



November 3, 2021

# 2021 Unaudited Condensed Consolidated Interim Financial Statements

For the Three and Nine Months Ended September 30, 2021



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## Condensed Consolidated Statements of Financial Position

As at (thousands of CAD dollars, unaudited)	Note	September 30, 2021	December 31, 2020
<b>Assets</b>			
Current assets			
Cash		\$ 42,860	\$ 33,946
Short-term investments		28	52
Trade and other receivables	4	14,798	17,031
Contract assets	5	370	1,053
Income tax recoverable		47	476
Prepaid expenses and deposits		2,581	2,825
<b>Total current assets</b>		<b>60,684</b>	<b>55,383</b>
Non-current assets			
Property, plant and equipment	7	1,466	2,160
Right-of-use assets	8	6,464	7,580
Intangible assets	9	64,246	71,218
Goodwill	10	77,220	77,455
Deferred tax asset		29,032	28,504
<b>Total non-current assets</b>		<b>178,428</b>	<b>186,917</b>
<b>Total assets</b>		<b>\$ 239,112</b>	<b>\$ 242,300</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	11	\$ 23,135	\$ 21,944
Contract liabilities	12	2,267	2,024
Lease obligations – current portion	13	1,659	1,996
Income tax payable		5,134	1,179
Provisions	17	181	146
<b>Total current liabilities</b>		<b>32,376</b>	<b>27,289</b>
Non-current liabilities			
Lease obligations	13	5,981	6,856
Deferred tax liability		6,494	7,695
Long-term debt	16	55,957	76,316
Other liabilities	15	5,802	2,096
<b>Total non-current liabilities</b>		<b>74,234</b>	<b>92,963</b>
<b>Shareholders' equity</b>			
Share capital	20	19,955	19,955
Equity settled employee benefit reserve	15	2,451	2,376
Accumulated other comprehensive (loss) income		(94)	706
Retained earnings		110,190	99,011
<b>Total shareholders' equity</b>		<b>132,502</b>	<b>122,048</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 239,112</b>	<b>\$ 242,300</b>

See Note 26 for Commitments and Contingencies

See accompanying Notes

## Condensed Consolidated Statements of Comprehensive Income

(thousands of CAD dollars, unaudited)	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2021	2020	2021	2020
Revenue	22	\$ 41,369	\$ 37,120	\$ 125,140	\$ 97,709
Expenses					
Wages and salaries	27	9,643	11,119	39,139	30,997
Cost of goods sold		9,496	9,199	28,028	23,472
Depreciation and amortization	7, 8, 9	3,474	3,517	10,840	9,028
Information technology services		1,872	1,913	5,881	5,779
Occupancy costs		958	792	2,485	2,124
Professional and consulting services	27	700	2,357	3,136	4,487
Financial services	5	846	537	2,485	1,875
Other		354	273	1,010	1,058
Total expenses		27,343	29,707	93,004	78,820
Net income before items noted below		14,026	7,413	32,136	18,889
Finance income (expense)					
Interest income		44	274	98	364
Interest expense		(705)	(671)	(2,289)	(1,293)
Net finance (expense)		(661)	(397)	(2,191)	(929)
Income before tax		13,365	7,016	29,945	17,960
Income tax expense	14	(3,686)	(1,980)	(8,266)	(4,949)
<b>Net income</b>		<b>\$ 9,679</b>	<b>\$ 5,036</b>	<b>\$ 21,679</b>	<b>\$ 13,011</b>
<b>Other comprehensive (loss) income</b>					
Items that may be subsequently reclassified to net income					
Unrealized (loss) gain on translation of financial statements of foreign operations		(7)	336	(779)	802
Change in fair value of marketable securities, net of tax		3	(5)	(21)	(31)
Other comprehensive (loss) income		(4)	331	(800)	771
<b>Total comprehensive income</b>		<b>\$ 9,675</b>	<b>\$ 5,367</b>	<b>\$ 20,879</b>	<b>\$ 13,782</b>
<b>Earnings per share (\$ per share)</b>					
<b>Total, basic</b>	19	<b>\$ 0.55</b>	<b>\$ 0.29</b>	<b>\$ 1.24</b>	<b>\$ 0.74</b>
<b>Total, diluted</b>	19	<b>\$ 0.53</b>	<b>\$ 0.29</b>	<b>\$ 1.20</b>	<b>\$ 0.74</b>

See accompanying Notes

## Condensed Consolidated Statements of Changes in Equity

(thousands of CAD dollars, unaudited)	Note	Retained Earnings	Share Capital	Accumulated Other Comprehensive Income	Equity Reserve	Total
Balance at January 1, 2020		\$ 92,128	\$ 19,955	\$ 5	\$ 2,153	\$ 114,241
Net income		13,011	-	-	-	13,011
Other comprehensive income		-	-	771	-	771
Stock option expense	15	-	-	-	184	184
Dividend declared		(10,500)	-	-	-	(10,500)
<b>Balance at September 30, 2020</b>		<b>\$ 94,639</b>	<b>\$ 19,955</b>	<b>\$ 776</b>	<b>\$ 2,337</b>	<b>\$ 117,707</b>
Balance at January 1, 2021		\$ 99,011	\$ 19,955	\$ 706	\$ 2,376	\$ 122,048
Net income		<b>21,679</b>	-	-	-	<b>21,679</b>
Other comprehensive loss		-	-	<b>(800)</b>	-	<b>(800)</b>
Stock option expense	15	-	-	-	<b>75</b>	<b>75</b>
Dividend declared		<b>(10,500)</b>	-	-	-	<b>(10,500)</b>
<b>Balance at September 30, 2021</b>		<b>\$ 110,190</b>	<b>\$ 19,955</b>	<b>\$ (94)</b>	<b>\$ 2,451</b>	<b>\$ 132,502</b>

See accompanying Notes

## Condensed Consolidated Statements of Cash Flows

(thousands of CAD dollars, unaudited)	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2021	2020	2021	2020
<b>Operating</b>					
Net income		\$ 9,679	\$ 5,036	\$ 21,679	\$ 13,011
Add: Charges not affecting cash					
Depreciation	7, 8	793	707	2,133	2,183
Amortization	9	2,681	2,810	8,707	6,845
Unrealized foreign exchange (gains) losses		(79)	1	(35)	43
Deferred tax expense (recovery) recognized in net income	14	143	536	(1,723)	1,023
Service concession arrangements	22	-	(61)	(269)	(249)
Right-of-use asset modifications loss		-	-	-	73
Net finance expense		661	397	2,191	929
Stock option expense	15	13	41	75	184
Net change in non-cash working capital	24	(57)	3,954	11,043	(441)
<b>Net cash flow provided by operating activities</b>		<b>13,834</b>	<b>13,421</b>	<b>43,801</b>	<b>23,601</b>
<b>Investing</b>					
Interest received		43	22	98	112
Short-term investments		-	(3)	-	397
Additions to property, plant and equipment		-	-	-	(63)
Additions to intangible assets		(613)	(29)	(1,690)	(395)
Acquisition through business combination	25	-	(70,161)	-	(70,161)
Recovery on acquisition post-closing adjustments	4	-	-	1,719	-
<b>Net cash flow (used in) provided by investing activities</b>		<b>(570)</b>	<b>(70,171)</b>	<b>127</b>	<b>(70,110)</b>
<b>Financing</b>					
Interest paid		(642)	(361)	(2,077)	(671)
Interest paid on lease obligations	13	(87)	(101)	(271)	(326)
Principal repayments on lease obligations	13	(506)	(439)	(1,526)	(1,423)
Repayment of long-term debt	16	(15,000)	(17,000)	(20,000)	(18,000)
Financing fees	16	(359)	-	(359)	-
Proceeds of long-term debt net of financing fees		-	76,058	-	76,058
Repayment of operating loan		-	(9,816)	-	(9,816)
Proceeds of operating loan		-	9,816	-	9,816
Dividend paid		(3,500)	(3,500)	(10,500)	(10,500)
<b>Net cash flow (used in) provided by financing activities</b>		<b>(20,094)</b>	<b>54,657</b>	<b>(34,733)</b>	<b>45,138</b>
Effects of exchange rate changes on cash held in foreign currencies		108	37	(281)	156
(Decrease) increase in cash		(6,722)	(2,056)	8,914	(1,215)
Cash, beginning of period		49,582	24,572	33,946	23,731
<b>Cash, end of period</b>		<b>\$ 42,860</b>	<b>\$ 22,516</b>	<b>\$ 42,860</b>	<b>\$ 22,516</b>

See accompanying Notes



# Notes to the Unaudited Condensed Consolidated Interim Financial Statements

## 1 Nature of the Business

Information Services Corporation is the parent company of its subsidiary group (collectively, the “Company”, or “ISC”) and is a Canadian corporation with its Class A Limited Voting Shares (“Class A Shares”) listed on the Toronto Stock Exchange (“TSX”) under the symbol ISV. The head and registered office of the Company is 300 - 10 Research Drive, Regina, Saskatchewan, S4S 7J7. The Company is a provider of registry and information management services for public data and records. In addition to our head office in Regina, the Company also has an operational presence in Saskatchewan and other Canadian provinces as well as in Ireland. ISC has three reportable segments: Registry Operations, Services and Technology Solutions. A functional summary of these segments is as follows:

- Registry Operations delivers registry services on behalf of governments and private sector organizations. Currently, through this segment, ISC provides registry and information services on behalf of the Province of Saskatchewan under a 20-year Master Service Agreement (“MSA”), in effect until 2033.
- 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 functions are reported as Corporate and other.

As at September 30, 2021, ISC’s principal revenue generating segments were Registry Operations and Services.

## 2 Basis of Presentation

### Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using accounting policies that are consistent with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IAS Board”). Therefore, they do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s most recent audited annual consolidated financial statements for the year ended December 31, 2020, which have been prepared in accordance with IFRS.

These unaudited condensed consolidated interim financial statements have been prepared following the same accounting policies and methods of computation as the year-end financial statements for the Company for the year ended December 31, 2020, as described in Note 3 of the December 31, 2020, consolidated financial statements, except for the impact of the adoption of new policies and the standards and interpretations as described below in the changes in accounting policy section. The significant estimates and assumptions in determining the value of assets and liabilities and the significant judgments in applying accounting policies are the same as those applied in the Company’s consolidated financial statements for the year ended December 31, 2020. The unaudited condensed consolidated interim financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by management to fairly state the Company’s results of operations, financial position and cash flows.

These unaudited condensed consolidated interim financial statements were authorized by the Audit Committee of the ISC Board of Directors (“Board”) for issue on November 3, 2021.



## Basis of measurement

The unaudited condensed consolidated interim financial statements have been prepared on a going concern basis using the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period.

## Functional and presentation currency

These unaudited condensed consolidated interim financial statements are presented in Canadian dollars (“CAD”), which is the functional currency of the parent company.

## Basis of consolidation

The unaudited condensed consolidated interim financial statements incorporate the financial statements of Information Services Corporation and its wholly owned significant operating subsidiaries: ISC Saskatchewan Inc. (“ISC Sask”), ISC Enterprises Inc. (“ISC Ent”), ESC Corporate Services Ltd. (“ESC”) and Enterprise Registry Solutions Limited (“ERS”). All intragroup assets and liabilities, equity, income, expenses and cash flows are eliminated in full on consolidation.

## Use of estimates and judgments

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

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

Significant items subject to estimates and underlying assumptions include:

- the carrying value, impairment and estimated useful lives of property, plant and equipment (Note 7);
- the carrying value, impairment and estimated useful lives of intangible assets (Note 9) and goodwill (Note 10);
- the recoverability of deferred tax assets (Note 14); and
- the amount and timing of revenue from contracts from customers recognized over time with milestones (Note 22).



### 3 Summary of Significant Accounting Policies

#### Recent accounting pronouncements

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

Proposed Standard	Description	Effective Date
Amendments to IAS 1 – <i>Classification of Liabilities as Current or Non-current</i>	<p>The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.</p> <p>The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.</p> <p>The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted. This amendment is currently being assessed by the Company to determine the impact.</p>	January 1, 2023
Amendments to IAS 37 – <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	<p>The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).</p> <p>The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.</p> <p>The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted. This amendment is currently being assessed by the Company to determine the impact.</p>	January 1, 2022

Amendments to IFRS 3 – <i>Reference to the Conceptual Framework</i>	<p>The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date, a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 <i>Levies</i>, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.</p> <p>Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.</p> <p>The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.</p> <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, 2022
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## 4 Trade and Other Receivables

The components of trade and other receivables are as follows:

(thousands of CAD dollars)	September 30, 2021	December 31, 2020
Trade receivables	\$ 14,693	\$ 14,247
Consideration due from vendor <sup>1</sup>	-	1,919
Government grants receivable	-	525
GST/HST/VAT receivables	83	284
Other	22	56
<b>Total trade and other receivables</b>	<b>\$ 14,798</b>	<b>\$ 17,031</b>

## 5 Contract Assets

The components of contract assets are as follows:

(thousands of CAD dollars)	September 30, 2021	December 31, 2020
Unbilled revenue	\$ 205	\$ 349
Contract fulfilment costs	165	704
<b>Total contract assets</b>	<b>\$ 370</b>	<b>\$ 1,053</b>

Unbilled revenue represents uninvoiced amounts due from customers under Technology Solutions contracts that arise when the Company meets performance-related milestones. At the point the Company invoices the amounts, they are reclassified into trade receivables.

Contract fulfilment costs are costs the Company incurs related to the fulfilment of Technology Solutions contracts before reaching a performance milestone. Once the performance milestone is achieved, these costs, along with the associated revenue, will be recognized in the consolidated statements of comprehensive income.

The Company does not have any contract acquisition costs at the end of the reporting period and did not recognize any amortization of contract acquisition costs during the period (2020 – nil).

During the quarter, the Company recognized an impairment loss of \$0.3 million on unbilled revenue related to a customer contract (2020 – nil). The impairment is included in financial services in the consolidated statements of comprehensive income.

## 6 Seasonality

Our Registry Operations segment experiences moderate seasonality, primarily because Land Titles revenue fluctuates in line with real estate transaction activity in Saskatchewan. Typically, our second and third quarters generate higher revenue during the fiscal year when real estate activity is traditionally highest. In our Services segment, our Corporate Solutions and Regulatory Solutions revenue is reasonably diversified and has little seasonality; instead, it fluctuates in line with the general economic drivers. Some smaller categories of products or services can have some seasonal variation, increasing slightly during the second and fourth quarters. In particular, our collateral management services experiences seasonality aligned to vehicle and equipment financing cycles, which are generally stronger in the second and fourth quarters. Our Recovery Solutions revenue also does not have specific seasonality but is countercyclical to our other business, in that it can perform better in poor economic conditions.

The Company has observed that its historical pattern of seasonality in Registry Operations, and to some degree in Services, has been impacted due to the COVID-19 pandemic. Although the current year trends would support historical patterns, at this time, we are uncertain if or when seasonality will fully return to historical patterns. Our Technology Solutions segment does not experience seasonality, however, it is the segment that has been most impacted by COVID-19 as a result of governments and clients being focused on responding to COVID-19. This has, therefore, resulted in delays in solution implementation as well as new business development opportunities coming to market. The balance of our corporate activities and shared services functions, reported under Corporate and other, 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.

## 7 Property, Plant and Equipment

(thousands of CAD dollars)	Leasehold Improvements	Office Furniture	Office Equipment	Hardware	Assets Under Development	Total
<b>Cost</b>						
Balance at December 31, 2019	\$ 10,324	\$ 3,259	\$ 194	\$ 3,058	\$ -	\$ 16,835
Acquired assets	-	-	-	3	-	3
Additions	-	-	6	13	44	63
Disposals	(430)	(26)	(23)	(15)	-	(494)
Transfers	-	-	-	30	(30)	-
Foreign exchange adjustments	2	3	-	15	-	20
<b>Balance at December 31, 2020</b>	<b>\$ 9,896</b>	<b>\$ 3,236</b>	<b>\$ 177</b>	<b>\$ 3,104</b>	<b>\$ 14</b>	<b>\$ 16,427</b>
Disposals	(316)	(30)	-	(271)	-	(617)
Foreign exchange adjustments	(2)	(2)	-	(13)	-	(17)
<b>Balance at September 30, 2021</b>	<b>\$ 9,578</b>	<b>\$ 3,204</b>	<b>\$ 177</b>	<b>\$ 2,820</b>	<b>\$ 14</b>	<b>\$ 15,793</b>
<b>Accumulated depreciation</b>						
Balance at December 31, 2019	\$ 8,462	\$ 2,996	\$ 169	\$ 2,210	\$ -	\$ 13,837
Depreciation	458	76	17	363	-	914
Disposals	(430)	(26)	(23)	(15)	-	(494)
Foreign exchange adjustments	1	-	-	9	-	10
<b>Balance at December 31, 2020</b>	<b>\$ 8,491</b>	<b>\$ 3,046</b>	<b>\$ 163</b>	<b>\$ 2,567</b>	<b>\$ -</b>	<b>\$ 14,267</b>
Depreciation	299	42	6	207	-	554
Impairment <sup>1</sup>	128	7	-	-	-	135
Disposals	(316)	(30)	-	(271)	-	(617)
Foreign exchange adjustments	-	(1)	-	(11)	-	(12)
<b>Balance at September 30, 2021</b>	<b>\$ 8,602</b>	<b>\$ 3,064</b>	<b>\$ 169</b>	<b>\$ 2,492</b>	<b>\$ -</b>	<b>\$ 14,327</b>
<b>Carrying value</b>						
At December 31, 2020	\$ 1,405	\$ 190	\$ 14	\$ 537	\$ 14	\$ 2,160
<b>At September 30, 2021</b>	<b>\$ 976</b>	<b>\$ 140</b>	<b>\$ 8</b>	<b>\$ 328</b>	<b>\$ 14</b>	<b>\$ 1,466</b>

<sup>1</sup> Impairment – see Note 17.

## 8 Right-of-use Assets

(thousands of CAD dollars)	Property and Equipment <sup>1</sup>
<b>Cost</b>	
Balance at January 1, 2020	\$ 17,504
Additions and modifications	229
Disposals	(811)
Foreign exchange adjustments	71
<b>Balance at December 31, 2020</b>	<b>\$ 16,993</b>
Additions and modifications	341
Disposals	(166)
Foreign exchange adjustments	(62)
<b>Balance at September 30, 2021</b>	<b>\$ 17,106</b>
<b>Accumulated depreciation</b>	
Balance at January 1, 2020	\$ 7,836
Depreciation	1,974
Disposals	(436)
Foreign exchange adjustments	39
<b>Balance at December 31, 2020</b>	<b>\$ 9,413</b>
Depreciation	1,431
Impairment <sup>2</sup>	13
Disposals	(166)
Foreign exchange adjustments	(49)
<b>Balance at September 30, 2021</b>	<b>\$ 10,642</b>
<b>Carrying value</b>	
At December 31, 2020	\$ 7,580
<b>At September 30, 2021</b>	<b>\$ 6,464</b>

<sup>1</sup> The Company's right-of-use assets consist primarily of property leases associated with the lease of office space.

<sup>2</sup> Impairment – see Note 17.

## 9 Intangible Assets

(thousands of CAD dollars)	Internal Use Software – Acquired	Internal Use Software – Internally Developed	Business Solutions – Acquired	Business Solutions – Internally Developed	Brand, Non- Competes, Other	Contracts, Customer & Partner Relation- ships	Assets Under Develop- ment	Total
<b>Cost</b>								
Balance at December 31, 2019	\$ 29,417	\$ 76,880	\$ 2,038	\$ 5,415	\$ 2,412	\$ 28,286	\$ 2,885	\$ 147,333
Acquired assets	260	-	-	-	260	37,600	-	38,120
Additions	-	-	-	30	-	-	1,599	1,629
Disposals	(2,726)	(116)	-	-	(320)	(560)	-	(3,722)
Transfers	-	3,143	-	388	-	-	(3,531)	-
Foreign exchange adjustments	-	-	136	176	39	49	2	402
<b>Balance at December 31, 2020</b>	<b>\$ 26,951</b>	<b>\$ 79,907</b>	<b>\$ 2,174</b>	<b>\$ 6,009</b>	<b>\$ 2,391</b>	<b>\$ 65,375</b>	<b>\$ 955</b>	<b>\$ 183,762</b>
Additions	-	-	-	-	-	-	1,959	1,959
Disposals	-	-	-	-	(588)	-	-	(588)
Transfers	-	329	-	-	-	-	(329)	-
Foreign exchange adjustments	-	-	(119)	(157)	(34)	(43)	(47)	(400)
<b>Balance at September 30, 2021</b>	<b>\$ 26,951</b>	<b>\$ 80,236</b>	<b>\$ 2,055</b>	<b>\$ 5,852</b>	<b>\$ 1,769</b>	<b>\$ 65,332</b>	<b>\$ 2,538</b>	<b>\$ 184,733</b>
<b>Accumulated depreciation</b>								
Balance at December 31, 2019	\$ 16,603	\$ 76,569	\$ 884	\$ 2,725	\$ 1,456	\$ 7,900	\$ -	\$ 106,137
Amortization	3,476	625	318	761	332	4,465	-	9,977
Disposals	(2,716)	(116)	-	-	(320)	(560)	-	(3,712)
Foreign exchange adjustments	-	-	65	29	31	17	-	142
<b>Balance at December 31, 2020</b>	<b>\$ 17,363</b>	<b>\$ 77,078</b>	<b>\$ 1,267</b>	<b>\$ 3,515</b>	<b>\$ 1,499</b>	<b>\$ 11,822</b>	<b>\$ -</b>	<b>\$ 112,544</b>
Amortization	2,414	498	234	425	124	5,012	-	8,707
Disposals	-	-	-	-	(588)	-	-	(588)
Foreign exchange adjustments	-	-	(74)	(48)	(34)	(20)	-	(176)
<b>Balance at September 30, 2021</b>	<b>\$ 19,777</b>	<b>\$ 77,576</b>	<b>\$ 1,427</b>	<b>\$ 3,892</b>	<b>\$ 1,001</b>	<b>\$ 16,814</b>	<b>\$ -</b>	<b>\$ 120,487</b>
<b>Carrying value</b>								
At December 31, 2020	\$ 9,588	\$ 2,829	\$ 907	\$ 2,494	\$ 892	\$ 53,553	\$ 955	\$ 71,218
<b>At September 30, 2021</b>	<b>\$ 7,174</b>	<b>\$ 2,660</b>	<b>\$ 628</b>	<b>\$ 1,960</b>	<b>\$ 768</b>	<b>\$ 48,518</b>	<b>\$ 2,538</b>	<b>\$ 64,246</b>

## 10 Goodwill

The components of goodwill are as follows:

(thousands of CAD dollars)	September 30, 2021	December 31, 2020
Balance, beginning of the period	\$ 77,455	\$ 45,529
Additions	-	31,657
Foreign exchange adjustment	(235)	269
<b>Balance, end of period</b>	<b>\$ 77,220</b>	<b>\$ 77,455</b>

## 11 Accounts Payable and Accrued Liabilities

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

(thousands of CAD dollars)	September 30, 2021	December 31, 2020
Trade payables	\$ 2,028	\$ 3,338
Accrued liabilities	8,449	8,939
Customer deposits	3,853	3,664
Dividend payable	3,500	3,500
Share-based accrued liabilities (current portion)	5,305	2,503
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 23,135</b>	<b>\$ 21,944</b>

## 12 Contract Liabilities

The components of contract liabilities are as follows:

(thousands of CAD dollars)		September 30, 2021	December 31, 2020
Amounts received in advance of Registry Operations transaction, maintenance and support contracts	(i)	\$ 510	\$ 326
Amounts received in advance of Technology Solutions support and delivery contracts	(ii)	1,757	1,698
<b>Total contract liabilities</b>		<b>\$ 2,267</b>	<b>\$ 2,024</b>

- (i) Revenue that relates to Registry Operations transactions is recognized at a point in time. Revenue that relates to Registry Operations maintenance and support contracts is recognized over time. A contract liability is recognized for payments received from end-use customers in advance of services being provided and is recognized into revenue either at the point in time the service is rendered or over the service period.
- (ii) Revenue and other income related to Technology Solutions contracts, including government assistance, is recognized over time as the performance obligations in the contract are achieved. These obligations may be based on a time period or on performance-based milestones identified in the contract. A contract liability is recognized for payments received from customers in advance and is recognized into revenue either over the service period or when performance milestones are achieved.

Revenue recognized in 2021 that was included in the contract liability balance at December 31, 2020:

(thousands of CAD dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Registry Operations transaction, maintenance and support contracts	\$ 18	\$ 19	\$ 319	\$ 325
Technology Solutions support and delivery contracts	372	144	1,335	711
<b>Total revenue recognized that was included in the balance at the beginning of the period</b>	<b>\$ 390</b>	<b>\$ 163</b>	<b>\$ 1,654</b>	<b>\$ 1,036</b>

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

## 13 Lease Obligations

(thousands of CAD dollars)	Property and equipment
Balance at January 1, 2020	\$ 10,812
Additions	106
Interest expense for the period	425
Effect of modification to lease terms	(178)
Lease payments	(2,345)
Foreign exchange adjustments	32
<b>Balance at December 31, 2020</b>	<b>\$ 8,852</b>
Additions	-
Interest expense for the period <sup>1</sup>	271
Effect of modification to lease terms	327
Lease payments <sup>1</sup>	(1,797)
Foreign exchange adjustments	(13)
<b>Balance at September 30, 2021</b>	<b>\$ 7,640</b>

<sup>1</sup> Lease payments net of interest expense represents the principal portion of lease payments reflected on the consolidated statements of cash flows.

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

## 14 Tax Provision

The Company is subject to federal and provincial income taxes at an estimated combined statutory rate of 27.0 per cent (2020 — 27.0 per cent).

(thousands of CAD dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	<b>2021</b>	2020	<b>2021</b>	2020
Current tax expense	\$ 3,543	\$ 1,444	\$ 9,989	\$ 3,926
Deferred tax (recovery) expense	143	536	(1,723)	1,023
<b>Income tax expense</b>	<b>\$ 3,686</b>	<b>\$ 1,980</b>	<b>\$ 8,266</b>	<b>\$ 4,949</b>

## 15 Share-Based Compensation Plans

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

### Performance share units ("PSUs")

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

A summary of the status of the PSU plan and the changes within the nine months ended September 30, 2021, are as follows:

	Units	Weighted Average Award Price
Balance at December 31, 2019	33,000.32	\$ 16.10
PSUs granted March 26, 2020	38,701.00	\$ 13.71
PSUs credited as a result of cash dividends paid	3,545.90	16.51
Balance at December 31, 2020	75,247.22	\$ 14.89
PSUs granted March 25, 2021	22,900.00	\$ 23.86
PSUs credited as a result of cash dividends paid	2,183.96	27.17
<b>Balance at September 30, 2021</b>	<b>100,331.18</b>	<b>\$ 17.21</b>

The share-based compensation expense related to the PSUs for the three months ended September 30, 2021, totalled \$0.35 million (2020 — \$0.2 million) and for the nine months ended September 30, 2021, totalled \$1.4 million (2020 — \$0.4 million). The total carrying amount of the liability arising from the PSUs as of September 30, 2021, totalled \$2.2 million (December 31, 2020 — \$0.9 million). The current portion of the liability amount is included within accounts payable and accrued liabilities, and the non-current portion is within other non-current liabilities on the consolidated statements of financial position.

### Share appreciation rights (“SARs”)

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

A summary of the status of the SAR plan and the changes within the nine months ended September 30, 2021, are as follows:

	Units	Weighted Average Award Price
Balance at December 31, 2019	243,116.00	\$ 16.11
SARs granted March 31, 2020	291,386.00	13.71
Balance at December 31, 2020	534,502.00	\$ 14.80
SARs granted March 25, 2021	133,791.00	23.86
SARs redeemed	(1,100.00)	16.11
<b>Balance at September 30, 2021</b>	<b>667,193.00</b>	<b>\$ 16.61</b>

The share-based compensation expense related to the SARs for the three months ended September 30, 2021, totalled income of \$0.5 million (2020 — \$0.7 million expense) and for the nine months ended September 30, 2021, totalled \$3.7 million expense (2020 — \$0.7 million expense). The total carrying amount of the liability arising from SARs as of September 30, 2021, was \$4.9 million (December 31, 2020 — \$1.2 million). The current portion of the liability amount is included within accounts payable and accrued liabilities, and the non-current portion is within other non-current liabilities on the consolidated statements of financial position.

### Deferred share units (“DSUs”)

A summary of the status of the DSU plan and the changes within the nine months ended September 30, 2021, are as follows:

	Units	Weighted Average Award Price
Balance at December 31, 2019	98,313.15	\$ 17.05
DSUs granted September 30, 2020	23,800.00	15.00
DSUs credited as a result of cash dividends paid	5,554.00	16.66
Balance at December 31, 2020	127,667.15	\$ 16.65
DSUs granted May 12, 2021	14,855.00	26.26
DSUs credited as a result of cash dividends paid	2,947.00	27.30
<b>Balance at September 30, 2021</b>	<b>145,469.15</b>	<b>\$ 17.85</b>

Share-based compensation expense related to the DSUs for the three months ended September 30, 2021, totalled income of \$0.2 million (2020 — \$0.7 million expense) and for the nine months ended September 30, 2021, totalled \$1.5 million expense (2020 — \$0.8 million expense). The total carrying amount of the liability arising from the DSUs as of September 30, 2021, totalled \$4.0 million



(December 31, 2020 — \$2.5 million). The liability amount is included within accounts payable and accrued liabilities on the consolidated statements of financial position.

The fair value of the DSUs at September 30, 2021, has been calculated using the market value of the Company's Class A Shares on the TSX.

## Stock options

A summary of the status of the stock option plan and the changes within the nine months ended September 30, 2021, are as follows:

	Options	Average Exercise Price
Balance at December 31, 2019	1,548,247	\$ 17.27
Stock options granted during the year	-	-
Balance at December 31, 2020	1,548,247	\$ 17.27
Stock options granted during the period	-	-
<b>Balance at September 30, 2021</b>	<b>1,548,247</b>	<b>\$ 17.27</b>

At the end of the period, the outstanding share options had a weighted average exercise price of \$17.27 (December 31, 2020 — \$17.27). The number of options exercisable at the end of the period was 1,430,339 (December 31, 2020 — 1,233,095) and had a weighted average exercise price of \$17.22 (December 31, 2020 — \$17.05) based on a range of exercise prices from \$15.04 to \$18.85 (December 31, 2020 — \$15.04 to \$18.85).

Compensation expense is recognized in proportion to the number of stock options vested. Share-based compensation expense related to the stock options for the three months ended September 30, 2021, totalled \$13 thousand (2020 — \$41 thousand) and for the nine months ended September 30, 2021, totalled \$75 thousand (2020 — \$184 thousand). The total carrying amount of the equity settled employee benefit reserve arising from these stock options as of September 30, 2021, totalled \$2.5 million (December 31, 2020 — \$2.3 million).

## 16 Debt

On September 17, 2021, the Company entered into an amended and extended credit agreement in connection with its secured credit facility (the "Credit Facility") provided by its lenders. The maturity date of the Credit Facility was extended from August 5, 2022, to September 17, 2026. In addition, the amended agreement simplifies the pricing structure of the facility. This extension was considered to be a modification of debt for accounting purposes.

The Credit Facility bears interest at a base rate of prime, bankers' acceptance, or letter of credit fee plus a margin varying between 0.20 per cent and 2.00 per cent per annum depending on the type of advance and the performance on certain covenants.

The Company is also required to pay a commitment fee quarterly in arrears on the unutilized portion of the Credit Facility, at a rate between 0.24 per cent and 0.40 per cent per annum depending on the performance on certain covenants.

Prior to maturity there are no mandatory repayments on the Credit Facility, except for repayments associated with significant asset sales. However, the Company may make voluntary prepayments at any time provided they are in minimum aggregate amounts of \$1.0 million.

The Company is amortizing costs of \$0.4 million attributable to modifying the Credit Facility over the life of the facility using an effective interest rate that is currently 3.18 per cent. For the three months ended September 30, 2021, an expense of nil (2020 - \$22 thousand) was recognized in the condensed consolidated statements of comprehensive income.

The Credit Facility can be used for working capital needs and for general corporate purposes.

Term debt is as follows:

(thousands of CAD dollars)	September 30, 2021	December 31, 2020
<b>Non-current</b>		
Revolving term facility	\$ 55,957	\$ 76,316
<b>Total non-current and total debt</b>	<b>\$ 55,957</b>	<b>\$ 76,316</b>

During the nine-month period ended September 30, 2021, the Company made voluntary prepayments totaling \$20 million against its revolving term facility, including \$15 million in the quarter ended September 30, 2021. In the comparable period last year, the Company made repayments of debt totalling \$18.0 million towards its previous facility. The aggregate amount available under the Credit Facility at September 30, 2021, remains at \$150.0 million.

The Credit Facility contains financial covenants, positive covenants, negative covenants, events of default, representations and warranties customary for credit facilities of this nature. The Company was in compliance with all covenants throughout the period.

The amount of borrowing costs capitalized during 2021 and 2020 was nil.

## 17 Provisions

During the quarter, the Company made the decision to close three of its regional service centres in Saskatchewan. The primary financial impact of the closures are lower future lease payments and rent expense.

In the quarter, the Company also recorded impairments of \$0.1 million in leasehold improvements (2020 – nil) and of \$13 thousand in right-of-use assets (2020 – nil) related to these regional service centres.

## 18 Liabilities Arising from Financing Activities

The tables below provide the reconciliation of movements of liabilities to cash flows arising from financing activities.

(thousands of CAD dollars)		Three Months Ended September 30,		Nine Months Ended September 30,	
		2021	2020	2021	2020
<b>Financing activities</b>					
Interest paid	(a)	\$ (642)	\$ (361)	\$ (2,077)	\$ (671)
Interest paid on lease obligations	(b)	(87)	(101)	(271)	(326)
Principal repayments on lease obligations	(b)	(506)	(439)	(1,526)	(1,423)
Repayment of long-term debt	(c)	(15,000)	(17,000)	(20,000)	(18,000)
Proceeds from long-term debt net of financing fees	(c)	-	76,058	-	76,058
Financing fees	(c)	(359)	-	(359)	-
Repayment of operating loan	(d)	-	(9,816)	-	(9,816)
Drawdown of operating loan	(d)	-	9,816	-	9,816
Dividends paid	(e)	(3,500)	(3,500)	(10,500)	(10,500)
<b>Net cash flow used in financing activities</b>		<b>\$ (20,094)</b>	<b>\$ 54,657</b>	<b>\$ (34,733)</b>	<b>\$ (45,138)</b>

	As at December 31, 2020	Cash Flows	Non-cash Changes		As at September 30, 2021
			Dividends Declared	Other	
Interest payable	\$ 223	\$ (2,077)	(a) \$ -	\$ 2,017	\$ 163
Lease obligation including current portion and interest paid	8,852	(1,797)	(b) -	585	7,640
Long-term debt including current portion	76,316	(20,359)	(c) -	-	55,957
Dividends payable	3,500	(10,500)	(e) 10,500	-	3,500
	\$ 88,891	\$ (34,733)	\$ 10,500	\$ 2,602	\$ 67,260

	As at December 31, 2019	Cash Flows	Non-cash Changes		As at September 30, 2020
			Dividends Declared	Other	
Interest payable	\$ 203	\$ (671)	(a) \$ -	\$ 684	\$ 216
Lease obligation including current portion and interest paid	10,812	(1,749)	(b) -	182	9,245
Long-term debt including current portion	18,000	58,058	(c) -	-	76,058
Dividends payable	3,500	(10,500)	(e) 10,500	-	3,500
	\$ 32,515	\$ 45,138	\$ 10,500	\$ 866	\$ 89,019

## 19 Earnings Per Share

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

(thousands of CAD dollars, except number of shares and earnings per share)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income	\$ 9,679	\$ 5,036	\$ 21,679	\$ 13,011
Weighted average number of shares, basic	17,500,000	17,500,000	17,500,000	17,500,000
Potential dilutive shares resulting from stock options	632,785	46,573	505,828	11,090
Weighted average number of shares, diluted	18,132,785	17,546,573	18,005,828	17,511,090
<b>Earnings per share (\$ per share)</b>				
<b>Total, basic</b>	\$ 0.55	\$ 0.29	\$ 1.24	\$ 0.74
<b>Total, diluted</b>	\$ 0.53	\$ 0.29	\$ 1.20	\$ 0.74

## 20 Equity and Capital Management

The Company's authorized share capital consists of an unlimited number of Class A Shares, one Class B Golden Share (the "Golden Share") and an unlimited number of Preferred Shares, issuable in series. The Company currently has 17,500,000 Class A Shares issued and outstanding, one Golden Share issued and outstanding, and no Preferred Shares issued or outstanding. Class A Shares are entitled to one vote per share. The Golden Share, held by Crown Investments Corporation of Saskatchewan on behalf of the Government of Saskatchewan, has certain voting rights and obligations, including regarding the location of the head office and the sale of certain of the assets of the Company. The Golden Share has no pre-emptive, redemption, purchase or conversion rights and is not eligible to receive dividends declared by the Company. The Preferred Shares can be issuable at any time and may include voting rights.

(thousands of CAD dollars, except number of shares)	Class A		Class B	
	Number of Shares	Share Capital	Number of Shares	Share Capital
Balance at January 1, 2020	17,500,000	\$ 19,955	1	\$ -
No movement	-	-	-	-
Balance at December 31, 2020	17,500,000	\$ 19,955	1	\$ -
Balance at January 1, 2021	17,500,000	\$ 19,955	1	\$ -
No movement	-	-	-	-
<b>Balance at September 30, 2021</b>	<b>17,500,000</b>	<b>\$ 19,955</b>	<b>1</b>	<b>\$ -</b>

### Capital management

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

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

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

The Company's capital at September 30, 2021, consists of long-term debt, share capital, employee benefit reserve, accumulated other comprehensive income and retained earnings (comprising total shareholders' equity).

(thousands of CAD dollars)	September 30, 2021	December 31, 2020
Long-term debt	\$ 55,957	\$ 76,316
Share capital	19,955	19,955
Accumulated other comprehensive (loss) income	(94)	706
Equity settled employee benefit reserve	2,451	2,376
Retained earnings	110,190	99,011
<b>Capitalization</b>	<b>\$ 188,459</b>	<b>\$ 198,364</b>

## 21 Financial Instruments and Related Risk Management

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

### Fair value of financial instruments

The carrying values of cash, short-term investments, trade and other receivables, accounts payable and accrued liabilities excluding share-based accrued liabilities approximate fair value due to their immediate or relatively short-term maturity. Long-term debt is managed with prime loans, short-term bankers' acceptance, letters of credit or letters of guarantee. These borrowings will bear interest at a base rate of prime plus applicable margin varying between 0.45 per cent and 1.00 per cent per annum. The Company's exposure to significant interest rate risk is similar to that disclosed in its audited annual consolidated financial statements for the year ended December 31, 2020.

## 22 Revenue

The Company derives its revenue from the transfer of goods or services at either a point in time or over time. This is consistent with the revenue from third parties' information disclosed for each reportable segment under IFRS 8 — *Operating Segments* (see Note 23). The following table presents our revenue disaggregated by revenue type. Sales and usage tax are excluded from revenue.

### Segment revenue

(thousands of CAD dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Registry Operations	\$ 21,326	\$ 18,354	\$ 64,491	\$ 50,083
Services	18,273	16,420	54,616	40,653
Technology Solutions	1,769	2,346	6,030	6,967
Corporate and other	1	-	3	6
<b>Total revenue</b>	<b>\$ 41,369</b>	<b>\$ 37,120</b>	<b>\$ 125,140</b>	<b>\$ 97,709</b>

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

### Timing of revenue recognition

(thousands of CAD dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>At a point in time</b>				
Registry Operations revenue	\$ 20,705	\$ 17,575	\$ 62,120	\$ 47,695
Services revenue	15,963	14,516	47,052	38,749
Corporate and other	1	-	3	6
	\$ 36,669	\$ 32,091	\$ 109,175	\$ 86,450
<b>Over time</b>				
Registry Operations revenue	621	779	2,371	2,388
Services revenue	2,310	1,904	7,564	1,904
Technology Solutions revenue	1,769	2,346	6,030	6,967
	\$ 4,700	\$ 5,029	\$ 15,965	\$ 11,259
<b>Total revenue</b>	<b>\$ 41,369</b>	<b>\$ 37,120</b>	<b>\$ 125,140</b>	<b>\$ 97,709</b>



## Service concession arrangement

The Company entered into a change order pursuant to its MSA with the Government of Saskatchewan relating to the intangible asset that was put into use in the third quarter of 2020 for development of its registry systems. Under the MSA, the Company owns the IP during the term of the MSA.

As a result of transactions that occurred in the second quarter of 2021, there was an incremental \$0.3 million increase to both intangible assets and other revenue related to the project. The project is reflected in the Registry Operations segment. Additional amortization relating to the addition commenced in the second quarter of 2021.

## 23 Segment Information

Operating segments are identified as components of a company where separate discrete financial information is available for evaluation by the chief operating decision maker regarding allocation of resources and assessment of performance. The Company uses earnings before interest, taxes, depreciation and amortization (“EBITDA”) and earnings before interest and taxes (“EBIT”) as key measures of profit to assess each segment’s performance and make decisions about the allocation of resources. EBITDA is calculated as income before depreciation and amortization, net finance expense, and income tax expense. EBIT is calculated as income after depreciation and amortization expense but before net finance expense and income tax expense.

ISC has three reportable segments – Registry Operations, Services, and Technology Solutions, summarized as follows:

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

Corporate and other includes our corporate activities and shared services functions. The Registry Operations and Services segments operate substantially in Canada. The Technology Solutions segment operates both in Canada and Ireland.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. We account for transactions between reportable segments in the same way we account for transactions with external parties; however, we eliminate them on consolidation.

## Revenue and EBIT

For the three months ended September 30, 2021

(thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
<b>Revenue from third parties</b>	\$ 21,326	\$ 18,273	\$ 1,769	\$ 1	\$ -	\$ 41,369
Plus: inter-segment revenue	-	-	2,453	36	(2,489)	-
<b>Total revenue</b>	\$ 21,326	\$ 18,273	\$ 4,222	\$ 37	\$ (2,489)	\$ 41,369
Expenses excluding depreciation and amortization	(7,628)	(13,570)	(3,919)	(1,241)	2,489	(23,869)
<b>EBITDA</b>	13,698	4,703	303	(1,204)	-	17,500
Depreciation and amortization	(566)	(2,233)	(328)	(347)	-	(3,474)
<b>EBIT</b>	\$ 13,132	\$ 2,470	\$ (25)	\$ (1,551)	\$ -	\$ 14,026
Net finance (expense)						(661)
Income tax expense						(3,686)
<b>Net income</b>						\$ 9,679

**Additions to non-current assets, including acquisitions**

\$ -	\$ 155	\$ 458	\$ -	\$ -	\$ -	\$ 613
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For the three months ended September 30, 2020

(thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
Revenue from third parties	\$ 18,354	\$ 16,420	\$ 2,346	\$ -	\$ -	\$ 37,120
Plus: inter-segment revenue	-	-	2,430	35	(2,465)	-
<b>Total revenue</b>	\$ 18,354	\$ 16,420	\$ 4,776	\$ 35	\$ (2,465)	\$ 37,120
Expenses excluding depreciation and amortization	(8,283)	(12,820)	(4,244)	(3,308)	2,465	(26,190)
<b>EBITDA</b>	10,071	3,600	532	(3,273)	-	10,930
Depreciation and amortization	(621)	(2,072)	(467)	(357)	-	(3,517)
<b>EBIT</b>	\$ 9,450	\$ 1,528	\$ 65	\$ (3,630)	\$ -	\$ 7,413
Net finance (expense)						(397)
Income tax expense						(1,980)
<b>Net income</b>						\$ 5,036

**Additions to non-current assets, including acquisitions**

\$ 61	\$ 69,780	\$ -	\$ 29	\$ -	\$ -	\$ 69,870
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For the nine months ended September 30, 2021

(thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
<b>Revenue from third parties</b>	\$ 64,491	\$ 54,616	\$ 6,030	\$ 3	\$ -	\$ 125,140
Plus: inter-segment revenue	-	-	7,159	123	(7,282)	-
<b>Total revenue</b>	\$ 64,491	\$ 54,616	\$ 13,189	\$ 126	\$ (7,282)	\$ 125,140
Expenses excluding depreciation and amortization	(29,013)	(41,213)	(12,828)	(6,392)	7,282	(82,164)
<b>EBITDA</b>	35,478	13,403	361	(6,266)	-	42,976
Depreciation and amortization	(1,769)	(6,940)	(1,087)	(1,044)	-	(10,840)
<b>EBIT</b>	\$ 33,709	\$ 6,463	\$ (726)	\$ (7,310)	\$ -	\$ 32,136
Net finance (expense)						(2,191)
Income tax expense						(8,266)
<b>Net income</b>						\$ 21,679

**Additions to non-current assets, including acquisitions**

\$ 269	\$ 446	\$ 1,244	\$ -	\$ -	\$ -	\$ 1,959
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For the nine months ended September 30, 2020

(thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
Revenue from third parties	\$ 50,083	\$ 40,653	\$ 6,967	\$ 6	\$ -	\$ 97,709
Plus: inter-segment revenue	-	4	7,389	105	(7,498)	-
Total revenue	\$ 50,083	\$ 40,657	\$ 14,356	\$ 111	\$ (7,498)	\$ 97,709
Expenses excluding depreciation and amortization	(26,073)	(32,648)	(12,406)	(6,163)	7,498	(69,792)
EBITDA	24,010	8,009	1,950	(6,052)	-	27,917
Depreciation and amortization	(1,867)	(4,801)	(1,368)	(992)	-	(9,028)
EBIT	\$ 22,143	\$ 3,208	\$ 582	\$ (7,044)	\$ -	\$ 18,889
Net finance (expense)						(929)
Income tax expense						(4,949)
Net income						\$ 13,011
<hr/>						
Additions to non-current assets, including acquisitions	\$ 249	\$ 69,941	\$ 37	\$ 260	\$ -	\$ 70,487

Inter-segment revenues are charged among segments at arm's-length rates, based on rates charged to third parties. Total consolidated revenue is attributed to customers within Ireland and Canada. For the three months ended September 30, 2021, revenue within Ireland was \$1.6 million (2020 — \$2.2 million), and the remainder was in Canada. For the nine months ended September 30, 2021, revenue within Ireland was \$5.3 million (2020 — \$6.5 million), and the remainder was in Canada. No single customer represented more than 10.0 per cent of the total consolidated revenue.

## Assets and liabilities

As at September 30, 2021 (thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
<b>Assets</b>						
Total assets, excluding intangibles, goodwill and cash	\$ 24,649	\$ 12,797	\$ 3,150	\$ 14,190	\$ -	\$ 54,786
Intangibles	1,621	56,901	4,655	1,069	-	64,246
Goodwill	1,200	67,372	8,648	-	-	77,220
Cash	-	-	-	42,860	-	42,860
<b>Total Assets</b>	<b>\$ 27,470</b>	<b>\$ 137,070</b>	<b>\$ 16,453</b>	<b>\$ 58,119</b>	<b>\$ -</b>	<b>\$ 239,112</b>
<b>Liabilities</b>	<b>\$ 9,828</b>	<b>\$ 13,231</b>	<b>\$ 4,101</b>	<b>\$ 79,450</b>	<b>\$ -</b>	<b>\$ 106,610</b>

As at December 31, 2020 (thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	Inter-Segment Eliminations	Consolidated Total
<b>Assets</b>						
Total assets, excluding intangibles, goodwill and cash	\$ 25,758	\$ 13,952	\$ 5,505	\$ 14,466	\$ -	\$ 59,681
Intangibles	2,395	63,203	4,332	1,288	-	71,218
Goodwill	1,200	67,372	8,883	-	-	77,455
Cash	-	-	-	33,946	-	33,946
<b>Total Assets</b>	<b>\$ 29,353</b>	<b>\$ 144,527</b>	<b>\$ 18,720</b>	<b>\$ 49,700</b>	<b>\$ -</b>	<b>\$ 242,300</b>
<b>Liabilities</b>	<b>\$ 10,092</b>	<b>\$ 13,270</b>	<b>\$ 4,844</b>	<b>\$ 92,046</b>	<b>\$ -</b>	<b>\$ 120,252</b>

Non-current assets are held in Canada and Ireland. At September 30, 2021, non-current assets held in Ireland were \$8.9 million (December 31, 2020 — \$8.9 million), while the remainder were held in Canada.

## 24 Net Change in Non-Cash Working Capital

The net change during the period comprised the following:

(thousands of CAD dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Trade and other receivables	\$ 136	\$ (627)	\$ 406	\$ (2,279)
Prepaid expenses and deposits	295	1,823	242	(402)
Contract assets	352	(245)	656	504
Accounts payable and accrued liabilities	(1,697)	2,470	1,297	(39)
Contract liabilities	(529)	(37)	312	195
Other liabilities and provisions	(306)	854	3,741	823
Income taxes	1,692	(284)	4,389	757
<b>Net change in non-cash working capital</b>	<b>\$ (57)</b>	<b>\$ 3,954</b>	<b>\$ 11,043</b>	<b>\$ (441)</b>

Income taxes paid, net of refunds received, for the three months ended September 30, 2021, totalled \$1.9 million (2020 — 1.8 million) and for the nine months ended September 30, 2021, totalled \$5.6 million (2020 — \$3.2 million).

## 25 Acquisitions

On July 31, 2020, the Company's Services segment, through its wholly owned subsidiary, ESC, acquired substantially all of the assets used in the business of Paragon Inc. ("Paragon") for \$70.0 million, subject to customary purchase price adjustments, by way of an asset purchase agreement. The operations are located in Etobicoke, ON, and it is a technology-enabled business whose primary focus is the facilitation and co-ordination of asset recovery on behalf of many of Canada's major banks. The addition of Paragon's assets is expected to strengthen our current service offering and means that we will be able to offer our clients a complete solution in the credit life cycle, from origination to recovery.

A table outlining the net cash flow related to the acquisition is provided below:



(thousands of CAD dollars)		2021	2020
Consideration paid in cash	\$	-	\$ (10,345)
Working capital adjustment - preliminary		-	1,972
Consideration from operating loan		-	(9,816)
Consideration from long-term debt		-	(50,000)
Subtotal		-	(68,189)
Add (deduct) items not yet paid in cash:			
Working capital not yet cash settled at September 30, 2020		-	(1,972)
Recovery on acquisition post-closing adjustments		1,719	-
<b>Total net cash flows related to the acquisition</b>	<b>\$</b>	<b>1,719</b>	<b>\$ (70,161)</b>

There have been no changes to any of the purchase price allocations from the amounts disclosed in the financial statements for the year ended December 31, 2020.

## 26 Commitments and Contingencies

The Company's commitments have not materially changed from those described in Note 31 of the Company's 2020 Annual Consolidated Financial Statements.

### Contingencies

Management's estimate of liability for claims and legal actions that may be made by customers pursuant to the assurance provision and the MSA is based upon claims submitted. As at September 30, 2021, the liability was nil (December 31, 2020 — nil).

## 27 Reclassifications

During the period, the Company changed the presentation of board compensation costs, including certain share-based compensation expenses related to the DSUs on the consolidated statements of comprehensive income to reflect them in wages and salaries expense instead of professional and consulting services. With this change, all share-based compensation, including DSUs, PSUs, SARs and stock options, is reflected in wages and salaries on the consolidated statements of comprehensive income. Management believes the revised presentation provides more relevant information to users. The impacts of the reclassification on the comparative 2020 results are as follows:

(thousands of CAD dollars)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020 (as reported)	Reclassification	2020 (as reclassified)	2020 (as reported)	Reclassification	2020 (as reclassified)
Wages and salaries	\$ 10,342	\$ 777	\$ 11,119	\$ 29,850	\$ 1,147	\$ 30,997
Professional and consulting services	3,134	(777)	2,357	5,634	(1,147)	4,487
All other expenses in total expenses	16,231	-	16,231	43,336	-	43,336
<b>Total Expenses</b>	<b>\$ 29,707</b>	<b>\$ -</b>	<b>\$ 29,707</b>	<b>\$ 78,820</b>	<b>\$ -</b>	<b>\$ 78,820</b>

These reclassifications have no impact on net income or earnings per share.

## 28 Subsequent Events

On November 3, 2021, the Board declared a quarterly cash dividend of \$0.23 per Class A Share, payable on or before January 15, 2022, to shareholders of record as of December 31, 2021.