



ISC Announces Annual Guidance and Management Update for 2024

February 5, 2024

- **Meaningful organic growth forecasted in 2024**, with the top-end guidance range for revenue and adjusted EBITDA estimated to grow by 18 and 20 per cent, respectively, year over year.
- **Robust free cash flow** will support growth and execution of our plan to de-lever the balance sheet.

REGINA, Saskatchewan, Feb. 05, 2024 (GLOBE NEWSWIRE) -- Information Services Corporation (TSX:ISV) ("ISC", "we" or the "Company") today announced its annual guidance and outlook for 2024.

Consolidated Annual Guidance 2024 (in millions of Canadian dollars except percentages)

	Guidance Ranges 2023	Guidance Ranges 2024	Estimated Year over Year Increase
Revenue	\$207.0 to \$212.0	\$240.0 to \$250.0	16% - 18%
Adjusted EBITDA ¹	\$71.0 to \$76.0	\$83.0 to \$91.0	17% - 20%

Outlook

In 2024, we expect revenue to grow within a range of \$240.0 million and \$250.0 million and adjusted EBITDA¹ to grow within a range of \$83.0 million and \$91.0 million. The expectations for these metrics in 2024 represent year-over-year increases of up to 18 per cent for revenue and up to 20 per cent for adjusted EBITDA when compared to the same guidance ranges for 2023. Our expected performance year-over-year marks the beginning of the next phase of ISC's growth plan. We intend to leverage the investments and achievements of 2023 while intensifying our focus on organic growth and continuing to execute on accretive M&A opportunities.

Services will continue to be a significant part of our organic growth, with a forecasted increase in transactions and the number of customers. In Registry Operations, we expect transactions in 2024 to be largely flat with revenue growth through a realization of a full year of fee adjustments, including those amended in July 2023 because of the extension of the Master Services Agreement in Saskatchewan (the "Extension") and regular annual CPI fee adjustments. Our Technology Solutions segment is also forecasted to see double-digit growth as we deliver on existing and new solutions delivery contracts in 2024.

The key drivers of expenses in adjusted EBITDA in 2024 are expected to be wages and salaries and cost of goods sold. Furthermore, as a result of the Extension, the Company will have additional operating costs associated with the enhancement of the Saskatchewan Registries and increased interest expense arising from additional borrowings in 2023, which are excluded from adjusted EBITDA.

Our capital expenditures will also increase because of the enhancement of the Saskatchewan Registries but will remain immaterial overall. As a result, the Company expects to see robust free cash flow in 2024, which will support the de-leveraging of our balance sheet to realize a long-term net leverage target of 2.0x – 2.5x.

Management update

ISC also announces the upcoming retirement of Ken Budzak, Executive Vice President, Registry Operations, effective May 2024.

Mr. Budzak has been with ISC nearly since its inception, joining the organization in 2001. His dedication, strategic insights and unwavering commitment have significantly contributed to the Company's growth and success. Appointed as Executive Vice President, Registry Operations in 2017, he has played a pivotal role in supporting the Company's trajectory and fostering its development.

"Ken has been an instrumental part of our journey as both a Crown corporation and publicly traded company. His leadership of our Saskatchewan registries business, and more recently our Reamined Systems Inc. acquisition, has been invaluable and has helped position the Company to be able to execute on its growth strategy" said Shawn Peters, President and CEO. " We wish him the very best in his well-deserved retirement."

During this transition period, the Company will undertake a process to fill the role, ensuring it aligns with our strategic objectives, while the strong team Ken has built will continue to provide the exceptional performance and service that our customers are accustomed to.

Notes

¹Adjusted EBITDA is not a recognized measure under International Financial Reporting Standards ("IFRS") and does not have a standardized meaning prescribed by IFRS and, therefore, it may not be comparable to similar measures reported by other corporations. Please refer to section 8 for "Non-IFRS Financial Measures" and "Financial Measures and Key Performance Indicators" in Management's Discussion and Analysis for the three and nine months ended September 30, 2023. Additionally, see the Non-IFRS Performance Measures section noted below.

About ISC®

Headquartered in Canada, ISC is a 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 economic, market and business conditions, changes in technology and customers’ demands and expectations, 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, termination risks 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, 2022 and ISC’s unaudited Condensed Consolidated Interim Financial Statements and Notes and Management’s Discussion and Analysis for the third quarter ended September 30, 2023, copies of which are filed on SEDAR+ at www.sedarplus.ca.

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.

Non-IFRS Performance Measures

Included within this news release is reference to certain measures that have not been prepared in accordance with IFRS, such as adjusted EBITDA. This measure is provided as additional information to complement those IFRS measures by providing further understanding of our financial performance from management’s perspective, to provide investors with supplemental measures of our operating performance and, thus, highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures.

Management also uses non-IFRS measures to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess our ability to meet future capital expenditure and working capital requirements.

Accordingly, these non-IFRS measures should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS. Such measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies.

Non-IFRS Performance Measure	Why we use it	How we calculate it	Most comparable IFRS financial measure
Adjusted EBITDA	<ul style="list-style-type: none"> To evaluate performance and profitability of segments and subsidiaries as well as the conversion of revenue while excluding non-operational and share-based volatility. We believe that certain investors and analysts use adjusted EBITDA to measure our ability to service debt and meet other performance obligations. Adjusted EBITDA is also used as a component of determining short-term incentive compensation for employees. 	Adjusted EBITDA: EBITDA add (remove) share-based compensation expense, acquisition, integration and other costs, gain/loss on disposal of assets if significant	Net income

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