PULSE
Energy Data. On Demand.

Q2

For the three and six months ended June 30, 2026

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
	2026	2025	**2026**	2025	December 31, 2025
	(Unaudited)		(Unaudited)		(audited)
Revenue	**3,606**	18,316	**5,457**	41,075	51,090
Amortization of seismic data library	**8**	2,224	**392**	4,449	8,898
Net earnings	**1,558**	9,565	**195**	22,940	23,119
Per share basic and diluted	**0.03**	0.19	**-**	0.45	0.46
Cash provided (used in) by operating activities	**(3,699)**	12,543	**(4,336)**	29,158	35,204
Per share basic and diluted	**(0.07)**	0.25	**(0.09)**	0.57	0.69
EBITDA [a]	**2,017**	15,238	**543**	35,286	40,847
Per share basic and diluted [a]	**0.04**	0.30	**0.01**	0.69	0.80
Shareholder free cash flow [a]	**2,510**	11,733	**1,060**	27,152	31,596
Per basic and diluted [a]	**0.05**	0.23	**0.02**	0.53	0.62
Dividends					
Regular dividends declared	**951**	885	**1,839**	1,648	3,425
Special dividend declared	**-**	-	**5,071**	10,167	20,318
Total dividends declared	**951**	885	**6,910**	11,815	23,743
Normal course issuer bid					
Number of shares purchased and cancelled	-	37,300	-	80,600	120,800
Cost of shares purchased and cancelled	-	91	-	197	309
Weighted average shares outstanding					
Basic and diluted	**50,714,857**	50,761,321	**50,714,857**	50,795,174	50,770,625
Shares outstanding at period-end			**50,714,857**	50,755,057	50,714,857
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, 2026**	June 30, 2025	December 31, 2025
Working capital	**10,598**	24,202	16,792
Working capital ratio	**7.3:1**	4.8:1	4.9:1
Cash and cash equivalents	**8,446**	25,876	19,746
Total assets	**13,150**	36,479	22,732
Trailing 12-month (TTM) EBITDA [b]	**6,104**	40,135	40,847
Shareholders' equity	**10,601**	29,177	17,316

(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.

PULSE
Energy Data. On Demand.

Q2

For the three and six months ended June 30, 2026

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

Three and six months ended June 30, 2026

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, 2026, was prepared taking into consideration information available to July 28, 2026, and is supplemental to the unaudited condensed consolidated interim financial statements and related notes for the three and six months ended June 30, 2026. This MD&A is also supplemental to the MD&A, audited consolidated financial statements and related notes for the year ended December 31, 2025.

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".

Contents

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 28, 2026, Pulse's Board of Directors approved the regular quarterly dividend of $0.01875 per share. The total dividend will be approximately $951,000 based on Pulse's 50,714,857 common shares outstanding as of July 28, 2026, and will be paid on August 25, 2026, to shareholders of record on August 11, 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 and six months ended June 30, 2026, with comparative figures for 2025, are set out in the following table:

	Three months ended June 30,			Six months ended June 30,		
(thousands of dollars except per share data)	**2026**	2025	Variance	**2026**	2025	Variance
Revenue - Data library sales	**3,606**	18,316	(14,710)	**5,457**	41,075	(35,618)
Net earnings	**1,558**	9,565	(8,007)	**195**	22,940	(22,745)
Per share basic and diluted	**0.03**	0.19	(0.16)	-	0.45	(0.45)
Cash provided by (used in) operating activities	**(3,699)**	12,543	(16,242)	**(4,336)**	29,158	(33,494)
Per share basic and diluted	**(0.07)**	0.25	(0.32)	**(0.09)**	0.57	(0.66)
EBITDA	**2,017**	15,238	(13,221)	**543**	35,286	(34,743)
Per share basic and diluted	**0.04**	0.30	(0.26)	**0.01**	0.69	(0.68)
Shareholder free cash flow	**2,510**	11,733	(9,223)	**1,060**	27,152	(26,092)
Per share basic and diluted	**0.05**	0.23	(0.18)	**0.02**	0.53	(0.51)

For the three and six months ended June 30, 2026, revenue was $3.6 million and $5.5 million, respectively. This is a significant decrease compared to the prior year periods of $18.3 million and $41.1 million, respectively. This decrease reflects the impact of the lower level of transaction-based sales during the six months ended June 30, 2026 compared to last year.

Due to lower licensing levels in the second quarter and first half of 2026, key performance metrics are also lower compared to the same periods in 2025. Despite this decrease, the Company's low-cost structure supports its ability to manage the volatility characteristic of the seismic data library business.

OUTLOOK

Pulse's business and financial outlook is impacted by many factors which have been historically volatile. Specific relevant industry trends include land sales in Western Canada, drilling forecasts, commodity price levels, M&A forecasts and status of infrastructure improvements. While these indicators provide some insight, ultimately there are other significant factors that contribute to overall risk and uncertainty. These include ongoing federal energy and environmental policy constraints, infrastructure constraints, global geopolitical tensions, U.S.-Canada trade policy, and the current instability in the Middle East.

- Alberta land sales in the first half of 2026 reached $162.5 million, a 53% increase from $106 million in the prior year.
- Drilling activity is outpacing early-year forecasts. The Canadian Association of Energy Contractors predicted 5,709 wells for 2026 (a 3% increase), and have since reported that year-to-date activity is very strong, driven by higher oil prices and improved policy sentiment.
- Pipeline capacity is expanding. The TMX pipeline expansion reached its full 890,000 bpd capacity by Q2 2026, reflecting sustained demand for Canadian crude.
- LNG exports are scaling. LNG Canada has been operational for over a year and reached full capacity through 2026, adding to Canadian energy exports.
- M&A remains active. While 2026 forecasts ($15 billion) are down from 2025 ($31.2 billion), activity has already surpassed projections, with sources indicating continued momentum.

The Company faces inherent uncertainty in seismic data library sales visibility. However, Pulse is well-positioned to navigate varying market conditions through a strong balance sheet with no debt, experienced management, and a disciplined low-cost operating model. These fundamentals, combined with high EBITDA leverage to revenue growth and prudent capital management enable consistent shareholder returns through regular and special dividends.

Discussion of Operating Results

SUMMARY FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026

EARNINGS BEFORE INCOME TAXES

In the second quarter of 2026, Pulse had net earnings before income taxes of $2.0 million ($0.04 per share basic and diluted) compared to $13.1 million ($0.26 per share basic and diluted) for the same period in 2025.

For the first half of 2026, Pulse generated $244,000 of net earnings before income taxes ($0.00 per share basic and diluted) compared to $31.0 million ($0.61 per share basic and diluted) for the same period in 2025.

The year-over-year decrease in both periods is attributable to lower revenues generated in 2026 as compared to the same periods in 2025.

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 the second quarter of 2026, revenue was $3.6 million compared to $18.3 million for the same period in 2025. For the first half of 2026, revenue was $5.5 million compared to $41.1 million for the same period in 2025. Revenue was lower for both the three and six months ended June 30, 2026, compared to the same periods last year, as there was a higher level of transaction-based sales in the prior year. Transaction-based sales can occur at any time due to corporate M&A activity, joint ventures and asset dispositions, which are unpredictable.

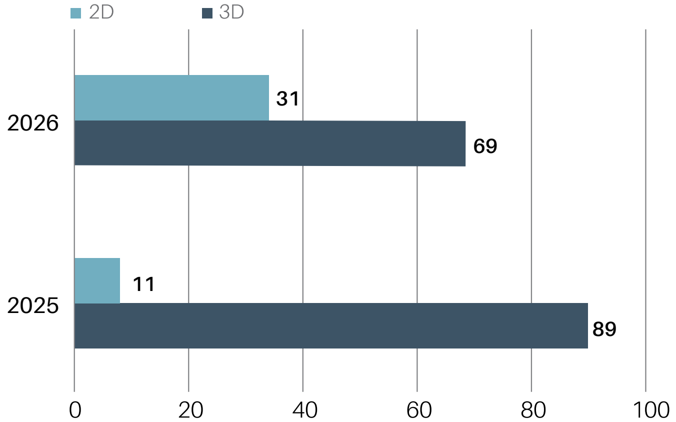
DISAGGREGATED DATA LIBRARY SALES BREAKDOWN

Pulse disaggregates its data library sales in two ways. The following graphs illustrate the comparative disaggregated sales for the three and six months ended June 30, 2026 and 2025.

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

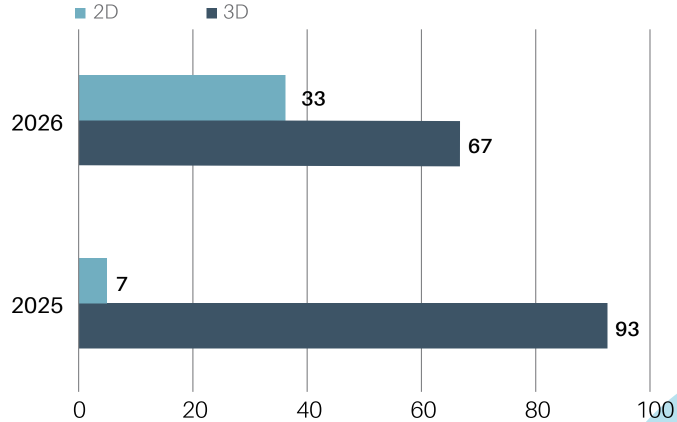
DISAGGREGATED SALES 2D/3D (%)

Three months ended June 30



DISAGGREGATED SALES 2D/3D (%)

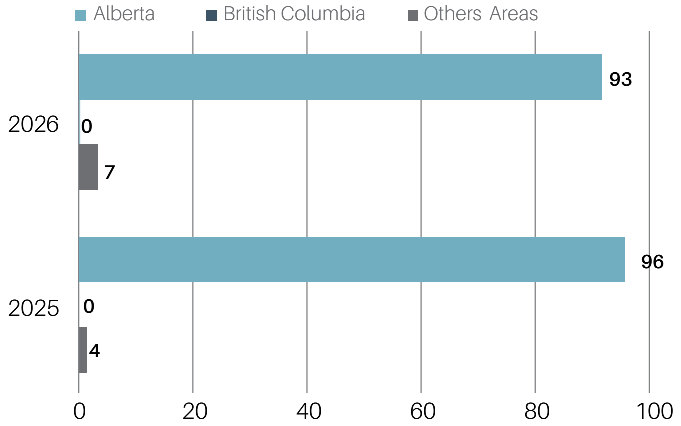
Six months ended June 30



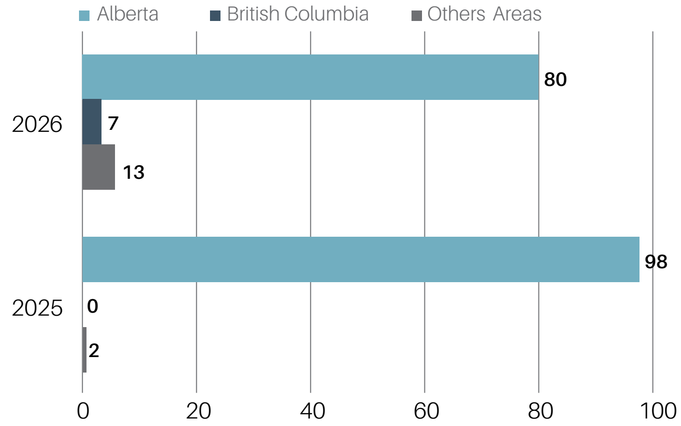
The second breakdown is geographical. The largest proportion of data sales is usually generated from data in Alberta, where most of Pulse's data coverage and current industry activity is. The Company's customers are currently, and generally, focusing on liquids-rich natural gas and light oil pools found 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.

The geographical breakdown during the second quarter and first half of 2026 is consistent with the same periods last year, with the majority of revenue being generated from Alberta.

GEOGRAPHICAL (%)
Three months ended June 30



GEOGRAPHICAL (%)
Six months ended June 30



AMORTIZATION OF SEISMIC DATA LIBRARY

Seismic data library amortization expense for the three months ended June 30, 2026 was $8,000 compared to $2.2 million for the same period last year. For the first half of 2026, amortization expense was $392,000 compared to $4.4 million for the same period last year. This decrease represents the fact that the data acquired in January 2019 through the acquisition of Seitel Canada Ltd. has now been fully amortized as per the Company's seven-year amortization policy.

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

SALARIES, COMMISSIONS AND BENEFITS (SCB)

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

In the second quarter of 2026, SCB was $613,000 compared to $2.4 million for the same period in 2025. The decrease was primarily attributable to lower expenses related to long-term incentive plan (LTIP) accruals, internal commissions and incentive compensation. The reduction in internal commissions and incentive compensation accruals is commensurate with the decline in revenues. LTIP expense arises from LTIP units granted to employees and directors and is measured on a mark-to-market basis based on the impact of share price changes at period end and other vesting assumptions. Mark-to-market adjustments on the Company's restricted share units (RSUs), deferred share units (DSUs) and performance share units (PSUs), combined with a decrease in the number of PSUs expected to vest contributed to a lower expense in the second quarter compared to the previous period.

For the first half of 2026, SCB was $3.4 million compared to $4.5 million for the same period in 2025. The year-over-year decrease was driven by the same factors discussed above.

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.

SG&A for the three months ended June 30, 2026 was $976,000 compared to $719,000 for the same period last year. For the first half of 2026, SG&A was $1.6 million compared to $1.3 million for the same period last year. The year-over-year increases are primarily due to increased professional fees.

NET FINANCING INCOME

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

Total net financing income was lower in both the second quarter of 2026 and first half of 2026 compared to the same periods in 2025 at $41,000 and $144,000 compared to $115,000 and $207,000, respectively.

Financing expenses for the three and six months ended June 30, 2026 and 2025, consisted of interest related to the lease liability.

Interest income will fluctuate period to period depending on the availability of excess cash and prevailing interest rates. In the second quarter and first half of 2026, the Company had lower interest income compared to the comparable prior year periods due to a combination of a lower cash balance available to invest combined with the impact of lower interest rates.

INCOME TAXES

For the three and six months ended June 30, 2026, the Company had an income tax expense of $467,000 and $49,000, compared to $3.5 million and $8.1 million for the same periods last year. The decrease is attributable to a current tax recovery in both Q2 2026 and the first half of 2026, as a result of lower taxable income on reduced activity levels. Partially offsetting this recovery is a higher deferred tax expense relating to the lower carrying value of LTIP liability at June 30, 2026, compared to the respective periods.

Review of Financial Position

AS AT JUNE 30, 2026

TRADE AND OTHER RECEIVABLES

Trade and other receivables as at June 30, 2026, totalled $2.5 million compared to $1.0 million as at December 31, 2025. The increase is mostly due to the timing of collections.

CURRENT INCOME TAX ASSETS/LIABILITIES

At June 30, 2026, Pulse had a current income tax asset of $982,000 that consisted of 2026 current tax recovery of $373,000 and 2026 tax instalments paid to date. This compares to a current income tax asset of $16,000 at December 31, 2025.

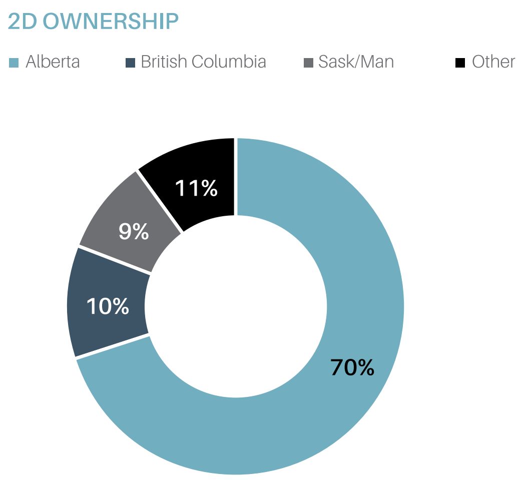
SEISMIC DATA LIBRARY

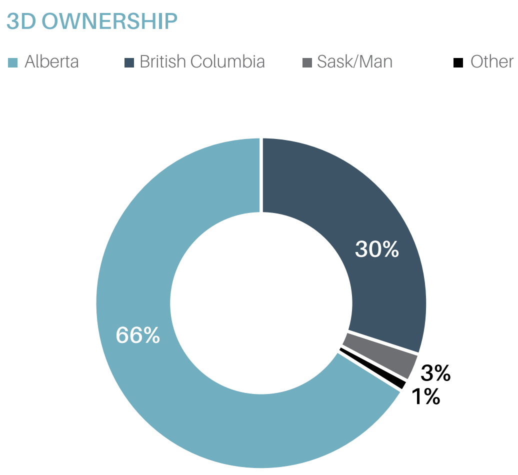
Pulse's seismic data library consists of 2D and 3D seismic data acquired over the life of the Company in two ways. The Company has purchased the proprietary rights to complementary seismic datasets through corporate or asset acquisitions, as well as by conducting participation surveys. With participation 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, 2026, 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.

DEFERRED INCOME TAX ASSETS





Net deferred income tax assets were $446,000 at June 30, 2026, compared to $868,000 at December 31, 2025. The deferred income tax assets consist mainly of the taxable temporary differences between LTIP accounting expense and future tax deductions.

The changes in deferred income tax assets at June 30, 2026, as compared to December 31, 2025, are mainly due to the decrease in the carrying value of the LTIP liability due to a lower number of estimated vesting units, which is partially offset by a higher closing share price at June 30, 2026.

RIGHT-OF-USE (ROU) ASSETS

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

Included in the ROU assets is 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 agreement were not included as those costs are not fixed or based on an index or rate.

DEMAND CREDIT FACILITY

At June 30, 2026, 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 demand credit facility has a $5.0 million borrowing limit. More details on the 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 that ends in June 2028.

The lease liability is the present value of the basic rent component of the lease. The present value is calculated using an incremental borrowing rate of 7.45 percent. The operating costs associated with the lease agreement is 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 $1.3 million at June 30, 2026, was lower compared to $3.5 million at December 31, 2025. This decrease is primarily due to lower number of estimated performance units to be vested and the cancellation of certain units.

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,	
	2026	2025	**2026**	2025
Weighted average shares outstanding: Basic and diluted	**50,714,857**	50,761,321	**50,714,857**	50,795,174
Shares outstanding at period-end			**50,714,857**	50,755,057
Shares outstanding at July 28, 2026			**50,714,857**	

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, 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 were replaced by DSUs. DSUs are awarded quarterly 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, 2026, 323,802 RSUs and 505,522 PSUs were eligible to vest in the employee LTIP. The Company's performance in 2025 surpassed the predetermined maximum threshold and, consequently, 100% of the PSUs vested on March 31, 2026. RSUs vest automatically based on time and, consequently, all eligible RSUs vested on March 31, 2026. The Board of Directors elected to cash-settle the 2025 employee LTIP awards upon vesting and was paid in the second quarter of 2026.

At June 30, 2026, there were 475,286 RSUs, 773,478 PSUs and 155,346 DSUs outstanding.

DEFICIT

At June 30, 2026, the Company had a deficit of $61.8 million, compared to $55.1 million at December 31, 2025. The net earnings for the first half of 2026 of $195,000 and dividends declared of $6.9 million contributed to the net change in deficit.

DIVIDENDS

During the three and six months ended June 30, 2026 and 2025, the Company declared the following dividends:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Regular dividends declared	**951**	885	**1,839**	1,648
Per common share	**0.01875**	0.01750	**0.03625**	0.03250
Special dividends declared	-	-	**5,071**	10,167
Per common share	-	-	**0.10000**	0.20000
Total dividends declared	**951**	885	**6,910**	11,815
Per common share	**0.01875**	0.01750	**0.13625**	0.23250

Pulse confirms that all dividends paid to shareholders in 2026 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

	2026		2025				2024	
(Thousands of dollars, except per share data)	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue – data library sales	**3,606**	1,851	6,599	3,416	18,316	22,759	5,576	2,726
Net earnings (loss)	**1,558**	(1,363)	1,679	(1,500)	9,565	13,375	774	(1,405)
Per share basic and diluted	**(0.03)**	(0.03)	0.03	(0.02)	0.19	0.26	0.02	(0.03)

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, 2026, 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:

	Payments due by period				
(Thousands of dollars)	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	816	816	-	-	-
Seismic data storage	71	71	-	-	-
Leases liabilities	139	88	51	-	-
Share-based compensation payable	1,344	542	275	-	527
Total	**2,370**	**1,517**	**326**	-	**527**

Accounts payable and accrued liabilities at June 30, 2026, includes the accrual of $117,000 related to the short-term incentive plan (STIP).

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL REQUIREMENTS

At June 30, 2026, Pulse had working capital of $10.6 million and a working capital ratio of 7.3:1.

During the first half of 2026, the Company used $4.3 million of cash to fund operating activities compared to a generation of $29.2 million of cash for the same period in 2025. The difference between the two periods relates to the lower data library sales in the current period.

The Company also utilized cash for the following outlays:

- dividends declared and paid of $6.9 million;
- property and equipment purchases of $54,000.

The Company has a demand credit facility with a $5.0 million borrowing limit secured through a charge on all 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, 2026, the applicable interest rate for the prime loan was 4.95 percent (December 31, 2025 – 4.95 percent).

At June 30, 2026, 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, 2026.

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 March 16, 2026, the Company renewed its normal course issuer bid (NCIB). The Company is allowed to purchase, for cancellation, up to a maximum of 2,758,077 common shares, equal to 10 percent of the public float of 27,580,778 common shares as at March 5, 2026. Under the NCIB, the Company is limited to purchase no more than 10,241 common shares on any given day, subject to the block purchase exemption under the TSX rules. The NCIB will continue until March 15, 2027. Purchases will be made on the open market through the TSX or alternative platforms at the market price of such shares. All shares purchased under the NCIB will be 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 are 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 March 15, 2027.

For the six months ended June 30, 2026, no purchases were made under the NCIB. For the same period in 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 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 and interim statements of cash flows.

EBITDA AND SHAREHOLDER FREE CASH FLOW

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

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

Shareholder free cash flow further refines the calculation of capital available to invest in growing the Company's 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:

	Three months ended June 30,		Six months ended June 30,	
(Thousands of dollars, except per share data)	**2026**	2025	**2026**	2025
Net earnings	**1,558**	9,565	**195**	22,940
Add/(Deduct):				
Amortization of seismic data library	**8**	2,224	**392**	4,449
Net financing income	**(41)**	(115)	**(144)**	(207)
Income tax expense	**467**	3,541	**49**	8,058
Depreciation	**25**	23	**51**	46
EBITDA	**2,017**	15,238	**543**	35,286
Add:				
Net financing income	**(41)**	(115)	**(144)**	(207)
Deduct:				
Current income tax expense (recovery)	**(452)**	3,620	**(373)**	8,341
Shareholder free cash flow (SFCF)	**2,510**	11,733	**1,060**	27,152
EBITDA per share basic and diluted	**0.04**	0.30	**0.01**	0.69
SFCF per share basic and diluted	**0.05**	0.23	**0.02**	0.53

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

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, 2025.

The Company's customers are in the energy industry, with the majority located in Alberta. At June 30, 2026, 93 percent of total accounts receivable was due from three 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, 2025.

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 six months ended June 30, 2026. 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, 2026, and ending June 30, 2026, 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, 2026, and ending June 30, 2026, 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, 2025.

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 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, and the regulation thereof;

- Dependence on key management, operations, and marketing personnel;
- The loss of seismic data;
- Protection of intellectual property rights;
- The introduction of new products; and
- Climate change.

Pulse cautions that the foregoing list of factors that may affect future results is not exhaustive. Additional information on these risks and other factors that could affect the Company's operations and financial results is included under "Risk Factors" herein, under "Risk Factors" in the Company's most recent annual information form, and in the Company's most recent audited annual financial statements, management information circular, quarterly reports, material change reports, and news releases. Copies of the Company's public filings are available on SEDAR+ at www.sedarplus.ca.

When relying on forward-looking information to make decisions with respect to Pulse, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Furthermore, the forward-looking information in this MD&A is provided as of the date of this MD&A and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking information, except as required by law. The forward-looking information in this document is provided for the limited purpose of enabling current and potential investors to evaluate an investment in Pulse. Readers are cautioned that such forward-looking information may not be appropriate and should not be used for other purposes.

Corporate Information

Pulse is a market leader in the acquisition and licensing of 2D and 3D seismic data to the western Canadian energy sector. Pulse owns the largest licensable seismic data library in Canada, currently consisting of 65,310 net square kilometres of 3D seismic and 829,207 net kilometres of 2D seismic. The library extensively covers the Western Canada Sedimentary Basin where most of Canada's oil and natural gas exploration and development occur.

OFFICERS

Neal Coleman
President and CEO

Pamela Wicks
Vice President, Finance and CFO

Trevor Meier
Vice President, Sales and Marketing

Catherine Samuel
Corporate Secretary

BOARD OF DIRECTORS

Robert Robotti (2) (3)
Chair

Paul Crilly (1) (3)
Director

Dallas Droppo (1) (2) (3)
Director

Patrick R. Ward (2) (4)
Director

Melanie Westergard (1) (2) (4)
Director

Neal Coleman (4)
Director

(1) Member of the Audit and Risk Committee
(2) Member of the Compensation Committee
(3) Member of the Corporate Governance and Nominating Committee
(4) Member of the ESG-Health Committee

BANKERS

The Toronto-Dominion Bank
Calgary, Alberta

REGISTRAR AND TRANSFER AGENT

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.

Q2

For the three and six months ended
June 30, 2026

TSX: PSD
OTCQX:PLSDF