



MANAGEMENT'S DISCUSSION AND ANALYSIS



For the three and nine months ended September 30, 2025

Management's Discussion and Analysis

The following management's discussion and analysis ("MD&A") has been prepared by management as of November 6, 2025, and is a review of the financial condition and results of operations of Pason Systems Inc. ("Pason" or the "Company") based on International Financial Reporting Standards ("IFRS") and should be read in conjunction with the unaudited Condensed Consolidated Interim Financial Statements and related notes for the three and nine months ended September 30, 2025 and 2024, the Consolidated Financial Statements for the twelve months ended December 31, 2024 and 2023, and Pason's Annual Information Form dated March 14, 2025.

The Company uses certain non-GAAP measures to provide readers with additional information regarding the Company's operating performance, ability to generate funds to finance its operations, fund its research and development, capital expenditure program, and return capital to shareholders through dividends and share repurchases. These non-GAAP measures are defined under Non-GAAP Financial Measures.

Certain information regarding the Company contained herein may constitute forward-looking statements under applicable securities laws. Such statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements. For further information, please refer to Forward Looking Information.

All financial measures presented in this report are expressed in Canadian dollars unless otherwise indicated.

Company Profile

Pason is a leading global provider of specialized data management systems for oil and gas drilling. Pason's solutions, which include data acquisition, wellsite reporting, automation, remote communications, web-based information management, and data analytics enable collaboration between the drilling rig and the office. Pason services major oil and gas basins with a local presence in the following countries: United States, Canada, Argentina, Australia, Brazil, Colombia, Dubai, Ecuador, Mexico, Peru and Saudi Arabia. The Company has an over 40-year track record of distinctive technology and service capabilities offering end-to-end data management solutions enabling secure access to critical drilling operations information and decision making in real time.

Effective January 1, 2024, Pason purchased all remaining and outstanding shares of Intelligent Wellhead Systems Inc. ("IWS"). Through IWS, Pason also provides engineered controls, data acquisition, and software, to automate workflows and processes for oil and gas well completions operations, improving wellsite safety and efficiency.

Through Energy Toolbase ("ETB"), the Company also provides 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.

For a complete description of services provided by the Company, please refer to the headings 'General Development of the Business' and 'General Description of Business' in Pason's Annual Information Form dated March 14, 2025.

Highlights

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
(000s, except per share data)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
Revenue	100,962	105,889	(5)	310,555	306,504	1
Adjusted EBITDA ⁽¹⁾	38,506	44,148	(13)	115,292	119,708	(4)
As a % of revenue	38.1	41.7	(360) bps	37.1	39.1	(200) bps
Funds flow from operations	30,822	36,119	(15)	93,849	99,009	(5)
Per share – basic	0.39	0.45	(13)	1.19	1.24	(4)
Per share – diluted	0.39	0.45	(13)	1.19	1.24	(4)
Cash from operating activities	29,425	30,375	(3)	89,598	87,365	3
Net capital expenditures ⁽²⁾	10,698	13,721	(22)	42,361	50,947	(17)
Free cash flow ⁽¹⁾	18,727	16,654	12	47,237	36,418	30
Cash dividends declared (per share)	0.13	0.13	—	0.39	0.39	—
Net income	11,841	23,717	(50)	43,495	103,124	(58)
Net income attributable to Pason	12,526	24,158	(48)	45,183	104,577	(57)
Per share – basic	0.16	0.30	(47)	0.57	1.31	(56)
Per share – diluted	0.16	0.30	(47)	0.57	1.31	(56)

(1) Non-GAAP financial measures are defined under Non-GAAP Financial Measures

(2) Includes additions to property, plant, and equipment and development costs, net of proceeds on disposal from Pason's Condensed Consolidated Interim Statements of Cash Flows

As at	September 30, 2025	December 31, 2024	Change
(000s)	(\$)	(\$)	(%)
Cash and cash equivalents	73,461	77,197	(5)
Short-term investments	2,143	3,581	(40)
Total Cash ⁽¹⁾	75,604	80,778	(6)
Working capital	111,869	120,583	(7)
Total interest bearing debt	—	—	—
Shares outstanding end of period (#)	78,022,240	79,426,065	(2)

(1) Total Cash is defined as total cash and cash equivalents and short-term investments from Pason's Condensed Consolidated Interim Balance Sheets

Pason's 2025 third quarter results reflect the Company's resilience and ability to outperform through challenging industry conditions. Pason generated \$101.0 million in revenue in the third quarter of 2025, representing a 5% decrease from the prior year comparative period, despite more significant declines in North American drilling and completions activity.

Notwithstanding a 9% decline in industry activity levels in North America year over year, the Company's North American Drilling segment generated revenue in the third quarter of 2025 of \$68.8 million, only a 7% decrease from the \$74.1 million generated in the same period in 2024. Revenue per Industry Day increased by 1% to \$1,071 in the third quarter of 2025 compared to the third quarter of 2024, and represented a new quarterly record level for the Company as Pason continues to make progress in growing product adoption across its technology offering. Within the North American Drilling segment, Canadian activity has historically generated higher levels of revenue per day when compared to US activity. In the third quarter of 2025, Canadian activity represented a lower percentage of total activity in comparison to the third quarter of 2024, muting the growth in Revenue per Industry Day year over year. The Company's International Drilling segment generated \$12.5 million in revenue in the third quarter of 2025, compared to \$15.3 million in the third quarter of 2024 driven by challenging industry conditions and foreign exchange fluctuations within its Argentinian operations. Significantly outpacing a 27% decline in active frac spreads in the US, the Company's Completions segment generated \$14.6 million in revenue in the third quarter of 2025, a 17% increase from the comparative period in 2024. The Company's Solar and Energy Storage segment generated \$5.1 million of revenue, a 30% increase from the level seen in 2024.

Pason generated \$38.5 million in Adjusted EBITDA, or 38.1% of revenue in the third quarter of 2025, compared to \$44.1 million or 41.7% of revenue in the third quarter of 2024. Adjusted EBITDA in the current quarter reflects a lower revenue level as a result of the aforementioned factors over the Company's mostly fixed cost base. A comparison of Adjusted EBITDA margins year over year reflects higher levels of revenue generated by the Company's Completions and Solar and Energy Storage segments at lower margins given the investments made for the current stage of growth of those segments.

The Company recorded net income attributable to Pason of \$12.5 million (\$0.16 per share) in the third quarter of 2025, compared to net income attributable to Pason of \$24.2 million (\$0.30 per share) recorded in the corresponding period in 2024, reflecting lower overall industry activity year over year and higher levels of depreciation and amortization and stock-based compensation expenses.

Pason's balance sheet remains strong, with no interest bearing debt, and \$75.6 million in Total Cash as at September 30, 2025. Pason generated cash from operating activities of \$29.4 million in the third quarter of 2025, compared to \$30.4 million in the third quarter of 2024, which reflects lower Adjusted EBITDA year over year partially offset by lower working capital investments.

Pason invested \$10.7 million in net capital expenditures during the third quarter of 2025, a decrease from \$13.7 million in the third quarter of 2024. Net capital expenditures in Q3 2025 includes investments associated with supporting the continued growth of the Company's pressure control automation technology offering for the completions segment, as well as the ongoing refresh of Pason's drilling related technology platform. Resulting Free Cash Flow in the third quarter of 2025 was \$18.7 million, compared to \$16.7 million in the same period in 2024.

In the third quarter of 2025, Pason returned \$13.1 million to shareholders through the quarterly dividend of \$10.1 million and \$3.0 million through share repurchases.

President's Message

The third quarter of 2025 continues to demonstrate Pason's ability to outperform underlying industry activity. Consolidated revenue decreased by 5% year-over-year, even while North American drilling activity decreased by 9% and the number of active frac spreads in the United States decreased by 27% over the same period.

For many years, Pason's consolidated revenue was highly correlated to the number of active North American land drilling rigs and, as such, investors might have assumed that Pason's financial results would continue to simply track industry activity. Over the past five years we have made significant strides to disconnect our financial performance from North American land drilling activity.

While industry activity still plays a meaningful role in our revenue generation, our growth prospects are not reliant on growth in North American land drilling activity alone. We look to grow by continuously enhancing the breadth and depth of our product offering throughout the drilling and completions process. When we completed the acquisition of the remainder of Intelligent Wellhead Systems at the start of 2024, we believed we had the opportunity, with the capabilities we possess and within the markets we serve, to double Pason's revenue from 2023 levels. We continue to believe this opportunity exists over the next five to seven years, even if industry activity remains near current levels.

Our confidence is rooted in our track record of consistent outperformance against industry conditions. The third quarter of 2025 marked more than 20 consecutive quarters, across a wide range of industry conditions, where the change in Pason's revenue outpaced the change in North American land rig counts.

The compound effect of outperformance over time has been significant. In the third quarter of 2019, Pason generated \$72 million in revenue in an environment of 1,024 active land drilling rigs in North America. Third quarter revenue in 2025 for Pason was \$101 million with an average of 701 active North American land rigs. Accordingly, over this six year time period, Pason's consolidated revenue increased by 40% while industry activity decreased by 32%, a spread of more than 70%. Over the same six-year period, we reduced our share count by 8.5%, completed the acquisition of Intelligent Wellhead Systems

with no dilution to Pason shareholders, and paid over \$200 million in dividends to shareholders through free cash flow generated within the business.

To achieve meaningful revenue growth over time, we are focused on executing a set of priorities that will inform our decision making and resources allocation over the next several years.

We will build on our leading competitive position in the North American land drilling market. Our primary imperative is to ensure we deliver innovative products, best-in-class service and exceptional customer support to earn the ongoing trust and confidence of our customers that forms the foundation of our success. By continually offering expanded features and enhanced functionality in our existing products, and developing new products to provide additional benefits to customers, we aim to increase both product adoption and price realization over time.

We are expanding our presence in the completions market with our valve management and automation technologies, and we are working to develop compelling data management products and services for completions that leverage Pason's expertise accumulated over decades of experience in the drilling industry. As we bring together our drilling and completions capabilities, we also see underserved market segments with ancillary services where we are well positioned to provide additional valuable data to customers as they manage their entire well construction processes.

We look to grow our international revenue in the markets we choose to serve. Particularly as unconventional drilling becomes a greater focus in international markets, we anticipate opportunities to achieve greater adoption of our more advanced technologies, including those for the completions market.

Our expectation is that revenue growth across these various initiatives will not be linear. Several of our newer product and service offerings will likely benefit from revenue acceleration that comes from greater market presence and awareness over time. Given the earlier stage market adoption of our completions technologies, our near-term revenue trajectory is more closely tied to activity levels of particular customers rather than the overall market. We also expect industry conditions to remain challenging over the next few quarters with ongoing economic uncertainty and concerns about the potential for oversupplied oil markets. Increasing adoption of existing products and rolling out new products are both significantly more difficult during challenging industry conditions. However, in our experience, industry slowdowns provide opportunities to make investments in simplifying and streamlining our product and service offerings, with the expectation of improving margins and lowering capital intensity as we scale revenue in the future.

We see several supportive industry trends that should provide tailwinds to our efforts over the medium and longer term.

Perhaps the most prevalent theme across industries today is the growing use of artificial intelligence. Pason stands to benefit from artificial intelligence in several ways. The use of artificial intelligence tools and algorithms increases demand for data as an input to the models being deployed; we are well positioned as the leading provider of drilling data and we are expanding our capabilities to better serve the completions market. The anticipated growth in demand for natural gas to provide baseload power as part of a significant increase in power demand for data centers is expected to result in increases in natural gas-directed drilling activity. Artificial intelligence tools are also playing a role in our product development efforts and improving the efficiency of our own business operations.

Improvements in drilling and completions efficiency have been impressive in recent years, and technology has played an essential role in driving these results. We expect customers to look to achieve further efficiency gains going forward and, as a result, demand for data and technology to increase over time. Pason's drilling and completions businesses benefit from increasing complexity of customers' field operations; more advanced drilling and completions techniques are driving requirements for additional data and technology offerings.

Global oil and gas demand continues to increase, alongside growing demand for renewable energy sources. To meet this demand, we are seeing greater development of unconventional resources, higher production from offshore developments and more natural gas-directed activity. History has shown that

decline rates are higher for unconventional resources than conventional resources, higher for offshore production as compared to onshore production, and higher for gas than for oil. As such, we anticipate that overall decline rates for global oil and gas production are likely to increase over time, necessitating higher levels of drilling and completions activity.

Our capital allocation priorities remain unchanged. We are making investments in areas where we can generate high returns on capital which are not directly available to shareholders in the market, and we are returning excess capital to shareholders in a disciplined, flexible manner.

The highest expected returns on capital come from the investments we are making to generate additional free cash flow in our existing businesses. Our experience through previous cycles has been that maintaining investments focused on technology development and service quality through periods of uncertainty provides the greatest opportunity to expand our competitive position. We intend to ensure our product and service offerings continue to evolve so we can capitalize on those opportunities.

We anticipate capital expenditures in 2025 will total between \$55 and \$60 million for the year and we expect a similar level in 2026. We favour flexibility in our shareholder returns. This involves disciplined returns through our regular quarterly dividend, which we are maintaining at \$0.13 per share, and deploying additional capital beyond the requirements of our organic investments and regular dividends to share repurchases.

In summary, our priorities in navigating the current environment of uncertainty are centered on expanding our service and technology advantages, maintaining a strong balance sheet, and returning capital to shareholders in a disciplined manner.

A handwritten signature in black ink, appearing to read "Jon Faber". The signature is fluid and cursive, with a large initial "J" and "F".

Jon Faber
President and Chief Executive Officer
November 6, 2025

Discussion of Operations

Overall Performance

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
(000s)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
Revenue	100,962	105,889	(5)	310,555	306,504	1
Operating expenses	39,371	38,397	3	124,866	118,047	6
Depreciation and amortization	15,680	13,659	15	43,765	38,290	14
	55,051	52,056	6	168,631	156,337	8
Gross profit	45,911	53,833	(15)	141,924	150,167	(5)
Other expenses						
Research and development	13,770	12,487	10	41,208	38,174	8
Selling, general, and administrative	9,389	11,090	(15)	29,734	31,266	(5)
Stock-based compensation	2,527	(117)	nmf	7,348	7,528	(2)
Other (income) expenses	3,839	508	nmf	2,935	(51,178)	nmf
	29,525	23,968	23	81,225	25,790	nmf
Income before income taxes	16,386	29,865	(45)	60,699	124,377	(51)
Income tax provision	4,545	6,148	(26)	17,204	21,253	(19)
Net income	11,841	23,717	(50)	43,495	103,124	(58)
Net income (loss) attributable to:						
Shareholders of Pason	12,526	24,158	(48)	45,183	104,577	(57)
Non-controlling interest	(685)	(441)	55	(1,688)	(1,453)	16
Net income	11,841	23,717	(50)	43,495	103,124	(58)
Income per share						
Basic	0.16	0.30	(47)	0.57	1.31	(56)
Diluted	0.16	0.30	(47)	0.57	1.31	(56)
Adjusted EBITDA ⁽¹⁾	38,506	44,148	(13)	115,292	119,708	(4)

(1) Non-GAAP financial measures are defined under Non-GAAP Financial Measures

North American Drilling

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
(000s)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
Revenue	68,758	74,141	(7)	207,009	211,510	(2)
Operating expenses	19,646	20,867	(6)	62,496	66,689	(6)
Depreciation and amortization	6,912	7,771	(11)	21,476	20,837	3
Segment gross profit	42,200	45,503	(7)	123,037	123,984	(1)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
	(\$)	(\$)	(%)	(\$)	(\$)	(%)
Revenue per Industry Day ⁽¹⁾	1,071	1,058	1	1,055	1,018	4

(1) Non-GAAP financial measures are defined under Non-GAAP Financial Measures

Pason's North American Drilling operations generated \$68.8 million in revenue in the third quarter of 2025, a 7% decline from \$74.1 million generated in the third quarter of 2024, outperforming the 9% decline in industry activity. The North American drilling industry continued to be challenging in Q3 2025 with reductions in both US and Canadian land rig counts. However, during that time, Pason grew Revenue per Industry Day by 1% to \$1,071 for the three months ended September 30, 2025, generating a new quarterly record for the Company as Pason continues to make progress in growing product adoption across its technology offering. Within the North American Drilling segment, Canadian activity has historically generated higher levels of revenue per day when compared to US activity. In the third quarter of 2025, Canadian activity represented a lower percentage of total activity in comparison to the third quarter of 2024, muting the growth in Revenue per Industry Day year over year.

As certain regions within the North American segment experience fluctuations in activity levels due to seasonality, Pason expects Revenue per Industry Day to similarly fluctuate with the relative revenue levels associated within the North American regions. Pason's Revenue per Industry Day will also be impacted by changes in foreign exchange between the Canadian dollar and US dollar.

Operating expenses for the North American drilling segment are mostly fixed in nature and consist primarily of the Company's field service and support presence, supplies consumed in the field, repairs and maintenance on Pason's hardware platform, and bandwidth costs associated with connectivity and data capture at drilling rigs. Operating expenses for the segment decreased by 6% in the third quarter of 2025 over the 2024 comparative period, primarily as a result of lower repair expenses.

Depreciation and amortization for the North American drilling segment decreased by 11% to \$6.9 million when compared to the prior year period of 2024, as a result of prior year assets being fully depreciated.

Resulting segment gross profit was \$42.2 million during the third quarter of 2025 compared to \$45.5 million in the comparative period of 2024 as a result of the aforementioned factors. Notwithstanding the 9% decline in industry activity year over year, the North American Drilling segment was able to maintain gross profit as a percentage of revenue at 61%.

Year-to-date, the North American drilling segment generated revenue of \$207.0 million and segment gross profit of \$123.0 million, reflecting only slight decreases of 2% and 1%, respectively when compared to the prior year. These results demonstrate the Company's ability to outpace industry activity, which was down by 6% year over year.

International Drilling

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
(000s)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
Revenue	12,497	15,327	(18)	40,100	45,243	(11)
Operating expenses	6,223	6,986	(11)	20,047	19,751	1
Depreciation and amortization	1,050	740	42	2,656	2,807	(5)
Segment gross profit	5,224	7,601	(31)	17,397	22,685	(23)

Revenue in 2025 in the International Drilling segment has been impacted by lower levels of activity within the Company's Argentinian operations resulting from a change in a large customer's operational focus away from conventional wells toward more unconventional drilling, leading to a reduction in active rigs pending results from this shift. Further, in the third quarter of 2025, the Argentine Peso depreciated against the Canadian dollar, negatively affecting revenue and gross profit generated in the Company's Argentinian subsidiary. As a result, the International Drilling business unit generated \$12.5 million of revenue and \$5.2 million in gross profit in the third quarter of 2025. Further, year-to-date revenue was \$40.1 million and segment gross profit was \$17.4 million for the segment. Both quarterly and year to date results reflect decreases from the respective prior year comparatives as a result of the aforementioned industry conditions in Argentina over the segment's mostly fixed cost base.

Completions

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
(000s)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
Revenue	14,636	12,512	17	45,994	38,963	18
Operating expenses	8,189	7,068	16	24,937	21,434	16
Depreciation and amortization	7,639	5,143	49	19,447	14,631	33
Segment gross profit (loss)	(1,192)	301	nmf	1,610	2,898	(44)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
	(\$)	(\$)	(%)	(\$)	(\$)	(%)
IWS Active Jobs ⁽¹⁾	30	28	7	32	28	14
Revenue per IWS Day ⁽¹⁾	5,393	4,868	11	5,311	4,999	6

(1) Non-GAAP financial measures are defined under Non-GAAP Financial Measures

Industry conditions for completions activity in North America continued to be very challenging in the third quarter of 2025 with active frac spreads in the US declining by 27% from the prior year comparative period. Against this backdrop, the Company's Completions segment generated \$14.6 million of revenue, which represents a 17% increase from \$12.5 million generated in the third quarter of 2024. This revenue is primarily comprised of the rental of technologies which aid customers with valve management and automation efforts during completions operations. During the third quarter of 2025, the business unit averaged 30 IWS Active Jobs, up from 28 IWS Active Jobs in the third quarter of 2024, and revenue per IWS day of \$5,393 increased from \$4,868 in Q3 2024. As the Completions segment grows its customer base, Revenue per IWS Day will fluctuate depending on the mix of technology adopted amongst those new and existing customers.

Operating expenses for the Completions segment are primarily comprised of the Company's field service and support presence, supplies consumed in the field, repairs and maintenance on the Company's hardware platform, and bandwidth costs associated with connectivity and data capture in completions

operations. In the third quarter of 2025, the Completions business unit incurred operating expenses of \$8.2 million, compared to \$7.1 million in the third quarter of 2024 driven by increased activity levels.

Depreciation and amortization for the Completions segment was \$7.6 million in the third quarter of 2025 and represents depreciation expense on IWS' growing hardware platform, along with \$2.2 million in amortization expense associated with intangible assets acquired through the IWS Acquisition. The increase in depreciation and amortization year over year is as a result of the capital investments made in the segment in recent quarters, along with the effects of a stronger US dollar year over year which negatively effects US dollar sourced assets.

As a result of the aforementioned factors, segment gross loss was \$1.2 million in the third quarter of 2025 compared to \$0.3 million of gross profit in the comparable period of 2024.

Year-to-date the Completions segment generated revenue of \$46.0 million and segment gross profit of \$1.6 million, reflecting a 18% increase in revenue from the prior year comparative despite 24% lower industry activity, offset by higher depreciation expense on IWS' growing hardware platform.

Solar and Energy Storage

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
(000s)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
Revenue	5,071	3,909	30	17,452	10,788	62
Operating expenses	5,313	3,476	53	17,386	10,173	71
Depreciation and amortization	79	5	nmf	186	15	nmf
Segment gross profit (loss)	(321)	428	nmf	(120)	600	nmf

The Solar and Energy Storage business unit generated \$5.1 million in revenue during the third quarter of 2025, a 30% increase from the third quarter of 2024, with increased deliveries of control systems. Quarterly revenue for the Solar and Energy Storage business unit will fluctuate with the timing of control system project deliveries.

Operating expenses were \$5.3 million during the third quarter of 2025, which includes the cost of goods sold on control systems revenue. Resulting segment gross loss was \$0.3 million in the third quarter of 2025 compared to gross profit of \$0.4 million in the comparable period in 2024.

Year-to-date, revenue of \$17.5 million and segment gross loss of \$0.1 million represent an increase and decrease, respectively over the prior year comparative period, primarily due to increased control system sales.

The Solar and Energy Storage business unit incurred the following research and development costs, which are included in research and development in the Company's Condensed Consolidated Interim Statements of Operations. Consistent with the Company's other reporting segments, research and development costs are excluded from the segment gross loss table above. These research and development costs were negatively impacted by a stronger US dollar in the third quarter of 2025.

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
(000s)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
Research and development	1,642	1,376	19	4,853	4,307	13

Research and Development

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
(000s)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
Research and development expenses	13,770	12,487	10	41,208	38,174	8

The Company's research and development costs include expenditures on research and development activities, as well as ongoing support for IT and technology platforms. Third quarter research and development increased by \$1.3 million from the comparative 2024 period, primarily due to the Company's inflation related compensation adjustment for its organization effective January 1, 2025, along with ongoing investments in building out the Company's new technology offerings.

Pason continues to assess investments in research and development in the context of defending its leading competitive position in servicing the global drilling industry, growing its market presence within both the completions and the solar and energy storage end markets, and future revenue growth opportunities within each segment.

Selling, General and Administrative Expenses

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
(000s)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
Selling, general, and administrative	9,389	11,090	(15)	29,734	31,266	(5)

Selling, general and administrative expenses (SG&A) for the Company are mostly fixed in nature. SG&A expenses fell by 15% year over year, from \$11.1 million in Q3 2024 to \$9.4 million in Q3 2025.

Stock-Based Compensation

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
(000s)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
Stock-based compensation	2,527	(117)	nmf	7,348	7,528	(2)

The Company records stock-based compensation expense (recovery) for its stock option plan, restricted share units plan ("RSU"), deferred share units plan ("DSU"), and performance share units plan ("PSU"). Pason's stock option plan qualifies employees to purchase common shares in the Company at a predetermined exercise price. Pason's RSU and DSU plans are cash settled and linked to the Company's share price performance. The Company's PSU plan is also cash settled and is linked to several performance measures, including relative share price performance. As such, the Company records a current and non-current stock-based compensation liability at the end of each reporting period reflecting the mark to market of its cash settled plans. As at September 30, 2025, the Company held \$8.0 million in current stock-based compensation liability and \$7.8 million in non-current stock-based compensation liability for its cash settled plans (as at December 31, 2024: \$6.9 million and \$4.2 million, respectively).

The Company's stock-based compensation expense in each of the periods in the table above reflects the ongoing vesting of outstanding awards as well as the change in the Company's share price performance and the associated impact on the Company's stock-based compensation liability.

Other (Income) Expenses

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
(000s)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
Gain on previously held equity interest	—	—	—	—	(50,830)	nmf
Net interest income	(567)	(803)	(29)	(1,883)	(2,736)	(31)
Foreign exchange (gain) loss	3,352	(1,245)	nmf	2,008	(1,733)	nmf
Equity investment income	(74)	(233)	(68)	(545)	(691)	(21)
Other expenses	1,128	2,789	(60)	3,355	4,812	(30)
Total other (income) expenses	3,839	508	nmf	2,935	(51,178)	nmf

Gain on previously held equity interest results from the Company obtaining control over IWS effective January 1, 2024 where the Company's previously held equity investment associated with IWS was remeasured to fair value, resulting in a gain of \$50.8 million on the derecognition of the \$31.7 million carrying value of this investment.

Net interest income is primarily comprised of interest generated from the Company's invested Total Cash and will fluctuate as available yields and Total Cash balances fluctuate. Net interest income also includes implicit interest expense on the Company's lease liabilities.

Equity investment income results from the Company using the equity method of accounting to account for its investment in the Pason-Rawabi joint venture.

Other expenses include legal expenses incurred in connection with the Company's ongoing intellectual property litigation, as well as non-recurring severance related costs incurred in the respective periods.

Income Tax Provision

During the third quarter of 2025, the Company recorded an income tax expense of \$4.5 million, compared to an income tax expense of \$6.1 million during the comparative period in 2024. The decrease is as a result of lower income before tax in the current year, as a result of the factors outlined in this MD&A.

Pason has historically relied on an Advanced Pricing Arrangement (APA) jointly agreed upon by the Canada Revenue Agency (CRA) and the U.S. Internal Revenue Service (IRS) to govern the transfer pricing of intercompany transactions between Pason's corporate entities in Canada and the US. The Company's previous APA expired on December 31, 2021, and Pason has been working with the CRA and IRS to finalize a new APA since that time.

Equity Investments

As at September 30, 2025, the Company holds \$3.3 million (as at December 31, 2024: \$3.0 million) on its Condensed Consolidated Interim Balance Sheets relating to the carrying value of a 50% interest in Rawabi Pason Company ("Rawabi JV"), which is accounted for using the equity method.

Put Obligation

As at September 30, 2025, the Company holds a \$5.1 million obligation under a put option on its Condensed Consolidated Interim Balance Sheets (December 31, 2024: \$5.3 million). The put obligation is a contractual obligation whereby the non-controlling shareholders of ETB have a put option to exercise for cash their 20% shareholdings of ETB starting in 2023 with reference to the fair value of ETB shares at the date the put option can be exercised. This put option gives rise to a financial liability and is calculated using a discounted cash flow model of the estimated future cash flows of the obligation.

Summary of Quarterly Results

Three Months Ended	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Mar 31, 2025	Jun 30, 2025	Sep 30, 2025
(000s, except per share data)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
North American Drilling	72,163	70,507	73,604	63,765	74,141	71,754	75,772	62,479	68,758
International Drilling	15,313	17,941	14,632	15,284	15,327	15,009	13,989	13,614	12,497
Completions ⁽²⁾	—	—	12,785	13,666	12,512	13,624	16,013	15,345	14,636
Solar and Energy Storage	5,618	4,847	3,738	3,141	3,909	7,242	7,403	4,978	5,071
Revenue	93,094	93,295	104,759	95,856	105,889	107,629	113,177	96,416	100,962
Adjusted EBITDA ⁽¹⁾	42,281	38,888	42,425	33,135	44,148	42,119	45,212	31,574	38,506
As a % of revenue	45.4	41.7	40.5	34.6	41.7	39.1	39.9	32.7	38.1
Funds flow from operations	40,233	37,455	34,846	28,044	36,119	32,124	36,543	26,484	30,822
Per share – basic	0.50	0.47	0.44	0.35	0.45	0.40	0.46	0.34	0.39
Per share – diluted	0.50	0.47	0.44	0.35	0.45	0.40	0.46	0.34	0.39
Cash from operating activities	31,698	27,412	31,014	25,976	30,375	35,825	39,942	20,231	29,425
Free cash flow ⁽¹⁾	25,016	19,317	11,733	8,031	16,654	17,646	23,234	5,276	18,727
Net income	27,399	8,012	69,123	10,284	23,717	16,585	19,646	12,008	11,841
Net income attributable to Pason	27,732	8,495	69,529	10,890	24,158	16,927	20,009	12,648	12,526
Per share – basic	0.35	0.11	0.87	0.14	0.30	0.21	0.25	0.16	0.16
Per share – diluted	0.35	0.11	0.87	0.14	0.30	0.21	0.25	0.16	0.16

(1) Non-GAAP financial measures are defined in Non-GAAP Financial Measures section

(2) The Completions segment includes results generated by IWS, which were not part of the Company's consolidated reporting group until January 1, 2024 following the IWS Acquisition

Pason's quarterly financial results vary quarter to quarter due in part to the seasonality of the oil and gas industry in the North American business unit, which is somewhat offset by the less seasonal nature of the International, Completions, and Solar and Energy Storage business units. The first quarter is generally the strongest quarter for the North American business unit due to strong activity in Canada, where location access is best during the winter. The second quarter is typically the slowest due to spring break-up in Canada, when many areas are not accessible due to ground conditions and, therefore, do not permit the movement of heavy equipment. Activity generally increases in the third quarter, depending on the year, as ground conditions have often improved and location access becomes available; however, a rainy summer can have a significant adverse effect on drilling activity. By the fourth quarter, access to most areas in Canada becomes available when the ground freezes. Consequently, the performance of the Company may not be comparable quarter to consecutive quarter, but should be considered on the basis of results for the whole year, or by comparing results in a quarter with results in the corresponding quarter for the previous year.

The overall seasonality of the Company's operations has, and will continue to become less pronounced as a result of market share growth internationally and in the US, along with increased diversification of operations with the Company's Completions and Solar and Energy Storage business units.

Q3 2025 vs Q2 2025

Consolidated revenue was \$101.0 million in the third quarter of 2025, a 5% increase over consolidated revenue of \$96.4 million in the second quarter of 2025, driven primarily by increased revenue within the Company's North American Drilling segment.

Revenue in the North American Drilling business unit increased from \$62.5 million in the second quarter of 2025 to \$68.8 million in the third quarter of 2025 primarily driven by improved activity in Canada coming out of the seasonal slowdown in the second quarter. Revenue per Industry Day in the third quarter of 2025 was \$1,071, a 4% increase from \$1,026 in the second quarter of 2025, and reflects strong product adoption along with a higher percentage of Canadian drilling activity in the segment quarter over quarter. As certain regions within the North American segment experience fluctuations in activity levels due to

seasonality, Pason expects Revenue per Industry Day to similarly fluctuate with the relative revenue levels associated within the North American regions.

The International business unit reported revenue of \$12.5 million in the third quarter of 2025, down from \$13.6 million in the second quarter of 2025 as the Company faced lower levels of activity in its Argentinian subsidiary, due to a large customer's operational focus shifting away from conventional wells toward more unconventional drilling. Further, the Company's Argentinian financial results were negatively effected by the devaluation of the Argentine Peso in the quarter.

Pason's Completions segment generated \$14.6 million of revenue in the third quarter of 2025, only a 5% decrease from the \$15.3 million in the second quarter of 2025 while industry activity fell by 11% during that time. Reflecting the challenging industry conditions, IWS Active Jobs decreased from 33 jobs in the second quarter of 2025 to 30 jobs in the third quarter, while Revenue per IWS day increased 6% during that time due to job mix. Revenue per IWS Day will fluctuate depending on the mix of technology adopted amongst existing customers. Further, Revenue per IWS Day will also fluctuate depending on changes in the US dollar versus the Canadian dollar.

The Solar and Energy Storage business unit generated \$5.1 million of revenue in the third quarter of 2025 compared to revenue of \$5.0 million in the second quarter of 2025. Quarterly revenue for this business unit will fluctuate with timing of delivery of control system projects.

Overall Company Adjusted EBITDA was \$38.5 million in the third quarter of 2025, or 38.1% of revenue, compared to \$31.6 million in the second quarter of 2025, or 32.7% of revenue. The Company's Adjusted EBITDA and Adjusted EBITDA margin benefited from higher levels of drilling activity in Canada coming out of spring break up, highlighting the Company's mostly fixed cost based and resulting operating leverage.

The Company recorded net income attributable to Pason in the third quarter of 2025 of \$12.5 million (\$0.16 per share), consistent with net income attributable to Pason of \$12.6 million (\$0.16 per share) in the second quarter of 2025. The Company had higher levels of Adjusted EBITDA quarter over quarter, offset by higher depreciation and amortization expense.

Cash from operating activities increased from \$20.2 million in the second quarter of 2025 to \$29.4 million in the third quarter of 2025 driven primarily due to higher levels of Adjusted EBITDA. Similarly, Free Cash Flow in Q3 2025 was \$18.7 million compared to \$5.3 million in Q2 2025, due to the factors mentioned above along with lower levels of capital expenditures in the current quarter.

Liquidity and Capital Resources

As at	September 30, 2025	December 31, 2024	Change
(000s)	(\$)	(\$)	(%)
Cash and cash equivalents	73,461	77,197	(5)
Short-term investments	2,143	3,581	(40)
Total Cash ⁽¹⁾	75,604	80,778	(6)
Working capital	111,869	120,583	(7)
Total assets	591,953	614,612	(4)
Total interest bearing debt	—	—	—

(1) Total Cash is defined as cash and cash equivalents and short-term investments from Pason's Condensed Consolidated Interim Balance Sheets

As at September 30, 2025, Pason's balance sheet remains strong with no interest bearing debt and \$75.6 million in Total Cash (December 31, 2024: \$80.8 million). Included in Total Cash is \$2.1 million of short-term investments, which represents USD denominated Central Bank of the Argentine Republic's Bond for the Recovery of a Free Argentina program.

As at September 30, 2025, Pason has \$111.9 million in working capital, a 7% decrease from \$120.6 million, which reflects a lower Total Cash balance and the impact of a weaker US dollar versus

Canadian dollar as at September 30, 2025 in comparison to as at December 31, 2024 on US dollar working capital balances.

Credit Facilities

As at September 30, 2025, the Company does not have any interest bearing debt outstanding, consistent with December 31, 2024.

As at September 30, 2025, the Company has the following undrawn credit facilities in place:

Demand Facility

The Company has an undrawn \$5.0 million demand revolving credit facility (the "Demand Facility"), which is unchanged from December 31, 2024.

Interest on the Demand Facility is payable monthly on amounts drawn and is based on either the lender's prime rate, US Base rate loans, Bankers' Acceptance rates, plus applicable margins. The Demand Facility is available to the Company for working capital purposes, and amounts drawn against it are recorded as long-term debt. The Company can repay, without penalty, advances under the facility. The Demand Facility is secured by a general security agreement on the assets of the Company, Pason Systems Corp., and Pason Systems USA Corp.

ABL Facility

The Company also has an undrawn asset based lending facility which was assumed through the IWS Acquisition (the "ABL Facility"). The ABL Facility allows the Company to borrow up to the lesser of \$10.0 million, and a calculated amount based on eligible accounts receivable and cash outstanding at each reporting period. As at September 30, 2025, the available balance on the ABL Facility is \$9.8 million.

Interest on the ABL Facility is payable monthly on amounts drawn and is based on the lender's prime rate plus applicable margins. The ABL Facility is available to the Company for working capital purposes, and amounts drawn against it are recorded as long-term debt. The Company can repay, without penalty, advances under the facility. The ABL Facility is secured by a general security agreement on the assets of Intelligent Wellhead Systems Inc., Intelligent Wellhead Systems Corp. and IWS USA Corp.

Cash Flow Statement Summary

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
(000s)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
Funds flow from operations	30,822	36,119	(15)	93,849	99,009	(5)
Cash from operating activities	29,425	30,375	(3)	89,598	87,365	3
Cash used in financing activities	(13,573)	(11,715)	16	(50,286)	(49,351)	2
Cash used in investing activities	(10,519)	(13,144)	(20)	(41,173)	(137,665)	(70)
Net capital expenditures ⁽¹⁾	10,698	13,721	(22)	42,361	50,947	(17)
As a % of funds flow ⁽²⁾	34.7 %	38.0 %	(330) bps	45.1 %	51.5 %	(640) bps

(1) Includes additions to property, plant, and equipment, proceeds on disposals, changes in non-cash working capital, and development costs from Pason's Condensed Consolidated Interim Statements of Cash Flows.

(2) Defined within Supplementary Financial Measures under Non-GAAP Financial Measures

Cash from operating activities

Cash from operating activities of \$29.4 million in the third quarter of 2025 compared to \$30.4 million generated in the comparative 2024 period, and was primarily impacted by lower levels of Adjusted EBITDA year over year, offset by lower levels of working capital investments.

Cash used in financing activities

Cash used in financing activities was \$13.6 million during the third quarter of 2025, compared to \$11.7 million during the comparative quarter of 2024. The increase in cash used in financing activities is primarily due to more activity on the Company's NCIB program in the third quarter of 2025 as further outlined below. Cash used in financing activities in the current quarter is primarily comprised of the Company's quarterly dividend and repurchases under its Normal Course Issuer Bid:

Dividend

During the three month period ended September 30, 2025, the Company paid dividends to holders of common shares totaling \$10.1 million, or \$0.13 per share (Q3 2024 - \$10.3 million, or \$0.13 per share).

On November 6, 2025, the Company declared a quarterly dividend of \$0.13 per share on the Company's common shares. The dividend will be paid on December 31, 2025 to shareholders of record at the close of business on December 17, 2025.

Normal Course Issuer Bid ("NCIB")

On December 17, 2024, the Company announced the renewal of its NCIB commencing on December 20, 2024, and expiring on December 19, 2025. Under the renewed NCIB, the Company may purchase for cancellation, as the Company considers advisable, up to a maximum of 7,135,070 common shares, which represents approximately 10% of the applicable public float at the time of renewal.

The actual number of common shares that may be purchased for cancellation and the timing of any such purchases will be determined by the Company, subject to a maximum daily purchase limitation of 36,288 common shares. The Company may make one block purchase per calendar week which exceeds the daily purchase restriction.

For the three month period ended September 30, 2025, the Company repurchased 237,600 (third quarter of 2024 - 54,600) shares for cancellation for total cash consideration of \$3.0 million (third quarter of 2024 - \$1.0 million).

For the nine month period ended September 30, 2025, the Company repurchased 1,535,500 (2024 - 473,700) shares for cancellation for total cash consideration of \$19.0 million (2024 - \$7.0 million).

Pason continues to assess capital allocation on an ongoing basis taking into account, among other considerations, the Company's financial position, operating results, and industry outlook. Pason will continue to balance the Company's commitment to shareholder returns while preserving financial strength to support long-term success.

Cash used in investing activities

Cash used in investing activities was \$10.5 million during the third quarter of 2025, compared to \$13.1 million during the comparative quarter of 2024. The decrease in cash used for investing activities is due to the decrease in net capital expenditures.

During the third quarter of 2025, Pason invested \$10.7 million in net capital expenditures, a decrease from \$13.7 million in the third quarter of 2024 as the Company executes on its 2025 capital budget. Net capital expenditures in the current quarter includes investments associated with supporting the continued growth of the Company's pressure control automation technology offering for the completions segment and the ongoing refresh of Pason's drilling related technology platform.

Commitments and Contingencies

As at September 30, 2025	Less than 1 year	1–3 years	Thereafter	Total
(000s)	(\$)	(\$)	(\$)	(\$)
Leases and other operating contracts	4,202	11,900	9,948	26,050
Capital commitments	17,185	—	—	17,185
Total contractual obligations	21,387	11,900	9,948	43,235

Leases and other operating contracts relate primarily to minimum future lease payments for facility leases, commitments associated with ongoing repair costs of the Company's equipment and technology, and commitments to purchase hardware associated with ETB's control system sales offering. A portion of these commitments have been recognized on the balance sheet as a leased asset with a corresponding liability, in accordance with IFRS 16, Leases.

Capital commitments relate to contracts to purchase property, plant and equipment in the normal course of business.

The Company is involved in litigation and disputes arising in the normal course of business. Management regularly evaluates the likelihood of potential liabilities being incurred and the amounts of such liabilities after careful examination of available information and discussions with its legal advisors.

In May of 2023, a competitor filed a patent infringement lawsuit against IWS in the District of Colorado alleging IWS' infringement of two patents relating to certain aspects of continuous hydraulic fracturing. Given the stage of the lawsuit, management is not currently able to estimate the extent of potential costs and losses related to this claim, if any. Consequently, no provision has been recorded in the Company's Condensed Consolidated Interim Financial Statements related to this litigation. The Company does not currently believe the outcome of any pending or threatened proceedings related to this patent litigation is probable to result in IWS being required to pay any amounts which would have a material adverse impact on its financial position, results of operations, or liquidity.

Disclosure of Outstanding Share and Options Data

As at September 30, 2025, there were 78,022,240 common shares and 2,656,109 options issued and outstanding. As at November 6, 2025, there were 78,024,006 common shares and 2,652,726 options issued and outstanding.

Additional IFRS Measures

In its Condensed Consolidated Interim Financial Statements, the Company uses certain additional IFRS measures. Management believes these measures provide useful supplemental information to readers.

Funds flow from operations

Management believes that funds flow from operations, as reported in the Condensed Consolidated Interim Statements of Cash Flows, is a useful additional measure as it represents the cash generated during the period, regardless of the timing of collection of receivables and payment of payables. Funds flow from operations represents the cash flow from continuing operations, excluding non-cash items. Funds flow from operations is defined as net income adjusted for depreciation and amortization expense, stock-based compensation expense, deferred taxes, and other non-cash items impacting operations.

Cash from operating activities

Cash from operating activities is defined as funds flow from operations adjusted for changes in working capital items.

Non-GAAP Financial Measures

A non-GAAP financial measure has the definition set out in National Instrument 52-112 "Non-GAAP and Other Financial Measures Disclosure".

The following non-GAAP measures may not be comparable to measures used by other companies. Management believes these non-GAAP measures provide readers with additional information regarding the Company's operating performance, and ability to generate funds to finance its operations, fund its research and development and capital expenditure program, and return capital to shareholders through dividends or share repurchases.

EBITDA and Adjusted EBITDA

EBITDA is defined as net income before interest income and expense, income taxes, stock-based compensation expense, and depreciation and amortization expense. Adjusted EBITDA is defined as EBITDA, adjusted for foreign exchange, impairment of property, plant, and equipment, restructuring costs, net monetary adjustments, government wage assistance, revaluation of put obligation, gain or loss on mark-to-market of short-term investments, gain on previously held equity interest and other items, which the Company does not consider to be in the normal course of continuing operations.

Management believes that EBITDA and Adjusted EBITDA are useful supplemental measures as they provide an indication of the results generated by the Company's principal business activities prior to the consideration of how these results are taxed in multiple jurisdictions, how the results are impacted by foreign exchange or how the results are impacted by the Company's accounting policies for equity-based compensation plans.

Reconcile Net Income to EBITDA

Three Months Ended	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Mar 31, 2025	Jun 30, 2025	Sep 30, 2025
(000s)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net income	8,012	69,123	10,284	23,717	16,585	19,646	12,008	11,841
Add:								
Income taxes	6,710	9,057	6,048	6,148	2,404	8,214	4,445	4,545
Depreciation and amortization	7,797	11,730	12,901	13,659	13,889	14,184	13,901	15,680
Stock-based compensation	4,732	3,011	4,634	(117)	3,370	2,892	1,929	2,527
Net interest (income)	(5,082)	(1,411)	(522)	(803)	(218)	(512)	(804)	(567)
EBITDA	22,169	91,510	33,345	42,604	36,030	44,424	31,479	34,026

Reconcile EBITDA to Adjusted EBITDA

Three Months Ended	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Mar 31, 2025	Jun 30, 2025	Sep 30, 2025
(000s)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
EBITDA	22,169	91,510	33,345	42,604	36,030	44,424	31,479	34,026
Add:								
Foreign exchange loss (gain)	14,247	714	(1,202)	(1,245)	5,574	(170)	(1,174)	3,352
Put option revaluation	(149)	—	—	—	(1,413)	—	—	—
Gain on previously held equity interest	—	(50,830)	—	—	—	—	—	—
Other expenses	2,621	1,031	992	2,789	1,928	958	1,269	1,128
Adjusted EBITDA	38,888	42,425	33,135	44,148	42,119	45,212	31,574	38,506

Free cash flow

Free cash flow is defined as cash from operating activities plus proceeds on disposal of property, plant, and equipment, less capital expenditures (including changes to non-cash working capital associated with capital expenditures), and deferred development costs. This metric provides a key measure on the Company's ability to generate cash from its principal business activities after funding capital expenditure programs, and provides an indication of the amount of cash available to finance, among other items, the Company's dividend and other investment opportunities.

Reconcile cash from operating activities to free cash flow

Three Months Ended	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Mar 31, 2025	Jun 30, 2025	Sep 30, 2025
(000s)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Cash from operating activities	27,412	31,014	25,976	30,375	35,825	39,942	20,231	29,425
Less:								
Net additions to property, plant and equipment	(7,720)	(17,834)	(16,695)	(12,444)	(16,707)	(15,268)	(13,562)	(9,444)
Deferred development costs	(375)	(1,447)	(1,250)	(1,277)	(1,472)	(1,440)	(1,393)	(1,254)
Free cash flow	19,317	11,733	8,031	16,654	17,646	23,234	5,276	18,727

Supplementary Financial Measures

A supplementary financial measure: (a) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of the Company; (b) is not presented in the financial statements of the Company; (c) is not a non-GAAP financial measure; and (d) is not a non-GAAP ratio. Supplementary financial measures found within this MD&A are as follows:

Revenue per Industry Day

Revenue per Industry Day is defined as the total revenue generated from the North American Drilling segment over all active drilling rig days in the North American market. This metric provides a key measure of the North American Drilling segment's ability to evaluate and manage product adoption, pricing, and market share penetration. Drilling rig days are calculated by using accepted industry sources.

IWS Active Jobs

IWS Active Jobs represents the average number of jobs per day that IWS is generating revenue on through the rental of its technology offering to customers during the reporting period. This metric provides a key measure of IWS' market penetration.

Revenue per IWS Day

Revenue per IWS Day is defined as the total revenue generated by the Completions segment over all IWS active days during the reporting period. IWS active days are calculated by using IWS Active Jobs in the reporting period. This metric provides a key measure of IWS' ability to evaluate and manage product adoption and pricing.

Adjusted EBITDA as a percentage of revenue

Calculated as adjusted EBITDA divided by revenue.

Net capital expenditures as a percentage of funds flow from operations

Calculated as net capital expenditures divided by funds flow from operations.

Total Cash

Calculated as the sum of cash and cash equivalents, and short-term investments from the Company's Consolidated Balance Sheets. The Company's short term-investments are comprised of US dollar bonds.

Critical Accounting Estimates

The preparation of the Company's Condensed Consolidated Interim Financial Statements requires that certain estimates and judgements be made with respect to the reported amounts of revenue and expenses and the carrying value of assets and liabilities. These estimates are based on historical experience and management's judgements based on information available as at the financial statement date, and, as a result, the estimates used by management involve uncertainty and may change as additional experience is acquired. As such, actual results may differ significantly from estimates made within the Condensed Consolidated Interim Financial Statements for the three and nine months ended September 30, 2025.

Material Accounting Policies

The Company's material accounting policies have been disclosed within Note 3 of Pason's Consolidated Financial Statements for the year ended December 31, 2024.

Internal Control over Financial Reporting

There were no changes in the design of the Company's internal controls over financial reporting during the three and nine months ended September 30, 2025, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Risks and Uncertainties

The following information is a summary of certain risk factors relating to Pason. This section does not describe all risks applicable to the Company, its industry or its business, and is intended only as a summary of certain material risks. Investors should also consider the other risks described throughout this AIF and the Company's other public disclosure documents on file with the Canadian securities regulatory authorities available on SEDAR+ (www.sedarplus.ca). Additional risks and uncertainties not currently known to Pason, or that Pason currently considers remote or immaterial, may also impair the operations of the Company. Should any such risks actually occur, Pason's business, financial condition, operating results or price and liquidity of Pason's securities could be materially harmed.

Commodity Prices and Drilling Activity Levels

Pason derives most of its revenue from the rental of instrumentation and data services to Operators and Contractors in Canada, the US, Australia, Latin America and the Middle East during drilling and completions activities. The success of the Company's business depends on the level of industry activity for oil and natural gas exploration and development in the markets in which Pason operates. The level of

oil and natural gas industry activity has seen significant volatility in recent years and is influenced by numerous factors over which the Company has no control. One of the primary factors is prevailing oil and natural gas commodity prices, which fluctuate in response to factors beyond Pason's control. Such factors could include, but may not be limited to: global supply and demand for crude oil and natural gas; the cost of exploring for, producing and delivering oil and natural gas; pipeline availability and the capacity of other oil and natural gas transportation and processing systems; the actions of the Organization of Petroleum Exporting Countries and other major petroleum exporting countries; global political, military, regulatory, economic and social conditions; government regulation; political stability in the Middle East and elsewhere; the price of foreign imports; the availability of alternate fuel sources; and prevailing weather conditions.

Global macroeconomic and geopolitical conditions have been challenging in recent years, leading to commodity price volatility. Beginning in 2022, central banks increased interest rates to address high prevailing levels of inflation and concerns around economic recession. In addition, Operators and Contractors have experienced supply chain bottlenecks and equipment availability challenges. More recently, the state of certain international markets has also added to the uncertainty surrounding commodity prices. The People's Republic of China has faced economic challenges, such as a weakening real estate market and reduced consumer spending. The actions that may be taken by the Chinese government to combat a potential economic slowdown remain to be seen. The effect such macroeconomic and geopolitical uncertainties could have on commodity prices may become even more pronounced if tariffs are imposed by the US on North American and international trade (as further described under the heading Potential Impact of Tariffs, below).

In addition, there has been significant geopolitical instability with ongoing conflict between Russia and the Ukraine, and in the Middle East. While prevailing levels of inflation have recently come down in North America, and central banks have begun lowering interest rates, there remains significant geopolitical uncertainty.

On April 2, 2025, the US Administration announced extensive global trade policies affecting more than 100 countries globally. In response, certain countries have announced a series of retaliatory tariff policies. The uncertainty associated with the potential severity and duration of these tariffs has created significant pressure on global oil prices in recent months.

These aforementioned factors could continue to put pressure on commodity prices, adversely impacting the level of drilling and completions activity in the regions in which Pason operates, which could have a materially adverse effect on Pason's business, financial condition, results of operations and cash flows. Pason does not have any operations or revenue generated in Russia, the Ukraine or Israel. However, ongoing conflict may negatively impact commodity price volatility and global financial conditions, which could have an indirect adverse effect on Pason's business and financial condition.

Seasonal Factors

Drilling and completions activity in Canada is seasonal due to weather that limits access to wellsites in the spring and summer, making the first and last quarters of each year the peak level of demand for Pason's services due to the higher level of activity. The length of the drilling season can be shortened due to warmer winter weather or rainy seasons. Pason can offset some of this risk, although not eliminate it, through continued growth in the US and internationally, where drilling and completions activity is less seasonal.

Business Transactions

Pason completed the IWS Acquisition on January 1, 2024. Achieving the benefits of acquisitions depends in part on the acquired business performing as expected, successfully consolidating functions, retaining key employees and customer relationships, and integrating operations and procedures in a timely and efficient manner. Business transactions may expose Pason to additional risks, including: difficulties in integrating administrative, financial reporting, operational and information systems and managing newly-acquired operations; difficulties in maintaining uniform standards, controls, procedures and policies

through all of the Company's operations; entry into markets in which Pason has little or no direct prior experience; difficulties in retaining key employees of the acquired operations; disruptions to Pason's ongoing business; and diversion of management time and resources. Any of the foregoing could adversely affect the Corporation's financial condition and results of operations.

Credit and Liquidity

Pason is exposed to credit risk to the extent that its customers, operating primarily in the oil and natural gas industry, may experience financial difficulty and be unable to meet their obligations. During times of depressed oil and gas markets, or wider economic uncertainty, customers may experience financial constraints. Further, many of our customers require reasonable access to credit facilities and debt capital markets to finance their oil and natural gas drilling and completions activity. If the availability of credit to our customers is reduced, they may reduce their drilling and completions expenditures, reducing the demand for the Company's products and services. While Pason monitors its exposure to credit risk and has a large customer base, which minimizes Pason's risk exposure to the financial concerns of any single customer, lack of payment from multiple clients may have a material adverse effect on the Company's financial condition.

Customers

Pason has a large customer base, consisting of both Operators and Contractors, and no single customer accounted for more than 10% of the consolidated revenues of the Company this fiscal year. Notwithstanding, the loss of one or more major customers, further consolidation in the industry, or a reduction in the amount of business Pason conducts with any of its major customers, could have a significant impact on Pason's revenue if not offset by obtaining new customers or increasing the amount of business it conducts with existing customers. Given its stage of development, the Completions Segment is more sensitive to customer mix and changes in the activity of specific customers than the Drilling Segments, where our financial results are more strongly correlated to overall industry activity given our substantial market share.

Competition

Pason's main source of competition for its Drilling Segments remains the instrumentation divisions of large US service companies. Potential actions taken by competitors, such as pricing changes and new products and technologies, could affect the Company's leading market share or competitive position in the drilling sector. Pason's main source of competition for its Completions Segment includes valve manufactures and small to mid-sized service companies. Potential actions taken by these competitors, such as improved integration within the greater completions process and the development of new digital monitoring and reporting products, could affect the Company's market share and competitive position in the completions sector. In addition, while the Company continues to make investments in R&D and capital expenditures to provide innovative technologies for customers, management cannot reasonably predict whether these investments will result in increased levels of product adoption, market share or pricing. These factors could materially affect our business, financial condition, results of operations and cash flows.

Qualified Personnel and Access to Talent

Due to the specialized and technical nature of Pason's business, Pason is highly dependent on attracting and retaining qualified, key employees, which involves compensating them appropriately. The shift to remote work in some roles, particularly since the start of the COVID-19 pandemic, has expanded the job market beyond traditional geographic boundaries. Employers must now compete for talent not only locally, but within a greater global market. Due to high levels of competition for qualified personnel, there can be no assurance that qualified personnel will be attracted or retained to meet the growth needs of the business. Further, Pason does not carry "key person" insurance on any of its key employees. In addition, Pason's ability to meet activity levels and customer demand for the Company's products and services will depend on the ability to attract qualified personnel as needed, which may be more difficult in periods of rapidly accelerated growth in activity levels.

The inability to recruit or retain skilled personnel or their inability to perform their duties could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. To mitigate these risks, Pason has a dedicated HR department in each significant business segment that is focused on proactive recruiting and retention initiatives.

Intellectual Property

Pason relies on innovative technologies and products to maintain its competitive position in the market. Pason employs trademarks, patents, contracts, and other measures to protect the Company's intellectual property, trade secrets and confidential information. Pason also believes that the rapid pace of technological change in the industry, technical expertise, knowledge, and innovative skills, combined with an ability to rapidly develop, produce, enhance, and market products, provides protection in maintaining a competitive position.

Despite these precautions, it may be possible for third parties to attempt to infringe the Company's intellectual property and Pason could incur substantial costs to protect and enforce its intellectual property rights. Moreover, from time to time third parties may assert patent, trademark, copyright and other intellectual property rights to technologies that are important to the Company. In such an event, the Company may be required to incur significant costs in litigating a resolution to the asserted claim. There can be no assurance that such a resolution would not require that the Company pay damages or obtain a license of a third party's proprietary rights in order to continue to provide its products as currently offered, or, if such a license is required, that it will be available on terms acceptable to the Company.

Cyber Security

The Company takes measures and makes meaningful investments to protect the security and integrity of its IT infrastructure and data, however, there is a risk that these measures may not fully protect against a potential security breach, which could have a negative impact on the Company's ability to operate or its reputation. Natural disasters, energy blackouts, operating malfunction, viruses or malware, cyber security attacks, theft, computer or telecommunication errors, human error, internal or external misconduct or other unknown disruptive events could result in the temporary or permanent loss of any or all parts of the IT infrastructure or data. There is a risk the data and other electronic information stored in Pason's IT infrastructure could be accessed, publicly disclosed, lost, or stolen. Such occurrences could negatively affect Pason's business and financial performance in the form of loss of revenue, increased operational costs, reputational damage or litigation.

Technology

Pason's ability to meet customer demands may be influenced by advances and changes in technology. To the extent that Pason is not reasonably able keep up with changes in technology, demand for its services may be hindered. In addition, while the Company continues to make investments in R&D and capital expenditures to provide innovative technologies for customers, management cannot reasonably predict whether these investments will result in increased levels of product adoption, market share or pricing. These factors could materially affect our business, financial condition, results of operations and cash flows.

Availability of Raw Materials, Parts, or Finished Products

Pason purchases many materials, components and finished products in connection with its operations. Some of the components and finished products are obtained from a single source or a limited group of suppliers. While Pason makes it a priority to maintain and enhance these strategic relationships, there can be no assurance that these relationships will continue and reliance on these suppliers involves risks, including price increases, inferior component quality, unilateral termination, and a potential inability to obtain an adequate supply of required components or finished products in a timely manner. While Pason has long standing relationships with recognized and reputable suppliers, it does not have long-term contracts with all of its suppliers, and the partial or complete loss of certain of these sources could have a negative impact on the Company's operations and could damage customer relationships. Further, a

significant increase in the price of one or more of these components could have a negative impact on Pason's cost structure.

The Company's ability to provide services to its customers is also dependent upon the ongoing refresh of existing hardware within its technology offering, which requires purchases of materials, components and finished products. While Pason has a dedicated procurement team that proactively manages required equipment and hardware needs, the availability and supply of these items may be impacted in periods of high or recovering activity levels, such as those seen recently. Supply chain disruptions may result in timing delays on expected deliveries for certain components of the Company's product offering and may impact the Company's cost structure and ability to meet rising activity levels.

Potential Impact of Tariffs

Pason sources, manufactures and repairs products within both Canada and the US for use across its entire operations. The potential imposition of US tariffs on Canadian imports could adversely impact our business by increasing costs of raw materials and finished products, reducing profitability, and affecting our supply chain. These tariffs may also create pricing pressures that cannot be fully passed on to customers. Additionally, potential retaliatory tariffs imposed by Canada could further impact our costs and limit access to key markets, increasing financial and operational challenges. Further, the imposition of tariffs could have similar adverse effects on Pason's customers, which could result in decreased customer profitability and a reduction in overall industry activity, ultimately impacting the demand for Pason's products and services.

Finally, the continuation and potential escalation of global tariffs stemming from the US Administration's announcements on April 2, 2025, could negatively affect fossil fuel demand and lead to a decline in commodity prices. In response, Pason's customers could reduce their capital expenditure programs, resulting in decreased drilling and completions activity, which in turn could negatively impact the Company's operating results and cash flows.

Pason is actively monitoring trade developments and assessing mitigation strategies such as supply chain diversification and cost management. However, the extent and duration of any tariffs remain uncertain, and there is no assurance that our efforts will fully offset the potential adverse effects.

Geopolitical Risk

Assets outside of Canada and the US may be adversely affected by changes in governmental policy, social instability, or other political or economic developments beyond Pason's control, including expropriation of property, exchange rate fluctuations, and restrictions on repatriation of cash. The Company has mitigated these risks where practical and warranted. Most of Pason's revenues are generated in Canada and the US, which limits exposure to risks and uncertainties in foreign countries. Pason does not have any operations or revenue generated in Russia, the Ukraine or Israel. The Company's Argentinian subsidiary is currently operating in a highly inflationary economy, and Pason's operating results in the country are being impacted by a weakening Argentina peso relative to the Canadian dollar. Pason is also unable to predict the actions that may be taken by the Argentinean government in connection with such hyper-inflation, such as monetary reforms or policy changes, which could also impact the Company's financial position as a result of its operations in Argentina.

Foreign Exchange Risk

The Company operates internationally and is primarily exposed to exchange risk relative to the US dollar. The Canadian operations are exposed to currency risk on US denominated financial assets and liabilities with fluctuations in the rate recognized as foreign exchange gains or losses in the consolidated financial statements. The Company's self-sustaining foreign subsidiaries expose the Company to exchange rate risk on the translation of their financial assets and liabilities to Canadian dollars for public reporting purposes. Adjustments arising when translating the foreign subsidiaries into Canadian dollars are reflected in the consolidated financial statements as unrealized foreign currency translation adjustments.

The Company does not employ any financial instruments to manage foreign exchange risk at this time. Most of the Company's activities are conducted in Canada and the US, where local revenue is earned against local expenses, and the Company is therefore naturally hedged.

Safety Performance

Pason has programs in place to address compliance with prevailing safety and regulatory standards. The Company's safety managers oversee policy development, maintenance, and operational monitoring. Poor safety performance may result in lower demand for Pason's services. Standards for accident prevention in the oil and natural gas industry are governed by company safety policies and procedures, accepted industry safety practices, customer specific safety requirements, and health and safety legislation. Safety is a key factor for customers when selecting an oilfield service provider. Any decline in Pason's safety performance could result in lower demand for services, thereby adversely affecting revenues, cash flows, and earnings. Pason is subject to various health and safety laws, regulations, legislation, and guidelines, which can impose material liability, increase costs or lead to lower demand for services.

Climate Related Risks

Regulatory and Policy Risks

There is an increasing trend in public and government support of climate change initiatives across the regions in which Pason operates. Governmental authorities are strengthening existing environmental regulations and introducing new climate change measures, such as emission caps, reduction targets, taxes and penalties, efficiency standards, and alternative energy incentives and mandates. In addition, concerns about climate change have resulted in many environmental activists and members of the public opposing the continued exploitation and development of fossil fuels. Pason is not a large-scale emitter of greenhouse gases or other emissions and does not anticipate the impact of these regulations to be material to its operations; however, present and future environmental regulations and other developments could have a material impact on Pason's client base, which is primarily comprised of Operators and Contractors. While it is not possible at this time to predict how such regulations or developments would impact the Company's business, any future environmental requirements could result in reduced demand for hydrocarbons, as well as increased capital expenditures, operating costs and project delays for our customers, which in turn could have a material adverse effect on the business, financial condition, results of operations, and prospects for the Company.

Physical Risks

There is a presumption that climate change will result in increased frequency and severity of extreme weather events as well as longer-term changes in climate patterns. As a result, the physical impacts of such increasingly volatile weather conditions may have an adverse effect on the operations of the Company. These include more frequent and extreme weather events, natural disasters such as flooding and forest fires, shifts in temperature and precipitation, and changing sea levels, which could cause damage to key corporate assets. Climate change may have similar impacts on the Company's major customers, reducing demand for Pason's products and services, and may also impact suppliers, which could result in shortages in certain consumables and the supply of products that are required to maintain the Company's operations. While the Company takes such risks into consideration and implements mitigation strategies to address, where possible, the risks associated with the impacts of extreme weather events, the frequency and severity of such events can vary widely and cannot be predicted. This uncertainty, in turn, could have a material adverse effect on the Company's ability to operate in certain jurisdictions and its projections, business operations and financial condition.

Pason maintains a corporate insurance program consistent with industry practice that protects the Company from liabilities due to environmental accidents and disruptions and has operational and emergency response procedures and safety and environmental programs in place to reduce potential loss exposure.

Alternative Energies Risk

The focus of governments, businesses and consumers on transitioning to a low-carbon economy was accelerated by the COVID-19 pandemic, resulting in increased policies and initiatives designed to shift resources and investment away from fossil fuels towards low carbon energy sources. This shift, combined with technological advances and cost declines in alternative energy sources, could reduce consumer demand for, and result in a reduction in the global economy's reliance on, oil and natural gas; which in turn could decrease demand for the Company's products and services. While Pason believes energy supply and demand fundamentals continue to support hydrocarbon resources forming a meaningful component of ongoing energy supply, the Company considers opportunities to diversify its business to mitigate this risk. This includes exploring new opportunities to apply the Company's expertise in instrumentation and data services to markets beyond of oil and gas, such as recent investments made in supporting ETB in the solar energy and storage market. However, there is no guarantee that Pason would be successful in these ventures should there be a significant reduction in global demand for oil and gas.

Investor Sentiment

Investor sentiment towards the oil and natural gas industry has evolved in recent years and some institutional investors have announced that they are no longer willing to fund or invest in companies in the oil and natural gas industry or are reducing such investment over time. While Pason believes it operates its business sustainably, the Company's ability to access capital and the price and liquidity of its securities may be adversely impacted by investors' perceptions of the sector in which it generates the majority of its revenue.

Public Health Crises

As seen in recent years, the occurrence of a future global pandemic could expose the Company to a number of risks, including but not limited to: material declines in revenue and cash flows due to reduced demand for oil and gas associated products and services, increased risk of non-payment of accounts receivable, potential for impairment charges on long-term assets, and additional reorganization costs, if deemed required in the context of Pason's ongoing efforts to manage its cost structure.

Insurance

Pason's operations are subject to risks inherent in the oil and natural gas services industry, such as hardware or software defects, malfunctions and failures, human error, and natural disasters. These risks could expose Pason to substantial liability for personal injury, loss of life, business interruption, property damage, pollution, and other liabilities. Pason carries prudent levels of insurance to protect the Company against these unforeseen events, subject to appropriate deductibles and the availability of coverage. An annual review of insurance coverage is completed to assess the risk of loss and risk mitigation alternatives.

Extreme weather conditions, natural occurrences, and terrorist activity have strained insurance markets leading to substantial increases in insurance costs and limitations on coverage. It is anticipated that the Company will continue to maintain appropriate insurance coverage, but there can be no assurance that such insurance coverage will be available on commercially reasonable terms or on terms as favourable as Pason's current arrangements. The occurrence of a significant event outside of the scope of coverage of Pason's insurance policies could also have a material adverse effect on the results of the organization.

Payment of Future Cash Dividends

The decision to pay dividends and the amount paid is at the discretion of the Board, which regularly reviews the Company's financial position, operating results, and industry outlook, all of which could impact Pason's dividend policy. The amount of cash available for future dividends will be dependent on a number of factors including, but not limited to, the Company's ability to generate cash flow in excess of its operating and investment needs, its overall financial position, and its capital allocation priorities.

Taxation

Pason and its subsidiaries are subject to income and other forms of taxation in the various jurisdictions in which they operate. Pason structures its operations in a tax efficient manner in compliance with all prevailing tax regimes. Any adverse change to existing taxation measures, policies or regulations, the introduction of new taxation measures, policies or regulations, and/or the cancellation or amendment of existing (or the introduction of new) transfer pricing arrangements between tax authorities in any of the jurisdictions in which Pason operates could have a negative impact on its business, operating results, or financial condition. The management of Pason believes that the Company's provision for income taxes is adequate and in accordance with both generally accepted accounting principles and appropriate regulations, including advance agreements between various jurisdictions in which the Company operates. However, the tax filing positions of the Company, as well as any agreements between jurisdictions in which the Company operates, are subject to review and audit by tax authorities who may challenge, and possibly succeed in challenging, management's interpretation of the applicable tax legislation.

Litigation and Legal Claims

Pason may be involved in various claims and litigation arising in the normal course of business. The Company does not currently believe that the outcome of any pending or threatened proceedings related to these or other matters, or the amounts which the Company may be required to pay by reason thereof, would individually or in the aggregate have a material adverse impact on its day-to-day business operations, however, the outcome of these matters is uncertain and there can be no assurance that such matters will be resolved in Pason's favour. In addition, future legal proceedings could be filed against the Company, the outcome of which is also uncertain and could have a material adverse effect on the Company.

SEDAR+

Additional information relating to the Company, including the Company's most recent Annual Information Form can be accessed on the Company's website at www.pason.com and on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca.

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's growth strategy and related schedules; divergence in activity levels between the geographic regions in which we operate; demand fluctuations for our products and services; the Company'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; our 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 and completions 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, 2024, under the heading, "Risk and Uncertainty," in our management's discussion and analysis for the year ended December 31, 2024, 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.sedarplus.ca) 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.

Corporate Information

Directors

Marcel Kessler⁽¹⁾

Independent Business Advisor
British Columbia, Canada

Jon Faber

President & CEO
Pason Systems Inc.
Alberta, Canada

Laura Schwinn⁽⁴⁾⁽⁷⁾⁽⁸⁾

Independent Business Advisor
Maryland, USA

Ken Mullen⁽²⁾⁽⁵⁾

Director
Melamaken Adventures Inc.
Alberta, Canada

Sophia Langlois⁽³⁾⁽⁶⁾

Independent Business Advisor
Alberta, Canada

James Bowzer⁽³⁾⁽⁵⁾⁽⁷⁾

Independent Business Advisor
Colorado, USA

Officers & Key Personnel

Jon Faber

President
& Chief Executive Officer

Celine Boston

Chief Financial Officer

Kevin Boston

Vice President, Commercial

Craig Bye

Vice President, R&D - Cloud Platforms
and Applications

Natalie Fenez

Vice President, Legal & Corporate
Secretary

Heather Hantos

Vice President, Human Resources

Bryce McLean

Vice President, Operations

Lars Olesen

Vice President, Product & Technology

Russell Smith

Vice President, International

Ryan Van Beurden

Vice President, Rig-site Research &
Development

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Auditors

Deloitte LLP

Calgary, Alberta

Banker

Royal Bank of Canada

Calgary, Alberta

Registrar and Transfer Agent

Computershare Trust Company of Canada

Calgary, Alberta

Stock Trading

Toronto Stock Exchange

Trading Symbol: PSI.TO

OTC Markets Group

Trading Symbol: PSYTF

Eligible Dividend Designation

Pursuant to the Canadian Income
Tax Act, dividends paid by the
Company to Canadian residents
are considered to be "eligible"
dividends.

(1) Chair of the Board

(2) Audit Committee Chair

(3) Audit Committee Member

(4) HR and Compensation Committee Chair

(5) HR and Compensation Committee Member

(6) Corporate Governance and Nominations Committee Chair

(7) Corporate Governance and Nomination Committee Member

(8) Lead Director

Condensed Consolidated Interim Financial Statements and Notes

Condensed Consolidated Interim Balance Sheets

As at	Note*	September 30, 2025	December 31, 2024
(CDN 000s) (unaudited)		(\$)	(\$)
Assets			
Current			
Cash and cash equivalents	4	73,461	77,197
Short-term investments	5	2,143	3,581
Trade and other receivables		82,823	90,876
Prepaid expenses		8,091	11,275
Inventory		17,228	20,782
Income taxes recoverable		1,304	976
Total current assets		185,050	204,687
Non-current			
Property, plant and equipment		197,429	194,806
Investments	7	3,254	2,985
Intangible assets and goodwill		206,220	212,134
Total non-current assets		406,903	409,925
Total assets		591,953	614,612
Liabilities and equity			
Current			
Trade payables and accruals		55,599	62,794
Income taxes payable		2,031	6,987
Stock-based compensation liability	11	7,980	6,864
Lease liability		2,452	2,168
Obligation under put option	8	5,119	5,291
Total current liabilities		73,181	84,104
Non-current			
Deferred tax liability		13,621	17,348
Lease liability		13,941	13,249
Stock-based compensation liability	11	7,780	4,238
Total non-current liabilities		35,342	34,835
Equity			
Share capital	10	165,769	167,801
Share-based benefits reserve		40,485	38,804
Foreign currency translation reserve		49,485	58,715
Equity reserve		(8,375)	(8,375)
Retained earnings		246,318	247,468
Total equity attributable to equity holders of the Company		493,682	504,413
Non-controlling interest		(10,252)	(8,740)
Total equity		483,430	495,673
Total liabilities and equity		591,953	614,612

*The Notes are an integral part of these Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statements of Operations

	Note*	Three Months Ended September 30,		Nine Months Ended September 30,	
		2025	2024	2025	2024
(CDN 000s, except per share data) (unaudited)		(\$)	(\$)	(\$)	(\$)
Revenue		100,962	105,889	310,555	306,504
Operating expenses		39,371	38,397	124,866	118,047
Depreciation and amortization		15,680	13,659	43,765	38,290
		55,051	52,056	168,631	156,337
Gross profit		45,911	53,833	141,924	150,167
Other expenses					
Research and development		13,770	12,487	41,208	38,174
Selling, general, and administrative		9,389	11,090	29,734	31,266
Stock-based compensation	11	2,527	(117)	7,348	7,528
Other (income) expenses	13	3,839	508	2,935	(51,178)
		29,525	23,968	81,225	25,790
Income before income taxes		16,386	29,865	60,699	124,377
Income tax provision		4,545	6,148	17,204	21,253
Net income		11,841	23,717	43,495	103,124
Net income (loss) attributable to:					
Shareholders of Pason		12,526	24,158	45,183	104,577
Non-controlling interest		(685)	(441)	(1,688)	(1,453)
Net income		11,841	23,717	43,495	103,124
Income per share	14				
Basic		0.16	0.30	0.57	1.31
Diluted		0.16	0.30	0.57	1.31

*The Notes are an integral part of these Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statements of Other Comprehensive Income

	Note*	Three Months Ended September 30,		Nine Months Ended September 30,	
		2025	2024	2025	2024
(CDN 000s) (unaudited)		(\$)	(\$)	(\$)	(\$)
Net income		11,841	23,717	43,495	103,124
Items that may be reclassified subsequently to net income:					
Foreign currency translation adjustment		6,830	(7,861)	(9,054)	(3,127)
Other comprehensive income (loss)		6,830	(7,861)	(9,054)	(3,127)
Total comprehensive income (loss)		18,671	15,856	34,441	99,997
Total comprehensive income (loss) attributed to:					
Shareholders of Pason		19,289	16,259	35,953	101,329
Non-controlling interest		(618)	(403)	(1,512)	(1,332)
Total comprehensive income (loss)		18,671	15,856	34,441	99,997

*The Notes are an integral part of these Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statements of Changes in Equity

	Note*	Share Capital	Share- Based Benefits Reserve	Foreign Currency Translation Reserve	Equity Reserve	Retained Earnings	Total Equity Attributable to Pason	Non- Controlling Interest	Total Equity
(CDN 000s) (unaudited)		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Balance at December 31, 2023		163,291	37,101	43,162	(8,375)	172,879	408,058	(7,103)	400,955
Net income (loss)		—	—	—	—	104,577	104,577	(1,453)	103,124
Dividends	10	—	—	—	—	(31,045)	(31,045)	—	(31,045)
Other comprehensive income		—	—	(3,248)	—	—	(3,248)	121	(3,127)
Exercise of stock options	10	5,162	(737)	—	—	—	4,425	—	4,425
Expense related to stock options		—	1,836	—	—	—	1,836	—	1,836
Shares cancelled under NCIB	10	(923)	—	—	—	(6,075)	(6,998)	—	(6,998)
Liability reversal for automatic share purchase plan commitment pursuant to NCIB	10	437	—	—	—	3,063	3,500	—	3,500
Liability for automatic share purchase plan commitment pursuant to NCIB	10	—	—	—	—	—	—	—	—
Balance at September 30, 2024		167,967	38,200	39,914	(8,375)	243,399	481,105	(8,435)	472,670
Net income (loss)		—	—	—	—	16,927	16,927	(342)	16,585
Dividends		—	—	—	—	(10,317)	(10,317)	—	(10,317)
Other comprehensive income		—	—	18,801	—	—	18,801	37	18,838
Exercise of stock options	10	292	(47)	—	—	—	245	—	245
Expense related to stock options		—	651	—	—	—	651	—	651
Shares cancelled under NCIB	10	(458)	—	—	—	(2,541)	(2,999)	—	(2,999)
Liability for automatic share purchase plan commitment pursuant to NCIB	10	—	—	—	—	—	—	—	—
Balance at December 31, 2024		167,801	38,804	58,715	(8,375)	247,468	504,413	(8,740)	495,673
Net income (loss)		—	—	—	—	45,183	45,183	(1,688)	43,495
Dividends	10	—	—	—	—	(30,605)	(30,605)	—	(30,605)
Other comprehensive income		—	—	(9,230)	—	—	(9,230)	176	(9,054)
Exercise of stock options	10	1,237	(242)	—	—	—	995	—	995
Expense related to stock options		—	1,923	—	—	—	1,923	—	1,923
Shares cancelled under NCIB	10	(3,269)	—	—	—	(15,728)	(18,997)	—	(18,997)
Liability for automatic share purchase plan commitment pursuant to NCIB	10	—	—	—	—	—	—	—	—
Balance at September 30, 2025		165,769	40,485	49,485	(8,375)	246,318	493,682	(10,252)	483,430

*The Notes are an integral part of these Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statements of Cash Flows

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Note*	2025	2024	2025	2024
(CDN 000s) (unaudited)		(\$)	(\$)	(\$)	(\$)
Cash from (used in) operating activities					
Net income		11,841	23,717	43,495	103,124
Adjustment for non-cash items:					
Depreciation and amortization		15,680	13,659	43,765	38,290
Stock-based compensation	11	2,527	(117)	7,348	7,528
Deferred income taxes		(2,380)	(1,113)	(3,271)	1,822
Gain on revaluation of previously held equity interest	13	—	—	—	(50,830)
Unrealized foreign exchange loss and other		3,154	(27)	2,512	(925)
Funds flow from operations		30,822	36,119	93,849	99,009
Movements in non-cash working capital items:					
Decrease (increase) in trade and other receivables		(7,611)	(3,835)	8,053	(11,071)
Decrease (increase) in prepaid expenses		(1,161)	(3,463)	3,184	(4,391)
Increase in income taxes payable / recoverable		6,606	9,781	18,439	20,484
(Decrease) increase in trade payables, accruals and stock-based compensation liability		9,700	1,126	(8,156)	(3,162)
Decrease (increase) in inventory		1,742	512	3,554	(79)
Effects of exchange rate changes		(1,855)	(3,657)	(5,602)	157
Cash generated from operating activities		38,243	36,583	113,321	100,947
Income tax paid		(8,818)	(6,208)	(23,723)	(13,582)
Net cash from operating activities		29,425	30,375	89,598	87,365
Cash flows (used in) from financing activities					
Proceeds from exercise of stock options	10	335	393	995	4,425
Payment of dividends	10	(10,118)	(10,339)	(30,605)	(31,045)
Repurchase and cancellation of shares under NCIB	10	(2,999)	(998)	(18,997)	(6,998)
Repayment of lease liability		(791)	(771)	(1,679)	(2,472)
Repayment of IWS external debt	9	—	—	—	(13,261)
Net cash (used in) from financing activities		(13,573)	(11,715)	(50,286)	(49,351)
Cash flows (used in) from investing activities					
Acquisition of IWS, net of cash acquired		—	—	—	(72,654)
Settlement of stock-based compensation liability related to acquisition of IWS		—	—	—	(10,454)
Purchase of short-term investments	5	—	—	—	(4,187)
Maturity of short-term investments	5	179	577	1,188	577
Additions to property, plant and equipment		(10,046)	(13,917)	(40,392)	(49,624)
Development costs		(1,254)	(1,277)	(4,087)	(3,974)
Proceeds on disposal of property, plant and equipment		519	1,499	2,090	2,548
Changes in non-cash working capital		83	(26)	28	103
Net cash (used in) from investing activities		(10,519)	(13,144)	(41,173)	(137,665)
Effect of exchange rate on cash and cash equivalents		1,056	(1,479)	(1,875)	(1,274)
Net increase (decrease) in cash and cash equivalents		6,389	4,037	(3,736)	(100,925)
Cash and cash equivalents, beginning		67,072	66,811	77,197	171,773
Cash and cash equivalents, ending	4	73,461	70,848	73,461	70,848

*The Notes are an integral part of these Condensed Consolidated Interim Financial Statements

Notes to Condensed Consolidated Interim Financial Statements

(CDN 000s, except per share data)

1. Description of Business

Pason Systems Inc. ("Pason" or the "Company") is a leading global provider of instrumentation and data management systems for oil and gas drilling. Through Intelligent Wellhead Systems ("IWS"), Pason also provides engineered controls, data acquisition, and software solutions for oil and gas completions operations. Through Energy Toolbase ("ETB"), the Company also provides products and services for the solar power and energy storage industry.

The Company headquarters are located at 6130 Third Street SE, Calgary, Alberta, Canada. The Company is a publicly traded company listed on the Toronto Stock Exchange and OTC Markets Group under the symbol PSI and PSYTF, respectively. The Condensed Consolidated Interim Financial Statements of the Company are comprised of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The accompanying Condensed Consolidated Interim Financial Statements include the accounts of Pason Systems Inc., its wholly owned subsidiaries, and ETB.

2. Basis of Preparation

Statement of compliance

These unaudited Condensed Consolidated Interim Financial Statements have been prepared in accordance with the requirements of International Accounting Standard ("IAS") 34, Interim Financial Reporting and include the accounts of Pason and its wholly owned subsidiaries. All significant intercompany balances and transactions including revenue and expenses have been eliminated. These unaudited Condensed Consolidated Interim Financial Statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2024.

These Condensed Consolidated Interim Financial Statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand except for per share amounts.

3. Material Accounting Policies

The selection and application of material accounting policies have been deemed appropriate. The Company's material accounting policies and their method of application have been applied on a basis consistent with that of the audited financial statements as at and for the year ended December 31, 2024.

Future Accounting Standards:

The following revision to IFRS Accounting Standards has been issued and is effective for financial years beginning on or after January 1, 2027. Other changes or amendments that are not expected to have a material impact to the Company have been excluded. The Company is currently assessing the impact of this accounting policy change on its Consolidated Financial Statements.

IFRS 18 - Presentation and Disclosures in Financial Statements

The revised standard replaces IAS 1, and carries forward unchanged requirements of IAS 1, and amends minor sections within IAS 33 Earnings per Share. Further, IFRS 18 introduces new requirements to provide disclosures on management-defined performance measures (MPMs) in the notes of the financial statements. IFRS 18 is effective January 1, 2027 and is required to be adopted retrospectively.

4. Cash and Cash Equivalents

As at	September 30, 2025	December 31, 2024
	(\$)	(\$)
Cash	42,958	58,600
Cash equivalents	30,503	18,597
Cash and cash equivalents	73,461	77,197

As at September 30, 2025, the Company's cash equivalents are invested in money market funds with interest rates averaging 3.6% (2024: 3.9%).

5. Short-Term Investments

As at	September 30, 2025	December 31, 2024
	(\$)	(\$)
Short-term investments	2,143	3,581

In 2024, the Company invested in US dollar denominated Central Bank of the Argentine Republic's (BCRA) Bond for the Recovery of a Free Argentina (BOPREAL) program. These bonds are classified as short-term investments within the Condensed Consolidated Interim Balance Sheets with gains and losses due to foreign exchange revaluation recognized in other comprehensive income, and mark-to-market gains and losses recognized in other income.

6. Seasonality

Pason's quarterly financial results vary quarter to quarter due in part to the seasonality of the oil and gas service industry in Canada, which is somewhat offset by the less seasonal nature of US and International operations. The first quarter is generally the strongest quarter for the Company due to strong activity in Canada, where location access is best during the winter. The second quarter is typically the slowest due to spring break-up in Canada, when many areas are not accessible due to ground conditions, and, which, do not permit the movement of heavy equipment. Activity generally increases in the third quarter, depending on the year, as ground conditions often improve and location access becomes available; however, a rainy summer can have a significant adverse effect on drilling activity.

By the fourth quarter, access to most areas in Canada becomes available when the ground freezes. Consequently, the performance of the Company may not be comparable quarter to consecutive quarter, but should be considered on the basis of results for the whole year, or by comparing results in a quarter with results in the corresponding quarter for the previous year.

7. Investments

As at September 30, 2025, investments are comprised of the Company's 50% interest in Rawabi Pason Company ("Rawabi JV"). Rawabi JV is a provider of specialized data management systems for drilling rigs in the Kingdom of Saudi Arabia.

8. Obligation Under Put Option

The put obligation is a contractual obligation whereby the non-controlling shareholders of ETB have a put option to exercise for cash their 20% shareholdings of ETB starting in 2023 with reference to the fair value of ETB shares at the date the put option can be exercised. This put option gives rise to a financial liability and is calculated using a discounted cash flow model of the estimated future cash flows of the obligation.

9. Credit Facilities

As at September 30, 2025, the Company does not have any interest bearing debt outstanding, consistent with December 31, 2024. In connection with the IWS Acquisition effective January 1, 2024, Pason assumed outstanding debt on credit facilities and term loans held by IWS. In the first quarter of 2024, all assumed IWS outstanding debt balances were repaid and only one IWS credit facility remains in place: the ABL facility described below.

As at September 30, 2025, the Company has the following undrawn credit facilities in place:

Demand Facility

The Company has an undrawn \$5,000 demand revolving credit facility (the "Demand Facility"), which is unchanged from December 31, 2024.

Interest on the Demand Facility is payable monthly on amounts drawn and is based on either the lender's prime rate, US Base rate loans, Bankers' Acceptance rates, plus applicable margins. The Demand Facility is available to the Company for working capital purposes, and amounts drawn against it are recorded as long-term debt. The Company can repay, without penalty, advances under the facility. The Demand Facility is secured by a general security agreement on the assets of the Company, Pason Systems Corp., and Pason Systems USA Corp.

ABL Facility

The Company also has an undrawn asset based lending facility which was assumed through the IWS Acquisition (the "ABL Facility"). The ABL Facility allows the Company to borrow up to the lesser of \$10,000, and a calculated amount based on eligible accounts receivable and cash outstanding at each reporting period. As at September 30, 2025, the available balance on the ABL Facility is \$9,758.

Interest on the ABL Facility is payable monthly on amounts drawn and is based on the lender's prime rate plus applicable margins. The ABL Facility is available to the Company for working capital purposes, and amounts drawn against it are recorded as long-term debt. The Company can repay, without penalty, advances under the facility. The ABL facility is secured by a general security agreement on the assets of Intelligent Wellhead Systems Inc., Intelligent Wellhead Systems Corp and IWS USA Corp.

10. Share Capital

Common shares

	Nine Months Ended September 30, 2025		Year Ended December 31, 2024	
	(\$)	(#)	(\$)	(#)
Balance, beginning	167,801	79,426,065	163,291	79,685,025
Exercise of stock options	1,237	131,675	5,454	402,240
Shares repurchased and cancelled under NCIB	(3,269)	(1,535,500)	(1,381)	(661,200)
Reversal of prior period liability for APP commitment pursuant to NCIB	—	—	437	—
Balance, ending	165,769	78,022,240	167,801	79,426,065

At September 30, 2025, the Company was authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series.

The holders of common shares are entitled to receive dividends, as declared at the discretion of the Board of Directors, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Common share dividends

For the three month period ended September 30, 2025, the Company declared and paid dividends of \$10,118 (third quarter of 2024: \$10,339) or \$0.13 per common share (third quarter of 2024: \$0.13).

For the nine month period ended September 30, 2025, the Company declared and paid dividends of \$30,605 (2024: \$31,045) or \$0.39 per common share (2024: \$0.39).

Normal Course Issuer Bid ("NCIB")

On December 17, 2024, the Company announced the renewal of its NCIB commencing on December 20, 2024, and expiring on December 19, 2025. Under the renewed NCIB, the Company may purchase for cancellation, as the Company considers advisable, up to a maximum of 7,135,070 common shares, which represents approximately 10% of the applicable public float at the time of renewal.

The actual number of common shares that may be purchased for cancellation and the timing of any such purchases will be determined by the Company, subject to a maximum daily purchase limitation of 36,288 common shares. The Company may make one block purchase per calendar week which exceeds the daily purchase restriction.

For the three month period ended September 30, 2025, the Company repurchased 237,600 (third quarter of 2024 - 54,600) shares for cancellation for total cash consideration of \$2,999 (third quarter of 2024 - \$998).

For the nine month period ended September 30, 2025, the Company repurchased 1,535,500 (2024 - 473,700) shares for cancellation for total cash consideration of \$18,997 (2024 - \$6,998).

11. Stock-Based Compensation

Stock option plan

The Group has a stock option plan that entitles qualified employees to purchase common shares in the Company. Options, which are issued at market price vest over three years and expire after five years. The Company's outstanding stock options can be summarized as follows:

	Nine Months Ended September 30, 2025		Twelve Months Ended December 31, 2024	
	Share Options (#)	Weighted Average Exercise Price (\$)	Share Options (#)	Weighted Average Exercise Price (\$)
Outstanding, beginning	2,811,651	13.77	2,324,877	13.18
Granted	—	—	889,014	14.34
Exercised	(131,675)	7.52	(402,240)	11.61
Expired or forfeited	(23,867)	14.56	—	—
Outstanding, ending	2,656,109	14.07	2,811,651	13.77
Exercisable, ending	1,109,124	13.35	1,243,782	12.73
Available for grant, ending	2,805,448		2,748,174	

Restricted share units plan

RSUs vest over three years and upon vesting will entitle the holder to a cash payment based upon the corresponding market value of the Company's common shares.

The Company's outstanding RSUs can be summarized as follows:

	Nine Months Ended September 30, 2025	Twelve Months Ended December 31, 2024
	(#)	(#)
RSUs, beginning	1,114,677	925,872
Granted	—	655,750
Vested and paid	—	(455,707)
Forfeited	(25,374)	(11,238)
RSUs, ending	1,089,303	1,114,677

Deferred share units plan

DSUs are awarded annually to members of the Board of Directors and represent cash settled rights to share values based on the number of DSUs outstanding. DSUs are credited evenly following the year in which they are awarded. DSUs vest and are paid upon the retirement of the Director.

The Company's outstanding DSUs can be summarized as follows:

	Nine Months Ended September 30, 2025	Twelve Months Ended December 31, 2024
	(#)	(#)
DSUs, beginning	405,496	443,634
Credited	59,316	80,168
Redeemed and paid	(70,684)	(118,306)
DSUs, ending	394,128	405,496

Performance share units plan

The Company has a PSU plan for Executive Officers of the Company. PSUs are awarded annually and the number of PSUs awarded shall be equal to one PSU for each \$1.00 of grant value determined by the Board of Directors on such date. PSUs awarded vest at the end of the third anniversary date. Upon vesting, PSUs entitle the holder to receive a cash payment calculated based upon the number of PSUs vested and a multiplier which is based on the achievement of certain performance measures and objectives specified by the Board of Directors. The applicable multiplier can range from zero percent to 200 percent.

The Company's outstanding PSUs can be summarized as follows:

	Nine Months Ended September 30, 2025	Twelve Months Ended December 31, 2024
	(#)	(#)
PSUs, beginning	3,497,379	3,119,089
Granted	—	1,374,233
Vested and paid	—	(995,943)
PSUs, ending	3,497,379	3,497,379

Stock-based compensation expense and liability

For the quarter ended September 30, 2025, the Company recorded \$2,527 of stock-based compensation expense for its equity and cash settled plans (third quarter of 2024: \$117 recovery). For the nine month period ended September 30, 2025, the Company recorded \$7,348 of stock-based compensation expense for its equity and cash settled plans (2024: \$7,528). As at September 30, 2025, the Company held \$7,980 in current stock-based compensation liability and \$7,780 in non-current stock-based compensation liability for its cash settled plans (as at December 31, 2024: \$6,864 and \$4,238, respectively).

12. Operating Segments

The Company reports on four strategic business units: North American Drilling (Canada and the United States), International Drilling (Latin America, including Mexico, Offshore, the Eastern Hemisphere, and the Middle East) and Completions business units, all of which offer technology services to the oil and gas industry, and the Solar and Energy Storage business unit, which provides technology services to solar and energy storage developers.

Three Months Ended September 30, 2025	North American Drilling	International Drilling	Completions	Solar and Energy Storage	Total
	(\$)	(\$)	(\$)	(\$)	(\$)
Revenue	68,758	12,497	14,636	5,071	100,962
Operating expenses	19,646	6,223	8,189	5,313	39,371
Depreciation and amortization	6,912	1,050	7,639	79	15,680
Segment gross profit (loss)	42,200	5,224	(1,192)	(321)	45,911
Research and development					13,770
Selling, general, and administrative					9,389
Stock-based compensation					2,527
Other (income) expenses					3,839
Income tax provision					4,545
Net income					11,841
Net income attributable to Pason					12,526
Capital expenditures	6,105	1,022	4,173	—	11,300
As at September 30, 2025					
Property plant and equipment	118,023	14,779	62,844	1,783	197,429
Intangible assets	5,865	—	41,498	270	47,633
Goodwill	7,944	2,600	124,427	23,616	158,587
Segment assets	264,692	73,478	220,134	33,649	591,953
Segment liabilities	80,138	7,124	3,573	17,688	108,523

Three Months Ended September 30, 2024	North American Drilling	International Drilling	Completions	Solar and Energy Storage	Total
	(\$)	(\$)	(\$)	(\$)	(\$)
Revenue	74,141	15,327	12,512	3,909	105,889
Operating expenses	20,867	6,986	7,068	3,476	38,397
Depreciation and amortization	7,771	740	5,143	5	13,659
Segment gross profit (loss)	45,503	7,601	301	428	53,833
Research and development					12,487
Selling, general, and administrative					11,090
Stock-based compensation					(117)
Other (income) expenses					508
Income tax provision					6,148
Net income					23,717
Net income attributable to Pason					24,158
Capital expenditures	7,531	161	7,502	—	15,194
As at September 30, 2024					
Property plant and equipment	111,424	16,733	51,862	1,797	181,816
Intangible assets	1,552	—	51,591	887	54,030
Goodwill	7,703	2,600	122,080	22,900	155,283
Segment assets	265,230	76,471	210,715	34,442	586,858
Segment liabilities	88,106	6,342	5,269	14,471	114,188

Nine Months Ended September 30, 2025	North American Drilling	International Drilling	Completions	Solar and Energy Storage	Total
	(\$)	(\$)	(\$)	(\$)	
Revenue	207,009	40,100	45,994	17,452	310,555
Operating expenses	62,496	20,047	24,937	17,386	124,866
Depreciation and amortization	21,476	2,656	19,447	186	43,765
Segment gross profit (loss)	123,037	17,397	1,610	(120)	141,924
Research and development					41,208
Selling, general, and administrative					29,734
Stock-based compensation					7,348
Other (income) expenses					2,935
Income tax provision					17,204
Net income					43,495
Net income attributable to Pason					45,183
Capital expenditures	22,785	2,216	19,478	—	44,479

Nine Months Ended September 30, 2024	North American Drilling	International Drilling	Completions	Solar and Energy Storage	Total
	(\$)	(\$)	(\$)	(\$)	
Revenue	211,510	45,243	38,963	10,788	306,504
Operating expenses	66,689	19,751	21,434	10,173	118,047
Depreciation and amortization	20,837	2,807	14,631	15	38,290
Segment gross profit (loss)	123,984	22,685	2,898	600	150,167
Research and development					38,174
Selling, general, and administrative					31,266
Stock-based compensation					7,528
Other expenses (income)					(51,178)
Income tax provision					21,253
Net income					103,124
Net income attributable to Pason					104,577
Capital expenditures	31,244	983	21,371	—	53,598

13. Other (Income) Expenses

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(\$)	(\$)	(\$)	(\$)
Gain on previously held equity interest	—	—	—	(50,830)
Net interest income	(567)	(803)	(1,883)	(2,736)
Foreign exchange (gain) loss	3,352	(1,245)	2,008	(1,733)
Equity investment (income)	(74)	(233)	(545)	(691)
Other expenses	1,128	2,789	3,355	4,812
Total other (income) expenses	3,839	508	2,935	(51,178)

Gain on previously held equity interest results from the Company obtaining control over IWS effective January 1, 2024 where the Company's previously held equity investment associated with IWS was remeasured to fair value, resulting in a gain of \$50,830 on the derecognition of the \$31,745 carrying value of this investment.

Net interest income is primarily comprised of interest generated from the Company's invested cash and cash equivalents and will fluctuate as average cash balances and available yields fluctuate. Net interest income also includes implicit interest expense on the Company's lease liabilities.

Other expenses include transaction costs incurred on the common share acquisition of IWS, legal expenses incurred in connection with the Company's ongoing intellectual property litigation, as well as non-recurring severance related costs.

The equity investment income results from the Company using the equity method of accounting to account for its investment in the Pason-Rawabi joint venture.

Foreign exchange gain represents net realized and unrealized foreign exchange gains and losses on the Company's cash and cash equivalents, and working capital held in foreign currencies.

14. Income Per Share

Basic income per share

The calculation of basic income per share is based on the following weighted average number of common shares:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(#)	(#)	(#)	(#)
Issued common shares outstanding, beginning	78,208,721	79,639,076	79,426,065	79,685,025
Effect of NCIB and exercised options	(125,470)	(13,475)	(729,395)	(98,263)
Weighted average number of common shares (basic)	78,083,251	79,625,601	78,696,670	79,586,762

Diluted income per share

The calculation of diluted income per share is based on a weighted average number of common shares outstanding after adjustment for the effects of all potential dilutive common shares calculated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(#)	(#)	(#)	(#)
Weighted average number of common shares (basic)	78,083,251	79,625,601	78,696,670	79,586,762
Effect of share options	56,160	69,089	69,259	85,052
Weighted average number of common shares (diluted)	78,139,411	79,694,690	78,765,929	79,671,814

For the three month period ended September 30, 2025, 2,185,738 (third quarter of 2024 - 621,614) options are excluded from the above calculation as their effect would have been anti-dilutive. The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices during the period.

15. Commitments & Contingencies

The Company is involved in litigation and disputes arising in the normal course of business. Management regularly evaluates the likelihood of potential liabilities being incurred and the amounts of such liabilities after careful examination of available information and discussions with its legal advisors.

In May of 2023, a competitor filed a patent infringement lawsuit against IWS in the District of Colorado alleging IWS' infringement of two patents relating to certain aspects of continuous hydraulic fracturing. Given the stage of the lawsuit, management is not currently able to estimate the

extent of potential costs and losses related to this claim, if any. Consequently, no provision has been recorded in the Company's Condensed Consolidated Interim Financial Statements related to this litigation. The Company does not currently believe the outcome of any pending or threatened proceedings related to this patent litigation is probable to result in IWS being required to pay any amounts which would have a material adverse impact on its financial position, results of operations, or liquidity.

16. Approval of Financial Statements

These unaudited Condensed Consolidated Interim Financial Statements were approved by the Board of Directors on November 6, 2025.

17. Events After the Reporting Period

On November 6, 2025, the Company declared a quarterly dividend of \$0.13 per share on the Company's common shares. The dividend will be paid on December 31, 2025 to shareholders of record at the close of business on December 17, 2025.

Corporate Information

Directors

Marcel Kessler⁽¹⁾
Independent Business Advisor
British Columbia, Canada

Jon Faber
President & CEO
Pason Systems Inc.
Alberta, Canada

Laura Schwinn⁽⁴⁾⁽⁷⁾⁽⁸⁾
Independent Business Advisor
Maryland, USA

Ken Mullen⁽²⁾⁽⁵⁾
Director
Melamaken Adventures Inc.
Alberta, Canada

Sophia Langlois⁽³⁾⁽⁶⁾
Independent Business Advisor
Alberta, Canada

James Bowzer⁽³⁾⁽⁵⁾⁽⁷⁾
Independent Business Advisor
Colorado, USA

Officers & Key Personnel

Jon Faber
President
& Chief Executive Officer

Celine Boston
Chief Financial Officer

Kevin Boston
Vice President, Commercial

Craig Bye
Vice President, R&D - Cloud Platforms
and Applications

Natalie Fenez
Vice President, Legal & Corporate
Secretary

Heather Hantos
Vice President, Human Resources

Bryce McLean
Vice President, Operations

Lars Olesen
Vice President, Product & Technology

Russell Smith
Vice President, International

Ryan Van Beurden
Vice President, Rig-site Research &
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Auditors

Deloitte LLP
Calgary, Alberta

Banker

Royal Bank of Canada
Calgary, Alberta

Registrar and Transfer Agent

**Computershare Trust Company
of Canada**
Calgary, Alberta

Stock Trading

Toronto Stock Exchange
Trading Symbol: PSI.TO

OTC Markets Group
Trading Symbol: PSYTF

Eligible Dividend Designation

Pursuant to the Canadian Income Tax Act, dividends paid by the Company to Canadian residents are considered to be "eligible" dividends.

- (1) Chair of the Board
- (2) Audit Committee Chair
- (3) Audit Committee Member
- (4) HR and Compensation Committee Chair
- (5) HR and Compensation Committee Member
- (6) Corporate Governance and Nominations Committee Chair
- (7) Corporate Governance and Nomination Committee Member
- (8) Lead Director