

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of the Company**

Pason Systems Inc. (“Pason” or the “Company”)  
6130 Third Street SE  
Calgary, Alberta T2H 1K2

**Item 2 Date of Material Change**

December 5, 2023

**Item 3 News Release**

A news release with respect to the material change referred to in this report was disseminated on December 5, 2023, through Canada Newswire and has been filed under Pason’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**Item 4 Summary of Material Change**

On December 5, 2023, Pason is pleased to announce its intention to exercise a call option for the purchase of all remaining issued and outstanding common shares of Intelligent Wellhead Systems, Inc. (“IWS”) not currently held by Pason for total consideration of \$88.3 million (the “Transaction”). As part of the Transaction, Pason will also assume net debt of approximately \$7.0 million at closing. The Transaction is expected to close on January 1, 2024.

**Item 5 Full Description of Material Change**

On December 5, 2023, Pason is pleased to announce its intention to exercise a call option for the purchase of all remaining issued and outstanding common shares of Intelligent Wellhead Systems, Inc. (“IWS”) not currently held by Pason for total consideration of \$88.3 million (the “Transaction”). As part of the Transaction, Pason will also assume net debt of approximately \$7.0 million at closing. The Transaction is expected to close on January 1, 2024, subject to customary closing conditions, and will be financed with cash on hand. As at September 30, 2023, Pason held \$178.4 million in Total Cash.

Pason initially invested in IWS in 2019, alongside Werklund Growth Fund L.P. and currently holds a non-controlling interest. Since 2019, Pason has invested a total of \$65.5 million through the acquisition of common and preferred shares in IWS. The Company’s initial investment included a call option agreement, granting Pason the option to purchase all remaining issued and outstanding shares at a predetermined price, exercisable at the Company’s discretion.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

For further information, please contact Jon Faber, President and Chief Executive Officer at 403-301-3400, or Celine Boston, Chief Financial Officer at 403-301-3400.

**Item 9 Date of Report**

December 8, 2023.