

Condensed Consolidated Interim Financial Statements and Notes

Condensed Consolidated Interim Balance Sheets

As at	Note*	September 30, 2022	December 31, 2021
(CDN 000s) (unaudited)		(\$)	(\$)
Assets			
Current			
Cash and cash equivalents	4	206,027	158,283
Trade and other receivables		77,669	49,453
Prepaid expenses		9,515	5,197
Inventory	2, 5	10,252	—
Income taxes recoverable	11	2,986	13,632
Total current assets		306,449	226,565
Non-current			
Property, plant and equipment		87,099	82,265
Investments	7	29,940	30,046
Intangible assets and goodwill		39,923	41,065
Total non-current assets		156,962	153,376
Total assets		463,411	379,941
Liabilities and equity			
Current			
Trade payables and accruals		46,426	31,475
Income taxes payable		10,974	6,568
Stock-based compensation liability	10	8,311	2,647
Lease liability		1,979	1,792
Obligation under put option	8	12,416	—
Total current liabilities		80,106	42,482
Non-current			
Deferred tax liabilities		4,184	5,836
Lease liability		4,005	5,537
Stock-based compensation liability	10	10,700	6,821
Obligation under put option	8	—	11,484
Total non-current liabilities		18,889	29,678
Equity			
Share capital	9	163,142	162,567
Share-based benefits reserve		35,155	34,383
Foreign currency translation reserve		62,370	50,298
Equity reserve		(8,375)	(8,375)
Retained earnings		117,402	72,602
Total equity attributable to equity holders of the Company		369,694	311,475
Non-controlling interest		(5,278)	(3,694)
Total equity		364,416	307,781
Total liabilities and equity		463,411	379,941

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

Condensed Consolidated Interim Statements of Operations

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Note*	2022	2021	2022	2021
(CDN 000s, except per share data) (unaudited)		(\$)	(\$)	(\$)	(\$)
Revenue		92,502	57,705	240,578	143,853
Operating expenses					
Rental services		29,135	19,962	80,582	53,624
Local administration		3,215	2,765	9,240	7,862
Depreciation and amortization		4,433	5,530	15,443	19,517
		36,783	28,257	105,265	81,003
Gross profit		55,719	29,448	135,313	62,850
Other expenses					
Research and development		9,879	8,951	28,017	23,916
Corporate services		3,911	3,856	11,350	9,801
Stock-based compensation expense	10	2,032	1,611	10,101	6,429
Other income	13	(5,324)	(2,984)	(7,887)	(7,440)
		10,498	11,434	41,581	32,706
Income before income taxes		45,221	18,014	93,732	30,144
Income tax provision		11,482	5,239	24,000	8,498
Net income		33,739	12,775	69,732	21,646
Net income (loss) attributable to:					
Shareholders of Pason		34,246	13,074	71,359	22,696
Non-controlling interest		(507)	(299)	(1,627)	(1,050)
Net income		33,739	12,775	69,732	21,646
Income per share	14				
Basic		0.42	0.16	0.87	0.27
Diluted		0.41	0.16	0.86	0.27

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Condensed Consolidated Interim Statements of Other Comprehensive Income

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Note*	2022	2021	2022	2021
(CDN 000s) (unaudited)		(\$)	(\$)	(\$)	(\$)
Net income		33,739	12,775	69,732	21,646
Items that may be reclassified subsequently to net income:					
Foreign currency translation adjustment		11,544	5,158	12,115	(2,164)
Other comprehensive income (loss)		11,544	5,158	12,115	(2,164)
Total comprehensive income		45,283	17,933	81,847	19,482
Total comprehensive income (loss) attributed to:					
Shareholders of Pason		45,769	18,230	83,431	20,533
Non-controlling interest		(486)	(297)	(1,584)	(1,051)
Total comprehensive income		45,283	17,933	81,847	19,482

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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, 2020		164,568	33,170	54,090	(8,375)	63,609	307,062	(1,779)	305,283
Net income (loss)		—	—	—	—	22,696	22,696	(1,050)	21,646
Dividends		—	—	—	—	(12,443)	(12,443)	—	(12,443)
Other comprehensive (loss)		—	—	(2,163)	—	—	(2,163)	(1)	(2,164)
Expense related to stock options		—	907	—	—	—	907	—	907
Shares cancelled under NCIB	9	(1,334)	—	—	—	(4,627)	(5,961)	—	(5,961)
Balance at September 30, 2021		163,234	34,077	51,927	(8,375)	69,235	310,098	(2,830)	307,268
Net income (loss)		—	—	—	—	11,149	11,149	(870)	10,279
Dividends		—	—	—	—	(4,124)	(4,124)	—	(4,124)
Other comprehensive (loss) income		—	—	(1,629)	—	—	(1,629)	6	(1,623)
Expense related to stock options		—	306	—	—	—	306	—	306
Exercise of stock options		146	—	—	—	—	146	—	146
Liability for automatic share purchase plan commitment pursuant to NCIB	9	(343)	—	—	—	(1,657)	(2,000)	—	(2,000)
Shares cancelled under NCIB	9	(470)	—	—	—	(2,001)	(2,471)	—	(2,471)
Balance at December 31, 2021		162,567	34,383	50,298	(8,375)	72,602	311,475	(3,694)	307,781
Net income (loss)		—	—	—	—	71,359	71,359	(1,627)	69,732
Dividends		—	—	—	—	(19,708)	(19,708)	—	(19,708)
Other comprehensive income		—	—	12,072	—	—	12,072	43	12,115
Exercise of stock options		1,695	(240)	—	—	—	1,455	—	1,455
Expense related to stock options		—	1,012	—	—	—	1,012	—	1,012
Liability reversal for automatic share purchase plan commitment pursuant to NCIB		343	—	—	—	1,657	2,000	—	2,000
Liability for automatic share purchase plan commitment pursuant to NCIB	9	(301)	—	—	—	(1,699)	(2,000)	—	(2,000)
Shares cancelled under NCIB	9	(1,162)	—	—	—	(6,809)	(7,971)	—	(7,971)
Balance at September 30, 2022		163,142	35,155	62,370	(8,375)	117,402	369,694	(5,278)	364,416

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

Condensed Consolidated Interim Statements of Cash Flows

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Note*	2022	2021	2022	2021
(CDN 000s) (unaudited)		(\$)	(\$)	(\$)	(\$)
Cash from (used in) operating activities					
Net income		33,739	12,775	69,732	21,646
Adjustment for non-cash items:					
Depreciation and amortization		4,433	5,530	15,443	19,517
Stock-based compensation expense	10	2,032	1,611	10,101	6,429
Deferred income taxes		546	958	(1,427)	161
Net monetary (gain)		(2,371)	(530)	(2,063)	(588)
Unrealized foreign exchange (gain) loss and other		(2,411)	(361)	(2,872)	1,210
Funds flow from operations		35,968	19,983	88,914	48,375
Movements in non-cash working capital items:					
(Increase) in trade and other receivables		(14,066)	(8,940)	(28,216)	(20,844)
(Increase) in prepaid expenses		(5,061)	(1,698)	(4,318)	(1,290)
Increase in income taxes payable / recoverable	11	9,211	3,122	33,021	5,950
Increase in trade payables, accruals and stock-based compensation liability		14,082	8,548	15,178	12,471
(Increase) in inventory	5	(3,099)	—	(5,533)	—
Effects of exchange rate changes		3,102	591	3,395	312
Cash generated from operating activities		40,137	21,606	102,441	44,974
Income tax paid		(9,394)	(4,532)	(17,969)	(6,974)
Net cash from operating activities		30,743	17,074	84,472	38,000
Cash flows from (used in) financing activities					
Proceeds from exercise of stock options	9	85	—	1,455	—
Payment of dividends	9	(6,558)	(4,121)	(19,708)	(12,443)
Repurchase and cancellation of shares under NCIB	9	(5,109)	(2,970)	(7,971)	(5,961)
Repayment of lease liability		(447)	(667)	(1,599)	(1,755)
Net cash used in financing activities		(12,029)	(7,758)	(27,823)	(20,159)
Cash flows (used in) from investing activities					
Equity investments	7	—	—	—	(12,127)
Additions to property, plant and equipment		(6,809)	(1,650)	(17,734)	(7,159)
Development costs, net of ITCs		(106)	445	(372)	(415)
Proceeds on disposal of property, plant and equipment		285	632	626	975
Changes in non-cash working capital		(66)	(240)	(228)	(280)
Net cash used in investing activities		(6,696)	(813)	(17,708)	(19,006)
Effect of exchange rate on cash and cash equivalents		7,059	3,544	8,803	(1,037)
Net increase in cash and cash equivalents		19,077	12,047	47,744	(2,202)
Cash and cash equivalents, beginning		186,950	135,033	158,283	149,282
Cash and cash equivalents, ending	4	206,027	147,080	206,027	147,080

*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 drilling rigs.

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 under the symbol PSI. The Consolidated 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 Energy Toolbase Software Inc ("ETB").

2. Basis of Preparation

Statement of compliance

These unaudited 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 unaudited 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, 2021.

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.

Inventory

During the second quarter of 2022, a change to the Company's operational strategy saw increased purchases of consumable inventory and resulted in the inclusion of consumable supplies and components as part of Inventory within these Condensed Consolidated Interim Financial Statements.

In accordance with *IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors*, the application of the Company's inventory policy to new transactions is treated prospectively with no comparative period adjustments.

3. Changes in Accounting Standards

Adoption of new standard January 1, 2022:

IAS 37, Provisions, Contingent Liabilities and Contingent Assets

Clarifies that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both the incremental costs and an allocation of other costs that relate directly to fulfilling contracts. The amendments apply to contracts existing at the date when the amendments are first applied. The impact to the Company has been deemed immaterial.

4. Cash and Cash Equivalents

As at	September 30, 2022	December 31, 2021
	(\$)	(\$)
Cash	157,922	120,714
Cash equivalents	48,105	37,569
Cash and cash equivalents	206,027	158,283

As at September 30, 2022, the Company's cash and cash equivalents are invested in term deposits and 1-90 day money market funds with interest rates ranging between 1.40% and 3.40%.

5. Inventory

Inventory is comprised of products and components which will be consumed through the Company's field service presence or through equipment repairs. Inventories are measured at the lower of cost and net realizable value. The cost of inventories is determined on a standard cost basis and includes expenditures incurred in acquiring the inventories, and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

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

Investments are comprised of the Company's investments in Intelligent Wellhead Systems Inc. ("IWS") and Rawabi Pason Company ("Rawabi JV"). Rawabi JV is a provider of specialized data management systems for drilling rigs in the Kingdom of Saudi Arabia. IWS is a privately-owned oil and gas technology and service company that provides engineered controls, data acquisition and software to automate workflows and processes at live well operations in the completions segment of the oil and gas industry.

During the second quarter of 2021, Pason increased its minority investment in IWS and acquired a portion of outstanding common shares for total cash consideration of \$7,127. The Company's initial minority investment was made in 2019, and consisted of total consideration of \$25,000. The investment consisted of initial cash consideration of \$10,000 and \$15,000 payable in three separate \$5,000 put options, exercisable at IWS' discretion for a period of up to three years. The first \$5,000 put obligation was exercised in the third quarter of 2020, the second was exercised during the second quarter of 2021, and the third during the fourth quarter of 2021 to fund IWS' recent growth.

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 at each annual reporting period using a discounted cash flow model of the estimated future cash flows of the obligation.

9. Share Capital

Common shares

	Nine Months Ended September 30, 2022		Year Ended December 31, 2021	
	(\$)	(#)	(\$)	(#)
Balance, beginning	162,567	82,194,051	164,568	83,088,941
Shares repurchased and cancelled under NCIB	(1,162)	(585,350)	(1,804)	(910,979)
Exercise of stock options	1,695	149,906	146	16,089
Liability for automatic share purchase plan ("APP") commitment pursuant to NCIB	(301)	—	(343)	—
Reversal of prior period liability for APP commitment pursuant to NCIB	343	—	—	—
Balance, ending	163,142	81,758,607	162,567	82,194,051

At September 30, 2022, 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 month period ended September 30, 2022, the Company declared and paid dividends of \$6,558 (third quarter of 2021: \$4,121) or \$0.08 per common share (third quarter of 2021: \$0.05).

For the nine month period ended September 30, 2022, the Company declared and paid dividends of \$19,708 (2021: \$12,443) or \$0.24 per common share (2021: \$0.15).

Normal Course Issuer Bid ("NCIB")

In 2021, the Company renewed its NCIB commencing on December 20, 2021, and expiring on December 19, 2022. Under the current NCIB, the Company may purchase for cancellation, as the Company considers advisable, up to a maximum of 7,131,543 common shares, which represents 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 52,510 common shares. The Company may make one block purchase per calendar week which exceeds the daily purchase restriction.

For the three month period ended September 30, 2022, the Company repurchased 378,450 (third quarter of 2021 - 359,878) shares for cancellation for total cash consideration of \$5,109 (third quarter of 2021 - \$2,970).

For the nine month period ended September 30, 2022, the Company repurchased 585,350 (2021 - 673,779) shares for cancellation for total cash consideration of \$7,971 (2021 - \$5,961). The total consideration is allocated between share capital and retained earnings.

10. 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:

	Nine Months Ended September 30, 2022		Twelve Months Ended December 31, 2021	
	Share Options	Weighted Average Exercise Price	Share Options	Weighted Average Exercise Price
	(#)	(\$)	(#)	(\$)
Outstanding, beginning	3,324,759	14.67	4,277,601	15.96
Granted	—	—	599,373	10.63
Exercised	(149,906)	9.70	(16,089)	7.33
Expired or forfeited	(197,581)	18.30	(1,536,126)	17.34
Outstanding, ending	2,977,272	14.79	3,324,759	14.67
Exercisable, ending	1,839,901	17.73	2,147,030	17.28
Available for grant, ending	2,745,830		2,428,825	

Restricted share units plan

All 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.

The outstanding RSUs can be summarized as follows:

	Nine Months Ended	Twelve Months Ended
	September 30, 2022	December 31, 2021
	(#)	(#)
RSUs, beginning	1,144,628	1,111,190
Granted	—	535,113
Vested and paid	(1,500)	(411,915)
Forfeited	(81,734)	(89,760)
RSUs, ending	1,061,394	1,144,628

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 issued. Directors who are also members of management can elect to receive all or part of their short-term incentive payments in the form of DSUs. DSUs are credited evenly following the year in which they are awarded. DSUs vest and are paid upon the retirement of the Director.

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

	Nine Months Ended	Twelve Months Ended
	September 30, 2022	December 31, 2021
	(#)	(#)
DSUs, beginning	264,231	252,363
Credited	71,375	81,498
Redeemed and paid	—	(69,630)
DSUs, ending	335,606	264,231

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. Starting in 2021, 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.

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

	Nine Months Ended September 30, 2022	Twelve Months Ended December 31, 2021
	(#)	(#)
PSUs, beginning	2,385,124	2,332,028
Granted	—	995,943
Vested and paid	—	(942,847)
PSUs, ending	2,385,124	2,385,124

Stock-based compensation expense and liability

For the three month period ended September 30, 2022, the Company recorded \$2,032 of stock-based compensation expense for its equity and cash settled plans (third quarter of 2021: \$1,611). For the nine month period ended September 30, 2022, the company recorded \$10,101 of stock-based compensation expense for its equity and cash settled plans (2021: \$6,429). As at September 30, 2022, the Company held \$8,311 in current stock-based compensation liability and \$10,700 in non-current stock-based compensation liability for its cash settled plans (as at December 31, 2021: \$2,647 and \$6,821, respectively).

11. Income Taxes

During the first quarter of 2019, the Company paid withholding tax owing to the Canada Revenue Agency (CRA) of \$15,304 as part of a Bilateral Advanced Pricing Arrangement (APA) entered into with the CRA and the IRS. As such, the Company recorded an amount under Income Tax Recoverable, which represented a corresponding amount owing from the IRS. During the three months ended March 31, 2022, the Company received final settlement on all principal amounts owing from the IRS in relation to the APA, in the amount of \$12.5 million.

12. Operating Segments

The Company reports on three strategic business units: The North American (Canada and the United States) and International (Latin America, including Mexico, Offshore, the Eastern Hemisphere, and the Middle East) 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. The following tables represent a disaggregation of revenue from contracts with customers along with the reportable segment for each category:

Three Months Ended September 30, 2022	North America	International	Solar and Energy Storage	Total
	(\$)	(\$)	(\$)	(\$)
Revenue				
Drilling Data	40,418	9,396	—	49,814
Mud Management and Safety	22,467	3,338	—	25,805
Communications	4,776	868	—	5,644
Drilling Intelligence	6,265	526	—	6,791
Analytics and Other	1,319	1,701	1,428	4,448
Total Revenue	75,245	15,829	1,428	92,502
Rental services and local administration	22,422	7,497	2,431	32,350
Depreciation and amortization	3,867	561	5	4,433
Segment gross profit (loss)	48,956	7,771	(1,008)	55,719
Research and development				9,879
Corporate services				3,911
Stock-based compensation				2,032
Other income				(5,324)
Income tax provision				11,482
Net income				33,739
Net income attributable to Pason				34,246
Capital expenditures	6,625	290	—	6,915
As at September 30, 2022				
Property plant and equipment	75,996	10,978	125	87,099
Intangible assets	3,971	—	2,278	6,249
Goodwill	7,821	2,600	23,253	33,674
Segment assets	370,299	60,258	32,854	463,411
Segment liabilities	81,132	5,492	12,371	98,995

Three Months Ended September 30, 2021	North America	International	Solar and Energy Storage	Total
	(\$)	(\$)	(\$)	(\$)
Revenue				
Drilling Data	24,629	5,875	—	30,504
Mud Management and Safety	12,848	2,111	—	14,959
Communications	3,059	436	—	3,495
Drilling Intelligence	4,061	287	—	4,348
Analytics and Other	1,509	1,725	1,165	4,399
Total Revenue	46,106	10,434	1,165	57,705
Rental services and local administration	16,504	4,703	1,520	22,727
Depreciation and amortization	4,763	762	5	5,530
Segment gross profit (loss)	24,839	4,969	(360)	29,448
Research and development				8,951
Corporate services				3,856
Stock-based compensation				1,611
Other income				(2,984)
Income tax provision				5,239
Net income				12,775
Net income attributable to Pason				13,074
Capital expenditures	1,063	142	—	1,205
As at September 30, 2021				
Property plant and equipment	76,419	9,209	157	85,785
Intangible assets	6,349	—	3,141	9,490
Goodwill	8,530	2,600	21,616	32,746
Segment assets	299,483	51,587	26,483	377,553
Segment liabilities	62,669	5,519	2,097	70,285

Nine Months Ended September 30, 2022	North America	International	Solar and Energy Storage	Total
	(\$)	(\$)	(\$)	(\$)
Revenue				
Drilling Data	106,104	23,340	—	129,444
Mud Management and Safety	58,412	8,265	—	66,677
Communications	12,234	1,849	—	14,083
Drilling Intelligence	16,067	1,186	—	17,253
Analytics and Other	4,065	4,191	4,865	13,121
Total Revenue	196,882	38,831	4,865	240,578
Rental services and local administration	63,240	19,404	7,178	89,822
Depreciation and amortization	13,717	1,711	15	15,443
Segment gross profit (loss)	119,925	17,716	(2,328)	135,313
Research and development				28,017
Corporate services				11,350
Stock-based compensation				10,101
Other income				(7,887)
Income tax provision				24,000
Net income				69,732
Net income attributable to Pason				71,359
Capital expenditures	16,900	1,206	—	18,106

Nine Months Ended September 30, 2021	North America	International	Solar and Energy Storage	Total
			(\$)	
Revenue	(\$)	(\$)	(\$)	(\$)
Drilling Data	61,970	14,966	—	76,936
Mud Management and Safety	33,272	5,350	—	38,622
Communications	7,247	1,057	—	8,304
Drilling Intelligence	9,212	742	—	9,954
Analytics and Other	3,912	3,192	2,933	10,037
Total Revenue	115,613	25,307	2,933	143,853
Rental services and local administration	44,460	12,855	4,171	61,486
Depreciation and amortization	17,393	2,109	15	19,517
Segment gross profit (loss)	53,760	10,343	(1,253)	62,850
Research and development				23,916
Corporate services				9,801
Stock-based compensation				6,429
Other income				(7,440)
Income tax provision				8,498
Net income				21,646
Net income attributable to Pason				22,696
Capital expenditures	6,864	710	—	7,574

13. Other Income

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(\$)	(\$)	(\$)	(\$)
Foreign exchange (gain) loss	(3,332)	(204)	(3,983)	969
Net interest income	(1,027)	(285)	(2,258)	(563)
Net monetary gain	(1,380)	(190)	(1,313)	(250)
Equity loss (gain)	131	(185)	823	338
Government wage assistance	—	(2,190)	—	(8,080)
Other expenses (income)	284	70	(1,156)	146
Total other income	(5,324)	(2,984)	(7,887)	(7,440)

Net interest income is primarily comprised of interest generated from the Company's invested cash and cash equivalents.

Net monetary gain included in other income results from applying hyperinflation accounting to the Company's Argentinian subsidiary.

Equity loss (gain) is the result of the Company using the equity method of accounting to account for its investments in Intelligent Wellhead Systems Inc. and the Pason Rawabi joint venture and reflects the current period change in the value of the Company's equity investments.

The Company did not recognize any government wage assistance in 2022 as the program was terminated in October 2021. During the three and nine months ended September 30, 2021, Pason participated in the Canada Emergency Wage Subsidy ("CEWS") program.

Other expenses (income) for the nine months ended September 30, 2022 is primarily comprised of proceeds received on a bankruptcy settlement of a former lessee.

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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(#)	(#)	(#)	(#)
Issued common shares outstanding, beginning	82,130,025	82,775,041	82,194,051	83,088,941
Effect of NCIB and exercised options	(153,444)	(89,970)	(115,476)	(161,548)
Weighted average number of common shares (basic)	81,976,581	82,685,071	82,078,575	82,927,393

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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(#)	(#)	(#)	(#)
Weighted average number of common shares (basic)	81,976,581	82,685,071	82,078,575	82,927,393
Effect of share options	656,885	66,653	717,608	104,760
Weighted average number of common shares (diluted)	82,633,466	82,751,724	82,796,183	83,032,153

For the periods ended September 30, 2022, 1,478,835 (2021 - 2,796,564) 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. Approval of Financial Statements

These unaudited Condensed Consolidated Interim Financial Statements were approved by the Board of Directors on November 2, 2022.

16. Events After the Reporting Period

On November 2, 2022, the Company declared a quarterly dividend of \$0.12 per share on the Company's common shares. The dividend will be paid on December 30, 2022, to shareholders of record at the close of business on December 15, 2022.