# Condensed Consolidated Interim Financial Statements and Notes

## Condensed Consolidated Interim Balance Sheets

| As at | Note* | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| (CDN 000s) (unaudited) | | ($) | ($) |
| **Assets** | | | |
| Current | | | |
| Cash and cash equivalents | 4 | **72,785** | 75,705 |
| Short-term investments | 5 | **744** | 1,430 |
| Trade and other receivables | | **85,018** | 76,962 |
| Prepaid expenses | | **6,744** | 8,459 |
| Inventory | | **20,548** | 19,368 |
| Income taxes recoverable | | **379** | 292 |
| **Total current assets** | | **186,218** | 182,216 |
| Non-current | | | |
| Deferred tax asset | | **4,653** | 3,486 |
| Property, plant and equipment | | **203,152** | 203,852 |
| Investments | 7 | **2,675** | 3,294 |
| Intangible assets and goodwill | | **202,828** | 204,106 |
| **Total non-current assets** | | **413,308** | 414,738 |
| **Total assets** | | **599,526** | 596,954 |
| **Liabilities and equity** | | | |
| Current | | | |
| Trade payables and accruals | | **69,051** | 71,172 |
| Income taxes payable | | **6,696** | 10,376 |
| Stock-based compensation liability | 11 | **5,789** | 3,924 |
| Lease liability | | **2,857** | 2,480 |
| Obligation under put option | 8 | **3,913** | 3,848 |
| **Total current liabilities** | | **88,306** | 91,800 |
| Non-current | | | |
| Deferred tax liability | | **2,850** | 3,187 |
| Lease liability | | **25,316** | 25,049 |
| Stock-based compensation liability | 11 | **6,761** | 4,799 |
| **Total non-current liabilities** | | **34,927** | 33,035 |
| **Equity** | | | |
| Share capital | 10 | **165,404** | 165,133 |
| Share-based benefits reserve | | **41,400** | 41,067 |
| Foreign currency translation reserve | | **48,089** | 44,365 |
| Equity reserve | | **(8,375)** | (8,375) |
| Retained earnings | | **240,480** | 240,050 |
| **Total equity attributable to equity holders of the Company** | | **486,998** | 482,240 |
| Non-controlling interest | | **(10,705)** | (10,121) |
| **Total equity** | | **476,293** | 472,119 |
| **Total liabilities and equity** | | **599,526** | 596,954 |

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

# Condensed Consolidated Interim Statements of Operations

| Three Months Ended March 31, | Note* | 2026 | 2025 |
|---|---|---|---|
| (CDN 000s, except per share data) (unaudited) | | ($) | ($) |
| **Revenue** | | **102,444** | 113,177 |
| Operating expenses | | **40,897** | 43,923 |
| Depreciation and amortization | | **16,062** | 14,184 |
| | | **56,959** | 58,107 |
| **Gross profit** | | **45,485** | 55,070 |
| **Other expenses** | | | |
| Research and development | | **13,321** | 13,577 |
| Selling, general, and administrative | | **10,069** | 10,695 |
| Stock-based compensation | 11 | **4,332** | 2,892 |
| Other expenses | 13 | **1,005** | 46 |
| | | **28,727** | 27,210 |
| **Income before income taxes** | | **16,758** | 27,860 |
| Income tax provision | | **4,356** | 8,214 |
| **Net income** | | **12,402** | 19,646 |
| **Net income (loss) attributable to:** | | | |
| Shareholders of Pason | | **13,043** | 20,009 |
| Non-controlling interest | | **(641)** | (363) |
| **Net income** | | **12,402** | 19,646 |
| **Income per share** | 14 | | |
| Basic | | **0.17** | 0.25 |
| Diluted | | **0.17** | 0.25 |

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# Condensed Consolidated Interim Statements of Other Comprehensive Income

| Three Months Ended March 31, | Note* | 2026 | 2025 |
|---|---|---|---|
| (CDN 000s) (unaudited) | | ($) | ($) |
| **Net income** | | **12,402** | 19,646 |
| Items that may be reclassified subsequently to net income: | | | |
| Foreign currency translation adjustment | | **3,781** | 644 |
| **Other comprehensive income** | | **3,781** | 644 |
| **Total comprehensive income** | | **16,183** | 20,290 |
| **Total comprehensive income (loss) attributed to:** | | | |
| **Shareholders of Pason** | | **16,767** | 20,606 |
| **Non-controlling interest** | | **(584)** | (316) |
| **Total comprehensive income** | | **16,183** | 20,290 |

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

# Condensed Consolidated Interim Statements of Changes in Equity

| | Note* | Share Capital | Share-Based Benefits Reserve | Foreign Currency Translation Reserve | Equity Reserve | Retained Earnings | **Total Equity Attributable to Pason** | Non-Controlling Interest | **Total Equity** |
|---|---|---|---|---|---|---|---|---|---|
| (CDN 000s) (unaudited) | | ($) | ($) | ($) | ($) | ($) | ($) | ($) | ($) |
| **Balance at December 31, 2024** | | 167,801 | 38,804 | 58,715 | (8,375) | 247,468 | **504,413** | (8,740) | **495,673** |
| Net income (loss) | | — | — | — | — | 20,009 | **20,009** | (363) | **19,646** |
| Dividends | 10 | — | — | — | — | (10,309) | **(10,309)** | — | **(10,309)** |
| Other comprehensive income | | — | — | 597 | — | — | **597** | 47 | **644** |
| Exercise of stock options | 10 | 81 | (16) | — | — | — | **65** | — | **65** |
| Expense related to stock options | | — | 605 | — | — | — | **605** | — | **605** |
| Shares cancelled under NCIB | 10 | (993) | — | — | — | (5,007) | **(6,000)** | — | **(6,000)** |
| Liability for automatic share purchase plan commitment pursuant to NCIB | 10 | (159) | — | — | — | (841) | **(1,000)** | — | **(1,000)** |
| **Balance at March 31, 2025** | | 166,730 | 39,393 | 59,312 | (8,375) | 251,320 | **508,380** | (9,056) | **499,324** |
| Net income (loss) | | — | — | — | — | 33,143 | **33,143** | (1,187) | **31,956** |
| Dividends | 10 | — | — | — | — | (30,417) | **(30,417)** | — | **(30,417)** |
| Other comprehensive income | | — | — | (14,947) | — | — | **(14,947)** | 122 | **(14,825)** |
| Exercise of stock options | 10 | 1,404 | (274) | — | — | — | **1,130** | — | **1,130** |
| Expense related to stock options | | — | 1,948 | — | — | — | **1,948** | — | **1,948** |
| Shares cancelled under NCIB | 10 | (2,804) | — | — | — | (13,193) | **(15,997)** | — | **(15,997)** |
| Liability for automatic share purchase plan commitment pursuant to NCIB | 10 | (197) | — | — | — | (803) | **(1,000)** | — | **(1,000)** |
| **Balance at December 31, 2025** | | 165,133 | 41,067 | 44,365 | (8,375) | 240,050 | **482,240** | (10,121) | **472,119** |
| Net income (loss) | | — | — | — | — | 13,043 | **13,043** | (641) | **12,402** |
| Dividends | 10 | — | — | — | — | (10,088) | **(10,088)** | — | **(10,088)** |
| Other comprehensive income | | — | — | 3,724 | — | — | **3,724** | 57 | **3,781** |
| Exercise of stock options | 10 | 746 | (167) | — | — | — | **579** | — | **579** |
| Expense related to stock options | | — | 500 | — | — | — | **500** | — | **500** |
| Shares cancelled under NCIB | 10 | (570) | — | — | — | (2,809) | **(3,379)** | — | **(3,379)** |
| Liability for automatic share purchase plan commitment pursuant to NCIB | 10 | 356 | — | — | — | 1,644 | **2,000** | — | **2,000** |
| Liability for automatic share purchase plan commitment pursuant to NCIB | 10 | (261) | — | — | — | (1,360) | **(1,621)** | — | **(1,621)** |
| **Balance at March 31, 2026** | | **165,404** | **41,400** | **48,089** | **(8,375)** | **240,480** | **486,998** | **(10,705)** | **476,293** |

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

# Condensed Consolidated Interim Statements of Cash Flows

| **Three Months Ended March 31,** | Note* | **2026** | 2025 |
|---|---|---|---|
| (CDN 000s) (unaudited) | | **($)** | ($) |
| **Cash from (used in) operating activities** | | | |
| Net income | | **12,402** | 19,646 |
| Adjustment for non-cash items: | | | |
| Depreciation and amortization | | **16,062** | 14,184 |
| Stock-based compensation | 11 | **4,332** | 2,892 |
| Deferred income taxes | | **(1,547)** | (1,183) |
| Unrealized foreign exchange loss and other | | **675** | 1,004 |
| **Funds flow from operations** | | **31,924** | 36,543 |
| Movements in non-cash working capital items: | | | |
| (Increase) decrease in trade and other receivables | | **(8,056)** | 187 |
| Decrease in prepaid expenses | | **1,715** | 2,734 |
| Increase in income taxes payable / recoverable | | **5,809** | 9,621 |
| Decrease in trade payables, accruals and stock-based compensation liability | | **(1,954)** | (3,905) |
| (Increase) decrease in inventory | | **(1,180)** | 1,133 |
| Effects of exchange rate changes | | **2,255** | 105 |
| **Cash generated from operating activities** | | **30,513** | 46,418 |
| Income tax paid | | **(9,576)** | (6,476) |
| **Net cash from operating activities** | | **20,937** | 39,942 |
| **Cash flows (used in) from financing activities** | | | |
| Proceeds from exercise of stock options | 10 | **579** | 65 |
| Payment of dividends | 10 | **(10,088)** | (10,309) |
| Repurchase and cancellation of shares under NCIB | 10 | **(3,379)** | (6,000) |
| Repayment of lease liability | | **(910)** | (558) |
| **Net cash (used in) financing activities** | | **(13,798)** | (16,802) |
| **Cash flows (used in) from investing activities** | | | |
| Maturity of short-term investments | 5 | **695** | 513 |
| Additions to property, plant and equipment | | **(11,908)** | (15,749) |
| Development costs | | **(1,448)** | (1,440) |
| Proceeds on disposal of property, plant and equipment | | **1,129** | 611 |
| Changes in non-cash working capital | | **(169)** | (130) |
| **Net cash (used in) investing activities** | | **(11,701)** | (16,195) |
| Effect of exchange rate on cash and cash equivalents | | **1,642** | 230 |
| **Net increase (decrease) in cash and cash equivalents** | | **(2,920)** | 7,175 |
| **Cash and cash equivalents, beginning** | | **75,705** | 77,197 |
| **Cash and cash equivalents, ending** | 4 | **72,785** | 84,372 |

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

# Notes to Condensed Consolidated Interim Financial Statements

(CDN 000s, except per share data)

## 1. Description of Business

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

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

## 2. Basis of Preparation

**Statement of compliance**

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with the requirements of International Accounting Standard ("IAS") 34, Interim Financial Reporting and include the accounts of Pason and its wholly owned subsidiaries. All significant intercompany balances and transactions including revenue and expenses have been eliminated. These Condensed Consolidated Interim Financial Statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2025.

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

## 3. Material Accounting Policies

The selection and application of material accounting policies have been deemed appropriate. The Company’s material accounting policies and their method of application have been applied on a basis consistent with that of the audited financial statements as at and for the year ended December 31, 2025.

**Future Accounting Standards:**

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

**IFRS 18 - Presentation and Disclosures in Financial Statements**

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

## 4. Cash and Cash Equivalents

| As at | March 31, 2026 | December 31, 2025 |
|---|---|---|
| | ($) | ($) |
| Cash | **52,285** | 50,940 |
| Cash equivalents | **20,500** | 24,765 |
| **Cash and cash equivalents** | **72,785** | 75,705 |

As at March 31, 2026, the Company's cash equivalents are invested in money market funds with interest rates averaging 2.4% (2025: 3.4%).

## 5. Short-Term Investments

| As at | March 31, 2026 | December 31, 2025 |
|---|---|---|
| | ($) | ($) |
| **Short-term investments** | **744** | 1,430 |

In 2024, the Company invested in US dollar denominated bonds issued by the Central Bank of the Argentine Republic's (BCRA) for the Recovery of a Free Argentina (BOPREAL) program. These bonds are classified as short-term investments within the Condensed Consolidated Interim Balance Sheets with gains and losses due to foreign exchange revaluation recognized in other comprehensive income. During the three months ended March 31, 2026, $695 were redeemed for cash.

## 6. Seasonality

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

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

## 7. Investments

As at March 31, 2026, investments are comprised of the Company's 50% interest in Rawabi Pason Company ("Rawabi JV"). Rawabi JV is a provider of specialized data management systems for drilling rigs in the Kingdom of Saudi Arabia.

## 8. Obligation Under Put Option

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

# 9. Credit Facilities

As at March 31, 2026, the Company does not have any interest bearing debt outstanding, consistent with December 31, 2025.

As at March 31, 2026, the Company has the following undrawn credit facilities in place:

**Demand Facility**

The Company has an undrawn $5,000 demand revolving credit facility (the "Demand Facility"), which is unchanged from December 31, 2025.

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

**ABL Facility**

The Company also has an undrawn asset based lending facility (the "ABL Facility"). The ABL Facility allows the Company to borrow up to the lesser of $10,000, and a calculated amount based on eligible accounts receivable and cash outstanding at each reporting period. As at March 31, 2026, the available balance on the ABL Facility is $10,000.

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

# 10. Share Capital

**Common shares**

| | **Three Months Ended March 31, 2026** | | Year Ended December 31, 2025 | |
|---|---|---|---|---|
| | **($)** | **(#)** | ($) | (#) |
| **Balance, beginning** | **165,133** | **77,791,365** | 167,801 | 79,426,065 |
| Exercise of stock options | **746** | **54,457** | 1,485 | 157,339 |
| Shares repurchased and cancelled under NCIB | **(570)** | **(267,500)** | (3,797) | (1,792,039) |
| Reversal of prior period liability for APP commitment pursuant to NCIB | **356** | **—** | — | — |
| Liability for automatic share purchase plan commitment pursuant to NCIB | **(261)** | **—** | (356) | — |
| **Balance, ending** | **165,404** | **77,578,322** | 165,133 | 77,791,365 |

At March 31, 2026, the Company was authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series.

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

**Common share dividends**

For the three months ended March 31, 2026, the Company declared and paid dividends of $10,088 (first quarter of 2025: $10,309) or $0.13 per common share (first quarter of 2025: $0.13).

### Normal Course Issuer Bid ("NCIB")

On December 16, 2025, the Company announced the renewal of its NCIB commencing on December 20, 2025, and expiring on December 19, 2026. Under the renewed NCIB, the Company may purchase for cancellation, as the Company considers advisable, up to a maximum of 6,944,596 common shares, which represents approximately 10% of the applicable public float at the time of renewal.

The actual number of common shares that may be purchased for cancellation and the timing of any such purchases will be determined by the Company, subject to a maximum daily purchase limitation of 48,622 common shares. The Company may make one block purchase per calendar week which exceeds the daily purchase restriction.

For the three months ended March 31, 2026, the Company repurchased 267,500 (first quarter of 2025 - 470,400) shares for cancellation for total cash consideration of $3,379 (first quarter of 2025 - $6,000). The total consideration is allocated between share capital and retained earnings.

## 11. Stock-Based Compensation

### Stock option plan

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

| | **Three Months Ended March 31, 2026** | | Twelve Months Ended December 31, 2025 | |
|---|---|---|---|---|
| | **Share Options** | **Weighted Average Exercise Price** | Share Options | Weighted Average Exercise Price |
| | **(#)** | **($)** | (#) | ($) |
| **Outstanding, beginning** | **3,592,908** | **13.62** | 2,811,651 | 13.77 |
| Granted | **—** | **—** | 967,644 | 12.21 |
| Exercised | **(54,457)** | **10.63** | (157,339) | 7.55 |
| Expired or forfeited | **—** | **—** | (29,048) | 14.52 |
| **Outstanding, ending** | **3,538,451** | **13.66** | 3,592,908 | 13.62 |
| **Exercisable, ending** | **1,761,528** | **14.14** | 1,815,895 | 14.04 |
| **Available for grant, ending** | **1,892,032** | | 1,852,488 | |

### Restricted share units plan

RSUs vest over three years and upon vesting will entitle the holder to a cash payment based upon the corresponding market value of the Company’s common shares. Starting with 2025 grants, throughout the vesting period, holders of the RSUs will be entitled to the dividend equivalents in the form of additional RSUs on each of the Company's dividend payment dates, to be held in the RSU account until such time as the awards have vested.

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

| | **Three Months Ended March 31, 2026** | Twelve Months Ended December 31, 2025 |
|---|---|---|
| | **(#)** | (#) |
| **RSUs, beginning** | **1,441,031** | 1,114,677 |
| Granted | **8,373** | 864,306 |
| Vested and paid | **—** | (495,289) |
| Forfeited | **(4,189)** | (42,663) |
| **RSUs, ending** | **1,445,215** | 1,441,031 |

### Deferred share units plan

DSUs are awarded annually to members of the Board of Directors and represent cash settled rights to share values based on the number of DSUs outstanding. DSUs are credited evenly following the year in which they are awarded. DSUs vest and are paid upon the retirement of the Director. Throughout the vesting period, holders of the DSUs will be entitled to the dividend equivalents in the form of additional DSUs on each of the Company's dividend payment dates, to be held in the DSU account until such time as the awards have vested.

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

| | **Three Months Ended March 31, 2026** | Twelve Months Ended December 31, 2025 |
|---|---|---|
| | **(#)** | (#) |
| **DSUs, beginning** | **268,158** | 405,496 |
| Credited | **34,768** | 72,988 |
| Redeemed and paid | **—** | (210,326) |
| **DSUs, ending** | **302,926** | 268,158 |

### Performance share units plan

The Company has a PSU plan for Executive Officers of the Company. PSUs are awarded annually and the number of PSUs awarded shall be equal to one PSU for each $1.00 of grant value determined by the Board of Directors on such date. PSUs awarded vest at the end of the third anniversary date. Upon vesting, PSUs entitle the holder to receive a cash payment calculated based upon the number of PSUs vested and a multiplier which is based on the achievement of certain performance measures and objectives specified by the Board of Directors. The applicable multiplier can range from zero percent to 200 percent. Starting with 2025 grants, throughout the vesting period, holders of the PSUs will be entitled to the dividend equivalents in the form of additional PSUs on each of the Company's dividend payment dates, to be held in the PSU account until such time as the awards have vested.

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

| | **Three Months Ended March 31, 2026** | Twelve Months Ended December 31, 2025 |
|---|---|---|
| | **(#)** | (#) |
| **PSUs, beginning** | **4,152,962** | 3,497,379 |
| Granted | **16,443** | 1,697,089 |
| Vested and paid | **—** | (1,041,506) |
| **PSUs, ending** | **4,169,405** | 4,152,962 |

### Stock-based compensation expense and liability

For the three months ended March 31, 2026, the Company recorded $4,332 of stock-based compensation expense for its equity and cash settled plans (first quarter of 2025: $2,892 expense). As at March 31, 2026, the Company held $5,789 in current stock-based compensation liability and $6,761 in non-current stock-based compensation liability for its cash settled plans (as at December 31, 2025: $3,924 and $4,799, respectively).

## 12. Operating Segments

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

| Three Months Ended March 31, 2026 | North American Drilling | International Drilling | Completions | Solar and Energy Storage | Total |
|---|---|---|---|---|---|
| | ($) | ($) | ($) | ($) | ($) |
| Revenue | **69,814** | **11,726** | **15,048** | **5,856** | **102,444** |
| Operating expenses | **20,703** | **5,655** | **8,401** | **6,138** | **40,897** |
| Depreciation and amortization | **7,411** | **1,038** | **7,509** | **104** | **16,062** |
| Segment gross profit (loss) | **41,700** | **5,033** | **(862)** | **(386)** | **45,485** |
| Research and development | | | | | **13,321** |
| Selling, general, and administrative | | | | | **10,069** |
| Stock-based compensation | | | | | **4,332** |
| Other expenses | | | | | **1,005** |
| Income tax provision | | | | | **4,356** |
| Net income | | | | | **12,402** |
| Net income attributable to Pason | | | | | **13,043** |
| Capital expenditures | **7,203** | **401** | **5,752** | **—** | **13,356** |
| **As at March 31, 2026** | | | | | |
| Property plant and equipment | **123,401** | **13,282** | **64,373** | **2,096** | **203,152** |
| Intangible assets | **6,764** | **—** | **36,564** | **—** | **43,328** |
| Goodwill | **8,842** | **2,600** | **124,427** | **23,631** | **159,500** |
| Segment assets | **240,375** | **67,621** | **259,403** | **32,127** | **599,526** |
| Segment liabilities | **75,265** | **6,830** | **21,170** | **19,968** | **123,233** |

| Three Months Ended March 31, 2025 | North American Drilling | International Drilling | Completions | Solar and Energy Storage | Total |
|---|---|---|---|---|---|
| | ($) | ($) | ($) | ($) | ($) |
| Revenue | 75,772 | 13,989 | 16,013 | 7,403 | 113,177 |
| Operating expenses | 21,374 | 7,249 | 8,759 | 6,541 | 43,923 |
| Depreciation and amortization | 7,593 | 941 | 5,632 | 18 | 14,184 |
| Segment gross profit | 46,805 | 5,799 | 1,622 | 844 | 55,070 |
| Research and development | | | | | 13,577 |
| Selling, general, and administrative | | | | | 10,695 |
| Stock-based compensation | | | | | 2,892 |
| Other expenses | | | | | 46 |
| Income tax provision | | | | | 8,214 |
| Net income | | | | | 19,646 |
| Net income attributable to Pason | | | | | 20,009 |
| Capital expenditures | 9,550 | 649 | 6,990 | — | 17,189 |
| **As at March 31, 2025** | | | | | |
| Property plant and equipment | 120,055 | 15,747 | 59,760 | 2,922 | 198,484 |
| Intangible assets | 4,600 | — | 45,823 | 583 | 51,006 |
| Goodwill | 8,203 | 2,600 | 124,427 | 24,388 | 159,618 |
| Segment assets | 276,749 | 79,217 | 225,762 | 37,081 | 618,809 |
| Segment liabilities | 80,026 | 7,226 | 16,623 | 15,610 | 119,485 |

# 13. Other (Income) Expenses

| Three Months Ended March 31, | 2026 | 2025 |
|---|---|---|
| | **($)** | ($) |
| Net interest expense (income) | **376** | (512) |
| Foreign exchange loss (gain) | **605** | (170) |
| Equity investment (income) | **(38)** | (230) |
| Other expenses | **62** | 958 |
| **Total other expenses** | **1,005** | 46 |

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

Other expenses in the three months ended March 31, 2025 includes costs associated with the Company's intellectual property litigation, which has since been settled per the settlement agreement announced on December 8, 2025 ending all ongoing and pending intellectual property litigation between the involved parties. Other expenses also includes non-recurring severance related costs.

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

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

# 14. Income Per Share

### Basic income per share

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

| Three Months Ended March 31, | 2026 | 2025 |
|---|---|---|
| | **(#)** | **(#)** |
| Issued common shares outstanding, beginning | **77,791,365** | 79,426,065 |
| Effect of NCIB and exercised options | **(110,375)** | (113,552) |
| **Weighted average number of common shares (basic)** | **77,680,990** | 79,312,513 |

### Diluted income per share

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

| Three Months Ended March 31, | 2026 | 2025 |
|---|---|---|
| | **(#)** | (#) |
| Weighted average number of common shares (basic) | **77,680,990** | 79,312,513 |
| Effect of share options | **78,391** | 155,367 |
| **Weighted average number of common shares (diluted)** | **77,759,381** | 79,467,880 |

For the three months ended March 31, 2026, 2,180,557 (2025 - 2,200,107) options are excluded from the above calculation as their effect would have been anti-dilutive. The average market value of the Company’s shares for purposes of calculating the dilutive effect of share options was based on quoted market prices during the period.

## 15. Commitments & Contingencies

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

## 16. Approval of Financial Statements

These Condensed Consolidated Interim Financial Statements were approved by the Board of Directors on May 7, 2026.

## 17. Events After the Reporting Period

**Dividend Declared**

On May 7, 2026, the Company declared a quarterly dividend of $0.13 per share on the Company's common shares. The dividend will be paid on June 30, 2026 to shareholders of record at the close of business on June 16, 2026.

**Amended Credit Facility**

Subsequent to March 31, 2026, the Company and Pason Systems Corp. (collectively, the "Borrowers") entered into a new amended and restated loan agreement (the "Credit Facility") to replace both the existing $5,000 Demand Facility as well as the $10,000 ABL Facility assumed through the acquisition of IWS in 2024. The ABL facility will be cancelled within 60 days of the closing date on the new Credit Facility agreement of May 6, 2026.

The Credit Facility is secured by guarantees and security agreements of the Borrowers and certain material subsidiaries.

Under the Credit Facility, the Borrowers have a $30,000 revolving demand line of credit for working capital purposes. Advances bear interest at variable rates based on RBP, RBUSBR, CORRA or SOFR plus applicable margins. The Borrowers can repay, without penalty, advances under the facility.

Under the Credit Facility, the Company is subject to the following financial covenant:

- The ratio of Senior Secured Net Funded Debt to trailing EBITDA must not exceed 2.50:1.00

The execution of the Credit Facility occurred after the reporting date and relates to conditions arising subsequent to March 31, 2026. Accordingly, this event has been treated as a non-adjusting subsequent event, and no adjustments have been made to the condensed interim financial statements.

# Corporate Information

## Directors

**Marcel Kessler**[1]
Independent Business Advisor
British Columbia, Canada

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

**Laura Schwinn**[4][7][8]
Independent Business Advisor
Maryland, USA

**Ken Mullen**[2][5]
Director
Melamaken Adventures Inc.
Alberta, Canada

**Sophia Langlois**[3][6]
Independent Business Advisor
Alberta, Canada

**James Bowzer**[3][5][7]
Independent Business Advisor
Colorado, USA

## Officers & Key Personnel

**Jon Faber**
President
& Chief Executive Officer

**Celine Boston**
Chief Financial Officer

**Kevin Boston**
Vice President, Commercial

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

**Natalie Fenez**
Vice President, Legal & Corporate Secretary

**Heather Hantos**
Vice President, Human Resources

**Bryce McLean**
Vice President, Operations

**Lars Olesen**
Vice President, Product & Technology

**Russell Smith**
Vice President, International

**Ryan Van Beurden**
Vice President, Rig-site Research & Development

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

## Corporate Head Office

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

## Auditors

**Deloitte LLP**
Calgary, Alberta

## Banker

**Royal Bank of Canada**
Calgary, Alberta

## Registrar and Transfer Agent

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

## Stock Trading

**Toronto Stock Exchange**
Trading Symbol: PSI.TO

**OTC Markets Group**
Trading Symbol: PSYTF

## Eligible Dividend Designation

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