2025 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, 2025 is dated May 8, 2025 and should be read in conjunction with the unaudited condensed consolidated financial statements for the three months ended March 31, 2025, audited consolidated financial statements and MD&A for the year ended December 31, 2024, and Annual Information Form ("AIF") for the year ended December 31, 2024. 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) and appear on the Company's website (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, 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., 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 three brands, Altitude Energy Partners, Discovery Downhole Services and Rime Downhole Technologies ("Rime").

2025 Q1 FINANCIAL RESULTS

- Revenues of $135.4 million in 2025 Q1 decreased 18%, compared to $165.0 million in 2024 Q1, with the decline attributable to lower operating days and unusually low levels of lost-in-hole revenues (1), as described below.
- Adjusted EBITDAS (1) of $19.7 million in 2025 Q1 decreased 31%, compared to $28.8 million in 2024 Q1, primarily attributable to lower revenues.
- Net income of $7.2 million in 2025 Q1, compared to $11.6 million in 2024 Q1 mainly due to lower revenues in 2025 Q1.
- Cash flow - operating activities of $18.7 million in 2025 Q1, compared to $15.7 million in 2024 Q1.
- Free cash flow (1) of $7.9 million in 2025 Q1, compared to Free cash flow (1) of $6.2 million in 2024 Q1.
- The Company purchased 742,699 common shares of ACT under its normal course issuer bid ("NCIB") for a total amount of $4.5 million, at an average price of $6.09 per common share. Subsequent to March 31, 2025, the Company purchased 212,900 common shares for a total purchase amount of $1.0 million, at an average purchase price of $4.84 per common share.
- Loans and borrowings less cash was $50.3 million as at March 31, 2025, compared to $50.7 million as at December 31, 2024.
- The Company strengthened liquidity with $61.3 million of undrawn capacity on the Company's amended Credit Agreement and a cash balance of $12.9 million (December 31, 2024 - $55.0 million and $12.8 million, respectively).
- In 2025 Q1, the Company amended and expanded its Credit Agreement providing for an increase in capacity, reduced interest rate and extended maturity (see 'Liquidity and Capital Resources' section in this MD&A).

2025 Q1 OPERATIONAL RESULTS

- Canadian operating days in 2025 Q1 were comparable to 2024 Q1, a modest decline of 3%.
- U.S. operating days decreased 17% in 2025 Q1, compared to 2024 Q1. The decrease in operating days in 2025 Q1 was mainly as a result customer consolidation and customer concerns over commodity price volatility.
- A decrease in the Canadian and U.S. average revenues per operating day of 5% and 8%, respectively, in 2025 Q1, compared to 2024 Q1, was primarily due to lower lost-in-hole revenues (1). In 2025 Q1, the Company experienced an unusually low rate of lost-in-hole activity compared to 2024 Q1, which was conversely unusually high. Historically, lost-in-hole activity has been achieved at relatively consistent levels as a percentage of operating revenues.
- At the end of 2025 Q1, the Company began to see realized gross margin expansion in its U.S. directional business reducing its third-party rental costs by utilizing Rime supplied measurement-while-drilling ("MWD") systems. Further durability of gross margins is expected as more MWD systems are deployed. To date, twenty-four Rime MWD systems have been deployed with an additional twenty-six MWD systems expected to be deployed by the end of 2025 Q2. A substantial majority of the inventory required to build-out these systems was spent in 2024, with minimal purchases required in 2025.

(1) As defined in the 'Non-GAAP measures' section of this MD&A.

FINANCIAL HIGHLIGHTS
(unaudited)

(stated in thousands of Canadian dollars, except net income per common share amounts)	Three months ended March 31, 2025	2024
Revenues	$ 135,357	$ 164,956
Gross margin percentage	22%	22%
Adjusted gross margin percentage [1]	28%	29%
Adjusted EBITDAS [1]	$ 19,699	$ 28,752
Adjusted EBITDAS margin percentage [1]	15%	17%
Net income	$ 7,248	$ 11,584
Per common share - basic [2]	$ 0.21	$ 0.34
Per common share - diluted [2]	$ 0.19	$ 0.30
Cash flow - operating activities	$ 18,685	$ 15,746
Free cash flow [1]	$ 7,875	$ 6,211
Weighted average common shares outstanding:		
Basic (000s) [2]	34,160	34,383
Diluted (000s) [2]	37,867	38,495

Balance *(stated in thousands of Canadian dollars)*	March 31, 2025	December 31, 2024
Working capital, excluding current portion of loans and borrowings [1]	$ 70,665	$ 84,417
Total assets	$ 485,001	$ 472,881
Loans and borrowings	$ 63,200	$ 63,527
Shareholders' equity	$ 243,284	$ 241,580

[1] Refer to the 'Non-GAAP Measures' section in this MD&A.
[2] Restated to reflect the 7:1 common share consolidation on July 3, 2024. Refer to the 'Common share consolidation' section in this MD&A.

RESULTS OF OPERATIONS

Financial

(stated in thousands of Canadian dollars, except percentages)	Three months ended March 31, 2025	2024
Revenues		
United States	$ 81,616	$ 106,562
Canada	53,741	58,394
Total revenues	135,357	164,956
Cost of sales		
Direct costs	(97,873)	(117,008)
Depreciation and amortization	(7,348)	(11,635)
Share-based compensation	(131)	(223)
Cost of sales	(105,352)	(128,866)
Gross margin	$ 30,005	$ 36,090
Gross margin percentage	22%	22%
Adjusted gross margin percentage [1]	28%	29%

[1] Refer to the 'Non-GAAP Measures' section in this MD&A.

Operational

(stated in Canadian dollars, except operating days and average industry land rig counts)		Three months ended March 31, 2025		2024	% Change
Operating days [1]					
United States		3,040		3,670	(17%)
Canada		4,254		4,374	(3%)
		7,294		8,044	(9%)
Industry land rig count [2]					
United States		572		602	(5%)
Canada		205		197	4%
Average revenues per operating day [1]					
United States	$	26,847	$	29,036	(8%)
Canada	$	12,633	$	13,350	(5%)
	$	18,557	$	20,507	(10%)
Net lost-in-hole equipment reimbursements [3]	$	1,117	$	10,646	(90%)

(1) Per 'Supplementary financial measures and other definitions' section in this MD&A.
(2) Per Baker Hughes and Rig Locator.
(3) Refer to the 'Non-GAAP Measures' section in this MD&A.

Summary

The Company sustained gross margin and Adjusted gross margin percentages [1] despite a 9% decline in the Company's operating days and a significant reduction of lost-in-hole revenues [1], both contributing significantly to the 18% decline in the Company's revenues relative to the prior period. Typically, declines in operating days and revenues would result in the Company's fixed components of direct costs negatively impacting margin percentages. However, the Company's improved the durability and resiliency of gross margins through replacement of third-party rental equipment with owned equipment, primarily through deployment of Rime MWD systems.

SEGMENTED INFORMATION

United States

Revenues

U.S. revenues were $81.6 million in 2025 Q1, a decrease of $25.0 million or 24%, compared to $106.6 million in 2024 Q1. The Company experienced a 17% decrease in operating days in 2025 Q1 (2025 - 3,040 days; 2024 - 3,670 days). The Company's activity declines exceeded the 5% decrease in the average U.S. land rig count mainly as a result of consolidation by some of the Company's customers. The average revenues per operating day [2] decreased 8% in 2025 Q1 (2025 - $26,847 per day; 2024 - $29,036 per day). The decrease in average revenues per operating day [2] is mainly due to lower lost-in-hole revenues [1] and lower equipment service intensity on jobs during 2025 Q1, compared to 2024 Q1. In 2025 Q1, the Company experienced an unusually low rate of lost-in-hole activity compared to 2024 Q1 ($12.4 million), which was conversely unusually high. Over longer periods of time, lost-in-hole activity has historically been relatively consistent as a percentage of operating revenues.

Direct costs

U.S. direct costs included in cost of sales were $62.1 million in 2025 Q1, a decrease of $18.6 million or 23%, compared to $80.7 million in 2024 Q1. The decrease is mainly due to lower MWD third-party rental costs, resulting from the Rime MWD build-out and lower labour and repair costs related to lower activity in 2025 Q1. As a percentage of revenues, direct costs were 76% in 2025 Q1 and 2024 Q1. Lower direct costs as a percentage of revenues, as described above, were offset by the effect of minimal lost-in-hole revenues [1] in 2025 Q1 relative to the comparative period.

Canadian

Revenues

Canadian revenues were $53.7 million in 2025 Q1, a decrease of $4.7 million or 8%, compared to $58.4 million in 2024 Q1, with the decline primarily attributable to lower lost-in-hole revenues [1] and a 3% decrease in operating days in 2025 Q1 (2025 - 4,254 days; 2024 - 4,374 days). Despite a modest increase in the Western Canada average land rig count of 4%, ACT had a slight decline in activity during 2025 Q1 primarily attributable to lower activity in oil plays where ACT is more prevalent.

The average revenues per operating day [2] decreased 5% in 2025 Q1 (2025 - $12,633 per day; 2024 - $13,350 per day). The decrease in the average revenues per operating day [2] is mainly attributed to lower lost-in-hole revenues [1]. In 2025 Q1, the Company experienced an unusually low rate of lost-in-hole activity compared to 2024 Q1 ($4.3 million), which was conversely unusually high. Over longer periods of time, lost-in-hole activity has historically been relatively consistent as a percentage of operating revenues.

(1) Refer to the 'Non-GAAP Measures' section in this MD&A.
(2) Per 'Supplementary financial measures and other definitions' section in this MD&A.

Direct costs

Canadian direct costs included in cost of sales were $35.7 million in 2025 Q1, a decrease of $0.6 million or 2%, compared to $36.3 million in 2024 Q1. The decrease is mainly due to lower labour and repair costs in 2025 Q1 as a result of lower activity. As a percentage of revenues, direct costs were 66% in 2025 Q1, compared to 62% in 2024 Q1. The effect of minimal lost-in-hole revenues [(1)] in 2025 Q1, relative to the comparative period, is the primary factor in direct costs being higher as a percentage of revenues in the current period.

CONSOLIDATED

Revenues

The Company recognized $135.4 million of revenues in 2025 Q1, a decrease of $29.6 million or 18%, compared to $165.0 million in 2024 Q1. The decrease is due to a 9% decrease in operating days (2025 - 7,294 days; 2024 - 8,044 days), and a 10% decrease in the average revenues per operating day [(1)] resulting from very low levels of lost-in-hole revenue [(1)] compared to 2024 Q1.

Direct Costs

The Company recognized $97.9 million of direct costs in 2025 Q1, a decrease of $19.1 million or 16%, compared to $117.0 million in 2024 Q1. The decrease is mainly due to lower labour and repair costs related to the decrease in operating days, and lower third-party MWD rental costs mainly related to the Rime MWD build-out.

Direct costs as a percentage of revenues increased to 72% in 2025 Q1, compared to 71% in 2024 Q1, mainly due to the effect of minimal lost-in-hole revenues [(1)] in 2025 Q1 relative to the comparative period.

Gross margin and adjusted gross margin

The gross margin percentage was 22% in 2025 Q1 and 2024 Q1. The Adjusted gross margin percentage [(1)] decreased to 28% in 2025 Q1, compared to 29% in 2024 Q1. Despite a 9% decline in the Company's operating days and a significant reduction of lost-in-hole revenues [(1)], the gross margin percentage and Adjusted gross margin percentage were relatively consistent. The Company remains focused on reducing third-party MWD rental costs by investing capital to build out its MWD fleet.

Depreciation and amortization expense

Depreciation and amortization expense included in cost of sales decreased to $7.3 million in 2025 Q1, compared to $11.6 million in 2024 Q1. The decrease is mainly due to a change in depreciation methodology affecting the prior period.

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

(stated in thousands of Canadian dollars)	Three months ended March 31, 2025	2024
Selling, general and administrative expenses:		
Direct costs	$ 16,433	$ 16,026
Depreciation and amortization	2,826	2,347
Share-based compensation	541	930
Selling, general and administrative expenses	$ 19,800	$ 19,303

The Company recognized direct costs included in SG&A expenses of $16.4 million in 2025 Q1, relatively consistent compared to $16.0 million in 2024 Q1. Direct costs included in SG&A expenses as a percentage of revenues were 12% in 2025 Q1, compared to 10% in 2024 Q1. The increase resulting from lower lost-in-hole revenues [(1)] and the fixed nature of SG&A expenses being unaffected by activity levels.

Depreciation and amortization included in SG&A expenses were $2.8 million in 2025 Q1, compared to $2.3 million in 2024 Q1. The increase is mainly due to intangible amortization expense related to the rotary steerable system ("RSS") licenses.

Stock-based compensation included in SG&A expenses were $0.5 million in 2025 Q1, compared to $0.9 million in 2024 Q1. The decrease is mainly due to certain stock options being fully vested in 2024.

Research and development ("R&D") costs

(stated in thousands of Canadian dollars)	Three months ended March 31, 2025	2024
Research and development costs	$ 1,364	$ 1,203

The Company recognized R&D costs of $1.4 million in 2025 Q1, compared to $1.2 million in 2024 Q1. R&D costs are salaries, benefits, purchased materials and shop supply costs related to new product development and technology.

[(1)] Refer to the 'Non-GAAP Measures' section in this MD&A.

Write-off of property, plant and equipment

(stated in thousands of Canadian dollars)		Three months ended March 31, 2025		2024
Write-off of property, plant and equipment	$	179	$	1,635

The Company recognized a write-off of property, plant and equipment of $0.2 million in 2025 Q1, compared to $1.6 million in 2024 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 revenues.

Finance costs

(stated in thousands of Canadian dollars)		Three months ended March 31, 2025		2024
Finance costs - loans and borrowings and exchangeable promissory notes	$	2,235	$	2,465
Finance costs - lease liabilities	$	281	$	205

Finance costs - loans and borrowings and exchangeable promissory notes were $2.2 million in 2025 Q1, a decrease of $0.3 million, compared to $2.5 million in 2024 Q1. The decrease is mainly due to a lower outstanding balance of loans and borrowings in 2025 Q1 compared to 2024 Q1.

In addition, the Company had finance costs - lease liabilities of $0.3 million in 2025 Q1, related to lease liabilities, compared to $0.2 million in 2024 Q1.

Foreign exchange

(stated in thousands of Canadian dollars)		Three months ended March 31, 2025		2024
Foreign exchange (loss) gain	$	(250)	$	1,970
Foreign currency translation (loss) gain on foreign operations	$	(79)	$	1,455

The Company recognized a foreign exchange loss of $0.3 million in 2025 Q1, compared to a foreign exchange gain of $2.0 million in 2024 Q1. The impact of foreign exchange is due to fluctuations of the Canadian dollar relative to the United States dollar ("USD") related to foreign currency transactions and balances recognized in net income.

The Company recognized a foreign currency translation loss on foreign operations of $0.1 million in 2025 Q1, compared to a gain of $1.5 million in 2024 Q1. 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.

Income tax recovery (expense)

(stated in thousands of Canadian dollars)		Three months ended March 31, 2025		2024
Current	$	(74)	$	(1,453)
Deferred		1,269		(212)
Income tax recovery (expense)	$	1,195	$	(1,665)

The Company recognized an income tax recovery of $1.2 million in 2025 Q1, compared to an income tax expense of $1.7 million in 2024 Q1. Income tax expense 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 effect the Company's actual tax for the period.

During 2025 Q1, the Company realized a loss before income tax in its U.S. segment resulting in an income tax recovery in the current period. In addition, the Company utilized previously unrecognized Canadian tax pools reducing the Canadian tax expense to nil. The remaining amount of unrecognized Canadian and U.S. tax pools as at March 31, 2025 are estimated at $5.5 million and $9.6 million, respectively.

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.

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 $18.7 million in 2025 Q1, compared to $15.7 million in 2024 Q1. ACT remains focused on reducing its loans and borrowings and generating Free cash flow, as defined in the 'Non-GAAP measures' section of this MD&A. In addition, the Company will remain opportunistic in executing its NCIB and making strategic and accretive acquisitions.

At March 31, 2025, the Company had working capital, excluding current portion of loans and borrowings of $70.7 million (December 31, 2024 - $84.4 million).

Common share consolidation

On May 9, 2024, the shareholders of the Company approved the consolidation of the issued and outstanding common shares of the Company, on the basis of one post-consolidation common share for a range of five to ten pre-consolidation common shares. On June 10, 2024, the Board of Directors approved a consolidation ratio of one post-consolidation share for seven pre-consolidation common shares (the "Consolidation"). As a result, on July 3, 2024, 243,383,392 common shares issued and outstanding prior to the Consolidation were reduced to 34,769,056 common shares. No fractional common shares were issued in connection with the Consolidation, and all fractional common shares that otherwise would have been issued was rounded to the nearest whole common share. The number of shares and per share amounts in this MD&A were restated to reflect the Consolidation.

Normal course issuer bid

During the three months ended March 31, 2025, 742,699 (2024 - 353,100) common shares were purchased under the NCIB for a total purchase amount of $4.5 million (2024 - $2.1 million) at an average price of $6.09 (2024 - $5.88) per common share. A portion of the purchase amount reduced share capital by $4.2 million (2024 - $2.0 million) and the residual purchase amount of $0.3 million (2024 - $0.1 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 July 29, 2024 and will terminate on July 28, 2025. As at March 31, 2025, the Company recognized $3.9 million as an accrued liability for the maximum common shares to be purchased under the Plan.

Subsequent to March 31, 2025, the Company purchased 212,900 common shares for a total purchase amount of $1.0 million, at an average purchase price of $4.84 per common share.

Syndicated and revolving credit facilities

On March 21, 2025, the Company entered into a Fifth 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 provided for the following:

i. A revolving facility with an approximate principal amount of $124.3 million comprised of: i) $100.0 million Syndicated Revolving Facility ("CAD Syndicated Revolving Facility") and ii) $10.0 million revolving facility provided by ATB Financial ("ATB Revolving Facility"), and iii) USD $10.0 million (approximately CAD $14.3 million equivalent) provided by HSBC Bank USA, N.A. ("HSBC Revolving Facility"). The revolving facility replaced the Company's existing facilities (CAD Syndicated Term Facility of $59.0 million, USD Syndicated Term Facility of USD $21.0 million, Syndicated Operating Facility of $35.0 million, Revolving Operating Facility of $15.0 million and USD Revolving Operating Facility of $10.0 million). As such, the contractual repayments of the CAD Syndicated Term Facility and USD Syndicated Term Facility are no longer required;
ii. A lower amended interest rate updated to 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% (previously prime rate plus 1.5% to 2.25% or Canadian Overnight Repo Rate Average rate / Secured Overnight Financing Rate plus 2.5% to 3.25%);
iii. The maturity date extended from July 11, 2026 to March 21, 2028;
iv. Replaced the financial covenant of Consolidated Fixed Charge Coverage ratio (previously required to be no less than 1.25:1) with a Consolidated Interest Coverage Ratio, which is required to be no less than 3.0:1. The Consolidated Funded Debt to Consolidated Credit Agreement EBITDA ratio remained unchanged and shall not exceed 2.5:1; and
v. The syndicate of lenders remained unchanged with the exception of Royal Bank of Canada joining ATB Financial as the syndicate co-lead.

As at March 31, 2025, $61.3 million of the $124.3 million Revolving Facility remained undrawn.

At March 31, 2025, 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 - 1.0); and
- Consolidated Interest Coverage ratio shall not be less than 3.0 :1.0 (calculated - 9.6).

Contractual obligations and contingencies

As at March 31, 2025, the Company's commitment to capital is approximately $7.2 million (December 31, 2024 - $11.9 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, 2024 - $1.8 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.

In relation to a pre-closing sales tax issue related to the July 14, 2022 acquisition of Altitude, as a result of a preliminary assessment, the Company has recognized a provision of $15.5 million in Trade and other payables. Pursuant to the Equity Purchase Agreement related to the Altitude acquisition, the sellers provided the Company with an indemnity related to pre-closing tax issues, including the sales tax issue noted. Accordingly, the Company has recognized an offsetting indemnity receivable of $15.5 million in Other receivable. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of this provision.

The following table outlines the anticipated payments related to contractual commitments subsequent to March 31, 2025:

(stated in thousands of Canadian dollars)	Carrying amount	One year	1-2 years	3-5 years	Thereafter
Loans and borrowings - principal	$ 63,818	$ 685	$ —	$ 63,133	$ —
Exchangeable promissory ("EP") notes - principal	28,752	—	28,752	—	—
Interest payments on loans and borrowings and EP notes	15,635	6,122	5,079	4,434	—
Lease liabilities - undiscounted	21,839	4,034	3,684	8,779	5,342
Trade and other payables	116,352	116,352	—	—	—
Total	$ 246,396	$ 127,193	$ 37,515	$ 76,346	$ 5,342

Capital structure

As at May 8, 2025, the Company has 33,551,247 common shares, 3,290,598 stock options, 376,203 restricted shares, and EP Notes, that are exchangeable into a maximum of 3,510,000 common shares outstanding.

NET CAPITAL EXPENDITURES

The following table details the Company's Net capital expenditures [(1)]:

	Three months ended March 31,	
(stated in thousands of Canadian dollars)	2025	2024
MWD and related equipment	$ 14,855	$ 7,911
Motors and related equipment	7,985	7,206
Shop and automotive equipment	56	233
Other	653	569
Gross capital expenditures	23,549	15,919
Less: net lost-in-hole equipment reimbursements	(1,117)	(10,646)
Net capital expenditures [(1)]	$ 22,432	$ 5,273

[(1)] Refer to the 'Non-GAAP Measures' section in this MD&A.

Equipment additions totaling $23.5 million included $7.6 million of items previously purchased and held in inventory for the Rime MWD system build-out in 2025 Q1.

As at March 31, 2025, property, plant and equipment included $15.8 million (2024 - $7.9 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, partly as a result of the enacted and proposed U.S. tariffs, the Company's 2025 Net capital expenditure budget will be dynamic and adjusted to reflect management's expectation of future activity levels. Currently, the Company's target Net capital expenditures [(1)] budget is anticipated to relate to necessary sustaining capital expenditures that will enhance realized gross margin percentage levels, including growing ACT's high-performance mud motors, MWD in both Canada and the U.S., and selective RSS deployments. ACT intends to fund its 2025 capital plan from cash flow - operating activities.

OUTLOOK

Despite ongoing uncertainty in global markets related to proposed U.S. trade policy revisions, the longer-term outlook for North American energy-related activity remains positive. Global demand continues to rise while geopolitical events continue to increase the uncertainty around supply. Our exploration and production ("E&P") clients have also worked hard since the Covid downturn to improve their balance sheets, which should allow much better insulation around field capital spending levels against a backdrop of commodity price volatility. In Canada, the commissioning of the Trans Mountain oil pipeline expansion in May 2024, followed by the impending start-up of the liquified natural gas ("LNG") Canada project in mid-2025, will provide significant tidewater and global market access for both Canadian crude and natural gas. Both projects should continue to translate to more consistent and slightly improved activity levels for oilfield service providers over time. LNG also represents a significant area of growth for the U.S. market

[(1)] Refer to the 'Non-GAAP Measures' section in this MD&A.

as more than 11 bcf per day of export capacity will be added from 2025 to 2028, supporting incremental growth in drilling activity and less volatility in activity related to the cyclicality of domestic natural gas prices. The potential growth in energy demand related to the evolving market for artificial intelligence ("AI") data centers is a developing trend that could further support natural gas-related drilling activity over the long-term.

Despite the typical pull-back in second quarter activity in Canada owing to wet weather conditions, our recent job count has been in the low-to-high 20 range, which is modestly ahead of last year's April-to-early May run rate. Our Canadian customers have shown a tendency in recent years to level-load their capital programs in 2025 Q2, which includes more pad-based drilling to avoid road bans.

For the remainder of the year, our Canadian activity is expected to be similar to 2024. If uncertainty or increased costs due to trade policy persists, some potential for downside risk exists, but could be offset by improved pricing for Canadian heavy oil production due to narrowing of the discount typically realized by Canadian producers due to pipeline constraints. Trans Mountain pipeline volumes and loadings remain strong, showing the real-time virtue of expanded takeaway capacity. With our industry-leading position in multi-lateral drilling, the compelling economics of multi-lateral wells is expected to support continued solid activity through the summer despite potential headwinds related to weaker commodity prices or other market uncertainties. Similar to the fourth quarter of 2024, we also anticipate that operator discipline will remain a factor in the fourth quarter of 2025 and likely result in some degree of budget exhaustion and reduced activity versus the third quarter of 2025.

In the U.S. we expect to operate in a range of 40 to 50 jobs daily for the remainder of the year as drilling activity remains somewhat constrained due to customer consolidation and concern over commodity price volatility. We do see near term risk in customer activity resulting from the proposed U.S. tariffs and potential negative effect on oil prices. However, improved year-over-year natural gas prices are creating some optimism for an increase in rig activity later this year or into 2026, particularly as new Gulf Coast LNG export facilities come online.

We feel well-positioned to navigate a relatively flat macroeconomic environment in North America and are optimistic about the potential upside related to the deployment of our own technology in the U.S. market, but we remain cautious on the impact of tariffs and are evaluating the potential impact on our business. Given our supply chains are generally resident in each nation and 65% to 70% of our revenues are U.S. based, we expect the impact will be somewhat limited, but there may be certain elements of our supply chain that will increase in cost. While tariffs and their potential impact may persist or prove to be short-term in nature, the underlying risk is the negative impact on the investment climate and overall consumer sentiment.

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.

No material change in the Company's DC&P and its ICFR were identified during the three months ended March 31, 2025, 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, 2024, which is available on SEDAR+ at www.sedarplus.ca and appear on the Company's website (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, 2025, were approved on May 8, 2025.

SUPPLEMENTARY INFORMATION

Additional information regarding the Company, including the AIF, is available on SEDAR+ at www.sedarplus.ca.

CURRENT AND FUTURE ACCOUNTING STANDARDS

Changes in accounting policy

Effective January 1, 2025, IAS 21 - The Effects of Changes in Foreign Exchange Rates, has been amended to provide clarification on when and how to estimate a spot rate. There was no material impact on the Company's financial statements for the adoption of this amended standard.

Accounting standards and amendments not yet effective

Other accounting pronouncements issued, but not yet effective, included those effective in January 2026 (IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments) and those effective in January 2027 (IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures). The Company is currently in the process of assessing the impact of these standards on the financial statements.

SUMMARY OF QUARTERLY RESULTS

(stated in thousands of Canadian dollars, except net income per share)	2025 Q1	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2
Revenues								
Revenues - reported	$ 135,357	$ 128,083	$ 148,449	$ 130,297	$ 164,956	$ 145,419	$ 145,591	$ 115,058
Adjustment [3]	—	—	—	—	—	—	—	6,281
Revenues - adjusted	$ 135,357	$ 128,083	$ 148,449	$ 130,297	$ 164,956	$ 145,419	$ 145,591	$ 121,339
Gross margin	$ 30,005	$ 21,585	$ 37,585	$ 27,184	$ 35,498	$ 29,783	$ 33,025	$ 21,513
Gross margin %	22%	17%	25%	21%	22%	20%	23%	18%
Adjusted gross margin [1]	$ 37,484	$ 28,762	$ 44,456	$ 33,587	$ 47,363	$ 41,727	$ 44,561	$ 31,724
Adjusted gross margin % [1]	28%	22%	30%	26%	29%	29%	31%	26%
Adjusted EBITDAS [1]	$ 19,699	$ 17,582	$ 30,169	$ 17,305	$ 28,752	$ 27,369	$ 30,106	$ 18,222
Adjusted EBITDAS % [1]	15%	14%	20%	13%	17%	19%	21%	15%
Net income	$ 7,248	$ 14,892	$ 26,175	$ 5,259	$ 11,584	$ 1,767	$ 5,650	$ 2,416
Net income per share - diluted [2]	$ 0.19	$ 0.38	$ 0.68	$ 0.14	$ 0.30	$ 0.05	$ 0.15	$ 0.07
Cash flow - operating activities	$ 18,685	$ 20,934	$ 19,377	$ 34,123	$ 15,746	$ 16,589	$ 9,128	$ 16,407
Weighted average common shares outstanding:								
Basic (000s) [2]	34,160	35,027	34,965	34,439	34,383	34,610	34,939	34,057
Diluted (000s) [2]	37,867	38,800	38,772	38,402	38,495	38,263	38,207	34,380

[1] Refer to the 'Non-GAAP Measures' section in this MD&A.
[2] Restated to reflect the 7:1 share consolidation on July 3, 2024. Refer to the 'Share Consolidation' section in this MD&A.
[3] Revenues in 2023 were reclassified. Refer to the Company's audited consolidated financial statements for the year ended December 31, 2023, for further detail regarding to the change in recognition of lost-in-hole revenues [1].

	2025 Q1	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2
Operating days [1]								
United States	3,040	2,841	3,080	3,746	3,670	3,625	3,953	3,963
Canada	4,254	3,471	4,527	2,130	4,374	3,389	3,388	1,662
	7,294	6,312	7,607	5,876	8,044	7,014	7,341	5,625
Industry land rig count [2]								
United States	572	569	565	583	602	601	630	699
Canada	205	171	190	118	197	160	169	109
Net lost-in-hole equipment reimbursements [3]	$ 1,117	$ 5,062	$ 4,827	$ 4,742	$ 10,646	$ 5,078	$ 7,399	$ 6,372

[1] Per 'Supplementary financial measures and other definitions' section of this MD&A.
[2] Per Baker Hughes and Rig Locator.
[3] '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. However, U.S. industry activity levels have declined by approximately 18% since Q2 2023 due to changing market fundamentals and improved oil and gas industry efficiencies.

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, 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"** - calculated as gross margin before non-cash costs (write-down of inventory included in cost of sales, depreciation and amortization and share-based compensation); is a supplemental measure of changes in financial performance that are closely related to the Company's core operating activities, by excluding certain non-cash costs that might otherwise distort trends in overall profitability (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"** - calculated as net income before finance costs, unrealized foreign exchange gain (loss), foreign exchange gain (loss) on intercompany balances, income tax expense, depreciation and amortization, gain on settlement of lease liabilities, non-recurring costs, write-down of inventory included in cost of sales and share-based compensation; provides supplemental information to net income that is useful in evaluating the results from our principal business activities prior to consideration of how our activities are financed, foreign exchange components and other charges like depreciation (see tabular calculation);

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: i) changes in non-cash working capital, ii) and income tax (refund) payment less: i) cash flow - investing activities (updated from property, plant and equipment ("PP&E") and intangible asset additions, excluding assets acquired in business combinations), ii) required repayments on loans and borrowings, in accordance with the Company's credit facility agreement, 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, discretionary debt repayments, or other strategic initiatives (see tabular calculation).

   Free cash flow was updated from prior periods to deduct cash flow - investing activities (updated from PP&E and intangible asset additions, excluding assets acquired in business combinations) to include changes in non-cash investing working capital in the calculation to account for non-cash movements in the period;

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;

   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 revenues 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, following equipment loss-in-hole or damage beyond repair; and

vii) **"Working capital"** - calculated as current assets less current liabilities, excluding the current portion of loans and borrowings. Management uses this measure as an indication of the Company's financial and cash liquidity position.

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

Adjusted gross margin

(stated in thousands of Canadian dollars)	Three months ended March 31, 2025	2024
Gross margin	$ 30,005	$ 36,090
Add non-cash items included in cost of sales:		
Write-down of inventory included in cost of sales	—	7
Depreciation and amortization	7,348	11,635
Share-based compensation	131	223
Adjusted gross margin	$ 37,484	$ 47,955
Adjusted gross margin percentage	28%	29%

Adjusted EBITDAS

(stated in thousands of Canadian dollars, except percentages)	Three months ended March 31, 2025	2024
Net income	$ 7,248	$ 11,584
Add (deduct):		
Income tax (recovery) expense	(1,195)	1,665
Depreciation and amortization - cost of sales	7,348	11,635
Depreciation and amortization - selling, general and administrative expenses	2,826	2,347
Share-based compensation - cost of sales	131	223
Share-based compensation - selling, general and administrative expenses	541	930
Finance costs - loans and borrowings and exchangeable promissory notes	2,235	2,465
Finance costs - lease liabilities	281	205
Unrealized foreign exchange loss (gain)	284	(2,309)
Non-recurring expenses, including inventory write-off	—	7
Adjusted EBITDAS	$ 19,699	$ 28,752
Adjusted EBITDAS margin percentage	15%	17%

Free cash flow

(stated in thousands of Canadian dollars)	Three months ended March 31, 2025	2024
Cash flow - operating activities	$ 18,685	$ 15,746
Add (deduct):		
Income tax (refund) payment	(55)	160
Changes in non-cash operating working capital	1,091	14,481
Less:		
Cash flow - investing activities	(10,809)	(18,128)
Required repayments on loans and borrowings [1]	—	(5,149)
Repayments of lease liabilities, net of finance costs	(1,037)	(899)
Free cash flow	$ 7,875	$ 6,211

[1] Required repayments on loans and borrowings in accordance with the credit facility agreement, which excludes discretionary debt repayments.

SUPPLEMENTARY FINANCIAL MEASURES AND OTHER DEFINITIONS

i) **"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

ii) **"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).

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 2025 Net capital expenditure budget and financing thereof;
- At the end of 2025 Q1, the Company began to see realized gross margin expansion in its U.S. directional business reducing its third-party rental costs by utilizing Rime supplied measurement-while-drilling (“MWD”) systems. Further durability of gross margins is expected as more MWD systems are deployed. To date, twenty-four Rime MWD systems have been deployed with an additional twenty-six MWD systems expected to be deployed by the end of 2025 Q2.
- The Company remains focused on reducing third-party MWD rental costs by investing capital to build out its MWD fleet.
- Given the current market uncertainty, partly as a result of the enacted and proposed U.S. tariffs, the Company’s 2025 Net capital expenditure budget will be dynamic and adjusted to reflect management’s expectation of future activity levels.
- Currently, the Company’s target Net capital expenditure [1] budget is anticipated to relate to necessary sustaining capital expenditures that will enhance realized gross margin percentage levels, including growing ACT’s high-performance mud motors, MWD in both Canada and the U.S., and RSS in the U.S. ACT intends to fund its 2025 capital plan from cash flow - operating activities.
- The longer-term outlook for North American energy-related activity remains positive.
- Global demand continues to rise while geopolitical events continue to increase the uncertainty around supply.
- In Canada, the commissioning of the Trans Mountain oil pipeline expansion in May 2024, followed by the impending start-up of the LNG Canada project in mid-2025, will provide significant tidewater and global market access for both Canadian crude and natural gas.
- Both projects should continue to translate to more consistent and slightly improved activity levels for oilfield service providers over time.
- LNG also represents a significant area of growth for the U.S. market as more than 11 bcf per day of export capacity will be added from 2025 to 2028, supporting incremental growth in drilling activity and less volatility in activity related to the cyclicality of domestic natural gas prices.
- The potential growth in energy demand related to the evolving market for AI data centers is also a developing trend that could further support natural gas-related drilling activity over the long-term.
- For the remainder of the year, our Canadian activity is expected to be similar to 2024.
- If uncertainty or increased costs due to trade policy persists, some potential for downside risk exists, but could be offset by improved pricing for Canadian heavy oil production due to narrowing of the discount typically realized by Canadian producers due to pipeline constraints.
- Trans Mountain pipeline volumes and loadings remain strong, showing the real-time virtue of expanded takeaway capacity.
- With our industry-leading position in multi-lateral drilling, the compelling economics of multi-lateral wells is expected to support continued solid activity through the summer despite potential headwinds related to weaker commodity prices or other market uncertainties. Similar to the fourth quarter of 2024, we also anticipate that operator discipline will remain a factor in the fourth quarter of 2025 and likely result in some degree of budget exhaustion and reduced activity versus the third quarter of 2025.
- In the U.S. we expect to operate in a range of 40 to 50 jobs daily for the remainder of the year as drilling activity remains somewhat constrained due to customer consolidation and concern over commodity price volatility.
- We do see near term risk in customer activity resulting from the proposed U.S. tariffs and potential negative effect on oil prices. However, improved year-over-year natural gas prices are creating some optimism for an increase in rig activity later this year or into 2026, particularly as new Gulf Coast LNG export facilities come online.
- We feel well-positioned to navigate a relatively flat macroeconomic environment in North America and are optimistic about the potential upside related to the deployment of our own technology in the U.S. market, but we remain cautious on the impact of tariffs and are evaluating the potential impact on our business.
- Given our supply chains are generally resident in each nation and 65% to 70% of our revenues are U.S. based, we expect the impact will be somewhat limited, but there may be certain elements of our supply chain that will increase in cost.
- While tariffs and their potential impact may persist or prove to be short-term in nature, the underlying risk is the negative impact on the investment climate and overall consumer sentiment.

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 and the Company's website (www.actenergy.com).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2025 and December 31, 2024
Canadian dollars in '000s
(unaudited)

Balance,		March 31, 2025		December 31, 2024
Assets				
Current assets:				
Cash	$	12,949	$	12,792
Trade receivables		109,093		105,872
Other receivable (note 11)		15,512		15,526
Current taxes receivable		2,285		2,417
Prepaid expenses		6,136		6,678
Inventories		45,076		51,498
Total current assets		191,051		194,783
Property, plant and equipment (note 3)		145,885		129,243
Intangible assets (note 4)		74,675		77,352
Right-of-use assets (note 5)		17,285		15,359
Goodwill (note 4)		43,405		43,444
Deferred tax asset (note 9)		12,700		12,700
Total non-current assets		293,950		278,098
Total assets	$	485,001	$	472,881
Liabilities and Shareholders' Equity				
Current liabilities:				
Trade and other payables (note 11)	$	116,352	$	106,242
Loans and borrowings, current (note 6)		685		21,435
Lease liabilities, current (note 5)		4,034		4,124
Total current liabilities		121,071		131,801
Loans and borrowings, long-term (note 6)		62,515		42,092
Exchangeable promissory notes		27,200		26,962
Lease liabilities, long-term (note 5)		17,805		16,037
Deferred tax liability (note 9)		13,126		14,409
Total non-current liabilities		120,646		99,500
Total liabilities		241,717		231,301
Shareholders' equity:				
Share capital (note 7)		189,598		195,516
Treasury shares		(469)		(469)
Exchangeable promissory notes		1,242		1,242
Contributed surplus		17,950		17,408
Accumulated other comprehensive income		19,072		19,151
Surplus		15,891		8,732
Total shareholders' equity		243,284		241,580
Total liabilities and shareholders' equity	$	485,001	$	472,881

Contractual obligations and contingencies (note 11)

See accompanying notes to the unaudited condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Three months ended March 31, 2025 and 2024
Canadian dollars in '000s except per share amounts
(unaudited)

	Three months ended March 31, 2025	2024
Revenues (note 10)	$ 135,357	$ 164,956
Cost of sales:		
Direct costs	(97,873)	(117,008)
Depreciation and amortization	(7,348)	(11,635)
Share-based compensation	(131)	(223)
Total cost of sales	(105,352)	(128,866)
Gross margin	30,005	36,090
Selling, general and administrative expenses:		
Direct costs	(16,433)	(16,026)
Depreciation and amortization	(2,826)	(2,347)
Share-based compensation	(541)	(930)
Total selling, general and administrative expenses	(19,800)	(19,303)
Research and development costs	(1,364)	(1,203)
Write-off of property, plant and equipment (note 3)	(179)	(1,635)
Gain on disposal of property, plant and equipment (note 3)	157	—
Income from operating activities	8,819	13,949
Finance costs - loans and borrowings and exchangeable promissory notes	(2,235)	(2,465)
Finance costs - lease liabilities	(281)	(205)
Foreign exchange (loss) gain	(250)	1,970
Income before income taxes	6,053	13,249
Income tax recovery (expense):		
Current	(74)	(1,453)
Deferred (note 9)	1,269	(212)
Income tax recovery (expense)	1,195	(1,665)
Net income	7,248	11,584
Other comprehensive (loss) income		
Foreign currency translation differences on foreign operations	(79)	1,455
Total comprehensive income	**$ 7,169**	**$ 13,039**
Net income per share - basic (restated - note 8)	$ 0.21	$ 0.34
Net income per share - diluted (restated - note 8)	$ 0.19	$ 0.30

See accompanying notes to the unaudited condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Three months ended March 31, 2025 and 2024

Canadian dollars in '000s
(unaudited)

	Share capital	Treasury Shares	Exchangeable promissory ("EP") Notes	Contributed surplus	Accumulated other comprehensive income	Deficit	Total shareholders' equity
Balance, December 31, 2023	$ 197,380	$ (709)	$ 1,242	$ 17,002	$ 13,088	$ (48,535)	$ 179,468
Comprehensive income	—	—	—	—	1,455	11,584	13,039
Repurchased pursuant to normal course issuer bid	(2,019)	—	—	—	—	(58)	(2,077)
Issued pursuant to stock option exercises	358	—	—	(135)	—	—	223
Share-based compensation	—	—	—	1,153	—	—	1,153
Balance, March 31, 2024	$ 195,719	$ (709)	$ 1,242	$ 18,020	$ 14,543	$ (37,009)	$ 191,806

	Share capital	Treasury shares	EP Notes	Contributed surplus	Accumulated other comprehensive income	Surplus	Total shareholders' equity
Balance, December 31, 2024	$ 195,516	$ (469)	$ 1,242	$ 17,408	$ 19,151	$ 8,732	$ 241,580
Comprehensive (loss) income	—	—	—	—	(79)	7,248	7,169
Repurchased pursuant to normal course issuer bid (note 7)	(4,219)	—	—	—	—	(303)	(4,522)
Accrued purchases under the normal course issuer bid (note 7)	(2,030)	—	—	—	—	214	(1,816)
Issued pursuant to stock options exercised (note 7)	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

See accompanying notes to the unaudited condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Three months ended March 31, 2025 and 2024
Canadian dollars in '000s
(unaudited)

	Three months ended March 31, 2025	2024
Cash provided by (used in):		
Operating activities:		
Net income	$ 7,248	$ 11,584
Non-cash adjustments:		
Income tax (recovery) expense	(1,195)	1,665
Depreciation and amortization	10,174	13,982
Share-based compensation	672	1,153
Write-off of property, plant and equipment (note 3)	179	1,635
Gain on disposal of property, plant and equipment (note 3)	(157)	—
Write-down of inventory included in cost of sales	—	7
Finance costs - loans and borrowings and exchangeable promissory notes	2,235	2,465
Finance costs - lease liabilities	281	205
Income tax refund (payment)	55	(160)
Unrealized foreign exchange loss (gain)	284	(2,309)
	19,776	30,227
Changes in non-cash operating working capital	(1,091)	(14,481)
Cash flow - operating activities	18,685	15,746
Investing activities:		
Property, plant and equipment additions (note 3)	(23,549)	(15,919)
Intangible asset additions (note 4)	(188)	(4,967)
Proceeds on disposal of property, plant and equipment	208	—
Changes in non-cash investing working capital	12,720	2,758
Cash flow - investing activities	(10,809)	(18,128)
Financing activities:		
Advances of loans and borrowings, net of upfront financing fees (note 6)	(335)	10,000
Repayments on loans and borrowings (note 6)	(28)	(6,709)
Payments on lease liabilities, net of finance costs (note 5)	(1,037)	(899)
Interest paid	(2,199)	(2,373)
Common shares repurchased pursuant to normal course issuer bid	(6,338)	(2,077)
Proceeds on common share and warrant issuances, net of issuance costs	201	223
Changes in non-cash financing working capital	1,816	—
Cash flow - financing activities	(7,920)	(1,835)
Effect of exchange rate on changes in cash	201	451
Change in cash	157	(3,766)
Cash, beginning of period	12,792	10,731
Cash, end of period	$ 12,949	$ 6,965

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, 2025 and 2024, are comprised of the following 100% owned subsidiaries:

- 2438155 Alberta Ltd.;
- LEXA Drilling Technologies Inc.;
- CET Holdco Inc. ("Holdco");
- CET Flight Holdco, Inc. ("Flight");
- 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 three brands, Altitude Energy Partners, Discovery Downhole Services and Rime Downhole Technologies.

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 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, 2024. Certain figures in the comparative period have been reclassified for comparability with the current period presentation.

The Company completed a share consolidation of its outstanding common shares on the basis of one post-consolidation common share for every seven pre-consolidation common shares, effective July 3, 2024. As a result, all common shares and per-share amounts disclosed herein reflect the post-share consolidation shares unless otherwise specified.

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, 2024.

The unaudited condensed consolidated financial statements were authorized for issue by the Board of Directors on May 8, 2025.

These unaudited condensed consolidated financial statements for the three months ended March 31, 2025, are presented in CAD (tabular amounts in thousands), except for per share 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, 2024.

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, 2024.

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.

Current and Future Accounting Pronouncements

Effective January 1, 2025, IAS 21 - The Effects of Changes in Foreign Exchange Rates, has been amended to provide clarification on when and how to estimate a spot rate. There was no material impact on the Company's financial statements for the adoption of this amended standard.

There are certain accounting pronouncements issued but not yet effective in the year, including those effective in January 2026 (IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments) and those effective in January 2027 (IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures). The Company is currently in the process of assessing the impact of these standards on the financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

Cost	Directional drilling equipment	Shop and automotive equipment	Other	Total
Balance, December 31, 2024	$ 232,194	$ 11,205	$ 10,180	$ 253,579
Additions	22,840	56	653	23,549
Disposals and write-offs	(1,012)	(339)	(29)	(1,380)
Effects of movements in exchange rates	(95)	(7)	(6)	(108)
Balance, March 31, 2025	$ 253,927	$ 10,915	$ 10,798	$ 275,640

Accumulated depreciation	Directional drilling equipment	Shop and automotive equipment	Other	Total
Balance, December 31, 2024	$ 116,266	$ 5,818	$ 2,252	$ 124,336
Depreciation	5,822	325	443	6,590
Disposals and write-offs	(858)	(274)	(17)	(1,149)
Effects of movements in exchange rates	(24)	1	1	(22)
Balance, March 31, 2025	$ 121,206	$ 5,870	$ 2,679	$ 129,755

Net book values	Directional drilling equipment	Shop and automotive equipment	Other	Total
Balance, December 31, 2024	$ 115,928	$ 5,387	$ 7,928	$ 129,243
Balance, March 31, 2025	$ 132,721	$ 5,045	$ 8,119	$ 145,885

During the three months ended March 31, 2025, the Company recognized a write-off of property, plant and equipment of $0.2 million (2024 - $1.6 million), related to equipment lost-in-hole and damaged beyond repair, and a gain on disposal of property, plant and equipment of $0.2 million (2024 - nil).

As at March 31, 2025, property, plant and equipment included $15.8 million (December 31, 2024 - $12.3 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.

4. INTANGIBLE ASSETS AND GOODWILL

Intangible assets

Cost	Customer Relationships	Brand Name	Non-Compete Agreements	RSS Licenses	Developed Technology	Total
Balance, December 31, 2024	$ 31,397	$ 7,798	$ 1,034	$ 23,172	$ 38,759	$ 102,160
Additions	—	—	—	—	188	188
Effects of movements in exchange rates	(28)	(7)	(1)	(21)	(30)	(87)
Balance, March 31, 2025	$ 31,369	$ 7,791	$ 1,033	$ 23,151	$ 38,917	$ 102,261

Accumulated amortization		Customer Relationships		Brand Name		Non-Compete Agreements		RSS Licenses		Developed Technology		Total
Balance, December 31, 2024	$	11,860	$	1,317	$	464	$	3,862	$	7,305	$	24,808
Amortization		1,333		139		51		722		547		2,792
Effects of movements in exchange rates		(9)		(1)		—		(2)		(2)		(14)
Balance, March 31, 2025	$	13,184	$	1,455	$	515	$	4,582	$	7,850	$	27,586

Net book values		Customer Relationships		Brand Name		Non-Compete Agreements		RSS Licenses		Developed Technology		Total
Balance, December 31, 2024	$	19,537	$	6,481	$	570	$	19,310	$	31,454	$	77,352
Balance, March 31, 2025	$	18,185	$	6,336	$	518	$	18,569	$	31,067	$	74,675
Remaining amortization in years		3.4		11.4		2.6		6.4		12.3		6.5

Goodwill

The Company has goodwill related to acquisitions. The goodwill carrying value fluctuates due to the effects of movements in exchange rates. The goodwill carrying value was $43.4 million as at March 31, 2025 and December 31, 2024.

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

Balance, December 31, 2024	$	15,359
Additions		2,731
Amortization		(792)
Effects of movements in exchange rates		(13)
Balance, March 31, 2025	$	17,285

Lease liabilities

Balance, December 31, 2024	$	20,161
Additions		2,731
Interest		281
Payments		(1,318)
Effects of movements in exchange rates		(16)
Balance, March 31, 2025	$	21,839
Less: current portion		(4,034)
Lease liabilities, long-term	$	17,805

The Company holds leases related to certain operations and office facilities. The leases have various expiry dates ranging from November 2025 to June 2035.

During the three months ended March 31, 2025, the Company amended its existing lease agreement for an office facility located in the Woodlands, Texas. The amendment included updated lease payments and extended the lease term from November 2029 to June 2035.

6. LOANS AND BORROWINGS

Balance,		March 31, 2025		December 31, 2024
Syndicated Revolving Facility, net of unamortized upfront financing fees	$	62,515	$	—
Syndicated Operating Facility		—		5,000
CAD Syndicated Term Facility, net of unamortized upfront financing fees		—		36,785
USD Syndicated Term Facility, net of unamortized upfront financing fees		—		21,029
HASCAP loan		685		713
Total loans and borrowings	$	63,200	$	63,527
Less: HASCAP loan, current		(685)		(713)
Less: CAD Syndicated Term Facility, current		—		(14,714)
Less: USD Syndicated Term Facility, current		—		(6,008)
Loans and borrowings, current	$	(685)	$	(21,435)
Loans and borrowings, long-term	$	62,515	$	42,092

Syndicated Credit Facility and Revolving Operating Facilities

On March 21, 2025, the Company entered into a Fifth 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 provided for the following:

i. A revolving facility with an approximate principal amount of $124.3 million comprised of: i) $100.0 million Syndicated Revolving Facility (“CAD Syndicated Revolving Facility”) and ii) $10.0 million revolving facility provided by ATB Financial (“ATB Revolving Facility”), and iii) USD $10.0 million (approximately CAD $14.3 million equivalent) provided by HSBC Bank USA, N.A. (“HSBC Revolving Facility”). The revolving facility replaced the Company’s existing facilities (CAD Syndicated Term Facility of $59.0 million, USD Syndicated Term Facility of USD $21.0 million, Syndicated Operating Facility of $35.0 million, Revolving Operating Facility of $15.0 million and USD Revolving Operating Facility of $10.0 million). As such, the contractual repayments of the CAD Syndicated Term Facility and USD Syndicated Term Facility are no longer required;

ii. A lower amended interest rate updated to 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% (previously prime rate plus 1.5% to 2.25% or Canadian Overnight Repo Rate Average rate / Secured Overnight Financing Rate plus 2.5% to 3.25%);

iii. The maturity date extended from July 11, 2026 to March 21, 2028;

iv. Replaced the financial covenant of Consolidated Fixed Charge Coverage ratio (previously required to be no less than 1.25:1) with a Consolidated Interest Coverage Ratio, which is required to be no less than 3.0:1. The Consolidated Funded Debt to Consolidated Credit Agreement EBITDA ratio remained unchanged and shall not exceed 2.5:1; and

v. The syndicate of lenders remained unchanged with the exception of Royal Bank of Canada joining ATB Financial as the syndicate co-lead.

As at March 31, 2025, $61.3 million of the $124.3 million Revolving Facility remained undrawn.

At March 31, 2025, 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; and
- Consolidated Interest Coverage ratio shall not be less than 3.0:1.

7. 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 (000s) (Restated)		Amount
Balance, December 31, 2024	34,425	$	195,516
Repurchased pursuant to normal course issuer bid	(743)		(4,219)
Accrued purchases under the normal course issuer bid	—		(2,030)
Issued pursuant to stock option exercises	48		201
Contributed surplus on stock option exercises	—		130
Balance, March 31, 2025	33,730	$	189,598

Normal course issuer bid

During the three months ended March 31, 2025, 742,699 (2024 - 353,100) common shares were purchased under the normal course issuer bid ("NCIB") for a total purchase amount of $4.5 million (2024 - $2.1 million) at an average price of $6.09 (2024 - $5.88) per common share. A portion of the purchase amount reduced share capital by $4.2 million (2024 - $2.0 million) and the residual purchase amount of $0.3 million (2024 - $0.1 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 July 29, 2024 and will terminate on July 28, 2025. As at March 31, 2025, the Company recognized $3.9 million as an accrued liability for the maximum common shares to be purchased under the Plan.

Subsequent to March 31, 2025, the Company purchased 212,900 common shares for a total purchase amount of $1.0 million, at an average purchase price of $4.84 per common share.

Stock options

A summary of the Company's stock options during the three months ended March 31, 2025 is as follows:

	Number (000's) (Restated)	Weighted average exercise price (Restated)
Balance, December 31, 2024	2,910	$ 5.71
Exercised	(48)	$ 4.20
Expired or forfeited	(47)	$ 5.39
Balance, March 31, 2025	2,815	$ 5.74
Exercisable, March 31, 2025	1,649	$ 5.43

The range of exercise prices for the stock options outstanding as at March 31, 2025 is as follows:

	Outstanding			Exercisable		
Exercise price range (Restated)	Number of units (000's) (Restated)	Weighted average remaining life (Years)	Weighted average exercise price (Restated)	Number of units (000's) (Restated)	Weighted average remaining life (Years)	Weighted average exercise price (Restated)
$4.20 to $6.09	1,773	0.80	$ 5.35	1,519	0.70	$ 5.26
$6.24 to $8.26	1,042	2.18	$ 6.40	130	0.91	$ 7.40
Total	2,815	1.31	$ 5.74	1,649	0.72	$ 5.43

8. NET INCOME PER SHARE

Three months ended March 31,	2025	2024
Net income	$ 7,248	$ 11,584
(Restated) (000's)		
Outstanding common shares, beginning of the period	34,425	34,522
Effect of purchased common shares	(285)	(188)
Effect of common shares issued	20	49
Weighted average common shares (basic)	34,160	34,383
Effect of outstanding stock options and warrants	196	601
Effect of outstanding EP Notes	3,511	3,511
Weighted average common shares (diluted)	37,867	38,495
Net income per share - basic (restated - note 7)	$ 0.21	$ 0.34
Net income per share - diluted (restated - note 7)	$ 0.19	$ 0.30

During the three months ended March 31, 2025, 2,104,905 stock options (2024 – 321,429 stock options) were excluded from the diluted weighted average number of common shares calculation as their effect was anti-dilutive.

9. DEFERRED TAXES

During the three months ended March 31, 2025, the Company utilized previously unrecognized Canadian tax pools reducing the Canadian segment tax expense to nil. The remaining amount of unrecognized Canadian and U.S. tax pools as at March 31, 2025 are estimated to be $5.5 million and $9.6 million, respectively. 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. Management's assessment is that the Canadian tax pools will likely be utilized within the next twelve to eighteen months. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such determination is made.

10. 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.

	Three months ended March 31, 2025				Three months ended March 31, 2024			
	U.S.	Canada	Corporate services	Total	U.S.	Canada	Corporate services	Total
Revenues	$ 81,616	$ 53,741	$ —	$ 135,357	$ 106,562	$ 58,394	$ —	$ 164,956
Depreciation and amortization - cost of sales	$ (2,425)	$ (4,923)	$ —	$ (7,348)	$ (2,908)	$ (8,727)	$ —	$ (11,635)
Cost of sales [1]	$ (67,066)	$ (38,286)	$ —	$ (105,352)	$ (83,625)	$ (45,241)	$ —	$ (128,866)
Depreciation and amortization - selling, general and administrative expenses	$ (2,707)	$ (119)	$ —	$ (2,826)	$ (2,224)	$ (123)	$ —	$ (2,347)
Selling, general and administrative expenses [1]	$ (9,449)	$ (6,855)	$ (3,496)	$ (19,800)	$ (11,573)	$ (3,682)	$ (4,048)	$ (19,303)
Finance costs - loans and borrowings and EP notes	$ (561)	$ (1,674)	$ —	$ (2,235)	$ (564)	$ (1,901)	$ —	$ (2,465)
Income (loss) before income taxes	$ (596)	$ 13,271	$ (6,622)	$ 6,053	$ 8,317	$ 9,641	$ (4,709)	$ 13,249

[1] Inclusive of direct costs, deprecation and amortization, and share-based compensation.

	As at March 31, 2025				As at December 31, 2024			
	U.S.	Canada	Corporate services	Total	U.S.	Canada	Corporate services	Total
Total liabilities	$ 143,313	$ 98,404	$ —	$ 241,717	$ 135,037	$ 96,264	$ —	$ 231,301
Total assets	$ 372,149	$ 112,852	$ —	$ 485,001	$ 353,367	$ 119,514	$ —	$ 472,881
Property, plant and equipment	$ 108,480	$ 36,796	$ 609	$ 145,885	$ 83,376	$ 45,227	$ 640	$ 129,243

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.

11. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

As at March 31, 2025, the Company's commitment to capital is approximately $7.2 million (December 31, 2024 - $11.9 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, 2024 - $1.8 million) related to rent payments, corporate credit cards and a utilities deposit.

Provision

In relation to a pre-closing sales tax issue related to the July 14, 2022 acquisition of Altitude, as a result of a preliminary assessment, the Company has recognized a provision of $15.5 million in Trade and other payables. Pursuant to the Equity Purchase Agreement related to the Altitude acquisition, the sellers provided the Company with an indemnity related to pre-closing tax issues, including the sales tax issue noted. Accordingly, the Company has recognized an offsetting indemnity receivable of $15.5 million in Other receivable. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement 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. On March 6, 2025, it was announced that the implementation of tariffs on USMCA-compliant goods between the U.S. and Canada would be delayed for thirty days. At this time, the Company is unable to determine the duration and impact of tariffs affecting the movement of goods across North American borders and is actively evaluating the potential business impacts of these tariffs.