ISC

November 4, 2020

Management's Discussion and Analysis

For the Three and Nine Months Ended September 30, 2020

Table of Contents

INTRODUCTION

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

This document should be read in its entirety and is intended to complement and supplement ISC's unaudited condensed consolidated interim financial statements ("Financial Statements") for the three and nine months ended September 30, 2020, and 2019. Additional information, including our Annual Information Form for the year ended December 31, 2019, is available on the Company's website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com.

This MD&A contains information from the Financial Statements, prepared in accordance with International Accounting Standard 34 — *Interim Financial Reporting*, using accounting policies that are consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IAS Board"). The financial information that appears throughout our MD&A is consistent with the Financial Statements.

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

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

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

This MD&A contains forward-looking information and should be read in conjunction with the "Caution Regarding Forward-Looking Information" that follows. This MD&A is current as of November 4, 2020.

RESPONSIBILITY FOR DISCLOSURE

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

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

CAUTION REGARDING FORWARD-LOOKING INFORMATION

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

Forward-looking information which may be found in this MD&A includes, without limitation, that contained in the "Outlook" section hereof, and management's expectations, intentions and beliefs concerning the 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, 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*, *should*, *expect*, *plan*, *intend*, *anticipate*, *believe*, *estimate*, *strategy*, *continue*, *likely*, *potential* or the negative or other variations of these words or other comparable words or phrases are intended to identify forward-looking information.

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

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such forward-looking information. Factors that could cause our actual results or events to differ materially from those expressed or implied by such forward-looking information include, without limitation, operational, economic, market, financial, competitive, regulatory, technological and other risks (including those arising from public health concerns) detailed from time to time in the filings made by the Company, including those detailed in our Annual Information Form for the year ended December 31, 2019, and the Financial Statements, copies of which are available on our website at www.company.isc.ca and in the Company's profile filed on SEDAR at www.sedar.com. You should consider these factors carefully. We caution that the foregoing list is not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, this forward-looking information. See "Business Risks and Risk Management".

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

You should not place undue reliance on forward-looking information contained herein.

1 Overview

Our financial performance for the third quarter remained strong and the resiliency of our business segments is evident in our results. However, COVID-19 continues to have a significant impact worldwide and we have implemented certain measures to continue to reduce our operating costs and mitigate the impact of the pandemic. These measures have had a positive impact on our results and are further detailed in our prior reporting for the period ended June 30, 2020.

During the quarter, we completed the acquisition of substantially all of the assets used in the business of Paragon Inc. ("Paragon"), whose primary focus is the facilitation and coordination of asset recovery on behalf of many of Canada's major banks. The addition of Paragon's assets is expected to strengthen our current service offering and means that we will be able to offer our clients a complete solution in the credit life cycle.

Based on our strong results and the continued execution of our growth strategy, we remain confident that we have the right team, a strong balance sheet and have taken appropriate action to reduce operating costs to remain competitive through the pandemic, to maintain our long-term focus on growth, and to do the right thing for our employees, customers, shareholders and other stakeholders.

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

1.1 Consolidated highlights

SELECT CONSOLIDATED FINANCIAL INFORMATION

Revenue	Earnings per share	EBITDA[1]	Adjusted EBITDA[1]	Free cash flow[1]
$37.1M	$0.29	$10.9M	$13.2M	$9.4M
+15% vs Q3 2019	+55% vs Q3 2019	+27% vs Q3 2019	+53% vs Q3 2019	+43% vs Q3 2019

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

While our 2020 results continue to be impacted by the economic conditions created by the pandemic, our quarterly results are up well over last year, showing the strength and resiliency of our revenue, EBITDA and free cash flow and the impact of our continued focus on growth.

The select consolidated quarterly financial information set out for the three and nine months ended September 30, 2020, and 2019, is derived from the Financial Statements and has been prepared on a consistent basis. In the opinion of the Company's management, such financial data reflects all adjustments necessary for a fair presentation of the results for those periods.

	Three months ended September 30,		Nine months ended September 30,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Revenue	**$ 37,120**	$ 32,175	**$ 97,709**	$ 95,026
Net income	**5,036**	3,258	**13,011**	12,053
EBITDA[1]	**$ 10,930**	$ 8,578	**$ 27,917**	$ 26,696
Adjusted EBITDA[1]	**13,229**	8,668	**31,311**	27,344
EBITDA margin (% of revenue)[1]	**29.4%**	26.7%	**28.6%**	28.1%
Adjusted EBITDA margin (% of revenue)[1]	**35.6%**	26.9%	**32.0%**	28.8%
Free cash flow[1]	**$ 9,438**	$ 6,596	**$ 23,584**	$ 20,446
Dividend declared per share	**$ 0.20**	$ 0.20	**$ 0.60**	$ 0.60
Earnings per share, basic	**0.29**	0.19	**0.74**	0.69
Earnings per share, diluted	**0.29**	0.19	**0.74**	0.69
			As at September 30, 2020	December 31, 2019
Total assets			**$ 233,901**	$ 171,579
Total non-current liabilities			**$ 92,054**	$ 32,683

[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.

THIRD QUARTER CONSOLIDATED HIGHLIGHTS

Our financial performance for the third quarter remained strong despite the economic conditions created by the COVID-19 pandemic. The restrictions that have been put in place to control the spread of the disease continued to negatively affect the ability of our customers and, ultimately, their customers to transact, which had an impact on our results, although our cost management strategies and focus on growing our business helped offset these effects. More specifically:

- Revenue was $37.1 million for the quarter, an increase of $4.9 million or 15.4 per cent compared to the third quarter of 2019, driven by a combination of organic growth and our acquisition of Paragon.
- Net income for the quarter was $5.0 million or $0.29 per basic and diluted share compared to $3.3 million or $0.19 per basic and diluted share in 2019, due to our top-line growth accentuated by our cost management strategies, with reductions in wages and salaries and occupancy costs.
- EBITDA for the quarter was $10.9 million compared to $8.6 million for the same quarter last year. Our revenue growth drove the increase in EBITDA and also resulted in an EBITDA margin of 29.4 per cent for the quarter compared to 26.7 per cent in the same quarter last year.
- Adjusted EBITDA was $13.2 million for the quarter compared to $8.7 million in the same quarter in 2019 and was primarily impacted by acquisition and integration costs in the quarter.

- Free cash flow for the quarter was $9.4 million, an increase of $2.8 million compared to the third quarter of 2019 due to an increase in working capital and higher results of operations.

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

- On August 5, 2020, the Company entered into a new credit agreement in connection with its secured credit facility (the "Credit Facility") provided by its Lenders, Royal Bank of Canada and Canadian Imperial Bank of Commerce. The aggregate amount available under the new Credit Facility is $150.0 million, up from $80 million. The new Credit Facility was used to refinance amounts under the previous facilities, with the balance available to the Company for future growth opportunities, capital expenditures, and for general corporate purposes.

- On August 5, 2020, our Board declared a quarterly cash dividend of $0.20 per Class A Limited Voting Share ("Class A Share"), paid on October 15, 2020, to shareholders of record as of September 30, 2020.

YEAR-TO-DATE CONSOLIDATED HIGHLIGHTS

Our year-to-date results continue to be impacted by the economic conditions of COVID-19, but our strong first and third quarters, driven by continued growth and cost management, have helped to more than offset that. More specifically:

- Revenue was $97.7 million for the nine months ended September 30, 2020, an increase of $2.7 million or 2.8 per cent compared to the same period of 2019.

- Net income year-to-date was $13.0 million or $0.74 per basic and diluted share compared to $12.1 million or $0.69 per basic and diluted share in 2019.

- EBITDA for the nine months ended September 30, 2020, was $27.9 million compared to $26.7 million for the same period last year, while EBITDA margin year-to-date was 28.6 per cent compared to 28.1 per cent in 2019.

- Adjusted EBITDA was $31.3 million for the nine months ended September 30, 2020, compared to $27.3 million last year.

- Free cash flow year-to-date was $23.6 million, an increase of $3.1 million compared to 2019.

1.2 Subsequent events

- On November 4, 2020, our Board declared a quarterly cash dividend of $0.20 per Class A Share, payable on or before January 15, 2021, to shareholders of record as of December 30, 2020.

1.3 Outlook

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

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This pandemic has adversely affected workforces, economies, and financial markets globally. While we expect COVID-19 to continue to adversely impact our transaction volumes, revenue and EBITDA in the short term, the Company is well-positioned to manage through this situation in the long-term. Our long-term strategy remains centered on delivering value for shareholders through the consistent performance of our existing business and the execution of appropriate growth opportunities, including acquisition targets that are complementary to or add value to existing lines of business.

In our Registry Operations segment, while we have experienced lower year-over-year transaction volumes since mid-March 2020 due to impacts from the pandemic, third-quarter volumes improved over the second quarter as pandemic-related restrictions in Saskatchewan were lifted. Considering the ongoing pandemic and rising case numbers that have prevailed subsequent to the quarter, we expect our volumes to be lower than normal for the balance of 2020. As 2021 approaches, the pace of recovery of Saskatchewan's economy may be uneven and is dependent on how long the pandemic continues to impact the global economy.

In our Services segment, while we saw some immediate reduction in transactions at the end of the first quarter and into the second quarter when restrictions were put in place, transactions did return to more normalized levels towards the end of the second quarter. Results for the third quarter were well improved from the second quarter, but as with Registry Operations, given the ongoing and re-emerging impact of the pandemic, we expect volumes may continue to be impacted for the balance of 2020.

Despite that, we are continuing to invest in our technology and transition away from legacy platforms to optimize the customer experience through automation of the delivery of services and reduce our cost of delivery. As well, our acquisition of Paragon, which has created our new Recovery Solutions division, allows us to expand, strengthen and complement our offerings with greater breadth and depth to both existing and acquired clients. The strong EBITDA margin profile of the Recovery Solutions business is expected to positively impact our consolidated EBITDA margin profile going forward.

In our Technology Solutions segment, project implementation work continues with a number of implementations planned for the fourth quarter. Although we have been able to work remotely, these implementations have been delayed due to the pandemic, and therefore we expect the timelines and the recognition of revenue to be delayed into fiscal 2021.

The uncertainty surrounding the duration and potential outcomes of the COVID-19 pandemic remains for the foreseeable future. While we have positioned the Company to manage through this situation, we continue to be unable, at this time, to predict the full impact on our financial results for the remainder of the year. However, the results for the third quarter and the nine months ended September 30, 2020, demonstrate the versatility of our business as well as our ability to execute our growth strategy under challenging conditions.

2 Consolidated Financial Analysis

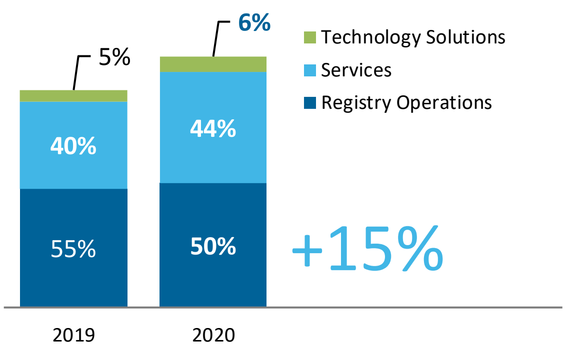
Consolidated revenue was up 15.4 per cent for the three months ended September 30, 2020, compared to the same period last year and was up 2.8 per cent year-to-date. Net income was also up in the quarter and year-to-date compared to the previous year due to both our organic growth and acquisition in our Services segment and cost management across our segments.

2.1 Consolidated statements of comprehensive income

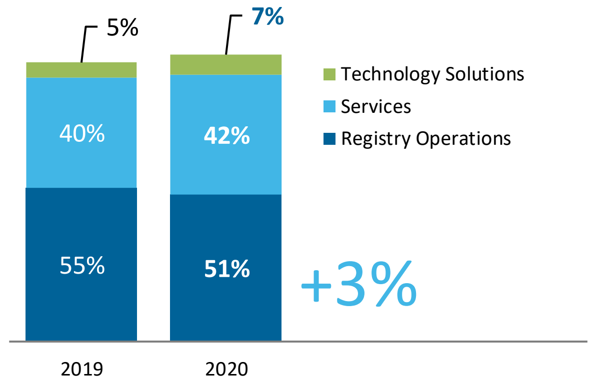
	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Revenue				
Registry Operations	**$ 18,354**	$ 17,562	**$ 50,083**	$ 52,330
Services	**16,420**	12,887	**40,653**	37,615
Technology Solutions	**2,346**	1,715	**6,967**	5,064
Corporate and other	**-**	11	**6**	17
Total revenue	**37,120**	32,175	**97,709**	95,026
Expenses				
Wages and salaries	**10,342**	10,589	**29,850**	30,110
Cost of goods sold	**9,199**	7,881	**23,472**	22,935
Depreciation and amortization	**3,517**	3,291	**9,028**	8,704
Information technology services	**1,913**	2,237	**5,779**	6,247
Occupancy costs	**792**	1,072	**2,124**	2,698
Professional and consulting services	**3,134**	899	**5,634**	2,930
Financial services	**537**	383	**1,875**	1,676
Other	**273**	536	**1,058**	1,734
Total expenses	**29,707**	26,888	**78,820**	77,034
Net income before items noted below	**7,413**	5,287	**18,889**	17,992
Finance (expense) income				
Interest income	**274**	64	**364**	212
Interest expense	**(671)**	(486)	**(1,293)**	(1,170)
Net finance expense	**(397)**	(422)	**(929)**	(958)
Income before tax	**7,016**	4,865	**17,960**	17,034
Income tax expense	**(1,980)**	(1,607)	**(4,949)**	(4,981)
Net income	**5,036**	3,258	**13,011**	12,053
Other comprehensive income (loss)				
Unrealized gain (loss) on translation of financial statements of foreign operations	**336**	(263)	**802**	(616)
Change in fair value of marketable securities, net of tax	**(5)**	130	**(31)**	106
Other comprehensive income (loss) for the period	**331**	(133)	**771**	(510)
Total comprehensive income	**$ 5,367**	$ 3,125	**$ 13,782**	$ 11,543

2.2 Consolidated revenue

Consolidated revenue[1]
for the three months ended September 30,



Consolidated revenue[1]
for the nine months ended September 30,



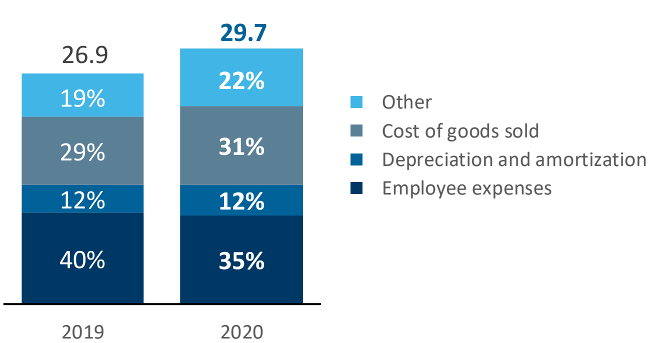
[1]Corporate and other and Inter-segment eliminations are excluded.

(thousands of CAD dollars)	Three Months Ended September 30, **2020**	2019	Nine Months Ended September 30, **2020**	2019
Registry Operations	**$ 18,354**	$ 17,562	**$ 50,083**	$ 52,330
Services	**16,420**	12,887	**40,653**	37,615
Technology Solutions	**2,346**	1,715	**6,967**	5,064
Corporate and other	**-**	11	**6**	17
Total revenue	**$ 37,120**	$ 32,175	**$ 97,709**	$ 95,026

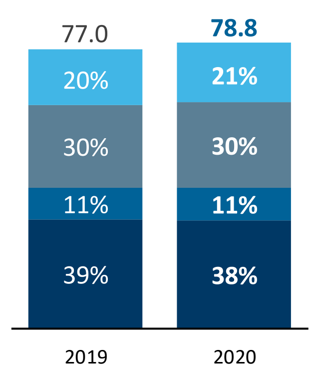
Consolidated revenue increased in the quarter and year-to-date compared to the same periods last year, primarily due to higher revenue in our Services segment as a result of organic growth and the acquisition of Paragon.

2.3 Consolidated expenses

Consolidated expenses
for the three months ended September 30,
(CAD$ millions)



Consolidated expenses
for the nine months ended September 30,
(CAD$ millions)



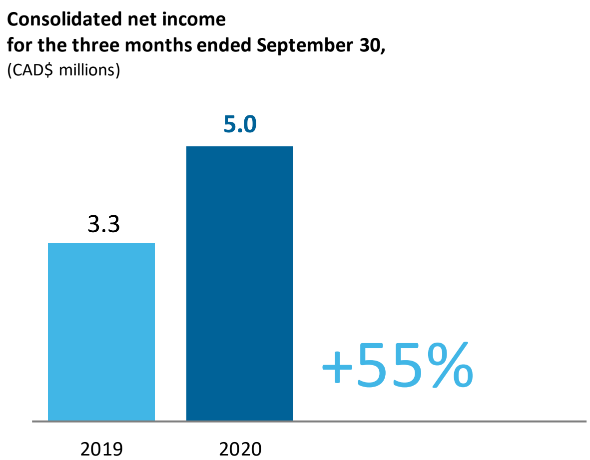
(thousands of CAD dollars)	Three Months Ended September 30, 2020	2019	Nine Months Ended September 30, 2020	2019
Wages and salaries	$ 10,342	$ 10,589	$ 29,850	$ 30,110
Cost of goods sold	9,199	7,881	23,472	22,935
Depreciation and amortization	3,517	3,291	9,028	8,704
Information technology services	1,913	2,237	5,779	6,247
Occupancy costs	792	1,072	2,124	2,698
Professional and consulting services	3,134	899	5,634	2,930
Financial services	537	383	1,875	1,676
Other	273	536	1,058	1,734
Total expenses	$ 29,707	$ 26,888	$ 78,820	$ 77,034

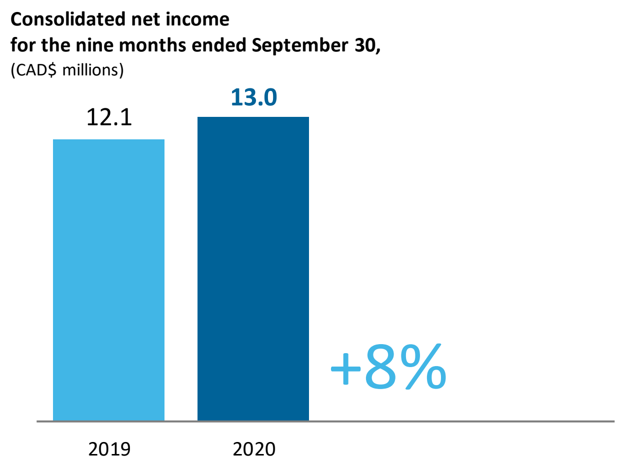
Consolidated expenses were $29.7 million for the third quarter, an increase of $2.8 million compared to the same quarter last year and were $78.8 million year-to-date compared to $77.0 million last year. The overall increase in the quarter and year-to-date was mainly due to:

- an increase in cost of goods sold consistent with increased revenue in Services, including revenue from our new recovery solutions offering;
- an increase in depreciation and amortization as a result of the increase in intangible assets acquired in our acquisition of the assets of Paragon;
- an increase in professional and consulting services also related to our acquisition of Paragon this quarter; and
- an increase in financial services associated with our new credit agreement executed during the quarter.

These increases were partially offset by decreased occupancy costs from the closures of certain regional service centres last year, reduced information technology costs associated with our outsourcing agreements, and lower employee costs and other costs as we continued to manage expenses in response to the impact COVID-19 has had on our business.

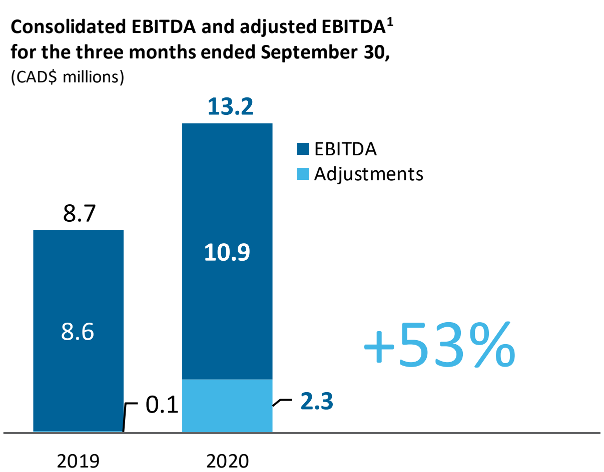
2.4 Consolidated net income

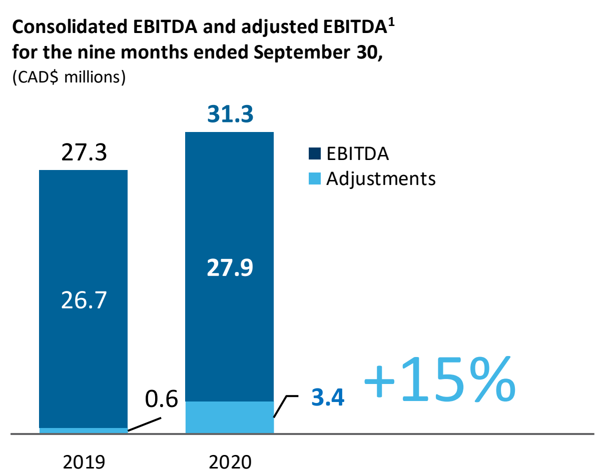




Net income for the quarter was $5.0 million or $0.29 per basic and diluted share, an increase of $1.7 million compared to the third quarter of 2019 and was $13.0 million or $0.74 per basic and diluted share year-to-date compared to $12.1 million or $0.69 per basic and diluted share last year. The increase was due to increased revenue in Services from organic growth, supplemented by our focus on cost reduction across the company and specific actions in response to the impact of COVID-19. Results (net income) from our acquisition during the quarter were neutral given the shortened period since the acquisition, combined with some immediate integration costs.

2.5 Consolidated EBITDA and adjusted EBITDA





Adjusted EBITDA was $13.2 million for the three months ended September 30, 2020, an increase of 53.0 per cent compared to $8.7 million in the third quarter of 2019 and was $31.3 million year-to-date compared to $27.3 million in the same period last year, as shown in the table on the following page.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Net income	**$ 5,036**	$ 3,258	**$ 13,011**	$ 12,053
Depreciation and amortization	**3,517**	3,291	**9,028**	8,704
Net finance expense	**397**	422	**929**	958
Income tax expense	**1,980**	1,607	**4,949**	4,981
EBITDA[1]	**$ 10,930**	$ 8,578	**$ 27,917**	$ 26,696
Adjustments				
Stock-based compensation expense	**661**	-	**798**	102
Stock option expense	**41**	89	**184**	385
Acquisition and integration costs	**1,597**	2	**2,412**	162
Gain (loss) on disposal of property, plant and equipment assets	**-**	(1)	**-**	(1)
Adjusted EBITDA[1]	**$ 13,229**	$ 8,668	**$ 31,311**	$ 27,344
EBITDA margin (% of revenue)[1]	**29.4%**	26.7%	**28.6%**	28.1%
Adjusted EBITDA margin (% of revenue)[1]	**35.6%**	26.9%	**32.0%**	28.8%

[1] EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures by other companies. Refer to section 8.8 "Non-IFRS financial measures".

3 Business Segment Analysis

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

ISC currently has three operating segments:

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

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

3.1 Registry Operations

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

Most significantly, Registry Operations provides services on behalf of the Province of Saskatchewan under a 20-year Master Service Agreement ("MSA"), in effect until 2033, and is the exclusive full-service solution provider of the Saskatchewan Land Registry (including the Saskatchewan Land Titles Registry ("Land Titles Registry"), the Saskatchewan Land Surveys Directory ("Land Surveys") and Saskatchewan Geomatics services ("Geomatics"), collectively the "Land Registry"), the Saskatchewan Personal Property Registry ("Personal Property Registry") and the Saskatchewan Corporate Registry ("Corporate Registry"). Additional information about the MSA is available in our Annual Information Form for the year ended December 31, 2019, on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com.

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

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

Saskatchewan Land Registry

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

Revenue for the Land Titles Registry is earned through registration, search and maintenance fees. Registration fees are either a flat fee or value-based, calculated as a percentage of the value of the land and/or property being registered. Approximately 80.4 per cent of all Land Titles Registry registration transactions were submitted online in 2019.

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

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

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

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

Saskatchewan Personal Property Registry

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

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

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

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

Saskatchewan Corporate Registry

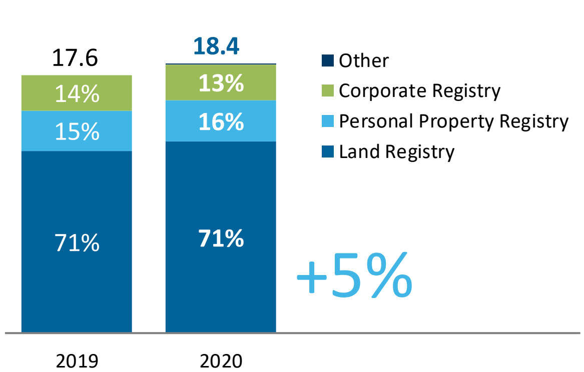
The Corporate Registry is a province-wide system for registering business corporations, non-profit corporations, co-operatives, sole proprietorships, partnerships and business names. Every corporation must be registered in the Corporate Registry to maintain its legal status and carry on business within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

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

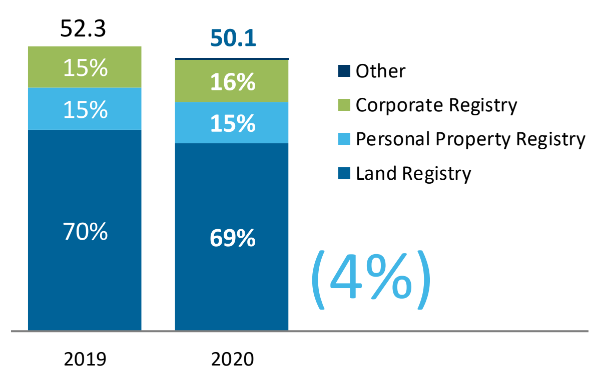
Approximately 90. 8 per cent of all registrations in the Corporate Registry were submitted online in 2019.

REGISTRY OPERATIONS REVENUE

Registry Operations revenue
for the three months ended September 30,
(CAD$ millions)



Registry Operations revenue
for the nine months ended September 30,
(CAD$ millions)



	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Land Registry	**$ 13,027**	$ 12,417	**$ 34,576**	$ 36,933
Personal Property Registry	**2,825**	2,722	**7,430**	7,771
Corporate Registry	**2,441**	2,423	**7,828**	7,626
Other	**61**	0	**249**	0
Registry Operations revenue	**$ 18,354**	$ 17,562	**$ 50,083**	$ 52,330

Revenue for Registry Operations was $18.4 million for the quarter compared to $17.6 million in the third quarter of 2019 and was $50.1 million year-to-date compared to $52.3 million in the same period last year.

Consistent with the improvement in activity that began in June following the phased re-opening in Saskatchewan, volumes in the third quarter generally stabilized, albeit at a level below 2019. While transaction volumes across all registries were lower on a year-over-year basis in the third quarter due to the impacts from the COVID-19 pandemic, revenue increased, mainly in the Land Registry and Personal Property Registry. The Registries have remained operational throughout the pandemic, and our staff continue to provide full service to customers.

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

The top five customers for Registry Operations represented 19.3 per cent of the total segment revenue year-to-date. Of those customers, no single customer accounted for more than 10.0 per cent of total Registry Operations revenue.

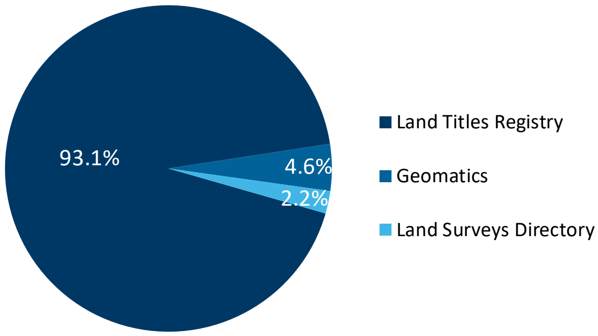
Saskatchewan Land Registry

For the third quarter, revenue for the Land Registry was $13.0 million, up by $0.6 million or 4.9 per cent compared to the same period in 2019. For the nine months ended September 30, 2020, revenue was $34.6 million compared to $36.9 million last year, a drop of 6.4 per cent. Most of the revenue generated from the Land Registry is from the Land Titles Registry and is derived from value-based fees.

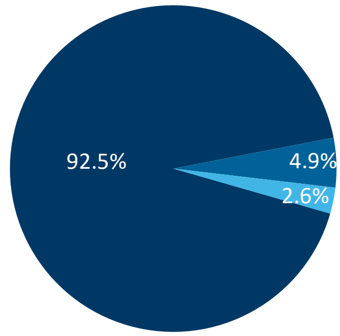
Land Titles Registry revenue for the third quarter was $12.2 million, up $0.7 million or 5.9 per cent compared to the same period in 2019, even with overall transaction volumes being down 8.0 per cent. The increase was due to an increase in regular land transfers and mortgage registrations during the quarter relative to the same period in 2019. In addition, we saw higher average land values for regular land transfers in the third quarter, which positively impacted the revenue.

For the year to date, Land Titles Registry revenue was lower by 5.8 per cent, at $32.2 million compared to $34.2 million in the same period in 2019, largely due to the lower volumes and revenue we experienced in the second quarter of 2020.

Saskatchewan Land Registry Revenue, for the nine months ended September 30, 2020



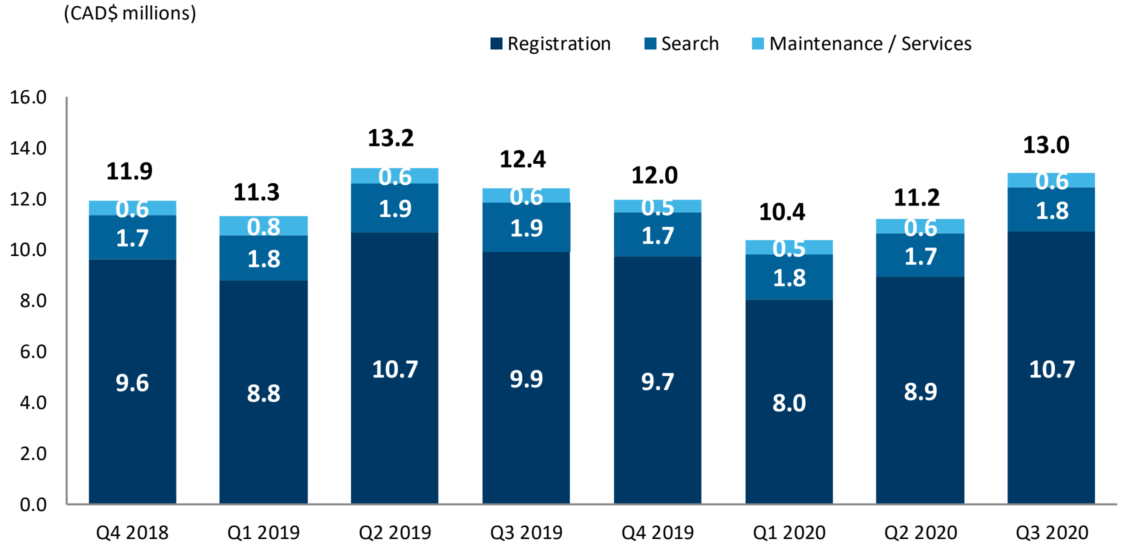
Saskatchewan Land Registry Revenue, for the nine months ended September 30, 2019



High-value property registration revenue was $751 thousand in the third quarter, down slightly compared to $828 thousand in the same period in 2019. Each high-value registration generates revenue of $10,000 or more.

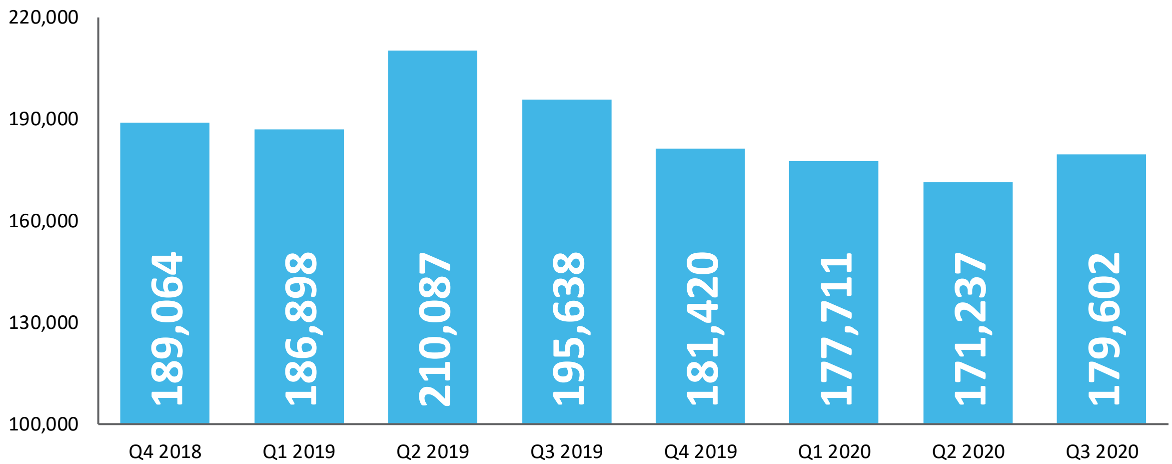
The following graphs show the Land Registry revenue by type of transaction and the overall transaction volume, respectively. Typically, the second and third quarters generate the most revenue for the Land Registry. Given the impact of COVID-19 restrictions on our business in the second quarter, we observed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

Saskatchewan Land Registry Revenue by Type
(CAD$ millions)



Note: Values may not add due to rounding.

Saskatchewan Land Registry Transaction Volume
(Number of transactions)



As noted above, revenue-generating transactions in the Land Titles Registry fell 8.0 per cent in the third quarter as COVID-19-related impacts appear to have affected some transaction types. While the volume of regular land transfers and mortgage registrations improved by 12.6 per cent and 10.0 per cent, respectively, title search volumes declined by 8.5 per cent during the same period. This decrease in title searches, along with declines in other land titles transaction types, more than offset the above-mentioned growth and is the main reason overall volumes are down this quarter.

The main customers of the Land Titles Registry include law firms, financial institutions, developers and resource companies. For the first nine months of 2020, our top 20 Land Titles Registry customers made up nearly 42.0 per cent of revenue, and our top 100 Land Titles Registry customers encompassed 78.2 per cent of revenue.

Land Surveys customers include surveyors, developers, resource companies, governments and other businesses that access our mapping systems and survey plans to support their development plans. For the first three quarters of 2020, our top 20 Land Surveys customers accounted for 89.2 per cent of revenue, and the top 100 customers formed 95.8 per cent of revenue.

Geomatics customers include government departments (provincial and municipal), resource companies, land developers, other businesses and the general public. They also include utility, pipeline and transportation companies. Year-to-date, the top 20 Geomatics customers produced 89.5 per cent of revenue, while the top 100 customers formed 98.1 per cent of revenue.

Saskatchewan Personal Property Registry

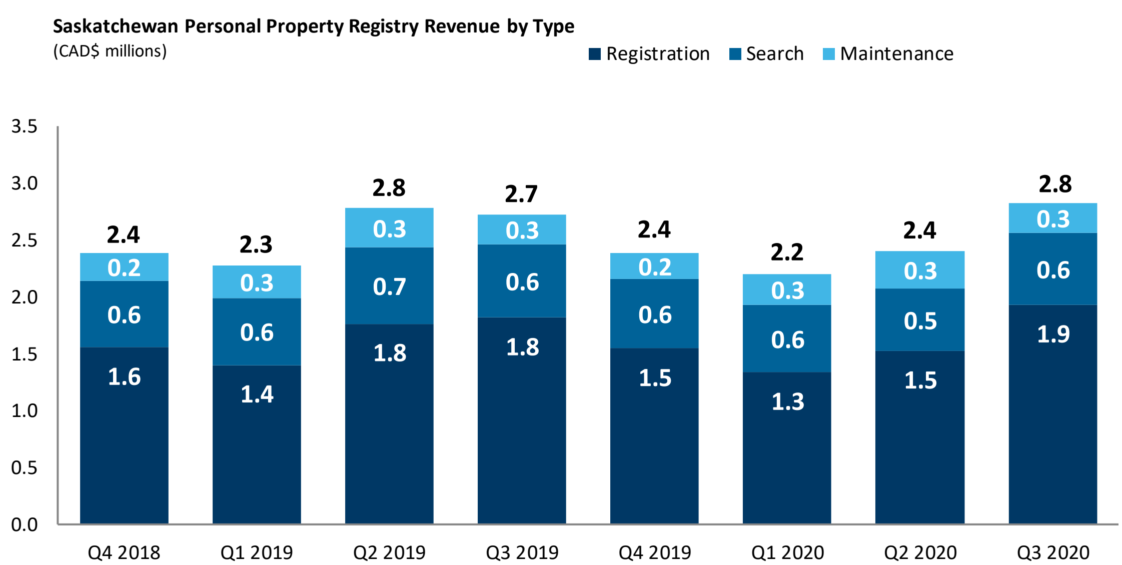
Revenue for the Personal Property Registry was $2.8 million for the third quarter, up $0.1 million or 3.8 per cent from the same quarter in 2019 and was $7.4 million for the nine months ended September 30, 2020, compared to $7.8 million last year. Overall volume was down 5.3 per cent for the quarter compared to the same period in 2019, as the registry felt continued impacts related to COVID-19, although not as pronounced as the second quarter. Revenue for the third quarter improved despite the lower volumes largely due to normal, annual pricing changes that occurred in late August.

Registration revenue in the quarter was up by 6.2 per cent from 2019, despite volumes being down 4.1 per cent. Revenue rose because of the pricing changes, coupled with a higher average term-length for personal property security registration setups, which generates greater revenue.

Search revenue was down 2.6 per cent for the third quarter on weaker volumes, which were down 6.1 per cent compared to last year. The revenue decline was softened by the pricing changes that took place in late August.

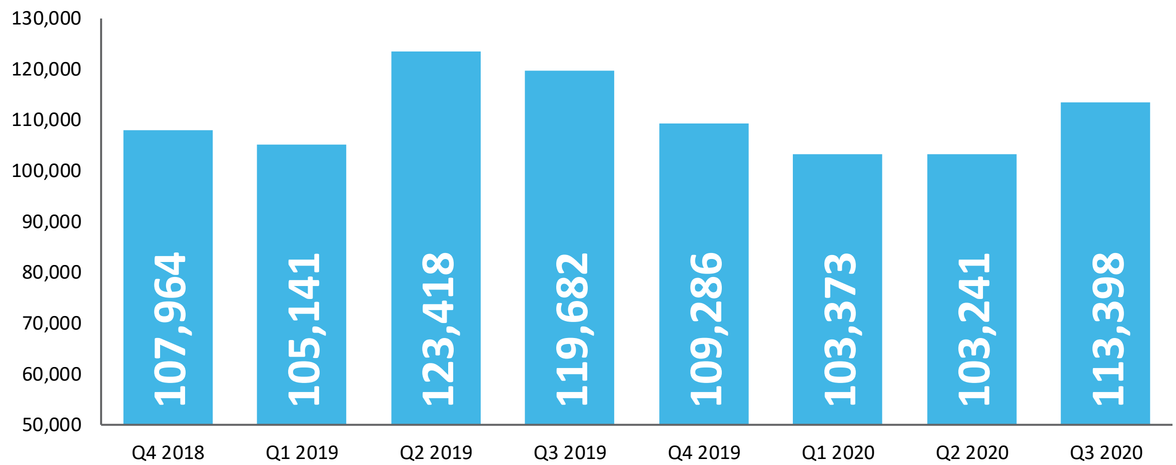
As well, pricing changes contributed to maintenance revenue growing by 2.3 per cent compared to the same quarter in 2019 even though volumes were down 3.8 per cent.

The following graph illustrates the typical pattern of seasonality, in that revenue for the third quarter is usually similar to the second quarter, as seen in 2019. For 2020, however, with the lower revenue in the second quarter of this year due to COVID-19-related impacts, this year's pattern is different, given the return to typical revenues in the third quarter.



Note: Values may not add due to rounding.

Saskatchewan Personal Property Registry Transaction Volume
(Number of transactions)



Customers of the Personal Property Registry are predominantly in the financial sector but also include law firms. The top 20 Personal Property Registry customers accounted for about 83.4 per cent of the revenue for the first nine months of 2020, while the top 100 delivered 94.4 per cent of revenue.

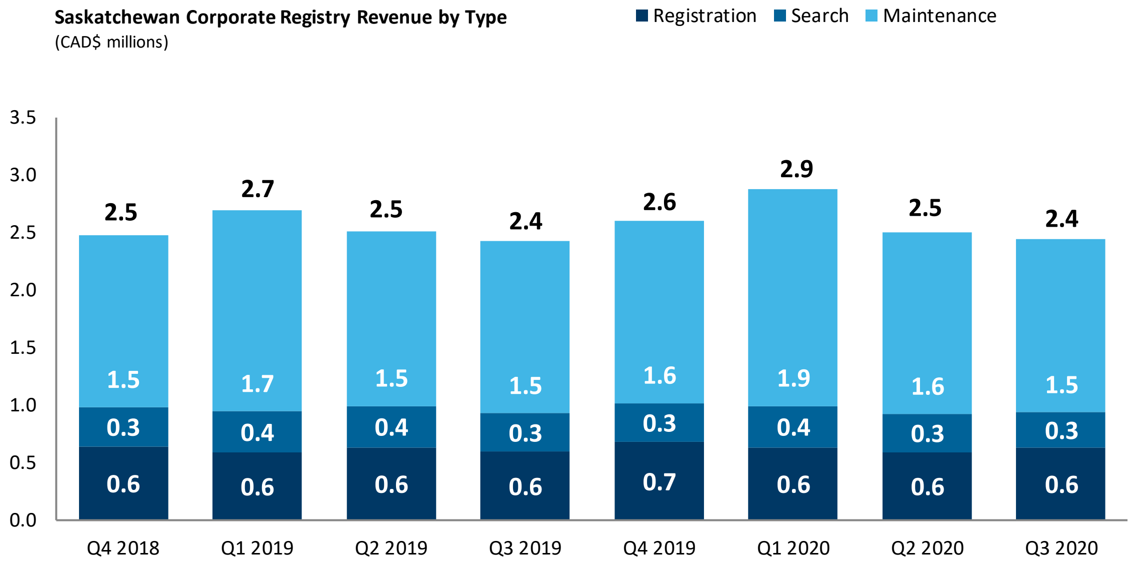
Saskatchewan Corporate Registry

Corporate Registry revenue for the third quarter of 2020 was $2.4 million, flat compared to the same period in 2019. Registration and maintenance revenue grew by 6.3 per cent and 0.7 per cent, respectively, compared to the same period last year. Year-over-year increases in the incorporation and registration of new business entities drove registration revenue growth, which was offset by the decline in search revenue, down 8.9 per cent in the third quarter due to lower search volumes.

Year-to-date revenue was $7.8 million compared to $7.6 million last year, an increase of 2.6 per cent, due mainly to the pricing changes made in the third quarter of 2019.

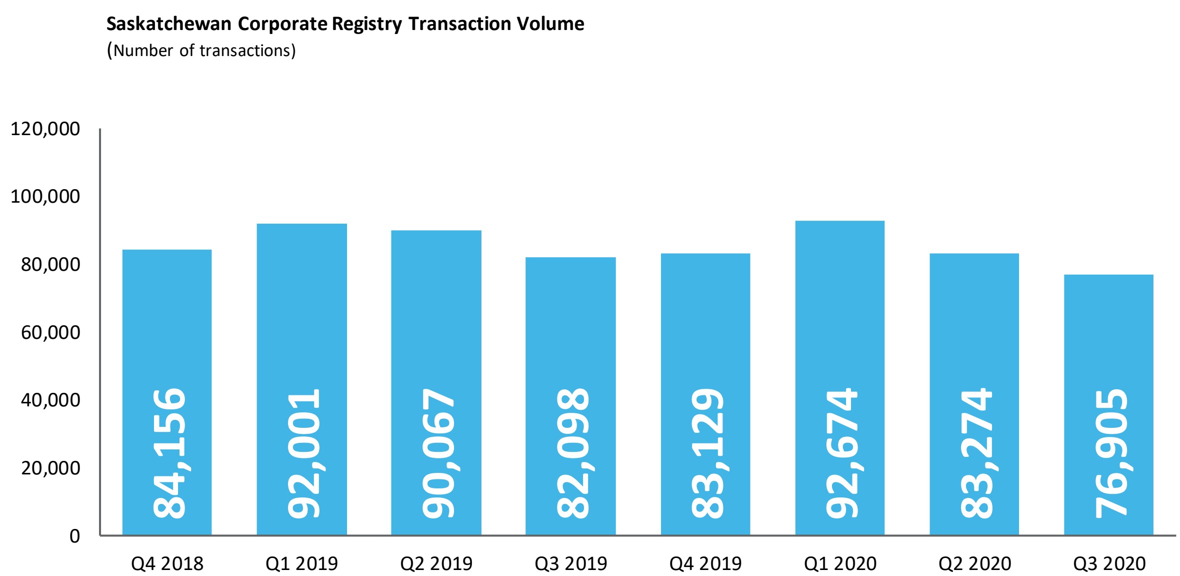
As of September 30, 2020, there were approximately 74,899 active Saskatchewan Business Corporations registered with the Corporate Registry compared to approximately 74,328 as at September 30, 2019.

The following graph illustrates the Corporate Registry revenue by type of transaction. Quarterly revenue continues to mirror the Corporate Registry's typical pattern of seasonality.



Note: Values may not add due to rounding.

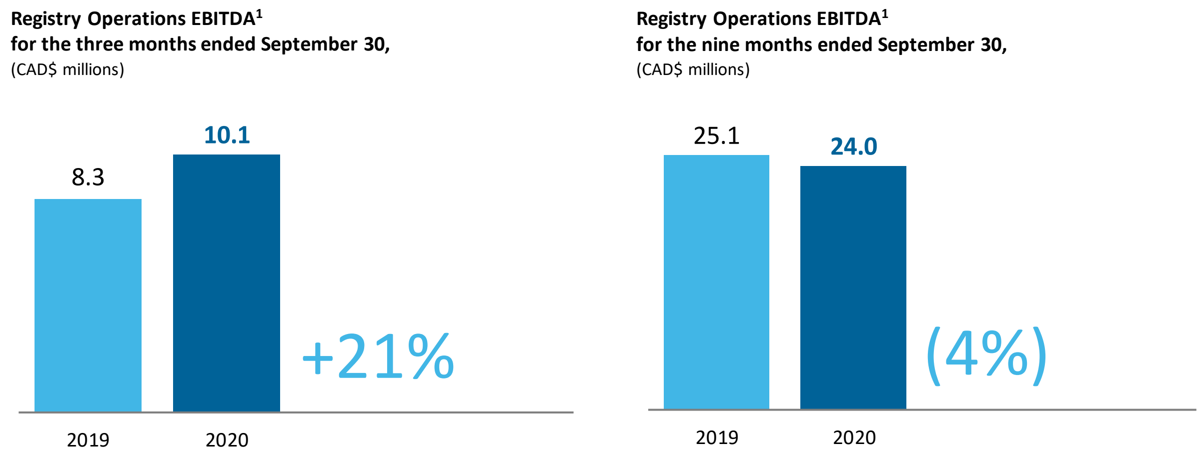
The following graph shows the transaction volumes for the Corporate Registry by quarter.



Transaction volumes for the third quarter were lower by 6.3 per cent compared to the same period last year as the registry continued to observe impacts related to COVID-19 for certain transaction types. Specifically, search and maintenance volumes declined by 7.9 per cent and 5.7 per cent, respectively, compared to the third quarter of 2019. On the positive side, registration volumes increased by 3.9 per cent during the three months ended September 30, 2020, as noted previously, due to increases in the incorporation and registration of new business entities.

For the Corporate Registry, customers include law firms, companies in the financial sector, as well as the Government of Saskatchewan. They also include businesses such as corporations, non-profit corporations, co-operatives and sole proprietorships that were, or will be, registered in the Corporate Registry. Year-to-date, the top 20 Corporate Registry customers formed nearly 31.7 per cent of revenue and the top 100 customers produced about 49.3 per cent of revenue.

REGISTRY OPERATIONS EXPENSES AND EBITDA



(thousands of CAD dollars)	Three Months Ended September 30, **2020**	2019[2]	Nine Months Ended September 30, **2020**	2019[2]
Revenue	**$ 18,354**	$ 17,562	**$ 50,083**	$ 52,330
Total expenses[3]	**8,283**	9,238	**26,073**	27,262
EBITDA	**$ 10,071**	$ 8,324	**$ 24,010**	$ 25,068

[1] EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures by other companies. Refer to section 8.8 "Non-IFRS financial measures".

[2] On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared service provided to the operating segments in the current year. This change also impacts certain related party revenues. Had the methodology change not been made, Registry Operations EBITDA in the quarter is estimated to have been $10,575 thousand and year-to-date is estimated to have been $25,049 thousand.

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

EBITDA for Registry Operations for the quarter was $10.1 million compared to $8.3 million for the same period last year and was $24.0 million year-to-date compared to $25.1 million last year. The increase in the quarter was due to higher revenue and continued cost management, while the decrease year-to-date was due to lower revenue due to the impact of COVID-19, partially offset by the reduction in expenses.

Registry Operations expenses were $8.3 million for the quarter, a decrease of $0.9 million compared to $9.2 million for the same period in 2019 and were $26.1 million year-to-date compared to $27.3 million last year. The decrease in the quarter and year-to-date was a result of a reduction in wages and salaries and lower technology solutions costs as well as occupancy cost savings due to the closure of three Customer Service Centres last year.

3.2 Services

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

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

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

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

[1] A NUANS® report is a search which provides a comprehensive comparison of proposed corporate, business or trademark names with existing names already in use by other businesses and corporations. NUANS® name reports reserve the proposed name for 90 days providing the time necessary to prepare and file incorporation, extra-provincial registrations, amalgamations or other relevant corporate filings.
[2] Personal Property Security Act.
[3] Registre des Droits Personnels et Réels Mobiliers (translated as Register of Personal and Real Movable Rights).

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, consumer market and the general public.

Incorporation Services

- We provide a convenient, cost-effective method to incorporate businesses online or through our staff-assisted process. Leveraging our online technology platforms, eService and Business Complete, we service legal customers and general public through a team of experienced law clerks in both Ontario and Quebec.

- We hold one of the two exclusive licences under the Ontario Business Information System, which allows us to access the Ontario Corporate Registry electronically on behalf of clients. We have non-exclusive licenses to do the same in all other provincial and federal (Corporations Canada) corporate registries across Canada.

- In addition to incorporations, various other corporate filings are often required to operate a business. Items such as amendments to a company's governing articles, amalgamations, the continuance of a company, a change in registered address or changes to a board of directors. We also provide online and real-time NUANS and business name searches, registered agents of service and corporate document preparation to assist in the organization and maintenance of a business.

Corporate Supplies

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

Regulatory Solutions

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

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

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

Know-Your-Customer

- We support legal and financial institution due diligence activities for compliance purposes through the KYC verification (corporate and individual), public record search and registration services across Canada. Clients can obtain numerous reports and intelligence to verify and authenticate customer data to comply with their internal customer onboarding policies mandated by FINTRAC[1]/Anti-Money Laundering ("AML") regulations. Using a web-based tool and associated APIs that provide real-time access to validate and verify an individual or business's existence, our KYC services aggregates information from multiple trusted sources to provide the most reliable and accurate identification of an individual and/or a business and its principals.

Collateral Management

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

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

[1] Financial Transactions and Reports Analysis Centre of Canada.

Public Record Search Services/Due Diligence

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

Recovery Solutions

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

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

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

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

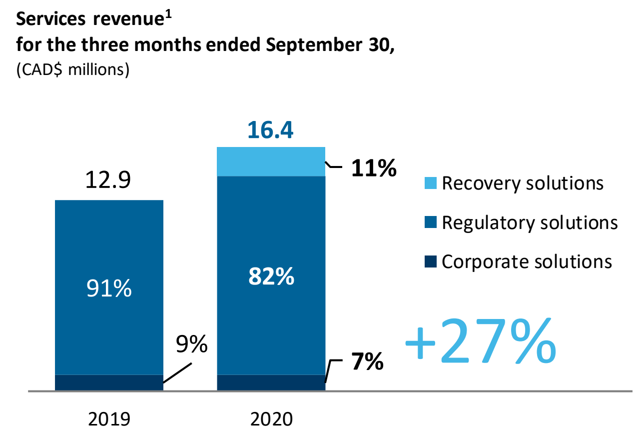
Revenue

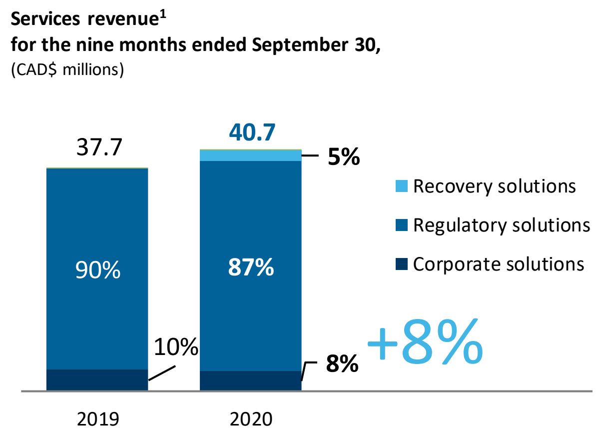
We earn revenue through transaction fees for search and registration services provided through incorporation, KYC, public record and due diligence, and collateral management services. All government fees associated with the service are either embedded in the transaction or management service fee or charged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

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

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

SERVICES REVENUE





[1] Internal related parties and other revenue not displayed in graph.

	Three Months Ended September 30,		Nine months ended September 30,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Regulatory solutions	**$ 13,398**	$ 11,752	**$ 35,331**	$ 33,892
Recovery solutions	**1,904**	-	**1,904**	-
Corporate solutions	**1,118**	1,135	**3,418**	3,676
Internal related parties and other	**-**	-	**4**	143
Services revenue	**$ 16,420**	$ 12,887	**$ 40,657**	$ 37,711

Revenue for Services was $16.4 million for the third quarter, an increase of $3.5 million or 27.4 per cent compared to the same period in 2019 and was $40.7 million year-to-date compared to $37.7 million last year, representing a rise of 7.8 per cent or $2.9 million.

Revenue was up in the third quarter as compared to last year due to organic growth in Regulatory Solutions as we onboarded multiple new customers and numerous new users, as well as additional revenue from the acquisition of Paragon that was completed on July 31, 2020, which is reported as Recovery Solutions. Revenue year-to-date is also up over last year for the same reasons, partially offset by a reduction in overall volumes, which were impacted by economic conditions as a result of COVID-19. This impact was particularly noticeable in the second quarter, with some improvement in the third quarter as COVID-19 restrictions were lifted and economic conditions improved.

Regulatory Solutions

Revenue in Regulatory Solutions for the third quarter was $13.4 million, an increase of $1.6 million or 14.0 per cent compared to $11.8 million for the same period of 2019. For the first nine months of 2020, revenue was $35.3 million compared to $33.9 million for the same period last year, a rise of $1.4 million or 4.3 per cent, rebounding from a weak second quarter from impacts related to COVID-19. Revenue in our Regulatory Solutions for the third quarter grew due to increased organic growth from customers, onboarding of new customers and expanded product offerings to customers.

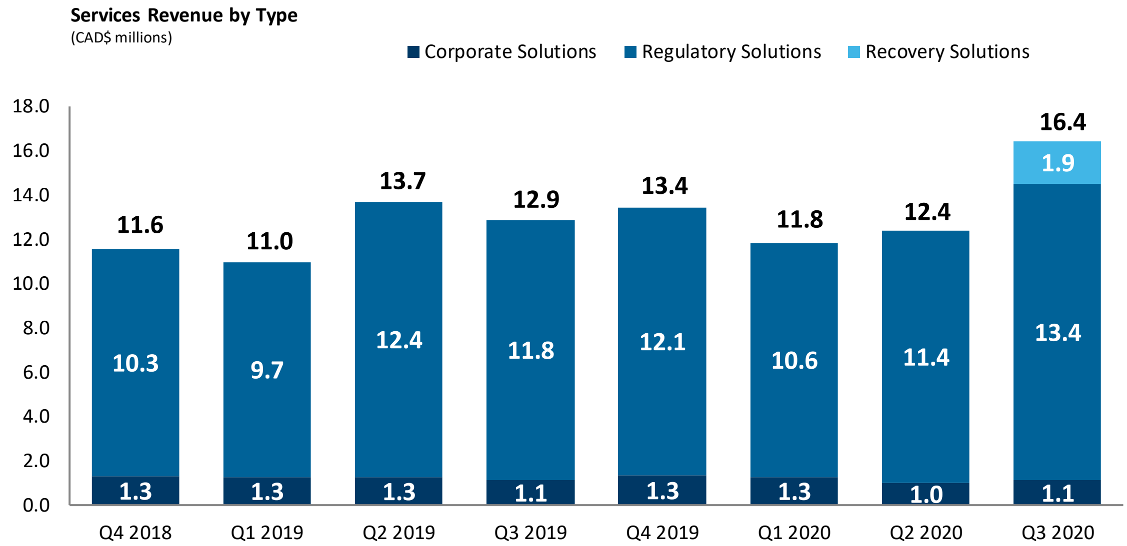
Recovery Solutions

Revenue in Recovery Solutions in the third quarter was $1.9 million, a result of two months of activity after the acquisition of the assets of Paragon.

Corporate Solutions

Corporate Solutions revenue for the quarter was $1.1 million, flat compared to the third quarter of 2019. For the first nine months of 2020, revenue was down to $3.4 million compared to $3.7 million last year, a decrease of 7.1 per cent year-to-date, mostly due to the second quarter impact of COVID-19.

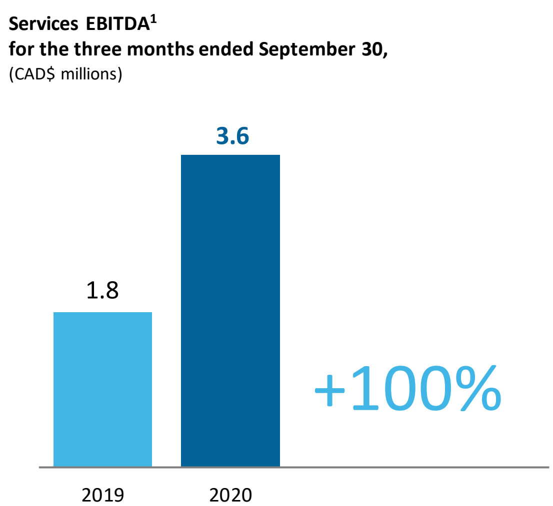
Our Services revenue for the last eight quarters is shown in the following graph.

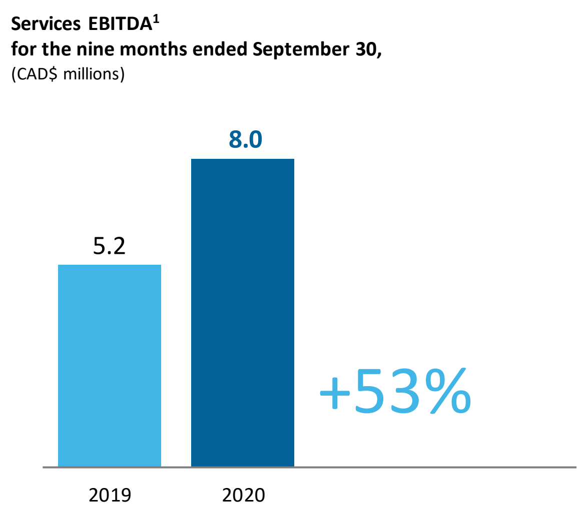


Note: Values may not add due to rounding.

For the first nine months of 2020, the top 20 Services customers comprised approximately 75.8 per cent of the revenue, while the top 100 Services customers made up nearly 89.1 per cent of revenue. No single customer accounted for more than 25.0 per cent of Services revenue in the period.

SERVICES EXPENSES AND EBITDA





[1] EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures by other companies. Refer to section 8.8 "Non-IFRS financial measures".

(thousands of CAD dollars)	Three Months Ended September 30, 2020	2019[1]	Nine Months Ended September 30, 2020	2019[1]
Revenue	**$ 16,420**	$ 12,887	**$ 40,657**	$ 37,711
Total expenses[2]	**12,820**	11,096	**32,648**	32,463
EBITDA	**$ 3,600**	$ 1,791	**$ 8,009**	$ 5,248

[1] On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared service provided to the operating segments in the current year. This change also impacts certain related party revenues. Had the methodology change not been made, Services EBITDA in the quarter is estimated to have been $3,081 thousand and year-to-date is estimated to have been $6,483 thousand.

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

EBITDA for Services was $3.6 million for the quarter, compared to $1.8 million for the same period last year and was $8.0 million year-to-date compared to $5.2 million last year. The increase in the quarter and year-to-date was due to the increased revenue from organic growth and our acquisition of Paragon as outlined above.

Services expenses for the quarter were $12.8 million, an increase of $1.7 million compared to the same period in 2019 and were $32.6 million year-to-date compared to $32.4 million last year. The increase was due to increased wages and salaries and integration costs in relation to our acquisition of Paragon and increases in our cost of goods sold, consistent with higher revenue. These were partially offset by our cost management activities as well as the methodology change for allocating corporate costs to the operating segments this year.

3.3 Technology Solutions

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

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

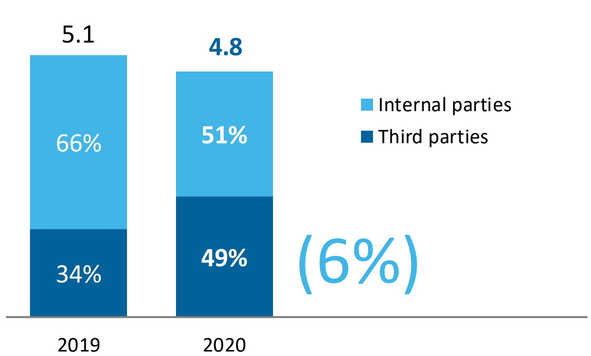
We offer RegSys — a complete registry solution that provides a readily transferable technology platform capable of serving a wide range of registry needs. RegSys is a multi-register platform that delivers the flexibility, scalability and features that enable public sector organizations to deliver enhanced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

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

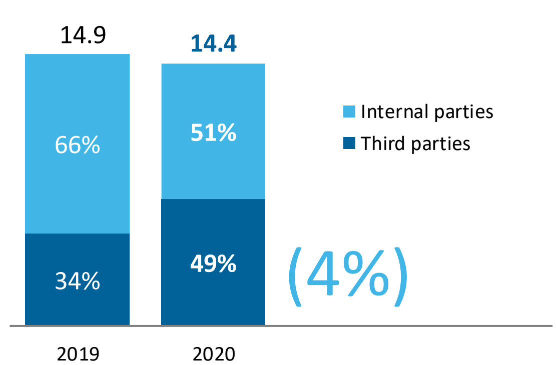
Competitors in this segment include technology services organizations that provide application development, systems integration and/or application management services. This includes large multinationals or local niche players, both of which we can partner with to complement our offering depending on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

TECHNOLOGY SOLUTIONS REVENUE

Technology Solutions revenue for the three months ended September 30,
(CAD$ millions)



Technology Solutions revenue for the nine months ended September 30,
(CAD$ millions)



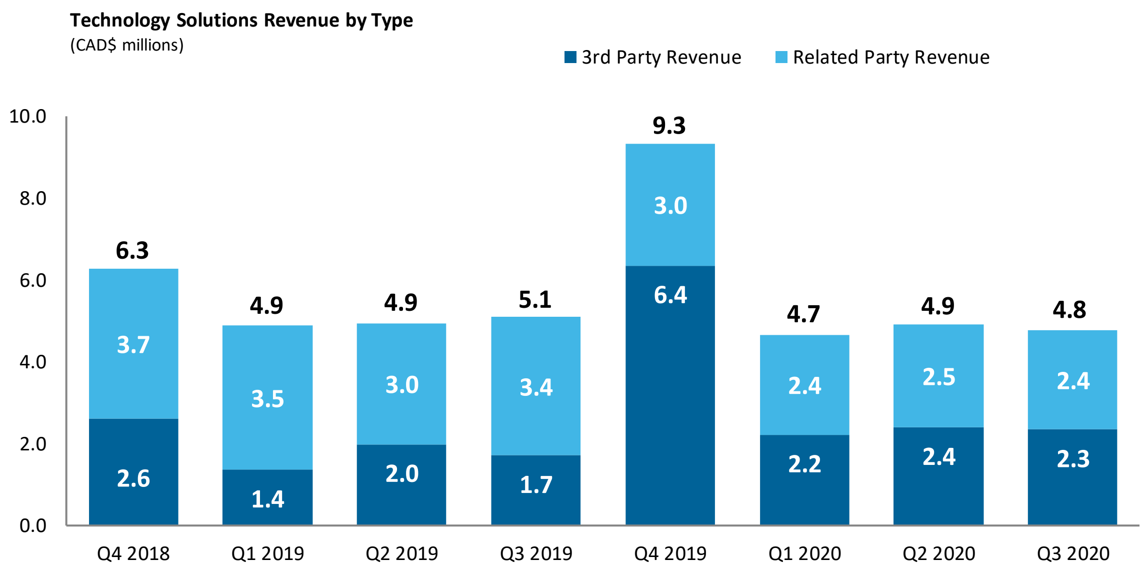
(thousands of CAD dollars)	Three Months Ended September 30, 2020	2019	Nine Months Ended September 30, 2020	2019
Third parties	**$ 2,346**	$ 1,715	**$ 6,967**	$ 5,064
Internal related parties[1]	**2,430**	3,375	**7,389**	9,849
Technology Solutions revenue	**$ 4,776**	$ 5,090	**$ 14,356**	$ 14,913

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

Revenue in Technology Solutions was $4.8 million for the quarter, compared to $5.1 million for the third quarter in 2019 and was $14.4 million year-to-date compared to $14.9 million last year.

Revenue from external parties for the quarter was $2.3 million, and year-to-date was $7.0 million, an increase from $1.7 million and $5.1 million for the same periods in 2019 due to the completion of milestones on current contracts.

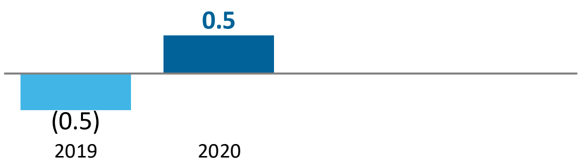
Internal related party revenue in any quarter is dependent on resources used or consumed internally, particularly in Registry Operations. We intend to continue to service internal requirements as efficiently and effectively as possible, including the provision of service via related party resources.



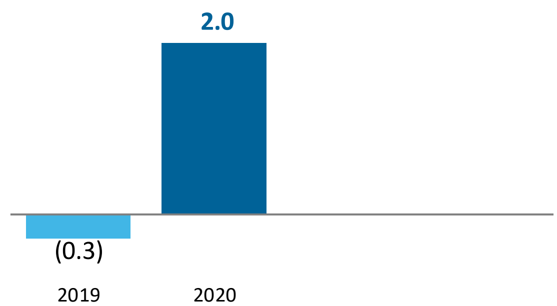
Note: Values may not add due to rounding.

TECHNOLOGY SOLUTIONS EXPENSES AND EBITDA

Technology Solutions EBITDA[1]
for the three months ended September 30,
(CAD$ millions)



Technology Solutions EBITDA[1]
for the nine months ended September 30,
(CAD$ millions)



	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD dollars)	**2020**	2019[2]	**2020**	2019[2]
Revenue	**$ 4,776**	$ 5,090	**$ 14,356**	$ 14,913
Total expenses[3]	**4,244**	5,604	**12,406**	15,187
EBITDA	**$ 532**	$ (514)	**$ 1,950**	$ (274)

[1] EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures by other companies. Refer to section 8.8 "Non-IFRS financial measures".

[2] On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared service provided to the operating segments in the current year. This change also impacts certain related party revenues. Had the methodology change not been made, Technology Solutions EBITDA in the quarter is estimated to have been $561 thousand and year-to-date is estimated to have been $2,089 thousand.

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

EBITDA for Technology Solutions increased $1.0 million for the quarter compared to the third quarter of 2019 and increased $2.3 million year-to-date compared to last year. EBITDA was up primarily due to reduced expenses as we continue to work to decrease our cost of delivering information technology services overall, as well as some minor pandemic travel restrictions and other related cost reductions.

3.4 Corporate and other

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Third parties	**$ -**	$ 11	**$ 6**	$ 17
Internal related parties[1]	**35**	10	**105**	22
Corporate and other revenue	**$ 35**	$ 21	**$ 111**	$ 39
Total expenses[1, 2]	**3,308**	1,044	**6,163**	3,385
EBITDA[3]	**$ (3,273)**	$ (1,023)	**$ (6,052)**	$ (3,346)

[1] On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared service provided to the operating segments in the current year. This change also impacts certain related party revenues. Had the methodology change not been made, Corporate EBITDA in the quarter is estimated to have been ($3,287) thousand, and year-to-date is estimated to have been ($5,704) thousand.

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

[3] EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures by other companies. Refer to section 8.8 "Non-IFRS financial measures".

EBITDA for the quarter and year-to-date decreased $2.3 million and $2.7 million respectively compared to the same periods of 2019, due to:

- increased share-based compensation expenses of $1.5 million in the quarter and $1.6 million year-to-date; and
- increased professional and consulting services of $2.2 million in the quarter and $2.7 million year-to-date related to the acquisition of Paragon, the expansion of our credit facility and the exploration of other growth initiatives.

These increases were partially offset by reduced discretionary spending and the change in the corporate allocation methodology.

4 Summary of Consolidated Quarterly Results

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

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

Technology Solutions does not experience seasonality but does fluctuate due to the timing of project-related revenue. The balance of our corporate activities and shared services functions do not experience seasonality. Expenses are generally consistent from quarter to quarter but can fluctuate due to the timing of project-related or acquisition activities.

We note that while COVID-19 has impacted revenues, at this point, we do not expect any other substantive change to our normal seasonality. As a result, our EBITDA margin fluctuates in line with the cumulative impact of the above factors.

	2020			2019				2018[3]
(thousands of CAD dollars)	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	**$37,120**	$30,993	$29,596	$37,942	$32,175	$34,244	$28,607	$31,015
Expenses	**29,707**	24,592	24,521	28,308	26,888	26,308	23,838	25,887
Net income before items noted below	**7,413**	6,401	5,075	9,634	5,287	7,936	4,769	5,128
Net finance (expense)/income	**(397)**	(258)	(274)	(288)	(422)	(277)	(259)	(155)
Change in contingent consideration	**-**	-	-	-	-	-	-	(195)
Income before tax	**7,016**	6,143	4,801	9,346	4,865	7,659	4,510	4,778
Income tax expense	**(1,980)**	(1,638)	(1,331)	(1,999)	(1,607)	(1,875)	(1,499)	(1,620)
Net income	**$ 5,036**	$ 4,505	$ 3,470	$ 7,347	$ 3,258	$ 5,784	$ 3,011	$ 3,158
Other comprehensive income (loss)	**331**	(226)	666	1	(133)	(56)	(321)	210
Total comprehensive income	**$ 5,367**	$ 4,279	$ 4,136	$ 7,348	$ 3,125	$ 5,728	$ 2,690	$ 3,368
EBITDA margin[1, 2]	**29.4%**	29.5%	26.5%	32.5%	26.7%	31.4%	25.7%	26.1%
Adjusted EBITDA margin[1]	**35.6%**	32.9%	26.7%	33.4%	26.9%	31.8%	27.3%	26.7%
Earnings per share, basic	**$ 0.29**	$ 0.26	$ 0.20	$ 0.42	$ 0.19	$ 0.33	$ 0.17	$ 0.18
Earnings per share, diluted	**$ 0.29**	$ 0.26	$ 0.20	$ 0.42	$ 0.19	$ 0.33	$ 0.17	$ 0.18

[1] EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, they 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.

[2] Q4 2018 EBITDA includes net adjustments in relation to the fair value estimate of the contingent consideration associated with our AVS Systems Inc. acquisition of $(0.2) million.

[3] In 2019, the Company adopted IFRS 16 using the full retrospective method; therefore, the 2018 comparative information has been restated. Refer to Note 2 of the December 31, 2019, Consolidated Financial Statements for further details.

5 Business Strategy

STRATEGIC PRIORITIES

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

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

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

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

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

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

While COVID-19 has and will impact our results in the short-term, the Company is well-positioned to manage through this situation as outlined throughout this MD&A (also see section 1.3 "Outlook"). As such, we remain committed to our priorities, principles and long-term strategy.

6 Financial and Capital Management

6.1 Cash flow

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

Historically, ISC has financed its operations and met its capital and finance expenditure requirements through cash provided from operating activities. Most recently, the Company has also utilized borrowing to supplement cash generated from operations to finance acquisition activities. The Company believes that internally generated cash flow, supplemented by additional borrowing that may be available to us through our existing Credit Facility, will be sufficient to meet cash requirements, capital expenditures and anticipated dividend payments. Refer to Note 16 in the Financial Statements for information on our new 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. At September 30, 2020, the Company held $22.5 million in cash compared to $23.7 million as at December 31, 2019, a decrease of $1.2 million.

The Company expects to be able to meet its cash requirements, including being able to settle current liabilities of $24.1 million (December 31, 2019 – $24.7 million) and meet any unanticipated cash requirements due to changes in working capital commitments. Such changes that would affect our liquidity may arise from, among other factors, general economic conditions and the failure of one or more customers to pay their obligations. Deficiencies arising from short-term working capital requirements and capital expenditures may be financed on a short-term basis with bank indebtedness or on a permanent basis with offerings of securities.

CONSOLIDATED FREE CASH FLOW

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Net cash flow provided by operating activities	**$ 13,421**	$ 5,649	**$ 23,601**	$ 14,150
Net change in non-cash working capital[1]	**(3,954)**	1,740	**441**	8,798
Cash provided by operating activities excluding working capital	**9,467**	7,389	**24,042**	22,948
Cash additions to property, plant and equipment	**-**	(300)	**(63)**	(538)
Cash additions to intangible assets	**(29)**	(493)	**(395)**	(1,964)
Consolidated free cash flow[2]	**$ 9,438**	$ 6,596	**$ 23,584**	$ 20,446

[1] Refer to Note 25 of the Financial Statements for reconciliation.

[2] Free cash flow is not recognized as a measure under IFRS and does not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures reported by other companies. Refer to section 8.8 "Non-IFRS financial measures".

Consolidated free cash flow for the quarter was $9.4 million compared to $6.6 million for the same period in 2019 and was $23.6 million year-to-date compared to $20.4 million last year. The increase was due to higher operational results and less cash additions to assets this year compared to 2019.

The following table summarizes our sources and uses of funds for the three and nine months ended September 30, 2020, and 2019:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Net cash flow provided by operating activities	**$ 13,421**	$ 5,649	**$ 23,601**	$ 14,150
Net cash flow used in investing activities	**(70,171)**	(726)	**(70,110)**	(9,055)
Net cash flow provided by (used) in financing activities	**54,657**	(4,841)	**45,138**	(14,323)
Effects of exchange rate changes on cash held in foreign currencies	**37**	(20)	**156**	(160)
Increase (decrease) in cash	**$ (2,056)**	$ 62	**$ (1,215)**	$ (9,388)
Cash, beginning of period	**24,572**	19,201	**23,731**	28,651
Cash, end of period	**$ 22,516**	$ 19,263	**$ 22,516**	$ 19,263

NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES

Net cash flow provided by operating activities was $13.4 million for the quarter compared to $5.6 million for the same period of 2019 and was $23.6 million year-to-date compared to $14.2 million last year. The increase in the quarter versus last year is due to the strong quarterly operational performance overall, combined with changes in working capital from our organic growth, preliminary working capital assumed from our Paragon acquisition, and the payment of contingent consideration in 2019, which we did not have in 2020. The increase year-to-date is for similar reasons, including additional changes in working capital related to reduced corporate tax instalments in 2020, and lower operational results in the second quarter of 2020 from the impact of COVID-19.

NET CASH FLOW USED IN INVESTING ACTIVITIES

Net cash flow used in investing activities for the quarter was $70.2 million compared to $0.7 million in the same period last year and was $70.1 million year-to-date compared to $9.1 million last year due to our acquisition of Paragon this quarter.

NET CASH FLOW PROVIDED BY (USED IN) FINANCING ACTIVITIES

Net cash flow provided by (used in) financing activities for the quarter increased for the three and nine months ended September 30, 2020, compared to last year as we accessed our credit facility to fund a portion of the acquisition of Paragon with debt.

6.2 Capital expenditures

Capital expenditures were $0.1 million for the quarter, compared to $0.8 million for the same period in 2019 and were $0.7 million year-to-date compared to $2.5 million last year. Capital expenditures decreased in the quarter and year-to-date with the completion of a number of corporate projects late last year or earlier this year, reducing our year-over-year spend, as well as reduced spending across our business segments due to the shift to remote working caused by the pandemic, which caused delays or deferrals of certain planned initiatives.

	Three Months Ended September 30,				Nine Months Ended September 30,			
(thousands of CAD dollars)		**2020**		2019		**2020**		2019
Registry Operations	**$**	**61**	$	395	**$**	**249**	$	663
Services		**-**		110		**161**		468
Technology Solutions		**-**		105		**37**		602
Corporate and other		**29**		183		**260**		769
Total capital expenditures	**$**	**90**	$	793	**$**	**707**	$	2,502

6.3 Debt

At September 30, 2020, our debt was $76.1 million compared to $18.0 million at December 31, 2019. The increase was due to the acquisition of Paragon.

On August 5, 2020, the Company entered into a new credit agreement in connection with its secured credit facility (the "Credit Facility"). The aggregate amount available under the new Credit Facility is $150.0 million, up from $80 million. The new Credit Facility was used to refinance amounts under the previous facilities, with the balance available to the Company for future growth opportunities, capital expenditures, and for general corporate purposes. The new agreement, which added an additional Canadian chartered bank as a lender, was considered to be an extinguishment of debt for accounting purposes. No termination costs were incurred. For further information on our Credit Facility, refer to Note 16 in the Financial Statements.

At September 30, 2020, non-cash drawings, consisting of letters of credit and similar, were approximately $0.2 million (2019 — $0.2 million).

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

6.4 Total assets

Total assets were $233.9 million at September 30, 2020, compared to $171.6 million at December 31, 2019.

(thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	**As at September 30, 2020**
Total assets excluding intangibles, goodwill and cash	$ 26,512	$ 13,630	$ 5,781	$ 14,592	**$ 60,515**
Intangibles	2,796	65,355	3,882	1,361	**73,394**
Goodwill[1]	1,200	67,372	8,904	-	**77,476**
Cash	-	-	-	22,516	**22,516**
Total assets	$ 30,508	$ 146,357	$ 18,567	$ 38,469	**$ 233,901**

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

[1] In 2019, $4.6 million of goodwill was reallocated to Technology Solutions from Registry Operations for both the current and comparative periods. See Note 12 of the Company's 2019 Annual Consolidated Financial Statements for further details.

6.5 Working capital

At September 30, 2020, working capital was $19.8 million compared to $17.7 million at December 31, 2019. The increase in working capital is primarily the result of increased accounts receivable related to revenue growth and the addition of the acquired Paragon business.

(thousands of CAD dollars)	**As at September 30, 2020**	As at December 31, 2019
Current assets	**$ 43,980**	$ 42,333
Current liabilities	**(24,140)**	(24,655)
Working capital	**$ 19,840**	$ 17,678

6.6 Outstanding share data

The number of issued and outstanding Class A Shares at September 30, 2020, was 17.5 million, and the number of issued and outstanding share options as of September 30, 2020, was 1,548,247. These amounts are unchanged as of the filing date.

6.7 Common share dividend

On August 5, 2020, our Board declared a quarterly cash dividend of $0.20 per Class A Share, paid on October 15, 2020, to shareholders of record as of September 30, 2020.

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 September 30, 2020, consist of cash, short-term investments, trade and other receivables, contract assets – unbilled revenue, accounts payable and accrued liabilities, lease obligations, long-term debt and provisions.

The Company does not 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 21 of the Financial Statements for information pertaining to financial instruments and related risk management.

7.2 Business risks and risk management

ISC faces certain risks which can impact its business and its financial and operational performance. For the information on the risk management approach, business risks and risk management, refer to the Management's Discussion and Analysis and Annual Information Form for the year ended December 31, 2019, which are available on the Company's website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com. The main risks and uncertainties that could affect our future business results and associated risk mitigation activities have not materially changed since the release of our Management's Discussion and Analysis for the year ended December 31, 2019, which include the impacts from COVID-19, as updated below.

The COVID-19 pandemic continues to significantly impact Canadians and economies around the world. In March, we took swift action to ensure our customers and employees remained safe and healthy during the pandemic. These actions included assembling an Emergency Response Team ("ERT") who met regularly to arrange and execute pandemic plans and provide briefings to the President and CEO. To reduce the risk of transmission, we enabled most of our employees to work from home while we maintained continued communication and business activity virtually. Some precautions implemented to ensure our employees working from our office locations had a safe environment to work in include the implementation of social distancing procedures, availability of safety and sanitation products and alternate arrangements for courier deliveries and pick-ups.

As conditions allow, we will be introducing a methodical, cautious, phased approach as we prepare our organization to adapt to our "new normal" in the workplace. However, all of our segments have remained operational throughout the pandemic, and our staff have provided service to customers virtually, either online or by telephone.

Notwithstanding the above, any prolonged economic downturn resulting from COVID-19 could have an adverse effect on our business, results of operations 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 September 30, 2020.

8.2 Related party transactions

Routine operating transactions with related parties are settled at agreed-upon exchange amounts under normal trade terms. Refer to Note 25 in the December 31, 2019, Financial Statements, which are available on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com, for information pertaining to transactions with related parties.

8.3 Critical accounting estimates

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

- the carrying value, impairment and estimated useful lives of property, plant and equipment;
- the carrying value, impairment and estimated useful lives of intangible assets and goodwill;
- the fair value of assets and liabilities acquired in a business combination;
- the recoverability of deferred tax assets; and
- the amount and timing of revenue from contracts from customers recognized over time with milestones and the associated carrying value of assets recognized from the costs incurred to fulfil the contracts.

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 IAS Board issued the following new standards and amendments to standards and interpretations, which became effective January 1, 2020.

Standard	Description
Amendments to IFRS 3 – *Definition of a Business*	The amendments to IFRS 3 result in a change to the definition of a business which: • clarifies that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; • narrows the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; • adds guidance and illustrative examples to help entities assess whether a substantive process has been acquired; • removes the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and • adds an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. This change will impact the analysis of business combinations. The Company has adopted this amendment to IFRS 3 from January 1, 2020, and has applied this to the acquisitions completed during 2020. Refer to Note 24 of the Financial Statements for further details.
Amendments to IAS 1 and IAS 8 – *Definition of Material*	The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of "material" and align the definition used in the Conceptual Framework and the standards. The change in definition may impact the quantity and level of detail of disclosures in the Company's financial statements. The amendment is prospective, and the Company has not been affected upon transition.

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

8.5 Financial measures and key performance indicators

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

8.6 Internal controls over financial reporting

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

The design scope of internal controls over financial reporting has been limited to exclude controls, policies and procedures of Paragon, having been acquired less than 365 days prior to September 30, 2020. See section 8.7 "Disclosure controls and procedures" for Paragon's contribution to the Financial Statements.

During the quarter, the Company implemented a new financial reporting system for ISC and its subsidiaries to align the entire organization on a common system and platform. These changes were implemented to improve the operational effectiveness and efficiency of the company's financial reporting. The amendments to accounting processes and resources modifications have resulted in a material change to ISCs' ICFR, however, key business operating systems for the ISC and ESC legal entities were not part of the change.

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

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

8.7 Disclosure controls and procedures

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

The design scope of disclosure controls and procedures has been limited to exclude controls, policies and procedures of Paragon, having been acquired less than 365 days prior to September 30, 2020.

The contribution of Paragon to the Financial Statements for the three ended September 30, 2020, was approximately 5.0 per cent of revenue and 6.0 per cent of expenses and for the nine months ended September 30, 2020, was approximately 2.0 per cent of revenue and 2.0 per cent of expenses. Paragon contributed 6.0 per cent of current assets, 36.0 per cent of non-current assets and 5.0 per cent of current liabilities. Paragon did not contribute to our non-current liabilities.

8.8 Non-IFRS financial measures

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

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

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

8.9 Non-IFRS financial measures definition

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

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