



ISC REPORTS 2019 FIRST QUARTER FINANCIAL RESULTS

REGINA, SASKATCHEWAN – May 8, 2019 - Information Services Corporation (TSX:ISV) (“ISC” or the “Company”) today reported on the Company’s financial results for the first quarter ended March 31, 2019.

2019 First Quarter Highlights

- Revenue was \$28.6 million, an increase of \$1.7 million or 6.5 per cent compared to the first quarter of 2018.
- Net income was \$3.0 million or \$0.17 per basic and diluted share, an increase of \$0.4 million compared to the first quarter of 2018 when net income was \$2.6 million or \$0.15 per basic and diluted share.
- EBITDA (earnings before interest, taxes, depreciation and amortization expense) was \$7.4 million compared to \$7.2 million in the same quarter last year, an increase of \$0.2 million or 2.1 per cent.
- The EBITDA margin for the first quarter of 2019 was 25.7 per cent compared to 26.8 per cent in the same quarter in 2018. Adjusted EBITDA was \$7.8 million for the quarter compared to \$7.5 million in the same quarter last year, with an adjusted EBITDA margin of 27.3 per cent for the quarter compared to 28.0 per cent in the first quarter of 2018.
- Free cash flow of \$5.3 million compared to \$6.4 million in Q1 2018.
- On February 19, 2019, the Company announced that its wholly owned subsidiary ESC Corporate Services Ltd. (“ESC”), acquired substantially all of the assets used in the business of Securefact Transaction Services, Inc. (“Securefact”) for \$6.8 million by way of an asset purchase agreement.

Financial Position as at March 31, 2019

- Cash of \$17.6 million compared to \$28.7 million as at December 31, 2018.
- Total debt of \$19.5 million compared to \$20.0 million as at December 31, 2018.

Commenting on ISC’s results, Jeff Stusek, President and CEO stated, “It’s been a good start to 2019 and we’ve performed as we expected to. Our Registry Operations segment continues to be a strong free cash flow contributor and the diversity of our revenue streams is offsetting the economic impact to that line of business.” Stusek continued, “The year-over-year organic growth of our Services segment both at the top and bottom lines is extremely pleasing. Moreover, our ability to win new business, which is a testament to our reputation in the market, means that we are well positioned for further growth, while remaining focused on delivering an excellent customer experience.”



Management's Discussion of ISC's Summary of 2019 First Quarter Financial Results

(thousands of CAD dollars; except earnings per share and where noted)	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018 (restated) ³
<i>Revenue</i>		
Registry Operations	\$ 16,270	\$16,910
Services	11,028	8,872
Technology Solutions	4,578	4,887
Corporate and other	(3,269)	(3,797)
Consolidated revenue	\$ 28,607	\$ 26,872
Consolidated expenses	\$ 23,839	\$22,547
Consolidated EBITDA ¹	\$ 7,366	\$ 7,211
Consolidated EBITDA margin ¹ (% of revenue)	25.7%	26.8%
Consolidated adjusted EBITDA ¹	\$ 7,803	\$ 7,533
Consolidated adjusted EBITDA margin ¹	27.3%	28.0%
Consolidated net income	\$ 3,011	\$ 2,567
Earnings per share (basic) ²	\$ 0.17	\$ 0.15
Earnings per share (diluted) ²	\$ 0.17	\$ 0.15
Free cash flow ¹	\$ 5,265	\$ 6,374

¹ EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin and free cash flow are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures reported by other corporations. Please refer to Management's Discussion and Analysis for the three months ended March 31, 2019 for further information.

² The calculation of earnings per share was based on net income after tax and the weighted average number of shares outstanding during the period.

³ On January 1, 2019, the Company adopted IFRS 16 — *Leases* ("IFRS 16") using the full retrospective method and therefore the comparative information has been restated and reported under IFRS 16, with an impact to opening retained earnings. Refer to Note 2 of the Unaudited Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2019 for further details.

2019 First Quarter Results of Operations

- Total revenue was \$28.6 million, up \$1.7 million compared to Q1 2018.
- Registry Operations segment revenue was \$16.3 million, flat compared to Q1 2018.
 - Land Registry revenue was \$11.3 million, flat compared to Q1 2018.
 - Personal Property Registry was \$2.3 million, flat compared to Q1 2018.
 - Corporate Registry revenue was \$2.7 million, flat compared to Q1 2018.
- Services segment revenue was \$11.0 million, up \$2.2 million compared to Q1 2018.
- Technology Solutions segment revenue was \$4.9 million, flat compared to Q1 2018.



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- Consolidated expenses (all segments) were \$23.8 million compared to \$22.5 million in Q1 2018.
 - Net income was \$3.0 million or \$0.17 per basic and diluted share, compared to \$2.6 million (restated) or \$0.15 per basic and diluted share for Q1 2018.
 - As at March 31, 2019, the Company held \$17.6 million in cash, compared to \$28.7 million as at December 31, 2018.
 - Debt for the three months ended March 31, 2019, was \$19.5 million compared to \$20.0 million as at December 31, 2018.

Outlook

The following section includes forward-looking information, including statements related to business strategy, economic and market conditions, the industries in which we operate, growth opportunities and our future financial position and results including expected revenue, EBITDA, EBITDA margin and capital expenditures. Refer to “Cautionary Note Regarding Forward-Looking Information” below for more information.

The diversification of our business remains a key part of our strategy, driven by the positive impact our Services segment is having on the business overall. In 2019, ISC will continue to drive the organic growth of all our segments by expanding our service offerings, winning new business and exploring appropriate acquisition targets which are complementary to, or add value to, our existing lines of business.

We expect consolidated revenue growth in 2019 to be primarily driven by our Services segment through the continuing expansion of our collateral management product line, including continued automation of the fulfilment of these services, thereby reducing our cost of delivery. Further supporting this segment’s growth is our acquisition of an identity and beneficial ownership attestation program in February 2019, which allows us to provide a strengthened portfolio of Know-Your-Customer solutions and services, including individual verification, beneficial ownership solution and enhanced business verification.

The Registry Operations segment is expected to remain a good free cash flow contributor and a direct beneficiary of any future upswing in economic conditions in Saskatchewan. Economic conditions are expected to remain challenging and we do not expect any significant impacts from the First-Time Home Buyer Incentive and Home Buyers’ Plan limit changes, announced by the Canadian government as part of the 2019 federal budget, which is expected to come into effect later in 2019. Although current expectations around interest rates are fairly neutral, should there be further increases to interest rates in 2019, this could place further downward pressure on transaction volumes.

In Technology Solutions, there were limited milestones scheduled and achieved in the first quarter. The revenue from external parties is therefore expected to continue to grow as the Company achieves performance-related milestones for customers whose implementations are scheduled throughout 2019.



In all segments we will continue to focus on efficiencies with the key drivers of our expenses being wages and salaries, cost of goods sold and information technology costs, as well as costs associated with the pursuit of new business opportunities. We continue to expect to spend between \$2.0 million and \$4.0 million on business-as-usual capital expenditures.

With that in mind, our guidance remains unchanged with revenue expected to be between \$129.0 million and \$135.0 million, EBITDA to be between \$31.0 million and \$35.0 million and an EBITDA margin between 24.0 per cent and 27.0 per cent.

Note to Readers

The Board of Directors (“Board”) carries out its responsibility for review of this disclosure primarily through the Audit Committee, which is comprised exclusively of independent directors. The Audit Committee reviews and approves the fiscal year-end Management’s Discussion and Analysis (“MD&A”) and financial statements and recommends both to the Board for approval. The interim financial statements and MD&A are reviewed and approved by the Audit Committee.

This news release provides a general summary of ISC’s results for the quarters ended March 31, 2019, and 2018. Readers are encouraged to download the Company’s complete financial disclosures. Links to ISC’s financial statements and related notes and MD&A for the period are available on our website in the Investor Relations section at www.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

We will hold an investor conference call on Thursday, May 9, 2019 at 11:00 a.m. ET (9:00 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. 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 Operations, Services and Technology Solutions 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, without limitation, those contained in the “Outlook” section hereof and statements related to economic and market conditions, the industries in which we operate, growth opportunities and our future financial position and results including expected revenue, EBITDA, EBITDA margin and capital expenditures. 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. Important factors that could cause actual results to differ materially from the Company's plans or expectations include operational, economic, market, financial, competitive, regulatory, technological and other risks detailed from time to time in the filings made by the Company including those detailed in ISC's Annual Information Form dated March 20, 2019, and ISC's unaudited Condensed Consolidated Interim Financial Statements and Notes and Management's Discussion and Analysis for the first quarter ended March 31, 2019, copies of which are filed on SEDAR at www.sedar.com.

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.

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