ISC

August 5, 2020

Management's Discussion and Analysis

For the Three and Six Months Ended June 30, 2020

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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 six months ended June 30, 2020, and 2019. Additional information, including our Annual Information Form for the year ended December 31, 2019, is available on the Company's website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com.

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

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

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

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

This MD&A contains forward-looking information and should be read in conjunction with the "Caution Regarding Forward-Looking Information" that follows. This MD&A is current as of August 5, 2020.

RESPONSIBILITY FOR DISCLOSURE

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

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

CAUTION REGARDING FORWARD-LOOKING INFORMATION

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

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

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

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

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

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

1 Overview

While COVID-19 continues to have a serious worldwide impact on both individuals and businesses, our business remains strong. As you will see throughout our MD&A, our quarterly results were impacted by the economic conditions created by the pandemic, but the resiliency of our business segments is evident in our results, and to date, the Company has not qualified for Canada's Emergency Wage Subsidy program. Despite this, in response to the impacts of COVID-19, the Company implemented certain items to reduce its operating costs and mitigate the impact of COVID-19. These included (a) permanently reducing our lease expense by exiting our Montreal office location in favour of our team working from home, (b) pausing discretionary spending in various business units, and (c) temporarily laying off employees due to reduced customer activity. We are confident we have the right team, a strong balance sheet, and have taken appropriate action to reduce operating costs to allow us to get through the pandemic, to maintain our long-term focus on growth and to do the right thing for our employees, customers, shareholders and other stakeholders.

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

1.1 Consolidated highlights

SELECT CONSOLIDATED FINANCIAL INFORMATION

EBITDA[1]	Adjusted EBITDA[1]	Revenue	Earnings per share	Free cash flow[1]
$9.2M	$10.2M	$31.0M	$0.26	$7.8M
(15%) vs Q2 2019	(6%) vs Q2 2019	(9%) vs Q2 2019	(22%) vs Q2 2019	(9%) vs Q2 2019

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

As noted above, our quarterly results were impacted by the economic conditions created by the pandemic, but still show strong revenue, EBITDA and free cash flow.

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

		Three months ended June 30,				Six months ended June 30,		
(thousands of CAD dollars)		**2020**		2019		**2020**		2019
Revenue	**$**	**30,993**	$	34,244	**$**	**60,589**	$	62,851
Net income		**4,505**		5,784		**7,975**		8,795
EBITDA[1]	**$**	**9,153**	$	10,752	**$**	**16,987**	$	18,118
Adjusted EBITDA[1]		**10,183**		10,873		**18,082**		18,677
EBITDA margin (% of revenue)[1]		**29.5%**		31.4%		**28.0%**		28.8%
Adjusted EBITDA margin (% of revenue)[1]		**32.9%**		31.8%		**29.8%**		29.7%
Free cash flow[1]	**$**	**7,776**	$	8,585	**$**	**14,146**	$	13,850
Dividend declared per share	**$**	**0.20**	$	0.20	**$**	**0.40**	$	0.40
Earnings per share, basic		**0.26**		0.33		**0.46**		0.50
Earnings per share, diluted		**0.26**		0.33		**0.46**		0.50
						As at June 30, 2020		December 31, 2019
Total assets					**$**	**168,361**	$	171,579
Total non-current liabilities					**$**	**30,081**	$	32,683

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

SECOND QUARTER CONSOLIDATED HIGHLIGHTS

Our second-quarter results were strong in the face of the economic conditions created by the pandemic. The restrictions that have been put in place to control the spread of the disease have negatively affected the ability of our customers and, ultimately, their customers to transact, which had a direct impact on our revenue and EBITDA in our Registry Operations and Services segments and ultimately our net income. More specifically:

- Revenue was $31.0 million for the quarter, a decrease of $3.3 million or 9.5 per cent compared to the second quarter of 2019.
- Net income for the quarter was $4.5 million or $0.26 per basic and diluted share compared to $5.8 million or $0.33 per basic and diluted share in 2019.
- EBITDA for the quarter was $9.2 million compared to $10.8 million for the same quarter last year. Our EBITDA margin was only slightly lower for the quarter at 29.5 per cent compared to 31.4 per cent in the same quarter in 2019.
- Adjusted EBITDA was $10.2 million for the quarter compared to $10.9 million in the same quarter last year.

- Free cash flow for the quarter was $7.8 million, a decrease of $0.8 million compared to the second quarter of 2019 due to lower results of operations.

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

YEAR-TO-DATE CONSOLIDATED HIGHLIGHTS

Our year-to-date results are less impacted by COVID-19 given our strong start to the year in January and February, and were only down slightly overall, due to the impact in the second quarter on our Registry Operations and Services segments. More specifically:

- Revenue was $60.6 million for the six months ended June 30, 2020, a decrease of $2.3 million or 3.6 per cent compared to the same period of 2019.

- Net income year-to-date was $8.0 million or $0.46 per basic and diluted share compared to $8.8 million or $0.50 per basic and diluted share in 2019.

- EBITDA for the six months ended June 30, 2020, was $17.0 million compared to $18.1 million for the same period last year, while EBITDA margin year-to-date was largely consistent at 28.0 per cent compared to 28.8 per cent in 2019.

- Adjusted EBITDA was $18.1 million for the six months ended June 30, 2020, compared to $18.7 million last year.

- Free cash flow year-to-date was $14.1 million, an increase of $0.3 million compared to 2019 due to fewer additions to intangible assets partially offset by lower results of operations in the first six months of 2020 compared to the same period of 2019.

1.2 Subsequent events

- On July 31, 2020, the Company's Services segment, through its wholly-owned subsidiary, ESC, acquired substantially all of the assets used in the business of Paragon Inc. ("Paragon") for $70.0 million, subject to customary purchase price adjustments. Paragon is located in Etobicoke, ON and is a technology-enabled company whose primary focus is the facilitation and coordination of asset recovery on behalf of many of Canada's major banks. The addition of Paragon's assets is expected to strengthen ESC's current service offering and means that ESC will be able to offer its clients a complete solution in the credit life cycle, from origination to recovery. The $70 million purchase price was paid in cash, drawing upon ISC's credit facility.

- On August 5, 2020, the Company entered into a new credit agreement in connection with secured credit facilities (collectively, the "Credit Facilities") provided by its Lenders, Royal Bank of Canada and Canadian Imperial Bank of Commerce, replacing its previous $80 million facilities. The aggregate amount available under the new Credit Facilities is now $150.0 million. The new Credit Facilities will be used to refinance the previous credit facilities, with the balance available to the Company for future growth opportunities.

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

1.3 Outlook

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

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

In our Registry Operations segment, we have observed lower transaction volumes since mid-March 2020 as a result of COVID-19 restrictions. The pandemic and related restrictions have limited the ability or willingness of customers to undertake many of the activities that result in registry transactions, including, for example, home and auto purchases. Although initial signs indicate that as restrictions are lifted, pent-up demand may help start the economic recovery, we continue to expect our volumes to be lower than normal for the balance of 2020.

In our Services segment, while we saw some immediate reduction in transactions when restrictions were put in place, we have seen transactions return to more normalized levels towards the end of the second quarter. We expect these normalized levels to continue for the balance of the year, absent any further material change in market conditions. At the same time, we continue to move ahead to expand and enhance offerings to our existing customers through new product development, system enhancements and our strengthened portfolio of Know-Your-Customer solutions and services.

In addition, our recently announced acquisition of the assets used in the business of Paragon provides us with the ability to facilitate and coordinate asset recovery on behalf of our clients, including many of Canada's major banks. The addition of these assets is expected to strengthen our current offering and means that we will be able to offer our clients a complete solution in the credit life cycle, from origination to recovery. We expect this acquisition to be immediately accretive on both an earnings and a cash flow basis. Also, the incorporation of a business with an EBITDA margin profile of over 50 per cent is expected to have a positive impact on our consolidated EBITDA margin profile going forward.

Finally, in our Technology Solutions segment, we continue to expect the timelines and the recognition of revenues for some of our implementations to be delayed.

The uncertainty surrounding the duration and potential outcomes of the COVID-19 pandemic remains for the foreseeable future. While we have positioned the Company to manage through this situation, we continue to be unable at this time to predict the full impact on our financial results for the remainder of the year. However, the results for the second quarter and the six months ended June 30 are encouraging and demonstrate the versatility of our business.

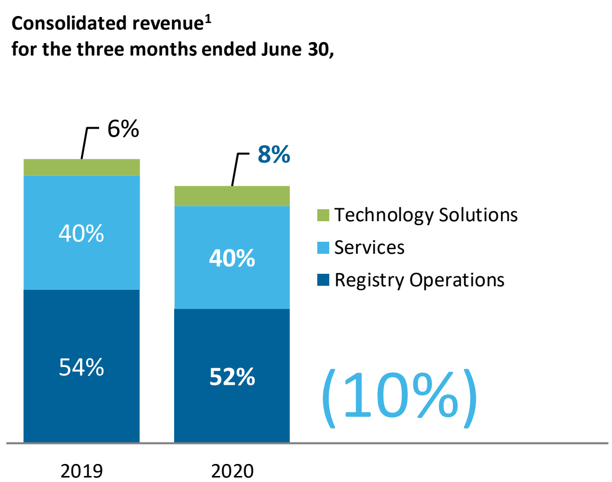
2 Consolidated Financial Analysis

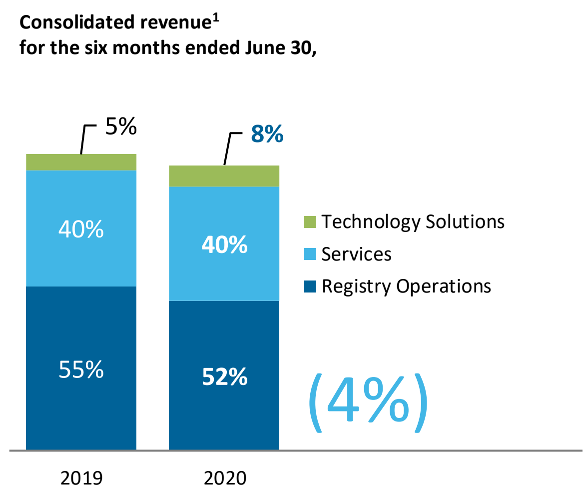
Consolidated revenue was down 9.5 per cent and 3.6 per cent for the three months and six months ended June 30, 2020, respectively, compared to the same period last year. Net income was also down in the quarter and year-to-date compared to the previous year due to the impact of COVID-19 on our Registry Operations and Services segments.

2.1 Consolidated statements of comprehensive income

	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Revenue				
Registry Operations	**$ 16,198**	$ 18,498	**$ 31,729**	$ 34,768
Services	**12,389**	13,796	**24,237**	24,824
Technology Solutions	**4,916**	4,945	**9,580**	9,823
Corporate and other	**(2,510)**	(2,995)	**(4,957)**	(6,564)
Total revenue	**30,993**	34,244	**60,589**	62,851
Expenses				
Wages and salaries	**9,523**	9,924	**19,508**	19,521
Cost of goods sold	**7,414**	8,687	**14,273**	15,054
Depreciation and amortization	**2,752**	2,816	**5,511**	5,413
Information technology services	**1,940**	1,909	**3,866**	4,010
Occupancy costs	**612**	874	**1,332**	1,626
Professional and consulting services	**1,609**	977	**2,500**	2,031
Financial services	**457**	435	**1,338**	1,293
Other	**285**	686	**785**	1,198
Total expenses	**24,592**	26,308	**49,113**	50,146
Net income before items noted below	**6,401**	7,936	**11,476**	12,705
Finance (expense) income				
Interest income	**21**	62	**90**	148
Interest expense	**(279)**	(339)	**(622)**	(684)
Net finance expense	**(258)**	(277)	**(532)**	(536)
Income before tax	**6,143**	7,659	**10,944**	12,169
Income tax expense	**(1,638)**	(1,875)	**(2,969)**	(3,374)
Net income	**4,505**	5,784	**7,975**	8,795
Other comprehensive income (loss)				
Unrealized gain (loss) on translation of financial statements of foreign operations	**(245)**	(39)	**466**	(353)
Change in fair value of marketable securities, net of tax	**19**	(17)	**(26)**	(24)
Other comprehensive income (loss) for the period	**(226)**	(56)	**440**	(377)
Total comprehensive income	**$ 4,279**	$ 5,728	**$ 8,415**	$ 8,418

2.2 Consolidated revenue



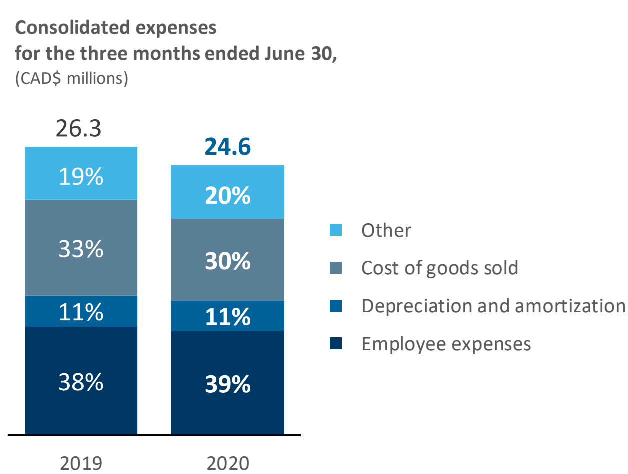


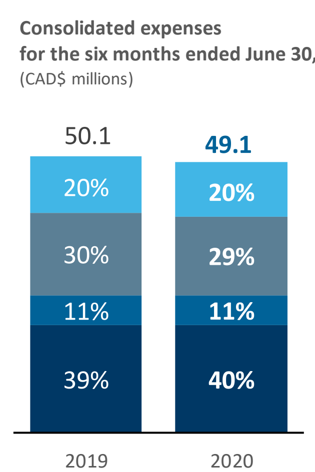
[1] Technology Solutions and Services are net of Corporate and other revenue/eliminations.

(thousands of CAD dollars)	Three Months Ended June 30, 2020	2019	Six Months Ended June 30, 2020	2019
Registry Operations	$ 16,198	$ 18,498	$ 31,729	$ 34,768
Services	12,389	13,796	24,237	24,824
Technology Solutions	4,916	4,945	9,580	9,823
Corporate and other	(2,510)	(2,995)	(4,957)	(6,564)
Total revenue	$ 30,993	$ 34,244	$ 60,589	$ 62,851

Total revenue decreased in the quarter and year-to-date compared to the same periods last year due to lower revenue in our Registry Operations and Services segments, again due to the impact of COVID-19, resulting in lower transaction volumes.

2.3 Consolidated expenses





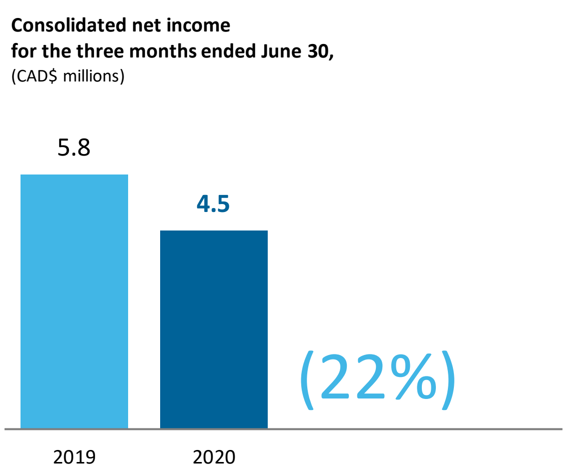
	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Wages and salaries	**$ 9,523**	$ 9,924	**$ 19,508**	$ 19,521
Cost of goods sold	**7,414**	8,687	**14,273**	15,054
Depreciation and amortization	**2,752**	2,816	**5,511**	5,413
Information technology services	**1,940**	1,909	**3,866**	4,010
Occupancy costs	**612**	874	**1,332**	1,626
Professional and consulting services	**1,609**	977	**2,500**	2,031
Financial services	**457**	435	**1,338**	1,293
Other	**285**	686	**785**	1,198
Total expenses	**$ 24,592**	$ 26,308	**$ 49,113**	$ 50,146

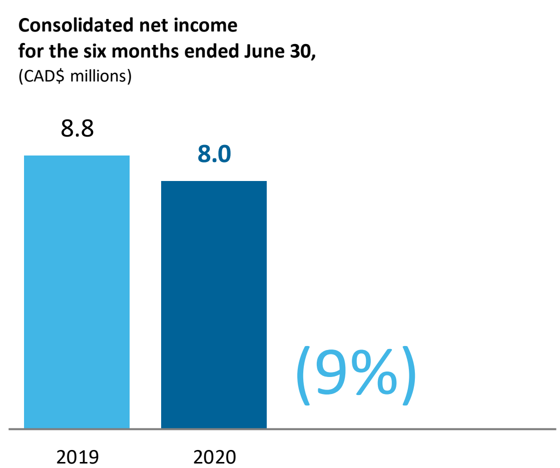
Consolidated expenses were $24.6 million for the second quarter, a decrease of $1.7 million compared to the same quarter last year and were $49.1 million year-to-date compared to $50.1 million last year. The overall reduction in the quarter and year-to-date was mainly due to the impact of COVID-19:

- lower cost of goods sold consistent with lower revenue in Services;
- reduced wages and salaries in the quarter as a result of reduced staffing levels across our segments; and
- a reduction in occupancy-related and other miscellaneous costs as a result of the COVID imposed work-from-home guidelines.

These decreases were partially offset by higher professional and consulting services related to the pursuit of our growth initiatives.

2.4 Consolidated net income

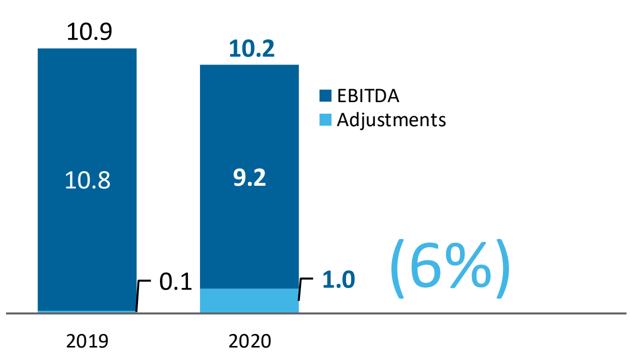




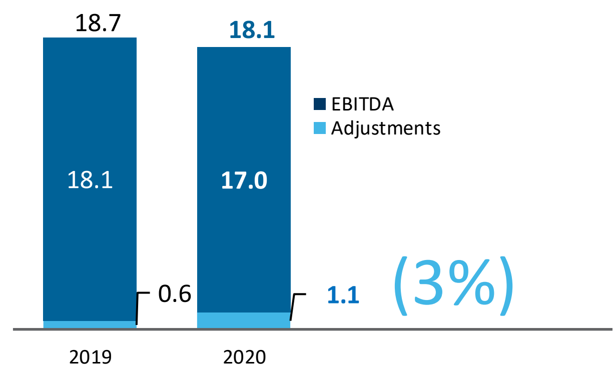
Net income for the quarter was $4.5 million or $0.26 per basic and diluted share, a decrease of $1.3 million compared to the second quarter of 2019 and was $8.0 million or $0.46 per basic and diluted share year-to-date compared to $8.8 million or $0.50 per basic and diluted share last year. The decrease was due to lower revenue resulting from the impact of COVID-19 which was partially offset by reduced expenses as management continues focus on cost reduction and specific actions in response to the impact of COVID-19 on the business.

2.5 Consolidated EBITDA and adjusted EBITDA

Consolidated EBITDA and adjusted EBITDA[1]
for the three months ended June 30,
(CAD$ millions)



Consolidated EBITDA and adjusted EBITDA[1]
for the six months ended June 30,
(CAD$ millions)



Adjusted EBITDA was $10.2 million for the three months ended June 30, 2020, a decrease of 6.0 per cent compared to $10.9 million in the second quarter of 2019 and was $18.1 million year-to-date compared to $18.7 million last year. The decrease was a result of the factors listed above. EBITDA and adjusted EBITDA margins remained consistent and strong for the quarter and year-to-date.

	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Net income	**$ 4,505**	$ 5,784	**$ 7,975**	$ 8,795
Depreciation and amortization	**2,752**	2,816	**5,511**	5,413
Net finance expense	**258**	277	**532**	536
Income tax expense	**1,638**	1,875	**2,969**	3,374
EBITDA[1]	**$ 9,153**	$ 10,752	**$ 16,987**	$ 18,118
Adjustments				
Stock-based compensation expense	**153**	3	**137**	102
Stock option expense	**63**	132	**143**	295
Acquisition and integration costs	**814**	(14)	**815**	162
Adjusted EBITDA[1]	**$ 10,183**	$ 10,873	**$ 18,082**	$ 18,677
EBITDA margin (% of revenue)[1]	**29.5%**	31.4%	**28.0%**	28.8%
Adjusted EBITDA margin (% of revenue)[1]	**32.9%**	31.8%	**29.8%**	29.7%

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

3 Business Segment Analysis

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

ISC currently has three operating segments:

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

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

3.1 Registry Operations

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

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

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

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

Saskatchewan Land Registry

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

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

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

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

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

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

Saskatchewan Personal Property Registry

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

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

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

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

Saskatchewan Corporate Registry

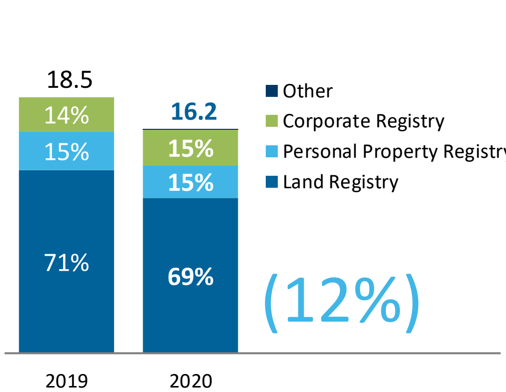
The Corporate Registry is a province-wide system for registering business corporations, non-profit corporations, co-operatives, sole proprietorships, partnerships and business names. Every corporation must be registered in the Corporate Registry to maintain its legal status and carry on business within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

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

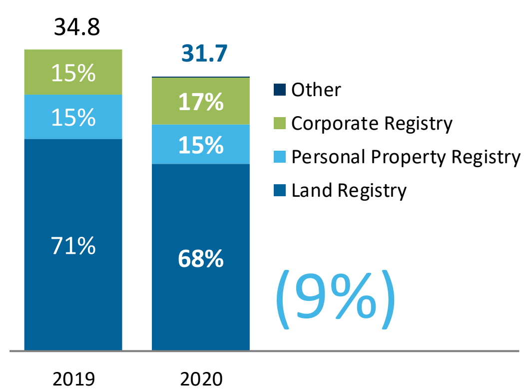
Approximately 90.8 per cent of all registrations in the Corporate Registry were submitted online in 2019.

REGISTRY OPERATIONS REVENUE

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



Registry Operations revenue
for the six months ended June 30,
(CAD$ millions)



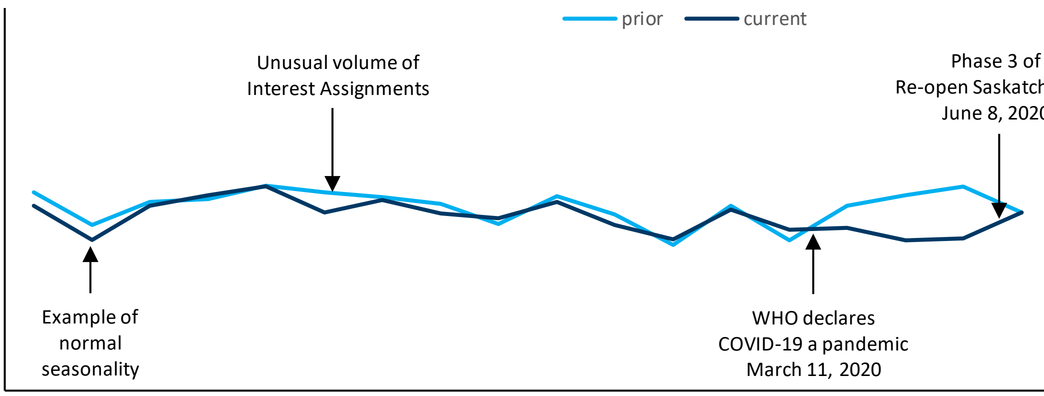
	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Land Registry	**$ 11,184**	$ 13,208	**$ 21,549**	$ 24,516
Personal Property Registry	**2,404**	2,778	**4,605**	5,049
Corporate Registry	**2,506**	2,512	**5,387**	5,203
Other	**104**	0	**188**	0
Registry Operations revenue	**$ 16,198**	$ 18,498	**$ 31,729**	$ 34,768

Revenue for Registry Operations was $16.2 million for the quarter compared to $18.5 million in the second quarter of 2019 and was $31.7 million year-to-date compared to $34.8 million last year.

Transaction volumes across all registries were lower on a year-over-year basis with revenue decreases being realized in our Land Registry and Personal Property Registry for the quarter. These results are due to provincial public health restrictions implemented in Saskatchewan in response to the COVID-19 pandemic. The pandemic and related restrictions limit the ability or willingness of customers to undertake the activities that result in registry transactions, including home and auto purchases. As some of the restrictions have been lifted in Saskatchewan, we have observed volumes improving, specifically toward the end of the quarter. The Registries have remained operational throughout the pandemic, and our staff have provided service to customers virtually, either online or by telephone.

The graph below shows the current monthly trending of our registry transactions from January 1, 2019 to June 30, 2020, as compared to the same period 12 months prior and demonstrates the impact of COVID-19 on the Registry Operations beginning in March. As noted earlier, with the start of the reopening of the economy, we are seeing transaction volumes rise to more normalized levels by the end of the quarter.

Registry Operations Monthly Transaction Volumes
(18-month comparative)



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

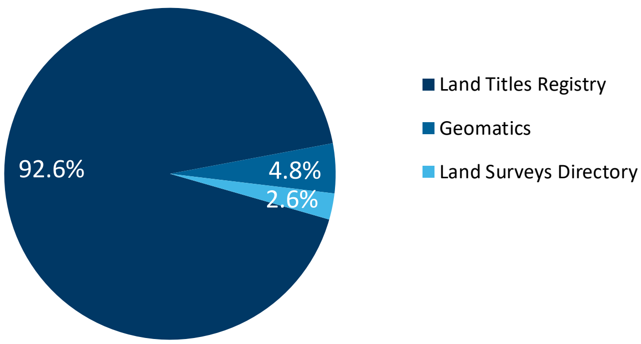
The top five customers for Registry Operations represented 17.9 per cent of the total segment revenue year-to-date. Of those customers, no single customer accounted for more than 10.0 per cent of total Registry Operations revenue.

Saskatchewan Land Registry

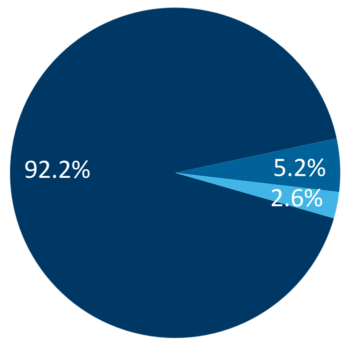
For the second quarter, revenue for the Land Registry was $11.2 million, down by $2.0 million or 15.3 per cent compared to the same period in 2019. For the six months ended June 30, 2020, revenue was $21.5 million compared to $24.5 million last year, a drop of 12.1 per cent.

Most of the revenue generated from the Land Registry is from the Land Titles Registry and is derived from value-based fees. Land Titles Registry revenue for the second quarter was $10.4 million, a drop of $2.0 million or 15.8 per cent compared to the same period in 2019. Most of the decrease in revenue was due to transaction volumes that were down by 18.4 per cent for the quarter, as a result of lower volumes during April and May due to restrictions imposed for COVID-19. In addition, revenue was affected by transactions with slightly lower average land values for regular land transfers in the second quarter. Land Titles Registry revenue was lower by 11.7 per cent for the first half of 2020, at $20.0 million compared to $22.6 million in the same period in 2019.

Saskatchewan Land Registry Revenue, for the three months ended June 30, 2020



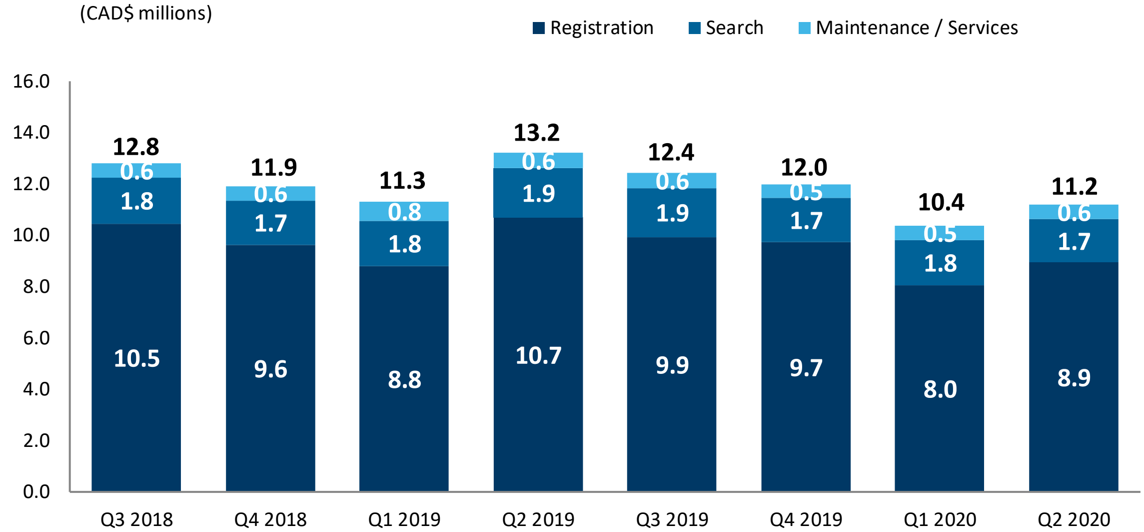
Saskatchewan Land Registry Revenue, for the three months ended June 30, 2019



High-value property registration revenue was $0.5 million, down in the second quarter compared to $1.0 million in the same period in 2019. Each high-value registration generates revenue of $10,000 or more.

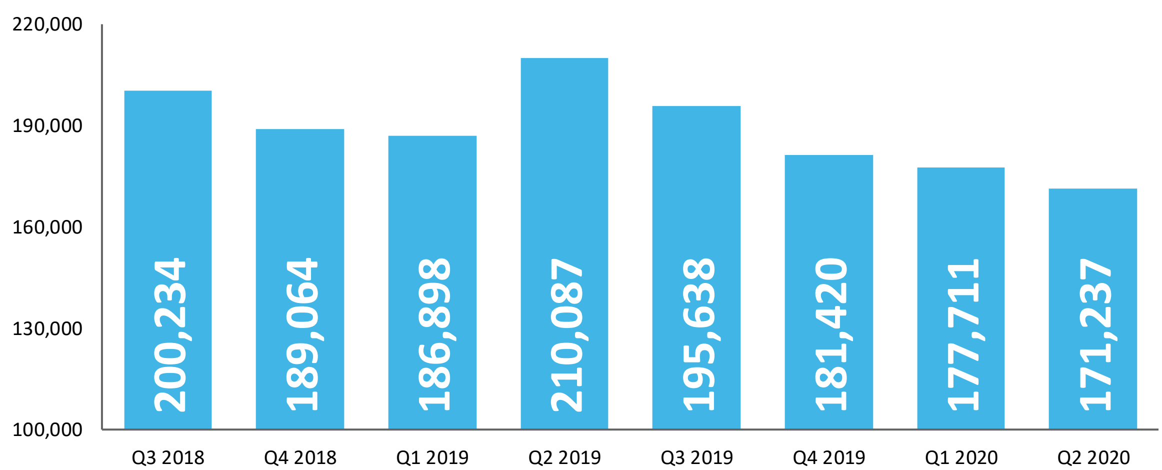
The following graphs show the Land Registry revenue by type of transaction and the overall transaction volume, respectively. Seasonality for the second quarter was consistent year-over-year. Typically, the second and third quarters generate the most revenue for the Land Registry and, despite the impact of COVID-19 restrictions on our business in the second quarter, this year has been no different to date with higher revenue being generated in the second quarter, compared to the first. For more information on seasonality, please refer to section 4 "Summary of Consolidated Quarterly Results".

Saskatchewan Land Registry Revenue by Type
(CAD$ millions)



Note: Registration and search groupings have been reclassified to reflect a better alignment with revenue tracking. These amendments do not impact the overall revenue for this registry. Values may not add due to rounding.

Saskatchewan Land Registry Transaction Volume
(Number of transactions)



Revenue-generating transactions in the Land Titles Registry fell 18.4 per cent in the second quarter, due to lower volumes realized in April and May, which was due to the impacts of restrictions put in place for COVID-19. The volume of regular land transfers, mortgage registrations and title searches declined by 13.7 per cent, 3.2 per cent and 17.3 per cent, respectively, compared to the second quarter of 2019.

The primary customers of the Land Titles Registry are law firms, financial institutions, developers and resource companies. For the first six months of 2020, our top 20 Land Titles Registry customers accounted for nearly 40.7 per cent of revenue, and our top 100 Land Titles Registry customers made up 78.0 per cent of revenue.

Land Surveys customers include surveyors, developers, resource companies, governments and other businesses that access our mapping systems and survey plans to support their development plans. For the first half of 2020, our top 20 Land Surveys customers accounted for 90.5 per cent of revenue, and the top 100 customers made up 97.2 per cent of revenue.

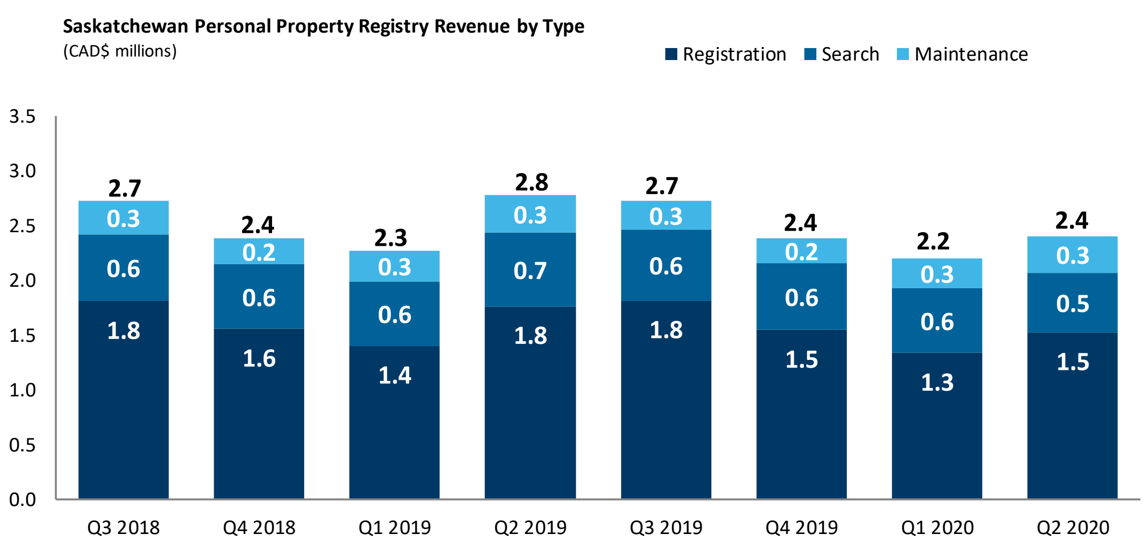
Geomatics customers include government departments (provincial and municipal), resource companies, land developers, other businesses and the general public. They also include utility, pipeline and transportation companies. Year-to-date, the top 20 Geomatics customers produced 91.8 per cent of revenue, while the top 100 customers formed 99.0 per cent of revenue.

Saskatchewan Personal Property Registry

Revenue for the Personal Property Registry was $2.4 million for the second quarter, down $0.4 million or 13.4 per cent from the same quarter in 2019 and was $4.6 million for the six months ended June 30, 2020, compared to $5.0 million last year. Overall volume was down 16.3 per cent for the quarter compared to the same period in 2019, where the impact from the restrictions imposed for COVID-19 was observed in April and May.

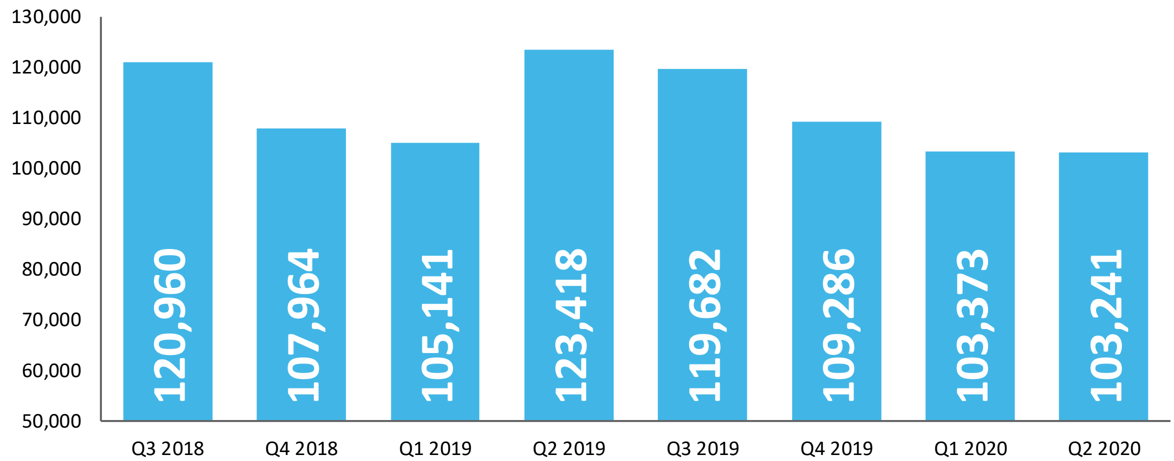
Registration revenue in the quarter was down by 13.6 per cent from 2019, while volumes were down 15.8 per cent. Search revenue was down 18.4 per cent on lower volumes, which were down 18.3 per cent compared to last year. Maintenance revenue was down 3.0 per cent compared to the same period in 2019 on lower volumes, which were down 5.9 per cent.

As shown in the following graph by type of transaction, revenue for the second quarter is generally higher than in the first quarter. The typical pattern of seasonality is illustrated below, albeit at a reduced magnitude in 2020.



Note: Values may not add due to rounding.

Saskatchewan Personal Property Registry Transaction Volume
(Number of transactions)



Customers of the Personal Property Registry are primarily in the financial sector but also include law firms. The top 20 Personal Property Registry customers accounted for about 82.9 per cent of the revenue for the first half of 2020, while the top 100 produced 94.3 per cent of revenue.

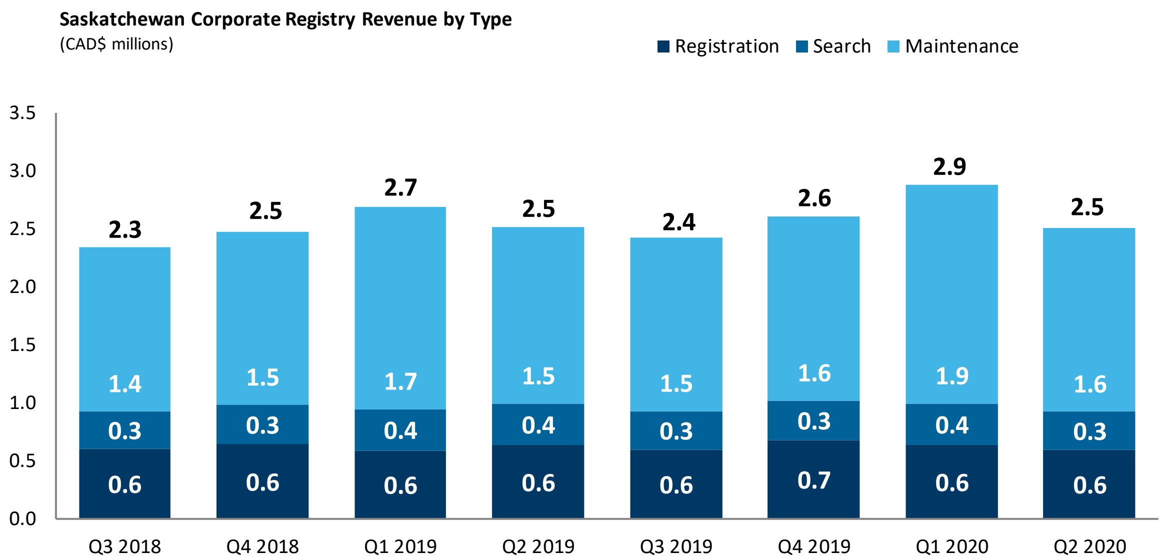
Saskatchewan Corporate Registry

Revenue for the Corporate Registry for the second quarter of 2020 was $2.5 million, flat compared to the same period in 2019, as pricing changes that came into effect during the third quarter of 2019 offset lower volumes for this quarter. Pricing changes resulted in maintenance revenue growing by 4.2 per cent. Registration revenue declined by 6.3 per cent compared to the same period in 2019, while search revenue was 8.5 per cent lower in the second quarter of 2020 compared to the same period in 2019.

Year-to-date revenue was $5.4 million compared to $5.2 million last year, an increase of 3.5 per cent. The increase was mainly due to the pricing changes.

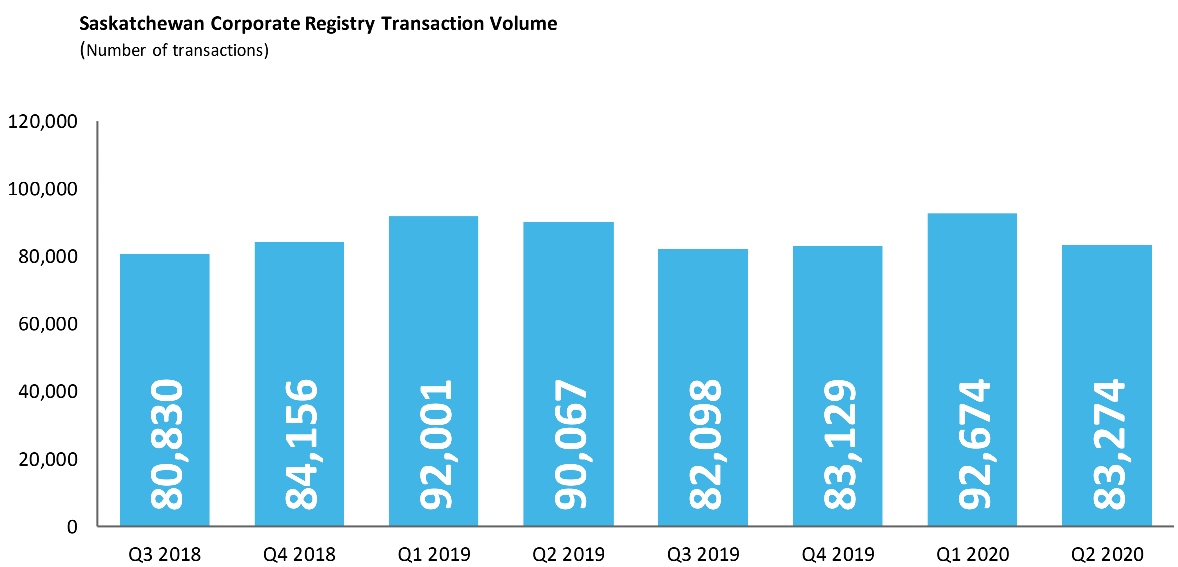
As of June 30, 2020, there were approximately 74,735 active Saskatchewan Business Corporations registered with the Corporate Registry compared to approximately 74,442 as at June 30, 2019.

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



Note: Values may not add due to rounding.

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

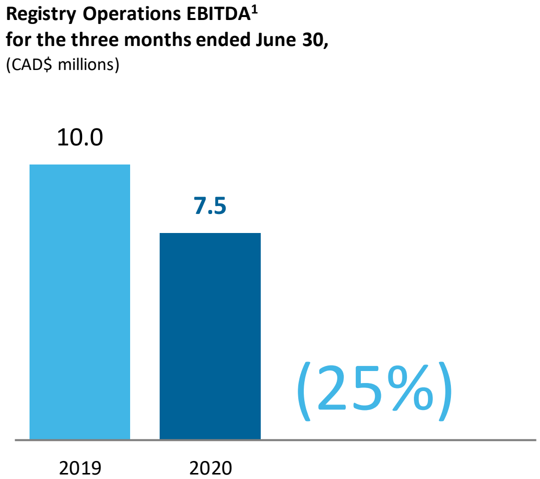


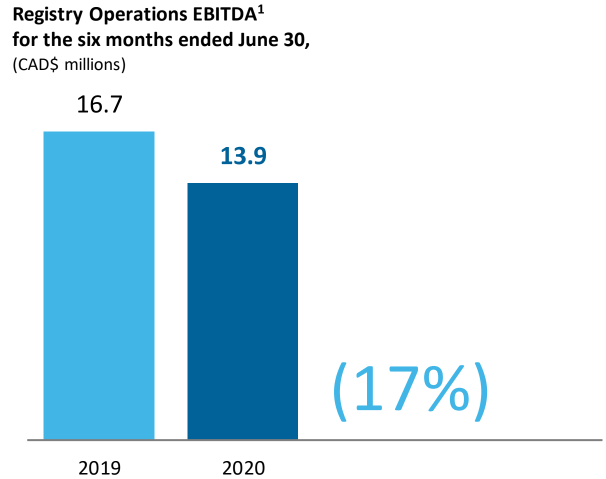
Transaction volumes for the second quarter were lower by 7.5 per cent compared to the same period last year. Specifically, registration, search and maintenance volumes declined by 9.1 per cent, 8.6 per cent and 5.0 per cent, respectively, compared to the same period in 2019. Volumes during April and May were lower when compared to the same period in 2019, as a result of the impact of COVID-19 on transaction volumes.

For the Corporate Registry, customers include law firms, companies in the financial sector, as well as the

Government of Saskatchewan. They also include businesses such as corporations, non-profit corporations, co-operatives and sole proprietorships that were, or will be, registered in the Corporate Registry. Year-to-date, the top 20 Corporate Registry customers formed nearly 32.1 per cent of revenue and the top 100 customers delivered about 49.9 per cent of revenue.

REGISTRY OPERATIONS EXPENSES AND EBITDA





(thousands of CAD dollars)	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019[2]	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019[2]
Revenue	**$ 16,198**	$ 18,498	**$ 31,729**	$ 34,768
Total expenses (excluding depreciation and amortization)	**8,706**	8,529	**17,790**	18,024
EBITDA	**$ 7,492**	$ 9,969	**$ 13,939**	$ 16,744

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

[2] On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared service provided to the operating segments in the current year. This change also impacts certain related party revenues. Had the methodology change not been made, Registry Operations EBITDA in the quarter is estimated to have been $7,880 thousand and year-to-date is estimated to have been $14,474 thousand.

EBITDA for Registry Operations for the quarter was $7.5 million compared to $10.0 million for the same period last year and was $13.9 million year-to-date compared to $16.7 million last year. The decrease was due to the impact of COVID-19, as mentioned earlier.

Registry Operations expenses were $8.7 million for the quarter, an increase of $0.2 million compared to $8.5 million for the same period in 2019 and were $17.8 million year-to-date compared to $18.0 million last year. The increase in the quarter was mainly due to a methodology change for allocating corporate costs to the operating segments partially offset by technology solutions and wages and salaries savings. The decrease year-to-date was due to lower technology solutions costs as well as decreased wages and salaries due to reduced staffing.

3.2 Services

Services delivers solutions uniting public record data, customer authentication, corporate legal services and collateral management to support lending practices of clients with business across Canada.

We earn revenue through transaction fees for search and registration services, as well as Know-Your-Customer ("KYC") services. All government fees associated with the service are either embedded in the search fee or charged in addition to the service transaction fee. Corporate supplies are charged a per unit fee in the same manner as a product in a retail transaction. We classify our services as either Legal Support Services or Financial Support Services for the purposes of categorizing revenue.

Key drivers for Services include increased regulatory and compliance requirements for financial institutions, as well as the growing trend to outsource business processes and services to realize cost savings and focus on core business activities. Economic activity can affect credit lending, mergers, acquisitions, incorporations and various new business startup activities, which also impacts activity for our Services segment.

This core revenue is fairly diversified and has little seasonality; rather, it fluctuates in line with general economic drivers. Our collateral management services experience seasonality aligned to vehicle and equipment financing cycles, which are generally stronger in the second and fourth quarters. Some smaller categories of products or services can have some seasonal variation, increasing slightly during the second and fourth quarters.

Legal Support Services

Legal Support Services captures revenue from nationwide search, registration and filing services to legal professionals directly or indirectly. This also includes our corporate supplies business, which helps companies to organize and maintain their corporate legal documents and provides customized corporate minute books, corporate seals, share certificates, legal supplies and related ancillary accessories for businesses and corporations. We also service the consumer market through direct supply relationships with office products providers.

We have an online workflow platform to service legal customers through a team of experienced law clerks in both Ontario and Quebec. We hold an official service licence under the Ontario Business Information System from the Government of Ontario's Ministry of Government and Consumer Services, which is currently renewed until January 2021. We also hold licences from the Government of Ontario to distribute and register *Personal Property Security Act* searches and registrations, as well as the Government of Quebec's Corporate Registry and Corporations Canada for registering corporations directly within each of these two registry systems.

Our competitors vary by market and geography. They primarily include other intermediaries and suppliers to legal professionals that provide value through convenience and intermediation of various public registries. There is a small number of competitors supplying the legal market with customized products, while the consumer market is typically serviced by big box office supply retailers.

Financial Support Services

We support financial and credit institutions' due diligence activities for compliance purposes and credit service solutions through the verification, storage and retrieval of corporate and business information compiled and obtained from public registry sources.

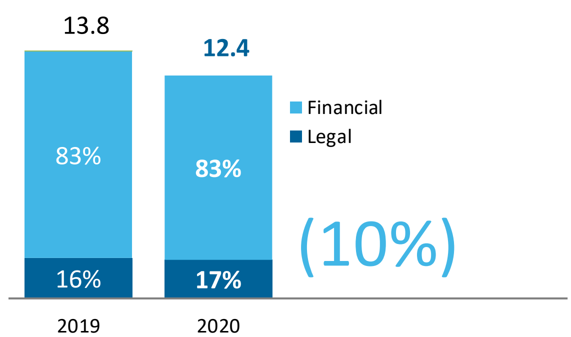
We use our proprietary platform to assist clients in onboarding new commercial accounts. The customer onboarding verification reports we generate leverage our search services to provide our clients with a process and system to verify, retrieve and store information about corporate clients to meet regulatory requirements.

In addition, we provide automation software technology services to serve lending, leasing, and credit issuing businesses and institutions in Canada. We service the full credit-lending cycle and deliver proven credit due diligence, protection and default solutions to the Canadian financing industry.

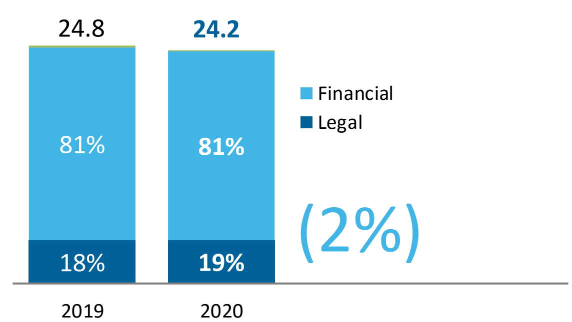
In the financial support services marketplace, we compete against a small number of distinctly different service providers, some of whom offer KYC programs as part of their other services.

SERVICES REVENUE

Services revenue[1]
for the three months ended June 30,
(CAD$ millions)



Services revenue[1]
for the six months ended June 30,
(CAD$ millions)



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

(thousands of CAD dollars)	Three Months Ended June 30, 2020	2019	Six months ended June 30, 2020	2019
Legal support services	**$ 2,164**	$ 2,250	**$ 4,561**	$ 4,502
Financial support services	**10,225**	11,459	**19,672**	20,179
Internal related parties and other	**-**	87	**4**	143
Services revenue	**$ 12,389**	$ 13,796	**$ 24,237**	$ 24,824

Revenue for Services was $12.4 million for the second quarter, a decrease of $1.4 million or 10.2 per cent compared to the same period in 2019 and was $24.2 million year-to-date compared to $24.8 million last year, representing a decline of 2.4 per cent or $0.6 million.

Revenue was down in the second quarter due to the public health restrictions implemented in response to the COVID-19 pandemic, which negatively impacted transaction volumes in April and May. As some of the restrictions have been lifted, we have observed volumes improving, particularly towards the end of the quarter.

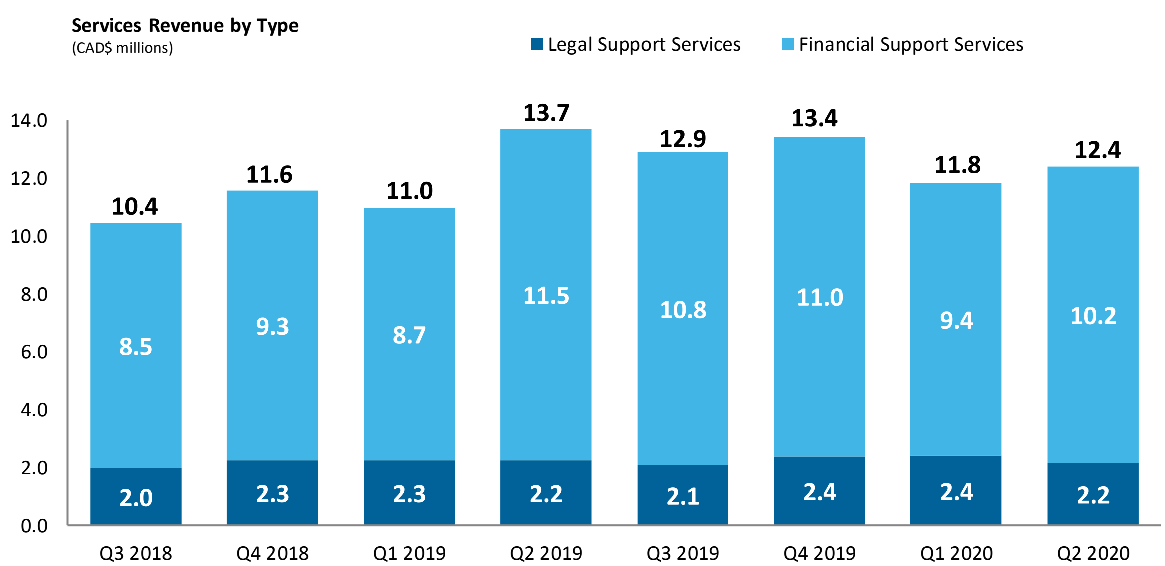
Legal Support Services

Revenue in Legal Support Services for the quarter decreased slightly to $2.2 million, down $86 thousand or 3.8 per cent compared to the second quarter of 2019, due to reduced transactions from the COVID-19 restrictions. However, for the first half of 2020, revenue was still up at $4.6 million compared to $4.5 million last year, a modest increase of 1.3 per cent year-to-date, due to the onboarding of several new customers and product expansion.

Financial Support Services

Revenue in Financial Support Services for the second quarter was $10.2 million, down $1.2 million or 10.8 per cent compared to $11.5 million for the same period of 2019. For the first six months of 2020, revenue was $19.7 million compared to $20.2 million for the same period last year, a decline of $0.5 million or 2.5 per cent. Revenue in our Financial Support Services was more impacted in the second quarter by lower volumes as a result of COVID-19 restrictions that were in place.

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

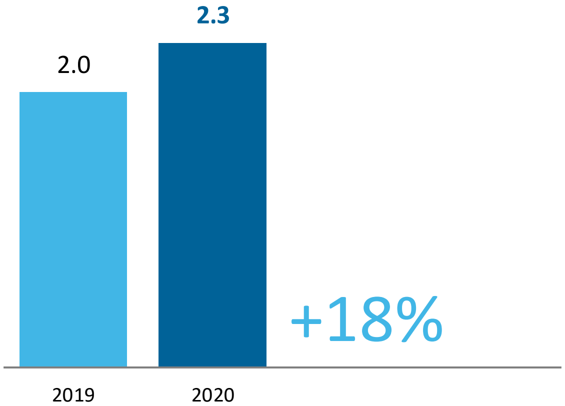


Note: Values may not add due to rounding.

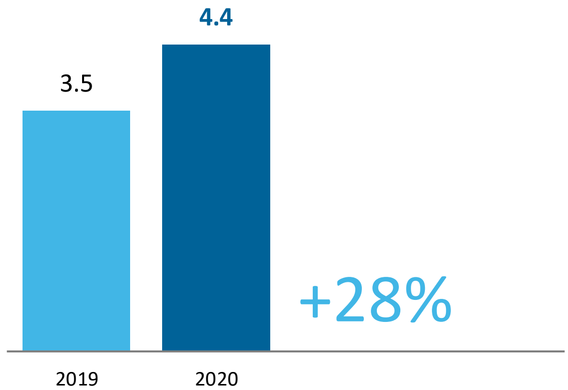
For the first six months of 2020, the top 20 Services customers comprised approximately 75.0 per cent of the revenue, while the top 100 Services customers made up nearly 88.6 per cent of revenue. No single customer accounted for more than 25.0 per cent of Services revenue in the same period.

SERVICES EXPENSES AND EBITDA

Services EBITDA[1]
for the three months ended June 30,
(CAD$ millions)



Services EBITDA[1]
for the six months ended June 30,
(CAD$ millions)



(thousands of CAD dollars)	Three Months Ended June 30, **2020**	2019[2]	Six Months Ended June 30, **2020**	2019[2]
Revenue	**$ 12,389**	$ 13,796	**24,237**	24,824
Total expenses (excluding depreciation and amortization)	**10,052**	11,816	**19,828**	21,367
EBITDA	**$ 2,337**	$ 1,980	**$ 4,409**	$ 3,457

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

[2] On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared service provided to the operating segments in the current year. This change also impacts certain related party revenues. Had the methodology change not been made, Services EBITDA in the quarter is estimated to have been $1,811 thousand and year-to-date is estimated to have been $3,402 thousand.

EBITDA for Services was $2.3 million for the quarter, compared to $2.0 million for the same period last year and was $4.4 million year-to-date compared to $3.5 million last year, up due to reduced expenses.

Services expenses for the quarter were $10.1 million, a decrease of $1.7 million compared to the same period in 2019 and were $19.8 million year-to-date compared to $21.4 million last year. The reduction was primarily due to decreased cost of goods sold, consistent with lower revenue and a methodology change for allocating corporate costs to the operating segments.

3.3 Technology Solutions

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

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

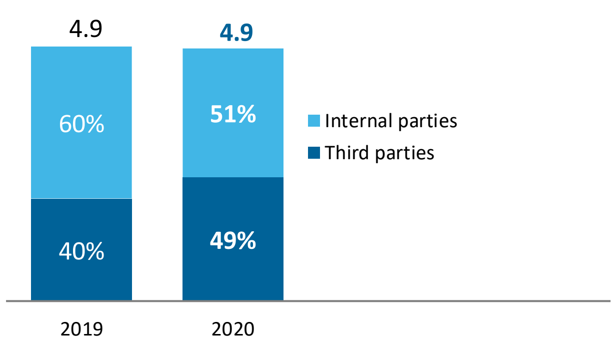
We offer RegSys — a complete registry solution that provides a readily transferable technology platform capable of serving a wide range of registry needs. RegSys is a multi-register platform that delivers the flexibility, scalability and features that enable public sector organizations to deliver enhanced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

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

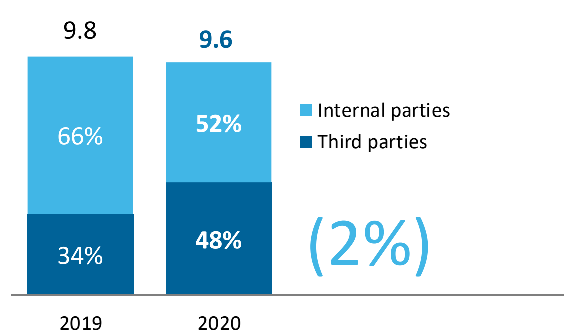
Competitors in this segment include technology services organizations that provide application development, systems integration and/or application management services. This includes large multinationals or local niche players, both of which we can partner with to complement our offering depending on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

TECHNOLOGY SOLUTIONS REVENUE

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



Technology Solutions revenue
for the six months ended June 30,
(CAD$ millions)



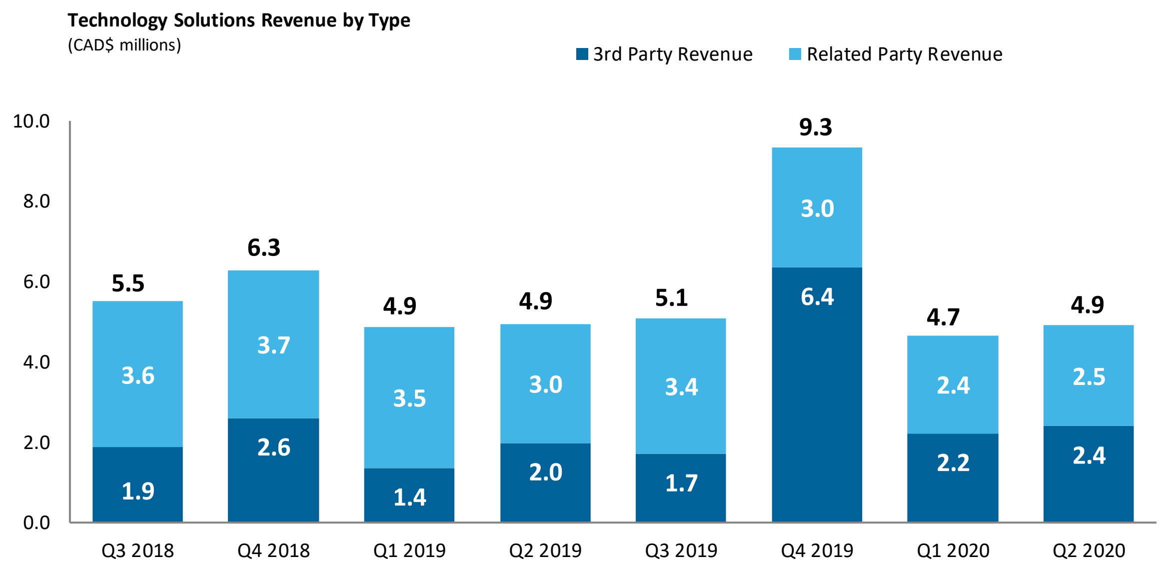
(thousands of CAD dollars)	Three Months Ended June 30, 2020	2019	Six Months Ended June 30, 2020	2019
Third parties	**$ 2,401**	$ 1,988	**$ 4,621**	$ 3,349
Internal related parties[1]	**2,515**	2,957	**4,959**	6,474
Technology solutions revenue	**$ 4,916**	$ 4,945	**$ 9,580**	$ 9,823

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

Revenue in Technology Solutions was $4.9 million for the quarter, flat compared to the second quarter in 2019 and was $9.6 million year-to-date compared to $9.8 million last year.

Revenue from external parties for the quarter was $2.4 million, and year-to-date was $4.6 million, an increase from $2.0 million and $3.3 million in the same periods in 2019, due to the completion of milestones on current contracts.

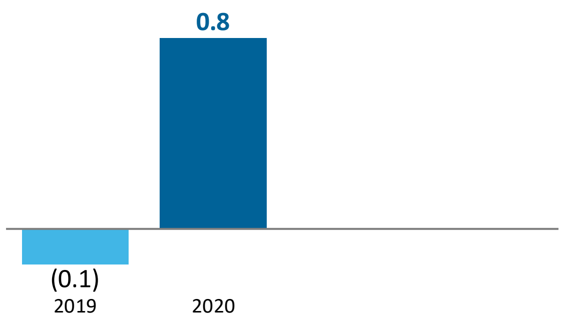
Internal related party revenue in any quarter is dependent on resources used or consumed internally, particularly in Registry Operations. We intend to continue to service the needs of internal customers as efficiently and effectively as possible, including the provision of service via related party resources;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



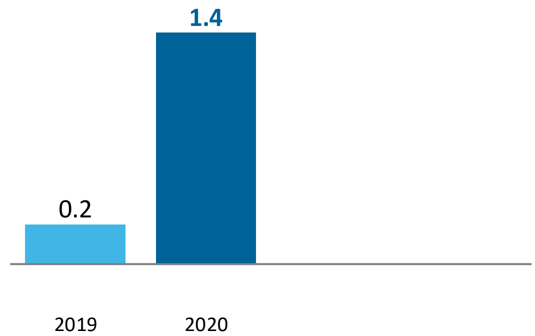
Note: Values may not add due to rounding.

TECHNOLOGY SOLUTIONS EXPENSES AND EBITDA

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



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



	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD dollars)	**2020**	2019[2]	**2020**	2019[2]
Revenue	**$ 4,916**	$ 4,945	**$ 9,580**	$ 9,823
Total expenses (excluding depreciation and amortization)	**4,140**	5,088	**8,162**	9,583
EBITDA	**$ 776**	$ (143)	**$ 1,418**	$ 240

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

[2] On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared service provided to the operating segments in the current year. This change also impacts certain related party revenues. Had the methodology change not been made, Technology Solutions EBITDA in the quarter is estimated to have been $818 thousand and year-to-date is estimated to have been $1,528 thousand.

EBITDA for Technology Solutions increased $0.9 million for the quarter compared to the second quarter of 2019 and was $1.4 million year-to-date compared to $0.2 million last year. EBITDA was up primarily due to reduced expenses as we continue to work to decrease our cost of delivering information technology services overall, as well as some minor COVID travel and other related cost reductions.

3.4 Corporate and other

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Third parties	**$ 5**	$ 2	**$ 6**	$ 6
Internal related parties[1]	**35**	6	**70**	12
Corporate and other revenue	**$ 40**	$ 8	**$ 76**	$ 18
Total expenses (excluding depreciation and amortization) [1]	**1,492**	1,062	**2,855**	2,341
EBITDA[2]	**$ (1,452)**	$ (1,054)	**$ (2,779)**	$ (2,323)

[1] On January 1, 2020, a new methodology was adopted for allocating corporate costs to the operating segments. Management believes this revised methodology more closely reflects the level of shared service provided to the operating segments in the current year. This change also impacts certain related party revenues. Had the methodology change not been made, Corporate EBITDA in the quarter is estimated to have been ($1,356) thousand, and year-to-date is estimated to have been ($2,417) thousand.

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

EBITDA for the quarter and year-to-date decreased compared to the same periods of 2019, mainly due to increased expenses, including higher professional and consulting services related to the exploration of growth initiatives.

4 Summary of Consolidated Quarterly Results

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

In Services, our core legal and financial services revenue has little seasonality; rather, it fluctuates in line with general economic drivers. Our collateral management services experience some seasonality aligned to vehicle and equipment financing cycles, which are generally stronger in the second and fourth quarters. Some smaller categories of products or services can have some seasonal variation, increasing slightly during the second and fourth quarters.

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

We note that while COVID-19 has impacted revenues, at this point, we do not expect any other substantive change to our normal seasonality.

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

	2020		2019				2018 (restated)[3]	
(thousands of CAD dollars)	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	**$30,993**	$29,596	$37,942	$32,175	$ 34,244	$28,607	$31,015	$ 30,186
Expenses	**24,592**	24,521	28,308	26,888	26,308	23,838	25,887	23,688
Net income before items noted below	**6,401**	5,075	9,634	5,287	7,936	4,769	5,128	6,498
Net finance (expense)/income	**(258)**	(274)	(288)	(422)	(277)	(259)	(155)	423
Change in contingent consideration	**-**	-	-	-	-	-	(195)	2,762
Income before tax	**6,143**	4,801	9,346	4,865	7,659	4,510	4,778	9,683
Income tax expense	**(1,638)**	(1,331)	(1,999)	(1,607)	(1,875)	(1,499)	(1,620)	(1,921)
Net income	**$ 4,505**	$ 3,470	$ 7,347	$ 3,258	$ 5,784	$ 3,011	$ 3,158	$ 7,762
Other comprehensive income (loss)	**(226)**	666	1	(133)	(56)	(321)	210	(159)
Total comprehensive income	**$ 4,279**	$ 4,136	$ 7,348	$ 3,125	$ 5,728	$ 2,690	$ 3,368	$ 7,603
EBITDA margin (% of revenue)[1, 2]	**29.5%**	26.5%	32.5%	26.7%	31.4%	25.7%	26.1%	40.2%
Adjusted EBITDA margin (% of revenue)[1]	**32.9%**	26.7%	33.4%	26.9%	31.8%	27.3%	26.7%	32.3%
Earnings per share, basic	**$ 0.26**	$ 0.20	$ 0.42	$ 0.19	$ 0.33	$ 0.17	$ 0.18	$ 0.44
Earnings per share, diluted	**$ 0.26**	$ 0.20	$ 0.42	$ 0.19	$ 0.33	$ 0.17	$ 0.18	$ 0.44

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

[2] The Q3 and Q4 2018 EBITDA includes net adjustments in relation to the fair value estimate of the contingent consideration associated with our AVS Systems Inc. acquisition of $2.8 million and $(0.2) million, respectively.

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

5 Business Strategy

STRATEGIC PRIORITIES

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

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

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

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

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

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

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

6 Financial and Capital Management

6.1 Cash flow

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

Historically, ISC has financed its operations and met its capital and finance expenditure requirements through cash provided from operating activities. Most recently, the Company has also utilized borrowing to supplement cash generated from operations to finance acquisition activities. The Company believes that internally generated cash flow, supplemented by additional borrowing that may be available to us through our existing Credit Facilities, will be sufficient to meet cash requirements, capital expenditures and anticipated dividend payments (refer to Note 18 in the December 31, 2019, financial statements which are available on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com for our existing Credit Facilities).

Liquidity risk is managed based on financial forecasts and anticipated cash flow. The majority of cash is held with Canadian chartered banks, and the risk of loss is believed to be minimal. At June 30, 2020, the Company held $24.6 million in cash compared to $23.7 million as at December 31, 2019, an increase of $0.9 million.

The Company expects to be able to meet its cash requirements, including being able to settle current liabilities of $22.5 million (December 31, 2019 – $24.7 million) and meet any unanticipated cash requirements due to changes in working capital commitments. Such changes that would affect our liquidity may arise from, among other factors, general economic conditions and the failure of one or more customers to pay their obligations. Deficiencies arising from short-term working capital requirements and capital expenditures may be financed on a short-term basis with bank indebtedness or on a permanent basis with offerings of securities.

CONSOLIDATED FREE CASH FLOW

	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Net cash flow provided by operating activities	**$ 8,079**	$ 7,166	**$ 10,180**	$ 8,501
Net change in non-cash working capital[1]	**(97)**	2,267	**4,395**	7,058
Cash provided by operating activities excluding working capital	**7,982**	9,433	**14,575**	15,559
Cash additions to property, plant and equipment	**(44)**	(154)	**(63)**	(238)
Cash additions to intangible assets	**(162)**	(694)	**(366)**	(1,471)
Consolidated free cash flow[2]	**$ 7,776**	$ 8,585	**$ 14,146**	$ 13,850

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

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

Consolidated free cash flow for the quarter was $7.8 million compared to $8.6 million for the same period in 2019 and was $14.1 million year-to-date compared to $13.9 million last year. The decrease in the quarter was due to lower operational results from the impact of COVID-19, which also impacted our year-to-date, though year-to-date still increased due to fewer additions to intangible assets in the first six months of 2020 compared to the same period of 2019.

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

	Three Months Ended June 30,		Six Months Ended June 301,	
(thousands of CAD dollars)	**2020**	2019	**2020**	2019
Net cash flow provided by operating activities	**$ 8.079**	$ 7,166	**$ 10,180**	$ 8,501
Net cash flow used in investing activities	**215**	(786)	**61**	(8,329)
Net cash flow used in financing activities	**(4,771)**	(4,775)	**(9,519)**	(9,482)
Effects of exchange rate changes on cash held in foreign currencies	**(112)**	(48)	**119**	(140)
Increase (decrease) in cash	**$ 3,411**	$ 1,557	**$ 841**	$ (9,450)
Cash, beginning of period	**21,161**	17,644	**23,731**	28,651
Cash, end of period	**$ 24,572**	$ 19,201	**$ 24,572**	$ 19,201

NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES

Net cash flow provided by operating activities was $8.1 million for the quarter compared to $7.2 million for the same period of 2019 and was $10.2 million year-to-date compared to $8.5 million last year. The increase is due to changes in working capital partially offset by lower results of operations.

NET CASH FLOW USED IN INVESTING ACTIVITIES

Net cash flow used in investing activities for the quarter and year-to-date decreased compared to the same period last year. The decrease this year was mainly due to less additions to assets as compared to last year and a reduction in short-term investments in the second quarter of 2020.

NET CASH FLOW USED IN FINANCING ACTIVITIES

Net cash flow used in financing activities for the quarter was flat at $4.8 million and $9.5 million for the three and six months ended June 30, 2020, respectively, compared to last year.

6.2 Capital expenditures

Capital expenditures were $0.3 million for the quarter, compared to $0.8 million for the same period in 2019 and were $0.6 million year-to-date compared to $1.7 million last year. Capital expenditures in the first six months of 2020 were primarily related to the purchase of systems supporting Corporate and other and system development work across our business segments versus larger technology additions in 2019.

(thousands of CAD dollars)	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Registry Operations	**$ 104**	$ 160	**$ 188**	$ 268
Services	**70**	201	**161**	358
Technology Solutions	**16**	211	**37**	497
Corporate and other	**120**	276	**231**	586
Total capital expenditures	**$ 310**	$ 848	**$ 617**	$ 1,709

6.3 Debt

At June 30, 2020, our debt was $17.0 million compared to $18.0 million at December 31, 2019.

At June 30, 2020, the Company had nil cash drawings on its operating facility (2019 — nil), and non-cash drawings, consisting of letters of credit and similar, were approximately $0.2 million (2019 — $0.2 million).

For further information on our Credit Facilities, refer to Note 18 in the December 31, 2019, Financial Statements, which are available on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com. As well, please refer to Subsequent Events for further information on changes to our Credit Facilities after the end of the quarter.

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

6.4 Total assets

Total assets were $168.4 million at June 30, 2020, compared to $171.6 million at December 31, 2019.

(thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	**As at June 30, 2020**
Total assets excluding intangibles, goodwill and cash	$ 26,360	$ 10,603	$ 5,877	$ 17,355	**$ 60,195**
Intangibles	3,142	29,239	4,103	1,405	**37,889**
Goodwill[1]	1,200	35,715	8,730	-	**45,705**
Cash	-	-	-	24,572	**24,572**
Total assets	$ 30,702	$ 75,557	$ 18,770	$ 43,332	**$ 168,361**

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

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

6.5 Working capital

At June 30, 2020, working capital was $22.5 million compared to $17.7 million at December 31, 2019. The increase in working capital is primarily the result of increased accounts receivable related to revenue growth, increased prepaid expenses and deposits related to our growth activities and decreased current liabilities due to the timing of accruals related to our short-term incentive plan.

(thousands of CAD dollars)	**As at June 30, 2020**	As at December 31, 2019
Current assets	**$ 45,025**	$ 42,333
Current liabilities	**(22,481)**	(24,655)
Working capital	**$ 22,544**	$ 17,678

6.6 Outstanding share data

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

6.7 Common share dividend

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

7 Business Risks

7.1 Financial instruments and financial risks

Financial instruments held in the normal course of business, included in our consolidated statements of financial position as at June 30, 2020, consist of cash, short-term investments, trade and other receivables, contract assets – unbilled revenue, accounts payable and accrued liabilities, lease obligations, long-term debt and provisions.

The Company does not use any form of derivative financial instruments to manage our exposure to credit risk, interest rate risk, market risk or foreign currency exchange risk. Refer to Note 21 of the Financial Statements for information pertaining to financial instruments and related risk management.

7.2 Business risks and risk management

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

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

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

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

8 Accounting Policies, Financial Measures and Controls

8.1 Off-balance sheet arrangements

The Company had no off-balance sheet arrangements as at June 30, 2020.

8.2 Related party transactions

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

8.3 Critical accounting estimates

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

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

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

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

8.4 Changes in accounting policies

The IAS Board and International Financial Reporting Interpretations Committee issued the following new standards and amendments to standards and interpretations, which became effective January 1, 2020.

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

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

8.5 Financial measures and key performance indicators

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

8.6 Internal controls over financial reporting

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

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

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

8.7 Disclosure controls and procedures

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

8.8 Non-IFRS financial measures

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

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

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

8.9 Non-IFRS financial measures definition

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

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