ISC

Information in the right hands.

November 2, 2022

Management's Discussion and Analysis

For the Three and Nine Months Ended September 30, 2022

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, 2022, and 2021. Additional information, including our Annual Information Form for the year ended December 31, 2021, 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" for discussion of why we use these measures and their most closely related IFRS measures within the Financial Statements. Refer to section 2 "Consolidated Financial Analysis" for a reconciliation of EBITDA and adjusted EBITDA to net income and section 6.1 "Cash flow" for a reconciliation of free cash flow.

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

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

This MD&A contains forward-looking information and should be read in conjunction with the "Caution Regarding Forward-Looking Information" that follows. This MD&A is current as of November 2, 2022.

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

RESPONSIBILITY FOR DISCLOSURE

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

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

CAUTION REGARDING FORWARD-LOOKING INFORMATION

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

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

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

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such forward-looking information. Factors that could cause our actual results or events to differ materially from those expressed or implied by such forward-looking information include, without limitation, operational, economic, market, financial, competitive, regulatory, technological and other risks (including those arising from public health concerns such as COVID-19) detailed from time to time in the filings made by the Company, including those detailed in our Annual Information Form for the year ended December 31, 2021, and the Financial Statements, copies of which are available on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com. You should consider these factors carefully. We caution that the foregoing list is not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, this forward-looking information. See section 7.2 "Business risks and risk management".

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

1 Overview

The third quarter of 2022 performed largely as expected, and our business remains robust even in current economic conditions.

In our Registry Operations business, as anticipated, we saw a return to normal as Saskatchewan real estate levels stabilized from more normalized demand and higher interest rates. The result was a strong and stable quarter, absent the impact of the COVID-19 surge seen in 2021, and with a return to normal in our high-value transactions. Volumes in the Land Registry now reflect more normalized and seasonal levels, but still above pre-pandemic levels, and with higher average land values. Registry Operations also continues to see positive results for the quarter and year-to-date from the new Property Tax Services business acquired in the Reamined acquisition completed in June.

Our Services business continues to grow slightly faster than expected, driven by continued transaction and customer growth in our Corporate Solutions division. We continue to transition customers to our *Registry Complete* platform, which provides additional services and revenue, including some changes to our revenue recognition by accounting on a gross instead of net basis. Additionally, during the third quarter, we implemented price increases across Regulatory and Corporate Solutions for non-contract-based customers. Revenue also grew during the quarter as a result of the new customer care product offering within Regulatory Solutions and accounts receivable management revenue in our Recovery Solutions division, both of which are from the acquisition of UPLevel.

In Technology Solutions, results were down in the quarter compared to last year as we had fewer external revenue generating opportunities. We continue to complete active solution implementation projects and are focused on securing new clients from our pipeline of opportunities. We are seeing renewed activity in the market, which has translated into an active pipeline that we expect to positively impact 2023.

Overall, the third quarter was one of ongoing operational accomplishments and financial performance that was consistent with our expectations, and which continues to demonstrate the strength and stability of our business and the benefits of the diversification we have achieved.

1.1 Consolidated highlights

SELECT CONSOLIDATED FINANCIAL INFORMATION

Revenue	Net income	Earnings per share, diluted
$48.8M	$7.8M	$0.43
+18% vs Q3 2021	(20%) vs Q3 2021	(20%) vs Q3 2021

EBITDA[1]	Adjusted EBITDA[1]	Free cash flow[1]	Dividends paid
$15.8M	$17.0M	$11.6M	$4.1M
(10%) vs Q3 2021	(2%) vs Q3 2021	(13%) vs Q3 2021	+16% vs Q3 2021

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

SELECT FINANCIAL INFORMATION

The select quarterly financial information set out for the three and nine months ended September 30, 2022, and 2021, 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)	**2022**	2021 (restated)[2]	**2022**	2021 (restated)[2]
Revenue	**$ 48,768**	$ 41,369	**$ 143,791**	$ 125,140
Net income	**7,756**	9,733	**26,820**	21,792
EBITDA[1]	**$ 15,829**	$ 17,500	**$ 50,122**	$ 42,916
Adjusted EBITDA[1]	**17,034**	17,298	**50,866**	50,557
EBITDA margin (% of revenue)[1]	**32.5%**	42.3%	**34.9%**	34.3%
Adjusted EBITDA margin (% of revenue)[1]	**34.9%**	41.8%	**35.4%**	40.4%
Free cash flow[1]	**$ 11,591**	$ 13,278	**$ 38,033**	$ 31,068
Dividend declared per share	**$ 0.23**	$ 0.20	**$ 0.69**	$ 0.60
Earnings per share, basic	**0.44**	0.56	**1.53**	1.25
Earnings per share, diluted	**0.43**	0.54	**1.50**	1.21
			As at September 30, 2022	December 31, 2021
Total assets			**$ 285,708**	$ 232,498
Total non-current liabilities			**$ 99,257**	$ 57,888

[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.

[2] In the fourth quarter of 2021, the Company revised its accounting policy related to the configuration and customization costs incurred in implementing Software-as-a-service ("SaaS") arrangements in response to the International Financial Reporting Interpretations Committee ("IFRIC") agenda decision released in April 2021. This accounting policy change resulted in the expense of formerly capitalized financial system implementation costs incurred in 2018 through 2021. This change resulted in a retroactive adjustment to expense these costs effective January 1, 2020. See Note 2 of the Financial Statements for further details on this adjustment.

THIRD QUARTER CONSOLIDATED HIGHLIGHTS

- **Revenue** was $48.8 million for the quarter, an increase of 18 per cent compared to the third quarter of 2021. This was due to continued transaction and customer growth in Services, specifically in the Corporate Solutions division, along with $1.6 million of revenue contributed from the UPLevel business that was acquired in February of this year. Registry Operations' newest division, Property Tax Services, acquired through the Reamined acquisition on June 1, 2022, also contributed to the increased revenue for the quarter in the amount of $3.8 million. This was offset by a $1.0 million decline in Land Registry revenue during the quarter as Saskatchewan real estate levels returned to more normalized, seasonal levels.

- **Net income** was $7.8 million or $0.44 per basic and $0.43 per diluted share compared to $9.7 million or $0.56 per basic share and $0.54 per diluted share in the third quarter of 2021. The decrease in net income is due to increases in people and technology costs, accompanied by $1.4 million in increased share-based compensation from increases in the Company's share price during the quarter compared to a quarter over quarter decrease in the prior year. These more than offset increased revenue in Services and Registry Operations overall.

- **EBITDA** was $15.8 million compared to $17.5 million for the same quarter in 2021, due to increases in people and technology costs and increases in share-based compensation, partially offset by increased revenue overall and in particular, EBITDA contributed from acquisitions made earlier in the year. **EBITDA margin** was 32.5 per cent for the quarter compared to 42.3 per cent in 2021. The change in margin year-over-year was driven by increased Services revenue, which has a lower margin profile, and by the positive impact of the transition of Services customers to the *Registry Complete* platform, which drives a change in revenue recognition to accounting on a gross (lower margin) instead of a net (higher margin) basis. While the accounting change has no impact on EBITDA, it does impact the margin.

- **Adjusted EBITDA** was $17.0 million for the quarter compared to $17.3 million in 2021. Adjustments consist primarily of merger and acquisition and share-based compensation expenses, which when removed, show a stable quarter year-over-year, as the increases in revenue were offset by increased investments in people and technology as we scale the business for further growth and to maintain our customer service standards. As a result, **adjusted EBITDA margin** was 34.9 per cent compared to 41.8 per cent in 2021, with the change coming from increased Services revenue at a lower margin and lower revenue overall in the Land Registry in the quarter.

- **Free cash flow** for the quarter was $11.6 million, a decrease of 13 per cent compared to the third quarter of 2021. This was a result of lower results of operations after the increased investments in people and technology, and increase in share-based compensation expense.

- On July 4, 2022, the Company announced the appointment of Susan Bowman as Head of ERS. For more information, please refer to our news release dated July 4, 2022, which is available on our website at company.isc.ca.

- On August 3, 2022, our Board declared a quarterly cash dividend of $0.23 per Class A Limited Voting Share ("Class A Share"), payable on or before October 15, 2022, to shareholders of record as of September 30, 2022.

YEAR-TO-DATE CONSOLIDATED HIGHLIGHTS

- **Revenue** was $143.8 million for the nine months ended September 30, 2022, an increase of 15 per cent compared to the same period of 2021. As experienced in the current quarter, the increase was driven by continued transaction and customer growth in Services, specifically within the Regulatory and Corporate Solutions divisions, combined with $4.4 million contributed by UPLevel since its acquisition in February 2022. Strong first and second quarters accompanied by a more normalized, seasonal third quarter have resulted in solid revenue from the Saskatchewan registries overall. This was then bolstered by $5.0 million of additional revenue in Registry Operations following the acquisition of Reamined on June 1, 2022.

- **Net income** was $26.8 million or $1.53 per basic share and $1.50 per diluted share compared to $21.8 million or $1.25 per basic share and $1.21 per diluted share in the first nine months of 2021. The increase is due to higher revenue in Services supported by consistent earnings in Registry Operations and reductions in share-based compensation year-to-date as well as earnings contributed by acquisitions made during the year. This was partially offset by increased investments in people and technology during the year.

- **EBITDA** was $50.1 million compared to $42.9 million for the nine months ended September 30, 2021, again due to increased revenue in Services and Registry Operations, a reduction in share-based compensation due to a year-over-year decline in ISC's share price, offset by investments made in people and technology across the business. **EBITDA margin** was 34.9 per cent for the year-to-date compared to 34.3 per cent in 2021.

- **Adjusted EBITDA** was $50.9 million compared to $50.6 million last year. Adjustments consist primarily of merger and acquisition and share-based compensation expenses, which when removed, show a stable quarter year-over-year, as the increases in revenue were offset by increased investments in people and technology as we scale the business for further growth and to maintain our customer service standards. Similar to quarterly results, **Adjusted EBITDA margin** was 35.4 per cent compared to 40.4 per cent last year with the change coming from increased Services revenue at a lower margin and lower revenue overall in the Land Registry for the year.

- **Free cash flow** for the nine months ended September 30, 2022, was $38.0 million, an increase of $6.9 million compared to $31.1 million in the same period of 2021. This was due to consistent results of operations augmented by a reduction in share-based compensation following a decline in ISC's share price compared to the prior year period.

- On February 14, 2022, the Company's Services segment, through its wholly owned subsidiary ESC, acquired all of the shares of a group of companies operating as UPLevel. The purchase consideration was $9.0 million, subject to customary purchase price adjustments. UPLevel is reported as part of Services.

- On June 1, 2022, the Company acquired all of the issued and outstanding shares of Reamined, a recognized leader in providing property tax management infrastructure and services in the Province of Ontario, for $45.9 million, subject to customary purchase price adjustments. Due to its alignment with our Registry Operations segment, Reamined is reported as part of Registry Operations.

1.2 Subsequent events

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

1.3 Outlook

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

Both our Registry Operations and Services segments have performed very well in the first nine months of 2022.

In Registry Operations, as expected, Land Titles transactions appear to be returning towards more normalized pre-pandemic levels. Currently, we expect the resiliency of the Saskatchewan real estate sector, compared to other markets, to continue in the near-term, with milder corrections to pricing due to existing housing supply issues. Based on the performance of the Saskatchewan Land Registry year to date, we would echo comments made by the Saskatchewan Realtors Association that Saskatchewan residents are not immune to the impacts of interest rate increases and ongoing inflationary pressures but that our housing market continues to fare better than many other regions in the country. Therefore, we expect the Land Registry will continue on its route to pre-pandemic levels during the balance of 2022 but is still expected to finish above 2019 levels. Revenue from Property Tax Services is expected to remain consistent for the last quarter of 2022 and the balance of the contract.

We expect Services to continue to deliver transaction and customer growth for the remainder of 2022, supported by our initiatives to bring all of our customers and services onto a single platform. Services has expanded its product offerings through its recent Recovery Solution acquisitions (asset recovery and account receivable management) to support our customers through the back end of the lending life cycle. Following the introduction of *Recovery Complete* in the third quarter, we expect similar integrated benefits for recovery clients that our search and registration clients have experienced after moving over to our previously launched *Registry Complete* platform. Consistent with ISC as a whole, Services will continue to focus on investments in people, technology and new opportunities, including potential acquisitions to facilitate the continued growth of our business.

In Technology Solutions, we expect to complete and deliver solution implementation projects that had been deferred from 2021 into 2022 and beyond. Although active projects have lessened during the pandemic, we are seeing a revived and refreshed interest as jurisdictions and authorities are returning to initiatives not previously advanced due to COVID-19. We are optimistic about the current state of the pipeline as we believe we are uniquely positioned to provide solutions that align with our innovative offerings.

With these factors in mind, we are reiterating our annual guidance for revenue to be between $188.0 million and $193.0 million, net income to be between $29.0 million and $33.0 million, and EBITDA[1] to be between $59.0 million and $64.0 million in 2022 and anticipate that we will finish the year around the middle of these ranges.

Overall, the third quarter and year-to-date have progressed in line with assumptions factored into our guidance for

2022, as updated in August 2022. We are actively monitoring the impact of interest rates and inflation on our current business as we have begun to see these emerge in salaries and certain other costs, however, the full extent of this impact is not yet known. Regardless, to facilitate our continued organic growth, we will remain focused on offering new products as well as customer-tailored product offerings, coupled with acquisition and partnership opportunities that drive value.

[1] EBITDA is not recognized as a measure under IFRS and does not have a standardized meaning prescribed by IFRS and, therefore, it may not be comparable to similar measures reported by other companies; refer to section 8.8 "Non-IFRS financial measures". Refer to section 2 "Consolidated Financial Analysis" for a reconciliation of historical EBITDA to net income.

2 Consolidated Financial Analysis

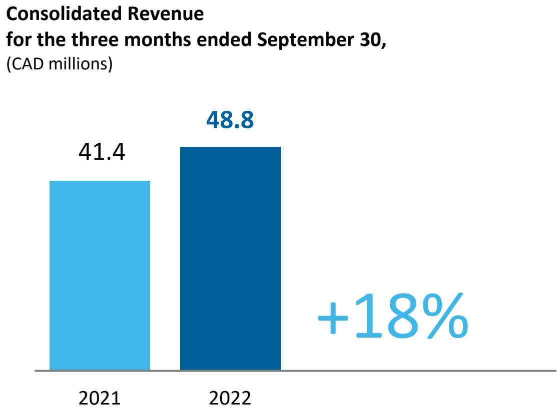
Consolidated revenue was up 18 and 15 per cent, respectively, for the three and nine months ended September 30, 2022, compared to the same periods last year. For the quarter, net income was down by 20 per cent compared to the same quarter in 2021 resulting from increased investments in people and technology accompanied by an increase in share-based compensation offset by additional earnings from acquisitions made during the year. Net income was up 23 per cent compared to the first nine months of 2021 due to strong revenue and earnings in the Registry Operations and Services segments accompanied by a reduction in share-based compensation. Results during the first nine months of 2022 include contributions from acquisitions completed during the year, specifically UPLevel for seven and a half months, and Reamined for four months.

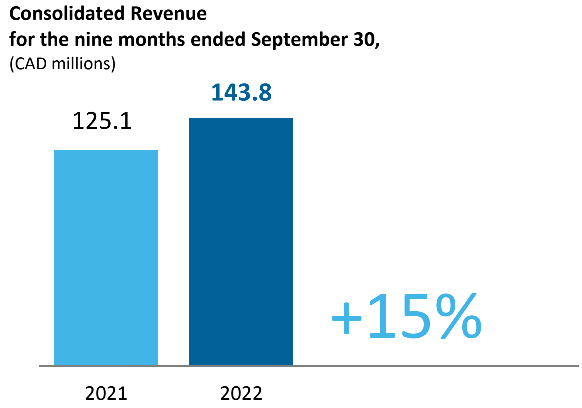
2.1 Consolidated statements of comprehensive income

(thousands of CAD)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021 (restated)[1]	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021 (restated)[1]
Revenue				
Registry Operations	$ 25,025	$ 21,326	$ 69,116	$ 64,491
Services	22,248	18,273	69,865	54,616
Technology Solutions	1,492	1,769	4,802	6,030
Corporate and other	3	1	8	3
Total revenue	48,768	41,369	143,791	125,140
Expenses				
Wages and salaries	15,061	9,643	38,270	39,156
Cost of goods sold	12,245	9,496	37,208	28,028
Depreciation and amortization	3,983	3,400	10,635	10,625
Information technology services	2,504	1,872	7,379	5,881
Occupancy costs	1,126	958	2,836	2,485
Professional and consulting services	957	700	3,743	3,179
Financial services	394	846	2,068	2,485
Other	652	354	2,165	1,010
Total expenses	36,922	27,269	104,304	92,849
Net income before items noted below	11,846	14,100	39,487	32,291
Finance income (expense)				
Interest income	130	44	194	98
Interest expense	(1,168)	(705)	(2,333)	(2,289)
Net finance (expense)	(1,038)	(661)	(2,139)	(2,191)
Income before tax	10,808	13,439	37,348	30,100
Income tax expense	(3,052)	(3,706)	(10,528)	(8,308)
Net income	7,756	9,733	26,820	21,792
Other comprehensive income (loss)				
Unrealized income(loss) on translation of financial statements of foreign operations	29	(7)	(721)	(779)
Change in fair value of marketable securities, net of tax	19	3	11	(21)
Other comprehensive income (loss)	48	(4)	(710)	(800)
Total comprehensive income	$ 7,804	$ 9,729	$ 26,110	$ 20,992

[1] In the fourth quarter of 2021, the Company revised its accounting policy related to the configuration and customization costs incurred in implementing Software-as-a-service ("SaaS") arrangements in response to the IFRIC agenda decision released in April 2021. This accounting policy change resulted in the expense of formerly capitalized financial system implementation costs incurred in 2018 through 2021. This change resulted in a retroactive adjustment to expense these costs effective January 1, 2020. See Note 2 of the Financial Statements for further details on this adjustment.

2.2 Consolidated revenue





	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD)	**2022**	2021	**2022**	2021
Registry Operations	**$ 25,025**	$ 21,326	**$ 69,116**	$ 64,491
Services	**22,248**	18,273	**69,865**	54,616
Technology Solutions	**1,492**	1,769	**4,802**	6,030
Corporate and other	**3**	1	**8**	3
Total revenue	**$ 48,768**	$ 41,369	**$ 143,791**	$ 125,140

Total revenue for the quarter increased by $7.4 million compared to the third quarter of 2021 mainly due to:

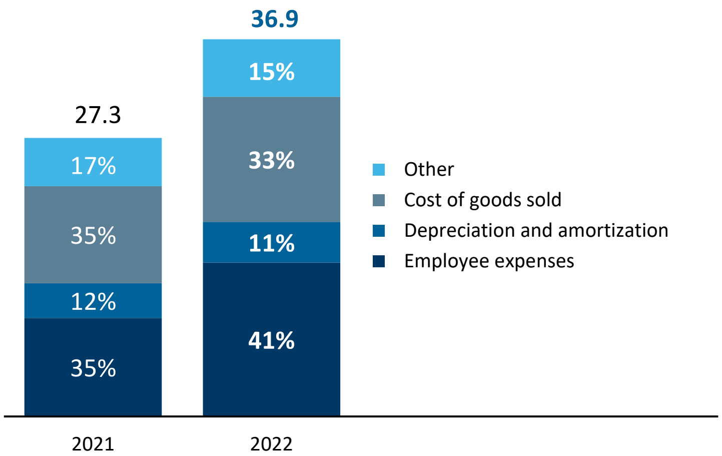
- three months of new Property Tax Services revenue in Registry Operations totalling $3.8 million contributed by Reamined (acquired on June 1, 2022); and
- increased revenue of $4.0 million in Services, resulting from continued transaction and customer growth in the Corporate Solutions division. Results from UPLevel (acquired in February 2022) contributed $1.6 million of this increase. The increase in Regulatory and Corporate Solutions divisions was also supported by the transition of customers to the *Registry Complete* platform, which provides additional services and therefore necessitated a change in revenue recognition by accounting on a gross instead of net basis. This resulted in an increase in revenue and a corresponding increase in cost of goods sold for the quarter of $1.5 million with no change in net income or EBITDA.

Total revenue for the year increased by $18.7 million or 15 per cent compared to the prior year, again mainly due to:

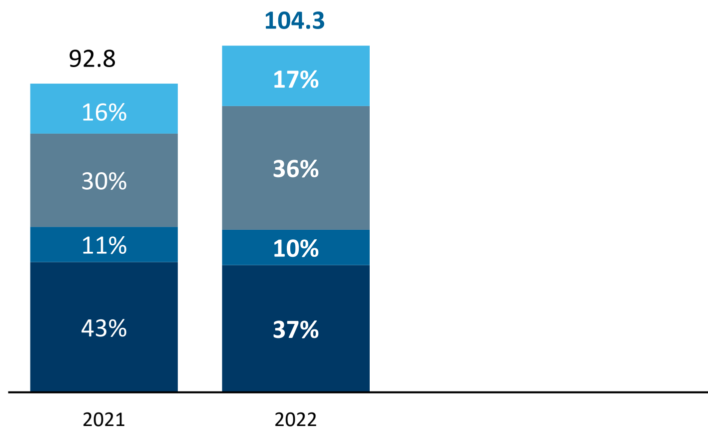
- increased revenue of $4.6 million in Registry Operations, of which $5.0 million relates to Property Tax Services revenue following the acquisition of Reamined on June 1, 2022. This was partially offset by a $1.2 million decline in Land Registry revenue as transactions begin to return to pre-pandemic levels; and
- increased revenue of $15.2 million in Services. This 28 per cent rise in sales resulted from transaction and customer growth in the Regulatory and Corporate Solutions divisions as well as the addition of accounts receivable management revenue to our product suite within our Recovery Solutions business during the current year. During the first nine months of the year, customers have continued to transition to the *Registry Complete* platform, resulting in additional value-added services made available to these customers. The response from customers continues to be extremely positive. Additional revenue of $4.4 million was contributed by UPLevel following its acquisition in February. A portion of the increase in the Regulatory and Corporate Solutions divisions is due to the transition of customers to the *Registry Complete* platform, where customer revenue is accounted for on a gross instead of net basis due to additional services being provided. This resulted in an increase in revenue and a corresponding increase in cost of goods sold of $5.4 million with no change in net income or EBITDA.

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)



Note: Values may not add due to rounding.

(thousands of CAD)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021 (restated)[1]	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021 (restated)[1]
Wages and salaries	**$ 15,061**	$ 9,643	**$ 38,270**	$ 39,156
Cost of goods sold	**12,245**	9,496	**37,208**	28,028
Depreciation and amortization	**3,983**	3,400	**10,635**	10,625
Information technology services	**2,504**	1,872	**7,379**	5,881
Occupancy costs	**1,126**	958	**2,836**	2,485
Professional and consulting services	**957**	700	**3,743**	3,179
Financial services	**394**	846	**2,068**	2,485
Other	**652**	354	**2,165**	1,010
Total expenses	**$ 36,922**	$ 27,269	**$ 104,304**	$ 92,849

[1] In the fourth quarter of 2021, the Company revised its accounting policy related to the configuration and customization costs incurred in implementing SaaS arrangements in response to the IFRIC agenda decision released in April 2021. This accounting policy change resulted in the expense of formerly capitalized financial system implementation costs incurred in 2018 through 2021. This change resulted in a retroactive adjustment to expense these costs effective January 1, 2020. Values in table may not add due to rounding.

Consolidated expenses were $36.9 million for the third quarter, an increase of $9.6 million compared to the same quarter in 2021, and were $104.3 million for the year-to-date compared to $92.8 million in 2021.

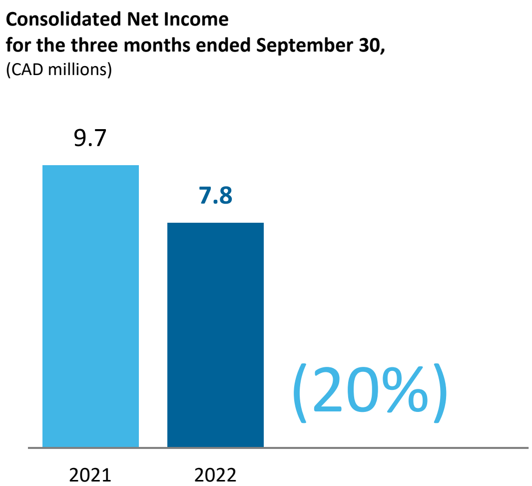
The increase in expenses during the quarter relates to the operations of the two acquisitions made during the year, with this quarter being the first to include a full three months of Reamined expenses. Cost of goods sold has increased as we continue to grow our Services revenue, accompanied by the change in accounting as customers transition to *Registry Complete*. This was further impacted by increased investments in people and technology and the impact of share-based compensation from the appreciation of the ISC share price during the quarter compared to a decline in the prior year quarter.

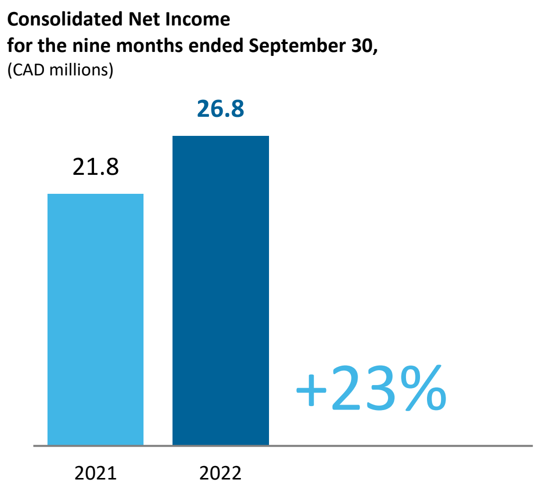
The year-over-year rise in expenses for the nine months ended September 30, 2022, compared to the prior year was due to increased:

- wages and salaries related to key investments in people, in addition to competitive wage pressures primarily in the Services and Technology Solutions segments;
- additional staff and other related expenses that have been added following the acquisitions of UPLevel and Reamined; and
- cost of goods sold associated with higher revenue in Services accompanied by the impact of the change in accounting method for revenue as customers migrate to *Registry Complete,* resulting in an increase in revenue and a corresponding increase in cost of goods sold of $5.4 million year-to-date with no impact on EBITDA.

These increases were partially offset by a reduction in share-based compensation year-to-date due to the decline of the Company's share price compared to an increase in year-to-date share-based compensation in the prior year as a result of an increase in the Company's share price.

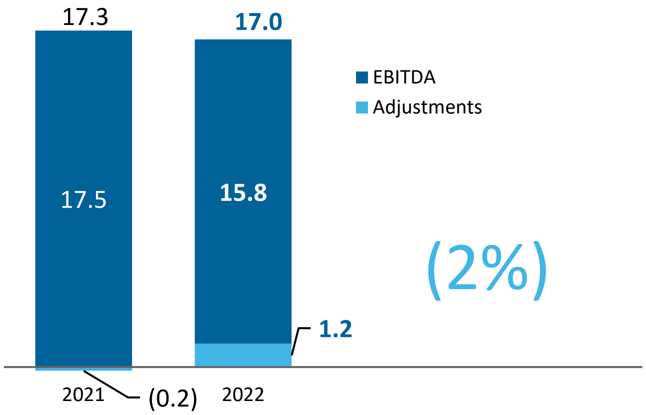
2.4 Consolidated net income

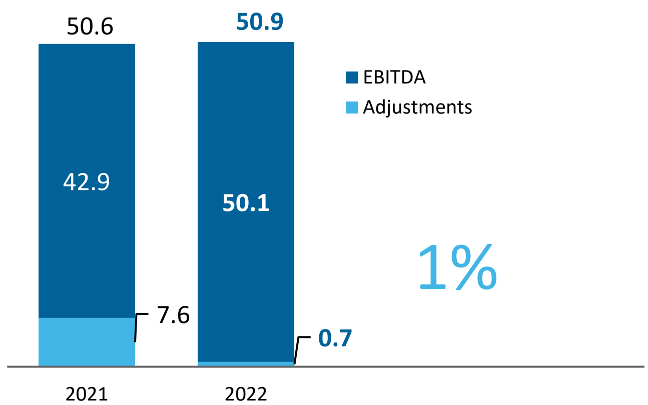




Net income for the quarter was $7.8 million or $0.44 per basic share and $0.43 per diluted share, a decrease compared to $9.7 million or $0.56 per basic share and $0.54 per diluted share in the third quarter of 2021, and was $26.8 million or $1.53 per basic share and $1.50 per diluted share year-to-date compared to $21.8 million or $1.25 per basic share and $1.21 per diluted share last year. The decrease for the quarter was due to increased costs related to investments in people and technology, and increased share-based compensation due to an increase in share price during the quarter. The increase year-to-date relates to increased revenue supplemented by reduced share-based compensation due to a year-to-date decline in share price compared to the prior year where the share price increased, offset by increased investments in people and technology.

2.5 Consolidated EBITDA and adjusted EBITDA





Note: Values may not add due to rounding.

(thousands of CAD)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021 (restated)[1]	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021 (restated)[1]
Net income	**$ 7,756**	$ 9,733	**$ 26,820**	$ 21,792
Depreciation and amortization	**3,983**	3,400	**10,635**	10,625
Net finance expense	**1,038**	661	**2,139**	2,191
Income tax expense	**3,052**	3,706	**10,528**	8,308
EBITDA	**$ 15,829**	$ 17,500	**$ 50,122**	$ 42,916
Adjustments				
Share-based compensation expense	**1,081**	(353)	**(690)**	6,492
Stock option expense (recovery)	**-**	13	**(7)**	75
Acquisition and integration costs	**127**	139	**1,444**	1,075
Gain on disposal of property, plant and equipment assets	**(3)**	(1)	**(3)**	(1)
Adjusted EBITDA	**$ 17,034**	$ 17,298	**$ 50,866**	$ 50,557
EBITDA margin (% of revenue)	**32.5%**	42.3%	**34.9%**	34.3%
Adjusted EBITDA margin (% of revenue)	**34.9%**	41.8%	**35.4%**	40.4%

[1] In the fourth quarter of 2021, the Company revised its accounting policy related to the configuration and customization costs incurred in implementing SaaS arrangements in response to the IFRIC agenda decision released in April 2021. This accounting policy change resulted in the expense of formerly capitalized financial system implementation costs incurred in 2018 through 2021. This change resulted in a retroactive adjustment to expense these costs effective January 1, 2020. See Note 2 of the Financial Statements for further details on this adjustment.

EBITDA for the quarter was $15.8 million compared to $17.5 million for the third quarter in the prior year, primarily due to increased share-based compensation of $1.4 million when compared to the prior year, accompanied by additional investments in people and technology. Adjusted EBITDA marginally decreased by 2 per cent from $17.3 million in the prior year to $17.0 million.

For the first nine months of the year, EBITDA was $50.1 million compared to $42.9 million in the prior year due to consistent strong results from operations accompanied by reduced share-based compensation of $7.2 million year-to-date when compared to the prior year. Adjusted EBITDA for the year-to-date was $50.9 million, an increase of 1 per cent from the strong results in the prior year.

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 customers by providing solutions to manage, secure and administer information.

ISC currently has three operating segments:

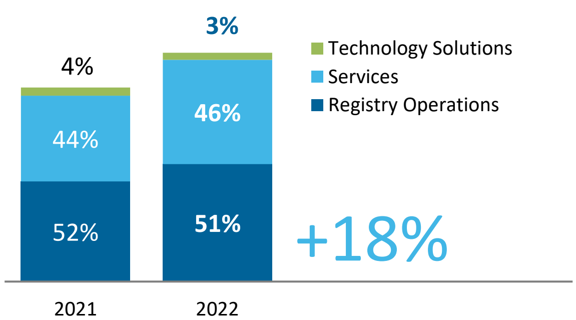
Registry Operations operates registries and provides related services on behalf of governments at various levels.

Services delivers value-add services to the financial and legal sectors, utilizing public data and records.

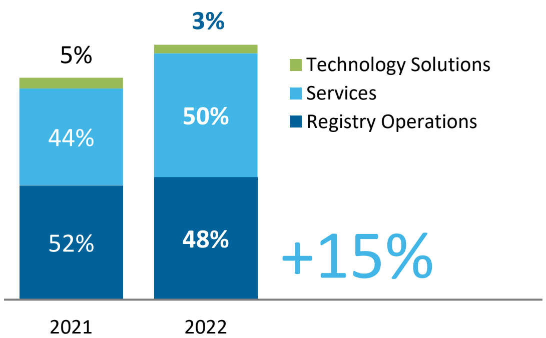
Technology Solutions designs, implements and supports registry and regulatory technology solutions.

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

Revenue by Segment[1]
for the three months ended September 30,

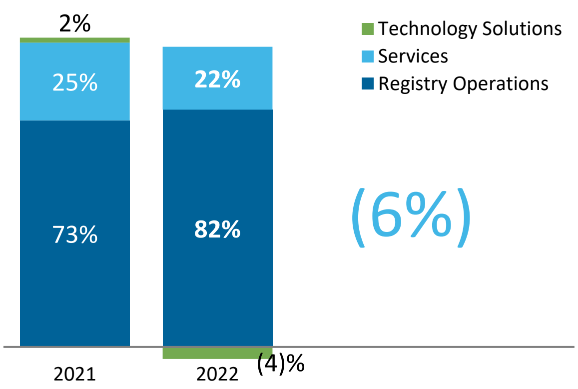


Revenue by Segment[1]
for the nine months ended September 30,

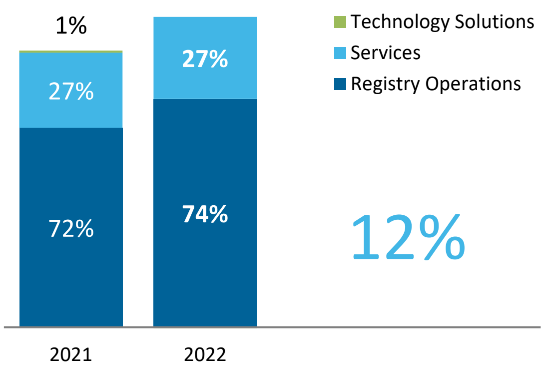


[1] Corporate and other and Inter-segment eliminations are excluded. Values may not add due to rounding.

EBITDA by Segment[1]
for the three months ended September 30,



EBITDA by Segment[1]
for the nine months ended September 30,



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

3.1 Registry Operations

When providing registry and information services to governments and private sector organizations, we work with those customers 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, 2021, 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 Registry 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; however, the COVID-19 pandemic has disrupted our normal pattern of seasonality. Ontario Property Tax Services does not experience seasonality, as revenue is spread evenly throughout the year as per the agreement with the Province of Ontario.

Saskatchewan Land Registry

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

Revenue for the Land Titles Registry is earned through registration, search and maintenance fees. Registration fees are either flat or value-based, calculated as a percentage of the value of the land and/or property being registered. Approximately 86 per cent of all Land Titles Registry registration transactions were submitted online in 2021.

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 vehicle sales, interest rates and the strength of commercial activity across the province, influence the revenue in the Personal Property Registry.

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

Saskatchewan Corporate Registry

The Corporate Registry is a province-wide system for the registration of business entities, including business corporations, non-profit corporations, co-operatives, sole proprietorships, partnerships and business names. Entities must maintain an active registration in the Corporate Registry to legally carry on business within Saskatchewan.

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

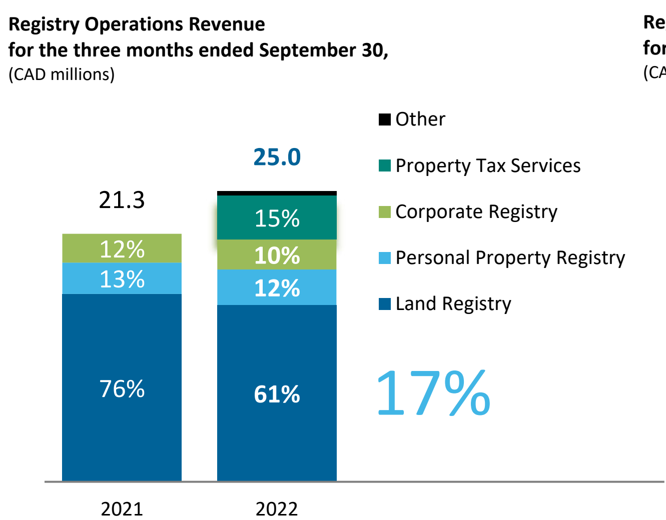
Approximately 93 per cent of all registrations in the Corporate Registry were submitted online in 2021.

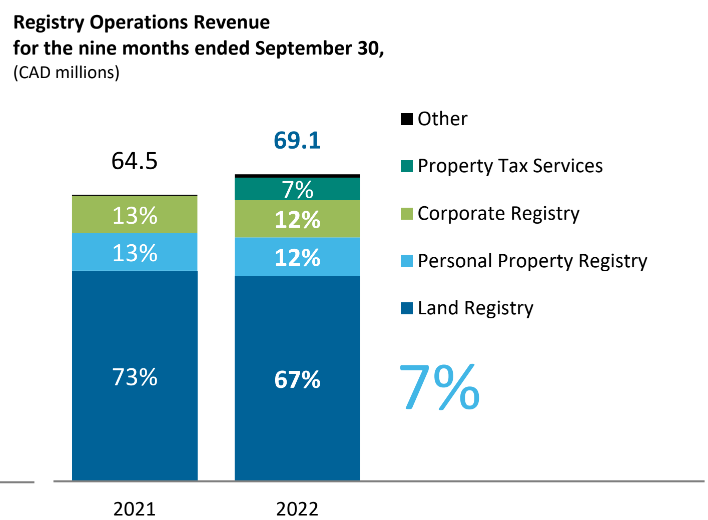
Ontario Property Tax Services

Through an exclusive agreement with the Province of Ontario, Reamined provides property tax infrastructure and services to over 440 municipalities in Ontario, facilitating the management of property tax rates and distribution. Reamined has provided these services to the Province of Ontario for over 25 years and, on a regular basis, has negotiated and typically renewed up to five-year agreements with the province. These services support critical applications of information used by municipalities to facilitate the determination of property taxes annually.

The total revenue for each year of the agreement is determined at the time of renewal and is paid monthly by the Province of Ontario to Reamined. Should the province request any change orders during the term of the contract, the revenue from any order is based on the scope of work agreed to by the parties and is in addition to regular revenue.

REGISTRY OPERATIONS REVENUE





Note: Values may not add due to rounding.

(thousands of CAD)	Three Months Ended September 30, 2022	2021	Nine Months Ended September 30, 2022	2021
Land Registry	**$ 15,208**	$ 16,156	**$ 46,248**	$ 47,399
Personal Property Registry	**3,052**	2,698	**8,638**	8,429
Corporate Registry	**2,577**	2,472	**8,434**	8,393
Property Tax Services	**3,813**	-	**5,042**	-
Other	**375**	-	**754**	269
Registry Operations revenue	**$ 25,025**	$ 21,326	**$ 69,116**	$ 64,491

Revenue for Registry Operations was $25.0 million for the quarter, up $3.7 million or 17 per cent compared to $21.3 million in the third quarter of 2021. The third quarter increase was due to new revenue from our acquisition of Reamined on June 1, 2022, and revenue increases from the both the Corporate and Personal Property Registries, offset by a decline in the Land Registry. The third quarter decrease in Land Registry revenue was due to lower activity in the Saskatchewan real estate sector, despite an increase in the average land values transacted through the registry.

Year-to-date revenue was $69.1 million compared to $64.5 million during the first three quarters of last year, an increase of 7 per cent. The Land Registry declined compared to 2021, while the Corporate and Personal Property Registries experienced modest increases compared to the same period last year. This net decrease was offset by the addition of new revenue from Reamined of $5 million.

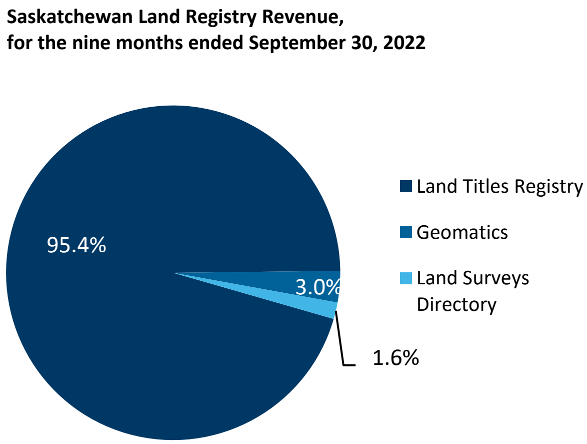
The Government of Saskatchewan commissioned ISC to prepare for certain updates to the Corporate Registry to support upcoming changes to legislation. This project is accounted for in the Other category and is expected to be completed in early 2023.

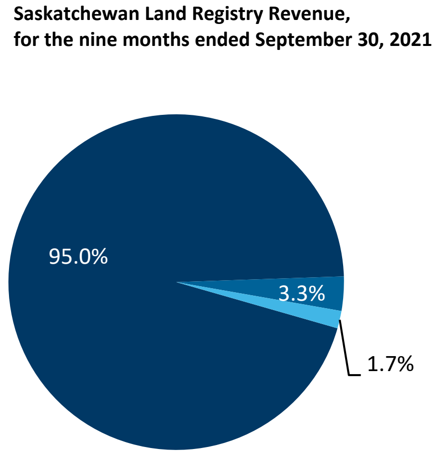
The top five customers for Registry Operations made up roughly 24 per cent of the total segment revenue year-to-date. Of those customers, no single customer accounted for more than 10 per cent of total Registry Operations revenue.

Saskatchewan Land Registry

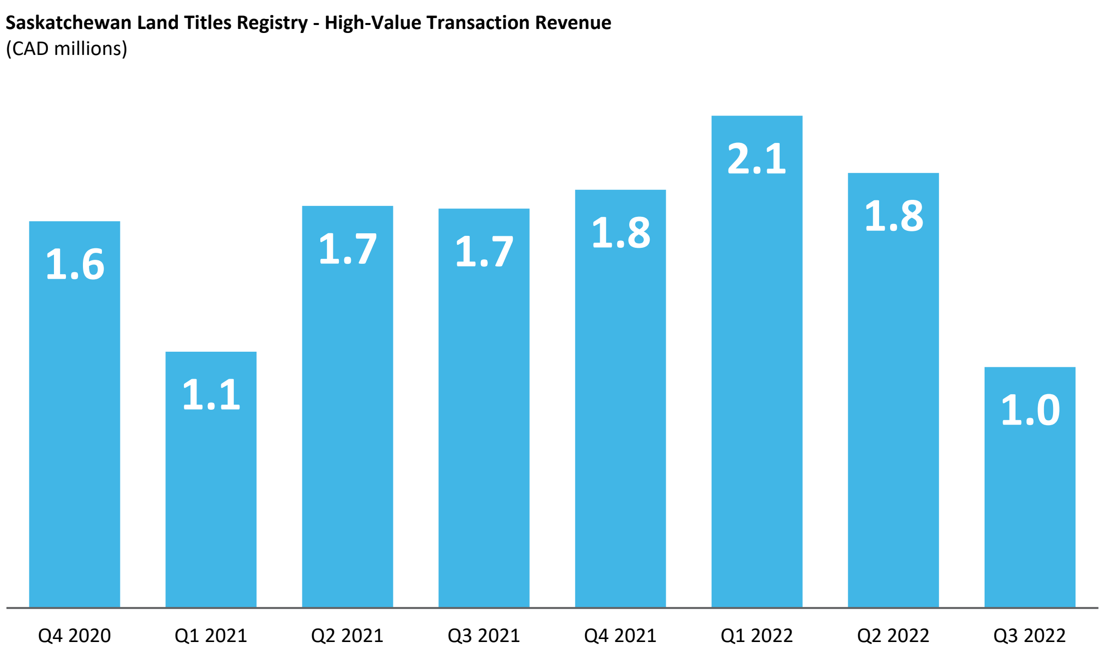
For the third quarter of 2022, revenue for the Land Registry was $15.2 million, down by $0.9 million or 6 per cent compared to the same period in 2021, due to a decline in the Land Titles Registry, following reduced activity in the real estate sector when compared to the same period last year. Year-to-date, revenue was $46.2 million in 2022 compared to $47.4 million last year, representing a drop of $1.2 million or 2 per cent, due to decreased activity in the real estate sector during the second and third quarters of 2022.

Most of the revenue generated from the Land Registry is from the Land Titles Registry and is derived from value-based (ad valorem) fees. Land Titles Registry revenue for the quarter was $14.5 million, a drop of $0.9 million or 6 per cent compared to the third quarter in 2021. The decline was due to lower Land Titles Registry transaction volume, which decreased by 2 per cent in the third quarter, along with lower high-value property registration revenue.



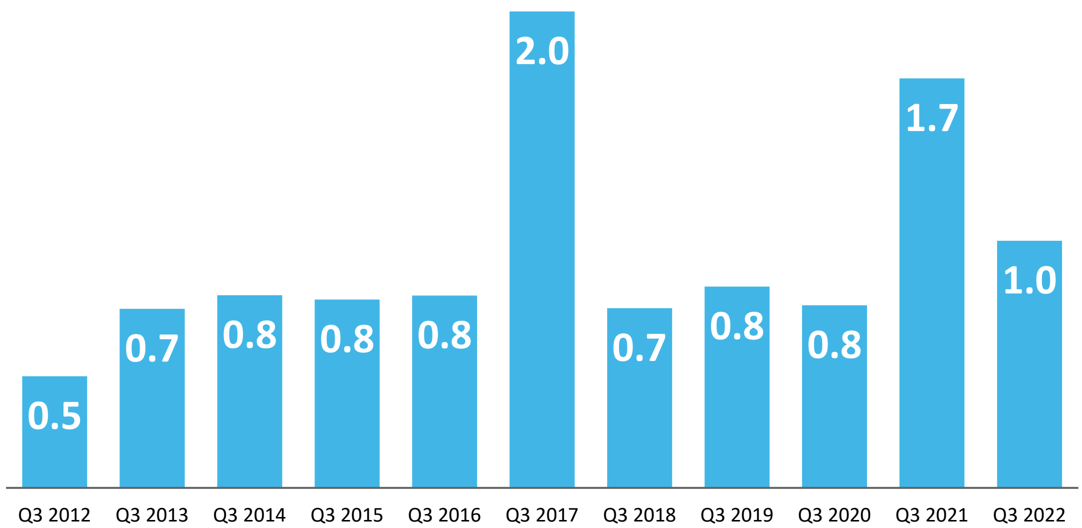


High-value property registration revenue saw a decline during the third quarter of 2022, finishing at $1.0 million, lower than the third quarter of 2021 result by $668 thousand. Each high-value registration generates revenue of $10,000 or more and is typically seen in both commercial and larger agricultural transactions. The graph below shows the last eight quarters of high-value transaction revenue. As illustrated below, revenue from these transactions dropped this quarter, coming down from the elevated levels we have experienced over the prior five quarters, but remained strong relative to historical averages.



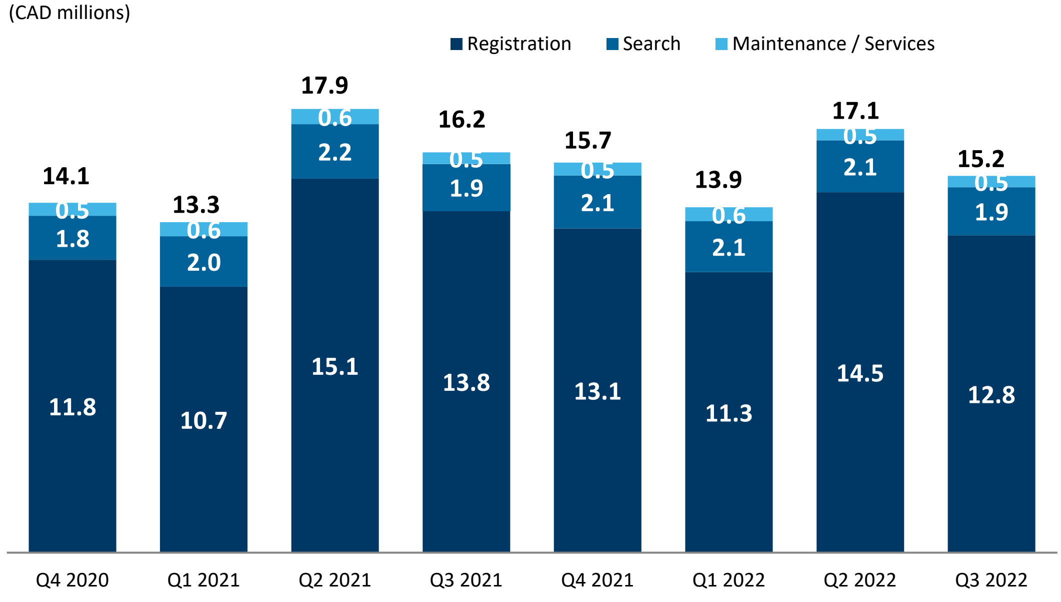
While high-value transactions have decreased during the current quarter compared to the prior year, the results remain strong compared to the third quarter of prior years as shown on the below chart.

Saskatchewan Land Titles Registry - High-Value Transaction Revenue - Three Months Ended September 30,
(CAD millions)



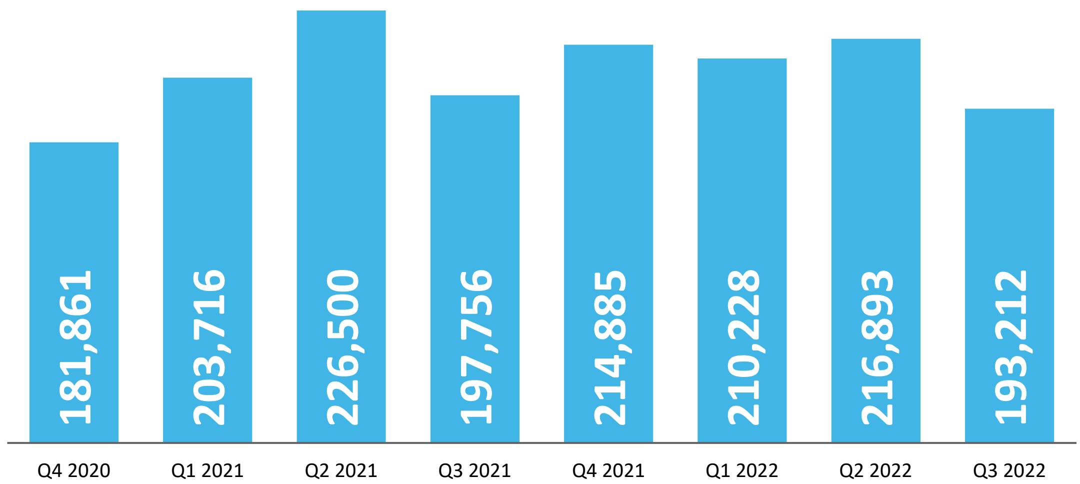
The following graphs show the Land Registry revenue by type of transaction and the overall transaction volume, respectively. Typically, the second and third quarters generate the most revenue for the Land Registry. For more information on seasonality, refer to section 4 “Summary of Consolidated Quarterly Results”.

Saskatchewan Land Registry Revenue by Type
(CAD millions)



Note: Values may not add due to rounding.

Saskatchewan Land Registry Transaction Volume
(Number of transactions)



Revenue-generating transactions in the Land Titles Registry contracted by 2 per cent for the third quarter of 2022 when compared to the same period in 2021. While the volume of title searches was essentially flat compared to the same period last year, transaction volume was down due to a drop in regular land transfers and mortgage registrations, which declined by 11 per cent and 10 per cent, respectively. Regular land transfer volumes declined at a greater rate than revenue because of the higher average land values for regular land transfers experienced during the period. A reminder that title searches make up the largest component of transaction volume, comprising 73 per cent of the volume for the registry during the quarter.

The main customers of the Land Registry include law firms, financial institutions, governments, surveyors, developers and resource companies as well as the general public. For the first three quarters of 2022, our top 20 Land Registry customers comprised just over 42 per cent of the revenue, and our top 100 Land Titles Registry customers accounted for about 78 per cent of revenue.

Saskatchewan Personal Property Registry

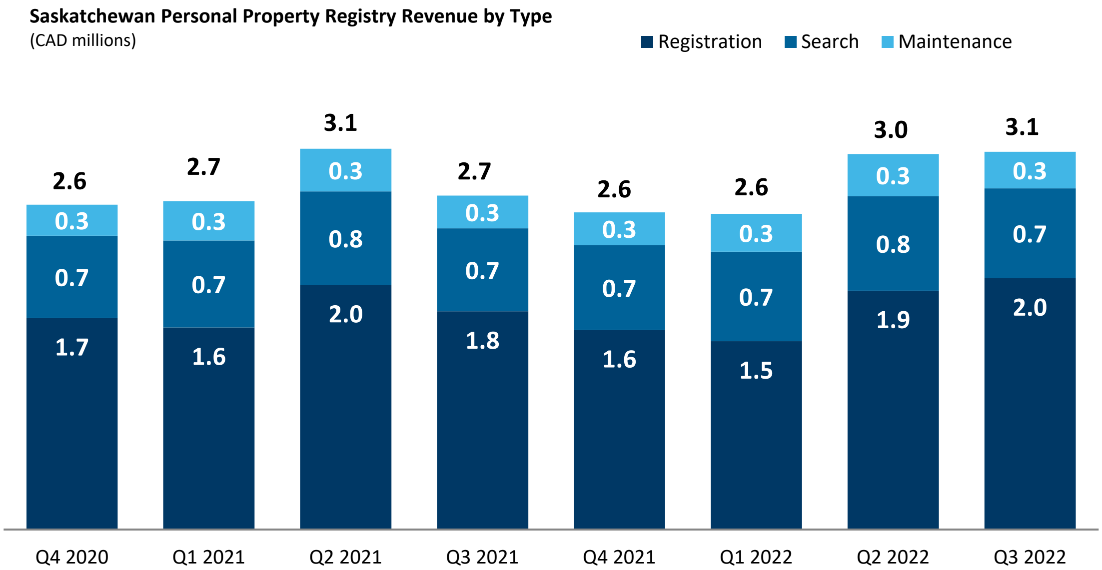
For the third quarter of 2022, revenue for the Personal Property Registry was $3.1 million, up $0.4 million or 13 per cent compared to $2.7 million from the same quarter in 2021. Overall volume was up 8 per cent during the period when compared to the same period of 2021. Revenue grew at a faster pace as a result of pricing changes that were implemented in July 2022. Revenue for the first three quarters of 2022 was $8.6 million, a rise of over 2 per cent compared to $8.4 million during the same period of 2021.

While new motor vehicle sales in the province have been generally lower on a monthly basis compared to 2021, Saskatchewan has outperformed the national trend in more recent months. Registration volume rose by 7 per cent during the quarter from the prior year. Accordingly, revenue saw an increase in the third quarter, up by 15 per cent compared to 2021. Revenue grew at a greater rate than volume due to pricing changes, while average term-length for registrations were stable when compared to the same quarter in 2021.

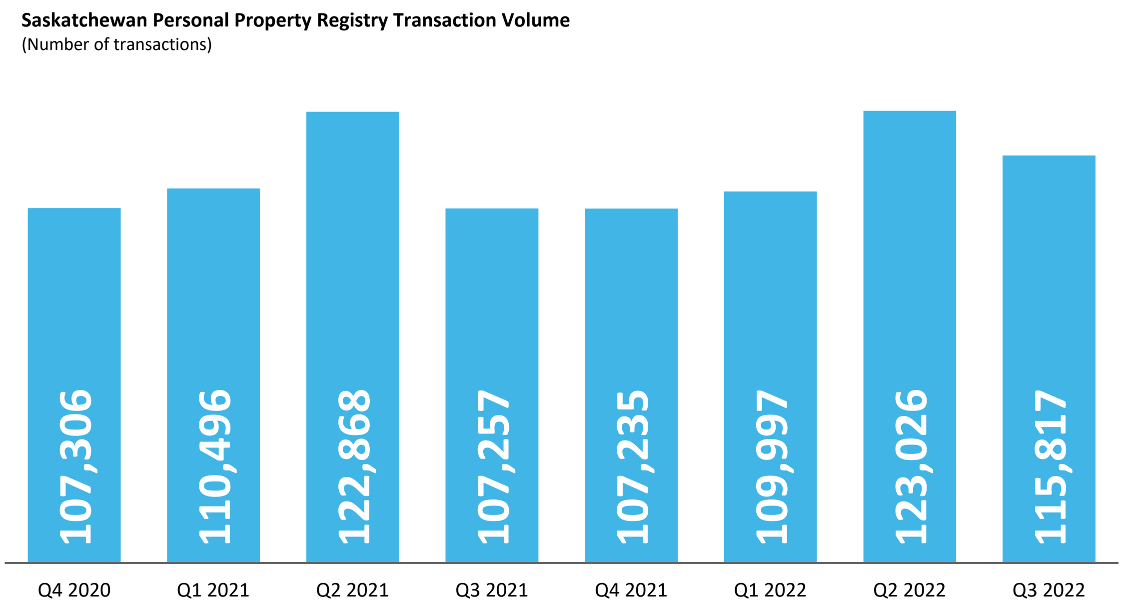
Search volume, which comprised 63 per cent of the volume for the registry this quarter, increased in line with registration activity, rising 8 per cent during the quarter. As a result, search revenue also improved by 8 per cent for the third quarter of 2022 compared to the same quarter in 2021.

Maintenance revenue rose by 12 per cent in the third quarter due to higher volume, up 10 per cent compared to the same period last year, along with pricing changes.

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



Note: Values may not add due to rounding.



Customers of the Personal Property Registry are primarily in the financial sector but also include law firms. The top 20 Personal Property Registry customers made up about 83 per cent of the revenue year-to-date, while the top 100 generated just under 95 per cent of the revenue.

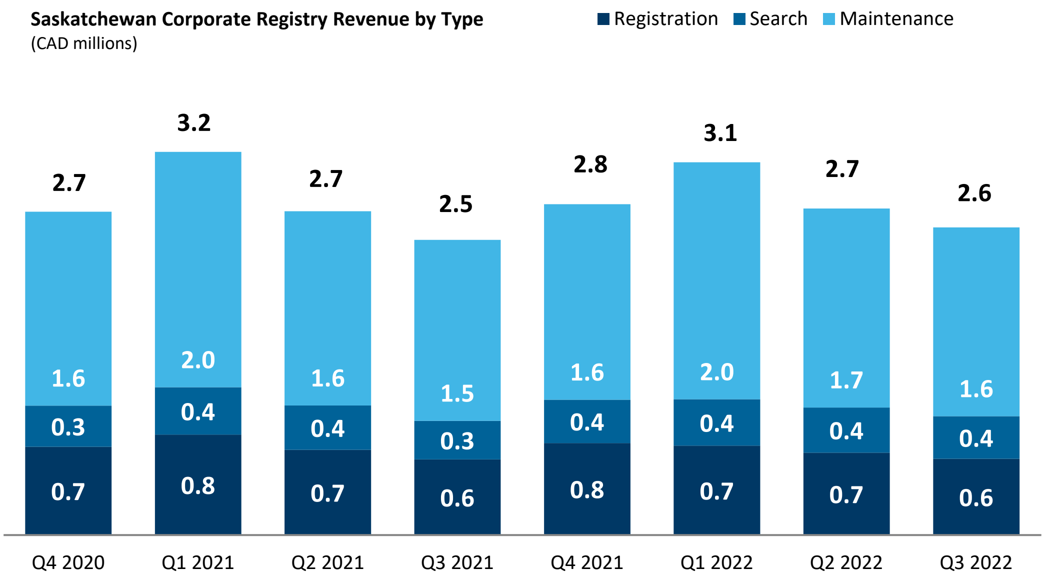
Saskatchewan Corporate Registry

Revenue for the Corporate Registry for the third quarter of 2022 was $2.6 million, an increase of 4 per cent or $0.1 million compared to the same period in 2021. Revenue for the first three quarters of 2022 was $8.4 million, flat when compared to the same period in 2021.

Registration revenue rose by 1 per cent as a result of higher levels of new entity creation in the registry. Search revenue improved by 10 per cent during the quarter. Maintenance revenue, the largest of the three revenue streams, was up over 4 per cent, as annual returns and renewals were on par compared to 2021, along with a higher rate of entity amendments that were processed in the quarter.

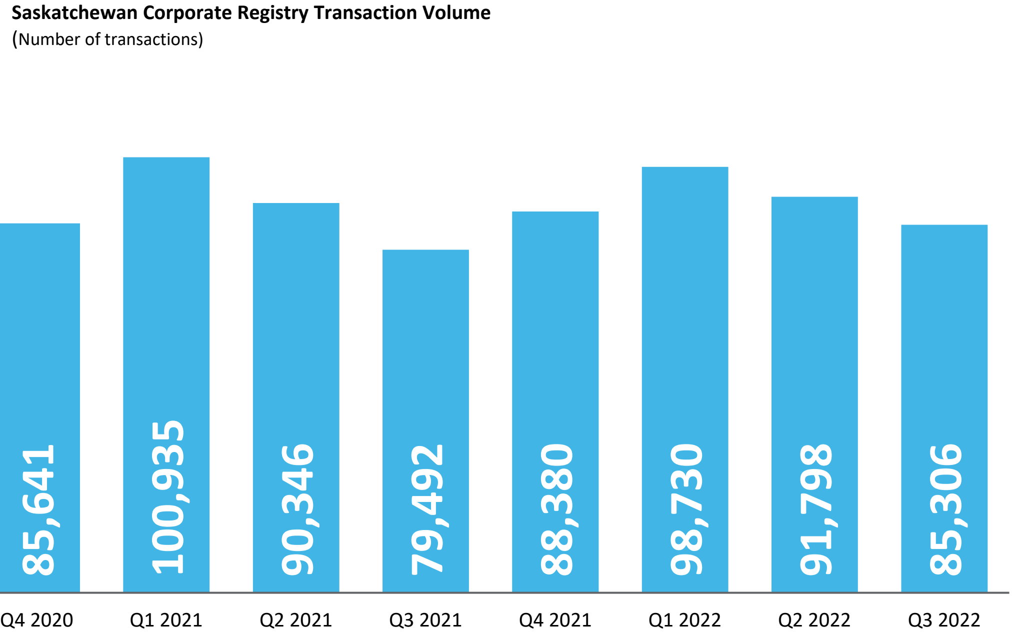
As of September 30, 2022, there were 78,561 active Saskatchewan Business Corporations registered with the Corporate Registry compared to 76,704 as of September 30, 2021.

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



Note: Values may not add due to rounding.

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



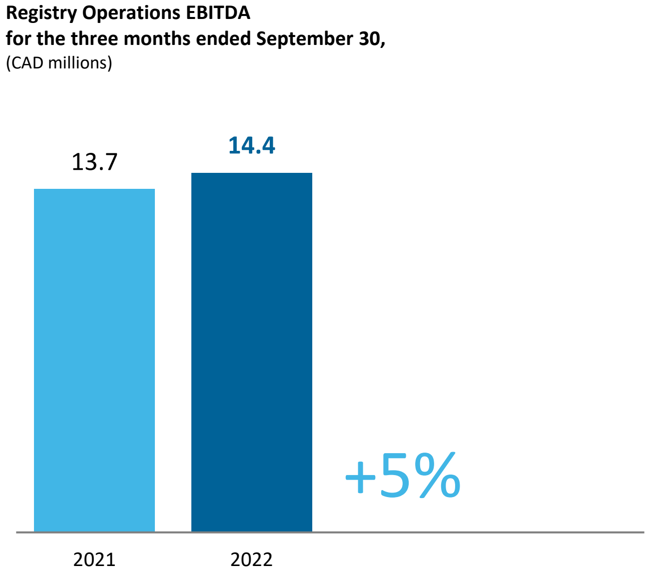
Transaction volumes for the second quarter grew by over 7 per cent compared to the same period last year. Registration and maintenance volume each expanded by 2 per cent compared to the same period in 2021. Search volume rose by 11 per cent during the quarter.

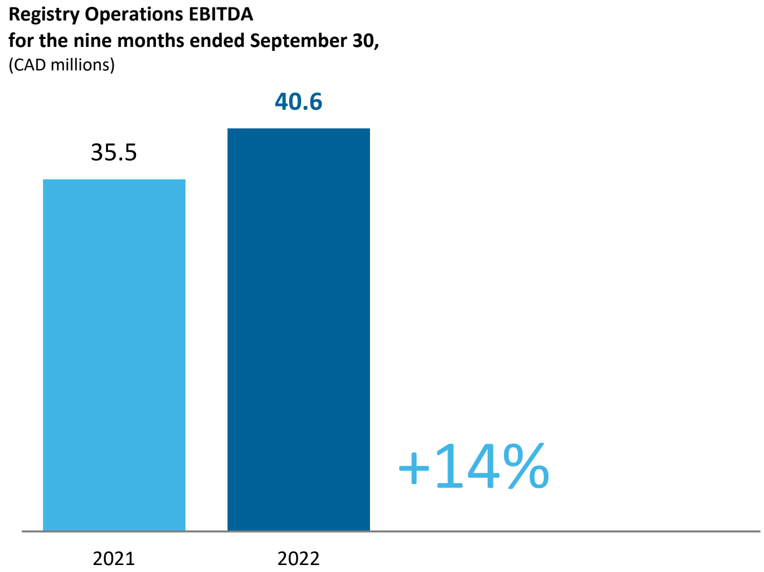
For the Corporate Registry, customers include law firms and companies in the financial sector, as well as the Government of Saskatchewan. They also include corporations, non-profit corporations, co-operatives and sole proprietorships that are, were or will be registered in the Corporate Registry. The top 20 Corporate Registry customers produced nearly 33 per cent of revenue for the first three quarters of 2022 and the top 100 customers delivered approximately 50 per cent of revenue.

Ontario Property Tax Services

Revenue in Ontario Property Tax Services in the third quarter was $3.8 million. Year-to-date revenue since the acquisition of Reamined on June 1, 2022, was $5.0 million. As a reminder, the total revenue for each year of the agreement with the Province of Ontario is determined at the time of renewal and is paid monthly by the province to Reamined. Should the province request any change orders during the term of the contract, the revenue from any order is based on the scope of work agreed to by the parties and is in addition to regular revenue.

REGISTRY OPERATIONS EXPENSES AND EBITDA





	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD)	**2022**	2021	**2022**	2021
Revenue	**$ 25,025**	$ 21,326	**$ 69,116**	$ 64,491
Total expenses[1]	**10,675**	7,628	**28,482**	29,013
EBITDA	**$ 14,350**	$ 13,698	**$ 40,634**	$ 35,478

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

EBITDA for Registry Operations for the third quarter was $14.4 million, up 5 per cent compared to the same period last year and was $40.6 million year-to-date compared to $35.5 million last year. The increase for the quarter was driven by the additional contribution of a full quarter of Reamined earnings, offset by a decline in the Land Registry revenue partially due to lower transaction volumes and lower high-value transaction revenue than the previous quarter. Another contributing factor was an increase in share-based compensation resulting from an appreciation in the Company's share price during the quarter.

On a year-to-date basis, EBITDA has increased due to contributions from the new Property Tax Services division acquired through the Reamined acquisition, supplemented by a reduction in share-based compensation due to a decline in the Company's share price year-to-date.

3.2 Services

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

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

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

Competition

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

Corporate Solutions

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

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

Incorporation Services

- Corporate Solutions provides a convenient, cost-effective method to incorporate businesses online or through our staff-assisted process. Leveraging our online technology platforms, Corporate Solutions services legal customers and the general public through a team of experienced law clerks in Ontario and Quebec.

- Currently, the Company holds one of the two exclusive licences, which allows us to access the Ontario Corporate Registry electronically on behalf of customers. Ontario intends to transition to a new licencing model and launched the first phase of their new public portal on October 19, 2021. Until the new model is fully rolled out, the Company expects to continue to hold one of the two exclusive licences. The Company also has non-exclusive licences to do the same in all other provincial and federal (Corporations Canada) corporate registries across Canada.

- In addition to incorporations, various other corporate filings are often required to operate a business, including 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. Corporate Solutions also provides online and real-time NUANS and business name searches, registered agents of service and corporate document preparation to assist in the organization and maintenance of a business.

Corporate Supplies

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

Regulatory Solutions

Regulatory Solutions captures revenue from our KYC, due diligence and collateral management service offerings. The Company uses its proprietary platform to assist customers with intuitive business rules and advanced automation to deliver regulatory services to support their credit/banking and legal processes. Public registry data is leveraged to provide insights and improved customer experience through a single technology. All our technology is supplemented with deep subject-matter knowledge offered through our legal professionals located in four locations (Montreal, Quebec, Stratford and Toronto, Ontario, and Vernon, B.C.).

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

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

Know-Your-Customer ("KYC") & Due Diligence

- Regulatory Solutions supports legal and financial institution due diligence activities for compliance purposes through the KYC verification (corporate and individual), public records search and registration services across Canada. Customers can obtain numerous reports and intelligence to verify and authenticate customer data to comply with their internal customer onboarding policies mandated by FINTRAC[1]/Anti-Money Laundering regulations. Using a web-based tool and associated APIs that provide real-time access to validate and verify an

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

individual's or a business's existence, our KYC services aggregate information from multiple trusted sources to provide reliable and accurate identification of an individual and/or a business and its principals.

- Our public records search offerings include corporate profiles, business name searches, NUANS, PPSA searches, security searches and real estate searches.

- Due diligence is an essential component of most merger and acquisition and financing transactions, where searches are performed to obtain a complete understanding of all legal obligations associated with a person or business. 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.

- Regulatory Solutions provides security searches that can be conducted against an individual, business or corporation, property and assets across the country. Searches will reveal both present and historical information relating to debts and liabilities, pending and potential lawsuits, bankruptcy, liens, judgments, and sales of assets across Canada.

- Regulatory Solutions also provides account onboarding services, which has expanded to include customer care following the acquisition of UPLevel earlier in the year.

Collateral Management

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

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

Recovery Solutions

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

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

Asset Recovery

- Recovery Solutions offers a fully managed service across Canada, which aids in facilitating and co-ordinating asset recovery on behalf of our customers. Asset recovery involves identification, retrieval and disposal of movable assets such as automobiles, boats, aircraft and other forms of portable physical assets used as collateral security for primarily consumer-focused credit transactions.

- Our customers enjoy a complete turnkey solution where our team manages every step in the asset recovery process, including co-ordinating bailiffs, investigators and auctions.

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

Accounts Receivable Management

- As a licensed collections agency, the Company performs recovery services related to past due accounts in both a first-party capacity representing our customers, and a third-party collections capacity.

- Our customers receive a complete collections solution where they can assign overdue accounts at any stage in the default process to be pursued in a manner that is respectful to all parties and that has delivered strong historical results.

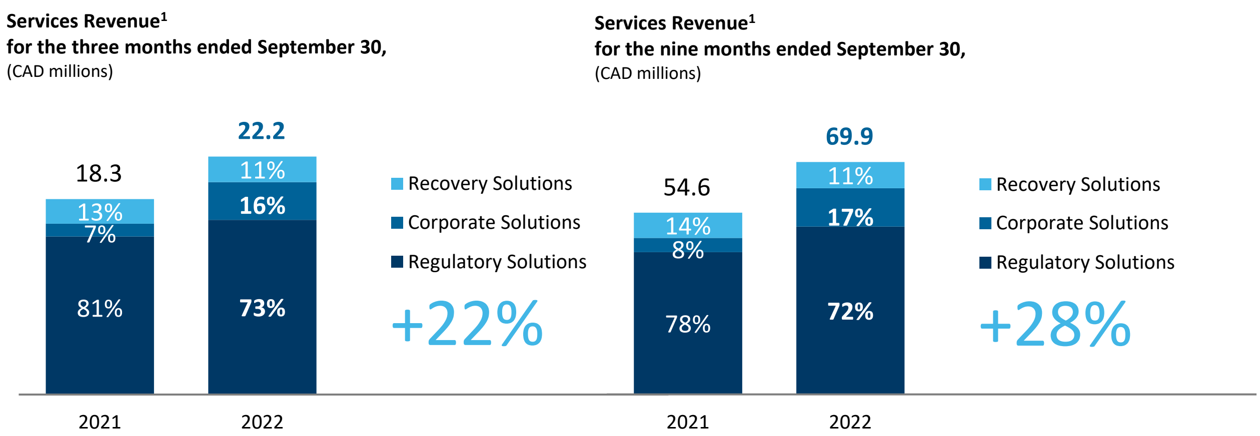
Revenue

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

Key drivers for our revenue include increased regulatory and compliance requirements; the growing trend towards outsourcing business processes and services to realize cost savings and focus on core business activities; economic activity that can affect credit lending, mergers, acquisitions, incorporations and various new business 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 Regulatory Solutions is reasonably diversified and has little seasonality; instead, it fluctuates in line with general economic drivers. Some smaller categories of products or services can have some seasonal variation, increasing slightly during the second and fourth quarters. In particular, our collateral management services experiences seasonality aligned to vehicle and equipment financing cycles, which are generally more robust in the second and fourth quarters. Recovery Solutions does not have specific seasonality, but is counter-cyclical to our other businesses.

SERVICES REVENUE



[1] Internal related parties and other revenue not displayed in graph. Values may not add due to rounding.

(thousands of CAD)	Three Months Ended September 30, 2022	2021	Nine months ended September 30, 2022	2021
Regulatory Solutions[1]	**$ 16,332**	$ 14,765	**$ 50,453**	$ 42,778
Recovery Solutions[1]	**2,386**	2,309	**7,862**	7,563
Corporate Solutions	**3,530**	1,199	**11,550**	4,275
Internal related parties and other	**-**	-	**-**	-
Services revenue	**$ 22,248**	$ 18,273	**$ 69,865**	$ 54,616

[1] A change was made to the categorization of revenues between Regulatory and Recovery Solutions, resulting in previously reported values for the quarter ended June 30, 2022 being edited.

Revenue for Services was $22.2 million for the third quarter, a rise of 22 per cent, or $4.0 million compared to the same period in 2021. This increase was driven by continued transaction and customer growth in Corporate Solutions and the impact of the transition of Services customers to the *Registry Complete* platform, which provides additional services and therefore necessitated a change in revenue recognition by accounting on a gross instead of a net basis. The growth came from the addition of new legal customers and the uptake of new services from existing customers. Additionally, during the third quarter of 2022, price increases were implemented across Regulatory and Corporate Solutions for non-contract-based customers. This was further supplemented by revenue from the new customer care product offering within Regulatory Solutions and the new accounts receivable management revenue in our Recovery Solutions division during the quarter as a result of the acquisition of UPLevel.

For the first three quarters of 2022, revenue rose by 28 per cent to $69.9 million compared to $54.6 million during the same period in 2021. In line with the results of the third quarter, the Regulatory and Corporate Solution divisions continued to drive transaction growth, new customer acquisitions and enhanced uptake of new services by existing customers. During the first nine months of 2022, customers have continued to transition from our legacy platform to our leading *Registry Complete* platform resulting in these customers being able to access additional value-added services. The response from customers continues to be extremely positive and has led to an increase in revenue. Recovery Solutions has also experienced growth year-to-date due to additional revenue from UPLevel's accounts receivable management business. The accounts receivable management service offering has provided our customers with a full end-to-end recovery solution, and we continue to invest in further integration technologies to optimize our Recovery Solutions revenue.

A portion of the revenue increase in Regulatory Solutions and Corporate Solutions during the third quarter of 2022 and year-to-date relates to changes in the accounting method for revenue from net to gross as customers migrate to *Registry Complete*. This resulted in an increase in revenue of $1.5 million and $5.4 million for the quarter and year-to-date, respectively, along with corresponding increases in cost of goods sold and therefore no impact on net income or EBITDA.

Regulatory Solutions

Revenue in Regulatory Solutions for the third quarter of 2022 was $16.3 million, up 11 per cent or $1.6 million compared to $14.8 million for the same period of 2021. During the quarter, revenue grew primarily due to $1.1 million of new customer care and PPSA revenue following the acquisition of UPLevel in February 2022 and the accounting impact of the transition of customers to *Registry Complete* where additional value added services are provided resulting in revenues being accounted for on a gross instead of net basis.

Revenue for the first nine months of 2022 was $50.5 million, an increase of 18 per cent or $7.7 million compared to $42.8 million in 2021. Like the third quarter, year-to-date revenue grew due to transaction and customer growth, onboarding of new customers, expansion of additional services to existing clients and new revenue of $2.9 million following the acquisition of UPLevel in February 2022.

During the third quarter this year, $0.5 million of the increase in revenue relates to changes in the accounting method for revenue from net to gross as customers migrate to *Registry Complete* where additional value-added services are available. This change results in an increase in revenue and a corresponding increase in cost of goods sold, with no change in EBITDA. Year-to-date, this change accounted for $1.3 million of the increase.

Recovery Solutions

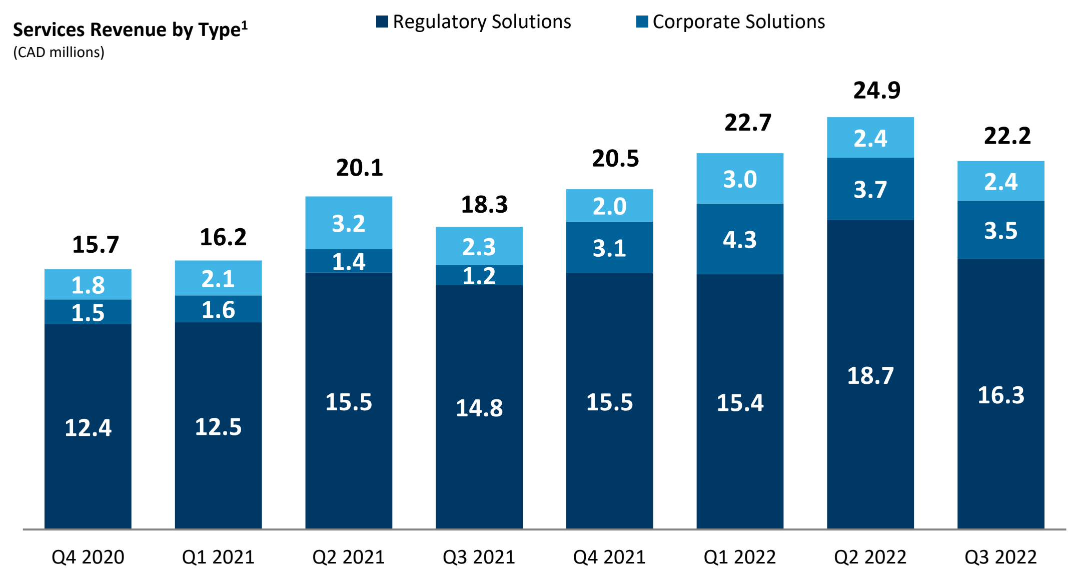
Revenue in Recovery Solutions for the third quarter of 2022 was $2.4 million, an increase over the same period in 2021 of $0.1 million or 3 per cent. The growth for the quarter is largely due to additional revenue from UPLevel's accounts receivable management business of $0.5 million in revenue during the quarter, offset by a decrease in asset recovery, where although there was an increase in assignments, redemption rates were higher.

On a year-to-date basis, revenue in 2022 was $7.9 million compared to $7.6 million in the first nine months of 2021, an increase of 4 per cent. The increase is due to accounts receivable management revenue of $1.4 million year-to-date, offset by lower-than-anticipated asset recovery revenue.

Corporate Solutions

Corporate Solutions revenue for the third quarter of 2022 was $3.5 million, increasing by 194 per cent or $2.3 million compared to $1.2 million in the third quarter of 2021. Year-to-date revenue was $11.5 million compared to $4.3 million in the first nine months of 2021, an increase of 170 per cent. This increase for the quarter and year-to-date is due to the onboarding of new customers, accompanied by the addition of corporate filing products to *Registry Complete* and the transitioning of existing customers from our legacy platform to *Registry Complete*, where revenue is now recognized on a gross instead of net basis due to additional services being provided. This change in accounting treatment is responsible for $1.0 million of the increase during the quarter to both revenue and cost of goods sold with no impact to net income or EBITDA. Year-to-date, this change accounted for $4.1 million of the increase in revenue.

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

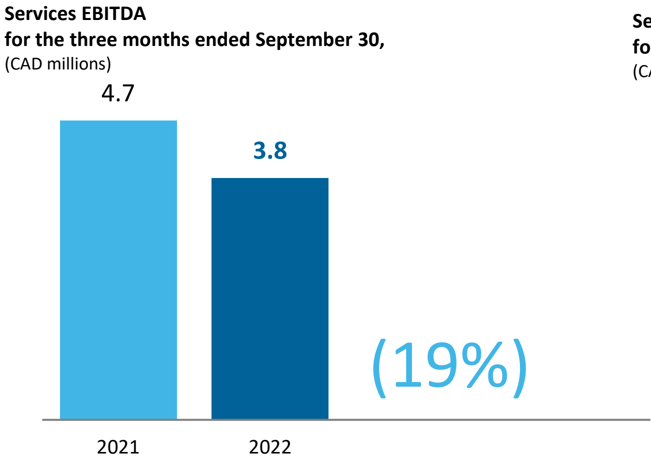


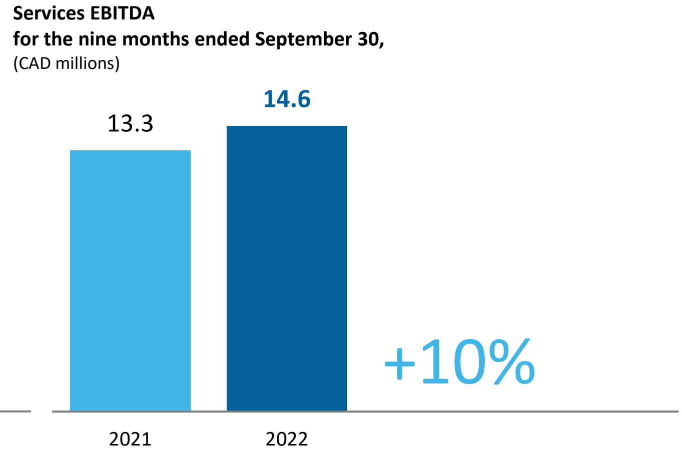
[1] Internal related parties and other revenue not displayed in graph. Values may not add due to rounding.

Note: a change was made to the categorization of revenues between Regulatory and Recovery Solutions, resulting in previously reported values for the quarter ended June 30, 2022 being edited.

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

SERVICES EXPENSES AND EBITDA





	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD)	**2022**	2021	**2022**	2021(restated)[1]
Revenue	**$ 22,248**	$ 18,273	**$ 69,865**	$ 54,616
Total expenses[2]	**18,449**	13,570	**55,253**	41,273
EBITDA	**$ 3,799**	$ 4,703	**$ 14,612**	$ 13,343

[1] In the fourth quarter of 2021, the Company changed its accounting policy with respect to customization and configuration of SaaS arrangements. See section 2.1 “Consolidated highlights” – footnote 2 for further details.
[2] Total expenses exclude interest, taxes, depreciation and amortization.

EBITDA for Services was $3.8 million for the quarter compared to $4.7 million for the third quarter of 2021. The decrease during the quarter was primarily attributable to an increase in people and information technology costs to support business growth and the transition of customers to *Registry Complete*. Year-to-date, EBITDA for Services was $14.6 million compared to $13.3 million for the first nine months of 2021. The year-to-date increase was due to the increased revenue from transaction and customer growth through the period, supplemented by the *Registry Complete* solution providing additional services to existing and new Regulatory and Corporate Solutions clients. This growth in revenue was partially offset by additional people and information technology costs to support this growth and the *Registry Complete* solution.

Services expenses were $18.4 million for the quarter compared to $13.6 million last year and, year-to-date, expenses were $55.3 million compared to $41.3 million in 2021. The increase was primarily due to increased cost of goods sold related to both the increase in revenue and change in accounting treatment for revenue recognition due to additional services being provided, incremental expenses from the new UPLevel business acquired earlier in the year, accompanied by increased people and information technology costs to support business growth.

As we have transitioned customers from legacy systems to *Registry Complete* where additional services are being provided, we have changed the accounting treatment of these revenues and expenses to be on a gross instead of net basis. While this has increased revenue and cost of goods sold with no impact on EBITDA, this change has reduced consolidated EBITDA margin for the quarter and year-to-date.

3.3 Technology Solutions

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

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

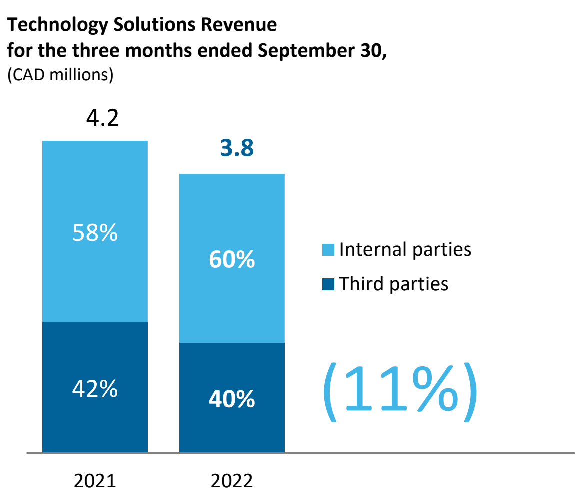
We offer RegSys — a complete registry solution that provides a readily transferable technology platform capable of serving a wide range of registry needs. RegSys is a multi-register platform that delivers the flexibility, scalability and features that enable public sector organizations to deliver enhanced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

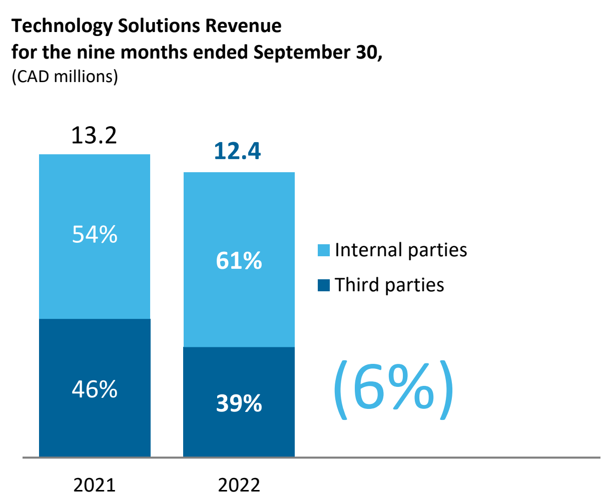
With a full suite of integrated modules that provide core functionality for submission, enforcement and inquiry processing, RegSys delivers solutions enabling the provision of core services to citizens in a user-friendly, efficient manner across multiple access points. The RegSys solution has also been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

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

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

TECHNOLOGY SOLUTIONS REVENUE





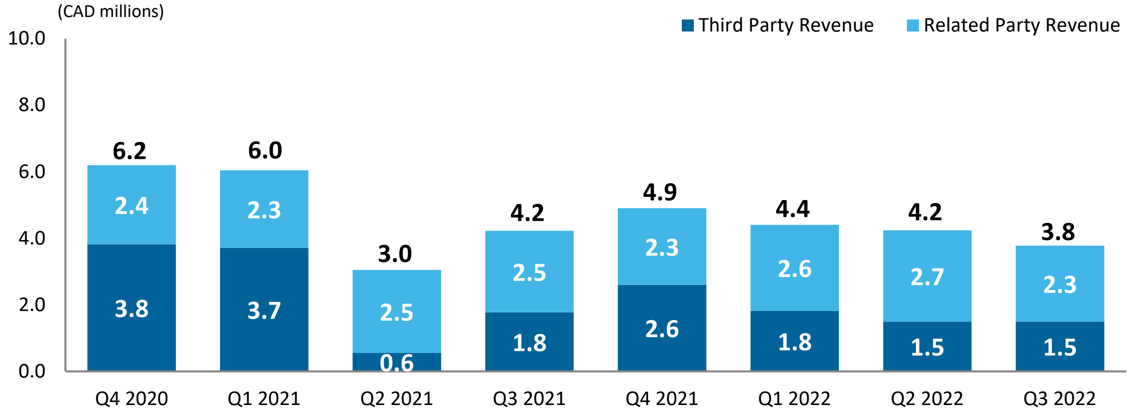
	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD)	**2022**	2021	**2022**	2021
Third parties	**$ 1,492**	$ 1,769	**$ 4,802**	$ 6,030
Internal related parties	**2,283**	2,453	**7,608**	7,159
Technology Solutions revenue	**$ 3,775**	$ 4,222	**$ 12,410**	$ 13,189

Revenue in Technology Solutions was $3.8 million for the quarter, a decrease of $0.4 million compared to $4.2 million for the same period in 2021. Year-to-date revenue was $12.4 million, a decrease of $0.8 million from $13.2 million for the same period in 2021.

Revenue from external parties for the quarter decreased $0.3 million compared to the same period in 2021. Year-to-date revenue from external parties decreased $1.2 million compared to the same period in 2021. The decline in revenue on both a quarter and year-to-date basis over the prior periods is attributable to fewer external revenue generating opportunities due to the impact of COVID-19 delaying procurement activities. Over the past two quarters, we have seen renewed activity in the market and are also beginning to see project delays coming to a close. Revenue on our solution implementation projects will continue to be recognized in the quarters in which they are earned, either through achievement of milestones or percentage of completion consistent with the revenue recognition method adopted for projects.

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

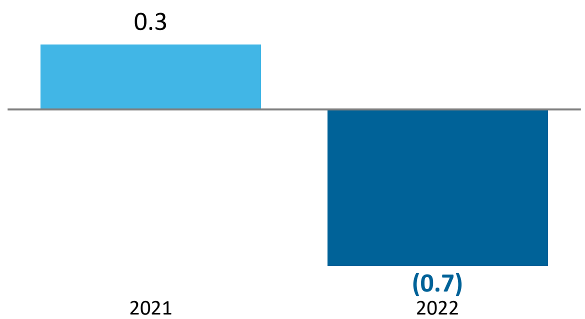
Technology Solutions Revenue by Type
(CAD millions)



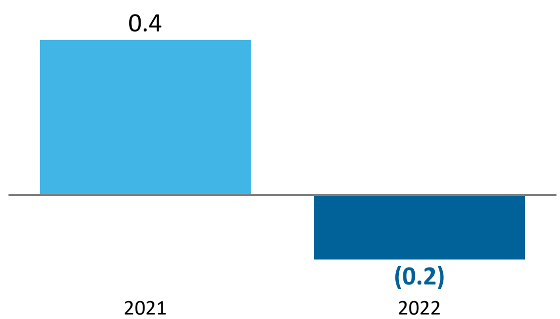
Note: Values may not add due to rounding.

TECHNOLOGY SOLUTIONS EXPENSES AND EBITDA

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



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



	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD)	**2022**	2021	**2022**	2021
Revenue	**$ 3,775**	$ 4,222	**$ 12,410**	$ 13,189
Total expenses[1]	**4,508**	3,919	**12,590**	12,828
EBITDA	**$ (733)**	$ 303	**$ (180)**	$ 361

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

EBITDA for Technology Solutions for the quarter decreased $1.0 million, and for the year-to-date decreased $0.5

million, compared to the same periods in 2021. EBITDA decreased for the quarter primarily due to lower third-party revenue on solution implementation contracts compared to the same period in 2021. EBITDA decreased for the year-to-date compared to 2021 due to lower third-party revenue on solution implementation contracts and lower project costs capitalized, offset by lower corporate allocated costs resulting from decreased share-based compensation.

For the quarter, Technology Solutions expenses were $4.5 million, an increase of $0.6 million from $3.9 million for the third quarter in 2021. Technology Solutions expenses were $12.6 million year-to-date, a decrease of $0.2 million from $12.8 million for the same period in 2021.

3.4 Corporate and other

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD)	2022	2021	2022	2021
Third parties	$ 3	$ 1	$ 8	$ 3
Internal related parties	37	36	109	123
Corporate and other revenue	$ 40	$ 37	$ 117	$ 126
Total expenses[1]	1,627	1,241	5,061	6,392
EBITDA	$ (1,587)	$ (1,204)	$ (4,944)	$ (6,266)

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

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

Year-to-date, share-based compensation expense was higher in the previous year primarily as a result of the share price appreciation being higher in the nine-month period ended September 30, 2021 than the current year, positively impacting EBITDA. This was partially offset by increased personnel costs year-to-date.

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. Ontario Property Tax Services revenue earned through Reamined does not experience seasonality, as revenue is received evenly throughout the year.

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

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

Technology Solutions does not experience seasonality; however, this segment is impacted by the timing of procurement activities largely undertaken by local governments around the world. While this was impacted by COVID-19, we have seen an increase in procurement activities over the past two quarters. The balance of our corporate activities and shared services functions do not experience seasonality. Expenses are generally consistent from quarter to quarter but can fluctuate due to the timing of project-related or acquisition activities. As a result, our EBITDA margin fluctuates in line with the cumulative impact of the above factors.

	2022			2021(restated)[1]				2020 (restated)[1]
(thousands of CAD)	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	**$48,768**	$50,870	$44,153	$44,238	$41,369	$44,623	$39,148	$39,013
Expenses	**36,922**	33,919	33,463	29,775	27,269	34,626	30,954	27,086
Net income before items noted below	**11,846**	16,951	10,690	14,463	14,100	9,997	8,194	11,927
Net finance (expense)	**(1,038)**	(666)	(435)	(482)	(661)	(737)	(793)	(1,116)
Income before tax	**10,808**	16,285	10,255	13,981	13,439	9,260	7,401	10,811
Income tax expense	**(3,052)**	(4,628)	(2,848)	(3,695)	(3,706)	(2,749)	(1,853)	(2,888)
Net income	**$7,756**	$11,657	$7,407	$10,286	$9,733	$6,511	$5,548	$7,923
Other comprehensive Income (loss)	**48**	(310)	(448)	(262)	(4)	(37)	(759)	(69)
Total comprehensive income	**$7,804**	$11,347	$6,959	$10,024	$9,729	$6,474	$4,789	$7,854
EBITDA margin	**32.5%**	40.2%	31.3%	39.8%	42.3%	30.4%	30.3%	40.2%
Adjusted EBITDA margin	**34.9%**	37.8%	33.0%	38.9%	41.8%	41.5%	37.8%	43.6%
Earnings per share, basic	**$0.44**	$0.66	$0.42	$0.59	$0.56	$0.37	$0.32	$0.45
Earnings per share, diluted	**$0.43**	$0.65	$0.41	$0.57	$0.54	$0.36	$0.31	$0.45

[1] In the fourth quarter of 2021, the Company changed its accounting policy with respect to customization and configuration of SaaS arrangements. See section 2.1 "Consolidated highlights" – footnote 2 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 delivered through three key segments:

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

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

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

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

Long-term Orientation

Strategic focus on the sustainability of the business and the services we deliver

Growth

Attainable organic and inorganic growth available in the near-term

Innovation

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

Values and Differentiation

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

We regularly review and adjust our strategy to ensure that the Company remains well positioned in the long term, while being adaptable to near-term factors. Our recent CEO transition has created impact through adjustments in senior leadership, and continued prioritization of strategy execution - a key component of which includes an enhanced focus on both organic and inorganic growth. Our objective is to consistently execute transactions that fulfil our fundamental acquisition criteria for opportunities that add products, services or competencies that align with our strengths and where we can add value while augmenting our strong free cash flow and EBITDA profile.

6 Financial and Capital Management

6.1 Cash flow

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

Historically, ISC has financed its operations and met its capital and finance expenditure requirements through cash provided from operating activities. 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, merger and acquisition activity, and anticipated dividend payments (refer to Note 16 in the December 31, 2021, Financial Statements, which are available on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com for our existing Credit Facility).

Liquidity risk is managed based on financial forecasts and anticipated cash flow. The majority of cash is held with Canadian chartered banks and the risk of loss is believed to be minimal. As at September 30, 2022, the Company held $32.9 million in cash compared to $40.1 million as at December 31, 2021, a decrease of $7.2 million.

The Company expects to be able to meet its cash requirements, including being able to settle current liabilities of $31.4 million (December 31, 2021 – $36.9 million) and meet any unanticipated cash requirements due to changes in working capital commitments. Such changes that would affect our liquidity may arise from, among other factors, general economic conditions and the failure of one or more customers to pay their obligations. Deficiencies arising from short-term working capital requirements and capital expenditures may be financed on a short-term basis with bank indebtedness or on a permanent basis with offerings of securities.

CONSOLIDATED FREE CASH FLOW

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD)	**2022**	2021	**2022**	2021 (restated)[2]
Net cash flow provided by operating activities	**$ 15,058**	$ 13,834	**$ 25,116**	$ 43,741
Net change in non-cash working capital[1]	**(3,162)**	57	**14,061**	(11,043)
Cash provided by operating activities excluding working capital	**$ 11,896**	$ 13,891	**$ 39,177**	$ 32,698
Cash additions to property, plant and equipment	**(183)**	-	**(411)**	-
Cash additions to intangible assets	**(122)**	(613)	**(733)**	(1,630)
Consolidated free cash flow	**$ 11,591**	$ 13,278	**$ 38,033**	$ 31,068

[1] Refer to Note 23 of the Financial Statements for reconciliation.
[2] During the fourth quarter of the prior year, the Company changed its accounting policy with respect to customization and configuration of SaaS arrangements. See section 1.1 "Consolidated highlights" – footnote 2 for further details.

Consolidated free cash flow for the quarter was $11.6 million compared to $13.3 million for the same quarter in 2021 and was $38.0 million year-to-date compared to $31.1 million last year. The decrease for the quarter and the increase for the year-to-date period are largely attributable to the impact of share-based compensation. Share-based compensation expense for the quarter was $1.4 million higher than the previous year's quarter, while in the year-to-date period, the variance was a $7.2 million net recovery.

The following table summarizes our sources and uses of funds for the three and nine months ended September 30, 2022, and 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD)	**2022**	2021	**2022**	2021 (restated)[1]
Net cash flow provided by operating activities	**$ 15,058**	$ 13,834	**$ 25,116**	$ 43,741
Net cash flow (used in) investing activities	**(172)**	(570)	**(55,056)**	187
Net cash flow (used in) provided by financing activities	**(9,246)**	(20,094)	**22,682**	(34,733)
Effects of exchange rate changes on cash held in foreign currencies	**160**	108	**61**	(281)
Increase (decrease) in cash	**$ 5,800**	$ (6,722)	**$ (7,197)**	$ 8,914
Cash, beginning of period	**27,107**	49,582	**40,104**	33,946
Cash, end of period	**$ 32,907**	$ 42,860	**$ 32,907**	$ 42,860

[1] During the fourth quarter of the prior year, the Company changed its accounting policy with respect to customization and configuration of SaaS arrangements. See section 1.1 "Consolidated highlights" – footnote 2 for further details.

NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES

Net cash flow provided by operating activities was $15.1 million for the quarter compared to $13.8 million for the same period last year. Enhanced collection of receivables in Services more than offset reduced operating results relative to the previous year's quarter.

For the nine-month period ended September 30, 2022, cash provided by operating activities was $25.1 million compared to $43.7 million in the previous year. During the year, the Company has continued to deliver strong results translating into additional cash; however, changes in net non-cash working capital were an outflow of $14.1 million in the current year compared to an inflow of $11.0 million in the prior year. The working capital variance is a net outflow of $25.1 million, which is attributable to incremental outflows across most categories, including:

- $11.8 million is attributable to taxes, as strong results in the prior year attracted increased taxes, $7.0 million of which were paid in the current year, and the remainder reflects a higher instalment base relative to the previous year;
- $9.1 million related to the decline in liabilities related to share-based compensation and largely attributable to the decreased share price; and
- the remainder reflects increases in most other working capital categories, including trade and other receivables driven primarily by revenue growth in services.

NET CASH FLOW USED IN INVESTING ACTIVITIES

Net cash used in investing activities for the quarter was $0.2 million compared to cash used during the third quarter of 2021 of $0.6 million. Year-to-date, net cash used in investing activities was $55.1 million primarily related to the acquisitions of UPLevel and Reamined during the year.

NET CASH FLOW USED IN FINANCING ACTIVITIES

Net cash flow during the quarter used by financing activities was $9.2 million compared to cash used in the prior year of $20.1 million. During the current quarter, the Company made $5.0 million in voluntary debt prepayments and paid $4.1 million of dividend payments. Year-to-date, net cash provided by financing activities was $22.7 million, primarily related to borrowings to finance the acquisition of Reamined offset by $12.1 million dividends paid.

6.2 Capital expenditures

Capital expenditures were $0.7 million for the quarter, compared to $0.6 million last year and were $1.9 million year-to-date, flat compared to last year. In both periods, capital expenditures were primarily related to system development work across our business segments.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD)	**2022**	2021	**2022**	2021 (restated)[1]
Registry Operations[2]	**$ 376**	$ -	**$ 725**	$ 269
Services	**191**	155	**429**	386
Technology Solutions	**114**	458	**745**	1,244
Corporate and other	**-**	-	**-**	-
Total capital expenditures	**$ 681**	$ 613	**$ 1,899**	$ 1,899

[1] During the fourth quarter of the prior year, the Company changed its accounting policy with respect to customization and configuration of SaaS arrangements. See section 1.1 "Consolidated highlights" – footnote 2 for further details.
[2] Registry Operations includes consideration for Service concession arrangements.

6.3 Debt

At September 30, 2022, our debt was $76.5 million compared to $41.0 million at December 31, 2021. During the second quarter of 2022, additional borrowings were drawn related to the acquisition of Reamined on June 1, 2022. Additionally, debt of $0.5 million was acquired as part of the Reamined acquisition and is due to the former shareholders of Reamined.

During the quarter, the Company made a $5.0 million (2021 – $15 million) voluntary prepayment against its revolving facility due to excess cash and the desire to minimize interest expense. During the nine months ended September 30, 2022, the Company made a total of $5.0 million of voluntary prepayments compared to prepayments totalling $20.0 million in the prior year. The total aggregate amount available under the Credit Facility at September 30, 2022, remains at $150.0 million.

For further information on our Credit Facility, refer to Note 16 in the December 31, 2021, Financial Statements, which are available on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com.

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

6.4 Total assets

Total assets were $285.7 million at September 30, 2022, compared to $232.5 million at December 31, 2021.

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and other	**As at September 30, 2022**
Total assets excluding intangibles, goodwill and cash	$ 25,597	$ 16,183	$ 5,294	$ 13,856	**$ 60,930**
Intangibles	32,795	53,617	4,483	3	**90,898**
Goodwill	21,099	71,537	8,337	-	**100,973**
Cash	-	-	-	32,907	**32,907**
Total assets	$ 79,491	$ 141,337	$ 18,114	$ 46,766	**$ 285,708**

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

6.5 Working capital

At September 30, 2022, working capital was $26.1 million compared to $19.5 million at December 31, 2021. The $6.6 million increase in working capital is primarily explained by the generation of $38.0 million of free cash flow year-to-date offset by $14.1 million cash paid for acquisitions, $12.1 million in dividends paid and a $5.0 million repayment of long-term debt.

(thousands of CAD)		**As at September 30, 2022**		As at December 31, 2021
Current assets	**$**	**57,526**	$	56,447
Current liabilities		**(31,428)**		(36,905)
Working capital	**$**	**26,098**	$	19,542

6.6 Outstanding share data

The number of issued and outstanding Class A Shares as at September 30, 2022, was 17,701,498 and the number of issued and outstanding share options as of September 30, 2022, was 1,332,017. As of November 2, 2022, the date of filing, the number of issued and outstanding Class A Shares was 17,701,498 and the number of issued and outstanding share options was 1,332,017.

6.7 Common share dividend

On August 3, 2022, our Board declared a quarterly cash dividend of $0.23 per Class A Share, paid on October 15, 2022, to shareholders of record as of September 30, 2022.

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, 2022, consist of cash, short-term investments, trade and other receivables, accounts payable and accrued liabilities excluding share-based accrued liabilities, and short and long-term debt.

The Company does not currently use any form of derivative financial instruments to manage our exposure to credit risk, interest rate risk, market risk or foreign currency exchange risk. Refer to Note 20 of the Financial Statements for information pertaining to financial instruments and related risk management.

7.2 Business risks and risk management

ISC faces certain risks that 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, 2021, 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, 2021.

The global outbreak of COVID-19 continues to evolve. The ultimate long-term impact of COVID-19 on the Company and its business is uncertain and cannot be predicted with confidence.

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, 2022.

8.2 Related party transactions

Routine operating transactions with related parties are settled at agreed-upon exchange amounts under normal trade terms. Refer to Note 22 in the December 31, 2021, Financial Statements, which are available on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com for information about transactions with related parties.

8.3 Critical accounting estimates

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

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

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

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

8.4 Changes in accounting policies

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

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

Framework	*Levies*, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The Company adopted this amendment on January 1, 2022 and has applied it to acquisitions completed during 2022.

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

Proposed Standard	**Description**	**Effective Date**
Amendments to IAS 1 – *Classification of Liabilities as Current or Non-current*	The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted. This amendment is currently being assessed by the Company to determine the impact.	January 1, 2023
Amendments to IAS 1 and IFRS Practice Statement 2 — *Disclosure of Accounting Policy Information*	The amendments to IAS 1 — *Presentation of Financial Statements* and IFRS Practice Statement 2 — *Making Materiality Judgements* require that an entity discloses its material accounting policies, instead of its significant accounting policies. The amendment is effective for annual periods beginning on or after January 1, 2023. This change will impact disclosures in Note 2 to the Notes to the Consolidated Financial Statements.	January 1, 2023
Amendments to IAS 8 — *Definition of Accounting Estimates*	The amendments introduce a definition of accounting estimates and are intended to help entities distinguish changes in accounting policies from changes in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". This distinction is important because changes in accounting policies must be applied retrospectively while changes in accounting estimates are accounted for prospectively. The amendment is effective for annual periods beginning on or after January 1, 2023. The Company has assessed the impact of the adoption of this amendment, and it is not expected to have a material impact on the Company's Consolidated Financial Statements.	January 1, 2023
Amendments to IAS 12 — *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	The amendments narrow the scope of the initial recognition exemption to clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendment is effective for annual periods beginning on or after January 1, 2023. The Company has assessed the impact of the adoption of this amendment, and it is not expected to have a material impact on the Company's Consolidated Financial Statements.	January 1, 2023

8.5 Financial measures and key performance indicators

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

8.6 Internal controls over financial reporting

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

The design scope of internal controls over financial reporting has been limited to exclude controls, policies and procedures of Reamined and UPLevel, having been acquired less than 365 days prior to September 30, 2022. See section 8.7 "Disclosure controls and procedures" for Reamined and UPLevel's contribution to the Financial Statements.

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

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

8.7 Disclosure controls and procedures

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

The design scope of disclosure controls and procedures has been limited to exclude controls, policies and procedures of Reamined and UPLevel, which have been acquired less than 365 days prior to September 30, 2022.

The contribution of UPLevel to the Financial Statements for the three months ended September 30, 2022, was approximately 3 per cent of revenue and 4 per cent of expenses, and for the nine months ended September 30, 2022, was approximately 3 per cent of revenue and 4 per cent of expenses. At September 30, 2022, UPLevel contributed approximately 3 per cent of current assets, 4 per cent of non-current assets, 3 per cent of current liabilities and 1 per cent of non-current liabilities.

The contribution of Reamined to the Financial Statements for the three months ended September 30, 2022, was approximately 8 per cent of revenue and 7 per cent of expenses, and for the nine months ended September 30, 2022, was approximately 4 per cent of revenue and 3 per cent of expenses. At September 30, 2022, Reamined contributed approximately 9 per cent of current assets, 23 per cent of non-current assets, 4 per cent of current liabilities and 9 per cent of non-current liabilities.

8.8 Non-IFRS financial measures

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

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

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

Non-GAAP Performance Measure	**Why we use it**	**How we calculate it**	**Most comparable IFRS financial measure**
EBITDA EBITDA Margin	• To evaluate performance and profitability of segments and subsidiaries as well as the conversion of revenue. • We believe that certain investors and analysts use EBITDA to measure our ability to service debt and meet other performance obligations. • EBITDA is also used as a component of determining short-term incentive compensation for employees.	EBITDA: Net income add Depreciation and amortization, net finance expense, income tax expense EBITDA Margin: EBITDA divided by Total revenue	Net income
Adjusted EBITDA Adjusted EBITDA Margin	• To evaluate performance and profitability of segments and subsidiaries as well as the conversion of revenue while excluding non-operational and share-based volatility. • We believe that certain investors and analysts use Adjusted EBITDA to measure our ability to service debt and meet other performance obligations.	Adjusted EBITDA: EBITDA add (remove) Share-based compensation expense, stock option expense, acquisition and integration costs, gain on disposal of property, plant and equipment assets Adjusted EBITDA Margin: Adjusted EBITDA divided by Total revenue	Net income
Free Cash Flow	• To show cash available for debt repayment and reinvestment into the Company. • We believe that certain investors and analysts use this measure to value a business and its underlying assets.	Net cash flow provided by operating activities deduct (add) Net change in non-cash working capital, cash additions to property, plant and equipment, cash additions to intangible assets	Net cash flow provided by operating activities

8.9 Non-IFRS financial measures definition

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

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