CLEANTEK INDUSTRIES

Management's Discussion and Analysis

For the six months ended June 30, 2026 and 2025

TSXV: CTEK
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MANAGEMENT’S DISCUSSION AND ANALYSIS

BASIS OF PRESENTATION AND DESCRIPTION OF THE COMPANY

The following Management’s Discussion and Analysis (“MD&A”) of the financial condition and results of operations for Cleantek Industries Inc. (“Cleantek” or the “Company” which includes references to “we”, “our”, “us”, “its”), is a review of the operations, current financial position and condition for the six months ended June 30, 2026 (“Q2 2026”) and June 30, 2025 (“Q2 2025”) and should be read in conjunction with the Company’s unaudited condensed consolidated interim financial statements for the six months ended June 30, 2026 and the audited consolidated financial statements for the years ended December 31, 2025 and 2024 (“Annual Financial Statements”). All amounts are in thousands of Canadian dollars unless otherwise indicated.

The condensed consolidated interim financial statements of Cleantek have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. This MD&A and the unaudited condensed consolidated interim financial statements of Cleantek have been prepared by management and approved by the board of directors (the “Board”) as of August 13, 2026.

Cleantek, headquartered in Calgary, Alberta, is an innovative provider of patented, clean technology solutions focused on reducing both cost and carbon intensity in the wastewater management and industrial lighting sectors across North America. Cleantek is a publicly traded company listed on the TSX Venture Exchange (the “TSXV”) under the trading symbol CTEK.

READER ADVISORIES

This MD&A contains forward-looking statements and references financial measures not defined under IFRS, included to assist readers in comparing metrics to those disclosed by industry peers. This MD&A should be read in conjunction with the "Non-IFRS Measurements" and "Forward-Looking Information" sections at the end of this document.

COMPANY OVERVIEW AND STRATEGY

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

The second quarter of 2026 was the strongest revenue quarter in the Company's history, with total revenue of $5,126, an increase of 53% over the second quarter of 2025. The result is particularly notable given it was achieved during a period of seasonally reduced activity in the North American market, highlighting the growing contribution of the Company's international expansion. Second quarter Adjusted EBITDA was $1,426 and net income was $518, compared to $779 and a net loss of $(456), respectively, in the prior-year quarter. For the six months ended June 30, 2026, total revenue was $8,640 (2025 – $7,057), Adjusted EBITDA was $2,427 (2025 – $2,045), and net income was $735, compared to a net loss of $(7) for the same period in 2025.

The defining development of the quarter was the ramp-up of deliveries under the HALO International Program, the Company's contract to supply up to 60 HALO SE Crown Mount lighting systems to an international customer in the Middle East and the largest single contract in the Company's history. Effective June 2026, the Company amended its distribution arrangement for the program such that its regional distributor assumed responsibility for local execution and installation, together with the associated revenue, margin, and performance guarantee, while the Company supplies the HALO SE Crown Mount lighting systems on a delivered basis and retains responsibility for product design, manufacturing, warranty, and technical support. This restructuring reduces the Company's direct operational exposure in the region while preserving product margin and aligning payment with delivery. During the quarter, the Company shipped and billed 20 units under the program. In parallel, the Company completed its first commercial sale into the South American market, marking its initial entry into that region as part of its broader international expansion strategy.

The growth in international activity was supported by a significant investment in working capital during the period, as the Company funded the procurement of materials and the build of inventory ahead of delivery. As a result, the Company reported working capital of $3,115 at June 30, 2026, compared to a deficit of $(482) at December 31, 2025, and cash used in operating activities of $271 for the six-month period, with the earnings generated during the period more than offset by the working capital build. This investment was funded in part through drawdowns on the Company's BDC facilities.

Cleantek's near-term strategic priorities are executing on international contract deliveries, sustaining and expanding its North American rental base, advancing the EcoSteam fleet conversion and utilization program, and evaluating strategic acquisition opportunities that would expand its fleet, diversify its revenue streams, and leverage its existing tax attributes and operational infrastructure. Management believes the Company's combination of proprietary technology, established rental infrastructure, and growing international commercial presence positions Cleantek to grow materially beyond the $13,765 in revenue generated in fiscal 2025, and to access broader capital markets over time.

HIGHLIGHTS FOR THE SECOND QUARTER 2026

- Achieved record quarterly revenue of $5,126, a 53% increase over the same period in 2025, particularly notable given the second quarter is typically a period of seasonally reduced activity in the North American market.

- Grew Adjusted EBITDA to $1,426, compared to $779 in the prior-year quarter, and returned to profitability with net income of $518, compared to a net loss of $(456).
- Generated record equipment sales of $2,205 in the quarter, up from $668 a year earlier, driven by deliveries under the HALO International Program.
- Restructured the Company's largest international contract, the HALO International Program, to a delivered-supply model that transfers in-region execution and installation risk to its regional distributor while preserving product margin.
- Completed the Company's first commercial sale into the South American market, marking its initial entry into the region as part of its broader international expansion strategy.
- Strengthened the balance sheet to a working capital surplus of $3,115 at June 30, 2026, compared to a deficit of $(482) at December 31, 2025, reflecting investment in inventory and materials to support international deliveries.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	Three months ended June 30			Six months ended June 30		
(Canadian $000's, except per share amounts)	2026	2025	Change	2026	2025	Change
Revenue	5,126	3,352	1,774	8,640	7,057	1,583
Gross profit	2,615	1,782	833	4,690	4,128	562
Gross profit percentage	51%	53%	(2%)	54%	58%	(4%)
Net income	518	(456)	974	735	(7)	742
Net income per share – basic	$0.02	$(0.02)	$0.03	$0.03	$(0.00)	$0.03
Net income per share – diluted	$0.02	$(0.02)	$0.03	$0.02	$(0.00)	$0.02
EBITDA (1)	1,301	279	1,022	2,279	1,472	807
Adjusted EBITDA (1)	1,426	779	647	2,427	2,045	382
Capital expenditures	397	134	263	812	819	(7)

(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 gained further traction during the second quarter of 2026, as the Company commenced deliveries under the largest international contract in its history while sustaining its core North American rental base.

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;
- Executing on the HALO International Program for the supply of up to 60 HALO SE Crown Mount lighting systems, of which 20 have been delivered;

- 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; and,
- Evaluating acquisition and merger opportunities to augment growth and market diversification.

Cleantek enters the balance of 2026 with a contracted international revenue catalyst in active execution, a rental fleet systematically upgraded through the EcoSteam program, and the mounting international momentum.

International expansion

During the second quarter of 2026, the Company reached a significant milestone in its international growth strategy with the commercial delivery of HALO lighting systems into new and expanding international markets.

Under the HALO International Program, the Company executed sales of 20 HALO SE Crown Mount lighting systems, representing the largest single-contract revenue event in the Company's history. Four of these units were delivered under the original terms of the arrangement, with the remaining 16 following the June 30, 2026 amendment, under which the Company supplies units on a delivered basis while its regional distributor assumes responsibility for local execution and installation.

Separately, the Company completed its first commercial sale into the South American market, further expanding its international presence beyond the Middle East.

EcoSteam

The Company continued to advance its EcoSteam conversion and utilization program through Q2 2026. Converted units operate on natural gas or waste gas, eliminating diesel consumption and materially reducing emissions relative to predecessor technology. Customer response to the converted fleet has been positive, and the EcoSteam platform positions Cleantek to capture a growing share of demand from operators prioritizing emissions reduction and lower total cost of ownership in their wastewater management programs. The Company is actively pursuing larger-scale EcoSteam project opportunities, which management expects will contribute to fleet expansion and revenue growth in 2026 and beyond.

HALO crown mount

The HALO is Cleantek's flagship sustainable lighting solution and the primary driver of the Company's rental revenue across its North American operations. Designed to replace conventional diesel-powered light towers, it delivers superior illumination coverage while eliminating fuel consumption and reducing emissions at the point of use, offering a compelling value proposition to operators facing pressure to reduce both operating costs and environmental footprint.

Domestic HALO deployments grew during the second quarter of 2026, contributing to a 9% increase in rental revenue over the prior-year quarter despite the period's typical seasonal softness. The platform's performance in North American operations has been instrumental in establishing Cleantek's credibility with major international operators, culminating in the award of the HALO International Program in January 2026 and its execution during the current quarter.

Management views the HALO as a scalable platform with meaningful runway for both domestic fleet growth and international expansion and expects the execution of the HALO International Program to serve as a reference deployment for future international opportunities.

Strategic acquisitions

Cleantek's organic growth strategy is complemented by an active evaluation of acquisition opportunities that can expand the Company's product offering, customer base, or geographic reach. Management's acquisition criteria prioritize targets that generate recurring revenue, operate in sectors aligned with Cleantek's existing customer relationships, and can be integrated without materially increasing the Company's overhead structure. Priority considerations include targets with meaningful tax pools, complementary fleet assets, and operational synergies that enhance the Company's existing service offering.

The Company views strategic acquisitions as a potential accelerant to its growth agenda. Management believes that executing on this strategy positions the Company to access broader capital markets over time, including a potential uplisting to the Toronto Stock Exchange, which would expand access to institutional capital, broaden the investor base, and enhance the Company's profile with potential international customers and partners. Management continues to evaluate opportunities in this regard and will pursue transactions that it believes will create long-term shareholder value.

No acquisitions were completed during the six months ended June 30, 2026. The Company will provide disclosure in accordance with applicable securities laws upon entering into any definitive agreements.

RESULTS OF OPERATIONS

Cleantek's operating model is designed to generate durable earnings across varying activity levels. The Company's recurring rental base provides a stable revenue foundation, while its lean cost structure and disciplined overhead management protect margins through periods of investment and transition. Q2 2026 reflects both of those qualities: stable core operations running in parallel with significant preparation activity for a contracted revenue event that management expects to be transformative for the Company's scale.

Revenue

	Three months ended June 30			Six months ended June 30		
(Canadian $000's)	2026	2025	Change	2026	2025	Change
Rentals and services	2,921	2,684	237	6,270	6,111	159
Equipment sales	2,205	668	1,537	2,370	946	1,424
Total revenue	5,126	3,352	1,774	8,640	7,057	1,583

Total revenue for the three months ended June 30, 2026 was $5,126, an increase of $1,774, or 53%, compared to $3,352 for the three months ended June 30, 2025, representing the Company's strongest second-quarter revenue to date. For the six months ended June 30, 2026, total revenue was $8,640, an increase of $1,583, or 22%, compared to $7,057 for the corresponding period in 2025. The increase in both periods was primarily attributable to higher equipment sales, with a further contribution from rental and service revenue.

Rental and services

Rental revenue increased $237, or 9%, to $2,921 for the three months ended June 30, 2026 (2025 – $2,684), and increased $159, or 3%, to $6,270 for the six months ended June 30, 2026 (2025 – $6,111). The increase was supported by elevated drilling activity in the Western Canadian Sedimentary Basin, where industry well and active rig counts reached multi-year highs during the quarter, underpinned by higher crude oil prices and increased exploration and production capital spending. This growth was achieved notwithstanding a number of rain-related delays in Alberta during the latter part of the quarter, which temporarily constrained field activity and equipment deployment.

Equipment sales

Equipment sales increased $1,537, or 230%, to $2,205 for the three months ended June 30, 2026 (2025 – $668), and increased $1,424, or 151%, to $2,370 for the six months ended June 30, 2026 (2025 – $946). The increase was primarily attributable to activity under the HALO International Program.

During the quarter, the Company executed 20-unit sales under the HALO International Program in the Middle East. Effective June 30, 2026, the Company and its regional distributor amended their distribution agreement in respect of the program, under which the distributor assumed responsibility for local execution, installation, site logistics, field health and safety, and the associated performance guarantee, together with the related installation revenue and margin. The Company remains responsible for product design, manufacturing, warranty and technical support, and supplies the HALO SE Crown Mount on a delivered basis. Management believes this arrangement reduces the Company's direct operational exposure in the region while preserving product margin and aligning payment with the delivery of units.

Separately, and outside the HALO International Program, the Company completed its first commercial sale into the South American market during the quarter, comprising two HALO SE Crown Mounts. The transaction represents the initial phase of a broader project that, subject to customer requirements and project progression, could result in the deployment of up to 15 additional units by the end of 2026. This transaction represents the Company's initial entry into South America and is consistent with its broader international expansion strategy.

Direct operating expenses

	Three months ended June 30			Six months ended June 30		
(Canadian $000's)	2026	2025	Change	2026	2025	Change
Salaries and wages	822	791	31	1,565	1,558	7
Repairs and maintenance	121	80	41	264	195	69
Transportation and mobilization	238	222	16	510	495	15
Cost of goods sold	991	226	765	1,029	283	746
Other direct costs	339	251	88	582	398	184
Total direct operating expenses	2,511	1,570	941	3,950	2,929	1,021
% of revenue	49%	47%	2%	46%	42%	4%
Gross profit	2,615	1,782	833	4,690	4,128	562
% of revenue	51%	53%	(2%)	54%	58%	(4%)

Direct operating expenses

Total direct operating expenses increased $941, or 60%, to $2,511 for the three months ended June 30, 2026 (2025 – $1,570), and increased $1,021, or 35%, to $3,950 for the six months ended June 30, 2026 (2025 – $2,929). As a percentage of revenue, direct operating expenses were 49% for the quarter (2025 – 47%) and 46% year-to-date (2025 – 42%).

The increase in both periods was primarily driven by cost of goods sold, which increased $765, or 338%, to $991 for the quarter (2025 – $226), and increased $746, or 264%, to $1,029 year-to-date (2025 – $283). The increase corresponds to the higher volume of equipment sales under the HALO International Program, the cost of which is recognized within direct operating expenses on delivery of the units.

Repairs and maintenance increased $41, or 51%, for the quarter and $69, or 35%, year-to-date, and other direct costs increased $88, or 35%, for the quarter and $184, or 46%, year-to-date, reflecting higher fleet activity during the period. Salaries and wages and transportation and mobilization costs were largely consistent with the comparative periods.

Gross profit

Gross profit increased $833, or 47%, to $2,615 for the three months ended June 30, 2026 (2025 – $1,782), and increased $562, or 14%, to $4,690 for the six months ended June 30, 2026 (2025 – $4,128), reflecting the higher revenue described above.

Gross profit as a percentage of revenue decreased to 51% for the quarter (2025 – 53%) and to 54% year-to-date (2025 – 58%). The decline was primarily attributable to a shift in revenue mix toward equipment sales, which increased to 43% of total revenue for the quarter (2025 – 20%) and 27% year-to-date (2025 – 13%). Equipment sales carry lower gross margins than rental revenue, and the higher proportion of equipment sales in the current periods reduced the overall gross profit percentage, notwithstanding the increase in gross profit in absolute terms.

General and administrative expenses

	Three months ended June 30			Six months ended June 30		
(Canadian $000's)	2026	2025	Change	2026	2025	Change
Salaries and wages	687	614	73	1,307	1,252	55
Professional fees	237	128	109	414	359	55
Other general and administrative expenses	359	264	95	625	479	146
General and administrative expenses	1,283	1,006	277	2,346	2,090	256
% of revenue	25%	30%	(5%)	27%	30%	(2%)

General and administrative expenses increased $277, or 28%, to $1,283 for the three months ended June 30, 2026 (2025 – $1,006), and increased $256, or 12%, to $2,346 for the six months ended June 30, 2026 (2025 – $2,090). Notwithstanding these increases, general and administrative expenses decreased as a percentage of revenue to 25% for the quarter (2025 – 30%) and 27% year-to-date (2025 – 30%), as revenue growth outpaced the increase in general and administrative costs.

The increase was primarily attributable to a $118 prior-period PST assessment recognized within other general and administrative expenses during the quarter. The assessment is non-recurring and is added back in the calculation of Adjusted EBITDA. Excluding this item, general and administrative expenses increased $159, or 16%, for the quarter and $138, or 7%, year-to-date, reflecting higher professional fees (up $109 for the quarter and $55 year-to-date), including the addition of a contracted sales resource to support the Company's growth initiatives, and higher salaries and wages (up $73 for the quarter and $55 year-to-date). Excluding the prior-period PST assessment, other general and administrative expenses were relatively consistent with the comparative periods.

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, gains and losses on right-of-use asset terminations, 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.

(Canadian $000's)	Three months ended June 30 2026	2025	Change	Six months ended June 30 2026	2025	Change
Net income	518	(456)	974	735	(7)	742
Depreciation and amortization	544	489	55	1,068	995	73
Finance costs	228	224	4	451	440	11
Tax expense	11	22	(11)	25	44	(19)
EBITDA	1,301	279	1,022	2,279	1,472	807
Share-based compensation	23	44	(21)	59	70	(11)
Foreign exchange (gains) losses on remeasurement of foreign currency monetary items	(16)	456	(472)	(29)	462	(491)
Loss on disposal of long-lived assets	-	-	-	-	41	(41)
Prior period PST assessment	118	-	118	118	-	118
Legal settlement and severance	-	-	-	-	-	-
Adjusted EBITDA	1,426	779	647	2,427	2,045	382

EBITDA increased $1,022, or 366%, to $1,301 for the three months ended June 30, 2026 (2025 – $279), and increased $807, or 55%, to $2,279 for the six months ended June 30, 2026 (2025 – $1,472). The increase reflects the improvement in operating results described above, together with a reduction in unrealized foreign exchange losses. Unrealized foreign exchange represented a loss of $(456) in the prior-year quarter compared to a gain of $16 in the current quarter, reflecting greater stability in the Company's foreign exchange exposure following the intercompany restructuring completed on December 31, 2025. The current quarter also included a one-time $118 prior-period PST assessment.

Adjusted EBITDA increased $647, or 83%, to $1,426 for the three months ended June 30, 2026 (2025 – $779), and increased $382, or 19%, to $2,427 for the six months ended June 30, 2026 (2025 – $2,045). Adjusted EBITDA excludes share-based compensation, unrealized foreign exchange gains and losses, gains and losses on disposal of long-lived assets, and certain non-recurring items, including the $118 prior-period PST assessment recognized in the current quarter. The increase in Adjusted EBITDA reflects the underlying growth in revenue and gross profit during the period.

Depreciation and amortization

(Canadian $000's)	Three months ended June 30 2026	2025	Change	Six months ended June 30 2026	2025	Change
Depreciation and amortization	544	489	55	1,068	995	73

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 increased $55, or 11%, to $544 for the three months ended June 30, 2026 (2025 – $489), and increased $73, or 7%, to $1,068 for the six months ended June 30, 2026 (2025 – $995). The increase in both periods was primarily attributable to an intercompany asset transfer completed on December 31, 2025, following which depreciation on the transferred assets is recognized in U.S. dollars. As a result, depreciation increased notwithstanding a lower average depreciable asset base relative to the prior year. The transfer formed part of a broader intercompany restructuring undertaken to more effectively align asset ownership within the Company's corporate structure and to optimize the utilization of the Company's tax attributes.

Share-based compensation expense

(Canadian $000's)	Three months ended June 30 2026	2025	Change	Six months ended June 30 2026	2025	Change
Share-based compensation expense	23	44	(21)	59	70	(11)

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"), and deferred share units ("DSUs") to employees, officers, directors, and service providers. As at June 30, 2026, the Company had 1,542,500 options, 0 RSUs, and 300,000 DSUs outstanding. The expense is non-cash and is added back in the calculation of Adjusted EBITDA. See Note 7 of the interim consolidated financial statements for a full description of the Omnibus Plan terms and vesting conditions.

Share-based compensation decreased $21, or 48%, to $23 for the three months ended June 30, 2026 (2025 – $44), and decreased $11, or 16%, to $59 for the six months ended June 30, 2026 (2025 – $70). The decrease reflects previously granted RSUs completing vesting by April 30, 2026, with no further RSU grants anticipated.

Finance costs

(Canadian $000's)	Three months ended June 30 2026	2025	Change	Six months ended June 30 2026	2025	Change
Interest on bank operating line	9	19	(10)	23	41	(18)
Interest on long-term debt	175	161	14	339	316	23
Amortization of deferred financing fees	10	11	(1)	21	21	-
Accretion of discount on promissory note	11	10	1	21	21	-
Interest on lease liabilities	19	23	(4)	39	41	(2)
Interest on financed insurance premiums	4	-	4	8	-	8
Total finance costs	228	224	4	451	440	11

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

Finance costs increased $4, or 2%, to $228 for the three months ended June 30, 2026 (2025 – $224), and increased $11, or 3%, to $451 for the six months ended June 30, 2026 (2025 – $440). The increase was primarily attributable to interest on long-term debt (up $14 for the quarter and $23 year-to-date), reflecting a slightly higher average debt balance, together with interest on financed insurance premiums entered into during the current year (up $4 for the quarter and $8 year-to-date). These increases were partially offset by lower interest on the bank operating line (down $10 for the quarter and $18 year-to-date), reflecting reduced utilization.

Gains, losses, and other expense (income):

	Three months ended June 30			Six months ended June 30		
(Canadian $000's)	2026	2025	Change	2026	2025	Change
Loss on disposal of long-lived assets	-	-	-	-	41	(41)
Foreign exchange loss	67	459	(392)	65	464	(399)
Other expense (income)	(59)	(6)	(53)	(59)	(9)	(50)

No gains or losses on disposal of long-lived assets were recognized in the three or six months ended June 30, 2026, as no asset dispositions occurred in either period. The $41 loss in the six months ended June 30, 2025 was recognized in the first quarter of that year and reflected dispositions in the normal course of fleet optimization.

Foreign exchange loss represented a loss of $(67) for the three months ended June 30, 2026 (2025 – $459), and a loss of $(65) for the six months ended June 30, 2026 (2025 – $464). The decrease was primarily attributable to lower unrealized foreign exchange losses, consistent with the greater stability in the Company's foreign exchange exposure discussed above.

Other income was $59 for the three months ended June 30, 2026 (2025 – $6), and $59 for the six months ended June 30, 2026 (2025 – $9), and consisted of an insurance recovery in respect of a damaged HALO unit.

Income taxes

	Three months ended June 30			Six months ended June 30		
(Canadian $000's)	2026	2025	Change	2026	2025	Change
Current tax expense	11	22	(11)	25	44	(19)
Deferred tax expense	-	-	-	-	-	-
Total tax expense	11	22	(11)	25	44	(19)

Current income tax expense was $11 for the three months ended June 30, 2026 (2025 – $22), and $25 for the six months ended June 30, 2026 (2025 – $44). No deferred income tax was recognized in either period. Current income taxes arise primarily from the taxable income of the Company's U.S. subsidiary; the decrease reflects lower estimated U.S. taxable income following the intercompany asset transfer completed December 31, 2025. In Canada, the Company continues to carry significant tax losses for which no deferred tax asset has been recognized.

Net income (loss)

	Three months ended June 30			Six months ended June 30		
(Canadian $000's)	2026	2025	Change	2026	2025	Change
Net income (loss)	518	(456)	974	735	(7)	742

The Company recorded net income of $518 for the three months ended June 30, 2026, compared to a net loss of $(456) for the three months ended June 30, 2025, an improvement of $974. For the six months ended June 30, 2026, the Company recorded net income of $735, compared to a net loss of $(7) for the corresponding period in 2025, an improvement of $742.

The improvement in both periods reflects higher revenue and gross profit, driven by increased equipment sales under the HALO International Program, together with lower foreign exchange losses and lower current income tax expense. These factors were partially offset by higher direct operating and general and administrative expenses, and by a $118 prior-period PST assessment recognized in the current quarter.

CAPITAL EXPENDITURES

(Canadian $000's)	Three months ended June 30 2026	2025	Change	Six months ended June 30 2026	2025	Change
Rental equipment additions and assets under construction	375	134	241	589	819	(230)
Automotive	6	-	6	207	-	207
Office equipment	16	-	16	16	-	16
Total capital expenditures	397	134	263	812	819	(7)

Capital expenditures were $397 for the three months ended June 30, 2026 (2025 – $134), and $812 for the six months ended June 30, 2026 (2025 – $819). Year-to-date capital expenditures were consistent with the prior year in aggregate, while the composition shifted: investment in the rental fleet and assets under construction decreased $230, or 28%, to $589 (2025 – $819), offset by $207 of automotive additions and $16 of office equipment, with no comparable amounts in the prior year.

SUPPLEMENTAL QUARTERLY INFORMATION

The table below summarizes Cleantek's quarterly financial and operational highlights for the eight quarters ended June 30, 2026.

(Canadian $000's except per share amounts)	2026 Q2	2026 Q1	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4	2024 Q3
Revenue	5,126	3,514	3,426	3,282	3,352	3,705	2,927	2,779
Gross profit	2,615	2,075	1,957	1,886	1,782	2,346	1,835	1,729
Gross profit %	51%	59%	57%	57%	53%	63%	63%	62%
Net income (loss)	518	217	600	347	(456)	449	1,466	(212)
Net income (loss) per share- basic ($)	$0.02	$0.01	$0.02	$0.01	$(0.02)	$0.02	$0.05	$(0.01)
Net income (loss) per share - diluted ($)	$0.02	$0.01	$0.02	$0.01	$(0.02)	$0.02	$0.05	$(0.01)
EBITDA (1)	1,301	978	1,335	1,129	279	1,193	2,298	553
Adjusted EBITDA – previously reported (1)	-	-	-	-	-	-	1,762	971
Adjusted EBITDA - revised (1)	1,426	1,001	1,530	985	779	1,266	1,214	1,004
Total assets	17,395	15,011	14,485	14,516	14,537	15,192	13,641	12,907
Working capital (deficit) (1)	3,115	835	(482)	(919)	(1,242)	(1,028)	(1,939)	(2,901)
Non-current debt (1)	9,163	7,581	6,788	7,145	7,493	7,525	7,085	7,120
Total non-current liabilities	9,163	7,581	6,788	7,145	7,493	7,525	7,085	7,166

(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 reflect the seasonal patterns of the broader oilfield services sector. Demand is typically strongest in the first and fourth quarters, when winter conditions in Western Canada increase demand for the Company's lighting solutions and operators accelerate programs ahead of spring break-up. Second and third quarters are typically periods of seasonally reduced activity in the North American market, reflecting reduced drilling and completion activity during the warmer months and the spring road ban period.

Against this seasonal backdrop, second quarter 2026 revenue of $5,126 was the highest of the eight quarters presented, exceeding the typical first- and fourth-quarter peaks. The result was driven by equipment sales under the HALO International Program, which are not subject to the same seasonal pattern as the Company's domestic rental activity, together with sustained rental revenue during the quarter. Across the period presented, revenue ranged from $2,779 to $5,126.

Gross profit margin ranged from 51% to 63% over the period presented. The compression in more recent quarters reflects the shift in revenue mix toward equipment sales, which carry lower margins than rental revenue, as discussed in the Results of Operations section.

Net income has been affected by non-recurring items in several quarters, and period-over-period performance is most meaningfully assessed on an Adjusted EBITDA basis. The fourth quarter of 2024 included a gain on debt forgiveness and favourable foreign exchange movements, while the second and third quarters of 2024 reflected losses associated with the CEO transition and foreign exchange movements.

CONSOLIDATED LIQUIDITY AND CAPITAL RESOURCES

Cleantek's capital resources consist of cash generated from operations, a revolving operating line of credit with RBC, and 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 June 30, 2026 and December 31, 2025:

(Canadian $000's)	June 30, 2026	December 31, 2025
Current assets	7,694	4,554
Less: current liabilities	4,579	5,036
Working capital (deficit)	3,115	(482)
Non-current assets	9,701	9,931
Less: non-current long-term debt	8,610	6,087
Less: non-current lease liabilities	553	701
Shareholders' equity	3,653	2,661

At June 30, 2026, Cleantek had current assets of $7,694 and current liabilities of $4,579, resulting in a working capital surplus of $3,115, compared to a deficit of $(482) at December 31, 2025. The $3,597 improvement reflects the build of prepaid assets and inventory associated with upfront material procurement for the HALO International Program, together with a reduction in the bank operating line to $678 (December 31, 2025 – $1,046), partially offset by a higher current portion of long-term debt.

Non-current assets were $9,701 at June 30, 2026 (December 31, 2025 – $9,931) and were broadly unchanged, as additions to the rental fleet and the effect of foreign currency translation on U.S. dollar-denominated assets were largely offset by depreciation for the period.

Non-current debt, comprising the non-current portions of long-term debt and lease liabilities, increased to $9,163 at June 30, 2026 from $6,788 at December 31, 2025, reflecting net drawdowns on the BDC facilities to fund fleet additions and contract-related capital expenditures.

Shareholders' equity increased to $3,653 from $2,661, reflecting net income of $735 for the six months ended June 30, 2026, share-based compensation recognized in the period, and the foreign currency translation adjustment recognized in other comprehensive income.

Debt and credit facilities

Debt and credit facilities are comprised of the following:

(Canadian $000's)	June 30, 2026	December 31, 2025
Current debt		
Bank operating line	678	1,046
Long-term debt		
BDC loans	9,725	7,181
Loans payable	279	149
Promissory notes	451	460
	10,455	7,790
Current portion of long-term debt		
BDC loans	1,728	1,621
Loans payable	97	63
Promissory notes	20	19
	1,845	1,703
Non-current portion of long-term debt		
BDC loans	7,997	5,560
Loans payable	182	86
Promissory notes	431	441
	8,610	6,087

Movements in long-term debt were as follows:

(Canadian $000's)	June 30, 2026	December 31, 2025
Balance, beginning of period	7,790	7,824
Proceeds of long-term debt	3,418	1,480
Deferred financing fees incurred	(15)	-
Payments on long-term debt	(1,130)	(1,591)
Interest on long-term debt	339	-
Amortization of deferred financing fees	21	42
Accretion on promissory note	21	42
Foreign exchange adjustments	11	(7)
Balance, end of period	10,455	7,790

Bank operating line

As At June 30, 2026, the Company had borrowing capacity of $2,500 (December 31, 2025 – $2,111) under the facility. The decrease in available capacity reflects a lower accounts receivable balance At June 30, 2026, as the borrowing base is calculated as a percentage of eligible receivables.

Borrowings under the operating line bear interest at the Royal Bank of Canada ("RBC") prime rate plus 1%. The facility is secured by the Company's accounts receivable and is payable on demand.

The operating line is subject to financial covenants, including:

i. Funded Debt to Adjusted EBITDA ratio of not more than 3.0 to 1.0 on a trailing twelve-month basis; and

ii. Fixed Charge Coverage ratio of not less than 1.1 to 1.0.

For covenant purposes, EBITDA is defined as earnings before interest expense, income taxes, depreciation and amortization, adjusted for certain non-cash and non-recurring items as defined in the lending agreement. Adjusted EBITDA includes adjustments for gains or losses on sale of assets, deferred taxes, extraordinary items and other non-cash items permitted under the lending agreement.

For covenant purposes, Funded Debt includes interest-bearing indebtedness, including the operating line, long-term debt and lease liabilities. The Fixed Charge Coverage ratio is calculated as Adjusted EBITDA divided by debt service obligations, including principal repayments and finance costs related to debt and lease liabilities, for the trailing twelve-month period.

As At June 30, 2026, the Company was in compliance with all covenants under the facility.

Effective March 30, 2026, the Company entered into a separate revolving demand facility of $1,390 available for letters of credit and letters of guarantee. As At June 30, 2026, no amounts had been drawn or issued under the facility.

BDC loans

(Canadian $000's)	June 30, 2026	December 31, 2025
BDC term loan	5,271	5,803
BDC manufacturing financing facility	2,637	1,567
BDC working capital facility	2,000	-
Deferred financing costs	(183)	(189)
	9,725	7,181
Current portion of BDC loans	1,728	1,621
Non-current portion of BDC loans	7,997	5,560

BDC term loan

On December 21, 2023, the Company entered into a non-revolving term loan agreement with the Business Development Bank of Canada ("BDC") providing for a single advance of $7,200. The term loan bears blended monthly payments of $127, comprising principal and interest, and matures on July 10, 2030. Interest is charged at a fixed rate of 8.20% per annum for the initial three-year term, after which the rate will be renegotiated.

The term loan is secured by the fixed assets of the Company and its subsidiary. The facility includes a financial covenant requiring a Fixed Charge Coverage ratio of not less than 1.1 to 1.0, measured commencing December 31, 2024, calculated on the same basis as described for the Company's operating line of credit. As at June 30, 2026, the Company was in compliance with this covenant.

BDC manufacturing facility

On July 25, 2024, the Company entered a manufacturing financing facility with BDC providing for borrowings of up to $4,000 to finance the manufacture or purchase of additional rental equipment.

The facility bears interest at BDC's floating base rate plus 0.45%. At June 30, 2026, the applicable rate was 7.00% (December 31, 2025 – 7.00%). The loan was interest-only until July 28, 2025, with blended principal and interest payments commencing August 28, 2025. The facility matures on June 28, 2031.

The facility is secured by a general security agreement over the fixed assets of the Company and its subsidiary, Apollo Lighting Solutions Inc., registered in the Provinces of Alberta, British Columbia, and Saskatchewan. The facility is subject to a financial covenant requiring a Fixed Charge Coverage Ratio of not less than 1.10 to 1.00. The Company was in compliance with this covenant at June 30, 2026, and December 31, 2025.

On April 23, 2026, in connection with the Company entering into the working capital facility, the remaining undrawn commitment of $1,030 under the manufacturing financing facility was cancelled.

As at June 30, 2026, $2,637 was outstanding under the facility (December 31, 2025 – $1,567).

BDC working capital facility

On April 23, 2026, the Company entered into a working capital facility with BDC in the amount of $2,000.

The facility bears interest at BDC's floating base rate plus 0.50% per annum. At June 30, 2026, the applicable rate was 7.05% per annum. Interest is calculated monthly on the outstanding principal balance. Principal repayments commence January 4, 2027, with the outstanding balance due in full on March 1, 2032.

The facility is secured by a general security agreement from the Company over all present and after-acquired personal property, registered in the Provinces of Alberta, British Columbia, and Saskatchewan, and a guarantee from Apollo Lighting Solutions Inc. supported by a general security agreement registered in the same provinces and in the State of Texas.

The facility is subject to a financial covenant requiring a Fixed Charge Coverage Ratio of not less than 1.10 to 1.00, tested annually commencing December 31, 2026.

As at June 30, 2026, $2,000 had been fully drawn under the facility (December 31, 2025 – nil).

Loans payable

(Canadian $000's)	June 30, 2026	December 31, 2025
Term loans payable – Vehicles	279	149
Current portion of loans payable	97	63
Non-current portion of loans payable	182	86

Cleantek entered into loan agreements to finance the purchase of vehicles for use by field operations staff in servicing rental equipment. The loans are secured by the related vehicles, bear interest at fixed rates of 3.99 % to 8.99% per annum (December 31, 2025 – 3.99% to 8.99%) and have original terms ranging from 36 to 60 months (December 31, 2025 – 48 to 60 months).

Promissory note

(Canadian $000's)	June 30, 2026	December 31, 2025
Vendor promissory note	1,045	1,045
Unamortized discount (contra)	(594)	(585)
	451	460
Current portion of promissory note	20	19
Non-current portion of promissory note	431	441

In January 2021, the Company entered into an agreement with a vendor to convert an outstanding accounts payable balance of $1,045 into an unsecured promissory note (the "Vendor Promissory Note"). The Vendor Promissory Note is non-interest bearing, repayable in monthly instalments of $5, and matures upon the earlier of a change of control, a liquidity event, or such time as the Company has sufficient financial capacity to repay the outstanding principal. The note was initially recognized at its fair value, discounted using an effective interest rate of 9.00%.

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 June 30, 2026 and December 31, 2025:

	June 30, 2026	December 31, 2025
Common shares	29,485,376	29,315,377
Stock options	1,542,500	1,542,500
RSUs	-	205,000
DSUs	300,000	300,000
Warrants	500,000	500,000
Total outstanding securities	31,827,876	31,862,877

As of the date of this MD&A, Cleantek had 29,485,376 Common Shares outstanding.

RELATED PARTY BALANCES AND TRANSACTIONS

Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Key management personnel comprise the Company's executive officers and members of the Board of Directors.

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, 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.

Management compensation

Key management personnel comprise the Company's executive officers and members of the Board of Directors. Compensation paid to key management personnel during the period was consistent with the terms of existing employment and consulting arrangements.

COMMITMENTS AND CONTINGENCIES

Contractual obligations and commitments

The following table summarizes the expected timing of cash outflows relating to financial liabilities, lease liabilities, and other commitments as at June 30, 2026:

(Canadian $000's)	Carrying amount [1]	< 1 year	2 to 3 years	4 to 5 years	Thereafter	Contractual outflows
Financial liabilities						
Accounts payable and accrued liabilities	1,680	1,680	-	-	-	1,680
Bank operating line [5]	678	678	-	-	-	678
Long-term debt [2]						-
BDC loans [3]	9,725	2,460	5,340	3,683	309	11,792
Loans payable	279	114	167	33	0	314
Promissory notes	451	60	120	120	455	755
	12,813	4,992	5,627	3,836	764	15,219

Lease liabilities and other commitments						
Lease liabilities	929	547	440	-	-	987
Other operating and capital commitments (4)	-	153	86	-	-	239
	929	700	526	-	-	1,226
Total contractual obligations	**13,742**	**5,692**	**6,153**	**3,836**	**764**	**16,445**

(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 $183. 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.

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.

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. A comprehensive discussion of the risks and uncertainties facing the Company is provided in the MD&A for the year ended December 31, 2025, which is available on SEDAR+ at www.sedarplus.ca. The following risks are highlighted given their particular relevance to the current period or represent changes in the Company's risk profile since the annual MD&A was filed.

Business risks

International operations risk

The Company is executing the HALO International Program, its largest international contract to date, involving the manufacture and supply of up to 60 HALO SE Crown Mount units for a customer in the United Arab Emirates. Effective June 30, 2026, the Company amended its distribution arrangement such that its regional distributor assumed responsibility for local execution and installation, while the Company supplies units on a delivered basis and retains responsibility for product design, manufacturing, warranty, and technical support. As at the date of this MD&A, 20 units had been delivered.

While this arrangement reduces the Company's direct exposure to in-region installation and mobilization risk, the Company remains subject to risks related to international logistics, the performance and financial condition of its regional distributor, the collection of amounts owing under the program, and its retained product and warranty obligations. The ongoing regional conflict in the Middle East may adversely affect the distributor's ability to complete installations, the Company's ability to complete deliveries on the anticipated timeline, and demand for future international deployments. There can be no assurance that an escalation of hostilities or deterioration in regional conditions will not adversely affect execution of the program, which could have a material adverse effect on the Company's revenue, 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 evolving trade environment has created disruption to cross-border economic activity and may have direct and indirect adverse effects on the Company, including increased costs of components and equipment sourced across the Canada-United States border, reduced capital spending by the Company's oil and gas customers, or reduced demand for the Company's services. Implementation of further tariff measures or retaliatory actions by either government could impose additional costs on the Company or otherwise adversely affect its business, financial condition, results of operations, and cash flows. The Company continues to monitor this situation; however, many of these factors remain outside of its control.

Liquidity risk

Liquidity risk is managed through operating cash flow and available credit facilities. As at June 30, 2026, $678 was drawn on the RBC operating line against borrowing capacity of $2,500 (December 31, 2025 — $1,046 drawn against capacity of $2,111). Management expects cash on hand, available credit facilities, and operating cash flows to be sufficient to meet the Company's obligations for at least the next twelve months.

Interest rate risk

Interest rate risk arises from the Company's variable-rate borrowings under the RBC operating line and the BDC manufacturing and working capital facilities. A 1% change in interest rates would impact net income by approximately $53.

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.

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.

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:

- The expansion and growth of the Company's fleet of wastewater treatment and industrial lighting assets to satisfy anticipated demand across the oil and gas, midstream, mining, industrial, and construction markets.
- The supply and delivery of additional HALO SE Crown Mount units under the HALO International Program through the remainder of 2026.
- The timing and recognition of revenue associated with future deliveries under the HALO International Program.
- The performance of the Company's regional distributor and the completion of in-region installation activities under the HALO International Program.
- The continued expansion of the Company's international presence, including the potential deployment of up to 15 additional HALO SE Crown Mount units in the South American market by the end of 2026.
- 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 anticipated cash flows from operations 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 expectations regarding revenue growth and improvement in Adjusted EBITDA during 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, 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 and operations can be obtained by contacting the Company at Cleantek Industries Inc., Suite 1210, 520 – 5th Avenue SW, Calgary, Alberta, Canada T2P 3R7 or by e-mail at info@cleantekinc.com. Additional information related to Cleantek is available on www.cleantekinc.com and on the Company’s SEDAR profile at www.sedarplus.ca.