



---

## ISC REPORTS SECOND QUARTER 2017 FINANCIAL RESULTS

REGINA, SASKATCHEWAN – August 3, 2017 - Information Services Corporation (TSX:ISV) (“ISC” or the “Company”) today reported on the Company’s financial results for the second quarter ended June 30, 2017.

### Second Quarter 2017 Highlights

- Revenue of \$24.6 million compared to \$24.7 million in Q2 2016
- EBITDA (earnings before interest, taxes, depreciation and amortization) of \$8.8 million compared to \$10.3 million in Q2 2016
- EBITDA margin of 35.8 per cent compared to 41.7 per cent in Q2 2016
- Net income of \$4.7 million or \$0.27 per basic and diluted share compared to \$6.6 million or \$0.38 per basic and \$0.37 per diluted share in Q2 2016

### Financial Position as at June 30, 2017

- Cash of \$31.6 million compared to \$33.5 million as at December 31, 2016
- Free cash flow of \$7.7 million compared to \$ 6.3 million as at June 30, 2016
- Total debt of \$32.3 million compared to \$ 23.4 million as at December 31, 2016

Commenting on ISC’s results, Jeff Stusek, President and CEO stated, “We are pleased that our core registry business remained stable and that our consolidated performance was in line with our expectations.” Stusek continued, “Despite the recent improvement in the outlook for the Canadian economy, we continue to anticipate a flat year ahead of us and remain confident in the stability of our business. With the first half of 2017 already behind us, we continue to expect our consolidated annual EBITDA margin to be between 31% and 33%. However, we expect capital expenditures to be lower in 2017, in the range of \$3.5 to \$5.0 million, as we focus on integration and other operational activities. We will continue to pursue our strategies for growth while ensuring the stability of our core business.”



## Management's Discussion of ISC's Summary of Second Quarter 2017 Financial Results

(thousands of CAD dollars; except earnings per share and where noted)	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
<i>Revenue - Registries</i>				
Land Registry	\$ 14,943	\$ 15,371	\$ 26,696	\$ 26,867
Personal Property Registry	2,781	2,778	5,128	5,005
Corporate Registry	2,621	2,378	5,438	4,968
Total	\$ 20,345	\$ 20,527	\$ 37,262	\$ 36,840
<i>Revenue - Services</i>	3,551	3,618	7,306	6,895
<i>Revenue - Other</i>	750	529	1,574	545
<b>TOTAL Revenue</b>	<b>\$ 24,646</b>	<b>\$ 24,674</b>	<b>\$ 46,142</b>	<b>\$ 44,280</b>
Expenses	\$ 18,406	\$ 16,468	\$ 35,989	\$ 32,827
EBITDA <sup>1</sup>	\$ 8,824	\$ 10,282	\$ 14,592	15,359
EBITDA margin <sup>1</sup> (% of revenue)	35.8%	41.7%	31.6%	34.7%
Adjusted EBITDA <sup>1</sup>	\$ 9,553	\$ 11,134	\$ 15,775	\$ 16,605
Adjusted EBITDA margin <sup>1</sup>	38.8%	45.1%	34.2%	37.5%
Net income	\$ 4,733	\$ 6,578	\$ 7,159	\$ 8,774
Earnings per share (basic) <sup>2</sup>	\$ 0.27	\$ 0.38	\$ 0.41	\$ 0.50
Earnings per share, (diluted) <sup>2</sup>	\$ 0.27	\$ 0.37	\$ 0.40	\$ 0.40
Free cash flow <sup>1</sup>	\$ 7,747	\$ 6,297	\$ 13,349	\$ 9,613

1. EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin and free cash flow are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and therefore, are not comparable to similar measures reported by other corporations. See section name "Non-IFRS Measures" in the Management's Discussion & Analysis for the three and six months ended June 30, 2017.
2. We base the calculation of earnings per share on net income after tax and the weighted average number of shares outstanding during the period.

### Second Quarter 2017 Results of Operations

- Total revenue was \$24.6 million, down \$28 thousand (-0.11%) compared to Q2 2016. The slight decline is due to decreases in both the Registries and Services segments
- Registries segment revenue was \$20.3 million, down \$0.2 million (-0.9%) compared to Q2 2016. Our second quarter results were lower due to decreased revenue from the Land Registry, which was partially offset by an increase in revenue from the Corporate Registry.
  - Land Registry revenue was \$14.0 million, down \$0.4 million (-2.8%) versus Q2 2016.
  - Personal Property Registry revenue was flat at \$2.8 million compared to Q2 2016.
  - Corporate Registry revenue was \$2.6 million, up \$0.2 million (+ 10.2%) compared to Q2 2016.

- Services segment revenue, which consists of revenue earned by our wholly owned subsidiary ESC, was \$3.6 million, down \$0.1 million (-1.8%) compared to Q2 2016.
- Consolidated expenses (all segments) were \$18.4 million (+11.8%) compared to \$16.5 million for Q2 2016.
- Capital expenditures for Q2 2017 were \$0.1 million, compared to \$3.4 million in Q2 2016. Capital expenditures in 2016 were mainly focused on our Corporate Registry modernization, which was completed in 2016. The lower capital expenditures to date in 2017 are due to management's focus on integration activities, affecting the expected timing of planned 2017 initiatives, some of which we still expect for later in the year.
- As at June 30, 2017, the Company held \$31.6 million in cash, compared to \$33.5 million as at December 31, 2016, a decrease of \$1.9 million.
- The Company had \$32.3 million of long-term debt as at June 30, 2017. For more details, see section named "10.3 Long-term debt" in the Management's Discussion & Analysis for the three and six months ended June 30, 2017.

## Outlook

*The following section includes forward-looking statements, including statements related to prices charged for services, the anticipated revenue outlook, changes in the economic conditions in Canada and, in particular, Saskatchewan, Ontario and Quebec, as well as internationally, timing of any economic recovery, real gross domestic product, value of building permits, employment and unemployment rates, impact of the Saskatchewan Provincial Budget, economic impact of energy and resource sectors, changes in transaction volumes, impact of pricing changes, changes in high-value property registrations, changes in housing re-sales, average land values, housing starts and motor vehicle sales volume, changes in population, changes in net migration, changes in retail sales, of active business entities, expected level and composition of capital expenditures, ability to fund capital expenditures from cash flow, planned re-investment in the business, integration of services and ability to realize synergies, consolidated EBITDA margin, continued focus and impact of cost management efforts, key drivers of expenses, anticipated modest growth of active business entities in Saskatchewan, impact of pricing adjustment to our Core Registry Services, anticipated growth of our Services segment, maintaining margins through cost efficiencies and expected activity in the global registry market. Refer to the section "Caution Regarding Forward-Looking Statements".*

Currently, the majority of the Company's revenue is linked to registry transaction volumes and values driven by economic conditions in Saskatchewan. The overall economic conditions in Ontario and Quebec influence the remaining portion of our revenue. Enterprise Registry Solutions' ("ERS") revenue is centered on the activity in the global registry market, which continues to be an emerging sector.



---

Based on recent positive economic data, the Bank of Canada raised its overnight lending rate for the first time in seven years on July 12, 2017. The Bank cited a “robust” Canadian economy, which has helped strengthen its improved outlook. Interest rates changes often influence consumer behavior and, as such, they may affect ISC’s business. We expect it will take time for this change to take effect, including its impact on other macro-economic indicators.

For our Registries segment, the Company expects to see temperate economic growth in Saskatchewan, which drives our registries’ performance. The economy has shown some signs of improvement in 2017, as reflected by several external sources re-forecasting Saskatchewan’s 2017 real Gross Domestic Product upward since our last reporting period. These factors are generally leading indicators and can take some time before they impact overall registry performance. Therefore, while we expect fluctuations within each individual registry, we anticipate results for the segment overall to be similar to 2016.

For our Services segment, we anticipate the Ontario and Quebec economies to deliver modest growth based on optimism in recent real Gross Domestic Product external forecasts. Overall, we expect moderate growth year-over-year in the Services segment due to organic growth, specifically for KYC services, which we anticipate in the second half of 2017. Margins overall continue to improve, although new customer engagements initially increase staffing and technology costs before realizing margin improvement in the long-term.

The key drivers of our consolidated expenses will continue to be wages, salaries and information technology costs, as well as the pursuit of new business opportunities. In 2017, the Company is also focused on the integration of ERS into both our business and sales activities. ERS continues to provide support for RegSys, the technology platform of the Saskatchewan Corporate Registry. For the remainder of 2017, we anticipate the pursuit of potential revenue opportunities in Ireland and globally.

Based on these factors, ISC continues to expect an EBITDA margin of between 31.0 per cent and 33.0 per cent in 2017. However, management expects capital expenditures to be lower in 2017, in the range of \$3.5 to \$5.0 million, as management focuses on integration and other operational activities. The 2017 capital expenditures are expected to continue to focus on the maintenance, enhancement and upgrade of core technology components and enterprise systems.

#### Note to Readers

This news release provides a general summary of Information Services Corporation’s results for the three and six months ended June 30, 2017 and 2016. Readers are encouraged to download the Company’s complete financial disclosures. Links to ISC’s financial statements and related notes and Management’s Discussion and Analysis for the period are available on ISC’s website in the Investor section at [company.isc.ca](http://company.isc.ca).

Copies can also be obtained at [www.sedar.com](http://www.sedar.com) by searching Information Services Corporation’s profile or by contacting Information Services Corporation at [investor.relations@isc.ca](mailto:investor.relations@isc.ca).

All figures are in Canadian dollars unless otherwise noted.



---

## Conference Call and Webcast

We will hold an investor conference call on Friday, August 4, 2017 at 11:00 a.m. ET (9 a.m. CT) to discuss the results. Participants may join the call by dialing toll-free (844) 419-1765 or (216) 562-0470 for calls outside North America. Simultaneously, an audio webcast of the conference call will also be available at the following link [www.company.isc.ca/investor-relations/events](http://www.company.isc.ca/investor-relations/events). The audio file with a replay of the webcast will be available about 24 hours after the event on our website at the link above. We invite media to attend on a listen-only basis.

## About ISC

Headquartered in Canada, ISC is the leading provider of registry and information management services for public data and records. Throughout our history we have delivered value to our clients by providing solutions to manage, secure and administer information through our registry and services segments. ISC is focused on sustaining its core business while pursuing new growth opportunities. The Class A Shares of ISC trade on the Toronto Stock Exchange under the symbol ISV.

## Cautionary Note Regarding Forward-Looking Information

This news release contains forward-looking information within the meaning of applicable Canadian securities legislation, including management's expectations and certain assumptions with respect to our registry services, corporate services and information products industry, our competitive landscape, economic conditions in Canada (in particular, Saskatchewan, Ontario and Quebec) and internationally, real estate market in Saskatchewan, economic impact of energy and resource sectors, fluctuations in the Canadian dollar and other foreign currencies, seasonality, transaction volumes, statements regarding the future financial position or results of ISC, customer growth and diversification, dividend expectations, creation of shareholder value, growth opportunities, capital and operating expectations, real gross domestic product, changes that impact our registry services, such as changes in high-value property registrations, motor vehicle sales volume and the number of active business entities, consolidated EBITDA margin, income taxes, our ability to attract and retain skilled staff, the compensation and benefits that will be paid or provided to employees, our level of customer service and expected activity in the global registry market, as well as goodwill and intangibles are material factors in preparing forward-looking statements. In addition, the words "may", "will", "would", "should", "could", "expect", "plan", "intend", "trend", "indicate", "anticipate", "believe", "estimate", "predict", "project", "targets", "strive", "strategy", "continue", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases are intended to identify forward-looking statements. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such forward-looking information. Although ISC believes the forward-looking information contained in this release is based upon reasonable assumptions, readers are cautioned not to place undue reliance on forward-looking information as it is inherently uncertain and no assurance can be given that the expectations reflected in



---

such information will prove to be correct. Many factors and risks could cause our actual results to differ materially from those expressed or implied by forward-looking information including those detailed in ISC's Annual Information Form, dated March 14, 2017, ISC's Unaudited Consolidated Interim Financial Statements and Notes and Management's Discussion and Analysis for the second quarter ended June 30, 2017, as well as other documents filed by ISC with Canadian securities regulators through SEDAR at [www.sedar.com](http://www.sedar.com) from time to time. Investors and others should carefully consider the above-noted factors and risks and other uncertainties and potential events. The forward-looking information in this release is made as of the date hereof and, except as required under applicable securities legislation, ISC assumes no obligation to update or revise such information to reflect new events or circumstances.

### **Investor Contact**

Jonathan Hackshaw  
Director, Investor Relations & Corporate Communications  
306-798-2136  
[investor.relations@isc.ca](mailto:investor.relations@isc.ca)

Pamela Keck  
Manager, Investor Relations  
Toll Free: 1-855-341-8363 in North America or 1-306-798-1137  
[investor.relations@isc.ca](mailto:investor.relations@isc.ca)