Information in the right hands.

August 7, 2024

Management's Discussion and Analysis

For the Three and Six Months Ended June 30, 2024

CONTENTS

INTRODUCTION

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

This document should be read in its entirety and is intended to complement and supplement ISC's unaudited condensed consolidated financial statements for the three and six months ended June 30, 2024, and 2023 ("Financial Statements"). Additional information, including our Annual Information Form for the year ended December 31, 2023, is available on the Company's website at www.isc.ca and in the Company's profile on SEDAR+ at www.sedarplus.ca.

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 adjusted net income, adjusted earnings per share, basic, adjusted earnings per share, diluted, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, free cash flow and adjusted free cash flow. These measures are provided as additional information to complement IFRS measures. Refer to Section 8.8 "Non-IFRS financial measures" for a discussion on why we use these measures, the calculation of them and their most directly comparable IFRS financial measures. Refer to Section 2 "Consolidated Financial Analysis" and Section 6.1 "Cash flow" for a reconciliation of these measures to the most directly comparable IFRS financial measure.

Unless otherwise noted, or unless the context indicates otherwise, "ISC", the "Company", "we", "us" and "our" refer to Information Services Corporation and its subsidiaries. Any statements in this MD&A made by, or on behalf of management are made in such persons' capacities as officers of ISC and not in their personal capacities. In this MD&A, *this quarter, the quarter,* or *second quarter* refer to the three months ended June 30, 2024, and *year-to-date* or *year-over-year* refer to the six months ended June 30, 2024, unless the content indicates otherwise. All results commentary is compared to the equivalent period in 2023 or as at December 31, 2023, as applicable, unless otherwise indicated.

The Financial Statements are presented in Canadian dollars ("CAD"). In this MD&A, all references to "$" or "dollars" are to CAD and amounts are stated in CAD 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 7, 2024.

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

RESPONSIBILITY FOR DISCLOSURE

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

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

CAUTION REGARDING FORWARD-LOOKING INFORMATION

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

Forward-looking information that may be found in this MD&A includes, without limitation, that contained in the "Outlook" section hereof and management's expectations, intentions and beliefs concerning the industries in which we operate, business strategy and strategic direction, growth opportunities, integration, contingent consideration, development and completion of projects, the competitive landscape, seasonality, our future financial position and results of operations, capital and operating expectations, projected costs, the impact of certain payments to the Government of Saskatchewan, access to financing, debt levels, free cash flow, expectations for meeting future cash requirements, the economy and the real estate market, reporting currency and currency fluctuations, dividend expectations, market trends and other plans and objectives of or involving ISC. The words *may*, *will*, *would, should, could, expect, plan, intend, anticipate, believe, estimate, predict, strive, strategy, continue, likely* and *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) and market our technology assets and capabilities, 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, 2023, and the Financial Statements, copies of which are available on our website at www.isc.ca and in the Company's profile on SEDAR+ at www.sedarplus.ca. You should consider these factors carefully. We caution that the foregoing list is not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, this forward-looking information. See Section 7.2 "Business risks and risk management".

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

1. Overview

Following a strong start to the year in the first quarter, the second quarter of 2024 saw record revenue and record adjusted EBITDA for the period up 27 and 53 per cent respectively, compared to the second quarter of 2023. The robust, year-over-year growth was, again, due to strong operating results from across the Company.

In Registry Operations, strong performance from the Saskatchewan Registries division, combined with the full effect of fee adjustments implemented in July 2023 (in connection with the Extension Agreement and annual CPI adjustments, collectively, the “fee adjustments”), produced revenue and adjusted EBITDA for the quarter that were up 39 and 68 per cent, respectively. We also saw strong performance in the residential real estate, agricultural and commercial sectors in the Land Registry, resulting in an increase in overall volumes compared to the second quarter of 2023. For more information about the Extension and the Extension Agreement, please refer to Section 3.1 “Registry Operations – Saskatchewan Registries”.

In Services, revenue and adjusted EBITDA were up 18 and 29 per cent, respectively. Increases in due diligence activities from existing customers as the compliance environment continues to be more stringent within the lending industry drove up revenue within the Regulatory Solutions division. Asset recovery also saw increases in assignments and, most importantly, improved year-over-year vehicle sales contributed to the growth in our Recovery Solutions division.

Expenses were up by $6.7 million compared to the second quarter of 2024 largely due to regular business activity such as an increase to the cost of goods sold in the Regulatory Solutions division in our Services segment and an increase in technology costs in our Technology Solutions segment related to project delivery work. In addition, there was an increase in expenses associated with the right to manage and operate the Saskatchewan Registries, including interest expense and depreciation and amortization.

Overall, record performances in the second quarter and first half of 2024 are in line with expectations and our guidance, and are reflective of the strength of the Company’s business overall. In keeping with our commitment, we are executing against our five-year goal to double revenue and adjusted EBITDA by 2028. For more information about our strategy and our five-year goal, please refer to Section 5 “Business Strategy”.

1.1 Consolidated highlights

SELECT CONSOLIDATED FINANCIAL INFORMATION

Revenue	Net income	Earnings per share, diluted	Net cash flow provided by operating activities
$67.8M	$10.3M	$0.56	$24.1M
+27% vs Q2 2023	+25% vs Q2 2023	+22% vs Q2 2023	+69% vs Q2 2023

Adjusted net income[1]	Adjusted EBITDA[1]	Adjusted free cash flow[1]
$14.1M	$27.2M	$15.7M
+52% vs Q2 2023	+53% vs Q2 2023	+26% vs Q2 2023

SELECT FINANCIAL INFORMATION

The select financial information set out for the three and six months ended June 30, 2024 and 2023, 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)		**2024**		2023		**2024**		2023
Revenue	**$**	**67,848**	$	53,295	**$**	**124,248**	$	102,419
Net income		**10,319**		8,233		**10,742**		15,097
Net cash flow provided by operating activities		**24,149**		14,307		**34,617**		20,045
Adjusted net income[1]	**$**	**14,067**	$	9,256	**$**	**22,565**	$	16,008
Adjusted EBITDA[1]		**27,180**		17,824		**46,620**		32,340
Adjusted EBITDA margin (% of revenue)[1]		**40.0%**		33.4%		**37.5%**		31.6%
Adjusted free cash flow[1,2]	**$**	**15,664**	$	12,468	**$**	**27,300**	$	22,351
Dividend declared per share	**$**	**0.23**	$	0.23	**$**	**0.46**	$	0.46
Earnings per share, basic		**0.57**		0.47		**0.59**		0.85
Earnings per share, diluted		**0.56**		0.46		**0.59**		0.84
Adjusted earnings per share, basic		**0.78**		0.52		**1.25**		0.90
Adjusted earnings per share, diluted		**0.77**		0.51		**1.24**		0.89

		As at June 30, 2024		As at December 31, 2023
Total assets	**$**	**532,062**	$	536,323
Total non-current liabilities	**$**	**292,094**	$	304,048

[1] *Adjusted net income, adjusted earnings per share, basic, adjusted earnings per share, diluted, adjusted EBITDA, adjusted EBITDA margin and adjusted 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" for a discussion on why we use these measures, the calculation of them and their most directly comparable IFRS financial measure. Refer to Section 2 "Consolidated Financial Analysis" and Section 6.1 "Cash flow" for a reconciliation of these measures to the most directly comparable IFRS financial measure.*

[2] *The adjusted free cash flow for the three and six month periods ending June 30, 2023, was restated due to a change in the definition of sustaining capital expenditures, which was made in the third quarter of 2023. This resulted in a restatement that increased adjusted free cash flow by $0.6 million for the three and six month periods ended June 30, 2023.*

SECOND QUARTER CONSOLIDATED HIGHLIGHTS

- **Revenue** was a record $67.8 million for the quarter, an increase of 27 per cent compared to the second quarter of 2023. This was driven by Registry Operations' strong performance from the Saskatchewan Registries division, combined with the full effect of fee adjustments made in 2023 and record high-value property registrations in the Land Titles Registry. Further contributing to this growth was the Services segment with continued customer and transaction growth in the Regulatory Solutions division and increased assignments and sales in the Recovery Solutions division.
- **Net income** was $10.3 million or $0.57 per basic share and $0.56 per diluted share compared to $8.2 million or $0.47 per basic share and $0.46 per diluted share in the second quarter of 2023. Strong adjusted EBITDA growth in all operating segments drove the increase in the quarter.
- **Net cash flow provided by operating activities** was $24.1 million for the quarter, an increase of $9.8 million from $14.3 million in the second quarter of 2023. The increase was driven by increased contributions from the Registry Operations and Services segments.
- **Adjusted net income** was $14.1 million or $0.78 per basic share and $0.77 per diluted share compared to $9.3 million or $0.52 per basic share and $0.51 per diluted share in the second quarter of 2023. The growth in adjusted net income is for similar reasons as net income, which was offset by increased interest expense associated with additional borrowings that were used to fund the Upfront Payment. For more information about the Upfront Payment, please refer to Section 3.1 "Registry Operations – Saskatchewan Registries".
- **Adjusted EBITDA** was a record $27.2 million for the quarter compared to $17.8 million in the second quarter of 2023. The increase was driven by Registry Operations' strong performance from the Saskatchewan Registries division, combined with the full effect of fee adjustments made in 2023 and record high-value property registrations in the Land Titles Registry. Further contributing to the growth was the Services segment with continued customer and transaction growth in the Regulatory Solutions division as well as increased assignments and sales in the Recovery Solutions division. **Adjusted EBITDA margin** was 40.0 per cent compared to 33.4 per cent in the second quarter of 2023 driven mainly by the pricing and volume increases in Registry Operations' Saskatchewan Registries division discussed above.
- **Adjusted free cash flow** for the quarter was $15.7 million, up 26 per cent compared to $12.5 million in the second quarter of 2023. This growth was driven by stronger adjusted EBITDA results across all our operating segments. This was partially offset by increased interest expense on the borrowings that were used to fund the Upfront Payment.
- Voluntary prepayments of $10.0 million were made towards ISC's Credit Facility during the quarter as part of the Company's plan to deleverage towards a long-term net leverage target of 2.0x – 2.5x. See Section 6.3 "Debt" for more information on ISC's Credit Facility.
- During the quarter, ISC announced that through its wholly owned subsidiary, Reamined Systems Inc. ("Reamined"), the Company and His Majesty the King in right of Ontario as represented by the Minister of Finance (the "Ministry") entered into an amended and restated License and Information Technology Services Agreement (the "A&R OPTA Agreement" or the "Agreement") to continue the management and operation of the Online Property Tax Analysis ("OPTA") system for the Government of Ontario until March 31, 2028 — with two additional options for one-year renewals.
- On May 23, 2024, ISC announced the appointment of Todd Antill as Vice-President, Registry Operations, reporting to Shawn Peters, President and CEO.

YEAR-TO-DATE CONSOLIDATED HIGHLIGHTS

- **Revenue** was $124.2 million for the six months ended June 30, 2024, an increase of 21 per cent compared to $102.4 million in the same period of 2023. The increase was due to the same reasons noted for the quarter, combined with increased Third Party revenue in Technology Solutions due to advancement of project work on existing and new solution definition and implementation contracts.
- **Net income** was $10.7 million or $0.59 per basic and diluted share for the first half of 2024 compared to $15.1 million or $0.85 per basic share and $0.84 per diluted share in the first half of 2023. Strong adjusted EBITDA results year-to-date from all operating segments were offset by increased share-based compensation expense due to a rise in the Company's share price compared to a decrease in the prior year period, alongside increased interest expense and amortization associated with the Extension.
- **Net cash flow provided by operating activities** was $34.6 million for the six months ended June 30, 2024, an increase of $14.6 million compared to the same period of 2023 driven by strong operating results and changes in non-cash working capital.
- **Adjusted net income** was $22.6 million or $1.25 per basic share and $1.24 per diluted share for the first half of 2024 compared to $16.0 million or $0.90 per basic share and $0.89 per diluted share for the six months ended June 30, 2023. The growth reflects strong operating results across all operating segments that were partially offset by increased interest expense due to an increase in borrowings to fund the Upfront Payment.
- **Adjusted EBITDA** was $46.6 million for the first half of the year compared to $32.3 million in the same period of 2023. The increase is driven by the same reasons as noted for the change in quarterly results, in addition to Technology Solutions experiencing higher adjusted EBITDA due to increased revenue from existing and new solution definition and implementation contracts. **Adjusted EBITDA margin** for the year-to-date was 37.5 per cent compared to 31.6 per cent in the same period in 2023.
- **Adjusted free cash flow** for the six months ended June 30, 2024, was $27.3 million, an increase of $4.9 million compared to $22.4 million in the same period of 2023. Similar to the quarter, this was due to stronger results in our operating segments and partially offset by an increase in costs associated with the Extension, including interest expense on the increased borrowings to fund the Upfront Payment.
- In the first six months of the year, voluntary prepayments on ISC's Credit Facility totalled $14.0 million, of which $10.0 million was paid in the second quarter as part of ISC's plan to deleverage towards a long-term net leverage target of 2.0x – 2.5x.
- On March 8, 2024, Regulis S.A. ("Regulis"), a wholly owned subsidiary of ISC, launched the International Registry of Interests in Rolling Stock consistent with its contract under the Luxembourg Rail Protocol of the Cape Town Convention, which provides the exclusive right and obligation to develop, deliver and operate the International Registry of Interests in Rolling Stock for a period of 10 years from the date of go live. Pursuant to the Regulis Share Purchase Agreement executed in 2022, additional purchase consideration of €0.6 million (approximately $0.9 million CAD) was paid during the first quarter.

1.2 Subsequent events

- On July 2, 2024, the Company launched the online, self-service Customer Portal for the Bank Act Security Registry ("the BASR").
- On July 31, 2024, the first of five annual cash payments of $30.0 million was made pursuant to the Extension Agreement to extend ISC's exclusive right to manage and operate the Saskatchewan Registries division in Registry Operations, using funds drawn from the Credit Facility.
- On August 7, 2024, the Board declared a quarterly cash dividend of $0.23 per Class A Share, payable on or before October 15, 2024, to shareholders of record as of September 30, 2024.

1.3 Outlook

The following section includes forward-looking information, including statements related to our strategy, future results, including revenue and adjusted EBITDA, segment performance, expenses, operating costs and capital expenditures, the industries in which we operate, economic activity, growth opportunities, investments and business development opportunities. Refer to "Caution Regarding Forward-Looking Information".

The Bank of Canada has now lowered its key interest rate twice in 2024, and with a forecast of further cuts as inflation nears the Bank of Canada's long-term target, strong activity in the Saskatchewan real estate market is expected to continue in the near term, despite inventory challenges in lower-value homes. We continue to monitor interest rates and other economic conditions which can impact real estate activity, however, factors such as strong population growth and improved market confidence create an environment for heightened real estate activity, most notably benefitting the Saskatchewan Land Registry. In addition, the realization of a full year of fee adjustments, including those amended in July 2023 because of the Extension Agreement and regular annual CPI fee adjustments, will continue to support strong revenue in Registry Operations.

Services will continue to be a significant part of our organic growth, with a forecasted increase in transactions and number of customers. The current trend of enhanced due diligence in an environment of increased regulatory oversight is expected to continue and positively impact the Regulatory Solutions division. Furthermore, the decline in used car values, which worsens the loan-to-value of the vehicle and reduces any equity debtors may have in their existing vehicle(s), coupled with the current mortgage, rental and inflationary pressures is expected to negatively impact consumers' disposable income as well as lead to increased assignment levels in our Recovery Solutions division for the next two years.

The key drivers of expenses in adjusted EBITDA in 2024 are expected to be wages and salaries and cost of goods sold. Furthermore, as a result of the Extension Agreement, the Company will have additional operating costs associated with the enhancement of the Saskatchewan Registries and increased interest expense arising from additional borrowings, which are excluded from adjusted EBITDA. Our capital expenditures are expected to increase because of the enhancement of the Saskatchewan Registries but will remain immaterial overall.

In February, we provided our annual guidance that forecasted meaningful organic growth in 2024, with the top-end guidance range for revenue and adjusted EBITDA estimated to grow by up to 17 and by up to 25 per cent, respectively, year over year. In light of the strong performance to date in 2024, and the view to the continuing market trends, we are maintaining our annual guidance for 2024 with revenue to be within a range of $240.0 million to $250.0 million and adjusted EBITDA to be within a range of $83.0 million to $91.0 million.

2. Consolidated Financial Analysis

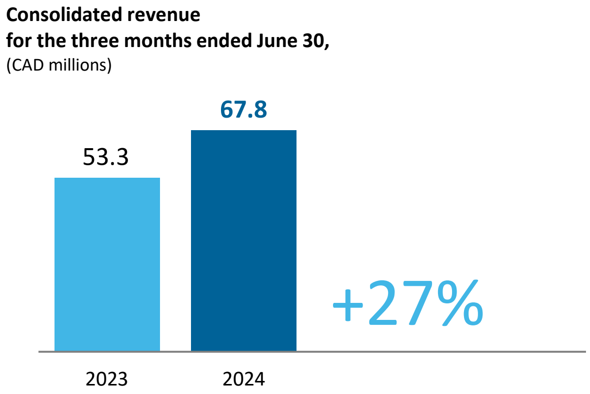
Revenue was up 27 and 21 per cent respectively for the three and six months ended June 30, 2024, compared to the same prior year periods. Revenue for the three and six months ended June 30, 2024, grew as a result of Registry Operations' strong performance from the Saskatchewan Registries division, combined with the full effect of fee adjustments and record high-value property registrations in the Land Titles Registry. Further contributing to this growth was the Services segment with continued customer and transaction growth in the Regulatory Solutions division and increased assignments and sales in the Recovery Solutions division.

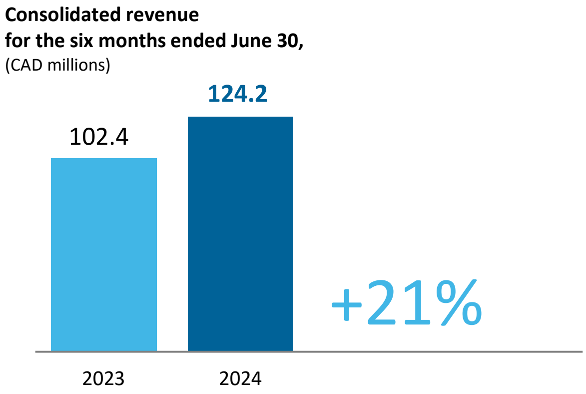
Net income for the three months ended June 30, 2024, was $10.3 million, up from $8.2 million in the same period of 2023. Strong adjusted EBITDA results across all operating segments were partially offset by increased interest expense and amortization related to the Extension. For the six months ended June 30, 2024, net income was $10.7 million, down from $15.1 million in the same period in 2023. Strong operating results driven by the main factors as noted for the quarter were offset by increased share-based compensation expense due to a rise in the Company's share price compared to a decrease in the Company's share price in the same period in the prior year, in addition to increased interest expense and amortization related to the Extension.

2.1 Consolidated statements of comprehensive income

	Three months ended June 30,		Six months ended June 30,	
(thousands of CAD)	**2024**	2023	**2024**	2023
Revenue				
Registry Operations	**$ 34,391**	$ 24,796	**$ 60,659**	$ 47,578
Services	**30,855**	26,072	**57,892**	50,793
Technology Solutions	**2,599**	2,420	**5,691**	4,029
Corporate and other	**3**	7	**6**	19
Total revenue	**67,848**	53,295	**124,248**	102,419
Expenses				
Wages and salaries	**15,207**	14,705	**35,899**	28,939
Cost of goods sold	**16,774**	14,525	**31,090**	26,970
Depreciation and amortization	**6,801**	4,111	**13,575**	8,239
Information technology services	**4,419**	3,130	**8,083**	6,165
Occupancy costs	**1,131**	1,105	**2,305**	2,291
Professional and consulting services	**1,697**	1,481	**3,230**	3,127
Financial services	**638**	707	**1,357**	1,807
Other	**964**	1,201	**1,911**	1,992
Total expenses	**47,631**	40,965	**97,450**	79,530
Net income before items noted below	**20,217**	12,330	**26,798**	22,889
Finance income (expense)				
Interest income	**252**	243	**501**	553
Interest expense	**(6,042)**	(1,132)	**(12,208)**	(2,347)
Net finance expense	**(5,790)**	(889)	**(11,707)**	(1,794)
Income before tax	**14,427**	11,441	**15,091**	21,095
Income tax expense	**(4,108)**	(3,208)	**(4,349)**	(5,998)
Net income	**10,319**	8,233	**10,742**	15,097
Other comprehensive income				
Unrealized gain on translation of financial statements of foreign operations	**83**	5	**57**	115
Other comprehensive income	**83**	5	**57**	115
Total comprehensive income	**$ 10,402**	$ 8,238	**$ 10,799**	$ 15,212

2.2 Consolidated revenue





	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD)	**2024**	2023	**2024**	2023
Registry Operations	**$ 34,391**	$ 24,796	**$ 60,659**	$ 47,578
Services	**30,855**	26,072	**57,892**	50,793
Technology Solutions	**2,599**	2,420	**5,691**	4,029
Corporate and other	**3**	7	**6**	19
Total revenue	**$ 67,848**	$ 53,295	**$ 124,248**	$ 102,419

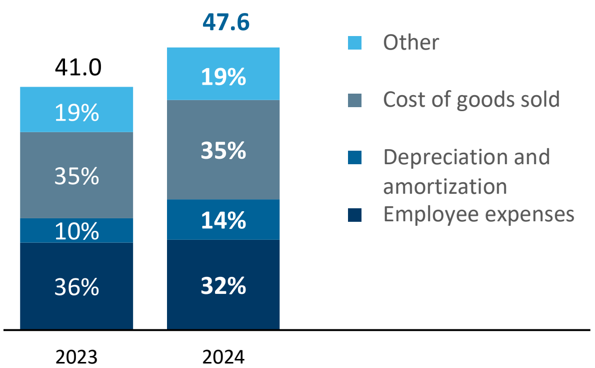
Total revenue for the quarter increased by $14.6 million as a result of:

- Increased revenue in Registry Operations of $9.6 million or 39 per cent compared to the second quarter of 2023 following the implementation of fee adjustments in the Saskatchewan Registries division in the third quarter of 2023 pursuant to the Extension Agreement discussed above and annual CPI adjustments. Volume increases across all the registries in the Saskatchewan Registries division as well as high-value property registrations in the Land Titles Registry also contributed to the increase during the quarter.
- Increased revenue of $4.8 million in Services, or 18 per cent for the second quarter of 2024, compared to the same quarter in 2023. Growth was driven by continued customer and transaction growth in Regulatory Solutions where customers from financial institutions and auto finance continued to enhance due diligence processes and increased regulatory oversight, as well as an increase in Recovery Solutions revenue due to an increase in assignments and sales.

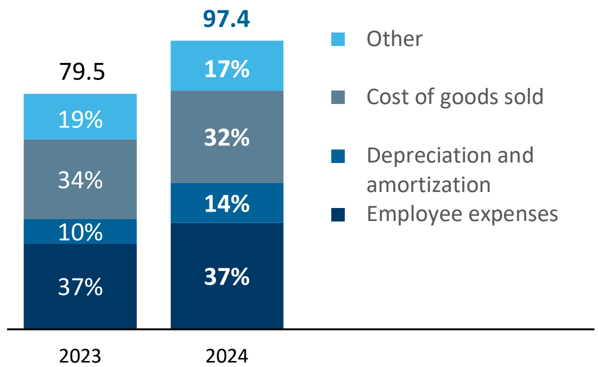
Total year-to-date revenue increased by $21.8 million or 21 per cent compared to the same prior year period due to the same reasons noted for the quarter combined with increased Third Party revenue in Technology Solutions due to advancement of project work on existing and new solution definition and implementation contracts.

2.3 Consolidated expenses

Consolidated expenses
for the three months ended June 30,
(CAD millions)



Consolidated expenses
for the six months ended June 30,
(CAD millions)



Note: Values in table may not add due to rounding.

	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD)	**2024**	2023	**2024**	2023
Wages and salaries	**$ 15,207**	$ 14,705	**$ 35,899**	$ 28,939
Cost of goods sold	**16,774**	14,525	**31,090**	26,970
Depreciation and amortization	**6,801**	4,111	**13,575**	8,239
Information technology services	**4,419**	3,130	**8,083**	6,165
Occupancy costs	**1,131**	1,105	**2,305**	2,291
Professional and consulting services	**1,697**	1,481	**3,230**	3,127
Financial services	**638**	707	**1,357**	1,807
Other	**964**	1,201	**1,911**	1,992
Total expenses	**$ 47,631**	$ 40,965	**$ 97,450**	$ 79,530

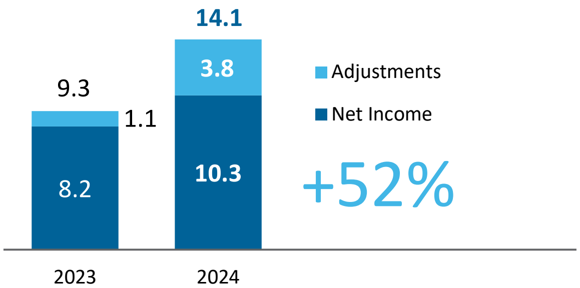
Expenses were $47.6 million for the quarter, an increase of $6.7 million compared to the same quarter last year. The increase in the quarter was due to:

- An increase in depreciation and amortization of $2.7 million related to amortization of the intangible asset associated with the right to manage and operate the Saskatchewan Registries, which was capitalized in July 2023.
- An increase in cost of goods sold of $2.2 million related to the increase in Services revenue within the Regulatory Solutions division.
- An increase in information technology costs of $1.3 million related to project delivery work primarily in Technology Solutions.

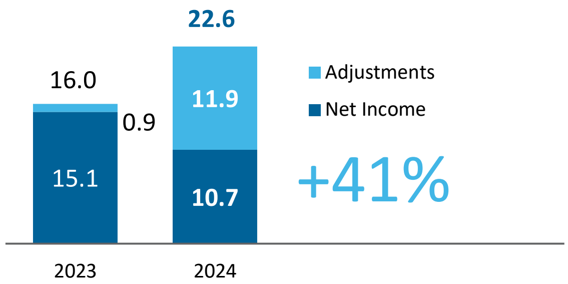
The year-over-year rise in expenses for the six months ended June 30, 2024, was $17.9 million driven by the same factors outlined for the three months ended June 30, 2024, with the exception of a $5.1 million increase in share-based compensation expense due to an increase in the Company’s share price during the period versus a decrease in the same period in the prior year and increased investment in people to support business growth.

2.4 Consolidated net income and adjusted net income

Net income and adjusted net income for the three months ended June 30,
(CAD millions)



Net income and adjusted net income for the six months ended June 30,
(CAD millions)



	Three Months Ended June 30,					
	Pre-tax		Tax[1]		After-tax	
(thousands of CAD)	**2024**	2023	**2024**	2023	**2024**	2023
Adjusted net income	**$ 19,562**	$ 12,842	**$ (5,495)**	$ (3,586)	**$ 14,067**	$ 9,256
Add (subtract):						
Share-based compensation expense	**1,097**	347	**(296)**	(94)	**801**	253
Acquisition, integration and other costs	**(1,259)**	(1,730)	**340**	467	**(919)**	(1,263)
Effective interest component of interest expense	**(65)**	(18)	**18**	5	**(47)**	(13)
Interest on vendor concession liability	**(2,594)**	-	**700**	-	**(1,894)**	-
Amortization of right to manage and operate the Saskatchewan Registries	**(2,314)**	-	**625**	-	**(1,689)**	-
Net income	**$ 14,427**	$ 11,441	**$ (4,108)**	$ (3,208)	**$ 10,319**	$ 8,233

[1] *Calculated at ISC's statutory tax rate of 27.0 per cent.*

	Six Months Ended June 30,					
	Pre-tax		Tax[1]		After-tax	
(thousands of CAD)	**2024**	2023	**2024**	2023	**2024**	2023
Adjusted net income	**$ 31,289**	$ 22,343	**$ (8,724)**	$ (6,335)	**$ 22,565**	$ 16,008
Add (subtract):						
Share-based compensation expense	**(3,538)**	1,537	**955**	(415)	**(2,583)**	1,122
Acquisition, integration and other costs	**(2,709)**	(2,749)	**732**	742	**(1,977)**	(2,007)
Effective interest component of interest expense	**(130)**	(36)	**36**	10	**(94)**	(26)
Interest on vendor concession liability	**(5,193)**	-	**1,402**	-	**(3,791)**	-
Amortization of right to manage and operate the Saskatchewan Registries	**(4,628)**	-	**1,250**	-	**(3,378)**	-
Net income	**$ 15,091**	$ 21,095	**$ (4,349)**	$ (5,998)	**$ 10,742**	$ 15,097

[1] *Calculated at ISC's statutory tax rate of 27.0 per cent.*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	**2024**	2023
Earnings per share, basic	**$ 0.57**	$ 0.47	**$ 0.59**	$ 0.85
Earnings per share, diluted	**0.56**	0.46	**0.59**	0.84
Adjusted earnings per share, basic	**0.78**	0.52	**1.25**	0.90
Adjusted earnings per share, diluted	**0.77**	0.51	**1.24**	0.89
Weighted average # of shares	**18,127,612**	17,701,498	**18,074,418**	17,701,498
Weighted average # of diluted shares	**18,289,100**	17,977,405	**18,230,977**	17,997,474

Net income for the quarter was $10.3 million or $0.57 per basic share and $0.56 per diluted share, an increase compared to $8.2 million in the second quarter of 2023 or $0.47 per basic share and $0.46 per diluted share. For the six months ended June 30, 2024, net income was $10.7 million or $0.59 per basic and diluted share year-to-date compared to $15.1 million or $0.85 per basic share and $0.84 per diluted share in the same period of 2023.

The increase in net income for the three months ended June 30, 2024, compared to the prior year period was due to:

- Adjusted EBITDA growth of $9.3 million in Registry Operations due to fee adjustments in the Saskatchewan Registries division made in the third quarter of 2023 pursuant to the Extension and annual CPI adjustments which resulted in higher revenue in the Land Registry and Corporate Registry, volume increases across the Saskatchewan Registries division as well as high value property registrations in the Land Titles Registry.
- An increase in adjusted EBITDA of $1.6 million in Services, driven by higher revenue from continued customer and transaction growth in Regulatory Solutions as well as increased assignments and sales in Services' Recovery Solutions.

Offsetting this was:

- An increase in net finance expense of $4.9 million in the current quarter compared to the same prior year period due to increased borrowings associated with the Upfront Payment and non-cash interest accrued on the vendor concession liability to the Government of Saskatchewan.
- Increased depreciation and amortization expense of $2.7 million due to a full quarter of amortization with respect to the extended right to manage and operate the Saskatchewan Registries, which was capitalized in July 2023.

Year-to-date, the decrease in net income of $4.4 million was due to:

- Adjusted EBITDA growth of $13.4 million in Registry Operations due to fee adjustments in the Saskatchewan Registries made in the third quarter of 2023 pursuant to the Extension and annual CPI adjustments which resulted in higher revenue in the Land Registry and Corporate Registry, volume increases across the Saskatchewan Registries division as well as high value property registrations in the Land Titles Registry.
- Adjusted EBITDA growth of $1.6 million in Services, driven by higher revenue from continued customer and transaction growth in Regulatory Solutions as well as increased assignments and sales in Recovery Solutions.

Offsetting this was:

- An increase in share-based compensation expense of $5.1 million compared to the same period in the prior year. This was driven by an increase in the Company's share price during the period compared to a decrease in the share price during same period in 2023.

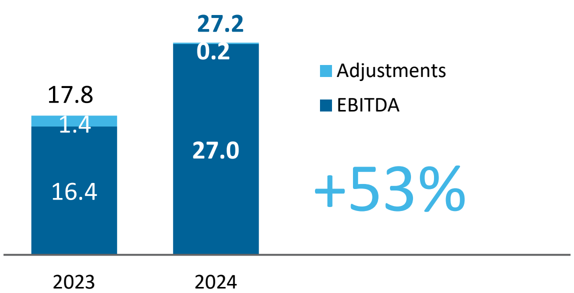
- An increase in interest expense of $9.9 million compared to the same period in the prior year due to increased borrowings associated with the Upfront Payment and non-cash interest accrued on the vendor concession liability to the Government of Saskatchewan.
- Increased depreciation and amortization expense of $5.3 million due to six months of amortization with respect to the extended right to manage and operate the Saskatchewan Registries, which was capitalized in July 2023.

Adjusted net income for the quarter was $14.1 million or $0.78 per basic share and $0.77 per diluted share compared to $9.3 million or $0.52 per basic share and $0.51 per diluted share in the second quarter of 2023. On a year-to-date basis, adjusted net income was $22.6 million or $1.25 per basic share and $1.24 per diluted share compared to $16.0 million or $0.90 per basic share and $0.89 per diluted share in the same period of 2023.

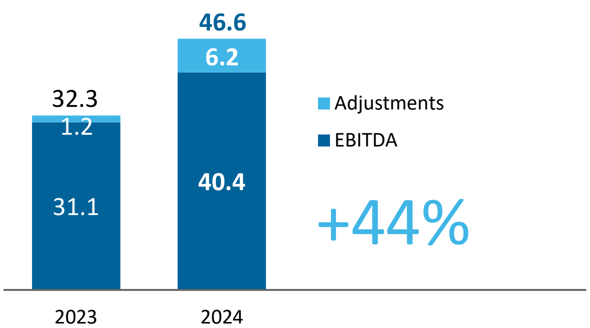
The growth in adjusted net income for the three and six months ended June 30, 2024, reflects the strong adjusted EBITDA results from all operating segments, partially offset by higher interest expense on long-term debt associated with the Extension.

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)



Note: Values in table may not add due to rounding.

(thousands of CAD)	Three Months Ended June 30, **2024**	2023	Six Months Ended June 30, **2024**	2023
Adjusted EBITDA	**$ 27,180**	$ 17,824	**$ 46,620**	$ 32,340
Add (subtract):				
Share-based compensation expense	**1,097**	347	**(3,538)**	1,537
Acquisition, integration and other costs	**(1,259)**	(1,730)	**(2,709)**	(2,749)
EBITDA[1]	**$ 27,018**	$ 16,441	**$ 40,373**	$ 31,128
Add (subtract):				
Depreciation and amortization	**(6,801)**	(4,111)	**(13,575)**	(8,239)
Net finance expense	**(5,790)**	(889)	**(11,707)**	(1,794)
Income tax expense	**(4,108)**	(3,208)	**(4,349)**	(5,998)
Net income	**$ 10,319**	$ 8,233	**$ 10,742**	$ 15,097
EBITDA margin (% of revenue)[1]	**39.8%**	30.8%	**32.5%**	30.4%
Adjusted EBITDA margin (% of revenue)	**40.0%**	33.4%	**37.5%**	31.6%

[1] *EBITDA and 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" for a discussion on why we use these measures, the calculation of them and their most directly comparable IFRS financial measure.*

Adjusted EBITDA for the quarter was $27.2 million, an increase of $9.4 million from $17.8 million in the second quarter of 2023. The increase was due to increased adjusted EBITDA contributions from Registry Operations due to fee adjustments, which resulted in higher revenue, volume increases across the Saskatchewan Registries division as well as high value property registrations in the Land Titles Registry. Additionally, Services' adjusted EBITDA also contributed to the increase primarily as a result of customer and transaction growth in Regulatory Solutions and an increase in assignments and sales in Recovery Solutions.

For the first six months of the year, adjusted EBITDA was $46.6 million, an increase of $14.3 million compared to the first six months of 2023. This was driven by increased adjusted EBITDA contributions from all operating segments. In addition to the Registry Operations and Services contributions, Technology Solutions adjusted EBITDA also grew due to the advancements of project work on existing and new solution definition and implementation contracts.

EBITDA was $27.0 million compared to $16.4 million in the second quarter of 2023. For the first six months of the year, EBITDA was $40.4 million compared to $31.1 million for the first six months of 2023. The reason for this growth in both periods was due to an increase in adjusted EBITDA, with the year-to-date increase partially offset by a $5.1 million increase in share-based compensation expense reflected in EBITDA.

2.6 Consolidated net finance expense

	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD)	**2024**	2023	**2024**	2023
Interest income	**$ 252**	$ 243	**$ 501**	$ 553
Interest expense on long-term debt	**(3,258)**	(1,020)	**(6,626)**	(2,122)
Interest on vendor concession liability	**(2,594)**	-	**(5,193)**	-
Interest on lease liabilities	**(125)**	(94)	**(259)**	(189)
Effective interest component of interest expense	**(65)**	(18)	**(130)**	(36)
Interest expense	**$ (6,042)**	$ (1,132)	**$ (12,208)**	$ (2,347)
Net finance expense	**$ (5,790)**	$ (889)	**$ (11,707)**	$ (1,794)

Note: Brackets in the above table denote expense

Net finance expense was $5.8 million for the quarter, up $4.9 million from the prior year quarter. For the six months ended June 30, 2024, net finance expense was $11.7 million, up $9.9 million from the same period in 2023. Consolidated net finance expense for the quarter and six month period ended June 30, 2024, was higher due to higher average long-term debt outstanding compared to the same periods in the prior year due to the drawdown of the Credit Facility to fund the Upfront Payment and non-cash interest on the vendor concession liability to the Government of Saskatchewan related to the Extension Agreement.

3. Business Segment Analysis

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

ISC currently has three operating segments:

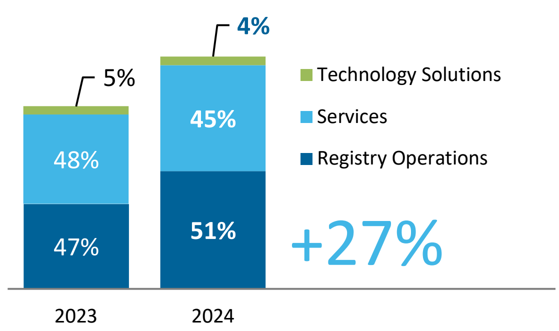
Registry Operations delivers registry and information services on behalf of governments and private sector organizations.

Services delivers products and services that utilize public records and data to provide value to customers in the financial and legal sectors.

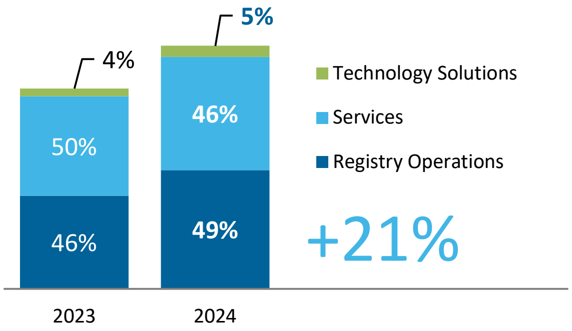
Technology Solutions provides the development, delivery and support of registry (and related) technology solutions.

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

Revenue by segment[1]
for the three months ended June 30,

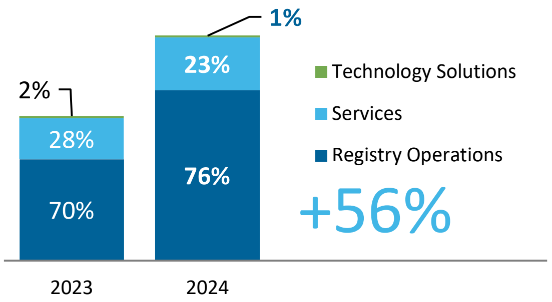


Revenue by segment[1]
for the six months ended June 30,

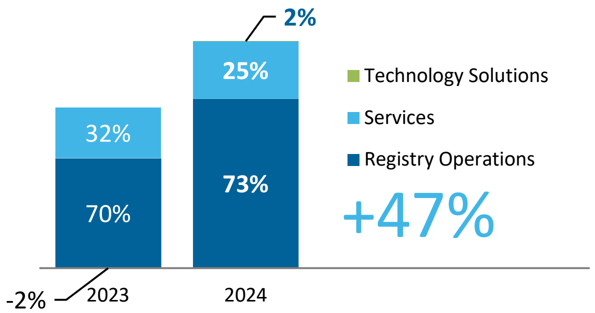


[1] *Corporate and other and Inter-segment eliminations are excluded. Technology Solutions revenue included in the above graphs is Third Party revenue. Values may not add due to rounding.*

Adjusted EBITDA by segment[1]
for the three months ended June 30,



Adjusted EBITDA by segment[1]
for the six months ended June 30,



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

3.1 Registry Operations

Our Registry Operations segment delivers registry and information services on behalf of governments and private sector organizations. This segment currently has two major clients: the Government of Saskatchewan and the Government of Ontario.

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

Subsequent to the end of the quarter, the Company commenced the operation of the BASR. When the Company reports for the third quarter ended September 30, 2024, it expects to create a third division within Registry Operations for reporting purposes.

A more detailed description of our Registry Operations business can be found in our Annual Information Form and Management's Discussion and Analysis for the year ended December 31, 2023, which are available on our website at www.isc.ca or on SEDAR+ at www.sedarplus.ca. No material changes have taken place since that date, but the addition of the Bank Act Security Registry should be noted.

Saskatchewan Registries

ISC provides services on behalf of the Government of Saskatchewan under the amended and restated Master Service Agreement (the "Amended and Restated MSA") in effect until 2053 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") (collectively, the "Saskatchewan Registries").

On July 5, 2023, the Company entered into an Extension Agreement (referred to herein as the "Extension Agreement") to extend ISC's exclusive right to manage and operate the Saskatchewan Registries until 2053 (referred to herein as the "Extension"). Under the Extension Agreement, ISC was granted the right to introduce and/or enhance fees on certain transactions. Applicable fee adjustments became effective July 29, 2023.

The Amended and Restated MSA implemented certain incremental terms and conditions, the objectives of which are to enhance security features and protocols for the Saskatchewan Registries; contemplate emerging and future technology enhancements for the Saskatchewan Registries and the services provided pursuant to the Amended and Restated MSA; refresh and clarify governance practices and structure; adjust the registry fees chargeable by the Company; and provide flexibility for change over the life of the extended term. Certain costs associated with the Extension along with a portion of the transaction costs associated with the Extension have been capitalized as an intangible asset related to the right to manage and operate the Saskatchewan Registries, while the remainder of the costs have been expensed pursuant to IFRS.

The consideration paid and to be paid by ISC to the Government of Saskatchewan with respect to the Extension consists of:

- an upfront payment (referred to herein as the "Upfront Payment") of $150.0 million, paid in July 2023;
- five cash payments of $30.0 million per year, totalling $150.0 million, commencing in July 2024 with the final payment expected to be made in 2028 (the "Subsequent Payments"); and
- annual contingent payments potentially payable after 2033 if cumulative annual volume growth for certain Saskatchewan Land Registry transactions falls within a pre-determined range, calculated in any given year as follows:
    - 25 per cent of any revenue associated with long-term volume growth between 0 per cent to 1 per cent;
    - 50 per cent of any revenue associated with long-term volume growth between 1 per cent to 3 per cent;

- ISC to retain unlimited upside on any incremental volume growth in excess of 3 per cent.

ISC has commenced enhancement of the Saskatchewan Registries (referred to as registry enhancements), leveraging ISC-owned technology to offer a best-in-class technology, security and user experience. In accordance with IFRS, these expenditures will be capitalized as intangible assets or expensed.

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. Land Surveys registers land survey plans and creates a representation of Saskatchewan land parcels in the cadastral parcel mapping system. Geomatics manages geographic data related to the cadastral parcel mapping system, which is integrated with the Land Titles Registry and Land Surveys.

Saskatchewan Personal Property Registry

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

Saskatchewan Corporate Registry

The Corporate Registry is a province-wide system for the registration of business entities, including business corporations, non-profit corporations, co-operatives, sole proprietorships, partnerships and business names.

Ontario Property Tax Assessment Services

ISC has an exclusive agreement with the Government of Ontario by which Ontario Property Tax Assessment Services provides online property tax analysis services to over 440 municipalities in Ontario, facilitating the management of property tax rates and distribution.

On May 13, 2024, ISC announced that through its wholly owned subsidiary, Reamined, the Company and the Ministry entered into the A&R OPTA Agreement to continue the management and operation of the OPTA system for the Government of Ontario, until March 31, 2028 — with two additional options for one-year renewals.

The renewal agreed to in the A&R OPTA Agreement replaces the prior agreement between Reamined and the Ministry which would have expired on March 31, 2025.

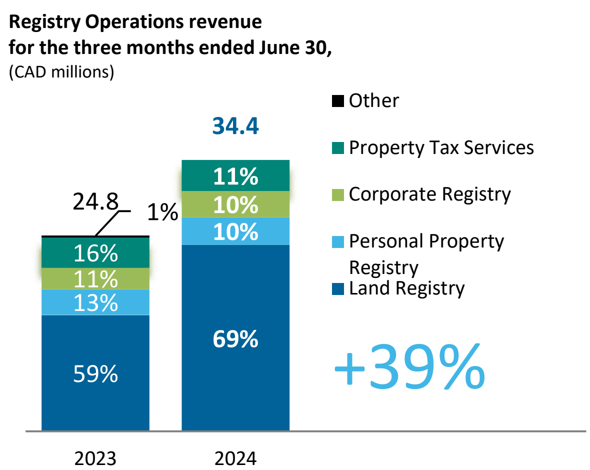
Bank Act Security Registry ("the BASR")

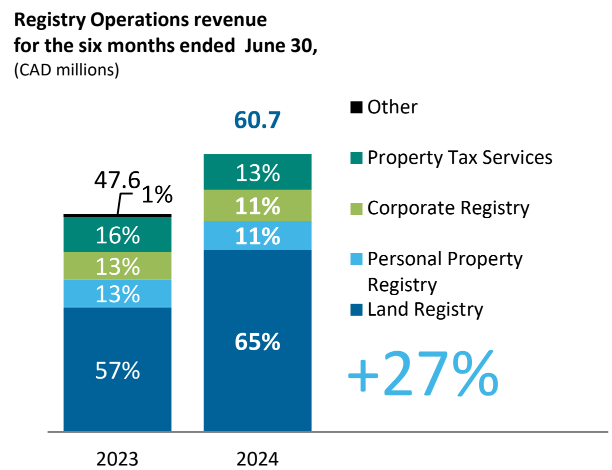
At the end of 2023, ISC secured an exclusive agreement with the Bank of Canada to become the operator and technology solutions provider for the BASR.

The BASR enables security interests to be registered under section 427 of the *Bank Act* across Canada through an online, self-service customer portal that offers a range of online submission and search capabilities for customers in English and French. The BASR allows for seamless experiences for users to track, manage and search their submissions in real time. In addition to providing online access, customers can make their submissions through several other methods.

ISC collects and retains all of the fees charged for services under the BASR in exchange for paying a quarterly fee to the Bank of Canada.

REGISTRY OPERATIONS REVENUE





	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD)	**2024**	2023	**2024**	2023
Land Registry	**$ 23,619**	$ 14,730	**$ 39,722**	$ 27,241
Personal Property Registry	**3,518**	3,264	**6,334**	6,039
Corporate Registry	**3,313**	2,738	**6,778**	6,010
Property Tax Assessment Services	**3,941**	3,875	**7,825**	7,700
Other	**-**	189	**-**	588
Registry Operations revenue	**$ 34,391**	$ 24,796	**$ 60,659**	$ 47,578

Revenue for Registry Operations for the second quarter of 2024 was a record $34.4 million, up $9.6 million or 39 per cent compared to the second quarter of 2023. Strong performance across the Saskatchewan Registries division, combined with the full effect of fee adjustments in the second quarter of 2024 compared to the same prior year period were the main reasons for the increase. Year-to-date revenue was $60.7 million compared to $47.6 million during the first half of 2023, an increase of $13.1 million or 27 per cent due to the same reasons noted above for the quarter.

Saskatchewan Land Registry

For the second quarter of 2024, revenue for the Land Registry was $23.6 million, an increase of $8.9 million or 60 per cent compared to the same period in 2023. The increase was driven by strong activity in regular residential real estate and high-value property registrations in the commercial and agricultural sectors, combined with the full effect of fee adjustments in the Saskatchewan Registries division in the second quarter of 2024 compared to the same quarter in 2023. As a result, overall transaction volume compared to the second quarter of 2023 increased substantially as shown in the graphs that follow.

Most of the revenue generated from the Land Registry is from the Land Titles Registry and is derived from value-based (ad-valorem) fees. Land Titles Registry revenue for the second quarter was $23.0 million, an increase of $9.0 million or 64 per cent compared to the second quarter in 2023.

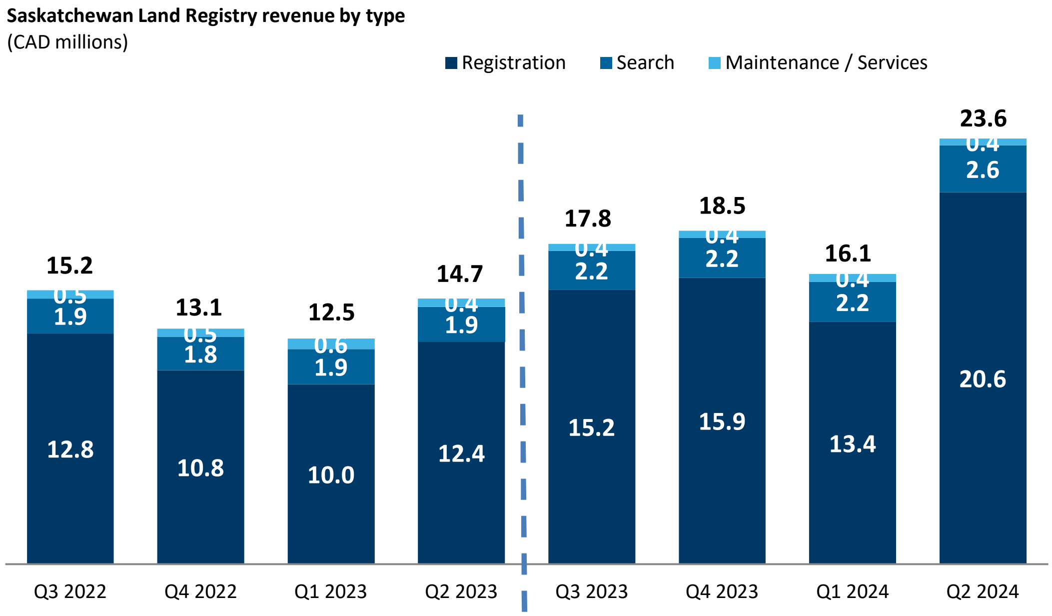
According to the Saskatchewan Realtors Association, residential real estate markets in the second quarter of 2024 saw the highest median sales price[1] for single detached homes on record. Overall transaction volume in the second quarter of 2024 relative to the same quarter in the 2023 also increased substantially, highlighted by a 32 per cent

[1] *Canadian Real Estate Association ("CREA") www.creastats.crea.ca/mls/sra-median-price, accessed 2024.08.01.*

increase in April[1] and year-to-date are up 10 per cent[2] compared to the same period in 2023. Compared to the 10-year trend, year-to-date sales are up 18 per cent despite the inventory challenges being experienced.

In the agricultural sector, the second quarter saw over twice as many high-value property registrations compared to the prior year period. The commercial sector saw an increase of almost twice the volume of high-value property registrations as well. These increases in volume contributed to the significant high-value property registration revenue for the Land Registry.

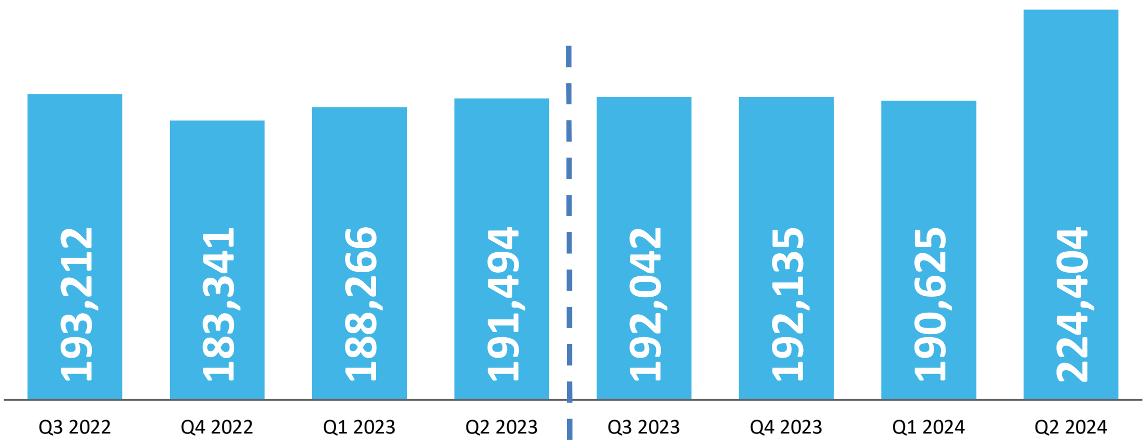
The following graphs show Land Registry revenue by type of transaction and overall transaction volume, respectively, for the last eight quarters. Typically, the second and third quarters generate the most revenue for the Land Registry. Fee adjustments made in relation to the Extension Agreement effective in July 2023 have impacted revenue comparability in the short-term as we realize the first full year of these fee adjustments.



Note: The fee adjustments implemented in July 2023 positively impacted fees and volumes for the third quarter of 2023 and onward. Therefore, results are not directly comparable to prior quarter results for the reasons described throughout this section. Values may not add due to rounding.

[1] *Saskatchewan Realtors Association ("SRA") April 2024 Market Watch Report released 2024.03.06.*
[2] *SRA June 2024 Market Watch Report released 2024.07.04.*

Saskatchewan Land Registry transaction volume
(Number of transactions)

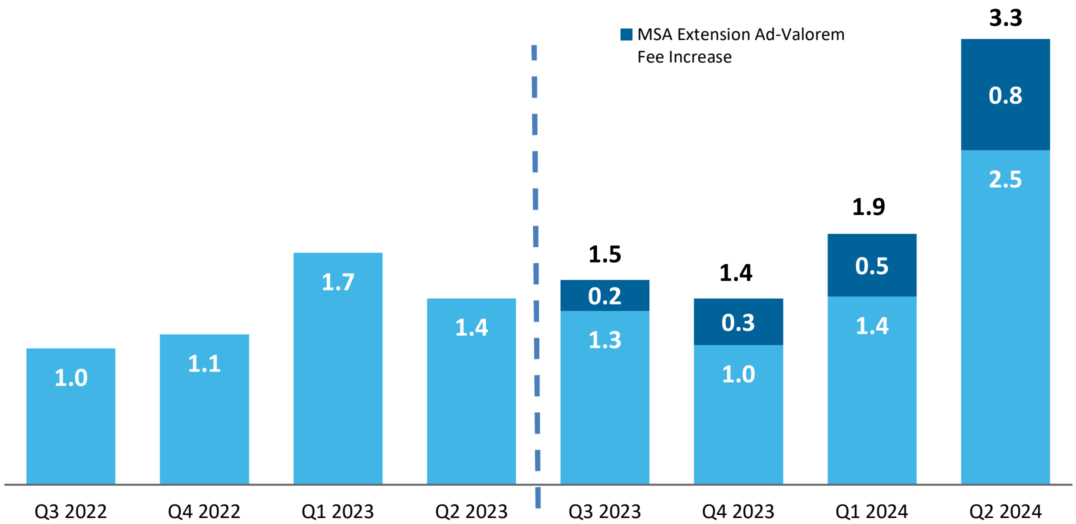


Note: The fee adjustments implemented in July of 2023 positively impacted fees and volumes for the third quarter of 2023 and onward. Therefore, results are not directly comparable to prior quarter results for the reasons described throughout this section.

Transaction volume in the Land Titles Registry rose by 18 per cent for the second quarter of 2024 when compared to the same period in 2023. The volume of regular land transfers and mortgage registrations grew during the period, each increasing by 12 per cent when compared to the second quarter of 2023. Title search volume also rose by 12 per cent during the quarter and made up the largest portion of transaction volume, representing 71 per cent of the volume during the period. The introduction of a mortgage discharge fee in July 2023 when fee adjustments related to the Extension Agreement were made also contributed to the increase in overall volume. Excluding this new transaction type, volume would have increased by 14 per cent during the quarter.

As a result of the increase to the ad-valorem fee (from 0.3 per cent to 0.4 per cent of the value of a land transfer) that was implemented on July 29, 2023, the revenue related to high-value property registrations has increased. For comparative purposes, the graph below indicates the impact of the additional revenue from the new ad-valorem rate. The first four quarters in the graph below were prepared on the basis that a high-value property registration was a transaction that generated revenue of $10,000 (i.e., from a land value of $3.3 million or more). The light blue bar for the third quarter of 2023 onward was prepared using all registrations with a land value of $3.3 million or more at the previous ad-valorem rate of 0.3 per cent (for comparison), while the dark blue bar shows the additional revenue generated at the new ad-valorem rate of 0.4 per cent.

Saskatchewan Land Titles Registry - high-value property registration revenue
(CAD millions)



Note: Values may not add due to rounding.

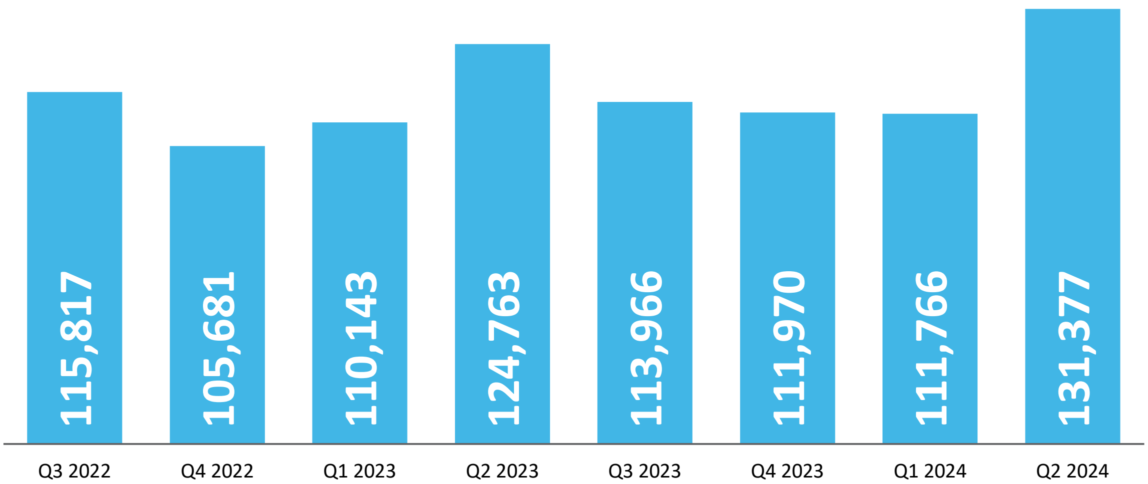
High-value property registration revenue for the second quarter of 2024 was a record $3.3 million, an increase of $1.9 million compared to $1.4 million in the second quarter of 2023. This growth is due to the increase in the ad-valorem fee, coupled with an increase in the volume of these registrations. Had the ad-valorem rate remained at 0.3 per cent, high-value property registration revenue in the second quarter of 2024 would have been $2.5 million, as illustrated in the graph above which shows the last eight quarters of high-value property registration revenue.

Saskatchewan Personal Property Registry

For the second quarter of 2024, revenue for the Personal Property Registry was $3.5 million, up 8 per cent or $0.3 million, compared to the same period in 2023, due to increased volumes and pricing adjustments made during the quarter. Registration, search and maintenance revenue grew by 7 per cent, 10 per cent and 6 per cent respectively, when compared to the same quarter last year. Revenue for the first half of 2024 was $6.3 million compared to $6.0 million during the first half of 2023, an increase of 5 per cent.

The following graph shows the transaction volume for the Personal Property Registry by quarter.

Saskatchewan Personal Property Registry transaction volume
(Number of transactions)



Total volume for the second quarter was up 5 per cent compared to the second quarter of 2023. Registration, search and maintenance volume grew by 7 per cent, 4 per cent and 11 per cent, respectively, when compared to the same quarter last year. Year-to-date volume grew by 4 per cent during the first half of 2024 when compared to the same period in 2023.

Volumes in the Personal Property Registry, especially registrations and searches, are often impacted by conditions in the new and used automobile markets. New light vehicle sales in Canada for the second quarter came in at an estimated 6 per cent ahead of 2023 according to DesRosiers Automotive Consultants[1], with the first half of 2024 seeing an estimated increase of 10 per cent overall. A similarly strong automotive sales market in Saskatchewan was noted by Statistics Canada in a report for the period April to May released earlier in July. With the increase in sales and inventory levels, there has been a decrease in prices for new and used vehicles in Saskatchewan[2], which could be encouraging new sales and Personal Property Registry activity.

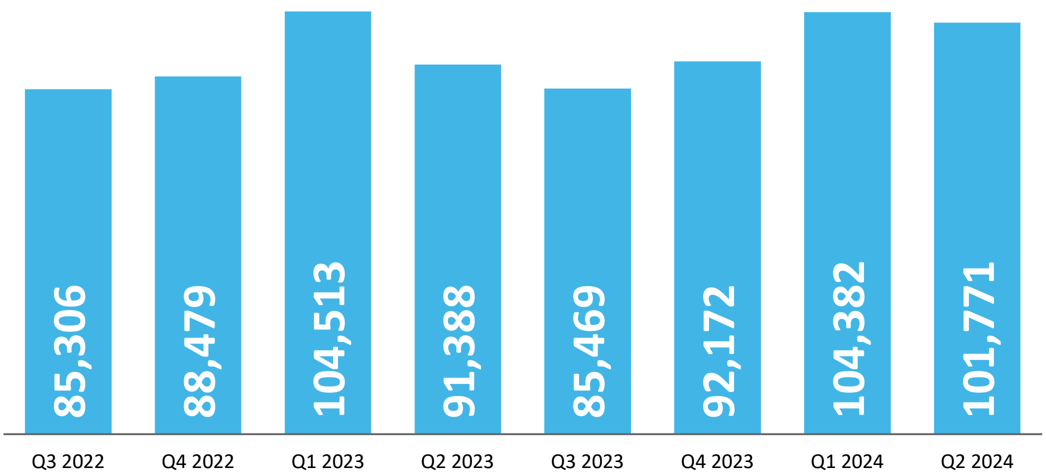
Saskatchewan Corporate Registry

Revenue for the Corporate Registry for the second quarter of 2024 was $3.3 million, an increase of 21 per cent, or $0.6 million, compared to the same period in 2023. Search revenue grew by 77 per cent mainly due to CPI fee adjustments which came into effect in July 2023, as well as higher volume. Registration revenue rose by 21 per cent as a result of higher transaction volume. Maintenance revenue grew by 8 per cent due to higher volumes and pricing adjustments made during the second quarter of 2024. Revenue for the first half of 2024 was $6.8 million, up $0.8 million or 13 per cent, compared to the same period last year.

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

[1] *DesRosiers Automotive Consultants Inc. June Canadian Sales 2024 Report published 2024.07.04.*
[2] *Autotrader.ca, Price Index, June 2024 Report published 2024.07.22.*

Saskatchewan Corporate Registry transaction volume
(Number of transactions)



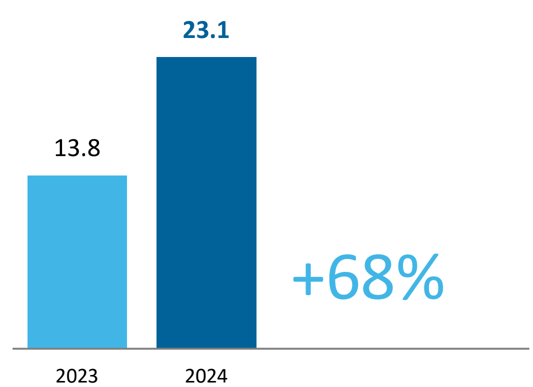
Transaction volume for the second quarter of 2024 increased by 11 per cent when compared to the second quarter of 2023. Search transactions, which are the largest component of volume and accounted for 66 per cent of overall volume during the quarter, grew by 14 per cent. Registration volume increased by 16 per cent while maintenance volume rose by 4 per cent. Year-to-date volume grew by 5 per cent compared to the same period last year.

Ontario Property Tax Assessment Services

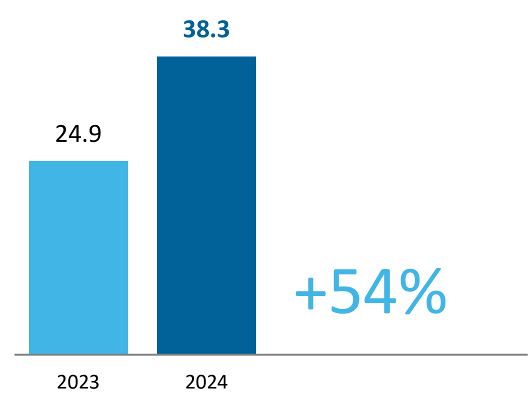
Revenue for the Ontario Property Tax Assessment Services division in the second quarter of 2024 was $3.9 million, an increase of 2 per cent compared to the same quarter last year. Total revenue for each year of the agreement with the Government of Ontario is determined at the time of renewal and is paid monthly to the Ontario Property Tax Assessment Services division. Should the Government of Ontario request any change orders during the term of the contract, the revenue from any change order is based on the scope of work agreed to by the parties and is in addition to regular revenue. Ontario Property Tax Assessment Services revenue for the first half of 2024 was $7.8 million compared to the $7.7 million from the same period in 2023.

REGISTRY OPERATIONS EXPENSES, EBITDA AND ADJUSTED EBITDA

Registry Operations adjusted EBITDA for the three months ended June 30,
(CAD millions)



Registry Operations adjusted EBITDA for the six months ended June 30,
(CAD millions)



(thousands of CAD)	Three Months Ended June 30, 2024		Three Months Ended June 30, 2023		Six Months Ended June 30, 2024		Six Months Ended June 30, 2023	
Revenue	$	34,391	$	24,796	$	60,659	$	47,578
Total expenses[1]		13,425		11,995		29,303		23,347
EBITDA	$	20,966	$	12,801	$	31,356	$	24,231
Adjustments[2]		2,130		986		6,913		661
Adjusted EBITDA	$	23,096	$	13,787	$	38,269	$	24,892

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

[2] As shown in section 2.5 "Consolidated EBITDA and adjusted EBITDA", adjusted EBITDA adjustments are comprised of share-based compensation and acquisition, integration and other costs applicable to each segment.

Adjusted EBITDA for Registry Operations for the second quarter was $23.1 million, up 68 per cent compared to the same period last year. The main reason for the increase is due to fee adjustments in the Saskatchewan Registries made in the third quarter of 2023 pursuant to the Extension and annual CPI adjustments which resulted in higher revenue in the Land Registry and Corporate Registry, volume increases across the Saskatchewan Registries division as well as high value property registrations in the Land Titles Registry. Total expenses increased in the quarter compared to the prior year quarter due to continued work on registry enhancements provided by our Technology Solutions segment. The increase in Registry Operations' adjusted EBITDA margin during the quarter, compared to the prior period, was driven by the $8.9 million increase in Land Registry revenue.

On a year-to-date basis, adjusted EBITDA increased to $38.3 million, up 54 per cent compared to the same period last year due to the same factors noted above for the quarter. Total expenses increased year-to-date compared to the respective prior year period due to an increase in share-based compensation of $3.0 million and continued progress on registry enhancements. The increase in Registry Operations' adjusted EBITDA margin during the year-to-date, compared to the prior period, was driven by the same explanations for the quarter above.

3.2 Services

Services delivers solutions uniting public records data, customer authentication, corporate services, collateral management, asset recovery and accounts receivable management to support registration, due diligence and lending practices across Canada. Our offerings are generally categorized into three divisions: Corporate Solutions, Regulatory Solutions and Recovery Solutions. The table below sets out the various offerings provided by the Services segment.

Division	Offering	Products
Corporate Solutions	Incorporation Services	Nationwide Business Name Registration and Renewals Security Filings and Registrations
	Corporate Supplies	Minute Books Seals and Stamps Corporate Legal Packages
Regulatory Solutions	Know-Your-Customer ("KYC") and Due Diligence	Individual Identification Legal Entity Validation Beneficial Ownership Validation Account Onboarding Services US and International Corporate Entity Validation Corporate Profile or Business Name Searches NUANS[1] Searches Real Estate Searches

[1] A NUANS® report is a search that provides a comprehensive comparison of proposed corporate, business or trademark names with existing names already in use by other businesses and corporations. NUANS® name reports reserve the proposed name for 90 days, providing the time necessary to prepare and file incorporations, extra-provincial registrations, amalgamations or other relevant corporate filings.

Division	Offering	Products
		Vital Statistics Searches
	Collateral Management	PPSA[1]/RDPRM[2] Search and Registrations *Bank Act* Filing Notice of Security Interest (Fixture) Registrations Land Searches US UCC[3] Search and Filings
Recovery Solutions	Asset Recovery	Fully managed service across Canada Identification, retrieval and disposition of movable assets
	Accounts Receivable Management	Early-stage collection activities Late-stage collection activities

A more detailed description of our Services business lines can be found in our Annual Information Form and Management's Discussion and Analysis for the year ended December 31, 2023, which are available on our website at www.isc.ca or on SEDAR+ at www.sedarplus.ca. No material changes to the Services segment have taken place since that period.

Corporate Solutions

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

Regulatory Solutions

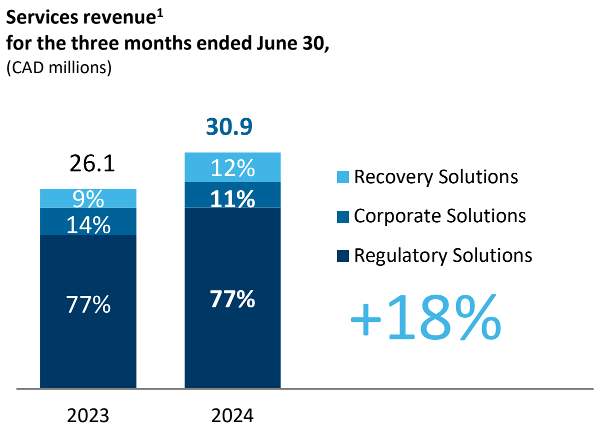
Regulatory Solutions captures revenue from our KYC, collateral management and general due diligence service offerings. The Company uses its proprietary platform to assist customers with intuitive business rules and advanced automation to deliver regulatory services to support their credit/banking and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

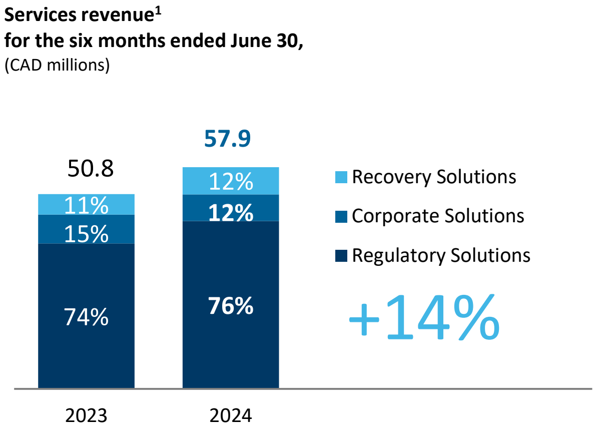
Recovery Solutions

Recovery Solutions offers fully managed asset recovery accompanied by accounts receivable management services to our customers. Recovery Solutions allows us to provide our customers with a full service offering across the credit life cycle from origination to recovery. By connecting the registrations from our other offerings to our Recovery Solutions services, we provide our customers with a seamless recovery process.

[1] *Personal Property Security Act.*
[2] *Registre des Droits Personnels et Réels Mobiliers (translated as Register of Personal and Real Movable Rights).*
[3] *Uniform Commercial Code.*

SERVICES REVENUE





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

	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD)	**2024**	2023	**2024**	2023
Regulatory Solutions	**$ 23,647**	$ 20,107	**$ 43,820**	$ 37,920
Recovery Solutions	**3,830**	2,414	**7,134**	5,342
Corporate Solutions	**3,378**	3,551	**6,938**	7,531
Services revenue	**$ 30,855**	$ 26,072	**$ 57,892**	$ 50,793

Revenue for Services was $30.9 million for the second quarter of 2024, an increase of 18 per cent, or $4.8 million compared to the same period in 2023. Growth was driven by continued customer and transaction growth in the Regulatory Solutions division where financial institutions and auto finance customers continued to enhance due diligence processes in an environment of increased regulatory oversight, as well as an increase in the Recovery Solutions division due to more assignments and vehicle sales. For the first half of 2024, revenue grew by 14 per cent to $57.9 million compared to $50.8 million during the same period in 2023, primarily due to growth in Regulatory Solutions and Recovery Solutions.

Regulatory Solutions

Regulatory Solutions revenue for the second quarter of 2024 was $23.6 million, an increase of $3.5 million or 18 per cent compared to the same quarter in 2023. The increase in revenue was due to an increase in due diligence activities from existing customers as the compliance environment continues to be more stringent within the lending industry. Financial institutions are required to risk rate their portfolio, per the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC") and set up a cadence for monitoring the accounts, mainly targeted at money laundering. This requirement on existing portfolios, as well as various portfolio acquisitions between lenders and the resulting required risk ratings, is contributing to the volume increases in Regulatory Solutions.

For the first half of the year, revenue was $43.8 million, an increase of $5.9 million or 16 per cent compared to $37.9 million for the same period in 2023. Year-to-date revenue growth has been due to the same reasons noted for the quarter.

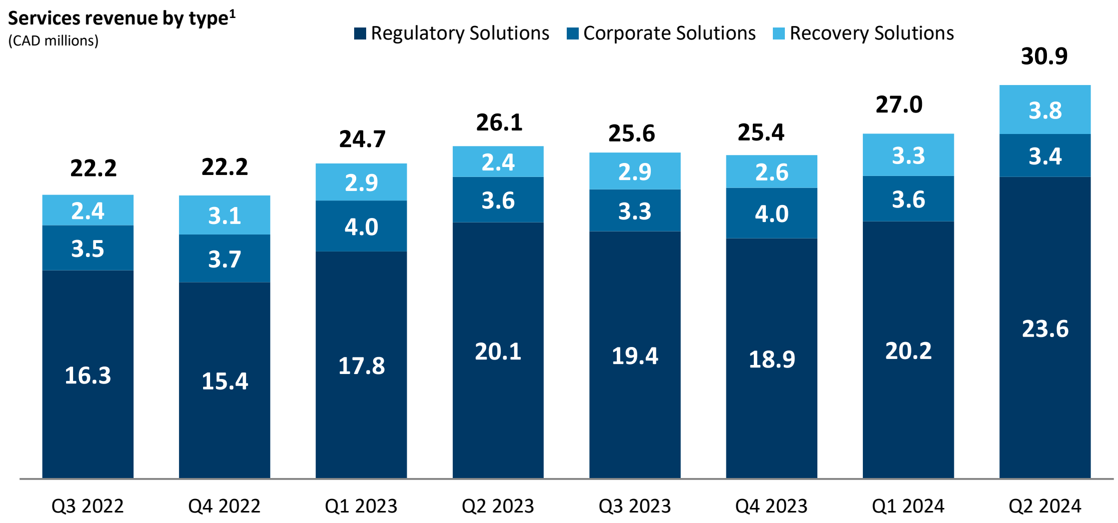
Recovery Solutions

Revenue in Recovery Solutions for the second quarter of 2024 was $3.8 million, an increase of $1.4 million or 59 per cent compared to the same prior year period. Growth during the quarter was due to an increase in individual Asset Recovery assignments and completion of vehicle sales for which the Company receives a commission, partially offset by lower used vehicle values. Revenue for the first six months of 2024 was $7.1 million, an increase of $1.8 million or 34 per cent compared to $5.3 million for the same period of 2023 relating to the same reasons as noted for the change in the quarter.

Corporate Solutions

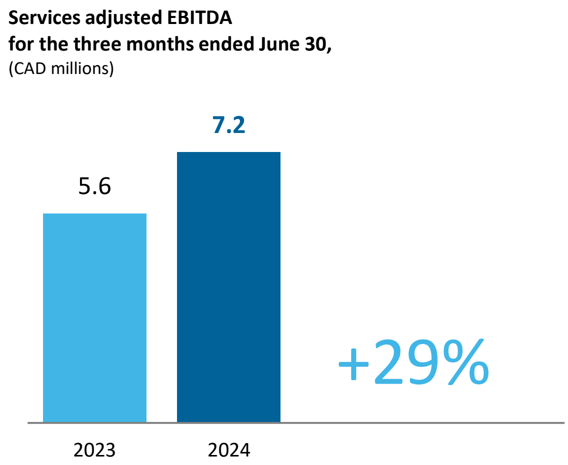
Corporate Solutions revenue for the second quarter was $3.4 million, a decrease of $0.2 million or 5 per cent compared with the second quarter of 2023. Revenue was down slightly as we continued to onboard new customers but saw modest attrition of non-contract customers due to the further opening of the Ontario Business Registry in March 2023. Year-to-date revenue was $6.9 million, a decrease of $0.6 million or 8 per cent compared to $7.5 million for the same period of 2023, due to the same reasons as noted for the change in the quarter.

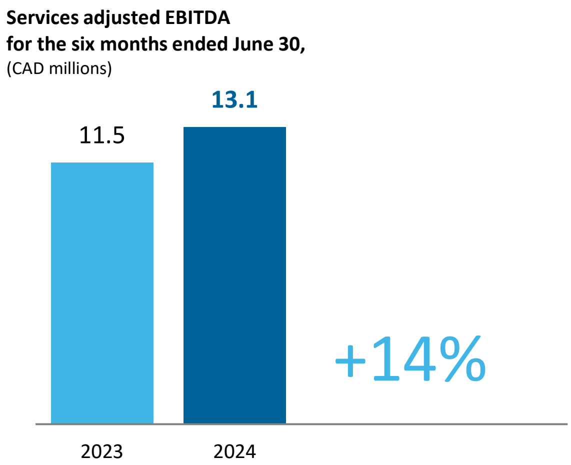
Our Services segment revenue by division is shown in the following graph.



[1] *Related Party and other revenue not displayed in graph. Values may not add due to rounding.*

SERVICES EXPENSES, EBITDA AND ADJUSTED EBITDA





	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD)	**2024**	2023	**2024**	2023
Revenue	**$ 30,855**	$ 26,072	**$ 57,892**	$ 50,793
Total expenses[1]	**23,589**	20,494	**45,053**	39,183
EBITDA	**$ 7,266**	$ 5,578	**$ 12,839**	$ 11,610
Adjustments[2]	**(76)**	(25)	**248**	(108)
Adjusted EBITDA	**$ 7,190**	$ 5,553	**$ 13,087**	$ 11,502

[1] Total expenses exclude interest, taxes, depreciation and amortization.
[2] As shown in section 2.5 "Consolidated EBITDA and adjusted EBITDA", adjusted EBITDA adjustments are comprised of share-based compensation and acquisition, integration and other costs applicable to each segment.

Adjusted EBITDA for Services was $7.2 million for the second quarter, up $1.6 million from the same quarter last year. The increase was primarily due to higher revenue from continued customer and transaction growth in Regulatory Solutions where financial institutions and auto finance customers continued to enhance due diligence processes in an environment of increased regulatory oversight. Recovery Solutions also realized an increase in revenue due to an increase in assignments and vehicle sales.

The increase in expenses was driven by higher cost of goods sold related to the additional revenue in Regulatory Solutions, increased investment in people to support continued business growth and increased client security compliance costs.

Year-to-date adjusted EBITDA for Services was $13.1 million, up from $11.5 million in the same period in the prior year, primarily driven by revenue growth in Regulatory Solutions revenue, offset by increased cost of goods sold, technology, professional and consulting, and investment in people to support continued business growth.

3.3 Technology Solutions

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

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

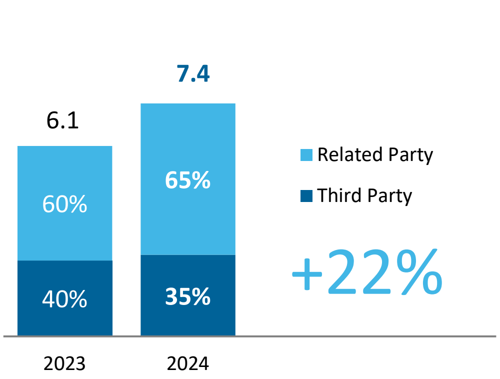
We offer RegSys — a complete registry solution that provides a readily transferable technology platform capable of serving a wide range of registry needs. RegSys is a multi-register platform that delivers the flexibility, scalability and features that enable public sector organizations to deliver enhanced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

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

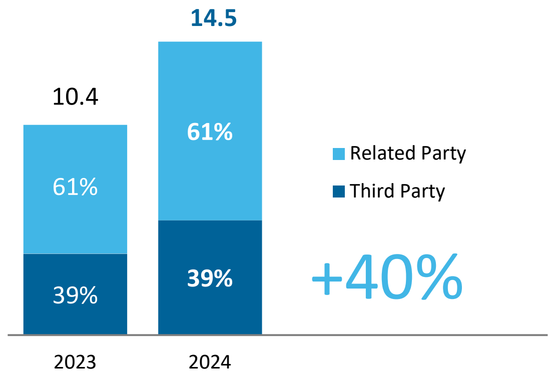
A more detailed description of our Technology Solutions business can be found in our Annual Information Form and Management's Discussion and Analysis for the year ended December 31, 2023, which is available on our website at www.isc.ca or on SEDAR+ at www.sedarplus.ca. No material changes have taken place since that date.

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)



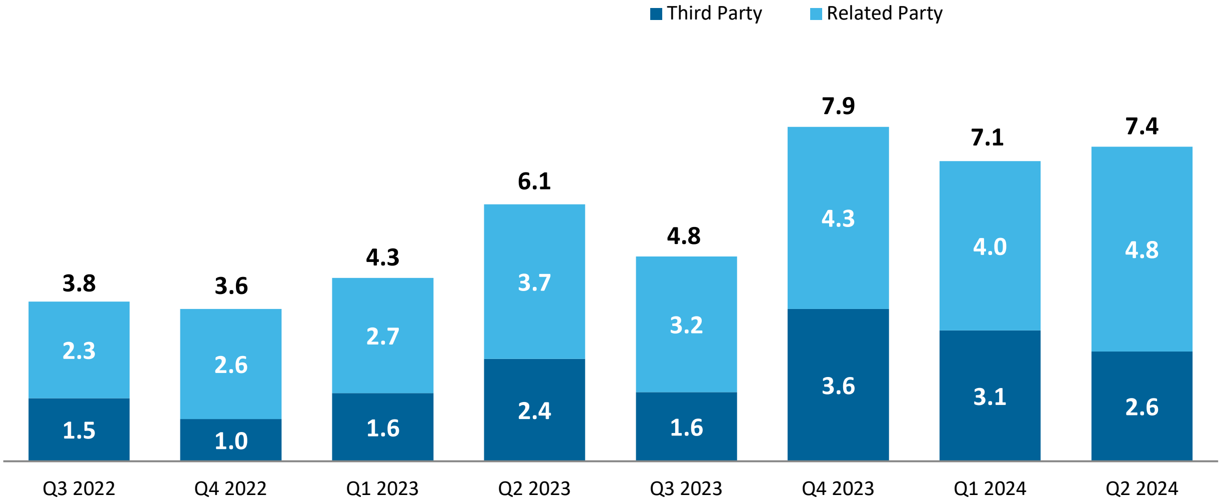
	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD)	**2024**	2023	**2024**	2023
Third Party	**$ 2,599**	$ 2,420	**$ 5,691**	$ 4,029
Related Party	**4,846**	3,658	**8,856**	6,384
Technology Solutions revenue	**$ 7,445**	$ 6,078	**$ 14,547**	$ 10,413

Revenue in Technology Solutions was $7.4 million for the quarter, an increase of $1.4 million or 22 per cent compared to the second quarter of 2023. Year-to-date revenue was $14.5 million, an increase of $4.1 million from $10.4 million for the same period in 2023.

Third Party revenue for the quarter was $2.6 million, an increase of $0.2 million compared to the second quarter of 2023. The increase in revenue is due to the advancement of solution definition and implementation contracts. Year-to-date, revenue from third parties increased by $1.6 million largely driven by the same reasons outlined for the quarter.

Related Party revenue for the second quarter of 2024 was $4.8 million, an increase of $1.2 million or 32 per cent compared to the same quarter in 2023. The increase in Related Party revenue is primarily a result of continued delivery of registry enhancements for the Saskatchewan Registries division in Registry Operations and the development of the system to support the Bank Act Security Registry during the quarter. Year-to-date, Related Party revenue increased to $8.9 million from $6.4 million due to factors similar to those outlined for the quarter. Our intent is to continue to service the needs of internal customers as efficiently and effectively as possible, including the provision of service through related-party resources. Therefore, segment revenue may continue to fluctuate over time, particularly as we pursue additional Third Party revenue.

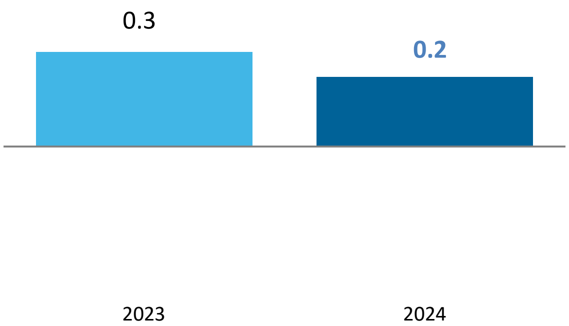
Technology Solutions revenue by type
(CAD millions)



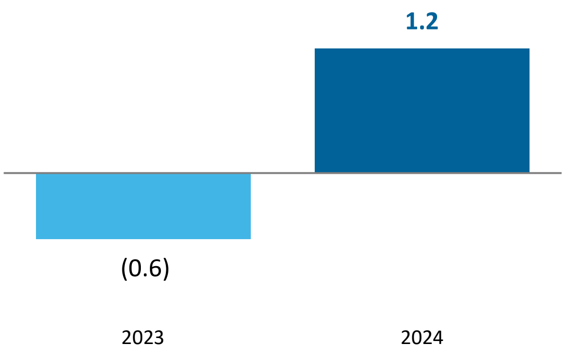
Note: Values may not add due to rounding.

TECHNOLOGY SOLUTIONS EXPENSES, EBITDA AND ADJUSTED EBITDA

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



Technology Solutions adjusted EBITDA for the six months ended June 30,
(CAD millions)



	Three Months Ended June 30,				Six Months Ended June 30,			
(thousands of CAD)		**2024**		2023		**2024**		2023
Revenue	**$**	**7,445**	$	6,078	**$**	**14,547**	$	10,413
Total expenses[1]		**7,108**		5,726		**13,744**		10,879
EBITDA	**$**	**337**	$	352	**$**	**803**	$	(466)
Adjustments[2]		**(109)**		(35)		**354**		(154)
Adjusted EBITDA	**$**	**228**	$	317	**$**	**1,157**	$	(620)

[1] Total expenses exclude interest, taxes, depreciation and amortization.
[2] As shown in section 2.5 "Consolidated EBITDA and adjusted EBITDA", adjusted EBITDA adjustments are comprised of share-based compensation and acquisition, integration and other costs applicable to each segment.

Adjusted EBITDA for Technology Solutions was $0.2 million for the quarter, flat relative to the second quarter of 2023. Progress continues to be made on existing and new Third Party solution definition and implementation contracts combined with related-party projects, including registry enhancements for Registry Operations and the development of the Bank Act Security Registry during the quarter within Registry Operations.

Adjusted EBITDA for Technology Solutions increased to $1.2 million for the year-to-date compared to a loss of $0.6 million for the first six months of 2023. Progress continues to be made on existing and new Third Party solution definition and implementation contracts combined with related-party projects, including registry enhancements for Registry Operations. Continued investment in people, including contractors, to deliver on solution definition and implementation contracts has been a key driver of revenue growth.

3.4 Corporate and other

Corporate and other includes expenses related to our corporate activities and shared services functions. The operations of Regulis are also reported in this segment. Eliminations of inter-segment revenue and costs are presented separately in the Financial Statements and therefore excluded below. Management believes this format provides a transparent representation of the Corporate and other activities.

On March 8, 2024, Regulis launched the International Registry of Interests in Rolling Stock. Regulis holds a contract under the Luxembourg Rail Protocol of the Cape Town Convention which provides the exclusive right and obligation to develop, deliver and operate the International Registry of Interests in Rolling Stock for a period of 10 years from the date the registry goes live as defined in the Luxembourg Rail Protocol. The launch of this new international registry aligns well with ISC's expertise in the development, management and operation of registry solutions. Regulis is in its initial operating phase, promoting awareness of the Registry and benefits to potential customers. It is anticipated Regulis will continue to operate within the Corporate segment as the business progresses through its early stages of maturity.

	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD)	**2024**	2023	**2024**	2023
Third Party	**$ 3**	$ 7	**$ 6**	$ 19
Related Party	**39**	37	**78**	75
Corporate and other revenue	**$ 42**	$ 44	**$ 84**	$ 94
Total expenses[1]	**1,593**	2,334	**4,709**	4,341
EBITDA	**$ (1,551)**	$ (2,290)	**$ (4,625)**	$ (4,247)
Adjustments[2]	**(176)**	662	**1,314**	1,093
Adjusted EBITDA	**$ (1,727)**	$ (1,628)	**$ (3,311)**	$ (3,154)

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

[2] As shown in section 2.5 "Consolidated EBITDA and adjusted EBITDA", adjusted EBITDA adjustments are comprised of share-based compensation and acquisition, integration and other costs applicable to each segment.

Adjusted EBITDA for the three months ended June 30, 2024, was consistent with the prior year period. Included in total expense is a share-based compensation recovery of $1.1 million, which is up $0.8 million from a recovery of $0.3 million in the same quarter in the prior year.

Adjusted EBITDA for the six months ended June 30, 2024, was consistent with the prior year period. Included in total expense is share-based compensation expense of $3.6 million which is up $5.1 million from a recovery of $1.5 million during the same period in the prior year, due to a rise in the Company's share price during the period compared to a decline in the share price in the previous year.

4. Summary of Consolidated Quarterly Results

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

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

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

The balance of our corporate activities and shared services functions do not experience seasonality. Expenses are generally consistent from quarter to quarter but can fluctuate due to the timing of project-related or acquisition activities. As a result, our EBITDA and adjusted EBITDA margin fluctuates in line with the cumulative impact of the above factors.

	2024		2023				2022	
(thousands of CAD)	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	**$ 67,848**	$ 56,400	$ 57,491	$ 54,610	$ 53,295	$ 49,124	$ 46,104	$ 48,768
Expenses	**47,631**	49,819	43,683	43,334	40,965	38,565	39,396	36,922
Income before items noted Below	**20,217**	6,581	13,808	11,276	12,330	10,559	6,708	11,846
Net finance expense	**(5,790)**	(5,917)	(6,218)	(5,171)	(889)	(905)	(1,038)	(1,038)
Income before tax	**14,427**	664	7,590	6,105	11,441	9,654	5,670	10,808
Income tax expense	**(4,108)**	(241)	(1,876)	(1,871)	(3,208)	(2,790)	(1,721)	(3,052)
Net income	**$ 10,319**	$ 423	$ 5,714	$ 4,234	$ 8,233	$ 6,864	$ 3,949	$ 7,756
Other comprehensive income (loss)	**83**	(26)	104	(27)	5	110	688	48
Total comprehensive income	**$ 10,402**	$ 397	$ 5,818	$ 4,207	$ 8,238	$ 6,974	$ 4,637	$ 7,804
EBITDA	**$ 27,018**	$ 13,355	$ 20,451	$ 16,900	$ 16,441	$ 14,687	$ 10,808	$ 15,829
Adjusted EBITDA	**27,180**	19,440	21,317	19,209	17,824	14,516	13,521	17,037
Adjusted net income	**14,067**	8,498	9,848	8,357	9,256	6,752	5,942	8,652
Free cash flow	**14,367**	4,917	12,695	11,978	10,713	10,054	6,282	10,149
Adjusted free cash flow	**15,664**	11,636	13,975	14,444	12,468	9,883	8,995	11,357
EBITDA margin	**39.8%**	23.7%	35.6%	30.9%	30.8%	29.9%	23.4%	32.5%
Adjusted EBITDA margin	**40.0%**	34.5%	37.1%	35.2%	33.4%	29.5%	29.3%	34.9%
Earnings per share, basic	**$ 0.57**	$ 0.02	$ 0.32	$ 0.24	$ 0.47	$ 0.39	$ 0.22	$ 0.44
Earnings per share, diluted	**$ 0.56**	$ 0.02	$ 0.32	$ 0.23	$ 0.46	$ 0.38	$ 0.22	$ 0.43

5. Business Strategy

The Company'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

Strategically leverage the investments and achievements of 2023 while intensifying our focus on organic growth and continuing to execute on accretive M&A opportunities

Values and Differentiation

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

Leveraging our proven approach for sustainable growth, underpinned by our strategic principles, the updated pillars of our growth strategy include:

(1) Organizational Excellence to Provide a Strong Foundation

- Deliver leading registry and regulatory services and solutions to customers through existing and new lines of business, ensuring an exceptional customer experience for those interacting with ISC's people and information.
- Deploy capital on M&A and internal investments to generate a return that exceeds our cost of capital and aligns with our long-term return on invested capital ("ROIC")[1] target.

(2) Organic Growth in Our Three Segments

- Accelerate our revenue growth while maintaining strong adjusted EBITDA margins.
- Registry Operations: Operates registries and provides related services on behalf of governments and other institutions.
- Services: Delivers value-add services to the financial and legal sectors, utilizing public data and records.
- Technology Solutions: Designs, implements, and supports registry and regulatory technology solutions.

(3) M&A and Partnerships as an Accelerant

- Deploy capital on M&A and internal investments to generate a return that exceeds our cost of capital and aligns with our long-term ROIC target.

[1] *The Company does not provide ROIC guidance and will not be disclosing the ROIC targets. Disclosure of the ROIC targets would reveal sensitive information, including information relating to forecasted earnings and capital structure extending beyond a fiscal year.*

- Acquisitions will continue to play an important part in our growth strategy, enabled by our strong free cash flow generation and organizational capability.
- We look for companies that align with our customer needs, possess the right cultural fit, and have the ability to generate strong financial returns for ISC shareholders.

This will enable us to execute on our next phase of growth. Having doubled the size of ISC on a revenue and adjusted EBITDA basis over the last 10 years, our goal is to again double the size of the Company, on a similar metrics basis and based on 2023 results, but in half the time (five years), through a combination of organic growth and M&A.

Our measures of success will be driven by a mix of:		
TARGET	Profitable Annual Revenue Growth	Customer and Employee Satisfaction
MEASURES	Measured by progress towards doubling within five years.	Measured by regular customer survey results and employee turnover.
HOW	• Significant organic revenue growth targets[2] • Supplemented with M&A and other growth acquisitions, targeting one to two transactions per year, ensuring the long-term returns exceed our cost of capital.	• Ensure an exceptional customer experience creating delighted customers and ISC ambassadors. • Advance a high-performance organization that people love working at.

We regularly review and if necessary, adjust our strategy to ensure that the Company remains well positioned in the long term, while being adaptable to near-term factors.

[2] *Such as shown through our 2024 revenue guidance.*

6. Financial and Capital Management

6.1 Cash flow

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

Historically, ISC has financed operations and met capital and finance expenditure requirements through cash provided from operating activities. The Company has also used borrowings to supplement cash generated from operations to finance acquisition activities. The Company believes that internally-generated cash flow, supplemented by additional borrowings that may be available to us through our Credit Facility and Base Shelf Prospectus dated April 3, 2023, will be sufficient to meet cash requirements, capital expenditures, merger and acquisition activity and anticipated dividend payments (refer to Note 15 in the December 31, 2023 Financial Statements, which are available on our website at www.isc.ca and in the Company's profile on SEDAR+ at www.sedarplus.ca for our existing Credit Facility). In connection with the Extension Agreement, ISC entered into the Amended and Restated Credit Agreement with its syndicate of lenders discussed further in Section 6.3 "Debt".

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 June 30, 2024, the Company held $22.1 million in cash compared to $24.2 million as at December 31, 2023, a decrease of $2.1 million as the Company used cash to reduce its long-term debt (see Section 6.5 "Working capital" for further details).

The Company expects to be able to meet its cash requirements, including being able to settle current liabilities of $68.0 million (December 31, 2023 – $63.5 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 & ADJUSTED FREE CASH FLOW

	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD)	**2024**	2023	**2024**	2023
Adjusted free cash flow[1]	**$ 15,664**	$ 12,468	**$ 27,300**	$ 22,351
Add (subtract):				
Share-based compensation expense	**1,097**	347	**(3,538)**	1,537
Acquisition, integration and other costs	**(1,259)**	(1,730)	**(2,709)**	(2,749)
Registry enhancement capital expenditures	**(1,135)**	(372)	**(1,769)**	(372)
Free cash flow[1,2]	**$ 14,367**	$ 10,713	**$ 19,284**	$ 20,767
Add (subtract):				
Cash additions to property, plant and equipment	**305**	164	**1,270**	179
Cash additions to intangible assets[1]	**2,405**	635	**3,557**	904
Interest received	**(252)**	(243)	**(501)**	(553)
Interest paid	**4,307**	1,043	**7,740**	2,195
Interest paid on lease obligations	**125**	94	**259**	189
Principal repayment on lease obligations	**697**	574	**1,392**	1,167
Net change in non-cash working capital[3]	**2,195**	1,327	**1,616**	(4,803)
Net cash flow provided by operating activities	**$ 24,149**	$ 14,307	**$ 34,617**	$ 20,045

[1] Cash additions to intangible assets for the three and six month periods ending June 30, 2023, was restated due to a change in the definition of sustaining capital expenditures, which was made in the third quarter of 2023. This resulted in a restatement that decreased the cash additions to intangible assets by $0.6 million for the three and six month periods ended June 30, 2023.

[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 reported by other companies; refer to Section 8.8 "Non-IFRS financial measures" for a discussion on why we use these measures, the calculation of them and their most directly comparable IFRS financial measure.

[3] Refer to Note 17 to the Financial Statements for reconciliation.

Free cash flow increased to $14.4 million for the second quarter of 2024 compared to $10.7 million in the second quarter of the prior year. The increase was due to the following:

- Strong performance across the Saskatchewan Registries division in Registry Operations, combined with the full effect of fee adjustments and record high-value property registrations in the Land Titles Registry. Also contributing to this growth was the Services segment with continued customer and transaction growth in the Regulatory Solutions division and increased assignments and vehicle sales in the Recovery Solutions division.

The above were partially offset by:

- Increased interest paid on debt obligations during the quarter compared to the same period in the prior year due to increased borrowings associated with the Extension Agreement.
- Increased capital expenditures including continued work related to registry enhancements for the Saskatchewan Registries division in Registry Operations and development of a system for the Bank Act Security Registry launched on July 2, 2024, subsequent to the end of the quarter.

Year-to-date free cash flow was $19.3 million, down $1.5 million from $20.8 million. The change was driven by strong operating results which were offset by increased share-based compensation as well as increased interest expense related to the Extension.

Adjusted free cash flow for the second quarter was $15.7 million, up 26 per cent compared to $12.5 million in the same quarter in 2023. This change was driven by increased cash flow derived from the fee adjustments in the Saskatchewan Registries division, which resulted in higher revenue, volume increases across the Saskatchewan Registries division as well as high value property registrations in the Land Titles Registry. Additionally, Services adjusted EBITDA also contributed to the increase primarily because of continued customer and transaction growth in Regulatory Solutions and an increase in assignments and vehicle sales in Recovery Solutions. Year-to-date adjusted free cash flow was $27.3 million, up 22 per cent for the same reasons noted for the quarter.

The following table summarizes sources and uses of funds for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
(thousands of CAD)	**2024**	2023	**2024**	2023
Net cash flow provided by operating activities	**$ 24,149**	$ 14,307	**$ 34,617**	$ 20,045
Net cash flow used in investing activities	**(2,457)**	(1,127)	**(5,203)**	(1,256)
Net cash flow used in financing activities	**(19,810)**	(10,783)	**(31,502)**	(26,694)
Effects of exchange rate changes on cash held in foreign currencies	**34**	(60)	**43**	(18)
Increase (decrease) in cash	**$ 1,916**	$ 2,337	**$ (2,045)**	$ (7,923)
Cash, beginning of period	**20,232**	24,219	**24,193**	34,479
Cash, end of period	**$ 22,148**	$ 26,556	**$ 22,148**	$ 26,556

NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES

Net cash flow provided by operating activities was $24.1 million for the quarter compared to an inflow of $14.3 million for the second quarter of 2023. The increase of $9.8 million was due to fee adjustments in the Saskatchewan Registries made in the third quarter of 2023 pursuant to the Extension and annual CPI adjustments which resulted in higher revenue in the Land Registry and Corporate Registry, volume increases across the Saskatchewan Registries division as well as high value property registrations in the Land Titles Registry. Additionally, Services' adjusted EBITDA also contributed to the increase primarily as a result of continued customer and transaction growth in Regulatory Solutions and an increase in assignments and sales in Recovery Solutions.

Year-to-date net cash flow provided by operating activities was $34.6 million compared to an inflow of $20.0 million in the prior year. This variance is largely explained by the growth in the Saskatchewan Registries division as well as the growth in Services' Regulatory Solutions and Services' Recovery Solutions, in addition to a $6.4 million favourable change in net non-cash working capital. The working capital variance is primarily attributable to the following:

- A $7.1 million increase in cash flow associated with recognition of accounts payable and accrued liabilities and other liabilities and provisions. The increase is primarily attributable to an increase in the Company's share price during the period compared to a decrease in the share price in the prior period, which has increased share-based compensation liabilities.
- A $2.8 million increase related to the timing of income tax payments.
- A $1.8 million decrease in cash flow due to the timing of Technology Solutions receipts related to contract assets, which is due to timing differences in revenue recognition and contract payments relative to the comparable period.
- A $1.3 million decrease associated with the timing of prepaid expenses.

NET CASH FLOW USED IN INVESTING ACTIVITIES

Net cash used in investing activities for the quarter was $2.5 million compared to $1.1 million in the comparative period. The increase in the quarter was primarily as a result of registry enhancement capital expenditures and development of solutions for our Technology Solutions segment clients.

Net cash used in investing activities for the year-to-date was $5.2 million compared to $1.3 million in the comparative period. The increase in net cash used was primarily as a result of registry enhancement capital expenditures and development of solutions for our Technology Solutions segment clients. In addition, as part of our acquisition of Regulis completed in 2022, the Company paid $0.9 million (€0.6 million) of additional contingent consideration during the year related to the commencement of the operations of the International Registry of Interests in Rolling Stock.

NET CASH FLOW USED IN FINANCING ACTIVITIES

Net cash flow used in financing activities during the quarter was $19.8 million, compared to $10.8 million in the second quarter of 2023. As part of the Company's ongoing program to deleverage, a $10.0 million prepayment was made in the quarter towards the Credit Facility, up from $5.0 million paid in the comparative quarter in the prior year. In addition, interest paid increased $3.3 million compared to the prior year quarter due to increased borrowings associated with the Extension Agreement.

Year-to-date net cash flow used in financing activities was $31.5 million, up from $26.7 million in the prior year. The increase was primarily driven by increased interest paid associated with expanded borrowings on the Upfront payment.

6.2 Sustaining capital expenditures

For the purpose of this analysis, sustaining capital expenditures include cash additions of sustaining property, plant and equipment and intangible assets excluding additions subject to business combinations. The capital expenditures listed below for the six months ended June 30, 2024, also exclude cash paid during the period of $0.9 million (€0.6 million) related to the additional purchase consideration of Regulis discussed above, which made up part of the intangible assets capitalized. These capital expenditures have been excluded from sustaining capital as they are not considered part of business-as-usual activities given the long-term and transformational nature of the expenditure.

(thousands of CAD)	Three Months Ended June 30, 2024	2023[1]	Six Months Ended June 30, 2024	2023[1]
Registry Operations	$ 253	$ 87	$ 492	$ 93
Services	276	249	978	490
Technology Solutions	1,999	447	2,995	482
Corporate and other	182	16	362	18
Total capital expenditures	$ 2,710	$ 799	$ 4,827	$ 1,083

[1] *Total capital expenditures for the three and six month periods ending June 30, 2023, were restated due to a change in the definition of sustaining capital expenditures, which was made in the third quarter of 2023. This resulted in a restatement that decreased the total capital expenditures by $0.6 million for the three and six month periods ended June 30, 2023.*

Sustaining capital expenditures were $2.7 million for the quarter, an increase from $0.8 million in the second quarter of the period year. Sustaining capital expenditures were $4.8 million year-to-date compared to $1.1 million in the same period of 2023. In both periods, the increase primarily resulted from increased system development work across our business segments, including registry enhancements.

6.3 Debt

At June 30, 2024, the Company's debt was $163.4 million compared to $177.3 million at December 31, 2023.

In connection with the Extension Agreement, ISC entered into the Amended and Restated Credit Agreement with its syndicate of lenders on July 5, 2023. The aggregate amount available under the Credit Facility has been increased from $150.0 million to $250.0 million and consists of ISC's existing $150.0 million revolving credit facility together with a new $100.0 million revolving credit facility. In addition, ISC maintains access to a $100.0 million accordion option, providing the flexibility to upsize the aggregate revolving credit facility up to $350.0 million. The Consolidated Net Funded Debt to EBITDA financial covenant has been increased to provide additional balance sheet flexibility to ISC. The expiry date of the Credit Facility of September 2026 remains unchanged. ISC funded the Upfront Payment and other related transaction costs for the Extension by drawing on the Credit Facility.

On July 27, 2023, ISC announced that it has expanded the lenders under the Company's Credit Facility to include BMO. The syndicated Credit Facility now includes RBC, CIBC and BMO. The total amount available under the Credit Facility remained unchanged.

The Company was in compliance with all its covenants throughout the period. The amount of borrowing costs capitalized during 2024 and 2023 was nil.

During the first six months of 2024, the Company made voluntary prepayments of $14.0 million (2023 – $15.0 million) against its revolving credit facility to minimize interest expense. $10.0 million (2023 - $5.0 million) of the total voluntary prepayments were made in the quarter ended June 30, 2024.

The Company is focused on continuing sustainable growth and deleveraging its balance sheet towards a long-term net leverage target of 2.0x – 2.5x. The prepayments described above are a reflection of deleveraging plans.

For further information on our Credit Facility, refer to Note 15 in the December 31, 2023, Financial Statements which are available on our website at www.isc.ca and in the Company's profile on SEDAR+ at www.sedarplus.ca.

6.4 Total assets

Total assets were $532.1 million at June 30, 2024, consistent compared to $536.3 million at December 31, 2023.

(thousands of CAD)	Registry Operations	Services	Technology Solutions	Corporate and other	**As at June 30, 2024**
Total assets excluding intangibles, goodwill and cash	$ 22,241	$ 21,389	$ 8,263	$ 12,351	**$ 64,244**
Intangibles	297,578	37,452	7,186	2,172	**344,388**
Goodwill	21,098	71,537	8,647	-	**101,282**
Cash	-	-	-	22,148	**22,148**
Total assets	$ 340,917	$ 130,378	$ 24,096	$ 36,671	**$ 532,062**

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

6.5 Working capital

Between December 31, 2023, and June 30, 2024, working capital decreased by $2.3 million.

(thousands of CAD)	**As at June 30, 2024**	As at December 31, 2023
Current assets	**$ 50,565**	$ 48,332
Current liabilities	**(68,018)**	(63,496)
Working capital	**$ (17,453)**	$ (15,164)

The main drivers of the $2.3 million decrease in working capital compared to December 31, 2023, are as follows:

Free cash flow for 2024	**$ 19,284**
Financing and other items:	
Dividends paid	**(8,311)**
Repayment of long-term debt	**(14,000)**
Acquisitions and post closing adjustments	**(879)**
Stock options exercised	**711**
All other	**906**
Total change in working capital	**$ (2,289)**

6.6 Outstanding share data

The number of issued and outstanding Class A Shares as at June 30, 2024, was 18,127,612 and the number of issued and outstanding share options as of June 30, 2024, was 730,057. As of August 7, 2024, the date of filing, the number of issued and outstanding Class A Shares was 18,127,612 and the number of issued and outstanding share options was 730,057.

6.7 Common share dividend

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

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, 2024, consist of cash, trade and other receivables, accounts payable and accrued liabilities excluding share-based accrued liabilities, the vendor concession liability and long-term debt.

The Company does not currently use any form of derivative financial instruments to manage our exposure to credit risk, interest rate risk, market risk or foreign currency exchange risk. Refer to Note 13 to the Financial Statements for information pertaining to financial instruments and related risk management.

7.2 Business risks and risk management

All companies are exposed to risk and are required to mitigate risks on a daily and long-term basis. A key component of creating strong and sustainable corporate performance is to balance risk and reward.

ISC considers risks that may affect the Company's ability to achieve its goals and objectives on an ongoing basis and implements processes to manage those risks. ISC is continuously monitoring numerous existing and emerging risks. Our corporate strategies and plans are designed to implement effective risk mitigation or management approaches on an ongoing basis.

The Board oversees ISC's Enterprise Risk Management ("ERM") framework. This includes ensuring appropriate management systems are in place to ensure ISC's risks are prudently managed.

The senior leadership team is accountable for providing executive oversight of ISC's ERM activities, including the ongoing identification and assessment of risks and the development of mitigation strategies to manage the corporate risks facing the Company.

A complete list of ISC's key business risks is contained in the Company's Annual Information Form available on the Company's website at www.isc.ca and in the Company's profile on SEDAR+ at www.sedarplus.ca.

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, 2024.

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 23 in the December 31, 2023 Financial Statements, which are available on our website at www.isc.ca and in the Company's profile on SEDAR+ at www.sedarplus.ca for information about transactions with related parties.

8.3 Critical accounting estimates

ISC's critical accounting estimates are contained in Note 2 to 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 intangible assets and goodwill;
- the recoverability of deferred tax assets; and
- the amount and timing of revenue from contracts from customers recognized over time.

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

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

8.4 Changes in accounting policies

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

For details on future accounting policy changes, refer to Section 8.4 of our December 31, 2023 MD&A, which is available on our website at www.isc.ca and in the Company's profile on SEDAR+ at www.sedarplus.ca. We are continuing to evaluate the impact of standards that are effective for us after fiscal 2023.

8.5 Financial measures and key performance indicators

Revenue, expenses, net income and net cash flow provided by operating activities 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 used 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 adjusted net income, adjusted earnings per share, basic, adjusted earnings per share, diluted, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, free cash flow and adjusted free cash flow. Refer to Section 8.8 "Non-IFRS financial measures" for a discussion on why we use these measures, the calculation of them and their most directly comparable IFRS financial measures. Refer to Section 2 "Consolidated Financial Analysis" and Section 6.1 "Cash flow" for a reconciliation of these measures to the most directly comparable IFRS financial measure.

8.6 Internal controls over financial reporting

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

No changes in our internal controls over financial reporting that have occurred during the three and six month period ended June 30, 2024, have materially affected or are reasonably likely to materially affect our internal controls over financial reporting.

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

8.7 Disclosure controls and procedures

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

8.8 Non-IFRS financial measures

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

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

Refer to Section 8.9 "Non-IFRS financial measures definition" for definitions of these measures. Refer to Section 2 "Consolidated Financial Analysis" and Section 6.1 "Cash flow" for a reconciliation of these measures to the most directly comparable IFRS financial measure.

Non-IFRS performance measure	**Why we use it**	**How we calculate it**	**Most comparable IFRS financial measure**
Adjusted net income Adjusted earnings per share, basic Adjusted earnings per share, diluted	• To evaluate performance and profitability while excluding non-operational and share-based volatility. • We believe that certain investors and analysts will use adjusted net income and adjusted earnings per share to evaluate performance while excluding items that management believes do not contribute to our ongoing operations.	Adjusted net income: Net income add Share-based compensation expense, acquisitions, integration and other costs, effective interest component of interest expense, debt finance costs expensed to professional and consulting, amortization of the intangible asset associated with the right to manage and operate the Saskatchewan Registries, amortization of registry enhancements, interest on the vendor concession liability and the tax effect of these adjustments at ISC's statutory tax rate. Adjusted earnings per share, basic: Adjusted net income divided by weighted average number of common shares outstanding Adjusted earnings per share, diluted: Adjusted net income divided by diluted weighted average number of common shares outstanding	Net income Earnings per share, basic Earnings per share, diluted

EBITDA EBITDA margin	• To evaluate performance and profitability of segments and subsidiaries as well as the conversion of revenue. • We believe that certain investors and analysts use EBITDA to measure our ability to service debt and meet other performance obligations.	EBITDA: Net income add (remove) Depreciation and amortization, net finance expense, income tax expense EBITDA margin: EBITDA divided by Total revenue	Net income
Adjusted EBITDA Adjusted EBITDA margin	• To evaluate performance and profitability of segments and subsidiaries as well as the conversion of revenue while excluding non-operational and share-based volatility. • We believe that certain investors and analysts use adjusted EBITDA to measure our ability to service debt and meet other performance obligations. • Adjusted EBITDA is also used as a component of determining short-term incentive compensation for employees.	Adjusted EBITDA: EBITDA add (remove) share-based compensation expense, acquisition, integration and other costs, gain/loss on disposal of assets and asset impairment charges if significant Adjusted EBITDA margin: Adjusted EBITDA divided by Total revenue	Net income
Free cash flow	• To show cash available for debt repayment and reinvestment into the Company on a levered basis. • We believe that certain investors and analysts use this measure to value a business and its underlying assets. • Free cash flow is also used as a component of determining short-term incentive compensation for employees.	Net cash flow provided by operating activities deduct (add) Net change in non-cash working capital, cash additions to property, plant and equipment, cash additions to intangible assets, interest received and paid as well as interest paid on lease obligations and principal repayments on lease obligations	Net cash flow provided by operating activities
Adjusted free cash flow	• To show cash available for debt repayment and reinvestment into the Company on a levered basis from continuing operations while excluding non-operational and share-based volatility. • We believe that certain investors and analysts use this measure to value a business and its underlying assets based on continuing operations while excluding short term non-operational items.	Free cash flow deduct (add) Share-based compensation expense, acquisition, integration and other costs and registry enhancement capital expenditures	Net cash flow provided by operating activities

8.9 Non-IFRS financial measures definition

Adjusted net income is defined as net income adjusted for share-based compensation expense or income, acquisition, integration and other costs, the effective interest component of interest expense, amortization of the intangible asset associated with the right to manage and operate the Saskatchewan Registries and amortization of registry enhancement capital expenditures, interest on the vendor concession liability and the tax effect of these adjustments at ISC's statutory tax rate. We believe this measure provides useful information to evaluate earnings while excluding non-operational and share-based volatility. Adjusted earnings per share, both on a basic and diluted basis, are calculated as adjusted net income divided by the weighted average number of common shares outstanding for adjusted earnings per share, basic and the diluted weighted average number of common shares outstanding for adjusted earnings per share, diluted.

EBITDA is defined as earnings before interest, taxes, depreciation and amortization expense. Adjusted EBITDA adjusts EBITDA for share-based compensation expense or income, transactional gains or losses on assets, asset impairment charges and acquisition, integration and other costs. These measures, in addition to net income and income from operations, remove fluctuations caused by the above adjustments. EBITDA margin and adjusted EBITDA margin are calculated as a percentage of overall revenue.

Free cash flow is used as a financial measure of liquidity and financial strength. By adjusting for the swings in non-cash working capital items due to seasonality or other timing issues, cash additions to property, plant and equipment and intangible assets, as well as interest received and paid including interest paid on lease obligations and principal repayments on lease obligations, free cash flow assists in the long-term assessment of liquidity and financial strength. Adjusted free cash flow adjusts for share-based compensation expense or recovery, acquisition, integration and other costs and registry enhancement capital expenditures. Adjusted free cash flow does not represent residual cash flow available for discretionary expenditures.