



March 17, 2020

Management's Discussion and Analysis

For the Fourth Quarter and Year Ended December 31, 2019

Table of Contents

1 Overview.....4

2 Consolidated Financial Analysis10

3 Business Segment Analysis17

4 Summary of Consolidated Quarterly Results.....38

5 Business Strategy39

6 Financial and Capital Management.....40

7 Business Risks.....45

8 Accounting Policies, Financial Measures and Controls48

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 audited Consolidated Financial Statements ("Financial Statements") for the year ended December 31, 2019, and 2018. Additional information, including our Annual Information Form for the year ended December 31, 2019, is available on the Company's website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com.

This MD&A contains information from the Financial Statements for the years ended December 31, 2019, 2018, and 2017, prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IAS Board"). The financial information that appears throughout our MD&A is consistent with the Financial Statements.

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

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

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

This MD&A contains forward-looking information and should be read in conjunction with the "Caution Regarding Forward-Looking Information" that follows. This MD&A is current as of March 17, 2020.

RESPONSIBILITY FOR DISCLOSURE

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

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

CAUTION REGARDING FORWARD-LOOKING INFORMATION

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

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

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

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

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

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

1 Overview

As required by IFRS, effective January 1, 2019, we have adopted IFRS 16 — *Leases* (“IFRS 16”), as described in section 8.4 “Changes in Accounting Policies”, using the full retrospective method to each period in 2018 previously reported, with an impact to opening retained earnings. We have also reclassified some amounts from previous periods to make them consistent with the presentation for the current period.

Last year we made an adjustment to the fair value estimate of the contingent consideration associated with our AVS Systems Inc. (“AVS”) acquisition which resulted in a \$3.6 million gain in 2018. Where possible, we have tried to present comparisons with and without this non-recurring item.

1.1 Consolidated highlights

SELECT CONSOLIDATED FINANCIAL INFORMATION

For the year ended December 31, 2019:

EBITDA ¹	Adjusted EBITDA ¹	Revenue	Earnings per share	Free cash flow ¹
\$39.0M	\$40.0M	\$133.0M	\$1.11	\$30.0M
+2%* vs 2018	+13% vs 2018	+12% vs 2018	+4%* vs 2018	+9% vs 2018

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

* Includes the change in contingent consideration in 2018 and one-time costs associated with our office closures in 2019.

ISC® Management's Discussion and Analysis

For the Fourth Quarter and Year Ended December 31, 2019

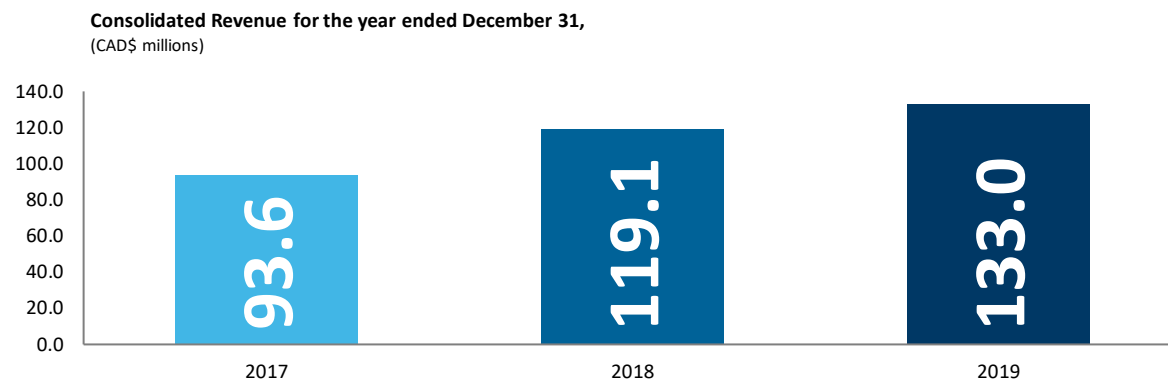
The select annual financial information set out for the years ended December 31, 2019, 2018, and 2017, is derived from the Financial Statements and has been prepared on a consistent basis. In the opinion of the Company's management, such financial data reflects all adjustments necessary for a fair presentation of the results for those periods.

(thousands of CAD dollars)	Year ended December 31,			
	2019	2018 (restated) ²	2017	
Revenue	\$ 132,968	\$ 119,131	\$ 93,592	
Net income	19,400	18,637	27,789	
EBITDA ¹	\$ 39,026	\$ 38,124	\$ 30,015	
Adjusted EBITDA ¹	40,028	35,578	33,403	
EBITDA margin (% of revenue) ¹	29.3%	32.0%	32.1%	
Adjusted EBITDA margin (% of revenue) ¹	30.1%	29.9%	35.7%	
Free cash flow ¹	\$ 29,996	\$ 27,411	\$ 22,918	
Dividend declared per share	\$ 0.80	\$ 0.80	\$ 0.80	
Earnings per share, basic	1.11	1.06	1.59	
Earnings per share, diluted	1.11	1.06	1.58	
	As at December 31,			
	2019	2018	2017	
Total assets	\$ 171,579	\$ 173,682	\$ 171,825	
Total non-current liabilities	\$ 32,683	\$ 36,420	\$ 45,202	

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

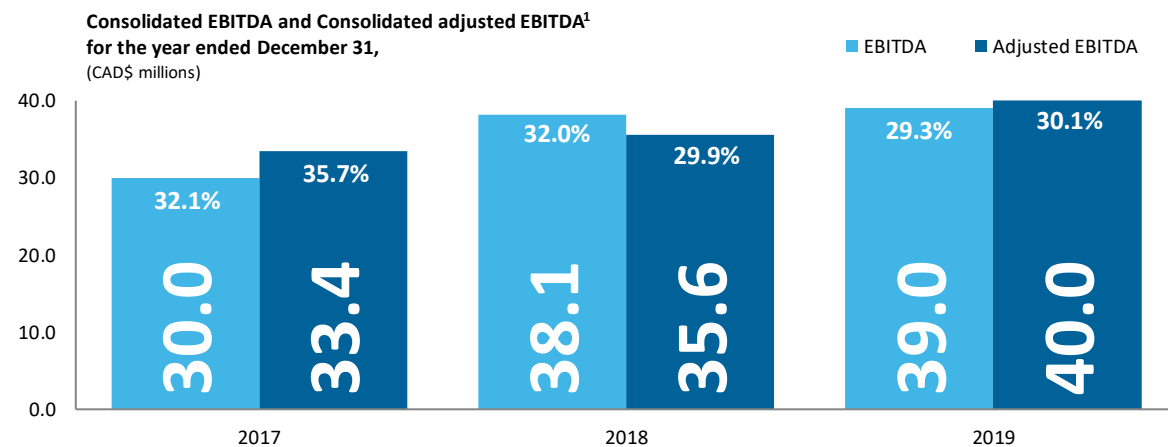
² On January 1, 2019, the Company adopted IFRS 16 using the full retrospective method and, therefore, the 2018 comparative information has been restated and reported under IFRS 16, with an impact to opening retained earnings. Refer to Note 2 of the Financial Statements for further details.

ISC has generated strong results over the past three years. Revenue continues to climb and was up 11.6 per cent to \$133.0 million in 2019 compared to \$119.1 million in 2018 and is up nearly 42.1 per cent since 2017. The primary driver of revenue growth in 2019 continues to come from Services through adding new services for existing accounts and winning of new customer contracts. For purposes of comparison to 2017, excluding the impact of the gain from the sale of our ownership interest in Dye & Durham Corporation in 2017, net income in 2017 would have been \$14.4 million or \$0.82 per basic and diluted share, showing an increase in net income over the three years as well.



EBITDA (earnings before interest, taxes, depreciation and amortization expense) is also up at \$39.0 million for 2019. In trying to effect a proper comparison to the previous years, adjusting out one-time items:

- 2019 EBITDA contains one-time costs of \$0.8 million associated with the closure of three service centres in the third quarter; and
- 2018 EBITDA contains a one-time gain of \$3.6 million for the adjustment to the fair value estimate of the contingent consideration associated with our AVS acquisition.



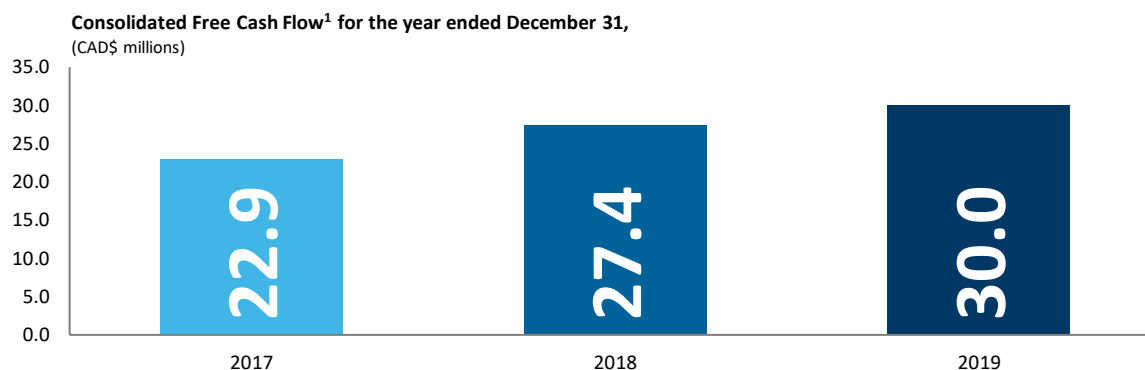
¹ EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures by other companies. Refer to section 8.8 "Non-IFRS financial measures".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

Percentages expressed represent the EBITDA and adjusted EBITDA margin percentages, respectively.

EBITDA and adjusted EBITDA are up due to strong results across all our segments.

- Registry Operations revenue continues to be challenged by the effects of economic conditions in Saskatchewan; however, it continues to manage costs and generate strong free cash flow.

- Services continues to grow with new products and services, with lower EBITDA growth in 2019 as we invest in cloud and other technology improvements for future scale and margin improvement.
- Technology Solutions continues to focus on executing current implementations of announced contracts, with much of that being recognized in the fourth quarter.



¹ Free cash flow is not recognized as a measure under IFRS and does not have a standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures by other companies; refer to section 8.8 "Non-IFRS financial measures". Refer to section 6.1 "Cash Flow" for a reconciliation of free cash flow.

FOURTH QUARTER CONSOLIDATED HIGHLIGHTS

- Revenue was \$37.9 million for the quarter, an increase of \$6.9 million or 22.3 per cent compared to the fourth quarter of 2018 largely due to the completion of milestones in current contracts within Technology Solutions and continued growth in Services.
- Net income for the quarter was \$7.3 million or \$0.42 per basic and diluted share compared to \$3.2 million or \$0.18 per basic and diluted share in 2018. The year-over-year increase is mainly due to the increased revenue in Technology Solutions and Services.
- EBITDA for the fourth quarter of 2019 was \$12.3 million compared to \$8.1 million for the same quarter last year due to increased results in all segments.
- The EBITDA margin for the fourth quarter of 2019 was 32.5 per cent compared to 26.1 per cent in the same quarter in 2018. The unusual increase in the quarter was due to the recognition of licence revenue with milestone achievements in our Technology Solutions segment.
- Excluding stock-based compensation expense or income, stock option expense, transactional gains and losses on assets, and acquisition and integration costs, adjusted EBITDA was \$12.7 million for the quarter compared to \$8.3 million in the same quarter last year.
- Free cash flow for the quarter was \$9.5 million, an increase of \$3.6 million compared to the fourth quarter of 2018 due to higher results of operations.

- On November 6, 2019, our Board declared a quarterly cash dividend of \$0.20 per Class A Limited Voting Share ("Class A Share"), paid on January 15, 2020, to shareholders of record as of December 31, 2019.

YEAR-END CONSOLIDATED HIGHLIGHTS

- Revenue was \$133.0 million for the year, an increase of \$13.8 million or 11.6 per cent compared to \$119.1 million for the previous year. The increase was due to the higher revenue generated by Services and Technology Solutions.
- Net income for the year was \$19.4 million or \$1.11 per basic and diluted share compared to \$18.6 million or \$1.06 per basic share and diluted share last year. The increase was the result of increased results in all segments and lower overall corporate costs for 2019.
- EBITDA for the year was \$39.0 million compared to \$38.1 million last year, an increase of \$0.9 million.
- The EBITDA margin for the year was 29.3 per cent compared to 32.0 per cent for 2018. The reduction in year-over-year EBITDA margin was due to the impact of the contingent consideration adjustment in 2018, which produced the unusual 2018 margin. Absent the contingent consideration adjustment, the EBITDA margin for 2018 would have been 29.0 per cent.
- Excluding stock-based compensation expense or income, stock option expense, transactional gains and losses on assets, and acquisition and integration costs, adjusted EBITDA was \$40.0 million for the year, up compared to \$35.6 million last year, with an adjusted EBITDA margin of 30.1 per cent for 2019 compared to 29.9 per cent last year.
- Free cash flow for the year increased to \$30.0 million, compared to \$27.4 million for the same period of 2018 due to higher results of operations.
- On February 19, 2019, the Company announced that its wholly owned subsidiary, ESC Corporate Services Ltd. ("ESC"), acquired substantially all the assets used in the business of Securefact Transaction Services, Inc. ("Securefact") for \$6.8 million by way of an asset purchase agreement.
- On October 9, 2019, the Company announced that our wholly owned Irish subsidiary, Enterprise Registry Solutions Limited ("ERS"), signed an agreement with the Irish Aviation Authority to implement and support its new Safety Regulation System. The total value of the implementation contract is approximately \$7.0 million, with a subsequent agreement expected for system support and maintenance. The new system is expected to go live in 2021.
- In September 2019, the Company made the decision to close three regional service centres in Saskatchewan due to a steadily declining need for counter service and customers' adoption of online services offered by the Company.

1.2 Subsequent events

- On March 17, 2020, our Board declared a quarterly cash dividend of \$0.20 per Class A Share, payable on or before April 15, 2020, to shareholders of record as of March 31, 2020.

1.3 Outlook

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

ISC has built a strong, sustainable and growing business underpinned by our two largest segments, Registry Operations and Services. These two segments deliver consistency and growth, respectively, while our Technology Solutions segment focuses to become a meaningful contributor to our consolidated results in the years to come.

In 2020, we expect to deliver continued organic growth, driven by our Services segment, through the expansion of offerings to existing customers as well as the acquisition of new customers throughout the year. The Company will also explore appropriate acquisition targets which are complementary to or add value to existing lines of business. The diversification of our business remains a key part of our strategy, which we will continue to pursue. We also expect to spend between \$2.0 million and \$4.0 million on business-as-usual capital expenditures.

Although we expect Saskatchewan's economy to remain flat in 2020 as it pertains to the registries, Registry Operations will continue to be a strong contributor to results in 2020, due largely to the high level of operational efficiency and the resulting strong cash flow this segment generates on a consistent basis.

In Technology Solutions, as projects continue to move into the implementation and completion phases in 2020, we expect to recognize increased revenue and profitability on those contracts. Many of those will move into maintenance, and we will continue to pursue new contracts in both the registry and regulatory sectors.

In addition, we are monitoring the potential impact of the current outbreak of the novel coronavirus (COVID-19) on our people, operations and business. The situation is evolving rapidly and we will continue to assess any effect on the Company's operations and the economies in which we operate.

Based on the previous details, in 2020 the Company's revenue is expected to be between \$135.0 million and \$139.0 million, EBITDA to be between \$37.0 million and \$41.0 million, and an EBITDA margin between 26.0 per cent and 30.0 per cent.

2 Consolidated Financial Analysis

Consolidated revenue was up 22.3 per cent and 11.6 per cent for the three months and year ended December 31, 2019, respectively, compared to the same periods last year. Net income was also up in the quarter and year-to-date compared to last year largely due to increased results in all segments and lower overall corporate costs.

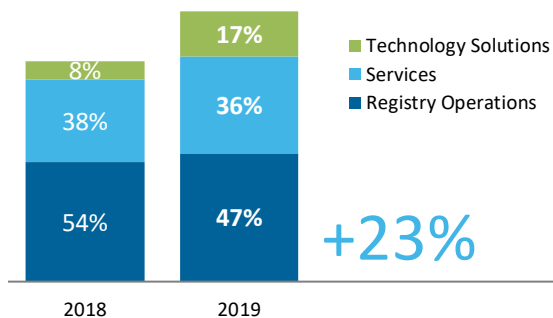
2.1 Consolidated statements of comprehensive income

(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018 (restated) ¹	2019	2018 (restated) ¹
Revenue				
Registry Operations	\$ 18,069	\$ 16,780	\$ 70,399	\$ 70,259
Services	13,519	11,591	51,230	42,384
Technology Solutions	9,333	6,276	24,246	21,225
Corporate and other	(2,979)	(3,632)	(12,907)	(14,737)
Total revenue	37,942	31,015	132,968	119,131
Expenses				
Wages and salaries	11,578	10,255	41,689	37,842
Cost of goods sold	8,236	7,033	31,171	25,084
Depreciation and amortization	2,697	3,151	11,400	11,775
Information technology services	2,549	2,339	8,796	8,479
Occupancy costs	786	859	3,485	3,369
Professional and consulting services	1,351	962	4,281	4,785
Financial services	462	584	2,138	2,302
Other	649	704	2,382	2,713
Total expenses	28,308	25,887	105,342	96,349
Net income before items noted below	9,634	5,128	27,626	22,782
Finance (expense) income				
Interest income	71	116	283	416
Interest expense	(359)	(271)	(1,529)	(1,189)
Net finance expense	(288)	(155)	(1,246)	(773)
Change in contingent consideration	-	(195)	-	3,567
Income before tax	9,346	4,778	26,380	25,576
Income tax expense	(1,999)	(1,620)	(6,980)	(6,939)
Net income	7,347	3,158	19,400	18,637
Other comprehensive income (loss)				
Unrealized gain (loss) on translation of financial statements of foreign operations	78	247	(538)	232
Change in fair value of marketable securities, net of tax	(77)	(37)	29	(108)
Other comprehensive income (loss) for the period	1	210	(509)	124
Total comprehensive income	\$ 7,348	\$ 3,368	\$ 18,891	\$ 18,761

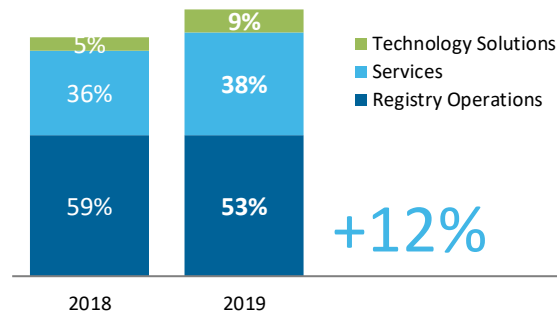
¹ On January 1, 2019, the Company adopted IFRS 16 using the full retrospective method and, therefore, the comparative information has been restated and reported under IFRS 16, with an impact to opening retained earnings. Refer to Note 2 of the Financial Statements for further details.

2.2 Consolidated revenue

**Consolidated Revenue¹
for the three months ended December 31,**



**Consolidated Revenue¹
for the year ended December 31,**



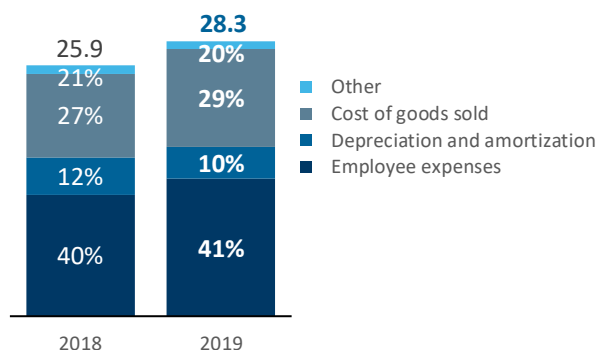
¹ Technology Solutions and Services are net of Corporate and other revenue/eliminations.

(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Registry Operations	\$ 18,069	\$ 16,780	\$ 70,399	\$ 70,259
Services	13,519	11,591	51,230	42,384
Technology Solutions	9,333	6,276	24,246	21,225
Corporate and other	(2,979)	(3,632)	(12,907)	(14,737)
Total revenue	\$ 37,942	\$ 31,015	\$ 132,968	\$ 119,131

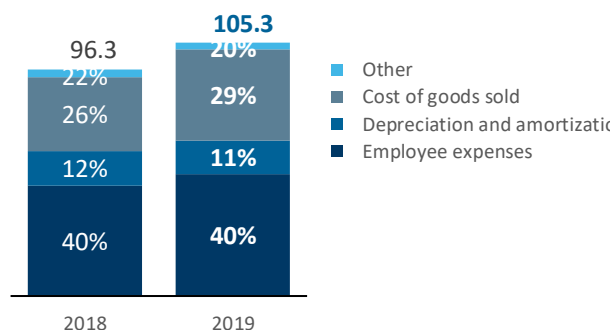
Total revenue increased in the quarter and for the year as compared to the same periods last year, with increases in all segments.

2.3 Consolidated expenses

Consolidated Expenses
for the three months ended December 31,
(CAD\$ millions)



Consolidated Expenses
for the year ended December 31,
(CAD\$ millions)



(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018 (restated) ¹	2019	2018 (restated) ¹
Wages and salaries	\$ 11,578	\$ 10,255	\$ 41,689	\$ 37,842
Cost of goods sold	8,236	7,033	31,171	25,084
Depreciation and amortization	2,697	3,151	11,400	11,775
Information technology services	2,549	2,339	8,796	8,479
Occupancy costs	786	859	3,485	3,369
Professional and consulting services	1,351	962	4,281	4,785
Financial services	462	584	2,138	2,302
Other	649	704	2,382	2,713
Total expenses	\$ 28,308	\$ 25,887	\$ 105,342	\$ 96,349

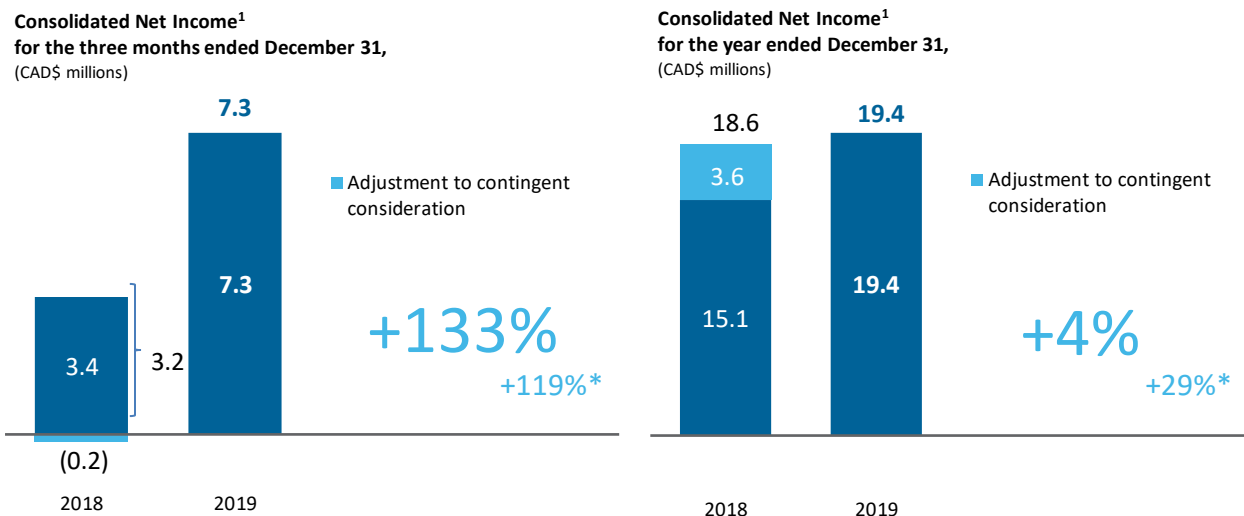
¹ On January 1, 2019, the Company adopted IFRS 16 using the full retrospective method and, therefore, the comparative information has been restated and reported under IFRS 16, with an impact to opening retained earnings. Refer to Note 2 of the Financial Statements for further details.

Consolidated expenses were \$28.3 million for the fourth quarter, an increase of \$2.4 million compared to the same fourth quarter last year and were \$105.3 million for the year, an increase of \$9.0 million compared to the same period last year. The increase in the quarter and year was largely due to:

- increased cost of goods sold related to the corresponding increased revenue in Services; and
- increased staffing in Services and Technology Solutions to service our new development and existing implementation and maintenance commitments.

These increases were partially offset by lower depreciation and amortization, decreased staffing in Registry Operations as well as decreased professional and consulting services year-over-year across our segments.

2.4 Consolidated net income



¹ On January 1, 2019, the Company adopted IFRS 16. See section 1.1 “Consolidated highlights” – footnote 2 for further details.

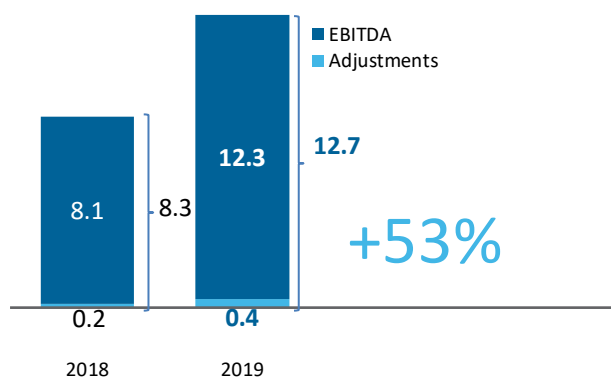
* Represents the change in net income excluding the change in contingent consideration.

Net income for the quarter was \$7.3 million or \$0.42 per basic and diluted share, an increase of \$4.2 million compared to the fourth quarter of 2018 and was \$19.4 million or \$1.11 per basic and diluted share for the year compared to \$18.6 million or \$1.06 per basic and diluted share last year.

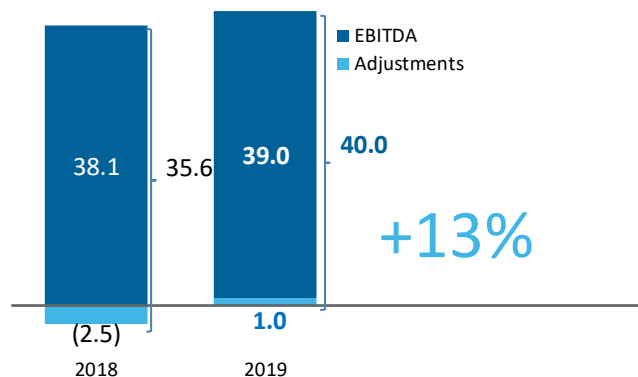
As reported in 2018, net income in 2018 included the positive impact of \$3.6 million in adjustments to the fair value estimate of the contingent consideration associated with our AVS acquisition, which is not present in 2019. Excluding the net adjustments to the contingent consideration, net income for the three months and year ended December 31, 2018, would have been \$3.4 million and \$15.1 million, respectively.

2.5 Consolidated EBITDA and Adjusted EBITDA

**Consolidated EBITDA and adjusted EBITDA^{1, 2}
for the three months ended December 31,**
(CAD\$ millions)



**Consolidated EBITDA and adjusted EBITDA^{1, 2}
for the year ended December 31,**
(CAD\$ millions)



¹ On January 1, 2019, the Company adopted IFRS 16. See section 1.1 “Consolidated highlights” – footnote 2 for further details.

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

EBITDA for the fourth quarter of 2019 was \$12.3 million compared to \$8.1 million for the same quarter last year and was \$39.0 million for the year as compared to \$38.1 million last year, due to increased results in all segments. Similarly, adjusted EBITDA was \$12.7 million for the quarter, an increase of 53.5 per cent compared to \$8.3 million in the fourth quarter of 2018 and was \$40.0 million for the year compared to \$35.6 million last year. There were minimal adjustments in adjusted EBITDA for 2019, mainly related to stock-based compensation and insignificant acquisition and integration costs. There were similar items in 2018, as well as a \$3.6 million adjustment related to contingent consideration on our acquisition of AVS.

ISC® Management's Discussion and Analysis

For the Fourth Quarter and Year Ended December 31, 2019

(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018 (restated) ¹	2019	2018 (restated) ¹
Net income	\$ 7,347	\$ 3,158	\$ 19,400	\$ 18,637
Depreciation and amortization	2,697	3,151	11,400	11,775
Net finance expense	288	155	1,246	773
Income tax expense	1,998	1,620	6,980	6,939
EBITDA ²	\$ 12,330	\$ 8,084	\$ 39,026	\$ 38,124
Adjustments				
Stock-based compensation expense	269	(55)	370	157
Stock option expense	81	166	466	617
Acquisition and integration costs	-	44	164	(3,402)
Gain on disposal of property, plant and equipment assets	4	27	2	82
Adjusted EBITDA ²	\$ 12,684	\$ 8,266	\$ 40,028	\$ 35,578
EBITDA margin (% of revenue) ²	32.5%	26.1%	29.3%	32.0%
Adjusted EBITDA margin (% of revenue) ²	33.4%	26.7%	30.1%	29.9%

¹ On January 1, 2019, the Company adopted IFRS 16. See section 1.1 "Consolidated highlights" – footnote 2 for further details.

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

The adjusted EBITDA margin of 33.4 per cent for the quarter is higher than the fourth quarter last year primarily due to the recognition of licence revenue with milestone achievements in Technology Solutions during the quarter, while the adjusted EBITDA margin of 30.1 per cent for the year is relatively flat compared to 2018.

2.6 Consolidated finance costs

Net finance expense was \$0.3 million and \$1.2 million for the quarter and the year, respectively, up compared to last year due to increased fees on our debt facility and less interest earned on our lower cash balance in 2019. With the adoption of IFRS 16, finance expense now also includes interest expense related to lease obligations associated with our right-of-use assets.

2.7 Change in contingent consideration

In 2018, the Company, through its wholly owned subsidiary ESC, adjusted the fair value and paid the early settlement of the AVS contingent consideration and finalized the purchase price accounting adjustments. The net result of \$3.6 million was included in "change in contingent consideration" on the consolidated financial statements of comprehensive income of the Financial Statements.

2.8 Tax provision

The Company is subject to federal and provincial income taxes at an estimated combined statutory rate of 27.0 per cent (2018 – 27.0 per cent). Income tax expense varies from the amounts that would be computed by applying the statutory income tax rate to earnings before taxes for the following reasons:

(thousands of CAD dollars)	Year Ended December 31,	
	2019	2018 (restated) ¹
Net income before tax	\$ 26,380	\$ 25,576
Combined statutory income tax rate	27.0%	27.0%
Expected income tax expense	7,122	6,906
Increase (decrease) in income tax resulting from:		
Non-taxable items	(20)	(963)
Non-deductible expenses	279	429
Foreign income tax rate differential	105	447
Adjustment to prior years' deferred tax assets	(382)	(235)
Impact of change in tax rate	-	(5)
Unrecognized tax asset relating to current year losses	-	350
Other	(124)	10
Income tax expense	\$ 6,980	\$ 6,939

¹ On January 1, 2019, the Company adopted IFRS 16. See section 1.1 "Consolidated highlights" – footnote 2 for further details.

In assessing the recovery of deferred income tax assets, management considers whether it is more likely than not that the deferred income tax assets will be realized. The recognition and measurement of the current and deferred income tax assets and liabilities involves dealing with uncertainties in the application of complex tax regulations and in the assessment of the recoverability of the deferred income tax assets. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences are deductible.

3 Business Segment Analysis

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

ISC currently has three operating segments as follows:

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

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

3.1 Registry Operations

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

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

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

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

Saskatchewan Land Registry

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

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

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

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

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

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

Saskatchewan Personal Property Registry

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

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

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

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

Saskatchewan Corporate Registry

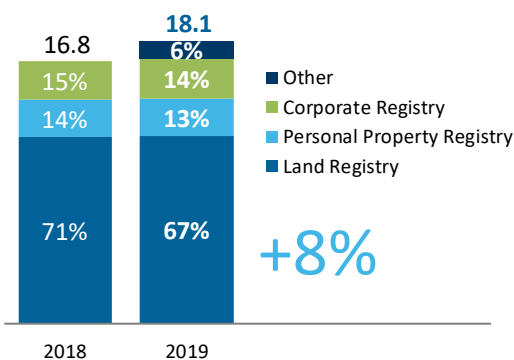
The Corporate Registry is a province-wide system for registering business corporations, non-profit corporations, co-operatives, sole proprietorships, partnerships and business names. Every corporation must be registered in the Corporate Registry to maintain its legal status and carry on business within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

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

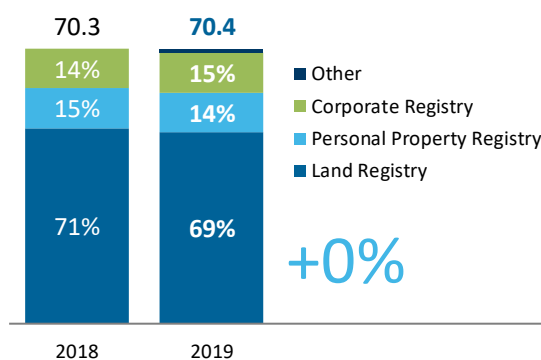
Approximately 90.8 per cent of all registrations in the Corporate Registry were submitted online in 2019.

REGISTRY OPERATIONS REVENUE

**Registry Operations Revenue
for the three months ended December 31,**
(CAD\$ millions)



**Registry Operations Revenue
for the year ended December 31,**
(CAD\$ millions)

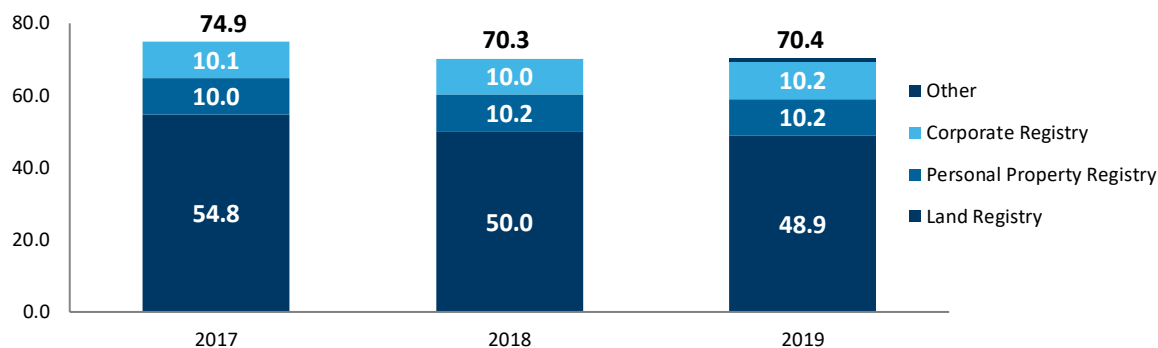


(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Land Registry	\$ 11,968	\$ 11,920	\$ 48,901	\$ 50,031
Personal Property Registry	2,383	2,384	10,154	10,190
Corporate Registry	2,604	2,476	10,230	10,038
Other	1,114	-	1,114	-
Registry Operations revenue	\$ 18,069	\$ 16,780	\$ 70,399	\$ 70,259

Revenue for Registry Operations was \$18.1 million for the quarter compared to \$16.8 million in the fourth quarter of 2018 and for the year was \$70.4 million, flat compared to last year. The increase in the quarter was primarily due to revenue recognized in other. The Company entered into a change order pursuant to its MSA with the Government of Saskatchewan to continue the development of its registry systems. Under the MSA, the Company owns the IP during the term of the MSA. As at December 31, 2019, the development associated with the change order was approximately 85 per cent complete, and the Company recorded an intangible asset under development in the amount of \$1.5 million and recognized \$1.1 million of revenue in other revenue in Registry Operations in 2019 related to the

project. Amortization of the intangible asset is expected to commence in 2020 when the development is complete.

**Registry Operations Revenue
for the year ended December 31,**
(CAD\$ millions)



Note: Values may not add due to rounding.

The top five customers for Registry Operations represented 19.9 per cent of the total segment revenue for 2019. Of those customers, no single customer accounted for more than 10.0 per cent of total Registry Operations revenue.

Saskatchewan Land Registry

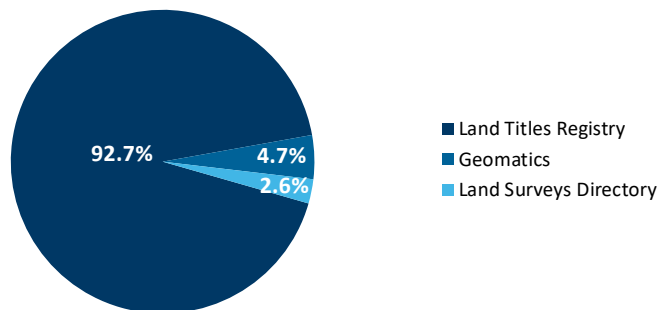
For the fourth quarter, revenue for the Land Registry was \$12.0 million, up slightly by 0.4 per cent compared to the same period in 2018. Modest revenue growth for the Land Titles Registry was offset by marginally lower revenue for Land Surveys and Geomatics during the quarter.

Most of the revenue generated from the Land Registry is from the Land Titles Registry and is derived from value-based fees. Land Titles Registry revenue for the quarter was \$11.2 million, a small increase of \$0.1 million or 1.3 per cent compared to the same period in 2018. Despite transaction volumes being down by 3.8 per cent, revenue was stable partly due to pricing changes made to title searches in July 2019. In addition, revenue was supported by higher average land values for regular land transfers in the fourth quarter.

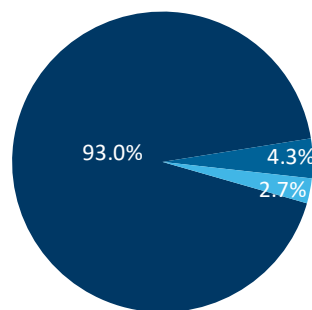
ISC® Management’s Discussion and Analysis

For the Fourth Quarter and Year Ended December 31, 2019

Saskatchewan Land Registry Revenue by Type, for the year ended December 31, 2019



Saskatchewan Land Registry Revenue by Type, for the year ended December 31, 2018

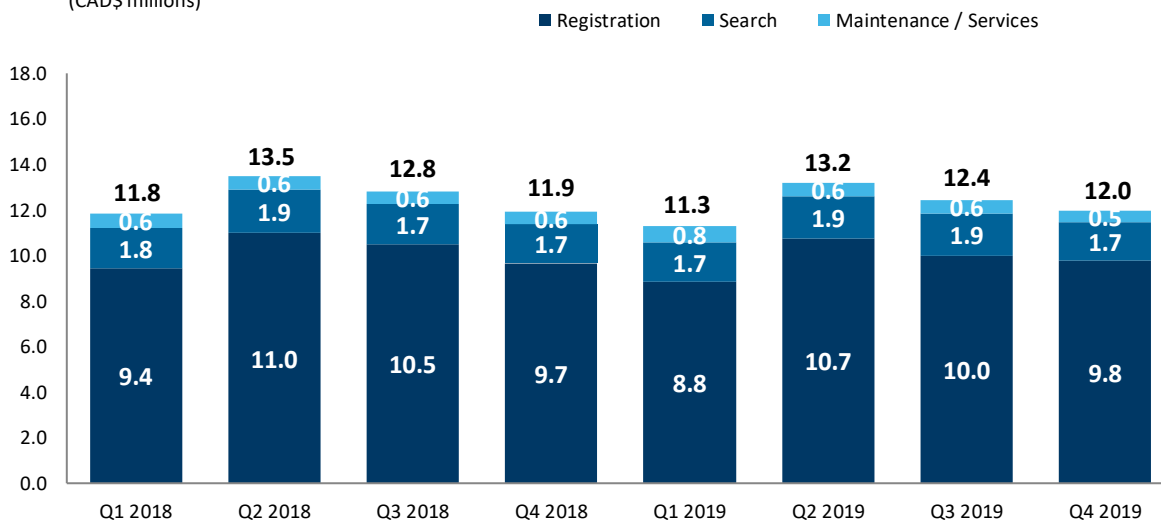


High-value property registration revenue was flat in the fourth quarter of 2019 at \$1.1 million as compared to 2018. Each high-value registration generated revenue of \$10,000 or more.

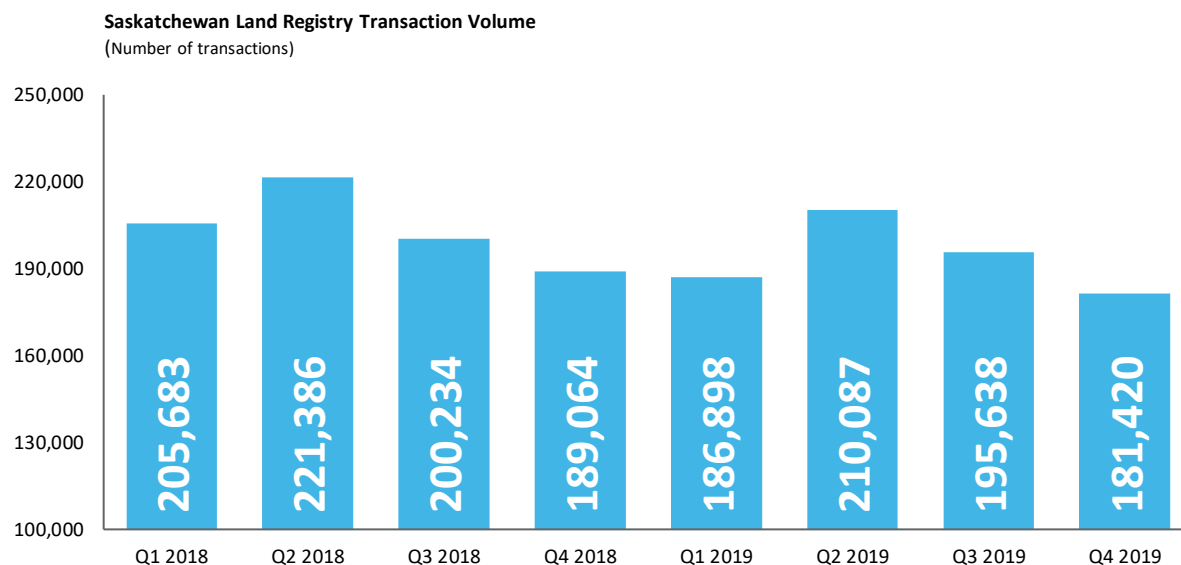
The Saskatchewan real estate market continues to exhibit weakness given the lower transaction volumes we have experienced in 2019. Overall transaction volumes for the Land Registry decreased by 3.9 per cent for the fourth quarter of 2019 compared to the same period last year.

The following graphs show the Land Registry revenue by type of transaction and the overall transaction volume, respectively. Seasonality remains consistent year-over-year wherein the second and third quarter typically generate the most revenue, with the fourth quarter routinely generating less revenue than the third quarter. For more information on seasonality, please refer to section 4 “Summary of Consolidated Quarterly Results”.

Saskatchewan Land Registry Revenue by Type (CAD\$ millions)



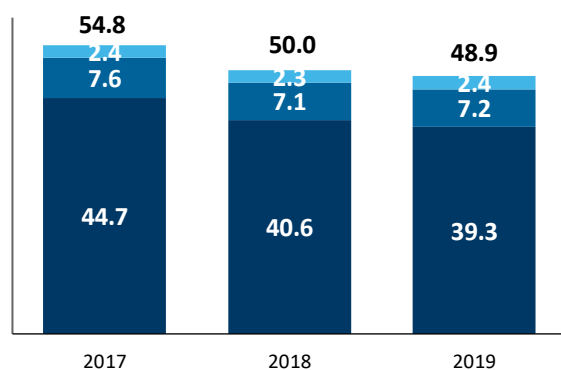
Note: Values may not add due to rounding.



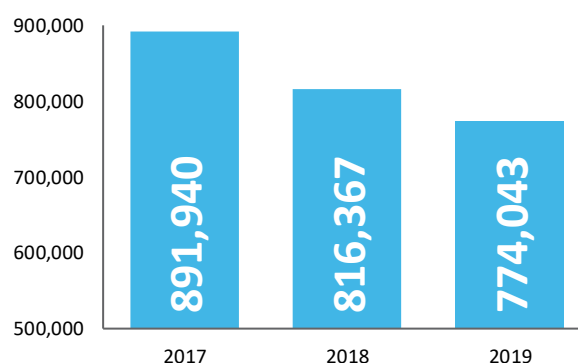
Revenue-generating transactions in the Land Titles Registry fell 5.4 per cent in the fourth quarter, due to a sluggish real estate market in Saskatchewan. The volume of regular land transfers and title searches declined by 3.0 per cent and 5.5 per cent, respectively, compared to 2018. Mortgage registrations volume improved by 5.3 per cent in the fourth quarter of 2019 compared to 2018.

For the year ended December 31, 2019, Land Registry revenue was \$48.9 million, a decrease of \$1.1 million or 2.3 per cent compared to \$50.0 million in 2018.

Saskatchewan Land Registry Revenue by Type for the year ended December 31,
(CAD\$ millions)



Saskatchewan Land Registry Transaction Volume for the year ended December 31,
(Number of transactions)



* Values may not add due to rounding from maintenance transactions that were too small to display in chart.

The decrease in 2019 compared to last year was due to lower volumes in the Land Titles Registry, which were down 5.4 per cent. Revenue declined at a lesser pace compared to volume due to slightly higher average land values for regular land transfers coupled with pricing changes made in July 2019 which mainly affected title searches.

High-value property registration revenue was higher in 2019 at \$4.3 million, compared to revenue of \$3.9 million in 2018. Each high-value registration generated revenue of \$10,000 or more.

Overall, revenue-generating transactions in the Land Titles Registry fell 5.4 per cent in 2019, due to a slower real estate market in Saskatchewan. The volume of regular land transfers, mortgage registrations and title searches declined by 5.3 per cent, 3.0 per cent and 4.5 per cent, respectively, compared to 2018.

The primary customers of the Land Titles Registry are law firms, financial institutions, developers and resource companies. For 2019, our top 20 Land Titles Registry customers accounted for nearly 41.1 per cent of revenue, and our top 100 Land Titles Registry customers made up 77.5 per cent of revenue.

Land Surveys customers include surveyors, developers, resource companies, governments and other businesses that access our mapping systems and survey plans to support their development plans. For 2019, our top 20 Land Surveys customers accounted for 89.4 per cent of revenue, and the top 100 customers made up 95.0 per cent of revenue.

Geomatics customers include government departments (provincial and municipal), resource companies, land developers, other businesses and the general public. They also include utility, pipeline and transportation companies. In 2019, the top 20 Geomatics customers produced 88.7 per cent of revenue, while the top 100 customers formed 98.0 per cent of revenue.

In 2019, 80.4 per cent of all Land Titles Registry registration transactions were submitted online, an increase of 0.4 per cent compared to 2018.

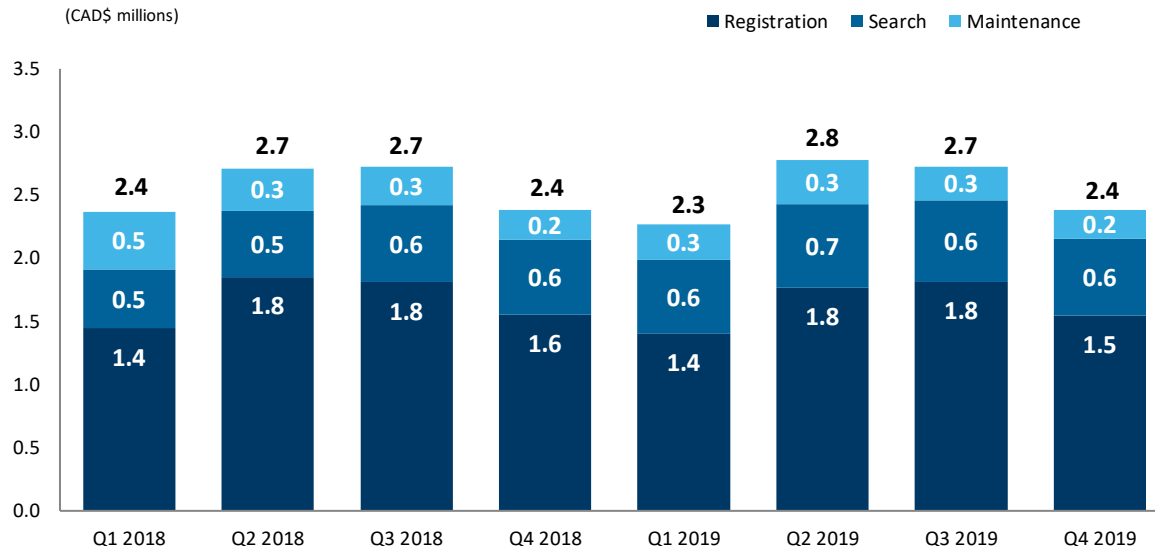
Saskatchewan Personal Property Registry

For the fourth quarter of 2019, revenue for the Personal Property Registry was \$2.4 million, flat compared to the same quarter in 2018. Overall volume was up 1.2 per cent for the quarter compared to the same period in 2018.

Registration revenue in the fourth quarter of 2019 was similar to 2018, down by only 0.7 per cent, while volumes were down 1.8 per cent. Revenue dropped at a lesser rate than volume, illustrating that average registration term-length increased during the quarter, which was different than year-to-date. Search revenue grew by 4.0 per cent due to higher volumes, which rose 4.1 per cent compared to the fourth quarter of 2018. Maintenance revenue was down 6.0 per cent compared to the same period in 2018 on lower volumes, which were down 7.8 per cent.

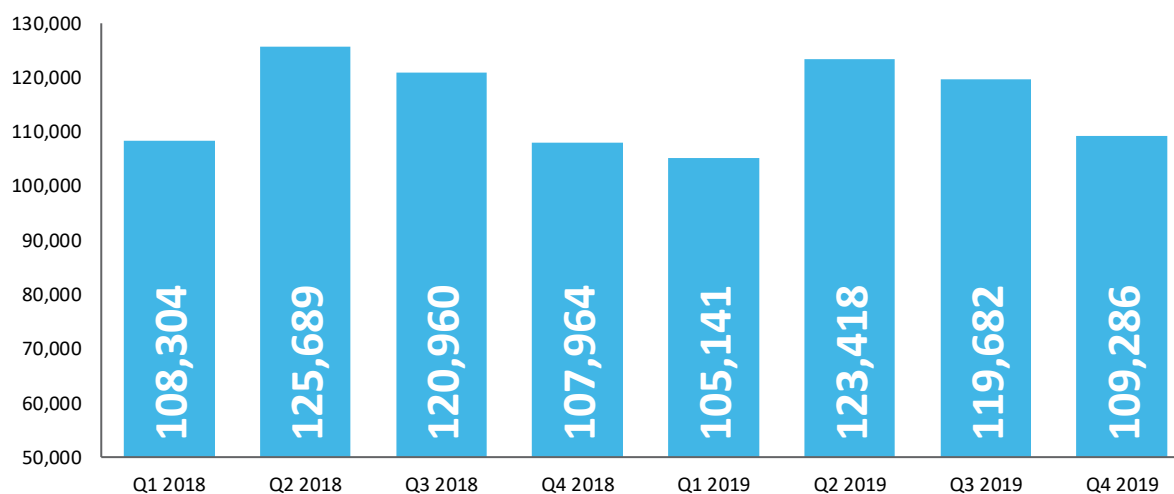
Revenue results for the fourth quarter, shown by type of transaction on the following graph, are generally lower compared to the third quarter, reflecting the typical pattern of seasonality.

Saskatchewan Personal Property Registry Revenue by Type
(CAD\$ millions)



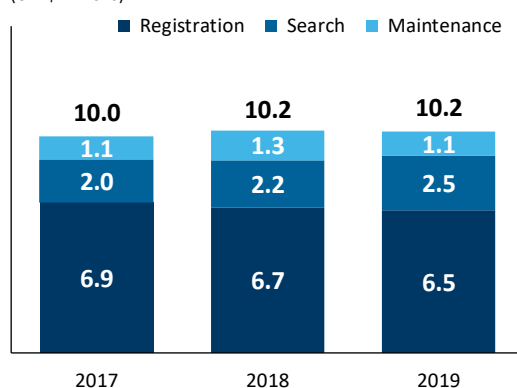
Note: Values may not add due to rounding.

Saskatchewan Personal Property Registry Transaction Volume
(Number of transactions)

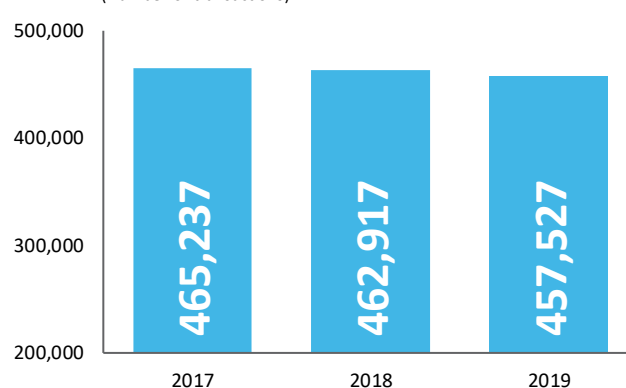


Annual revenue for the Personal Property Registry was \$10.2 million, flat compared to 2018. Registration revenue decreased by 2.0 per cent compared to 2018, while maintenance revenue was lower by 16.6 per cent in 2019 due to additional revenue in 2018 from a one-time contract for a system enhancement. This decline in maintenance revenue was offset by higher search revenue in 2019, up 14.4 per cent compared to 2018, as a result of pricing changes made to search transactions in the third quarter of 2018.

**Saskatchewan Personal Property Registry
Revenue by Type
for the year ended December 31,
(CAD\$ millions)**



**Saskatchewan Personal Property Registry
Transaction Volume
for the year ended December 31,
(Number of transactions)**



Note: Values may not add due to rounding.

The previous graph reflects year-over-year transaction volumes. Overall volumes declined by 1.2 per cent in 2019. Registration volume decreased 0.9 per cent and maintenance volume dropped 12.8 per cent, while search volumes increased by 0.7 per cent.

Personal property security registration setup volumes decreased in 2019 by 0.6 per cent compared to 2018. Revenue for the same transaction type fell by 1.9 per cent in 2019 compared to 2018. This suggests that average registration term-length declined overall in 2019 compared to 2018, even though the quarterly results showed an increase in term-length.

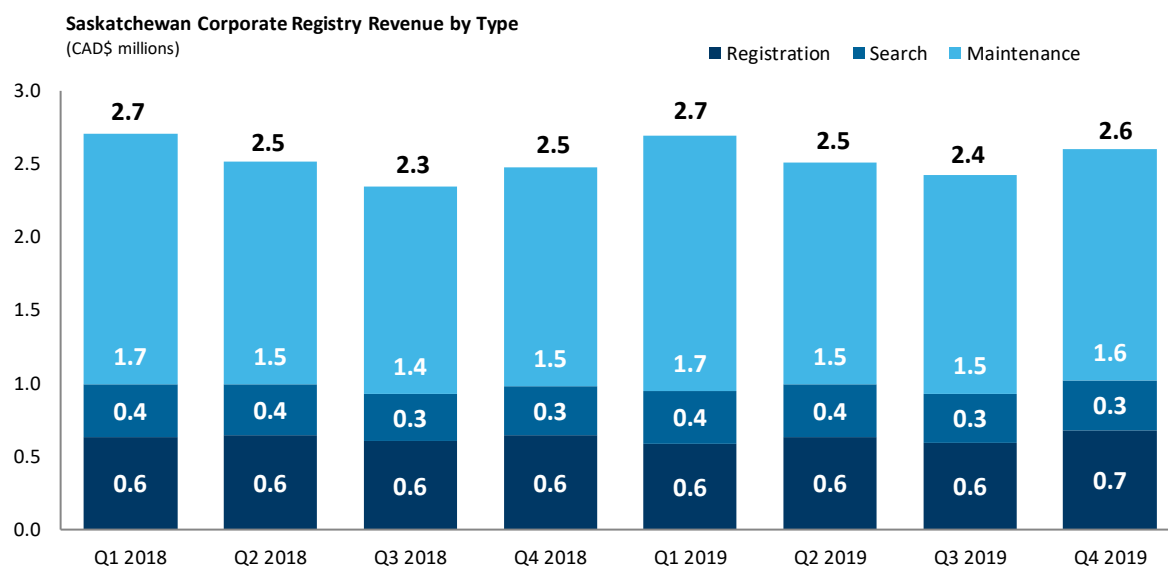
Customers of the Personal Property Registry are primarily in the financial sector but also include law firms. The top 20 Personal Property Registry customers accounted for about 81.4 per cent of the revenue for 2019, while the top 100 produced 93.8 per cent of revenue.

Saskatchewan Corporate Registry

Revenue for the Corporate Registry for the quarter was \$2.6 million, up \$128 thousand or 5.2 per cent compared to the same period in 2018, largely due to pricing changes that came into effect during the third quarter of 2019. Maintenance revenue grew by 6.1 per cent in the quarter compared to the same period in 2018, again mainly due to pricing changes for the filing of annual returns and renewals which were implemented in the third quarter of 2019. Pricing changes also impacted revenue from the incorporation and registration of new business entities, which increased by 10.7 per cent compared to the fourth quarter last year, contributing to a 5.6 per cent increase to the registration category overall. Search revenue was flat compared to the fourth quarter of 2018.

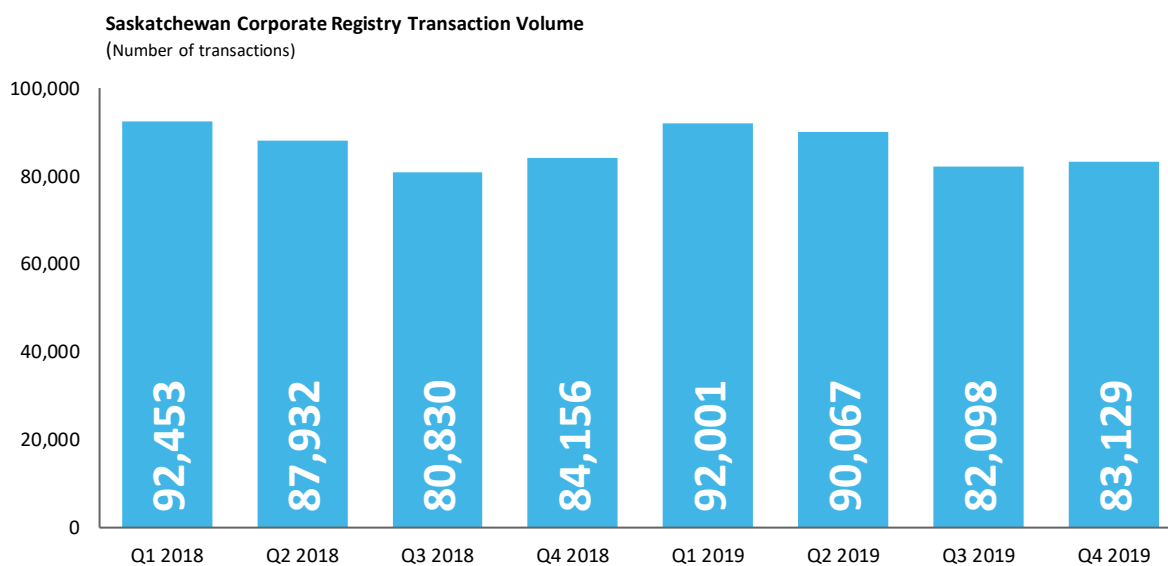
As of December 31, 2019, there were approximately 75,000 active Saskatchewan Business Corporations registered with the Corporate Registry compared to approximately 74,000 as at December 31, 2018.

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



Note: Values may not add due to rounding.

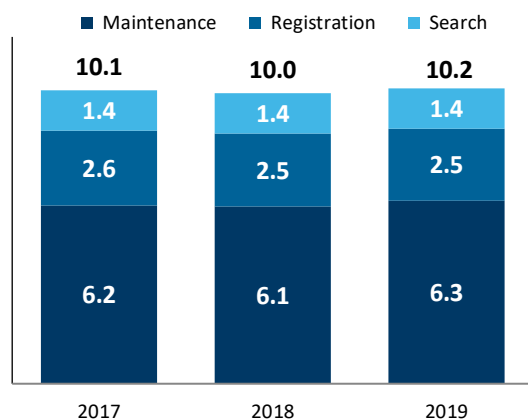
The following graph shows the transaction volumes for the Corporate Registry by quarter.



Transaction volumes for the fourth quarter decreased by 1.2 per cent compared to the same period last year. Specifically, registration and search volumes declined by 4.4 per cent and 1.6 per cent, respectively, while maintenance volume increased by 0.5 per cent compared to the same period in 2018.

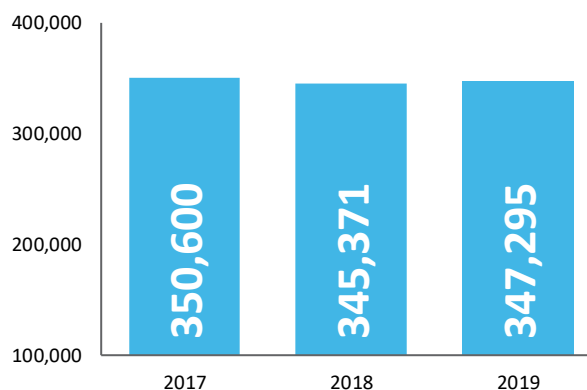
Annual revenue for the Corporate Registry was \$10.2 million, up 1.9 per cent or \$0.2 million compared to 2018. This is largely a result of pricing changes made in the third quarter of 2019.

Saskatchewan Corporate Registry Revenue by Type for the year ended December 31,
(CAD\$ millions)



Note: Values may not add due to rounding.

Saskatchewan Corporate Registry Transaction Volume for the year ended December 31,
(Number of transactions)



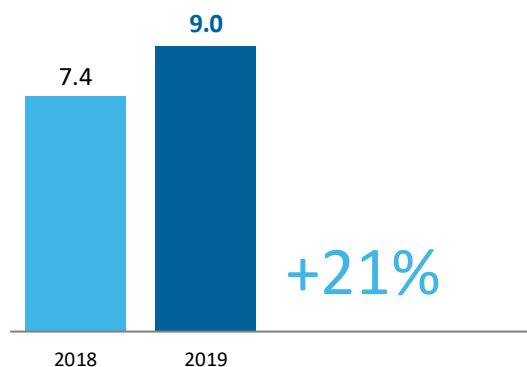
In 2019, search and maintenance revenue improved by 1.5 per cent and 3.3 per cent, respectively, compared to 2018. More specifically, revenue from the filing of annual returns and renewals increased by 6.8 per cent in 2019 compared to 2018. Registration revenue declined by 1.1 per cent compared to 2018.

Transaction volumes for 2019 were up slightly compared to 2018. Registration volume declined by 5.1 per cent, while search and maintenance volume improved by 0.7 per cent and 1.9 per cent, respectively, compared to 2018.

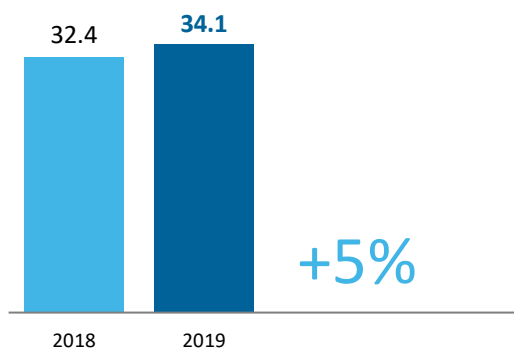
For the Corporate Registry, customers include law firms, companies in the financial sector, as well as the Government of Saskatchewan. They also include businesses such as corporations, non-profit corporations, co-operatives and sole proprietorships that were, or will be, registered in the Corporate Registry. The top 20 Corporate Registry customers formed nearly 32.3 per cent of revenue for 2019 and the top 100 customers delivered about 50.0 per cent of revenue.

REGISTRY OPERATIONS EXPENSES AND EBITDA

Registry Operations EBITDA^{1, 2}
for the three months ended December 31,
(CAD\$ millions)



Registry Operations EBITDA^{1, 2}
for the year ended December 31,
(CAD\$ millions)



¹ On January 1, 2019, the Company adopted IFRS 16. See section 1.1 “Consolidated highlights” – footnote 2 for further details.

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

(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Revenue	\$ 18,069	\$ 16,780	\$ 70,399	\$ 70,259
Total expenses (excluding depreciation and amortization)	9,048	9,333	36,309	37,868
EBITDA	\$ 9,021	\$ 7,447	\$ 34,090	\$ 32,391

EBITDA for Registry Operations for the fourth quarter of 2019 was \$9.0 million compared to \$7.5 million for the same period last year and was \$34.1 million for the year ended December 31, 2019, compared to \$32.4 million last year. The year-over-year increase for the quarter was mainly due to increased revenue related to a change order pursuant to our MSA with the Government of Saskatchewan for development work on our registry systems. The increase in EBITDA for the year was primarily due to decreased expenses.

More specifically, Registry Operations expenses were \$9.0 million for the quarter, a decrease of \$0.3 million compared to \$9.3 million for the same period in 2018 and were \$36.3 million for the year ended December 31, 2019, compared to \$37.9 million in 2018. The decrease in the quarter was due primarily to lower technology solutions costs and decreased wages and salaries due to reduced staffing as a result of our office closures, while the decrease year-to-date was mainly due to lower costs for technology solutions. Various other expenses were down slightly in the quarter and year-to-date, which are too small to detail but cumulatively impacted the overall reduction.

3.2 Services

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

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

We classify our services as either Legal Support Services or Financial Support Services for the purposes of categorizing revenue.

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

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

Legal Support Services

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

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

Our competitors vary by market and geography. They primarily include other intermediaries and suppliers to legal professionals that provide value through convenience and intermediation of various public registries. There is a small number of competitors supplying the legal market with customized

products, while the consumer market is typically serviced by big box office supply retailers.

Financial Support Services

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

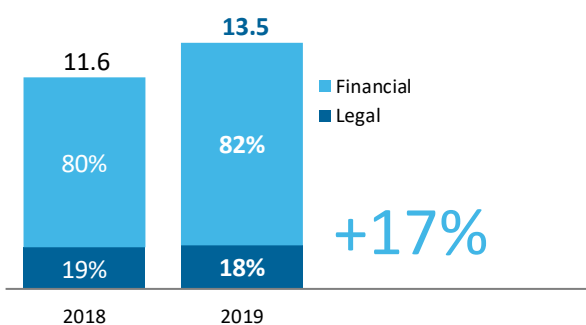
We use our proprietary platform to assist clients in on-boarding new commercial accounts. The customer on-boarding verification reports we generate leverage our search services to provide our clients with a process and system to verify, retrieve and store information about corporate clients to meet regulatory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

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

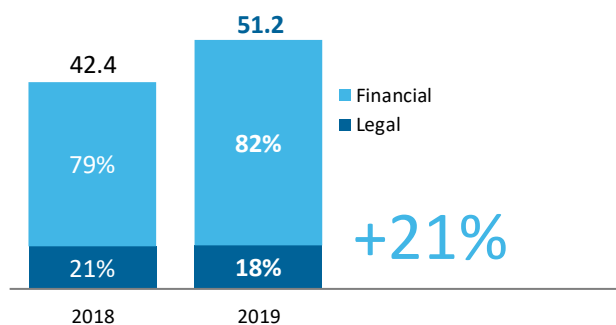
In the financial support services marketplace, we compete against a small number of distinctly different service providers, some of whom offer KYC programs as part of their other services.

SERVICES REVENUE

Services Revenue¹
for the three months ended December 31,
(CAD\$ millions)



Services Revenue¹
for the year ended December 31,
(CAD\$ millions)



¹ Internal related party and other revenue not displayed in graph.

(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Legal support services	\$ 2,392	\$ 2,256	\$ 8,980	\$ 8,782
Financial support services	11,049	9,310	42,028	33,578
Internal related parties and other	78	25	221	24
Services revenue	\$ 13,519	\$ 11,591	\$ 51,230	\$ 42,384

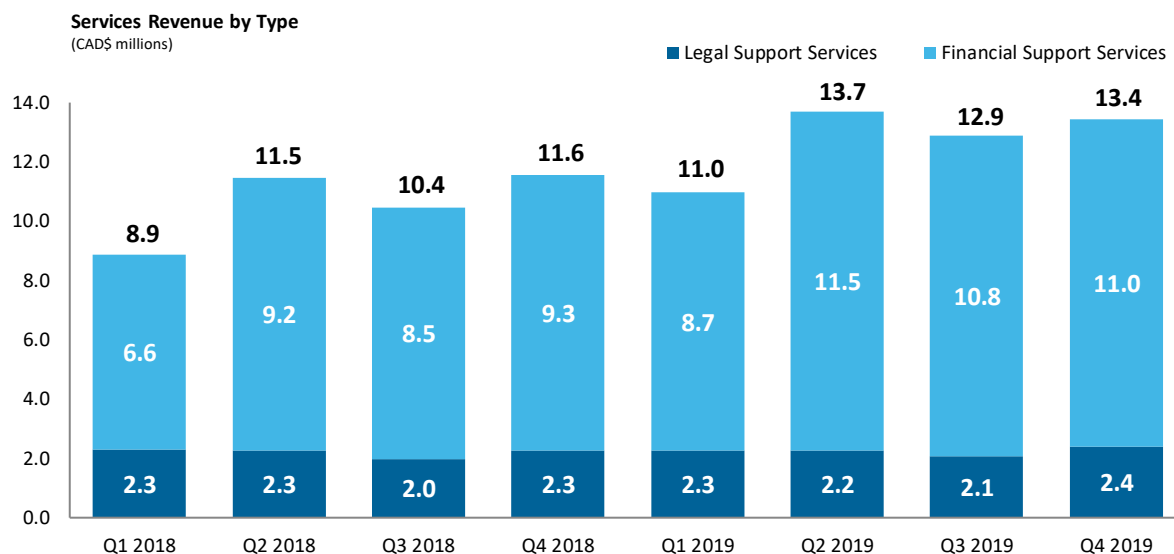
Revenue for Services was \$13.5 million for the fourth quarter, an increase of \$1.9 million compared to the fourth quarter of 2018, largely due to a mixture of organic growth from existing customers and the

ISC® Management's Discussion and Analysis

For the Fourth Quarter and Year Ended December 31, 2019

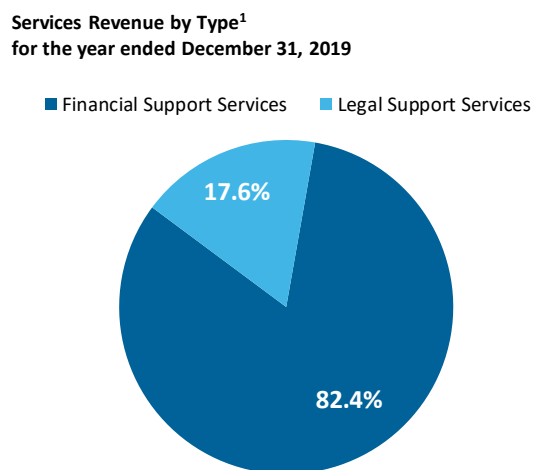
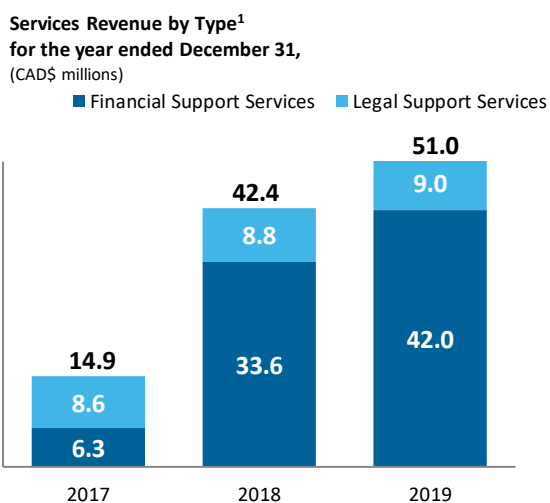
ramping up of new customers, mainly in KYC, due diligence and collateral security registration.

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



Note: Values may not add due to rounding.

For the year, revenue in the Services segment was \$51.2 million, up \$8.8 million or 20.9 per cent compared to \$42.4 million in 2018. Revenue continues to improve primarily as a result of efforts to generate more business from existing customers through new products and services, such as those from our Securefact acquisition, and win additional mandates with new customers.



¹ Internal related party and other revenue not displayed in graph.

Legal Support Services

Revenue in the fourth quarter of 2019 for Legal Support Services increased to \$2.4 million, up 6.0 per cent compared to the fourth quarter of 2018 and was \$9.0 million for the year, a modest increase of \$198 thousand compared to last year, due to organic growth.

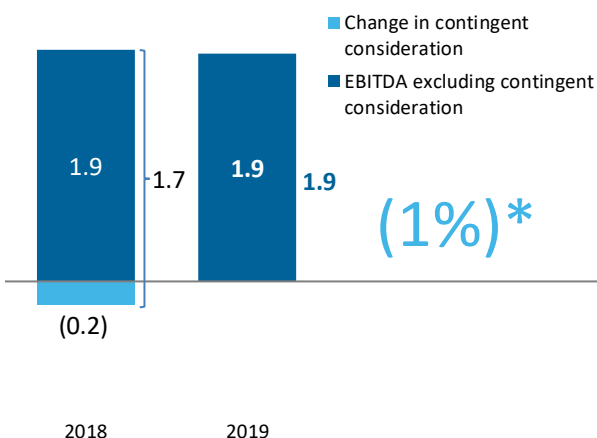
Financial Support Services

Revenue in the fourth quarter of 2019 for Financial Support Services was \$11.0 million, up \$1.7 million or 18.7 per cent compared to \$9.3 million for the same period of 2018 and for the year was \$42.0 million, an increase of \$8.5 million or 25.2 per cent compared to last year. The year-over-year growth can be attributed to the winning of new customers in our collateral management services combined with an expansion of our KYC offering to existing customers.

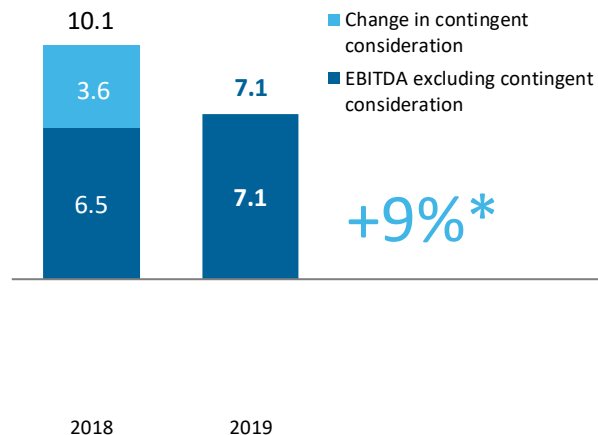
The top 20 Services customers comprised approximately 75.0 per cent of the revenue for 2019, while the top 100 Services customers made up about 88.0 per cent of revenue. No single customer accounted for more than 25.0 per cent of Services revenue in the same period.

SERVICES EXPENSES AND EBITDA

Services EBITDA^{1, 2}
for the three months ended December 31,
(CAD\$ millions)



Services EBITDA^{1, 2}
for the year ended December 31,
(CAD\$ millions)



¹ On January 1, 2019, the Company adopted IFRS 16. See section 1.1 “Consolidated highlights” – footnote 2 for further details.

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

* Represents the change in EBITDA excluding the change in contingent consideration.

ISC® Management's Discussion and Analysis

For the Fourth Quarter and Year Ended December 31, 2019

(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018 (restated) ¹	2019	2018 (restated) ¹
Revenue	\$ 13,519	\$ 11,591	\$ 51,230	\$ 42,384
Total expenses (excluding depreciation and amortization)	11,656	9,700	44,119	35,856
EBITDA excluding contingent consideration	\$ 1,863	\$ 1,891	\$ 7,111	\$ 6,528
Change in contingent consideration	-	(195)	-	3,567
EBITDA	\$ 1,863	\$ 1,696	\$ 7,111	\$ 10,095

¹ On January 1, 2019, the Company adopted IFRS 16. See section 1.1 "Consolidated highlights" – footnote 2 for further details.

EBITDA for Services was \$1.9 million for the three months ended December 31, 2019, compared to \$1.7 million for the same period last year and was \$7.1 million for the year ended December 31, 2019, compared to \$10.1 million last year. EBITDA for 2018 was augmented by adjustments to the fair value estimate of the contingent consideration associated with our AVS acquisition.

Excluding the \$0.2 million fair value adjustment in the fourth quarter of 2018, EBITDA for the quarter was relatively flat compared to the same period last year. Excluding the \$3.6 million fair value adjustment, EBITDA was \$0.6 million higher for 2019, compared to 2018, largely due to continued growth.

For the quarter, Services expenses were \$11.7 million, an increase of \$2.0 million compared to \$9.7 million for the same period in 2018 and were \$44.1 million for the year ended December 31, 2019, compared to \$35.9 million last year, primarily due to:

- cost of goods sold for the fourth quarter was up \$1.2 million compared to the fourth quarter of 2018 and up \$6.1 million year-over-year compared to the same period of 2018, consistent with the rise in related revenue in the quarter and year;
- wages and salaries were up \$0.5 million in the quarter compared to the same period in 2018 and up \$1.6 million in 2019 compared to the same period last year. The increase was due to increased staffing levels required to support business growth objectives as well as the addition of staff related to our acquisition of Securefact in the first quarter of 2019; and
- information technology services costs were up in the quarter and year compared to the respective prior year periods due to the acquisition of Securefact and planned integration and technology improvements to support future growth and scale.

3.3 Technology Solutions

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

- sale of software licences related to the technology platform;
- provision of technology solution definition and implementation services; and

- provision of monthly hosting, support and maintenance services.

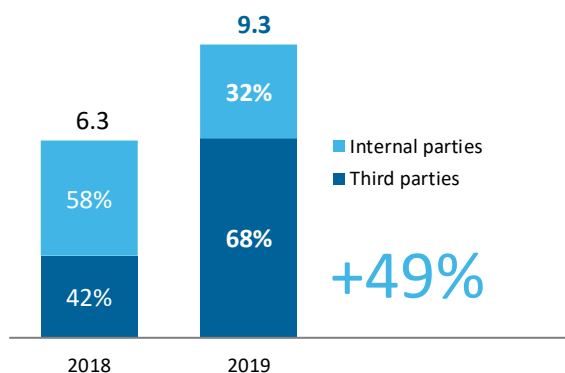
We offer RegSys — a complete registry solution that provides a readily transferable technology platform capable of serving a wide range of registry needs. RegSys is a multi-register platform that delivers the flexibility, scalability and features that enable public sector organizations to deliver enhanced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

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

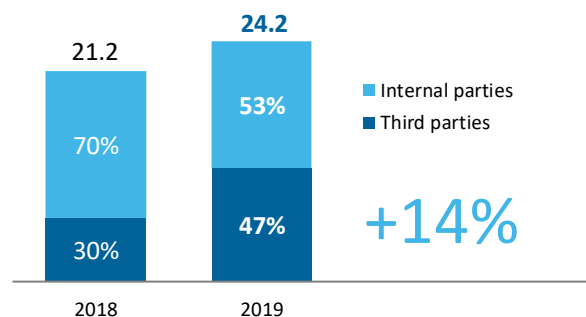
Competitors in this segment include technology services organizations that provide application development, systems integration and/or application management services. This includes large multinationals or local niche players, both of which we can partner with to complement our offering depending on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

TECHNOLOGY SOLUTIONS REVENUE

**Technology Solutions Revenue
for the three months ended December 31,**
(CAD\$ millions)



**Technology Solutions Revenue
for the year ended December 31,**
(CAD\$ millions)

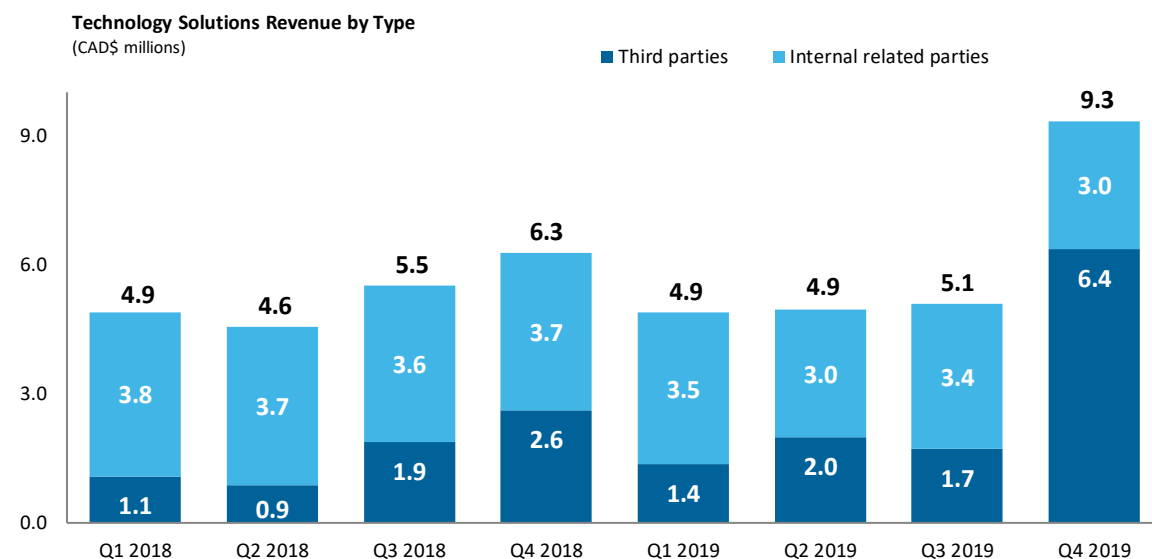


(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Third parties	\$ 6,352	\$ 2,606	\$ 11,416	\$ 6,442
Internal related parties	2,981	3,670	12,830	14,783
Technology Solutions revenue	\$ 9,333	\$ 6,276	\$ 24,246	\$ 21,225

Revenue in Technology Solutions was \$9.3 million for the quarter, an increase of \$3.0 million compared to \$6.3 million for the same period in 2018.

Revenue from external parties for the quarter was \$6.4 million, an increase of \$3.8 million compared to the same period in 2018, due to the completion of several milestones in the quarter on current contracts.

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



Note: Values may not add due to rounding.

Revenue in our Technology Solutions segment was \$24.2 million for the year ended December 31, 2019, compared to \$21.2 million in 2018, an increase of \$3.0 million.

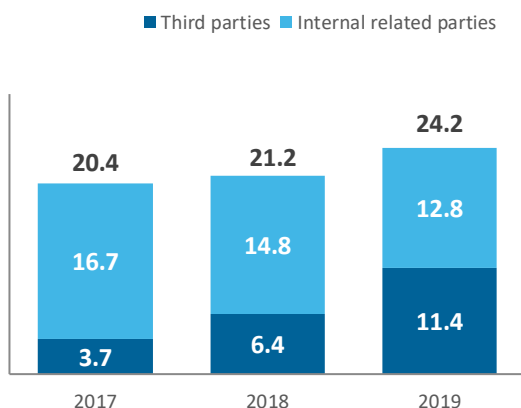
Revenue from external parties increased to \$11.4 million compared to \$6.4 million in the same period in 2018. Revenue from external third parties continued to grow in 2019 versus 2018, as delivery against milestones on signed contracts advanced during the year.

Internal related party revenue year-to-date decreased as we work to continue reducing our costs to provide the maintenance services to our internal customers.

ISC® Management's Discussion and Analysis

For the Fourth Quarter and Year Ended December 31, 2019

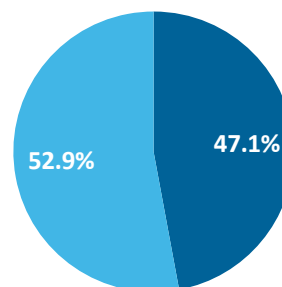
Technology Solutions Revenue
for the year ended December 31,
(CAD\$ millions)



Note: Values may not add due to rounding.

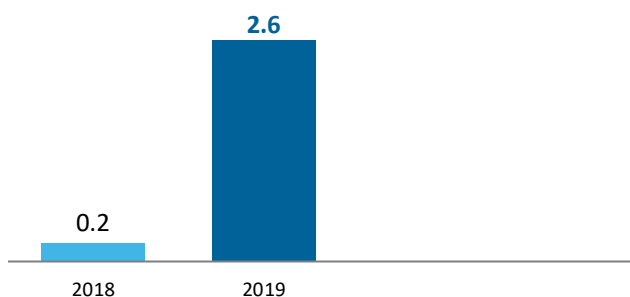
Technology Solutions Revenue
for the year ended December 31,

■ Third parties ■ Internal related parties

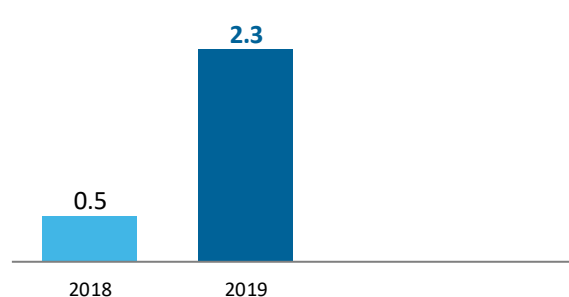


TECHNOLOGY SOLUTIONS EXPENSES AND EBITDA

Technology Solutions EBITDA^{1,2}
for the three months ended December 31,
(CAD\$ millions)



Technology Solutions EBITDA^{1,2}
for the year ended December 31,
(CAD\$ millions)



¹ On January 1, 2019, the Company adopted IFRS 16. See section 1.1 "Consolidated highlights" – footnote 2 for further details.

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

(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018 (restated) ¹	2019	2018 (restated) ¹
Revenue	\$ 9,333	\$ 6,276	\$ 24,246	\$ 21,225
Total expenses (excluding depreciation and amortization)	6,778	6,063	21,965	20,732
EBITDA	\$ 2,555	\$ 213	\$ 2,281	\$ 493

¹ On January 1, 2019, the Company adopted IFRS 16. See section 1.1 "Consolidated highlights" – footnote 2 for further details.

EBITDA for Technology Solutions was \$2.6 million for the quarter compared to \$0.2 million in the fourth quarter of 2018 and was \$2.3 million for the year compared to \$0.5 million last year. The increases were

due to the timing of completion of contract milestones.

For the quarter, Technology Solutions expenses were up \$0.7 million compared to the same period in 2018 and were up \$1.3 million for the year compared to 2018. The increases were largely due to contract implementation expenses which were recognized as we completed contract milestones, as well as increased employee levels to service the contracted customers and the growing business. This was partially offset by decreases in information technology costs as a result of the renewal of our technology infrastructure service contract on January 1, 2019.

3.4 Corporate and other

Corporate and other includes expenses related to our corporate activities and shared services functions, any share of profit (loss) in associate(s) not included in operating segments, and eliminations of inter-segment revenue and costs.

(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018 (restated) ¹	2019	2018 (restated) ¹
Third parties	\$ 6	\$ 62	\$ 22	\$ 70
Internal related parties	(2,985)	(3,694)	(12,929)	(14,807)
Corporate and other revenue	\$ (2,979)	\$ (3,632)	\$ (12,907)	\$ (14,737)
Total expenses (excluding depreciation and amortization)	1,869	2,360	8,451	9,882
EBITDA ²	\$ (1,110)	\$ (1,272)	\$ (4,456)	\$ (4,855)

¹ On January 1, 2019, the Company adopted IFRS 16. See section 1.1 "Consolidated highlights" – footnote 2 for further details.

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

EBITDA for the quarter improved by \$0.2 million compared to the fourth quarter of 2018 and up by \$0.4 million for the year compared to last year.

4 Summary of Consolidated Quarterly Results

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

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

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

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

(thousands of CAD dollars)	2019				2018 (restated) ⁴			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	\$37,942	\$32,175	\$34,244	\$28,607	\$31,015	\$30,186	\$31,058	\$26,872
Expenses	28,308	26,888	26,308	23,838	25,887	23,688	24,227	22,547
Net income before items noted below	9,634	5,287	7,936	4,769	5,128	6,498	6,831	4,325
Net finance (expense)/income	(288)	(422)	(277)	(259)	(155)	423	(526)	(516)
Change in contingent consideration	-	-	-	-	(195)	2,762	1,000	-
Income before tax	9,346	4,865	7,659	4,510	4,778	9,683	7,305	3,809
Income tax expense	(1,999)	(1,607)	(1,875)	(1,499)	(1,620)	(1,921)	(2,155)	(1,242)
Net income	\$ 7,347	\$ 3,258	\$ 5,784	\$ 3,011	\$ 3,158	\$ 7,762	\$ 5,150	\$ 2,567
Other comprehensive income (loss)	1	(133)	(56)	(321)	210	(159)	(265)	337
Total comprehensive income	\$ 7,348	\$ 3,125	\$ 5,728	\$ 2,690	\$ 3,368	\$ 7,603	\$ 4,885	\$ 2,904
EBITDA margin (% of revenue) ^{1, 2}	32.5%	26.7%	31.4%	25.7%	26.1%	40.2%	34.4%	26.8%
Adjusted EBITDA margin (% of revenue) ¹	33.4%	26.9%	31.8%	27.3%	26.7%	32.3%	32.3%	28.0%
Earnings per share, basic ³	\$ 0.42	\$ 0.19	\$ 0.33	\$ 0.17	\$ 0.18	\$ 0.44	\$ 0.29	\$ 0.15
Earnings per share, diluted ³	\$ 0.42	\$ 0.19	\$ 0.33	\$ 0.17	\$ 0.18	\$ 0.44	\$ 0.29	\$ 0.15

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

² The Q2, Q3 and Q4 2018 EBITDA includes net adjustments in relation to the fair value estimate of the contingent consideration associated with our AVS acquisition of \$1.0 million, \$2.8 million and \$(0.2) million, respectively.

³ The calculation of earnings per share was based on net income after tax and the weighted average number of shares outstanding during the period.

⁴ On January 1, 2019, the Company adopted IFRS 16. See section 1.1 "Consolidated highlights" – footnote 2 for further details.

5 Business Strategy

STRATEGIC PRIORITIES

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

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

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

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

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

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

6 Financial and Capital Management

6.1 Cash flow

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

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

Liquidity risk is managed based on financial forecasts and anticipated cash flow. The majority of cash is held with Canadian chartered banks and the risk of loss is believed to be minimal. As at December 31, 2019, the Company held \$23.7 million in cash compared to \$28.7 million as at December 31, 2018, a decrease of \$4.9 million.

The Company expects to be able to meet its cash requirements, including being able to settle current liabilities of \$24.7 million (December 31, 2018 – \$28.4 million) and meet any unanticipated cash requirements due to changes in working capital commitments. Such changes that would affect our liquidity may arise from, among other factors, general economic conditions and the failure of one or more customers to pay their obligations. Deficiencies arising from short-term working capital requirements and capital expenditures may be financed on a short-term basis with bank indebtedness or on a permanent basis with offerings of securities.

CONSOLIDATED FREE CASH FLOW

(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018 (restated) ¹	2019	2018 (restated) ¹
Net cash flow provided by operating activities	\$ 9,481	\$ 8,389	\$ 23,630	\$ 29,969
Net change in non-cash working capital ²	397	(1,336)	9,195	217
Cash provided by operating activities excluding working capital	9,878	7,053	32,825	30,186
Cash additions to property, plant and equipment	(116)	(332)	(654)	(548)
Cash additions to intangible assets	(212)	(793)	(2,175)	(2,227)
Consolidated free cash flow ³	\$ 9,550	\$ 5,928	\$ 29,996	\$ 27,411

¹ On January 1, 2019, the Company adopted IFRS 16. See section 1.1 "Consolidated highlights" – footnote 2 for further details.

² Refer to Note 29 of the Financial Statements for reconciliation.

³ Free cash flow is not recognized as a measure under IFRS and does not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures reported by other companies. Refer to section 8.8 "Non-IFRS financial measures". Refer to section 6.1 "Cash Flow" for a reconciliation of free cash flow.

ISC® Management's Discussion and Analysis

For the Fourth Quarter and Year Ended December 31, 2019

Consolidated free cash flow for the three months ended December 31, 2019, was \$9.6 million compared to \$5.9 million for the three months ended December 31, 2018, and was \$30.0 million for the year ended December 31, 2019, compared to \$27.4 for the same period of 2018. The increase was due to higher results of operations.

The following table summarizes our sources and uses of funds for the three months and years ended December 31, 2019, and 2018:

(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018 (restated) ¹	2019	2018 (restated) ¹
Net cash flow provided by operating activities	\$ 9,481	\$ 8,389	\$ 23,630	\$ 29,969
Net cash flow used in investing activities	(257)	(12,338)	(9,311)	(13,939)
Net cash flow used in financing activities	(4,762)	(4,709)	(19,086)	(18,629)
Effects of exchange rate changes on cash held in foreign currencies	6	6	(153)	(15)
Increase (decrease) in cash	\$ 4,468	\$ (8,652)	\$ (4,920)	\$ (2,614)
Cash, beginning of period	19,263	37,303	28,651	31,265
Cash, end of period	\$ 23,731	\$ 28,651	\$ 23,731	\$ 28,651

¹ On January 1, 2019, the Company adopted IFRS 16. See section 1.1 "Consolidated highlights" – footnote 2 for further details.

NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES

Net cash flow provided by operating activities was \$9.5 million and \$23.6 million for the quarter and the year, respectively, compared to \$8.4 million and \$30.0 million for the same periods of 2018, respectively. The increase in the quarter is due to higher results of operations across our segments. The decrease between 2019 and 2018 is due to changes in working capital related to the payment of contingent consideration in 2019 associated with our ERS acquisition, higher income taxes paid and changes in contract liabilities and receivables driven by the timing of sales contracts and higher overall revenue.

NET CASH FLOW USED IN INVESTING ACTIVITIES

Net cash flow used in investing activities for the quarter was \$0.3 million compared to \$12.3 million in the same period last year and was \$9.3 million for the year compared to \$13.9 million last year. The decrease this year was due to the settlement in the fourth quarter last year of the contingent consideration related to our AVS acquisition. This was partially offset by our acquisition of Securefact in February 2019.

NET CASH FLOW USED IN FINANCING ACTIVITIES

Net cash flow used in financing activities for the quarter was \$4.8 million, relatively flat compared to the same period in 2018 and was \$19.1 million for the year compared to \$18.6 million in 2018. The increase year-over-year was due to higher debt payments pursuant to our credit agreement that went into effect in the fourth quarter of 2018.

6.2 Capital expenditures

Capital expenditures were \$1.4 million and \$3.9 million for the quarter and the year, respectively, compared to \$1.1 million and \$2.8 million for the same periods in 2018, respectively. Capital expenditures in 2019 were primarily related to the purchase of systems supporting Corporate and other and system development work across our business segments.

(thousands of CAD dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Registry Operations	\$ 796	\$ 192	\$ 1,460	\$ 451
Services	164	86	630	411
Technology Solutions	48	352	651	1,428
Corporate and other	434	495	1,203	485
Total capital expenditures	\$ 1,442	\$ 1,125	\$ 3,944	\$ 2,775

6.3 Debt

Debt at December 31, 2019, was \$18.0 million compared to \$20.0 million at December 31, 2018.

At December 31, 2019, the Company had nil cash drawings on Facility 1 (2018 — nil); non-cash drawings, consisting of letters of credit and similar, were approximately \$0.2 million (2018 — \$0.2 million). For further information on our Credit Facilities, refer to Note 18 in the December 31, 2019, Financial Statements which are available on our website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com.

The Company was in compliance with all covenants throughout the period. The amount of borrowing costs capitalized during 2019 and 2018 was nil.

6.4 Total assets

Total assets were \$171.6 million at December 31, 2019, compared to \$173.7 million at December 31, 2018.

(thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	As at December 31, 2019
Total assets excluding intangibles, goodwill and cash	\$ 26,384	\$ 10,951	\$ 6,467	\$ 17,321	\$ 61,123
Intangibles	3,803	31,647	4,525	1,221	41,196
Goodwill ²	1,200	35,715	8,614	-	45,529
Cash	-	-	-	23,731	23,731
Total assets	\$ 31,387	\$ 78,313	\$ 19,606	\$ 42,273	\$ 171,579

(thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	As at December 31, 2018 (restated) ¹
Total assets excluding intangibles, goodwill and cash	\$ 29,258	\$ 8,269	\$ 3,999	\$ 18,491	\$ 60,017
Intangibles	4,054	30,815	5,418	417	40,704
Goodwill ²	1,200	34,198	8,912	-	44,310
Cash	-	-	-	28,651	28,651
Total assets	\$ 34,512	\$ 73,282	\$ 18,329	\$ 47,559	\$ 173,682

¹ On January 1, 2019, the Company adopted IFRS 16. See section 1.1 "Consolidated highlights" – footnote 2 for further details.

² In 2019, \$4.6 million of goodwill was reallocated to Technology Solutions from Registry Operations for both the current and comparative periods. See note 12 of the Financial Statements for further details.

6.5 Working capital

As at December 31, 2019, working capital was \$17.7 million compared to \$13.2 million at December 31, 2018. The increase in working capital is primarily the result of decreased current liabilities related to the payment last year of the contingent consideration associated with our ERS purchase, the reduction of short-term contract liabilities as we progress through current contract milestones, as well as lower income tax payable due to installments made in the quarter.

(thousands of CAD dollars)	As at December 31, 2019	As at December 31, 2018 (restated) ¹
Current assets	\$ 42,333	\$ 41,573
Current liabilities	(24,655)	(28,378)
Working capital	\$ 17,678	\$ 13,195

¹ On January 1, 2019, the Company adopted IFRS 16. See section 1.1 "Consolidated highlights" – footnote 2 for further details.

6.6 Outstanding share data

The number of issued and outstanding Class A Shares as at December 31, 2019, was 17.5 million and the number of issued and outstanding share options as of December 31, 2019, was 1,548,247. These amounts are unchanged as of the filing date.

6.7 Common share dividend

On November 6, 2019, our Board declared a quarterly cash dividend of \$0.20 per Class A Share, paid on January 15, 2020, to shareholders of record as of December 31, 2019.

6.8 Commitments

The Company has commitments over the next five years that include future minimum payments for leasing of office space, an information technology service agreement with Information Systems Management Canada Corporation ("ISM"), other management services contracts and a commitment to the Government of Saskatchewan under the MSA. The following table summarizes our commitments as of December 31, 2019:

(thousands of CAD dollars)	2020	2021	2022	2023	2024	Thereafter	Total
Office leases ¹	\$ 1,177	\$ 1,175	\$ 968	\$ 932	\$ 951	\$ 1,186	\$ 6,389
Information technology ² and other service agreements	3,415	2,912	2,829	2,675	-	-	11,831
Master Service Agreement ³	500	500	500	500	500	4,500	7,000
Total	\$ 5,092	\$ 4,587	\$ 4,297	\$ 4,107	\$ 1,451	\$ 5,686	\$ 25,220

¹ The Company leases all of its office space and certain office equipment. The office spaces have lease terms of between two and ten years, with various options to extend. The office equipment leases relate to photocopiers and have lease terms of three years. The Company does not have an option to purchase the leased assets at the expiry of the lease period.

² The Company has a service agreement related to Information Technology with ISM, including lease commitments for computer equipment where the company has taken the exemption for low value assets. Other service agreements relate to service contracts associated with corporate and shared service infrastructure.

³ The MSA requires the Company to pay the Government of Saskatchewan and to manage and operate the Land Titles Registry, Land Surveys Directory, Personal Property Registry, Corporate Registry, Common Business Identifier Program and Business Registration Saskatchewan Program on behalf of the Government of Saskatchewan for a 20-year period expiring on May 30, 2033.

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 December 31, 2019, consist of cash, short-term investments, trade and other receivables, contract assets, accounts payable and accrued liabilities, lease obligations, long-term debt and provisions.

The Company does not use any form of derivative financial instruments to manage our exposure to credit risk, interest rate risk, market risk or foreign currency exchange risk. Refer to Note 23 of the Financial Statements for information pertaining to financial instruments and related risk management.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of cash, trade and other receivables, accounts payable and accrued liabilities approximate fair value due to their immediate or relatively short-term maturity. With long-term debt, ISC has amended and restated its borrowings under the Credit Facilities, which is managed with prime loans, short-term bankers' acceptance, letter of credit or letter of guarantee. These borrowings will bear interest at a base rate of prime plus applicable margin varying between 0.45 per cent and 2.25 per cent per annum. The Company is not exposed to significant interest rate risk because interest bearing financial instruments are at a low level relative to total assets and equity.

The deferred share unit ("DSU") liability's fair value is calculated taking into consideration the market price, expected volatility and the risk-free interest rate. This liability is classified as Level 2, but the risk remains low due to the materiality.

CREDIT RISK

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

The majority of cash is held with Canadian chartered banks and the Company believes the risk of loss to be minimal. The maximum exposure to credit risk at December 31, 2019, is \$36.9 million (December 31, 2018 — \$38.1 million) equal to the carrying value of the Company's financial assets, those being cash at \$23.7 million (December 31, 2018 — \$28.7 million), short-term investments at \$0.5 million (December 31, 2018 — \$0.4 million) and trade receivables at \$12.6 million (December 31, 2018 — \$9.0 million). Quarterly reviews of the aged receivables are completed. The Company expects to fully collect the carrying value on all outstanding receivables. Therefore, the risk to the Company is considered to be low.

LIQUIDITY RISK

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

MARKET RISK

The Company's exposure to market risk is limited to the DSU, share appreciation rights and performance share unit liabilities whose fair values are affected by equity prices.

INTEREST RATE RISK

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is subject to interest rate risks on its debt. This debt bears interest at rates that float, which can vary in accordance with changes in prime borrowing rates. The Company manages interest rate risk by monitoring its balance sheet, cash flows and the effect of market changes in interest rates. The Company has the option of using short-term bankers' acceptance notes to lock in rates at any time.

FOREIGN CURRENCY EXCHANGE RISK

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

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.

The following is a high-level list of ISC's key business risks. A complete list of risk factors is contained in the Company's Annual Information Form available on the Company's website at www.company.isc.ca and in the Company's profile on SEDAR at www.sedar.com.

ISC® Management's Discussion and Analysis

For the Fourth Quarter and Year Ended December 31, 2019

Cyber and Data Security	There is a risk that ISC could experience unplanned outages, unauthorized access, or unplanned disclosure of confidential information or loss of critical corporate or customer data due to a cybersecurity incident.
Technology Infrastructure and Applications	There is a risk that ISC's information technology systems and services, including applications, may become ineffective, inadequate, unreliable or incapable of effectively facilitating current and future requirements to support our business needs and the achievement of our strategic goals. We also rely on third-party service providers for aspects of our IT infrastructure and the provision of critical IT-related services.
Competition	ISC may be ineffective in its ability to compete against current or future competitors, in some cases given others' potential advantage having more innovative products, greater longevity in the market, access to low cost capital, private ownership, etc. or as a result of ISC's potential requirement to receive service or other approvals from the Office of Public Registry Administration or other regulators.
Revenue Diversification	There is a risk that ISC's current revenue sources are not significantly diversified to withstand economic challenges or downturns connected to common revenue drivers.
Talent and Teams	ISC may not have the required competencies, skills and knowledge to execute on strategic priorities and achieve its strategic goals.
Compliance with Customer Contracts	Inability to comply with the requirements in customer contracts, including the Master Service Agreement with the Government of Saskatchewan, could result in the loss/termination of customer contracts as well as impacting ISC's reputation and future growth strategies.
Acquisitions	There is a risk that acquisitions are not fully aligned with ISC's lines of business or appropriately and efficiently integrated with ISC's operations, brand and information technology systems.
Cost/Efficiency/Profitability	There is a risk that ISC's business model and resourcing mix will not allow ISC to achieve cost efficiencies in new or existing product lines or be sufficiently nimble to take advantage of business development opportunities or adapt to volume changes within its business.
Economic Conditions	Changes in the condition of the economy, including those arising from public health concerns relating to emerging diseases such as COVID-19, could also adversely affect our employees and our operations, as well as our ability to implement our strategy to look for opportunities to grow revenue in other jurisdictions, which could have an adverse effect on our business, results of operations and financial condition.

8 Accounting Policies, Financial Measures and Controls

8.1 Off-balance sheet arrangements

The Company had no off-balance sheet arrangements as at December 31, 2019.

8.2 Related party transactions

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

8.3 Critical accounting estimates

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

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

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

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

8.4 Changes in accounting policies

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2019, or on such date as they became applicable. These changes were made in accordance with the applicable transitional provisions. Refer to Note 2 of the Financial Statements for further information pertaining to the adoption and changes in these policies.

Standard	Description
<i>IFRS 16 — Leases</i>	<p>The Company adopted IFRS 16 — <i>Leases</i> (“IFRS 16”) using the full retrospective method and, therefore, the comparative information has been restated and reported under IFRS 16, with an impact to opening retained earnings. IFRS 16 supersedes previous accounting standards for leases, including IAS 17 — <i>Leases</i> (“IAS 17”).</p> <p>IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. The Company, as a lessee, recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. There are recognition exemptions for short-term leases (lease term of twelve months or less) and leases of low-value items (such as tablet and personal computers, small items of office furniture, equipment and telephones). The Company has chosen to use these exemptions and recognize a lease expense on a straight-line basis as permitted by IFRS 16. For tablet and personal computers, this expense is recognized in information technology expenses and, for small items of office furniture, equipment and telephones, this expense is recognized in occupancy expenses.</p> <p>The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.</p> <p>The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses the incremental borrowing rate as a discount rate.</p> <p>Lease payments included in the measurement of the lease liability are comprised of the following:</p> <ul style="list-style-type: none"> • fixed payments, including in-substance fixed payments; • variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; • amounts expected to be payable under a residual value guarantee; and • the exercise price under a purchase option that the Company is reasonably certain to exercise and lease payments in an optional renewal period if the Company is reasonably certain not to terminate early. <p>The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under the residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.</p> <p>In situations where the lease liability is remeasured, the incremental amount of the remeasurement is also reflected as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, any remaining amount of the remeasurement is recognized in profit or loss.</p>

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

Proposed Standard	Description	Effective Date
<i>Amendments to IFRS 3 – Definition of a Business</i>	<p>The amendments to IFRS 3 result in a change to the definition of a business which:</p> <ul style="list-style-type: none"> clarifies that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; narrows the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to reduce costs; adds guidance and illustrative examples to help entities assess whether a substantive process has been acquired; removes the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and adds an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. <p>This change will impact the analysis of business combinations. The amendment is prospective and the Company does not expect to be affected upon transition.</p>	January 1, 2020
<i>Amendments to IAS 1 and IAS 8 – Definition of Material</i>	<p>The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of “material” and align the definition used in the Conceptual Framework and the standards.</p> <p>The change in definition may impact the quantity and level of detail of disclosures in the Company’s financial statements. The amendment is prospective and the Company does not expect to be affected upon transition.</p>	January 1, 2020

8.5 Financial measures and key performance indicators

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

8.6 Internal controls over financial reporting

The Company’s management, including the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer, is responsible for establishing and maintaining appropriate

internal controls over financial reporting. Internal controls over financial reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

The design scope of internal controls over financial reporting has been limited to exclude controls, policies and procedures of Securefact, having been acquired less than 365 days prior to December 31, 2019.

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

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

8.7 Disclosure controls and procedures

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

The design scope of disclosure controls and procedures has been limited to exclude controls, policies and procedures of Securefact, having been acquired less than 365 days prior to December 31, 2019.

The contribution of Securefact to the Financial Statements for the three months and year ended December 31, 2019, was approximately 1.0 per cent of revenue and 2.0 per cent of expenses. Securefact contributed 5.0 per cent of non-current assets. Securefact did not contribute to our current assets, current liabilities or non-current liabilities.

8.8 Non-IFRS financial measures

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

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

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

8.9 Non-IFRS financial measures definition

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

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