

Source: Pulse Seismic Inc.



PULSE SEISMIC INC. REPORTS Q1 2024 RESULTS AND INCREASES REGULAR DIVIDEND

CALGARY, Alberta, April 24, 2024 (GLOBE NEWSWIRE) – Pulse Seismic Inc. (TSX:PSD) (OTCQX:PLSDF) (“Pulse” or the “Company”) is pleased to report its financial and operating results for the three months ended March 31, 2024. The unaudited condensed consolidated interim financial statements, accompanying notes and MD&A are being filed on SEDAR (www.sedar.com) and will be available on Pulse’s website at www.pulseseismic.com.

Pulse’s Board of Directors today approved a 9% increase to the regular dividend and declared a regular quarterly dividend of \$0.015 per share. This increase results in an annualized regular dividend of \$0.06 per share. The total of the dividend will be approximately \$780,000 based on Pulse’s 51,994,563 common shares outstanding as of April 24, 2024, and will be paid on May 23, 2024, to shareholders of record on May 14, 2024. These dividends are designated as an eligible dividend for Canadian income tax purposes. For non-resident shareholders, Pulse’s dividends are subject to Canadian withholding tax.

The annual general meeting of the shareholders of Pulse Seismic Inc. will be held at 11:00 a.m. (MDT) on April 25, 2024 at the offices of McCarthy Tetrault LLP, Suite 4000, 421-7th Avenue SW, Calgary, Alberta.

HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2024

- A regular quarterly dividend of \$0.01375 per share was declared and paid in the first quarter;
- The special dividend of \$0.20 per share totalling \$10.5 million, declared in December 2023, was paid in the first quarter;
- Shareholder free cash flow^(a) was \$5.0 million (\$0.10 per share basic and diluted) compared to \$5.3 million (\$0.10 per share basic and diluted) in the first quarter of 2023;
- EBITDA^(a) was \$6.2 million (\$0.12 per share basic and diluted) compared to \$6.6 million (\$0.12 per share basic and diluted) in the first quarter of 2023;
- Net earnings were \$2.7 million (\$0.05 per share basic and diluted) compared to net earnings of \$2.9 million (\$0.05 per share basic and diluted) in the first quarter of 2023;
- Total revenue was \$8.8 million compared to \$8.4 million for the three months ended March 31, 2023;
- In the three-month period ended March 31, 2024, Pulse purchased and cancelled, through its normal course issuer bid, a total of 627,300 common shares at a total cost of approximately \$1.2 million (at an average cost of \$1.89 per common share including commissions); and
- At March 31, 2024, Pulse was debt-free and held cash of \$13.8 million.

SELECTED FINANCIAL AND OPERATING INFORMATION

(Thousands of dollars except per share data, numbers of shares and kilometres of seismic data)	Three months ended March 31,		Year ended
	2024 (Unaudited)	2023	December 31, 2023
Revenue			
Data library sales	8,777	8,407	39,127
Amortization of seismic data library	2,270	2,286	9,103
Net earnings	2,681	2,908	15,007
Per share basic and diluted	0.05	0.05	0.28
Cash provided by operating activities	10,464	5,413	23,524
Per share basic and diluted	0.20	0.10	0.44
EBITDA ^(a)	6,229	6,615	30,431
Per share basic and diluted ^(a)	0.12	0.12	0.57
Shareholder free cash flow ^(a)	5,038	5,261	24,829
Per share basic and diluted ^(a)	0.10	0.10	0.47
Capital expenditures			
Seismic data	225	-	-
Property and equipment	-	4	28
Total capital expenditures	225	4	28
Dividends			
Regular dividends	715	670	2,862
Special dividends	-	-	18,519
Total dividends	715	670	21,381
Weighted average shares outstanding			
Basic and diluted	52,122,006	53,614,717	53,237,569
Shares outstanding at period-end	51,994,563	53,596,769	52,621,863
Seismic library			
2D in kilometres	829,207	829,207	829,207
3D in square kilometres	65,310	65,310	65,310

FINANCIAL POSITION AND RATIO

(thousands of dollars except ratio)	March 31, 2024	March 31, 2023	December 31, 2023
Working capital	10,579	11,136	7,468
Working capital ratio	3.8:1	13.3:1	1.5:1
Cash and cash equivalents	13,765	10,455	15,948
Total assets	31,122	37,220	41,249
Trailing 12-month (TTM) EBITDA ^(b)	30,045	8,641	30,431
Shareholders' equity	26,543	35,679	25,655

^(a) The Company's continuous disclosure documents provide discussion and analysis of "EBITDA", "EBITDA per share", "shareholder free cash flow" and "shareholder free cash flow per share". These financial measures do not have standard definitions prescribed by IFRS and, therefore, may not be comparable to similar measures disclosed by other companies. The Company has included these non-GAAP financial measures because management, investors, analysts and others use them as measures of the Company's financial performance. The Company's definition of EBITDA is cash available to invest in growing the Company's seismic data library, pay interest and principal on long-term debt when applicable, purchase its common shares, pay taxes and the payment of dividends. EBITDA is calculated as earnings (loss) from operations before interest, taxes, depreciation and amortization. EBITDA per share is defined as EBITDA divided by the weighted average number of shares outstanding for the period. The Company believes EBITDA assists investors in comparing Pulse's results on a consistent basis without regard to non-cash items, such as depreciation and amortization, which can vary significantly depending on accounting methods or non-operating factors such as historical cost. Shareholder free cash flow further refines the calculation by adding back non-cash expenses and deducting net financing costs and current income tax expense from EBITDA. Shareholder free cash flow per share is defined as shareholder free cash flow divided by the weighted average number of shares outstanding for the period.

^(b) TTM EBITDA is defined as the sum of EBITDA generated over the previous 12 months and is used to provide a comparable annualized measure. These non-GAAP financial measures are defined, calculated and reconciled to the nearest GAAP financial measures in the Management's Discussion and Analysis.

OUTLOOK

Following the high level of data licensing and financial performance achieved in 2023, the Company has also experienced a solid start to 2024, generating \$8.8 million of revenue in the first quarter. While the outlook for economic and commodity markets is mixed, several factors are expected to have a positive impact on the year ahead in the energy industry. The continued strength in crude oil prices and expectations that global demand for fossil fuels will continue to trend upward is key. The completion of the Trans Mountain Pipeline Expansion project is imminent and the LNG Canada facility is expected to be operational in 2025. These critical energy projects will provide increased export capacity for delivering both oil and natural gas to global markets.

After two high-volume years of industry Merger & Acquisition activity, Sayer Energy Advisors reported that they anticipate a year-over-year reduction to approximately \$12 billion in 2024. This forecast reflects the stronger balance sheets and profitability in the industry and, accordingly, fewer assets and companies for sale. An initial 2024 forecast by Enserva anticipates industry capital spending growth of a further 10 percent this year. Land sales are also forecast to remain robust. In November 2023, the Canadian Association of Energy Contractors issued an initial 2024 drilling forecast of 6,229 wells, up from 5,748 in 2023.

The Company cautions, as always, that industry conditions do not provide visibility regarding Pulse's seismic data library sales levels and remains focused on the business practices that have served it throughout the full range of conditions. Pulse maintains a strong balance sheet, has zero debt, no capital spending commitments, and a disciplined and rigorous approach to evaluating growth opportunities. This 15-person company, led by an experienced and capable management team, operates with a low-cost structure and focuses on developing excellent client relations and providing exceptional customer service. Pulse's strong financial position, high leverage to increased revenue in its EBITDA margin and careful management of its cash resources have resulted in the return of capital to shareholders through regular and special dividends and the repurchase of its shares.

CORPORATE PROFILE

Pulse is a market leader in the acquisition, marketing and licensing of 2D and 3D seismic data to the western Canadian energy sector. Pulse owns the largest licensable seismic data library in Canada, currently consisting of approximately 65,310 square kilometres of 3D seismic and 829,207 kilometres of 2D seismic. The library extensively covers the Western Canada Sedimentary Basin, where most of Canada's oil and natural gas exploration and development occur.

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This document contains information that constitutes “forward-looking information” or “forward-looking statements” (collectively, “forward-looking information”) within the meaning of applicable securities legislation. Forward-looking information is often, but not always, identified by the use of words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “forecast”, “target”, “project”, “guidance”, “may”, “will”, “should”, “could”, “estimate”, “predict” or similar words suggesting future outcomes or language suggesting an outlook.

The Outlook section herein contain forward-looking information which includes, but is not limited to, statements regarding:

- > The outlook of the Company for the year ahead, including future operating costs and expected revenues;
- > Recent events on the political, economic, regulatory, public health and legal fronts affecting the industry’s medium- to longer-term prospects, including progression and completion of contemplated pipeline projects;
- > The Company’s capital resources and sufficiency thereof to finance future operations, meet its obligations associated with financial liabilities and carry out the necessary capital expenditures through 2024;
- > Pulse’s capital allocation strategy;
- > Pulse’s dividend policy;
- > Oil and natural gas prices and forecast trends;
- > Oil and natural gas drilling activity and land sales activity;
- > Oil and natural gas company capital budgets;
- > Future demand for seismic data;
- > Future seismic data sales;
- > Pulse’s business and growth strategy; and
- > Other expectations, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions, results and performance, as they relate to the Company or to the oil and natural gas industry as a whole.

By its very nature, forward-looking information involves inherent risks and uncertainties, both general and specific, and risks that predictions, forecasts, projections and other forward-looking statements will not be achieved. Pulse does not publish specific financial goals or otherwise provide guidance, due to the inherently poor visibility of seismic revenue. The Company cautions readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in such forward-looking information. These factors include, but are not limited to:

- > Uncertainty of the timing and volume of data sales;
- > Volatility of oil and natural gas prices;
- > Risks associated with the oil and natural gas industry in general;
- > The Company’s ability to access external sources of debt and equity capital;
- > Credit, liquidity and commodity price risks;
- > The demand for seismic data and;
- > The pricing of data library licence sales;
- > Cybersecurity;
- > Relicensing (change-of-control) fees and partner copy sales;
- > Environmental, health and safety risks;
- > Federal and provincial government laws and regulations, including those pertaining to taxation, royalty rates, environmental protection, public health and safety;
- > Competition;
- > Dependence on key management, operations and marketing personnel;

- > The loss of seismic data;
- > Protection of intellectual property rights;
- > The introduction of new products; and
- > Climate change.

Pulse cautions that the foregoing list of factors that may affect future results is not exhaustive. Additional information on these risks and other factors which could affect the Company's operations and financial results is included under "Risk Factors" in the Company's most recent annual information form, and in the Company's most recent audited annual financial statements, most recent MD&A, management information circular, quarterly reports, material change reports and news releases. Copies of the Company's public filings are available on SEDAR at www.sedar.com.

When relying on forward-looking information to make decisions with respect to Pulse, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Furthermore, the forward-looking information contained in this document is provided as of the date of this document and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking information, except as required by law. The forward-looking information in this document is provided for the limited purpose of enabling current and potential investors to evaluate an investment in Pulse. Readers are cautioned that such forward-looking information may not be appropriate, and should not be used, for other purposes.