ISC

Information in the right hands.

2022
Annual Report

About us

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

Our Business

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

Registry Operations

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

ISC

Services

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

eSC

Technology Solutions

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

ERS

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2022 Highlights

$55.2 M

in capital deployed to support growth and diversification strategy

$16.2 M

in dividends paid out to shareholders

$45.9 M

in free cash flow generated

INVESTED

in technology to enhance the customer experience in Services, including launch of *Recovery Complete*

COMPLETED

two key transactions in line with our commitment to growth

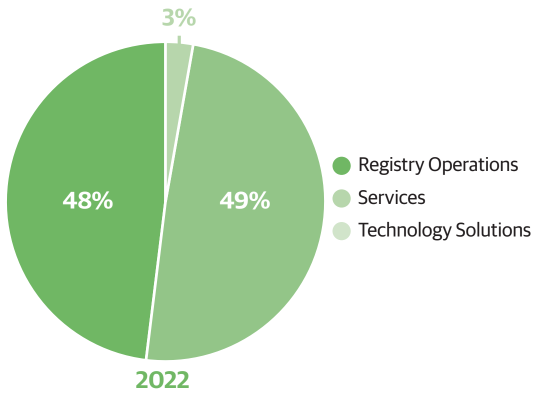
REALIGNED

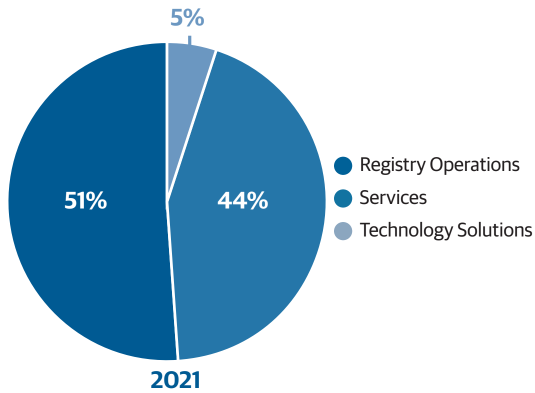
corporate leadership to execute growth strategy

2022 Financial Results

	2022 Results	2021 Results
Revenue	**$189.9 M**	$169.5 M
Net Income	**$30.8 M**	$32.1 M
EBITDA[1]	**$60.9 M**	$60.5 M
Free Cash Flow[1]	**$45.9 M**	$44.8 M
Earnings per share (basic)	**$1.75**	$1.78

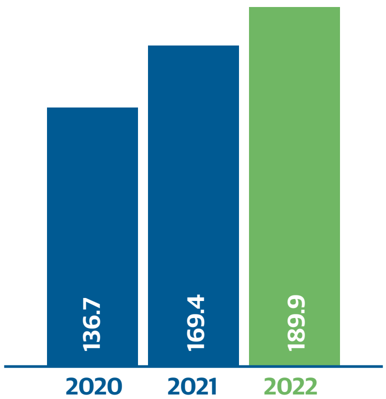
Revenue Distribution by Segment for the year ended December 31,





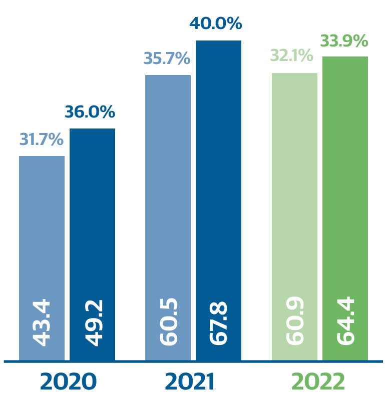
Consolidated Revenue for the year ended December 31,

(CAD millions)



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

(CAD millions)



[1] EBITDA, adjusted EBITDA 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 of the Management's Discussion and Analysis "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.

Letter from the Chair

Joel Teal, Chair, Board of Directors

As always, it is my pleasure and privilege as Chair of ISC's Board of Directors to have the opportunity to share some thoughts on the year that has passed and how we view the future at the Board level.

2022 was another year of tremendous progress, growth, and diversification. ISC continues to build upon and fortify our strong foundation through another year of excellent financial performance during times of great uncertainty while successfully transitioning to new leadership.

As you know, in early 2022, Shawn Peters assumed the role of ISC's President and CEO. With over a decade of experience contributing to ISC's financial and business successes, there was no doubt in my mind or that of your Board's that Shawn's appointment would be seamless — an ideal fit. This past year has proven this to be true. Shawn's strong leadership has been evident and our results for 2022 are a reflection of that.

In terms of keeping an eye firmly fixed on ensuring that ISC prospers in the future, as it has in the past, there were several steps that your Board took to ensure this in 2022. You may recall that toward the end of 2021, we announced an increase of ISC's annual dividend increase from $0.80 per annum to $0.92. When many organizations around the world were reevaluating their growth strategies and looking to shore up their balance sheets, ISC was able to maintain its growth trajectory and a dividend to shareholders at $0.92 for the calendar year. This reflects the strength of our current business and affirms the organization's commitment to reward shareholders as ISC continues to grow. It is also a demonstration to regularly review our capital allocation strategy and ensure that we are deploying our capital in ways that continue to drive shareholder value.

In addition to this, ISC is focusing on diversity in more ways than one. One of the key highlights of the past year was the Board's efforts in the area of diversity and inclusion at the Board table. In December 2022, the Board passed the Board Diversity Policy, which recognizes the value of diversity and inclusion as a pillar of strong governance. This policy allows for more varied perspectives and ideas, helps to mitigate group-think, improves oversight and decision making, and demonstrates our commitment to diversity and inclusion at all levels of the organization.

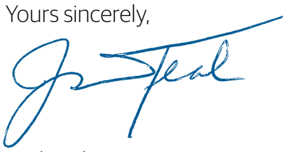
As part of this policy, we have committed to take steps to find representation that reflects the diversity of the industries and communities we operate in when assessing the quality of candidates for board nomination or appointment. This is a crucial step in ensuring that our company is reflective of the communities we serve, and that ISC can make the best decisions for our stakeholders now and in the future.

At the time of writing my annual letter to you, you will have seen an announcement regarding the appointment of Amber Biemans, K.C., to ISC's Board of Directors by the Province of Saskatchewan, along with the reappointments of Douglas Emsley and myself, which will take effect immediately following the Company's 2023 annual general meeting. I am very pleased to welcome Ms. Biemans to the Board of ISC and look forward to working with her when her appointment takes effect. 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.

With Ms. Biemans' appointment to the Board comes the upcoming retirement of long-time board appointee and former Chair of the Board, Tom Christiansen, who was appointed to the Company's Board of Directors in 2009 — prior to ISC transitioning to a publicly traded company. As a board member for 14 years, he was a significant contributor to ISC's successes, as well as the successes of Saskatchewan as a community leader and local business owner. On behalf of the Board, I would like to thank Tom for his many years of sage counsel. He was instrumental in our pursuit of milestones and innovations over the last decade and a half. We wish him the best.

This year has marked the successful start of a new era of leadership at ISC, and I am pleased about the progress we have made while keeping an eye always on the future. We are excited about what is on the horizon, and I am certain that with Shawn Peters at the helm, ably supported by his Executive Team, we will continue to achieve much together in pursuit of our goal to deliver value to shareholders.

Yours sincerely,



Joel Teal
Chair, Board of Directors

Letter from the President and CEO

Shawn B. Peters, President and CEO

As mentioned by the Chair, 2022 was a very successful year for ISC — success that was achieved with the support of the Board of Directors, the Executive leadership team, and every ISC employee, from our headquarters in Regina to our offices across Canada and in Ireland. I'm honoured to have had the opportunity to lead such a diverse and talented group of employees during my first year in this role.

ISC remains a robust, diverse and financially exceptional organization fueled by a strategy for growth and a business that consistently delivers outstanding results to all our stakeholders. Yet again, our two core segments, Registry Operations and Services, delivered strong results. As we anticipated, the second half of 2022 saw Registry Operations return to more normal, pre-pandemic behaviour while continuing to be the superb EBITDA and free-cash-flow generator it has always been.

For Services, 2022 marked a milestone for the business when it exceeded Registry Operations in revenue for the first time since we acquired ESC in October 2015. This is the culmination of the steps we have taken to diversify the broader business, as well as grow organically through new customer acquisition. To drive that growth, we have invested heavily in our technology and now have platforms like *Registry Complete* and *Recovery Complete*, which provide all our customers with easy access to our suite of solutions.

Last year, we noted our Technology Solutions segment was the most impacted by the COVID-19 pandemic, and that was evident this year as we saw weaker results in Technology Solutions in 2022 compared to prior years. However, with jurisdictions now able to refocus on moving various technology-related projects forward, we are energized about the potential of the business and have been driving new opportunities post-COVID. As part of that, I made some changes at the leadership level, including the appointment of Susan Bowman as Head of ERS in July 2022. With Susan now fully on board and focused on business performance and our continued commitment to customer excellence, I am confident we will see a return to growth and new contract wins ahead.

As part of ISC's long-term strategy to diversify our portfolio, we completed and integrated two transactions in 2022 that allow us to maintain market leadership in our industries and expand our range of services and customer base. In Services, we acquired UPLevel in February 2022, expanding our leading role in the PPSA market credit life-cycle product suite by adding early and late-stage collections to our portfolio. Not only does this provide a new source of revenue, it also maintains our market leadership and enhances our offerings to current and future clients.

> "ISC remains a robust, diverse and financially exceptional organization fueled by a strategy for growth and a business that consistently delivers outstanding results to all our stakeholders".

Additionally, we expanded Registry Operations for the first time through the acquisition of Reamined Systems Inc. — a recognized leader in providing property tax management infrastructure and services in the Province of Ontario. While not a registry in the traditional sense, this business has a similar profile to our Saskatchewan registry business, both through its financial profile as well as its long-standing relationship with the Province of Ontario. It highlights our expertise in delivering a range of services on behalf of governments, and demonstrates our expanded thinking on growing our business. As a result, Reamined has been an excellent complementary business to our Saskatchewan registries.

As we go forward, the talent we have developed for acquiring and integrating our new businesses quickly will stand us in good stead. It is with this in mind that early in the year, I appointed Laurel Garven as Vice President, Corporate Development and Business Strategy, to expand our M&A

"We have invested heavily in our technology and now have platforms like *Registry Complete* and *Recovery Complete*, which provide all our customers with easy access to our suite of solutions".

capability and ensure that our pipeline of opportunities remains full and high quality.

Along with our financial and mergers and acquisitions (M&A) successes in 2022, ISC successfully continued our work-from-home program with a view to exploring a return to work in 2023 while providing our employees with the flexibility of a hybrid work environment in the near term. As well, during the course of the year, I was fortunate to meet with many of our shareholders, prospective investors and other stakeholders across the capital markets spectrum. I would like to thank all of them for their support during my first year as President and CEO of ISC and reiterate my commitment to ensuring ISC delivers value to shareholders through deliberate and thoughtful execution. Our growth is calculated and consistent and builds on the strength and stability of our underlying business. That growth potential, combined with a healthy dividend yield – makes it hard to find a better company than ISC.

Going forward, we will continue to focus on maintaining operational excellence and sustained growth into 2023 and beyond. We are confident our commitment to financial excellence and customer satisfaction will continue to drive our success and further propel ISC and our subsidiaries as leaders in our communities and in our industries.

I am grateful for the opportunity to lead this organization, taking care of our industry-leading talent and offering best-in-class service to our customers at home in Saskatchewan, across Canada and internationally. I want to thank all of you for your support as we focus on the future, expand our horizons and push ourselves to reach higher and further.

Yours sincerely,

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

Environment, Social and Governance (ESG) and Corporate Social Responsibility (CSR)

As noted last year, ISC is committed to following responsible business practices to strengthen workplace culture, expand opportunities, reduce risks and enhance ISC's corporate reputation. ISC recognizes that over time, CSR has evolved with emergence of ESG Programs now taking the lead insofar as how companies should manage and measure their impact on the environment and society, as well as how they govern themselves.

ESG: The Way Forward

In 2022, ISC commenced an exploratory review to understand our current practices and how best to apply ESG management and reporting by completing an initial materiality assessment. Materiality assessments are a process by which an organization determines which ESG topics are most relevant to manage. From this work, ISC is developing an ESG Program consistent with ISC's strategic goals and to align current and future initiatives with ESG priorities.

While ISC articulates its ESG Program, it is important to recognize that the existing CSR program is a demonstration of our commitment to improving the social outcomes of our communities. We are building a caring culture, not just within our Company, but extending that to the communities where we live and work – supporting organizations that mean a lot to our employees. Our culture shows its true face in our collective actions, behaviour and beliefs. We are on the right path, but there is always room to grow and evolve.

CSR: Focusing on Our People and Communities

ISC's continued commitment to our CSR strategies is an important part of our evolving ESG approach. Our CSR efforts pay substantial consideration to how we contribute value to the local community and environment.

Our philosophy is that when the organization chooses to do what's right — not only for the bottom line, but also for the communities in which we live — it builds both customer trust and employee loyalty. That is why we are diligently working towards powering solutions for the future and in turn being a valued, socially responsible corporate citizen.

Our Approach

ISC's corporate social responsibility strategy focuses on three key areas:

1 **Community**

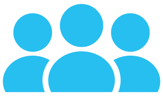
2 **Economy**

3 **Health and Well-Being**

Communication across the organization is critical to ensure that colleagues know about the work we are doing and how they can support it. ISC uses a mix of internal and external communications channels to connect with our employees, partners, customers, shareholders, suppliers and the public including media releases, corporate website announcements and social media channels like LinkedIn.

Our Achievements in 2022

We are pleased to report our progress on the three areas of our CSR strategy:



Community

Our responsibility is aligned with our objective to lead, develop and support our people at ISC. Our culture provides a foundation that lets us commit to fostering social development by contributing to the sustainability of the communities in which we live and operate. Our philanthropic approach is wide ranged and whether we donate to charities or causes, sponsor fundraising events or have a presence in community related initiatives, these are the ways that ISC can make a difference.

Partnerships and Sponsorships

$365,500

- Albert Community School, Regina
- Canadian Roots Exchange, Toronto
- Circle Project, Regina
- Daily Bread Food Bank, Toronto
- Ernestine's Women's Shelter, Toronto
- Grey Cup Festival 2022
- Habitat for Humanity
- Mackenzie Art Gallery
- Native Friendship Centre, Montreal
- North Okanagan Friendship Centre, Vernon
- Regina Food Bank
- Regina Thunder Football
- Saskatchewan Games Council
- Saskatchewan Science Centre
- Saskatchewan Sports Hall of Fame
- Timeraiser YQR Auction
- United Way of Regina

Economy

The challenges organizations face today are dynamic, and as time goes by, business models are not only focused on maximizing profit but creating value for society. We believe that our efforts in supporting the economy where we operate will lead to mutual success for ISC as well as the communities we operate in. This is accomplished through investing in initiatives that promote and recognize education, entrepreneurship, suppliers, and business operators that have or will contribute to the economy moving forward.

This year, in the pursuit of building lasting relationships with Indigenous businesses and communities, ISC collaborated with and supported Indigenous-lead businesses and events across Canada.

Partnerships and Sponsorships

$50,500

- Century Farm Family Awards, Saskatchewan
- Four Fawns Clothing, Saskatchewan
- JDC Business Competition, University of Regina
- Miyo-wîcîwitowin Day (Reconciliation) Saskatchewan
- National Indigenous Youth Entrepreneurship Camp
- Nature Conservancy of Canada
- Resist Clothing Company, Ontario
- Saskatchewan Chamber of Commerce ABEX Awards
- Saskatchewan Economic Development Alliance Summit
- Strong Nations, British Columbia
- University of Regina Inspiring Leadership Forum
- WESK Entrepreneurship Summit, Saskatchewan

Health and Well-Being

In recent years, there has been increased interest in the role played by business with CSR strategies in promoting the health and wellbeing of internal and external stakeholders. Employees understand the difference between social obligation and social responsibility, and they want to work for an organization that gives back. Investing in strategies that support the health and wellbeing of our employees and the communities where we operate contributes to the overall good of society. ISC realizes that this strategy can have a positive impact on employee wellbeing and morale. Having a strategy that cultivates a sense of larger purpose and gets people involved results in happier and engaged employees who are proud to work for the company.

Partnerships and Sponsorships

$388,000

- Alzheimer Society of Saskatchewan Minds in Motion Program and Night to Remember Gala
- ARC Cancer Services, Dublin
- Canadian Red Cross, Ukrainian Relief Effort
- Employee and Family Assistance Program
- Employee Health and Wellness Initiatives
- Employee Recognition
- Hospitals of Regina Foundation
- Jim Pattison Children's Hospital Radiothon, Social Media Sponsor, Saskatoon
- STARS Air Ambulance, Saskatchewan

Management's Discussion & Analysis

For the Fourth Quarter and Year Ended December 31, 2022

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, 2022, and 2021. Additional information, including our Annual Information Form for the year ended December 31, 2022, 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 our Financial Statements for the years ended December 31, 2022, 2021 and 2020, prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The financial information that appears throughout our MD&A is consistent with the Financial Statements.

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" for discussion of why we use these measures and their most closely related IFRS measures within the Financial Statements. Refer to section 2 "Consolidated Financial Analysis" for a reconciliation of EBITDA and adjusted EBITDA to net income and section 6.1 "Cash flow" for a reconciliation of free cash flow.

Unless otherwise noted, or unless the context indicates otherwise, "ISC", the "Company", "we", "us" and "our" refer to Information Services Corporation and, as applicable, 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 CAD and amounts are stated in CAD unless otherwise indicated.

This MD&A contains forward-looking information and should be read in conjunction with the "Caution Regarding Forward-Looking Information" that follows. This MD&A is current as of March 14, 2023.

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

Responsibility For Disclosure

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

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

Caution Regarding Forward-Looking Information

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

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

Forward-looking information is based on estimates and assumptions made by us in light of ISC's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that ISC believes are appropriate and reasonable in the circumstances. There can be no assurance that such estimates and assumptions will prove to be correct. Certain assumptions with respect to our ability to implement our business strategy and compete for business (other than our exclusive service offerings to the Government of Saskatchewan) and market our technology assets and capabilities, our ability to integrate Reamined Systems Inc. ("Reamined") as well as the group of companies operating as UPLevel ("UPLevel") and Regulis S.A. ("Regulis") on terms consistent with our expectations and these businesses performing in a manner consistent with our expectation, 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, 2022, and the Financial Statements, copies of which are available on our website at **www.company.isc.ca** and in the Company's profile 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

In 2022 ISC performed well and slightly ahead of our expectations at the beginning of the year even after adjusting for contributions from the new businesses acquired during the year. The impact of economic tightening due to rising interest rates, which we expected to start to impact our business in the second quarter, was deferred to the last half of 2022, and more specifically, the fourth quarter. As a result, the strength of the business in the first half of the year combined with the contributions from our newly acquired businesses resulted in relatively stable earnings for the year considering the exceptional results experienced in 2021, which were fueled by an influx of dollars from pandemic-related stimulus.

In our Registry Operations business, as anticipated, we saw a return to historical pre-pandemic levels for Saskatchewan Land Registry transactions midway through 2022, as Saskatchewan real estate levels and high-value transactions stabilized from unprecedented activity experienced in 2021. Land Registry transactions are now reflecting normalized and seasonal levels with higher average land values. Registry Operations also benefitted from earnings contributed for the quarter and year-to-date from the new Ontario Property Tax Assessment Services business, Reamined, acquired in June 2022.

Services continued to deliver transaction and customer growth throughout 2022, increasing revenue for the quarter and full year by 9 per cent and 23 per cent respectively. As a result, full-year EBITDA saw growth of 7 per cent when compared to the comparable periods in the prior year. This resulted from a focus on technology advancements, including enhancements to the *Registry Complete* platform and the release of the *Recovery Complete* platform. Our focus on technology along with strong customer service also led to growing our business through existing customers, along with the acquisition and onboarding of new customers. This growth was supplemented by the acquisition of UPLevel in February 2022, adding accounts receivable management to our Recovery Solutions suite of services and a focus on people and technology as we ensure Services remains well positioned to continue to execute on future growth.

While Technology Solutions was most affected by COVID-19, this segment saw an increase in procurement activities in the last two quarters of 2022. However, during the year, we saw delays to active projects resulting in weaker results in 2022 compared to 2021. Our increased focus on working with clients to ensure that projects advance in a more timely manner is expected to yield results in the long term.

Overall, 2022 was another successful year for ISC with increases in revenue, EBITDA and free cash flow along with stable net income.

1.1 Consolidated highlights

2022 CONSOLIDATED RESULTS

Revenue	Net income	Earnings per share, diluted
$189.9M	**$30.8M**	**$1.71**
+12% vs 2021	(4%) vs 2021	(4%) vs 2021

EBITDA[1]	Adjusted EBITDA[1]	Free cash flow[1]	Dividends paid
$60.9M	**$64.4M**	**$45.9M**	**$16.2M**
+1% vs 2021	(5%) vs 2021	+2% vs 2021	+16% vs 2021

[1] EBITDA, adjusted EBITDA 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.

SELECT FINANCIAL INFORMATION

The select annual financial information set out for the years ended December 31, 2022, 2021 and 2020, 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)	**2022**	2021	2020
Revenue	**$ 189,895**	$ 169,379	$ 136,723
Net income	**30,769**	32,078	20,825
EBITDA[1]	**$ 60,930**	$ 60,532	$ 43,392
Adjusted EBITDA[1]	**64,390**	67,815	49,210
EBITDA margin (% of revenue)[1]	**32.1%**	35.7%	31.7%
Adjusted EBITDA margin (% of revenue)[1]	**33.9%**	40.0%	36.0%
Free cash flow[1]	**$ 45,909**	$ 44,800	$ 36,235
Dividend declared per share	**$ 0.92**	$ 0.83	$ 0.80
Earnings per share, basic	**1.75**	1.83	1.19
Earnings per share, diluted	**1.71**	1.78	1.18

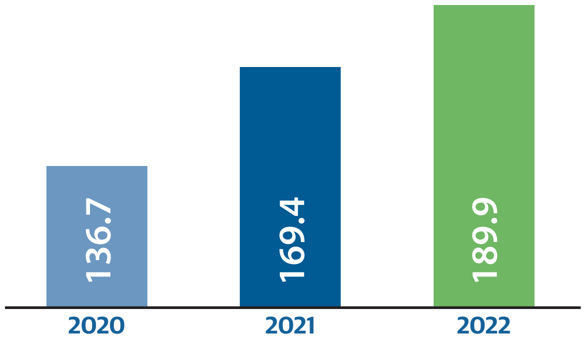
		As at December 31,	
	2022	2021	2020
Total assets	**$ 283,454**	$ 232,498	$ 241,377
Total non-current liabilities	**$ 88,240**	$ 57,888	$ 92,963

[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.

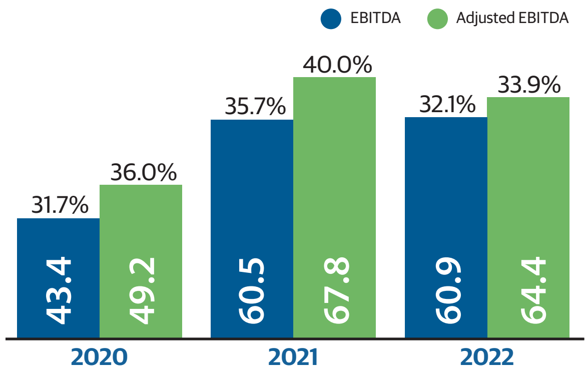
ISC's results over the last three years have been an indication of the resiliency of our business. Despite the challenges that arose due to the COVID-19 pandemic, the Company performed well throughout that time, while seeing a return to more familiar pre-pandemic trends in the second half of 2022. Our overall results for 2022 have demonstrated continued strength in an environment of economic uncertainty, high inflation and rising interest rates. Acquisitions made during the year have continued to diversify our product offerings within our core competencies of registries and registry related services.

- Revenue rose by 12 per cent from $169.4 million in 2021 to $189.9 million in 2022, largely as a result of additional revenue from acquisitions during the year and growth in Services.
  - Registry Operations performed as expected, with record high-value transactions in the Saskatchewan Land Registry in the first two quarters of the year. While we did see transaction levels, including high-value transactions, return to pre-pandemic levels in the Saskatchewan Land Registry in the latter part of the year, the addition of revenue following the acquisition of Reamined in June 2022 had a positive impact.
  - Services revenue also grew in 2022 compared to 2021. This growth was driven by customer and transaction growth as customers transitioned to our *Registry Complete* platform. The addition of new service offerings for our customers, including the new services to *Registry Complete,* also played a key role in the growth for this segment. Further supplementing this growth was the addition of $5.8 million in new revenue contributed from the UPLevel business acquired in February 2022.
- After expenses, which included investments in people and technology intended to help drive our growth, EBITDA was $60.9 million, up 1 per cent compared to 2021 which was $60.5 million.
- Free cash flow increased to a new record of $45.9 million in 2022, up 2 per cent over the previous record set in 2021.

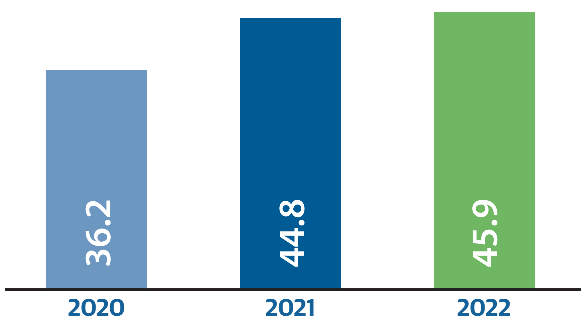
Consolidated Revenue for the year ended December 31,
(CAD millions)



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



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



FOURTH QUARTER CONSOLIDATED HIGHLIGHTS

- **Revenue** was $46.1 million for the quarter, an increase of $1.9 million or 4 per cent compared to the fourth quarter of 2021. This was due to continued transaction and customer growth in Services, specifically in the Corporate Solutions division, along with $1.5 million of revenue contributed from the UPLevel business that was acquired in February 2022. Registry Operations' newest division, Ontario Property Tax Assessment Services, created following the acquisition of Reamined in June 2022, contributed $3.8 million of revenue during the quarter. This was partially offset by lower overall transaction volumes and lower high-value transactions in the Saskatchewan Land Registry following several increases in interest rates during 2022, which has slowed economic activity. The consolidated revenue increase was partially offset by a $1.6 million decline in Technology Solutions third-party revenue during the quarter.
- **Net income** was $3.9 million or $0.22 per basic and diluted share compared to $10.3 million or $0.59 per basic share and $0.57 per diluted share in the fourth quarter of 2021. The reduction of $6.4 million in net income for the quarter can be primarily attributed to a $2.7 million increase in share-based compensation as a result of an increase in the Company's share price year-over-year, a reduction in revenues in the Saskatchewan Land Registry during the quarter of $2.7 million due to a return of transaction volumes to more normalized pre-pandemic levels, and reduced revenue and earnings contributed by Technology Solutions during the quarter.
- **EBITDA** was $10.8 million compared to $17.6 million for the same quarter in 2021, due to an increase of $2.7 million in share-based compensation during the quarter as a result of an increase in the Company's share price during the quarter compared to a decrease during the same period in the prior year, a reduction in revenues from the Saskatchewan Land Registry during the quarter of $2.7 million due to a return of transaction volumes to more normalized pre-pandemic levels, and reduced EBITDA contributed by Technology Solutions of $2.6 million. These reductions were offset by EBITDA in the quarter contributed from acquisitions completed during the year of $1.0 million.

EBITDA margin was 23.4 per cent for the quarter compared to 39.8 per cent in 2021. The change in margin year-over-year was driven by reduced EBITDA resulting from the above noted factors combined with increased Services revenue, which has a lower margin profile.

- **Adjusted EBITDA** was $13.5 million for the quarter compared to $17.2 million in 2021. The decrease related to lower 2022 EBITDA offset by the removal of higher share-based compensation for the quarter when compared to the prior year. As a result, **adjusted EBITDA margin** was 29.3 per cent compared to 38.9 per cent in 2021, with the change coming from the above noted factors reducing adjusted EBITDA accompanied by increased Services revenue at a lower margin.
- **Free cash flow** for the quarter was $7.9 million, a decrease of 43 per cent compared to the fourth quarter of 2021. The decrease for the quarter primarily relates to results of operations that began to experience the effects of economic tightening that occurred throughout 2022 resulting in reduced transaction volumes in the Saskatchewan Land Registry and reduced contributions from Technology Solutions accompanied by increased people and technology costs when compared to the prior year.
- On November 2, 2022, the Board declared a quarterly cash dividend of $0.23 per Class A Limited Voting Share ("Class A Share"), payable on or before January 15, 2023, to shareholders of record as of December 31, 2022.
- On December 20, 2022, the Company, through its wholly owned subsidiary, ISC Atlantic Services Inc., acquired all of the shares of Regulis, the Registrar designate for the International Registry for Railway Rolling Stock, for purchase consideration of $0.6 million (€0.4 million) with up to an additional €1.6 million to be paid in future years as certain criteria are met. The Company has included Regulis within the Corporate segment until the time it commences operations.

YEAR-END CONSOLIDATED HIGHLIGHTS

- **Revenue** was $189.9 million for the year ended December 31, 2022, an increase of 12 per cent compared to 2021. The revenue increase was driven by continued transaction and customer growth in Services, specifically within the Regulatory and Corporate Solutions divisions, combined with $5.8 million contributed by UPLevel since its acquisition in February 2022. Registry Operations' Saskatchewan business experienced a strong first half of the year, as expected, with transaction volumes beginning to trend towards pre-pandemic levels in the second half of the year. Registry Operations revenue was also bolstered by $8.9 million of additional revenue from Ontario Property Tax Assessment Services following the acquisition of Reamined in June 2022.
- **Net income** was $30.8 million or $1.75 per basic share and $1.71 per diluted share compared to $32.1 million or $1.83 per basic share and $1.78 per diluted share in 2021. Current year results are relatively consistent when compared to the record high net income earned in 2021. The decline relates to a reduction in revenue in the Saskatchewan Land Registry during the year of $3.8 million due to a return of transaction volumes to more normalized pre-pandemic levels and reduced revenue and earnings contributed by Technology Solutions during the year. Partially offsetting this decline were earnings from acquisitions made during the year and a $4.5 million decrease in year-over-year share-based compensation due to a reduction in the Company's share price.
- **EBITDA** was $60.9 million compared to $60.5 million in 2021, due to increased revenue in Services and Registry Operations, a reduction in share-based compensation when compared to the prior year due to a reduction in the Company's share price, offset by investments made in people and technology across the business. **EBITDA margin** was 32.1 per cent for the year compared to 35.7 per cent in 2021.
- **Adjusted EBITDA** was $64.4 million compared to $67.8 million in 2021. The decrease relates to lower share-based compensation and an increase in acquisition and integration costs offset by consistent EBITDA. **Adjusted EBITDA margin** was 33.9 per cent compared to 40.0 per cent in the prior year with the change coming from increased Services revenue, specifically in Corporate Solutions, which is a lower margin division of the business, and lower revenue overall in the Saskatchewan Land Registry for the year.
- **Free cash flow** for the year ended December 31, 2022, was $45.9 million, an increase of $1.1 million compared to $44.8 million in 2021. The increase was due to results contributed by both Registry Operations and Services accompanied by additional EBITDA from acquisitions made during the year as well as less capital expenditures.
- On February 14, 2022, the Company's Services segment, through its wholly owned subsidiary ESC, acquired all of the shares of a group of companies operating as UPLevel. The total cash paid related to the acquisition was $9.4 million.
- On June 1, 2022, the Company acquired all of the shares of Reamined, a recognized leader in providing Property Tax Assessment Services in the Province of Ontario, for total cash paid of $45.8 million. Due to its alignment with the Registry Operations segment, Reamined is reported as part of Registry Operations.

1.2 Subsequent events

- On February 27, 2023, the Company announced the appointment of Amber Biemans, K.C., to ISC's Board of Directors by the Province of Saskatchewan, along with the reappointments of Joel Teal and Douglas Emsley, which will take effect immediately following the Company's 2023 annual general meeting.
- On March 14, 2023, the Board declared a quarterly cash dividend of $0.23 per Class A Share, payable on or before April 15, 2023, to shareholders of record as of March 31, 2023.

1.3 Outlook

The following section includes forward-looking information, including statements related to future results, including revenue, net income, EBITDA and adjusted EBITDA, segment performance, the industries in which we operate, economic activity, growth opportunities, investments, completion of projects, ISO 27001 and acquisitions. Refer to "Caution Regarding Forward-Looking Information".

As the world begins to navigate post-pandemic conditions, including a higher interest rate environment, we continue to believe that ISC is positioned for success, given the proven robustness of our business. The Company anticipates revenue consistency in 2023, driven by its two core segments, Registry Operations and Services, through the addition of Ontario Property Tax Assessment Services revenue and the continuing expansion of our Services suite of products and services to existing customers.

The Registry Operations segment is expected to remain a strong free cash flow contributor and a direct beneficiary of any future upswing in economic conditions in Saskatchewan. We will continue to monitor economic conditions, particularly any further increases to interest rates in 2023, which can have a temporary dampening effect on transaction volumes. However, provincial market publications suggest the housing market is changing as consumers adjust to higher lending rates and higher costs of living. Saskatchewan continues to fare better than many other regions in the country, and this is expected to persist in 2023. Based on the data we use to model our own trends and forecasts, we agree with this view. In addition, following the acquisition of Reamined in June 2022, and the addition of Property Tax Assessment Services to our Registry Operations segment, we expect additional, consistent revenue from that division – adding to the segment's overall revenue in 2023.

In Services, we expect to work on new opportunities with our customers and continue our investment in *Registry Complete* and *Recovery Complete* in 2023. With the addition of accounts receivable management complementing asset recovery within our Recovery Solutions suite of services, we have expanded our product offerings in this division to support our customers all the way through to the end of the lending life cycle. With the introduction of *Recovery Complete*, our customers across all our divisions will have access to our entire suite of products and services, improving our revenue potential from our existing customer base. Despite expected changes to the Ontario Business Registry in 2023, we believe Services is sufficiently diversified for any industry, market or economic challenges that might present in 2023. Additionally, our investments in people, technology and new opportunities will further expand and diversify the business.

In Technology Solutions in 2023, we expect to complete and deliver solution implementation projects deferred from 2022. Although active projects decreased during the pandemic, there is refreshed interest in new and deferred projects as customers look to reactivate initiatives paused due to COVID-19. We are optimistic about the current state of our new business pipeline due to the ongoing need to update technology solutions. We are in a unique position to provide solutions that are aligned with our customers' needs.

The key drivers of expenses will continue to be wages and salaries, cost of goods sold, information technology costs, and costs associated with the pursuit of new business opportunities. With current inflationary pressures, we continue to look at the appropriateness of our pricing across the business (except for the Saskatchewan Registries, where pricing is governed by the Master Services Agreement) to maintain margins while remaining competitive. During 2023 and as part of our corporate strategy related to information security, we also expect to complete certification for ISO 27001. This international certification will demonstrate our adherence to controls in the management of information security assets.

With these factors in mind, we expect revenue growth well over 2022 levels between $200.0 million and $205.0 million, net income to be between $27.0 million and $32.0 million, and EBITDA[1] to be between $58.0 million and $63.0 million in 2023. Considering the evolution of the business over the last two years, we believe adding adjusted EBITDA to our guidance metrics will help provide a better understanding about the performance of our business by removing the impact from share-based compensation, acquisition expenses or any other non-recurring costs. In 2023, we expect adjusted EBITDA[1] to be between $65.0 million and $70.0 million.

The diversification of our business remains a key part of our strategy. As such, we will continue to look for efficiencies across the business, drive organic growth in our Services and Technology Solutions segments by winning new business, and explore appropriate acquisition targets that complement or add value to our existing lines of business.

[1] EBITDA and adjusted EBITDA are not recognized as measures under IFRS and do not have standardized meanings prescribed by IFRS and, therefore, 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 historical EBITDA and adjusted EBITDA to net income.

2 Consolidated Financial Analysis

Revenue was up 4 per cent and 12 per cent, respectively, for the three months and year ended December 31, 2022, compared to the same periods in the prior year. For the quarter, net income was down by 62 per cent compared to the same quarter in 2021. This was due to a $2.7 million increase in share-based compensation following an increase in the Company's share price during the quarter compared to a decrease during the prior year quarter, a reduction in revenue in the Saskatchewan Land Registry of $2.7 million due to a return of transaction volumes to more normalized pre-pandemic levels, and reduced net income contributed by Technology Solutions during the quarter.

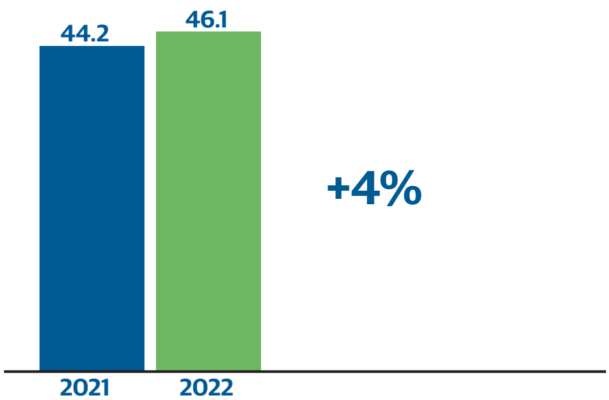
On an annual basis, net income was down 4 per cent compared to the year ended December 31, 2021. The decline relates to a reduction in revenue in the Saskatchewan Land Registry during the year of $3.8 million following a return of transaction volumes to more normalized pre-pandemic levels and reduced revenue and earnings contributed by Technology Solutions during the year. Partially offsetting this decline were net income from acquisitions made during the year and a $4.5 million decrease in year-over-year share-based compensation due to a reduction in the Company's share price.

2.1 Consolidated statements of comprehensive income

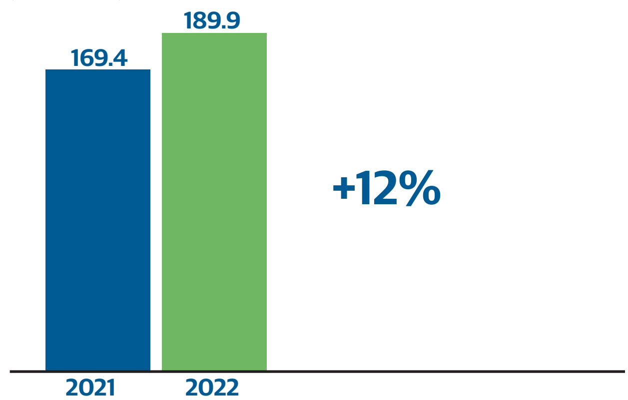
	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2022**	2021	**2022**	2021
Revenue				
Registry Operations	**$ 22,605**	$ 21,076	**$ 91,721**	$ 85,567
Services	**22,441**	20,549	**92,306**	75,165
Technology Solutions	**1,047**	2,613	**5,849**	8,644
Corporate and other	**11**	–	**19**	3
Total revenue	**46,104**	44,238	**189,895**	169,379
Expenses				
Wages and salaries	**15,997**	9,600	**54,267**	48,757
Cost of goods sold	**12,007**	12,331	**49,215**	40,359
Depreciation and amortization	**4,100**	3,153	**14,735**	13,778
Information technology services	**3,205**	2,111	**10,584**	7,992
Occupancy costs	**1,167**	946	**4,003**	3,430
Professional and consulting services	**1,245**	692	**4,988**	3,872
Financial services	**601**	559	**2,669**	3,044
Other	**1,074**	383	**3,239**	1,393
Total expenses	**39,396**	29,775	**143,700**	122,625
Net income before items noted below	**6,708**	14,463	**46,195**	46,754
Finance income (expense)				
Interest income	**269**	42	**463**	140
Interest expense	**(1,307)**	(524)	**(3,640)**	(2,813)
Net finance (expense)	**(1,038)**	(482)	**(3,177)**	(2,673)
Income before tax	**5,670**	13,981	**43,018**	44,081
Income tax expense	**(1,721)**	(3,695)	**(12,249)**	(12,003)
Net income	**3,949**	10,286	**30,769**	32,078
Other comprehensive income (loss)				
Unrealized income (loss) on translation of financial statements of foreign operations	**688**	(269)	**(33)**	(1,048)
Change in fair value of marketable securities, net of tax	**–**	7	**11**	(13)
Other comprehensive income (loss)	**688**	(262)	**(22)**	(1,061)
Total comprehensive income	**$ 4,637**	$ 10,024	**$ 30,747**	$ 31,017

2.2 Consolidated revenue

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



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



(thousands of CAD)	Three Months Ended December 31, 2022	2021	Year Ended December 31, 2022	2021
Registry Operations	**$ 22,605**	$ 21,076	**$ 91,721**	$ 85,567
Services	**22,441**	20,549	**92,306**	75,165
Technology Solutions	**1,047**	2,613	**5,849**	8,644
Corporate and other	**11**	–	**19**	3
Total revenue	**$ 46,104**	$ 44,238	**$ 189,895**	$ 169,379

Total revenue for the quarter increased by $1.9 million compared to the fourth quarter of 2021 due to:

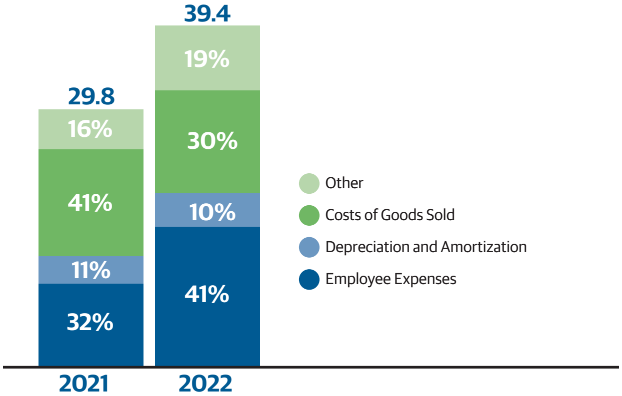
- a full quarter of new Ontario Property Tax Assessment Services revenue in Registry Operations totalling $3.8 million contributed by Reamined (acquired in June 2022), which offset a $2.7 million decline in Saskatchewan Land Registry revenue, following lower activity in the Saskatchewan real estate sector, including a decline in high-value transactions; and
- increased revenue of $1.9 million in Services, as a result of revenue from UPLevel (acquired in February 2022) contributing $1.5 million of this increase accompanied by continued transaction and customer growth in the Segment including Recovery Solutions;
- partially offset by a reduction in Technology Solutions third-party revenue of $1.6 million during the quarter from $2.6 million in the prior year to $1.0 million in the current year as we experienced continued delays in completion of active solution delivery projects.

Total revenue for the year increased by $20.5 million or 12 per cent compared to the prior year, again mainly due to:

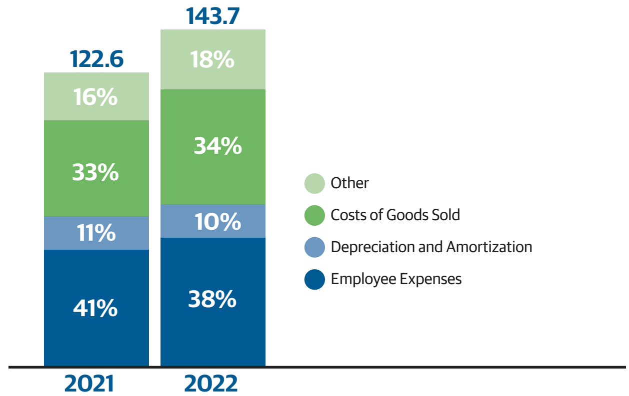
- increased revenue of $6.2 million in Registry Operations, of which $8.9 million relates to Ontario Property Tax Assessment Services revenue following the acquisition of Reamined in June 2022, which offset the $3.8 million decline in Saskatchewan Land Registry revenue for the year due to a cooling of activity in the Saskatchewan real estate sector to pre-pandemic levels following rising interest rates throughout much of 2022;
- increased revenue of $17.1 million in Services resulting primarily from transaction and customer growth in the Regulatory and Corporate Solutions divisions as well as the addition of accounts receivable management to our product suite within our Recovery Solutions business during the current year. Revenue contributed for the year following the acquisition of UPLevel in February 2022 was $5.8 million. Since the fourth quarter of 2021, customers have been transitioning to the *Registry Complete* platform, resulting in additional value-added services made available to these customers. The response from customers continues to be extremely positive. A portion of the increase in the Regulatory and Corporate Solutions divisions for the year was due to this transition, where customer revenue is accounted for on a gross instead of net basis due to additional services being provided. This resulted in an increase in revenue and a corresponding increase in cost of goods sold of $5.4 million with no change in net income or EBITDA; and
- decreased third-party revenue of $2.8 million in Technology Solutions from $8.6 million in the prior year to $5.8 million in the current year as we experienced continued delays in completion of active solution delivery projects and fewer third-party revenue-generating opportunities during the year due to the impact of COVID-19 delaying procurement activities.

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)



Note: Values may not add due to rounding.

(thousands of CAD)	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Year Ended December 31, 2022	Year Ended December 31, 2021
Wages and salaries	**$ 15,997**	$ 9,600	**$ 54,267**	$ 48,757
Cost of goods sold	**12,007**	12,331	**49,215**	40,359
Depreciation and amortization	**4,100**	3,153	**14,735**	13,778
Information technology services	**3,205**	2,111	**10,584**	7,992
Occupancy costs	**1,167**	946	**4,003**	3,430
Professional and consulting services	**1,245**	692	**4,988**	3,872
Financial services	**601**	559	**2,669**	3,044
Other	**1,074**	383	**3,239**	1,393
Total expenses	**$ 39,396**	$ 29,775	**$ 143,700**	$ 122,625

Total expenses were $39.4 million for the fourth quarter, an increase of $9.6 million compared to the same quarter in 2021 and were $143.7 million for the full year compared to $122.6 million in 2021.

The increase in expenses during the quarter when compared to the fourth quarter of 2021 is due to the following:

- additional staff and other related expenses that were added following the acquisitions of UPLevel and Reamined, which contributed $5.2 million in expenses;
- increased investments in people and technology; and
- increase in share-based compensation of $2.7 million compared to the fourth quarter of 2021 related to an increase in share price during the quarter.

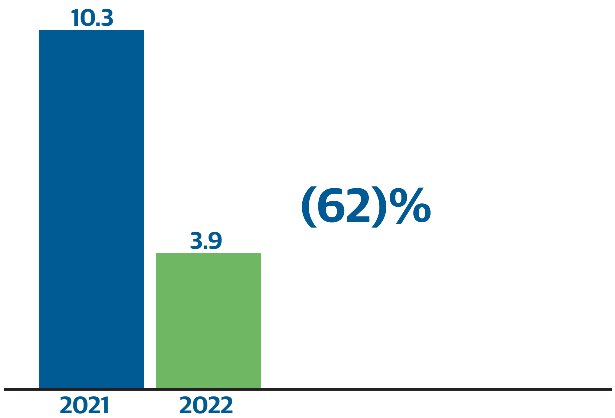
The year-over-year rise in expenses for the year ended December 31, 2022, compared to the prior year was due to:

- increased wages and salaries related to key investments in people and a more competitive wage environment across the organization;
- additional staff and other related expenses that were added following the acquisitions of UPLevel and Reamined, which contributed $14.1 million in expenses; and
- increased cost of goods sold of $8.9 million contributed by transaction and customer growth in Services accompanied by the change in the accounting method for revenue from net to gross as customers transitioned to the *Registry Complete* platform thereby accessing more services of $5.4 million, which had no impact on EBITDA or net income.

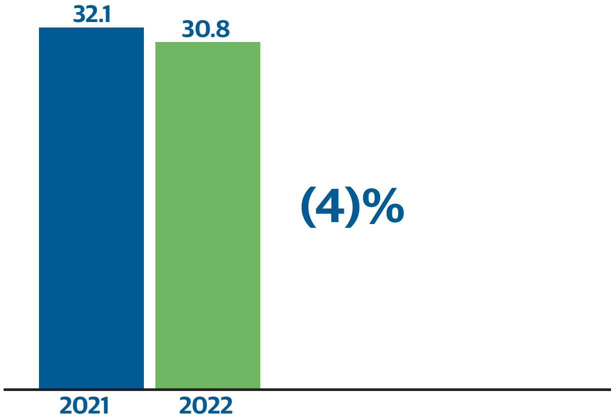
These increases were partially offset by a reduction in share-based compensation for the year of $4.6 million when compared to 2021. The appreciation of the share price in the prior year contributed $6.1 million of expense related to share-based compensation, while the cumulative current year expense was $1.5 million.

2.4 Consolidated net income

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



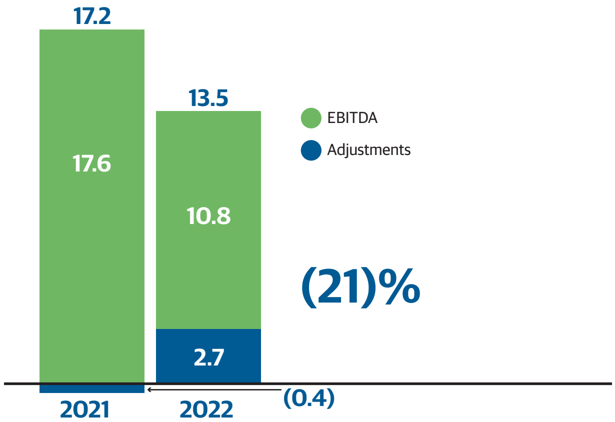
Consolidated Net Income
for the year ended December 31,
(CAD millions)



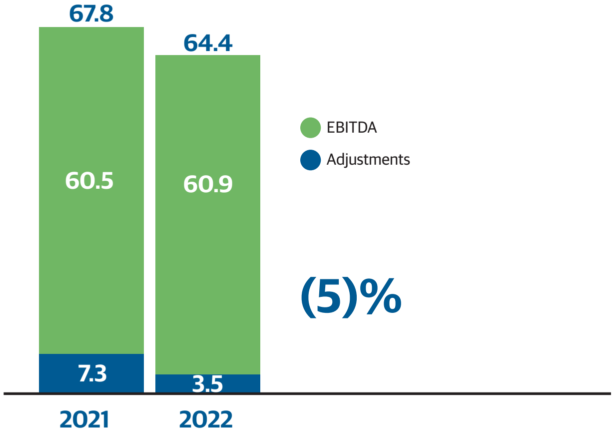
Net income for the quarter was $3.9 million or $0.22 per basic share and diluted share, a decrease compared to $10.3 million or $0.59 per basic share and $0.57 per diluted share in the fourth quarter of 2021. For the full year, net income was $30.8 million or $1.75 per basic share and $1.71 per diluted share compared to $32.1 million or $1.83 per basic share and $1.78 per diluted share in 2021. The decrease for the quarter was due to increased investments in people and technology and increased share-based compensation due to an increase in share price during the quarter. The decrease for the year relates to increased revenue offset by heightened investment in people and technology to prepare the Company for future growth.

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)



(thousands of CAD)	Three Months Ended December 31, 2022	2021	Year Ended December 31, 2022	2021
Net income	**$ 3,949**	$ 10,286	**$ 30,769**	$ 32,078
Depreciation and amortization	**4,100**	3,153	**14,735**	13,778
Net finance expense	**1,038**	482	**3,177**	2,673
Income tax expense	**1,721**	3,695	**12,249**	12,003
EBITDA	**$ 10,808**	$ 17,616	**$ 60,930**	$ 60,532
Adjustments				
Share-based compensation expense	**2,180**	(553)	**1,490**	5,972
Stock option expense (recovery)	**–**	13	**(7)**	88
Acquisition and integration costs	**537**	150	**1,981**	1,225
Gain on disposal of property, plant and equipment assets	**(1)**	(1)	**(4)**	(2)
Adjusted EBITDA	**$ 13,524**	$ 17,225	**$ 64,390**	$ 67,815
EBITDA margin (% of revenue)	**23.4%**	39.8%	**32.1%**	35.7%
Adjusted EBITDA margin (% of revenue)	**29.3%**	38.9%	**33.9%**	40.0%

EBITDA for the quarter was $10.8 million compared to $17.6 million for the fourth quarter in the prior year, primarily due to increased share-based compensation of $2.7 million when compared to the prior year quarter, accompanied by additional investments in people and technology. Adjusted EBITDA decreased to $13.5 million from $17.2 million in the prior year as we began to see a return to pre-pandemic activity levels in the Saskatchewan Land Registry and an impact across the business from the economic tightening that occurred in Canada in 2022.

For the year, EBITDA was $60.9 million compared to $60.5 million in the prior year due to lower results from operations offset by reduced share-based compensation of $4.5 million. Adjusted EBITDA for the year was $64.4 million, down 5 per cent from the comparative $67.8 million in the prior year.

2.6 Consolidated finance costs

Net finance expense was $1.0 million for the quarter, up from the $0.5 million in the prior year due to increased long-term debt of $66.0 million as at December 31, 2022, compared to $41.0 million at the prior year-end. The net increase in long-term debt coupled with increased interest rates in the current year has led to higher finance costs.

For the year, net finance expense was $3.2 million in 2022 compared to $2.7 million in 2021 primarily due to increased interest expenses from our Credit Facility.

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 (2020 – 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:

(thousands of CAD)	Year Ended December 31, 2022	2021
Net income before tax	**$ 43,018**	$ 44,081
Combined statutory income tax rate	**27.0%**	27.0%
Expected income tax expense	**11,615**	11,902
Increase (decrease) in income tax resulting from:		
Non-deductible expenses	**162**	49
Foreign income tax rate differential	**488**	39
Adjustment to prior years' deferred tax assets	**(6)**	(25)
Other	**(10)**	38
Income tax expense	**$ 12,249**	$ 12,003

In assessing the recovery of deferred income tax assets, management considers whether it is probable that the deferred income tax assets will be realized. The recognition and measurement of the current and deferred income tax assets and liabilities involve dealing with uncertainties in the application of complex tax regulations and 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

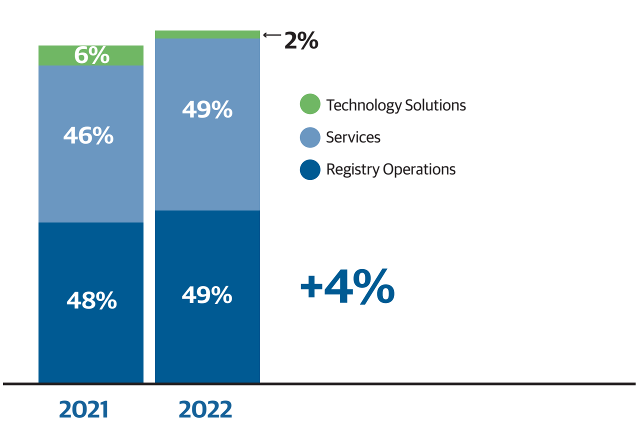
Headquartered in Canada, ISC is a leading provider of registry and information management services for public data and records. Throughout our history, we have delivered value to our customers by providing solutions to manage, secure and administer information.

ISC currently has three operating segments:

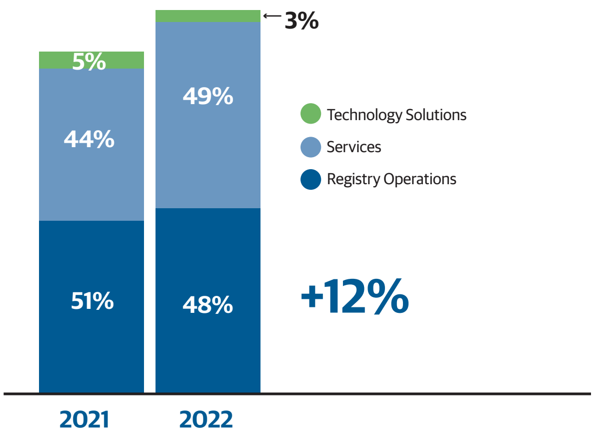
Registry Operations operates registries and provides related services on behalf of governments at various levels.	**Services** delivers value-add services to the financial and legal sectors, utilizing public data and records.	**Technology Solutions** designs, implements and supports registry and regulatory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

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

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

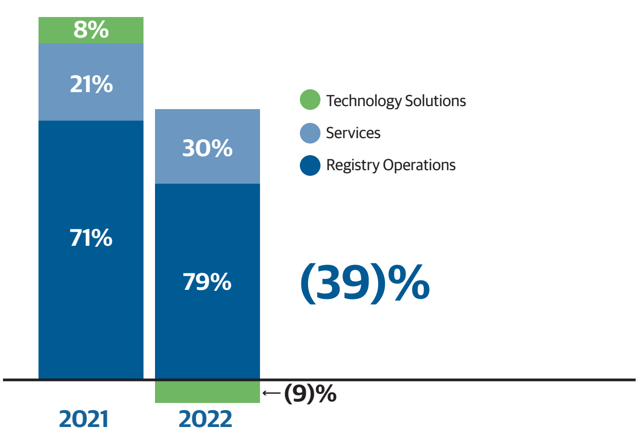


Revenue by Segment[1]
for the year ended December 31,

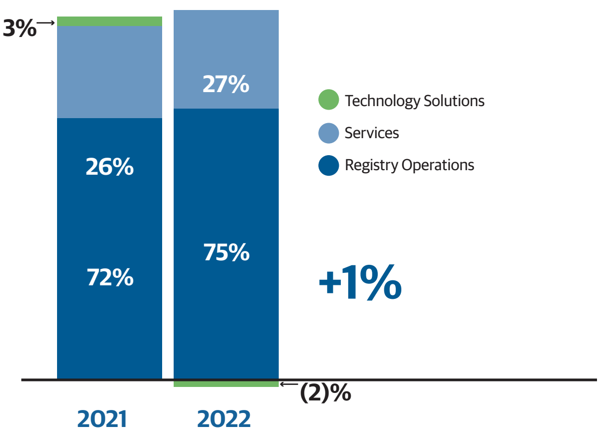


[1] Corporate and other and Inter-segment eliminations are excluded. Values may not add due to rounding.

EBITDA by Segment[1]
for the three months ended December 31,



EBITDA by Segment[1]
for the year ended December 31,



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

3.1 Registry Operations

Our Registry Operations segment delivers registry and information services on behalf of governments and private sector organizations. This segment currently has two major clients with long-term agreements, one agreement with the Province of Saskatchewan and one with the Province of Ontario. We report these contracts as sub-segments known as "Saskatchewan Registries" and "Ontario Property Tax Assessment Services".

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

Saskatchewan Registries

ISC provides services on behalf of the 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, 2022, on our website at **www.company.isc.ca** and in the Company's profile on SEDAR at **www.sedar.com**.

Our Saskatchewan Registries sub-segment experiences moderate seasonality, primarily because Land Titles Registry revenue fluctuates in line with real estate transaction activity in Saskatchewan. Typically, the second and third quarters of the fiscal year generate higher revenue, as that is when real estate activity is traditionally highest; however, the COVID-19 pandemic has disrupted our normal pattern of seasonality. Ontario Property Tax Assessment Services does not experience seasonality, as revenue is spread evenly throughout the year as per the agreement with the Province of Ontario.

Saskatchewan Land Registry

The Saskatchewan Land Registry ("Land Registry") includes the Saskatchewan Land Titles Registry ("Land Titles Registry"), Saskatchewan Land Surveys Directory ("Land Surveys") and Saskatchewan Geomatics services ("Geomatics").

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

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

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

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

Approximately 88 per cent of all Land Titles Registry registration transactions were submitted online in 2022.

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

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

General provincial economic drivers, including vehicle sales, interest rates and the strength of commercial activity across the province, influence 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 Saskatchewan Corporate Registry ("Corporate Registry") is a province-wide system for the registration of business entities, including business corporations, non-profit corporations, co-operatives, sole proprietorships, partnerships and business names.

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

Approximately 94 per cent of all registrations in the Corporate Registry were submitted online in 2022.

Ontario Property Tax Assessment ("OPTA") Services

ISC has an exclusive agreement with the Province of Ontario (the"OPTA Agreement") by which Reamined provides property tax assessment services to over 440 municipalities in Ontario, facilitating the management of property tax rates and distribution.

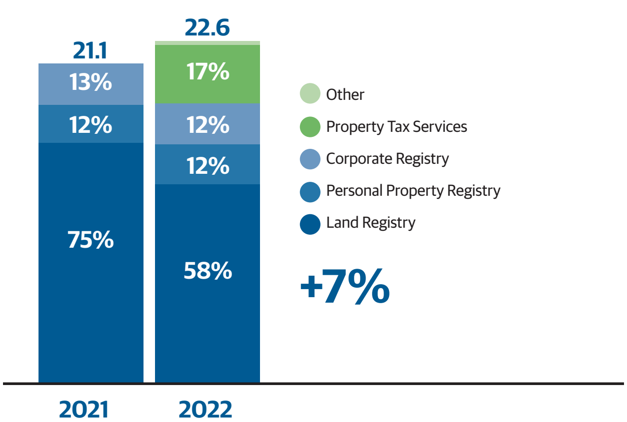
Reamined has provided these services to the Province of Ontario for over 25 years and, on a regular basis, has negotiated and typically renewed up to five-year agreements with the province. These services support critical applications of information used by municipalities to facilitate the determination of property taxes annually.

The total revenue for each year of the agreement is determined at the time of renewal and is paid monthly by the Province of Ontario to Reamined. Should the province request any change orders during the term of the contract, the revenue from any order is based on the scope of work agreed to by the parties and is in addition to regular revenue. OPTA Services does not experience seasonality, as revenue is spread evenly throughout the year as per the agreement with the Province of Ontario.

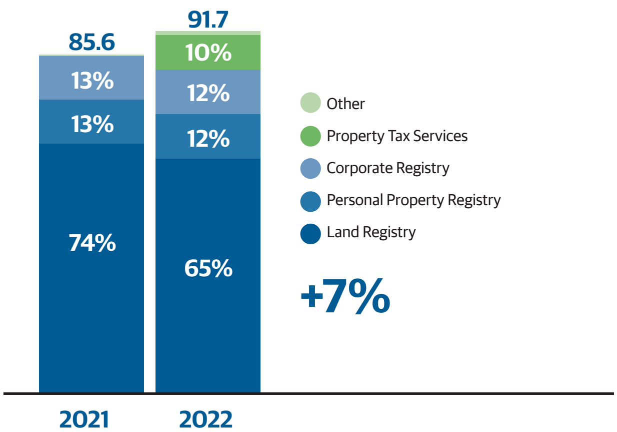
All transactions were submitted online in 2022.

REGISTRY OPERATIONS REVENUE

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



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



Note: Values may not add due to rounding.

(thousands of CAD)	Three Months Ended December 31, **2022**	2021	Year Ended December 31, **2022**	2021
Land Registry	**$ 13,062**	$ 15,742	**$ 59,310**	$ 63,141
Personal Property Registry	**2,699**	2,563	**11,337**	10,993
Corporate Registry	**2,787**	2,771	**11,221**	11,164
Property Tax Assessment Services	**3,814**	–	**8,856**	–
Other	**243**	–	**997**	269
Registry Operations revenue	**$ 22,605**	$ 21,076	**$ 91,721**	$ 85,567

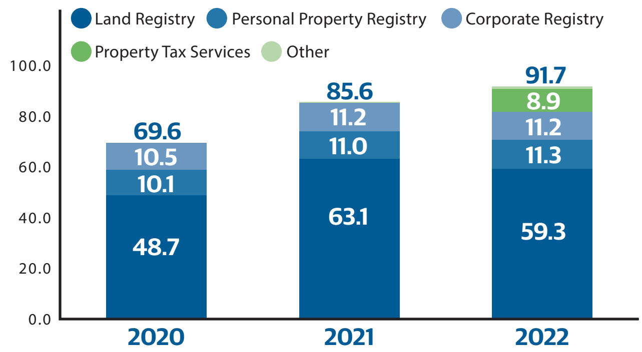
Revenue for Registry Operations was $22.6 million for the quarter, up $1.5 million or 7 per cent compared to $21.1 million in the fourth quarter of 2021. The fourth quarter increase in revenue was due to new revenue following our acquisition of Reamined in June 2022. The fourth quarter decrease in Land Registry revenue was, as expected, due to lower activity in the Saskatchewan real estate sector, as well as a decline in revenue from high-value transactions compared to the prior year quarter.

For the year, revenue for Registry Operations was $91.7 million compared to $85.6 million in the prior year, an increase of 7 per cent or $6.2 million. Land Registry revenue declined, as expected, compared to 2021, while the Corporate and Personal Property Registries experienced modest increases compared to the same period in the prior year. Similar to last quarter, this net decrease was offset by the addition of new revenue from Reamined of $8.9 million.

The Government of Saskatchewan commissioned ISC to prepare for certain updates to the Corporate Registry to support upcoming changes to legislation. This project is accounted for in the Other category and is expected to be completed in early 2023.

The top five customers for Registry Operations made up nearly 26 per cent of the total segment revenue year-to-date. Of those customers, no single customer accounted for more than 10 per cent of total Registry Operations revenue.

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



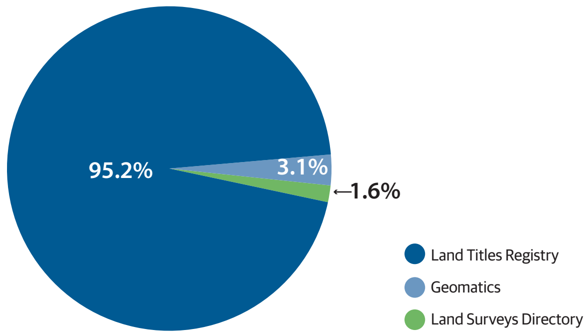
Note: Values may not add due to rounding.

Saskatchewan Land Registry

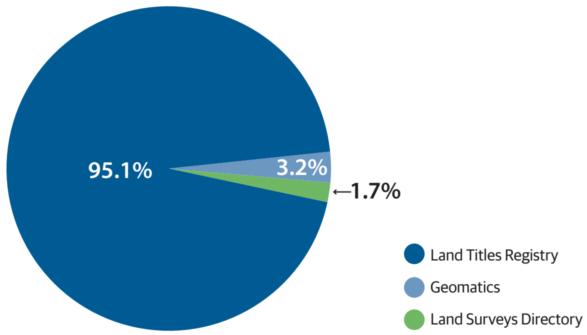
For the fourth quarter of 2022, revenue for the Land Registry was $13.1 million, down by $2.7 million or 17 per cent compared to the same period in 2021. This was due to a decline in the Land Titles Registry revenue, mainly due to reduced activity in the real estate sector, including a decline in high-value transactions, when compared to the same period in 2021.

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 $12.4 million, a decline of $2.6 million or 18 per cent compared to the record fourth quarter in 2021. The decline was due to lower Land Titles Registry transaction volume, which decreased by 15 per cent in the fourth quarter, and lower high-value property registration revenue, which fell by 36 per cent.

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

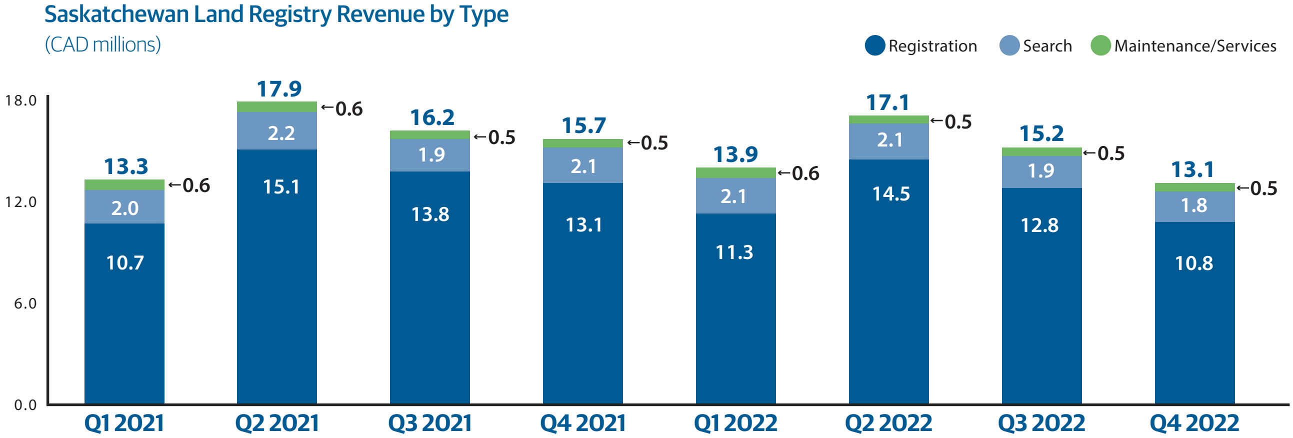


Saskatchewan Land Registry Revenue, for the year ended December 31, 2021

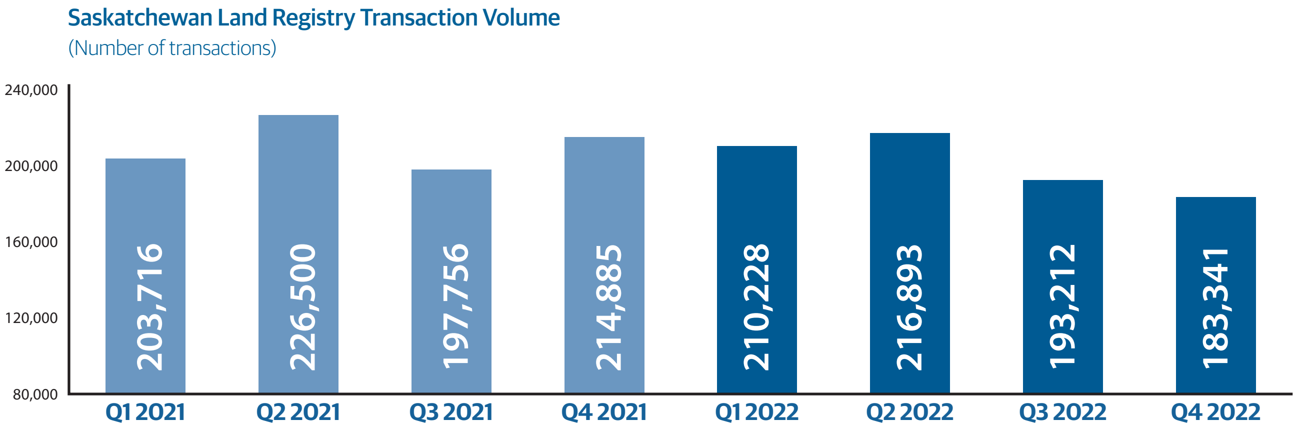


Note: Values may not add due to rounding.

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. For more information on seasonality, refer to section 4 "Summary of Consolidated Quarterly Results".



Note: Values may not add due to rounding.

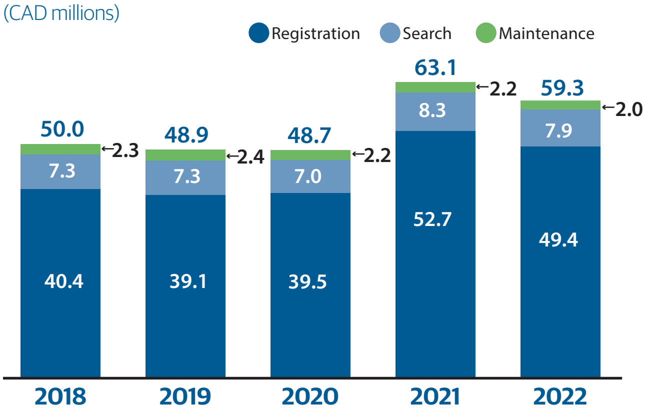


Revenue-generating transactions in the Land Titles Registry contracted by 15 per cent for the fourth quarter of 2022 when compared to a very strong fourth quarter in 2021, including a decline in the volume of title searches compared to the same period in 2021. Title searches make up the largest component of transaction volume, comprising 75 per cent of the volume for the registry during the quarter. Regular land transfers and mortgage registrations volume also declined during the period, dropping by 17 per cent and 25 per cent, respectively, when compared to a stronger fourth quarter of 2021.

For the full year, Land Registry revenue was $59.3 million in 2022, a decline of 6 per cent or $3.8 million compared to the $63.1 million recorded in 2021, mostly due to decreased activity in the real estate sector during the second half of 2022. Of that, Land Titles Registry revenue was $56.5 million, down 6 per cent compared to $60.1 million in 2021. This was mainly due to volume declines in regular land transfers and mortgage registration volume, which ended the year lower, down 12 per cent and 16 per cent, respectively. Title search volume also ended the year lower, down 4 per cent. As a result, overall transaction volumes dropped 4 per cent when compared to 2021. The decline in volume for the year was partially offset by an increase in the average land values for regular land transfers in 2022. It is, however, important to note that 2021 was an unusual year and consideration should be given to that when comparing 2022's results for the Land Registry to the prior year.

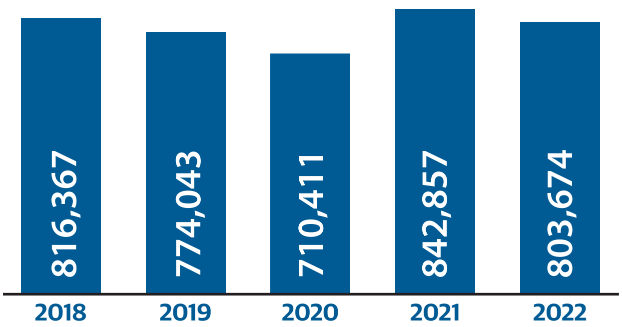
The following graphs present Land Registry results over the past five years to highlight historical trends, which includes the impact of the pandemic in 2020, the subsequent unusual performance in 2021 and the start of a return to normal, pre-pandemic conditions in the second half of 2022.

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



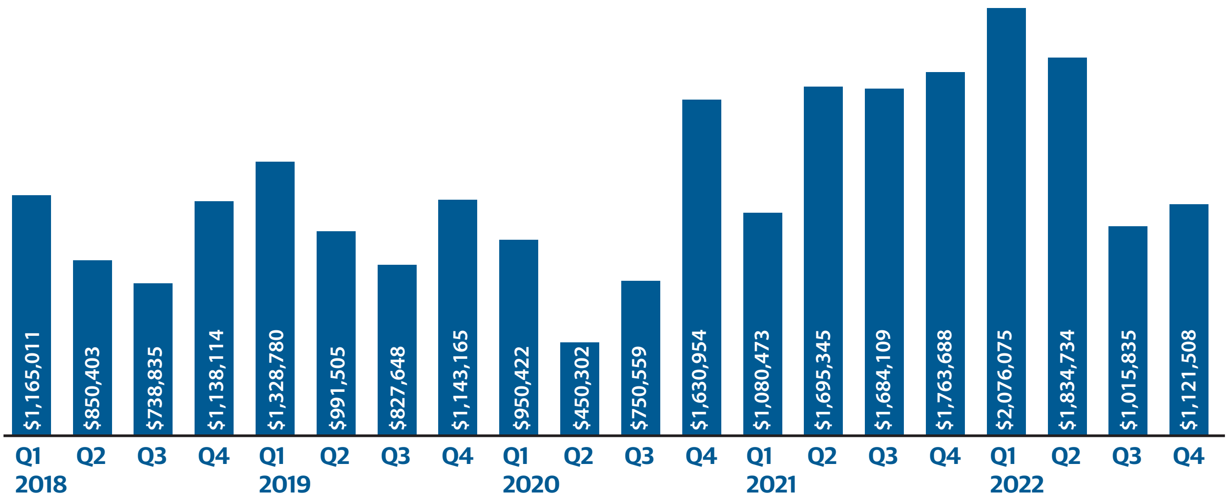
Note: Values may not add due to rounding.

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



High-value property registration revenue declined to $1.1 million during the last quarter of 2022, compared to $1.8 million in the fourth quarter of 2021. Each high-value registration generates revenue of $10,000 or more and is typically seen in both commercial and larger agricultural transactions. The graph below shows the last 20 quarters of high-value transaction revenue. As illustrated below, revenue from these transactions dropped during the last two quarters, coming down from the elevated levels we had experienced over the prior five quarters, but remained near historical averages. This is in keeping with our expectations of a return to pre-pandemic transaction levels.

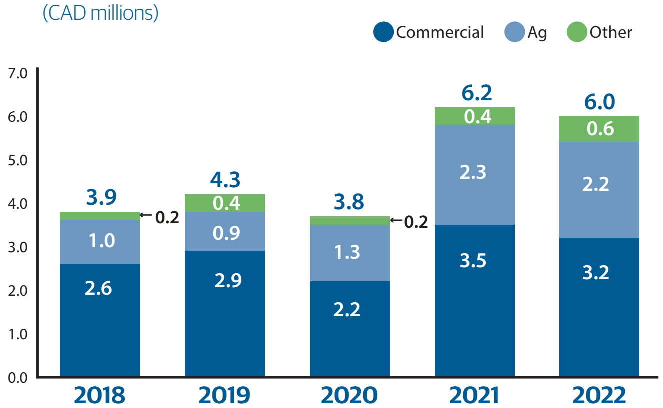
Saskatchewan Land Titles Registry - High Value Transaction Revenue
(CAD)



Annual high-value property registration revenue was $6.0 million in 2022, the second-best year on record following 2021's record-setting $6.2 million. The first half of 2022 saw records in both the first and second quarters, while the second half of the year saw revenue from these transactions return closer to historical pre-pandemic norms. The following graph presents the split of high-value transactions over the past five years between commercial, agricultural and other.

The main customers of the Land Registry include law firms, financial institutions, governments, surveyors, developers and resource companies as well as the general public. For 2022, the top 20 Land Registry customers encompassed just under 42 per cent of the revenue, and the top 100 Land Titles Registry customers made up about 78 per cent of revenue.

Saskatchewan Land Titles Registry – High Value Transaction Revenue
(CAD millions)



Note: Values may not add due to rounding.

Saskatchewan Personal Property Registry

For the fourth quarter of 2022, revenue for the Personal Property Registry was $2.7 million, up $0.1 million or 5 per cent compared to $2.6 million from the same quarter in 2021. Overall volume was down 1 per cent during the period when compared to the same period of 2021. Revenue grew at a faster pace as a result of Saskatchewan CPI pricing adjustments that were implemented in July 2022.

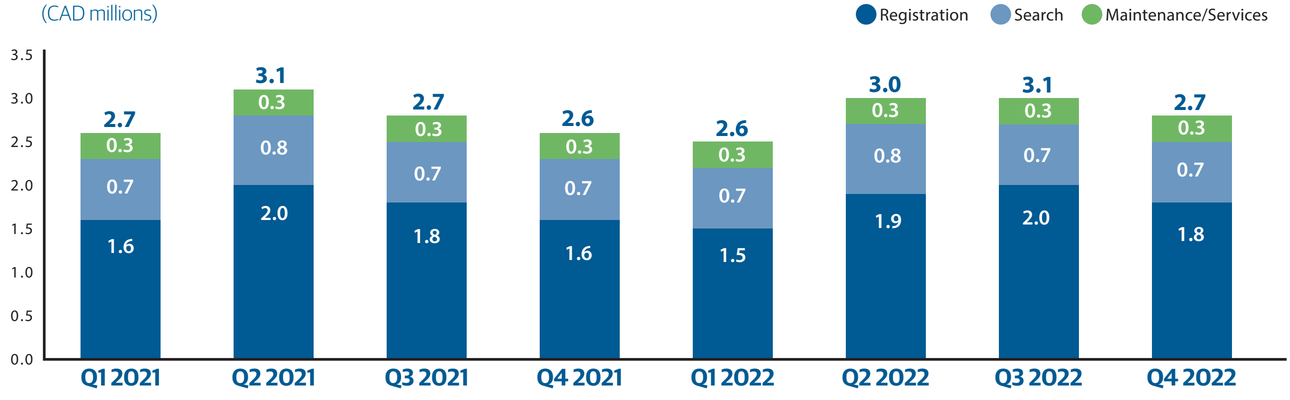
Supply chain challenges, especially semiconductor shortages, had a negative impact on new motor vehicle supply and sales throughout Canada in 2022. Saskatchewan was not immune to this trend with sales in the province below historical averages, particularly early in the year. However, Saskatchewan has outperformed the national trend in more recent months. The stronger new motor vehicle market has been a factor driving registration volume to rise by 3 per cent during the last quarter of 2022 when compared to the same period in the prior year. Accordingly, registration revenue saw an increase in the fourth quarter, up by 10 per cent compared to 2021. Registration revenue grew at a greater rate than volume due to pricing changes, despite average term-length for registrations dropping slightly when compared to the same quarter in 2021.

Search volume, which represented 63 per cent of the volume for the registry this quarter, decreased by 3 per cent during the quarter when compared to the same period in the prior year. As a result, search revenue also contracted by 3 per cent for the fourth quarter of 2022 compared to the same quarter in 2021.

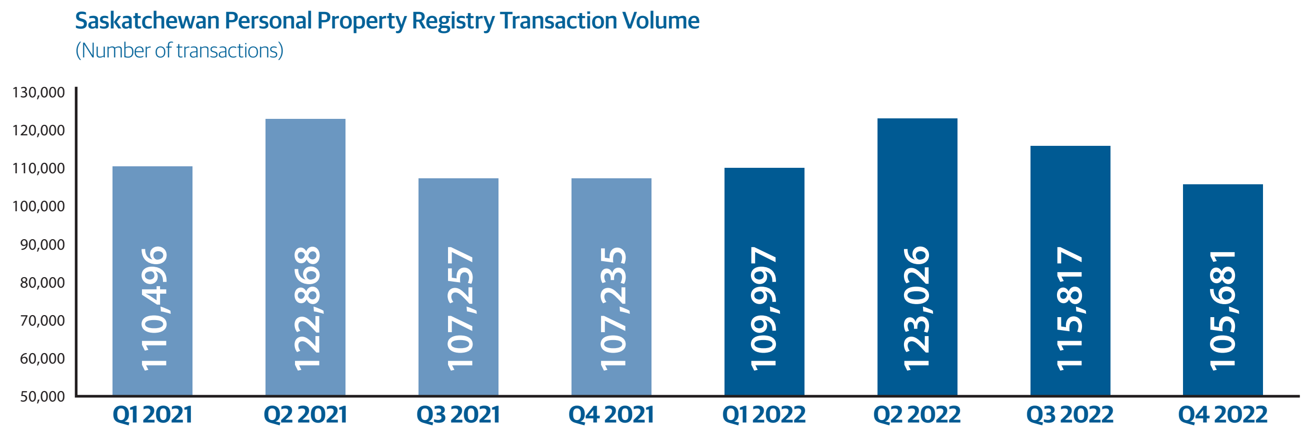
Maintenance revenue was flat in the fourth quarter while volume was flat compared to the same period in the prior year. This was due to a decline in average term-length for renewals of personal property security registrations during the quarter.

The pattern of seasonality for this registry typically has higher revenue during the second and third quarter each year, illustrated by the graph below.

Saskatchewan Personal Property Registry Revenue by Type
(CAD millions)



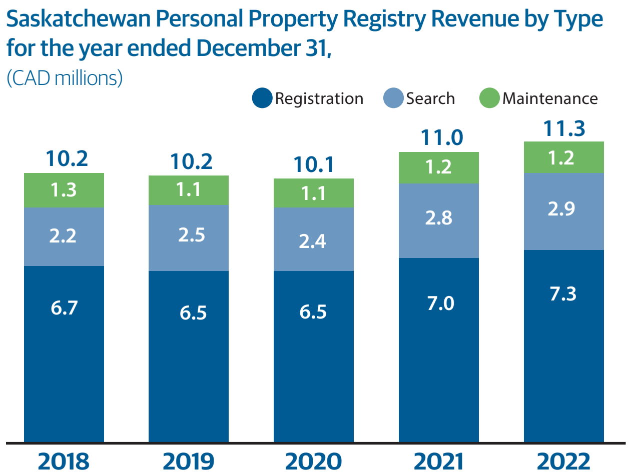
Note: Values may not add due to rounding.



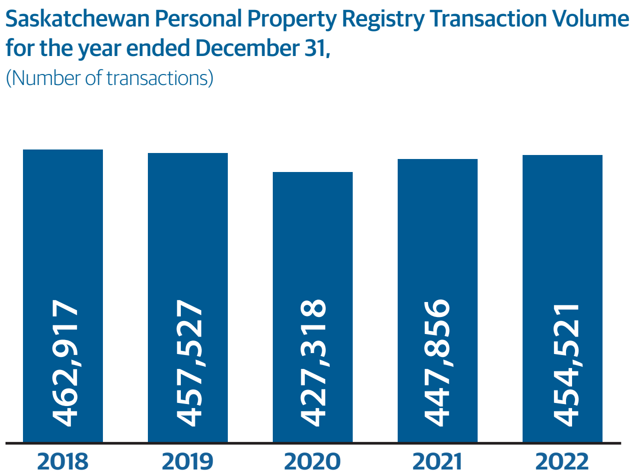
Annual revenue for the Personal Property Registry was $11.3 million in 2022, an increase of $0.3 million or 3 per cent compared to 2021. Overall volume for 2022 increased by 1 per cent compared to the prior year largely driven by search activity, which rose by 2 per cent. Registration volume experienced a modest increase of under 1 per cent in 2022 resulting from personal property security registration setup volume growing by 1 per cent in 2022 when compared to 2021. Maintenance volume was flat compared to the prior year.

Pricing changes made in July 2022 resulted in a higher revenue growth rate than volume growth rate in 2022. Registration, search and maintenance revenue rose by 4 per cent, 2 per cent and 1 per cent, respectively. Average term-length for both personal property security registration setups and renewals saw a modest decrease in 2022 when compared to 2021.

The following tables present Personal Property Registry results over the past five years showing further trends, and the reduction in revenue and volume that COVID-19 contributed to in 2020. It also illustrates the recovery of volume during 2021 and 2022, despite volumes having been affected by supply chain issues impacting the availability of new vehicles during these years.



Note: Values may not add due to rounding.



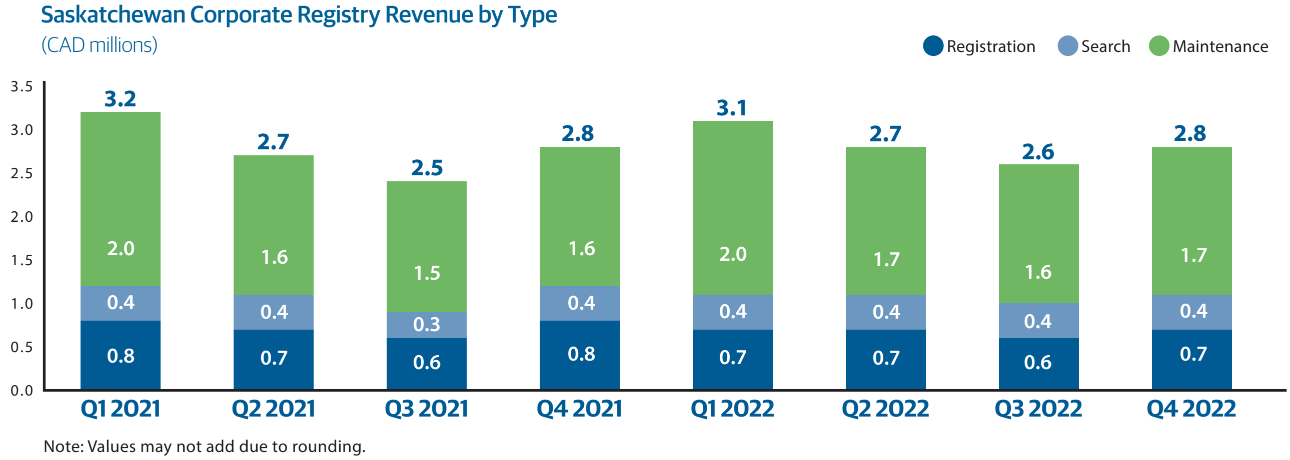
Customers of the Personal Property Registry are primarily in the financial sector but also include law firms. The top 20 Personal Property Registry customers accounted for about 84 per cent of the revenue in 2022, while the top 100 produced 95 per cent of the revenue.

Saskatchewan Corporate Registry

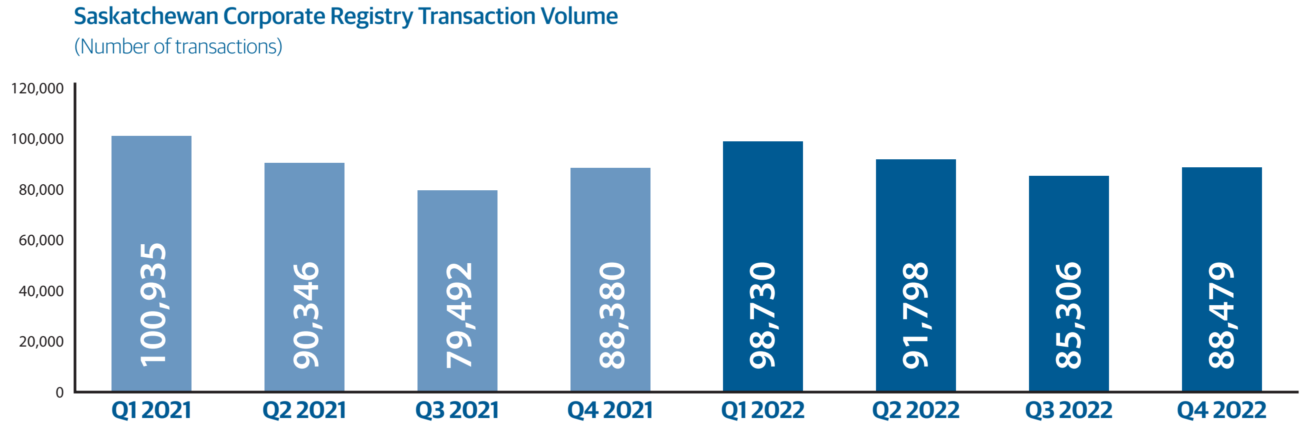
Revenue for the Corporate Registry for the fourth quarter of 2022 was $2.8 million, essentially flat compared to the same period in 2021.

Registration revenue declined by 6 per cent compared to the same period in 2021 as a result of lower levels of new entity creation in the registry. Search revenue was flat for the fourth quarter. Maintenance revenue, the largest of the three revenue streams, was up 4 per cent, due to annual returns and renewals, which saw increases when compared to 2021, as well as a higher volume of entity amendments processed in the quarter.

The following graph illustrates the Corporate Registry revenue by type of transaction. Quarterly revenue in this registry continues to mirror the usual pattern of seasonality, as seen below.



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



Transaction volumes for the fourth quarter were flat when compared to the same period in the prior year. The largest component of volume, search transactions, was flat compared to the fourth quarter of 2021. Registration volume fell by 5 per cent, while maintenance volume rose by 2 per cent compared to the same period in 2021.

For the full year, revenue for the Corporate Registry in 2022 was $11.2 million, flat when compared with 2021. During 2022, registration revenue fell by 5 per cent when compared to 2021. More specifically, 2022 revenue from the incorporation and registration of new business entities dropped 4 per cent and drove registration revenue decline. This was offset by increases in search and maintenance revenue, up by 2 per cent and 3 per cent, respectively, when compared to 2021. Revenue from the filing of annual returns and renewals was up over 1 per cent for the year, which impacts maintenance revenue.

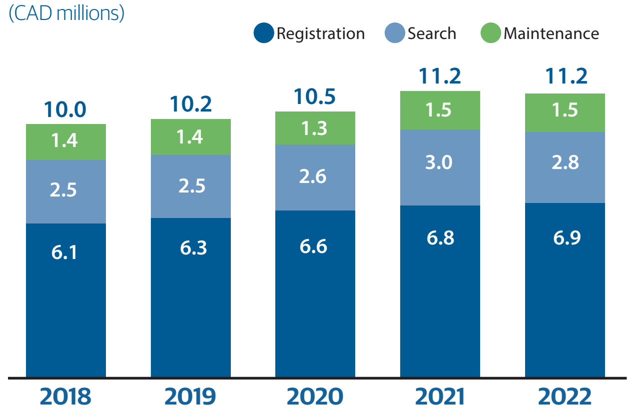
Annual transaction volume for 2022 rose by over 1 per cent compared to 2021. While registration volume dropped 7 per cent for the year, this was offset by search and maintenance volume growth of 3 per cent and 1 per cent, respectively, compared to the prior year.

The following graphs present Corporate Registry results over the past five years illustrating further trends.

As of December 31, 2022, there were 79,007 active Saskatchewan Business Corporations registered with the Corporate Registry compared to 77,329 as of December 31, 2021.

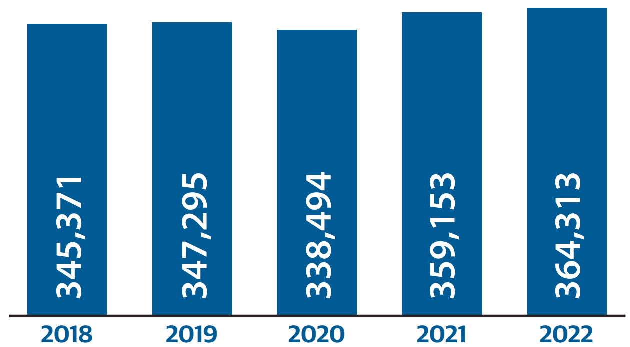
For the Corporate Registry, customers include law firms and companies in the financial sector, as well as the Government of Saskatchewan. They also include corporations, non-profit corporations, co-operatives and sole proprietorships that are, were or will be registered in the Corporate Registry. The top 20 Corporate Registry customers generated approximately 33 per cent of revenue for all of 2022 and the top 100 customers produced approximately 51 per cent of revenue.

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)

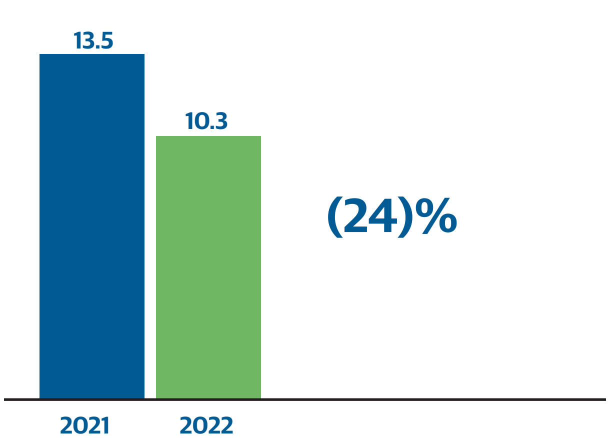


Ontario Property Tax Assessment Services

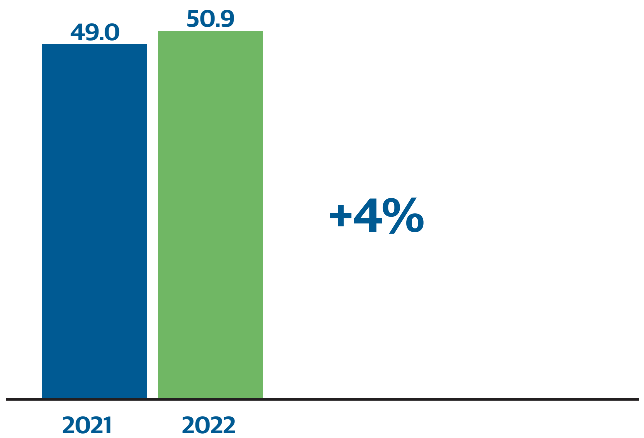
Revenue for OPTA Services in the fourth quarter was $3.8 million. Year-to-date revenue since the acquisition of Reamined in June 2022 was $8.9 million. The total revenue for each year of the agreement with the Province of Ontario is determined at the time of renewal and is paid monthly by the province to Reamined. Should the province request any change orders during the term of the contract, the revenue from any change order is based on the scope of work agreed to by the parties and is in addition to regular revenue.

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)	Three Months Ended December 31, **2022**	2021	Year Ended December 31, **2022**	2021
Revenue	**$ 22,605**	$ 21,076	**$ 91,721**	$ 85,567
Total expenses[1]	**12,346**	7,572	**40,828**	36,585
EBITDA	**$ 10,259**	$ 13,504	**$ 50,893**	$ 48,982

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

EBITDA for Registry Operations for the fourth quarter was $10.3 million, down 24 per cent compared to the same period in the prior year and was $50.9 million for the full year, an increase of 4 per cent compared to $49.0 million in 2021.

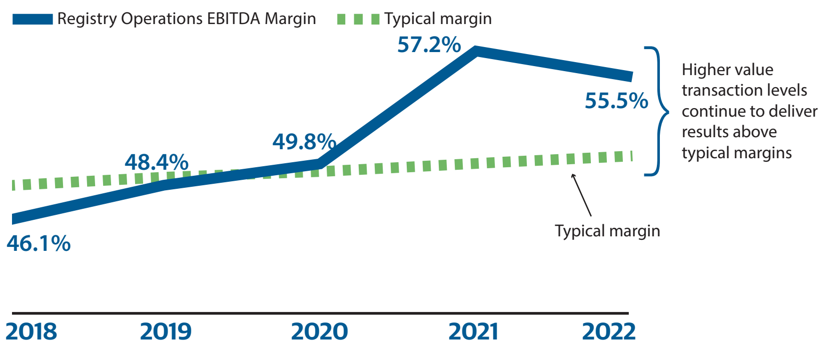
The increase in expenses in the fourth quarter of 2022, resulted from an increase in corporate allocations of $2.3 million during the quarter primarily related to share-based compensation resulting from an increase in the Company's share price and the addition of Reamined expenses of $2.2 million.

EBITDA for the quarter declined due to a reduction in revenue from the Land Registry as Land Registry transaction volumes and high-value transactions trended more towards historical pre-pandemic levels following two years of historically high levels. Added to this was an increase in corporate allocations offset by EBITDA contributed by Reamined of $1.6 million for the quarter. Registry Operations continued to manage expenses for its Saskatchewan operations where costs remained flat year-over-year.

For the year, EBITDA has increased due to contributions from the new Ontario Property Tax Assessment Services offering acquired through the Reamined acquisition of $4.1 million, supplemented by a reduction in share-based compensation due to a decline in the Company's share price during the year compared to an increase in share price during the prior year. These increases have been partially offset by a reduction in Land Registry revenue as Saskatchewan real estate activity began to trend towards historical pre-pandemic levels in the last half of 2022.

Registry Operations EBITDA, which continues to be above historical levels, remains a major contributor to consolidated EBITDA. This is due to a combination of a robust Saskatchewan real estate market leading to higher transaction values, increased high-value transactions in the first two quarters of 2022 and slightly higher transaction volumes in the Land Registry over the past two years combined with the acquisition of Reamined in June 2022. While we expect to see continued strength in Registry Operations' EBITDA margin, we anticipate it to continue to trend closer to historical pre-pandemic levels in the future.

Registry Operations EBITDA Margin
for the year ended December 31,



3.2 Services

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

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 the Services segment.

Category	Offering	Software	Products
Corporate Solutions	Incorporation Services	*Registry Complete*	Nationwide Business Name Registration and Renewals Security Filings and Registrations
	Corporate Supplies	*Registry Complete* Custom in-house	Minute Books Seals and Stamps Corporate Legal Packages
Regulatory Solutions	Know-Your-Customer ("KYC") and Due Diligence	*Registry Complete* SIDni®, AttestaNet® LEV®	Individual Identification Legal Entity Validation Beneficial Ownership Validation Account Onboarding Services US & International Corporate Entity Validation Corporate Profile or Business Name Searches NUANS[1] Searches Real Estate Searches Vital Statistics Searches
	Collateral Management	*Registry Complete*	PPSA[2] /RDPRM[3] Search and Registrations Bank Act Filing Notice of Security Interest (Fixture) Registrations US UCC[4] Search and Filings
Recovery Solutions	Asset Recovery	Repo>>Connect *Recovery Complete*	Fully managed service across Canada Identification, retrieval and disposition of movable assets
	Accounts Receivable Management	FACS[5] DRS[6]	Early-stage collection activities Late-stage collection activities

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

[5] Flexible Automated Collections System.

[6] Debt Recovery System.

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

- Corporate Solutions provides a convenient, cost-effective method to incorporate businesses online or through our staff-assisted process. Leveraging our online technology platforms, Corporate Solutions services legal customers and the general public through a team of experienced law clerks in Ontario and Quebec.
- Currently, the Company holds one of the two exclusive licences, which allows us to access the Ontario Corporate Registry electronically on behalf of customers. Ontario has been transitioning to a new licensing model and launched the first phase of its new public portal on October 19, 2021. The Company expects to continue to hold one of the two exclusive licences until Ontario begins to roll out the partner portal (which may begin in the first half of 2023). We believe that our strong customer service supported by the industry leading *Registry Complete* platform will allow us to differentiate our service from the public portal. The Company also has non-exclusive licences to do the same in all other provincial and federal (Corporations Canada) corporate registries across Canada.
- In addition to incorporations, various other corporate filings are often required to operate a business. These items include amendments to a company's governing articles, amalgamations, the continuance of a company, a change in registered address or changes to a board of directors. Corporate Solutions also provides online and real-time NUANS® and business name searches, registered agents of service and corporate document preparation to assist in the organization and maintenance of a business.

Corporate Supplies

- Corporate Solutions provides a comprehensive array of corporate supplies to help companies organize and maintain their corporate legal documents. This is primarily 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. The Company uses its proprietary platform to assist customers with intuitive business rules and advanced automation to deliver regulatory services to support their credit/banking and legal processes. Public registry data is leveraged to provide insights and improved customer experience through a single technology. All our technology is supplemented with deep subject-matter knowledge offered through our legal professionals in three locations (Montreal, Que.; Toronto, Ont.; and Vernon, B.C.).

Our newest technology platform, *Registry Complete*, is 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 customer 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 ("KYC") and Due Diligence

- Regulatory Solutions supports 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. Customers can obtain numerous reports and intelligence to verify and authenticate customer data to comply with their internal customer onboarding policies mandated by FINTRAC[1]/Anti-Money Laundering regulations. Using a web-based tool and associated APIs that provide real-time access to validate and verify an individual's or a business' existence, our KYC service aggregate information from multiple trusted sources to provide reliable and accurate identification of an individual and/or a business and its principals.
- Our public records search offerings include corporate profiles, business name searches, NUANS®, PPSA searches, security searches and real estate searches.
- Due diligence is an essential component of most merger and acquisition and financing transactions, where searches are performed to obtain a complete understanding of all legal obligations associated with a person or business. During a due diligence undertaking, law firms, lenders and/or other professional advisors will often order a series of public records searches to verify third-party information. These searches are commonly referred to as security (or securities) searches.
- Regulatory Solutions provides security searches that can be conducted against an individual, business or corporation, property and assets across the country. Searches will reveal both present and historical information relating to debts and liabilities, pending and potential lawsuits, bankruptcy, liens, judgments, and sales of assets across Canada.
- Regulatory Solutions also provides account onboarding services, which has expanded to include customer care following the acquisition of UPLevel.

Collateral Management

- To ensure or to perfect a security interest against the personal property of a debtor, secured parties need to register in the statutory registry under 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

[1] Financial Transactions and Reports Analysis Centre of Canada

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.

- Regulatory Solutions services the adjudication and completes the loan fulfilment process, which involves detailed searches and registrations to be completed to perfect the security interest. The Company has invested in technology, processes and innovation to ensure customer and industry digitization strategies are supported. This allows us to offer a complete lien registry solution that reaches further than the traditional registry submission services and includes PPSA/RDPRM searches and management, fixture filings, garage/repair liens and US UCC filings.

Recovery Solutions

Recovery Solutions offers a fully managed asset recovery service accompanied by accounts receivable management services for our customers. Recovery Solutions allows us to offer our customers a complete solution in the credit life cycle, from origination to recovery. By connecting the registrations from our other offerings to our Recovery Solutions offering, our customers can leverage our lien registry services platform to optimize an early-stage portfolio assessment to validate the borrower's identity and ensure that their security on the asset in their portfolio is perfected.

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

Asset Recovery

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

Accounts Receivable Management

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

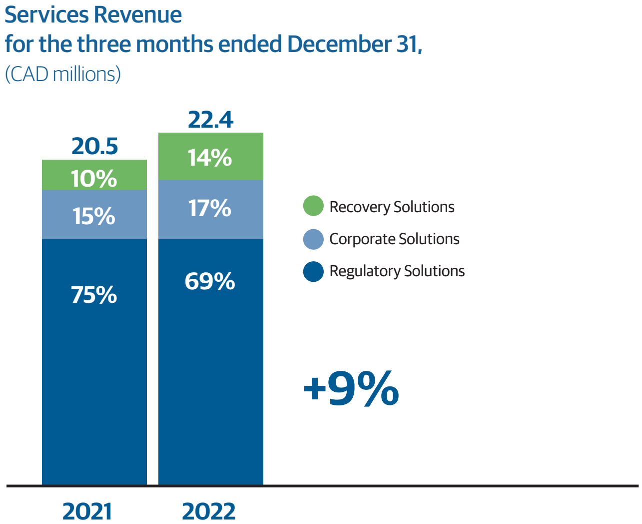
Revenue

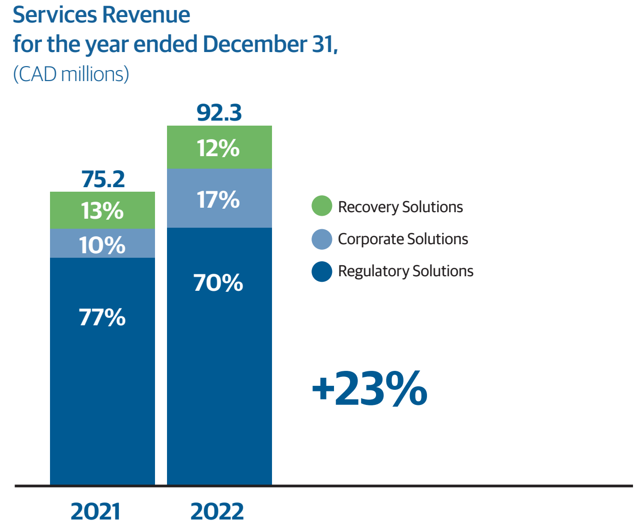
Revenue is earned through transaction fees for search and registration services provided through incorporation, KYC, public records and due diligence, and collateral management services. All government fees associated with the service are either embedded in the transaction or management service fee or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

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

Our revenue in Corporate Solutions and Regulatory Solutions is reasonably diversified and has little seasonality; instead, it fluctuates in line with general economic drivers. In particular, our collateral management services 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 counter-cyclical to our other business in that it can perform better in poor economic conditions.

SERVICES REVENUE





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

	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2022**	2021	**2022**	2021
Regulatory Solutions	**$ 15,410**	$ 15,485	**$ 65,863**	$ 58,263
Recovery Solutions	**3,061**	1,953	**10,923**	9,516
Corporate Solutions	**3,725**	3,111	**15,275**	7,386
Internal related parties and other	**245**	–	**245**	–
Services revenue	**$ 22,441**	$ 20,549	**$ 92,306**	$ 75,165

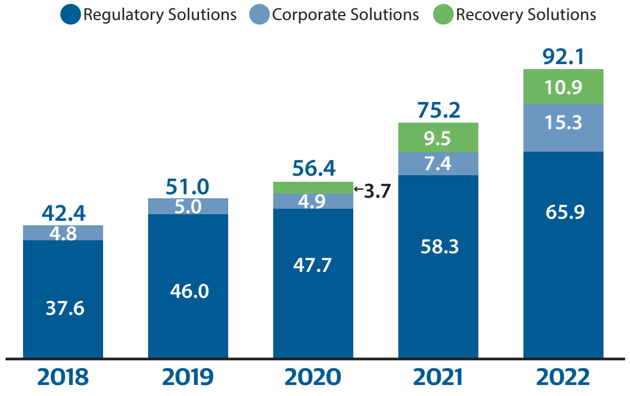
Revenue for Services was $22.4 million for the fourth quarter of 2022, an increase of 9 per cent, or $1.9 million compared to the same period in 2021, with increases in both the Corporate Solutions and Recovery Solutions divisions. The rise in Corporate Solutions revenue resulted from continued transaction and customer growth as customers find value in the *Registry Complete* platform. Recovery Solutions saw growth due to increased assignments from asset recovery customers as well as new accounts receivable management revenue following the acquisition of UPLevel in February 2022. Total revenue contributed for the quarter by UPLevel to Regulatory Solutions and Recovery Solutions totalled $1.2 million.

On an annual basis, 2022 saw revenue rise by 23 per cent or $17.1 million to $92.3 million compared to the prior year's result of $75.2 million. During the year, the Regulatory and Corporate Solution divisions continued to drive transaction growth, new customer acquisitions and enhanced uptake of new services by existing customers. During 2022, customers have continued to transition from our legacy platform to our leading *Registry Complete* platform resulting in these customers being able to access additional value-added services. The response from customers continues to be extremely positive and has led to an increase in revenue. Recovery Solutions has also experienced growth year-to-date due to additional revenue from UPLevel's accounts receivable management business. The accounts receivable management service offering synergizes with our asset recovery services to provide our customers with a full end-to-end recovery solution, and we continue to invest in further integration technologies to optimize the Recovery Solutions service offering. Total revenue contributed by UPLevel during the year in both Regulatory and Recovery Solutions totalled $5.6 million. In addition, during the year, the Company has reviewed its fee structure for all users including casual users and is making appropriate adjustments as contracts are renewed to offset inflationary costs.

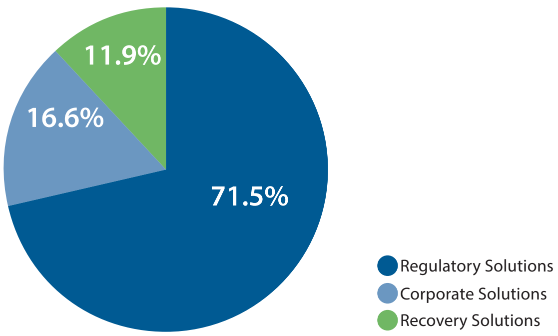
A portion of the year-over-year increase in revenue in Regulatory Solutions and Corporate Solutions relates to changes in the accounting method for revenue from net to gross as customers were transitioned to *Registry Complete*, where they are able to access more value-added services. This resulted in an increase in revenue of $5.4 million year-over-year along with corresponding increases in cost of goods sold and therefore no impact on net income or EBITDA. The impact of this change to the fourth quarter of 2022 was not significant as transitioning commenced in the third quarter of 2021.

The following table demonstrates the growth in Services revenue over the past five years. The year-over-year revenue increases are the result of organic growth combined with the acquisition of various value add businesses. Additionally, $5.4 million of the increase in 2022 related to the change in accounting method for revenue from net to gross as customers transitioned from legacy systems to *Registry Complete*.

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



Services Revenue by Type
for the year ended December 31, 2022



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

Regulatory Solutions

Revenue in Regulatory Solutions for the last quarter of 2022 was $15.4 million, a modest decline of $0.1 million compared to the same period in 2021. This decline in revenue follows the economic tightening throughout most of 2022, which is beginning to impact some customers offset by new Regulatory Solutions revenue contributed by UPLevel during the quarter of $0.7 million. As previously stated, the accounting impact of the transition of customers to *Registry Complete* did not have an impact this quarter. Revenue for the year was $65.9 million, an increase of 13 per cent or $7.6 million compared to $58.3 million in 2021. Year-to-date revenue grew due to transaction growth, onboarding of new customers, expansion of additional services to existing clients and new revenue of $3.6 million following the acquisition of UPLevel in February 2022.

During 2022, $1.3 million of the increase in revenue relates to changes in the accounting method for revenue from net to gross as customers migrated to *Registry Complete* where additional value-added services are available. This change resulted in an increase in revenue and a corresponding increase in the cost of goods sold, with no change in EBITDA.

Recovery Solutions

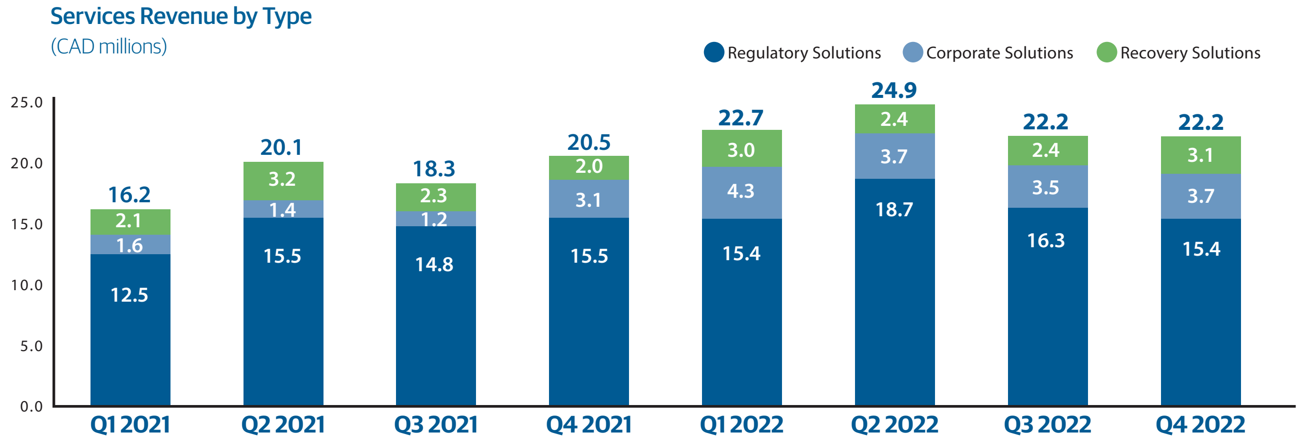
Revenue in Recovery Solutions for the fourth quarter of 2022 was $3.1 million, an increase over the same period in 2021 of $1.1 million or 57 per cent. The growth for the quarter is attributed to additional revenue from UPLevel's accounts receivable management business of $0.6 million in revenue, along with an increase in asset recovery revenue driven by increased assignments received throughout the quarter compared to 2021.

On an annual basis, revenue in 2022 was $10.9 million compared to $9.5 million in 2021, an increase of 15 per cent or $1.4 million. The increase is due to the accounts receivable management revenue of $2.0 million year-to-date from UPLevel, which was partially offset by lower-than-expected asset recovery revenue, where although there was an increase in assignments, redemption rates were higher throughout the year.

Corporate Solutions

Corporate Solutions revenue for the final quarter of 2022 was $3.7 million, increasing by 20 per cent or $0.6 million compared to $3.1 million in the fourth quarter of 2021. Annual revenue was $15.3 million compared to $7.4 million in 2021, an increase of 107 per cent. This increase for the quarter and year-to-date is due to the onboarding of new customers, accompanied by the addition of corporate filing products to *Registry Complete* and the transitioning of existing customers from our legacy platform to *Registry Complete*, where revenue is now recognized on a gross instead of net basis due to additional services being provided. While this change in accounting treatment did not impact the fourth quarter of 2022, it accounted for $4.1 million of the increase during the year to both revenue and cost of goods sold with no impact to net income or EBITDA.

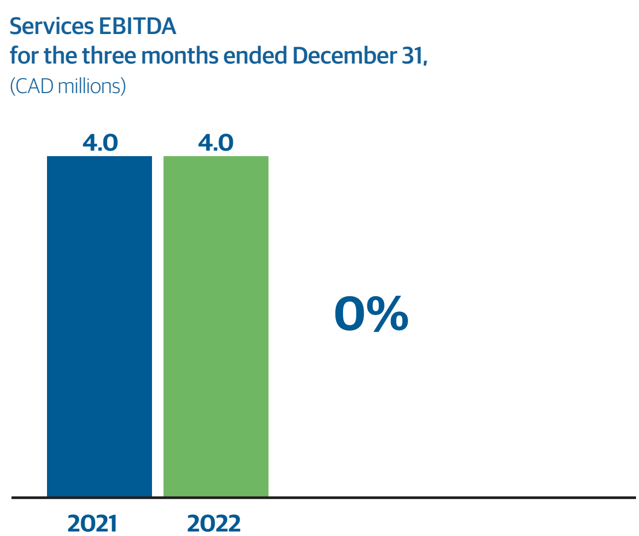
Our Services revenue by division is shown in the following graph.

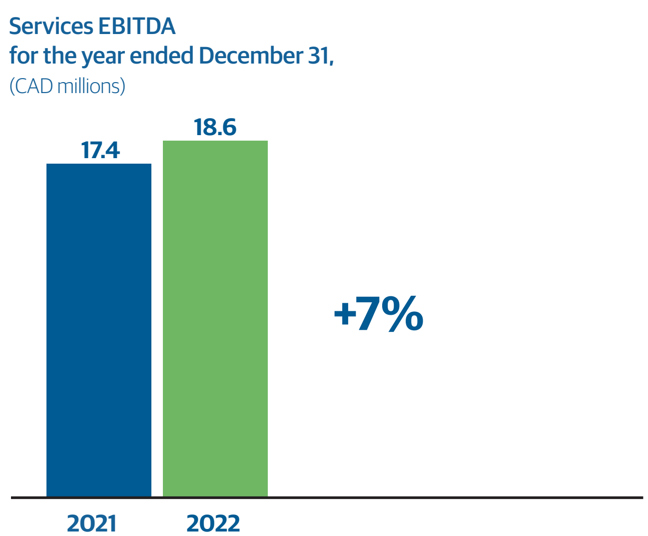


Note: A change was made to the categorization of revenue between Regulatory and Recovery Solutions, resulting in previously reported values for the quarter ended June 30, 2022 being edited. Internal related parties and other revenue not displayed in graph. Values may not add due to rounding.

The top 20 Services customers for all of 2022 accounted for almost 63 per cent of the revenue, while the top 100 Services customers covered 80 per cent of revenue. No single customer accounted for more than 25 per cent.

SERVICES EXPENSES AND EBITDA





(thousands of CAD)	Three Months Ended December 31, **2022**	2021	Year Ended December 31, **2022**	2021
Revenue	**$ 22,441**	$ 20,549	**$ 92,306**	$ 75,165
Total expenses[1]	**18,458**	16,515	**73,711**	57,788
EBITDA	**$ 3,983**	$ 4,034	**$ 18,595**	$ 17,377

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

EBITDA for Services was $4.0 million for the quarter, flat compared to the fourth quarter of 2021. Services EBITDA for the year was $18.6 million compared to $17.4 million in 2021. The 2022 full-year increase was due to the increased revenue from transaction and customer growth through the year, supplemented by *Registry Complete* providing additional services to existing and new Regulatory and Corporate Solutions clients. This growth in revenue was partially offset by additional people and information technology investments to support this growth, *Registry Complete*, and additional expenses related to the acquisition of UPLevel.

Services expenses were $18.5 million for the quarter compared to $16.5 million in the fourth quarter of 2021. For the year, expenses were $73.7 million compared to $57.8 million in 2021. The increase in expense for the quarter was primarily due to incremental expenses from the new UPLevel business and by increased people and information technology investments to support business growth. For the year, the increase was due to the same referenced items for the quarter as well as increased cost of goods sold related to both the increase in revenue and change in accounting treatment for revenue recognition due to additional services being provided to customers as they migrated from legacy systems to *Registry Complete*.

As we have transitioned customers to *Registry Complete* where additional services are being provided, we have changed the accounting treatment of these revenues and expenses to be on a gross instead of net basis. While this has increased revenue and cost of goods sold with no impact on EBITDA, this change has reduced consolidated EBITDA margin for the year-to-date. While there was no notable impact from this adjustment during the fourth quarter of 2022, the impact for the full year is $5.4 million.

3.3 Technology Solutions

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

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

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

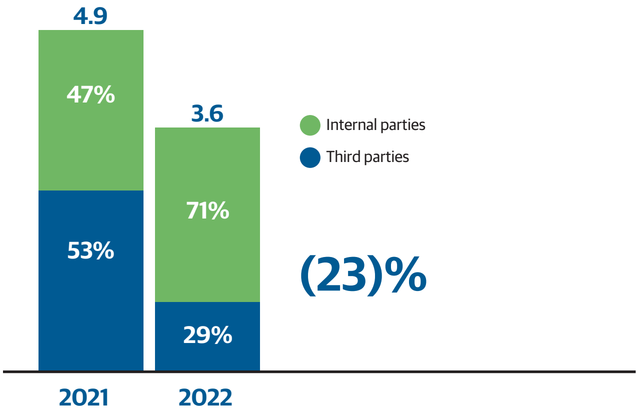
With a full suite of integrated modules that provide core functionality for submission, enforcement and inquiry processing, RegSys delivers solutions enabling the provision of core services to citizens in a user-friendly, efficient manner across multiple access points. The RegSys solution has also been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

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

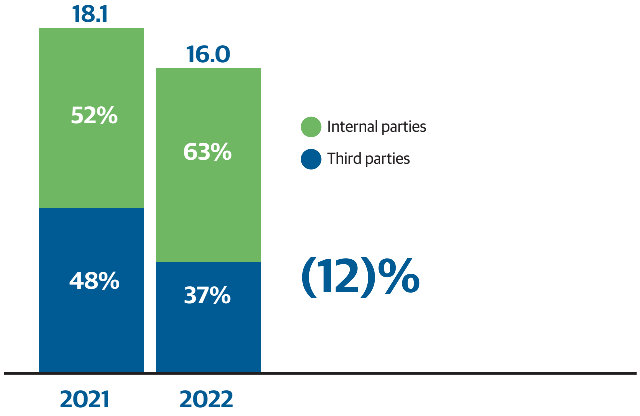
Technology Solutions does not experience seasonality but does fluctuate due to the timing of project-related revenue.

TECHNOLOGY SOLUTIONS REVENUE

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



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



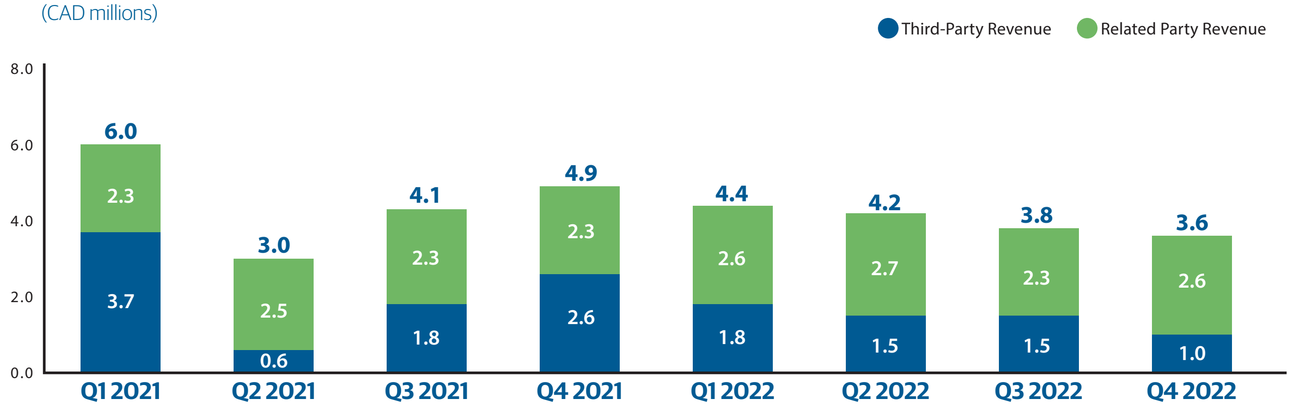
(thousands of CAD)	Three Months Ended December 31, 2022	2021	Year Ended December 31, 2022	2021
Third parties	**$ 1,047**	$ 2,613	**$ 5,849**	$ 8,644
Internal related parties	**2,560**	2,317	**10,168**	9,475
Technology Solutions revenue	**$ 3,607**	$ 4,930	**$ 16,017**	$ 18,119

Revenue in Technology Solutions was $3.6 million for the quarter, a decrease of $1.3 million compared to $4.9 million in the fourth quarter of 2021.

Revenue from third parties for the quarter decreased $1.6 million compared to the fourth quarter of 2021 and decreased $2.8 million for the full year compared to the same period in 2021. The decline in revenue in both the fourth quarter and the full year compared to the prior periods is attributable to fewer third-party revenue-generating opportunities due to the impact of COVID-19 delaying procurement activities. While we continue to see progress on solution delivery projects, certain milestones anticipated to be completed in the fourth quarter of 2022 have been delayed into 2023 due to customer delays and the need to rescope the respective projects. Revenue on our solution implementation projects will continue to be recognized in the quarters in which it is earned either through achievement of milestones or percentage of completion consistent with the revenue recognition method adopted for projects.

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 fluctuate over time, particularly as we pursue additional third-party revenue.

Technology Solutions Revenue by Type
(CAD millions)



Note: Values may not add due to rounding.

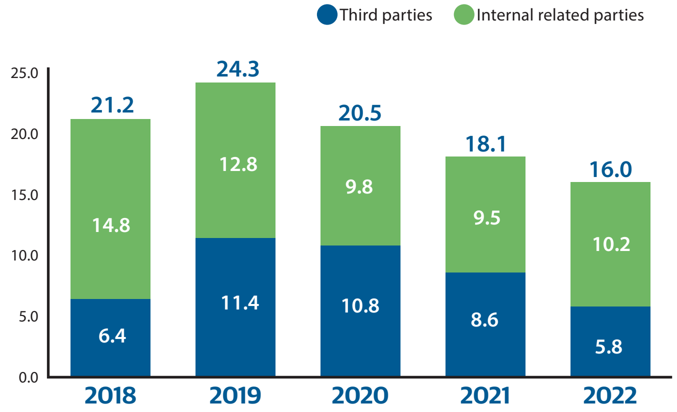
Revenue for the year was $16.0 million, a decrease of $2.1 million from $18.1 million in 2021.

Revenue from third parties was $5.8 million compared to $8.6 million in 2021. Revenue from third parties decreased in 2022 versus 2021 resulting from continued delays in active solution delivery projects.

Internal related party revenue year-to-date increased as enhanced focus has been placed on integrating and supporting new acquisitions and heightening security across the organization.

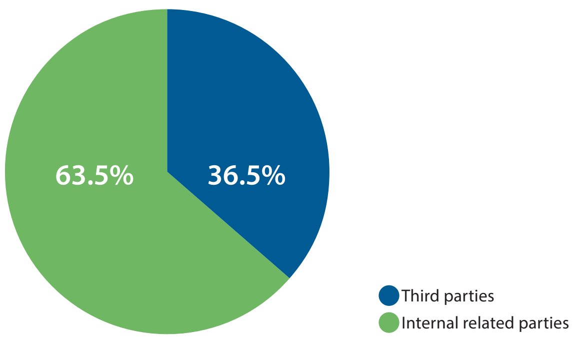
The following graphs provide details on Technology Solutions revenue over the past five years. Technology Solutions third-party revenue has been impacted by the COVID-19 pandemic through delays in active solution delivery projects, as well as new projects coming to market as governments around the world have focused on healthcare and pandemic measures.

Technology Solutions Revenue by Type
(CAD millions)



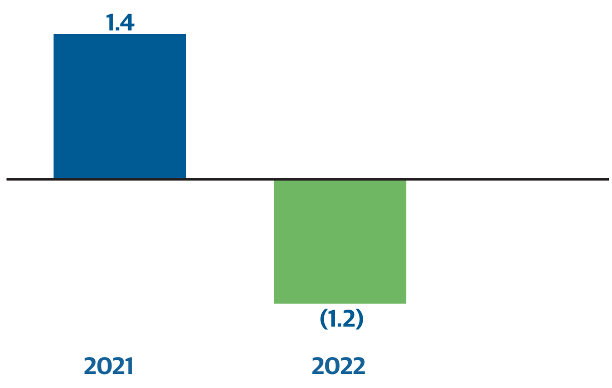
Note: Values may not add due to rounding.

Technology Solutions Revenue for the year ended December 31, 2022

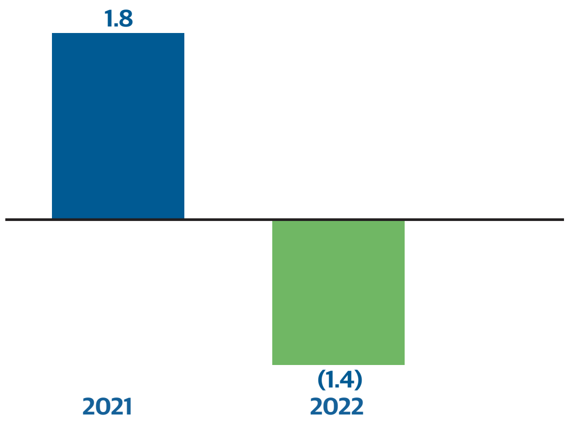


TECHNOLOGY SOLUTIONS EXPENSES AND EBITDA

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



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



	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2022**	2021	**2022**	2021
Revenue	**$ 3,607**	$ 4,930	**$ 16,017**	$ 18,119
Total expenses[1]	**4,807**	3,489	**17,397**	16,317
EBITDA	**$ (1,200)**	$ 1,441	**$ (1,380)**	$ 1,802

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

EBITDA for Technology Solutions for the quarter decreased $2.6 million, and for the year decreased $0.9 million, compared to the same period in 2021. EBITDA decreased for the quarter and the year primarily due to lower third-party revenue on solution implementation contracts combined with increased costs related to people and technology as increased resources are applied to complete outstanding solution delivery projects and less salaries are capitalized when compared to the fourth quarter of 2021 due to the phase of the projects.

Additionally, EBITDA for the quarter was further impacted by an increase in share-based compensation as a result of an increase in share price during the quarter compared to a decrease in the prior year period, thereby increasing corporate costs allocated to the segment.

For the quarter, Technology Solutions expenses were $4.8 million, an increase of $1.3 million from $3.5 million for the fourth quarter in 2021. Technology Solutions expenses were $17.4 million for the year, an increase of $1.1 million from $16.3 million in 2021.

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.

Following the acquisition of Regulis on December 20, 2022, the Company has included Regulis within the Corporate segment until it commences operations. Regulis holds a contract under the Luxembourg Rail Protocol of the Cape Town Convention which provides it the exclusive right and obligation to develop, deliver and operate the International Registry for Railway Rolling Stock for a period of 10 years from the date the registry goes live as defined in the Luxembourg Rail Protocol. The acquisition will continue to expand the Company's portfolio of services and solutions to help improve the delivery of modern registry services by and for governments and intergovernmental and private organizations.

	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2022**	2021	**2022**	2021
Third parties	**$ 11**	$ –	**$ 19**	$ 3
Internal related parties	**36**	34	**145**	157
Corporate and other revenue	**$ 47**	$ 34	**$ 164**	$ 160
Total expenses[1]	**2,281**	1,397	**7,342**	7,789
EBITDA	**$ (2,234)**	$ (1,363)	**$ (7,178)**	$ (7,629)

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

EBITDA decreased compared to the same quarter in 2021, as a result of an increased staffing complement to support delivery on corporate strategy, accompanied by an increase in share-based compensation in the current quarter as a result of an increase in the Company's share price during the quarter compared to a decrease in the prior year quarter.

For the year, share-based compensation expense was lower than the prior year increasing EBITDA due to a decline in the Company's share price year-over-year. This was partially offset by increased people and technology costs across the corporate supporting business units to prepare the business for growth.

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 Registry revenue fluctuates in line with real estate transaction activity in Saskatchewan. Typically, the second and third quarters of the fiscal year generate higher revenue, as that is when real estate activity is traditionally highest. OPTA Services revenue earned through Reamined does not experience seasonality, as revenue is recognized evenly throughout the year as per the agreement with the Province of Ontario.

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

The Company has observed that its historical pattern of seasonality in Registry Operations, and to some degree in Services has been impacted due to the COVID-19 pandemic. Although current year trends support historical patterns, at this time, we are uncertain if or when seasonality will fully return to historical patterns.

Technology Solutions does not experience seasonality; however, this segment is impacted by the timing of procurement activities largely undertaken by governments around the world. While this was impacted by COVID-19, we have seen an increase in procurement activities over the past two quarters.

The balance of our corporate activities and shared services functions 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.

	2022				2021			
(thousands of CAD)	**Q4**	Q3	Q2	Q1	Q4	Q3 (restated)[1]	Q2 (restated)[1]	Q1 (restated)[1]
Revenue	**$ 46,104**	$ 48,768	$ 50,870	$ 44,153	$ 44,238	$ 41,369	$ 44,623	$ 39,148
Expenses	**39,396**	36,922	33,919	33,463	29,775	27,269	34,626	30,954
Net income before items noted below	**6,708**	11,846	16,951	10,690	14,463	14,100	9,997	8,194
Net finance (expense)	**(1,038)**	(1,038)	(666)	(435)	(482)	(661)	(737)	(793)
Income before tax	**5,670**	10,808	16,285	10,255	13,981	13,439	9,260	7,401
Income tax expense	**(1,721)**	(3,052)	(4,628)	(2,848)	(3,695)	(3,706)	(2,749)	(1,853)
Net income	**$ 3,949**	$ 7,756	$ 11,657	$ 7,407	$ 10,286	$ 9,733	$ 6,511	$ 5,548
Other comprehensive (loss) income	**688**	48	(310)	(448)	(262)	(4)	(37)	(759)
Total comprehensive income	**$ 4,637**	$ 7,804	$ 11,347	$ 6,959	$ 10,024	$ 9,729	$ 6,474	$ 4,789
EBITDA margin	**23.4%**	32.5%	40.2%	31.3%	39.8%	42.3%	30.4%	30.3%
Adjusted EBITDA margin	**29.3%**	34.9%	37.8%	33.0%	38.9%	41.8%	41.5%	37.8%
Earnings per share, basic	**$ 0.22**	$ 0.44	$ 0.66	$ 0.42	$ 0.59	$ 0.56	$ 0.37	$ 0.32
Earnings per share, diluted	**$ 0.22**	$ 0.43	$ 0.65	$ 0.41	$ 0.57	$ 0.54	$ 0.36	$ 0.31

[1] In the fourth quarter of 2021, the Company changed its accounting policy with respect to customization and configuration of Software-as-a-service arrangements.

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 delivered through three key segments:

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

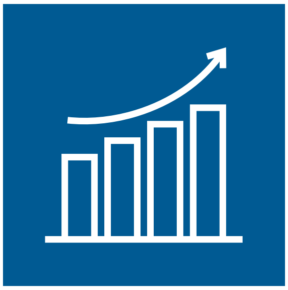
Through our segments, ISC's strategy is executed with the intent to:

- 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;
- ensure an exceptional customer experience for those interacting with ISC's systems, people and information; and
- meaningfully grow revenue with continued emphasis on corresponding EBITDA growth.

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

Attainable organic and inorganic growth available in the near-term

Innovation

Innovation for growth/ competitiveness and extension into new verticals is key given Canadian and global market limitations

Values and Differentiation

Laser focus on quality of service delivery and how we treat our customers and employees remains at the core

We regularly review and adjust our strategy to ensure that the Company remains well positioned in the long term, while being adaptable to near-term factors. Our objective is to consistently execute transactions that fulfil our fundamental acquisition criteria for opportunities that add products, services or competencies that align with our strengths and where we can add value while augmenting our strong free cash flow and EBITDA profile.

6 Financial and Capital Management

6.1 Cash flow

Our primary source of operating cash flow is generated from revenue related to the Registry Operations and Services segments. Our primary uses of 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. The Company has also used 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, merger and acquisition activity, and anticipated dividend payments (refer to Note 16 in the December 31, 2022 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, 2022, the Company held $34.5 million in cash compared to $40.1 million as at December 31, 2021, a decrease of $5.6 million.

The Company expects to be able to meet its cash requirements, including being able to settle current liabilities of $39.6 million (December 31, 2021 – $36.9 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)	**2022**	2021	**2022**	2021
Net cash flow provided by operating activities	**$ 18,420**	$ 17,471	**$ 43,536**	$ 61,212
Net change in non-cash working capital[1]	**(10,224)**	(3,142)	**3,837**	(14,185)
Cash provided by operating activities excluding working capital	**$ 8,196**	$ 14,329	**$ 47,373**	$ 47,027
Cash additions to property, plant and equipment	**(163)**	(10)	**(574)**	(10)
Cash additions to intangible assets	**(157)**	(587)	**(890)**	(2,217)
Consolidated free cash flow	**$ 7,876**	$ 13,732	**$ 45,909**	$ 44,800

[1] Refer to Note 23 of the Financial Statements for reconciliation.

Consolidated free cash flow for the quarter was $7.9 million compared to $13.7 million for the same quarter in 2021 and was $45.9 million for the full year compared to $44.8 million in 2021. The decrease for the quarter primarily relates to results of operations that are beginning to be impacted by the economic tightening that has occurred throughout 2022 with reduced transaction volumes in the Saskatchewan Land Registry and Regulatory Solutions accompanied by increased people and technology costs compared to the fourth quarter of 2021. The increase for the full year when compared to 2021 results primarily from reduced capital spending.

The following table summarizes our sources and uses of funds for the three months and years ended December 31, 2022 and 2021:

	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2022**	2021	**2022**	2021
Net cash flow provided by operating activities	**$ 18,420**	$ 17,471	**$ 43,536**	$ 61,212
Net cash flow (used in) investing activities	**(563)**	(553)	**(55,619)**	(366)
Net cash flow (used in) provided by financing activities	**(16,435)**	(19,541)	**6,247**	(54,274)
Effects of exchange rate changes on cash held in foreign currencies	**150**	(133)	**211**	(414)
Increase (decrease) in cash	**$ 1,572**	$ (2,756)	**$ (5,625)**	$ 6,158
Cash, beginning of period	**32,907**	42,860	**40,104**	33,946
Cash, end of period	**$ 34,479**	$ 40,104	**$ 34,479**	$ 40,104

NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES

Net cash flow provided by operating activities was $18.4 million for the quarter compared to $17.5 million for the same period in 2021.

For the quarter, cash provided by operating activities was slightly ahead of the prior year. The increase was driven by more favourable levels of working capital relative to the prior year's fourth quarter, which was partly offset by reduced operating results compared to the fourth quarter of 2021.

For the year, cash provided by operating activities was $43.5 million compared to $61.2 million in the prior year. During the year, the Company has continued to deliver strong operating results translating into consistent cash flow; however, changes in net non-cash working capital were an outflow of $3.8 million in the current year compared to an inflow of $14.2 million in the prior year. The working capital variance is a net outflow of $18.0 million, which is attributable to incremental outflows across most categories, including:

- $14.6 million is attributable to taxes. Strong results in the prior year attracted increased taxes, $7.0 million of which were paid in the current year, and the remainder reflects a higher instalment base relative to the prior year;
- $6.4 million is attributable to share-based compensation, where liability values move with fluctuations in the share price. The closing share price at December 31, 2022 was $24.17, which is $1.12 lower than the share price of $25.29 at December 31, 2021. In the comparable period for 2021, the share price rose $5.38 from $19.91 at the start of the year; and
- these outflows were partially offset by $3.0 million cash inflow from other working capital items.

NET CASH FLOW USED IN INVESTING ACTIVITIES

Net cash flow used in investing activities for the quarter was $0.6 million, which is consistent with the fourth quarter of 2021. During the fourth quarter, this spend was primarily related to the acquisition of Regulis for $0.6 million. For the year, net cash used in investing activities increased by $55.3 million when compared to the prior year primarily related to the acquisitions of UPLevel, Reamined and Regulis for a total of $54.7 million.

NET CASH FLOW USED IN FINANCING ACTIVITIES

Net cash flow during the quarter used in financing activities was $16.4 million compared to cash used in the prior year of $19.5 million. During the current quarter, the Company made $10.0 million in voluntary debt prepayments, paid $4.1 million of dividend payments and settled $0.5 million in short-term debt related to the Reamined acquisition. Most of the outflow in the fourth quarter of 2021 was attributable to $15.0 million in voluntary debt prepayments and dividends of $3.5 million.

For the year, net cash provided by financing activities was $6.2 million, compared to net cash used in financing activities of $54.3 million in the prior year. In 2022, this primarily relates to $40.0 million of borrowings to finance the Reamined acquisition partially offset by debt prepayments of $15.0 million, dividends of $16.2 million and settlement of short-term debt of $0.5 million. Primary outflows in 2021 were $35 million in voluntary debt prepayments and dividends of $14.0 million.

6.2 Capital expenditures

Capital expenditures were $0.6 million for the fourth quarter of 2022, consistent with the same period in 2021. For the full year, capital expenditures remained consistent with the prior year at $2.5 million primarily related to system development work across our business segments.

	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2022**	2021	**2022**	2021
Registry Operations[1]	**$ 291**	$ 30	**$ 1,016**	$ 299
Services	**278**	171	**707**	557
Technology Solutions	**(57)**	396	**688**	1,640
Corporate and other	**50**	–	**50**	–
Total capital expenditures	**$ 562**	$ 597	**$ 2,461**	$ 2,496

[1] Registry Operations includes consideration for Service concession arrangements.

6.3 Debt

At December 31, 2022, the Company's debt was $66.0 million compared to $41.0 million at December 31, 2021. Debt of $1.5 million, that was acquired as part of the acquisitions in 2022, was settled prior to December 31, 2022, including a deemed non-cash settlement of $1.0 million associated with the UPLevel acquisition shortly after close.

During the quarter, the Company made a $10.0 million (2021 – $15.0 million) voluntary prepayment against its revolving facility due to excess cash and to minimize interest expense. In addition, during the quarter, the $0.5 million of debt to the former shareholders of Reamined was repaid.

During the year ended December 31, 2022, the Company made a total of $15.0 million of voluntary prepayments compared to prepayments totalling $35.0 million in the prior year. The total aggregate amount available under the Credit Facility at December 31, 2022 remains at $150.0 million.

For further information on our Credit Facility, refer to Note 16 in the December 31, 2022 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**.

The Company was in compliance with all covenants throughout the period. The amount of borrowing costs capitalized during 2022 and 2021 was nil.

6.4 Total assets

Total assets were $283.5 million at December 31, 2022, compared to $232.5 million at December 31, 2021.

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

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and Other	As at December 31, 2021
Total assets excluding intangibles, goodwill and cash	$ 23,108	$ 12,516	$ 4,099	$ 14,470	$ 54,193
Intangibles	1,506	54,794	4,755	12	61,067
Goodwill	1,200	67,372	8,562	-	77,134
Cash	-	-	-	40,104	40,104
Total assets	$ 25,814	$ 134,682	$ 17,416	$ 54,586	$ 232,498

6.5 Working capital

At December 31, 2022, working capital was $17.6 million compared to $19.5 million at December 31, 2021.

(thousands of CAD)	**As at December 31, 2022**	As at December 31, 2021
Current assets	**$ 57,216**	$ 56,447
Current liabilities	**(39,626)**	(36,905)
Working capital	**$ 17,590**	$ 19,542

The main drivers of the $2.0 million decrease in working capital year-over-year are as follows:

(thousands of CAD)	
2022 Acquisitions	**$ (54,671)**
Remove portion financed with long-term debt	**40,000**
Subtotal	**(14,671)**
Free cash flow for 2022	**45,909**
Financing and other items:	
Repayment of long-term debt	**(15,000)**
Dividends paid	**(16,172)**
Interest and lease payments	**(5,442)**
Stock options exercised	**3,361**
All other	**63**
Total change in working capital	**$ (1,952)**

6.6 Outstanding share data

The number of issued and outstanding Class A Shares as at December 31, 2022, was 17,701,498 and the number of issued and outstanding share options as at December 31, 2022, was 1,332,017. As of March 14, 2023, the date of filing, the number of issued and outstanding Class A Shares was 17,701,498 and the number of issued and outstanding share options was 1,332,017.

6.7 Common share dividend

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

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, 2022:

(thousands of CAD)	2023	2024	2025	2026	2027	Thereafter	Total
Operating leases and non-lease component of office leases[1]	$ 1,558	$ 1,418	$ 631	$ 366	$ 303	$ 705	$ 4,981
Information technology[2] and other service agreements	4,495	1,724	981	478	370	370	8,418
Master Service Agreement[3]	500	500	500	500	500	3,000	5,500
Total	$ 6,553	$ 3,642	$ 2,112	$ 1,344	$ 1,173	$ 4,075	$ 18,899

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

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

[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, 2022, consist of cash, 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 20 of the Financial Statements for information pertaining to financial instruments and related risk management.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of cash, trade and other receivables, accounts payable and accrued liabilities excluding share-based accrued liabilities approximate fair value due to their immediate or relatively short-term maturity. With long-term debt, ISC has its borrowings under the Credit Facility, which is managed with prime loans, short-term bankers' acceptance, letters of credit or letters of guarantee. These borrowings will bear interest at a base rate of prime plus applicable margin varying between 0.20 per cent and 1.00 per cent per annum.

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, 2022, is $49.4 million (December 31, 2021 — $52.9 million), equal to the carrying value of the Company's financial assets, those being cash at $34.5 million (December 31, 2021 — $40.1 million) and trade and other receivables at $14.9 million (December 31, 2021 — $12.8 million). Quarterly reviews of the aged receivables are completed. The Company expects to fully collect the carrying value on all outstanding receivables. Therefore, the risk to the Company is low.

LIQUIDITY RISK

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

MARKET RISK

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

INTEREST RATE RISK

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

The Company has estimated that a 100 basis point spread in interest rate for the year ended December 31, 2022 would increase/decrease comprehensive income by $468.0 thousand (2021 — $488.0 thousand).

FOREIGN CURRENCY EXCHANGE RISK

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

7.2 Business risks and risk management

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

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

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

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

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 of having more innovative products, greater longevity in the market, or 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 economic tightening or public health concerns, 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, 2022.

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 22 in the December 31, 2022 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 about 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 acquisition of UPLevel and Reamined;
- the recoverability of deferred tax assets; and
- the amount and timing of revenue from contracts from customers recognized over time.

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

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

8.4 Changes in accounting policies

The Company has adopted the following revised standards, along with any consequential amendments, effective January 1, 2022, or on such date as they became applicable. These changes were made in accordance with the applicable transitional provisions. Refer to Note 2 of the Financial Statements for further information pertaining to the adoption and changes in these policies.

Proposed Standard	Description
Amendments to International Accounting Standard ("IAS") 37 — *Onerous Contracts – Cost of Fulfilling a Contract*	The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. This amendment will affect the assessment of and accounting for onerous contracts. The Company has adopted this amendment to IAS 37 effective January 1, 2022, which has had no impact on the consolidated financial statements. The Company continues to assess its contracts in accordance with the amendments to IAS 37.
Amendments to IFRS 3 — *Reference to the Conceptual Framework*	The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of International Financial Reporting Interpretations Committee ("IFRIC 21") — Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The Company adopted this amendment on January 1, 2022 and has applied it to acquisitions completed during 2022.

The IASB and IFRIC issued the following new standards and amendments to standards and interpretations, which become effective for future periods.

Proposed Standard	Description	Effective Date
Amendments to IAS 1 and IFRS Practice Statement 2 — *Disclosure of Accounting Policy Information*	The amendments to IAS 1 — *Presentation of Financial Statements* and IFRS Practice Statement 2 — *Making Material Judgements* require that an entity discloses its material accounting policies, instead of its significant accounting policies. The amendment is effective for annual periods beginning on or after January 1, 2023. This change will impact disclosures in Note 2 to the Notes to the Consolidated Financial Statements.	January 1, 2023
Amendments to IAS 8 — *Definition of Accounting Estimates*	The amendments introduce a definition of accounting estimates and are intended to help entities distinguish changes in accounting policies from changes in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". This distinction is important because changes in accounting policies must be applied retrospectively while changes in accounting estimates are accounted for prospectively. The amendment is effective for annual periods beginning on or after January 1, 2023. The Company has assessed the impact of the adoption of this amendment, and it is not expected to have a material impact on the Company's Consolidated Financial Statements.	January 1, 2023
Amendments to IAS 12 — *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	The amendments narrow the scope of the initial recognition exemption to clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendment is effective for annual periods beginning on or after January 1, 2023. The Company has assessed the impact of the adoption of this amendment, and it is not expected to have a material impact on the Company's Consolidated Financial Statements.	January 1, 2023
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, 2024, with early application permitted. This amendment is currently being assessed by the Company to determine the impact.	January 1, 2024

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 Chief Financial Officer, is responsible for establishing and maintaining appropriate internal controls over financial reporting. Internal controls over financial reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS and management has concluded these controls were operating effectively as of December 31, 2022.

The design scope of internal controls over financial reporting has been limited to exclude controls, policies and procedures of UPLevel, as it was acquired less than 365 days prior to December 31, 2022. See section 8.7 "Disclosure controls and procedures" for UPLevel's contribution to the Financial Statements.

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 Chief Financial Officer, is responsible for establishing and maintaining appropriate disclosure controls and procedures. Disclosure controls and procedures are designed to provide reasonable assurance that relevant information is gathered and reported to senior management, including the President and Chief Executive Officer and the Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosures. Management has concluded these controls were operating effectively as of December 31, 2022.

The design scope of disclosure controls and procedures has been limited to exclude controls, policies and procedures of UPLevel, which was acquired less than 365 days prior to December 31, 2022.

The contribution of UPLevel to the Financial Statements for the three months ended December 31, 2022, was approximately 3 per cent of revenue and 5 per cent of expenses, and for the year ended December 31, 2022, was approximately 3 per cent of revenue and 4 per cent of expenses. At December 31, 2022, UPLevel contributed approximately 6 per cent of current assets, 4 per cent of non-current assets, 2 per cent of current liabilities and 1 per cent of non-current liabilities.

8.8 Non-IFRS financial measures

This MD&A includes certain measures that 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.

<table>
<tr><th>Non-GAAP Performance Measure</th><th>Why we use it</th><th>How we calculate it</th><th>Most comparable IFRS financial measure</th></tr>
<tr><td>EBITDA

EBITDA Margin</td><td>• To evaluate performance and profitability of segments and subsidiaries as well as the conversion of revenue.
• We believe that certain investors and analysts use EBITDA to measure our ability to service debt and meet other performance obligations.
• EBITDA is also used as a component of determining short-term incentive compensation for employees.</td><td>EBITDA:
Net income
add
Depreciation and amortization, net finance expense, income tax expense

EBITDA Margin:
EBITDA
divided by
Total revenue</td><td>Net income</td></tr>
<tr><td>Adjusted EBITDA

Adjusted EBITDA Margin</td><td>• To evaluate performance and profitability of segments and subsidiaries as well as the conversion of revenue while excluding non-operational and share-based volatility.
• We believe that certain investors and analysts use adjusted EBITDA to measure our ability to service debt and meet other performance obligations.</td><td>Adjusted EBITDA:
EBITDA
add (remove)
Share-based compensation expense, stock option expense, acquisition and integration costs, gain on disposal of property, plant and equipment assets

Adjusted EBITDA Margin:
Adjusted EBITDA
divided by
Total revenue</td><td>Net income</td></tr>
<tr><td>Free Cash Flow</td><td>• To show cash available for debt repayment and reinvestment into the Company.
• We believe that certain investors and analysts use this measure to value a business and its underlying assets.</td><td>Net cash flow provided by operating activities
deduct (add)
Net change in non-cash working capital, cash additions to property, plant and equipment, cash additions to intangible assets</td><td>Net cash flow provided by operating activities</td></tr>
</table>

8.9 Non-IFRS financial measures definition

EBITDA is defined as earnings before interest, taxes, depreciation and amortization expense. Adjusted EBITDA adjusts EBITDA for share-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.

2022 Consolidated Financial Statements

For the Year Ended December 31, 2022

Management's Responsibility

Management's Report on Consolidated Financial Statements

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

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

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

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

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

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

March 14, 2023

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, 2022 and December 31, 2021, 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, 2022 and 2021, 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 Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. This matter was 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 this matter.

Goodwill – Services Segment — refer to Notes 3 and 10 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 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 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 revenue forecasts, perpetual growth rate and the selection of the discount rate. This 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 revenue forecasts, 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 management's historical forecasts to actual results.
- Evaluated the reasonableness of management's revenue forecasts by comparing to (1) historical results, (2) internal communications to management and the Board of Directors, 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 forecasted 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 rate and developing a range of independent discount rates and comparing to the discount rate selected by management.

Other Information

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

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Deloitte LLP

Chartered Professional Accountants
Regina, Saskatchewan
March 14, 2023

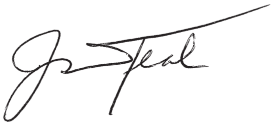
Consolidated Statements of Financial Position

(thousands of CAD)	Note	As at December 31, 2022	As at December 31, 2021
Assets			
Current assets			
Cash		$ 34,479	$ 40,104
Short-term investments		–	36
Trade and other receivables	4	14,933	12,771
Contract assets	5	985	866
Income tax recoverable	14	2,215	8
Prepaid expenses and deposits		4,604	2,662
Total current assets		57,216	56,447
Non-current assets			
Property, plant and equipment	7	1,813	1,351
Right-of-use assets	8	7,553	7,861
Intangible assets	9	88,993	61,067
Goodwill	10	101,240	77,134
Deferred tax asset	14	26,639	28,638
Total non-current assets		226,238	176,051
Total assets		$ 283,454	$ 232,498
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	$ 33,876	$ 26,482
Contract liabilities	12	2,720	1,488
Lease obligations – current portion	13	2,299	1,847
Income tax payable	14	731	7,008
Provisions		–	80
Total current liabilities		39,626	36,905
Non-current liabilities			
Lease obligations	13	6,508	7,186
Deferred tax liability	14	13,883	6,181
Long-term debt	16	66,047	40,975
Other liabilities	15	1,802	3,546
Total non-current liabilities		88,240	57,888
Shareholders' equity			
Share capital	19	23,691	19,955
Equity settled employee benefit reserve	15	2,082	2,464
Accumulated other comprehensive (loss)		(377)	(355)
Retained earnings		130,192	115,641
Total shareholders' equity		155,588	137,705
Total liabilities and shareholders' equity		$ 283,454	$ 232,498

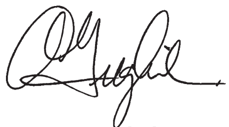
See Note 27 for Commitments and Contingencies

See accompanying Notes

APPROVED BY THE BOARD OF DIRECTORS ON MARCH 14, 2023:



Joel Teal
Director



Tony Guglielmin
Director

Consolidated Statements of Comprehensive Income

(thousands of CAD)	Note	Year Ended December 31, 2022	Year Ended December 31, 2021
Revenue	21	$ 189,895	$ 169,379
Expenses			
Wages and salaries		54,267	48,757
Cost of goods sold		49,215	40,359
Depreciation and amortization	7, 8, 9	14,735	13,778
Information technology services		10,584	7,992
Occupancy costs		4,003	3,430
Professional and consulting services		4,988	3,872
Financial services		2,669	3,044
Other		3,239	1,393
Total expenses		143,700	122,625
Net income before items noted below		46,195	46,754
Finance income (expense)			
Interest income		463	140
Interest expense		(3,640)	(2,813)
Net finance expense		(3,177)	(2,673)
Income before tax		43,018	44,081
Income tax expense	14	(12,249)	(12,003)
Net income		$ 30,769	$ 32,078
Other comprehensive loss			
Items that may be subsequently reclassified to net income			
Unrealized loss on translation of financial statements of foreign operations		(33)	(1,048)
Change in fair value of marketable securities, net of tax		11	(13)
Other comprehensive loss		(22)	(1,061)
Total comprehensive income		$ 30,747	$ 31,017
Earnings per share ($ per share)			
Total, basic	18	$ 1.75	$ 1.83
Total, diluted	18	$ 1.71	$ 1.78

See accompanying Notes

Consolidated Statements of Changes in Equity

(thousands of CAD)	Note	Retained Earnings	Share Capital	Accumulated Other Comprehensive Income	Equity Reserve	Total
Balance at January 1, 2021		$ 98,088	$ 19,955	$ 706	$ 2,376	$ 121,125
Net income		32,078	–	–	–	32,078
Other comprehensive loss		–	–	(1,061)	–	(1,061)
Stock option expense	15	–	–	–	88	88
Dividend declared		(14,525)	–	–	–	(14,525)
Balance at December 31, 2021		$ 115,641	$ 19,955	$ (355)	$ 2,464	$ 137,705
Balance at January 1, 2022		$ 115,641	$ 19,955	$ (355)	$ 2,464	$ 137,705
Net income		**30,769**	**–**	**–**	**–**	**30,769**
Other comprehensive loss		**–**	**–**	**(22)**	**–**	**(22)**
Stock option recovery	15	**–**	**–**	**–**	**(7)**	**(7)**
Stock options exercised	15	**–**	**3,736**	**–**	**(375)**	**3,361**
Dividend declared		**(16,218)**	**–**	**–**	**–**	**(16,218)**
Balance at December 31, 2022		**$ 130,192**	**$ 23,691**	**$ (377)**	**$ 2,082**	**$ 155,588**

See accompanying Notes

Consolidated Statements of Cash Flows

(thousands of CAD)	Note	Year Ended December 31, 2022	Year Ended December 31, 2021
Operating			
Net income		$ 30,769	$ 32,078
Add: Charges not affecting cash			
Depreciation	7, 8	2,920	2,728
Amortization	9	11,815	11,050
Foreign exchange gain		(189)	(21)
Deferred tax recovery recognized in net income	14	(111)	(1,298)
Registry Operations service concession arrangements	21	(997)	(269)
Gain on disposal of property, plant and equipment		(4)	(2)
Net finance expense		3,177	2,673
Stock option (recovery) expense	15	(7)	88
Net change in non-cash working capital	25	(3,837)	14,185
Net cash flow provided by operating activities		43,536	61,212
Investing			
Interest received		463	140
Cash received on disposal of property, plant and equipment		4	2
Short-term investments realized		49	–
Additions to property, plant and equipment	7	(574)	(10)
Additions to intangible assets	9	(890)	(2,217)
(Acquisitions)/recovery on acquisitions post-closing adjustments	26	(54,671)	1,719
Net cash flow used in investing activities		(55,619)	(366)
Financing			
Interest paid		(2,902)	(2,547)
Interest paid on lease obligations	13	(403)	(354)
Principal repayments on lease obligations	13	(2,137)	(2,014)
Repayment of short-term debt	16	(500)	–
Repayment of long-term debt	16	(15,000)	(35,000)
Proceeds of long-term debt	16	40,000	–
Financing fees	16	–	(359)
Dividend paid		(16,172)	(14,000)
Stock options exercised	15	3,361	–
Net cash flow provided by (used in) financing activities		6,247	(54,274)
Effects of exchange rate changes on cash held in foreign currencies		211	(414)
(Decrease) increase in cash		(5,625)	6,158
Cash, beginning of year		40,104	33,946
Cash, end of year		$ 34,479	$ 40,104

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 Company is a provider of registry and information management services for public data and records. The head and registered office of the Company is 300 – 10 Research Drive, Regina, Saskatchewan, S4S 7J7. The Company maintains Canadian office locations in Saskatchewan, British Columbia, and Ontario, and international offices located in Ireland and Luxembourg. ISC has three reportable segments: Registry Operations, Services and Technology Solutions. A functional summary of these segments is as follows:

- Registry Operations delivers registry and information services on behalf of governments and private sector organizations. Currently, through this segment, ISC provides registry and information services on behalf of the Province of Saskatchewan under a 20-year Master Service Agreement ("MSA"), in effect until 2033. Additionally, through ISC's wholly owned subsidiary, Reamined Systems Inc. ("Reamined"), ISC provides property tax assessment services to the Province of Ontario and its municipalities.
- Services delivers value-add services to the financial and legal sectors, utilizing public data and records.
- Technology Solutions designs, implements, and supports registry and regulatory technology solutions.

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

As at December 31, 2022, ISC's principal revenue-generating segments were Registry Operations and Services.

2 Basis of Presentation

Statement of compliance

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

The Company's Board of Directors (the "Board") authorized the consolidated financial statements for the year ended December 31, 2022, for issue on March 14, 2023.

Basis of measurement

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

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

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

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

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

Functional and presentation currency

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

Basis of consolidation

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

Use of estimates and judgments

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

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

- the carrying value, impairment and estimated useful lives of property, plant and equipment (Note 7);
- the carrying value, impairment and estimated useful lives of intangible assets (Note 9) and goodwill (Note 10);
- the allocation of the purchase price for the acquisition of the group of companies operating as UPLevel[1] ("UPLevel") and Reamined (Note 26);
- the recoverability of deferred tax assets (Note 14); and
- the amount and timing of revenue from contracts from customers recognized over time (Note 21).

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

Changes in accounting policies

The Company has adopted the following new accounting pronouncements or policies and revised standards, along with any consequential amendments, effective January 1, 2022, or on such date as they became applicable. These changes were made in accordance with the applicable transitional provisions.

Standard	Description
Amendments to IAS 37 — *Onerous Contracts – Cost of Fulfilling a Contract*	The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. This amendment will affect the assessment of and accounting for onerous contracts. The Company has adopted this amendment to IAS 37 effective January 1, 2022, which has had no impact on the consolidated financial statements. The Company continues to assess its contracts in accordance with the amendments to IAS 37.
Amendments to IFRS 3 — *Reference to the Conceptual Framework*	The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRS Interpretations Committee ("IFRIC") 21 — *Levies*, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The Company adopted this amendment on January 1, 2022 and has applied it to acquisitions completed during 2022.

[1] The group of companies operating as UPLevel consists of CRM and CBS.

3 Summary of Significant Accounting Policies

Revenue

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

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

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

Registry Operations revenue

Our Registry Operations segment delivers registry and information services to governments and private sector organizations. Revenue under the MSA is generated by earning fees from end-use customers through registrations, searches, maintenance transactions and value-added services on behalf of the Province of Saskatchewan. Property tax assessment services are provided to the Province of Ontario and its municipalities through an exclusive contract with the Province of Ontario, and revenue is earned over time throughout the term of the agreement.

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

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

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, asset recovery and accounts receivable management to support registration, due diligence and lending practices of clients across Canada.

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

Corporate Solutions captures revenue from nationwide search, business name registration and corporate filing services sold 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, due diligence and collateral management 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 Regulatory Solutions is recognized at a point in time when services are rendered.

Recovery Solutions offers fully managed asset recovery services across Canada and the United States, which aids in facilitating and co-ordinating asset recovery as well as accounts receivable management services 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. Accounts receivable management involves the Company, as a licensed collection agency, performing recovery services related to past due accounts in both a first-party capacity representing our customers, and a third-party collections capacity. Recovery Solutions revenue in our Services segment includes administration fees and commissions earned by the provision of asset recovery and accounts receivable management services. Administration fee revenue is earned over time throughout the management of each asset recovery file or in accordance with each accounts receivable management contract. Commissions and other revenue is earned at a point in time when services are delivered. In the case of commissions, they are not recognized until any variable component can be determined with sufficient certainty such that a significant reversal in the amount recognized will not occur.

Much of our Services revenue involves interacting with government registries to access public records to provide services to our customers. For this access, our Services segment usually pays a fee to the government. Where we provide simple searches to our customers, government fees are not included in our revenue (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 (government fees are recorded 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.

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

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

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

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

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

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

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.

Share-based compensation plans

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

A long-term incentive plan utilizing performance share units ("PSUs") and share appreciation rights ("SARs") was approved by the Board on May 15, 2020, and is described in Note 15.

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 15.

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 three-year average annual yield rate; and
- Equity volatility: based on ISC's three-year standard deviation of Total Shareholder Return.

Business acquisitions

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

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

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

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

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

Business acquisitions versus asset acquisitions

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

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

Property, plant and equipment

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

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

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

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

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

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

Intangible assets

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

Intangible assets acquired

Internal-use software, acquired contracts 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	4–15 years
Assets under development	N/A (not ready for use)

Impairment of tangible and intangible assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, 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 operating segments that correspond to the CGUs for impairment testing are disclosed in Note 10.

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

Financial instruments

Financial assets

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

(i) Financial assets at FVTPL

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

(ii) Financial assets at FVTOCI – Equity investments

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

(iii) Financial assets at AC

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

Financial liabilities

The Company's financial liabilities are initially recorded at fair value, net of transaction costs, and are subsequently measured at 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	Amortized cost using effective interest rate method
Short-term investments	AC	Amortized cost using effective interest rate method
Short-term investments – marketable securities	FVTOCI	FVTOCI
Trade and other receivables	AC	Amortized cost using effective interest rate method
Liabilities		
Accounts payable and accrued liabilities excluding share-based accrued liabilities	AC	Amortized cost using effective interest rate method
Long-term debt	AC	Amortized cost using effective interest rate method

Impairment of financial assets

The Company recognizes lifetime expected credit losses ("ECL") for trade and other receivables. The 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 12 months after the reporting date.

Leases

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Employee benefits

The Company provides pension plans for all eligible employees. Employees make contributions to a defined contribution plan. The Company's obligations are limited to making regular payments to the plan for current services. These contributions are expensed.

Foreign currency

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

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

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

Recent accounting pronouncements

The IASB and 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 and IFRS Practice Statement 2 — *Disclosure of Accounting Policy Information*	The amendments to IAS 1 — Presentation of Financial Statements and IFRS Practice Statement 2 — Making Materiality Judgements require that an entity discloses its material accounting policies, instead of its significant accounting policies. The amendment is effective for annual periods beginning on or after January 1, 2023. This change will impact disclosures in Note 2 to the Notes to the Consolidated Financial Statements.	January 1, 2023
Amendments to IAS 8 — *Definition of Accounting Estimates*	The amendments introduce a definition of accounting estimates and are intended to help entities distinguish changes in accounting policies from changes in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". This distinction is important because changes in accounting policies must be applied retrospectively while changes in accounting estimates are accounted for prospectively. The amendment is effective for annual periods beginning on or after January 1, 2023. The Company has assessed the impact of the adoption of this amendment, and it is not expected to have a material impact on the Company's Consolidated Financial Statements.	January 1, 2023
Amendments to IAS 12 — *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	The amendments narrow the scope of the initial recognition exemption to clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendment is effective for annual periods beginning on or after January 1, 2023. The Company has assessed the impact of the adoption of this amendment, and it is not expected to have a material impact on the Company's Consolidated Financial Statements.	January 1, 2023
Amendments to IAS 1 — *Classification of Liabilities as Current or Non-current*	The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements. The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024, with early application permitted. This amendment is currently being assessed by the Company to determine the impact.	January 1, 2024
Amendments to IFRS 16 — *Lease liability in a Sale and Leaseback*	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendment is effective for annual periods beginning on or after January 1, 2024. The Company has assessed the impact of the adoption of this amendment, and it is not expected to have a material impact on the Company's Consolidated Financial Statements.	January 1, 2024

4 Trade and Other Receivables

The components of trade and other receivables are as follows:

(thousands of CAD)		December 31, 2022		December 31, 2021
Trade receivables	$	14,049	$	12,679
GST/HST/VAT receivables		192		61
Other		692		31
Total trade and other receivables	$	14,933	$	12,771

5 Contract Assets

The components of contract assets are as follows:

(thousands of CAD)		December 31, 2022		December 31, 2021
Unbilled revenue	$	589	$	724
Contract fulfilment costs		396		142
Total contract assets	$	985	$	866

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

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

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

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

6 Seasonality

Registry Operations experiences moderate seasonality, primarily because Land Titles revenue fluctuates in line with real estate transaction activity in Saskatchewan. Typically, the second and third quarters of the fiscal year generate higher revenue, as that is when real estate activity is traditionally highest. Ontario Property Tax Assessment Services revenue earned through Reamined does not experience seasonality, as revenue is received evenly throughout the year as per the agreement with the Province of Ontario.

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

The Company has observed that its historical pattern of seasonality in Registry Operations, and to some degree in Services, has been impacted due to the COVID-19 pandemic. Although the current year trends would support historical patterns, at this time, we are uncertain if or when seasonality will return to historical patterns.

Technology Solutions does not experience seasonality; however, this segment is impacted by the timing of procurement activities largely undertaken by local governments around the world. While this was impacted by COVID-19, we have seen an increase in procurement activities throughout much of 2022.

The balance of our corporate activities and shared services functions, reported under Corporate and other, do not experience seasonality. Expenses are generally consistent from quarter to quarter, but can fluctuate due to the timing of project-related or acquisition activities.

7 Property, Plant and Equipment

(thousands of CAD)	Leasehold Improvements	Office Furniture	Office Equipment	Hardware	Assets Under Development	Total
Cost						
Balance at January 1, 2021	$ 9,896	$ 3,236	$ 177	$ 3,104	$ 14	$ 16,427
Additions	–	–	–	–	10	10
Disposals	(1,922)	(131)	(16)	(278)	–	(2,347)
Foreign exchange adjustments	(3)	(3)	–	(18)	–	(24)
Balance at December 31, 2021	7,971	3,102	161	2,808	24	14,066
Acquired assets[1]	119	73	–	401	–	593
Additions	–	9	–	468	97	574
Disposals	(51)	(285)	(5)	(12)	–	(353)
Transfers	73	34	–	14	(121)	–
Foreign exchange adjustments	–	–	–	8	–	8
Balance at December 31, 2022	**$ 8,112**	**$ 2,933**	**$ 156**	**$ 3,687**	**$ –**	**$ 14,888**
Accumulated depreciation						
Balance at January 1, 2021	$ 8,491	$ 3,046	$ 163	$ 2,567	$ –	$ 14,267
Depreciation	361	50	7	260	–	678
Impairment[2]	128	7	–	–	–	135
Disposals	(1,922)	(131)	(16)	(278)	–	(2,347)
Foreign exchange adjustments	(1)	(1)	–	(16)	–	(18)
Balance at December 31, 2021	7,057	2,971	154	2,533	–	12,715
Depreciation	266	45	3	394	–	708
Disposals	(51)	(285)	(5)	(12)	–	(353)
Foreign exchange adjustments	–	1	–	4	–	5
Balance at December 31, 2022	**$ 7,272**	**$ 2,732**	**$ 152**	**$ 2,919**	**$ –**	**$ 13,075**
Carrying value						
At December 31, 2021	$ 914	$ 131	$ 7	$ 275	$ 24	$ 1,351
At December 31, 2022	**$ 840**	**$ 201**	**$ 4**	**$ 768**	**$ –**	**$ 1,813**

1 Acquired assets – see Note 26.

2 Impairment –During the third quarter of 2021, the Company made the decision to close three of its regional service centres in Saskatchewan and recorded impairments of $0.1 million related to these regional service centres..

8 Right-of-use Assets

(thousands of CAD)	Property and Equipment[1]
Cost	
Balance at January 1, 2021	$ 16,993
Additions and modifications	2,223
Disposals	(166)
Foreign exchange adjustments	(96)
Balance at December 31, 2021	$ 18,954
Additions and modifications	606
Additions – acquisitions[2]	1,283
Reclass to accumulated depreciation	(2,721)
Foreign exchange adjustments	(32)
Balance at December 31, 2022	**$ 18,090**
Accumulated depreciation	
Balance at January 1, 2021	$ 9,413
Depreciation	1,902
Impairment[3]	13
Disposals	(166)
Foreign exchange adjustments	(69)
Balance at December 31, 2021	$ 11,093
Depreciation	2,212
Foreign exchange adjustments	(47)
Reclass from cost	(2,721)
Balance at December 31, 2022	**$ 10,537**
Carrying value	
At December 31, 2021	$ 7,861
At December 31, 2022	**$ 7,553**

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

[2] See Note 26.

[3] Impairment – During the third quarter of 2021, the Company made the decision to close three of its regional service centres in Saskatchewan and recorded impairments related to these regional service centres.

9 Intangible Assets

(thousands of CAD)	Internal Use Software – Acquired	Internal Use Software – Internally Developed	Business Solutions – Acquired	Business Solutions – Internally Developed	Brand, Non-competes, Other	Contracts, Customer & Partner Relationships	Assets Under Development	Total
Cost								
Balance at January 1, 2021	$ 26,951	$ 78,502	$ 2,174	$ 6,009	$2,391	$ 65,375	$ 955	$ 182,357
Additions	–	–	–	–	–	–	2,486	2,486
Disposals	(911)	–	–	–	(959)	–	–	(1,870)
Transfers	39	269	–	237	–	–	(545)	–
Foreign exchange adjustments	–	–	(163)	(217)	(34)	(58)	(88)	(560)
Balance at December 31, 2021	$ 26,079	$ 78,771	$ 2,011	$ 6,029	$ 1,398	$ 65,317	$ 2,808	$ 182,413
Acquired assets[1]	5,328	–	–	–	1,000	31,466	–	37,794
Additions	–	–	–	–	–	–	1,887	1,887
Disposals	–	(47)	–	–	(176)	–	–	(223)
Transfers	–	–	–	658	–	–	(658)	–
Foreign exchange adjustments	–	–	22	32	–	29	52	135
Balance at December 31, 2022	**$ 31,407**	**$ 78,724**	**$ 2,033**	**$ 6,719**	**$ 2,222**	**$ 96,812**	**$ 4,089**	**$ 222,006**
Accumulated depreciation								
Balance at January 1, 2021	$ 17,363	$ 76,937	$ 1,267	$ 3,515	$ 1,499	$ 11,822	$ –	$ 112,403
Amortization	3,046	386	309	538	157	6,614	–	11,050
Disposals	(911)	–	–	–	(959)	–	–	(1,870)
Foreign exchange adjustments	–	–	(105)	(70)	(34)	(28)	–	(237)
Balance at December 31, 2021	$ 19,498	$ 77,323	$ 1,471	$ 3,983	$ 663	$ 18,408	$ –	$ 121,346
Amortization	2,571	413	249	561	217	7,804	–	11,815
Disposals	–	(47)	–	–	(176)	–	–	(223)
Foreign exchange adjustments	–	–	31	35	–	9	–	75
Balance at December 31, 2022	**$ 22,069**	**$ 77,689**	**$ 1,751**	**$ 4,579**	**$ 704**	**$ 26,221**	**$ –**	**$ 133,013**
Carrying value								
At December 31, 2021	$ 6,581	$ 1,448	$ 540	$ 2,046	$ 735	$ 46,909	$ 2,808	$ 61,067
At December 31, 2022	**$ 9,338**	**$ 1,035**	**$ 282**	**$ 2,140**	**$ 1,518**	**$ 70,591**	**$ 4,089**	**$ 88,993**

[1] Acquired assets – see Note 26

10 Goodwill

The components of goodwill are as follows:

(thousands of CAD)	**December 31, 2022**	December 31, 2021
Balance, beginning of year	**$ 77,134**	$ 77,455
Additions[1]	**24,063**	–
Foreign exchange adjustment	**43**	(321)
Balance, end of year	**$ 101,240**	$ 77,134

1 Acquisitions – see Note 26.

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

(thousands of CAD)	**December 31, 2022**	December 31, 2021
Registry Operations	**$ 21,098**	$ 1,200
Services	**71,537**	67,372
Technology Solutions	**8,605**	8,562
Balance, end of year	**$ 101,240**	$ 77,134

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

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

Registry Operations

Key assumptions for this segment include the performance of the Saskatchewan economy, revenue growth, related party costs, corporate cost allocations required to support infrastructure, and future technological investment in, and related to, this infrastructure. In 2022, annual impairment testing for this segment used a pre-tax discount rate of 15.1 per cent (2021 — 13.7 per cent) and a perpetual growth rate of 2.0 per cent (2021 — 2.0 per cent). Given the strong cash flow in Registry Operations relative to the size of goodwill, the risk of impairment is remote and, as a result, the traditional cash flow approach was used for this segment.

Services

Key assumptions for this segment include the performance of the Canadian economy, revenue growth, including attracting new customers and adding incremental value to existing customers, related party costs, corporate cost allocations required to support infrastructure, and future technological investment in, and related to, this infrastructure. The 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 (2021 — 2.75 per cent) used in the annual test. In 2022, annual impairment testing for this segment used a pre-tax discount rate of 18.5 per cent (2021 — 18.2 per cent).

Technology Solutions

Key assumptions for this segment, which has operations in both 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. This segment has been negatively impacted by COVID-19 as local governments have deferred registry projects and redirected attention to the preservation of the health and safety of their populations. During the latter part of 2022, we have seen renewed procurement activity, which has generated an active pipeline of opportunities. Based on this renewed procurement activity, performance during the multi-year planning period is consistent with past pre-COVID-19 performance, which experienced growth in operating cash flow in excess of the perpetual growth rate of 2.0 per cent (2021 — 2.0 per cent) used in the annual test. In 2022, annual impairment testing for this segment used a pre-tax discount rate of 17.1 per cent (2021 — 14.9 per cent) in its Canada-based operations and 17.1 per cent (2021 — 15.0 per cent) in its Ireland-based operations.

11 Accounts Payable and Accrued Liabilities

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

(thousands of CAD)	December 31, 2022	December 31, 2021
Trade payables	$ 7,444	$ 2,497
Accrued liabilities	9,765	8,957
Customer deposits	4,221	4,093
Dividend payable	4,071	4,025
Share-based accrued liabilities	8,149	6,910
Consideration due to vendor[1]	226	–
Total accounts payable and accrued liabilities	**$ 33,876**	$ 26,482

1 See Note 26.

12 Contract Liabilities

The components of contract liabilities are as follows:

(thousands of CAD)	December 31, 2022	December 31, 2021
Amounts received in advance of Registry Operations transaction, maintenance and support contracts (i)	$ 320	$ 329
Amounts received in advance of Technology Solutions support and delivery contracts (ii)	2,400	1,159
Total contract liabilities	**$ 2,720**	$ 1,488

(i) Revenue that relates to Saskatchewan Registry Operations maintenance and support contracts transactions is recognized over time, while all other Saskatchewan Registry Operations revenue is recognized at a point in time. Revenue from Reamined, acquired on June 1, 2022 (see Note 26), is classified under Registry Operations and is recognized over time. A contract liability is recognized for payments received from end-use customers in advance of services being provided and is recognized into revenue either at the point in time the service is rendered or over the service period.

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

Revenue recognized in 2022 that was included in the contract liability balance at December 31, 2021 is as follows:

(thousands of CAD)	Year Ended December 31, 2022	Year Ended December 31, 2021
Registry Operations transaction, maintenance and support contracts	$ 314	$ 326
Technology Solutions support and delivery contracts	325	1,406
Total revenue recognized that was included in the balance at the beginning of the year	**$ 639**	$ 1,732

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

13 Lease Obligations

(thousands of CAD)	Year Ended December 31, 2022	2021
Balance, beginning of year	$ 9,033	$ 8,852
Additions	240	–
Additions – acquisitions[1]	1,283	–
Interest expense	403	354
Effect of modification to lease terms	366	2,223
Lease payments[2]	(2,540)	(2,368)
Foreign exchange adjustments	22	(28)
Balance, end of year	$ 8,807	$ 9,033

1 See Note 26.

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

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

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

(thousands of CAD)	Year Ended December 31, 2022	2021
Year 1	$ 2,642	$ 2,201
Year 2	2,531	2,056
Year 3	1,260	2,010
Year 4	950	816
Year 5	811	829
Thereafter	1,697	2,426
Balance, end of year	$ 9,891	$ 10,338
Unearned interest	(1,084)	(1,305)
Balance, end of year	$ 8,807	$ 9,033
Reflected as:		
Lease obligations – current portion	2,299	1,847
Lease obligations	6,508	7,186
Balance, end of year	$ 8,807	$ 9,033

14 Tax Provision

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

(thousands of CAD)	Year Ended December 31, 2022	2021
Current tax expense	$ 12,360	$ 13,301
Deferred tax recovery	(111)	(1,298)
Income tax expense	$ 12,249	$ 12,003

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

	Year Ended December 31,	
(thousands of CAD)	**2022**	2021
Income before tax	**$ 43,018**	$ 44,081
Combined statutory income tax rate	**27.00%**	27.00%
Expected income tax expense	**11,615**	11,902
Increase (decrease) in income tax resulting from:		
Non-deductible expenses	**162**	49
Foreign income tax differential	**488**	39
Adjustment to prior years' deferred tax assets and liabilities	**(6)**	(25)
Other	**(10)**	38
Income tax expense	**$ 12,249**	$ 12,003

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

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

1 See Note 26.

(thousands of CAD)	Net Balance January 1, 2021	Recognized in Profit or Loss	Foreign Exchange Movement	Acquisitions	Net Balance December 31, 2021	Deferred Tax Asset	Deferred Tax Liability
Property, plant and equipment	$ 88	$ 253	$ (1)	$ –	$ 340	$ 145	$ 195
Right-of-use assets	(2,000)	105	15	–	(1,880)	(1,621)	(259)
Intangible assets	20,326	(25)	10	–	20,311	25,316	(5,005)
Goodwill	(916)	(460)	–	–	(1,376)	–	(1,376)
Lease obligations	2,341	(130)	(15)	–	2,196	1,934	262
Share-based compensation and other	1,311	1,555	–	–	2,866	2,864	2
Net deferred tax assets (liabilities)	$ 21,150	$ 1,298	$ 9	$ –	$ 22,457	$ 28,638	$ (6,181)

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

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

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

At December 31, 2022, a deferred tax asset of $0.4 million (2021 — nil) has been recognized in respect of $2.7 million of tax losses (2021 — nil) related to ERS. Management anticipates that ERS will earn sufficient future taxable income to utilize the tax losses, which do not expire. A deferred tax asset of $0.3 million (2021 — nil) has been recognized at December 31, 2022, in respect of $1.3 million of tax losses (2021 — nil) related to CRM as there are sufficient taxable temporary differences against which the unused tax losses can be utilized. The tax losses of CRM can be carried forward 20 years.

15 Share-Based Compensation Plans

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

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

	Year Ended December 31,	
(thousands of CAD)	**2022**	2021
Performance share units	**$ 913**	$ 1,658
Share appreciation rights	**200**	3,115
Deferred share units	**377**	1,200
	1,490	5,973
Stock options	**(7)**	88
Share-based compensation expense	**$ 1,483**	$ 6,061
Market price, beginning of year	**$ 25.29**	$ 19.91
Market price, end of year	**$ 24.17**	$ 25.29

Performance share units

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

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

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

On the settlement date, the Company delivers to each participant a cash payment equal to the redemption value of the PSU. A summary of the status of the PSU plan and the changes within the years ended December 31, 2022 and 2021, are as follows:

(thousands of CAD, except number of units)	Total Units Granted	Units Recognized	Short-Term Liability[1]	Long-Term Liability[2]	Total Liability[3]
Balance at January 1, 2021	75,247	38,585			
Units proportionally recognized in the current period, from previous grants	–	23,762			
March 25, 2021 grant	22,900	7,619			
Dividend units	3,114	3,114			
Balance at December 31, 2021	101,261	73,080	$ 1,355	$ 1,165	$ 2,520
Balance at January 1, 2022	101,261	73,080			
Units proportionally recognized in the current period, from previous grants	–	20,541			
March 24, 2022 grant	21,978	7,306			
Dividend units	3,330	3,330			
PSUs redeemed	(37,926)	(37,926)			
PSUs forfeited	(1,708)	(1,259)			
Balance at December 31, 2022	**86,935**	**65,702**	**$ 1,801**	**$ 198**	**$ 1,999**

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

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

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

Fully Vested Units:	**Units Vested**
Balance at December 31, 2021	35,731
Balance at December 31, 2022	**40,928**

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.

Share appreciation rights

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

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

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

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

A summary of the status of the SAR plan and the changes within the years ended December 31, 2022 and 2021, are as follows:

	Units	Weighted Average Award Price	FV Market Price at Reporting Period	Units Recognized	Short-Term Liability[1]	Long-Term Liability[2]	Total Liability
Balance at January 1, 2021	534,502	$ 14.80	$ 25.29	250,893			
SARs proportionately recognized in the year from grants awarded in previous years	–	–	$ 25.29	158,067			
SARs granted March 25, 2021	133,791	$ 23.86	$ 25.29	53,534			
SARs redeemed	(1,100)	$ 16.11	$ 25.29	(1,100)			
Balance at December 31, 2021	667,193	$ 16.61	$ 25.29	461,394	$ 1,949	$ 2,381	$ 4,330
Balance at January 1, 2022	667,193	$ 16.61	$ 24.17	461,394			
SARs proportionately recognized in the year from grants awarded in previous years	–	–	$ 24.17	122,100			
SARs granted March 24, 2022	88,410	$ 22.81	$ 24.17	35,556			
SARs redeemed	(8,987)	$ 15.22	$ 24.17	(8,987)			
SARs forfeited	(21,708)	$ 17.17	$ 24.17	(12,306)			
Balance at December 31, 2022	**724,908**	**$ 17.37**	**$ 24.17**	**597,757**	**$ 2,856**	**$ 1,604**	**$ 4,460**

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

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

Fully Vested Units:	Units Vested
Balance at December 31, 2021	193,305
Balance at December 31, 2022	**343,716**

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, 2022 and 2021, are as follows:

(thousands of CAD, except number of units)	Units	Units Recognized	Short-Term Liability[1]
Balance at January 1, 2021	127,667	125,727	
Units proportionally recognized in the current period, from previous grants	–	16,216	
DSUs granted May 12, 2021	14,855	–	
DSUs credited as a result of cash dividends paid	4,222	4,222	
DSUs redeemed	(3,601)	(3,601)	
Balance at December 31, 2021	143,143	142,564	$ 3,606
Balance at January 1, 2022	143,143	142,564	
Units proportionally recognized in the current period, from previous grants	–	18,943	
DSUs granted June 10, 2022	19,603	–	
DSUs credited as a result of cash dividends paid	5,702	5,702	
DSUs redeemed	(22,411)	(22,411)	
DSUs forfeited	(324)	(324)	
Balance at December 31, 2022	**145,713**	**144,474**	**$ 3,492**

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

Fully Vested Units:	Units Vested[2]
Balance at December 31, 2021	139,313
Balance at December 31, 2022	**140,604**

2 Vesting details – The DSUs granted vest over four quarters in four equal tranches. The first tranche vests entirely in the quarter it is granted. The second tranche vests after two quarters. The third tranche vests after three quarters. The fourth tranche vests after four quarters.

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.

The fair value of the DSUs at December 31, 2022, 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, 2022 and 2021, are as follows:

	2022		2021	
	Units	Weighted Average Exercise Price	Units	Weighted Average Exercise Price
Outstanding, beginning of year	1,548,247	$ 17.27	1,548,247	$ 17.27
Stock options exercised	(201,498)	$ 16.68	–	$ –
Stock options forfeited	(14,732)	$ 17.85	–	$ –
Outstanding, end of year	**1,332,017**	**$ 17.35**	1,548,247	$ 17.27
Vested and exercisable, end of year	**1,332,017**		1,430,339	

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

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

The number of options outstanding by grant date as of December 31, 2021, is shown in the following table:

		Options Outstanding			Options Exercisable	
Grant Date	Expiry Date	Units Outstanding	Weighted Average Remaining Contractual Years	Weighted Average Exercise Price	Units Outstanding	Weighted Average Exercise Price
May 14, 2014	May 13, 2022	54,799	0.4	$ 18.80	54,799	$ 18.80
Aug 12, 2015	Aug 12, 2023	405,951	1.6	$ 15.04	405,951	$ 15.04
Aug 12, 2016	Aug 12, 2024	298,509	2.6	$ 17.40	298,509	$ 17.40
May 17, 2017	May 17, 2025	317,341	3.4	$ 18.85	317,341	$ 18.85
May 16, 2018	May 16, 2026	471,647	4.4	$ 17.85	353,739	$ 17.85
		1,548,247	3.0	$ 17.27	1,430,339	$ 17.22

The carrying amount of the equity settled employee benefit reserve arising from these stock options as of December 31, 2022, totalled $2.1 million (December 31, 2021 — $2.4 million).

16 Debt

On September 17, 2021, the Company entered into an amended and extended credit agreement in connection with its secured credit facility (the "Credit Facility") initially provided by its lenders on August 5, 2020. The maturity date of the Credit Facility was extended from August 5, 2022, to September 17, 2026. In addition, the amended agreement simplifies the pricing structure of the facility. The 2021 extension was considered to be a modification of debt for accounting purposes.

The Credit Facility bears interest at a base rate of prime, bankers' acceptance, or letter of credit fee plus a margin varying between 0.20 per cent and 2.00 per cent per annum depending on the type of advance and the performance on certain covenants (2021 — 0.20 per cent and 2.00 per cent per annum).

The Company is also required to pay a commitment fee quarterly in arrears on the unutilized portion of the Credit Facility, at a rate between 0.24 per cent and 0.40 per cent per annum depending on the performance on certain covenants (2021 — 0.24 per cent and 0.40 per cent per annum).

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

In 2022, the Company borrowed $40.0 million (2021 — nil) on its Credit Facility to assist in funding the acquisition of Reamined (see Note 26). Voluntary prepayments totalling $15.0 million were made in 2022 (2021 — $35.0 million).

Debt of $1.0 million acquired in the UPLevel acquisition (see Note 26) was settled shortly after acquisition via a non-cash transaction with the vendor, whereby an equal and offsetting amount due from the vendor was deemed to be settled against this debt.

Short-term debt of $0.5 million acquired with the acquisition of Reamined (see Note 26) was repaid in the fourth quarter of 2022 (2021 — nil).

The Company is amortizing costs of $0.4 million attributable to modifying the Credit Facility over the life of the facility using an effective interest rate that is currently 7.09 per cent in aggregate. For the year ended December 31, 2022, an expense of $72 thousand (2021 — $18 thousand) was recognized in the consolidated statements of comprehensive income.

The Credit Facility can be used for working capital needs and for general corporate purposes.

The Credit Facility is as follows:

(thousands of CAD)	December 31, 2022	December 31, 2021
Non-current		
Revolving term facility – principal component	$ 66,316	$ 41,316
Unamortized costs	(269)	(341)
Total long-term debt	**$ 66,047**	$ 40,975
Financing available		
Revolving term facility – maximum available under Credit Facility	$ 150,000	$ 150,000
Used portion of the facility	(66,316)	(41,316)
Unused and available portion of the Credit Facility	**$ 83,684**	$ 108,684

At December 31, 2022, non-cash drawings, consisting of letters of credit and similar, were nil (2021 — nil).

The Credit Facility contains financial covenants that 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 year.

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

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

17 Liabilities Arising from Financing Activities

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

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

	As at December 31, 2020	Cash Flows	Non-cash Changes: Dividends Declared	Non-cash Changes: Other	As at December 31, 2021
Interest payable	$ 223	$ (2,547)	$ –	$ 2,440	$ 116
Lease obligation including current portion and interest paid	8,852	(2,368)	–	2,549	9,033
Long–term debt	76,316	(35,359)	–	18	40,975
Dividends payable	3,500	(14,000)	14,525	–	4,025
	$ 88,891	$ (54,274)	$ 14,525	$ 5,007	$ 54,149

18 Earnings Per Share

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

(thousands of CAD, except number of shares and earnings per share)	Year Ended December 31, **2022**	2021
Net income	**$ 30,769**	$ 32,078
Weighted average number of shares, basic	**17,598,864**	17,500,000
Potential dilutive shares resulting from stock options	**350,629**	517,509
Weighted average number of shares, diluted	**17,949,493**	18,017,509
Earnings per share ($ per share)		
Total, basic	**$ 1.75**	$ 1.83
Total, diluted	**$ 1.71**	$ 1.78

19 Equity and Capital Management

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

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

1 See Note 15.

Dividends

The Company paid dividends to shareholders during the year ended December 31, 2022 of $16.2 million (2021 — $14.5 million) based on a quarterly dividend of $0.23 per share.

Capital management

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

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

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

The Company's capital at December 31, 2022, consists of long-term debt, share capital, employee benefit reserve, accumulated other comprehensive income and retained earnings (comprising total shareholders' equity).

(thousands of CAD)	**December 31, 2022**	December 31, 2021
Long-term debt	**$ 66,047**	$ 40,975
Share capital	**23,691**	19,955
Accumulated other comprehensive income	**(377)**	(355)
Equity settled employee benefit reserve	**2,082**	2,464
Retained earnings	**130,192**	115,641
Capitalization	**$ 221,635**	$ 178,680

20 Financial Instruments and Related Risk Management

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

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, 2022, is $49.4 million (December 31, 2021 — $52.9 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, short-term investments and aging of receivables:

(thousands of CAD)	**December 31, 2022**	December 31, 2021
Cash	**$ 34,479**	$ 40,104
Short-term investments	**–**	36
Trade and other receivables:		
- current	**12,662**	8,328
- up to three months past due date	**1,342**	3,527
- greater than three months past due date	**929**	916
Total credit risk	**$ 49,412**	$ 52,911

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 16). 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 years ended December 31, 2022 and 2021. As the sensitivity is hypothetical, it should be used with caution. The Company is not exposed to significant interest rate risk.

	December 31, 2022		December 31, 2021	
(thousands of CAD)	**+ 100 bps***	**– 100 bps**	+ 100 bps	– 100 bps
Increase (decrease) in interest expense	**$ 641**	**$ (641)**	$ 669	$ (669)
Decrease (increase) in net income before tax	**$ 641**	**$ (641)**	$ 669	$ (669)
Decrease (increase) in total comprehensive income	**$ 468**	**$ (468)**	$ 488	$ (488)

* 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, 2022:

(thousands of CAD)	Carrying Amount	Contractual Cash Flows	0-6 months	7-12 months	12+ months
Long-term debt	$ 66,047	$ 83,446	$ 2,286	$ 2,324	$ 78,836
Lease obligations	8,807	9,891	1,339	1,303	7,249
Accounts payable and accrued liabilities	33,876	33,876	33,876	–	–
Total liabilities	**$ 108,730**	**$ 127,213**	**$ 37,501**	**$ 3,627**	**$ 86,085**

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:

(thousands of CAD)	Classification	Level	December 31, 2022 Carrying Amount	December 31, 2022 Fair Value	December 31, 2021 Carrying Amount	December 31, 2021 Fair Value
Financial assets						
Cash	AC		**$ 34,479**	**$ 34,479**	$ 40,104	$ 40,104
Short-term investments						
Marketable securities	FVTOCI	L1	**–**	**–**	36	36
Trade and other receivables	AC		**14,933**	**14,933**	12,771	12,771
Financial liabilities						
Accounts payable and accrued liabilities excluding share-based accrued liabilities	AC		**25,727**	**25,727**	19,572	19,572
Long-term debt	AC	L2	**66,047**	**66,192**	40,975	41,272

Fair value of financial instruments

The carrying values of cash, trade and other receivables, accounts payable, and accrued liabilities excluding share-based accrued liabilities approximate fair value due to their immediate or relatively short-term maturity. With long-term debt, the Company has its borrowings under the Credit Facility, which is managed with prime loans, short-term bankers' acceptance, letters of credit or letters of guarantee. These borrowings will bear interest at a base rate of prime plus applicable margin varying between 0.20 per cent and 1.00 per cent per annum. The Company 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, followed by the US dollar. Movements in foreign currencies against the Canadian dollar may impact revenue, the value of assets and liabilities, and affect the Company's profit and loss.

Based on the balance of foreign net monetary assets and net assets carried on the consolidated statements of financial position, the impact of an increase (decrease) of 10.0 per cent in the euro relative to the Canadian dollar as at December 31, 2022, on net monetary assets was a decrease (increase) of $0.3 million (December 31, 2021 — $0.4 million) and on net assets was an increase (decrease) of $1.1 million (December 31, 2021 — $1.3 million). The impact of an increase (decrease) of 10.0 per cent in the US dollar relative to the Canadian dollar as at December 31, 2022, on net monetary assets was a decrease (increase) of $0.3 million (December 31, 2021 — $0.6 million). The Company's exposure to other currencies is not significant at the end of the year.

21 Revenue

The Company derives its revenue from the transfer of goods or services either at a point in time or over time. This is consistent with the revenue from third parties' information disclosed for each reportable segment under IFRS 8 — *Operating Segments* (see Note 24). The following table presents our revenue disaggregated by revenue type. Sales and usage tax are excluded from revenue.

Segment revenue

(thousands of CAD)	Year Ended December 31, 2022	Year Ended December 31, 2021
Registry Operations	**$ 91,721**	$ 85,567
Services	**92,306**	75,165
Technology Solutions	**5,849**	8,644
Corporate and other	**19**	3
Total revenue	**$189,895**	$ 169,379

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

Timing of revenue recognition (thousands of CAD)	Year Ended December 31, **2022**	2021
At a point in time		
Registry Operations revenue	**$ 79,313**	$ 82,553
Services revenue	**90,811**	73,765
Corporate and other	**19**	3
	$ 170,143	$ 156,321
Over time		
Registry Operations revenue	**12,408**	3,014
Services revenue	**1,495**	1,400
Technology Solutions revenue	**5,849**	8,644
	$ 19,752	$ 13,058
Total revenue	**$ 189,895**	$ 169,379

In the "over time" category, some Land Registry and Corporate Registry contracts result in linear revenue recognition over the life of the contract. In Services, Recovery Solutions' administration fee revenue is also recognized over the life of the asset recovery and account receivable management file. Likewise, the hosting, support and maintenance portion of contracts related to Technology Solutions revenue primarily results in linear revenue recognition over the life of the contract. Conversely, revenue recognition associated with the licence and solution definition and implementation portion of contracts depends on milestone achievement or percentage of completion. In 2022, the portion of Technology Solutions contract revenue recognized that was dependent on milestone achievement or percentage of completion versus total revenue recognized was 16.0 per cent (2021 — 40.0 per cent). At December 31, 2022, the Company has contracts where the milestone was either in progress or expected to be satisfied in the near term. For the unsatisfied portion of contracts dependent on milestone achievement or percentage of completion, the Company expects that 76.4 per cent (2021 — 100.0 per cent) of the total will be recognized in the next fiscal year.

Registry Operations service concession arrangement

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

In 2022, there was an incremental $1.0 million increase to both intangible assets and other revenue recorded in 2022 in Registry Operations related to the project (2021 — $0.3 million). Amortization of the intangible asset is expected to commence in 2023 when development is complete.

22 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.

23 Compensation of Key Management Personnel

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

	Year Ended December 31,	
(thousands of CAD)	**2022**	2021
Wages, salaries and short-term benefits	**$ 4,005**	$ 4,220
Share-based compensation	**1,482**	6,061
Defined contribution pension plans	**214**	221
Termination benefits	**242**	–
Total compensation	**$ 5,943**	$ 10,502

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

24 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 to make decisions about the allocation of resources.

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

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

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

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

Revenue and EBIT

For the year ended December 31, 2022

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and Other	Inter-Segment Eliminations	Consolidated Total
Revenue from third parties	$ 91,721	$ 92,306	$ 5,849	$ 19	$ –	$ 189,895
Plus: Inter–segment revenue	–	–	10,168	145	(10,313)	–
Total revenue	$ 91,721	$ 92,306	$ 16,017	$ 164	$ (10,313)	$ 189,895
Expenses excluding depreciation and amortization	(40,828)	(73,711)	(17,397)	(7,342)	10,313	(128,965)
EBITDA	50,893	18,595	(1,380)	(7,178)	–	60,930
Depreciation and amortization	(2,828)	(9,645)	(1,191)	(1,071)	–	(14,735)
EBIT	$ 48,065	$ 8,950	$ (2,571)	$ (8,249)	$ –	$ 46,195
Net finance (expense)						(3,177)
Income tax expense						(12,249)
Net income						$ 30,769
Additions to non–current assets, including acquisitions	$ 54,215	$ 11,087	$ 797	$ 701	$ –	$ 66,800

For the year ended December 31, 2021

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and Other	Inter-Segment Eliminations	Consolidated Total
Revenue from third parties	$ 85,567	$ 75,165	$ 8,644	$ 3	$ –	$ 169,379
Plus: Inter-segment revenue	–	–	9,475	157	(9,632)	–
Total revenue	$ 85,567	$ 75,165	$ 18,119	$ 160	$ (9,632)	$ 169,379
Expenses excluding depreciation and amortization	(36,585)	(57,788)	(16,317)	(7,789)	9,632	(108,847)
EBITDA	48,982	17,377	1,802	(7,629)	–	60,532
Depreciation and amortization	(2,071)	(9,206)	(1,405)	(1,096)	–	(13,778)
EBIT	$ 46,911	$ 8,171	$ 397	$ (8,725)	$ –	$ 46,754
Net finance (expense)						(2,673)
Income tax expense						(12,003)
Net income						$ 32,078
Additions to non-current assets, including acquisitions	$ 310	$ 557	$ 1,640	$ –	$ (11)	$ 2,496

Inter-segment revenue is 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, 2022, revenue within Ireland was $5.0 million (2021 — $7.7 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

As at December 31, 2022 (thousands of CAD)	**Registry Operations**	**Services**	**Technology Solutions**	**Corporate and Other**	**Inter-Segment Eliminations**	**Consolidated Total**
Assets						
Total assets, excluding intangibles, goodwill and cash	**$ 23,667**	**$ 15,838**	**$ 4,408**	**$ 14,829**	**$ –**	**$ 58,742**
Intangibles	**32,301**	**51,383**	**4,638**	**671**	**–**	**88,993**
Goodwill	**21,098**	**71,537**	**8,605**	**–**	**–**	**101,240**
Cash	**–**	**–**	**–**	**34,479**	**–**	**34,479**
Total assets	**$ 77,066**	**$ 138,758**	**$ 17,651**	**$ 49,979**	**$ –**	**$ 283,454**
Liabilities	**$ 19,093**	**$ 15,430**	**$ 6,432**	**$ 86,911**	**$ –**	**$ 127,866**

As at December 31, 2021 (thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and Other	Inter–Segment Eliminations	Consolidated Total
Assets						
Total assets, excluding intangibles, goodwill and cash	$ 23,108	$ 12,516	$ 4,099	$ 14,470	$ –	$ 54,193
Intangibles	1,506	54,794	4,755	12	–	61,067
Goodwill	1,200	67,372	8,562	–	–	77,134
Cash	–	–	–	40,104	–	40,104
Total assets	$ 25,814	$ 134,682	$ 17,416	$ 54,586	$ –	$ 232,498
Liabilities	$ 10,797	$ 13,381	$ 5,695	$ 64,920	$ –	$ 94,793

Non-current assets are held in Canada and Ireland. At December 31, 2022, non-current assets held in Ireland were $10.7 million (December 31, 2021 — $10.4 million), while the remainder were held in Canada.

25 Net Change in Non-Cash Working Capital

The net change during the year comprised the following:

(thousands of CAD)	Year Ended December 31, 2022	2021
Trade and other receivables	**$ 337**	$ 2,386
Prepaid expenses	**(1,134)**	159
Contract assets	**(101)**	150
Accounts payable and accrued liabilities	**6,016**	4,237
Contract liabilities	**1,161**	(433)
Provisions and other liabilities	**(1,824)**	1,384
Income taxes	**(8,292)**	6,302
Net change in non-cash working capital	**$ (3,837)**	$ 14,185

Income taxes paid, net of refunds received, for the year ended December 31, 2022, totalled $20.7 million (2021 — $7.0 million).

26 Acquisitions

During the year, the Company completed three acquisitions: UPLevel, Reamined and Regulis. Management's assessment of each acquisition under IFRS 3 concluded that the acquisitions of Reamined and UPLevel are both business combinations whereas the acquisition of Regulis did not meet the definition of a business and, as such, was treated as an asset acquisition.

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

Net cash flows related to the acquisition	Business Combinations		Asset Acquisition	
(thousands of CAD)	UPLevel	Reamined	Regulis	**Total**
Date acquired	February 14, 2022	June 1, 2022	December 20, 2022	
Consideration paid in cash	$ 9,000	$ 45,900	$ 564	**$ 55,464**
Working capital and other post closing adjustments	458	65	–	**523**
Debt assumed	(1,001)	–	–	**(1,001)**
Transaction costs	–	–	129	**129**
Total consideration	$ 8,457	$ 45,965	$ 693	**$ 55,115**
Non cash deemed settlement of debt after close	1,001	–	–	**1,001**
Items not yet paid in cash:				
Working capital and other post closing adjustments not yet cash settled at December 31, 2022	(71)	(155)	–	**(226)**
Net cash flows related to the acquisition	$ 9,387	$ 45,810	$ 693	**$ 55,890**
Less cash balance acquired	248	930	41	**1,219**
Acquisition (net of cash acquired)	$ 9,139	$ 44,880	$ 652	**$ 54,671**
Made up of:				
Acquisition through business combination (net of cash acquired)	$ 9,139	$ 44,880	$ –	**$ 54,019**
Acquisition through asset acquisition (net of cash acquired)	$ –	$ –	$ 652	**$ 652**

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

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

Reamined

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

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

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

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

Professional fees associated with the cost of the acquisition expensed during the year ended December 31, 2022, were $0.7 million, and have been recorded in professional and consulting services expense on the consolidated statements of comprehensive income.

UPLevel

On February 14, 2022, the Company, through its wholly owned subsidiary ESC, acquired all of the shares of a group of companies operating as UPLevel by way of a Share Purchase Agreement ("SPA"). The purchase consideration was $9.0 million, subject to working capital and other post-closing adjustments set out in the SPA. UPLevel provides contact and accounts receivable management, debt collection and

Personal Property Security Act ("PPSA") search and registration services. The operations are located in Ontario and Quebec, with the ability to serve customers across Canada. The acquisition expands ESC's leading role in the PPSA market and augments its credit life-cycle product suite by adding early- and late-stage collections.

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

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

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

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

Professional fees associated with the cost of the acquisition expensed during the year ended December 31, 2022, totalled $0.3 million, and have been recorded in professional and consulting services expense on the statements of comprehensive income.

The revenue and net earnings of the two business combinations since their acquisition dates included in the consolidated statement of comprehensive income for 2022 were $14.7 million and $0.4 million, respectively.

The consolidated revenue and net income for the Company and the acquirees combined for 2022, as though the acquisition date for the business combinations that occurred during the year had been as of January 1, 2022, would have been $197.2 million and $31.6 million, respectively.

Regulis

On December 20, 2022, the Company through a wholly owned subsidiary, acquired all of the outstanding shares of Regulis by way of a Share Purchase Agreement ("SPA"). The purchase consideration was $0.6 million (€0.4 million) cash upfront, with another €0.6 million when the Registry commences operations and up to €1.0 million in contingent consideration payable over a period of ten years based on a percentage of revenue generated by the registry as set out in the SPA. Regulis holds a contract under the Luxembourg Rail Protocol of the Cape Town Convention which provides it the exclusive right and obligation to develop, deliver and operate the International Registry for Railway Rolling Stock ("the Registry") for a period of ten years from the date the Registry goes live as defined in the Luxembourg Rail Protocol. The acquisition will continue to expand the Company's portfolio of services and solutions to help improve the delivery of modern registry services by and for governments, intergovernmental, and private organizations. Regulis will be reported in the Company's corporate segment until the time it commences operations.

Regulis did not meet the definition of a business per IFRS 3 and, as such, was treated as an asset acquisition. Contingent consideration in an asset acquisition is generally recognized when it is probable that a liability has incurred, and the amount can be reasonably estimated. None of the milestone payments were accrued for at the time of acquisition as it was not probable that a liability had been incurred. The milestone payments have not yet been achieved as of the date of these consolidated financial statements. Transaction costs specific to the asset acquisition of $0.1 million have been capitalized.

27 Commitments and Contingencies

As of December 31, 2022, the Company has commitments over the next five years as follows:

(thousands of CAD)	IT and Other Service Agreements[1]	Master Service Agreement	Operating Leases and non-Lease Component of Office Leases	Total
2023	$ 4,495	$ 500	$ 1,558	$ 6,553
2024	1,724	500	1,418	3,642
2025	981	500	631	2,112
2026	478	500	366	1,344
2027	370	500	303	1,173
Thereafter	370	3,000	705	4,075
Total commitments	**$ 8,418**	**$ 5,500**	**$ 4,981**	**$ 18,899**

[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 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.

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

The Company separates the lease and non-lease components of office space, disclosing the lease payment commitments in Note 13.

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, 2022, the liability was nil (December 31, 2021 — nil).

28 Pension Expense

The total pension costs under the Company's defined contribution plans for the year were $2.1 million (2021 — $1.9 million).

29 Subsequent Events

On March 14, 2023, the Board declared a quarterly cash dividend of $0.23 per Class A Share, payable on or before April 15, 2023, to shareholders of record as of March 31, 2023.

Board of Directors

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

Roger Brandvold
Calgary, Alberta
Director since: 2021
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

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

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

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

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

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

ISC Leadership

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

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

Susan Bowman
Head of ERS

Ken Budzak
Executive Vice-President, Registry Operations

Loren Cisyk
Executive Vice-President, Technology Solutions

Laurel Garven
Vice-President, Corporate Development and Business Strategy

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

Catherine McLean
Vice-President, People and Culture

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 and Symbol

Toronto Stock Exchange: ISV

Share Capital

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

Class A Limited Voting Shares

Issued and outstanding — 17,701,498 Class A Shares as at December 31, 2022.

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

Class B Golden Share

Issued and outstanding — 1 Golden Share as at December 31, 2022.

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, 2022.

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

Ownership

As of March 14, 2023, the Board and management are not aware of any shareholder who directly or indirectly owns or exercises, or directs control over, more than 10 per cent of our Class A Shares, other than:

a) Crown Investments Corporation of Saskatchewan ("CIC"), which holds 5,425,000 Class A Shares representing 30.6 per cent of the issued and outstanding Class A Shares;

b) CI Investments Inc., which holds 2,453,176 Class A Shares representing approximately 13.9 per cent of the issued and outstanding Class A Shares; and

c) QV Investors Inc., which holds 2,215,105 Class A Shares representing 12.5 per cent of the issued and outstanding Class A Shares.

Auditors

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

Transfer Agent

TSX Trust Company

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

Regulatory Filings

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

Investor Contact Information

Jonathan Hackshaw

Senior 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

Dividends on Class A Shares

Our objective is to achieve dividend growth over time while balancing our strategic business priorities.

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

Year	Type	Ex-Dividend Date	Record Date	Payable Date	Amount
2022	Quarterly	Dec 29, 2022	Dec 31, 2022	Jan 15, 2023	$0.23
2022	Quarterly	Sep 29, 2022	Sep 30, 2022	Oct 15, 2022	$0.23
2022	Quarterly	Jun 29, 2022	June 30, 2022	Jul 15, 2022	$0.23
2022	Quarterly	Mar 30, 2022	Mar 31, 2022	Apr 15, 2022	$0.23
2021	Quarterly	Dec 30, 2021	Dec 31, 2021	Jan 15, 2022	$0.23
2021	Quarterly	Sep 28, 2021	Sep 30, 2021	Oct 15, 2021	$0.20
2021	Quarterly	Jun 29, 2021	Jun 30, 2021	Jul 15, 2021	$0.20
2021	Quarterly	Mar 30, 2021	Mar 31, 2021	Apr 15, 2021	$0.20
2020	Quarterly	Dec 30, 2020	Dec 31, 2020	Jan 15, 2021	$0.20
2020	Quarterly	Sep 29, 2020	Sep 30, 2020	Oct 15, 2020	$0.20
2020	Quarterly	Jun 29, 2020	Jun 30, 2020	Jul 15, 2020	$0.20
2020	Quarterly	Mar 30, 2020	Mar 31, 2020	Apr 15, 2020	$0.20

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

Non-IFRS Financial Measures

This report also includes certain measures, which have not been prepared in accordance with International Financial Reporting Standards ("IFRS"), such as EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin and free cash flow. Rather, these measures are provided as additional information to complement those IFRS measures. Refer to section 8.8 "Non-IFRS financial measures" in ISC's Management's Discussion and Analysis for the fourth quarter and year ended December 31, 2022 ("MD&A"), included herein and filed on SEDAR at www.sedar.com, for discussion of why we use these measures and their most closely related IFRS measures within the Financial Statements. Refer to section 2 "Consolidated Financial Analysis" of the MD&A for a reconciliation of EBITDA and adjusted EBITDA to net income and section 6.1 "Cash flow" of the MD&A for a reconciliation of free cash flow.

Cautionary Note Regarding Forward-Looking Information

This report contains forward-looking information within the meaning of applicable Canadian securities legislation including, without limitation, statements related to the industries in which we operate, growth opportunities, and our future financial position and results, including expected revenue, EBITDA margin and EBITDA. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such forward-looking information. Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to changes in the condition of the economy, including those arising from public health concerns, reliance on key customers and licences, dependence on key projects and clients, securing new business and fixed-price contracts, identification of viable growth opportunities, implementation of our growth strategy, competition, and other risks detailed from time to time in the filings made by the Company, including those detailed in ISC's Annual Information Form for the year ended December 31, 2022, and ISC's audited Consolidated Financial Statements and Notes and Management's Discussion and Analysis for the fourth quarter and year ended December 31, 2022, 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.

ISC

Information in the right hands.

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