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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended April 30, 2022

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ___________ to _____________

Commission File Number: 001-13490

MIND TECHNOLOGY, INC.
(Exact name of registrant as specified in its charter)

Delaware	**76-0210849**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

2002 Timberloch Place
Suite 550
The Woodlands, Texas 77380
(Address of principal executive offices, including 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**

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 13,781,904 shares of common stock, $0.01 par value, were outstanding as of June 7, 2022.

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PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

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

	April 30, 2022	January 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 817	$ 5,114
Accounts receivable, net of allowance for doubtful accounts of $484 at each of April 30, 2022 and January 31, 2022	9,397	8,126
Inventories, net	14,243	14,006
Prepaid expenses and other current assets	1,558	1,840
Assets held for sale	3	159
Total current assets	26,018	29,245
Property and equipment, net	4,062	4,272
Operating lease right-of-use assets	1,531	1,835
Intangible assets, net	5,743	6,018
Other assets	428	650
Total assets	$ 37,782	$ 42,020
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,084	$ 2,046
Deferred revenue	559	232
Accrued expenses and other current liabilities	5,112	5,762
Income taxes payable	1,004	837
Operating lease liabilities - current	587	869
Liabilities held for sale	271	953
Total current liabilities	9,617	10,699
Operating lease liabilities - non-current	944	966
Deferred tax liability	92	92
Total liabilities	10,653	11,757
Stockholders' equity:		
Preferred stock, $1.00 par value; 2,000 shares authorized; 1,683 shares issued and outstanding at each of April 30, 2022 and January 31, 2022	37,779	37,779
Common stock, $0.01 par value; 40,000 shares authorized; 15,715 and 15,705 shares issued at April 30, 2022 and January 31, 2022, respectively	157	157
Additional paid-in capital	129,162	128,926
Treasury stock, at cost (1,933 and 1,931 shares at April 30, 2022 and January 31, 2022, respectively)	(16,863)	(16,862)
Accumulated deficit	(121,222)	(117,856)
Accumulated other comprehensive loss	(1,884)	(1,881)
Total stockholders' equity	27,129	30,263
Total liabilities and stockholders' equity	$ 37,782	$ 42,020

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

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

	For the Three Months Ended April 30,	
	2022	**2021**
Revenues:		
Sale of marine technology products	$ 9,087	$ 4,194
Total revenues	9,087	4,194
Cost of sales:		
Sale of marine technology products	5,798	3,651
Total cost of sales	5,798	3,651
Gross profit	3,289	543
Operating expenses:		
Selling, general and administrative	4,272	3,817
Research and development	1,014	853
Depreciation and amortization	479	666
Total operating expenses	5,765	5,336
Operating loss	(2,476)	(4,793)
Other (expense) income:		
Other, net	(118)	947
Total other (expense) income	(118)	947
Loss from continuing operations before income taxes	(2,594)	(3,846)
(Provision) benefit for income taxes	(211)	145
Net loss from continuing operations	(2,805)	(3,701)
Income (loss) from discontinued operations, net of income taxes	386	(283)
Net loss	$ (2,419)	$ (3,984)
Preferred stock dividends	(947)	(584)
Net loss attributable to common stockholders	$ (3,366)	$ (4,568)
Net loss per common share - Basic		
Continuing operations	$ (0.27)	$ (0.31)
Discontinued operations	$ 0.03	$ (0.02)
Net loss	$ (0.24)	$ (0.33)
Net loss per common share - Diluted		
Continuing operations	$ (0.27)	$ (0.31)
Discontinued operations	$ 0.03	$ (0.02)
Net loss	$ (0.24)	$ (0.33)
Shares used in computing net loss per common share:		
Basic	13,775	13,759
Diluted	13,775	13,759

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

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

	For the Three Months Ended April 30,	
	2022	**2021**
Net loss	$ (2,419)	$ (3,984)
Changes in cumulative translation adjustment	(3)	57
Comprehensive loss	$ (2,422)	$ (3,927)

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

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

	For the Three Months Ended April 30, 2022	For the Three Months Ended April 30, 2021
Cash flows from operating activities:		
Net loss	$ (2,419)	$ (3,984)
Adjustments to reconcile net loss to net cash used in operating activities:		
PPP loan forgiveness	—	(850)
Depreciation and amortization	479	668
Stock-based compensation	236	121
Recovery of doubtful accounts	—	(453)
Provision for inventory obsolescence	23	327
Gross profit from sale of assets held-for-sale	(280)	—
Loss (gross profit) from sale of other equipment	113	(80)
Changes in:		
Accounts receivable	(871)	1,602
Unbilled revenue	(26)	51
Inventories	(260)	(739)
Prepaid expenses and other current and long-term assets	286	(239)
Income taxes receivable and payable	(66)	(168)
Accounts payable, accrued expenses and other current liabilities	(622)	947
Deferred revenue	(115)	(10)
Net cash used in operating activities	(3,522)	(2,807)
Cash flows from investing activities:		
Purchases of property and equipment	(107)	(8)
Sale of assets held for sale	283	—
Sale of a business, net of cash sold	—	187
Net cash provided by investing activities	176	179
Cash flows from financing activities:		
Purchase of treasury stock	(1)	(2)
Net proceeds from preferred stock offering	—	503
Net proceeds from common stock offering	—	42
Preferred stock dividends	(947)	(576)
Net cash used in financing activities	(948)	(33)
Effect of changes in foreign exchange rates on cash and cash equivalents	(3)	51
Net decrease in cash and cash equivalents	(4,297)	(2,610)
Cash and cash equivalents, beginning of period	5,114	4,611
Cash and cash equivalents, end of period	$ 817	$ 2,001
Supplemental cash flow information:		
Interest paid	$ 4	$ 9
Income taxes paid	$ 277	$ 31

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

MIND TECHNOLOGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Common Stock		Preferred Stock						
	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balances, January 31, 2022	**15,705**	**$ 157**	**1,683**	**$ 37,779**	**$ 128,926**	**$ (16,862)**	**$ (117,856)**	**$ (1,881)**	**$ 30,263**
Net loss	—	—	—	—	—	—	(2,419)	—	(2,419)
Foreign currency translation	—	—	—	—	—	—	—	(3)	(3)
Restricted stock issued	10	—	—	—	—	—	—	—	—
Restricted stock forfeited for taxes	—	—	—	—	—	(1)	—	—	(1)
Preferred stock dividends	—	—	—	—	—	—	(947)	—	(947)
Stock-based compensation	—	—	—	—	236	—	—	—	236
Balances, April 30, 2022	**15,715**	**$ 157**	**1,683**	**$ 37,779**	**$ 129,162**	**$ (16,863)**	**$ (121,222)**	**$ (1,884)**	**$ 27,129**

MIND TECHNOLOGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Common Stock		Preferred Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount	Shares	Amount					
Balances, January 31, 2021	**15,681**	**$ 157**	**$ 1,038**	**$ 23,104**	**$ 128,241**	**$ (16,860)**	**$ (99,870)**	**$ (4,356)**	**$ 30,416**
Net loss	—	—	—	—	—	—	(3,984)	—	(3,984)
Foreign currency translation	—	—	—	—	—	—	—	57	57
Restricted stock issued	5	—	—	—	11	—	—	—	11
Restricted stock forfeited for taxes	—	—	—	—	—	(2)	—	—	(2)
Preferred stock offering	—	—	21	503	—	—	—	—	503
Preferred stock dividends	—	—	—	—	—	—	(584)	—	(584)
Common stock offerings	18	—	—	—	42	—	—	—	42
Stock-based compensation	—	—	—	—	109	—	—	—	109
Balances, April 30, 2021	**15,704**	**$ 157**	**$ 1,059**	**$ 23,607**	**$ 128,403**	**$ (16,862)**	**$ (104,438)**	**$ (4,299)**	**$ 26,568**

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

MIND TECHNOLOGY, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Organization and Liquidity

MIND Technology, Inc., a Delaware corporation (the “Company”), formerly Mitcham Industries, Inc., a Texas corporation, was incorporated in 1987. Effective August 3, 2020 the Company effectuated a reincorporation to the state of Delaware. Concurrent with the reincorporation the name of the Company was changed to MIND Technology, Inc. and the number of shares of common stock and preferred stock authorized for issuance was increased.

The Company, through its wholly owned subsidiaries, Seamap Pte Ltd, MIND Maritime Acoustics, LLC (formerly Seamap USA, LLC), Seamap (Malaysia) Sdn Bhd and Seamap (UK) Ltd (collectively “Seamap”), and its wholly owned subsidiary, Klein Marine Systems, Inc. (“Klein”), 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 states of New Hampshire and Texas. Prior to July 31, 2020, the Company, through its wholly owned Canadian subsidiary, Mitcham Canada, ULC (“MCL”), its wholly owned Hungarian subsidiary, Mitcham Europe Ltd. (“MEL”), and its branch operations in Colombia, provided full-service equipment leasing, sales and service to the seismic industry worldwide (the “Leasing Business”). Effective July 31, 2020, the Leasing Business has been classified as held for sale and the financial results reported as discontinued operations (see Note 3 – “Assets Held for Sale and Discontinued Operations” for additional details). All intercompany transactions and balances have been eliminated in consolidation.

These condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company has a history of generating losses and negative cash from operating activities and may not have access to sources of capital that were available in prior periods. In addition, the lingering impacts of the global pandemic, emerging supply chain disruptions and recent volatility in oil prices have created significant uncertainty in the global economy which could have a material adverse effect on the Company’s business, financial position, results of operations and liquidity. Accordingly, substantial doubt has arisen regarding the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result should the Company not be able to continue as a going concern.

Management has identified the following mitigating factors regarding adequate liquidity and capital resources to meet its obligations:

- The Company has no funded debt, or other outstanding obligations, outside of normal trade obligations.
- The Company has no obligations or agreements containing “maintenance type” financial covenants.
- The Company has working capital of approximately $16.4 million as of April 30, 2022, including cash of approximately $0.8 million.
- Should revenues be less than projected, the Company believes it is able, and has plans in place, to reduce costs proportionately in order 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 of approximately $13.4 million as of April 30, 2022. Production for certain of these orders was in process and included in inventory as of April 30, 2022, thereby reducing the liquidity needed to complete the orders. Subsequent to April 30, 2022 we received firm orders of approximately $2.2 million and responded to requests for proposals (“RFQ”s) of approximately $7.3 million. Accordingly, the combination of our backlog, subsequent orders and RFQ’s, which management believes will be confirmed and completed in fiscal 2023, currently total is approximately $22.9 million.
- Despite difficulties in world energy markets, the Company has been able to generate cash from the sale of lease pool equipment and collection of accounts receivable related to its discontinued operations. Management expects to generate additional liquidity from the sale of lease pool equipment in fiscal 2023.
- The Company has declared the quarterly dividend on its Series A Preferred Stock for the quarter ended April 30, 2022, but such quarterly dividends could be suspended in the future.
- Despite challenging economic conditions in the fiscal 2022, the Company successfully raised approximately $5.2 million in new capital through the sale of Common Stock and Preferred Stock pursuant to the ATM Offering Program. Management expects to be able to raise further capital through the ATM Offering Program should the need arise.

Notwithstanding the mitigating factors identified by management, there remains substantial doubt regarding the Company's ability to meet its obligations as they arise over the next twelve months.

2. Basis of Presentation and Immaterial Correction of Comprehensive Loss

The condensed consolidated balance sheet as of January 31, 2022, for the Company has been derived from audited consolidated financial statements. The unaudited interim condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the related notes included in the Company’s Annual Report on Form 10-K for the year ended January 31, 2022 (“fiscal 2022”). In the opinion of the Company’s management, all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position as of April 30, 2022, the results of operations for the three months ended April 30, 2022 and 2021, the cash flows for the three months ended April 30, 2022 and 2021, and the statement of stockholders' equity for the three months ended April 30, 2022 and 2021, have been included in these condensed consolidated financial statements. The foregoing interim results are not necessarily indicative of the results of operations to be expected for the full fiscal year ending January 31, 2023 ("fiscal 2023").

The Company has corrected an immaterial error in the statements of comprehensive loss for the three months ended April 30, 2021, which as previously presented, incorrectly included $584,000 of preferred dividends as a component of comprehensive loss. Additionally, during the years ended January 31, 2022 and 2021, comprehensive loss incorrectly included preferred dividends of $2.9 million and $2.3 million, respectively. Comprehensive loss will be corrected by revising the amounts included in previously-issued statements of comprehensive loss the next time they are required to be filed for comparative purposes.

3. Assets Held for Sale 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 April 30, 2022 and for all comparative periods presented in these condensed consolidated financial statements. 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. The Company now believes it will complete the process by October 31, 2022.

The assets reported as held for sale consist of the following:

	April 30, 2022	January 31, 2022
Current assets of discontinued operations:	(in thousands)	
Accounts receivable, net	37	177
Inventories, net	2	2
Prepaid expenses and other current assets	156	167
Seismic equipment lease pool and property and equipment, net	40	738
Loss recognized on classification as held for sale	(232)	(925)
Total assets of discontinued operations	$ 3	$ 159

The liabilities reported as held for sale consist of the following:

	April 30, 2022	January 31, 2022
Current liabilities of discontinued operations:	(in thousands)	
Accounts payable	$ 4	$ 132
Deferred revenue	56	73
Accrued expenses and other current liabilities	203	507
Income taxes payable	8	241
Total liabilities of discontinued operations	271	953

The results of operations from discontinued operations for the three months ended April 30, 2022 and 2021 consist of the following:

	For the Three Months Ended April 30,	
	2022	2021
Revenues:	(in thousands)	
Revenue from discontinued operations	$ —	$ 30
Cost of sales:		
Cost of discontinued operations	25	373
Operating expenses:		
Selling, general and administrative	113	342
Recovery of doubtful accounts	—	(443)
Depreciation and amortization	—	1
Total operating expenses (income)	113	(100)
Operating loss	(138)	(243)
Other income (expenses)	524	(39)
Income (loss) before income taxes from discontinued operations	386	(282)
Provision for income taxes from discontinued operations	—	(1)
Net Income (loss) from discontinued operations	386	(283)

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

	For the Three Months Ended April 30,	
	2022	2021
	(in thousands)	
Gross profit from sale of lease pool equipment	$ (280)	$ —
Recovery of doubtful accounts	$ —	$ (443)
Sale of assets held for sale	$ 283	$ 187

4. New Accounting Pronouncements

New accounting pronouncements that have been issued but not yet effective are currently being evaluated and at this time are not expected to have a material impact on our financial position or results of operations.

5. Revenue from Contracts with Customers

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

	Three Months Ended April 30,	
	2022	2021
Revenue recognized at a point in time:	(in thousands)	
Seamap	$ 7,994	$ 2,913
Klein	1,008	1,150
Total revenue recognized at a point in time	$ 9,002	$ 4,063
Revenue recognized over time:		
Seamap	$ 85	$ 131
Klein	$ —	$ —
Total revenue recognized over time	85	131
Total revenue from contracts with customers	$ 9,087	$ 4,194

The revenue from products manufactured and sold by our Seamap and Klein businesses, 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 and Klein businesses provide repair and maintenance services, or perform 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:

	Three Months Ended April 30,	
	2022	2021
	(in thousands)	
United States	$ 2,253	$ 359
Europe	4,612	2,582
Middle East & Africa	38	14
Asia-Pacific	2,184	705
Canada & Latin America	—	534
Total revenue from contracts with customers	$ 9,087	$ 4,194

As of April 30, 2022, and January 31, 2022, contract assets and liabilities consisted of the following:

	April 30, 2022	January 31, 2022
Contract Assets:	(in thousands)	
Unbilled revenue - current	$ 2	$ 28
Total unbilled revenue	$ 2	$ 28
Contract Liabilities:		
Deferred revenue & customer deposits - current	$ 2,455	$ 2,569
Total deferred revenue & customer deposits	$ 2,455	$ 2,569

Considering the products manufactured and sold by our Seamap and Klein businesses and the Company's standard contract terms and conditions, we expect our contract assets and liabilities to turn over, on average, within a period of three to nine months.

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.

6. Balance Sheet - Continuing Operations

	As of April 30, 2022			As of January 31, 2022		
	(in thousands)					
	Current	Long-term	Total	Current	Long-term	Total
Accounts receivable	$ 9,881	$ 428	$ 9,453	$ 8,610	$ 650	$ 9,260
Less allowance for doubtful accounts	(484)	—	(484)	(484)	—	(484)
Accounts receivable net of allowance for doubtful accounts	$ 9,397	$ 428	$ 8,969	$ 8,126	$ 650	$ 8,776

	April 30, 2022	January 31, 2022
	(in thousands)	
Inventories:		
Raw materials	$ 8,005	$ 8,511
Finished goods	4,300	3,806
Work in progress	3,838	3,567
Cost of inventories	16,143	15,884
Less allowance for obsolescence	(1,900)	(1,878)
Total inventories, net	$ 14,243	$ 14,006

	April 30, 2022	January 31, 2022
	(in thousands)	
Property and equipment:		
Furniture and fixtures	$ 9,856	$ 9,865
Autos and trucks	512	495
Marine seismic service equipment	—	3,880
Land and buildings	4,596	4,555
Cost of property and equipment	14,964	18,795
Accumulated depreciation and amortization	(10,902)	(14,523)
Total property and equipment, net	$ 4,062	$ 4,272

As of January 31, 2022, the Company completed an annual review of long-lived assets noting that the undiscounted future cash flows exceeded their carrying value and no impairment was recorded. Since January 31, 2022, there have been no significant changes to the market, economic or legal environment in which the Company operates that would indicate additional impairment analysis is necessary as of April 30, 2022.

7. Leases

The Company has certain non-cancelable operating lease agreements for office, production and warehouse space in Texas, Hungary, Singapore, Malaysia, and the United Kingdom. We negotiated the termination of our Colombia lease obligation during fiscal 2022 and our lease obligation in Canada was terminated as of March 31, 2022.

Lease expense for the three months ended April 30, 2022 and 2021 was approximately $203,000 and $309,000, respectively, and was recorded as a component of operating loss. Included in these costs was short-term lease expense of approximately $9,000 and $10,000 for the three months ended April 30, 2022 and 2021, respectively.

Supplemental balance sheet information related to leases as of April 30, 2022 and January 31, 2022 were as follows:

Lease	**April 30, 2022**	**January 31, 2022**
Assets	(in thousands)	
Operating lease assets	$ 1,531	$ 1,835
Liabilities		
Operating lease liabilities	$ 1,531	$ 1,835
Classification of lease liabilities		
Current liabilities	$ 587	$ 869
Non-current liabilities	944	966
Total Operating lease liabilities	$ 1,531	$ 1,835

Lease-term and discount rate details as of April 30, 2022 and January 31, 2022 were as follows:

Lease term and discount rate	**April 30, 2022**	**January 31, 2022**
Weighted average remaining lease term (years)		
Operating leases	1.54	1.82
Weighted average discount rate:		
Operating leases	15%	13%

The incremental borrowing rate was calculated using the Company's weighted average cost of capital.

Supplemental cash flow information related to leases was as follows:

Lease	**Three Months Ended April 30, 2022**	**Three Months Ended April 30, 2021**
Cash paid for amounts included in the measurement of lease liabilities:	(in thousands)	
Operating cash flows from operating leases	$ (203)	$ (309)
Changes in lease balances resulting from new and modified leases:		
Operating leases	$ —	$ 16

Maturities of lease liabilities at April 30, 2022 were as follows:

	April 30, 2022
	(in thousands)
2023	$ 588
2024	535
2025	282
2026	210
2027	188
Thereafter	202
Total payments under lease agreements	$ 2,005
Less: imputed interest	(474)
Total lease liabilities	$ 1,531

8. Goodwill and Other Intangible Assets

		April 30, 2022				January 31, 2022			
	Weighted Average Life at 4/30/2022	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Amount
		(in thousands)				(in thousands)			
Goodwill		$ 7,060	$ —	$ (7,060)	$ —	$ 7,060	$ —	$ (7,060)	$ —
Proprietary rights	5.8	8,237	(4,267)	—	3,970	8,237	(4,150)	—	4,087
Customer relationships	0.3	5,024	(4,821)	—	203	5,024	(4,797)	—	227
Patents	2.7	2,540	(1,840)	—	700	2,540	(1,778)	—	762
Trade name	4.1	894	(88)	(760)	46	894	(85)	(760)	49
Developed technology	3.7	1,430	(906)	—	524	1,430	(870)	—	560
Other	2.1	694	(394)	—	300	694	(361)	—	333
Amortizable intangible assets		$ 18,819	$ (12,316)	$ (760)	$ 5,743	$ 18,819	$ (12,041)	$ (760)	$ 6,018

On January 31, 2022, the Company completed an annual review of amortizable intangible assets. Based on a review of qualitative factors it was determined that there were no events or changes in circumstances indicating that the carrying value of amortizable intangible assets was not recoverable. During the three months ended April 30, 2022, there have been no substantive indicators of impairment.

Aggregate amortization expense was $271,000 and $412,000 for the three months ended April 30, 2022 and 2021, respectively. As of April 30, 2022, future estimated amortization expense related to amortizable intangible assets was estimated to be:

For fiscal years ending January 31,	(in thousands)
2023	$ 888
2024	1,045
2025	820
2026	723
2027	422
Thereafter	1,845
Total	$ 5,743

9. Notes Payable

On May 5, 2020, the Company, and its wholly owned subsidiary, Klein (collectively, the “Borrowers”), were granted loans (the “Loans”) from Bank of America, N.A. in the aggregate amount of approximately $1.6 million, pursuant to the Small Business Association's Paycheck Protection Program (the “PPP”), a component of the Coronavirus Aid, Relief, and Economic Security Act which was enacted on March 27, 2020.

The Loans, in the form of promissory notes (the “Notes”) dated May 1, 2020 issued by the Borrowers, were set to mature on May 1, 2022 and bore interest at a rate of 1% per annum, payable monthly commencing on November 1, 2020. The Notes stipulated various restrictions customary with this type of transaction including representations, warranties, and covenants, in addition to events of default, breaches of representation and warranties or other provisions of the Notes. In the event of default, the Borrowers would have become obligated to repay all amounts outstanding under the Notes. The Borrowers were permitted to prepay the Notes at any time prior to maturity with no prepayment penalties.

Under the terms of the PPP, funds from the Loans could only be used for payroll costs, rent, utilities and interest on other debt obligations incurred prior to February 15, 2020. In addition, certain amounts of the Loans could be forgiven if the funds were used to pay qualifying expenses.

In January 2021, the Loan granted to the Company in the amount of approximately $757,000 was forgiven resulting in other income of that amount. In February 2021, the Loan granted to Klein in the amount of approximately $850,000 was also forgiven, resulting in other income of that amount. As of April 30, 2022, the Company had no outstanding balance under the Loans.

10. Income Taxes

For the three months ended April 30, 2022, the income tax expense from continuing operations was approximately $ 211,000 on a pre-tax loss from continuing operations of $2.6 million. For the three months ended April 30, 2021, the income tax benefit from continuing operations was approximately $ 145,000 on a pre-tax loss from continuing operations of $3.8 million. The variance between our actual provision and the expected provision based on the U.S. statutory rate is due primarily to recording valuation allowances against the increase in our deferred tax assets in the respective periods, permanent differences between book income and taxable income, and the effect of foreign withholding taxes.

The Company files U.S. federal and state 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 Internal Revenue Service for fiscal years ended January 31, 2019 through 2022. The Company’s tax returns may also be subject to examination by state and local tax authorities for fiscal years ended January 31, 2017 through 2022. In addition, the Company's tax returns filed in foreign jurisdictions are generally subject to examination for the fiscal years ended January 31, 2017 through 2022.

The Company has determined that the undistributed earnings of foreign subsidiaries are not deemed to be indefinitely reinvested outside of the United States as of April 30, 2022. 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 April 30, 2022.

For the three months ended April 30, 2022 and 2021, the Company did not recognize any tax expense or benefit related to uncertain tax positions.

11. Earnings per Share

Net income per basic common share is computed using the weighted average number of common shares outstanding during the period, excluding unvested restricted stock. Net income per diluted common share is computed using the weighted average number of common shares and dilutive potential common shares outstanding during the period using the treasury stock method. Potential common shares result from the assumed exercise of outstanding common stock options having a dilutive effect and from the assumed vesting of unvested shares of restricted stock.

The following table presents the calculation of basic and diluted weighted average common shares used in the earnings per share calculation:

	Three Months Ended April 30,	
	2022	2021
	(in thousands)	
Basic weighted average common shares outstanding	13,775	13,759
Stock options	—	94
Unvested restricted stock	11	27
Total weighted average common share equivalents	11	121
Diluted weighted average common shares outstanding	13,786	13,880

For the three months ended April 30, 2022 and 2021, potentially dilutive common shares underlying stock options and unvested restricted stock were anti-dilutive and were therefore not considered in calculating diluted loss per share for those periods.

12. Related Party Transaction

In September 2020 we entered into an equity distribution agreement (the “Equity Distribution Agreement”) with Ladenburg Thalmann & Co. Inc. (the “Agent”). The Co-Chief Executive Officer and Co-President of the Agent is the Non-Executive Chairman of our Board. Pursuant to the Equity Distribution Agreement, the Company may sell up to 500,000 shares of 9.00% Series A Cumulative Preferred Stock, par value $1.00 per share (the “Preferred Stock”) and 5,000,000 shares of $0.01 par value common stock (“Common Stock”) through an at-the-market offering program (the “ATM Offering Program”) administered by the Agent. Under the Equity Distribution Agreement, the Agent is entitled to compensation of up to 2.0% of the gross proceeds from the sale of Preferred Stock and Common Stock under the ATM Offering Program.

On November 12, 2021, the Company issued 432,000 shares of the Series A Preferred Stock, pursuant to an underwriting agreement, dated November 9, 2021, by and between the Company and Ladenburg Thalmann & Co. Inc. The Co-Chief Executive Officer and Co-President of Ladenburg Thalmann & Co. Inc is the Non-Executive Chairman of the Company's board of directors. Net proceeds to the Company were approximately $9.5 million and the underwriter received underwriting discounts and commissions totaling approximately $576,000 in connection with this offering. The Non-Executive Chairman of the Company received no portion of these discounts and commissions.

During the three-month period ended April 30, 2022, the Company sold no shares of Preferred Stock under the ATM Offering Program. During the three months ended April 30, 2021, the Company sold 20,960 shares of Series A Preferred Stock under the ATM Offering Program, resulting in net proceeds to the Company of approximately $503,000. Compensation to the Agent during this period was approximately $10,000, none of which was received by the Non-Executive Chairman of the Board.

During the three-month period ended April 30, 2022, the Company sold no shares of Common Stock under the ATM Offering Program. During the three months ended April 30, 2021, the Company sold 18,053 shares of Common Stock under the ATM Offering Program, resulting in net proceeds to the Company of approximately $42,000. Compensation to the Agent during this period was approximately $1,000, none of which was received by the Non-Executive Chairman of the Board.

13. Equity and Stock-Based Compensation

During the three months ended April 30, 2022, the Board declared quarterly dividends of $0.5625 per share for our Preferred Stock. As of April 30, 2022, there are approximately 1,683,000 shares of Preferred Stock outstanding with an aggregate liquidation preference of approximately $42.0 million. Total compensation expense recognized for stock-based awards granted under the Company's equity incentive plan during the three months ended April 30, 2022 and 2021 was approximately $ 236,000 and $ 109,000, respectively.

14. Segment Reporting

With the designation of the Equipment Leasing segment as discontinued operations as of July 31, 2020, the Company operates in one segment, Marine Technology Products. As a result, no segment reporting is required. The Marine Technology Products business is engaged in the design, manufacture and sale of state-of-the-art seismic and offshore telemetry systems. Manufacturing, support and sales facilities are maintained in the United Kingdom, Singapore, Malaysia and the states of New Hampshire and Texas.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q (this “Form 10-Q”) may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this Form 10-Q 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,” “may,” “will,” “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. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, those summarized below*:*

- risks associated with our manufacturing operations including availability and reliability of materials and components as well the reliability of the products that we manufacture and sell;
- loss of significant customers;
- the impact of disruptions in global supply chains due to the COVID-19 pandemic and other factors, including certain components and materials becoming unavailable, increased lead times for components and materials, as well as increased costs for such items;
- increased competition;
- loss of key suppliers;
- intellectual property claims by third parties;
- the effect of uncertainty in financial markets on our customers’ and our ability to obtain financing;
- our ability to successfully execute strategic initiatives to grow our business;
- local and global impacts of the COVID-19 virus, including effects of responses of governmental authorities and companies to reduce the spread of COVID-19, such as shutdowns, travel restrictions and work-from-home mandates;
- uncertainties regarding our foreign operations, including political, economic, currency, environmental regulation and export compliance risks;
- seasonal fluctuations that can adversely affect our business;
- fluctuations due to circumstances beyond our control or that of our customers;
- defaults by customers on amounts due to us;
- possible further impairment of our long-lived assets due to technological obsolescence or changes in anticipated cash flow generated from those assets;
- inability to obtain funding or to obtain funding under acceptable terms;
- changes in government spending, including efforts by the U.S. and other governments to decrease spending for defense contracts, or as a result of U.S. or other administration transition;
- efforts by U.S. Congress and other U.S. government bodies to reduce U.S. government spending and address budgetary constraints and the U.S. deficit, as well as associated uncertainty around the timing, extent, nature and effect of such efforts.
- fluctuations in demand for seismic data, which is dependent on the level of spending by oil and gas companies for exploration, production and development activities, and may potentially negatively impact the value of our assets held for sale.
- inflation and price volatility in the global economy could negatively impact our business and results of operations.
- the consequences of future geopolitical events, which we cannot predict but which may adversely affect the markets in which we operate, our operations, or our results of operations; and
- negative impacts to our business from security threats, including cybersecurity threats, and other disruptions.

For additional information regarding known material factors that could cause our actual results to differ materially from our projected results, please see (1) Part II, “*Item 1A. Risk Factors*” *of this Form 10-Q, (2) Part I,* “*Item 1A. Risk Factors*” *in our Annual Report on Form 10-K for the fiscal year ended January 31, 2022, and (3) the Company*’*s other filings filed with the SEC from time to time.*

There may be other factors of which the Company is not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement after the date they are made, whether as the result of new information, future events or otherwise, except as required by law. All forward-looking statements included herein are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

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

Overview

Historically, we have operated in two segments, Marine Technology Products and Equipment Leasing. During the second quarter of fiscal 2021, our Board decided to exit the Leasing Business and instructed management to develop and implement a plan to dispose of those operations. Accordingly, the assets, excluding cash, and liabilities of the Leasing Business are considered held for sale and the Leasing Business operations are presented as discontinued operations. See Note 3 - "Assets Held for Sale and Discontinued Operations" to our consolidated financial statements for more details.

Revenue from the Marine Technology Products business includes sales of Seamap equipment and sales of Klein equipment. This business operates from locations near Bristol, United Kingdom; Salem, New Hampshire; Huntsville, Texas; Johor, Malaysia and in Singapore.

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

Management believes that the performance of our Marine Technology Products business 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.

	For the Three Months Ended April 30,	
	2022	**2021**
Reconciliation of Net loss from Continuing Operations to EBITDA and Adjusted EBITDA	(in thousands)	
Net loss from continuing operations	$ (2,805)	$ (3,701)
Interest expense, net	—	9
Depreciation and amortization	479	666
Provision (benefit) for income taxes	211	(145)
EBITDA loss from continuing operations (1)	(2,115)	(3,171)
Non-cash foreign exchange losses	—	49
Stock-based compensation	236	121
Adjusted EBITDA loss from continuing operations (1)	$ (1,879)	$ (3,001)
Reconciliation of Net Cash Used in Operating Activities to EBITDA		
Net cash used in operating activities	$ (3,522)	$ (2,807)
PPP loan forgiveness	—	850
Stock-based compensation	(236)	(121)
Provision for inventory obsolescence	(23)	(22)
Changes in accounts receivable (current and long-term)	1,037	(1,104)
Interest paid	4	—
Taxes paid, net of refunds	277	31
Gross (loss) profit from sale of other equipment	(113)	80
Changes in inventory	260	741
Changes in accounts payable, accrued expenses and other current liabilities and deferred revenue	397	(920)
Changes in prepaid expenses and other current and long-term assets	(175)	168
Other	(21)	(67)
EBITDA loss from continuing operations (1)	$ (2,115)	$ (3,171)

(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 as alternatives to net income as indicators of operating performance or any other measures of performance derived in accordance with GAAP. In evaluating our performance as measured by EBITDA, management recognizes and considers the limitations of this measurement. EBITDA and Adjusted EBITDA do not reflect our obligations for the payment of income taxes, interest expense or other obligations such as capital expenditures. Accordingly, EBITDA and Adjusted EBITDA are only two of the measurements that management utilizes. Other companies in our industry may calculate EBITDA or Adjusted EBITDA differently than we do and EBITDA and Adjusted EBITDA may not be comparable with similarly titled measures reported by other companies.

Within our Marine Technology Products 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 RGPS tracking system used to provide precise positioning of seismic sources and streamers (marine recording channels that are towed behind a vessel) 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 hydrographic industry applications. Klein designs, manufactures and sells side scan sonar and water-side security systems to commercial, governmental and military customers throughout the world.

Our discontinued operations consisted primarily of leasing seismic data acquisition equipment mainly to seismic data acquisition companies conducting land surveys worldwide. Historically, we provided short-term leasing, typically for a term of less than one year, of seismic equipment to meet a customer's requirements. From time to time, we sold lease pool equipment. These sales were transacted when we had equipment for which we did not have near term needs in our leasing business or which was otherwise considered excess. Additionally, when equipment that had been leased to a customer was lost or destroyed, the customer was charged for such equipment at amounts specified in the underlying lease agreement.

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 Part II, Item 1A-- "Risk Factors."

Business Outlook

Our financial results in recent periods, particularly fiscal 2022, have been less than anticipated. We believe this is the result of several factors including the following:

- The ongoing effects of the global pandemic, such as delayed customer activity, inability to interact directly with many customers and restrictions on the activities of our employees.

- Disruptions in the global supply chain which have resulted in delays in development and production activities.

- Uncertainty in the global economic and geopolitical situation, resulting in delayed expenditures or changes in project priorities.

However, we believe general economic and geopolitical trends are now favorable for much of our business. Global energy prices have increased significantly in recent weeks. We believe this is a positive development for our marine seismic customers. Higher energy prices and the global movement towards renewable energy is, we believe, positive for our customers in the marine survey industry. Additionally, the current geopolitical unrest, especially in Europe and Asia, is driving demand for defense and maritime security solutions.

In recent months, we have experienced and continue to experience increased inquiries and bid activity for our other marine technology products. As of April 30, 2022, our backlog of firm orders for our Marine Technology Products business was approximately $13.4 million, as compared to approximately $13.1 million as of January 31, 2022, and $11.0 million at April 30, 2021. Subsequent to April 30, 2022 we have received firm orders totaling approximately $2.2 million for seismic and multi-beam sonar systems. Additionally, we have responded to requests for proposals ("RFQ"s) for seismic source controller and multi-beam sonar systems totaling approximately $7.3 million. These RFQ's specifically require our products. Based on discussions with the end-users for these orders we are confident we will receive firm orders for these items. Accordingly, our backlog and other firm and highly confident orders total is approximately $22.9 million. We expect essentially all of these orders to be completed within fiscal 2023 and currently expect revenues from continuing operation in fiscal 2023 to exceed those of fiscal 2022. 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.

Going forward we intend to address three primary markets in our Marine Technology Products business:

- Marine Survey
- Marine Exploration
- Maritime Defense

Specific applications within those markets include sea-floor survey, search and recovery, mineral and geophysical exploration, mine counter measures and anti-submarine warfare. We have existing technology and products that meet needs across all these markets such as:

- Side-scan sonar
- Bathymetry systems
- Acoustic arrays, such as SeaLink
- Marine seismic equipment, such as GunLink and BuoyLink

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

We are also pursuing a number of initiatives to further expand our product offerings. These initiatives include new internally developed technology, introduction of new products based on our existing technology, technology obtained through partnering arrangements with others and a combination of all of these. There can be no assurance that any of these initiatives will ultimately have a material impact on our financial position or results of operations. Certain of the business opportunities that we are pursuing are with military or other governmental organizations. The sales cycle for these projects can be quite long and can be impacted by a variety of factors, including the level of competition and budget limitations. Therefore, the timing of contract awards is often difficult to predict. However, once awarded, programs of this type can extend for many years. To date, the majority of our revenues have been from commercial customers; however, we expect the proportion of revenue related to military or governmental customers will increase in the future.

We believe there are certain developments within the marine technology industry that can have a significant impact on our business. These developments include the following:

- The increase in the use of unmanned, or uncrewed, marine vessels, both surface vehicles and underwater vehicles, and the need for a variety of sensor packages designed for these applications.
- Demand for higher resolution sonar images, such as for mine countermeasure applications.
- Demand for economical, commercially developed, technology for anti-submarine warfare and maritime security applications.

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

- Development of side-scan sonar and other sensor systems specifically for unmanned vehicles, including integration of our MA-X technology;
- Application of our ATR technology to our sonar systems;
- Development of SAS sonar systems in cooperation with a major European defense contractor; and
- Application of our SeaLink solid streamer technology to passive sonar arrays for use in maritime security applications, such as anti-submarine warfare.

In response to the effects of the global pandemic and the current economic environment we took steps to reduce expenses including the layoff or furloughing of certain employees and contractors and the deferral of other expenditures. Additionally, subsequent to January 31, 2022, we eliminated two executive management positions in order to further control general and administrative costs. Should the effects of the global pandemic and uncertainty about global economic conditions continue, we may take further steps to reduce costs. We believe the majority 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, increased energy costs 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 impact cannot be accurately determined. In response to these cost increases, in the first quarter of fiscal 2023, we increased the pricing for the majority of our products. The amount of the increase varies by product and ranged from approximately 5% to 20%.

During fiscal 2022, the Company received Singapore government grant pursuant to its Job Support Scheme. The primary objective of the Job Support Scheme is to assist companies in retaining local employees during the global pandemic. Grants from the Job Support Scheme in fiscal 2022 totaled approximately $93,000. Future benefit from the government job scheme will be dependent on availability and our ability to qualify for the assistance. We cannot be certain future benefits will be obtained.

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 above.

Results of Continuing Operations

Revenues for the three months ended April 30, 2022 were approximately $9.1 million compared to approximately $4.2 million for the three months ended April 30, 2021. We believe the increase in the first quarter of fiscal 2023 is due in large part to lifting of restrictions on commerce that were present in the prior period as a result of the global pandemic. Additionally, positive trends within our primary markets, as discussed above, are contributing to increased activity. For the three months ended April 30, 2022, we generated an operating loss of approximately $2.5 million, compared to an operating loss of approximately $4.8 million for the three months ended April 30, 2021. The decrease in operating loss during the three-month period ended April 30, 2022 is primarily attributable to an increase in revenues. A more detailed explanation of these variations follows.

Revenues and Cost of Sales

Revenues and cost of sales for our Marine Technology Products business were as follows:

	Three Months Ended April 30,	
	2022	2021
	(in thousands)	
Revenues:		
Seamap	$ 8,079	$ 3,044
Klein	1,122	1,156
Intra-business sales	(114)	(6)
	9,087	4,194
Cost of sales:		
Seamap	5,057	2,597
Klein	855	1,060
Intra-business sales	(114)	(6)
	5,798	3,651
Gross profit	$ 3,289	$ 543
Gross profit margin	36%	13%

A significant portion of Seamap's sales consists 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 $3.0 million and 37% in the first quarter of fiscal 2023 and approximately $447,000 and 15% in the first quarter of fiscal 2022. The increase in gross profit margins between the periods is due primarily to the mix of products and services sold in the respective periods.

Revenue from the sale of Klein products was approximately $1.1 million for the first quarter of fiscal 2023 versus approximately $1.2 million in the prior year period. Gross profit was approximately $267,000 and $96,000 for the first quarter of fiscal 2023 and 2022, respectively. Despite relatively flat revenue for the comparative periods, gross profit increased in the first quarter of fiscal 2023 due to higher product testing and sustaining engineering activity in the first quarter of fiscal 2022, not recurring in the current period.

Operating Expenses

General and administrative expenses for the three months ended April 30, 2022, increased to approximately $4.3 million from approximately $3.8 million for the three-months ended April 30, 2021. The increase is primarily due to accrued severance expense for the Company's former Chief Operating Officer, plus higher convention, travel and entertainment expenses incurred as the Company reengages with customers following easing of global pandemic related restrictions on travel and larger group gatherings. In addition, the increase reflects certain recurring general and administrative operating expenses, including but not limited to, property and casualty insurance premiums, facility maintenance expenses, and communications costs, etc., which were directly attributable to our discontinued operations and reported as such in the prior year comparative period, but are reported in continuing operations in the current period as management has concluded that these costs will be retained going forward.

Research and development costs were approximately $1.0 million in the three-month period ended April 30, 2022, compared to approximately $853,000 in the three months ended April 30, 2021. The increase in year-to-year costs reflects incremental product development activity, including SAS, automatic target recognition, passive arrays and sensor systems for unmanned platforms.

Depreciation and amortization expense include depreciation of equipment, furniture and fixtures and the amortization of intangible assets. These costs were approximately $479,000 in the three-month period ended April 30, 2022, as compared to approximately $666,000 in the three-month period ended April 30, 2021. The lower depreciation and amortization expense in the first quarter of fiscal 2023 is due primarily to assets becoming fully depreciated over time.

During the three months ended April 30, 2022, there were no substantive indicators of impairment of long-lived or intangible assets.

Provision for Income Taxes

For the three months ended April 30, 2022, we reported tax expense of approximately $211,000 on pre-tax loss of approximately $2.6 million from continuing operations, and for the three months ended April 30, 2021, we reported tax benefit of approximately $145,000 on pre-tax loss of approximately $3.8 million from continuing operations. Our recorded tax expense and benefit for the three-month period ended April 30, 2022, and 2021, respectively, are less than the expense and benefit that would be derived by applying the applicable statutory rate to the net loss before tax from continuing operations in each of these periods. The variance for each of these periods is due mainly to the effect of permanent differences between book and taxable income, foreign withholding taxes, and recording valuation allowances against increases in our deferred tax assets.

Results of Discontinued Operations

Revenues and cost of sales from our Equipment Leasing business were comprised of the following:

	For the Three Months Ended April 30, (in thousands)	
	2022	2021
Revenues:		
Equipment leasing	—	30
	—	30
Cost of sales:		
Direct costs-equipment leasing	25	373
	25	373
Gross profit (loss)	(25)	(343)
Operating expenses:		
Selling, general and administrative	113	342
Recovery of doubtful accounts	—	(443)
Depreciation and amortization	—	1
Total operating expenses (income)	113	(100)
Operating loss	(138)	(243)
Other income (expenses)	524	(39)
Income (loss) before income taxes	386	(282)
Provision for income taxes	—	(1)
Net Income (loss)	386	(283)

Following the decision to exit the Leasing Business and present those operations as discontinued operations, we no longer recognize depreciation expense related to our lease pool of seismic equipment, but rather reassess, on a quarterly basis, the recoverability of the remaining carrying value of those assets. Similarly, we no longer recognize gain or loss from the sale of lease pool assets, but record proceeds from such transactions as a reduction in the carrying value of our lease pool assets.

We recorded no revenue from discontinued operations during the first quarter of fiscal 2023, compared to $30,000 for the first quarter of fiscal 2022. Our revenue decreased because we ceased all equipment leasing activity in fiscal 2022.

Direct costs related to Equipment Leasing dropped to approximately $25,000 for the first quarter of fiscal year 2023 from approximately $373,000 reported in the same period of fiscal 2022. Direct costs were higher in the first quarter of fiscal 2022 because we had active lease contracts during the period.

Selling, general and administrative costs related to the Leasing Business decreased to approximately $113,000 in the three months ended April 30, 2022, from approximately $342,000 in the same period one year ago. The decrease was due primarily to lower compensation and other administrative expenses resulting from headcount reductions and the decline in business activity. In addition, certain recurring operating expenses, including but not limited to, property and casualty insurance premiums, facility maintenance expenses, communications costs, etc., which were directly attributable to our discontinued operations and reported as such in fiscal 2022, are reported in continuing operations in the current period as management has concluded these costs will be retained going forward. See Note 3 - “Assets Held for Sale and Discontinued Operations” to our consolidated financial statements for more details.

For the three months ended April 30, 2022, we recorded zero tax expense on approximately $386,000 of pre-tax income from discontinued operations. For the three months ended April 30, 2021, we reported tax expense of approximately $1,000 on pre-tax loss from discontinued operations. Our tax provisions in the three-month periods ended April 30, 2022, and 2021, are less than the expense or benefit that would be derived by applying the applicable statutory rate to the income or loss before tax from discontinued operations for each respective period. The variance for each of these periods is due mainly to the effect of foreign withholding taxes and recording valuation allowances against increases in our deferred tax assets.

Liquidity and Capital Resources

As discussed above, the global pandemic and volatility in oil prices have created significant uncertainty in the global economy, which has had, and may continue to have, an adverse effect on our business, financial position, results of operations and liquidity. The period for which disruptions related to the global pandemic will continue is uncertain as is the magnitude of any adverse impacts. We believe that any negative impacts have begun to subside but there can be no assurance of that.

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. As of April 30, 2022, the Company has a small amount of remaining lease pool equipment available for sale and has approximately 317,000 shares of Preferred Stock and approximately 22.9 million shares of Common Stock available for issuance. Nevertheless, there can be no assurance the remaining lease pool equipment will be sold or that the Preferred Stock or Common Stock can be sold at prices acceptable to the Company.

Due to the above factors, there is substantial doubt about the Company's ability to meet its obligations as they arise over the next twelve months. However, management believes there are compensating factors and actions available to the Company to address liquidity concerns, including the following:

- The Company has no funded debt or other outstanding obligations, outside of normal trade obligations.

- The Company has no obligations or agreements containing "maintenance type" financial covenants.

- The Company has working capital of approximately $16.4 million as of April 30, 2022, including cash of approximately $817,000.

- Should revenues be less than projected, the Company believes it is able, and has plans, to reduce costs proportionately in order 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 of approximately $13.4 million as of April 30, 2022, which is a slight increase from the $13.1 million reported at January 31, 2022, and an increase of approximately 22% from the amount reported at April 30, 2021. Production for certain of these orders was in process and included in inventory as of April 30, 2022, thereby reducing the liquidity needed to complete the orders. Subsequent to April 30, 2022 we received firm orders of approximately $2.2 million and responded to requests for proposals ("RFQ"s) of approximately $7.3 million. Accordingly, the combination of our backlog, subsequent orders and RFQ's, which management believes will be confirmed and completed in fiscal 2023, currently total is approximately $22.9 million.

- Despite difficulties in world energy markets, the Company has been able to generate cash from the sale of lease pool equipment and collection of accounts receivable related to its discontinued operations. Management expects to generate additional liquidity from the sale of lease pool equipment in fiscal 2023.

- The Company declared and paid the quarterly dividend on its Preferred Stock for the first quarter of fiscal 2023, and each quarter in fiscal 2022, but such quarterly dividends could be suspended in the future.

- Despite challenging economic conditions in fiscal 2022, the Company successfully raised approximately $5.2 million in new capital through the sale of Common Stock and Preferred Stock pursuant to the ATM Offering Program and $9.5 million in net proceeds through a public offering of Preferred Stock. Management believes it could raise further capital through the ATM Offering Program should the need arise.

- Based on publicized transactions and preliminary discussions with potential funding sources, management believes that other sources of debt and equity financing are available should the need arise.

Our principal sources of liquidity and capital over the past two fiscal years have been proceeds from issuances of Preferred Stock and from the sale of lease pool equipment.

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 13,781,904 are currently outstanding and 3,302,001 are reserved for issue under outstanding stock options, leaving 22,916,095 available for future issuance. We believe these factors provide capacity for subsequent issues of common stock or preferred stock.

The Preferred Stock has been issued in public offerings in June 2016 and November 2021, as consideration to Mitsubishi Heavy Industries, Ltd ("MHI"), and in two ATM offering programs. The Preferred Stock (i) allows for redemption on at our option (even in the event of a change of control), (ii) does not grant holders with voting control of our Board of Directors, and (iii) provides holders with a conversion option (into common stock) only upon a change of control which, upon conversion, would be subject to a limit on the maximum number of shares of common stock to be issued. Through April 30, 2022, we have issued 1,682,985 shares of our Preferred Stock.

On November 12, 2021, the Company issued 432,000 shares of Preferred Stock pursuant to an underwritten public offering. The Company received net proceeds of approximately $9.5 million after underwriting discounts and other costs.

During the three months ended April 30, 2022, the Company did not sell any shares of Common Stock or Series A Preferred Stock under the ATM Offering Program.

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

	For the Three Months Ended April 30,	
	2022	2021
	(in thousands)	
Net cash used in operating activities	$ (3,522)	$ (2,807)
Net cash provided by investing activities	176	179
Net cash used in financing activities	(948)	(33)
Effect of changes in foreign exchange rates on cash and cash equivalents	(3)	51
Net decrease in cash and cash equivalents	$ (4,297)	$ (2,610)

As of April 30, 2022, we had working capital of approximately $16.4 million, including cash and cash equivalents of approximately $817,000, as compared to working capital of approximately $18.5 million, including cash and cash equivalents of approximately $5.1 million, at January 31, 2022. Our working capital decreased during the first three months of fiscal 2023 as compared to January 31, 2022 due primarily to reductions in cash, prepaid assets, and other current assets.

Cash Flows from Operating Activities. Net cash used in operating activities was approximately $3.5 million in the first three months of fiscal 2023 as compared to approximately $2.8 million in the first three months of fiscal 2022. For the three months ended April 30, 2022, the primary sources of cash used in operating activities was our net loss of approximately $2.4 million, plus the net change in working capital items, such as accounts receivable, prepaid expenses and accounts payable, totaling approximately $1.7 million, partially offset by net non-cash charges, including depreciation and amortization of approximately $479,000.

Cash Flows from Investing Activities. Cash provided from investing activities were relatively flat during the first three months of fiscal 2023 compared to the same period in the prior year.

Due to the decision to exit the Leasing Business we are currently seeking to sell the remaining equipment from our lease pool, which is currently classified as Assets Held for Sale. However, there is no guarantee additional sales of Assets Held for Sale will occur. Accordingly, cash flow from the sale of Assets Held for Sale is unpredictable. Proceeds from any additional sales of Assets Held for Sale will be deployed in other areas of our business or used for general corporate purposes.

Cash Flows from Financing Activities. Net cash used in financing activities during the first three months of fiscal 2023 consisted of approximately $947,000 of Preferred Stock dividend payments. In the third quarter of fiscal 2021, we launched the ATM Offering Program to sell up to 500,000 shares of Preferred Stock and 5,000,000 shares of Common Stock.

As of April 30, 2022, we have no funded debt and no obligations containing restrictive financial covenants.

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 may include bank credit facilities or the issuance of debt or equity securities.

We have determined that the undistributed earnings of foreign subsidiaries are not deemed indefinitely reinvested outside of the United States as of April 30, 2022. Furthermore, we have concluded that any deferred taxes with respect to the undistributed foreign earnings would be immaterial.

As of April 30, 2022, we had deposits in foreign banks equal to approximately $762,000, 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. In the event that withholding taxes should become payable, we believe the amount of tax withheld would be immaterial.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Critical Accounting Policies

Information regarding our critical accounting policies and estimates is included in Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended January 31, 2022. There have been no material changes to our critical accounting policies and estimates during the three-month period ended April 30, 2022.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

We are exposed to market risk, which is the potential loss arising from adverse changes in market prices and rates. We have not entered, and do not intend to enter, into derivative financial instruments for hedging or speculative purposes.

Foreign Currency Risk

We operate in several foreign locations, which gives rise to risk from changes in foreign currency exchange rates. To the extent possible, we attempt to denominate our transactions in foreign locations in U.S. dollars. For those cases in which transactions are not denominated in U.S. dollars, we are exposed to risk from changes in exchange rates to the extent that non-U.S. dollar revenues exceed non-U.S. dollar expenses related to those transactions. Our non-U.S. dollar transactions are denominated primarily in British pounds, Singapore dollars and European Union euros. As a result of these transactions, we generally hold cash balances that are denominated in these foreign currencies. At April 30, 2022, our consolidated cash and cash equivalents included foreign currency denominated amounts equivalent to approximately $321,000 in U.S. dollars. A 10% increase in the U.S. dollar as compared to each of these currencies would result in a loss of approximately $32,000 in the U.S. dollar value of these deposits, while a 10% decrease would result in an equal amount of gain. We do not currently hold or issue foreign exchange contracts or other derivative instruments to hedge these exposures.

Interest Rate Risk

As of April 30, 2022, we have no interest-bearing bank debt on our balance sheet.

Item 4. ***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-Q. 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 officers 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. Our principal executive officer and principal financial officer have concluded that our current disclosure controls and procedures were not effective as of April 30, 2022, due to a material weakness in our internal control over financial reporting that was disclosed on our Annual Report on Form 10-K for the fiscal year ended January 31, 2022.

Remediation

As previously described in Part II, Item 9A of our Annual Report on Form 10-K for the fiscal year ended January 30, 2022, we commenced implementing a remediation plan to address the material weakness in our internal controls over financial reporting. The weakness will remain unresolved, until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

Changes in Internal Control over Financial Reporting

Other than changes in connection with the remediation plan discussed above, there was no change in our system of internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended April 30, 2022, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. ***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, individually or collectively, that we believe could have a material adverse effect on our results of operations or financial condition or is otherwise material.

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

In addition the other information set forth elsewhere in this Form 10-Q, you should carefully consider the risks discussed in our Annual Report on Form 10-K for the year ended January 31, 2022, which risks could materially affect our business, financial condition or future results. There have been no material changes in our risk factors from those described in our Annual Report on Form 10-K for the year ended January 31, 2022. The risks described in our Annual Report on Form 10-K for the year ended January 31, 2022 are not the only risks the Company faces. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, or future results.

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

(a) Not applicable.
(b) Not applicable.

Item 3. ***Defaults Upon Senior Securities***

Not applicable.

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

Not applicable.

Item 5. ***Other Information***

Not applicable.

Item 6. *Exhibits*

Exhibits

The exhibits marked with the cross symbol (†) are filed (or furnished in the case of Exhibit 32.1) with this Form 10-Q.

Exhibit Number	Document Description	Report or Registration Statement	SEC File or Registration Number	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.	Incorporated by reference to MIND Technology, Inc.'s Current Report on Form 8-K, filed with the SEC on August 7, 2020.	001-13490	2.1
3.1	Amended and Restated Certificate of Incorporation of MIND Technology, Inc.	Incorporated by reference to MIND Technology, Inc.'s Current Report on Form 8-K, filed with the SEC on August 7, 2020.	001-13490	3.3
3.2	Amended and Restated Bylaws of MIND Technology, Inc.	Incorporated by reference to MIND Technology, Inc.'s Current Report on Form 8-K, filed with the SEC on August 7, 2020.	001-13490	3.4
3.3	Certificate of Designations, Preferences and Rights of MIND Technology, Inc. 9.00% Series A Cumulative Preferred Stock	Incorporated by reference to MIND Technology, Inc.'s Current Report on Form 8-K, filed with the SEC on August 7, 2020.	001-13490	3.5
3.4	Certificate of Amendment of Certificate of Designations, Preferences and Rights of MIND Technology, Inc. 9.00% Series A Cumulative Preferred Stock	Incorporated by reference to MIND Technology, Inc.'s Form 8-K filed with the SEC on September 25, 2020.	001-13490	3.1
3.5	Second Certificate of Amendment of Certificate of Designations, Preferences and Rights of MIND Technology, Inc. 9.00% Series A Cumulative Preferred Stock	Incorporated by reference to MIND Technology, Inc.'s Registration Statement on Form S-1 filed with the SEC on October 25, 2021.	333-260486	3.5
3.6	Third Certificate of Amendment of Certificate of Designations, Preferences and Rights of MIND Technology, Inc. 9.00% Series A Cumulative Preferred Stock	Incorporated by reference to MIND Technology, Inc.'s Form 8-K filed with the SEC on November 4, 2021.	001-13490	3.3
3.7	Texas Certificate of Merger, effective as of August 3, 2020	Incorporated by reference to MIND Technology, Inc.'s Current Report on Form 8-K, filed with the SEC on August 7, 2020.	001-13490	3.1
3.8	Delaware Certificate of Merger, effective as of August 3, 2020	Incorporated by reference to MIND Technology, Inc.'s Current Report on Form 8-K, filed with the SEC on August 7, 2020.	001-13490	3.2
4.1	Form of Senior Indenture (including Form of Senior Note)	Incorporated by reference to Mitcham Industries, Inc.'s Registration Statement on Form S-3, filed with the SEC on March 18, 2011.	333-172935	4.1

4.2	Form of Subordinated Indenture (including form of Subordinated Note)	Incorporated by reference to Mitcham Industries, Inc.'s Registration Statement on Form S-3, filed with the SEC on March 18, 2011.	333-172935	4.2
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, and Mark A. Cox, Chief Financial Officer, under Section 906 of the Sarbanes Oxley Act of 2002, 18 U.S.C. § 1350			
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 (formatted as Inline XBRL and contained in Exhibit 101).			

SIGNATURES

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

MIND TECHNOLOGY, INC.

Date: June 9, 2022

/s/ Robert P. Capps
Robert P. Capps
President and Chief Executive Officer

(Duly Authorized Officer)

Exhibit 31.1

CERTIFICATION

I, Robert P. Capps, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended April 30, 2022 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)
June 9, 2022

Exhibit 31.2

CERTIFICATION

I, Mark A. Cox, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended April 30, 2022 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
Chief Financial Officer and Vice President of Finance and Accounting
(Principal Financial Officer)
June 9, 2022

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 Quarterly Report of MIND Technology, Inc. (the "Company") on Form 10-Q for the quarterly period ended April 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Robert P. Capps, Chief Executive Officer of the Company, and Mark A. Cox, Chief Financial Officer 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, to his knowledge:

(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)
June 9, 2022

/s/ Mark A. Cox
Mark A. Cox
Chief Financial Officer and Vice President of Finance and Accounting
(Principal Financial Officer)
June 9, 2022