



**MIND**  
TECHNOLOGY

# **MIND Technology, Inc.**

## **Company Overview**

**December 2024**

**(NASDAQ: MIND)**



## **Forward Looking Statement**

Certain statement and information in this presentation may constitute “forward-looking statements” within the meaning of section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. The words “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” or other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. All comments concerning our expectations for future revenues and operating results are based on our forecasts for our existing operations and do not include the potential impact of future acquisitions. Our forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections.

For additional information regarding known material factors that could cause our actual results to differ from our projected results, please see our filings with the United States Securities and Exchange Commission, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.



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# A Leading Provider of Marine Technology

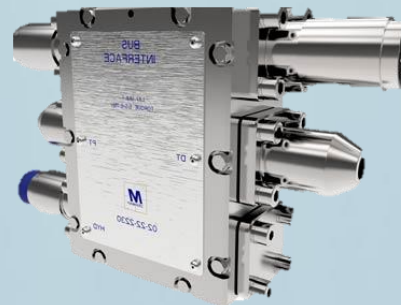
MIND provides technology to the marine industry addressing three broad markets

- Exploration
- Survey
- Maritime Security



Our Seamap unit is a leading supplier to the seismic exploration and survey industries

- Seismic source controllers
- GNSS positioning systems
- Solid towed seismic arrays
- Repair services





# Compelling Investment Considerations

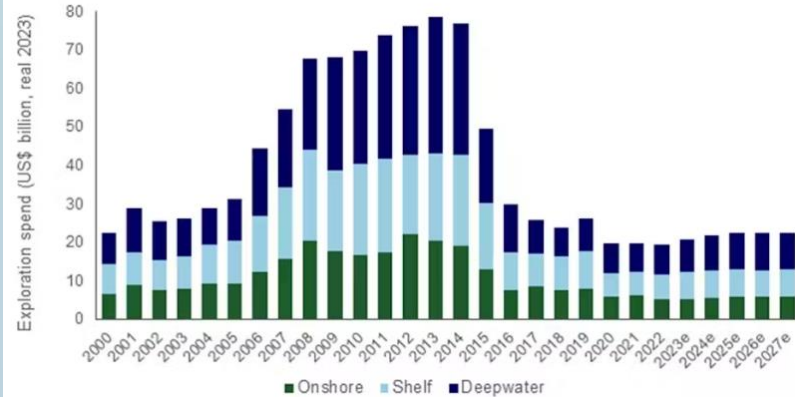
- Profitable growth & momentum in new order flow
- No debt & clean capital structure
- Strong backlog w/pipeline more than 2X backlog
- Expanded global opportunities include higher margin parts & service
- New applications for our IP & technology
- Recognized market leader





# Favorable Macro Environment & Industry Tailwinds

## Marine Energy Exploration

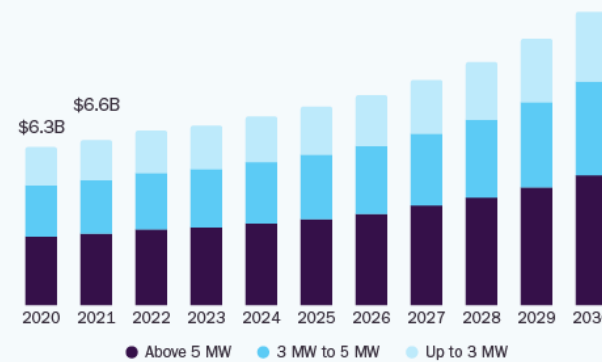


Global spending on exploration, excluding appraisal, should average \$22 billion per year in real terms over the next five years – Wood Mackenzie.

## Projected Offshore Wind Market Growth

### U.S. Offshore Wind Market

Size, by Capacity, 2020 - 2030 (USD Billion)



Source: [www.grandviewresearch.com](http://www.grandviewresearch.com)

## Industry Analysis

Global capital expenditure on subsea facilities is set for a 10% compound annual growth rate from 2024 to 2027.

- Rystad Research

The ongoing energy transition is expected to create alternative revenue streams for seismic players that have diversified their businesses by venturing into the carbon storage, geothermal, offshore wind and deep-sea mining sectors.

- Offshore Magazine



## Aggressive Actions to Focus on Near-Term Opportunities

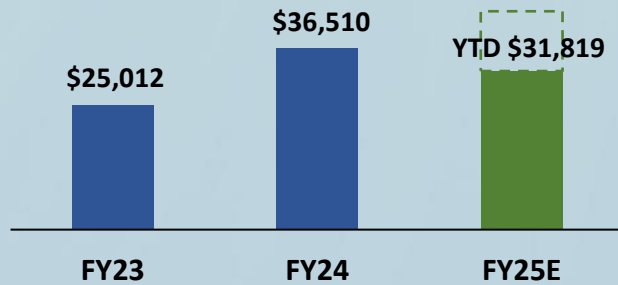
- Sold Klein Sonar Unit in August 2023
- Streamlined Management and Corporate Operations
- Enhanced Balance Sheet
  - Eliminated outstanding debt, currently debt free
  - Recapitalized by converting all preferred stock to common stock
    - ✓ Eliminated liquidation preference and all accumulated dividends
  - Improved Working Capital



# Transformed MIND For Profitable Growth (Y/Y)

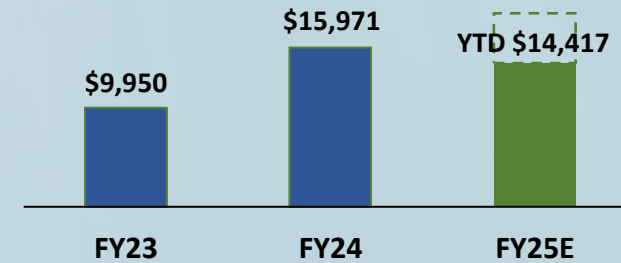
## Revenue

(\$ in thousands)



## Gross Profit

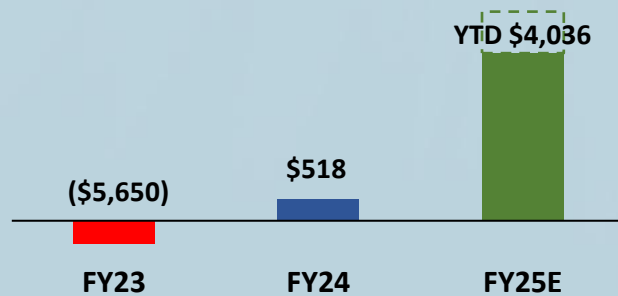
(\$ in thousands)



**YTD Results**  
2/1/2024 - 10/31/2024

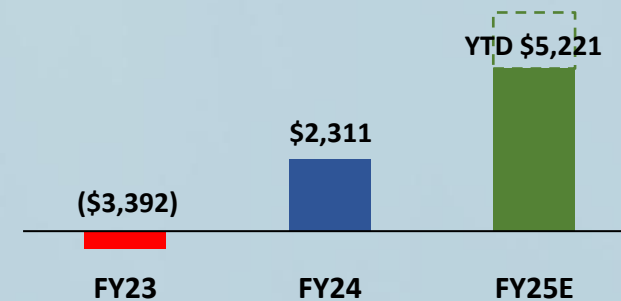
## Operating Income

(\$ in thousands)



## Adjusted EBITDA<sup>(1)</sup>

(\$ in thousands)



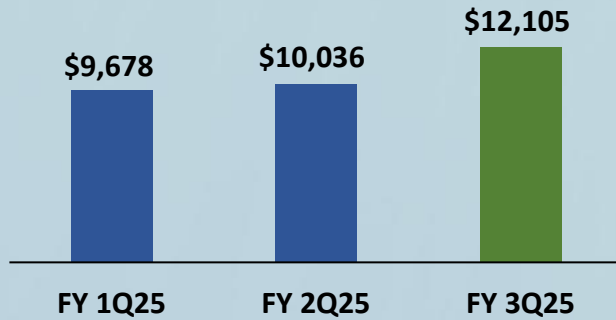
1) Adjusted EBITDA is a non-GAAP financial measure. See the "Supplemental Information" at the back of this presentation for reconciliations to the most directly comparable financial measures calculated and presented in accordance with U.S. generally accepted accounting principles ("GAAP").



# Building Momentum For Continued Growth

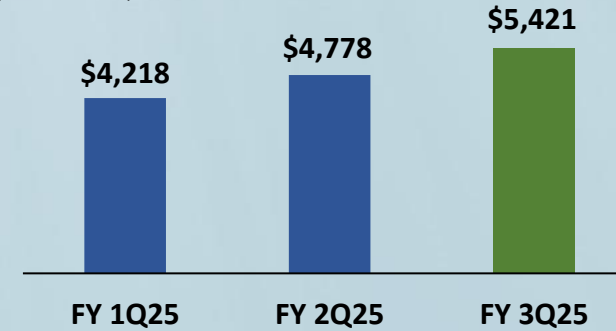
## FY25 Quarterly Revenue

(\$ in thousands)



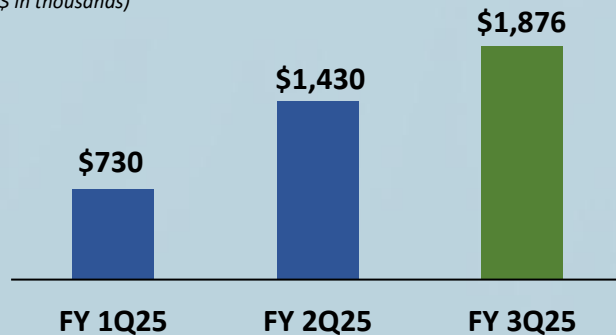
## FY25 Quarterly Gross Profit

(\$ in thousands)



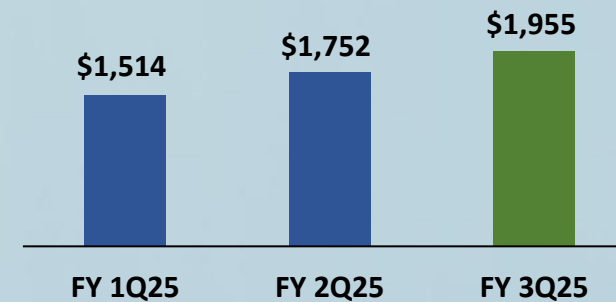
## FY25 Quarterly Operating Income

(\$ in thousands)



## FY25 Quarterly Adjusted EBITDA<sup>(1)</sup>

(\$ in thousands)

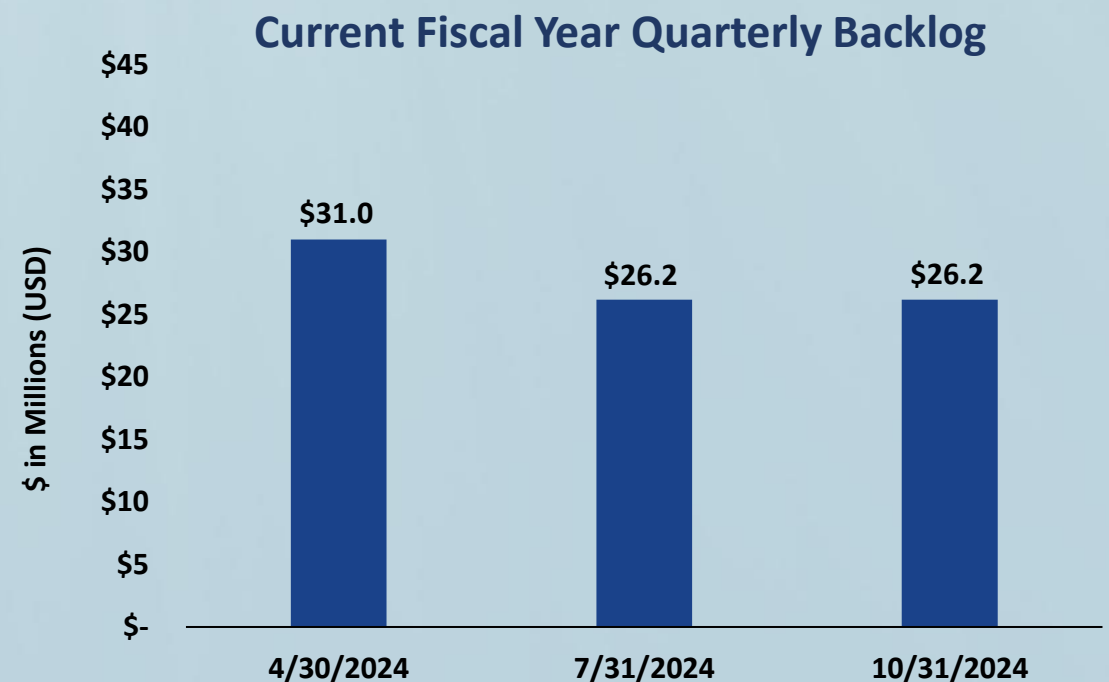
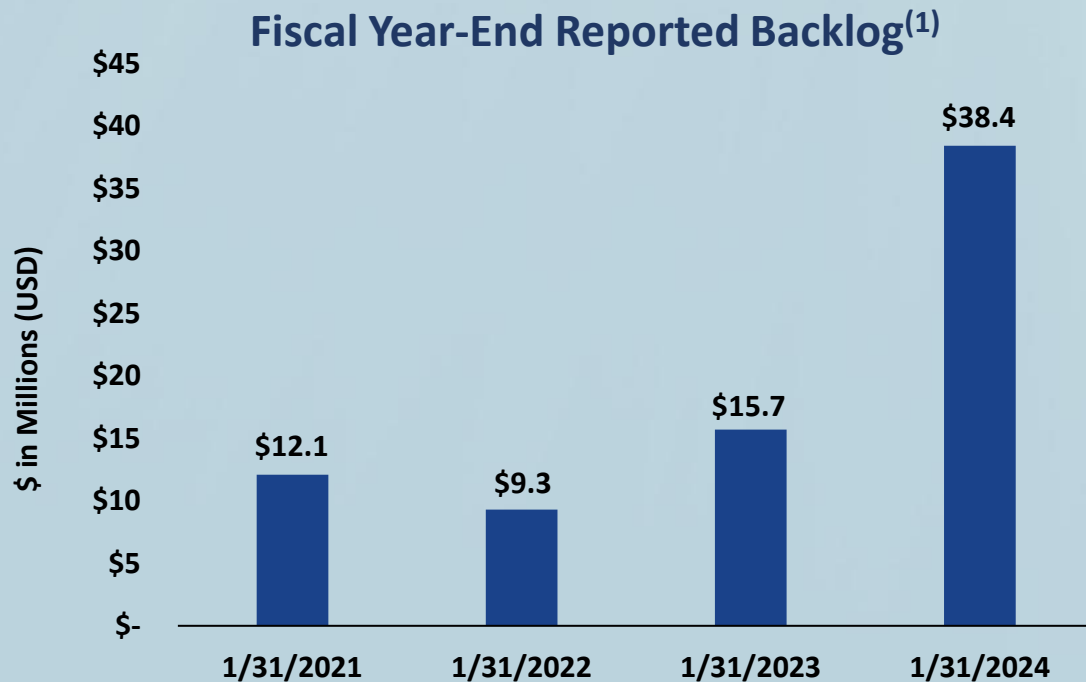






# Sustainably Higher Backlog

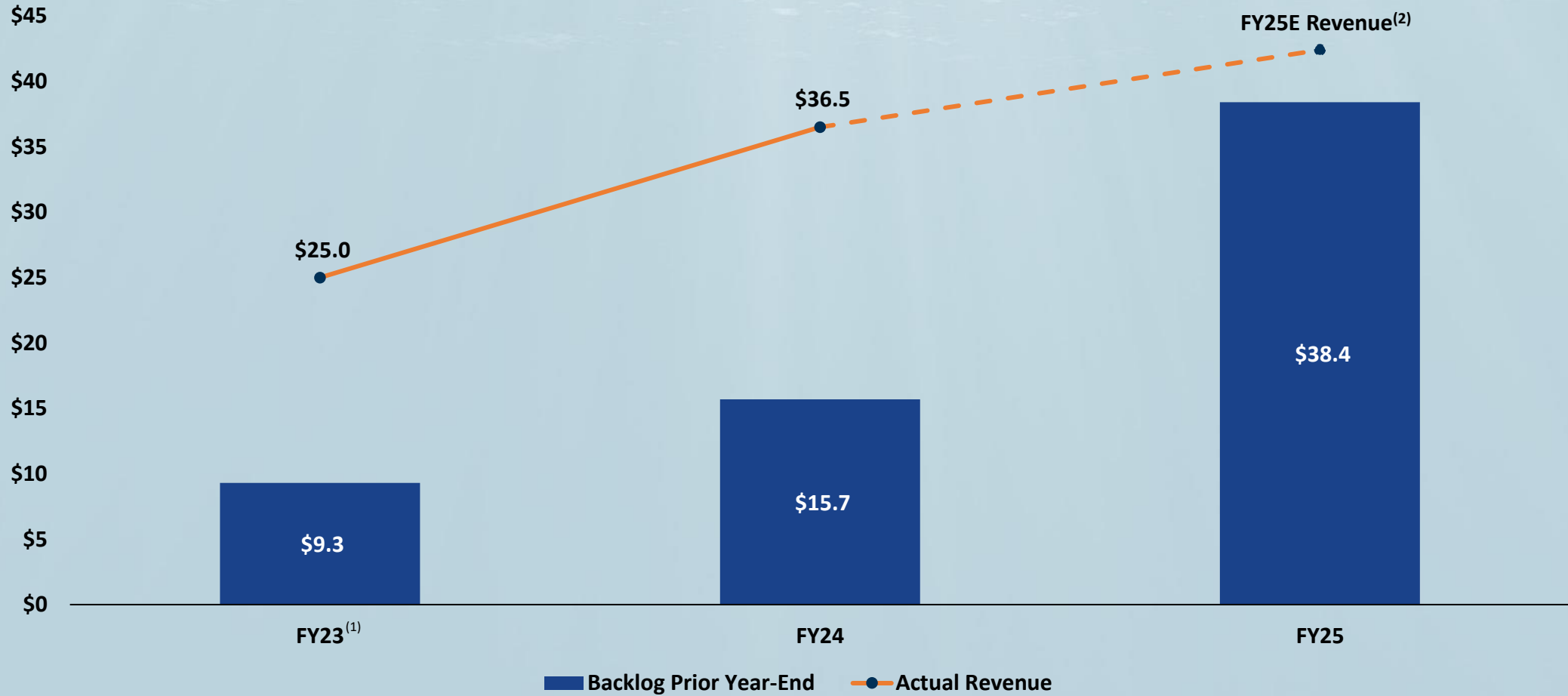
- Order visibility gives confidence for future financial performance
- Firm backlog of \$26 million as of October 31, 2024
- Additional pipeline of pending orders is more than 2X current backlog
- FY revenue consistently exceeds reported backlog from prior year-end



1) Backlog excludes Klein contributions for periods prior to sale in August 2023



# Revenue Trend Relative to Backlog





# Seamap Overview

## **Seamap is a recognized brand in the seismic industry**

- *GunLink* – Dominant market position with source controllers
- *SeaLink* – Reconfigurable towed streamer systems
- *BuoyLink* – GNSS positioning systems
- Broad repair, service and support capabilities

## **Customers include:**

- Seismic exploration contractors
- Marine survey companies
- Governmental research organizations

## **New markets**

- Ultra high-resolution marine surveys – alternative energy projects
- Expanded repair services

## **Good order visibility**

- Strong and sustainable backlog





## Addressing Opportunities

### Revitalized Marine Energy Exploration

- Seismic contractors reporting improved results and prospects

### Alternative Energy Projects

- Wind Farms and Carbon Capture Facilities

## Expanding Opportunities

### Apply Technology to New Markets

- Ultra high-resolution seismic surveys – alternative energy projects
- Expanded repair services
- Expanded streamer opportunities
- Additional products

### Expanding installed base = increased after-market business

- Significant revenue from recurring after-market (spares, etc.) – 40% in 3Q25
- Margin expansion opportunity







## Spectral Ai software suite

- Developed for Klein side-scan sonars for data handling and automatic target recognition (ATR)
- Retained by MIND in Klein sale
- Collaboration agreement with General Oceans (purchaser of Klein) to promote for sonar market
- Potential application to other sensor systems
- Licensing business model
- Pursuing ways to expand addressable applications



## Sea Serpent passive seismic array

- Applying commercial streamer technology for military ASW and maritime security markets
- Opens a new market
- Commercial off the shelf (COTS) system suitable for unmanned surface vessels and fixed ocean bottom applications
- Significant cost advantage to traditional solutions





# Global Markets Require Global Presence







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# Seamap Singapore

- Assembly & testing of electronics modules
- Engineering
- Field service
- Administration





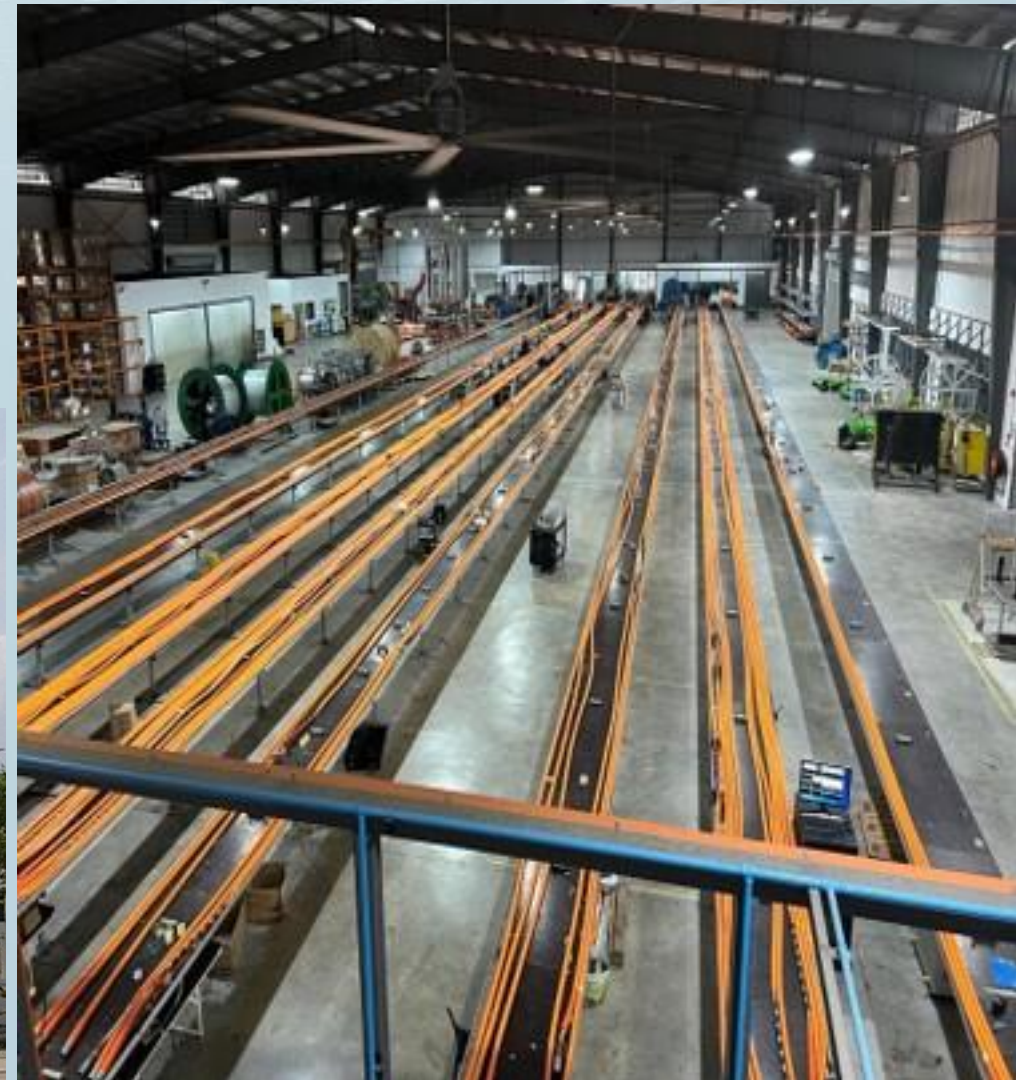


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# Seamap Malaysia

## Production and Repair Operations

- SeaLink seismic streamer systems
- BuoyLink systems
- Other Seamap products







Located south of Bristol

- **Engineering operations**
  - Sustaining
  - New development
  - Sales support
- **Field service**
- **Training**
- **Sales**







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# MIND Maritime Acoustics (US)

Huntsville, Texas (North of Houston)

- Streamer repair
- Manufacturing support to Singapore
- Ancillary streamer device manufacturing
- Sleeve gun sales & support

*Hydrophone and other SeaLink intellectual property is held by this entity.*





# Compelling Investment Considerations

- Profitable growth & momentum in new order flow
- No debt & clean capital structure
- Strong backlog w/pipeline more than 2X backlog
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# Supplemental Information





# Fiscal 2025 Third Quarter Balance Sheet

**MIND TECHNOLOGY, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except per share data)  
(unaudited)

	<u>October 31,</u> <u>2024</u>	<u>January 31,</u> <u>2024</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,505	\$ 5,289
Accounts receivable, net of allowance for credit losses of \$332 at each of October 31, 2024 and January 31, 2024	9,471	6,566
Inventories, net	17,249	13,371
Prepaid expenses and other current assets	1,039	3,113
Total current assets	<u>31,264</u>	<u>28,339</u>
Property and equipment, net	775	818
Operating lease right-of-use assets	1,526	1,324
Intangible assets, net	2,420	2,888
Deferred tax asset	122	122
Total assets	<u>\$ 36,107</u>	<u>\$ 33,491</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 2,179	\$ 1,623
Deferred revenue	248	203
Customer deposits	3,112	3,446
Accrued expenses and other current liabilities	1,742	2,140
Income taxes payable	2,093	2,114
Operating lease liabilities - current	660	751
Total current liabilities	<u>10,034</u>	<u>10,277</u>
Operating lease liabilities - non-current	866	573
Total liabilities	<u>10,900</u>	<u>10,850</u>
Stockholders' equity:		
Preferred stock, \$1.00 par value; 2,000 shares authorized; no shares issued and outstanding at October 31, 2024 and 1,683 shares issued and outstanding at January 31, 2024	—	37,779
Common stock, \$0.01 par value; 40,000 shares authorized; 7,969 shares issued and outstanding at October 31, 2024 and 1,406 shares issued and outstanding at January 31, 2024	80	14
Additional paid-in capital	135,572	113,121
Accumulated deficit	(110,479)	(128,307)
Accumulated other comprehensive gain	34	34
Total stockholders' equity	<u>25,207</u>	<u>22,641</u>
Total liabilities and stockholders' equity	<u>\$ 36,107</u>	<u>\$ 33,491</u>



# Fiscal 2025 Third Quarter Income Statement

MIND TECHNOLOGY, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(in thousands, except per share data)  
(unaudited)

	For the Three Months Ended October 31,		For the Nine Months Ended October 31,	
	2024	2023	2024	2023
<b>Revenues:</b>				
Sales of marine technology products	\$ 12,105	\$ 4,974	31,819	23,132
<b>Cost of sales:</b>				
Sales of marine technology products	6,684	2,721	17,402	13,402
<b>Gross profit</b>	5,421	2,253	14,417	9,730
<b>Operating expenses:</b>				
Selling, general and administrative	2,762	2,941	8,305	9,160
Research and development	562	508	1,352	1,479
Depreciation and amortization	221	257	724	892
Total operating expenses	3,545	3,706	10,381	11,531
<b>Operating income (loss)</b>	1,876	(1,453)	4,036	(1,801)
<b>Other income (expense):</b>				
Interest expense	—	(169)	—	(536)
Other, net	(189)	25	320	336
Total other income (expense)	(189)	(144)	320	(200)
<b>Income (loss) from continuing operations before income taxes</b>	1,687	(1,597)	4,356	(2,001)
Provision for income taxes	(396)	(112)	(1,313)	(590)
Net income (loss) from continuing operations	1,291	(1,709)	3,043	(2,591)
Income from discontinued operations, net of income taxes	—	2,277	—	1,424
<b>Net income (loss)</b>	\$ 1,291	\$ 568	\$ 3,043	\$ (1,167)
Preferred stock dividends - declared	—	(947)	—	(947)
Preferred stock dividends - undeclared	(368)	—	(2,262)	(1,894)
Effect of preferred stock conversion	14,785	—	14,785	—
<b>Net Income (loss) attributable to common stockholders</b>	\$ 15,708	\$ (379)	\$ 15,566	\$ (4,008)
<b>Net Income (loss) per common share - Basic and Diluted</b>				
Continuing operations	\$ 2.87	\$ (1.89)	\$ 5.62	\$ (3.86)
Discontinued operations	\$ —	\$ 1.62	\$ —	\$ 1.01
Net income (loss)	\$ 2.87	\$ (0.27)	\$ 5.62	\$ (2.85)
<b>Shares used in computing net income (loss) per common share:</b>				
Basic and diluted	5,473	1,406	2,772	1,406



# Fiscal 2025 Third Quarter Cash Flow Statement

MIND TECHNOLOGY, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in thousands)  
(unaudited)

	For the Nine Months Ended	
	October 31,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 3,043	\$ (1,167)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	724	1,230
Stock-based compensation	141	264
Gain on sale of Klein	—	(2,393)
Provision for inventory obsolescence	67	23
Gross profit from sale of other equipment	(457)	(385)
Changes in:		
Accounts receivable	(3,006)	(688)
Unbilled revenue	164	51
Inventories	(3,944)	(3,174)
Prepaid expenses and other current and long-term assets	2,076	566
Income taxes receivable and payable	(24)	(21)
Accounts payable, accrued expenses and other current liabilities	98	(1,045)
Deferred revenue and customer deposits	(289)	1,115
Net cash used in operating activities	(1,407)	(5,624)
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(213)	(199)
Proceeds from the sale of Klein, net	—	10,832
Sale of other equipment	457	385
Net cash provided by investing activities	244	11,018
<b>Cash flows from financing activities:</b>		
Preferred stock conversion transaction costs	(619)	—
Net proceeds from short-term loan	—	2,947
Payment on short-term loan	—	(3,750)
Refund of prepaid interest on short-term loan	—	214
Net cash used in financing activities	(619)	(589)
<b>Effect of changes in foreign exchange rates on cash and cash equivalents</b>	(2)	(14)
<b>Net change in cash and cash equivalents</b>	(1,784)	4,791
<b>Cash and cash equivalents, beginning of period</b>	5,289	778
<b>Cash and cash equivalents, end of period</b>	\$ 3,505	\$ 5,569



# Reconciliation of Fiscal 2025 Third Quarter Adjusted EBITDA

**MIND TECHNOLOGY, INC.**  
**Reconciliation of Net Income (Loss) and Net Cash Used in Operating Activities to EBITDA and Adjusted EBITDA from Continuing Operations**  
(in thousands)  
(unaudited)

	For the Three Months Ended October 31,		For the Nine Months Ended October 31,	
	2024	2023	2024	2023
<b>Reconciliation of Net income (loss) to EBITDA and Adjusted EBITDA from continuing operations</b>				
	(in thousands)			
Net income (loss)	\$ 1,291	\$ 568	\$ 3,043	\$ (1,167)
Interest expense, net	—	169	—	536
Depreciation and amortization	221	290	724	1,230
Provision for income taxes	396	112	1,313	590
EBITDA (1)	1,908	1,139	5,080	1,189
Stock-based compensation	47	106	141	264
Income from discontinued operations net of depreciation and amortization	—	(2,308)	—	(1,762)
Adjusted EBITDA from continuing operations (1)	\$ 1,955	\$ (1,063)	\$ 5,221	\$ (309)
<b>Reconciliation of Net Cash Provided by (Used in) Operating Activities to EBITDA</b>				
Net cash provided by (used in) operating activities	\$ 2,288	\$ (2,147)	\$ (1,407)	\$ (5,624)
Gain on Sale of Klein	—	2,393	—	2,393
Stock-based compensation	(47)	(106)	(141)	(264)
Provision for inventory obsolescence	(22)	(23)	(67)	(23)
Changes in accounts receivable (current and long-term)	(115)	(2,570)	2,842	637
Interest paid, net	—	169	—	576
Taxes paid, net of refunds	473	192	1,411	617
Gross profit from sale of other equipment	—	49	457	385
Changes in inventory	(1,798)	2,841	3,944	3,174
Changes in accounts payable, accrued expenses and other current liabilities and deferred revenue	2,161	(427)	191	(70)
Changes in prepaid expenses and other current and long-term assets	(1,034)	763	(2,076)	(566)
Other	2	5	(74)	(46)
EBITDA (1)	\$ 1,908	\$ 1,139	\$ 5,080	\$ 1,189

1) EBITDA and Adjusted EBITDA are non-GAAP financial measures. EBITDA is defined as net income before (a) interest income and interest expense, (b) provision for (or benefit from) income taxes and (c) depreciation and amortization. Adjusted EBITDA excludes non-cash foreign exchange gains and losses, stock-based compensation, impairment of intangible assets and other non-cash tax related items. We consider EBITDA and Adjusted EBITDA to be important indicators for the performance of our business, but not measures of performance or liquidity calculated in accordance with GAAP. We have included these non-GAAP financial measures because management utilizes this information for assessing our performance and liquidity, and as indicators of our ability to make capital expenditures, service debt and finance working capital requirements and we believe that EBITDA and Adjusted EBITDA are measurements that are commonly used by analysts and some investors in evaluating the performance and liquidity of companies such as us. In particular, we believe that it is useful to our analysts and investors to understand this relationship because it excludes transactions not related to our core cash operating activities. We believe that excluding these transactions allows investors to meaningfully trend and analyze the performance of our core cash operations. EBITDA and Adjusted EBITDA are not measures of financial performance or liquidity under GAAP and should not be considered in isolation or as alternatives to cash flow from operating activities or as alternatives to net income as indicators of operating performance or any other measures of performance derived in accordance with GAAP. In evaluating our performance as measured by EBITDA, management recognizes and considers the limitations of this measurement. EBITDA and Adjusted EBITDA do not reflect our obligations for the payment of income taxes, interest expense or other obligations such as capital expenditures. Accordingly, EBITDA and Adjusted EBITDA are only two of the measurements that management utilizes. Other companies in our industry may calculate EBITDA or Adjusted EBITDA differently than we do and EBITDA and Adjusted EBITDA may not be comparable with similarly titled measures reported by other companies.