



## 2026 Q1 INTERIM REPORT

ACT Energy Technologies Ltd. ("ACT" or the "Company")'s management's Discussion & Analysis ("MD&A") for the three months ended March 31, 2026 is dated May 7, 2026 and should be read in conjunction with the unaudited condensed consolidated financial statements for the three months ended March 31, 2026, audited consolidated financial statements and MD&A for the year ended December 31, 2025, and Annual Information Form ("AIF") for the year ended December 31, 2025. This MD&A is intended to assist the reader in the understanding and assessment of significant changes and trends, as well as the risks and uncertainties, related to the results of the operations and financial position of the Company. These documents are filed on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and appear on the Company's website ([www.actenergy.com](http://www.actenergy.com)). Tabular amounts are in '000's of Canadian dollars, unless otherwise noted.

This MD&A contains forward-looking statements within the meaning of applicable securities laws. For a full disclosure of the forward-looking information and statements and the risks to which they are subject, see the 'Forward Looking Statements' section in this MD&A. Information is prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS Accounting Standards"). Certain figures have been reclassified to conform to the current period presentation in this MD&A. ACT uses certain performance measures and other industry definitions throughout this MD&A that are not defined under IFRS Accounting Standards, including Adjusted gross margin, Adjusted gross margin percentage, Adjusted EBITDAS, Adjusted EBITDAS margin percentage, Free cash flow, Net debt, Working capital and Net capital expenditures. See the 'Non-GAAP measures' and 'Supplementary Financial Measures and Other Definitions' sections in this MD&A.

## MANAGEMENT'S DISCUSSION & ANALYSIS

ACT Energy Technologies Ltd. ("ACT" or the "Company"), is a publicly traded company listed on the Toronto Stock Exchange ("TSX") under the symbol "ACX". The Company is primarily involved and engaged in the business of providing directional drilling services and related downhole technologies to oil and natural gas companies in Western Canada and the United States ("U.S."). The Company operates under four brands, Altitude Energy Partners, Discovery Downhole Services, Rime Downhole Technologies ("Rime") and Stryker Directional Services ("Stryker").

### 2026 Q1 FINANCIAL RESULTS

- On January 5, 2026, ACT acquired Stryker for US\$24.2 million strengthening the Company's U.S. market position and management expertise.
- The Company generated gross margins of 21% in 2026 Q1 (2025 Q1 - 22%) following an increase in revenues to \$144.5 million in 2026 Q1 (2025 Q1 - \$135.4 million).
- The Company earned income before taxes of \$6.6 million in 2026 Q1, compared to \$6.1 million in 2025 Q1.
- Adjusted EBITDAS<sup>(1)</sup> of \$22.9 million in 2026 Q1, increased 16% compared to \$19.7 million in 2025 Q1 primarily attributable to the Stryker acquisition and improved Canadian performance.
- Canadian operating days<sup>(2)</sup> increased 5% in 2026 Q1, compared to 2025 Q1, despite a 4% decrease in the Western Canadian rig count<sup>(2)</sup>. The main reasons are the use of ancillary technologies, new customers and delay in seasonal spring break in activities.
- U.S. operating days<sup>(2)</sup> increased 5% in 2026 Q1, compared to 2025 Q1, mainly due to recent Stryker acquisition. The U.S. land rig count<sup>(2)</sup> declined 4%.
- The Canadian average revenue per operating day<sup>(2)</sup> increased by 8% in 2026 Q1, compared to 2025 Q1, due to increasing deployment of ancillary technologies on the job sites.
- The U.S. average revenue per operating day<sup>(2)</sup> decreased by 3% in 2026 Q1, compared to 2025 Q1. The decline is primarily due to the 4% decrease in the average USD-CAD foreign exchange rate over the prior period.
- Cash flow - operating activities of \$(0.2) million in 2026 Q1, compared to \$18.7 million in 2025 Q1. Extended Canadian operating activity as well as Stryker acquisition resulted in a higher investment into working capital.
- Free cash flow<sup>(1)</sup> of \$9.1 million in 2026 Q1, compared to Free cash flow<sup>(1)</sup> of \$5.7 million in 2025 Q1.
- Net debt<sup>(1)</sup> was \$91.3 million as at March 31, 2026, compared to \$53.6 million as at December 31, 2025.
- The Company purchased 279,072 common shares under the normal course issuer bid ("NCIB") for a total purchase price of \$1.6 million at an average cost of \$5.78 per common share. Subsequent to March 31, 2026, the Company purchased 6,000 common shares for a total purchase price of \$0.04 million, at an average cost of \$6.50 per common share.

<sup>1</sup> As defined in the 'Non-GAAP measures' section of this MD&A

<sup>2</sup> Per 'Supplementary financial measures and other definitions' section in this MD&A.

- Subsequent to March 31, 2026, the Company acquired the directional drilling services business of SB Directional Services for estimated total consideration \$66.1 million in cash and shares (the "SB Acquisition"). The transaction closed on April 1, 2026.

## FINANCIAL HIGHLIGHTS

| <i>(stated in thousands of Canadian dollars, except net income per common share amounts)</i> | Three months ended March 31, |            |
|--|------------------------------|------------|
|  | 2026                         | 2025       |
| Revenues   | \$ 144,463                   | \$ 135,357 |
| Gross margin percentage  | 21%                          | 22%        |
| Adjusted gross margin percentage <sup>(1)</sup>  | 27%                          | 28%        |
| Adjusted EBITDAS <sup>(1)</sup>  | \$ 22,924                    | \$ 19,699  |
| Adjusted EBITDAS margin percentage <sup>(1)</sup>  | 16%                          | 15%        |
| Net income   | \$ 4,845                     | \$ 7,248   |
| Per common share - basic   | \$ 0.14                      | \$ 0.21    |
| Per common share - diluted   | \$ 0.13                      | \$ 0.19    |
| Cash flow - operating activities   | \$ (245)                     | \$ 18,685  |
| Free cash flow <sup>(1)</sup>  | \$ 9,058                     | \$ 5,731   |
| Weighted average common shares outstanding:  |                              |            |
| Basic (000s)   | 34,942                       | 34,160     |
| Diluted (000s)   | 38,568                       | 37,867     |

| <i>(stated in thousands of Canadian dollars)</i> | March 31,<br>2026 | December 31,<br>2025 |
|--|-------------------|----------------------|
| Working capital <sup>(1)</sup>                   | \$ 87,684         | \$ 84,092            |
| Total assets                                     | \$ 521,288        | \$ 462,382           |
| Net debt <sup>(1)</sup>                          | \$ 91,279         | \$ 53,581            |
| Exchangeable promissory notes ("EP notes")       | \$ 27,429         | \$ 26,697            |
| Shareholders' equity                             | \$ 264,913        | \$ 248,773           |

<sup>(1)</sup> Refer to the 'Non-GAAP measures' section in this MD&A.

## RESULTS OF OPERATIONS

### Financial

| <i>(stated in thousands of Canadian dollars, except percentages)</i> | Three months ended March 31, |           |
|--|------------------------------|-----------|
|  | 2026                         | 2025      |
| <b>Revenues</b>  |                              |           |
| United States  | \$ 83,173                    | \$ 81,616 |
| Canada   | 61,290                       | 53,741    |
| Total revenues   | 144,463                      | 135,357   |
| <b>Cost of sales</b>   |                              |           |
| Direct costs   | (104,722)                    | (97,873)  |
| Depreciation and amortization  | (9,692)                      | (7,348)   |
| Share-based compensation   | (30)                         | (131)     |
| Total cost of sales  | (114,444)                    | (105,352) |
| Gross margin   | \$ 30,019                    | \$ 30,005 |
| Gross margin percentage  | 21%                          | 22%       |
| Adjusted gross margin percentage <sup>(1)</sup>                      | 27%                          | 28%       |

<sup>(1)</sup> Refer to the 'Non-GAAP measures' section in this MD&A.

## Operational

|   | Three months ended March 31, |           | %      |
|---|------------------------------|-----------|--------|
| <i>(stated in Canadian dollars, except operating days and average industry land rig counts)</i> | 2026                         | 2025      | Change |
| <b>Operating days<sup>(1)</sup></b>   |                              |           |        |
| United States   | 3,184                        | 3,040     | 5%     |
| Canada  | 4,473                        | 4,254     | 5%     |
|   | 7,657                        | 7,294     | 5%     |
| <b>Average industry land rig count<sup>(2)</sup></b>  |                              |           |        |
| United States   | 516                          | 538       | (4%)   |
| Canada  | 191                          | 199       | (4%)   |
| <b>Average revenues per operating day<sup>(1)</sup></b>   |                              |           |        |
| United States   | \$ 26,122                    | \$ 26,847 | (3%)   |
| Canada  | \$ 13,702                    | \$ 12,633 | 8%     |
|   | \$ 18,867                    | \$ 18,557 | 2%     |
| Net lost-in-hole equipment reimbursements <sup>(3)</sup>  | \$ 4,892                     | \$ 1,117  | 338%   |

<sup>(1)</sup> Per 'Supplementary financial measures and other definitions' section in this MD&A.

<sup>(2)</sup> Per JWN RigLocator and Enverus.

<sup>(3)</sup> Refer to the 'Non-GAAP measures' section in this MD&A.

## Summary

The Company delivered solid momentum in 2026 Q1, with higher operating days<sup>(2)</sup> across both Canada and the U.S. - driven in particular by the successful integration of the recent Stryker acquisition - serving as a catalyst for revenue growth over the prior period. Gross margin and Adjusted Gross Margin percentages<sup>(1)</sup> remained stable, reflecting disciplined operational execution.

Strengthened market position in Canada resulting from deployment of additional technologies, combined with the acquisition of Stryker in US, translated into increased activity levels and meaningful revenue gains compared to the same quarter last year. Adjusted gross margins<sup>(1)</sup> improved alongside higher revenues, while overall gross margin saw modest growth due to increased depreciation tied to the ongoing rollout of Rime MWD systems.

Overall, 2026 Q1 demonstrates a business that is scaling effectively, integrating acquisitions successfully, and building a stronger platform for sustained growth across both core markets.

## SEGMENTED INFORMATION

### United States

#### Revenues

U.S. revenues were \$83.2 million in 2026 Q1, an increase of \$1.6 million or 2%, compared to \$81.6 million in 2025 Q1. The Company experienced a 5% increase in operating days<sup>(2)</sup> in 2026 Q1 (2026 Q1 - 3,184 days; 2025 Q1 - 3,040 days). The Company's activity increased despite a 4% decrease in the average U.S. land rig count, mainly due to recent Stryker acquisition. The average revenues per operating day<sup>(2)</sup> decreased 3% in 2026 Q1 (2026 Q1 - \$26,122 per day; 2025 Q1 - \$26,847 per day). The decline is primarily due to the 4% decrease in the average USD-CAD foreign exchange rate over the prior period.

#### Direct costs

U.S. direct costs included in cost of sales were \$66.1 million in 2026 Q1, a increase of \$4.0 million or 6%, compared to \$62.1 million in 2025 Q1. Direct costs as a percentage of revenues were 80% in 2026 Q1, compared to 76% in 2025 Q1. The increase is mainly due to re-activation of certain equipment to offset rental costs, which resulted in higher maintenance expenses, the benefit is expected to be realized in future periods. Additionally, as the Company began to increase activity, certain of this work required new generation rental technologies, which the Company expects to displace in the upcoming months at minimal capital investment with quick paybacks.

### Canadian

#### Revenues

Canadian revenues were \$61.3 million in 2026 Q1, an increase of \$7.6 million or 14%, compared to \$53.7 million in 2025 Q1, due to a 5% increase in operating days<sup>(2)</sup> in 2026 Q1 (2026 - 4,473 days; 2025 - 4,254 days). Canadian operating days<sup>(2)</sup> increased 5% in Q1 2026, compared to Q1 2025, despite a 4% decrease in the Western Canadian rig count<sup>(2)</sup>. The main reasons are the use of ancillary technologies, new customers and delay in seasonal spring break in activities. The average revenues per operating day<sup>(1)</sup> increased by 8% in 2026 Q1 (2026 - \$13,702 per day; 2025 - \$12,633 per day). The increase in the average revenues per operating day<sup>(1)</sup> is mainly attributable to a favorable job mix requiring additional revenue generating technologies.

<sup>1</sup> Refer to the 'Non-GAAP measures' section in this MD&A.

<sup>2</sup> Per 'Supplementary financial measures and other definitions' section in this MD&A.

## Direct costs

Canadian direct costs included in cost of sales were \$38.6 million in 2026 Q1, an increase of \$2.8 million or 8%, compared to \$35.7 million in 2025 Q1. The increase is mainly due to higher repair, third-party rental and labour costs in 2026 Q1, consistent with higher activity levels. As a percentage of revenues, direct costs were 63% in 2026 Q1, compared to 66% in 2025 Q1.

## CONSOLIDATED

### Revenues

The Company's revenues were \$144.5 million in 2026 Q1, an increase of \$9.1 million or 7%, compared to \$135.4 million in 2025 Q1. The increase is driven by a 5% increase in operating days<sup>(1)</sup> (2026 Q1 - 7,657 days; 2025 Q1 - 7,294 days) and by a 2% increase in the average revenues per operating day<sup>(1)</sup> (2026 Q1 - \$18,867; 2025 Q1 - \$18,557).

### Direct Costs

The Company recognized \$104.7 million of direct costs in 2026 Q1, an increase of \$6.8 million or 7%, compared to \$97.9 million in 2025 Q1. The increase is mainly due to higher labour and repair costs resulting from the increase in operating days<sup>(1)</sup>.

Direct costs as a percentage of revenues remained stable at 72% in 2026 Q1 and 2025 Q1.

### Gross margin and Adjusted gross margin<sup>(2)</sup>

The Gross margin and Adjusted gross margin percentages<sup>(2)</sup> remained relatively consistent in 2026 Q1 compared to 2025 Q1.

### Depreciation and amortization expense

Depreciation and amortization expense included in cost of sales increased to \$9.7 million in 2026 Q1, compared to \$7.3 million in 2025 Q1, mainly due to addition of Stryker assets and a higher portion of the MWD build-out being depreciated.

### Selling, general and administrative ("SG&A") expenses

| <i>(stated in thousands of Canadian dollars)</i> | Three months ended March 31, |           |
|--|------------------------------|-----------|
|  | 2026                         | 2025      |
| Selling, general and administrative expenses:    |                              |           |
| Direct costs                                     | \$ 16,906                    | \$ 16,433 |
| Depreciation and amortization                    | 3,157                        | 2,826     |
| Share-based compensation                         | 497                          | 541       |
| Selling, general and administrative expenses     | \$ 20,560                    | \$ 19,800 |

The Company recognized direct costs included in SG&A expenses of \$16.9 million in 2026 Q1, which were slightly higher than \$16.4 million in 2025 Q1. As a result of SG&A being more fixed cost in nature, against higher revenues, direct costs included in SG&A expenses as a percentage of revenues were the same 12% in 2026 Q1, compared to 12% in 2025 Q1.

Depreciation and amortization included in SG&A expenses was \$3.2 million in 2026 Q1, compared to \$2.8 million in 2025 Q1. The slight increases are mainly due to amortization expense coming from recent Stryker acquisition.

Stock-based compensation included in SG&A expenses were \$0.5 million in 2026 Q1, compared to \$0.5 million in 2025 Q1.

### Research and development ("R&D") costs

| <i>(stated in thousands of Canadian dollars)</i> | Three months ended March 31, |          |
|--|------------------------------|----------|
|  | 2026                         | 2025     |
| Research and development costs                   | \$ 1,410                     | \$ 1,364 |

The Company recognized R&D costs of \$1.4 million in 2026 Q1, compared to \$1.4 million in 2025 Q1. R&D costs include salaries, benefits, purchased materials and shop supply costs related to new product development and technology and engineering.

### Write-off of property, plant and equipment

| <i>(stated in thousands of Canadian dollars)</i> | Three months ended March 31, |        |
|--|------------------------------|--------|
|  | 2026                         | 2025   |
| Write-off of property, plant and equipment       | \$ 982                       | \$ 179 |

The Company recognized a write-off of property, plant and equipment of \$1.0 million in 2026 Q1, compared to \$0.2 million in 2025 Q1. The write-offs related to equipment lost-in-hole and damaged beyond repair. Lost-in-hole equipment and damaged beyond repair reimbursements from customers are based on service agreements held with clients and are recognized as revenue.

<sup>1</sup> Per 'Supplementary financial measures and other definitions' section in this MD&A.

<sup>2</sup> Refer to the 'Non-GAAP measures' section in this MD&A.

## Finance costs

| <i>(stated in thousands of Canadian dollars)</i>          | Three months ended March 31, |          |
|---|------------------------------|----------|
|   | 2026                         | 2025     |
| Finance costs - loans and borrowings and promissory notes | \$ 2,309                     | \$ 2,235 |
| Finance costs - lease liabilities                         | \$ 353                       | \$ 281   |

Finance costs - loans and borrowings and promissory notes were \$2.3 million, an increase of \$0.1 million, compared to \$2.2 million in 2025 Q1. The increase is mainly due to a higher outstanding balance of loans and borrowings in 2026 Q1 compared to 2025 Q1 and issuance of promissory notes related to Stryker acquisition (refer to Transactions section of this MD&A), offset by lower average borrowing costs.

In addition, the Company had finance costs of \$0.4 million in 2026 Q1, related to lease liabilities, compared to \$0.3 million in 2025 Q1.

## Foreign exchange

| <i>(stated in thousands of Canadian dollars)</i>               | Three months ended March 31, |          |
|--|------------------------------|----------|
|  | 2026                         | 2025     |
| Foreign exchange gain (loss)                                   | \$ 2,302                     | \$ (250) |
| Foreign currency translation gain (loss) on foreign operations | \$ 1,041                     | \$ (79)  |

The Company recognized a foreign exchange gain of \$2.3 million in 2026 Q1, compared to a foreign exchange loss of \$0.3 million in 2025 Q1. During 2026 Q1 the Canadian dollar exchange rate increased by 1% from \$1.37 at December 31, 2025 to \$1.39 at March 31, 2026. Therefore the Company recognized foreign exchange loss of \$0.6 million on revaluation of the Company's USD denominated balances and foreign exchange gain of \$2.9 million on revaluation of the intercompany loans issued by the parent company to its self-sustaining foreign subsidiaries. The offsetting foreign exchange loss on intercompany loans held by the subsidiaries is recognized as part of the translation of foreign operations within other comprehensive income, as described below.

The Company's foreign operations are denominated in USD and differences due to fluctuations in the foreign currency exchange rates are recorded in other comprehensive income. The Company recognized a foreign currency translation gain on foreign operations of \$1.0 million in 2026 Q1, compared to a loss of \$0.1 million in 2025 Q1.

## Income tax expense (recovery)

| <i>(stated in thousands of Canadian dollars)</i> | Three months ended March 31, |            |
|--|------------------------------|------------|
|  | 2026                         | 2025       |
| Current tax expense                              | \$ 110                       | \$ 74      |
| Deferred tax expense (recovery)                  | 1,634                        | (1,269)    |
| Income tax expense (recovery)                    | \$ 1,744                     | \$ (1,195) |

The Company recognized an income tax expense of \$1.7 million in 2026 Q1, compared to an income tax recovery of \$1.2 million in 2025 Q1. Income tax expense (recovery) is recognized based upon expected annualized rates using the statutory rates of 23% for both Canada and the U.S. adjusted for key items that will affect the Company's actual tax for the period.

## LIQUIDITY AND CAPITAL RESOURCES

Annually, the Company's principal source of liquidity is cash generated from its operations. In addition, the Company has the ability to fund liquidity requirements through its credit facility and the issuance of additional debt and/or equity, if available. The Company remains focused on sustaining reasonable levels of Net debt<sup>(1)</sup>, deploying excess Free cash flow<sup>(1)</sup> and utilizing excess available capital resources for high return investment opportunities, including the NCIB and strategic and accretive acquisitions.

In order to facilitate the management of its liquidity, the Company prepares an annual budget, which is updated, as necessary, depending on varying factors, including changes in capital structure, execution of the Company's business plan and general industry conditions. The annual budget is approved by the Board of Directors and updated forecasts are prepared as the fiscal year progresses with changes reviewed by the Board of Directors.

Cash flow - operating activities was \$(0.2) million in 2026 Q1, compared to \$18.7 million in 2025 Q1. The Company's first quarter usually results in an investment in working capital as it is a period of high activity in Canada. Canadian activity in 2026 Q1 was higher than prior years, resulting in a higher investment in working capital during 2026 Q1 than the prior year. Additionally, increased activity in the U.S. relative to 2025 Q4 contributed to additional investment into working capital.

Free cash flow<sup>(1)</sup> of \$9.1 million in 2026 Q1, compared to Free cash flow<sup>(1)</sup> of \$5.7 million in 2025 Q1. The increase is attributable to higher revenues and Adjusted EBITDA levels combined with lower capital expenditures.

<sup>1</sup> Refer to the 'Non-GAAP measures' section in this MD&A.

At March 31, 2026, the Company had working capital<sup>(1)</sup>, excluding current portion of debt (loans and borrowings and promissory notes) of \$87.7 million (December 31, 2025 - \$84.1 million).

### Normal course issuer bid

During the three months ended March 31, 2026, 279,072 (2025 - 742,699) common shares were purchased under the NCIB for a total purchase amount of \$1.6 million (2024 - \$4.5 million) at an average price of \$5.78 (2025 - \$6.09) per common share. A portion of the purchase amount reduced share capital by \$1.5 million (2025 - \$4.2 million) and the residual purchase amount of \$0.1 million (2025 - \$0.3 million) was recorded to the surplus.

In connection with the NCIB, the Company established an automatic securities purchase plan ("the Plan"). Accordingly, the Company may repurchase its common shares under the Plan on any trading day during the NCIB, including during regulatory restrictions or self-imposed trading blackout periods. The Plan commenced on August 11, 2025, and will terminate on August 10, 2026. As at March 31, 2026, the Company did not recognize accrued liability for the common shares to be purchased under the Plan. As at December 31, 2025, the accrued liability related to the reduction of share capital was \$1.4 million. During the three months ended March 31, 2026, the Company reversed the previously recognized accrual, resulting in a net decrease to share capital of \$1.4 million.

Subsequent to December 31, 2026, the Company purchased 6,000 common shares for a total purchase amount of \$0.04 million, at an average purchase price of \$6.50 per common share.

### Syndicated and revolving credit facilities

On March 24, 2026, the Company entered into a Sixth Amended and Restated Credit Agreement with its existing syndicate of lenders co-lead by ATB Financial and Royal Bank of Canada ("Amended Credit Agreement"). The Amended Credit Agreement took effect as at April 1, 2026 in connection with the closing of the SB Directional Services acquisition on April 1, 2026 (see Transactions section in this MD&A). The Amended Credit Agreement provided for the following:

- i. A Revolving Facility with an approximate principal amount of \$186.8 million comprised of: i) \$130.0 million Syndicated Revolving Facility ("CAD Syndicated Revolving Facility") and ii) \$15.0 million revolving facility provided by ATB Financial ("ATB Revolving Facility"), iii) USD \$10.0 million revolving facility provided by HSBC Bank USA, N.A. ("HSBC Revolving Facility") and iv) a new USD \$20.0 million 3 year Term Facility available to repay the Exchangeable Promissory Notes;
- ii. Interest rate remained unchanged as the financial institution's prime rate plus 1.0% to 1.75% or Canadian Overnight Repo Rate Average rate / Secured Overnight Financing Rate plus 2.0% to 2.75%;
- iii. The maturity date remained as March 21, 2028;
- iv. Increased the financial covenant of Consolidated Funded Debt to Consolidated Credit Agreement EBITDA ratio to 3.0:1 (previously required to be no less than 2.5:1). The Consolidated Interest Coverage ratio remained unchanged and shall not be less than 3.0:1. The Consolidated Fixed Charge Coverage Ratio shall not be less than 1.25:1; and
- v. The syndicate of lenders remained unchanged.

As at March 31, 2026, \$53.6 million of the \$124.0 million Revolving Facility remained undrawn. No repayments were made on the Revolving Facility subsequent to quarter-end.

At March 31, 2026, the Company was in compliance with all covenants, including its financial covenants, which were as follows:

- Consolidated Funded Debt to Consolidated Credit Agreement EBITDA ratio shall not exceed 2.5 : 1.0 (calculated - 1.2);  
and
- Consolidated Interest Coverage ratio shall not be less than 3.0 :1.0 (calculated - 12.4).

### Contractual obligations and contingencies

As at March 31, 2026, the Company's commitment to capital is approximately \$7.2 million (December 31, 2025 - \$3.7 million), which is expected to be incurred over the next six months.

The Company holds six letters of credit totaling \$1.8 million (December 31, 2025 - \$1.7 million) related to rent payments, corporate credit cards and a utilities deposit.

The Company is involved in various other legal claims and tax audits associated with the normal course of operations. The Company believes that any liabilities that may arise pertaining to such matters would not have a material impact on its financial position. Refer to the 'Provision' section in this MD&A for more details.

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<sup>1</sup> Refer to the 'Non-GAAP measures' section in this MD&A.

The following table outlines the anticipated payments related to contractual commitments subsequent to March 31, 2026:

| <i>(stated in thousands of Canadian dollars)</i>               | Carrying amount   | One year          | 2 years          | 3-5 years       | Thereafter   |
|--|-------------------|-------------------|------------------|-----------------|--------------|
| Loans and borrowings and promissory notes - principal          | \$ 80,618         | \$ 4,059          | \$ 74,190        | \$ 2,369        | —            |
| Exchangeable promissory ("EP") notes - principal               | 27,878            | 27,878            | —                | —               | —            |
| Interest payments on loans and borrowings and promissory notes | 10,595            | 5,743             | 4,681            | 171             | —            |
| Lease liabilities - undiscounted                               | 21,351            | 5,251             | 5,057            | 7,259           | 3,784        |
| Trade and other payables                                       | 118,096           | 118,096           | —                | —               | —            |
| <b>Total</b>   | <b>\$ 258,858</b> | <b>\$ 161,347</b> | <b>\$ 83,928</b> | <b>\$ 9,799</b> | <b>3,784</b> |

## Capital structure

As at May 7, 2026, the Company has 38,547,049 common share and 2,006,742 stock options.

## NET CAPITAL EXPENDITURES

The following table details the Company's Net capital expenditures <sup>(1)</sup>:

| <i>(stated in thousands of Canadian dollars)</i>               | Three months ended March 31, |                  |
|--|------------------------------|------------------|
|  | 2026                         | 2025             |
| MWD and related equipment                                      | \$ 494                       | \$ 14,855        |
| Motors and related equipment                                   | 10,495                       | 7,985            |
| Shop and automotive equipment                                  | 132                          | 56               |
| Other  | 259                          | 653              |
| Gross capital expenditures                                     | 11,380                       | 23,549           |
| Less: net lost-in-hole equipment reimbursements <sup>(1)</sup> | (4,892)                      | (1,117)          |
| <b>Net capital expenditures<sup>(1)</sup></b>                  | <b>\$ 6,488</b>              | <b>\$ 22,432</b> |

<sup>(1)</sup> Refer to the 'Non-GAAP measures' section in this MD&A.

Equipment additions totaling \$11.4 million included \$0.8 million of items previously purchased and held in inventory for the Rime MWD system build-out in 2026 Q1.

As at March 31, 2026, property, plant and equipment included \$3.3 million (December 31, 2025 - \$1.8 million) of MWD equipment not yet being depreciated as they are currently being manufactured and tested. Depreciation of the assets will commence upon the assets being fully operational.

Given the current market uncertainty, the Company's 2026 gross and Net capital expenditures<sup>(1)</sup> budget will be dynamic and adjusted to reflect management's expectation of future activity levels. Currently, the Company's target Net capital expenditures<sup>(1)</sup> budget is anticipated to relate to sustaining and growth capital expenditures that will enhance realized gross margin percentage levels, including optimizing ACT's high-performance mud motors, MWD in both Canada and the U.S., and selective RSS deployments. ACT intends to fund its 2026 capital plan from cash flow - operating activities.

## OUTLOOK

Global energy markets entered 2026 with improving supply-demand fundamentals. Recent geopolitical instability has introduced additional uncertainty but has also reinforced the importance of secure North American supply, supporting a constructive medium-term commodity price environment. While public E&P capital programs are expected to remain disciplined in the near term, incremental activity from private operators is likely, providing modest upward pressure on drilling and completion activity.

In Canada, second-quarter activity is expected to be stronger than the prior year, supported by continued adoption of rotary steerable technology and the compelling economics of multi-lateral drilling. Seasonal spring breakup and weather-related disruptions may create short-term variability; however, underlying demand fundamentals remain supportive.

In the United States, the combined platform is currently operating at a high-water mark of more than 60 active jobs and is expected to steadily build activity as the year progresses. Industry consolidation, reduced service capacity and increased technology differentiation are expected to benefit well-capitalized, technically capable service providers.

From an oilfield services perspective, activity recovery is likely to be gradual rather than cyclical in nature, favoring companies with scale, strong balance sheets and differentiated technology. We believe our expanded footprint, integrated service model and focus on higher-margin, technology-enabled work position the Company to outperform as activity levels normalize.

<sup>1</sup> Refer to the 'Non-GAAP measures' section in this MD&A.

## TRANSACTIONS

On January 5, 2026 the Company acquired all the assets of Stryker Energy Directional Services, LLC for total purchase consideration of \$32.8 million. Stryker was founded in 2010 and based in Conroe, Texas, it is a well-established directional drilling services provider with a highly experienced management team and a strong operating history across the Southern United States. In 2025, Stryker averaged approximately 17 active jobs per operating day, including work utilizing RSS technology. See the notes to the financial statements for further details on the purchase price allocation.

On April 1, 2026, the Company acquired the directional drilling services business of SB Directional Services. The total consideration is estimated around \$66.1 million. The consideration is comprised of US\$30 million in cash and US\$17.6 million, or 3,624,232 in ACT common shares. The acquisition of SB Directional adds to ACT's position as one of the leading independent directional drilling companies in the US, increasing exposure in the Anadarko and Permian basins.

In connection with the SB Acquisition, the Company entered into a Sixth Amended and Restated Credit Agreement with its existing syndicate of lenders co-lead by ATB Financial and Royal Bank of Canada (refer to Liquidity and Capital Resources section of this MD&A).

## CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") are responsible for designing disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR") as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("52-109"), or causing them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards.

ACT's DC&P have been designed to provide reasonable assurance that material information relating to ACT is made known to the CEO and the CFO by others and that information required to be disclosed by ACT in its annual filings, interim filings or other reports filed or submitted by ACT under securities legislation is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation. Because of their inherent limitations, DC&P and ICFR may not prevent or detect all misstatements, errors or fraud. Control systems, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control systems are met.

ACT has limited the scope of design of DC&P and ICFR to exclude controls, policies and procedures of Stryker which was acquired on January 5, 2026, the financial performance of which is included in the financial statements. The scope limitation is in accordance with section 3.3(1)(b) of NI 52-109 which allows an issuer to limit its design of DC&P and ICFR to exclude controls, policies and procedures of a business that the issuer acquired not more than 365 days before the end of the fiscal period.

No other material change in the Company's DC&P and its ICFR were identified during the three months ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect the Company's ICFR.

## RISK FACTORS

The operations of ACT face a number of risks and uncertainties in the normal course of business that may be beyond its control, but which could have a material adverse effect on ACT's financial condition, results of operations and cash flows. Many of these risk factors and uncertainties are outlined in the annual information form ("AIF") of ACT for the year ended December 31, 2025, which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and appear on the Company's website ([www.actenergy.com](http://www.actenergy.com)). Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect its business, financial condition, results of operations or cash flows.

## GOVERNANCE

The Audit Committee of the Board of Directors has reviewed this MD&A and the related unaudited condensed consolidated financial statements and recommended they be approved to the Board of Directors. Following a review by the Board of Directors, the MD&A and the unaudited condensed consolidated financial statements for the three months ended March 31, 2026, were approved on May 7, 2026.

## SUPPLEMENTARY INFORMATION

Additional information regarding the Company, including the AIF, is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## CURRENT AND FUTURE ACCOUNTING STANDARDS

### Changes in accounting policy

Effective January 1, 2026 certain amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments were made for the classification and measurement of financial instruments. The adoption of those amendments had no material effect on the Company's financial statements.

### Accounting standards and amendments not yet effective

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements which will replace IAS 1 Presentation of Financial Statements. The new standard impacts the presentation of primary financial statements and notes, mainly the income

statement where companies will be required to present separate categories of income and expenses for operating, investing, and financing activities with prescribed subtotals for each new category. IFRS 18 will require management-defined performance measures to be explained and included in a separate note within the consolidated financial statement. IFRS 18 is effective for annual periods beginning on or after January 1, 2027. The standard will be applied retroactively, with certain transition provisions. The Company continues to make progress in accordance with its implementation plan.

## SUMMARY OF QUARTERLY RESULTS

| <i>(stated in thousands of Canadian dollars, except net income per share)</i> | 2026 Q1    | 2025 Q4    | 2025 Q3    | 2025 Q2    | 2025 Q1    | 2024 Q4    | 2024 Q3    | 2024 Q2    |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| Revenues  | \$ 144,463 | \$ 109,301 | \$ 118,260 | \$ 112,010 | \$ 135,357 | \$ 128,083 | \$ 148,449 | \$ 130,297 |
| Gross margin  | \$ 30,019  | \$ 20,474  | \$ 31,560  | \$ 24,874  | \$ 30,005  | \$ 22,207  | \$ 38,177  | \$ 27,783  |
| Gross margin %  | 21%        | 19%        | 27%        | 22%        | 22%        | 17%        | 25%        | 21%        |
| Adjusted gross margin <sup>(1)</sup>  | \$ 39,704  | \$ 31,209  | \$ 39,595  | \$ 32,490  | \$ 37,484  | \$ 29,384  | \$ 45,048  | \$ 34,186  |
| Adjusted gross margin % <sup>(1)</sup>  | 27%        | 29%        | 33%        | 29%        | 28%        | 23%        | 30%        | 26%        |
| Adjusted EBITDAS <sup>(1)</sup>   | \$ 22,924  | \$ 17,431  | \$ 23,898  | \$ 15,256  | \$ 19,699  | \$ 17,582  | \$ 30,169  | \$ 17,305  |
| Adjusted EBITDAS % <sup>(1)</sup>   | 16%        | 16%        | 20%        | 13%        | 15%        | 14%        | 20%        | 13%        |
| Net income (loss)   | \$ 4,845   | \$ 3,136   | \$ 15,154  | \$ (9,959) | \$ 7,248   | \$ 14,892  | \$ 26,175  | \$ 5,259   |
| Net income (loss) per share - diluted <sup>(2)</sup>                          | \$ 0.13    | \$ 0.08    | \$ 0.41    | \$ (0.30)  | \$ 0.19    | \$ 0.38    | \$ 0.68    | \$ 0.14    |
| Cash flow - operating activities  | \$ (245)   | \$ 40,453  | \$ 6,512   | \$ 26,029  | \$ 18,685  | \$ 20,934  | \$ 19,377  | \$ 34,123  |
| Free cash flow <sup>(1)</sup>   | \$ 9,058   | \$ (8,388) | \$ 16,558  | \$ 1,048   | \$ 5,731   | \$ 641     | \$ 17,056  | \$ (2,584) |
| Net debt <sup>(1)</sup>   | \$ 91,279  | \$ 53,581  | \$ 68,598  | \$ 64,161  | \$ 77,451  | \$ 77,697  | \$ 74,961  | \$ 80,855  |
| Weighted average common shares outstanding:                                   |            |            |            |            |            |            |            |            |
| Basic (000s) <sup>(2)</sup>   | 34,942     | 33,482     | 33,892     | 33,626     | 34,160     | 35,027     | 34,965     | 34,439     |
| Diluted (000s) <sup>(2)</sup>   | 38,568     | 37,034     | 37,404     | 33,626     | 37,867     | 38,800     | 38,772     | 38,402     |

<sup>(1)</sup> Refer to the 'Non-GAAP measures' section in this MD&A.

<sup>(2)</sup> Restated to reflect the 7:1 share consolidation on July 3, 2024. Refer to the 'Share Consolidation' section in this MD&A.

|  | 2026 Q1  | 2025 Q4  | 2025 Q3  | 2025 Q2  | 2025 Q1  | 2024 Q4  | 2024 Q3  | 2024 Q2  |
|--|----------|----------|----------|----------|----------|----------|----------|----------|
| Operating days <sup>(1)</sup>                            |          |          |          |          |          |          |          |          |
| United States  | 3,184    | 1,942    | 2,152    | 2,838    | 3,040    | 2,841    | 3,080    | 3,746    |
| Canada   | 4,473    | 3,166    | 4,036    | 2,107    | 4,254    | 3,471    | 4,527    | 2,130    |
|  | 7,657    | 5,108    | 6,188    | 4,945    | 7,294    | 6,312    | 7,607    | 5,876    |
| Average Industry land rig count <sup>(2)</sup>           |          |          |          |          |          |          |          |          |
| United States  | 516      | 512      | 520      | 540      | 538      | 541      | 548      | 567      |
| Canada   | 191      | 167      | 168      | 117      | 199      | 178      | 194      | 125      |
| Net lost-in-hole equipment reimbursements <sup>(3)</sup> | \$ 4,892 | \$ 4,286 | \$ 7,355 | \$ 6,840 | \$ 1,117 | \$ 5,062 | \$ 4,827 | \$ 4,742 |

<sup>(1)</sup> Per 'Supplementary financial measures and other definitions' section of this MD&A.

<sup>(2)</sup> Per JWN RigLocator and Enverus.

<sup>(3)</sup> 'Non-GAAP measures' section of this MD&A.

A portion of the Company's operations are carried on in Western Canada where activity levels in the oilfield services industry are subject to a degree of seasonality. Operating activities in Western Canada are generally lower during "spring breakup" which normally commences in mid to late-March and continues through to May. Operating activities generally peak in the winter months from December until mid to late-March. Additionally, volatility in the weather and temperatures not only during this period, but year-round, can create additional unpredictability in operational results. Activity levels in the oil and natural gas basins in the U.S. are not subject to the same level of seasonality that occurs in the Western Canada region.

## NON-GAAP MEASURES

ACT uses certain performance measures throughout this MD&A that are not defined under IFRS Accounting Standards or Generally Accepted Accounting Principles ("GAAP"). These non-GAAP measures do not have a standardized meaning and may differ from

that of other organizations, and accordingly, may not be comparable. Investors should be cautioned that these measures should not be construed as alternatives to IFRS Accounting Standards measures as an indicator of ACT's performance.

These measures include the Adjusted gross margin, Adjusted gross margin percentage, Adjusted EBITDAS, Adjusted EBITDAS margin percentage, Free cash flow, Net debt, Working capital and Net capital expenditures. Management believes these measures provide supplemental financial information that is useful in the evaluation of ACT's operations.

These non-GAAP measures are defined as follows:

- i) **“Adjusted gross margin”** is a non-GAAP financial measure and has been reconciled to gross margin, being the most directly comparable measure calculated in accordance with IFRS. Adjusted gross margin is a non-GAAP measure of changes in financial performance that are closely related to the Company's core operating activities, by excluding items that management evaluates separately when assessing underlying margin trends, including inventory valuation adjustments, depreciation and amortization and equity dilution costs reflected as share based compensation, all included in cost of sales (see tabular calculation);
- ii) **“Adjusted gross margin percentage”** - calculated as Adjusted gross margin divided by revenues; is considered a primary indicator of operating performance (see tabular calculation);
- iii) **“Adjusted EBITDAS”** is a non-GAAP financial measure and has been reconciled to net income / (loss) for the applicable financial periods, being the most directly comparable measure calculated in accordance with IFRS. Management utilizes Adjusted EBITDAS to translate historical variability in the Company's principal business activities into future financial expectations. By isolating incremental items from net income, including income / expense items related to how the Company chooses to manage financing elements of the business (including elements affecting shareholder dilution), taxation, and non-cash charges, management can better predict future financial results from our principal business activities (see tabular calculation). The items included in this calculation are as follows:
  - 1. Non-cash expenditures, including depreciation, amortization and impairment of non-financial assets;
  - 2. Consideration as to how the Company chose to finance its business, generate financial income and incur financial expenses, including foreign exchange income / ( expenses), share based compensation (reflected in common share dilution calculations) and finance costs;
  - 3. Other specified items are items impacting current period operating performance not reflective of ongoing operating and financial performance, including costs incurred for business acquisitions, severance charges and inventory valuation adjustments; and
  - 4. Taxation in various jurisdictions.

Prior period Adjusted EBITDA figures were updated to ensure consistency with year-end MD&A, reflecting changes in the treatment of share-based awards.

- iv) **“Adjusted EBITDAS margin percentage”** - calculated as Adjusted EBITDAS divided by revenues; provides supplemental information to net income that is useful in evaluating the results and financing of the Company's business activities before considering certain charges as a percentage of revenues (see tabular calculation);
- v) **“Free cash flow”** - calculated as cash flow - operating activities prior to changes in non-cash working capital and non-recurring expenses, less: i) cash flow - investing activities excluding cash paid on acquisitions, ii) cash interest paid and iii) repayments of lease liabilities, net of finance costs, offset by proceeds on disposal of PP&E. This is a useful supplemental measure of the Company's ability to generate funds from operations available for future capital expenditures, debt repayments, or other strategic initiatives (see tabular calculation).

Free cash flow was updated from prior periods to no longer add back cash taxes paid and to deduct cash interest expense instead of required debt repayments. This change was made in order to more accurately portray the ongoing operating cash flows of the business and align with disclosures from other oilfield services peers, in order to provide a more accurate depiction of ACT's cash generation and improve comparability for financial statement users.

- vi) **“Net capital expenditures”** - calculated as the gross capital expenditures less Net lost-in-hole equipment reimbursements, as defined below - refer to the “Net capital expenditures” section of this MD&A for tabular calculation. The timing and amount of equipment lost-in-hole can vary from period to period. Therefore, Net capital expenditures is a useful supplemental financial measure as it provides insight on the amount of investing capital requirements attributable to lost-in-hole equipment. Components impacting Net capital expenditures are as follows:
  - 1. **“Lost-in-hole revenues”** - represent reimbursements received from customers and insurance proceeds related to directional drilling equipment that is lost in-hole or damaged beyond repair. Management considers lost-in-hole revenue to be supplemental information that assists in understanding fluctuations in the Company's reported revenues under IFRS Accounting Standards. Although lost-in-hole revenues tend to remain relatively consistent over longer periods, they can vary significantly from period to period, causing fluctuations in the Company's financial results;
  - 2. **“Net lost-in-hole equipment reimbursements”** - represent lost-in-hole revenues, as defined above, less outflows associated with vendor payments for insurance coverage and third-party rental equipment replacement related to equipment lost-in-hole or damaged beyond repair.
- vii) **“Working capital”** - calculated as current assets less current liabilities, excluding the current portion of loans and borrowings and promissory notes. Management uses this measure as an indication of the Company's financial and cash liquidity position.

viii) **“Net debt”** - calculated as the sum of current and long-term loans and borrowings and promissory notes, less cash. This is a useful supplemental measure of the company’s total debt levels, adjusted for its cash position (see tabular calculation), as the Company’s credit agreements provide for a reduction of total debt by certain of its cash position in calculating covenants.

The following tables provide reconciliations from the IFRS Accounting Standards to non-GAAP measures included in this MD&A.

### Adjusted gross margin

| <i>(stated in thousands of Canadian dollars)</i>  | Three months ended March 31, |           |
|---|------------------------------|-----------|
|   | 2026                         | 2025      |
| Gross margin                                      | \$ 30,019                    | \$ 30,005 |
| Add non-cash items included in cost of sales:     |                              |           |
| Write-down of inventory included in cost of sales | (37)                         | —         |
| Depreciation and amortization                     | 9,692                        | 7,348     |
| Share-based compensation                          | 30                           | 131       |
| Adjusted gross margin                             | \$ 39,704                    | \$ 37,484 |
| Adjusted gross margin percentage                  | 27%                          | 28%       |

### Adjusted EBITDAS

| <i>(stated in thousands of Canadian dollars, except percentages)</i>       | Three months ended March 31, |           |
|--|------------------------------|-----------|
|  | 2026                         | 2025      |
| Net income   | \$ 4,845                     | \$ 7,248  |
| Add (deduct):  |                              |           |
| Income tax recovery  | 1,744                        | (1,195)   |
| Non-cash expenditures, including depreciation, amortization and impairment | 12,849                       | 10,174    |
| Share-based compensation   | 527                          | 672       |
| Finance costs - loans and borrowings and promissory notes                  | 2,309                        | 2,235     |
| Finance costs - lease liabilities  | 353                          | 281       |
| Unrealized foreign exchange (gain) loss                                    | (2,333)                      | 284       |
| Acquisition and restructuring costs  | 2,667                        | —         |
| Other items, including inventory write off                                 | (37)                         | —         |
| Adjusted EBITDAS   | \$ 22,924                    | \$ 19,699 |
| Adjusted EBITDAS margin percentage   | 16%                          | 15%       |

### Free cash flow

| <i>(stated in thousands of Canadian dollars)</i>                     | Three months ended March 31, |           |
|--|------------------------------|-----------|
|  | 2026                         | 2025      |
| Cash flow - operating activities                                     | \$ (245)                     | \$ 18,685 |
| Add (deduct):  |                              |           |
| Changes in non-cash operating working capital                        | 21,409                       | 1,091     |
| Non-recurring expenses   | —                            | —         |
| Less:  |                              |           |
| Cash flow - investing activities excluding cash paid on acquisitions | (8,473)                      | (10,809)  |
| Interest paid  | (2,130)                      | (2,199)   |
| Repayments of lease liabilities                                      | (1,503)                      | (1,037)   |
| Free cash flow   | \$ 9,058                     | \$ 5,731  |

## Net debt

|  | March 31,<br>2026 | December 31,<br>2025 |
|--|-------------------|----------------------|
| <i>(stated in thousands of Canadian dollars)</i>     |                   |                      |
| Loans and borrowings and promissory notes, current   | \$ 4,059          | \$ 602               |
| Loans and borrowings and promissory notes, long term | 76,244            | 60,932               |
| Exchangeable promissory notes, current               | 27,429            | 26,697               |
| Less:  |                   |                      |
| Cash   | (16,453)          | (34,650)             |
| Net debt   | \$ 91,279         | \$ 53,581            |

## SUPPLEMENTARY FINANCIAL MEASURES AND OTHER DEFINITIONS

- i) **“Operating days”** - are defined as the total number of calendar days during which directional drilling services were actively provided to a customer at a rig site, excluding any days where personnel or equipment were on location but not engaged in active drilling operations (such as standby, rig move days, or other non-operational periods, regardless of whether partial revenues were recognized);
- ii) **“Average revenues per operating day”** - is a supplemental operational metric calculated by dividing revenues, either for a specific geographic segment or on a consolidated basis as reported under IFRS Accounting Standards, by the corresponding number of operating days for that segment or on a consolidated basis. Management uses revenues per operating day to assess pricing strength, service intensity, and comparative financial performance against different periods and across different geographic markets; and
- iii) **“Job count”** - sometimes referred to as daily jobs, refers to the number of drilling rigs on which our directional equipment is used for operation.

## COMMON INDUSTRY TERMS

- i) **“LNG”** - natural gas that typically is transported via pipeline with customer demand limited to regions with access to these pipelines. Through liquefaction, larger volumes of natural gas can be economically exported by sea to new markets;
- ii) **“LNG Train” or “Train”** - refers to a complete processing unit within an LNG facility that converts natural gas into liquefied natural gas (LNG). Each train includes all the required equipment — such as compressors, heat exchangers, and refrigeration systems — to carry out the liquefaction process independently;
- iii) **“Lost-in-hole” or “lost-in-hole equipment”** - refers to directional drilling tools or equipment (such as MWD or RSS systems) that become significantly damaged or unrecoverable downhole during drilling operations. This situation typically results in the customer being charged for the replacement cost of the lost equipment;
- iv) **“MWD”** - Measurement-while-drilling is a down-hole tool used in oil, natural gas and geothermal wells that provides real-time drilling data to the directional driller enabling more precise placement and optimized drilling operations;
- v) **“OPEC+”** - is a group of oil-producing countries that work together to control the supply of oil in the global market to help keep prices stable;
- vi) **“Rig count”** - is the estimated number of active rigs drilling directionally as tracked by JWN RigLocator for Canada and Enverus for the U.S. industry rig count levels. This industry data can help provide an indication of potential activity for the Company. Rig count levels include only those estimated to be drilling directionally in both Canada and the U.S., excluding rigs drilling vertically; and
- vii) **“RSS”** - Rotary steerable system which is a high-technological drilling tool that simultaneously steers and rotates the drill bit without manual intervention enabling for more accurate drilling, especially in curved or horizontal wells.

## INDUSTRY PRICING METRICS

Common industry pricing metrics that affect our business directly, such as \$CAD/\$US foreign exchange, and indirectly through our customer’s cash flows, such as WTI and and US NYMEX natural gas, are as follows:

|                                    | 2026 Q1 | 2025 Q4 | 2025 Q3 | 2025 Q2 | 2025 Q1 | 2024 Q4 | 2024 Q3 | 2024 Q2 |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Average exchange rate (\$CAD/\$US) | 0.729   | 0.717   | 0.726   | 0.723   | 0.697   | 0.714   | 0.733   | 0.731   |
| WTI (\$US/bbl)                     | 71.98   | 59.64   | 65.74   | 64.63   | 71.84   | 70.69   | 76.24   | 81.71   |
| US NYMEX natural gas (\$US/Mmbtu)  | 4.79    | 3.75    | 3.03    | 3.19    | 4.15    | 2.44    | 2.11    | 2.09    |

- i) **“WTI”** - West Texas Intermediate is a widely used benchmark price for light, sweet crude oil in North America and is a key reference point for crude oil pricing and industry activity levels;
- ii) **“bbl”** - is the standard unit of measurement for crude oil and stands for one barrel, equivalent to 42 U.S. gallon;

- iii) **“US NYMEX”** - refers to the benchmark price for natural gas traded on the New York Mercantile Exchange (“NYMEX”) and is widely used as the reference pricing indicator for North American natural gas markets; and
- iv) **“Mmbtu”** - stands for one million British thermal units and is a standard unit of measurement used to quantify the energy content of natural gas.

## FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and forward-looking information (collectively referred to herein as “forward-looking statements”) within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “achieve”, “believe”, “plan”, “intend”, “objective”, “continuous”, “ongoing”, “estimate”, “outlook”, “expect”, “may”, “will”, “project”, “should” or similar words suggesting future outcomes. In particular, this MD&A contains forward-looking statements relating to, among other things:

- The 2026 Net capital expenditure budget and financing thereof;
- Given the current market uncertainty, partly as a result of the enacted and proposed U.S. tariffs, the Company’s 2026 Net capital expenditure budget will be dynamic and adjusted to reflect management’s expectation of future activity levels;
- Global energy markets entered 2026 with improving supply-demand fundamentals.
- Recent geopolitical instability has introduced additional uncertainty but has also reinforced the importance of secure North American supply, supporting a constructive medium-term commodity price environment.
- While public E&P capital programs are expected to remain disciplined in the near term, incremental activity from private operators is likely, providing modest upward pressure on drilling and completion activity.
- In Canada, second-quarter activity is expected to be stronger than the prior year, supported by continued adoption of rotary steerable technology and the compelling economics of multi-lateral drilling.
- Seasonal spring breakup and weather-related disruptions may create short-term variability; however, underlying demand fundamentals remain supportive.
- In the United States, the combined platform is currently operating at a high-water mark of more than 60 active jobs and is expected to steadily build activity as the year progresses.
- Industry consolidation, reduced service capacity and increased technology differentiation are expected to benefit well-capitalized, technically capable service providers.
- From an oilfield services perspective, activity recovery is likely to be gradual rather than cyclical in nature, favoring companies with scale, strong balance sheets and differentiated technology.
- The Company believes its expanded footprint, integrated service model and focus on higher-margin, technology-enabled work position the Company to outperform as activity levels normalize.
- The benefit of re-activation of certain equipment is expected to be realized in future periods.
- As the Company began to increase activity, certain of this work required new generation rental technologies, which the Company expects to displace in the upcoming months at minimal capital investment with quick paybacks.

The Company believes the expectations reflected in such forward-looking statements are reasonable as of the date hereof but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Various material factors and assumptions are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking statements. Those material factors and assumptions are based on information currently available to the Company, including information obtained from third-party industry analysts and other third-party sources. In some instances, material assumptions and material factors are presented elsewhere in this MD&A in connection with the forward-looking statements. You are cautioned that the following list of material factors and assumptions is not exhaustive. Specific material factors and assumptions include, but are not limited to:

- the performance of ACT’s business;
- impact of economic and social trends;
- oil and natural gas commodity prices and production levels;
- capital expenditure programs and other expenditures by ACT and its customers;
- the ability of ACT to attract and retain key management personnel;
- the ability of ACT to retain and hire qualified personnel;
- the ability of ACT to obtain parts, consumables, equipment, technology, and supplies in a timely manner to carry out its activities;
- the ability of ACT to maintain good working relationships with key suppliers;
- the ability of ACT to retain customers, market its services successfully to existing and new customers and reliance on major customers;
- risks associated with technology development and intellectual property rights;
- obsolescence of ACT’s equipment and/or technology;
- the ability of ACT to maintain safety performance;
- the ability of ACT to obtain adequate and timely financing on acceptable terms;
- the ability of ACT to comply with the terms and conditions of its credit facility;
- the ability to obtain sufficient insurance coverage to mitigate operational risks;
- currency exchange and interest rates;
- risks associated with future foreign operations;

- the ability of ACT to integrate its transactions and the benefits of any acquisitions, dispositions and business development efforts;
- environmental risks;
- business risks resulting from weather, disasters and related to information technology;
- changes under governmental regulatory regimes including tariffs and tax, environmental, climate and other laws in Canada and the U.S.; and
- competitive risks.

Forward-looking statements are not a guarantee of future performance and involve a number of risks and uncertainties some of which are described herein. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, the risks identified in this MD&A and in the Company's Annual Information Form under the heading "Risk Factors". Any forward-looking statements are made as of the date hereof and, except as required by law, the Company assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.

All forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Further information about the factors affecting forward-looking statements is available in the Company's current Annual Information Form that has been filed with Canadian provincial securities commissions and is available on [www.sedarplus.ca](http://www.sedarplus.ca) and the Company's website ([www.actenergy.com](http://www.actenergy.com)).

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31, 2026 and December 31, 2025

Canadian dollars in '000s

|   | March 31,<br>2026 | December 31,<br>2025 |
|---|-------------------|----------------------|
| <b>Assets</b>                                     |                   |                      |
| Current assets:                                   |                   |                      |
| Cash  | \$ 16,453         | \$ 34,650            |
| Trade receivables                                 | 119,777           | 78,408               |
| Other receivable (note 13)                        | 15,041            | 14,789               |
| Current taxes receivable                          | 3,043             | 3,066                |
| Prepaid expenses                                  | 7,207             | 6,320                |
| Inventories                                       | 49,830            | 47,017               |
| <b>Total current assets</b>                       | <b>211,351</b>    | <b>184,250</b>       |
| Property, plant and equipment (note 4)            | 166,687           | 141,897              |
| Intangible assets (note 5)                        | 68,055            | 62,793               |
| Right-of-use assets (note 6)                      | 18,037            | 16,266               |
| Goodwill (note 5)                                 | 43,986            | 41,382               |
| Deferred tax asset (note 11)                      | 13,172            | 15,794               |
| <b>Total non-current assets</b>                   | <b>309,937</b>    | <b>278,132</b>       |
| <b>Total assets</b>                               | <b>\$ 521,288</b> | <b>\$ 462,382</b>    |
| <b>Liabilities and Shareholders' Equity</b>       |                   |                      |
| Current liabilities:                              |                   |                      |
| Trade and other payables (note 13)                | \$ 118,096        | \$ 95,711            |
| Current taxes payable                             | 320               | —                    |
| Loans and borrowings, current (note 7)            | 574               | 602                  |
| Exchangeable promissory notes (note 9)            | 27,429            | 26,697               |
| Promissory notes, current (note 8)                | 3,485             | —                    |
| Lease liabilities, current (note 6)               | 5,251             | 4,447                |
| <b>Total current liabilities</b>                  | <b>155,155</b>    | <b>127,457</b>       |
| Loans and borrowings, long-term (note 7)          | 70,390            | 60,932               |
| Promissory notes, long-term (note 8)              | 5,854             | —                    |
| Lease liabilities, long-term (note 6)             | 16,100            | 15,502               |
| Deferred tax liability (note 11)                  | 8,876             | 9,718                |
| <b>Total non-current liabilities</b>              | <b>101,220</b>    | <b>86,152</b>        |
| <b>Total liabilities</b>                          | <b>256,375</b>    | <b>213,609</b>       |
| Shareholders' equity:                             |                   |                      |
| Share capital (note 9)                            | 200,475           | 190,255              |
| Treasury shares                                   | (229)             | (229)                |
| Exchangeable promissory notes (note 9)            | 1,242             | 1,242                |
| Contributed surplus                               | 17,908            | 17,811               |
| Accumulated other comprehensive income            | 16,513            | 15,472               |
| Retained earnings                                 | 29,004            | 24,222               |
| <b>Total shareholders' equity</b>                 | <b>264,913</b>    | <b>248,773</b>       |
| <b>Total liabilities and shareholders' equity</b> | <b>\$ 521,288</b> | <b>\$ 462,382</b>    |

Contractual obligations and contingencies (note 13), Subsequent events (note 14)

See accompanying notes to the unaudited condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Three months ended March 31, 2026 and 2025

Canadian dollars in '000s except per share amounts

|  | Three months ended March 31, |                 |
|--|------------------------------|-----------------|
|  | 2026                         | 2025            |
| Revenues (note 12)   | \$ 144,463                   | \$ 135,357      |
| Cost of sales:   |                              |                 |
| Direct costs   | (104,722)                    | (97,873)        |
| Depreciation and amortization (note 12)                        | (9,692)                      | (7,348)         |
| Share-based compensation                                       | (30)                         | (131)           |
| Total cost of sales (note 12)                                  | (114,444)                    | (105,352)       |
| Gross margin   | 30,019                       | 30,005          |
| Selling, general and administrative expenses:                  |                              |                 |
| Direct costs   | (16,906)                     | (16,433)        |
| Depreciation and amortization (note 12)                        | (3,157)                      | (2,826)         |
| Share-based compensation                                       | (497)                        | (541)           |
| Total selling, general and administrative expenses (note 12)   | (20,560)                     | (19,800)        |
| Research and development costs                                 | (1,410)                      | (1,364)         |
| Write-off of equipment (note 4)                                | (982)                        | (179)           |
| Gain on disposal of equipment (note 4)                         | 763                          | 157             |
| Income from operating activities                               | 7,830                        | 8,819           |
| Finance costs - loans and borrowings and promissory notes      | (2,309)                      | (2,235)         |
| Finance costs - lease liabilities                              | (353)                        | (281)           |
| Foreign exchange gain (loss)                                   | 2,302                        | (250)           |
| Acquisition and restructuring costs (note 3)                   | (881)                        | —               |
| Income before income taxes                                     | 6,589                        | 6,053           |
| Income tax (expense) recovery (note 11):                       |                              |                 |
| Current  | (110)                        | (74)            |
| Deferred   | (1,634)                      | 1,269           |
| Income tax (expense) recovery                                  | (1,744)                      | 1,195           |
| Net income   | 4,845                        | 7,248           |
| Other comprehensive income (loss)                              |                              |                 |
| Foreign currency translation differences on foreign operations | 1,041                        | (79)            |
| <b>Total comprehensive income</b>                              | <b>\$ 5,886</b>              | <b>\$ 7,169</b> |
| Net income per share - basic (note 10)                         | \$ 0.14                      | \$ 0.21         |
| Net income per share - diluted (note 10)                       | \$ 0.13                      | \$ 0.19         |

See accompanying notes to the unaudited condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Three months ended March 31, 2026 and 2025

Canadian dollars in '000s

|   | Share capital | Treasury Shares | Exchangeable promissory ("EP") Notes | Contributed surplus | Accumulated other comprehensive income | Retained earnings | Total shareholders' equity |
|---|---------------|-----------------|--------------------------------------|---------------------|--|-------------------|----------------------------|
| Balance, December 31, 2024                                    | \$ 195,516    | \$ (469)        | \$ 1,242                             | \$ 17,408           | \$ 19,151                              | \$ 8,732          | \$ 241,580                 |
| Comprehensive income (loss)                                   | —             | —               | —                                    | —                   | (79)                                   | 7,248             | 7,169                      |
| Repurchased pursuant to normal course issuer bid (note 9)     | (4,219)       | —               | —                                    | —                   | —                                      | (303)             | (4,522)                    |
| Accrued purchases under the normal course issuer bid (note 9) | (2,030)       | —               | —                                    | —                   | —                                      | 214               | (1,816)                    |
| Issued pursuant to stock option exercises (note 9)            | 331           | —               | —                                    | (130)               | —                                      | —                 | 201                        |
| Share-based compensation                                      | —             | —               | —                                    | 672                 | —                                      | —                 | 672                        |
| Balance, March 31, 2025                                       | \$ 189,598    | \$ (469)        | \$ 1,242                             | \$ 17,950           | \$ 19,072                              | \$ 15,891         | \$ 243,284                 |

|   | Share capital | Treasury shares | EP Notes | Contributed surplus | Accumulated other comprehensive income (loss) | Retained earnings | Total shareholders' equity |
|---|---------------|-----------------|----------|---------------------|---|-------------------|----------------------------|
| Balance, December 31, 2025  | \$ 190,255    | \$ (229)        | \$ 1,242 | \$ 17,811           | \$ 15,472                                     | \$ 24,222         | \$ 248,773                 |
| Comprehensive income  | —             | —               | —        | —                   | 1,041   | 4,845             | 5,886                      |
| Consideration for business combination, net of share issue costs (note 3) | 6,354         | —               | —        | —                   | —   | —                 | 6,354                      |
| Issued pursuant to private placements, net of share issue costs (note 9)  | 3,849         | —               | —        | —                   | —   | —                 | 3,849                      |
| Repurchased pursuant to normal course issuer bid (note 9)                 | (1,549)       | —               | —        | —                   | —   | (63)              | (1,612)                    |
| Accrued purchases under the normal course issuer bid (note 9)             | 1,387         | —               | —        | —                   | —   | —                 | 1,387                      |
| Issued pursuant to stock options exercised (note 9)                       | 179           | —               | —        | (62)                | —   | —                 | 117                        |
| Share-based compensation  | —             | —               | —        | 159                 | —   | —                 | 159                        |
| Balance, March 31, 2026   | \$ 200,475    | \$ (229)        | \$ 1,242 | \$ 17,908           | \$ 16,513                                     | \$ 29,004         | \$ 264,913                 |

See accompanying notes to the unaudited condensed consolidated financial statements.

# CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended March 31, 2026 and 2025

Canadian dollars in '000s

|  | Three months ended March 31, |           |
|--|------------------------------|-----------|
|  | 2026                         | 2025      |
| <b>Cash provided by (used in):</b>                                       |                              |           |
| <b>Operating activities:</b>   |                              |           |
| Net income   | \$ 4,845                     | \$ 7,248  |
| Non-cash adjustments:  |                              |           |
| Income tax (expense) recovery  | 1,744                        | (1,195)   |
| Depreciation, amortization and impairment                                | 12,849                       | 10,174    |
| Share-based compensation   | 159                          | 672       |
| Write-off of equipment (note 4)  | 982                          | 179       |
| Gain on disposal of equipment (note 4)                                   | 219                          | (157)     |
| Write-down of inventory included in cost of sales                        | (37)                         | —         |
| Finance costs - loans and borrowings and exchangeable promissory notes   | 2,309                        | 2,235     |
| Finance costs - lease liabilities  | 353                          | 281       |
| Income tax paid  | 74                           | 55        |
| Unrealized foreign exchange loss (gain)                                  | (2,333)                      | 284       |
|  | 21,164                       | 19,776    |
| Changes in non-cash operating working capital                            | (21,409)                     | (1,091)   |
| Cash flow - operating activities   | (245)                        | 18,685    |
| <b>Investing activities:</b>   |                              |           |
| Cash paid on acquisitions, net of cash acquired (note 3)                 | (17,235)                     | —         |
| Property, plant and equipment additions (note 4)                         | (10,562)                     | (23,549)  |
| Intangible asset additions (note 5)                                      | (63)                         | (188)     |
| Proceeds on disposal of equipment  | 671                          | 208       |
| Changes in non-cash investing working capital                            | 1,481                        | 12,720    |
| Cash flow - investing activities   | (25,708)                     | (10,809)  |
| <b>Financing activities:</b>   |                              |           |
| Advances of loans and borrowings, net of upfront financing fees (note 7) | 9,080                        | (335)     |
| Proceeds on shares issuance (note 9)                                     | 3,965                        | 201       |
| Repayments on loans and borrowings (note 7)                              | (392)                        | (28)      |
| Payments on lease liabilities, net of finance costs (note 6)             | (1,503)                      | (1,037)   |
| Interest paid  | (2,130)                      | (2,199)   |
| Common shares repurchased pursuant to normal course issuer bid           | (1,618)                      | (6,338)   |
| Changes in non-cash financing working capital                            | 34                           | 1,816     |
| Cash flow - financing activities   | 7,436                        | (7,920)   |
| Effect of exchange rate on changes in cash                               | 320                          | 201       |
| Change in cash   | (18,197)                     | 157       |
| Cash, beginning of period  | 34,650                       | 12,792    |
| Cash, end of period  | \$ 16,453                    | \$ 12,949 |

See accompanying notes to the unaudited condensed consolidated financial statements.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. REPORTING ENTITY

ACT Energy Technologies Ltd. (“LTD”), is a company domiciled in Canada, and along with its below noted subsidiaries, together, are referred to as the “Company” or “ACT”. The Company is a publicly traded company listed on the Toronto Stock Exchange (“TSX”) under the symbol “ACX”.

The unaudited condensed consolidated financial statements of the Company as at and for the three months ended March 31, 2026 and 2025, are comprised of the following 100% owned subsidiaries:

- 2438155 Alberta Ltd.;
- LEXA Drilling Technologies Inc.;
- CET Holdco Inc. (“Holdco”);
- CET Flight Holdco, Inc. (“Flight”);
- ACT Energy USA, Inc, formerly Cathedral Energy Services Inc. (“INC”);
- Rime Downhole Technologies, LLC (“Rime”);
- Altitude Energy Holdco, LLC (“AEH”); and
- Altitude Energy Partners, LLC (“Altitude”).

The Company is primarily involved and engaged in the business of providing directional drilling services and related downhole technologies to oil and natural gas companies in Western Canada and the United States (“U.S.”). The Company operates under four brands, Altitude Energy Partners, Discovery Downhole Services, Rime Downhole Technologies and Stryker Directional Services.

LTD has a functional currency of Canadian dollars (“CAD”) while Holdco, Flight, INC, Rime, AEH and Altitude are incorporated in the U.S. and have a functional currency of United States dollars (“USD”).

## 2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements for the three months ended March 31, 2026 and 2025 (the “financial statements”) have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). Accordingly, certain information and note disclosures normally included in the annual financial statements, prepared in accordance with IFRS Accounting Standards, have been omitted or condensed.

These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2025.

These unaudited condensed consolidated financial statements were prepared using accounting policies and methods of their application consistent with those used in the preparation of the Company's consolidated audited annual financial statements for the year ended December 31, 2025.

The financial statements were authorized for issue by the Board of Directors on May 7, 2026.

The financial statements have been prepared on the historical cost basis.

### Functional and presentation currency

These financial statements are presented in CAD (tabular amounts in thousands), except for per share and warrant amounts, which is the Company's presentation and functional currency.

### Use of estimates and judgements

The preparation of the unaudited condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The significant judgements made by management in applying the Company's accounting policies and the information used in assessing uncertainty have not changed significantly since December 31, 2025.

Significant estimates and judgements used in the preparation of these unaudited condensed consolidated financial statements remained unchanged from those disclosed in the Company's consolidated audited annual financial statements for the year ended December 31, 2025.

The impacts of geopolitical and macroeconomic events, including tariffs imposed between Canada and the United States and regional conflicts, particularly in oil-producing areas, may materially affect energy markets, interest rates, inflation rates, and supply chains, leading to increased volatility and uncertainty. Management has incorporated known facts and circumstances into the preparation of its estimates to the extent reasonably possible; however, actual results may differ from these estimates, and such differences could be material.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## Current and Future Accounting Pronouncements

There are certain accounting pronouncements issued and are effective for the annual periods beginning after January 1, 2026. The following new and amended accounting standards had no material impact on the Company's financial statements:

- IFRS 7 Financial Instruments: Disclosures
- IFRS 9 Financial Instruments

The amendments to IFRS 7 and IFRS 9 clarify the timing of recognition and derecognition of financial assets and liabilities. The Company has elected to apply the accounting policy choice allowed by the Amendments to determine the settlement date for electronic payments based on a date preceding actual settlement when certain conditions have been met.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements which will replace IAS 1 Presentation of Financial Statements. The new standard impacts the presentation of primary financial statements and notes, mainly the income statement where companies will be required to present separate categories of income and expenses for operating, investing, and financing activities with prescribed subtotals for each new category. IFRS 18 will require management-defined performance measures to be explained and included in a separate note within the consolidated financial statement. IFRS 18 is effective for annual periods beginning on or after January 1, 2027. The standard will be applied retroactively, with certain transition provisions. The Company continues to make progress in accordance with its implementation plan.

## 3. ACQUISITION

On January 5, 2026 the Company acquired all the assets of Stryker Energy Directions Services, LLC ("Stryker") for total purchase consideration of \$32.8 million. Stryker, founded in 2010 and based in Conroe, Texas, is a well-established directional drilling services provider with a highly experienced management team and a strong operating history across the Southern United States.

The purchase price allocation was recognized under IFRS 3 Business combinations as follows:

| As at                                       | January 5, 2026 |
|---|-----------------|
| Consideration:                              |                 |
| Number of common shares issued              | 1,299,394       |
| Closing share price at the transaction date | \$ 4.89         |
| Common share consideration                  | \$ 6,354        |
| Cash  | 17,235          |
| Promissory notes                            | 9,225           |
| Total consideration                         | \$ 32,814       |
| Purchase price allocation:                  |                 |
| Inventory                                   | \$ 1,812        |
| Other net working capital                   | (184)           |
| Property, plant and equipment               | 22,225          |
| Right-of-use assets                         | 1,709           |
| Lease liabilities                           | (1,709)         |
| Intangible assets                           | 7,082           |
| Goodwill                                    | 1,877           |
| Total purchase price allocation             | \$ 32,814       |

The purchase price allocation related to the acquisition is preliminary and may be subject to adjustments, which may be material. Changes in the provisional measurements of assets and liabilities acquired may be recorded as part of the purchase price allocation as new information is obtained, until the final measurements are determined no later than twelve months after the acquisition date. Fair value is estimated using the latest available information as at the date of the financial statements. As a result, the preliminary purchase price allocation may change.

Acquisition-related costs of \$0.5 million are included in administrative expenses in the statement of profit or loss, and in operating cash flows in the statement of cash flows.

The business was acquired on January 5, 2026. For the purposes of the pro-forma disclosures required under IFRS 3, pro-forma revenue of approximately \$22.2 million and income before tax of approximately \$0.4 million have been presented as if the acquisition had occurred on January 1, 2026.

Immediately following the acquisition, key components of the acquired operations were integrated with the Company's existing operations, including the deployment of certain of the Company's equipment into the acquired operations and the use of the acquired management team's expertise across the broader business. As a result, the acquired operations have been managed with areas of overlapping operations and management support. Accordingly, the pro-forma information presented is not indicative of the historical or future results of the acquired operations on a stand-alone basis.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The goodwill of \$1.9 million recorded for the Stryker acquisition consists mainly of the value of the expertise and reputation of the assembled workforce acquired, future growth opportunities and potential synergies arising in the form of cost savings. The goodwill is fully deductible for tax purposes.

### 4. PROPERTY, PLANT AND EQUIPMENT

| <b>Cost</b>                            | Directional<br>drilling<br>equipment | Shop and<br>automotive<br>equipment | Other     | Total      |
|--|--------------------------------------|-------------------------------------|-----------|------------|
| Balance, December 31, 2025             | \$ 264,319                           | \$ 11,462                           | \$ 11,492 | \$ 287,273 |
| Additions                              | 10,989                               | 132                                 | 259       | 11,380     |
| Acquisitions (note 3)                  | 21,047                               | 644                                 | 534       | 22,225     |
| Disposals and write-offs               | (3,481)                              | (1,038)                             | —         | (4,519)    |
| Effects of movements in exchange rates | 2,353                                | 119                                 | 175       | 2,647      |
| Balance, March 31, 2026                | \$ 295,227                           | \$ 11,319                           | \$ 12,460 | \$ 319,006 |

| <b>Accumulated depreciation</b>        | Directional<br>drilling<br>equipment | Shop and<br>automotive<br>equipment | Other    | Total      |
|--|--------------------------------------|-------------------------------------|----------|------------|
| Balance, December 31, 2025             | \$ 134,891                           | \$ 6,519                            | \$ 3,966 | \$ 145,376 |
| Depreciation                           | 7,780                                | 436                                 | 562      | 8,778      |
| Disposals and write-offs               | (1,949)                              | (697)                               | —        | (2,646)    |
| Effects of movements in exchange rates | 693                                  | 104                                 | 14       | 811        |
| Balance, March 31, 2026                | \$ 141,415                           | \$ 6,362                            | \$ 4,542 | \$ 152,319 |

| <b>Net book values</b>     | Directional<br>drilling<br>equipment | Shop and<br>automotive<br>equipment | Other    | Total      |
|----------------------------|--------------------------------------|-------------------------------------|----------|------------|
| Balance, December 31, 2025 | \$ 129,428                           | \$ 4,943                            | \$ 7,526 | \$ 141,897 |
| Balance, March 31, 2026    | \$ 153,812                           | \$ 4,957                            | \$ 7,918 | \$ 166,687 |

During the three months ended March 31, 2026 the Company recognized a write-off of equipment of \$1.0 million (2025 - \$0.2 million), related to equipment lost-in-hole and damaged beyond repair, and a gain on disposal of equipment of \$0.8 million (2025 - \$0.2 million).

As at March 31, 2026, property, plant and equipment included \$3.3 million (December 31, 2025 - \$1.8 million) of directional drilling equipment not yet being depreciated as they are currently being manufactured and tested. Depreciation of the assets will commence upon the assets being fully operational.

### 5. INTANGIBLE ASSETS AND GOODWILL

#### Intangible assets

| <b>Cost</b>                            | Customer<br>Relationships | Brand<br>Name | Non-<br>Compete<br>Agreements | Technology<br>Licenses | Developed<br>Technology | Total      |
|--|---------------------------|---------------|-------------------------------|------------------------|-------------------------|------------|
| Balance, December 31, 2025             | \$ 29,907                 | \$ 7,427      | \$ 985                        | \$ 22,072              | \$ 35,797               | \$ 96,188  |
| Additions                              | —                         | —             | —                             | —                      | 63                      | 63         |
| Acquisitions (note 3)                  | 1,790                     | 1,101         | 1,267                         | 2,924                  | —                       | 7,082      |
| Effects of movements in exchange rates | 551                       | 140           | 32                            | 440                    | 535                     | 1,698      |
| Balance, March 31, 2026                | \$ 32,248                 | \$ 8,668      | \$ 2,284                      | \$ 25,436              | \$ 36,395               | \$ 105,031 |

| <b>Accumulated amortization</b>        | Customer<br>Relationships | Brand<br>Name | Non-<br>Compete<br>Agreements | Technology<br>Licenses | Developed<br>Technology | Total     |
|--|---------------------------|---------------|-------------------------------|------------------------|-------------------------|-----------|
| Balance, December 31, 2025             | \$ 16,390                 | \$ 1,786      | \$ 635                        | \$ 6,437               | \$ 8,147                | \$ 33,395 |
| Amortization                           | 1,393                     | 182           | 111                           | 820                    | 474                     | 2,980     |
| Effects of movements in exchange rates | 322                       | 33            | 13                            | 151                    | 82                      | 601       |
| Balance, March 31, 2026                | \$ 18,105                 | \$ 2,001      | \$ 759                        | \$ 7,408               | \$ 8,703                | \$ 36,976 |

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

| Net book values                 | Customer Relationships | Brand Name | Non-Compete Agreements | RSS Licenses | Developed Technology | Total     |
|---------------------------------|------------------------|------------|------------------------|--------------|----------------------|-----------|
| Balance, December 31, 2025      | \$ 13,517              | \$ 5,641   | \$ 350                 | \$ 15,635    | \$ 27,650            | \$ 62,793 |
| Balance, March 31, 2026         | \$ 14,143              | \$ 6,667   | \$ 1,525               | \$ 18,028    | \$ 27,692            | \$ 68,055 |
| Remaining amortization in years | 3.5                    | 9.1        | 3.4                    | 5.5          | 13.1                 | 5.7       |

The Company has intangible assets related to acquisitions, acquired licenses and internally developed technology. During the three months ended March 31, 2026, the Company recognized \$0.1 million of engineering costs related to the development of new technologies (2025 - \$2.0 million).

## Goodwill

The Company recognized goodwill of \$1.9 million related to Stryker acquisition (note 3).

The Company has goodwill related to previous acquisitions. The goodwill carrying value also fluctuates due to the effects of movements in exchange rates. The goodwill carrying value was \$44.0 million as at March 31, 2026 and \$41.4 million as at December 31, 2025.

## 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### Right-of-use assets

|  |           |
|--|-----------|
| Balance, December 31, 2025             | \$ 16,266 |
| Additions                              | 935       |
| Acquisitions (note 3)                  | 1,709     |
| Amortization                           | (1,091)   |
| Effects of movements in exchange rates | 218       |
| Balance, March 31, 2026                | \$ 18,037 |

### Lease liabilities

|  |           |
|--|-----------|
| Balance, December 31, 2025             | \$ 19,949 |
| Acquisitions (note 3)                  | 1,709     |
| Additions                              | 935       |
| Interest                               | 353       |
| Payments                               | (1,856)   |
| Effects of movements in exchange rates | 261       |
| Balance, March 31, 2026                | \$ 21,351 |
| Less: current portion                  | (5,251)   |
| Lease liabilities, long-term           | \$ 16,100 |

The Company holds leases related to certain operations and office facilities. The leases have various expiry dates ranging from December 2026 to June 2035.

During the three months ended March 31, 2026, the Company recognized right-of-use assets arising from new vehicle lease arrangements. As at March 31, 2026, the net carrying amount of these right-of-use assets was \$1.7 million.

## 7. LOANS AND BORROWINGS

| Balance,   | March 31, 2026 | December 31, 2025 |
|--|----------------|-------------------|
| Syndicated Revolving Facility, net of unamortized upfront financing fees | \$ 70,390      | \$ 60,932         |
| HASCAP loan  | 574            | 602               |
| Total loans and borrowings   | \$ 70,964      | \$ 61,534         |
| Less: HASCAP loan, current   | (574)          | (602)             |
| Loans and borrowings, current  | \$ (574)       | \$ (602)          |
| Loans and borrowings, long-term  | \$ 70,390      | \$ 60,932         |

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## Syndicated Credit Facility and Revolving Operating Facilities

As at March 31, 2026, \$53.6 million of the \$124.0 million Revolving Facility remained undrawn.

At March 31, 2026, the Company was in compliance with all covenants, including its financial covenants, which were as follows:

- Consolidated Funded Debt to Consolidated Credit Agreement EBITDA ratio shall not exceed 2.5 : 1.0 (calculated - 1.2);  
and
- Consolidated Interest Coverage ratio shall not be less than 3.0 :1.0 (calculated - 12.4).

On March 24, 2026, the Company entered into a Sixth Amended and Restated Credit Agreement with its existing syndicate of lenders co-lead by ATB Financial and Royal Bank of Canada (“Amended Credit Agreement”). The Amended Credit Agreement took effect as at April 1, 2026 in connection with the closing of the SB Directional Services acquisition on April 1, 2026 (see note 14 Subsequent Events). The Amended Credit Agreement provided for the following:

- A revolving facility with an approximate principal amount of \$186.8 million comprised of: i) \$130.0 million Syndicated Revolving Facility (“CAD Syndicated Revolving Facility”) and ii) \$15.0 million revolving facility provided by ATB Financial (“ATB Revolving Facility”), iii) USD \$10.0 million revolving facility provided by HSBC Bank USA, N.A. (“HSBC Revolving Facility”) and iv) a new USD \$20.0 million 3 year Term Facility available to repay the Exchangeable Promissory Notes;
- Interest rate remained unchanged as the financial institution’s prime rate plus 1.0% to 1.75% or Canadian Overnight Repo Rate Average rate / Secured Overnight Financing Rate plus 2.0% to 2.75%;
- The maturity date remained as March 21, 2028;
- Increased the financial covenant of Consolidated Funded Debt to Consolidated Credit Agreement EBITDA ratio to 3.0:1 (previously required to be no less than 2.5:1). The Consolidated Interest Coverage ratio remained unchanged and shall not be less than 3.0:1. The Consolidated Fixed Charge Coverage Ratio shall not be less than 1.25:1; and
- The syndicate of lenders remained unchanged.

## 8. PROMISSORY NOTES

|  | March 31,<br>2026 | December 31,<br>2025 |
|--|-------------------|----------------------|
| Balance,                                       |                   |                      |
| Promissory notes issued on Stryker acquisition | \$ 9,339          | \$ —                 |
| Total promissory notes                         | \$ 9,339          | \$ —                 |
| Less: promissory notes, current                | (3,485)           | —                    |
| Promissory notes, current                      | \$ (3,485)        | \$ —                 |
| Promissory notes, long-term                    | \$ 5,854          | \$ —                 |

On January 5, 2026, the Company issued promissory notes as part of the consideration paid in connection with the acquisition of Stryker. The promissory notes have an aggregate principal amount of USD \$6.7 million and a term of three years, maturing on January 5, 2029.

The promissory notes bear interest at a fixed rate of 6% per annum, with interest payable quarterly. Principal repayments are due annually, with a scheduled payment of USD \$2.5 million payable on the first anniversary of the issuance date, January 5, 2027. The remaining principal balance is payable in accordance with the agreed repayment schedule through maturity.

## 9. SHARE CAPITAL

An unlimited number of common shares and preferred shares (issuable in series) are authorized. The Company has not issued any preferred shares. The following is a summary of the issued and outstanding common shares:

|   | Number<br>(000s) | Amount     |
|---|------------------|------------|
| Balance, December 31, 2025                                | 33,138           | \$ 190,255 |
| Issued as consideration for business combination (note 3) | 1,299            | 6,354      |
| Issued pursuant to private placement                      | 728              | 3,849      |
| Repurchased pursuant to normal course issuer bid          | (279)            | (1,549)    |
| Accrued purchases under the normal course issuer bid      | —                | 1,387      |
| Issued pursuant to stock option exercises                 | 19               | 117        |
| Contributed surplus on stock option exercises             | —                | 62         |
| Balance, March 31, 2026                                   | 34,905           | \$ 200,475 |

### Business combination and private placement

On January 5, 2026 the Company issued 1,299,394 common shares at a price of \$4.89 per share, for gross proceeds of \$6.4 million as part of consideration for the Stryker acquisition. The shares are subject to a four-month statutory hold period under applicable

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside of Canada. Additionally, the shares are subject to contractual resale restrictions, with 30% of the shares released on the dates that are 12 and 24 months following April 1, 2026, and 40% on the date that 36 months following April 1, 2026.

On January 5, 2026 the Company issued 727,660 common shares at a price of \$5.29 per share in conjunction with the Stryker acquisition for gross proceeds of \$3.8 million as a concurrent private placement. The shares are subject to a four-month statutory hold period under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside of Canada. Additionally, the shares are subject to contractual resale restrictions, with 25% of the shares released on each of the dates that are 12, 24, 36 and 48 months following April 1, 2026.

### Normal course issuer bid

During the three months ended March 31, 2026, 279,072 (2025 - 742,699) common shares were purchased under the normal course issuer bid ("NCIB") for a total purchase price of \$1.6 million (2025 - \$4.5 million) at an average cost of \$5.78 (2025 - \$6.09) per common share. A portion of the purchase amount reduced share capital by \$1.5 million (2025 - \$4.2 million) and the residual purchase amount of \$0.1 million (2025 - \$0.3 million) was recorded to the surplus.

In connection with the NCIB, the Company established an automatic securities purchase plan ("the Plan"). Accordingly, the Company may repurchase its common shares under the Plan on any trading day during the NCIB, including during regulatory restrictions or self-imposed trading blackout periods. The Plan commenced on August 11, 2025, and will terminate on August 10, 2026. As at March 31, 2026, the Company did not recognize accrued liability for the common shares to be purchased under the Plan. As at December 31, 2025, the accrued liability related to the reduction of share capital was \$1.4 million. During the three months ended March 31, 2026, the Company reversed the previously recognized accrual, resulting in a net decrease to share capital of \$1.4 million.

Subsequent to March 31, 2026, the Company purchased 6,000 common shares for a total purchase price of \$0.04 million, at an average purchase cost of \$6.50 per common share.

### Stock options

A summary of the Company's stock options during the three months ended March 31, 2026 is as follows:

|                             | 2026              |                                       |
|-----------------------------|-------------------|---------------------------------------|
|                             | Number<br>(000's) | Weighted<br>average<br>exercise price |
| Balance, December 31, 2025  | 2,106             | \$ 5.83                               |
| Granted                     | 282               | \$ 7.19                               |
| Exercised                   | (19)              | \$ 6.08                               |
| Expired or forfeited        | (259)             | \$ 5.67                               |
| Balance, March 31, 2026     | 2,110             | \$ 6.03                               |
| Exercisable, March 31, 2026 | 1,178             | \$ 6.17                               |

During the three months ended March 31, 2026, the Company granted 282,020 (2025 - nil) stock options to certain employees and directors at an exercise price of \$7.19 per stock option. The stock options are set to expire on March 30, 2029. The stock options vest in one-third tranches twelve months, eighteen months and twenty-four months from the grant date, respectively. The fair value of the options was determined using the Black-Scholes model. The principal assumptions used were expected volatility of 39%, expected life of 3 years and a risk-free interest rate of 2.87%. The resulting fair value at grant date was \$2.11.

The range of exercise prices for the stock options outstanding as at March 31, 2026 is as follows:

| Exercise price range | Outstanding                   |  |                                       | Exercisable                   |  |                                       |
|----------------------|-------------------------------|--|---------------------------------------|-------------------------------|--|---------------------------------------|
|                      | Number of<br>units<br>(000's) | Weighted<br>average<br>remaining life<br>(Years) | Weighted<br>average<br>exercise price | Number of<br>units<br>(000's) | Weighted<br>average<br>remaining life<br>(Years) | Weighted<br>average<br>exercise price |
| \$4.72 to \$6.09     | 982                           | 1.08   | \$ 5.47                               | 568                           | 0.39   | \$ 6.02                               |
| \$6.24 to \$7.19     | 1,128                         | 1.69   | \$ 6.52                               | 610                           | 1.19   | \$ 6.31                               |
| Total                | 2,110                         | 1.40   | \$ 6.03                               | 1,178                         | 0.80   | \$ 6.17                               |

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## Restricted shares

A summary of the Company's restricted shares during the three months ended March 31, 2026 is as follows:

|                            | Number<br>(000's) |
|----------------------------|-------------------|
| Balance, December 31, 2025 | 376               |
| Granted                    | —                 |
| Balance, March 31, 2026    | 376               |

During 2025, the Company granted 376,203 restricted shares to certain employees and directors. The restricted shares will vest in one-third tranches six months, eighteen months and thirty months from the grant date, respectively. The fair value of the restricted shares granted was measured at the grant date based on the quoted market price of the Company's common shares. The restricted shares are expected to be settled in cash. As at March 31, 2026, the Company has recognized \$0.9 million liability and stock-based compensation expense related to the restricted shares amortized in the period, which were valued at the Company's common share price at the period end date. The restricted shares will be revalued each reporting period based on the period end common share price.

## Exchangeable promissory notes

The Exchangeable promissory ("EP") notes have a principal amount of USD \$20.0 million, three year term, maturing July 11, 2026, and are exchangeable into a maximum of 3,510,000 common shares of ACT. Interest is payable quarterly at a rate of 5% per annum. Any time prior to expiry of the EP notes, if the 20-day volume weighted average trading price of the common shares of ACT equals or exceeds \$7.70 per common share, ACT may cause the exchange of the EP notes into common shares. In accordance with IFRS, \$1.2 million of the EP notes are classified as a component of equity given the nature of the convertible instrument.

## 10. NET INCOME PER SHARE

|  | Three months ended March 31, |          |
|--|------------------------------|----------|
|  | 2026                         | 2025     |
| Net income   | \$ 4,845                     | \$ 7,248 |
| Outstanding common shares, beginning of the period | 33,138                       | 34,425   |
| Effect of purchased common shares                  | (134)                        | (285)    |
| Effect of common shares issued                     | 1,938                        | 20       |
| Weighted average common shares (basic)             | 34,942                       | 34,160   |
| Effect of outstanding stock options                | 115                          | 196      |
| Effect of outstanding EP notes                     | 3,511                        | 3,511    |
| Weighted average common shares (diluted)           | 38,568                       | 37,867   |
| Net income per share - basic                       | \$ 0.14                      | \$ 0.21  |
| Net income per share - diluted                     | \$ 0.13                      | \$ 0.19  |

During the three months ended March 31, 2026, 1,128,592 stock options (2025 - 2,104,905) were excluded from the diluted weighted average number of common shares calculation as their effect was anti-dilutive.

## 11. DEFERRED TAXES

The remaining amount of unrecognized U.S. tax pools as at March 31, 2026 are estimated to be \$9.3 million. In determining the amount of current and deferred income tax expense, including recognition of previously unrecognized tax pools, the Company relies on estimates and assumptions which involve judgements about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such determination is made.

## 12. OPERATING SEGMENTS

The Company has two operating segments based on its geographic operating locations of Canada and U.S. and a non-operating segment for joint corporate costs ("Corporate services"). The Company determines its reportable segments based on internal information regularly reviewed by management to allocate resources and assess performance. The Corporate services segment is comprised of costs which are managed on a group basis and are not allocated to the operating segments. The Corporate services segment primarily consists of selling, general and administrative expenses, foreign exchange gain (loss) and acquisition and reorganization costs.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

|  | Three months ended March 31, 2026 |             |                    |              | Three months ended March 31, 2025 |             |                    |              |
|--|-----------------------------------|-------------|--------------------|--------------|-----------------------------------|-------------|--------------------|--------------|
|  | U.S.                              | Canada      | Corporate services | Total        | U.S.                              | Canada      | Corporate services | Total        |
| Revenues   | \$ 83,173                         | \$ 61,290   | \$ —               | \$ 144,463   | \$ 81,616                         | \$ 53,741   | \$ —               | \$ 135,357   |
| Depreciation and amortization - cost of sales                                | \$ (6,847)                        | \$ (2,845)  | \$ —               | \$ (9,692)   | \$ (2,425)                        | \$ (4,923)  | \$ —               | \$ (7,348)   |
| Total cost of sales <sup>(1)</sup>   | \$ (73,006)                       | \$ (41,438) | \$ —               | \$ (114,444) | \$ (67,066)                       | \$ (38,286) | \$ —               | \$ (105,352) |
| Depreciation and amortization - selling, general and administrative expenses | \$ (3,002)                        | \$ (116)    | \$ (39)            | \$ (3,157)   | \$ (2,707)                        | \$ (119)    | \$ —               | \$ (2,826)   |
| Total selling, general and administrative expenses <sup>(1)</sup>            | \$ (12,411)                       | \$ (3,236)  | \$ (4,913)         | \$ (20,560)  | \$ (13,363)                       | \$ (2,941)  | \$ (3,496)         | \$ (19,800)  |
| Finance costs - loans and borrowings and promissory notes                    | \$ (765)                          | \$ (1,544)  | \$ —               | \$ (2,309)   | \$ (561)                          | \$ (1,674)  | \$ —               | \$ (2,235)   |
| Income (loss) before income taxes  | \$ (2,276)                        | \$ 16,496   | \$ (7,631)         | \$ 6,589     | \$ (596)                          | \$ 13,271   | \$ (6,622)         | \$ 6,053     |

<sup>(1)</sup> Inclusive of direct costs, deprecation and amortization, and share-based compensation.

|                               | As at March 31, 2026 |            |                    |            | As at December 31, 2025 |            |                    |            |
|-------------------------------|----------------------|------------|--------------------|------------|-------------------------|------------|--------------------|------------|
|                               | U.S.                 | Canada     | Corporate services | Total      | U.S.                    | Canada     | Corporate services | Total      |
| Total liabilities             | \$ 150,810           | \$ 105,565 | \$ —               | \$ 256,375 | \$ 120,413              | \$ 93,196  | \$ —               | \$ 213,609 |
| Total assets                  | \$ 219,864           | \$ 300,791 | \$ 633             | \$ 521,288 | \$ 193,102              | \$ 268,747 | \$ 533             | \$ 462,382 |
| Property, plant and equipment | \$ 116,831           | \$ 49,223  | \$ 633             | \$ 166,687 | \$ 95,800               | \$ 45,564  | \$ 533             | \$ 141,897 |

There are no material differences in the basis of accounting or the measurement of income, assets and liabilities between the Company and reported segment information. Revenues and expenses are attributed to geographical areas based on the location in which the services are rendered. The segment presentation of assets is based on legal owner of the assets which bears the related depreciation and amortization expenses.

### 13. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

As at March 31, 2026, the Company's commitment to capital is approximately \$7.2 million (December 31, 2025 - \$3.7 million), which is expected to be incurred over the next six months.

The Company holds six letters of credit totaling \$1.8 million (December 31, 2025 - \$1.7million) related to rent payments, corporate credit cards and a utilities deposit.

#### Provision

The Company is subject to a historical U.S. sales and use tax audit (the "Audit") period that originated prior to the Company's acquisition of Altitude Energy Partners ("AEP Acquisition") on July 14, 2022, with certain errors determined to extend into the period after the AEP Acquisition (the "Post-Closing Audit Period"). In the fourth quarter of 2025, the Company paid \$4.1 million to the tax authorities in partial settlement of the Audit. As at March 31, 2026, the Company's Post-Closing Audit Period provision accrued is \$8.0 million.

Also in relation to the Audit, certain liabilities originated prior to the AEP Acquisition (the "Pre-Closing Audit Period"). The Company has recognized a provision of \$15.0 million in Trade and other payables related to the Pre-Closing Audit Period. Pursuant to the Equity Purchase Agreement related to the AEP Acquisition, the sellers provided the Company with an indemnity related to pre-closing tax issues, specifically identifying the risk around the Audit. Accordingly, the Company has recognized an offsetting indemnity receivable of \$15.0 million in Other receivable. This assessment relies on estimates and assumptions and may involve a series of judgments about future events.

All figures in this section are presented in Canadian dollars; however, the underlying figures are denominated in U.S. dollars and are therefore subject to fluctuations in foreign currency exchange rates. New information may become available that prompts the Company to adjust its judgment regarding the adequacy of this provision.

The Company is also involved in various other legal claims and tax audits associated with the normal course of operations. The Company believes that any liabilities that may arise pertaining to such matters would not have a material impact on its financial position.

#### Tariffs

In 2025, the U.S. government implemented additional tariffs on goods imported from Canada, Mexico and China. Although recent trade discussions between the United States and several nations, including Canada, remain ongoing, the timing and outcome of any

## **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

potential changes to existing tariffs remain uncertain. At this time, the Company is continuing to monitor and assess the impact of tariffs affecting the movement of goods across North American borders and is actively evaluating the potential business impacts of these tariffs.

### **14. SUBSEQUENT EVENTS**

On April 1, 2026, the Company acquired the directional drilling services business of SB Directional Service (SB Acquisition). The total consideration is estimated around \$66.1 million. The consideration is comprised of \$41.7 million in cash and \$24.5 million, or 3,624,232 in ACT common shares. The preliminary purchase price allocation is based on Management's best estimate of fair value and consist of \$0.7 million of inventories, \$41.0 million of property, plant and equipment and \$24.5 million of intangible assets and goodwill. Upon finalizing the fair value of net assets acquired, adjustment to initial estimates, including goodwill, may be required.

On April 24, 2026, the Company repaid the outstanding aggregate principal amount of USD \$20.0 million of the EP Note, plus accrued interest. The early repayment of the EP Note was funded using the available USD \$20.0 million term facility provided by the Company's syndicate of lenders. The EP Note was cancelled upon repayment.