



pason

INVESTOR DAY

May 30, 2024
Calgary, Alberta



Welcome

Marcel Kessler
Chair, Board of Directors

Today's Presenters



Jon Faber
President &
Chief Executive Officer



Celine Boston
Chief Financial Officer



Kevin Boston
Vice President,
Commercial



John Gurski
President,
Energy Toolbase



Russell Smith
Vice President,
International



William Standifird
President,
Intelligent Wellhead Systems



Additional Management Team Members



Craig Bye
Vice President,
Cloud Platforms & Applications



Natalie Fenez
Vice President,
Legal



Heather Hantos
Vice President,
Human Resources



Bryce McLean
Vice President,
Operations



Lars Olesen
Vice President,
Product & Technology



Ryan van Beurden
Vice President,
Rigsite Research & Development

Board of Directors



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



T. Jay Collins
Chair, Human Resources and
Compensation Committee
Joined Pason Board in 2012



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



Sophia Langlois
Director
Joined Pason Board in 2024



Ken Mullen
Chair, Audit Committee
Joined Pason Board in 2023



Laura Schwinn
Lead Director and Chair, Corporate
Governance and Nomination Committee
Joined Pason Board in 2019

* Denotes Non-Independent Directors



Strategy Overview

Jon Faber

President & Chief Executive Officer



Forward-Looking Information and Non-GAAP Measures

Forward-Looking Statements and Information

Certain statements contained in this presentation 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. All statements other than statements of historical fact contained herein are forward-looking statements, including, without limitation, 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. These forward-looking statements reflect the current views of Pason with respect to future events and operating performance as of the date of this presentation. 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 that 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 investors 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 exploration and production 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; 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 Pason’s Annual Information Form for the year ended December 31, 2023 under the heading, “Risk and Uncertainty,” in our management’s discussion and analysis for the three months ended March 31, 2024, and in our 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 presentation are expressly qualified by this cautionary statement. Except to the extent required by applicable law, Pason assumes no obligation to publicly update or revise any forward-looking statements made in this presentation or otherwise, whether as a result of new information, future events or otherwise.

Non-GAAP Measures

Certain financial measures in this presentation, such as EBITDA, Adjusted EBITDA, and Free Cash Flow are not prescribed by GAAP and may not be comparable to measures used by other companies. Management believes these non-GAAP measures provide investors 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.

Agenda



Strategy Overview

Jon Faber
President & CEO

North American Drilling

Kevin Boston
Vice President, Commercial

International Drilling

Russell Smith
Vice President, International

Intelligent Wellhead Systems (IWS)

William Standifird
President, Intelligent Wellhead Systems

Energy Toolbase (ETB)

John Gurski
President, Energy Toolbase

Financial Overview

Celine Boston
Chief Financial Officer

Questions and Answers

Key Messages



- 1 Success built on a committed **leadership team**, an engaging **culture** and a focused **strategy**
- 2 **Strong growth prospects** are not reliant on higher levels of North American land drilling activity
- 3 Expectations of a **less volatile industry** environment going forward
- 4 **Favourable industry trends** support meaningful growth opportunities in each operating segment
- 5 Proven **financial strength** and superior **profitability**

Success built on a committed leadership team, an engaging culture and a focused strategy

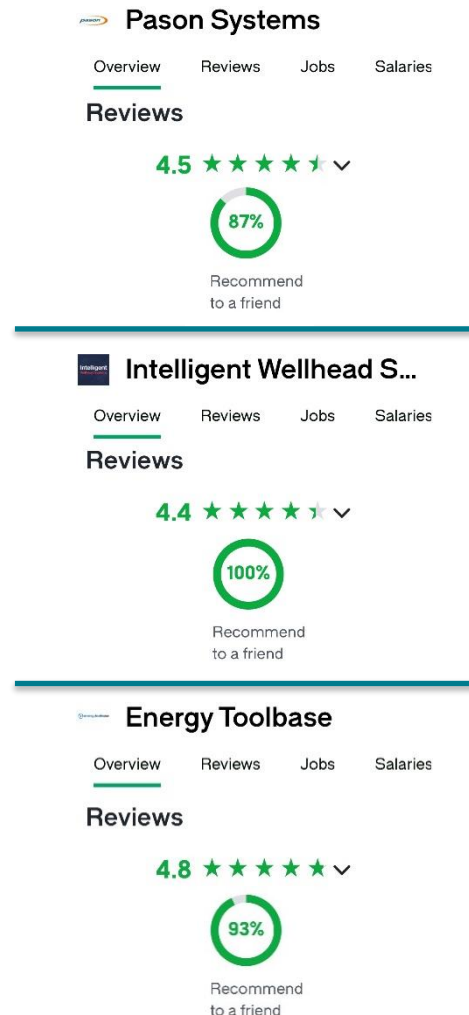


Committed Leadership

| | |
|---|--------------------|
| Jon Faber President & CEO | 10 years |
| Celine Boston Chief Financial Officer | 3 years |
| Kevin Boston VP, Commercial | 13 years |
| Craig Bye VP, Cloud Platforms & Applications | 17 years |
| Natalie Fenez VP, Legal | 6 years |
| Heather Hantos VP, Human Resources | 12 years |
| Bryce McLean VP, Operations | 13 Years |
| Lars Olesen VP, Product & Technology | 24 years |
| Russell Smith VP, International | 13 years |
| Ryan van Beurden VP, Rigsite Research & Development | 22 years |

Does not include acquired businesses
(Intelligent Wellhead Systems and Energy Toolbase)

Engaging Culture



Source: Glassdoor

Focused Strategy

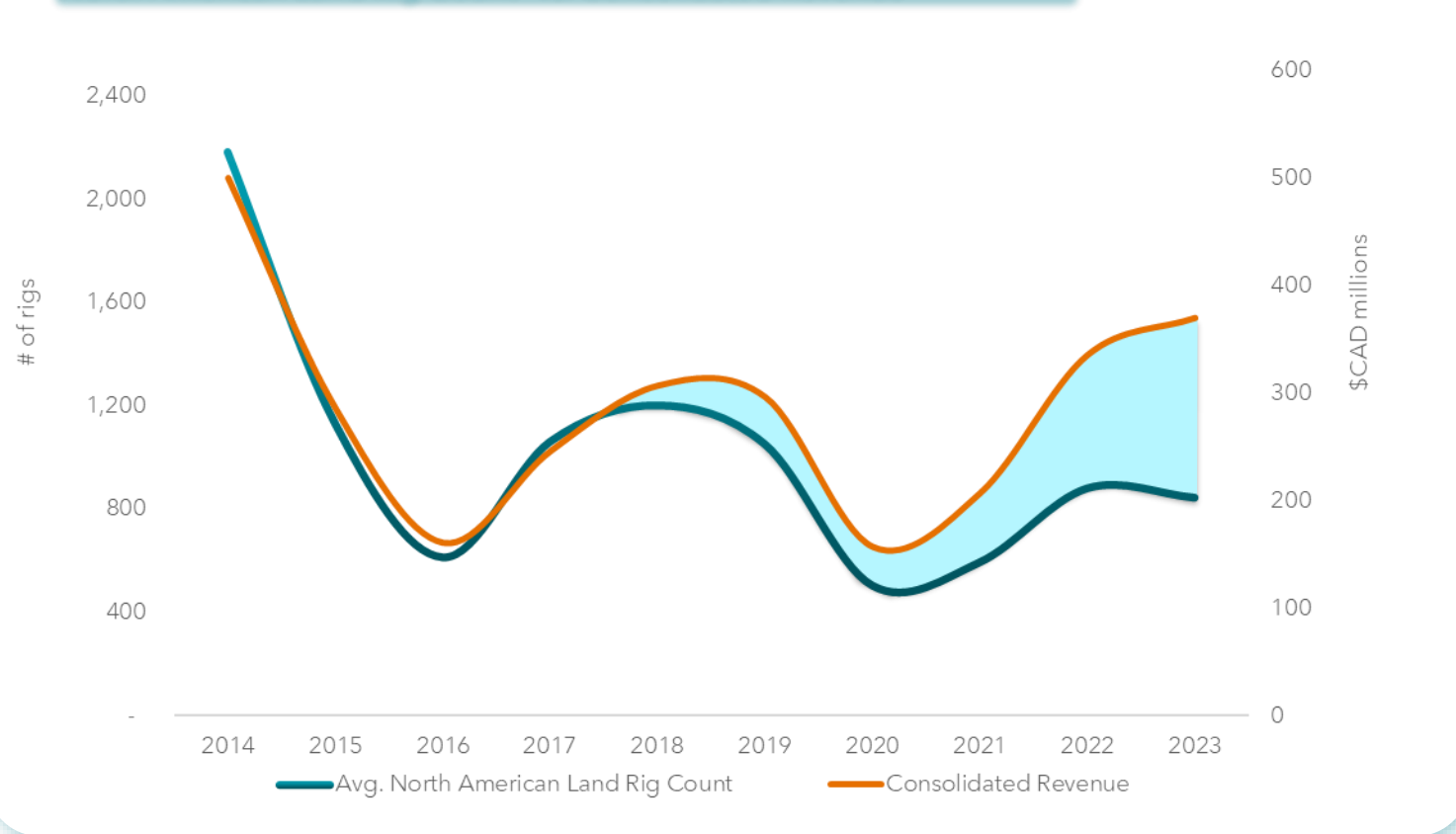
DELIVERING DATA THAT DRIVES DECISIONS

- End-to-end data management
- Simple, reliable, secure handling of high-quality data
- Ability to integrate with a broad range of end-stage tools and systems
- Compelling automation solutions in areas of specialized knowledge
- Best-in-class field service and remote support organization

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



North American Land Rig Count¹ vs. Consolidated Revenue



GROWTH DRIVERS BEYOND INCREASED NORTH AMERICAN LAND DRILLING ACTIVITY

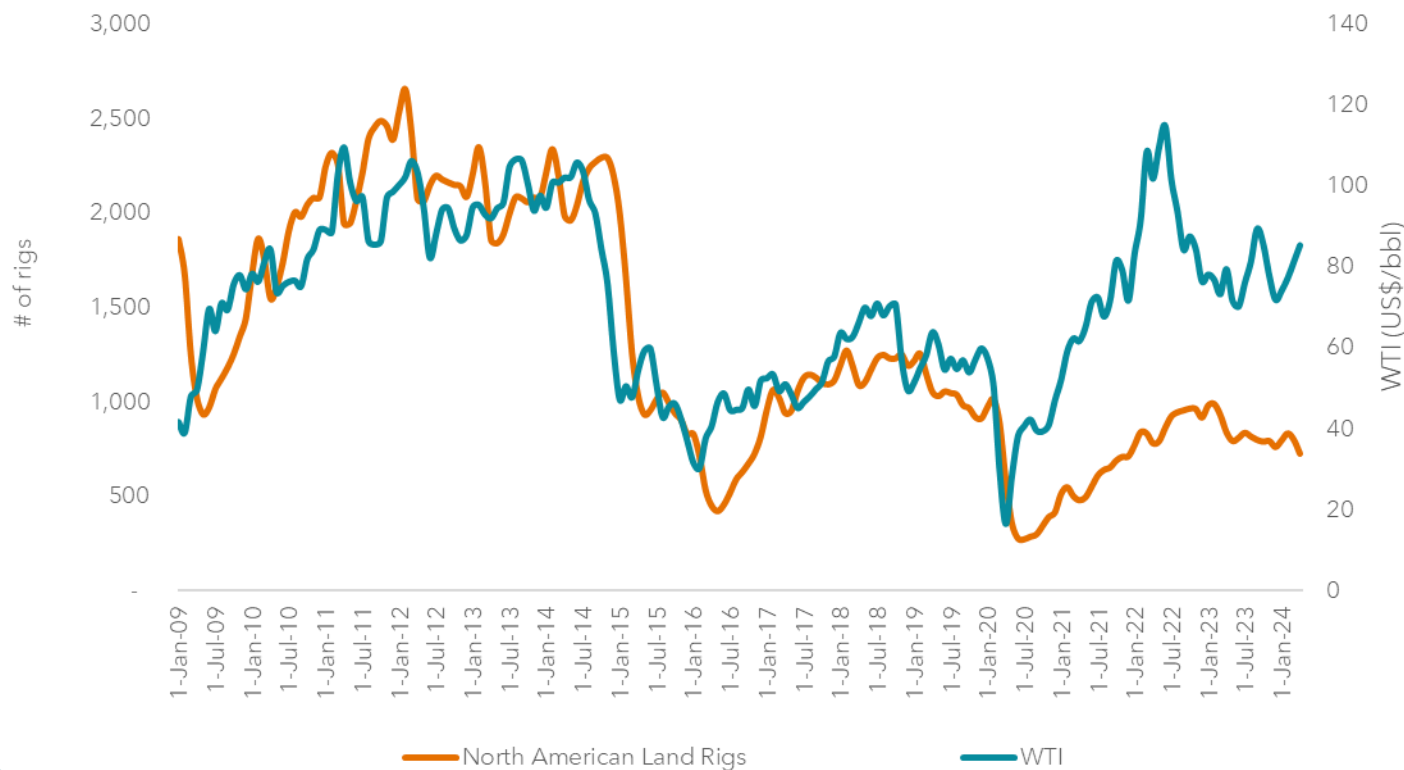
- Increased Revenue per Industry Day in North America, driven by growing use of data-driven technologies (automation and analytics)
- International Drilling revenue growth, driven by increased adoption of more advanced drilling technologies
- Increased revenue from Intelligent Wellhead Systems, driven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

Pason has demonstrated our ability to outpace underlying drilling activity

Expectations of a less volatile industry environment going forward



WTI (US\$/bbl) vs. North American Land Rig Count¹

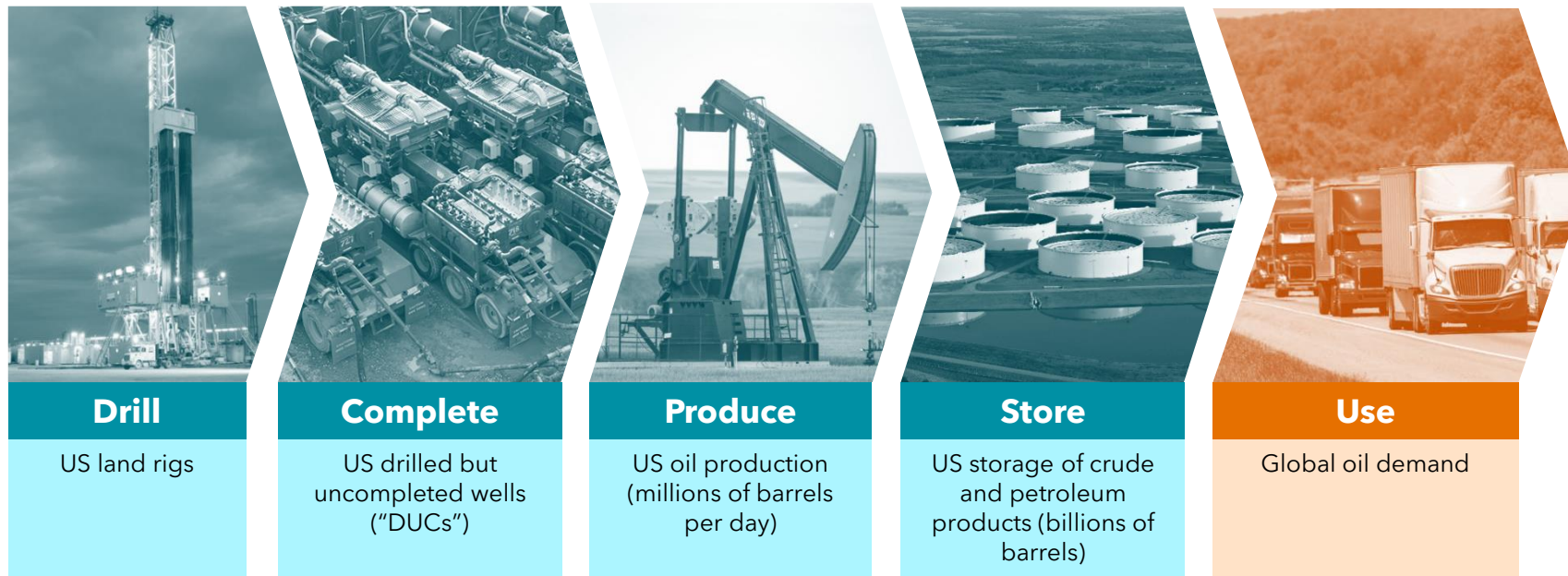


FACTORS RESULTING IN LOWER VOLATILITY

- 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
- No intentions among drilling contractors to build new rigs
- Drawdown of inventory of Drilled but Uncompleted wells (DUCs)
- Lower debt levels among E&P customers

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

Supply and demand fundamentals for oil appear constructive for increased drilling and completions activity



| | Drill US land rigs | Complete US drilled but uncompleted wells ("DUCs") | Produce US oil production (millions of barrels per day) | Store US storage of crude and petroleum products (billions of barrels) | Use Global oil demand |
|----------------------------|------------------------------|--|---|--|---------------------------------|
| Current² | 579 rigs | 4,510 DUCs | 13.1 million barrels | 1.62 billion barrels | 102.0 million barrels |
| Dec '19 | 781 rigs | 8,542 DUCs | 13.0 million barrels | 1.90 billion barrels | 101.7 million barrels |
| | -26% | -47% | +1% | -15% | +0% |

1. Sources: Energy Information Administration (EIA) and Baker Hughes Rig Count.
 2. As at May 24, 2024.

Favourable industry trends support meaningful growth opportunities in each operating segment



Drilling activity based on global energy supply/demand

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

Focus on repeatability and wellbore placement



Completions activity based on global energy supply/demand

Complexity of completions operations

Adoption and use of technology in oil & gas completions



Demand for renewable energy

Government policies incentivizing additional energy storage

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.



Proven financial strength and superior profitability

| | 2019 | 2023 | |
|--|-----------------------|-----------------------|---------|
| North American land drilling rigs (average) ¹ | 1,050 | 843 | -20% |
| Revenue per Industry Day (North America) ² | \$665 CAD | \$950 CAD | +43% |
| Revenue | \$296 C\$ Millions | \$369 C\$ Millions | +25% |
| Adjusted EBITDA ³ | \$130 C\$ Millions | \$171 C\$ Millions | +32% |
| Adjusted EBITDA Margin ³ | 43.9% | 46.4% | +250bps |
| Free Cash Flow ³ | \$86 C\$ Millions | \$97 C\$ Millions | +13% |
| Net Income ⁴ | \$54 C\$ Millions | \$98 C\$ Millions | +81% |
| Total Cash (end of period) ³ | \$161 C\$ Millions | \$172 C\$ Millions | +7% |
| Shares Outstanding (end of period) | 84.5 Million | 79.7 Million | -6% |

PRIOR TO ACQUISITION OF IWS EFFECTIVE JANUARY 2024, CONSUMING \$88 MILLION OF CASH

1. Source: Baker Hughes

2. 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.

3. Refer to Non-GAAP measures on page 42 of this presentation.

4. Represents Net Income attributable to Pason.

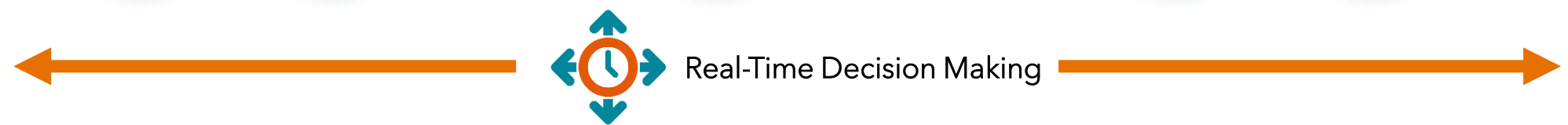
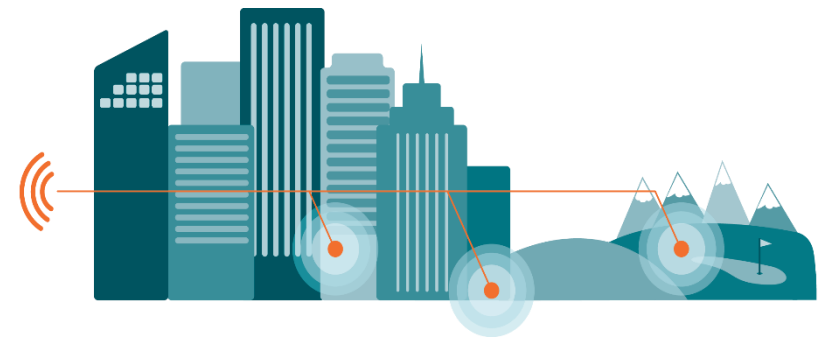


North American Drilling

Kevin Boston

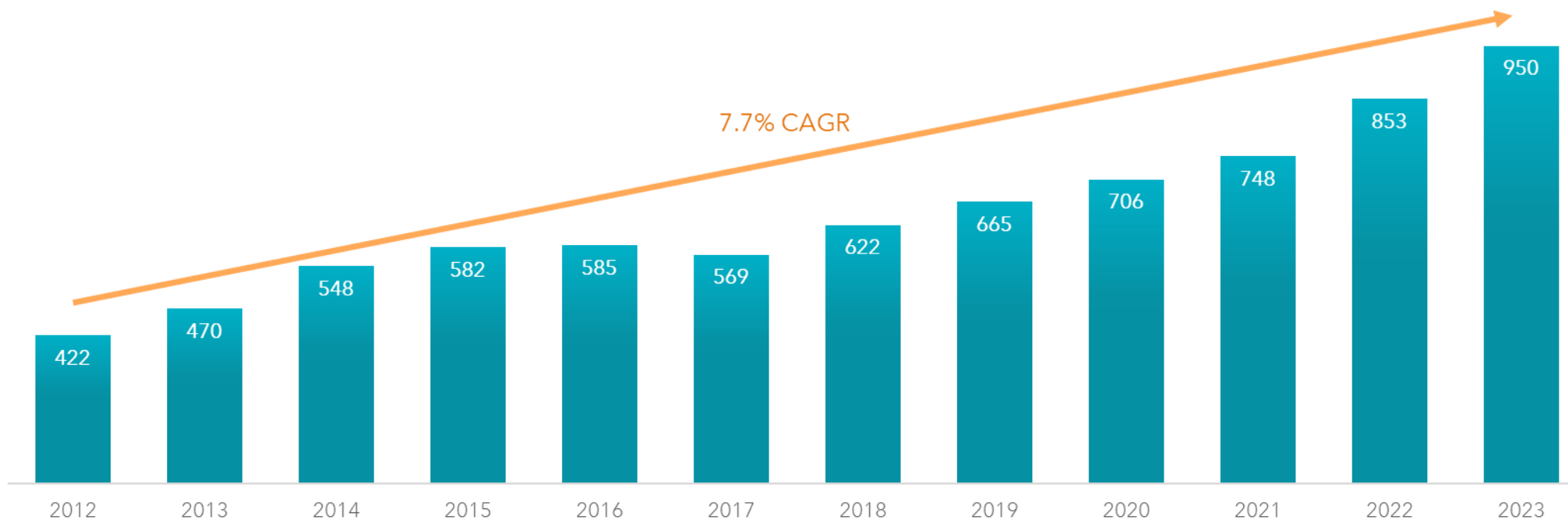
Vice President, Commercial

The Data Behind Well Construction



Revenue per Industry Day has grown across industry cycles

North American Revenue per Industry Day¹



Primary growth drivers

Increased product adoption driven by well complexity

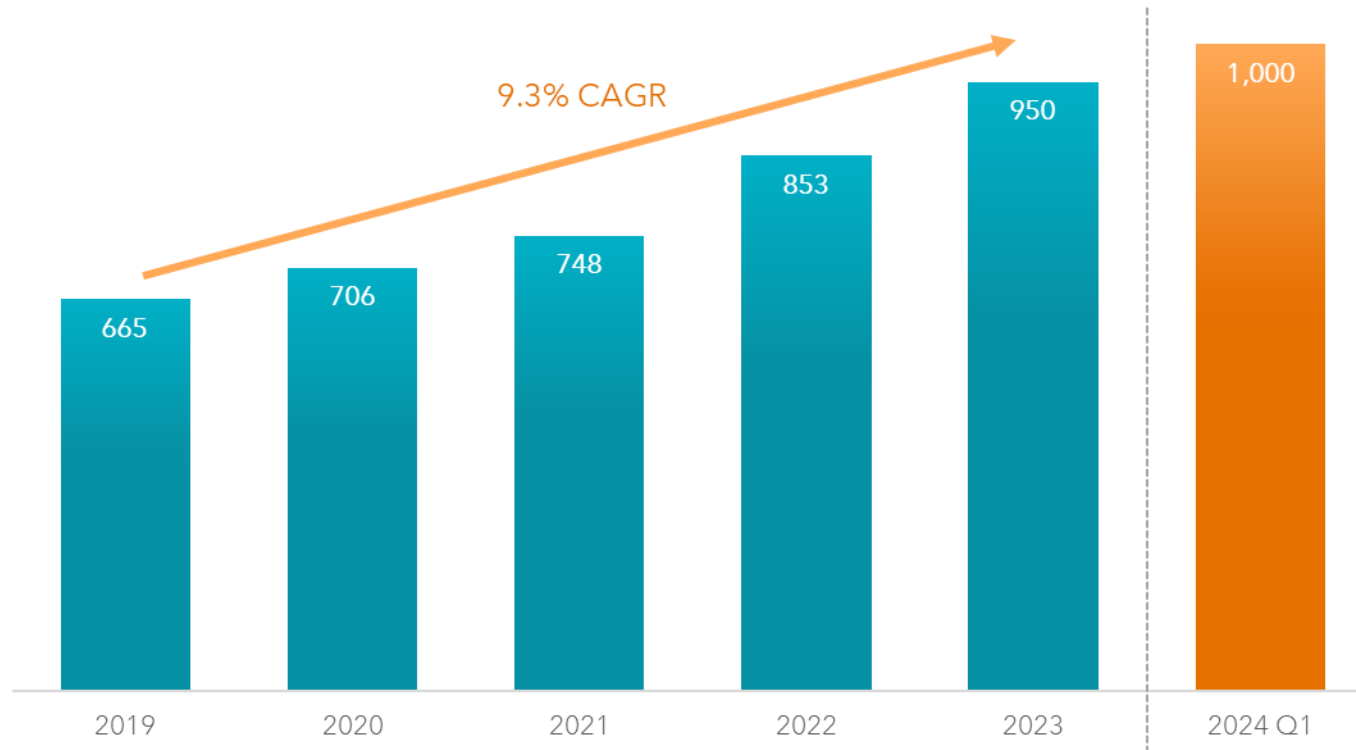
Increased US market share driven largely by large contractor partnerships

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.

Revenue per Industry Day since 2019

North American Revenue per Industry Day¹



DRIVERS OF FUTURE GROWTH

- Growing demand for data (automation and analytics)
- Seamless integration with 3rd party / customer cloud analytics platforms
- New and advanced technologies (e.g. mud analyzer, automation software)

Growth in Revenue per Industry Day has accelerated with greater usage of data-driven technology in drilling

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.

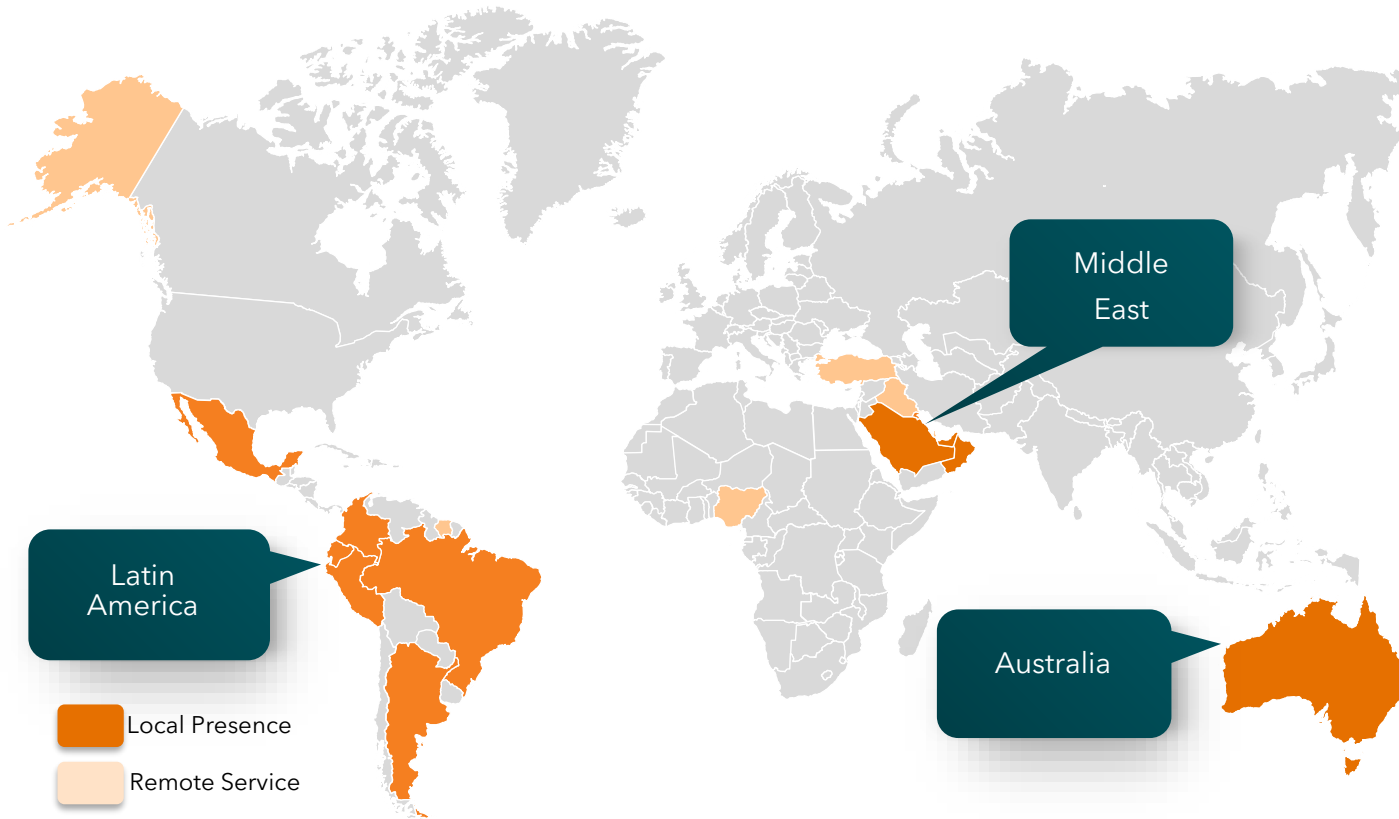


International Drilling

Russell Smith

Vice President, International

Strong International Presence



| Land Drilling Activity | | |
|---------------------------|-------------------|----------------------------|
| Region | 2023 ¹ | 2028 Forecast ² |
| Central and South America | 139 rigs | 151 rigs |
| Middle East | 269 rigs | 348 rigs |
| Australia | 19 rigs | 21 rigs |
| TOTAL | 427 rigs | 520 rigs |

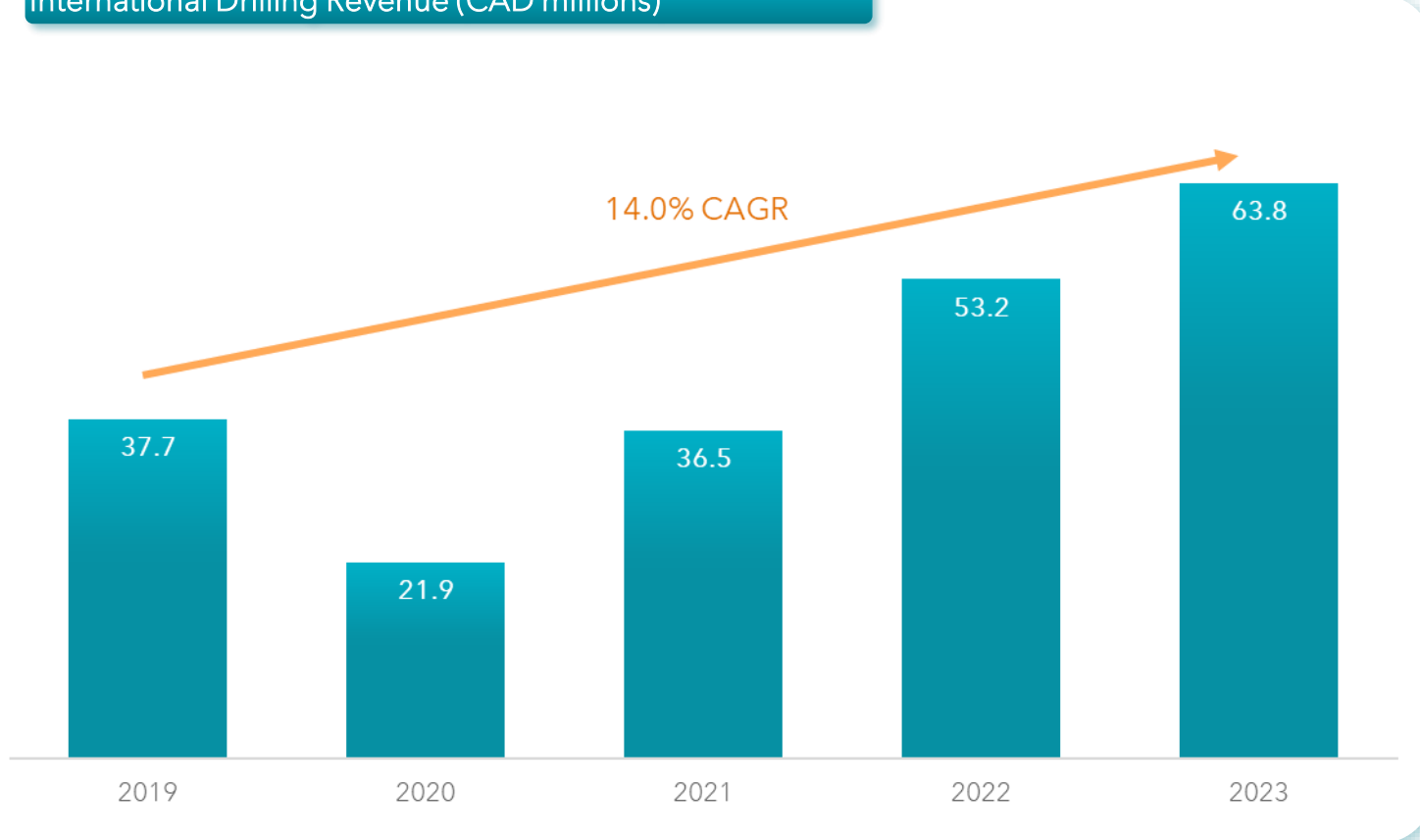
Increasing land drilling activity bolstered by robust well servicing market and capabilities

Global reach and market positioning with constructive end market outlook

1. Source: Baker Hughes
 2. Source: Estimates prepared by Spears and Associates Drilling and Production Outlook from March 2024 for land drilling activity

International Drilling Revenue Since 2019

International Drilling Revenue (CAD millions)



DRIVERS OF FUTURE GROWTH

- Global unconventional resource exploration and development
- Rig fleet additions and upgrades
- Increasing demand for, and priority placed on, fast, reliable and complete data

Growing demand for data is driving higher levels of revenue at increasingly attractive margins across Pason's international business




Intelligent Wellhead Systems


William Standifird

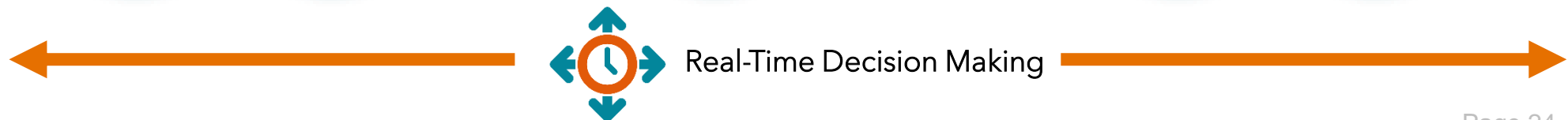
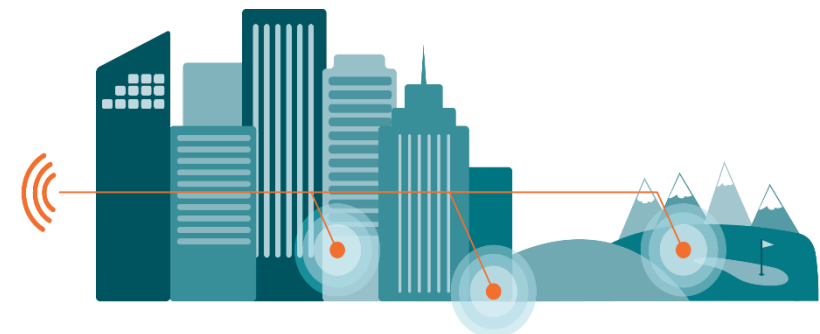
President, Intelligent Wellhead Systems

Automation and Data Management in Completions



 Core IWS capabilities

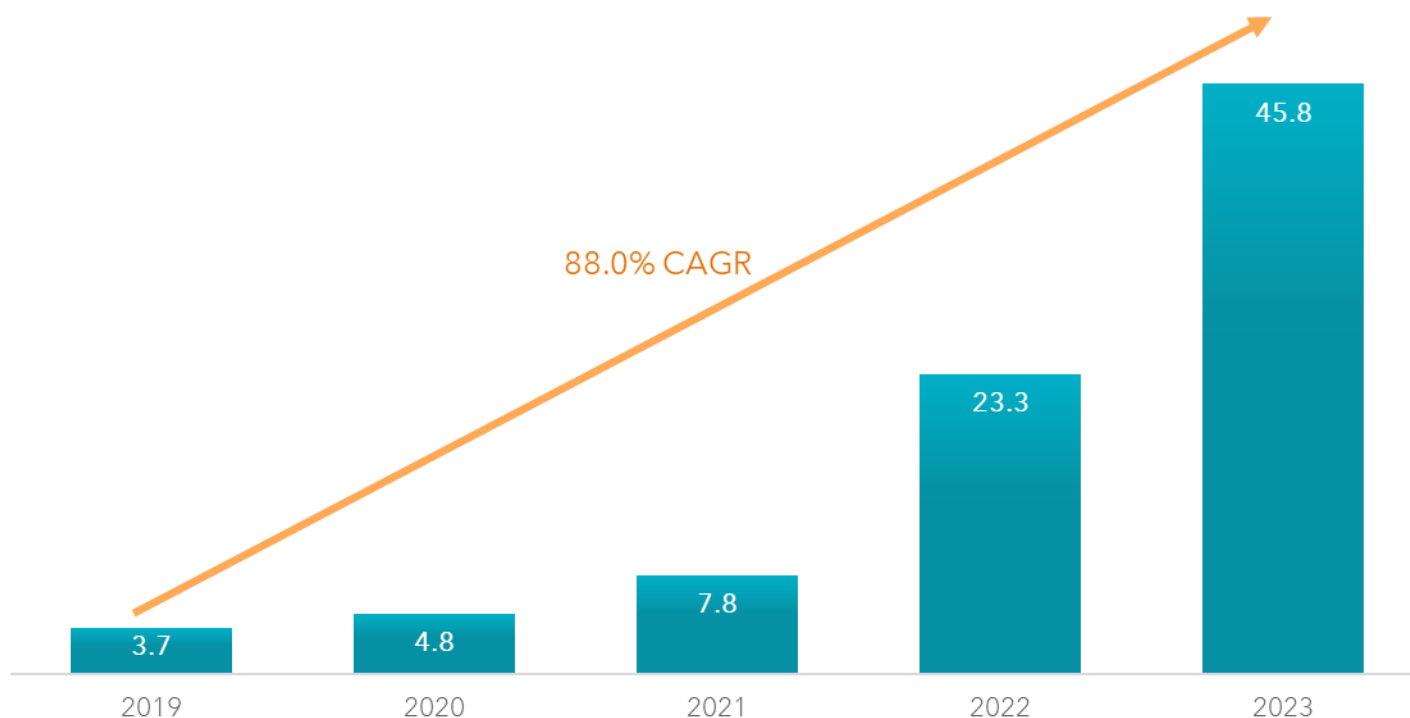
 Strengthened with Pason's experience





Intelligent Wellhead Systems Revenue Since 2019

Intelligent Wellhead Systems Revenue¹ (CAD millions)



DRIVERS OF FUTURE GROWTH

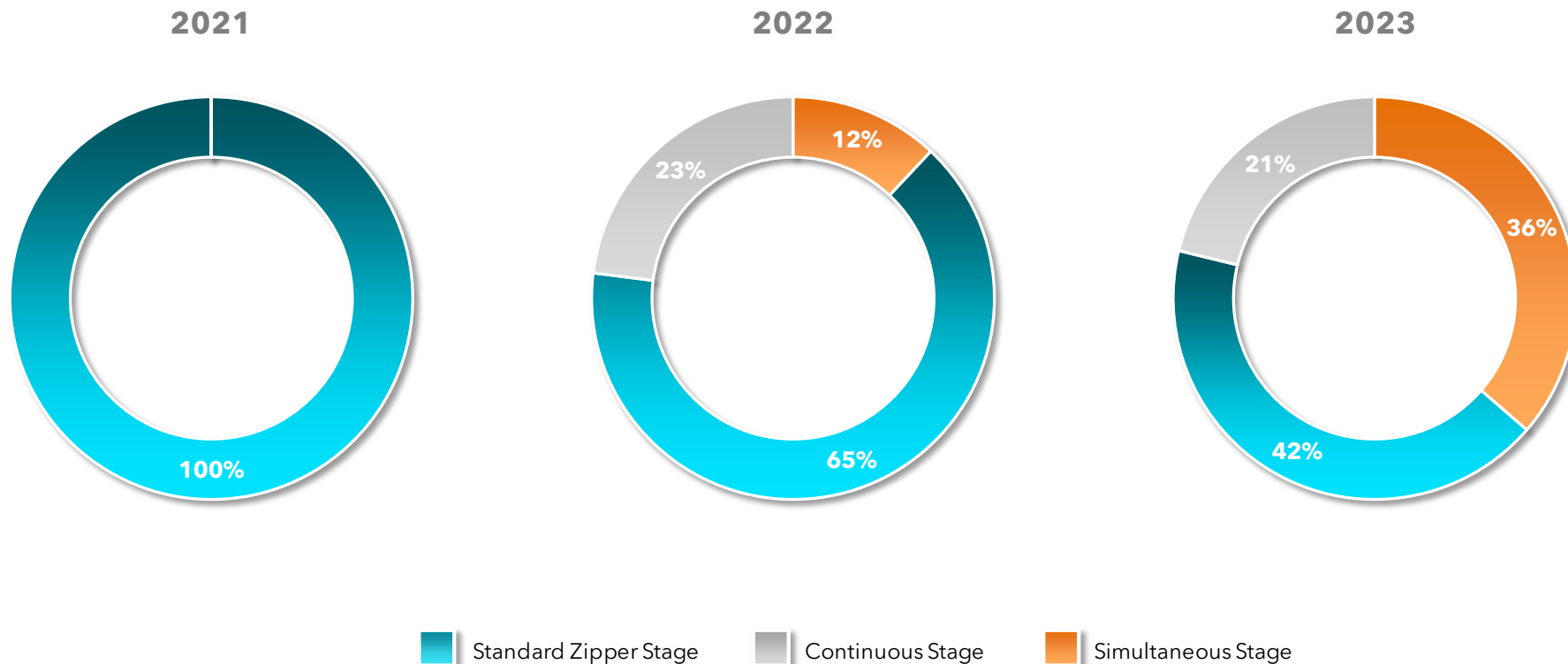
- Industry adoption of automation and analytics technology offerings
- Increased market share
- Growing complexity of completions operations
- New product development
- Establish Pason as the core data provider in the completions industry

Increasing use of automation technologies in the completions industry has propelled IWS' revenue growth

1. Pason began consolidating IWS' financial results on January 1, 2024 subsequent to the IWS Acquisition. Prior to this, Pason accounted for its non-controlling interest in IWS as an equity investment.

Changing Nature of Completions Operations

IWS Total Stages Completed by Job Type

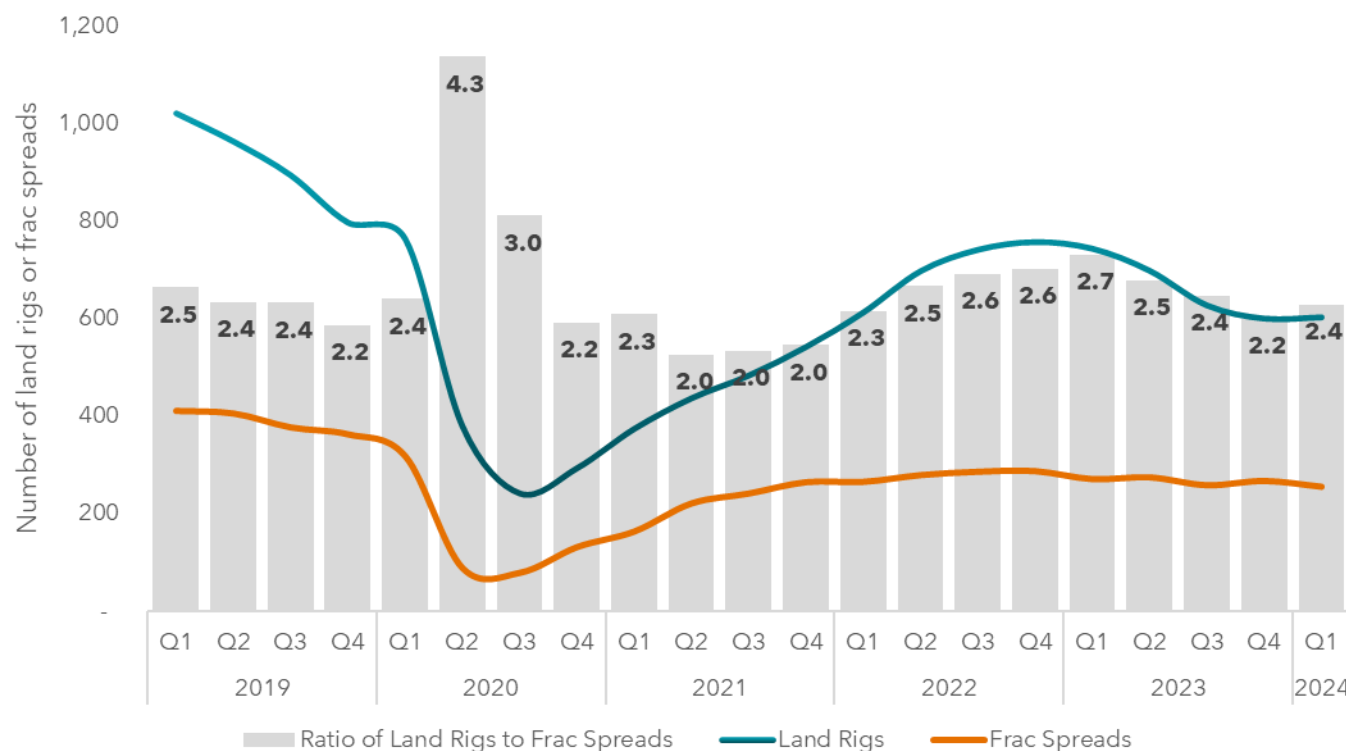


Growing complexity of completions operations is expected to drive wider spread adoption of data and automation technologies



Significant Addressable Market in Completions

US Active Land Rigs¹ and Frac Spreads²



IWS REVENUE PER
INDUSTRY DAY³
Q1-2024

C\$5,026

PASON REVENUE
PER INDUSTRY DAY³
Q1-2024

C\$1,000

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.



Energy Toolbase

John Gurski

President, Energy Toolbase

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

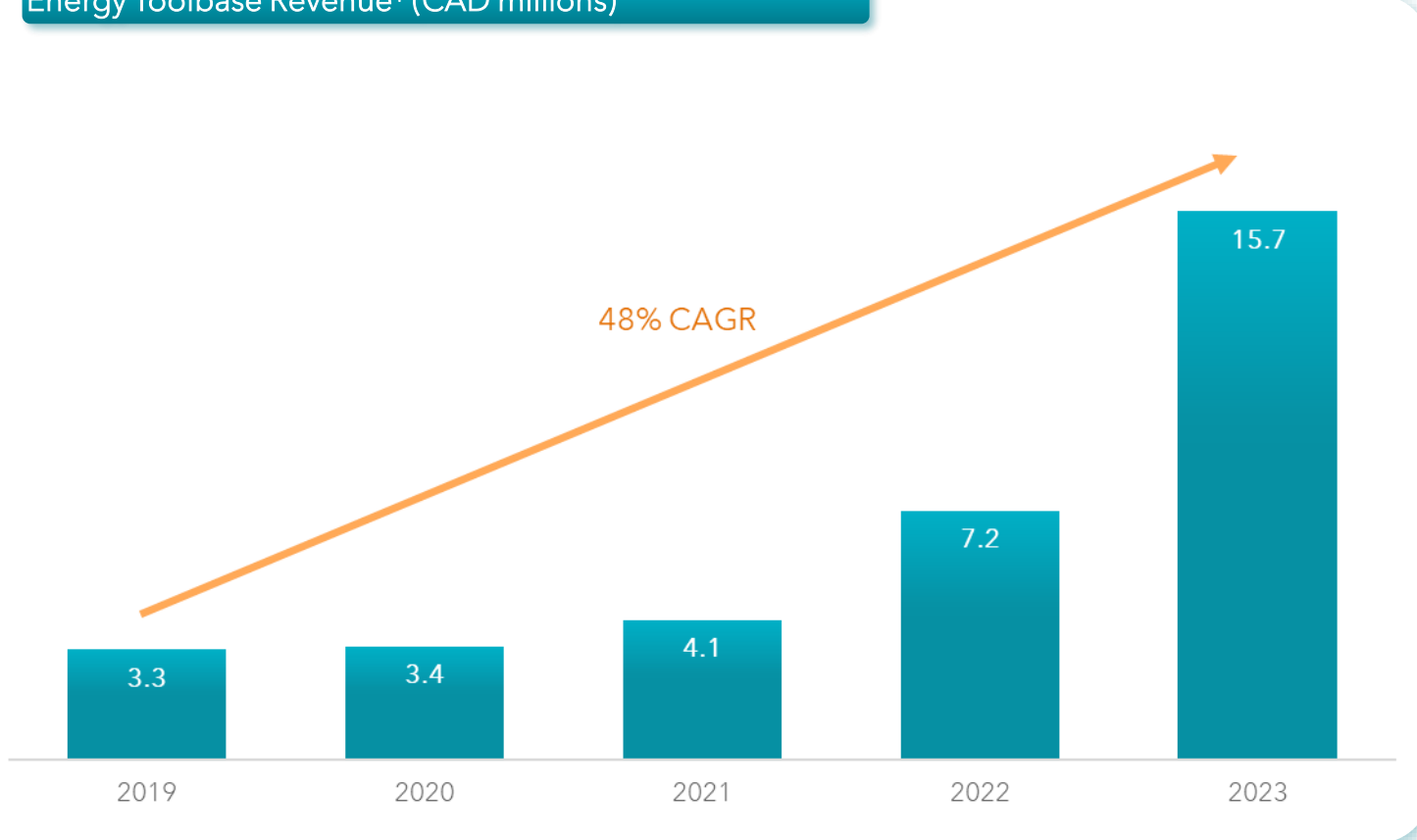


Warranty reporting

Real-time advisory

Energy Toolbase Revenue Since 2019

Energy Toolbase Revenue¹ (CAD millions)



DRIVERS OF FUTURE GROWTH

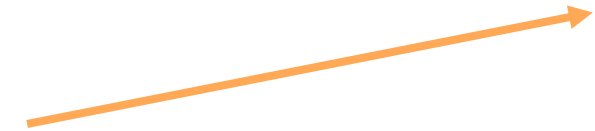
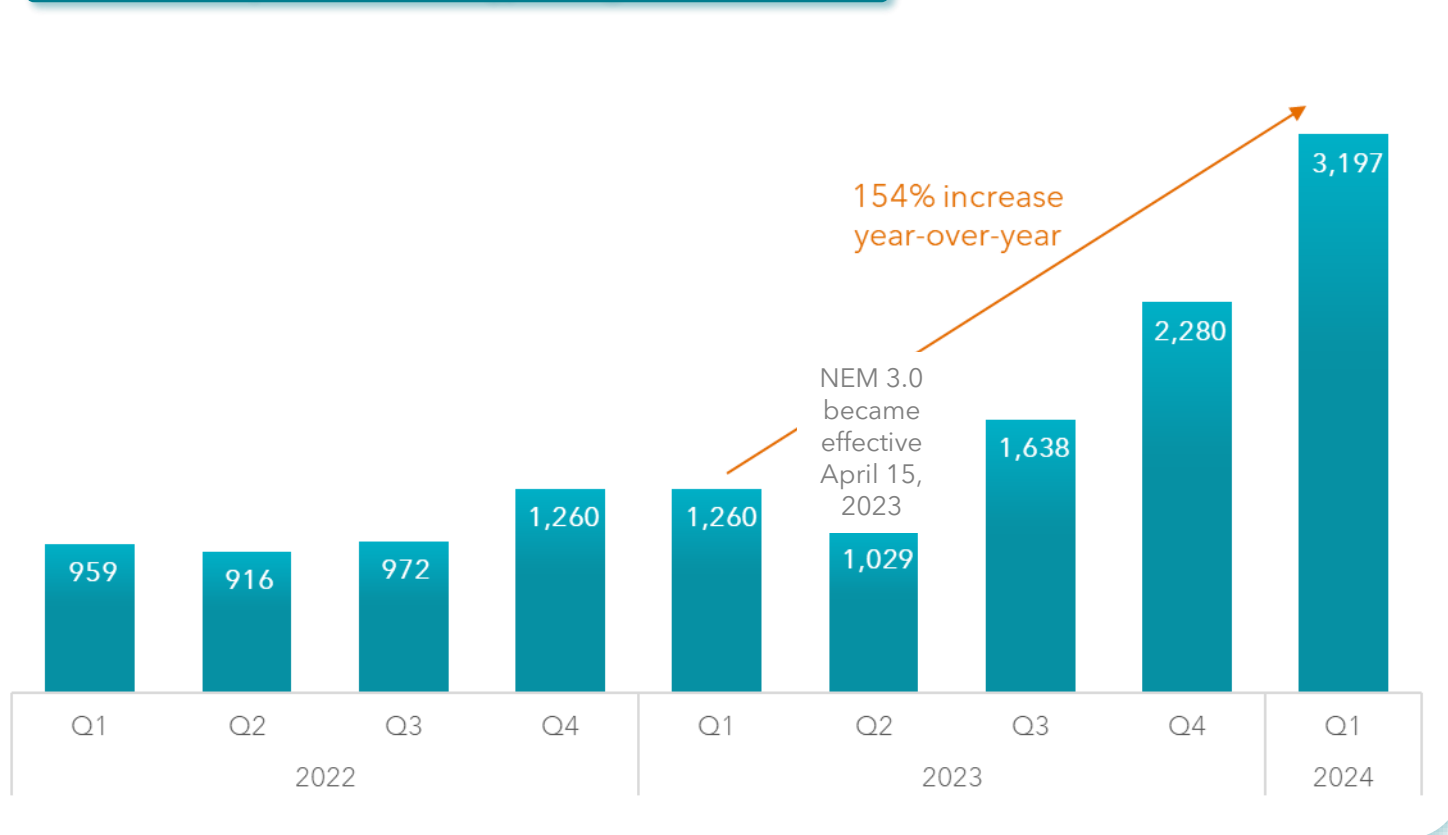
- Leveraging visibility on project proposals through economic modeling tool
- Increased deployment of energy storage assets
- Real-time monitoring of solar and storage asset operations and performance
- Advisory services to assist customers with performing analyses and designing solar and energy storage systems

Energy Toolbase is well positioned to benefit from growing demand for renewable energy and energy storage

1. Pason began consolidating ETB's financial results on September 10, 2019 subsequent to the acquisition of 80% of outstanding shares of ETB.

Growing Pipeline of Energy Storage Opportunities

Number of Proposals with Energy Storage Included¹



DRIVERS OF FUTURE GROWTH

- Energy storage equipment costs reductions
- Changes in utility rate policy incentivizing greater usage of energy storage (e.g. Inflation Reduction Act and Net Energy Metering 3.0 in California)
- Expansion of grid services programs

Government policy changes have changed the trajectory of pipeline growth for energy storage opportunities

1. Source: Internal data.



Financial Overview

Celine Boston
Chief Financial Officer



Proven Financial Strength and Superior Profitability

| | 2019 | 2023 | |
|--|---|-----------------------|---------|
| North American land drilling rigs (average) ¹ | 1,050 | 843 | -20% |
| Revenue | \$296 C\$ Millions | \$369 C\$ Millions | +25% |
| Adjusted EBITDA ² | \$130 C\$ Millions | \$171 C\$ Millions | +32% |
| Adjusted EBITDA Margin ² | 43.9% | 46.4% | +250bps |
| Free Cash Flow ² | \$86 C\$ Millions | \$97 C\$ Millions | +13% |
| From 2019 to 2023 | \$272 million returned to shareholders through dividends & share repurchases | | |
| Total Cash ² (end of period) | \$161 C\$ Millions | \$172 C\$ Millions | +7% |
| Interest bearing debt | \$0 | \$0 | - |
| Shares Outstanding (end of period) | 84.5 Million | 79.7 Million | -6% |

Improved financial fundamentals despite challenging industry conditions

Meaningful shareholder returns & 6% reduction in share count while maintaining strong balance sheet

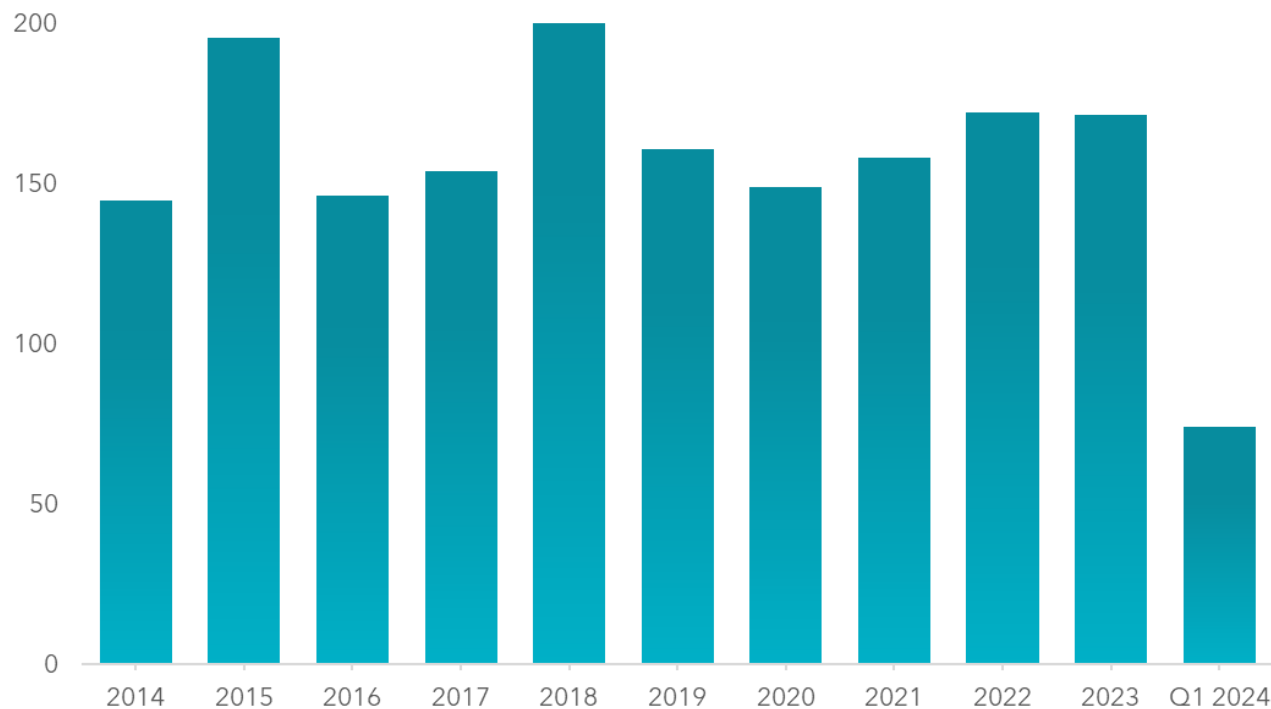
1. Source: Baker Hughes
 2. Refer to Non-GAAP measures on page 42 of this presentation.



Resilient Balance Sheet Over Time

Total Cash¹

in CAD millions



Through operating cash flows over the last ten years³...

- Invested \$324 million in research & development and \$352 million in Net Capital Expenditures²
- Paid \$495 million to shareholders in dividends
- Repurchased \$88 million in outstanding shares
- Acquired 80% of Energy Toolbase for \$27 million in 2019
- Invested in and acquired Intelligent Wellhead Systems for a total of \$160 million from 2019-2024

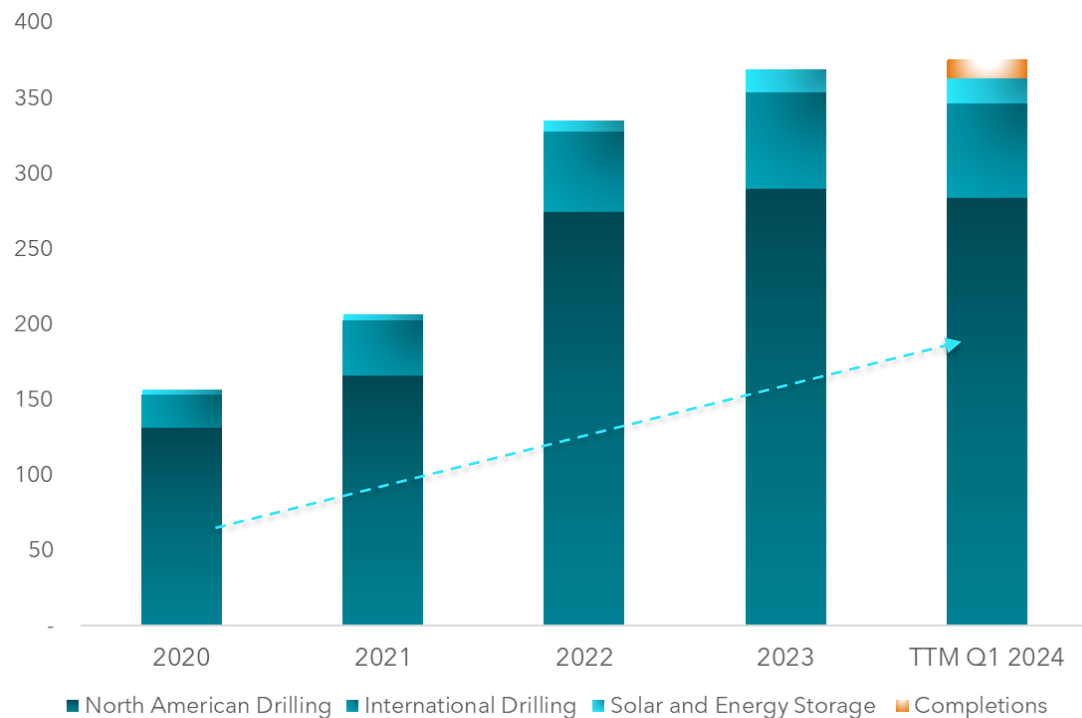
Balance sheet has defended against historical volatility in industry conditions and provided flexibility to expose shareholders to additional avenues of growth with no dilution to their holdings

1. Total Cash includes cash and cash equivalents, and short-term investments from the Company's Balance Sheets.
2. 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.
3. Represents financial information from January 1, 2014 to March 31, 2024.

Revenue Growth with Significant Operating Leverage

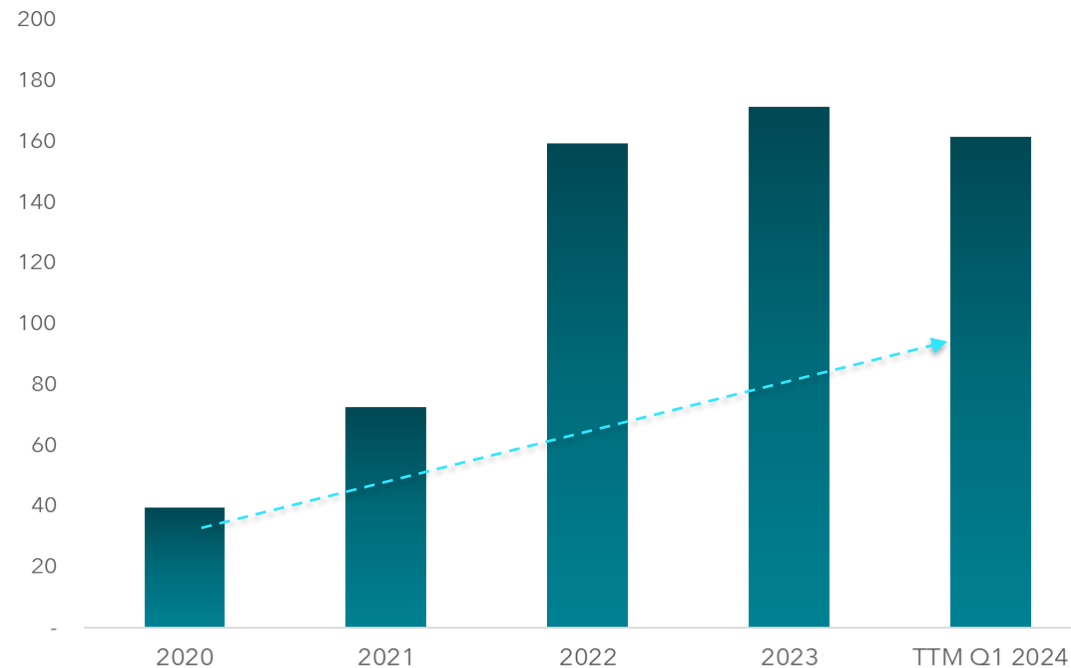
Revenue¹

in CAD millions



Adjusted EBITDA²

in CAD millions



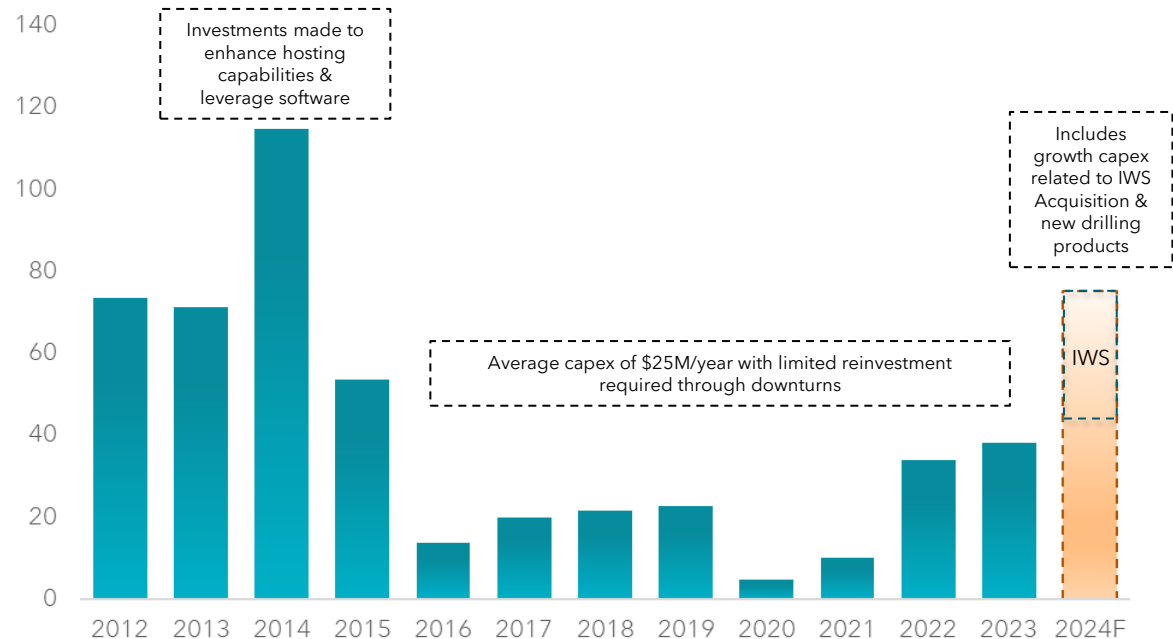
Investments in mostly fixed cost base will drive margin expansion as revenue grows

1. The Completions segment includes results generated by Intelligent Wellhead Systems (IWS), which were not part of the Company's consolidated reporting group until January 1, 2024 following the IWS Acquisition. The charts above represent Pason's consolidated revenue and Adjusted EBITDA and do not include IWS' results prior to January 1, 2024.
 2. Refer to Non-GAAP measures on page 42 of this presentation.

Disciplined Approach to Invested Capital

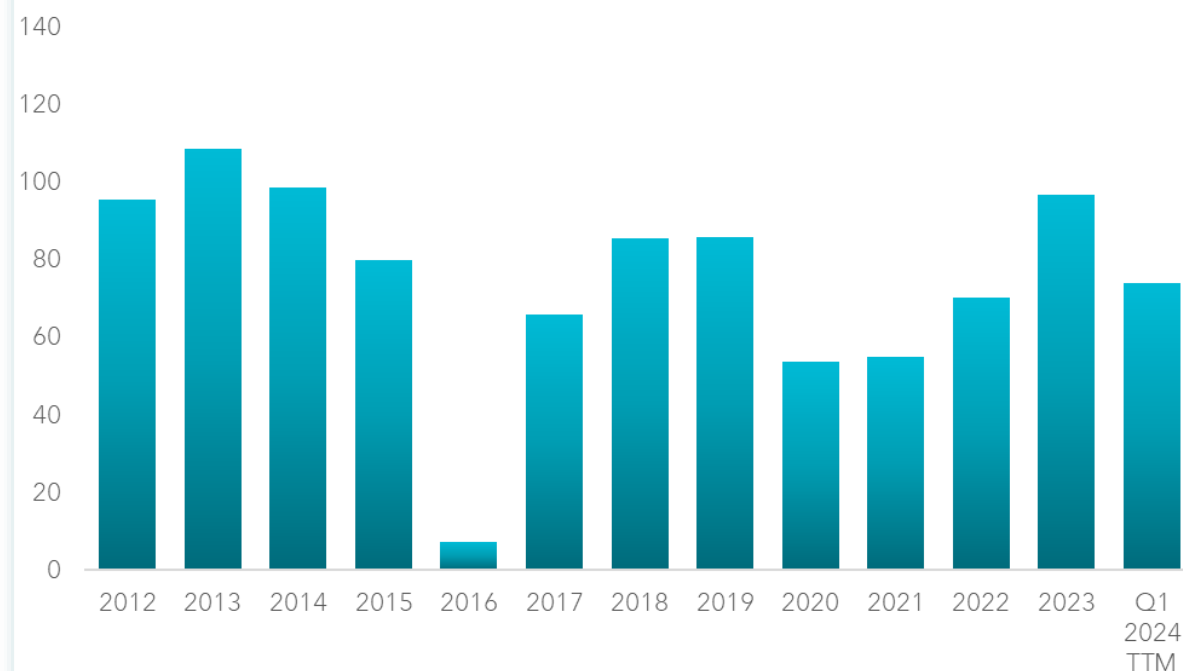
Net Capital Expenditures¹

in CAD millions



Free Cash Flow²

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 42 of this presentation.



Capital Allocation Priorities

1 Preserve Balance Sheet Strength

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

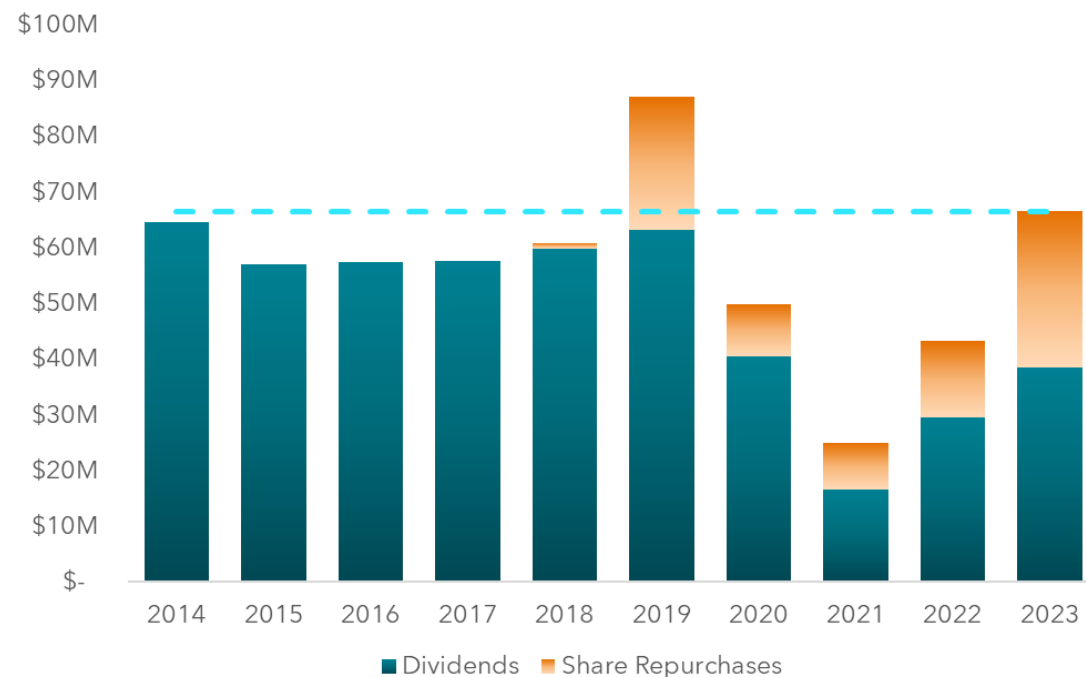
2 Disciplined and Sustainable Shareholder Returns

- Exposure to steady growth in the quarterly dividend
- Current quarterly dividend of \$0.52/share annualized
- 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

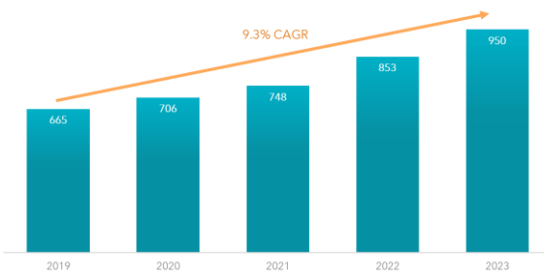
Shareholder Returns Over Time



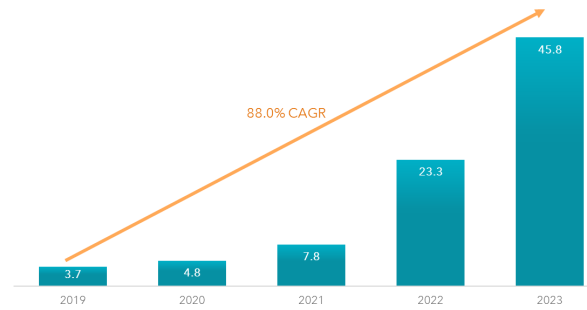
Well Positioned for Meaningful Growth

Significant Momentum with Revenue Growth Opportunities...

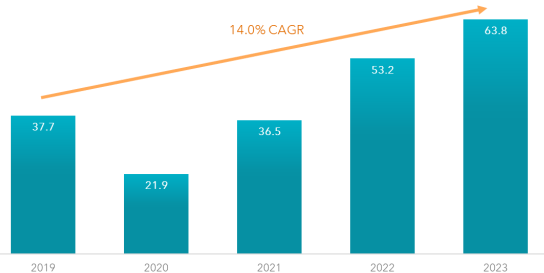
North American Revenue per Industry Day¹



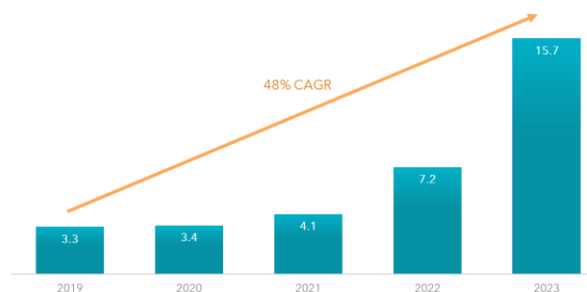
Intelligent Wellhead Systems Revenue



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

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.

Key Messages



- 1** Success built on a committed **leadership team**, an engaging **culture** and a focused **strategy**
- 2** **Strong growth prospects** are not reliant on higher levels of North American land drilling activity
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- 4** **Favourable industry trends** support meaningful growth opportunities in each operating segment
- 5** Proven **financial strength** and superior **profitability**



Questions and Answers

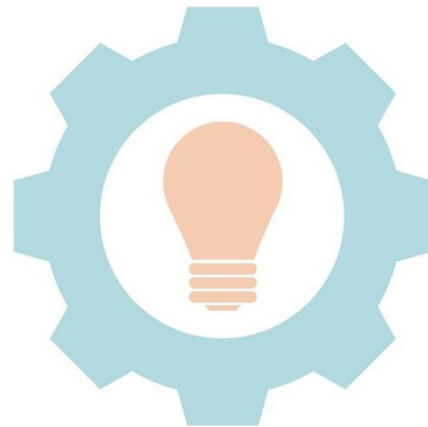
Pason Systems

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Calgary, AB T2H 1K4
Canada

Phone: 403.301.3400

Web: www.pason.com

Email: investorrelations@pason.com



Non-GAAP Measures



| \$CAD 000s | 2019 | 2020 | 2021 | 2022 | 2023 | Q1 2024 | TTM Q1 2024 |
|---|----------------|---------------|---------------|----------------|----------------|---------------|-----------------|
| Net income (loss) | 53,803 | 5,134 | 31,925 | 105,726 | 95,827 | 69,123 | 129,496 |
| Add: | | | | | | | |
| Income taxes | 20,193 | 4,864 | 11,738 | 33,405 | 34,346 | 9,057 | 31,029 |
| Depreciation and amortization | 40,830 | 34,417 | 25,689 | 20,842 | 27,216 | 11,730 | 32,330 |
| Stock-based compensation | 10,840 | 4,840 | 11,523 | 15,230 | 11,718 | 3,011 | 14,811 |
| Net interest (income) expense | (903) | (867) | 1,526 | (4,937) | (14,394) | (1,411) | (13,198) |
| EBITDA | 124,763 | 48,388 | 82,401 | 170,266 | 154,713 | 91,510 | 194,468 |
| Add: | | | | | | | |
| Foreign exchange (gain) loss | 2,199 | 1,113 | (2,011) | (2,024) | 16,758 | 714 | 17,239 |
| 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) | - | (2,673) |
| Gain on previously held equity investment | - | - | - | - | - | (50,830) | (50,830) |
| Put option revaluation | - | 1,812 | 381 | (5,815) | (149) | - | (149) |
| Other | 1,280 | 245 | 453 | (1,068) | 2,976 | 1,031 | 3,426 |
| Adjusted EBITDA | 129,644 | 39,540 | 72,520 | 159,510 | 171,466 | 42,425 | 161,481 |
| Adjusted EBITDA Margin | 43.9% | 25.2% | 35.1% | 47.6% | 46.4% | 40.5% | 43.0% |

| \$CAD 000s | 2012 | 2013 ¹ | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Q1 2024 | TTM Q1 2024 |
|---|---------------|-------------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| Free Cash Flow | | | | | | | | | | | | | | |
| Cash from operating activities | 169,178 | 179,669 | 213,583 | 130,076 | 19,642 | 85,797 | 107,177 | 108,547 | 58,583 | 65,061 | 104,414 | 135,033 | 31,014 | 119,782 |
| Less: | | | | | | | | | | | | | | |
| Net additions to property, plant, & equipment | (62,344) | (56,578) | (107,231) | (46,899) | (11,347) | (17,570) | (17,190) | (20,868) | (4,228) | (9,267) | (33,448) | (36,901) | (17,834) | (43,331) |
| Deferred development costs | (11,140) | (14,493) | (7,509) | (6,555) | (2,364) | (2,396) | (4,465) | (1,725) | (491) | (683) | (493) | (1,101) | (1,447) | (2,397) |
| Free Cash Flow | 95,694 | 108,598 | 98,843 | 76,622 | 5,931 | 65,831 | 85,522 | 85,954 | 53,864 | 55,111 | 70,473 | 97,031 | 11,733 | 74,054 |

1. Free Cash Flow is adjusted for \$117.6 million litigation payment made in 2013.