Press Release

Pason Reports Second Quarter 2025 Results and Declares Quarterly Dividend

FOR IMMEDIATE RELEASE

CALGARY, Alberta (August 6, 2025) – Pason Systems Inc. ("Pason" or the "Company") (TSX:PSI) (OTC:PSYTF) announced today its 2025 second quarter results and the declaration of a quarterly dividend. The following news release should be read in conjunction with the Company's Management Discussion and Analysis ("MD&A"), the unaudited Condensed Consolidated Interim Financial Statements and related notes for the three and six months ended June 30, 2025, as well as the Annual Information Form for the year ended December 31, 2024. All of these documents are available on SEDAR+ at www.sedarplus.ca.

Financial Highlights

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	**2025**	2024	Change
(000s, except per share data)	**($)**	($)	(%)	**($)**	($)	(%)
North American Drilling Revenue	**62,479**	63,765	(2)	**138,251**	137,369	1
International Drilling Revenue	**13,614**	15,284	(11)	**27,603**	29,916	(8)
Completions Revenue	**15,345**	13,666	12	**31,358**	26,451	19
Solar and Energy Storage Revenue	**4,978**	3,141	58	**12,381**	6,879	80
Total Revenue	**96,416**	95,856	1	**209,593**	200,615	4
Adjusted EBITDA [1]	**31,574**	33,135	(5)	**76,786**	75,560	2
As a % of revenue	**32.7**	34.6	(190) bps	**36.6**	37.7	(110) bps
Funds flow from operations	**26,484**	28,044	(6)	**63,027**	62,890	—
Per share – basic	**0.34**	0.35	(3)	**0.80**	0.79	1
Per share – diluted	**0.34**	0.35	(3)	**0.80**	0.78	3
Cash from operating activities	**20,231**	25,976	(22)	**60,173**	56,990	6
Net capital expenditures [2]	**14,955**	17,945	(17)	**31,663**	37,226	(15)
Free cash flow [1]	**5,276**	8,031	(34)	**28,510**	19,764	44
Cash dividends declared (per share)	**0.13**	0.13	—	**0.52**	0.26	100
Net income	**12,008**	10,284	17	**31,654**	79,407	(60)
Net income attributable to Pason	**12,648**	10,890	16	**32,657**	80,419	(59)
Per share – basic	**0.16**	0.14	14	**0.41**	1.01	(59)
Per share – diluted	**0.16**	0.14	14	**0.41**	1.00	(59)

As at	**June 30, 2025**	December 31, 2024	Change
(CDN 000s)	**($)**	($)	(%)
Cash and cash equivalents	**67,072**	77,197	(13)
Short-term investments	**2,266**	3,581	(37)
Total Cash [1]	**69,338**	80,778	(14)
Working capital	**104,806**	120,583	(13)
Total interest bearing debt	**—**	—	—
Shares outstanding end of period (#)	**78,208,721**	79,426,065	(2)

(1) Non-GAAP and supplementary financial measures are defined under Non-GAAP Financial Measures in this press release.

(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

Pason generated $96.4 million in consolidated revenue in the second quarter of 2025, representing an increase from the $95.9 million generated in the comparative period of 2024 and a result that continues to outpace underlying industry conditions.

Despite industry activity decreasing 5% in North America in the second quarter when compared to the second quarter of 2024 the North American Drilling business unit generated $62.5 million of revenue in the second quarter of 2025, only a 2% decrease over the comparative period of 2024. Contributing to North American Drilling's outperformance during this time, Pason's Revenue per Industry Day increased 3% to $1,026 from the comparative 2024 period. While a stronger US dollar year over year negatively impacted US dollar sourced operating expenses in the second quarter of 2025, this increase was offset by lower levels of repairs. As a result, segment gross profit of $34.0 million during the second quarter of 2025 compared to $34.1 million in the comparative period of 2024, as a result of the aforementioned factors.

The International Drilling business unit generated $13.6 million of revenue and $6.4 million in gross profit in the second quarter of 2025, both representing decreases over the comparative period of 2024. The International Drilling business 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.

Industry conditions for completions activity in North America continued to be challenging in the second quarter of 2025 with active frac spreads in the US declining by 25% from the prior year comparative period. However, against this backdrop the Company's Completions segment generated $15.3 million in revenue representing a 12% increase from the prior year comparative period. During the second quarter of 2025, the business unit averaged 33 IWS Active Jobs, up from both 29 in the second quarter of 2024, and 32 in the first quarter of 2025. Revenue per IWS day of $5,069 decreased slightly from $5,103 in Q2 2024. Revenue per IWS Day will fluctuate depending on the mix of technology adopted amongst those existing customers. Segment gross profit of $1.2 million in the quarter compares to $1.4 million in the prior year comparative quarter, and includes $6.2 million of depreciation and amortization expense, of which $2.2 million relates to amortization expense on intangible assets acquired through the IWS Acquisition.

Revenue generated by the Solar and Energy Storage business unit was $5.0 million, a 58% increase from the comparative period in 2024. Revenue grew year over year with an increased number of control systems delivered in the current quarter. With the increase in revenue, operating expenses were $5.5 million during the second quarter of 2025 which includes costs of goods sold on controls systems revenue. Resulting segment gross loss was $0.6 million for the second quarter of 2025 compared to $nil in the comparable period in 2024.

Pason generated $31.6 million in Adjusted EBITDA, or 32.7% of revenue in the second quarter of 2025, compared to $33.1 million or 34.6% of revenue in the second quarter of 2024. While revenue grew year over year, a comparison of Adjusted EBITDA margins 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 $12.6 million ($0.16 per share) in the second quarter of 2025, compared to net income attributable to Pason of $10.9 million ($0.14 per share) recorded in the corresponding period in 2024, reflecting lower Adjusted EBITDA year over year more than offset by lower levels of stock based compensation expense.

Sequentially, Q2 2025 consolidated revenue of $96.4 million was a 15% decrease from consolidated revenue of $113.2 million generated in the first quarter of 2025. Adjusted EBITDA of $31.6 million or 32.7% of revenue in the second quarter of 2025 also decreased from $45.2 million or 39.9% of revenue in the first quarter of 2025, driven primarily by decreased revenue within the Company's North American Drilling segment with seasonal slowdowns in Canadian drilling activity and declining US industry activity as well. Further, a review of sequential results highlights the weaker US dollar in the second quarter

versus the first quarter, negatively affecting US dollar sourced revenue and Adjusted EBITDA. The International business unit reported revenue of $13.6 million in the second quarter of 2025, down from $14.0 million in the first quarter of 2025 due to lower levels of activity in its Argentinian subsidiary mentioned above. Despite the 6% decline in industry activity Pason's Completions segment generated $15.3 million of revenue in the second quarter of 2025, only a 4% decrease from the first quarter of 2025. As the majority of the Completions' segment's revenue is US dollar sourced, second quarter revenue was negatively affected by a weaker US dollar when compared to the first quarter. Further, the Solar and Energy Storage segment generated $5.0 million of revenue in the second quarter of 2025 compared to revenue of $7.4 million in the first quarter of 2025, with the decrease driven primarily by decreased control system sales. The Company recorded net income attributable to Pason in the second quarter of 2025 of $12.6 million ($0.16 per share) compared to net income attributable to Pason of $20.0 million ($0.25 per share) in the first quarter of 2025 where the decrease quarter over quarter reflects lower levels of Adjusted EBITDA.

Pason's balance sheet remains strong, with no interest bearing debt, and $69.3 million in Total Cash as at June 30, 2025, compared to $80.8 million as at December 31, 2024. Pason generated cash from operating activities of $20.2 million in the second quarter of 2025, compared to $26.0 million in the second quarter of 2024, which reflects lower Adjusted EBITDA year over year and higher levels of working capital investments.

During the three months ended June 30, 2025, Pason invested $15.0 million in net capital expenditures, a decrease from $17.9 million in the second quarter of 2024. Net capital expenditures in Q2 2025 includes investments associated with supporting the continued growth of the Company's pressure control automation technology offering for the completions segment, the ongoing refresh of Pason's drilling related technology platform and continued investments in the new Pason Mud Analyzer. Resulting Free Cash Flow in the second quarter of 2025 was $5.3 million, compared to $8.0 million in the same period in 2024.

In the second quarter of 2025, Pason returned $20.2 million to shareholders through the Company's quarterly dividend of $10.2 million and $10.0 million in share repurchases.

President’s Message

Pason’s financial and operating results for the second quarter of 2025 reflected the strength of our competitive position in the face of slowing industry conditions. Consolidated revenue increased 1% to $96.4 million from the second quarter of 2024, despite lower levels of industry activity in both drilling and completions.

Our North American drilling segment delivered revenue of $62.5 million in the quarter, down 2% from the prior year despite a 5% decrease in industry activity, driven by 3% year-over-year growth in Revenue per Industry Day to $1,026.

International drilling revenue decreased 11% from 2024 levels in the quarter, primarily due to lower activity levels in Argentina as a result of a change in a large customer’s operational focus away from conventional wells to more unconventional drilling. While we anticipate this transition to result in lower levels of activity in the short term, we expect to benefit from higher levels of product adoption on unconventional drilling programs over time.

Completions segment revenue increased 12% from the prior year in the second quarter, significantly outpacing a 25% decline in the number of active frac spreads in the US in the period. The average number of IWS jobs increased 14% year over year, while Revenue per IWS Day was relatively unchanged from the prior year at $5,069 in the quarter.

In our Solar and Energy Storage segment, second quarter revenue of $5.0 million was up 58% from the comparative period of 2024, driven by increased deliveries of control systems. Quarterly revenue for the Solar and Energy Storage segment will fluctuate with the timing of control system deliveries.

Adjusted EBITDA for the quarter of $31.6 million was 5% lower than the second quarter of 2024, with margins declining slightly as a result of a greater contribution of revenue from our Completions and Solar and Energy Storage segments, where segment margins are lower owing to their current stage of growth and development.

For the first six months of 2025, net capital expenditures totaled $31.7 million, down 15% from the same period of 2024. Free cash flow totaled $28.5 million in the first half of 2025, up 44% from the first half of 2024. Net income attributable to Pason for the six month period totaled $32.7 million. Over the same period, we returned $36.5 million to shareholders, including $20.5 million through our regular dividend and $16.0 million through share repurchases.

Our capital allocation priorities remain unchanged. Our 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 service quality and technology development through periods of uncertainty provides the greatest opportunity to expand competitive gaps. We see opportunities for greater adoption of data-driven technologies over time in both drilling and completions, and we intend to ensure our product and service offerings continue to evolve to ensure we can capitalize on those opportunities. With industry activity slowing in 2025, we anticipate capital expenditures will be lower than the $65 million originally planned and we currently expect our 2025 capital program to total between $55 and $60 million for the year.

In the current environment of uncertainty and market volatility, we favour maintaining flexibility in our shareholder returns. This involves maintaining our regular quarterly dividend at $0.13 per share and deploying additional capital beyond the requirements of our organic investments and regular dividends to share repurchases.

Macroeconomic factors continue to dominate the outlook for industry activity through the remainder of 2025. Ongoing negotiations of international trade deals, geopolitical conflicts, and the unwinding of voluntary production cuts by OPEC+ oil producers are contributing to significant uncertainty in economic forecasts. In light of this uncertainty, while commodity prices have been relatively steady, oil and gas producers have lowered their well construction activity while looking for greater clarity on the outlook.

Technology continues to play an important role in helping customers achieve greater efficiencies in drilling and completions operations, and Pason is well positioned to provide the data, technologies and services to support those efforts. 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.

Quarterly Dividend

Pason announced today that the Board of Directors have declared a quarterly dividend of thirteen cents (C$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.

Second Quarter Conference Call

Pason will be conducting a conference call for interested analysts, brokers, investors, and media representatives to review its 2025 second quarter results at 9:00 a.m. (MT) on Thursday, August 7, 2025. The conference call dial-in numbers are 1-888-510-2154 or 1-437-900-0527, and the call will be simultaneously audio webcast via: www.pason.com/webcast. You can access the fourteen-day replay by dialing 1-888-660-6345 or 1-289-819-1450, using password 57062#.

An archived audio webcast of the conference call will also be available on Pason's website at www.pason.com/investors.

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 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	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Mar 31, 2025	**Jun 30, 2025**
(000s)	($)	($)	($)	($)	($)	($)	($)	($)
Net income	27,399	8,012	69,123	10,284	23,717	16,585	19,646	**12,008**
Add:								
Income taxes	7,356	6,710	9,057	6,048	6,148	2,404	8,214	**4,445**
Depreciation and amortization	6,988	7,797	11,730	12,901	13,659	13,889	14,184	**13,901**
Stock-based compensation	5,082	4,732	3,011	4,634	(117)	3,370	2,892	**1,929**
Net interest (income)	(3,858)	(5,082)	(1,411)	(522)	(803)	(218)	(512)	**(804)**
EBITDA	42,967	22,169	91,510	33,345	42,604	36,030	44,424	**31,479**

Reconcile EBITDA to Adjusted EBITDA

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**
(000s)	($)	($)	($)	($)	($)	($)	($)	**($)**
EBITDA	42,967	22,169	91,510	33,345	42,604	36,030	44,424	**31,479**
Add:								
Foreign exchange loss (gain)	681	14,247	714	(1,202)	(1,245)	5,574	(170)	**(1,174)**
Put option revaluation	—	(149)	—	—	—	(1,413)	—	**—**
Net monetary loss	(1,477)	—	—	—	—	—	—	**—**
Gain on previously held equity interest	—	—	(50,830)	—	—	—	—	**—**
Other	110	2,621	1,031	992	2,789	1,928	958	**1,269**
Adjusted EBITDA	42,281	38,888	42,425	33,135	44,148	42,119	45,212	**31,574**

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	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Mar 31, 2025	**Jun 30, 2025**
(000s)	($)	($)	($)	($)	($)	($)	($)	**($)**
Cash from operating activities	31,698	27,412	31,014	25,976	30,375	35,825	39,942	**20,231**
Less:								
Net additions to property, plant and equipment	(6,474)	(7,720)	(17,834)	(16,695)	(12,444)	(16,707)	(15,268)	**(13,562)**
Deferred development costs	(208)	(375)	(1,447)	(1,250)	(1,277)	(1,472)	(1,440)	**(1,393)**
Free cash flow	25,016	19,317	11,733	8,031	16,654	17,646	23,234	**5,276**

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 press release 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 quarter. IWS active days are calculated by using IWS Active Jobs in the reporting period. This metric provides a key measure of the IWS' ability to evaluate and manage product adoption and pricing.

Adjusted EBITDA as a percentage of revenue

Calculated as adjusted EBITDA divided by revenue.

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.

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.

Pason Systems Inc.

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

Pason's common shares trade on the Toronto Stock Exchange and OTC Markets Group under the symbol PSI and PSYTF, respectively. For more information about Pason Systems Inc., visit the company's website at www.pason.com or contact investorrelations@pason.com.

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Additional information on risks and uncertainties and other factors that could affect Pason's operations or financial results are included in Pason's reports 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).