



NEWS RELEASE

ACT Energy Technologies Reports 2025 Q2 Interim Results

August 8, 2025
Calgary, Alberta

(TSX:ACX) ACT Energy Technologies Ltd (the “Company” or “ACT”)’s news release contains “forward-looking statements” within the meaning of applicable Canadian securities laws. For a full disclosure of forward-looking statements and the risks to which they are subject, see the ‘Forward-Looking Statements’ section in this news release. This news release contains references to Adjusted gross margin, Adjusted gross margin percentage, Adjusted EBITDAS, Adjusted EBITDAS margin percentage, Free cash flow, Working capital and Net capital expenditures. These terms do not have standardized meanings prescribed under International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and may not be comparable to similar measures used by other companies. See the ‘Non-GAAP Measures’ section in this news release for definitions and tabular calculations.

2025 Q2 FINANCIAL RESULTS

- Sustained Adjusted EBITDAS ⁽¹⁾ margins despite lower activity and revenues primarily attributable to lower third-party rental costs as a result of the Rime measurement-while-drilling (“MWD”) deployment. Adjusted EBITDAs ⁽¹⁾ of \$14.8 million in 2025 Q2 decreased 14%, compared to \$17.3 million in 2024 Q2, attributable to lower revenues, offset by lower direct costs.
- Revenues of \$112.0 million in 2025 Q2, a decrease of 14%, compared to \$130.3 million in 2024 Q2, with the decline primarily attributable to lower U.S. operating days.
- Net loss of \$10.0 million in 2025 Q2, compared to net income of \$5.3 million in 2024 Q2. The net loss was mainly due to: i) unrealized foreign exchange loss of \$6.5 million mainly related to the translation of intercompany balances, and ii) a provision of \$4.8 million related to a sales tax issue (refer to the ‘Provision’ section in this news release for more details) and iii) lower revenues.
- Cash flow - operating activities of \$26.0 million in 2025 Q2, compared to \$34.1 million in 2024 Q2.
- Free cash flow ⁽¹⁾ of \$2.7 million in 2025 Q2, compared to Free cash flow deficit ⁽¹⁾ of \$1.8 million in 2024 Q2.
- The Company completed its normal course issuer bid (“NCIB”), purchasing 1,110,858 common shares of ACT during the first six months of 2025 for a total amount of \$6.3 million, at an average price of \$5.69 per common share.
- Loans and borrowings less cash was \$38.1 million as at June 30, 2025, compared to \$50.7 million as at December 31, 2024.
- The Company’s liquidity position remained strong with \$62.2 million of undrawn capacity on the Company’s amended Credit Agreement and a cash balance of \$24.0 million (December 31, 2024 - \$55.0 million and \$12.8 million, respectively).

2025 Q2 OPERATIONAL RESULTS

- Canadian operating days in 2025 Q2 were consistent compared to 2024 Q2.
- U.S. operating days decreased 24% in 2025 Q2, compared to 2024 Q2. The decrease in operating days in 2025 Q2 was mainly as a result of customer consolidation and a competitive U.S. market given tariff and general macro uncertainties causing customers to remain more cautious with their spending.
- A decrease in the Canadian average revenues per operating day of 3% in 2025 Q2, compared to 2024 Q2, was primarily due to lower lost-in-hole revenues ⁽¹⁾.
- An increase in the U.S. average revenues per operating day of 9% in 2025 Q2, compared to 2024 Q2, was primarily due to higher lost-in-hole revenues ⁽¹⁾.
- Improved U.S gross margins by 5% in 2025 Q2, compared to 2024 Q2, from the reduction of third-party rental costs by utilizing Rime supplied MWD systems. Further durability of gross margins is expected as more MWD systems are deployed. To date, twenty-nine Rime MWD systems have been deployed with an additional twenty-one MWD systems expected to be deployed by the end of 2025 Q3. 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 news release.

PRESIDENT'S MESSAGE

Comments from President & CEO Tom Connors:

"Our second quarter 2025 showed steady results in Canada and improving adjusted gross margins corporately despite weaker U.S. activity. In Canada, our second quarter activity levels started off strong through April and May, but essentially matched the underlying industry trend which was a slow ramp up out of spring break-up as we continued through June. We retain a strong market position in those regions that have some of the best economic return levels, which, combined with our extensive experience and leading technology offering, is ideally suited for the growing number and length of wells drilled in the multi-lateral oil plays.

"Our U.S. results were heavily impacted by the 10% weakening in West Texas Intermediate ("WTI") oil prices in 2025 Q2 versus 2025 Q1 levels, which sent the average U.S. land rig count down another 3% sequentially as well. The industry rig count in the Permian basin fell to a greater extent, which impacted our operating footprint that is heavily focused on this leading U.S. oil play. Combined with the lingering effects of client mergers and acquisitions ("M&A") in 2024, our U.S. operating days dropped 7% sequentially, however, despite a soft U.S. operating environment, our Adjusted gross margin, including and excluding lost-in-hole revenues, improved versus 2025 Q1 and 2024 Q2. Additional MWD deployment was a contributing factor to improved margins as we now have available our fully-built fleet of MWD systems for marketing. Increasing the penetration of this next-generation technology with our clients is expected to grow our U.S. operating margins by lowering our third-party MWD rental costs.

"We remain committed to returning capital to our shareholders. During the second quarter, we completed our 2024 / 2025 NCIB program, maxing out our available repurchases, a total of 1.9 million shares, or 6% of our issued and outstanding shares as at June 30, 2025. We are renewing our program and will continue to utilize this program as a lever for returning capital to shareholders.

"We remain committed to delivering ultra-high-performance directional drilling and related down-hole services, leveraging our proprietary technologies and experienced team. This focus will allow us to deliver value to our shareholders through the cycles. To maximize returns, we continue to expect allocating capital as follows:

- Margin expansion: utilize selective capital investment, primarily rotary steerable systems ("RSS") and MWD to replace rental equipment with in-house, next-generation technology solutions.
- Return of capital: repurchase shares through the Company's NCIB.
- Further strengthen our financial position: although debt remains low, continue to reduce leverage, which allows for business resiliency through the cycles and optionality to pursue a counter-cyclical, long-term investment strategy.

"By having this diverse approach to capital allocation, we believe we will continue to build an increasingly durable business model, one that optimizes investment returns over the long term," stated Tom Connors, ACT President and Chief Executive Officer.

FINANCIAL HIGHLIGHTS

(unaudited)

(stated in thousands of Canadian dollars, except net income per common share amounts)	Three months ended June 30,				Six months ended June 30,			
	2025		2024		2025		2024	
Revenues	\$	112,010	\$	130,297	\$	247,367	\$	295,253
Gross margin percentage		22%		21%		22%		22%
Adjusted gross margin percentage ⁽¹⁾		29%		26%		28%		28%
Adjusted EBITDAS ⁽¹⁾	\$	14,824	\$	17,305	\$	34,523	\$	46,054
Adjusted EBITDAS margin percentage ⁽¹⁾		13%		13%		14%		16%
Net (loss) income	\$	(9,959)	\$	5,259	\$	(2,711)	\$	16,840
Per common share - basic ⁽²⁾	\$	(0.30)	\$	0.15	\$	(0.08)	\$	0.49
Per common share - diluted ⁽²⁾	\$	(0.30)	\$	0.14	\$	(0.08)	\$	0.44
Cash flow - operating activities	\$	26,029	\$	34,123	\$	44,714	\$	49,866
Free cash flow (deficit) ⁽¹⁾	\$	2,726	\$	(1,799)	\$	10,601	\$	4,409
Weighted average common shares outstanding:								
Basic (000s) ⁽²⁾		33,626		34,439		33,892		34,574
Diluted (000s) ⁽²⁾		33,626		38,402		33,892		38,490

Balance (stated in thousands of Canadian dollars)	June 30, 2025		December 31, 2024	
Working capital, excluding current portion of loans and borrowings ⁽¹⁾	\$	73,698	\$	84,417
Total assets	\$	455,490	\$	472,881
Loans and borrowings	\$	62,145	\$	63,527
Shareholders' equity	\$	234,119	\$	241,580

⁽¹⁾ Refer to the 'Non-GAAP Measures' section in this news release.

⁽²⁾ Restated to reflect the 7:1 common share consolidation on July 3, 2024. Refer to the 'Common share consolidation' section in this news release.

OUTLOOK

General uncertainty related to commodity prices, trade, and potential tariffs, are resulting in restrained levels of drilling activity and a more cautious spending environment. Despite the cautious environment, Canadian activity levels appear to be somewhat resilient and the rig count in the U.S. seems to be nearing a bottom, with some potential for increases in the back half of this year. We remain positive on the longer-term outlook for energy fundamentals due to general economic growth, increasing demand from emerging economies, and significant opportunities related to growth in power demand.

In Canada, stronger customer balance sheets, reasonably constructive commodity price levels, and additional takeaway capacity for both oil and gas continue to support consistent levels of drilling activity. The first LNG Canada natural gas volumes have now shipped from Kitimat, British Columbia and the expansion of the Trans Mountain Pipeline supports heavy oil production, both of which should be positive for drilling activity in the long term. Currently, our Canadian job count is in the low-50 job count range supported by our strong presence in multi-lateral drilling markets. Given relatively strong drilling economics for multi-lateral drilling projects, activity levels are anticipated to be resilient in these areas with continued plans for growth through this cycle and into the future. We expect our Canadian activity levels to be similar or slightly less than 2024 levels of activity as some of our customers have deferred spending plans to later this year due to market uncertainty.

In the U.S., the continued slow decline of industry oil drilling levels has caused our U.S. job run-rate to pull back to the mid-30 jobs per day versus the range of 40 to 50 jobs per day we saw one year ago. While activity levels are lower year-over-year, we still see a significant opportunity for margin recapture as we replace third party rentals with our own MWD technology. We expect to build on the initial success of the product rollout thus far and continue to increase levels of customer adoption through the back half of this year and into next year. The rig counts in the U.S. appear to be approaching a bottom as improved year-over-year natural gas prices are expected to result in increased gas rig counts in the back half of this year. Further, ongoing major additions to U.S. LNG export capacity in the coming two to three years and extreme growth in data center build-out should motivate continued strength in U.S. natural gas demand, pricing and gas drilling levels.

Overall, we remain bullish on longer-term global energy demand and believe that pursuing strong directional drilling market positions in the both the U.S. and Canada remains the best way to capture this opportunity.

RESULTS OF OPERATIONS

Financial

	Three months ended June 30,			Six months ended June 30,		
(stated in thousands of Canadian dollars, except percentages)	2025	2024		2025	2024	
Revenues						
United States	\$ 82,068	\$ 99,069		\$ 163,684	\$ 205,631	
Canada	29,942	31,228		83,683	89,622	
Total revenues	112,010	130,297		247,367	295,253	
Cost of sales						
Direct costs	(79,559)	(96,165)		(177,432)	(213,173)	
Depreciation and amortization	(7,448)	(6,180)		(14,796)	(17,815)	
Share-based compensation	(129)	(169)		(260)	(392)	
Cost of sales	(87,136)	(102,514)		(192,488)	(231,380)	
Gross margin	\$ 24,874	\$ 27,783		\$ 54,879	\$ 63,873	
Gross margin percentage	22%	21%		22%	22%	
Adjusted gross margin percentage ⁽¹⁾	29%	26%		28%	28%	

⁽¹⁾ Refer to the 'Non-GAAP Measures' section in this news release.

Operational

	Three months ended June 30,			Six months ended June 30,		
(stated in Canadian dollars, except operating days and average industry land rig counts)	2025	2024	% Change	2025	2024	% Change
Operating days ⁽¹⁾						
United States	2,838	3,746	(24%)	5,878	7,416	(21%)
Canada	2,107	2,130	(1%)	6,361	6,504	(2%)
	4,945	5,876	(16%)	12,239	13,920	(12%)
Industry land rig count ⁽²⁾						
United States	556	583	(5%)	564	593	(5%)
Canada	138	139	(1%)	172	168	2%
Average revenues per operating day ⁽¹⁾						
United States	\$ 28,918	\$ 26,447	9%	\$ 27,847	\$ 27,728	—%
Canada	\$ 14,211	\$ 14,661	(3%)	\$ 13,156	\$ 13,780	(5%)
	\$ 22,651	\$ 22,174	2%	\$ 20,211	\$ 21,211	(5%)
Net lost-in-hole equipment reimbursements ⁽³⁾	\$ 6,841	\$ 4,742	44%	\$ 7,957	\$ 15,388	(100%)

⁽¹⁾ Per 'Supplementary financial measures and other definitions' section in this news release.

⁽²⁾ Per Baker Hughes and Rig Locator.

⁽³⁾ Refer to the 'Non-GAAP Measures' section in this news release.

Summary

The Company improved gross margin and Adjusted gross margin percentages ⁽¹⁾ despite a 16% and 12% decline in the Company's operating days in 2025 Q2 and the six months ended June 30, 2025, compared to prior periods, respectively. The decline in operating days was offset by increased lost-in-hole revenues ⁽¹⁾ in 2025 Q2. There was a significant reduction of lost-in-hole revenues ⁽¹⁾ in 2025 Q1 contributing significantly to the decline in the Company's revenues in the six months ended June 30, 2025, compared to the prior period.

The Company has improved the resiliency of gross margins through replacement of third-party rental equipment with owned equipment, primarily focused on Rime MWD systems. Typically, decreased revenue of 14% and 16% in 2025 Q2 and the six months ended June 30, 2025, respectively, would result in the Company's fixed components of direct costs negatively impacting margin percentages.

SEGMENTED INFORMATION

United States

Revenues

U.S. revenues were \$82.1 million in 2025 Q2, a decrease of \$17.0 million or 17%, compared to \$99.1 million in 2024 Q2. The Company experienced a 24% decrease in operating days in 2025 Q2 (2025 - 2,838 days; 2024 - 3,746 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. In addition, the Company felt the impact of the increasingly competitive U.S. market given the general market uncertainty contributing to commodity price volatility. The average revenues per operating day ⁽²⁾ increased 9% in 2025 Q2 (2025 - \$28,918 per day; 2024 - \$26,447 per day). The increase in average revenues per operating day ⁽²⁾ is mainly due to higher lost-in-hole revenues ⁽¹⁾.

U.S. revenues were \$163.7 million in the six months ended June 30, 2025, a decrease of \$41.9 million or 20%, compared to \$205.6 million for the same period in 2024. The Company experienced a 21% decrease in operating days in the six months ended June 30, 2025 (2025 - 5,878 days; 2024 - 7,416 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. In addition, the Company felt the impact of the increasingly competitive U.S. market given the general market uncertainty contributing to commodity price volatility. The average revenues per operating day ⁽²⁾ relatively consistent in the six months ended June 30, 2025 (2025 - \$27,847 per day; 2024 - \$27,728 per day). The unusually low lost-in-hole revenues ⁽¹⁾ the Company experienced in 2025 Q1 was partially offset by higher lost-in-hole revenues ⁽¹⁾ in 2025 Q2, although lost-in-hole revenues ⁽¹⁾ remained lower in the six months ended June 30, 2025, compared to the same period in 2024. 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 \$58.1 million in 2025 Q2, a decrease of \$16.4 million or 22%, compared to \$74.5 million in 2024 Q2. 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 and cost reduction initiatives in 2025 Q2. As a result, direct costs as a percentage of revenues were 71% in 2025 Q2, compared to 75% in 2024 Q2. In addition, direct costs as a percentage of revenues were lower due to higher lost-in-hole revenues ⁽¹⁾ in 2025 Q2.

U.S. direct costs included in cost of sales were \$120.2 million in the six months ended June 30, 2025, a decrease of \$35.0 million or 23%, compared to \$155.2 million for the same period in 2024. 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 and cost reduction initiatives in the six months ended June 30, 2025. As a result, direct costs as a percentage of revenues were 73% in the six months ended June 30, 2025, compared to 75% for the same period in 2024. Lower direct costs as a percentage of revenues were offset by the effect of lower lost-in-hole revenues ⁽¹⁾ in the six months ended June 30, 2025, compared to the same period in 2024.

Canadian

Revenues

Canadian revenues were \$29.9 million in 2025 Q2, a decrease of \$1.3 million or 4%, compared to \$31.2 million in 2024 Q2, with the decline primarily attributable to lower lost-in-hole revenues ⁽¹⁾, as activity was consistent with 2024 Q2. The average revenues per operating day ⁽²⁾ decreased 3% in 2025 Q2 (2025 - \$14,211 per day; 2024 - \$14,661 per day). The decrease in the average revenues per operating day ⁽²⁾ is mainly attributed to lower lost-in-hole revenues ⁽¹⁾.

Canadian revenues were \$83.7 million in the six months ended June 30, 2025, a decrease of \$5.9 million or 7%, compared to \$89.6 million for the same period in 2024, with the decline primarily attributable to lower lost-in-hole

⁽¹⁾ Refer to the 'Non-GAAP Measures' section in this news release.

⁽²⁾ Per 'Supplementary financial measures and other definitions' section in this news release.

revenues ⁽¹⁾ and a 2% decrease in operating days in the six months ended June 30, 2025 (2025 - 6,361 days; 2024 - 6,504 days). Despite an increase in the Western Canada average land rig count of 2%, ACT had a slight decline in activity during the six months ended June 30, 2025, relative to the comparative period, primarily attributable to lower activity in oil plays where ACT is more prevalent. The average revenues per operating day ⁽²⁾ decreased 5% in the six months ended June 30, 2025 (2025 - \$13,156 per day; 2024 - \$13,780 per day). The decrease in the average revenues per operating day ⁽²⁾ is mainly attributed to lower lost-in-hole revenues ⁽¹⁾. In the six months ended June 30, 2025, the Company experienced an unusually low rate of lost-in-hole activity compared to the same period in 2024 (\$7.3 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.

Direct costs

Canadian direct costs included in cost of sales were \$21.5 million in 2025 Q2, a decrease of \$0.2 million or 1%, compared to \$21.7 million in 2024 Q2. The decrease is mainly due to lower repair costs in 2025 Q2 as a result of lower activity, offset by higher labour and third-party rental costs related to deployment of new RSS tools. As a percentage of revenues, direct costs were 72% in 2025 Q2, compared to 70% in 2024 Q2. The effect of lower lost-in-hole revenues ⁽¹⁾ in 2025 Q2, relative to 2024 Q2, is the primary factor in direct costs being higher as a percentage of revenues in 2025 Q2.

Canadian direct costs included in cost of sales were \$57.2 million in the six months ended June 30, 2025, a decrease of \$0.8 million or 1%, compared to \$58.0 million for the same period in 2024. The decrease is mainly due to lower repair costs in the six months ended June 30, 2025 as a result of lower activity, offset by higher labour and third-party rental costs related to RSS tools. As a percentage of revenues, direct costs were 68% in the six months ended June 30, 2025, compared to 65% for the same period in 2024. The effect of minimal lost-in-hole revenues ⁽¹⁾ in the six months ended June 30, 2025, compared to the same period in 2024, is the primary factor in direct costs being higher as a percentage of revenues.

CONSOLIDATED

Revenues

The Company recognized \$112.0 million of revenues in 2025 Q2, a decrease of \$18.3 million or 14%, compared to \$130.3 million in 2024 Q2. The decrease is due to a 16% decrease in operating days (2025 - 4,945 days; 2024 - 5,876 days). The decrease was offset by a 2% increase in the average revenues per operating day ⁽¹⁾ resulting from higher lost-in-hole revenues ⁽¹⁾ compared to 2024 Q2 (2025 - \$22,651; 2024 - \$22,174).

The Company recognized \$247.4 million of revenues in the six months ended June 30, 2025, a decrease of \$47.9 million or 16%, compared to \$295.3 million for the same period in 2024. The decrease is due to a 12% decrease in operating days (2025 - 12,239 days; 2024 - 13,920 days), and a 5% decrease in the average revenues per operating day ⁽¹⁾ resulting from very low levels of lost-in-hole revenue ⁽¹⁾ in the six months ended June 30, 2025 (2025 - \$20,211; 2024 - \$21,211).

Direct Costs

The Company recognized \$79.6 million of direct costs in 2025 Q2, a decrease of \$16.7 million or 17%, compared to \$96.2 million in 2024 Q2. The decrease is mainly due to lower labour and repair costs related to the decrease in operating days and cost reduction initiatives, and lower third-party MWD rental costs mainly related to the Rime MWD build-out.

The Company recognized \$177.4 million of direct costs in the six months ended June 30, 2025, a decrease of \$35.7 million or 17%, compared to \$213.2 million for the same period in 2024. 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 decreased to 71% in 2025 Q2, compared to 74% in 2024 Q2. Lost-in-hole revenues ⁽¹⁾ was higher in 2025 Q2, relative to the comparative period, and since lost-in-hole activity typically has little to no related costs, direct costs as a percentage of revenue was lower in 2025 Q2 compared to 2024 Q2. Direct costs as a percentage of revenues remained consistent at 72% for the six months ended June 30, 2025 and 2024.

Gross margin and Adjusted gross margin

The gross margin percentage was 22% in 2025 Q2, compared to 21% in 2024 Q2. The gross margin percentage was consistent at 22% in the six months ended June 30, 2025 and 2024. The Adjusted gross margin percentage ⁽¹⁾ increased to 29% in 2025 Q2, compared to 26% in 2024 Q2. The adjusted gross margin percentage was consistent at 28% in the six months ended June 30, 2025 and 2024. Despite a 14% and 16% decrease in revenues in 2025 Q2 and

⁽¹⁾ Refer to the 'Non-GAAP Measures' section in this news release.

⁽²⁾ Per 'Supplementary financial measures and other definitions' section in this news release.

the six months ended June 30, 2025, respectively, 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 increased to \$7.4 million in 2025 Q2, compared to \$6.2 million in 2024 Q2 mainly due to a higher portion of the MWD build-out being depreciated. Depreciation and amortization expense included in cost of sales decreased to \$14.8 million in the six months ended June 30, 2025, compared to \$17.8 million for the same period in 2024. 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 June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Selling, general and administrative expenses:				
Direct costs	\$ 14,937	\$ 14,808	\$ 31,370	\$ 30,834
Depreciation and amortization	2,730	2,462	5,556	4,809
Share-based compensation	968	719	1,509	1,649
Selling, general and administrative expenses	\$ 18,635	\$ 17,989	\$ 38,435	\$ 37,292

The Company recognized direct costs included in SG&A expenses of \$14.9 million and \$31.4 million in 2025 Q2 and the six months ended June 30, 2025, compared to \$14.8 million and \$30.8 million for the same periods in 2024, respectively. The increase is mainly related to the effects of foreign currency translation of U.S. overhead costs and other minor increases. As a result of SG&A being more fixed cost in nature against lower revenues, direct costs included in SG&A expenses as a percentage of revenues were 13% in 2025 Q2 and the six months ended June 30, 2025, compared to 11% and 10% for the same periods in 2024, respectively.

Depreciation and amortization included in SG&A expenses were \$2.7 million and \$5.6 million in 2025 Q2 and the six months ended June 30, 2025, compared to \$2.5 million and \$4.8 million for the same periods in 2024, respectively. The increases are mainly due to amortization expense associated with RSS licenses acquired in the latter part of 2024.

Stock-based compensation included in SG&A expenses were \$1.0 million and \$1.5 million in 2025 Q2 and the six months ended June 30, 2025, compared to \$0.7 million and \$1.6 million for the same periods in 2024, respectively. The decrease is mainly due to certain stock options being fully vested in 2024, offset by the impact of the restricted shares granted in the period.

Provision

(stated in thousands of Canadian dollars)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Provision	\$ 4,846	\$ —	\$ 4,846	\$ —

In 2025 Q2, the Company received additional information related to a historical sales and use tax audit period. As a result, the Company has recognized an additional provision of \$4.8 million. As at June 30, 2025, the Company has accrued a total provision of \$12.0 million related to the post-closing period related to the acquisition of Altitude in July 2022.

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 \$14.7 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 \$14.7 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.

Research and development (“R&D”) costs

(stated in thousands of Canadian dollars)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Research and development costs	\$ 1,220	\$ 1,628	\$ 2,584	\$ 2,831

The Company recognized R&D costs of \$1.2 million and \$2.6 million in 2025 Q2 and the six months ended June 30, 2025, compared to \$1.6 million and \$2.8 million for the same periods in 2024, respectively. R&D costs are salaries, benefits, purchased materials and shop supply costs related to new product development and technology and sustaining engineering.

Write-off of property, plant and equipment

(stated in thousands of Canadian dollars)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Write-off of property, plant and equipment	\$ 1,207	\$ 613	\$ 1,386	\$ 2,248

The Company recognized a write-off of property, plant and equipment of \$1.2 million and \$1.4 million in 2025 Q2 and the six months ended June 30, 2025, compared to \$0.6 million and \$2.2 million for the same periods in 2024, respectively. 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 June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Finance costs - loans and borrowings and exchangeable promissory notes	\$ 1,284	\$ 2,419	\$ 3,519	\$ 4,884
Finance costs - lease liabilities	\$ 260	\$ 201	\$ 541	\$ 406

Finance costs - loans and borrowings and exchangeable promissory notes were \$1.3 million, a decrease of \$1.1 million, compared to \$2.4 million in 2024 Q2. Finance costs - loans and borrowings and exchangeable promissory notes were \$3.5 million in the six months ended June 30, 2025, a decrease of \$1.4 million, compared to \$4.9 million for the same period in 2024. The decrease is mainly due to a lower outstanding balance of loans and borrowings in 2025 Q2 compared to 2024 Q2 and a lower interest rate as a result of the Company's refinancing completed in 2025 Q1 (refer to the 'Syndicated and revolving credit facilities' section of this news release).

In addition, the Company had finance costs - lease liabilities of \$0.3 million and \$0.5 million in 2025 Q2 and the six months ended June 30, 2025, related to lease liabilities, compared to \$0.2 million and \$0.4 million for the same periods in 2024, respectively.

Foreign exchange

(stated in thousands of Canadian dollars)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Foreign exchange (loss) gain	\$ (6,575)	\$ 1,063	\$ (6,825)	\$ 3,030
Foreign currency translation (loss) gain on foreign operations	\$ (4,045)	\$ 738	\$ (4,124)	\$ 2,193

The Company recognized a foreign exchange loss of \$6.6 million and \$6.8 million in 2025 Q2 and the six months ended June 30, 2025, compared to a foreign exchange gain of \$1.1 million and \$3.0 million for the same periods, respectively, due to the impact of a 6% decrease in the Canadian dollar exchange rate from \$1.44 at March 31, 2025 to \$1.36 at June 30, 2025 on the revaluation of the Company's USD denominated balances (2025 Q2 - foreign exchange gain of \$1.1 million) and intercompany loans issued by the parent company to its self-sustaining foreign subsidiaries (2025 Q2 - foreign exchange loss of \$7.7 million). The offsetting foreign exchange gain on intercompany loans held by the subsidiaries is recognized as part of the translation of foreign operations within other comprehensive income, as described below.

The Company's foreign operations are denominated in USD and differences due to fluctuations in the foreign currency exchange rates are recorded in other comprehensive income. The Company recognized a foreign currency translation loss on foreign operations of \$4.0 million in 2025 Q2, compared to a gain of \$0.7 million in 2024 Q2. The Company recognized a foreign currency translation loss of \$4.1 million in the six months ended June 30, 2025, compared to a gain of \$2.2 million for the same period in 2024.

Income tax expense (recovery)

(stated in thousands of Canadian dollars)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Current	\$ 107	\$ 202	\$ 181	\$ 1,655
Deferred	877	946	(392)	1,158
Income tax expense (recovery)	\$ 984	\$ 1,148	\$ (211)	\$ 2,813

The Company recognized an income tax expense of \$1.0 million and an income tax recovery of \$0.2 million in 2025 Q2 and the six months ended June 30, 2025, compared to an income tax expense of \$1.1 million and \$2.8 million for the same periods in 2024, respectively. Income tax expense (recovery) is recognized based upon expected annualized rates using the statutory rates of 23% for both Canada and the U.S. adjusted for key items that will effect the Company's actual tax for the period.

LIQUIDITY AND CAPITAL RESOURCES

Annually, the Company's principal source of liquidity is cash generated from its operations. In addition, the Company has the ability to fund liquidity requirements through its credit facility and the issuance of additional debt and/or equity, if available.

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 \$26.0 million and \$44.7 million in 2025 Q2 and the six months ended June 30, 2025, compared to \$34.1 million and \$49.9 million for the same periods in 2024, respectively. ACT remains focused on reducing its loans and borrowings and generating Free cash flow, as defined in the 'Non-GAAP measures' section of this news release. In addition, the Company will remain opportunistic in executing its NCIB and making strategic and accretive acquisitions.

At June 30, 2025, the Company had working capital, excluding current portion of loans and borrowings of \$73.7 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 news release were restated to reflect the Consolidation.

Normal course issuer bid

During the six months ended June 30, 2025, 1,110,858 (2024 - 353,100) common shares were purchased under the NCIB for a total purchase amount of \$6.3 million (2024 - \$2.1 million) at an average price of \$5.69 (2024 - \$5.89) per common share. A portion of the purchase amount reduced share capital by \$6.0 million (2024 - \$2.0 million) and the residual purchase amount of \$0.3 million (2024 - \$0.1 million) was recorded to the surplus.

On August 7, 2025, the Company received approval from the TSX to purchase up to 2,034,285 common shares of the Company, or 10% of the 20,342,855 issued and outstanding common shares of the Company under the NCIB. The ability to purchase common shares under the NCIB will commence on August 11, 2025, and will terminate no later than August 10, 2026. The actual number of common shares under the NCIB, the timing of purchases and the price at which the common shares are purchased will be subject to management's discretion.

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:

- 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 June 30, 2025, \$62.2 million of the \$123.6 million Revolving Facility remained undrawn. Subsequent to June 30, 2025, the Company repaid \$6.6 million of its CAD Syndicated Revolving Facility.

At June 30, 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 - 10.8).

Contractual obligations and contingencies

As at June 30, 2025, the Company's commitment to capital is approximately \$7.8 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 \$1.7 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. Refer to the ‘Provision’ section in this news release for more details.

The following table outlines the anticipated payments related to contractual commitments subsequent to June 30, 2025:

<i>(stated in thousands of Canadian dollars)</i>	Carrying amount	One year	1-2 years	3-5 years	Thereafter
Loans and borrowings - principal	\$ 62,712	\$ 657	\$ —	\$ 62,055	\$ —
Exchangeable promissory (“EP”) notes - principal	27,286	—	27,286	—	—
Interest payments on loans and borrowings and EP notes	14,043	6,056	4,719	3,268	—
Lease liabilities - undiscounted	20,065	3,862	3,597	7,814	4,792
Trade and other payables	99,797	99,797	—	—	—
Total	\$ 223,903	\$ 110,372	\$ 35,602	\$ 73,137	\$ 4,792

Capital structure

As at August 8, 2025, the Company has 33,934,977 common shares, 2,618,958 stock options, 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⁾:

(stated in thousands of Canadian dollars)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
MWD and related equipment	\$ 2,345	\$ 6,308	\$ 17,200	\$ 14,219
Motors and related equipment	3,271	6,738	11,256	13,944
Shop and automotive equipment	859	149	915	382
Other	879	869	1,532	1,438
Gross capital expenditures	7,354	14,064	30,903	29,983
Less: net lost-in-hole equipment reimbursements	(6,841)	(4,742)	(7,958)	(15,388)
Net capital expenditures ⁽¹⁾	\$ 513	\$ 9,322	\$ 22,945	\$ 14,595

⁽¹⁾ Refer to the 'Non-GAAP Measures' section in this news release.

Equipment additions totaling \$30.9 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 June 30, 2025, property, plant and equipment included \$14.3 million (2024 - \$12.4 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.

NON-GAAP MEASURES

ACT uses certain performance measures throughout this news release 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 equity-settled 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)

⁽¹⁾ Refer to the 'Non-GAAP Measures' section in this news release.

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 news release 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 news release.

Adjusted gross margin

(stated in thousands of Canadian dollars)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Gross margin	\$ 24,874	\$ 27,783	\$ 54,879	\$ 63,873
Add non-cash items included in cost of sales:				
Write-down of inventory included in cost of sales	39	54	39	61
Depreciation and amortization	7,448	6,180	14,796	17,815
Share-based compensation	129	169	260	392
Adjusted gross margin	\$ 32,490	\$ 34,186	\$ 69,974	\$ 82,141
Adjusted gross margin percentage	29%	26%	28%	28%

Adjusted EBITDAS

(stated in thousands of Canadian dollars, except percentages)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net (loss) income	\$ (9,959)	\$ 5,259	\$ (2,711)	\$ 16,840
Add (deduct):				
Income tax expense (recovery)	984	1,148	(211)	2,813
Depreciation and amortization - cost of sales	7,448	6,180	14,796	17,815
Depreciation and amortization - selling, general and administrative expenses	2,730	2,462	5,556	4,809
Equity settled share-based compensation - cost of sales	129	169	260	392
Equity settled share-based compensation - selling, general and administrative expenses	536	719	1,077	1,649
Finance costs - loans and borrowings and exchangeable promissory notes	1,284	2,419	3,519	4,884
Finance costs - lease liabilities	260	201	541	406
Unrealized foreign exchange loss (gain)	6,527	(1,339)	6,811	(3,648)
Provision	4,846	—	4,846	—
Gain on settlement of lease liabilities	—	(391)	—	(391)
Non-recurring expenses, including inventory write-off	39	478	39	485
Adjusted EBITDAS	\$ 14,824	\$ 17,305	\$ 34,523	\$ 46,054
Adjusted EBITDAS margin percentage	13%	13%	14%	16%

Free cash flow

(stated in thousands of Canadian dollars)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Cash flow - operating activities	\$ 26,029	\$ 34,123	\$ 44,714	\$ 49,866
Add (deduct):				
Income tax payment	439	3,633	384	3,793
Changes in non-cash operating working capital	(10,183)	(20,282)	(9,092)	(5,801)
Less:				
Cash flow - investing activities	(12,588)	(13,192)	(23,397)	(31,320)
Required repayments on loans and borrowings ⁽¹⁾	—	(5,164)	—	(10,313)
Repayments of lease liabilities, net of finance costs	(971)	(917)	(2,008)	(1,816)
Free cash flow (deficit)	\$ 2,726	\$ (1,799)	\$ 10,601	\$ 4,409

⁽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;
- ii) **“Job count”** - sometimes referred to as daily jobs, refers to the number of drilling rigs our directional equipment is available for operation on those specific drilling rigs;
- iii) **“MWD”** - Measurement-while-drilling is a down-hole tool used in oil, natural gas and geothermal wells that provides real-time drilling data to the directional driller enabling more precise placement and optimized drilling operations.
- iv) **“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); and

COMMON INDUSTRY TERMS

- i) **“LNG”** - natural gas is typically is transported via pipeline with customer demand limited to regions with access to

these pipelines. Through liquefaction, larger volumes of natural gas can be economically exported by sea to new markets;

- ii) **“RSS”** - Rotary steerable system which is a high-technological drilling tool that simultaneously steers and rotates the drill bit without manual intervention enabling for more accurate drilling, especially in curved or horizontal wells.

FORWARD LOOKING STATEMENTS

This news release 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 news release contains forward-looking statements relating to, among other things:

- The 2025 Net capital expenditure budget and financing thereof;
- Given the current market uncertainty, partly as a result of the enacted and proposed U.S. tariffs, the Company’s 2025 Net capital expenditure budget will be dynamic and adjusted to reflect management’s expectation of future activity levels.
- ACT retains a strong market position in regions that have some of the best economic return levels, which, combined with its extensive experience and leading technology offering, is ideally suited for the growing number and length of wells drilled in the multi-lateral oil plays.
- ACT remains committed to returning capital to its shareholders. During the second quarter, ACT completed its 2024 / 2025 NCIB program, maxing out our available repurchases. ACT is renewing a program and will continue to utilize this program as a lever for returning capital to our shareholders.
- ACT remains committed to delivering ultra-high-performance directional drilling and related down-hole services, leveraging our proprietary technologies and experienced team. This focus will allow us to deliver value to our shareholders through the cycles. To maximize returns, we continue to expect allocating capital as follows:
 - Margin expansion: utilize selective capital investment, primarily rotary steerable systems (“RSS”) and MWD to replace rental equipment with in-house, next-generation technology solutions.
 - Return of capital: repurchase shares through the Company’s NCIB.
 - Further strengthen our financial position: although debt remains low, continue to reduce leverage, which allows for business resiliency through the cycles and optionality to pursue a counter-cyclical, long-term investment strategy.
- By having this diverse approach to capital allocation, ACT believed it will continue to build an increasingly durable business model, one that optimizes investment returns over the long term.
- Currently, the Company’s target Net capital expenditures 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.
- General uncertainty related to commodity prices, trade, and potential tariffs, are resulting in restrained levels of drilling activity and a more cautious spending environment. Despite the cautious environment, Canadian activity levels appear to be somewhat resilient and the rig count in the U.S. seems to be nearing a bottom, with some potential for increases in the back half of this year.
- ACT remains positive on the longer-term outlook for energy fundamentals due to general economic growth, increasing demand from emerging economies, and significant opportunities related to growth in power demand.
- In Canada, stronger customer balance sheets, reasonably constructive commodity price levels, and additional takeaway capacity for both oil and gas continue to support consistent levels of drilling activity.
- The first LNG Canada natural gas volumes have now shipped from Kitimat, British Columbia and the expansion of the Trans Mountain Pipeline supports heavy oil production, both of which should be positive for drilling activity in the long term.
- ACT’s Canadian job count is in the low-50 job count range supported by our strong presence in multi-lateral drilling markets.
- Given relatively strong drilling economics for multi-lateral drilling projects, activity levels are anticipated to be resilient in these areas with continued plans for growth through this cycle and into the future.

- ACT expects its Canadian activity levels to be similar or slightly less than 2024 levels of activity as some of its customers have deferred spending plans to later this year due to market uncertainty.
- At the end of 2025 Q2, the Company saw improved U.S gross margins by the reduction of third-party rental costs by utilizing Rime supplied MWD systems. Further durability of gross margins is expected as more MWD systems are deployed. To date, twenty-nine Rime MWD systems have been deployed with an additional twenty-one MWD systems expected to be deployed by the end of 2025 Q3. A substantial majority of the inventory required to build-out these systems was spent in 2024, with minimal purchases required in 2025.
- The Company remains focused on reducing third-party MWD rental costs by investing capital to build out its MWD fleet.
- Increasing the penetration of this next-generation technology with the ACT's clients is expected to grow U.S. operating margins by lowering third-party MWD rental costs.
- ACT expects to build on the initial success of the product rollout thus far and continue to increase levels of customer adoption through the back half of this year and into next year.
- Rig counts in the U.S. appear to be approaching a bottom as improved year-over-year natural gas prices are expected to result in increased gas rig counts in the back half of this year.
- Ongoing major additions to U.S. LNG export capacity in the coming two to three years and extreme growth in data center build-out should motivate continued strength in U.S. natural gas demand, pricing and gas drilling levels.
- ACT remains bullish on longer-term global energy demand and believes that pursuing strong directional drilling market positions in the both the U.S. and Canada remains the best way to capture this opportunity.

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 news release 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 news release 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 news release 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 June 30, 2025 and December 31, 2024

Canadian dollars in '000s

(unaudited)

	June 30, 2025	December 31, 2024
Balance,		
Assets		
Current assets:		
Cash	\$ 24,048	\$ 12,792
Trade receivables	85,430	105,872
Other receivable	14,721	15,526
Current taxes receivable	2,487	2,417
Prepaid expenses	5,185	6,678
Inventories	45,554	51,498
Total current assets	177,425	194,783
Property, plant and equipment	139,798	129,243
Intangible assets	68,443	77,352
Right-of-use assets	15,932	15,359
Goodwill	41,192	43,444
Deferred tax asset	12,700	12,700
Total non-current assets	278,065	278,098
Total assets	\$ 455,490	\$ 472,881
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade and other payables	\$ 99,797	\$ 106,242
Loans and borrowings, current	657	21,435
Lease liabilities, current	3,930	4,124
Total current liabilities	104,384	131,801
Loans and borrowings, long-term	61,488	42,092
Exchangeable promissory notes	26,064	26,962
Lease liabilities, long-term	16,135	16,037
Deferred tax liability	13,300	14,409
Total non-current liabilities	116,987	99,500
Total liabilities	221,371	231,301
Shareholders' equity:		
Share capital	195,123	195,516
Treasury shares	(229)	(469)
Exchangeable promissory notes	1,242	1,242
Contributed surplus	17,024	17,408
Accumulated other comprehensive income	15,027	19,151
Surplus	5,932	8,732
Total shareholders' equity	234,119	241,580
Total liabilities and shareholders' equity	\$ 455,490	\$ 472,881

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS) INCOME

Three and six months ended June 30, 2025 and 2024

Canadian dollars in '000s except per share amounts

(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenues	\$ 112,010	\$ 130,297	\$ 247,367	\$ 295,253
Cost of sales:				
Direct costs	(79,559)	(96,165)	(177,432)	(213,173)
Depreciation and amortization	(7,448)	(6,180)	(14,796)	(17,815)
Share-based compensation	(129)	(169)	(260)	(392)
Total cost of sales	(87,136)	(102,514)	(192,488)	(231,380)
Gross margin	24,874	27,783	54,879	63,873
Selling, general and administrative expenses:				
Direct costs	(14,937)	(14,808)	(31,370)	(30,834)
Depreciation and amortization	(2,730)	(2,462)	(5,556)	(4,809)
Share-based compensation	(968)	(719)	(1,509)	(1,649)
Total selling, general and administrative expenses	(18,635)	(17,989)	(38,435)	(37,292)
Provision	(4,846)	—	(4,846)	—
Research and development costs	(1,220)	(1,628)	(2,584)	(2,831)
Write-off of property, plant and equipment	(1,207)	(613)	(1,386)	(2,248)
Gain on disposal of property, plant and equipment	178	20	335	20
Gain on settlement of lease liabilities	—	391	—	391
(Loss) income from operating activities	(856)	7,964	7,963	21,913
Finance costs - loans and borrowings and exchangeable promissory notes	(1,284)	(2,419)	(3,519)	(4,884)
Finance costs - lease liabilities	(260)	(201)	(541)	(406)
Foreign exchange (loss) gain	(6,575)	1,063	(6,825)	3,030
(Loss) income before income taxes	(8,975)	6,407	(2,922)	19,653
Income tax (expense) recovery:				
Current	(107)	(202)	(181)	(1,655)
Deferred	(877)	(946)	392	(1,158)
Income tax (expense) recovery	(984)	(1,148)	211	(2,813)
Net (loss) income	(9,959)	5,259	(2,711)	16,840
Other comprehensive (loss) income				
Foreign currency translation differences on foreign operations	(4,045)	738	(4,124)	2,193
Total comprehensive (loss) income	\$ (14,004)	\$ 5,997	\$ (6,835)	\$ 19,033
Net (loss) income per share - basic (restated)	\$ (0.30)	\$ 0.15	\$ (0.08)	\$ 0.49
Net (loss) income per share - diluted (restated)	\$ (0.30)	\$ 0.14	\$ (0.08)	\$ 0.44

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Six months ended June 30, 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	—	—	—	—	2,193	16,840	19,033
Repurchased pursuant to normal course issuer bid	(2,019)	—	—	—	—	(58)	(2,077)
Contributed surplus on treasury shares vesting	—	240	—	(240)	—	—	—
Issued pursuant to stock option exercises	3,645	—	—	(1,415)	—	—	2,230
Share-based compensation	—	—	—	2,041	—	—	2,041
Balance, June 30, 2024	\$ 199,006	\$ (469)	\$ 1,242	\$ 17,388	\$ 15,281	\$ (31,753)	\$ 200,695

	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	—	—	—	—	(4,124)	(2,711)	(6,835)
Repurchased pursuant to normal course issuer bid	(6,021)	—	—	—	—	(303)	(6,324)
Accrued purchases under the normal course issuer bid	1,854	—	—	—	—	214	2,068
Contributed surplus on treasury shares vested	—	240	—	(240)	—	—	—
Issued pursuant to stock options exercised	3,774	—	—	(1,483)	—	—	2,291
Share-based compensation	—	—	—	1,339	—	—	1,339
Balance, June 30, 2025	\$ 195,123	\$ (229)	\$ 1,242	\$ 17,024	\$ 15,027	\$ 5,932	\$ 234,119

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Three and six months ended June 30, 2025 and 2024

Canadian dollars in '000s

(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Cash provided by (used in):				
Operating activities:				
Net (loss) income	\$ (9,959)	\$ 5,259	\$ (2,711)	\$ 16,840
Non-cash adjustments:				
Income tax expense	984	1,148	(211)	2,813
Depreciation and amortization	10,178	8,642	20,352	22,624
Share-based compensation	1,097	888	1,769	2,041
Write-off of property, plant and equipment	1,207	613	1,386	2,248
Gain on disposal of property, plant and equipment	(178)	(20)	(335)	(20)
Gain on settlement of lease liabilities	—	(391)	—	(391)
Provision	4,846	—	4,846	—
Write-down of inventory included in cost of sales	39	54	39	61
Finance costs - loans and borrowings and exchangeable promissory notes	1,284	2,419	3,519	4,884
Finance costs - lease liabilities	260	201	541	406
Income tax payment	(439)	(3,633)	(384)	(3,793)
Unrealized foreign exchange loss (gain)	6,527	(1,339)	6,811	(3,648)
	15,846	13,841	35,622	44,065
Changes in non-cash operating working capital	10,183	20,282	9,092	5,801
Cash flow - operating activities	26,029	34,123	44,714	49,866
Investing activities:				
Property, plant and equipment additions	(7,354)	(14,064)	(30,903)	(29,983)
Intangible asset additions	(158)	(1,892)	(346)	(6,859)
Proceeds on disposal of property, plant and equipment	115	1,533	323	1,533
Changes in non-cash investing working capital	(5,191)	1,231	7,529	3,989
Cash flow - investing activities	(12,588)	(13,192)	(23,397)	(31,320)
Financing activities:				
Advances of loans and borrowings, net of upfront financing fees	—	—	(335)	10,000
Repayments on loans and borrowings	(24)	(10,159)	(52)	(16,868)
Payments on lease liabilities, net of finance costs	(971)	(917)	(2,008)	(1,816)
Interest paid	(1,239)	(2,316)	(3,438)	(4,689)
Common shares repurchased pursuant to normal course issuer bid	2,083	—	(4,255)	(2,077)
Proceeds on common share issuances, net of issuance costs	2,090	2,007	2,291	2,230
Changes in non-cash financing working capital	(3,885)	—	(2,069)	—
Cash flow - financing activities	(1,946)	(11,385)	(9,866)	(13,220)
Effect of exchange rate on changes in cash	(396)	481	(195)	935
Change in cash	11,099	10,027	11,256	6,261
Cash, beginning of period	12,949	6,965	12,792	10,731
Cash, end of period	\$ 24,048	\$ 16,992	\$ 24,048	\$ 16,992