

## **CLEANTEK INDUSTRIES INC. PROVIDES OPERATIONAL UPDATE**

Calgary, Alberta – March 28, 2022 – Cleantek Industries Inc. ("**Cleantek**" or the "**Company**") is pleased to provide a general operational update with respect to the ongoing advancement of Cleantek's business strategy. Cleantek 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 under the trading symbol "CTEK".

### **Corporate Update**

With market fundamentals in the energy sustainability sector improving, Cleantek has focused on maximizing revenue through increased pricing and utilization across all product lines while continuing to deliver on our commitment to environmental sustainability. The successful execution of our geographic expansion strategy into the US markets is leading to increased revenue and improved return on our existing fleet of assets with minimal new repairs and maintenance expenditures. Since the Company went public in October 2021, Cleantek has experienced an estimated 50% increase in quarterly revenue from \$2.0 million in Q3 2021 to over \$3.0 million in Q1 2022, resulting in higher gross margins and operating cash flow.

### **Financial Update**

Cleantek is realizing improved revenue and profitability through increased pricing and utilization across its existing asset base. Revenue is forecasted to increase greater than 40% in 2022 from \$8.8 million in 2021 with gross margins improving to greater than 60%. The Company's balance sheet has improved since the financing and successful public company listing in October 2021 and remains strong, with available liquidity of over \$4.0mm as at December 31, 2021. Full financial results will be released on April 28, 2022 after completion of the year end audit and approval by the Board of Directors.

### **Wastewater Dehydration Division**

Cleantek's patented mobile wastewater treatment and vaporization technology, "D-ZeroE", is gaining traction with clients as we mobilize our technology into new geographic regions across North America. Increased demand is being driven by:

- Commercial cost saving advantages of utilizing our proven waste heat powered technology;
- Client requirements for solutions that reduce carbon intensity in their operations;
- Further restrictions on water injection being imposed by regulatory bodies; and
- Department of Environmental Protection approval to operate in the heavily regulated state of Pennsylvania.

The D-ZeroE has been successfully deployed in several new basins in the United States including the Permian, Delaware, Haynesville and Marcellus. As of March 2022, the Company had 11 D-ZeroE systems deployed across its operations in Canada and the U.S., an improvement from the three D-ZeroE units that were deployed as at October 2021. There are additional revenue growth opportunities in 2022 with Cleantek's current operational fleet of 35 D-ZeroE units. Several additional D-ZeroE deployments are scheduled over the next few months for multiple clients in the U.S. and the Company anticipates being fully utilized before the end of 2022.

Cleantek remains focused on our patented P-ZeroE industrial wastewater treatment facility systems and the Company is in active discussions with multiple clients about additional long-term contracts at gas processing facilities across North America, where Cleantek has demonstrated the technical application and cost benefits of our technology. Cleantek is also actively engaged in evaluating other industrial applications for the ZeroE technology, including but not limited to, lithium extraction, mining, municipal waste, food processing and chemical manufacturing.

The Corporation is compiling valuable operating experience from our deployed P-ZeroE system on one of Canada's largest gas producer's facilities. This system is meeting water treatment and volume expectations while providing the Company with critical data allowing engineering to drive process and design improvements for all future systems.

## Lighting Division

The Company's HALO crown mounted lighting system has set the standard in high mast site lighting with our industry leading LED lighting solution. The Corporation experienced a 45% increase in HALO revenue from October 2021 to January 2022. The Company's Gen 2 light weight systems are operating at full capacity and make up over 70% of our current 130 unit HALO lighting fleet leading the Corporation to invest in the fabrication of an additional 20 HALO systems. Cleantek anticipates all newly built units to be deployed upon completion. The Company forecasts the completion of two additional systems each month for the balance of 2022, with the ability to increase fabrication as demand grows. In line with our geographic expansion strategy, the Corporation has recently deployed HALO systems into North Dakota and Wyoming and continues to evaluate opportunities in additional geographies in North America and internationally.

Cleantek now has 27 active units in the US of its patented Solar Hybrid Light Towers, an approximate 70% increase since going public in October 2021, and the Company expects further growth into the US over the next several months. Cleantek remains focused to differentiate and provide innovative and cost-efficient solutions to our customers through our surveillance security offering as an add-on to the existing fleet. The ESG and cost-efficient solution offered by our fleet is expanding demand from clients in various industries including mining, agriculture and construction.

## About Cleantek

Cleantek is a clean energy technology company focused on ESG accretive technology solutions with operations across North America. Cleantek has developed and commercialized its patented wastewater dehydration technology, the ZeroE, which it rents to its customers for use at gas processing facilities and on drilling rigs focused on hydro-sustainability. Cleantek's ZeroE technology separates wastewater into (i) clean water which is evaporated and returned to the natural hydrological cycle and (ii) concentrated brine which is disposed of using traditional means. The ZeroE technology is powered by the waste heat generated from the engine exhaust of gas plants and drilling rigs. Complimenting Cleantek's ZeroE technology is the suite of low carbon LED lighting & Optics systems containing our patented Solar Hybrid lighting systems and HALO Crown mounted lighting systems.

## Forward-Looking Statements

This news release contains certain "forward looking statements" including, for example, statements relating to expected revenue growth, the expected deployment of Cleantek's assets and available liquidity. Such forward-looking statements involve risks and uncertainties, both known and unknown. The results or events depicted in these forward-looking statements may differ materially from actual results or events. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding and are implicit in, among other things: receipt of regulatory approvals, the state of the capital markets, the impact of the COVID-19 pandemic, the ability of the Corporation to successfully manage the risks inherent in pursuing business opportunities in the oilfield services industry, and the ability of the Corporation to obtain qualified staff, equipment and services in a timely and cost efficient manner to develop its business. Any forward-looking statement reflects information available to Cleantek as of the date of this news release and, except as may be required by applicable securities laws, Cleantek disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise.

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