Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025

TSXV: CTEK
WWW.CLEANTEKINC.COM

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102 – Continuous Disclosure Obligations, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The management of Cleantek Industries Inc. (the "Company") is responsible for the preparation and fair presentation of these unaudited condensed interim consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These financial statements include all adjustments that are, in the opinion of management, normal and recurring in nature and necessary for fair presentation.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
As at

(Canadian $000's)	Note	September 30, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		445	271
Accounts receivable		3,505	2,510
Prepaids		268	345
Inventory		79	-
Other assets		188	102
Total current assets		**4,485**	**3,228**
Non-current assets			
Property and equipment	3	8,545	9,065
Intangible assets	4	235	279
Right-of-use assets		1,251	1,069
Total non-current assets		**10,031**	**10,413**
Total assets		**14,516**	**13,641**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Bank operating line	5	1,125	1,486
Accounts payable and accrued liabilities		2,309	2,044
Current portion of long-term debt	5	1,595	1,290
Current portion of lease liabilities		376	347
Total current liabilities		**5,405**	**5,167**
Non-current liabilities			
Long-term debt	5	6,403	6,534
Lease liabilities		743	551
Total non-current liabilities		**7,145**	**7,085**
Total liabilities		**12,550**	**12,252**
Shareholders' equity			
Share capital	6	68,679	68,672
Contributed surplus		3,572	3,493
Accumulated other comprehensive income		(283)	(467)
Accumulated deficit		(70,003)	(70,309)
Total shareholders' equity		**1,966**	**1,389**
Total liabilities and shareholders' equity		**14,516**	**13,641**
Commitments and contingencies	14		

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET INCOME (LOSS) (Unaudited)

For the periods ended,

	Note	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Revenue		3,282	2,779	10,339	8,860
Direct operating expenses		1,393	1,050	4,325	3,474
Gross profit		1,889	1,729	6,013	5,386
Other expenses					
General and administrative	9	957	723	3,045	2,959
Depreciation and amortization		535	530	1,530	1,700
Share-based compensation	7	46	22	118	71
Finance costs, net	10	226	234	667	733
(Gain) Loss on disposal of long-lived assets		(84)	33	(43)	(2)
Foreign exchange (gain) loss		(185)	125	279	(171)
Other (income) expense		20	273	14	260
		1,516	1,940	5,609	5,551
Income (loss) before income taxes		**373**	**(211)**	**404**	**(165)**
Income tax (recovery) expense					
Current		21	-	64	36
Deferred		-	-	-	-
		21	-	64	36
Net income (loss)		**352**	**(211)**	**340**	**(201)**
Net income (loss) per share ($)					
Basic		$0.01	$(0.01)	$0.01	$(0.01)
Diluted		$0.01	$(0.01)	$0.01	$(0.01)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)

For the periods ended,

	Three months ended September 30 2025	Three months ended September 30 2024	Nine months ended September 30 2025	Nine months ended September 30 2024
Net income (loss)	352	(211)	340	(201)
Other comprehensive income (loss)				
Foreign currency translation gain (loss)	112	84	184	(117)
Total comprehensive income (loss)	**464**	**(127)**	**524**	**(318)**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)

(Canadian $000's)	Note	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Accumulated deficit	Total
At January 1, 2024		68,497	3,443	33	(71,572)	401
Net Income (loss) for the period					(201)	(201)
Share-based compensation expense	7		71			71
Shares issued for share-based compensation		70	(70)			-
Shares and warrants issued for cash - net of costs		119				119
Foreign currency translation loss				(117)		(117)
At September 30, 2024		**68,686**	**3,445**	**(84)**	**(71,773)**	**273**
At January 1, 2025		68,671	3,492	(467)	(70,309)	1,387
Net income for the period		-	-	-	340	340
Share-based compensation expense	7	-	118	-	-	118
Shares issued for share-based compensation	7	8	(37)	-	(34)	(63)
Foreign currency translation (loss)		-	-	184	-	184
At September 30, 2025		**68,679**	**3,572**	**(283)**	**(70,003)**	**1,966**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)

For the periods,

(Canadian $000's)	Note	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Cash (used in)/provided by:					
Operating Activities					
Net Income (loss)		352	(211)	340	(201)
Adjustments for:					
Depreciation and amortization		535	530	1,530	1,700
Share-based compensation expense	7	46	22	118	71
Finance costs	10	226	234	667	733
(Gain) loss on disposal of long-lived assets		(84)	33	(43)	(2)
Non-cash direct operating expenses	3	121	-	404	92
Unrealized (gain) loss on foreign exchange		(185)	125	277	(171)
Changes in non-cash working capital	13	(43)	(343)	(819)	(424)
Net Cash Flow From Operating Activities		968	390	2,473	1,798
Investing Activities					
Additions to property and equipment	3	(268)	(114)	(1,565)	(345)
Proceeds on disposal of long-lived assets		284	203	461	235
Net Cash Flow Used in Investing Activities		16	89	(1,104)	(110)
Financing Activities					
Net change in operating line		(214)	-	(360)	-
Proceeds from long-term debt	5	188	35	1,331	(463)
Repayment of long-term debt	5	(468)	(394)	(1,214)	(682)
Repayment of lease liabilities		(173)	(229)	(354)	(423)
Payments of cash interest		(205)	(233)	(603)	(671)
Proceeds from issuance of share capital		-	150	-	150
Share issue costs		-	(31)	-	(31)
Net Cash Flow Used in Financing Activities		(871)	(702)	(1,201)	(2,120)
Increase (decrease) in cash and cash equivalents		113	(223)	168	(432)
Effect of foreign exchange on cash and cash equivalents		(1)	-	6	-
Cash and cash equivalents, beginning of period		333	391	271	600
Cash and Cash Equivalents, End of Period		445	168	445	168

1. REPORTING ENTITY

Cleantek Industries Inc. ("Cleantek" or the "Company") is a public company trading on the TSX Venture Exchange ("TSXV") under the symbol CTEK. Cleantek's primary business is the rental and service of equipment to the oil and gas and construction industries in Western Canada and the United States. The Company's principal place of business is located at Suite 1210, 520 – 5th Avenue SW, Calgary, Alberta, T2P 3R7.

The Company has the following subsidiaries, incorporated and/or formed, each owned 100%, and consolidated in these financial statements:

Name of subsidiary	Jurisdiction of incorporation/formation
Apollo Lighting Solutions Inc.	Delaware, U.S.A.

2. BASIS OF PREPARATION

a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, and following the same accounting policies and methods of computation as the annual consolidated financial statements for the year ended December 31, 2024. These unaudited condensed consolidated interim financial statements are condensed as they do not include all the information required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's audited annual consolidated financial statements at December 31, 2024, which are available on SEDAR at www.sedarplus.ca.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on November 13, 2025.

b) Basis of measurement and functional and presentation currency

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis.

These unaudited condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional currency of the Company. Its wholly owned subsidiary, Apollo Lighting Solutions, has a US dollar functional currency.

c) Use of estimates, judgements, and assumptions

The preparation of these unaudited condensed consolidated interim financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. These estimates and judgments are based on management's best understanding of current events and actions that Cleantek may undertake in the future. Actual results may differ from these estimates and judgments. Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which estimates are revised and for any future years affected.

There have been no significant changes to the use of estimates, judgements, or assumptions since December 31, 2024, as detailed in note 2(d) of the annual consolidated financial statements for the years ended December 31, 2024, and 2023.

3. PROPERTY AND EQUIPMENT

(Canadian $000's)	Assets under construction	Rental equipment	Automotive	Office equipment	Total
Cost					
Opening	414	32,490	1,216	710	34,830
Additions	937	454	173	-	1,565
Transfers from AUC	-	452	-	-	452
Conversions - CleanSteams to EcoSteams	-	174	-		174
Less: transfers from AUC to rental equipment	452	-	-	-	614
Less: transfers from AUC to inventory[(1)]	401	-	-		401
Less: conversions - CleanSteams to EcoSteams[(2)]	174	758	-	-	932
Less: dispositions	-	314	365	-	518
Impact of foreign exchange	-	(118)	(27)	-	(146)
Closing	325	32,380	996	710	34,411
Accumulated depreciation and impairment					
Opening	-	24,686	383	696	25,765
Depreciation	-	1,091	96	7	1,194
Less: conversions - CleanSteams to EcoSteams	-	750	-	-	750
Less: dispositions	-	138	128	-	266
Impact of foreign exchange	-	66	11	-	77
Closing	-	24,824	340	703	25,866
Carrying amount					
Opening	414	7,803	833	14	9,065
Closing	325	7,556	656	7	8,545

(1) Assets under construction totaling $401 were transferred to inventory upon completion and reclassified out of property, plant and equipment. These transfers are not included in disposals.

(2) Represents the conversion of legacy CleanSteam units to EcoSteam technology, involving derecognition of replaced components and capitalization of conversion costs.

As of September 30, 2025, management determined that no indicators of impairment or impairment reversal existed for the Company's Rentals and Facility Dehydration CGUs.

During the period, the Company continued its program to convert legacy diesel-powered CleanSteam units to the EcoSteam configuration. The conversion involved the replacement of key components to enable operation using natural gas, including waste gas, resulting in reduced emissions and improved operational efficiency. The conversions were completed utilizing existing under-utilized assets, providing a cost-effective means of expanding the Company's low-emission water-evaporation fleet.

The carrying amounts of components replaced were derecognized, and the related conversion costs, including materials and directly attributable labour, were capitalized within property and equipment. Conversions completed in prior quarters were identified during the period, and the associated capitalization and depreciation were recorded in the current quarter. The adjustments are not considered material to prior reporting periods.

During the period, the Company reviewed assets previously recorded in construction in progress and identified certain rental units that had been completed and placed into service between February and July

2025. These assets have since been transferred to property, plant, and equipment, and depreciation has been recorded from the respective dates the assets became available for use. The resulting adjustment was recognized in the current quarter and is not considered material to prior reporting periods.

4. INTANGIBLE ASSETS

(Canadian $000's)	ZeroE development	Total
Cost		
At December 31, 2024	2,347	2,347
Additions	-	-
At September 30, 2025	2,347	2,347
Accumulated amortization and impairment		
At December 31, 2024	2,067	2,067
Amortization	44	44
At September 30, 2025	2,111	2,111
Carrying amount		
At December 31, 2024	280	280
At September 30, 2025	235	235

As at September 30, 2025, the Company did not identify an indicator of impairment or impairment reversal.

5. DEBT AND CREDIT FACILITIES

Debt and credit facilities are comprised of the following:

(Canadian $000's)	September 30, 2025	December 31, 2024
Revolving Current Debt		
Bank Operating Line	1,125	1,486
Long-term Debt		
BDC Loans	7,364	6,940
Loans Payable	168	406
Promissory Notes	465	478
	7,997	7,824
Current Portion		
BDC Loans	1,499	1,002
Loans Payable	77	270
Promissory Notes	19	18
	1,595	1,290
Non-Current Portion		
BDC Loans	5,865	5,938
Loans Payable	91	136
Promissory Notes	446	460
	6,403	6,534

The following table displays the movements in long-term debt during the period ended September 30, 2025:

(Canadian $000's)	2025
Balance at January 1, 2025	7,824
Proceeds from long-term debt	1,331
Repayment of long-term debt	(1,214)
Accretion of long-term debt	64
Foreign exchange adjustment	(8)
Balance at September 30, 2025	**7,997**

Bank Operating Line

On December 21, 2023, the Company entered into a revolving operating line with HSBC Bank Canada (HSBC), now Royal Bank of Canada (RBC), which provides for a revolving debt facility up to a maximum amount of $2,500. The amount available on a month-to-month balance is based on a percentage of accounts receivable and is determined at each month's end. As of September 30, 2025, the Company had access to $1,374 (December 31, 2024 - $1,862) of the operating line. The operating line carries an interest rate of prime plus 1% and is secured against the Company's accounts receivable. The operating line is payable on demand. The operating line is subject to the following covenants: (i) maintaining a Funded Debt to Adjusted EBITDA on a trailing 12 months ratio to not exceed more than 3 to 1 at any given time, and (ii) a Fixed Charge Coverage ratio that must be above 1.1 to 1 at all times. At September 30, 2025, the Company was in compliance with all covenants. Funded debt includes the Bank Operating line, long-term debt, and lease liabilities less cash on hand, the promissory note, and customer term loan. Adjusted EBITDA is defined as net income excluding interest expense, provisions for income taxes, non-cash items including depreciation and amortization, and non-cash unrealized foreign exchange gains/losses, and certain non-recurring expenses such as litigation expenses and settlement, and executive severance. Fixed Charge Coverage ratio is calculated by taking Adjusted EBITDA and dividing it by Debt Service costs, which include current portions of long-term debt, term loans, and lease liabilities, plus finance costs for the last twelve months.

BDC Loans

(Canadian $000's)	September 30, 2025	December 31, 2024
BDC term loan	6,062	6,806
BDC manufacturing financing facility	1,502	365
Less: deferred financing costs	199	231
	7,364	**6,940**
Current portion	1,499	1,002
Non-current portion	5,865	5,938

BDC Term Loan

On December 21, 2023, the Company entered into a term loan agreement with the Business Development Bank of Canada (BDC), which provides for a $7,200 non-revolving term loan, in a single loan advance ("BDC Term Loan"). The term loan initially matures on May 20, 2030, and included an initial 6-month interest-only period, after which a blended monthly payment of $127 for principal and interest began. A loan amendment was signed on September 24, 2024, which provided the Company with two additional months of interest

only for October and November 2024, and in December 2024, the blended monthly payments of $127 for principal and interest resumed, extending the loan maturity to July 10, 2030. The loan carries a three-year fixed interest rate of 8.20% per annum; after three years, the interest rate will be renegotiated. The term loan is subject to a covenant of a Fixed Charge Coverage ratio that must be above 1.1 to 1 at all times. The Term Loan is secured by the fixed assets of the Company and its subsidiaries. The Fixed Charge Coverage is calculated the same as for the Bank Operating Line above.

BDC Manufacturing Financing Facility

On July 25, 2024, the Company entered into a manufacturing financing facility with BDC, which provides up to $4,000 of financing for the manufacture or purchase of additional rental equipment. Disbursements under the manufacturing financing facility are 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, at September 30, 2025, was 6.8%, plus an additional 0.45%. The loan was repayable as interest only until June 28, 2025, and then interest plus principal payments starting on July 28, 2025. 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. 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, 2025 $1,586 of disbursements under the manufacturing financing facility had been made, and the loan matures on June 28, 2031.

Loans payable

(Canadian $000's)	September 30, 2025	December 31, 2024
Term Loan Payable – Vehicles	168	406
	168	**406**
Current portion	77	270
Non-current portion	91	136

Promissory note

(Canadian $000's)	September 30, 2025	December 31, 2024
Vendor promissory note	1,045	1,045
Less: unamortized discount (contra)	580	567
	465	**478**
Current portion	19	18
Non-current portion	446	461

Prior periods presented the promissory note at amortized cost without disclosing the gross principal and unamortized discount. The current period presentation provides additional detail consistent with IFRS 9 requirements.

6. SHARE CAPITAL

a) Authorized share capital

The Company is authorized to issue:

- An unlimited number of common shares; and

- An unlimited number of preferred shares

b) Issued share capital

(Canadian $000s and number of shares 000s)	Number of Shares	2025 Amount	Number of Shares	2024 Amount
Common shares				
Opening balance January 1	29,260	68,671	27,762	68,497
Shares issued as part of share-based compensation	55	8	498	70
Share issuance - cash	-	-	1,000	150
Share issuance costs	-	-	-	(31)
As at September 30	**29,315**	**68,679**	**29,260**	**68,686**

7. SHARE-BASED PAYMENTS

a) Share-based incentive programs and payment plans

The Company has the following equity-settled share-based compensation and payments:

Stock option plan

The Company has established a stock option plan whereby the Company may grant stock options from time to time to employees, officers, directors, service providers, and consultants of the Company to recognize the contributions made by individuals to the Company's growth and furnish an incentive to the future success and prosperity of the Company.

The aggregate number of shares issuable under the terms of the plan shall not exceed 10% of the outstanding common shares at the date of grant. The exercise price of the stock options is determined by the Board of Directors. The stock options vest evenly over a period of three years and are exercisable for a period of four or five years from the grant date to purchase one common share for each stock option held.

Share warrants

In certain instances, warrants will be issued in conjunction with share issuances, referred to as a Subscription Unit. Each Subscription Unit entitles the equity holder to one share and one-half common share purchase warrant. The warrant allows the holder to purchase an additional one or one-half share at a stipulated exercise price for a period of 24 months. Warrants vest immediately on issuance.

Restricted share unit plan

Terms and vesting periods of RSUs and DSUs are determined by the board at the time of the grant and based on the equity-based compensation plan.

On the vesting date, the RSUs and DSUs are redeemed, and the Company issues one common share for each vesting RSU or DSU held by the employee or member of the board.

The fair value of the RSU and DSU is recognized over the vesting period and is based on the value at the date of grant.

The RSUs vest equally over a 3-year period from the grant dates, and the fair value is based on the share price on the date the RSUs were granted.

The shares will be issued to the board members upon retirement. The fair value is based on the share price on the date the DSUs were granted.

b) Stock options

The following table provides a summary of the Company's stock options:

	September 30, 2025		December 31, 2024	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding at beginning of period	987,500	$0.15	-	-
Granted	780,000	$0.28	987,500	$0.15
Cancelled	(225,000)	$0.24	-	$0.00
Outstanding at end of period	1,542,500	$0.21	987,500	$0.15
Weighted avg remaining life (years)		3.1		4.6
Exercisable at end of period	304,167	$0.15	-	$0.00

In July and August 2024, pursuant to the Company's stock option plan, 987,500 stock options were granted to officers and directors of the Company at an exercise price of $0.15 per Common Share. In April 2025, pursuant to the Company's stock option plan, 780,000 stock options were granted to officers and directors of the Company at an exercise price of $0.28 per Common Share.

The estimated fair value of the stock options granted during the period ended was calculated using the Black-Scholes model and the following assumptions:

	September 30, 2025
Share price on grant date	$0.28
Exercise price	$0.28
Expected life (years)	4 years
Expected volatility	181%
Risk-free interest rate	2.75%
Expected forfeiture rate	-
Expected dividend yield	-
Weighted average fair value per stock option	$0.26

Estimated forfeiture rates are adjusted to the actual forfeiture rate at the time of forfeiture. Expected volatility is based on the historical volatility of the Company. The risk-free interest rate is based on Government of Canada bonds of a similar duration.

c) Share warrants

The following table provides a summary of the Company's share warrants:

	September 30, 2025		December 31, 2024	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding at beginning of period	500,000	$0.25	3,101,098	$1.75
Granted	-	$0.00	500,000	$1.75
Expired	-	$0.00	(3,101,098)	$0.25
Outstanding at end of period	500,000	$0.25	500,000	$0.25
Weighted avg remaining life (years)		0.9		1.7
Exercisable at end of period	500,000	$0.25	500,000	$0.25

d) Restricted Share Units

The following table provides a summary of the Company's Restricted Share Units:

	September 30, 2025	December 31, 2024
	Number of restricted share units	Number of restricted share units
Outstanding at beginning of period	619,170	1,278,336
Vested	(265,000)	(437,498)
Cancelled	(84,167)	(221,668)
Outstanding at end of period	270,003	619,170

In April 2025, a tranche of 265,000 restricted share units vested and were settled with 55,000 shares issued from treasury, and the remaining 210,000 share units were settled with Cleantek common shares purchased on the open market, resulting in a $34 increase to accumulated deficit.

e) Deferred Share Units

The following table provides a summary of the Company's Deferred Share Units:

	September 30, 2025	December 31, 2024
	Number of deferred share units	Number of deferred share units
Outstanding at beginning of period	300,000	450,000
Exercised	-	(150,000)
Outstanding at end of period	300,000	300,000

f) Share-based compensation expense

Cleantek recorded the following equity-settled share-based payments as share-based compensation in net loss:

	Three months ended September 30		Nine months ended September 30	
(Canadian $000's)	2025	2024	2025	2024
Stock options	40	6	90	6
RSUs	6	16	28	65
Total SBC expense	46	22	118	71

8. GEOGRAPHIC SEGMENTS

The Company is organized into one operating segment where services are conducted by the Canadian Operations (Cleantek Industries Inc.) and the U.S. Operations (Apollo Lighting Solutions Inc.). The Company earns revenues in the geographic regions of Canada, the United States of America, and the Middle East (International). The revenue generated for international sales is through Cleantek Industries Inc.

			Three months ended September 30, 2025	
(Canadian $000's)	Canadian Operations	U.S. Operations	International Operations	Total
Revenue from rental	1,379	1,691	-	3,070
Revenue from sale	-	-	212	212
Total Revenue	1,379	1,691	212	3,282

			Three months ended September 30, 2024	
(Canadian $000's)	Canadian Operations	U.S. Operations	International Operations	Total
Revenue from rental	1,290	1,489	-	2,779

Revenue from sale	-	-	-	-
Total Revenue	1,290	1,489	-	2,779

			Nine months ended September 30, 2025	
(Canadian $000's)	Canadian Operations	U.S. Operations	International Operations	Total
Revenue from rental	3,984	5,176	21	9,182
Revenue from sale	-	-	1,157	1,157
Total Revenue	3,984	5,176	1,178	10,339

			Nine months ended September 30, 2024	
(Canadian $000's)	Canadian Operations	U.S. Operations	International Operations	Total
Revenue from rental	3,750	4,675	-	8,425
Revenue from sale	435	-	-	435
Total Revenue	4,185	4,675	-	8,860

9. DIRECT OPERATING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

The Company classifies net income (loss) using the function of expense method, which presents expenses according to their function, such as direct operating expenses and general and administrative expenses. This method is more closely aligned to the Company's business structure and provides more relevant information.

Direct operating expenses are comprised of direct operating costs, including salaries and wages and other labour costs; repairs and maintenance of equipment; transportation and mobilization costs of equipment to and from customers; and other direct operating expenses.

General and administrative expenses consist of salaries and wages, which include labour and related benefits costs, including bonuses and other related payroll benefits; professional fees, which include fees for consulting, legal, audit, and tax services; and other general and administrative expenses.

The following tables provide additional information on the nature of the expenses:

	Three months ended September 30,		Nine months ended September 30,	
(Canadian $000's)	2025	2024	2025	2024
Direct operating expenses				
Salaries and wages	733	650	2,291	2,138
Repairs and maintenance	105	85	300	306
Transportation and mobilization	183	147	678	561
Property and equipment sale	121	-	404	92
Other direct costs	252	168	653	377
Total direct operating expenses	1,393	1,050	4,325	3,474

	Three months ended September 30,		Nine months ended September 30,	
(Canadian $000's)	2025	2024	2025	2024
General and administrative expenses				
Salaries and wages	580	338	1,832	1,453
Professional fees	146	164	505	616
Other general and administrative costs	231	221	708	890
Total general and administrative expenses	957	723	3,045	2,959

10. FINANCE COSTS

	Three months ended September 30,		Nine months ended September 30,	
(Canadian $000's)	2025	2024	2025	2024
Interest expense on long-term debt	182	192	540	608
Amortization of deferred financing fees	11	11	32	32
Accretion of discount on promissory note	11	11	32	33
Interest on lease liabilities	24	21	65	63
Interest income	(1)	(1)	(2)	(2)
Total finance costs	226	234	667	733

11. NET INCOME (LOSS) PER SHARE AMOUNTS

Basic and diluted net income (loss) per share for the period have been calculated on the basis of the weighted average number of common shares outstanding as follows:

	Three months ended September 30,		Nine months ended September 30,	
(Canadian $000's)	2025	2024	2025	2024
Net income (loss)	352	(211)	340	(201)
Weighted average common shares outstanding				
Basic	29,315	28,476	29,292	27,645
Diluted	30,028	0	29,864	0
Income (loss) per share - basic	$0.01	$(0.01)	$0.01	$(0.01)
Income (loss) per share - diluted	$0.01	$(0.01)	$0.01	$(0.01)

12. RELATED PARTY BALANCES AND TRANSACTIONS

Executive loan facility agreement

As part of the private placement completed on September 5, 2024, for total proceeds of $150, an executive loan facility agreement was completed, for a total unsecured loan amount of $50, between the Company and the current President and Chief Executive Officer, where the loan proceeds were used to participate in the private placement. The executive loan bears floating rate interest at the Canada Revenue Agency-prescribed interest rate used to calculate taxable benefits for employees, which was 4% at September 30, 2025, and will be adjusted quarterly. The principal amount outstanding, together with any and all interest accrued, shall be paid in full no later than December 31, 2025. As such, the full loan amount has been classified as current and is included in other assets.

13. SUPPLEMENTARY CASH FLOW INFORMATION

The following table reconciles the net changes in non-cash working capital, excluding the non-cash working capital acquired on acquisitions, from the statement of financial position to the statements of cash flows:

	Three months ended September 30,		Three months ended September 30,	
(Canadian $000's)	2025	2024	2025	2024
Net changes in non-cash working capital:				
Accounts receivable	(306)	(233)	(995)	330
Prepaids and other assets	12	(17)	77	75

Inventory	27	-	(79)	-
Other assets	11	-	(86)	
Accounts payable and accruals	213	(93)	264	(829)
	(43)	(343)	(819)	(424)
Related to:				
Operating activities	(43)	(343)	(819)	(424)
Investing activities	-	-	-	-

14. COMMITMENTS AND CONTINGENCIES

Contractual obligations and commitments

The expected timing of cash outflows relating to financial liabilities, lease liabilities, and other commitments at September 30, 2025, is outlined in the table below:

	Carrying amount[1]	Contractual outflows				
(Canadian $000's)		< 1 year	2 to 3 years	4 to 5 years	Thereafter	Total[1]
Financial liabilities						
Accounts payable and accrued liabilities	2,309	2,309	-	-	-	2,309
Bank operating line	1,125	1,125	-	-	-	1,125
Long-term debt[2]						-
BDC loans[3]	7,563	1,499	3,481	2,585	-	7,565
Loans payable	168	84	75	25	-	184
Promissory notes	1,045	60	120	120	745	1,045
	8,777	1,643	3,675	2,730	745	8,793
Lease liabilities and other commitments						
Lease liabilities[2]	586	213	428	-	-	640
Other property lease commitments[3]	533	294	446	-	-	740
Other operating and capital commitments	44	144	62	9	-	216
	1,163	651	936	9	-	1,597

(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 $199. Amounts are based on term loan balances, including principal and interest, based on the three-year fixed rate, assuming the rate is maintained for the duration of the loan.

(4) Includes leased property utility, 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.

15. SUBSEQUENT EVENTS

Tariffs

The recent decision by the U.S. government to levy tariffs on Canadian goods and the retaliatory response from the Canadian government have created considerable economic uncertainty. The Corporation is

assessing the direct and indirect impacts on its business of such tariffs, retaliatory tariffs, or other trade protectionist measures implemented as this situation develops, and such impacts could be material.

16. RECLASSIFICATION ADJUSTMENTS

During the nine months ended September 30, 2025, the Company identified and corrected certain classification errors relating to prior periods. These corrections did not affect the Company's cash flows and were recorded in the current period. No changes were made to previously reported amounts, as the impact on prior periods was not considered significant.

The Company determined that certain historical rent-to-own arrangements met the definition of finance leases under IFRS 16 Leases from a manufacturer-lessor perspective. These arrangements had previously been recorded as equipment sales within revenue. The correction resulted in derecognition of the related assets from property and equipment and recognition of a lease receivable, with finance income recognized over the lease term.

The Company also identified that certain sales of previously rented equipment had been recorded as equipment sales within revenue. Under IFRS 15 Revenue from Contracts with Customers and IAS 16 Property, Plant and Equipment, such transactions represent disposals of property and equipment. The correction reclassifies these amounts to gain (loss) on disposal of long-lived assets rather than revenue.

These adjustments were recorded in the current period and are not considered material for restatement under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Corporate Information

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Riley Taggart
President & CEO

Ashley Poscente
Chief Financial Officer

Chris Murray
Chief Operating Officer

BOARD OF DIRECTORS

Paul Colucci
Chairman

Riley Taggart
President & CEO

Al Stark

Phillip Knoll

Chris Lewis

INVESTOR RELATIONS INFORMATION

Riley Taggart
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