



Management's Discussion and Analysis

For the three and nine months ended September 30, 2022 and 2021



MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIS OF PRESENTATION AND DESCRIPTION OF THE COMPANY

November 21, 2022 - 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"), (formerly Raise Production Inc. ("Raise")) is a review of the operations, current financial position and condition for the three and nine months ended September 30, 2022 and 2021 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, 2022 ("Interim Financial Statements") and the audited consolidated financial statements for the years ended December 31, 2021 and 2020 ("Annual Financial Statements").

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 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 21, 2022.

Cleantek, headquartered in Calgary, Alberta, is an innovative provider of patented, clean technology solutions focused on reducing both cost and carbon intensity in the wastewater management and industrial lighting sectors across North America. Cleantek is a publicly traded company listed on the TSX Venture Exchange (the "TSXV") under the trading symbol CTEK.

READER ADVISORIES

This MD&A contains forward-looking statements and introduces financial measures 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-IFRS Measurements" and "Forward-Looking Information" included at the end of this MD&A.

COMPANY OVERVIEW AND STRATEGY

Cleantek is an environmental technology-based company that provides specialized 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.

On October 29, 2021 Cleantek completed a reverse takeover of Raise (the "RTO"), a TSXV listed company, pursuant to the terms of the arrangement agreement dated July 12, 2021 between Cleantek and Raise. This resulted in the amalgamated public company continuing under the name Cleantek Industries Inc. (TSXV: CTEK), which began trading on the TSXV on November 10, 2021.

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 and best practices, 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

The 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.

In 2021, a competitor providing lighting solutions in North America initiated legal proceedings against the Company alleging patent infringement by Cleantek on a small fraction of the Company’s installed HALO™ lighting units in the United States. The Company has fully responded to the asserted claim and filed a counterclaim, which was expected to go to trial in October 2022. Legal costs incurred in 2022 for the patent litigation totaled \$2,984 as of September 30, 2022, which has significantly impacted the Company’s available credit and cash balance as a result of the impact on cash flows from operating activities. At September 30, 2022, the Company had net working capital deficit of \$1,082 (December 31, 2021 - \$535 working capital surplus) which includes the current portions of lease liabilities and long-term debt with a cash balance of \$616 (December 31, 2021 - \$1,871).

Subsequent to September 30, 2022, the Company reached a settlement regarding the patent infringement with the competitor on November 21, 2022, with both parties vacating their lawsuits. Please see note 14 for additional details on the settlement.

However, as a result of legal costs from the patent litigation, Cleantek will require the support of its debt lender over the near term to manage current cash flow restrictions caused by the patent litigation to allow time for the Company to generate sufficient cash flows to fund its operations. Subsequent to September 30, 2022, the Company has obtained a waiver of principal payments under the Canadian Private Debt Credit Facilities for three months (October through December 2022) and is eligible to obtain an additional three month waiver (January through March 2023) if certain conditions are satisfied to the lender by January 1, 2023. While these waiver of principal payments will assist the Company in operational cash flow management, the Company will continue to require the support of its Canadian Private Debt Credit Facilities lender as the Company seeks to find an alternate debt provider or obtain an extension on the Canadian Private Debt Credit Facilities with its current lender to maintain its liquidity position as the Canadian Private Debt Credit Facilities currently mature on October 31, 2023 (see note 5) and there is not projected to be sufficient cash available to enable repayment on maturity.

Due to facts and circumstances noted above, there are material uncertainties that creates significant doubt with respect to the Company’s ability to continue as a going concern. These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate for these financial statements, then adjustments would be necessary in the carrying value of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used. These adjustments could be material.

HIGHLIGHTS FOR THE SECOND QUARTER 2022

- Cleantek generated revenue of \$3,391 for Q3 2022, an increase of \$1,346 or 66%, from Q3 2021 and an increase of \$266 or 9% from Q2 2022. On a year-to-date basis, Cleantek generated revenues of \$9,663 in the nine months ended 2022, an increase of \$3,216 or 50%, from the same



period in 2021. The increased revenue in 2022 is due to a ramp up in rental activity and increased rental prices in both sustainable lighting solutions and ZeroE dehydration;

- Cleantek's gross profit of \$2,031 or 60% for Q3 2022 and \$5,574 or 58% of revenue for the nine months ended 2022 was inline with target and improved when compared with gross profits of \$1,100 and 54% for Q3 2021 and \$3,451 and 54% for the same period in 2021;
- Cleantek's Adjusted EBITDA was \$52 for Q3 2022, a decrease of \$106 when compared to Q3 2021, as the increased revenue was more than offset by \$1,500 of expenses associated with the patent litigation in the current quarter. On a year-to-date basis Adjusted EBITDA was \$560, a decrease of \$384 from the same period in 2021 as the increased revenue was more than offset by \$2,984 of expenses associated with the patent litigation in the current year.
- Subsequent to September 30, 2022 the Company reached a settlement agreement on the patent litigation which will eliminate the patent litigation spending going forward. Details can be found in the *Subsequent Events* section within this MD&A;
- Mobile ZeroE deployment in the US has increased 267% to 11 units operating in Q3 2022 when compared to the three units in Q1 2022, and the Company continues to forecast full deployment of the fleet of 35 units before the end of 2022;
- The Company fabricated and deployed an additional four new HALO lighting systems into the US and continues to forecast the deployment of four additional HALO lighting systems over the balance of 2022 for a total of 20 new units fabricated and deployed in 2022; and,
- as at September 30, 2022 the Company had drawn \$2,188 on its revolving debt facility with a remaining \$274 available to be drawn; combined with \$616 cash on hand, Cleantek had \$890 of available liquidity.



FINANCIAL AND OPERATIONAL HIGHLIGHTS

<i>(Canadian \$000's, except per share amounts and percentages)</i>	Three months ended September 30			Nine months ended September 30		
	2022	2021	Change	2022	2021	Change
Revenue	3,391	2,045	1,346	9,663	6,447	3,216
Gross profit	2,031	1,100	931	5,574	3,451	2,123
Gross profit %	60	54	6%	58	54	4%
Net loss	(1,023)	(397)	(626)	(3,200)	(1,208)	(1,992)
Net loss per share - basic and diluted (\$)	\$(0.04)	\$(0.02)	\$(0.02)	\$(0.12)	\$(0.07)	\$(0.05)
EBITDA ⁽¹⁾	(24)	(25)	1	189	1,122	(933)
Adjusted EBITDA ⁽¹⁾	52	158	(106)	560	944	(384)
Capital expenditures	1,310	32	1,278	2,036	309	1,727

<i>As at:</i>	September 30, 2022	December 31, 2021	Change
Total assets	15,852	17,156	(1,304)
Working capital surplus/(deficit) ⁽¹⁾	(1,083)	535	(1,617)
Non-current debt ^(1,2)	9,102	7,875	(1,227)
Total non-current liabilities	9,159	7,932	(1,227)

(1) Management considers EBITDA and adjusted EBITDA key metrics in analyzing operational performance and the Company's ability to generate cashflow. EBITDA is measured as net income (loss) before interest, tax, depreciation and amortization. Adjusted EBITDA is measured as EBITDA adjusted for share-based compensation, impairment/impairment reversals of non-financial assets, research expense/ recoveries and unusual items not representative of ongoing business performance. 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. These items are not defined and have no standardized meaning under IFRS. Presenting these items from period to period provides management and investors with the ability to evaluate earnings trends more readily in comparison with prior periods' results. Please see the Non-IFRS Measurements section of this MD&A for further discussion of these items, and where applicable, reconciliations to measures calculated in accordance with IFRS.

(2) Total non-current debt includes the non-current portions of long-term debt and lease liabilities.

OUTLOOK

Cleantek's strategy focuses on delivering innovative and cost-effective solutions that reduce the carbon intensity as well as the capital and operating costs of industrial operations. By focusing on expanding the market awareness and adoption of its sustainable lighting solutions and wastewater treatment assets, Cleantek expects to experience increased utilization of these high-margin product lines in the near-term. This, combined with the expansion of our ZeroE System portfolio of waste energy powered, wastewater treatment and vaporization units across industrial and infrastructure projects throughout North America and globally, is expected to lead to a sustainable increase in revenue and corresponding profitability as the Company's asset base grows over time.

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

- taking advantage of increased oil and gas drilling and production activity in North America to maximize utilization rates of its current fleet of sustainable lighting solutions and mobile ZeroE wastewater treatment assets;
- expanding and growing the Company's fleet of sustainable lighting solutions and mobile ZeroE wastewater treatment assets to satisfy increased demand in the oil and gas, midstream, mining, industrial and construction markets;
- leveraging Cleantek's technology to capture additional market share through organic growth of the ZeroE wastewater treatment and vaporization services;



- expanding and diversifying Cleantek’s geographic focus and customer base including exploring opportunities outside of the North American market; and,
- focusing on growth, generating positive return for shareholders and improving financial position now that the patent litigation related to the HALO™ lighting systems in the United States has been settled.

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

RESULTS OF OPERATIONS

Revenue

<i>(Canadian \$000's)</i>	Three months ended September 30			Nine months ended September 30		
	2022	2021	Change	2022	2021	Change
Sustainable lighting solutions	3,023	1,889	1,134	8,597	5,768	2,829
ZeroE dehydration	368	156	212	1,066	679	387
Total revenue	3,391	2,045	1,346	9,663	6,447	3,216

Cleantek’s revenue is generated primarily from the rental and service of sustainable lighting solutions, including HALO lighting systems and solar hybrid lighting towers, and ZeroE dehydration units, including mobile ZeroE dehydration units and a ZeroE production facility unit, 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 three and nine months ended September 30, 2022, increased to \$3,391 and \$9,663, respectively, compared to \$2,045 and \$6,447 for the same periods in 2021. General equipment utilization improved in 2022 compared to 2021 due to the recovery of market fundamentals in the energy sustainability sector as a result of improved commodity prices and a resulting increase in drilling activities and rental rates. As a result, the Company’s sustainable lighting solutions rental rates started to improve in the latter half of 2021 and into 2022 and equipment utilization, especially on the HALO products has also improved substantially. ZeroE dehydration revenue increased \$212 and \$388 for the three and nine months ended September 30, 2022, compared to same periods in 2021, primarily due to increased mobile ZeroE dehydration revenue from the recovery in the market fundamentals and the expansion into the US market. Cleantek’s operations in the first half 2021 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 September 30			Six months ended September 30		
	2022	2021	Change	2022	2021	Change
Direct operating expenses	1,360	945	(415)	4,089	2,996	(1,093)
% of revenue	40	46	6%	42	46	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 \$1,360 and \$4,089 for the three and nine months ended September 30, 2022, respectively, which increased compared to \$945 and \$2,996 for the same periods in 2021. Direct operating expenses increased in 2022 primarily as a result of increased equipment utilization and resulting revenue. The direct operating expenses as a percentage of revenue actually decreased in both the three and nine months ended September 30, 2022 as a result of increased equipment utilization with minimal repair and maintenance expenses.

Gross profit

<i>(Canadian \$000's, except percentage)</i>	Three months ended			Nine months ended		
	September 30			September 30		
	2022	2021	Change	2022	2021	Change
Gross profit	2,031	1,100	931	5,574	3,451	2,123
% of revenue	60%	54%	6%	58%	54%	4%

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

Cleantek's gross margin was 60% and 58% for the three and nine months ended September 30, 2022, compared to 54% and 54%, respectively, for the same periods in 2021. Increased gross margin in 2022 is directly related to the increased revenue combined with lower direct operating costs as a percentage of revenue as described above.

General and administrative expenses

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30			September 30		
	2022	2021	Change	2022	2021	Change
General and administrative expenses	2,391	951	(1,440)	5,607	2,591	(3,016)

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

General and administrative expenses for the three and nine months ended September 30, 2022, increased to \$2,391 and \$5,607, respectively, compared to \$951 and \$2,591 for the same periods in 2021. Increased General and administrative expenses in 2022 were due to increased professional fees primarily related to \$1,500 and \$2,985 in legal expenses incurred on the patent litigation in Q3 2022 and the nine months ended September 30, 2022, respectively, combined with higher fees associated with being a publicly traded company. The patent litigation has been settled subsequent to the end of the quarter, see *Subsequent Events* within this MD&A for additional details on the settlement. See *note 9 Direct Operating Expenses and General and Administrative Expenses* of the Interim Financial Statements for further details on general and administrative expense.

Depreciation and amortization

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30			September 30		
	2022	2021	Change	2022	2021	Change
Total depreciation and amortization	675	413	(262)	2,527	1,912	(615)

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

Depreciation and amortization expense for the three and nine months ended September 30, 2022, increased to \$675 and \$2,527, respectively, compared with \$413 and \$1,912 for the same periods in 2021.



Depreciation expense increased in the current year due to the impairment reversal booked at the end of 2021, which resulted in a higher depreciable asset base.

In addition, during the three months ended September 30, 2022, a review of the useful lives of long-lived rental assets was performed and determined that the current accounting estimate of useful lives for certain rental assets required revision based on additional operating experience and implementation of a more robust maintenance program. As a result, we extended useful lives for certain rental equipment assets and the impact during the third quarter of 2022 was a decrease in depreciation expense of \$223 recognized in the statement of net loss. See note 3 Property and Equipment of the Interim Financial Statements for further details on the change in useful lives estimate.

Research expense (recovery)

<i>(Canadian \$000's)</i>	Three months ended September 30			Nine months ended September 30		
	2022	2021	Change	2022	2021	Change
Research expense (recovery)	-	(13)	(13)	-	(701)	(701)

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 expense (recovery) was nil for the three and nine months ended September 30, 2022, compared to research recovery of \$701 for 2021. In 2021, research recovery relates to SRED refunds received in 2021 relating to fiscal 2019. In 2022, research and development remains ongoing for the ZeroE technology and costs may be recoverable in future claims under the SRED program are accepted and received.

Share-based payments expense

<i>(Canadian \$000's)</i>	Three months ended September 30			Nine months ended September 30		
	2022	2021	Change	2022	2021	Change
Total share-based payments expense	76	196	120	371	523	152

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

The Company has established a long-term incentive plan (the "Omnibus Plan") whereby the Company may grant stock options ("Options"), restricted share units or performance share units from time to time to employees, officers, directors, service providers and consultants of the Company to recognize the contributions made by individuals to the Company's growth and furnish an incentive to the future success and prosperity of the Company.

The share-based payments expense in the three and nine months ended September 30, 2022, decreased to \$76 and \$371, respectively, compared to \$196 and \$523 for the same periods in 2021, due to the granting of new Options to officers, employees and directors of the Company in March 2021, May 2021 and November 2021. 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 March and May 2021 Options fully vested upon closing of the RTO, with the remainder of any unrecognized expensed being fully recognized in the fourth quarter of 2021.

In November 2021, the Company granted an additional 1,202,500 Options to officers, employees and directors of the Company at an exercise price of \$1.40 per Common Share. During the three and nine months ended September 31, 2022, Cleantek recorded a reversal of share-based compensation of \$70



related to stock options that were forfeited by departing employees prior to the vesting of exercise rights (2021 – nil and nil).

Finance costs, net

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30			September 30		
	2022	2021	Change	2022	2021	Change
Finance costs, net	324	175	(149)	862	1,129	267

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 \$324 and \$862 for three and nine months ended September 30, 2022, respectively, compared to \$175 and \$1,129 for the same periods in 2021. The decreased finance costs, net in 2022 compared to 2021 are due to significantly lower debt levels in 2022 following the completion of the RTO and concurrent private placement in the fourth quarter of 2021. For the three and nine months ended September 30, 2022, financing costs, net have increased during the year due to rising interest rates for Canadian financial institutions.

Other (income) expenses

<i>(Canadian \$000's)</i>	Three months ended			Nine months ended		
	September 30			September 30		
	2022	2021	Change	2022	2021	Change
(Gain) loss on disposal of long-lived assets	-	(115)	(115)	(148)	(112)	36
Foreign exchange (gain) loss	(412)	106	518	(445)	28	473

In 2022, the Company recognized gains on dispositions of long-lived assets that were not being used in the normal course of operations.

Foreign exchange (gain) loss arises from exchange differences resulting from the translation of foreign denominated working capital as well as realized (gain) loss on the settlement of foreign denominated working capital. The foreign exchange gains recognized in 2022 are due to primarily to the weakening of the Canadian dollar in the second quarter of 2022.



Income taxes

(Canadian \$000's)	Three months ended			Nine months ended		
	September 30			September 30		
	2022	2021	Change	2022	2021	Change
Current tax expense (recovery)	-	-	-	-	-	-
Deferred tax expense (recovery)	-	(216)	(216)	-	(711)	(711)
Total tax expense (recovery)	-	(216)	(216)	-	(711)	(711)

Income taxes consist of current and deferred income taxes.

The Company did not recognize any deferred tax expense or recovery for the three and nine months ended September 30, 2022 and recognized a \$216 and \$711 deferred tax recovery for the three and nine months ended September 30, 2021, respectively.

The Company did not incur current taxes in 2022 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 2022 as a valuation allowance was 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 available against future taxable income.

Net loss

(Canadian \$000's)	Three months ended			Nine months ended		
	September 30			September 30		
	2022	2021	Change	2022	2021	Change
Net loss for the period	1,023	397	(626)	3,200	1,208	(1,992)

The net loss for the three and nine months ended September 30, 2022, increased to \$1,023 and \$3,200, respectively, compared to \$397 and \$1,208 for the same periods in 2021. The higher net loss in 2022 was primarily due to the increased general and administrative expense and increased depreciation expenses partially offset by lower finance costs, net and a gain on asset sales and a deferred tax recover in 2021, which have been explained in detail above.

EBITDA and Adjusted EBITDA

(Canadian \$000's)	Three months ended			Nine months ended		
	September 30			September 30		
	2022	2021	Change	2022	2021	Change
EBITDA ⁽¹⁾	(24)	(25)	1	189	1,122	(933)
Adjusted EBITDA ⁽¹⁾	52	158	(106)	560	944	(384)

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

Management considers EBITDA and adjusted EBITDA key metrics in analyzing operational performance and the Company's ability to generate cashflow. EBITDA is measured as net income (loss) before interest, tax, depreciation and amortization. Adjusted EBITDA is measured as EBITDA adjusted for share-based compensation, impairment/impairment reversals of non-financial assets, research expense/ recoveries and unusual items not representative of ongoing business performance. EBITDA and adjusted EBITDA are non-IFRS measures as defined under "Non-IFRS Measurement".

Cleantek's EBITDA of \$(24) and \$189 for the three and nine months ended September 30, 2022, respectively, decreased compared to \$(25) and \$1,122 for the same periods in 2021. The decrease in EBITDA was mainly due to a higher general and administrative expenses, which was partially offset by



higher revenue and gross margins in 2022 driven by stronger equipment utilization and improved rental prices, which have been explained in detail above.

Cleantek's adjusted EBITDA of \$52 and \$560 for the three and nine months ended September 30, 2022, respectively, decreased compared to \$158 and \$944 for the same periods in 2021, primarily due to the same reasons described above.

CAPITAL EXPENDITURES

<i>(Canadian \$000's)</i>	Three months ended September 30			Nine months ended September 30		
	2022	2021	Change	2022	2021	Change
Additions to property and equipment	1,266	-	1,266	1,946	214	1,732
Additions to intangible assets	44	32	12	90	95	(5)
Total capital expenditures	1,310	32	1,278	2,036	309	1,727

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

In 2022, Cleantek had capital expenditures that included new additions to the HALO™ crown-mounted lighting system fleet, capital connectors for the mobile ZeroE dehydration rental units, upgrades to the vehicle fleet and office equipment.

SUPPLEMENTAL QUARTERLY INFORMATION

The table below summarizes Cleantek's quarterly financial and operational highlights for the three months ended September 30, 2022 as well as the previous seven quarters:

<i>(Canadian \$000's, except per share amounts and percentages)</i>	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Revenue	3,391	3,125	3,147	2,372	2,045	1,945	2,457	1,777
Gross profit	2,031	1,706	1,837	1,126	1,100	922	1,429	646
Gross profit %	60	55	58	47	54	47	58	36
Net loss	(1,023)	(1,443)	(734)	(4,747)	(397)	(627)	(184)	(9,232)
Net loss per share								
- basic and diluted (\$)	\$(0.04)	\$(0.05)	\$(0.03)	\$(0.22)	\$(0.02)	\$(0.04)	\$(0.01)	\$(3.05)
EBITDA ⁽¹⁾	(24)	(241)	454	(4,482)	(25)	472	675	(448)
Adjusted EBITDA ⁽¹⁾	52	(94)	602	339	158	(39)	825	(166)
Total assets	15,852	15,075	15,358	17,156	13,393	12,997	13,956	13,637
Working capital								
Surplus (deficiency) ⁽¹⁾	(1,083)	(57)	153	535	(16,319)	(16,272)	(16,358)	(16,805)
Non-current debt ⁽¹⁾	9,102	8,124	7,383	7,875	1,124	1,193	1,250	1,170
Total non-current liabilities	9,159	8,181	7,440	7,932	1,180	1,465	1,611	1,937

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

Reported revenue, net loss, EBITDA, adjusted EBITDA are generally higher in the first and fourth quarters due to higher activity in the oil and gas sector. Revenue was negatively affected by reduced activity due to COVID-19 impacts starting in 2020 and into the fourth quarter of 2021.

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

- increase in net loss in the fourth quarter of 2020 due to higher debt servicing costs; and



- increase in net loss in the fourth quarter of 2021 due to listing expense and transaction costs associated with the RTO, partially offset by an impairment reversal on non-financial assets due to improvements in the market fundamentals as activity increased and COVID-19 impacts decreased.
- increase in net loss in the second and third quarters of 2022 due to higher general and administrative expense primarily related to the legal spend on the patent litigation. The increased general and administrative expense also contributed to the draw on the Revolving Debt Facility and resulting additional non-current debt borrowings.

Working capital was in a large deficit until the fourth quarter of 2021 due to the debt position of the Company prior to the RTO and Private Placement, combined with all debt being classified as current prior to the RTO. Please see the Annual Financial Statements for further details on these events.

CONSOLIDATED LIQUIDITY AND CAPITAL RESOURCES

The following discussion relates to the consolidated position of liquidity and capital of Cleantek as at September 30, 2022 and December 31, 2021. Please also refer to *Going Concern* within this MD&A for additional information regarding the financial position of Cleantek.

The Company's strategy is to carry a capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

Cleantek considers its capital structure to include working capital, long-term debt, lease liabilities and shareholders' equity.

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

The capital structure of Cleantek consists of the following:

<i>(Canadian \$000's)</i>	September 30, 2022	December 31, 2021
Current assets	3,751	4,771
Current liabilities	4,834	4,236
Working capital deficit/(surplus) or net current liabilities	1,083	(535)
Long-term debt – non-current	8,778	7,444
Lease liabilities – non-current	324	431
Shareholders' equity	1,859	4,988
	12,044	12,328

Debt and credit facilities

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

<i>(Canadian \$000's)</i>	September 30, 2022	December 31, 2021
Long-term debt		
Credit Facilities	8,921	7,305
Loans payable	1,435	657
Promissory notes	513	527
	10,869	8,489
Current portion of long-term debt		
Credit Facilities	(1,815)	(1,025)
Loans payable	(262)	(7)
Promissory notes	(14)	(13)
	(2,091)	(1,045)

Non-current portion of long-term debt



Credit Facilities	7,106	6,280
Loans payable	1,173	650
Promissory notes	499	514
	8,778	7,444

Credit facilities

<i>(Canadian \$000's)</i>	September 30, 2022	December 31, 2021
Term Facilities		
Canadian Private Debt – Credit Facilities	9,036	7,500
Deferred financing costs	(115)	(195)
	8,921	7,305
Current portion of Credit Facilities	(1,815)	(1,025)
Non-current portion of Credit Facilities	7,106	6,280

Canadian Private Debt Term Facility

The Company has a senior-secured credit agreement with a Canadian private debt asset manager, which provides for:

- i. the non-revolving term facility in a maximum principal amount of \$7,500, in a single loan advance (“Non-Revolving Term Facility”); and
- ii. a revolving line of credit up to \$2,500 in one or more loan advances (the “Revolving Debt Facility”, and together with the Non-Revolving Term Facility, the “Credit Facilities”).

The Credit Facilities are for an initial term of 24 months, maturing on October 31, 2023, which may be extended for an additional 12 month period at the request of the Company with consent by the lender. On September 30, 2022, \$6,733 of the Non-Revolving Term Facility amount was drawn and outstanding (December 31, 2021 - \$7,500). As of September 30, 2022, \$2,188 has been drawn on the Revolving Debt Facility (December 31, 2021 - nil). The availability limit calculated on the Revolving Debt Facility at September 30, 2022 was \$2,462, which provides an additional \$274 available to be drawn, which combined with cash on hand of \$616, provides for \$890 of liquidity for the Company. The Company continues to actively manage its liquidity and anticipates being able to meet its obligations and commitments as they come due. The Company will continue to require the support of its lender in obtaining its extension on the credit facilities, which mature on October 31, 2023, to maintain its liquidity position. As noted in financial statement note 13, the Company was involved in patent litigation which significantly impacted its liquidity. Please refer to note 2(b) for future details.

The Non-Revolving Term Facility is subject to monthly scheduled repayments as follows: (i) interest only payments in the first 4 months; (ii) \$83 plus interest in months 5 to 8; (iii) \$108 plus interest in months 9 to 12; (iv) \$133 plus interest in months 13 to 16; (v) \$158 plus interest in months 17 to 20; (vi) \$183 plus interest in months 21 to 24; and (vii) the remaining balance on the Non-Revolving Term Facility and Revolving Debt Facility on October 31, 2023.

Effective October 1, 2022, Cleantek obtained a three month principal payment holiday from the Canadian private debt provider, beginning October 2022, with a potential additional three month principal holiday beginning in January 2023 subject to certain conditions. Please refer to *Subsequent Events* within this MD&A for additional details.

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 are subject to monthly financial covenants of: (i) maintaining a tangible net worth of at least \$1,000; and (ii) an interest coverage ratio of no less than 2:1. Tangible net worth is determined by taking total assets less the book value of all liabilities, excluding any



subordinated debt, prepaid expenses, intangible assets and related party receivables. Interest coverage ratio is determined by taking EBITDA over total interest expense of funded debt on a rolling 6-month basis. EBITDA is defined as net earnings excluding interest expense, provisions for income taxes, non-cash items including depreciation and amortization and non-cash impairment charges, transactions costs related to the Private Placement and RTO and certain non-recurring expenses.

At September 30, 2022, the Company was in compliance with all debt covenants.

Loans payable

<i>(Canadian \$000's)</i>	September 30, 2022	December 31, 2021
Loans payable		
Customer Term Loan	574	650
Term loan payable – Other	861	7
	1,435	657
Current portion of loans payable	(262)	(7)
Non-current portion of loans payable	1,173	650

Customer Term loan

In April 2018, Cleantek signed a ZeroE™ management agreement with an upstream oil and gas customer to manufacture, deliver and install a 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 this 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 unit; and as collateral security for the payment and performance of Cleantek’s obligations under the ZeroE™ Management Agreement, the rental unit, as well as the Company’s ZeroE™ technology is subject to a lien.

Cleantek evaluated the classification of the Customer Loan at inception under IFRS 16 Lease and made an assessment that it is an operating lease as the Customer Loan 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 three and nine months ended September 30, 2022, \$14 and \$144, respectively, (2021 - \$32 and \$105) of rental income was invoiced to the customer for dehydration facility services. Of the amounts invoiced, for the three and nine months ended September 30, 2022, \$7 and \$48, respectively, (2021 - \$26 and \$77) was recognized as interest expense on the outstanding Customer Loan and included in finances costs, net in net loss and \$7 and \$96, respectively, (2021 - \$6 and \$28) was recognized as rental income. Of the amounts invoiced and recognized as rental income, a portion was applied to the outstanding Customer Loan as principal repayments of \$5 and \$74 for the three and nine months ended September 30, 2022, respectively (2021 - \$1 and \$12).



Promissory notes

<i>(Canadian \$000's)</i>	Carrying value	Face value
Promissory notes		
At December 31, 2021	527	1,030
Principal payments	(50)	(50)
Accretion	36	-
At September 30, 2022	513	980
Current portion of promissory notes	(14)	(60)
Non-current portion of promissory notes	499	920

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 (i) non-interest bearing; (ii) repayable at \$5 per month; and (iii) 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.

The Company reclassified the amounts from current to long-term and fair valued the debt using the effective interest rate method. A gain of \$508 was recorded in December 2021 as a result of application of IFRS 9 as the Vendor Promissory Note bears an interest rate of zero. The fair value and resulting gain were based on the present value of future payments discounted at an interest rate of 9%.

OFF-BALANCE SHEET ARRANGEMENTS

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

OUTSTANDING SHARES

As of the date of this MD&A, Cleantek had 27,645,380 Common Shares outstanding.

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 process to ensure that its commitment to high EHS standards is shared by its subcontractors and stakeholders.



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

RISK ASSESSMENT

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

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

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

FINANCIAL RISKS

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

ACCOUNTING STANDARDS, CHANGES AND PRONOUNCEMENTS

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 Annual Financial Statements for the year ended December 31, 2021. There were no new or amended accounting standards or interpretations issued



during the three months ended September 30, 2022 that are expected to have a material impact on our Interim Financial Statements.

A summary of significant accounting policies can be found in *note 2* to the Annual Financial Statements for the for the year ended December 31, 2021.

CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

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

A summary of Cleantek's critical accounting estimates, judgments and assumptions can be found in *note 2* to the Annual Financial Statements for the year ended December 31, 2021. There have been no significant changes to the use of estimates, judgements or assumptions since December 31, 2021.

COMMITMENTS AND CONTINGENCIES

Contractual obligations and commitments

The expected timing of cash outflows relating to financial liabilities at September 30, 2022 are outlined in the table below:

	Carrying amount ⁽¹⁾	Contractual outflows ⁽²⁾				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	2,415	2,415	-	-	-	2,415
Long-term debt						
Credit facilities ⁽³⁾	9,036	2,816	7,295	-	-	10,111
Loans payable	1,435	442	894	407	229	1,972
Promissory notes ⁽⁵⁾	513	60	120	120	680	980
	13,399	5,733	8,309	527	909	15,478
Lease liabilities and other commitments						
Lease liabilities	652	364	298	34	-	696
Other property lease commitments ⁽⁵⁾	-	181	143	-	-	324
Other operating and capital commitments	-	238	23	12	-	273
	652	783	464	46	-	1,293

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

(2) Amounts include principal and interest portions.

(3) Credit facilities mature on October 31, 2023. Carrying amounts exclude deferred financing charges of \$115.

(4) Carrying amount is the discounted amount and contractual outflows are the contractual gross cash outflows.

(5) Includes leased property utility, operating cost and property tax commitments.

Related party guarantee

The Company has provided a corporate guarantee of \$270 at December 31, 2021 and 2020 to a lender related to a loan issued to Cerberus (the "Cerberus Guarantee"), a company related through a shareholder.

This Cerberus Guarantee arose when Cerberus arranged financing (the "Cerberus Financing") to: (i) purchase a building, which the Company had leased under a property lease agreement (the "Building Lease"), and (ii) equipment that the Company purchased. The Cerberus Guarantee will be in place until the



Cerberus Financing is repaid. If Cerberus fails to repay its debt to the lender, the lender is entitled to seek repayment from the Company. The Building Lease expired on July 30, 2019.

In 2019, the lender commenced actions against Cerberus, including taking ownership of the building. In addition, the lender commenced action to enforce the Cerberus Guarantee by the Company.

On May 2, 2022, the Cerberus Guarantee was settled whereby proceeds from the sale of the property covered by the Cerberus Guarantee and insurance proceeds on the property were applied against the outstanding balance of the Cerberus Financing. The shortfall of \$15 was subsequently paid to the lender on May 3, 2022. Upon reaching the settlement with the lender, this matter is now resolved.

Litigation and claims

The Company is involved in litigation and claims arising in the normal course of operations.

Patent litigation

In 2021, a competitor providing lighting solutions in North America filed two claims in the United States. The first claim related to the display of issued patent information on Cleantek's marketing materials. This claim was dismissed in its entirety on June 27, 2022 after Cleantek's motion to dismiss was successful.

The second claim related to alleged patent infringement by Cleantek on a small portion of the Company's installed HALO™ lighting units in the United States. The Company fully responded to the claim and filed a counterclaim, which was expected to go to trial in October 2022. The Company received a newly issued patent in July 2022 from the United States Patent and Trademark Office for the entirety of a patent continuation filed in April 2021 which covered the mounting of lights to the crown of a drilling rig for the purpose of site lighting.

Cleantek, through its counsel, filed a Complaint for Patent Infringement and Request For Preliminary Injunction against the same competitor, referenced above in the "Litigation and claims" section, in the U.S. District Court for the Western District of Texas on August 12, 2022. This request alleged significant infringement of Cleantek's patent and if successful, the competitor would have been prevented from mobilizing units for new contracts in the United States.

Cleantek has expended \$3,662 to the end of September, 2022, of which \$2,984 was expended in 2022, in defending its position with respect to the patent litigation matter. The trial date was set for the end of October of 2022. See the *Subsequent Events* section within this MD&A for settlement of the patent litigation matter.

SUBSEQUENT EVENTS

Patent litigation

On November 21, 2022, Cleantek announced an agreement to resolve all ongoing and pending litigation matters relating to alleged infringement of intellectual property rights in the rig lighting segment of the Company's operations. The Parties have cross-licensed their respective patent portfolios covering crown-mounted lighting systems, including (i) C&M's U.S. Patent Nos. 10,711,961, 10,473,282, 10,883,684, 10,900,626, 10,976,016 and 11,300,260 and Cleantek's U.S. Patent Nos. 11,111,761 and 11,391,121. The details of the agreement are confidential and will not impair the Company's operations in any way. With this litigation settled the company will continue to focus on growth and generating a positive return for its shareholders.



Amendments to non-revolving term credit facility

Effective October 1, 2022, Cleantek signed an amending agreement which included a principal holiday for three months on its non-revolving term credit facility beginning October 2022 and through to the end of December 2022. An additional three month principal holiday may be granted by the Canadian private debt provider if Cleantek is able to provide a refinancing term sheet with another financial institution which is satisfactory to the Canadian private debt provider by December 31, 2022.

NON-IFRS MEASUREMENTS

Cleantek uses certain financial measures referred to in this MD&A to quantify its results that are not prescribed by IFRS. The following terms: “EBITDA”, “adjusted EBITDA”, “working capital” and “non-current debt” are not recognized measures under IFRS and may not be comparable to that reported by other companies. Cleantek believes that, in addition to measures prepared in accordance with IFRS, the non-IFRS measurements provide useful information to evaluate the Company’s performance and ability to generate cash, profitability and meet financial commitments.

These non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

EBITDA and Adjusted EBITDA

Management considers EBITDA and adjusted EBITDA key metrics in analyzing operational performance and the Company’s ability to generate cash flow. EBITDA is measured as net income (loss) before interest, tax, depreciation and amortization as differences in accounting treatments may distort our core business results. Adjusted EBITDA is measured as EBITDA adjusted for certain non-cash items, including share-based compensation, impairment/impairment reversals as well as unusual items not representative of ongoing business performance.

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

<i>(Canadian \$000's)</i>	Three months ended		Nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
Net loss	(1,023)	(397)	(3,200)	(1,208)
Tax expense (recovery)	-	(216)	-	(711)
Depreciation and amortization	675	413	2,527	1,912
Finance costs, net	324	175	862	1,129
EBITDA	(24)	(25)	189	1,122
Research expense (recovery)	-	(13)	-	(701)
Share-based compensation	76	196	371	523
Adjusted EBITDA	52	158	560	944

Working capital

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



<i>(Canadian \$000's)</i>	September 30, 2022	December 31, 2021
Current assets	3,751	4,771
Current liabilities	4,834	4,236
Working capital surplus (deficit)	(1,083)	535

Non-current debt

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

<i>(Canadian \$000's)</i>	September 30, 2022	December 31, 2021
Long-term debt – non-current portion	8,778	7,444
Lease liabilities – non-current portion	324	431
Non-current debt	9,102	7,875

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 oil and gas drilling and production activity in North America to maximize utilization rates of its current fleet of sustainable lighting solutions and mobile ZeroE wastewater treatment assets;
- expanding and growing the Company's fleet of sustainable lighting solutions and mobile ZeroE wastewater treatment assets to satisfy increased demand in the oil and gas, midstream, mining, industrial and construction markets;
- leveraging Cleantek's technology to capture additional market share through organic growth of the ZeroE wastewater treatment and vaporization services;
- expanding and diversifying Cleantek's geographic focus and customer base including exploring opportunities outside of the North American market; and
- the Company may issue additional debt, issue new shares and adjust capital and operating expenditures to manage its current and projected debt levels.

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.

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.