pason

Press Release

Pason Reports Fourth Quarter 2023 Results and Declares Increased Quarterly Dividend

FOR IMMEDIATE RELEASE

CALGARY, Alberta (February 28, 2024) – Pason Systems Inc. ("Pason" or the "Company") (TSX:PSI) announced today its 2023 fourth quarter and annual results and the declaration of an increased quarterly dividend. The following news release should be read in conjunction with the Company's Management Discussion and Analysis ("MD&A"), the Consolidated Financial Statements and related notes for the three and twelve months ended December 31, 2023, as well as the Annual Information Form for the year ended December 31, 2022. All of these documents are available on SEDAR+ at www.sedar.com.

Financial Highlights

	Three Months Ended December 31,			Twelve Months Ended December		
	2023	2022	Change	**2023**	2022	Change
(CDN 000s, except per share data)	**($)**	($)	(%)	**($)**	($)	(%)
North American Revenue	**70,507**	77,687	(9)	**289,763**	274,569	6
International Revenue	**17,941**	14,391	25	**63,824**	53,222	20
Solar and Energy Storage Revenue	**4,847**	2,342	107	**15,722**	7,207	118
Total Revenue	**93,295**	94,420	(1)	**369,309**	334,998	10
EBITDA (1)	**22,169**	53,248	(58)	**154,713**	170,266	(9)
Adjusted EBITDA (1)	**38,888**	48,944	(21)	**171,466**	159,510	7
As a % of revenue	**41.7**	51.8	(1,010) bps	**46.4**	47.6	(120) bps
Funds flow from operations	**37,455**	45,971	(19)	**154,472**	134,885	15
Per share – basic	**0.47**	0.56	(17)	**1.92**	1.65	17
Per share – diluted	**0.47**	0.56	(17)	**1.92**	1.63	18
Cash from operating activities	**27,412**	19,942	37	**135,033**	104,414	29
Net capital expenditures (2)	**8,095**	16,233	(50)	**38,002**	33,941	12
Free cash flow (1)	**19,317**	3,709	421	**97,031**	70,473	38
Cash dividends declared (per share)	**0.12**	0.12	—	**0.48**	0.36	33
Net income	**8,012**	35,994	(78)	**95,827**	105,726	(9)
Net income attributable to Pason	**8,495**	36,257	(77)	**97,539**	107,616	(9)
Per share – basic	**0.11**	0.44	(75)	**1.21**	1.31	(8)
Per share – diluted	**0.11**	0.44	(75)	**1.21**	1.30	(7)

(1) Non-GAAP financial measures are defined under Non-GAAP Financial Measures section in this Press Release.

(2) Includes additions to property, plant, and equipment and development costs, net of proceeds on disposal from Pason's Consolidated Statement of Cash Flows.

As at	**December 31, 2023**	December 31, 2022	Change
(CDN 000s)	**($)**	($)	(%)
Cash and cash equivalents	**171,773**	132,057	30
Short-term investments	**—**	40,377	nmf
Total Cash (3)	**171,773**	172,434	nmf
Working capital	**212,561**	213,899	(1)
Total interest bearing debt	**—**	—	—
Shares outstanding end of period (#)	**79,685,025**	81,526,954	(2)

(3) Total Cash is defined as total cash and cash equivalents and short-term investments from Pason's Consolidated Balance Sheets.

Pason's financial results for the three and twelve months ended December 31, 2023, reflect the Company's strong competitive positioning, prudent balance sheet, and ability to outpace underlying industry activity.

Pason generated $93.3 million in consolidated revenue in the fourth quarter of 2023, representing a 1% decrease from the $94.4 million generated in the comparative period of 2022. While industry activity levels in North America, the Company's largest end market, decreased by 19% year over year, the Company was able to grow Revenue per Industry Day by 12% in that same period to $998, posting a new record quarterly level. With this revenue, Pason generated $38.9 million in Adjusted EBITDA, or 41.7% of revenue in the fourth quarter of 2023, compared to $48.9 million in the fourth quarter of 2022, or 51.8% of revenue. A comparison of Adjusted EBITDA margin year over year reflects inflationary effects on the Company's mostly fixed cost base for its drilling related business units, higher levels of lower margin sales from its solar and energy storage segment, and the inclusion of equity accounted losses related to supporting the rapid growth of Intelligent Wellhead Systems (IWS). Excluding these equity accounted losses, Pason's Adjusted EBITDA margin in the fourth quarter of 2023 would have been 44%. Free Cash Flow increased significantly from $3.7 million in the fourth quarter of 2022 to $19.3 million in the fourth quarter of 2023 with lower levels of working capital investments and capital expenditures year over year. Net income attributable to Pason of $8.5 million ($0.11 per share) in the fourth quarter of 2023, compared to net income attributable to Pason of $36.3 million ($0.44 per share) recorded in the corresponding period in 2022 and included a $14.2 million foreign exchange loss recognized in the fourth quarter of 2023, primarily attributable to the revaluation of cash and working capital balances in the Company's Argentinian subsidiary and the significant devaluation of the Argentinian Peso seen in December 2023.

For the twelve months ended December 31, 2023, Pason generated $369.3 million of revenue, a 10% increase from $335.0 million recorded in 2022 despite a 5% reduction in North American land drilling activity. Adjusted EBITDA for the twelve months ended December 31, 2023 was $171.5 million or 46.4% of revenue, compared to $159.5 million, or 47.6% of revenue for the year ended December 31, 2022. Net income attributable to Pason in the twelve months ended December 31, 2023 of $97.5 million ($1.21 per share) was impacted by the foreign exchange loss recognized in the fourth quarter from the devaluation of the Argentinian Peso, and compared to $107.6 million ($1.31 per share) in the comparative 2022 period. Free Cash Flow generated in 2023 was $97.0 million, a 38% increase from $70.5 million generated in 2022. A comparison of annual results clearly reflects Pason's ability to outpace declining industry conditions with higher levels of revenue generated per day, while continuing to make required investments in meeting customer demands.

The North American business unit generated $70.5 million of reported revenue in the fourth quarter of 2023, a 9% decrease over the comparative period of 2022 and a result that significantly outpaced the 19% decline in industry activity in those same periods. Pason's Revenue per Industry Day in the fourth quarter of 2023 of $998 increased by 12% from the comparative 2022 period. Revenue per Industry Day in the current quarter continues to represent strong product adoption and improved pricing for the Company's products and technologies. Segment gross profit was $39.9 million during the fourth quarter of 2023 compared to $51.1 million in the comparative period of 2022, with lower levels of revenue in the current quarter over the business unit's mostly fixed cost base, which has been impacted by inflationary effects and is in place to support higher levels of activity than seen in the latter half of 2023. Further, the Company recorded higher levels of depreciation and amortization expense in the fourth quarter of 2023 in its North American business unit with higher capital expenditures in recent quarters.

The International business unit generated $17.9 million of reported revenue in the fourth quarter of 2023, a 25% increase over the comparative period of 2022. While activity levels in the international end markets the Company serves remain stable and the Company's competitive position continues to be strong, fourth quarter 2023 international results benefited from strength in the US dollar and the associated impact on US dollar linked revenue contracts. Further, in the fourth quarter of 2023, the Company recognized a $0.7 million increase to revenue relating to a contractual foreign exchange and inflationary related adjustment clause with one of its major customers in Argentina. Resulting segment gross profit was $7.7 million during the fourth quarter of 2023 compared to $5.9 million in the 2022 comparative period.

Revenue generated by the Solar and Energy Storage business unit was $4.8 million, an increase of 107% from the comparative period in 2022, primarily due to increased sales of control system projects. Resulting segment gross profit was $0.1 million for the fourth quarter of 2023 compared to a segment gross loss of $0.6 million in the comparable period in 2022.

Sequentially, Q4 2023 consolidated revenue of $93.3 million was consistent with consolidated revenue of $93.1 million generated in the third quarter of 2023. While drilling activity in North America decreased 5% from the third quarter of 2023, the North American business unit was able to increase Revenue per Industry Day sequentially from $975 in Q3 2023 to $998 in Q4 2023 through higher levels of product adoption as well as a stronger US dollar relative to the Canadian dollar. The International business also benefited from US dollar strength in the fourth quarter and reported revenue of $17.9 million compared to $15.3 million in the third quarter of 2023. Adjusted EBITDA was $38.9 million in the fourth quarter of 2023 compared to $42.3 million in the third quarter of 2023, reflecting the Company's mostly fixed cost base for its drilling related business units and the inclusion of equity accounted losses related to supporting the rapid growth of IWS. The Company recorded net income attributable to Pason in the fourth quarter of 2023 of $8.5 million ($0.11 per share) compared to net income attributable to Pason of $27.7 million ($0.35 per share) in the third quarter of 2023. The decrease in net income attributable to Pason is driven by the foreign exchange loss recorded in the fourth quarter primarily related to the Company's cash and working capital balances held in Argentina.

Pason's balance sheet remains strong, with no interest bearing debt and $171.8 million in Total Cash as at December 31, 2023, compared to $172.4 million at December 31, 2022. In the fourth quarter of 2023, Pason returned $14.6 million to shareholders, through the Company's quarterly dividend of $9.6 million and $5.0 million in share repurchases. Also in the fourth quarter of 2023, the Company approved and funded the final $5.0 million of the available preferred share subscriptions for its non-controlling investment in Intelligent Wellhead Systems Inc. ("IWS") and exercised its call option to purchase the remaining and outstanding shares of IWS effective January 1, 2024. As part of the transaction, Pason assumed net debt of approximately $7.0 million and paid total consideration of $88.3 million, financed with cash on hand subsequent to December 31, 2023.

President’s Message

Pason’s President and Chief Executive Officer Jon Faber stated:

"Pason’s operating and financial results for the fourth quarter and full year of 2023 highlight the resilience of the Company’s business in the context of more challenging industry conditions. Our strong competitive position in the drilling-related business and growing presence in additional end markets allow us to outperform underlying levels of oil and gas drilling activity in North America."

"Pason generated consolidated revenue of $369.3 million in 2023, up 10% from 2022, while industry activity decreased by 5% over the same period. North American Revenue per Industry Day continued to increase to $950 for the full year, up 11% from the prior year, largely resulting from increased product adoption and improved price realization. Our International business unit posted revenue of $63.8 million, representing the highest level of revenue from international markets in Pason's history. Energy Toolbase (ETB), which operates in the solar and energy storage market, also posted impressive revenue growth in the year, with annual revenue of $15.7 million representing a 118% increase from 2022 levels."

"Adjusted EBITDA of $171.5 million for the year was up 7% from 2022. Free cash flow for the year of $97.0 million represented a 38% increase from the prior year, while net income attributable to Pason of $97.5 million was down 9% over the same period, primarily as a result of the significant devaluation of the Argentine peso in the fourth quarter."

"Consolidated revenue in the fourth quarter of $93.3 million was 1% lower than the fourth quarter of 2022, outpacing a 19% decrease in North American industry activity. North American Revenue per Industry Day in the quarter of $998 was up 12% from the prior year period. Revenue per Industry Day has grown at a compound annual growth rate of 11% from the fourth quarter of 2020, in the midst of the COVID-19 pandemic. Adjusted EBITDA of $38.9 million was down 21% from the fourth quarter of 2022, while free cash flow increased from $3.7 million to $19.3 million. EBITDA margins were impacted in the fourth quarter by inflationary effects on our mostly fixed cost base, a large increase in the amount of lower margin sales of control systems from Energy Toolbase, and the inclusion of equity accounted losses related to supporting the rapid growth of Intelligent Wellhead Systems (IWS). Net income attributable to Pason decreased 77% year-over-year to $8.5 million, notably impacted by a $14.2 million foreign exchange loss mostly resulting from the significant devaluation of the Argentine peso in December 2023."

"Our approach to capital allocation remains focused on returning meaningful capital to shareholders, while pursuing attractive opportunities to strengthen our business through capital expenditures in oil and gas drilling and completions, and investing in the continued growth of Energy Toolbase. In 2023, we returned $66.5 million to shareholders, with $38.5 million in dividends and $27.9 million in share repurchases. We will continue to pursue disciplined returns over time through our regular quarterly dividend, which we are increasing to $0.13 per share. We maintain flexibility in our approach to shareholder returns by evaluating share repurchases in the context of attractive organic capital investments to generate additional free cash flow. Net capital expenditures in 2023 totaled $38.0 million, with the timing of deliveries impacting approximately $5 million of expected 2023 capital expenditures. During the year, we also deployed $15.4 million to our investment in IWS, including the final $15 million of the $25 million preferred share financing arrangement announced in December 2022. We currently expect to spend between $75 to $80 million in capital expenditures in 2024. Our increased capital expenditures in 2024 are primarily the result of including IWS capital investments and, to a much lesser extent, the impact of the timing of certain equipment deliveries related to our expected 2023 capital expenditures."

"At December 31, 2023, we had positive working capital of $212.6 million, including cash and cash equivalents of $171.8 million. Subsequent to year-end, we closed the previously announced acquisition of Intelligent Wellhead Systems for total cash consideration of $88.3 million. Our balance sheet continues to allow us to manage through the volatility arising from our operating leverage and changes in revenue related to industry activity, while continuing to pursue attractive investment opportunities and return cash to shareholders."

"While we expect to benefit from gradually increasing rig counts later in 2024 and beyond, we expect that in the short-term, drilling activity will remain near current levels. The US land rig count, as reported by Baker Hughes, has plateaued in a tight band between 597 and 606 rigs since the beginning of the fourth quarter of 2023. The pace of reduction in the inventory of drilled but uncompleted wells (DUCs) has also slowed after being drawn down by 18% over the past year. As such, we expect that completions activity will begin to more closely track drilling activity going forward. The ability to sustain US land production to help meet expectations of growing global oil demand will depend on increased drilling and completions activity going forward."

"Pason is well positioned to deliver consistent, strong results going forward. We see supportive tailwinds in each of our end markets to support growth in 2024 and beyond."

"We have demonstrated our ability to outpace underlying industry activity in our drilling-related business through increased Revenue per Industry Day in a flat or declining rig count environment. As customers continue to utilize increasing amounts of data to support their automation and analytics efforts, our position as the leading provider of high quality data will provide further opportunities for product adoption and new data delivery products. We have experienced a very positive market response as we have begun rolling out an innovative new drilling mud analyzer to provide continuous, real-time readings of critical drilling mud parameters."

"The acquisition of the remainder of IWS, which closed at the start of this year, was the largest acquisition in Pason's history and represents a meaningful opportunity for Pason to deliver material revenue growth outside of oil and gas drilling. IWS generated revenue of approximately $45 million in 2023, representing a compounded annual growth rate in excess of 85% since Pason's initial investment in 2019. .We have not only been impressed with the amount of revenue growth that IWS has been able to achieve, but also the profile of that growth. IWS has demonstrated impressive capabilities in the acquisition of new customers, retention of existing customers and expansion of product and service offering. The completions industry has historically lagged the drilling industry in its use of technology to drive operational performance. Combining Pason and IWS will allow us to deliver products and services that support the industry's increasing use of data-driven technologies. IWS has seen significant revenue growth from its inVision technology platform with increasing adoption of its Digital Valve Control offering and we expect IWS' automation products to drive further revenue growth in 2024. In addition, as we bring together the experience and expertise of Pason and IWS, we are focused on establishing a compelling data aggregation solution in the completions space. As customers continue to pursue automation and analytics efforts, including the establishment of remote operating centers, access to consistent, high-quality data from disparate sources is increasingly important. The challenges around handling complex data management requirements in remote operating environments are significant. Pason's experience over more than four decades in solving similar challenges in the oil and gas drilling market provides a natural advantage to making meaningful and rapid advancements in this increasingly important technology space."

"Our efforts to provide both automation and data aggregation technologies for the completions space are supported by a best-in-class field service and support organization. We will make the necessary operational, working capital and capital expenditure investments required to support IWS 's high growth rate. Over time, as IWS achieves greater scale, we anticipate that margins and returns on capital could approach similar levels to those of our drilling-related business."

"Energy Toolbase stands to benefit from growing demand for energy storage to support renewable energy projects. The strong revenue growth ETB posted in 2023 stemmed from focusing our efforts on growing subscription revenues from our economic modeling software tool, and executing on a growing pipeline of control system sales opportunities. We are expanding the functionality of our economic modeling tool to address the unique requirements of additional markets, and our pipeline of control systems opportunities has seen sizeable growth as regulatory changes provide additional incentives for solar project developers to incorporate energy storage in their proposals."

"With our increasing exposure to end markets not directly tied to drilling activity, we are more resilient to slowdowns in industry activity while remaining well positioned for much higher levels of growth as drilling and completions activity begins to increase" concluded Mr. Faber.

Quarterly Dividend

Pason announced today that the Board of Directors have declared an increased quarterly dividend of thirteen cents (C$0.13) per share on the company's common shares. The dividend will be paid on March 29, 2024, to shareholders of record at the close of business on March 15, 2024.

Fourth Quarter Conference Call

Pason will be conducting a conference call for interested analysts, brokers, investors, and media representatives to review its 2023 fourth quarter and annual results at 9:00 a.m. (MST) on Thursday, February 29, 2024. The conference call dial-in numbers are 1-888-664-6383 or 1-416-764-8650, and the call will be simultaneously audio webcast via: www.pason.com/webcast. You can access the fourteen-day replay by dialing 1-888-390-0541 or 1-416-764-8677, using password 304117#.

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

Non-GAAP Financial Measures

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

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

EBITDA and Adjusted EBITDA

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

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

Reconcile Net Income to EBITDA

Three Months Ended	Mar 31, 2022	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023	**Dec 31, 2023**
(000s)	($)	($)	($)	($)	($)	($)	($)	($)
Net income	18,001	17,992	33,739	35,994	35,454	24,962	27,399	**8,012**
Add:								
Income taxes	5,329	7,189	11,482	9,405	12,374	7,906	7,356	**6,710**
Depreciation and amortization	6,314	4,696	4,433	5,399	6,616	5,815	6,988	**7,797**
Stock-based compensation	5,555	2,514	2,032	5,129	(82)	1,986	5,082	**4,732**
Net interest (income) expense	(513)	(718)	(1,027)	(2,679)	(2,607)	(2,847)	(3,858)	**(5,082)**
EBITDA	34,686	31,673	50,659	53,248	51,755	37,822	42,967	**22,169**

Reconcile EBITDA to Adjusted EBITDA

Three Months Ended	Mar 31, 2022	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023	**Dec 31, 2023**
(000s)	($)	($)	($)	($)	($)	($)	($)	**($)**
EBITDA	34,686	31,673	50,659	53,248	51,755	37,822	42,967	**22,169**
Add:								
Foreign exchange loss (gain)	403	(1,054)	(3,332)	1,959	233	1,597	681	**14,247**
Put option revaluation	—	—	—	(5,815)	—	—	**—**	**(149)**
Net monetary (gain) loss	(202)	268	(1,380)	(536)	(159)	(1,196)	(1,477)	**—**
Other	(1,514)	75	284	88	581	(336)	110	**2,621**
Adjusted EBITDA	33,373	30,962	46,231	48,944	52,410	37,887	42,281	**38,888**

Free cash flow

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

Reconcile cash from operating activities to free cash flow

Three Months Ended	Mar 31, 2022	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023	**Dec 31, 2023**
(000s)	($)	($)	($)	($)	($)	($)	($)	**($)**
Cash from operating activities	28,050	25,679	30,743	19,942	46,265	29,658	31,698	**27,412**
Less:								
Net additions to property, plant and equipment	(4,334)	(6,412)	(6,590)	(16,112)	(11,404)	(11,303)	(6,474)	**(7,720)**
Deferred development costs	(134)	(132)	(106)	(121)	(151)	(367)	(208)	**(375)**
Free cash flow	23,582	19,135	24,047	3,709	34,710	17,988	25,016	**19,317**

Forward Looking Information

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

Without limiting the foregoing, this document includes, but is not limited to, the following forward-looking statements: the Company’s growth strategy and related schedules; divergence in activity levels between the geographic regions in which we operate; demand fluctuations for our products and services; the Company’s ability to increase or maintain market share; projected future value, forecast operating and financial results; planned capital expenditures; expected product performance and adoption, including the timing, growth and profitability thereof; potential dividends and dividend growth strategy; future use and development of technology; our financial ability to meet long-term commitments not included in liabilities; the collectability of accounts receivable; the application of critical accounting estimates and judgements; treatment under governmental regulatory and taxation regimes; and projected increasing shareholder value.

These forward-looking statements reflect the current views of Pason with respect to future events and operating performance as of the date of this document. They are subject to known and unknown risks, uncertainties, assumptions, and other factors that could cause actual results to be materially different from results that are expressed or implied by such forward-looking statements.

Although we believe 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 readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to: the state of the economy; volatility in industry activity levels and resulting customer expenditures on 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, 2022 under the heading, “Risk and Uncertainty,” in our management’s discussion and analysis for the year ended December 31, 2023, 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.sedar.com) or through Pason's website (www.pason.com).

Forward-looking statements contained in this document 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 document or otherwise, whether as a result of new information, future events or otherwise.

Pason Systems Inc.

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

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

Jon Faber	**Celine Boston**
President and Chief Executive Officer	Chief Financial Officer
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Additional information on risks and uncertainties and other factors that could affect Pason's operations or financial results are included in Pason's reports on file with the Canadian securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedar.com) or through Pason's website (www.pason.com).