

Management's Discussion and Analysis

For the three and nine months ended September 30, 2026 and 2025

TSXV: CTEK
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MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIS OF PRESENTATION AND DESCRIPTION OFTHE COMPANY

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations for Cleantek Industries Inc. ("Cleantek" or the "Company" which includes references to "we", "our", "us", "its"), is a review of the operations, current financial position and condition for the three and nine months ended September 30, 2026 ("Q3 2026") and September 30, 2025 ("Q3 2025") 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, 2026 and the audited consolidated financial statements for the years ended December 31, 2025 and 2024 ("Annual Financial Statements"). All amounts are in thousands of Canadian dollars unless otherwise indicated.

The condensed consolidated interim financial statements of Cleantek have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. This MD&A and the unaudited condensed consolidated interim financial statements of Cleantek have been prepared by management and approved by the Board of Directors (the "Board") as of November 12, 2026.

Cleantek, headquartered in Calgary, Alberta, is an innovative provider of patented clean technology solutions focused on reducing both cost and carbon intensity in the wastewater management and industrial lighting sectors in North America and international markets. 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 refers to non-GAAP financial measures and non-GAAP ratios. Readers should refer to the "Non-GAAP and Other Financial Measures" and "Forward-Looking Statements" sections at the end of this document.

COMPANY OVERVIEW AND STRATEGY

Cleantek Industries Inc. ("Cleantek" or the "Company") is a technology company that rents, services, and sells patented equipment to the energy, mining, and industrial sectors in Canada, the United States, and international markets. Its product portfolio includes HALO lighting systems, EcoSteam and CleanSteam wastewater dehydration units, DZeroE water evaporation systems, light towers, and SecureTek remote security solutions. The Company's business is anchored by recurring rental and service revenue, supplemented by equipment sales to domestic and international customers.

Revenue for the three months ended September 30, 2026 was $5,187, an increase of 58% from $3,282 in the third quarter of 2025. The increase reflects a 12% increase in rental and service revenue, and increased equipment sales, primarily under the HALO International Program described below. Net income was $1,265 (2025 – $352) and Adjusted EBITDA, a non-GAAP financial measure, was $2,126 (2025 – $984). For the nine months ended September 30, 2026, revenue was $13,827 (2025 – $10,339), net income was $2,000 (2025 – $340), and Adjusted EBITDA was $4,553 (2025 – $3,030).

Deliveries continued during the quarter under the HALO International Program, the Company's contract to supply up to 60 HALO SE Crown Mount lighting systems for a customer in the Middle East and the largest contract in the Company's history. The Company delivered 12 units under the program in the third quarter, bringing total deliveries to 32 at September 30, 2026. In June 2026, the program was amended to a delivered-supply model, with the amended terms applied to all units delivered after the first 4 units. Under the amended terms, the Company's regional distributor is responsible for local execution and installation, earns the related installation revenue and margin, and assumes the performance guarantee, while Cleantek remains responsible for product design, manufacturing, warranty, and technical support. In the second quarter, the Company also completed its first commercial sale into the South American market and, in the third quarter, sold 3 units for deployment in Alaska.

Cash provided by operating activities was $2,217 for the quarter (2025 – $968), which funded repayment of the bank operating line, and $1,946 for the nine months (2025 – $2,473). Nine-month operating cash flow is net of a $2,826 investment in non-cash working capital, principally accounts receivable and inventory built in the first half of the year to support international deliveries, which was funded in part by drawdowns on the Company's Business Development Bank of Canada ("BDC") facilities. Working capital, a non-GAAP financial measure, was $4,022 at September 30, 2026, compared to a deficit of $482 at December 31, 2025, and the bank operating line was fully repaid during the quarter.

The Company's near-term priorities are to complete deliveries under the HALO International Program, sustain and grow its North American rental business, and evaluate acquisitions that would expand its fleet, diversify revenue and make use of its sizeable tax attributes and operating infrastructure. Management believes these initiatives position the Company for continued revenue growth and broader access to capital markets over time.

HIGHLIGHTS FOR THE THIRD QUARTER 2026

- Record quarterly revenue of $5,187, up 58% from the third quarter of 2025.
- Net income of $1,265, or $0.04 per basic share (2025 – $352, or $0.01 per basic share), and Adjusted EBITDA, a non-GAAP financial measure, of $2,126, up 116% (2025 – $984).
- Rental and service revenue of $3,434, up 12% (2025 – $3,070), with growth in both Canada and the United States.
- Equipment sales of $1,753 (2025 – $212), primarily driven by the delivery of 12 units under the HALO International Program, bringing total deliveries under the program to 32 at September 30, 2026 and 36 at the date of this MD&A, as well as the sale of 3 units for deployment in Alaska.

- Cash provided by operating activities of $2,217 (2025 – $968), with the bank operating line fully repaid at September 30, 2026.
- Working capital of $4,022 at September 30, 2026, compared to a deficit of $482 at December 31, 2025.
- Year to date, amended the HALO International Program to a delivered-supply model and completed the Company's first commercial sale into the South American market.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	Three months ended September 30			Nine months ended September 30		
(Canadian $000's, except per share amounts)	2026	2025	Change	2026	2025	Change
Revenue	5,187	3,282	1,905	13,827	10,339	3,488
Gross profit	3,145	1,889	1,256	7,835	6,014	1,821
Gross profit percentage	60.6%	57.6%	3.0%	56.7%	58.2%	(1.5%)
Net income	1,265	352	913	2,000	340	1,660
Net income per share – basic	0.04	0.01	0.03	0.07	0.01	0.06
Net income per share – diluted	0.04	0.01	0.03	0.06	0.01	0.05
EBITDA [(1)]	2,024	1,134	890	4,303	2,601	1,702
Adjusted EBITDA [(1)]	2,126	984	1,142	4,553	3,030	1,523
Capital expenditures [(1)]	484	268	216	1,296	1,161	135

(1) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" for its composition, its usefulness and a reconciliation to the most directly comparable IFRS measure.

EXPANSION AND OUTLOOK

Cleantek's technology is designed to reduce operating costs and environmental impact for industrial operators. During the third quarter of 2026, the Company continued deliveries under the largest international contract in its history while growing its North American rental business.

The Company's near-term priorities continue to be:

- Maximizing utilization rates of its current fleet of lighting solutions and wastewater treatment assets;
- Expanding and growing the Company's fleet of wastewater treatment assets to meet customer demand in the oil and gas, midstream, mining, industrial, and construction markets;
- Executing on the HALO International Program for the supply of up to 60 HALO SE Crown Mount lighting systems, of which 32 had been delivered at September 30, 2026 and 36 at the date of this MD&A;
- Advancing its presence in international markets by expanding sales and rental activity of lighting and wastewater solutions;
- Evaluating new technology partnerships to diversify product offerings and customer groups; and,
- Evaluating acquisition and merger opportunities to augment growth and market diversification.

The Company enters the fourth quarter with deliveries under the HALO International Program continuing, including 4 units delivered in October 2026, and a growing international customer base.

International expansion

Through the first nine months of 2026, the Company reached significant milestones in its international growth strategy, with commercial deliveries of HALO lighting systems into the Middle East and, for the first time, South America.

At September 30, 2026, the Company had delivered 32 HALO SE Crown Mount lighting systems under the HALO International Program: 4 units under the original terms of the arrangement and 28 under the amended terms. A further 4 units were delivered in October 2026.

In the second quarter, the Company also completed its first commercial sale into the South American market, comprising 2 HALO SE Crown Mount lighting systems, extending its international presence beyond the Middle East.

HALO Crown Mount

HALO is Cleantek's primary rental product in North America. Designed to replace stand-alone diesel-powered light towers, it provides broad illumination coverage without added fuel consumption, reducing operating costs and emissions for customers.

HALO rental revenue increased $346, or 15%, to $2,723 in the third quarter (2025 – $2,377), the largest contributor to the 12% increase in rental and service revenue, reflecting higher deployments across the Company's North American operations. The platform's operating record in North America supported the award of the HALO International Program in January 2026.

Management views HALO as a scalable platform for both domestic fleet growth and international sales, and expects the HALO International Program to serve as a reference for future international opportunities.

Strategic acquisitions

The Company evaluates acquisition opportunities that would expand its product offering, customer base, or geographic reach. Management prioritizes targets that generate recurring revenue, serve sectors aligned with the Company's existing customers, can be integrated without a significant increase in overhead, and offer tax pools, complementary fleet assets or operating synergies.

Management believes that disciplined execution of this strategy could, over time, support broader access to capital markets, including a potential listing on the Toronto Stock Exchange. There is no assurance that any acquisition or listing will be completed.

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

RESULTS OF OPERATIONS

The Company's recurring rental revenue provides a stable base, and its fleet operating costs are largely fixed in the short term, so changes in rental revenue have a proportionately larger effect on gross profit. In the third quarter of 2026, rental and service revenue grew faster than fleet operating costs, and equipment sales under the HALO International Program provided revenue that is not subject to the seasonal pattern of the North American market.

Revenue

(Canadian $000's)	Three months ended September 30			Nine months ended September 30		
	2026	2025	Change	2026	2025	Change
Rentals and services	3,434	3,070	364	9,704	9,182	522
Equipment sales	1,753	212	1,541	4,123	1,157	2,966
Total revenue	5,187	3,282	1,905	13,827	10,339	3,488

Revenue for the three months ended September 30, 2026 increased $1,905, or 58%, to $5,187 (2025 – $3,282). Revenue for the nine months ended September 30, 2026 increased $3,488, or 34%, to $13,827 (2025 – $10,339). The increase in both periods was driven primarily by equipment sales, which represented 34% of revenue for the quarter (2025 – 6%) and 30% for the nine months (2025 – 11%), together with growth in rental and service revenue.

Rental and services

Rental and service revenue increased $364, or 12%, to $3,434 for the three months ended September 30, 2026 (2025 – $3,070), and $522, or 6%, to $9,704 for the nine months (2025 – $9,182). By product line, HALO rental revenue increased $346, or 15%, for the quarter and $377, or 5%, for the nine months; DZeroE rental revenue increased $115 and $214, respectively; and light tower rental revenue increased $96 and $85, respectively, partially offset by lower service revenue and lower SecureTek rental revenue in both periods. Service revenue in 2025 included installation, mobilization and freight revenue on international equipment sales, which declined in 2026 as the regional distributor performs installation under the amended terms of the HALO International Program. For the quarter, rental and service revenue increased 9% in Canada to $1,503 (2025 – $1,379) and 14% in the United States to $1,931 (2025 – $1,691). Canadian activity benefited from higher industry drilling activity, with the average number of active land drilling rigs in Canada increasing approximately 15% from the third quarter of 2025, according to Baker Hughes.

Equipment sales

Equipment sales increased $1,541 to $1,753 for the three months ended September 30, 2026 (2025 – $212), and $2,966 to $4,123 for the nine months (2025 – $1,157), primarily as a result of deliveries under the HALO International Program. Third quarter equipment sales also include the sale of 3 units for deployment in Alaska.

The Company delivered 12 units under the program in the third quarter, all under the amended terms, bringing total deliveries to 32. Under the amended terms, the regional distributor is responsible for local execution, installation, site logistics, field health and safety, and the performance guarantee, and earns the related installation revenue and margin. The Company supplies the HALO SE Crown Mount on a delivered basis and remains responsible for product design, manufacturing, warranty and technical support. Management believes this structure reduces the Company's operational exposure in the region and aligns payment with delivery.

Nine-month equipment sales also include the Company's first commercial sale into the South American market, comprising 2 HALO SE Crown Mounts delivered in the second quarter. The sale represents the first phase of a project that could result in the deployment of up to 15 additional units, subject to project timing and customer demand.

Direct operating expenses

(Canadian $000's)	Three months ended September 30 2026	2025	Change	Nine months ended September 30 2026	2025	Change
Salaries and wages	769	732	37	2,334	2,290	44
Repairs and maintenance	171	105	66	435	300	135
Transportation and mobilization	223	183	40	733	678	55
Cost of goods sold	678	121	557	1,707	404	1,303
Other direct costs	201	252	(51)	783	653	130
Total direct operating expenses	2,042	1,393	649	5,992	4,325	1,667
% of revenue	39.4%	42.4%	(3.0%)	43.3%	41.8%	1.5%
Gross profit	3,145	1,889	1,256	7,835	6,014	1,821
% of revenue	60.6%	57.6%	3.0%	56.7%	58.2%	(1.5%)

Direct operating expenses increased $649, or 47%, to $2,042 for the three months ended September 30, 2026 (2025 – $1,393), and $1,667, or 39%, to $5,992 for the nine months (2025 – $4,325). As a percentage of revenue, direct operating expenses were 39.4% for the quarter (2025 – 42.4%) and 43.3% for the nine months (2025 – 41.8%).

The increase in both periods was driven primarily by cost of goods sold, which increased to $678 for the quarter (2025 – $121) and $1,707 for the nine months (2025 – $404), with the higher volume of equipment sales. Cost of goods sold was 39% of equipment sales for the quarter (2025 – 57%) and 41% for the nine months (2025 – 35%). The higher nine-month percentage reflects the mix of units sold and the terms of the Company's 2026 equipment sales.

Excluding cost of goods sold, direct operating expenses increased $92, or 7%, for the quarter and $364, or 9%, for the nine months. Repairs and maintenance increased $66 for the quarter and $135 for the nine months, and transportation and mobilization increased $40 and $55, respectively, consistent with higher fleet activity. Other direct costs decreased $51 for the quarter, primarily due to lower agent fees on international equipment sales, lower facility rent and third-party service costs, and higher labour costs allocated to manufacturing, partially offset by higher co-marketing and health and safety costs. For the nine months, other direct costs increased $130, reflecting higher co-marketing, health and safety, and facility operating costs, partially offset by lower facility rent, higher labour costs allocated to manufacturing and lower agent fees. Salaries and wages were consistent with the comparative periods.

Gross profit

Gross profit increased $1,256, or 66%, to $3,145 for the three months ended September 30, 2026 (2025 – $1,889), and $1,821, or 30%, to $7,835 for the nine months (2025 – $6,014).

Gross profit as a percentage of revenue ("gross margin") increased to 60.6% for the quarter (2025 – 57.6%), as rental and service revenue grew 12% while direct operating expenses excluding cost of goods sold increased 7%, and cost of goods sold decreased to 39% of equipment sales (2025 – 57%). For the nine months, gross margin decreased to 56.7% (2025 – 58.2%). The decrease reflects lower margins on equipment sales, as cost of goods sold increased to 41% of equipment sales (2025 – 35%), and direct operating expenses excluding cost of goods sold grew 9% against 6% growth in rental and service revenue.

General and administrative expenses

(Canadian $000's)	Three months ended September 30 2026	2025	Change	Nine months ended September 30 2026	2025	Change
Salaries and wages	592	580	12	1,899	1,832	67
Professional fees	160	146	14	574	505	69
Other general and administrative expenses	269	231	38	894	708	186
General and administrative expenses	1,021	957	64	3,367	3,045	322
% of revenue	19.7%	29.2%	(9.5%)	24.4%	29.5%	(5.1%)

General and administrative expenses increased $64, or 7%, to $1,021 for the three months ended September 30, 2026 (2025 – $957), and $322, or 11%, to $3,367 for the nine months (2025 – $3,045). As a percentage of revenue, general and administrative expenses decreased to 19.7% for the quarter (2025 – 29.2%) and 24.4% for the nine months (2025 – 29.5%).

The nine-month increase includes a non-recurring $118 provincial sales tax ("PST") assessment relating to prior periods, recognized in the second quarter and excluded from Adjusted EBITDA. Excluding the assessment, general and administrative expenses increased $204, or 7%, for the nine months. The increases in both periods reflect higher professional fees ($14 for the quarter and $69 for the nine months), primarily higher board fees and, for the nine months, audit and accounting fees; higher salaries and wages ($12 and $67, respectively); and higher other general and administrative expenses excluding the assessment ($38 and $68, respectively), reflecting increased investor conference and international business development activity and, for the nine months, higher office rent and IT costs, partially offset by lower software and marketing costs.

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are non-GAAP financial measures; see "Non-GAAP and Other Financial Measures" for their composition and usefulness. The following table reconciles net income, the most directly comparable IFRS measure, to EBITDA and Adjusted EBITDA:

(Canadian $000's)	Three months ended September 30 2026	2025	Change	Nine months ended September 30 2026	2025	Change
Net income	1,265	352	913	2,000	340	1,660
Depreciation and amortization	586	535	51	1,654	1,530	124
Finance costs	244	226	18	695	667	28
Income tax (recovery) expense	(71)	21	(92)	(46)	64	(110)
EBITDA	2,024	1,134	890	4,303	2,601	1,702
Share-based compensation	39	46	(7)	98	118	(20)
Foreign exchange (gain) loss on remeasurement of foreign currency monetary items	(16)	(185)	169	(45)	277	(322)
Loss (gain) on disposal of long-lived assets	79	(84)	163	79	(43)	122
PST assessment	-	-	-	118	-	118
Legal settlement and severance	-	73	(73)	-	77	(77)
Adjusted EBITDA	2,126	984	1,142	4,553	3,030	1,523

EBITDA increased $890, or 78%, to $2,024 for the three months ended September 30, 2026 (2025 – $1,134). Higher gross profit of $1,256, lower other expense ($21) and lower share-based compensation ($7) were partially offset by lower foreign exchange gains ($167), the change from a gain to a loss on disposal of long-lived assets ($163) and higher general and administrative expenses ($64). EBITDA increased $1,702, or 65%, to $4,303 for the nine months (2025 – $2,601), reflecting higher gross profit of $1,821, lower foreign exchange losses ($232), higher other income ($73) and lower share-based

compensation ($20), partially offset by higher general and administrative expenses ($322, including the $118 PST assessment) and the change from a gain to a loss on disposal of long-lived assets ($122). The lower foreign exchange loss reflects reduced exposure on remeasurement of foreign currency monetary items following the intercompany restructuring completed December 31, 2025.

Adjusted EBITDA increased $1,142, or 116%, to $2,126 for the three months ended September 30, 2026 (2025 – $984), and $1,523, or 50%, to $4,553 for the nine months (2025 – $3,030). Adjusted EBITDA as a percentage of revenue, a non-GAAP ratio, was 41.0% for the quarter (2025 – 30.0%) and 32.9% for the nine months (2025 – 29.3%). The increase reflects higher gross profit, with general and administrative expenses, excluding the PST assessment, growing at a slower rate than revenue.

Depreciation and amortization

	Three months ended September 30			Nine months ended September 30		
(Canadian $000's)	2026	2025	Change	2026	2025	Change
Depreciation and amortization	586	535	51	1,654	1,530	124

Depreciation is recognized on property and equipment and right-of-use assets on a straight-line basis over their estimated useful lives. Rental equipment is depreciated over two to twenty-five years depending on asset type and condition. Amortization is recognized on the Company's intangible assets, which consist of capitalized ZeroE development costs; the Company's patents are fully amortized.

Depreciation and amortization increased $51, or 10%, to $586 for the three months ended September 30, 2026 (2025 – $535), and $124, or 8%, to $1,654 for the nine months (2025 – $1,530). The increase in both periods reflects higher depreciation on capital spares supporting the rental fleet, on vehicles purchased in 2026, and on leased vehicles. For the quarter, this was partially offset by lower depreciation on leased properties, as the third quarter of 2025 included depreciation for the first half of 2025 on a property lease that commenced in 2025.

Share-based compensation expense

	Three months ended September 30			Nine months ended September 30		
(Canadian $000's)	2026	2025	Change	2026	2025	Change
Share-based compensation expense	39	46	(7)	98	118	(20)

Cleantek operates equity-settled share-based compensation programs designed to align management and employee interests with those of shareholders and to attract and retain qualified personnel in a competitive labour market.

The Company's stock option plan provides for the granting of stock options to employees, officers, directors, service providers and consultants, and its restricted share unit plan provides for the granting of restricted share units ("RSUs") and deferred share units ("DSUs"). As at September 30, 2026, the Company had 2,092,500 options, nil RSUs, and 300,000 DSUs outstanding. The expense is non-cash and is added back in the calculation of Adjusted EBITDA. See Note 9 of the condensed consolidated interim financial statements for a full description of the plan terms and vesting conditions.

Share-based compensation decreased $7 to $39 for the three months ended September 30, 2026 (2025 – $46), and $20 to $98 for the nine months (2025 – $118). The decrease reflects lower RSU expense following the completion of vesting of previously granted RSUs by April 30, 2026. Option-related expense was consistent with the comparative periods, as expense on the 550,000 stock options granted in the third quarter offset the run-off of earlier grants. No further RSU grants are currently anticipated.

Finance costs

(Canadian $000's)	Three months ended September 30 2026	2025	Change	Nine months ended September 30 2026	2025	Change
Interest on bank operating line	10	18	(8)	33	59	(26)
Interest on long-term debt	194	163	31	533	481	52
Amortization of deferred financing fees	12	11	1	33	32	1
Accretion of discount on promissory note	10	11	(1)	31	32	(1)
Interest on lease liabilities	17	24	(7)	56	65	(9)
Interest on financed insurance premiums	1	-	1	9	-	9
Interest income	-	(1)	1	-	(2)	2
Total finance costs	244	226	18	695	667	28

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

Finance costs increased $18, or 8%, to $244 for the three months ended September 30, 2026 (2025 – $226), and $28, or 4%, to $695 for the nine months (2025 – $667). Interest on long-term debt increased $31 for the quarter and $52 for the nine months, primarily due to interest on the BDC working capital facility entered into in April 2026, partially offset by lower interest on the amortizing BDC term loan, and interest on financed insurance premiums added $1 and $9, respectively. These increases were partially offset by lower interest on the bank operating line, which decreased $8 for the quarter and $26 for the nine months with reduced utilization, and lower interest on lease liabilities. Cash interest paid on the bank operating line, long-term debt and lease liabilities was $221 for the quarter (2025 – $204) and $622 for the nine months (2025 – $603).

Gains, losses, and other expense (income)

(Canadian $000's)	Three months ended September 30 2026	2025	Change	Nine months ended September 30 2026	2025	Change
Loss (gain) on disposal of long-lived assets	79	(84)	163	79	(43)	122
Foreign exchange (gain) loss	(18)	(185)	167	47	279	(232)
Other expense (income)	-	21	(21)	(59)	14	(73)

The Company recognized a loss on disposal of long-lived assets of $79 in the third quarter of 2026 on the sale of vehicles for proceeds of $89. In 2025, the Company recognized a gain of $84 for the third quarter and a net gain of $43 for the nine months on dispositions in the normal course of fleet management.

The Company recognized a foreign exchange gain of $18 for the three months ended September 30, 2026 (2025 – gain of $185) and a foreign exchange loss of $47 for the nine months (2025 – loss of $279). The lower nine-month loss reflects an unrealized gain of $45 on the remeasurement of foreign currency monetary items (2025 – loss of $277), consistent with reduced exposure following the December 31, 2025 intercompany restructuring, partially offset by realized foreign exchange losses of $92 (2025 – $2).

Other income of $59 for the nine months ended September 30, 2026 (2025 – expense of $14) consisted of an insurance recovery on a damaged HALO unit, recognized in the second quarter. There was no other income or expense in the third quarter of 2026 (2025 – expense of $21).

Income taxes

(Canadian $000's)	Three months ended September 30 2026	2025	Change	Nine months ended September 30 2026	2025	Change
Current tax (recovery) expense	(71)	21	(92)	(46)	64	(110)
Total tax (recovery) expense	(71)	21	(92)	(46)	64	(110)

The Company recorded a current income tax recovery of $71 for the three months ended September 30, 2026 (2025 – expense of $21) and a recovery of $46 for the nine months (2025 – expense of $64). Current income tax relates primarily to the Company's U.S. subsidiary. The recovery reflects an overpayment of the subsidiary's 2025 income taxes and the reversal of current tax over-accrued earlier in 2026, following a reduction in estimated U.S. taxable income after the December 31, 2025 intercompany asset transfer. No deferred income tax was recognized in either period. The Company has significant Canadian tax losses for which no deferred tax asset has been recognized.

Net income

(Canadian $000's)	Three months ended September 30 2026	2025	Change	Nine months ended September 30 2026	2025	Change
Net income	1,265	352	913	2,000	340	1,660

Net income was $1,265, or $0.04 per basic share, for the three months ended September 30, 2026 (2025 – $352, or $0.01 per basic share), and $2,000, or $0.07 per basic share, for the nine months (2025 – $340, or $0.01 per basic share).

The $913 increase for the quarter reflects higher gross profit ($1,256), the change from income tax expense to a recovery ($92), lower other expense ($21) and lower share-based compensation ($7), partially offset by lower foreign exchange gains ($167), the change from a gain to a loss on disposal of long-lived assets ($163), and higher general and administrative expenses ($64), depreciation and amortization ($51) and finance costs ($18). The $1,660 increase for the nine months reflects higher gross profit ($1,821), lower foreign exchange losses ($232), the change from income tax expense to a recovery ($110), higher other income ($73) and lower share-based compensation ($20), partially offset by higher general and administrative expenses ($322, including the $118 PST assessment), depreciation and amortization ($124), the change from a gain to a loss on disposal of long-lived assets ($122) and higher finance costs ($28).

CAPITAL EXPENDITURES

(Canadian $000's)	Three months ended September 30 2026	2025	Change	Nine months ended September 30 2026	2025	Change
Rental equipment additions and assets under construction	244	95	149	833	988	(155)
Automotive	241	173	68	448	173	275
Office equipment	(1)	-	(1)	15	-	15
Total capital expenditures	484	268	216	1,296	1,161	135

Capital expenditures were $484 for the three months ended September 30, 2026 (2025 – $268) and $1,296 for the nine months (2025 – $1,161). The increase of $216 for the quarter reflects higher investment in the rental fleet and assets under construction of $244 (2025 – $95) and higher automotive additions of $241 (2025 – $173) to support field operations. The increase of $135 for the nine months reflects higher automotive additions of $448 (2025 – $173), partially offset by lower investment in the rental fleet and assets under construction of $833 (2025 – $988). Capital expenditures are a non-GAAP financial measure; the nine-month 2025 figure excludes $404 of additions transferred to inventory (see "Non-GAAP and Other Financial Measures").

SUPPLEMENTAL QUARTERLY INFORMATION

The table below summarizes Cleantek's quarterly financial and operational highlights for each of the eight most recently completed quarters. Third quarter 2025 figures agree to the comparative figures presented in this MD&A, and other 2025 quarterly figures are as presented in the Company's MD&A for the year ended December 31, 2025.

(Canadian $000's except per share amounts)	2026 Q3	2026 Q2	2026 Q1	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4
Revenue	5,187	5,126	3,514	3,426	3,282	3,352	3,705	2,927
Gross profit	3,145	2,615	2,075	1,954	1,889	1,782	2,346	1,835
Gross profit %	60.6%	51.0%	59.0%	57.0%	57.6%	53.2%	63.3%	62.7%
Net income (loss)	1,265	518	217	595	352	(457)	450	1,466
Net income (loss) per share- basic ($)	0.04	0.02	0.01	0.02	0.01	(0.02)	0.02	0.05
Net income (loss) per share - diluted ($)	0.04	0.02	0.01	0.02	0.01	(0.02)	0.02	0.05
EBITDA [(1)]	2,024	1,301	978	1,330	1,134	278	1,193	2,298
Adjusted EBITDA – previously reported [(1)]	-	-	-	-	-	-	-	1,762
Adjusted EBITDA - revised [(1)]	2,126	1,426	1,001	1,531	984	778	1,266	1,214
Total assets	17,442	17,395	15,011	14,485	14,516	14,537	15,192	13,641
Working capital (deficit) [(1)]	4,022	3,115	835	(482)	(920)	(1,242)	(1,028)	(1,939)
Total non-current liabilities	8,380	9,163	7,581	6,788	7,146	7,493	7,525	7,085

(1) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures". Reconciliations for prior quarters are included in the Company's MD&A for those periods, available on SEDAR+.

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

Third quarter 2026 revenue of $5,187 was the highest of the eight quarters presented, exceeding the seasonal first- and fourth-quarter peaks, as equipment sales under the HALO International Program are not subject to the same seasonal pattern as domestic rental activity. Quarterly revenue ranged from $2,927 to $5,187 over the eight quarters presented.

Gross margin ranged from 51.0% to 63.3% over the eight quarters presented. The lowest margin, in the second quarter of 2026, reflected seasonally lower rental revenue against a largely fixed fleet cost base and lower margins on the first units delivered under the HALO International Program. Gross margin recovered to 60.6% in the third quarter of 2026 as rental revenue strengthened.

Net income has been affected by non-recurring items in several quarters. Management also assesses period-over-period performance using Adjusted EBITDA, a non-GAAP financial measure that excludes these items. The fourth quarter of 2024 included a gain on debt forgiveness and favourable foreign exchange movements. The net loss in the second quarter of 2025 reflected unrealized foreign exchange losses on the remeasurement of foreign currency monetary items, and the second quarter of 2026 included the $118 PST assessment. Adjusted EBITDA of $2,126 in the third quarter of 2026 was the highest of the eight quarters presented.

CONSOLIDATED LIQUIDITY AND CAPITAL RESOURCES

Cleantek's capital resources consist of cash generated from operations, a revolving operating line of credit with RBC, and term, manufacturing and working capital facilities with BDC. The Company's capital management objective is to maintain sufficient liquidity to service debt obligations, fund fleet investments, and support contracted growth initiatives, while preserving covenant headroom and managing leverage within lender-defined parameters. The Company's assets are encumbered as follows: RBC holds a first charge on accounts receivable; BDC holds security over the Company's fixed assets and, under the working capital facility, a general security agreement over all present and after-acquired personal property. The primary levers available to management for capital structure adjustment are operating cash flow generation, selective asset disposals, and access to equity capital markets.

The following table sets out the components of Cleantek's capital structure as at September 30, 2026 and December 31, 2025:

(Canadian $000's)	September 30, 2026	December 31, 2025
Current assets	8,020	4,554
Less: current liabilities	3,998	5,036
Working capital (deficit)	4,022	(482)
Non-current assets	9,422	9,931
Less: non-current long-term debt	8,116	6,087
Less: non-current lease liabilities	264	701
Shareholders' equity	5,064	2,661

At September 30, 2026, current assets were $8,020 and current liabilities were $3,998, resulting in working capital of $4,022, compared to a deficit of $482 at December 31, 2025. The $4,504 improvement reflects higher accounts receivable ($1,405), net inventory purchased for the HALO International Program ($1,220), and cash and cash equivalents ($1,095), together with repayment of the bank operating line ($1,046) and lower accounts payable and accrued liabilities ($455). These were partially offset by higher current portions of long-term debt and lease liabilities ($463) and lower prepaids and other assets ($254).

Cash and cash equivalents increased to $1,390 at September 30, 2026 (December 31, 2025 – $295). For the nine months, cash provided by operating activities of $1,946 and financing activities of $412 funded investing activities of $1,207, primarily related to additions to the rental fleet and vehicles, net of disposal proceeds, and the effect of foreign exchange on U.S. dollar-denominated cash reduced cash by $56. Financing activities reflected $3,547 of proceeds from long-term debt and $116 from the exercise of warrants, partially offset by repayment of the bank operating line ($1,046), repayments of long-term debt and lease liabilities ($1,568), interest paid ($622), and financing fees ($15).

Non-current assets decreased $509 to $9,422 at September 30, 2026 (December 31, 2025 – $9,931), as depreciation and amortization of $1,654, the transfer of assets under construction to inventory and disposals exceeded additions of $1,296, partially offset by the effect of foreign currency translation on U.S. dollar-denominated assets.

Total non-current liabilities, consisting of the non-current portions of long-term debt and lease liabilities, increased to $8,380 at September 30, 2026 from $6,788 at December 31, 2025, reflecting net drawdowns on the BDC facilities to fund working capital and fleet additions.

Shareholders' equity increased to $5,064 from $2,661, reflecting net income of $2,000 for the nine months ended September 30, 2026, the foreign currency translation adjustment of $193 recognized in other comprehensive income, proceeds of $116 from the exercise of warrants, and share-based compensation, net of RSU settlements.

Debt and credit facilities

Debt and credit facilities are comprised of the following:

(Canadian $000's)	September 30, 2026	December 31, 2025
Current debt		
Bank operating line	-	1,046
Long-term debt		
BDC loans	9,330	7,181
Loans payable	371	149
Promissory notes	446	460
	10,147	7,790
Current portion of long-term debt		
BDC loans	1,884	1,621
Loans payable	126	63
Promissory notes	21	19
	2,031	1,703
Non-current portion of long-term debt		
BDC loans	7,446	5,560
Loans payable	245	86
Promissory notes	425	441
	8,116	6,087

Movements in long-term debt were as follows:

(Canadian $000's)	Nine months ended September 30, 2026	Year ended December 31, 2025
Balance, beginning of period	7,790	7,824
Proceeds of long-term debt	3,547	1,480
Deferred financing fees incurred	(15)	-
Payments on long-term debt	(1,782)	(2,235)
Interest on long-term debt	533	644
Amortization of deferred financing fees	33	42
Accretion on promissory note	31	42
Foreign exchange adjustments	10	(7)
Balance, end of period	10,147	7,790

Bank operating line

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

Borrowings under the operating line bear interest at the Royal Bank of Canada ("RBC") prime rate plus 1.00% (September 30, 2026 – 5.45%; December 31, 2025 – 5.45%).

The operating line is subject to financial covenants, including:

i. Funded Debt to EBITDA ratio, as defined in the lending agreement, of not more than 3.0 to 1.0 on a trailing twelve-month basis; and

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

For covenant purposes, EBITDA ("Covenant EBITDA") is defined as earnings before interest expense, income taxes, depreciation and amortization, adjusted for certain non-cash and non-recurring items as defined in the lending agreement, including gains or losses on sale of assets, deferred taxes and extraordinary items. Covenant EBITDA differs from Adjusted EBITDA as presented in this MD&A.

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

As at September 30, 2026, the Company was in compliance with all covenants under the facility.

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

BDC loans

(Canadian $000's)	September 30, 2026	December 31, 2025
BDC term loan	4,996	5,803
BDC manufacturing facility	2,505	1,567
BDC working capital facility	2,000	-
Deferred financing costs	(171)	(189)
	9,330	7,181
Current portion of BDC loans	1,884	1,621
Non-current portion of BDC loans	7,446	5,560

BDC term loan

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

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

BDC manufacturing facility

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

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

The manufacturing facility is secured by a general security agreement over the fixed assets of the Company and its subsidiary and is subject to a financial covenant requiring a Fixed Charge Coverage ratio of not less than 1.1 to 1.0. The Company was in compliance with this covenant at September 30, 2026.

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

As at September 30, 2026, $2,505 was outstanding under the manufacturing facility (December 31, 2025 – $1,567).

BDC working capital facility

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

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

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

The working capital facility is subject to a financial covenant requiring a Fixed Charge Coverage ratio of not less than 1.1 to 1.0, tested annually commencing December 31, 2026.

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

Loans payable

(Canadian $000's)	September 30, 2026	December 31, 2025
Term loans payable – vehicles	371	149
Current portion of loans payable	126	63
Non-current portion of loans payable	245	86

Cleantek entered into loan agreements to finance the purchase of vehicles for use by field operations staff in servicing rental equipment. The loans are secured by the related vehicles, bear interest at fixed rates of 2.90% to 8.99% per annum (December 31, 2025 – 3.99% to 8.99%) and have original terms ranging from 36 to 60 months (December 31, 2025 – 48 to 60 months).

Promissory note

(Canadian $000's)	September 30, 2026	December 31, 2025
Vendor promissory note, net	446	460
Current portion of promissory note	21	19
Non-current portion of promissory note	425	441

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

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any special purpose entities or off-balance sheet arrangements and is not a party to any arrangements that could have a current or future material effect on its financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

SHARE CAPITAL

The following table sets out Cleantek's outstanding common shares and outstanding equity instruments as at September 30, 2026 and December 31, 2025:

	September 30, 2026	December 31, 2025
Common shares	29,952,044	29,315,377
Stock options	2,092,500	1,542,500
RSUs	-	205,000
DSUs	300,000	300,000
Warrants	-	500,000
Total outstanding securities	32,344,544	31,862,877

During the nine months ended September 30, 2026, the Company issued 466,668 common shares on the exercise of warrants and 169,999 common shares on the settlement of 205,000 vested RSUs, with the remainder settled from shares held in treasury and in cash, and granted 550,000 stock options. The remaining 33,332 warrants expired unexercised.

As at the date of this MD&A, Cleantek had 29,952,044 common shares, 2,092,500 stock options and 300,000 DSUs outstanding.

RELATED PARTY BALANCES AND TRANSACTIONS

Related party transactions are recorded at the amounts agreed between the parties. Key management personnel comprise the Company's executive officers and members of the Board.

Executive loan facility

The Company entered into an unsecured executive loan agreement (the "Agreement") with the President and Chief Executive Officer in the amount of $50, which is included in other current assets. The loan bears interest at the Canada Revenue Agency prescribed rate, which was 3.00% as at September 30, 2026 (December 31, 2025 – 3.00%), and is subject to quarterly adjustment. The principal and accrued interest are due no later than December 31, 2026, pursuant to an amendment to the Agreement dated November 11, 2025, which extended the original maturity date from December 31, 2025.

PillarFour monitoring agreement

Effective January 1, 2025, the Company entered into a monitoring agreement with PillarFour Capital Partners Inc. ("PillarFour"), under which PillarFour provides advisory, monitoring and consulting services for a fee of $10 per month. PillarFour is associated with the Chairman of the Board, and its affiliates hold at least 10% of the Company's common shares. The agreement continues until affiliates of PillarFour hold less than 10% of the Company's equity or the parties mutually agree to terminate it. For the nine months ended September 30, 2026, the Company incurred fees of $90 (2025 – $90).

Management compensation

Compensation paid to key management personnel during the period was consistent with the terms of existing employment and consulting arrangements.

COMMITMENTS AND CONTINGENCIES

Contractual obligations and commitments

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

(Canadian $000's)	Carrying amount [1]	< 1 year	2 to 3 years	4 to 5 years	Thereafter	Contractual outflows
Financial liabilities						
Accounts payable and accrued liabilities	1,412	1,412	-	-	-	1,412
Long-term debt [2]						
BDC loans [3]	9,330	2,547	5,307	3,138	204	11,196
Loans payable	371	144	235	23	-	402
Promissory notes	446	60	120	120	440	740
	11,559	4,163	5,662	3,281	644	13,750
Lease liabilities and other commitments						
Lease liabilities	819	598	276	-	-	874
Other operating and capital commitments [4]	-	126	64	-	-	190
	819	724	340	-	-	1,064
Total contractual obligations	**12,378**	**4,887**	**6,002**	**3,281**	**644**	**14,814**

(1) Includes the current and non-current portions.
(2) Long-term debt amounts include principal and interest.
(3) Carrying amount is net of deferred financing charges of $171. Contractual outflows include principal and interest; interest on the BDC term loan is based on its three-year fixed rate, and on the floating-rate facilities on rates in effect at September 30, 2026, in each case assumed to be maintained for the duration of the loans. The BDC term loan rate is subject to renegotiation at the end of its initial three-year term.
(4) Includes leased property operating cost and property tax commitments.

Litigation and claims

The Company is involved in litigation and claims arising in the ordinary course of business. Management has assessed these matters and determined that they are not expected to have a material impact on the Company's interim consolidated financial position or interim consolidated results of operations.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

Cleantek is committed to operating safely, ethically, and sustainably. The Company maintains active environmental, health, and safety ("EHS") programs including field worker monitoring, third-party EHS audits, and comprehensive safety training aligned with applicable regulatory requirements and customer standards. Cleantek's executive team places the highest priority on workforce safety and environmental stewardship, and these commitments are embedded in its hiring, procurement, and subcontractor selection processes.

The Board provides oversight of Cleantek's safety and sustainability performance, including review of EHS policies, assessment of regulatory compliance, and evaluation of the Company's approach to workforce wellbeing, environmental impact, and community engagement. Management reports to the Board on safety and sustainability matters on a regular basis.

RISK ASSESSMENT

Cleantek is subject to risks, some common to all businesses and others specific to the oilfield services and clean technology sectors. A comprehensive discussion of the risks and uncertainties facing the Company is provided in the MD&A for the year ended December 31, 2025, which is available on SEDAR+ at www.sedarplus.ca. The following risks are highlighted given their relevance to the current period or because they represent changes in the Company's risk profile since the annual MD&A was filed.

Business risks

International operations risk

The Company is executing the HALO International Program, its largest international contract to date, involving the manufacture and supply of up to 60 HALO SE Crown Mount units for a customer in the Middle East. In the second quarter of 2026, the Company amended its distribution arrangement, with the amended terms applied to all units delivered after the first 4 units. Under the amended terms, its regional distributor is responsible for local execution and installation, while the Company supplies units on a delivered basis and retains responsibility for product design, manufacturing, warranty, and technical support. As at the date of this MD&A, 36 units have been delivered.

While this arrangement reduces the Company's direct exposure to in-region installation and mobilization risk, the Company remains subject to risks related to international logistics, the performance and financial condition of its regional distributor, the collection of amounts owing under the program, and its retained product and warranty obligations. The ongoing regional conflict in the Middle East may adversely affect the distributor's ability to complete installations, the Company's ability to complete deliveries on the anticipated timeline, and demand for future international deployments. There can be no assurance that an escalation of hostilities or deterioration in regional conditions will not adversely affect execution of the program, which could have a material adverse effect on the Company's revenue, results of operations, and cash flows.

Trade policy and tariff risk

Trade tensions between Canada and the United States escalated during the third quarter. The United States imposed 50% tariffs on a range of Canadian goods effective August 22, 2026; Canada suspended trade negotiations; and Canada imposed counter-tariffs of 15% to 50% on a range of U.S. goods effective September 8, 2026. These measures are in addition to existing U.S. sectoral tariffs on steel, aluminum and other products, and the Canada-United States-Mexico Agreement, which was not renewed following its July 2026 joint review, remains subject to annual review. These measures may increase the cost of components and equipment moving across the Canada-United States border, including equipment manufactured in Canada for the Company's U.S. operations, reduce capital spending by the Company's oil and gas customers, or reduce demand for the Company's services. Further tariff or retaliatory measures could adversely affect the Company's business, financial condition, results of operations and cash flows. Subsequent to quarter end, the two governments resumed trade discussions; as at the date of this MD&A, no tariff relief had been announced, and there is no assurance that an agreement will be reached. The Company continues to monitor these developments, many of which are outside its control.

Liquidity risk

Liquidity risk is managed through operating cash flow and available credit facilities. As at September 30, 2026, no amounts were drawn on the RBC operating line against borrowing capacity of $2,500 (December 31, 2025 – $1,046 drawn against capacity of $2,111). At September 30, 2026, trade receivables included $1,444 due from one international customer, representing 30% of trade receivables, a portion of which was past due; $508 of this balance was collected subsequent to September 30, 2026. Management expects cash on hand, available credit facilities, and operating cash flows to be sufficient to meet the Company's obligations for at least the next twelve months.

Interest rate risk

Interest rate risk arises from the Company's variable-rate borrowings under the RBC operating line and the BDC manufacturing and working capital facilities. A 1% change in interest rates would change annual net income by approximately $45. The BDC term loan bears interest at a fixed rate of 8.20% for its initial three-year term, after which the rate will be renegotiated, exposing the Company to changes in interest rates on renewal.

ACCOUNTING STANDARDS, CHANGES AND PRONOUNCEMENTS

The condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, using the accounting policies set out in Note 3 of the Annual Financial Statements.

Accounting pronouncements

In May 2024, the IASB issued Amendments to IFRS 9 – Financial Instruments, and IFRS 7 – Financial Instruments: Disclosures, relating to the classification and measurement of financial instruments, including the timing of derecognition of financial assets and liabilities and related disclosure requirements. The amendments became effective for the Company on January 1, 2026 and had no material impact on the condensed consolidated interim financial statements.

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements, which replaces IAS 1 – Presentation of Financial Statements, effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The new standard introduces defined subtotals in the statement of income, requires disclosure of management-defined performance measures in the notes to the financial statements, and will require comparative figures to be restated. Management is assessing the impact of the standard, including the presentation of measures such as Adjusted EBITDA, and expects the changes to affect presentation and disclosure rather than reported net income.

CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Significant areas of estimation uncertainty include the useful lives and residual values of property and equipment, the realizability of deferred tax assets, and the assessment of expected credit losses on accounts receivable. A full discussion of the Company’s critical accounting estimates, judgments, and assumptions is set out in Note 2 of the Annual Financial Statements for the year ended December 31, 2025. There have been no material changes to the use of estimates during the period.

NON-GAAP AND OTHER FINANCIAL MEASURES

This MD&A refers to certain non-GAAP financial measures and non-GAAP ratios, as defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure. These measures are not standardized financial measures under IFRS Accounting Standards and may not be comparable to similar measures presented by other issuers. Management believes they provide useful supplemental information for evaluating the Company's operating performance, its ability to generate cash, and its liquidity and capital structure. They should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS Accounting Standards.

EBITDA, a non-GAAP financial measure, is calculated as net income before finance costs, income taxes, and depreciation and amortization. Management uses EBITDA to evaluate operating performance

independent of capital structure, tax position and the non-cash cost of the Company's rental fleet. The most directly comparable IFRS measure is net income.

Adjusted EBITDA, a non-GAAP financial measure, is EBITDA further adjusted for share-based compensation, foreign exchange gains and losses on remeasurement of foreign currency monetary items, gains and losses on disposal of long-lived assets and on right-of-use asset terminations, and items management does not consider indicative of recurring operating performance, including litigation expenses and settlements, executive severance, prior-period tax assessments and gains on debt forgiveness. Management uses Adjusted EBITDA to assess recurring operating performance and the Company's ability to generate cash flow to service debt and fund growth. The most directly comparable IFRS measure is net income, and a reconciliation is provided under "EBITDA and Adjusted EBITDA" in the Results of Operations section. Effective for the year ended December 31, 2025, the Company revised the composition of Adjusted EBITDA to exclude gains and losses on disposal of long-lived assets and gains on debt forgiveness, which were previously included, as management considers these items not indicative of recurring operating performance; comparative figures have been re-presented, and amounts as previously reported are shown under "Supplemental Quarterly Information".

Adjusted EBITDA as a percentage of revenue, a non-GAAP ratio, is calculated as Adjusted EBITDA divided by revenue. Adjusted EBITDA is a non-GAAP financial measure. Management uses this ratio to assess operating margin on a recurring basis.

Working capital, a non-GAAP financial measure, is calculated as current assets less current liabilities. Management uses this measure to monitor liquidity. Its components, which are presented in the condensed consolidated interim statements of financial position, are reconciled under "Consolidated Liquidity and Capital Resources".

Capital expenditures, a non-GAAP financial measure, is calculated as additions to property and equipment, as presented in the condensed consolidated interim statements of cash flows, less additions transferred to inventory in the same period. Management uses it to measure investment in the Company's long-lived assets. For the three and nine months ended September 30, 2026, no additions were transferred to inventory in the period incurred, and capital expenditures equal additions to property and equipment of $484 and $1,296, respectively. For the three months ended September 30, 2025, capital expenditures equal additions to property and equipment of $268, as the $121 transferred to inventory in the quarter related to materials purchased earlier in 2025. For the nine months ended September 30, 2025, additions to property and equipment of $1,565, less $404 transferred to inventory, result in capital expenditures of $1,161.

FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A constitute forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of historical fact are forward-looking statements and are identified by words or phrases such as "anticipates," "believes," "expects," "intends," "may," "plans," "will," "projects," or similar expressions suggesting future outcomes. Forward-looking statements in this MD&A include, without limitation, statements relating to:

- The expansion and growth of the Company's fleet of wastewater treatment and industrial lighting assets to satisfy anticipated demand across the oil and gas, midstream, mining, industrial, and construction markets.
- The supply and delivery of the remaining HALO SE Crown Mount units under the HALO International Program.

- The timing and recognition of revenue associated with future deliveries under the HALO International Program.
- The performance of the Company's regional distributor and the completion of in-region installation activities under the HALO International Program.
- The continued expansion of the Company's international presence, including the potential deployment of HALO SE Crown Mount units in the South American market, subject to project timing and customer demand.
- The Company's ability to maintain compliance with financial covenants under its RBC and BDC credit facilities.
- The sufficiency of cash on hand, available credit facilities and anticipated cash flows from operations to meet the Company's obligations for at least the next twelve months.
- The expected reduction in foreign exchange volatility in consolidated net income following the intercompany restructuring completed December 31, 2025.
- The continued expansion of the HALO fleet to support domestic and international demand.
- The Company's ability to collect outstanding receivables and manage credit risk.
- The Company's evaluation of acquisition opportunities and potential access to broader capital markets, including a potential listing on the Toronto Stock Exchange.
- The expected impact of IFRS 18, Presentation and Disclosure in Financial Statements, on the Company's consolidated financial statements, including the presentation of management-defined performance measures.
- The Company's expectations regarding revenue growth.

Forward-looking statements are based on assumptions about future events, including assumptions regarding commodity prices, customer demand, exchange rates, the performance of international distribution partners, the timing of equipment deliveries, and the Company's ability to maintain covenant compliance and access sufficient liquidity. Actual results could differ materially from those expressed or implied as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are outside the Company's control, including those described in the Risk Assessment section of this MD&A.

Although management believes that the expectations reflected in the forward-looking statements are reasonable, no assurance can be provided that such expectations will prove to be accurate. Forward-looking statements are made as of the date of this MD&A, and the Company undertakes no obligation to update or revise them as a result of new information, future events, or otherwise, except as required by applicable securities laws.

ADDITIONAL INFORMATION

Additional information regarding Cleantek and its business and operations can be obtained by contacting the Company at Cleantek Industries Inc., Suite 1210, 520 – 5th Avenue SW, Calgary, Alberta, Canada T2P 3R7 or by e-mail at info@cleantekinc.com. Additional information related to Cleantek is available on www.cleantekinc.com and on the Company's SEDAR+ profile at www.sedarplus.ca.