Press Release

Pason Reports First Quarter 2026 Results and Declares Quarterly Dividend

FOR IMMEDIATE RELEASE

CALGARY, Alberta (May 7, 2026) – Pason Systems Inc. ("Pason" or the "Company") (TSX:PSI) announced today its 2026 first quarter results and the declaration of a quarterly dividend. The following news release should be read in conjunction with the Company's Management Discussion and Analysis ("MD&A"), the Condensed Consolidated Interim Financial Statements and related notes for the three months ended March 31, 2026, as well as the Annual Information Form for the year ended December 31, 2025. All of these documents are available on SEDAR+ at www.sedarplus.ca.

Financial Highlights

	Three Months Ended March 31,		
	2026	2025	Change
(000s, except per share data)	**($)**	($)	(%)
North American Drilling Revenue	**69,814**	75,772	(8)
International Drilling Revenue	**11,726**	13,989	(16)
Completions Revenue	**15,048**	16,013	(6)
Solar and Energy Storage Revenue	**5,856**	7,403	(21)
Total Revenue	**102,444**	113,177	(9)
Adjusted EBITDA [1]	**38,195**	45,212	(16)
As a % of revenue	**37.3**	39.9	(260) bps
Funds flow from operations	**31,924**	36,543	(13)
Per share – basic	**0.41**	0.46	(11)
Per share – diluted	**0.41**	0.46	(11)
Cash from operating activities	**20,937**	39,942	(48)
Net capital expenditures [2]	**12,396**	16,708	(26)
Free cash flow [1]	**8,541**	23,234	(63)
Cash dividends declared (per share)	**0.13**	0.13	—
Net income	**12,402**	19,646	(37)
Net income attributable to Pason	**13,043**	20,009	(35)
Per share – basic	**0.17**	0.25	(32)
Per share – diluted	**0.17**	0.25	(32)

As at	**March 31, 2026**	December 31, 2025	Change
(CDN 000s)	**($)**	($)	(%)
Cash and cash equivalents	**72,785**	75,705	(4)
Short-term investments	**744**	1,430	(48)
Total Cash [1]	**73,529**	77,135	(5)
Working capital	**97,912**	90,416	8
Total interest bearing debt	**—**	—	—
Shares outstanding end of period (#)	**77,578,322**	77,791,365	—

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

(2) Includes additions to property, plant, and equipment, development costs and changes in non-cash working capital, net of proceeds on disposal from Pason's Condensed Consolidated Interim Statements of Cash Flows

Pason's financial results for the three months ended March 31, 2026 reflect challenging industry conditions within its drilling and completions segments. For the three months ended March 31, 2026, Pason generated $102.4 million of revenue, a 9% decrease from $113.2 million recorded in 2025 driven primarily by lower levels of drilling and completions industry activity in the first quarter of 2026, along with negative effects of changes in foreign exchange rates.

Significantly outpacing a 21% decline in active frac spread in the US, the Company's Completions segment generated $15.0 million in revenue in the first quarter of 2026, a 6% decrease from $16.0 million in the comparative period in 2025. Current quarter revenue for this segment was also negatively affected by a weaker US dollar versus the Canadian dollar as the vast majority of the Company's Completions revenue is generated in the US.

The Company's North American Drilling segment was also negatively affected by challenging industry conditions and changes in foreign exchange rates. Pason generated revenue in the first quarter of 2026 for North American Drilling of $69.8 million, an 8% decrease from the $75.8 million generated in the same period in 2025 with industry activity declining 6% year over year. For the first quarter of 2026, Revenue per Industry Day of $1,046 was slightly below Revenue per Industry Day of $1,067 in the prior year comparative period primarily due to the impacts of foreign exchange between the Canadian dollar and US dollar. Similarly, the Company's International Drilling segment experienced challenging industry conditions in the first quarter and generated $11.7 million of revenue which compares to $14.0 million in the first quarter of 2025.

Revenue generated by the Solar and Energy Storage segment continues to fluctuate with the timing of deliveries on control systems. Pason generated $5.9 million of revenue in the first quarter of 2026, down from $7.4 million in the first quarter of 2025.

Pason generated $38.2 million in Adjusted EBITDA, or 37.3% of revenue in the first quarter of 2026, compared to $45.2 million or 39.9% of revenue in the first quarter of 2025. Current quarter Adjusted EBITDA reflects the impacts of more challenging industry conditions on the Company's drilling and completions revenue over a mostly fixed cost base.

The Company recorded net income attributable to Pason of $13.0 million ($0.17 per share) in the first quarter of 2026, compared to net income attributable to Pason of $20.0 million ($0.25 per share) recorded in the corresponding period in 2025, reflecting lower Adjusted EBITDA year over year as further outlined above, along with higher depreciation and amortization expense which has increased as a result of the Company's capital investments in recent quarters.

Sequentially, Q1 2026 consolidated revenue of $102.4 million was a 6% decrease from consolidated revenue of $108.7 million in the fourth quarter of 2025, driven by the Company's Solar and Energy Storage segment's quarterly record revenue in Q4 2025. First quarter 2026 results benefited from higher levels of Canadian drilling activity through the winter drilling season and sequential growth in Revenue per Industry Day, which offset negative effects of changes in foreign exchange. Revenue in the North American Drilling segment increased from $67.5 million in the fourth quarter of 2025 to $69.8 million in the first quarter of 2026. The International Drilling segment reported revenue of $11.7 million, which was slightly down from the $12.0 million in Q4 2025. Despite a 7% decline in active frac spread in the US, the Completions segments generated $15.0 million in revenue, a 16% increase from the $13.0 million generated in the fourth quarter of 2025. As previously mentioned, revenue from the Company's Solar and Energy Storage segment will fluctuate with the timing of deliveries on control systems. In Q1 2026, this segment generated $5.9 million of revenue, a decline from the $16.2 million reported in Q4 2025 which was a record quarterly level for the segment. Adjusted EBITDA of $38.2 million or 37.3% of revenue in the first quarter of 2026 was similar to the $38.1 million or 35.1% of revenue generated in the fourth quarter of 2025. While Adjusted EBITDA remained flat from the fourth quarter of 2025 to the first quarter of 2026, Adjusted EBITDA margin increased, as a result of lower revenue generated from the Company's Solar and Energy Storage which reflects lower comparative margins against the Company's other segments. The Company recorded net income attributable to Pason in the first quarter of 2026 of $13.0 million

($0.17 per share) an increase from the fourth quarter of 2025 of $8.0 million ($0.10 per share) reflecting lower other expenses in the first quarter of 2026. The increase quarter over quarter is primarily driven by lower other expenses, as the fourth quarter of 2025 includes non recurring costs associated with the Company's intellectual property litigation and related settlement agreement announced on December 8, 2025 ending all ongoing and pending intellectual property litigation between the involved parties.

Pason's balance sheet remains strong, with no interest bearing debt, and $73.5 million in Total Cash, as at March 31, 2026, compared to $77.1 million, as at December 31, 2025. Pason generated cash from operating activities of $20.9 million in the first quarter of 2026, compared to $39.9 million in the first quarter of 2025, which reflects lower Adjusted EBITDA year over year, higher cash taxes as a result of the Company's renewed Advanced Pricing Arrangement in the fourth quarter of 2025, and investments in working capital.

During the three months ended March 31, 2026, Pason invested $12.4 million in net capital expenditures, a decrease from $16.7 million in the first quarter of 2025 as the Company beings executing on its 2026 capital budget. Net capital expenditures in Q1 2026 includes investments associated with supporting the continued growth of the Company's pressure control automation technology for the Completions segment, as well as the ongoing refresh of Pason's drilling related technology platform. Resulting Free Cash Flow in the first quarter of 2026 was $8.5 million, compared to $23.2 million in the same period in 2025 as a result of the aforementioned factors.

In the first quarter of 2026, Pason returned $13.5 million to shareholders through the quarterly dividend of $10.1 million and $3.4 million of share repurchases.

President’s Message

Since the end of the second quarter of 2025, US land drilling activity has largely remained within a range of approximately 525 to 535 rigs. As indicated previously, we believe Pason can generate meaningful growth in revenue and earnings over time, even without significant growth in North American land drilling activity. Our aim remains to double revenue from oil and gas well construction activities from 2023 levels over the next five to seven years, with growth expected to come from five areas:

- scaling our business in the completions market;
- increasing adoption and price realization from our existing, established drilling-related products and services in North America;
- providing compelling new technologies in the drilling market, including the mud analyzer;
- deploying additional products in international markets with a growing proportion of unconventional drilling and completions; and
- pursuing under-addressed data management opportunities in adjacent oil and gas well construction activities.

We are pleased with the progress we are making in each of these areas. In our Completions segment, we have been able to mitigate the effects of slowing activity among existing customers by adding new customers and providing technologies targeting more complex completions operations. Growing demand for data, fueled in large part by rapid proliferation of artificial intelligence tools, provides a tailwind for our core products and services in the drilling market and opportunities to develop additional products for completions. Adoption of our mud analyzer is growing and we are developing additional mud analysis products targeting a broader range of drilling operations. Our international revenue decreased year-over-year largely as a result of our largest customer in Argentina divesting of conventional assets. As they continue their shift towards unconventional reservoirs we see opportunities for greater product adoption across a wider range of our products and services over the medium term. We are growing a presence within certain service rig operations and are adapting our product and support offerings to meet the unique requirements of this market.

In the midst of rapid technological change, we are cognizant of the demands being placed on our customers to familiarize themselves with new technologies and to adapt their workflows to new opportunities unlocked by artificial intelligence, automation and analytics. We remain convinced that the technologies that ultimately see the greatest use in the market are those which are able to solve complex challenges in ways that are intuitive and simple in the hands of the user. Technology Deployed Simply. That has been Pason's slogan, and the manner in which we have built our business, for many years.

Simplicity is also a core tenet as we think about the scalability of our business. While we look to grow revenue, our ultimate aspiration is to provide higher levels of satisfaction for customers, alongside growing levels of free cash flow and returns on invested capital for shareholders. We are making investments to streamline and simplify our product and service offerings to deliver lower operating and capital costs per job over time.

Simplifying our business includes focusing our efforts on areas where we have distinctive, durable competitive advantages. We play the long game by focusing where our unique capabilities should allow us to generate significant free cash flow and attractive returns over time.

Our approach to capital allocation looks to balance the discipline and predictability of our regular quarterly dividend, which is unchanged at $0.13 per share, with the flexibility to pursue organic investments and share repurchases, which we evaluate through the lens of expected returns on capital. Any M&A opportunities that might surface have to compete against the expected returns on investment in our own business or our own shares. We continue to see the highest expected returns from organic investments in our business.

Our capital expenditures for 2026 are expected to be between $60 and $70 million. While we currently anticipate our full year capital spending to be near the lower end of this range, we continue to evaluate our capital plans in light of prevailing and expected industry conditions, as well as our competitive position. Particularly in our Completions business, we are adding new customers at an increasing rate, average job size is increasing, and a greater proportion of customer activity is moving to more complex completions operations which require more of our newest technologies. We are also mindful of the need to prepare for potential supply chain disruptions and inflationary cost effects from ongoing US trade issues, as well as tensions in the Middle East.

The effective closing of the Strait of Hormuz has significantly curtailed global oil and LNG supplies. Concerns of a potential oil glut from earlier in the year have been erased, decreasing the likelihood of reductions in industry activity. As the long end of oil futures curve strengthens, producers are beginning to accelerate capital programs and contract additional rigs. We have the ability to respond to the needs of our customers as activity increases. The benefits of our leading market share and high operating leverage are most pronounced during times of increasing activity.

Uncertainty is likely to persist for some time in our operating environment; our focus remains on delivering exceptional performance in areas which are within our control. Our priorities are centered on expanding our service and technology advantages, maintaining a strong balance sheet, and returning capital to shareholders in a disciplined manner.

Quarterly Dividend

Pason announced today that the Board of Directors have declared a quarterly dividend of thirteen cents (C$0.13) per share on the company's common shares. The dividend will be paid on June 30, 2026 to shareholders of record at the close of business on June 16, 2026.

First Quarter Conference Call

Pason will be conducting a conference call for interested analysts, brokers, investors, and media representatives to review its 2026 first quarter results at 9:00 a.m. (MT) on Friday, May 8, 2026. The conference call dial-in numbers are 1-888-510-2154 or 1-437-900-0527, and the call will be

simultaneously audio webcast via: www.pason.com/webcast. You can access the fourteen-day replay by dialing 1-888-660-6345 or 1-289-819-1450, using password 46572#.

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

Non-GAAP Financial Measures

A non-GAAP financial measure has the definition set out in National Instrument 52-112 "Non-GAAP and Other Financial Measures Disclosure".

The following non-GAAP measures may not be comparable to measures used by other companies. Management believes these non-GAAP measures provide readers with additional information regarding the Company's operating performance, and ability to generate funds to finance its operations, fund its research and development and capital expenditure program, and return capital to shareholders through dividends or share repurchases.

EBITDA and Adjusted EBITDA

EBITDA is defined as net income before interest income and expense, income taxes, stock-based compensation expense, and depreciation and amortization expense. Adjusted EBITDA is defined as EBITDA, adjusted for foreign exchange, impairment of property, plant, and equipment, restructuring costs, net monetary adjustments, government wage assistance, revaluation of put obligation, gain on previously held equity interest and other items, which the Company does not consider to be in the normal course of continuing operations.

Management believes that EBITDA and Adjusted EBITDA are useful supplemental measures as they provide an indication of the results generated by the Company's principal business activities prior to the consideration of how these results are taxed in multiple jurisdictions, how the results are impacted by foreign exchange or how the results are impacted by the Company's accounting policies for equity-based compensation plans.

Reconcile Net Income to EBITDA

Three Months Ended	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Mar 31, 2025	Jun 30, 2025	Sep 30, 2025	Dec 31, 2025	**Mar 31, 2026**
(000s)	($)	($)	($)	($)	($)	($)	($)	($)
Net income	10,284	23,717	16,585	19,646	12,008	11,841	8,107	**12,402**
Add:								
Income taxes	6,048	6,148	2,404	8,214	4,445	4,545	2,514	**4,356**
Depreciation and amortization	12,901	13,659	13,889	14,184	13,901	15,680	15,095	**16,062**
Stock-based compensation	4,634	(117)	3,370	2,892	1,929	2,527	2,562	**4,332**
Net interest (income) expense	(522)	(803)	(218)	(512)	(804)	(567)	1,392	**376**
EBITDA	33,345	42,604	36,030	44,424	31,479	34,026	29,670	**37,528**

Reconcile EBITDA to Adjusted EBITDA

Three Months Ended	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Mar 31, 2025	Jun 30, 2025	Sep 30, 2025	Dec 31, 2025	**Mar 31, 2026**
(000s)	($)	($)	($)	($)	($)	($)	($)	**($)**
EBITDA	33,345	42,604	36,030	44,424	31,479	34,026	29,670	**37,528**
Add:								
Foreign exchange (gain) loss	(1,202)	(1,245)	5,574	(170)	(1,174)	3,352	(948)	**605**
Put option revaluation	—	—	(1,413)	—	—	—	(1,200)	**—**
Other expenses	992	2,789	1,928	958	1,269	1,128	10,587	**62**
Adjusted EBITDA	33,135	44,148	42,119	45,212	31,574	38,506	38,109	**38,195**

Free cash flow

Free cash flow is defined as cash from operating activities plus proceeds on disposal of property, plant, and equipment, less capital expenditures (including changes to non-cash working capital associated with capital expenditures), and deferred development costs. This metric provides a key measure on the Company's ability to generate cash from its principal business activities after funding capital expenditure programs, and provides an indication of the amount of cash available to finance, among other items, the Company's dividend and other investment opportunities.

Reconcile cash from operating activities to free cash flow

Three Months Ended	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Mar 31, 2025	Jun 30, 2025	Sep 30, 2025	Dec 31, 2025	**Mar 31, 2026**
(000s)	($)	($)	($)	($)	($)	($)	($)	**($)**
Cash from operating activities	25,976	30,375	35,825	39,942	20,231	29,425	28,086	**20,937**
Less:								
Net additions to property, plant and equipment	(16,695)	(12,444)	(16,707)	(15,268)	(13,562)	(9,444)	(10,676)	**(10,948)**
Deferred development costs	(1,250)	(1,277)	(1,472)	(1,440)	(1,393)	(1,254)	(1,306)	**(1,448)**
Free cash flow	8,031	16,654	17,646	23,234	5,276	18,727	16,104	**8,541**

Supplementary Financial Measures

A supplementary financial measure: (a) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of the Company; (b) is not presented in the financial statements of the Company; (c) is not a non-GAAP financial measure; and (d) is not a non-GAAP ratio. Supplementary financial measures found within this press release are as follows:

Revenue per Industry Day

Revenue per Industry Day is defined as the total revenue generated from the North American Drilling segment over all active drilling rig days in the North American market. This metric provides a key measure of the North American Drilling segment's ability to evaluate and manage product adoption, pricing, and market share penetration. Drilling rig days are calculated by using accepted industry sources.

IWS Active Jobs

IWS Active Jobs represents the average number of jobs per day that IWS is generating revenue on through the rental of its technology offering to customers during the reporting period. This metric provides a key measure of IWS' market penetration.

Revenue per IWS Day

Revenue per IWS Day is defined as the total revenue generated by the Completions segment over all IWS active days during the quarter. IWS active days are calculated by using IWS Active Jobs in the

reporting period. This metric provides a key measure of the IWS' ability to evaluate and manage product adoption and pricing.

Adjusted EBITDA as a percentage of revenue

Calculated as adjusted EBITDA divided by revenue.

Total Cash

Calculated as the sum of cash and cash equivalents, and short-term investments from the Company's Condensed Consolidated Interim Balance Sheets. The Company's short term-investments are comprised of US dollar bonds.

Forward Looking Information

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

Without limiting the foregoing, the forward-looking statements in this document 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 document 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 document 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.

Pason Systems Inc.

Pason is a leading global provider of specialized data management systems for oil and gas drilling and completions operations. Pason's drilling related solutions which include data acquisition, wellsite reporting, automation, remote communications, web-based information management, and data analytics, enable collaboration between operations in the field and the office. Through Intelligent Wellhead Systems ("IWS"), Pason also provides engineered controls, data acquisition, and software, to automate workflows and processes for oil and gas well completions operations, improving wellsite safety and efficiency. Through Energy Toolbase ("ETB"), the Company also provides products and services for the solar power and energy storage industry. ETB's solutions enable project developers to model, control, and monitor economics and performance of solar energy and storage projects.

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

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Additional information on risks and uncertainties and other factors that could affect Pason's operations or financial results are included in Pason's reports on file with the Canadian securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedarplus.ca) or through Pason's website (www.pason.com).