

ACT Energy Technologies Ltd. (formerly called Cathedral Energy Services Ltd.)**Modern Slavery Report – 2025****1. Introduction**

This joint report (the “**Report**”) is the third Modern Slavery Report prepared and filed by ACT Energy Technologies Ltd. (formerly called Cathedral Energy Services Ltd.) and certain of its subsidiaries listed below (individually or collectively as the context requires, “**ACX**”, the “**Company**”, “**we**” or “**our**”) pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“**Act**”). This Report covers the Company’s most recently completed financial year ending December 31, 2025 (the “**Reporting Period**”).

The subsidiaries covered by this Report are the following:

- ACT Energy USA, Inc. (formerly called Cathedral Energy Services, Inc.)
- Altitude Energy Partners, LLC
- Rime Downhole Technologies, LLC

This Report outlines the steps we have taken during the Reporting Period to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the Company, or of goods imported into Canada by the Company.

Progress update: During 2025, ACX’s focus was on maintaining operational continuity amid volatility and disruption in cross-border trade conditions (including tariff-related uncertainty between Canada and the United States) as well as organizational changes in certain of our U.S. operations. As a result, several initiatives described as “next steps” in our 2024 report were deferred or progressed more slowly than planned in 2025. We remain committed to strengthening our approach and expect that a significant portion of the planned enhancements will be advanced during the 2026 reporting period.

2. Steps Taken During the Reporting Period to Prevent and Reduce Risks of Forced Labour and Child Labour

ACX values and supports high standards of ethics and business conduct in all our business dealings, and the dignity and human rights of all people globally. During the Reporting Period, our efforts were primarily focused on maintaining and operationalizing the foundational policies, governance, and tools established in 2024, and on scoping the next phase of implementation. Steps taken during 2025 included:



- Maintaining Board of Directors (“**Board**”) and management oversight for ACX’s modern slavery response, including continued governance oversight through the Governance Committee of the Board.
- Continuing to communicate and reinforce expectations under our *Code of Business Conduct and Ethics*, including commitments relating to human rights and prohibitions on forced labour and child labour.
- Maintaining our confidential and anonymous Business Ethics Hotline (the “**Business Ethics Hotline**”) for employees and external stakeholders to report concerns, including those relating to forced labour and child labour, without fear of retaliation.
- Continuing to refine and maintain our modern slavery framework and our Modern Slavery Response Protocol as the foundation for our due diligence and remediation approach.
- Undertaking internal scoping and planning work to support a phased rollout of supplier engagement and risk-based due diligence measures, which we expect to advance during the 2026 reporting period.

3. Our Structure, Activities and Supply Chains

3.1 Our Structure

ACX is based in Calgary, Alberta, Canada, and is incorporated under the Business Corporations Act (Alberta). ACX operates in Canada as “Altitude Energy Partners”, and in the United States (“**U.S.**”) as “Altitude Energy Partners”, “Discovery Downhole Services” and “Rime Downhole Technologies”. All of ACX’s subsidiaries are 100% owned, directly or indirectly, by ACX. ACX’s common shares are publicly traded on the Toronto Stock Exchange under the symbol “ACX”.

ACX is a trusted partner to North American energy companies requiring high performance directional drilling services and related downhole technologies. We work in partnership with our customers to tailor our equipment and expertise to meet their specific geographical and technical needs. Our experience, technology and responsive personnel enable our customers to achieve higher efficiencies and lower project costs.

As of December 31, 2025, we had approximately 337 employees of which 166 are in Canada and 171 are in the U.S. Outside of our direct employee base, we also utilize the services of consultants to perform field work and some office work.

3.2 Activities

Altitude Energy Partners specializes in providing oil and gas companies in Western Canada and the U.S. with directional drilling services. This includes both horizontal and directional drilling.

Discovery Downhole Services rents drilling motors within the U.S. market.



Rime Downhole Technologies is an engineering business that specializes in designing and building products for the downhole measurement-while-drilling (“MWD”) industry in the U.S. and Canada.

Altitude Energy Partners

“Altitude Energy Partners” is the brand under which we provide directional drilling services in the U.S. and Canada. Our U.S. head office is situated in The Woodlands, Texas, with operating facilities strategically placed in Casper, Wyoming; Houston, Texas; and Midland, Texas, with employees stationed at each of these locations. In Canada, we have operations staff, MWD repair services, and technology personnel located at the Company’s head office in Calgary, Alberta. Additionally, there is a sales office in downtown Calgary and a drilling motor repair facility in Nisku, Alberta.

Discovery Downhole Services

“Discovery Downhole Services” is the operating name of ACT Energy USA, Inc. (formerly called Cathedral Energy Services, Inc.). Discovery Downhole Services rents drilling motors in the U.S. from operating facilities located in Dickenson, North Dakota; Casper, Wyoming; and Conroe, Texas, with employees situated at each of these facilities.

Rime Downhole Technologies

“Rime Downhole Technologies” is a Texas-based engineering business, specializing in the fabrication of products for the downhole MWD industry. It offers a diverse range of proprietary MWD components, such as pulsers, pulser drivers, shock isolators, and gamma modules. Rime Downhole Technologies constitutes ACX’s U.S. segment for MWD sustainment and new development engineering services. Operating facilities are situated in Benbrook, Texas (serving as the head office) and Conroe, Texas, with employees stationed at each of these locations.

Additional information on ACX’s structure and activities can be found in ACX’s 2025 Annual Information Form which you can locate on SEDAR+ (www.sedarplus.ca) and on our website: <https://actenergy.com/investors/financial-public-filings/>

3.3 Our Supply Chain

ACX’s supply chain can be sub-divided into two segments: (1) direct materials and services that are integrated into ACX’s service offering or products sold; and (2) indirect materials and services that are not directly incorporated into our services or products sold.

Most of the items within our direct materials and services segment include items such as castings, forgings, electronics and machined parts. Indirect materials and services include professional services, tools, shop and office supplies and telecommunications.



Based on procurement spend, the majority of ACX’s direct and indirect material and service purchases are from tier 1 suppliers located in Canada and the U.S., where we consider the risk to be comparatively lower due to developed labour standards and worker protections. However, we recognize that suppliers in Canada and the U.S. may source inputs globally, and our approach to due diligence is intended to be risk-based and to evolve over time.

ACX also purchases from a limited number of suppliers located outside Canada and the U.S. (for example, in jurisdictions such as China, the United Kingdom, Japan, India and Singapore). We recognize that certain jurisdictions and product categories may present elevated modern slavery risks and we intend to prioritize supplier engagement and due diligence measures accordingly as part of our phased implementation plan.

4. Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour

We recognize the importance of safeguarding human rights throughout our supply chain and business activities and are dedicated to taking concrete steps to achieve this goal. As part of our commitment to embedding human rights due diligence into our business processes, in 2024 we created a Supplier Code of Conduct, updated our Code of Business Conduct and Ethics to include a commitment to address forced labour and child labour risks, and developed a modern slavery framework which outlines our due diligence processes in relation to forced labour and child labour. During 2025, we maintained these policies.

4.1 Code of Business Conduct and Ethics

ACX’s Code of Business Conduct and Ethics (the “Code”) reflects our commitment to a culture of honesty, integrity, respect, and accountability and outlines the basic principles and policies with which all directors, officers, employees, and contractors are expected to comply with while working with us. The Code applies to all entities covered by our joint report.

The Code outlines our commitment to treating our employees with dignity, fairness and respecting their rights as well as their contribution to our success. Within the Code’s “Human Rights” section, reference is made to “prohibiting child labour, forced, involuntary, compulsory or slave labour, or modern slavery practices; and respecting fundamental freedoms of all individuals as enshrined in the United Nations Universal Declaration of Human Rights, the Canadian Charter of Rights and Freedoms and applicable law in the United States”. We require our employees to respect and obey the laws in all jurisdictions in which we operate. All new employees of all divisions are required to certify their understanding and agree to comply with the Code. ACX’s directors, officers and other members of management are required to certify compliance with the Code annually.

4.2 Supplier Code of Conduct

Our Supplier Code of Conduct (the “**Supplier Code**”) outlines our expectations in the areas of business conduct and ethics with suppliers and specifically addresses compliance with laws, child labour, slavery, human trafficking and forced labour. The Supplier Code was developed and approved in 2024. During 2025, we continued internal planning to support a phased rollout and integration of the Supplier Code into supplier onboarding and procurement practices, with broader implementation expected during the 2026 reporting period.

4.3 Whistleblower Policy

We encourage all of our personnel (including in our subsidiaries) to report illegal or unethical behavior, or violations of the Code or the Supplier Code, to ACX’s senior management, or the chair of ACX’s board of directors. To that end, ACX maintains a confidential and anonymous reporting system called the “Business Ethics Hotline”. The Business Ethics Hotline is available to employees, third parties and external stakeholders to report concerns about violations of our Code or the Supplier Code, any aspect of the Company’s operations, or any violation of any law, anonymously without fear of retaliation.

The Business Ethics Hotline can be accessed as follows:

- Toll free at: 1-866-921-6714 (Canada & U.S.)
- Email: actenergy@integritycounts.ca
- Web: <https://www.integritycounts.ca/org/actenergytechnologies>
- Mail: ACT Energy Technologies Ltd., 6030 – 3rd St. S.E., Calgary, Alberta T2H 1K2, Attention: Chair of the Audit Committee or Legal Department

ACX’s Whistleblower Policy applies to all entities covered by our joint report.

4.4 Due Diligence Processes

ACX’s modern slavery framework provides a foundation for due diligence processes related to its operations and supply chain. In particular, the framework contemplates a risk-based approach to supplier assessment that considers factors such as geographic location, industry, nature of goods/services and supplier-specific considerations. During 2025, we continued to refine this approach and to plan a phased implementation. Due diligence procedures for supplier risk tiers (low, medium and high) are expected to be advanced and operationalized further during the 2026 reporting period.

5. The Parts of Our Business and Supply Chains that Carry Risk and Steps Taken to Assess and Manage that Risk

ACX is of the view that the risk of modern slavery within our operations is low, and the risk of modern slavery is greater within our supply chain which is not directly under the control



of ACX. Hence, ACX's focus is on supply chain-related exposure. Our modern slavery framework is intended to outline and support the Company's risk-based steps to assess and manage child labour and forced labour risks over time.

6. Measures Taken to Remediate Forced Labour or Child Labour

To date we have not identified any instances of forced labour or child labour in our activities or supply chains and therefore have not undergone steps to remediate any harm of child labour or forced labour. Our Code includes information on the corporate Business Ethics Hotline, providing a platform for employees, contractors, suppliers, and other third parties to make anonymous complaints via phone, email, or on the applicable website. This hotline serves as a mechanism to raise any concerns, including forced labour or child labour. ACX has developed a Modern Slavery Response Protocol which outlines our remediation framework, including escalation, stakeholder communication and supplier corrective action planning where appropriate.

7. Remediating the Loss of Income to the Most Vulnerable Families

We recognize that efforts to prevent and reduce the risks of forced labour and child labour can have the unintended consequence of contributing to a loss of income for the most vulnerable families. Currently, we are not aware of any instance to date where our efforts to mitigate the risk of forced or child labour in our activities and supply chains may have contributed to a loss of income for vulnerable families. We understand that remediation is a key step in this process and ACX will endeavor to clearly outline the expectations for addressing remediation for individuals identified as victims of modern slavery in future reporting periods.

8. Training Provided to Employees on Forced Labour and Child Labour

While we do not currently provide formal training to employees on forced labour and child labour risks, key staff involved in supplier activities are aware of our Supplier Code and our commitment to ethical business conduct. We recognize that it is important to enhance the capacity of our staff to identify, understand and effectively manage the risks of modern slavery within our operations and throughout our supply chains. Our current expectation is that a training approach will be developed and rolled out in a phased manner in future reporting periods, with further progress expected during 2026.

9. Assessing Our Effectiveness in Ensuring Forced Labour and Child Labour Are Not Being Used in our Business and Supply Chains

ACX has yet to establish a formal framework for measuring the effectiveness of our forced labour and child labour risk mitigation efforts. We remain committed to developing an approach to ensure we can review the effectiveness of the actions we are taking to assess and



address modern slavery risks. Our aim is to continually improve our ability to assess and mitigate modern slavery risks across our operations and supply chains over time.

10. Attestation Statement

This Modern Slavery Report for 2025 was approved by ACX's Board of Directors on May 27, 2026.

This is a joint report submitted pursuant to subsection 11(2) of the Act. The report was approved by the governing body of ACT Energy Technologies Ltd., the entity that controls the subsidiaries included in this report, in accordance with subparagraph 11(4)(b)(ii) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

A handwritten signature in blue ink, appearing to read "Tom Connors", is written over a horizontal line.

Tom Connors
President, CEO and Director
May 27, 2026

I have the authority to bind ACT Energy Technologies Ltd.