



ISC REPORTS FIRST QUARTER 2017 FINANCIAL RESULTS

REGINA, SASKATCHEWAN – May 8, 2017 - Information Services Corporation (TSX:ISV) (“ISC” or the “Company”) today reported on the company’s financial results for the first quarter ended March 31, 2017.

First Quarter 2017 Highlights

- Revenue of \$21.5 million
- EBITDA (earnings before interest, taxes, depreciation and amortization) of \$5.8 million
- EBITDA margin of 26.8 per cent
- Net income of \$2.4 million or \$0.14 per basic and diluted share
- Acquisition of Enterprise Registry Solutions Ltd. (“ERS”), a global leader in the development and implementation of registry technology, on January 23, 2017.

Financial Position as at March 31, 2017

- Cash of \$28.0 million
- Free cash flow of \$5.6 million
- Total debt of \$33.1 million

Commenting on ISC’s results, Jeff Stusek, President and CEO stated, “We are very pleased with our first quarter results, which are a slight improvement over the first quarter of 2016.” Stusek continued, “We remain confident that our focus on our existing businesses will position us well to benefit from any future economic growth. In addition, we continue to examine business development opportunities in Canada as well as internationally, ensuring that any potential acquisition is right for the Company and will deliver long term value for our shareholders.”



Management's Discussion of ISC's Summary of First Quarter 2017 Financial Results

(thousands of CAD dollars; except earnings per share and where noted)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
<i>Revenue - Registries</i>		
Land Registry	\$ 11,754	\$ 11,495
Personal Property Registry	2,347	2,227
Corporate Registry	2,817	2,591
Total	\$ 16,918	\$ 16,313
<i>Revenue - Services</i>	3,754	3,277
<i>Revenue - Other</i>	824	16
TOTAL Revenue	\$ 21,496	\$ 19,606
Expenses	\$ 17,583	\$ 16,359
EBITDA ¹	\$ 5,768	\$ 5,077
EBITDA margin ¹ (% of revenue)	26.8%	25.9%
Adjusted EBITDA ¹	\$ 6,221	\$ 5,472
Adjusted EBITDA margin ¹	28.9%	27.9%
Net income	\$ 2,426	\$ 2,196
Earnings per share (basic) ²	\$ 0.14	\$ 0.13
Earnings per share, (diluted) ²	\$ 0.14	\$ 0.12
Free cash flow ¹	\$ 5,601	\$ 3,316

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 months ended March 31, 2017.
2. The calculation of earnings per share is based on net income after tax and the weighted average number of shares outstanding during the period.

First Quarter 2017 Results of Operations

- Total revenue was \$21.5 million for the three months ended March 31, 2017, a \$1.9 million increase compared to the same period in 2016. The increase is due to an increase in revenue across all of our registries and in our Services segment. Other income is up due to new and ongoing contracts with the Government of Saskatchewan for additional services, as well as the revenue from ERS.

- Revenue for our Registries segment was \$16.9 million for the three months ended March 31, 2017, an increase of \$0.6 million or 3.7 per cent, compared to the three months ended March 31, 2016. Our results improved due to increased revenue from the three main registries.
 - Land Registry revenue was \$11.8 million for the three months ended March 31, 2017, up by 2.2 per cent compared to the three months ended March 31, 2016.
 - Revenue for the Personal Property Registry for the first quarter of 2017, was \$2.3 million, an increase of 5.4 per cent or \$0.1 million, compared to the same period in 2016
 - Revenue for the Corporate Registry for the quarter ended March 31, 2017, was \$2.8 million, an increase of \$0.2 million, or 8.7 per cent, compared to the same period in 2016.
- The revenue in our Services segment for the first quarter, which consists of revenue earned by our wholly owned subsidiary ESC, was \$3.8 million. This is an increase of \$0.5 million, or 14.6 per cent, compared to the first quarter of 2016.
- For the three months ended March 31, 2017, consolidated expenses (all segments) were \$17.6 million, an increase of 7.5 per cent, compared to \$16.4 million for the same period of 2016.
- Capital expenditures for the three months ended March 31, 2017, were \$0.1 million, compared to \$1.3 million for the same period in 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 is due to the expected timing of planned 2017 initiatives, which are planned for later in the year.
- As at March 31, 2017, the Company held \$28.0 million in cash, compared to \$33.5 million as at December 31, 2016, a decrease of \$5.5 million.
- The Company had \$33.1 million of long-term debt as at March 31, 2017. For more details, see section named “10.3 Long-term debt” in the Management’s Discussion & Analysis for the three months ended March 3, 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 remaining portion of our revenue is linked to the overall economic conditions in Ontario and Quebec. ERS’ revenue is linked to activity in the global registry market, which the Company continues to believe is an emerging sector. Continuing investment in product development will better position us to expand our competitive position in the registry market in the long-term.

At present, the Company expects the 2017 Saskatchewan economy to be comparable to 2016 with flat to modest economic growth, which drives our Registries segment results. Our current view for our Services segment is that we expect a slowing central Canadian economy in 2017 to deliver modest growth across that segment.

Since January 2017, the Saskatchewan economy has shown some signs of improvement as reflected in our first quarter revenue for the Registries segment. Since our last reporting period, Saskatchewan’s 2017 real Gross Domestic Product has been re-forecasted upward by several external sources. Growth in the value of building permits¹ and a downward trend in the unemployment rate² during the first quarter of 2017 are also encouraging. Despite this, there are still various indicators that suggest downward pressure such as a softening of housing re-sale volumes and average land values in 2017 compared to 2016. Therefore, we remain cautious until we see a more defined and prolonged upward trend.

Our current view for our Services segment in 2017 is that we expect a slowing Central Canadian economy to deliver modest growth across search and registration and corporate supplies segments. We expect KYC and customer onboarding compliance to continue to deliver overall growth to the business through a number of customer awards in Q1, the revenue for which will be reflected in future quarters. Margins are expected to continue to improve over last year due in part to bringing particular services in house versus third party suppliers, as well as introducing additional automation in particular aspects of the business driving further efficiency.

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.

Based on these factors, ISC expects an EBITDA margin of between 31.0 per cent and 33.0 per cent in

¹ Statistics Canada. Table 026-0003 – Building permits, values by activity sector, monthly (dollars X 1,000), CANSIM (database), accessed April 7, 2017.

² Statistics Canada. Table 282-0087 – Labour force survey estimates (LFS), by sex and age group, seasonally adjusted and unadjusted, monthly CANSIM (database), accessed April 7, 2017.



2017. Management expects capital expenditures in 2017 to be in the range of \$5.0 to \$6.0 million, funded from operating cash flow. These 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 months ended March 31, 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.

Copies can also be obtained at www.sedar.com by searching Information Services Corporation's profile or by contacting Information Services Corporation at investor.relations@isc.ca.

All figures are in Canadian dollars unless otherwise noted.

Conference Call and Webcast

An investor conference call will be held on Tuesday, May 9, 2017 at 11:00 a.m. ET (9 a.m. MDT) 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. 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. Media are invited 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 Financial Statements and Notes and Management’s Discussion and Analysis for the first quarter ended March 31, 2017, as well as other documents filed by ISC with Canadian securities regulators through SEDAR at 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

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