

**Source: Pulse Seismic Inc.**



## **PULSE SEISMIC INC. REPORTS Q1 2023 RESULTS AND INCREASES QUARTERLY DIVIDEND**

CALGARY, Alberta, May 2, 2023 (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, 2023. The unaudited condensed consolidated interim financial statements, accompanying notes and MD&A are being filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and will be available on Pulse’s website at [www.pulseseismic.com](http://www.pulseseismic.com).

Pulse’s Board of Directors today approved a 10% increase to the regular dividend. The new quarterly dividend will be \$0.01375 per share, representing \$0.055 per share annualized. The total of the regular dividend will be approximately \$737,000 based on Pulse’s 53,569,321 common shares outstanding as of May 2, 2023, to be paid on May 24, 2023 to shareholders of record on May 16, 2023. 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.

The annual general meeting of the shareholders of Pulse Seismic Inc. will be held at 3:00 p.m. (MDT) on May 3, 2023 in the Viking Room at the Calgary Petroleum Club, 319 5th Avenue SW, Calgary Alberta.

### **HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2023**

- Total revenue was \$8.4 million compared to \$1.9 million for the three months ended March 31, 2022;
- Net earnings were \$2.9 million (\$0.05 per share basic and diluted) compared to net loss of \$2.5 million (\$0.05 per share basic and diluted) in the first quarter of 2022;
- EBITDA<sup>(a)</sup> was \$6.6 million (\$0.12 per share basic and diluted) compared to \$9,000 (\$0.00 per share basic and diluted) in the first quarter of 2022;
- Shareholder free cash flow<sup>(a)</sup> was \$5.3 million (\$0.10 per share basic and diluted) compared to \$188,000 (\$0.00 per share basic and diluted) in the first quarter of 2022;
- In the three-month period ended March 31, 2023 Pulse purchased and cancelled, through its normal course issuer bid, a total of 48,448 common shares at a total cost of approximately \$85,000 (at an average cost of \$1.74 per common share including commissions); and
- At March 31, 2023 Pulse was debt-free and held cash of \$10.5 million. The \$25.0 million revolving credit facility is undrawn and fully available to the Company.

## 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
	2023	2022	December 31,
	(unaudited)		2022
Revenue			
Data library sales	8,380	1,743	9,345
Other revenue	27	113	225
Total revenue	8,407	1,856	9,570
Amortization of seismic data library	2,286	2,515	9,818
Net earnings (loss)	2,908	(2,518)	(7,907)
Per share basic and diluted	0.05	(0.05)	(0.15)
Cash provided by operating activities	5,413	8,629	11,992
Per share basic and diluted	0.10	0.16	0.22
EBITDA <sup>(a)</sup>	6,615	9	2,035
Per share basic and diluted <sup>(a)</sup>	0.12	0.00	0.04
Shareholder free cash flow <sup>(a)</sup>	5,261	188	3,200
Per share basic and diluted <sup>(a)</sup>	0.10	0.00	0.06
Capital expenditures			
Property and equipment	4	4	12
Weighted average shares outstanding			
Basic and diluted	53,614,717	53,748,780	53,703,039
Shares outstanding at period-end	53,596,769	53,733,117	53,626,869
Seismic library			
2D in kilometres	829,207	829,207	829,207
3D in square kilometres	65,310	65,310	65,310

## FINANCIAL POSITION AND RATIOS

(thousands of dollars except ratios)	March 31,	March 31,	December 31,
	2023	2022	2022
Working capital	11,136	6,878	6,593
Working capital ratio	13.3:1	7.1:1	6.8:1
Cash and cash equivalents	10,455	5,276	5,822
Total assets	37,220	42,944	35,222
Long-term debt	-	-	-
Trailing 12-month (TTM) EBITDA <sup>(b)</sup>	8,641	38,911	2,035
Shareholders' equity	35,679	40,945	33,496

<sup>(a)</sup> 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 its long-term debt, 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, net restructuring costs 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.

<sup>(b)</sup> 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

With seismic data library sales of \$8.4 million in the first quarter of 2023, equivalent to 90 percent of sales achieved in all of 2022, and conditions in Western Canada's oil and natural gas industry extending the widespread improvement experienced in 2022, Pulse remains optimistic about the year ahead. Areas of strength continue to include buoyant global demand for fossil fuels, forecasts for continued growth in industry capital investment and field activities, ongoing corporate profitability, and Alberta mineral lease auctions ("land sales") through April 30 showing the greatest year-to-date strength in nearly a decade. These positive factors are dampened by continued geopolitical instability and a poor federal regulatory environment.

The Company cautions, as always, that industry conditions do not provide visibility regarding Pulse's seismic data library sales levels. Pulse's key strengths include zero debt, a low-cost structure, high leverage to increased revenue in its EBITDA margin, no capital spending commitments, Canada's largest licensable seismic data library and strong customer relations.

The Company remains focused on the business practices that have served it throughout the full range of conditions: maintaining a strong balance sheet with access to credit on favourable terms, careful management of cash resources including distributing cash to shareholders when prudent, a low cost structure, a disciplined and rigorous approach to growth opportunities, an experienced and capable management team, and excellent customer care complemented by the initiative to broaden the attractiveness of the seismic data library.

## 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 2022;
- > 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](http://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.