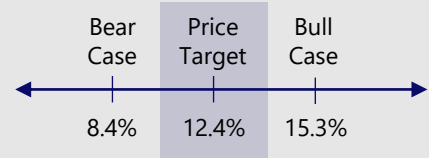




RESEARCH REPORT

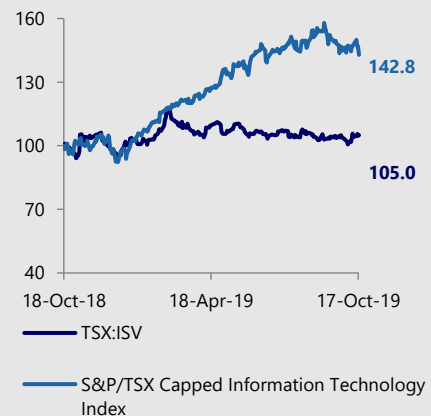
October 21, 2019

Stock Rating **BUY**
Price Target **12.4%**



Ticker	TSX:ISV
Market Cap (MM)	\$283
2019E ULFCF	16.3x

52 Week Performance



Tech., Media & Telecom

Matthew Mastromarco
mmastromarco@quiconline.com

Nick Gakena
ngakena@quiconline.com

Nikola Cugalj
ncugalj@quiconline.com

Allen Chen
achen@quiconline.com

Ruchira Gupta
rgupta@quiconline.com

Information Services Corporation A Platform For Growth

Information Services Corporation (TSX:ISV) is a registry and information management company based out of Saskatchewan. The company was formed through the amalgamation of several provincial registry agencies and eventually taken public in 2013. The firm has a legal monopoly on the Saskatchewan's land, property, and corporate registry activities until 2033.

ISV's core registry business is very stable, but growth is limited due to pricing restrictions. The firm has significant growth potential through its service offerings, however. As part of their contract with the Government of Saskatchewan, the company is able to offer value-added services using registry data without pricing restrictions. This gives the firm a distinct advantage over other firms who are not able to license the data for their own services. ISV has also been able to license technology that they built and acquired to other government agencies, which offers provides another avenue for growth.

At its current valuation, the TMT team believes that ISV offers an attractive risk/reward profile. Given the firm's capabilities and structural advantages, we believe that ISV has significant upside potential. Even if this prediction doesn't materialize, however, our forecasts on the core registry business imply a modest return.

The information in this document is for EDUCATIONAL and NON-COMMERCIAL use only and is not intended to constitute specific legal, accounting, financial or tax advice for any individual. In no event will QUIC, its members or directors, or Queen's University be liable to you or anyone else for any loss or damages whatsoever (including direct, indirect, special, incidental, consequential, exemplary or punitive damages) resulting from the use of this document, or reliance on the information or content found within this document. The information may not be reproduced or republished in any part without the prior written consent of QUIC and Queen's University.

QUIC is not in the business of advising or holding themselves out as being in the business of advising. Many factors may affect the applicability of any statement or comment that appear in our documents to an individual's particular circumstances.



Table of Contents

Company Overview	3
Saskatchewan Overview	5
Significant Contracts	7
Growth Strategy	8
Valuation and Conclusion	10
References	14

Company Overview

Introduction and History

Information Services Corporation (TSX: ISV) is a Regina-based corporation that provides registry and information management services to government agencies. The company is responsible for managing all the land titles, land survey plans, and personal property registrations (typically vehicles) for the province of Saskatchewan. ISV also maintains Saskatchewan's corporate registry. Through their contract with the government, they have a legal monopoly on registry services until 2033. In addition to ISV's core registry business, the firm offers a host of additional services that utilize public records for authentication or legal purposes. They also offer bespoke registry services to other governments and corporations.

ISV was founded in 2000 as a crown corporation through the amalgamation of the Land Titles Office, the Personal Property Registry, and the Surveys, Mapping, and Geographic Information Systems division of the Saskatchewan Property Management Corporation. In 2013, the firm was privatized and listed on the TSX, with 45% of Class A shares allocated for Saskatchewan residents.

Business Segments

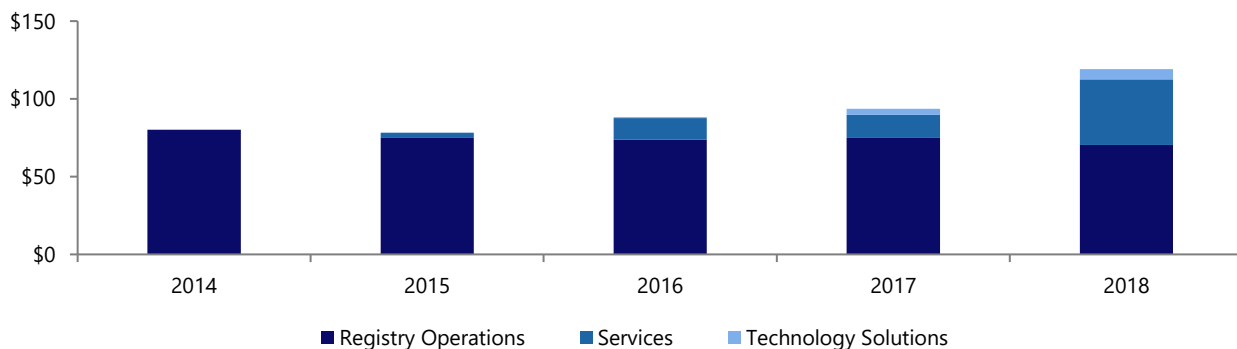
The three main segments include Registry Operations, Services, and Technology Solutions. As can be seen in Exhibit I, the majority of revenue comes from the Registries segment at 59%.

Registry Operations

The Registry Operations segment consists of registry and information services for governments and organizations within the private sector. ISV maintains Land Registry of surface and mineral titles, which includes Land Title Registry, Land Surveys, and Geomatics. The Land Title Registry gives titles to land and additionally catalogs transactions that impact titles such as changes of ownership and registration of interest. Law firms, developers, and financial institutes find this information beneficial to support decisions regarding ownership and land development. Revenue from Land Titles Registry comes from registration, maintenance, and search fees. Generally, flat fees are charged for search and record maintenance services, while registration fees are often calculated as a percentage of the value of land being registered.

EXHIBIT I

Annual Revenue by Business Segment (MM)



Source(s): Company Filings

Company Overview

Land Surveys and Geomatic services are primarily used by surveys, developers, and resource companies that use a mapping system that defines geographic boundaries of land parcels as well as mineral ownership parcels. Geomatic data further allows other parties like pipeline and transportation companies to derive data from the mapping system to aid in decision making.

In addition to Land Registry, ISV provides services within the Personal Property Registry. This is a database of movable personal property like boats and cars that are registered. This is useful for buyers and lenders to certify that there are no interest or other liens to an item on the list – specifically, it helps protect a buyer from accidentally buying another party's debt. Further, the Corporate Registry is a system that all businesses in the province of Saskatchewan must be registered under. This public database allows for a more seamless registration process and search process.

Services

The Services segment involves providing parties such as law firms and financial service institutions with various public records, due diligence, and more. Since 2010, to have the legal rights to operate a business in Saskatchewan, a business is required to be registered with ISV. ISV effectively consolidates public record data, authenticate organizations, and support lending practices by providing verified financial information. ISV's subsidiary ESC Corporate Services Limited acts as the provider of the solutions for the Services segment. ISV provides registration and searching capabilities of business names and properties as well as trademarks. With law clerks in multiple provinces, ISV successfully supports businesses with legal documentation services such as corporate seals, share certificates, and more. Additionally, ISV provides financial support services by providing current due diligence on businesses. This allows clients to easily verify, retrieve, store, and search information that can be used by financial and credit institutions.

Technology Solutions

The Technology Solutions sells software licenses, provides technological solutions and supports maintenance services of the software sold. In fact, ISV has their own subsidiary company Enterprise Registry Solutions Limited that offers RegSys. This is a registry solution that works across many different technological platforms and allows users to gain scalability and various enhanced services like integrated modules. The RegSys solution also supports the services sector of the business as it is also used to manage legal registers like licenses and securities. ISV has recently won various contracts such as a \$7M contract with the Irish Aviation Authority using the RegSys system, a \$2.1M contract with the Government of Missouri, and a \$5.6M contract with the Government of Yukon.

Competition

Until 2033, ISV's core business in Saskatchewan is contractually protected from competition. There are various competitors in the value-added services market and other providers that offer similar information management systems to ISV, however. With respect to ISV's legal value-add operations, the competitors are lawyers that specialize in public registries such as various Law Societies and law firms that employ specialists. Parties like this can pose as threats as they may be more convenient and specialized in the legal field. ISV does have a structural advantage compared to other providers however, as it has proprietary access to data.

Competitors to the Technology Solutions include other registry software providers like Canada's Business Registries, a new initiative from the Canadian Association of Corporate Law Administrators and other technology services organizations that support system integration and application development like Mindteck. However, these companies pose less of a threat to ISV as ISV has specifically been tailored to providing solutions while supporting the services sectors that a wide base of clients already use.

Saskatchewan Overview

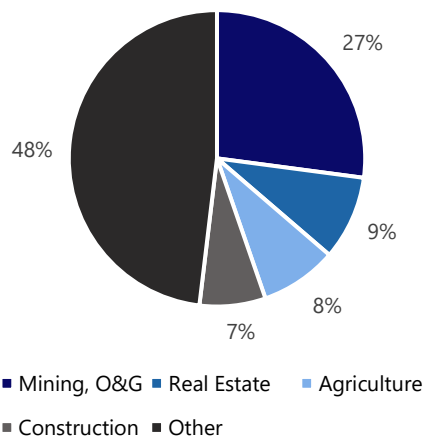
Region Overview

The prairie regions of Canada have a unique economic makeup due to their wealth of natural resources and fertile lands. Saskatchewan is one of these three provinces that is rich with raw materials – it is Canada’s leading producer of primary products. It is the largest contributor to Canada’s exports of grains and oil seeds, has the largest reserves of potash and uranium in the world, and has a relatively developed natural resource sector. As can be seen in Exhibit I below, Saskatchewan’s largest contributors to provincial income are its agriculture, oil and gas, and mining sectors.

With it being such a resource-rich region, its upstream and downstream operations are heavily intertwined. According to the Government of Saskatchewan, 95% of all items produced are dependent upon the resources that this region is plentiful with.

EXHIBIT II

Provincial GDP by Segment



Source(s): Government of Saskatchewan

However, the diversity in its resource base gives it resilience towards global economic cycles. In fact, the province has seen record population, employment, investment, and export growth in the past decade. Population has grown annually at 1.1% for the last 15 years, bringing the total to 1.2 million, and a record GDP of \$82.5B in 2018. Although volatile commodity prices in recent years have resulted in pricing pressure that affected its highest contributing sectors, Saskatchewan has experienced steady GDP growth over the past decade.

Economic Drivers affecting ISV

The factors mentioned above are the main drivers of the overall economy, however, factors that are more specific and pertain to the nature of ISV’s business can be examined. Significant portions of their revenue come in the form of a flat-fee when their databases are accessed. Therefore, increased economic activity translating to increased searches and registrations affect the revenue growth of ISV. As such, the economic indicators tied to the nature of ISV’s business that can be looked at are the housing market, automotive market, and business incorporation.

Automotive Market

Searches and registrations of motor vehicles generate flat-fee revenue for ISV, therefore sales in the new and used automotive markets can be assessed to determine the health of that underlying economic driver. The automotive market is cyclical, with sales being historically strong in Q2 & Q3 and soft in the remaining months. The overall market however has been relatively strong for the last 20 years. Average annual sales have been growing at ~2.8% a year. Macroeconomic factors that support auto sales are mixed, however. Falling interest rates are likely to offset declining consumer confidence in the province and prop up sales.

Saskatchewan Overview

Housing Market

Searching land registries, updating land ownership information, issuing titles, land surveys, and maintenance are all sources of revenue that are affected by the activity in the housing market. The first key driver, housing starts, has been trending downwards over the last few years due to excess supply and changes in mortgage regulations. Fortunately, this trend has begun to reverse itself in August and September of 2019.

Housing sales in Regina and Saskatoon have been growing but are coming below long-term averages. Recent housing sales reports show an overall slowdown in housing sales relative to listings. Consumer confidence and stagnant household wealth contribute to this. New mortgage regulations that have come into effect on January 1, 2018 are another factor placing stress upon the market. This requires new mortgage applications to undergo "stress test" and their ability to meet payments in the face of rising interest rates. Some 10% of individuals who received mortgages in 2016 and 2017 would not have qualified under this new regulation. Going forward, declining housing prices may serve as a catalyst for home purchases and investment.

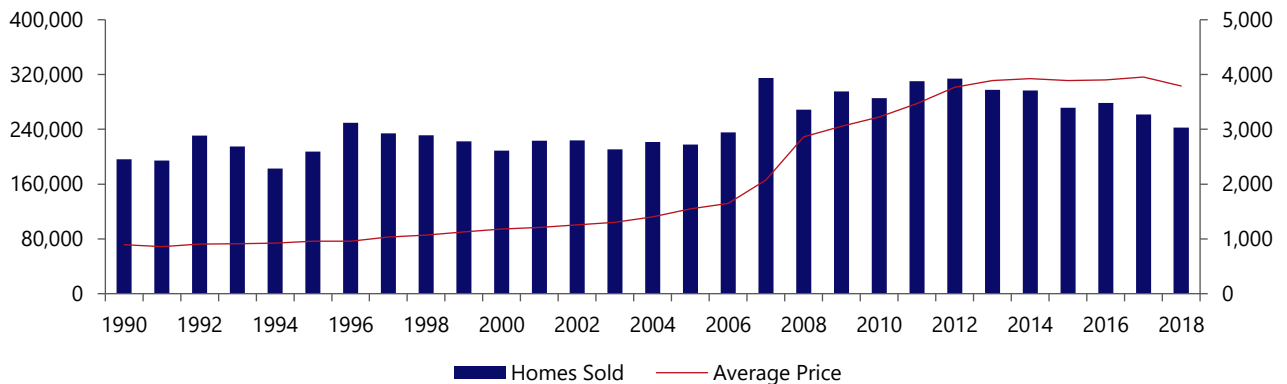
Business Incorporation

Saskatchewan has a unique business environment, where 99% of its business are "small business". It is the province with the highest number of small businesses per capita, with there being 129 for every 1000 inhabitants. It is a very productive sector with the total contribution to GDP amounting to 31%. Agriculture, construction, and the services industry are the largest employers. This environment is appealing to the nature of ISV's business as corporate services such as incorporation drive revenue. Small businesses usually have a shorter lifespan, and the market incorporates a large amount each year. From 2011 to 2016, the 5 major regions of Saskatchewan recorded record growth in incorporated businesses, with areas such as Saskatoon and Regina reporting a 14.7% and 14.4% increase, respectively.

In summary, the business drivers of ISV are tied to second level activity such as the real estate, automotive, and business markets. Looking forward, current economic conditions are on the more cautionary side, with consumer expenditures reflecting this trend. However the cyclicity is within normal levels, and the overall long-term sustainability of the markets is stable.

EXHIBIT III

Annual Home Sales & Average Prices in Regina (1990-2018)



Source(s): Regina Realtor Board

Significant Contracts

Contract Overview

As a company that primarily serves government agencies, contracts are a critical aspect of ISV's operations. The company's most significant contract is with the Province of Saskatchewan, referred to as the Master Service Agreement (MSA). The contract was signed on May 30, 2013 for a period of 20 years to grant ISV the responsibility of managing the Saskatchewan corporate, land and personal property registry.

According to this agreement, ISV must pay the Government of Saskatchewan \$500,000 per year in exchange for the exclusive rights to registry data. ISV must also meet stringent service level thresholds or face steep fines.

The MSA limits price increase on core services, which limits revenue expansion opportunities of these offerings. The agreement does offer flexibility in ancillary services. The Government of Saskatchewan has agreed not to decline any unreasonable requests for ancillary service offerings and is prohibited from providing registry data to competing commercial services. This has led ISV to introduce an assortment of offerings such as compliance solutions and filing services. The MSA stipulates that ISV can change the prices of these ancillary services freely.

Although a disruption in registration services could result in massive losses for Saskatchewan, ISV's liability is limited to \$40M in damages in each calendar year. In exchange for this liability limit, the province has the right to take steps to mitigate losses and even transfer the registry to a new provider in the case of an extended disruption.

In 2016, the MSA was amended to allow for ISV to manage the Common Business Identifier Program and the Business Registration Saskatchewan Program. For doing so, ISV receives an annual payment of \$825,000 per year that grows with inflation. It can further monetize the offering with value-added services.

In 2018, ISV entered into several contracts with new jurisdictions. Within Canada, the company entered in a ten-year, \$7.1M agreement with the Province of Nova Scotia to register companies and a twenty-year, \$5.6M agreement with the Government of Yukon to enable an electronic land title registry system. Outside of Canada, the company entered into a two-year, \$2.1M USD agreement with Missouri's Secretary of State and an undisclosed contract with the Companies Registration Office in Ireland to offer registry services.

Evaluation

ISV's contracts provide stability to the firm and serve as an effective platform to launch other complimentary services. While their agreement with the Province of Saskatchewan does place some pricing and service level restrictions on the firm, these compromises are offset by the protection ISV receives from competition.

The long-term nature of these agreements also serve as insulation from external competitors. Since many of the activities conducted by the firm are necessities (there are no alternatives to the provincial registries), the revenue base of the firm is insulated. Fluctuations in activities driven from macroeconomic conditions can impact the firm, but market share is fixed for their core functions.

EXHIBIT IV

Key Contractual Partners



Source(s): Company Filings

Growth Strategy

Overview

ISV understood that its core competency of registry services would hinder the company's ability to grow organically. In 2014, it shifted its growth strategy to focus on diversifying from one stream of revenue into three, as indicated in the company overview.

Organic Growth

Registry Services

The core of ISV's business is its registry segment, which is comprised of a 20-year Master Service Agreement (MSA) with the Government of Saskatchewan. Although the MSA provides ISV a monopoly in registry services, the company is highly restricted in its pricing power. The contract contains a process to annually review and adjust the schedule of maximum registry fees if there are any scope changes, with the intent to ensure the company remains "in the same approximate financial position after considering all increases and decreases to [its] revenue and costs".

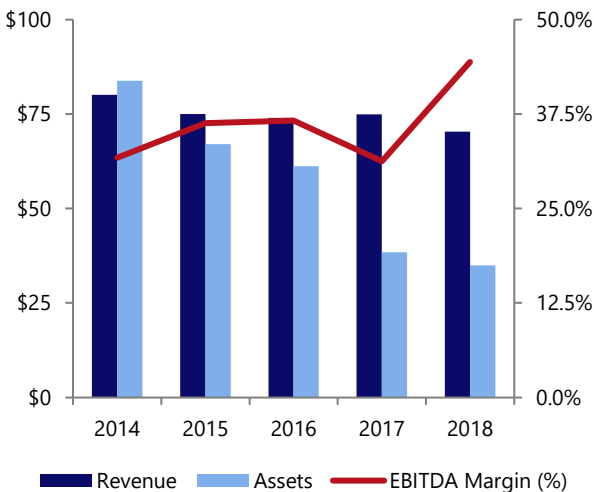
ISV's growth potential within Saskatchewan is very low. While the company does discuss expansion potential into other regions, it has seen limited success and has established a primary focus in cost-cutting and growing its other two segments (Exhibit V). The difficulty in organically expanding its registry segment can be attributed to a combination of high switching costs for customers, nearly all of which already have registry systems established, as well as the bureaucratic environment of its potential customers.

Services & Technology Solutions

ISV recently developed these segments in 2015 and 2017 respectively through acquisitions. Registry services are essentially databases and other than cost, do not hold points of distinction as an offering. The company introduced these segments to facilitate growth (at reduced EBITDA margins, Exhibit VI) and leverage its core competencies in registry to provide higher-level services to a broader range of clients.

EXHIBIT V

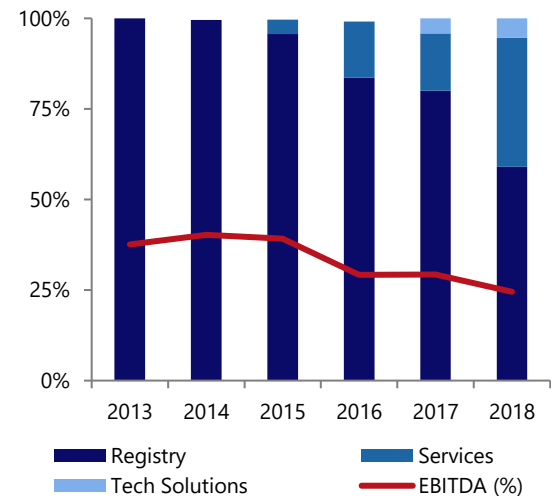
Key Financial Metrics for Registry Segment



Source(s): Company Filings

EXHIBIT VI

Sales Breakdown and EBITDA Margins



Source(s): Company Filings

Growth Strategy

Inorganic Growth

Services Segment

In July 2015, ISV acquired ESC Corporate Services (ESC), a private Canadian company providing due diligence and know-your-customer (KYC) solutions for legal and finance firms, for \$28 million in cash and debt. This acquisition launched ISV's services segment, which still focuses on the two primary offerings ESC provides. Through the subsequent acquisitions of AVS in 2017 and Securefact in 2019, ISV is focused on growing the KYC segment. Regulatory demand in places such as the U.S. and EU is growing due to heightening anti money-laundering policies, with the KYC market expected to grow from \$1.5 billion in 2019 to \$3.6 billion by 2024, at a CAGR of 19.5%. Through these acquisitions, ISV has positioned itself well to provide a service to firms required by law to perform certain background checks on customers before interacting with them.

Given the lengthy and costly process of performing KYC as an individual firm, it makes more sense for firms to hire a third-party service to ensure they are in compliance with all regulations.

Technology Solutions Segment

In January 2017, ISV acquired Enterprise Registry Solutions (ERS) which offers RegSys, a multi-register platform software that enables public sector organizations to host their own registry databases. The customizability of this offering provides an appealing value proposition for organizations looking to upgrade their legacy registry systems. Cross-segment synergies stem from the transferable competencies ISV holds through its long-standing registry segment operations, where it can apply its experience with the Government of Saskatchewan to new customers of the RegSys system such as the Province of Nova Scotia and Missouri Secretary of State.

The growth prospects are much greater in ERS

because many organizations are looking for more bespoke, up-to-date, streamlined solutions at storing their public data. ISV focuses on a niche that would otherwise require expensive in-house talent and investment.

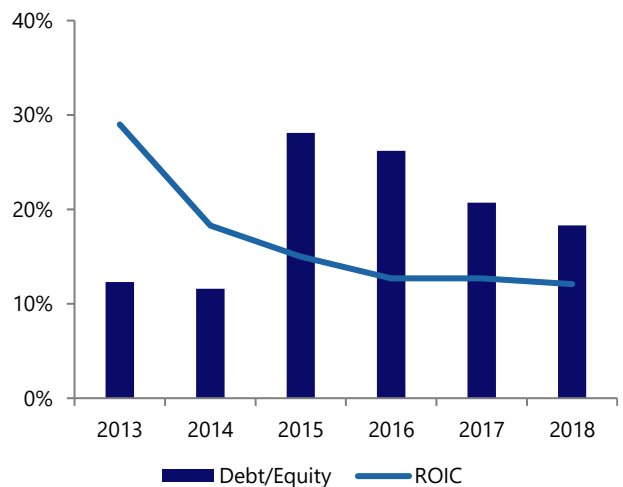
Conclusion

ISV management is very capable when it comes to understanding what ISV needs in order to generate and sustain healthy growth. While it's clear that sustainable organic growth cannot be obtained through its core registry segment, the company has done well in moving its reliance away from that sector, with only 59% of its revenues flowing from it in 2018 compared to 80% in 2017.

The new service offerings introduced through M&A fall within management's circle of competency and allow the firm to offer higher-level services that complement the expertise from its registry segment.

EXHIBIT VII

Historical Debt/Equity Ratio and ROIC



Source(s): S&P Capital IQ

Valuation & Conclusion

The Sector Team analyzed ISV's valuation by determining the IRR under various scenarios. The model covered 14 years, assuming a terminal value in 2033 (when the MSA expires). All cases assumed parity of entry and exit multiples. Three cases (Bear, Base and Bull) were constructed. The Base case was designed to encompass the financial performance that is viewed as most likely in a given year across economic cycles. The Bear and Bull cases flexed the Base case assumptions to assess upside and downside risk and to determine the sensitivity of outputs to assumptions.

Each segment (Registries: Land, Personal Property and Corporate; Services; and Technology Solutions) was projected individually. Registry items were projected based on the growth rate of relevant macroeconomic metrics produced by regression. Services and Technology Solutions were projected with simple growth rates, as the growth of these businesses is heavily contract and M&A driven. The Team continues to assess how to project these lines in a more

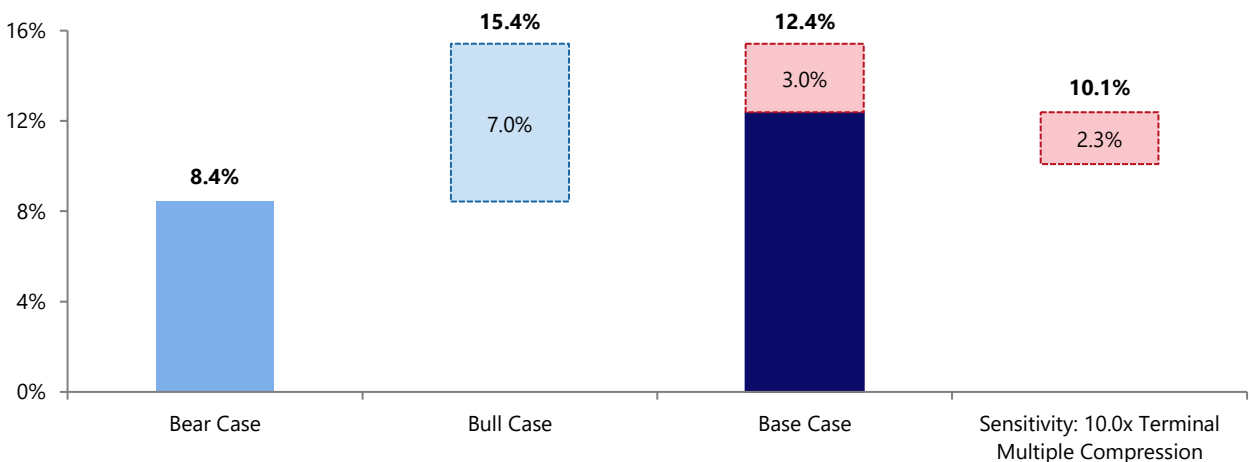
thoughtful way. The Team employed conservatism to mitigate the drawbacks of this approach.

The Registries and Services and Technology Solutions business lines' gross margins were forecasted separately, due to their radically different profile. Please refer to the assumptions book in Exhibit XII for more detailed expense assumptions.

Based on the returns implied by these conservative assumptions and the legally enforced monopoly position of the core business, the Team believes ISV to present a compelling risk/return profile and recommends: **BUY**.

EXHIBIT VIII

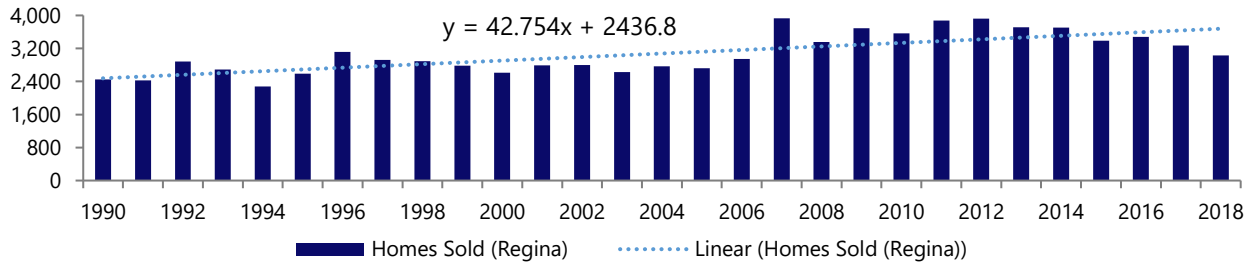
IRR Bridge



Source(s): QUIC TMT

EXHIBIT IX

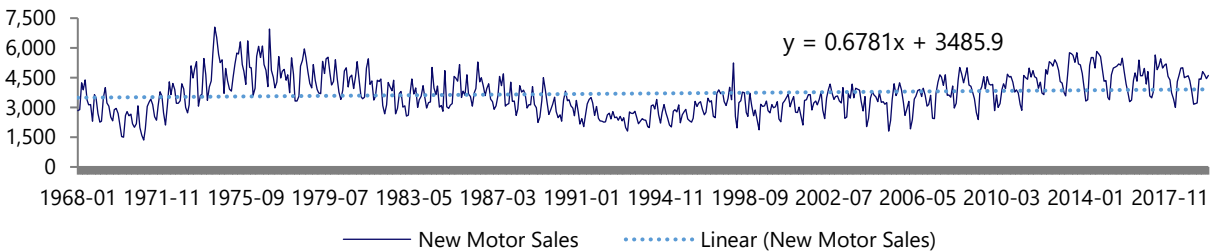
Regina Homes Sold and Trendline



Source(s): Regina Realtor

EXHIBIT X

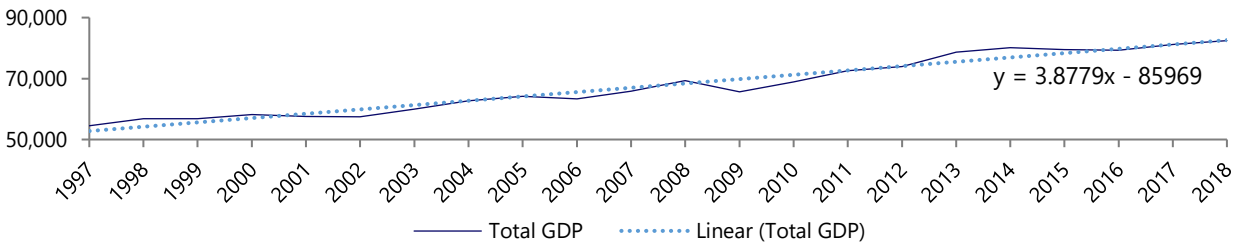
Saskatchewan New Auto Sales and Trendline



Source(s): Statistics Canada

EXHIBIT XI

Saskatchewan GDP and Trendline



Source(s): Statistics Canada

EXHIBIT XII

Model Drivers

ISV - Model Drivers

Current Scenario: Sensitivity

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
all \$ figures in CAD\$ 000's	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30	31-Dec-31	31-Dec-32	31-Dec-33
Model Year Flag	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Revenue Growth Drivers

Active Revenue Growth Case	2
----------------------------	---

Registries

Land	0.6%	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%
------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

Home Sales Level	3,719	3,762	3,805	3,848	3,891	3,933	3,976	4,019	4,062	4,105	4,147	4,190	4,233	4,276	4,318
Coefficient	42.75														
Intercept	2,436.80														
1 Home Sales X 0.5	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
2 In Line With Home Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
3 Home Sales X 1.5	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%

Personal Property

	3.0%	5.8%	5.5%	5.2%	5.0%	4.7%	4.5%	4.3%	4.1%	4.0%	3.8%	3.7%	3.5%	3.4%	3.3%
Auto Sales Level	4,257	4,505	4,753	5,000	5,248	5,496	5,743	5,991	6,238	6,486	6,734	6,982	7,229	7,477	7,725
Coefficient	0.6781														
Intercept	3,485.90														
1 Auto Sales X 0.5	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
2 In Line With Auto Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
3 Auto Sales X 1.5	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%

Corporate

	0.8%	1.6%	1.6%	1.6%	1.5%	1.5%	1.5%	1.5%	1.5%	1.4%	1.4%	1.4%	1.4%	1.4%	1.3%
Total GDP Level	87,470	88,889	90,304	91,720	93,135	94,555	95,970	97,386	98,801	100,220	101,636	103,051	104,467	105,886	107,301
Coefficient	3.8772														
Intercept	85,969.00														
1 GDP X 0.5	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
2 In Line With GDP	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
3 GDP X 1.5	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%

Services

Land	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
1 Inflation - 1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
2 Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
3 Inflation + 1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Technology Solutions

Land	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
1 Inflation - 1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
2 Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
3 Inflation + 1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Expense Drivers

Active Expense Case	2
---------------------	---

Gross Margin

Core COGS Margin %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Non-Core COGS Margin %	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%

Opex

Opex Growth Rate %	5.3%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.7%
1 Constant Margin	6.3%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.7%
2 Constant Margin - 1% p.a.	5.3%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.7%
3 Constant Margin - 2% p.a.	4.3%	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.3%)

NWC

NWC % Revenue	(10.2%)	(10.2%)	(10.2%)	(10.2%)	(10.2%)	(10.2%)	(10.2%)	(10.2%)	(10.2%)	(10.2%)	(10.2%)	(10.2%)	(10.2%)	(10.2%)	(10.2%)
---------------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

Denotes Stub Year

Sources(s): [NTD]



EXHIBIT XIII

Revenue Model Scenarios

ISV - Revenue Model

Bear Case																			
	2017	2018	2019	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
	31-Dec-17	31-Dec-18	30-Jun-19	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30	31-Dec-31	31-Dec-32	31-Dec-33	
Model Year Flag	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Land	54,792	50,031	24,516	24,587	49,386	49,667	49,946	50,224	50,500	50,775	51,048	51,319	51,590	51,859	52,126	52,392	52,657	52,921	
Personal Property	9,953	10,190	5,049	5,125	10,471	10,758	11,039	11,312	11,579	11,840	12,095	12,345	12,591	12,831	13,067	13,298	13,526	13,750	
Corporate	10,143	10,038	5,203	5,224	10,512	10,596	10,679	10,761	10,843	10,924	11,005	11,085	11,164	11,243	11,322	11,399	11,477	11,553	
Registries	74,888	70,259	34,768	34,937	70,369	71,021	71,663	72,296	72,923	73,539	74,148	74,749	75,345	75,933	76,514	77,090	77,661	78,224	
YoY Growth	(6.2%)	nmf	(0.8%)	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.7%	0.7%
Services	14,902	42,360	24,728	24,975	50,200	50,702	51,209	51,721	52,239	52,761	53,289	53,822	54,360	54,903	55,452	56,007	56,567	57,133	
YoY Growth	184.3%	nmf	17.3%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Technology Solutions	3,802	6,442	3,349	3,382	6,799	6,867	6,935	7,005	7,075	7,146	7,217	7,289	7,362	7,436	7,510	7,585	7,661	7,738	
YoY Growth	69.4%	nmf	4.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Other	0	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	93,592	119,061	62,851	63,295	127,368	128,590	129,808	131,023	132,236	133,446	134,653	135,860	137,067	138,272	139,477	140,682	141,889	143,095	
YoY Growth	27.2%	nmf	6.0%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Bull Case																			
Land	54,792	50,031	24,516	24,730	50,098	50,952	51,810	52,674	53,545	54,418	55,295	56,178	57,067	57,959	58,855	59,756	60,664	61,574	
Personal Property	9,953	10,190	5,049	5,278	11,230	12,155	13,105	14,078	15,076	16,095	17,135	18,197	19,283	20,387	21,511	22,655	23,821	25,004	
Corporate	10,143	10,038	5,203	5,267	10,725	10,981	11,239	11,500	11,762	12,027	12,293	12,561	12,831	13,103	13,377	13,652	13,931	14,210	
Registries	74,888	70,259	34,768	35,275	72,053	74,088	76,155	78,251	80,384	82,539	84,723	86,936	89,182	91,449	93,743	96,063	98,416	100,788	
YoY Growth	(6.2%)	nmf	(0.3%)	2.9%	2.8%	2.8%	2.8%	2.7%	2.7%	2.6%	2.6%	2.6%	2.6%	2.5%	2.5%	2.5%	2.4%	2.4%	
Services	14,902	42,360	24,728	25,470	51,704	53,255	54,853	56,498	58,193	59,939	61,737	63,589	65,497	67,462	69,486	71,570	73,717	75,929	
YoY Growth	184.3%	nmf	18.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Technology Solutions	3,802	6,442	3,349	3,449	7,002	7,212	7,429	7,652	7,881	8,118	8,361	8,612	8,870	9,137	9,411	9,693	9,984	10,283	
YoY Growth	69.4%	nmf	5.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other	0	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	93,592	119,061	62,851	64,195	130,759	134,556	138,436	142,401	146,458	150,596	154,822	159,137	163,549	168,047	172,639	177,326	182,117	187,000	
YoY Growth	27.2%	nmf	6.7%	2.9%	2.9%	2.9%	2.9%	2.9%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.7%	2.7%	2.7%	2.7%	2.7%
Base Case																			
Land	54,792	50,031	24,516	24,659	49,742	50,307	50,872	51,437	52,004	52,570	53,135	53,700	54,267	54,832	55,397	55,963	56,529	57,095	
Personal Property	9,953	10,190	5,049	5,201	10,848	11,444	12,040	12,636	13,234	13,830	14,426	15,022	15,619	16,215	16,811	17,407	18,005	18,601	
Corporate	10,143	10,038	5,203	5,246	10,618	10,787	10,957	11,126	11,295	11,464	11,633	11,802	11,972	12,141	12,310	12,479	12,649	12,818	
Registries	74,888	70,259	34,768	35,106	71,208	72,538	73,869	75,199	76,533	77,863	79,194	80,524	81,858	83,188	84,519	85,849	87,183	88,513	
YoY Growth	(6.2%)	nmf	(0.5%)	1.9%	1.9%	1.8%	1.8%	1.8%	1.7%	1.7%	1.7%	1.7%	1.6%	1.6%	1.6%	1.6%	1.6%	1.5%	
Services	14,902	42,360	24,728	25,223	50,950	51,969	53,008	54,068	55,149	56,252	57,377	58,525	59,696	60,889	62,107	63,349	64,616	65,909	
YoY Growth	184.3%	nmf	17.9%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Technology Solutions	3,802	6,442	3,349	3,416	6,900	7,038	7,179	7,323	7,469	7,618	7,771	7,926	8,085	8,246	8,411	8,580	8,751	8,926	
YoY Growth	69.4%	nmf	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Other	0	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	93,592	119,061	62,851	63,745	129,058	131,545	134,056	136,590	139,152	141,734	144,342	146,975	149,638	152,324	155,037	157,778	160,551	163,348	
YoY Growth	27.2%	nmf	6.3%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.7%	1.7%

Source(s): QUIC TMT

References

1. Canadian Real Estate Association
2. Capital IQ
3. Company Filings
4. Government of Saskatchewan
5. IBISWorld
6. Regina Real Estate Board
7. Saskatoon Real Estate Board