Information in the right hands.

March 12, 2024

Consolidated Financial Statements

For the Year Ended December 31, 2023

Contents

MANAGEMENT'S RESPONSIBILITY

Management's Report on Consolidated Financial Statements

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

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

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

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

(signed) "Shawn B. Peters"

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

(signed) "Robert (Bob) Antochow"

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

March 12, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Board of Directors of

Information Services Corporation:

Opinion

We have audited the consolidated financial statements of Information Services Corporation (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and December 31, 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flow for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill – Services and Technology Solutions — refer to Notes 3 and 9 to the financial statements

Key Audit Matter Description

The Company's annual assessment for goodwill impairment involves the comparison of the recoverable amount of each cash generating unit ("CGU") to its carrying value. The Company determines the recoverable amount of its CGUs based on a value in use ("VIU") analysis under the income approach. The Company used the discounted cash flow method to determine the recoverable amount of the Services and Technology Solutions CGUs, which required management to make estimates and assumptions. The recoverable amounts for both the Services and Technology Solutions CGUs exceeded its carrying value as of the measurement date and no impairment was recognized.

Given the magnitude of the goodwill balance in the Services and Technology Solutions CGUs, the performance of audit procedures over revenue forecasts, perpetual growth rates and the discount rates for both CGUs required an increased extent of audit effort, including the need to involve fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the revenue forecasts, perpetual growth rates and the discount rates used to determine the recoverable amount of the Services and Technology Solutions CGUs included the following, among others:

- Evaluated management's ability to accurately forecast by comparing management's historical forecasts to actual results;
- Evaluated the reasonableness of management's revenue forecasts by comparing to (1) historical results, (2) internal communications to management and the Board of Directors, (3) forecasted information included in Company press releases, analyst and industry reports and by assessing management's pipeline for the Technology Solutions CGU;
- With the assistance of fair value specialists:
    - Evaluated the perpetual growth rates by comparing management's selected perpetual growth rates to forecasted inflationary and economic growth applicable to Canada.
    - Evaluated the discount rates by testing the source information underlying the determination of the discount rates and developing a range of independent discount rates and comparing to the discount rates selected by management.

Extension and Amendment of Master Services Agreement – Refer to Notes 1, 8 and 16 to the financial statements

Key Audit Matter Description

On July 5, 2023, the Company entered into an extension agreement to extend the term of its exclusive Master Service Agreement (the "MSA") with the Province of Saskatchewan to manage and operate the Saskatchewan Land Registry, the Saskatchewan Land Surveys Directory, the Saskatchewan Corporate Registry and the Saskatchewan Personal Property Registry until 2053. As a result of the MSA, the Company recorded a contract, customer and partner relationships intangible asset ("intangible asset"), a vendor concession liability, a deferred tax asset and a deferred tax liability. The intangible asset and vendor concession liability are determined based on future cashflows (contractual payments) and discount rate.

Management was required to make judgments to determine the accounting treatment of the MSA and as such, auditing that accounting treatment required complex analysis and consideration. The assumption with the highest degree of subjectivity and judgement used to value the intangible asset and vendor concession liability is the discount rate. Auditing such required a high degree of auditor judgement and an increased extent of audit effort, including the need to involve technical accounting, tax and fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the accounting treatment of the MSA and the discount rate used to value the intangible asset and the vendor concession liability included the following, among others:

- With the assistance of technical accounting and tax specialists evaluated the accounting treatment of the MSA by:
    - Assessing the information in the MSA to evaluate that all relevant factors were analyzed;
    - Evaluating management's determination of the accounting treatment of the MSA by analyzing specific facts and circumstances against relevant accounting guidance;
    - Assessing the tax implications related to the MSA to determine that recording a deferred tax asset and liability is appropriate;
- With the assistance of fair value specialists evaluated the discount rate by testing the source information underlying the determination of the discount rate and developing a range of independent discount rates and comparing to the discount rate selected by management.

Other Information

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

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Regina, Saskatchewan
March 12, 2024

Information Services Corporation

Consolidated Statements of Financial Position

As at

(thousands of CAD)	Note	**December 31, 2023**	December 31, 2022
Assets			
Current assets			
Cash		**$ 24,193**	$ 34,479
Trade and other receivables	4	**15,673**	14,933
Contract assets	5	**2,649**	985
Income tax recoverable	13	**2,626**	2,215
Prepaid expenses and deposits		**3,191**	4,604
Total current assets		**48,332**	57,216
Non-current assets			
Property, plant and equipment	6	**2,101**	1,813
Right-of-use assets	7	**8,682**	7,553
Intangible assets	8	**351,770**	88,993
Goodwill	9	**101,266**	101,240
Deferred tax asset	13	**24,172**	26,639
Total non-current assets		**487,991**	226,238
Total assets		**$ 536,323**	$ 283,454
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	**$ 36,114**	$ 33,876
Vendor concession liability	16	**20,816**	-
Contract liabilities	11	**2,764**	2,720
Lease obligations – current portion	12	**2,809**	2,299
Income tax payable	13	**993**	731
Total current liabilities		**63,496**	39,626
Non-current liabilities			
Lease obligations	12	**7,055**	6,508
Deferred tax liability	13	**11,257**	13,883
Long-term debt	15	**177,302**	66,047
Vendor concession liability	16	**107,720**	-
Other liabilities	14	**714**	1,802
Total non-current liabilities		**304,048**	88,240
Shareholders' equity			
Share capital	19	**28,542**	23,691
Equity settled employee benefit reserve	14	**1,610**	2,082
Accumulated other comprehensive loss		**(185)**	(377)
Retained earnings		**138,812**	130,192
Total shareholders' equity		**168,779**	155,588
Total liabilities and shareholders' equity		**$ 536,323**	$ 283,454

See Note 28 for Commitments and Contingencies
See accompanying Notes

APPROVED BY THE BOARD OF DIRECTORS ON MARCH 12, 2024:

(signed) Joel Teal

Joel Teal
Director

(signed) Laurie Powers

Laurie Powers
Director

Consolidated Statements of Comprehensive Income

(thousands of CAD)	Note	Year Ended December 31, 2023	2022
Revenue	21	**$ 214,520**	$ 189,895
Expenses			
Wages and salaries		**59,999**	54,267
Cost of goods sold		**55,387**	49,215
Depreciation and amortization	6, 7, 8	**20,506**	14,735
Information technology services		**13,280**	10,584
Occupancy costs		**4,648**	4,003
Professional and consulting services		**5,981**	4,988
Financial services		**3,077**	2,669
Other		**3,669**	3,239
Total expenses		**166,547**	143,700
Net income before items noted below		**47,973**	46,195
Finance income (expense)			
Interest income		**1,163**	463
Interest expense	22	**(14,346)**	(3,640)
Net finance expense		**(13,183)**	(3,177)
Income before tax		**34,790**	43,018
Income tax expense	13	**(9,745)**	(12,249)
Net income		**$ 25,045**	$ 30,769
Other comprehensive income (loss)			
Items that may be subsequently reclassified to net income			
Unrealized gain (loss) on translation of financial statements of foreign operations		**192**	(33)
Change in fair value of marketable securities, net of tax		**-**	11
Other comprehensive income (loss)		**192**	(22)
Total comprehensive income		**$ 25,237**	$ 30,747
Earnings per share ($ per share)			
Total, basic	18	**$ 1.41**	$ 1.75
Total, diluted	18	**$ 1.39**	$ 1.71

See accompanying Notes

Consolidated Statements of Changes in Equity

(thousands of CAD)	Note	Retained Earnings	Share Capital	Accumulated Other Comprehensive Loss	Equity Reserve	Total
Balance at January 1, 2022		$ 115,641	$ 19,955	$ (355)	$ 2,464	$ 137,705
Net income		30,769	-	-	-	30,769
Other comprehensive loss		-	-	(22)	-	(22)
Stock option recovery	14	-	-	-	(7)	(7)
Stock options exercised	14	-	3,736	-	(375)	3,361
Dividend declared	19	(16,218)	-	-	-	(16,218)
Balance at December 31, 2022		$ 130,192	$ 23,691	$ (377)	$ 2,082	$ 155,588
Balance at January 1, 2023		$ 130,192	$ 23,691	$ (377)	$ 2,082	$ 155,588
Net income		**25,045**	**-**	**-**	**-**	**25,045**
Other comprehensive income		**-**	**-**	**192**	**-**	**192**
Stock options exercised	14	**-**	**4,851**	**-**	**(472)**	**4,379**
Dividend declared	19	**(16,425)**	**-**	**-**	**-**	**(16,425)**
Balance at December 31, 2023		**$ 138,812**	**$ 28,542**	**$ (185)**	**$ 1,610**	**$ 168,779**

See accompanying Notes

Consolidated Statements of Cash Flows

(thousands of CAD)	Note	Year Ended December 31, 2023	2022
Operating			
Net income		**$ 25,045**	$ 30,769
Add: Charges not affecting cash			
Depreciation	6, 7	**3,022**	2,920
Amortization	8	**17,484**	11,815
Foreign exchange gains		**(3)**	(189)
Deferred tax recovery recognized in net income	13	**(155)**	(111)
Registry Operations service concession arrangement	21	**(588)**	(997)
Gain on disposal of property, plant and equipment		**(1)**	(4)
Net finance expense		**13,183**	3,177
Stock option recovery	14	**-**	(7)
Net change in non-cash working capital	26	**(1,216)**	(3,837)
Net cash flow provided by operating activities		**56,771**	43,536
Investing			
Interest received		**1,163**	463
Cash received on disposal of property, plant and equipment		**1**	4
Short-term investments realized		**-**	49
Additions to property, plant and equipment	6	**(394)**	(574)
Additions to intangible assets	8	**(155,430)**	(890)
Acquisitions and post-closing adjustments	27	**(226)**	(54,671)
Net cash flow used in investing activities		**(154,886)**	(55,619)
Financing			
Interest paid	22	**(8,533)**	(2,902)
Interest paid on lease obligations	12, 22	**(400)**	(403)
Principal repayments on lease obligations	12	**(2,383)**	(2,137)
Repayment of short-term debt	15	**-**	(500)
Repayment of long-term debt	15	**(39,000)**	(15,000)
Proceeds of long-term debt	15	**150,684**	40,000
Financing fees	15	**(593)**	-
Dividends paid	19	**(16,355)**	(16,172)
Stock options exercised	14	**4,379**	3,361
Net cash flow provided by financing activities		**87,799**	6,247
Effects of exchange rate changes on cash held in foreign currencies		**30**	211
Decrease in cash		**(10,286)**	(5,625)
Cash, beginning of year		**34,479**	40,104
Cash, end of year		**$ 24,193**	$ 34,479

See accompanying Notes

Notes to the Consolidated 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 December 31, 2023, ISC's principal revenue-generating segments were Registry Operations and Services.

2 Basis of Presentation

Statement of compliance

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

The Company's Board of Directors (the "Board") authorized the consolidated financial statements for the year ended December 31, 2023, for issue on March 12, 2024.

Basis of measurement

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

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

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

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

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

Functional and presentation currency

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

Basis of consolidation

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

Use of estimates and judgments

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

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

- the carrying value, impairment and estimated useful lives of property, plant and equipment (Note 6);
- the carrying value, impairment and estimated useful lives of intangible assets (Note 8) and goodwill (Note 9);
- the recoverability of deferred tax assets (Note 13); and
- the amount and timing of revenue from contracts from customers recognized over time (Note 21).

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

Changes in accounting policies

The Company adopted the following new accounting pronouncements or policies and revised standards, along with any consequential amendments, effective January 1, 2023, or on such date as they became applicable. These changes were made in accordance with applicable transitional provisions.

Standard	Description
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 Company adopted this amendment on January 1, 2023, and has only disclosed material accounting policies as described in Note 3 to the Notes to the Consolidated Financial Statements.
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 Company adopted this amendment to IAS 8 effective January 1, 2023, which has had no impact on the consolidated financial statements.
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 Company adopted this amendment to IAS 12 effective January 1, 2023, which has had no impact on the consolidated financial statements.
IFRS 17 – *Insurance Contracts*	IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts. The Company adopted IFRS 17 effective January 1, 2023, and analysed all relevant contracts. There has been no impact on the consolidated financial statements as a result of the adoption of IFRS 17.

3 Material Accounting Policy Information

Revenue

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

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

The revenue recognition policies associated with each of the Company’s revenue streams are as follows.

Registry Operations revenue

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.

Our offerings are categorized into two divisions, Saskatchewan Registries and Ontario Property Tax Assessment Services.

Saskatchewan Registries' division revenue is recognized under the Amended and Restated MSA and is generated by earning fees from end-use customers through registrations, searches, maintenance transactions and value-added services on behalf of the Government of Saskatchewan.

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

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

The Ontario Property Tax Assessment Services division has an exclusive agreement with the Government of Ontario (the "OPTA Agreement") by which Ontario Property Tax Assessment Services provides online property tax analysis services to over 440 municipalities in Ontario, facilitating the management of property tax rates and distribution. Revenue is recognized over time throughout the term of the OPTA Agreement.

Amounts received from customers in advance of the satisfaction of our performance obligations are recorded as "contract liabilities" on our consolidated statements of financial position. Amounts in "contract liabilities" are recognized as revenue as we render services to our customers.

Services revenue

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.

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

Corporate Solutions captures revenue from nationwide search, business name registration and corporate filing services sold primarily to legal professionals or to the general public directly or indirectly through our government relationships. It further derives revenue from our corporate supplies business where our customers include legal professionals and the general public. Revenue for Corporate Solutions is recognized at a point in time when services are rendered, or goods are delivered.

Regulatory Solutions captures revenue from our Know-Your-Customer, collateral management and general due diligence service offerings. The Company uses its proprietary platform to assist customers with intuitive business rules and advanced automation to deliver regulatory services to support their credit/banking and legal processes. Public registry data is leveraged to provide insights and improved customer experience through a single technology. Our technology is supplemented with deep subject-matter knowledge offered through our legal professionals in three locations (Montreal, Que.; Toronto, Ont.; and Vernon, B.C.). Revenue for Regulatory Solutions is recognized at a point in time when services are rendered.

Recovery Solutions offers fully-managed asset recovery accompanied by accounts receivable management services to our customers. Recovery Solutions allows us to provide our customers with a full service offering across the credit life cycle from origination to recovery. Asset recovery involves the identification, retrieval and disposal of movable assets such as automobiles, boats, aircraft and other forms of portable physical assets used as collateral security for primarily consumer-focused credit transactions. Accounts receivable management involves the Company, as a licenced collection agency, performing recovery services related to past due accounts in both a first-party capacity representing our customers, and a third-party collections capacity. Recovery Solutions revenue in our Services segment includes administration fees and commissions earned by the provision of asset recovery and accounts receivable management services. Administration fee revenue is earned over time throughout the management of each asset recovery file or in accordance with each accounts receivable management contract. Commissions and other revenue is earned at a point in time when services are delivered. In the case of commissions, they are not recognized until any variable component can be determined with sufficient certainty such that a significant reversal in the amount recognized will not occur.

Much of our Services revenue involves interacting with government registries to access public records to provide services to our customers. For this access, our Services segment usually pays a fee to the government. Where we provide simple searches to our customers, government fees are not included in our revenue (government fees are recorded on a net basis) as they are passed through to our customers. Where our services include a number of collateral management services, government fees are a key input to these services and are recorded in revenue (government fees are recorded on a gross basis) as well as cost of goods sold.

Technology Solutions revenue

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

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

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

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

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

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

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

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

Share-based compensation plans

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

A long-term incentive plan utilizing performance share units ("PSUs") and share appreciation rights ("SARs") was approved by the Board on May 15, 2020 and amended and restated effective September 1, 2023, to include Restricted Share Units ("RSUs"). No RSUs have been granted as at December 31, 2023.

All share-based compensation expenses are recognized in wages and salaries in the consolidated statements of comprehensive income. For each plan, the Company recognizes compensation expense proportionately over the vesting period. The cumulative carrying value of all active and recognized stock options is reflected in the equity settled employee benefits reserve in shareholders' equity in the consolidated statements of financial position. The fair value of units recognized in all other plans are reflected as obligations in the consolidated statements of financial position in other liabilities and/or accounts payable and accrued liabilities.

For PSUs and deferred share units ("DSUs"), compensation expense consists of the difference between the fair value of the units recognized at the start and end of the reporting period plus the value of any units redeemed in the period. The fair value of the PSUs and DSUs is based on the market value of the Company's Class A Shares on the TSX. Any change in estimate is recognized as an increase or decrease to the liability and a corresponding charge or credit to expense at the end of the reporting period, as applicable. PSUs and DSUs earn dividend equivalent units ("DEUs") in the form of additional PSUs and DSUs, as applicable, at the same rate as dividends on Class A Shares.

For SARs, the Black-Scholes methodology is used to value each SAR grant when awarded. The inputs used in this valuation are described below. At the end of each reporting period, the market value of the SARs is equivalent to the market value of the Company's Class A Shares in excess of the SARs' grant value (the "in the money" portion) multiplied by the cumulative number of SAR units active and recognized that are in the money at the reporting date. Compensation expense consists of the difference between the fair value of the units recognized at the start and end of the reporting period plus the value of any units redeemed in the period. Any change in estimate is recognized as an increase or decrease to the liability and a corresponding charge or credit to expense at the end of the reporting period, as applicable.

For the stock option plan, the Black-Scholes methodology is used to value each option when awarded. The Company has used the following variables as inputs in the Black-Scholes methodology for the valuation of the SARs and the stock options. The inputs are subject to review as applicable:

- Option term: the maximum duration before expiry;
- Risk-free rate: estimated based on 10-year Canada bond rate;
- Dividend yield: based on ISC's three-year average annual yield rate; and
- Equity volatility: based on ISC's three-year standard deviation of Total Shareholder Return.

More details on each of the share-based compensation plans can be found in Note 14.

Business acquisitions

Business acquisitions are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated at the date of acquisition as the sum of the fair values of the assets transferred by the

Company and the liabilities incurred by the Company to the former owners of the acquiree in exchange for the control of the acquiree. Acquisition costs are recognized in profit or loss as incurred.

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

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

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

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

Business acquisitions versus asset acquisitions

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

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

Property, plant and equipment

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

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

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

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

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

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

Intangible assets

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

Intangible assets acquired

Internal-use software and business solutions acquired are carried at cost less accumulated amortization and any accumulated impairment losses. Acquired contracts as well as internal-use software, business solutions, customer and partner relationships, brand, non-competes and other intangible assets acquired through business combinations are initially recorded at their fair values based on the present value of expected future cash flows, which involves estimates about future cash flows and discount rates.

Internally generated intangible assets

Research expenditures are expensed while expenditures for internal-use software developed internally and business solutions developed internally and marketed externally are capitalized only when they meet the recognition criteria for internally generated intangible assets as provided under IFRS. An internally generated intangible asset arising from development is recognized if and only if all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to reliably measure the expenditure attributable to the intangible asset during its development.

The amount initially recognized for an internally generated intangible asset is the sum of the expenditures incurred from the date when the intangible asset first meets the recognition criteria. If no internally generated intangible asset can be recognized, development expenditures are charged to operations in the period in which they are incurred. Subsequent to initial recognition, an internally generated intangible asset is reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as an intangible asset acquired separately.

Amortization of intangible assets

Amortization is recorded on intangible assets using the straight-line method over the corresponding estimated useful life of the applicable assets. The estimated useful life and amortization methods are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statements of comprehensive income.

Internal-use software	3–15 years
Business solutions	3–7 years
Contracts	Term of contract
Customer and partner relationships	5–15 years
Brand, non-competes and other	4–15 years
Assets under development	N/A (not ready for use)

Impairment of tangible and intangible assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs; otherwise, they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified. Intangible assets not yet available for use are tested for impairment annually in December and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized immediately in comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, insofar as the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in comprehensive income.

Goodwill

Goodwill arising on the acquisition of a business represents the excess of the purchase price over the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired business recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Impairment of goodwill

For the purpose of impairment testing, goodwill is allocated to the CGUs expected to benefit from the synergies of the combination. CGUs are tested for impairment annually or more frequently if events indicate that the units may be impaired. The Company's operating segments that correspond to the CGUs for impairment testing are disclosed in Note 9.

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

Financial instruments

Financial assets

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

(i) Financial assets at FVTPL

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

(ii) Financial assets at FVTOCI – Equity investments

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

(iii) Financial assets at AC

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

Financial liabilities

The Company's financial liabilities are initially recorded at fair value, net of transaction costs and are subsequently measured at AC, using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company's financial liabilities include accounts payable and accrued liabilities, excluding share-based accrued liabilities, vendor concession liability and long-term debt, which are classified at AC.

Below is a summary showing the classification and measurement bases of our financial instruments.

Financial Instrument	**IFRS 9 — *Financial Instruments***	
	Classification	**Measurement**
Assets		
Cash	AC	Amortized cost using effective interest rate method
Trade and other receivables	AC	Amortized cost using effective interest rate method
Liabilities		
Accounts payable and accrued liabilities excluding share-based accrued liabilities	AC	Amortized cost using effective interest rate method
Vendor concession liability	AC	Amortized cost using effective interest rate method
Long-term debt	AC	Amortized cost using effective interest rate method

Impairment of financial assets

The Company recognizes lifetime expected credit losses ("ECL") for trade and other receivables. The ECL on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The Company's credit losses are historically low as most customers with credit are governments, banking institutions and legal firms with strong credit.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Leases

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Foreign currency

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

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

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

Recent accounting pronouncements

The IASB and IFRS Interpretations Committee ("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. These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements. The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024, with early application permitted. This amendment is currently being assessed by the Company to determine the impact.	January 1, 2024
Amendments to IFRS 16 — *Lease liability in a Sale and Leaseback*	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 — *Revenue from Contracts with Customers* to be accounted for as a sale. The amendment is effective for annual periods beginning on or after January 1, 2024. The Company has assessed the impact of the adoption of this amendment and it is not expected to have a material impact on the Company's consolidated financial statements.	January 1, 2024
Amendments to IAS 7 and IFRS 7 — *Supplier Finance Arrangements*	The amendments add disclosure requirements and 'signposts' within existing disclosure requirements that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for annual periods beginning on or after January 1, 2024. The Company has assessed the impact of the adoption of the amendments and they are not expected to have a material impact on the Company's consolidated financial statements.	January 1, 2024

4 Trade and Other Receivables

The components of trade and other receivables are as follows:

(thousands of CAD)	**December 31, 2023**	December 31, 2022
Trade receivables	**$ 14,607**	$ 14,049
GST/HST/VAT receivables	**296**	192
Other	**770**	692
Total trade and other receivables	**$ 15,673**	$ 14,933

5 Contract Assets

The components of contract assets are as follows:

(thousands of CAD)	**December 31, 2023**	December 31, 2022
Unbilled revenue	**$ 2,104**	$ 589
Contract fulfilment costs	**545**	396
Total contract assets	**$ 2,649**	$ 985

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

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

The Company does not have any contract acquisition costs at the end of the reporting period and did not recognize any amortization of contract acquisition costs during the year (2022 — nil).

There were no impairment losses recognized on any contract asset during the reporting period (2022 — nil).

6 Property, Plant and Equipment

(thousands of CAD)	Leasehold Improvements	Office Furniture	Office Equipment	Hardware	Assets Under Development	Total
Cost						
Balance at January 1, 2022	$ 7,971	$ 3,102	$ 161	$ 2,808	$ 24	$ 14,066
Acquired assets[1]	119	73	-	401	-	593
Additions	-	9	-	468	97	574
Disposals	(51)	(285)	(5)	(12)	-	(353)
Transfers	73	34	-	14	(121)	-
Foreign exchange adjustments	-	-	-	8	-	8
Balance at December 31, 2022	8,112	2,933	156	3,687	-	14,888
Additions	3	-	-	317	679	999
Disposals	-	(391)	(1)	(1,022)	-	(1,414)
Transfers	13	-	-	9	(22)	-
Foreign exchange adjustments	-	-	-	2	-	2
Balance at December 31, 2023	**$ 8,128**	**$ 2,542**	**$ 155**	**$ 2,993**	**$ 657**	**$ 14,475**
Accumulated depreciation						
Balance at January 1, 2022	$ 7,057	$ 2,971	$ 154	$ 2,533	$ -	$ 12,715
Depreciation	266	45	3	394	-	708
Disposals	(51)	(285)	(5)	(12)	-	(353)
Foreign exchange adjustments	-	1	-	4	-	5
Balance at December 31, 2022	7,272	2,732	152	2,919	-	13,075
Depreciation	254	38	2	417	-	711
Disposals	-	(391)	(1)	(1,022)	-	(1,414)
Foreign exchange adjustments	-	-	-	2	-	2
Balance at December 31, 2023	**$ 7,526**	**$ 2,379**	**$ 153**	**$ 2,316**	**$ -**	**$ 12,374**
Carrying value						
At December 31, 2022	$ 840	$ 201	$ 4	$ 768	$ -	$ 1,813
At December 31, 2023	**$ 602**	**$ 163**	**$ 2**	**$ 677**	**$ 657**	**$ 2,101**

[1] Acquired assets – see Note 27.

7 Right-of-use Assets

(thousands of CAD)		Property and Equipment[1]
Cost		
Balance at January 1, 2022	$	18,954
Additions and modifications		606
Additions – acquisitions[2]		1,283
Reclass to accumulated depreciation		(2,721)
Foreign exchange adjustments		(32)
Balance at December 31, 2022	$	18,090
Additions and modifications		3,430
Disposals		(311)
Foreign exchange adjustments		12
Balance at December 31, 2023	**$**	**21,221**
Accumulated depreciation		
Balance at January 1, 2022	$	11,093
Depreciation		2,212
Foreign exchange adjustments		(47)
Reclass from cost		(2,721)
Balance at December 31, 2022	$	10,537
Depreciation		2,311
Disposals		(311)
Foreign exchange adjustments		2
Balance at December 31, 2023	**$**	**12,539**
Carrying value		
At December 31, 2022	$	7,553
At December 31, 2023	**$**	**8,682**

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

[2] Acquired assets – see Note 27.

8 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 and Partner Relation-ships	Assets Under Develop-ment	Total
Cost								
Balance at January 1, 2022	$ 26,079	$ 78,771	$ 2,011	$ 6,029	$ 1,398	$ 65,317	$ 2,808	$ 182,413
Acquired assets[1]	5,328	-	-	-	1,000	31,466	-	37,794
Additions	-	-	-	-	-	-	1,887	1,887
Disposals	-	(47)	-	-	(176)	-	-	(223)
Transfers	-	-	-	658	-	-	(658)	-
Foreign exchange adjustments	-	-	22	32	-	29	52	135
Balance at December 31, 2022	$ 31,407	$ 78,724	$ 2,033	$ 6,719	$ 2,222	$ 96,812	$ 4,089	$ 222,006
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**
Accumulated depreciation								
Balance at January 1, 2022	$ 19,498	$ 77,323	$ 1,471	$ 3,983	$ 663	$ 18,408	$ -	$ 121,346
Amortization	2,571	413	249	561	217	7,804	-	11,815
Disposals	-	(47)	-	-	(176)	-	-	(223)
Foreign exchange adjustments	-	-	31	35	-	9	-	75
Balance at December 31, 2022	$ 22,069	$ 77,689	$ 1,751	$ 4,579	$ 704	$ 26,221	$ -	$ 133,013
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**
Carrying value								
At December 31, 2022	$ 9,338	$ 1,035	$ 282	$ 2,140	$ 1,518	$ 70,591	$ 4,089	$ 88,993
At December 31, 2023	**$ 6,296**	**$ 1,951**	**$ 22**	**$ 1,862**	**$ 1,240**	**$ 335,656**	**$ 4,743**	**$ 351,770**

[1] Acquired assets – see Note 27.

During the year, 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 the year, 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.

9 Goodwill

The components of goodwill are as follows:

(thousands of CAD)	December 31, 2023	December 31, 2022
Balance, beginning of year	$ 101,240	$ 77,134
Additions[1]	-	24,063
Foreign exchange adjustment	26	43
Balance, end of year	**$ 101,266**	$ 101,240

[1] Acquired assets – see Note 27.

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

(thousands of CAD)	December 31, 2023	December 31, 2022
Registry Operations	$ 21,098	$ 21,098
Services	71,537	71,537
Technology Solutions	8,631	8,605
Balance, end of year	**$ 101,266**	$ 101,240

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

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

Registry Operations

Key assumptions for this segment include the performance of the Saskatchewan economy, revenue growth, related party costs, corporate cost allocations required to support infrastructure, and future technological investment in and related to this infrastructure as well as the renewal of the contract with the Government of Ontario in the Ontario Property Tax Assessment Services division. In 2023, annual impairment testing for this segment used a pre-tax discount rate of 14.4 per cent (2022 — 15.1 per cent) and a perpetual growth rate of 2.0 per cent (2022 — 2.0 per cent). Given the strong cash flow in Registry Operations relative to the size of goodwill, the risk of impairment is remote and as a result the traditional cash flow approach was used for this segment.

Services

Key assumptions for this segment include the performance of the Canadian economy, revenue growth, including attracting new customers and adding incremental value to existing customers, related party costs, corporate cost allocations required to support infrastructure and future technological investment in and related to this infrastructure. The most material estimates and assumptions include revenue forecasts, perpetual growth rates and discount rates. Performance during the multi-year planning period is consistent with past performance, which experienced growth in operating cash flow in excess of the perpetual growth rate of 2.75 per cent (2022 — 2.75 per cent) used in the annual test. In 2023, annual impairment testing for this segment used a pre-tax discount rate of 17.8 per cent (2022 — 18.5 per cent).

Technology Solutions

Key assumptions for this segment, which has operations in both Ireland and Canada, include revenue growth, the ability to attract new customers, actual contract delivery performance compared to the level of performance anticipated when the contract was negotiated, the level of support required by related party customers, direct employee costs and corporate cost allocations required to support infrastructure, as well as future technological investment in and related to intellectual property. The estimates and assumptions with the highest degree of subjectivity are revenue forecasts, perpetual growth rates and discount rates. This segment was negatively impacted by COVID-19 as governments deferred registry projects and redirected attention to the preservation of the health and safety of their populations. During the latter part of 2022, there was renewed procurement activity, which has generated an active pipeline of opportunities as well as new solution definition and implementation contracts that are currently in the process of being delivered. This renewed procurement activity and new customer contracts to be delivered during the multi-year planning period has resulted in segment expectations returning to those consistent with pre-COVID-19 performance/trends, which experienced growth in operating cash flow in excess of the perpetual growth rate of 2.0 per cent (2022 — 2.0 per cent) used in the annual impairment test. In 2023, annual impairment testing for this segment used a pre-tax discount rate of 17.1 per cent (2022 — 17.1 per cent) in its Canada-based operations and 17.1 per cent (2022 — 17.1 per cent) in its Ireland-based operations.

10 Accounts Payable and Accrued Liabilities

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

(thousands of CAD)	**December 31, 2023**	December 31, 2022
Trade payables	**$ 6,842**	$ 7,444
Accrued liabilities	**12,941**	9,765
Customer deposits	**4,400**	4,221
Dividend payable	**4,141**	4,071
Share-based accrued liabilities	**7,790**	8,149
Consideration due to vendor	**-**	226
Total accounts payable and accrued liabilities	**$ 36,114**	$ 33,876

11 Contract Liabilities

The components of contract liabilities are as follows:

(thousands of CAD)	**December 31, 2023**	December 31, 2022
Amounts received in advance of Registry Operations' Saskatchewan Registries division maintenance and support contracts (i)	**$ 232**	$ 320
Amounts received in advance of Technology Solutions support and delivery contracts (ii)	**2,532**	2,400
Total contract liabilities	**$ 2,764**	$ 2,720

(i) Revenue that relates to Registry Operations' Saskatchewan Registries division maintenance and support contracts is recognized over time, while all other Saskatchewan Registries division revenue is recognized at a point in time. A contract liability is recognized for payments received from end-use customers in advance of services being provided and is recognized into revenue either at the point in time the service is rendered or over the service period.

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

Revenue recognized during the year that had been included in the contract liability balance at the beginning of the year is as follows:

(thousands of CAD)	Year Ended December 31, 2023	2022
Registry Operations' Saskatchewan Registries division maintenance and support contracts	**$ 320**	$ 314
Technology Solutions support and delivery contracts	**962**	325
Total revenue recognized that was included in the balance at the beginning of the year	**$ 1,282**	$ 639

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

12 Lease Obligations

(thousands of CAD)	Year Ended December 31, 2023	2022
Balance, beginning of year	**$ 8,807**	$ 9,033
Additions	**3,430**	240
Additions – acquisitions[1]	**-**	1,283
Interest expense	**400**	403
Effect of modification to lease terms	**-**	366
Lease payments[2]	**(2,783)**	(2,540)
Foreign exchange adjustments	**10**	22
Balance, end of year	**$ 9,864**	$ 8,807

[1] Acquired assets – see Note 27.

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

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

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

(thousands of CAD)	Year Ended December 31, 2023	2022
Year 1	**$ 3,293**	$ 2,642
Year 2	**2,044**	2,531
Year 3	**1,757**	1,260
Year 4	**1,641**	950
Year 5	**1,530**	811
Thereafter	**1,036**	1,697
Balance, end of year	**$ 11,301**	$ 9,891
Unearned interest	**(1,437)**	(1,084)
Balance, end of year	**$ 9,864**	$ 8,807
Reflected as:		
Lease obligations – current portion	**$ 2,809**	$ 2,299
Lease obligations	**7,055**	6,508
Balance, end of year	**$ 9,864**	$ 8,807

13 Tax Provision

The Company is subject to federal and provincial income taxes at an estimated combined statutory rate of 27.0 per cent (2022 — 27.0 per cent).

(thousands of CAD)	Year Ended December 31, 2023	2022
Current tax expense	**$ 9,900**	$ 12,360
Deferred tax recovery	**(155)**	(111)
Income tax expense	**$ 9,745**	$ 12,249

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

(thousands of CAD)	Year Ended December 31, 2023	2022
Income before tax	**$ 34,790**	$ 43,018
Combined statutory income tax rate	**27.00%**	27.00%
Expected income tax expense	**9,393**	11,615
Increase (decrease) in income tax resulting from:		
Non-deductible expenses	**223**	162
Foreign income tax differential	**19**	488
Adjustment to prior years' deferred tax assets and liabilities	**(3)**	(6)
Other	**113**	(10)
Income tax expense	**$ 9,745**	$ 12,249

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

(thousands of CAD)	**Net Balance January 1, 2023**	**Recognized in Profit or Loss**	**Foreign Exchange Movement**	**Acquisitions[1]**	**Net Balance December 31, 2023**	**Deferred Tax Asset**	**Deferred Tax Liability**
Property, plant and equipment	$ 196	$ 68	$ -	$ -	$ 264	$ 177	$ 87
Right-of-use assets	(1,806)	(334)	-	-	(2,140)	(1,121)	(1,019)
Intangible assets	10,526	(914)	1	11,015	20,628	29,807	(9,179)
Goodwill	(1,799)	(402)	-	-	(2,201)	-	(2,201)
Non-capital losses	703	635	5	-	1,343	1,338	5
Lease obligations	2,131	313	-	-	2,444	1,394	1,050
Vendor concession liability	-	1,170	-	(11,015)	(9,845)	(9,845)	-
Share-based compensation and other	2,805	(381)	(2)	-	2,422	2,422	-
Net deferred tax assets (liabilities)	**$ 12,756**	**$ 155**	**$ 4**	**$ -**	**$ 12,915**	**$ 24,172**	**$ (11,257)**

[1] See Notes 8 and 16.

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

[1] See Note 27.

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

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

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

At December 31, 2023, a deferred tax asset of $0.4 million (2022 — $0.4 million) has been recognized in respect of $3.3 million of tax losses (2022 — $2.7 million) related to ERS. Management anticipates that ERS will earn sufficient future taxable income to utilize the tax losses, which do not expire. A deferred tax asset of $0.8 million (2022 — $0.3 million) has been recognized at December 31, 2023, in respect of $2.9 million of tax losses (2022 — $1.3 million) related to CRM. Management anticipates that CRM will earn sufficient future taxable income to utilize the tax losses which do not commence expiry until 2042.

14 Share-Based Compensation Plans

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

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

	Year Ended December 31,	
(thousands of CAD)	**2023**	2022
Performance share units	**$ 735**	$ 913
Share appreciation rights	**(689)**	200
Deferred share units	**237**	377
	283	1,490
Stock options	**-**	(7)
Share-based compensation expense	**$ 283**	$ 1,483
Market price, beginning of year	**$ 24.17**	$ 25.29
Market price, end of year	**$ 22.18**	$ 24.17

Performance share units

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

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

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

On the settlement date, the Company delivers to each participant a cash payment equal to the redemption value of the PSU. A summary of the status of the PSU plan and the changes within the years ended December 31, 2023 and 2022, is as follows:

(thousands of CAD, except number of units)	Total Units Granted	Units Recognized	Short-Term Liability[1]	Long-Term Liability[2]	Total Liability[3]
Balance at January 1, 2022	101,261	73,080			
Units proportionally recognized in the current period, from previous grants	-	20,541			
March 24, 2022 grant	21,978	7,306			
Dividend units	3,330	3,330			
PSUs redeemed	(37,926)	(37,926)			
PSUs forfeited	(1,708)	(1,259)			
Balance at December 31, 2022	86,935	65,072	$ 1,801	$ 198	$ 1,999
Balance at January 1, 2023	86,935	65,072			
Units proportionally recognized in the current period, from previous grants	-	14,517			
August 14, 2023 grant	28,648	9,523			
Dividend units	3,384	3,384			
PSUs redeemed	(41,805)	(41,805)			
PSUs forfeited	(5,202)	(2,732)			
Balance at December 31, 2023	**71,960**	**47,959**	**$ 1,137**	**$ 205**	**$ 1,342**

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

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

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

Fully Vested Units:	**Units Vested**
Balance at December 31, 2022	40,928
Balance at December 31, 2023	**24,121**

Share appreciation rights

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

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

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

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

A summary of the status of the SAR plan and the changes within the years ended December 31, 2023 and 2022, is as follows:

(thousands of CAD, except number of units and per unit prices)	Units	Weighted Average Award Price	FV Market Price at Reporting Period	Units Recognized	Short-Term Liability[1]	Long-Term Liability[2]	Total Liability
Balance at January 1, 2022	667,193	$ 16.61	$ 24.17	461,394			
SARs proportionately recognized in the year from grants awarded in previous years	-	$ -	$ 24.17	122,100			
SARs granted March 24, 2022	88,410	$ 22.81	$ 24.17	35,556			
SARs redeemed	(8,987)	$ 15.22	$ 24.17	(8,987)			
SARs forfeited	(21,708)	$ 17.17	$ 24.17	(12,306)			
Balance at December 31, 2022	724,908	$ 17.37	$ 24.17	597,757	$ 2,856	$ 1,604	$ 4,460
Balance at January 1, 2023	724,908	$ 17.37	$ 22.18	597,757			
SARs proportionately recognized in the year from grants awarded in previous years	-	$ -	$ 22.18	86,793			
SARs granted August 14, 2023	78,270	$ 24.64	$ 22.18	15,496			
SARs redeemed	(40,448)	$ 16.45	$ 22.18	(40,448)			
SARs forfeited	(21,941)	$ 21.14	$ 22.18	(14,413)			
Balance at December 31, 2023	**740,789**	**$ 18.08**	**$ 22.18**	**645,185**	**$ 2,924**	**$ 509**	**$ 3,433**

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

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

Fully Vested Units:	**Units Vested**
Balance at December 31, 2022	343,716
Balance at December 31, 2023	**484,769**

A summary of the ending balance of the SAR plan for the years ended December 31, 2023 and 2022, is as follows:

(thousands of CAD, except number of units and per unit prices)	**Total Number of Units**	**Number of Units Accrued**	**Grant Price**	**End of Year Share Price**	**Total Liability**
Granted November 18, 2019	214,590	214,590	$ 16.11	$ 22.18	$ 1,302
Granted March 26, 2020	255,334	251,576	$ 13.71	$ 22.18	$ 2,131
Granted March 25, 2021	117,095	105,770	$ 23.86	$ 22.18	$ -
Granted March 24, 2022	80,524	58,748	$ 22.81	$ 22.18	$ -
Granted August 14, 2023	73,246	14,501	$ 24.64	$ 22.18	$ -
Balance at December 31, 2023	**740,789**	**645,185**			**$ 3,433**

(thousands of CAD, except number of units and per unit prices)	Total Number of Units	Number of Units Accrued	Grant Price	End of Year Share Price	Total Liability
Granted November 18, 2019	230,742	217,968	$ 16.11	$ 24.17	$ 1,757
Granted March 26, 2020	277,983	251,136	$ 13.71	$ 24.17	$ 2,627
Granted March 25, 2021	127,773	93,097	$ 23.86	$ 24.17	$ 28
Granted March 24, 2022	88,410	35,556	$ 22.81	$ 24.17	$ 48
Balance at December 31, 2022	724,908	597,757			$ 4,460

Deferred share units

The Company has established a DSU plan to provide directors of ISC with the opportunity to participate in the long-term success of ISC and to promote a greater alignment of interests between its directors and shareholders. The Board may award DSUs at its discretion, from time to time, in accordance with the plan and upon such other terms and conditions as the Board may prescribe. DSU awards vest according to the vesting schedule approved by the Board at the time of the award.

DSUs earn dividend equivalent units in the form of additional DSUs at the same rate as dividends on Class A Shares. The participant is not allowed to redeem the DSUs until termination of employment/directorship or death. The cash value of the DSUs is equivalent to the market value of the Class A Shares when redemption takes place.

On each applicable redemption date, the Company delivers to each participant a cash payment equal to the redemption value of the DSUs, or an equivalent number of Class A Shares purchased on the TSX. A summary of the status of the DSU plan and the changes within the years ended December 31, 2023 and 2022, is as follows:

(thousands of CAD, except number of units)	**Units**	**Units Recognized**	**Short-Term Liability**[1]
Balance at January 1, 2022	143,143	142,564	
Units proportionally recognized in the current period, from previous grants	-	579	
DSUs granted June 10, 2022	19,603	18,364	
DSUs credited as a result of cash dividends paid	5,702	5,702	
DSUs redeemed	(22,411)	(22,411)	
DSUs forfeited	(324)	(324)	
Balance at December 31, 2022	145,713	144,474	$ 3,492
Balance at January 1, 2023	145,713	144,474	
Units proportionally recognized in the current period, from previous grants	-	1,239	
DSUs granted August 8, 2023	16,840	15,947	
DSUs credited as a result of cash dividends paid	6,462	6,462	
DSUs redeemed	-	-	
DSUs forfeited	-	-	
Balance at December 31, 2023	**169,015**	**168,122**	**$ 3,729**

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

Fully Vested Units:	**Units Vested**
Balance at December 31, 2022	140,604
Balance at December 31, 2023	**164,717**

The fair value of the DSUs at December 31, 2023, has been calculated using the market value of the Company's Class A Shares on the TSX.

Stock options

The Company established a stock option plan approved by shareholders in 2014 and subsequently amended and restated at various points. The exercise price of options issued under the stock option plan is determined by the Board at the time of the grant but shall not be less than the closing price for the Class A Shares on the TSX on the trading day immediately preceding the date of the grant.

Unless the Board determines otherwise, options granted will vest and become exercisable in equal tranches over the four years following the date of the grant. Once vested, options may be exercised at any time within eight years of the date of the grant, after which they expire and terminate.

A summary of the status of the stock option plan and the changes within the years ended December 31, 2023 and 2022, is as follows:

	2023		**2022**	
	Units	**Weighted Average Exercise Price**	Units	Weighted Average Exercise Price
Outstanding, beginning of year	1,332,017	$ 17.35	1,548,247	$ 17.27
Stock options exercised[1]	(326,819)	$ 15.21	(201,498)	$ 16.68
Stock options forfeited	-	$ -	(14,732)	$ 17.85
Outstanding, end of year	**1,005,198**	**$ 18.04**	1,332,017	$ 17.35
Vested and exercisable, end of year	**1,005,198**		1,332,017	

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

The number of options outstanding by grant date as of December 31, 2023, is shown in the following table:

		Options Outstanding			**Options Exercisable**	
Grant Date	**Expiry Date**	**Units Outstanding**	**Weighted Average Remaining Contractual Years**	**Weighted Average Exercise Price**	**Units Outstanding**	**Weighted Average Exercise Price**
Aug 12, 2016	Aug 12, 2024	275,141	0.6	$ 17.40	275,141	$ 17.40
May 17, 2017	May 17, 2025	317,341	1.4	$ 18.85	317,341	$ 18.85
May 16, 2018	May 16, 2026	412,716	2.4	$ 17.85	412,716	$ 17.85
		1,005,198	**1.6**	**$ 18.04**	**1,005,198**	**$ 18.04**

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

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

The carrying amount of the equity settled employee benefit reserve arising from these stock options as of December 31, 2023, totalled $1.6 million (December 31, 2022 — $2.1 million).

15 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 has been increased from $150.0 million to $250.0 million and consists of ISC's existing $150.0 million revolving credit facility together with a new $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 Amended and Restated Credit Facility has been considered a modification of debt for accounting purposes.

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 (2022 — 0.20 per cent and 2.00 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 (2022 — 0.24 per cent and 0.40 per cent per annum) depending on the performance on certain covenants.

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 7.92 per cent. The amount of financing expense related to these costs and recognized in the statements of comprehensive income for the year ended December 31, 2023, totalled $0.2 million (2022 — $0.1 million). Details of the debt outstanding under the Credit Facility are as follows:

(thousands of CAD)	**December 31, 2023**	December 31, 2022
Non-current		
Revolving term facility – principal component – beginning of year	**$ 66,316**	$ 41,316
Funds drawn from revolving term facility	**150,684**	40,000
Principal repayments during the year	**(39,000)**	(15,000)
Revolving term facility – principal component – end of year	**$ 178,000**	$ 66,316
Unamortized costs	**(698)**	(269)
Total debt	**$ 177,302**	$ 66,047

Financing available under the Credit Facility commitment is as follows:

(thousands of CAD)	**December 31, 2023**	December 31, 2022
Financing available:		
Maximum available	**$ 250,000**	$ 150,000
Cash drawings – principal component	**(178,000)**	(66,316)
Letters of credit and other non-cash drawings	**(1,761)**	-
Total unused and available portion of the Credit Facility	**$ 70,239**	$ 83,684

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 interest expense ratio of greater than 3:1. The Company was in compliance with all covenants throughout the year.

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

The amount of borrowing costs capitalized during 2023 and 2022 was nil.

16 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 March 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)	**December 31, 2023**
Balance, beginning of year	**$ -**
Additions	**124,204**
Accretion	**4,332**
Balance, end of year	**$ 128,536**

The following table presents the contractual undiscounted cash flows for vendor concession liability:

(thousands of CAD)		December 31, 2023
Year 1	$	30,500
Year 2		30,500
Year 3		30,500
Year 4		30,500
Year 5		30,500
Thereafter		12,500
Balance, end of year	$	165,000
Unearned interest		(36,464)
Balance, end of year	**$**	**128,536**
Reflected as:		
Vendor concession liability – current portion		**20,816**
Vendor concession liability – non-current portion		**107,720**
Balance, end of year	**$**	**128,536**

17 Liabilities Arising from Financing Activities

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

	As at December 31, 2022	Cash Flows	Non-cash Changes		**As at December 31, 2023**
			Dividends Declared	Other	
Interest payable	$ 379	$ (8,533)	$ -	$ 9,450	**$ 1,296**
Lease obligation including current portion and interest paid	8,807	(2,783)	-	3,840	**9,864**
Long-term debt	66,047	111,091	-	164	**177,302**
Share capital	23,691	4,379	-	472	**28,542**
Dividends payable	4,071	(16,355)	16,425	-	**4,141**
	$ 102,995	$ 87,799	$ 16,425	$ 13,926	**$ 221,145**

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

18 Earnings Per Share

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

(thousands of CAD, except number of shares and earnings per share)	Year Ended December 31, 2023	2022
Net income	**$ 25,045**	$ 30,769
Weighted average number of shares, basic	**17,820,729**	17,598,864
Potential dilutive shares resulting from stock options	**203,048**	350,629
Weighted average number of shares, diluted	**18,023,777**	17,949,493
Earnings per share ($ per share)		
Total, basic	**$ 1.41**	$ 1.75
Total, diluted	**$ 1.39**	$ 1.71

19 Equity and Capital Management

The Company's authorized share capital consists of an unlimited number of Class A Shares, one Class B Golden Share (the "Golden Share") and an unlimited number of Preferred Shares, issuable in series. The Company currently has 18,004,641 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, 2022	17,500,000	$ 19,955	1	$ -
Stock options exercised for treasury shares[1]	201,498	3,736	-	-
Balance at December 31, 2022	17,701,498	$ 23,691	1	$ -
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**	**$ -**

[1] See Note 14.

Dividends

The Company paid dividends to shareholders during the year ended December 31, 2023 of $16.4 million (2022 — $16.2 million) based on an annual dividend rate of $0.92 per share (2022 - $0.92 per share).

Capital management

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

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

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

The Company's capital at December 31, 2023, consists of long-term debt, share capital, accumulated other comprehensive income, equity settled employee benefit reserve and retained earnings (comprising total shareholders' equity).

(thousands of CAD)	**December 31, 2023**	December 31, 2022
Long-term debt	**$ 177,302**	$ 66,047
Share capital	**28,542**	23,691
Accumulated other comprehensive income	**(185)**	(377)
Equity settled employee benefit reserve	**1,610**	2,082
Retained earnings	**138,812**	130,192
Capitalization	**$ 346,081**	$ 221,635

20 Financial Instruments and Related Risk Management

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

Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Company extends credit to its customers in the normal course of business and is exposed to credit risk in the event of non-performance by customers, but does not anticipate such non-performance would be material. The Company monitors the credit risk and credit rating of customers on a regular basis. The Company has significant concentration of credit risk among government sectors. Its customers are predominantly provincial, federal, and municipal government ministries and agencies and its private sector customers are diverse.

The majority of cash is held with Canadian chartered banks and the Company believes the risk of loss to be minimal. The maximum exposure to credit risk at December 31, 2023, is $39.9 million (December 31, 2022 — $49.4 million), equal to the carrying value of the Company's financial assets, which are itemized in the table below. Quarterly reviews of the aged receivables are completed. The Company expects to fully collect the carrying value on all outstanding receivables. Therefore, the risk to the Company is low.

The following table sets out details of cash and ageing of receivables:

(thousands of CAD)	**December 31, 2023**	December 31, 2022
Cash	**$ 24,193**	$ 34,479
Trade and other receivables:		
- current	**14,160**	12,662
- up to three months past due date	**694**	1,342
- greater than three months past due date	**819**	929
Total credit risk	**$ 39,866**	$ 49,412

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 15). 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 3.00 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, the continued focus on debt repayment and keeping excess cash in higher interest short-term savings.

The following table presents a sensitivity analysis to changes in market interest rates and their potential impact on the Company for the years ended December 31, 2023 and 2022. As the sensitivity is hypothetical, it should be used with caution.

	December 31, 2023		December 31, 2022	
(thousands of CAD)	**+ 100 bps***	**- 100 bps**	+ 100 bps	- 100 bps
Increase (decrease) in interest expense	**$ 1,149**	**$(1,149)**	$ 641	$ (641)
Decrease (increase) in net income before tax	**$ 1,149**	**$(1,149)**	$ 641	$ (641)
Decrease (increase) in total comprehensive income	**$ 839**	**$ (839)**	$ 468	$ (468)

* bps = basis point spread

Liquidity risk

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

The following summarizes the contractual maturities for the Company's financial liabilities at December 31, 2023:

(thousands of CAD)	**Carrying Amount**	**Contractual Cash Flows**	**0-6 Months**	**7-12 Months**	**12+ Months**
Long-term debt	$ 177,302	$ 216,216	$ 7,022	$ 7,098	$ 202,096
Vendor concession liability	128,536	165,000	500	30,000	134,500
Lease obligations	9,864	11,300	1,647	1,646	8,007
Accounts payable and accrued liabilities	36,114	36,114	36,114	-	-
Total liabilities	**$ 351,816**	**$ 428,630**	**$ 45,283**	**$ 38,744**	**$ 344,603**

Contractual cash flows for long-term debt and lease obligations include principal and interest.

Market risk

The carrying amount and fair value of the financial assets and financial liabilities are as follows:

			December 31, 2023		December 31, 2022	
(thousands of CAD)	**Classification**	**Level**	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial assets						
Cash	AC		**$ 24,193**	**$ 24,193**	$ 34,479	$ 34,479
Trade and other receivables	AC		**15,673**	**15,673**	14,933	14,933
Financial liabilities						
Accounts payable and accrued liabilities excluding share-based accrued liabilities	AC		**28,324**	**28,324**	25,727	25,727
Vendor concession liability	AC		**128,536**	**124,329**	-	-
Long-term debt	AC		**177,302**	**176,061**	66,047	66,192

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.

Foreign currency exchange risk

The Company operates internationally and is exposed to fluctuations in various currencies, with the euro being the most material, followed by the US dollar. Movements in foreign currencies against the Canadian dollar may impact revenue, the value of assets and liabilities and affect the Company's profit and loss.

Based on the balance of foreign net monetary assets and net assets carried on the consolidated statements of financial position, the impact of an increase (decrease) of 10.0 per cent in the euro relative to the Canadian dollar as at December 31, 2023, on net monetary assets was a decrease (increase) of $0.2 million (December 31, 2022 — $0.3 million) and on net assets was an increase (decrease) of $1.2 million (December 31, 2022 — $1.1 million). The impact of an increase (decrease) of 10.0 per cent in the US dollar relative to the Canadian dollar as at December 31, 2023, on net monetary assets was a decrease (increase) of $0.1 million (December 31, 2022 — $0.3 million). The Company's exposure to other currencies was not significant at the end of the year.

21 Revenue

The Company derives its revenue from the transfer of goods or services either at a point in time or over time. This is consistent with the revenue from third party information disclosed for each reportable segment under IFRS 8 — *Operating Segments* (see Note 25). The following table presents our third-party revenue disaggregated by revenue type. Sales and usage tax are excluded from revenue.

Segment revenue

(thousands of CAD)	Year Ended December 31, 2023	2022
Registry Operations	**$ 103,516**	$ 91,721
Services	**101,712**	92,306
Technology Solutions	**9,268**	5,849
Corporate and other	**24**	19
Total revenue	**$ 214,520**	$ 189,895

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

Timing of revenue recognition

(thousands of CAD)	Year Ended December 31, 2023	2022
At a point in time		
Registry Operations revenue	**$ 84,922**	$ 79,313
Services revenue	**100,086**	90,811
Corporate and other	**24**	19
	$ 185,032	$ 170,143
Over time		
Registry Operations revenue	**18,594**	12,408
Services revenue	**1,626**	1,495
Technology Solutions revenue	**9,268**	5,849
	$ 29,488	$ 19,752
Total revenue	**$ 214,520**	$ 189,895

In the "over time" category, some Land Registry and Corporate Registry contracts result in linear revenue recognition over the life of the contract. In Services, Recovery Solutions administration fee revenue is also recognized over the life of the asset recovery and accounts receivable management file. Likewise, the hosting, support and maintenance portion of contracts related to Technology Solutions revenue primarily results in linear revenue recognition over the life of the contract. Conversely, revenue recognition associated with the licence and solution definition and implementation portion of contracts depends on milestone achievement or percentage of completion. In 2023, the portion of Technology Solutions contract revenue recognized that was dependent on milestone achievement or percentage of completion versus total revenue recognized was 44.0 per cent (2022 — 16.0 per cent). At December 31, 2023, the Company has contracts where the milestone was either in progress or expected to be satisfied in the near term. For the unsatisfied portion of contracts dependent on milestone achievement or percentage of completion, the Company expects that 86.7 per cent (2022 — 76.4 per cent) of the total will be recognized in the next fiscal year.

Registry Operations service concession arrangement

In 2022, the Company agreed to a change pursuant to its MSA with the Government of Saskatchewan to prepare for certain updates to the Corporate Registry to support changes to legislation. Under the MSA, the Company owns the intellectual property during the term of the MSA.

As at December 31, 2023, the development associated with the change order is 100.0 per cent complete (2022 — 71.4 per cent) and an incremental $0.6 million increase to both intangible assets and other revenue was recorded in 2023 in Registry Operations related to the project (2022 — $1.0 million). The intangible asset was put into use and depreciation commenced in the first quarter of 2023.

22 Interest Expense

(thousands of CAD)	Year Ended December 31, 2023	2022
Interest expense on long-term debt	**$ 9,449**	$ 3,165
Vendor concession liability accretion	**4,332**	-
Interest on lease liabilities interest	**400**	403
Effective interest component of interest expense	**165**	72
Total interest expense	**$ 14,346**	$ 3,640

23 Related Party Transactions

Included in these consolidated financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the Company by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). The Company has elected to take the exemption under IAS 24 — *Related Party Disclosures,* which allows government-related entities to limit the extent of disclosures about related party transactions with government or other government-related entities.

Routine operating transactions with related parties are settled at agreed-upon exchange amounts under normal trade terms. In addition, the Company pays provincial sales tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases. Other amounts and transactions due to and from related parties and the terms of settlement are described separately in these consolidated financial statements and the Notes thereto.

24 Compensation of Key Management Personnel

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

(thousands of CAD)	Year Ended December 31, 2023	2022
Wages, salaries and short-term benefits	**$ 4,298**	$ 4,005
Share-based compensation	**283**	1,482
Defined contribution pension plans	**229**	214
Termination benefits	**-**	242
Total compensation	**$ 4,810**	$ 5,943

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

25 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 of 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.

Revenue and EBIT

For the year ended December 31, 2023

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and Other	Inter-Segment Eliminations	Consolidated Total
Revenue from third parties	**$ 103,516**	**$ 101,712**	**$ 9,268**	**$ 24**	**$ -**	**$ 214,520**
Plus: inter-segment revenue	**-**	**-**	**13,906**	**150**	**(14,056)**	**-**
Total revenue	**$ 103,516**	**$ 101,712**	**$ 23,174**	**$ 174**	**$ (14,056)**	**$ 214,520**
Total expenses including net finance expense	**(56,321)**	**(90,753)**	**(23,659)**	**(23,053)**	**14,056**	**(179,730)**
Income (loss) before tax	**47,195**	**10,959**	**(485)**	**(22,879)**	**-**	**34,790**
Net finance expense	**-**	**-**	**-**	**13,183**	**-**	**13,183**
EBIT[1]	**47,195**	**10,959**	**(485)**	**(9,696)**	**-**	**47,973**
Depreciation and amortization	**8,085**	**10,084**	**1,283**	**1,054**	**-**	**20,506**
EBITDA[2]	**55,280**	**21,043**	**798**	**(8,642)**	**-**	**68,479**
Share-based compensation recovery	**167**	**20**	**28**	**68**	**-**	**283**
Acquisition, integration and other costs	**3,477**	**-**	**-**	**2,094**	**(1,467)**	**4,104**
Adjusted EBITDA	**$ 58,924**	**$ 21,063**	**$ 826**	**$ (6,480)**	**$ (1,467)**	**$ 72,866**
Additions to non-current assets, including acquisitions	**$ 278,998**	**$ 4,155**	**$ 1,067**	**$ 431**	**$ -**	**$ 284,651**

For the year ended December 31, 2022

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and Other	Inter-Segment Eliminations	Consolidated Total
Revenue from third parties	$ 91,721	$ 92,306	$ 5,849	$ 19	$ -	$ 189,895
Plus: inter-segment revenue	-	-	10,168	145	(10,313)	-
Total revenue	$ 91,721	$ 92,306	$ 16,017	$ 164	$ (10,313)	$ 189,895
Total expenses including net finance expense	(43,656)	(83,356)	(18,588)	(11,590)	10,313	(146,877)
Income (loss) before tax	48,065	8,950	(2,571)	(11,426)	-	43,018
Net finance expense	-	-	-	3,177	-	3,177
EBIT[1]	48,065	8,950	(2,571)	(8,249)	-	46,195
Depreciation and amortization	2,828	9,645	1,191	1,071	-	14,735
EBITDA[2]	50,893	18,595	(1,380)	(7,178)	-	60,930
Share-based compensation recovery	875	104	148	356	-	1,483
Acquisition, integration and other costs	291	262	-	1,424	-	1,977
Adjusted EBITDA	$ 52,059	$ 18,961	$ (1,232)	$ (5,398)	$ -	$ 64,390
Additions to non-current assets, including acquisitions	$ 54,215	$ 11,087	$ 797	$ 701	$ -	$ 66,800

[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 year ended December 31, 2023, revenue within Ireland was $12.1 million (2022 — $5.0 million) and the remainder was in Canada. No single customer represented more than 10.0 per cent of the total consolidated revenue.

Assets and liabilities

As at December 31, 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**

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

Non-current assets are held in Canada, Ireland and Luxembourg. At December 31, 2023, the value of non-current assets, excluding deferred tax assets, held in Ireland and Luxembourg was collectively $11.5 million (December 31, 2022 — $11.0 million), while the remainder was held in Canada.

26 Net Change in Non-Cash Working Capital

The net change during the year comprised the following:

(thousands of CAD)	Year Ended December 31, **2023**	2022
Trade and other receivables	**$ (774)**	$ 337
Prepaid expenses	**1,411**	(1,134)
Contract assets	**(1,671)**	(101)
Accounts payable and accrued liabilities	**1,014**	6,016
Contract liabilities	**41**	1,161
Provisions and other liabilities	**(1,088)**	(1,824)
Income taxes	**(149)**	(8,292)
Net change in non-cash working capital	**$ (1,216)**	$ (3,837)

Income taxes paid, net of refunds received, for the year ended December 31, 2023, totalled $10.0 million (2022 — $20.7 million).

27 Acquisitions

No acquisitions were completed in 2023. In 2022, the Company completed three acquisitions: the UPLevel group of companies (collectively, "UPLevel"), Reamined and Regulis. Management's assessment of each acquisition under IFRS 3 — *Business Combinations* concluded that the acquisitions of Reamined and UPLevel were both business combinations whereas the acquisition of Regulis did not meet the definition of a business and as such, was treated as an asset acquisition.

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

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

[1] Total balance of $226 thousand was cash settled during 2023.

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

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

28 Commitments and Contingencies

As of December 31, 2023, the Company has commitments over the next five years as follows:

(thousands of CAD)	IT and Other Service Agreements[1]	Operating Leases and Non-lease Component of Office Leases	Total
2024	$ 6,972	$ 1,830	$ 8,802
2025	3,749	1,053	4,802
2026	3,621	763	4,384
2027	3,526	704	4,230
2028	3,154	642	3,796
Thereafter	-	512	512
Total commitments	**$ 21,022**	**$ 5,504**	**$ 26,526**

[1] Includes minimum lease commitments for low-value assets not recognized under IFRS 16.

Non-lease component of office leases

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

The Company separates the lease and non-lease components of office space, disclosing the lease payment commitments in Note 12.

Contingencies

Management's estimate of liability for claims and legal actions is based upon claims submitted. As at December 31, 2023, the estimate of liability was nil (December 31, 2022 — nil).

29 Pension Expense

The total pension costs under the Company's defined contribution plans for the year were $2.5 million (2022 — $2.1 million).

30 Subsequent Events

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