



NEWS RELEASE

ISC Reports 2021 First Quarter Financial Results

5/5/2021

REGINA, Saskatchewan, May 05, 2021 (GLOBE NEWSWIRE) -- Information Services Corporation (TSX:ISV) ("ISC" or the "Company") today reported on the Company's financial results for the first quarter ended March 31, 2021.

2021 First Quarter Highlights

- Revenue was \$39.1 million, an increase of \$9.6 million or 32.3 per cent compared to the first quarter of 2020.
- Net income was \$5.5 million or \$0.31 per basic and diluted share, an increase of \$2.0 million compared to the first quarter of 2020 when net income was \$3.5 million or \$0.20 per basic and diluted share.
- EBITDA (earnings before interest, taxes, depreciation and amortization expense) was \$11.9 million compared to \$7.8 million in the same quarter last year, an increase of \$4.1 million or 52.0 per cent.
- The EBITDA margin for the first quarter of 2021 was 30.3 per cent compared to 26.5 per cent in the same quarter in 2020. Adjusted EBITDA was \$14.8 million for the quarter compared to \$7.9 million in the same quarter last year, with an adjusted EBITDA margin of 37.7 per cent for the quarter compared to 26.8 per cent in the first quarter of 2020.
- Free cash flow of \$8.9 million compared to \$6.4 million in Q1 2020.

Financial Position as at March 31, 2020

- Cash of \$30.4 million compared to \$33.9 million as at December 31, 2020.
- Total debt of \$71.3 million compared to \$76.3 million as at December 31, 2020.

Commenting on ISC's results, Jeff Stusek, President and CEO stated, "Our financial performance for the first quarter of 2021 was very strong, building on the strength we experienced in the third and fourth quarters of 2020. While

the impact of the COVID-19 pandemic was evident in our second quarter last year, our business has performed remarkably well since that time. The robust year-over-year performance of our three segments is due to a combination of strength in specific economic drivers in Registry Operations, focus on new customer acquisition and growth in Services, and successful delivery and implementation of technology in Technology Solutions. This has been paired with continued cost management across all areas of our business. We remain confident in the strength and long-term potential of the business, but at this point, given the continued uncertainty surrounding the duration and potential outcomes of the COVID-19 pandemic, we will not be providing formal financial guidance for the year.”

Management’s Discussion of ISC’s Summary of 2021 First Quarter Financial Results

(thousands of CAD dollars; except earnings per share and where noted)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Revenue		
Registry Operations	\$ 19,200	\$ 15,531
Services	16,237	11,844
Technology Solutions	3,711	2,220
Corporate and other	-	1
Consolidated revenue	\$ 39,148	\$ 29,596
Consolidated expenses	\$ 31,024	24,521
Consolidated EBITDA ¹	\$ 11,869	\$ 7,834
Consolidated EBITDA margin ¹ (% of revenue)	30.3 %	26.5%
Consolidated adjusted EBITDA ¹	\$ 14,752	\$ 7,945
Consolidated adjusted EBITDA margin ¹	37.7 %	26.8%
Consolidated net income	\$ 5,497	\$ 3,470
Earnings per share (basic) ¹	\$ 0.31	\$ 0.20
Earnings per share (diluted) ¹	\$ 0.31	\$ 0.20
Free cash flow ¹	\$ 8,878	\$ 6,370

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. For more information, please refer to section 8.8 “Non-IFRS Financial Measures” and section 2 “Consolidated Financial Analysis” for a reconciliation of EBITDA and adjusted EBITDA to net income in Management’s Discussion and Analysis for the three months ended March 31, 2021.

2021 First Quarter Results of Operations

- Total revenue was \$39.1 million, up \$9.6 million compared to Q1 2020.
- Registry Operations segment revenue was \$19.2 million, up \$3.7 million compared to \$15.5 million in Q1 2020.
 - Land Registry revenue was \$13.3 million, compared to \$10.4 million in Q1 2020.
 - Personal Property Registry was \$2.7 million, compared to \$2.2 million in Q1 2020.

- Corporate Registry revenue was \$3.2 million, compared to \$2.9 million in Q1 2020.
- Services segment revenue was \$16.2 million, up \$4.4 million compared to \$11.8 million in Q1 2020.
- Technology Solutions segment revenue was \$6.0 million, compared to \$4.7 million in Q1 2020.
- Consolidated expenses (all segments) were \$31.0 million compared to \$24.5 million in Q1 2020.
- Net income was \$5.5 million or \$0.31 per basic and diluted share, compared to \$3.5 million or \$0.20 per basic and diluted share for Q1 2020.

Outlook

The following section includes forward-looking information, including statements related to the industries in which we operate, growth opportunities, our future financial position and results of operations, capital and operating expectations and the impact of COVID-19. Refer to “Cautionary Note Regarding Forward-Looking Information”.

Our long-term strategy remains centred on delivering value for shareholders through the consistent performance of our existing business and the execution of appropriate growth opportunities, including acquisition targets that are complementary to or add value to existing lines of business.

Registry Operations has performed well over the past three quarters despite pandemic conditions. The typical seasonality has been impacted, resulting in a very strong first quarter, and indicators suggest that volumes should remain steady, perhaps with some return to normal seasonality.

For Services, we expect to see volumes remain strong in Regulatory and Corporate Solutions, while volumes in Recovery Solutions will likely remain at current levels while pandemic subsidy programs are in place, which are expected to continue into the fall of 2021. Our ongoing investment in the technology supporting our Services segment, combined with our focus on our customers, is translating into robust organic growth through new customer acquisition.

In Technology Solutions, project implementation work continues. Work that was delayed due to the pandemic has progressed, and another customer's implementation was completed during the quarter. As we move through 2021, we anticipate advancing remaining in-progress implementation projects, while new sales continue to be delayed due to the government worldwide focus on COVID-19.

We remain confident in the strength and long-term potential of the business, but at this point, given the continued uncertainty surrounding the duration and potential outcomes of the COVID-19 pandemic, we will not be providing formal financial guidance for the year.

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, 2021, and 2020. 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 6, 2021 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 laws including, without limitation, those contained in the “Outlook” section hereof and statements related to the industries in which we operate, growth opportunities and our future financial position and results of operations. 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 the condition of the economy, including those arising from public health concerns, reliance on key customers and licences, dependence on key projects and clients, securing new business and fixed-price contracts, identification of viable growth opportunities, implementation of our growth strategy, 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, 2020 and ISC's unaudited Condensed Consolidated Interim Financial Statements and Notes and Management's Discussion and Analysis for the first quarter ended March 31, 2021, 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 laws, ISC assumes no obligation to update or revise such information to reflect new events or circumstances.

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