May 8, 2019

2019 Unaudited Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2019

Table of Contents

Information Services Corporation

Condensed Consolidated Statements of Financial Position

As At (thousands of CAD dollars, unaudited)	Note		**March 31, 2019**		December 31, 2018 (restated*)		January 1, 2018 (restated*)
Assets							
Current assets							
Cash		**$**	**17,644**	$	28,651	$	31,265
Short-term investments			**439**		448		301
Trade and other receivables	3		**9,927**		8,964		7,510
Contract assets	4		**1,841**		1,414		-
Income tax recoverable			**383**		5		-
Prepaid expenses			**2,146**		2,091		1,913
Total current assets			**32,380**		41,573		40,989
Non-current assets							
Property, plant and equipment	6		**3,638**		3,795		4,504
Right-of-use assets	7		**11,028**		11,558		10,308
Intangible assets	8		**44,689**		40,704		47,022
Goodwill	9		**45,642**		44,310		44,473
Deferred tax asset	12		**31,300**		31,742		34,992
Total non-current assets			**136,297**		132,109		141,299
Total assets		**$**	**168,677**	$	173,682	$	182,288
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	10	**$**	**16,364**	$	17,118	$	16,522
Contract liabilities	11		**2,434**		2,599		1,407
Income tax payable	12		**132**		2,561		3,223
Lease obligations – current portion	13		**1,791**		1,778		1,859
Contingent consideration – current portion	24		**2,553**		2,322		-
Long-term debt – current portion	15		**2,000**		2,000		1,500
Total current liabilities			**25,274**		28,378		24,511
Non-current liabilities							
Lease obligations	13		**9,997**		10,457		9,081
Contingent consideration			**-**		-		15,723
Deferred tax liability	12		**7,668**		7,963		9,407
Long-term debt	15		**17,500**		18,000		20,060
Total non-current liabilities			**35,165**		36,420		54,271
Shareholders' equity							
Share capital	18		**19,955**		19,955		19,955
Equity settled employee benefit reserve	14		**1,851**		1,687		1,070
Accumulated other comprehensive income			**193**		514		390
Retained earnings			**86,239**		86,728		82,091
Total shareholders' equity			**108,238**		108,884		103,506
Total liabilities and shareholders' equity		**$**	**168,677**	$	173,682	$	182,288

**See Note 2*
See Note 24 for Commitments and Contingencies
See accompanying Notes

Condensed Consolidated Statements of Comprehensive Income

(thousands of CAD dollars, unaudited)	Note	Three Months Ended March 31, **2019**	2018 (restated*)
Revenue	20	**$ 28,607**	$ 26,872
Expenses			
Wages and salaries		**9,597**	9,300
Cost of goods sold		**6,367**	4,981
Depreciation and amortization	6, 7, 8	**2,597**	2,886
Information technology services		**2,101**	2,031
Occupancy costs		**752**	821
Professional and consulting services		**1,054**	1,103
Financial services		**858**	787
Other		**512**	638
Total expenses		**23,838**	22,547
Net income before items noted below		**4,769**	4,325
Finance income (expense)			
Interest income		**86**	90
Interest expense		**(345)**	(606)
Net finance (expense)		**(259)**	(516)
Income before tax		**4,510**	3,809
Income tax expense	12	**(1,499)**	(1,242)
Net income		**$ 3,011**	$ 2,567
Other comprehensive income (loss)			
Items that may be subsequently reclassified to net income			
Unrealized gain (loss) on translation of financial statements of foreign operations		**(314)**	361
Change in fair value of marketable securities, net of tax		**(7)**	(24)
Other comprehensive income (loss) for the period		**(321)**	337
Total comprehensive income		**$ 2,690**	$ 2,904
Earnings per share ($ per share)			
Total, basic	17	**$ 0.17**	$ 0.15
Total, diluted	17	**$ 0.17**	$ 0.15

See accompanying Notes

**See Note 2*

Condensed Consolidated Statements of Changes in Equity

(thousands of CAD dollars, unaudited)	Note	Retained Earnings	Share Capital	Accumulated Other Comprehensive Income	Equity Reserve	Total
Balance at January 1, 2018, as audited		$ 82,556	$ 19,955	$ 390	$ 1,070	$ 103,971
Impact of IFRS 16		(465)	-	-		(465)
Restated balance at January 1, 2018		82,091	19,955	390	1,070	103,506
Restated net income for the period		2,567	-	-	-	2,567
Other comprehensive income		-	-	337	-	337
Stock option expense	14	-	-	-	118	118
Dividend declared		(3,500)	-	-	-	(3,500)
Restated balance at March 31, 2018		$ 81,158	$ 19,955	$ 727	$ 1,188	$ 103,028
Balance at January 1, 2019		**$ 87,227**	**$ 19,955**	**$ 514**	**$ 1,687**	**$ 109,383**
Impact of IFRS 16		**(499)**	-	-	-	**(499)**
Restated balance at January 1, 2019		**86,728**	**19,955**	**514**	**1,687**	**108,884**
Net income		**3,011**	**-**	**-**	**-**	**3,011**
Other comprehensive income (loss)		**-**	**-**	**(321)**	**-**	**(321)**
Stock option expense	14	**-**	**-**	**-**	**164**	**164**
Dividend declared		**(3,500)**	**-**	**-**	**-**	**(3,500)**
Balance at March 31, 2019		**$ 86,239**	**$ 19,955**	**$ 193**	**$ 1,851**	**$ 108,238**

See accompanying Notes

Condensed Consolidated Statements of Cash Flows

(thousands of CAD dollars, unaudited)	Note	Three Months Ended March 31, 2019	2018 (restated**)
Operating			
Net income		**$ 3,011**	$ 2,567
Add: Charges not affecting cash			
Depreciation	6, 7	**774**	795
Amortization	8	**1,823**	2,091
Foreign exchange loss (gain)		**(69)**	(1)
Deferred tax expense recognized in net income		**164**	667
Recovery of MARS* project expenses	8	**-**	19
Net finance expense		**259**	516
Stock option expense	14	**164**	118
Net change in non-cash working capital	23	**(4,791)**	(6,100)
Net cash flow provided by operating activities		**1,335**	672
Investing			
Interest received		**86**	90
Short-term investments		**-**	(250)
Additions to property, plant and equipment		**(84)**	(82)
Additions to intangible assets		**(777)**	(316)
Acquisition through business combination	22	**(6,768)**	-
Net cash flow used in investing activities		**(7,543)**	(558)
Financing			
Interest paid		**(143)**	(183)
Interest paid on right-of-use assets		**(128)**	(107)
Principal payments on lease obligations		**(436)**	(465)
Repayment of long-term debt		**(500)**	-
Dividend paid		**(3,500)**	(3,500)
Net cash flow used in financing activities		**(4,707)**	(4,255)
Effects of exchange rate changes on cash held in foreign currencies		**(92)**	26
Decrease in cash		**(11,007)**	(4,115)
Cash, beginning of period		**28,651**	31,265
Cash, end of period		**$ 17,644**	$ 27,150

**Mineral Administration Registry Saskatchewan*
***See Note 2*
See accompanying Notes

Notes to the Condensed Consolidated Financial Statements

1 Nature of the Business

Information Services Corporation is the parent company of its subsidiary group (collectively, the “Company”, or “ISC”) and is a Canadian corporation with its Class A Limited Voting Shares (“Class A Shares”) listed on the Toronto Stock Exchange (“TSX”) under the symbol ISV. The head and registered office of the Company is 300 - 10 Research Drive, Regina, Saskatchewan, S4S 7J7. The Company is a provider of registry and information management services for public data and records. The Company has seven regional service centres in Saskatchewan and has offices in Regina, SK, Toronto, ON, Montreal, QC, Vernon, BC, and Dublin, Ireland. ISC has three reportable segments: Registry Operations, Services and Technology Solutions. A functional summary of these segments is as follows:

- Registry Operations delivers registry services on behalf of governments and private sector organizations. Currently, through this segment, ISC most significantly provides registry and information services on behalf of the Province of Saskatchewan under a 20-year Master Service Agreement (“MSA”), in effect until 2033.
- Services delivers products and services that utilize public records and data to provide value to customers in the financial and legal sectors.
- Technology Solutions provides the development, delivery and support of registry (and related) technology solutions.

The balance of our corporate activities and shared services functions are reported as Corporate and other.

As at March 31, 2019, ISC’s principal revenue generating segments were Registry Operations and Services.

2 Basis of Presentation

Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using accounting policies that are consistent with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IAS Board”). Therefore, they do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s most recent audited annual consolidated financial statements for the year ended December 31, 2018, which have been prepared in accordance with IFRS.

These unaudited condensed consolidated interim financial statements have been prepared following the same accounting policies and methods of computation as the year-end financial statements for the Company for the year ended December 31, 2018, as described in Note 3 of the December 31, 2018, consolidated financial statements, except for the impact of the adoption of new policies and the standards and interpretations as described below in the changes in accounting policy section. The significant estimates and assumptions in determining the value of assets and liabilities and the significant judgments in applying accounting policies are the same as those applied in the Company’s consolidated financial statements for the year ended December 31, 2018. The unaudited condensed consolidated interim financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by management to fairly state the Company’s results of operations, financial position and cash flows.

These unaudited condensed consolidated interim financial statements were authorized by the Audit Committee of the ISC Board of Directors (“Board”) for issue on May 8, 2019.

Basis of measurement

The unaudited condensed consolidated interim financial statements have been prepared on a going concern basis using the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Functional and presentation currency

These unaudited condensed consolidated interim financial statements are presented in Canadian dollars ("CAD"), which is the functional currency of the parent company.

Basis of consolidation

The unaudited condensed consolidated interim financial statements incorporate the financial statements of Information Services Corporation and its wholly owned significant operating subsidiaries: ISC Saskatchewan Inc. ("ISC Sask"), ISC Enterprises Inc. ("ISC Ent"), ESC Corporate Services Ltd. ("ESC") and Enterprise Registry Solutions Limited ("ERS"). All intragroup assets and liabilities, equity, income, expenses and cash flows are eliminated in full on consolidation.

Use of estimates and judgments

The preparation of these unaudited condensed interim consolidated financial statements, in conformity with IFRS, requires management to make estimates and underlying assumptions and judgments that affect the accounting policies and reported amounts of assets, liabilities, revenue and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Critical accounting estimates and judgments are those that have a significant risk of causing material adjustment. Management believes that the following are the significant accounting estimates and judgments used in the preparation of the consolidated financial statements.

Significant items subject to estimates and underlying assumptions include:

- the carrying value, impairment and estimated useful lives of property, plant and equipment (Note 6);
- the carrying value, impairment and estimated useful lives of intangible assets (Note 8) and goodwill (Note 9);
- the recoverability of deferred tax assets (Note 12); and
- the amount and timing of revenue from contracts from customers (Note 20) and the associated carrying value of assets recognized from the costs incurred to fulfil the contracts (Note 4).

Changes in accounting policies

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2019, or on such date as they became applicable. These changes were made in accordance with the applicable transitional provisions.

Leases

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. IFRS 16 supersedes previous accounting standards for leases, including IAS 17 — *Leases* ("IAS 17").

IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. The Company, as a lessee, recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. There are recognition exemptions for short-term leases and leases of low-value items.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses the incremental borrowing rate as a discount rate.

Lease payments included in the measurement of the lease liability are comprised of of the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise and lease payments in an optional renewal period, if the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under the residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

In situations where the lease liability is remeasured, the incremental amount of the remeasurement is also reflected as an adjustment to the right-of-use asset. However, if the carrying amount of the right-or-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, any remaining amount of the remeasurement is recognized in profit or loss.

Reconcilition of condensed consolidated statements of income for the three months ended March 31, 2018

Below is the effect of transition to IFRS 16 on our condensed consolidated statements of income for the three months ended March 31, 2018.

	Three Months Ended March 31, 2018		
(thousands of CAD dollars, unaudited)	As previously reported	Adjustments	Restated
Revenue	$ **26,872**	$ -	$ **26,872**
Total expenses excluding depreciation and amortization	20,233	(572)	19,661
Depreciation and amortization	2,403	483	2,886
Total expenses	**22,636**	**(89)**	**22,547**
Net income before items noted below	4,236	89	4,325
Net finance (expense)	(409)	(107)	(516)
Income before tax	**3,827**	**(18)**	**3,809**
Income tax expense	(1,242)	-	(1,242)
Net income	$ **2,585**	$ **(18)**	$ **2,567**

Reconcilition of condensed consolidated statements of financial position as at January 1, 2018 and December 31, 2018

Below is the effect of transition to IFRS 16 on our condensed consolidated statements of financial position as at January 1, 2018 and December 31, 2018.

	As at January 1, 2018			As at December 31, 2018		
(thousands of CAD dollars, unaudited)	As previously reported	Adjustments	Restated	As previously reported	Adjustments	Restated
Assets						
Right of use assets	$ -	$ 10,308	$ 10,308	$ -	$ 11,558	$ 11,558
Deferred tax asset	34,837	155	34,992	31,580	162	31,742
Other current and non-current assets	136,988	-	136,988	130,382	-	130,382
Total assets	$ 171,825	$ 10,463	$ 182,288	$ 161,962	$ 11,720	$ 173,682
Liabilities						
Current portion of lease obligations	$ -	$ 1,859	$ 1,859	$ -	1,778	$ 1,778
Lease obligations	-	9,081	9,081	-	10,457	10,457
Deferred tax liability	9,419	(12)	9,407	7,979	(16)	7,963
Other current and non-current liabilities	58,435	-	58,435	44,600	-	44,600
Total current and non-current liabilities	67,854	10,928	78,782	52,579	12,219	64,798
Shareholders' equity						
Share capital	19,955	-	19,955	19,955	-	19,955
Equity settled employee benefit reserve	1,070	-	1,070	1,687	-	1,687
Accumulated other comprehensive income	390	-	390	514	-	514
Retained earnings	82,556	(465)	82,091	87,227	(499)	86,728
Total shareholders' equity	103,971	(465)	103,506	109,383	(499)	108,884
Total liabilities and shareholders' equity	$ 171,825	$ 10,463	$ 182,288	$ 161,962	$ 11,720	$ 173,682

3 Trade and Other Receivables

The components of trade and other receivables are as follows:

(thousands of CAD dollars)	**March 31, 2019**	December 31, 2018
Trade receivables	**$ 9,050**	$ 7,884
GST/HST/VAT receivables	**149**	353
Other	**728**	727
Total trade and other receivables	**$ 9,927**	$ 8,964

4 Contract Assets

The components of contract assets are as follows:

(thousands of CAD dollars)	**March 31, 2019**	December 31, 2018
Unbilled revenue	**$ 89**	$ 636
Contract fulfilment costs	**1,752**	778
Total contract assets	**$ 1,841**	$ 1,414

Unbilled revenue is uninvoiced amounts due from customers under Technology Solutions contracts that arise when the Company meets performance-related milestones. At the point the Company invoices the amounts, they are reclassified into trade receivables.

Contract fulfilment costs are costs the Company incurs related to the fulfilment of Technology Solutions contracts but prior to reaching a performance milestone. Once the performance milestone is achieved, these costs, along with the associated revenue, will be recognized in the consolidated statements of comprehensive income.

The Company does not have any contract acquisition costs at the end of the reporting period and did not recognize any amortization of contract acquisition costs during the period (2018 — nil).

There were no impairment losses recognized on any contract asset during the reporting period (2018 — nil).

5 Seasonality

Our Registry Operations segment experiences moderate seasonality, primarily because Saskatchewan Land Titles revenue fluctuates in line with real estate transaction activity in Saskatchewan. Typically, our second and third quarters generate higher revenue during the fiscal year when real estate activity is traditionally highest. In our Services segment, our core legal and financial services revenue is fairly diversified and has little seasonality; rather, it fluctuates in line with the general economic drivers. Our collateral management product line experiences seasonality aligned to vehicle and equipment financing cycles, which are generally stronger in the second and fourth quarters. Some smaller categories of products or services can have some seasonal variation, increasing slightly during the second and fourth quarters. Our Technology Solutions segment does not experience seasonality but can fluctuate due to the timing of project related revenue. The balance of our corporate activities and shared services functions, reported under Corporate and other, do not experience seasonality. Expenses are generally consistent from quarter to quarter, but can fluctuate due to the timing of project-related or acquisition activities.

6 Property, Plant and Equipment

(thousands of CAD dollars)	Leasehold Improvements	Office Furniture	Office Equipment	Hardware	Assets Under Development	Total
Cost						
Balance at December 31, 2017	$ 10,828	$ 3,214	$ 195	$ 2,628	$ 65	$ 16,930
Additions	24	69	4	217	234	548
Disposals	(616)	(2)	(6)	(188)	-	(812)
Transfers	134	-	4	162	(300)	-
Foreign exchange adjustments	-	1	-	6	1	8
Balance at December 31, 2018	$ 10,370	$ 3,282	$ 197	$ 2,825	$ -	$ 16,674
Acquired assets	-	11	-	12	-	23
Additions	-	-	-	23	61	84
Disposals	-	-	-	-	-	-
Transfers	-	-	-	48	(48)	-
Foreign exchange adjustments	(2)	(2)	-	(9)	-	(13)
Balance at March 31, 2019	**$ 10,368**	**$ 3,291**	**$ 197**	**$ 2,899**	**$ 13**	**$ 16,768**
Accumulated depreciation						
Balance at December 31, 2017	$ 7,298	$ 2,739	$ 136	$ 2,253	$ -	$ 12,426
Depreciation	786	148	21	227	-	1,182
Disposals	(536)	(1)	(7)	(187)	-	(731)
Foreign exchange adjustments	-	-	-	2	-	2
Balance at December 31, 2018	$ 7,548	$ 2,886	$ 150	$ 2,295	$ -	$ 12,879
Depreciation	151	27	6	71	-	255
Disposals	-	-	-	-	-	-
Foreign exchange adjustments	-	(1)	-	(3)	-	(4)
Balance at March 31, 2019	**$ 7,699**	**$ 2,912**	**$ 156**	**$ 2,363**	**$ -**	**$ 13,130**
Carrying value						
At December 31, 2018	$ 2,822	$ 396	$ 47	$ 530	$ -	$ 3,795
At March 31, 2019	**$ 2,669**	**$ 379**	**$ 41**	**$ 536**	**$ 13**	**$ 3,638**

7 Right-of-use Assets

(thousands of CAD dollars)		Property & Equipment[1]
Cost		
Balance at January 1, 2018	$	14,820
Additions		3,124
Disposals		(276)
Foreign exchange adjustments		40
Balance at December 31, 2018	$	17,708
Additions		26
Disposals		(21)
Foreign exchange adjustments		(48)
Balance at March 31, 2019	**$**	**17,665**
Accumulated depreciation		
Balance at January 1, 2018	$	4,511
Depreciation		1,908
Disposals		(276)
Foreign exchange adjustments		7
Balance at December 31, 2018	$	6,150
Depreciation		519
Disposals		(21)
Foreign exchange adjustments		(11)
Balance at March 31, 2019	**$**	**6,637**
Carrying value		
At December 31, 2018	$	11,558
At March 31, 2019	**$**	**11,028**

[1] The Company's right-of-use assets consist primarily of property leases associated with the lease of office space. Equipment leases include one lease with a carrying value less than $25 thousand (2018 - $1 thousand).

8 Intangible Assets

(thousands of CAD dollars)	Internal Use Software - Acquired	Internal Use Software - Internally Developed	Business Solutions - Acquired	Business Solutions - Internally Developed	Brand, Non-Compete, Other	Contracts, Customer & Partner Relation-ships	Assets Under Develop-ment	Total
Cost								
Balance at December 31, 2017	$ 25,793	$ 77,346	$ 2,113	$ 1,867	$ 2,257	$ 27,312	$ 1,880	$ 138,568
Additions	325	-	-	-	-	-	1,902	2,227
Disposals	(283)	(209)	-	-	-	-	-	(492)
Transfers	-	-	-	2,317	-	-	(2,317)	-
Foreign exchange adjustments	-	-	77	59	22	27	7	192
Balance at December 31, 2018	$ 25,835	$ 77,137	$ 2,190	$ 4,243	$ 2,279	$ 27,339	$ 1,472	$ 140,495
Acquired assets	4,051	-	-	-	176	1,001	-	5,228
Additions	133	-	-	-	-	-	644	777
Disposals	-	-	-	-	-	-	-	-
Transfers	48	-	-	-	-	-	(48)	-
Foreign exchange adjustments	-	-	(94)	(60)	(27)	(34)	(34)	(249)
Balance at March 31, 2019	**$ 30,067**	**$ 77,137**	**$ 2,096**	**$ 4,183**	**$ 2,428**	**$ 28,306**	**$ 2,034**	**$ 146,251**
Accumulated Depreciation								
Balance at December 31, 2017	$ 10,368	$ 76,241	$ 288	$ 1,598	$ 554	$ 2,497	$ -	$ 91,546
Amortization	4,131	476	319	455	631	2,673	-	8,685
Disposals	(283)	(209)	-	-	-	-	-	(492)
Recovery of MARS* expenses	-	-	-	19	-	-	-	19
Foreign exchange adjustments	-	-	17	2	9	5	-	33
Balance at December 31, 2018	$ 14,216	$ 76,508	$ 624	$ 2,074	$ 1,194	$ 5,175	$ -	$ 99,791
Amortization	770	81	79	156	61	676	-	1,823
Disposals	-	-	-	-	-	-	-	-
Foreign exchange adjustments	-	-	(28)	(4)	(13)	(7)	-	(52)
Balance at March 31, 2019	**$ 14,986**	**$ 76,589**	**$ 675**	**$ 2,226**	**$ 1,242**	**$ 5,844**	**$ -**	**$ 101,562**
Carrying Value								
At December 31, 2018	$ 11,619	$ 629	$ 1,566	$ 2,169	$ 1,085	$ 22,164	$ 1,472	$ 40,704
At March 31, 2019	**$ 15,081**	**$ 548**	**$ 1,421**	**$ 1,957**	**$ 1,186**	**$ 22,462**	**$ 2,034**	**$ 44,689**

*Mineral Administration Registry Saskatchewan

9 Goodwill

The components of goodwill are as follows:

(thousands of CAD dollars)	**March 31, 2019**	December 31, 2018
Balance, beginning of the period	**$ 44,310**	$ 44,473
Additions (Note 22)	**1,517**	-
Purchase price adjustment relating to prior year acquisition	**-**	(315)
Foreign exchange adjustment	**(185)**	152
Balance, end of period	**$ 45,642**	$ 44,310

10 Accounts Payable and Accrued Liabilities

The components of accounts payable and accrued liabilities are as follows:

(thousands of CAD dollars)		**March 31, 2019**		December 31, 2018
Trade payables	**$**	**1,319**	$	1,349
Accrued liabilities		**7,816**		8,506
Customer deposits		**3,729**		3,763
Dividend payable		**3,500**		3,500
Total accounts payable and accrued liabilities	**$**	**16,364**	$	17,118

11 Contract Liabilities

The components of contract liabilities are as follows:

(thousands of CAD dollars)		**March 31, 2019**		December 31, 2018
Amounts received in advance of Registry Operations transaction, maintenance and support contracts (i)	**$**	**150**	$	322
Amounts received in advance of Technology Solutions support and delivery contracts (ii)		**2,284**		2,277
Total contract liabilities	**$**	**2,434**	$	2,599

(i) Revenue that relates to Registry Operations transactions is recognized at a point in time. Revenue that relates to Registry Operations maintenance and support contracts is recognized over time. A contract liability is recognized for payments received from end-use customers in advance of services being provided and is recognized into revenue either at the point in time the service is rendered or over the service period.

(ii) Revenue that relates to Technology Solutions contracts is recognized over time as the performance obligations in the contract are achieved. These obligations may be based on a time period or on performance-based milestones identified in the contract. A contract liability is recognized for payments received from customers in advance and is recognized into revenue either over the service period or when performance milestones are achieved.

Revenue recognized that was included in the contract liability balance at the beginning of the period:

	Three Months Ended March 31,			
(thousands of CAD dollars)		**2019**		2018
Registry Operations transaction, maintenance and support contracts	**$**	**232**	$	196
Technology Solutions support and delivery contracts		**356**		140
Total revenue recognized that was included in the balance at the beginning of the period	**$**	**588**	$	336

The Company has elected to apply the practical expedient as per IFRS 15 B16 and does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which the Company recognizes revenue at the amount to which it has the right to invoice for services performed.

12 Tax Provision

The Company is subject to federal and provincial income taxes at an estimated combined statutory rate of 27.0 per cent (2018 — 27.0 per cent).

	Three Months Ended March 31,	
(thousands of CAD dollars)	**2019**	2018
Current tax expense	**$ 1,335**	$ 575
Deferred tax expense	**164**	667
Income tax expense	**$ 1,499**	$ 1,242

No deferred tax has been recognized in respect of tax losses related to ERS. The tax asset will be recognized as sufficient future taxable profits are earned. These losses do not expire.

13 Lease Obligations

(thousands of CAD dollars)	**Property and equipment[1]**
Balance at January 1, 2018	$ 10,940
Additions	-
Interest expense for the period	399
Effect of modification to lease terms	3,124
Lease payments	(2,262)
Foreign exchange adjustments	34
Balance at December 31, 2018	$ 12,235
Additions	24
Interest expense for the period[2]	128
Lease payments[2]	(564)
Foreign exchange adjustments	(35)
Balance at March 31, 2019	**$ 11,788**

[1] The Company's lease obligations consist primarily of property leases associated with the lease of office space. Equipment leases include one lease with a carrying value of less than $25 thousand (2018 - $1 thousand).

[2] Lease payments net of interest expense represents the principal portion of lease payments reflected on the consolidated statements of cash flows.

Expenses for short-term leases and leases of low-dollar value items are not material. There are no variable lease payments which are not included in the measurement of lease obligations. All extension options have been included in the measurement of lease obligations.

The following table presents the contractual undiscounted cash flows for lease obligations as at March 31, 2019:

(thousands of CAD dollars)	**Total undiscounted lease obligations**
2019	$ 1,691
2020	2,233
2021	2,294
2022	1,769
2023	1,625
Thereafter	4,391
Total commitments	$ 14,003

14 Share-Based Compensation Plan

Deferred share unit ("DSU") plan

A summary of the status of the DSU plan and the changes within the three months ended March 31, 2019, are as follows:

	Units	Weighted Average Award Price
Balance at December 31, 2018	63,411.15	$ 17.49
DSUs granted during the period	-	-
Total notional dividend equivalents declared to date	9,562.00	16.84
Balance at March 31, 2019	**72,973.15**	**$ 17.42**

The Company has recognized an obligation at an estimated amount based on the fair value of the DSUs as of the grant date. Compensation expense is recognized in proportion to the amount of DSUs vested. At the end of each reporting period, the estimates are reassessed based on the fair value of the DSUs as of the reporting period. Any change in estimate is recognized as a liability and an expense at the end of the reporting period.

Share-based compensation expense for the three months ended March 31, 2019, totalled $99 thousand (2018 — $36 thousand income). The total carrying amount of the liability arising from the DSUs as of March 31, 2019, totalled $1.2 million (December 31, 2018 — $1.1 million). The liability amount is included within accounts payable and accrued liabilities on the consolidated statements of financial position.

The fair value of the DSUs at March 31, 2019, has been calculated using the market value of the Company's Class A Shares on the TSX.

Stock option plan

A summary of the status of the stock option plan and the changes within the three months ended March 31, 2019, are as follows:

	Units	Average Exercise Price
Balance at December 31, 2018	1,548,247	$ 17.27
Stock options granted during the period	-	-
Balance at March 31, 2019	**1,548,247**	**$ 17.27**

The outstanding share options at the end of the period had a weighted average exercise price of $17.27 (December 31, 2018 — $17.27). The number of options exercisable at the end of the period was 587,851 (December 31, 2018 — 587,851) and had a weighted average exercise price of $16.50 (December 31, 2018 — $16.50) based on a range of exercise prices from $15.04 to $18.85 (December 31, 2018 — $15.04 to $18.85).

The Company has recognized an equity reserve at an estimated amount based on the fair value of the stock options using the Black-Scholes option pricing model as of the following grant dates based on the following inputs:

	May 16, 2018	May 17, 2017	August 15, 2016	August 12, 2015	May 13, 2014
Spot price	$ 17.85	$ 18.85	$ 17.40	$ 15.04	$ 18.80
Expected volatility	19.93%	19.33%	17.77%	18.97%	22.50%
Risk-free interest rate	2.00%	1.60%	1.30%	2.00%	2.50%
Dividend yield	4.83%	4.73%	4.48%	4.54%	4.20%
Expected life (days)	2,920	2,920	2,920	2,920	2,920
Fair value	$ 1.73	$ 1.66	$ 1.35	$ 1.45	$ 2.74

The Company included the following variables:

- the expected volatility, which is based on a three-year standard deviation of ISC's stock price;
- the risk-free rate, which is estimated based on a 10-year Canada bond rate; and
- the maximum option term, which is the maximum duration before expiry.

Compensation expense is recognized in proportion to the amount of stock options vested. Share-based compensation related to the stock option plan for the three months ended March 31, 2019, totalled $164 thousand (2018 — $118 thousand). The total carrying amount of the equity settled employee benefit reserve arising from these stock options as of March 31, 2019, totalled $1.9 million (December 31, 2018 — $1.7 million).

15 Debt

At March 31, 2019, the Company had nil cash drawings on its operating facility (2018 — nil). At March 31, 2019, non-cash drawings, consisting of letters of credit and similar, were approximately $0.2 million (2018 — $0.2 million). Term debt is as follows:

(thousands of CAD dollars)		**March 31, 2019**		December 31, 2018
Term loan facility				
Current portion	**$**	**2,000**	$	2,000
Long-term portion		**17,500**		18,000
Total long-term debt	**$**	**19,500**	$	20,000

The Credit Facilities contain financial covenants, positive covenants, negative covenants, events of default, representations and warranties customary for credit facilities of this nature. The Company was in compliance with all covenants throughout the period.

The amount of borrowing costs capitalized during 2019 and 2018 was nil.

16 Liabilities Arising from Financing Activities

The tables below provide the reconciliation of movements of liabilities to cash flows arising from financing activities.

(thousands of CAD dollars)		Three Months ended March 31, **2019**		2018 (restated*)
Financing activities				
Interest paid (a)	**$**	**(143)**	$	(183)
Interest paid on right-of-use-asset (a)		**(128)**		(107)
Payments on lease obligations (b)		**(436)**		(465)
Repayment of long-term debt (c)		**(500)**		-
Dividends paid (d)		**(3,500)**		(3,500)
Net cash flow used in financing activities	**$**	**(4,707)**	$	(4,255)

	As at December 31, 2018 (restated*)	Cash Flows		Non-cash Changes: Dividends Declared	Non-cash Changes: Other	**As at March 31, 2019**
Interest payable	$ -	$ (271)	(a)	$ -	$ 271	**$ -**
Long-term debt including current portion	20,000	(500)	(c)	-	-	**19,500**
Lease obligations including current portion	12,235	(436)	(b)	-	(11)	**11,788**
Dividends payable	3,500	(3,500)	(d)	3,500	-	**3,500**
	$ 35,735	$ (4,707)		$ 3,500	$ 260	**$ 34,788**

	As at December 31, 2017	Cash Flows		Non-cash Changes: Dividends Declared	Non-cash Changes: Other	As at March 31, 2018 (restated*)
Interest payable	$ -	$ (290)	(a)	$ -	$ 290	$ -
Long-term debt including current portion	21,560	-	(c)	-	-	21,560
Lease obligations including current portion		(465)	(b)		10,995	10,530
Dividends payable	3,500	(3,500)	(d)	3,500	-	3,500
	$ 25,060	$ (4,255)		$ 3,500	$ 11,285	$ 35,590

**See Note 2*

17 Earnings Per Share

The calculation of earnings per share is based on net income after tax and the weighted average number of shares outstanding during the period. Details of the earnings per share are set out below:

(thousands of CAD dollars, except number of shares and earnings per share)		Three Months Ended March 31, **2019**		2018 (restated*)
Net income	**$**	**3,011**	$	2,567
Weighted average number of shares, basic		**17,500,000**		17,500,000
Potential dilutive shares resulting from stock options		**33,185**		62,429
Weighted average number of shares, diluted		**17,533,185**		17,562,429
Earnings per share ($ per share)				
Total, basic	**$**	**0.17**	$	0.15
Total, diluted	**$**	**0.17**	$	0.15

**See Note 2*

18 Equity and Capital Management

	Class A		Class B	
(thousands of CAD dollars, except number of shares)	Number of Shares	Share Capital	Number of Shares	Share Capital
Balance at January 1, 2018	17,500,000	$ 19,955	1	$ -
No movement	-	-	-	-
Balance at December 31, 2018	17,500,000	$ 19,955	1	$
Balance at January 1, 2019	**17,500,000**	**$ 19,955**	**1**	**$ -**
No movement	-	-	-	-
Balance at March 31, 2019	**17,500,000**	**$ 19,955**	**1**	**$ -**

Capital management

The Company's capital at March 31, 2019, consists of long-term debt, share capital, employee benefit reserve, accumulated other comprehensive income and retained earnings (comprising total shareholders' equity).

(thousands of CAD dollars)	March 31, 2019	December 31, 2018 (restated*)
Long-term debt	**$ 19,500**	$ 20,000
Share capital	**19,955**	19,955
Accumulated other comprehensive income	**193**	514
Equity settled employee benefit reserve	**1,851**	1,687
Retained earnings	**86,239**	86,728
Capitalization	**$ 127,738**	$ 128,884

**See Note 2*

19 Financial Instruments and Related Risk Management

The Company does not currently use any form of derivative financial instruments to manage its exposure to credit risk, interest rate risk, market risk or foreign currency exchange risk.

Market risk

The carrying amount and fair value of the financial assets and financial liabilities are as follows:

			March 31, 2019		December 31, 2018	
(thousands of CAD dollars)	Classification	Level	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Cash	AC	L2	**$ 17,644**	**$ 17,644**	$ 28,651	$ 28,651
Short-term investments						
GICs	AC	L2	**400**	**400**	400	400
Marketable securities	FVTOCI	L1	**39**	**39**	48	48
Trade and other receivables	AC	L2	**9,927**	**9,927**	8,964	8,964
Financial liabilities						
Accounts payable and accrued liabilities	AC	L2	**16,364**	**16,364**	17,118	17,118
Long-term debt	AC	L2	**19,500**	**19,500**	20,000	20,000

Fair value of financial instruments

IFRS require fair value measurements to be categorized into levels within a fair value hierarchy based on the nature of inputs used in the valuation.

Level 1 — Quoted prices are readily available from an active market.

Level 2 — Inputs, other than quoted prices included in Level 1 that are observable either directly or indirectly.

Level 3 — Inputs are not based on observable market data.

The carrying values of cash, trade and other receivables, accounts payable and accrued liabilities approximate fair value due to their immediate or relatively short-term maturity. Long-term debt is managed with prime loans, short-term bankers' acceptance, letter of credit or letter of guarantee. These borrowings will bear interest at a base rate of prime plus applicable margin varying between 0.45 per cent and 2.25 per cent per annum. The Company is not exposed to significant interest rate risk because interest bearing financial instruments are at a low level relative to total assets and equity.

The deferred share unit liability's fair value is calculated taking into consideration the market price, expected volatility and the risk-free interest rate. This liability is classified as Level 2, but the risk remains low due to the materiality.

20 Revenue

The Company derives its revenue from the transfer of goods or services at either a point in time or over time. This is consistent with the revenue from third parties' information that is disclosed for each reportable segment under IFRS 8 — *Operating Segments* (see Note 21). The following table presents our revenue disaggregated by revenue type. Sales and usage tax are excluded from revenue.

Segment revenue

(thousands of CAD dollars)	Three Months Ended March 31, 2019	2018
Registry Operations		
Land Registry (Land Titles Registry, Land Surveys, and Geomatics)	**$ 11,308**	$ 11,835
Personal Property Registry	**2,271**	2,371
Corporate Registry	**2,691**	2,704
Services	**10,972**	8,872
Technology Solutions	**1,361**	1,086
Corporate and other	**4**	4
Total revenue	**$ 28,607**	$ 26,872

The following table presents our revenue disaggregated by timing of revenue recognition:

Timing of revenue recognition

	Three Months Ended March 31,	
(thousands of CAD dollars)	**2019**	2018
At a point in time		
Registry Operations revenue		
Land Registry (Land Titles Registry, Land Surveys, and Geomatics)	**$ 10,815**	$ 11,335
Personal Property Registry	**2,271**	2,371
Corporate Registry	**2,479**	2,496
Services revenue	**10,972**	8,872
Technology Solutions revenue	**-**	169
Corporate and other	**4**	4
	$ 26,541	$ 25,247
Over time		
Registry Operations revenue		
Land Registry (Land Titles Registry, Land Surveys, and Geomatics)	**493**	500
Corporate Registry	**212**	208
Technology Solutions revenue	**1,361**	917
	$ 2,066	$ 1,625
Total revenue	**$ 28,607**	$ 26,872

21 Segment Information

Operating segments are identified as components of a company where separate discrete financial information is available for evaluation by the chief operating decision maker regarding allocation of resources and assessment of performance. The Company uses EBITDA and earnings before interest and taxes ("EBIT") as key measures of profit for the purpose of assessing performance of each segment and to make decisions about the allocation of resources. EBITDA is calculated as income before depreciation and amortization, net finance expense, and income tax expense. EBIT is calculated as income after depreciation and amortization expense but before gain or loss on disposition of property, plant and equipment, net finance expense, and income tax expense.

ISC has three reportable segments – Registry Operations, Services, and Technology Solutions. A functional summary of these three segments follows:

- Registry Operations delivers registry services on behalf of governments and private sector organizations.
- Services delivers products and services that utilize public records and data to provide value to customers in the financial and legal sectors.
- Technology Solutions provides the development, delivery and support of registry (and related) technology solutions.

Corporate and other includes our corporate activities and shared services functions, share of profit (loss) in associate not included in operating segments, and eliminations of inter-segment revenue and costs. The Registry Operations and Services segments operate substantially in Canada. The Technology Solutions segment operates both in Canada and Ireland.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. We account for transactions between reportable segments in the same way we account for transactions with external parties; however, we eliminate them on consolidation.

Revenue and EBIT

For the three months ended March 31, 2019

(thousands of CAD dollars)		Registry Operations		Services		Technology Solutions		Corporate and other		Consolidated Total
Revenue from third parties	$	16,270	$	10,972	$	1,361	$	4	$	28,607
Plus: inter-segment revenue		-		56		3,517		(3,573)		-
Total revenue	$	16,270	$	11,028	$	4,878	$	(3,569)	$	28,607
Expenses excluding depreciation and amortization		(9,495)		(9,551)		(4,495)		2,300		(21,241)
EBITDA		6,775		1,477		383		(1,269)		7,366
Depreciation and amortization		(513)		(1,236)		(416)		(432)		(2,597)
EBIT	$	6,262	$	241	$	(33)	$	(1,701)	$	4,769
Net finance (expense)										(259)
Income tax expense										(1,499)
Net income									$	3,011
Additions to non-current assets, including acquisitions	$	108	$	6,925	$	286	$	310	$	7,629

For the three months ended March 31, 2018 (restated*)

(thousands of CAD dollars)		Registry Operations		Services		Technology Solutions		Corporate and other		Consolidated Total
Revenue from third parties	$	16,910	$	8,872	$	1,086	$	4	$	26,872
Plus: inter-segment revenue		-		-		3,801		(3,801)		-
Total revenue	$	16,910	$	8,872	$	4,887	$	(3,797)	$	26,872
Expenses excluding depreciation and amortization		(10,098)		(7,740)		(4,134)		2,311		(19,661)
EBITDA		6,812		1,132		753		(1,486)		7,211
Depreciation and amortization		(563)		(1,568)		(274)		(481)		(2,886)
EBIT	$	6,249	$	(436)	$	479	$	(1,967)		4,325
Net finance (expense)										(516)
Income tax expense										(1,242)
Net income									$	2,567
Additions to non-current assets, including acquisitions	$	59	$	19	$	315	$	9	$	402

**See Note 2*

Inter-segment revenues are charged among segments at arm's-length rates, based on rates charged to third parties. Total consolidated revenue is attributed to customers within Ireland and Canada. For the three months ended March 31, 2019, third party revenue within Ireland was $1.1 million (2018 — $1.0 million) and the remainder was in Canada. No single customer represented more than 10.0 per cent of the total consolidated revenue.

Assets and liabilities

As at March 31, 2019 (thousands of CAD dollars)	**Registry Operations**	**Services**	**Technology Solutions**	**Corporate and other**	**Consolidated Total**
Assets					
Total assets, excluding intangibles, goodwill and cash	**$ 29,185**	**$ 8,356**	**$ 4,524**	**$ 18,637**	**$ 60,702**
Intangibles	**3,765**	**35,026**	**5,211**	**687**	**44,689**
Goodwill	**5,800**	**35,715**	**4,127**	**-**	**45,642**
Cash	**-**	**-**	**-**	**17,644**	**17,644**
Total assets	**$ 38,750**	**$ 79,097**	**$ 13,862**	**$ 36,968**	**$ 168,677**
Liabilities	**$ 8,408**	**$ 11,043**	**$ 7,665**	**$ 33,323**	**$ 60,439**

As at December 31, 2018 (thousands of CAD dollars)	Registry Operations	Services	Technology Solutions	Corporate and other	Consolidated Total
Assets					
Total assets, excluding intangibles, goodwill and cash	$ 29,258	$ 8,269	$ 3,999	$ 18,491	$ 60,017
Intangibles	4,054	30,815	5,418	417	40,704
Goodwill	5,800	34,198	4,312	-	44,310
Cash	-	-	-	28,651	28,651
Total assets	$ 39,112	$ 73,282	$ 13,729	$ 47,559	$ 173,682
Liabilities	$ 9,412	$ 11,355	$ 8,254	$ 35,777	$ 64,798

Non-current assets are held in Canada and Ireland. At March 31, 2019, non-current assets held in Ireland were $9.6 million (December 31, 2018 — $10.0 million) while the remainder were held in Canada.

22 Acquisitions

On February 15, 2019, the Company through its wholly owned subsidiary, ESC, acquired substantially all of the assets of Securefact Transaction Services, Inc. ("Securefact"), for $6.8 million by way of an asset purchase agreement. Securefact is located in Toronto, ON and is engaged in the business of providing public record search and registration services. This acquisition broadens the Company's portfolio of know-your-customer technology solutions and services.

This acquisition is a business combination to which IFRS 3 – *Business Combinations* applies. A table outlining the net cash flow related to each acquisition is provided below.

Net cash outflow related to the acquisition

(thousands of CAD dollars)	**2019**
Consideration paid in cash	**$ 6,768**
Less: cash balance acquired	**-**
Total net cash outflow related to the acquisition	**$ 6,768**

The table below presents the preliminary allocation of the net purchase price for accounting purposes.

(thousands of CAD dollars)		Preliminary
Assets		
Property, plant and equipment	$	23
Intangible assets		5,228
Net assets acquired	$	5,251
Goodwill arising on acquisition		
Total consideration allocated		6,768
Net assets acquired		5,251
Total goodwill arising on acquisition	$	1,517

The goodwill of $1.5 million arising on the acquisition included amounts in relation to the benefit of an increased market presence and competencies, related market growth, and the assembled workforce of Securefact. All of the goodwill recognized is expected to be deductible for income tax purposes.

The intangible assets above consist of technology of $4.1 million, customer contracts of $1.0 million and brand of $0.2.

Professional fees associated with the cost of the acquisition expensed during the three months ended March 31, 2019, were $0.2 million.

The revenue and net loss of the acquiree since the acquisition date included in the condensed consolidated statement of comprehensive income for 2019, were $0.2 million and $(0.1) million respectively.

The consolidated revenue and comprehensive income for the Company and the acquiree combined for 2019, as though the acquisition date for the business combination occurred during the year had been as of January 1, 2019, would have been $28.9 million, unaudited and $2.4 million, unaudited, respectively.

23 Net Change in Non-Cash Working Capital

The net change during the period comprised the following:

	Three Months Ended March 31,			
(thousands of CAD dollars)		**2019**		2018
Trade and other receivables	**$**	**(939)**	$	(628)
Prepaid expenses		**(57)**		(37)
Contract assets		**(483)**		(718)
Accounts payable and accrued liabilities		**(752)**		(1,650)
Contract liabilities		**(83)**		(123)
Contingent liability		**330**		288
Income taxes		**(2,807)**		(3,232)
Net change in non-cash working capital	**$**	**(4,791)**	$	(6,100)

Income taxes paid, net of refunds received, for the three months ended March 31, 2019, totalled $4.1 million (2018 — $3.8 million).

24 Commitments and Contingencies

Commitments

As of March 31, 2019, the Company has commitments over the next five years that include future minimum payments for leasing of office space, an information technology ("IT") service agreement with Information Systems Management Canada Corporation, other management services contracts and a commitment to the Government of Saskatchewan under the MSA:

(thousands of CAD dollars)	Office leases as previously disclosed at December 31, 2018	Remove portion related to IFRS 16	Remove non-lease component portion recognized in Q1 2019	Non-lease component of office leases	IT and other service agreements	Master Service Agreement	Total
2019	$ 3,440	$ (2,262)	$ (295)	$ 883	$ 3,778	$ -	**$ 4,661**
2020	3,412	(2,240)	-	1,172	3,161	500	**4,833**
2021	3,471	(2,300)	-	1,171	2,669	500	**4,340**
2022	2,725	(1,770)	-	955	2,610	500	**4,065**
2023	2,509	(1,619)	-	890	2,562	500	**3,952**
Thereafter	6,287	(4,298)	-	1,989	-	5,000	**6,989**
Total commitments	$ 21,844	$ (14,489)	$ (295)	$ 7,060	$ 14,780	$ 7,000	**$ 28,840**

Contingent consideration

As part of the ERS acquisition completed in 2017, the Company agreed to pay up to €5.0 million in consideration contingent upon the retention of existing leadership and the award and realization of future business over a 30-month period. For accounting purposes, the retention portion of the contingent consideration is classified as post acquisition remuneration.

A continuity of contingent consideration related to the ERS acquisition is presented below:

(thousands of CAD dollars)	
Balance at December 31, 2018	$ 2,322
Remuneration expense through wages and salaries	330
Accretion recognized in interest expense	3
Foreign exchange adjustment	(102)
Balance at March 31, 2019	**$ 2,553**
Current portion	$ 2,553
Long-term portion	-
	$ 2,553

The following table summarizes relevant information pertaining to the contingent consideration:

(thousands of CAD dollars)	Carrying Amount	Estimated Future Payments	0-6 Months	7-12 Months
ERS – retention	$ 2,553	$ 2,994	$ 2,994	$ -
ERS – future business realization[1]	-	-	-	-
Total contingent consideration	**$ 2,553**	**$ 2,994**	**$ 2,994**	**$ -**

[1] Under the ERS acquisition, the upper limit of this contingent payment is €3.0 million. As of March 31, 2019, the Company's estimated future payment is $ nil.

Other contingencies

Management's estimate of liability for claims and legal actions that may be made by customers pursuant to the assurance provision and the MSA is based upon claims submitted. As at March 31, 2019, the liability was nil (December 31, 2018 — nil).

Through the normal course of operations, the Company has entered into an indemnity agreement with a surety company to provide a surety bond required under a contract with a customer. In the event that the Company fails to perform under the contract and the surety company incurs a cost on the surety bond, the Company is obligated to repay the costs incurred in relation to the claim up to the value of the bond. The Company's obligation under the bond issued by the surety company expires on completion of obligations under the customer contract to which the bond relates. The term of the surety bond is from February 2018 to September 2019.

At March 31, 2019, the outstanding surety bond totalled $1.7 million (December 31, 2018 — $1.7 million). The Company has not recorded any liability related to this bond, as management believes that no material events of default exist under the contract with its customer.

25 Reclassifications

Certain prior year figures have been reclassified to confirm with the current year presentation.

26 Subsequent Events

On May 8, 2019, the Board declared a quarterly cash dividend of $0.20 per Class A Share, payable on or before July 15, 2019, to shareholders of record as of June 30, 2019.