



Pason Announces Intent to Purchase Outstanding Shares of Intelligent Wellhead Systems, Inc.

FOR IMMEDIATE RELEASE

CALGARY, Alberta (December 5, 2023) – Pason Systems Inc. (TSX: PSI) (“Pason” or the “Company”) 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.

IWS is a privately-owned oil and gas technology and service company that provides engineered controls, data acquisition and software to automate workflows and processes at live well completions operations of the oil and gas industry. IWS has over 150 employees, with offices in Calgary, Alberta, Houston, Texas, Midland, Texas and Denver, Colorado. For the twelve months ended December 31, 2023, IWS expects to generate approximately \$45 million in annual revenues, which would represent a compounded annual growth rate in excess of 85% since Pason's initial investment in 2019, and an increase from the \$23 million in revenue generated in 2022.

Pason's President and CEO, Jon Faber, stated, “We are excited to fully welcome IWS to the Pason family. Starting in 2019, we have been encouraged by the traction and success IWS has achieved with the adoption of its technologies across all major basins in the United States. We remain optimistic about the growth prospects within our core drilling-related business, and this acquisition positions us to benefit from additional growth opportunities in the completions sector with no dilution to shareholders. As customer demands and requirements for high quality data continue to increase across the oil and gas industry, IWS and Pason are uniquely positioned to leverage a best-in-class service and technology offering together to meet these increasing customer demands. We are excited about the opportunities to accelerate commercial success



and generate new products and services for our customers that will come from combining IWS' strong track record of innovative technologies in the completions market with Pason's decades of experience as the leading provider of data technologies in the drilling market. Bringing IWS and Pason together at this time will allow us to continue making the necessary investments in our service and technology capabilities that will strengthen our competitive position to ensure we fully capture opportunities as the industry recovers."

"This investment is aligned with our overall approach to capital allocation, where we are focused on allocating capital in three areas: (1) supporting and strengthening our core, drilling-related business; (2) investing in growth opportunities beyond the core (such as IWS); and (3) returning capital to shareholders. Following this investment, our balance sheet continues to be in an excellent position, and allows us to maintain our approach in allocating capital, while also allowing us to withstand slowdowns in industry activity. We will continue to make growth-related investments in supporting and strengthening our core drilling-related business, with capital expenditures in 2024 expected to be approximately \$45 million. In addition, we expect capital expenditures of approximately \$25 million in 2024 to support IWS' ongoing growth initiatives. Including our fourth quarter dividend which was declared on November 2, 2023, and is payable on December 29, 2023, and share repurchases for the ten months ended October 31, 2023, we will have returned \$65 million in cash to shareholders in 2023 through our dividend and share repurchase program."

IWS' CEO, William Standifird, stated, "Pason is a proven leader in the management and delivery of end-to-end data solutions to customers across the oil and gas sector. IWS is proud to join forces with Pason in our combined efforts to develop innovative solutions for our customers, and continue to build scale from our existing technology, support and service capabilities in North America. The collective strengths of our two companies will generate significant opportunities for growth and expansion."

Non-GAAP Financial Measures

As defined in the Company's management discussion and analysis for the three and nine months ended September 30, 2023, *Total Cash* is a non-GAAP financial measure which is calculated as the sum of cash and cash equivalents, and short-term investments from the Company's Condensed Consolidated Interim Balance Sheets. The Company's short term-investments are comprised of twelve-month term deposits.

Pason Systems Inc.

Pason is a leading global provider of specialized data management systems for drilling rigs. Our solutions, which include data acquisition, wellsite reporting, remote communications, web-based information management, and analytics, enable collaboration between the rig and the office. Through our subsidiary Energy Toolbase Software, Inc. ("ETB"), we provide products and services for the solar power and energy storage industry. ETB's solutions enable project developers to model, control and monitor economics and performance of solar energy and



storage projects. Pason's common shares trade on the Toronto Stock Exchange under the symbol PSI.

For more information about Pason, visit the Company's website at www.pason.com or contact investorrelations@pason.com.

Jon Faber

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Intelligent Wellhead Systems Inc.

The InVision™ platform for completion operations, from Intelligent Wellhead Systems, improves wellsite safety and efficiency with Wellsite Instrumentation, Digital Valve Controls, and Remote Monitoring solutions. Utilizing its customer's standard operating procedures, IWS creates a Digital Handshake™ to minimize human errors during operations activities. For more information about IWS, visit the company's website at www.bettercompletions.com or contact info@bettercompletions.com.

Werklund Family Office Inc.

Based in Calgary, Alberta, Werklund Family Office Inc. is one of Canada's largest single-family offices managing the philanthropic, financial and business affairs of David Werklund and the Werklund family. With a history of entrepreneurialism, operational excellence and bold investments, Werklund is a fixture within the Canadian ecosystem of private company funding. The Werklund family is proud to sponsor growth in business as well as charitable donations to the community. More information is available at www.werklund.com.

Statement on Forward-Looking Information

Certain statements contained herein constitute "forward-looking statements" and/or "forward-looking information" under applicable securities laws (collectively referred to as "forward-looking statements"). Forward-looking statements can generally be identified by the words "anticipate", "expect", "believe", "may", "could", "should", "will", "estimate", "project", "intend", "plan", "outlook", "forecast" or expressions of a similar nature suggesting a future outcome or outlook.

Without limiting the foregoing, this document includes, but is not limited to, the following forward-looking statements: the Company and IWS's growth strategy and related schedules; divergence in activity levels between the geographic regions in which the Company and IWS operate; demand fluctuations for the Company and IWS's products and services; the Company and IWS's ability to increase or maintain market share; projected future value, forecast operating and financial results; planned capital expenditures; expected product performance and adoption, including the timing, growth and profitability thereof; potential dividends and dividend growth strategy; future use and development of technology; the Company and IWS's financial ability to meet long-term commitments not included in liabilities; the collectability of accounts receivable;



the application of critical accounting estimates and judgements; treatment under governmental regulatory and taxation regimes; and projected increasing shareholder value.

These forward-looking statements reflect the current views of Pason with respect to future events and operating performance as of the date of this document. They are subject to known and unknown risks, uncertainties, assumptions, and other factors that could cause actual results to be materially different from results that are expressed or implied by such forward-looking statements.

Although we believe that these forward-looking statements are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to: the state of the economy; volatility in industry activity levels and resulting customer expenditures on exploration and production activities; customer demand for existing and new products; the industry shift towards more efficient drilling activity and technology to assist in that efficiency; the impact of competition; the loss of key customers; the loss of key personnel; cybersecurity risks; reliance on proprietary technology and ability to protect the Company's proprietary technologies; changes to government regulations (including those related to safety, environmental, or taxation); the impact of extreme weather events and seasonality on our suppliers and on customer operations; and war, terrorism, pandemics, social or political unrest that disrupts global markets.

These risks, uncertainties and assumptions include but are not limited to those discussed in Pason's Annual Information Form for the year ended December 31, 2022, under the heading, "Risk and Uncertainty," in our management's discussion and analysis for the year ended December 31, 2022, and in our other filings with Canadian securities regulators. These documents are on file with the Canadian securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedar.com) or through Pason's website (www.pason.com).

Forward-looking statements contained in this document are expressly qualified by this cautionary statement. Except to the extent required by applicable law, Pason assumes no obligation to publicly update or revise any forward-looking statements made in this document or otherwise, whether as a result of new information, future events or otherwise.