UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended January 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: 000-13490

MIND Technology, Inc.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**76-0210849** **(I.R.S. Employer Identification No.)**
2002 Timberloch Place **Suite 550** **The Woodlands, Texas** **(Address of principal executive offices)**	**77380** **(Zip Code)**

281-353-4475
(Registrant's telephone number, including area code)

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 - $0.01 par value per share	MIND	The NASDAQ Stock Market LLC
Series A Preferred Stock - $1.00 par value per share	MINDP	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 (§ 232.405 of this chapter) 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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, 2023, the last business day of the registrant’s most recently completed second fiscal quarter, the aggregate market value of the registrant’s common stock held by non-affiliates of the registrant was $9,089,154 based on the closing sale price as reported on the NASDAQ Stock Market LLC.

Indicate the number of shares outstanding of each of the registrant’s classes of common stock, as of the latest practicable date.

Class	Outstanding at April 29, 2024
Common Stock, $0.01 par value per share	1,405,779 shares

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement of MIND Technology, Inc. for the 2024 Annual Meeting of Stockholders, which will be filed within 120 days of January 31, 2024, are incorporated by reference into Part III of this Annual Report on Form 10-K.

MIND TECHNOLOGY, INC.
ANNUAL REPORT ON FORM 10-K

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CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report on Form 10-K (this “Form-10-K”) for the fiscal year ended January 31, 2024 (“fiscal 2024”) constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this Form 10-K other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could” or other similar expressions are intended to identify forward-looking statements, which are not historical in nature. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. All comments concerning our expectations for future revenues and operating results are based on our forecasts of our existing operations and do not include the potential impact of any future acquisitions. Our forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. Known material factors that could cause our actual results to differ from those in the forward-looking statements are described in Item 1A - “Risk Factors.” Readers are cautioned not to place reliance on forward-looking statements, which speak only as the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made unless required by law, whether as a result of new information, future events or otherwise. All forward-looking statements included herein are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

PART I

Item 1. *Business*

MIND Technology, Inc. ("MIND" and, together with its consolidated subsidiaries, the "Company", "we", "us" and "our"), a Delaware corporation, was incorporated in 1987. We provide technology to the oceanographic, hydrographic, defense, seismic and maritime security industries. Headquartered in The Woodlands, Texas, MIND has a global presence with key operating locations in the United States, Singapore, Malaysia and the United Kingdom.

Historically, we operated in two segments, Marine Technology Products and Equipment Leasing. During the second quarter of the fiscal year ended January 31, 2021 ("fiscal 2021"), our Board decided to exit the land-based seismic equipment leasing business (the "Leasing Business") and instructed management to develop and implement a plan to dispose of those operations. Effective January 31, 2023, we split our Marine Technology Products Segment into two segments, Seamap Marine Products and Klein Marine Products, to reflect our operations more accurately. On August 21, 2023, we sold the Klein Marine Products segment, and now operate within one segment.

Our worldwide Seamap Marine Products business includes Seamap Pte Ltd, MIND Maritime Acoustics, LLC, Seamap (Malaysia) Sdn Bhd and Seamap (UK) Ltd (collectively "Seamap"), which designs, manufactures and sells specialized marine seismic equipment. Our worldwide Klein Marine Products business included Klein Marine Systems, Inc. ("Klein"), which designed, manufactured and sold high performance side scan sonar systems.

We are focusing on our strategy to emphasize our Seamap business following the decision to exit the Leasing Business and dispose of the Klein Marine Products segment. This strategy is based on the following vision for MIND:

- become known as a provider of innovative technology and products to the oceanographic, hydrographic, seismic, defense and maritime security industries; and

- leverage our various technologies, products and services to create new products and address new markets, as well as seek out opportunities to add new technologies and products.

We are primarily focused on three markets within the broader marine products space, Marine Exploration, Marine Survey and Maritime Security. Customers within these market segments include marine survey companies, seismic survey contractors, non-military governmental organizations, research institutes, domestic and foreign navies, and operators of port facilities and other offshore installations.

The discontinued operations of the Leasing Business include all leasing activity, sales of lease pool equipment and certain other equipment sales and services related to those operations. This business had been conducted from our locations in Huntsville, Texas; Calgary, Canada; Bogota, Colombia; and Budapest, Hungary. This included the operations of our subsidiaries, Mitcham Canada, ULC ("MCL"), Mitcham Europe Ltd. ("MEL"), and our branch in Colombia.

The discontinued operations of the Klein Marine Product segment include all the activities of Klein which had been conducted from our location in Salem, New Hampshire.

Our products and equipment are utilized in a variety of geographic regions throughout the world, which are described under "Customers, Sales, Backlog and Marketing."

Seamap Marine Products Business –

Seamap designs, manufactures and sells a broad range of products for the oceanographic, hydrographic and marine seismic industries. Seamap's primary products include the GunLink™ seismic source acquisition and control systems, commonly referred to as "energy source controllers", and the BuoyLink™ RGNSS("relative global navigation satellite system") positioning system, and SeaLink™ marine sensors and solid streamer systems (collectively, the "SeaLink" product line or "towed streamer products"). Applications for these technologies include marine seismic surveys related to energy exploration and alternative energy projects, as well as other resources, ocean bottom surveys and various research activities. We have not yet generated revenue from defense applications of this technology; however, we believe our hydrophone and solid streamer technologies are well suited to defense and maritime security applications.

Discontinued Operations –

Klein primarily designed, manufactured and sold side scan sonar systems for the oceanographic, hydrographic, defense and maritime security industries on a world-wide basis. Klein's family of sonar products were used in a variety of applications including hydrographic surveys, naval mine counter measure operations, search and recovery operations, ocean bottom profiling and other underwater object detection operations.

Our Leasing Business consisted of many types of equipment used in seismic data acquisition, including various electronic components of land, transition zone and marine seismic data acquisition systems, geophones and cables, peripheral equipment, survey and other equipment.

Seismic Technology

Data generated from digital seismic recording systems and peripheral equipment is used in a variety of marine and land applications, including hydrographic surveys, civil engineering operations, mining surveys and in the search for and development of oil and gas reserves. In addition, marine seismic sensors can be used in a number of military and security applications, such as anti-submarine warfare. Users of seismic technology include marine and land seismic contractors, marine survey operators, research institutes and governmental entities.

The acoustic sensors, or hydrophones, and streamer systems used in seismic applications can also be utilized in developing passive and active sonar systems. Such technology is widely used in maritime security and defense applications, such as maritime security and anti-submarine warfare.

Business and Operations

Seamap Marine Products Business –

Through our Seamap Marine Products business, we develop, manufacture and sell a range of proprietary products for the oceanographic, hydrographic, seismic, defense and maritime security industries. We have developed certain of our technology and have acquired other technology through the purchase of businesses or specific assets from others. We expect to continue to internally develop new technology or enhancements to our existing technology. However, we may also gain access to new technology or products through acquisition, joint venture arrangements or licensing agreements.

Seamap's primary products include: (1) the GunLink seismic source acquisition and control systems, which are designed to provide operators of marine seismic surveys more precise monitoring and control of energy sources; (2) the BuoyLink RGNSS positioning system, which is used to provide precise positioning of marine seismic energy sources and streamers; (3) Sleeve Gun energy sources and (4) the SeaLink towed seismic streamer system. Seamap's other products include streamer weight collars, depth transducers, pressure transducers, air control valves and source array systems. In addition to selling complete products, Seamap provides spare and replacement parts related to the products it sells. Seamap also provides certain services related to its products. These services include repair, engineering, training, field service operations and umbilical terminations.

We have recently introduced our Sea Serpent™ line of passive sonar arrays for maritime security and anti-submarine warfare applications. Sea Serpent is based on our commercially developed SeaLink towed streamer systems. We believe that Sea Serpent provides a cost-effective, robust, and capable passive sonar solution for navies, governmental agencies and other operators of offshore facilities. However, we have not yet generated revenue from this product.

We maintain a Seamap facility in the United Kingdom which includes engineering, training, sales and field service operations. Our Seamap facility in Singapore includes engineering, assembly, sales, repair and field service operations. To support our SeaLink product line, we have a production facility in Malaysia that provides manufacturing and repairs of the components of this system, as well as other items. The facility in Malaysia is in relatively close proximity to our Singapore facility.

Components for our marine products are sourced from a variety of suppliers located in Asia, Europe and the United States. Products are generally assembled, tested and shipped from our facilities in Singapore, Malaysia and Texas.

Spectral Ai and Software-

Prior to the sale of Klein, we developed a data handling and automatic target recognition ("ATR") software system designed specifically for Klein side scan sonar systems which we refer to a Spectral Ai™. Under the terms of the Klein sale, we retained ownership of the intellectual property associated with Spectral Ai and entered into a licensing agreement and collaboration agreement with Klein and the purchaser of Klein, General Oceans AS. Pursuant to these agreements, we will jointly promote the licensing of Spectral Ai to customers of Klein, for which we will receive recurring licensing fees. Additionally, we may provide other software services to Klein and General Oceans AS for mutually agreed fees. Revenues from these arrangements have been immaterial to date.

Key Agreements

We have a limited number of agreements for the distribution or representation of our products. These agreements are generally cancellable upon a notice period of from one to three months.

Customers, Sales, Backlog and Marketing

In fiscal 2024 and 2023, our single largest customer accounted for approximately 21% and 17%, respectively, of our consolidated revenues. Together, our five largest customers accounted for approximately 67% of our consolidated revenues in fiscal 2024. The loss of any one of our largest customers or a sustained decrease in demand by any of these customers could result in a substantial loss of revenues and could have a material adverse effect on our results of operations. Due to the nature of our sales, the significance of any one customer can vary significantly from year to year. See Item 1A - "Risk Factors."

As of January 31, 2024, our Seamap Marine Products business had a backlog of orders amounting to approximately $38.4 million, which is an increase of approximately 145% from the $15.7 million reported at January 31, 2023. We expect a substantial portion of the backlog of orders as of January 31, 2024, to be fulfilled during the fiscal year ending January 31, 2025 (“fiscal 2025”).

We analyze our backlog, which we define as orders we consider to be firm based on the receipt of a purchase order or other documentation from the customer, to evaluate operations and future revenue potential. As backlog is not a defined accounting term, our computation of backlog may not be comparable with that of our peers. In addition, project cancellations and scope adjustments may occur from time to time. For example, certain contracts are terminable at the discretion of our customers, with or without cause. These types of backlog reductions could adversely affect our revenue and results of operations. Our backlog for the period beyond the next twelve months may be subject to variation from the prior year as existing contracts are completed, delayed or renewed or new contracts are awarded, delayed or canceled. Accordingly, our backlog as of any particular date is an uncertain indicator of future earnings.

We participate in both domestic and international trade shows and expositions to inform the appropriate industries of our products and services.

A summary of our revenues from continuing operations from customers by geographic region is as follows (in thousands):

	Year Ended January 31,	
	2024	**2023**
United States	$ 1,250	$ 1,986
Europe(1)	20,248	11,836
Asia/South Pacific	12,399	10,755
Other(2)	2,613	435
Total Non-United States	35,260	23,026
Total	$ 36,510	$ 25,012

(1) Includes the United Kingdom
(2) Includes The Middle East, Africa, Canada, Mexico, and South America.

The net book value of our property and equipment in our various geographic locations is as follows (in thousands):

	As of January 31,	
Location of property and equipment	**2024**	**2023**
United States	$ 200	$ 174
United Kingdom	60	44
Singapore	147	154
Malaysia	411	581
Total Non-United States	618	779
Total	$ 818	$ 953

For information regarding the risks associated with our foreign operations, see Item 1A – “Risk Factors.”

Competition

We compete with a number of other manufacturers of marine seismic, hydrographic and oceanographic equipment. Some of these competitors may have substantially greater financial resources than our own. We generally compete for sales of equipment on the basis of (1) technical capability, (2) reliability, (3) price, (4) delivery terms and (5) service.

Suppliers

We obtain parts, components and services from a number of suppliers to our manufacturing operation. These suppliers are located in various geographic locations. Certain materials utilized in the construction of our solid streamer products are currently obtained from a sole source. We have not experienced supply disruptions from this source but are exploring various options to expand supply sources.

For additional information regarding the risk associated with our suppliers, see Item 1A - "Risk Factors."

Employees

As of January 31, 2024, we employed approximately 145 people on a full-time basis, none of whom were represented by a union or covered by a collective bargaining agreement. We consider our employee relations to be satisfactory. For additional information regarding the risks associated with our employees, see Item 1A-"Risk Factors."

Intellectual Property

The products designed, manufactured, and sold by our Seamap businesses utilize significant intellectual property that we have developed or purchased from others. Our internally developed intellectual property consists of product designs, trade secrets and patent applications. We have acquired certain United States and foreign patents related to energy source controllers, hydrophone and other technologies. We believe these acquired intellectual property rights will allow us to incorporate certain design features and functionality in future versions of our GunLink and Sealink product lines, as well as other products. We believe the pertinent patents to have a valid term through at least 2028.

For additional information regarding the risks associated with our intellectual property, see Item 1A-"Risk Factors."

Governmental Environmental Regulation

We are subject to stringent governmental laws and regulations, both in the United States and other countries, pertaining to worker safety and health; the handling, storage, transportation and disposal of hazardous materials, chemicals and other materials used in our manufacturing processes or otherwise generated from our operations; or otherwise relating to the protection of the environment and natural resources. Compliance with these laws and regulations in the United States at the federal, state and local levels may, among other things, require the acquisition of permits to conduct regulated activities; impose specific safety and health criteria addressing worker protection; result in capital expenditures to limit or prevent emissions, discharges and other releases; obligate us to use more stringent precautions for disposal of certain wastes; require reporting of the types and quantities of various substances stored, processed, transported, generated, or released in connection with our operations; or obligate us to incur substantial costs to remediate releases of chemicals or materials to the environment. Foreign countries in which we conduct operations may also have analogous controls that regulate our environmental and worker safety and health-related activities, which controls may impose additional, or more stringent requirements. Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil and criminal penalties, the imposition of investigatory, remedial or corrective action obligations, the occurrence of restrictions, delays, or cancellations in the permitting or performance of projects, and the issuance of injunctive relief in affected areas. We may be subject to strict, joint and several liability as well as natural resource damages resulting from spills or releases of chemicals or other regulated materials and wastes at our facilities or at offsite locations. For example, the Comprehensive Environmental Response, Compensation and Liability Act, referred to as “CERCLA” or the Superfund law, and comparable state laws, impose liability, potentially without regard to fault or legality of the activity at the time, on certain classes of persons that are considered to be responsible for the release of a hazardous substance into the environment. These persons include the current or former owner or operator of the disposal site or sites where the release occurred and companies that disposed, transported or arranged for the disposal or transport of hazardous substances that have been released at the site. Under CERCLA, these persons may be subject to joint and several liabilities for the costs of investigating and cleaning up hazardous substances that have been released into the environment, for damages to natural resources and for the costs of some health studies. In addition, the federal Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, referred to as “RCRA,” regulates the management and disposal of solid and hazardous waste. Materials we use in the ordinary course of our operations, such as paint wastes and waste solvents may be regulated as hazardous waste under RCRA or considered hazardous substances under CERCLA. It is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by spills or releases that may affect them. As a result of such actions, we could be required to remove previously disposed wastes, remediate environmental contamination, and undertake measures to prevent future contamination, the costs of which could be significant.

Contracts with governmental organizations, including the United States Government, have not been the source of a majority of our revenues in the past. However, we anticipate such sources becoming a more significant portion of our business in the future. Governmental regulations, procurement procedures and budgetary factors could have a material impact on our future results of operations.

The trend in environmental regulation has been to place more restrictions and limitations on activities that may affect the environment and thus any such new laws and regulations, changes in such existing laws and regulations, reinterpretation of such legal requirements, or increased governmental enforcement that result in more stringent and costly waste handling, storage, transport, disposal or cleanup requirements could have a material adverse effect on our operations and financial position. Furthermore, the adoption of laws or implementing regulations with regard to hydraulic fracturing or climate-change that have the effect of lowering the demand for carbon-based fuels or decreasing the performance of oil or natural gas exploration or production activities by energy companies could reduce demand for certain of our products and, as a result, have a material adverse effect on our business. For example, in one of the first acts of his presidency, U.S. President Biden signed an executive order to rejoin the Paris Climate Accord, a voluntary international agreement with the goal of limiting global climate change to not more than 2 degrees Celsius (or less); preparing, maintaining and publishing national greenhouse gas (“GHG”) reduction targets; and creating a “carbon-neutral” world by 2050. The Biden administration has also set ambitious domestic targets for curbing climate change, such as making the U.S. power sector climate neutral by 2035. New regulations aiming to curb carbon emissions or to establish carbon pricing could be promulgated to implement these goals and initiatives.

We are also subject to federal, state, local and foreign worker safety and health laws and regulations, such as the Occupational Safety and Health Act, and emergency planning and response laws and regulations, such as the Emergency Planning and Community Right-to-Know Act, as well as comparable state statutes and any implementing regulations. These laws and regulations obligate us to organize and/or disclose information about certain chemicals and materials used or produced in our operations and to provide this information to employees, state and legal governmental authorities and citizens. Historically, our environmental worker safety and health compliance costs have not had a material adverse effect on our results of operations; however, there can be no assurance that such costs will not be material in the future or that such future compliance will not have a material adverse effect on our business or results of operations. For additional information regarding the risk associated with environmental matters, see Item 1A - “Risk Factors.”

Available Information

Our internet address is *https://www.mind-technology.com.* We file and furnish Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy and information statements, Forms 3, 4 and 5 filed on behalf of directors and executive officers, and amendments to these reports, with the Securities and Exchange Commission (the “SEC”), which are available free of charge through our website as soon as reasonably practicable after such reports are filed with or furnished to the SEC. The SEC also maintains an internet website at *https://www.sec.gov* that contains reports, proxy and information statements, and other information regarding our Company that we file and furnish electronically with the SEC.

We may from time to time provide important disclosures to investors by posting them in the investor relations section of our website, as allowed by SEC rules. Information on our website is not incorporated by reference into this Form 10-K or incorporated into any of our other filings with the SEC and you should not consider information on our website as part of this Form 10-K or any of our other filings with the SEC.

Item 1A. ***Risk Factors***

The risks described below could materially and adversely affect our business, financial condition, results of operations and the actual outcome of matters as to which forward-looking statements are made in this Form 10-K. The risk factors described below are not the only risks we face. Our business, financial condition and results of operations may also be affected by additional factors that are not currently known to us, that we currently consider immaterial or that are not specific to us, such as general economic conditions.

You should refer to the explanation of the qualifications and limitations on forward-looking statements included under "Cautionary Statement About Forward-Looking Statements" of this Form 10-K. All forward-looking statements made by us are qualified by the risk factors described below.

Risk Related to Our Financial Condition

The Company's ability to continue as a going concern could impact our ability to obtain capital financing and adversely affect the price of our Common Stock and Preferred Stock.

The Company has a history of generating operating losses and negative cash flows from operating activities. Due to our historical financial results and financial position, some suppliers may be reluctant to do business with us or may require prepayment for goods or services. This could negatively impact our liquidity. This could also impact our ability to obtain capital or other sources of financing.

Risks Related to the Operation of Our Business

A limited number of customers account for a significant portion of our revenues and the loss of one of these customers could harm our results of operations.

We typically sell equipment to a relatively small number of customers, the composition of which changes from year to year as customers' equipment needs vary. Therefore, at any one time, a large portion of our revenues may be derived from a limited number of customers. In fiscal 2024 and 2023, our single largest customer accounted for approximately 21% and 17%, respectively, of our consolidated revenues. Together, our five largest customers accounted for approximately 67% of our consolidated revenues in fiscal 2024. There has been consolidation among certain of our customers and this trend may continue. This consolidation could result in the loss of one or more of our customers and could result in a decrease in the demand for our equipment. The demand for our government-related services is generally driven by the level of government program funding. The state of the economy, competing political priorities, public funds and the timing of payment of these funds may influence the amount and timing of spending by our customers who are government agencies. The loss of any one of our largest customers or a sustained decrease in demand by any of such customers could result in a substantial loss of revenues and could have a material adverse effect on our results of operations.

The financial soundness of our customers could materially affect our business and operating results.

If our customers experience financial difficulties or their own customers delay payment to them, they may not be able to pay, or may delay payment of, accounts receivable owed to us. Disruptions in the financial markets or other macro-economic issues, such as volatility in price of oil or other hydrocarbons or a worldwide pandemic, such as the global pandemic, could exacerbate financial difficulties for our customers. Any inability of customers to pay us for products and services could adversely affect our financial condition and results of operations.

As of January 31, 2024, we had approximately $6.9 million of gross customer accounts receivable, of which approximately $51,000 was over 180 days past due. Contractual payment terms vary by customer and by contract and, under certain circumstances, we may grant extended payment terms to our customers. We had an allowance for credit losses of approximately $332,000 related to accounts receivable from continuing operations. For fiscal 2024 and fiscal 2023, we had no charges to our provision for credit losses related to continuing operations. Significant payment defaults by our customers in excess of our allowance for credit losses would have a material adverse effect on our financial position and results of operations.

We derive a substantial amount of our revenues from foreign operations and sales, which pose additional risks including economic, political and other uncertainties.

We conduct operations on a global scale. Our international operations include locations in Malaysia, Singapore, and the United Kingdom. For fiscal 2024 and 2023, approximately 97% and 92%, respectively, of our revenues were attributable to customers in foreign countries.

Our international operations are subject to a number of risks inherent to any business operating in foreign countries, and especially those with emerging markets. As we continue to increase our presence in such countries, our operations will encounter the following risks, among others:

- government instability, which can cause investment in capital projects by our potential clients to be withdrawn or delayed, reducing or eliminating the viability of some markets for our services;
- potential expropriation, seizure, nationalization or detention of assets;
- difficulty in repatriating foreign currency received in excess of local currency requirements;

- fluctuations in foreign currency;
- import/export quotas and evolving export license requirements;
- civil uprisings, riots and war, which can make it unsafe to continue operations, adversely affect both budgets and schedules and expose us to losses;
- availability of suitable personnel and equipment, which can be affected by government policy, or changes in policy, which limit the importation of qualified crewmembers or specialized equipment in areas where local resources are insufficient;
- decrees, laws, regulations, interpretation and court decisions under legal systems, which are not always fully developed, and which may be retroactively applied and cause us to incur unanticipated and/or unrecoverable costs as well as delays which may result in real or opportunity costs;
- terrorist attacks, including kidnappings of our personnel or those of our customers;
- political and economic uncertainties in certain countries which may cause delays or cancellation of projects;
- the United States or foreign countries could enact legislation or impose regulations or other restrictions, including unfavorable labor regulations, tax policies, tariffs, trade restrictions, or economic sanctions, which could have an adverse effect on our ability to conduct business in or expatriate profits from the countries in which we operate;
- environmental conditions and regulatory controls or initiatives in some countries that may impose additional or more stringent requirements than found in the United States and which may not be consistently applied or enforced; and
- regulations, laws or emergency measures taken or imposed by the United States or foreign state and local governments and municipalities in response to emergency or crisis situations, including natural disasters or pandemics, which could have an adverse effect on our business, our customers or our operations.

We cannot predict the nature and the likelihood of any such events. However, if any of these or other similar events should occur, it could have a material adverse effect on our financial condition and results of operation.

Our global operations expose us to risks associated with conducting business internationally, including failure to comply with United States laws that apply to international operations.

Some of our products are subject to export control regulations, including the International Traffic in Arms Regulations (“ITAR”) administered by the U.S. Department of State’s Directorate of Defense Trade Controls (“DDTC”) and the Export Administration Regulations administered by the U.S. Department of Commerce’s Bureau of Industry and Security (“BIS”). We are also subject to foreign assets control and economic sanctions regulations administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), which restrict or prohibit our ability to transact with certain foreign countries, individuals and entities. Under these regulations, the sale or transfer of certain equipment to a location outside the United States may require prior approval in the form of an export license issued by the BIS or DDTC. Some potential international transactions may also be restricted or prohibited based on the location, nationality or identity of the potential end user, customer or other parties to the transaction or may require prior authorization in the form of an OFAC license. Any delay in obtaining required governmental approvals could affect our ability to conclude a sale or timely commence a project, and the failure to comply with all such controls could result in criminal and/or civil penalties, including fines, imprisonment, denial of export privileges and debarment from contracting with the federal government. These international transactions may otherwise be subject to tariffs and import/export restrictions from the United States or other governments.

We are subject to taxation in many foreign jurisdictions and the final determination of our tax liabilities involves the interpretation of the statutes and requirements of taxing authorities worldwide. Our tax returns are subject to routine examination by taxing authorities, and these examinations may result in assessments of additional taxes, penalties and/or interest.

Our overall success as a global business depends, in part, upon our ability to succeed in differing economic, social and political conditions. We may not continue to succeed in developing and implementing policies and strategies that are effective in each location where we do business, which could negatively affect our profitability.

Due to the international scope of our business activities, our results of operations may be significantly affected by currency fluctuations.

We operate on a global scale and while the majority of our foreign revenues are contracted in U.S. dollars, locally sourced items and expenditures are predominately transacted in local currency. These costs are subject to the risk of taxation policies, expropriation, political turmoil, civil disturbances, armed hostilities, and other geopolitical hazards as well as foreign currency exchange controls (in which payment may not be made in U.S. dollars) and fluctuations.

We are subject to risks associated with intellectual property.

We rely on a combination of patent, copyright, trademark and trade secret laws, and confidentiality procedures, contractual provisions and restrictions on disclosure to protect our intellectual property and proprietary information. We also enter into confidentiality or license agreements with our employees, consultants and corporate partners to protect our proprietary information, and control access to and distribution of our design information, documentation and other proprietary information. Despite our efforts, these measures may not be sufficient to prevent infringement of our patents, copyrights, and trademarks or wrongful misappropriation of our proprietary information and technology. In addition, for technology that is not covered by a patent, these measures will not prevent competitors from independently developing technologies that are substantially equivalent or superior to our technology. The laws of many foreign countries may not protect intellectual property rights to the same extent as the laws of the United States, and potential adverse decisions by judicial or administrative bodies in foreign countries could impact our international businesses. Failure to protect proprietary information could result in, among other things, loss of competitive advantage, loss of customer orders and decreased revenues.

Although we believe that we have appropriate procedures and safeguards to help ensure that we do not violate a third party's intellectual property rights, we may unknowingly and inadvertently take action that is inconsistent with a third party's intellectual property rights. Consequently, we may be subject to litigation and may be required to defend against claimed infringements of the rights of third parties or to determine the scope and validity of the proprietary rights of third parties. Any such litigation could be time consuming, costly and divert management's attention from operations. In addition, adverse determinations in such litigation could, among other things:

- result in the loss of our proprietary rights to use the technology;
- subject us to significant liabilities;
- require us to seek licenses from third parties;
- require us to redesign the products that use the technology; and
- prevent us from manufacturing or selling our products that incorporate the technology.

If we are forced to take any of the foregoing actions, our business may be materially adversely affected. Any litigation to protect our intellectual property or to defend ourselves against the claims of others could result in substantial costs and diversion of resources and may not ultimately be successful.

Products we develop, manufacture and sell may be subject to performance or reliability risks.

The production of new products with high technology content involves occasional problems while the technology and manufacturing methods mature. If significant reliability or quality problems develop, including those due to faulty components, a number of negative effects on our business could result, including:

- costs associated with reworking the manufacturing processes;
- high service and warranty expenses;
- high inventory obsolescence expense;
- high levels of product returns;
- delays in collecting accounts receivable;
- reduced orders from existing customers; and
- declining interest from potential customers.

Although we maintain accruals for product warranties as we deem necessary, actual costs could exceed these amounts. From time to time, there may be interruptions or delays in the activation of products at a customer's site. These interruptions or delays may result from product performance problems or from aspects of the installation and activation activities, some of which are outside our control. If we experience significant interruptions or delays that cannot be promptly resolved, confidence in our products could be undermined, which could have a material adverse effect on our operations.

We may not be successful in implementing and maintaining technology and product development and enhancements. New technology and product developments may cause us to become less competitive.

New seismic data acquisition technologies may be developed. New and enhanced products and services introduced by a competitor may gain market acceptance and, if not available to us, may adversely affect us. If we choose the wrong technology, or if our competitors select a superior technology, we could lose our existing customers and be unable to attract new customers, which would harm our business and operations.

The markets for our products and services are characterized by changing technology and new product introductions. Our business could suffer from unexpected developments in technology, from our failure to adapt to these changes or from necessary capital expenditures to respond to technological introductions or obsolescence. In addition, the preferences and requirements of customers can change rapidly.

Our business exposes us to various technological risks, including the following:

- technology obsolescence;
- required capital expenditures on new technology;
- dependence upon continued growth of the market for marine seismic data equipment; and
- difficulties inherent in forecasting advancements in technologies.

Our inability to develop and implement new technologies or products on a timely basis and at competitive cost could have a material adverse effect on our financial position and results of operations.

We are subject to risks related to the availability and reliability of component parts used in the manufacture of our products.

We depend on a limited number of suppliers for some components of our products, as well as for equipment used to design and test our products. Certain components used in our products may be available from a sole source or limited number of vendors. If these suppliers were to limit or reduce the sale of such components to us, or if these suppliers were to experience financial difficulties or other problems that prevented them from supplying us with the necessary components, these events could have a material adverse effect on our business, financial condition and results of operations. These sole source and other suppliers are each subject to quality and performance issues, materials shortages, excess demand, reduction in capacity and other factors that may disrupt the flow of goods to us; thereby adversely affecting our business and customer relationships. Some of the sole source and limited source vendors are companies who, from time to time, may allocate parts to equipment manufacturers due to market demand for components and equipment. We have no guaranteed supply arrangements with our suppliers and there can be no assurance that our suppliers will continue to meet our requirements. Many of our competitors are much larger and may be able to obtain priority allocations from these shared vendors, thereby limiting or making our sources of supply unreliable for these components. If our supply arrangements are interrupted, there can be no assurance that we would be able to find another supplier on a timely or satisfactory basis. Any delay in component availability for any of our products could result in delays in the deployment of these products and in our ability to recognize revenues.

If we are unable to obtain a sufficient supply of components from alternative sources, reduced supplies and higher prices of components will significantly limit our ability to meet scheduled product deliveries to customers. A delay in receiving certain components or the inability to receive certain components could harm our customer relationships and our results of operations.

Failures of components affect the reliability and performance of our products, can reduce customer confidence in our products, and may adversely affect our financial performance. From time to time, we may experience delays in receipt of components and may receive components that do not perform according to their specifications. Any future difficulty in obtaining sufficient and timely delivery of components could result in delays or reductions in product shipments that could harm our business. In addition, a consolidation among suppliers of these components or adverse developments in their businesses that affect their ability to meet our supply demands could adversely impact the availability of components that we depend on. Delayed deliveries from these sources could adversely affect our business.

A global shortage of key components, such as semiconductors, and long lead-times can disrupt production.

If there is a shortage of a key component and the component cannot be easily sourced from a different supplier, the shortage could disrupt our production activities. Additionally, lead times for other components have increased in some cases. A shortage of key components may cause a significant disruption to our production activities, which could have a substantial adverse effect on its financial condition or results of operations.

We cannot predict the consequences of future geopolitical events, but they may adversely affect the markets in which we operate, our operations, or our results of operations.

Adverse changes in global or regional economic conditions periodically occur, including recession or slowing growth, changes, or uncertainty in fiscal, monetary or trade policy, higher interest rates, tighter credit, inflation, lower capital expenditures by businesses, increases in unemployment and lower consumer confidence and spending. Adverse changes in economic conditions can harm global business and adversely affect our results of operations. Such adverse changes could result from geopolitical and security issues, such as armed conflict and civil or military unrest, political instability, human rights concerns and terrorist activity, catastrophic events such as natural disasters and public health issues, supply chain interruptions, new or revised export, import or doing-business regulations, including trade sanctions and tariffs or other global or regional occurrences.

In particular, in response to Russia's invasion of Ukraine, the United States, the European Union, and several other countries have imposed far-reaching sanctions and export control restrictions on Russian entities and individuals. This conflict and the resulting market volatility has adversely affected global economic, political and market conditions. These and other global and regional conditions may adversely impact our business and our results of operations.

We have not been directly impacted by the Israel-Hamas conflict. However, the historic volatility in the Middle East, including as a result of recent events in Israel and Gaza, may result in political instability and societal disruption could reduce overall demand for oil and natural gas, potentially putting downward pressure on demand for our services and causing a reduction in our revenue.

Inflation and price volatility in the global economy could negatively impact our business and results of operations.

General inflation, including rising energy prices, interest rates and wages, currency volatility and monetary, fiscal and policy interventions by national or regional governments in reaction to such events could have negative impacts on our business by increasing our operating costs and our borrowing costs as well as decreasing the capital available for our customers to purchase our services. General inflation in the United States, Europe and other geographies has risen to levels not experienced in recent decades. General inflation, including rising prices for our raw materials and other inputs as well as rising salaries, could negatively impact our business by increasing our operating expenses. Customer resistance to a corresponding increase in the pricing for our products and services could adversely affect our revenue and negatively impact our business by decreasing our operating margins. Additionally, inflation and price volatility may cause our suppliers or customers to reduce use of our products and services, which would harm our business operations and financial position.

The demand for our products could be impacted by oil and other hydrocarbon commodity prices.

Demand for many of our products and the profitability of our 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 our products. Conversely, in periods when energy commodity prices deteriorate, capital spending budgets of oil and natural gas operators tend to contract causing demand for our 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 our control. Sustained low oil prices or the failure of oil prices to rise in the future and the resulting downturns or lack of growth in the energy industry and energy-related business, could have a negative impact on our results of operations and financial condition.

We rely on contractors and subcontractors for certain projects, which could affect our results of operations and reputation.

We may rely on contractors and subcontractors to complete or assist us with completion of certain projects. The quality and timing of production and services by our contractors and subcontractors is not totally under our control. Reliance on contractors and subcontractors gives us less control over a project and exposes us to significant risks, including late delivery, substandard quality and high costs. In addition, we may be jointly and severally liable for a contractor or subcontractor's actions or contract performance. The failure of our contractors or subcontractors to deliver quality products or services in a timely manner could adversely affect our profitability and reputation.

Increases in tariffs, trade restrictions, or taxes on our supplies and products could have an adverse impact on our business.

We purchase a portion of our supplies 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 supplies that we purchase, and the products we ship, cross international borders. Trade tensions between the United States and China, as well as those between the United States and Canada, Mexico and other countries have been escalating in recent years. Trade tensions have led to a series of tariffs imposed by the United States on imports from China, as well as retaliatory tariffs imposed by China on imports from the United States. We believe that certain supplies we purchase from China and other international suppliers could become subject to tariffs that could increase our operation 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 United States trade policies, tariffs, taxes, export restrictions or other trade barriers or restrictions, 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 supplies, which could have a material adverse effect on our business, results of operations or financial conditions.

We face significant inventory risk.

We are exposed to inventory risks that may adversely affect our operating results as a result of changes in product cycles and pricing, defective products, changes in customer demand and spending patterns, and other factors. In fiscal 2024 we recorded inventory obsolescence charges of approximately $341,000 compared to approximately $269,000 in fiscal 2023. We endeavor to accurately predict these trends and avoid over-stocking or under-stocking components in order to avoid shortages, excesses or obsolete inventory. Demand for components, however, can change significantly between the time inventory or components are ordered/assembled and the dates of customer orders. In addition, when we begin marketing a new product, it may be difficult to determine appropriate component selection and accurately forecast demand. The acquisition of certain types of inventory or components may require significant lead-time and they may not be returnable. We carry a broad selection and significant inventory levels of certain components, and we may be unable to sell them in sufficient quantities. Any one of the inventory risk factors set forth above may adversely affect our operating results.

Recent component shortages or long lead times from key suppliers may result in our decision to order components sooner than we otherwise would, which requires additional working capital and increases our risks of excess inventory and inventory obsolescence.

Our quarterly operating results may be subject to significant fluctuations.

Individual orders for many of our products can be relatively significant and delivery requirements can be sporadic. Accordingly, our operating results for a particular quarter can be materially impacted by the absence or presence of such significant orders.

These periodic fluctuations in our operating results could adversely affect the trading prices of our securities.

We face significant competition for our products and services.

We have competitors who provide similar products and services, many of which have substantially greater financial resources than our own. There are also several smaller competitors that, in the aggregate, generate significant revenues from the sale of products similar to those we offer. Some competitors may offer a broader range of instruments and equipment for sale than we do and may offer financing arrangements to customers on terms that we may not be able to match. In addition, new competitors may enter the market and competition could intensify. We cannot assure you that revenue from our products will continue at current volumes or prices if current competitors or new market entrants introduce new products with better features, performance, price or other characteristics than our products. Competitive pressures or other factors may also result in significant price competition that could have a material adverse effect on our results of operations.

Our revenues are subject to fluctuations that are beyond our control, which could materially adversely affect our results of operations in a given financial period.

Projects awarded to and scheduled by our customers can be delayed or canceled due to factors that are outside of their control, which can affect the demand for our products and services. These factors include the following:

- inclement weather conditions, natural disasters or pandemics, including the recent global pandemic;
- difficulties in obtaining permits and licenses;
- labor or political unrest;
- delays in obtaining access rights;
- availability of required equipment;
- security concerns;
- budgetary or financial issues;
- macroeconomic and industry conditions; and
- delays in payments to our customers from their clients.

Capital requirements for our business strategy can be large. If we are unable to finance these requirements, we may not be able to maintain our competitive advantage or execute our strategy.

In recent periods we have funded our capital requirements with the issuance of Preferred Stock and Common Stock and proceeds from the sale of assets. Our capital requirements may continue to increase. If we were to expand our operations at a rate exceeding operating cash flow, or current demand or pricing of our services were to decrease substantially or if technical advances or competitive pressures required us to acquire new equipment faster than our cash flow could sustain, additional financing could be required. Access to global financial markets and the terms under which capital is available can be uncertain and volatile.

As of January 31, 2024, under our Amended and Restated Articles of Incorporation, we are authorized to issue up to 40,000,000 shares of our Common Stock and 2,000,000 shares of Preferred Stock, of which 1,405,779 shares of Common Stock and 1,682,985 shares of Preferred Stock are issued and outstanding. We cannot predict the availability, size or price of any future issuances of Preferred Stock or Common Stock or other instruments convertible into equity, and the effect, if any, that such future issuances and sales will have on the market price of our securities or our ability to raise additional capital through stock issuances. Any additional issuances of Preferred Stock or Common Stock or securities convertible into, or exercisable or exchangeable for, such stock may ultimately result in dilution to the holders of stock, dilution in our future earnings per share and may have a material adverse effect upon the market price of the stock of the Company.

Due to these factors, we cannot be certain that funding will be available if and when needed and to the extent required, on acceptable terms or at all. If funding is not available when needed, or is available only on unfavorable terms, we may be unable to grow our existing business, complete acquisitions or otherwise take advantage of business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our financial condition and results of operations.

Access to working capital and letters of credit may be limited.

From time to time, we may require access to working capital to meet overhead costs and operational expenditures, to finance inventory purchases, or to provide letters of credit or bankers' guarantees to certain customers. For the past several years we have not had a credit facility in place, and have used cash generated from our operations, sale of lease pool equipment and sale of our Series A Preferred Stock and Common Stock to meet our working capital needs. There is no assurance that we will be able to negotiate a credit facility or continue to meet working capital needs with cash generated from our operations, sale of lease pool equipment or sale of our Series A Preferred Stock or Common Stock. Many commercial banks in the United States have undertaken to reduce their exposure to companies engaged in oil and gas related activities, which limits our ability to obtain working capital financing. Should we not have access to adequate working capital financing, we may not be able to pursue or complete some business opportunities or maintain an appropriate level of working capital to meet our overhead costs and operational expenditures. Further, our failure to meet our projected financial results or achieve projected revenues and cash flows could lead to cash flow and working capital constraints that could limit our ability to meet the day-to-day needs of our business. If our cash flows and capital resources are insufficient to fund our operations, we may be forced to reduce or delay capital expenditures, sell assets, or seek additional capital, which may not be available on terms acceptable to us, or at all. Our inability to generate or access working capital could have a material adverse effect on our operations and financial condition.

Our long-lived assets may be subject to impairment.

We periodically assess our long-lived assets and other intangible assets for impairment. If the future cash flows anticipated to be generated from these assets fall below net book value, we may be required to write down the value of our long-lived assets. If we are forced to write down the value of our long-lived assets, these noncash asset impairments could negatively affect our results of operations in the period in which they are recorded. See the discussion included in Item 7- "Management's Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Estimates."

Failure to comply with anti-bribery statutes, such as the U.S. Foreign Corrupt Practices Act (the "FCPA") and the UK Bribery Act of 2010 (the "UK Bribery Act"), could result in fines, criminal penalties, and other sanctions, and may adversely affect our business and operations.

The FCPA and the UK Bribery Act, and similar anti bribery laws in other jurisdictions, generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. We and our local partners operate in many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. If we are found to be liable for violations under the FCPA, the UK Bribery Act or other similar laws, either due to our acts or omissions or due to the acts or omissions of others, including our local or strategic partners, we could suffer from civil and criminal penalties or other sanctions, which could have a material adverse effect on our business, results of operations or financial condition. In addition, investors could negatively view potential violations, inquiries or allegations of misconduct under the FCPA, the UK Bribery Act or similar laws, which could adversely affect our reputation and the market for our shares. We also may be subject to competitive disadvantages to the extent that our competitors are able to secure business, licenses or other preferential treatment by making payments to government officials and others in positions of influence or using other methods that U.S. law and regulations prohibit us from using.

We could also face fines, sanctions and other penalties from authorities in the relevant jurisdictions, including prohibition of our participating in or curtailment of business operations in those jurisdictions or the seizure of assets. We could face other third-party claims by agents, stockholders, debt holders, or other interest holders or constituents of our company. Further, disclosure of the subject matter of any investigation could adversely affect our reputation and our ability to obtain new business from potential customers or retain existing business from our current customers, to attract and retain employees and to access the capital markets. Our customers in relevant jurisdictions could seek to impose penalties or take other actions adverse to our interests, and we may be required to dedicate significant time and resources to investigate and resolve allegations of misconduct, regardless of the merit of such allegations.

We are subject to a variety of environmental and worker safety and health laws and regulations that could increase our costs of compliance and impose significant liabilities.

We are subject to stringent governmental laws and regulations both in the United States and in foreign countries relating to worker safety and health, protection of the environment and natural resources, and the handling of chemicals and materials used in our manufacturing processes as well as the recycling and disposal of wastes generated by those processes. For additional information regarding costs and liabilities associated with environmental or worker safety and health matters, see Item 1 - "Regulation - Governmental and Environmental Regulation." Compliance with or continuing to be subject to these applicable laws and regulations could have a material adverse effect on our business, financial condition or results of operations. In addition, increased environmental regulation of oil and gas exploration and production activities, whether in the United States or in any of the other countries in which our customers operate could cause them to incur increased costs or restrict, delay or cancel drilling, exploration or production programs or associated hydraulic fracturing activities, which in turn could result in reduced demand for our products and services and have a material adverse effect on our business, financial condition, results of operations, or cash flows.

Use of our equipment in marine environments may be regulated or require a permit or other authorization from United States or foreign governmental agencies. The implementation of new or more restrictive laws or regulatory requirements to protect marine species, or the designation of previously unprotected species as threatened or endangered, could have an adverse effect on the demand for our products or services.

Climate change laws and regulations restricting emissions of "greenhouse gases" could result in reduced demand for oil and natural gas, thereby adversely affecting our business, while the physical effects of climate change could disrupt our manufacturing of equipment and cause us to incur significant costs in preparing for or responding to those effects.

In the United States, the U.S. Congress and the U.S. Environmental Protection Agency ("EPA"), in addition to some state and regional authorities, have in recent years considered legislation or regulations to reduce emissions of carbon dioxide, methane and other greenhouse gases ("GHGs"). These efforts have included consideration of cap-and-trade programs, carbon taxes, GHG reporting, permitting, and tracking programs, and regulations that directly limit GHG emissions from certain sources. In the absence of federal GHG-limiting legislation, the EPA has determined that GHG emissions present a danger to public health and the environment and has adopted regulations that, among other things, restrict emissions of GHGs under existing provisions of the U.S. Clean Air Act and may require the installation of "best available control technology" to limit emissions of GHGs from certain new or significantly modified facilities emitting large volumes of GHGs together with other criteria pollutants. In addition, the EPA has adopted regulations requiring monitoring and annual reporting of GHG emissions from certain sources, including, among others, certain onshore and offshore oil and natural gas production facilities. In 2016, the EPA finalized new regulations that set emission standards for methane and other volatile organic compounds for new and modified oil and natural gas production and natural gas processing and transmission facilities, known as New Source Performance Standards ("NSPS") Subpart OOOOa. Although EPA subsequently withdrew these requirements for certain sectors of the oil and gas industry, and the ultimate scope of these rules is uncertain due to ongoing court challenges of the rules and any potential changes to the rules by U.S. President Biden's Administration, the bulk of NSPS Subpart OOOOa is currently in effect. Also, many of the other countries where we and our customers operate, including Canada and various countries in Europe, have adopted or are considering GHG reduction measures similar to those described above. Such measures, or any similar future proposals, have the potential to increase costs for the oil and gas industry, which in turn could result in reduced demand for the products and services we provide. Although it is not possible at this time to predict how legislation or new regulations or other initiatives that may be adopted to address GHG emissions would impact our business, any such future laws, regulations or other legal requirements imposing reporting or permitting obligations on, or limiting emissions of GHGs from oil and gas exploration and production activities could have an adverse effect on the demand for our products and services.

In addition, spurred by increasing concerns regarding climate change, the oil and gas industry faces growing demand for corporate transparency and a demonstrated commitment to sustainability goals. Environmental, social, and governance ("ESG") goals and programs, which typically include extralegal targets related to environmental stewardship, social responsibility, and corporate governance, have become an increasing focus of investors and shareholders across the industry. While reporting on ESG metrics remains voluntary, access to capital and investors is likely to favor companies with robust ESG programs in place. Ultimately, these initiatives could increase operational costs and make it more difficult for companies, including our current and potential customers, to secure funding for exploration and production activities and, thus, reduce demand for our products and services.

Finally, increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, hurricanes, floods, drought and other climatic events. If any such climatic events were to occur, they could have an adverse effect on our financial condition and results of operations and the financial condition and operations of our customers. For additional risks related to climate or catastrophic events, please see risk factor "*Risks related to natural disasters and other catastrophic events*" below. Notwithstanding potential risks related to climate change, the International Energy Agency estimates that oil and gas will continue to represent a substantial major share of global energy use through 2030, and other private sector studies project continued growth in demand for the next two decades. However, recent activism directed at shifting funding away from companies with energy-related assets could result in limitations or restrictions on certain sources of funding for the energy sector.

Our business could be negatively affected by security threats, including cybersecurity threats, and other disruptions.

We rely heavily on information systems to conduct and protect our business. As a result, we face various security threats, including cybersecurity threats to gain unauthorized access to sensitive information or to render data or systems unusable, threats to the security of our facilities, and threats from terrorist acts. The Company is aware of one such security breach that has occurred in the past; however after consultation with counsel and cybersecurity consultants, Management does not believe any sensitive information was breached.

The potential for additional security threats and breaches subjects our operations to increased risks that could have a material adverse effect on our business. In particular, our implementation of various procedures and controls to monitor and mitigate security threats and to increase security for our information, facilities and infrastructure may result in increased capital and operating costs. Moreover, although we have implemented procedures and controls designed to address prior breaches and prevent and mitigate future threats, there can be no assurance that such procedures and controls will be sufficient to prevent security breaches from occurring again. The occurrence of any future breaches of our information systems could lead to losses of sensitive information, critical infrastructure or capabilities essential to our operations and could have a material adverse effect on our reputation, financial position, results of operations or cash flows.

Since the outbreak of the global pandemic and continuing through most of fiscal 2022, we allowed some employees to work from home on a more frequent basis. As a result, we have experienced, and continue to experience, increased cybersecurity and data security risks, due to increased use of home Wi-Fi networks and virtual private networks. The United States Department of Homeland Security's Cybersecurity and Infrastructure Security Agency has warned that cybercriminals will take advantage of the disruption and uncertainty created by the global pandemic in their cyberattacks. While we continue to implement and improve information technology controls to reduce the risk of a cybersecurity or data security breach, there is no guarantee that these measures will be adequate to safeguard all systems with an increased number of employees working remotely.

Cybersecurity attacks in particular are becoming more sophisticated and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, disruption of our customers' operations, loss or damage to our data delivery systems, unauthorized release of confidential or otherwise protected information, corruption of data, and increased costs to prevent, respond to or mitigate cybersecurity events. In addition, certain cyber incidents, such as advanced persistent threats, may remain undetected for an extended period. Our technologies, systems and networks, and those of our vendors, suppliers and other business partners, may become the target of cyberattacks or information security breaches. Emerging artificial intelligence technologies may improve or expand the capabilities of malicious third parties in a way we cannot predict at this time, including being used to develop new hacking tools, exploit vulnerabilities, obscure malicious activities and increase the difficulty detecting threats. Although we have taken measures to prevent cybersecurity attacks and respond to cyber incidents as they have occurred, these measures may not be sufficient to prevent or recover from cyberattacks or information security breaches. Although we maintain insurance coverage to protect against cybersecurity risks, we cannot ensure that it will be sufficient to cover any particular losses we may experience as a result of any future cyberattacks. Furthermore, additional cybersecurity attacks could damage our reputation and lead to financial losses from remedial actions, loss of business, increased protection costs, regulatory action or potential liability.

Our business could be negatively affected by data protection and privacy laws that carry fines and may expose us to criminal sanctions and civil suits.

Several jurisdictions in which we operate (including certain U.S. states, Europe and Canada) may have laws governing how we must respond to a cyber incident that results in the unauthorized access, disclosure or loss of personal data. Additionally, new laws and regulations governing data privacy and unauthorized disclosure of confidential information, including international comprehensive data privacy regulations such as the European Union General Data Protection Regulation and recent California legislation (which, among other things, provides for a private right of action), pose increasingly complex compliance challenges and could potentially elevate our costs over time. Although our business does not involve large-scale processing of personal information, our business involves collection, uses and other processing of personal data of our employees, contractors, suppliers and service providers. As legislation continues to develop and cyber incidents continue to evolve, we will likely be required to expend significant resources to continue to modify or enhance our protective measures to comply with such legislation and to detect, investigate and remediate vulnerabilities to cyber incidents. Any failure by us, or a company we acquire, to comply with such laws and regulations could result in reputational harm, loss of goodwill, penalties, liabilities and/or mandated changes in our business practices.

We may grow through acquisitions and our failure to properly plan and manage those acquisitions may adversely affect our performance.

We plan to expand not only through organic growth but may also do so through the strategic acquisition of companies and assets. We must plan and manage any acquisitions effectively to achieve revenue growth and maintain profitability in our evolving market. If we fail to manage acquisitions effectively, our results of operations could be adversely affected.

Our growth has placed, and is expected to continue to place, significant demands on our personnel, management and other resources. We must continue to improve our operational, financial, management, legal compliance and information systems to keep pace with the growth of our business.

Any future acquisitions could present a number of risks, including but not limited to:

- incorrect assumptions regarding the future results of acquired operations or assets or expected cost reductions or other synergies expected to be realized as a result of acquiring operations or assets;
- unknown liabilities or other unforeseen obligations of any company we may acquire, which may not be identified in the course of or due diligence;
- failure to integrate the operations or management of any acquired operations or assets successfully and timely;
- diversion of management's attention from existing operations or other priorities;
- increased competition for acquisition opportunities, in turn increasing our cost of making further acquisitions or causing us to refrain from making additional acquisitions; and
- our inability to secure sufficient financing, on terms we find acceptable, that may be required for any such acquisition or investment.

In addition, we may not be able to identify suitable acquisition or strategic investment opportunities. We may incur expenses associated with sourcing, evaluating and negotiating acquisitions (including those that we do not complete), and we may also pay fees and expenses associated with financing acquisitions to investment banks and other advisors. Any of these amounts may be substantial, and together with the size, timing and number of acquisitions we pursue, may negatively affect and cause significant volatility in our financial results.

Encountering any of these or any unforeseen problems in completing acquisitions could have a material adverse effect on our ability to compete, financial condition and results of operations, and could prevent us from achieving the increases in revenues and profitability that we hope to realize through acquisitions.

Our failure to properly develop and manage strategic initiatives may adversely affect our financial position and results of operations.

We have initiated, and may in the future initiate, strategic initiatives in order to focus and expand our product offerings. The initiatives we have initiated include (i) the introduction of our Sea Serpent passive sonar arrays for use in maritime security applications, such as anti-submarine warfare; and (ii) implementation of our Spectral Ai technology. There can be no assurance that we will realize the anticipated benefits of such initiatives or that any of the strategic initiatives will ultimately have a material impact on our financial position or results of operations. The pursuit of the strategic initiatives presents a number of risks, including but not limited to, the length of development, increased competition, the diversion of management’s attention from existing operations or other priorities, the unavailability of equipment, budget limitations and the ability to sell our lease pool equipment on favorable terms, if at all, all of which could adversely affect our financial condition and results of operations.

We face risks related to health epidemics and other outbreaks, such as the COVID-19 or novel coronavirus, or fear of such an event.

Our business could be adversely affected by a widespread outbreak of contagious disease, such as the outbreak of respiratory illness caused by the COVID-19 global pandemic. If there are extended or additional facility closures, or other interruptions to our business, including as a result of impact on third-party suppliers, contract manufacturers and service providers, related to health epidemics and other outbreaks, such disruptions could have a material adverse impact on our liquidity, financial condition, and results of operations.

If there are extended or additional facility closures, or other interruptions to our business, including as a result of impact on third-party suppliers, contract manufacturers and service providers, related to health epidemics and other outbreaks, such disruptions could have a material adverse impact on our liquidity, financial condition, and results of operations.

Our cash and cash equivalents may be exposed to failure of our banking institutions.

While we seek to minimize our exposure to third-party losses of our cash and cash equivalents, we hold our balances in a number of large financial institutions. Notwithstanding, such allocation, we are subject to the risk of bank failure. For example, on March 10, 2023, Silicon Valley Bank (“SVB”) was unable to continue its operations and the Federal Deposit Insurance Corporation was appointed as receiver for SVB and created the National Bank of Santa Clara to hold the deposits of SVB. Subsequently, Signature Bank failed on March 12, 2023, UBS took over Credit Suisse on March 19, 2023 and First Republic closed on May 1, 2023, selling most of its deposits and assets to JPMorgan Chase. None of our cash and cash equivalents was held at the failed banks aforementioned and we do not expect further developments with such failed banks to have a material impact on our cash and cash equivalents balance, expected results of operations, or financial performance for the foreseeable future. However, if the banks where we hold deposits were to experience a similar failure, we could experience additional risk. Any such loss or limitation on our cash and cash equivalents would adversely affect our business.

Risks Related to Human Capital Management

We expect to develop and expand the size of our company, and we may encounter difficulties in managing this development and expansion, which could disrupt our operations.

As of January 31, 2024, we had approximately 145 employees and we expect to increase our number of employees and expand the scope and location of our operations. To manage our anticipated development, expansion and incurrence of additional expenses, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Members of our management team may need to divert a disproportionate amount of their attention away from their day-to-day activities and devote a substantial amount of time to managing these development activities. Due to our limited resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. This may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. The physical expansion of our operations may lead to significant costs and may divert financial resources from other projects. If our management is unable to effectively manage our expected development and expansion, our expenses may increase more than expected, our ability to generate or increase our revenue could be reduced and we may not be able to implement our business strategy.

We depend on key management personnel and attracting and retaining other qualified personnel, and our business could be harmed if we lose key management personnel or cannot attract and retain other qualified personnel.

Our success depends to a significant degree upon the technical skills and continued service of certain members of our management team. The loss of the services of any member of our management team could have a material adverse effect on us.

Our success will also depend upon our ability to attract and retain additional qualified management, regulatory, technical, and sales and marketing executives and personnel. The failure to attract, integrate, motivate, and retain additional skilled and qualified personnel could have a material adverse effect on our business. We compete for such personnel against numerous companies, including larger, more established companies with significantly greater financial resources than we possess. In addition, failure to succeed in these efforts may make it more challenging to recruit and retain qualified personnel. There can be no assurance that we will be successful in attracting or retaining such personnel and the failure to do so could have a material adverse effect on our business, financial condition and results of operations.

Our employees may engage in misconduct or other improper activities, including violating applicable regulatory standards and requirements or engaging in insider trading, which could significantly harm our business.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with legal requirements or the requirements of government regulators in the jurisdictions in which we operate, provide accurate information to applicable government authorities, comply with fraud and abuse and other healthcare laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us.

We have adopted a Code of Business Conduct and Ethics applicable to our principal executive officer, principal financial officer, and anyone performing similar functions, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may be ineffective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, additional reporting requirements and oversight if subject to an agreement to resolve allegations of non-compliance with these laws, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could substantially disrupt our operations.

Risk Related to Our Common and Preferred Stock

Our stock prices are subject to volatility.

Stock prices, including our stock price, have been volatile from time to time. Stock price volatility could adversely affect our business operations by, among other things, impeding our ability to attract and retain qualified personnel and to obtain additional financing.

In addition to the other risk factors discussed in this section, the price and volume volatility of our Common Stock may be affected by:

- operating results that vary from the expectations of securities analysts and investors;
- the operating and securities price performance of companies that investors or analysts consider comparable to us;
- announcements of strategic developments, acquisitions and other material events by us or our competitors; and
- changes in global financial markets and global economies and general market conditions, such as interest rates, commodity and equity prices and the value of financial assets.

To the extent that the price of our Common Stock remains at lower levels, or it declines further, our ability to raise funds through the issuance of equity or otherwise use our Common Stock as consideration will be reduced. In addition, increases in our leverage may make it more difficult for us to access additional capital. These factors may limit our ability to implement our operating and growth plans.

Because we do not currently pay any dividends on our Common Stock, investors must look solely to stock appreciation for a return on their investment in us.

We have not paid cash dividends on our Common Stock since our incorporation and do not anticipate paying any cash dividends on our Common Stock in the foreseeable future. We currently intend to retain any future earnings attributable to our Common Stock to support our operations and growth. Any payment of cash dividends on our Common Stock in the future will be dependent on the amount of funds legally available, our financial condition, capital requirements and other factors that our board of directors may deem relevant. Accordingly, investors must rely on sales of their Common Stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

The Company has deferred payment of dividends on its Series A Preferred Stock, which restricts our ability to undertake certain actions.

The Company has deferred payment of the quarterly dividend on its Series A Preferred Stock for seven fiscal quarters, including the fourth quarter of fiscal 2024 and the fist quarter of fiscal 2025. Prior to the declaration and payment of dividends our board of directors must determine, among other things, that funds are available out of the surplus of the Company and that the payment would not render us insolvent or compromise our ability to pay our obligations as they come due in the ordinary course of business. As a result, although the Series A Preferred Stock will continue to earn a right to receive dividends, the Company's ability to pay dividends will depend, among other things, upon our ability to generate excess cash. During a deferral period, the Company is prohibited from paying dividends or distributions on its Common Stock or redeeming any of those shares. Further, since the Company has not paid dividends on its Series A Preferred Stock for six or more quarters, the holders of Series A Preferred Stock have the right to appoint two directors to the Company's board. Additionally, while there are dividends in arears, we are ineligible to utilize certain forms of registration statements with the SEC. This could inhibit our ability to raise additional capital.

We may issue securities with rights senior to that of our Common Stock or Preferred Stock in liquidation which could dilute or negatively affect the value of those securities.

As of January 31, 2024, 1,682,985 shares of the Series A Preferred Stock were outstanding, with a liquidation preference of $25.00 per share. The Company has 2,000,000 shares of Preferred Stock authorized. The Preferred Stock may be issued in multiple series with various terms, as authorized by the Company's board of directors. The Series A Preferred Stock has a liquidation preference senior to that of our Common Stock. In order to raise additional capital, in the future, we may issue other debt securities or equity securities with a liquidation preference senior to that of our Common Stock or debt securities with a liquidation preference senior to that of our Preferred Stock. In the event of our liquidation, our lenders and holders of our debt and preferred securities could receive a distribution of our available assets before distributions to the holders of our Common Stock. The issuance of these securities could dilute or negatively affect the value of our Common Stock.

Provisions in our Amended and Restated Certificate of Incorporation and Delaware law could discourage a takeover attempt, which may reduce or eliminate the likelihood of a change of control transaction and, therefore, the ability of our stockholders to sell their shares for a premium.

Provisions of our certificate of incorporation and the Delaware General Corporation Law may tend to delay, defer or prevent a potential unsolicited offer or takeover attempt that is not approved by our board of directors but that our stockholders might consider to be in their best interest, including an attempt that might result in stockholders receiving a premium over the market price for their shares. Because our board of directors is authorized to issue preferred stock with preferences and rights as it determines, it may afford the holders of any series of preferred stock preferences, rights or voting powers superior to those of the holders of Common Stock.

In addition, we are governed by Section 203 of the Delaware General Corporation Law which, subject to some specified exceptions, prohibits “business combinations” between a Delaware corporation and an “interested stockholder,” which is generally defined as a stockholder who becomes a beneficial owner of 15% or more of a Delaware corporation’s voting stock, for a three-year period following the date that the stockholder became an interested stockholder. Section 203 could have the effect of delaying, deferring, or preventing a change in control that our stockholders might consider to be in their best interests.

Failure to establish and maintain effective internal control over financial reporting could adversely affect our financial results.

It is management’s responsibility to establish and maintain effective internal control in order to provide reasonable assurance regarding the Company’s financial reporting process. Internal control over financial reporting is not intended to impart absolute assurance that the Company can prevent or detect misstatements of its financial statement or fraud due to its inherent limitations.

As of January 31, 2024, the Company’s executive officers determined that the Company’s internal control over financial reporting was not effective due to an identified material weakness. The material weakness involved the Company’s controls over the existence of inventory at its subsidiary location in Singapore. The Company performed a less-than-complete physical inventory at year-end because it placed reliance on other compensating controls during the year, including cycle counts and controls involving receipt and disbursement of inventory See further discussion of the material weakness, including the Company's remediation procedures, in Item 9A - "Controls and Procedures."

As of January 31, 2023, the Company’s executive officers determined that the Company’s internal control over financial reporting was not effective due to an identified material weakness. The material weakness involved the Company’s insufficient level of review performed in connection with the analysis of the aggregation of operating segments, which resulted in a misapplication of ASC 280, Segment Reporting. For the year ended January 31, 2023, we correctly reported segment activity pursuant to the provisions of ASC 280. In Fiscal 2024, see further discussion of the material weakness, including the Company's remediation procedures, in Item 9A - "Controls and Procedures."

A material weakness is defined as a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. If the current material weakness is not remediated, or if additional material weaknesses or significant deficiencies in the Company’s internal control over financial reporting are discovered or occur in the future, the Company’s consolidated financial statements may contain material misstatements and the Company could be required to restate its financial results. The failure to maintain an effective system of internal control over financial reporting could limit the Company’s ability to report its financial results accurately and in a timely manner or to detect and prevent fraud and could also cause a loss of investor confidence and decline in the market price of the Company’s Common Stock. See further discussion of the material weakness, including the Company's remediation procedures, in Item 9A.- “Controls and Procedures.”

Item 1B. *Unresolved Staff Comments*

None.

Item 1C. *Cybersecurity*

Risk Management and Strategy

Our cybersecurity strategy prioritizes detection, analysis, and response to mitigate unknown and unexpected threats and security risks. Our cybersecurity risk management processes include technical security controls, monitoring systems, employee training, and management oversight to assess, identify, and manage risks from cybersecurity threats. To date, we have not experienced any cybersecurity threats or incidents which have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition, but we cannot provide assurance that they will not have a material impact in the future. See “Risk Factors” in Item 1A of this Annual Report for additional information about our cybersecurity risks.

Also, as part of our cybersecurity program, we partner with a third-party information technology firm to support and evaluate our cybersecurity and informational security program. This third-party service includes product and software security for data protection and cyber defense, to monitor, detect, prevent, and protect our Company against potential cybersecurity threats.

Governance

Our executive management has overall responsibility for risk oversight in performing this function. Our executive management assesses cybersecurity and information technology risks and the controls implemented to monitor and mitigate these risks. Our cybersecurity program is overseen by our Global Information Technology Manager, who meets regularly with executive management to share information about potential cybersecurity events and monitor, prevent, and detect potential cybersecurity incidents. Executive management is charged with reviewing our cybersecurity processes for assessing key strategic, operational, and compliance risks.

Item 2. *Properties*

We occupy the following principal facilities, which we believe are adequately utilized for our continuing operations:

Location	Type of Facility	Size (in square feet)	Owned or Leased
Huntsville, Texas	Office and warehouse	25,000 (on six acres)	Owned
The Woodlands, Texas	Office	5,800	Leased
Singapore	Office and warehouse	20,000	Leased
Shepton Mallet, United Kingdom	Office and warehouse	10,000	Leased
Iskandar Puteri, Johor, Malaysia	Office and warehouse	76,700	Leased

We do not believe that any single property is material to our operations and, if necessary, we could readily obtain a replacement facility.

Item 3. ***Legal Proceedings***

From time to time, we are a party to legal proceedings arising in the ordinary course of business. We are not currently a party to any legal proceedings that we believe could have a material adverse effect on our results of operations or financial condition.

Item 4. ***Mine Safety Disclosures***

Not applicable.

PART II

Item 5. *Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Market Information for Common Stock

Our Common Stock is traded on NASDAQ under the symbol "MIND." As of April 29, 2024, there were approximately 1,600 beneficial holders of our Common Stock.

Dividend Policy

We have not paid any cash dividends on our Common Stock since our inception and our Board of Directors does not contemplate the payment of cash dividends on our Common Stock in the foreseeable future. In the future, our payment of dividends on our Common Stock will depend on the amount of funds available, our financial condition, capital requirements and such other factors as our Board of Directors may consider.

As of April 29, 2024, there were 1,682,985 shares of Series A Preferred Stock outstanding with a liquidation preference of $25.00 per share. The quarterly dividends on the outstanding Series A Preferred Stock are approximately $947,000. However, in response to unexpected demands on our liquidity, we have suspended the quarterly dividend on the Series A Preferred Stock. Undeclared dividends total approximately $5.7 million.

On March 25, 2024, we commenced the solicitation of proxies to approve an amendment (the "Amendment") to the Certificate of Designations, Preferences and Rights of our Series A Cumulative Preferred Stock to provide that, at the discretion of our Board of Directors deciding to file the Amendment with the Secretary of State of the State of Delaware at any time prior to July 31, 2024, each share of Series A Preferred Stock shall be converted into 2.7 shares of Common Stock upon the effective time of the Amendment (the "Preferred Stock Proposal"). Holders of Series A Preferred Stock as of the record date of February 27, 2024 were entitled to vote at a Virtual Special Meeting of Preferred Stockholders to be held on April 25, 2024 (the "Special Meeting"). The affirmative vote of two-thirds (66 2/3%) of the outstanding shares of Series A Preferred Stock was required for approval of the Preferred Stock Proposal. Holders of Common Stock were not entitled to vote at the Special Meeting. On April 24, 2024, we announced that our Board of Directors had postponed the Special Meeting and would determine a revised date for the Special Meeting, as well as a revised record date. When the Board of Directors establishes a new record date, we will deliver a new notice of the Special Meeting and an updated proxy statement, which will include a new proxy card.

As of January 31, 2024, we had deposits in foreign banks equal to approximately $4.9 million. These funds may generally be transferred to our accounts in the United States without restriction. However, in certain cases the transfer of these funds may result in withholding taxes payable to foreign taxing authorities. These factors could limit our ability to pay cash dividends in the future.

Unregistered Sales of Equity Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Neither we, nor any affiliated purchaser, purchased any of our equity securities during the fourth quarter of fiscal 2024.

Item 6. *[Reserved]*

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Overview

Effective January 31, 2023, we split our Marine Technology Products Segment into two segments, Seamap Marine Products and Klein Marine Products, to more accurately reflect our operations. On August 21, 2023, we sold the Klein Marine Products segment and now operate in one segment.

Our worldwide Seamap Marine Products business includes Seamap Pte Ltd, MIND Maritime Acoustics, LLC, Seamap (Malaysia) Sdn Bhd and Seamap (UK) Ltd (collectively "Seamap"), which designs, manufactures and sells specialized marine seismic equipment.

Revenue from the Seamap Marine Products business relates to sales of Seamap products, which operates from locations near Bristol, United Kingdom; Huntsville, Texas; Johor, Malaysia and in Singapore.

The discontinued operations of the Klein Marine Products business related to sales of Klein products, which operated from Salem, New Hampshire.

Management believes that the performance of our continued operations is indicated by revenues from sales of products and by gross profit from those sales. Management monitors EBITDA and Adjusted EBITDA, both as defined and reconciled to the most directly comparable financial measures calculated and presented in accordance with United States generally accepted accounting principles ("GAAP"), in the following table, as key indicators of our overall performance and liquidity.

The following table presents certain operating information of our continuing operations:

	Year Ended January 31, 2024	2023
	(in thousands)	
Revenues:		
Sale of marine technology products	$ 36,510	$ 25,012
Total revenues	$ 36,510	$ 25,012
Cost of sales:		
Sale of marine technology products	$ 20,539	$ 15,062
Total cost of sales	$ 20,539	$ 15,062
Gross profit	$ 15,971	$ 9,950
Operating expenses:		
Selling, general and administrative	$ 12,142	$ 12,883
Research and development	$ 2,133	$ 1,373
Depreciation and amortization	$ 1,178	$ 1,344
Total operating expenses	$ 15,453	$ 15,600
Operating income (loss)	$ 518	$ (5,650)

	Year Ended January 31, 2024	2023
	(in thousands)	
Reconciliation of Net Income (loss) to EBITDA and Adjusted EBITDA from continuing operations		
Net income (loss)	$ 274	$ (8,832)
Interest expense, net	634	4
Depreciation and amortization	1,516	1,887
Provision for income taxes	1,355	699
EBITDA	3,779	(6,242)
(Income) loss from discontinued operations net of depreciation and amortization	(1,729)	2,196
Stock-based compensation	261	654
Adjusted EBITDA from continuing operations (1)	$ 2,311	$ (3,392)
Reconciliation of Net Cash Used In Operating Activities to EBITDA		
Net cash used in operating activities	$ (4,967)	$ (2,905)
Stock-based compensation	(261)	(654)
Provision for inventory obsolescence	(341)	(445)
Changes in accounts receivable (current and long-term)	3,318	(4,864)
Interest paid	634	—
Taxes paid, net of refunds	847	371
Gain on sale of other equipment	476	939
Gain on sale of Klein	2,343	—
Changes in inventory	3,601	1,756
Changes in accounts payable, accrued expenses and other current liabilities and deferred revenue	(2,744)	1,223
Changes in prepaid expenses and other current and long-term assets	847	10
Non-cash cumulative translation adjustment for discontinued operations	—	(1,626)
Other	26	(47)
EBITDA(1)	$ 3,779	$ (6,242)

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

Within our Seamap business, we design, manufacture and sell a variety of products used primarily in oceanographic, hydrographic, defense, seismic and maritime security industries. Seamap's primary products include (i) the GunLink seismic source acquisition and control systems; (ii) the BuoyLink RGNSS positioning system used to provide precise positioning of seismic sources and streamers and (iii) SeaLink marine sensors and solid streamer systems (collectively, the "SeaLink" product line or "towed streamer products"). These towed streamer products are primarily designed for three-dimensional, high-resolution marine surveys in survey and exploration applications.

The discontinued operations of our Klein business designed, manufactured, and sold side scan sonar and water-side security systems to commercial, governmental, and military customers throughout the world.

Our results of operations can experience fluctuations in activity levels due to a number of factors outside of our control. These factors include budgetary or financial concerns, difficulties in obtaining licenses or permits, security problems, labor or political issues, inclement weather, and global pandemics. See Item 1A- "Risk Factors."

Business Outlook

Our financial results during fiscal year 2024 improved significantly when compared to fiscal 2023. Despite improving results, our operations continue to be impacted by the following factors:

- Extended lead times for key components.
- Requirements for advanced payments from some vendors for key components.
- Delays and uncertainties in the timing of orders due to customer delivery requirements.
- Difficulties sourcing skilled labor and obtaining necessary work permits and visas in some jurisdictions in which we operate.

However, we believe general economic and geopolitical trends are now favorable for much of our business. Global energy prices traded within a fairly tight range during fiscal 2024 but remain significantly higher than the past several years and are generally expected to rise in fiscal 2025. We believe this is a positive development for our marine seismic customers and many of our customers in this space have recently reported improving financial metrics and outlooks. Expected increases in energy prices and the global movement towards renewable energy is, we believe, positive for our customers in the marine survey industry. We have seen increasing demand for our products regarding alternative energy projects, such as marine wind farm installations, and carbon capture projects.

In recent months, we have continued to experience significant inquiries and bid activity for our Seamap Marine products. As of January 31, 2024, our backlog of firm orders for Seamap Marine Products was approximately $38.4 million, which is an increase of approximately 145% from the $15.7 million reported at January 31, 2023. In addition, we continue to pursue a number of other significant opportunities and expect to secure additional orders, primarily for delivery in fiscal 2025 and beyond. The level of backlog at a particular point in time may not necessarily be indicative of results in subsequent periods as the size and delivery period of individual orders can vary significantly.

Based on our current backlog of orders, continued product inquiries, and current production and delivery schedules, we expect revenue in fiscal 2025 to exceed that of fiscal 2024. If revenues in fiscal 2025 increase as expected, we believe the Company will report net income from continuing operations and positive EBITDA for fiscal 2025. However, no assurances of such results can be made, and there are a number of risks which could cause results to be less than anticipated. Those risks include the following:

- Inability of our customers to accept delivery of orders as scheduled;
- Cancellation of orders;
- Production difficulties, including supply chain disruptions, which could delay the completion of orders as scheduled; and
- Higher than anticipated costs.

We continue to address three primary markets through our continued operations businesses -

- Marine Survey;
- Marine Exploration; and
- Maritime Defense.

Specific applications within those markets include sea-floor survey, mineral and geophysical exploration and maritime security. We have existing technology and products that meet needs across all these markets such as -

- Marine seismic equipment, such as GunLink and BuoyLink; and
- Acoustic arrays, such as SeaLink

We see a number of opportunities to add to our technology and to apply existing technology and products to new applications.

In response, we have initiated certain strategic initiatives in order to exploit the opportunities that we perceive. These initiatives include the following:

- Development of our Spectral Ai sonar software system; and
- Introduction of Sea Serpent passive sonar arrays for use in maritime security applications.

We believe that the above applications expand our addressable markets and provide opportunities for further growth in our revenues; however, neither initiative has produced material revenue to date.

As we grow our business, we are also looking to control our costs. During fiscal 2024, we eliminated several executive and management level positions to control general and administrative costs. Should future financial results fall below our expectation, we may take further steps to reduce costs. We believe many of our costs are variable in nature, such as raw materials and labor-related costs. Accordingly, we believe we can reduce such costs commensurate with any declines in our business.

General inflation levels have increased recently due in part to supply chain issues and geopolitical uncertainty. In addition, shortages of certain components, such as electronic components, have caused prices for available components to increase in some cases. These factors can be expected to have a negative impact on our costs; however, the magnitude of such an impact cannot be accurately determined. In response to these cost increases, in the first quarter of fiscal 2024, we increased the pricing for most of our products. The amount of the increase varies by product and ranged from approximately 5% to 10%.

Our revenues and results of operations have not been materially impacted by inflation or changing prices in the past two fiscal years, except as described below.

Results of Continuing Operations

For fiscal 2024, we recorded operating income of approximately $518,000 and for fiscal 2023, we recorded an operating loss of approximately $5.7 million. The improvement in operating results was driven primarily by significant increases in revenue for the Seamap product lines in addition to cost-saving efforts implemented in the current fiscal year.

Revenues and cost of sales from continued operations were as follows:

	Year Ended January 31, 2024	2023
	(in thousands)	
Sale of marine technology products	$ 36,510	$ 25,012
	36,510	25,012
Cost of sales	20,539	15,062
	20,539	15,062
Gross profit	$ 15,971	$ 9,950
Gross profit margin	44%	40%

A significant portion of Seamap's sales consist of large discrete orders, the timing of which is dictated by our customers. This timing generally relates to the availability of a vessel in port so that our products can be installed. Accordingly, there can be significant variation in sales from one period to another, which does not necessarily indicate a fundamental change in demand for these products. The gross profit and gross profit margins generated by sales of Seamap products were approximately $16.0 million and 44% during fiscal 2024 and approximately $10.0 million and 40% in fiscal 2023. The increase in gross profit margins between the periods is primarily due to incremental revenue and production activity resulting in higher absorption of fixed costs.

Operating Expenses

Selling, general and administrative expenses for fiscal 2024 amounted to approximately $12.1 million, compared to approximately $12.9 million in 2023, respectively. In fiscal 2024 compared to fiscal 2023, the decrease of approximately 6% is primarily the result of reductions in headcount, compensation expense and other administrative costs due to cost reduction initiatives implemented in fiscal 2024.

Research and development costs were approximately $2.1 million in fiscal 2024 as compared to approximately $1.4 million in fiscal 2023. The increase in research and development spending was due primarily to development of the next generation of the Sealink product line.

We did not record a provision for credit losses in fiscal 2024 or fiscal 2023. On January 31, 2024, and 2023, we had trade accounts and note receivables over 180 days past due of approximately $51,000 and $349,000, respectively. Contractual payment terms vary by customer and by contract and, under certain circumstances, we may grant extended payment terms to our customers. In our industry, and in our experience, it is not unusual for accounts to become delinquent from time to time and this is not necessarily indicative of an account becoming uncollectable. As of January 31, 2024, and 2023, our allowance for credit losses receivable for continuing operations amounted to approximately $332,000.

Depreciation and amortization expense relates primarily to the depreciation of furniture and fixtures, office and manufacturing equipment and the amortization of intangible assets. Depreciation and amortization expense was approximately $1.2 million and $1.3 million for fiscal 2024 and 2023, respectively. The decrease in depreciation and amortization expense in fiscal 2024 is due primarily to tangible and intangible assets becoming fully depreciated during the current fiscal year.

We periodically evaluate the recoverability of our long-lived assets. As of January 31, 2024, we performed a qualitative analysis of our long-lived assets and determined that there were no indicators of impairment for fiscal 2024.

Other Income and Expense

In fiscal 2024, we recorded other expense of approximately $280,000, consisting of interest expense of approximately $675,000 related to the $3.75 million loan that was repaid, in full, in conjunction with the sale of Klein, partially offset by gains from sale of assets. In fiscal 2023, we recorded other income of approximately $256,000, consisting primarily of gains from sale of assets.

Provision for Income Taxes

Our provision for income taxes for continuing operations for fiscal 2024 was approximately $1.3 million compared to approximately $699,000 for fiscal 2023. These amounts differed from the result expected when applying the U.S. statutory rate of 21% to our income or loss from continuing operations before income taxes for the respective periods due primarily to the impact of income taxes accrued in certain foreign jurisdictions, primarily in Singapore, which do not have net operating losses available to offset taxable income, and because valuation allowances have been recorded against increases in our deferred tax assets. Valuation allowances have been provided against all deferred tax assets in the United States and several foreign jurisdictions.

Internal Controls

As of January 31, 2024, the Company's executive officers determined that the Company's internal control over financial reporting was not effective due to an identified material weakness. See Item 9A. Controls and Procedures for further details.

As of January 31, 2023, the Company's executive officers determined that the Company's internal control over financial reporting was not effective due to an identified material weakness. See Item 9A. Controls and Procedures for further details.

Results of Discontinued Operations

Revenues and cost of sales from discontinued operations were comprised of the following:

	Year Ended January 31,	
	2024	2023
	(in thousands)	
Revenues:		
Sales of Klein Equipment	3,315	10,079
	3,315	10,079
Cost of sales:		
Cost of sales	1,979	7,145
	1,979	7,145
Gross profit	1,336	2,934
Operating expenses:		
Selling, general and administrative	2,022	5,185
Depreciation and amortization	338	543
Total operating expenses	2,360	5,728
Operating loss	(1,024)	(2,794)
Other income, including $2.3 million gain on sale of Klein	2,415	81
Income (loss) before income taxes	1,391	(2,713)
Provision for income taxes	(17)	(26)
Net income (loss)	1,374	(2,739)

In the third quarter of fiscal 2024, we sold the Klein business and therefore present those operations as discontinued operations.

We recorded revenue of $3.3 million from discontinued operations during fiscal 2024, compared to approximately $10.1 million for fiscal 2023. The revenue recorded in fiscal 2024 and 2023 is from the discontinued operations of Klein. The drop in revenue is due to only seven months of activity in fiscal 2024 and several large multi-beam system sales in fiscal 2023, not recurring in fiscal 2024.

Costs of sales related to the discontinued operations of Klein dropped to approximately $2.0 million in fiscal 2024 from approximately $7.1 million reported in fiscal 2023. The reduction in direct costs is commensurate with the decline in revenue.

Selling, general and administrative costs related to the discontinued operations, primarily related to Klein, totaled approximately $2.0 million in fiscal 2024 compared to approximately $5.2 million during fiscal 2023. The decrease was due primarily to only seven months of activity in fiscal 2024 due to the sale of Klein on August 21, 2023.

Depreciation and amortization expense was approximately $338,000 in fiscal 2024 and approximately $543,000 for fiscal 2023. The decrease in depreciation and amortization expense in fiscal 2024 is due primarily to the sale of Klein on August 21, 2023.

In fiscal 2024 we recognized approximately $2.3 million of gain on the sale of Klein.

We recorded provision for income taxes of approximately $17,000 and $26,000 related to the discontinued operations of Klein in fiscal 2024 and fiscal 2023, respectively. The tax provision for the discontinued operations of Klein relates to state income tax varies from the expected provision based on the U.S. statutory rate due to the proration of profit and loss allocated to the state taxing jurisdiction.

Liquidity and Capital Resources

The Company has a history of generating operating losses and negative cash from operating activities and has relied on cash from the sale of lease pool equipment and the sale of Preferred Stock and Common Stock for the past several years. However, the Company's operating results improved significantly in fiscal 2024 as compared to fiscal 2023 and prior years, generating net income from operations and positive Adjusted EBITDA for the fiscal year ended January 31, 2024. In addition, the Company sold its Klein business on August 21, 2023, generating net proceeds of approximately $7.3 million after settlement of closing cost and all outstanding amounts due and owed, including principal, interest, and other charges, on the Company's $3.75 million loan. The sale of Klein increased the Company's working capital and improved its liquidity situation.

As of January 31, 2024, the Company had working capital of approximately $18.1 million, including cash and cash equivalents of approximately $5.3 million, compared to working capital of approximately $13.3 million, including cash and cash equivalents of approximately $778,000, as of January 31, 2023. The Company does not have a credit facility in place and depends on cash on hand, cash flows from operations, and potential sales of remaining lease pool equipment to satisfy its liquidity needs.

The Company believes it will have adequate liquidity to meet its future operating requirements through a combination of cash on hand, cash expected to be generated from operations, potential financing secured by company owned real property, disciplined working capital commitments, and potentially securing a credit facility or some other form of financing.

In addition, management believes there are additional factors and actions available to the Company to address liquidity concerns, including the following:

- The Company has no obligations or agreements containing "maintenance type" financial covenants.
- The Company had working capital of approximately $18.1 million as of January 31, 2024, including cash of approximately $5.3 million.
- Should revenues be less than projected, the Company believes it is able, and has plans in place, to reduce costs proportionately in an effort to maintain positive cash flow.
- The majority of the Company's costs are variable in nature, such as raw materials and personnel related costs. The Company has recently eliminated two executive level positions, and additional reductions in operations, sales, and general and administrative headcount could be made, if deemed necessary by management.
- The Company has a backlog of orders from continuing operations of approximately $38.4 million as of January 31, 2024, which is an increase of approximately 145% from the $15.7 million reported at January 31, 2023. Production for certain of these orders was in process and included in inventory as of January 31, 2024, thereby reducing the liquidity needed to complete the orders. Based largely on this backlog, Management expects the Company to produce positive operating income and EBITDA in fiscal 2025.
- The Company declared and paid the quarterly dividend on its Preferred Stock for the first quarter of fiscal 2023, but deferred payment of the quarterly dividend for the first, second and fourth quarters of fiscal 2024 and the first quarter of fiscal 2025. The Company also has the option to defer future quarterly dividend payments if deemed necessary. The dividends are a cumulative dividend that accrue for payment in the future. During a deferral period, the Company is prohibited from paying dividends or distributions on its common stock or redeeming any of those shares. On March 25, 2024, the Company commenced the solicitation of proxies to approve an amendment to the Certificate of Designations, Preferences and Rights of its Series A Cumulative Preferred Stock to provide that, at the discretion of its Board of Directors deciding to file the Amendment with the Secretary of State of the State of Delaware at any time prior to July 31, 2024, each share of Series A Preferred Stock shall be converted into 2.7 shares of Common Stock upon the effective time of the Amendment. Holders of Series A Preferred Stock as of the record date of February 27, 2024 were entitled to vote at a Virtual Special Meeting of Preferred Stockholders to be held on April 25, 2024. The affirmative vote of two-thirds (66 2/3%) of the outstanding shares of Series A Preferred Stock was required for approval of the Preferred Stock Proposal. Holders of Common Stock were not entitled to vote at the Special Meeting. On April 24, 2024, the Company announced that its Board of Directors had postponed the Special Meeting and would determine a revised date for the Special Meeting, as well as a revised record date. When the Board of Directors establishes a new record date, the Company will deliver a new notice of the Special Meeting and an updated proxy statement, which will include a new proxy card.
- In recent years, the Company has raised capital through the sale of Common Stock and Preferred Stock pursuant to the ATM Offering Program (as defined herein) and underwritten offerings on Form S-1. Currently, the Company is not eligible to issue securities pursuant to Form S-3 and accordingly cannot sell securities pursuant to the ATM Offering Program. However, the Company may sell securities pursuant to Form S-1 or in private transactions. Management expects to be able to raise further capital through these available means should the need arise.
- The Company owns unencumbered real estate near Huntsville, Texas which could be used to generate capital if needed through a mortgage or sale lease transaction. The Company demonstrated its ability to do this through a secured lending transaction in early fiscal 2024, which was repaid from the proceeds from the sale of Klein. The appraised value of this property is approximately $5.0 million.

As of this date, under our Amended and Restated Certificate of Incorporation, we have 2,000,000 shares of Preferred Stock authorized, of which 1,682,985 are currently outstanding, leaving 317,015 available for future issuance. In addition, 40,000,000 shares of Common Stock are authorized, of which 1,405,779 are currently outstanding and 38,377 are reserved for issuance pursuant to our Amended and Restated Stock Awards Plan, leaving 38,555,844 available for future issuance. We believe these factors provide capacity for subsequent issues of Common Stock or Preferred Stock.

Due to the rising level of sales and production activities, there are increasing requirements for purchases of inventory and other production costs. Additionally, due to component shortages and long-lead times for certain items there are requirements in some cases to purchase items well in advance. Furthermore, some suppliers require prepayments in order to secure some items. All of these factors combine to increase the Company's working capital requirements. Furthermore, Management believes there are opportunities to increase production capacity and efficiencies. However, some of these opportunities may require investments such as production equipment or other fixed assets. If we are unable to meet suppliers demands, we may not be able to produce products and fulfill orders from our customers.

The following table sets forth selected historical information regarding cash flows from our Consolidated Statements of Cash Flows:

	Year Ended January 31, 2024	Year Ended January 31, 2023
	(in thousands)	
Net cash used in operating activities	$ (4,967)	$ (2,905)
Net cash provided by investing activities	11,018	470
Net cash used in financing activities	(1,535)	(1,895)
Effect of changes in foreign exchange rates on cash and cash equivalents	(5)	(6)
Net (decrease) increase in cash and cash equivalents	$ 4,511	$ (4,336)

As of January 31, 2024, we had working capital of approximately $18.1 million, including cash and cash equivalents of approximately $5.3 million, as compared to working capital of approximately $13.3 million, including cash and cash equivalents of approximately $778,000 at January 31, 2023. Our working capital increased during fiscal 2024 compared to fiscal 2023, due primarily to increases in cash, accounts receivable and inventory and a decrease in accounts payable.

Cash Used In Operating Activities. Cash used in operating activities amounted to approximately $5.0 million in fiscal 2024, compared to approximately $2.9 million in fiscal 2023. In fiscal 2024, the primary sources of cash used in operating activities was the net change in working capital items, such as accounts receivable, inventories, prepaid assets, and accounts payable, totaling approximately $4.4 million.

Cash Flows From Investing Activities. Cash provided by investing activities during fiscal 2024 increased approximately $10.5 million over fiscal 2023, due primarily to proceeds from the sale of Klein totaling approximately $11.5 million.

Cash Flows From Financing Activities. Net cash used in financing activities during fiscal 2024 consisted of approximately $0.9 million of Preferred Stock dividend payments and approximately $600,000 of net outflows related to the borrowing and repayment of a short-term loan. Net cash used in financing activities during fiscal 2023 consisted of approximately $1.9 million of Preferred Stock dividend payments.

As of January 31, 2024, we have no funded debt and no obligations containing restrictive financial covenants. On February 2, 2023, we entered into a $3.75 million Loan and Security Agreement ("the Loan"). The Loan was due February 1, 2024, and bore interest at 12.9% per annum, payable monthly. However, the interest due through maturity and an origination fee equal to $240,000 were withheld from the proceeds issued by the Lender. The Loan was secured by mortgages on certain real estate owned by the Company and contained terms customary with this type of transaction, including representations, warranties, covenants, and reporting requirements. The terms of the Loan also allowed for prepayment at any time without penalty. On August 22, 2023, following the sale of Klein, all outstanding amounts due and owed, including principal, interest, and other charges, with respect to the Loan were repaid, in full.

We regularly evaluate opportunities to expand our business through the acquisition of other companies, businesses or product lines. If we were to make any such acquisitions, we believe they could generally be financed with a combination of cash on hand and cash flows from operations. However, should these sources of financing not be adequate, we may seek other sources of capital to fund future acquisitions. These additional sources of capital include bank credit facilities or the issuance of debt or equity securities.

We have determined that, due to the potential requirement for additional investment and working capital to achieve our objectives, the undistributed earnings of foreign subsidiaries are not deemed indefinitely reinvested outside of the United States as of January 31, 2024. Furthermore, we have concluded that any deferred taxes with respect to the undistributed foreign earnings would be immaterial.

As of January 31, 2024, we had deposits in foreign banks equal to approximately $4.9 million, all of which we believe could be distributed to the United States without adverse tax consequences. However, in certain cases the transfer of these funds may result in withholding taxes payable to foreign taxing authorities. These factors could limit our ability to pay cash dividends in the future.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements as defined by Item 303(a)(4)(ii) of Regulation S-K.

Critical Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions in determining the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Critical accounting estimates made by us in the accompanying consolidated financial statements relate to the allowances for uncollectible accounts receivable and inventory obsolescence, and the impairment assessments of our various intangible assets.

Critical accounting estimates are those that are most important to the portrayal of a company's financial position and results of operations and require management's subjective judgment. Below is a brief discussion of our critical accounting estimates.

Allowance for Credit Losses

We make provisions to the allowance for credit losses based on a detailed review of outstanding receivable balances. Factors considered include the age of the receivable, the payment history of the customer, the general financial condition of the customer, any financial or operational leverage we may have in a particular situation and general industry conditions and reasonable and supportable forecasts. Our estimates are subject to uncertainty because financial information about our customers may not be public information or readily available, and the information that is available may not be current or verifiable. However, we have longstanding relationships with most of our Marine Technology business customers and can rely on internal collection history data which we believe is more predictable than most of the other sources of data we use for this purpose. We typically do not charge fees on past-due accounts, although we reserve the right to do so in most of our contractual arrangements with our customers and have done so from time to time. No additional allowance for credit losses related to continuing operations was recorded during fiscal 2024 or fiscal 2023. At January 31, 2024 and 2023, we had an allowance for credit losses of approximately $332,000 related to continuing operations receivables.

Inventory Obsolescence

We value our inventory based on our cost. We adjust the value of our inventory to the extent we determine that our cost cannot be recovered due to obsolescence or other factors. In order to make these determinations, we may use estimates of future demand for our products to determine appropriate inventory reserves and to make corresponding reductions in inventory values to reflect the lower of cost or market value. Our estimates related to inventory obsolescence are subject to uncertainty because many aspects of estimating future demand for our products are beyond our control and subject to change and variation. We are currently experiencing record levels of confirmed backlog of orders which makes the estimate of future demand more sure and less sensitive to changes beyond our control. For fiscal 2024, we increased our inventory obsolescence reserve for continuing operations by approximately $316,000. In fiscal 2023 we decreased our inventory obsolescence reserve for continuing operations by approximately $315,000 primarily due to write-offs of obsolete inventory.

Intangible Assets

Intangible assets consist primarily of proprietary rights, customer relationships, patents, trade names, developed software and other developed technology.

Intangible assets with finite lives are amortized over their estimated useful life on a straight-line basis. We monitor conditions related to these assets to determine whether events and circumstances warrant a revision to the remaining amortization period. We test these assets for potential impairment whenever our management concludes events or changes in circumstances indicate that the carrying amount may not be recoverable. The original estimate of an asset's useful life and the impact of an event or circumstance on either an asset's useful life or carrying value involve significant judgment regarding estimates of the future cash flows associated with each asset. Our estimates of an asset's useful life are subject to uncertainty because our intangible assets are unique and may differ from one to another by type, technology, or use, all of which may impact its estimated useful life. Likewise, if we perform quantitative analysis to determine the recoverability of the carrying value of an asset, our estimate is subject to uncertainty because cashflow projections involve numerous assumptions, many of which are beyond our control. However, due to the Company's improving financial results our facts and circumstances do not mandate quantitative analysis.

For fiscal 2024 and fiscal 2023, management did not identify any events or changes in circumstances that indicated that the carrying amount may not be recoverable. As a result, no charge for impairment was recorded for fiscal 2024 or fiscal 2023.

Significant Accounting and Disclosure Changes

See Note 3 - "New Accounting Pronouncements" in the Notes to the Consolidated Financial Statements in Part II, Item 8 of this Annual Report on Form 10-K.

Item 7A. ***Quantitative and Qualitative Disclosures about Market Risk***

Not required under Item 305 Regulation S-K for smaller reporting companies.

Item 8. ***Financial Statements and Supplementary Data***

The information required by this Item appears beginning on page F-1 and is incorporated herein by reference.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our principal executive officers and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Form 10-K. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Management has identified a material weakness involving the Company's controls over the existence of inventory at its subsidiary location in Singapore. The Company performed less-than-complete physical inventory at year-end because it placed reliance on other compensating controls during the year, including cycle counts and controls involving receipt and disbursement of inventory. However, due to the material value of inventory items not counted at yearend, management determined that reliance on other compensating controls was insufficient to ensure there is not a reasonable possibility that a material misstatement of our annual or interim financial statements would not be prevented or detected in a timely basis.

As described below, the Company will implement changes to internal control procedures over the existence of inventory. Notwithstanding the material weakness described above, the Company's management, including our principal executive officer and principal financial officer, have concluded that the financial statements included in this Annual Report on Form 10-K present fairly, in all material respects, the Company's financial position, results of operations, and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Our disclosure controls and procedures are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness in future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required by Rule 13a-15(c) under the Exchange Act, our management, including our principal executive officer and principal financial officer, assessed the effectiveness of our internal control over financial reporting as of January 31, 2024. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control Integrated Framework* in 2013. Based on this assessment, our management, including our principal executive officers and principal financial officer, identified a material weakness involving the Company's control over the existence of inventory at its subsidiary location in Singapore. The annual physical count of the subsidiary's inventory was limited to items with an extended value greater than $5,000, so all the inventory at the subsidiary location was not counted. The Company performed less-than-complete physical inventory at year-end because it placed reliance on other compensating controls during the year, including cycle counts and controls involving receipt and disbursement of inventory. However, due to the material value of inventory items not counted at yearend, management determined that reliance on other compensating controls was insufficient to ensure there is not a reasonable possibility that a material misstatement of our annual or interim financial statements would not be prevented or detected in a timely basis.. Solely as a result of such material weakness, the Company's executive officers determined that the Company's internal control over financial reporting was not effective at the reasonable assurance level as of January 31, 2024.

As disclosed in Part II Item 9A Controls and Procedures in our Annual Report on Form 10-K for the fiscal year ended January 31, 2023, we had a material weakness in our controls over financial reporting because of the Company's failure to perform a sufficient level of review related to the aggregation of operating segments, which resulted in a misapplication of ASC 280, Segment Reporting, as identified by the Company's auditors during the audit of our financial statements for the fiscal year ended January 31, 2023.

Remediation Plan for the Material Weakness in Internal Control over Financial Reporting

To address the material weakness regarding controls over the existence of inventory, the Company will implement and reinforce the following:

- Implement a robust cycle count process at its subsidiary location in Singapore,
- Reinforce the importance of proper cycle counts through policy statements, regular communications and in periodic reviews and meetings with managers and staff, and
- Ensure adequate review and oversight of cycle count procedures and results.

The Company anticipates the actions described above and resulting improvements in controls will strengthen the Company's processes, procedures and controls related to the existence of inventory and will address the related material weakness described above. However, the material weakness cannot be considered fully remediated until the remediation processes have been in operation for a period of time and successfully tested.

Remediation of the Material Weakness in Internal Control over Financial Reporting

During fiscal 2024, management implemented our previously disclosed remediation plan that included reinforcing an executive level of review of the Company's technical accounting matters:

In connection with its assessment of the effectiveness of our internal control over financial reporting as of January 31, 2024, our management, including our principal executive officer and principal financial officer, concluded that the material weakness involving the Company's review controls to ensure the proper application of generally accepted accounting principles (ASC 280, Segment Reporting) has been remediated as of January 31, 2024.

Changes in Internal Control over Financial Reporting

Except for the changes in connection with our implementation of the remediation plan discussed above, there was no change in our system of internal control over financial reporting during the fiscal year ended January 31, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. ***Other Information***

None.

Item 9C. ***Disclosure Regarding Foreign Jurisdictions that Prevent Inspection***

Not Applicable.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

Pursuant to General Instruction G to Form 10-K, we incorporate by reference into this Item the information to be disclosed in our definitive proxy statement for our 2024 Annual Meeting of Stockholders, which will be filed with the SEC within 120 business days of January 31, 2024.

We have adopted a Code of Business Conduct and Ethics, which covers a wide range of business practices and procedures. The Code of Business Conduct and Ethics represents the code of ethics applicable to our principal executive officer, principal financial officer, and principal accounting officer or controller and persons performing similar functions (“senior financial officers”). A copy of the Code of Business Conduct and Ethics is available on our website, *https://www.mind-technology.com*, and a copy will be mailed without charge, upon written request, to MIND Technology, Inc., 2002 Timberloch Place, Suite 550, The Woodlands, Texas, 77380, Attention: Robert P. Capps. We intend to disclose any amendments to or waivers of the Code of Business Conduct and Ethics on behalf of our senior financial officers on our website, at *https://www.mind-technology.com* promptly following the date of the amendment or waiver.

Item 11. *Executive Compensation*

Pursuant to General Instruction G to Form 10-K, we incorporate by reference into this Item the information to be disclosed in our definitive proxy statement for our 2024 Annual Meeting of Stockholders, which will be filed with the SEC within 120 business days of January 31, 2024.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

Pursuant to General Instruction G to Form 10-K, we incorporate by reference into this Item the information to be disclosed in our definitive proxy statement for our 2024 Annual Meeting of Stockholders, which will be filed with the SEC within 120 business days of January 31, 2024.

Item 13. *Certain Relationships and Related Transactions and Director Independence*

Pursuant to General Instruction G to Form 10-K, we incorporate by reference into this Item the information to be disclosed in our definitive proxy statement for our 2024 Annual Meeting of Stockholders, which will be filed with the SEC within 120 business days of January 31, 2024.

Item 14. *Principal Accountant Fees and Services*

Pursuant to General Instruction G to Form 10-K, we incorporate by reference into this Item the information to be disclosed in our definitive proxy statement for our 2024 Annual Meeting of Stockholders, which will be filed with the SEC within 120 business days of January 31, 2024.

PART IV

Item 15. ***Exhibit and Financial Statement Schedules***

(a) *List of Documents Filed*

(i) *Financial Statements*

The financial statements filed as part of this Form 10-K are listed in "Index to Consolidated Financial Statements" on page F-1.

(ii) *Financial Statement Schedules*

Schedule II - Valuation and Qualifying Accounts

(iii) *Exhibits*

The exhibits required by Item 601 of Regulation S-K are listed in subparagraph (b) below.

(b) *Exhibits*

The exhibits marked with the cross symbol (†) are filed (or furnished in the case of Exhibits 32.1 and 32.2) with this Form 10-K. The exhibits marked with the asterisk symbol (*) are management contracts or compensatory plans or arrangements filed pursuant to Item 601(b)(10)(iii) of Regulation S-K.

Exhibit Number	Document Description	Form	Exhibit Reference
2.1	Agreement and Plan of Merger dated as of August 3, 2020, by and between Mitcham Industries, Inc. and MIND Technology, Inc.	Current Report on Form 8-K, filed with the SEC on August 7, 2020.	2.1
3.1	Amended and Restated Certificate of Incorporation of MIND Technology, Inc.	Current Report on Form 8-K, filed with the SEC on August 7, 2020.	3.3
3.2	Certificate of Amendment of Certificate of Incorporation of MIND Technology, Inc., effective as of October 12, 2023.	Current Report on Form 8-K, filed with the SEC on October 13, 2023.	3.1
3.3	Amended and Restated Bylaws of MIND Technology, Inc..	Current Report on Form 8-K, filed with the SEC on August 7, 2020.	3.4
3.4	Certificate of Designations, Preferences and Rights of MIND Technology, Inc. 9.00% Series A Cumulative Preferred Stock	Current Report on Form 8-K, filed with the SEC on August 7, 2020.	3.5
3.5	Certificate of Amendment of Certificate of Designations, Preferences and Rights of MIND Technology, Inc. 9.00% Series A Cumulative Preferred Stock	Form 8-K filed with the SEC on September 25, 2020.	3.1
3.6	Second Certificate of Amendment of Certificate of Designations, Preferences and Rights of MIND Technology, Inc. 9.00% Series A Cumulative Preferred Stock	Registration Statement on Form S-1, filed with the SEC on October 25, 2021	3.5
3.7	Third Certificate of Amendment of Certificate of Designations, Preferences and Rights of MIND Technology, Inc. 9.00% Series A Cumulative Preferred Stock	Form 8-K filed with the SEC on November 4, 2021.	3.3
3.8	Fourth Certificate of Amendment of Certificate of Designations, Preferences and Rights of MIND Technology, Inc. 9.00% Series A Cumulative Preferred Stock effective as of October 12, 2023	Current Report on Form 8-K, filed with the SEC on October 13, 2023.	3.2
3.9	Texas Certificate of Merger, effective as of August 3, 2020	Current Report on Form 8-K, filed with the SEC on August 7, 2020.	3.1
3.10	Delaware Certificate of Merger, effective as of August 3, 2020	Current Report on Form 8-K, filed with the SEC on August 7, 2020	3.2
4.1†	Description of Securities		

Exhibit Number	Document Description	Form	Exhibit Reference
10.1*	Mitcham Industries, Inc. Amended and Restated Stock Awards Plan	Definitive Proxy Statement on Schedule 14A filed with the SEC on May 31, 2013.	Appendix A
10.2*	First Amendment to the Mitcham Industries, Inc. Amended and Restated Stock Awards Plan	Definitive Proxy Statement on Schedule 14A filed with the SEC on May 16, 2016.	Appendix A
10.3*	Second Amendment to the Mitcham Industries, Inc. Amended and Restated Stock Awards Plan	Form S-8 filed with the SEC on September 5, 2019.	4.5
10.4*	Third Amendment to the Mitcham Industries, Inc. Amended and Restated Stock Awards Plan	Definitive Proxy Statement on Schedule 14A filed with the SEC on May 28, 2021.	Appendix A
10.5*	Form of Nonqualified Stock Option Agreement under the Mitcham Industries, Inc. Stock Awards Plan	Report on Form 10-Q for the quarter ended July 31, 2006, filed with the SEC on September 12, 2006.	10.3
10.6*	Form of Restricted Stock Agreement under the Mitcham Industries, Inc. Stock Awards Plan	Report on Form 10-Q for the quarter ended July 31, 2006, filed with the SEC on September 12, 2006.	10.4
10.7*	Form of Incentive Stock Option Agreement under the Mitcham Industries, Inc. Stock Awards Plan	Report on Form 10-Q for the quarter ended July 31, 2006, filed with the SEC on September 12, 2006.	10.5
10.8*	Form of Restricted Stock Agreement (Stock Awards Plan)	Current Report on Form 8-K, filed with the SEC on September 8, 2004.	10.1
10.9*	Form of Nonqualified Stock Option Agreement (Stock Awards Plan)	Current Report on Form 8-K, filed with the SEC on September 8, 2004.	10.2
10.10*	Form of Incentive Stock Option Agreement (Stock Awards Plan)	Current Report on Form 8-K, filed with the SEC on September 8, 2004.	10.4
10.11*	Form of Phantom Stock Award Agreement (Stock Awards Plan)	Current Report on Form 8-K, filed with the SEC on September 8, 2004.	10.5

Exhibit Number	Document Description	Form	Exhibit Reference
10.12*	Form of Stock Appreciation Rights Agreement (Stock Awards Plan)	Current Report on Form 8-K, filed with the SEC on September 8, 2004.	10.6
10.13*	Form of Incentive Stock Option Agreement (2000 Stock Option Plan)	Current Report on Form 8-K, filed with the SEC on September 8, 2004.	10.7
10.14*	Form of Nonqualified Stock Option Agreement (2000 Stock Option Plan)	Current Report on Form 8-K, filed with the SEC on September 8, 2004.	10.8
10.15*	Summary of Non-Employee Director Compensation	Annual Report on Form 10-K for the year ended January 31, 2022, filed with the SEC on April 29, 2022	10.15
10.16*	Employment Agreement between the Company and Robert P. Capps, dated September 11, 2017	Current Report on Form 8-K, filed with the SEC on September 15, 2017.	10.1
10.17	Amended and Restated Equity Distribution Agreement, dated as of September 25, 2020, by and between MIND Technology, Inc. and Ladenburg Thalmann & Co. Inc.	Current Report on Form 8-K, filed with the SEC on September 25, 2020.	1.1
10.18	Separation and Release Agreement, dated the Effective Date, between the Company and Dennis P. Morris.	Current Report on Form 8-K, filed with the SEC on April 20, 2022.	10.1
10.19	Loan and Security Agreement, dated February 2, 2023, between the Borrowers and Sachem Capital Corp.	Current Report on Form 8-K, filed with the SEC on February 8, 2023.	10.1
10.20	Stock Purchase Agreement, dated August 21, 2023	Current Report on Form 8-K, filed with the SEC on August 25, 2023.	10.1
21.1†	Subsidiaries of MIND Technology, Inc.		
23.1†	Consent of Moss Adams LLP		
31.1†	Certification of Robert P. Capps, Chief Executive Officer, pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended		
31.2†	Certification of Mark A. Cox, Chief Financial Officer, pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended		
32.1†	Certification of Robert P. Capps, Chief Executive Officer, under Section 906 of the Sarbanes Oxley Act of 2002, 18 U.S.C. § 1350		
32.2†	Certification of Mark A. Cox, Chief Financial Officer, under Section 906 of the Sarbanes Oxley Act of 2002, 18 U.S.C. § 1350		

Exhibit Number	Document Description	Form	Exhibit Reference
101.INS†	Inline XBRL Instance Document		
101.SCH†	Inline XBRL Taxonomy Extension Schema Document		
101.CAL†	Inline XBRL Taxonomy Extension Calculation of Linkbase Document		
101.DEF†	Inline XBRL Taxonomy Extension Definition Linkbase Document		
101.LAB†	Inline XBRL Taxonomy Extension Label Linkbase Document		
101.PRE†	Inline XBRL Taxonomy Extension Presentation Linkbase Document		
104	Cover Page Interactive Data File (embedded within the Inline XBRL and contained in Exhibit 101)		

Item 16. *Form 10-K Summary*

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on the 30th day of April 2024.

MIND TECHNOLOGY, INC.

By: /s/ ROBERT P. CAPPS

Robert P. Capps
President, Chief Executive Officer and Director
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Signature	Title/Capacity	Date
/s/ ROBERT P. CAPPS Robert P. Capps	President, Chief Executive Officer and Director *(Principal Executive Officer)*	April 30, 2024
/s/ MARK A. COX Mark A. Cox	Vice President and Chief Financial Officer *(Principal Financial Officer and Principal Accounting Officer)*	April 30, 2024
/s/ PETER H. BLUM Peter H. Blum	Non-Executive Chairman of the Board of Directors	April 30, 2024
/s/ THOMAS S. GLANVILLE Thomas S. Glanville	Director	April 30, 2024
/s/ WILLIAM H. HILARIDES William H. Hilarides	Director	April 30, 2024
/s/ ALAN P. BADEN Alan P. Baden	Director	April 30, 2024

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The Stockholders and the Board of Directors
MIND Technology, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of MIND Technology, Inc. and subsidiaries (the Company) as of January 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows for the years then ended, and the related notes and schedule (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of January 31, 2024 and 2023, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ Moss Adams LLP

Houston, Texas
April 30, 2024

We have served as the Company's auditor since 2017.

MIND TECHNOLOGY, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	January 31, 2024	January 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,289	$ 778
Accounts receivable, net of allowance for credit losses of $332 and $332 at January 31, 2024 and 2023, respectively	6,566	3,247
Inventories, net	13,371	11,026
Prepaid expenses and other current assets	3,113	1,400
Current assets of discontinued operations	—	5,783
Total current assets	28,339	22,234
Property and equipment, net	818	953
Operating lease right-of-use assets	1,324	1,749
Intangible assets, net	2,888	3,633
Deferred tax asset	122	—
Long-term assets of discontinued operations	—	4,289
Total assets	$ 33,491	$ 32,858
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,623	$ 2,494
Deferred revenue	203	144
Accrued expenses and other current liabilities	5,586	1,477
Income taxes payable	2,114	1,493
Operating lease liabilities - current	751	903
Current liabilities of discontinued operations	—	2,420
Total current liabilities	10,277	8,931
Operating lease liabilities - non-current	573	846
Deferred tax liability	—	29
Total liabilities	10,850	9,806
Stockholders' equity:		
Preferred stock, $1.00 par value; 2,000 shares authorized; 1,683 shares issued and outstanding at each January 31, 2024, and 2023	37,779	37,779
Common stock $0.01 par value; 40,000 shares authorized; 1,406 and 1,599 shares issued at January 31, 2024 and 2023, respectively	14	16
Additional paid-in capital	113,121	129,721
Treasury stock, at cost (0 and 193 shares at January 31, 2024 and 2023, respectively)	—	(16,863)
Accumulated deficit	(128,307)	(127,635)
Accumulated other comprehensive gain	34	34
Total stockholders' equity	22,641	23,052
Total liabilities and stockholders' equity	$ 33,491	$ 32,858

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

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

	Year Ended January 31, 2024	Year Ended January 31, 2023
Revenues:		
Sale of marine technology products	$ 36,510	$ 25,012
Cost of sales:		
Sale of marine technology products	20,539	15,062
Gross profit	15,971	9,950
Operating expenses:		
Selling, general and administrative	12,142	12,883
Research and development	2,133	1,373
Depreciation and amortization	1,178	1,344
Total operating expenses	15,453	15,600
Operating income (loss)	518	(5,650)
Other (expense) income	(280)	256
Income (loss) from continuing operations before income taxes	238	(5,394)
Provision for income taxes	(1,338)	(699)
Loss from continuing operations	(1,100)	(6,093)
Income (loss) from discontinued operations, net of income taxes	1,374	(2,739)
Net income (loss)	$ 274	$ (8,832)
Preferred stock dividends - declared	(946)	(947)
Preferred stock dividends - undeclared	(2,842)	(2,841)
Net loss attributable to common stockholders	$ (3,514)	$ (12,620)
Net (loss) income per common share - Basic and diluted		
Continuing operations	$ (3.48)	$ (7.03)
Discontinued operations	$ 0.98	$ (1.95)
Net loss	$ (2.50)	$ (8.98)
Basic	1,406	1,405
Diluted	1,406	1,405

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

MIND TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Year Ended January 31,	
	2024	2023
Net income (loss)	$ 274	$ (8,832)
Change in cumulative translation adjustment for liquidation of entities held for sale	$ —	$ 1,915
Comprehensive income (loss)	$ 274	$ (6,917)

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

MIND TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands)

	Year Ended January 31, 2023 and 2024								
	Common Stock		Preferred Stock						
	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Treasury Stock	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total
Balances, January 31, 2022	**1,597**	**16**	**1,683**	**37,779**	**129,067**	**(16,862)**	**(117,856)**	**(1,881)**	**30,263**
Net loss	—	—			—	—	(8,832)	—	(8,832)
Foreign currency translation	—	—	—	—	—	—	—	1,915	1,915
Restricted stock issued	2	—	—	—	—	—	—	—	—
Restricted stock forfeited for taxes	—	—	—	—	—	(1)	—	—	(1)
Preferred stock dividends	—	—	—	—	—	—	(947)	—	(947)
Stock-based compensation	—	—	—	—	654	—	—	—	654
Balances, January 31, 2023	**1,599**	**16**	**1,683**	**37,779**	**129,721**	**(16,863)**	**(127,635)**	**34**	**23,052**
Net income	—	—	—	—	—	—	274	—	274
Preferred stock dividends	—	—	—	—	—	—	(946)	—	(946)
Retirement of treasury stock	(193)	(2)	—	—	(16,861)	16,863	—	—	—
Stock-based compensation	—	—	—	—	261	—	—	—	261
Balances, January 31, 2024	1,406	14	1,683	37,779	113,121	—	(128,307)	34	$ 22,641

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

MIND TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended January 31, 2024	Year Ended January 31, 2023
Cash flows from operating activities:		
Net income (loss)	$ 274	$ (8,832)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	1,516	1,887
Stock-based compensation	261	654
Non-cash cumulative translation adjustment for discontinued operations	—	1,626
Gain on sale of Klein	(2,343)	—
Provision for inventory obsolescence	341	445
Gross profit from sale of other equipment	(476)	(939)
Deferred tax benefit	(153)	(62)
Changes in:		
Accounts receivable	(3,343)	4,890
Unbilled revenue	25	(26)
Inventories	(3,601)	(1,756)
Income taxes receivable and payable	635	441
Accounts payable, accrued expenses and other current liabilities	(334)	775
Prepaid expenses and other current and long-term assets	(847)	(10)
Deferred revenue	3,078	(1,998)
Net cash used in operating activities	(4,967)	(2,905)
Cash flows from investing activities:		
Cost incurred to develop technology	(49)	(12)
Purchases of property and equipment	(241)	(570)
Sale of other assets	476	1,052
Proceeds from the sale of Klein, net	10,832	—
Net cash provided by investing activities	11,018	470
Cash flows from financing activities:		
Net proceeds from short-term loan	2,947	—
Payment on short-term loan	(3,750)	—
Refund of prepaid interest on short-term loan	214	
Repurchase of common stock	—	(1)
Preferred stock dividends	(946)	(1,894)
Net cash used in financing activities	(1,535)	(1,895)
Effect of changes in foreign exchange rates on cash and cash equivalents	(5)	(6)
Net increase (decrease) in cash and cash equivalents	4,511	(4,336)
Cash and cash equivalents, beginning of period	778	5,114
Cash and cash equivalents, end of period	$ 5,289	$ 778

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

MIND Technology, Inc.
Notes to Consolidated Financial Statements

1. Organization, Liquidity and Summary of Significant Accounting Policies

Organization—MIND Technology, Inc., a Delaware corporation (the “Company”), was incorporated in 1987. The Company, through its wholly owned subsidiaries, Seamap Pte Ltd, MIND Maritime Acoustics, LLC, Seamap (Malaysia) Sdn Bhd and Seamap (UK) Ltd, collectively “Seamap”, designs, manufactures and sells a broad range of proprietary products for the seismic, hydrographic and offshore industries with product sales and support facilities based in Singapore, Malaysia, the United Kingdom and the state of Texas. Prior to August 21, 2023, the Company, through its wholly owned subsidiary Klein Marine Systems, Inc. (“Klein”), designed, manufactured and sold a broad range of proprietary products for the seismic, hydrographic and offshore industries from its facility in the state of New Hampshire. Effective August 21, 2023, the Company sold Klein and retrospectively presented its prior periods balance sheet activity as assets and liabilities of discontinued operations and the financial results reported as discontinued operations (see Note 2 – “Sale of a Subsidiary and Discontinued Operations” for additional details).

As of January 31, 2024, the Company had working capital of approximately $18.1 million, including cash and cash equivalents of approximately $5.3 million, compared to working capital of approximately $13.3 million, including cash and cash equivalents of approximately $778,000, as of January 31, 2023. The Company does not have a credit facility in place and depends on cash on hand and cash flows from operations to satisfy its liquidity needs. However, the Company believes it will have adequate liquidity to meet its future operating requirements through a combination of cash on hand, cash expected to be generated from operations, disciplined working capital management, potential financing secured by company owned real property, and potentially securing a credit facility or some other form of financing.

Revenue Recognition of Marine Product Sales—Revenues and cost of sales from the sale of marine products are recognized upon acceptance of terms and completion of our performance obligations, which is typically when delivery has occurred, or in the case of bill-and-hold arrangements, when control has been transferred.

Revenue Recognition of Long-term Projects—From time to time the Company enters into contracts whereby certain marine equipment is assembled or manufactured and sold, primarily to governmental entities. Performance under these contracts generally occurs over a period of three to twelve months. Revenue and costs related to these contracts are recognized “over time”, as each separately identified performance obligation is satisfied.

Revenue Recognition of Repair Services and Equipment Upgrades—Revenue and cost of sales from the provision of repair services and equipment upgrades are recognized “over time” pursuant to the practical expedient under which revenue is recognized when invoiced.

Revenue Recognition of Service Agreements—In some cases the Company provides on-going support services pursuant to contracts that generally have a term of 12 months. The Company recognizes revenue from these contracts ratably over the term of the contract. The Company may also provide support services on a time and material basis. Revenue from these arrangements is recognized as the services are provided. For certain new systems, the Company provides support services for up to 12 months at no additional charge. Any amounts attributable to these support obligations are immaterial. Revenues from service contracts for fiscal 2024 and 2023 were not material and as a result are not presented separately in the financial statements.

Allowance for Credit Losses—Trade receivables are uncollateralized customer obligations due under normal trade terms. The carrying amount of trade receivables and contracts receivable is reduced by a valuation allowance that reflects management’s estimate of the amounts that will not be collected, based on the age of the receivable, payment history of the customer, general industry conditions, general financial condition of the customer and any financial or operational leverage the Company may have in a particular situation. Amounts are written-off when collection is deemed unlikely. Past due amounts are determined based on contractual terms. The Company generally does not charge interest on past due accounts.

Cash and Cash Equivalents—The Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents.

Inventories—Inventories are stated at the lower of cost or realizable value. The Company determines cost on the basis of Average or Standard Cost. An allowance for obsolescence is maintained to reduce the carrying value of any inventory items that may become obsolete. Inventories are periodically monitored to ensure that the allowance for obsolescence covers any obsolete items.

Property and Equipment—Property and equipment is carried at cost, net of accumulated depreciation. Depreciation is computed on the straight-line method over the related estimated useful lives. The estimated useful lives of equipment range from three to seven years. Buildings are depreciated over 30 years and property improvements are amortized over 10 years or the shorter of their useful life. Leasehold improvements are amortized over the shorter of the estimated useful life or the life of the respective leases. No salvage value is assigned to property and equipment. Significant improvements are capitalized while maintenance and repairs are charged to expense as incurred.

Intangible Assets—Intangible assets are carried at cost, net of accumulated amortization. Amortization is computed on the straight-line method (for customer relationships, the straight-line method is not materially different from other methods that estimate run off of the underlying customer base) over the estimated life of the asset. Proprietary rights, developed technology and amortizable tradenames are amortized over a 10 to 15-year period. Customer relationships are amortized over an eight-year period. Patents are amortized over an eight to ten-year period.

Impairment—The Company reviews its long-lived assets, including its amortizable intangible and non-amortizing assets, for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. In reviewing for impairment, the carrying value of such assets is compared to the estimated undiscounted future cash flows expected from the use of the assets and their eventual disposition. If such cash flows are not sufficient to support the asset's recorded value, an impairment charge is recognized to reduce the carrying value of the long-lived asset to its estimated fair value. The determination of future cash flows as well as the estimated fair value of long-lived assets involves significant estimates on the part of management. The Company performs an impairment test on indefinite lived assets on an annual basis. The Company performs a qualitative review to determine if it is more likely than not that the fair value of our indefinite lived assets is greater than their carrying value. If the Company is unable to conclude qualitatively that it is more likely than not that an indefinite lived asset's fair value exceeds its carrying value, then the Company performs a quantitative assessment of fair value of the indefinite lived asset. The quantitative reviews involve significant estimates on the part of management.

Product Warranties—Seamap provides its customers warranties against defects in materials and workmanship generally for a period of three months after delivery of the product. For fiscal 2024 and 2023, warranty expense was not material.

Income Taxes—The Company accounts for income taxes under the liability method, whereby the Company recognizes deferred tax assets and liabilities which represent differences between the financial and income tax reporting basis of its assets and liabilities. Deferred tax assets and liabilities are determined based on temporary differences between income and expenses reported for financial reporting and tax reporting. The Company has assessed, using all available positive and negative evidence, the likelihood that the deferred tax assets will be recovered from future taxable income.

The weight given to the potential effect of positive and negative evidence is commensurate with the extent to which it can be objectively verified. The preponderance of negative or positive evidence supports a conclusion regarding the need for a valuation allowance for some portion, or all, of the deferred tax asset. The more significant types of evidence considered include the following:

- projected taxable income in future years;
- our history of taxable income within a particular jurisdiction;
- any history of deferred tax assets expiring prior to realization;
- whether the carry forward period is so brief that it would limit realization of tax benefits;
- other limitations on the utilization of tax benefits;
- future sales and operating cost projections that will produce more than enough taxable income to realize the deferred tax asset based on existing sales prices and cost structures;
- our earnings history exclusive of the loss that created the future deductible amount coupled with evidence indicating that the loss is an aberration rather than a continuing condition; and
- tax planning strategies that will create additional taxable income.

Use of Estimates—The preparation of the Company's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's management to make estimates and assumptions that affect the amounts reported in these consolidated financial statements and accompanying notes. Estimates are used for, but not limited to, the allowance for credit losses, inventory obsolescence, lease liabilities, valuation allowance on deferred tax assets, the evaluation of uncertain tax positions, estimated depreciable lives of fixed assets and intangible assets, impairment of fixed assets and intangible assets, valuation of assets acquired and liabilities assumed in business combinations and the valuation of stock options. Future events and their effects cannot be perceived with certainty. Accordingly, these accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of the consolidated financial statements will change as new events occur, as more experience is acquired, as additional information is obtained and as the Company's operating environment changes. Actual results could differ from these estimates.

Substantial judgment is necessary in the determination of the appropriate levels for the Company's allowance for credit losses because of the extended payment terms the Company offers to its customers on occasion and the limited financial wherewithal of certain of these customers. As a result, the Company's allowance for credit losses could change in the future, and such change could be material to the financial statements taken as a whole. The Company must also make judgments with respect to quantitative analysis prepared in conjunction with impairment analysis related to intangible assets.

Fair Value of Financial Instruments—The Company's financial instruments consist of accounts and contracts receivable and accounts payable.

The Financial Accounting Standards Board ("FASB") has issued guidance on the definition of fair value, the framework for using fair value to measure assets hierarchy, which prioritizes the inputs used to measure fair value. These tiers include:

- Level 1: Defined as observable inputs such as quoted prices in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

- Level 2: Defined as pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors and current and contractual prices for the underlying instruments, as well as other relevant economic measures.

- Level 3: Defined as pricing inputs that are unobservable form objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

The Company measures the fair values of intangibles and other long-lived assets on a non-recurring basis if required by impairment tests applicable to these assets. Based on the results of our qualitative reviews, no quantitative tests were applicable during fiscal years 2024 and 2023.

Foreign Currency Translation—All balance sheet accounts of the Canadian subsidiary for fiscal 2024 and 2023 have been translated at the current exchange rate as of the end of the accounting period. Statements of operations items have been translated at average currency exchange rates. The resulting translation adjustment is recorded as a separate component of comprehensive income within stockholders' equity.

Leases—The Company determines if an arrangement is a lease at inception. Operating leases are recorded as right-of-use assets and operating lease liabilities. The Company has not entered into any financing leases.

Operating lease right-of-use assets represent a right to use an underlying asset for the lease term and operating lease right-of-use liabilities represent an obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term and use an implicit rate when readily available. Since most of the Company's leases do not provide an implicit rate the Company utilizes the incremental borrowing rate to determine the present value of lease payments. The rate will take into consideration the underlying asset's economic environment, including the length of the lease term and currency that the lease is payable in. Lease expense for operating leases is recognized on a straight-line basis over the lease term.

Stock-Based Compensation—Stock-based compensation expense is recorded based on the grant date fair value of share-based awards. Restricted stock awards are valued at the closing price on the date of grant. Determining the grant date fair value for options requires management to make estimates regarding the variables used in the calculation of the grant date fair value. Those variables are the future volatility of our Common Stock price, the length of time an optionee will hold their options until exercising them (the "expected term"), and the number of options that will be forfeited before they are exercised (the "forfeiture rate"). We utilize various mathematical models in calculating the variables. Share-based compensation expense could be different if we used different models to calculate the variables. The fair value of stock-based compensation awards is amortized over the requisite service period of the award, which is the vesting period of the related awards.

Earnings Per Share—Net income (loss) per basic common share is computed using the weighted average number of common shares outstanding during the period. Net income (loss) per diluted common share is computed using the weighted average number of common shares and potential common shares outstanding during the period. Potential common shares result from the assumed exercise of outstanding Common Stock options having a dilutive effect using the treasury stock method, from unvested shares of restricted stock using the treasury stock method and from outstanding Common Stock warrants. For fiscal 2024 and 2023, the following table sets forth the number of potentially dilutive shares that may be issued pursuant to options, restricted stock and warrants outstanding used in the per share calculations.

	Year Ended January 31,	
	2024	**2023**
	(in thousands)	
Stock options	—	—
Restricted stock	—	—
Total dilutive shares	—	—

For fiscal 2024 and 2023, respectively, potentially dilutive common shares, were immaterial and did not change the calculation of diluted loss per share for those periods.

2. Sale of a Subsidiary and Discontinued Operations

On July 27, 2020, the Board determined to exit the Leasing Business. As a result, the assets, excluding cash, and liabilities of the Leasing Business are considered held for sale and its results of operations are reported as discontinued operations as of January 31, 2023 and for the year then ended. The Company originally anticipated selling the discontinued operations in multiple transactions, potentially involving the sale of legal entities, assets, or a combination of both, within the twelve months ending July 31, 2021. As of January 31, 2023, we have substantially completed the sale of discontinued operations related to the Leasing Business.

On August 21, 2023, the Company sold Klein pursuant to a Stock Purchase Agreement (the "SPA") with General Oceans AS ("the Buyer"). In connection with the SPA, the Company granted the Buyer a license to its Spectral Ai software suite ("Spectral Ai"). The license is exclusive to the Buyer as it relates to side scan sonar. The Company and the Buyer also entered into a collaboration agreement for the further development of Spectral Ai and potentially other software projects. The foregoing transactions contemplated by the SPA are referred to as the "Sale of Klein". The aggregate consideration to the Company consisted of a cash payment of $10.8 million, resulting in a gain of approximately $2.4 million. The SPA contained customary representation and warranties. On August 22, 2023, following the closing of the Sale of Klein, all outstanding amounts due and owed, including principal, interest, and other charges, under the Loan were repaid in full and the Loan was terminated, and all liens and security interests granted thereunder were released and terminated (see Note 11 - "Notes Payable" for additional details). As a result of the sale, the assets, and liabilities of Klein, are considered assets and liabilities of discontinued operations in prior periods and its results of operations are reported as discontinued operations for the years ended January 31, 2024 and 2023.

The assets reported as discontinued operations consist of the following:

	As of January 31,	
	2024	2023
Assets of discontinued operations:	(in thousands)	
Accounts receivable, net	$ —	$ 746
Inventories, net	—	4,292
Prepaid expenses and other current assets	—	745
Total current assets of discontinued operations	—	5,783
Property, plant and equipment, net	—	2,992
Intangible and other assets, net	—	1,297
Total assets of discontinued operations	$ —	$ 10,072

The liabilities of discontinued operations consist of the following:

	As of January 31,	
	2024	2023
Current liabilities of discontinued operations:	(in thousands)	
Accounts payable	$ —	$ 1,607
Deferred revenue	—	20
Accrued expenses and other current liabilities	—	769
Income taxes payable	—	24
Total current liabilities of discontinued operations	$ —	$ 2,420

The results of operations from discontinued operations for the twelve months ended January 31, 2024 and 2023, consist of the following:

	Twelve Months Ended January 31,	
	2024	2023
Revenues:	(in thousands)	
Revenue from discontinued operations	$ 3,315	$ 10,079
Cost of sales:		
Cost of discontinued operations	1,979	7,145
Operating expenses:		
Selling, general and administrative	2,022	5,185
Depreciation and amortization	338	543
Total operating expenses	2,360	5,728
Operating loss	(1,024)	(2,794)
Other income, including $2.3 million gain on sale of Klein	2,415	81
Income (loss) before income taxes from discontinued operations	1,391	(2,713)
Provision for income taxes from discontinued operations	(17)	(26)
Net income (loss) from discontinued operations	1,374	(2,739)

The significant operating and investing noncash items and capital expenditures related to discontinued operations are summarized below:

	Twelve Months Ended January 31, 2024	2023
	(in thousands)	
Depreciation and amortization	$ 338	$ 543
Gross profit from sale of other equipment	$ —	$ 939
Gain on sale of Klein	$ 2,343	$ —
Non-cash cumulative translation loss for discontinued operations	$ —	$ 1,626

In fiscal 2023, our discontinued operations recognized a loss of approximately $1.6 million related to cumulative currency translation adjustments related to our subsidiary, Mitcham Canada, which was declared a discontinued entity. In addition, our discontinued operations recognized gains of approximately $939,000 related to the sales of lease pool equipment in fiscal 2023.

3. New Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, Financial Instruments-Credit Losses (Topic 326), which changes the existing incurred loss impairment model for financial assets held at amortized cost. The new model uses a forward-looking expected loss method to calculate credit loss estimates. ASU 2016-13 and its amendments are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, though early adoption was permitted. The Company adopted the requirements of ASU 2016-13 as of February 1, 2023, on a modified retrospective basis. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, to enhance the disclosures public entities provide regarding significant segment expenses so that investors can better understand an entity's overall performance and assess potential future cash flows. ASU 2023-07 will become effective February 1, 2024. The Company is currently evaluating the new guidance to determine the impact it will have on the disclosures to its consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). ASU 2023-09 seeks to improve transparency of income tax disclosures by requiring consistent categories and greater disaggregation of information in the rate reconciliation and income taxes paid disclosures. The updated guidance is effective for the Company on February 1, 2025. The Company is currently evaluating the new guidance to determine the impact it will have on the disclosures to its consolidated financial statements.

4. Revenue from Contracts with Customers

The following table presents revenue from contracts with customers disaggregated by timing of revenue recognition:

	Twelve Months Ended January 31, 2024	2023
	(in thousands)	
Total revenue recognized at a point in time	$ 35,556	$ 22,544
Total revenue recognized over time	954	2,468
Total revenue from contracts with customers	$ 36,510	$ 25,012

The revenue from products manufactured and sold by our Seamap business, is generally recognized at a point in time, or when the customer takes possession of the product, based on the terms and conditions stipulated in our contracts with customers. However, from time to time our Seamap business provides repair and maintenance services, or performs upgrades, on customer owned equipment in which case revenue is recognized over time. In addition, our Seamap business provides annual Software Maintenance Agreements ("SMA") to customers who have an active license for software embedded in Seamap products. The revenue from SMA is recognized over time, with the total value of the SMA amortized in equal monthly amounts over the life of the contract.

The following table presents revenue from contracts with customers disaggregated by geography, based on shipping location of our customers:

	Twelve Months Ended January 31, 2024	2023
Revenue from contracts with customers:	(in thousands)	
United States	$ 1,250	$ 1,986
Europe	20,248	11,836
Asia-Pacific	12,399	10,755
Other	2,613	435
Total revenue from contracts with customers	$ 36,510	$ 25,012

As of January 31, 2024 and 2023 contract assets and liabilities consisted of the following:

	January 31, 2024	January 31, 2023
Contract Assets:	(in thousands)	
Unbilled revenue-current	$ 26	$ 2
Total unbilled revenue	$ 26	$ 2
Contract Liabilities:		
Deferred revenue & customer deposits - current	$ 3,649	$ 571
Total deferred revenue & customer deposits	$ 3,649	$ 571

Considering the products manufactured and sold by our Seamap business and the Company's standard contract terms and conditions, we expect our contract assets and liabilities to turn over, on average, within a three to six-month period.

With respect to the disclosures above, sales and transaction-based taxes are excluded from revenue, and we do not disclose the value of unsatisfied performance obligations for contracts with an original expected duration of one year or less. Also, we expense costs incurred to obtain contracts because the amortization period would be one year or less. These costs are recorded in selling, general and administrative expenses.

5. Supplemental Statements of Cash Flows Information

Supplemental disclosures of cash flows information for fiscal 2024 and 2023 were as follows (in thousands):

	Year Ended January 31,	
	2024	2023
Interest paid	$ 634	$ 4
Income taxes paid, net	847	371

6. Inventories

Inventories from continuing operations consisted of the following (in thousands):

	As of January 31,	
	2024	2023
Raw materials	$ 8,730	$ 6,798
Finished goods	2,463	2,744
Work in progress	3,709	2,699
Cost of inventories	14,902	12,241
Less allowance for obsolescence	(1,531)	(1,215)
Net inventories	$ 13,371	$ 11,026

7. Property and Equipment

Property and equipment from continuing operations consisted of the following (in thousands)

	As of January 31,	
	2024	2023
Furniture and fixtures	8,868	8,739
Autos and trucks	287	341
Land and buildings	997	997
Cost of property and equipment	10,152	10,077
Less accumulated depreciation	(9,334)	(9,124)
Net book value of property and equipment	$ 818	$ 953

Depreciation expense on property, plant and equipment was approximately $383,000 for fiscal 2024, and approximately $471,000 for fiscal 2023.

Location of property and equipment (in thousands):

	As of January 31,	
	2024	2023
United States	$ 199	$ 174
Europe	60	44
Singapore	147	154
Malaysia	412	581
Net book value of property and equipment	$ 818	$ 953

8. Leases

The Company has certain non-cancelable operating lease agreements for office, production and warehouse space in Texas, Singapore, Malaysia and United Kingdom. Our lease obligation in Canada was terminated as of March 31, 2022 and our lease obligation in Hungary was terminated as of October 31, 2022.

Lease expense for the twelve months ended January 31, 2024 and 2023 was approximately $831,000 and $858,000, respectively, and was recorded as a component of operating income (loss). Included in these costs was short-term lease expense of approximately $8,000 and $6,000 for the twelve months ended January 31, 2024 and 2023, respectively.

Supplemental balance sheet information related to leases as of January 31, 2024 and 2023 was as follows (in thousands):

	As of January 31,	
Lease	**2024**	**2023**
Assets		
Operating lease right-of-use assets	$ 1,324	$ 1,749
Liabilities		
Operating lease liabilities	$ 1,324	$ 1,749
Classification of lease liabilities		
Current liabilities	$ 751	$ 903
Non-current liabilities	573	846
Total Operating lease liabilities	$ 1,324	$ 1,749

Lease-term and discount rate details as of January 31, 2024 and 2023 were as follows:

	As of January 31,	
Lease term and discount rate	**2024**	**2023**
Weighted average remaining lease term (years)		
Operating leases	1.40	1.98
Weighted average discount rate:		
Operating leases	13%	13%

Supplemental cash flow information related to leases on January 31, 2024 and 2023 was as follows (in thousands):

	As of January 31,	
Lease	**2024**	**2023**
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ (831)	$ (858)
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	$ 409	$ 819

Maturities of lease liabilities on January 31, 2024 and 2023 were as follows (in thousands):

	As of January 31,	
	2024	**2023**
2025	$ 753	$ 903
2026	343	574
2027	235	274
2028	232	188
2029	34	188
Thereafter	—	16
Total payments under lease agreements	$ 1,597	$ 2,143
Less: imputed interest	(273)	(394)
Total lease liabilities	$ 1,324	$ 1,749

9. Intangible Assets

Intangible assets from continuing operations consisted of the following:

	Weighted Average Life at 1/31/2024	January 31, 2024 Gross Carrying Amount	January 31, 2024 Accumulated Amortization (in thousands)	January 31, 2024 Net Carrying Amount	January 31, 2023 Gross Carrying Amount	January 31, 2023 Accumulated Amortization (in thousands)	January 31, 2023 Net Carrying Amount
Proprietary rights	4.8	$ 7,473	$ (5,053)	2,420	$ 7,473	$ (4,612)	2,861
Customer relationships	0.1	4,884	(4,852)	32	4,884	(4,754)	130
Patents	1.3	2,540	(2,190)	350	2,540	(2,027)	513
Trade name	2.3	134	(108)	26	134	(97)	37
Other	0.3	426	(366)	60	375	(283)	92
Amortizable intangible assets		$ 15,457	$ (12,569)	$ 2,888	$ 15,406	$ (11,773)	$ 3,633

The Company did not record impairment of intangible assets during fiscal years 2024 and 2023.

Aggregate amortization expense was approximately $795,000 and $873,000 for fiscal 2024 and fiscal 2023, respectively. As of January 31, 2024, future estimated amortization expense related to amortizable intangible assets is estimated to be (in thousands):

For fiscal year ending January 31:	
2025	$ 614
2026	520
2027	381
2028	315
2029	213
Thereafter	845
Total	$ 2,888

10. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities from continuing operations consisted of the following (in thousands):

	As of January 31, 2024	As of January 31, 2023
Wages and benefits	686	621
Customer deposits	3,447	215
Accrued inventory	621	69
Other	832	572
Accrued Expenses and Other Liabilities	$ 5,586	$ 1,477

11. Notes Payable

On February 2, 2023, we entered into a $3.75 million Loan and Security Agreement ("the Loan"). The Company had incurred approximately $814,000 of debt acquisition costs associated with the loan including approximately $254,000 in origination and other transaction fees and approximately $484,000 of prepaid interest, which was the total interest due through maturity. These costs were recorded as a reduction to the carrying value of our debt and are amortized to interest expense straight-line over the term of the Loan. Approximately $601,000 of amortization of debt acquisition costs were recorded as interest expense for the twelve months ended January 31, 2024. On August 22, 2023, in connection with the Sale of Klein, the Loan was repaid in full (see Note 2- "Sale of a Subsidiary and Discontinued Operations" for additional details).

12. Stockholders' Equity

The Company has 2,000,000 shares of Preferred Stock authorized. The Preferred Stock may be issued in multiple series with various terms, as authorized by the Company's Board of Directors. As of January 31, 2024 and 2023, there were 1,682,985 shares of the Series A Preferred Stock outstanding. Dividends on the Series A Preferred Stock are cumulative from the date of original issue and payable quarterly on or about the last day of January, April, July and October of each year when, as and if, declared by the Company's board of directors. Dividends are payable out of amounts legally available therefore at a rate equal to 9.00% per annum per $25.00 of stated liquidation preference per share, or $2.25 per share of Series A Preferred Stock per year. The Company may redeem, at the Company's option, the Series A Preferred Stock, in whole or in part, at a cash redemption price of $25.00 per share, plus all accrued and unpaid dividends to, but not including, the redemption date. If at any time a change of control occurs, the Company will have the option to redeem the Series A Preferred Stock, in whole or in part, within 120 days after the date on which the change of control occurred by paying $25.00 per share, plus any accrued and unpaid dividends to, but not including, the date of redemption. As of January 31, 2024, the aggregate liquidation preference on preferred shares was approximately $47.7 million, including $5.7 million of cumulative undeclared dividends. The Series A Preferred Stock has no stated maturity, is not subject to any sinking fund or other mandatory redemption and will remain outstanding indefinitely unless repurchased or redeemed by the Company or converted into our Common Stock in connection with a change of control. Holders of the Series A Preferred Stock generally have no voting rights except for limited voting rights if dividends payable on the outstanding Series A Preferred Stock are in arrears for six or more consecutive or non-consecutive quarterly dividend periods, or if the Company fails to maintain the listing of the Series A Preferred Stock on a national securities exchange for a period continuing for more than 180 days. As of January 31, 2024, preferred stock dividends have not been declared for a cumulative of six quarters.

On September 28, 2023, the Board approved a reverse stock split (the "Reverse Stock Split") of the Company's shares of common stock at a ratio of one-for-ten. On October 12, 2023, the Company filed with the Secretary of State of the State of Delaware a Certificate of Amendment to its Charter Amendment to effect the Reverse Stock Split. The Charter Amendment became effective on October 13, 2023.

As a result of the Charter Amendment and Reverse Stock Split, every ten shares of issued and outstanding Common Stock were combined into one issued and outstanding share of Common Stock, without any change in par value per share. Proportionate adjustments were also made to any outstanding securities or rights convertible into, or exchangeable or exercisable for, shares of Common Stock. Fractional shares were not issued in connection with the Reverse Stock Split. Stockholders who would otherwise be entitled to receive a fractional share were entitled to receive one full share of post-Reverse Stock Split Common Stock, in lieu of receiving such fractional shares. The Reverse Stock Split affected all stockholders uniformly and did not alter any stockholder's relative interest in the Company's equity securities. The Reverse Stock Split reduced the number of shares of issued and outstanding Common Stock from approximately 13,788,738 shares to approximately 1,405,779 shares. Common stock and treasury stock shares have been retroactively adjusted to reflect the Reverse Stock Split in all periods presented. In connection with the Reverse Stock Split, the Company retired all treasury stock.

The Company has 40,000,000 shares of Common Stock authorized, of which 1,405,779 and 1,599,053 were issued as of January 31, 2024 and 2023. Treasury shares as of January 31, 2023 were 193,274.

During fiscal 2023, approximately 220 shares were surrendered in exchange for payment of taxes due upon the vesting of restricted shares. The shares had an average fair value of $12.50.

13. Related Party Transaction

Ladenburg Thalmann & Co. Inc. (“Ladenburg”) provided advisor and arrangement services for the Loan (See Note 11 - "Notes Payable" for additional details) and received $75,000 in fees for such services. Additionally, Ladenburg provided advisory services related to the Sale of Klein and received fees of $405,000 for such services. The Co-Chief Executive Officer and Co-President of Ladenburg is the Non-Executive Chairman of our Board. Our Non-Executive Chairman of the Board received no portion of the above-mentioned compensation.

14. Income Taxes

	Year Ended January 31,	
	2024	2023
	(in thousands)	
Income (loss) from continuing operations before income taxes is attributable to the following jurisdictions:		
Domestic	$ (8,075)	$ (9,108)
Foreign	8,313	3,714
Total	$ 238	$ (5,394)
The components of income tax expense (benefit) for continuing operations were as follows:		
Current:		
Domestic	$ —	$ 19
Foreign	1,489	743
	1,489	762
Deferred:		
Domestic	—	—
Foreign	(151)	(63)
	(151)	(63)
Income tax (benefit) expense	$ 1,338	$ 699

The following is a reconciliation of expected to actual income tax expense (benefit) for continuing operations:

	Year Ended January 31, 2024	Year Ended January 31, 2023
	(in thousands)	
Federal income tax at 21%	$ 50	$ (1,133)
Taxes created by return to provision adjustments to prior year temporary differences	146	—
Global intangible low tax income ("GILTI") inclusion	1,653	—
Permanent differences	90	329
Foreign effective tax rate differential	(218)	(43)
Valuation allowance on deferred tax assets	(528)	1,400
Excess tax deficiency for share-based payments under ASU 2016-09	150	121
Other	(5)	25
	$ 1,338	$ 699

The components of the Company's deferred taxes for continuing operations consisted of the following:

	As of January 31, 2024	As of January 31, 2023
	(in thousands)	
Deferred tax assets:		
Net operating losses	$ 26,895	$ 22,425
Tax credit carry forwards	944	165
Stock option book expense	766	825
Allowance for credit losses	107	141
Inventory	594	1,262
Accruals not yet deductible for tax purposes	130	250
Fixed assets	80	236
Intangible assets	523	416
Disallowed interest expense	227	—
Other	1,033	527
Gross deferred tax assets	31,299	26,247
Valuation allowance	(31,177)	(26,247)
Deferred tax assets	122	—
Deferred tax liabilities:		
Other	—	(29)
Deferred tax liabilities	—	(29)
Unrecognized tax benefits	—	—
Total deferred tax liabilities, net	—	$ (29)

On August 16, 2022, the Inflation Reduction Act (IRA) was enacted. The IRA, among other things, establishes certain "green energy" tax credits, establishes a corporate alternative minimum tax, and requires a 2% excise tax on stock buybacks. The Company does not believe the IRA will have a material impact on the Company's future income tax expense or the related tax assets and liabilities.

The Company has determined that, due to the potential requirement for additional investment and working capital to achieve its objectives, the undistributed earnings of foreign subsidiaries as of January 31, 2024, are not deemed indefinitely reinvested outside of the United States. Furthermore, the Company has concluded that any deferred taxes with respect to the undistributed foreign earnings would be immaterial. Therefore, the Company has not recorded a deferred tax liability associated with the undistributed foreign earnings as of January 31, 2024.

Included in deferred tax assets is approximately $766,000 related to stock-based compensation, including non-qualified stock options. Recent market prices for the Company's Common Stock remain below the exercise price of a number of options outstanding as of January 31, 2024. Should the market price of the Company's Common Stock remain below the exercise price of the options, these stock options will expire without exercise. In accordance with the provisions of ASC 718-740-10, a valuation allowance has not been computed based on the decline in stock price.

As of January 31, 2024, the Company has recorded valuation allowances of approximately $31.2 million related to deferred tax assets for continuing operations. These deferred tax assets relate primarily to net operating loss carryforwards in the United States and other jurisdictions. These net operating loss carry forwards are subject to limitation and future expiration. The valuation allowances were determined based on management’s judgment as to the likelihood that the deferred tax assets would not be realized. The judgment was based on an evaluation of available evidence, both positive and negative.

On January 31, 2024, the Company had tax credit carry forwards for continuing operations of approximately $944,000, which amounts can be carried forward through at least 2027.

As of January 31, 2024, and 2023 the company had no unrecognized tax benefits attributable to uncertain tax positions.

The Company recognizes interest and penalties related to income tax matters as a component of income tax expense.

The Company files U.S. federal income tax returns as well as separate returns for its foreign subsidiaries within their local jurisdictions. The Company’s U.S. federal tax returns are subject to examination by the IRS for fiscal years ended January 31, 2019, through 2024. The Company’s tax returns may also be subject to examination by state and local revenue authorities for fiscal years ended January 31, 2017, through 2024. The Company’s Singapore income tax returns are subject to examination by the Singapore tax authorities for fiscal years ended January 31, 2017, through 2024. The Company’s tax returns in other foreign jurisdictions are generally subject to examination for the fiscal years ended January 31, 2018 through January 31, 2024.

15. Commitments and Contingencies

Purchase Obligations—On January 31, 2024, the Company had approximately $11.7 million in purchase orders outstanding.

16. Stock Option Plans

At January 31, 2024, the Company had stock-based compensation plans as described in more detail below. The total compensation expense related to stock-based awards granted under these plans during fiscal 2024 and 2023 was approximately $261,000 and $654,000, respectively. The Company recognizes stock-based compensation costs net of a forfeiture rate for only those awards expected to vest over the requisite service period of the award. The Company estimates the forfeiture rate based on its historical experience regarding employee terminations and forfeitures.

The fair value of each option award is estimated as of the date of grant using a Black-Scholes-Merton option pricing formula. Expected volatility is based on historical volatility of the Company’s stock over a preceding period commensurate with the expected term of the option. The expected term is based upon historical exercise patterns. The risk-free rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of grant. Expected dividend yield was not considered in the option pricing formula since the Company does not pay dividends and has not paid any dividends since its incorporation. There were no options granted during fiscal 2024. The weighted average grant-date fair value of options granted during fiscal 2023 was $5.01. The assumptions for the periods indicated are noted in the following table.

Weighted average Black-Scholes-Merton fair value assumptions

	Year Ended January 31, 2023
Risk free interest rate	2.69% - 3.03%
Expected life (in years)	5.50 - 6.50
Expected volatility	68% -70%
Expected dividend yield	0.00%

Cash flows resulting from tax benefits attributable to tax deductions in excess of the compensation expense recognized for those options (excess tax benefits) are classified as financing out-flows and operating in-flows. The Company had no excess tax benefits during fiscal 2024 and 2023.

The Company has share-based awards outstanding under the MIND Technology, Inc. Stock Awards Plan (“the Plan”). Stock options granted and outstanding under the Plan generally vest evenly over three years and have a 10-year contractual term. The exercise price of a stock option generally is equal to the fair market value of the Company’s Common Stock on the option grant date. As of January 31, 2024, there were approximately 68,000 shares available for grant under the Plan. The Plan provides for awards of nonqualified stock options, incentive stock options, restricted stock awards, restricted stock units and phantom stock. New shares are issued upon vesting for restricted stock and upon exercise for options.

Stock Based Compensation Activity

The following table presents a summary of the Company's stock option activity for the fiscal year ended January 31, 2024:

	Number of Shares (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding, January 31, 2023	410	$ 28.41	5.91	$ —
Granted	—	—		
Exercised	—	—		
Forfeited	(35)	39.67		
Expired	(16)	13.23		
Outstanding, January 31, 2024	359	$ 27.98	5.07	$ —
Exercisable at January 31, 2024	284	$ 32.35	4.25	$ —
Nonvested at January 31, 2024	75	$ 11.32	8.21	$ —

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between the Company's closing stock price on the last trading day of the fourth quarter of fiscal 2024 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on January 31, 2024. This amount changes based upon the market value of the Company's Common Stock. No options were exercised during fiscal 2024 and 2023. The fair value of options that vested during the fiscal years ended January 31, 2024 and 2023 was approximately $517,000 and $1.4 million, respectively. For fiscal 2024 and fiscal 2023 approximately 75,000 and 110,000 options vested, respectively.

As of January 31, 2024, there was approximately $243,000 of total unrecognized compensation expense related to unvested stock options granted under the Company's share-based compensation plans. That expense is expected to be recognized over a weighted average period of 1.0 years.

Restricted stock as of January 31, 2024, and changes during fiscal 2024 were as follows:

	Year Ended January 31, 2024	
	Number of Shares (in thousands)	Weighted Average Grant Date Fair Value
Unvested, beginning of period	1	$ 10.00
Granted	—	—
Vested	(1)	10.00
Canceled	—	—
Unvested, end of period	—	$ —

As of January 31, 2024, there was no unrecognized stock-based compensation expense related to unvested restricted stock awards.

17. Segment Reporting

Prior to August 22, 2023, the Company operated in two segments, Seamap and Klein. On August 21, 2023, the Company completed the Sale of Klein. (see Note 2-"Sale of a Subsidiary and Discontinued Operations" for additional details). As a result, at January 31, 2024, Seamap is the Company's sole reporting segment.

18. Concentrations

Credit Risk— As of January 31, 2024, we had four customers that individually exceeded 10% of consolidated accounts receivable. During fiscal 2023, we had two customers that individually exceeded 10% of consolidated accounts receivable.

Revenue Risk— In fiscal 2024 and 2023, our single largest customer accounted for approximately 21% and 17%, respectively, of our consolidated revenues, with these revenues being generated from the Seamap Marine Products segment. Together, our five largest customers accounted for approximately 67% and 47% of our consolidated revenues in fiscal 2024 and fiscal 2023, respectively.

The Company maintains deposits and certificates of deposit with banks which may exceed the Federal Deposit Insurance Corporation ("FDIC") insured limit and money market accounts which are not FDIC insured. In addition, deposits aggregating approximately $4.9 million at January 31, 2024 are held in foreign banks. Management believes the risk of loss in connection with these accounts is minimal.

Supplier Concentration—The Company has satisfactory relationships with its suppliers. However, should those relationships deteriorate, the Company may have difficulty in obtaining new technology requested by its customers and maintaining the existing equipment in accordance with manufacturers' specifications.

19. Sales and Major Customers

A summary of the Company's revenues, from continuing operations, from customers by geographic region, outside the U.S., is as follows (in thousands):

	Year Ended January 31,	
	2024	**2023**
Europe	$ 20,248	$ 11,836
Asia/South Pacific	12,399	10,755
Other	2,613	435
Total	$ 35,260	$ 23,026

During the fiscal year ended January 31, 2024, Three Seamap Marine Products customers individually exceeded 10% of total revenue. During the fiscal year ended January 31, 2023, Two Seamap Marine Products customers individually exceeded 10% of total revenue.

SCHEDULE II

MIND TECHNOLOGY, INC.

VALUATION AND QUALIFYING ACCOUNTS

(in thousands)

Col. A Description	Col. B Balance at Beginning of Period	Col. C(1) Charged to Costs and Expenses	Col. C(2) Charged to Other Accounts	Col. D Deductions Describe	Col. E Balance at End of Period
Allowance for credit losses					
January 31, 2024	$ 332	—	— (a)	— (b)	$ 332
January 31, 2023	$ 332	—	— (a)	— (b)	$ 332
Allowance for obsolete inventory					
January 31, 2024	$ 1,215	341	— (a)	(25) (c)	$ 1,531
January 31, 2023	$ 2,070	268	— (a)	(1,123) (c)	$ 1,215

(a) Represents translation differences.
(b) Represents recoveries and uncollectible accounts written off.
(c) Represents sale or scrap of inventory and obsolete equipment.

MIND Technology, Inc.
DESCRIPTION OF CAPITAL STOCK

The following is a summary of the material terms of our capital stock, certain provisions contained in our Amended and Restated Certificate of Incorporation (our "charter"), Amended and Restated Bylaws (our "bylaws"), Certificate of Designations of Series A Cumulative Preferred Stock (as amended, our "Certificate of Designations") and certain provisions of the Delaware General Corporation Law (the "DGCL"). The following descriptions do not purport to be complete and are qualified in their entirety by reference to the relevant provisions of our charter, bylaws, Certificate of Designations and the DGCL. You should refer to our charter, bylaws and Certificate of Designations, which are filed as Exhibits 3.1, 3.2, 3.3, and 3.4, respectively, to this Annual Report on Form 10-K, and the DGCL.

Authorized Capital Stock

MIND Technology, Inc. ("we", or the "Company"), a Delaware corporation, has authorized capital stock consisting of 40,000,000 shares of common stock, par value $0.01 per share, and 2,000,000 shares of preferred stock, par value $1.00 per share.

Common Stock

Shares Outstanding. As of April 29, 2024, we had 1,405,779 issued and outstanding shares of common stock.

Dividends. We have not paid any cash dividends on our common stock since our inception, and our board of directors does not contemplate the payment of cash dividends on our common stock in the foreseeable future. It is the present policy of our board of directors to retain earnings, if any, for use in developing and expanding our business. In the future, our payment of dividends on our common stock will also depend on the amount of funds available, our financial condition, capital requirements and such other factors as our board of directors may consider.

Voting Rights. The holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote at a meeting of our stockholders. In matters other than the election of directors, stockholder approval requires the affirmative vote of a majority of the voting power of our common stock present in person or represented by proxy at the meeting and entitled to vote on the matter, voting as a single class, unless the matter is one upon which, by express provision of law, our charter or our bylaws, a different vote is required. Subject to the rights of the holders of any series of preferred stock to elect directors under specified circumstances, election of directors is determined by a plurality of the votes cast.

In addition to any other vote that may be required by law, applicable stock exchange rule or the terms of any series of our preferred stock, amendments to our charter must be approved by the board of directors and thereafter by at least a majority of the voting power of all then-outstanding shares of capital stock entitled to vote thereon, and a majority in voting power of each class entitled to a separate class vote. A separate class vote is provided for amendments to the charter changing the authorized shares of a class of stock (unless the charter provides otherwise), changing the par value of a class of stock, or adversely affecting the rights, powers and preferences of the class of stock.

Our bylaws may be amended by the vote of at least a majority of our board of directors or the holders of a majority of the voting power of all then-outstanding shares of capital stock entitled to vote thereon, voting together as a single class.

Series A Preferred Stock

Shares Outstanding. As of April 29, 2024, we had 1,682,985 issued and outstanding shares of our 9.00% Series A Cumulative Preferred Stock, which we refer to as the "Series A Preferred Stock". Our Series A Preferred Stock represents all of the Company's outstanding preferred stock.

Dividends. Holders of Series A Preferred Stock will be entitled to 9.00% per annum of the $25.00 per share liquidation preference (equivalent to $2.25 per annum per share), accruing from the date of initial issuance. Dividends will be payable to holders of our Series A Preferred Stock quarterly on or about the last day of January, April, July and October of each year. The record date for dividend payment will be the 15th day of January, April, July and October of each year.

Voting Rights. Holders of our Series A Preferred Stock generally have no voting rights. However, if we do not pay dividends on the Series A Preferred Stock for six or more quarterly dividend periods (whether or not consecutive), the holders of the Series A Preferred Stock (voting separately as a class with the holders of all other classes or series of our preferred stock

that we may issue upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series A Preferred Stock) will be entitled to vote for the election of two additional directors to serve on our board of directors until we pay, or declare and set aside funds for the payment of, all dividends that we owe on the Series A Preferred Stock, subject to certain limitations.

In addition, the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock is required at any time for us to authorize or issue any class or series of our capital stock ranking senior to the Series A Preferred Stock with respect to the payment of dividends or the distribution of assets on liquidation, dissolution or winding up, to amend any provision of our charter so as to materially and adversely affect any rights of the Series A Preferred Stock or to take certain other actions. If any such amendments to our charter would be material and adverse to holders of the Series A Preferred Stock and any other series of parity preferred stock upon which similar voting rights have been conferred and are exercisable, a vote of at least two-thirds of the outstanding shares of Series A Preferred Stock and the shares of the other applicable series materially and adversely affected, voting together as a class, would be required.

Maturity. The Series A Preferred Stock has no stated maturity and will not be subject to any sinking fund or mandatory redemption. Shares of the Series A Preferred Stock will remain outstanding indefinitely unless we decide to redeem or otherwise repurchase them or they are converted into our common stock in connection with a Change of Control as described below. We are not required to set aside funds to redeem the Series A Preferred Stock.

Optional Redemption. The Series A Preferred Stock is not redeemable by us prior to June 8, 2021 except upon the occurrence of a Change of Control pursuant to the special optional redemption described below. On and after June 8, 2021, we may, at our option, redeem the Series A Preferred Stock, in whole or in part, at any time or from time to time, for cash at a redemption price equal to $25.00 per share, plus any accumulated and unpaid dividends to, but not including, the redemption date.

Upon the occurrence of a Change of Control (as defined below), we may, at our option, redeem the Series A Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a redemption price of $25.00 per share, plus any accumulated and unpaid dividends to, but not including, the redemption date.

A “Change of Control” is deemed to occur when, after the original issuance of the Series A Preferred Stock, the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a “person” under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of our stock entitling that person to exercise more than 50% of the total voting power of all our stock entitled to vote generally in the election of our directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and
- following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the New York Stock Exchange (“NYSE”), the NYSE MKT LLC (“NYSE MKT”) or the NASDAQ Stock Market LLC (“NASDAQ Stock Market”), or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or the NASDAQ Stock Market.

Conversion Rights. Upon the occurrence of a Change of Control, each holder of Series A Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date (as defined below), we have provided notice of our election to redeem the Series A Preferred Stock) to convert some or all of the Series A Preferred Stock held by such holder (the “Change of Control Conversion Right”) on the Change of Control Conversion Date into a number of shares of our common stock per share of Series A Preferred Stock to be converted equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the $25.00 liquidation preference plus the amount of any accrued and unpaid dividends to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series A Preferred Stock dividend payment and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) by (ii) the Common Stock Price (as defined below); and
- 25 shares of common stock per preferred share (i.e., the “Share Cap”), subject to certain adjustments; subject, in each case, to provisions for the receipt of alternative consideration.

The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of our common stock), subdivisions or combinations with respect to our common stock.

Upon such a conversion, the holders will be limited to a maximum number of shares of our common stock equal to the Share Cap multiplied by the number of shares of Series A Preferred Stock converted. If the Common Stock Price is less than $10.00, subject to adjustment, the holders will receive a maximum of 250.00 shares of our common stock per share of Series A Preferred Stock, which may result in the holders receiving shares of common stock with a value that is less than the liquidation preference of the Series A Preferred Stock.

If, prior to the Change of Control Conversion Date, we have provided a redemption notice, whether pursuant to our special optional redemption right in connection with a Change of Control or our optional redemption right, holders of Series A Preferred Stock will not have any right to convert the Series A Preferred Stock in connection with the Change of Control Conversion Right, and any shares of Series A Preferred Stock selected for redemption that have been tendered for conversion will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

The “Change of Control Conversion Date” is the date the Series A Preferred Stock is to be converted, which will be a business day that is no fewer than 20 days nor more than 35 days after the date on which we provide the required notice of the occurrence of a Change of Control to the holders of Series A Preferred Stock.

The “Common Stock Price” will be (i) if the consideration to be received in the Change of Control by the holders of our common stock is solely cash, the amount of cash consideration per share of our common stock or (ii) if the consideration to be received in the Change of Control by holders of our common stock is other than solely cash (x) the average of the closing sale prices per share of our common stock (or, if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control as reported on the principal U.S. securities exchange on which our common stock is then traded, or (y) the average of the last quoted bid prices for our common stock in the over-the-counter market as reported by Pink Sheets LLC or a similar organization for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, if our common stock is not then listed for trading on a U.S. securities exchange.

Additional Series of Preferred Stock

Our board of directors may, without the approval of holders of our common stock, designate additional shares of the Series A Preferred Stock and authorize the issuance of such shares or designate additional series of authorized preferred stock and the rights, preferences, limitations and privileges of such additional series ranking junior to or on parity with the Series A Preferred Stock. These rights, preferences, limitations and privileges may include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of this series, any or all of which may be greater than the rights of our common stock. It is not possible to state the actual effect of the issuance of any shares of our preferred stock upon the rights of holders of our common stock until our board of directors determines the specific rights of the holders of our preferred stock. However, the effects of the issuance of any shares of our preferred stock upon the rights of holders of our common stock might include, among other things:

- restricting dividends on our common stock;
- diluting the voting power of our common stock;
- impairing the liquidation rights of our common stock; and
- delaying or preventing a change in control without further action by our stockholders.

Stock Options and Warrants

As of April 29, 2024, we had no outstanding warrants to purchase shares of our common stock or Series A Preferred Stock. We may issue warrants for the purchase of debt securities, preferred stock or common stock. Warrants may be issued independently or together with other securities and may be attached to or separate from any such offered securities.

As of April 29, 2024, we had 38,377 outstanding options to purchase our common stock, issued under our Amended and Restated Stock Awards Plan. We may in the future issue additional stock options to certain officers and directors and to third-party consultants pursuant to the Amended and Restated Stock Awards Plan or other equity incentive plan adopted by our board of directors.

Certain Provisions of Delaware Law, Our Charter and Our Bylaws

Provisions of our charter, bylaws and the DGCL may tend to delay, defer or prevent a potential unsolicited offer or takeover attempt that is not approved by our board of directors but that our stockholders might consider to be in their best interest, including an attempt that might result in stockholders receiving a premium over the market price for their shares.

Because our board of directors is authorized to issue preferred stock with preferences and rights as it determines, it may afford the holders of any series of preferred stock preferences, rights or voting powers superior to those of the holders of common stock. These provisions:

- encourage potential acquirers to deal directly with our board of directors;
- give our board of directors the time and leverage to evaluate the fairness of the proposal to all stockholders;
- enhance continuity and stability in the composition of our board of directors and in the policies formulated by our board of directors; and
- discourage certain tactics that may be used in proxy fights.

Our board of directors has adopted an anti-takeover policy which provides that it will not use certain measures with respect to preferred stock for anti-takeover measures without prior stockholder approval.

No Cumulative Voting. Our bylaws provide that holders of shares of our common stock are not entitled to cumulate their votes in the election of directors.

Requirements for Advance Notification of Stockholder Nomination and Proposals. Our bylaws establish advance notice procedures with respect to stockholder proposals and nomination of candidates for election as directors other than nominations made by or at the direction of our board of directors or a committee of our board of directors. Our bylaws prescribe specific information that the stockholder's notice must contain, including, among other things: (i) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such stockholder in such business; (ii) the name and address of such stockholder, as they appear on our books; (iii) the number of shares, number and type of derivative instruments or other interests in the Company that are beneficially owned by such stockholder; (iv) any material interest of the stockholder in such business; (v) a representation that the stockholder is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to bring such nomination or other business before the meeting, and (vi) a representation as to whether or not such stockholder will deliver a proxy statement or form of proxy to holders of at least the percentage of the voting power of the Company's outstanding stock required to approve or adopt the proposal or, in the case of a nomination or nominations, at least the percentage of the voting power of the Company's outstanding stock reasonably believed by the stockholder to be sufficient to elect such nominee or nominees.

Generally under our bylaws, to be timely, notice must be received by the Company not earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the first anniversary of the preceding year's annual meeting. Notwithstanding the specific provisions of our bylaws, stockholders may request inclusion of proposals in our proxy statement pursuant to Rule 14(a)-8 under the Exchange Act or inclusion of nominees in our proxy statement pursuant to other SEC proxy rules.

Removal of Directors. Our charter provides that, subject to the rights of holders of any series of our preferred stock with respect to the election of directors, our stockholders may remove a director, with or without cause, by the affirmative vote of a majority of the voting power of the outstanding shares of our stock entitled to vote generally for the election of directors.

Limitation of Liability and Indemnification Matters

Our charter limits the liability of our directors for monetary damages for breach of their fiduciary duty as directors, except for liability that cannot be eliminated under the DGCL. Delaware law provides that directors of a company will not be personally liable for monetary damages for breach of their fiduciary duty as directors, except for liabilities:

- for any breach of their duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- for unlawful payment of dividend or unlawful stock repurchase or redemption, as provided under Section 174 of the DGCL; or
- for any transaction from which the director derived an improper personal benefit.

Any amendment, repeal or modification of these provisions will be prospective only and would not affect any limitation on liability of a director for acts or omissions that occurred prior to any such amendment, repeal or modification.

Our bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. Our bylaws also permit us to purchase insurance on behalf of any officer, director, employee or other agent for any liability arising out of that person's actions as our officer, director, employee or agent, regardless of whether Delaware law would permit indemnification. We believe that the limitation of liability provision in our charter and bylaws will facilitate our ability to continue to attract and retain qualified individuals to serve as directors and officers.

Exhibit 4.1

Anti-Takeover Effects of Provisions of our Charter, our Bylaws and Delaware Law

Some provisions of Delaware law, our charter and our bylaws described below contain provisions that could make the following transactions more difficult: acquisitions of us by means of a tender offer, a proxy contest or otherwise, or removal of our incumbent officers and directors. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with us. We believe that the benefits of increased protection and our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Delaware Law

We are subject to Section 203 of the DGCL, an anti-takeover law. In general, Section 203 prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the date the person became an interested stockholder, unless the "business combination" or the transaction in which the person became an interested stockholder is approved by our board of directors in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status, did own, 15% or more of a corporation's voting stock. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors, including discouraging attempts that might result in a premium over the market price for the shares of common stock held by stockholders. Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- the transaction is approved by the board of directors before the date the interested stockholder attained that status;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or
- on or after such time, the business combination is approved by the board of directors and authorized at a meeting of stockholders by at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

Certificate of Incorporation and Bylaws

Provisions of our charter and bylaws may delay or discourage transactions involving an actual or potential change in control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock.

Among other things, our charter and bylaws:

- permit our board of directors to issue up to 2,000,000 shares of preferred stock, with any rights, preferences and privileges as they may designate;
- provide that the authorized number of directors may be changed only by resolution of the board of directors;

- provide that all vacancies, including newly created directorships, may, except as otherwise required by law and subject to the rights of holders of the our preferred stock, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- provide that our bylaws may only be amended by the affirmative vote of the holders of a majority of the voting power of our then-outstanding shares of stock entitled to vote thereon, voting as a single class, or by resolution adopted by a majority of the directors;
- provide that, subject to the rights of the holders of preferred stock, special meetings of the stockholders may only be called by a majority of the board of directors or upon the written request of the holders of 10% of the voting power of our outstanding stock;
- eliminate the personal liability of our directors for monetary damages resulting from breaches of their fiduciary duty to the extent permitted by the DGCL and indemnify our directors and officers to the fullest extent permitted by law;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner, and also specify requirements as to the form and content of a stockholder's notice; and
- do not provide for cumulative voting rights, therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose.

Exclusive Forum Provision. Our charter contains a provision stating that unless it consents in writing to the selection of an alternative forum, (i) the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by applicable law, be the sole and exclusive forum for any stockholder to bring (a) any derivative action or proceeding on behalf of the Company, (b) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee or agent of the Company, (c) any action asserting a claim against the Company, its current or former directors, officers or employees or agents arising pursuant to any provision of the DGCL, or our charter or bylaws, or (iv) any action asserting a claim against the Company, its current or former directors, officers or employees or agents governed by the internal affairs doctrine, except for any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or over which the Court of Chancery does not have subject matter jurisdiction, and (ii) the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock and our Series A Preferred Stock is American Stock Transfer & Trust Company, LLC.

NASDAQ Listing

Our common stock is listed on the NASDAQ Stock Market under the ticker symbol "MIND." Our Series A Preferred Stock is listed on the NASDAQ Stock Market under the ticker symbol "MINDP."

Exhibit 21.1

SUBSIDIARIES OF MIND TECHNOLOGY, INC.

The following entities are directly or indirectly wholly-owned subsidiaries of MIND Technology, Inc.:

Name of Entity	State or Country of Organization
Mitcham Holdings Ltd	United Kingdom
Mitcham Canada Holdings Limited	United Kingdom
Mitcham Canada ULC	Alberta, Canada
Seamap (UK) Ltd.	United Kingdom
Seamap Pte. Ltd.	Singapore
Seamap (Malaysia) Sdn. Bhd.	Malaysia
MIND Maritime Acoustics, LLC	Texas

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements on Form S-1 (No. 333-260486) and Form S-8 (No. 333-259414, No. 333-233635, No. 333-192169, and No. 333-137943) of MIND Technology, Inc. (the Company), of our report dated April 30, 2024, relating to the consolidated financial statements and schedule of the Company which report expresses an unqualified opinion, appearing in this Annual Report on Form 10-K of the Company for the year ended January 31, 2024.

/s/ Moss Adams LLP

Houston, Texas
April 30, 2024

Exhibit 31.1

CERTIFICATION

I, Robert P. Capps, certify that:

1. I have reviewed this annual report on Form 10-K for the annual period ended January 31, 2024 of MIND Technology, Inc. (the "registrant");

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.

/s/ Robert P. Capps

Robert P. Capps
President, Chief Executive Officer and Director
(Principal Executive Officer)
April 30, 2024

Exhibit 31.2

CERTIFICATION

I, Mark A. Cox, certify that:

1. I have reviewed this annual report on Form 10-K for the annual period ended January 31, 2024 of MIND Technology, Inc. (the "registrant");

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.

/s/ Mark A. Cox

Mark A. Cox
Vice President and Chief Financial Officer
(Principal Financial Officer)
April 30, 2024

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of MIND Technology, Inc. (the "Company") on Form 10-K for the annual period ended January 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Robert P. Capps, President and Chief Executive Officer of the Company, and Mark A. Cox, Chief Financial Officer and Vice President of Finance and Accounting of the Company, each hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert P. Capps

Robert P. Capps
President, Chief Executive Officer and Director
(Principal Executive Officer)
April 30, 2024

Exhibit 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of MIND Technology, Inc. (the “Company”) on Form 10-K for the annual period ended January 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Robert P. Capps, President and Chief Executive Officer of the Company, and Mark A. Cox, Chief Financial Officer and Vice President of Finance and Accounting of the Company, each hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark A. Cox

Mark A. Cox
Vice President and Chief Financial Officer
(Principal Financial Officer)
April 30, 2024