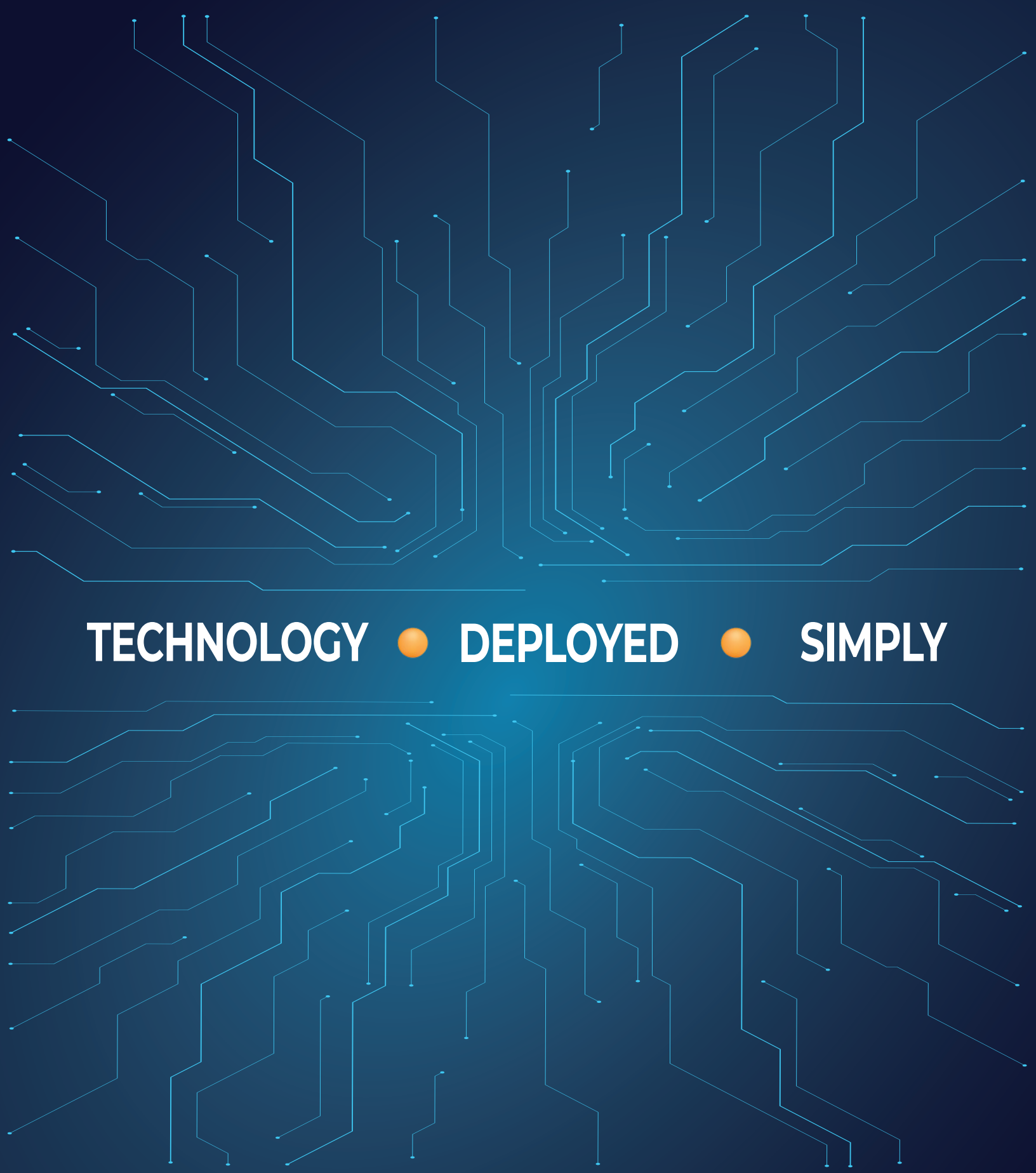

PASON SYSTEMS INC.

2025 ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2025

DATED MARCH 19, 2026

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Glossary of Terms

When used in this Annual Information Form ("**AIF**") the following terms have the meanings set forth below:

"**Board**" means Pason System Inc.'s board of directors.

"***Business Corporations Act***" means the *Business Corporations Act* (Alberta), RSA 2000, c B-9, as amended.

"CEO" means Chief Executive Officer.

"CFO" means Chief Financial Officer.

"**Code**" means Pason's Code of Conduct and Ethics.

"**Completions Segment**" means Pason's activities in the oil and gas completions industry, including those of IWS.

"**Contractors**" means drilling and/or completions contractors for oil and gas wells.

"**Drilling Segments**" means the Company's North American Drilling segment and International Drilling segment, collectively.

"**E&P**" means exploration and production.

"**EDR**" means Pason's Electronic Drilling Recorder product.

"**ETB**" means Pason's subsidiary, Energy Toolbase Software, Inc.

"**HSE**" means health, safety and environment.

"**HR**" means human resources.

"**IT**" means information technology.

"**IWS**" means Pason's subsidiary, Intelligent Wellhead Systems Inc. and all its controlled entities.

"**IWS Acquisition**" means Pason's exercise of a call option to purchase the remaining and outstanding shares of IWS not held by Pason for a total cash outflow of $88.3 million. As part of the transaction, Pason also assumed net debt of approximately $7.0 million.

"**Mud Analyzer**" means the Pason Mud Analyzer product.

"**NCIB"** means a Normal Course Issuer Bid implemented through the facilities of the TSX.

"**Operators**" means oil and gas companies that own and/or have rights to the minerals to be extracted from a wellsite.

"PVT" means Pason's Pit Volume Totalizer product.

"**R&D**" means research & development.

"**Total Cash**" means cash and cash equivalents and short-term investments.

"**TSX**" means the Toronto Stock Exchange.

"**US**" means the United States of America.

"**VP**" means Vice President.

"**WTI**" or "**West Texas Intermediate**" means a light, sweet crude oil that serves as one of the main global oil benchmarks for North America.

Important Information About this Document

Throughout this AIF, the terms “we,” “us,” “our,” “Company,” “Corporation” and “Pason” mean Pason Systems Inc. and all our controlled entities as a consolidated body.

Except where specifically noted, all information in this AIF is presented as of December 31, 2025.

All references in this AIF to ($) or (dollars) are to Canadian dollars unless otherwise noted.

Cautionary Statements on Forward-Looking Information

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

Without limiting the foregoing, the forward-looking statements in this AIF include, but are not limited to, the following: 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, forecasted 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; potential repurchases under the Company’s NCIB; 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 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 E&P 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; reliance on renewable energy; 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 this AIF under the heading, "*Risk Factors*" and in the Company's 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 AIF are expressly qualified by this cautionary statement. There is no representation by Pason and there can be no assurance that actual results achieved will be the same, in whole or in part, as those set out in the forward-looking statements contained herein. Readers are therefore cautioned not to place undue reliance on such forward-looking statements. 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 resulting from new information, future events or otherwise.

Unless otherwise indicated, all financial information included in this AIF has been prepared in accordance with the International Financial Reporting Standards.

Supplementary Financial Measures

This AIF includes references to Revenue per Industry Day, Revenue per IWS Day, and IWS Active Jobs (each defined below) which are supplementary financial metrics used by Pason as key measures of the Company's ability to evaluate and manage product adoption, pricing, and market share.

"**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**" is defined as 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**" 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.

Market and Industry Data

Unless otherwise indicated, the market and industry data contained in this AIF is based upon independent industry or government publications and websites, or was based on estimates derived from the same, along with the knowledge and experience of management in the markets in which the Company operates. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. None of these sources have provided any form of consultation, advice or counsel regarding any aspect of, or are in any way associated with, Pason. Actual outcomes may vary materially from those forecasted in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. While the Company believes this data can be reasonably relied upon, market and industry data are subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Company has not independently verified any of the data from third party sources referred to in this AIF or ascertained the underlying assumptions relied upon by such sources.

About 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 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 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.

Corporate Structure

Pason was originally incorporated on February 3, 1978 under the *Business Corporations Act* (Alberta) as Pason Well Services Ltd. Its public parent, Pason Systems Inc., began publicly trading on the TSX in December of 1997.

Pason Systems Inc.'s common shares trade on the TSX, under the symbol PSI.

Pason's principal corporate and registered office is:

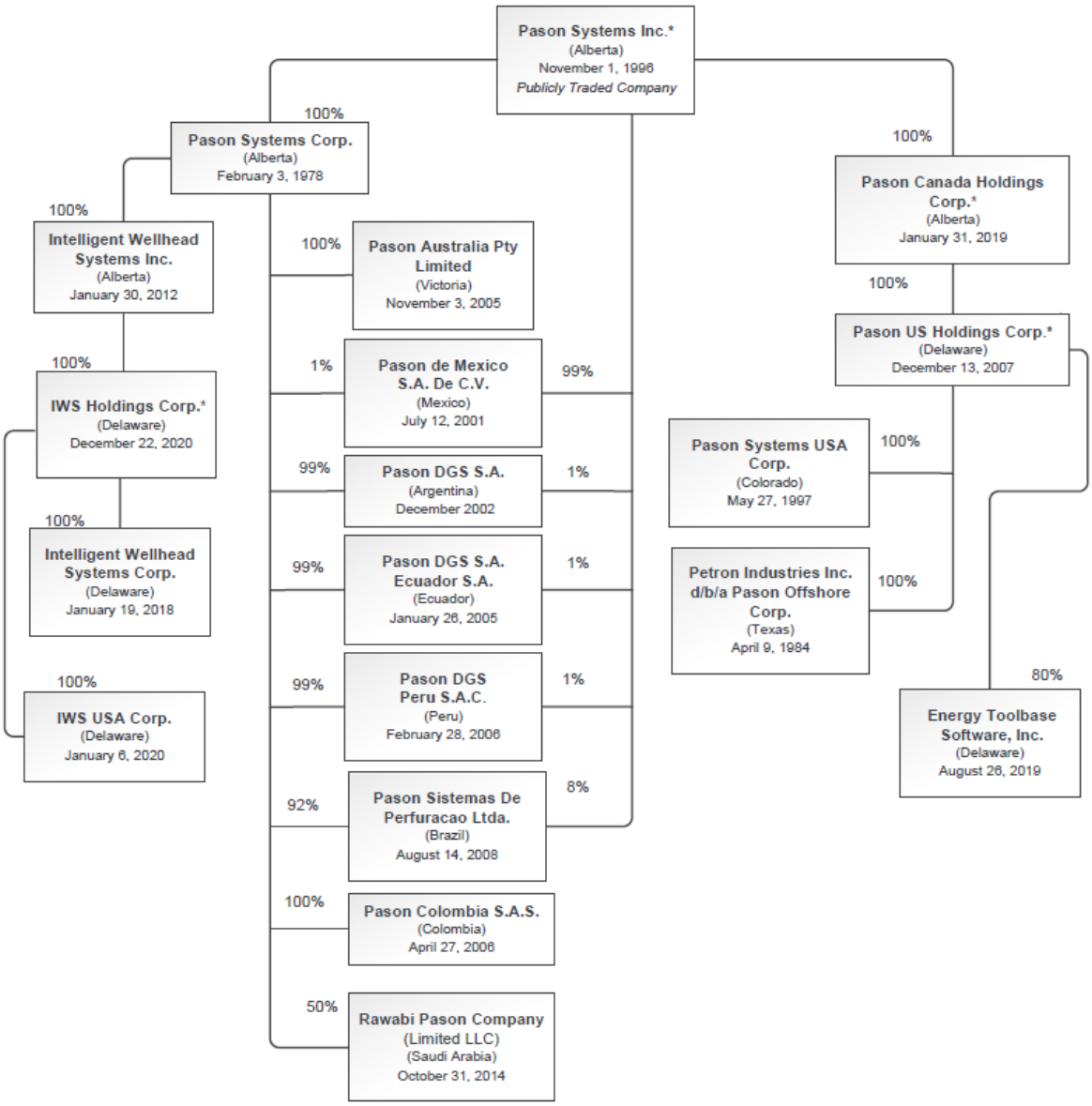
6130 3rd Street SE
Calgary, Alberta
Canada T2H 1K4

Phone: 403-301-3400
Fax: 403-301-3499
Email: investorrelations@pason.com
Website: www.pason.com

The following chart shows Pason's organizational structure and material subsidiaries or partnerships as at December 31, 2025, including the jurisdiction where each was incorporated, formed or continued.

PASON SYSTEMS INC. - GLOBAL ORGANIZATIONAL CHART

(Majority owned entities and Joint Venture)



*Non-operating entity

Recent Developments and Three-Year History

2025 & Recent Developments

Industry Conditions

Industry conditions within the markets served by Pason's Drilling Segments and Completion Segment continued to be challenging throughout 2025. North American land drilling activity fell by 6% year over year, and active frac spreads in the US declined by 24% during that same time. Pason's customers in these end markets continue to remain focused on disciplined capital allocation and have constrained growth spending, due in large part to an uncertain macro environment in 2025 and the related impact on commodity prices.

Despite these more challenging industry conditions, customer spending on technology initiatives and solutions continues to increase, with sustained reliance on automation and analytics technologies to improve operational performance in both drilling and completions.

Business Developments

The resilience of Pason's business was demonstrated in the Company's financial and operating results in 2025. Pason recorded $419.3 million in revenue, which represented a 1% increase from 2024 despite the overall decline in North American drilling and completions activity year over year.

Pason's North American Drilling segment generated a new record level of Revenue per Industry Day in 2025 at $1,053, which was 3% higher than the level generated in 2024. As a result, revenue generated by the North American Drilling segment only decreased by 3% in 2025 compared to 2024 revenue, outpacing the 6% decline in industry drilling activity during that same period.

Regarding its International Drilling segment, a large customer in Argentina shifted its operational focus away from conventional wells toward more unconventional drilling in 2025, leading to a reduction in conventional activity in the country. As a result, the International Drilling segment generated $52.1 million of revenue in 2025, a 14% decrease from the prior year's revenue of $60.3 million for the segment.

Pason's Completions Segment significantly outperformed the 24% decline seen in industry activity (as further outlined above) and generated revenue of $59.0 million in 2025, a 12% increase from the $52.6 million generated in 2024. The Completions Segment had 30 IWS Active Jobs and Revenue per IWS Day of $5,472 in 2025, both representing a 7% increase from the prior year results.

With respect to the Company's Solar and Energy Storage segment, $33.7 million in revenue was generated in 2025, which was an 87% increase from 2024 revenue levels and a new record level for the segment. The increase in revenue was driven primarily by a record number of control system sales.

Pason's balance sheet remained strong throughout 2025. As at December 31, 2025, the Company continued to have no interest-bearing debt and held $77.1 million in Total Cash ($80.8 million at December 31, 2024).

Research & Development

Pason remains committed to the ongoing support of existing product offerings and innovative development of new technologies for its customers. In recent years, Pason has made incremental investments in R&D, which supported the record Revenue per Industry Day generated in the year, despite continued year over year reduction in industry activity, as additional value and functionality was delivered to customers. Further,

with respect to its Completions Segment, Pason continued to make R&D investments in 2025 to develop a compelling data aggregation solution in the completions space.

The Company spent approximately $59.8 million on R&D efforts during 2025 (as compared to $56.6 million in 2024).

Capital Expenditures

Pason also remains committed to making necessary capital investments in its core product offerings and hardware platform to support long term value creation. In 2025, Pason incurred $54.3 million of net capital expenditures. Net capital expenditures in 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.

Dividend

The Board approved quarterly dividends to shareholders of $0.13 per common share in each quarter of 2025. The total annual dividend paid to shareholders in 2025 was $0.52 per common share. On February 26, 2026, the Board declared a quarterly dividend of $0.13 per common share payable on March 31, 2026.

Normal Course Issuer Bid (NCIB)

For the year ended December 31, 2025, the Company purchased 1,792,039 common shares for cancellation under its NCIB, for a total cash consideration of $22.0 million.

Total shareholder returns in 2025 through the Company's quarterly dividend and share repurchase program was $62.7 million.

2024

Industry Conditions

Drilling and completions industry activity softened throughout 2024, with activity in North America down approximately 10% for both, due in part to a busy period of industry consolidation among E&P companies and low prevailing natural gas prices.

Acquisitions & Investments

On January 1, 2024, Pason completed the IWS Acquisition, resulting in Pason obtaining control over IWS and IWS becoming a wholly owned, consolidated subsidiary.

The Company's initial investment in IWS was made in 2019 and consisted of total consideration of $25.0 million of cash consideration which was funded throughout 2019 to 2022. Further, in 2021 and 2022, Pason increased its non-controlling investment in IWS and acquired a portion of outstanding common shares for total cash consideration of $15.0 million. In the fourth quarter of 2022, the Company entered into a preferred share subscription agreement with IWS with an initial subscription of $10.0 million, and up to $15.0 million in additional subscriptions exercisable by IWS, which were subsequently funded in 2023. The Company's initial investment in 2019 also included a call option agreement, which gave the Company the option to purchase the shares held by other shareholders, exercisable at the Company's discretion, subject to certain conditions.

Business Developments

The resilience of Pason's business was demonstrated in the Company's financial and operating results in 2024. Pason recorded $414.1 million in revenue, which represented a 12% increase from 2023 despite the

overall decline in North American industry drilling and completions activity seen year over year. Pason's 2024 revenue result includes $52.6 million from the Company's newly consolidated Completions Segment, as further outlined under the title Acquisitions & Investments. The Completions Segment had a Revenue per IWS Day of $5,127 in 2024, with an average of 28 IWS Active Jobs during the year.

With respect to the Company's North American Drilling segment, Revenue per Industry Day of $1,025 was achieved in 2024, representing an 8% increase from Revenue per Industry Day in 2023 and a new record level for the Company. As a result, revenue generated by the North American Drilling segment only decreased by 2% in 2024 compared to 2023, significantly outpacing the 10% decline in industry drilling activity during that same period.

The International Drilling segment generated $60.3 million of revenue in 2024, a 6% decrease from the prior year's revenue of $63.8 million for the segment. This decrease in revenue is primarily a result of the Company's Argentinian operations, as 2023 Argentinian revenues benefited from inflationary and foreign exchange factors, which were not as prevalent in 2024.

With respect to the Company's Solar and Energy Storage segment, $18.0 million in revenue was generated in 2024, which was a 15% increase from 2023 revenue levels and a new record level for the segment. The increase in revenue was driven primarily by increased control system sales.

Pason's balance sheet remained strong throughout 2024. As at December 31, 2024, the Company continued to have no interest-bearing debt and held $80.8 million in Total Cash ($171.8 million at December 31, 2023). While year over year Total Cash declined, this was the direct result of funding the IWS Acquisition with cash on hand.

Research & Development

Starting in 2024 and in connection with IWS Acquisition, Pason made incremental R&D investments in developing a compelling data aggregation solution in the completions space.

The Company spent approximately $56.6 million on R&D efforts during 2024 (as compared to $42.3 million in 2023). The increase year over year is primarily the result of the IWS Acquisition and the resulting incorporation of R&D costs associated with technology development for the Completions Segment starting January 1, 2024.

Capital Expenditures

In 2024, Pason incurred $69.1 million of net capital expenditures, which now incorporates capital investments made in connection with the Company's efforts in the Completions sector subsequent to the IWS Acquisition. Net capital expenditures in 2024 also includes investments associated with the ongoing refresh of Pason's drilling related technology platform and the manufacture of additional Pason Mud Analyzers.

Dividend

The Board approved quarterly dividends to shareholders of $0.13 per common share in each quarter of 2024. The total annual dividend paid to shareholders in 2024 was $0.52 per common share.

Normal Course Issuer Bid (NCIB)

For the year ended December 31, 2024, the Company purchased 661,200 common shares for cancellation under its NCIB, for a total cash consideration of $10.0 million.

Total shareholder returns in 2024 through the Company's quarterly dividend and share repurchase program was $51.4 million.

Board of Directors

On May 2, 2024, Ms. Sophia Langlois was elected to the Board during the Company's Annual and Special Meeting of Shareholders (the "**2024 AGM**"). Ms. Judi Hess did not seek re-election at the 2024 AGM and retired from the Board effective at the end of the meeting. On August 7, 2024, Mr. James Bowzer was appointed to the Board. Mr. T. Jay Collins retired from the Board on November 7, 2024.

2023

Industry Conditions

Global macroeconomic conditions were challenging throughout 2023. The effects of global geopolitical instability and recession risk, combined with higher interest rates, introduced significant volatility in commodity prices throughout the year. Global demand for energy was met through existing supply sources, drawing significantly on crude oil and product inventories, and the inventory of drilled and uncompleted wells (DUCs). Existing supply sources continued to lag growing global demand for oil and gas. Further, increased consolidation amongst E&P companies put pressure on industry drilling activity in 2023. While activity levels in Pason's international end markets remained strong, North American land rig counts averaged 845 in 2023, a 5% decrease from 881 in 2022.

Beyond the decrease in industry drilling activity experienced in 2023, customer spending on technology initiatives and solutions continued to increase with E&P companies expanding their use of automation and analytics technologies to improve their operational performance.

Business Developments

Through growth in revenue generated per day in 2023, Pason recorded $369.3 million in revenue, which represented a 10% increase from 2022 despite the overall decline in North American industry drilling activity seen year over year. Further, through continued strength in market share, increased product adoption and pricing, Pason generated record North American Revenue per Industry Day in 2023 of $950, an 11% increase from 2022.

ETB, Pason's subsidiary in solar and energy storage markets, generated $15.7 million in revenue which was a 118% increase from 2022 as bookings from the sale of control systems and associated hardware translated into revenue and added to the base revenue provided by subscription-based licenses for the company's economic modeling and proposal generation software.

Pason's balance sheet remained strong through 2023, and as at December 31, 2023, the Company continued to have no interest-bearing debt and held $171.8 million in Total Cash. Of that amount, $77.8 million was held in escrow as at December 31, 2023 to fund the closing of the IWS Acquisition on January 1, 2024.

Research & Development

The Company spent approximately $42.3 million on R&D efforts during 2023.

Capital Expenditures

The Company spent approximately $38.0 million in net capital expenditures in 2023.

Acquisitions & Investments

In 2023, Pason increased its investment in IWS through the acquisition of outstanding common shares of IWS for an aggregate purchase price of $0.4 million and a further preferred share investment of $15 million.

Dividend

The Board approved quarterly dividends to shareholders of $0.12 per common share in each quarter of 2023. The total annual dividend paid to shareholders in 2023 was $0.48 per common share.

Normal Course Issuer Bid (NCIB)

For the year ended December 31, 2023, the Company purchased 2,150,900 common shares for cancellation under its NCIB, for a total cash consideration of $27.9 million.

Board of Directors

On January 9, 2023, Mr. Ken Mullen was appointed to Pason's Board of Directors.

Jim Howe did not seek re-election to the Board at the Company's Annual and Special Meeting of Shareholders held on May 4, 2023, and retired from the Board effective at the end of the meeting.

General Description of the Business

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

North American Drilling and International Drilling Segments

Products and services for the Drilling Segments are primarily comprised of hardware and software provided on a rental basis to drilling rigs on land. Pason's system of computers, instrumentation, and monitoring equipment is networked around a drilling rig to provide data at the wellsite and to customer offices. The software installed on Pason's hardware provides a variety of monitoring, guidance and data storage tools.

A brief description of the different products and service offerings within Pason's Drilling Segments is provided below.

Drilling Products

EDR: The EDR remains the Company's flagship product within its Drilling Segments. It provides a complete system of drilling data acquisition, data networking, and drilling management tools and reports at the wellsite. The EDR is the base product with which all other wellsite instrumentation products are linked. Each EDR system consists of a proprietary server, sensors, junction boxes, and a series of workstations, all connected via a local network. EDR workstations present drilling data to the driller, rig manager, geologist, and any other third party at the rig site, in real time. The EDR also allows aggregation of data from the various service companies at the rig site. There are multiple form factors of the EDR product, including a compact version used for smaller drilling rigs which is marketed under the ESR (Electronic Service Recorder) brand.

Once collected, rig data is transmitted via the Company's Communications Offerings (as defined below) to the DataHub to be stored in the cloud for use by Operator and Contractor engineers and office staff. The EDR is also designed to work with various add-on products and systems developed by Pason, such as the Indoor Rig Display, SideKick rig floor workstation, Gas Analyzer, PVT, Electronic Choke System, Drilling Automation, and the Hazardous Gas Alarm System.

DataHub: The DataHub is the Company's cloud-based data management system that collects, stores, and displays drilling data, reports, and real-time information from drilling operations. The DataHub provides access to data through several innovative applications or services for users both in the field and in office settings. Pason Live provides advanced data viewing and visualization of drilling data in real time via a web browser or on mobile devices. DataLink provides seamless data sharing with third party applications, enhancing the value of data hosted by Pason.

PVT: The PVT is used to monitor mud tank levels and mud flow rate out of the wellbore to detect and warn rig crews of impending "kicks" or lost circulation resulting from gas or fluids entering or escaping the wellbore while drilling. The PVT provides critical information for maintaining the safe operation and control of the well throughout the drilling process. By monitoring the mud system and alerting crews to potential "kicks," the potential for environmentally damaging surface spills is also reduced.

Gas Analyzer: The Gas Analyzer measures the hydrocarbon gases in the drilling fluid exiting the wellbore and then calculates the formation depth where the gases were produced. The Gas Analyzer provides

information about the composition of the gas, and further calculates geologic ratios from the gas composition to assist in indicating the type of gas, natural gas liquid, or oil in the formation. The Hazardous Gas Alarm System is a rugged warning system designed to detect lower explosive limit (LEL) and hydrogen sulfide (H2S) gases. The atmospheric concentration of these gases is measured and permanently stored on Pason's EDR where the data can be viewed on and off location in real time. Highly visible and audible alerts signal drilling crews when concentrations exceed safe levels.

Mud Analyzer: The Mud Analyzer is a portable, self-contained system that continuously measures the properties of drilling fluid. The Mud Analyzer measures a full viscosity profile every 15 minutes and supplies temperature and density every second. The data collected by the Mud Analyzer is transmitted to the EDR, where it can be analyzed at the wellsite or remotely.

Drilling Automation: Pason's Drilling Automation can control the feed rate of the drill bit to various pre-set parameters, such as weight on bit, differential pressure, torque and rate of penetration ("**ROP**"). It provides greater precision, control, and drilling speed in comparison to competing systems. Drilling Automation employs an electronic control system to improve drilling system performance and reliability on band-brake rigs. Pason's advanced optimization algorithms can also be used to optimize the setpoints on a rig's auto driller and top drive to reduce the number of trips and improve ROP and wellbore quality.

To support the operational effectiveness of the products listed above, and to ensure continuous transmission of data between the wellsite and the office, Pason provides customers with bandwidth through Low Earth Orbit (LEO) satellite systems, Long Term Evolution (LTE) and other terrestrial networks (collectively, the "**Communications Offerings**"). Automatic failover between these technologies achieves greater reliability and connectivity. This system provides reliable high-speed Internet and wellsite communications for email and web-enabled tools.

Completions Segment

Products and services for the Company's Completions Segment are primarily comprised of engineered controls and data acquisition hardware and software which automate workflows and processes for oil and gas well completions operations, improving wellsite safety and efficiency.

A brief description of the different products and service offerings within Pason's Completions Segment is provided below.

Completions Products

Digital Valve Control: Utilizing integrated components, Digital Valve Control provides a comprehensive solution for valve and pressure management, emphasizing safety and user flexibility. The Digital Valve Control solution incorporates various hardware components, such as accumulator lockouts, handle position sensors, valve actuators, safety interlocks, and pressure sensors, to increase efficiency and safety of completion operations by removing the need for a physical presence at the valve.

Wireline Detection Spool: Using magnets, the Wireline Detection Spool identifies tool size and location in the well head through a disturbed magnetic field. The Wireline Detection Spool safeguards against costly cut wireline incidents by detecting tool presence in the well, and preventing unintended valve actuation, ensuring minimal downtime and reducing the chances of lost or damaged equipment.

inVision: inVision is a real-time onsite and cloud software platform which is seamlessly integrated with the Company's hardware components on the wellsite. At its core, the inVision platform offers a digital twin of real time operations providing a virtual representation that fosters transparency across the entire wellsite and remotely. The inVision platform provides a comprehensive interface for Operators to facilitate the automation of standard operating procedures, ensuring the efficient and safe operation of pressurized

valves. Additionally, graphical representations offer a visual depiction of captured data, enabling stakeholders to analyze both live and historical information for informed decision-making.

Solar and Energy Storage Segment

ETB provides a suite of products, primarily for solar and storage developers, to model, control, and measure economics and performance of solar energy and storage projects. ETB Developer is an industry leading software platform for modeling and proposing the economics of solar and storage projects. Acumen EMS™ is the intelligent control system software that utilizes machine learning and artificial intelligence to forecast and optimally discharge energy storage systems. ETB Monitor comprises a monitoring platform providing transparency into real-time operation and performance of solar and storage projects.

Revenue by Operating Segment

Pason's revenue by operating segment and product category is summarized as follows for the years ended December 31, 2024, and December 31, 2025:

For the Year Ended	December 31, 2025	December 31, 2024
(CDN 000s)	($)	($)
North American Drilling	**274,518**	283,264
International Drilling	**52,055**	60,252
Completions	**58,998**	52,587
Solar and Energy Storage	**33,696**	18,030
Total Revenue	**419,267**	414,133

Other Business Matters

Employees

As a technology-driven company, a significant portion of Pason's highly skilled workforce is engaged in technical disciplines such as software and hardware design engineering, IT, and field services technical support. The remainder of the workforce is engaged in other professional occupations that include marketing and sales, contract manufacturing and supply, warehousing and distribution, finance and accounting, legal, administration, and HR.

As at December 31, 2025, Pason's total workforce stood at 940 employees, of which 462 were employed in Canada, 329 in the US, and 149 internationally.

Customers

Customers of Pason's Drilling Segments include Operators, Contractors, and other service companies worldwide. Customers of Pason's Completions Segment include Operators in both Canada and the United States.

In recent years, there has been a significant amount of consolidation amongst Operators and Contractors in the oil and gas industry, particularly in the North American market. Consolidation amongst Pason's existing and prospective customers is expected to result in a smaller number of companies that have a heightened focus on technology. Pason is well-positioned to make ongoing investments in R&D in order to meet the growing technological demands of these customers.

Customers of the Company's Solar and Energy Storage Operations primarily include solar and energy storage developers.

In 2025, no single customer accounted for more than 10% of the consolidated revenues of the Company.

Seasonality

Pason's financial results in the Drilling Segments fluctuates quarterly, partly due to the seasonal nature of the North American oil and gas industry, most notably in relation to the Company's North American Drilling segment. This fluctuation is somewhat offset by the less seasonal nature of the Completions Segment and the International Drilling and Solar and Energy Storage segments.

The first quarter is generally the strongest quarter for our North American Drilling segment due to stronger activity in Canada, where location access is best during the winter. The second quarter is typically the slowest for the North American Drilling segment due to spring break-up in Canada, when many areas are not accessible because of ground conditions, and, therefore, do not permit the movement of heavy equipment. Activity in the North American Drilling segment generally increases in the third quarter, as ground conditions improve and location access becomes more practical; however, a rainy summer can have a significant adverse effect on drilling and completions activity. By the fourth quarter, access to most areas in Canada becomes available when the ground again freezes.

Consequently, the performance of the Company may not be comparable from one quarter to the next and should instead be considered either on the basis of full-year results or by comparing results in a quarter with results in the corresponding quarter of the previous year.

International Business Model

Pason's International Drilling segment offers instrumentation systems for rent for both land and offshore applications in Australia and several Latin American countries through wholly-owned subsidiaries, and in the Middle East markets through a joint venture in the Kingdom of Saudi Arabia and a branch office in Dubai. Pason continues to explore opportunities in areas where its International Drilling segment has not previously operated, with a focus on the Eastern Hemisphere and Middle East markets. Pason's Completions Segment and Solar and Energy Storage segment operate primarily in North America at this time.

Competition

Pason's main source of competition in the Drilling Segments remains the instrumentation divisions of large US service companies. Other indirect competitors offer niche services expertise, such as communications, data acquisition, storage and analytics services. These companies offer products or services that compete with select Pason offerings, rather than competing with Pason's complete service bundle.

Pason's competition within the completions sector is slightly more fragmented than the drilling sector, as Operator reliance on data within completions operations continues to evolve. Similar to Pason's Drilling Segments, competitors of the Company's Completions Segment typically compete with select product offerings, rather than the Completions Segment's bundle of services. Competitors of the Company's Completions Segment include valve manufacturing companies looking to vertically integrate within the greater completions process, as well as data acquisition companies developing competing digital monitoring and reporting products.

As further disclosed under the heading entitled *Supplementary Financial Measures* on page 5, the Company's Revenue per Industry Day metric represents a combination of Pason's market share, pricing

and product adoption within its North American Drilling segment. Since 2012, Pason has grown Revenue per Industry Day by 7% on a compounded annual growth basis, which has benefited significantly by growth in market share. Within the North American, Latin American, and Australian land drilling markets, Pason is currently the leading provider of instrumentation services.

With respect to the Company's Completions Segment, the Revenue per IWS Day metric provides a measure of the Company's ability to evaluate and manage product adoption and pricing. Additionally, the IWS Active Jobs metric provides a measure of the Company's market penetration in the completions market. The Company achieved a Revenue per IWS Day and IWS Active Jobs of $5,472 and 30 respectively, in 2025, both 7% increases from the levels seen in 2024.

Health, Safety and Environment

Pason's strong safety culture is founded on its values and underpins the Company's unwavering commitment to providing a safe and healthy work environment for its employees, contractors, visitors, property, environment, and the public. The Company continues to invest heavily in the safety and operational integrity of its systems and is committed to achieving an injury-free workplace. The Company also employs certified safety professionals to ensure compliance with all necessary safety and regulatory requirements. Pason's Canadian operations successfully participates in the Certificate of Recognition programs in each province in which we work.

The Board, through the Corporate Governance and Nominations Committee, has ultimate oversight over the development, implementation and monitoring of the Company's HSE policies and reviews the Company's HSE performance every quarter. The HSE teams utilize a variety of tools to monitor the success of its programs and policies, including both leading and lagging indicators. In 2025, Pason achieved a global Total Recordable Injury Rate (TRIR) of 0.41.

In addition to the health and safety of its own operations, Pason's products and services play a critical role in ensuring the safety of drilling and completions operations for its customers.

Environmental Responsibility

Pason is primarily involved in the development and deployment of hardware and software technology, and as such, its activities produce comparatively low greenhouse gas (GHG) emissions, pollution, or environmental waste. The Company has limited direct water use given it does not use water in any of its hardware or software development processes. Further, the majority of Pason's operations are conducted out of urban office space and as such and have minimal land use or impact on local habitat. Notwithstanding, the Company recognizes the importance of operating sustainably and with a view to minimizing negative environmental impacts.

Further, Pason's products and services play an important role in reducing non-productive time for our customers and in improving the efficiency and effectiveness of drilling and completions operations. As a result, Pason's products and services help reduce the carbon intensity of the overall hydrocarbon extraction process. In addition, since 2016, the Company has been pursuing efforts in the solar and energy storage space, including the formation of ETB in 2019.

Employees

Pason's success is highly dependent on its talented and dedicated workforce. The Company takes great pride in its culture and believes it differentiates Pason from its peers and provides a distinct competitive advantage. Pason has created an energized and focused work environment that empowers each team

member to challenge traditional thinking in an effort to continually stimulate creativity and innovation. The Company continues to find new ways to obtain and attract new talent and establish a more purpose-driven and engaged workforce. Pason's employees are free to perform to their fullest potential in an open and collaborative environment that supports and promotes a healthy lifestyle within and outside the workplace, while abiding by all employment standards, human rights, and privacy protection legislation.

Cybersecurity

Pason's business employs an IT infrastructure to capture, transmit, process, and store significant quantities of electronic information (including drilling and completions data) on behalf of its customers. The Company's IT infrastructure is comprised of hardware, software, networks, data centre facilities, web servers, and related resources, including certain third party service providers.

Pason continues to make meaningful investments in ensuring appropriate levels of security are in place to address relevant cyber risks. The Company makes continued investments in email security, endpoint detection and response software, VPN network access with multi-factor authentication, intrusion prevention systems and firewalls, as well as company-wide security awareness training. Pason employs a risk-based approach, and performs regular penetration testing and vulnerability assessments, and has employed perimeter controls with 24-hour monitoring of network access and security logs. The Company undergoes external audits, such as SOC 1 Type II and SOC 2 Type II, and its cloud-based environment is continuously monitored internally by Pason's security team and externally by a third party provider. Pason has cybersecurity insurance coverage in place and proactive measures and protective controls are actively maintained to minimize access to customer data in the unlikely event that a breach occurs.

Pason has not experienced any material losses relating to cyber attacks or other information security breaches in the last three (3) years. Pason's cyber risk oversight is conducted by the Board's Audit Committee, which receives information security updates from senior leadership on a quarterly basis. Pason uses Bitsight as an independent third party cybersecurity rating to evaluate its cybersecurity performance. In 2025, Pason had an average Bitsight score of 781, which is considered to be advanced.

Business Ethics

Pason is committed to operating responsibly and with integrity through its culture, its Code and Supplier Code (as defined below), and its employment policies and practices. As a Canadian company with operations around the world, Pason places considerable emphasis on developing and maintaining a culture in which employees are free to perform their duties within an environment that is transparent, honest, fair, and complies with all applicable laws and regulations. Because Pason relies on its people to use their judgement and "do the right thing," all employees are expected to use their "right to challenge" any unethical behaviour they encounter. The "right to challenge" is an essential element of Pason's culture and fosters a collaborative work environment where employees are empowered to bring forward any idea, suggestion or concern openly and honestly with their manager, team members, or any other Pason employee.

Pason's Code ensures that every director, executive officer, manager, employee, and contractor complies with the Company's values. The Code describes Pason's core values in various areas, such as: human rights; discrimination and harassment; diversity; safety and health; conflicts of interest; data privacy and security; safeguarding corporate assets; financial reporting and accountability; bribery and corruption; fair dealing; political activities and contributions; gifts and entertainment; complying with laws and regulations; the environment and social responsibility; reporting illegal or unethical behaviour and anti-retaliation. All of Pason's directors, officers, employees and contractors must acknowledge that they have read, understood and will abide by the Code.

In May of 2024, Pason introduced a Supplier Code of Conduct and Ethics (the "**Supplier Code**") to govern the actions of, and the Company's interactions with, manufacturers, distributors, vendors, agents and other suppliers (collectively, "**Suppliers**") that sell goods or services to, or otherwise do business with, Pason. Similar to the Code, the Supplier Code is aligned with Pason's corporate values. Pason expects that its Suppliers comply with all applicable health and safety legislation, take all reasonable measures to eliminate the risk of workplace harm, and adopt and follow a formal health and safety policy. Accordingly, the Supplier Code explicitly prohibits any form of modern slavery, discrimination, abuse or harassment of any kind, as well as bribery and corruption.

Governance

Board of Directors

Pason's by-laws provide that the Board has full, absolute and exclusive power, control, authority and discretion to manage Pason's business and affairs, subject to the rights of Pason's shareholders. Directors are elected at each annual meeting of shareholders for a one-year term or, subject to Pason's constating documents and applicable laws, appointed by the Board to hold office until the next annual meeting. The table below provides information about each director as at December 31, 2025, including their name, place of residence, current position with Pason and principal occupation during the last five years. Any non-executive director who joins the Board on or after August 10, 2021, may serve on the Board for a maximum period of 12 years after his or her initial election by shareholders or appointment by directors.

Name and Residence	Position(s) and Membership(s)	Principal Occupation During the Last Five Years	Director Since
Marcel Kessler British Columbia, Canada	Director since 2012 and Chair of the Board since 2020	Previously CEO and President of GrafTech International Ltd. Currently an Independent Business Advisor.	2012
James Bowzer Colorado, US	Director Member, Audit Committee Member, Corporate Governance and Nomination Committee Member, HR and Compensation Committee	Previously a Director of Bonavista Energy Corporation. Currently an Independent Business Advisor.	2024
Jon Faber Alberta, Canada	Director	Currently President and CEO of Pason.	2020
Sophia Langlois Alberta, Canada	Director Chair, Corporate Governance and Nomination Committee Member, Audit Committee	Currently an Independent Business Advisor.	2024
Ken Mullen Alberta, Canada	Director Chair, Audit Committee Member, HR and Compensation Committee	Previously engaged as a dealing representative with Roundtable Capital Partners Inc. and Barometer Capital Management Inc. Currently a Director of Melamaken Adventures Inc.	2023
Laura Schwinn Maryland, US	Lead Director Chair, HR and Compensation Committee Member, Corporate Governance and Nomination Committee	Previously President of W.R. Grace & Co's Specialty Catalysts. Currently an Independent Business Advisor.	2019

Other Director Information

Except as disclosed below in connection with Loop (as defined below), to the knowledge of the Company, no director or executive officer of Pason is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including Pason), that: (i) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days (an "**Order**") that was issued while the director or executive officer was acting in such capacity; or (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in such a capacity.

Except as disclosed below in connection with Loop, to the knowledge of the Company, no director or executive officer of Pason, and no shareholder holding a sufficient number of securities of Pason to affect materially the control of the Company (i) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including Pason) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or (ii) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

From February 25, 2021 to July 2, 2024, Sophia Langlois was a director of Loop Energy Inc. ("**Loop**"). On July 17, 2024, Loop filed a Notice of Intent seeking approval to Make a Proposal under the Bankruptcy and Insolvency Act ("**NOI**"). On August 20, 2024, the British Columbia Securities Commission issued a failure-to-file cease trade order as a result of Loop's failure to file certain continuous disclosure for the interim period ended June 30, 2024. The NOI enabled Loop to complete the sale of Loop to Teralta Hydrogen Solutions Inc. on November 5, 2024.

No director, executive officer or shareholder of the Company holding a sufficient number of securities of Pason to materially affect the control of the Company has been subject to: (i) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, or has entered into a settlement agreement with a Canadian securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

From time to time, directors and officers may face potential conflicts of interest related to Pason's business. Any such conflicts of interest are subject to, and must be dealt with according to, the procedures and remedies set out in the *Business Corporations Act* (Alberta), as well as Pason's Code. If directors find themselves in a conflict of interest, they are required under the *Business Corporations Act* (Alberta) and the Code to advise the Chair of the Board and abstain from participating in any discussions and voting on the matter or excuse themselves from the meeting.

More information about our approach to governance can be found in Pason's Management Information Circular, dated March 19, 2026 (the "**Information Circular**") available on our website (www.pason.com).

Audit Committee

Pason's Audit Committee has three members consisting, as at December 31, 2025, of Ken Mullen (Chair of Committee), James Bowzer and Sophia Langlois. Each member of the Audit Committee is independent

and no member receives, directly or indirectly, any compensation from Pason other than ordinary course compensation for service as a member of the Board and its committees. All members of the Audit Committee are financially literate as defined under Multilateral Instrument 52-110 *Audit Committees.*

Relevant Education and Experience of Audit Committee Members

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of their responsibilities as an Audit Committee Member are as follows:

Ken Mullen, CPA

Mr. Mullen, 64, of Alberta, Canada, has been a director of Pason since 2023 and a member of Pason's Audit Committee for two years.

Ken Mullen has over 25 years of experience holding various executive and director positions with public and private energy and energy services companies. Ken is currently a director of Melamaken Adventures Inc. He was previously engaged as a dealing representative with Barometer Capital Management Inc. and was a co-founder and President & CEO of Savanna Energy Services Corp. Prior to this, he was President & CEO of Plains Energy Services Ltd. He currently serves on the board of Total Energy Services Inc. Mr. Mullen received his Bachelor of Commerce and Bachelor of Laws degrees from the University of Calgary and holds a Chartered Professional Accountant designation. Mr. Mullen has been granted an ICD.D designation by the Institute of Corporate Directors.

James Bowzer

Mr. Bowzer, 65, of Colorado, US, has been a director of Pason since August of 2024 and a member of Pason's Audit Committee for one year.

James Bowzer has over 35 years of experience in the upstream oil and gas industry. He has served as a director of Bonavista Energy, a private oil exploration & production company which was acquired by Tourmaline Oil in 2023, and Baytex Energy Corp., an oil and gas exploration & production company headquartered in Calgary, Alberta. Mr. Bowzer previously served as President and Chief Executive Officer of Baytex (2012 to 2017) and spent 30 years at Marathon Oil Corporation, an oil and gas exploration & production company headquartered in Houston, Texas, where he served in multiple roles, including Vice President of North American Production Operations and Regional Vice President of International Production (1982 to 2012). Mr. Bowzer holds a Bachelor of Science degree in Petroleum Engineering from the University of Wyoming and completed the Advanced Management Program at the Graduate School of Business at Indiana University.

Sophia Langlois, CPA

Ms. Langlois, 56, of Alberta, Canada, has been a director of Pason since May of 2024 and a member of Pason's Audit Committee for over one year.

Sophia Langlois is a corporate director with over 28 years of experience in the energy sector. As a public company audit partner with KPMG LLP in Calgary (2006 to 2020), she served domestic and international companies including many in the energy services sector. She also led the Corporate Services group for KPMG Calgary and was the KPMG National Audit Partner in charge of People Strategy for three years. Ms. Langlois is presently a board member, Chair of the compensation committee and Chair of the audit committee of Endo, Inc. as well as a board member and Chair of the compensation committee of Alaris Equity Partners. She has been involved with numerous not-for-profit organizations and is presently on the board of Telus Spark Science Centre. She received her Bachelor of Commerce degree from the University of Calgary, holds a Chartered Professional Accountant designation and is a member of the Human

Resources Institute of Alberta. Ms. Langlois has been granted an ICD.D designation by the Institute of Corporate Directors.

Pre-Approval Policies and Procedures

Pason's Audit Committee mandate requires the Audit Committee to pre-approve all non-audit services to be provided to Pason or any of its subsidiaries by the external auditor, provided that the Audit Committee may satisfy the pre-approval requirement by delegating to the committee Chair the authority to pre-approve non-audit services and report to the Audit Committee all pre-approvals. See *Appendix "A"* to this AIF for the full text of Pason's Audit Committee Mandate.

External Fees by Category

Deloitte LLP has served as Pason's external auditor since November 1996. The following table lists the fees incurred with Deloitte LLP, by category, in respect of the last three years:

Service	**2025**	**2024**	**2023**
	($)	($)	($)
Audit	390,500	367,500	330,750
Audit-related [(1)]	63,000	51,975	51,975
Tax [(2)]	167,177	129,457	168,307
Other [(2) (3)]	-	160,703	3,109
Total fees	**620,677**	**709,635**	**554,141**

(1) Assurance services related to review of interim financial statements.

(2) Pason incurred additional Tax and Other fees in 2023 and 2024 in connection with the IWS Acquisition.

(3) Services that do not fall under previous categories.

Executive Officers

The table below provides information about each of Pason's current executive officers, including their names, place of residence, current positions and offices with Pason, and principal occupation during the last five years:

Name and Residence	Executive Office	Principal occupation last five years (if not with Pason)	Officer Since
Jon Faber Alberta, Canada	President and CEO		2014
Celine Boston Alberta, Canada	CFO		2020
Kevin Boston Texas, USA	VP, Commercial		2010
Craig Bye Alberta, Canada	VP, R&D – Cloud Platforms and Applications		2023
Natalie Fenez Alberta, Canada	VP, Legal, Corporate Secretary		2019
Heather Hantos Alberta, Canada	VP, HR		2021
Bryce McLean Alberta, Canada	VP, Operations		2017
Lars Olesen Alberta, Canada	VP, Product & Technology		2017
Russell Smith Texas, USA	VP, International		2010
Ryan van Beurden Alberta, Canada	VP, Rigsite R&D		2017

Share Ownership

As of March 19, 2026, the directors and executive officers of Pason, as a group, beneficially owned, or controlled or directed, directly or indirectly, 149,006 common shares, representing less than 1% of the Company's issued and outstanding common shares. In addition, as a group, executive officers hold options to purchase an additional 1,791,372 common shares.

Risk Factors

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 and Completions 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.

More recently, commodity prices have been negatively affected by a broad range of factors, such as: increased global production levels, lower demand in larger markets (such as the People's Republic of China), the actions of OPEC+, and finally, concerns surrounding the impacts of the decisions made by US President Donald Trump and his administration, including but not limited to, the potential for increased production levels in Venezuela. Oil and natural gas prices are expected to remain volatile as a result of: ongoing tariffs and trade disputes (as further described under the heading *Impact of Tariffs*, below), the continued conflict in Ukraine, concerns around the uncertainty of the Middle Eastern conflict (including the recent escalation of the conflict, which heightens the risk of disruption to key energy infrastructure and international trade corridors), sanctions on Russian oil and natural gas exports, further measures that may be taken by OPEC+, and any significant releases of oil from, or additions to the strategic reserves of, the US and other nations.

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 Israel, Russia, Ukraine or Venezuela. 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.

Geopolitical Risk

Since the last US presidential election, uncertainty has persisted surrounding the policy direction and potential actions that may be taken by the current administration. The Canada-United States-Mexico

Agreement ("**CUSMA**") is scheduled for review in 2026, which further contributes to this uncertainty. Any new political actions taken by the US, or any revisions to CUSMA, may impose additional compliance obligations, increase the cost of imported materials, reduce demand for Pason's services or otherwise affect the Company and/or its customers.

Assets outside of Canada and the US may also 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. As mentioned above, Pason does not have any operations or revenue generated in Israel, Russia, Ukraine or Venezuela. In 2025 Pason made the strategic decision to begin the process of winding up its operations in Mexico. Finally, the Company's Argentinian subsidiary continues to operate 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.

Impact of Tariffs

On April 2, 2025, the US announced extensive international trade policies affecting more than 100 countries globally. In response, several countries announced retaliatory tariff measures against the US.

Pason sources, manufactures and repairs products within both Canada and the US for use across its entire operations. The continued 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, the potential escalation of global tariffs 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. Finally, continued retaliatory tariffs imposed by Canada and other nations on the US could further impact our costs and limit access to key markets, increasing financial and operational challenges.

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.

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.

Cybersecurity

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, cybersecurity 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.

Increased digitization of the Company's products and technology may also create new privacy and security risks that could deter customers or disrupt the Company's operations. If legislation specific to artificial intelligence ("**AI**") or other regulatory changes require modifications to Pason's products, or if Pason is alleged to have used AI or other technologies improperly, customer confidence and demand for Pason's product offerings could be negatively affected. Similarly, Pason cannot guarantee that investments made to stay ahead of technological advances will drive customer adoption of our products, as some customers may be hesitant to increase their operational reliance on new technologies.

Each of the factors listed above could materially affect our business, financial condition, results of operations and cash flows.

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 foregoing, the loss of one or more major customers, further consolidation by E&P companies 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.

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.

Asset Impairment

We assess our capital and intangible assets for impairment regularly in accordance with current accounting standards and practices. These evaluations rely in part on estimates and assumptions determined by management. Incorrect estimates and/or assumptions, and the resulting effects on asset values, could result in non-cash charges against Pason's income.

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.

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.

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.

Risk of Shareholder Activism

Activist shareholders can put pressure on public companies to make drastic changes to their business operations and corporate governance practices. Responding to shareholder activism can be costly, require significant time and attention from management, and could cause harm to Pason's reputation and/or results. Activism can also create uncertainty and could inhibit our ability to direct an appropriate amount of time and resources to the pursuit of new business opportunities.

Share Price Volatility

The market price of Pason's shares fluctuates for many reasons specific to the Company's performance, such as revenue, costs and earnings levels. Additionally, broader market, industry and economic factors outside of the Company's control can also affect our share price. Finally, although our shares currently trade actively in Canada, we cannot assure that the same level of liquidity will be maintained. Broader market

factors, reduced trading activity and/or the potential loss of Pason's listing eligibility could impact the market value of our shares.

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.

Description of Capital Structure

Pason is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. As at December 31, 2025, there were 77,791,365 common shares outstanding and no preferred shares outstanding. On March 19, 2026, there were 77,606,631 common shares outstanding, and no preferred shares outstanding.

Holders of Pason common shares are entitled to receive dividends if, as, and when declared by the Board. The holders of the common shares are entitled to receive notice of and attend all meetings of the Company's shareholders and are entitled to one vote per common share held at all such meetings. In the event of the liquidation, dissolution, or winding up of Pason's operations, or any other distribution of Pason's assets for the purpose of winding up its affairs, Pason's shareholders will be entitled to participate rateably in any such distribution.

Select Pason employees participate in a corporate stock option plan. All options are issued at market price, vest over three years and expire after five years.

Market for Common Shares

Pason's common shares trade on the TSX under the symbol "PSI". The following table summarizes the trading activity for the Company's common shares on the TSX in 2025 and the monthly high and low closing price for our shares.

	TSX (PSI)		
2025	**High ($)**	**Low ($)**	**Volume**
January	14.81	13.19	3,179,063
February	14.00	12.29	2,465,783
March	13.63	11.84	3,368,341
April	13.69	10.43	3,481,523
May	12.29	10.74	3,890,238
June	13.05	12.08	3,174,029
July	13.12	11.53	2,815,528
August	12.08	11.09	3,059,909
September	12.31	11.50	6,936,739
October	12.33	11.33	4,030,172
November	12.53	11.60	4,877,002
December	12.54	11.69	3,731,639

Dividends

The Company does not have a formal dividend policy. The decision to declare and pay dividends and the amount of any dividends is at the sole discretion of the Board, based on various considerations, which may include, without limitation, Pason's financial position, operating results, industry outlook, future capital requirements and the satisfaction of the liquidity and solvency tests imposed by the *Business Corporations Act* for the declaration and payment of dividends.

For the year ended December 31, 2025, the Company paid $40.7 million in dividends to shareholders (2024 - $41.4 million, 2023 - $38.5 million). The amount of cash dividends declared per common share for each of the three most recently completed years is as follows:

Year Ended December 31,	2025	2024	2023
Dividends declared per common share	$0.52	$0.52	$0.48

The Board maintained a quarterly dividend of $0.13 per common share throughout 2025.

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

Normal Course Issuer Bid

Under the terms of the NCIB renewed on December 20, 2025, the Company may purchase for cancellation, from time to time, as the Company considers advisable, up to a maximum of 6,944,596 common shares, which represents 10% of the applicable public float, by December 19, 2026. 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 48,622 common shares. The Company may make one block purchase per calendar week which exceeds the daily purchase limitation.

For the year ended December 31, 2025, the Company purchased 1,792,039 common shares for cancellation for a total cash consideration of $22.0 million.

Credit Facilities

As at December 31, 2025, and as at the date of this AIF, the Company has no interest-bearing debt outstanding. As at December 31, 2025, the Company held $77.1 million in Total Cash.

In connection with the IWS Acquisition, on January 1, 2024, Pason assumed outstanding debt on the 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, an asset-based lending facility (the "**ABL Facility**"). The ABL Facility allows IWS to borrow up to the lesser of: (i) $10.0 million; and (ii) a calculated amount based on eligible accounts receivable and cash outstanding at each reporting period. 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 for working capital purposes, and amounts drawn against it are recorded as long-term debt. IWS can repay, without penalty, advances under the ABL 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.

The Company also has an undrawn $5.0 million demand revolving credit facility (the "**Demand Facility**"), which is unchanged from that reported as of December 31, 2024. Interest is payable monthly on amounts drawn and is based on either the lender's prime rate, US base rate loans, or Bankers' Acceptance rates, plus applicable margins. The Company can repay, without penalty, advances under the Demand Facility. The Demand Facility is secured by a general security agreement on all of the assets of the Company, Pason Systems Corp. and Pason Systems USA Corp. Throughout 2025, and as at December 31, 2025, no amounts were drawn on the Demand Facility.

Further details regarding the ABL Facility and Credit Facility, including their respective financial covenants, are disclosed in the Company's consolidated financial statements for the year ended December 31, 2025.

Material Interests, Experts and Material Contracts

Material Interests

No senior officer, director, associate, or shareholder who beneficially owns, controls or directs, directly or indirectly, more than 10% of our outstanding common shares, or any of their known associates or affiliates, have had a direct or indirect material interest in any transaction affecting Pason, or in any proposed transaction that has had or is reasonably expected to have a material effect on Pason, in the three most recently completed financial years, including the current financial year to the date of this AIF.

Interests of Experts

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation or included in a filing, or referred to in a filing, made under National Instrument 51-102 by us during, or related to, our most recently completed financial year end other than Deloitte LLP, Chartered Professional Accountants, Pason's independent auditors. Deloitte LLP is independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

Material Contracts

Pason's business is not subject to any significant long-term contracts and, therefore, business prospects are generally tied to drilling and completions activity levels in the regions in which the company operates.

Legal Proceedings

The Company may be involved in various claims and litigation arising in the normal course of business. While the outcome of these matters is uncertain and there can be no assurance that such matters will be resolved in Pason's favour, the Company does not currently believe that the outcome of any pending or threatened proceedings related to this patent litigation or other matters, or the amounts that 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.

Other Information

Transfer Agent and Registrar

Odyssey Trust Company is the transfer agent and registrar of Pason's common shares, located at:

Odyssey Trust Company
Trader's Bank Building
702, 67 Yonge Street
Toronto, Ontario M5E 1J8

Additional Information About Pason

Additional information relating to Pason is available on our website (www.pason.com) and on SEDAR+ (www.sedarplus.ca). Copies are also available directly from Pason free of charge by contacting:

Pason Systems Inc.	Email: investorrelations@pason.com
6130, 3rd Street SE	Phone: 403-301-3400
Calgary, Alberta T2K 1H4	Fax: 403-301-3499

Additional information about Pason, including directors' and officers' remuneration, principal holders of Pason's securities and options to purchase securities, can be found in the following documents:

- Pason's Information Circular for the upcoming annual meeting of shareholders which is to be held on May 7, 2026.
- Pason's Annual Report, which contains our annual audited consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2025.

Appendix “A”
Audit Committee Mandate

1. Currency of the Mandate

This mandate was reviewed and approved by the Board of Directors on May 1, 2025.

2. Purpose

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) assists the Board in fulfilling its oversight responsibilities in relation to the review and approval of the financial statements and financial reporting of Pason Systems Inc. (“Pason”) and its subsidiaries including; management’s assessment of internal controls over financial reporting and other internal and disclosure controls, the performance of external and internal audits, compliance with regulatory and reporting requirements, and the risk management systems and procedures of Pason as they relate to presentation and integrity of financial information. The Committee is also directly responsible for overseeing the relationship of the external auditors with Pason, who shall report directly, and be accountable, to the Committee.

3. Membership and Meetings

3.1 Membership

- The Committee shall consist of at least three independent directors, as defined under National Instrument 52-110 – Audit Committees and stock exchange rules.
- Committee members shall be appointed and removed by the Board at its discretion.
- All members must be financially literate, meaning they can read and understand financial statements at a level that enables them to fulfill their responsibilities.
- The Board shall appoint a Committee Chair, who will:
    - Set the tone for the Committee work, ensuring Committee meetings are conducted in an efficient, effective and focused manner.
    - Oversee the logistics of the Committee’s operations in accordance with good governance practices including the schedule and frequency of meetings.
    - Provide leadership to the Committee, assisting the Committee in monitoring its responsibilities and reporting to the Board on the recommendations and decisions of the Committee.
    - Advise the Committee of any finance, accounting or misappropriation matters brought to the Chair’s attention through the Corporations Ethics and Conduct hotline procedures.
    - Ensure Committee meetings are conducted in an effective, efficient and focused manner.

3.2 Meetings

- The Committee shall meet at least quarterly, with additional meetings as needed to fulfill its responsibilities.
- Meetings may be called by the Chair or any Committee member, with reasonable notice provided to all members.
- A majority of the members shall constitute a quorum, and decisions shall be made by majority vote.

- The Committee may meet in separate sessions with management, the external auditor, and internal auditors (if applicable).
- The Committee may invite members of management, external advisors, or other individuals to attend meetings as needed.
- Minutes of all meetings shall be recorded and submitted to the Board for review.

4. Responsibilities

4.1 Financial Statements and Financial Reporting

With respect to financial statements and reporting the Committee shall:

- Review with management and the external auditors, and recommend to the Board for approval, the annual and periodic financial statements of Pason, the reports of the external auditors thereon and related financial reporting, including Management's Discussion and Analysis ("MD&A") and earnings press releases prior to the public disclosure of such information.
- Review with management and recommend to the Board for approval, any financial statements of Pason that have not previously been approved by the Board and are to be included in a prospectus of Pason or other documents required by applicable securities law.
- Review with management, management's internal control reports of Pason and the related required disclosures, if any, as required by applicable securities laws, rules and guidelines.
- Review accounting, tax and financial aspects of the operations of Pason and the reporting thereon as the Committee considers appropriate.
- Consider and be satisfied that appropriate processes are in place with respect to applicable certification requirements regarding Pason's annual and interim financial statements and other disclosure.
- Consider and be satisfied that adequate procedures are in place for the review of Pason's public disclosure of financial information extracted or derived from Pason's financial statements and periodically assess the adequacy of such procedures.
- Review with management, the external auditors, and, if necessary, legal counsel, any litigation, claim or contingency, including legal, regulatory compliance and tax assessments that could have a material effect upon the financial position of Pason, and the manner in which these matters may be, or have been, disclosed in the financial statements.
- Review accounting principles and changes thereto, significant accruals, reserves or other estimates, accounting treatment of unusual or non-recurring transactions, compliance with covenants under loan agreements, disclosure requirements for commitments and contingencies and other accounting and auditing principles and practices including off balance sheet items.
- Review with management and recommend to the Board for approval, Pason's Annual Information Form.

4.2 Relationship with External Auditors

With respect to matters concerning the external auditors the Committee shall:

- Review and evaluate the external auditors, including the lead partner's performance, assuring rotation of the lead partner and make a recommendation to the Board as to the appointment or re-

appointment of the external auditors, ensuring that such auditors are participants in good standing pursuant to applicable securities laws.

- Meet regularly with external auditors without management present.
- Consider and make a recommendation to the Board as to the compensation of the external auditors.
- Review and approve the annual audit plan of the external auditors.
- Oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit work, reviews or attesting services, including review of post audit management letters and the resolution of any disagreements between management and the external auditors.
- Review and discuss with the external auditors all significant relationships that the external auditors and their affiliates have with Pason and their affiliates in order to determine the external auditors' independence, including, without limitation, (a) requesting, receiving and reviewing, on a periodic basis, a formal written statement from the external auditors delineating all relationships that may reasonably be thought to bear on the independence of the external auditors with respect to Pason, (b) discussing with the external auditors any disclosed relationships or services that the external auditors believe may affect the objectivity and independence of the external auditors, and (c) recommending that the Board take appropriate action in response to the external auditors' report to satisfy itself of the external auditors' independence.
- As may be required by applicable securities laws, rules and guidelines, either:
    - Pre-approve all non-audit services and the fees for such services, to be provided by the external auditors to Pason or its subsidiaries, or in the case of de minimus non-audit services, approve such non-audit services prior to the completion of the audit; or
    - Adopt specific policies and procedures for the engagement of the external auditors for the purpose of the provision of non-audit services.
- Review and approve the hiring policies of Pason regarding partners, former partners, employees and former employees of the present and former external auditors of Pason.

4.3 Internal Controls

With respect to internal controls the Committee shall:

- Review the appropriateness of the accounting practices and policies of Pason and review any proposed changes thereto.
- Review with management and the external auditors, the adequacy and effectiveness of the internal control and management information systems and procedures of Pason (with particular attention given to accounting, financial statements, financial reporting matters and antifraud processes) and satisfy itself that Pason is in compliance with applicable legal and regulatory requirements and relevant Pason policies.
- Review with management the adequacy and effectiveness of the internal controls and procedures of Pason with respect to information technology, information systems and cybersecurity risks of Pason.
- Review the external auditors' recommendations regarding any matters, including internal control and management information systems and procedures, and management's responses thereto.

- Review with management, on at least an annual basis, their approach to monitoring the performance of the internal controls over financial reporting in accordance with their CEO/CFO certification process, and any as required by applicable securities laws, rules and guidelines.
- Be responsible for monitoring the Ethics Hotline for financial matters and report any material findings to the Board with recommended course of action.
- Establish procedures for the receipt, retention and treatment of complaints, submissions and concerns, by employees or otherwise, regarding financial reporting and disclosure, accounting, internal accounting controls or auditing matters on an anonymous and confidential basis.
- Review policies and practices concerning the expenses and perquisites of the Chairman and CEO, including the use of the assets of Pason.
- Review with external auditors any corporate transactions in which directors or officers of Pason have a personal interest.

4.4 Financial Risk Management

With respect to managing risks the Committee shall:

- Review with management and the external auditors the significant financial risks and exposures of Pason.
- Review and assess the steps, policies and procedures management has taken to mitigate such risks including insurance policies and coverage.
- Report the results of such reviews to the Board for the purpose of assisting the Board in identifying the principal business risks associated with the businesses of Pason and assessing Pason's risk management policies and procedures.
- Review and, if advisable, approve policies and procedures with respect to officers' and directors' expenses and perquisites and consider the results of any review of these areas by the internal or external auditors.

4.5 Cybersecurity, Information Security, and Data Protection

The Committee will oversee, periodically review with management, and, as appropriate, make recommendations to the Board concerning the adequacy and effectiveness of Pason's cybersecurity, information and technology security, and data protection programs, procedures, and policies.

4.6 Related Party Transactions.

The Committee will oversee, periodically review, and, as appropriate, make recommendations to the Board concerning relevant related party transactions governed by applicable accounting standards as described in Pason's Related Party Transactions Policy (other than conflicts of interest addressed by the Corporate Governance and Nomination Committee).

5. Authority and Resources

- The Committee has the authority to retain and approve compensation for independent advisors, as necessary to fulfill its duties.

6. Reporting, Revisions and Limitation

- The Committee shall report regularly to the Board on its activities, findings, and recommendations.
- The Committee shall review and assess this mandate annually and recommend any updates to the Board.
- Nothing in this Mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard required by law.

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6130 Third Street SE · Calgary, Alberta · T2H 1K4 · Telephone 403-301-3400 · Fax 403-301-3499
www.pason.com