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

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

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

(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

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

Corporate Head Office

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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.