

FORM 51-102F3

Material Change Report

Item 1 Name and Address of Company

Information Services Corporation (“ISC” or the “Company”)
300 – 10 Research Drive
Regina, SK S4S 7J7

Item 2 Date of Material Change

July 28, 2020

Item 3 News Release

A news release was disseminated by ISC in Regina, Saskatchewan on July 29, 2020 through the wire services of GlobeNewswire and filed on the System for Electronic Document Analysis and Retrieval (SEDAR).

Item 4 Summary of Material Change

On July 29, 2020, ISC announced that its wholly-owned subsidiary, ESC Corporate Services Ltd. (“ESC”), had entered into an purchase agreement to acquire substantially all of the assets used in the business of Paragon Inc. (“Paragon”) for CAD\$70 million. The acquisition was completed on July 31, 2020.

Item 5 Full Description of Material Change

On July 28, 2020, ESC entered into a definitive asset purchase agreement (the “Purchase Agreement”) with Paragon Inc. and certain other persons pursuant to which ESC agreed to acquire substantially all of the assets and business operations of Paragon. Pursuant to the Purchase Agreement, ESC agreed to pay cash consideration of \$70 million, subject to customary purchase price adjustments on closing.

The acquisition of Paragon’s business was completed on July 31, 2020.

Paragon is a technology enabled company whose primary focus is the facilitation and coordination of asset recovery on behalf of many of Canada’s regulated major banks. The addition of Paragon is expected to strengthen ESC’s current offering and means that ESC will be able to offer its clients a complete solution in the credit life cycle, from origination to recovery. Asset recovery comprises the identification, retrieval and disposition of movable assets such as automobiles, boats, aircraft and other forms of portable physical assets used as collateral security for primarily consumer focused credit transactions.

The Purchase Agreement contains customary representations, warranties and covenants of each of ESC and the vendors and indemnification by each of ESC and the vendors in favour of the other party in respect of customary matters.

The purchase price was paid in cash on the closing date from proceeds drawn under ISC's existing credit facility. Concurrently with the announcement of the acquisition, ISC also announced that it was working with its banking partners to increase the current credit facility and had already agreed on key parameters with its lead bank and is working with a syndicate to finalize changes to the existing credit facilities.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

None.

Item 8 Executive Officer

For further information, please contact Shawn Peters, Executive Vice President and Chief Financial Officer at (306) 798-8760.

Item 9 Date of Report

August 7, 2020.

Cautionary Note Regarding Forward-Looking Information

This news release contains forward-looking information within the meaning of applicable Canadian securities legislation, including statements related to the anticipated integration and growth of the Paragon business and potential changes to the Company's existing credit arrangements. The words "expect" and "believe" or variations of or similar such words and phrases or statements that certain actions, events or results "may", "could", "will" or "would" occur, and similar expressions identify forward-looking statements. Forward-looking statements are based on a number of estimates and assumptions that, while considered reasonable by ISC as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates, models and assumptions of the Company referenced, contained or incorporated by reference in this news release, which may prove to be incorrect, include, but are not limited to, the Company's ability to integrate the Paragon business on terms consistent with the Company's expectation, the business of Paragon performing in a manner consistent with the Company's expectations and the Company's ability to amend its credit facility on terms consistent with expectations. 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 risks relating to changes in economic, market and business conditions, identification of viable growth opportunities, implementation of our growth strategy, integration, competition and other risks detailed from time to time in the filings made by the Company including those detailed in ISC's Annual Information Form for the year ended December 31, 2019 and ISC's Unaudited Consolidated Interim Financial Statements and Notes and Management's Discussion and Analysis for the first quarter ended March 31, 2020, copies of which are filed on SEDAR at www.sedar.com.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. 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.