

Selected Financial and Operating Information

(Thousands of dollars except per share data,
numbers of shares and kilometres of seismic data)

	Three months ended June 30,		Six months ended June 30,		Year ended December 31, 2024
	2025	2024	2025	2024	
	(Unaudited)		(Unaudited)		
Revenue	18,316	6,300	41,075	15,077	23,379
Amortization of seismic data library	2,224	2,279	4,449	4,549	9,090
Net earnings	9,565	1,341	22,940	4,022	3,391
Per share basic and diluted	0.19	0.03	0.45	0.08	0.07
Cash provided by (used in) operating activities	12,543	(1,269)	29,158	9,195	14,195
Per share basic and diluted	0.25	(0.02)	0.57	0.18	0.28
EBITDA ^(a)	15,238	4,418	35,286	10,647	15,496
Per share basic and diluted ^(a)	0.30	0.09	0.69	0.21	0.30
Shareholder free cash flow ^(a)	11,733	3,869	27,152	8,907	12,408
Per basic and diluted ^(a)	0.23	0.07	0.53	0.17	0.24
Capital expenditures					
Seismic data	-	-	-	225	225
Property and equipment	-	-	-	-	45
Total capital expenditures	-	-	-	225	270
Dividends					
Regular dividends declared	885	775	1,648	1,490	3,018
Special dividend declared	-	-	10,167	-	2,548
Total dividends declared	885	775	11,815	1,490	5,566
Normal course issuer bid					
Number of shares purchased and cancelled	37,300	539,500	80,600	1,166,800	1,784,000
Cost of shares purchased and cancelled	91	1,222	197	2,407	3,880
Weighted average shares outstanding					
Basic and diluted	50,761,321	51,734,590	50,795,174	51,928,298	51,448,985
Shares outstanding at period-end			50,755,057	51,455,063	50,837,863
Seismic library					
2D in kilometres			829,207	829,207	829,207
3D in square kilometres			65,310	65,310	65,310

Financial Position and Ratio

(Thousands of dollars except ratio)

	June 30, 2025	June 30, 2024	December 31, 2024
Working capital	24,202	10,996	9,222
Working capital ratio	4.8:1	4.0:1	5.1:1
Cash and cash equivalents	25,876	9,392	8,722
Total assets	36,479	29,184	21,516
Trailing 12-month (TTM) EBITDA ^(b)	40,135	27,528	15,496
Shareholders' equity	29,177	25,177	18,295

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

(b) TTM EBITDA is defined as the sum of EBITDA generated over the previous 12 months and is used to provide a comparable annualized measure.

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

Three and six months ended June 30, 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 three and six months ended June 30, 2025, was prepared taking into consideration information available to July 22, 2025, and is supplemental to the unaudited condensed consolidated interim financial statements and related notes for the three and six months ended June 30, 2025. This MD&A is also supplemental to the MD&A, audited consolidated financial statements and related notes for the year ended December 31, 2024.

The unaudited condensed consolidated interim 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 unaudited condensed consolidated interim 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.

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.

CORPORATE UPDATE

On July 22, 2025, Pulse's Board of Directors approved a regular quarterly dividend of \$0.0175 per common share and also declared a special dividend of \$0.20 per common share. The total dividend will be approximately \$11.0 million based on Pulse's 50,755,057 common shares outstanding as of July 22, 2025, and will be paid on August 20, 2025, to shareholders of record on August 13, 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 and six months ended June 30, 2025, with comparative figures for 2024, are set out in the following table:

(thousands of dollars except per share data)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Variance	2025	2024	Variance
Revenue - Data library sales	18,316	6,300	12,016	41,075	15,077	25,998
Net earnings	9,565	1,341	8,224	22,940	4,022	18,918
Per share basic and diluted	0.19	0.03	0.16	0.45	0.08	0.37
Cash provided by (used in) operating activities	12,543	(1,269)	13,812	29,158	9,195	19,963
Per share basic and diluted	0.25	(0.02)	0.27	0.57	0.18	0.39
EBITDA	15,238	4,418	10,820	35,286	10,647	24,639
Per share basic and diluted	0.30	0.09	0.21	0.69	0.21	0.48
Shareholder free cash flow	11,733	3,869	7,864	27,152	8,907	18,245
Per share basic and diluted	0.23	0.07	0.16	0.53	0.17	0.36

During the second quarter of 2025, Pulse generated revenue of \$18.3 million compared to \$6.3 million for the same period in 2024, representing a 191% increase over the prior year period. The Company announced a material data licensing agreement during Q2 2025, which contributed to this increase. For the first half of 2025, Pulse generated revenue of \$41.1 million compared to \$15.1 million for the same period in 2024. The Company announced two material data licensing agreements, one in the first quarter of 2025 and another in the second quarter of 2025, which contributed to this increase.

For the three and six month periods ended June 30, 2025, the Company’s key performance metrics all improved over the same periods last year. Strong sales combined with Pulse’s low-cost structure were the main contributors for year-over-year increase.

OUTLOOK

Pulse had a very strong first half year, generating revenue of \$41.1 million and ending the quarter with \$24.2 million of working capital including \$25.9 million in cash. These financial results have provided capital returns to shareholders, strengthened the balance sheet, and positioned the Company for solid financial performance in 2025.

Pulse's ability to forecast future revenue continues to be challenging, as significant annual fluctuations are the norm in the seismic data library business. Industry trends that we consider relevant as we look forward include land sales in Western Canada, drilling forecasts for the year, commodity price levels, M&A forecasts and the status of industry infrastructure improvements. It is difficult to predict in the midst of the current market dynamics how this will unfold through the remainder of 2025. M&A activity for the year so far, has surpassed many analysts' earlier expectations and is expected to remain strong for the remainder of 2025. Lower oil prices have contributed to decreased corporate valuations which often lead to acquisition opportunities. Alberta land sales through 2024 were strong, but at midpoint in 2025 have generated just over half the amount for the same period in 2024. In British Columbia land sales were resumed in Q3 2024 after a pause of over three years. New infrastructure, such as the TMX pipeline expansion, a driver of increased drilling activity, which was completed in 2024 has provided increased export capacity. The Canadian Association of Energy Contractors, in November 2024 forecast an increase to 6,604 wells to be drilled in 2025, an approximate 7% increase over 2024. There has been no update published to this forecast, and drilling activity is reported to be relatively stable. LNG Canada's liquified natural gas export facility is now operational and is expected to contribute to increased drilling and may lead to an improvement in Canadian natural gas prices.

Of course, there continues to be a high level of uncertainty on political and economic fronts. Uncertainty around energy tariffs and trade policy between Canada and the United States, are contributing to the lack of clarity for the future. It is clear that Canada needs to continue to build pipelines and increase natural gas egress, to support the country's energy security, as well as to secure new buyers of Canadian energy.

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

Discussion of Operating Results

SUMMARY FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

EARNINGS BEFORE INCOME TAXES

Pulse generated net earnings before income taxes of \$13.1 million (\$0.26 per share basic and diluted) in the second quarter of 2025 compared to net earnings before income taxes of \$2.3 million (\$0.04 per share basic and diluted) for the same period in 2024.

For the first half of 2025, Pulse generated net earnings before income taxes of \$31.0 million (\$0.61 per share basic and diluted) compared to net earnings before income taxes of \$6.3 million (\$0.12 per share basic and diluted) for the same period in 2024.

The year-over-year growth in both periods is attributable to the increase in revenues generated during the respective periods

REVENUE

Revenue for the three and six months ended June 30, 2025, was \$18.3 million and \$41.1 million, respectively, compared to \$6.3 million and \$15.1 million, respectively, for the same periods in 2024. An increase in transaction-based sales over the prior year comparable periods was the main contributor to the increase.

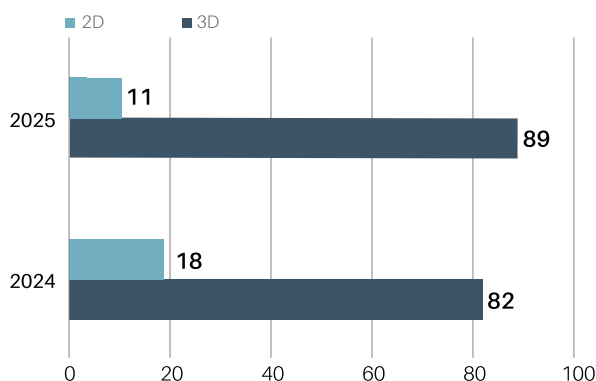
DISAGGREGATED DATA LIBRARY SALES BREAKDOWN

Pulse disaggregates its data library sales in two ways. The following graphs illustrate the comparative disaggregated sales for the three and six month periods ended June 30, 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.

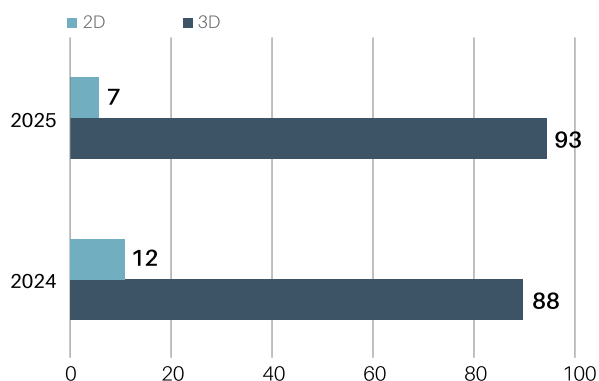
DISAGGREGATED SALES 2D/3D (%)

Three months ended JUNE 30



DISAGGREGATED SALES 2D/3D (%)

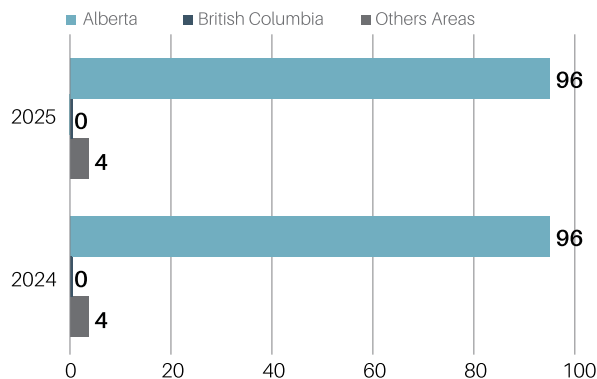
Six months ended June 30



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

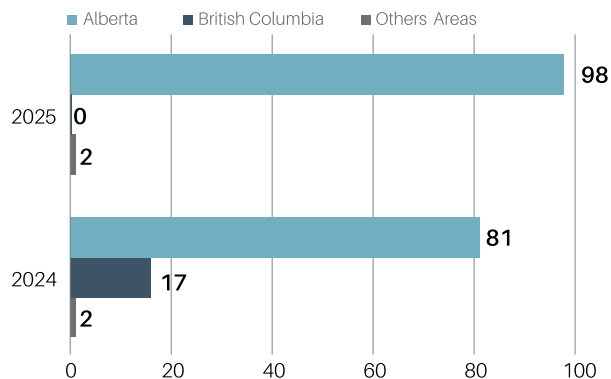
DISAGGREGATED SALES GEOGRAPHICAL (%)

Three months ended June 30



DISAGGREGATED SALES GEOGRAPHICAL (%)

Six months ended June 30



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 six months ended June 30, 2025, 98 percent of the data library sales were from data located in Alberta and two percent was from other areas. This compares to 81 percent of sales from data located in Alberta, 17 percent of sales from British Columbia and two percent from other areas for the six months ended June 30, 2024.

AMORTIZATION OF SEISMIC DATA LIBRARY

For both the three and six months ended June 30, 2025, seismic data library amortization expense was marginally lower at \$2.2 million and \$4.4 million, respectively, as compared to \$2.3 million and \$4.5 million, respectively, for the same periods last year. The decrease is due to certain assets becoming fully amortized during the periods.

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

IMPAIRMENT

At June 30, 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 June 30, 2025. Accordingly, no impairment test was required.

SALARIES, COMMISSIONS AND BENEFITS (SCB)

SCB includes salaries, related benefits, incentive compensation, and internal commissions. For the second quarter of 2025, SCB was \$2.4 million compared to \$1.3 million for the same period in 2024. SCB for the first half of 2025 was \$4.5 million compared to \$3.3 million for the same period in 2024.

The increase in comparative periods is due in part to the higher level of data sales 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 long-term incentive plan expense, a share-based compensation expense, is also 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 period ends has increased this further.

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

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 the second quarter of 2025, SG&A was \$719,000, compared to \$554,000 during Q2 2024. For the six months ended June 30, 2025, SG&A was \$1.3 million compared to \$1.2 million for the same period last year.

The increase in both the second quarter and first half of 2025 as compared to 2024 is primarily due to a combination of higher office and general costs and professional fees.

NET FINANCING COSTS (INCOME)

For the three months ended June 30, 2025, the Company's net financing income was \$115,000 compared to net financing income of \$132,000 for the same period last year. Financing costs during the second quarter of 2025 and 2024 consisted of interest related to the lease liability.

For the six months ended June 30, 2025, the Company's net financing income was \$207,000 compared to net financing income of \$271,000 for the same period last year. Financing costs for the first half of 2025 consisted of interest related to the lease liability. Compared to the same period last year, costs were lower as 2024 also included 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 the period.

Excess cash is invested in short-term term deposits and earned \$119,000 and \$215,000 of interest income in the second and first half of 2025, respectively, compared to \$137,000 and \$294,000 for the same periods last year, respectively. The decrease in both periods is due to lower year-over-year interest rates.

INCOME TAXES

The income tax expense for both the second quarter and first half of 2025 was higher than the comparable prior year periods at \$3.5 million and \$8.1 million, respectively, compared to \$909,000 and \$2.3 million, respectively, for the same periods in 2024. The main contributor of this increase is higher year-over-year current income taxes as a result of improved net earnings before taxes for the respective periods. The main factor affecting the deferred tax rate calculation in both years is due to the increase in the carrying value of the mark-to-market valuation of the LTIP liability with a higher closing share price at period end and the permanent difference between the tax basis and the accounting value of the seismic data library. The average combined income tax rate for 2025 and 2024 was 23 percent. A reconciliation of the income tax expense is included in the condensed consolidated interim financial statements.

Review of Financial Position

AS AT JUNE 30, 2025

TRADE AND OTHER RECEIVABLES

Trade and other receivables at June 30, 2025, totalled \$4.4 million compared to \$1.9 million at December 31, 2024. This is a direct result of the increase in sales during the second quarter of 2025 over the fourth quarter of 2024.

CURRENT INCOME TAX ASSETS/LIABILITIES

At June 30, 2025, Pulse had a current income tax liability that consisted of 2025 current tax expense, net of 2025 tax instalments paid. This compares to a current income tax asset at December 31, 2024, due to higher 2024 tax instalments paid during the period.

SEISMIC DATA LIBRARY

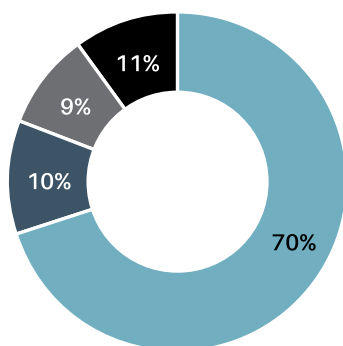
Pulse's seismic data library consists of 2D and 3D seismic data acquired over the life of the Company in two ways. The Company has purchased the proprietary rights to complementary seismic datasets through corporate or asset acquisitions, as well as by conducting participation surveys. With participation 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 June 30, 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.

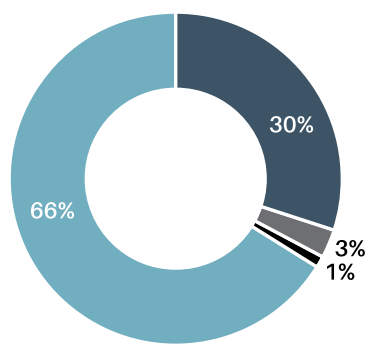
2D OWNERSHIP

■ Alberta ■ British Columbia ■ Sask/Man ■ Other



3D OWNERSHIP

■ Alberta ■ British Columbia ■ Sask/Man ■ Other



DEFERRED INCOME TAX ASSETS

The net deferred income tax assets were \$637,000 at June 30, 2025, compared to net deferred income tax assets of \$304,000 at December 31, 2024.

The deferred income tax assets consist mainly of taxable temporary differences between long-term incentive plan (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 June 30, 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 June 30, 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 June 30, 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 is the long-term portion of the estimated liability related to the LTIP and will fluctuate based on market prices and vesting parameters.

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 June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Weighted average shares outstanding: Basic and diluted	50,761,321	51,734,590	50,795,174	51,928,298
Shares outstanding at period-end			50,755,057	51,455,063
Shares outstanding at July 22, 2025			50,755,057	

DILUTED EARNINGS PER SHARE RECONCILIATION

The Company does not have any dilutive instruments.

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, 2024. 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 June 30, 2025, there were 715,641 RSUs, 1,126,230 PSUs and 125,848 DSUs outstanding.

DEFICIT

On June 30, 2025, the Company had a deficit of \$43.3 million, compared to \$54.3 million at December 31, 2024. The net earnings for the six months ended June 30, 2025, of \$22.9 million, the dividends declared and paid of \$11.8 million and a reduction of \$85,000 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

On April 22, 2025, the Company increased the regular quarterly dividend of \$0.015 per common share to \$0.0175 per common share, which represents a 17% increase from the previous sequential quarter. The dividend totalling \$885,000 was paid on May 22, 2025, to shareholders of record at the close of business on May 12, 2025.

On February 13, 2025, the Company declared a regular quarterly dividend of \$0.015 per common share and a special dividend of \$0.20 per common share. The dividends, totalling \$10.9 million were 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 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				2023	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue - data library sales	18,316	22,759	5,576	2,726	6,300	8,777	16,861	5,103
Net earnings (loss)	9,565	13,375	774	(1,405)	1,341	2,681	8,307	393
Per share basic and diluted	0.19	0.26	0.02	(0.03)	0.03	0.05	0.16	0.01

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.

CONTRACTUAL OBLIGATIONS

Pulse's known contractual obligations at June 30, 2025, 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:

Contractual Obligations (Thousands of dollars)	Payments due by period				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	3,689	3,689	-	-	-
Seismic data storage	69	69	-	-	-
Leases liabilities	212	72	140	-	-
Share-based compensation payable	758	-	370	-	388
Total	4,728	3,830	510	-	388

Accounts payable and accrued liabilities at June 30, 2025, include the accrual of \$608,000 related to the short-term incentive plan (STIP) and the accrual of \$1.8 million related to the current portion of the LTIP liability.

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL REQUIREMENTS

At June 30, 2025, Pulse had a working capital of \$24.2 million and a working capital ratio of 4.8:1.

In the first half of 2025, the Company generated \$29.2 million of cash from operating activities compared to \$9.2 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 period.

The Company also utilized cash for the following outlays:

- Purchase and cancellation of 80,600 common shares through its NCIB for a total of \$197,000 (at an average price of \$2.43 per common share, including commissions);
- Dividends declared and paid of \$11.8 million.

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 June 30, 2025, the applicable interest rate for the prime loan was 5.45 percent (June 30, 2024 - 7.45 percent).

At June 30, 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 June 30, 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 the first half of 2025, the Company purchased 80,600 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 \$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 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.

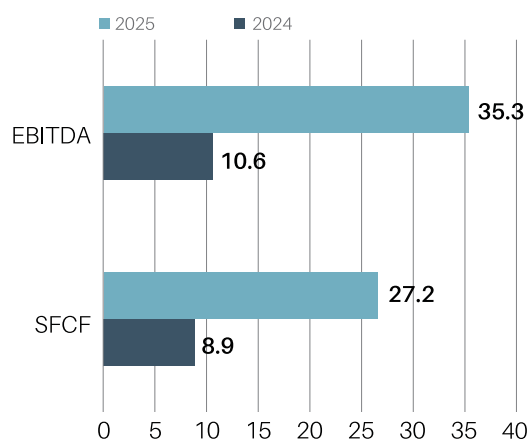
EBITDA is calculated as earnings from operations before interest, taxes, depreciation and amortization.

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.

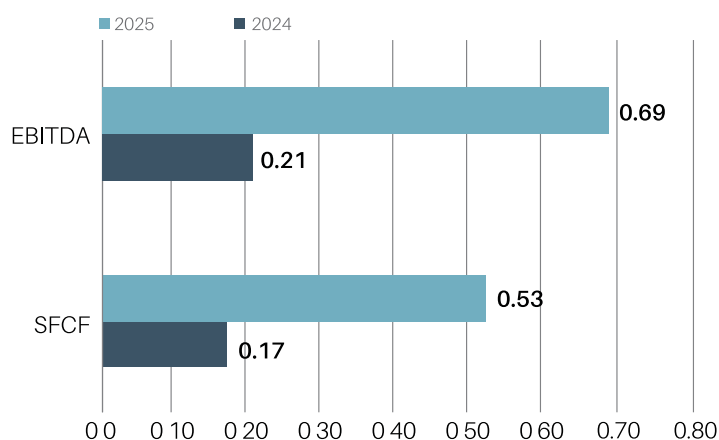
A reconciliation of net earnings to EBITDA and shareholder free cash flow follows:

(Thousands of dollars, except per share data)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net earnings	9,565	1,341	22,940	4,022
Add/(Deduct):				
Amortization of seismic data library	2,224	2,279	4,449	4,549
Net financing income	(115)	(132)	(207)	(271)
Income tax expense	3,541	909	8,058	2,306
Depreciation	23	21	46	41
EBITDA	15,238	4,418	35,286	10,647
Add:				
Non-cash expenses	-	126	-	437
Net financing income	115	132	207	271
Deduct:				
Current income tax expense	3,620	807	8,341	2,448
Shareholder free cash flow (SFCF)	11,733	3,869	27,152	8,907
EBITDA per share basic and diluted	0.30	0.09	0.69	0.21
SFCF per share basic and diluted	0.23	0.07	0.53	0.17

EBITDA AND SFCF
Six months ended June 30
(millions of dollars)



EBITDA AND SFCF PER SHARE (BASIC AND DILUTED)
Six months ended June 30
(Dollar 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.

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

There have been no significant changes in Pulse's credit risk as disclosed in the Company's MD&A for the year ended December 31, 2024.

The Company's customers are in the energy industry, with the majority located in Alberta. At June 30, 2025, 98 percent of total accounts receivable was due from two customers. The Company does not anticipate any concerns over the collectability of its accounts receivable.

LIQUIDITY RISK

There have been no significant changes in Pulse's liquidity risk as disclosed in the Company's MD&A for the year ended December 31, 2024.

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

Several new standards, amendments to standards, and interpretations have been issued by the International Accounting Standards Board but were not yet effective for the period ending June 30, 2025. Accordingly, they were not applied in preparing the condensed consolidated interim financial statements. None of the new standards are expected to have a significant effect on the condensed consolidated interim 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.

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

The Company applies the COSO Internal Control — Integrated Framework (2013 framework). There were no changes in the ICFR that occurred during the period beginning April 1, 2025, and ending June 30, 2025, that materially affected, or are reasonably likely to materially affect, the Company's ICFR. No material weaknesses relating to the design of the ICFR were identified. Furthermore, there were no limitations on the scope of the design of the DC&P or the ICFR.

No changes were made to ICFR during the period beginning April 1, 2025, and ending June 30, 2025, that have materially affected, or are reasonably likely to materially affect, Pulse's ICFR.

RISK FACTORS

There have been no significant changes in Pulse's risk factors as described in the Company's MD&A for the year ended December 31, 2024.

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 and legal fronts affecting the industry’s medium- to longer-term prospects, including progression and completion of contemplated infrastructure projects;
- The Company’s capital resources and sufficiency thereof to finance future operations, meet its obligations associated with financial liabilities, and carry out the necessary capital expenditures through 2025;
- Pulse’s capital allocation strategy;
- Pulse’s dividend policy;
- Oil and natural gas prices and forecast trends;
- Oil and natural gas drilling activity and land sales activity;
- Oil and natural gas company capital budgets;
- Future demand for seismic data;
- Future seismic data sales;
- Pulse’s business and growth strategy; and
- Other expectations, beliefs, plans, goals, objectives, assumptions, information, and statements about possible future events, conditions, results, and performance as they relate to the Company or 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.

Condensed Consolidated Interim Statements of Financial Position

Q2

(Thousands of Canadian dollars) (Unaudited)

As at	Note	June 30, 2025	December 31, 2024
ASSETS			
Cash and cash equivalents		25,876	8,722
Trade and other receivables		4,439	1,908
Current tax assets		-	589
Prepaid expenses		291	262
Total current assets		30,606	11,481
Seismic data library	5	4,993	9,442
Property and equipment		44	56
Deferred income tax assets		637	304
Right-of-use assets	6	199	233
Total non-current assets		5,873	10,035
Total assets		36,479	21,516
LIABILITIES AND SHAREHOLDERS' EQUITY			
Accounts payable and accrued liabilities	10	3,689	2,189
Current portion of lease liabilities	6	72	70
Current income tax liabilities		2,643	-
Total current liabilities		6,404	2,259
Lease liabilities	6	140	134
Share-based compensation payable	10	758	828
Total non-current liabilities		898	962
Total liabilities		7,302	3,221
SHAREHOLDERS' EQUITY			
Share capital	9	70,368	70,483
Contributed surplus		2,086	2,129
Deficit		(43,277)	(54,317)
Total shareholders' equity		29,177	18,295
Total liabilities and shareholders' equity		36,479	21,516
Subsequent event	14		

See accompanying notes to condensed consolidated interim financial statements.

On behalf of the Board:

 Robert Robotti
Chair of the Board

 Paul Crilly
Audit and Risk Committee Chair

Condensed Consolidated Interim Statements of Net Earnings and Comprehensive Income

Q2

(Thousands of Canadian dollars except per share data) (Unaudited)

	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
Revenue					
Data library sales	4	18,316	6,300	41,075	15,077
Operating expenses					
Amortization of seismic data library	5	2,224	2,279	4,449	4,549
Salaries, internal commissions and benefits	10	2,359	1,328	4,450	3,256
Other selling, general and administrative costs		719	554	1,339	1,174
Depreciation		23	21	46	41
Total operating expenses		5,325	4,182	10,284	9,020
Results from operating activities		12,991	2,118	30,791	6,057
Financing costs (income)					
Financing expenses		4	5	8	23
Interest income		(119)	(137)	(215)	(294)
Net financing income		(115)	(132)	(207)	(271)
Earnings before income taxes		13,106	2,250	30,998	6,328
Current income tax expense		3,620	807	8,341	2,448
Deferred income tax expense (recovery)		(79)	102	(283)	(142)
Income tax expense	8	3,541	909	8,058	2,306
Net earnings and comprehensive income		9,565	1,341	22,940	4,022
Net earnings per share, basic and diluted	11	0.19	0.03	0.45	0.08

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Changes in Equity

Q2

(Thousands of Canadian dollars, except number of shares) (Unaudited)

	Note	Number of shares issued	Share capital	Contributed surplus	Deficit	Total equity
Balance at January 1, 2024		52,621,863	72,957	3,434	(50,736)	25,655
Net earnings for the period		-	-	-	4,022	4,022
Share-based compensation on equity settled awards	10	-	-	509	-	509
Settlement of vested long-term incentive plan award		-	-	(1,112)	-	(1,112)
Normal course issuer bid	9(a)	(1,166,800)	(1,618)	-	(789)	(2,407)
Dividends paid	9(b)	-	-	-	(1,490)	(1,490)
Balance at June 30, 2024		51,455,063	71,339	2,831	(48,993)	25,177

	Note	Number of shares issued	Share capital	Contributed surplus	Deficit	Total equity
Balance at January 1, 2025		50,837,863	70,483	2,129	(54,317)	18,295
Net earnings for the period		-	-	-	22,940	22,940
Share-based compensation on equity settled awards	10	-	-	(46)	-	(46)
Normal course issuer bid	9(a)	(80,600)	(112)	-	(85)	(197)
Redeemed pursuant to acquisition sunset clause		(2,206)	(3)	3	-	-
Dividends paid	9(b)	-	-	-	(11,815)	(11,815)
Balance at June 30, 2025		50,755,057	70,368	2,086	(43,277)	29,177

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows

Q2

(Thousands of Canadian dollars) (Unaudited)

	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
Cash flows provided by (used in):					
Operating:					
Net earnings and comprehensive income		9,565	1,341	22,940	4,022
Adjustment for:					
Amortization of seismic data library	5	2,224	2,279	4,449	4,549
Depreciation		23	21	46	41
Income tax expense	8	3,541	909	8,058	2,306
Share-based compensation	10	-	126	-	437
Net financing income		(115)	(132)	(207)	(271)
Interest and standby fees paid		-	-	-	(23)
Interest paid on lease liabilities	6	(4)	(5)	(8)	(10)
Interest received		102	155	197	316
Income tax paid		(4,114)	(806)	(5,789)	(1,990)
Income tax received		-	48	680	48
		11,222	3,936	30,366	9,425
Net change in non-cash working capital	12	1,321	(5,205)	(1,208)	(230)
Cash provided by (used in) operating activities		12,543	(1,269)	29,158	9,195
Financing:					
Normal course issuer bid	9(a)	(91)	(1,222)	(197)	(2,407)
Equity-based compensation settlement		-	(1,112)	-	(1,112)
Dividends paid	9(b)	(885)	(775)	(11,815)	(12,017)
Lease liabilities	6	4	5	8	10
Cash used in investing activities		(972)	(3,104)	(12,004)	(15,526)
Investing:					
Seismic data purchases	5	-	-	-	(225)
Cash used in investing activities		-	-	-	(225)
Increase (decrease) in cash and cash equivalents		11,571	(4,373)	17,154	(6,556)
Cash and cash equivalents, beginning of period		14,305	13,765	8,722	15,948
Cash and cash equivalents, end of period		25,876	9,392	25,876	9,392

See accompanying notes to condensed consolidated interim financial statements.

Notes to Condensed Consolidated Interim Financial Statements

Information as at June 30, 2025, and December 31, 2024, and for the three-month and six-month periods ended June 30, 2025, and 2024
(Tabular amounts in thousands of Canadian dollars, except per share data, numbers of shares and other exceptions as indicated.)

1. REPORTING ENTITY

Pulse Seismic Inc. (the "Company") was incorporated under the Canada Business Corporations Act and is a publicly listed company on the Toronto Stock Exchange (TSX) trading under the symbol PSD and on the OTCQX International trading under the symbol PLSDF. The Company's registered office is located at 2700, 421 7th Avenue SW in Calgary, Alberta. The Company is a provider of seismic data to the energy and resource sector in Western Canada.

2. BASIS OF PREPARATION

(A) STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee.

The condensed consolidated interim financial statements were prepared by the Company's management and were approved by the Board of Directors on July 22, 2025.

(B) BASIS OF PRESENTATION

The condensed consolidated interim financial statements include the accounts of the Company's wholly owned subsidiaries.

Certain comparative figures have been reclassified to conform to the current year's presentation.

(C) BASIS OF MEASUREMENT

The condensed consolidated interim financial statements were prepared on the historical cost basis.

(D) FUNCTIONAL AND PRESENTATION CURRENCY

The condensed consolidated interim financial statements are presented in Canadian dollars, the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand, except for per share data, the number of shares, and other exceptions as indicated.

(E) BASIS OF CONSOLIDATION

(I) Joint Operations

Certain of the Company's seismic data library assets are jointly owned with others. The condensed consolidated interim financial statements include the Company's share in the joint assets, joint liabilities, expenses incurred, and income earned from the joint operations.

(II) Transactions Eliminated On Consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the condensed consolidated interim financial statements.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied by the Company in the audited consolidated financial statements for the year ended December 31, 2024.

4. REVENUE

Data library sales

There are two ways to disaggregate the Company's data library sales: data type and geographically. Revenue fluctuations are a normal part of the seismic data library business, and data library sales can significantly vary period-over-period by data type and geographically.

The following tables provide a summary of the Company's revenue disaggregated by type:

(A) DATA TYPE

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
2D data sales	1,965	1,116	3,069	1,734
3D data sales	16,351	5,184	38,006	13,343
Total data library sales	18,316	6,300	41,075	15,077

The Company's data library consists 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 sales generated from 2D and 3D data sales fluctuates significantly depending on the number of 3D seismic sale contracts signed during a given period.

(B) GEOGRAPHICAL BREAKDOWN

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Alberta	17,660	6,070	40,420	12,247
British Columbia	-	-	8	2,600
Other areas	656	230	647	230
Total data library sales	18,316	6,300	41,075	15,077

5. SEISMIC DATA LIBRARY

	June 30, 2025	December 31, 2024
Cost		
Opening balance	507,023	506,798
Seismic data purchased	-	225
Closing balance	507,023	507,023
Accumulated amortization		
Opening balance	497,581	488,491
Amortization for the period	4,449	9,090
Closing balance	502,030	497,581
Carrying amount	4,993	9,442

In the first quarter of 2024, the Company acquired revenue and partnership interests in certain datasets.

At June 30, 2025 and 2024, the Company assessed the CGUs in its seismic data library for indicators of impairment, as

required under IFRS, and concluded there were no indicators of impairment. Accordingly, no impairment test was required. 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 requires structural and reservoir attributes such as helium, lithium, geothermal and for carbon capture and storage project development.

6. RIGHT-OF-USE (ROU) ASSETS AND LEASE LIABILITIES

The ROU assets and related lease liabilities are included in the tables below:

ROU assets As at	June 30, 2025	December 31, 2024
Opening balance	233	299
Less:		
Depreciation in the period	(34)	(66)
Closing balance	199	233

Lease liabilities As at	June 30, 2025	December 31, 2024
Opening balance	204	269
Repayments on principal and interest in the period	-	(84)
Finance expense in the period	8	19
Total lease liabilities	212	204
Less:		
Current portion	(72)	(70)
Long-term portion	140	134

The following table summarizes the Company's lease maturities:

Maturity analysis	Total
Less than one year	84
Two to five years	145
Total undiscounted lease liabilities as at June 30, 2025	229
Less: implicit interest	(17)
Total lease liabilities as at June 30, 2025	212

7. REVOLVING DEMAND CREDIT FACILITY

The Company has a demand facility of \$5.0 million borrowing limit that is secured through a charge on all the assets of the Company and its material subsidiaries. There have been no draws on the facility since it was put in place in the first quarter of 2024.

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 June 30, 2025, the applicable interest rate for the prime loan was 5.45 percent.

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 June 30, 2025.

8. INCOME TAX

Income tax expense differs from the amount that would be computed by applying the basic combined federal and provincial statutory income tax rate to earnings before income taxes. The reasons for the differences are as follows:

Six months ended June 30	2025	2024
Earnings before income tax	30,998	6,328
Combined federal and provincial income tax rate	23%	23%
Expected income tax expense	7,129	1,455
Effects of difference:		
Permanent difference related to the seismic data library	917	917
Others	12	(66)
Actual income tax expense	8,058	2,306

9. SHARE CAPITAL

(A) SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common and an unlimited number of preferred shares, issuable in series. No preferred shares have been issued. All common shares are entitled to receive dividends as declared and are entitled to one vote per share at Company meetings.

On February 24, 2025, the Company renewed its normal course issuer bid (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.

On February 24, 2025, the Company also entered into automatic share purchase plans (ASPP) to facilitate repurchases of common shares under its NCIB. The ASPP enables the Company to purchase common shares at 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. The ASPP expires with the related NCIB on February 23, 2026.

During the six months ended June 30, 2025, the Company purchased for cancellation 80,600 common shares pursuant to its NCIB (six months ended June 30, 2024 - 1,166,800 common shares) at a weighted average price of \$2.43 per share (six months ended June 30, 2024 - \$2.06 per share), including brokerage fees, for a total cost of \$197,000 (six months ended June 30, 2024 - \$2.4 million). The total cost paid, including fees, was first charged to share capital to the extent of the average carrying value of the common shares purchased and the excess of \$85,000 was charged to the deficit (six months ended June 30, 2024 - \$789,000).

(B) DIVIDENDS

On February 13, 2025, the Company approved a quarterly dividend of \$0.015 per common share and also approved a special dividend of \$0.20 per common share. The dividend, totalling \$10.9 million was paid on March 13, 2025, to shareholders of record at the close of business on February 28, 2025.

On April 22, 2025, the Company increased the regular quarterly dividend from \$0.015 per common share, declaring a regular quarterly dividend of \$0.0175 per common share. The dividend totalling \$885,000 was paid on May 22, 2025, to shareholders of record at the close of business on May 12, 2025.

10. SHARE-BASED PAYMENTS

The Company's long-term incentive plan (LTIP) for employees, officers and directors is designed to align the Company's long-term incentive compensation with its performance and is described in the material accounting policies by the Company in the audited consolidated financial statements for the year ended December 31, 2024. 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 was paid in the second quarter of 2025.

For the six months ended June 30, 2025, the Company recognized \$1.7 million (six months ended June 30, 2024 - \$1.1 million) in compensation expense related to the LTIP in salaries, internal commissions and benefits on the consolidated statement of comprehensive earnings.

At June 30, 2025, the obligation related to the LTIP was \$2.5 million (June 30, 2024 - \$700,000) with \$1.8 million (June 30, 2024 - \$515,000) included in accounts payable and accrued liabilities and \$758,000 (June 30, 2024 - \$185,000) included in share-based compensation payable. The amendment to the employee LTIP to allow for cash-settlement of vested RSUs and PSUs, as well as the amendment to the director LTIP which replaced the RSUs with DSUs and will ultimately be cash settled, results in the total estimated number of notional units expected to vest, to be fair valued on a mark-to-market basis on each balance sheet date and reported in current and long-term liabilities.

The following summarizes activity in the Company's LTIP during the three and six month periods ended June 30, 2025, and 2024:

RSUs	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Outstanding, beginning of period	1,163,974	1,435,811	996,746	1,102,971
Granted	-	-	206,999	213,515
Dividends reinvested	4,916	6,412	80,445	125,737
Vested	(400,911)	(477,654)	(400,911)	(477,654)
Replaced with DSUs	-	-	(115,300)	-
Cancelled or forfeited	(52,338)	-	(52,338)	-
Outstanding, end of period	715,641	964,569	715,641	964,569

PSUs	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Outstanding, beginning of period	1,620,233	1,635,987	1,194,012	1,192,080
Granted	-	-	324,432	314,942
Dividends reinvested	7,736	7,705	109,525	136,670
Vested	(139,947)	(488,225)	(139,947)	(488,225)
Cancelled or forfeited	(361,792)	-	(361,792)	-
Outstanding, end of period	1,126,230	1,155,467	1,126,230	1,155,467

DSUs	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Outstanding, beginning of period	124,983	-	-	-
Granted	-	-	115,300	-
Dividends reinvested	865	-	10,548	-
Outstanding, end of period	125,848	-	125,848	-

11. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share have been calculated based on the weighted average number of common shares as outlined below:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Common shares outstanding at beginning of period	50,794,563	51,994,563	50,837,863	52,621,863
Effect of common shares repurchased and cancelled	(33,242)	(259,973)	(42,689)	(693,565)
Weighted average number of common shares – basic and diluted	50,761,321	51,734,590	50,795,174	51,928,298
Net earnings attributable to common shareholders	9,565	1,341	22,940	4,022
Net earnings per share, basic and diluted	0.19	0.03	0.45	0.08

The Company does not have any dilutive instruments.

12. NET CHANGE IN NON-CASH OPERATING WORKING CAPITAL

Six months ended June 30,	2025	2024
Trade and other receivables	(2,531)	1,352
Prepaid expenses	(28)	7
Accounts payable and accrued liabilities	1,500	(1,425)
Share-based compensation payable	(70)	(152)
Others	(79)	(12)
Net change in non-cash operating working capital	(1,208)	(230)

13. FINANCIAL INSTRUMENTS AND 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.

14. SUBSEQUENT EVENT

On July 22, 2025, the Company declared a regular quarterly dividend of \$0.0175 per common share and also declared a special dividend of \$0.20 per common share to be paid on August 20, 2025 to shareholders of record at the close of business on August 13, 2025.

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

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For the three and six months ended
June 30, 2025

TSX: PSD
OTCQX:PLSDF