

Condensed Consolidated Interim Financial Statements and Notes

Condensed Consolidated Interim Balance Sheets

| As at | Note* | June 30, 2025 | December 31, 2024 |
|---|-------|----------------|-------------------|
| (CDN 000s) (unaudited) | | (\$) | (\$) |
| Assets | | | |
| Current | | | |
| Cash and cash equivalents | 4 | 67,072 | 77,197 |
| Short-term investments | 5 | 2,266 | 3,581 |
| Trade and other receivables | | 75,212 | 90,876 |
| Prepaid expenses | | 6,930 | 11,275 |
| Inventory | | 18,970 | 20,782 |
| Income taxes recoverable | | 1,237 | 976 |
| Total current assets | | 171,687 | 204,687 |
| Non-current | | | |
| Property, plant and equipment | | 195,534 | 194,806 |
| Investments | 7 | 2,557 | 2,985 |
| Intangible assets and goodwill | | 207,318 | 212,134 |
| Total non-current assets | | 405,409 | 409,925 |
| Total assets | | 577,096 | 614,612 |
| Liabilities and equity | | | |
| Current | | | |
| Trade payables and accruals | | 48,314 | 62,794 |
| Income taxes payable | | 4,176 | 6,987 |
| Stock-based compensation liability | 11 | 7,041 | 6,864 |
| Lease liability | | 2,333 | 2,168 |
| Obligation under put option | 8 | 5,017 | 5,291 |
| Total current liabilities | | 66,881 | 84,104 |
| Non-current | | | |
| Deferred tax liability | | 15,692 | 17,348 |
| Lease liability | | 12,801 | 13,249 |
| Stock-based compensation liability | 11 | 6,866 | 4,238 |
| Total non-current liabilities | | 35,359 | 34,835 |
| Equity | | | |
| Share capital | 10 | 165,481 | 167,801 |
| Share-based benefits reserve | | 39,928 | 38,804 |
| Foreign currency translation reserve | | 42,722 | 58,715 |
| Equity reserve | | (8,375) | (8,375) |
| Retained earnings | | 244,734 | 247,468 |
| Total equity attributable to equity holders of the Company | | 484,490 | 504,413 |
| Non-controlling interest | | (9,634) | (8,740) |
| Total equity | | 474,856 | 495,673 |
| Total liabilities and equity | | 577,096 | 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 June 30, | | Six Months Ended June 30, | |
|---|-------|-----------------------------|--------|---------------------------|----------|
| | | 2025 | 2024 | 2025 | 2024 |
| (CDN 000s, except per share data) (unaudited) | | (\$) | (\$) | (\$) | (\$) |
| Revenue | | 96,416 | 95,856 | 209,593 | 200,615 |
| Operating expenses | | 41,572 | 40,161 | 85,495 | 79,650 |
| Depreciation and amortization | | 13,901 | 12,901 | 28,085 | 24,631 |
| | | 55,473 | 53,062 | 113,580 | 104,281 |
| Gross profit | | 40,943 | 42,794 | 96,013 | 96,334 |
| Other expenses | | | | | |
| Research and development | | 13,861 | 12,579 | 27,438 | 25,687 |
| Selling, general, and administrative | | 9,650 | 10,222 | 20,345 | 20,176 |
| Stock-based compensation expense | 11 | 1,929 | 4,634 | 4,821 | 7,645 |
| Other income | 13 | (950) | (973) | (904) | (51,686) |
| | | 24,490 | 26,462 | 51,700 | 1,822 |
| Income before income taxes | | 16,453 | 16,332 | 44,313 | 94,512 |
| Income tax provision | | 4,445 | 6,048 | 12,659 | 15,105 |
| Net income | | 12,008 | 10,284 | 31,654 | 79,407 |
| Net income (loss) attributable to: | | | | | |
| Shareholders of Pason | | 12,648 | 10,890 | 32,657 | 80,419 |
| Non-controlling interest | | (640) | (606) | (1,003) | (1,012) |
| Net income | | 12,008 | 10,284 | 31,654 | 79,407 |
| Income per share | 14 | | | | |
| Basic | | 0.16 | 0.14 | 0.41 | 1.01 |
| Diluted | | 0.16 | 0.14 | 0.41 | 1.00 |

*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 June 30, | | Six Months Ended June 30, | |
|--|-------|-----------------------------|--------|---------------------------|--------|
| | | 2025 | 2024 | 2025 | 2024 |
| (CDN 000s) (unaudited) | | (\$) | (\$) | (\$) | (\$) |
| Net income | | 12,008 | 10,284 | 31,654 | 79,407 |
| Items that may be reclassified subsequently to net income: | | | | | |
| Foreign currency translation adjustment | | (16,528) | 285 | (15,884) | 4,734 |
| Other comprehensive income (loss) | | (16,528) | 285 | (15,884) | 4,734 |
| Total comprehensive income (loss) | | (4,520) | 10,569 | 15,770 | 84,141 |
| Total comprehensive income (loss) attributed to: | | | | | |
| Shareholders of Pason | | (3,942) | 11,092 | 16,664 | 85,070 |
| Non-controlling interest | | (578) | (523) | (894) | (929) |
| Total comprehensive income (loss) | | (4,520) | 10,569 | 15,770 | 84,141 |

*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) | | — | — | — | — | 80,419 | 80,419 | (1,012) | 79,407 |
| Dividends | 10 | — | — | — | — | (20,706) | (20,706) | — | (20,706) |
| Other comprehensive income | | — | — | 4,651 | — | — | 4,651 | 83 | 4,734 |
| Exercise of stock options | 10 | 4,659 | (627) | — | — | — | 4,032 | — | 4,032 |
| Expense related to stock options | | — | 1,184 | — | — | — | 1,184 | — | 1,184 |
| Shares cancelled under NCIB | 10 | (807) | — | — | — | (5,193) | (6,000) | — | (6,000) |
| 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 | (113) | — | — | — | (887) | (1,000) | — | (1,000) |
| Balance at June 30, 2024 | | 167,467 | 37,658 | 47,813 | (8,375) | 229,575 | 474,138 | (8,032) | 466,106 |
| Net income (loss) | | — | — | — | — | 41,085 | 41,085 | (783) | 40,302 |
| Dividends | | — | — | — | — | (20,656) | (20,656) | — | (20,656) |
| Other comprehensive income | | — | — | 10,902 | — | — | 10,902 | 75 | 10,977 |
| Exercise of stock options | 10 | 795 | (157) | — | — | — | 638 | — | 638 |
| Expense related to stock options | | — | 1,303 | — | — | — | 1,303 | — | 1,303 |
| Shares cancelled under NCIB | 10 | (574) | — | — | — | (3,423) | (3,997) | — | (3,997) |
| Liability for automatic share purchase plan commitment pursuant to NCIB | 10 | 113 | — | — | — | 887 | 1,000 | — | 1,000 |
| Balance at December 31, 2024 | | 167,801 | 38,804 | 58,715 | (8,375) | 247,468 | 504,413 | (8,740) | 495,673 |
| Net income (loss) | | — | — | — | — | 32,657 | 32,657 | (1,003) | 31,654 |
| Dividends | 10 | — | — | — | — | (20,487) | (20,487) | — | (20,487) |
| Other comprehensive income | | — | — | (15,993) | — | — | (15,993) | 109 | (15,884) |
| Exercise of stock options | 10 | 772 | (112) | — | — | — | 660 | — | 660 |
| Expense related to stock options | | — | 1,236 | — | — | — | 1,236 | — | 1,236 |
| Shares cancelled under NCIB | 10 | (2,747) | — | — | — | (13,251) | (15,998) | — | (15,998) |
| Liability for automatic share purchase plan commitment pursuant to NCIB | 10 | (345) | — | — | — | (1,653) | (1,998) | — | (1,998) |
| Balance at June 30, 2025 | | 165,481 | 39,928 | 42,722 | (8,375) | 244,734 | 484,490 | (9,634) | 474,856 |

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

Condensed Consolidated Interim Statements of Cash Flows

| | Note* | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-------|-----------------------------|-----------------|---------------------------|------------------|
| | | 2025 | 2024 | 2025 | 2024 |
| (CDN 000s) (unaudited) | | (\$) | (\$) | (\$) | (\$) |
| Cash from (used in) operating activities | | | | | |
| Net income | | 12,008 | 10,284 | 31,654 | 79,407 |
| Adjustment for non-cash items: | | | | | |
| Depreciation and amortization | | 13,901 | 12,901 | 28,085 | 24,631 |
| Stock-based compensation expense | 11 | 1,929 | 4,634 | 4,821 | 7,645 |
| Deferred income taxes | | 292 | 1,396 | (891) | 2,935 |
| Gain on revaluation of previously held equity interest | 13 | — | — | — | (50,830) |
| Unrealized foreign exchange loss and other | | (1,646) | (1,171) | (642) | (898) |
| Funds flow from operations | | 26,484 | 28,044 | 63,027 | 62,890 |
| Movements in non-cash working capital items: | | | | | |
| Decrease (increase) in trade and other receivables | | 15,477 | 6,183 | 15,664 | (7,236) |
| Decrease (increase) in prepaid expenses | | 1,611 | 1,683 | 4,345 | (928) |
| Increase in income taxes payable / recoverable | | 2,212 | 2,995 | 11,833 | 10,703 |
| (Decrease) increase in trade payables, accruals and stock-based compensation liability | | (13,951) | (5,731) | (17,856) | (4,288) |
| Decrease (increase) in inventory | | 679 | (1,633) | 1,812 | (591) |
| Effects of exchange rate changes | | (3,852) | (33) | (3,747) | 3,814 |
| Cash generated from operating activities | | 28,660 | 31,508 | 75,078 | 64,364 |
| Income tax paid | | (8,429) | (5,532) | (14,905) | (7,374) |
| Net cash from operating activities | | 20,231 | 25,976 | 60,173 | 56,990 |
| Cash flows (used in) from financing activities | | | | | |
| Proceeds from exercise of stock options | 10 | 595 | 3,517 | 660 | 4,032 |
| Payment of dividends | 10 | (10,178) | (10,374) | (20,487) | (20,706) |
| Repurchase and cancellation of shares under NCIB | 10 | (9,998) | (2,707) | (15,998) | (6,000) |
| Repayment of lease liability | | (330) | (934) | (888) | (1,701) |
| Repayment of IWS external debt | 9 | — | — | — | (13,261) |
| Net cash (used in) from financing activities | | (19,911) | (10,498) | (36,713) | (37,636) |
| 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 | 496 | — | 1,009 | — |
| Additions to property, plant and equipment | | (14,597) | (17,078) | (30,346) | (35,707) |
| Development costs | | (1,393) | (1,250) | (2,833) | (2,697) |
| Proceeds on disposal of property, plant and equipment | | 960 | 317 | 1,571 | 1,049 |
| Changes in non-cash working capital | | 75 | 66 | (55) | 129 |
| Net cash (used in) from investing activities | | (14,459) | (17,945) | (30,654) | (124,521) |
| Effect of exchange rate on cash and cash equivalents | | (3,161) | (772) | (2,931) | 205 |
| Net increase (decrease) in cash and cash equivalents | | (17,300) | (3,239) | (10,125) | (104,962) |
| Cash and cash equivalents, beginning | | 84,372 | 70,050 | 77,197 | 171,773 |
| Cash and cash equivalents, ending | 4 | 67,072 | 66,811 | 67,072 | 66,811 |

*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.

4. Cash and Cash Equivalents

| As at | June 30, 2025 | December 31, 2024 |
|----------------------------------|----------------------|--------------------------|
| | (\$) | (\$) |
| Cash | 35,565 | 58,600 |
| Cash equivalents | 31,507 | 18,597 |
| Cash and cash equivalents | 67,072 | 77,197 |

As at June 30, 2025, the Company's cash equivalents are invested in money market funds with interest rates averaging 3.4% (2024: 3.8%).

5. Short-Term Investments

| As at | June 30, 2025 | December 31, 2024 |
|-------------------------------|----------------------|--------------------------|
| | (\$) | (\$) |
| Short-term investments | 2,266 | 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 June 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 June 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 June 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 June 30, 2025, the available balance on the ABL Facility is \$9,453.

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

| | Six Months Ended June 30, 2025 | | Year Ended December 31, 2024 | |
|---|-----------------------------------|-------------------|---------------------------------|------------|
| | (\$) | (#) | (\$) | (#) |
| Balance, beginning | 167,801 | 79,426,065 | 163,291 | 79,685,025 |
| Exercise of stock options | 772 | 80,556 | 5,454 | 402,240 |
| Shares repurchased and cancelled under NCIB | (2,747) | (1,297,900) | (1,381) | (661,200) |
| Reversal of prior period liability for APP commitment pursuant to NCIB | — | — | 437 | — |
| Liability for automatic share purchase plan commitment pursuant to NCIB | (345) | — | — | — |
| Balance, ending | 165,481 | 78,208,721 | 167,801 | 79,426,065 |

At June 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 June 30, 2025, the Company declared and paid dividends of \$10,178 (second quarter of 2024; \$10,374) or \$0.13 per common share (second quarter of 2024: \$0.13).

For the six month period ended June 30, 2025, the Company declared and paid dividends of \$20,487 (2024: \$20,706) or \$0.26 per common share (2024: \$0.26).

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 June 30, 2025, the Company repurchased 827,500 (second quarter of 2024 - 151,900) shares for cancellation for total cash consideration of \$9,998 (second quarter of 2024 - \$2,707).

For the six month period ended June 30, 2025, the Company repurchased 1,297,900 (2024 - 419,100) shares for cancellation for total cash consideration of \$15,998 (2024 - \$6,000).

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:

| | Six Months Ended June 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 | (80,556) | 7.65 | (402,240) | 11.61 |
| Expired or forfeited | (23,867) | 14.56 | — | — |
| Outstanding, ending | 2,707,228 | 13.95 | 2,811,651 | 13.77 |
| Exercisable, ending | 1,160,243 | 12.54 | 1,243,782 | 12.73 |
| Available for grant, ending | 2,767,382 | | 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:

| | Six Months Ended | Twelve Months Ended |
|------------------------|------------------|---------------------|
| | June 30, 2025 | December 31, 2024 |
| | (#) | (#) |
| RSUs, beginning | 1,114,677 | 925,872 |
| Granted | — | 655,750 |
| Vested and paid | — | (455,707) |
| Forfeited | (22,460) | (11,238) |
| RSUs, ending | 1,092,217 | 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:

| | Six Months Ended | Twelve Months Ended |
|------------------------|------------------|---------------------|
| | June 30, 2025 | December 31, 2024 |
| | (#) | (#) |
| DSUs, beginning | 405,496 | 443,634 |
| Credited | 45,757 | 80,168 |
| Redeemed and paid | (70,684) | (118,306) |
| DSUs, ending | 380,569 | 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:

| | Six Months Ended June 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 June 30, 2025, the Company recorded \$1,929 of stock-based compensation expense for its equity and cash settled plans (second quarter of 2024: \$4,634). For the six month period ended June 30, 2025, the Company recorded \$4,821 of stock-based compensation expense for its equity and cash settled plans (2024: \$7,645). As at June 30, 2025, the Company held \$7,041 in current stock-based compensation liability and \$6,866 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 June 30, 2025 | North American Drilling | International Drilling | Completions | Solar and Energy Storage | Total |
|--------------------------------------|-------------------------------|---------------------------|-------------|--------------------------------|---------|
| | (\$) | (\$) | (\$) | (\$) | (\$) |
| Revenue | 62,479 | 13,614 | 15,345 | 4,978 | 96,416 |
| Operating expenses | 21,476 | 6,575 | 7,989 | 5,532 | 41,572 |
| Depreciation and amortization | 6,971 | 665 | 6,176 | 89 | 13,901 |
| Segment gross profit (loss) | 34,032 | 6,374 | 1,180 | (643) | 40,943 |
| Research and development | | | | | 13,861 |
| Selling, general, and administrative | | | | | 9,650 |
| Stock-based compensation | | | | | 1,929 |
| Other income | | | | | (950) |
| Income tax provision | | | | | 4,445 |
| Net income | | | | | 12,008 |
| Net income attributable to Pason | | | | | 12,648 |
| Capital expenditures | 7,881 | 545 | 7,564 | — | 15,990 |
| As at June 30, 2025 | | | | | |
| Property plant and equipment | 116,512 | 14,775 | 60,789 | 3,458 | 195,534 |
| Intangible assets | 7,403 | — | 41,577 | 382 | 49,362 |
| Goodwill | 7,785 | 2,600 | 124,427 | 23,144 | 157,956 |
| Segment assets | 253,151 | 73,580 | 219,302 | 31,063 | 577,096 |
| Segment liabilities | 78,450 | 6,733 | 5,735 | 11,322 | 102,240 |

| Three Months Ended June 30, 2024 | North American Drilling | International Drilling | Completions | Solar and Energy Storage | Total |
|--------------------------------------|-------------------------------|---------------------------|-------------|--------------------------------|---------|
| | (\$) | (\$) | (\$) | (\$) | (\$) |
| Revenue | 63,765 | 15,284 | 13,666 | 3,141 | 95,856 |
| Operating expenses | 22,912 | 6,889 | 7,196 | 3,164 | 40,161 |
| Depreciation and amortization | 6,746 | 1,104 | 5,046 | 5 | 12,901 |
| Segment gross profit (loss) | 34,107 | 7,291 | 1,424 | (28) | 42,794 |
| Research and development | | | | | 12,579 |
| Selling, general, and administrative | | | | | 10,222 |
| Stock-based compensation | | | | | 4,634 |
| Other income | | | | | (973) |
| Income tax provision | | | | | 6,048 |
| Net income | | | | | 10,284 |
| Net income attributable to Pason | | | | | 10,890 |
| Capital expenditures | 10,610 | 132 | 7,586 | — | 18,328 |
| As at June 30, 2024 | | | | | |
| Property plant and equipment | 113,390 | 18,172 | 49,660 | 1,767 | 182,989 |
| Intangible assets | 3,412 | — | 51,265 | 1,071 | 55,748 |
| Goodwill | 7,811 | 2,600 | 122,080 | 23,219 | 155,710 |
| Segment assets | 257,629 | 79,179 | 211,108 | 33,151 | 581,067 |
| Segment liabilities | 82,928 | 6,171 | 14,354 | 11,508 | 114,961 |

| Six Months Ended June 30, 2025 | North American Drilling | International Drilling | Completions | Solar and Energy Storage | Total |
|--------------------------------------|-------------------------|------------------------|-------------|--------------------------|---------|
| | (\$) | (\$) | | (\$) | |
| Revenue | 138,251 | 27,603 | 31,358 | 12,381 | 209,593 |
| Operating expenses | 42,850 | 13,824 | 16,748 | 12,073 | 85,495 |
| Depreciation and amortization | 14,564 | 1,606 | 11,808 | 107 | 28,085 |
| Segment gross profit | 80,837 | 12,173 | 2,802 | 201 | 96,013 |
| Research and development | | | | | 27,438 |
| Selling, general, and administrative | | | | | 20,345 |
| Stock-based compensation | | | | | 4,821 |
| Other income | | | | | (904) |
| Income tax provision | | | | | 12,659 |
| Net income | | | | | 31,654 |
| Net income attributable to Pason | | | | | 32,657 |
| Capital expenditures | 16,680 | 1,194 | 15,305 | — | 33,179 |

| Six Months Ended June 30, 2024 | North American Drilling | International Drilling | Completions | Solar and Energy Storage | Total |
|--------------------------------------|-------------------------|------------------------|-------------|--------------------------|----------|
| | (\$) | (\$) | | (\$) | |
| Revenue | 137,369 | 29,916 | 26,451 | 6,879 | 200,615 |
| Operating expenses | 45,822 | 12,765 | 14,366 | 6,697 | 79,650 |
| Depreciation and amortization | 13,066 | 2,067 | 9,488 | 10 | 24,631 |
| Segment gross profit (loss) | 78,481 | 15,084 | 2,597 | 172 | 96,334 |
| Research and development | | | | | 25,687 |
| Selling, general, and administrative | | | | | 20,176 |
| Stock-based compensation | | | | | 7,645 |
| Other income | | | | | (51,686) |
| Income tax provision | | | | | 15,105 |
| Net income | | | | | 79,407 |
| Net income attributable to Pason | | | | | 80,419 |
| Capital expenditures | 23,713 | 822 | 13,869 | — | 38,404 |

13. Other Income

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|--------------|---------------------------|-----------------|
| | 2025 | 2024 | 2025 | 2024 |
| | (\$) | (\$) | (\$) | (\$) |
| Gain on previously held equity interest | — | — | — | (50,830) |
| Net interest income | (804) | (522) | (1,316) | (1,993) |
| Foreign exchange (gain) loss | (1,174) | (1,202) | (1,344) | (488) |
| Equity investment (income) | (241) | (241) | (471) | (458) |
| Other expenses | 1,269 | 992 | 2,227 | 2,083 |
| Total other income | (950) | (973) | (904) | (51,686) |

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 June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|-------------------|---------------------------|-------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | (#) | (#) | (#) | (#) |
| Issued common shares outstanding, beginning | 78,962,675 | 79,493,854 | 79,426,065 | 79,685,025 |
| Effect of NCIB and exercised options | (323,913) | 77,276 | (448,576) | (112,983) |
| Weighted average number of common shares (basic) | 78,638,762 | 79,571,130 | 78,977,489 | 79,572,042 |

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 June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|-------------------|---------------------------|-------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | (#) | (#) | (#) | (#) |
| Weighted average number of common shares (basic) | 78,638,762 | 79,571,130 | 78,977,489 | 79,572,042 |
| Effect of share options | 74,795 | 866,704 | 98,620 | 797,405 |
| Weighted average number of common shares (diluted) | 78,713,557 | 80,437,834 | 79,076,109 | 80,369,447 |

For the three month period ended June 30, 2025, 2,185,738 (2024 - no anti-dilutive) 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 August 6, 2025.

17. Events After the Reporting Period

On August 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 September 29, 2025 to shareholders of record at the close of business on September 15, 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 &
Development

Corporate Head Office

Pason Systems Inc.
6130 Third Street SE
Calgary, Alberta
T2H 1K4
T: 403-301-3400
F: 403-301-3499
InvestorRelations@pason.com
www.pason.com

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