



ISC Reports Financial Results for the Second Quarter of 2025

July 30, 2025

- **Solid Q2 2025 performance from diversified segments.**
- **Registry Operations stable, Services saw growth in Recovery Solutions, Technology Solutions improved efficiency.**
- **Financial discipline maintained, ensuring sustained performance.**

Capitalized terms that are used but not defined in this news release have the meaning ascribed to those terms in Management's Discussion & Analysis for the three and six months ended June 30, 2025.

REGINA, Saskatchewan, July 30, 2025 (GLOBE NEWSWIRE) -- Information Services Corporation (TSX:ISC) ("ISC" or the "Company") today reported on the Company's financial results for the quarter ended June 30, 2025.

Commenting on ISC's results, Shawn Peters, President and CEO stated, "Our results for the second quarter of 2025 showcase the strength of our diversified business model, delivering a solid performance. Registry Operations maintained stability with rising real estate values, while Services grew through the high-margin Recovery Solutions division." Peters continued, "Despite higher share-based compensation and other unexpected costs in the quarter, our financial discipline ensures sustained performance. This balanced approach to execution positions us to continue to drive growth."

Second Quarter 2025 Highlights

- **Revenue** was \$67.3 million for the quarter ended June 30, 2025, consistent when compared to \$67.8 million in the second quarter of 2024. Within Registry Operations, there was steady revenue from the Saskatchewan Registries division, particularly in the Land Registry, where an increase in average real estate values across the Saskatchewan market offset lower transaction volumes and was supplemented by new BASR revenue. Counterbalancing this was a decrease in Services revenue, where the continued growth in the higher-margin Recovery Solutions revenue through increased assignments and subsequent sales did not fully offset a decline in the lower-margin Regulatory Solutions division revenue.
- **Net income** was \$5.9 million or \$0.32 per basic share and diluted share for the quarter ended June 30, 2025, compared to \$10.3 million or \$0.57 per basic share and \$0.56 per diluted share in the second quarter of 2024. Steady adjusted EBITDA results across our operating segments and lower net finance expense were offset by increased share-based compensation and professional and consulting services expenses.
- **Net cash flow provided by operating activities** was \$22.9 million for the quarter ended June 30, 2025, a decrease of \$1.3 million in the second quarter of 2024. Contributing to the decrease were the same items as described above for net income.
- **Adjusted net income** was \$15.1 million or \$0.81 per basic and \$0.81 diluted share for the quarter ended June 30, 2025, compared to \$14.1 million or \$0.78 per basic share and \$0.77 per diluted share in the second quarter of 2024. The increase reflects steady adjusted EBITDA results across all operating segments and lower net finance expense.
- **Adjusted EBITDA** for the quarter ended June 30, 2025, was \$26.7 million, steady compared to a record \$27.2 million in the second quarter of 2024. Consistent adjusted EBITDA from Registry Operations combined with lower cost of goods sold in the Services segment as a result of lower volumes in the Regulatory and Corporate Solutions divisions together with higher margin revenue in Recovery solutions were counterbalanced by slightly increased expenses. **Adjusted EBITDA margin** was 40 per cent which was consistent with the second quarter of 2024.
- **Adjusted free cash flow** for the quarter ended June 30, 2025, was \$21.0 million, compared to \$15.7 million in the second quarter of 2024, due to steady adjusted EBITDA results across our operating segments in addition to lower interest paid on long term debt.
- Voluntary prepayments of \$15.0 million were made towards the Company's Credit Facility during the quarter. This is part of the Company's plan to deleverage towards a long-term net leverage target of 2.0x – 2.5x. See Section 6.3 "Debt" for more information on ISC's Credit Facility.
- On June 4, 2025, the Company announced that it had authorized, and the Toronto Stock Exchange (the "TSX") had accepted, a notice filed of its intention to make a normal course issuer bid (the "NCIB"), to purchase for cancellation up to

929,007 Class A limited voting shares of ISC (the “Class A Shares”) over the twelve-month period commencing on June 6, 2025 and ending no later than June 5, 2026, representing approximately 5 per cent of the Class A Shares issued and outstanding as at June 2, 2025. As at July 30, 2025, the Company has not yet repurchased any shares under the NCIB.

Financial Position as at June 30, 2025

- Cash of \$21.3 million compared to \$21.0 million as at December 31, 2024, an increase of \$0.3 million.
- Total debt of \$154.7 million compared to \$167.6 million as at December 31, 2024. The Company is focused on continuing sustainable growth and deleveraging its balance sheet towards a long-term net leverage target of 2.0x – 2.5x.

Subsequent Events

- On July 30, 2025, the Board declared a quarterly cash dividend of \$0.23 per Class A Share, payable on or before October 15, 2025, to shareholders of record as of September 30, 2025.

Summary of Second Quarter 2025 Financial Results

(thousands of CAD; except earnings per share, adjusted earnings per share and where noted)	Three Months Ended June 30,	
	2025	2024
Revenue		
Registry Operations	\$ 35,417	\$ 34,391
Services	29,770	30,855
Technology Solutions ¹	2,104	2,599
Corporate and other	21	3
Total revenue	\$ 67,312	\$ 67,848
Total expenses	\$ 54,901	\$ 47,631
Adjusted EBITDA ²	\$ 26,678	\$ 27,180
Adjusted EBITDA margin ²	39.6%	40.0%
Net income	\$ 5,890	\$ 10,319
Adjusted net income ²	\$ 15,134	\$ 14,067
Earnings per share (basic)	\$ 0.32	\$ 0.57
Earnings per share (diluted)	\$ 0.32	\$ 0.56
Adjusted earnings per share (basic) ²	\$ 0.81	\$ 0.78
Adjusted earnings per share (diluted) ²	\$ 0.81	\$ 0.77
Adjusted free cash flow ²	\$ 21,004	\$ 15,664

¹ Corporate and other and Inter-segment eliminations are excluded. Technology Solutions revenue included in the above chart is Third Party revenue. Please see Section 3.3 “Technology Solutions” in the MD&A for more information.

² Adjusted net income, adjusted earnings per share, basic, adjusted earnings per share, diluted, adjusted EBITDA, adjusted EBITDA margin and adjusted free cash flow are not recognized as measures under IFRS Accounting Standards, do not have a standardized meaning prescribed and may not be comparable to similar measures reported by other companies. Refer to Section 8.8 “Non-IFRS financial measures” in the MD&A for a discussion on why we use these measures, the calculation of them and their most directly comparable financial measure calculated in accordance with IFRS Accounting Standards. Refer to Section 2. “Consolidated Financial Analysis” and Section 6.1 “Cash flow” in the MD&A for a reconciliation of these measures to the most directly comparable financial measure calculated in accordance with IFRS Accounting Standards.

Second Quarter 2025 Results of Operations

- Total revenue was \$67.3 million, down 1 per cent compared to Q2 2024.
- Registry Operations segment revenue was \$35.4 million, up 3 per cent compared to Q2 2024.
 - Land Registry revenue was \$23.2 million, down compared to \$23.6 million in Q2 2024.
 - Personal Property Registry revenue was \$3.7 million, up compared to \$3.5 million in Q2 2024.
 - Corporate Registry revenue was \$3.4 million, up compared to \$3.3 million in Q2 2024.
 - Property Tax Assessment Services revenue was \$4.3 million, up compared to \$3.9 million in Q2 2024.
 - Other Registries revenue was \$0.9 million, up compared to Q2 2024.
- Services segment revenue was \$29.8 million, down 4 per cent compared to Q2 2024.
 - Regulatory Solutions revenue was \$22.8 million, down compared to \$23.6 million in Q2 2024.
 - Recovery Solutions revenue was \$4.4 million, up compared to \$3.8 million in Q2 2024.
 - Corporate Solutions revenue was \$2.6 million, down compared to \$3.4 million in Q2 2024.

- Technology Solutions revenue was \$7.9 million, up 6 per cent compared to Q2 2024.
- Consolidated expenses were \$54.9 million compared to \$47.6 million for Q2 2024.
- Net income was \$5.9 million or \$0.32 per basic share and \$0.32 per diluted share, compared to \$10.3 million or \$0.57 per basic share and \$0.56 per diluted share in Q2 2024.
- Sustaining capital expenditures were \$2.6 million, compared to \$2.7 million in Q2 2024.

Outlook

The following section includes forward-looking information, including statements related to our strategy, future results, including revenue and adjusted EBITDA, segment performance, the industries in which we operate, economic activity, growth opportunities, investments and business development opportunities. Refer to "Caution Regarding Forward-Looking Information".

Our guidance for 2025 reflects continued organic growth in line with historical trends. While not included in our guidance, our disciplined M&A strategy is intended to support our long-term growth targets as we continue to pursue new opportunities.

In Registry Operations, a declining interest rate environment is likely to support ongoing activity in the Saskatchewan real estate market. As a result, there is expected to be typical annual growth in overall volumes in the Saskatchewan Land Registry of 2 to 3 per cent on an annualized basis. At the same time, there is also forecasted to be an increase in the fair market value of regular real estate transfers, along with inventory challenges in the lower-value homes category. The stability of the Ontario Property Tax Assessment division, along with a full year of BASR and annual Saskatchewan Registries CPI fee adjustments, will support the segment's steady financial performance.

In Services, we expect continued growth in the Regulatory Solutions division due to the ongoing trend of increased due diligence by financial institutions. In addition, we expect to build on the strong gains made in the Recovery Solutions division in 2024. Growth in these two divisions is expected to offset any headwinds from the further opening of the Ontario Business Registry, as well as the unexpected ban on NOSIs in Ontario at the start of June 2024.

In Technology Solutions, we are re-forecasting our growth in 2025 as the timing of some Third Party projects has been extended into 2026 and we now expect 2025 to be consistent with 2024.

As a result, in 2025 ISC continues to expect revenue to be within a range of \$257.0 million to \$267.0 million and adjusted EBITDA to be in a range of \$89.0 million to \$97.0 million. In keeping with our historical performance, the Company also expects to see robust free cash flow in 2025, which will support the deleveraging of our balance sheet to realize a long-term net leverage target of 2.0x – 2.5x.

Note to Readers

The Board of Directors ("Board") of ISC is responsible for review and approval of this disclosure. The Audit Committee of the Board, which is comprised exclusively of independent directors, reviews and approves the fiscal year-end Management's Discussion and Analysis 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 June 30, 2025 and 2024. 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.isc.ca.

Copies can also be obtained at www.sedarplus.ca 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

An investor conference call will be held on Thursday, July 31, 2025 at 11:00 a.m. ET to discuss the results. Those joining the call on a listen-only basis are encouraged to join the live audio webcast, which will be available on ISC's website at www.company.isc.ca/investor-relations/events.

Participants who wish to ask a question on the live call may do so through the ISC website, or by registering at: <https://register-conf.media-server.com/register/Blfe27aff353f643478cafaa4f424f544e>.

Once registered, participants will receive the dial-in numbers and their unique PIN number. When dialing in, participants will input their PIN and be placed into the call.

While not required, it is recommended that participants join 10 minutes before the start time. A replay of the webcast will be available approximately 24 hours after the event on ISC's website at www.isc.ca. Media are invited to attend on a listen-only basis.

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 ISC.

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. Forward-looking information includes statements related to our strategy, future results, including revenue and adjusted EBITDA, segment performance, expenses, operating costs, capital expenditures, and expectations regarding the industries in which we operate, growth opportunities, economic activity, investments, business development 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 related to changes in economic, market and business conditions, technological developments, shifts in customer demands and expectations, reliance on key customers and licences, dependence on key projects and clients, the ability to secure new business and manage fixed-price contracts, identification of viable growth opportunities, execution of the Company’s growth strategy, competition, termination risks and other risks disclosed from time to time in the Company’s filings, including those detailed in ISC’s Annual Information Form for the year ended December 31, 2024 and ISC’s unaudited Condensed Consolidated Interim Financial Statements and Notes and Management’s Discussion and Analysis for the quarter ended June 30, 2025, 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 legislation, 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 Accounting Standards, such as adjusted net income, adjusted earnings per share, basic, adjusted earnings per share, diluted, adjusted EBITDA, adjusted EBITDA margin, free cash flow and adjusted free cash flow. These measures are provided as additional information to complement 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 Accounting Standards. Such measures do not have any standardized meaning prescribed by IFRS Accounting Standards 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 net income Adjusted earnings per share, basic Adjusted earnings per share, diluted	<ul style="list-style-type: none"> To evaluate performance and profitability while excluding non-operational and share-based volatility. We believe that certain investors and analysts will use adjusted net income and adjusted earnings per share to evaluate performance while excluding items that management believes do not contribute to our ongoing operations. Adjusted earnings per share, basic is also used as a component of determining short-term incentive compensation for employees. 	<p>Adjusted net income:</p> <p>Net income</p> <p>add</p> <p>Share-based compensation expense, acquisitions, integration and other costs, effective interest component of interest expense, debt finance costs expensed to professional and consulting, amortization of the intangible asset associated with the right to manage and operate the Saskatchewan Registries, amortization of registry enhancements, interest on the vendor concession liability and the tax effect of these adjustments at ISC’s statutory tax rate</p> <p>Adjusted earnings per share, basic:</p> <p>Adjusted net income divided by weighted average number of common shares outstanding</p> <p>Adjusted earnings per share, diluted:</p> <p>Adjusted net income divided by diluted weighted average number of common shares outstanding</p>	<p>Net income</p> <p>Earnings per share, basic</p> <p>Earnings per share, diluted</p>
Adjusted EBITDA Adjusted EBITDA margin	<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 	<p>Adjusted EBITDA:</p> <p>Net income</p> <p>add (remove)</p> <p>Depreciation and amortization, net finance expense and income tax expense, share-based compensation expense, acquisition, integration and other costs,</p>	<p>Net income</p>

	<p>to measure our ability to service debt and meet other performance obligations.</p> <ul style="list-style-type: none"> We believe that certain investors and analysts use adjusted EBITDA margin to evaluate the performance of our business, as well as our ability to generate cash flows from ongoing operations. Adjusted EBITDA is also used as a component of determining short-term incentive compensation for employees. 	<p>gain/loss on disposal of assets and asset impairment charges if significant</p> <p>Adjusted EBITDA margin:</p> <p>Adjusted EBITDA</p> <p>divided by</p> <p>Total revenue</p>	
Free cash flow	<ul style="list-style-type: none"> To show cash available for debt repayment and reinvestment into the Company on a levered basis. We believe that certain investors and analysts use this measure to value a business and its underlying assets. Free cash flow with share-based compensation at target is also used as a component of determining short-term incentive compensation for employees. 	<p>Net cash flow provided by operating activities</p> <p>deduct (add)</p> <p>Net change in non-cash working capital, cash additions to property, plant and equipment, cash additions to intangible assets, interest received and paid as well as interest paid on lease obligations and principal repayments on lease obligations</p>	Net cash flow provided by operating activities
Adjusted free cash flow	<ul style="list-style-type: none"> To show cash available for debt repayment and reinvestment into the Company on a levered basis from continuing operations while excluding non-operational and share-based volatility. We believe that certain investors and analysts use this measure to value a business and its underlying assets based on continuing operations while excluding short-term non-operational items. 	<p>Free cash flow</p> <p>deduct (add)</p> <p>Share-based compensation expense, acquisition, integration and other costs and registry enhancement capital expenditures</p>	Net cash flow provided by operating activities

The following presents a reconciliation of adjusted net income to net income, a reconciliation of adjusted EBITDA to net income and a reconciliation of adjusted free cash flow to free cash flow to net cash flow provided by operating activities:

Reconciliation of Adjusted Net Income to Net Income

(thousands of CAD)	Three Months Ended June 30,					
	Pre-tax		Tax ¹		After-tax	
	2025	2024	2025	2024	2025	2024
Adjusted net income	\$ 20,669	\$ 19,562	\$ (5,535)	\$ (5,495)	\$ 15,134	\$ 14,067
Add (subtract):						
Share-based compensation expense	(4,610)	1,097	1,244	(296)	(3,366)	801
Acquisition, integration and other costs	(3,498)	(1,259)	944	340	(2,554)	(919)
Effective interest component of interest expense	(66)	(65)	18	18	(48)	(47)
Interest on vendor concession liability	(2,174)	(2,594)	587	700	(1,587)	(1,894)
Amortization of right to manage and operate the Saskatchewan Registries	(2,313)	(2,314)	624	625	(1,689)	(1,689)
Net income	\$ 8,008	\$ 14,427	\$ (2,118)	\$ (4,108)	\$ 5,890	\$ 10,319

¹ Calculated at ISC's statutory tax rate of 27.0 per cent.

Reconciliation of Adjusted EBITDA to Net Income

Three Months Ended June 30,

(thousands of CAD)	2025		2024	
Adjusted EBITDA	\$	26,678	\$	27,180
Add (subtract):				
Share-based compensation expense		(4,610)		1,097
Acquisition, integration and other costs		(3,498)		(1,259)
Depreciation and amortization		(6,159)		(6,801)
Net finance expense		(4,403)		(5,790)
Income tax expense		(2,118)		(4,108)
Net income	\$	5,890	\$	10,319
Adjusted EBITDA margin (% of revenue)		39.6%		40.0%

Reconciliation of Adjusted Free Cash Flow to Free Cash Flow to Net Cash Flow Provided by Operating Activities

(thousands of CAD)	Three Months Ended June 30,			
	2025		2024	
Adjusted free cash flow	\$	21,004	\$	15,664
Add (subtract):				
Share-based compensation expense		(4,610)		1,097
Acquisition, integration and other costs		(3,498)		(1,259)
Registry enhancement capital expenditures		(2,197)		(1,135)
Free cash flow	\$	10,699	\$	14,367
Add (subtract):				
Cash additions to property, plant and equipment		151		305
Cash additions to intangible assets		2,433		2,405
Interest received		(137)		(252)
Interest paid		1,412		4,307
Interest paid on lease obligations		186		125
Principal repayment on lease obligations		536		697
Net change in non-cash working capital ¹		7,590		2,195
Net cash flow provided by operating activities	\$	22,870	\$	24,149

¹ Refer to Note 17 to the Financial Statements for reconciliation.

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