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DELTA REPORT

10-Q

GEOS - GEOSPACE TECHNOLOGIES COR

10-Q - DECEMBER 31, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1080
CHANGES	104
DELETIONS	453
ADDITIONS	523

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the Quarterly Period Ended June 30, 2024 December 31, 2024 OR

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the transition period from ____ to ____

Commission file number 001-13601

GEOSPACE TECHNOLOGIES CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Texas	76-0447780
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
7007 Pinemont Houston, Texas	77040
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (713) 986-4444

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	GEOS	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 31, 2024, January 31, 2025 the registrant had 12,908,567 12,776,752 shares of common stock, $0.01 par value, per share outstanding.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

GEOSPACE TECHNOLOGIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands except share amounts)
(unaudited)

	June 30, 2024	September 30, 2023	December 31, 2024	September 30, 2024
ASSETS				
Current assets:				
Cash and cash equivalents	$ 12,327	$ 18,803	$ 1,410	$ 6,895
Short-term investments	30,189	14,921	20,655	30,227
Trade accounts and note receivable, net	16,164	21,373		
Trade accounts and financing receivables, net			40,645	21,868
Inventories, net	24,557	18,430	27,921	26,222
Assets held for sale			1,841	1,841

Prepaid expenses and other current assets	2,771	2,251	2,613	2,313
Total current assets	86,008	75,778	95,085	89,366
Non-current inventories, net	17,362	24,888	18,742	18,031
Rental equipment, net	16,907	21,587	12,480	14,186
Property, plant and equipment, net	24,037	24,048	23,358	21,083
Non-current trade accounts receivable	1,510	—		
Non-current trade accounts and financing receivables			7,264	6,375
Operating right-of-use assets	527	714	400	464
Goodwill	736	736	736	736
Other intangible assets, net	4,505	4,805	1,611	1,649
Other non-current assets	361	486	263	304
Total assets	$ 151,953	$ 153,042	$ 159,939	$ 152,194
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable trade	$ 4,230	$ 6,659	$ 7,312	$ 8,003
Operating lease liabilities	215	257	130	173
Other current liabilities	9,693	12,882	9,446	9,021
Total current liabilities	14,138	19,798	16,888	17,197
Non-current operating lease liabilities	368	512	309	339
Deferred tax liabilities, net	26	16	32	34
Total liabilities	14,532	20,326	17,229	17,570
Commitments and contingencies (Note 11)				
Stockholders' equity:				
Preferred stock, 1,000,000 shares authorized, no shares issued and outstanding	—	—	—	—
Common Stock, $.01 par value, 20,000,000 shares authorized; 14,204,082 and 14,030,481 shares issued, respectively; and 13,070,615 and 13,188,489 shares outstanding, respectively	142	140		
Common Stock, $.01 par value, 20,000,000 shares authorized; 14,315,262 and 14,206,082 shares issued, respectively; and 12,798,897 and 12,709,381 shares outstanding, respectively			143	142
Additional paid-in capital	97,067	96,040	97,690	97,342
Retained earnings	68,142	61,860	63,658	55,282
Accumulated other comprehensive loss	(17,431)	(17,824)	(4,699)	(4,257)
Treasury stock, at cost, 1,133,467 and 841,992 shares, respectively	(10,499)	(7,500)		
Treasury stock, at cost, 1,516,365 and 1,496,701 shares, respectively			(14,082)	(13,885)
Total stockholders' equity	137,421	132,716	142,710	134,624
Total liabilities and stockholders' equity	$ 151,953	$ 153,042	$ 159,939	$ 152,194

The accompanying notes are an integral part of the consolidated financial statements.

GEOSPACE TECHNOLOGIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share amounts)

(unaudited)

	Three Months Ended		Nine Months Ended		Three Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	December 31, 2024	December 31, 2023
Revenue:						
Products	$ 20,223	$ 19,727	$ 83,434	$ 56,976	$ 32,645	$ 43,714
Rental	5,635	12,988	16,726	38,218	4,578	6,318
Total revenue	25,858	32,715	100,160	95,194	37,223	50,032
Cost of revenue:						
Products	14,179	14,522	53,016	43,083	14,269	23,842
Rental	3,153	4,214	10,501	14,649	2,805	3,954
Total cost of revenue	17,332	18,736	63,517	57,732	17,074	27,796
Gross profit	8,526	13,979	36,643	37,462	20,149	22,236
Operating expenses:						
Selling, general and administrative	6,941	6,655	19,313	19,477	7,420	5,826
Research and development	4,011	4,356	11,476	12,097	4,894	3,602
Provision for (recovery of) credit losses	(33)	(178)	(84)	(41)		
Provision for recovery of credit losses					—	(29)
Total operating expenses	10,919	10,833	30,705	31,533	12,314	9,399
Gain on disposal of property	—	—	—	1,315		
Income (loss) from operations	(2,393)	3,146	5,938	7,244		
Income from operations					7,835	12,837
Other income (expense):						
Interest expense	(44)	(22)	(144)	(100)	(44)	(56)
Interest income	472	88	954	371	745	235
Foreign currency transaction gains (losses), net	(70)	301	(253)	593	(14)	(163)
Other, net	(37)	(66)	(104)	(72)	(33)	(74)
Total other income, net	321	301	453	792		
Total other income (loss), net					654	(58)
Income (loss) before income taxes	(2,072)	3,447	6,391	8,036		
Income tax expense (benefit)	(2)	219	109	268		
Net income (loss)	$ (2,070)	$ 3,228	$ 6,282	$ 7,768		
Income before income taxes					8,489	12,779
Income tax expense					113	100
Net income					$ 8,376	$ 12,679
Income (loss) per common share:						
Income per common share:						
Basic	$ (0.16)	$ 0.25	$ 0.47	$ 0.59	$ 0.66	$ 0.96
Diluted	$ (0.16)	$ 0.24	$ 0.47	$ 0.59	$ 0.65	$ 0.94
Weighted average common shares outstanding:						
Basic	13,216,386	13,171,654	13,270,444	13,131,795	12,753,378	13,251,360
Diluted	13,216,386	13,320,881	13,431,714	13,157,919	12,877,387	13,460,516

The accompanying notes are an integral part of the consolidated financial statements.

GEOSPACE TECHNOLOGIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in thousands)

(unaudited)

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Nine Months Ended June 30, 2024	Nine Months Ended June 30, 2023	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
Net income (loss)	$ (2,070)	$ 3,228	$ 6,282	$ 7,768		
Net income					$ 8,376	$ 12,679
Other comprehensive income (loss):						
Change in unrealized gains on available-for-sale securities, net of tax	(17)	2	(22)	17		
Change in unrealized gains (losses) on available-for-sale securities, net of tax					(43)	15
Foreign currency translation adjustments	46	(208)	415	(1,550)	(399)	491
Total other comprehensive income (loss)	29	(206)	393	(1,533)	(442)	506
Total comprehensive income (loss)	$ (2,041)	$ 3,022	$ 6,675	$ 6,235		
Total comprehensive income					$ 7,934	$ 13,185

The accompanying notes are an integral part of the consolidated financial statements.

GEOSPACE TECHNOLOGIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

FOR THE NINE THREE MONTHS ENDED JUNE 30, 2024 DECEMBER 31, 2024 AND 2023

(in thousands, except share amounts)

(unaudited)

	Common Stock		Additional		Accumulated Other	
	Common Stock Shares Outstanding	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock
Balance at October 1, 2024	12,709,381	$ 142	$ 97,342	$ 55,282	$ (4,257)	$ (13,885)
Net income	—	—	—	8,376	—	—
Other comprehensive income	—	—	—	—	(442)	—
Issuance of common stock pursuant to the vesting of restricted stock units	109,180	1	(1)	—	—	—
Purchase of treasury stock	(19,664)	—	—	—	—	(197)

	Shares Outstanding	Amount	Paid-In Capital	Retained Earnings	Comprehensive Loss	Treasury Stock	Total						
Stock-based compensation								—	—	349	—	—	—
Balance at December 31, 2024								12,798,897	$ 143	$ 97,690	$ 63,658	$ (4,699)	$ (14,082)
Balance at October 1, 2023	13,188,489	$ 140	$ 96,040	$ 61,860	$ (17,824)	$ (7,500)	$ 132,716	13,188,489	$ 140	$ 96,040	$ 61,860	$ (17,824)	$ (7,500)
Net income	—	—	—	12,679	—	—	12,679	—	—	—	12,679	—	—
Other comprehensive income	—	—	—	—	506	—	506	—	—	—	—	506	—
Issuance of common stock pursuant to the vesting of restricted stock units	128,601	2	(2)	—	—	—	—	128,601	2	(2)	—	—	—
Stock-based compensation	—	—	406	—	—	—	406	—	—	406	—	—	—
Balance at December 31, 2023	13,317,090	142	96,444	74,539	(17,318)	(7,500)	146,307	13,317,090	$ 142	$ 96,444	$ 74,539	$ (17,318)	$ (7,500)
Net loss	—	—	—	(4,327)	—	—	(4,327)						
Other comprehensive loss	—	—	—	—	(142)	—	(142)						
Issuance of common stock pursuant to the vesting of restricted stock units	45,000	—	—	—	—	—	—						
Stock-based compensation	—	—	356	—	—	—	356						
Balance at March 31, 2024	13,362,090	$ 142	$ 96,800	$ 70,212	$ (17,460)	$ (7,500)	$ 142,194						
Net loss	—	—	—	(2,070)	—	—	(2,070)						
Other comprehensive income	—	—	—	—	29	—	29						
Purchase of treasury stock	(291,475)	—	—	—	—	(2,999)	(2,999)						
Stock-based compensation	—	—	267	—	—	—	267						
Balance at June 30, 2024	13,070,615	$ 142	$ 97,067	$ 68,142	$ (17,431)	$ (10,499)	$ 137,421						

Balance at October 1, 2022	13,021,241	$ 139	$ 94,667	$ 49,654	$ (15,313)	$ (7,500)	$ 121,647
Net loss	—	—	—	(97)	—	—	(97)
Other comprehensive income	—	—	—	—	14	—	14
Issuance of common stock pursuant to the vesting of restricted stock units	109,748	1	—	—	—	—	1
Stock-based compensation	—	—	370	—	—	-	370
Balance at December 31, 2022	13,130,989	140	95,037	49,557	(15,299)	(7,500)	121,935
Net income	—	—	—	4,637	—	—	4,637
Other comprehensive loss	—	—	—	—	(1,341)	—	(1,341)
Issuance of common stock pursuant to the vesting of restricted stock units	40,500	—	—	—	—	—	—
Stock-based compensation	—	—	306	—	—	—	306
Balance at March 31, 2023	13,171,489	$ 140	$ 95,343	$ 54,194	$ (16,640)	$ (7,500)	$ 125,537
Net income	—	—	—	3,228	—	—	3,228
Other comprehensive loss	—	—	—	—	(206)	—	(206)
Issuance of common stock pursuant to the vesting of restricted stock units	15,000	—	—	—	—	—	—
Stock-based compensation	—	—	398	—	—	—	398
Balance at June 30, 2023	13,186,489	$ 140	$ 95,741	$ 57,422	$ (16,846)	$ (7,500)	$ 128,957

The accompanying notes are an integral part of the consolidated financial statements.

GEOSPACE TECHNOLOGIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended		Three Months Ended	
	June 30, 2024	June 30, 2023	December 31, 2024	December 31, 2023
Cash flows from operating activities:				
Net income	$ 6,282	$ 7,768	$ 8,376	$ 12,679
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Deferred income tax expense	10	1	—	8
Rental equipment depreciation	8,534	9,204	1,884	3,313
Property, plant and equipment depreciation	2,595	2,785	867	822
Amortization of intangible assets	300	622	37	109
Accretion of discounts on short-term investments	(415)	(50)		
Amortization of premiums (accretion of discounts) on short-term investments			(104)	(115)
Stock-based compensation expense	1,029	1,074	349	406
Recovery of credit losses	(84)	(41)		
Provision for recovery of credit losses			—	(29)
Inventory obsolescence expense	144	2,131	506	20
Gross profit from sale of rental equipment	(20,751)	(4,318)	(15,978)	(19,350)
Gain on disposal of property	—	(1,315)		
Loss (gain) on disposal of equipment	11	(432)		
Realized foreign currency translation loss from dissolution of foreign subsidiary	—	38		
Gain on disposal of property, plant and equipment			(86)	—
Realized gain on investments			(10)	—
Effects of changes in operating assets and liabilities:				
Trade accounts and note receivable	5,162	(10,561)		
Trade accounts and financing receivables			(3,622)	8,001
Inventories	(5,787)	(7,175)	(2,988)	(4,059)
Other assets	(176)	453	(196)	179
Accounts payable trade	(1,408)	1,290	(690)	(478)
Other liabilities	(2,973)	1,654	146	1,146
Net cash provided by (used in) operating activities	(7,527)	3,128	(11,509)	2,652
Cash flows from investing activities:				
Purchase of property, plant and equipment	(3,577)	(1,862)	(3,199)	(779)
Proceeds from the sale of property, plant and equipment	2	4,406	89	—
Investment in rental equipment	(8,181)	(6,213)	(373)	(2,558)
Proceeds from the sale of rental equipment	30,948	11,095	65	597
Purchases of short-term investments	(24,033)	—		
Proceeds from the sale of short-term investments	8,750	900	9,660	—
Net cash provided by investing activities	3,909	8,326		
Payments received on note receivable related to sale of subsidiary			45	—
Net cash provided by (used in) investing activities			6,287	(2,740)
Cash flows from financing activities:				
Purchase of treasury stock	(2,999)	—	(197)	—
Payments on contingent consideration	—	(175)		
Net cash used in financing activities	(2,999)	(175)	(197)	—
Effect of exchange rate changes on cash	141	(124)	(66)	192
Increase (decrease) in cash and cash equivalents	(6,476)	11,155	(5,485)	104

Cash and cash equivalents, beginning of period	18,803	16,109	6,895	18,803
Cash and cash equivalents, end of period	$ 12,327	$ 27,264	$ 1,410	$ 18,907
SUPPLEMENTAL CASH FLOW INFORMATION:				
Cash paid for income taxes	$ 185	$ 111	$ 113	$ —
Accounts and financing receivables related to sale of rental equipment			16,112	30,048
Inventory transferred to rental equipment	5,765	117	36	593

The accompanying notes are an integral part of the consolidated financial statements.

GEOSPACE TECHNOLOGIES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

1. Significant Accounting Policies

Basis of Presentation

The consolidated balance sheet of Geospace Technologies Corporation and its subsidiaries (the “Company”) at September 30, 2023 2024, was derived from the Company’s audited consolidated financial statements at that date. The consolidated balance sheet at June 30, December 31, 2024 and the consolidated statements of operations, comprehensive income, (loss), stockholders’ equity and cash flows for the three and ninemonths ended June 30, December 31, 2024 and 2023 were prepared by the Company without audit. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the consolidated financial position, results of operations and cash flows were made. All significant intercompany balances and transactions have been eliminated. The results of operations for the three and ninemonths ended June 30, December 31, 2024, are not necessarily indicative of the operating results for a full year or of future operations.

Certain information and footnote disclosures normally included in financial statements presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") were omitted pursuant to the rules of the Securities and Exchange Commission. The accompanying consolidated financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company’s Annual Report on Form 10-K for the Company’s fiscal year ended September 30, 2023 2024.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company considers many factors in selecting appropriate operational and financial accounting policies and controls, and in developing the estimates and assumptions that are used in the preparation of these financial statements. The Company continually evaluates its estimates, including those related to revenue recognition, credit loss, collectability of rental revenue, inventory obsolescence reserves, self-insurance reserves, product warranty reserves, useful lives of long-lived assets, impairment of long-lived assets, impairment of goodwill and other intangible assets and deferred income tax assets. The Company bases its estimates on historical experience and various other factors that are believed to be reasonable under the circumstances. While management believes current estimates are reasonable and appropriate, actual results may differ from these estimates under different conditions or assumptions.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original or remaining maturity at the time of purchase of three months or less to be cash equivalents. At June December 31, 2024 and September 30, 2024,, cash and cash equivalents included $3.4 million $0.9 million and $1.1 million, respectively, held by the Company’s foreign subsidiaries and branch offices, including $2.0 million held by offices.

Concentration of Credit Risk

The Company sells products to customers throughout the United States and various foreign countries. The Company’s normal credit terms for trade receivables are 30 days. In certain situations, credit terms may be extended to 60 days or longer. The Company performs ongoing credit evaluations of its subsidiary customers and generally does not require collateral for its trade receivables. Additionally, the Company provides long-term financing in the Russian Federation. form of promissory notes and sales-type leases when competitive conditions require such financing. In response to sanctions imposed by the U.S. and others on Russia, the Russian government has imposed restrictions on companies' abilities to repatriate or otherwise remit cash from their Russian-based operations to locations outside of Russia. As a result, this cash can be used in our Russian operations, but such cases, the Company may require collateral. Allowances are recognized immediately for expected credit losses. The Company determines the allowance for credit losses through a review of several factors, including historical collection experience, customer credit worthiness, current aging of customer accounts and financial conditions of its customers. Receivables are charged off against the allowance whenever it is probable that the balance will notbe unable to transfer it out recoverable.

The Company had trade accounts and financing receivables from one customer of Russia without incurring substantial costs, if $22.5 million at all. In addition, if December 31, 2024. During the three months ended December 31, 2024 and 2023, the Company were to repatriate the cash held by its Russian subsidiary, it would be required to accrue recognized revenue from this customer of $18.7 million and pay taxes on any amount repatriated. $31.7 million, respectively.

Impairment of Long-lived Assets

The Company's long-lived assets are reviewed for impairment whenever an event or circumstance indicates that the carrying amount of an asset or group of assets may not be recoverable. The impairment review, if necessary, includes a comparison of the expected future cash flows (undiscounted and without interest charges) to be generated by an asset group with the associated carrying value of the related assets. If the carrying value of the asset group exceeds the expected future cash flows, an impairment loss is recognized to the extent that the carrying value of the asset group exceeds its fair value. During the quarter ended June 30, December 31, 2024, no events or changes in circumstances were identified indicating the carrying value of any of the Company's asset groups may not be recoverable.

Recently Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (the "FASB") issued guidance surrounding credit losses for financial instruments that replaces the incurred loss impairment methodology in generally accepted accounting principles. The new impairment model requires immediate recognition of estimated credit losses expected to occur for most financial assets and certain other financial instruments. For available-for-sale debt securities with unrealized losses, credit losses will be recognized as allowances rather than reductions in the amortized cost of the securities. The Company adopted this standard on October 1, 2023. The adoption of this standard did not have any material impact on its consolidated financial statements.

Recently Issued Accounting Pronouncements

In November 2023, the FASB issued guidance which updates reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The guidance shall be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the provisions of this guidance and the impact on its consolidated financial statements.

In December 2023, the FASB issued guidance improvements on income tax disclosure which will require the Company to disclose specified additional information in its income tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. The guidance will also require the Company to disaggregate its income taxes paid disclosure by federal, state and foreign taxes, with further disaggregation required for significant individual jurisdictions. The Company will adopt this guidance in its fourth quarter of fiscal year 2026. The guidance allows for adoption using either a prospective or retrospective transition method. The adoption of this guidance is not expected to have any material impact on its consolidation financial statements.

In November 2024, the FASB, as further amended in January 2025, issued guidance requiring enhanced disclosures in financial statements by requiring detailed disclosures of specific expenses like inventory purchases, employee compensation, depreciation, and intangible asset amortization. The guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the provisions of this guidance and the impact on its consolidated financial statements.

All other new accounting pronouncements that have been issued, but not yet effective, are currently being evaluated and at this time are not expected to have a material impact on the Company's financial position or results of operations.

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2. Revenue Recognition

In accordance with ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), the Company recognizes revenue when performance of contractual obligations are satisfied, generally when control of the promised goods or services is transferred to its customers, in an amount that reflects the consideration it expects to be entitled to in exchange for those goods or services.

The Company primarily derives product revenue from the sale of its manufactured products. Revenue from these product sales, including the sale of used rental equipment, is recognized when obligations under the terms of a contract are satisfied, control is transferred and collectability of the sales price is probable. The Company records deferred revenue when customer funds are received prior to shipment or delivery or performance has not yet occurred. The Company assesses collectability during the contract assessment phase. In situations where collectability of the sales price is not probable, the Company recognizes revenue when it determines that collectability is probable or when non-refundable cash is received from its customers and there is not a significant right of return. Transfer of control generally occurs with shipment or delivery, depending on the terms of the underlying contract. The Company's products are generally sold without any customer acceptance provisions, and the Company's standard terms of sale do not allow customers to return products for credit.

Revenue from engineering services is recognized as services are rendered over the duration of a project, or as billed on a per hour basis. Field service revenue is recognized when services are rendered and is generally priced on a per day rate.

The Company also generates revenue from short-term rentals under operating leases of its manufactured products. Rental revenue is recognized as earned over the rental period if collectability of the rent is reasonably assured. Rentals of the Company's equipment generally range from daily rentals to minimum rental periods of up to one year. The Company has determined that ASC 606 does not apply to rental contracts, which are within the scope of ASC Topic 842, *Leases*.

As permissible under ASC 606, sales taxes and transaction-based taxes are excluded from revenue. The Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected duration of one year or less. Additionally, the Company expenses costs incurred to obtain contracts when incurred because the amortization period would have been one year or less. These costs are recorded in selling, general and administrative expenses.

The Company has elected to treat shipping and handling activities in a sales transaction after the customer obtains control of the goods as a fulfillment cost and not as a promised service. Accordingly, fulfillment costs related to the shipping and handling of goods are accrued at the time of shipment. Amounts billed to a customer in a sales transaction related to reimbursable shipping and handling costs are included in revenue and the associated costs incurred by the Company for reimbursable shipping and handling expenses are reported in cost of revenue.

At June December 31, 2024 and September 30, 2024, the Company had no deferred contract liabilities and no deferred contract cost. At September 30, 2023, the Company had deferred liabilities of $0.7 million and no deferred contract costs. During the three months ended June 30, December 31, 2024, no revenue of $20,000 was recognized from deferred contract liabilities. During the nine months ended June 30, 2024, revenue $0.7 million was recognized from deferred contract liabilities. During the threeliabilities andnine months ended June 30, 2024, no cost of revenue was recognized from deferred contract costs. During the three and ninemonths ended June 30, December 31, 2023, norevenue of $45,000 was recognized from deferred contract liabilities and no cost of revenue was recognized recorded from deferred contract costs. At June 30, December 31, 2024, all contracts had an original expected duration of one year or less. At December 31, 2024 and October 1 2024, the Company had accounts receivable from contracts of $12.0 million and $13.4 million, respectively. At December 31, 2023 and October 1, 2023, the Company had accounts receivable from contracts of $37.6 million and $10.9 million, respectively.

For the three months ended June 30, December 31, 2024and 2023,, no revenue recognized from contracts with customers satisfied over-time was $0.3 million and $0.1 million, respectively. over-time. For the nine three months ended June 30, 2024 and December 31, 2023, revenue recognized from contracts with customers satisfied over-time was $1.2 million and $0.2 million, respectively. $45,000, which was from the Company's Intelligent Industrial segment. All other revenue from contracts with customers was recognized at a point-in time. Revenue satisfied over-time for all periods presented was from the Company's Emerging Markets operating segment. For each of the Company's operating segments, the following table presents revenue (in thousands) only from the sale of products and the performance of services under contracts with customers. Therefore, the table excludes all revenue earned from rental contracts.

	Three Months Ended		Nine Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June
Oil and Gas Markets				
Traditional exploration product revenue	$ 2,005	$ 3,363	$ 7,239	$
Wireless exploration product revenue	1,460	907	36,008	
Reservoir product revenue	189	523	303	
Total revenue	3,654	4,793	43,550	
Adjacent Markets				
Industrial product revenue	13,026	11,678	28,492	
Imaging product revenue	2,903	3,147	9,405	
Total revenue	15,929	14,825	37,897	
Emerging Markets				
Revenue	640	109	1,987	
Total	$ 20,223	$ 19,727	$ 83,434	$

	Three Months Ended	
	December 31, 2024	December 31, 20
Smart Water	$ 7,288	$
Energy Solutions	19,826	
Intelligent Industrial	5,531	
Total	$ 32,645	$

See Note 12 for more information on the Company's operating business segments.

For each of the geographic areas where the Company operates, the following table presents revenue (in thousands) from the sale of products and services under contracts with customers. The table excludes all revenue earned from rental contracts:

	Three Months Ended		Nine Months Ended		Three Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	December 31, 2024	December 31, 2023
Asia (including Russian Federation)	$ 3,430	$ 3,287	$ 39,318	$ 11,264	$ 18,057	$ 32,216
Canada	178	85	2,406	1,179	369	1,226
Europe	1,137	1,856	4,022	4,782	1,398	1,378
Mexico					1,281	166
United States	14,436	13,481	35,685	37,551	11,423	8,418
Other	1,042	1,018	2,003	2,200	117	310
Total	$ 20,223	$ 19,727	$ 83,434	$ 56,976	$ 32,645	$ 43,714

Revenue is attributable to countries based on the ultimate destination of the product sold, if known. If the ultimate destination is not known, revenue is attributable to countries based on the geographic location of the initial shipment.

3. Short-term Investments

The Company classifies its short-term investments as available-for-sale securities. Available-for-sale securities are carried at fair market value with net unrealized gains and losses reported as a component of accumulated other comprehensive loss income (loss) in stockholders' equity.

The Company's short-term investments were composed of the following (in thousands):

	As of June 30, 2024				As of December 31, 2024			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Short-term investments:								
Corporate bonds	$ 21,655	$ —	$ (21)	$ 21,634	$ 16,899	$ 7	$ —	$ 16,906
U.S. treasury securities and securities of U.S. government-sponsored agency	8,566	—	(11)	8,555	3,742	7	—	3,749
Total	$ 30,221	$ —	$ (32)	$ 30,189	$ 20,641	$ 14	$ —	$ 20,655

	As of September 30, 2023				As of September 30, 2024			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Short-term investments:								
Corporate bonds	$ 11,310	$ —	$ (15)	$ 11,295	$ 21,814	$ 35	$ —	$ 21,849
U.S. treasury securities and securities of U.S. government-sponsored agency	3,622	4	—	3,626	8,356	22	—	8,378
Total	$ 14,932	$ 4	$ (15)	$ 14,921	$ 30,170	$ 57	$ —	$ 30,227

The Company had no securities in a material unrealized loss position at June 30, December 31, 2024 and September 30, 2023 2024 and does not believe the unrealized losses associated with these securities represent credit losses based on the evaluation of evidence, which includes an assessment of whether it is more likely than not it will be required to sell or intend to sell the investment before recovery of the investments amortized cost basis. A gain of $10,000 was realized during the three months ended December 31, 2024 from the sale of short-term investments. No gains or losses were realized recognized during the three and nine months ended June 30, 2024 and December 31, 2023 from the sale of short-term investments.

4. Fair Value of Financial Instruments

The Company's financial instruments generally include cash and cash equivalents, short-term investments, trade accounts and notes receivable financing receivables and accounts payable. Due to the short-term maturities of cash and cash equivalents, trade accounts and notes receivable and accounts payable, the carrying amounts of these financial instruments are deemed to approximate their fair value on the respective balance sheet dates. The Company measures its short-term investments at fair value on a recurring basis.

The following tables present the fair value of the Company's short-term investments, note receivable on sale of subsidiary and Emerging Markets asset group intangible assets by valuation hierarchy and input (in thousands):

	As of June 30, 2024				As of December 31, 2024			
	(Level 1)	(Level 2)	(Level 3)	Totals	(Level 1)	(Level 2)	(Level 3)	Totals
Short-term investments:								
Corporate bonds	$ —	$ 21,634	$ —	$ 21,634	$ —	$ 16,906	$ —	$ 16,906
U.S. treasury securities and securities of U.S. government-sponsored agency		8,555		8,555	—	3,749	—	3,749
Total assets	$ —	$ 30,189	$ —	$ 30,189				
Total					$ —	$ 20,655	$ —	$ 20,655

	As of September 30, 2023				As of September 30, 2024			
	(Level 1)	(Level 2)	(Level 3)	Totals	(Level 1)	(Level 2)	(Level 3)	Totals
Recurring:								
Short-term investments:								
Corporate bonds	$ —	$ 11,295	$ —	$ 11,295	$ —	$ 21,849	$ —	$ 21,849
U.S. treasury securities and securities of U.S. government-sponsored agency	—	3,626	—	3,626	—	8,378	—	8,378
Total assets	$ —	$ 14,921	$ —	$ 14,921				
Total					$ —	$ 30,227	$ —	$ 30,227
Nonrecurring:								
Note receivable on sale of subsidiary					$ —	$ —	$ 2,600	$ 2,600
Emerging Markets asset group intangible assets					—	—	—	—
Total					$ —	$ —	$ 2,600	$ 2,600

Assets and liabilities Measured on a Nonrecurring basis

In August 2024, the Company performed a fair value analysis on its $3.5 million promissory note obtained in connection with its subsidiary sale as of the transaction date. The measurements utilized to determine the implied fair value of the note receivable obtained significant unobservable inputs (Level 3). The derivation of discount rate utilized in the analysis was based on comparable market yields. Based on the analysis, the Company recorded a $0.9 million discount to fair value on this note receivable. Also see Note 5 for more information.

At September 30, 2024, the Company performed a recoverability assessment on its long-lived assets of it Emerging Markets asset group in which its carrying value was compared to the estimated undiscounted cash flows over the remaining useful life of the asset group's primarily asset, its developed technology. Accordingly, a fair value analysis was performed. Based on the assessment, the Company determined the fair value of the asset was less than its carrying value and recorded an impairment charge of $2.8 million on this asset group, which impaired its intangible assets in their entirety. The Company determined the fair value of this asset group to be approximately zero. The measurements utilized to determine the implied fair value represented significant unobservable inputs (Level 3).

5. Trade Accounts and Notes Receivable Financing Receivables

Trade accounts receivable, net (excluding notes receivable) financing receivables) are reflected in the following table (in thousands):

	June 30, 2024	September 30, 2023	December 31, 2024	September 30, 2024
Trade accounts receivable	$ 17,709	$ 20,282	$ 19,510	$ 16,151
Allowance for credit losses	(35)	(125)	(4)	(4)
Total	17,674	20,157	19,506	16,147
Less current portion	(16,164)	(20,157)	(19,506)	(14,637)
Non-current trade accounts receivable	$ 1,510	$ —	$ —	$ 1,510

Trade accounts receivable at June 30, 2024, included $1.5 million classified as non-current which is due in December 2025. Credit quality indicators used for the non-current portion of this receivable consisted of historical collection experience, internal credit risk grades and collateral. The Company determines the allowance for credit losses through a review of several factors, including historical collection experience, customer credit worthiness, current aging of customer accounts and current financial conditions of its customers. Trade accounts receivable balances are charged off against the allowance whenever it is probable that the receivable balance will not be recoverable.

Allowance for credit losses related to trade accounts receivable are reflected in the following table (in thousands):

	Three Months Ended		Nine Months Ended		Three Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	December 31, 2024	December 31, 2023
Allowance for credit losses:						
Beginning of period	67	706	125	591	4	125
Provision for credit losses	5	16	60	400	—	43
Recoveries	(38)	(194)	(144)	(441)	—	(72)
Write-offs	—	(321)	(7)	(327)	—	(7)
Currency translation	1	1	1	(15)	—	3
End of period	$ 35	$ 208	$ 35	$ 208	$ 4	$ 92

In November 2024, the Company entered into a sales-type lease with a customer on wireless seismic equipment from its rental fleet. The lease matures in October 2025. Future minimum payments required under the lease at December 31, 2024, were $16.7 including $0.6 million of unearned income. Interest income of $0.1 million was recognized for the three months ended December 31, 2024. The ownership of the equipment will transfer to the customer at the end of the lease term.

In August 2024, the Company entered into a $9.4 million promissory note with a customer related to a product sale. The note bears interest at 9.5% per annum. Pursuant to an amendment in the first quarter of fiscal year 2025, the maturity of the note was extended from December 2025 to June 2026. The note bears interest at 9.5% per annum. The note is collateralized by the product sold.

In August 2024, the Company entered into a $3.5 million promissory note with the buyer of its Russian subsidiary. The note bears interest at 5% per annum and is for a 10-year term. Principal and interest payments of $37,000 are due monthly. Based on a fair value analysis performed at the date of sale, a discount to fair value of $0.9 million was placed on the note. Interest income on the amortization of the discount is being recognized under the effective interest method.

Credit quality indicators used for the financing receivables consisted of historical collection experience, internal credit risk grades and collateral. The Company had one note receivable from determined the allowance for credit losses through a review of several factors, including historical collection experience, customer at September 30, 2023, with a balance credit worthiness, current aging of $1.2 million, which was paid in January 2024.customer accounts and current financial conditions of its customers.

6. Inventories

Inventories consist of the following (in thousands):

	June 30, 2024	September 30, 2023	December 31, 2024	September 30, 2024
Finished goods	$ 16,588	$ 18,555	$ 18,692	$ 18,099
Work in process	6,748	11,992	5,506	3,626
Raw materials	28,187	26,832	31,975	30,941
Obsolescence reserve (net realizable value adjustment)	(9,604)	(14,061)	(9,510)	(8,413)

	41,919	43,318		
Total			46,663	44,253
Less current portion	24,557	18,430	27,921	26,222
Non-current portion	$ 17,362	$ 24,888	$ 18,742	$ 18,031

Inventory obsolescence expense for each of the three and nine months ended June 30, 2024, was $0.1 million. Inventory obsolescence expense for the three and ninemonths ended June 30, December 31, 2024 and 2023, was $0.3 million$506,000 and $2.1 million,$20,000, respectively. Raw materials include semi-finished goods and component parts that totaled approximately $8.3 million$10.6 million and $10.6 million$8.6 million at June 30,December 31, 2024 and September 30, 20232024, respectively.

7. Rental Equipment

The Company leases equipment to customers which generally range from daily rentals to minimum rental periods of up to one year. All of the Company's current leasing arrangements for which the Company acts as lessor, are classified as operating leases.leases, except for one sales-type lease. The majority of the Company's rental revenue is generated from its marine-based wireless seismic data acquisition systems.

The Company regularly evaluates the collectability of its lease receivables on a lease-by-lease basis. The evaluation primarily consists of reviewing past due account balances and other factors such as the credit quality of the customer, historical trends of the customer and current economic conditions. The Company suspends revenue recognition when the collectability of amounts due are no longer probable and concurrently records a direct write-off of the lease receivable to rental revenue and limits future rental revenue recognition to cash received. As of June 30,December 31, 2024, the Company's trade accounts receivable included lease receivables of $2.9 million.$4.7 million.

Rental revenue related to leased equipment for the three and ninemonths ended June 30,December 31, 2024, was $5.6 million and $16.5 million, respectively. Rental revenue related to leased equipment for the threeand nine months ended June 30, 2023 was $12.9 million$4.5 million and $38.0 million$6.2 million, respectively.

Future minimum lease obligations due from the Company's leasing customers on operating leases executed as of June 30,December 31, 2024, were $3.6 million$0.8 million, all of which is expected to be due within the next 12 months.

Rental equipment consisted of the following (in thousands):

	June 30, 2024	September 30, 2023	December 31, 2024	September 30, 2024
Rental equipment, primarily wireless recording equipment	$ 80,976	$ 82,926	$ 49,220	$ 63,111
Accumulated depreciation	(64,069)	(61,339)	(36,740)	(48,925)
	$ 16,907	$ 21,587	$ 12,480	$ 14,186

8. Long-Term Debt

On July 26, 2023, the Company entered into a credit agreement ("the Agreement") with Woodforest National Bank, as sole lender. The Agreement refinanced the Company's credit agreement dated May 6, 2022, with Amerisource Funding, Inc., as administrative agent and as a lender, and Woodforest National Bank, as a lender. The Agreement provides a revolving credit facility with a maximum availability of $15 million. Availability under the Agreement is determined based upon a borrowing base comprised of certain of the Company's domestic assets which include (i) 80% of eligible accounts, plus (ii) 90% of eligible foreign insured accounts, plus (iii) 25% of eligible inventory plus (iv) 50% of the orderly liquidation value of eligible equipment, in each case subject to certain limitations and adjustments. Interest shall accrue on outstanding borrowings at a rate equal to Term SOFR (Secured Overnight Financing Rate) plus a margin equal to 3.25% per annum.annum (7.75% at December 31, 2024). The Company is required to make monthly interest payments on borrowed funds. The Agreement is secured by substantially all of the Company's assets, except for certain excluded property. The Agreement requires the Company to maintain a minimum (i) consolidated tangible net worth of $100 million, (ii) liquidity of $5 million, and (iii) current ratio no less than 2.00 to 1.00, in each case tested quarterly. The Agreement also requires the Company to maintain a springing minimum interest coverage ratio of 1.50 to 1.00, tested quarterly whenever there is an outstanding balance on the revolving credit facility. The Agreement expires in July 2025. At June 30,December 31, 2024, the Company's borrowing availability under the Agreement was $14.9 million$12.1 million after consideration of a $0.1 million outstanding letter of credit. At June 30,December 31, 2024, the Company was in compliance with all covenants under the Agreement. The Company had no borrowings outstanding under the Agreement at June 30,December 31, 2024, and September 30, 20232024.

9. Stock-Based Compensation

During the nine three months ended June 30, December 31, 2024, the Company issued 233,200 143,500 restricted stock units ("RSUs") under its 2014 Long Term Incentive Plan, as amended. The RSUs issued include both time-based and performance-based vesting provisions. The weighted average grant date fair value of each RSU was $12.26 $13.29 per unit. The grant date fair value of the RSUs was $2.9 million $1.9 million, which will be charged to expense over the next four years as the restrictions lapse. Compensation expense for the RSUs was determined based on the closing market price of the Company's stock on the date of grant applied to the total number of units that are anticipated to fully vest. Each RSU represents a contingent right to receive one share of the Company's common stock upon vesting.

As of June 30, December 31, 2024, there were 412,770 359,215 RSUs outstanding.

For the three months ended December 31, 2024 and 2023, stock-based compensation expense was $0.3 million and $0.4 million, respectively. As of June 30, December 31, 2024, the Company had unrecognized compensation expense of $3.0 million $3.4 million relating to RSUs that is expected to be recognized over the next four years.

10. Earnings (Loss) Per Common Share

The following table summarizes the calculation of net earnings (loss) and weighted average common shares and common equivalent shares outstanding for purposes of the computation of earnings (loss) per share (in thousands, except share and per share data):

	Three Months Ended		Nine Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net income (loss)	$ (2,070)	$ 3,228	$ 6,282	$ 7,768
Less: Income allocable to unvested restricted stock	—	—	—	—
Income (loss) attributable to common shareholders for diluted earnings (loss) per share	$ (2,070)	$ 3,228	$ 6,282	$ 7,768
Weighted average number of common share equivalents:				
Common shares used in basic earnings (loss) per share	13,216,386	13,171,654	13,270,444	13,131,795
Common share equivalents outstanding related to RSUs	—	149,227	161,270	26,124
Total weighted average common shares and common share equivalents used in diluted earnings (loss) per share	13,216,386	13,320,881	13,431,714	13,157,919
Earnings (loss) per share:				
Basic	$ (0.16)	$ 0.25	$ 0.47	$ 0.59
Diluted	$ (0.16)	$ 0.24	$ 0.47	$ 0.59

	Three Months Ended	
	December 31, 2024	December 31, 2023
Net income	$ 8,376	$ 12,679
Weighted average number of common share equivalents:		
Common shares used in basic earnings per share	12,753,378	13,251,360
Common share equivalents outstanding related to RSUs	124,009	209,156
Total weighted average common shares and common share equivalents used in diluted earnings per share	12,877,387	13,460,516
Earnings per share:		
Basic	$ 0.66	$ 0.96
Diluted	$ 0.65	$ 0.94

For the calculation of diluted earnings (loss) per share for the three months ended June 30, 2024 and 2023, there were 412,770 and 230,322 non-vested RSUs, respectively, excluded from the calculation of weighted average shares outstanding since their impact on diluted earnings (loss) per share were antidilutive. For the calculation of diluted earnings per share for the nine three months ended June 30, December 31, 2024 and 2023, there were 251,500 235,206 and 364,188 212,217 non-vested RSUs, respectively, excluded from the calculation of weighted average shares outstanding since their impact on diluted earnings per share were antidilutive.

11. Commitments and Contingencies

Contingent Compensation Costs

In connection with the acquisition of Aquana, LLC (“Aquana”) in July 2021, the Company is subject to additional contingent cash payments to the former members of Aquana over a six-year earn-out period. The contingent payments, if any, will be derived from certain eligible revenue generated during the earn-out period from products and services sold by Aquana. There is no maximum limit to the contingent cash payments that could be made. The merger agreement with Aquana requires the continued employment of a certain key employee and former member of Aquana for the first four years of the six year earn-out period in order for any of Aquana’s former members to be eligible for any earn-out payments. Due to the continued employment requirement, no liability has been recorded for the estimated fair value of earn-out payments for this transaction. Earn-outs achieved if any, will be are recorded as compensation expense when incurred. No eligible revenue has been generated to date.

Legal Proceedings

The Company is involved in various pending legal actions in the ordinary course of its business. Management is unable to predict the ultimate outcome of these actions, because of the inherent uncertainty of such actions. However, management believes that the most probable, ultimate resolution of current pending matters will not have a material adverse effect on the Company’s consolidated financial position, results of operations or cash flows.

12. Segment Information

The Effective October 1, 2024, the Company reports and evaluates financial information for changed the composition of its three operating business segments: Oil segments and Gas Markets, Adjacent Markets changed its methodology for allocating manufacturing costs including overhead and Emerging Markets. other costs of revenue to the segments.

The Oil Company's business segments are now comprised of: Smart Water, Energy Solutions and Gas Markets segment's Intelligent Industrial. The Smart Water segment emphasizes the Company’s targeted approach in the water management industry. This business segment contains the Hydroconn® smart water connectivity offerings and the Company's Aquana products. The Energy Solutions segment encompass' the Company’s traditional business in oil and gas land and marine exploration products, reservoir monitoring solutions, and will additionally incorporate emerging energy solutions and microseismic monitoring. This segment will include wireless seismic data acquisition systems, reservoir characterization energy-related business from Quantum’s SADAR® products and services, and traditional associated analytics. The Intelligent Industrial segment includes seismic exploration sensor products such as geophones, hydrophones, leader wire, connectors, cables, marine streamer retrieval and steering devices and various other seismic products. The Adjacent Markets segment's products include imaging equipment, water meter products, remote shut-off valves and Internet of Things (IoT) platform, as well as and seismic sensors used for vibration monitoring and geotechnical applications such as mine safety applications and earthquake detection. The Emerging Markets segment detection, designs and markets seismic products targeted at the border and perimeter security markets. markets, imaging products, as well as providing contract manufacturing services. The change methodology for allocating manufacturing costs affected each business segment's operating income (loss) but had no effect on consolidated operating income.

The following table summarizes the Company’s segment information (in thousands): . Segment information for the three months ended December 31, 2024 and 2023, has been recast for comparability.

	Three Months Ended		Nine Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June
Revenue:				
Oil and Gas Markets	$ 9,174	$ 17,672	$ 59,930	$
Adjacent Markets	15,970	14,862	38,020	
Emerging Markets	640	109	1,987	
Corporate	74	72	223	
Total	$ 25,858	$ 32,715	$ 100,160	$
Income (loss) from operations:				
Oil and Gas Markets	$ (2,302)	$ 3,238	$ 9,126	$
Adjacent Markets	4,661	4,346	9,491	
Emerging Markets	(1,148)	(1,047)	(2,424)	

Corporate	(3,604)	(3,391)	(10,255)	
Total	$ (2,393)	$ 3,146	$ 5,938	$

	Three Months Ended	
	December 31, 2024	December 31, 20
Revenue:		
Smart Water	$ 7,288	$
Energy Solutions	24,282	
Intelligent Industrial	5,577	
Corporate	76	
Total	$ 37,223	$
Income (loss) from operations:		
Smart Water	$ 370	$
Energy Solutions	13,282	
Intelligent Industrial	(940)	
Corporate	(4,877)	
Total	$ 7,835	$

The Company's manufacturing operations for its operating business segments are combined. Therefore, the Company does not segregate and report separate balance sheet accounts for each of its segments and therefore, no total asset information is presented in the table above.

13. Income Taxes

Consolidated income tax expense (benefit) for the each of the three and ninemonths ended June 30, December 31, 2024 was $(2,000) and $0.1 million, respectively. Consolidated income tax expense for the threeand nine months ended June 30, 2023, was $0.2 million and $0.3 million, respectively.$0.1 million. The primary difference between the Company's effective tax rate and the statutory rate is adjustments to the valuation allowance against deferred tax assets.

14. Risks and Uncertainties

Concentration of Credit Risk

During the three and nine months ended June 30, 2024, the Company recognized revenue from one customer of $1.3 million and $35.0 million, respectively. During the three and nine months ended June 30, 2023, revenue recognized from this customer was $1.5 million and $4.4 million, respectively. As of June 30, 2024, the Company had trade accounts receivable from this customer of $4.5 million.

COVID-19 Pandemic

The ongoing COVID-19 pandemic has negatively impacted worldwide economic activity and continues to create challenges in the Company’s markets. The COVID-19 pandemic and the related mitigation measures have disrupted the Company's supply chain, resulting in longer lead times in materials available from suppliers and extended the shipping time for these materials to reach the Company’s facilities. The occurrence or a resurgence of global or regional health events such as the COVID–19 pandemic, and the related government responses, could result in a material adverse effect on the Company's business, financial condition, results of operations and liquidity. As such, we continue to closely monitor COVID-19 and will continue to reassess our strategy and operational structure on a regular, ongoing basis.

Oil Commodity Price Levels

Demand for many of the Company’s products and the profitability of its operations depend primarily on the level of worldwide oil and gas exploration activity. Prevailing oil and gas prices, with an emphasis on crude oil prices, and market expectations regarding potential changes in such prices significantly affect the level of worldwide oil and gas exploration activity. During periods of improved energy commodity prices, the capital spending budgets of oil and natural gas operators tend to expand, which results in increased demand for our customers services leading to increased demand in the Company’s products. Conversely, in periods when these energy commodity prices deteriorate, capital spending budgets of oil and natural gas operators tend to contract causing demand for the Company’s products to weaken. Historically, the markets for oil and gas have been volatile and are subject to wide fluctuations in response to changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors that are beyond its control. These factors include the level of consumer demand, regional and international economic conditions, weather conditions, domestic and foreign governmental regulations (including those related to climate change), price and availability of alternative fuels, political conditions, the war between Russia and Ukraine, instability and hostilities in the Middle East and other significant oil-producing regions, increases and decreases in the supply of oil and gas, the effect of worldwide energy conservation measures and the ability of the Organization of Petroleum Exporting Countries ("OPEC') to set and maintain production levels and prices of foreign imports.

Crude oil prices have stabilized over the past two years, which may result in higher cash flows for exploration and production companies. Any material changes in oil and gas prices or other market trends, like slowing growth of the global economy, could adversely impact seismic exploration activity and would likely affect the demand for the Company's products and could materially and adversely affect its results of operations and liquidity.

Generally, imbalances in the supply and demand for oil and gas will affect oil and gas prices and, in such circumstances, demand for the Company's oil and gas products may be adversely affected when world supplies exceed demand.

Armed Conflict Between Russia and Ukraine

A portion of the Company's oil and gas product manufacturing is conducted through its wholly-owned subsidiary Geospace Technologies Eurasia LLC ("GTE"), which is based in the Russian Federation. In February 2022, the Russian Federation launched a full-scale military invasion of Ukraine, and Russia and Ukraine continue to engage in active and armed conflict. Although the length and impact of the ongoing military conflict is highly unpredictable, the conflict in Ukraine could lead to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions in addition to any direct impact on the Company's operations in Russia. As a result of the invasion, the governments of several western nations, including the U.S., Canada, the United Kingdom and the European Union, implemented new and/or expanded economic sanctions and export restrictions against Russia, Russian-backed separatist regions in Ukraine, certain banks, companies, government officials, and other individuals in Russia and Belarus. The implementation of these sanctions and exports restrictions, in combination with the withdrawal of numerous private companies from the Russian market, has had, and is likely to continue to have, a negative impact on the Company's business in the region. During fiscal year 2023, the Company imported $3.8 million of products from GTE for resale elsewhere in the world and since then has imported $2.5 million of products during the first nine months of fiscal year 2024. The rapid changes in rules and implementation of new rules on imports and exports of goods involving Russia has also led to material delays in getting goods to or from Russia as port authorities struggle to keep up with the changing environment. If imports of these products from the Russian Federation are restricted by government regulation, the Company may be forced to find other sources for the manufacturing of these products at potentially higher costs. Likewise, restrictions on the Company's ability to send products to GTE, may force our subsidiary to have to find other sources for the manufacturing of these products at potentially higher costs. However, the Company's exports to GTE have historically been limited. Boycotts, protests, unfavorable regulations, additional governmental sanctions and other actions in the region could also adversely affect the Company's ability to operate profitably. Delays in obtaining governmental approvals can affect the Company's ability to timely deliver its products pursuant to contractual obligations, which could result in the Company being liable to its customers for damages. The risk of doing business in the Russian Federation and other economically or politically volatile areas could adversely affect the Company's operations and earnings. It is possible that increasing sanctions, export controls, restrictions on access to financial institutions, supply and transportation challenges, or other circumstances or considerations could necessitate a reduction, or even discontinuation, of operations by GTE or other business in Russia.

The Company is actively monitoring the situation in Ukraine and Russia and assessing its impact on its business, including GTE. The net carrying value of GTE on the Company's consolidated balance sheet at June 30, 2024, was $6.0 million, including cash of $2.0 million. In response to sanctions imposed by the U.S. and others on Russia, the Russian government has imposed restrictions on companies' abilities to repatriate or otherwise remit cash from their Russian-based operations to locations outside of Russia. As a result, this cash can be used in our Russian operations, but we may be unable to transfer it out of Russia without incurring substantial costs, if at all. In addition to the products the Company imported from GTE, the subsidiary generated $1.8 million in revenue from domestic sales in fiscal year 2023, and has generated $2.6 million from domestic sales during the first nine months of fiscal year 2024. The Company has no way to predict the duration, progress or outcome of the military conflict in Ukraine. The extent and duration of the military action, sanctions, and resulting market disruptions could be significant and could potentially have substantial impact on the global economy and the Company's business for an unknown period of time.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is management's discussion and analysis of the major elements of our consolidated financial statements. You should read this discussion and analysis together with our consolidated financial statements, including the accompanying notes, and other detailed information appearing elsewhere in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended September 30, 2023September 30, 2024.

Forward-Looking Statements

This Quarterly Report on Form 10-Q and the documents incorporated by reference herein contain "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements can be identified by terminology such as "may", "will", "should", "could", "intend", "expect", "plan", "budget", "forecast", "anticipate", "believe", "estimate", "predict", "potential", "continue", "evaluating" or similar words. Statements that contain these words should be read carefully because they discuss our future expectations, contain projections of our future results of operations or of our financial position or state other forward-looking information. Examples of forward-looking statements include, among others, statements that we make regarding our expected operating results, the timing, adoption, results and success of our rollout of our Aquana smart water valves and cloud-based control platform, future demand for our Quantum security solutions, the adoption and sale of our products in various geographic regions, potential tenders for permanent reservoir monitoring systems, future demand for OBX rental equipment, the adoption of Quantum's SADAR® product monitoring of subsurface reservoirs, the completion of new orders for channels of our GCL system, the fulfillment of customer payment obligations, the impact of and the recovery from the impact of the coronavirus (or COVID-19) pandemic, the impact of the current armed conflict between Russia and Ukraine, our ability to manage changes and the continued health or availability of management personnel, volatility and direction of oil prices, anticipated levels of capital expenditures and the sources of funding therefor, and our strategy for growth, product development, market position, financial results and the provision of accounting reserves. These forward-looking statements reflect our current judgment about future events and trends based on the information currently available to us. However, there will likely be events in the future that we are not able to predict or control. The factors listed under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended

September 30, 2023 September 30, 2024, as well as other cautionary language in such Annual Report and this Quarterly Report on Form 10-Q, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Such examples include, but are not limited to, the failure of the Quantum and OptoSeis® or Aquana technology transactions to yield positive operating results, decreases in commodity price levels, the continued adverse impact of COVID-19 which could reduce demand for our products, the failure of our products to achieve market acceptance (despite substantial investment by us), our sensitivity to short term backlog, delayed or cancelled customer orders, product obsolescence resulting from poor industry conditions or new technologies, bad debt write-offs credit losses associated with customer accounts, inability to collect on promissory notes, financing receivables, lack of further orders for our OBX rental equipment, failure of our Quantum products to be adopted by the border and security perimeter market or a decrease in such market due to governmental changes, and infringement or failure to protect intellectual property. The occurrence of the events described in these risk factors and elsewhere in this Quarterly Report on Form 10-Q could have a material adverse effect on our business, results of operations and financial position, and actual events and results of operations may vary materially from our current expectations. We assume no obligation to revise or update any forward-looking statement, whether written or oral, that we may make from time to time, whether as a result of new information, future developments or otherwise.

Business Overview

Unless otherwise specified, the discussion in this Quarterly Report on Form 10-Q refers to Geospace Technologies Corporation and its subsidiaries. We principally design and manufacture seismic instruments and equipment. These seismic products are marketed to the oil and gas industry and used to locate, characterize and monitor hydrocarbon producing reservoirs. We also market our seismic products to other industries for vibration monitoring, border and perimeter security and various geotechnical applications. We design and manufacture other products of a non-seismic nature, including water meter products, imaging equipment, remote shutoff water valves and Internet of Things ("IoT") platform and provide contract manufacturing services. We report and categorize our customers and products into three different segments: Oil and Gas Markets, Adjacent Markets and Emerging Markets. In recent years, the revenue contribution from our Adjacent Markets segment has grown to represent nearly half of our total revenue, which is reflective of our diversification strategy.

Demand for our seismic products targeted at customers in our Oil and Gas Markets segment has been, and will likely continue to be, vulnerable to downturns in the economy and the oil and gas industry in general. For more information, please refer to the risks discussed under the heading “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended September 30, 2023.

Available Information

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (“SEC”). Our SEC filings are available to the public over the internet at the SEC’s website at www.sec.gov. Our SEC filings are also available to the public on our website at www.geospace.com. From time to time, we may post investor presentations on our website under the “Investor Relations” tab. Please note that information contained on our website, whether currently posted or posted in the future, is not a part of this Quarterly Report on Form 10-Q or the documents incorporated by reference in this Quarterly Report on Form 10-Q.

Overview

Unless otherwise specified, the discussion in this Quarterly Report on Form 10-Q refers to Geospace Technologies Corporation and its subsidiaries. We design and manufacture sophisticated technology solutions for applications in energy exploration, smart water management as well as industrial and Internet of Things. Our seismic equipment and services are marketed to the energy exploration industry and used to locate, characterize and monitor hydrocarbon producing reservoirs. We also market our seismic products to other industries for vibration monitoring, border and perimeter security and various geotechnical applications. We design and manufacture other products of a non-seismic nature, including water meter connector cables, imaging equipment, remote shutoff water valves and Internet of Things ("IoT") platform. Additionally, the company provides specialized contract manufacturing services. In recent years, the revenue contribution from our non-energy related products has grown to represent nearly half of our total revenue. Our business diversification strategy has centered largely on translating expertise in ruggedized engineering and technology manufacturing into expanded customer markets.

Effective October 1, 2024, the Company changed the composition of its three operating business segments and changed its methodology for allocating manufacturing costs including overhead and other costs of revenue to the segments. The business segments are now comprised of: Smart Water, Energy Solutions and Intelligent Industrial. The change methodology for allocating manufacturing costs affected each segment's operating income (loss) but had no effect on consolidated operating income.

Products and Product Development

Oil and Gas Markets Smart Water

Our Oil Smart Water business segment comprises our market dominant water meter connector cable series known as Hydroconn®, and Gas Markets our Aquana branded remote shut-off water valves and cloud-based IoT Platform. In municipal and utility applications, our smart water products support the global smart meter connectivity water utility market. These products provide our customers with highly reliable automated meter-reading and automated meter infrastructure with our robust water-proof connectors. Our highly-ruggedized outdoor valves include the AquaFlex™ and AquaFlow™ remote shut off valves.

In commercial applications for multi-family and real estate property management, our remote sensing water valves offer asset managers the ability to gather accurate usage information, implement occupancy-based billing and submetering as well as guard against costly leak and burst events. The AquaSense remote disconnect valve and AquaControl smart water IoT platform allow customers that manage multi-family and commercial properties to monitor their properties for leak and burst events, with real-time notifications, complimented with our remote-shut off to stop water damage. These products also allow water utilities to control and monitor water use remotely, discontinue or limit service without placing its employees in potential harm or danger.

Energy Solutions

Our Energy Solutions business segment has historically accounted for the majority of our revenue. Geoscientists use seismic data primarily in connection with the exploration, development and production of oil and gas reserves to map potential and known hydrocarbon bearing formations and the geologic structures that surround them. This segment's products include wireless seismic data acquisition systems, reservoir characterization products and services, and traditional seismic exploration products such as geophones, hydrophones, leader wire, connectors, cables, marine streamer retrieval and steering devices and various other seismic products. We believe that our Oil and Gas Markets products are among the most technologically advanced instruments and equipment available for seismic data acquisition.

Traditional Products

An energy source and a data recording system are combined to acquire seismic data. We provide many of the components of seismic data recording systems, including geophones, hydrophones, multi-component sensors, leader wire, geophone strings, connectors, seismic telemetry cables and other seismic related products. On land, our customers use geophones, leader wire, cables and connectors to receive and measure seismic reflections resulting from an energy source into data recording units, which store the seismic information for subsequent processing and analysis. In the marine environment, large ocean-going vessels tow long seismic cables known as "streamers" containing hydrophones that are used to detect pressure changes. Hydrophones transmit electrical impulses back to the vessel's data recording unit where the seismic data is stored for subsequent processing and analysis. Our marine seismic products also help steer streamers while being towed and help recover streamers if they become disconnected from the vessel.

Our seismic sensor, cable and connector products are compatible with most major competitive seismic data acquisition systems currently in use. Revenue from these products results primarily from seismic contractors purchasing our products as components of new seismic data acquisition systems or to repair and replace components of seismic data acquisition systems already in use.

Wireless Products

We have developed multiple versions of a land-based wireless (or nodal) seismic data acquisition system. Rather than utilizing interconnecting cables as required by system including our most traditional land data acquisition systems, each recent launch of the Pioneer™, an ultralight wireless sensor product. We believe our wireless stations operate as an independent data collection system, allowing for virtually unlimited channel configurations. As a result, our wireless sensor systems require less maintenance, which we believe allows our customers to operate more effectively and efficiently because of its reduced environmental impact, lower weight, and ease of operation. Each wireless station is available in a single-channel or three-channel configuration. operation, and which require less maintenance.

We have also developed a marine-based wireless seismic data acquisition system called the OBX, and recently released Mariner™ Mariner® and Mariner Deep™. Similar to our land-based wireless systems, these marine wireless systems may be deployed in virtually unlimited channel configurations and do not require interconnecting cables between each station. We have two versions of OBX nodal stations: a shallow water version that can be used in depths up to 750 meters and a deepwater version that can be deployed in depths of up to 3,450 meters. Through June 30, 2024 December 31, 2024, we have sold 14,000 35,000 OBX stations and we currently have 27,000 13,000 OBX stations in our rental fleet. The Mariner™ Mariner® is a continuous, cable-free, four channel autonomous, shallow water ocean bottom recorder. Mariner™ is the next generation node recorder designed for extended duration seabed ocean bottom seismic data acquisition. The slim profile nodes, which are part of our shallow water stations, are ideally deployed as deep as 750 meters. The device continuously records for up to 70 days and offers more rapid recharging times. Its slim profile creates space savings on seismic survey vessels, allowing contractors to fit up to 25% more nodes into a download/charge container. Through June 30, 2024 December 31, 2024, we have sold 7,600 Mariner™ Mariner® nodes.

Reservoir Products

Seismic surveys repeated over selected time intervals show dynamic changes within a producing oil and gas reservoir, and operators can use these surveys to monitor the effects of oil and gas development and production. This type of Additionally, we have developed high-definition permanent reservoir monitoring requires special purpose or custom designed systems in which portability becomes less critical and functional reliability assumes greater importance. This reliability factor helps assure successful operations in inaccessible locations over a considerable period of time. Additionally, reservoirs located in deep water or harsh environments require special instrumentation and new techniques to maximize recovery. Reservoir monitoring also requires high-bandwidth, high-resolution seismic data for engineering project planning and reservoir management. Utilizing these reservoir monitoring tools, producers can enhance the recovery of oil and gas deposits over the life of a reservoir.

We have developed permanently installed high-definition reservoir monitoring systems ("PRM") for land and ocean-bottom applications in producing oil and gas fields. Our electrical reservoir monitoring systems are currently installed on numerous offshore reservoirs in the North Sea and elsewhere. Through our acquisition of the primary offering, OptoSeis® fiber optic sensing technology, we now offer both electrical and fiber optic reservoir monitoring systems. These provides high-definition seismic data acquisition systems have with a flexible architecture allowing them to be configured as a subsurface system for both land and marine reservoir-monitoring projects. We are in the process of responding to a large-scale seabed PRM tender from a major oil and gas producer. The scalable architecture project is expected to be awarded in the third quarter of these systems enables custom designed configuration fiscal year 2025. We have also entered into a contract for applications ranging from low-channel engineering two Front-End Engineering and environmental-scale surveys requiring Design studies with this producer which is expected to be completed in the fourth quarter of fiscal year 2025. We have not received any orders for a minimum number of recording channels to high-channel surveys required to efficiently conduct permanent reservoir monitoring ("PRM"). The modular architecture of these products allows virtually unlimited channel expansion for these systems. large-scale seabed PRM system since 2012.

In the spring of 2023, we released We also have a derivative of the OptoSeis® technology for high temperature downhole applications. The product known as Insight by OptoSeis offers a passive, all-optical downhole sensor network - no electronics downhole - resulting in years long operational lifetime at 150 °C.

In addition, we We also produce a seismic borehole acquisition systems that employ a fiber optic augmented wireline capable of very high data transmission rates. These systems are used for several reservoir monitoring applications, including an application pioneered by us allowing operators and service companies to monitor and measure the results of hydraulic fracturing operations.

We believe Lastly, our reservoir characterization products make SADAR® technology provides passive seismic acquisition a cost-effective real-time monitoring in emerging energy applications such as Carbon Capture and reliable process for reservoir monitoring. Storage (CCS) and geothermal energy. Our multi-component seismic product developments also customers include an omni-directional geophone for use in reservoir monitoring, a compact marine three-component or four-component gimbaled sensor and special-purpose connectors, connector arrays and cases.

We have maintained active discussions with multiple potential clients for future PRM systems. In July 2024, we received requests for bids on Front-End Engineering and Design studies from a major oil and gas producer issued ahead of PRM tenders that may follow. These are multistage, large-scale opportunities. We have not received any orders for a large-scale seabed PRM system since November 2012.

Adjacent Markets

Our Adjacent Markets businesses leverage upon existing manufacturing facilities and engineering capabilities utilized by our Oil and Gas Markets businesses. Many various agencies of the U.S. government including the Department of Defense, Department of Energy, Department of Homeland Security and other agencies as well as energy companies needing real-time monitoring of seismic products in our Oil and Gas Markets segment, with little or no modification, have direct application to other industries.

Our business diversification strategy has centered largely on translating expertise in ruggedized engineering and manufacturing into expanded customer markets. To bolster the solid market share we have established in the water utility market for water meter cables, in fiscal year 2021, we acquired the smart water IoT company, Aquana.

Industrial Products

Our industrial products include water meter products, remote shut-off water valves and IoT Platform, contract manufacturing services and seismic sensors used for vibration monitoring.

Our water meter products support the global smart meter connectivity water utility market. Our products provide our customers with highly reliable automated meter-reading and automated meter infrastructure with our robust water-proof connectors. Our field splice kits allow for accelerated repairs once identified.

Our remote disconnect values and water IoT platform allows customers that manage multi-family and commercial properties to monitor their properties for leak and burst events, with real-time notifications, complimented with our remote-shut off to stop water damage. These products also allow water utilities to control and monitor water use remotely, discontinue or limit service without placing its employees in potential harm or danger.

Our robust manufacturing capabilities have allowed us to provide specialized contract manufacturing services for printed circuit board manufacturing, cabling and harnesses, machining, injection molding and electronic system assembly. data.

Intelligent Industrial

Our Intelligent Industrial segment is comprised of diverse software and hardware solutions leveraging decades of sensor technologies for use by the U.S. Federal government, specialized contractors and academia. This segment also includes specialized contract manufacturing in the United States along with solutions for industrial screen printers.

For more than a decade our sensor products have been used for national security and homeland defense applications. More recently our SADAR® technology, has been used for border and perimeter security surveillance, cross-border tunneling detection and other products targeted at movement monitoring, intrusion detection and situational awareness.Our seismic sensors provide unique high definition, low frequency sensing that allows for vibration monitoring in industrial machinery, mine safety and earthquake detection.

Imaging Products

Our imaging products include electronic pre-press products that employ direct thermal imaging, direct-to-screen printing systems, and digital inkjet printing technologies targeted at the commercial graphics, industrial graphics, textile and flexographic printing industries.

Emerging Markets

Our Emerging Markets business segment consists entirely robust manufacturing capabilities have allowed us to provide specialized contract manufacturing services for printed circuit board manufacturing, cabling and harnesses, machining, injection molding and electronic system assembly. We are certified to the latest revisions of our Quantum business. Quantum's product line includes a proprietary detection system called SADAR®, which detects, locates ISO9001, 14001, 13485, and tracks items of interest in real-time. Using the SADAR® technology, Quantum designs AS9100 standards and sells products used for border are committed to quality manufacturing, document and perimeter security surveillance, cross-border tunneling detection and other products targeted at movement monitoring, intrusion detection and situational awareness. SADAR's technology also provides passive seismic real-time monitoring in emerging energy applications such as Carbon Capture and Storage (CCS) and geothermal energy. Quantum's customers include various agencies of the U.S. government including the Department of Defense, Department of Energy, Department of Homeland Security and other agencies process control, qualification, non-conformance handling as well as energy companies needing real-time monitoring continuous improvement. We maintain environmentally sound working conditions in all of seismic data. our facilities.

Consolidated Results of Operations

We report and evaluate financial information for three segments: Oil Smart Water, Energy Solutions, and Gas Markets, Adjacent Markets and Emerging Intelligent Industrial Markets. Summary financial data by business segment follows (in thousands):

	Three Months Ended		Nine Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June
Oil and Gas Markets				
Traditional exploration product revenue	$ 2,005	$ 3,363	$ 7,316	$
Wireless exploration product revenue	6,978	13,786	52,291	
Reservoir product revenue	191	523	323	
Total revenue	9,174	17,672	59,930	
Income (loss) from operations	(2,302)	3,238	9,126	
Adjacent Markets				
Industrial product revenue	13,025	11,678	28,492	
Imaging product revenue	2,945	3,184	9,528	
Total revenue	15,970	14,862	38,020	
Income from operations	4,661	4,346	9,491	
Emerging Markets				
Revenue	640	109	1,987	
Loss from operations	(1,148)	(1,047)	(2,424)	
Corporate				
Revenue	74	72	223	
Operating loss	(3,604)	(3,391)	(10,255)	
Consolidated Totals				
Revenue	25,858	32,715	100,160	
Income (loss) from operations	(2,393)	3,146	5,938	

	Three Months Ended	
	December 31, 2024	December 31, 2023
Smart Water		
Product revenue	$ 7,288	$ 4,234
Income from operations	370	1,095
Energy Solutions		
Product revenue	19,826	33,706
Rental revenue	4,456	6,205
Total revenue	24,282	39,911
Income from operations	13,282	15,068
Intelligent Industrial		
Product revenue	5,531	5,774
Rental revenue	46	39
Total revenue	5,577	5,813
Loss from operations	(940)	(191)
Corporate		
Rental revenue	76	74
Loss from operations	(4,877)	(3,135)
Consolidated Totals		
Product revenue	32,645	43,714
Rental revenue	4,578	6,318
Total revenue	37,223	50,032
Income from operations	7,835	12,837

Business Overview

Although Growing industry acceptance of our water meter cables and connectors provides a strong enabler for additional revenue from our Smart Water segment. Automatic meter reading efficiencies in an already depressed operations and improved customer service has begun to be understood by the municipalities of the United States. We expect this portion of our business to continue to grow for the foreseeable future. Additionally, we anticipate this segment to see revenue contributions from our Aquana smart water valve and IoT technology products as market traction and increased sales backlog continues to gather. Given the well-known and often extreme volatility experienced in our Energy Solutions segment, careful expansion of products and market diversity in our Smart Water and Intelligent Industrial segments has been a longstanding part of our strategic vision and reflects our on-going diversification efforts.

Our Energy Solution segment saw a shift from rentals of our OBX marine wireless nodes to purchases of the equipment in fiscal year 2024, of which trend has continued into fiscal year 2025. This shift signifies our customer's recognition of future backlog to justify ownership versus renting the nodes. We do not expect significant expansion of the ocean bottom nodal market, for we expect the market is saturable and future rental fleet use will come from our customer's need to temporarily expand their nodal fleet. We expect our Energy Solutions segment to provide the majority of our revenue for years to come, but in diminishing portion to our other segments. Demand for our seismic products has been, and will likely continue to be, vulnerable to downturns in the economy and the oil and gas industry demand further decreased in February 2020, because of the oversupply of crude oil due general.

We continue to failed OPEC negotiations that led maintain a strong balance sheet with no debt. Our current liquidity enables our ability to a dramatic drop seek out business acquisitions, allows us to continue investments in crude oil prices when combined with the impact of the COVID-19 pandemic. These declines in the demand for oil capital assets and gas have caused oil product research and gas exploration and production companies to experience a significant reduction in cash flows, development, which have resulted in reductions in their capital spending budgets for oil and gas exploration-focused activities, including seismic data acquisition activities. Crude oil prices have stabilized over the past two years; however, a lag in time typically occurs between higher oil prices and greater demand for our Oil and Gas Markets segment products. We believe this lag is the result of exploration and production ("E&P") companies allocating their cash flow towards shareholder reward initiatives, such as stock buy-back programs and dividend payments, or in debt reduction. We believe this lag is a short-term trend that will continue until E&P companies decide to reinvest capital into exploration activities. As this lag persists, we expect the reduced levels of demand for our Oil and Gas Markets segment products. We also expect our land-based traditional and wireless products will continue to experience low levels of product demand until our customers consume their excess levels of underutilized equipment. As discussed below, we had a $30 million wireless product sale to a customer in the first quarter of fiscal year 2024. However, we do not currently anticipate another product sale this large for the remainder of fiscal year 2024.

In light of current market conditions, the inventory balances in our Oil and Gas Markets business segment at June 30, 2024 continued to exceed levels we consider appropriate for the current level of product demand. We are continuing to work aggressively to reduce these legacy inventory balances; however, we are also adding new inventories for new wireless product developments and for other product demand in our Adjacent Markets segment. During periods of excessive inventory levels, our policy has been, and will continue to be, to record obsolescence expense as we experience reduced product demand and as our inventories continue to age. Although the Oil and Gas Markets segment is seeing a recovery after experiencing difficult market conditions, we have been recording additional expenses for inventory obsolescence and will continue to do so in the future until product demand and/or resulting inventory turnover return to acceptable levels. historically driven revenue growth.

Armed Conflict Between Russia and Ukraine

A portion of our oil and gas product manufacturing is conducted by Geospace Technologies Eurasia LLC, our wholly-owned subsidiary based in the Russian Federation. Consequently, our oil and gas business could be directly affected by the current war between Russia and Ukraine. See Note 14 in this Quarterly Report on Form 10-Q for more information.

Coronavirus (COVID-19)

The ongoing COVID-19 pandemic has negatively impacted worldwide economic activity and continues to create challenges in our markets. The COVID-19 pandemic and the related mitigation measures have disrupted our supply chain, resulting in longer lead times in materials available from suppliers and extended shipping time for these materials to reach our facilities. The occurrence or resurgence of global or regional health events such as the COVID-19 pandemic, and the related government responses, could result in a material adverse effect on our business, financial condition, results of operations and liquidity. As such, we will continue to closely monitor COVID-19 and will continue to reassess our strategy and operational structure on a regular, ongoing basis.

Three and nine months ended June 30, 2024 December 31, 2024, compared to the three and nine months ended June 30, 2023 December 31, 2023

Consolidated revenue for the three months ended June 30, 2024 December 31, 2024, was $25.9 million $37.2 million, a decrease of $6.9 million $12.8 million, or 21.0% 25.6%, from the corresponding period of the prior fiscal year. The decrease was primarily due to lower revenue from our Energy Solutions segment. Revenue for the three months ended December 31, 2024, included a decrease $17 million OBX marine wireless product sale structured as a sales-type lease. However, in rental revenue due to lower utilization of our OBX rental fleet. Consolidated comparison, revenue for the nine months ended June 30, 2024, was $100.2 million, an increase of $5.0 million, or 5.2%, from the corresponding period first quarter of the prior fiscal year. The increase was largely due to year included a $30.0 million $30 million sale of our Mariner™ shallow water ocean bottom nodes nodes. The decrease in the first quarter of fiscal year 2024, which replaced a rental contract with the customer. We do not expect another product sale this large for the remainder of fiscal year 2024. The increase revenue from our Energy Solutions segment was largely partially offset by a decrease higher revenue generated from our Smart Water segment attributable to an increase in rental revenue due to lower utilization of demand for our OBX rental fleet. water meter products.

Consolidated gross profit for the three months ended June 30, 2024,was $8.5 million December 31, 2024, was $20.1 million, a decrease of $5.5 million $2.1 million, or 39.0%, from the corresponding period of the prior fiscal year. The increase in gross profit was primarily due to decrease in utilization of our OBX rental fleet. Consolidated gross profit for the nine months ended June 30, 2024,was $36.6 million, a decrease of $0.8 million, or 2.2% 9.4%, from the corresponding period of the prior fiscal year. The decrease in gross profit was primarily due to (i) the a decrease in utilization of wireless product revenue from our OBX rental fleet and (ii) a higher warranty accrual, primarily related to the Mariner™ sale. The Energy Solutions segment. This decrease was largely offset partially offset by a high gross profit margin on our Mariner™ $16 million wireless product sale in the first quarter of fiscal year 2024. 2025 and the increase in revenue from our Smart Water segment.

Consolidated operating expenses for the three months ended June 30, 2024,were $10.9 million December 31, 2024, were $12.3 million, an increase of $0.1 million $2.9 million, or 0.8% 31.0%, from the corresponding period of the prior fiscal year. The increase was primarily due to higher sales personnel costs, including severance costs, higher professional fees and marketing costs, primarily personnel costs. research and development project expenditures.

Consolidated operating expenses other income was $0.6 million for the nine three months ended June 30, 2024,were $30.7 million December 31, 2024, compared to a decrease loss of $0.8 million, or 2.6%, $0.1 million from the corresponding period of the prior fiscal year. The decrease was primarily due to lower personnel costs attributable to our workforce reduction in first quarter of fiscal year 2023, which included $0.4 million in employee termination costs.

In February 2023, we sold our property located at 7310 Langfield in Houston, Texas increase for a cash sales price of $3.7 million, net of closing costs of $0.3 million. We recognized a gain of $1.3 million from the sale in the second quarter of fiscal year 2023.

Consolidated other income for each of the three months ended June 30, 2024, and June 30, 2023, was $0.3 million. Consolidated other income for the nine months ended June 30, 2024 was $0.5 million, compared to $0.8 million from the corresponding period of the prior year. The decrease for the nine months ended June 30, 2024 December 31, 2024 was principally due to net foreign currency transaction losses, partially offset by an increase in higher interest income attributable to its short-term investments. investments and financing receivables.

Segment Results of Operations

Oil and Gas Markets Smart Water

Revenue

Revenue from our Oil and Gas Markets products Smart Water segment for the three months ended June 30, 2024 December 31, 2024, decreased $8.5 million increased $3.1 million, or 48.1% 72.1%, from the corresponding period of the prior fiscal year. The increase for the three months ended December 31, 2024, was primarily due to an increase in demand for our Hydroconn® cable and connector products.

Operating Income

Operating income from our Smart Water segment for the three months ended December 31, 2024, was $0.4 million, a decrease of $0.7 million, or 66.2%, from the corresponding period of the prior fiscal year. The decrease for the three months ended December 31, 2024, was primarily a result of the change in composition of our business segments. This decrease was largely offset by the increase in revenue.

Energy Solutions

Revenue

Revenue from our Oil and Gas Markets products Energy Solutions segment for the nine three months ended June 30, 2024 December 31, 2024, increased $3.7 million decreased $15.6 million, or 6.6% 39.2%, from the corresponding period of the prior fiscal year. The components of these changes this decrease were as follows:

- *Traditional Exploration Product Revenue* – For the three months ended June 30, 2024 December 31, 2024, product revenue from our traditional products decreased $1.4 million $13.9 million, or 40.4%, from the corresponding period of the prior fiscal year. For the nine months ended June 30, 2024, revenue from our traditional products decreased $2.2 million, or 23.1%, from the corresponding period of the prior fiscal year. The decrease for both periods was primarily due to a decrease in demand for our sensor and marine products.
- *Wireless Exploration Product Revenue* – For the three months ended June 30, 2024, revenue from our wireless exploration products decreased $6.8 million, or 49.4% 41.2%, from the corresponding period of the prior fiscal year. The decrease was primarily due to a decrease in rental demand for our wireless products. Revenue for the three months ended December 31, 2024 included a $17 million OBX marine wireless product sale structured as a sales-type lease. However, in comparison, revenue due to lower utilization for the first quarter of the prior year included a $30 million sale of our OBX rental fleet. Mariner™ shallow water ocean bottom nodes.
- *Rental Revenue* – For the nine three months ended June 30, 2024 December 31, 2024, rental revenue from our wireless exploration products increased $6.4 million decreased $1.7 million, or 13.9% 28.2%, from the corresponding period of the prior fiscal year. The increase decrease was primarily due to a $30.0 million sale of our Mariner™ shallow water ocean bottom nodes, in the first quarter of fiscal year 2024, which replaced a rental contract with the customer. The increase was partially offset by a decrease in rental revenue attributable to lower utilization of our OBX rental fleet.

Operating Income (Loss)

Operating income (loss) associated with our Oil and Gas Markets products Energy Solutions segment for the three months ended June 30, 2024 December 31, 2024, was $(2.3) million, a decrease of $5.5 million from the corresponding period of the prior fiscal year. The decrease was primarily due to lower wireless rental revenue and related gross profits due to a decrease in the utilization of our OBX rental fleet. Operating income associated with our Oil and Gas Markets products for the nine months ended June 30, 2024, was $9.1 million $13.3 million, a decrease of $0.7 million $1.8 million from the corresponding period of the prior fiscal year. The decrease in operating income for the nine three months ended June 30, 2024 December 31, 2024, was primarily due to lower wireless rental revenue and related gross profits due to a decrease in the utilization of our OBX rental fleet. The wireless product revenue. This decrease was partially largely offset by higher gross profits (i) a high profit margin on wireless our $17 million product sales, primarily related to the Mariner™ sale in the first quarter of fiscal year 2024. 2025 and (ii) the change in the composition of our business segments.

Adjacent Markets Intelligent Industrial

Revenue

Revenue from our Adjacent Markets products Intelligent Industrial segment for the three months ended June 30, 2024 December 31, 2024, increased $1.1 million decreased $0.2 million, or 7.5%, from the corresponding period of the prior fiscal year. Revenue from our Adjacent Markets products for the nine months ended June 30, 2024, decreased $0.4 million, or 1.0% 4.1%, from the corresponding period of the prior fiscal year. The components of these changes was as follows:

- *Industrial Product Revenue and Services* – For the three months ended June 30, 2024, decrease in revenue from our industrial products increased $1.3 million, or 11.5%, from the corresponding period of the prior fiscal year. The increase for the three months ended June 30, 2024, was primarily due to an increase in demand for our water meter products, partially offset by a decrease in demand for our contract manufacturing services. For the nine months ended June 30, 2024, revenue from our industrial products decreased $0.8 million, or 2.6%, from the corresponding period of the prior fiscal year. The decrease for the nine months ended June 30, 2024, was primarily due to lower demand for both our water meter products and contract manufacturing services.
- *Imaging Product Revenue* – For the three months ended June 30, 2024, revenue from our imaging products decreased $0.2 million, or 7.5%, from the corresponding period of the prior fiscal year. The decrease for the three months ended June 30, 2024, was primarily due to lower demand for our imaging equipment, For the nine months ended June 30, 2024, revenue from our imaging products increased $0.4 million, or 4.2%, from the corresponding period of the prior fiscal year. The increase for the nine months ended June 30, 2024, was primarily due to higher demand for our film products, partially offset by lower demand for our imaging equipment.

Operating Income

Operating income from our Adjacent Markets products for the three months ended June 30, 2024, was $4.7 million, an increase of $0.3 million, or 7.2%, from the corresponding period of the prior fiscal year. The increase for the three months ended June 30, 2024 was primarily due to (i) the increase in revenue and (ii) gross margin improvements from fully absorbing our fixed overhead. Operating income from our Adjacent Markets products for the nine months ended June 30, 2024 was $9.5 million, an increase of $0.3 million, or 3.7%, from the corresponding period of the prior fiscal year. The increase in operating income for nine months ended June 30, 2024 was primarily due to the gross margin improvements. The increase in operating income for both periods was partially offset by higher research and development expense.

Emerging Markets

Revenue

Revenue from our Emerging Markets products was $0.6 million for three months ended June 30, 2024, compared to $0.1 million from the corresponding period of the prior fiscal year. Revenue from our Emerging Markets products was $2.0 million for the nine months ended June 30, 2024, compared to $0.4 million from the corresponding period of the prior fiscal year. The increase in revenue for both the three and nine months ended June 30, 2024 December 31, 2024, was primarily due to revenue recognized on a $1.5 million government contract. No further revenue is expected on this contract. lower demand for our imaging products. The decrease was partially offset by an increase in demand for our sensor products.

Operating Loss

Operating loss from our Emerging Markets products Intelligent Industrial segment for the three months ended June 30, 2024 December 31, 2024, was $1.1 million $0.9 million, an increase of $0.1 million, or 9.6%, $0.7 million from the corresponding period in of the prior fiscal year. The increase in operating loss for the three months June 30, 2024 ended December 31, 2024, was primarily due to a (i) the decrease in gross profit caused by cost overruns on revenue and (ii) the change in composition of our $1.5 million government contract. Operating loss for the nine months ended June 30, 2024, was $2.4 million, a decrease of $0.8 million, or 25.8%, from the corresponding period of the prior fiscal year. The decrease in operating loss for the nine months ended June 30, 2024, was primarily due to lower personnel costs attributable to our workforce reduction in the first quarter of fiscal year 2023. business segments.

Liquidity and Capital Resources

At June 30, 2024 December 31, 2024, we had $42.5 million $22.1 million in cash and cash equivalents and short-term investments. For the nine three months ended June 30, 2024 December 31, 2024, we used $7.5 million $11.5 million of cash from operating activities. These uses Uses of cash included a (i) $5.8 million $3.0 million increase in inventories for the strategic purchase of long lead lead-time components needed for use in wireless products, valves and contract manufacturing, (ii) $3.0 million $3.6 million increase in trade accounts receivables due to timing of collections from customers and (iii) $0.7 million decrease in other liabilities due to the return of customer deposits and lower accrued employee compensation costs, partially offset by an increase in our product warranty accrual and (iii) $1.4 million decrease in trade accounts payable due to timing of payments to our suppliers. These uses Uses of cash were partially offset by off our net income of $6.3 million $8.4 million and net non-cash charges of $12.1 million $3.5 million resulting from deferred income taxes, depreciation, amortization, accretion, inventory obsolescence, stock-based compensation and provision for recovery of credit losses. Other sources of cash included a (i) $5.2 million decrease in trade accounts and notes receivable primarily due to the timing of collections from customers and (ii) $0.2 million decrease in other assets.

For the nine three months ended June 30, 2024 December 31, 2024, we generated cash of $3.9 million $6.3 million in investing activities. Sources of cash primarily consisted of $30.9 million (i) $9.7 million from the sale of short-term investments and (ii) $0.1 million of proceeds from the sale of rental equipment. Uses These sources of cash included were partially offset by (i) $15.3 million in purchases of short-term investments, net, (ii) $8.2 million for additions to our equipment rental fleet and (iii) $3.6 million $3.2 million for additions to our property, plant and equipment. equipment and (ii) $0.4 million for additions to our equipment rental fleet. We expect fiscal year 2025 cash investments in property, plant and equipment will be approximately $6 million. We expect fiscal year 2025 cash investments into our rental fleet will be approximately $12 million in fiscal year 2024. We expect limited unless we experience an expansion of customer demand of our cash investments in our property, plant and equipment will be approximately $5 million in fiscal year 2024. rental fleet. Our capital expenditures are expected to be funded from our cash on hand, short-term investments, internal cash flows, including cash flows from our rental contracts or, if necessary, borrowings under our new credit agreement.

For the nine three months ended June 30, 2024 December 31, 2024, we used $3.0 million million from financing activities for the purchase of treasury stock pursuant to a stock buy-back program authorized by our board of directors. The program authorizes us to repurchase up to $5 million $7 million of our common stock in open market transactions. At June 30, 2024 December 31, 2024, $2 million $0.4 million of our common stock remains available for repurchases under the program.

Our available cash, cash equivalents and short-term investments was $42.5 million at June 30, 2024, which included $3.4 million of cash and cash equivalents held by our foreign subsidiaries and branch offices, of which $2.0 million was held by our subsidiary in the Russian Federation. In response to sanctions imposed by the U.S. and other countries on the Russian Federation, the Russian government has imposed restrictions on companies' abilities to repatriate or otherwise remit cash from their Russian-based operations to locations outside of Russia. As a result, this cash can be used in our Russian operations, but we may be unable to transfer it out of Russia without incurring substantial costs, if at all. In addition, if we were to repatriate the cash held by our Russian subsidiary, we would be required to accrue and pay taxes on any amount repatriated.

On July 26, 2023, we entered into a credit agreement (“the Agreement”) with Woodforest National Bank ("Woodforest"), as sole lender. The Agreement refinanced our credit agreement dated May 6, 2022, with Amerisource Funding, Inc., as administrative agent and as a lender, and Woodforest, National Bank, as a lender. The Agreement provides a revolving credit facility with a maximum availability of $15 million. Availability under the Agreement is determined based upon a borrowing base comprised of certain of our domestic assets which include (i) 80% of eligible accounts receivable, plus (ii) 90% of eligible foreign insured accounts, plus (iii) 25% of eligible inventory plus (iv) 50% of the orderly liquidation value of eligible equipment, in each case subject to certain limitations and adjustments. Interest shall accrue on outstanding borrowings at a rate equal to Term SOFR (Secured Overnight Financing Rate) plus a margin equal to 3.25% per annum. annum (7.75% at December 31, 2024). We are required to make monthly interest payments on borrowed funds. The Agreement is secured by substantially all of our assets, except for certain excluded property. The Agreement requires us to maintain a minimum (i) consolidated tangible net worth of $100 million, (ii) liquidity of $5 million, and (iii) current ratio no less than 2.00 to 1.00, in each case tested quarterly. The Agreement also requires us to maintain a springing minimum interest coverage ratio of 1.50 to 1.00, tested quarterly whenever there is an outstanding balance on the revolving credit facility. The Agreement expires in July 2025. We intend to begin negotiations with Woodforest for an extension in the second quarter of fiscal year 2025.

At June 30, 2024 December 31, 2024 we had no outstanding borrowings under the Agreement and our borrowing base availability under the Agreement was $14.9 million $12.1 million after consideration of a $0.1 million outstanding letter of credit. We were in compliance with all covenants under the Agreement. We do not currently anticipate the need to borrow under the Agreement, however, we may decide to do so in the future, if needed.

Our total available cash, cash equivalents and short-term investments increased $8.8 million during the nine months ended June 30, 2024 was $22.1 million at December 31, 2024, largely due to the collection which included $0.9 million of an account receivable related to cash and cash equivalents held by our first quarter 2024 Mariner™ sale. foreign subsidiaries and branch offices. In the absence of future profitable results of operations, we may need to rely on other sources of liquidity to fund our future operations, including executed rental contracts, available borrowings under the Agreement through its expiration in July 2025, sales or leveraging real estate assets, sales of rental assets and other liquidity sources which may be available to us. We currently believe that our cash cash equivalents and short-term investments will be sufficient to finance any future operating losses and planned capital expenditures through the next twelve months.

We do not have any obligations which meet the definition of an off-balance sheet arrangement, and which have or are reasonably likely to have a current or future effect on our financial statements or the items contained therein that are material to investors.

Contractual Obligations

Contingent Compensation Costs

In connection with the acquisition of Aquana in July 2021, we are subject to additional contingent cash payments to the former members of Aquana over a six-year earn-out period. The contingent payments, if any, will be derived from certain eligible revenue generated during the earn-out period from products and services sold by Aquana. There is no maximum limit to the contingent cash payments that could be made. The merger agreement with Aquana requires the continued employment of a certain key employee and former member of Aquana for the first four years of the six year earn-out period for any of Aquana's former members to be eligible to any earn-out payments. In accordance with ASC 805, *Business Combination*s, due to the continued employment requirement, no liability has been recorded for the estimated fair value of contingent earn-out payments for this transaction. Earn-outs achieved if any, will be are recorded as compensation expense when incurred.

See Note 11 to our consolidated financial statements in this Quarterly Report on Form 10-Q for more information on our contractual contingencies.

Critical Accounting Estimates

During the nine three months ended June 30, 2024 December 31, 2024, there has been no material change to our critical accounting estimates discussed in Item 7 of our Annual Report on Form 10-K for the fiscal year ended September 30, 2023 September 30, 2024.

Recent Accounting Pronouncements

Please refer to Note 1 to our consolidated financial statements contained in this Quarterly Report on Form 10-Q for a discussion of recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item, in accordance with Item 305(e) of Regulation S-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining a system of disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified under the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). Notwithstanding the foregoing, there can be no assurance that our disclosure controls and procedures will detect or uncover all failures of persons within our Company and consolidated subsidiaries to report material information otherwise required to be set forth in our reports.

In connection with the preparation of this Quarterly Report on Form 10-Q, we carried out an evaluation under the supervision and with the participation of our management, including the CEO and CFO, as of June 30, 2024 December 31, 2024, of the effectiveness of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on that evaluation, the CEO and CFO concluded that our disclosure controls and procedures were effective as of June 30, 2024 December 31, 2024.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) during the fiscal quarter ended June 30, 2024 December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1A. Risk Factors

Increases in Tariffs, Trade Restrictions or Taxes on our Products Could Have an Adverse Impact on our Operations.

Approximately half of our revenue is generated from customers outside of the U.S. We also purchase a portion of our raw materials from suppliers in China and other foreign countries. The commerce we conduct in the international marketplace makes us subject to tariffs, trade restrictions and other taxes when the raw materials we purchase, and the products we ship, cross international borders. Trade tensions between the United States and China, as well as those between the U.S. and Canada, Mexico and other countries have been escalating in recent years. In addition, the transition to a new presidential administration in the United States could further impact our business and operations, due to potential trade wars as a result of the implementation of tariffs or otherwise. Historically, trade tensions have led to a series of tariffs imposed by the U.S. on imports from China, as well as retaliatory tariffs imposed by China on imports from the U.S. If the U.S. and China are able to negotiate the issues to restore a mutually advantageous and fair trading regime, the increased tariffs could be eliminated. Certain raw materials we purchase from China are subject to these tariffs which has increased our manufacturing costs. Products we sell into certain foreign markets could also become subject to similar retaliatory tariffs, making the products we sell uncompetitive to similar products not subjected to such import tariffs. Further changes in U.S. trade policies, tariffs, taxes, export restrictions or other trade barriers, or restrictions on raw materials including rare earth minerals, may limit our ability to produce products, increase our manufacturing costs, decrease our profit margins, reduce the competitiveness of our products, or inhibit our ability to sell products or purchase raw materials, which could have a material adverse effect on our business, results of operations or financial conditions. Moreover, the change in presidential administration, as well as a transition of control in the U.S. House of Representatives and U.S. Senate, creates regulatory uncertainty and it remains unclear as to the tariff related impact the future geopolitical climate will bring to our operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information with respect to purchases of common stock of the Company made during the three months ended June 30, 2024 December 31, 2024:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate D Shares that Purchased Und (1
April 1, 2024 through April 30, 2024	$ —	$ —	$ —	
May 1, 2024 through May 31, 2024	145,638	10.25	145,638	
June 1, 2024 through June 30, 2024	145,837	10.24	145,837	

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximat of Shares Be Purchas Prog
October 1, 2024 through October 31, 2024	—	$ —	—	$
November 1, 2024 through November 30, 2024	—	—	—	
December 1, 2024 through December 31, 2024	19,994	9.98	19,994	

(1) On May 9, 2024, the Company's Board of Directors of the Company (the "Board") authorized a stock repurchase program (the "Program") under which the Company may repurchase up to $5 million of its outstanding stock. On August 8, 2024, the Board approved an extension to the Program increasing the dollar amount of shares allowed to be purchased to $7 million. Under the repurchase program, Program, the Company may purchase shares of common stock on a discretionary basis from time to time through open market transactions through block trades, in privately negotiated transactions and pursuant to any trading plan that may be adopted by the Company's management in accordance with Rule 10b5-1 of the Exchange Act, or otherwise. The timing and number of shares repurchased will depend on a variety of factors, including stock price, trading volume, and general business and market conditions. The repurchase program Program has no time limit, does not obligate the Company to acquire a specified number of shares and may be modified, suspended or discontinued at any time at the Company's discretion. The repurchase plan will be funded using existing cash or future cash flow.

Item 6. Exhibits

The following exhibits are filed with this Report on Form 10-Q or are incorporated by reference

10.1*	Employment Termination Agreement dated January 1, 2025 between the Company and Walter R. Wheeler.
3.1	Amended and Restated Certificate of Formation of Geospace Technologies Corporation (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, filed May 8, 2015).
3.2	Amended and Restated Bylaws of Geospace Technologies Corporation (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed August 8, 2019).
31.1*	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities and Exchange Act of 1934.
31.2*	Certification of the Chief Financial Officer pursuant Rule 13a-14(a) under the Securities and Exchange Act of 1934.
32.1**	Certification of the Chief Executive Officer pursuant 18 U.S.C. Section 1350.

32.2**	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350.
101*	The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 December 31, 2024, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) the Consolidated Balance Sheets at June 30, 2024 December 31, 2024 and September 30, 2023 September 30, 2024 , (ii) the Consolidated Statements of Operations for the three and nine months ended June 30, 2024 December 31, 2024 and 2023, (iii) the Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended June 30, 2024 December 31, 2024 and 2023, (iv) the Consolidated Statements of Stockholders' Equity for the three and nine months ended June 30, 2024 December 31, 2024 and 2023, (v) the Consolidated Statements of Cash Flows for the nine three months ended June 30, 2024 December 31, 2024 and 2023 and (vi) Notes to Consolidated Financial Statements.
104*	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 December 31, 2024 formatted in Inline XBRL and contained in Exhibit 101.

* Filed with this Quarterly Report on Form 10-Q

** Furnished with this Quarterly Report on Form 10-Q

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GEOSPACE TECHNOLOGIES CORPORATION

Date:	August 9, 2024 February 6, 2025	By:	/s/ Walter R. Wheeler Richard J. Kelley Walter R. Wheeler, Richard J. Kelley, President and Chief Executive Officer (duly authorized officer)
Date:	August 9, 2024 February 6, 2025	By:	/s/ Robert L. Curda Robert L. Curda, Vice President, Chief Financial Officer and Secretary (principal financial officer)

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Exhibit 31.1

CERTIFICATIONS

I, Walter R. Wheeler, Richard J. Kelley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Geospace Technologies Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 9, 2024 February 6, 2025

/s/ Walter R. Wheeler Richard J. Kelley

Name:	Walter R. Wheeler Richard J. Kelley
Title:	President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Robert L. Curda, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Geospace Technologies Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 9, 2024 February 6, 2025

/s/ Robert L. Curda

Name:	Robert L. Curda
Title:	Vice President, Chief Financial Officer & Secretary

Exhibit 32.1

Informational Addendum to Report on Form 10-Q
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Not Filed Pursuant to the Securities Exchange Act of 1934

The undersigned President and Chief Executive Officer of Geospace Technologies Corporation does hereby certify as follows:

Solely for the purpose of meeting the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, and solely to the extent this certification may be applicable to this Report on Form 10-Q, the undersigned hereby certifies that this Report on Form 10-Q fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in this Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Geospace Technologies Corporation.

/s/ Walter R. Wheeler Richard J. Kelley

Name:	Walter R. Wheeler Richard J. Kelley
Title:	President and Chief Executive Officer

August 9, 2024 February 6, 2025

Exhibit 32.2

Informational Addendum to Report on Form 10-Q
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Not Filed Pursuant to the Securities Exchange Act of 1934

The undersigned Vice President, Chief Financial Officer and Secretary of Geospace Technologies Corporation does hereby certify as follows:

Solely for the purpose of meeting the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, and solely to the extent this certification may be applicable to this Report on Form 10-Q, the undersigned hereby certifies that this Report on Form 10-Q fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in this Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Geospace Technologies Corporation.

/s/ Robert L. Curda

Name: Robert L. Curda

Title: Vice President, Chief Financial Officer & Secretary

August 9, 2024 February 6, 2025

Exhibit 10.1

EMPLOYMENT TERMINATION AGREEMENT

This Employment Termination Agreement (this "Agreement") is executed as of December 31st 2024, and effective January 1, 2025 (the "Effective Date"), between Geospace Technologies Corporation (the "Company") and Walter R. Wheeler ("Mr. Wheeler"). The Company and Mr. Wheeler are sometimes referred to herein individually as a "party" and collectively as the "parties."

WHEREAS, Mr. Wheeler's full-time employment with the Company, including as Chief Executive Officer of the Company, shall terminate effective at the close of business on December 31, 2024; and

WHEREAS, the Company desires to protect and preserve its confidential information, trade secrets, and business practices from revelation to any other person including but not limited to existing or potential competitors; and

WHEREAS, Mr. Wheeler agrees to hold such information in strict confidence and in accordance with the terms and conditions contained in this Agreement;

NOW, THEREFORE, for valuable consideration given and received, the receipt and sufficiency of which are hereby acknowledged, the parties hereto intending to be legally bound, do hereby agree as follows:

I. TERMINATION COMPENSATION.

Section 1.1 Termination Payment. In conjunction with Mr. Wheeler's termination, the Company agrees to pay Mr. Wheeler an amount equal to his annual cash salary for 2024 as recorded in the Company's payroll records. This amount shall be paid six-months after the date of his termination on July 1, 2025. Such payment shall be subject to "claw back" and repayment in full or in part to the Company should Mr. Wheeler breach any term or condition contained in this Agreement or any term or condition of any other agreement between Mr. Wheeler and the Company.

Section 1.2 Potential Bonus Payment. Given the timing of Mr. Wheeler's termination of employment with the Company and the fact that he will be eligible to receive a bonus under the Company's short-term bonus program based on the Company's performance during calendar year 2024, Mr. Wheeler acknowledges that there will be no additional bonus due with respect to calendar year 2025.

II. TREATMENT OF OUTSTANDING EQUITY AWARDS.

Section 2.1 Vesting of Outstanding Equity Awards. For purposes of the restricted stock and restricted stock unit awards set forth in Exhibit A hereto (the "Equity Awards") that were previously granted to Mr. Wheeler under the Geospace Technologies Corporation 2014 Long Term Incentive Plan (the "Plan"), the Company agrees to fully vest as of January 1, 2025 all remaining unvested shares in conjunction with Mr. Wheeler's termination of employment.

III. TERM; TERMINATION

Section 3.1 Term. This Agreement shall commence on the Effective Date and shall continue for one year.

Section 3.2 Termination. Notwithstanding the foregoing, the Company shall have the right to immediately terminate this Agreement for cause or discontinue any payments hereunder if Mr. Wheeler breaches any provision of this Agreement or any provision of any other agreement between Mr. Wheeler and the Company.

IV. NO OTHER BENEFITS

Section 4.1 No Other Benefits. Except as provided in Section 1.1 (with respect to the termination payment) and Section 2.1 (with respect to previously granted and unvested awards under the Plan), from and after the Effective Date the parties acknowledge that Mr. Wheeler shall not be entitled to participate as an active employee in any insurance or other benefit programs of the Company which may be applicable to active employees of the Company. From and after the Effective Date the Company will not provide to Mr. Wheeler any additional health insurance, worker's compensation insurance, unemployment insurance, retirement plans, or any other benefits as an active employee.

Section 4.2 No Vacation; Sick Leave. The Company shall pay Mr. Wheeler for no more than 160 hours of unused vacations, sick leave, or other leave not used prior to the Effective Date.

V. TAX OBLIGATIONS

Section 5.1 Taxes. For all payments made pursuant this Agreement, including vesting of any unvested Equity Awards under Section 2.1, whether made in cash or by vesting of equity awards, Mr. Wheeler acknowledges that the Company will be entitled to withhold any taxes the Company is required by applicable law to withhold from such payments as required by applicable law (including, for the avoidance of doubt, as provided in the Plan with respect to vesting of the Equity Awards). Mr. Wheeler accepts and acknowledges that he is responsible for all applicable city, state, federal, and other taxes as required pursuant to any law or governmental regulation or ruling for said payments made under this Agreement. The Company shall report all compensation paid to Mr. Wheeler hereunder on IRS Form W-2 as required by applicable tax law.

VI. UNAUTHORIZED DISCLOSURE

Section 6.1 Unauthorized Disclosure. Mr. Wheeler acknowledges that during Mr. Wheeler's history with the Company, Mr. Wheeler has been exposed to and has received information relating to the confidential affairs of the Company and its affiliates, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing, expansion plans, business policies and practices of the Company and its affiliates and other forms of information considered by the Company and its affiliates to be confidential or in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, formulas, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the "Confidential Information"). Mr. Wheeler agrees that at all times during the term of this Agreement, Mr. Wheeler shall not disclose such Confidential Information, either directly or indirectly, to any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof (each, a "Person") without the express prior written consent of the Company and shall not use or attempt to use any such information in any manner unless required by applicable law to disclose such information, in which case Mr. Wheeler shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible to the extent such disclosure may be made under applicable law. This confidentiality covenant has no temporal, geographical or territorial restriction. Mr. Wheeler acknowledges that prior to the Effective Date, to the extent requested by the Company, Mr. Wheeler has returned to the Company all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been produced by, received by or otherwise submitted to Mr. Wheeler during his employment with the Company and that belongs to or relates to the Company, and any copies thereof in his (or capable of being reduced to his) possession; provided, however, that Mr. Wheeler may retain his full rolodex or similar address and telephone directories.

VII. RELEASE AND COVENANT NOT TO SUE.

Section 7.1 Mr. Wheeler, on behalf of himself and his heirs and representatives, hereby irrevocably and unconditionally releases, waives and forever discharges the Company, and its predecessors and successors, assigns, stockholders, subsidiaries, parents, affiliates, officers, directors, trustees, employees, agents and attorneys, past and present and in their respective capacities as such, and their heirs, administrators, estates, representatives, and beneficiaries, successors, and permitted assigns (the Company and each such person or entity is each referred to as a "Released Person") from all existing, past and present, known and unknown claims, demands, and causes of action, damages and remedies of any nature, which have accrued or which may ever accrue to Mr. Wheeler, or to the Mr. Wheeler's past, present, and future agents, heirs, executors, legal representatives, successors, or assigns, resulting from or relating to any act or omission occurring on or before the date of Mr. Wheeler's execution of this Agreement (a) pertaining to Mr. Wheeler's employment relationship with the Company and its affiliates; (b) concerning the terms and conditions of Mr. Wheeler's employment with the Company; (c) concerning Mr. Wheeler's conduct occurring in the course and scope of his employment with the Company; or (d) concerning Mr. Wheeler's termination of employment with the Company, save and except as provided below. This release includes, but is not limited to, any and all claims of race discrimination, sexual discrimination, national origin discrimination, religious discrimination, disability discrimination, age discrimination and unlawful retaliation and any and all claims under the following: Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq.; Civil Rights Act of 1866, 42 U.S.C. § 1981 et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601, et seq.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. 2010, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101, et seq.; the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act, 29 U.S.C. § 621, et seq.; Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001, et seq.; Rehabilitation Act of 1973, 29 U.S.C. § 706, et seq.; Chapter 21 of the Texas Labor Code; Chapter 61 of the Texas Labor Code; Chapter 451 of the Texas Labor Code; any other state, municipal and other local anti-discrimination statutes; any and all claims for alleged breach of an express or implied contract; any and all tort claims including, but not limited to, alleged retaliation for assertion of workers' compensation rights; any and all claims under workers' compensation law; and any and all claims for attorney's fees.

Section 7.2 Mr. Wheeler expressly represents that he has not filed a lawsuit or initiated any other administrative proceeding against a Released Person and that he has not assigned any claim against a Released Person. Mr. Wheeler further promises not to initiate a lawsuit or to bring any other claim against any Released Person arising out of or in any way related to his employment by the Company or the termination of that employment.

Section 7.3 Notwithstanding anything to the contrary in this Agreement, this release does not constitute a release or waiver of any claim by Mr. Wheeler (a) solely to enforce this Agreement, (b) for indemnity from the Company arising as a result of the Employee having been an officer, director or fiduciary of the Company, (c) to continue group health plan coverage under applicable law and the terms of the applicable group health plan or for unemployment or workers' compensation, (d) for rights vested on the date he signs this Agreement under the Company's employee benefit plans, or (e) that may arise after he signs this Agreement. Further, and notwithstanding anything to the contrary in this Agreement, this release does not constitute a release or waiver of Mr. Wheeler's right to file a charge or participate in an investigation or proceeding conducted by the Equal Employment Opportunity Commission ("EEOC") or any other state or federal governmental entity with jurisdiction to regulate employment conditions or relations; however, Mr. Wheeler does release and relinquish any right to receive any money, property, or any other thing of value, or any other financial benefit or award from any Released Person as a result of any proceeding of any kind or character initiated by the EEOC or any other state or federal governmental entity with jurisdiction to regulate employment conditions or relations. In addition, this release shall not affect the Employee's rights under the Older Workers Benefit Protection Act to have a judicial determination of the validity of this release and waiver.

VIII. MISCELLANEOUS

Section 8.1 Applicable Law, Jurisdiction and Mandatory Forum. This Agreement is entered into under, shall be construed and enforced in accordance with, and the rights and obligations of the parties shall be governed for all purposes by, the laws of the State of Texas, without giving effect to the conflicts of law principles thereof, and venue for any lawsuit with respect to the subject matter of this Agreement shall be fixed solely and exclusively in the courts located in Harris County, Texas.

Section 8.2 Successors/Assignment. Mr. Wheeler acknowledges and agrees that this Agreement shall be binding upon Mr. Wheeler and inure to the benefit of the Company. This Agreement is personal to Mr. Wheeler, who shall not be entitled to assign, transfer, or charge any of his rights or obligations under this Agreement.

Section 8.3 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, by e-mail transmission (with evidence of transmission from the sender) or by registered or certified mail (postage prepaid, return receipt requested). Actual notice is sufficient to be notice hereunder. Such communications must be sent to the respective parties at the following addresses:

If to the Company to: Geospace Technologies Corporation

7007 Pinemont Drive

Houston, Texas 77040

Attn: Chairman of the Board

E-mail: sjumper@geospace.com

If to Mr. Wheeler to: The address set forth under Mr. Wheeler's name on the signature page hereto

Any party hereto may change its address for the purpose of receiving notices, demands, and other communications as herein provided by a written notice given in the manner aforesaid to the other party hereto.

Section 8.4 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall (i) be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time, or (ii) preclude insistence upon strict compliance in the future.

Section 8.5 Severability. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

Section 8.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Agreement.

Section 8.7 Headings. The paragraph headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

Section 8.8 Affiliate. As used in this Agreement, "affiliate" shall mean any Person which directly or indirectly through one or more intermediaries owns or controls, is owned or controlled by, or is under common ownership or control with, the Company.

Section 8.9 Interpretations. For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; (c) the word "days" means calendar days; (d) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole; (e) the word "any" means any and all; (f) references to any gender shall include each other gender as the context requires; (g) references to the Company are also to its permitted successors and assigns; and (f) all italics are used for emphasis only. Unless the context otherwise requires, any reference herein: (x) to Exhibit A means Exhibit A to this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. Exhibit A referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if it were set forth verbatim herein.

Section 8.10 Entire Agreement. This Agreement and the documents contemplated or referenced herein constitutes the entire agreement of the parties with respect to the subject of this Agreement.

Section 8.11 Modifications. No modifications of this Agreement shall be effective unless in writing signed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Effective Date.

[*Signature Page Follows*]

Walter R. **Wheeler**

/s/ Walter R. Wheeler

____

Walter R Wheeler

Address for Notice:

7626 Cicada, Dr.,

Missouri City, TX 77459

E-mail.

moturick@earthlink.net

GEOSPACE TECHNOLOGIES CORPORATION

/s/ Stephen C. Jumper

By: ______________________

Name: Stephen C. Jumper

Title: Chairman of the Board

EXHIBIT A

LIST OF UNVESTED EQUITY AWARDS (as of December 31, 2024)

1.	November 2021 – RSU Grant	2,250
2.	November 2022 – RSU Grant	2,000
3.	November 2022 – PRSU Grant	7,500
4.	November 2023 – RSU Grant	3,000
	Total	14,750

DISCLAIMER

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