November 7, 2017

Management's Discussion and Analysis

For the Three and Nine Months Ended September 30, 2017

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1 Introduction

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

This document should be read in its entirety and is intended to complement and supplement ISC's unaudited Condensed Consolidated Interim Financial Statements ("Financial Statements") for the three and nine months ended September 30, 2017, and 2016. Additional information, including our Annual Information Form for the year ended December 31, 2016, is available on the Company's website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com.

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

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

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

This MD&A contains forward-looking statements and should be read in conjunction with the "Caution Regarding Forward-Looking Statements" section below.

This MD&A is current as of November 7, 2017.

2 Responsibility for Disclosure

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

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

3 Caution Regarding Forward-Looking Statements

Certain statements in this MD&A about ISC's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements, or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expect", "plan", "intend", "trend", "indicate", "anticipate", "believe", "estimate", "predict", "project", "targets", "strive", "strategy", "continue", "likely" or "potential", or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. By their nature, these statements involve assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements.

Discussions containing forward-looking statements may be found in this MD&A. Forward-looking statements including, without limitation, those contained in the "Outlook" section hereof, management's expectations, intentions and beliefs concerning the registry services, corporate services and information products industries, its competitive landscape, the general economy and the real estate market, prices for agricultural commodities, oil and potash, fluctuations in the Canadian dollar and other foreign currencies, statements regarding the future financial position or results of ISC, the long-term impact of certain payments of the Government of Saskatchewan, seasonality, ISC's business and service offerings outside of Saskatchewan and the competitiveness of such businesses and service offerings, business strategy, customer growth and diversification, investment in human capital, dividend expectations, creation of shareholder value, recent and proposed acquisitions, growth opportunities, development and completion of projects, capital and operating expectations, access to financing on satisfactory terms, debt levels, free cash flow, expectations for meeting future cash requirements, potential litigation, projected costs, and plans and objectives of or involving ISC are based on estimates and assumptions made by us in light of ISC's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that ISC believes are appropriate and reasonable in the circumstances. There can be no assurance that such estimates and assumptions will prove to be correct.

Certain assumptions with respect to the Canadian economy and, in particular, the Saskatchewan, Ontario, Quebec and international economies, the impact of commodity prices, such as agricultural commodities, oil and potash and the impact of changes in the value of the Canadian dollar on the Saskatchewan economy, consumer confidence, interest rates, level of unemployment, inflation, real estate market in Saskatchewan, claim liabilities, income taxes, our ability to attract and retain skilled staff, the compensation and benefits that will be paid or provided to employees and our level of customer service, as well as goodwill and intangibles, are material factors in connection with our forward-looking statements and management's expectations.

Many factors could cause actual results, levels of activity, performance or achievements, or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors:

- potential disagreements with the Government of Saskatchewan;
- ISC's limited ability to set fees;
- legislative changes that affect our business;
- the Canadian economy and, in particular, the Saskatchewan economy, including conditions within the real estate market, inflation, interest rate levels, unemployment levels and consumer behaviour;
- the level of search and registration activities, principally as related to the Land, Personal Property and Corporate Registries in Saskatchewan (collectively, the "Saskatchewan Registries");
- reliance on key personnel;
- our ability to execute our growth strategy, including the ability to complete and integrate new acquisitions and to secure contracts to provide new service offerings;
- our ability to realize growth opportunities, including the potential benefits that are anticipated to result from new acquisitions or service offerings we pursue from time to time;
- our ability to generate revenue and effectively manage costs in our Services segment, including our reliance on key customers;
- our ability to develop products and grow our market share in the registry market;
- our ability to operate effectively in international markets;
- business and economic conditions in all geographic areas where we carry on business;
- any undisclosed liabilities acquired pursuant to past or future acquisitions;
- any compromise to the integrity or security of our information assets;
- our reliance on information technology systems or a material disruption in our computer systems;
- our reliance on third-party service providers or other contractors under key contractual arrangements;
- competition for service and product offerings (other than our exclusive service offerings to the Government of Saskatchewan);
- our ability to obtain future financing;
- the adequacy of our insurance coverage;
- litigation and tax matters;
- our liability to the Government of Saskatchewan under the Master Service Agreement ("MSA") is unlimited, except in certain specified circumstances;
- any adverse changes in labour relations;
- any failure to protect ISC's intellectual property rights;

- the potential for a volatile market price for our Class A Limited Voting Shares ("Class A Shares"); and
- our ability to pay dividends, which is dependent on our ability to generate sufficient income and cash flow.

These factors should be considered carefully. We caution that the foregoing listing of important assumptions and factors is not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding ISC's financial performance and may not be appropriate for other purposes. Readers should not place undue reliance on forward-looking statements made herein.

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

We have obtained some of the market and industry data presented in this MD&A through market research, publicly available information, reports of governmental agencies, and industry publications and surveys, including various forecasts. While the Company's management generally believes such market and industry data to be reliable, the Company has not verified such market and industry data through other independent sources or other means.

4 Consolidated Highlights

4.1 Third quarter consolidated highlights

- Revenue was $23.9 million for the three months ended September 30, 2017, an increase of $1.0 million compared to $22.9 million for the three months ended September 30, 2016.
- EBITDA (earnings before interest, taxes, depreciation and amortization expense) for the third quarter of 2017 was $7.6 million compared to $7.3 million in the same quarter of last year, an increase of $0.3 million.
- The EBITDA margin for the third quarter of 2017 was 31.8 per cent compared to 32.1 per cent in the third quarter of 2016.
- Adjusted EBITDA was $8.7 million for the third quarter of 2017 compared to $9.5 million in the same quarter last year, with an adjusted EBITDA margin of 36.4 per cent for the quarter compared to 41.5 per cent in the third quarter of 2016. EBITDA was adjusted for stock-based compensation expense or income, stock option expense, transactional gains and losses on assets, and acquisition and integration costs.

- Net income for the three months ended September 30, 2017, was $1.9 million or $0.11 per basic and diluted share. In the third quarter of 2016, net income was $3.8 million or $0.22 per basic and diluted share. The decrease in the net income and earnings per share was mainly due to the impact of a one per cent reduction in substantively enacted future corporate tax rates by the Saskatchewan government during 2017. This reduced the carrying value of deferred tax assets and liabilities and resulted in a charge to the current period. Without this reduction, net income would have been $3.3 million or $0.19 per basic and diluted share.

- On August 3, 2017, our Board declared a quarterly cash dividend of $0.20 per Class A Share, paid on October 15, 2017, to shareholders of record as of September 30, 2017.

4.2 Year-to-date consolidated highlights

- Revenue was $70.0 million for the nine months ended September 30, 2017, an increase of 4.2 per cent compared to $67.2 million for the nine months ended September 30, 2016.

- EBITDA for the nine months ended September 30, 2017, was $22.2 million compared to $22.7 million in the same period last year.

- Our EBITDA margin for the nine months ended September 30, 2017, was 31.7 per cent compared to 33.8 per cent for the nine months ended September 30, 2016.

- Adjusted EBITDA was $24.4 million for the nine months ended September 30, 2017, compared to $26.1 million in the same period last year, with ISC generating an adjusted EBITDA margin of 34.9 per cent for the period compared to 38.9 per cent in the nine months ended September 30, 2016. EBITDA was adjusted for stock-based compensation expense or income, stock option expense, transactional gains and losses on assets, and acquisition and integration costs.

- Net income for the nine months ended September 30, 2017, was $9.0 million or $0.52 per basic and $0.51 per diluted share. For the nine months ended September 30, 2016, net income was $12.6 million or $0.72 per basic and diluted share. The decrease in the net income and earnings per share year-to-date was mainly due to the impact of a one per cent reduction in substantively enacted future corporate tax rates by the Saskatchewan government during 2017. This reduced the carrying value of deferred tax assets and liabilities and resulted in a charge in the third quarter. Without this reduction, net income would have been $10.5 million or $0.60 per basic and diluted share.

- On January 23, 2017, we acquired all of the issued and outstanding common shares of Enterprise Registry Solutions Ltd. ("ERS"), a global leader in the development and implementation of registry technology. The Company completed the transaction with $14.3 million of the purchase price paid on closing of the transaction and up to €5.0 million in additional consideration contingent on the retention of existing leadership and realization of future business. The purchase price was financed through a combination of cash and $10.0 million of debt, pursuant to the September 28, 2015, amended and restated Credit Facilities. The acquisition of ERS is not expected to be immediately accretive to ISC's earnings per share in 2017.

- In March 2017, we contributed additional capital of $2.5 million representing slightly more than our pro rata share of an equity raise by Dye & Durham Corporation ("Dye & Durham"), raising our ownership interest to 30.1 per cent. These funds were used to finance certain growth activities of Dye & Durham. On October 5, 2017, we sold our interest in Dye & Durham; see 4.3 Subsequent events for details.

- On June 1, 2017, through our wholly owned subsidiary, ESC Corporate Services Ltd. ("ESC"), we acquired all of the issued and outstanding common shares of Alliance Online Ltd. ("Alliance"), a personal property, corporate and land registry search and submission provider located in Mississauga, ON, for a purchase price of $1.0 million plus working capital of $0.1 million.

4.3 Subsequent events

- On October 5, 2017, the Company sold its 30.1 per cent ownership interest in Dye & Durham for $25.0 million cash.

- On November 7, 2017, our Board declared a quarterly cash dividend of $0.20 per Class A Share, payable on or before January 15, 2018, to shareholders of record as of December 31, 2017.

4.4 Select consolidated financial information

The select quarterly financial information set out for the three and nine months ended September 30, 2017 and 2016, is derived from ISC's Financial Statements and has been prepared on a consistent basis. In the opinion of the Company's management, such financial data reflects all adjustments necessary for a fair presentation of the results for those periods.

(thousands of CAD dollars, unaudited)	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
Revenue	**$ 23,862**	$ 22,894	**$ 70,004**	$ 67,174
Total comprehensive income	**1,799**	3,810	**9,408**	12,584
EBITDA[1]	**$ 7,579**	$ 7,338	**$ 22,171**	$ 22,697
Adjusted EBITDA[1]	**8,673**	9,512	**24,447**	26,117
EBITDA margin (% of revenue)[1]	**31.8%**	32.1%	**31.7%**	33.8%
Adjusted EBITDA margin (% of revenue)[1]	**36.4%**	41.5%	**34.9%**	38.9%
Free cash flow[1]	**$ 8,013**	$ 5,641	**$ 21,362**	$ 15,254
Dividend declared per share	**$ 0.20**	0.20	**$ 0.60**	0.60
Earnings per share, basic[2]	**0.11**	0.22	**0.52**	0.72
Earnings per share, diluted[2]	**0.11**	0.22	**0.51**	0.72

	As at September 30, 2017	As at December 31, 2016
Total assets	**$ 142,242**	$ 131,321
Total non-current liabilities	**$ 25,089**	$ 25,637

[1] EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin and free cash flow are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures reported by other corporations. Refer to section "Non-IFRS Financial Measures".

[2] The calculation of earnings per share was based on net income after tax and the weighted average number of shares outstanding during the period.

5 Business Overview

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

In 2013, ISC made the transition from a provincial Crown corporation, owned by the Government of Saskatchewan, to a publicly traded company with shares that began trading on July 9, 2013, on the Toronto Stock Exchange under the symbol "ISV".

ISC operates two reportable segments, defined by their primary type of service offerings, namely Registries and Services. The balance of our corporate activities and shared services functions, including the services and functions provided by our subsidiary, Enterprise Registry Solutions Ltd. ("ERS"), are reported as Corporate.

Our Registries business involves the provision of registry and information services and software solutions to governments and private sector organizations. We work with our clients to support their policies and execute procedures to ensure the integrity of the data, manage the information technology, data management and authentication processes.

Our Services business includes our wholly owned subsidiary, ESC Corporate Services Ltd. ("ESC"), which was acquired October 1, 2015. ESC provides services to law firms, corporations, financial institutions and others to fulfill a wide variety of clients' public records due diligence, filings and corporate supply requirements in connection with public business registries in Canada and certain other countries. ESC has offices in Toronto, ON, and Montreal, QC.

On January 23, 2017, we acquired ERS, which operates as a wholly owned subsidiary. With offices in Dublin, Ireland, ERS is a provider of registry technology solutions and expertise, specializing in the implementation and support of systems related to the corporate registry domain. Its registry solutions serve 33 register types and support 20 registries in Europe, North America and Asia.

On June 1, 2017, through our wholly owned subsidiary, ESC, we acquired all of the issued and outstanding common shares of Alliance Online Ltd. ("Alliance"), which was then subsequently amalgamated with and continued as ESC. Alliance is a personal property, corporate and land registry search and submission provider located in Mississauga, ON, which has been serving these registries and related markets in Canada since 1993. This acquisition provides ESC with additional capacity in personal property registry services and systems.

In addition, as at September 30, 2017, we had a 30.1 per cent ownership interest in Dye & Durham Corporation ("Dye & Durham"). Subsequent to the end of the quarter, ISC sold its interest in Dye & Durham to the other shareholders of Dye & Durham for $25.0 million in cash on October 5, 2017.

We continue to examine and pursue growth initiatives in Canada and internationally, including other potential strategic acquisitions and opportunities to provide registry and other services in additional jurisdictions.

6 Segment Information

We analyze financial performance by operating segments, which are identified as components of a company where separate discrete financial information is available for evaluation by the chief operating decision maker regarding allocation of resources and assessment of performance.

As noted previously, ISC operates two reportable segments, defined by their primary type of service offerings, namely Registries and Services. The balance of our corporate activities and shared services functions, including the services and functions provided by our subsidiary ERS, are reported as Corporate.

7 Results of Operations

Consolidated statements of comprehensive income

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD dollars)	**2017**	2016	**2017**	2016
Revenue	**$ 23,862**	$ 22,894	**$ 70,004**	$ 67,174
Expenses				
Wages and salaries	**8,612**	6,613	**24,889**	19,793
Information technology services	**2,621**	2,444	**8,085**	7,169
Depreciation and amortization	**1,685**	1,819	**5,714**	5,475
Occupancy costs	**1,310**	1,268	**3,997**	3,708
Professional and consulting services	**1,296**	1,702	**3,801**	3,957
Cost of goods sold	**952**	729	**2,764**	2,807
Financial services	**410**	401	**1,553**	1,851
Project initiatives	**860**	1,448	**1,819**	3,513
Other	**422**	430	**1,535**	1,408
Total expenses	**18,168**	16,854	**54,157**	49,681
Net income before items noted below	**5,694**	6,040	**15,847**	17,493
Finance expense (income)				
Interest income	**(88)**	(65)	**(197)**	(188)
Interest expense	**303**	143	**629**	435
Net finance expense (income)	**215**	78	**432**	247
Share of (profit) loss in associate	**(200)**	(479)	**(610)**	(729)
Change in contingent consideration	**-**	1,000	**-**	1,000
Income before tax	**5,679**	5,441	**16,025**	16,975
Income tax expense	**3,823**	1,631	**7,010**	4,391
Net income	**1,856**	3,810	**9,015**	12,584
Other comprehensive (income) loss				
Unrealized loss (gain) on translation of financial statements of foreign operations	**66**	-	**(430)**	-
Change in fair value of marketable securities (net of tax)	**(9)**	-	**37**	-
Other comprehensive (income) loss for the period	**57**	-	**(393)**	-
Total comprehensive income	**$ 1,799**	$ 3,810	**$ 9,408**	$ 12,584

Third quarter results

Consolidated revenue

Revenue was $23.9 million for the three months ended September 30, 2017, an increase of $1.0 million compared to the same period in 2016. For the nine months ended September 30, 2017, revenue increased to $70.0 million compared to $67.2 million in 2016. This increase is mainly attributable to our subsidiary, ERS, that contributed $1.0 million in revenue for the three months ended September 30, 2017, and $2.0 million for the nine months ended September 30, 2017, included in Other. Also contributing to the increase was revenue in our Services segment.

	Segments			Three Months Ended September 30,	
(thousands of CAD dollars)	Registries	Services	Corporate	**2017**	2016
Land Registry (Land Titles Registry, Land Surveys, and Geomatics)	$ 14,335	$ -	$ -	**$ 14,335**	$ 15,015
Personal Property Registry	2,531	-	-	**2,531**	2,670
Corporate Registry	2,237	-	-	**2,237**	1,860
Registries revenue	19,103	-	-	**19,103**	19,545
Services revenue	-	3,561	-	**3,561**	3,316
Other revenue	-	-	1,198	**1,198**	33
Total revenue	$ 19,103	$ 3,561	$ 1,198	**$ 23,862**	$ 22,894

	Segments			Nine Months Ended September 30,	
(thousands of CAD dollars)	Registries	Services	Corporate	**2017**	2016
Land Registry (Land Titles Registry, Land Surveys, and Geomatics)	$ 41,031	$ -	$ -	**$ 41,031**	$ 41,882
Personal Property Registry	7,659	-	-	**7,659**	7,675
Corporate Registry	7,675	-	-	**7,675**	6,828
Registries revenue	56,365	-	-	**56,365**	56,385
Services revenue	-	10,867	-	**10,867**	10,211
Other revenue	-	-	2,772	**2,772**	578
Total revenue	$ 56,365	$ 10,867	$ 2,772	**$ 70,004**	$ 67,174

Registries

Overall

Revenue for our Registries segment was $19.1 million for the three months ended September 30, 2017, a decrease of $0.4 million or 2.3 per cent compared to the third quarter in 2016. For the nine months ended September 30, 2017, revenue was $56.4 million, flat compared to the same period last year. Overall third quarter revenues were lower due to decreased revenue from the Land Registry, which was partially offset by an increase in revenue from the Corporate Registry.

The Company's top five customers for the Registries segment represent 18.7 per cent of total revenue for the segment for the first nine months of 2017. Of those customers, no single customer represented more than 10.0 per cent of the total segment revenue.

Land Registry

Revenue for the Land Registry was $14.3 million for the quarter ended September 30, 2017, a decrease of 4.5 per cent compared to the same period in 2016. Revenue for the Land Registry was $41.0 million for the nine months ended September 30, 2017, a decrease of $0.9 million or 2.0 per cent compared to the same period in 2016.

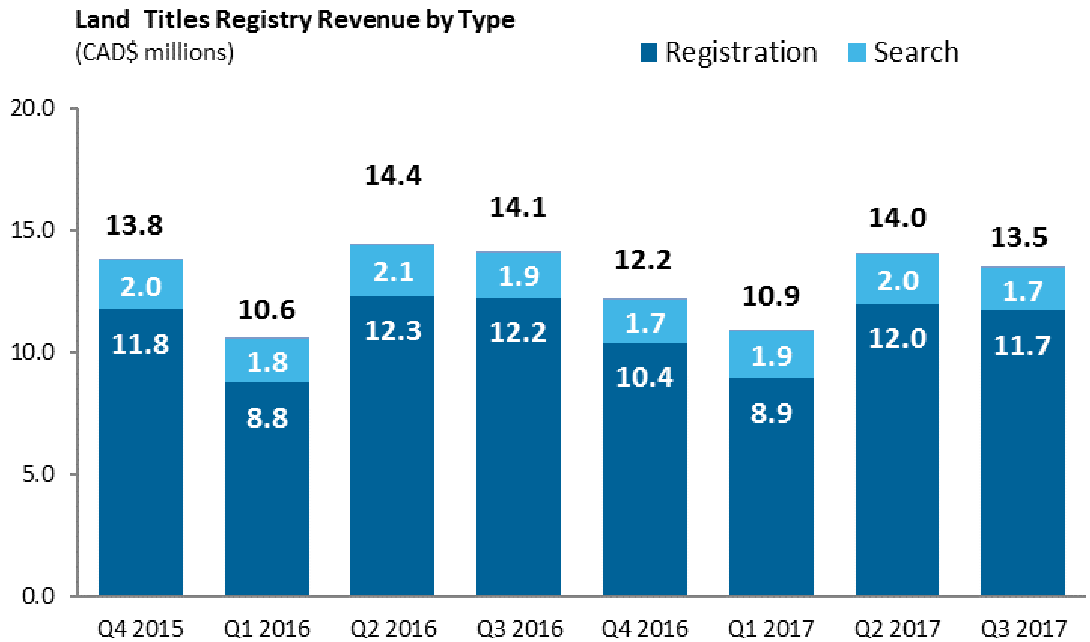
(i) Land Titles Registry

Land Titles Registry revenue for the third quarter of 2017 was $13.5 million, a decrease of $0.6 million or 4.6 per cent compared to the same period in 2016. This was primarily due to lower interest registration revenue in 2017 versus 2016, as the third quarter of 2016 revenue was abnormally high because of an influx of resource sector based interest transactions. Revenue was down 1.9 per cent for the nine months ended September 30, 2017, at $38.3 million compared to $39.1 million in the same period in 2016.

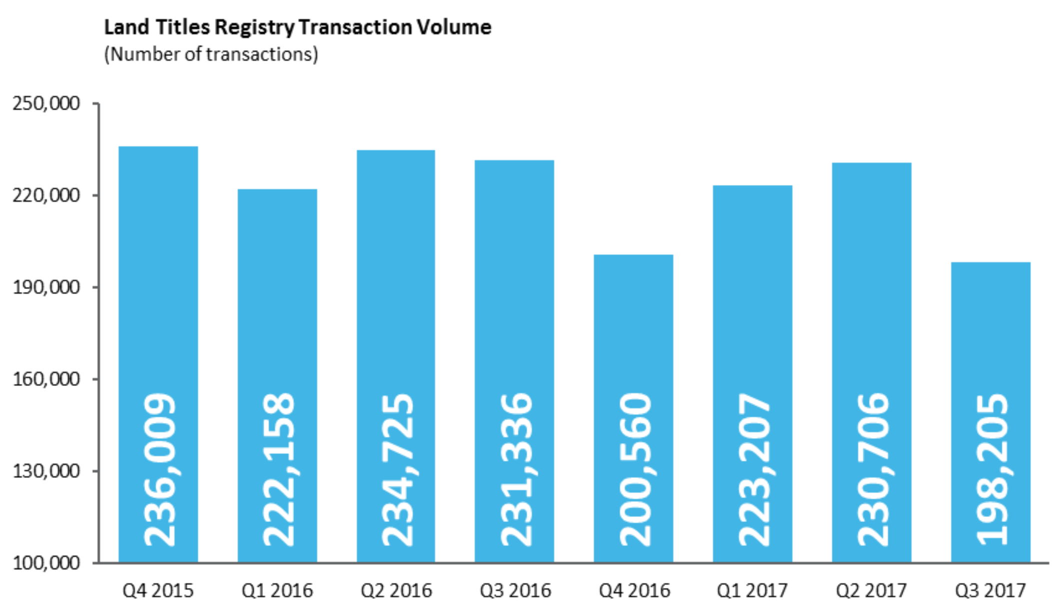
The majority of the revenue in the Land Titles Registry comes from value-based fees. While most of 2016 saw declines of average land values for regular land transfers, 2017 year-to-date has shown improvement. Following increases in the first and second quarters of 2017, average land values moved up by 8.1 per cent in the third quarter of 2017 (after removing the impact of unusual high-value transactions), compared to the same period in 2016. High-value property registration revenue for the third quarter of 2017 was $2.0 million, up $1.2 million compared to last year, largely due to two unusual high-value property registrations worth $0.9 million in revenue. Each high-value registration generated revenue of $10,000 or more.

Despite the increase in average land values, overall transaction volumes dropped by 14.3 per cent for the third quarter of 2017 compared to the same period last year, due to declines in key transaction types. The volume of regular land transfers, mortgage registrations and title searches fell by 7.6 per cent, 9.6 per cent and 6.6 per cent, respectively compared to the same period in 2016.

The following graphs show the Land Titles Registry revenue by type of transaction and the overall transaction volume, respectively. Seasonality remains consistent year-over-year with the third quarter typically generating slightly less revenue than the second quarter. For more information on seasonality, please refer to the "Summary of Consolidated Quarterly Results".



Note: Values may not add up due to rounding from minor Maintenance transactions not displayed.



Land Titles Registry primary customers are legal firms, financial institutions, developers and resource-based companies. For the first nine months of 2017, our top 20 Land Titles Registry customers represented 40.7 per cent of our revenue and our top 100 Land Titles Registry customers represented 75.6 per cent of revenue.

(ii) Land Surveys and Geomatics

Collectively, the revenue from Land Surveys and Geomatics was $0.9 million for the third quarter, a decrease of 3.7 per cent compared to last year. For the nine months ended September 30, 2017, revenue was $2.7 million, down $0.1 million compared to $2.8 million in the same period in 2016.

Revenue from Land Surveys was down 8.9 per cent for the third quarter in 2017 compared to the same period in 2016. This was primarily due to a decline in overall transaction volumes, which were down 11.4 per cent compared to the third quarter of 2016.

Land Surveys customers include surveyors, developers, resource companies, government and other businesses that access our mapping systems and survey plans to support their development plans. For the nine months ended September 30, 2017, our top 20 Land Surveys customers made up 90.3 per cent of our revenue, whereas the top 100 customers accounted for 95.5 per cent.

Geomatics revenue was flat for the third quarter compared to the same quarter last year.

Geomatics customers include government departments (provincial and municipal), resource companies, land developers, other businesses and the public. They also include utility, pipeline and transportation companies. For the nine months ended September 30, 2017, our top 20 Geomatics customers comprised 85.5 per cent of our revenue, while our top 100 customers represented 97.9 per cent of revenue.

Personal Property Registry

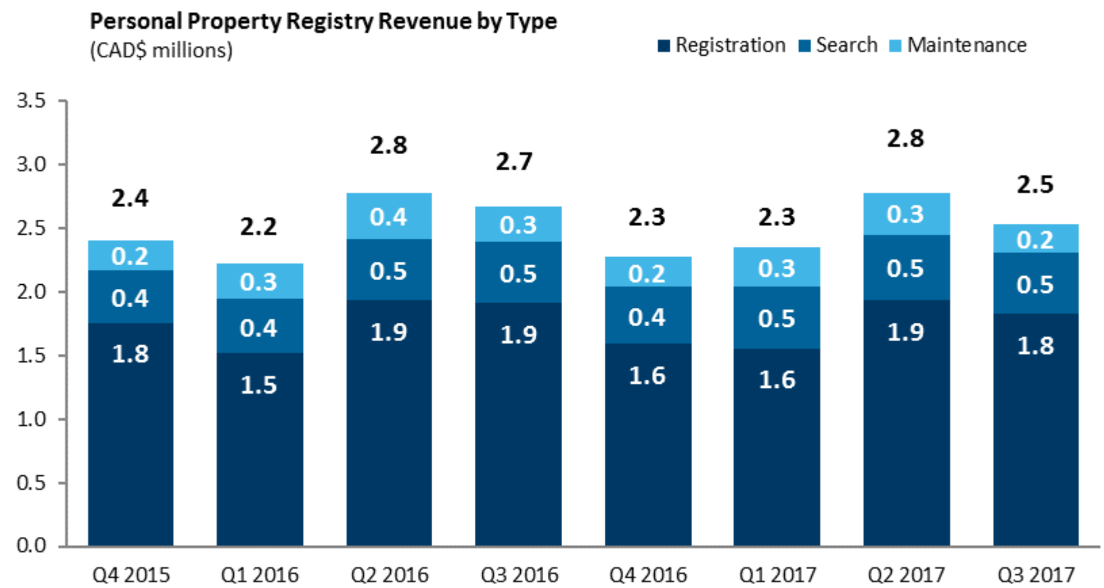
Revenue for the Personal Property Registry for the third quarter of 2017 was $2.5 million, a drop of 5.2 per cent compared to the same period in 2016. For the first nine months of 2017, revenue was essentially flat at $7.7 million compared the same period last year.

Personal Property Registry includes all moveable property, of which motor vehicles is one category. Although 2017 (January to August) saw new motor vehicle sales (units) increase by 11.0 per cent in Saskatchewan compared to the same period in 2016[1], personal property security registration setups saw

[1] Statistics Canada Table 079-0003 – New motor vehicle sales, Canada, provinces and territories, CANSIM (database), accessed October 19, 2017.

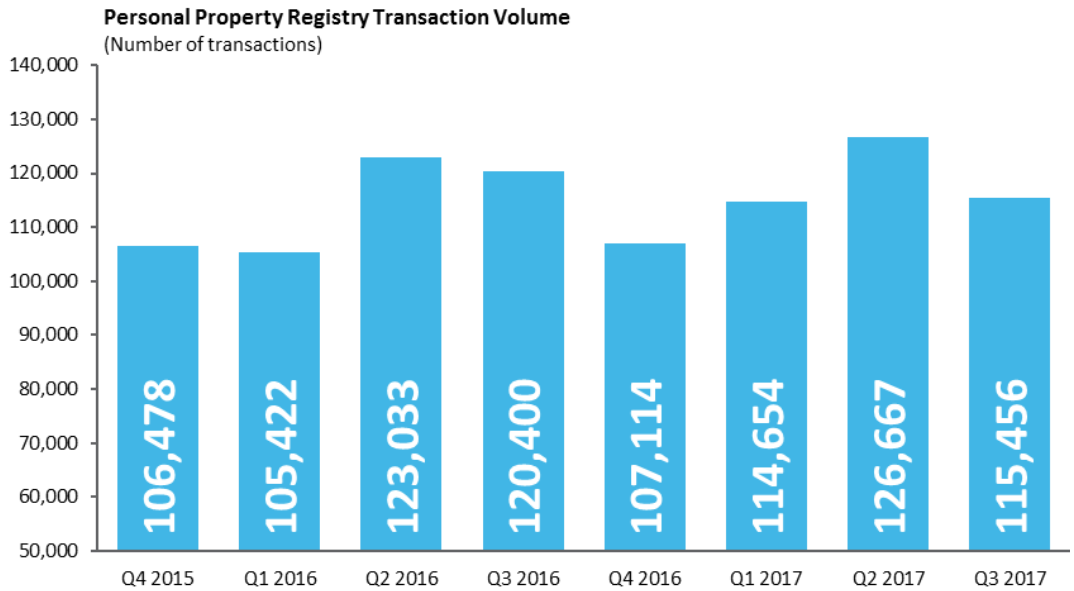
volumes drop in the third quarter of 2017 by 4.6 per cent compared to the same period in 2016. Revenue for the same transaction type decreased by 4.7 per cent compared to the same period last year.

The graph below depicts the Personal Property Registry revenue by type of transaction. Compared to the same period last year, third quarter 2017 registration, search and maintenance revenue was lower by 4.5 per cent, 0.7 per cent and 18.0 per cent, respectively. Revenue results for the third quarter align with the typical pattern of seasonality, which are weaker compared to the second quarter.



Note: Values may not add due to rounding.

Transaction volumes for the third quarter of 2017 decreased by 4.1 per cent compared to the same period last year. Specifically, registration volumes declined by 3.5 per cent and search transactions by 1.2 per cent, along with a 22.4 per cent decline in maintenance volumes.



Customers of the Personal Property Registry largely come from the financial sector in addition to legal firms. The top 20 Personal Property Registry customers generated 80.7 per cent of the revenue for the first nine months of 2017, while the top 100 made up 93.4 per cent of our revenue.

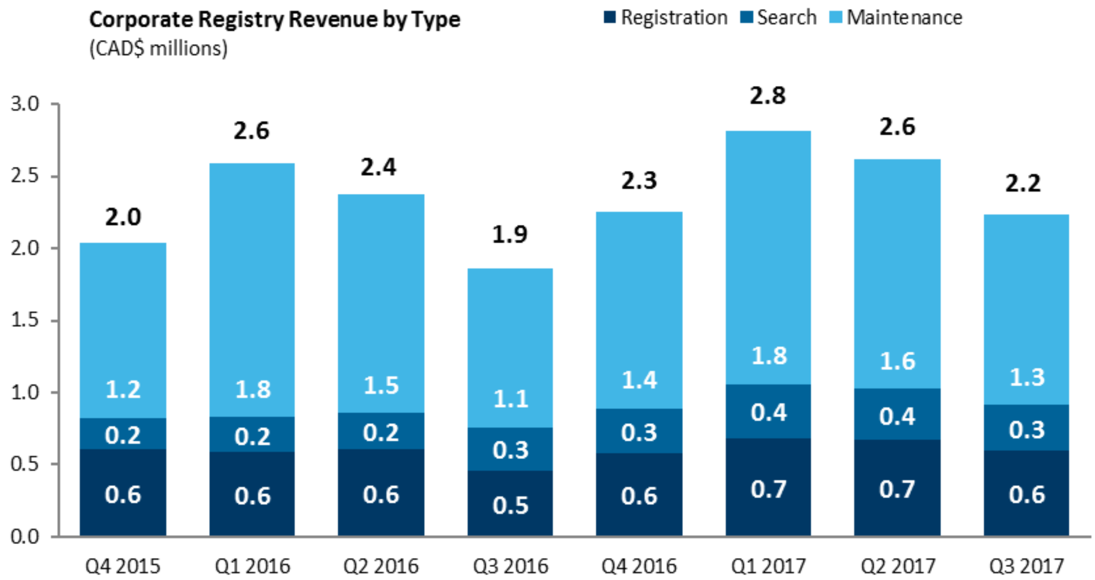
Corporate Registry

Revenue for the Corporate Registry for the quarter ended September 30, 2017, was $2.2 million, an increase of $0.4 million, or 20.2 per cent, compared to the same period in 2016. This quarterly variance is largely explained by reduced transaction volumes experienced in the third quarter of 2016, immediately post-launch of the new system for the Saskatchewan Corporate Registry in July 2016. For the nine months ended September 30, 2017, revenue was $7.7 million, up 12.4 per cent, compared to $6.8 million for the same period last year.

With the launch of the new system, we implemented a number of permanent changes to the services and fee structure. Structural changes to how we record volumes and the new fee schedule, which included targeted fee increases resulted in increased revenue for the registry.

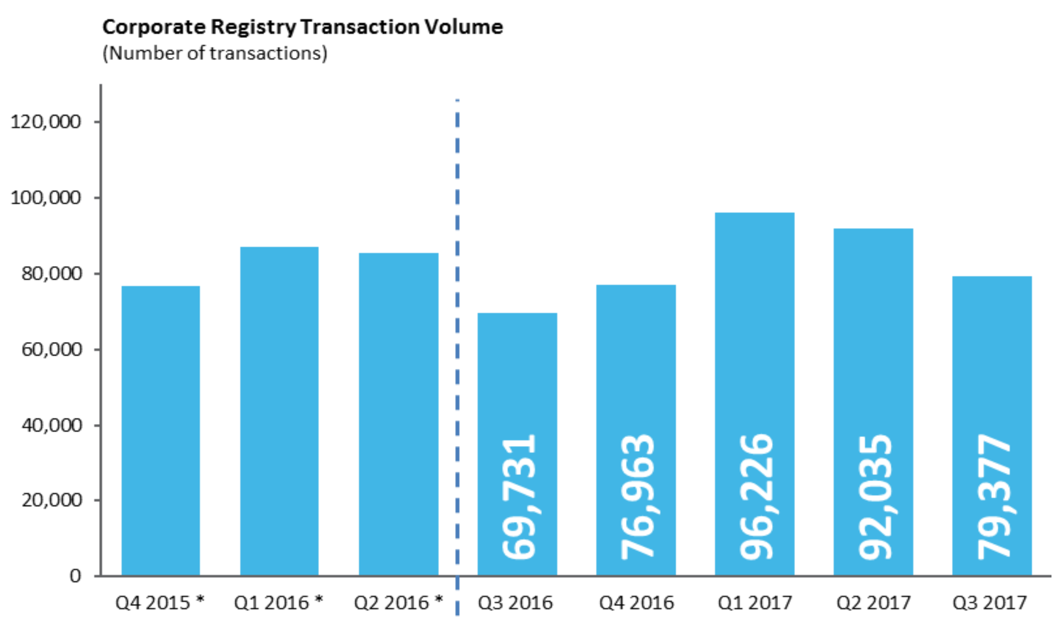
With the reduced volumes from the new system implementation in 2016 in mind, revenue from the filing of annual returns and renewals increased by 30.3 per cent in the third quarter of 2017 compared to the same period of 2016. Revenue from the incorporation and registration of new business entities also increased by 28.3 per cent compared to the third quarter last year. Search revenue increased by 5.8 per cent compared to the third quarter of 2016.

The following graph depicts revenue by type of transaction. Corporate Registry revenue for the third quarter of 2017 increased compared to the same period in 2016 due to improvements across maintenance and registration transaction types. Quarterly revenue continues to mirror the Company's typical pattern of seasonality.



Note: Values may not add due to rounding.

The graph below shows the transaction volumes for the Corporate Registry for the third quarter of 2017. The Corporate Registry system implementation and the new fee schedule (both implemented in July 2016), changed the way we record volumes for fee generating transactions. We adjusted the historical trending in the graph below to approximate expected comparative volumes under the current system.



**Note: As noted above, we adjusted historical trending to approximate expected comparative volumes under the current structure.*

Transaction volumes for the third quarter of 2017 increased by 13.8 per cent compared to the same period last year. Specifically, registration volumes grew by 35.3 per cent, search transactions by 2.7 per cent, and maintenance volumes by 36.4 per cent when compared to the same period in 2016. As mentioned previously, the system transition that occurred in July 2016 included some temporary fee adjustments and resulted in some planned downtime, which affected revenue and volumes in the third quarter of 2016.

As of September 30, 2017, there were approximately 75,175 active Saskatchewan Business Corporations registered with the Corporate Registry compared to 73,743 as at September 30, 2016.

For the Corporate Registry, customers largely include legal firms and companies in the financial sector. They also include businesses such as corporations, non-profit corporations, co-operatives and sole proprietorships that were, or will be, registered in the Corporate Registry. The top 20 Corporate Registry customers accounted for 32.5 per cent of revenue for the first nine months of 2017, whereas the top 100 customers made up 50.2 per cent of revenue.

Services

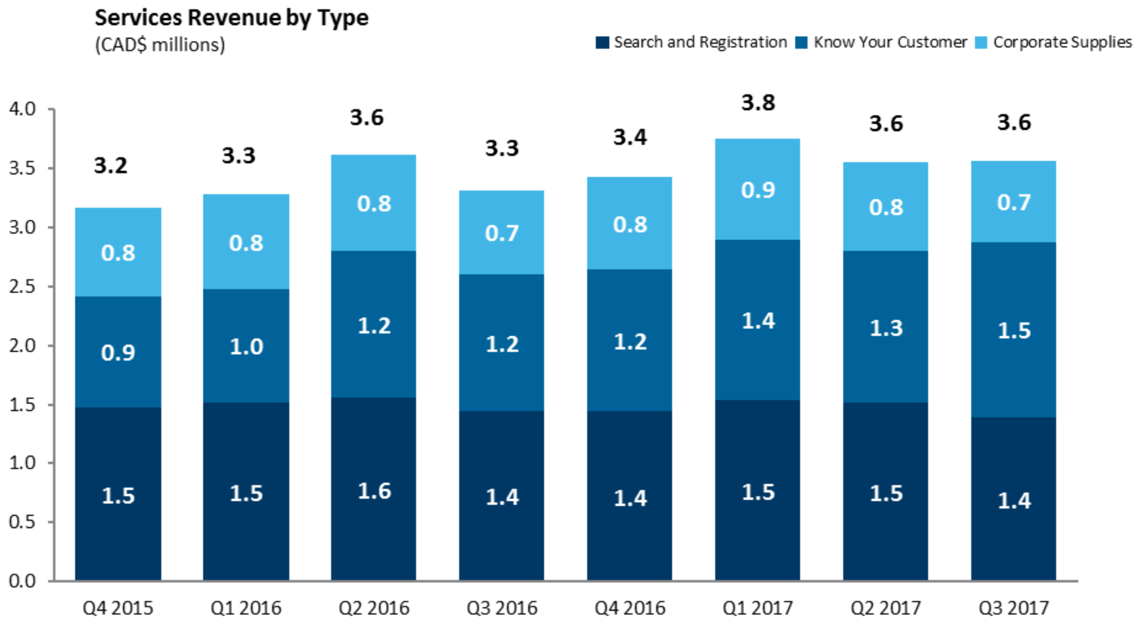
Revenue in our Services segment for the three months ended September 30, 2017 was $3.6 million. This is an increase of $0.2 million, or 7.4 per cent, compared to the third quarter of 2016. For the nine months ended September 30, 2017, revenue was $10.9 million compared to $10.2 million for the same period of 2016, up 6.4 per cent.

The revenue is linked to clients – law firms, financial institutions and professional firms – and the business they undertake on behalf of companies across Canada. Economic activity can affect credit lending, mergers, acquisitions, incorporations and various new business start-up activities, which drives activity for our Services segment.

Know-Your-Customer ("KYC") services revenue for the third quarter of 2017 was $1.5 million or 41.5 per cent of total revenue and grew by 28.3 per cent compared to the same quarter last year. For the first nine months of 2017, revenue was $4.1 million compared to $3.4 million for same period of 2016. The increase was due to new customer onboarding and organic growth of the existing customer base. KYC services are provided primarily to financial institutions.

Search and registration services revenue, which represents 39.2 per cent of total revenue, decreased 3.5 per cent to $1.4 million for the third quarter compared to the same period in 2016. For the first nine months of 2017, revenue was $4.4 million compared to $4.5 million last year. The decrease was due to slightly lower transaction volumes for the quarter. Search and registration services are provided primarily to lawyers and law firms.

Corporate supplies revenue for the third quarter of 2017 was $0.7 million or 19.3 per cent of the total Services segment revenue, a decrease of 4.4 per cent compared to the same period in 2016. For the nine months ended September 30, 2017, revenue was essentially flat at $2.3 million compared to last year. The corporate supply business is traditionally static with little seasonality. The revenue decrease for the third quarter was due to timing of customer orders. Corporate supplies and services are primarily provided to lawyers and law firms.



The top 20 Services customers comprised about 49.2 per cent of the revenue for the nine months ended September 30, 2017, while the top 100 customers made up nearly 64.9 per cent of revenue. No single customer accounted for more than 25.0 per cent of Services revenue in the same period.

Consolidated expenses

For the three months ended September 30, 2017, consolidated expenses (all segments) were $18.2 million, an increase of 7.8 per cent, compared to $16.9 million for the same period of 2016. Expenses for the nine months ended September 30, 2017, were $54.2 million compared to $49.7 million for the same period of 2016, an increase of 9.0 per cent.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD dollars)	**2017**	2016	**2017**	2016
Expenses				
Wages and salaries	**$ 8,612**	$ 6,613	**$ 24,889**	$ 19,793
Information technology services	**2,621**	2,444	**8,085**	7,169
Depreciation and amortization	**1,685**	1,819	**5,714**	5,475
Occupancy costs	**1,310**	1,268	**3,997**	3,708
Professional and consulting services	**1,296**	1,702	**3,801**	3,957
Cost of goods sold	**952**	729	**2,764**	2,807
Financial services	**410**	401	**1,553**	1,851
Project initiatives	**860**	1,448	**1,819**	3,513
Other	**422**	430	**1,535**	1,408
Total expenses	**$ 18,168**	$ 16,854	**$ 54,157**	$ 49,681

The increase in expenses was due to a combination of the following:

- Wages and salaries were $8.6 million, up $2.0 million, for the three months ended September 30, 2017, compared to the same period in 2016. Wages and salaries for the nine months ended September 30, 2017, were $24.9 million compared to $19.8 million in the same period of 2016. The increase was mainly the result of additional wages and salaries from our subsidiary, ERS, which we acquired in January 2017 and the timing of accruals related to our Short-term Incentive Plan. Other factors included additional staffing in our Services segment to support new clients, annual merit increases for out-of-scope employees across our segments, and increases to our in-scope employee salaries as per the Collective Bargaining Agreement, which was ratified in July 2016.

- Information technology service costs were $2.6 million, up $0.2 million for the quarter compared to the third quarter of 2016 and for the nine months ended September 30, 2017, were $8.1 million compared to $7.2 million for the same period of 2016. The increase in the quarter reflects costs associated with the agreement with DXC Technology Company (formerly Hewlett-Packard (Canada) Co.) to terminate the technology services contract effective September 15, 2017, rather than the original November 30, 2017, end date. The increase for the nine months ended September 30, 2017, compared to the same period of 2016 was primarily due to the costs associated with terminating the DXC contract. Consistent with our purchase of ERS in January 2017, the Company is consolidating support and development functions internally to realize future cost savings.

- Depreciation and amortization costs were $1.7 million for the three months ended September 30, 2017, compared to $1.8 million in the same period of 2016. Depreciation and amortization costs for the nine months ended September 30, 2017, were $5.7 million compared to $5.5 million in the same period of 2016. The slight increase year-to-date was a result of additional amortization and depreciation of both new and acquired assets from our subsidiaries ERS and ESC.

- Occupancy costs remained flat at $1.3 million for the three months ended September 30, 2017, compared to 2016 and increased to $4.0 million for the nine months ended September 30, 2017, from $3.7 million in the same period of 2016. The increase was due to the addition of our subsidiary, ERS and general occupancy cost increases.

- Professional and consulting services were $1.3 million and $3.8 million for the three and nine months ended September 30, 2017, respectively, compared to $1.7 million and $4.0 million in the same periods of 2016. Professional and consulting services encompasses a wide range of activities, and the reduction in 2017 is due to a different mix of services incurred.

- Financial services were flat at $0.4 million for the three months ended September 30, 2017 compared to the same period in 2016 and were $1.6 million for the nine months ended September 30, 2017, compared to $1.9 million in 2016. The decrease year-to-date is due to a gain on foreign exchange difference related to our subsidiary ERS.

- Cost of goods sold was $1.0 million for the third quarter of 2017, an increase of $0.2 million compared to the third quarter of 2016 and were flat at $2.8 million for the nine months ended September 30, 2017, compared to the same period of 2016. The rise in the quarter was due to cost of goods increases for our corporate supplies business in our Services segment.

- Project initiatives were $0.9 million for the three months ended September 30, 2017, compared to $1.4 million for the same period in 2016. Project initiatives were $1.8 million for the nine months ended September 30, 2017, compared to $3.5 million for the same period in 2016. The decrease was due to both timing and a reduction in the number of projects in the first nine months of 2017 compared to the same period in 2016.

- Other expenses were flat for the quarter compared to the same period in 2016 and only modestly increased to $1.5 million for the nine months ended September 30, 2017, as compared to $1.4

million for the nine months ended September 30, 2016. The slight increase was due to travel and business costs associated with our subsidiary, ERS.

Net finance expense (income)

Net finance expense was $0.2 million for the three months ended September 30, 2017, compared to $0.1 million for the same period in 2016 and $0.4 million for the nine months ended September 30, 2017, compared to $0.2 million for the nine months ended September 30, 2016. The increase was due to the draw down of the operating facility to fund the acquisition of ERS.

Asset held for sale and investment in associate

During the quarter, the Company received an offer from Dye & Durham's existing shareholders to sell its 30.1 per cent ownership interest in Dye & Durham for $25.0 million subject to a number of terms and conditions, including completion of a sale and purchase agreement. On October 5, 2017, subsequent to the end of the quarter, the sale was completed (see Note 23). As at September 30, 2017, the Company has classified its investment in Dye & Durham as an asset held for sale and recorded it at the lower of its carrying value or the fair value less costs to sell.

Change in contingent consideration

ISC's acquisition of ESC included performance-based contingent consideration to the previous owner. During the third quarter of 2016, management assessed and increased its estimate of the consideration by $1.0 million due to the performance of ESC through the third quarter. The net impact of the change in contingent consideration was included in 'change in contingent consideration' on the consolidated statement of comprehensive income. The contingent consideration amount was settled in the fourth quarter of 2016.

Net income and earnings per share

Net income for the three months ended September 30, 2017, was $1.9 million or $0.11 per basic and diluted share, compared to $3.8 million or $0.22 per basic and diluted share for the same period in 2016. Net income and total comprehensive income for the nine months ended September 30, 2017, was $9.0 million or $0.52 per basic and $0.51 per diluted share, compared to $12.6 million or $0.72 per basic and diluted share for the same period in 2016. The decrease in both the quarterly and year-to-date net income and earnings per share was mainly due to the impact of a one per cent reduction in substantively enacted future corporate tax rates by the Saskatchewan government during 2017. This reduced the carrying value of deferred tax assets and liabilities and resulted in a charge to the current period. Without this reduction, net income for the third quarter of 2017 would have been $3.3 million or $0.19 per basic and diluted share and for the nine months ended September 30, 2017, would have been $10.5 million or $0.60 per basic and $0.59 per diluted share. Subsequent to the end of the quarter, the Saskatchewan government announced plans to reverse the one per cent reduction in corporate tax rates. The Company expects that the rate reversal, when applied to deferred tax assets and liabilities, will increase the value of those assets and liabilities. Once the proposed legislation is substantively enacted, the Company expects to record the impact of the rate reversal in a future period.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD dollars)	**2017**	2016	**2017**	2016
Registries	**$ 3,671**	$ 4,290	**$ 10,546**	$ 13,579
Services	**364**	(796)	**832**	(307)
Corporate	**(2,179)**	316	**(2,363)**	(688)
Net income	**$ 1,856**	$ 3,810	**$ 9,015**	$ 12,584

Adjusted EBITDA

Adjusted EBITDA was $8.7 million, a 36.4 per cent margin, for the three months ended September 30, 2017, compared to $9.5 million, a 41.5 per cent margin, for the same period in 2016. For the first nine months of 2017, adjusted EBITDA was $24.4 million, a 34.9 per cent margin, compared to $26.1 million, a 38.9 per cent margin, for the same period last year. Refer to section "Financial Measures and Key Performance Indicators" for a reconciliation of EBITDA to adjusted EBITDA.

8 Summary of Consolidated Quarterly Results

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

Our Services segment is sufficiently diversified with little seasonality to its revenue performance. However, some smaller categories of products or services can have some seasonal variation, slightly increasing during the second and fourth quarters.

The balance of our corporate activities and shared services functions, as well as the services and functions of ERS, reported as Corporate, do not experience seasonality. Expenses are generally consistent from quarter to quarter, but can fluctuate due to the timing of project-related activities or the addition of acquisitions.

As a result of the above, our EBITDA margin fluctuates in line with the above factors.

	2017			2016				2015
(thousands of CAD dollars)	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	**$ 23,862**	$ 24,646	$ 21,496	$ 21,201	$ 22,894	$ 24,674	$ 19,606	$ 22,579
Expenses	**18,168**	18,406	17,583	18,248	16,854	16,468	16,359	16,219
Net income before items noted below	**5,694**	6,240	3,913	2,953	6,040	8,206	3,247	6,360
Net finance expense (income)	**215**	105	112	74	78	83	85	59
Share of (profit) loss in associate	**(200)**	(587)	(177)	925	479	263	(13)	52
Change in contingent consideration	**-**	-	-	-	(1,000)	-	-	-
Income before tax	**5,679**	6,722	3,624	3,804	5,441	8,386	3,149	6,353
Income tax expense	**3,823**	1,989	1,198	885	1,631	1,808	953	1,786
Net income	**$ 1,856**	$ 4,733	$ 2,426	$ 2,919	$ 3,810	$ 6,578	$ 2,196	$ 4,567
Other comprehensive (income) loss	**57**	546	(96)	-	-	-	-	-
Total comprehensive income	**$ 1,799**	$5,279	$2,330	$ 2,919	$ 3,810	$ 6,578	$ 2,196	$ 4,567
EBITDA margin (% of revenue)[1]	**31.8%**	35.8%	26.8%	32.2%	32.1%	41.7%	25.9%	36.3%
Adjusted EBITDA margin (% of revenue)[1]	**36.4%**	38.8%	28.9%	34.6%	41.5%	45.1%	27.9%	38.2%
Earnings per share, basic	**$ 0.11**	$ 0.27	$ 0.14	$ 0.17	$ 0.22	$ 0.38	$ 0.13	$ 0.26
Earnings per share, diluted	**$ 0.11**	$ 0.27	$ 0.14	$ 0.17	$ 0.22	$ 0.37	$ 0.12	$ 0.26

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

9 Financial Measures and Key Performance Indicators

Revenue, expenses and net income are key performance indicators the Company uses to manage its business and evaluate its financial results and operating performance.

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

Consolidated earnings before interest, taxes, depreciation and amortization

	Three months Ended September 30,		Nine months Ended September 30,	
(thousands of CAD dollars)	**2017**	2016	**2017**	2016
Net income	**$ 1,856**	$ 3,810	**$ 9,015**	$ 12,584
Depreciation and amortization	**1,685**	1,819	**5,714**	5,475
Net finance expense (income)	**215**	78	**432**	247
Income tax expense	**3,823**	1,631	**7,010**	4,391
EBITDA[1]	**7,579**	7,338	**22,171**	22,697
Adjustments				
Stock-based compensation expense	**44**	268	**260**	371
Stock option expense	**142**	109	**351**	280
Acquisition and integration costs	**910**	1,797	**1,666**	2,769
(Gain) loss on disposal of property, plant and equipment assets	**(2)**	-	**(1)**	-
Adjusted EBITDA[1]	**$ 8,673**	$ 9,512	**$ 24,447**	$ 26,117
EBITDA margin (% of revenue)[1]	**31.8%**	32.1%	**31.7%**	33.8%
Adjusted EBITDA margin (% of revenue)[1]	**36.4%**	41.5%	**34.9%**	38.9%

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

Consolidated free cash flow

(thousands of CAD dollars)	Three Months Ended September 30, 2017	2016	Nine Months Ended September 30, 2017	2016
Cash provided by operating activities	**$ 10,727**	$ 8,078	**$ 24,522**	$ 20,113
Cash additions to property, plant and equipment	**(64)**	(97)	**(158)**	(830)
Cash additions to intangible assets	**(56)**	(633)	**(258)**	(4,270)
Net change in non-cash working capital[1]	**(2,594)**	(1,707)	**(2,745)**	241
Consolidated free cash flow[2]	**$ 8,012**	$ 5,641	**$ 21,361**	$ 15,254

[1] Refer to Note 21 of the Financial Statements for reconciliation.

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

Consolidated free cash flow for the three months ended September 30, 2017, was $8.0 million compared to $5.6 million for the same period of 2016 and $21.4 million for the nine months ended September 30, 2017, compared to $15.3 million last year. The increase in 2017 is primarily due to a refund for 2016 taxes received in the third quarter of 2017, reduced spending on project initiatives and capital expenditures and changes to net change in non-cash working capital. For more details, see Note 21 in the Unaudited Condensed Consolidated Interim Financial Statements for the three and nine months ended September 30, 2017.

10 Outlook

The following section includes forward-looking statements, including statements related to economic conditions in Canada and, in particular, Saskatchewan, Ontario and Quebec, as well as internationally, real gross domestic product, revenues, EBITDA, expenses, capital expenditures, integration and growth. Refer to the section "Caution Regarding Forward-Looking Statements".

The Bank of Canada raised its overnight lending rate twice during the quarter, on July 12th and September 6th. The Bank stated, "Recent economic data have been stronger than expected, supporting the Bank's view that growth in Canada is becoming more broadly-based and self-sustaining" and expects a moderate pace for the second half of the year[2]. Interest rate changes often influence consumer behavior and, as such, may affect ISC's business. We expect it will take time for this change to take

[2] Bank of Canada – Monetary Policy Report July 2017 and corresponding Press Release "Bank of Canada increases overnight rate target to 3/4 per cent", July 12, 2017, along with the Press Release "Bank of Canada increases overnight rate target to 1 per cent", September 6, 2017.

effect, including its impact on other macro-economic indicators.

Also of note, on October 17, 2017, the Office of the Superintendent of Financial Institutions Canada (OSFI) announced revisions to its mortgage rules, which now include a requirement to "stress test" borrowers with uninsured loans to ensure they could withstand increases in interest rates. These new rules will become effective January 1, 2018[3]. Although not certain, these revisions may impact our Registries segment in the coming financial year.

For our Registries segment, we expect to see muted economic growth in Saskatchewan for the remainder of the year and heading into 2018. Several banks have re-forecasted Saskatchewan's 2017 real Gross Domestic Product both upward and downward since our last reporting period, indicating a difference in perspective on where 2017 will end. Given the lower volumes we have observed within some of our Registries in the third quarter of 2017, we anticipate results for the segment overall to be similar to 2016.

For our Services segment, we anticipate the Ontario and Quebec economies to continue to deliver modest growth based on optimism in recent real Gross Domestic Product external forecasts. Overall, we expect moderate growth year-over-year in the Services segment due to organic growth, specifically for KYC services, which we anticipate through to the end of 2017. Margins overall for 2017 are forecasted to remain flat as revenue from new customer engagements will not be recognized until 2018.

The key drivers of our consolidated expenses will continue to be wages, salaries and information technology costs, as well as the pursuit of new business opportunities. In 2017, the Company also focused on the integration of ERS into both our business and sales activities. ERS continues to provide support for RegSys, the technology platform of the Saskatchewan Corporate Registry. For the remainder of 2017, we anticipate the pursuit of potential revenue opportunities in Ireland and globally.

Based on these factors, ISC continues to expect an EBITDA margin of between 31.0 per cent and 33.0 per cent in 2017. We have revised our guidance for Capital Expenditures for 2017 downward from a range of \$3.5 - \$5.0 million, to a range of \$1.0 - \$2.0 million due to management's focus on integration activities and the resultant changes to the timing and nature of certain planned projects, and our gradual shift to more hosted and cloud service providers. Management expects capital expenditures for 2018 to return to historic levels as we resume our planned activities.

[3] Office of the Superintendent of Financial Institutions Canada (OSFI) – News Release "OSFI is reinforcing a strong and prudent regulatory regime for residential mortgage underwriting", October 17, 2017.

11 Liquidity and Capital Resources

11.1 Cash flow

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

Historically, ISC has financed its operations and met its capital and finance expenditure requirements through cash provided from operating activities. Most recently, the Company has also utilized borrowing to supplement cash generated from operations to finance acquisition activities. The Company believes that internally generated cash flow, supplemented by additional borrowing that may be available to us (refer to Note 15 of the Financial Statements for our existing Credit Facilities), will be sufficient to meet cash requirements, capital expenditures and anticipated dividend payments.

Liquidity risk is managed based on financial forecasts and anticipated cash flow. The majority of cash is held with Canadian chartered banks and the risk of loss is believed to be minimal. As at September 30, 2017, the Company held $38.6 million in cash, compared to $33.5 million as at December 31, 2016, an increase of $5.1 million.

The Company expects to be able to meet its cash requirements, including being able to settle current liabilities of $28.6 million (December 31, 2016 – $16.4 million) and meet any unanticipated cash requirements due to changes in working capital commitments. Such changes that would affect our liquidity may arise from, among other factors, general economic conditions and the failure of one or more customers to pay their obligations. Deficiencies arising from short-term working capital requirements and capital expenditures may be financed on a short-term basis with bank indebtedness or on a permanent basis with offerings of securities.

The following table summarizes our sources and uses of funds for the three and nine months ended September 30, 2017, and 2016:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD dollars)	**2017**	2016	**2017**	2016
Net cash flow provided by operating activities	**$ 10,727**	$ 8,078	**$ 24,522**	$ 20,113
Net cash flow (used in) investing activities	**(31)**	(965)	**(17,279)**	(6,416)
Net cash flow (used in) financing activities	**(3,731)**	(4,018)	**(2,215)**	(12,013)
Increase in cash	**6,964**	3,095	**5,038**	1,684
Cash, beginning of period	**31,607**	35,010	**33,533**	36,421
Cash, end of period	**$ 38,571**	$ 38,105	**$ 38,571**	$ 38,105

Net cash flow provided by operating activities

Net cash flow provided by operating activities for the three months ended September 30, 2017, was $10.7 million compared to $8.1 million for the same period in 2016 and for the nine months ended September 30, 2017, was $24.5 million compared to $20.1 million for the same period in 2016. The increase in 2017 was mainly due to a refund for 2016 taxes received in the third quarter of 2017 and changes to net change in non-cash-working capital. For more details, see Note 21 in the Unaudited Condensed Consolidated Interim Financial Statements for the three and nine months ended September 30, 2017.

Net cash flow used in investing activities

Net cash flow used in investing activities for the three months ended September 30, 2017, was $30.5 thousand compared to $1.0 million for the same period last year and for the nine months ended September 30, 2017, was $17.3 million compared to $6.4 million for the same period in 2016. The addition of intangible assets in our ESC subsidiary and our investment in Dye & Durham in 2016 account for the larger 2016 figures, which were not present in 2017. The increase for the nine months ended September 30, 2017, was due to the acquisitions of ERS and Alliance, as well as additional investments in Dye & Durham during the previous quarters of 2017.

Net cash flow provided by (used in) financing activities

Net cash flow used in financing activities for the three months ended September 30, 2017, was $3.7 million compared to $4.0 million for the three months ended September 30, 2016. For the nine months ended September 30, 2017, net cash flow provided by financing activities was $2.2 million compared to $12.0 million used in financing activities for the same period in 2016. The change year-to-date was due to proceeds of $10.0 million being drawn from our Revolving Operating Facility to partially fund the ERS acquisition in 2017, which largely offset normal financing activities.

11.2 Capital expenditures

Capital expenditures for the three months ended September 30, 2017, were $0.1 million, compared to $0.5 million for the same period in 2016. For the nine months ended September 30, 2017, capital expenditures were $0.3 million compared to $5.2 million for the same period in 2016. Capital expenditures in 2016 were mainly focused on our Corporate Registry modernization, which was completed in 2016. The lower capital expenditures are due to management's focus on integration activities of both ERS and Alliance Online. The acquisition of these entities has resulted in changes to the timing and nature of certain planned projects for 2017. In addition, the Company is gradually shifting to more hosted and cloud service providers, thereby reducing our spend in certain historical capital areas, such as hardware technology.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of CAD dollars)	**2017**	2016	**2017**	2016
Registries	**$ -**	$ 1,111	**$ -**	$ 2,989
Services	**34**	(593)	**67**	2,045
Corporate	**72**	-	**258**	133
Total capital expenditures	**$ 106**	$ 518	**$ 325**	$ 5,167

11.3 Debt

Debt for the three months ended September 30, 2017, was $32.3 million compared to $23.4 million at December 31, 2016.

The Revolving Term Facility of $9,935 million consists of a three-year, committed revolving term loan facility that matures on October 1, 2019, unless renewed prior to that time. It is currently held in a six-month bankers' acceptance note bearing interest at 1.658 per cent that matures on March 16, 2018, (December 31, 2016 – bankers' acceptance note, due June 21, 2017, bearing interest at 1.1 per cent per annum).

The Operating Facility, which consists of a $10.0 million committed, revolving credit facility was drawn January 18, 2017, to fund, in part, the acquisition of ERS. The operating facility is repayable by ISC upon demand by the Lender and the Lender may terminate such operating facility at any time. This facility currently consists of a prime based loan with interest at 3.90 per cent per annum (December 31, 2016 – nil).

The Non-Revolving Term Facility had $12.4 million outstanding as of September 30, 2017, and is repayable through quarterly payments of $375 thousand maturing on October 1, 2019. This facility currently consists of a prime based loan with interest at 3.9 per cent per annum (December 31, 2016 –

prime based loan with interest at 3.4 per cent per annum).

11.4 Total assets

Total assets increased to $142.2 million at September 30, 2017, compared to $131.3 million at December 31, 2016, primarily due to the acquisition of ERS.

(thousands of CAD dollars)	Registries	Services	Corporate	As at September 30, **2017**
Cash	$ 23,708	$2,686	$ 12,177	**$ 38,571**
Goodwill	-	13,587	10,058	**23,645**
Assets excluding cash and goodwill	33,012	17,238	29,776	**80,026**
Total assets	$ 56,720	$ 33,511	$ 52,011	**$ 142,242**

(thousands of CAD dollars)	Registries	Services	Corporate	As at December 31, 2016
Cash	$ 21,232	$ 1,685	$ 10,616	$ 33,533
Goodwill	-	13,141	-	13,141
Assets excluding cash and goodwill	39,996	18,642	26,009	84,647
Total assets	$ 61,228	$ 33,468	$ 36,625	$ 131,321

11.5 Working capital

As at September 30, 2017, working capital was $18.7 million, compared to $25.4 million at December 31, 2016. The change in working capital resulted primarily from an increase in cash due to operations and the increase in short-term debt used to fund part of the purchase price of ERS.

(thousands of CAD dollars)	As at September 30, **2017**	As at December 31, 2016
Current assets	**$ 55,845**	$ 41,800
Current liabilities	**(28,573)**	(16,363)
Working capital	**$ 27,272**	$ 25,437

11.6 Outstanding share data

The number of basic issued and outstanding Class A Shares as at September 30, 2017, was 17.5 million and the number of fully diluted shares was 17.6 million. On August 3, 2017, the Board declared a quarterly cash dividend of $0.20 per Class A Share, which was paid on October 15, 2017, to shareholders of record as of September 30, 2017.

12 Share-Based Compensation Plan

12.1 Deferred share unit plan

The Company has established a Deferred Share Unit ("DSU") plan to provide directors and senior officers of ISC with the opportunity to participate in the long-term success of ISC and to promote a greater alignment of interests between our directors, senior officers and shareholders. Refer to Note 14 of the Financial Statements on the share-based compensation plan.

Share-based compensation, related to DSUs, for the three months ended September 30, 2017, totalled $44 thousand (2016 – $267 thousand) and for the nine months ended September 30, 2017, totalled $260 thousand (2016 – $372 thousand). The total carrying amount of the liability arising from the DSUs as of September 30, 2017, totalled $984 thousand (December 31, 2016 – $800 thousand).

As at September 30, 2017, the DSU plan balance was 57,480.60 (December 31, 2016 – 41,492.55) with a fair value of $17.34 per DSU. The weighted average award price of the DSUs outstanding at September 30, 2017, was $17.35 (December 31, 2016 – $16.97).

12.2 Stock option plan

The Company established a stock option plan that was approved by shareholders in 2014 and subsequently amended and restated with the approval of shareholders on May 17, 2017. Refer to Note 14 of the Financial Statements on the share-based compensation plan.

Compensation expense is recognized in proportion to the amount of stock options vested. Share-based compensation related to the stock option plan for the three months ended September 30, 2017, totalled $142 thousand (2016 – $109 thousand) and for the nine months ended September 30, 2017, totalled $351 thousand (2016 – $280 thousand). The total carrying amount of the equity settled employee benefit reserve arising from these stock options as at September 30, 2017, totalled $950 thousand (December 31, 2016 – $599 thousand).

As at September 30, 2017, a total of 1,076,600 (December 31, 2016 – 759,259) stock options had been granted. The outstanding share options at the end of the period had a weighted average exercise price of $17.01 (December 31, 2016 – $15.41).

13 Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as at September 30, 2017.

14 Related Party Transactions

Routine operating transactions with related parties are settled at agreed upon exchange amounts under normal trade terms. Refer to Note 15 in our December 31, 2016, financial statements, which are available on the Company's website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com for information pertaining to transactions with related parties.

15 Critical Accounting Estimates

ISC's critical accounting estimates are contained in the Financial Statements. Refer to Note 2 for the summary of use of estimates and judgments. The preparation of the Financial Statements in conformity with IFRS requires management to make estimates and underlying assumptions and judgments that affect the accounting policies and reported amounts of assets, liabilities, revenue and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

16 Changes in Accounting Policies

Refer to Note 3 of the Financial Statements for information pertaining to the adoption and changes in accounting policies effective in 2017.

The IAS Board and International Financial Reporting Interpretations Committee issued the following new standards and amendments to standards and interpretations, which become effective for future periods.

Proposed standard	**Description**	**Effective Date**
Amendment to IFRS 2 – *Share-based Payment*	The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. This amendment is currently being assessed by the Company to determine the impact.	January 1, 2018

IFRS 9 — *Financial Instruments*	The new Standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classifications: amortized cost and fair value. Under IFRS 9, where the fair value option is applied to financial liabilities, any change in fair value resulting from an entity's own credit risk is recorded through other comprehensive income (loss) rather than net income (loss). The new Standard also introduces a credit loss model for evaluating impairment of financial assets. While the Company has not yet fully completed its assessment of the impact of this new standard, the Company's preliminary view is that it does not expect these changes will have a material impact on the financial statements.	January 1, 2018
IFRS 15 — *Revenue from Contracts with Customers*	The Standard provides for a single model that applies to contracts with customers as well as two revenue recognition approaches: at a point in time or over time. The model features a contract-based, five-step analysis of transactions to determine whether, when and how much revenue is recognized. The new Standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or leases, which are within the scope of other IFRSs. The new revenue standard permits either a full retrospective method of adoption with restatement of all prior periods presented, or a modified retrospective method with the cumulative effect of applying the new standard recognized as an adjustment to opening retained earnings in the period of adoption. The Company has decided to adopt the new revenue standard using the modified retrospective method. The Company has reviewed a sample of its revenue contracts in order to evaluate the effect of the new standard on its revenue recognition practices. While the Company has not yet completed the assessment, the Company's preliminary view is that it does not expect these changes will have a material impact on revenue or earnings/(loss).	January 1, 2018
IFRS 16 — *Leases*	"*IFRS 16 — Leases*" replaces "*IAS 17 — Leases*" and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., the customer ('lessee') and the supplier ('lessor')). The Company is currently assessing the impact on our consolidated financial statements along with the timing of our adoption of IFRS 16. The Company believes that, on adoption of the Standard, there will be an increase to assets and liabilities, as the Company will be required to record a right-of-use asset and a corresponding lease liability on the consolidated statements of financial position, as well as a decrease to operating costs, an increase to finance costs (due to accretion of the lease liability) and an increase to depreciation and amortization (due to amortization of the right-of-use asset).	January 1, 2019

17 Financial Instruments and Financial Risks

Financial instruments held in the normal course of business included in our consolidated statement of financial position as at September 30, 2017, consist of cash, short-term investments, trade and other receivables, accounts payable and accrued liabilities, operating loan, long-term debt and other long-term liabilities.

The Company does not use any form of derivative financial instruments to manage our exposure to credit risk, interest rate risk, market risk or foreign currency exchange risk. Refer to Note 18 of the Financial Statements for information pertaining to financial instruments and related risk management.

18 Business Risks and Risk Management

ISC faces certain risks which can impact its business and its financial and operational performance. For the information on the risk management approach, business risks and risk management, refer to the Management's Discussion and Analysis and Annual Information Form for the year ended December 31, 2016, which are available on SEDAR at www.sedar.com.

19 Internal Controls over Financial Reporting

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

No changes in our internal controls over financial reporting that have occurred during the period have materially affected or are reasonably likely to materially affect our internal controls over financial reporting.

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

The design scope of internal controls over financial reporting has been limited to exclude controls, policies and procedures of ERS, having been acquired less than 365 days prior to September 30, 2017.

20 Disclosure Controls and Procedures

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

The design scope of disclosure controls and procedures has been limited to exclude controls, policies and procedures of ERS, having been acquired less than 365 days prior to September 30, 2017.

The contribution of ERS to ISC's financial statements for the three months ended September 30, 2017, was approximately 4.0 per cent of revenue and 9.0 per cent of expenses and for the nine months ended September 30, 2017, was approximately 3.0 per cent of revenue and 8.0 per cent of expenses. ERS contributed 3.0 per cent of current assets, 15.0 per cent of non-current assets, 2.0 per cent of current liabilities and 6.0 per cent of non-current liabilities.

21 Non-IFRS Financial Measures

21.1 Non-IFRS financial measures

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

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

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

21.2 Non-IFRS financial measures definition

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

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