Information in the right hands.

May 7, 2024

2024 Unaudited Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2024

CONTENTS

Condensed Consolidated Statements of Financial Position

As at (thousands of CAD, unaudited)	Note	**March 31, 2024**	December 31, 2023
Assets			
Current assets			
Cash		**$ 20,232**	$ 24,193
Trade and other receivables		**17,360**	15,673
Contract assets		**3,784**	2,649
Income tax recoverable	7	**2,338**	2,626
Prepaid expenses and deposits		**3,948**	3,191
Total current assets		**47,662**	48,332
Non-current assets			
Property, plant and equipment		**2,305**	2,101
Right-of-use assets		**8,013**	8,682
Intangible assets	5	**347,869**	351,770
Goodwill	6	**101,258**	101,266
Deferred tax asset	7	**25,676**	24,172
Total non-current assets		**485,121**	487,991
Total assets		**$ 532,783**	$ 536,323
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**$ 39,325**	$ 36,114
Vendor concession liability	10	**21,240**	20,816
Contract liabilities		**2,468**	2,764
Lease obligations		**2,533**	2,809
Income tax payable	7	**199**	993
Total current liabilities		**65,765**	63,496
Non-current liabilities			
Lease obligations		**6,656**	7,055
Deferred tax liability	7	**10,716**	11,257
Long-term debt	9	**173,367**	177,302
Vendor concession liability	10	**109,895**	107,720
Other liabilities		**667**	714
Total non-current liabilities		**301,301**	304,048
Shareholders' equity			
Share capital	12	**29,625**	28,542
Equity settled employee benefit reserve	8	**1,238**	1,610
Accumulated other comprehensive loss		**(211)**	(185)
Retained earnings		**135,065**	138,812
Total shareholders' equity		**165,717**	168,779
Total liabilities and shareholders' equity		**$ 532,783**	$ 536,323

See accompanying Notes

Condensed Consolidated Statements of Comprehensive Income

(thousands of CAD, unaudited)	Note	Three Months Ended March 31, **2024**	2023
Revenue	14	**$ 56,400**	$ 49,124
Expenses			
Wages and salaries		**20,692**	14,234
Cost of goods sold		**14,316**	12,445
Depreciation and amortization		**6,774**	4,128
Information technology services		**3,664**	3,035
Occupancy costs		**1,174**	1,186
Professional and consulting services		**1,533**	1,646
Financial services		**719**	1,100
Other		**947**	791
Total expenses		**49,819**	38,565
Income before items noted below		**6,581**	10,559
Finance income (expense)			
Interest income		**249**	310
Interest expense	15	**(6,166)**	(1,215)
Net finance expense		**(5,917)**	(905)
Income before tax		**664**	9,654
Income tax expense	7	**(241)**	(2,790)
Net income		**$ 423**	$ 6,864
Other comprehensive (loss) income			
Items that may be subsequently reclassified to net income			
Unrealized (loss) gain on translation of financial statements of foreign operations		**(26)**	110
Other comprehensive (loss) income		**(26)**	110
Total comprehensive income		**$ 397**	$ 6,974
Earnings per share ($ per share)			
Total, basic	11	**$ 0.02**	$ 0.39
Total, diluted	11	**$ 0.02**	$ 0.38

See accompanying Notes

Condensed Consolidated Statements of Changes in Equity

(thousands of CAD, unaudited)	Note	Retained Earnings	Share Capital	Accumulated Other Comprehensive Loss	Equity Reserve	Total
Balance at January 1, 2023		$ 130,192	$ 23,691	$ (377)	$ 2,082	$ 155,588
Net income		6,864	-	-	-	6,864
Other comprehensive income		-	-	110	-	110
Dividend declared	12	(4,071)	-	-	-	(4,071)
Balance at March 31, 2023		$ 132,985	$ 23,691	$ (267)	$ 2,082	$ 158,491
Balance at January 1, 2024		$ 138,812	$ 28,542	$ (185)	$ 1,610	$ 168,779
Net income		**423**	**-**	**-**	**-**	**423**
Other comprehensive loss		**-**	**-**	**(26)**	**-**	**(26)**
Stock options exercised	8	**-**	**1,083**	**-**	**(372)**	**711**
Dividend declared	12	**(4,170)**	**-**	**-**	**-**	**(4,170)**
Balance at March 31, 2024		**$ 135,065**	**$ 29,625**	**$ (211)**	**$ 1,238**	**$ 165,717**

See accompanying Notes

Condensed Consolidated Statements of Cash Flows

(thousands of CAD, unaudited)	Note	Three Months Ended March 31, **2024**	2023
Operating			
Net income		**$ 423**	$ 6,864
Add: Items not affecting cash			
Depreciation		**855**	791
Amortization		**5,919**	3,337
Foreign exchange gain		**(20)**	(15)
Gain on disposal of property, plant and equipment		**(1)**	-
Deferred tax (recovery) expense recognized in net income	7	**(2,046)**	385
Registry Operations service concession arrangements		**-**	(399)
Net finance expense		**5,917**	905
Net change in non-cash working capital	17	**(579)**	(6,130)
Net cash flow provided by operating activities		**10,468**	5,738
Investing			
Interest received		**249**	310
Additions to property, plant and equipment		**(965)**	(15)
Additions to intangible assets		**(1,152)**	(269)
Cash received on disposal of property, plant and equipment		**1**	-
Acquisitions and post-closing adjustments	5	**(879)**	(155)
Net cash flow used in investing activities		**(2,746)**	(129)
Financing			
Interest paid	15	**(3,433)**	(1,152)
Interest paid on lease obligations	15	**(134)**	(95)
Principal repayments on lease obligations		**(695)**	(593)
Repayment of long-term debt	9	**(4,000)**	(10,000)
Dividend paid	12	**(4,141)**	(4,071)
Stock options exercised	8	**711**	-
Net cash flow used in financing activities		**(11,692)**	(15,911)
Effects of exchange rate changes on cash held in foreign currencies		**9**	42
Decrease in cash		**(3,691)**	(10,260)
Cash, beginning of period		**24,193**	34,479
Cash, end of period		**$ 20,232**	$ 24,219

See accompanying Notes

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

1 Nature of the Business

Information Services Corporation is the parent company of its subsidiary group (collectively, the "Company", or "ISC") and is a Canadian corporation with its Class A Limited Voting Shares ("Class A Shares") listed on the Toronto Stock Exchange ("TSX") under the symbol ISV. The Company is a provider of registry and information management services for public data and records. The head and registered office of the Company is 300 – 10 Research Drive, Regina, Saskatchewan, S4S 7J7. The Company maintains Canadian office locations in Saskatchewan, British Columbia and Ontario and international offices in Ireland and Luxembourg. ISC has three reportable segments: Registry Operations, Services and Technology Solutions. A functional summary of these segments is as follows:

- Registry Operations delivers registry and information services on behalf of governments and private sector organizations. This segment currently has two major clients - the Government of Saskatchewan and the Government of Ontario. Registry Operations offerings are categorized into two divisions, Saskatchewan Registries and Ontario Property Tax Assessment Services.
    - On July 5, 2023, the Company entered into an extension agreement (the "Extension Agreement") to extend ISC's exclusive right to manage and operate the Saskatchewan Land Registry, the Saskatchewan Land Surveys Directory, the Saskatchewan Corporate Registry and the Saskatchewan Personal Property Registry (collectively, the "Saskatchewan Registries") until 2053. Under the Extension Agreement, ISC also undertook to renew the registry technology systems and was granted the right to introduce and/or enhance fees on certain transactions. Applicable fee adjustments became effective July 29, 2023. The master service agreement was also amended and restated (the "Amended and Restated MSA") to, among other things, implement certain incremental terms and conditions including registry enhancement, the objectives of which are to enhance security features and protocols for the Saskatchewan Registries, contemplate emerging and future technology enhancements, refresh and clarify governance practices and structure and provide flexibility for change over the life of the extended term.
- 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 across Canada.
- Technology Solutions provides the development, delivery and support of registry (and related) technology solutions.

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

As at March 31, 2024, ISC's principal revenue-generating segments were Registry Operations and Services.

2 Basis of Presentation

Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 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"). Therefore, they do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's most recent audited annual consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS.

These unaudited condensed consolidated interim financial statements have been prepared following the same accounting policies and methods of computation as the year-end financial statements for the Company for the year ended December 31, 2023, as described in Note 3 of the December 31, 2023, consolidated financial statements. The significant estimates and assumptions in determining the value of assets and liabilities and the significant judgments in applying accounting policies are the same as those applied in the Company's consolidated financial statements for the year ended December 31, 2023. The unaudited condensed consolidated interim financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by management to fairly state the Company's results of operations, financial position and cash flows.

These unaudited condensed consolidated interim financial statements were authorized by the Audit Committee of the ISC Board of Directors ("Board") for issue on May 7, 2024.

Use of estimates and judgments

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

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

Significant items subject to estimates and underlying assumptions include:

- the carrying value, impairment and estimated useful lives of intangible assets (Note 5) and goodwill (Note 6);
- the recoverability of deferred tax assets (Note 7); and
- the amount and timing of revenue from contracts from customers recognized over time (Note 14).

3 Material Accounting Policy Information

New accounting pronouncements adopted in 2024

The Company adopted the Amendments to IAS 1 that affect the presentation of liabilities as current or non-current in the statement of financial position effective for annual periods beginning on or after January 1, 2024. These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements. The adoption of these amendments has not had a material impact on our financial results.

Future accounting policy changes

For details on future accounting policy changes, refer to Note 3 to the consolidated financial statements included in our 2023 Annual Report. We are continuing to evaluate the impact of standards that are effective for future periods.

4 Seasonality

Registry Operations experiences moderate seasonality, primarily because Saskatchewan Land Registry revenue fluctuates in line with real estate transaction activity. Typically, the second and third quarters of the fiscal year generate higher revenue, when real estate activity is traditionally highest. Fee adjustments made in July 2023 related to the Extension Agreement and annual CPI adjustments have temporarily impacted revenue seasonality in the short-term as we realize the first full year of these fee adjustments. Volume seasonality has also been impacted with the introduction of mortgage discharge fees starting in July. Ontario Property Tax Assessment Services revenue does not experience seasonality, as revenue is recognized evenly throughout the year under the agreement with the Government of Ontario.

In Services, revenue for our Corporate Solutions and Regulatory Solutions divisions is 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 with vehicle and equipment financing cycles, which are generally stronger in the second and fourth quarters. Our Recovery Solutions revenue does not have specific seasonality, but is generally counter-cyclical to our other business, in that it can perform better in poor economic conditions.

Technology Solutions does not experience seasonality; however, this segment is impacted by the timing of procurement activities largely undertaken by governments around the world and the timing of revenue recognition related to the progress of work on existing and new solution definition and implementation contracts.

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.

5 Intangible Assets

(thousands of CAD)	Internal Use Software – Acquired	Internal Use Software – Internally Developed	Business Solutions – Acquired	Business Solutions – Internally Developed	Brand, Non-Competes, Other	Contracts, Customer & Partner Relation-ships	Assets Under Develop-ment	Total
Cost								
Balance at January 1, 2023	$ 31,407	$ 78,724	$ 2,033	$ 6,719	$ 2,222	$ 96,812	$ 4,089	$ 222,006
Acquired assets	-	-	-	-	-	277,634	-	277,634
Additions	-	-	-	-	-	-	2,588	2,588
Disposals	(43)	-	-	-	-	-	-	(43)
Transfers	-	1,585	-	373	-	-	(1,958)	-
Foreign exchange adjustments	-	-	14	19	-	9	24	66
Balance at December 31, 2023	$ 31,364	$ 80,309	$ 2,047	$ 7,111	$ 2,222	$ 374,455	$ 4,743	$ 502,251
Acquired assets	-	-	-	-	-	879	-	879
Additions	-	-	-	-	-	-	1,152	1,152
Transfers	-	-	-	1,202	-	-	(1,202)	-
Foreign exchange adjustments	-	-	(4)	(5)	-	(5)	(8)	(22)
Balance at March 31, 2024	**$ 31,364**	**$ 80,309**	**$ 2,043**	**$ 8,308**	**$ 2,222**	**$ 375,329**	**$ 4,685**	**$ 504,260**
Accumulated depreciation								
Balance at January 1, 2023	$ 22,069	$ 77,689	$ 1,751	$ 4,579	$ 704	$ 26,221	$ -	$ 133,013
Amortization	3,042	669	262	659	278	12,574	-	17,484
Disposals	(43)	-	-	-	-	-	-	(43)
Foreign exchange adjustments	-	-	12	11	-	4	-	27
Balance at December 31, 2023	$ 25,068	$ 78,358	$ 2,025	$ 5,249	$ 982	$ 38,799	$ -	$ 150,481
Amortization	747	183	22	208	130	4,629	-	5,919
Foreign exchange adjustments	-	-	(4)	(4)	-	(1)	-	(9)
Balance at March 31, 2024	**$ 25,815**	**$ 78,541**	**$ 2,043**	**$ 5,453**	**$ 1,112**	**$ 43,427**	**$ -**	**$ 156,391**
Carrying value								
At December 31, 2023	$ 6,296	$ 1,951	$ 22	$ 1,862	$ 1,240	$ 335,656	$ 4,743	$ 351,770
At March 31, 2024	**$ 5,549**	**$ 1,768**	**$ -**	**$ 2,855**	**$ 1,110**	**$ 331,902**	**$ 4,685**	**$ 347,869**

As part of the Regulis S.A. ("Regulis") asset acquisition completed in 2022, the Company agreed to pay €0.6 million of additional consideration contingent upon commencement of operations of the International Registry of Interests in Rolling Stock ("the Registry") and up to €1.0 million in contingent consideration payable over a period of ten years based on a percentage of revenue generated by the Registry as set out in the Share Purchase Agreement. During the quarter, the Registry commenced operations and, as a result, a payment of $0.9 million (€0.6 million) was made and recognized as an acquired contract intangible asset during the period.

In 2023, ISC entered into the Amended and Restated MSA extending the term of the MSA from May 2033 to July 2053. The consideration to be paid includes an upfront cash payment of $150 million ("Upfront Payment") which was paid during 2023, five annual cash payments of $30 million per year commencing July 2024 (the "Subsequent Payments") and annual contingent payments potentially payable after 2033 if certain volume growth criteria are met. In addition, annual cost contribution amounts of $0.5 million over the 30-year term will continue. ISC has capitalized the extension of the right to manage and operate the Saskatchewan Registries in accordance with IAS 38. The liability for the contingent payments will only be recognized in the consolidated statement of financial position and consolidated statement of comprehensive income as the related activity that gives rise to the variability occurs. Directly attributable costs of $3.4 million have also been capitalized as part of the purchase price. The payments and directly attributable costs have been present valued in accordance with IFRS 9 — *Financial Instruments* and included in acquired assets.

6 Goodwill

The components of goodwill are as follows:

(thousands of CAD)	**March 31, 2024**	December 31, 2023
Balance, beginning of the period	**$ 101,266**	$ 101,240
Additions	**-**	-
Foreign exchange adjustment	**(8)**	26
Balance, end of period	**$ 101,258**	$ 101,266

7 Tax Provision

The Company is subject to federal and provincial income taxes at an estimated combined statutory rate of 27.0 per cent (2023 — 27.0 per cent).

	Three Months Ended March 31,	
(thousands of CAD)	**2024**	2023
Current tax expense	**$ 2,287**	$ 2,405
Deferred tax (recovery) expense	**(2,046)**	385
Income tax expense	**$ 241**	$ 2,790

8 Share-Based Compensation Plans

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

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

(thousands of CAD)		Three Months Ended March 31, 2024		2023
Performance share units ("PSUs")	**$**	**278**	$	57
Share appreciation rights ("SARs")		**3,368**		(994)
Deferred share units ("DSUs")		**989**		(253)
Share-based compensation expense (recovery)	**$**	**4,635**	$	(1,190)
Market price, beginning of quarter	**$**	**22.18**	$	24.17
Market price, end of quarter	**$**	**27.69**	$	22.00

Movement in share-based compensation plans is as follows:

(number of units)	PSU's	SAR's	DSU's	Stock options
Balance at December 31, 2022	86,935	724,908	145,713	1,332,017
Granted during the year	28,648	78,270	16,840	-
Credited as a result of cash dividends paid	3,384	-	6,462	-
Redeemed or exercised during the year[1]	(41,805)	(40,448)	-	(326,819)
Forfeited during the year	(5,202)	(21,941)	-	-
Balance at December 31, 2023	71,960	740,789	169,015	1,005,198
Granted during the period	27,297	73,552	-	-
Credited as a result of cash dividends paid	628	-	1,383	-
Redeemed or exercised during the period[2]	(21,444)	(35,936)	-	(275,141)
Forfeited during the period	(2,677)	-	-	-
Balance at March 31, 2024	**75,764**	**778,405**	**170,398**	**730,057**

[1] During 2023, a portion of the 326,819 stock options exercised was settled net, which resulted in the aggregate issuance of 303,143 shares from treasury.

[2] During the current period, a portion of the 275,141 stock options exercised was settled net, which resulted in the aggregate issuance of 122,971 shares from treasury.

9 Debt

Following the execution of the Extension Agreement, the Company entered into an amended and restated credit agreement (the "Amended and Restated Credit Facility") in connection with its secured credit facility (the "Credit Facility") initially provided by its lenders on August 5, 2020 and maturing on September 17, 2026. The aggregate amount available under the Amended and Restated Credit Facility was increased from $150.0 million to $250.0 million and consists of ISC's existing $150.0 million revolving credit facility together with an additional $100 million revolving credit facility. In addition, ISC will maintain access to a $100.0 million accordion option, providing the flexibility to upsize the aggregate revolving credit facility up to $350.0 million.

The Credit Facility bears interest at a base rate of prime, Canadian Dollar Offered Rate ("CDOR") loans, or letter of credit fee plus a margin varying between 0.20 per cent and 3.00 per cent per annum (2023 — 0.20 per cent and 3.00 per cent per annum) depending on the type of advance and the performance on certain covenants.

The Company is also required to pay a commitment fee quarterly in arrears on the unutilized portion of the Credit Facility, at a rate between 0.24 per cent and 0.60 per cent per annum (2023 — 0.24 per cent and 0.60 per cent per annum) depending on the performance on certain covenants.

During the three-month period ended March 31, 2024, the Company made voluntary prepayments totaling $4.0 million against its revolving term facility. In the comparable period last year, the Company made voluntary prepayments totalling $10.0 million.

The Company is amortizing transaction costs of $0.8 million attributable to modifying the Credit Facility over the life of the facility, using an effective interest rate that is currently 7.83 per cent. The amount of financing expense related to these costs and recognized in the condensed consolidated statements of comprehensive income for the three months ended March 31, 2024, totalled $0.1 million (2023 — $0.1 million).

Details of the debt outstanding under the Credit Facility is as follows:

(thousands of CAD)		March 31, 2024		December 31, 2023
Non-current				
Revolving term facility – principal component – beginning of period	**$**	**178,000**	$	66,316
Funds drawn from revolving term facility		**-**		150,684
Principal repayments during the period		**(4,000)**		(39,000)
Revolving term facility – principal component – end of period	**$**	**174,000**	$	178,000
Unamortized costs		**(633)**		(698)
Total debt	**$**	**173,367**	$	177,302

Financing available under the Credit Facility commitment is as follows:

(thousands of CAD)		March 31, 2024		December 31, 2023
Financing available:				
Maximum available	**$**	**250,000**	$	250,000
Cash drawings – principal component		**(174,000)**		(178,000)
Letters of credit and other non-cash drawings		**(1,757)**		(1,761)
Total unused and available portion of the Credit Facility	**$**	**74,243**	$	70,239

The Amended and Restated Credit Facility contains financial covenants that require the Company to maintain a ratio of Consolidated Net Funded Debt to EBITDA, as defined in the agreement, of less than 4.85:1 and EBITDA, as defined in the agreement, to an interest expense ratio of greater than 3:1. The Company was in compliance with all covenants throughout the period.

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

The amount of borrowing costs capitalized during 2024 and 2023 was nil.

10 Vendor Concession Liability

The Extension Agreement outlines the consideration payable for the extension. The Subsequent Payments consist of five cash payments of $30.0 million per year, totaling $150.0 million, commencing in July 2024 with the final payment expected to be made in 2028. The Amended and Restated MSA outlines the continuing annual cost contribution payments of $0.5 million, with the next payment due in April 2024 and the final payment expected to be made in 2053. The payments have been present valued in accordance with IFRS 9 — *Financial Instruments*.

(thousands of CAD)		
Balance at January 1, 2023	$	-
Additions		124,204
Accretion		4,332
Balance at December 31, 2023	$	128,536
Accretion		2,599
Balance at March 31, 2024	**$**	**131,135**

The following table presents the contractual undiscounted cash flows for vendor consideration payable:

(thousands of CAD)		**March 31, 2024**		December 31, 2023
2024	**$**	**30,500**	$	30,500
2025		**30,500**		30,500
2026		**30,500**		30,500
2027		**30,500**		30,500
2028		**30,500**		30,500
Thereafter		**12,500**		12,500
Balance, end of period	**$**	**165,000**	$	165,000
Unearned interest		**(33,865)**		(36,464)
Balance, end of period	**$**	**131,135**	$	128,536
Reflected as:				
Vendor concession liability – current portion		**21,240**		20,816
Vendor concession liability – non-current portion		**109,895**		107,720
Balance, end of period	**$**	**131,135**	$	128,536

11 Earnings Per Share

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

	Three Months Ended March 31,			
(thousands of CAD, except number of shares and earnings per share)		**2024**		2023
Net income	**$**	**423**	$	6,864
Weighted average number of shares, basic		**18,021,225**		17,701,498
Potential dilutive shares resulting from stock options		**182,407**		305,709
Weighted average number of shares, diluted		**18,203,632**		18,007,207
Earnings per share ($ per share)				
Total, basic	**$**	**0.02**	$	0.39
Total, diluted	**$**	**0.02**	$	0.38

12 Share Capital

The Company's authorized share capital consists of an unlimited number of Class A Shares, one Class B Golden Share (the "Golden Share") and an unlimited number of Preferred Shares, issuable in series. The Company currently has 18,127,612 Class A Shares issued and outstanding, one Golden Share issued and outstanding and no Preferred Shares issued or outstanding. Class A Shares are entitled to one vote per share. The Golden Share, held by Crown Investments Corporation of Saskatchewan on behalf of the Government of Saskatchewan, has certain voting rights and obligations including the location of the head office and the sale of certain of the assets of the Company. The Golden Share has no pre-emptive, redemption, purchase or conversion rights and is not eligible to receive dividends declared by the Company. The Preferred Shares can be issuable at any time and may include voting rights.

	Class A			Class B		
(thousands of CAD, except number of shares)	**Number of Shares**		**Share Capital**	**Number of Shares**		**Share Capital**
Balance at January 1, 2023	17,701,498	$	23,691	1	$	-
Stock options exercised for treasury shares[1]	303,143		4,851	-		-
Balance at December 31, 2023	18,004,641	$	28,542	1	$	-
Balance at January 1, 2024	18,004,641	$	28,542	1	$	-
Stock options exercised for treasury shares[1]	**122,971**		**1,083**	**-**		**-**
Balance at March 31, 2024	**18,127,612**	**$**	**29,625**	**1**	**$**	**-**

[1] See Note 8.

Dividends

The Company paid dividends to shareholders during the three months ended March 31, 2024 of $4.2 million (2023 — $4.1 million) based on a dividend rate of $0.23 per share.

13 Financial Instruments and Related Risk Management

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

Fair value of financial instruments

The carrying values of cash, trade and other receivables, accounts payable and accrued liabilities excluding share-based accrued liabilities approximate fair value due to their immediate or relatively short-term maturity. The fair values of the vendor concession liability and long-term debt are estimated by discounting the future contractual cash flows at the cost of borrowing to the Company.

Interest rate risk

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

The Company is subject to interest rate risks on its debt (Note 9). The Company has borrowings under the Credit Facility, which is managed with prime loans, CDOR loans, or letters of credit. Certain borrowings will bear interest at a base rate of prime plus applicable margin varying between 0.20 per cent and 2.00 per cent per annum while other borrowings will bear interest at CDOR rates between 1.20 per cent and 3.00 per cent per annum. The Company is managing its interest rate risk through its treasury function, a continued focus on debt repayment and keeping excess cash in higher interest short-term savings.

14 Revenue

The Company derives its revenue from the transfer of goods or services at either a point in time or over time. This is consistent with the revenue from third parties' information disclosed for each reportable segment under IFRS 8 — *Operating Segments* (see Note 16). The following table presents our third party revenue disaggregated by revenue type. Sales and usage tax are excluded from revenue.

Segment revenue

	Three Months Ended March 31,	
(thousands of CAD)	**2024**	2023
Registry Operations	**$ 26,268**	$ 22,782
Services	**27,037**	24,721
Technology Solutions	**3,092**	1,609
Corporate and other	**3**	12
Total revenue	**$ 56,400**	$ 49,124

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

Timing of revenue recognition

(thousands of CAD)	Three Months Ended March 31, 2024	2023
At a point in time		
Registry Operations revenue	**$ 21,767**	$ 17,865
Services revenue	**26,483**	24,301
Corporate and other	**3**	12
	$ 48,253	$ 42,178
Over time		
Registry Operations revenue	**4,501**	4,917
Services revenue	**554**	420
Technology Solutions revenue	**3,092**	1,609
	$ 8,147	$ 6,946
Total revenue	**$ 56,400**	$ 49,124

15 Interest Expense

(thousands of CAD)	Three Months Ended March 31, 2024	2023
Interest expense on long-term debt	**$ 3,368**	$ 1,102
Vendor concession liability accretion	**2,599**	-
Interest on lease liabilities interest	**134**	95
Effective interest component of interest expense	**65**	18
Total interest expense	**$ 6,166**	$ 1,215

16 Segment Information

The Chief Executive Officer of the Company is the chief operating decision maker ("CODM") and regularly reviews the operations and performance by segment. Due to the evolution of the business over the last two years the CODM now uses adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") to measure and assess each segment's performance and make decisions about the allocation of resources to the operating segments as adjusted EBITDA helps to provide a better understanding about the performance of the Company by removing the impact from share-based compensation, acquisition, integration and other costs. The CODM considers adjusted EBITDA to be a meaningful measure because it is not impacted by long-term investment and financing decisions, but rather focuses on the performance of our day-to-day operations.

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

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

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

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

Segment results

For the three months ended March 31, 2024

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
Revenue from third parties	**$ 26,268**	**$ 27,037**	**$ 3,092**	**$ 3**	**$ -**	**$ 56,400**
Plus: inter-segment revenue	**-**	**-**	**4,010**	**39**	**(4,049)**	**-**
Total revenue	**$ 26,268**	**$ 27,037**	**$ 7,102**	**$ 42**	**$ (4,049)**	**$ 56,400**
Total expenses including net finance expense	**(19,259)**	**(24,319)**	**(6,916)**	**(9,291)**	**4,049**	**(55,736)**
Income (loss) before tax	**7,009**	**2,718**	**186**	**(9,249)**	**-**	**664**
Net finance expense	**-**	**-**	**-**	**5,917**	**-**	**5,917**
EBIT[1]	**7,009**	**2,718**	**186**	**(3,332)**	**-**	**6,581**
Depreciation and amortization	**3,381**	**2,855**	**280**	**258**	**-**	**6,774**
EBITDA[2]	**10,390**	**5,573**	**466**	**(3,074)**	**-**	**13,355**
Share-based compensation expense	**2,735**	**324**	**463**	**1,113**	**-**	**4,635**
Acquisition, integration and other costs	**2,048**	**-**	**-**	**377**	**(975)**	**1,450**
Adjusted EBITDA	**$ 15,173**	**$ 5,897**	**$ 929**	**$ (1,584)**	**$ (975)**	**$ 19,440**
Additions to non-current assets, including acquisitions	**$ 65**	**$ 337**	**$ 979**	**$ 1,139**	**$ (96)**	**$ 2,424**

For the three months ended March 31, 2023

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
Revenue from third parties	$ 22,782	$ 24,721	$ 1,609	$ 12	$ -	$ 49,124
Plus: inter-segment revenue	-	-	2,726	38	(2,764)	-
Total revenue	$ 22,782	$ 24,721	$ 4,335	$ 50	$ (2,764)	$ 49,124
Total expenses including net finance expense	(12,404)	(21,167)	(5,473)	(3,190)	2,764	(39,470)
Income (loss) before tax	10,378	3,554	(1,138)	(3,140)	-	9,654
Net finance expense	-	-	-	905	-	905
EBIT[1]	10,378	3,554	(1,138)	(2,235)	-	10,559
Depreciation and amortization	1,052	2,478	320	278	-	4,128
EBITDA[2]	11,430	6,032	(818)	(1,957)	-	14,687
Share-based compensation recovery	(702)	(83)	(119)	(286)	-	(1,190)
Acquisition, integration and other costs	377	-	-	717	(75)	1,019
Adjusted EBITDA	$ 11,105	$ 5,949	$ (937)	$ (1,526)	$ (75)	$ 14,516
Additions to non-current assets, including acquisitions	$ 405	$ 242	$ 35	$ 1	$ -	$ 683

[1] EBIT is calculated as income before net finance expense and income tax expense.

[2] EBITDA is calculated as income before depreciation and amortization, net finance expense and income tax expense.

Inter-segment revenues are charged among segments at arm's-length rates, based on rates charged to third parties. Total consolidated revenue is attributed to customers within Ireland and Canada. For the three months ended March 31, 2024, revenue within Ireland was $4.0 million (2023 — $1.7 million) and the remainder was in Canada. No single customer represented more than 10.0 per cent of the total consolidated revenue.

Assets and liabilities

As at March 31, 2024 (thousands of CAD)	**Registry Operations**	**Services**	**Technology Solutions**	**Corporate and other**	**Inter-Segment Eliminations**	**Consolidated Total**
Assets						
Total assets, excluding intangibles, goodwill and cash	**$ 23,856**	**$ 19,642**	**$ 7,549**	**$ 12,377**	**$ -**	**$ 63,424**
Intangibles	**300,470**	**39,895**	**5,464**	**2,040**	**-**	**347,869**
Goodwill	**21,098**	**71,537**	**8,623**	**-**	**-**	**101,258**
Cash	**-**	**-**	**-**	**20,232**	**-**	**20,232**
Total Assets	**$ 345,424**	**$ 131,074**	**$ 21,636**	**$ 34,649**	**$ -**	**$ 532,783**
Liabilities	**$ 148,391**	**$ 17,860**	**$ 7,184**	**$ 193,631**	**$ -**	**$ 367,066**

As at December 31, 2023 (thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
Assets						
Total assets, excluding intangibles, goodwill and cash	$ 23,281	$ 17,812	$ 5,843	$ 12,158	$ -	$ 59,094
Intangibles	303,548	42,322	4,874	1,026	-	351,770
Goodwill	21,098	71,537	8,631	-	-	101,266
Cash	-	-	-	24,193	-	24,193
Total Assets	$ 347,927	$ 131,671	$ 19,348	$ 37,377	$ -	$ 536,323
Liabilities	$ 146,845	$ 16,584	$ 7,885	$ 196,230	$ -	$ 367,544

Non-current assets are held in Canada, Ireland and Luxembourg. At March 31, 2024, the value of non-current assets, excluding deferred tax assets, held in Ireland and Luxembourg was collectively $13.4 million (December 31, 2023 — $11.5 million), while the remainder were held in Canada.

17 Net Change in Non-Cash Working Capital

The net change during the period comprised the following:

(thousands of CAD)	Three Months Ended March 31, **2024**	2023
Trade and other receivables	**$ (1,682)**	$ (2,137)
Prepaid expenses and deposits	**(757)**	1,130
Contract assets	**(1,146)**	31
Accounts payable and accrued liabilities	**3,847**	(3,927)
Contract liabilities	**(288)**	86
Other liabilities and provisions	**(47)**	(856)
Income taxes	**(506)**	(457)
Net change in non-cash working capital	**$ (579)**	$ (6,130)

Income taxes paid, net of refunds received, for the three months ended March 31, 2024, totalled $2.8 million (2023 — $2.9 million).

18 Subsequent Events

On May 7, 2024, the Board declared a quarterly cash dividend of $0.23 per Class A Share, payable on or before July 15, 2024, to shareholders of record as of June 30, 2024.