

Source: Pulse Seismic Inc.



PULSE SEISMIC INC. REPORTS STRONG Q1 2025 FINANCIAL RESULTS AND INCREASES REGULAR QUARTERLY DIVIDEND

CALGARY, Alberta, April 22, 2025 (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, 2025. The unaudited condensed consolidated interim financial statements, accompanying notes and MD&A are being filed on SEDAR+ (www.sedarplus.ca) and will be available on Pulse’s website at www.pulseseismic.com.

Today, Pulse’s Board of Directors approved a 17% increase to the regular quarterly dividend, declaring a dividend of \$0.0175 per share. This results in an increase to the annual regular dividend from \$0.06 per share to \$0.07 per share. The total dividend declared will be approximately \$889,000 based on Pulse’s 50,794,563 common shares outstanding as of April 22, 2025, to be paid on May 20, 2025, to shareholders of record on May 12, 2025. This dividend is designated as an eligible dividend for Canadian income tax purposes. For non-resident shareholders, Pulse’s dividends are subject to Canadian withholding tax.

“I am very pleased to report today’s decision by Pulse’s Board of Directors to approve the third annual increase to the Company’s regular dividend since 2023. Having licensed \$22.8 million of seismic data for the quarter, our balance sheet has been further strengthened, ending the period with \$14.3 million of cash and \$14.2 of working capital,” stated Neal Coleman, Pulse’s President and CEO. “As a business with significant fluctuations in annual revenue, having a low-cost structure like ours lends itself to significant increases in EBITDA margins and shareholder free cash flow generation in higher revenue years. Compared to last year, we have already generated 97% of annual revenue,” he continued. “We remain focused on returning capital to shareholders as evidenced by the 17% increase to the regular quarterly dividend, on top of the special dividend of \$0.20 per share that was declared in February,” concluded Coleman.

HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2025

- A regular dividend of \$0.015 per share and a special dividend of \$0.20 per share were declared and paid in the first quarter of 2025, totalling \$10.9 million.
- The Company renewed its Normal Course Issuer Bid (NCIB) on February 24, 2025. During the three months ended March 31, 2025, the Company purchased and cancelled 43,300 shares under the NCIB at an average price of \$2.43 per share, for total cost of approximately \$106,000;
- Total revenue for the three months ended March 31, 2025, was \$22.8 million, compared to \$8.8 million for the same period in 2024. Revenue generated in the first quarter of 2025 represents approximately 97% of the total recorded for the full year ended December 31, 2024;
- Shareholder free cash flow^(a) was \$15.4 million (\$0.30 per share basic and diluted) compared to \$5.0 million (\$0.10 per share basic and diluted) for the three months ended March 31, 2024;
- EBITDA^(a) was \$20.0 million (\$0.39 per share basic and diluted) compared to \$6.2 million (\$0.12 per share basic and diluted) for the three months ended March 31, 2024;
- Net earnings were \$13.4 million (\$0.26 per share basic and diluted) compared to net earnings of \$2.7 million (\$0.05 per share basic and diluted) for the three months ended March 31, 2024; and
- At March 31, 2025, the Company had a cash balance of \$14.3 million as well as \$5.0 million of available liquidity on its revolving demand credit facility.

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,
2025 2024 Year ended,
December 31,
2024

	2025 (Unaudited)	2024	2024
Revenue	22,759	8,777	23,379
Amortization of seismic data library	2,225	2,270	9,090
Net earnings	13,375	2,681	3,391
Per share basic and diluted	0.26	0.05	0.07
Cash provided by operating activities	16,615	10,464	14,195
Per share basic and diluted	0.33	0.20	0.28
EBITDA ^(a)	20,048	6,229	15,496
Per share basic and diluted ^(a)	0.39	0.12	0.30
Shareholder free cash flow ^(a)	15,419	5,038	12,408
Per share basic and diluted ^(a)	0.30	0.10	0.24
Capital expenditures			
Seismic data	-	225	225
Property and equipment	-	-	45
Total capital expenditures	-	225	270
Dividends			
Regular dividends declared	763	715	3,018
Special dividends declared	10,167	-	2,548
Total dividends declared	10,930	715	5,566
Normal course issuer bid			
Number of shares purchased and cancelled	43,300	627,300	1,784,000
Cost of shares purchased and cancelled	106	1,185	3,880
Weighted average shares outstanding			
Basic and diluted	50,829,404	52,122,006	51,448,985
Shares outstanding at period-end	50,794,563	51,994,563	50,837,863
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, March 31, December 31,
2025 2024 2024

Working capital	14,201	10,579	9,222
Working capital ratio	3.7:1	3.8:1	5.1:1
Cash and cash equivalents	14,305	13,765	8,722
Total assets	27,412	31,122	21,516
Trailing 12 -month (TTM) EBITDA ^(b)	29,315	30,045	15,496
Shareholders' equity	20,533	26,543	18,295

^(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 for interest payments, cash taxes, repayment of debt, purchase of its shares, discretionary capital expenditures and the payment of dividends, and is calculated as earnings (loss) from operations before interest, taxes, depreciation and amortization. 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. EBITDA per share is defined as EBITDA divided by the weighted average number of shares outstanding for the period. Shareholder free cash flow further refines the calculation of capital available to invest in growing the Company's 2D and 3D seismic data library, to repay debt, to purchase its common shares and to pay dividends by deducting non-discretionary expenditures from EBITDA. Non-discretionary expenditures are defined as non-cash expenses, debt financing costs (net of deferred financing expenses amortized in the current period), net restructuring costs and current tax provisions. 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.

These non-GAAP financial measures are defined, calculated and reconciled to the nearest GAAP financial measures in the Management's Discussion and Analysis.

^(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

Pulse had a very strong first quarter, generating revenue of \$22.8 million and ending the quarter with \$14.3 million of cash and \$14.2 million of working capital. This was one of the top three quarters in the Company's history, representing 97% of annual 2024 revenue. Pulse's ability to predict future revenue generation has always been challenging, as significant annual fluctuations are the norm in the seismic data library business. This strong quarterly result has improved our balance sheet and positioned the Company for solid financial performance in 2025.

Industry trends that we consider relevant include land sales in Western Canada, drilling forecasts for the year, commodity price levels, M and A forecasts and the status of industry infrastructure improvements. Early in 2025, industry projections included high levels of M & A activity for the year and improving commodity prices. It is difficult to predict in the midst of the current market dynamics how this will unfold through the remainder of 2025. Alberta land sales through 2024 and into 2025 were strong, and in British Columbia land sales were resumed in Q3 2024 after a pause of over 3 years. New infrastructure, such as the TMX pipeline expansion, a driver of increased drilling activity, which was completed in 2024 has provided increased export capacity. The Canadian Association of Energy Contractors, in November 2024 forecast an increase to 6,604 wells to be drilled in 2025, an approximate 7% increase over 2024. There has been no update published to this forecast, and drilling activity is reported to be relatively stable. The pending completion of LNG Canada's liquified natural gas export facility is expected to contribute to the forecast increase in drilling and may lead to an improvement in Canadian natural gas prices.

Of course, there is a high level of uncertainty on the political and economic fronts. The impacts of the recent change in administration in the United States and the uncertainty around energy tariffs and trade policy, together with Canadian federal government leadership changes and the pending Canadian federal election outcome are contributing to the lack of clarity for the future. It is clear that Canada needs to continue to build pipelines and increase natural gas egress, to support the country's energy security, as well as to secure new buyers of Canadian energy.

Pulse, as previously stated, has low visibility regarding future seismic data library sales levels, regardless of industry conditions. The Company remains focused on business practices that have served throughout the full range of conditions. The Company maintains a strong balance sheet and carries no debt. Led by an experienced and capable management team, Pulse operates with a low-cost structure and focuses on maintaining 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.

For further information, please contact:

Neal Coleman, President and CEO

Or

Pamela Wicks, Vice President Finance and CFO

Tel.: 403-237-5559

Toll-free: 1-877-460-5559

E-mail: info@pulseseismic.com.

Please visit our website at www.pulseseismic.com

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, and legal fronts affecting the industry's medium- to longer-term prospects, including progression and completion of contemplated infrastructure 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 2025;
- > 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;
- > 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.sedarplus.ca.

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.