



May 2025

## Investor Presentation

Technology • Deployed • Simply



## Forward-Looking Statements

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

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

# Overview of Pason



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



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



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

# Board of Directors



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



**James Bowzer**  
Director  
*Joined Pason Board in 2024*



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



**Sophia Langlois**  
Chair, Corporate Governance and  
Nomination Committee  
*Joined Pason Board in 2024*



**Ken Mullen**  
Chair, Audit Committee  
*Joined Pason Board in 2023*



**Laura Schwinn**  
Lead Director and Chair, Human  
Resources and Compensation Committee  
*Joined Pason Board in 2019*

\* Denotes Non-Independent Directors



# Strong and Committed Management Team



**Jon Faber\***  
President & Chief Executive Officer  
*With Pason since 2014*



**Celine Boston**  
Chief Financial Officer  
*With Pason since 2020*



**Kevin Boston**  
VP, Commercial  
*With Pason since 2010*



**Craig Bye**  
VP, R&D - Cloud Platforms & Applications  
*With Pason since 2007*



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



**John Gurski**  
President, Energy Toolbase  
*With Pason since 2019*



**Heather Hantos**  
VP, Human Resources  
*With Pason since 2011*



**Bryce McLean**  
VP, Operations  
*With Pason since 2011*



**Lars Olesen**  
VP, Product & Technology  
*With Pason since 1999*



**Russell Smith**  
VP, International  
*With Pason since 2010*



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

\* Jon Faber also sits on the Board of Directors as a non-independent director

# The Data Behind Well Construction

Managing end-to-end well construction data

Capture

Aggregate

Display

Transmit

Store

Deliver

Visualize

Leverage

With a superior service model

Intelligent  
Wellhead Systems

pason



Enabling customer priorities

Automation

Safety

Collaboration

Reporting

Analytics



Real-Time Decision Making



# Superior Service Model

Intelligent  
Wellhead Systems



# The Intelligence Layer in the Solar + Energy Storage Industry

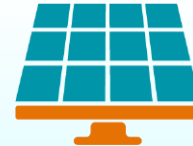
Model the site



Review energy costs and rate switch scenarios



Analyze incentives



Incorporate PV generation



Create a proforma cash flow model

Control the assets



Grid services revenue



Electric bill savings



Solar self-consumption



Manual and scheduled dispatch

Monitor the performance



Measure and verify savings



Real-time system performance



Compliance reporting



Warranty reporting

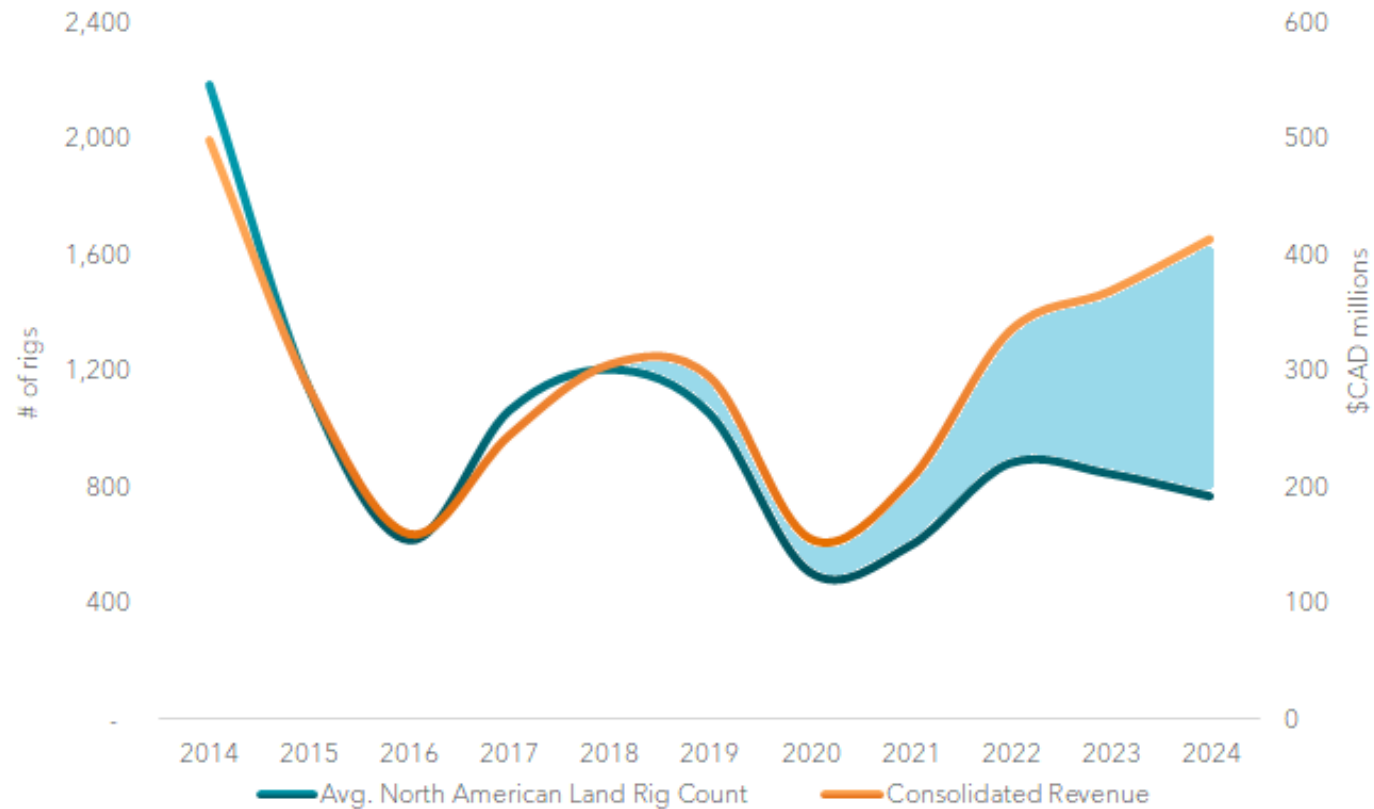
Real-time advisory



# Strong growth prospects are not reliant on higher levels of North American land drilling activity



North American Land Rig Count<sup>1</sup> vs. Consolidated Revenue



## GROWTH DRIVERS BEYOND INCREASED NORTH AMERICAN LAND DRILLING ACTIVITY

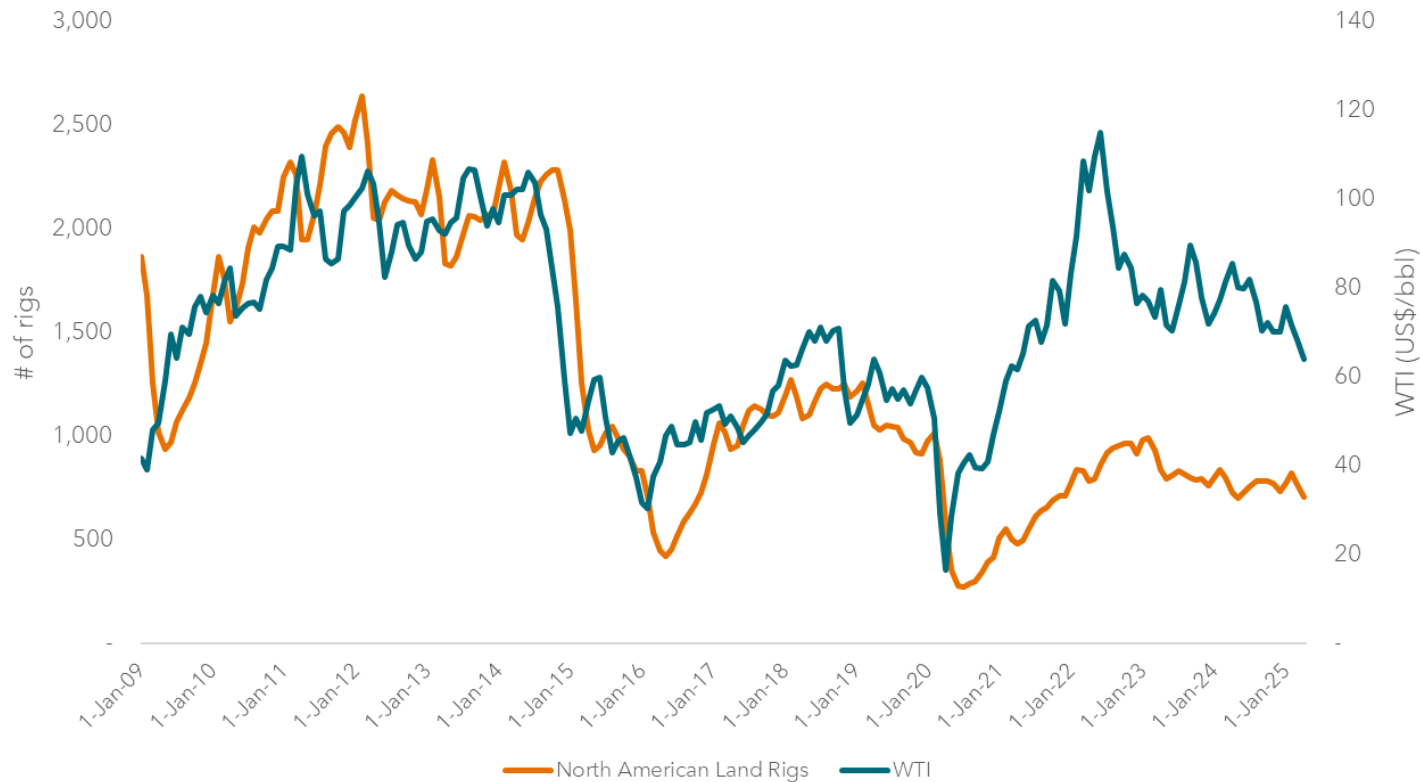
- Increased Revenue per Industry Day in North America, driven by growing use of data-driven technologies (automation and analytics)
- International Drilling revenue growth, driven by increased adoption of more advanced drilling technologies
- Increased revenue from Intelligent Wellhead Systems, driven by increased use of technology in completions market
- Revenue growth from Energy Toolbase, driven by growing demand for energy storage solutions

Pason consistently demonstrates our ability to outpace underlying drilling activity

# Expectations of a less volatile industry environment over time



WTI (US\$/bbl) vs. North American Land Rig Count<sup>1</sup>

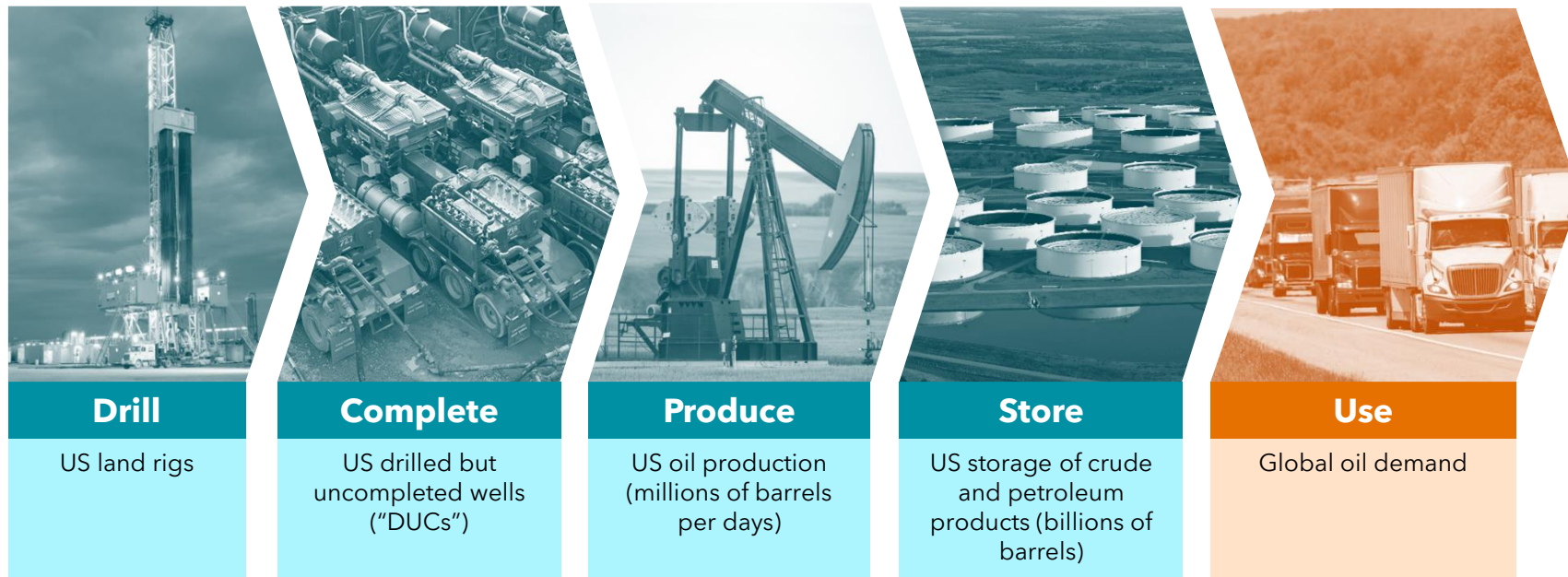


## FACTORS RESULTING IN LOWER VOLATILITY

- Smaller number of larger, well-capitalized operators with strong balance sheets
- Capital discipline and return of capital frameworks among E&P companies
- Limited access to equity financing capital for E&P companies to fund production growth
- Majority of current activity directed at supporting current production levels rather than growth
- Drawdown of inventory of Drilled but Uncompleted wells (DUCs)
- US storage inventory of crude and petroleum products at low end of their 20-year range

Since 2020, North American land drilling activity has become less volatile than the WTI oil price

# Summary of Key Industry Metrics



	<b>Drill</b> US land rigs	<b>Complete</b> US drilled but uncompleted wells ("DUCs")	<b>Produce</b> US oil production (millions of barrels per days)	<b>Store</b> US storage of crude and petroleum products (billions of barrels)	<b>Use</b> Global oil demand
<b>Current<sup>2</sup></b>	571 rigs	5,306 DUCs	13.5 million barrels	1.61 billion barrels	102.8 million barrels
<b>March '20</b>	770 rigs	8,458 DUCs	13.0 million barrels	1.90 billion barrels	97.7 million barrels
	<b>-26%</b>	<b>-46%</b>	<b>+4%</b>	<b>-16%</b>	<b>+5%</b>

(1) Sources: Energy Information Administration (EIA) and Baker Hughes Rig Count.  
 (2) As at April 25, 2025

# Favourable industry trends support meaningful growth opportunities in each operating segment



Increasing use of data-driven technologies (including artificial intelligence, machine learning and big data) for automation and analytics

Focus on repeatability and wellbore placement

Long term drilling activity based on global energy supply/demand



Adoption and use of technology in oil & gas completions

Complexity of completions operations

Long term completions activity based on global energy supply/demand



Demand for renewable energy as an important part of total energy supply mix

Use of energy storage assets to address structural intermittency of renewable energy sources

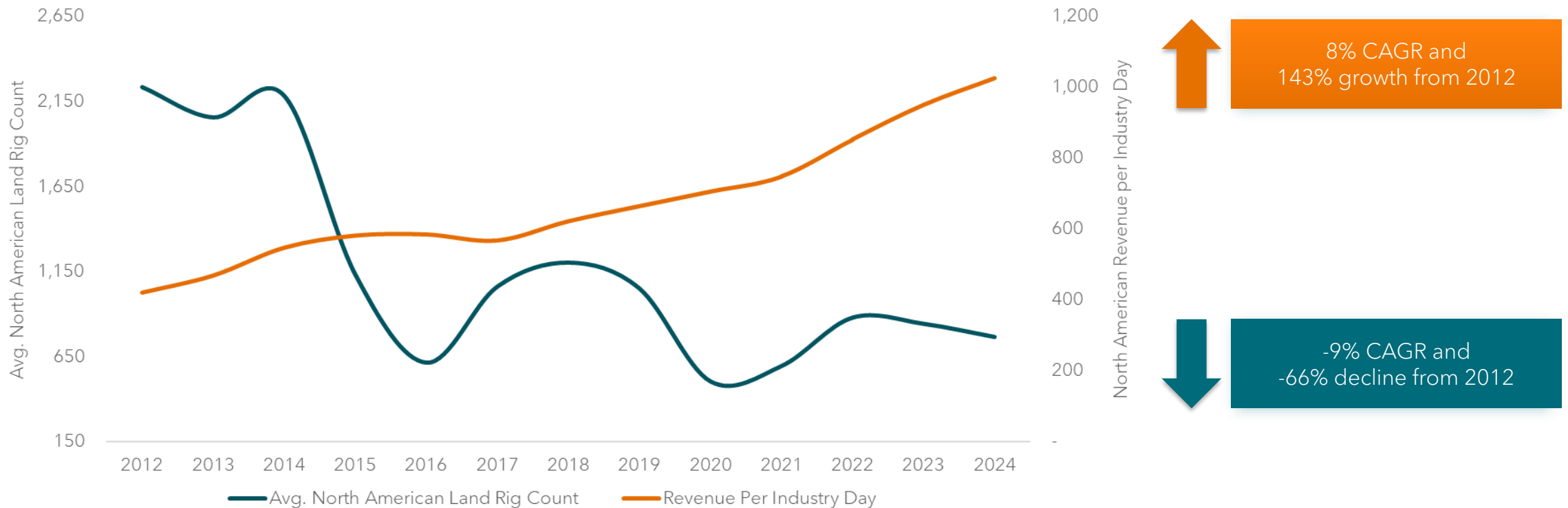
Efforts to optimize performance of installed energy storage assets

1. Pason currently owns 80% of Energy Toolbase (ETB), and consolidates its financial results with a non-controlling interest recorded for the 20% held by other shareholders. The 20% shareholders have a put option to sell their holdings to Pason for cash, exercisable at their discretion.

# Revenue per Industry Day has grown steadily over time, through various industry cycles



North American Revenue per Industry Day and Land Drilling<sup>1</sup>

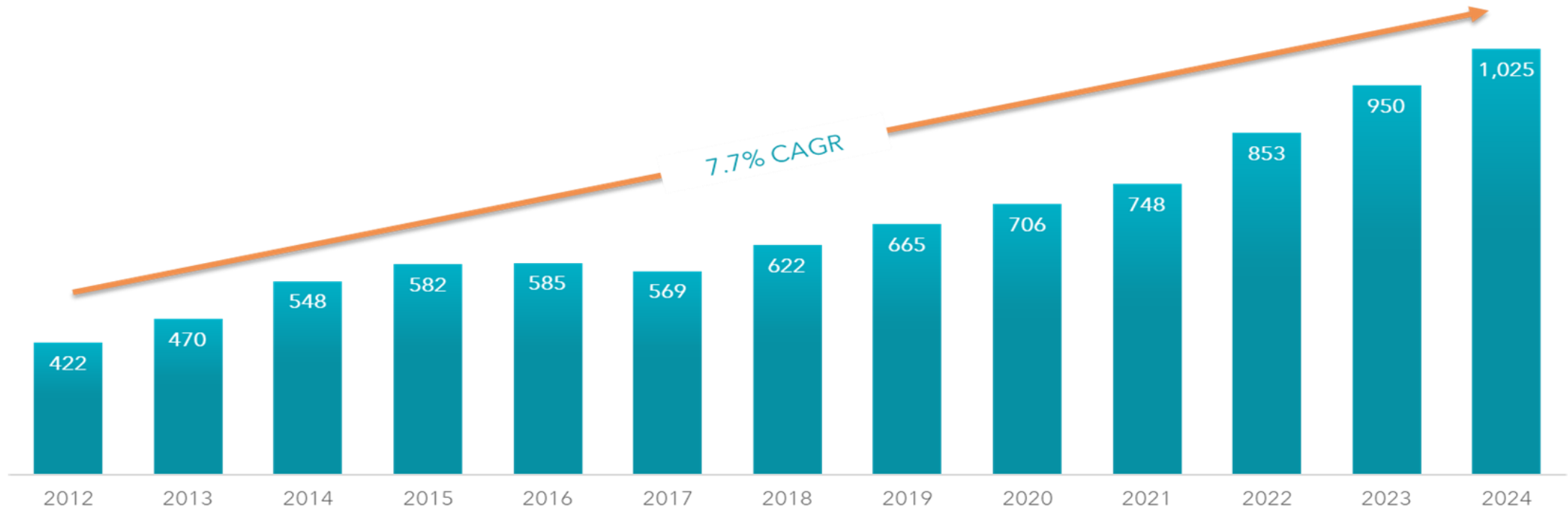


1. Revenue per Industry Day is defined as the total revenue generated from the North American Drilling segment over all active drilling rig days in the North American market. Drilling rig days are calculated by using accepted industry sources.  
 2. Source: Baker Hughes Rig Count.

# Recent growth in Revenue per Industry Day has been largely driven by increasing use of technology



North American Revenue per Industry Day<sup>1</sup>



Primary growth drivers

Increased product adoption driven by well complexity

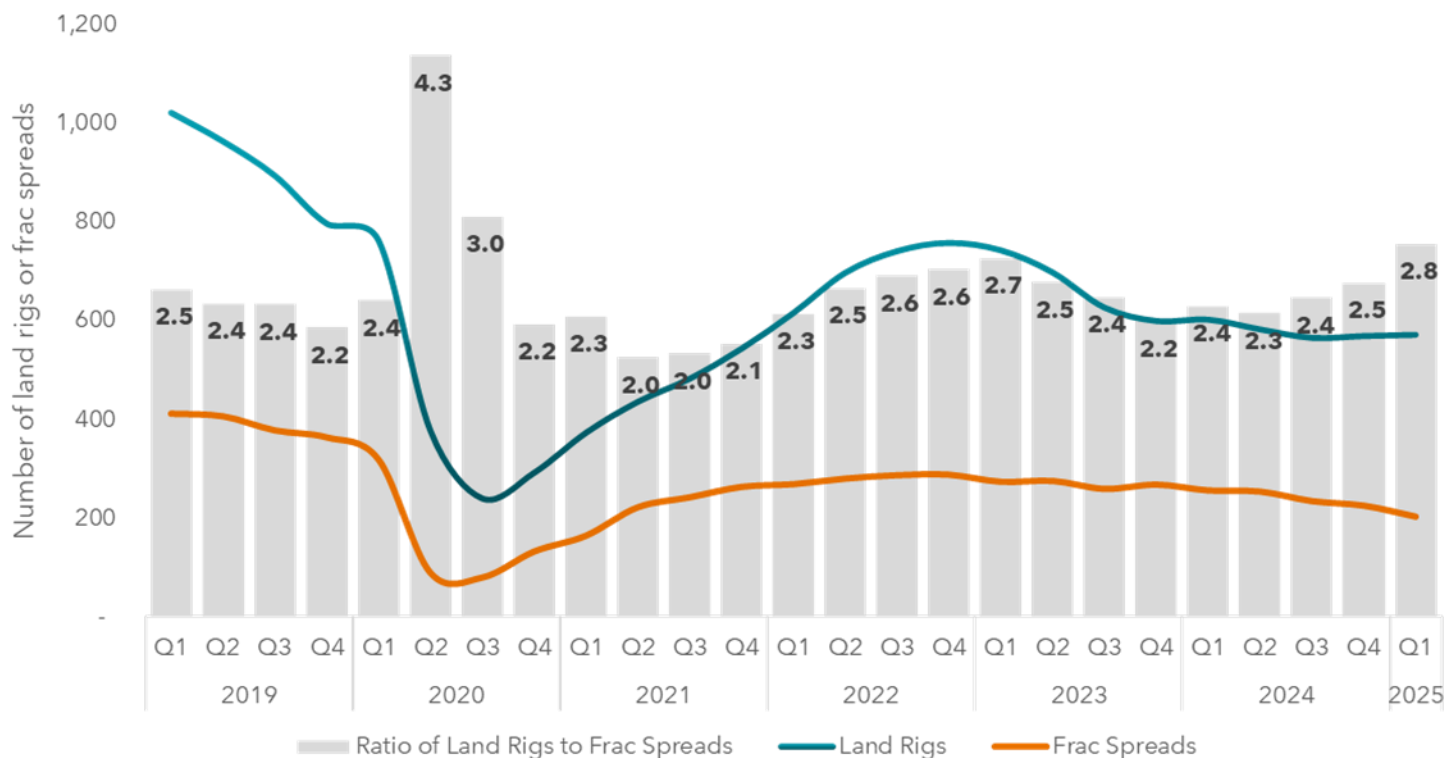
Increased US market share driven largely by large contractor partnerships

Increased product adoption driven by growing demand for data

1. 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. Drilling rig days are calculated by using accepted industry sources.

# Significant Addressable Market in Completions

US Active Land Rigs<sup>1</sup> and Frac Spreads<sup>2</sup>



IWS REVENUE PER  
INDUSTRY DAY<sup>3</sup>  
2024

C\$5,127

PASON REVENUE  
PER INDUSTRY DAY<sup>3</sup>  
2024

C\$1,025

IWS' daily revenue is more than 3x Pason's in a market that has a little more than one-third of the number of active sites as the drilling market

1. Source: Baker Hughes

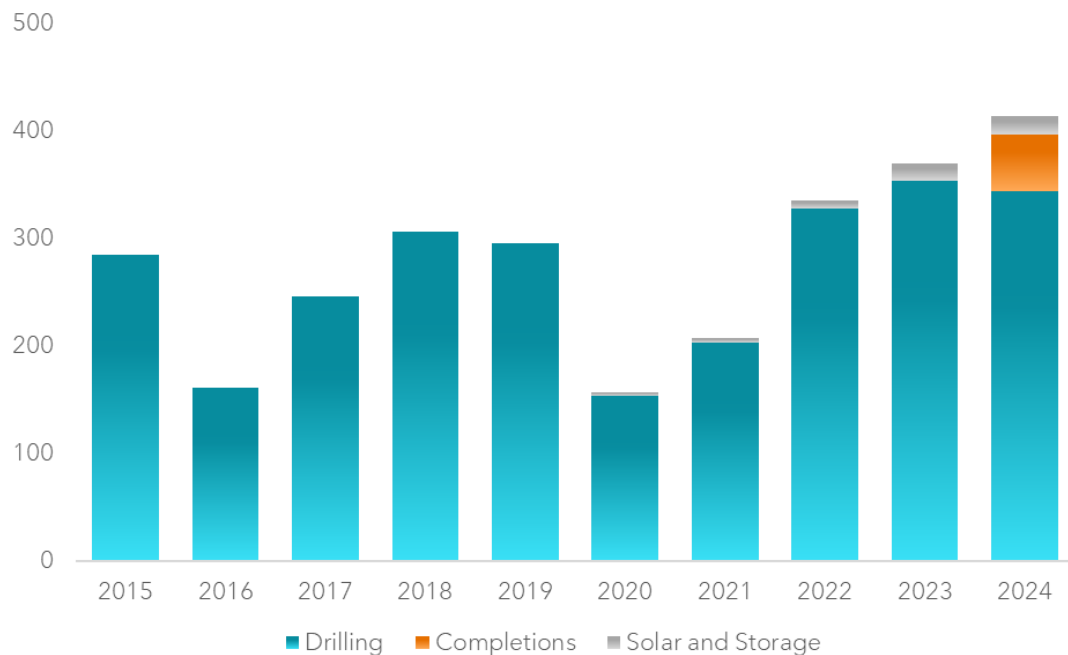
2. Source: Primary Vision

3. 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. 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. Drilling rig days are calculated by using accepted industry sources.

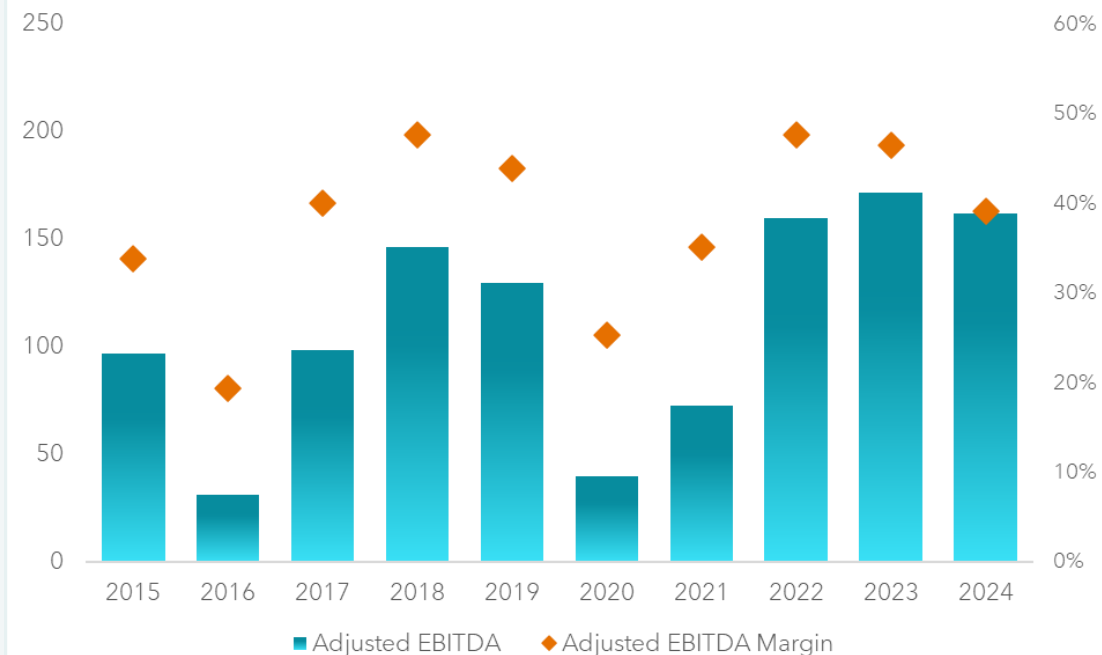
# Revenue and Adjusted EBITDA

Revenue by Operating Segment

in CAD millions



Adjusted EBITDA \$ and as a % of Revenue



Attractive Adjusted EBITDA margins on lower industry activity and increasing revenue levels from earlier stage segments

Adjusted EBITDA is calculated in 'Non-GAAP Reconciliation' on page 24 this Investor Presentation.

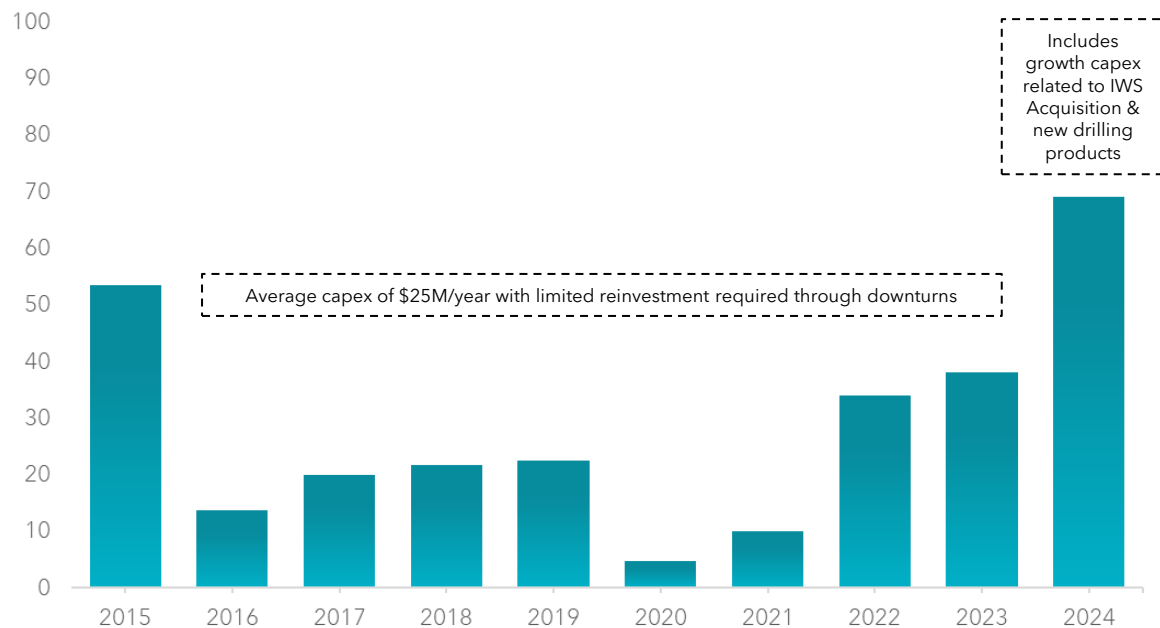




# Disciplined Approach to Invested Capital

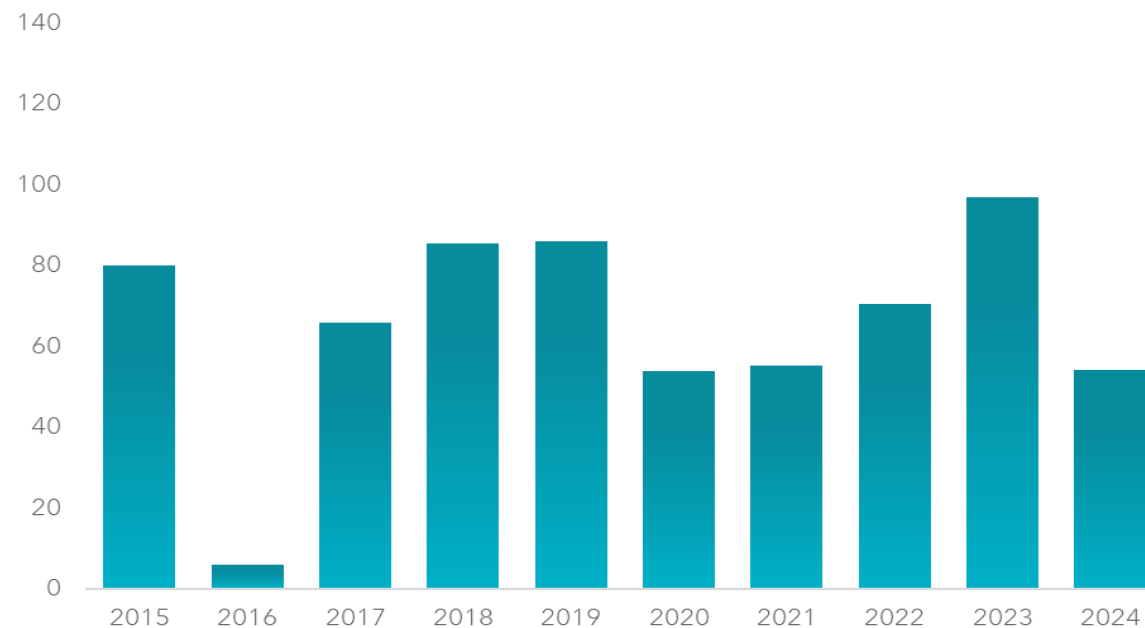
## Net Capital Expenditures<sup>1</sup>

in CAD millions



## Free Cash Flow<sup>2</sup>

in CAD millions



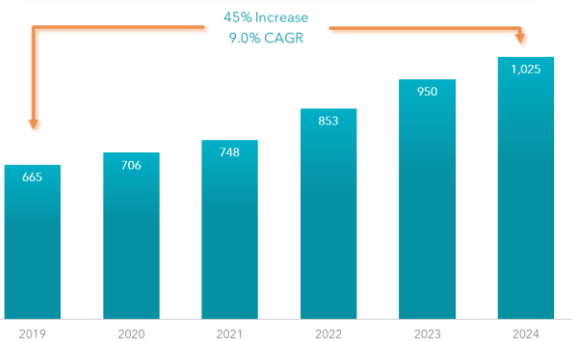
Strategic investments in high return capital expenditures drive long term free cash flow growth

1. Net Capital Expenditures includes additions to property, plant, and equipment and development costs, net of proceeds on disposal from Pason's Consolidated Statement of Cash Flows  
2. Refer to Non-GAAP measures on page 24 of this presentation.

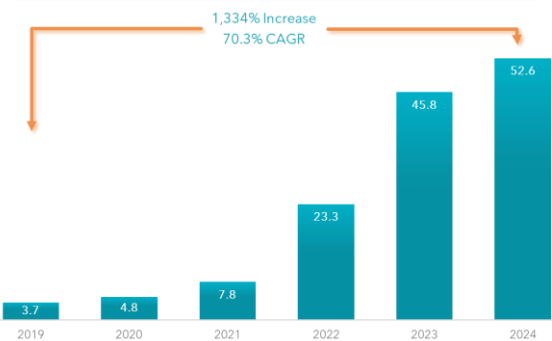
# Well Positioned for Meaningful Revenue Growth

Significant Momentum with Revenue Growth Opportunities...

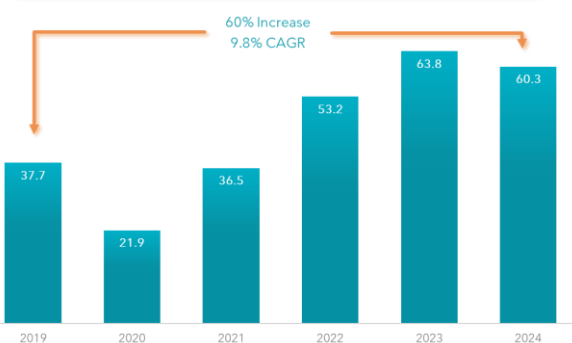
North American Revenue per Industry Day<sup>1</sup>



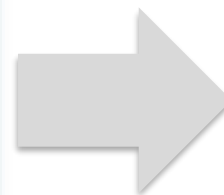
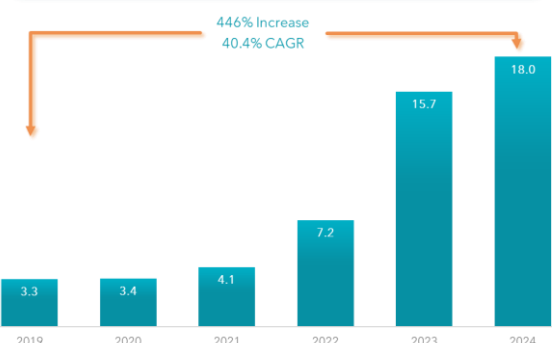
Intelligent Wellhead Systems Revenue



International Drilling Revenue



Energy Toolbase Revenue



Coupled with...

- Largely fixed cost base with high operating leverage
- Stable capital intensity with targeted growth-related investments



Resulting in...

- Increased profitability and free cash flow over time

1. 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. Drilling rig days are calculated by using accepted industry sources.

# Capital Allocation Priorities

## 1 Preserve Balance Sheet Strength

- Managing end market cyclicality with operating leverage
- Ability to pursue attractive growth opportunities

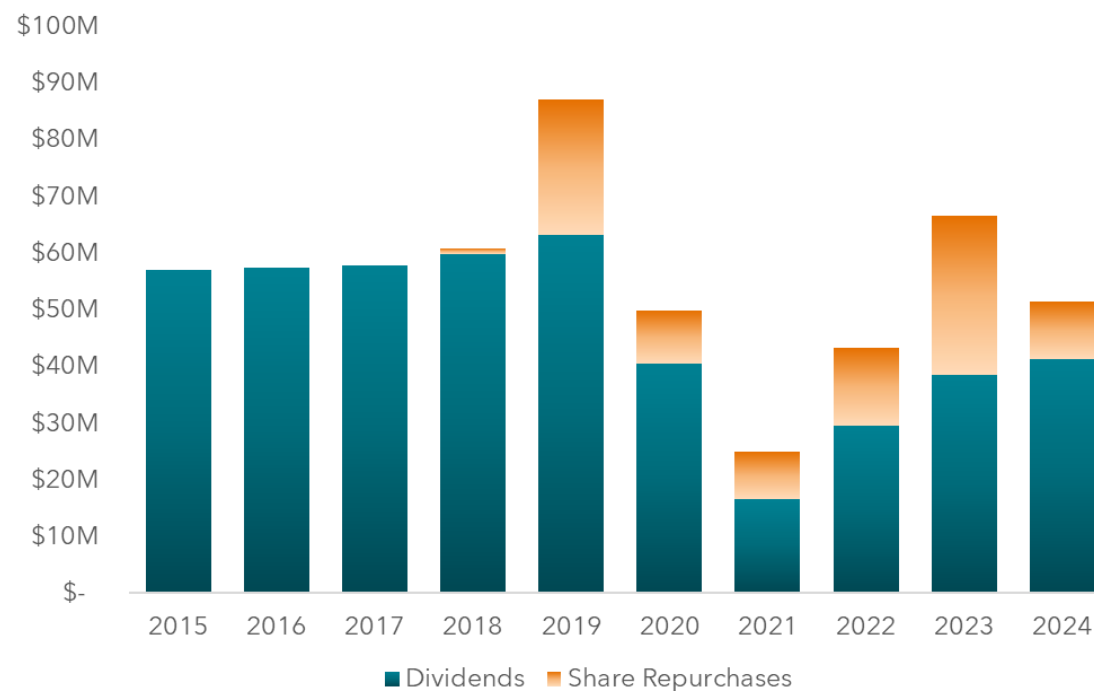
## 2 Disciplined and Sustainable Shareholder Returns

- Exposure to steady growth in the quarterly dividend
- **Current quarterly dividend of \$0.52/share**
- Normal Course Issuer Bid in place since 2018

## 3 Maintain Flexibility to Maximize Returns Over Time

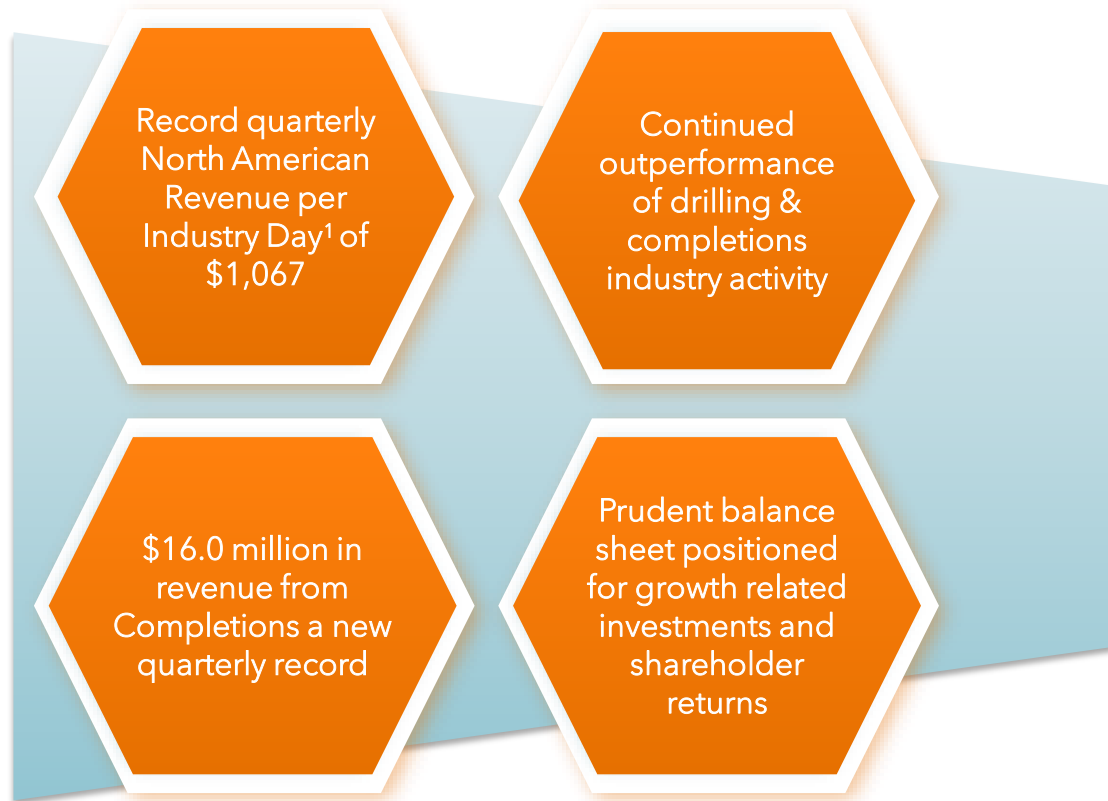
- Share repurchases evaluated in the context of growth opportunities

Shareholder Returns Over Time





# First Quarter 2025 Highlights



**\$113 MILLION**  
IN REVENUE

**\$45 MILLION**  
ADJUSTED  
EBITDA

**\$23 MILLION**  
FREE CASH  
FLOW

**\$87M** IN  
TOTAL CASH  
WITH NO DEBT

**\$16 MILLION**  
RETURNED TO SHAREHOLDERS

1. 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.

# Environmental, Social & Governance

## ENVIRONMENTAL



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

## SOCIAL



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

## GOVERNANCE



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

# Value Proposition Summary



**Innovative**



**Profitable**



**Responsible**

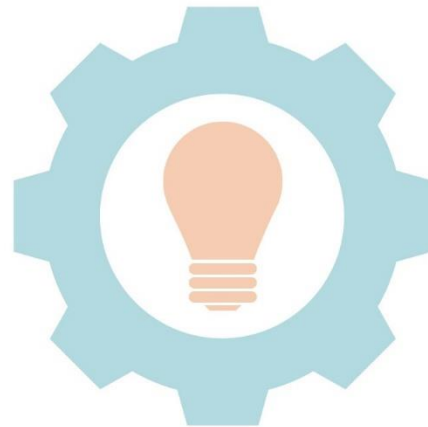
## Pason Systems

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# Appendix





# Historical Financial Information

\$CAD 000s	2019	2020	2021	2022	2023	2024
<b>Revenue</b>	295,642	156,636	206,686	334,998	369,309	<b>414,133</b>
<b>Adjusted EBITDA <sup>1</sup></b>	129,644	39,540	72,520	159,510	171,466	<b>161,827</b>
<i>as a % of revenue</i>	44%	25%	35%	48%	46%	<b>39%</b>
<b>Investments in R&amp;D and IT <sup>2</sup></b>	32,164	27,468	32,903	38,066	42,348	<b>56,626</b>
<i>as a % of revenue</i>	11%	18%	16%	11%	11%	<b>14%</b>
<b>Funds flow from operations</b>	111,718	40,560	67,728	134,885	154,472	<b>131,133</b>
<b>Cash from operating activities</b>	108,547	58,583	65,061	104,414	135,033	<b>123,190</b>
<b>Net Capital expenditures <sup>3</sup></b>	22,593	4,719	9,950	33,941	38,002	<b>69,126</b>
<b>Free Cash Flow <sup>1</sup></b>	85,954	53,864	55,111	70,473	97,031	<b>54,064</b>
<b>Dividends paid</b>	63,100	40,420	16,567	29,473	38,535	<b>41,362</b>
<b>Share repurchases</b>	24,040	9,478	8,432	13,786	27,939	<b>9,997</b>
<b>Total Cash <sup>4</sup></b>	161,016	149,282	158,283	172,434	171,773	<b>80,778</b>
<b>Working capital</b>	183,769	167,366	184,083	213,899	212,561	<b>120,583</b>
<b>Total interest bearing debt</b>	-	-	-	-	-	<b>-</b>

1. As defined in the following slide 'Non-GAAP Reconciliation'
2. Includes both expensed and deferred development costs. Adjusted EBITDA includes the impact of expensed R&D and IT costs
3. Includes additions to property, plant, and equipment and development costs, net of proceeds on disposal from Pason's Consolidated Statement of Cash Flows
4. Total Cash is defined as total cash and cash equivalents and short-term investments from Pason's Consolidated Balance Sheets
5. 2024 financial information includes results generated by the Completions segment, which were not part of the Company's consolidated reporting group until January 1, 2024 following the IWS Acquisition.

# Non-GAAP Reconciliation



<b>\$CAD 000s</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Net income (loss)</b>	53,803	5,134	31,925	105,726	95,827	<b>119,709</b>
<b>Add:</b>						
Income taxes	20,193	4,864	11,738	33,405	34,346	<b>23,657</b>
Depreciation and amortization	40,830	34,417	25,689	20,842	27,216	<b>52,179</b>
Stock-based compensation	10,840	4,840	11,523	15,230	11,718	<b>10,898</b>
Net interest (income) expense	(903)	(867)	1,526	(4,937)	(14,394)	<b>(2,954)</b>
<b>EBITDA</b>	<b>124,763</b>	<b>48,388</b>	<b>82,401</b>	<b>170,266</b>	<b>154,713</b>	<b>203,489</b>
<b>Add:</b>						
Foreign exchange (gain) loss	2,199	1,113	(2,011)	(2,024)	16,758	<b>3,841</b>
Derecognition of onerous lease	4,289	(5,757)	-	-	-	-
Government wage assistance	-	(9,941)	(8,208)	-	-	-
Reorganization costs	-	5,554	-	-	-	-
Net monetary gain	(2,887)	(1,874)	(496)	(1,849)	(2,832)	-
Put option revaluation	-	-	381	(5,815)	(149)	<b>(1,413)</b>
Gain on previously held equity	-	-	-	-	-	<b>(50,830)</b>
Other	1,280	2,057	453	(1,068)	2,976	<b>6,740</b>
<b>Adjusted EBITDA</b>	<b>129,644</b>	<b>39,540</b>	<b>72,520</b>	<b>159,510</b>	<b>171,466</b>	<b>161,827</b>
<b>Free Cash Flow</b>						
<b>Cash from operating activities</b>	108,547	58,583	65,061	104,414	135,033	<b>123,190</b>
<b>Less:</b>						
Net additions to property, plant, & equipment	(20,868)	(4,228)	(9,267)	(33,448)	(36,901)	<b>(63,680)</b>
Deferred development costs	(1,725)	(491)	(683)	(493)	(1,101)	<b>(5,446)</b>
<b>Free Cash Flow</b>	<b>85,954</b>	<b>53,864</b>	<b>55,111</b>	<b>70,473</b>	<b>97,031</b>	<b>54,064</b>