

## 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,	
	2025	2024	2025	2024
Revenue	<b>6,599</b>	5,576	<b>51,090</b>	23,379
Amortization of seismic data library	<b>2,224</b>	2,263	<b>8,898</b>	9,090
Net earnings	<b>1,679</b>	774	<b>23,119</b>	3,391
Per share basic and diluted	<b>0.03</b>	0.02	<b>0.46</b>	0.07
Cash provided by operating activities	<b>4,775</b>	2,337	<b>35,204</b>	14,195
Per share basic and diluted	<b>0.09</b>	0.05	<b>0.69</b>	0.28
EBITDA <sup>(a)</sup>	<b>4,817</b>	3,785	<b>40,847</b>	15,496
Per share basic and diluted <sup>(a)</sup>	<b>0.09</b>	0.07	<b>0.80</b>	0.30
Shareholder free cash flow <sup>(a)</sup>	<b>3,873</b>	2,440	<b>31,596</b>	12,408
Per basic and diluted <sup>(a)</sup>	<b>0.08</b>	0.05	<b>0.62</b>	0.24
Capital expenditures				
Seismic data	-	-	-	225
Property and equipment	<b>58</b>	-	<b>58</b>	45
Total capital expenditures	<b>58</b>	-	<b>58</b>	270
Dividends				
Regular dividends declared	<b>888</b>	763	<b>3,425</b>	3,018
Special dividend declared	-	-	<b>20,318</b>	2,548
Total dividends declared	<b>888</b>	763	<b>23,743</b>	5,566
Normal course issuer bid				
Number of shares purchased and cancelled	<b>40,200</b>	97,700	<b>120,800</b>	1,784,000
Cost of shares purchased and cancelled	<b>112</b>	227	<b>309</b>	3,880
Weighted average shares outstanding				
Basic and diluted	<b>50,737,896</b>	50,878,652	<b>50,770,625</b>	51,448,985
Shares outstanding at period-end			<b>50,714,857</b>	50,837,863
Seismic library				
2D in Kilometres			<b>829,207</b>	829,207
3D in square kilometres			<b>65,310</b>	65,310

## Financial Position and Ratio

(thousands of dollars except ratio)

	December 31,	December 31,
	2025	2024
Working capital	<b>16,792</b>	9,222
Working capital ratio	<b>4.9:1</b>	5.1:1
Cash and cash equivalents	<b>19,746</b>	8,722
Total assets	<b>22,732</b>	21,516
EBITDA <sup>(a)</sup>	<b>40,847</b>	15,496
Shareholders' equity	<b>17,316</b>	18,295

<sup>(a)</sup> 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, 2025

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, 2025, was prepared taking into consideration information available to February 24, 2026, and is supplemental to the audited consolidated financial statements and related notes for the year ended December 31, 2025. Throughout this MD&A, reference will be made in the text and tables to "2025", which refers to the year ended December 31, 2025, and to "2024", which refers to the year ended December 31, 2024.

The consolidated financial statements were prepared in accordance with IFRS<sup>®</sup> 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

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## 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.

## CORPORATE UPDATE

On February 24, 2026, Pulse's Board of Directors approved a regular quarterly dividend of \$0.0175 per common share and also declared a special dividend of \$0.10 per common share. The total dividend will be approximately \$6.0 million based on Pulse's 50,714,857 common shares outstanding as of February 24, 2026, and will be paid on March 26, 2026, to shareholders of record on March 19, 2026.

## 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, 2025, with comparative figures for 2024, are set out in the following table:

(thousands of dollars except per share data)	Three months ended December 31,			Years ended December 31,		
	2025	2024	Variance	2025	2024	Variance
Revenue - Data library sales	<b>6,599</b>	5,576	1,023	<b>51,090</b>	23,379	27,711
Net earnings	<b>1,679</b>	774	905	<b>23,119</b>	3,391	19,728
Per share basic and diluted	<b>0.03</b>	0.02	0.01	<b>0.46</b>	0.07	0.39
Cash provided by operating activities	<b>4,775</b>	2,337	2,438	<b>35,204</b>	14,195	21,009
Per share basic and diluted	<b>0.09</b>	0.05	0.04	<b>0.69</b>	0.28	0.41
EBITDA	<b>4,817</b>	3,785	1,032	<b>40,847</b>	15,496	25,351
Per share basic and diluted	<b>0.09</b>	0.07	0.02	<b>0.80</b>	0.30	0.50
Shareholder free cash flow	<b>3,873</b>	2,440	1,433	<b>31,596</b>	12,408	19,188
Per share basic and diluted	<b>0.08</b>	0.05	0.03	<b>0.62</b>	0.24	0.38

Revenue for both the fourth quarter and the 2025 year increased compared to the comparable prior year periods in 2024, totalling \$6.6 million and \$51.1 million compared to \$5.6 million and \$23.4 million, respectively. This increase reflects the impact of two material data licensing agreements announced during the 2025 year and represents the Company's second-highest sales level since inception.

Commensurate with the increased revenue and Pulse's low-cost structure, all other key performance indicators increased in both the fourth quarter and 2025 year over the same comparable periods in 2024.

## SEISMIC REVENUE FLUCTUATIONS

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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

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Pulse had a very strong year in 2025, generating revenue of \$51.1 million and ending the year with \$16.8 million of working capital including \$19.7 million in cash. These financial results have resulted in capital returns to shareholders while also strengthening the Company's balance sheet.

Pulse's outlook for the future is impacted by a variety of factors that have the ability to influence annual revenue. Significant volatility in annual sales levels is common in the seismic data library business. Industry trends that we consider relevant as we look forward include land sales in Western Canada, drilling forecasts, commodity price levels, M&A forecasts and the status of industry infrastructure improvements.

Alberta land sales through 2025 were strong, totalling approximately \$331.4 million. This is a decrease of 10% from 2024 land sales. In British Columbia, land sales resumed in Q3 2024 after a pause of over three years and resulted in approximately \$31.9 million until May 2025, with no further sales until December, when a minimal amount was collected from one sale. The Canadian Association of Energy Contractors, in December 2025, forecast an increase to 5,709 wells to be drilled in 2026, an approximate 3% increase over 2025.

The commodity price environment weakened during 2025, with many producers lowering their capex guidance and concentrating on strengthening balance sheets. Crude oil remains oversupplied and may drive prices lower through 2026. The impact of OPEC unwinding voluntary production cuts faster than expected contributed to the oversupply, with the final production increase occurring in December with a pause for at least the first quarter of 2026 expected.

New infrastructure, such as the TMX pipeline expansion, a driver of increased drilling activity, which was completed in 2024 has provided increased oil export capacity. LNG Canada's liquified natural gas export facility became operational during 2025 and contributed to increasing natural gas prices by the end of the year, with expectations that there may be further increases as it becomes fully operational in 2026.

Industry M&A activity in 2025 was \$31.2 billion, which was high relative to analyst expectations for the year and the highest since 2017. Political tensions, both globally and specifically between Canada and the United States, is impacting commodity prices and contributing to the lack of clarity for the future. This is expected to continue to impact energy investments in Canada, according to Sayer Energy Advisors. They forecast 2026 M&A to come in at approximately \$15 billion.

Pulse, as previously stated, has low visibility regarding future seismic data library sales levels, regardless of industry conditions. The Company remains focused on business practices that have served throughout the full range of conditions. The Company maintains a strong balance sheet and carries no debt. Led by an experienced and capable management team, Pulse operates with a low-cost structure and focuses on maintaining excellent client relations and providing exceptional customer service. Pulse's strong financial position, high leverage to increased revenue in its EBITDA margin and careful management of its cash resources continue to translate to the return of capital to shareholders through regular and special dividends.

# Discussion of Operating Results

## SUMMARY FOR THE YEAR ENDED DECEMBER 31, 2025

### EARNINGS BEFORE INCOME TAXES

Pulse generated net earnings before income taxes of \$32.3 million (\$0.64 per share basic and diluted) in 2025 compared to \$6.8 million (\$0.13 per share basic and diluted) in 2024. The increased results in 2025 over 2024 is primarily driven by higher sales combined with the Company's low-cost structure.

### 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 2025, revenue was \$51.1 million compared to \$23.4 million in 2024.

Both transaction based and traditional sales increased year over year at \$32.9 million and \$18.2 million in 2025, compared to \$8.2 million and \$15.2 million in 2024.

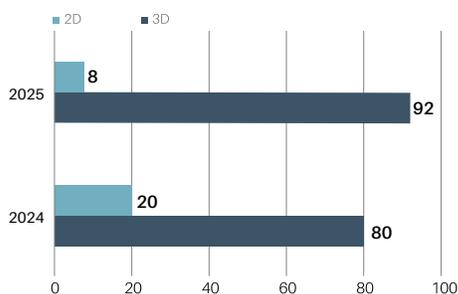
### DISAGGREGATED DATA LIBRARY SALES BREAKDOWN

Pulse disaggregates its data library sales in two ways. The following graphs illustrate the comparative disaggregated sales for the three months and years ended December 31, 2025, and 2024.

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.

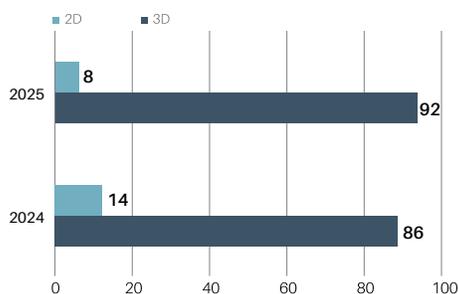
DISAGGREGATED SALES 2D/3D (%)

Three months ended DECEMBER 31



DISAGGREGATED SALES 2D/3D (%)

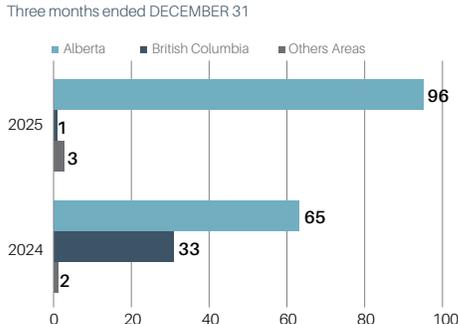
Twelve months ended DECEMBER 31



The second breakdown is geographical. The largest proportion of data sales usually comes from data in Alberta, where most of Pulse's data coverage and current industry activity is.

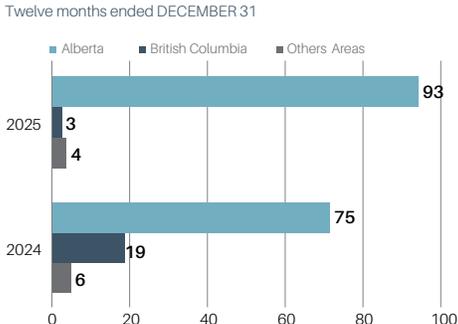
DISAGGREGATED SALES GEOGRAPHICAL (%)

Three months ended DECEMBER 31



DISAGGREGATED SALES GEOGRAPHICAL (%)

Twelve months 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, 2025, 93 percent of the data library sales were from data located in Alberta (year ended December 31, 2024 - 75 percent), three percent from British Columbia (year ended December 31, 2024 - 19 percent) and four percent from other areas (year ended December 31, 2024 - six percent).

### **AMORTIZATION OF SEISMIC DATA LIBRARY**

In 2025, seismic data library amortization expense was \$8.9 million compared to \$9.1 million in 2024. The slight decrease is due to certain assets becoming fully amortized during the year.

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

### **IMPAIRMENT**

At December 31, 2025, 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 as at December 31, 2025. Accordingly, no impairment test was required.

### **SALARIES, COMMISSIONS AND BENEFITS (SCB)**

SCB includes salaries, related benefits, incentive compensation, and internal commissions.

For 2025, SCB was \$7.6 million compared to \$5.6 million for 2024. The majority of the increase in comparative periods is related to the significantly higher level of revenue generated in 2025. This resulted in higher internal sales commissions and both short- and long-term incentive plan expense accruals, commensurate with improved results. The LTIP expense, a share-based compensation expense, is measured at fair value at each reporting period on a mark-to-market basis, and the significant increase in the closing share price at the respective year ends has contributed to the increase.

### **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 2025, SG&A was \$2.7 million, compared to \$2.3 million in 2024. The increase in 2025 as compared to 2024 is primarily due to a combination of higher external sales commissions and professional fees.

### **NET FINANCING INCOME**

Net financing income includes two items, financing expenses and interest income.

Total net financing income was higher in 2025 compared to 2024 at \$464,000 compared to \$442,000.

Financing expenses for the year ended December 31, 2025, consisted of interest related to the lease liability. Included in financing expenses for the year ended December 31, 2024, was a nominal amount for standby fees related to the Company's revolving credit facility that was amended in February 2024. The new demand facility carries no stand-by fees and remained undrawn throughout 2025.

Interest income will fluctuate period to period depending on the availability of excess cash and prevailing interest rates. For 2025, the Company had modestly higher interest income compared to 2024 as a result of a higher cash balance available to invest on higher year-to-date earnings. This was partially mitigated by lower interest rates in 2025 compared to 2024.

### **INCOME TAXES**

Income tax expense for 2025 was \$9.2 million, an increase compared to \$3.4 million in 2024. This increase was mainly attributable to a higher current income tax expense, driven by improved net earnings on a year-over-year basis. Partially offsetting this increase is a higher deferred income tax recovery in 2025 compared to 2024 relating to the carrying value of the LTIP liability. The increased liability reflects the higher number of performance units vesting under the LTIP, reflecting strong shareholder free cashflow, along with a closing share price at the end of 2025 which was 37% higher than the previous year.

## SUMMARY FOR THE THREE MONTHS ENDED DECEMBER 31, 2025

### EARNINGS BEFORE INCOME TAXES

For the three months ended December 31, 2025, the Company generated earnings before income taxes of \$2.7 million (\$0.05 per share basic and diluted) compared to net earnings before income taxes of \$1.6 million (\$0.03 per share basic and diluted) for the comparable period in 2024. The increase is mostly driven by higher sales combined with the Company's low-cost structure.

### REVENUE

Total revenue for the three months ended December 31, 2025, was \$6.6 million compared to \$5.6 million for the same period last year. The increase was driven by a combination of overall higher activity in the period and the proportion of 3D sales compared to 2D sales in Q4 2025 compared to Q4 2024.

### AMORTIZATION OF SEISMIC DATA LIBRARY

For the three months ended December 31, 2025 seismic data library amortization expense was \$2.2 million compared to \$2.3 million for the same period in 2024. The slight decrease is due to certain assets becoming fully amortized during the year.

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

### SALARIES, COMMISSIONS AND BENEFITS (SCB)

SCB for both the three months ended December 31, 2025, and 2024 was \$1.2 million. Included in the three months ended December 31, 2024 was \$189,000 of additional LTIP expense related to the modification from equity to cash settled accounting for the LTIP at December 31, 2024.

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

SG&A for the three months ended December 31, 2025, was \$626,000 compared to \$601,000 for the three months ended December 31, 2024.

### NET FINANCING INCOME

For the three months ended December 31, 2025, net financing income was \$99,000 compared to net financing income of \$80,000 for the same period in 2024.

### INCOME TAXES

The income tax expense for the three months ended December 31, 2025, was \$990,000 compared to an income tax expense of \$804,000 for the same period in 2024. The main factor contributing to the increased tax expense is the increase in net earnings before income taxes due to higher sales in the fourth quarter of 2025 compared to the same period in 2024.

# Review of Financial Position

AS AT DECEMBER 31, 2025

## TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2025, totalled \$1.0 million compared to \$1.9 million as at December 31, 2024. The decrease is mostly due to the timing of sales and collection of trade accounts receivables in the fourth quarter.

## CURRENT INCOME TAX ASSETS

At December 31, 2025, Pulse had a current income tax asset of \$16,000 that consisted of 2025 current tax expense, net of 2025 tax instalments paid. This compares to a current income tax asset of \$589,000 at December 31, 2024, due to higher 2024 tax instalments paid during the year.

## SEISMIC DATA LIBRARY

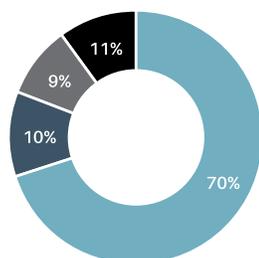
Pulse's seismic data library consists of 2D and 3D seismic data acquired over the life of the Company in two ways. The Company has purchased the proprietary rights to complementary seismic datasets through corporate or asset acquisitions, as well as by conducting participation surveys. With participation 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.

At December 31, 2025, the Company considered indicators of impairment for each of its CGUs and based on that review, no impairment test was performed. The carrying amount of the seismic data library relative to future expected returns indicates that future impairment of the currently owned assets is unlikely. Digital seismic data does not deteriorate and remains a valuable risk mitigation tool for energy companies. It is an essential part of the oil and natural gas exploration and development process and is also used for alternative energy development that require structural and reservoir attributes such as helium, lithium, geothermal and for carbon capture and storage project development.

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

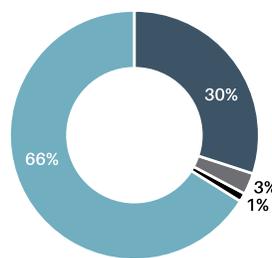
2D OWNERSHIP

■ Alberta ■ British Columbia ■ Sask/Man ■ Other



3D OWNERSHIP

■ Alberta ■ British Columbia ■ Sask/Man ■ Other



## DEFERRED INCOME TAX ASSETS

Net deferred income tax assets were \$868,000 at December 31, 2025, compared to \$304,000 at December 31, 2024.

The deferred income tax assets consist mainly of taxable temporary differences between LTIP 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 at December 31, 2025, as compared to December 31, 2024, 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 and the increase in the carrying values of the LTIP liability due to a higher closing share price at December 31, 2025.

## RIGHT-OF-USE (ROU) ASSETS

The Company has an office lease agreement for the period April 2023 to June 2028.

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, 2025, 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.

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

The share-based compensation payable contains the current and long-term portions, respectively, of the estimated liability related to the LTIP and will fluctuate based on market prices and vesting parameters. Total share-based compensation payable of \$3.5 million at December 31, 2025 was higher compared to the \$2.0 million at December 31, 2024. This increase is due to a combination of a higher closing share price at period end and improved vesting parameters reflecting the high level of shareholder free cashflow generated in the year.

## 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,	
	2025	2024	2025	2024
Weighted average shares outstanding: Basic and diluted	<b>50,737,896</b>	50,878,652	<b>50,770,625</b>	51,448,985
Shares outstanding at period-end			<b>50,714,857</b>	50,837,863
Shares outstanding at February 24, 2026			<b>50,714,857</b>	

## 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. LTIP awards are described by the Company in the material accounting policies in the audited consolidated financial statements for the year ended December 31, 2025. The Company's LTIP consists of Restricted Share Units (RSUs), Performance Share Units (PSUs) and Deferred Share Units (DSUs).

The Director LTIP was amended in February 2025. The RSUs held in notional accounts for each director have been replaced by 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 in cash to each individual at the appropriate date, less the related payroll tax.

On March 31, 2025, 400,911 RSUs and 457,526 PSUs were eligible to vest in the employee LTIP. The Company's performance in 2024 achieved certain predetermined minimum performance benchmarks and, consequently, 31% of the PSUs were eligible to vest, or 139,947 PSUs vested on March 31, 2025. RSUs vest automatically based on time and, consequently, all eligible RSUs vested on March 31, 2025. The Board of Directors elected to cash-settle the 2024 employee LTIP awards upon vesting and were paid in the second quarter of 2025.

At December 31, 2025, there were 748,403 RSUs, 1,184,736 PSUs and 140,108 DSUs outstanding.

On March 31, 2026, an estimated 311,124 RSUs and 488,340 PSUs will be eligible to vest based on the vesting conditions and the Company's performance in 2025 surpassing the predetermined performance benchmarks. In February 2026, the Board of Directors elected to cash-settle the 2025 LTIP awards after vesting on March 31, 2026.

## DEFICIT

At December 31, 2025, the Company had a deficit of \$55.1 million, compared to \$54.3 million at December 31, 2024. The net earnings for 2025, of \$23.1 million, dividends declared of \$23.7 million and a reduction of \$142,000 due to the required accounting treatment of the Company purchasing and cancelling its common shares contributed to the net change in deficit. The purchasing and cancelling of 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

During 2025 and 2024, the Company declared the following dividends:

(Thousands of dollars, except per share data)	Years ended December 31,	
	2025	2024
Regular dividends declared	<b>3,425</b>	3,018
Per common share	<b>0.0675</b>	0.05875
Special dividends declared	<b>20,318</b>	2,548
Per common share	<b>0.4000</b>	0.05000
Total dividends declared	<b>23,743</b>	5,566
Per common share	<b>0.4675</b>	0.10875

Pulse confirms that all dividends paid to shareholders in 2025 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)	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Data library sales revenue	<b>6,599</b>	<b>3,416</b>	<b>18,316</b>	<b>22,759</b>	5,576	2,726	6,300	8,777
Net earnings (loss)	<b>1,679</b>	<b>(1,500)</b>	<b>9,565</b>	<b>13,375</b>	774	(1,405)	1,341	2,681
Per share basic and diluted	<b>0.03</b>	<b>(0.02)</b>	<b>0.19</b>	<b>0.26</b>	0.02	(0.03)	0.03	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,		
	2025	2024	2023
Revenue	<b>51,090</b>	23,379	39,127
Net earnings	<b>23,119</b>	3,391	15,007
Per share – basic and diluted	<b>0.46</b>	0.07	0.28
Total assets	<b>22,732</b>	21,516	41,249
Total non-current financial liabilities	<b>1,143</b>	962	541
Dividends declared	<b>0.4675</b>	0.10875	0.40375

Year-over-year revenue fluctuations are considered normal for the seismic data library business. Industry activity and ongoing merger-and-acquisition activity in the energy sector impacts annual revenue levels significantly. In 2025, there were two material data licensing agreements announced and in 2023, there were four material data licensing agreements announced that impacted revenue in the respective periods.

Net earnings on a year-over-year basis have moved in line with the change in revenues. Pulse maintains a low-cost structure, which contributes to positive net earnings as revenue levels fluctuated from 2023 to 2025.

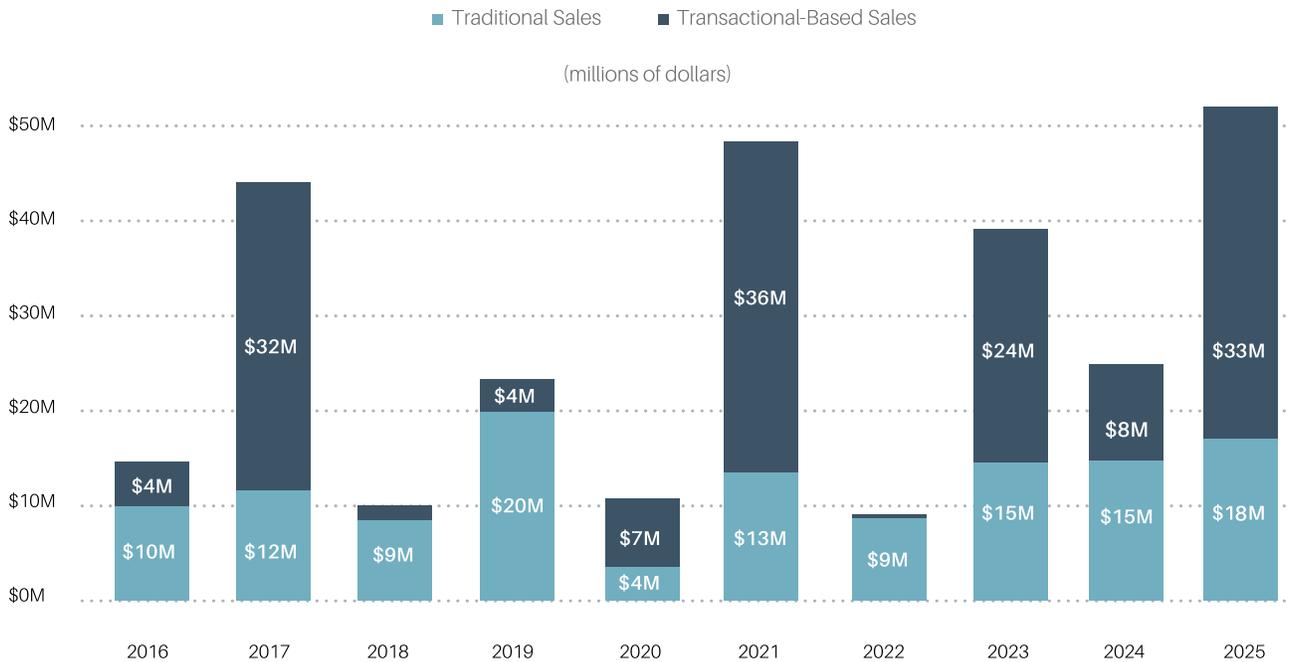
Total assets decreased from 2023 to 2024 due to the amortization of the seismic data library. Total assets increased from 2024 to 2025 due to a high level of data library sales which generated significant cash at year end. The amortization of the seismic data library partially offset the increase in cash.

Total non-current financial liabilities increased from 2023 to 2025. The increase is due to the accrual related to the LTIP that was modified in 2024 and now fully treated as cash-settled for accounting purposes. Also impacting this change is the increase in the year-end share price from 2023 to 2025.

Over the last three annual years, Pulse has consistently returned capital to shareholders through regular quarterly dividends, which increased annually, as well as through special dividends which vary in amount in relation to shareholder free cashflow.

In 2025, Pulse declared dividends of \$0.4675 per share. This consisted of four regular quarterly dividends totalling \$0.0675 per share and two special dividends totalling \$0.40 per share. In 2024, Pulse declared dividends of \$0.10875 per share, consisting of four regular quarterly dividends totalling \$0.05875 per share, and one special dividend of \$0.05 per share. In 2023, Pulse declared dividends of \$0.40375 per share, consisting of four regular quarterly dividends totalling \$0.05375 per share and two special dividends totalling \$0.35 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 readily available digital library of seismic data continues to be based on the far lower cost to license the data, as compared to conducting a time intensive new seismic program.

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 partner 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, 2025, are comprised of an office space lease, payments under seismic data services contracts, accounts payable and accrued liabilities and share-based compensation payable. The following table reflects the Company's anticipated payment of contractual obligations:

	Carrying amounts	2026	2027	2028	2029 and thereafter
Accounts payable and accrued liabilities	1,777	1,777	-	-	-
Seismic data storage	142	142	-	-	-
Leases liabilities	134	85	49	-	-
Share-based compensation payable	3,505	2,411	463	170	461
<b>Total</b>	<b>5,558</b>	<b>4,415</b>	<b>512</b>	<b>170</b>	<b>461</b>

Accounts payable and accrued liabilities at December 31, 2025, include the accrual of \$1.1 million related to the short-term incentive plan (STIP).

## LIQUIDITY, CAPITAL RESOURCES AND CAPITAL REQUIREMENTS

At December 31, 2025, Pulse had a working capital of \$16.8 million and a working capital ratio of 4.9:1.

In 2025, the Company generated \$35.2 million of cash from operating activities compared to \$14.2 million for the same period in 2024. The main differences between the two periods relate to higher data library sales which was partially offset by higher income taxes paid during the year.

The Company also utilized cash for the following outlays:

- purchase and cancellation of 120,800 common shares through its NCIB for a total of \$309,000 (at an average price of \$2.56 per common share, including commissions);
- dividends declared and paid of \$23.7 million;
- capital lease principal repayments of \$70,000; and
- property and equipment purchases of \$58,000.

In February 2024, at the request of the Company, the \$25 million committed revolving credit facility was amended. 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, 2025, the applicable interest rate for the prime loan was 4.95 percent (December 31, 2024 - 5.95 percent).

At December 31, 2025, the Company did not have a balance owing on the demand credit facility.

The revolving demand credit facility also includes the following 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.

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.

The Company was in compliance with all covenants at December 31, 2025.

Pulse has a Normal Course Issuer Bid (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 February 24, 2025, the Company renewed its NCIB. The Company is allowed to purchase, for cancellation, up to a maximum of 2,770,658 common shares, equal to 10 percent of the public float of 27,706,584 common shares as at February 17, 2025. Under the NCIB, the Company is limited to purchase no more than 2,866 common shares on any given day, subject to the block purchase exemption under the TSX rules. The NCIB will continue until February 23, 2026. Purchases were made on the open market through the TSX or alternative platforms at the market price of such shares. All shares purchased under the NCIB were cancelled.

At the same time, the Company also entered into an automatic share purchase plan (ASPP) to facilitate repurchases of common shares under its NCIB. The Company can 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 will terminate on February 23, 2026.

During 2025, the Company purchased 120,800 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 2026. As at the date of this MD&A, the \$5.0 million demand credit facility remains 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 to raise additional capital to finance opportune seismic data acquisitions. Historically, the Company has used a combination of debt and equity to finance growth initiatives. 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 include performance metrics directly related 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 statements of cash flows.

### EBITDA AND SHAREHOLDER FREE CASH FLOW

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

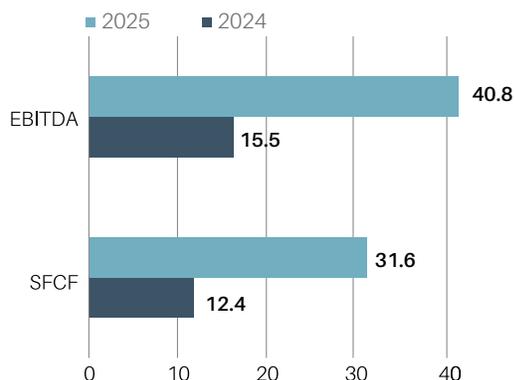
EBITDA is calculated as earnings or loss from operations before interest, taxes, depreciation, and amortization.

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,	
	2025	2024	2025	2024
<b>Net earnings</b>	<b>1,679</b>	774	<b>23,119</b>	3,391
Add/(Deduct):				
Amortization of seismic data library	<b>2,224</b>	2,263	<b>8,898</b>	9,090
Net financing income	<b>(99)</b>	(80)	<b>(464)</b>	(442)
Income tax expense	<b>990</b>	804	<b>9,202</b>	3,370
Depreciation	<b>23</b>	24	<b>92</b>	87
<b>EBITDA</b>	<b>4,817</b>	3,785	<b>40,847</b>	15,496
Add:				
Non-cash expenses	-	(584)	-	-
Net financing income	<b>(99)</b>	(80)	<b>(464)</b>	(442)
Deduct:				
Current income tax expense	<b>1,043</b>	841	<b>9,715</b>	3,530
<b>Shareholder free cash flow (SFCF)</b>	<b>3,873</b>	2,440	<b>31,596</b>	12,408
EBITDA per share basic and diluted	<b>0.09</b>	0.07	<b>0.80</b>	0.30
SFCF per share basic and diluted	<b>0.08</b>	0.05	<b>0.62</b>	0.24

**EBITDA AND SFCF**  
YEARS ENDED DECEMBER 31  
(millions of dollars)



**EBITDA AND SFCF PER SHARE (BASIC AND DILUTED)**  
YEARS ENDED DECEMBER 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 are mainly comprised of accounts payable and accrued liabilities and share-based compensation 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, 2025, 90 percent of total accounts receivable was due from one customer. As of February 24, 2026, the Company has collected 92% of the gross value of December 31, 2025 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 \$16.8 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, 2025, 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 has no 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

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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, 2025. Accordingly, they were not applied in preparing the consolidated financial statements. None of the new standards are expected to have a significant effect on the consolidated financial statements.

# CRITICAL ACCOUNTING ESTIMATES

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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 revenue generating asset, with a net book value of \$544,000 at December 31, 2025 (December 31, 2024 - \$9.4 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 will 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 2025 or 2024.

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, which can fluctuate year to year.

## 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.

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

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## 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, 2025. Based on this evaluation, the CEO and CFO have concluded that the DC&P were effective at December 31, 2025.

## 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, 2025, 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, 2025.

No changes were made to ICFR during the period beginning on October 1, 2025, and ending on December 31, 2025, that have materially affected, or are reasonably likely to materially affect, Pulse's ICFR.

# RISK FACTORS

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## 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 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 material 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

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You may find additional information relating to Pulse, including the Company's Annual Information Form, on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## FORWARD-LOOKING INFORMATION

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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.

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 2026;
- 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](http://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** <sup>(2) (3)</sup>  
Chair

**Paul Crilly** <sup>(1) (3)</sup>  
Director

**Dallas Droppo** <sup>(1) (2) (3)</sup>  
Director

**Patrick R. Ward** <sup>(2) (4)</sup>  
Director

**Melanie Westergard** <sup>(1) (2) (4)</sup>  
Director

**Neal Coleman** <sup>(4)</sup>  
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

Odyssey Trust Company  
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.

**YE**

For the three months and year ended  
December 31, 2025

TSX: PSD  
OTCQX:PLSDF