CLEANTEK INDUSTRIES INC. ANNOUNCES THIRD QUARTER 2024 RESULTS

Calgary, Alberta – November 14, 2024 – Cleantek Industries Inc. (TSXV: CTEK) ("**Cleantek**" or the "**Company**") is pleased to announce its third quarter 2024 financial and operational results. 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's President and Chief Executive Officer Riley Taggart commented, "I am very excited with the progress that we have made as an organization in the three short months since I joined the Company. Cleantek is functioning at a new level of internal efficiency that positions us for growth into 2025. While general activity in the US continued to lag expectations, the Company gained incredible momentum in the development of its long-term goals. The groundwork laid in the quarter sets the stage for increased long-term revenue and profitability.

Among the achievements for the quarter was the completion of our first EcoSteam industrial water evaporation unit. This high efficiency, natural gas-powered unit positions Cleantek as a force in the industrial wastewater sector.

Despite challenging in-period results I remain bullish on the direction of the company, the future activity levels of our legacy markets as well as Cleantek's potential in new and exciting sectors."

Highlights for the Third Quarter 2024 (All amounts are in thousands of Canadian dollars unless otherwise indicated)

- Cleantek generated revenue of $2,779 for Q3 2024, a decrease of $809 or 23%, from Q3 2023. The decreased revenue in 2024 is primarily due to lower activity levels and resulting lower utilization of the fleet;
- Cleantek's gross profit was $1,729 or 62% of revenue for Q3 2024 compared with gross profit of $2,284 and 64% of revenue for Q3 2023;
- Cleantek's net loss of $211 for Q3 2024 was a $456 lower than the $245 of net income for Q3 2023; and,
- Cleantek's Adjusted EBITDA(1) was $972 for Q3 2024 compared to $1,258 for Q3 2023 due primarily to the decreased revenue.

Expansion and Outlook

Cleantek's strategy focuses on delivering innovative and cost-effective solutions that reduce the carbon intensity as well as the capital and operating costs of industrial operations.

The Company's near-term strategy will continue to focus on:

- 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;
- continuing to focus on expansion into international markets through the sale and rental of sustainable lighting solutions and wastewater units;
- evaluating new technology partnerships in an effort to diversify product offerings and customer groups.

The Company is uniquely positioned to capture expansion in both wastewater evaporation and sustainable lighting markets. Cleantek expects that wastewater and evaporation opportunities in the oil and gas, municipal grey water and industrial wastewater industries.

- International Expansion - Expanding on the Company's success with the recent HALO™ sales, Cleantek completed a proof-of-concept trial with a larger international customer with its HALO™ line and is exploring several promising opportunities diversifying Cleantek's geographic focus and customer base. This expansion includes exploring opportunities for rental and/or product sales in both the lighting and waster water divisions.
- SecureTek - Cleantek's line of remote security services, being offered as a stand-alone system or integrated with our sustainable lighting products, continues to drive higher utilization of existing assets and create an exciting new recurring revenue stream for the Company. Utilizing our existing infrastructure, SecureTek is an accretive service offering and a great opportunity to expand our reach into the construction, mining, storage, agriculture, and other commercial markets, with minimal new capital investment.
- EcoSteam - The new waste-gas powered, wastewater treatment and dehydration system, or "EcoSteam". The first system was completed in September 2024 and, based on market demand, Cleantek will look to offer twenty five units to the market by Q2 25. Operational feedback to date has been excellent with the units exceeding anticipated productivity goals.
- DZeroE Iterative Development - To meet the growing demand for produced water evaporation, the "DZeroE" waste heat water evaporation technology that has been traditionally deployed in drilling rig applications is being retrofitted for use in production facilities. This low investment pivot will augment unit utilization and provide a less seasonal market opportunity. The DZeroE has also garnered interest in international markets and will be a primary focus for the company in late 2024 and into 2025.

Operational Update

Cleantek's third quarter 2024 revenue was $2,779, a decrease of $809 from same period last year. Despite lower than anticipated activity levels Cleantek has been able to maintain stable gross margin percentages through its continued employment of lean operating measures. The efficiency centric approach has prompted the re-organization of its operations structure and promoted a flatter, more accountable organization.

Results of Operations

(Canadian $000's, except per share amounts and percentages)	Three months ended September 30			Nine months ended September 30		
	2024	2023	Change	2024	2023	Change
Revenue	2,779	3,588	(809)	8,860	10,802	(1,941)
Gross profit	1,729	2,284	(555)	5,386	6,669	(1,283)
Gross profit %	62	64	(2)%	61	62	(1)%
Net (loss) income	(211)	245	(456)	(201)	(262)	61
Net (loss) income per share - basic and diluted ($)	$(0.01)	$0.01	$(0.02)	$(0.01)	$(0.01)	$0.00
EBITDA[1]	553	1,193	(640)	2,268	2,557	(289)
Adjusted EBITDA[1]	972	1,258	(286)	2,441	3,492	(1,051)
Capital expenditures	114	356	(242)	345	802	(457)

As at:	September 30, 2024	December 31, 2023	Change
Total assets	12,907	15,263	(2,356)
Working capital deficit[1]	(2,901)	(2,942)	41
Non-current debt[1]	7,120	8,470	1,350
Total non-current liabilities	7,166	8,516	1,350

(1) Management considers EBITDA and adjusted EBITDA key metrics in analyzing operational performance and the Company's ability to generate cashflow. EBITDA is measured as net income (loss) before interest, tax, depreciation and amortization. Adjusted EBITDA is measured as EBITDA adjusted for share-based compensation and unusual items not representative of ongoing business performance such as litigation expenses and settlements, executive severance and the impact of unrealized foreign exchange gains and losses. Working capital (or also referred to as net current assets/liabilities) for Cleantek is calculated as current assets less current liabilities per the statement of financial position. Non-current debt includes the non-current portion of long-term debt and lease liabilities per the Non-Current Liabilities on the statement of financial position. These items are not defined and have no standardized meaning under IFRS. Presenting these items from period to period provides management and investors with the ability to evaluate earnings trends more readily in comparison with prior periods' results. Please see "Non-IFRS Measurements" for further discussion of these items, and where applicable, reconciliations to measures calculated in accordance with IFRS.

Corporate Updates

BDC Manufacturing Financing Facility

On July 25, 2024, the Company entered into a manufacturing financing facility with BDC which provides for up to $4,000 of financing for the manufacture or purchase of additional rental equipment. Disbursements under the manufacturing financing facility will be made based on 125% of approved invoices submitted to BDC up to the lapsing date of July 25, 2026, at which time any undistributed portion of the loan will be cancelled. The manufacturing financing facility will carry floating rate interest at BDC 's floating base rate, which is currently 8.05%, plus an additional 0.45%. Loan will be repayable as interest only until July 28, 2025, and then interest plus principal payments of $55.6 starting on August 28, 2025, and maturing on June 28, 2031. The manufacturing financing facility is subject to a covenant of a Fixed Charge Coverage ratio that must be above 1.1 to 1 at all times beginning on December 31, 2024. The build loan is secured by the fixed assets of the Company and its subsidiaries. The Fixed Charge Coverage is calculated the same as for the BDC Term Loan and Bank Operating Line above. As at September 30, 2024 no disbursements under the manufacturing financing facility had been made and loan balance was nil.

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 suit of low carbon LED lighting systems containing our patented Solar Hybrid lighting systems and HALO Crown mounted lighting systems.

Selected financial and operation information is outlined below and should be read in conjunction with Cleantek's unaudited condensed consolidated interim financial statements and management's discussion and analysis ("MD&A") for the three and nine months ended September 30, 2024 and 2023, which are available on SEDAR at www.sedarplus.ca .

NON-IFRS MEASUREMENTS

Cleantek uses certain financial measures to quantify its results that are not prescribed by IFRS. The following terms: "EBITDA", "adjusted EBITDA", "working capital" and "non-current 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 ae 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.

EBITDA and Adjusted EBITDA

Management considers EBITDA and adjusted EBITDA key metrics in analyzing operational performance and the Company's ability to generate cash flow. EBITDA is measured as net income (loss) before interest, tax, depreciation and amortization as differences in accounting treatments may distort our core business results. Adjusted EBITDA is measured as EBITDA adjusted for certain non-cash items, including share-based compensation, impact of unrealized foreign exchange gains and losses as well as unusual items not representative of ongoing business performance such as litigation expense and settlements and executive severance.

The following table provides a reconciliation of the non-IFRS measures, EBITDA and adjusted EBITDA, to the applicable IFRS measurements for Cleantek:

	Three months ended September 30		Nine months ended September 30	
(Canadian $000's)	**2024**	**2023**	2024	2023
Net income (loss)	(211)	245	(201)	(262)
Tax expense	-	-	36	-
Depreciation and amortization	530	556	1,700	1,651
Finance costs, net	234	392	733	1,168
EBITDA	553	1,193	2,268	2,557
Share-based compensation	22	37	71	442
Litigation expense/Executive Severance	273	131	273	388
Unrealized FX (gain) loss	125	(103)	(171)	106
Adjusted EBITDA	972	1,258	2,441	3,492

Working capital

Working capital (or also referred to as net current assets/liabilities) for Cleantek is calculated as current assets less current liabilities per the statement of financial position. The following table provides a reconciliation of working capital, a non-IFRS measure to the applicable IFRS measurements for the Company:

(Canadian $000's)	September 30, 2024	December 31, 2023
Current assets	2,567	3,404
Current liabilities	5,467	6,346
Working capital deficit	(2,899)	(2,942)

Non-current debt

Management considers non-current debt in analyzing the Company's capital structure. Cleantek's capital structure consists of working capital, non-current debt and shareholders' equity. Non-current debt measures the long-term borrowings of the Company. Non-current debt for Cleantek is calculated as the non-current portions of long-term debt and lease liabilities. The following table provides a reconciliation of non-current debt, a non-IFRS measure to the applicable IFRS measurements for the Company:

(Canadian $000's)	September 30, 2024	December 31, 2023
Long-term debt – non-current portion	6,829	7,806
Lease liabilities – non-current portion	291	664
Non-current debt	7,121	8,470

Forward-Looking Statements

This news release contains certain "forward looking statements" including, for example, statements relating to expected improved financial flexibility, additional growth, potential middle east expansion, expansion of Cleantek's fleet of sustainable lighting solutions and EcoSteam wastewater treatment assets, the expected deployment of Cleantek's assets, available liquidity, Cleantek's outlook for the future and near-term strategy. 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 ability of the Corporation to successfully manage the risks inherent in pursuing business opportunities in the oilfield services industry and outside the North American market, 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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