

Source: Pulse Seismic Inc.



PULSE SEISMIC INC. REPORTS 2024 FINANCIAL RESULTS AND DECLARES REGULAR AND SPECIAL DIVIDENDS

CALGARY, Alberta, February 13, 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 year ended December 31, 2024. The audited consolidated 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.

Pulse’s Board of Directors today approved a quarterly dividend of \$0.015 per share and additionally declared a special dividend of \$0.20 per share. The total of the dividends will be approximately \$10.9 million based on Pulse’s 50,837,863 common shares outstanding as of February 13, 2025, to be paid on March 13, 2025, to shareholders of record on February 28, 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.

“We are very pleased with the Company’s 2024 financial performance, and what we have accomplished so far in 2025. We remain focused on returning capital to shareholders, as deemed appropriate given the annual fluctuations inherent in our business. So far in 2025 we have secured \$17.5 million in sales and today the Board of Directors declared a special dividend of \$0.20 per share, in addition to the regular quarterly dividend,” stated Neal Coleman, Pulse’s President and CEO. “In 2024, 76% of free cashflow was allocated to dividends and share buybacks, and looking back to Q4 2021, after repayment of the majority of the 2019 acquisition debt, we resumed dividends and share buybacks and have declared \$0.83 per share in dividends and decreased our share count by three million,” Coleman concluded.

HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2024

- The return of capital to shareholders in 2024 including all dividends declared in the year and shares purchased under the Normal Course Issuer Bid (NCIB), totalled \$9.5 million, and was 76% of shareholder free cashflow generated for the year;
- Dividends of \$0.10875 per share were declared in 2024. Regular dividends declared and paid totalled \$0.05875 per share. The annualized regular dividend of \$0.055 per share was increased by 9% to \$0.06 per share in the second quarter of the year. A special dividend of \$0.05 per share was paid in the third quarter of 2024;
- 1,784,000 shares were purchased during the year under the Normal Course Issuer Bid (NCIB) at an average price of \$2.17 per share, for total cost of approximately \$3.9 million;
- Shareholder free cash flow^(a) was \$12.4 million (\$0.24 per share basic and diluted) compared to \$24.8 million (\$0.47 per share basic and diluted) for the year ended December 31, 2023;
- EBITDA^(a) was \$15.5 million (\$0.30 per share basic and diluted) compared to \$30.4 million (\$0.57 per share basic and diluted) for the year ended December 31, 2023;
- Net earnings were \$3.4 million (\$0.07 per share basic and diluted) compared to net earnings of \$15.0 million (\$0.28 per share basic and diluted) for 2023;
- Total revenue was \$23.4 million compared to \$39.1 million for the year ended December 31, 2023; and
- At December 31, 2024, the Company had a cash balance of \$8.7 million as well as \$5.0 million of available liquidity on its credit facility.

HIGHLIGHTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2024

- The regular quarterly dividend of \$0.015 per share was paid in the fourth quarter;
- A total of 97,700 shares were purchased under the NCIB in the fourth quarter, at an average price of \$2.32 per share and total cost of approximately \$226,000;
- Shareholder free cash flow was \$2.4 million (\$0.05 per share basic and diluted) compared to \$10.9 million (\$0.21 per share basic and diluted) in the fourth quarter of 2023;
- EBITDA was \$3.8 million (\$0.07 per share basic and diluted) compared to \$13.6 million (\$0.26 per share basic and diluted) in the fourth quarter of 2023;
- Net earnings were \$774,000 (\$0.02 per share basic and diluted) compared to net earnings of \$8.3 million (\$0.16 per share basic and diluted) in the fourth quarter of 2023; and
- Total revenue was \$5.6 million compared to \$16.9 million for the three months ended December 31, 2023.

SELECTED FINANCIAL AND OPERATING INFORMATION

(Thousands of dollars except per share data, numbers of shares and kilometres of seismic data)	Three months ended December 31,		Years ended December 31,	
	2024	2023	2024	2023
Revenue	5,576	16,861	23,379	39,127
Amortization of seismic data library	2,263	2,270	9,090	9,103
Net earnings	774	8,307	3,391	15,007
Per share basic and diluted	0.02	0.16	0.07	0.28
Cash provided by operating activities	2,337	7,001	14,195	23,524
Per share basic and diluted	0.05	0.13	0.28	0.44
EBITDA ^(a)	3,785	13,592	15,496	30,431
Per share basic and diluted ^(a)	0.07	0.26	0.30	0.57
Shareholder free cash flow ^(a)	2,440	10,946	12,408	24,829
Per share basic and diluted ^(a)	0.05	0.21	0.24	0.47
Capital expenditures				
Seismic data	-	-	225	-
Property and equipment	-	-	45	28
Total capital expenditures	-	-	270	28
Dividends				
Regular dividends declared	763	724	3,018	2,862
Special dividends declared	-	10,527	2,548	18,519
Total dividends declared	763	11,251	5,566	21,381
Normal course issuer bid				
Number of shares purchased and cancelled	97,700	59,500	1,784,000	1,005,006
Cost of shares purchased and cancelled	227	112	3,880	1,943
Weighted average shares outstanding				
Basic and diluted	50,878,652	52,647,740	51,448,985	53,237,569
Shares outstanding at period-end			50,837,863	52,621,863
Seismic library				
2D in kilometres			829,207	829,207
3D in square kilometres			65,310	65,310

FINANCIAL POSITION

(Thousands of dollars except working capital ratio)	December 31,	December 31,
	2024	2023
Working capital	9,222	7,468
Working capital ratio	5.1:1	1.5:1
Cash and cash equivalents	8,722	15,948
Total assets	21,516	41,249
EBITDA	15,496	30,431
Shareholders' equity	18,295	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 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.

OUTLOOK

Pulse's ability to predict future revenue generation has always been challenging due to the nature of the business, which naturally fluctuates from year to year. That said, Pulse has had a strong start to the year having closed \$17.5 million in sales, representing approximately 75% of sales in 2024. There are generally a mix of positive and negative factors influencing the industry which contributes to the challenge, and at this time in particular, uncertainty concerning 2025 is high. Positive factors in 2024, and recent projections into 2025 include high levels of M & A activity, approximately \$19.4 billion in 2024 compared to \$16.5 billion in 2023, while the latest annual forecast by Sayer Energy Advisors for 2025 is approximately \$15.0 billion. There were continuing high volumes of land sales in Alberta in 2024: approximately \$365 million, down only slightly from the \$370 million in 2023, and significantly higher than in recent years going back to before the 2014-2015 industry downturn. In British Columbia, land sales which had been paused since May 2021 finally resumed in December 2024. New infrastructure, such as the TMX pipeline expansion which was completed in 2024 has already provided increased export capacity and is a driver of increased drilling activity. 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. 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. The positive factors are offset by factors that create uncertainty for the future, including economic, political, and environmental concerns. 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. 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 are contributing to the lack of clarity for the future.

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, 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 as well 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, 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 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.