 77,736
Net loss from discontinued operations	-	(755)
Weighted average number of shares, basic	17,500,000	17,500,000
Potential dilutive shares resulting from stock option	18,141	-
Weighted average number of shares, diluted	17,518,141	17,500,000
<b>Earnings per share (\$ per share)</b>		
From continuing operations, basic and diluted	\$ 1.05	\$ 4.44
From discontinued operations, basic	-	(0.04)
<b>Total, from continuing and discontinued operations, basic and diluted</b>	<b>\$ 1.05</b>	<b>\$ 4.40</b>

### 15 EQUITY AND CAPITAL MANAGEMENT

In November 2012, the Government introduced legislation to privatize and enable the sale of shares of ISC. In order to facilitate the sale of shares and as part of the privatization, on May 30, 2013, the Company issued one Class A Share and one Class B Golden Share (the "Golden Share") to its parent, CIC, for no consideration following the continuance of ISC under *The Business Corporations Act* (Saskatchewan), and the Company's retained earnings, as of May 30, 2013, were transferred to share capital in accordance with the Act.

Effective June 26, 2013, the Company effected a stock split by way of articles of amendment changing the number of issued and outstanding Class A Shares from one to 17,500,000. On July 9, 2013, the Company

became publicly listed on the Toronto Stock Exchange by completing its Initial Public Offering (the "Offering") of 10,500,000 Class A Shares at \$14.00 per share. On July 17, 2013, the underwriters exercised in full the Over-Allotment Option to purchase an additional 1,575,000 Class A Shares. The Offering was a secondary offering by the selling shareholder, CIC. Following the closing of the secondary offering, CIC held 5,425,000 Class A Shares, representing approximately 31 per cent of the issued and outstanding Class A Shares. The Company did not receive any proceeds from the Offering.

The Company's authorized share capital consists of an unlimited number of Class A Shares, one Golden Share and an unlimited number of Preferred Shares, issuable

in series. The Company currently has 17,500,000 Class A Shares issued and outstanding, one Golden Share issued and outstanding and no Preferred Shares issued or outstanding. Class A Shares are entitled to one vote per share. The Golden Share has certain voting rights with respect to the location of the head office and the sale of all or substantially all of the assets of the Company. The Golden Share has no pre-emptive, redemption, purchase or conversion rights and is not eligible to receive dividends declared by the Company. The Preferred Shares can be issuable at any time and may include voting rights.

(thousands of CAD dollars, except number of shares)	Class A		Class B	
	Number of Shares	Share Capital	Number of Shares	Share Capital
Balance at January 1, 2013	-	\$ -	-	\$ -
Issue of shares at continuation	1	19,955	1	-
Class A Share split (1:17,500,000)	17,499,999	-	-	-
Balance at December 31, 2013	17,500,000	\$ 19,955	1	\$ -
No movement	-	-	-	-
<b>Balance at December 31, 2014</b>	<b>17,500,000</b>	<b>\$ 19,955</b>	<b>1</b>	<b>\$ -</b>

### Credit Facility

On July 8, 2013, the Company entered into secured credit facilities (collectively, the "Credit Facilities") provided by a Canadian chartered bank in the aggregate amount of \$19.9 million. The Credit Facilities are comprised of (i) a \$9.9 million three-year committed revolving term loan facility (the "Revolving Term Facility") which was used to replace the existing short-term indebtedness of the Company to the Government, and (ii) a \$10.0 million uncommitted revolving credit facility (the "Operating Facility") to be used for general corporate purposes. The Revolving Term Facility will mature on July 5, 2016, unless renewed prior to that time; the Operating Facility is repayable by the Company upon demand by the lender and the lender may terminate such Operating Facility at any time.

Borrowings under the Credit Facilities will bear interest at a base rate of prime, bankers' acceptance fee, letter of credit fee or letter of guarantee fee (determined in accordance with the terms of the Credit Facilities), plus a margin varying between 0.7 per cent and 1.7 per cent per annum depending on the type of advance. The Company is also required to pay a commitment fee quarterly in arrears at the rate of 0.34 per cent per annum of the unutilized portion of the Revolving Term Facility loan.

The Credit Facilities contain financial covenants which require the Company to maintain a ratio of Funded Debt to Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), (defined in the Credit Facilities) of less than 2:1 and a Fixed Charge Coverage ratio (as defined in the Credit Facilities) of greater than 1.35:1.

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

All the indebtedness under the Credit Facilities is secured by a first ranking security interest in all of the personal property and floating charge on all real property of the Company, a pledge of all shares of the Company's subsidiary, ISC Sask, an unlimited guarantee and postponement of claim from ISC Sask guaranteeing all of ISC's indebtedness and obligations to the lender and a second ranking security interest (subject to the security of the Government of Saskatchewan under a debenture) in all personal property and floating charge over all property of ISC Sask.

The Company's capital at December 31, 2014, consisted of long-term debt, share capital and retained earnings (comprising total shareholders' equity).

(thousands of CAD dollars)	As at December 31,	
	2014	2013
Long-term debt	\$ 9,935	\$ 9,935
Share capital	19,955	19,955
Equity settled employee benefit reserve	50	-
Retained earnings	65,347	60,987
<b>Capitalization</b>	<b>\$ 95,287</b>	<b>\$ 90,877</b>

## 16 FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

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

### Credit risk

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

Cash is held with a major Canadian chartered bank and the Company believes the risk of loss to be minimal. The maximum exposure to credit risk at December 31, 2014, is \$36.6 million (December 31, 2013 - \$30.6 million) equal to the carrying value of the Company's financial assets, those being cash at \$33.6 million (December 31, 2013 - \$27.6 million) and trade receivables at \$3.0 million (December 31, 2013 - \$3.0 million). Quarterly reviews of the aged receivables are completed. The Company expects to fully collect on all outstanding receivables. Therefore, the risk to the Company is low.

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

(thousands of CAD dollars)	As at December 31,	
	2014	2013
Cash	\$ 33,581	\$ 27,614
Current trade receivables and other	1,331	2,713
Up to three months past due date	274	23
Greater than three months past due date	1,425	242
<b>Total credit risk</b>	<b>\$ 36,611</b>	<b>\$ 30,592</b>

### Interest rate risk

The interest rates on long-term debt are currently managed throughout the three-year term with short-term bankers' acceptance notes with an option to lock in rates at any time. Therefore, this risk to the Company is low.

### Liquidity risk

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

The following summarizes the contractual maturities for the Company's financial liabilities at December 31, 2014:

(thousands of CAD dollars)	Carrying Amount	Contractual Cash Flows	0-6 months	7-12 months	1-2 years
Long-term debt	\$ 9,935	\$ 10,087	\$ 152	\$ -	\$ 9,935
Trade and other payables	5,082	5,082	5,082	-	-
<b>Total liabilities</b>	<b>\$ 15,017</b>	<b>\$ 15,169</b>	<b>\$ 5,234</b>	<b>\$ -</b>	<b>\$ 9,935</b>

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

## Market risk

The Company is not exposed to market risk with respect to financial instruments as it does not hold any financial assets or liabilities whose fair value is affected by equity prices.

(thousands of CAD dollars)	Classification	December 31, 2014		December 31, 2013	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>					
Cash	FVTPL	\$ 33,581	\$ 33,581	\$ 27,614	\$ 27,614
Trade receivables	LAR	3,030	3,030	2,978	2,978
<b>Financial Liabilities</b>					
Trade and other payables*	OFL	5,128	5,128	5,715	5,715
Dividend payable	OFL	3,500	3,500	3,500	3,500
Long-term debt	OFL	9,935	9,935	9,935	9,935

\* includes provision for early retirement plan

## Fair value of financial instruments

IFRS require fair value measurements to be categorized into levels within a fair value hierarchy based on the nature of inputs used in the valuation.

**Level 1** - Quoted prices are readily available from an active market.

**Level 2** - Inputs, other than quoted prices included in Level 1 that are observable either directly or indirectly.

**Level 3** - Inputs are not based on observable market data.

The carrying values of cash, trade receivables, grant receivable, trade and other payables, and dividend payable approximate fair value due to their immediate or relatively short-term maturity. Long-term debt is currently managed throughout the three-year term with short-term bankers' acceptance notes and, as such, the carrying value approximates fair value due to the short term to maturity as well. It has been determined that there are no differences between the carrying amount and the fair market value of these instruments and, as such, they are considered to be Level 1.

## 17 RELATED PARTY TRANSACTIONS

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

Routine operating transactions with related parties are settled at agreed upon exchange amounts under normal trade terms.

In addition, the Company pays provincial sales tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases. Other amounts and transactions due to and from related parties and the terms of settlement are described separately in these consolidated financial statements and the notes thereto.

## 18 COMPENSATION OF KEY MANAGEMENT PERSONNEL

The compensation of directors and other members of the key management team during the period were as follows:

(thousands of CAD dollars)	Year Ended December 31,	
	2014	2013
Wages, salaries and short-term benefits	\$ 1,614	\$ 1,735
Share-based compensation	300	-
Defined contribution plan	86	104
<b>Total compensation</b>	<b>\$ 2,000</b>	<b>\$ 1,839</b>

Members of the key management team include the President and Chief Executive Officer, Chief Financial Officer and the Vice Presidents.

The compensation of directors and the key management team is determined by the Board upon recommendation of the Compensation Committee having regard to the performance of individuals and market trends.

## 19 REVENUE

(thousands of CAD dollars)	Year Ended December 31,	
	2014	2013
Land Titles Registry, Land Surveys Directory and Geomatics*	\$ 61,999	\$ 61,141
Personal Property Registry	9,870	9,787
Corporate Registry	8,235	8,170
Other	355	33
<b>Total revenue</b>	<b>\$ 80,459</b>	<b>\$ 79,131</b>
* includes revenue from sale of goods	\$ 331	\$ 305

## 20 NET CHANGE IN NON-CASH WORKING CAPITAL

The net change during the period comprised the following:

(thousands of CAD dollars)	Year Ended December 31,	
	2014	2013
Trade receivables	\$ (52)	\$ (1,546)
GST/HST receivable	(2,854)	(2,145)
Grant receivable	-	201
Prepaid expenses	(77)	(266)
Trade and other payables	(612)	551
Accrued interest	2	19
Advances from customers	(191)	(369)
Deferred revenue	(356)	(174)
Provision for early retirement plan	(46)	(109)
<b>Net change in non-cash working capital</b>	<b>\$ (4,186)</b>	<b>\$ (3,838)</b>



## 21 COMMITMENTS AND CONTINGENCIES

### Leasing arrangements

The Company leases all of its office space through operating leases. Operating leases related to office spaces have lease terms of between two and ten years, with various options to extend. The Company does not have an option to purchase the leased assets at the expiry of the lease period.

The Company leases all of its photocopiers through operating leases. Operating leases related to photocopiers have lease terms of three years. The Company does not have an option to purchase the leased assets at the expiry of the lease period.

### Master Service Agreement

Pursuant to a Master Service Agreement (the "MSA") with the Government dated May 30, 2013, the Company was appointed on an exclusive basis to manage and operate the Land Titles Registry, Land Surveys Directory, PPR and Corporate Registry on behalf of the Government for a 20-year term expiring on May 30, 2033. The MSA requires the Company to pay to the Government the sum of \$0.5 million annually, in a single instalment payable on or before March 1 in each calendar year of the term commencing with an initial payment which was due on March 1, 2014.

### Commitments

Future minimum payments for leasing of office space, information technology service agreements with Hewlett-Packard Company and Information Systems Management Canada Corporation and to the Government under the MSA include the following amounts over the next five years as of December 31, 2014:

(thousands of CAD dollars)	Office Leases	IT Service Agreements	Master Service Agreement	Total
2015	\$ 2,314	\$ 9,277	\$ 500	\$ 12,091
2016	2,570	8,628	500	11,698
2017	2,390	8,506	500	11,396
2018	2,317	8,338	500	11,155
2019	2,303	3,462	500	6,265
Thereafter	9,877	-	7,000	16,877
<b>Total commitments</b>	<b>\$ 21,771</b>	<b>\$ 38,211</b>	<b>\$ 9,500</b>	<b>\$ 69,482</b>

### Contingencies

The *Land Titles Act, 2000* (Saskatchewan) contains an assurance provision that allows customers to recover losses due to the errors or omissions of the Registries. Concurrent with the execution of the MSA, the Company also entered into Registry Operating Agreements with the Government for each of the Registries. Each Registry Operating Agreement contains registry specific terms and conditions respecting the operation of the applicable Registry, including but not limited to the fees ("Registry Fees") the Company may charge for the services applicable to each Registry and the allowable increases to those Registry Fees, minimum service levels applicable to each Registry and specific allocation of risk and liability associated with the operation of each Registry.

Management's estimate of liability for claims and legal actions that may be made by customers pursuant to the assurance provision and the MSA is based upon claims submitted; as at September 30, 2014, the liability was nil (December 31, 2013 - nil).

## 22 PENSION EXPENSE

The total pension costs of the Company for the year were \$1.4 million (2013 - \$1.4 million).

### 23 BORROWING COSTS

The amount of borrowing costs capitalized during 2014 and 2013 were nil.

### 24 SUBSEQUENT EVENT

On January 5, 2015, ISC rolled over its long-term debt of \$9.935 million for another three months through a bankers' acceptance note bearing an interest rate of 1.30 per cent.

On March 17, 2015, the Board declared a quarterly cash dividend of \$0.20 per Class A Share, payable on or before April 15, 2015, to shareholders of record as of March 31, 2015.

On December 22, 2014, ISC announced that the Company entered into an asset purchase agreement with OneMove Technologies Inc., OneMove Online Systems Inc. and related parties, (collectively, "OneMove") to acquire econveyance™, a proprietary online conveyancing solution. On February 5, 2015, the Company announced that it had received a Request for Information from the Competition Bureau and that the closing of the transaction had not yet occurred. On March 16, 2015, the Company announced that, by mutual agreement, the sale by OneMove and purchase by ISC of the econveyance™ business, as previously announced, is not proceeding. OneMove and the Company have signed a mutual release and termination agreement.

### 25 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.



(left to right) Douglas Allen Emsley, Jess H. Chua, William Scott Musgrave, Thomas Richard Christiansen, Joel Douglas Teal, Anthony Robert Guglielmin, Dion E. Tchorzewski, Bradley S. Sylvester, Michelle Ouellette, Q.C.

## Board of Directors

### **Douglas Allen Emsley**

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

### **Jess H. Chua**

Calgary, Alberta  
Director since: 2013  
Member of the Audit Committee

### **William Scott Musgrave**

Lloydminster, Alberta  
Director since: 2010  
Member of the Audit Committee

### **Thomas Richard Christiansen**

Swift Current, Saskatchewan  
Director since: 2009  
Member of the Governance & Nominating Committee and a member of the Compensation Committee

### **Joel Douglas Teal**

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

### **Anthony Robert Guglielmin**

Vancouver, British Columbia  
Director since: 2013  
Chair of the Audit Committee

### **Dion E. Tchorzewski**

Regina, Saskatchewan  
Director since: 2013  
Chair of the Governance & Nominating Committee

### **Bradley S. Sylvester**

Saskatoon, Saskatchewan  
Director since: 2008  
Member of the Compensation Committee

### **Michelle Ouellette, Q.C.**

Saskatoon, Saskatchewan  
Director since: 2013  
Member of the Governance & Nominating Committee



(left to right) Kenneth W. Budzak, Jeff Stusek, Kathy Hillman-Weir, Shawn B. Peters.

## Officers

### **Jeff Stusek**

President and  
Chief Executive Officer

### **Kenneth W. Budzak**

Vice President, Operations  
& Customer Experience

### **Kathy Hillman-Weir**

Vice President, Corporate  
Affairs & General Counsel,  
Corporate Secretary and  
Chief Privacy Officer

### **Shawn B. Peters**

Vice President,  
Finance & Technology,  
and Chief Financial Officer

More information on our directors and officers can be found in our most recent Annual Information Form or Management Information Circular, which are available on our website at [www.isc.ca](http://www.isc.ca), or through the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

# Corporate Information

## Head Office

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

## Stock Exchange Listing & Symbol

Toronto Stock Exchange: ISV

## Share Capital

Authorized - the Company's authorized share capital consists of an unlimited number of Class A Shares, one Class B Golden Share and an unlimited number of Preferred Shares.

## Class A Limited Voting Shares

Issued and outstanding - 17,500,000 Class A Shares as at December 31, 2014.

The Company's articles and the *ISC Act* limit ownership of Class A Shares, including joint ownership to no more than 15.0 per cent of the Class A Shares issued and outstanding.

## Dividends on Class A Shares

On August 12, 2013, ISC's Board established a policy of paying an annual dividend of \$0.80 per Class A Share to be payable on a quarterly basis. The payment of dividends is not guaranteed, and the amount and timing of any dividends payable by the Company will be at the discretion of the Board and will be established on the basis of our cash available for distribution, financial requirements, any restrictions imposed by our Credit Facilities, the requirements of any future financings and other factors existing at the time.

Year	Type	Ex-Dividend Date	Record Date	Payable Date	Amount
2013	Quarterly Cash	September 26, 2013	September 30, 2013	October 15, 2013	C\$0.18*
2013	Quarterly Cash	December 27, 2013	December 31, 2013	January 15, 2014	C\$0.20
2014	Quarterly Cash	March 27, 2014	March 31, 2014	April 15, 2014	C\$0.20
2014	Quarterly Cash	June 26, 2014	June 30, 2014	July 15, 2014	C\$0.20
2014	Quarterly Cash	September 26, 2014	September 30, 2014	October 15, 2014	C\$0.20
2014	Quarterly Cash	December 29, 2014	December 31, 2014	January 15, 2015	C\$0.20

\* This dividend represents a partial dividend for the period July 9, 2013 (the closing date of the Company's Initial Public Offering on July 9, 2013) to September 30, 2013.

## Class B Golden Share

Issued and outstanding - 1 Class B Golden Share ("Golden Share") as at December 31, 2014.

The Golden Share held by the Government of Saskatchewan has certain voting rights with respect to the location of the head office and the sale of all or substantially all of the assets of the Company. The Golden Share has no pre-emptive, redemption, purchase or conversion rights and is not eligible to receive dividends declared by the Company.

## Preferred Shares

Issued and outstanding - Nil as at December 31, 2014.

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

## Ownership

As of March 13, 2015, the Government of Saskatchewan, through Crown Investments Corporation of Saskatchewan, held approximately 31.0 per cent of the issued and outstanding Class A Shares of the Company.

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

### Auditors

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

### Transfer Agent

CST Trust Company  
Toll-Free Inside North America: 1 (800) 387-0825  
Outside North America: 1 (416) 682-3860  
Fax: 1 (888) 249-6189

### Website

English: <https://www.canstockta.com/en/InvestorServices/index.html>  
French: [https://www.canstockta.com/fr/Services\\_aux\\_investisseurs/index.html](https://www.canstockta.com/fr/Services_aux_investisseurs/index.html)

### Regulatory Filings

The Company's filings are available through the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

### Investor Contact Information

Jonathan Hackshaw  
Director, Investor Relations &  
Corporate Communications  
[investor.relations@isc.ca](mailto:investor.relations@isc.ca)  
Toll Free in North America: 1 (855) 341-8363  
Outside North America: 1 (306) 798-1137

### For inquiries related to shares, dividends, changes of address

CST Trust Company  
Toll-Free Inside North America: 1 (800) 387-0825  
Outside North America: 1 (416) 682-3860

### Annual General Meeting

The Annual General Meeting of Shareholders will be held at 2:00 p.m. (Saskatchewan time) on May 12, 2015, at the DoubleTree by Hilton Hotel and Conference Centre, 1975 Broad Street, Regina, Saskatchewan, S4P 1Y2, Canada.





ISC.ca

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