



**Management's Discussion and Analysis**  
For the years ended December 31, 2025 and 2024

## Management's Discussion and Analysis

### BASIS OF PRESENTATION AND DESCRIPTION OF THE COMPANY

The following Management's Discussion and Analysis ("MD&A") of Cleantek Industries Inc. ("Cleantek" or the "Company," including references to "we," "our," "us," and "its") is a review of the Company's financial condition and results of operations for the years ended December 31, 2025 and 2024. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the years ended December 31, 2025 and 2024 (the "Annual Financial Statements"). All financial amounts are expressed in thousands of Canadian dollars unless otherwise indicated.

The Annual Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). This MD&A and the Annual Financial Statements have been prepared by management and approved by the Board of Directors (the "Board") as of April 29, 2026.

Cleantek Industries Inc. is an energy technology company headquartered in Calgary, Alberta, with manufacturing operations in Crossfield, Alberta and a US subsidiary, Apollo Lighting Solutions Inc., incorporated in Delaware. The Company designs, manufactures, and deploys patented industrial technology solutions that reduce both cost and carbon intensity across the wastewater management and industrial lighting sectors. Cleantek is listed on the TSX Venture Exchange ("TSXV") under the symbol CTEK.

### READER ADVISORIES

This MD&A contains forward-looking information and non-IFRS financial measures. Non-IFRS financial measures do not have standardized meanings under IFRS and may not be comparable to similar measures presented by other issuers. These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Refer to the "Non-IFRS Measurements" and "Forward-Looking Statements" sections of this MD&A for definitions, reconciliations, and applicable cautionary language.

### COMPANY OVERVIEW AND STRATEGY

Cleantek is a patented technology company operating across three revenue streams – equipment rentals, field services, and equipment sales – serving blue-chip exploration and production companies, mining operators, and industrial contractors across Canada, the United States, and international markets. The Company's product portfolio includes its HALO sustainable lighting systems, EcoSteam and CleanSteam wastewater dehydration units, DZeroE produced water evaporation systems, light towers, and SecureTek remote security solutions. Cleantek's business model generates recurring rental and service income through long-term customer relationships, supplemented by equipment sales to domestic and international buyers.

Total revenue grew 17% to \$13,765, driven by an \$847 increase in rental and service revenue and a \$1,131 increase in equipment sales. The growth in equipment sales, from \$460 in 2024 to \$1,591 in 2025, was primarily attributable to the expansion of the Company's international customer base, establishing Cleantek as a credible supplier to major oil and gas operators in overseas markets. Domestically, Cleantek advanced its CleanSteam-to-EcoSteam conversion program, converting additional units to natural gas and waste-gas capability, and grew HALO rental deployments year over year. Adjusted EBITDA increased 25% to \$4,560 and operating cash flow strengthened to \$2,768, demonstrating that revenue growth translated into genuine earnings power.

Subsequent to year-end, in January 2026, Cleantek announced the award of a contract for the supply and installation of up to 60 HALO SE Crown Mount lighting systems to an international customer in the United Arab Emirates – the largest single international contract in the Company’s history. Manufacturing of the units is underway at the Company’s Crossfield, Alberta facility. Deliveries are expected to commence in late Q2 2026 and continue through Q3 2026. Management has assessed this as a non-adjusting subsequent event under IFRS; accordingly, no revenue has been recognized in these financial statements. The Company continues to monitor geopolitical developments in the region and has reported no impact to its expected delivery schedule.

Cleantek’s near-term priorities are to execute on the ADNOC contract deliveries, sustain and expand its North American rental base, continue EcoSteam fleet conversion and deployment, and pursue strategic acquisitions that can serve as a platform for a potential TSX uplisting. The Company believes its combination of proprietary technology, an established North American rental infrastructure, and a growing international sales presence positions it to grow materially beyond the \$13,765 in revenue generated in 2025.

### HIGHLIGHTS FOR THE FOURTH QUARTER 2025

- Revenue of \$3,426 for the three months ended December 31, 2025, an increase of 17% from \$2,927 in Q4 2024, with growth across both rental and equipment sales.
- Gross profit of \$1,954, or 57% of revenue, compared to \$1,835, or 63% of revenue, in Q4 2024; margin compression reflects a shift in revenue mix toward equipment sales.
- Adjusted EBITDA of \$1,531, an increase of 26% from revised Q4 2024 of \$1,214, reflecting revenue growth and disciplined cost management.
- Net income of \$595, compared to \$1,466 in Q4 2024; the prior year quarter included a \$518 non-recurring gain on debt forgiveness and a more favourable foreign exchange gain of \$563 compared to the loss of \$160 experience in Q4 2025.
- General and administrative expenses of \$570, a decrease of \$221 from Q4 2024.
- Capital expenditures of \$236, compared to \$400 in Q4 2024.

### FINANCIAL AND OPERATIONAL HIGHLIGHTS

<i>(Canadian \$000's, except per share amounts)</i>	Three months ended			Years ended		
	December 31,			December 31,		
	2025	2024	Change	2025	2024	Change
Revenue	3,426	2,927	499	13,765	11,787	1,978
Gross profit	1,954	1,835	119	7,971	7,220	751
Gross profit percentage	57%	63%	(6%)	58%	61%	(3%)
Net income	595	1,466	(871)	940	1,263	(323)
Net income per share – basic	\$0.02	\$0.05	\$(0.03)	\$0.03	\$0.04	\$(0.01)
Net income per share – diluted	\$0.02	\$0.05	\$(0.03)	\$0.03	\$0.04	\$(0.01)
EBITDA <sup>(1)</sup>	1,330	2,298	(968)	3,936	4,564	(628)
Adjusted EBITDA - previously reported <sup>(1)</sup>	-	1,762	-	-	4,201	-
Adjusted EBITDA - revised <sup>(1)</sup>	1,531	1,214	317	4,560	3,653	907
Capital expenditures	236	400	(164)	1,383	745	638

(1) Management uses EBITDA and Adjusted EBITDA as supplementary financial measures in evaluating operating performance and the Company’s ability to generate cash flows. EBITDA is calculated as net income before finance costs, income taxes, and depreciation and amortization. Adjusted EBITDA is EBITDA further adjusted for share-based compensation, foreign exchange gains and losses on remeasurement of foreign currency monetary items, litigation expenses and settlements, executive severance, gains and losses on disposal of long-lived assets arising from involuntary or non-recurring events, and gains on debt forgiveness. Effective for the year ended December 31, 2025, the Company revised its definition of Adjusted EBITDA to exclude gains and losses on disposal of long-lived assets and gains on debt forgiveness, which were previously included in the measure, with comparative figures re-presented accordingly.

Working capital is calculated as current assets less current liabilities. Non-current debt is the non-current portion of long-term debt and lease liabilities. These measures do not have standardized meanings under IFRS and may not be comparable to similar measures presented by other issuers. See the Non-IFRS Measurements section of this MD&A for further discussion and reconciliations.

## EXPANSION AND OUTLOOK

Cleantek's commercial model is built on delivering technology solutions that reduce operating costs and improve efficiency across industrial operations. That strategy continued to gain traction in 2025, with revenue increasing 17%, adjusted EBITDA expanding 24%, and international sales emerging as a meaningful, growing revenue channel.

The Company's near-term priorities continue to be:

- Maximizing utilization rates of its current fleet of sustainable lighting solutions and wastewater treatment assets.
- Expanding and growing the Company's fleet of wastewater treatment assets to satisfy increased demand in the oil and gas, midstream, mining, industrial, and construction markets.
- Advancing its presence in international markets by expanding sales and rental activity of sustainable lighting and wastewater solutions.
- Evaluating new technology partnerships to diversify product offerings and customer groups.
- Evaluating acquisition and merger opportunities to augment growth and market diversification.

Cleantek enters 2026 with an extensive list of international opportunities, a rental fleet systematically upgraded through the EcoSteam program, and a contracted revenue catalyst in the UAE deliveries. The Company expects 2026 revenue to increase materially over its 2025 levels.

### International expansion

International equipment sales grew from \$25 in 2024 to \$1,314 in 2025, establishing Cleantek as a credible supplier to major international oil and gas operators. Further detail on the geographic breakdown of revenue and non-current assets is provided in Note 14 of the Annual Consolidated Financial Statements. Upon delivery, the January 2026 UAE contract for up to 60 HALO SE Crown Mount units, currently in production at Crossfield, is expected to represent the largest single-contract revenue event in the Company's history, marking a significant milestone in the execution of its international growth strategy.

### EcoSteam

Additional CleanSteam units were converted to EcoSteam configuration during 2025. Converted units operate on natural gas or waste gas, eliminating diesel consumption and materially reducing emissions relative to predecessor technology. Operational feedback has continued to exceed productivity targets, utilization remained strong throughout the year, and the Company is actively pursuing larger-scale EcoSteam project opportunities.

## RESULTS OF OPERATIONS

### Revenue

<i>(Canadian \$000's)</i>	Three months ended December 31,			Years ended December 31,		
	2025	2024	Change	2025	2024	Change
Rentals and services	2,993	2,902	91	12,174	11,327	847
Equipment sales	433	25	408	1,591	460	1,131
Total revenue	3,426	2,927	499	13,765	11,787	1,978

Revenue was \$13,765 for the year ended December 31, 2025, compared to \$11,787 in 2024, an increase of \$1,978 or 17%. Rental and service revenue grew \$847 to \$12,174, reflecting higher utilization across the HALO and EcoSteam fleets driven by increased domestic and international deployment activity. Equipment sales increased \$1,131 to \$1,591, compared to \$460 in 2024, reflecting the emergence of international equipment sales as a growing revenue channel. For the three months ended December 31, 2025, revenue was \$3,426 compared to \$2,927 in Q4 2024, an increase of \$499, with growth across both rental and equipment sales consistent with full-year trends.

### Direct operating expenses

<i>(Canadian \$000's)</i>	Three months ended December 31,			Years ended December 31,		
	2025	2024	Change	2025	2024	Change
Direct operating expenses	1,472	1,092	380	5,794	4,567	1,227
% of revenue	43%	37%	6%	42%	39%	3%
Gross profit	1,954	1,835	119	7,971	7,220	751
% of revenue	57%	63%	(6%)	58%	61%	(3%)

Direct operating expenses include salaries, wages, and other labour costs directly attributable to field operations; repairs and maintenance of rental equipment; transportation and mobilization costs associated with delivering and retrieving equipment from customer sites; cost of goods sold on equipment sales; and other direct field costs.

Direct operating expenses were \$5,794, or 42% of revenue, for the year ended December 31, 2025, compared to \$4,567, or 39% of revenue, for the same period in 2024. The \$1,227 increase reflects higher transportation and mobilization costs associated with international deployment activity, cost of goods sold on equipment sales, which were negligible in 2024, and fleet expansion costs as new EcoSteam and HALO assets were commissioned, partially offset by the higher revenue base over which fixed field costs were spread. For the three months ended December 31, 2025, direct operating expenses were \$1,472, or 43% of revenue, compared to \$1,092, or 37% of revenue, in Q4 2024, reflecting higher activity levels and mobilization costs in the quarter.

Gross profit was \$7,971, or 58% of revenue, for the year ended December 31, 2025, compared to \$7,220, or 61% of revenue, for the same period in 2024. The 3-percentage-point compression in gross margin reflects the deliberate shift in revenue mix toward international equipment sales, which carry margins below the Company's rental average. Adjusting for equipment sales, the underlying rental and service gross margin remained broadly stable. For the three months ended December 31, 2025, gross profit was \$1,954, or 57% of revenue, compared to \$1,835, or 63% of revenue, in Q4 2024. In absolute terms, the \$751 increase in gross profit demonstrates that top-line growth more than offset margin compression during the year.

## General and administrative expenses

<i>(Canadian \$000's)</i>	Three months ended			Years ended		
	December 31,			December 31,		
	2025	2024	Change	2025	2024	Change
Salaries and wages	266	641	(375)	2,098	1,897	201
Professional fees	51	52	(1)	556	669	(113)
Other general and administrative expenses	253	98	155	963	1,184	(221)
General and administrative expenses	570	791	(221)	3,617	3,750	(133)
% of revenue	17%	27%	(10%)	26%	32%	(6%)

General and administrative expenses consist of salaries, wages, and related benefits for corporate and administrative personnel; professional fees including audit, tax, legal, and consulting services; and other corporate overhead costs. These costs are distinct from direct operating expenses and represent the fixed cost base required to support Cleantek's public company obligations, financial reporting, and corporate governance requirements.

General and administrative expenses were \$3,617, or 26% of revenue, for the year ended December 31, 2025, compared to \$3,750, or 32% of revenue, in 2024, a decrease of \$133. The reduction as a percentage of revenue reflects the scalability of the Company's overhead structure as the revenue base expanded. Salaries and wages increased \$201 to \$2,098, reflecting higher compensation costs in the current year. Professional fees decreased \$113 to \$556, reflecting lower legal costs compared to the prior year. Other general and administrative expenses decreased \$221 to \$963, more than offsetting the increase in salaries. For the three months ended December 31, 2025, general and administrative expenses were \$570 compared to \$791 in Q4 2024, a decrease of \$221.

## EBITDA and adjusted EBITDA

Management uses EBITDA and Adjusted EBITDA as supplementary financial measures to evaluate operating performance and the Company's ability to generate cash flows independent of capital structure and non-cash charges. EBITDA is defined as net income before finance costs, income taxes, and depreciation and amortization. Adjusted EBITDA is EBITDA further adjusted for share-based compensation, foreign exchange gains and losses on remeasurement of foreign currency monetary items, and items that are episodic and not indicative of recurring earnings capacity, including gains and losses on disposal of long-lived assets, litigation expenses and settlements, executive severance, and gains on debt forgiveness. These measures do not have standardized meanings under IFRS and may not be comparable to similar measures presented by other issuers and should not be considered in isolation or as substitutes for performance measures prepared in accordance with IFRS.

Effective for the year ended December 31, 2025, the Company revised its definition of Adjusted EBITDA to exclude gains and losses on disposal of long-lived assets, and gains on debt forgiveness, which were previously included in the measure. Management believes this revised definition provides a more meaningful measure of underlying operating performance by removing episodic items that are not indicative of recurring earnings capacity and improves comparability with industry peers. In accordance with NI 52-112, comparative 2024 figures have been re-presented to conform to the current period presentation. As a result, Adjusted EBITDA for the year ended December 31, 2024 has been re-presented from \$4,201 to \$3,653, and for the three months ended December 31, 2024 from \$1,762 to \$1,214, reflecting the removal of the \$518 gain on debt forgiveness and the \$30 gain on disposal of long-lived assets from those periods.

<i>(Canadian \$000's)</i>	Three months ended December 31,			Years ended December 31,		
	2025	2024	Change	2025	2024	Change
Net income	595	1,466	(871)	940	1,263	(323)
Depreciation and amortization	496	566	(70)	2,025	2,265	(240)
Finance costs	219	192	27	886	926	(40)
Tax expense	20	74	(54)	85	110	(25)
EBITDA	1,330	2,298	(968)	3,936	4,564	(628)
Share-based compensation	41	34	7	157	106	51
Foreign exchange (gains) losses on remeasurement of foreign currency monetary items	160	(570)	730	437	(742)	1,179
Gain on disposal of long-lived assets	-	(30)	30	(43)	(30)	(13)
Gain on debt forgiveness	-	(518)	518	-	(518)	518
Legal settlement and severance	-	-	-	73	273	(200)
Adjusted EBITDA	1,531	1,214	317	4,560	3,653	907

The following table reconciles previously reported and revised Adjusted EBITDA for 2024:

<i>(Canadian \$000's)</i>	Three months ended December 31, 2024	Year ended December 31, 2024
Adjusted EBITDA – previously reported	1,762	4,201
Gain on disposal of long-lived assets	(30)	(30)
Gain on debt forgiveness	(518)	(518)
Adjusted EBITDA – revised	1,214	3,653

EBITDA was \$1,330 for the three months ended December 31, 2025 and \$3,936 for the year, compared to \$2,298 and \$4,564 for the same periods in 2024. The year-over-year decrease in EBITDA reflects the \$518 gain on debt forgiveness recognized in Q4 2024 and the \$1,179 unfavourable swing in net foreign exchange gains and losses on remeasurement of foreign currency monetary items, partially offset by the improvement in underlying gross profit and G&A discipline.

Adjusted EBITDA was \$1,531 for Q4 2025 and \$4,560 for the year ended December 31, 2025, representing increases of \$317 and \$907, respectively, over re-presented 2024 comparatives of \$1,214 and \$3,653. The 25% full-year improvement was driven by revenue growth across all geographies, gross profit expansion of \$751, and a \$133 reduction in G&A, partially offset by higher transportation and mobilization costs associated with increased international activity. Adjusted EBITDA margin improved from 31% in 2024 to 33% in 2025. Management views the Adjusted EBITDA trajectory as the most reliable indicator of the Company's earnings capacity.

### Depreciation and amortization

<i>(Canadian \$000's)</i>	Three months ended December 31,			Years ended December 31,		
	2025	2024	Change	2025	2024	Change
Depreciation and amortization	496	566	(70)	2,025	2,265	(240)

Depreciation is recognized on property and equipment and right-of-use assets on a straight-line basis over their estimated useful lives. Rental equipment is depreciated over two to twenty-five years depending on asset type and condition. Amortization is recognized on the Company's intangible assets, which consist primarily of patents.

Depreciation and amortization was \$2,025 for the year ended December 31, 2025, a decrease of \$240 compared to \$2,265 in 2024. The decrease reflects the derecognition of fully depreciated and disposed assets as part of the Company's ongoing fleet optimization program, partially offset by depreciation on EcoSteam conversion assets and new HALO Crown Mount additions placed into service during the year. For the three months ended December 31, 2025, depreciation and amortization was \$496, compared to \$566 in Q4 2024.

### Share-based compensation

<i>(Canadian \$000's)</i>	Three months ended December 31,			Years ended December 31,		
	2025	2024	Change	2025	2024	Change
Share-based compensation	41	34	7	157	106	51

Cleantek operates equity-settled share-based compensation programs designed to align management and employee interests with those of shareholders and to attract and retain qualified personnel in a competitive labour market.

The Company's Omnibus Long-Term Incentive Plan authorizes the granting of stock options, restricted share units ("RSUs"), performance share units, and deferred share units ("DSUs") to employees, officers, directors, and service providers. As at December 31, 2025, the Company had 1,542,500 options, 205,000 RSUs, and 300,000 DSUs outstanding. See Note 13 of the Annual Financial Statements for a full description of the Omnibus Plan terms and vesting conditions.

Share-based compensation expense was \$157 for the year ended December 31, 2025, compared to \$106 in 2024. The \$51 increase reflects additional stock option grants made in 2024 and 2025, partially offset by the vesting and settlement of RSUs during the year. The expense is non-cash and is added back in the calculation of Adjusted EBITDA.

### Finance costs

<i>(Canadian \$000's)</i>	Three months ended December 31,			Years ended December 31,		
	2025	2024	Change	2025	2024	Change
Interest on bank operating line	16	25	(9)	75	95	(20)
Interest on long-term debt	162	127	35	644	666	(22)
Amortization of deferred financing fees	11	11	-	42	42	-
Accretion of discount on promissory note	10	11	(1)	42	44	(2)
Interest on lease liabilities	20	16	4	85	79	6
Interest (income) expense	-	2	(2)	(2)	-	(2)
Total finance costs	219	192	27	886	926	(40)

Finance costs consist of interest on the Royal Bank of Canada ("RBC") operating line and Business Development Bank of Canada ("BDC") term and manufacturing facilities, amortization of deferred financing fees, accretion of the discount on the vendor promissory note, interest on lease liabilities, and interest income.

Finance costs were \$886 for the year ended December 31, 2025, compared to \$926 in 2024, a decrease of \$40. Interest on the RBC operating line decreased \$20 to \$75, reflecting lower average balances on the facility during the year. Interest on long-term debt decreased \$22 to \$644, reflecting the benefit of scheduled principal repayments on the BDC term loan, partially offset by incremental interest on BDC manufacturing facility drawdowns, which increased from \$365 at December 31, 2024 to \$1,567 at

December 31, 2025 as the Company funded EcoSteam conversions and HALO fleet additions. The BDC term loan bears interest at a fixed rate of 8.20% and the manufacturing facility at BDC's floating base rate plus 0.45%, which was 7.00% at December 31, 2025. Amortization of deferred financing fees and accretion of the promissory note discount were consistent at \$42 each. Interest on lease liabilities increased \$6 to \$85, reflecting a higher average lease liability balance during the year. Interest income of \$2 was recognized on cash balances held during the year. Payments of cash interest for the year were \$804. For the three months ended December 31, 2025, finance costs were \$219 compared to \$192 in Q4 2024, an increase of \$27, reflecting higher outstanding balances on the BDC manufacturing facility relative to the prior year quarter.

#### Gains, losses, and other expense (income):

<i>(Canadian \$000's)</i>	Three months ended December 31,			Years ended December 31,		
	2025	2024	Change	2025	2024	Change
Gain on disposal of long-lived assets	-	(30)	30	(43)	(30)	(13)
Gain on debt forgiveness	-	(518)	518	-	(518)	518
Foreign exchange (gain) loss	160	(563)	723	439	(734)	1,173
Other expense (income)	(147)	(178)	31	(135)	82	(217)

In 2025, the Company recognized a net gain on disposal of long-lived assets of \$43, reflecting dispositions in the normal course of fleet optimization and early termination of vehicle leases, compared to a net gain of \$30 on similar activity in 2024. No gain on debt forgiveness was recognized in 2025, compared to a \$518 gain in 2024 arising from the forgiveness of a vendor obligation, which was non-recurring in nature.

Net foreign exchange loss was \$160 for the three months and \$439 for the year ended December 31, 2025, compared to a gain of \$563 and \$734 respectively for the same periods in 2024, representing an unfavourable variance of \$723 and \$1,173 respectively. The balance comprises primarily translation differences on USD-denominated monetary items. Following the intragroup restructuring completed effective December 31, 2025, intercompany balances have been formalized under a structured USD-denominated promissory note which is eliminated at the consolidated level, with translation differences recognized in other comprehensive income as cumulative translation adjustment rather than through net income. This is expected to materially reduce foreign exchange volatility in net income in future periods.

Other income of \$147 for the three months and \$135 for the year ended December 31, 2025 reflects an insurance recovery in respect of legal costs previously incurred in connection with former members of senior management. In 2024, other income of \$178 for the three months and other expense of \$82 for the year reflected executive severance costs associated with the change in Chief Executive Officer in July 2024, partially offset by an insurance recovery related to hail damage at the Company's Texas operations and sublease income from unused office space.

#### Income taxes

<i>(Canadian \$000's)</i>	Three months ended December 31,			Years ended December 31,		
	2025	2024	Change	2025	2024	Change
Current tax expense	20	74	(54)	85	110	(25)
Deferred tax expense	-	-	-	-	-	-
Total tax expense	20	74	(54)	85	110	(25)

Income taxes consist of current and deferred income taxes. Current income taxes arise primarily from the taxable income of Apollo Lighting Solutions Inc. in the United States.

The Company's US operations are subject to federal income tax at a rate of 21.68% and are limited to applying prior year tax losses against a maximum of 80% of current year taxable income, resulting in a current tax liability even in years where cumulative losses exist. In Canada, the Company has significant unrecognized deferred tax assets arising from accumulated losses; no deferred tax expense or recovery is recognized in Canada as recovery of these assets is not currently considered probable.

The Company recognized current income tax expense of \$85 in 2025, compared to \$110 in 2024, with no deferred tax expense or recovery recognized in either year. The reduction reflects lower taxable income in the US subsidiary in 2025 relative to 2024.

## Net income

<i>(Canadian \$000's)</i>	Three months ended December 31,			Years ended December 31,		
	2025	2024	Change	2025	2024	Change
Net income	595	1,466	(871)	940	1,263	(323)

Net income for the three months ended December 31, 2025 was \$595, compared to \$1,466 in Q4 2024. The prior year quarter included a \$518 non-recurring gain on debt forgiveness and \$563 of net foreign exchange gains, which together accounted for the majority of the Q4 2024 result. Absent these items, the underlying Q4 2024 operating result was materially lower. The Q4 2025 result reflects a normalized operating period with no comparable non-recurring items and compares favourably to the combined net income of \$345 generated across the first three quarters of 2025.

Net income for the year ended December 31, 2025 was \$940, compared to \$1,263 in 2024, a decrease of \$323. The year-over-year decline is primarily attributable to two factors that did not recur in 2025: a \$518 gain on debt forgiveness recognized in 2024, and a \$1,173 unfavourable swing in foreign exchange results, from a net gain of \$734 in 2024 to a net loss of \$439 in 2025. Excluding these items, the Company's underlying operating performance improved, supported by a 17% increase in revenue, gross profit growth of \$751, and a \$133 reduction in general and administrative expenses. These improvements are reflected in the 25% increase in Adjusted EBITDA and are further corroborated by operating cash flow of \$2,768 in 2025, compared to \$2,188 in 2024.

## CAPITAL EXPENDITURES

<i>(Canadian \$000's)</i>	Three months ended December 31,			Years ended December 31,		
	2025	2024	Change	2025	2024	Change
Rental equipment additions and assets under construction	213	400	(187)	1,203	745	458
Automotive	-	-	-	173	-	173
Office equipment	23	-	23	7	-	7
Total capital expenditures	236	400	(164)	1,383	745	638

Cleantek invested \$1,383 in capital expenditures during 2025, compared to \$745 in 2024, reflecting continued investment in disciplined fleet growth aligned with customer demand. Capital expenditures include amounts capitalized to property and equipment and assets under construction; costs associated with units completed and transferred to inventory are excluded and recognized through cost of goods sold in accordance with the revenue recognition criteria applicable to each contract. Rental equipment and assets under construction additions of \$1,203 included expansion of the HALO Crown Mount fleet to support domestic and international deployment activity, continuation of the EcoSteam conversion program, and procurement of capital spare parts to sustain operational reliability. Automotive additions of \$173

comprised two vehicles and a loader acquired to support field operations capacity, with no comparable expenditure in 2024. Office equipment additions were \$7 in 2025 compared to nil in 2024.

For the three months ended December 31, 2025, capital expenditures were \$236, compared to \$400 in Q4 2024, reflecting the timing of fleet additions during the year.

## SUPPLEMENTAL QUARTERLY INFORMATION

The table below summarizes Cleantek's quarterly financial and operational highlights for the eight quarters ended December 31, 2025.

<i>(Canadian \$000's except per share amounts)</i>	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4	2024 Q3	2024 Q2	2024 Q1
Revenue	3,426	3,282	3,352	3,705	2,927	2,779	2,411	3,670
Gross profit	1,954	1,889	1,782	2,346	1,835	1,729	1,285	2,371
Gross profit %	57%	58%	53%	63%	63%	62%	53%	65%
Net income (loss)	595	352	(457)	450	1,466	(212)	(512)	521
Net income (loss) per share- basic (\$)	\$0.02	\$0.01	\$(0.02)	\$0.02	\$0.05	\$(0.01)	\$(0.02)	\$0.02
Net income (loss) per share - diluted (\$)	\$0.02	\$0.01	\$(0.02)	\$0.02	\$0.05	\$(0.01)	\$(0.02)	\$0.02
EBITDA <sup>(1)</sup>	1,330	1,135	278	1,193	2,298	553	309	1,404
Adjusted EBITDA – previously reported <sup>(1)</sup>	-	-	-	-	1,762	971	258	1,210
Adjusted EBITDA - revised <sup>(1)</sup>	1,531	985	778	1,266	1,214	1,004	228	1,207
Total assets	14,485	14,516	14,537	15,192	13,641	12,907	13,410	14,379
Working capital deficit <sup>(1)</sup>	(482)	(919)	(1,242)	(1,028)	(1,939)	(2,901)	(3,184)	(2,739)
Non-current debt <sup>(1)</sup>	6,788	7,145	7,493	7,525	7,085	7,120	7,381	7,758
Total non-current liabilities	6,788	7,145	7,493	7,525	7,085	7,166	7,427	7,804

(1) These items are not defined and have no standardized meaning under IFRS. Please see the Non-IFRS Measurements section of this MD&A for further discussion of these items, and where applicable, reconciliations to measures calculated in accordance with IFRS.

Cleantek's results exhibit seasonal patterns consistent with the broader oilfield services sector. Activity levels in the oil and gas industry tend to be strongest in the first and fourth quarters, when winter conditions in Western Canada increase demand for lighting and heating solutions and operators accelerate programs before spring break-up. Q2 and Q3 results are typically softer, reflecting reduced drilling and completion activity during warmer months and the spring road ban period.

Revenue ranged from \$2,411 to \$3,705 across the eight quarters presented, with Q1 2025 representing the strongest quarter at \$3,705 and Q2 and Q3 reflecting normal seasonal softness. Q4 2025 revenue of \$3,426 improved year over year from \$2,927 in Q4 2024, supported by continued rental activity and international equipment sales.

Gross profit margin has been relatively consistent, ranging from 53% to 65%, with the modest compression observed in 2025 relative to 2024 reflecting the deliberate shift in revenue mix toward international equipment sales as discussed in the Results of Operations section.

Net income has been impacted by non-recurring items in several quarters. The Q4 2024 result of \$1,466 was disproportionately influenced by the \$518 gain on debt forgiveness and favourable foreign exchange movements, while Q2 and Q3 2024 reflected losses associated with the CEO transition and foreign exchange movements. The 2025 quarters reflect a more normalized earnings profile absent comparable non-recurring items, with Q4 2025 net income of \$595 representing the strongest quarter of the year.

Adjusted EBITDA on a revised basis has trended positively, improving from a range of \$228 to \$1,214 across the 2024 quarters to \$778 to \$1,531 in 2025, reflecting the Company's growing revenue base, stable gross margins, and disciplined overhead structure. The working capital deficit narrowed materially over the course of 2025, from \$(1,939) at December 31, 2024 to \$(482) at December 31, 2025, reflecting improved operating cash generation and active management of the Company's liquidity position.

## SUPPLEMENTAL ANNUAL INFORMATION

The following table summarizes Cleantek's key consolidated annual financial and operational metrics for the three fiscal years ended December 31, 2025, 2024, and 2023. The 2025 column reflects the first year of meaningful international revenue contribution and a return to organic Adjusted EBITDA growth following the normalization of the Company's cost structure in 2024.

<i>(Canadian \$000's except per share amounts)</i>	Years ended December 31,		
	2025	2024	2023
Revenue	13,765	11,787	13,989
Gross profit	7,971	7,220	8,385
Gross profit percentage	58%	61%	60%
Net income (loss)	940	1,263	(1,823)
Net income (loss) per share – basic	\$0.03	\$0.04	\$(0.07)
Net income (loss) per share – diluted	\$0.03	\$0.04	\$(0.07)
EBITDA <sup>(1)</sup>	3,936	4,564	2,185
Adjusted EBITDA - previously reported <sup>(1)</sup>	-	4,201	4,050
Adjusted EBITDA - revised <sup>(1)</sup>	4,560	3,653	4,006
Capital expenditures	1,383	745	1,117
Total assets	14,485	13,641	15,263
Working capital deficit <sup>(1)</sup>	(482)	(1,939)	(2,942)
Non-current debt <sup>(1)</sup>	6,788	7,085	8,470
Total non-current liabilities	6,788	7,085	8,516

(1) These items are not defined and have no standardized meaning under IFRS. Please see the Non-IFRS Measurements section of this MD&A for further discussion of these items, and where applicable, reconciliations to measures calculated in accordance with IFRS.

## CONSOLIDATED LIQUIDITY AND CAPITAL RESOURCES

Cleantek's capital resources consist of cash generated from operations, a revolving operating line of credit with RBC term and manufacturing debt facilities with BDC. The Company's capital management objective is to maintain sufficient liquidity to service debt obligations, fund fleet investments, and support contracted growth initiatives, while preserving covenant headroom and managing leverage within lender-defined parameters. The Company's assets are encumbered as follows: RBC holds a first charge on accounts receivable, and BDC holds a first charge on fixed assets. The primary levers available to management for capital structure adjustment are operating cash flow generation, selective asset disposals, and access to equity capital markets.

The following table sets out the components of Cleantek's capital structure as at December 31, 2025 and December 31, 2024:

<i>(Canadian \$000's)</i>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Current assets	4,554	3,228
Current liabilities	5,036	5,167
Working capital (deficit)	(482)	(1,939)
Long-term debt – non-current	(6,087)	(6,534)
Lease liabilities – non-current	(701)	(551)
Shareholders' equity	(2,661)	(1,389)
	<b>(9,931)</b>	<b>(10,413)</b>

At December 31, 2025, Cleantek had current assets of \$4,554 and current liabilities of \$5,036, resulting in a working capital deficit of \$(482), compared to a deficit of \$(1,939) at December 31, 2024. The \$1,457 improvement reflects growth in accounts receivable with higher revenue activity and collection timing. Non-current debt, comprising the non-current portions of long-term debt and lease liabilities, decreased to \$6,788 at December 31, 2025, from \$7,085 at December 31, 2024, reflecting scheduled principal repayments during the year. Shareholders' equity increased to \$2,661 from \$1,389, driven by net income of \$940, share-based compensation of \$157, and the foreign currency translation adjustment recognized in other comprehensive income during the year.

### Debt and credit facilities

Debt and credit facilities are comprised of the following:

<i>(Canadian \$000's)</i>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b>Current debt</b>		
Bank Operating Line	1,046	1,486
<b>Long-term debt</b>		
BDC loans	7,181	6,940
Loans payable	149	406
Promissory notes	460	478
	<b>7,790</b>	<b>7,824</b>
Current portion of long-term debt		
BDC loans	1,621	1,002
Loans payable	63	270
Promissory notes	19	18
	<b>1,703</b>	<b>1,290</b>
Non-current portion of long-term debt		
BDC loans	5,560	5,938
Loans payable	86	136
Promissory notes	441	460
	<b>6,087</b>	<b>6,534</b>

The following table presents the changes in long-term debt for the years ended December 31:

<i>(Canadian \$000's)</i>	2025	2024
Balance at January 1,	7,824	8,719
Proceeds from long-term debt	1,480	365
Repayment of long-term debt	(2,235)	(1,497)
Interest on long-term debt	644	666
Gain on debt forgiveness	-	(518)
Accretion of deferred financing fees	42	42
Accretion on promissory note	42	47
Foreign exchange adjustment	(7)	-
Balance at December 31,	7,790	7,824

#### Bank operating line – RBC

The Company maintains a revolving operating line of credit with RBC, providing for borrowings of up to \$2,500, with availability determined monthly based on a prescribed percentage of eligible accounts receivable. Borrowings bear interest at RBC prime plus 1.00% and are secured by the Company's accounts receivable. As at December 31, 2025, the outstanding balance was \$1,046 (December 31, 2024 – \$1,486), with available borrowing capacity of \$2,111 (December 31, 2024 – \$1,862).

#### Term loan and manufacturing facilities – BDC

<i>(Canadian \$000's)</i>	December 31, 2025	December 31, 2024
BDC term loan	5,803	6,806
BDC manufacturing financing facility	1,567	365
Deferred financing costs	(189)	(231)
	7,181	6,940
Current portion of BDC loans	1,621	1,002
Non-current portion of BDC loans	5,560	5,938

The Company holds a non-revolving term loan with BDC with an original advance of \$7,200, bearing interest at a fixed rate of 8.20% per annum for the initial three-year term. Blended monthly payments of \$127 are required, with the facility maturing July 10, 2030, following an amendment executed in September 2024. The facility is secured by the fixed assets of the Company and its subsidiary. As at December 31, 2025, the outstanding balance was \$5,803 (December 31, 2024 – \$6,806).

In July 2024, the Company established a manufacturing financing facility with BDC providing for borrowings of up to \$4,000 to finance the manufacture and purchase of additional rental equipment. Advances are available until July 25, 2026, after which any undrawn capacity will be cancelled. The facility bears interest at BDC's floating base rate plus 0.45%, which was 7.00% at December 31, 2025 (December 31, 2024 – 7.55%), and matures June 28, 2031. As at December 31, 2025, \$1,567 was outstanding under the facility (December 31, 2024 – \$365), reflecting drawdowns to fund EcoSteam conversions and HALO fleet additions during the year, with \$2,266 of undrawn capacity remaining.

#### Other debt

Vehicle term loans of \$149 (December 31, 2024 – \$406) finance field operations vehicles at fixed rates of 3.99% to 8.99% per annum with terms of 48 to 60 months. The vendor promissory note, carried at amortized cost of \$460 (December 31, 2024 – \$478), represents a non-interest-bearing obligation originally converted from an accounts payable balance in January 2021, repayable in monthly instalments of \$5. The note is repayable upon the earlier of a change of control, a liquidity event, or such time as the Company has sufficient financial capacity to retire the outstanding principal.

### Covenant compliance

The RBC operating line and both BDC facilities are subject to a Fixed Charge Coverage ratio covenant of not less than 1.10 to 1.0, measured on a trailing twelve-month basis. The RBC facility is additionally subject to a Funded Debt to Adjusted EBITDA ratio of not more than 3.0 to 1.0. For covenant purposes, Adjusted EBITDA is defined under the respective credit agreements and may differ from the non-GAAP measure used elsewhere in this MD&A. As at December 31, 2025 and December 31, 2024, the Company was in compliance with all covenants under each of its credit facilities.

### OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any special purpose entities or off-balance sheet arrangements and is not a party to any arrangements that could have a current or future material effect on its financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

### SHARE CAPITAL

The following table sets out Cleantek's outstanding Common Shares and dilutive equity instruments as at December 31, 2025 and December 31, 2024:

	December 31, 2025	December 31, 2024
Common shares	29,315,377	29,260,377
Stock options	1,542,500	987,500
Warrants	500,000	500,000
RSUs	270,000	619,170
DSUs	300,000	300,000
Total outstanding securities	31,927,877	31,667,047

As of the date of this MD&A, Cleantek had 29,315,377 Common Shares outstanding.

### ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

Cleantek is committed to operating safely, ethically, and sustainably. The Company maintains active environmental, health, and safety ("EHS") programs including field worker monitoring, third-party EHS audits, and comprehensive safety training aligned with applicable regulatory requirements and customer standards. Cleantek's executive team places the highest priority on workforce safety and environmental stewardship, and these commitments are embedded in its hiring, procurement, and subcontractor selection processes.

The Board provides oversight of Cleantek's safety and sustainability performance, including review of EHS policies, assessment of regulatory compliance, and evaluation of the Company's approach to workforce wellbeing, environmental impact, and community engagement. Management reports to the Board on safety and sustainability matters on a regular basis.

### RISK ASSESSMENT

Cleantek is subject to risks, some common to all businesses and others specific to the oilfield services and clean technology sectors.

Many of these risks are outside of the Company's control. The risks and uncertainties described below are not the only risks that the Company faces. Additional risks and uncertainties, including those of which management is not currently aware, or which are currently deemed immaterial, may adversely affect the Company. Any of these factors, either alone or taken together, could have a material adverse effect on the Company and could change whether any forward-looking statements are ultimately realized.

While these risks cannot be eliminated, management is committed to proactively monitoring and, where possible, mitigating their impact through consistent policies, procedures, and clearly defined responsibilities.

## Business risks

### Revolving credit facility risk

Cleantek's RBC operating line is a demand loan secured by the Company's accounts receivable balance. While it is unlikely the operating line would be demanded upon unless there was a sustained pattern of non-compliance with the facility terms, such as a breach in covenants, failure to deliver reporting, or other material adverse events, such outcomes cannot be excluded. If RBC demanded repayment of the operating line, Cleantek would have 90 days to collect on outstanding receivables and repay the loan balance or seek alternative financing. There can be no assurance that additional debt or equity financing will be available on terms acceptable to Cleantek should this occur. The Company's inability to raise capital could impede its growth and could materially adversely affect its business, financial condition, results of operations, and cash flows.

### Foreign currency risk

The Company conducts a portion of its operations and generates a portion of its revenue in US dollars through its wholly owned subsidiary, Apollo Lighting Solutions Inc., and through international equipment sales denominated in US dollars. As a result, the Company is exposed to foreign exchange risk arising from fluctuations in the Canadian dollar relative to the US dollar. Changes in exchange rates may adversely affect the Company's reported revenue, earnings, and the carrying value of its foreign currency-denominated assets and liabilities when translated into Canadian dollars for financial reporting purposes. The Company does not currently use derivative financial instruments to hedge its foreign exchange exposure, and there can be no assurance that exchange rate movements will not have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

### Liquidity and access to capital risk

The Company's ability to fund its operations, service its debt obligations, and execute on its growth strategy depends on its access to sufficient liquidity and capital. The Company's primary sources of liquidity include cash generated from operations, its revolving operating line with RBC, and term debt facilities with BDC. There can be no assurance that these sources will be sufficient to meet the Company's requirements, or that additional debt or equity financing will be available on terms acceptable to the Company when needed. Failure to obtain adequate financing could impair the Company's ability to pursue growth opportunities, meet its obligations as they become due, and could have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows.

### Business development risk

In implementing its strategy, Cleantek may pursue new business or growth opportunities. There is no assurance that Cleantek will be successful in executing those opportunities. Cleantek may have difficulty executing its strategy because of, among other things, increased competition, difficulty entering new markets or geographies, difficulties in introducing new products, the ability to attract qualified personnel, barriers to entry into geographic markets, and changes in regulatory requirements.

### Personnel and labour availability risk

Cleantek may not be able to find enough skilled and/or unskilled labour to meet its needs, and this could limit growth. Shortages of qualified personnel have occurred in the past during periods of high demand. The demand for qualified oilfield services personnel generally increases with stronger demand for oilfield

services. Increased demand typically leads to higher wages that may or may not be reflected in any increases in service rates. The nature of Cleantek's work requires skilled employees who can perform physically demanding work. Volatility in the oilfield services industry and the demanding nature of the work may prompt employees to pursue other kinds of jobs that offer a more desirable work environment and wages competitive to Cleantek's. Cleantek's success depends on its ability to continue to employ and retain skilled technical personnel and qualified oilfield personnel. If Cleantek is unable to do so, it could have a material adverse effect on Cleantek's business, financial condition, results of operations and cash flows.

#### Competitive risk

Each of the markets in which Cleantek participates is highly competitive. To be successful, a service provider must provide services that meet the specific needs of oil and natural gas exploration and production companies at competitive prices. The principal competitive factors in the markets in which Cleantek operates are price, product and service quality and availability, technical knowledge, environmentally friendly equipment, experience and reputation for safety. Cleantek competes with large national and multi-national oilfield service companies that have extensive financial and other resources. These companies offer a wide range of services and technologies in all geographic regions in which Cleantek operates. In addition, Cleantek competes with several regional competitors. As a result of competition, Cleantek may suffer from a significant reduction in revenue or be unable to pursue additional business opportunities.

#### Customer concentration risk

Cleantek has a number of key customers that, in aggregate, generate a significant portion of the Company's revenue. In particular, the Company's international equipment sales activity is concentrated among a limited number of customers in the Middle East, and its domestic rental revenue is similarly dependent on a core group of oil and gas producers and contractors. There can be no assurance that the Company's relationships with these customers will continue, and a significant reduction or total loss of business from any one of them, if not offset by sales to new or existing customers, would have a material adverse effect on Cleantek's business, financial condition, results of operations and cash flows. The Company continues to pursue diversification of its customer base across both domestic and international markets to reduce this concentration risk.

#### International operations risk

The Company has expanded its operations into international markets, including the Middle East, through its relationship with an international agent and the award of contracts with international oil and gas customers. International operations expose the Company to risks not present in its domestic business, including foreign regulatory and permitting requirements, geopolitical uncertainty, cultural and logistical complexities, reliance on local commercial partners for market access, and potential delays in mobilization, installation, and payment collection. The Company's ability to execute on its international growth strategy is dependent in part on the continued performance of its commercial partners, the stability of the regions in which it operates, and its ability to manage the operational and financial complexities of delivering equipment and services across multiple jurisdictions. There can be no assurance that the Company will be successful in expanding its international presence, and any failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

#### Trade policy and tariff risk

The United States government has implemented tariffs on Canadian goods, and the Government of Canada has introduced retaliatory measures in response. This trade uncertainty has created considerable disruption to cross-border economic activity and may have direct and indirect adverse effects on the Company.

Specifically, tariffs or retaliatory measures could increase the cost of components and equipment sourced across the Canada-United States border, reduce capital spending by the Company's oil and gas customers, or otherwise negatively impact demand for the Company's services. Implementation of further legislative or regulatory measures by either government could impose additional costs on the Company, decrease demand for its customers' products, or otherwise adversely affect the Company's business, financial condition, results of operations and cash flows. The Company continues to monitor this situation and assess its potential impact; however, many of these factors are outside of its control.

#### Operational hazard risk

Cleantek's operations are subject to hazards inherent in the oil and natural gas industry, such as equipment defects, malfunction and failures, operator error and natural disasters which can result in fires, vehicle accidents, explosions and uncontrollable flows of natural gas or well fluids that can cause personal injury, loss of life, suspension of operations, damage to formations, damage to facilities, business interruption and damage to or destruction of property, equipment and the environment. These hazards could expose Cleantek to substantial liability for personal injury, wrongful death, property damage, loss of oil and natural gas production, pollution, contamination of drinking water and other environmental damages. Cleantek continuously monitors its activities for quality control and safety, and although Cleantek maintains insurance coverage that it believes to be adequate and customary in the industry, such insurance may not be adequate to cover potential liabilities and may not be available in the future at rates that Cleantek considers reasonable and commercially justifiable. The occurrence of a significant event that Cleantek is not fully insured against, or the insolvency of the insurer of such event, may have a material adverse effect on Cleantek's business, financial condition, results of operations and cash flows.

#### Health, safety, and environmental regulation risk

Cleantek is subject to increasingly stringent and complex federal, provincial, state and local laws and regulations relating to the protection of employees and the environment, including laws and regulations governing occupational health and safety standards, air emissions, chemical usage, water discharges, waste management and plant and wildlife protection. Cleantek incurs, and expects to continue to incur, significant capital, managerial and operating costs to comply with such health, safety and environmental laws and regulations. Violation of these laws and regulations could lead to loss of accreditation, damage to Cleantek's social license to operate, loss of access to markets and substantial fines and penalties which could have a material adverse effect on Cleantek's business, financial condition, results of operations and cash flows.

Cleantek uses and generates hazardous substances and wastes in its operations. Since Cleantek provides services to companies producing oil and natural gas, it may also become subject to claims relating to the release of such substances into the environment. Some environmental laws and regulations provide for joint and several strict liability related to spills and releases of hazardous substances for damages to the environment and natural resources or threats to public health and safety. Strict liability can render a potentially responsible party liable for damages irrespective of negligence or fault. Accordingly, Cleantek could become subject to potential material liabilities relating to the investigation and cleanup of contaminated properties, and to claims alleging personal injury or property damage as the result of exposures to, or releases of, hazardous substances. In addition, stricter enforcement of existing laws and regulations, new laws and regulations, the discovery of previously unknown contamination or the imposition of new or increased requirements could require Cleantek to incur costs or become the basis of new or increased liabilities that could reduce its earnings and cash available for operations.

#### Safety performance risk

Standards for the prevention of incidents in the oilfield services industry are governed by service company safety policies and procedures, accepted industry safety practices, customer-specific safety requirements

and health and safety legislation. To ensure compliance, Cleantek has developed and implemented safety and training programs which it believes meet or exceed the applicable standards. A key factor considered by customers in retaining oilfield service providers is safety. Deterioration of Cleantek's safety performance could result in a decline in the demand for Cleantek's services and could have a material adverse effect on its business, financial condition, results of operations and cash flows.

#### Reputational risk

As a result of the widespread usage, speed and global reach of social media and other internet resources used to generate, publish and discuss user-generated content, companies today are at risk of losing control over how they are perceived in the marketplace. Damage to Cleantek's reputation may result from the actual or perceived occurrence of any number of events related to Cleantek's operational or ESG performance and could include negative publicity with respect to Cleantek's handling of environmental matters and social issues. While Cleantek is committed to protecting its image and reputation, it does not have direct control over how others perceive it. Reputation loss may lead to decreased shareholder confidence and impediments to Cleantek's ability to conduct its operations, with the potential to adversely affect Cleantek's business, financial condition, results of operations, and cash flows.

#### Technology and equipment innovation risk

The ability of Cleantek to meet its customers' performance and cost expectations will depend upon continuous improvements in operating equipment. There can be no assurance that Cleantek will be successful in its efforts in this regard or that it will have the resources available to meet this continuing demand. Failure by Cleantek to do so could have a material adverse effect on Cleantek's business, financial condition, results of operations and cash flows.

#### Intellectual property risk

The success and ability of Cleantek to compete depends on the proprietary technology of Cleantek, proprietary technology of third parties that has been, or is required to be, licensed by Cleantek and the ability of Cleantek and such third parties to prevent others from copying such proprietary technology. Cleantek currently relies on intellectual property rights and other contractual or proprietary rights, including copyright, trademark laws, trade secrets, confidentiality procedures, contractual provisions, licences and patents to protect its proprietary technology. Cleantek also relies on third parties from whom licences have been received to protect their proprietary technology. Cleantek may have to engage in litigation to protect its patents or other intellectual property rights, or to determine the validity or scope of the proprietary rights of others. This kind of litigation can be time-consuming and expensive, regardless of whether Cleantek is successful. The process of seeking patent protection can itself be long and expensive, and there can be no assurance that any patent applications of Cleantek or such third parties will actually result in issued patents, or that, even if patents are issued, they will be of sufficient scope or strength to provide meaningful protection or any commercial advantage to Cleantek. Furthermore, others may develop technology that is similar or superior to the technology of Cleantek or such third parties or design technology in such a way as to bypass the patents owned by Cleantek and/or such third parties.

Despite the efforts of Cleantek or such third parties, the intellectual property rights, particularly existing or future patents, of Cleantek or such third parties may be invalidated, circumvented, challenged, infringed or required to be licensed to others. It cannot be assured that any steps Cleantek or such third parties may take to protect their intellectual property rights and other rights to such proprietary technology that is central to Cleantek's operations will prevent misappropriation, infringement, or the termination of licenses from third parties.

### Cybersecurity and information risk

Cleantek's efforts to protect its confidential information, as well as the confidential information of its customers, may be unsuccessful due to the actions of third parties, software bugs or other technical malfunctions, employee error or malfeasance, lost or damaged data as a result of a natural disaster, data breach, intentional harm done to software by hackers, or other factors. If any of these events occur, this information could be accessed or disclosed improperly. Any incidents involving unauthorized access to confidential information could damage Cleantek's reputation and diminish its competitive position. In addition, the affected customers could initiate legal or regulatory action against Cleantek in connection with such incidents, which could cause Cleantek to incur significant expense. During 2025, the Company obtained cyber liability insurance coverage as part of its ongoing efforts to mitigate the financial impact of potential cybersecurity incidents; however, such coverage may not be sufficient to fully offset losses arising from a significant breach or data loss event. Any of these events could have a material adverse effect on Cleantek's business, financial condition, results of operations, and cash flows.

### Supply chain and equipment delivery risk

Cleantek's ability to expand its operations may, in part, depend upon timely delivery of new equipment and component parts. Equipment suppliers and fabricators may be unable to meet their planned delivery schedules for a variety of reasons, which may include skilled labour shortages, the inability to source component parts in a timely manner, complexity of new technology and inadequate financial capacity. Failure of equipment suppliers and fabricators to meet their delivery schedules and to provide high-quality working equipment and component parts may have a material adverse effect on Cleantek's business, financial condition, results of operations and cash flows.

### Greenhouse gas regulation and climate policy risk

The Company's operations may be affected by existing and future greenhouse gas regulations at both the federal and provincial levels, including mandatory carbon pricing programs and emissions reduction requirements under the federal Greenhouse Gas Pollution Pricing Act and the Alberta Emissions Management and Climate Resilience Act. Potential further federal or provincial requirements may impose additional costs on Cleantek's operations and require the reduction of emissions or emissions intensity from Cleantek's operations and facilities. Taxes on greenhouse gas emissions and mandatory emissions reduction requirements may result in increased operating costs and capital expenditures for oil and natural gas producers, thereby decreasing the demand for Cleantek's services. The federal carbon levy, mandatory emissions reduction programs, and the industry emissions cap in Alberta may also impair Cleantek's ability to provide its services economically and reduce the demand for Cleantek's services. Cleantek is unable to predict the impact of current and pending climate change and emissions reduction legislation, and it is possible that such legislation would have a material adverse effect on Cleantek's business, financial condition, results of operations and cash flows.

### Merger and acquisition risk

Merger and acquisition activity amongst oil and natural gas exploration and production companies may constrain demand for Cleantek's services as clients focus on reorganizing their businesses prior to committing funds to exploration and development projects. Further, the acquiring company may have preferred supplier relationships with oilfield service providers other than Cleantek.

### Key personnel risk

Cleantek's success depends in large measure on certain key personnel. Many critical responsibilities within Cleantek's business have been assigned to a small number of employees. The loss of their services could disrupt Cleantek's operations. In addition, Cleantek does not maintain key person life insurance policies on any of its employees, so Cleantek is not insured against any losses resulting from the death of its key

employees. The competition for qualified personnel in the oilfield services industry is intense and there can be no assurance that Cleantek will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

#### Labour relations risk

Union attempts to organize Cleantek's employees could negatively affect Cleantek's business. None of Cleantek's employees are currently subject to a collective bargaining agreement. As Cleantek expands its operations, unions may attempt to organize all or part of its employee base. Responding to such organization attempts may divert the attention and efforts of management and employees and may have a negative financial impact on Cleantek's business. The maintenance of a productive and efficient labour environment and, in the event of unionization of these employees, the successful negotiation of a collective bargaining agreement, cannot be assured. Protracted and extensive work stoppages or labour disruptions such as strikes or lockouts could have a material adverse effect on Cleantek's business, financial condition and results of operations.

#### Tax reassessment risk

Cleantek Industries Inc. and its subsidiaries have filed all required income tax returns and believe that they are in full compliance with the provisions of applicable taxation legislation. However, tax authorities having jurisdiction over Cleantek may disagree with how Cleantek calculates its income (loss) for tax purposes or could change administrative practices to Cleantek's detriment. A successful reassessment of Cleantek's income tax filings by a tax authority may have an impact on current and future taxes payable, which could have a material adverse effect on Cleantek's financial condition and cash flows.

#### Growth and scalability risk

Cleantek's ability to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. If Cleantek is unable to effectively manage this growth, it could have a material adverse effect on Cleantek's business, financial condition, results of operations and cash flows.

#### Counterparty risk

Cleantek is party to contracts, transactions and business relationships with various third parties, pursuant to which such third parties have performance, payment and other obligations to it. If any of these third parties were to become subject to bankruptcy, receivership or similar proceedings, Cleantek's rights and benefits in relation to its contracts, transactions and business relationships with such third parties could be terminated, modified in a manner adverse to it, or otherwise impaired. Cleantek cannot make any assurances that it would be able to arrange for alternate or replacement contracts, transactions or business relationships on terms as favourable as its existing contracts, transactions or business relationships, if at all. Any inability on Cleantek's part to do so could have a material adverse effect on its business and results of operations.

#### Market price volatility risk

The market price of Common Shares could be subject to significant fluctuations which could materially reduce the market price of Common Shares regardless of the Company's operating performance. The factors that could cause significant disruption in the market price of Common Shares may include actual or anticipated changes or fluctuations in Cleantek's operating results, adverse market reaction to any indebtedness it may incur or securities it may issue in the future, litigation or regulatory action, significant acquisitions, business combinations or other strategic actions or capital commitments by or involving Cleantek or its competitors, recruitment or departure of key personnel and investors' general perception and reactions to Cleantek's public disclosure and filings.

In addition, broad market and industry factors may harm the market price of Common Shares. As a result, the market price of Common Shares may fluctuate based upon factors external to Cleantek and that may have little or nothing to do with Cleantek, including expectations of market analysts, positive or negative recommendations or withdrawal of research coverage by analysts, publication of research reports or news stories about Cleantek, its competitors or its industry and changes in general political, economic, industry and market conditions and trends.

#### Share dilution risk

Cleantek cannot predict the size of future issuances of Common Shares or the effect, if any, that future issuances and sales of Common Shares will have on the market price of Common Shares. Sales of substantial amounts of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for Common Shares.

#### Dividend risk

Cleantek currently expects to retain all available funds for use in the operation and growth of its business and does not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Board, subject to compliance with applicable law and any contractual provisions and other agreements for indebtedness it may incur that restrict or limit its ability to pay dividends, and will depend upon, among other factors, its results of operations, financial condition, earnings, capital requirements and other factors that the Board deems relevant.

#### Financial risks

Cleantek's activities expose the Company to market risk, credit risk, and liquidity risk.

#### Market risk

Market risk is the risk that changes in market conditions will affect the Company's net income or the value of its financial instruments. The Company is exposed to interest rate risk, foreign currency risk, and commodity price risk, each of which is described below.

##### *Interest rate risk*

Interest rate risk arises from the Company's variable-rate borrowings under the RBC operating line and BDC manufacturing facility. A 1% change in interest rates would impact net income by approximately \$25 (2024 – \$85). The reduction in sensitivity reflects lower average balances on the RBC operating line during 2025, as the BDC term loan bears interest at a fixed rate and is excluded from the sensitivity calculation.

##### *Foreign exchange risk*

Foreign exchange risk represents the risk that changes in foreign currency exchange rates will affect the Company's financial position, results of operations, or cash flows. The Company is primarily exposed to U.S. dollar risk arising from the operations of its U.S. subsidiary, whose functional currency is U.S. dollars, as well as U.S. dollar-denominated monetary assets and liabilities held by the Canadian parent.

The Company manages foreign currency risk primarily through natural hedging by aligning U.S. dollar revenues with U.S. dollar expenses where possible. The Company does not currently use derivative financial instruments to hedge its foreign currency exposure.

Foreign exchange differences arising on the translation of the financial statements of foreign operations are recognized in other comprehensive income and accumulated in equity as a cumulative translation adjustment. Foreign exchange gains and losses recognized in profit or loss arise primarily from the remeasurement of U.S. dollar-denominated monetary items, including intercompany balances. While such intercompany balances are eliminated on consolidation, foreign exchange impacts arising during the period are recognized in profit or loss prior to elimination and may give rise to volatility in reported earnings.

There were no significant changes in the Company's exposure to foreign currency risk, its risk management objectives, or the methods used to measure such risk compared to the prior year.

#### *Commodity price risk*

The Company is indirectly exposed to commodity price risk, as its customers operate primarily in the oil and gas sector and may be affected by volatility in commodity prices. Fluctuations in commodity prices could impact customer activity levels and, in turn, demand for the Company's services and equipment.

#### *Credit risk*

Credit risk is managed through ongoing monitoring of customer creditworthiness, payment history, and receivables aging. The five largest customers accounted for 45% of accounts receivable and 30% of revenue for the year ended December 31, 2025, compared to 35% and 27%, respectively, at and for the year ended December 31, 2024, reflecting the Company's concentration within the oil and gas, mining, and construction sectors. The increase in accounts receivable over 90 days past due to \$670 at December 31, 2025 from \$95 at December 31, 2024 is attributable primarily to delayed collections on international equipment sales, where the establishment of a new customer relationship and associated payment bond requirements resulted in administrative delays in the settlement of outstanding balances. These balances have since been collected subsequent to December 31, 2025 and management does not consider any additional provisioning to be required. The provision for doubtful accounts was \$35 at December 31, 2025, compared to \$51 at December 31, 2024.

#### *Liquidity risk*

Liquidity risk is managed through the RBC operating line, BDC facilities, and operating cash flow. As at December 31, 2025, available capacity under the RBC operating line was \$2,111. Subsequent to December 31, 2025, the Company entered into a contract for the supply of up to 60 HALO SE Crown Mount units to an international customer, which is expected to generate significant cash inflows upon delivery and provide additional near-term liquidity. Management expects that cash on hand, available credit facilities, and contracted revenue activity will be sufficient to meet the Company's obligations for at least the next twelve months, though a sustained decline in customer activity could adversely impact covenant compliance and available liquidity.

### **ACCOUNTING STANDARDS, CHANGES AND PRONOUNCEMENTS**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. A summary of the Company's significant accounting policies is set out in Note 3 of the Annual Financial Statements.

#### **Future accounting pronouncements**

In May 2024, the IASB issued Amendments to IFRS 9 – Financial Instruments, and IFRS 7 – Financial Instruments: Disclosures relating to the classification and measurement of financial instruments. The amendments clarify the classification and measurement of financial instruments, including, the timing of derecognition of financial assets and liabilities, and related enhanced disclosure requirements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted. The amendments are to be applied retrospectively, with specific transition reliefs. The Company has not early adopted these amendments. Management is currently assessing the potential impact of the amendments on the Company's consolidated financial statements, including the classification and measurement of financial assets and liabilities and the related disclosure requirements.

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements, which replaces IAS 1 – Presentation of Financial Statements, effective for annual reporting periods beginning on

or after January 1, 2027, with early adoption permitted. The new standard sets out the requirements for presentation and disclosures in the financial statements. Management is currently assessing the impact the standard will have on the consolidated financial statements.

## CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Significant areas of estimation uncertainty include the useful lives and residual values of property and equipment, the measurement of warranty provisions, the realizability of deferred tax assets, and the assessment of expected credit losses on accounts receivable. A full discussion of the Company's critical accounting estimates, judgments, and assumptions is set out in Note 2 of the Annual Financial Statements for the year ended December 31, 2025. There have been no material changes to the use of estimates during the year.

## RELATED PARTY BALANCES AND TRANSACTIONS

### Management compensation

Key management personnel comprise the Company's executive officers and members of the Board of Directors. Compensation paid or accrued to key management personnel for the year ended December 31, 2025 included salaries and benefits of \$724 and share-based compensation of \$142, for total key management compensation of \$866. The comparative period of 2024 included \$1,103 of salaries and benefits, which included severance costs associated with the CEO and President transition in July 2024, for total key management compensation of \$1,172.

### Executive loan facility

In connection with the September 5, 2024 private placement for gross proceeds of \$150, the Company provided an unsecured executive loan of \$50 to the President and Chief Executive Officer to facilitate participation in the offering. The loan bears interest at the CRA prescribed rate (3% at December 31, 2025), subject to quarterly adjustment. The maturity date was extended to December 31, 2026 pursuant to an amendment dated November 11, 2025. The full outstanding balance is classified as current and presented within other assets on the consolidated statement of financial position.

## COMMITMENTS AND CONTINGENCIES

The following table summarizes the expected timing of cash outflows relating to financial liabilities, lease liabilities, and other commitments as at December 31, 2025:

<i>(Canadian \$000's)</i>	Carrying amount <sup>(1)</sup>	< 1 year	2 to 3 years	4 to 5 years	Thereafter	Contractual outflows
<b>Financial liabilities</b>						
Accounts payable and accrued liabilities	1,867	1,867	-	-	-	1,867
Bank operating line <sup>(5)</sup>	1,046	1,046	-	-	-	1,046
Long-term debt <sup>(2)</sup>						
BDC loans <sup>(3)</sup>	7,370	2,153	4,134	2,412	-	8,699
Loans payable	149	70	78	20	-	168
Promissory notes	460	60	120	120	485	785
	10,892	5,196	4,332	2,552	485	12,565

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**Lease liabilities and other commitments**

Lease liabilities	1,121	487	754	43	-	1,284
Other operating and capital commitments <sup>(4)</sup>	-	195	132	10	-	337
	1,121	682	886	53	-	1,621

(1) Includes the current and non-current portions.

(2) Amounts include principal and interest portions, except for the Bank Operating Line.

(3) Carrying amount excludes deferred financing charges of \$189. Amounts are based on term loan balances including principal and interest based on the three-year fixed rate assuming rate is maintained for the duration of the loan.

(4) Includes leased property operating cost and property tax commitments.

(5) Operating line is interest only and both the loan balance and the rate are variable. The Bank Operating line is a demand loan and is considered current as a result.

Total contractual obligations of \$14,186 reflect financial liabilities of \$12,565, comprising accounts payable and accrued liabilities of \$1,867, the RBC operating line of \$1,046, and long-term debt contractual outflows of \$9,652 across BDC term and manufacturing facilities of \$8,699, vehicle loans of \$168, and vendor promissory notes of \$785, together with lease liabilities and other operating and capital commitments of \$1,621.

The majority of near-term obligations falling due within one year, excluding the RBC operating line of \$1,046 which is separately classified as current given its demand nature, total \$4,832 and are expected to be funded through operating cash flows and available capacity under the RBC operating line. Long-term debt repayments are weighted toward the two-to-five-year window, with \$5,218 due in the two-to-three-year period and \$2,605 in the four-to-five-year period, consistent with the maturity profiles of the BDC facilities.

### Litigation and claims

The Company is involved in litigation and claims arising in the ordinary course of business. Management has assessed these matters and determined that they are not expected to have a material impact on the Company's consolidated financial position or results of operations.

### NON-IFRS MEASUREMENTS

Cleantek uses certain financial measures referred to in this MD&A to quantify its results that are not prescribed by IFRS. The following terms: "EBITDA", "adjusted EBITDA", "working capital" and "noncurrent debt" are not recognized measures under IFRS and may not be comparable to that reported by other companies. Cleantek believes that, in addition to measures prepared in accordance with IFRS, the non-IFRS measurements provide useful information to evaluate the Company's performance and ability to generate cash, profitability and meet financial commitments. These non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

### SUBSEQUENT EVENTS

Management evaluated subsequent events occurring after December 31, 2025, through April 29, 2026, the date these financial statements were authorized for issuance.

On January 22, 2026, the Company announced the award of an international contract for the supply and installation of up to 60 HALO SE Crown Mount lighting systems for a project in the United Arab Emirates. Manufacturing of the units is progressing at the Company's Crossfield, Alberta facility, with deliveries expected to commence in late Q2 2026 and continue through Q3 2026. The Company continues to monitor developments in the Middle East region and has confirmed no impact to the expected delivery schedule at this time. Revenue and associated costs related to this contract will be recognized in future periods as the Company satisfies its performance obligations in accordance with IFRS 15.

Management has assessed this event and determined that it represents a non-adjusting subsequent event, as the conditions giving rise to the contract did not exist at December 31, 2025. Accordingly, no amounts have been recognized in these financial statements in respect of this event.

No other subsequent events requiring adjustment or disclosure were identified.

## FORWARD LOOKING STATEMENTS

Certain statements in this MD&A constitute forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of historical fact are forward-looking statements and are identified by words or phrases such as "anticipates," "believes," "expects," "intends," "may," "plans," "will," "projects," or similar expressions suggesting future outcomes. Forward-looking statements in this MD&A include, without limitation, statements relating to:

- Expanding and growing the Company's fleet of wastewater treatment and industrial lighting assets to satisfy increased demand across the oil and gas, midstream, mining, industrial, and construction markets.
- The manufacture and delivery of up to 60 HALO SE Crown Mount units under the UAE contract, including the timing of deliveries commencing in late Q2 2026 and continuing through Q3 2026.
- The expectation that the UAE contract will represent the largest single-contract revenue event in the Company's history.
- The recognition of revenue and associated costs under the UAE contract in accordance with IFRS 15 as performance obligations are satisfied.
- The Company's ability to maintain compliance with financial covenants under its RBC and BDC credit facilities.
- The sufficiency of cash on hand, available credit facilities, and contracted revenue activity to meet the Company's obligations for at least the next twelve months.
- The expected reduction in foreign exchange volatility in consolidated net income following the intragroup restructuring completed effective December 31, 2025.
- The continued expansion of the EcoSteam conversion program and HALO fleet to support domestic and international demand.
- The Company's ability to collect outstanding receivables and manage credit risk.
- The Company's outlook for revenue growth and Adjusted EBITDA improvement in 2026.

Forward-looking statements are based on assumptions about future events, including assumptions regarding commodity prices, customer demand, exchange rates, the performance of international distribution partners, the timing of equipment deliveries under the UAE contract, and the Company's ability to maintain covenant compliance and access sufficient liquidity. Actual results could differ materially from those expressed or implied as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are outside the Company's control, including those described in the Risk Assessment section of this MD&A.

Although management believes that the expectations reflected in the forward-looking statements are reasonable, no assurance can be provided that such expectations will prove to be accurate. Forward-looking statements are made as of the date of this MD&A, and the Company undertakes no obligation to update or revise them as a result of new information, future events, or otherwise, except as required by applicable securities laws.

### **ADDITIONAL INFORMATION**

Additional information regarding Cleantek and its business is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.cleantekinc.com](http://www.cleantekinc.com). The Company's registered office is located at Suite 1210, 520 – 5th Avenue SW, Calgary, Alberta, Canada, T2P 3R7. Investor inquiries may be directed to [info@cleantekinc.com](mailto:info@cleantekinc.com).