2020 Annual Report

ISC

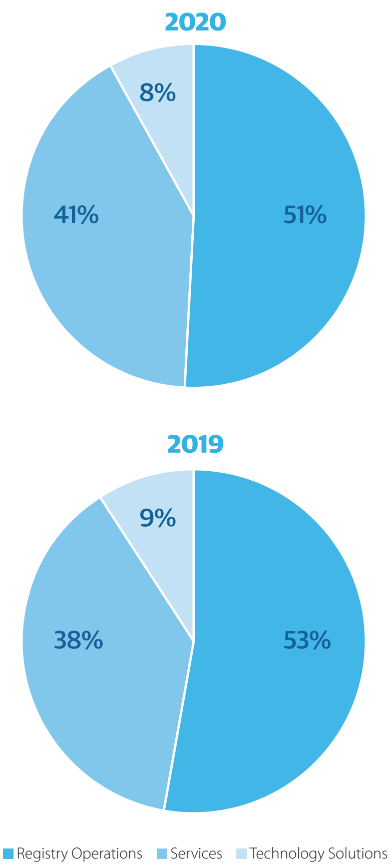
Information in the right hands.

2020 Highlights

	2020 Results
Revenue	**$136.7 M** compared to **$133.0 M** in 2019
Net Income	**$20.9 M** compared to **$19.4M** in 2019
EBITDA[1]	**$43.6 M** compared to **$39.0 M** in 2019
Free Cash Flow[1]	**$36.2 M** compared to **$30.0 M** in 2019
Earnings per share (basic)	**$1.19** compared to **$1.11** in 2019

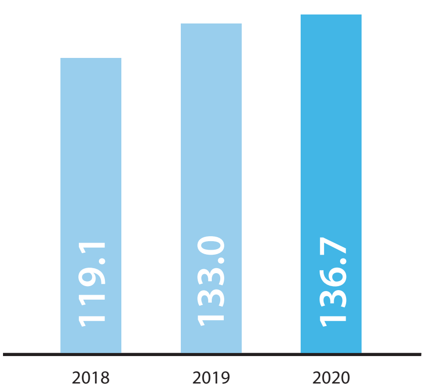
- Completed the acquisition of the assets of Paragon Inc. to create the Recovery Solutions division in the Company's Services segment. Since 2013, ISC has deployed over $150.0 million in capital in pursuit of its growth and diversification strategy via M&A.
- Paid $14.0 million in dividends to shareholders in 2020. Since going public, ISC has paid over $100.0 million in dividends to shareholders (as at the year ended December 31, 2020).
- Increased the Company's Credit Facility to $150.0 million to ensure that the Company continues to have access to capital and the ability to act on growth opportunities as they arise.
- Continued to execute on our technology road map for our Services segment with the soft launch of our updated legal sector platform, Registry Complete.
- Completed the deployment and successful implementation of new technology for the Companies Registration Office (Ireland) and the Irish Aviation Authority.

Revenue Distribution by Segment for the year ended December 31,



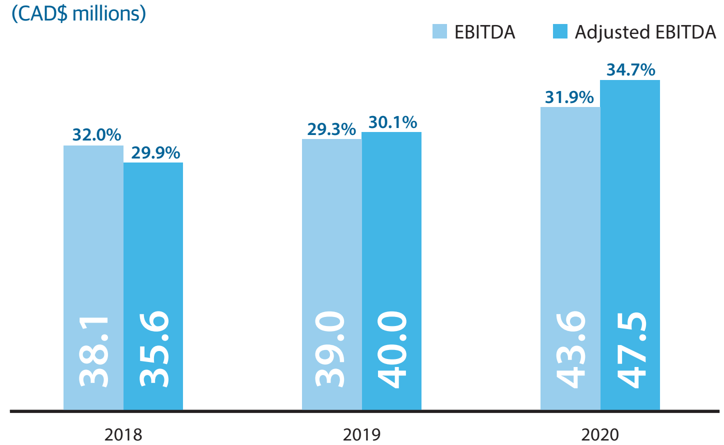
Consolidated Revenue for the year ended December 31,

(CAD$ millions)



Consolidated EBITDA[1] and Adjusted EBITDA[1] and Related Margins[1] for the year ended December 31,

(CAD$ millions)



* Percentages expressed represent the EBITDA and adjusted EBITDA margin percentages, respectively.

[1] EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin and free cash flow are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures reported by other companies. For a full description of these measures, see section 8.8, Non-IFRS financial measures, and section 8.9, Non-IFRS financial measures definition of the MD&A.

About Us

Headquartered in Canada, ISC (TSX:ISV) is the leading provider of registry and information management services for public data and records. Throughout our history, we have delivered value to our clients by providing solutions to manage, secure and administer information through our Registry Operations, Services and Technology Solutions segments.

Our Business

We operate **three segments** defined by their primary type of service offerings.

1 Registry Operations

Delivery of registry services on behalf of governments and private sector organizations.

2 Services

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

3 Technology Solutions

Development, delivery and support of registry (and related) technology solutions.

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Letter from the Chair

Joel Teal
Chair, Board of Directors

In my letter last year, I talked about being keenly focused on our strategy of diversifying our business to deliver a future of sustainable growth. That focus remained as true in 2020 as it has been since 2013.

None of us could have possibly imagined what 2020 would bring. From our perspective, it was another year filled with great promise and the likelihood of continued growth for ISC, both organically and through the execution of further acquisitions.

When COVID-19 became a reality for all of us, the only certainty at that time was that there were a great deal of unknowns. Would we be able to run our business with COVID-19 restrictions in place? Would we be able to support our employees and stakeholders? Would there be a return to "normal" in the foreseeable future? Those are just some of the questions your Board of Directors, like many across the world, asked themselves at the start of 2020.

At the time of writing this annual letter to you, that uncertainty persists. However, there is one key reminder over the last year since the global pandemic began: ISC is an extremely resilient business, and this is not by accident. It is by design.

Our entire employee base from Vernon, BC, to Dublin, Ireland, has risen to the challenge. Most important, I am pleased to say that the ISC family has remained safe and well during this time. The leadership from Jeff Stusek and his management team has exceeded our expectations. Their ability to continue to execute our strategy calmly and with purpose in a time of such upheaval is commendable. The Board and I are extremely pleased and proud of all they have accomplished over the years, but none more so than in 2020. We hope that, as shareholders, you are too.

ISC has been and always will be, an evolving business with the intention of growing at a steady, prudent pace while ensuring we do not sacrifice the quality of our products, services and customer service while doing so. We know that if we don't take care of our existing customers, acquiring new ones won't mean anything in the long term.

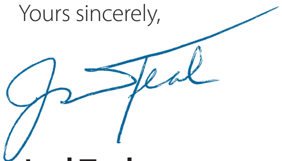
The notion of "being in it for the long term" is the cornerstone of all that ISC is about. We may not be the most aggressive or the most adventurous company an investor could invest in. However, the true sign of any great company is one that retains a focus on the long term rather than the short-term gains and ensures that its businesses remain well run and customer focused. During 2020, we continued to strengthen the core of our business with our largest acquisition to date. As such, revenue streams are closely balanced between our Registry Operations and Services segments, while our Technology Solutions segment continues to head in the right direction from a development perspective. Our ability to pivot and meet unexpected challenges quickly and decisively was clearly on show this year for all to see, and that is reflected in our excellent results.

Towards the end of last year, Scott Musgrave advised the Board of his decision not to seek re-election to the Board at the upcoming AGM. Scott has been a member of ISC's Board since 2010 and was one of the core members of the Board who guided ISC from a Crown corporation to a successful publicly traded company. On behalf of the Board of Directors, management and shareholders, past and present, I would like to extend our sincere thanks for all of his efforts on the Board as well as being an able member of the Audit Committee.

Since learning of Scott's decision, our Governance and Nominating Committee has identified two new nominees, Jim Roche and Roger Brandvold, who have agreed to stand for election to the Board at the AGM. Both are experienced business leaders and are expected to contribute significantly to ISC in years to come. I encourage you to read the full biographies of all the members of the Board in the Management Information Circular, which is available on our website at **www.company.isc.ca**.

Going forward, we remain committed to our long-term strategy with the knowledge that it has served us well. The last year was a tremendous success for ISC, irrespective of the unusual challenge of having to deal with the consequences of a global pandemic. I, therefore, am more confident than ever that ISC has what it takes for even greater success, underpinned by a solid and reliable business that is run by solid and reliable people.

Yours sincerely,



Joel Teal
Chair, Board of Directors

Letter from the CEO

Jeff Stusek
President and
Chief Executive Officer

As many of our shareholders know, being the President & CEO of ISC is a point of pride for me. I'm proud of where we've come from, who we are today and who we strive to be in the future.

There will always be peaks and troughs but, despite everything we faced in 2020, it was a year where everything that is great about ISC was on display for everyone to see.

First and foremost, our primary focus has always been our people and our customers. This has, in my opinion, been the recipe for our success over the years. When COVID-19 restrictions were imposed across the jurisdictions we operate in, every single person in our organization rallied to the cause, making sure they were, first, in a place of safety and, secondly, that each one of us could continue to serve our customers, so that they could continue to transact business as efficiently and as effectively as possible. Every year, I thank my colleagues from across the organization for their hard work, but this year I do so with complete admiration of their professionalism and ability to seamlessly shift in response to an immense challenge that none of us have ever faced before. With colleagues like these to rely on, there is no limit to what we will be able to achieve once the pandemic is behind us.

When the decision was made in May to withdraw our usual annual guidance, we didn't know how 2020 would turn out.

In April, the restrictions implemented to contain the spread of COVID-19 had impacted our business and it looked certain to do the same in May. However, as we all got used to doing business remotely and most of the jurisdictions we operate in started to re-open, the resiliency of our business began to show itself. Not only did we manage to beat the consensus estimates for revenue and EBITDA, we also saw year-over-year increases for both our free cash flow and earnings per share. These are no small achievements considering the impact COVID-19 has had on the global economy in the last year. Most importantly, the majority of this success came from the ongoing performance of our existing core businesses coupled with a focus on cost management.

In addition to ensuring that we were able to continue operating during the pandemic, we also continued to execute our projects and further the technology road map for our Services segment with the soft launch of our updated legal sector platform, Registry Complete. Thus far, the reception to Registry Complete from our existing customers has been excellent and our new

customers are also excited by its potential to make their interactions easier.

Our Technology Solutions segment also continued to evolve and develop, and we were able to complete the implementation and launch of new technology for a number of customers. Subsequent to the end of the year, we also implemented new technology for Nova Scotia (the Registry of Joint Stock Companies). The completion and launch of these implementations were just one of the many watershed moments for ISC in 2020. In addition to the implementations, the second aspect of our business model for Technology Solutions in the form of ongoing licence and maintenance fees is now a reality. While governments have quite rightly been focused on managing the pandemic in 2020, we expect the pipeline for new business to return to the same levels or higher post-pandemic. Following these implementations and ongoing maintenance support contracts, I'm confident that we are well positioned to expand the Technology Solutions segment as governments return to focus on technology renewal post-pandemic.

The performance of our Registry Operations segment was as robust as it always is, irrespective of unexpected events or downturns. While our Services segment has evolved to become a more meaningful revenue contributor, especially after the creation of Recovery Solutions in the third quarter following the acquisition of the assets of Paragon Inc., Registry Operations remains a very important part of ISC's business. Its ability to withstand economic challenges and continue to generate healthy free cash flow is not to be taken lightly, and we remain committed to ensuring that the partnership with the Government of Saskatchewan remains as healthy as it always has been, well into the future. Subsequent to the end of the fourth quarter, the membership of SGEU Local 2214 ratified a new collective agreement for ISC's in-scope employees. This was very pleasing as we value our relationship with SGEU, and I would like to congratulate all those involved for being able to conduct negotiations virtually.

The acquisition of Paragon at the end of July seems a long time ago now. As I reflect on our performance for the year, I am extremely proud of how we were able to make this transaction happen in the middle of a pandemic, all without sacrificing our usual due diligence discipline. We have had to find different ways to maintain our rigour, but that was not something I was willing now, or ever, to compromise. Six months later, we successfully integrated the assets and people from Paragon into our Services business such that it's as if they have always been with us. Most important, our existing customers are thrilled to have a menu of services that covers the entire loan life cycle from origination to recovery, and that is what matters most to us.

The robustness of our business enabled us to maintain our dividend of $0.80 per annum, which we continued to pay quarterly. It is important to note that the year ended December 31, 2020, marked ISC having paid over $100 million in dividends to shareholders since going public in July 2013. Going forward, we will focus on running our business while looking for the right acquisitions at the right price. The opportunities in front of us across all segments are encouraging, and you can expect further M&A from ISC in the future at the right time.

As President & CEO, I have the privilege of charting our course and navigating us to the various points along the way. However, I could not do this successfully without the support of the Board of Directors, my executive leadership team, all my colleagues across the organization, shareholders and our various stakeholders and advisors. To all of you, I would like to express my sincere thanks for your support as we all aim to make ISC better every day, with long-term success at the forefront of everything we do.

In summary, there is no question that 2020 was a remarkable year for ISC even though we all faced challenges due to the global pandemic. Our Registry Operations business continues to be a strong free cash flow generator and a world-leading example of how core public registries should be run. Following the acquisition of Paragon and new business wins, our Services business became a major contributor to our free cash flow alongside Registry Operations, further strengthening the foundation of our consolidated business. Technology Solutions is continuing to gain traction as a key piece of our portfolio by successfully completing implementations in several jurisdictions during the year. While the short-term economic outlook remains uncertain, our performance in 2020 reinforces the resilience of our business and why, like Joel, I remain excited about the future for ISC.

Stay safe.

Jeff Stusek
President and Chief Executive Officer

Corporate Social Responsibility

ISC takes pride in giving back to the communities where we live, work and play. We passionately support programs, causes and initiatives that make a difference to the people and places we serve.

In 2020, we invested over **$147,000** in support of non-profit organizations, community initiatives and cultural programs. While we had to pause our in-person celebrations and gatherings due to COVID-19 restrictions, we were pleased to continue sponsoring several organizations and fundraisers.

Current Multi-Year Partnerships

Nature Conservancy of Canada — Summer Internship Sponsor

ISC partnered with National Conservancy of Canada (NCC) to support its Saskatchewan Legacy Stewardship Project, helping NCC to achieve science and stewardship goals. Since 2015, the annual sponsorship provides funding for an intern position and a donation of Geomatics Information System (GIS) data in support of NCC's conservation efforts. Although the internship was paused in 2020, we have made plans to continue our sponsorship in 2021.

Saskatchewan Games Council — Provincial Partner

As a supporter of activities that benefit communities and the province of Saskatchewan, ISC is proud to partner with the Saskatchewan Games Council. In 2020, ISC supported activities leading up to future sporting events, which include the 2022 Winter Games. More than 2,000 athletes, coaches and officials participate in this Saskatchewan event in preparation for higher levels of sport, including the Olympic Games, Paralympic Games, and North American Indigenous Games. In addition, this large sporting event provides economic and tourism benefits for the host city.

Albert Community School

ISC continued its long-standing partnership with Albert Community School in Regina in 2020. Funding provides supplies for the school's nutrition program that feeds 250 students daily, which readies the children for learning. Support also provides teachers with classroom resources and special care packages, including art projects for students to take home for the holiday season.

Our Dedicated Spirit of Giving

United Way

In 2020, ISC continued its tradition of supporting United Way through our workplace fundraising campaign. In doing their part to practise physical distancing during the COVID-19 pandemic, employees held a virtual United Way workplace campaign.

"Many of the organizations that United Way works with serve vulnerable members of society, providing services to people living in poverty, escaping violence, dealing with mental health conditions, and more," says ISC employee, Kelly Curley, who annually supports United Way. "If my donation helps improve one person's circumstances, it's well worth it!"

Through personal giving and online events, employees raised $20,725, which was matched by ISC for a total donation of $41,450.

National Philanthropy Day Award

ISC was recognized as a leader in corporate philanthropy with a National Philanthropy Day Award in the category of Outstanding Corporate Philanthropist from the Association of Fundraising Professionals – South Saskatchewan Chapter.

The association recognized local philanthropists with a week-long virtual celebration in lieu of their annual in-person gathering, showcasing award recipients' fundraising achievements on the association's website and social media channels. ISC was able to participate in an individual, physically distanced award presentation to proudly receive this award.

100 CENTURY FAMILY FARM AWARD ISC

Century Family Farm Awards

As the safekeeper of original land title documentation, ISC annually celebrates Saskatchewan's agricultural history with the ISC Century Family Farm Awards program. The award recognizes family-owned farms that have operated in the province for 100 years or more. In 2020, the program received more than 200 applications. As a result of restrictions due to the global pandemic, each recipient received their award package by mail this year, which included a copy of the original land title issued to their ancestor who homesteaded the land.

Local Community Giving

We are proud to support our people and their efforts to better the communities in which they live. From grassroots organizations to local chapters of national organizations, in 2020, our employees chose to support organizations serving social needs in their communities. In total, $22,000 was donated to the following charitable organizations:

- Regina Food Bank
- Saskatoon Food Bank
- Moose Jaw & District Food Bank
- The Salvation Army Swift Current Food Bank
- Battlefords and District Food Resource Centre
- Carmichael Outreach
- The Salvation Army
- Regina Humane Society
- REACH – Regina Education and Action on Child Hunger

Life, Culture and Growth

ISC is a proud supporter of events and activities that enhance culture, economic growth and life events. Although many in-person events were cancelled in 2020, some organizations held virtual fundraisers to be able to continue their operation. Events and organizations supported by ISC included:

- Canadian Mental Health Association
- Scotties Tournament of Hearts
- Habitat for Humanity
- STARS Air Ambulance
- Globe Theatre
- GOAL Global
- University of Regina
- Dress for Success
- Heritage Festival of Saskatoon
- Square One Centre for Entrepreneurship
- Saskatchewan Science Centre

Management's Discussion & Analysis

For the Fourth Quarter and Year Ended December 31, 2020

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Introduction

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

This document should be read in its entirety and is intended to complement and supplement ISC's audited Consolidated Financial Statements ("Financial Statements") for the years ended December 31, 2020, and 2019. Additional information, including our Annual Information Form for the years ended December 31, 2020, is available on the Company's website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com.

This MD&A contains information from the Financial Statements for the years ended December 31, 2020, 2019, and 2018, prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IAS Board"). The financial information that appears throughout our MD&A is consistent with the Financial Statements.

This MD&A also includes certain measures, which have not been prepared in accordance with IFRS, such as EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin and free cash flow. Rather, these measures are provided as additional information to complement those IFRS measures. Refer to section 8.8 "Non-IFRS financial measures". Refer to section 2 "Consolidated Financial Analysis" for a reconciliation of EBITDA and adjusted EBITDA to net income.

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

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

This MD&A contains forward-looking information and should be read in conjunction with the "Caution Regarding Forward-Looking Information" that follows. This MD&A is current as of March 16, 2021.

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

Responsibility For Disclosure

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

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

Caution Regarding Forward-Looking Information

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

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

Forward-looking information is based on estimates and assumptions made by us in light of ISC's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that ISC believes are appropriate and reasonable in the circumstances. There can be no assurance that such estimates and assumptions will prove to be correct. Certain assumptions with respect to our ability to implement our business strategy and compete for business (other than our exclusive service offerings to the Government of Saskatchewan), and market our technology assets and capabilities, our ability to integrate the Paragon business on terms consistent with our expectations and the business of Paragon performing in a manner consistent with our expectations, as well as business, economic, market and other conditions, availability of financing, currency exchange rates, consumer confidence, interest rates, level of unemployment, inflation, liabilities, income taxes and our ability to attract and retain skilled staff, are material factors in preparing forward-looking information.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such forward-looking information. Factors that could cause our actual results or events to differ materially from those expressed or implied by such forward-looking information include, without limitation, operational, economic, market, financial, competitive, regulatory, technological and other risks (including those arising from public health concerns such as COVID-19) detailed from time to time in the filings made by the Company, including those detailed in our Annual Information Form for the year ended December 31, 2020, and the Financial Statements, copies of which are available on our website at www.company.isc.ca and in the Company's profile filed on SEDAR at www.sedar.com. You should consider these factors carefully. We caution that the foregoing list is not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, this forward-looking information. See section 7.2 "Business risks and risk management".

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

1 Overview

Our financial performance for the year remained strong amid COVID-19, and the resiliency of our business, in general, was evident throughout 2020. Our 2020 first-quarter results showed continued growth over last year but were muted by the impact of COVID-19 in the last weeks of the quarter. We experienced an impact from COVID-19 in the second quarter but again delivered strong results in the face of the economic conditions created by the pandemic.

For the third quarter, our performance remained strong, partly due to increased transactions in both Registry Operations and Services, combined with the measures implemented to continue to reduce our operating costs and mitigate the impact of the pandemic at the start of the second quarter. We also completed several initiatives.

- We acquired substantially all of the assets of Paragon Inc. ("Paragon"), whose primary focus is the facilitation and co-ordination of asset recovery on behalf of many of Canada's major banks. The acquisition strengthened our current service offering, and we now offer our clients a complete solution in the credit life cycle.
- We completed a soft launch of our newest technology platform, Registry Complete, a unified and streamlined platform that enables customers to search and register with various ministries across Canada in a secure cloud-based environment. The platform allows our customers to take advantage of expanded Application Programming Interface ("API") service offerings, improved tools, faster turnaround and a greater array of services in the legal and due diligence space.
- We expanded our credit facility to refinance amounts under the previous facilities and to provide the Company with additional room for future growth opportunities, capital expenditures, and general corporate purposes.

Performance in the fourth quarter surged as transaction levels continued to improve across much of our Registry Operations segment, which remains a significant part of ISC's business. We continue to refine this segment's efficiency to preserve EBITDA and free cash flow while still maintaining best-in-class customer service. Our Services segment also saw a strong quarter, up over last year due to organic, new customer growth and the additional revenue from our new Recovery Solutions division following Paragon's acquisition. Technology Solutions continued well, despite the impact on some implementations' timing during the year from pandemic restrictions. We still completed scheduled implementations for existing clients while we continued to develop new relationships with prospective clients.

Based on the strength of our existing businesses, the continued execution of our growth strategy, and the actions we took at the start of the pandemic to mitigate the impact on our business, we were able to deliver excellent results in 2020. Despite the continued uncertainty created by the pandemic[1] , we expect the robust nature of our business and our focus on growth will stand us in good stead in 2021.

[1] For further information relating to the impact of COVID-19, refer to section 1.3 "Outlook" and section 7 "Business Risks".

1.1 Consolidated highlights

2020 CONSOLIDATED RESULTS

Revenue	Net income	Earnings per share, diluted
$136.7M	**$20.9M**	**$1.18**
+3% vs 2019	+8% vs 2019	+7% vs 2019

EBITDA[1]	Adjusted EBITDA[1]	Free cash flow[1]	Dividends Paid
$43.6M	**$47.5M**	**$36.2M**	**$14.0M**
+12% vs 2019	+19% vs 2019	+21% vs 2019	

[1] EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin and free cash flow are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures reported by other companies; refer to section 8.8 "Non-IFRS financial measures". Refer to section 2 "Consolidated Financial Analysis" for a reconciliation of EBITDA and adjusted EBITDA to net income. Refer to section 6.1 "Cash flow" for a reconciliation of free cash flow.

On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared service provided to the operating segments in the current year. This change also impacts certain related party revenues.

Effective July 1, 2020, we recategorized our reporting to facilitate the inclusion of our new Recovery Solutions division following the acquisition of the assets of Paragon, which closed on July 31, 2020. We believe this will provide readers with a more comprehensive understanding of our Services segment. Our offerings are generally categorized into three divisions, namely "Corporate Solutions", "Regulatory Solutions", and "Recovery Solutions".

SELECT FINANCIAL INFORMATION

The select annual financial information set out for the years ended December 31, 2020, 2019, and 2018, is derived from the Financial Statements and has been prepared on a consistent basis. In the opinion of the Company's management, such financial data reflects all adjustments necessary for a fair presentation of the results for those periods.

		Year Ended December 31,	
(thousands of CAD dollars)	**2020**	2019	2018
Revenue	**$ 136,723**	$ 132,968	$ 119,131
Net income	**20,883**	19,400	18,637
EBITDA[1]	**$ 43,612**	$ 39,026	$ 38,124
Adjusted EBITDA[1]	**47,498**	40,028	35,578
EBITDA margin (% of revenue)[1]	**31.9%**	29.3%	32.0%
Adjusted EBITDA margin (% of revenue)[1]	**34.7%**	30.1%	29.9%
Free cash flow[1]	**$ 36,235**	$ 29,996	$ 27,411
Dividend declared per share	**$ 0.80**	$ 0.80	$ 0.80
Earnings per share, basic	**1.19**	1.11	1.06
Earnings per share, diluted	**1.18**	1.11	1.06

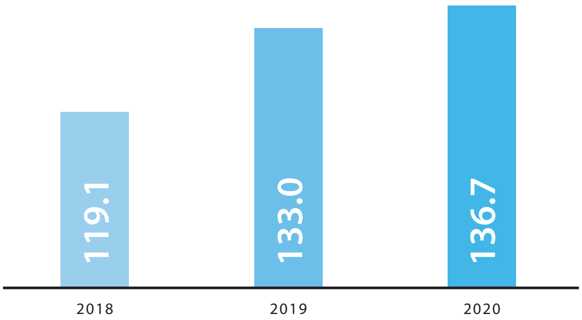
		As at December 31,	
	2020	2019	2018
Total assets	**$ 242,300**	$ 171,579	$ 173,682
Total non-current liabilities	**$ 92,963**	$ 32,683	$ 36,420

[1] EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin and free cash flow are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures reported by other companies; refer to section 8.8 "Non-IFRS financial measures". Refer to section 2 "Consolidated Financial Analysis" for a reconciliation of EBITDA and adjusted EBITDA to net income. Refer to section 6.1 "Cash flow" for a reconciliation of free cash flow.

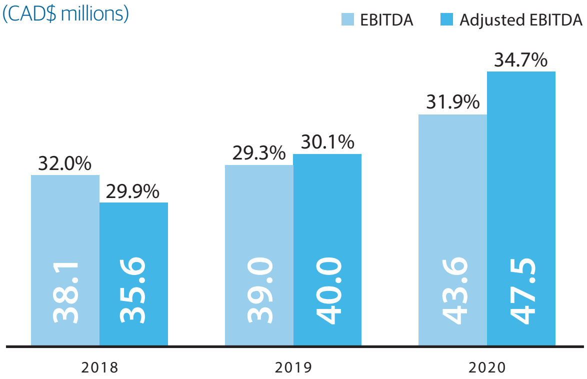
ISC has generated very strong results over the past three years across all metrics. Our overall results for 2020 are up well over last year despite the global pandemic that dominated most of the year.

- Revenue continued to climb and was up to $136.7 million in 2020 from $133.0 million, despite the impacts of COVID-19 in 2020.
- The strength of our Registry Operations was evident in the third and fourth quarter as it rebounded from lower levels in the second quarter from the restrictions imposed around the pandemic.
- Revenue growth in 2020 continued to come from our Services segment, through strong organic new customer acquisitions, the addition of new services and technologies for all customers, and the addition of our Recovery Solutions services following the acquisition of Paragon.
- These results demonstrate the strength and resiliency of our business, with Adjusted EBITDA up 19 per cent (Services EBITDA is up 118 per cent and 70 per cent for the quarter and year, respectively).
- Free cash flow was also strong, up 21 per cent over 2019, to record levels in 2020.

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



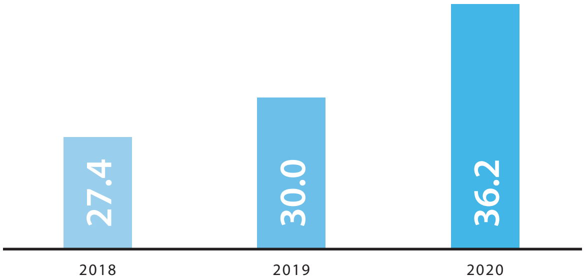
Consolidated EBITDA and Adjusted EBITDA and Related Margins[1]
for the year ended December 31,
(CAD$ millions)



[1] 2018 EBITDA contains a one-time gain of $3.6 million for the adjustment to the fair value estimate of the contingent consideration associated with our AVS Systems Inc. acquisition.

Percentages represent EBITDA and adjusted EBITDA margins.

Consolidated Free Cash Flow
for the year ended December 31,
(CAD$ millions)



FOURTH QUARTER CONSOLIDATED HIGHLIGHTS

- **Revenue** was $39.0 million for the quarter, an increase of $1.1 million compared to the fourth quarter of 2019 largely due to a strong quarter in our Registry Operations, continued new customer growth in Services, and the addition of our new Recovery Solutions revenue with the acquisition of Paragon.
- **Net income** was $7.9 million or $0.45 per basic and diluted share compared to $7.3 million or $0.42 per basic and diluted share in the fourth quarter of 2019. The year-over-year increase is due to the increased revenue in Services and Registry Operations, combined with savings from expense reduction measures implemented in 2020 in response to the pandemic.
- **EBITDA** was $15.7 million compared to $12.3 million for the same quarter last year, again due to increased revenue in Services and Registry Operations and reduced operating expenses, resulting in a strong **EBITDA margin** for the fourth quarter of 40.2 per cent compared to 32.5 per cent last year.
- **Adjusted EBITDA** was $16.2 million for the quarter compared to $12.7 million in the same quarter last year. **Adjusted EBITDA margin** was 41.5 per cent compared to 33.4 per cent last year.
- **Free cash flow** for the quarter was $12.7 million, an increase of $3.1 million compared to the fourth quarter of 2019 due to higher results of operations.
- On November 4, 2020, our Board declared a quarterly cash dividend of $0.20 per Class A Limited Voting Share ("Class A Share"), paid on January 15, 2021, to shareholders of record as of December 31, 2020.

YEAR-END CONSOLIDATED HIGHLIGHTS

- **Revenue** for the year was $136.7 million, an increase of $3.7 million compared to $133.0 million for the previous year, despite the impacts of COVID-19 in 2020. The increase was due to the higher revenue generated by Services from new customer growth, and the new Recovery Solutions revenue.
- **Net income** was $20.9 million or $1.19 per basic share and $1.18 per diluted share compared to $19.4 million or $1.11 per basic share and diluted share last year. The increase was the result of our increased revenue combined with savings from expense reduction measures implemented in 2020 in response to the pandemic.
- **EBITDA** for the year was $43.6 million compared to $39.0 million last year, an increase of $4.6 million, with an **EBITDA margin** for the year of 31.9 per cent compared to 29.3 per cent for 2019.
- **Adjusted EBITD**A was $47.5 million for the year, up from $40.0 million last year, with an **Adjusted EBITDA margin** of 34.7 per cent for 2020 compared to 30.1 per cent last year.
- **Free cash flow** for the year increased to $36.2 million, compared to $30.0 million for the same period last year, as a result of the high cash flow nature of our business and strong operational results across our segments.
- On July 31, 2020, the Company's Services segment, through its wholly owned subsidiary, ESC, acquired substantially all of the assets used in the business of Paragon Inc. for $70.0 million.
- On August 5, 2020, the Company entered into a new credit agreement in connection with its secured credit facility (the "Credit Facility"). The aggregate amount available under the new Credit Facility is $150.0 million, up from $80.0 million.
- During the year, we launched our newest technology platform, Registry Complete, a unified and streamlined platform that enables organizations to search and register with the various ministries across Canada in a secure cloud-based environment.
- Completed the deployment of new technology for the Companies Registration Office (Ireland) and began deployment of modules for the Irish Aviation Authority.

1.2 Subsequent events

- On January 27, 2021, the Company announced that the membership of Saskatchewan Government and General Employees' Union Local 2214 ratified a new collective agreement with respect to ISC's in-scope employees. The new six-year agreement runs to September 30, 2025.
- Subsequent to the end of the fourth quarter, we successfully implemented new technology for the Registry of Joint Stock Companies in Nova Scotia.
- On March 16, 2021, our Board declared a quarterly cash dividend of $0.20 per Class A Share, payable on or before April 15, 2021, to shareholders of record as of March 31, 2021.

1.3 Outlook

The following section includes forward-looking information, including statements related to the industries in which we operate, growth opportunities, our future financial position and results of operations, capital and operating expectations, the expected impact of the addition of the assets used in the business of Paragon and the expected impact of COVID-19. Refer to "Caution Regarding Forward-Looking Information".

Despite excellent performance in 2020, the uncertainty surrounding the impacts of COVID-19 remain for 2021 as we manage through new, additional or extended pandemic response measures. However, we are well positioned to manage through this in 2021 and expect our results will reflect that. Our long-term strategy remains centred on delivering value for shareholders through the consistent performance of our existing business and the execution of appropriate growth opportunities, including acquisition targets that are complementary to or add value to existing lines of business.

In our Registry Operations and Services segments, we expect our volumes to be lower than normal in 2021, as the pace of recovery of the Canadian economy may be uneven and is dependent on how long the pandemic continues.

Despite this, we are continuing to invest in the technology supporting our Services segment and transition away from legacy platforms to optimize the customer experience through automation of the delivery of services and reduce our cost of delivery. As well, we expect the strong EBITDA margin profile of the recently acquired Recovery Solutions division of our Services segment to positively impact our consolidated EBITDA margin profile in 2021.

In our Technology Solutions segment, project implementation work continues for multiple clients. As mentioned in our previous 2020 reporting, we have been able to work remotely during the pandemic. However, some ongoing implementations which we expected to be complete in 2020 were delayed due to the pandemic and are now expected to be complete in 2021. For example, subsequent to the end of the fourth quarter, we successfully completed the implementation for the Registry of Joint Stock Companies in Nova Scotia. In addition, we commenced implementation planning for our newest customer, the islands of Bonaire, St. Eustatius and Saba (the "BES Islands"), following the award of a contract in December 2020.

The uncertainty surrounding the duration and potential outcomes of the COVID-19 pandemic remains for the foreseeable future. While we have demonstrated strong results for 2020 and have positioned the Company to manage through this situation, we continue to be unable, at this time, to predict the full impact on our financial results in 2021. Therefore, we will not be providing guidance for the coming year.

2 Consolidated Financial Analysis

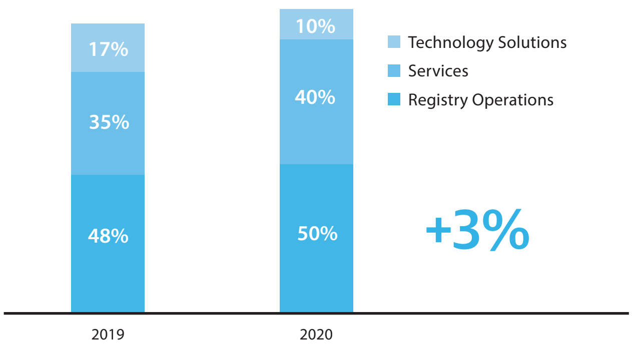
Consolidated revenue was up 2.8 per cent for the three months and year ended December 31, 2020, compared to the same periods last year. Net income was also up in the quarter and year-to-date compared to last year due to increased revenue in Services.

2.1 Consolidated statements of comprehensive income

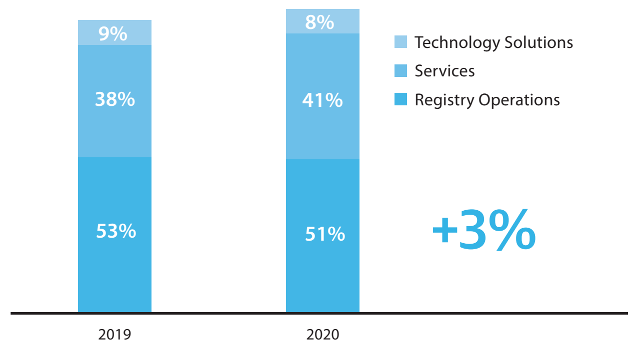
	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Revenue				
Registry Operations	**$ 19,452**	$ 18,069	**$ 69,535**	$ 70,399
Services	**15,744**	13,515	**56,398**	51,131
Technology Solutions	**3,815**	6,352	**10,782**	11,416
Corporate and other	**2**	6	**8**	22
Total revenue	**39,013**	37,942	**136,723**	132,968
Expenses				
Wages and salaries	**10,314**	11,578	**40,165**	41,689
Cost of goods sold	**7,799**	8,236	**31,271**	31,171
Depreciation and amortization	**3,837**	2,697	**12,865**	11,400
Information technology services	**2,117**	2,549	**7,896**	8,796
Occupancy costs	**880**	786	**3,004**	3,485
Professional and consulting services	**1,151**	1,351	**6,784**	4,281
Financial services	**779**	462	**2,654**	2,138
Other	**279**	649	**1,337**	2,382
Total expenses	**27,156**	28,308	**105,976**	105,342
Net income before items noted below	**11,857**	9,634	**30,747**	27,626
Finance (expense) income				
Interest income	**(192)**	71	**172**	283
Interest expense	**(924)**	(359)	**(2,217)**	(1,529)
Net finance expense	**(1,116)**	(288)	**(2,045)**	(1,246)
Income before tax	**10,741**	9,346	**28,702**	26,380
Income tax expense	**(2,870)**	(1,999)	**(7,819)**	(6,980)
Net income	**7,871**	7,347	**20,883**	19,400
Other comprehensive income (loss)				
Unrealized gain (loss) on translation of financial statements of foreign operations	**(69)**	78	**732**	(538)
Change in fair value of marketable securities, net of tax	**–**	(77)	**(31)**	29
Other comprehensive income (loss) for the period	**(69)**	1	**701**	(509)
Total comprehensive income	**$ 7,802**	$ 7,348	**$ 21,584**	$ 18,891

2.2 Consolidated revenue

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



Consolidated Revenue[1]
for the year ended December 31,



[1] Corporate and other and Inter-segment eliminations are excluded.

(thousands of CAD dollars)	Three Months Ended December 31, **2020**	2019	Year Ended December 31, **2020**	2019
Registry Operations	**$ 19,452**	$ 18,069	**$ 69,535**	$ 70,399
Services	**15,744**	13,515	**56,398**	51,131
Technology Solutions	**3,815**	6,352	**10,782**	11,416
Corporate and other	**2**	6	**8**	22
Total revenue	**$ 39,013**	$ 37,942	**$ 136,723**	$ 132,968

Total revenue increased during the quarter as a result of:

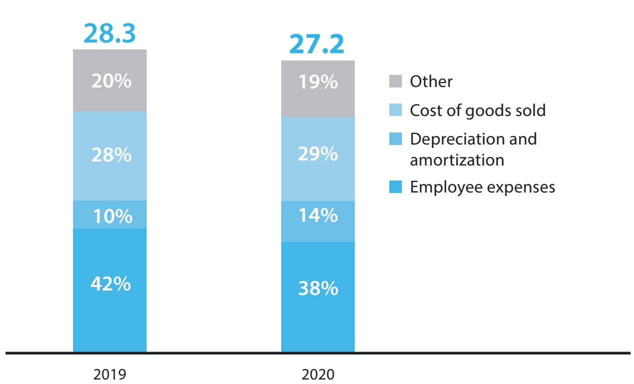
- higher revenue in our Registry Operations segment, from a combination of (i) increased regular land transfers and mortgage registrations, combined with higher average land values in the quarter, despite overall transactions remaining constant and (ii) an increase in "high-value" property registration revenue, where each registration generates revenue of $10,000 or more; and
- continued organic, new customer growth in Services, as well as a full quarter of revenue from our Recovery Solutions division.

These increases were partially offset by the decreased revenue in Technology Solutions as delivery against milestones on signed contracts was delayed during the year.

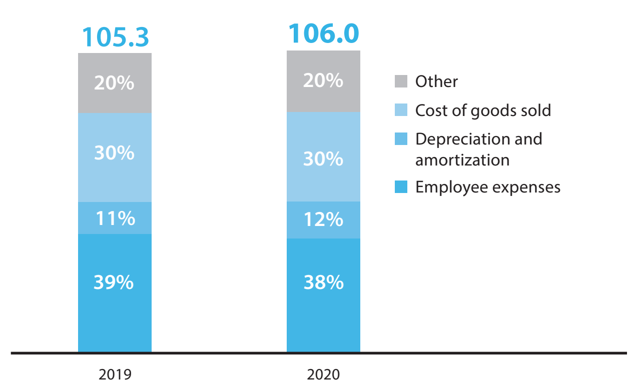
Total revenue for the year was up as a result of the organic growth in Services and the addition of our Recovery Solutions. The strong showing in our Registry Operations segment in the third and fourth quarters, despite the impact of the pandemic, showed the resiliency of our business and helped ensure the strong 2020 results.

2.3 Consolidated expenses

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



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



(thousands of CAD dollars)	Three Months Ended December 31, **2020**	2019	Year Ended December 31, **2020**	2019
Wages and salaries	**$ 10,314**	$ 11,578	**$ 40,165**	$ 41,689
Cost of goods sold	**7,799**	8,236	**31,271**	31,171
Depreciation and amortization	**3,837**	2,697	**12,865**	11,400
Information technology services	**2,117**	2,549	**7,896**	8,796
Occupancy costs	**880**	786	**3,004**	3,485
Professional and consulting services	**1,151**	1,351	**6,784**	4,281
Financial services	**779**	462	**2,654**	2,138
Other	**279**	649	**1,337**	2,382
Total expenses	**$ 27,156**	$ 28,308	**$ 105,976**	$ 105,342

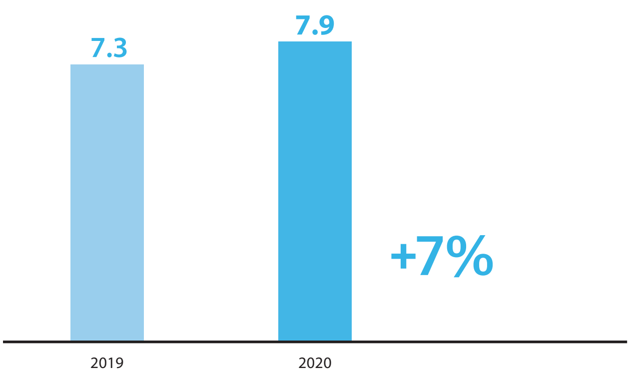
Consolidated expenses were $27.2 million for the fourth quarter, a decrease of $1.2 million compared to the same quarter last year and were flat at $106.0 million for the year.

The decrease in the quarter was due to decreases in wages and salaries (as a result of pandemic related reductions), cost of goods sold for slightly lower collateral management products, and information technology services. Depreciation and amortization in the quarter was up as a result of the Paragon acquisition.

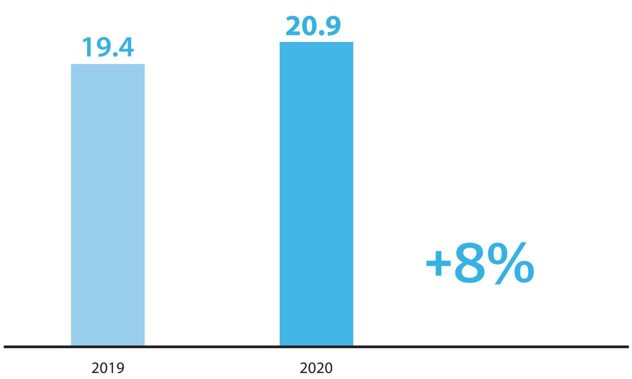
The year-over-year results showed similar reductions in wages and salaries from pandemic related actions, offset by increases in professional and consulting services and depreciation and amortization from our acquisition of Paragon.

2.4 Consolidated net income

Consolidated Net Income for the three months ended December 31,
(CAD$ millions)



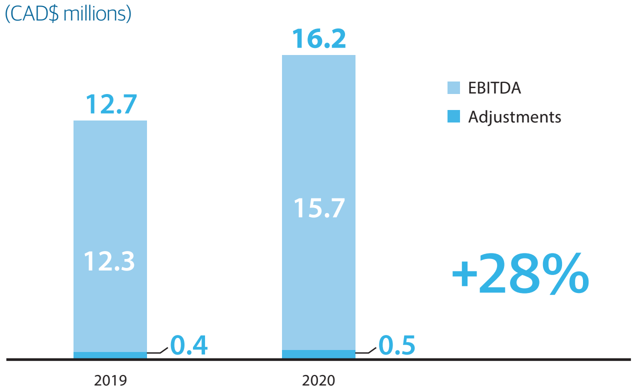
Consolidated Net Income for the year ended December 31,
(CAD$ millions)



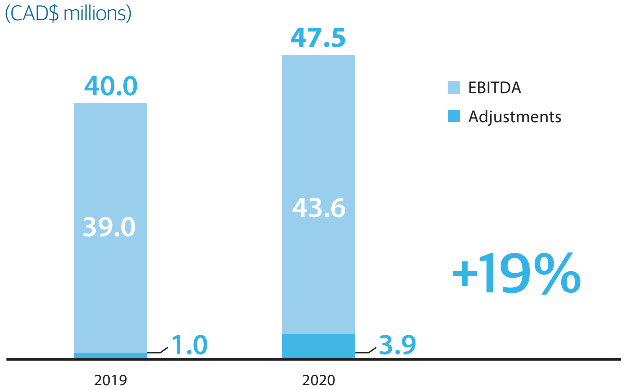
Net income for the quarter was $7.9 million or $0.45 per basic and diluted share, an increase of 7 per cent compared to the fourth quarter of 2019. For the year, net income was $20.9 million or $1.19 per basic share and $1.18 per diluted share, up 8 per cent compared to last year.

2.5 Consolidated EBITDA and Adjusted EBITDA

Consolidated EBITDA and adjusted EBITDA for the three months ended December 31,
(CAD$ millions)



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



EBITDA for the fourth quarter of 2020 was $15.7 million compared to $12.3 million for the same quarter last year, up 27 per cent as a result of organic new customer growth and the first full quarter of revenue from Recovery Solutions in Services, as well as the continued impact of cost reductions across our segments made earlier in the year. Similarly, adjusted EBITDA was $16.2 million for the quarter compared to $12.7 million last year, with only minor adjustments for stock-based compensation and integration costs during the quarter.

For the year, EBITDA was $43.6 million compared to $39.0 million last year, an increase of 12 per cent, as a result of the same strong operational performance and growth outlined above. Adjusted EBITDA was $47.5 million for the year compared to $40.0 million last year, up 19 per cent, with higher adjustments in 2020 as compared to 2019 for stock-based compensation and acquisition and integration costs.

	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Net income	**$ 7,871**	$ 7,347	**$ 20,883**	$ 19,400
Depreciation and amortization	**3,837**	2,697	**12,865**	11,400
Net finance expense	**1,116**	288	**2,045**	1,246
Income tax expense	**2,871**	1,998	**7,819**	6,980
EBITDA	**$ 15,695**	$ 12,330	**$ 43,612**	$ 39,026
Adjustments				
Stock-based compensation expense	**248**	269	**1,046**	370
Stock option expense	**38**	81	**222**	466
Acquisition and integration costs	**207**	–	**2,618**	164
Gain on disposal of property, plant and equipment assets	**–**	4	**–**	2
Adjusted EBITDA	**$ 16,188**	$ 12,684	**$ 47,498**	$ 40,028
EBITDA margin (% of revenue)	**40.2%**	32.5%	**31.9%**	29.3%
Adjusted EBITDA margin (% of revenue)	**41.5%**	33.4%	**34.7%**	30.1%

2.6 Consolidated finance costs

Net finance expense was $1.1 million and $2.0 million for the quarter and the year, respectively, up compared to last year due to increased fees on our new Credit Facility which was entered into on August 5, 2020.

2.7 Tax provision

The Company is subject to federal and provincial income taxes at an estimated combined statutory rate of 27.0 per cent (2019 – 27.0 per cent). 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:

	Year Ended December 31,	
(thousands of CAD dollars)	**2020**	2019
Net income before tax	**$ 28,702**	$ 26,380
Combined statutory income tax rate	**27.0%**	27.0%
Expected income tax expense	**7,750**	7,122
Increase (decrease) in income tax resulting from:		
Non-taxable items	**–**	(20)
Non-deductible expenses	**67**	279
Foreign income tax rate differential	**(278)**	105
Adjustment to prior years' deferred tax assets	**269**	(382)
Other	**11**	(124)
Income tax expense	**$ 7,819**	$ 6,980

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 income tax assets and liabilities involves dealing with uncertainties in the application of complex tax regulations and in the assessment of the recoverability of the deferred income tax assets. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences are deductible.

3 Business Segment Analysis

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

ISC currently has three operating segments:

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

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

3.1 Registry Operations

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

Most significantly, Registry Operations provides services on behalf of the Province of Saskatchewan under a 20-year Master Service Agreement ("MSA"), in effect until 2033, and is the exclusive full-service solution provider of the Saskatchewan Land Registry (including the Saskatchewan Land Titles Registry ("Land Titles Registry"), the Saskatchewan Land Surveys Directory ("Land Surveys") and Saskatchewan Geomatics services ("Geomatics"), collectively the "Land Registry"), the Saskatchewan Personal Property Registry ("Personal Property Registry") and the Saskatchewan Corporate Registry ("Corporate Registry"). Additional information about the MSA is available in our Annual Information Form for the year ended December 31, 2020, on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com.

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

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

Saskatchewan Land Registry

The Land Titles Registry issues titles to land and registers transactions affecting titles, including changes of ownership and the registration of interests in land, in Saskatchewan.

Revenue for the Land Titles Registry is earned through registration, search and maintenance fees. Registration fees are either a flat fee or value-based, calculated as a percentage of the value of the land and/or property being registered. Approximately 84 per cent of all Land Titles Registry registration transactions were submitted online in 2020.

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

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

Land Surveys registers land survey plans and creates a representation of Saskatchewan land parcels in the cadastral parcel mapping system. Revenue related to all Land Survey services is earned as a flat fee per transaction.

Geomatics manages geographic data related to the cadastral parcel mapping system, which is integrated with the Land Titles Registry and Land Surveys. Fees for Geomatics services are typically negotiated per transaction, based on the type and nature of services required.

Saskatchewan Personal Property Registry

The Personal Property Registry is a notice-based public registry in which security interests and other certain interests in personal property (property other than land, buildings and other property affixed to land) may be registered.

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

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

Customers complete almost all searches in the registry online. The high online usage is stable, with minimal numbers of end-use consumers needing staff assistance to complete their transactions.

Saskatchewan Corporate Registry

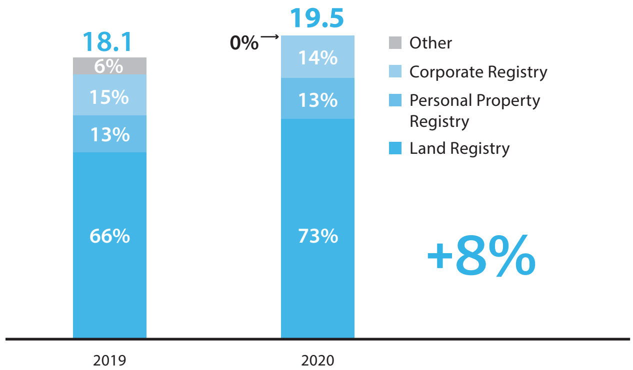
The Corporate Registry is a province-wide system for registering business corporations, non-profit corporations, co-operatives, sole proprietorships, partnerships and business names. Every corporation must be registered in the Corporate Registry to maintain its legal status and carry on business within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

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

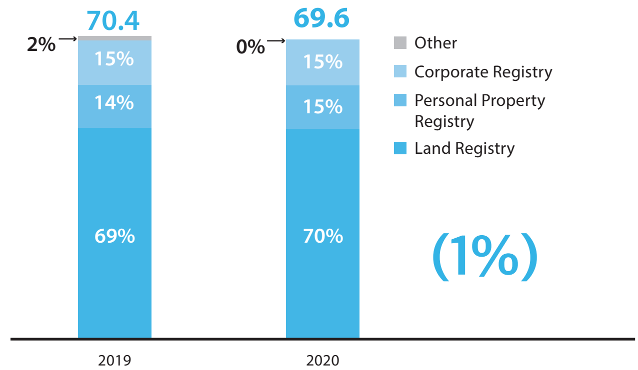
Approximately 92 per cent of all registrations in the Corporate Registry were submitted online in 2020.

REGISTRY OPERATIONS REVENUE

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



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



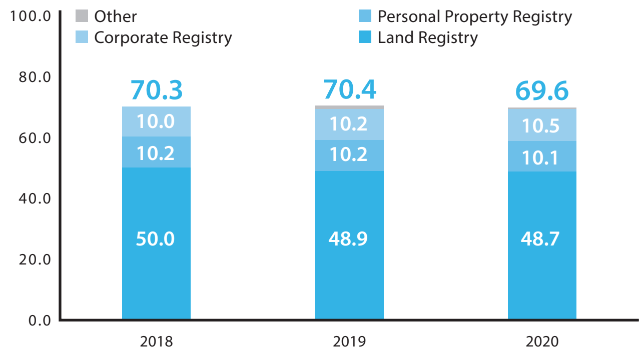
(thousands of CAD dollars)	Three Months Ended December 31, **2020**	2019	Year Ended December 31, **2020**	2019
Land Registry	**$ 14,119**	$ 11,968	**$ 48,694**	$ 48,901
Personal Property Registry	**2,625**	2,383	**10,055**	10,154
Corporate Registry	**2,709**	2,604	**10,537**	10,230
Other	**32**	1,114	**280**	1,114
Registry Operations revenue	**$ 19,485**	$ 18,069	**$ 69,568**	$ 70,399

Revenue for Registry Operations was 19.5 million for the quarter, up compared to $18.1 million in the fourth quarter of 2019 and, for the year, was $69.6 million, flat compared to 2019.

The implementation of COVID-19 related restrictions in Saskatchewan began in mid-March and impacted the segment in April and May. As Saskatchewan began the first phase of its re-opening plan in June, activity in the segment began to move upward and remained stable throughout the third quarter. Building on that stabilization, volumes in the fourth quarter showed further improvement, with results in all registries or surpassing 2019 levels.

Other revenue consists mainly of fees associated with a change order pursuant to the MSA to continue the development of our technology systems that support the registries. At the end of June 2020, the Multi-jurisdictional Registry Access Service ("MRAS") went into operation in the Saskatchewan Corporate Registry along with the other initiating provinces of British Columbia, Alberta, Manitoba, Quebec and Corporations Canada. It enables businesses in Canada to register seamlessly in select provinces and territories without having to provide the same information to each jurisdiction. Under the MSA, the Company owns the intellectual property during the term of the MSA and amortization of the intangible asset commenced in the third quarter of 2020 when the development was complete.

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



Note: Values may not add due to rounding.

The top five customers for Registry Operations accounted for 19.7 per cent of the total segment revenue for 2020. Of those customers, no single customer accounted for more than 10.0 per cent of total Registry Operations revenue.

Saskatchewan Land Registry

For the fourth quarter, revenue for the Land Registry was $14.1 million, up by $2.2 million or 18.0 per cent compared to the same period in 2019, due to strong results from the Land Titles Registry.

Most of the revenue generated from the Land Registry is from the Land Titles Registry and is derived from value-based (ad

valorem) fees. Land Titles Registry revenue for the quarter was $13.4 million, an increase of $2.2 million or 19.5 per cent compared to the same period in 2019, even though overall transaction volumes remained flat year-over-year. The increase was due to an increase in regular land transfers and mortgage registrations during the quarter relative to the same period in 2019, combined with higher average land values for the regular land transfers in the fourth quarter, which positively impacted the revenue.

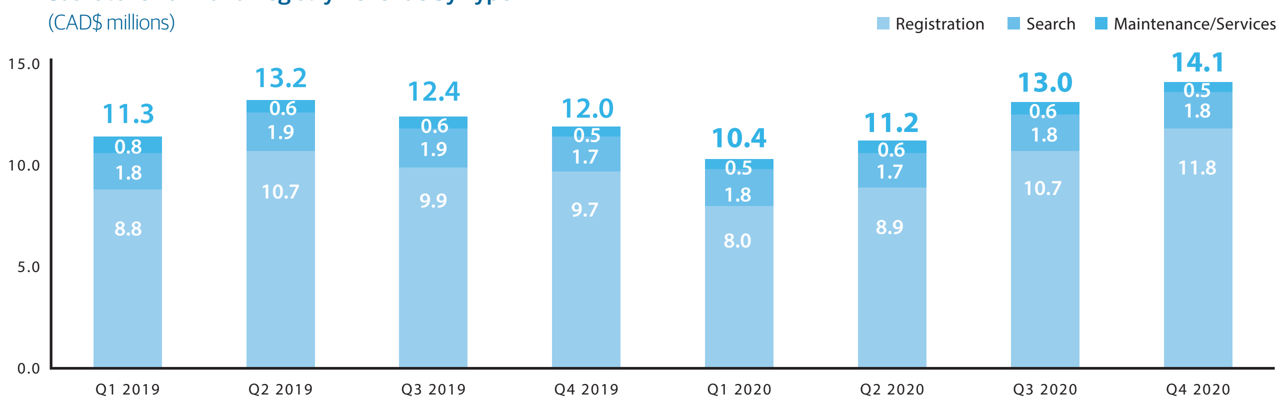
Saskatchewan Land Registry Revenue, for the year ended December 31, 2020

Saskatchewan Land Registry Revenue, for the year ended December 31, 2019

High-value property registration revenue was $1.6 million in the fourth quarter, a rise of $0.5 million compared to $1.1 million in the fourth quarter of 2019. Each high-value registration generates revenue of $10,000 or more.

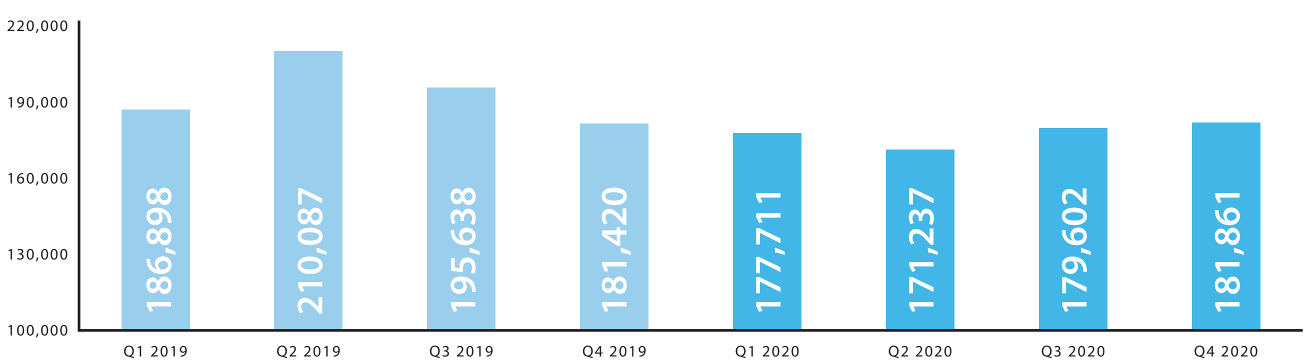
The following graphs show the Land Registry revenue by type of transaction and the overall transaction volume, respectively. Typically, the second and third quarters generate the most revenue for the Land Registry. Given the impact of COVID-19 restrictions on our business in the second quarter, we observed lower revenue in that quarter and higher revenue in the third and fourth quarter, contrary to our historical pattern of seasonality. For more information on seasonality, refer to section 4 "Summary of Consolidated Quarterly Results".

Saskatchewan Land Registry Revenue by Type
(CAD$ millions)



Note: Values may not add due to rounding.

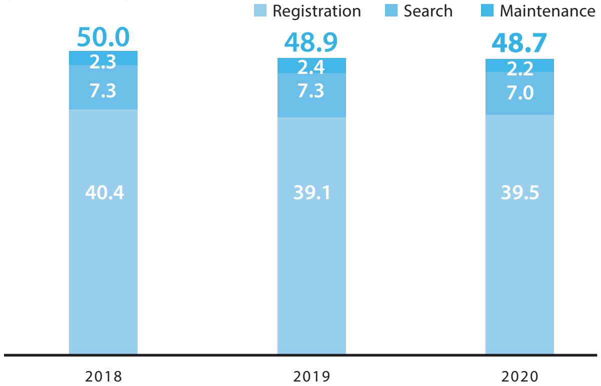
Saskatchewan Land Registry Transaction Volume
(Number of transactions)



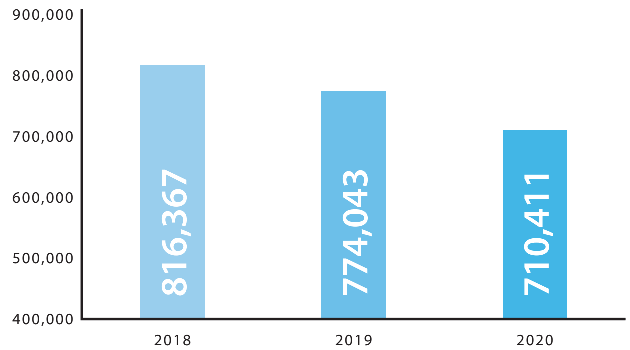
As noted, revenue-generating transactions in the Land Titles Registry remained flat for the fourth quarter. While the volume of regular land transfers, mortgage registrations and title searches improved by 18.7 per cent, 15.7 per cent and 2.4 per cent, respectively, volumes declined in other land titles transaction types, mostly offsetting this growth.

For the year, total Land Registry revenue was $48.7 million in 2020, flat compared 2019. Of that, the Land Titles Registry revenue was $45.6 million compared to $45.4 million in 2019. High-value property registration revenue was lower in 2020 at $3.8 million compared to revenue of $4.3 million in 2019. Each high-value registration generated revenue of $10,000 or more.

Saskatchewan Land Registry Revenue by Type for the year ended December 31,
(CAD$ millions)



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



Note: Values may not add due to rounding from maintenance transactions that were too small to display in chart.

Overall, revenue-generating transactions in the Land Titles Registry fell 7.9 per cent in 2020 compared to 2019 due to COVID-19, which impacted the second quarter of 2020. While the volume of regular land transfers and mortgage registrations in 2020 increased by 1.0 per cent and 6.6 per cent, respectively, title search volumes declined in 2020 by 7.0 per cent. The decline in title searches, along with decreases in other land titles transaction types, more than offset the previously mentioned growth and is the main reason overall volumes are down this year.

The main customers of the Land Registry include law firms, financial institutions, governments, surveyors, developers, resource companies as well as the general public. For 2020, our top 20 Land Registry customers represented nearly 41.2 per cent of revenue, and our top 100 Land Titles Registry customers denoted 77.1 per cent of revenue.

Saskatchewan Personal Property Registry

For the fourth quarter of 2020, volume for the Personal Property Registry was down slightly by 1.8 per cent compared to the same period in 2019. Revenue was $2.6 million, up $0.2 million compared to the same quarter in 2019.

Registration revenue in the quarter was up by 10.6 per cent from 2019, despite volumes being down 1.7 per cent. Average term-length for personal property security registration setups was comparable to the same quarter in 2019.

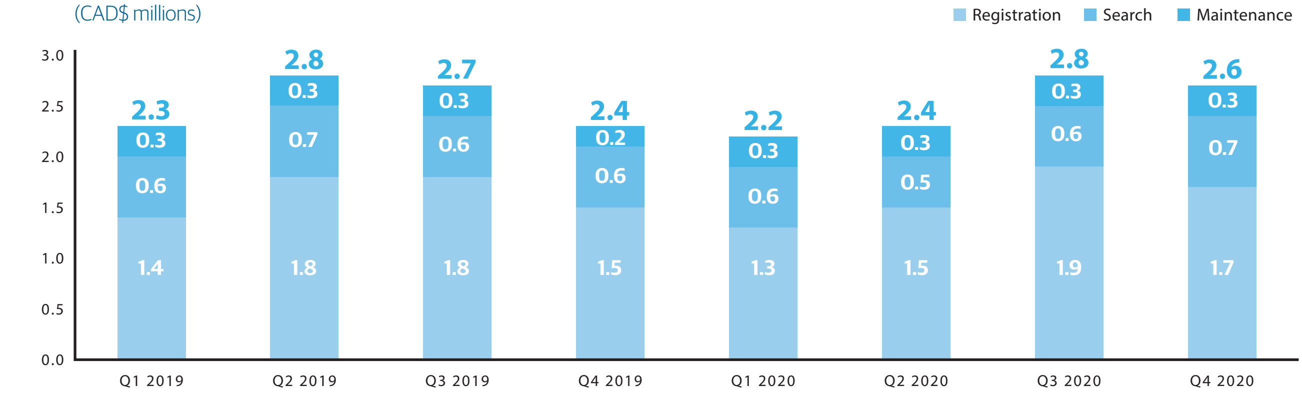
Search revenue improved by 9.0 per cent for the fourth quarter despite weaker volumes, down 2.0 per cent compared to last year.

Additionally, pricing changes contributed to maintenance revenue growing by 10.7 per cent compared to the same quarter in 2019 even though volumes were flat.

The following graph illustrates the typical pattern of seasonality, in that revenue for the fourth quarter is usually lower compared to the third quarter. For 2020, note the lower revenue in the second quarter of this year due to COVID-19 related restrictions.

Saskatchewan Personal Property Registry Revenue by Type

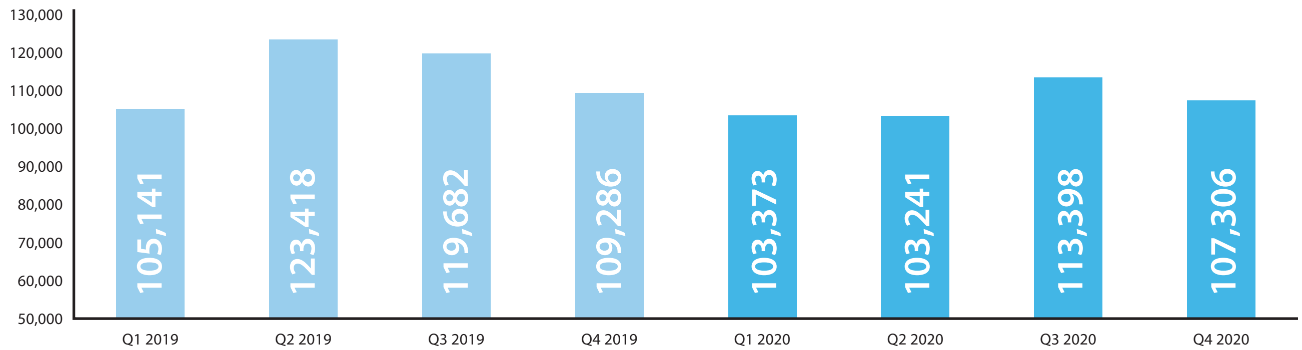
(CAD$ millions)



Note: Values may not add due to rounding.

Saskatchewan Personal Property Registry Transaction Volume

(Number of transactions)

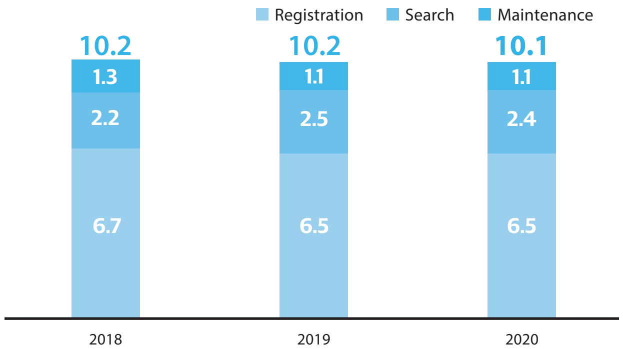


Annual revenue for the Personal Property Registry was $10.1 million in 2020, flat compared to 2019. Overall volumes for 2020 declined by 6.6 per cent compared to the previous year, with the decline most prevalent in the second quarter when COVID-19 related restrictions had the greatest impact on the local economy. Registration, search and maintenance volumes dropped 6.9 per cent, 6.9 per cent and 4.1 per cent, respectively. Personal property security registration setup volumes decreased in 2020 by 4.4 per cent compared to 2019.

Pricing changes made in late August helped offset the year-over-year volume decreases. Registration revenue was flat compared to 2019, while search revenue was lower by 3.4 per cent in 2020. These declines in revenue were partly offset by higher maintenance revenue in 2020, up 1.2 per cent compared to 2019.

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

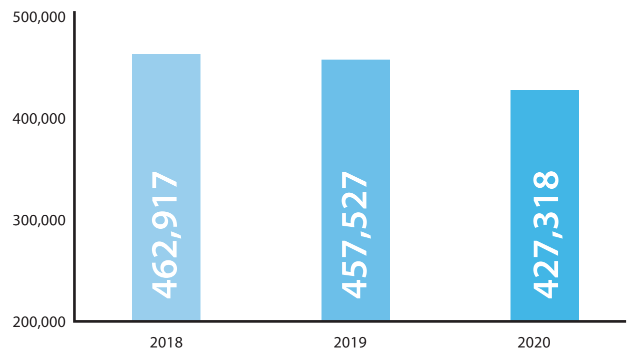
(CAD$ millions)



Note: Values may not add due to rounding.

Saskatchewan Personal Property Registry Transaction Volume for the year ended December 31,

(Number of transactions)



Customers of the Personal Property Registry are primarily in the financial sector but also include law firms. The top 20 Personal Property Registry customers represented about 83.0 per cent of the revenue for 2020, while the top 100 produced 94.3 per cent of revenue.

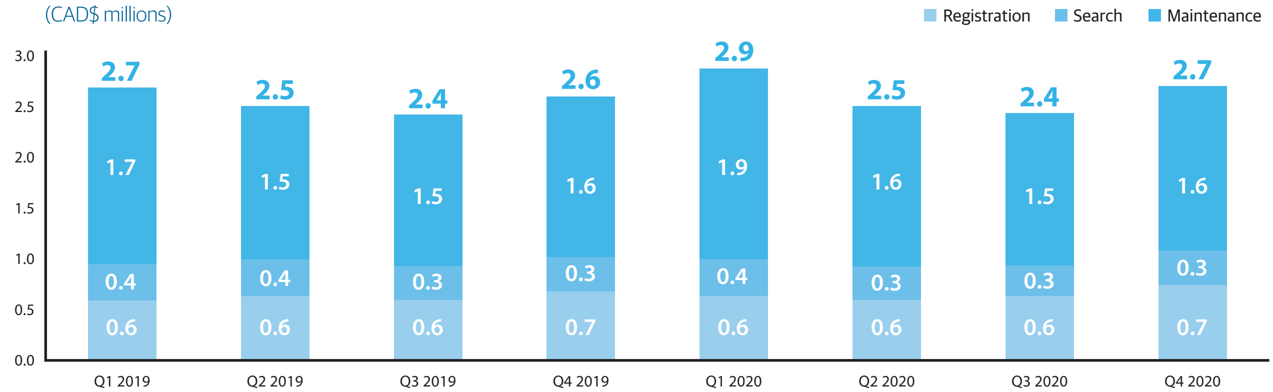
Saskatchewan Corporate Registry

Revenue for the Corporate Registry for the fourth quarter was $2.7 million, flat compared to the same period in 2019, with a 3.0 per cent growth in overall transaction volumes. Registration, search and maintenance revenue grew by 9.0 per cent, 0.9 per cent and 2.6 per cent, respectively, in the quarter compared to 2019. Year-over-year increases in the incorporation and registration of new business entities drove registration revenue growth, while increases in the filing of annual returns and renewals drove maintenance revenue growth.

As of December 31, 2020, there were approximately 75,358 active Saskatchewan Business Corporations registered with the Corporate Registry compared to approximately 74,647 as at December 31, 2019.

The following graph illustrates the Corporate Registry revenue by type of transaction. Despite the impact of COVID-19 restrictions on the other registries, quarterly revenue in this registry continues to mirror the typical pattern of seasonality.

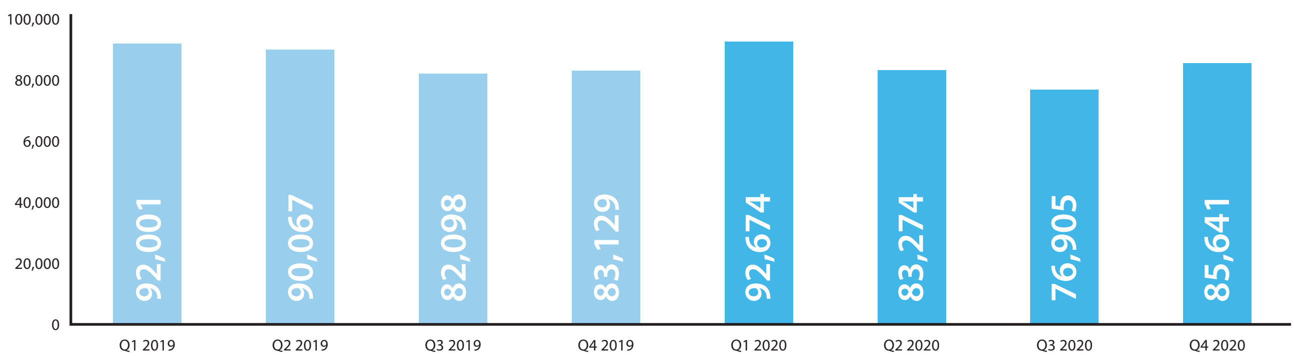
Saskatchewan Corporate Registry Revenue by Type
(CAD$ millions)



Note: Values may not add due to rounding.

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

Saskatchewan Corporate Registry Transaction Volume
(Number of transactions)

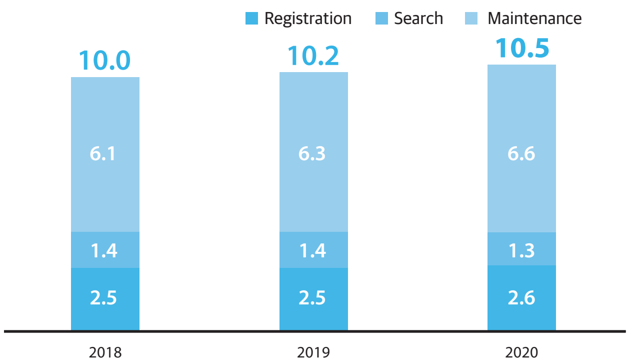


Transaction volumes for the fourth quarter grew by 3.0 per cent compared to the same period last year. Specifically, registration, search and maintenance volumes rose by 14.0 per cent, 1.6 per cent and 3.0 per cent, respectively, compared to the same period in 2019.

Annual transaction volumes for the year were down 2.5 per cent compared to 2019. While registration volume grew by 1.4 per cent, search and maintenance volume declined by 3.3 per cent and 2.0 per cent, respectively, compared to 2019. Following the re-opening of the Saskatchewan economy in June, the third and fourth quarters saw year-over-year growth in incorporations and registrations, as well as annual return and renewal activity.

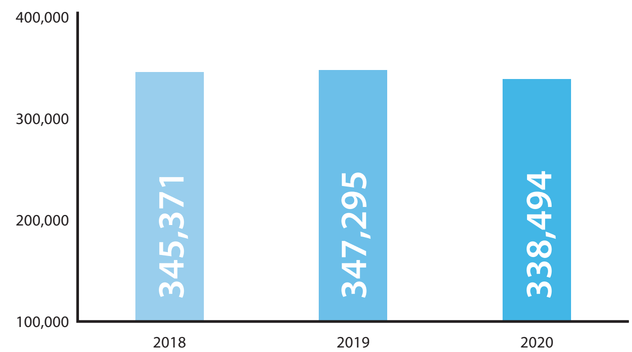
Annual revenue for the Corporate Registry was $10.5 million, up 3.0 per cent compared to 2019. In 2020, registration and maintenance revenue improved by 4.2 per cent and 4.1 per cent, respectively, compared to 2019. More specifically, 2020 revenue from the incorporation and registration of new business entities, up 5.3 per cent, drove registration revenue growth, while revenue from the filing of annual returns and renewals, up 6.1 per cent for the year, drove maintenance revenue growth. Pricing changes made in the third quarter of 2019 contributed to revenue increases in both categories as well. This growth was somewhat offset by a reduction of search revenue, down 4.0 per cent compared to 2019.

Saskatchewan Corporate Registry Revenue by Type for the year ended December 31,
(CAD$ millions)



Note: Values may not add due to rounding.

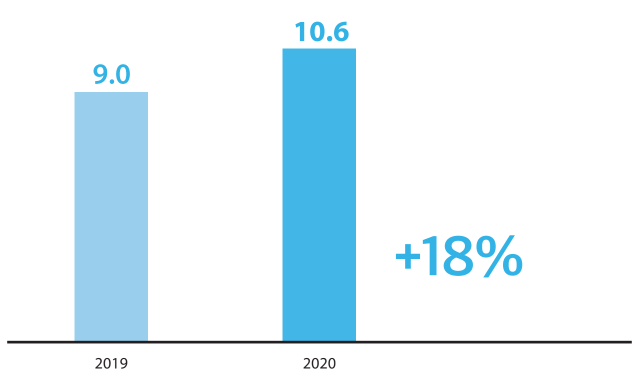
Saskatchewan Corporate Registry Transaction Volume for the year ended December 31,
(Number of transactions)



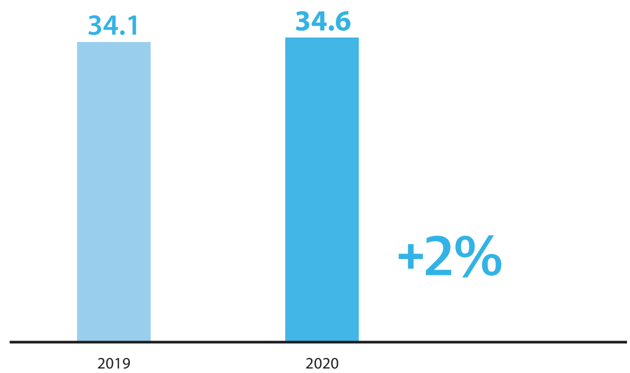
For the Corporate Registry, customers include law firms, companies in the financial sector, as well as the Government of Saskatchewan. They also include businesses such as corporations, non-profit corporations, co-operatives and sole proprietorships that were, or will be, registered in the Corporate Registry. The top 20 Corporate Registry customers delivered nearly 31.9 per cent of revenue for 2020 and the top 100 customers encompassed about 49.8 per cent of revenue.

REGISTRY OPERATIONS EXPENSES AND EBITDA

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



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



(thousands of CAD dollars)	Three Months Ended December 31, **2020**	Three Months Ended December 31, 2019[1]	Year Ended December 31, **2020**	Year Ended December 31, 2019[1]
Revenue	**$ 19,485**	$ 18,069	**$ 69,568**	$ 70,399
Total expenses[2]	**8,882**	9,048	**34,955**	36,309
EBITDA	**$ 10,603**	$ 9,021	**$ 34,613**	$ 34,090

[1] On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared services provided to the operating segments in the current year. Certain related party revenues are also impacted by this change. Had the methodology change not been made, Registry Operations EBITDA in the quarter is estimated to have been $11,131 thousand and year-to-date is estimated to have been $36,180 thousand.

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

EBITDA for Registry Operations for the fourth quarter was $10.6 million, up 18 per cent compared to the same period last year and was $34.6 million for the year, up 2 per cent compared to last year. The increase for the quarter was reflective of the re-opening of the Saskatchewan economy in June and the increase in economic activity that followed. The increase for the year was due to decreased expenses overall, including measures implemented to reduce our operating costs and mitigate the impact of the pandemic at the start of the second quarter, which more than offset the slight decline in revenue.

More specifically, the reduction in expenses in the quarter was due to lower technology solutions costs, while the reduction year-to-date was also aided by lower costs for technology solutions as well as reduced wages and salaries and occupancy costs related to the closure of three customer service centres in 2019. These were partially offset by an increase in the allocation of corporate costs due to the methodology change made this year that management believes more closely reflects the level of shared services provided to the operating segments.

3.2 Services

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

Effective July 1, 2020, we have recategorized our reporting to include our new Recovery Solutions division from the Paragon acquisition, which closed on July 31, 2020. We believe this will provide readers with a more comprehensive understanding of our Services segment.

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

Category	Offering	Software	Products
Corporate Solutions	Incorporation Services	Business Complete Custom in-house	Nationwide Business Name Registration and Renewals Security Filings and Registrations
	Corporate Supplies	Custom in-house	Minute Books Seals and Stamps Corporate Legal Packages
Regulatory Solutions	Know-Your-Customer ("KYC")	SIDni®, AttestaNet® LEV®	Individual Identification Legal Entity Validation Beneficial Ownership Validation Account Onboarding Services US & International Corporate Entity Validation
	Public Records Searches	Custom in-house Registry Complete	Corporate Profile or Business Name Searches NUANS[1] Searches PPSA[2] Searches Real Estate Searches Vital Statistics Searches
	Collateral Management	Custom in-house (AVS)	PPSA[2] /RDPRM[3] Search & Registrations Bank Act Filing Notice of Security Interest (Fixture) Registrations US UCC[4] Search & Filings
Recovery Solutions	Asset Recovery	Repo>>Connect	Fully managed service across Canada and the US Identification, retrieval and disposition of movable assets

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

2 Personal Property Security Act.

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

4 Uniform Commercial Code.

Competition

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

Corporate Solutions

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

Incorporation Services

- We provide a convenient, cost-effective method to incorporate businesses online or through our staff-assisted process. Leveraging our online technology platforms, eService and Business Complete, we service legal customers and the general public through a team of experienced law clerks in both Ontario and Quebec.
- We hold one of the two exclusive licences under the Ontario Business Information System, which allows us to access the Ontario Corporate Registry electronically on behalf of clients. We have non-exclusive licences to do the same in all other provincial and federal (Corporations Canada) corporate registries across Canada.
- In addition to incorporations, various other corporate filings are often required to operate a business. Items such as amendments to a company's governing articles, amalgamations, the continuance of a company, a change in registered address or changes to a board of directors. We also provide online and real-time NUANS and business name searches, registered agents of service and corporate document preparation to assist in the organization and maintenance of a business.

Corporate Supplies

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

Regulatory Solutions

Regulatory Solutions captures revenue from our KYC, collateral management and general due diligence service offerings.

We use our proprietary platform to assist clients with intuitive business rules and advanced automation to deliver regulatory services to support their credit/banking and legal processes. We leverage the public registry data to provide insights and improved customer experience through a single technology. We supplement all our technology with deep subject-matter knowledge offered through our legal professionals located in three locations (Montreal, QC, Toronto, ON, and Vernon, BC).

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

Our customers include non-legal customers, such as financial institutions and auto and equipment finance companies.

Know-Your-Customer

- We support legal and financial institution due diligence activities for compliance purposes through the KYC verification (corporate and individual), public records search and registration services across Canada. Clients can obtain numerous reports and intelligence to verify and authenticate customer data to comply with their internal customer onboarding policies mandated by FINTRAC /Anti-Money Laundering regulations. Using a web-based tool and associated APIs that provide real-time access to validate and verify an individual or business's existence, our KYC services aggregates information from multiple trusted sources to provide reliable and accurate identification of an individual and/or a business and its principals.

Collateral Management

- In order to ensure or 'perfect' a security interest against the personal property of a debtor, secured parties need to register in the statutory registry under the applicable personal property legislation. Registering provides the secured party with statutory protection and priority against other parties with competing security interests against the applicable movable collateral. Once a secured party has been paid out, or the security against the debtor is otherwise terminated, registrations (or liens) are then discharged and removed from the applicable security legislation.

- We service the adjudication and complete the loan fulfilment process, which involves detailed searches and registrations to be completed to perfect the security interest. We have invested in our technology, processes, and innovation to ensure we support customer and industry digitization strategies. This allows us to offer a complete lien registry solution that reaches further than the traditional registry submission services and includes PPSA/RDPRM searches and management, fixture filings, garage/repair liens, and US Uniform Commercial Code ("UCC") Filings.

Public Records Search Services/Due Diligence

- Our public records search offerings include corporate profiles, business name searches, NUANS, PPSA searches, security searches, real estate searches, and birth, death and marriage certificate searches.
- Due diligence is an essential component of most merger and acquisition and financing transactions, where searches are performed to obtain a complete understanding of all legal obligations associated with a person or business. In the course of a due diligence undertaking, law firms, lenders and/or other professional advisors will often order a series of public records searches to verify third-party information. These searches are commonly referred to as security (or securities) searches.
- We provide security searches that can be conducted against an individual, business or corporation, property and assets across the country. Searches will reveal both present and historical information relating to debts and liabilities, pending and potential lawsuits, bankruptcy, liens, judgments, and sales of assets across Canada.

Recovery Solutions

On July 31, 2020, we completed the acquisition of substantially all of the assets used in the business of Paragon, a technology-enabled asset recovery business, which now forms the basis of our Recovery Solutions division. Recovery Solutions offers a fully managed service across Canada and the US, which aids in facilitating and co-ordinating asset recovery on behalf of our clients. Asset recovery involves identification, retrieval, and disposal of movable assets such as automobiles, boats, aircraft, and other forms of portable physical assets used as collateral security for primarily consumer-focused credit transactions.

Our clients enjoy a complete turnkey solution where our team manages every step in the recovery process, including co-ordinating bailiffs, investigators and auctions. Our customers include most of the major banks who are involved in lending in the movable asset market in Canada.

The addition of Recovery Solutions strengthens our previous offerings and means that we are now able to offer our clients a complete solution in the credit life cycle, from origination to recovery. By connecting the registrations from our existing Services offerings to our new Recovery Solutions offering, our clients can leverage our lien registry services platform to optimize an early stage portfolio assessment to validate the borrower identity and ensure that their security on the asset in their portfolio is perfected.

Our process also allows us to increase recoveries through our superior supply chain management experience and performance management of bailiffs, investigators and auctions.

Revenue

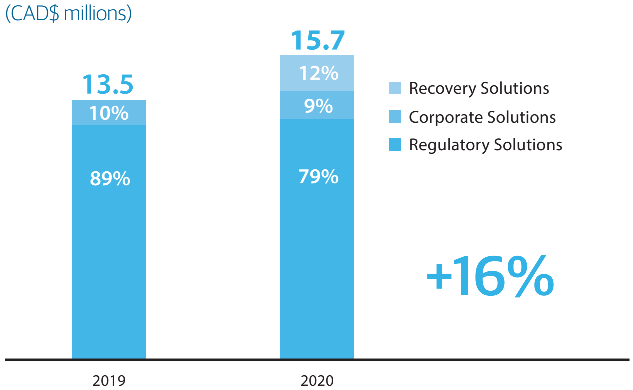
We earn revenue through transaction fees for search and registration services provided through incorporation, KYC, public records and due diligence, and collateral management services. All government fees associated with the service are either embedded in the transaction or management service fee or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

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

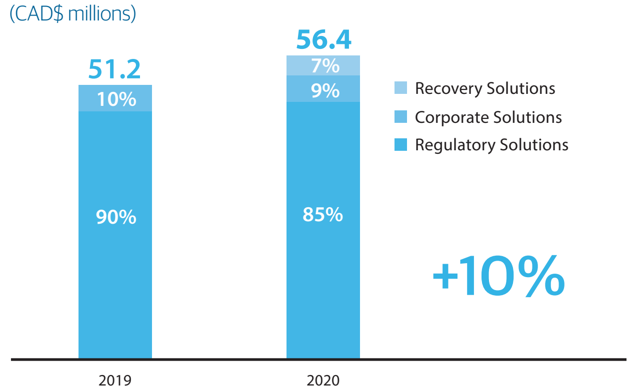
Our revenue in Corporate Solutions and Recovery Solutions is reasonably diversified and has little seasonality; instead, it fluctuates in line with general economic drivers. In particular, our collateral management services experiences seasonality aligned to vehicle and equipment financing cycles, which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

SERVICES REVENUE

Services Revenue
for the three months ended December 31,
(CAD$ millions)



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



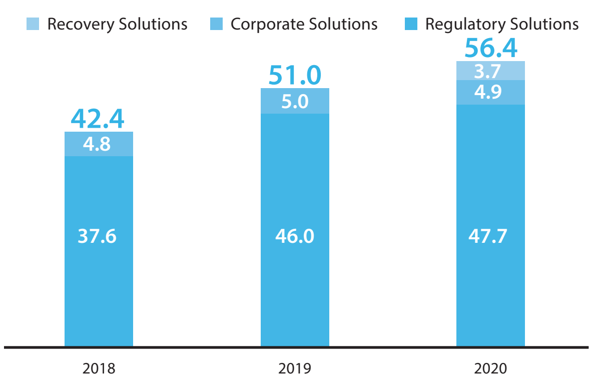
Note: Internal related party and other revenue not displayed in graph. Values may not add due to rounding.

(thousands of CAD dollars)	Three Months Ended December 31, **2020**	2019	Year Ended December 31, **2020**	2019
Regulatory Solutions	**$ 12,396**	$ 12,093	**$ 47,730**	$ 45,985
Recovery Solutions	**1,821**	–	**3,721**	–
Corporate Solutions	**1,495**	1,348	**4,911**	5,023
Internal related parties and other	**33**	78	**40**	222
Services revenue	**$ 15,745**	$ 13,519	**$ 56,402**	$ 51,230

Revenue for Services was $15.7 million for the fourth quarter, a rise of 16 per cent compared to the same period in 2019. Revenue was up in the fourth quarter compared to the same period last year due to organic growth in Regulatory and Corporate Solutions as we onboarded new customers, as well as additional revenue from Recovery Solutions.

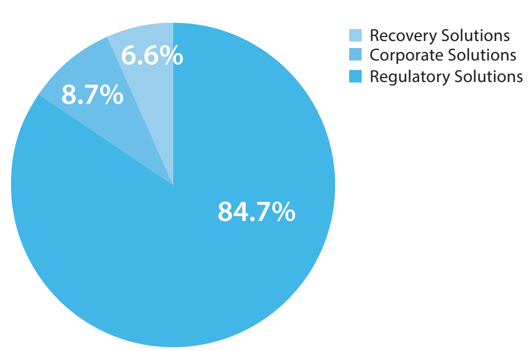
For the year ended December 31, 2020, revenue in the Services segment was $56.4 million compared to $51.2 million last year, representing an increase of 10 per cent. Annual revenue is up over last year due to the organic growth in Regulatory Solutions and new revenue from Recovery Solutions, which offset a reduction in overall volumes seen earlier in the year following the implementation of COVID-19 restrictions.

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



Note: Internal related parties and other revenue not displayed in graph.

Services Revenue by Type
for the year ended December 31, 2020



Regulatory Solutions

Revenue in Regulatory Solutions for the fourth quarter was $12.4 million, an increase of 2.5 per cent compared to $12.1 million for the same period of 2019. Revenue grew slightly in the quarter as a result of organic new customer acquisitions which more than offset the COVID-19 related transaction decline.

For the year, revenue was $47.7 million compared to $46.0 million for the same period last year, an increase of 3.8 per cent, rebounding in the last half of the year following the impact to the economy from COVID-19 restrictions.

Recovery Solutions

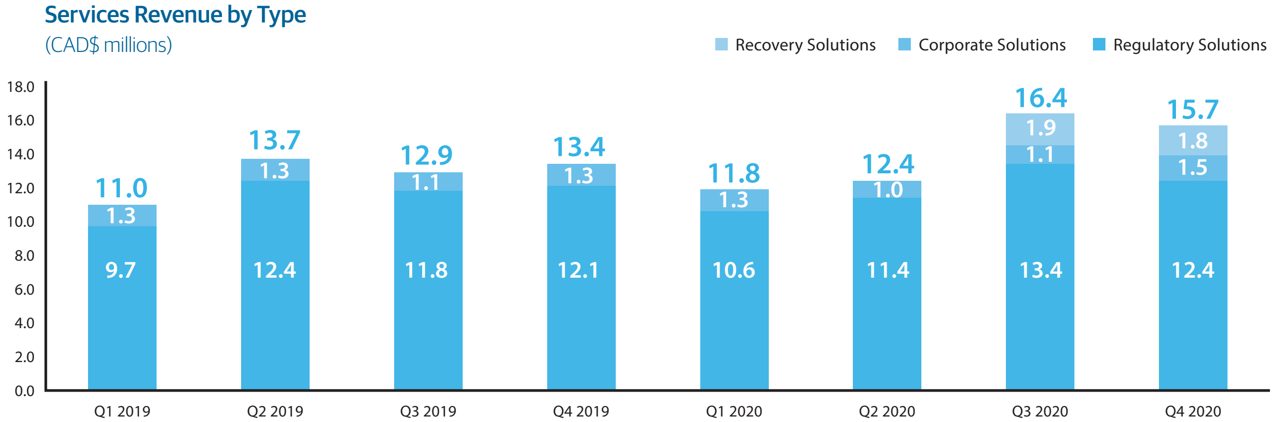
Revenue in Recovery Solutions in the fourth quarter was $1.8 million. In 2020, revenue for Recovery Solutions was $3.7 million, following the acquisition of substantially all of the assets of Paragon on July 31 of this year. Historically, the recovery industry trends lower in the fourth quarter due to temporary pausing of recovery efforts leading up to and during the holidays.

Corporate Solutions

Corporate Solutions revenue for the quarter was $1.5 million, an increase of 10.9 per cent compared to the fourth quarter of 2019. Revenue rose due to increased corporate filing volumes versus the previous year.

For the year, annual revenue was $4.9 million, flat compared to $5.0 million last year, with the impact from COVID-19 offsetting new growth.

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

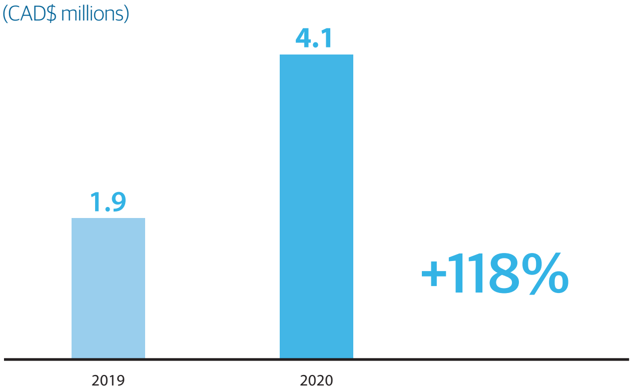


Note: Internal related parties and other revenue not displayed in graph. Values may not add due to rounding.

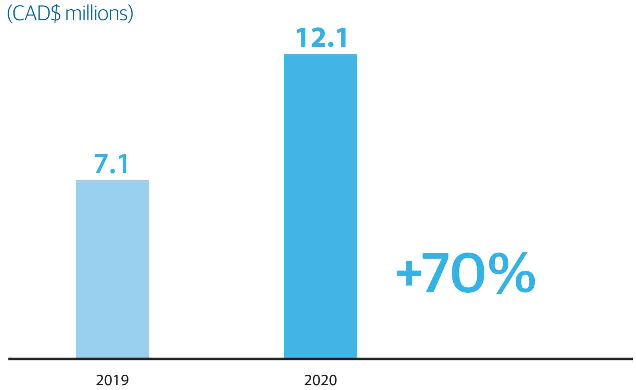
For 2020, the top 20 Services customers accounted for approximately 76.5 per cent of the revenue, while the top 100 Services customers comprised nearly 89.5 per cent of revenue. No single customer accounted for more than 25.0 per cent of Services revenue in the period.

SERVICES EXPENSES AND EBITDA

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



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



	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD dollars)	**2020**	2019[1]	**2020**	2019[1]
Revenue	**$ 15,745**	$ 13,519	**$ 56,402**	$ 51,230
Total expenses[2]	**11,679**	11,656	**44,327**	44,119
EBITDA	**$ 4,066**	$ 1,863	**$ 12,075**	$ 7,111

[1] On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared services provided to the operating segments in the current year. Certain related party revenues are also impacted by this change. Had the methodology change not been made, Services EBITDA in the quarter is estimated to have been $3,519 thousand and year-to-date is estimated to have been $10,001 thousand.

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

EBITDA for Services was $4.1 million for the quarter compared to $1.9 million for the same period last year and was $12.1 million year-to-date compared to $7.1 million last year. The increase in the quarter and year-to-date was due to the increased revenue from organic growth and the acquisition of Paragon in July 2020.

For the quarter, Services expenses were $11.7 million, flat compared to the same period in 2019. Expenses were $44.3 million for the year compared to $44.1 million last year. The increase was related to the acquisition of Paragon in the third quarter of 2020, partially offset by our cost management activities, as well as the methodology change for allocating corporate costs to the operating segments this year.

3.3 Technology Solutions

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

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

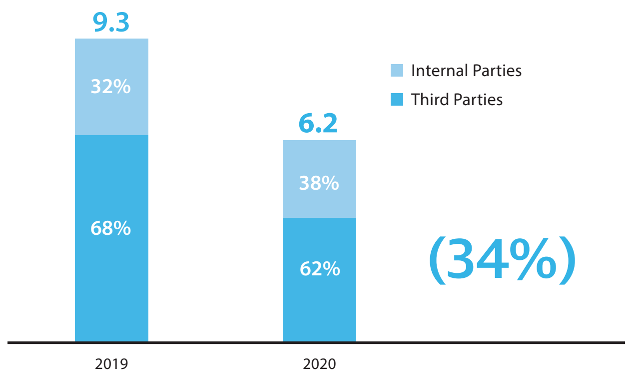
We offer RegSys — a complete registry solution that provides a readily transferable technology platform capable of serving a wide range of registry needs. RegSys is a multi-register platform that delivers the flexibility, scalability and features that enable public sector organizations to deliver enhanced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

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

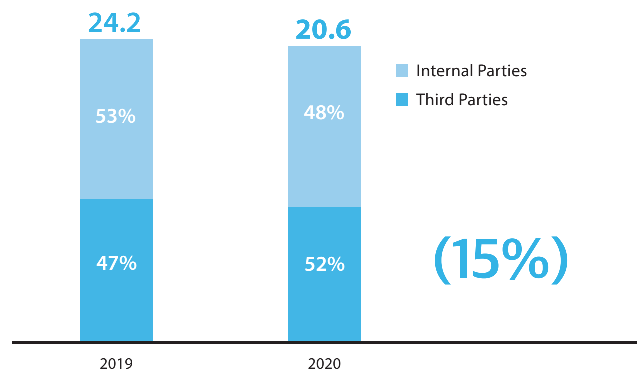
Competitors in this segment include technology services organizations that provide application development, systems integration and/or application management services. This includes large multinationals or local niche players, both of which we can partner with to complement our offering depending on the clients' needs.

TECHNOLOGY SOLUTIONS REVENUE

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



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



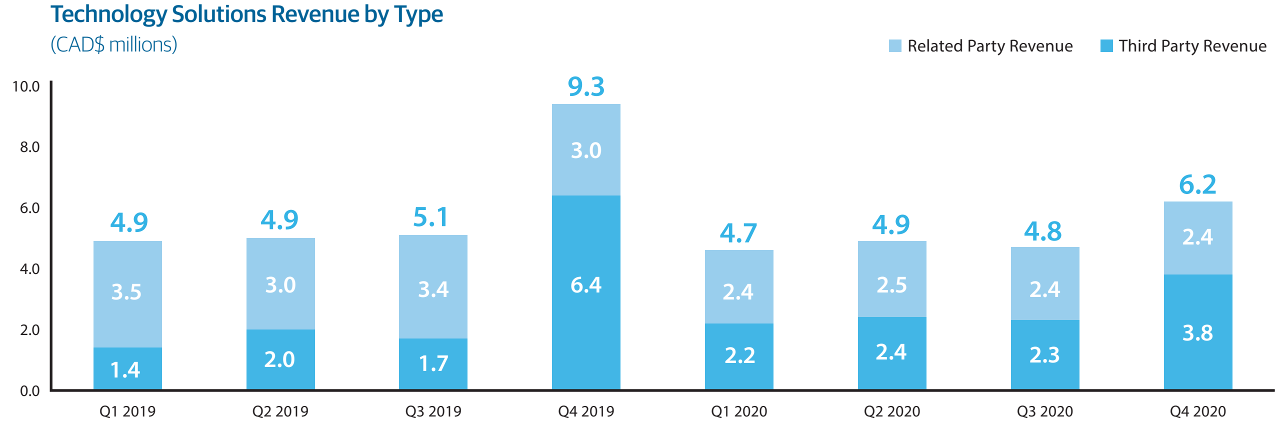
(thousands of CAD dollars)	Three Months Ended December 31, **2020**	2019[1]	Year Ended December 31, **2020**	2019[1]
Third parties	**$ 3,815**	$ 6,352	**$ 10,782**	$ 11,416
Internal related parties	**2,380**	2,981	**9,769**	12,830
Technology Solutions revenue	**$ 6,195**	$ 9,333	**$ 20,551**	$ 24,246

[1] On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared services provided to the operating segments in the current year. Certain related party revenues are also impacted by this change.

Revenue in Technology Solutions was $6.2 million for the quarter, a decrease of $3.1 million compared to $9.3 million for the same period in 2019. The decrease in the quarter compared to last year was a result of the large number of milestones that were achieved and recognized in the prior year period. As shown in the following graph, a more normalized level of revenue was recorded in the fourth quarter of 2020 and throughout the year.

Internal related party revenue in any quarter is dependent on resources used or consumed internally, particularly in Registry Operations. Our intent is to continue to service the needs of internal customers as efficiently and effectively as possible, including the provision of service via related party resources; therefore, this figure may continue to decline over time, particularly as we pursue additional external revenue.

Technology Solutions Revenue by Type
(CAD$ millions)



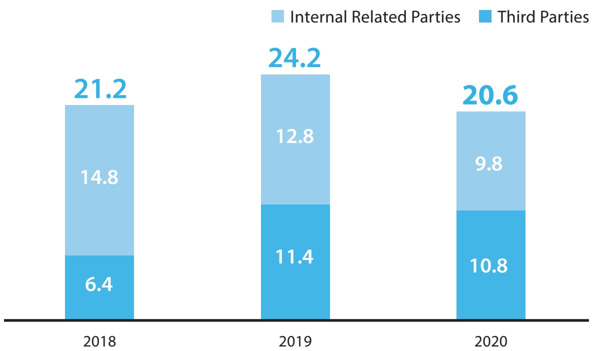
Note: Values may not add due to rounding.

Revenue in our Technology Solutions segment was $20.6 million for the year ended December 31, 2020, compared to $24.2 million in 2019, a decrease of $3.6 million.

Revenue from external parties was $10.8 million compared to $11.4 million in the same period in 2019. Revenue from external third parties decreased slightly in 2020 versus 2019, as delivery against milestones on signed contracts was delayed during the year.

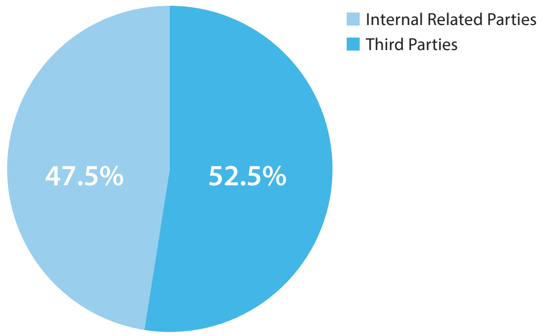
Internal related party revenue year-to-date decreased as we continued to reduce our internal support costs through continuous improvement in providing application maintenance and operations services.

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



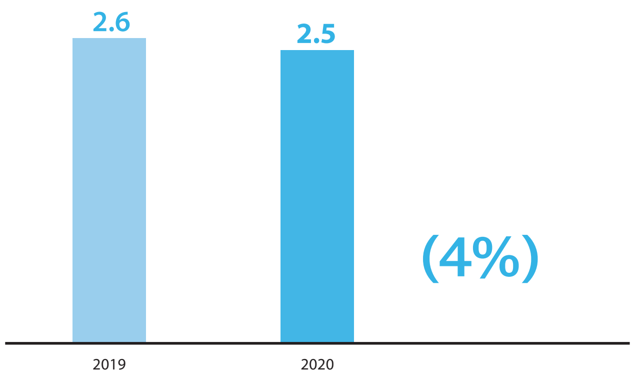
Note: Values may not add due to rounding.

Technology Solutions Revenue
for the year ended December 31,

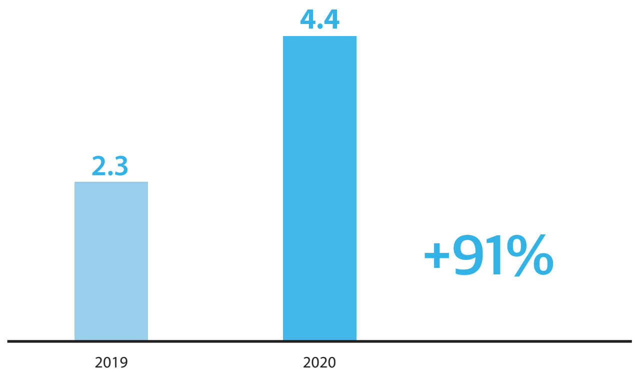


TECHNOLOGY SOLUTIONS EXPENSES AND EBITDA

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



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



(thousands of CAD dollars)	Three Months Ended December 31, **2020**	2019[1]	Year Ended December 31, **2020**	2019[1]
Revenue	**$ 6,195**	$ 9,333	**$ 20,551**	$ 24,246
Total expenses[2]	**3,710**	6,778	**16,116**	21,965
EBITDA	**$ 2,485**	$ 2,555	**$ 4,435**	$ 2,281

[1] On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared services provided to the operating segments in the current year. Certain related party revenues are also impacted by this change. Had the methodology change not been made, Technology Solutions EBITDA in the quarter is estimated to have been $2,420 thousand and year-to-date is estimated to have been $4,509 thousand.

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

EBITDA for Technology Solutions was $2.5 million for the quarter compared to $2.6 million in the fourth quarter of 2019 and was $4.4 million for the year compared to $2.3 million last year.

For the quarter, Technology Solutions expenses were down $3.0 million compared to the same period in 2019 and were down $5.8 million for the year compared to 2019. The decreases were due to less expenses and related milestones versus last year, management cost reduction activities including measures implemented to reduce our operating costs and mitigate the impact of the pandemic at the start of the second quarter, lower information services costs as well as lower corporate allocated costs due to the methodology change made in 2020.

3.4 Corporate and other

Corporate and other includes expenses related to our corporate activities and shared services functions. The Company previously included eliminations of inter-segment revenue and costs in Corporate and other. These are now presented separately in the Financial Statements and therefore excluded below. Management believes this format provides a more transparent representation of the Corporate and other activities.

	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Third parties	**$ 2**	$ 6	**$ 8**	$ 22
Internal related parties[1]	**35**	10	**140**	32
Corporate and other revenue	**$ 37**	$ 16	**$ 148**	$ 54
Total expenses[1, 2]	**(1,496)**	(1,266)	**(7,659)**	(4,510)
EBITDA	**$ (1,459)**	$ (1,250)	**$ (7,511)**	$ (4,456)

[1] On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared services provided to the operating segments in the current year. Certain related party revenues are also impacted by this change. Had the methodology change not been made, Corporate and other EBITDA in the quarter is estimated to have been ($1,374) thousand, and year-to-date is estimated to have been ($7,078) thousand.

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

EBITDA for the quarter decreased slightly compared to the same quarter last year, as a result of small integration costs in the fourth quarter of 2020. For the year, EBITDA decreased by $3.0 million compared to last year from increased share-based compensation expense, increased professional and consulting services related to the acquisition of Paragon, the expansion of our Credit Facility and the exploration of other growth initiatives, and less corporate allocated costs moved to our other segments due to the change in the corporate allocation methodology. These increases were partially offset by reduced discretionary spending in response to cost management activities to mitigate the impact of the pandemic.

4 Summary of Consolidated Quarterly Results

The following table sets out select quarterly results for the past eight quarters. As outlined earlier, Registry Operations experiences moderate seasonality, primarily because Land Titles revenue fluctuates in line with real estate transaction activity in Saskatchewan. Typically, our second and third quarters generate higher revenue during the fiscal year when real estate activity is traditionally highest.

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

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

At this time, the Company is unable to predict how its historical pattern of seasonality may be impacted due to the ongoing uncertainty of the pandemic.

	2020				2019			
(thousands of CAD dollars)	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	**$ 39,013**	$ 37,120	$ 30,993	$ 29,596	$ 37,942	$ 32,175	$ 34,244	$ 28,607
Expenses	**27,156**	29,707	24,592	24,521	28,308	26,888	26,308	23,838
Net income before items noted below	**11,857**	7,413	6,401	5,075	9,634	5,287	7,936	4,769
Net finance (expense)/income	**(1,116)**	(397)	(258)	(274)	(288)	(422)	(277)	(259)
Change in contingent consideration	**–**	–	–	–	–	–	–	–
Income before tax	**10,741**	7,016	6,143	4,801	9,346	4,865	7,659	4,510
Income tax expense	**(2,870)**	(1,980)	(1,638)	(1,331)	(1,999)	(1,607)	(1,875)	(1,499)
Net income	**$ 7,871**	$ 5,036	$ 4,505	$ 3,470	$ 7,347	$ 3,258	$ 5,784	$ 3,011
Other comprehensive income (loss)	**(69)**	331	(226)	666	1	(133)	(56)	(321)
Total comprehensive income	**$ 7,802**	$ 5,367	$ 4,279	$ 4,136	$ 7,348	$ 3,125	$ 5,728	$ 2,690
EBITDA margin	**40.2%**	29.4%	29.5%	26.5%	32.5%	26.7%	31.4%	25.7%
Adjusted EBITDA margin	**41.5%**	35.6%	32.9%	26.7%	33.4%	26.9%	31.8%	27.3%
Earnings per share, basic	**$ 0.45**	$ 0.29	$ 0.26	$ 0.20	$ 0.42	$ 0.19	$ 0.33	$ 0.17
Earnings per share, diluted	**$ 0.45**	$ 0.29	$ 0.26	$ 0.20	$ 0.42	$ 0.19	$ 0.33	$ 0.17

5 Business Strategy

STRATEGIC PRIORITIES

ISC's strategy focuses on delivering value to shareholders through the consistent performance of its existing business and the execution of appropriate growth opportunities. The Company's strategy is realized through three key functions:

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

Through these functions, ISC's strategy is executed with the intent to:

- deliver leading registry and regulatory services and solutions to customers around the world through existing lines of business and potential extension into adjacent opportunities through innovation and/or acquisition;
- produce increasing revenue with continued emphasis on EBITDA growth; and
- provide an enhanced customer experience for those interacting with ISC's systems, people and information.

ISC's strategy is influenced by a set of principles:

- long-term orientation – strategic focus on the sustainability of the business and the services we deliver;
- growth – active pursuit of attainable organic and inorganic growth;
- innovation – emphasis on product and service innovation and exploration of new verticals; and
- company values – prominent focus on quality of service delivery and the engagement of our customers and employees.

While the uncertainty of COVID-19 has and will continue to hamper our ability to predict any long-term implications on our strategy, the Company is well positioned to manage through this situation as outlined throughout this MD&A (also see section 1.3 "Outlook"). As such, we remain committed to our priorities, principles and long-term strategy.

6 Financial and Capital Management

6.1 Cash flow

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

Historically, ISC has financed its operations and met its capital and finance expenditure requirements through cash provided from operating activities. Most recently, the Company has also utilized borrowing to supplement cash generated from operations to finance acquisition activities. The Company believes that internally generated cash flow, supplemented by additional borrowing that may be available to us through our existing Credit Facility, will be sufficient to meet cash requirements, capital expenditures and anticipated dividend payments (refer to Note 18 in the Financial Statements, which are available on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com for our existing Credit Facility).

Liquidity risk is managed based on financial forecasts and anticipated cash flow. The majority of cash is held with Canadian chartered banks and the risk of loss is believed to be minimal. As at December 31, 2020, the Company held $33.9 million in cash compared to $23.7 million as at December 31, 2019, an increase of $10.2 million.

The Company expects to be able to meet its cash requirements, including being able to settle current liabilities of $27.3 million (December 31, 2019 – $24.7 million) and meet any unanticipated cash requirements due to changes in working capital commitments. Such changes that would affect our liquidity may arise from, among other factors, general economic conditions and the failure of one or more customers to pay their obligations. Deficiencies arising from short-term working capital requirements and capital expenditures may be financed on a short-term basis with bank indebtedness or on a permanent basis with offerings of securities.

CONSOLIDATED FREE CASH FLOW

	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Net cash flow provided by operating activities	**$ 17,598**	$ 9,481	**$ 41,199**	$ 23,630
Net change in non-cash working capital[1]	**(3,962)**	397	**(3,521)**	9,195
Cash provided by operating activities excluding working capital	**13,636**	9,878	**37,678**	32,825
Cash additions to property, plant and equipment	**–**	(116)	**(63)**	(654)
Cash additions to intangible assets	**(985)**	(212)	**(1,380)**	(2,175)
Consolidated free cash flow	**$ 12,651**	$ 9,550	**$ 36,235**	$ 29,996

[1] Refer to Note 29 of the Financial Statements for reconciliation.

Consolidated free cash flow for the quarter was $12.5 million compared to $9.6 million for the same quarter in 2019 and was $36.2 million for the year compared to $30.0 for 2019. The increase was due to higher cash flows provided by our operations, including changes in working capital.

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

	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Net cash flow provided by operating activities	**$ 17,598**	$ 9,481	**$ 41,199**	$ 23,630
Net cash flow used in investing activities	**(925)**	(257)	**(71,035)**	(9,311)
Net cash flow provided by (used) in financing activities	**(4,894)**	(4,762)	**40,244**	(19,086)
Effects of exchange rate changes on cash held in foreign currencies	**(349)**	6	**(193)**	(153)
Increase (decrease) in cash	**$ 11,430**	$ 4,468	**$ 10,215**	$ (4,920)
Cash, beginning of period	**22,516**	19,263	**23,731**	28,651
Cash, end of period	**$ 33,946**	$ 23,731	**$ 33,946**	$ 23,731

NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES

Net cash flow provided by operating activities was $17.6 million for the quarter compared to $9.5 million for the same period last year and was $41.2 million for the year compared to $23.6 million in 2019. The increase was due to increased results of operations and net changes in working capital. Changes in working capital included reduced corporate tax instalments in 2020, the payment of contingent consideration in 2019 associated with our ERS acquisition and changes in contract liabilities and receivables due to the timing of sales contracts and higher revenue.

NET CASH FLOW USED IN INVESTING ACTIVITIES

Net cash flow used in investing activities for the quarter was $0.9 million compared to $0.3 million in the same period last year and was $71.0 million for the year compared to $9.3 million last year. The increase in the quarter was due to higher additions to intangible assets as we continue system development, while the increase in the year was due to the Paragon acquisition last quarter.

NET CASH FLOW PROVIDED BY (USED) IN FINANCING ACTIVITIES

Net cash flow used in financing activities for the quarter was $4.9 million, relatively flat compared to the same period in 2019. Annual net cash flow from proceeds was $40.2 million compared to net cash flow used in financing activities was $19.1 million in 2019. In 2019, most of our cash used in financing activities was for the payment of dividends and repayment of debt, while in 2020, the amounts also included accessing our Credit Facility to fund a portion of the acquisition of Paragon.

6.2 Capital expenditures

Capital expenditures were $1.0 million and $1.7 million for the quarter and the year, respectively, compared to $1.4 million and $3.9 million for the same periods in 2019, respectively. In 2020, capital expenditures were primarily related to the system development work across our business segments and the purchase of systems supporting our Corporate services. Following the completion of a number of corporate projects last year, capital expenditures decreased in the quarter and year ended December 31, 2020. We also reduced spending across our business segments due to the shift to remote working caused by the pandemic, as well as deferrals of certain planned initiatives.

	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Registry Operations	**$ –**	$ 796	**$ 249**	$ 1,460
Services	**193**	164	**354**	630
Technology Solutions	**792**	48	**828**	651
Corporate and other	**–**	434	**261**	1,203
Total capital expenditures	**$ 985**	$ 1,442	**$ 1,692**	$ 3,944

6.3 Debt

On August 5, 2020, the Company entered into a new Credit Facility. The aggregate amount available under the new Credit Facility is $150.0 million, up from the previous facility of $80.0 million. The new Credit Facility was used to refinance amounts under the previous facilities, with the balance available to the Company for future growth opportunities, capital expenditures, and for general corporate purposes. The new agreement, which added an additional Canadian chartered bank as a lender, was an extinguishment of debt for accounting purposes. The Company recognized costs of $362 thousand related to the extinguishment of the previous credit facilities. For further information on our Credit Facility, refer to Note 18 in the Financial Statements which are available on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com.

At December 31, 2020, our debt was $76.3 million compared to $18.0 million at December 31, 2019. Non-cash drawings, consisting of letters of credit and similar, were approximately $0.2 million (2019 – $0.2 million).

The Company was in compliance with all covenants throughout the period. The amount of borrowing costs capitalized during 2020 and 2019 was nil.

6.4 Total assets

Total assets were $242.3 million at December 31, 2020, compared to $171.6 million at December 31, 2019.

(thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	**As at December 31, 2020**
Total assets excluding intangibles, goodwill and cash	$ 25,758	$ 13,952	$ 5,505	$ 14,466	**$ 59,681**
Intangibles	1,288	63,203	4,332	2,395	**71,218**
Goodwill	1,200	67,372	8,883	–	**77,455**
Cash	–	–	–	33,946	**33,946**
Total assets	$ 28,246	$ 144,527	$ 18,720	$ 50,807	**$ 242,300**

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

6.5 Working capital

At December 31, 2020, working capital was $28.1 million compared to $17.7 million at December 31, 2019. The increase in working capital is primarily the result of higher results of operations, reduced corporate tax instalments in 2020, the payment of contingent consideration in 2019 associated with our ERS acquisition and changes in contract liabilities and receivables due to the timing of sales contracts and higher revenue.

(thousands of CAD dollars)	**As at December 31, 2020**	As at December 31, 2019
Current assets	**$ 55,383**	$ 42,333
Current liabilities	**(27,289)**	(24,655)
Working capital	**$ 28,094**	$ 17,678

6.6 Outstanding share data

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

6.7 Common share dividend

On November 4, 2020, our Board declared a quarterly cash dividend of $0.20 per Class A Share, paid on January 15, 2021, to shareholders of record as of December 31, 2020.

6.8 Commitments

The Company has commitments over the next five years that include future minimum payments for leasing of office space, an information technology service agreement with Information Systems Management Canada Corporation ("ISM"), other management services contracts and a commitment to the Government of Saskatchewan under the MSA. The following table summarizes our commitments as of December 31, 2020:

(thousands of CAD dollars)	2021	2022	2023	2024	2025	Thereafter	Total
Office leases [1]	$ 1,177	$ 973	$ 937	$ 956	$ 200	1,007	$ 5,250
Information technology[2] and other service agreements	3,225	2,989	2,800	–	–	–	9,014
Master Service Agreement[3]	500	500	500	500	500	4,000	6,500
Total	$ 4,902	$ 4,462	$ 4,237	$ 1,456	$ 700	$ 5,007	$ 20,764

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

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

3 The MSA requires the Company to pay 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 for a 20-year period expiring on May 30, 2033.

7 Business Risks

7.1 Financial instruments and financial risks

Financial instruments held in the normal course of business, included in our consolidated statements of financial position as at December 31, 2020, consist of cash, short-term investments, trade and other receivables, accounts payable and accrued liabilities excluding share-based accrued liabilities, and long-term debt.

The Company does not currently use any form of derivative financial instruments to manage our exposure to credit risk, interest rate risk, market risk or foreign currency exchange risk. Refer to Note 23 of the Financial Statements for information pertaining to financial instruments and related risk management.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of cash, short-term investments, trade and other receivables, accounts payable and accrued liabilities excluding share-based accrued liabilities approximate fair value due to their immediate or relatively short-term maturity. With long-term debt, ISC has amended and restated its borrowings under the Credit Facility, which is managed with prime loans, short-term bankers' acceptance, letters of credit or letters of guarantee. These borrowings will bear interest at a base rate of prime plus applicable margin varying between 0.45 per cent and 1.00 per cent per annum. The Company is not exposed to significant interest rate risk because interest bearing financial instruments are at a low level relative to total assets and equity.

CREDIT RISK

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

The majority of cash is held with Canadian chartered banks and the Company believes the risk of loss to be minimal. The maximum exposure to credit risk at December 31, 2020, is $51.0 million (December 31, 2019 — $36.9 million) equal to the carrying value of the Company's financial assets, those being cash at $33.9 million (December 31, 2019 — $23.7 million), short-term investments at $52 thousand (December 31, 2019 — $0.5 million) and trade and other receivables at $17.0 million (December 31, 2019 — $12.6 million). Quarterly reviews of the aged receivables are completed. The Company expects to fully collect the carrying value on all outstanding receivables. Therefore, the risk to the Company is low.

LIQUIDITY RISK

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

MARKET RISK

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

INTEREST RATE RISK

Interest rate risk arises from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is subject to interest rate risks on its debt. This debt bears interest at rates that float, which can vary with changes in prime borrowing rates. The Company manages interest rate risk by monitoring its balance sheet, cash flows and the effect of market changes in interest rates. The Company has the option of using short-term bankers' acceptance notes to lock in rates at any time.

FOREIGN CURRENCY EXCHANGE RISK

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

7.2 Business risks and risk management

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

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

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

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

The following is a high-level list of ISC's key business risks. A complete list of risk factors is contained in the Company's Annual Information Form available on the Company's website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com.

Cyber and Data Security	There is a risk that ISC could experience unplanned outages, unauthorized access, or unplanned disclosure of confidential information or loss of critical corporate or customer data due to a cybersecurity incident.
Technology Infrastructure and Applications	There is a risk that ISC's information technology systems and services, including applications, may become ineffective, inadequate, unreliable or incapable of effectively facilitating current and future requirements to support our business needs and the achievement of our strategic goals. We also rely on third-party service providers for aspects of our IT infrastructure and the provision of critical IT-related services.
Competition	ISC may be ineffective in its ability to compete against current or future competitors, in some cases given others' potential advantage having more innovative products, greater longevity in the market, access to low cost capital, private ownership, etc. or as a result of ISC's potential requirement to receive service or other approvals from the Office of Public Registry Administration or other regulators.
Revenue Diversification	There is a risk that ISC's current revenue sources are not significantly diversified to withstand economic challenges or downturns connected to common revenue drivers.
Talent and Teams	ISC may not have the required competencies, skills and knowledge to execute on strategic priorities and achieve its strategic goals.
Compliance with Customer Contracts	Inability to comply with the requirements in customer contracts, including the Master Service Agreement with the Government of Saskatchewan, could result in the loss/termination of customer contracts as well as impacting ISC's reputation and future growth strategies.
Acquisitions	There is a risk that acquisitions are not fully aligned with ISC's lines of business or appropriately and efficiently integrated with ISC's operations, brand and information technology systems.
Cost/Efficiency/Profitability	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 business development opportunities or adapt to volume changes within its business.
Economic Conditions	Changes in the condition of the economy, including those arising from public health concerns relating to emerging diseases such as COVID-19, could also adversely affect our employees and our operations, as well as our ability to implement our strategy to look for opportunities to grow revenue in other jurisdictions, which could have an adverse effect on our business, financial performance and financial condition.

8 Accounting Policies, Financial Measures and Controls

8.1 Off-balance sheet arrangements

The Company had no off-balance sheet arrangements as at December 31, 2020.

8.2 Related party transactions

Routine operating transactions with related parties are settled at agreed upon exchange amounts under normal trade terms. Refer to Note 25 in the Financial Statements, which are available on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com for information pertaining to transactions with related parties.

8.3 Critical accounting estimates

ISC's critical accounting estimates are contained in Note 2 of the Financial Statements under the summary of use of estimates and judgments and include references to:

- the carrying value, impairment and estimated useful lives of property, plant and equipment;
- the carrying value, impairment and estimated useful lives of intangible assets and goodwill;
- the allocation of the purchase price for the Paragon acquisition;
- the recoverability of deferred tax assets; and
- the amount and timing of revenue from contracts from customers recognized over time with milestones.

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

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

8.4 Changes in accounting policies

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2020, or on such date as they became applicable. These changes were made in accordance with the applicable transitional provisions. Refer to Note 2 of the Financial Statements for further information pertaining to the adoption and changes in these policies.

Standard	Description
Amendments to IFRS 3 – *Definition of a Business*	The amendments to IFRS 3 result in a change to the definition of a business which: • clarifies that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; • narrows the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to reduce costs; • adds guidance and illustrative examples to help entities assess whether a substantive process has been acquired; • removes the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and • adds an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. This change will impact the analysis of business combinations. The Company has adopted this amendment to IFRS 3 from January 1, 2020 and has applied this to the acquisitions completed during 2020.
Amendments to IAS 1 and IAS 8 – *Definition of Material*	The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of "material" and align the definition used in the Conceptual Framework and the standards. The change in definition may impact the quantity and level of detail of disclosures in the Company's financial statements. The amendment is prospective, and the Company has not been affected upon transition.

The IAS Board and International Financial Reporting Interpretations Committee ("IFRIC") issued the following new standards and amendments to standards and interpretations, which become effective for future periods.

Proposed Standard	Description	Effective Date
Amendments to IAS 1 – *Classification of Liabilities as Current or Non-current*	The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted. This amendment is currently being assessed by the Company to determine the impact.	January 1, 2023

Proposed Standard	Description	Effective Date
Amendments to IAS 37 – *Onerous Contracts – Cost of Fulfilling a Contract*	The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted. This amendment is currently being assessed by the Company to determine the impact.	January 1, 2022
Amendments to IFRS 3 – *Reference to the Conceptual Framework*	The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier. This change will impact the analysis of business combinations. The amendment is prospective and the Company does not expect to be affected upon transition.	January 1, 2022

8.5 Financial measures and key performance indicators

Revenue, expenses and net income are key performance indicators the Company uses to manage its business and evaluate its financial results and operating performance. In addition to these results, which are reported in accordance with IFRS, certain non-IFRS measures are supplemental indicators of operating performance and financial position as well as for internal planning purposes. The Company evaluates its performance against these metrics by comparing actual results to management budgets, forecasts and prior period results. These non-IFRS financial measures include EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin and free cash flow. Refer to section 8.8 "Non-IFRS financial measures".

8.6 Internal controls over financial reporting

The Company's management, including the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer, is responsible for establishing and maintaining appropriate internal controls over financial reporting. Internal controls over financial reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

The design scope of internal controls over financial reporting has been limited to exclude controls, policies and procedures of Paragon, having been acquired less than 365 days prior to December 31, 2020. See section 8.7 "Disclosure controls and procedures" for Paragon's contribution to the Financial Statements.

During the year, the Company implemented a new financial reporting system for ISC and its subsidiaries to align the entire organization on a common system and platform. These changes were implemented to improve the operational effectiveness and efficiency of the Company's financial reporting. The amendments to accounting processes and resource modifications have resulted in a material change to ISC's internal controls over financial reporting; however, key business operating systems for the ISC and ESC Corporate Services Ltd. legal entities were not part of the change.

Other than as described above, no changes in our internal controls over financial reporting that have occurred during the period have materially affected or are reasonably likely to materially affect our internal controls over financial reporting.

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

8.7 Disclosure controls and procedures

The Company's management, including the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer, is responsible for establishing and maintaining appropriate disclosure controls and procedures. Disclosure controls and procedures are designed to provide reasonable assurance that relevant information is gathered and reported to senior management, including the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosures.

The design scope of disclosure controls and procedures has been limited to exclude controls, policies and procedures of Paragon, having been acquired less than 365 days prior to December 31, 2020.

The contribution of Paragon to the Financial Statements for the year ended December 31, 2020, was approximately 3.0 per cent of revenue and 4.0 per cent of expenses. Paragon contributed 8.0 per cent of current assets, 36.0 per cent of non-current assets and 7.0 per cent of current liabilities.

8.8 Non-IFRS financial measures

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

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

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

8.9 Non-IFRS financial measures definition

EBITDA is defined as earnings before interest, taxes, depreciation and amortization expense. Adjusted EBITDA adjusts EBITDA for stock-based compensation expense or income, stock option expense, transactional gains or losses on assets, asset impairment charges, and acquisition and integration costs. These measures, in addition to net income and income from operations, measure business performance and cash flow generation because it removes cash flow fluctuations caused by the above adjustments. Furthermore, we use adjusted EBITDA for business planning purposes and to evaluate and price potential acquisitions. In addition to use by management, we also believe these measures are widely used by securities analysts, investors and others to evaluate the financial performance of the Company and for comparing our results with those of other companies. EBITDA margin and adjusted EBITDA margin are calculated as a percentage of overall revenue.

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

2020 Consolidated Financial Statements

For the Year Ended December 31, 2020

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

Jeff Stusek
President and Chief Executive Officer

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

March 16, 2021

Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of Information Services Corporation (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and December 31, 2019 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flow for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill— Refer to Notes 3 and 12 to the financial statements

Key Audit Matter Description

The Company's annual assessment for goodwill impairment involves the comparison of the recoverable amount of each cash generating unit ("CGU") to its carrying value. The Company determines the recoverable amount of its CGUs based on a value in use ("VIU") analysis under the income approach. The Company used the discounted cash flow method to determine the recoverable amount of the Services CGU, which required management to make significant estimates and assumptions related to future revenue forecast, related party costs, direct employee costs, corporate cost allocations, perpetual growth rates and discount rates. The estimates and assumptions are highly sensitive to changes in customer demand and changes in the assumptions could have a significant impact on the recoverable amount, the amount of any goodwill impairment charge, or both. The recoverable amount of the Services CGU exceeded its carrying value as of the measurement date and no impairment was recognized.

While there are several estimates and assumptions that are required to determine the recoverable amount of the Services CGU, the estimates and assumptions with the highest degree of subjectivity are future revenue forecast, perpetual growth rate and the selection of the discount rate. Auditing these estimates and assumptions required a high degree of auditor judgment and an increased extent of effort, including the involvement of fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the future revenue forecast, perpetual growth rate and the selection of the discount rate used to determine the recoverable amount for the Services CGU included the following, among others:

- Evaluated management's ability to accurately forecast by comparing actual results to management's historical forecasts.
- Evaluated the reasonableness of management's future revenue forecast by comparing to (1) historical results, (2) internal communications to management and the Board of Directors, and (3) forecasted information included in Company press releases, analyst and industry reports.

- With the assistance of fair value specialists:
  - Evaluated the selection of the perpetual growth rate by comparing management's selected perpetual growth rate to forecast inflationary and economic growth applicable to Canada.
  - Evaluated the selection of the discount rate by testing the source information underlying the determination of the discount rates and developing a range of independent discount rate and comparing to the discount rate selected by management.

Acquisition- Customer Relationship Intangible Asset- Refer to Notes 3 and 28 to the financial statements

Key Audit Matter Description

The Company acquired Paragon Inc. ("Paragon") and recognized the tangible and intangible assets acquired and the liabilities assumed based on their estimated fair values, as at the date of acquisition, including a customer relationship intangible asset. Management estimated the fair value of the customer relationships using the multi-period excess earnings method. In determining the fair value of customer relationships, management made estimates and assumptions to forecast future cash flows applicable to the existing customer relationships, customer attrition rates, and the discount rate. Changes in these assumptions could have a significant impact on the fair value of the customer relationships.

While there are several estimates and assumptions that are required to determine the fair value of Paragon's customer relationships, the estimates and assumptions with the highest degree of subjectivity are future revenue forecasts and the selection of the attrition rates. Auditing these estimates and assumptions required a high degree of auditor judgment and an increased extent of effort, including the involvement of fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the future revenue forecasts and the selection of the attrition rate used to determine the fair value of Paragon's customer relationships included the following, among others:

- Evaluated the reasonableness of the future revenue forecasts and attrition rates by comparing to (1) historical results, (2) internal communications to management and the Board of Directors, and (3) forecasted information included in Company press releases, analyst and industry reports.
- With the assistance of fair value specialists;
  - Evaluated the appropriateness of the attrition rates by considering historical customer sales data, benchmarking of comparable transactions and companies, and qualitative considerations with respect to future customer expectations.

Other Information

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

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Deloitte LLP

Chartered Professional Accountants

Regina, Saskatchewan
March 16, 2021

Consolidated Statements of Financial Position

(thousands of CAD dollars)	Note		As at December 31, 2020		As at December 31, 2019
Assets					
Current assets					
Cash	4	**$**	**33,946**	$	23,73
Short-term investments	5		**52**		475
Trade and other receivables	6		**17,031**		12,648
Contract assets	7		**1,053**		1,623
Income tax recoverable			**476**		1,736
Prepaid expenses and deposits			**2,825**		2,120
Total current assets			**55,383**		42,333
Non-current assets					
Property, plant and equipment	9		**2,160**		2,998
Right-of-use assets	10		**7,580**		9,668
Intangible assets	11		**71,218**		41,196
Goodwill	12		**77,455**		45,529
Deferred tax asset	16		**28,504**		29,855
Total non-current assets			**186,917**		129,246
Total assets		**$**	**242,300**	$	171,579
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	13	**$**	**21,944**	$	18,096
Contract liabilities	14		**2,024**		1,436
Lease obligations – current portion	15		**1,996**		1,845
Income tax payable	16		**1,179**		810
Long-term debt – current portion	18		**–**		2,000
Provisions	19		**146**		468
Total current liabilities			**27,289**		24,655
Non-current liabilities					
Lease obligations	15		**6,856**		8,967
Deferred tax liability	16		**7,695**		7,543
Long-term debt	18		**76,316**		16,000
Other liabilities	17		**2,096**		173
Total non-current liabilities			**92,963**		32,683
Shareholders' equity					
Share capital	22		**19,955**		19,955
Equity settled employee benefit reserve	17		**2,376**		2,153
Accumulated other comprehensive income			**706**		5
Retained earnings			**99,011**		92,128
Total shareholders' equity			**122,048**		114,241
Total liabilities and shareholders' equity		**$**	**242,300**	$	171,579

See Note 31 for Commitments and Contingencies

See accompanying Notes

APPROVED BY THE BOARD OF DIRECTORS ON MARCH 16, 2021:

Joel Teal
Director

Tony Guglielmin
Director

Consolidated Statements of Comprehensive Income

(thousands of CAD dollars)	Note	**Year Ended December 31, 2020**	Year Ended December 31, 2019
Revenue	24	**$ 136,723**	$ 132,968
Expenses			
Wages and salaries	30	**40,165**	41,689
Cost of goods sold		**31,271**	31,171
Depreciation and amortization	9, 10, 11	**12,865**	11,400
Information technology services		**7,896**	8,796
Occupancy costs		**3,004**	3,485
Professional and consulting services		**6,784**	4,281
Financial services		**2,654**	2,138
Other		**1,337**	2,382
Total expenses		**105,976**	105,342
Net income before items noted below		**30,747**	27,626
Finance income (expense)			
Interest income	4	**172**	283
Interest expense		**(2,217)**	(1,529)
Net finance (expense)		**(2,045)**	(1,246)
Income before tax		**28,702**	26,380
Income tax expense	16	**(7,819)**	(6,980)
Net income		**$ 20,883**	$ 19,400
Other comprehensive income (loss)			
Items that may be subsequently reclassified to net income			
Unrealized (loss) gain on translation of financial statements of foreign operations		**732**	(538)
Change in fair value of marketable securities, net of tax		**(31)**	29
Other comprehensive (loss) income		**701**	(509)
Total comprehensive income		**$ 21,584**	$ 18,891
Earnings per share ($ per share)			
Total, basic	21	**$ 1.19**	$ 1.11
Total, diluted	21	**$ 1.18**	$ 1.11

See accompanying Notes

Consolidated Statements of Changes in Equity

(thousands of CAD dollars)	Note	Retained Earnings	Share Capital	Accumulated Other Comprehensive Income	Equity Reserve	Total
Balance at January 1, 2019		$ 86,728	$ 19,955	$ 514	$ 1,687	$ 108,884
Net income		19,400	–	–	–	19,400
Other comprehensive (loss)		–	–	(509)	–	(509)
Stock option expense	17	–	–	–	466	466
Dividend declared		(14,000)	–	–	–	(14,000)
Balance at December 31, 2019		$ 92,128	$ 19,955	$ 5	$ 2,153	$ 114,241
Balance at January 1, 2020		$ 92,128	$ 19,955	$ 5	$ 2,153	$ 114,241
Net income		**20,883**	**–**	**–**	**–**	**20,883**
Other comprehensive income		**–**	**–**	**701**	**–**	**701**
Stock option expense	**17**	**–**	**–**	**–**	**223**	**223**
Dividend declared		**(14,000)**	**–**	**–**	**–**	**(14,000)**
Balance at December 31, 2020		**$ 99,011**	**$ 19,955**	**$ 706**	**$ 2,376**	**$ 122,048**

See accompanying Notes

Consolidated Statements of Cash Flows

(thousands of CAD dollars)	Note	**Year Ended December 31, 2020**	Year Ended December 31, 2019
Operating			
Net income		**$ 20,883**	$ 19,400
Add: Charges not affecting cash			
Depreciation	9, 10	**2,888**	3,690
Amortization	11	**9,977**	7,710
Foreign exchange loss (gain)		**325**	(59)
Deferred tax expense recognized in net income		**1,504**	1,484
Service concession arrangements	24	**(249)**	(1,114)
Right-of-use asset modifications loss		**73**	–
Loss on disposal of property, plant and equipment		**9**	2
Net finance expense		**2,045**	1,246
Stock option expense	17	**223**	466
Net change in non-cash working capital	29	**3,521**	(9,195)
Net cash flow provided by operating activities		**41,199**	23,630
Investing			
Interest received		**172**	283
Cash received on disposal of property, plant and equipment		**2**	3
Short-term investments		**395**	–
Additions to property, plant and equipment		**(63)**	(654)
Additions to intangible assets		**(1,380)**	(2,175)
Acquisition through business combination	28	**(70,161)**	(6,768)
Net cash flow used in investing activities		**(71,035)**	(9,311)
Financing			
Interest paid		**(1,365)**	(833)
Interest paid on lease obligations	15	**(425)**	(486)
Principal repayments on lease obligations	15	**(1,920)**	(1,767)
Repayment of long-term debt	18	**(68,000)**	(2,000)
Proceeds of long-term debt	18	**126,316**	–
Payment of fees on debt extinguishment	18	**(362)**	–
Repayment of operating loan	18	**(9,816)**	–
Proceeds of operating loan	18	**9,816**	–
Dividend paid		**(14,000)**	(14,000)
Net cash flow provided by (used in) financing activities		**40,244**	(19,086)
Effects of exchange rate changes on cash held in foreign currencies		**(193)**	(153)
Increase (decrease) in cash		**10,215**	(4,920)
Cash, beginning of year		**23,731**	28,651
Cash, end of year		**$ 33,946**	$ 23,731

See accompanying Notes

1 Nature of the Business

Information Services Corporation is the parent company of its subsidiary group (collectively, the "Company", or "ISC") and is a Canadian corporation with its Class A Limited Voting Shares ("Class A Shares") listed on the Toronto Stock Exchange ("TSX") under the symbol ISV. The head and registered office of the Company is 300 - 10 Research Drive, Regina, Saskatchewan, S4S 7J7. The Company is a provider of registry and information management services for public data and records. In addition to our head office in Regina, the Company has regional service centres across Saskatchewan and has operations in Toronto, ON, Etobicoke, ON, Montreal, QC, Vernon, BC, and Dublin, Ireland. ISC has three reportable segments: Registry Operations, Services and Technology Solutions. A functional summary of these segments is as follows:

- Registry Operations delivers registry services on behalf of governments and private sector organizations. Currently, through this segment, ISC provides registry and information services on behalf of the Province of Saskatchewan under a 20-year Master Service Agreement ("MSA"), in effect until 2033.
- Services delivers products and services that utilize public records and data to provide value to customers in the financial and legal sectors.
- Technology Solutions provides the development, delivery and support of registry (and related) technology solutions.

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

As at December 31, 2020, ISC's principal revenue generating segments were Registry Operations and Services.

2 Basis of Presentation

Statement of compliance

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

The Company's Board of Directors (the "Board") authorized the consolidated financial statements for the year ended December 31, 2020, for issue on March 16, 2021.

Basis of measurement

The consolidated financial statements have been prepared on a going concern basis using the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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

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

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

Functional and presentation currency

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Information Services Corporation and its wholly owned significant operating subsidiaries: ISC Saskatchewan Inc. ("ISC Sask"), ISC Enterprises Inc. ("ISC Ent"), ESC Corporate Services Ltd. ("ESC") and Enterprise Registry Solutions Limited ("ERS"). All intragroup assets and liabilities, equity, income, expenses and cash flows are eliminated in full on consolidation.

Use of estimates and judgments

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

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

Significant items subject to estimates and underlying assumptions include:

- the carrying value, impairment and estimated useful lives of property, plant and equipment (Note 9);
- the carrying value, impairment and estimated useful lives of intangible assets (Note 11) and goodwill (Note 12);
- the allocation of the purchase price for the Paragon Inc. ("Paragon") acquisition (Note 28);
- the recoverability of deferred tax assets (Note 16); and
- the amount and timing of revenue from contracts from customers recognized over time with milestones (Note 24).

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

Changes in accounting policies

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2020, or on such date as they became applicable. These changes were made in accordance with the applicable transitional provisions.

Standard	Description
Amendments to IFRS 3 – *Definition of a Business*	The amendments to IFRS 3 result in a change to the definition of a business which: • clarifies that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; • narrows the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; • adds guidance and illustrative examples to help entities assess whether a substantive process has been acquired; • removes the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and • adds an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. This change impacts the analysis of business combinations. The Company has adopted this amendment to IFRS 3 from January 1, 2020 and has applied this to the acquisitions completed during 2020 (see Note 28).
Amendments to IAS 1 and IAS 8 – *Definition of Material*	The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of "material" and align the definition used in the Conceptual Framework and the standards. The change in the definition may impact the quantity and level of detail of disclosures in the Company's financial statements. The amendment is prospective, and the Company has not been affected upon transition.

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 that do not extend the productive life of an asset are charged to operations when incurred. The costs of replacements and improvements which extend the productive life are capitalized.

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

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

Leasehold improvements	Shorter of lease term or period of usefulness
Office furniture	2-10 years
Office equipment	2-10 years
Hardware	3-4 years

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

Intangible assets

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

Intangible assets acquired

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

Internally generated intangible assets

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

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

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

Amortization of intangible assets

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

Internal-use software	3-15 years
Business solutions	3-7 years
Contracts	Term of contract
Customer and partner relationships	5-15 years
Brand, non-competes and other	1-15 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 ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs; otherwise, they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified. Intangible assets not yet available for use are tested for impairment annually in December and whenever there is an indication that the asset may be impaired.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so 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 CGU) in prior years. A reversal of an impairment loss is recognized immediately in comprehensive income.

Goodwill

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

Impairment of goodwill

For the purpose of impairment testing, goodwill is allocated to the CGUs expected to benefit from the synergies of the combination. CGUs are tested for impairment annually or more frequently if events indicate that the units may be impaired. The Company's reporting segments that correspond to the CGUs for impairment testing are disclosed in Note 12.

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

Business acquisition

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

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

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

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments

against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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

Leases

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise and lease payments in an optional renewal period if the Company is reasonably certain not to terminate early; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

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

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

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

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

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

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

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

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

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

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

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

Revenue

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

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

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

Registry Operations revenue

Our Registry Operations segment delivers registry services to governments and private sector organizations. Our revenue is generated by providing registry and information services to end-users on behalf of the Province of Saskatchewan under the MSA. The majority of revenue is generated by earning fees from end-use customers through registrations, searches, maintenance transactions and value-added services.

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

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

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

Services revenue

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

Effective July 1, 2020, we have recategorized our revenue to classify revenue in three categories, namely Corporate Solutions, Regulatory Solutions, and Recovery Solutions following the acquisition of the assets of Paragon Inc., which closed on July 31, 2020.

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

Regulatory Solutions captures revenue from our Know-Your-Customer, collateral management and general due diligence service offerings. We use our proprietary platform to assist clients with intuitive business rules and advanced automation to deliver regulatory services to support their credit/banking and legal processes. Revenue for Financial Support Services is recognized at a point in time when services are rendered.

Recovery Solutions offers a fully managed service across Canada and the US, which aids in facilitating and co-ordinating asset recovery on behalf of our clients. Asset recovery involves the identification, retrieval, and disposal of movable assets such as automobiles, boats, aircraft, and other forms of portable physical assets used as collateral security for primarily consumer-focused credit transactions. Recovery Solutions revenue in our services segment includes management fees and commissions earned by the provision of asset recovery services. Revenue is earned over time throughout the management of each asset recovery file and is not recognized until any variable component can be determined with sufficient certainty such that a significant reversal in the amount recognized will not occur.

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

Technology Solutions revenue

Our Technology Solutions segment provides the development, delivery and support of registry (and related) technology solutions. We generate revenue through the following:

- Sale of software licences related to the technology platform;
- Provision of technology solution definition and implementation services; and
- Provision of monthly hosting, support and maintenance services.

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

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

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

Solution definition and implementation services revenue is recognized either at a point in time or over time using the output method, based on an assessment of the contract's stand-alone selling price allocated to the performance milestones within the contract.

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

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

Service concession arrangements

Service concession arrangements are contracts between the Company and government entities and can involve the design, build, finance, operation, and maintenance of public infrastructure in which the government entity controls:

- the services provided by the Company under the concession arrangement; and
- a significant residual interest in the infrastructure.

The Company recognizes an intangible asset arising from a service concession arrangement when it has a right to charge for the usage of the concession infrastructure. The intangible asset is measured at fair value upon initial recognition and is then amortized over its expected useful life. Amortization commences when the infrastructure is available for use. Revenue related to construction or upgrade services under a concession arrangement is recognized based on the stage of completion of the work performed.

Government grants

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions on which they are based and that the grants will be received. These grants are recognized as a reduction to the associated expenses in the consolidated statements of comprehensive income on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the assistance is intended to compensate. Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognized in the consolidated statements of comprehensive income in the period the grant becomes receivable. Any grants that have been received but not yet eligible for recognition in the consolidated statements of comprehensive income are reflected as contract liabilities in the consolidated statements of financial position.

Employee benefits

The Company provides pension plans for all eligible employees.

Saskatchewan employees make contributions to the Public Employees Pension Plan, a defined contribution plan. The Company's obligations are limited to making regular payments to the plan for current services. These contributions are expensed.

ESC and ERS employees have an option to make contributions to a defined contribution plan. The Company's obligations are limited to matching employee contributions up to a maximum of 5.0 per cent of salary. These contributions are expensed.

Financial instruments

Financial assets

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

(i) Financial Assets at FVTPL

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

(ii) Financial Assets at FVTOCI – Equity investments

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

(iii) Financial Assets at amortized cost ("AC")

Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the assets' contractual cash flows are comprised solely of payments of principal and interest. The Company's cash, short-term investments (GICs) and trade and other receivables are recorded at amortized cost as they meet the required criteria.

Financial liabilities

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

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

The Company's financial liabilities include accounts payable and accrued liabilities excluding share-based accrued liabilities and long-term debt which are classified at amortized cost.

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

Financial Instrument	IFRS 9	
	Classification	Measurement
Assets		
Cash	AC	AC
Short-term investments (GICs)	AC	AC
Short-term investments – marketable securities	FVTOCI	FVTOCI
Trade and other receivables	AC	AC
Liabilities		
Accounts payable and accrued liabilities excluding share-based accrued liabilities	AC	Amortized cost using effective interest rate method
Long-term debt	AC	Amortized cost using effective interest rate method

Impairment

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

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

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

Borrowing costs

Borrowing costs directly attributable to the purchase, 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 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, the 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 plans

The Company has established share-based compensation plans to provide directors and management of the Company with the opportunity to participate in the long-term success of

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

A long-term incentive plan utilizing performance share units ("PSUs") and share appreciation rights ("SARs") was approved by the Board on May 15, 2019, which is described in Note 17.

PSUs are cash-settled share-based units that are contingent on the Company achieving specified performance criteria. A performance factor adjustment is made if there is an over-achievement (or under-achievement) of specified performance criteria, resulting in additional (or fewer) PSUs being converted. The Company has recognized an obligation at an estimated amount based on the arithmetic average of the closing prices per share on the TSX on the five days immediately preceding the grant date, which is recorded in other long-term liabilities. Compensation expense is recognized in proportion to the number of PSUs vested. At the end of each reporting period, the estimates are reassessed based on the fair value of the PSUs as of the reporting period. Any change in estimate is recognized as a liability and an expense at the end of the reporting period.

SARs are also cash-settled share-based units. The Black-Scholes methodology is used to value each SAR grant when awarded. The inputs used in this valuation are described below. At the end of each reporting period, the market value of the Company's Class A Shares at the reporting date in excess of the SAR value multiplied by the number of SARs vested is recognized as an obligation in other long-term liabilities, and the offsetting amount is recorded in compensation expense.

The Company also has a deferred share unit ("DSU") plan and a stock option plan, each of which is described in Note 17.

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 market value of the Company's Class A Shares on the TSX. At the end of each reporting period, the estimates are reassessed based on the fair value of the DSUs at the end of the reporting period. Compensation expense is recognized in proportion to the number of DSUs vested. The DSUs can be settled in cash or shares purchased from the open market by a broker. As a result, at the end of each reporting period, the estimates are reassessed based on the fair value of the DSUs with any change in estimate recognized in the obligation and expense.

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 number 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. It is anticipated that no new stock options will be awarded in the near term. The existing stock options will remain outstanding until exercised, expired or terminated.

The Company has used the following variables as inputs in the Black-Scholes methodology for the valuation of the SARs and the stock options. The inputs are subject to review as applicable.

- Option term: the maximum duration before expiry
- Risk-free rate: estimated based on 10-year Canada bond rate
- Dividend yield: based on ISC's 3-year average annual yield rate
- Equity volatility: based on ISC's 3-year standard deviation of Total Shareholder Return

Foreign currency

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

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

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

Recent accounting pronouncements

The IAS Board and International Financial Reporting Interpretations Committee ("IFRIC") issued the following new standards and amendments to standards and interpretations, which become effective for future periods.

Proposed Standard	Description	Effective Date
Amendments to IAS 1 – *Classification of Liabilities as Current or Non-current*	The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted. This amendment is currently being assessed by the Company to determine the impact.	January 1, 2023
Amendments to IAS 37 – *Onerous Contracts – Cost of Fulfilling a Contract*	The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted. This amendment is currently being assessed by the Company to determine the impact.	January 1, 2022
Amendments to IFRS 3 – *Reference to the Conceptual Framework*	The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier. This change will impact the analysis of business combinations. The amendment is prospective, and the Company does not expect to be affected upon transition.	January 1, 2022

4 Cash

Cash is amounts held on deposit, including all highly liquid investments readily convertible to a known amount of cash with an original maturity of three months or less and subject to an insignificant risk of changes in value to be cash equivalents. Interest income earned on cash amounts in 2020 is $172 thousand (2019 – $283 thousand).

5 Short-Term Investments

The components of short-term investments are as follows:

(thousands of CAD dollars)	**December 31, 2020**	December 31, 2019
Guaranteed investment certificates (GICs)	**$ –**	$ 400
Marketable securities at fair value	**52**	75
Total short-term investments	**$ 52**	$ 475

Marketable securities consist of an investment in less than 5.0 per cent of the issued and outstanding shares of a company listed on the Australian Stock Exchange, which was acquired as part of the ERS acquisition in 2017.

6 Trade and Other Receivables

The components of trade and other receivables are as follows:

(thousands of CAD dollars)	**December 31, 2020**	December 31, 2019
Trade receivables	**$ 14,247**	$ 12,320
Consideration due from vendor[1]	**1,919**	–
Government grants receivable[2]	**525**	–
GST/HST/VAT receivables	**284**	134
Other	**56**	194
Total trade and other receivables	**$ 17,031**	$ 12,648

1 See Note 28 – included in this amount is $0.2 million of transition related costs.

2 See Note 30.

7 Contract Assets

The components of contract assets are as follows:

(thousands of CAD dollars)	**December 31, 2020**	December 31, 2019
Unbilled revenue	**$ 349**	$ 1,420
Contract fulfillment costs	**704**	203
Total contract assets	**$ 1,053**	$ 1,623

Unbilled revenue represents uninvoiced amounts due from customers under Technology Solutions contracts that arise when the Company meets performance-related milestones. At the point the Company invoices the amounts, they are reclassified into trade receivables.

Contract fulfilment costs are costs the Company incurs related to the fulfilment of Technology Solutions contracts before reaching a performance milestone. Once the performance milestone is achieved, these costs, along with the associated revenue, will be recognized in the consolidated statements of comprehensive income.

The Company does not have any contract acquisition costs at the end of the reporting period and did not recognize any amortization of contract acquisition costs during the year (2019 – nil).

There were no impairment losses recognized on any contract asset during the year (2019 – nil).

8 Seasonality

Our Registry Operations segment experiences moderate seasonality, primarily because Saskatchewan Land Titles revenue fluctuates in line with real estate transaction activity in Saskatchewan. Typically, our second and third quarters generate higher revenue during the fiscal year when real estate activity is traditionally highest. In our Services segment, our corporate and regulatory solutions revenue is reasonably diversified and has little seasonality; instead, it fluctuates in line with the general economic drivers. In particular, our collateral management services experiences seasonality aligned to vehicle and equipment financing cycles, which are generally more robust in the second and fourth quarters. Our recovery solutions revenue also does not have specific seasonality but is countercyclical to our other business, in that it can perform better in poor economic conditions. Our Technology Solutions segment does not experience seasonality but can fluctuate due to the timing of project-related revenue. The balance of our corporate activities and shared services functions, reported under Corporate and other, do not experience seasonality. Expenses are generally consistent from quarter to quarter but can fluctuate due to the timing of project-related or acquisition activities.

9 Property, Plant and Equipment

(thousands of CAD dollars)	Leasehold Improvements	Office Furniture	Office Equipment	Hardware	Assets Under Development	Total
Cost						
Balance at December 31, 2018	$ 10,370	$ 3,282	$ 197	$ 2,825	$ –	$ 16,674
Acquired assets	–	11	–	12	–	23
Additions	–	12	–	38	604	654
Disposals	(43)	(67)	(3)	(382)	–	(495)
Transfers	–	24	–	580	(604)	–
Foreign exchange adjustments	(3)	(3)	–	(15)	–	(21)
Balance at December 31, 2019	$ 10,324	$ 3,259	$ 194	$ 3,058	$ –	$ 16,835
Acquired assets[1]	–	–	–	3	–	3
Additions	–	–	6	13	44	63
Disposals	(430)	(26)	(23)	(15)	–	(494)
Transfers	–	–	–	30	(30)	–
Foreign exchange adjustments	2	3	–	15	–	20
Balance at December 31, 2020	**$ 9,896**	**$ 3,236**	**$ 177**	**$ 3,104**	**$ 14**	**$ 16,427**
Accumulated depreciation						
Balance at December 31, 2018	$ 7,548	$ 2,886	$ 150	$ 2,295	$ –	$ 12,879
Depreciation	589	174	22	301	–	1,086
Impairment[2]	368	–	–	–	–	368
Disposals	(43)	(63)	(3)	(380)	–	(489)
Foreign exchange adjustments	–	(1)	–	(6)	–	(7)
Balance at December 31, 2019	$ 8,462	$ 2,996	$ 169	$ 2,210	$ –	$ 13,837
Depreciation	458	76	17	363	–	914
Disposals	(430)	(26)	(23)	(15)	–	(494)
Foreign exchange adjustments	1	–	–	9	–	10
Balance at December 31, 2020	**$ 8,491**	**$ 3,046**	**$ 163**	**$ 2,567**	**$ –**	**$ 14,267**
Carrying value						
At December 31, 2019	$ 1,862	$ 263	$ 25	$ 848	$ –	$ 2,998
At December 31, 2020	**$ 1,405**	**$ 190**	**$ 14**	**$ 537**	**$ 14**	**$ 2,160**

[1] Acquired assets – see Note 28.

[2] Impairment – see Note 19.

10 Right-of-use Assets

(thousands of CAD dollars)		Property and Equipment[1]
Cost		
Balance at January 1, 2019	$	17,708
Additions and modifications		401
Disposals		(527)
Foreign exchange adjustments		(78)
Balance at December 31, 2019	$	17,504
Additions and modifications		229
Disposals		(811)
Foreign exchange adjustments		71
Balance at December 31, 2020	**$**	**16,993**
Accumulated depreciation		
Balance at January 1, 2019	$	6,150
Depreciation		2,063
Impairment[2]		173
Disposals		(527)
Foreign exchange adjustments		(23)
Balance at December 31, 2019	$	7,836
Depreciation		1,974
Disposals		(436)
Foreign exchange adjustments		39
Balance at December 31, 2020	**$**	**9,413**
Carrying value		
At December 31, 2019	$	9,668
At December 31, 2020	**$**	**7,580**

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

[2] Impairment – see Note 19.

11 Intangible Assets

(thousands of CAD dollars)	Internal Use Software – Acquired	Internal Use Software – Internally Developed	Business Solutions – Acquired	Business Solutions – Internally Developed	Brand, Non-Competes, Other	Contracts, Customer & Partner Relationships	Assets Under Development	Total
Cost								
Balance at December 31, 2018	$ 25,835	$ 77,137	$ 2,190	$ 4,243	$ 2,279	$ 27,339	$ 1,472	$ 140,495
Acquired assets	4,051	–	–	–	176	1,001	–	5,228
Additions	413	–	–	–	–	–	2,876	3,289
Disposals	(984)	(257)	–	(27)	–	–	–	(1,268)
Transfers	102	–	–	1,307	–	–	(1,409)	–
Foreign exchange adjustments	–	–	(152)	(108)	(43)	(54)	(54)	(411)
Balance at December 31, 2019	$ 29,417	$ 76,880	$ 2,038	$ 5,415	$ 2,412	$ 28,286	$ 2,885	$ 147,333
Acquired assets[1]	260	–	–	–	260	37,600	–	38,120
Additions	–	–	–	30	–	–	1,599	1,629
Disposals	(2,726)	(116)	–	–	(320)	(560)	–	(3,722)
Transfers	–	3,143	–	388	–	–	(3,531)	–
Foreign exchange adjustments	–	–	136	176	39	49	2	402
Balance at December 31, 2020	**$ 26,951**	**$ 79,907**	**$ 2,174**	**$ 6,009**	**$ 2,391**	**$ 65,375**	**$ 955**	**$ 183,762**
Accumulated Depreciation								
Balance at December 31, 2018	$ 14,216	$ 76,508	$ 624	$ 2,074	$ 1,194	$ 5,175	$ –	$ 99,791
Amortization	3,371	318	309	688	286	2,738	–	7,710
Disposals	(984)	(257)	–	(27)	–	–	–	(1,268)
Foreign exchange adjustments	–	–	(49)	(10)	(24)	(13)	–	(96)
Balance at December 31, 2019	$ 16,603	$ 76,569	$ 884	$ 2,725	$ 1,456	$ 7,900	$ –	$ 106,137
Amortization	3,476	625	318	761	332	4,465	–	9,977
Disposals	(2,716)	(116)	–	–	(320)	(560)	–	(3,712)
Foreign exchange adjustments	–	–	65	29	31	17	–	142
Balance at December 31, 2020	**$ 17,363**	**$ 77,078**	**$ 1,267**	**$ 3,515**	**$ 1,499**	**$ 11,822**	**$ –**	**$ 112,544**
Carrying Value								
At December 31, 2019	$ 12,814	$ 311	$ 1,154	$ 2,690	$ 956	$ 20,386	$ 2,885	$ 41,196
At December 31, 2020	**$ 9,588**	**$ 2,829**	**$ 907**	**$ 2,494**	**$ 892**	**$53,553**	**$ 955**	**$ 71,218**

1 Acquired assets – see Note 28.

12 Goodwill

The components of goodwill are as follows:

(thousands of CAD dollars)	**December 31, 2020**	December 31, 2019
Balance, beginning of the year	**$ 45,529**	$ 44,310
Additions[1]	**31,657**	1,517
Foreign exchange adjustment	**269**	(298)
Balance, end of year	**$ 77,455**	$ 45,529

[1] Acquisitions – see Note 28.

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

(thousands of CAD dollars)	**December 31, 2020**	December 31, 2019
Registry Operations	**$ 1,200**	$ 1,200
Services	**67,372**	35,715
Technology Solutions	**8,883**	8,614
Balance, end of year	**$ 77,455**	$ 45,529

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

In 2020, the Company used the traditional cash flow approach for determining value in use for the Registry Operations segment, while value in use for each of the Services and Technology Solutions segments was determined using the expected cash flow approach. The Company uses the discounted cash flow method to determine the recoverable amount, which required management to make estimates and assumptions related to revenue forecasts, related party costs, direct employee costs, corporate cost allocations, perpetual growth rates and discount rates. The estimates and assumptions are highly sensitive to changes in customer demand, and changes in the assumptions could significantly impact the recoverable amount, the amount of any goodwill impairment charge, or both. In all cases, the operating and investing cash flows of the segments utilized the Company's most recent multi-year plan, with assumptions based on experience and future expectations for business performance.

Registry Operations

Key assumptions for this segment include the performance of the Saskatchewan economy, revenue growth, related party costs, corporate cost allocations required to support infrastructure and future technological investment in, and related to, this infrastructure. In 2020, annual impairment testing for this segment utilized a pre-tax discount rate of 12.3 per cent (2019 – 12.9 per cent) and a perpetual growth rate of 2.0 per cent (2019 – 2.0 per cent). Given the large and strong cash flow in Registry Operations relative to the size of goodwill, the risk of impairment is remote, and, as a result, the traditional cash flow approach was used for this segment.

Services

Key assumptions for this segment include the performance of the Canadian economy, revenue growth, including attracting new customers and adding incremental value to existing customers, related party costs, corporate cost allocations required to support infrastructure, and future technological investment in, and related to, this infrastructure. The estimates and assumptions with the highest degree of subjectivity are revenue forecasts, perpetual growth rates and discount rates. Performance during the multi-year planning period is consistent with past performance, which experienced growth in operating cash flow in excess of the perpetual growth rate of 2.75 per cent (2019 – 2.0 per cent) used in the annual test. In 2020, annual impairment testing for this segment utilized a pre-tax discount rate of 18.2 per cent (2019 – 15.2 per cent).

Technology Solutions

Key assumptions for this segment, which has operations both in Ireland and Canada, include revenue growth, including the ability to attract new customers, actual contract delivery performance compared to the level of performance anticipated when the contract was negotiated, the level of support required by related party customers, direct employee costs, and corporate cost allocations required to support infrastructure as well as future technological investment in, and related to, intellectual property. The estimates and assumptions with the highest degree of subjectivity are revenue forecasts, perpetual growth rates and discount rates. Performance during the multi-year planning period is consistent with past performance, which experienced growth in operating cash flow in excess of the perpetual growth rate of 2.0 per cent (2019 – 2.0 per cent) used in the annual test. In 2020, annual impairment testing for this segment utilized a pre-tax discount rate of 15.2 per cent (2019 – 15.8 per cent) in its Canadian-based operations and 13.3 per cent (2019 – 14.3 per cent) in its Ireland-based operations.

13 Accounts Payable and Accrued Liabilities

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

(thousands of CAD dollars)	**December 31, 2020**	December 31, 2019
Trade payables	**$ 3,338**	$ 733
Accrued liabilities	**8,939**	8,870
Customer deposits	**3,664**	3,536
Dividend payable	**3,500**	3,500
Share-based accrued liabilities	**2,503**	1,457
Total accounts payable and accrued liabilities	**$ 21,944**	$ 18,096

14 Contract Liabilities

The components of contract liabilities are as follows:

(thousands of CAD dollars)	**December 31, 2020**	December 31, 2019
Amounts received in advance of Registry Operations transaction, maintenance and support contracts (i)	**$ 326**	$ 331
Amounts received in advance of Technology Solutions support and delivery contracts (ii)	**1,698**	1,105
Total contract liabilities	**$ 2,024**	$ 1,436

(i) Revenue that relates to Registry Operations transactions is recognized at a point in time. Revenue that relates to Registry Operations maintenance and support contracts is recognized over time. A contract liability is recognized for payments received from end-use customers in advance of services being provided and is recognized into revenue either at the point in time the service is rendered or over the service period.

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

Revenue recognized in 2020 that was included in the contract liability balance at December 31, 2019:

	Year Ended December 31,	
(thousands of CAD dollars)	**2020**	2019
Registry Operations transaction, maintenance and support contracts	**$ 331**	$ 322
Technology Solutions support and delivery contracts	**924**	1,942
Total revenue recognized that was included in the balance at the beginning of the period	**$ 1,255**	$ 2,264

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

15 Lease Obligations

	Year Ended December 31,	
(thousands of CAD dollars)	**2020**	2019
Balance, beginning of year	**$ 10,812**	$ 12,235
Additions	**106**	24
Interest expense	**425**	486
Effect of modification to lease terms	**(178)**	375
Lease payments[1]	**(2,345)**	(2,253)
Foreign exchange adjustments	**32**	(55)
Balance, end of year	**$ 8,852**	$ 10,812

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

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

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

(thousands of CAD dollars)	Year Ended December 31, 2020	2019
Year 1	**$ 2,342**	$ 2,276
Year 2	**1,798**	2,374
Year 3	**1,663**	1,845
Year 4	**1,659**	1,715
Year 5	**462**	1,710
Thereafter	**2,289**	2,693
Balance, end of year	**$ 10,213**	$ 12,613
Unearned interest	**(1,361)**	(1,801)
Balance, end of year	**$ 8,852**	$ 10,812
Reflected as:		
Lease obligations – current portion	**1,996**	1,845
Lease obligations	**6,856**	8,967
Balance, end of year	**$ 8,852**	$ 10,812

16 Tax Provision

The Company is subject to federal and provincial income taxes at an estimated combined statutory rate of 27.0 per cent (2019 — 27.0 per cent).

(thousands of CAD dollars)	Year Ended December 31, 2020	2019
Current tax expense	**$ 6,315**	$ 5,496
Deferred tax expense	**1,504**	1,484
Income tax expense	**$ 7,819**	$ 6,980

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, 2020	2019
Net income before tax	**$ 28,702**	$ 26,380
Combined statutory income tax rate	**27.00%**	27.00%
Expected income tax expense	**7,750**	7,122
Increase (decrease) in income tax resulting from:		
Non-taxable items	**–**	(20)
Non-deductible expenses	**67**	279
Foreign income tax differential	**(278)**	105
Adjustment to prior years' deferred tax liabilities	**269**	(382)
Other	**11**	(124)
Income tax expense	**$ 7,819**	$ 6,980

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)	Net Balance January 1, 2020	Recognized in Profit or Loss	Foreign Exchange Movement	Net Balance December 31, 2020	Deferred Tax Asset	Deferred Tax Liability
Property, plant and equipment	$ 154	$ (66)	$ –	$ 88	$ 38	$ 50
Right-of-use assets	(2,531)	535	(4)	(2,000)	(1,900)	(100)
Intangible assets	21,214	(1,215)	(14)	19,985	26,838	(6,853)
Goodwill	–	(916)	–	(916)	–	(916)
Non-capital losses	200	(214)	14	–	–	–
Lease obligations	2,835	(499)	5	2,341	2,230	111
Other	440	871	–	1,311	1,298	13
Net deferred tax assets (liabilities)	**$ 22,312**	**$ (1,504)**	**$ 1**	**$ 20,809**	**$ 28,504**	**$ (7,695)**

(thousands of CAD dollars)	Net Balance January 1, 2019	Recognized in Profit or Loss	Foreign Exchange Movement	Net Balance December 31, 2019	Deferred Tax Asset	Deferred Tax Liability
Property, plant and equipment	$ 186	$ (32)	$ –	$ 154	$ 97	$ 57
Right-of-use assets	(2,998)	462	5	(2,531)	(2,312)	(219)
Intangible assets	23,255	(2,058)	17	21,214	28,825	(7,611)
Non-capital losses	–	200	–	200	200	–
Lease obligations	3,176	(336)	(5)	2,835	2,605	230
Other	160	280	–	440	440	–
Net deferred tax assets (liabilities)	$ 23,779	$ (1,484)	$ 17	$ 22,312	$ 29,855	$ (7,543)

The increase in tax bases of certain of the Company's assets upon the change in tax status related to the Company's Initial Public Offering created a deferred income tax asset. Upon acquisition of AVS Systems Inc. in 2017, the value of the acquired assets was greater on an accounting basis than on a tax basis, resulting in a deferred income 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 income tax assets and liabilities involves dealing with uncertainties in the application of complex tax regulations and in the assessment of the recoverability of the deferred income tax assets. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences are deductible.

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

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

During 2020, ERS fully utilized its $1.6 million of tax losses, for which a deferred tax asset of $0.2 million had been recognized in 2019 against taxable income, thus eliminating the deferred income tax asset related thereto.

17 Share-Based Compensation Plans

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

Performance share units

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

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

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

On the settlement date, the Company delivers to each participant a cash payment equal to the redemption value of the PSU. A summary of the status of the PSU plan and the changes within the period ended December 31, 2020, are as follows:

	Units	Weighted Average Award Price
Balance at December 31, 2018	–	$ –
PSUs granted November 18, 2019	32,585.00	16.11
PSUs credited as a result of cash dividends paid	415.32	15.69
Balance at December 31, 2019	33,000.32	$ 16.10
PSUs granted March 26, 2020	38,701.00	$ 13.71
PSUs credited as a result of cash dividends paid	3,545.90	16.51
Balance at December 31, 2020	**75,247.22**	**$ 14.89**

The Company has recognized an obligation at an estimated amount based on the arithmetic average of the closing prices per share on the TSX on the five days immediately preceding the grant date. Compensation expense is recognized in proportion to the number of PSUs vested. At the end of each reporting period, the estimates are reassessed based on the fair value of the PSUs as of the reporting period. Any change in estimate is recognized as a liability and an expense at the end of the reporting period.

The share-based compensation expense related to the PSUs for the year ended December 31, 2020, totalled $690 thousand (2019 — $173 thousand). The total carrying amount of the liability arising from the PSUs as of December 31, 2020, totalled $863 thousand (December 31, 2019 — $173 thousand). The liability amount is included within other non-current liabilities on the consolidated statements of financial position.

Share appreciation rights

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

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

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

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

A summary of the status of the SAR plan and the changes within the year ended December 31, 2020, are as follows:

	Units	Weighted Average Award Price
Balance at December 31, 2018	–	$ –
SARs granted November 18, 2019	243,116.00	16.11
Balance at December 31, 2019	243,116.00	$ 16.11
SARs granted March 31, 2020	291,386.00	13.71
Balance at December 31, 2020	**534,502.00**	**$ 14.80**

The share-based compensation expense related to the SARs for the year ended December 31, 2020, totalled $1.2 million (2019 — nil). The total carrying amount of the liability arising from SARs as of December 31, 2020, was $1.2 million (December 31, 2019 — nil). The liability amount is included within other non-current liabilities on the consolidated statements of financial position.

Deferred share units

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

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

On each applicable redemption date, the Company delivers to each participant a cash payment equal to the redemption value of the DSUs, or an equivalent number of Class A Shares purchased on the TSX. A summary of the status of the DSU plan and the changes within the years ended December 31, 2020, and 2019 are as follows:

	Units	Weighted Average Award Price
Balance at December 31, 2018	72,114.15	$ 17.44
DSUs granted November 14, 2019	22,351.00	15.97
DSUs credited as a result of cash dividends paid	3,848.00	16.07
Balance at December 31, 2019	98,313.15	$ 17.05
DSUs granted June 30, 2020	23,800.00	15.00
DSUs credited as a result of cash dividends paid	5,554.00	16.66
Balance at December 31, 2020	**127,667.15**	**$ 16.65**

The Company has recognized an obligation 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 obligation is reassessed based on the fair value of the DSUs as of the reporting period. Any change in estimate is recognized as a liability and an expense at the end of the reporting period.

Share-based compensation expense related to the DSUs for the year ended December 31, 2020, totalled $1.0 million (2019 —$371 thousand). The total carrying amount of the liability arising from the DSUs as of December 31, 2020, totalled $2.5 million (December 31, 2019 — $1.5 million). The liability amount is included within accounts payable and accrued liabilities on the consolidated statements of financial position.

The fair value of the DSUs at December 31, 2020, has been calculated using the market value of the Company's Class A Shares on the TSX.

Stock options

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

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

A summary of the status of the stock option plan and the changes within the years ended December 31, 2020, and 2019 are as follows:

	Options	Average Exercise Price
Balance at December 31, 2018	1,548,247	$ 17.27
Stock options granted during the year	–	–
Balance at December 31, 2019	1,548,247	$ 17.27
Stock options granted during the year	–	–
Balance at December 31, 2020	**1,548,247**	**$ 17.27**

At the end of the period, the outstanding share options had a weighted average exercise price of $17.27 (December 31, 2019 — $17.27). The number of options exercisable at the end of the period was 1,233,095 (December 31, 2019 — 961,217) and had a weighted average exercise price of $17.05 (December 31, 2019 — $16.78) based on a range of exercise prices from $15.04 to $18.85 (December 31, 2019 — $15.04 to $18.85).

Compensation expense is recognized in proportion to the number of stock options vested. Share-based compensation expense related to the stock options for the year ended December 31, 2020, totalled $223 thousand (2019 — $466 thousand). The total carrying amount of the equity settled employee benefit reserve arising from these stock options as of December 31, 2020, totalled $2.3 million (December 31, 2019 — $2.1 million).

18 Debt

On August 5, 2020, the Company entered into a new credit agreement in connection with its secured credit facility (the "Credit Facility"). The aggregate amount available under the new Credit Facility is $150.0 million, up from the previous facility of $80.0 million. The new Credit Facility was used to refinance amounts under the previous facilities, with the balance available to the Company for future growth opportunities, capital expenditures, and for general corporate purposes. The new agreement, which added an additional Canadian chartered bank as a lender, was an extinguishment of debt for accounting purposes. The Company recognized costs of $362,491 related to the extinguishment of the previous credit facilities.

Maturing on August 5, 2022, the Credit Facility bears interest at a base rate of prime, bankers' acceptance, or letter of credit fee plus a margin varying between 0.75 per cent and 3.25 per cent per annum depending on the type of advance and the performance on certain covenants.

The Company is also required to pay a commitment fee quarterly in arrears on the unutilized portion of the Credit Facility, at a rate between 0.35 per cent and 0.65 per cent per annum depending on the performance on certain covenants.

Prior to maturity, there are no mandatory repayments on the Credit Facility, except for repayments associated with asset sales with proceeds exceeding $5.0 million. However, the Company may make voluntary prepayments provided they are in minimum aggregate amounts of $1.0 million.

Term debt is as follows:

(thousands of CAD dollars)	December 31, 2020	December 31, 2019
Current		
Operating loan	**$ –**	$ –
Revolving term facility	**–**	–
Non-revolving term facility	**–**	2,000
Total current	**–**	2,000
Non-current		
Operating loan	**–**	–
Revolving term facility	**76,316**	–
Non-revolving term facility	**–**	16,000
Total non-current	**$ 76,316**	$ 16,000
Total debt	**$ 76,316**	$ 18,000

At December 31, 2020, non-cash drawings, consisting of letters of credit and similar, were approximately $0.2 million (2019 — $0.2 million). The total unused and available portion of the Credit Facility at December 31, 2020 was $73.5 million (2019 – $59.8 million).

The Credit Facility contains financial covenants which require the Company to maintain a ratio of Consolidated Net Funded Debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") of less than 4:1 and an EBITDA to interest expense ratio of greater than 3:1.

The Credit Facility also contains 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.

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

The amount of borrowing costs capitalized during 2020 and 2019 was nil.

19 Provisions

The following table presents the movement in provisions during the year:

(thousands of CAD dollars)	Restructuring Provision	Other Provisions	Total
Balance, December 31, 2018	$ –	$ –	$ –
Additions	643	160	803
Utilizations and settlements	(321)	(14)	(335)
Balance, December 31, 2019	$ 322	$ 146	$ 468
Additions	–	–	–
Utilizations and settlements	(264)	(58)	(322)
Balance, December 31, 2020	**$ 58**	**$ 88**	**$ 146**

In 2019, the Company decided to close three of its regional service centres in Saskatchewan in addition to other services. The restructuring provision primarily consists of severance, site decommissioning and contract termination costs. The other provisions relate to costs expected to be incurred under site contracts due to the closure decision. Management expects to settle the provisions within the next twelve months.

In 2019, the Company also recorded impairments of leasehold improvements and right-of-use assets related to these regional service centres that aggregate to $541 thousand.

20 Liabilities Arising from Financing Activities

The tables below provide the reconciliation of movements of liabilities to cash flows arising from financing activities.

(thousands of CAD dollars)		Year Ended December 31, **2020**	2019
Financing activities			
Interest paid	(a)	**$ (1,365)**	$ (833)
Interest paid on right-of-use assets	(b)	**(425)**	(486)
Principal repayments on lease obligations	(b)	**(1,920)**	(1,767)
Repayment of long-term debt	(c)	**(68,000)**	(2,000)
Proceeds of long-term debt	(c)	**126,316**	–
Payment of fees on debt extinguishment	(d)	**(362)**	–
Repayment of operating loan	(e)[1]	**(9,816)**	–
Proceeds of operating loan	(e)[1]	**9,816**	–
Dividends paid	(f)	**(14,000)**	(14,000)
Net cash flow provided by (used in) financing activities		**$ 40,244**	$ (19,086)

[1] The operating loan was drawn and paid off in the year, so no balance exists as at December 31, 2020 and 2019.

	As at December 31, 2019	Cash Flows		Non-cash Changes Dividends Declared	Other	**As at December 31, 2020**
Interest payable	$ 203	$ (1,365)	(a)	$ –	$ 1,385	**$ 223**
Lease obligation including current portion and interest paid	10,812	(2,345)	(b)	–	385	**8,852**
Long-term debt including current portion	18,000	58,316	(c)	–	–	**76,316**
Payment of fees on debt extinguishment	–	(362)	(d)	–	362	**–**
Dividends payable	3,500	(14,000)	(f)	14,000	–	**3,500**
	$ 32,515	$ 40,244		$ 14,000	$ 2,132	**$ 88,891**

	As at January 1, 2019	Cash Flows		Non-cash Changes Dividends Declared	Other	As at December 31, 2019
Interest payable	$ –	$ (833)	(a)	$ –	$ 1,036	$ 203
Lease obligation including current portion and interest paid	12,235	(2,253)	(b)	–	830	10,812
Long-term debt including current portion	20,000	(2,000)	(c)	–	–	18,000
Dividends payable	3,500	(14,000)	(f)	14,000	–	3,500
	$ 35,735	$ (19,086)		$ 14,000	$ 1,866	$ 32,515

21 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, **2020**	2019
Net income	**$ 20,883**	$ 19,400
Weighted average number of shares, basic	**17,500,000**	17,500,000
Potential dilutive shares resulting from stock options	**156,857**	26,963
Weighted average number of shares, diluted	**17,656,857**	17,526,963
Earnings per share ($ per share)		
Total, basic	**$ 1.19**	$ 1.11
Total, diluted	**$ 1.18**	$ 1.11

22 Equity and Capital Management

The Company's authorized share capital consists of an unlimited number of Class A Shares, one Class B Golden Share (the "Golden Share") and an unlimited number of Preferred Shares, issuable in series. The Company currently has 17,500,000 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, held by Crown Investments Corporation of Saskatchewan on behalf of the Government of Saskatchewan, has certain voting rights and obligations including regarding the location of the head office and the sale of certain of the assets of the Company. The Golden Share has no pre-emptive, redemption, purchase or conversion rights and is not eligible to receive dividends declared by the Company. The Preferred Shares can be issuable at any time and may include voting rights.

	Class A		Class B	
(thousands of CAD dollars, except number of shares)	Number of Shares	Share Capital	Number of Shares	Share Capital
Balance at January 1, 2019	17,500,000	$ 19,955	1	$ –
No movement	–	–	–	–
Balance at December 31, 2019	17,500,000	19,955	1	$ –
Balance at January 1, 2020	**17,500,000**	**$ 19,955**	**1**	**$ –**
No movement	–	–	–	–
Balance at December 31, 2020	**17,500,000**	**$ 19,955**	**1**	**$ –**

Capital management

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

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

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

The Company's capital at December 31, 2020, consists of long-term debt, share capital, employee benefit reserve, accumulated other comprehensive income and retained earnings (comprising total shareholders' equity).

(thousands of CAD dollars)	**December 31, 2020**	December 31, 2019
Long-term debt	**$ 76,316**	$ 18,000
Share capital	**19,955**	19,955
Accumulated other comprehensive income	**706**	5
Equity settled employee benefit reserve	**2,376**	2,153
Retained earnings	**99,011**	92,128
Capitalization	**$ 198,364**	$ 132,241

23 Financial Instruments and Related Risk Management

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

Credit risk

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

The majority of cash is held with Canadian chartered banks, and the Company believes the risk of loss to be minimal. The maximum exposure to credit risk at December 31, 2020, is $51.0 million (December 31, 2019 — $36.9 million), equal to the carrying value of the Company's financial assets, which are itemized in the table below. Quarterly reviews of the aged receivables are completed. The Company expects to fully collect the carrying value on all outstanding receivables. Therefore, the risk to the Company is low.

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

(thousands of CAD dollars)	**December 31, 2020**	December 31, 2019
Cash	**$ 33,946**	$ 23,731
Short-term investments	**52**	475
Trade and other receivables:		
- current	**9,808**	8,743
- up to three months past due date	**5,868**	3,203
- greater than three months past due date	**1,355**	702
Total credit risk	**$ 51,029**	$ 36,854

Interest rate risk

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

The Company is subject to interest rate risks on its debt (Note 18). This debt bears interest at rates that float, which can vary with changes in prime borrowing rates. The Company manages interest rate risk by monitoring its balance sheet, cash flows and the effect of market changes in interest rates. The Company has the option of using short-term bankers' acceptance notes to lock in rates at any time.

The following table presents a sensitivity analysis to changes in market interest rates and their potential impact on the Company for the periods ended December 31, 2020, and 2019. As the sensitivity is hypothetical, it should be used with caution. The Company is not exposed to significant interest rate risk.

	December 31, 2020		December 31, 2019	
(thousands of CAD dollars)	**+ 100 bps***	**– 100 bps**	+ 100 bps	– 100 bps
Increase (decrease) in interest expense	**$ 423**	**$ (423)**	$ 188	$ (188)
Decrease (increase) in net income before tax	**$ 423**	**$ (423)**	$ 188	$ (188)
Decrease (increase) in total comprehensive income	**$ 309**	**$ (309)**	$ 138	$ (138)

* bps = basis point spread

Liquidity risk

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

The following summarizes the contractual maturities for the Company's financial liabilities at December 31, 2020:

(thousands of CAD dollars)	Carrying Amount	Contractual Cash Flows	0-6 months	7-12 months	12+ months
Long-term debt	$ 76,316	$ 80,985	$ 1,452	$ 1,476	$ 78,057
Lease obligations	8,852	10,213	1,175	1,167	7,871
Accounts payable and accrued liabilities	21,944	21,944	21,944	–	–
Total liabilities	**$ 107,112**	**$ 113,142**	**$ 24,571**	**$ 2,643**	**$ 85,928**

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

Market risk

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

			December 31, 2020		December 31, 2019	
(thousands of CAD dollars)	Classification	Level	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial assets						
Cash	AC	L2	**$ 33,946**	**$ 33,946**	$ 23,731	$ 23,731
Short-term investments						
GICs	AC	L2	**–**	**–**	400	400
Marketable securities	FVTOCI	L1	**52**	**52**	75	75
Trade and other receivables	AC	L2	**17,031**	**17,031**	12,648	12,648
Financial liabilities						
Accounts payable and accrued liabilities excluding share-based accrued liabilities	AC	L2	**19,441**	**19,441**	16,639	16,639
Long-term debt	AC	L2	**76,316**	**76,316**	18,000	18,000

Fair value of financial instruments

The carrying values of cash, short-term investments, trade and other receivables, accounts payable and accrued liabilities excluding share-based accrued liabilities approximate fair value due to their immediate or relatively short-term maturity. With long-term debt, ISC has amended and restated its borrowings under the Credit Facility, which is managed with prime loans, short-term bankers' acceptance, letters of credit or letters of guarantee. These borrowings will bear interest at a base rate of prime plus applicable margin varying between 0.45 per cent and 1.00 per cent per annum. The Company is not exposed to significant interest rate risk because interest-bearing financial instruments are at a low level relative to total assets and equity.

Foreign currency exchange risk

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

Based on the balance of foreign net monetary assets and net assets carried on the consolidated statements of financial position, the impact of an increase (decrease) of 10.0 per cent in the Euro relative to the Canadian dollar as at December 31, 2020, on net monetary assets was a decrease (increase) of $631 thousand (December 31, 2019 — $386 thousand) and on net assets was an increase (decrease) of $1.4 million (December 31, 2019 — $1.2 million). The Company's exposure to other currencies is not significant at the end of the period.

24 Revenue

The Company derives its revenue from the transfer of goods or services at either a point in time or over time. This is consistent with the revenue from third parties' information disclosed for each reportable segment under IFRS 8 — *Operating Segments* (see Note 27). The following table presents our revenue disaggregated by revenue type. Sales and usage tax are excluded from revenue.

Segment revenue

(thousands of CAD dollars)	Year Ended December 31, **2020**	2019
Registry Operations		
Land Registry (Land Titles Registry, Land Surveys, and Geomatics)	**$ 48,694**	$ 48,901
Personal Property Registry	**10,055**	10,154
Corporate Registry	**10,537**	10,230
Other	**249**	1,114
Services	**56,398**	51,131
Technology Solutions	**10,782**	11,416
Corporate and other	**8**	22
Total revenue	**$ 136,723**	$ 132,968

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

Timing of revenue recognition

(thousands of CAD dollars)	Year Ended December 31, **2020**	2019
At a point in time		
Registry Operations revenue		
Land Registry (Land Titles Registry, Land Surveys, and Geomatics)	**$ 46,743**	$ 46,972
Personal Property Registry	**10,055**	10,154
Corporate Registry	**9,664**	9,373
Services revenue	**52,641**	51,131
Corporate and other	**8**	22
	$ 119,111	$ 117,652
Over time		
Registry Operations revenue		
Land Registry (Land Titles Registry, Land Surveys, and Geomatics)	**$ 1,951**	$ 1,929
Corporate Registry	**873**	857
Other	**249**	1,114
Services revenue	**3,757**	–
Technology Solutions revenue	**10,782**	11,416
	$ 17,612	$ 15,316
Total revenue	**$ 136,723**	$ 132,968

In the "over time" category, the Land Registry and Corporate Registry contracts primarily result in linear revenue recognition over the life of the contract. Likewise, the hosting, support and maintenance portion of contracts related to Technology Solutions revenue primarily results in linear revenue recognition over the life of the contract. Conversely, revenue recognition associated with the licence and solution definition and implementation portion of contracts depends on milestone achievement. In 2020, the portion of Technology Solutions contract revenue recognized that was dependent on milestone achievement versus total revenue recognized was 69.0 per cent (2019 – 76.0 per cent). At December 31, 2020, the Company has contracts where the milestone is either in progress or is expected to be satisfied in the near term. For the unsatisfied portion of milestone-based contracts, the Company expects that 100.0 per cent (2019 – 73.0 per cent) of the total will be recognized in the next fiscal year, with the remaining 0.0 per cent (2019 – 27.0 per cent) recognized in the following fiscal year.

Service concession arrangement

The Company entered into a change order pursuant to its MSA with the Government of Saskatchewan to continue the development of its registry systems. Under the MSA, the Company owns the IP during the term of the MSA.

As at December 31, 2020, the development associated with the change order is 100.0 per cent complete (2019 – 85.0 per cent) and an incremental $0.2 million increase to both intangible assets and other revenue has been recorded in 2020 in Registry Operations related to the project. The intangible asset was put into use in the third quarter of 2020; as a result, amortization commenced in the third quarter.

25 Related Party Transactions

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

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

26 Compensation of Key Management Personnel

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

	Year Ended December 31,	
(thousands of CAD dollars)	**2020**	2019
Wages, salaries and short-term benefits	**$ 3,953**	$ 3,832
Share-based compensation	**3,191**	1,009
Defined contribution plan	**209**	202
Total compensation	**$ 7,353**	$ 5,043

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

27 Segment Information

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

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

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

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

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

On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared services provided to the operating segments in the current year. Certain related party revenues are also impacted by this change. The impact of the change to results in the current period is estimated in the table that follows. The effect of the change on future periods is impracticable to estimate.

Revenue and EBIT

For the year ended December 31, 2020

(thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
Revenue from third parties	**$ 69,535**	**$ 56,398**	**$ 10,782**	**$ 8**	**$**	**$ 136,723**
Plus: inter-segment revenue	**33**	**4**	**9,769**	**140**	**(9,946)**	**–**
Total revenue	**$ 69,568**	**$ 56,402**	**$ 20,551**	**$ 148**	**$ (9,946)**	**$ 136,723**
Expenses excluding depreciation and amortization	**(34,955)**	**(44,327)**	**(16,116)**	**(7,659)**	**9,946**	**(93,111)**
EBITDA[1]	**34,613**	**12,075**	**4,435**	**(7,511)**	**–**	**43,612**
Depreciation and amortization	**(2,482)**	**(7,203)**	**(1,833)**	**(1,347)**	**–**	**(12,865)**
EBIT[1]	**$ 32,131**	**$ 4,872**	**$ 2,602**	**$ (8,858)**	**$ –**	**$ 30,747**
Net finance (expense)						**(2,045)**
Income tax expense						**(7,819)**
Net income						**$ 20,883**
Additions to non-current assets, including acquisitions	**$ 249**	**$ 70,130**	**$ 828**	**$ 265**	**$ –**	**$ 71,472**

[1] Had the methodology change noted above not been made, EBITDA and EBIT are estimated as:

EBITDA	**$ 36,180**	**$ 10,001**	**$ 4,509**	**$ (7,078)**	**$ –**	**$ 43,612**
EBIT	**$ 33,698**	**$ 2,798**	**$ 2,676**	**$ (8,425)**	**$ –**	**$ 30,747**

For the year ended December 31, 2019

(thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
Revenue from third parties	$ 70,399	$ 51,131	$ 11,416	$ 22	$	$ 132,968
Plus: inter-segment revenue	–	99	12,830	32	(12,961)	–
Total revenue	$ 70,399	$ 51,230	$ 24,246	$ 54	$ (12,961)	$ 132,968
Expenses excluding depreciation and amortization	(36,309)	(44,119)	(21,965)	(4,510)	12,961	(93,942)
EBITDA	34,090	7,111	2,281	(4,456)	–	39,026
Depreciation and amortization	(2,039)	(5,326)	(1,729)	(1,765)	–	(10,859)
Impairment	(541)	-	–	–	–	(541)
EBIT	$ 31,510	$ 1,785	$ 552	$ (6,221)	$ –	$ 27,626
Net finance (expense)						(1,246)
Income tax expense						(6,980)
Net income						$ 19,400
Additions to non-current assets, including acquisitions	$ 1,460	$ 7,398	$ 651	$ 1,203	$ –	$ 10,712

Inter-segment revenues are charged among segments at arm's-length rates, based on rates charged to third parties. Total consolidated revenue is attributed to customers within Ireland and Canada. For the year ended December 31, 2020, revenue within Ireland was $10.3 million (2019 — $9.7 million), and the remainder was in Canada. No single customer represented more than 10.0 per cent of the total consolidated revenue.

Assets and liabilities

For the year ended December 31, 2020

(thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
Assets						
Total assets, excluding intangibles, goodwill and cash	**$ 25,758**	**$ 13,952**	**$ 5,505**	**$ 14,466**	**$ –**	**$ 59,681**
Intangibles	**1,288**	**63,203**	**4,332**	**2,395**	**–**	**71,218**
Goodwill	**1,200**	**67,372**	**8,883**	**–**	**–**	**77,455**
Cash	**–**	**–**	**–**	**33,946**	**–**	**33,946**
Total Assets	**$ 28,246**	**$ 144,527**	**$ 18,720**	**$ 50,807**	**$ –**	**$ 242,300**
Liabilities	**$ 10,092**	**$ 13,270**	**$ 4,844**	**$ 92,046**	**$ –**	**$ 120,252**

For the year ended December 31, 2019

(thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
Assets						
Total assets, excluding intangibles, goodwill and cash	$ 26,384	$ 10,951	$ 6,467	$ 17,321	$ –	$ 61,123
Intangibles	3,803	31,647	4,525	1,221	–	41,196
Goodwill	1,200	35,715	8,614	–	–	45,529
Cash	–	–	–	23,731	–	23,731
Total Assets	$ 31,387	$ 78,313	$ 19,606	$ 42,273	$ –	$ 171,579
Liabilities	$ 8,848	$ 11,013	$ 4,171	$ 33,306	$ –	$ 57,338

Non-current assets are held in Canada and Ireland. At December 31, 2020, non-current assets held in Ireland were $8.9 million (December 31, 2019 — $8.8 million), while the remainder were held in Canada.

28 Acquisitions

2020 Acquisition

On July 31, 2020, the Company's Services segment, through its wholly owned subsidiary, ESC, acquired substantially all of the assets used in the business of Paragon Inc. for $70.0 million, subject to customary purchase price adjustments, by way of an asset purchase agreement. The operations are located in Etobicoke, ON, and it is a technology-enabled business whose primary focus is the facilitation and co-ordination of asset recovery on behalf of many of Canada's major banks. The addition of Paragon's assets is expected to strengthen our current service offering and means that we will be able to offer our clients a complete solution in the credit life cycle, from origination to recovery.

A table outlining the net cash flow related to the acquisition is provided below.

Net cash outflow related to the acquisition

(thousands of CAD dollars)	Total
Consideration paid in cash	**$ 10,345**
Working capital adjustment	**(1,719)**
Consideration from operating loan	**9,816**
Consideration from long-term debt	**50,000**
Subtotal	**$ 68,442**
Add (deduct) items not yet paid in cash:	
Working capital not yet cash settled at December 31, 2020[1]	**1,719**
Total net cash outflow related to the acquisition	**$ 70,161**

[1] See Note 6.

The table below presents the final allocation of the net purchase price for accounting purposes for the Paragon acquisition and subsequent adjustments to finalize the purchase allocation within the measurement period.

(thousands of CAD dollars)		Preliminary		Adjustments		**Final**
Assets						
Trade and other receivables	$	233	$	166	**$**	**399**
Prepaid expenses and deposits		63		85		**148**
Property, plant and equipment		3		–		**3**
Intangible assets		38,120		–		**38,120**
	$	38,419	$	251	**$**	**38,670**
Liabilities						
Accounts payable and accrued liabilities		1,887		(2)		**1,885**
Net assets acquired	$	36,532	$	253	**$**	**36,785**
Goodwill arising on acquisition						
Total consideration allocated		68,189		253		**68,442**
Net assets acquired		36,532		253		**36,785**
Total goodwill arising on acquisition	$	31,657	$	–	**$**	**31,657**

Goodwill arising on the acquisition relates to an increased market presence and competency, related market growth, and the opportunities to strengthen and complement offerings with greater breadth and depth to both existing and acquired clients. All of the goodwill recognized is expected to be deductible for income tax purposes.

The intangible assets above consist of existing customer relationships of $37.6 million, technology of $0.3 million and brand of $0.2 million.

Trade and other receivables acquired in this transaction with a fair value of $0.4 million are estimated to be fully collectible.

Professional fees associated with the cost of the acquisition expensed during the year were $2.0 million and have been recorded in professional and consulting services expense on the consolidated statements of comprehensive income.

The revenue and net loss of the acquiree since the acquisition date included in the consolidated statements of comprehensive income for 2020 were $3.8 million and $0.1 million, respectively.

The consolidated revenue and comprehensive income for the Company and the acquiree combined for 2020, as though the acquisition date for the business combination occurred during the year had been as of January 1, 2020, would have been $143.7 million, and $18.3 million, respectively.

2019 acquisition

On February 15, 2019, the Company, through its wholly owned subsidiary, ESC, acquired substantially all of the assets of Securefact Transaction Services, Inc. (“Securefact”), for $6.8 million by way of an asset purchase agreement.

Management has determined that the assets and processes acquired through the acquisition comprised a business and therefore has accounted for the transaction as a business combination using acquisition accounting as per IFRS 3 – *Business Combinations*.

Net cash outflow related to the acquisition

(thousands of CAD dollars)		Total
Consideration paid in cash	$	6,768
Working capital adjustment		–
Consideration from operating loan		–
Consideration from long-term debt		–
Subtotal	$	6,768
Add (deduct) items not yet paid in cash:		
Working capital not yet cash settled at December 31, 2020		–
Total net cash outflow related to the acquisition	$	6,768

The table below presents the final allocation of the net purchase price for accounting purposes which is unchanged from the preliminary allocation which was previously prepared.

(thousands of CAD dollars)		Final
Assets		
Property, plant and equipment	$	23
Intangible assets		5,228
Net assets acquired	$	5,251
Goodwill arising on acquisition		
Total consideration allocated		6,768
Net assets acquired		5,251
Total goodwill arising on acquisition	$	1,517

29 Net Change in Non-Cash Working Capital

The net change during the period comprised the following:

	Year Ended December 31,			
(thousands of CAD dollars)		**2020**		2019
Trade and other receivables	**$**	**(2,162)**	$	(3,657)
Prepaid expenses		**(556)**		(32)
Contract assets		**663**		(321)
Accounts payable and accrued liabilities		**1,834**		867
Contract liabilities		**512**		(1,039)
Contingent consideration		**–**		(2,171)
Provisions and other liabilities		**1,601**		641
Income taxes		**1,629**		(3,483)
Net change in non-cash working capital	**$**	**3,521**	$	(9,195)

Income taxes paid, net of refunds received, for the year ended December 31, 2020, totalled $4.7 million (2019 — $9.0 million).

30 Government Grants

In 2020, a government grant of $0.1 million (2019 – nil) was received by the Company to finance a project designed to provide simplified and unified access to business registry data on business ownership and control structures system to aid certain users in the fight against financial and economic crime. To be eligible for this funding, at the end of the project, the Company is required to submit a final technical report and a final financial report detailing the eligible costs for reimbursement. Of the amount initially received, $0.1 million (2019 – nil) was recognized as a reduction to wages and salaries expense in the year. The remaining contract liabilities will be transferred against project costs to be incurred in 2021.

In April 2020, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") to help employers keep and/or retain Canadian-based employees on payrolls in response to challenges posed by the COVID-19 pandemic. For the year ended December 31, 2020, the Company recognized approximately $0.5 million as a wage subsidy under this program (2019 – nil) and recorded it as a reduction to wages and salary expense.

31 Commitments and Contingencies

As of December 31, 2020, the Company has commitments over the next five years as follows:

(thousands of CAD dollars)	IT and Other Service Agreements[1]	Master Service Agreement	Non-Lease Component of Office Leases	Total
2021	$ 3,225	$ 500	$ 1,177	$ 4,902
2022	2,989	500	973	4,462
2023	2,800	500	937	4,237
2024	–	500	956	1,456
2025	–	500	200	700
Thereafter	–	4,000	1,007	5,007
Total commitments	**$ 9,014**	**$ 6,500**	**$ 5,250**	**$ 20,764**

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

Information technology and other service agreements

The Company has a service agreement related to Information Technology ("IT") with Information Systems Management Canada Corporation, including lease commitments for computer equipment where the Company has taken the exemption for low-value assets. Other service agreements relate to service contracts associated with corporate and shared services infrastructure.

Master Service Agreement

Pursuant to the MSA with the Government of Saskatchewan dated May 30, 2013, the Company was appointed, on an exclusive basis, to manage and operate the Saskatchewan Land Titles Registry, Saskatchewan Land Surveys Directory, Saskatchewan Personal Property Registry and Saskatchewan Corporate Registry on behalf of the Government of Saskatchewan for a 20-year term expiring on May 30, 2033. The MSA was amended, effective December 1, 2015, appointing ISC to continue to manage and operate the Common Business Identifier Program and the Business Registration Saskatchewan Program for the same term as the MSA. The MSA requires the Company 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 which was due on March 1, 2014.

Non-lease component of office leases

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

The Company separates the lease and non-lease components of office space, accounting for the lease payment commitments in Note 15.

Contingencies

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 December 31, 2020, the liability was nil (December 31, 2019 — nil).

At times, in the normal course of operations, the Company will enter into an indemnity agreement with a surety company to provide a surety bond required under a contract with a customer. As at December 31, 2020, the aggregate amount outstanding of the surety bond total was nil (December 31, 2019 — nil).

32 Pension Expense

The total pension costs under the Company's defined contribution plans for the year were $1.8 million (2019 — $1.8 million).

33 Subsequent Events

On March 16, 2021, the Board declared a quarterly cash dividend of $0.20 per Class A Share, payable on or before April 15, 2021, to shareholders of record as of March 31, 2021.

Board of Directors

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

Karyn Brooks
Calgary, Alberta
Director since: 2016
Member of the Audit Committee

Tom Christiansen
Swift Current, Saskatchewan
Director since: 2009
Member of the Compensation Committee

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

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

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

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

Laurie Powers
Regina, Saskatchewan
Director since: 2018
Member of the Compensation Committee

Heather D. Ross
Toronto, Ontario
Director since: 2018
Member of the Governance and Nominating Committee

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

ISC Leadership

Jeff Stusek
President and Chief Executive Officer

Shawn B. Peters, CPA, CA
Executive Vice-President and Chief Financial Officer

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

Ken Budzak
Executive Vice-President, Registry Operations

Loren Cisyk
Executive Vice-President, Technology Solutions

Laurel Garven
Vice-President, Business Strategy

Catherine McLean
Vice-President, People and Culture

Dennis White
Vice-President, Marketing and Business Development

Clare Colledge
President, ESC Corporate Services Ltd.

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.company.isc.ca**, or through the System for Electronic Document Analysis and Retrieval (SEDAR) at **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 Limited Voting Shares ("Class A Shares"), one Class B Golden Share ("Golden Share") and an unlimited number of Preferred Shares.

Class A Limited Voting Shares

Issued and outstanding – 17,500,000 Class A Shares as at December 31, 2020.

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.

Class B Golden Share

Issued and outstanding – 1 Class B Golden Share as at December 31, 2020.

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, 2020.

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

Ownership

As at March 16, 2021, the Board and management are not aware of any shareholder who directly or indirectly owns or exercises, or directs control over, more than 10.0 per cent of our Class A Shares, other than:

(a) CIC, which holds 5,425,000 Class A Shares representing 31.0 per cent of the issued and outstanding Class A Shares;

(b) QV Investors Inc., which holds 2,313,716 Class A Shares representing 13.2 per cent of the issued and outstanding Class A Shares[1]; and

(c) CI Investments Inc., which holds 1,939,970 Class A Shares representing approximately 11.0 per cent of the issued and outstanding Class A Shares[2].

Auditor

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

Transfer Agent

AST Trust Company (Canada)

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

Toll-free in North America: 1 (800) 387-0825
www.astfinancial.com
inquiries@astfinancial.com

Regulatory Filings

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

Investor Contact Information

Jonathan Hackshaw
Director, Investor Relations & Capital Markets
Toll-free in North America: 1 (855) 341-8363
Outside North America: 1 (306) 798-1137
investor.relations@isc.ca

[1] Based upon a Form 62-103F3 (Required Disclosure by an Eligible Institutional Investor) filed on SEDAR on February 2, 2021, the last publicly available information disclosing the share ownership in the Company by QV Investors Inc.

[2] Based upon a Form 62-103F3 (Required Disclosure by an Eligible Institutional Investor) filed on SEDAR on November 10, 2020, the last publicly available information disclosing the share ownership in the Company by CI Investments Inc.

Dividends on Class A Shares

The Company has a practice of paying an annual dividend of $0.80 per Class A Share to be payable on a quarterly basis. Our objective is to achieve dividend growth over time while balancing our strategic business priorities.

The payment of dividends is not guaranteed and the amount and timing of any dividends payable by the Company will be at the discretion of the Board and will be established based on our cash available for distribution, our financial requirements, any restrictions imposed by our credit facilities, the requirements of any future financings and other factors existing at the time. The table below shows annual dividends per Class A Share that have been declared by the Board subsequent to the initial public offering in 2013:

Year	Type	Ex-Dividend Date	Record Date	Payable Date	Amount
2020	Quarterly	Dec 30, 2020	Dec 31, 2020	Jan 15, 2021	$0.20
		Sep 29, 2020	Sep 30, 2020	Oct 15, 2020	$0.20
		Jun 29, 2020	Jun 30, 2020	Jul 15, 2020	$0.20
		Mar 30, 2020	Mar 31, 2020	Apr 15, 2020	$0.20
2019	Quarterly	Dec 30, 2019	Dec 31, 2019	Jan 15, 2020	$0.20
		Sep 27, 2019	Sep 30, 2019	Oct 15, 2019	$0.20
		Jun 27, 2019	Jun 30, 2019	Jul 15, 2019	$0.20
		Mar 28, 2019	Mar 31, 2019	Apr 15, 2019	$0.20
2018	Quarterly	Dec 28, 2018	Dec 31, 2018	Jan 15, 2019	$0.20
		Sep 28, 2018	Sep 30, 2018	Oct 15, 2018	$0.20
		Jun 28, 2018	Jun 30, 2018	Jul 15, 2018	$0.20
		Mar 28, 2018	Mar 31, 2018	Apr 15, 2018	$0.20
2017	Quarterly	Dec 28, 2017	Dec 31, 2017	Jan 15, 2018	$0.20
		Sep 28, 2017	Sep 30, 2017	Oct 15, 2017	$0.20
		Jun 28, 2017	Jun 30, 2017	Jul 15, 2017	$0.20
		Mar 29, 2017	Mar 31, 2017	Apr 15, 2017	$0.20
2016	Quarterly	Dec 28, 2016	Dec 31, 2016	Jan 15, 2017	$0.20
		Sep 28, 2016	Sep 30, 2016	Oct 15, 2016	$0.20
		Jun 28, 2016	Jun 30, 2016	Jul 15, 2016	$0.20
		Mar 29, 2016	Mar 31, 2016	Apr 15, 2016	$0.20
2015	Quarterly	Dec 29, 2015	Dec 31, 2015	Jan 15, 2016	$0.20
		Sep 28, 2015	Sep 30, 2015	Oct 15, 2015	$0.20
		Jun 26, 2015	Jun 30, 2015	Jul 15, 2015	$0.20
		Mar 27, 2015	Mar 31, 2015	Apr 15, 2015	$0.20
2014	Quarterly	Dec 29, 2014	Dec 31, 2014	Jan 15, 2015	$0.20
		Sep 26, 2014	Sep 30, 2014	Oct 15, 2014	$0.20
		Jun 26, 2014	Jun 30, 2014	Jul 15, 2014	$0.20
		Mar 27, 2014	Mar 31, 2014	Apr 15, 2014	$0.20
2013	Quarterly	Dec 27, 2013	Dec 31, 2013	Jan 15, 2014	$0.20
		Sep 26, 2013	Sep 30, 2013	Oct 15, 2013	$0.18*

* 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.

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

Non-IFRS Financial Measures

This report also includes certain measures, which have not been prepared in accordance with International Financial Reporting Standards (IFRS), such as EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin. Rather, these measures are provided as additional information to complement IFRS measures. Refer to sections 8.5 "Financial measures and key performance indicators"; 8.8 "Non-IFRS financial measures"; 8.9 "Non-IFRS financial measures definition"; and 2.5 "Consolidated EBITDA and Adjusted EBITDA" in ISC's Management's Discussion and Analysis for the fourth quarter and year ended December 31, 2020, included herein for further information, copies of which are filed on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This report contains forward-looking information within the meaning of applicable Canadian securities legislation including, without limitation, statements related to the industries in which we operate, growth opportunities and our future financial position and results. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such forward-looking information. Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to changes in the condition of the economy, including those arising from public health concerns, reliance on key customers and licences, dependence on key projects and clients, securing new business and fixed-price contracts, identification of viable growth opportunities, implementation of our growth strategy, competition and other risks detailed from time to time in the filings made by the Company, including those detailed in ISC's Annual Information Form for the year ended December 31, 2020, and ISC's audited Consolidated Financial Statements and Notes and Management's Discussion and Analysis for the fourth quarter and year ended December 31, 2020, included herein, copies of which are filed on SEDAR at www.sedar.com. The forward-looking information in this report is made as of the date hereof and, except as required under applicable securities laws, ISC assumes no obligation to update or revise such information to reflect new events or circumstances.

company.isc.ca TSX:ISV

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