



Management's Discussion and Analysis

For the three and nine months ended September 30, 2021 and 2020



MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIS OF PRESENTATION AND DESCRIPTION OF THE COMPANY

November 22, 2021 - The following Management's Discussion and Analysis ("MD&A") of 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 month periods ended September 30, 2021 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three and nine month periods ended September 30, 2021 and the audited consolidated financial statements for the years ended December 31, 2020, 2019 and 2018.

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 International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), except where indicated otherwise. 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 of the Company (the "Board of Directors") as of September 30, 2021. Unless otherwise indicated, all dollar amounts presented herein are in thousands of Canadian dollars. References to USD mean United States dollars.

Cleantek, headquartered in Calgary, Alberta, is an innovative, technology-based equipment solutions company that designs, engineers and rents patented clean-energy lighting and dehydration products for clients in the upstream and midstream segments of the energy industry as well as the commercial construction industry in western Canada and the United States.

READER ADVISORIES

This MD&A contains forward-looking statements and introduces financial measures which 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-GAAP Measures" 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 and fully integrated wastewater treatment and disposal equipment along with turnkey sustainable lighting rental solutions. Cleantek leverages its patented technology and industry expertise to provide equipment to service a diverse range of clientele. Cleantek prioritizes people and the environment through our high-performance safety focused culture and our experienced technical professionals are committed to providing environmentally friendly cost-effective solutions to our clients.

Cleantek provides technology-based solutions for an increasingly demanding water treatment and disposal sector along with location lighting to provide safe working conditions for 24-hour operations. Cleantek provides its technology and services in some of the most active areas in Canada and the United States. Our environmental, safety and operational performance have enabled us to establish and maintain a blue-chip client base, including many exploration and production companies in North America.

As the market continues its shift towards environmental, social and governance ("ESG") response initiatives, Cleantek intends to leverage its technology to capture additional market share through organic growth of its ZeroE wastewater treatment and vaporization service offering, along with a forecasted strong utilization of our sustainable lighting rental solutions.



GOING CONCERN

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

For the nine months ended September 30, 2021, the Company's net loss was \$1,208 (2020 - \$13,144). At September 30, 2021, the Company had net current liabilities of \$16,319 (December 31, 2020 - \$16,805) which includes the current portions of lease liabilities, long-term debt and convertible notes. At September 30, 2021, the Company has shareholders' deficiency of \$7,428 (December 31, 2020 - \$7,278).

In 2020 and 2021, demand for the Company's services was significantly impacted by COVID-19 and the impact of deteriorating commodity prices on the Company's customers, primarily those in the oil and gas industry. As a result, as at September 30, 2021, the Company's available funding and cash flow from operating activities were not forecasted to be enough to fund its operating, investing and financing activities, including current portions of long-term debt, convertible notes and lease liabilities.

Throughout 2020 and 2021, the Company was not in compliance with certain financial and reporting covenants of the Roynat Capital Term Facility (as defined herein). The Company was also not in compliance with certain financial and reporting covenants under its Bank of Montreal Revolving Debt Facility (as defined herein). The Company put in place forbearance agreements with both Roynat Inc. ("Roynat") and the Bank of Montreal (the "Bank of Montreal") in respect of the Roynat Capital Term Facility and the Bank of Montreal Revolving Debt Facility respectively. As at September 30, 2021, the Company also had outstanding balances overdue under the OKR Financial Term Loan (as defined herein), the Company's Term Credit Facility (as defined herein) as well as under the Shareholder Loan (as defined herein). These breaches of covenants, among other non-compliances with long-term debt agreements including missed principal and interest payments, resulted in these long-term debts being classified as current liabilities. Based on the factors noted above, there were material uncertainties and significant doubt at September 30, 2021 with respect to the Company's ability to continue as a going concern.

Subsequent to September 30, 2021, the Company:

- Completed a reverse takeover of Raise Production Inc. ("Raise"), a TSX-Venture Exchange ("TSXV") listed company, pursuant to the terms of the arrangement agreement dated July 12, 2021 (the "Arrangement Agreement") between the Company and Raise (the "RTO");
- Completed a private placement of 5,716,123 subscription receipts ("Subscription Receipts") of the Company for gross proceeds of \$10,003, plus an additional 428,571 Subscription Receipts issued in settlement of \$750 of interest owing on the OKR Financial Term Loan for total gross proceeds of \$10,753 (the "Private Placement");
- Each subscription receipt was exchanged into one unit of Cleantek ("Unit") upon closing of the RTO. Each Unit was comprised of one class A common share of the Company ("Common Shares") and one half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$2.25 at any time up to 36 months from the closing of the RTO;
- Completed a new loan and revolving facility on September 24, 2021 and received \$7,500 on October 29, 2021 from a non-revolving term facility (the "Non-Revolving Term Facility") and now have access to a revolving line of credit up to \$2,500 that has not yet been drawn on;
- Funds from the Private Placement and the Non-Revolving Term Facility were used to repay the Roynat Capital Term Facility, Bank of Montreal Revolving Debt Facility, the OKR Financial Term Loan, the Company's Term Credit Facility, Shareholder Promissory Note (as defined herein) and the Fall 2021 Convertible Debentures (as defined herein); and



- In conjunction with the RTO, the principal amounts outstanding under the January 2020 and February 2021 convertible debenture notes of the Company, and interest designated to be paid in kind, were converted into Common Shares at a conversion rate of \$1.20 per Common Share.

Based on the reduced debt load and improved capital structure as a result of the Company's post September 30, 2021 activity, the Company's financial position since September 30, 2021 has improved significantly.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

<i>(Canadian \$000's, except per share amounts and percentages)</i>	Three months ended			Nine months ended		
	September 30 2021	September 30 2020	% Change	September 30 2021	September 30 2020	% Change
Revenue	2,045	1,296	58	6,447	5,830	11
Gross profit	1,100	471	134	3,451	2,719	27
Gross profit %	54	36	50	54	47	15
Net loss	(397)	(1,352)	(71)	(1,208)	(13,144)	(91)
Net loss per share - basic and diluted (\$)	\$(0.02)	\$(1.43)	(99)	\$(0.07)	\$(13.97)	(99)
EBITDA(1)	(25)	359	(107)	1,122	(7,479)	(115)
Adjusted EBITDA(1)	158	(456)	(135)	944	(98)	(1,063)
Total assets	13,393	14,342	(7)	13,393	14,342	(7)
Working capital deficiency(1)	16,319	17,957	(9)	16,319	17,957	(9)
Non-current debt(1)	1,124	15,492	(93)	1,124	15,492	(93)
Total non-current liabilities	1,180	15,901	(93)	1,180	15,901	(93)

Note:

(1) Non-GAAP measure as defined in the Non-GAAP measures of this MD&A.

2021

As the world takes steps to recover from the impact of COVID-19, the global economic slowdown and the global oversupply of crude oil, WTI and NYMEX natural gas commodity prices have substantially improved. These improved prices have driven an increase in drilling and production activity across Canada and the United States. Cleantek is currently seeking to take advantage of this increased drilling and production with higher equipment utilization driving an increase in revenue and profits.

2020

In 2020, COVID-19 caused a global oversupply of oil and a decline in commodity prices, which resulted in a reduction in drilling and production activity in both Canada and the United States. Cleantek's profitability was affected by this decline. Furthermore, the global oversupply of oil weakened commodity prices and further increased competition for work in the sector in an already highly competitive market. The sharply decreased commodity prices and reduction in drilling and production activity led to a further and rapid decrease in active drilling rigs in both Canada and the United States, which in turn impacted Cleantek's utilization and rental rates, reducing our top-line revenue by upwards of 65% during the peak of the decline.

During 2020, Cleantek transitioned away from its in-house manufacturing process and toward working with strategic vendors, which resulted in a reduction in Cleantek's overhead and operating expenses, while maintaining Cleantek's access to quality equipment through its strategic vendors. Cleantek's lines of business were impacted across all product lines by the COVID-19 pandemic and the heavy discount on commodity pricing. As a result, very few new assets were added in 2020 and Cleantek experienced a



significant reduction in revenue. However, by the end of 2020, Cleantek experienced a correlating increase in utilization and revenue in conjunction with a market demand increase.

During 2020, Cleantek successfully completed the research, development and engineering of its PZeroE system and completed the construction, installation and commissioning of its first of the facility wastewater treatments/vaporization systems (a "ZeroE System"). The PZeroE System is currently deployed on location and continues to be in operation, providing additional data to Cleantek to further optimize the ZeroE technology.

On November 18, 2020, Cleantek entered into an amended customer rental unit contract with a public, upstream oil and gas producer for the long-term services of two PZeroE Systems, for an aggregate estimated operating revenue in excess of \$6,000 over the contracted term. The amended contract allowed Cleantek to produce and deploy the first of the two PZeroE systems.

OUTLOOK

Cleantek's ability to continue to grow its business and generate improvements in financial performance depends on the execution of its strategy to build, own and operate a portfolio of ZeroE Systems, waste energy powered, wastewater treatment and vaporization infrastructure projects throughout North America and globally including:

- Taking advantage of increased drilling and production with equipment utilization rates increasing leading to an increase in revenue and profits;
- Leveraging Cleantek's technology to capture additional market share through organic growth of the ZeroE wastewater treatment and vaporization service offering along with a strong forecasted utilization of our sustainable lighting rental solutions;
- Executing Cleantek's strategy to build, own and operate a portfolio of ZeroE, waste to energy, wastewater treatment and vaporization infrastructure projects throughout North America and globally;
- Securing additional contracted projects to develop and construct additional ZeroE projects;
- Optimization and expansion of existing ZeroE produced water processing facilities;
- Securing and optimizing long-term contracts for ZeroE service to provide stable, low-risk cash flows;
- Securing a strong pipeline of sustainable lighting rental agreements through developed partnerships and vertically integrated operations;
- Expanding Cleantek's focus markets and customer base to diversify the Company's revenue streams;
- Integrating talent, systems and processes across its acquired projects to create efficiencies and best-in-class operations;
- Continued growth of project portfolio via strategic acquisitions and consolidation opportunities; and
- Capturing expansion in both ZeroE wastewater vaporization and sustainable lighting markets.

The Company is uniquely positioned with the prospect to capture expansion in both ZeroE wastewater vaporization and sustainable lighting markets. Wastewater and vaporization opportunities in the oil and gas, municipal grey water, and industrial wastewater industries and a growing awareness regarding the disadvantages of downhole injection could increase the demand for Cleantek's ZeroE products.



RESULTS OF OPERATIONS

Revenue

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2021	2020	Change	2021	2020	Change
Sustainable lighting solutions	1,890	1,168	62	5,768	5,279	9
ZeroE dehydration	156	127	22	679	551	23
Total revenue	2,045	1,296	58	6,447	5,830	11

Cleantek's revenue is generated primarily from the rental and service of dehydration units, and sustainable lighting systems 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.

Revenue for the third quarter of 2021 increased to \$2,045 compared to \$1,296 for the same period in 2020. Revenue for first nine months of 2021 was \$6,447 compared to \$5,830 for the same period in 2020. General equipment utilization improved throughout 2021 compared to 2020 due to the continued recovery of the market. Utilization remained strong in the third quarter of 2021 compared to the same period in 2020 as a result of strong commodity prices and an increase in drilling activities. Cleantek's operations in the third quarter of 2020 were subject to the impacts of COVID-19 and a global oversupply of oil that caused a decline in commodity prices and drilling activity.

Direct operating expenses

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2021	2020	Change	2021	2020	Change
Direct operating expenses	945	826	14	2,996	3,111	(4)

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 \$945 for the third quarter of 2021, which increased compared to \$826 for the same period in 2020. Direct operating expenses were \$2,996 for the first nine months of 2021 which is a decrease compared to \$3,111 for the same period in 2020. Direct operating expenses increased in the third quarter compared with the same period in 2020 primarily as a result of increased equipment utilization. The direct operating expenses in the third quarter of 2020 were subject to cost cutting initiatives from Cleantek, combined with low equipment utilization in response to the impacts of COVID-19 and the global oversupply of oil.

Gross profit

<i>(Canadian \$000's, except percentage)</i>	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2021	2020	Change	2021	2020	Change
Gross profit	1,100	471	134	3,451	2,719	27
% of revenue	54	36	50	54	47	15

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 increased to 54% in the third quarter of 2021 from 36% in the same period in 2020. Cleantek's gross margin increased to 54% in the first nine months of 2021 from 47% in the same period in 2020. General equipment utilization improved in the third quarter of 2021 compared to the same period in 2020 primarily due to stronger commodity prices and an increase in drilling activities. The activities in the third quarter of 2020 were subject to the impacts of COVID19 and a global oversupply of oil which caused a decline in commodity prices and drilling activity.

General and administrative expenses

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2021	2020	Change	2021	2020	Change
General and administrative expenses	951	871	9	2,591	2,911	(11)

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 third quarter of 2021 increased to \$951 compared to \$871 for the same period in 2020. In the first nine months of 2021, general and administrative expenses decreased to \$2,591 compared to \$2,911 for the same period in 2020. Increased General and administrative expenses in the third quarter of 2021 were due to increased activity and utilization rates as the market continues to recover from impacts of COVID-19 and the global oversupply of oil. Decreased general and administrative expenses in the first nine months of 2021 compared to same period in 2020 are due to cost cutting measures taken by Cleantek in response to the impact of COVID-19.

Depreciation and amortization

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2021	2020	Change	2021	2020	Change
Total depreciation and amortization	413	412	0	1,912	1,958	(2)

Depreciation is recognized on property and equipment and right-of-use assets. Amortization is recognized on the intangible assets including brands, and customer contracts and stakeholder relationships.

Depreciation and amortization expense in the third quarter of 2021 of \$413 was consistent with the \$412 in the same period in 2020. In the first nine months of 2021, depreciation and amortization expense decreased to \$1,912 as compared to \$1,958 in the same period in 2020, due to depreciation and amortization calculated on a lower asset base following the March 2020 impairment of long-lived assets. Depreciation and amortization rates remained consistent in these periods.

Research expense (recovery)

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2021	2020	Change	2021	2020	Change
Research expense (recovery)	(13)	(956)	(99)	(701)	(1,811)	(61)

Research expense includes specific research and development costs expensed in net income (loss), including research and development expenditure not meeting intangible asset or property and equipment recognition criteria. Research recovery includes government grants and other subsidies including the Canadian government's Scientific Research and Experimental Development Tax Incentive Program ("SRED") recognized in net income (loss).

Research recovery in the third quarter of 2021 decreased to \$13 compared to \$956 in the same period in 2020. In the first nine months of 2021, research recovery decreased to \$701 compared to \$1,811 in the



same period in 2020. The decrease in the third quarter of 2021 relates mainly due to Cleantek conducting less research and development activity in 2021 as ZeroE technology had been deployed. For the first nine months of 2021, research recovery is lower than the same period in 2020 as the SRED refunds received in 2020 were higher and included 2017 and 2018 SRED claims. In 2021, research and development remains ongoing for the ZeroE technology but at a reduced rate given progress achieved to date.

Share-based payments expense

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2021	2020	Change	2021	2020	Change
Stock options	196	10	1,858	523	79	562
Common Shares issued as part of directors' compensation	-	-	-	-	1	-
Escrowed Common Shares at acquisition in exchange for employment services	-	131	(100)	-	1,080	(100)
Total share-based payments expense	196	141	39	523	1,160	(55)

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

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

The Company may issue Common Shares from time to time to service providers, vendors or consultants in exchange for services rendered to the Company, as determined by the Board of Directors.

Common Shares issued as part of a business combination in which the vendors earn those Common Shares over a subsequent service period are not accounted for as part of the consideration transferred in the business combination, but as equity-settled share-based compensation. Common Shares were issued to vendors party to the acquisition of a 100% interest in Apollo Energy Services Corp. for an aggregate purchase price of \$5,900, the consideration of which was paid entirely through the issuance of Common Shares and placed in escrow (the "Apollo Energy Acquisition Escrowed Shares") as part of executive employment agreements with two vendors transitioning to positions with Cleantek.

The share-based payments expense in the third quarter of 2021 increased to \$196 compared to \$141 for the same period in 2020 due the granting of new Options to officers, employees and directors of the Company in March 2021 and May 2021. On January 1, 2021, the Company terminated and cancelled all 58,750 of the previously granted and outstanding Options of the Company and in March 2021 and May 2021, the Company granted 1,350,000 and 150,000 Options to officers, employees and directors of the Company at an exercise price of \$1.20 per Common Share.

The share-based payments expense in the first nine months of 2021 decreased to \$523 compared to \$1,160 for the same period in 2020 due to no share-based payments expense recognized in 2021 relating to the Apollo Energy Acquisition Escrowed Shares offset by new Option grants in 2021 and the resulting share-based payment expense, as described above.



Impairment expense

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2021	2020	Change	2021	2020	Change
Impairment of non-financial assets						
Impairment of property and equipment	-	-	-	-	4,465	(100)
Impairment of intangible assets	-	-	-	-	2,504	(100)
Impairment of right-of-use assets	-	-	-	-	1,063	(100)
Total impairment of non-financial assets	-	-	-	-	8,032	(100)
Total impairment expense	-	-	-	-	8,032	(100)

At September 30, 2021, there were no indicators of impairment related to the Company's property and equipment, intangible assets and right of use assets and therefore an impairment test was not required to be performed.

At March 31, 2020, the Company identified the impact of COVID-19, the global economic slowdown and the global oversupply of crude oil and resulting decline in commodity prices factoring into significant uncertainty for Cleantek's oil and gas customers as indicators of impairment. Accordingly, the Company performed an impairment test using a value in use method, based on a discounted cash flow model on its non-financial assets within its rentals cash generating unit at March 31, 2020 and recognized a total impairment of \$8,032 during the nine months period ended September 30, 2020, allocated to the categories in the table above.

Finance costs, net

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2021	2020	Change	2021	2020	Change
Finance costs, net	175	1,299	(87)	1,129	3,707	(70)

Finance costs, net consist primarily of the interest expense recognized on bank debt, long-term debt and convertible notes, the interest component of lease liability payments, debt renewal and other lending fees, loss on the fair value adjustment of derivative convertible note liabilities, loss on conversion of convertible note liabilities, accretion of the decommissioning offset by interest income.

Cleantek recognized finance costs, net of \$175 in the third quarter of 2021 compared to \$1,299 in the same period in 2020. Cleantek recognized finance costs, net of \$1,129 in the first nine months of 2021 compared to \$3,707 for the first nine months of 2020. These decreases are due to significantly lower debt levels in the current year following the conversion of accounts payable, debt and convertible notes into equity in December 2020.

Other (income) expenses

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2021	2020	Change	2021	2020	Change
(Gain) loss on disposal of long-lived assets	(115)	14	(924)	(112)	(87)	29
Foreign exchange (gain) loss	106	42	152	28	(7)	(500)

In 2021, the Company recognized (gains) losses on dispositions of long-lived assets compared to similar amounts of dispositions in the same periods in 2020.

Foreign exchange (gain) loss arises from exchange differences resulting from the translation of foreign denominated working capital as well as realized (gain) loss on the settlement of foreign denominated



working capital. The foreign exchange losses recognized in 2021 are due to the weakened Canadian dollar in the current year.

Income taxes

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2021	2020	Change	2021	2020	Change
Current tax expense (recovery)	-	-	-	-	-	-
Deferred tax expense (recovery)	(216)	-	-	(711)	-	-
Total tax expense (recovery)	(216)	-	-	(711)	-	-

Income taxes consist of current and deferred income taxes.

The Company recognized deferred tax recovery of \$216 for the third quarter of 2021 and \$711 for the first nine months of 2021, respectively. The Company did not recognize any income tax provisions for these periods in 2020.

The Company did not incur current taxes due to the Company's tax loss position. Due to the Company's significant unrecognized deferred tax assets, no deferred tax expense is recognized in 2021 or 2020 due to valuation allowance taken against unrecognized tax. Deferred tax assets are recognized only to the extent that it is probable that the assets can be recovered through deductions against available future taxable income.

Net loss

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2021	2020	Change	2021	2020	Change
Net loss for the period	397	1,352	(71)	1,208	13,144	(91)

The net loss for the third quarter of 2021 decreased to \$397 compared to \$1,352 for the third quarter of 2020. The higher net loss in 2020 was mainly due to the impact of COVID-19 on 2020 operations and higher finance costs in servicing the Company's higher debt levels in 2020, which have been explained in detail above.

In the first nine months of 2021, the net loss decreased to \$1,208 compared to \$13,144 for the same period in 2020. The net loss in 2020 was significantly higher due to the impact of COVID-19 on 2020 operations, higher finance costs in servicing the Company's debt, the impact of an \$8,032 impairment expense recognized at March 31, 2020 and a deferred tax recovery in 2021, all of which have been explained in the detail above.

EBITDA and Adjusted EBITDA

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2021	2020	Change	2021	2020	Change
EBITDA ⁽¹⁾	(25)	359	(107)	1,122	(7,479)	(115)
Adjusted EBITDA⁽¹⁾	158	(456)	(135)	944	(98)	(1,063)

Note:

(1) Non-GAAP measure as defined in the Non-GAAP measures of this MD&A.

Management considers EBITDA and adjusted EBITDA key metrics in analyzing operational performance and the Company's ability to generate cashflow. EBITDA is measured as net income (loss) before interest, tax, depreciation and amortization ("EBITDA"). Adjusted EBITDA is measured as EBITDA adjusted for



share-based payment expense and unusual or non-recurring items. EBITDA and adjusted EBITDA are non-GAAP measure as defined in the non-GAAP measures section of this MD&A.

Cleantek's EBITDA of \$(25) in the third quarter of 2021 decreased from EBITDA of \$359 in the third quarter of 2020 mainly due to a higher research recovery in 2020, which was partially offset by higher revenue in 2021 driven by stronger equipment utilization and improved gross margins, which have been explained in detail above.

Cleantek's EBITDA of \$1,122 in the first nine months of 2021 increased from negative EBITDA of \$7,479 in the same period in 2020 mainly due to the significant impairment expense recognized at March 31, 2020 and higher research recovery in 2020, which have been explained in detail above.

Cleantek's adjusted EBITDA of \$158 in the third quarter of 2021 improved from the adjusted negative EBITDA of \$456 in the third quarter of 2020 primarily due to improved revenue in the current year driven by stronger equipment utilization and improved gross margins.

Cleantek's adjusted EBITDA of \$944 in the first nine months of 2021 increased from the adjusted negative EBITDA of \$98 the same period in 2020 mainly due to improved EBITDA in 2021 as well as lower research recovery offset by lower share-based payments expense, which have been explained in detail above.

CAPITAL EXPENDITURES

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2021	2020	Change	2021	2020	Change
Additions to property and equipment	-	1,051	100	214	1,624	(87)
Additions to intangible assets	32	-	-	95	-	-
Additions to right-of-use assets	-	-	-	-	-	-
Total capital expenditures	32	1,051	-	309	1,624	(87)

Capital expenditures include additions to property and equipment and intangible assets.

In 2021, Cleantek had capital expenditures that included upgrades to the ZeroE facility, capital spares for the HALO™ crown-mounted lighting system units and office equipment.

In 2020, Cleantek limited material capital expenditures to the construction of its commercial ZeroE facility produced water dehydration technology that was constructed throughout 2020 and deployed to location in September of 2020.



SUPPLEMENTAL QUARTERLY INFORMATION

The table below summarizes Cleantek's quarterly financial and operational highlights for the three months ended September 30, 2021 as well as the previous seven quarters:

<i>(Canadian \$000's, except per share amounts and percentages)</i>	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Revenue	2,045	1,945	2,457	1,777	1,296	1,275	3,259	2,882
Gross profit	1,100	922	1,429	646	471	414	1,834	1,086
Gross profit %	54	47	58	36	36	32	56	38
Net loss	(397)	(627)	(184)	(9,232)	(1,352)	(2,286)	(9,506)	(19,157)
Net loss per share								
- basic and diluted (\$)	\$(0.02)	\$(0.04)	\$(0.01)	\$(3.05)	\$(1.43)	\$(2.43)	\$(10.18)	\$(20.56)
EBITDA ⁽¹⁾	(25)	472	675	(448)	359	(660)	(7,178)	(16,467)
Adjusted EBITDA ⁽¹⁾	158	(39)	825	(166)	(456)	(329)	687	(672)
Total assets	13,393	12,997	13,956	13,637	14,342	14,619	16,572	23,873
Working capital deficiency ⁽¹⁾	16,319	16,272	16,358	16,805	17,957	16,953	16,002	16,886
Non-current debt ⁽¹⁾	1,124	1,193	1,250	1,170	15,492	15,162	14,522	13,478
Total non-current liabilities	1,180	1,465	1,611	1,937	15,901	15,571	14,931	13,887

Note:

(1) Non-GAAP measure as defined in the Non-GAAP measures of this MD&A.



CONSOLIDATED LIQUIDITY AND CAPITAL RESOURCES

The following discussion relates to the consolidated position of liquidity and capital of Cleantek as at September 30, 2021 and December 31, 2020.

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, convertible notes, 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:

<i>(Canadian \$000's)</i>	September 30 2021	December 31 2020
Current assets	(3,322)	(2,173)
Current liabilities	19,641	18,978
Working capital deficit or net current liabilities	16,319	16,805
Long-term debt – non-current	676	694
Lease liabilities – non-current	448	476
Shareholders' deficit	(7,428)	(7,278)
	10,015	10,697

Debt and credit facilities

Cleantek's debt and credit facilities are comprised of the following:

<i>(Canadian \$000's)</i>	September 30 2021	December 31 2020
Long-term debt		
Credit facilities	8,278	9,339
Loans payable	2,976	3,009
Promissory notes	1,333	300
	12,587	12,648
Current portion of long-term debt		
Credit facilities	(8,278)	(9,339)
Loans payable	(2,300)	(2,315)
Promissory notes	(1,333)	(300)
	(11,911)	(11,954)
Non-current portion of long-term debt		
Credit facilities	-	-
Loans payable	676	694
Promissory notes	-	-
	676	694



Credit facilities

<i>(Canadian \$000's)</i>	September 30 2021	December 31 2020
Credit facilities		
Roynat Capital Term Facility	2,915	2,996
Bank of Montreal Debt Facility	5,363	6,343
	8,278	9,339
Current portion of credit facilities	(8,278)	(9,339)
Non-current portion of credit facilities	-	-

Roynat Capital Term Facility

The Company had a term facility with Roynat (“the Roynat Capital Term Facility”) repayable in monthly instalments of \$nil (2019 – \$201) plus interest over a five-year term. Roynat provided a principal repayment ‘holiday’ during the months of July, August and September annually. Interest is charged at the Canadian variable bankers’ acceptance rate plus 7.5% per annum. The variable component of the rate averages 1.18% in 2021 (2020 – 2.45%) and the original maturity date was on July 15, 2020. The Roynat Capital Term Facility was secured by a general security agreement covering all of the tangible and intangible assets of the Company, assignment of insurance proceeds for loss payable, along with personal guarantees of certain shareholders of the Company in the aggregate amount of \$1,000.

The Roynat Capital Term Facility is subject to certain financial covenants in respect of working capital, debt servicing and maximum debt ratios.

The Company was not in compliance with its financial, non-financial and reporting covenants of the Roynat Capital Term Facility at December 31, 2019. As a result of the non-compliance with its covenants, subsequent to the December 31, 2019 year end the Company received an event of default notice from Roynat. Pursuant to an amendment letter dated January 16, 2020, Roynat required a minimum capital injection of \$600, interest-only payments for the period from December 2019 to March 2020 and one monthly installment of \$2,915 on April 15, 2020. The payment of \$2,915 was extended until January 15, 2022 and the Company negotiated interest-only payments, at the beginning of each month, on the outstanding amount. The Company was not in compliance with its financial, non-financial and reporting covenants of the Roynat Capital Term Facility at December 31, 2020 due to missed principal payments in December 2020.

On December 4, 2020, the Company signed a forbearance agreement with Roynat (the “Roynat Forbearance Agreement”) with an outstanding principal amount owing at December 31, 2020 of \$2,915. The Roynat Forbearance Agreement matured on March 31, 2021 and the Company was required to make interest-only payments until this time. The amounts owing under the Roynat Forbearance Agreement were subject to an increased rate of interest of the Canadian variable rate plus 7.5% per annum. In accordance with the Roynat Forbearance Agreement, the Company was required to commence and complete a refinancing, equity raise or other strategic transaction on terms acceptable to Roynat for proceeds of not less than \$500 by January 31, 2021 and February 28, 2021, respectively, however, the Company only raised \$380 through a convertible debenture issue in February 2021 and \$165 through a Common Share subscription on March 1, 2021.

On June 11, 2021, the Company agreed to an extension to the Roynat Forbearance Agreement dated December 4, 2020 with respect to the Roynat Capital Term Facility, until the earlier of the occurrence of an event of default or July 31, 2021.

Roynat did not waive previous and forecasted breaches of the Roynat Capital Term Facility and Roynat Forbearance Agreement, however, on July 21, 2021, the Company agreed to extensions to the previous Roynat Forbearance Agreement with Roynat until the earlier of the occurrence of an event of default or



January 15, 2022. On October 29, 2021, the Company settled its obligations owing in full and no further obligations exist under the Roynat Capital Term Facility. See Subsequent Events for further details.

Bank of Montreal Revolving Debt Facility

The Company has a demand revolving debt facility (“Bank of Montreal Revolving Debt Facility”) of \$7,000 with the Bank of Montreal that allowed the Company to make draws for the purpose of capital expenditures only. Each individual draw is amortized over a 48-month lending period, with an initial interest-only period of 6 months which draws down on the available credit on the Bank of Montreal Revolving Debt Facility. Upon settlement of an individual draw, the Company could redraw on that credit becoming available in accordance with the Bank of Montreal Revolving Debt Facility. Although each individual draw was subject to a 48-month lending period, the Bank of Montreal has the ability to demand full repayment at anytime, at their sole discretion. The interest rate was based on the Bank of Montreal’s prime rate plus 1.25% and calculated monthly in arrears and payable monthly. The financial covenants include a debt service covenant and debt to tangible net worth covenant calculated every quarter based on a twelve-month trailing amount. The Bank of Montreal Revolving Debt Facility was secured by the assets of the Company.

At December 31, 2019, the Company was not in compliance with its financial and non-financial and reporting covenants of the Bank of Montreal Revolving Debt Facility. As a result of the non-compliance, the Bank of Montreal Revolving Debt Facility was in special loans with the Bank of Montreal, principal payments were suspended, only interest payments are being made and, accordingly, the balance was classified as current.

On December 14, 2020, the Company signed a forbearance agreement with the Bank of Montreal (the “BMO Forbearance Agreement”) with an outstanding principal amount owing at December 31, 2020 of \$6,295. Under the terms of the BMO Forbearance Agreement, the Company’s monthly blended payments were reduced to \$50 per month with the remaining balance due on April 15, 2021. The amounts owing under the BMO Forbearance Agreement were subject to an increased rate of interest beginning on December 1, 2020 to the Bank of Montreal’s prime rate plus 3% per annum. In accordance with the covenants of the BMO Forbearance Agreement, the Company was required to provide its audited “ASPE” financial statements for fiscal 2019 by December 15, 2020. The Company did not meet this covenant. The Bank of Montreal did not waive previous and forecasted breaches of the Bank of Montreal Revolving Debt Facility and BMO Forbearance Agreement. As a result of the non-compliance with its financial and reporting covenants, the Bank of Montreal Revolving Debt Facility was classified as current.

On April 30, 2021, the Company agreed to an amendment and extension to the BMO Forbearance Agreement until September 30, 2021. Additionally, the amendment entailed the payment of \$50 on each of April 30, 2021, May 25, 2021 and June 25, 2021.

In August 2021, the Company agreed to further amendments and extensions to its BMO Forbearance Agreement until October 31, 2021. On October 29, 2021, the Company settled its obligations owing in full and no further obligations exist under the Bank of Montreal Revolving Debt Facility. See Subsequent Events for further details.

Loans payable

	September 30	December 31
<i>(Canadian \$000's)</i>	2021	2020
Loans payable		
Loans payable - Related parties	325	325
OKR Financial Term Loan	1,460	1,460
Term Credit Facility	500	500
Term loan payable – Customer rental unit	676	687
Term loan payable – Other	15	37



	2,976	3,009
Current portion of loans payable	(2,300)	(2,315)
Non-current portion of loans payable	676	694

Loans payable - Related parties

In 2019, a shareholder advanced \$325 to the Company as a 90 day term loan (the "Shareholder Loan"). Subject to mutual agreement, the Shareholder Loan may be converted to debenture notes of the Company. Following an initial period in 2019 where the Company incurred interest at 20% per annum, the Shareholder Loan bears interest at 3% per annum.

At September 30, 2021, \$325 of the Shareholder Loan remains outstanding (December 31, 2020 - \$325).

OKR Financial Term Loan

On June 28, 2019, the Company executed a term loan agreement with OKR Financial to provide short term financing against Cleantek's fiscal 2017 and 2018 estimated SRED claims, (the "OKR Financial Term Loan"). OKR Financial funded \$1,000 on July 2, 2019, and \$460 on August 6, 2019 against the total estimated SRED claim of approximately \$2,000. Interest on the OKR Financial Term Loan was calculated at 2.15% per month, compounded monthly. The equivalent annual interest rate is 29.08%. The OKR Financial Term Loan was due on or before the earlier of three business days after the Company received its SRED claims for the 2017 tax year or June 28, 2020. The Company had the right at any time during the term of the OKR Financial Term Loan to prepay all or any portion of the OKR Financial Term Loan without penalty. OKR Financial registered a security interest in the pending SRED claim and both parties also executed a general security agreement which provided OKR Financial with additional security on the Company's other assets which ranked third in priority behind Cleantek's senior lender credit facilities.

In March 2020, and June 2020, the Company received refunds of \$1,044 and \$1,214 for the fiscal 2017 and 2018 SRED claims, respectively.

In June 2020, the Company reached an agreement with OKR Financial to extend the maturity of the \$1,000 OKR Financial Term Loan to April 30, 2021, and in August 2020, an agreement was reached to also extend the maturity of the remaining \$460 OKR Financial Term Loan to April 30, 2021. The interest rate payable for the two OKR Financial Term Loans remained the same and was calculated at 2.15% per month.

In May 2021, the Company received \$876 in SRED Tax Incentive Program claim refunds for the year ended December 31, 2019.

In August 2021, the Company executed an amendment and extension to the OKR Financial Term Loan payable, extending the maturity date to November 15, 2021 and revising the interest rate and form of repayment.

At September 30, 2021, the \$1,460 OKR Financial Term Loan is outstanding (December 31, 2020 - \$1,460).

On October 29, 2021, the Company settled its principal obligation owing in full and no further obligations are outstanding under the OKR Financial Term Loan. In conjunction with the Private Placement, an additional 428,571 Units were issued at \$1.75 per Unit upon the conversion of \$750 interest owing on the OKR Financial Term Loan to OKR Financial. See Subsequent Events for further details.

Term Credit Facility

On October 22, 2019, the Company executed a term credit agreement with a lender to provide short term financing (the "Term Credit Facility"). The Term Credit Facility was secured by a first position security interest over all accounts receivables of Cleantek. The Term Credit Facility accrued interest at 12% per annum, which would have increased by 2% per annum if a default has occurred. This instrument was due for repayment on or before April 30, 2020. The Term Credit Facility provided the option to convert all or a



portion of the outstanding balance into Common Shares of the Company at the rate of \$66.00 per Common Share.

At September 30, 2021, \$500 of the Term Credit Facility was outstanding and overdue (December 31, 2020 - \$500).

On October 29, 2021, the Company settled its obligations owing in full and no further obligations exist, under the Term Credit Facility. See Subsequent Events for further details.

Term loan – Customer rental unit

In April 2018, Cleantek signed a ZeroE™ management agreement with a public, upstream oil and gas producer to manufacture, deliver and install a dehydrator ZeroE™ rental unit (the “Dehydrator ZeroE Rental Unit”) for the customer for a period of nine years (the “ZeroE Management Agreement”). In November 2020, this ZeroE Management Agreement was amended and restated to include a financing arrangement and to supersede and replace the earlier agreement in its entirety. In November 2020, a \$700 loan (the “Customer Loan”) was advanced by the customer to Cleantek pursuant to the ZeroE Management Agreement and upon full installation and commissioning of the Dehydrator ZeroE Rental Unit.

Under the terms of the ZeroE Management Agreement, the Customer Loan bears interest at a rate of 13.5% per annum, in arrears, compounded annually; 85% of monthly rental income invoiced by Cleantek to the customer will be applied to and be set off against the Customer Loan and accrued interest payable until such time as the Customer Loan has been fully repaid; is for a term of 9 years from installation of the Dehydrator ZeroE Rental Unit; and as collateral security for the payment and performance of Cleantek’s obligations under ZeroE Management Agreement, the Dehydrator ZeroE Rental Unit as well as the Company’s ZeroE™ technology is subject to a lien.

Cleantek evaluated the classification of this lease at inception and made an assessment that it is an operating lease as the lease does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset. Cleantek recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of revenue.

During the nine months ended September 30, 2021, \$73 of rental income was invoiced to the customer and recognized as dehydration facility revenue in net loss, \$51 interest expense was recognized on the outstanding Customer Loan and included in finances costs, net in net loss and \$62 of the rental income invoiced to the customer was applied to the outstanding Customer Loan, including \$11 to the principal balance.

At September 30, 2021, \$676 (December 31, 2020 - \$687) is payable on the Customer Loan.

Promissory notes

	September 30	December 31
<i>(Canadian \$000's)</i>	2021	2020
Promissory notes		
Shareholder Promissory Note	300	300
Vendor Promissory Note	1,033	-
	1,333	300
Current portion of promissory notes	(1,333)	(300)
Non-current portion of promissory notes	-	-

Shareholder Promissory Note

On November 1, 2017, a \$300 promissory note was executed between the Company and a minority shareholder (the “Shareholder Promissory Note”) to replace the \$300 principal balance of the December 31, 2015 promissory note (“Original Shareholder Note”) that became due on the November 1, 2017



maturity date. The Shareholder Promissory Note had an original maturity date of November 1, 2019 and bears interest at 8.5% per annum. All terms of the Shareholder Promissory Note remain the same as the Original Shareholder Note, except for interest owing, which was pre-paid upon execution rather than monthly throughout the term as it was under the Original Shareholder Note.

At September 30, 2021, the \$300 Shareholder Promissory Note was overdue and outstanding (December 31, 2020 - \$300).

On October 29, 2021, the Company settled its obligations owing in full and no further obligations exist, under the Shareholder Promissory Note. See Subsequent Events for further details.

Vendor Promissory Note

In January 2021, the Company entered into an agreement with one of its vendors to convert outstanding accounts payable balance of \$1,045 to an unsecured promissory note (the "Vendor Promissory Note"). The Vendor Promissory Note is non-interest bearing; is repayable at \$5 per month; and the Vendor Promissory Note matures on the earlier of a change of control, a liquidity event or on such earlier date as the Company has the financial liquidity to pay the principal amount.

At September 30, 2021, \$1,033 of the Vendor Promissory Note remains outstanding (December 31, 2020 - \$1,045 accounts payable). As a result of the non-compliance with the terms of this Vendor Promissory Note, the balance has been classified as current.

Convertible debentures

Convertible notes are comprised of the following:

<i>(Canadian \$000's)</i>	September 30 2021	December 31 2020
Convertible notes – Liability portion		
Convertible debentures	1,416	647
Total convertible notes – Liability portion	1,416	647
Current portion of convertible notes		
Convertible debentures	(1,416)	(647)
	(1,416)	(647)
Non-current portion of convertible notes		
Convertible debentures	-	-
	-	-

Convertible debentures

<i>(Canadian \$000's)</i>	September 30 2021	December 31 2020
Liability portion		
<i>Non-derivative convertible debentures</i>		
January 2020 Convertible Debentures, due on demand	662	647
February 2021 Convertible Debentures, due on demand – Related parties	391	-
Fall 2021 Convertible Debentures, due on demand – Related parties	363	-
	1,416	647



January 2020 Convertible Debentures, due on demand

<i>(Canadian \$000's, except number of notes)</i>	Number of notes	Liability component	Equity component	Total note
<i>Non-derivative convertible debentures – January 2020 Convertible Debentures, due on demand</i>				
At January 1, 2020	-	-	-	-
Issuance of January 2020 Convertible Debentures	109,091	600	-	600
Accrued interest	-	47	-	47
At December 31, 2020	109,091	647	-	647
Accrued interest	-	15	-	15
	109,091	662	-	662

In January 2020, the Company obtained financing through secured subordinated convertible debentures, for total proceeds of \$600 (the “January 2020 Convertible Debentures”). The January 2020 Convertible Debentures had an annual interest rate of 20% per annum, payable as 8% in Common Shares and 12% in cash. The January 2020 Convertible Debentures were convertible into Common Shares at \$66.00 per Common Share and were due on demand. In July 2021, an amending agreement was executed changing the conversion price of the January 2020 Convertible Debentures from \$66.00 per Common Share to \$1.20 per Common Share. In conjunction with the RTO, the outstanding principal of \$600 was converted to Common Shares at \$1.20 per Common Share and the accrued interest was settled in cash. See Subsequent Events for further details.

February 2021 Convertible Debentures, due on demand – Related parties

<i>(Canadian \$000's, except number of notes)</i>	Number of notes	Liability component	Equity component	Total note
<i>Non-derivative convertible debentures – February 2021 Convertible Debentures, due on demand</i>				
At January 1, 2021	-	-	-	-
Issuance of February 2021 Convertible Debentures	380	380	-	380
Accrued interest	-	11	-	11
At September 30, 2021	380	391	-	391

In February 2021, the Company obtained financing through the issuance of 380 secured subordinated convertible debentures to existing shareholders of the Company holding significant influence, including the Company’s largest shareholder, for total proceeds of \$380, representing a subscription price of \$1,000 per debenture, due on demand by the holder (the “February 2021 Convertible Debentures”). The February 2021 Convertible Debentures had an annual interest rate of 12% per annum, calculated quarterly on the basis of a 365 day year, payable in cash on the maturity date. Each February 2021 Convertible Debentures was convertible into 833.33 units of the Company, each unit consisting of one Common Share and one warrant to purchase a Common Share at \$1.20 per Common Share by September 30, 2023. In conjunction with the RTO, the outstanding principal of \$380 of the February 2021 Convertible Debentures was converted into Common Shares at \$1.20 per Common Share and the accrued interest was settled in cash. See Subsequent Events for further details.

Fall 2021 Convertible Debentures, due on demand – Related parties

<i>(Canadian \$000's, except number of notes)</i>	Number of notes	Liability component	Equity component	Total note
<i>Non-derivative convertible debentures – February 2021 Convertible Debentures, due on demand</i>				
At January 1, 2021	-	-	-	-
Issuance of February 2021 Convertible Debentures	350	350	-	350



Accrued interest	-	13	-	13
At September 30, 2021	350	363	-	363

In September 2021, the Company issued secured, subordinated convertible debentures for gross proceeds of \$350 (the "Fall 2021 Convertible Debentures"). The Fall 2021 Convertible Debentures had a monthly interest rate of 5% and were convertible into Common Shares of the Company at \$1.20 per Common Share and were due on October 31, 2021. In October 2021, the Company issued a further \$100 of the Fall 2021 Convertible Debentures for total gross proceeds of \$450. In conjunction with the RTO, the outstanding principal of \$450 of the Fall 2021 Convertible Debentures, plus accrued interest thereon was settled in cash. See Subsequent Events for further details.

Share capital

Cleantek had the following outstanding Common Shares and equity instruments at September 30, 2021 and December 31, 2020:

	September 30 2021	December 31 2020
Common Shares	17,279,645	16,846,136
Warrants	453,833	-
Stock options	1,500,000	58,750
Total outstanding securities	19,233,478	16,904,886

Share consolidation

On August 27, 2021, the Company completed a twelve-for-one share consolidation (the "Consolidation") of all its issued and outstanding Common Shares. All current and prior period Common Share and per Common Share data, including Options outstanding, has been retroactively adjusted to reflect the Consolidation unless otherwise noted.

Share issuances

On March 1, 2021, the Company completed a Common Share subscription of 137,167 Common Shares at \$1.20 per Common Share for gross proceeds of \$165. Each Common Share was bundled with a warrant which entitles the holder thereof to purchase one Common Share at an exercise price of \$1.20 at any time up to March 1, 2023.

Share conversions and Transfer from equity portion of convertible notes

In the nine month period ended September 30, 2021, pursuant to agreements with certain creditors of the Company, the Company issued 296,342 Common Shares at \$1.20 per Common Share to settle \$355 of accounts payable.

OFF-BALANCE SHEET ARRANGEMENTS

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Cleantek was established for the purposes of contributing to a greener economy through the reduction of burning fossil fuels and increased water recycling, through waste heat water treatment and vaporization technology, operating and developing sustainable infrastructure, and fulfilling the Company's ESG values.

The Company 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 is free of all forms of and 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 qualifications to ensure that its commitment to high EHS standards is shared by its subcontractors and stakeholders.

The Board of Directors 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 ensure adequate reports are made to the chair of the Safety and Sustainability Committee on a regular basis; reviewing insurable risks related to safety and sustainability issues; evaluating adequacy of insurance coverage.

The Company has also adopted a Whistleblower Policy for individuals to report complaints and concerns regarding, among other things, accounting, internal accounting controls and auditing matters.

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



The general and specific risks to which the Company is exposed to as well as the business risks with regards to the RTO as described in the *Subsequent events* are detailed in the Joint Information Circular of the Company and Raise dated September 30, 2021.

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.

Credit risk

Credit risk is the risk that a customer or counterparty to a financial asset will default, resulting in Cleantek incurring a financial loss.

The Company's accounts receivables are predominantly with customers who explore for and develop natural gas and petroleum reserves and are subject to normal industry credit risks that include fluctuations in oil and natural gas prices and the ability to secure adequate debt or equity financing as well as commercial construction companies. The Company assesses the creditworthiness of its customers on an ongoing basis as well as monitoring the amount and age of balances outstanding. Accordingly, the Company views the credit risks on these amounts as normal for the industry. The carrying amount of accounts receivable represents the maximum credit exposure on this balance.

At September 30, 2021, the five largest customers accounted for 35% of the Company's accounts receivable (December 31, 2020 – 40%) and the largest five customers accounted for 39% of its revenue for the nine months ended September 30, 2021 (year ended December 31, 2020 – 29%).

An impairment analysis is performed at each reporting date using a provision matrix to measure Expected Credit Loss. The calculation reflects the probability-weighted outcome, the time value of money and reasonable supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Payment terms with customers vary by contract; however, standard payment terms are 30 days from invoice date. The Company considers its accounts receivable excluding doubtful accounts to be aged as follows:

<i>(Canadian \$000's)</i>	September 30 2021	December 31 2020
Current (0 to 30 days from invoice date)	1,558	1,322
31 to 60 days past due	40	32
61 to 90 days past due	65	12
Over 90 days past due	117	73
Trade receivables and other	1,780	1,439
Provision for doubtful accounts	(54)	(41)
Total accounts receivable	1,726	1,398

The Company's allowance for doubtful accounts provision is as follows:

<i>(Canadian \$000's)</i>	September 30 2021	December 31 2020
At beginning of year	41	169
Increase in provision	13	86
Write-off provision	-	(214)
At end of period	54	41

Based on historical default rates, the Company believes that no additional allowance for doubtful accounts provision is necessary in respect of accounts receivable.



Cleantek held cash and cash equivalents of \$464 at September 30, 2021, which represents its maximum credit exposure on these assets (December 31, 2020 - \$597). The cash is held with major, high credit-quality financial institution counterparties and management believes credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that Cleantek will be unable to fulfill its obligations associated with financial liabilities on a timely basis or at a reasonable cost. The Company's objective in managing liquidity risk is to maintain sufficient available resources to meet its liquidity requirements at any point.

The Company is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, lease obligations, long-term debt and convertible notes.

Cleantek mitigates this risk through efforts to maintain the support of its lenders and through the issuance of additional capital. In 2021, demand for the Company's services was significantly impacted by COVID-19 and the impact of deteriorating commodity prices on the Company's customers, primarily in the oil and gas industry. As a result, the Company's available funding and cash flow from operating activities are not forecasted to be enough to fund its operating, investing and financing activities, including current portions of long-term debt, convertible notes and lease liabilities, see *Going concern* above.

The expected timing of cash outflows relating to financial liabilities at September 30, 2021 are outlined in the *Commitments and Contingencies* section below.

Market risk

Market risk is the risk that changes in market conditions, such as interest rates and foreign exchange rates will affect Cleantek's net loss or value of financial instruments.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates.

Cleantek may manage its interest expense using a mix of fixed and variable interest rates on its debt. Changes in interest rates could result in an increase or decrease in the amount the Company pays to service variable interest rate debt.

At September 30, 2021, the Company is exposed to interest rate risk with respect to its Roynat Capital Term Facility and Bank of Montreal Revolving Debt Facility. For the nine months ended September 30, 2021, a 1% change to the interest rate would have resulted in a \$45 impact on net income (loss).

The interest rate on Cleantek's long-term debt loans payable, promissory notes and convertible notes is fixed and is not subject to interest rate risk.

Foreign exchange risk

Foreign exchange risk is the risk that future cash flows or the fair value of a financial instrument will fluctuate as a result of changes in foreign exchange rates.

The Company is primarily exposed to foreign currency fluctuations in relation to USD denominated working capital balances held in Canada as well as the working capital of its foreign operations. The Company has no significant exposures to foreign currencies other than the USD.

At September 30, 2021 and December 31, 2020, a 1% change in the value of the USD would have the following impact on net loss and other comprehensive loss:

	September 30 2021	December 31 2020
<i>(Canadian \$000's)</i>		
Impact to net loss	4	2



Impact to other comprehensive loss	26	27
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Commodity price risk

The Company may be exposed to commodity price risk through its customers as North American oil and gas producers may be exposed to commodity price risk volatility arising from the effect of future commodity price fluctuations.

ACCOUNTING STANDARDS, CHANGES AND PRONOUNCEMENTS

Cleantek's condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards as issued by the IASB. These financial statements are condensed as they do not include all of the information required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2020, 2019 and 2018. There were no new or amended accounting standards or interpretations issued during the three and nine months ended September 30, 2021 that are expected to have a material impact on our condensed consolidated interim financial statements.

A summary of significant accounting policies can be found in note 3 to the annual consolidated financial statements for the for the years ended December 31, 2020, 2019 and 2018.

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 consolidated financial statements for the years ended December 31, 2020, 2019 and 2018. There have been no significant changes to the use of estimates, judgements or assumptions since December 31, 2020.

DISCLOSURE AND INTERNAL CONTROLS

Management is responsible for the preparation and integrity of the Company's financial statements, including the maintenance of appropriate information systems, procedures and internal controls, and for ensuring that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. Disclosure controls and procedures should be designed to provide reasonable assurance that information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified under the Canadian securities law.

In preparation for completing the RTO and readying Cleantek as a venture reporting issuer, the Company commenced a process to strengthen its control systems and internal control environment.

It should be noted that a control system, including Cleantek's disclosure and internal controls and procedures, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

RELATED PARTY TRANSACTIONS

The Company has the following amounts receivable from or owing to related parties:

	September 30 2021	December 31 2020
<i>(Canadian \$000's)</i>		
Long-term receivables⁽¹⁾		



Loans receivable

Loans to shareholders and former executives	551	540
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Accounts payables and accrued liabilities

Law firm related to the Company through a director	72	1,117
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Long-term debt⁽¹⁾

Loans payable

Loans payable - Related parties	325	325
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Promissory notes

Shareholder Promissory Note	300	300
Vendor Promissory Note	1,033	-
	1,658	625

Convertible notes – Liability portion⁽¹⁾

Convertible debentures

February 2021 Convertible Debentures, due on demand - Related parties	380	-
Fall 2021 Convertible Debentures, due on demand - Related parties	350	-
	730	-

Note:

(1) Includes current and non-current portion.

Loans receivable – Related parties

Loans to shareholders and former executives

In May 2018, the Company advanced \$500 to two shareholders who were officers of the Company and who had significant influence at the time (the “Former Officers Loans”). The Former Officers Loans principal balance bear interest at a rate of 3% per annum and are repayable, with accrued interest, on May 31, 2022, unless there is a liquidation event.

The Company has the related party commitments and contingencies as disclosed in the *Commitments and contingencies* section below.

COMMITMENTS AND CONTINGENCIES

Contractual obligations and commitments

The expected timing of cash outflows relating to financial liabilities at September 30, 2021 are outlined in the table below:

	Carrying amount ⁽¹⁾	Contractual outflows ⁽²⁾⁽³⁾				Total ⁽¹⁾
		< 1 year	2 to 3 years	4 to 5 years	Thereafter	
<i>(Canadian \$000's)</i>						
Financial liabilities						
Accounts payable and accrued liabilities	5,985	5,985	-	-	-	5,985
Long-term debt						
Credit facilities	8,278	8,278	-	-	-	8,278
Loans payable	2,976	2,300	676	-	-	2,976



Promissory notes	1,333	1,333	-	-	-	1,333
Convertible notes	1,416	1,416	-	-	-	1,416
	19,988	19,312	676	-	-	19,988
Lease liabilities and other commitments						
Lease liabilities	581	266	315	-	-	581
Other property lease commitments	197	63	134	-	-	197
	778	329	449	-	-	778

Notes:

(1) Includes the current and non-current portions.

(2) Financial liabilities exclude interest portion due to demand and variable term features. See Consolidated liquidity and capital above for Cleantek's debt and credit facilities and convertible notes.

(3) Lease liabilities include principal and interest portions.

Related party guarantee

The Company has provided a corporate guarantee of \$270 at September 30 and December 31, 2021 to a lender related to a loan issued to Cerberus, a company related through a shareholder.

This guarantee arose when Cerberus arranged financing to purchase a building, which the Company leased under a property lease agreement, and equipment that the Company purchased. The guarantee will be in place until the financing is repaid, which was scheduled to be in 2019. If Cerberus fails to repay its debt to the lender, the lender is entitled to seek repayment from the Company.

At December 31, 2018, Cerberus had loans outstanding amounting to \$436 to which the guarantee applies. In 2019, the lender commenced actions against Cerberus and has commenced action to enforce the guarantee by the Company. The Company has filed a statement of defense and has not accrued a provision for this claim.

Pursuant to the property lease agreement, the Company paid Cerberus annual lease payments of \$78 over a five-year term, aggregating \$390. The lease expired on July 30, 2019.

Litigation and claims

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

Patent litigation

In 2021 a United States competitor in the lighting rental business sued the Company for patent infringement. Management is defending the patent litigation claim vigorously and believes the claim is without merit.

Litigation and claims involving a related party

In 2020, a former executive of the Company and shareholder filed a claim against the Company for approximately \$478 related to term loans (the "Disputed Loans") provided, accrued interest thereon and damages. At September 30, 2021, the principal balance of the Disputed Loans payable by the Company and included in debt is \$325 (December 31, 2020 - \$325). The Company has filed a statement of defense and counter claim.

SUBSEQUENT EVENTS

Announcement of closing of the RTO, taking Cleantek public

The RTO



On October 29, 2021, Cleantek completed the RTO whereby Cleantek completed a reverse takeover of Raise to form a combined public company called Cleantek Industries Inc. (TSXV: CTEK).

Pursuant to the Arrangement Agreement, the common shares of Raise (“Raise Common Shares”) were consolidated on the basis of one post-consolidation Raise Common Share for every 58.3 pre-consolidation Raise Common Share, such that, after completion of the consolidation the holders of Raise Common Shares held an aggregate of approximately 15% of the post-consolidation resulting issuer common shares with shareholders of Cleantek holding the remaining approximately 85%.

The Private Placement

In conjunction with the RTO, Cleantek completed the Private Placement for aggregate gross proceeds of \$10,003 with a syndicate of investment dealers for a brokered private placement offering of Subscription Receipts at a price of \$1.75 per Subscription Receipt, plus an additional 428,571 Subscription Receipts issued in settlement of \$750 of interest owing on the OKR Financial Term Loan for total gross proceeds of \$10,753.. This Private Placement was closed on August 31, 2021 and the proceeds were released on completion of the RTO on October 29, 2021.

2021 Debt and credit facilities updates

Bank of Montreal Revolving Debt Facility

On August 9, 2021, the Company agreed to a further extension to the BMO Forbearance Agreement with respect to the Bank of Montreal Revolving Debt Facility with the Bank of Montreal and on October 29, 2021, the Company settled its obligations owing in full and no further obligations exist under the Bank of Montreal Revolving Debt Facility.

Roynat Capital Term Facility

On July 21, 2021, the Company agreed to a further extension to the Roynat Forbearance Agreement with respect to the Roynat Capital Term Facility with Roynat and on October 29, 2021, the Company settled its obligations owing in full and no further obligations exist under the Roynat Capital Term Facility.

2019 SRED refund received and OKR Financial Term Loan amendment

On August 9, 2021, the Company executed an amendment and extension to the OKR Financial Term Loan payable and on October 29, 2021, the Company settled its principal obligation owing in full under the OKR Financial Term Loan. In conjunction with the Private Placement, an additional 428,571 Units were issued at \$1.75 upon the conversion of \$750 interest owing on OKR Financial Term Loan to OKR Financial. No further obligations exist under the OKR Financial Term Loan.

Term Credit Facility

On October 29, 2021, the Company settled its obligations owing in full and no further obligations exist under the Term Credit Facility.

Shareholder Promissory Note

On November 19, 2021, the Company settled its obligations owing in full and no further obligations exist under the Shareholder Promissory Note.

Convertible Notes

January 2020 Convertible Debentures and February 2021 Convertible Debentures

In conjunction with the RTO, the \$980 outstanding principal of January 2020 Convertible Debentures and February 2021 Convertible Debentures was converted to approximately 1,176,000 Common Shares at \$1.20 per Common Share. Accrued interest on the January 2020 Convertible Debentures and February 2021 Convertible Debentures was settled in cash.

Fall 2021 Convertible Debentures issue and conversion



On October 5, 2021, the Company issued an additional \$100 of Fall 2021 Convertible Debentures for a total of \$450 in principal issued and outstanding. These Fall 2021 Convertible Debentures had a monthly interest rate of 5% and were settled in cash for principal and interest on October 29, 2021. No further obligations exist under the Fall 2021 Convertible Debentures.

New loan and revolving facility

On September 24, 2021, the Company entered into a senior-secured credit agreement with a Canadian private debt asset manager, providing for:

- The Non-Revolving Term Facility in a maximum principal amount of \$7,500, in a single loan advance; and
- A revolving line of credit up to \$2,500 (the "Revolving Line of Credit", and together with the Non-Revolving Term Facility, the "Credit Facilities"), in one or more loan advances.

The Credit Facilities are for an initial term of 24 months, which may be extended for an additional 12 month period at the request of the Company with consent by the lender.

On October 29, 2021, the full \$7,500 Non-Revolving Term Facility amount was issued and is outstanding. As of the report date of this MD&A, no amounts had been issued or outstanding on the Revolving Line of Credit.

The Non-Revolving Term Facility is subject to monthly scheduled repayments as follows: interest only payments in the first 4 months; \$83 plus interest in months 5 to 8; \$108 plus interest in months 9 to 12; \$133 plus interest in months 13 to 16; \$158 plus interest in months 17 to 20; \$183 plus interest in months 21 to 24; and the remaining balance on the Non-Revolving Term Facility termination date.

The Credit Facilities bear interest equal to the greater of 9% per annum and a Canadian bank's prime rate plus 6.55%, payable on the last day of each calendar month.

The Credit Facilities are secured by the assets of the Company and its subsidiaries.

The Credit Facilities agreement is subject to certain positive and negative covenants, reporting covenants as well as financial covenants.

ADDITIONAL INFORMATION

Additional information regarding Cleantek and its business and operations can be obtained by contacting the Company at Cleantek Industries Inc., Suite 3200, 500 – 4th Avenue SW, Calgary, Alberta, Canada T2P 2V6 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.sedar.com.



NON-GAAP 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 that reported by other companies. Cleantek believes that, in addition to measures prepared in accordance with IFRS, the non-GAAP measurements provide useful information to evaluate the Company’s performance and ability to generate cash, profitability and meet financial commitments.

These non-GAAP 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. Adjusted EBITDA is measured as EBITDA adjusted for certain non-cash items, including share-based compensation, impairment, and loss or gain on disposal of assets as well as unusual or non-recurring items.

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

	Three months ended			Nine months ended		
	September 30		%	September 30		%
<i>(Canadian \$000's)</i>	2021	2020	Change	2021	2020	Change
Net loss	(397)	(1,352)	(70)	(1,208)	(13,144)	(90)
Tax expense (recovery)	(216)	-	N/A	(711)	-	N/A
Depreciation and amortization	413	412	-	1,912	1,958	(2)
Finance costs, net	175	1,299	(57)	1,129	3,707	(70)
EBITDA	(25)	359	(107)	1,122	(7,479)	(115)
Research	(13)	(956)	(99)	(701)	(1,811)	(61)
Share-based compensation	196	141	39	523	1,160	(55)
Impairment expense of non-financial assets	-	-	-	-	8,032	(100)
Transaction costs	-	-	-	-	-	-
Adjusted EBITDA	158	(456)	(35)	944	(98)	(1,063)

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-GAAP measure to the applicable IFRS measurements for the Company:

	September 30	December 31
<i>(Canadian \$000s)</i>	2021	2020
Current assets	(3,322)	(2,173)
Current liabilities	19,641	18,978
Working capital deficit	16,319	16,805



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 excluding deferred tax and provision and excluding any current portions of borrowings. Non-current debt for Cleantek is calculated as the non-current portions of long-term debt, convertible notes and lease liabilities. The following table provides a reconciliation of non-current debt, a non-GAAP measure to the applicable IFRS measurements for the Company:

	September 30	December 31
<i>(Canadian \$000s)</i>	2021	2020
Long-term debt – non-current portion	676	694
Convertible notes – non-current portion	-	-
Lease liabilities – non-current portion	448	476
Non-current debt	1,124	1,170

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 relating, but not limited to:

- Taking advantage of increased drilling and production with equipment utilization rates increasing leading to an increase in revenue and profits;
- Leveraging Cleantek's technology to capture additional market share through organic growth of the ZeroE wastewater treatment and vaporization service offering along with a strong forecasted utilization of our sustainable lighting rental solutions;
- Executing Cleantek's strategy to build, own and operate a portfolio of ZeroE, waste to energy, wastewater treatment and vaporization infrastructure projects throughout North America and globally;
- Securing additional contracted projects to develop and construct additional ZeroE projects;
- Optimization and expansion of existing ZeroE produced water processing facilities;
- Securing and optimizing long-term contracts for ZeroE service to provide stable, low-risk cash flows;
- Securing a strong pipeline of sustainable lighting rental agreements through developed partnerships and vertically integrated operations;
- Expanding Cleantek's focus markets and customer base to diversify the Company's revenue streams;
- Integrating talent, systems and processes across its acquired projects to create efficiencies and best-in-class operations;
- Continued growth of project portfolio via strategic acquisitions and consolidation opportunities; and
- Capturing expansion in both ZeroE wastewater vaporization and sustainable lighting markets.

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. These include, but are not limited to, risks associated with renewable energy sources, such as market competition, volatility of prices, currency fluctuations, environmental risk, and competition from other producers and ability to access sufficient capital from internal and external sources.

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.