



NEWS RELEASE

ACT Energy Technologies Reports 2026 Q1 Interim Results

May 8, 2026

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, Net debt, 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.

2026 Q1 FINANCIAL RESULTS

- Revenues of \$144.5 million in 2026 Q1 increased 7% compared to \$135.4 million one year ago. Strong growth in our Canadian segment plus the acquisition of Texas-based Stryker Directional on January 5, 2026 were the primary factors.
- Adjusted EBITDAS⁽¹⁾ of \$22.9 million grew 16% versus \$19.7 million in the first quarter of last year.
- Adjusted EBITDAS margins⁽¹⁾ increased to 15.9% from 14.6% a year ago.
- Canadian operating days⁽²⁾ grew 5% despite the average Canadian rig count falling by 4% year over year.
- The Company closed the acquisition of Oklahoma-based SB Directional on April 1, 2026 as part of a countercyclical effort to continue adding size, scale and management depth in our U.S. business segment.
- U.S. operating days⁽²⁾ grew 64% sequentially versus the total achieved in 2025 Q4 due to increases in our pre-existing base business and contributions from the recent Stryker acquisition.
- On April 29, 2026, the Company also announced the early \$USD 20.0 million repayment of the exchangeable subordinated promissory note. ACT used its available term facility to repay the note.

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.

PRESIDENT'S MESSAGE

Comments from President & CEO Tom Connors:

"The first quarter represented an important inflection point for the Company. We delivered continued growth and expansion in our Canadian operations, while executing a transformational consolidation of our U.S. directional and rental businesses into a single, leaner and more focused operating platform. The integration of Stryker Energy Directional Services in January and SB Directional Services in April meaningfully strengthens our U.S. footprint, expands our customer base and adds scale as we position the business for an improving activity environment as we move through 2026 and into 2027.

"In Canada, our market presence, expanding technology offering and focus on high-performance service delivery once again positioned us among the most active directional drilling providers during the quarter. Operating days increased 5% year-over-year, despite a 4% decline in the Western Canadian rig count. While our foundation remains multilateral drilling, the continued adoption of rotary steerable and advanced technologies supported incremental activity and is expected to remain a key driver of utilization throughout the remainder of the year.

"In the United States, activity levels began to recover from the trough experienced in the fourth quarter of 2025, with operating days increasing sequentially by 13% in our pre-existing U.S. base business, and 64% overall when including the acquired Stryker business. The consolidation of management teams, optimization of the rental fleet and increased focus on higher-value rotary steerable work are improving the operating trajectory of the business. As industry consolidation has reduced competitive capacity, we believe our streamlined operating model and expanding direct-to-operator relationships position us to benefit from even modest improvements in overall activity levels.

"Challenging market conditions throughout 2025 and early 2026 have also created attractive counter-cyclical acquisition opportunities. The acquisitions of Stryker and SB added two experienced management teams, complementary customers and more than 30 incremental operating jobs per day. The integration of our proprietary motor and rotary steerable technology across the combined platform is expected to drive improved margins and returns over time.

"Our 2026 capital allocation strategy remains disciplined and balanced. We will continue to evaluate organic growth initiatives and accretive acquisitions while maintaining a conservative leverage profile. In parallel, we remain committed to returning capital to shareholders through optimal investments allowing for future debt reduction and investment into our Normal Course Issuer Bid and will continue to deploy capital in a measured and value-focused manner.

"Overall, we are executing on strategic initiatives that strengthen the business and enhance operating leverage. With recent additions, an expanded technology offering and a more efficient operating structure, we believe the Company is well positioned to capture improving market conditions as activity levels gradually recover," said Tom Connors, ACT President and Chief Executive Officer.

FINANCIAL HIGHLIGHTS

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

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

⁽¹⁾ Refer to the 'Non-GAAP measures' section in this News Release.

OUTLOOK

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

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

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

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

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

⁽²⁾ Per Baker Hughes and Rig Locator.

RESULTS OF OPERATIONS

Financial

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

⁽¹⁾ Refer to the 'Non-GAAP measures' section in this News Release.

Operational

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

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

Strengthened market position in Canada resulting from deployment of additional technologies, combined with the acquisition of Stryker in US, translated into increased activity levels and meaningful revenue gains compared to the same quarter last year. Adjusted gross margins⁽²⁾ improved alongside higher revenues, while overall gross margin saw modest growth due to increased depreciation tied to the ongoing rollout of Rime MWD systems.

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

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.

SEGMENTED INFORMATION

United States

Revenues

U.S. revenues were \$83.2 million in 2026 Q1, an increase of \$1.6 million or 2%, compared to \$81.6 million in 2025 Q1. The Company experienced a 5% increase in operating days⁽¹⁾ in 2026 Q1 (2026 Q1 - 3,184 days; 2025 Q1 - 3,040 days). The Company's activity increased despite a 4% decrease in the average U.S. land rig count, mainly due to recent Stryker acquisition. The average revenues per operating day⁽¹⁾ decreased 3% in 2026 Q1 (2026 Q1 - \$26,122 per day; 2025 Q1 - \$26,847 per day). The decline is primarily due to the 4% decrease in the average USD-CAD foreign exchange rate over the prior period.

Direct costs

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

Canadian

Revenues

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

Direct costs

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

CONSOLIDATED

Revenues

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

Direct Costs

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

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

Gross margin and Adjusted gross margin⁽²⁾

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

Depreciation and amortization expense

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

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.

Selling, general and administrative (“SG&A”) expenses

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

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

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

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

Research and development (“R&D”) costs

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

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

Write-off of property, plant and equipment

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

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

Finance costs

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

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

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

Foreign exchange

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

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

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

Income tax expense (recovery)

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

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

LIQUIDITY AND CAPITAL RESOURCES

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

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

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

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

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

Normal course issuer bid

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

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

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

Syndicated and revolving credit facilities

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

- i. A Revolving Facility with an approximate principal amount of \$186.8 million comprised of: i) \$130.0 million Syndicated Revolving Facility ("CAD Syndicated Revolving Facility") and ii) \$15.0 million revolving facility provided by ATB Financial ("ATB Revolving Facility"), iii) USD \$10.0 million revolving facility provided by HSBC Bank USA, N.A. ("HSBC Revolving Facility") and iv) a new USD \$20.0 million 3 year Term Facility available to repay the Exchangeable Promissory Notes;

¹ Refer to the 'Non-GAAP measures' section in this News Release.

- ii. Interest rate remained unchanged as the financial institution's prime rate plus 1.0% to 1.75% or Canadian Overnight Repo Rate Average rate / Secured Overnight Financing Rate plus 2.0% to 2.75%;
- iii. The maturity date remained as March 21, 2028;
- iv. Increased the financial covenant of Consolidated Funded Debt to Consolidated Credit Agreement EBITDA ratio to 3.0:1 (previously required to be no less than 2.5:1). The Consolidated Interest Coverage ratio remained unchanged and shall not be less than 3.0:1. The Consolidated Fixed Charge Coverage Ratio shall not be less than 1.25:1; and
- v. The syndicate of lenders remained unchanged.

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

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

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

Contractual obligations and contingencies

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

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

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

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

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

Capital structure

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

NET CAPITAL EXPENDITURES

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

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

⁽¹⁾ Refer to the 'Non-GAAP measures' section in this News Release.

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

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

Given the current market uncertainty, the Company's 2026 gross and Net capital expenditures⁽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 2026 capital plan from cash flow - operating activities.

TRANSACTIONS

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

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

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

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, Net debt, Working capital and Net capital expenditures. Management believes these measures provide supplemental financial information that is useful in the evaluation of ACT's operations.

These non-GAAP measures are defined as follows:

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

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

¹ Refer to the 'Non-GAAP measures' section in this News Release.

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

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

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

The following tables provide reconciliations from the IFRS Accounting Standards to non-GAAP measures included in this News Release.

Adjusted gross margin

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

Adjusted EBITDAS

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

Free cash flow

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

Net debt

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

SUPPLEMENTARY FINANCIAL MEASURES AND OTHER DEFINITIONS

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

COMMON INDUSTRY TERMS

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

INDUSTRY PRICING METRICS

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

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

- i) **“WTI”** - West Texas Intermediate is a widely used benchmark price for light, sweet crude oil in North America and is a key reference point for crude oil pricing and industry activity levels;
- ii) **“bbl”** - is the standard unit of measurement for crude oil and stands for one barrel, equivalent to 42 U.S. gallon;
- iii) **“US NYMEX”** - refers to the benchmark price for natural gas traded on the New York Mercantile Exchange (“NYMEX”) and is widely used as the reference pricing indicator for North American natural gas markets; and
- iv) **“Mmbtu”** - stands for one million British thermal units and is a standard unit of measurement used to quantify the energy content of natural gas.

FORWARD LOOKING STATEMENTS

This 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 2026 Net capital expenditure budget and financing thereof;
- Given the current market uncertainty, partly as a result of the enacted and proposed U.S. tariffs, the Company’s 2026 Net capital expenditure budget will be dynamic and adjusted to reflect management’s expectation of future activity levels;
- The first quarter represented an important inflection point for the Company.
- The integration of Stryker Energy Directional Services in January and SB Directional Services in April meaningfully strengthens the U.S. footprint, expands the Company’s customer base and adds scale as the Company positions the business for an improving activity environment as it moves through 2026 and into 2027.
- In Canada, the Company’s market presence, expanding technology offering and focus on high-performance service delivery once again positioned it among the most active directional drilling providers during the quarter.
- While the Company’s foundation remains multilateral drilling, the continued adoption of rotary steerable and advanced technologies supported incremental activity and is expected to remain a key driver of utilization throughout the remainder of the year.

- As industry consolidation has reduced competitive capacity, the Company believes its streamlined operating model and expanding direct-to-operator relationships position it to benefit from even modest improvements in overall activity levels.
- The acquisitions of Stryker and SB added two experienced management teams, complementary customers and more than 30 incremental operating jobs per day.
- The integration of our proprietary motor and rotary steerable technology across the combined platform is expected to drive improved margins and returns over time.
- The Company's 2026 capital allocation strategy remains disciplined and balanced.
- The Company will continue to evaluate organic growth initiatives and accretive acquisitions while maintaining a conservative leverage profile.
- In parallel, the Company remains committed to returning capital to shareholders through optimal investments allowing for future debt reduction and investment into our Normal Course Issuer Bid and will continue to deploy capital in a measured and value-focused manner.
- The benefit of re-activation of certain equipment is expected to be realized in future periods.
- As the Company began to increase activity, certain of this work required new generation rental technologies, which the Company expects to displace in the upcoming months at minimal capital investment with quick paybacks.
- Overall, we are executing on strategic initiatives that strengthen the business and enhance operating leverage.
- With recent additions, an expanded technology offering and a more efficient operating structure, the Company believes it is well positioned to capture improving market conditions as activity levels gradually recover.
- Global energy markets entered 2026 with improving supply-demand fundamentals.
- Recent geopolitical instability has introduced additional uncertainty but has also reinforced the importance of secure North American supply, supporting a constructive medium-term commodity price environment.
- While public E&P capital programs are expected to remain disciplined in the near term, incremental activity from private operators is likely, providing modest upward pressure on drilling and completion activity.
- In Canada, second-quarter activity is expected to be stronger than the prior year, supported by continued adoption of rotary steerable technology and the compelling economics of multi-lateral drilling.
- Seasonal spring breakup and weather-related disruptions may create short-term variability; however, underlying demand fundamentals remain supportive.
- In the United States, the combined platform is currently operating at a high-water mark of more than 60 active jobs and is expected to steadily build activity as the year progresses.
- Industry consolidation, reduced service capacity and increased technology differentiation are expected to benefit well-capitalized, technically capable service providers.
- From an oilfield services perspective, activity recovery is likely to be gradual rather than cyclical in nature, favoring companies with scale, strong balance sheets and differentiated technology.
- The Company believes its expanded footprint, integrated service model and focus on higher-margin, technology-enabled work position the Company to outperform as activity levels normalize.

The 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 STATEMENTS OF FINANCIAL POSITION

As at March 31, 2026 and December 31, 2025

Canadian dollars in '000s

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Three months ended March 31, 2026 and 2025

Canadian dollars in '000s except per share amounts

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Three months ended March 31, 2026 and 2025

Canadian dollars in '000s

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

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended March 31, 2026 and 2025

Canadian dollars in '000s

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