NEWS RELEASE

ACT Energy Technologies Reports 2025 Q3 Interim Results

November 7, 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 Q3 FINANCIAL RESULTS

- The Company sustained comparable Adjusted EBITDA margins(1) of 20% in 2025 Q3 despite a decline in revenues to $118.3 million in 2025 Q3 (2024 Q3 - $148.4 million). Revenue declines are primarily attributable to lower industry activity contributing to ACT's lower U.S. activity.
- Adjusted EBITDAS(1) of $23.4 million in 2025 Q3 decreased 23%, compared to $30.2 million in 2024 Q3, primarily attributable to the lower aforementioned revenues, offset by lower direct costs related to lower third-party rental costs as a result of the Rime measurement-while-drilling ("MWD") build-out.
- Net income of $15.2 million in 2025 Q3, was lower than net income of $26.2 million in 2024 Q3. One of the reasons is that 2024 Q3 reflected previously unrecognized Canadian tax pools, which resulted in a deferred tax recovery of $11.1 million in the period.
- Free cash flow(1) of $18.2 million in 2025 Q3, compared to Free cash flow(1) of $14.2 million in 2024 Q3.
- Cash flow - operating activities of $6.5 million in 2025 Q3, compared to $19.4 million in 2024 Q3.
- The Company remains focused on returning capital to shareholders and to the balance sheet. During the nine months ended 2025 the Company returns totaled $15 million comprised of:
  - Repurchased 1,350,186 common shares at an average price of $5.54 per common share, a total amount of $7.4 million.
  - Reduced loans and borrowings by $7.6 million with loans and borrowings less cash of $41.7 million as at September 30, 2025, compared to $50.7 million as at December 31, 2024.
- The Company's liquidity position remained strong with $68.7 million of undrawn capacity on the Company's amended Credit Agreement and a cash balance of $14.1 million (December 31, 2024 - $55.0 million and $12.8 million, respectively).

2025 Q3 OPERATIONAL RESULTS

- Canadian operating days(2) decreased by 11% in 2025 Q3, compared to 2024 Q3, less than industry activity declines.
- U.S. operating days(2) decreased 30% in 2025 Q3, compared to 2024 Q3. The decrease in operating days(2) in 2025 Q3 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.
- An increase in the Canadian average revenues per operating day(2) of 4% in 2025 Q3, compared to 2024 Q3, was primarily driven by an improved revenue mix, despite lower overall revenue and activity levels.
- U.S Adjusted gross margins(1) improved by 15% to an average of 29% in 2025 Q3, compared to an average of 25% in 2024 Q3. Positively affecting margins is a reduction of third-party rental costs, utilizing internally supplied MWD systems. Further durability of gross margins is expected as the Company's U.S. business returns to more normalized operating activity levels combined with the deployment of additional, already built, MWD systems.

[1] As defined in the 'Non-GAAP measures' section of this news release.
[2] Per 'Supplementary financial measures and other definitions' section in this news release

PRESIDENT'S MESSAGE

Comments from President & CEO Tom Connors:

"Amid a backdrop of gradually softening oil and natural gas prices, ACT delivered resilient performance, outpacing the broader Canadian market and navigating a challenging U.S. drilling environment. A key milestone this quarter was the continued deployment of our proprietary next-generation Measurement-While-Drilling (MWD) systems in the U.S., which contributed to Adjusted EBITDAS margins(1) of 20% matching the year ago levels despite lower activity and corresponding revenue levels. We estimate this rollout will reduce third-party rental expenses by up to $10 million USD in 2025, with the potential to recapture an additional $10 million in 2026 as deployment completes.

"In Canada, we remained one of the most active directional drillers in Q3, with job counts declining approximately 11% year-over-year, in line with a 13% reduction in overall rig activity. Our performance was supported by the strong economics of multi-lateral drilling, where our technology and expertise are well aligned with customer requirements. We also achieved higher revenue per day and improved margins through increased rotary steerable system (RSS) utilization and the introduction of value-added technologies that enhance drilling efficiency and customer outcomes.

"In the U.S., while the land rig count declined another 5% from Q2, we believe activity bottomed during the quarter. We anticipate a gradual recovery beginning in Q4. Our advanced RSS and MWD technologies continue to differentiate ACT, enabling us to support customers as they pursue longer laterals and more complex wells. By focusing on high-value segments and executing our technology rollout, we are well-positioned to grow and strengthen our business as market conditions improve.

"Our capital allocation strategy remains focused on long-term value creation and business resilience. We continue to:

- Invest selectively in high-return organic growth opportunities that enhance customer productivity and drive margin expansion.
- Return capital to shareholders through our Normal Course Issuer Bid (NCIB) share repurchase program.
- Strengthen our financial position by maintaining a reduced leverage profile, enhancing our ability to pursue strategic, accretive acquisitions.

"This balanced approach supports our goal of building a durable, high-performing business that delivers sustainable shareholder returns," said Tom Connors, ACT President and Chief Executive Officer.

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[1] As defined in the 'Non-GAAP measures' section of this news release.

FINANCIAL HIGHLIGHTS

(unaudited)

(stated in thousands of Canadian dollars, except net income per common share amounts)	Three months ended September 30, 2025	2024	Nine months ended September 30, 2025	2024
Revenues	$ 118,260	$ 148,449	$ 365,627	$ 443,702
Gross margin percentage	27%	26%	24%	23%
Adjusted gross margin percentage(1)	33%	30%	30%	29%
Adjusted EBITDAS(1)	$ 23,433	$ 30,169	$ 57,956	$ 76,223
Adjusted EBITDAS margin percentage(1)	20%	20%	16%	17%
Net income	$ 15,154	$ 26,175	$ 12,443	$ 43,015
Per common share - basic	$ 0.45	$ 0.75	$ 0.37	$ 1.24
Per common share - diluted	$ 0.41	$ 0.68	$ 0.33	$ 1.12
Cash flow - operating activities	$ 6,512	$ 19,377	$ 51,226	$ 69,243
Free cash flow(1)	$ 18,248	$ 14,162	$ 28,849	$ 18,604
Weighted average common shares outstanding:				
Basic (000s)	33,892	34,965	33,889	34,770
Diluted (000s)	37,404	38,772	37,443	38,559

Balance *(stated in thousands of Canadian dollars)*	September 30, 2025	December 31, 2024
Working capital(1)	$ 81,921	$ 84,417
Total assets	$ 457,998	$ 472,881
Loans and borrowings	$ 55,884	$ 63,527
Exchangeable promissory notes	$ 26,852	$ 26,962
Shareholders' equity	$ 249,299	$ 241,580

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

OUTLOOK

Several geopolitical factors continue to influence near-term energy demand, including OPEC+ production decisions, trade policy uncertainty, and global conflicts. Despite these headwinds, we remain encouraged by the long-term fundamentals supporting energy demand—driven by global economic growth, emerging market consumption, LNG expansion, and the increasing need for natural gas-powered data centers supporting AI infrastructure.

In Canada, additional takeaway capacity for oil and natural gas continues to support drilling activity. LNG Canada is ramping exports from Trains 1 and 2, targeting full capacity by spring 2026, with Phase 2 under evaluation. The Trans Mountain pipeline expansion is also incentivizing heavy oil production, benefiting our technology offerings. While E&P companies typically reduce activity heading into year-end, we anticipate a robust winter drilling season and a strong Q1 2026, comparable to last year's levels.

In the U.S., oil-focused activity remains subdued, but natural gas drilling is gradually increasing in regions like Haynesville and Appalachia. The ongoing build-out of U.S. LNG infrastructure and rising demand from AI-driven data centers are expected to drive future investment. In the near term, oil price volatility and seasonal budget constraints may limit rig count growth, and we expect U.S. job counts to remain relatively flat through year-end. Nevertheless, we will continue executing our technology-focused strategy to maximize returns and position ourselves for growth as market conditions improve.

RESULTS OF OPERATIONS

Financial

(stated in thousands of Canadian dollars, except percentages)	Three months ended September 30, 2025	2024	Nine months ended September 30, 2025	2024
Revenues				
United States	$ 61,501	$ 86,948	$ 225,185	$ 292,579
Canada	56,759	61,501	140,442	151,123
Total revenues	118,260	148,449	365,627	443,702
Cost of sales				
Direct costs	(78,708)	(103,767)	(256,140)	(316,940)
Depreciation and amortization	(7,861)	(6,432)	(22,657)	(24,247)
Share-based compensation	(131)	(73)	(391)	(465)
Total cost of sales	(86,700)	(110,272)	(279,188)	(341,652)
Gross margin	$ 31,560	$ 38,177	$ 86,439	$ 102,050
Gross margin percentage	27%	26%	24%	23%
Adjusted gross margin percentage (1)	33%	30%	30%	29%

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

Operational

(stated in Canadian dollars, except operating days and average industry land rig counts)	Three months ended September 30, 2025	2024	% Change	Nine months ended September 30, 2025	2024	% Change
Operating days (1)						
United States	2,152	3,080	(30%)	8,030	10,496	(23%)
Canada	4,036	4,527	(11%)	10,397	11,031	(6%)
	6,188	7,607	(19%)	18,427	21,527	(14%)
Average industry land rig count (2)						
United States	520	567	(8%)	533	566	(6%)
Canada	168	194	(13%)	161	169	(5%)
Average revenues per operating day (1)						
United States	$ 28,579	$ 28,230	1%	$ 28,043	$ 27,875	1%
Canada	$ 14,063	$ 13,585	4%	$ 13,508	$ 13,700	(1%)
	$ 19,111	$ 19,515	(2%)	$ 19,842	$ 20,611	(4%)
Net lost-in-hole equipment reimbursements (3)	$ 7,355	$ 4,827	52%	$ 15,312	$ 20,215	(24%)

(1) Per 'Supplementary financial measures and other definitions' section in this news release.
(2) Per JWN RigLocator and Enverus.
(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 19% and 14% decline in the Company's operating days in 2025 Q3 and the nine months ended September 30, 2025, compared to prior periods, respectively. The reduction in operating days, particularly in the U.S., was the primary contributing factor to the decline in the Company's revenues for 2025 Q3 and the nine months ended September 30, 2025, compared to prior periods.

The Company 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 20% and 18% in 2025 Q3 and the nine months ended September 30, 2025, respectively, would result in the Company's fixed components of direct costs negatively impacting margin percentages.

[1] As defined in the 'Non-GAAP measures' section of this news release.

SEGMENTED INFORMATION

United States

Revenues

U.S. revenues were $61.5 million in 2025 Q3, a decrease of $25.4 million or 29%, compared to $86.9 million in 2024 Q3. The Company experienced a 30% decrease in operating days(1) in 2025 Q3 (2025 - 2,152 days; 2024 - 3,080 days). The Company's activity declines exceeded the 8% decrease in the average U.S. land rig count, magnified by certain of the Company's customers consolidating. In addition, the Company felt the impact of the increasingly competitive U.S. market given the general broad market uncertainties contributing to commodity price volatility. The average revenues per operating day(1) increased 1% in 2025 Q3 (2025 - $28,579 per day; 2024 - $28,230 per day).

U.S. revenues were $225.2 million in the nine months ended September 30, 2025, a decrease of $67.4 million or 23%, compared to $292.6 million for the same period in 2024. The Company experienced a 23% decrease in operating days(1) in the nine months ended September 30, 2025 (2025 - 8,030 days; 2024 - 10,496 days). The Company's activity decline is consistent with the 6% 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(1) were consistent in the nine months ended September 30, 2025 (2025 - $28,043 per day; 2024 - $27,875 per day), with the same period in 2024.

Direct costs

U.S. direct costs included in cost of sales were $43.5 million in 2025 Q3, a decrease of $20.8 million or 32%, compared to $64.3 million in 2024 Q3. 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 Q3. As a result, direct costs as a percentage of revenues were 71% in 2025 Q3, compared to 74% in 2024 Q3. Also contributing to the decrease in direct costs as a percentage of revenues were higher lost-in-hole revenues(2) in 2025 Q3, compared to 2024 Q3.

U.S. direct costs included in cost of sales were $163.7 million in the nine months ended September 30, 2025, a decrease of $55.8 million or 25%, compared to $219.5 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 nine months ended September 30, 2025. Direct costs as a percentage of revenues were 73% in the nine months ended September 30, 2025, compared to 75% for the same period in 2024, primarily as a result of lower MWD third-party rental costs, resulting from the Rime MWD build-out.

Canadian

Revenues

Canadian revenues were $56.8 million in 2025 Q3, a decrease of $4.7 million or 8%, compared to $61.5 million in 2024 Q3, due to an 11% decrease in operating days(1) in 2025 Q3 (2025 - 4,036 days; 2024 - 4,527 days) consistent with the Western Canada average land rig count decrease of 13%. The average revenues per operating day(1) increased 4% in 2025 Q3 (2025 - $14,063 per day; 2024 - $13,585 per day). The increase in the average revenues per operating day(1) is mainly attributable to a favorable job mix requiring additional revenue generating technologies.

Canadian revenues were $140.4 million in the nine months ended September 30, 2025, a decrease of $10.7 million or 7%, compared to $151.1 million for the same period in 2024, with the decline primarily attributable to a 6% decrease in operating days(1) in the nine months ended September 30, 2025 (2025 - 10,397 days; 2024 - 11,031 days). Consistent with a decline in the Western Canada average land rig count of 4%, ACT had a slight decline in activity during the nine months ended September 30, 2025, relative to the comparative period. The average revenues per operating day(1) were consistent in the nine months ended September 30, 2025 (2025 - $13,508 per day; 2024 - $13,700 per day), with the same period in 2024.

Direct costs

Canadian direct costs included in cost of sales were $35.2 million in 2025 Q3, a decrease of $4.3 million or 11%, compared to $39.5 million in 2024 Q3. The decrease is mainly due to lower repair, third-party rental and labour costs in 2025 Q3, consistent with lower activity levels. As a percentage of revenues, direct costs were 62% in 2025 Q3, compared to 64% in 2024 Q3. A more favorable revenue mix in 2025 Q3, relative to 2024 Q3, is the primary factor in direct costs being lower as a percentage of revenues in 2025 Q3.

Canadian direct costs included in cost of sales were $92.4 million in the nine months ended September 30, 2025, a decrease of $5.0 million or 5%, compared to $97.4 million for the same period in 2024. The decrease is mainly due to lower repair, third-party rental and labour costs in the nine months ended September 30, 2025, consistent with lower activity levels. As a percentage of revenues, direct costs were 66% in the nine months ended September 30, 2025, compared to 64% for the same period in 2024. The effect of lower lost-in-hole revenues(2) in the nine months ended September 30, 2025, compared to the same period in 2024, is the primary factor in direct costs being higher as a percentage of revenues.

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[1] Per 'Supplementary financial measures and other definitions' section in this news release.

[2] As defined in the 'Non-GAAP measures' section of this news release.

CONSOLIDATED

Revenues

The Company's revenues were $118.3 million in 2025 Q3, a decrease of $30.1 million or 20%, compared to $148.4 million in 2024 Q3. The decrease is driven by a 19% decrease in operating days[1] (2025 - 6,188 days; 2024 - 7,607 days) and a 2% decrease in the average revenues per operating day[1] (2025 - $19,111; 2024 - $19,515). Although both the Canadian and U.S. business units realized higher average revenues per operating day[1] compared to the prior year, the consolidated average revenues per operating day[1] decreased. The decline was primarily due to a higher weighting of Canadian operating days[1], which has lower average equipment intensity per job, and therefore lower average revenues per operating day[1] compared to U.S. jobs.

The Company recognized $365.6 million of revenues in the nine months ended September 30, 2025, a decrease of $78.1 million or 18%, compared to $443.7 million for the same period in 2024. The decrease is driven by a 14% decrease in operating days[1] (2025 - 18,427 days; 2024 - 21,527 days), and a 4% decrease in the average revenues per operating day[1] (2025 - $19,842; 2024 - $20,611). The decline in the consolidated average revenues per operating day[1] was primarily due to a higher weighting of Canadian operating days[1], which has lower average equipment intensity per job, and therefore lower average revenues per operating day[1] compared to U.S. jobs.

Direct Costs

The Company recognized $78.7 million of direct costs in 2025 Q3, a decrease of $25.1 million or 24%, compared to $103.8 million in 2024 Q3. The decrease is mainly due to lower labour and repair costs resulting from the decrease in operating days[1] and cost reduction initiatives, and lower third-party MWD rental costs mainly related to the Rime MWD build-out.

The Company recognized $256.1 million of direct costs in the nine months ended September 30, 2025, a decrease of $60.8 million or 19%, compared to $316.9 million for the same period in 2024. The decrease is mainly due to lower labour and repair costs resulting from the decrease in operating days[1], and lower third-party MWD rental costs mainly related to the Rime MWD build-out.

Direct costs as a percentage of revenues decreased to 67% in 2025 Q3, compared to 70% in 2024 Q3. Lower third-party MWD rental costs mainly related to the Rime MWD build-out contributed to this reduction. Also contributing to the reduction was higher Lost-in-hole revenues[2] in 2025 Q3, relative to the comparative period, since lost-in-hole activity typically has lower associated costs then other forms of revenue. Direct costs as a percentage of revenues were 70% for the nine months ended September 30, 2025, compared to 71% for the same period in 2024.

Gross margin and Adjusted gross margin

The gross margin percentage increased to 27% in 2025 Q3, compared to 26% in 2024 Q3. The gross margin percentage was 24% in the nine months ended September 30, 2025, compared to 23% for the same period in 2024. The Adjusted gross margin percentage[2] increased to 33% in 2025 Q3, compared to 30% in 2024 Q3. The Adjusted gross margin percentage[2] was 30% in the nine months ended September 30, 2025, compared to 29% for the same period in 2024. Despite a 20% and 18% decrease in revenues in 2025 Q3 and the nine months ended September 30, 2025, respectively, the gross margin percentage and Adjusted gross margin percentage[2] improved. The Company remains focused on reducing third-party MWD rental costs by deploying its newly built MWD fleet, reducing its third party rental expenditures.

Depreciation and amortization expense

Depreciation and amortization expense included in cost of sales increased to $7.9 million in 2025 Q3, compared to $6.4 million in 2024 Q3, mainly due to a higher portion of the MWD build-out being depreciated. Depreciation and amortization expense included in cost of sales decreased to $22.7 million in the nine months ended September 30, 2025, compared to $24.2 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 September 30, 2025	2024	Nine months ended September 30, 2025	2024
Selling, general and administrative expenses:				
Direct costs	$ 13,414	$ 13,147	$ 44,784	$ 43,981
Depreciation and amortization	2,717	2,630	8,273	7,439
Share-based compensation	989	311	2,498	1,960
Selling, general and administrative expenses	$ 17,120	$ 16,088	$ 55,555	$ 53,380

The Company recognized direct costs included in SG&A expenses of $13.4 million and $44.8 million in 2025 Q3 and the nine months ended September 30, 2025, which were consistent with $13.1 million and $44.0 million for the same periods in 2024, respectively. 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 11% and 12% in 2025 Q3 and the nine months ended September 30, 2025, compared to 9% and 10% for the same periods in 2024, respectively.

[1] Per 'Supplementary financial measures and other definitions' section in this news release

[2] Refer to the 'Non-GAAP measures' section in this news release

Depreciation and amortization included in SG&A expenses were $2.7 million and $8.3 million in 2025 Q3 and the nine months ended September 30, 2025, compared to $2.6 million and $7.4 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 $2.5 million in 2025 Q3 and the nine months ended September 30, 2025, compared to $0.3 million and $2.0 million for the same periods in 2024, respectively. The increase is mainly due to restricted shares granted in 2025.

Provision

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

In 2025 the Company received additional information relating to a historical U.S. sales and use tax audit period and, as a result, recorded an incremental provision of $4.8 million. No revisions to this estimate were made in 2025 Q3. As at September 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 on July 14, 2022 ("AEP Acquisition").

Also in relation to this pre-closing U.S. sales tax issue associated with the AEP Acquisition, as a result of a additional third party assessments, the Company has recognized a provision of $15.0 million in Trade and other payables. Pursuant to the Equity Purchase Agreement related to the AEP Acquisition, the sellers provided the Company with an indemnity related to pre-closing tax issues, including the U.S. sales tax issue noted. Accordingly, the Company has recognized an offsetting indemnity receivable of $15.0 million in Other receivable. This assessment relies on estimates and assumptions and may involve a series of judgments about future events.

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

Research and development ("R&D") costs

(stated in thousands of Canadian dollars)	Three months ended September 30, 2025	2024	Nine months ended September 30, 2025	2024
Research and development costs	$ 1,120	$ 1,397	$ 3,704	$ 4,228

The Company recognized R&D costs of $1.1 million and $3.7 million in 2025 Q3 and the nine months ended September 30, 2025, compared to $1.4 million and $4.2 million for the same periods in 2024, respectively. R&D costs include salaries, benefits, purchased materials and shop supply costs related to new product development and technology and engineering.

Write-off of property, plant and equipment

(stated in thousands of Canadian dollars)	Three months ended September 30, 2025	2024	Nine months ended September 30, 2025	2024
Write-off of property, plant and equipment	$ 1,361	$ 618	$ 2,747	$ 2,866

The Company recognized a write-off of property, plant and equipment of $1.4 million and $2.7 million in 2025 Q3 and the nine months ended September 30, 2025, compared to $0.6 million and $2.9 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 revenue.

Finance costs

(stated in thousands of Canadian dollars)	Three months ended September 30, 2025	2024	Nine months ended September 30, 2025	2024
Finance costs - loans and borrowings and exchangeable promissory notes	$ 1,657	$ 1,924	$ 5,176	$ 6,808
Finance costs - lease liabilities	$ 335	$ 185	$ 876	$ 591

Finance costs - loans and borrowings and exchangeable promissory notes were $1.7 million, a decrease of $0.2 million, compared to $1.9 million in 2024 Q3. Finance costs - loans and borrowings and exchangeable promissory notes were $5.2 million in the nine months ended September 30, 2025, a decrease of $1.6 million, compared to $6.8 million for the same period in 2024. The decrease is mainly due to a lower outstanding balance of loans and borrowings in 2025 Q3 compared to 2024 Q3, 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 $0.9 million in 2025 Q3 and the nine months ended September 30, 2025, related to lease liabilities, compared to $0.2 million and $0.6 million for the same periods in 2024, respectively.

Foreign exchange

(stated in thousands of Canadian dollars)		Three months ended September 30, 2025		2024		Nine months ended September 30, 2025		2024
Foreign exchange gain (loss)	$	2,577	$	(1,259)	$	(4,248)	$	1,771
Foreign currency translation gain (loss) on foreign operations	$	1,483	$	(889)	$	(2,641)	$	1,304

The Company recognized a foreign exchange gain of $2.6 million and a foreign exchange loss of $4.2 million in 2025 Q3 and the nine months ended September 30, 2025, compared to a foreign exchange loss of $1.3 million and a foreign exchange gain of $1.8 million for the same periods in 2024, respectively. The current period fluctuations were driven by a 2% increase in the Canadian dollar exchange rate from $1.36 at June 30, 2025 to $1.39 at September 30, 2025 on the revaluation of the Company's USD denominated balances (2025 Q3 - foreign exchange loss of $0.4 million) and intercompany loans issued by the parent company to its self-sustaining foreign subsidiaries (2025 Q3 - foreign exchange gain of $2.9 million). During the nine months ended September 30, 2025, a 3% decrease in the Canadian dollar exchange rate from $1.44 at March 31, 2025, to $1.39 at September 30, 2025, contributed to the fluctuation. 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 gain on foreign operations of $1.5 million in 2025 Q3, compared to a loss of $0.9 million in 2024 Q3. The Company recognized a foreign currency translation loss of $2.6 million in the nine months ended September 30, 2025, compared to a gain of $1.3 million for the same period in 2024.

Income tax (recovery) expense

(stated in thousands of Canadian dollars)		Three months ended September 30, 2025		2024		Nine months ended September 30, 2025		2024
Current tax (recovery) expense	$	(685)	$	804	$	(504)	$	2,459
Deferred tax recovery		(1,793)		(10,262)		(2,185)		(9,104)
Income tax recovery	$	(2,478)	$	(9,458)	$	(2,689)	$	(6,645)

The Company recognized an income tax recovery of $2.5 million and $2.7 million in 2025 Q3 and the nine months ended September 30, 2025, compared to an income tax recovery of $9.5 million and $6.6 million for the same periods in 2024, respectively. In 2024 Q3, the Company re-recognized $11.1 million of its Canadian tax pools due to management's assessment and estimates that they would likely be utilized within the next twelve to eighteen months. Income tax (recovery) 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.

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 $6.5 million and $51.2 million in 2025 Q3 and the nine months ended September 30, 2025, compared to $19.4 million and $69.2 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 September 30, 2025, the Company had working capital, excluding current portion of loans and borrowings of $81.9 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, as they relate to the pre-Consolidation period, were restated to reflect the Consolidation.

Normal course issuer bid

During the nine months ended September 30, 2025, 1,350,186 (2024 - 506,800) common shares were purchased under the NCIB for a total purchase amount of $7.4 million (2024 - $3.0 million) at an average price of $5.54 (2024 - $5.91) per common share. A portion of the purchase amount reduced share capital by $7.1 million (2024 - $2.9 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 given trading day during the NCIB, including during regulatory restrictions or self-imposed trading blackout periods. The Plan commenced on August 11, 2025, and will terminate on August 10, 2026. As at September 30, 2025, the Company recognized $1.3 million as an accrued liability ($1.3 million reduced share capital) for the maximum number of common shares to be purchased under the Plan.

Subsequent to September 30, 2025, the Company purchased 284,800 common shares for a total purchase amount of $1.4 million, at an average purchase price of $5.07 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 September 30, 2025, $68.7 million of the $123.9 million Revolving Facility remained undrawn. No repayments were made on the CAD Syndicated Revolving Facility subsequent to quarter-end. As at September 30, 2025, the Company was in compliance with all covenants. Financial covenants are 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 - 10.2).

Contractual obligations and contingencies

As at September 30, 2025, the Company's commitment to capital is approximately $6.6 million (December 31, 2024 - $11.9 million), which is expected to be incurred in the remainder of 2025.

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 September 30, 2025:

(stated in thousands of Canadian dollars)	Carrying amount	One year	1-2 years	3-5 years	Thereafter
Loans and borrowings - principal	$ 56,451	$ 630	$ —	$ 55,821	$ —
Exchangeable promissory ("EP") notes - principal	27,842	27,842	—	—	—
Interest payments on loans and borrowings and EP notes	12,547	5,781	4,678	2,088	—
Lease liabilities - undiscounted	20,197	4,167	3,981	5,873	6,176
Trade and other payables	94,127	94,127	—	—	—
Total	$ 211,164	$ 132,547	$ 8,659	$ 63,782	$ 6,176

The Company expects to meet its obligations through normal operating cash flows. If additional liquidity is required to fund near-term obligations, including those related to the EP notes maturity, the Company has access to its Revolving Credit Facility.

Capital structure

As at November 7, 2025, the Company has 33,460,849 common shares, 2,190,993 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]:

	Three months ended September 30,		Nine months ended September 30,	
(stated in thousands of Canadian dollars)	2025	2024	2025	2024
MWD and related equipment	$ 4,231	$ 5,159	$ 21,431	$ 19,378
Motors and related equipment	1,396	2,465	12,652	16,409
Shop and automotive equipment	210	98	1,125	480
Other	177	1,386	1,709	2,824
Gross capital expenditures	6,014	9,108	36,917	39,091
Less: net lost-in-hole equipment reimbursements(1)	(7,355)	(4,827)	(15,312)	(20,215)
Net capital expenditures(1)	$ (1,341)	$ 4,281	$ 21,605	$ 18,876

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

Equipment additions totaling $36.9 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 September 30, 2025, property, plant and equipment included $9.5 million (2024 - $13.6 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 and 2026 gross and Net capital expenditures[1] 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 sustaining and growth capital expenditures that will enhance realized gross margin percentage levels, including optimizing ACT's high-performance mud motors, MWD in both Canada and the U.S., and selective RSS deployments. ACT intends to fund its 2025 and 2026 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);

[1] Refer to the 'Non-GAAP measures' section in this news release.

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) 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. The timing and amount of equipment lost-in-hole can very from period to period. Therefore, Net capital expenditures is a useful supplemental financial measure as it provides insight on the amount of investing capital requirements attributable to lost-in-hole equipment. Components impacting Net capital expenditures are as follows:

1. **“Lost-in-hole revenues”** - represent reimbursements received from customers and insurance proceeds related to directional drilling equipment that is lost in-hole or damaged beyond repair. Management considers lost-in-hole revenue to be supplemental information that assists in understanding fluctuations in the Company’s reported revenues under IFRS Accounting Standards. Although lost-in-hole revenues tend to remain relatively consistent over longer periods, they can vary significantly from period to period, causing fluctuations in the Company's financial results;
2. **“Net lost-in-hole equipment reimbursements”** - represent lost-in-hole revenues, as defined above, less outflows associated with vendor payments for insurance coverage and third-party rental equipment replacement, 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

	Three months ended September 30,		Nine months ended September 30,	
(stated in thousands of Canadian dollars)	2025	2024	2025	2024
Gross margin	$ 31,560	$ 38,177	$ 86,439	$ 102,050
Add non-cash items included in cost of sales:				
Write-down of inventory included in cost of sales	43	366	82	427
Depreciation and amortization	7,861	6,432	22,657	24,247
Share-based compensation	131	73	391	465
Adjusted gross margin	$ 39,595	$ 45,048	$ 109,569	$ 127,189
Adjusted gross margin percentage	33%	30%	30%	29%

Adjusted EBITDAS

(stated in thousands of Canadian dollars, except percentages)	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Net income	$ 15,154	$ 26,175	$ 12,443	$ 43,015
Add (deduct):				
Income tax recovery	(2,478)	(9,458)	(2,689)	(6,645)
Depreciation and amortization - cost of sales	7,861	6,432	22,657	24,247
Depreciation and amortization - selling, general and administrative expenses	2,717	2,630	8,273	7,439
Share-based compensation - cost of sales	131	73	391	465
Equity settled share-based compensation - selling, general and administrative expenses	524	311	1,601	1,960
Finance costs - loans and borrowings and exchangeable promissory notes	1,657	1,924	5,176	6,808
Finance costs - lease liabilities	335	185	876	591
Unrealized foreign exchange (gain) loss	(2,511)	1,531	4,300	(2,117)
Provision	—	—	4,846	—
Gain on settlement of lease liabilities	—	—	—	(391)
Non-recurring expenses, including inventory write off	43	366	82	851
Adjusted EBITDAS	$ 23,433	$ 30,169	$ 57,956	$ 76,223
Adjusted EBITDAS margin percentage	20%	20%	16%	17%

Free cash flow

(stated in thousands of Canadian dollars)	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Cash flow - operating activities	$ 6,512	$ 19,377	$ 51,226	$ 69,243
Add (deduct):				
Income tax (refund) payment	(5)	172	379	3,965
Changes in non-cash operating working capital	18,620	11,227	9,528	5,426
Non-recurring expenses	—	391	—	424
Less:				
Cash flow - investing activities	(5,844)	(11,141)	(29,241)	(42,461)
Required repayments on loans and borrowings [(1)]	—	(5,148)	—	(15,461)
Repayments of lease liabilities, net of finance costs	(1,035)	(716)	(3,043)	(2,532)
Free cash flow	$ 18,248	$ 14,162	$ 28,849	$ 18,604

(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 on which our directional equipment is used for operation; and

iii) **"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).

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) **"LNG Train" or "Train"** - refers to a complete processing unit within an LNG facility that converts natural gas into liquefied natural gas (LNG). Each train includes all the required equipment — such as compressors, heat exchangers, and refrigeration systems — to carry out the liquefaction process independently;

iii) **“Lost-in-hole” or “lost-in-hole equipment”** - refers to directional drilling tools or equipment (such as MWD or RSS systems) that become significantly damaged or unrecoverable downhole during drilling operations. This situation typically results in the customer being charged for the replacement cost of the lost equipment;

iv) **“MWD” -** Measurement-while-drilling is a down-hole tool used in oil, natural gas and geothermal wells that provides real-time drilling data to the directional driller enabling more precise placement and optimized drilling operations;

v) **“OPEC+”** - is a group of oil-producing countries that work together to control the supply of oil in the global market to help keep prices stable;

vi) **“Rig count”** - is the estimated number of active rigs drilling directionally as tracked by JWN RigLocator for Canada and Enverus for the U.S. industry rig count levels. This industry data can help provide an indication of potential activity for the Company. In this 2025 Q3 MD&A, the Company has revised its source for the U.S. rig count to Enverus, replacing Baker Hughes. Rig count levels include only those estimated to be drilling directionally in both Canada and the U.S., excluding rigs drilling vertically. These revised rig count figures better reflect overall industry activity levels affecting the Company’s business, and as a result, all comparative periods have been adjusted; and

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

INDUSTRY PRICING METRICS

	2025 Q3	2025 Q2	2025 Q1	2024 Q4	2024 Q3	2024 Q2	2024 Q1
Average exchange rate ($CAD/$US)	0.726	0.723	0.697	0.714	0.733	0.731	0.741
WTI ($US/bbl)	65.74	64.63	71.84	70.69	76.24	81.71	77.56
US NYMEX natural gas ($US/Mmbtu)	3.03	3.19	4.15	2.44	2.11	2.09	2.13

i) **“WTI”** - a widely used benchmark price for light, sweet crude oil in North America and is a key reference point for crude oil pricing and industry activity levels;

ii) **“bbl”** - is the standard unit of measurement for crude oil and stands for one barrel, equivalent to 42 U.S. gallon;

iii) **“US NYMEX”** - refers to the benchmark price for natural gas traded on the New York Mercantile Exchange (“NYMEX”) and is widely used as the reference pricing indicator for North American natural gas markets; and

iv) **“Mmbtu” -** stands for one million British thermal units and is a standard unit of measurement used to quantify the energy content of natural gas.

FORWARD LOOKING STATEMENTS

This 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.
- 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.
- Further durability of gross margins is expected as the Company’s U.S. business returns to more normalized operating activity levels combined with the deployment of additional, already built, MWD systems.
- Several geopolitical factors continue to influence near-term energy demand, including OPEC+ production decisions, trade policy uncertainty, and global conflicts.
- ACT remains encouraged by the long-term fundamentals supporting energy demand - driven by global economic growth, emerging market consumption, LNG expansion, and the increasing need for natural gas-powered data centers supporting AI infrastructure.
- In Canada, additional takeaway capacity for oil and natural gas continues to support drilling activity.
- LNG Canada is ramping exports from Trains 1 and 2, targeting full capacity by spring 2026, with Phase 2 under evaluation.
- The Trans Mountain pipeline expansion is also incentivizing heavy oil production, benefiting ACT’s technology offerings.
- While E&P companies typically reduce activity heading into year-end, ACT anticipates a robust winter drilling season and a strong Q1 2026, comparable to last year’s levels.

- In the U.S., oil-focused activity remains subdued, but natural gas drilling is gradually increasing in regions like Haynesville and Appalachia.
- The ongoing build-out of U.S. LNG infrastructure and rising demand from AI-driven data centers are expected to drive future investment.
- In the near term, oil price volatility and seasonal budget constraints may limit rig count growth, and ACT expects U.S. job counts to remain relatively flat through year-end.
- ACT will continue executing its technology-focused strategy to maximize returns and position itself for growth as market conditions improve.
- ACT estimates that continued deployment of its proprietary next-generation MWD systems in the U.S. will reduce third-party rental expenses by $10 million USD in 2025, with the potential to recapture an additional $10 million in 2026 as deployment completes.
- In the U.S., while the land rig count declined another 5% from Q2, ACT believes activity bottomed during the quarter.
- ACT anticipates a gradual recovery beginning in Q4.
- ACT's advanced RSS and MWD technologies continue to differentiate ACT, enabling it to support customers as they pursue longer laterals and more complex wells.
- By focusing on high-value segments and executing its technology rollout, ACT is well-positioned to grow and strengthen its business as market conditions improve.
- ACT's capital allocation strategy remains focused on long-term value creation and business resilience. ACT continues to:
  - Invest selectively in high-return organic growth opportunities that enhance customer productivity and drive margin expansion.
  - Return capital to shareholders through our Normal Course Issuer Bid (NCIB) share repurchase program.
  - Strengthen our financial position by maintaining a reduced leverage profile, enhancing our ability to pursue strategic, accretive acquisitions.
- ACT's balanced approach supports its goal of building a durable, high-performing business that delivers sustainable shareholder returns.

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 September 30, 2025 and December 31, 2024
Canadian dollars in '000s
(unaudited)

Balance,	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash	$ 14,138	$ 12,792
Trade receivables	92,911	105,872
Other receivable	15,021	15,526
Current taxes receivable	3,238	2,417
Prepaid expenses	5,145	6,678
Inventories	50,181	51,498
Total current assets	180,634	194,783
Property, plant and equipment	139,422	129,243
Intangible assets	67,177	77,352
Right-of-use assets	16,140	15,359
Goodwill	42,031	43,444
Deferred tax asset	12,594	12,700
Total non-current assets	277,364	278,098
Total assets	$ 457,998	$ 472,881
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade and other payables	$ 94,127	$ 106,242
Loans and borrowings, current	630	21,435
Exchangeable promissory notes	26,852	—
Lease liabilities, current	4,586	4,124
Total current liabilities	126,195	131,801
Loans and borrowings, long-term	55,254	42,092
Exchangeable promissory notes	—	26,962
Lease liabilities, long-term	15,611	16,037
Deferred tax liability	11,639	14,409
Total non-current liabilities	82,504	99,500
Total liabilities	208,699	231,301
Shareholders' equity:		
Share capital	193,216	195,516
Treasury shares	(229)	(469)
Exchangeable promissory notes	1,242	1,242
Contributed surplus	17,474	17,408
Accumulated other comprehensive income	16,510	19,151
Surplus	21,086	8,732
Total shareholders' equity	249,299	241,580
Total liabilities and shareholders' equity	$ 457,998	$ 472,881

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Three and nine months ended September 30, 2025 and 2024

Canadian dollars in '000s except per share amounts
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenues	$ 118,260	$ 148,449	$ 365,627	$ 443,702
Cost of sales:				
Direct costs	(78,708)	(103,767)	(256,140)	(316,940)
Depreciation and amortization	(7,861)	(6,432)	(22,657)	(24,247)
Share-based compensation	(131)	(73)	(391)	(465)
Total cost of sales	(86,700)	(110,272)	(279,188)	(341,652)
Gross margin	31,560	38,177	86,439	102,050
Selling, general and administrative expenses:				
Direct costs	(13,414)	(13,147)	(44,784)	(43,981)
Depreciation and amortization	(2,717)	(2,630)	(8,273)	(7,439)
Share-based compensation	(989)	(311)	(2,498)	(1,960)
Total selling, general and administrative expenses	(17,120)	(16,088)	(55,555)	(53,380)
Provision	—	—	(4,846)	—
Research and development costs	(1,120)	(1,397)	(3,704)	(4,228)
Write-off of property, plant and equipment	(1,361)	(618)	(2,747)	(2,866)
Gain on disposal of property, plant and equipment	132	11	467	31
Gain on settlement of lease liabilities	—	—	—	391
Income from operating activities	12,091	20,085	20,054	41,998
Finance costs - loans and borrowings and exchangeable promissory notes	(1,657)	(1,924)	(5,176)	(6,808)
Finance costs - lease liabilities	(335)	(185)	(876)	(591)
Foreign exchange gain (loss)	2,577	(1,259)	(4,248)	1,771
Income before income taxes	12,676	16,717	9,754	36,370
Income tax recovery (expense):				
Current	685	(804)	504	(2,459)
Deferred	1,793	10,262	2,185	9,104
Income tax recovery	2,478	9,458	2,689	6,645
Net income	15,154	26,175	12,443	43,015
Other comprehensive income (loss)				
Foreign currency translation differences on foreign operations	1,483	(889)	(2,641)	1,304
Total comprehensive income	**$ 16,637**	**$ 25,286**	**$ 9,802**	**$ 44,319**
Net income per share - basic	$ 0.45	$ 0.75	$ 0.37	$ 1.24
Net income per share - diluted	$ 0.41	$ 0.68	$ 0.33	$ 1.12

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Nine months ended September 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	—	—	—	—	1,304	43,015	44,319
Repurchased pursuant to normal course issuer bid	(2,899)	—	—	—	—	(94)	(2,993)
Contributed surplus on treasury shares vesting	—	240	—	(240)	—	—	—
Issued pursuant to stock option exercises	6,023	—	—	(2,333)	—	—	3,690
Share-based compensation	—	—	—	2,425	—	—	2,425
Balance, September 30, 2024	$ 199,471	$ (469)	$ 1,242	$ 16,854	$ 14,392	$ (5,665)	$ 225,825

	Share capital	Treasury shares	EP Notes	Contributed surplus	Accumulated other comprehensive income (loss)	Surplus	Total shareholders' equity
Balance, December 31, 2024	$ 195,516	$ (469)	$ 1,242	$ 17,408	$ 19,151	$ 8,732	$ 241,580
Comprehensive (loss) income	—	—	—	—	(2,641)	12,443	9,802
Repurchased pursuant to normal course issuer bid	(7,110)	—	—	—	—	(303)	(7,413)
Accrued purchases under the normal course issuer bid	511	—	—	—	—	214	725
Contributed surplus on treasury shares vested	—	240	—	(240)	—	—	—
Issued pursuant to stock options exercised	4,299	—	—	(1,689)	—	—	2,610
Share-based compensation	—	—	—	1,995	—	—	1,995
Balance, September 30, 2025	$ 193,216	$ (229)	$ 1,242	$ 17,474	$ 16,510	$ 21,086	$ 249,299

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Three and nine months ended September 30, 2025 and 2024
Canadian dollars in '000s
(unaudited)

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Cash provided by (used in):				
Operating activities:				
Net income	$ 15,154	$ 26,175	$ 12,443	$ 43,015
Non-cash adjustments:				
Income tax expense	(2,478)	(9,458)	(2,689)	(6,645)
Depreciation and amortization	10,578	9,062	30,930	31,686
Share-based compensation	1,120	384	2,889	2,425
Write-off of property, plant and equipment	1,361	618	2,747	2,866
Gain on disposal of property, plant and equipment	(132)	(11)	(467)	(31)
Gain on settlement of lease liabilities	—	—	—	(391)
Provision	—	—	4,846	—
Write-down of inventory included in cost of sales	43	366	82	427
Finance costs - loans and borrowings and exchangeable promissory notes	1,657	1,924	5,176	6,808
Finance costs - lease liabilities	335	185	876	591
Income tax refund (payment)	5	(172)	(379)	(3,965)
Unrealized foreign exchange (gain) loss	(2,511)	1,531	4,300	(2,117)
	25,132	30,604	60,754	74,669
Changes in non-cash operating working capital	(18,620)	(11,227)	(9,528)	(5,426)
Cash flow - operating activities	6,512	19,377	51,226	69,243
Investing activities:				
Property, plant and equipment additions	(6,014)	(9,108)	(36,917)	(39,091)
Intangible asset additions	(67)	(7,541)	(413)	(14,400)
Proceeds on disposal of property, plant and equipment	237	—	560	1,533
Changes in non-cash investing working capital	—	5,508	7,529	9,497
Cash flow - investing activities	(5,844)	(11,141)	(29,241)	(42,461)
Financing activities:				
Advances of loans and borrowings, net of upfront financing fees	3,017	—	2,682	10,000
Repayments on loans and borrowings	(9,711)	(5,148)	(9,763)	(22,016)
Payments on lease liabilities, net of finance costs	(1,035)	(716)	(3,043)	(2,532)
Interest paid	(1,695)	(1,812)	(5,133)	(6,501)
Common shares repurchased pursuant to normal course issuer bid	(2,433)	(2,000)	(6,688)	(4,077)
Proceeds on stock options exercised	319	1,460	2,610	3,690
Changes in non-cash financing working capital	—	1,084	(2,069)	1,084
Cash flow - financing activities	(11,538)	(7,132)	(21,404)	(20,352)
Effect of exchange rate on changes in cash	960	(604)	765	331
Change in cash	(9,910)	500	1,346	6,761
Cash, beginning of period	24,048	16,992	12,792	10,731
Cash, end of period	$ 14,138	$ 17,492	$ 14,138	$ 17,492