ISC Reports Record Revenue and Adjusted EBITDA in its Financial Results for 2023

March 12, 2024

- **2023 revenue increased to a record $214.5 million**
- **2023 adjusted EBITDA increased to a record $72.9 million**
- **Secured extension that will generate an estimated $1.3 billion in cash flow until 2053**
- **Announced goal to double the size of the Company on a revenue and adjusted EBITDA basis by 2028**

REGINA, Saskatchewan, March 12, 2024 (GLOBE NEWSWIRE) -- Information Services Corporation (TSX:ISV) ("ISC" or the "Company") today reported on the Company's financial results for the fourth quarter and year ended December 31, 2023.

Commenting on ISC's results, Shawn Peters, President and CEO stated, "2023 was a year of many achievements for ISC. Most notably the extension of our registry partnership with the Government of Saskatchewan ensures continuity for both customers and ISC through to 2053. We also continued to invest in our people and technology to support our growth across our segments in 2023 and beyond, including becoming ISO 27001 certified towards the end of the year. What is most pleasing to me is how well our existing business has performed and has grown organically through our Services and Technology Solutions segments." Peters continued, "The last 10 years at ISC have set the stage for the next period of growth and with our goal to double the size of ISC on a revenue and adjusted EBITDA basis by 2028, we remain focused on delivering sustainable value to shareholders."

Fourth Quarter 2023 Highlights

- **Revenue** was a record $57.5 million for the quarter, an increase of 25 per cent compared to the fourth quarter of 2022. Growth was due to fee adjustments implemented in July for the Saskatchewan Registries in Registry Operations, customer and transaction growth in Services' Regulatory Solutions division and the execution of Third Party solution definition and implementation contracts in Technology Solutions.
- **Net income** was $5.7 million or $0.32 per basic share and diluted share compared to $3.9 million or $0.22 per basic and diluted share in the fourth quarter of 2022. Strong adjusted EBITDA growth in all operating segments drove the increase in net income during the quarter. This was partially offset by an increase in costs associated with the Extension Agreement including increased borrowings, an increase in interest rates, interest accrued on the vendor concession liability and amortization of the intangible asset associated with the Extension.
- **Net cash flow provided by operating activities** was $22.2 million for the quarter, a 20 per cent increase from $18.4 million in the fourth quarter of 2022. This was due to increased results driven by stronger contributions in all operating segments, offset by a net increase of $6.0 million in non-cash working capital, mainly due to changes in accounts payable and the timing of income tax payments.
- **Adjusted net income** was $9.8 million or $0.55 per basic share and $0.54 per diluted share compared to $5.9 million or $0.34 per basic share and $0.33 per diluted share in the fourth quarter of 2022. The reason for the increase in adjusted net income is similar to that regarding net income, with the exception of the interest accrued on the vendor concession liability and the amortization related to the intangible asset associated with the Extension, as these items are excluded from adjusted net income.
- **Adjusted EBITDA** was a record $21.3 million for the quarter compared to $13.5 million in 2022 due to the impact of fee adjustments in Registry Operations' Saskatchewan Registries division and continued customer and transaction growth in Services' Regulatory Solutions division. Technology Solutions' adjusted EBITDA also grew compared to the prior year quarter due to increased revenue from new solution definition and implementation contracts announced in 2023 as well as ongoing contracts. **Adjusted EBITDA margin** was 37.1 per cent compared to 29.3 per cent in the fourth quarter of 2022.
- **Adjusted free cash flow** for the quarter was $14.0 million, up 55 per cent compared to $9.0 million in the fourth quarter of 2022, due to stronger results in our operating segments. This was partially offset by an increase in costs associated with the Extension Agreement, including increased borrowings to fund the Upfront Payment and an increase in interest rates.
- Voluntary prepayments of $10.0 million were made towards ISC's Credit Facility during the quarter demonstrating ISC's plan to deleverage towards a long-term net leverage target of 2.0x – 2.5x.

Year-end 2023 Highlights

- **Revenue** was a record $214.5 million for the year ended December 31, 2023, an increase of 13 per cent compared to $189.9 million in 2022. This growth was due to the same reasons given for the quarter accompanied by a full year of revenue from Ontario Property Tax Assessment Services in the current year compared to seven months in the prior year.
- **Net income** was $25.0 million or $1.41 per basic share and $1.39 per diluted share for the year ended December 31,

2023, compared to $30.8 million or $1.75 per basic share and $1.71 per diluted share in 2022. The year-over-year decrease is due to higher net finance cost, amortization expense, and acquisition, integration and other costs related to the Extension, and commencement of registry enhancements (as further discussed under Section 3.1 “Saskatchewan Registries” of Management’s Discussion and Analysis for the fourth quarter and year ended December 31, 2023 (“MD&A”)) offset by increased adjusted EBITDA contributions from Registry Operations, Services and Technology Solutions.

- **Net cash flow provided by operating activities** was $56.8 million for the year ended December 31, 2023, an increase of $13.2 million, compared to 2022. This was attributable to higher contributions from all operating segments, augmented by a net decrease of non-cash working capital of $2.6 million related to accounts payable and the timing of income tax payments.
- **Adjusted net income** was $34.2 million or $1.92 per basic share and $1.90 per diluted share for the year ended December 31, 2023, compared to $33.3 million or $1.89 per basic share and $1.86 per diluted share for the year ended December 31, 2022. The year-over-year increase was due to increased contributions from all operating segments, partially offset by increased interest expense due to an increase in long-term debt to fund the Upfront Payment and higher interest rates as compared to the prior year which impacted our cost of borrowing.
- **Adjusted EBITDA** was a record $72.9 million for the year compared to $64.4 million last year. The increase relates to higher adjusted EBITDA in Registry Operations from a combination of fee adjustments implemented in its Saskatchewan Registries division in July, which offset reduced volume in the Land Registry (reflecting reduced activity in the Saskatchewan real estate sector due to a higher interest rate environment) and a full year of contributions from Ontario Property Tax Assessment Services in the current year compared to seven months in the prior year. In addition, Services continued to deliver strong customer and transaction growth in its Regulatory Solutions division while Technology Solutions advanced work on both new solution definition and implementation contracts announced during the year as well as on ongoing contracts. Partially offsetting this adjusted EBITDA growth were increased cost of goods sold associated with the growth in Services’ Regulatory Solutions division along with increased investment in the Corporate segment in people and technology. **Adjusted EBITDA margin** for the year was 34.0 per cent, consistent with 2022.
- **Adjusted free cash flow** for the year ended December 31, 2023 was a record $50.8 million, which represented an increase of $6.4 million compared to $44.4 million in 2022. The increase was due to stronger results from our operating segments partially offset by increased cash interest expense during the current year due to increased borrowings to fund the Upfront Payment and an increase in interest rates.
- Voluntary prepayments on our debt facilities during the year totalled $39.0 million of which $10.0 million was paid in the fourth quarter, demonstrating ISC’s commitment to deleverage its balance sheet towards a long-term net leverage target of 2.0x – 2.5x. Long-term debt at December 31, 2023 was $177.3 million.

Financial Position as at December 31, 2023

- Cash of $24.2 million compared to $34.5 million as at December 31, 2022, a decrease of $10.3 million. ISC maintains access to a $100.0 million accordion option, providing the flexibility to upsize the aggregate revolving credit facility up to $350.0 million.
- Total debt of $177.3 million compared to $66.0 million as at December 31, 2022. The Company is focused on continuing sustainable growth and deleveraging its balance sheet towards a long-term net leverage target of 2.0x – 2.5x. The prepayments described in the MD&A are a reflection of the deleveraging plans.

Subsequent Events

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

Management’s Discussion of ISC’s Summary of Fourth Quarter and Year-end 2023 Financial Results

(thousands of CAD; except earnings per share and where noted)	**Quarter Ended December 31, 2023**	**Quarter Ended December 31, 2022**	**Year Ended December 31, 2023**	**Year Ended December 31, 2022**
Revenue				
Registry Operations	**$ 28,519**	$22,605	**$ 103,516**	$91,721
Services	**25,368**	22,441	**101,712**	92,306
Technology Solutions	**3,604**	1,047	**9,268**	5,849
Corporate and other	-	11	**24**	19
Total revenue	**$ 57,491**	$46,104	**$ 214,520**	$189,895
Total expenses	**$ 43,683**	$39,396	**$ 166,547**	$143,700
Adjusted EBITDA[1]	**$ 21,317**	$13,521	**$ 72,866**	$64,390
Adjusted EBITDA margin[1] (% of revenue)	**37.1%**	29.3%	**34.0%**	33.9%
Net income	**$ 5,714**	$3,949	**$ 25,045**	$30,769

Adjusted net income[1]	**$ 9,848**	$5,942	**$ 34,213**	$33,348
Earnings per share (basic)	**$ 0.32**	$0.22	**$ 1.41**	$1.75
Earnings per share (diluted)	**$ 0.32**	$0.22	**$ 1.39**	$1.71
Adjusted Earnings per share (basic)[1]	**$ 0.55**	$0.34	**$ 1.92**	$1.89
Adjusted earnings per share (diluted)[1]	**$ 0.54**	$0.33	**$ 1.90**	$1.86
Adjusted free cash flow[1]	**$ 13,975**	$8,995	**$ 50,770**	$44,390

[1] *Adjusted net income, adjusted earnings per share, basic, adjusted earnings per share, diluted, adjusted EBITDA, adjusted EBITDA margin and adjusted free cash flow are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures reported by other companies; refer to Section 8.8 "Non-IFRS financial measures" of the MD&A. Refer to Section 2 "Consolidated Financial Analysis" in the MD&A for a reconciliation of adjusted net income and adjusted EBITDA to net income. Refer to Section 6.1 "Cash flow" in the MD&A for a reconciliation of adjusted free cash flow to net cash flow provided by operating activities. See also a description of these non-IFRS measures and reconciliations of adjusted net income and adjusted EBITDA to net income and adjusted free cash flow to net cash flow provided by operating activities presented in the section of this news release titled "Non-IFRS Performance Measures".*

2023 Results of Operations

- Total revenue was $214.5 million, up 13 per cent compared to 2022.
- Registry Operations segment revenue was $103.5 million, up 13 per cent compared to 2022.
  - Land Registry revenue was $63.5 million, up compared to $59.3 million in 2022.
  - Personal Property Registry revenue was $11.9 million, up compared to $11.3 million in 2022.
  - Corporate Registry revenue was $12.0 million, up compared to $11.2 million in 2022.
  - Ontario Property Tax Assessment Services ("OPTA") revenue was $15.5 million, up compared to $8.9 million in 2022.
- Services segment revenue was $101.7 million, up 10 per cent compared to 2022.
  - Regulatory Solutions revenue was $76.2 million, up compared to $65.9 million in 2022.
  - Recovery Solutions revenue was $10.8 million, flat compared to $10.9 million in 2022.
  - Corporate Solutions revenue was $14.8 million, down compared to $15.3 million in 2022.
- Technology Solutions revenue was $23.2 million, up 45 per cent compared to 2022.
- Consolidated expenses were $166.5 million compared to $143.7 million for 2022.
- Net income for the year ended December 31, 2023, was $25.0 million or $1.41 per basic share and $1.39 per diluted share. For the year ended December 31, 2022, net income was $30.8 million or $1.75 per basic share and $1.71 per diluted share.
- Sustaining capital expenditures for 2023 were $2.4 million, compared to $1.5 million in 2022.

Outlook

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

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

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

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

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

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

Growth

Having doubled the size of ISC on a revenue and adjusted EBITDA basis over the last 10 years, our goal is to again double the size of the Company, on a similar metrics basis and based on 2023 results, but in half the time (5 years), through a combination of organic growth and M&A. For more information, please refer to Section 5 of the MD&A.

Note to Readers

The Board of Directors ("Board") of ISC is responsible for review and approval of this disclosure. The Audit Committee of the Board, which is comprised exclusively of independent directors, reviews and approves the fiscal year-end Management's Discussion and Analysis and Financial Statements and recommends both to the Board for approval. The interim financial statements and MD&A are reviewed and approved by the Audit Committee.

This news release provides a general summary of ISC's results for the years ended December 31, 2023 and 2022. Readers are encouraged to download the Company's complete financial disclosures. Links to ISC's financial statements and related notes and MD&A for the period are available on our website in the Investor Relations section at www.isc.ca

Copies can also be obtained at www.sedarplus.ca by searching Information Services Corporation's profile or by contacting Information Services Corporation at investor.relations@isc.ca

All figures are in Canadian dollars unless otherwise noted.

Conference Call and Webcast

An investor conference call will be held on Wednesday, March 13, 2024 at 11:00 a.m. ET to discuss the results. Those joining the call on a listen-only basis are encouraged to join the live audio webcast, which will be available on ISC's website at www.company.isc.ca/investor-relations/events.

Participants who wish to ask a question on the live call may do so through the ISC website, or by registering at: https://register.vevent.com/register/BIf1c22b6badef4f73870ee27bd98cb819

Once registered, participants will receive the dial-in numbers and their unique PIN number. When dialing in, participants will input their PIN and be placed into the call.

While not required, it is recommended that participants join 10 minutes before the start time. A replay of the webcast will be available approximately 24 hours after the event on ISC's website at www.isc.ca. Media are invited to attend on a listen-only basis.

About ISC®

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 clients by providing solutions to manage, secure and administer information through our Registry Operations, Services and Technology Solutions segments. ISC is focused on sustaining its core business while pursuing new growth opportunities. The Class A Shares of ISC trade on the Toronto Stock Exchange under the symbol ISV.

Cautionary Note Regarding Forward-Looking Information

This news release contains forward-looking information within the meaning of applicable Canadian securities laws including, without limitation, those contained in the "Outlook" section hereof, including statements related to our strategy, future results, including revenue and adjusted EBITDA, segment performance, expenses, operating costs and capital expenditures, and statements related to the industries in which we operate, growth opportunities, economic activity, investments, business development opportunities and our future financial position and results of operations. 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 economic, market and business conditions, changes in technology and customers' demands and expectations, 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, termination risks and other risks detailed from time to time in the filings made by the Company including those detailed in ISC's Annual Information Form for the year ended December 31, 2023 and ISC's audited Consolidated Financial Statements and Notes and Management's Discussion and Analysis for the fourth quarter and year ended December 31, 2023, copies of which are filed on SEDAR+ at www.sedarplus.ca.

The forward-looking information in this release is made as of the date hereof and, except as required under applicable securities legislation, ISC assumes no obligation to update or revise such information to reflect new events or circumstances.

Non-IFRS Performance Measures

Included within this news release is reference to the following non-IFRS performance measures. These measures, which are reconciled below are reviewed regularly by management and the Board of Directors in assessing our performance and making decisions regarding the ongoing operations of our business and its ability to generate returns. These measures may also be used by external parties in decision making related to ISC's performance. They are not recognized measures under IFRS and do not have a standardized meaning under IFRS, so may not be reliable ways to compare us to other companies.

Non-IFRS performance measure	Why we use it	How we calculate it	Most comparable IFRS financial measure
Adjusted net income Adjusted	• To evaluate performance and profitability while excluding non-operational and share-based	Adjusted net income: Net income Add Share-based compensation expense, acquisitions, integration	Net income Earnings per share, basic

earnings per share, basic Adjusted earnings per share, diluted	volatility. • We believe that certain investors and analysts will use adjusted net income and adjusted earnings per share to evaluate performance while excluding items that management believes do not contribute to our ongoing operations.	and other costs, effective interest component of interest expense, debt finance costs expensed to professional and consulting, amortization of the intangible asset associated with the right to manage and operate the Saskatchewan Registries, amortization of registry enhancements, interest on the vendor concession liability and the tax effect of these adjustments at ISC's statutory tax rate. Adjusted earnings per share, basic: Adjusted net income divided by weighted average number of common shares outstanding Adjusted earnings per share, diluted: Adjusted net income divided by diluted weighted average number of common shares outstanding	Earnings per share, diluted
EBITDA EBITDA margin	• To evaluate performance and profitability of segments and subsidiaries as well as the conversion of revenue. • We believe that certain investors and analysts use EBITDA to measure our ability to service debt and meet other performance obligations.	EBITDA: Net income add (remove) Depreciation and amortization, net finance expense, income tax expense EBITDA margin: EBITDA divided by Total revenue	Net income
Adjusted EBITDA Adjusted EBITDA margin	• To evaluate performance and profitability of segments and subsidiaries as well as the conversion of revenue while excluding non-operational and share-based volatility. • We believe that certain investors and analysts use adjusted EBITDA to measure our ability to service debt and meet other performance obligations. • Adjusted EBITDA is also used as a component of determining short-term incentive compensation for employees.	Adjusted EBITDA: EBITDA add (remove) share-based compensation expense, acquisition, integration and other costs, gain/loss on disposal of assets and asset impairment charges if significant Adjusted EBITDA margin: Adjusted EBITDA divided by Total revenue	Net income
Free cash flow	• To show cash available for debt repayment and reinvestment into the Company on a levered basis. • We believe that certain investors and analysts use this measure to value a business and its underlying assets. • Free cash flow is also used as a component of determining short-term incentive compensation for employees.	Free cash flow: Net cash flow provided by operating activities deduct (add) Net change in non-cash working capital, cash additions to property, plant and equipment, cash additions to intangible assets, interest received and paid as well as interest paid on lease obligations and principal repayments on lease obligations	Net cash flow provided by operating activities
Adjusted free cash flow	• To show cash available for debt repayment and reinvestment into the Company on a levered basis from continuing operations while excluding non-operational and share-based volatility. • We believe that certain investors and analysts use this measure to value a business and its underlying assets based on continuing operations while excluding short term non-operational items.	Adjusted free cash flow: Free cash flow deduct (add) Share-based compensation expense, acquisition, integration and other costs and registry enhancement capital expenditures	Net cash flow provided by operating activities

The following presents a reconciliation of adjusted net income to net income, a reconciliation of adjusted EBITDA to EBITDA to net income and a reconciliation of adjusted free cash flow to free cash flow to net cash flow provided by operating activities:

Reconciliation of Adjusted Net Income to Net Income

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

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

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

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

Reconciliation of Adjusted EBITDA to EBITDA to Net Income

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

Reconciliation of Adjusted Free Cash Flow to Free Cash Flow to Net Cash Flow Provided by Operating Activities

	Three Months Ended December 31,		Year Ended December 31,	
(thousands of CAD)	**2023**	2022	**2023**	2022

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

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

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

[3] Refer to Note 26 of the Financial Statements for reconciliation.

Investor Contact
Jonathan Hackshaw
Senior Director, Investor Relations & Capital Markets
Toll Free: 1-855-341-8363 in North America or 1-306-798-1137
investor.relations@isc.ca

Media Contact
Jodi Bosnjak
External Communications Specialist
Toll Free: 1-855-341-8363 in North America or 1-306-798-1137
corp.communications@isc.ca

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