Management's Discussion and Analysis

For the three and nine months ended September 30, 2025, and 2024

TSXV: CTEK
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MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIS OF PRESENTATION AND DESCRIPTION OF THE COMPANY

November 17, 2025 - 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 three and nine months ended September 30, 2025 ("Q3 2025") and September 30, 2024 ("Q3 2024") and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2025 and the audited consolidated financial statements for the years ended December 31, 2024 and 2023 ("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 November 13, 2025.

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 introduces financial measures that are not defined under IFRS, aimed at helping the reader in making comparisons to metrics similarly disclosed by industry peers. Readers are cautioned that the MD&A should be read in conjunction with the Company's disclosure under "Non-IFRS Measurements" and "Forward-Looking Information" included at the end of this MD&A.

COMPANY OVERVIEW AND STRATEGY

Cleantek is an environmental technology-based company that provides specialized wastewater treatment and disposal equipment along with a portfolio of sustainable lighting rental solutions. Cleantek leverages its patented technology and industry expertise to provide equipment to service a diverse range of clientele in the mining, construction, and energy sectors.

Cleantek's strategy is to maintain its focus on internal efficiencies, continue to improve its asset utilization, and position itself for growth through innovation and strategic partnerships, as well as increase its focus on international expansion.

HIGHLIGHTS FOR THE THIRD QUARTER 2025

- Revenue increased 18% to $3,282 in Q3 2025, up from $2,779 in Q3 2024, driven by market share gains in equipment rentals and international equipment sales;
- Gross profit increased by 9% to $1,889, representing 58% of revenue, compared to Q3 2024 gross profit of 62%. The reduced gross margin percentage is due to changes in revenue mix and higher transportation costs;
- EBITDA increased 105% to $1,135 for the quarter, compared to $553 in Q3 2024;

- Adjusted EBITDA[1] decreased 2% to $985 for the quarter, compared to $1,006 in Q3 2024, largely due to a gain/loss on disposal of assets adjustment and the impact of unrealized FX gain/loss;
- Net income improved to $352 in Q3 2025, an increase of $563 compared to a net loss of $211 in Q3 2024, with the improvement driven by higher revenue.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	Three months ended September 30,			Nine months ended September 30,		
(Canadian $000's, except per share amounts)	2025	2024	Change	2025	2024	Change
Revenue	3,282	2,779	503	10,339	8,860	1,479
Gross profit	1,889	1,729	160	6,013	5,386	628
Gross profit %	58%	62%	(5%)	58%	61%	(3%)
Net (loss) income	352	(211)	563	340	(201)	541
Net (loss) income per share – basic ($)	$0.01	$(0.01)	$0.02	$0.01	$(0.01)	$0.02
Net (loss) income per share – diluted ($)	$0.01	$(0.01)	$0.02	$0.01	$(0.01)	$0.02
EBITDA[1]	1,135	553	582	2,601	2,268	333
Adjusted EBITDA[1]	985	1,006	(21)	3,030	2,440	590
Capital expenditures	746	114	632	1,565	345	1,220

As at:	September 30, 2025	December 31, 2024	Change
Total assets	14,516	13,641	874
Working capital deficit[1]	(919)	(1,939)	1,020
Non-current debt[1]	6,403	6,534	(131)
Total non-current liabilities	7,145	7,085	60

(1) 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. Adjusted EBITDA is measured as EBITDA adjusted for share-based compensation and unusual items not representative of ongoing business performance, such as gains and losses on the sale of assets, 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 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.

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 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;

- advancing its presence in international markets by expanding its sales activity of sustainable lighting and wastewater solutions;
- evaluating new technology partnerships to diversify product offerings and customer groups;
- evaluate acquisition and merger opportunities to accelerate growth and market diversification.

The Company is uniquely positioned to capture growth opportunities in both wastewater evaporation and sustainable lighting markets.

RESULTS OF OPERATIONS

Cleantek witnessed a decline in gross margin percentages due to changes in revenue and increased transportation and mobilization costs. This change in revenue mix was partially offset by the continuing adherence to efficiency-centric operating methods.

Revenue

	Three months ended September 30,			Nine months ended September 30,		
(Canadian $000's)	2025	2024	Change	2025	2024	Change
Rental revenue	3,070	2,779	291	9,182	8,425	756
Equipment sales	212	-	212	1,157	435	722
Total revenue	3,282	2,779	503	10,339	8,860	1,479

Cleantek's revenue is generated primarily from the rental and service of sustainable lighting solutions, including solar hybrid lighting towers and HALO lighting systems, as well as ZeroE and EcoSteam dehydration units, based on fixed or agreed upon service contracts with its customers in the upstream and midstream segments of the energy industry as well as the commercial construction industry in western Canada and the United States.

In recent periods, Cleantek has expanded its operations to include the design and construction of purpose-built units for sale to meet specific customer requirements and periodically sells rental assets as part of its fleet optimization and lifecycle management strategy. This balanced approach allows the Company to maximize asset utilization, enhance returns, and meet evolving customer demand across both rental and sales channels.

Revenue for the three and nine months ended September 30, 2025, increased to $3,282 and $10,339, respectively, compared to $2,779 and $8,860 for the same periods in 2024. Revenue for the three months increased primarily due to increased equipment sales into the international market, combined with increased rental revenue.

Direct operating expenses

	Three months ended September 30,			Nine months ended September 30,		
(Canadian $000's)	2025	2024	Change	2025	2024	Change
Direct operating expenses	1,393	1,050	343	4,325	3,474	851
% of revenue	43%	38%	5%	42%	39%	3%

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.

Direct operating expenses were $1,393 and $4,325, or 43% and 42% of revenue, for the three and nine months ended September 30, 2025, respectively, compared with $1,050 and $3,474, or 38% and 39% of

revenue, for the same periods in 2024. Direct operating expenses increased $343 for the quarter ended and $851 for the nine months ended September 30, 2025, primarily as a result of the increased revenue combined with increased subcontracting and transportation, and mobilization expenses.

Gross profit

	Three months ended September 30,			Nine months ended September 30,		
(Canadian $000's)	2025	2024	Change	2025	2024	Change
Gross profit	1,889	1,729	160	6,013	5,386	628
% of revenue	58%	62%	(5%)	58%	61%	(3%)

Management considers gross profit a key metric in analyzing operational efficiency and performance, and the Company's ability to generate cash flow. Cleantek's gross profit is measured as revenue less direct operating expenses.

Cleantek's gross margin was 58% for both the three and nine months ended September 30, 2025, compared to 62% and 61% for the same periods in 2024. The slight decrease in gross margins is directly related to the increased direct operating expenses as a percentage of revenue, explained above.

General and administrative expenses

	Three months ended September 30,			Nine months ended September 30,		
(Canadian $000's)	2025	2024	Change	2025	2024	Change
General and administrative expenses	957	723	234	3,045	2,959	86
% of revenue	29%	26%	3%	30%	33%	(4%)

General and administrative expenses consist of salaries and wages and related benefit costs, professional and consulting fees, and other general and administrative expenses.

General and administrative expenses for the three and nine months ended September 30, 2025, increased to $957 and $3,045, respectively, compared to $723 and $2,959 for the same periods in 2024. Increased general and administrative expenses were primarily due to increased professional fees, employee compensation, and other general and administrative costs in 2025.

Depreciation and amortization

	Three months ended September 30,			Nine months ended September 30,		
(Canadian $000's)	2025	2024	Change	2025	2024	Change
Depreciation and amortization	535	530	5	1,530	1,700	(171)
% of revenue	16%	19%	(3%)	15%	19%	(4%)

Depreciation is recognized on property and equipment and right-of-use assets. Amortization is recognized on the intangible assets, including patents.

Depreciation and amortization expense for the three and nine months ended September 30, 2025, were $535 and $1,530, respectively, compared with the $530 and $1,700 in the same periods in 2024. Year-to-date depreciation expense decreased due to the aging of the fleet, partially offset by the larger fleet size.

Share-based compensation expense

	Three months ended September 30,			Nine months ended September 30,		
(Canadian $000's)	2025	2024	Change	2025	2024	Change
Share-based compensation	46	22	24	118	71	46

% of revenue	1%	1%	1%	1%	1%	0%

Cleantek has equity-settled incentive programs and payment plans for the granting of additional Common Shares.

The Company has established a long-term incentive plan (the "Omnibus Plan") whereby the Company may grant stock options ("Options"), restricted share units ("RSUs"), performance share units or deferred share units ("DSUs") 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 share-based compensation expense for the three and nine months ended September 30, 2025, of $46 and $118, respectively, compared to $22 and $71 for the same periods in 2024, increased due to the granting of additional options in the back half of 2024 and the second quarter of 2025 partially offset by the vesting of some RSU in the second quarter of 2025.

Finance costs

	Three months ended September 30,			Nine months ended September 30,		
(Canadian $000's)	2025	2024	Change	2025	2024	Change
Finance costs	226	234	(7)	667	733	(67)

Finance costs consist primarily of the interest expense recognized on bank debt, long-term debt, the interest component of lease liability payments, debt renewal, lending fees, and accretion of the decommissioning offset by interest income.

Cleantek recognized finance costs of $226 and $667 for the three and nine months ended September 30, 2025, respectively, compared to $234 and $733 in the same periods in 2024.

Other (income) and expense items:

	Three months ended September 30,			Nine months ended September 30,		
(Canadian $000's)	2025	2024	Change	2025	2024	Change
(Gain) loss on disposal of long-lived assets	(84)	33	(117)	(43)	(2)	(42)
Foreign exchange (gain) loss	(185)	125	(310)	279	(171)	451
Other expense (income)	20	273	(253)	14	260	(246)

In 2025 and 2024, the Company recognized gains and losses on dispositions of long-lived assets that were not being used in the normal course of operations.

Foreign exchange (gain) loss arises from exchange differences resulting from the translation of foreign-denominated financial instruments, as well as realized (gain) loss on the settlement of foreign-denominated financial instruments. The foreign exchange loss recognized in 2025 is due to the strengthening of the Canadian dollar in 2025 and the resulting impact on the US dollar-denominated accounts receivable and cash balances.

Income taxes

	Three months ended September 30,			Nine months ended September 30,		
(Canadian $000's)	2025	2024	Change	2025	2024	Change
Current tax expense (recovery)	21	-	21	64	36	28
Deferred tax expense (recovery)	-	-	-	-	-	-
Total tax expense (recovery)	21	-	21	64	36	28

Income taxes consist of current and deferred income taxes.

The Company did not recognize any deferred tax expense or recovery for the third quarter of 2024 or 2023.

The Company did incur current taxes in 2025 and 2024 due to the Company's US operations and tax limitations on using prior year tax losses to offset only 80% of taxable income. Due to the Company's significant unrecognized deferred tax assets, no deferred tax expense is recognized in 2025 due to the unrecognized tax assets. Deferred tax assets are recognized only to the extent that it is probable that the assets can be recovered through deductions available against future taxable income.

Net income

	Three months ended September 30,			Nine months ended September 30,		
(Canadian $000's)	2025	2024	Change	2025	2024	Change
Net income for the period	352	(211)	564	340	(201)	541

Net income of $352 for the three months ended September 30, 2025, was an improvement of $564 from the net loss of $211 for the three months ended September 30, 2024, due to increased revenues in the quarter. Net income for the nine months ended September 30, 2025, of $340 is $541 higher than the same period in 2024.

EBITDA and Adjusted EBITDA

	Three months ended September 30,			Nine months ended September 30,		
(Canadian $000's)	2025	2024	Change	2025	2024	Change
EBITDA[(1)]	1,135	553	582	2,601	2,268	333
Adjusted EBITDA[(1)]	985	1,006	(21)	3,030	2,440	590

(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.

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. Adjusted EBITDA is measured as EBITDA adjusted for share-based compensation, gains or losses on the sale of assets, and unusual items not representative of ongoing business performance, such as the impact of unrealized foreign exchange gains and losses. EBITDA and adjusted EBITDA are non-IFRS measures as defined under "Non-IFRS Measurement".

Cleantek's EBITDA of $1,135 and $2,601 for the three and nine months ended September 30, 2025, respectively, increased from EBITDA of $553 and $2,268 in the same periods in 2024, mainly due to the changes in net income, which have been explained in detail above.

Cleantek's adjusted EBITDA was $985 and $3,030 in the three and nine months ended September 30, 2025, compared with the adjusted EBITDA of $1,006 and $2,440 in the same periods in 2024. Improved year-to-date adjusted EBITDA was primarily due to increased revenue.

CAPITAL EXPENDITURES

	Three months ended September 30,			Nine months ended September 30,		
(Canadian $000's)	2025	2024	Change	2025	2024	Change
Additions to property and equipment	746	114	632	1,565	345	1,220
Additions to intangible assets	-	-	-	-	-	-

Total capital expenditures	746	114	632	1,565	345	1,220

In 2025, Cleantek had capital expenditures that included the new EcoSteam evaporation unit conversions and additions to the HALO™ crown-mounted lighting system fleet.

SUPPLEMENTAL QUARTERLY INFORMATION

The table below summarizes Cleantek's quarterly financial and operational highlights for the three months ended September 30, 2025, as well as the previous seven quarters:

(Canadian $000's except per share amounts)	2025 Q3	2025 Q2	2025 Q1	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2023 Q4
Revenue	3,282	3,352	3,705	2,927	2,779	2,411	3,670	3,188
Gross profit	1,889	1,782	2,346	1,835	1,729	1,285	2,372	1,716
Gross profit %	58%	53%	63%	63%	62%	53%	65%	54%
Net income (loss)	352	(457)	449	1,466	(211)	(511)	522	(1,562)
Net income (loss) per share- basic ($)	$0.01	$(0.02)	$0.02	$0.05	$(0.01)	$(0.02)	$0.02	$(0.06)
EBITDA[(1)]	1,135	278	1,193	2,298	553	310	1,406	(373)
Adjusted EBITDA[(1)]	985	778	1,266	1,762	972	228	1,207	559
Total assets	14,516	14,537	15,192	13,641	12,907	13,410	14,379	15,263
Working capital deficit [(1)]	(919)	(1,242)	(1,028)	(1,939)	(2,901)	(3,184)	(2,739)	(2,942)
Non-current debt[(1)]	7,145	7,493	7,525	7,085	7,120	7,381	7,758	8,470
Total non-current liabilities	7,145	7,493	7,525	7,085	7,166	7,427	7,804	8,516

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

Net income (loss) attributable to shareholders has also been impacted by the following variations and events:

- Revenue and net income in Q3 2025 reflect an increase in activity levels in the oil and gas sector for this time of year, particularly in Canada.
- Increased revenue and strong net income in Q1 2025 reflect the increased fleet size and higher activity levels in the oil and gas sector for this time of year.
- Strong net income in the fourth quarter of 2024 reflects the decreased general and administrative and financing expenses for the year, combined with a large gain on debt forgiveness, foreign exchange gain, and insurance proceeds, all earned in the fourth quarter.
- Improved net income (loss) in the first and second quarters of 2024 reflects the decreased financing costs associated with fixed lower interest rate debt refinanced with BDC as the end of 2023, combined with lower professional fees in general and administration, offset by decreased revenue.
- Increase in net loss in the fourth quarter of 2023 due to increased general and administrative expense and other expense due to related litigation expense and settlement, combined with the lower revenue.
- Improved working capital deficiency in the fourth quarter of 2023 reflects the new BDC term loan and long-term financing completed during this quarter.

CONSOLIDATED LIQUIDITY AND CAPITAL RESOURCES

The following discussion relates to the consolidated position of liquidity and capital of Cleantek as of September 30, 2025, and December 31, 2024. The Company's strategy is to carry a capital base to maintain

investor, creditor, and market confidence and to sustain future development of the business. Cleantek considers its capital structure to include working capital, long-term debt, lease liabilities, and shareholders' equity.

To maintain or adjust the capital structure, the Company may issue additional debt, issue new shares, and adjust capital and operating expenditures to manage its current and projected debt levels.
The capital structure of Cleantek consists of the following:

(Canadian $000's)	September 30, 2025	December 31, 2024
Current assets	4,485	3,228
Less: current liabilities	5,405	5,167
Working capital deficit	(919)	(1,939)
Less: long-term debt – non-current	6,403	6,534
Less: lease liabilities – non-current	743	551
Shareholders' equity	1,966	1,389
	(6,099)	(7,635)

DEBT AND CREDIT FACILITIES

Cleantek's 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 of long-term debt		
BDC loans	1,499	1,002
Loans payable	77	270
Promissory notes	19	18
	1,595	1,290
Non-current portion of long-term debt		
BDC loans	5,865	5,938
Loans payable	91	136
Promissory notes	446	460
	6,403	6,534

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. At September 30, 2025 the Company had access to $2,259 (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-recuring expenses such as litigation expenses and settlements, 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 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 includes an initial 6-month interest-only period after which time a blended monthly payment of $127 for principal and interest begins. 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.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any special purpose entities nor is it a party to any material off-balance sheet arrangements.

SHARE CAPITAL

Cleantek had the following outstanding Common Shares and equity instruments on September 30, 2025, and December 31, 2024:

	September 30, 2025	December 31, 2024
Common shares	29,315,377	29,260,377
Stock options	1,542,500	987,500
RSUs	270,000	619,170
DSUs	300,000	300,000
Warrants	500,000	500,000
Total outstanding securities	31,927,877	31,667,047

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

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

Cleantek places great emphasis on providing a safe and secure working environment for all employees, contractors, and consultants, and recognizes the importance of operating in a sustainable manner. The Company has a strong commitment to safety and sustainability in its business operations and the identification, elimination, or control of workplace hazards; promotion and provision of a work environment in which individuals are treated with respect, provided with equal opportunity, and are free of all forms of abusive and harassing conduct; and ethical business conduct and legal compliance. Cleantek's executive team places the highest priority on the health and safety of its staff and third parties at its sites, as well as the preservation of the environment. The Company's corporate culture is built around supporting these priorities, as reflected in its well-established practices and policies. Cleantek's high safety standards include active monitoring of all field workers, performing environmental, health, and safety ("EHS") audits and using third parties, and implementing safety processes from employee training in compliance with operational processes and procedures to emergency preparedness. By extension, the Company incorporates its EHS standards into its subcontractor selection process to ensure that its commitment to high EHS standards is shared by its subcontractors and stakeholders.

The Board also maintains a focus on safety and sustainability working with management to fulfill its oversight responsibilities relating to operating in a safe, environmentally and socially responsible (sustainable) manner and ensuring the integrity of policies and practices with respect to: workforce and public safety in Company activities and at its operating sites; and sustainability in Company activities with respect to people (wellbeing), planet (environmental) and prosperity (community and innovation) considerations ensuring that there are appropriate processes in place to facilitate identification of various safety and sustainability risks that may arise from the Company's operations and related mitigation and possible resulting consequential risks to the Company, its subsidiaries and directors, officers and employees; assessing whether the Company's safety and sustainability policies are effective, properly implemented and comply with applicable legislation and industry standards; reviewing corporate safety and sustainability activities and performance; reviewing the Company's method of communicating (internally and externally) safety and sustainability policies, practises and procedures; reviewing and assessing the sufficiency of resources to the Company's safety and sustainability program; ensuring that appropriate reporting procedures are established relating to safety and sustainability matters by management to the Board.

RISK ASSESSMENT

There are a number of risks facing Cleantek. Some of the risks are common to all businesses, while others are specific to a sector.

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

These risks cannot be eliminated; however, Cleantek's management is committed to proactively monitoring and, where possible, mitigating risk. Issues affecting, or with the potential to affect, the Company's assets, operations, and/or reputation are generally of a strategic nature or are emerging issues that can be identified early and then managed but occasionally include unforeseen issues that arise unexpectedly and must be managed on an urgent basis. Cleantek takes a proactive approach to the identification and management of issues that may affect the Company's assets, operations, and/or

reputation and has established consistent and clear policies, procedures, guidelines, and responsibilities for issue identification, management, and mitigation.

FINANCIAL RISKS

Cleantek defines financial risk as the risk of loss or lost opportunity resulting from financial management and market conditions that could have a positive or negative impact on the Company's cash flows in the normal course of business. These risks are: credit risk, liquidity risk, and market risk. The Corporation's overall risk management program and prudent business practices seek to minimize any potential adverse effects on the Corporation's financial performance. The MD&A should be read in conjunction with the Annual Financial Statements.

ACCOUNTING STANDARDS, CHANGES AND PRONOUNCEMENTS

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

A summary of significant accounting policies can be found in *note 3, Significant Accounting Policies* of the Annual Financial Statements.

CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of financial statements requires management to make certain judgments, accounting estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses.

A summary of Cleantek's critical accounting estimates, judgments, and assumptions can be found in *note 2* to the Annual Financial Statements for the year ended December 31, 2024. There have been no significant changes to the use of estimates, judgments, or assumptions since December 31, 2024.

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 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, which was 4% as of September 30, 2025, and will be adjusted quarterly. The principal amount outstanding, together with any and all interest accrued, is due no later than December 31, 2025. The full loan amount has been classified as current and is included in other assets.

COMMITMENTS AND CONTINGENCIES

Contractual obligations and commitments

The expected timing of cash outflows relating to financial liabilities as of 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.

Litigation and claims

The Company is involved in litigation and claims arising in the normal course of operations. Management believes that pending litigation will not have a material impact on the Company's financial position or results of operations.

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 continues to explore 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.

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 "non-current debt" are not recognized measures under IFRS and may not be comparable to those 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.

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, gains and losses on sale of assets, 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)	2025	2024	Change	2025	2024	Change
Net income	352	(211)	564	340	(201)	541
Tax expense	21	-	21	64	36	28
Depreciation and amortization	535	530	5	1,530	1,700	(171)
Finance costs	226	234	(7)	667	733	(67)
EBITDA	1,135	553	582	2,601	2,268	333
Share-based compensation	46	22	24	118	71	46
(Gain) loss on disposal of long-lived assets	(84)	33	(117)	(43)	(2)	(42)
Litigation expense/severance	73	273	(200)	77	273	(196)
Unrealized FX (gain) loss	(185)	125	(310)	277	(171)	449
Adjusted EBITDA	985	1,006	(21)	3,030	2,440	590

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, 2025	December 31, 2024
Current assets	4,485	3,228
Current liabilities	5,405	5,167
Working capital deficit	(919)	(1,939)

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, 2025	December 31, 2024
Long-term debt – non-current portion	6,403	6,534
Lease liabilities – non-current portion	743	551
Non-current debt	7,145	7,085

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 present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as: "anticipates", "believes", "continues", "estimates", "could", "expects", "intends", "may", "objective", "ongoing",

"plans", "will", "projects", "should", or similar expressions suggesting future outcomes or events. In particular, this MD&A contains forward-looking statements.

Such statements are based on assumptions of future events, and actual results could vary from these assumptions. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Cleantek.

Although management believes that the expectations reflected in such forward-looking statements and information are reasonable, it can give no assurance that such expectations will prove to be accurate, as results and future events could differ materially from those expected or estimated in such statements. As such, readers are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements contained in this MD&A are made as of the date hereof for the purposes of providing the readers with Cleantek's expectations for the coming year. The forward-looking statements and information may not be appropriate for other purposes. Furthermore, the Company undertakes no obligation to update or revise these forward-looking statements or information as a result of new information or future events, other than as required by applicable securities laws. However, in the event that subsequent events are reasonably likely to cause actual results to differ materially from forward-looking statements previously disclosed by the Company for a period that is not yet complete, Cleantek will provide disclosure on such events and the anticipated impact of such events.

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*.

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.