

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 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 dividend declared	-	10,527	2,548	18,519
Total dividends	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 and Ratio

(thousands of dollars except 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 ^(a)	15,496	30,431
Shareholders' equity	18,295	25,655

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

Management's Discussion and Analysis of Financial Condition and Results of Operations

YEAR ENDED DECEMBER 31, 2024

The following Management's Discussion and Analysis (MD&A) of the financial condition and results of operations of Pulse Seismic Inc. ("Pulse" or the "Company") for the year ended December 31, 2024, was prepared taking into consideration information available to February 13, 2025, and is supplemental to the audited consolidated financial statements and related notes for the year ended December 31, 2024. Throughout this MD&A, reference will be made in the text and tables to "2024", which refers to the year ended December 31, 2024, and to "2023", which refers to the year ended December 31, 2023.

The consolidated financial statements were prepared in accordance with IFRS[®] Accounting Standards (IFRS) with comparative figures for the prior year. Certain comparative figures were reclassified to conform to the current year's presentation. The consolidated financial statements and the MD&A were reviewed by Pulse's Audit and Risk Committee and approved by Pulse's Board of Directors. All financial information is reported in Canadian dollars. This MD&A discusses matters that Pulse's management considers material. Management determines whether information is material based on whether it believes a reasonable investor's decision whether or not to buy, sell, or hold shares in the Company would likely be influenced or changed if the information were omitted or misstated. Readers should also read the cautionary statement in "Forward-Looking Information".

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OVERVIEW

ABOUT PULSE

Pulse is a market leader in the acquisition, marketing and licensing of two-dimensional (2D) and three-dimensional (3D) seismic data for the energy sector in Western Canada. Seismic data is used by oil and natural gas exploration and development companies to identify portions of geological formations that have the potential to hold hydrocarbons. Seismic data is also used by those requiring advanced geophysics to maximize the probability of project success including companies exploring for non-traditional forms of energy such as lithium, companies developing carbon capture, utilization and storage (CCUS) projects, and companies exploring for helium. Seismic data is used in conjunction with well logging data, well core comparisons, geological mapping and surface outcrops to create a detailed map of the Earth's subsurface at various depths.

Pulse owns the largest licensable seismic data library in Canada, currently consisting of approximately 65,310 net square kilometres of 3D seismic and 829,207 net kilometres of 2D seismic. The library extensively covers the Western Canada Sedimentary Basin (WCSB), where most of Canada's oil and natural gas exploration and development occur.

Pulse calculates net kilometres of 2D data and net square kilometres of 3D data by multiplying the number of kilometres of seismic data in each 2D line and the number of square kilometres of seismic data in individual 3D seismic datasets by Pulse's percentage of ownership in each.

SEISMIC DATA

Seismic data is an essential part of the oil and natural gas exploration and development process. Companies engaged in oil and natural gas exploration and development use seismic data to assist in exploring and developing new reserves and in establishing the extent of existing reserves. To acquire seismic data, acoustical energy waves are transferred from an energy source at or near the surface of the Earth to the subsurface. The seismic waves reflect off various geological beds or strata in the Earth's subsurface. Sophisticated sensors and recording instruments at the surface collect the reflected waves and convert them to digital form. The data is subsequently processed, and an image of the subsurface formations is created, providing explorationists with valuable insight into the potential of a particular area to yield oil or natural gas reserves, and assisting in the selection of drilling locations.

2D SEISMIC

2D seismic data is measured in linear kilometres and, after processing, provides a sectional illustration of geological formations directly below the line on which the data was acquired. 2D seismic can extend over a distance spanning many kilometres. Intersecting 2D lines can enable explorers to map large pools of oil and natural gas without the precision required for smaller or more complex targets. Exploration companies typically use 2D seismic to get a sense of the regional geology of an area they think is prospective for oil and natural gas. New energy companies are also utilizing 2D seismic for CCUS, lithium extraction over complex reservoir structures, and other new energies that require structural and reservoir attributes.

3D SEISMIC

3D seismic data is measured in square kilometres and, after processing, provides map-like overhead views and three-dimensional visualizations of the subsurface geology. 3D seismic data is shot in grids, generating a three-dimensional image of the subsurface. 3D seismic data enables a more precise definition of geologically complex targets, facilitating precise placement of oil and natural gas wells. 3D seismic is generally used to zero in on a discrete area of geological interest initially identified with 2D seismic. 3D seismic data is particularly important for horizontal drilling, unconventional plays (such as shale gas and tight sands), and complex conventional drilling. Typical 3D seismic surveys cover an area anywhere from a few square kilometres to several hundred square kilometres.

MISSION AND STRATEGY

As a pure-play seismic data library company, Pulse's business model is designed to generate a growing stream of cash flow by repeatedly licensing the data in its seismic data library to the western Canadian oil and natural gas, and new energy sectors.

Pulse is working with partners to explore the use of sophisticated processing technologies that provide advanced interpretation and visualization of seismic data to reduce the geological and drilling risks in exploring for subsurface targets. The application of such technologies is intended to increase the attractiveness and range of uses of Pulse's seismic dataset for potential new and existing customers. These include companies in emerging energy-transition projects such as lithium, CCUS, geothermal and helium resource extraction, and Pulse's traditional core focus of oil and natural gas development.

Current seismic processing and visualization software allows historical 2D and 3D data to be reprocessed and reinterpreted, thereby maintaining the technical usefulness and marketability of historical data and, through repeated licensing sales, generating recurring revenue. The Company is continuously seeking and evaluating opportunities to expand its data library by acquiring high-quality 2D and 3D datasets that cover some of western Canada's most prospective exploration regions, are complementary to its current library and are available at favourable valuations.

Pulse's strategy is to pursue growth opportunities that meet its financial and technical criteria while maintaining a low-cost structure.

ECONOMIC ENVIRONMENT AND SEISMIC INDUSTRY

Pulse has been successful throughout prior commodity price cycles due to its low-cost structure, access to capital for funding growth initiatives, and ability to generate a high level of shareholder free cash flow relative to revenue. Shareholder free cash flow is a non-GAAP measure that the Company considers important in evaluating its financial performance.

Pulse's success depends on its ability to provide seismic coverage over the geographical areas associated with certain geological development areas or "play types" that the exploration and development sector focuses on in a given period. Activity in various plays is driven by commodity prices, geological understanding, the economic application of available and improving technologies, and the availability of oil and natural gas processing and transportation egress ("take-away") capacity. Pulse has worked diligently through the years to enlarge its coverage.

The oil and natural gas exploration and development industry is mainly targeting natural gas reservoirs that are high in natural gas liquids and light crude oil, lying in unconventional shale and less permeable or "tight" formations. 2D and 3D seismic data are important tools for these plays. 2D seismic data is used to map the regional faults in shale gas prospects and 3D seismic data is used to map the exact contours of variable reservoirs, as well as small-scale fractures in shale formations, to plan accurate paths for horizontal wells.

Pulse's business results depend, to a large extent, on the level of capital spending on exploration activities by oil and natural gas companies. A sustained increase or decrease in the price of natural gas or crude oil, which could have a material impact on exploration activities, could also materially affect the Company's revenue, financial position, results of operations, EBITDA, and shareholder free cash flow. The relationship is not direct, however, and the Company has generated high revenue in periods of weak oil and natural gas prices and vice-versa. In recent years, the Company's revenue also includes data sales to new energy clients, and while sales to traditional oil and natural gas companies continue to be the majority, new energy-related revenue is growing.

CORPORATE UPDATE

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

KEY PERFORMANCE INDICATORS

The key performance indicators used by Pulse’s management to analyze business results are revenue, net earnings, cash provided by operating activities, EBITDA, and shareholder free cash flow. The definitions, calculations, and reconciliations of EBITDA and shareholder free cash flow to the nearest GAAP financial measures are provided in “Non-GAAP Financial Measures and Reconciliations.”

Results for the key performance indicators for the three months and year ended December 31, 2024, with comparative figures for 2023, are set out in the following table:

(thousands of dollars except per share data)	Three months ended December 31,			Years ended December 31,		
	2024	2023	Variance	2024	2023	Variance
Revenue - Data library sales	5,576	16,861	(11,285)	23,379	39,127	(15,748)
Net earnings	774	8,307	(7,533)	3,391	15,007	(11,616)
Per share basic and diluted	0.02	0.16	(0.14)	0.07	0.28	(0.21)
Cash provided by operating activities	2,337	7,001	(4,664)	14,195	23,524	(9,329)
Per share basic and diluted	0.05	0.13	(0.08)	0.28	0.44	(0.16)
EBITDA	3,785	13,592	(9,807)	15,496	30,431	(14,935)
Per share basic and diluted	0.07	0.26	(0.19)	0.30	0.57	(0.27)
Shareholder free cash flow	2,440	10,946	(8,506)	12,408	24,829	(12,421)
Per share basic and diluted	0.05	0.21	(0.16)	0.24	0.47	(0.23)

In the year ended December 31, 2024, Pulse generated \$23.4 million in revenue compared to \$39.1 million in 2023. The sales decrease in 2024 compared to 2023 is the reason for the year-over-year decrease in all of the Company’s key performance metrics. In 2024, transaction-based sales were lower than in 2023, \$8.0 million compared to \$24.0 million in 2023.

For the three months ended December 31, 2024, Pulse generated \$5.6 million of revenue compared to \$16.9 million for the same period in 2023. In the fourth quarter of 2023, the Company announced two material data licensing agreements.

SEISMIC REVENUE FLUCTUATIONS

Revenue fluctuations are a normal part of the seismic data library business, and data library sales can significantly vary year-over-year.

Traditional data library sales can occur at any time. This is due to the nearly continual changes in oil and natural gas industry conditions.

Transaction-based sales can also occur at any time. This is due to corporate merger-and-acquisition, joint venture, and asset disposition activity involving Pulse's customers, which is unpredictable.

See "Traditional Sales vs. Transaction-based Sales: Ten-Year History" section in this report.

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 contribute 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, other than the United States. 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.

Discussion of Operating Results

SUMMARY FOR THE YEAR ENDED DECEMBER 31, 2024

EARNINGS BEFORE INCOME TAXES

Pulse generated net earnings before income taxes of \$6.8 million (\$0.13 per share basic and diluted) in 2024 compared to net earnings before income taxes of \$21.6 million (\$0.41 per share basic and diluted) for 2023.

REVENUE

Pulse’s revenue consists of data library sales which are conducted under various types of sale contracts. These are classified as data library sales, library cards (discount agreement, paid on predetermined payment terms with periods of up to one year to select data), commitment cards (discount agreement, paid when data is selected and delivered within a one-year period) and review-and-possession agreements (client is provided with data to review, and selects a portion of this data to license long-term). Pulse plans to continue providing customers with a variety of contract options to maximize future data library sales. The unearned portion of a contract’s value is deferred until Pulse’s revenue recognition criteria are met, with data library sales revenue being recognized upon delivery of seismic data to the customer.

In 2024, revenue was \$23.4 million compared to \$39.1 million in 2023.

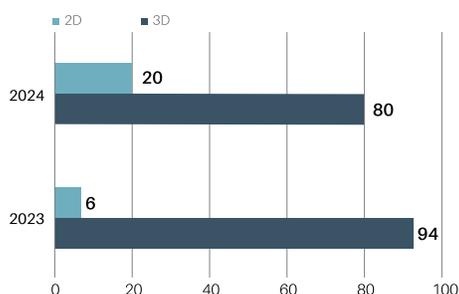
In 2024, transaction-based sales were lower than in 2023, \$8.0 million compared to \$24.0 million in 2023 while traditional sales were comparable at \$15 million in both years.

DISAGGREGATED DATA LIBRARY SALES BREAKDOWN

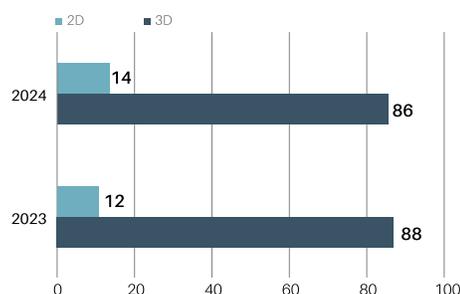
Pulse disaggregates its data library sales in two ways. The following graphs illustrate the comparative disaggregated sales for the three-month periods and years ended December 31, 2024, and 2023.

The first breakdown, data type, compares sales of 2D and 3D seismic data. As 3D seismic licence contracts are generally larger than 2D seismic licence contracts, the percentage of seismic data library revenues generated from 2D and 3D seismic data can fluctuate significantly depending on the number of 3D seismic sale contracts signed during a given period.

DISAGGREGATED SALES 2D/3D (%)
Three months ended December 31

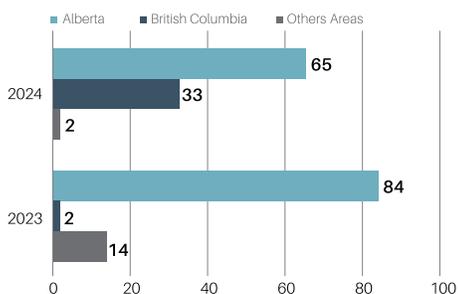


DISAGGREGATED SALES 2D/3D (%)
Years ended December 31

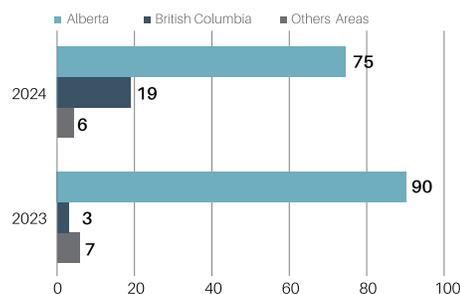


The second breakdown is geographical. The largest proportion of data sales usually comes from data in Alberta, as that is where the majority of Pulse’s data coverage and current industry activity are.

DISAGGREGATED SALES GEOGRAPHICAL (%)
Three months ended December 31



DISAGGREGATED SALES GEOGRAPHICAL (%)
Years ended December 31



The Company's customers are currently, and generally, focusing on liquids-rich natural gas and light oil pools found primarily in a broad corridor running from northwest Calgary, Alberta, along the Foothills of the Rocky Mountains, to the British Columbia border, as compared to "dry" natural gas more often found in British Columbia, on Alberta's eastern prairies, and in Saskatchewan and Manitoba. During the year ended December 31, 2024, 75 percent (year ended December 31, 2023 - 90 percent) of the data library sales were from data located in Alberta, and 19 percent were from British Columbia (year ended December 31, 2023 - 3 percent).

AMORTIZATION OF SEISMIC DATA LIBRARY

Seismic data library amortization expense was \$9.1 million in 2024 and 2023.

Amortization of the seismic data library is described further under "Critical Accounting Estimates".

IMPAIRMENT

At December 31, 2024, the Company assessed the cash-generating units (CGUs) in its seismic data library for indicators of impairment, as required under IFRS, and concluded there were no indicators at December 31, 2024, and accordingly, no impairment test was required.

SALARIES, COMMISSIONS AND BENEFITS (SCB)

SCB includes salaries, related benefits, incentive compensation, and internal commissions. For 2024, SCB was \$5.6 million compared to \$6.5 million in 2023.

The decrease in comparative periods is mainly due to the lower level of data sales generated in 2024, which led to lower internal sales commissions as well as reduced incentive plan expense accruals for the year.

OTHER SELLING, GENERAL AND ADMINISTRATIVE COSTS (SG&A)

SG&A includes external commissions, occupancy costs, office and general costs, information technology expenses, data storage expenses, directors' fees and corporate costs, and consulting and professional fees. For 2024, SG&A was \$2.3 million compared to \$2.2 million in 2023.

NET FINANCING INCOME

For the year ended December 31, 2024, the Company's net financing income was \$442,000 compared to net financing income of \$382,000 for the year ended December 31, 2023.

Net financing income includes two items, financing expenses and interest income. In 2023, financing expenses consisted mainly of the interest and standby fees related to the Company's revolving credit facility. In February 2024, the Company amended its credit facility. The new demand facility carries no stand-by fees and remained undrawn throughout the year. In both periods, there is also a nominal amount of interest related to the lease liabilities as per IFRS 16.

Excess cash is invested in short-term term deposits and earned \$474,000 of interest income in 2024 compared to \$554,000 in 2023.

INCOME TAXES

The income tax expense in 2024 was \$3.4 million compared to an income tax expense of \$6.6 million in 2023. Income tax expense decreased in 2024 compared to 2023 due to lower year-over-year net earnings before taxes. The main factor affecting the tax rate calculation in both years is the permanent difference between the tax basis and the accounting value of the seismic data library. The average combined income tax rate for 2024 and 2023 was 23 percent. A reconciliation of the income tax expense is included in the consolidated financial statements.

SUMMARY FOR THE THREE MONTHS ENDED DECEMBER 31, 2024

EARNINGS BEFORE INCOME TAXES

For the three months ended December 31, 2024, the Company generated earnings before income taxes of \$1.6 million (\$0.03 per share basic and diluted) compared to net earnings before income taxes of \$11.4 million (\$0.22 per share basic and diluted) for the comparable period of 2023.

REVENUE

Total revenue for the three months ended December 31, 2024, was \$5.6 million compared to \$16.9 million for the three months ended December 31, 2023.

As discussed above, the Company closed two significant deals in the fourth quarter of 2023.

AMORTIZATION OF SEISMIC DATA LIBRARY

For the three months ended December 31, 2024 and 2023, seismic data library amortization expense was \$2.3 million.

Amortization of the seismic data library is described further under "Critical Accounting Estimates".

SALARIES, COMMISSIONS AND BENEFITS (SCB)

SCB for the three months ended December 31, 2024, was \$1.2 million compared to \$2.6 million in the comparable period of 2023. The decrease in comparative periods is due to a combination of factors. There were lower internal sales commissions and also lower short-term and long-term incentive plan expense accruals related to the decreased sales in 2024 compared to 2023.

OTHER SELLING, GENERAL AND ADMINISTRATIVE COSTS (SG&A)

SG&A for the three months ended December 31, 2024, was \$601,000 compared to \$639,000 for the three months ended December 31, 2023.

NET FINANCING INCOME

For the three months ended December 31, 2024, net financing income was \$80,000 compared to net financing income of \$119,000 for the same period in 2023.

INCOME TAXES

The income tax expense for the three months ended December 31, 2024, was \$804,000 compared to an income tax expense of \$3.1 million for the fourth quarter of 2023. The factors contributing to the decreased tax expense are the decrease in net earnings before income taxes due to lower sales in the fourth quarter of 2024 compared to the same period in 2023.

Review of Financial Position

AS AT DECEMBER 31, 2024

TRADE AND OTHER RECEIVABLES

Trade and other receivables at December 31, 2024, totalled \$1.9 million compared to \$6.3 million at December 31, 2023. This is a direct result of the decreased sales in the fourth quarter of 2024 over 2023.

CURRENT INCOME TAX ASSETS

Included in current tax assets is the 2024 tax instalments for 2024, less the 2024 current tax expense.

SEISMIC DATA LIBRARY

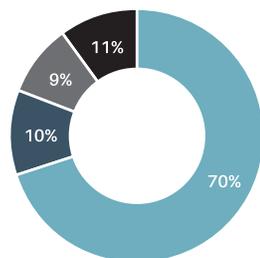
Pulse's seismic data library consists of 2D and 3D seismic data that has been acquired over the life of the Company in two ways. The Company has purchased the proprietary rights to complementary seismic datasets through corporate or asset acquisitions, as well as by conducting participation surveys. With participation surveys, Pulse partnered with customers to conduct surveys to which the customer received a license and the proprietary rights to the data remained with Pulse. The seismic data collected was added to Pulse's data library to generate future licensing revenue. While Pulse has not conducted a participation survey since 2015, the Company grew significantly during this time through acquisitions, with the largest being the 2019 purchase of a competitor, which more than doubled the size of Pulse's library.

At December 31, 2024, the Company considered indicators of impairment for each of its CGUs and based on that review, no impairment test was performed. The last impairment test was performed at March 31, 2020, and no impairment loss was recognized.

The breakdown of Pulse's 2D and 3D seismic data by geographical location is shown in the following graphs.

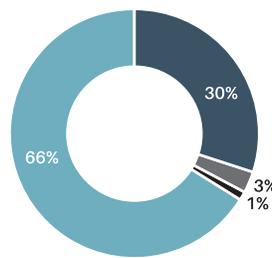
2D OWNERSHIP

■ Alberta ■ British Columbia ■ Sask/Man ■ Other



3D OWNERSHIP

■ Alberta ■ British Columbia ■ Sask/Man ■ Other



DEFERRED INCOME TAX ASSETS

The net deferred income tax assets were \$304,000 at December 31, 2024 compared to net deferred income tax assets of \$91,000 at December 31, 2023.

The deferred income tax assets consist mainly of taxable temporary differences between long-term incentive plan accounting expense and future tax deductions, and between the tax base of the seismic data library and its carrying amount on the statement of financial position.

The changes in deferred income tax assets are mainly due to the decrease in the difference between the tax base of the seismic data library and the carrying amount on the statement of financial position. The change in accounting estimate for the calculation of the foreign exploration and development expense (FEDE) valuation allowance also explains the increase in the net deferred income tax assets.

During the last quarter of 2024, the Company conducted a review of the future use of its FEDE tax pool. The review was based on the current economic and operating environment and considered the history of the Company in order to assess the future use of its FEDE tax pool. As a result of this review, effective December 31, 2024, a change was made to the Company's estimate of the future use of the FEDE tax pool. The Company estimated that no valuation allowance was required for the FEDE tax pool.

As a result of this change in estimates, the future income tax asset related to the FEDE pool increased by \$109,000 at December 31, 2024.

RIGHT-OF-USE (ROU) ASSETS

The Company has an office lease agreement for the period April 2023 to June 2028. The ROU assets were recognized on April 1, 2023.

Included in the ROU assets are the present value of the basic rent related to this agreement. The present value is calculated using an incremental borrowing rate of 7.45 percent. The operating costs associated with the lease agreements were not included as those costs are not fixed or based on an index or rate.

DEMAND CREDIT FACILITY

At December 31, 2024, the Company had an undrawn \$5.0 million demand credit facility.

In February 2024, at the request of the Company, the \$25.0 million committed revolving credit facility was amended. The facility had not been utilized since the balance owing related to the 2019 corporate acquisition was repaid in early 2022. The new demand credit facility has a \$5.0 million borrowing limit. More details on the new facility are provided in the "Liquidity, Capital Resources and Capital Requirements" section.

LEASE LIABILITIES

As stated above, the Company has a lease agreement for office space for the period of April 2023 to June 2028. The lease liabilities were recognized on April 1, 2023.

Included in the lease liability is the present value of the basic rent related to the lease agreement. The present value is calculated using an incremental borrowing rate of 7.45 percent. The operating costs associated with the lease agreements were not included as those costs are not fixed or based on an index or rate.

SHARE-BASED COMPENSATION PAYABLE

Included in the share-based compensation payable is the long-term portion of the estimated liability related to the LTIP.

SHARE CAPITAL SUMMARY

The Company's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series.

The following table provides details of the Company's outstanding share capital:

	Three months ended December 31,		Years ended December 31,	
	2024	2023	2024	2023
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
Shares outstanding at February 13, 2025			50,837,863	

DILUTED EARNINGS PER SHARE RECONCILIATION

The Company does not have any dilutive securities.

LONG-TERM INCENTIVE PLAN (LTIP)

The Company has an LTIP for employees, officers, and Directors designed to align the Company's long-term incentive compensation with its performance. Participants are granted restricted share units (RSUs) and performance share units (PSUs). LTIP awards are at the discretion of the Board of Directors.

RSUs and PSUs have accompanying dividend-equivalent rights; therefore, additional RSUs and PSUs are issued to reflect dividends declared on common shares. Historically, the plan's trustee purchased common shares on the open market for the after-tax number of RSUs and PSUs vested, with funds provided by the Company. In the first quarter of 2024, the Board of Directors approved an amendment to the LTIP to allow, at its discretion, to settle the LTIP obligation with equity or an equivalent cash payment. They elected to cash-settle the 2023 related vested units for the employees but settled the vested RSUs earned by Board members with shares purchased on the open market.

On March 31, 2024, 477,654 RSUs and 488,225 PSUs were eligible to vest. The Company's performance in 2023 surpassed the cap on the predetermined performance benchmarks, and consequently, 100% of the PSUs vested on March 31, 2024. RSUs vest automatically based on time and, consequently, all the eligible RSUs vested on March 31, 2024.

At December 31, 2024, there were 996,746 RSUs and 1,194,012 PSUs outstanding.

On March 31, 2025, 377,230 RSUs and 422,078 PSUs are eligible to vest for the Executives and employees. The Company's performance in 2024 surpassed the predetermined minimum performance benchmarks, and consequently, 31% of the PSUs eligible to vest, or 130,844 PSUs, will vest on March 31, 2025. RSUs vest automatically based on time; consequently, all eligible RSUs will vest on March 31, 2025. In February 2025, the Board of Directors elected to cash-settle the 2024 LTIP awards after vesting on March 31, 2025.

The LTIP for members of the Board of Directors was amended in February 2025. The 115,408 RSUs held in notional accounts for the directors have been replaced by Deferred Share Units (DSUs). DSUs are awarded annually to each Director, at the discretion of the board. DSUs are held in the notional account until the Director's term on the board terminates. The fair value of the DSUs will be calculated and paid to each individual at the appropriate date, less the related payroll tax.

DEFICIT

On December 31, 2024, the Company had a deficit of \$54.3 million, compared to \$50.7 million at December 31, 2023. The net earnings for the year of \$3.4 million, the dividends declared and paid of \$5.6 million and a reduction of \$1.4 million due to the required accounting treatment of the Company purchasing and cancelling its common shares contributed to the deficit increase. The purchasing and cancelling common shares adjustment relates to the difference between the price paid by the Company for the shares purchased and cancelled under the NCIB and the average historical cost of the Company's shares. The average historical cost of the shares purchased and cancelled was recorded as a reduction to share capital.

DIVIDENDS

On February 15, 2024, the Company approved the regular quarterly dividend of \$0.01375 per share. The dividend, totalling \$715,000, was paid on March 11, 2024, to shareholders of record at the close of business on March 1, 2024.

On April 24, 2024, the Company increased the \$0.01375 per share regular quarterly dividend by 9%, declaring a regular dividend of \$0.015 per share. The dividend, totalling \$775,000, was paid on May 23, 2024, to shareholders of record on May 14, 2024.

On July 23, 2024, the Company declared a regular quarterly dividend of \$0.015 per share and a special dividend of \$0.05 per share. The dividends, totalling \$3.3 million, were paid on August 21, 2024, to shareholders of record on August 14, 2024.

On October 22, 2024, the Company approved the regular quarterly dividend of \$0.015 per share. The quarterly dividend, totalling \$763,000, was paid on November 28, 2024, to shareholders of record at the close of business on November 14, 2024.

On February 13, 2025, the Company declared a regular quarterly dividend of \$0.015 per share and a special dividend of \$0.20 per share. The dividends, totalling \$10.9 million will be paid on March 13, 2025, to shareholders of record at the close of business on February 28, 2025.

Pulse confirms that all dividends paid to shareholders in 2024 are designated as "eligible dividends", entitling Canadian resident individuals to a higher gross-up and dividend tax credit. For non-resident shareholders, Pulse's dividends are subject to Canadian withholding tax.

FINANCIAL SUMMARY OF QUARTERLY RESULTS

(thousands of dollars, except per share data)	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Data library sales revenue	5,576	2,726	6,300	8,777	16,861	5,103	8,756	8,407
Net earnings (loss)	774	(1,405)	1,341	2,681	8,307	393	3,399	2,908
Per share basic and diluted	0.02	(0.03)	0.03	0.05	0.16	0.01	0.06	0.05

Data library sales revenue fluctuates from quarter to quarter, as well as annually, as show in the table above.

During the past eight quarters, the fluctuations in net earnings or losses have been a function of the corresponding quarterly fluctuations in revenue.

SELECTED ANNUAL FINANCIAL INFORMATION

(thousands of dollars, except per share data and dividends declared)	Years ended December 31,		
	2024	2023	2022
Revenue	23,379	39,127	9,570
Net earnings (loss)	3,391	15,007	(7,907)
Per share basic and diluted	0.07	0.28	(0.15)
Total assets	21,516	41,249	35,222
Total non-current financial liabilities	962	541	581
Dividends declared	0.10875	0.40375	0.05

Because of lower transaction-based data library sales in 2024, revenue and net earnings were lower than in 2023.

In 2023, because of higher industry activity, and ongoing merger-and-acquisition activity in the energy sector, seismic data library sales rebounded strongly from 2022, resulting in a significant increase year over year in net earnings.

In 2022, Pulse incurred a net loss due to the very low annual revenue level. It is worthwhile to note that the non-cash amortization expense in 2022 was \$9.8 million, or \$200,000 more than total revenue for the year, and the company did generate shareholder free cashflow of \$3.2 million for 2022.

Total assets decreased from 2023 to 2024 due to amortization of the seismic data library. Total assets increased from 2022 to 2023 due to high level of data library sales which generated cash and accounts receivable at year end. The amortization of the seismic data library offset the increase in total assets.

In 2024, total non-current financial liabilities were higher due to the accrual related to the LTIP. Total non-current financial liabilities were similar in 2023 and 2022.

In 2024, Pulse declared and paid one quarterly regular dividend of \$0.01375 per share, three regular quarterly dividends of \$0.015 per share, and one special dividend of \$0.05 per share.

In 2023, Pulse declared and paid one regular quarterly dividend of \$0.0125 per share, three regular quarterly dividends of \$0.01375 per share, and one special dividend of \$0.15 per share. In December 2023, Pulse also declared one special dividend of \$0.20 per share, which was paid in January 2024. In 2022, the Company declared and paid four quarterly dividends of \$0.0125 per share.

TRADITIONAL SALES VS. TRANSACTION-BASED SALES: TEN-YEAR HISTORY



There are three main types of transaction-based sales. The first is a corporate merger or acquisition. In this case, the seismic data is transferred to the new organization. Under the Company’s current standard-form licensing agreements, the buyer has 30 days to determine whether it will pay a relicensing fee to keep the data or return the data to Pulse.

The second type is the sale of an oil and gas asset or group of assets (as well as partial mineral rights to particular zones below the asset owner’s lands). Under the Company’s current standard-form licensing agreements, the licence is not transferable upon an asset sale. In this case, no rights to the seismic data transfer to the buyer, and there are no terms of payment in the licence agreement. Should the buyer be interested in Pulse’s seismic data, it must negotiate a new license for the data from Pulse. Following this type of transaction, considerable time may pass until a data licensing sale occurs because the new asset owner may defer the development of the particular asset. In addition, the new asset owner may be interested in only portions of the original dataset. The attraction of Pulse’s library remains the far lower cost of licensing the data than shooting new seismic over the same area.

The third type is the partnership or joint venture, in which an oil and natural gas asset holder elects to pool its expertise, capital and/or assets with one or more new participants to explore or develop a play. Under the Company’s current standard-form licensing agreements, any new technical or operational participant who wishes to view or interpret the seismic data must purchase a data licence from Pulse, generally at a discount (usually pre-defined in the initial licensing agreement). Purely financial partners that do not wish to view or interpret the seismic information are exempt.

The precise terms of individual licence agreements (including those historically used by Pulse and its predecessors and those assumed by Pulse on data acquisitions) can vary greatly. Relicensing fees and joint venture copy fees may not always be payable, and licence agreements may not always be non-assignable.

CONTRACTUAL OBLIGATIONS

Pulse's known contractual obligations at December 31, 2024, are comprised of an office space lease, payments under seismic data services contracts and accounts payable and accrued liabilities. The following table reflects the Company's anticipated payment of contractual obligations:

	Carrying amounts	2025	2026	2027	2028 and thereafter
Accounts payable and accrued liabilities	2,142	2,142	-	-	-
Seismic data storage	138	138	-	-	-
Leases liabilities	204	70	85	49	-
Share-based compensation payable	828	-	793	35	-
Total	3,312	2,350	878	84	-

Accounts payable and accrued liabilities at December 31, 2024, include the accrual of \$564,000 related to the STIP, and the accrual of \$1.2 million related to the LTIP.

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL REQUIREMENTS

At December 31, 2024, Pulse had a working capital of \$9.2 million and a working capital ratio of 5.1:1.

In 2024, the Company generated \$14.2 million of cash from operating activities compared to \$23.5 million for the same period in 2023. The main differences between the two periods relate to lower data library sales, lower income tax paid during the year and higher net change in non-cash working capital.

The Company also utilized cash for the following outlays:

- Settlement of equity share-based payment of \$1.1 million;
- Purchase and cancellation of 1,784,000 common shares through its NCIB for a total of \$3.9 million (at an average price of \$2.17 per common share, including commissions);
- Dividends paid of \$16.1 million;
- Property and equipment purchases of \$45,000;
- Acquisition of partnership interests on proprietary seismic data for \$225,000; and
- Capital lease principal repayments of \$65,000.

In February 2024, the Company amended its \$25 million committed revolving credit facility. The new demand credit facility has a \$5.0 million borrowing limit and is secured through a charge on all the assets of the Company and its material subsidiaries.

Interest is calculated based on the lender's prime loan rate, or USBR loan, or term CORRA or term SOFR, plus an applicable margin based on the type of loan. At December 31, 2024, the applicable interest rate for the prime loan was 5.95 percent (December 31, 2023 - 7.95 percent).

At December 31, 2024, the Company did not have a balance owing on the demand credit facility.

The credit facility also included the following two financial covenants:

1) Maximum Total Debt to Adjusted EBITDA Ratio

The total debt to adjusted EBITDA ratio shall not be greater than 3.0:1 at all times.

Adjusted EBITDA is to be calculated on a trailing 12-month basis and is defined as earnings or loss before interest, income taxes, depreciation, and amortization, plus extraordinary losses, non-cash losses and expense charges, and any other unusual or non-recurring cash charges, expenses or losses consented to by the lenders, less participation survey revenue, lease payments treated as capital lease, warehouse storage fees, extraordinary gains, and non-cash gains and income. Adjusted EBITDA is to be adjusted for acquisitions or dispositions to reflect such acquisition or disposition as if it occurred on the first day of such calculation period.

At December 31, 2024, there was no debt outstanding; therefore, the debt to adjusted EBITDA ratio was 0.00:1.

2) Minimum Interest Coverage Ratio

The minimum interest coverage ratio is defined as the ratio of adjusted EBITDA to interest expense.

The minimum interest coverage ratio shall not be less than 2.5:1 at all times.

At December 31, 2024, the interest coverage ratio was 1,186:1.

The Company was, therefore, in compliance with the credit facility's covenants at December 31, 2024.

Pulse had an NCIB in place to buy back its shares on the Toronto Stock Exchange (TSX). TSX rules determine the number of shares the Company is permitted to purchase through its NCIB for any renewal period.

On December 18, 2023, the Company received TSX approval for its application to renew its NCIB. The Company could purchase, for cancellation, up to a maximum of 2,957,406 common shares, equal to 10 percent of the public float of 29,574,064 common shares as at December 13, 2023. The Company was limited under the NCIB to purchasing up to 2,618 common shares in any one day, subject to the block purchase exemption under TSX rules. The NCIB continued until December 19, 2024. Purchases were made on the open market through the TSX or alternative trading platforms at the market price of such shares. All shares purchased under the NCIB were cancelled.

In 2024, the Company entered into an automatic share purchase plans (ASPP) to facilitate repurchases of common shares under its NCIB. The Company could purchase common shares at the times when the Company would not be active in the market due to regulatory restrictions, including insider trading rules, and the Company's own internal trading blackout periods. Purchases were made by the Company's broker based on parameters set by the Company when it was not in possession of any material non-public information about the Company or its securities, and in accordance with the limits and other terms of the ASPP. The ASPP was entered into in accordance with the requirements of applicable Canadian securities laws and terminated on December 19, 2024.

From December 18, 2023, to December 19, 2024, the Company purchased 1,799,600 common shares under the NCIB. All purchases were made on the open market through the TSX or alternative trading platforms at the market price of such shares. All shares purchased under the NCIB were cancelled.

Pulse's management believes that the Company's capital resources will be sufficient to finance future operations and carry out the necessary capital expenditures through 2025. As at the date of this MD&A, the Company has a \$5.0 million demand credit facility, which is undrawn. The Company anticipates that future capital expenditures will be financed through funds from operations and long-term debt if required. If deemed appropriate by management and the Board of Directors, Pulse can also issue common or preferred shares.

Pulse requires flexibility in managing its capital structure to take advantage of opportunities for raising additional capital to finance opportune seismic data acquisitions. Historically, the Company has used a combination of debt and equity to finance growth initiatives, and it continues to rely on internal measures such as the debt-to-equity ratio to structure and forecast its capital requirements. Pulse's management considers the current capital structure appropriate.

This discussion on liquidity, capital resources, and capital requirements contains forward-looking information; users of this information are cautioned that actual results may vary and are encouraged to review the discussions of risk factors and forward-looking statements below.

NON-CAPITAL RESOURCES

The Company's main non-capital resource is its key management and staff. The Company has an experienced team with extensive knowledge of the seismic industry. Pulse's management understands industry cycles and how to manage the business in the downturn and recovery phases. Pulse has built strong sales, financial, and IT departments. Management and staff are eligible to participate in the STIP and LTIP, which are tied to the Company's shareholder free cash flow per share.

NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS

This MD&A and the Company's continuous disclosure documents provide discussion and analysis of EBITDA and shareholder free cash flow. IFRS do not include standard definitions for these measures and, therefore, may not be comparable to similar measures used and disclosed by other companies. As IFRS have been incorporated into Canadian generally accepted accounting principles (GAAP), these non-IFRS measures are also non-GAAP measures. The Company has included these non-GAAP financial measures because management, investors, analysts, and others use them to evaluate the Company's financial performance.

EBITDA and shareholder free cash flow are not calculated based on IFRS. They should not be considered in isolation or as a substitute for IFRS performance measures, nor should they be used as an exclusive measure of cash flow because they do not consider working capital changes, capital expenditures, debt repayments and other sources and uses of cash, which are disclosed in the consolidated audited and interim statements of cash flows.

EBITDA AND SHAREHOLDER FREE CASH FLOW

EBITDA and shareholder free cash flow represent the capital generated and available to allocate.

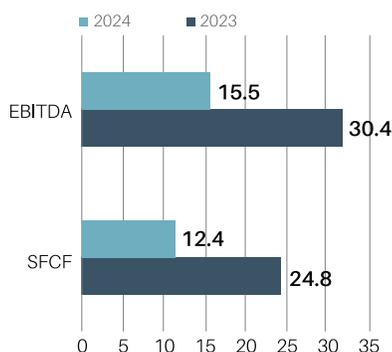
EBITDA is calculated as earnings or loss from operations before interest, taxes, depreciation, and amortization.

Shareholder free cash flow further refines the calculation of capital available to invest in growing the Company's 2D and 3D seismic data library, pay dividends, purchase its common shares, and repay debt when applicable by adding non-cash expenses and non-cash deferred financing charges and deducting net financing costs and current income tax expense.

A reconciliation of net earnings to EBITDA and shareholder free cash flow follows:

(thousands of dollars, except per share data)	Three months ended December 31,		Years ended December 31,	
	2024	2023	2024	2023
Net earnings	774	8,307	3,391	15,007
Add:				
Amortization of seismic data library	2,263	2,270	9,090	9,103
Net financing income	(80)	(119)	(442)	(382)
Income tax expense	804	3,113	3,370	6,623
Depreciation	24	21	87	80
EBITDA	3,785	13,592	15,496	30,431
Add:				
Non-cash expenses	(584)	502	-	969
Non-cash deferred financing charges	-	26	-	42
Deduct:				
Net financing income	(80)	(119)	(442)	(382)
Current income tax expense	841	3,293	3,530	6,995
Shareholder free cash flow (SFCF)	2,440	10,946	12,408	24,829
EBITDA per share basic and diluted	0.07	0.26	0.30	0.57
SFCF per share basic and diluted	0.05	0.21	0.24	0.47

EBITDA AND SFCF
YEARS ENDED MARCH 31
(millions of dollars)



EBITDA AND SFCF PER SHARE (BASIC AND DILUTED)
YEARS ENDED MARCH 31
(dollars per share)



FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized on the statement of financial position when the Company becomes a party to the instrument’s contractual obligations. The Company’s financial assets include cash and cash equivalents and trade and other receivables. Its financial liabilities mainly comprise accounts payable.

FAIR VALUE

The fair values of cash and cash equivalents, trade and other receivables, and accounts payable and accrued liabilities approximate their carrying amount largely due to the short-term maturities of these instruments. The fair value of the demand credit facility, when drawn, approximates the carrying value because interest charges under the bank loan are based on current Canadian bankers’ acceptance rates and margins.

CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company’s accounts receivable.

The Company is exposed to customer credit risk in connection with data sales to its customers. The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. The nature of the Company’s customer base, including the default risk of the industry in which customers operate, influences credit risk. As the Company operates to a large extent in the oil and natural gas industry, nearly all of its trade receivables relate to customers from this industry.

The effective monitoring and control of credit risk is a core competency of the Company. Each new customer is analyzed individually for creditworthiness before payment and delivery terms and conditions are offered. The Company’s review includes credit reference checks and credit limits for all customers as well as other monitoring activities. Accounts receivable aging is reviewed regularly.

The Company has incurred insignificant credit losses to date. The Company does not require collateral in respect of trade receivables.

The Company’s customers are in the energy industry, with the majority located in Alberta. At December 31, 2024, 97 percent of total accounts receivable was due from two customers. As of February 13, 2025, the Company has collected 93% of the gross value of December 31, 2024 trade and other receivables.

Accounts receivable over 90 days are monitored and assessed for impairment. Those accounts are evaluated on a case-by-case basis using information received from the customer and market information.

Cash and cash equivalents are held with one of Canada’s five largest chartered banks. The carrying amount of financial assets represents the maximum credit exposure. The Company considers the risk on cash and cash equivalents to be very low.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled in cash or other financial assets, i.e., repaying its debt and paying its suppliers. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. Beyond total working capital of \$9.2 million, the Company has a demand credit facility, which offers flexibility in drawing and paying down debt without penalty, of which \$5.0 million remained available at December 31, 2024, for future draws, as described in "Liquidity, Capital Resources and Capital Requirements". The Company deems this to be a sufficient level of extra liquidity and has reduced financing costs.

The Company regularly monitors cash flow. In addition, it monitors funding options available in the capital markets, as well as trends in the availability and costs of such funding, with a view to maintaining financial flexibility. The Company does not believe it will encounter difficulty in meeting its obligations associated with financial liabilities.

COMMODITY PRICE RISK

The Company is not directly exposed to commodity price risk as it does not have any contracts directly based on commodity prices. A change in commodity prices, specifically oil and natural gas prices, could have a material impact on the Company's customers' cash flows and could therefore affect seismic data library sales levels. Commodity prices are affected by many factors, including supply and demand. The Company has not entered into any commodity price risk contracts. Given that this is an indirect influence, the financial impact on the Company of changing oil and natural gas prices is not reasonably determinable.

NEW IFRS STANDARDS

Several new standards, amendments to standards, and interpretations have been issued by the International Accounting Standards Board but were not yet effective for the year ending December 31, 2024. Accordingly, they were not applied in preparing the consolidated financial statements. None is expected to have a significant effect on the consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions. Management's estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company's critical accounting estimates are discussed annually with the Audit and Risk Committee of the Company's Board of Directors and are described below.

SEISMIC DATA LIBRARY

Amortization of the seismic data library, the Company's largest asset, with a net book value of \$9.4 million at December 31, 2024 (December 31, 2023 - \$18.3 million), is conducted by reference to the estimated timing of the economic return of the seismic library. Amortization of the seismic data library is based on management's estimates of expected future sales, expected useful lives, market developments, and experience. These estimates may change due to changes in market conditions, potential prospects, exploration licence periods, exploration and development in certain areas, government regulations, and general economic conditions. Because of the inherent difficulty in estimating market developments and future sales, the amortization rates might not accurately reflect the systematic allocation of the seismic data library over its useful life.

Additions to the seismic library have been made in two ways: (i) participation surveys, and (ii) the purchase of existing seismic data. Costs directly incurred in acquiring, processing, and otherwise completing seismic surveys were capitalized to the seismic data library. Subsequent expenditures on data library assets, such as reprocessing and digitization, are capitalized only when the expenditure increases the asset's future economic benefits. All other expenditures are recognized in earnings as incurred.

The costs of purchased data are amortized on a straight-line basis over seven years.

The carrying amounts of the seismic data library are reviewed at each reporting date by management to determine whether there is any indication of impairment. If so, the asset's recoverable amount is estimated and impairment recorded, if any. The determination of the Company's CGUs was based on management's judgements regarding the smallest identifiable group of seismic data that generates cash inflows largely independent of the cash inflows from other data. Estimating future cash flows and residual values for purposes of impairment testing requires management to make judgments regarding long-term forecasts of future revenues and costs and future residual values related to the seismic data library. These forecasts are uncertain as they require assumptions about future market conditions and demand for seismic data. With the low net book value remaining for the data library assets, it is unlikely that there will be any future impairment provisions on these assets.

As discussed above, the Company did not recognize an impairment loss in 2024 or 2023.

Estimates of useful lives and the pattern of expected future economic benefits are based on historical experience and internal business plans. Expected future economic benefits are determined based on historical revenue patterns.

PERFORMANCE SHARE UNITS

In determining the amount of share-based compensation related to PSUs, management makes estimates about future results and vesting criteria. It is reasonably possible that future outcomes could be different from the estimates and could require a material adjustment to the share-based compensation expense recorded in future periods. The impact of any change in the number of PSUs expected to vest is recognized in the period the estimate is revised.

DEFERRED INCOME TAX ASSETS / LIABILITIES

Significant management judgement is required to determine the amount of deferred tax assets that can be recognized based on the likely timing and level of future taxable income. The estimates of projected future taxable income are based on a variety of factors and assumptions, many of which are subjective and beyond the Company's control. Accordingly, these estimates could differ significantly from year to year, and the Company might end up realizing more or less of the deferred tax assets than recognized in the consolidated financial statements.

As previously discussed, effective December 31, 2024, a change was made to the Company's estimate of the future use of the FEDE tax pool. The Company estimated that no valuation allowance was required for the FEDE tax pool.

DISCLOSURE CONTROLS AND PROCEDURES (DC&P) AND INTERNAL CONTROLS OVER FINANCIAL REPORTING (ICFR)

DC&P

Management has evaluated the effectiveness of its DC&P (as defined in National Instrument 52-109), under the supervision of its CEO and CFO, at December 31, 2024. Based on this evaluation, the CEO and CFO have concluded that the DC&P were effective at December 31, 2024.

ICFR

Management, under the supervision of its CEO and CFO, evaluated the effectiveness of ICFR (as defined in National Instrument 52-109) at December 31, 2024, in accordance with the Internal Control 2013 Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the Control Objectives for Information and Related Technology Framework (COBIT). Based on this evaluation, Pulse's CEO and CFO concluded that the ICFR were effective at December 31, 2024.

No changes were made to ICFR during the period beginning on October 1, 2024, and ending on December 31, 2024, that have materially affected, or are reasonably likely to materially affect, Pulse's ICFR.

RISK FACTORS

OIL AND NATURAL GAS PRICES

Most of Pulse's customers are oil and natural gas exploration and development companies. Oil and natural gas prices are volatile and directly affect the capital budgets, drilling activity, and access to capital and credit of Pulse's customers, which, in turn, directly affect the demand by such customers for seismic data.

DEMAND FOR SEISMIC DATA

Pulse's ability to generate revenue, EBITDA, shareholder free cash flow, and earnings depends on the demand for seismic data from its oil and natural gas, and energy customers over geological plays and areas that such customers focus on in a given period. Activity in such plays and areas depends on commodity prices, customers' budgets, geological understanding, advances in drilling technology, government fiscal and regulatory regimes, and access to processing and pipeline capacity, all of which are beyond Pulse's control. The Company endeavours to grow its high-quality proprietary data library, expand and maintain its customer base, and provide good customer service with short delivery time and broad data coverage in prospective locations.

PRICING OF DATA LIBRARY LICENCE SALES

Pulse's ability to generate revenue, EBITDA, shareholder free cash flow, and earnings and to grow its data library depends on its ability to market data library licences and on the pricing of these licences.

CYBERSECURITY

Pulse maintains strong cybersecurity over its IT systems, networks, and website to prevent cyber attacks. Cyber attacks are intentional attempts to gain unauthorized access to information systems, networks, and websites for unlawful or improper purposes. Attempts to breach cybersecurity are becoming more sophisticated and could lead to unauthorized access, release of confidential information and disruption in operating systems.

Cyber attackers may use a range of techniques, from manipulating people to using sophisticated malicious software and hardware on a single or distributed basis. Some cyber attacks use a combination of techniques in their attempts to evade safeguards. Pulse uses firewalls, intrusion prevention systems, and antivirus software in the security program of its systems and networks. The risk and consequences of cyber attacks can surpass traditional physical security risks due to the rapidly evolving scope and sophistication of these threats.

A successful attack on Pulse's systems, networks, website, or infrastructure could prevent Pulse from providing reliable service and information, allow for the unauthorized interception, destruction, use, or dissemination of Pulse's or its customers' information, and/or prevent Pulse from operating its networks. Such events could cause the Company to lose customers and revenue, incur expenses, and suffer reputational and goodwill damages. It could also lead to a loss or devaluation of Pulse's intellectual property rights and could subject the Company to litigation or government investigation. The costs of such events could include liability for information loss and repairs to infrastructure and systems. Pulse's insurance may not cover or be adequate to fully reimburse the Company for these costs and losses.

To mitigate these risks, Pulse has implemented measures and processes that reduce the risk of physical and cyber attacks. The Company also carries cyber insurance. Pulse has policies, controls, and monitoring systems that protect its assets and employees. Pulse also uses cyber threat intelligence, testing, intrusion prevention/detection, and incident response capabilities to help identify possible cyber threats and adjust its security measures accordingly.

Pulse has a recovery plan in case of a cyber attack. It includes redundant storage that allows the resumption of day-to-day operations. The recovery plan has been tested.

Pulse uses a third party to store its digital seismic data, which is the Company's revenue-generating asset. The third party backs up the data using technology that includes redundant offsite storage in a secured data facility.

As part of the risk management strategy, the Company's IT Director reports in person regularly to the Audit and Risk Committee of the Board of Directors the key risk indicators, including any new risks that Pulse is facing in its day-to-day operations, along with updates to the risk mitigation plans. The Audit and Risk Committee has the oversight responsibility for cyber security. The goal of the strategy is to be prepared, protected, and able to quickly detect and respond appropriately to the situation, and to ensure that post-breach reporting requirements are met in case of a security breach.

Pulse has not experienced a security incident or breach. If a material security breach happens in the future, the management team's Disclosure Committee will activate the communications plan to inform the relevant stakeholders, including employees, directors, customers, securities commissions, stock exchanges, government agencies, and shareholders, as soon as possible.

RELICENSING FEES AND PARTNER COPY SALES

Data library licences are generally not transferable. Under Pulse's current standard-form licence agreement, upon a change of control of the licensee in a merger or acquisition transaction, a relicensing fee is generally payable if the acquirer wants to keep a copy of the data. Under Pulse's current standard-form licence agreement, a licensee may not give the licensed data to a joint interest partner in the oil and natural gas lands. If the joint interest partner wishes to view or interpret the seismic data, it must purchase an additional copy directly from Pulse.

The precise terms of individual licence agreements (including those historically used by Pulse and its predecessors and those assumed by Pulse on data acquisitions) can vary greatly. Relicensing fees may not always be payable, and joint interest partners may not always wish or have to purchase an additional licensed copy.

In addition, merger-and-acquisition and joint venture activity in the oil and natural gas industry is unpredictable.

LAWS AND REGULATIONS

Pulse's oil and natural gas customers are subject to federal and provincial laws and regulations, including those pertaining to taxation, royalty rates, environmental protection, and safety. Compliance with these laws and regulations, and changes in these laws and regulations, may affect oil and natural gas exploration and development activities and the demand for seismic data licences and participation surveys by such customers.

COMPETITION

Pulse owns the largest seismic data library in Canada, consisting of high-quality data with extensive coverage in the WCSB. Other geophysical companies that own large data libraries are considered to be indirect competitors of Pulse, as there is generally little overlap between 3D databases. With each company owning unique seismic data, clients seeking specific data will usually choose to license available data from the appropriate library, as the cost of overshooting an already-surveyed area is much higher than licensing existing data. Seismic data library companies and individual oil and natural gas companies may, however, elect to overshoot an existing 3D dataset if it is not of the desired quality or specifications.

KEY MANAGEMENT, OPERATIONS AND MARKETING PERSONNEL

Pulse depends on certain key management, operations, and marketing personnel for the success of its seismic acquisition, marketing, and licensing business. Pulse endeavours to obtain written employment agreements with such personnel containing confidentiality and non-competition provisions where appropriate. Personnel risk is further mitigated by providing compensation packages designed to support Pulse's business philosophy, which are both market-driven and performance-based. This includes short- and long-term incentive programs, which are directly tied to shareholder free cash flow per share, which the Board of Directors believes is the key financial metric for the long-term increase in the value of Pulse. Pulse also has a succession plan to provide adequate training and education to its future leaders, which is reviewed annually by the Board of Directors.

LOSS OF SEISMIC DATA

Pulse's largest asset and source of revenue is the seismic data library. The safety and security of the data library asset is essential to the Company's success. The digital data is stored in two secure locations and managed by Pulse staff and a data storage company. Backups of the digital data are kept in separate secure locations. For further information, please see "Cybersecurity" above.

PROTECTION OF INTELLECTUAL PROPERTY

Pulse relies on a combination of licence agreements, copyright, confidentiality, and other intellectual property rights to protect its ownership rights and copyright in its seismic data. Despite Pulse's efforts to enforce its licence agreements and copyright, there is a risk that unauthorized parties might improperly obtain, copy, or use Pulse's seismic data without Pulse's knowledge or permission. The cost of litigation necessary to enforce Pulse's ownership rights and copyright could be prohibitive.

NEW PRODUCTS

Seismic data is used by energy companies to identify portions of geological formations that have the potential to hold hydrocarbons. There are currently no other products that compete directly against seismic data for such purposes. Should a new product or method be introduced that was technically and/or economically comparable or superior to seismic data, Pulse's data library sales and/or the pricing thereof could be adversely affected.

CLIMATE CHANGE

The Company's seismic data library is a digital asset that is generally unaffected by climate change. Climate change, however, affects Pulse's customers, the oil and natural gas exploration and production companies that license seismic data for drilling and exploration. Carbon and environmental laws and regulations, including those related to climate change and carbon regulations, as well as the apprehended physical effects of climate change, including extreme weather events, resource shortages, and changing sea levels and temperatures, may, over time, adversely affect these companies, their businesses, operations and financial condition, and are likely to change their exploration, development, and production programs, their capital expenditures, and their need for seismic data, which could in turn result in an unmeasurable adverse impact on Pulse's sales, cash flow, and profitability.

The Company recognizes climate change as an important global challenge and is committed to promoting responsible energy use in its own business and operations. The Board of Directors and management routinely monitor proposed changes in carbon and environmental policy, legislation and regulation and will continue to assess the risks of climate change on the Company's business and operations.

ADDITIONAL INFORMATION

You may find additional information relating to Pulse, including the Company's Annual Information Form, on SEDAR+ at www.sedarplus.ca.

FORWARD-LOOKING INFORMATION

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.

This MD&A and, specifically, the "Outlook" and the "Liquidity, Capital Resources and Capital Requirements" sections 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 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 the oil and natural gas industry as a whole.

Sources for the forecasts and the material assumptions underlying this forward-looking information are, where applicable, noted in the relevant sections of this MD&A.

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. Pulse cautions readers not to place undue reliance on these statements as several important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, estimates, and intentions expressed in such forward-looking information. These factors include, but are not limited to:

- 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, and 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 that could affect the Company's operations and financial results is included under "Risk Factors" herein, under "Risk Factors" in the Company's most recent annual information form, and in the Company's most recent audited annual financial statements, 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 in this MD&A is provided as of the date of this MD&A 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.

Corporate Information

Pulse is a market leader in the acquisition 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 65,310 net square kilometres of 3D seismic and 829,207 net 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.

OFFICERS

Neal Coleman
President and CEO

Pamela Wicks
Vice President, Finance and CFO

Trevor Meier
Vice President, Sales and Marketing

Catherine Samuel
Corporate Secretary

BOARD OF DIRECTORS

Robert Robotti ^{(2) (3)}
Chair

Paul Crilly ^{(1) (3)}
Director

Dallas Droppo ^{(1) (2) (3)}
Director

Patrick R. Ward ^{(2) (4)}
Director

Melanie Westergard ^{(1) (2) (4)}
Director

Neal Coleman ⁽⁴⁾
Director

(1) Member of the Audit and Risk Committee

(2) Member of the Compensation Committee

(3) Member of the Corporate Governance and Nominating Committee

(4) Member of the ESG-Health Committee

BANKERS

The Toronto-Dominion Bank
Calgary, Alberta

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada
Calgary, Alberta

SOLICITORS

McCarthy Tétrault LLP
Calgary, Alberta

AUDITORS

MNP LLP
Calgary, Alberta

STOCK EXCHANGE LISTING

TSX: PSD
OTCQX: PLSDF

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PULSE

Energy Data. On Demand.

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For the three months and year ended
December 31, 2024

TSX: PSD
OTCQX:PLSDF