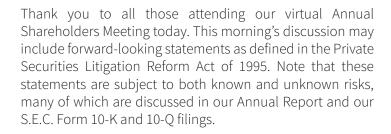


2022

ANNUAL SHAREHOLDERS MEETING

Remarks from Rick Wheeler



I'll first review our 2021 fiscal year, which ended on September 30th, 2021, and I'll then follow up with an update on the company through the first quarter of Fiscal Year 2022. In conclusion, I will provide some commentary on what lies ahead for Geospace Technologies.

Review of Fiscal Year 2021

Fiscal year 2021 began October 1st, 2020, facing a mountain of uncertainty. For nearly a year, COVID-19 had wreaked havoc on the economies and societies at large of every country around the globe. Yet, it was also a time of high optimism, since even though not yet available, vaccines were imminently expected and eagerly anticipated. Amidst this tumultuous mix of challenge and determination, revenue at the end of our first fiscal quarter reached its highest first quarter figure in seven years. This included our first sale of a large OBX nodal marine system. It also included the first meaningful revenue from our Quantum Technology Sciences subsidiary, which combined with our adjacent markets segment to generate the largest quarterly revenue ever received from our non-oil & gas business segments. During the second quarter, it appeared that COVID restrictions might begin to let up, although it was clear that our oil & gas product segment remained heavily impacted. In fact, second quarter revenue from this segment fell by 12% from the previous year, even though boosted by recognition of the year-earlier sale of a GCL land recording system. In quite a different tale, second quarter figures showed that our



adjacent markets products had posted a year-to-date growth in revenue of 10% over the same period a year earlier. Our expansion of this segment has been a longstanding part of our diversification strategy, which we further acted upon in the third quarter with our acquisition of Aquana, LLC. We expect our Aquana smart water valves and IoT cloud control platform to begin adding revenue to this segment in fiscal year 2022. In the third quarter, demand for our oil & gas segment products continued to be highly challenged. Nonetheless, our year-to-date total revenue at the end of the period marked an increase of 14% over the year before. This was again driven by year-over-year revenue growth from our adjacent markets' products, giving strong evidence that our efforts in business diversification were working. As fiscal year 2021 came to an end, total revenue had increased 8% from the year before, despite the all-time low demand for many of our oil & gas segment products. Oil prices had moved higher, but many E&P companies were decidedly directing most cash flows toward dividends, stock buybacks, and debt reduction as opposed to investing in exploration and production. We believe this trend will likely continue for much of this year. Let's now reflect on the recently ended first quarter of fiscal year 2022.

First Quarter of FY 2022

Our first quarter, spanning October 1st through December 31st of 2021 produced \$18 million in revenue. Although rentals of our OBX marine recording systems had improved from the year-ago same quarter, our Oil & Gas segment as a whole revealed a year-over-year decline in revenue of 24%. Our Adjacent Markets segment on the other hand generated its largest figure for first quarter revenue in history, marking an increase of 18% over last year. This success reinforces and rewards our efforts to drive alternative revenues higher through a consistent strategy of creating new technology-based products in an ever-expanding diversified market. This remains a pivotal component in our attempt to mitigate the very familiar



and disruptive ups and downs of our oil & gas sector. Midway through the first quarter, we completed a stock buyback program approved by our board of Directors and implemented in November of 2020. With this plan, we returned significant value to our shareholders through accumulated purchases that totaled \$7.5 million and retired almost 842,000 of our common shares. Let's now take a look at what we see ahead for Geospace in the remainder of fiscal year 2022.

What Lies Ahead in FY 2022

Historically, energy and production (E&P) companies increase capital spending for exploration and production as oil prices go up, which usually translates to increased demand for our seismic products. However, E&P companies have shown hesitance in making such investments in recent times despite oil prices reaching seven-year highs. This was bluntly revealed in a recent Rystad Energy report noting that new discoveries of oil & gas reserves last year fell to the lowest level since the end of World War II. Such hesitance is largely due to uncertainties about the stability of supply & demand in the face of COVID's economic impact. Still other influences include global politics as well as negative public and investor sentiments surrounding fossil fuel related companies. We believe such cautionary trends amongst E&P companies will likely persist through much of the coming fiscal year, resulting in continued commercial headwinds for many of the products in our oil & gas segment. However, our current conversations and engineering interactions with major E&P companies for future PRM systems keep us highly encouraged about opportunities in the longer term for this segment. As for our Adjacent Markets segment, we are excited about the record first quarter revenue just set for this segment and the success it represents for our diversification efforts. We expect these products and services to show continued growth, and the expected roll-out later this year of our new Aguana smart water valves and cloud platform should also begin contributing to revenue. Other technology products are also in development for this segment that should further aid its expansion. In our Emerging Markets

segment, we believe there is high probability of receiving another contract to provide additional border security systems along our southern border, in addition to fresh opportunities with other U.S. government customers. Such contracts and their timing largely depend on successful enactment of federal budget legislation. Meanwhile, we are retooling many of these same system architectures with new advanced analytics developed by our Quantum subsidiary to provide accurate, scalable, and truly cost-effective solutions for monitoring the integrity of carbon capture operations. With these efforts, we believe we can position ourselves as the technological leader for the required monitoring needed in the new developing market of carbon capture and storage.

Before closing, I'd like to loudly applaud our dedicated employees. Like always, and especially this year, they have shown enormous resilience, creativity, and professionalism. While many administrative and office functions are doable remotely through virtual means, manufacturing operations as well as certain engineering efforts cannot be carried out through Zoom or Teams meetings. In remarkably stellar performance, our people have created and maintained a safe working environment, on top of overcoming supply chain hurdles, in service to our customers. I'm extremely grateful to be a part of this team and culture. Let me also give thanks to our valued shareholders. We appreciate you standing by us and believing in the value proposition our technology offers to the diverse markets we serve.