



November 2022

Investor Presentation

Technology • Deployed • Simply



Forward-Looking Statements

This presentation contains “forward-looking statements” and/or “forward-looking information” under applicable securities laws (collectively referred to as “**forward-looking statements**”). All statements other than statements of historical facts contained in this presentation, including statements regarding Pason System Inc.’s (“Pason” or the “Company”) future results of operations and financial position, financial targets, business strategy, plans and objectives for future operations, are forward-looking statements. 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. These forward-looking statements are subject to known and unknown risks, uncertainties, assumptions, and other factors, including those described under the heading “Risk and Uncertainty” in the Company’s filings with Canadian securities regulators, that could cause actual results to be materially different from results that are expressed or implied by such forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although the Company believes the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither the Company nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Except to the extent required by applicable law, the Company assumes no obligation to publicly update or revise any forward-looking statements made in this document or otherwise after the date of this presentation, whether as a result of new information, future events or otherwise.

The Company’s filings with the Canadian securities regulatory authorities may be accessed through the SEDAR website (www.sedar.com) or through Pason's website (www.pason.com).

Overview of Pason



Leading global provider of end-to-end drilling data solutions
40+ years of distinctive technology, support and service capabilities
High barriers to entry driven by scope of technology, service intensity and required scale



Strong cash-generating capability with high operating margins and low capital intensity
Consistent delivery of returns on invested capital and cash returned to shareholders
Prudent capital structure and no interest-bearing debt
Significant operating leverage to generate additional profits through industry recovery
Well-positioned for growth in drilling, completions, and solar and energy storage markets



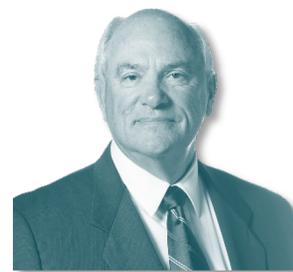
Unique employee driven culture with strong health & safety performance
Strong corporate governance practices
Ongoing commitment to making contributions to the communities in which the company operates



Experienced and Diverse Board of Directors



Marcel Kessler*
Non-Executive Chair
Joined Pason Board in 2012



T. Jay Collins
Chair, Human Resources and
Compensation Committee
Joined Pason Board in 2012



Jon Faber*
President & Chief Executive Officer
Joined Pason Board in 2020



Jim Howe
Lead Director
Chair, Audit Committee
Joined Pason Board in 1996



Judi Hess
Director
Joined Pason Board in 2015



Laura Schwinn
Chair, Corporate Governance and
Nomination Committee
Joined Pason Board in 2019

* Denotes Non-Independent Directors



Strong and Committed Management Team



Jon Faber
President & Chief Executive Officer
With Pason since 2014



Celine Boston
Chief Financial Officer
With Pason since 2020



Kevin Boston
VP, Commercial
With Pason since 2010



Natalie Fenez
VP, Legal & Corporate Secretary
With Pason since 2017



Heather Hantos
VP, Human Resources
With Pason since 2011



Bryce McLean
VP, Operations
With Pason since 2011



Lars Olesen
VP, Product & Technology
With Pason since 1999



Russell Smith
VP, International
With Pason since 2010



Ryan van Beurden
VP, Rigsite Research & Development
With Pason since 2002



Reid Wuntke
President, Energy Toolbase
With Pason since 2019

The Data Behind the Drilling Industry



Managing end-to-end drilling data



Enabling customer priorities

Automation

Safety

Collaboration

Reporting

Analytics



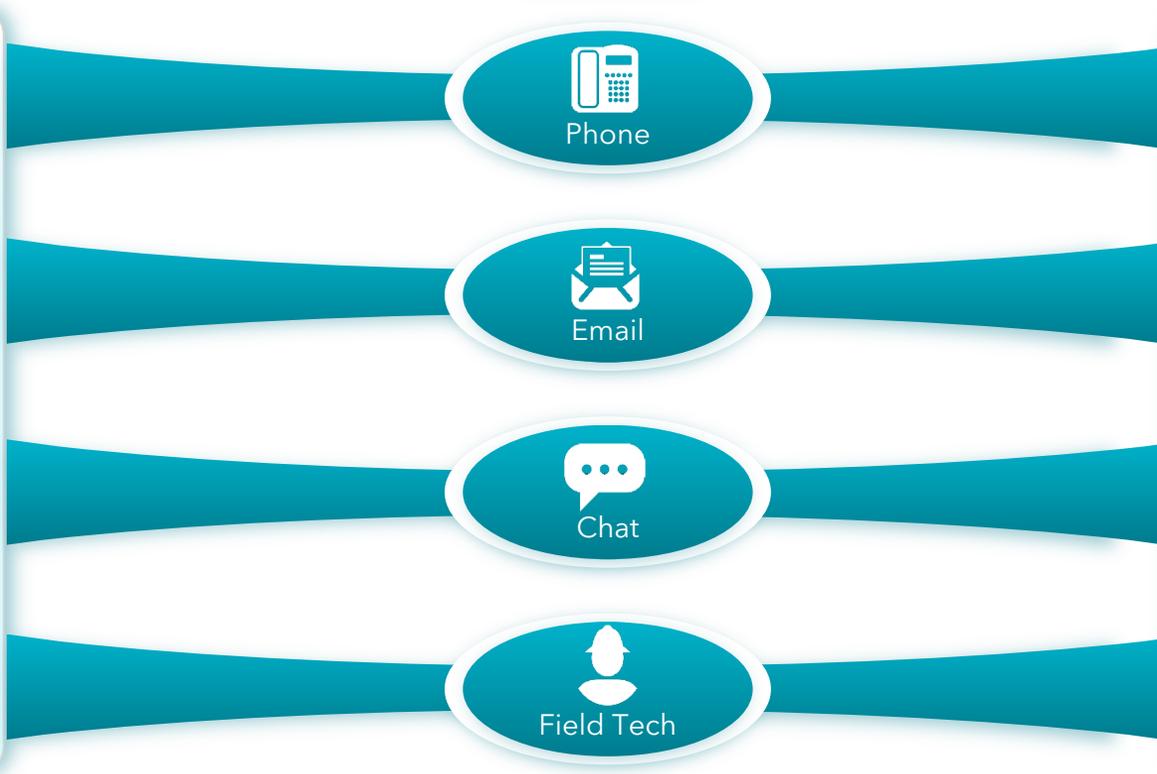
Superior Service Model



Rig

Office

Third Party



Hardware

Software

Installation

Communications

Monitoring

Analytics

Real Time Advice

The Intelligence Layer in the Solar + Energy Storage Industry

Model the site

ETB Developer



Review energy costs and rate switch scenarios



Analyze incentives



Incorporate PV generation



Create a proforma cash flow model

Control the assets

Acumen EMS™



Demand Charge Management



Time-of-Use Arbitrage



Solar Self-Consumption



Manual and Scheduled Dispatch



Critical Load Resiliency (Backup Power)

Monitor the performance

ETB Monitor



Measure and verify savings



Real-time system performance

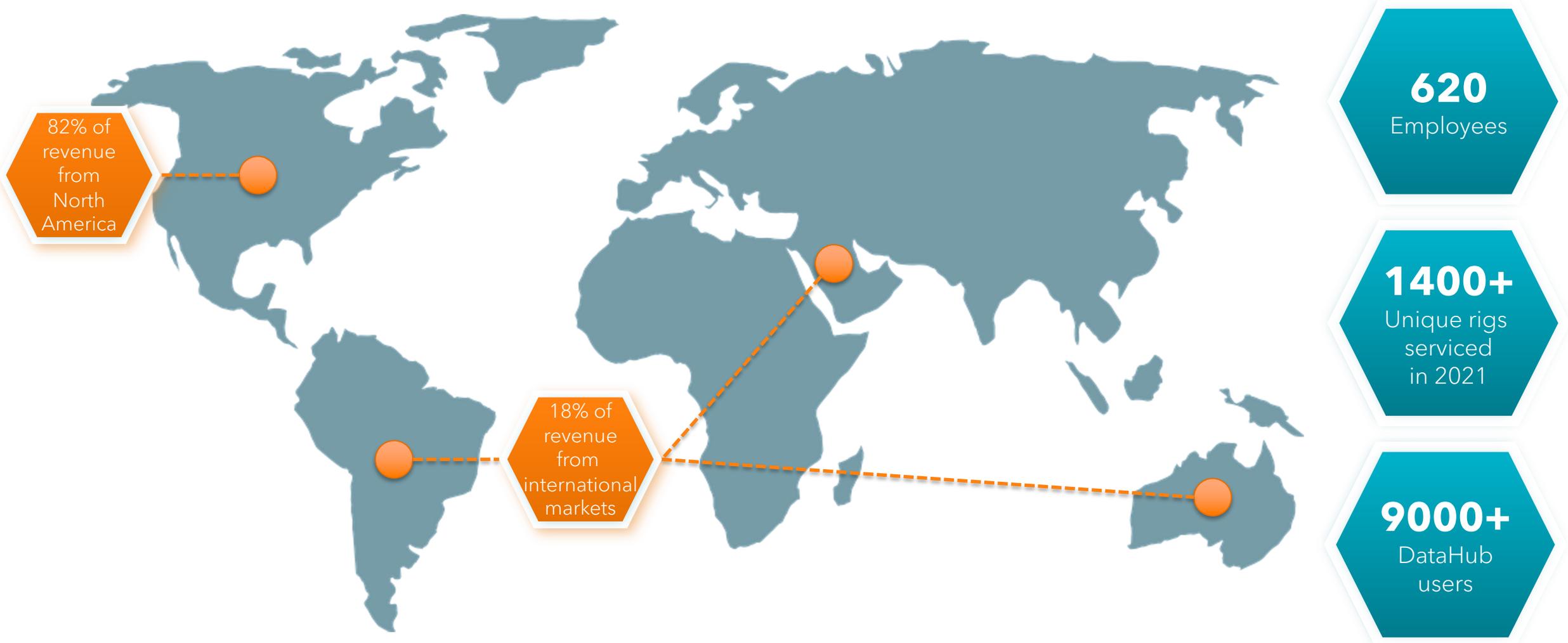


Compliance reporting



Warranty reporting

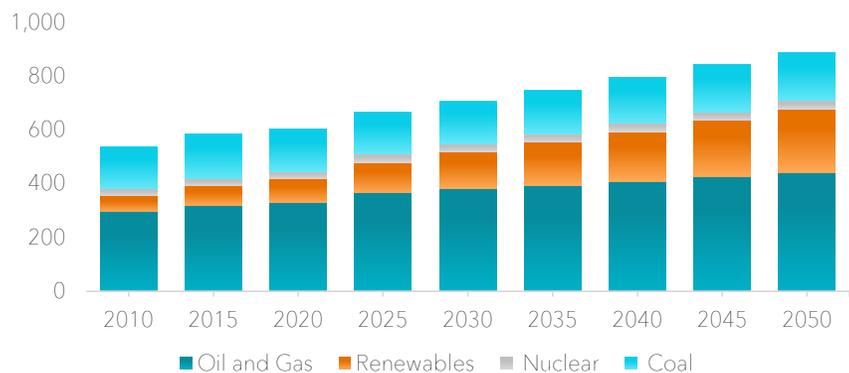
Global Reach and Market Positioning



Leading Indicators of US Drilling Activity

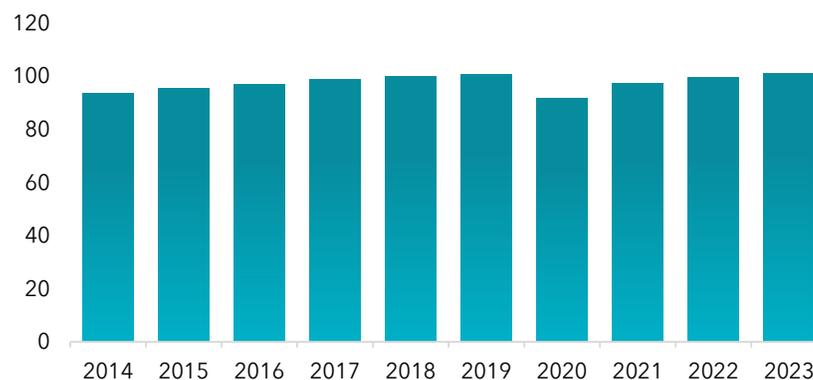
Long Term Global Energy Demand

in quadrillions of British thermal units



Short Term Global Crude Oil Demand

in millions of barrels per day



Hydrocarbons continue to be an important part of global demand growth for energy

US Crude Oil Production

in millions of barrels per day



US Drilled & Uncompleted Wells (DUCs)

in thousands

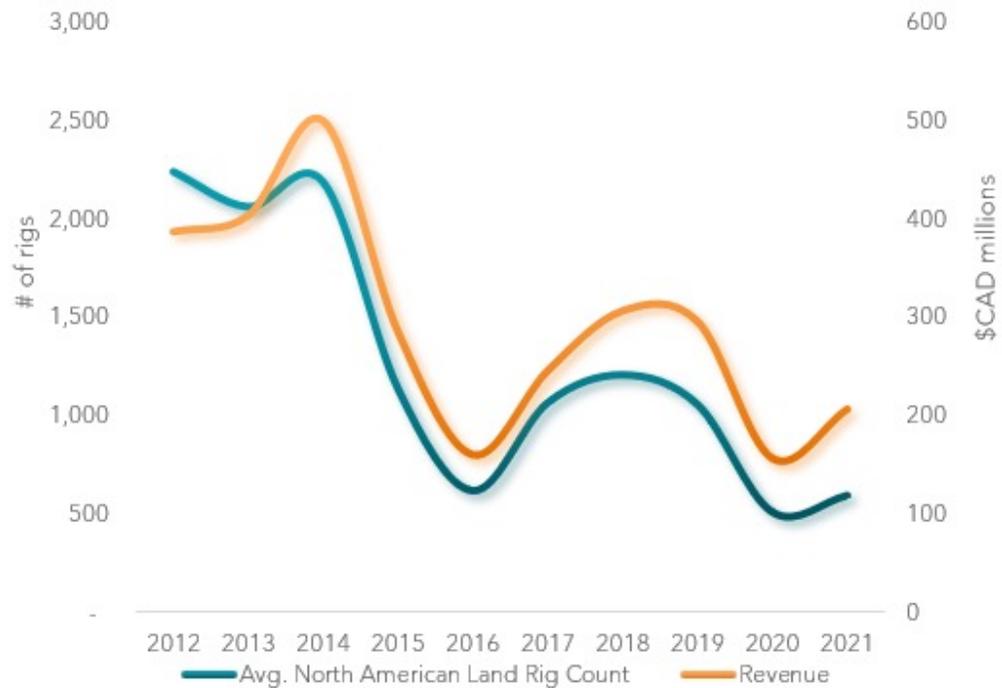


New drilling will be required to offset declines in production and DUCs

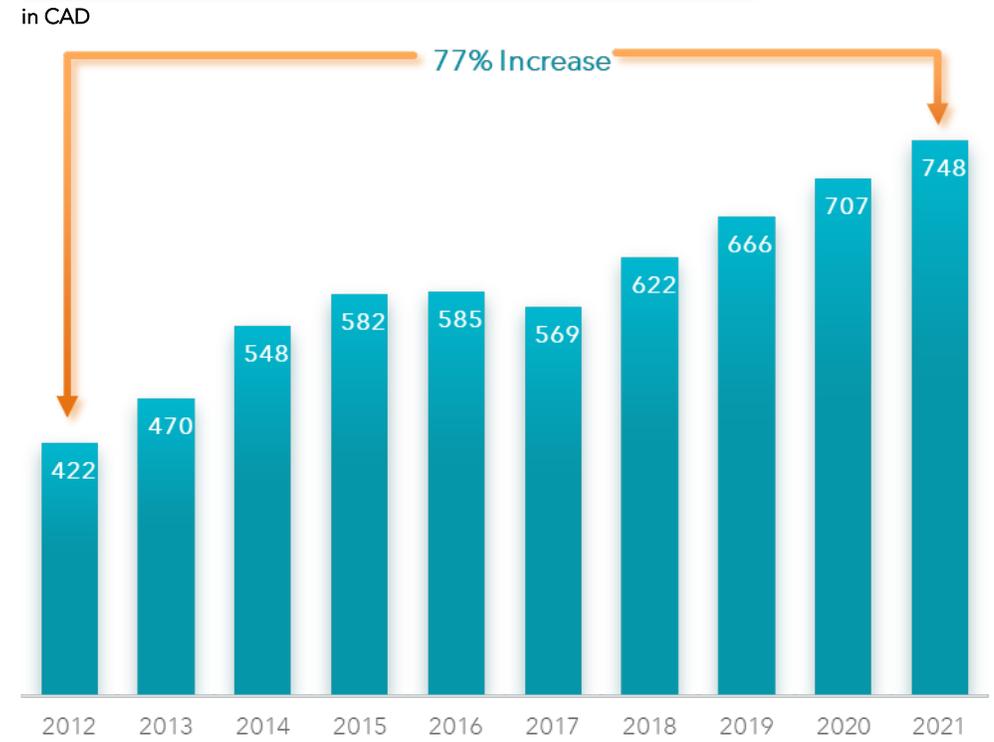


Historical Revenue Performance

North American Land Rig Count vs. Pason Revenue



North American Revenue per Industry Day

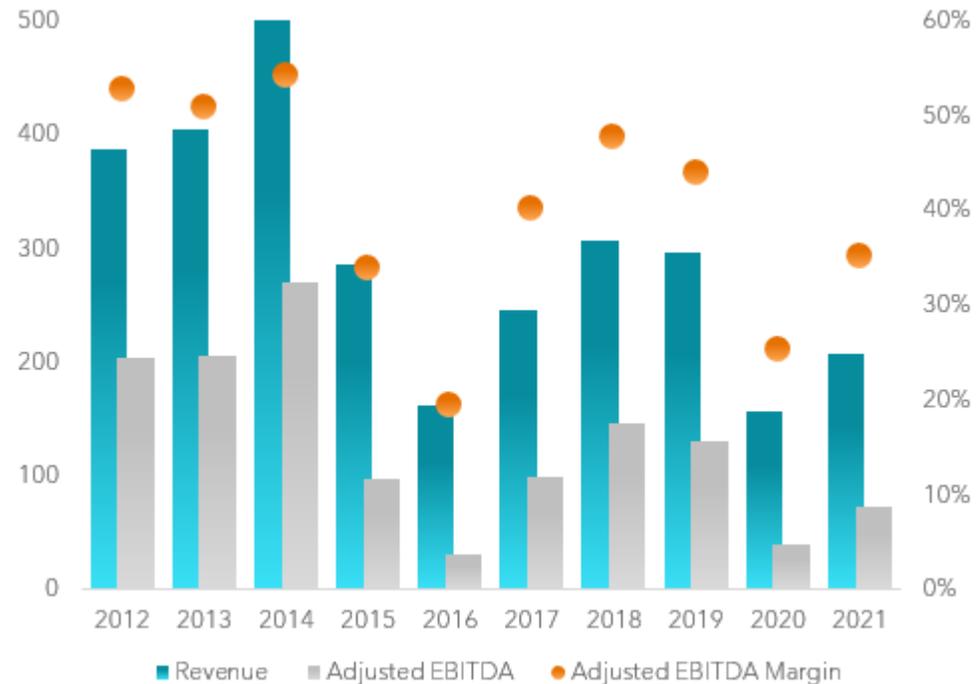


Consolidated revenue is highly correlated to the North American land rig count, while Revenue per Industry Day has grown steadily through industry cycles

Free Cash Flow Generation

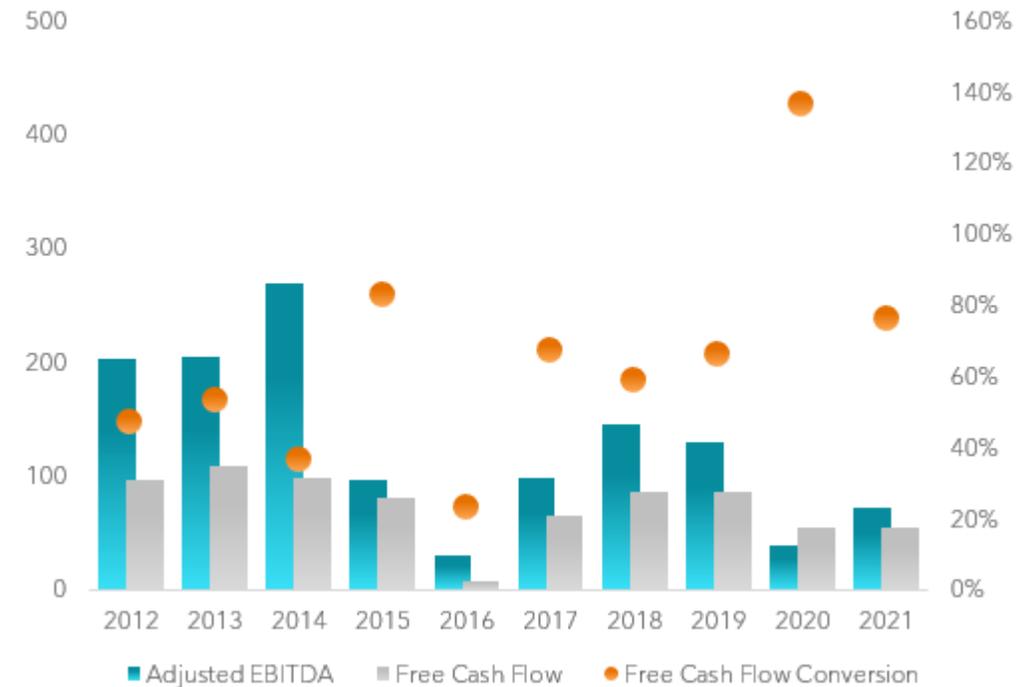
Adjusted EBITDA

in CAD millions



Free Cash Flow

in CAD millions

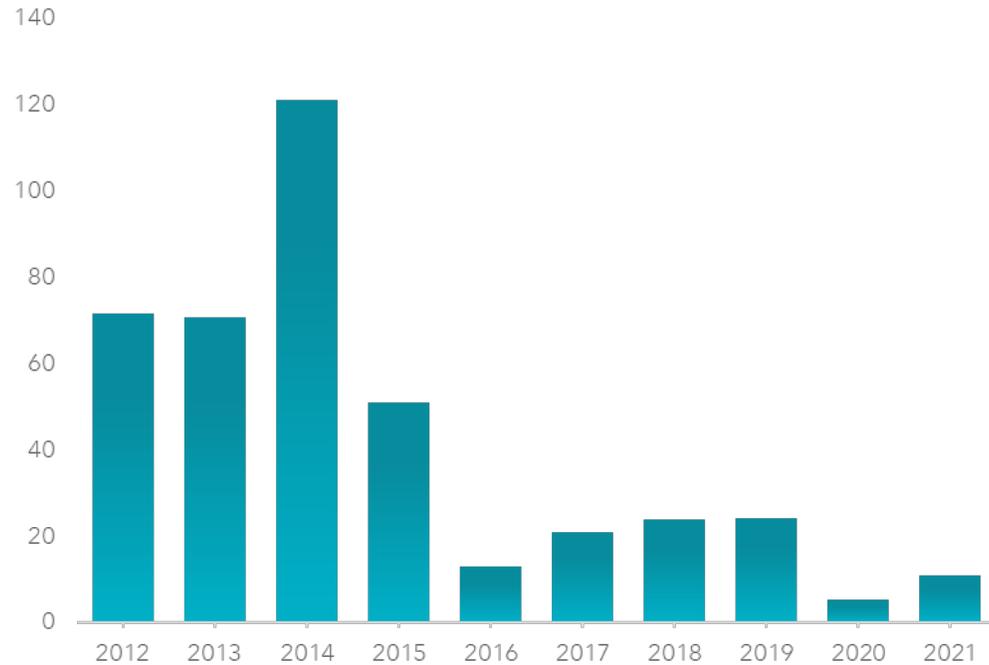


Significant operating leverage drives attractive margins and free cash flow during periods of increasing drilling activity

Capital Allocation

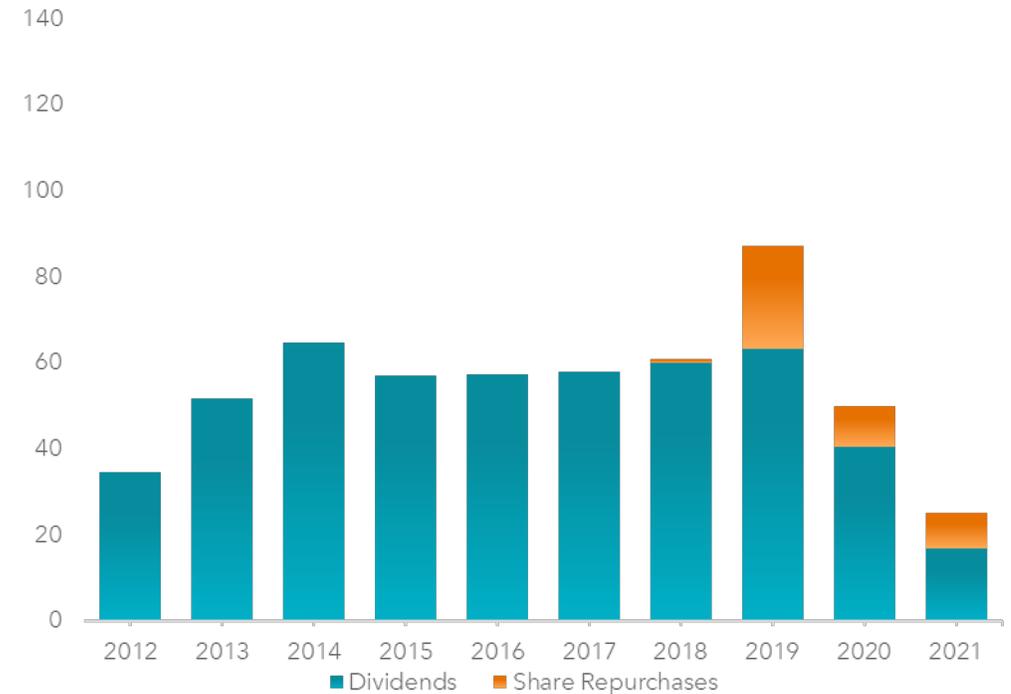
Capital Expenditures

in CAD millions



Dividends and Share Repurchases

in CAD millions



Decreasing capital intensity supports the ability to return capital to shareholders through dividends and share repurchases

Third Quarter 2022 Highlights

Continued industry activity improvement from the lows in 2020

Record quarterly North American Revenue per Industry Day of \$871

Adjusted EBITDA margin of 50% reflects significant operating leverage

Well positioned balance sheet with no interest bearing debt

\$93 MILLION
IN REVENUE

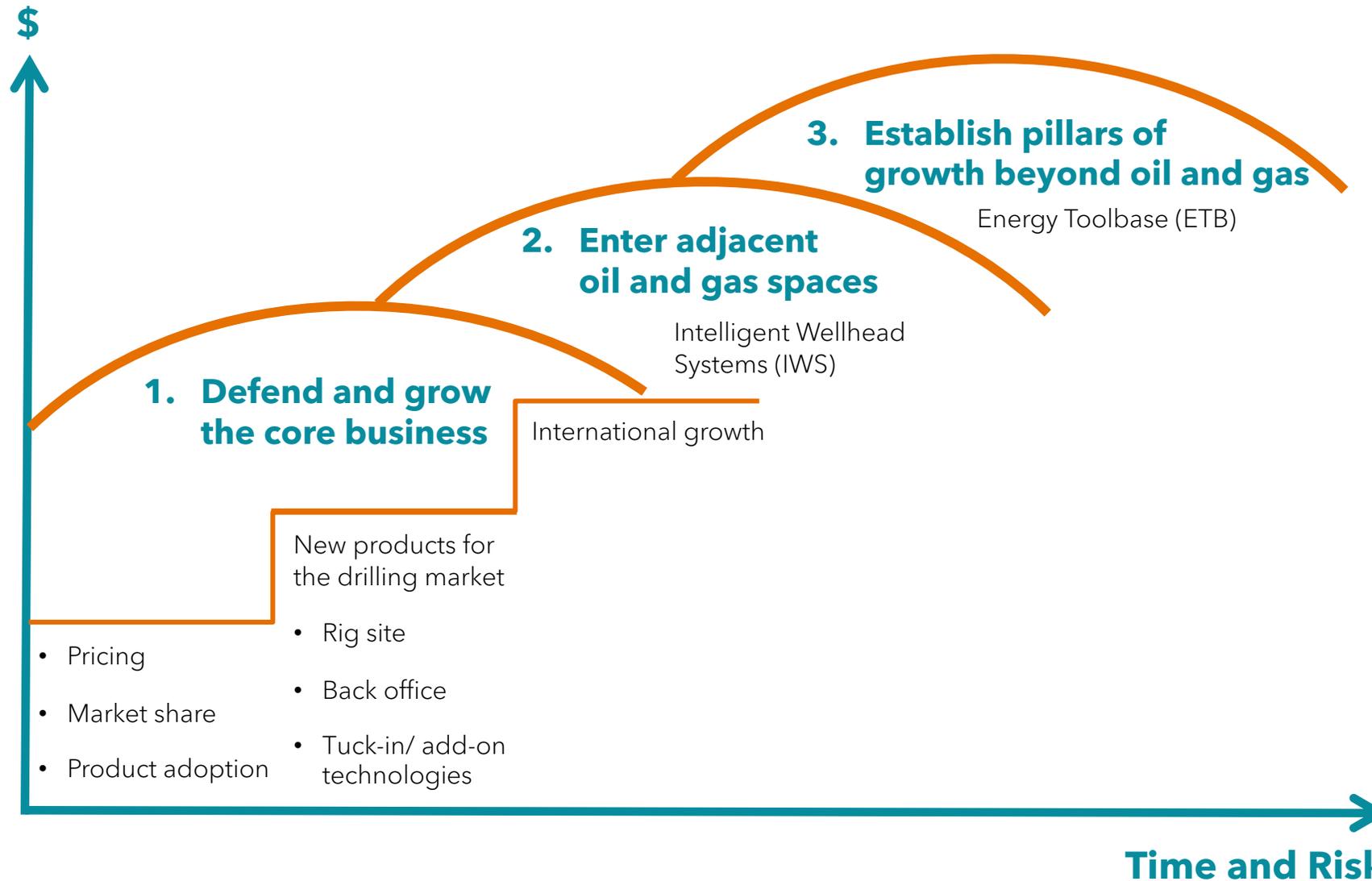
\$46 MILLION
ADJUSTED
EBITDA

\$24 MILLION
FREE CASH
FLOW

\$206M IN
CASH WITH
NO DEBT

Highest quarterly Revenue and Adjusted EBITDA levels since Q1 2015 and Q4 2014, respectively, with significantly lower industry activity levels.

Well-Positioned for Growth



2022 PRIORITIES



- Fully participate in the recovery of land-based oil and gas drilling activity
- Further the development and adoption of drilling intelligence and data delivery technologies
- Maintain disciplined approach to operating and capital costs to ensure high incremental margins
- Advance efforts in the completions and solar and energy storage markets through IWS and ETB

Environmental, Social & Governance

ENVIRONMENTAL



- Developing products that drive increased drilling efficiency, helping reduce carbon footprint
- Environmentally responsible cleaning, recycling and disposal of equipment returned from field operations
- Investing in solar and energy storage markets through Energy Toolbase

SOCIAL



- Unique and inspiring workplace culture with a focus on total employee well-being
- Unwavering commitment to safety of workforce and protection of assets
- Significant investments in digital security infrastructure and systems protecting Pason and customer data

GOVERNANCE



- Experienced, independent and diverse Board of Directors
- Strong corporate governance policies and practices, including annual 'say on pay'
- Executive compensation tied to safety, financial and strategic targets, and shareholder returns
- Comprehensive Code of Conduct

Value Proposition Summary



Innovative



Profitable



Responsible

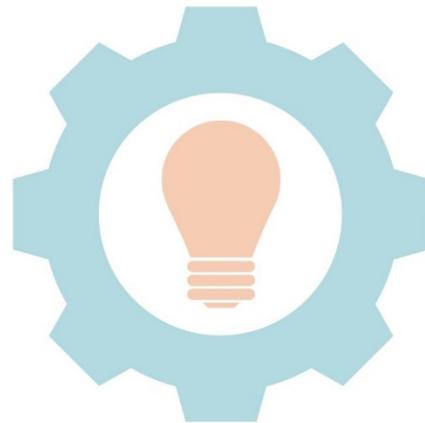
Pason Systems

6130 Third Street SE
Calgary, AB T2H 1K4
Canada

Phone: 403.301.3400

Web: www.pason.com

Email: investorrelations@pason.com





Appendix

Historical Financial Information

\$CAD 000s	2016	2017	2018	2019	2020	2021
Revenue	160,446	245,643	306,393	295,642	156,636	206,686
Adjusted EBITDA ¹	31,005	98,224	145,987	129,644	39,540	72,520
<i>as a % of revenue</i>	19%	40%	48%	44%	25%	35%
Investments in R&D and IT ²	25,212	27,615	31,462	32,164	27,468	32,903
<i>as a % of revenue</i>	16%	11%	10%	11%	18%	16%
Funds flow from operations	26,815	87,121	128,544	111,718	40,560	67,728
Cash from operating activities	19,642	85,797	107,177	108,547	58,583	65,061
Capital expenditures	12,856	20,764	23,876	24,178	5,159	10,920
Free Cash Flow ¹	7,184	65,831	85,522	85,954	53,864	55,111
Dividends paid	57,338	57,697	59,785	63,100	40,420	16,567
Cash & cash equivalents	146,479	154,129	203,838	161,016	149,282	158,283
Working capital	198,419	193,692	256,153	183,769	167,366	184,083
Total interest bearing debt	-	-	-	-	-	-

(1) As defined in the following slide 'Non-GAAP Reconciliation'

(2) Includes both expensed and deferred development costs. Adjusted EBITDA includes the impact of expensed R&D and IT costs

Non-GAAP Reconciliation

\$CAD 000s	2016	2017	2018	2019	2020	2021
Net income (loss)	(40,621)	25,190	62,944	53,803	5,134	31,925
Add:						
Income taxes	(17,486)	14,030	29,158	20,193	4,864	11,738
Depreciation and amortization	55,384	45,681	34,855	40,830	34,417	25,689
Stock-based compensation	6,195	11,762	12,313	10,840	4,840	11,523
Net interest (income) expense	-	-	-	(903)	(867)	1,526
EBITDA	3,472	96,663	139,270	124,763	48,388	82,401
Add:						
Foreign exchange (gain) loss	(1,943)	1,106	7,682	2,199	1,113	(2,011)
Derecognition of onerous lease	-	-	-	4,289	(5,757)	-
Government wage assistance	-	-	-	-	(9,941)	(8,208)
Reorganization costs	10,861	-	-	-	5,554	-
Impairment charges	17,474	-	-	-	-	-
Net monetary gain	-	-	-	(2,887)	(1,874)	(496)
Other	1,141	455	(965)	1,280	2,057	834
Adjusted EBITDA	31,005	98,224	145,987	129,644	39,540	72,520
Free Cash Flow						
Cash from operating activities	19,642	85,797	107,177	108,547	58,583	65,061
Less:						
Net additions to property, plant, & equipment	(10,094)	(17,570)	(17,190)	(20,868)	(4,228)	(9,267)
Deferred development costs	(2,364)	(2,396)	(4,465)	(1,725)	(491)	(683)
Free Cash Flow	7,184	65,831	85,522	85,954	53,864	55,111