



NEWS RELEASE

ISC Reports 2021 Second Quarter Financial Results

8/4/2021

REGINA, Saskatchewan, Aug. 04, 2021 (GLOBE NEWSWIRE) -- Information Services Corporation (TSX:ISV) ("ISC" or the "Company") today reported on the Company's financial results for the second quarter ended June 30, 2021.

2021 Second Quarter Highlights

- Revenue was \$44.6 million, an increase of \$13.6 million or 44.0 per cent compared to the second quarter of 2020.
- Net income was \$6.5 million or \$0.37 per basic share and \$0.36 per diluted share compared to \$4.5 million or \$0.26 per basic and diluted share in the second quarter of 2020.
- EBITDA (earnings before interest, taxes, depreciation and amortization expense) was \$13.6 million compared to \$9.2 million in the same quarter last year, an increase of \$4.4 million.
- The EBITDA margin for the second quarter of 2021 was 30.5 per cent compared to 29.5 per cent in the same quarter in 2020.
- Adjusted EBITDA was \$18.6 million for the quarter compared to \$10.4 million in the same quarter last year, with an adjusted EBITDA margin of 41.6 per cent for the quarter compared to 33.5 per cent in the second quarter of 2020.
- Free cash flow of \$8.9 million compared to \$7.8 million in Q2 2020.

Financial Position as at June 30, 2021

- Cash of \$49.6 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, "ISC rose to the challenge last year and has now raised the bar even further with the results we posted for the first and this, the second quarter of 2021. Both our Registry Operations and Services segments achieved extremely strong results. Registry Operations has benefited from very robust economic activity in Saskatchewan while Services has delivered excellent new organic growth from our business development team along with the additional revenue from our national recovery solutions division." Stusek continued, "While our Technology Solutions segment continues to move forward with the delivery of several implementations, despite some delays, it remains an extremely robust business and is poised to continue to thrive and grow in a post-pandemic world."

Management's Discussion of ISC's Summary of 2021 Second Quarter Financial Results

(thousands of CAD dollars; except earnings per share and where noted)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020
Revenue		
Registry Operations	\$ 23,965	\$ 16,198
Services	20,106	12,389
Technology Solutions	550	2,401
Corporate and other	2	5
Consolidated revenue	\$ 44,623	\$ 30,993
Consolidated expenses	\$ 34,637	\$ 24,592
Consolidated EBITDA ¹	\$ 13,607	\$ 9,153
Consolidated EBITDA margin ¹ (% of revenue)	30.5%	29.5%
Consolidated adjusted EBITDA ¹	\$ 18,567	\$ 10,383
Consolidated adjusted EBITDA margin ¹	41.6%	33.5%
Consolidated net income	\$ 6,503	\$ 4,505
Earnings per share (basic) ¹	\$ 0.37	\$ 0.26
Earnings per share (diluted) ¹	\$ 0.36	\$ 0.26
Free cash flow ¹	\$ 8,912	\$ 7,776

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", section 6.1 "Cash Flow" for a reconciliation of free cash flow 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 and six months ended June 30, 2021.

2021 Second Quarter Results of Operations

- Total revenue was \$44.6 million, up \$13.6 million compared to Q2 2020.
- Registry Operations segment revenue was \$24.0 million, up compared to \$16.2 million in Q2 2020.
 - Land Registry revenue was \$17.9 million, up compared to \$11.2 million in Q2 2020.

- Personal Property Registry was \$3.1 million, up \$0.7 million compared to Q2 2020.
- Corporate Registry revenue was \$2.7 million, flat compared to Q2 2020.
- Services segment revenue was \$20.1 million, up \$7.7 million compared to Q2 2020.
- Technology Solutions segment revenue was \$0.6 million, down \$1.8 million compared to Q2 2020.
- Consolidated expenses (all segments) were \$34.6 million, up \$10.0 million compared to \$24.6 million in Q2 2020.
- Net income was \$6.5 million or \$0.37 per basic and \$0.36 per diluted share, up \$2.0 million compared to \$4.5 million or \$0.26 per basic and diluted share for Q2 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”.

Both our Registry Operations and Services segments have benefitted from the strong, positive economic conditions in the sectors in which we operate. Registry Operations has realized excellent results over the past twelve months, despite pandemic conditions, mainly driven by robust activity in Saskatchewan, particularly in the real estate sector. At present, we expect volumes to continue to show strength and stability in the near term, although the potential impact from COVID-19 and its related variants for the balance of the year continues to be unknown.

Services volumes are also expected to remain robust in Regulatory and Corporate Solutions, while volumes in Recovery Solutions are expected to remain unchanged so long as Federal or other pandemic subsidy programs are in place. At present, we expect those subsidy programs to end in the fourth quarter of 2021. For the balance of the business, our new technology, combined with our focus on our customers, continues to drive new customer acquisition.

In Technology Solutions, project implementation and product development work continues, although with some delays. While this work is planned to be completed in the latter part of this year, we expect overall activity in this segment to be lower as new sales continue to be delayed due to the government worldwide focus on COVID-19 over the past year. We continue to look for additional opportunities with existing customers, but some of the larger, new opportunities are notably delayed.

Overall, the business has performed extremely well in 2021, demonstrating the strength, resiliency and efficiency of our segments. While our confidence in ISC's strength and long-term potential endures, we recognize that uncertainty remains for the last half of the year from the potential outcomes of COVID-19 and its variants. As such, 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 quarter ended June 30, 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, August 5, 2021 at 11:00 a.m. ET 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 second quarter ended June 30, 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.

Investor Contact

Jonathan Hackshaw

Senior Director, Investor Relations & Capital Markets

Toll Free: 1-855-341-8363 in North America or 1-306-798-1137

investor.relations@isc.ca

Source: Information Services Corporation