

Rating	Target Price
BUY	**$1.10**
Unchanged	*Unchanged*

November 16, 2026

Disseminated on Behalf of Cleantek Industries Inc.

All figures in CAD unless otherwise stated

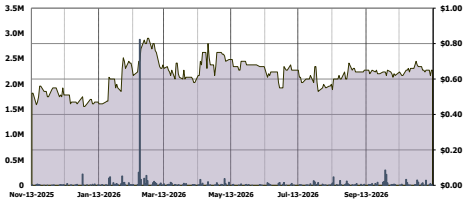
Cleantek Industries Inc.	**CTEK:TSXV**
Rating	BUY
Target Price	$1.10
Return to Target	43%

Market Data	
Share Price	$0.77
Average Daily TSXV Volume (K)	46.5
FD ITM Shares (M)	31.8
Market Cap ($M)	$24.5
Cash & Marketable Securities ($M)	$1.4
Debt ($M)	$11.0
Enterprise Value ($M)	$34.1

FYE Dec 31	**2025A**	**2026E**	**2027E**
Revenue ($M)	$13.8	$20.3	$23.9
Gross Margin (%)	58%	57%	59%
Adj. EBITDA ($M)	$4.6	$6.9	$7.9
Adj. EBITDA Margin (%)	33%	34%	33%
Net Income ($M)	$0.9	$3.6	$4.8
EPS (Basic)	$0.03	$0.12	$0.16
FCFF ($M)	$1.4	$5.5	$5.2

Valuation	**2025A**	**2026E**	**2027E**
EV/EBITDA	7.5x	5.0x	4.3x
EV/Sales	2.5x	1.7x	1.4x
P/E	26.1x	6.8x	5.1x
FCF Yield	4%	16%	15%

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



Cleantek is a clean energy technology company focused on ESG-accretive solutions, providing specialized and fully integrated wastewater treatment, disposal equipment, and turnkey sustainable lighting rental solutions. By leveraging patented technology and industry expertise, Cleantek delivers tailored, cost-effective solutions to a diverse client base, including blue-chip exploration and production companies across North America.

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What you need to know:

- CTEK reported Q3 revenue of $5.2M (+58% YoY) vs. our $6.4M estimate, and adjusted EBITDA of $2.1M (41% margin) compared to our estimate of $2.4M (38% margin).
- Cleantek delivered 12 HALO units under its international contract during Q3, with 4 more delivered in October. CTEK remains well positioned for a further acceleration of revenue into the seasonally stronger Q4.
- CTEK ended the quarter with $1.4M in cash and $4.0M in working capital, after paying off $1.1M in debt.

On Friday, Cleantek Industries (CTEK:TSXV, GLKFF:OTCPK) reported its Q3 financial results which featured 58% YoY revenue growth and 116% YoY adjusted EBITDA growth. CTEK's international HALO deliveries have taken slightly longer than expected, resulting in revenue being pushed into the coming quarters, marking a strong catalyst. Management also highlighted an opportunity for a follow-on order in South America for up to 15 HALO units. We recently hosted a fireside chat with CEO Riley Taggart at Planet Microcap; watch it here. **We are maintaining our BUY rating and $1.10/share target price on CTEK.**

Q3 Financial Highlights

- Q3 revenue came in at a record $5.2M (+58% YoY) which was below our $6.4M estimate due to lower-than-expected equipment sales. YTD revenue was $13.8M (+34% YoY), representing 63% of the annual guidance midpoint, implying a further ramp in the seasonally stronger Q4.
- CTEK delivered 12 HALO units under its international program, bringing the total to 32 of the 60 contracted. 4 units were delivered in October.
- Revenue included $3.4M in rental revenue and services (+12% YoY) and $1.8M in equipment sales (vs. $0.2M in Q3/25). Specifically, HALO rentals increased 15% YoY, being the largest contributor to the rental segment.
- Gross margin for the quarter came in at 61%, above our 58% forecast and 58% in Q3/25, as rentals were a larger portion of sales. This represented a large QoQ improvement from the 51% in Q2. G&A held flat QoQ at $1.0M.
- Adjusted EBITDA came in at $2.1M vs. our estimate of $2.4M and the $1.0M reported last year, representing a 41% margin (vs. 38% expected). YTD adjusted EBITDA was $4.6M, compared to annual guidance of $7.2-7.5M.
- Net income totalled $1.3M or $0.04/share vs. our $1.7M estimate or $0.06/share. This was a large YoY improvement vs. $0.4M in Q3/25.
- OCF was $2.2M after working capital changes, and capex was $0.5M, translating to FCFF of $1.7M.
- CTEK ended the quarter with $1.4M in cash and $11.0M in debt (1.4x net debt to 2026E EBITDA), vs. $0.8M and $12.1M, respectively, at the end of Q2. CTEK fully paid off its bank operating line during the quarter for $0.7M as well as $0.5M of its long-term debt.
- Working capital was $4.0M vs. $3.1M at the end of Q2 and ($0.9M) in Q3/25. This was a major point of contention for the CTEK story, and has now shifted to a point of strength.

	Q3/26A	Atrium Est.	YoY
Revenue ($M)	**$5.2**	$6.4	+58%
Gross Margin (%)	**61%**	58%	+308 bps
Adj. EBITDA ($M)	**$2.1**	$2.4	+116%
EBITDA Margin (%)	**41%**	38%	+1097 bps
Net Income ($M)	**$1.3**	$1.7	+258%

Figure 1: Q3 Financials Summary

Outlook

Management largely restated its outlook from Q2, continuing to focus on international expansion, growing recurring revenue from rentals, and evaluating acquisitions. CTEK is also working on a follow-on phase for its South American contract, which could result in the sale of up to 15 additional units. As such, we are expecting a further acceleration into Q4, with the low end of guidance implying $7.7M in revenue, which would be a large record and 126% YoY growth. We remind readers that Q4 and Q1 are seasonally the strongest quarters for CTEK, making today a good entry point ahead of these catalysts.

Our Take

Q3 represented the second quarter of CTEK's Middle East deployment, building on the $5.1M in revenue generated in Q2. The quarter was objectively very strong, despite being below our expectations, particularly on the margin front. Gross margins improved from 51% in Q2 to 61% in Q3, and adjusted EBITDA margins improved from 28% to 41%, respectively. The North American business remains robust as drilling activity and oil prices have been supportive. We expect results to improve further in Q4 (estimating $6.4M in revenue; unchanged) and now stretch into Q1, as the international orders have been pushed from the original schedule.

For 2027, we are specifically looking out for repeatability on the international orders, with our model assuming that YoY growth can continue. We would also like to highlight the balance sheet strength, with net debt to EBITDA now 1.4x vs. 1.9x in our initiation report and working capital improving from largely negative levels to $4.0M in Q3. This allows CTEK to focus on signing more orders and re-investing/returning cashflows. Our target price remains at $1.10/share based on 6x 2026E EBITDA.

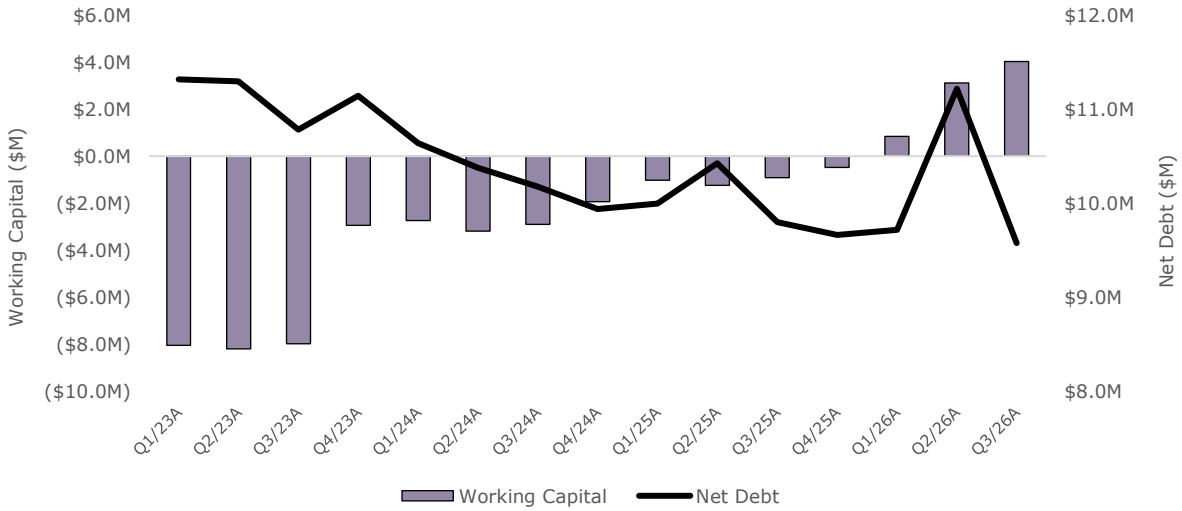


Figure 2: Balance Sheet Improvement

Why We Like CTEK

- In January 2026, Cleantek secured a contract for up to 60 HALO SE units with a Middle East customer, adding an estimated ~$7M in revenue in 2026 and establishing a beachhead in a market where we believe follow-on contracts are likely as the product gains traction.
- CTEK has consistently posted gross margin >50% and EBITDA margins of ~30%, among the highest in its peer group, supported by in-house manufacturing, a rental-heavy revenue model, and ~$70M in tax loss carryforwards that improve FCF conversion.
- The balance sheet has improved steadily from ($8.3M) in working capital in 2022 to $4.0M in Q3/26, with shares outstanding growing at just a 1% CAGR since 2021, reflecting a disciplined approach to capital allocation rarely seen at this market cap.
- Despite 47% revenue growth expected in 2026 and best-in-class margins, CTEK trades at just 5.0x/4.3x 2026E/2027E EBITDA, a discount to energy service and cleantech peers.

Catalysts

- Quarterly Financial Results – Ongoing
- New Contract Sales Ramp – Q4/26
- Takeout Candidate – Ongoing

Tear Sheet

Market Data	
Ticker	CTEK:TSXV
Stock Price	$0.77
Rating	BUY
Target Price	$1.10
Upside	43%
Market Cap ($M)	$24.5
Cash ($M)	$1.4
Debt ($M)	$11.0
EV ($M)	$34.1

Capital Structure	
Basic Shares Outstanding (M)	30.0
Warrants (M)	0.5
Options (M)	2.1
FD Shares (M)	32.5
FD ITM Shares (M)	31.8

Ownership	
PillarFour Capital Partners	27%
Lyle Wood	11%
Management & Board	5%

Financial Estimates	2024A	Q1/25A	Q2/25A	Q3/25A	Q4/25A	2025A	Q1/26A	Q2/26A	Q3/26E	Q4/26E	2026E	2027E
Revenue ($M)	**11.8**	**3.7**	**3.4**	**3.3**	**3.4**	**13.8**	**3.5**	**5.1**	**5.2**	**6.4**	**20.3**	**23.9**
% YoY	*-16%*	*1%*	*39%*	*18%*	*17%*	*17%*	*-5%*	*53%*	*58%*	*88%*	*47%*	*18%*
Gross Profit ($M)	**7.2**	**2.3**	**1.8**	**1.9**	**2.0**	**8.0**	**2.1**	**2.6**	**3.1**	**3.7**	**11.6**	**14.1**
Gross Margin	*61%*	*63%*	*53%*	*58%*	*57%*	*58%*	*59%*	*51%*	*61%*	*58%*	*57%*	*59%*
Adj. EBITDA ($M)	**3.7**	**1.3**	**0.8**	**1.0**	**1.5**	**4.6**	**1.0**	**1.4**	**2.1**	**2.3**	**6.9**	**7.9**
Adj. EBITDA Margin	*31%*	*34%*	*23%*	*30%*	*45%*	*33%*	*28%*	*28%*	*41%*	*36%*	*34%*	*33%*
Net Income ($M)	1.3	0.4	(0.5)	0.4	0.6	0.9	0.2	0.5	1.3	1.6	3.6	4.8
EPS (Basic)	0.04	0.02	(0.02)	0.01	0.02	0.03	0.01	0.02	0.04	0.05	0.12	0.16
FCFF ($M)	1.4	(0.0)	0.3	0.7	0.4	1.4	0.2	(1.3)	1.7	4.8	5.5	5.2

Figure 3: Tear Sheet

	Q4/26E		2026E		2027E	
	New	Previous	New	Previous	New	Previous
Revenue ($M)	**$6.4**	$6.4	**$20.3**	$21.5	**$23.9**	$25.4
Gross Margin (%)	**58.0%**	58.0%	**57.1%**	56.5%	**59.0%**	59.0%
Adj. EBITDA ($M)	**$2.3**	$2.3	**$6.9**	$7.2	**$7.9**	$8.4
Net Income ($M)	**$1.6**	$1.5	**$3.6**	$4.0	**$4.8**	$5.2

Figure 4: Estimate Revisions

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