

dynaCERT Invests in the USA and Receives a Purchase Order for 3,000 HydraGEN™ Units

written by Raj Shah | May 11, 2020



May 11, 2020 ([Source](#)) – *dynaCERT* Inc. (TSX VENTURE: DYA) (OTCQB: DYFSF) (FRA: DMJ) (“*dynaCERT*” or the “Company”) is pleased to report that it has granted to KarbonKleen Inc. (“KK”), *dynaCERT*’s Preferred Service Provider, the exclusive Dealership

rights in the trucking industry in the United States of America until December 31, 2024. The exclusivity granted to KK is subject to certain quotas of a minimum of 150,000 HydraGEN™ Technology Units over a little more than three years. On May 9, 2020, KK has provided the Company with a purchase order for 3,000 HydraGEN™ Technology Units as described below.

Concurrent with this transaction, KK has entered into a strategic partnership with Velociti Inc. (“Velociti”), whereby Velociti will provide installation services for KK throughout the USA and elsewhere where Velociti operates and also to provide HydraGEN™ Technology Units to Velociti’s existing clients.

The pre-existing rights and Dealer relationships that *dynaCERT* has in the USA continue unrestricted and *dynaCERT* can continue discussions to add some qualified Dealers in the USA until the latter of November 1, 2020 or the end of USA restrictions due to COVID-19. Such dealers will continue to operate unfettered by the transactions described herein and KarbonKleen’s exclusivity. Pricing

of *dynaCERT's* HydraGEN™ Technology in the USA is subject to *dynaCERT's* proprietary USA pricing list published exclusively for its Dealers from time to time and remains applicable to KK.

dynaCERT is also pleased to report that it has established a 100%-owned subsidiary called *dynaCERT* International Strategic Holdings Inc. ("DISH") to be used to support sales efforts worldwide with investments in strategically unique and exceptional CleanTech innovators directly related to *dynaCERT's* business, including a subscription programme of *dynaCERT's* HydraGEN™ Technology to enhance end-user adoption.

In a series of related transactions with KK, DISH has agreed to provide KK with HydraGEN™ Technology Units until December 31, 2021 in return for subscription revenue whereby KK continues to offer on a back-to-back basis a subscription programme to outfit large Canadian and USA trucking fleets with HydraGEN™ Technology. DISH will be delivering *dynaCERT's* new 3,000 Unit purchase order from KK under the terms of this arrangement.

As its first investment, DISH has agreed to invest a total of US \$1,092,000 in KK in a transaction whereby the Company will own, indirectly through DISH, twenty percent (20%) of KK and a Promissory Note from KK due December 31, 2021, bearing interest of 10% per annum. The purpose of this investment by DISH is to accelerate its market penetration and sales in the USA market which both *dynaCERT* and KK have determined is a growing priority in North America.

DISH shall have representation on the board of directors of KK for as long as DISH retains its shares of KK and DISH retains pre-emptive rights on any future financings of KK. The shareholders of KK will also enter into a shareholders agreement which provides for the manner in which shares of the Company may be voted. The Company believes that the aggregate number of

shares held, or controlled or directed, by such parties represents less than 10% of the issued and outstanding shares of the Company.

Brian Semkiw, KarbonKleen's Chairman & CEO, stated, "In the past few months, some of the largest fleets in North America have been piloting HydraGEN™ Technology. These fleets have been experiencing the benefits of the reduced emissions, increased performance and fuel savings across all users and we expect a vibrant expansion of the pilot programmes to full fleet deployment with the subsiding of the Coronavirus pandemic. This investment by DISH and our partnership with Velociti will enable us to meet the anticipated demand with the delivery and maintenance professionalism that large fleets demand."

Jean-Pierre Colin, Executive Vice President of *dynaCERT*, stated, "Establishing a long term, "razor-blade" stream of recurring monthly cash flows from large fleets using *dynaCERT*'s HydraGEN™ Technology provides better certainty of share value. The Strategy of setting up *dynaCERT* International Strategic Holdings Inc. or DISH as a finance arm of *dynaCERT* is beneficial to potential logistics companies and truck owners who can now finance, on a monthly basis, the roll-out of their HydraGEN™ Units on their entire fleets. DISH will be able to greatly reduce the up-front capital costs to end users of our products. As a subsidiary to *dynaCERT*, as *dynaCERT* experiences future growth, DISH intends to finance sales growth in such a way that is non-dilutive to *dynaCERT*."

Jim Payne, *dynaCERT*'s President & CEO, stated, "KarbonKleen has proved their capability of connecting and selling to the largest fleets in North America. At our recent international sales meetings in February 2020, *dynaCERT* invited Velociti to present their unique skills and penetrating reach in the trucking industry in the USA and we were very proud to introduce them to

partner with KarbonKleen. Our three-party collaboration results in an unprecedented strategic growth business engine with favourable potential in our own backyard. I feel confident that *dynaCERT* has found the right solution to deliver both financing and service to our dealer's clients with such a professional team of high calibre people. In addition to our on-going work to verify future Carbon Credits, residual monthly cash flows from subscriptions benefits our shareholders."

The transactions described herein are subject to regulatory approval, including the approval of the TSX Venture Exchange. Closing is expected to be completed upon receipt of such approval.

About Velociti Inc.

Based in Kansas City, MO, Velociti Inc. is a global provider of technology deployment services, offering specialized installation and services of a broad range of transportation and networking technology products in 46 countries and all 50 states. Velociti's experience allows enterprise level technology consumers to maximize ROI as a result of leveraging expert, rapid deployment. Velociti clients include many Fortune 500 companies from a wide variety of market segments including transportation, retail, distribution, manufacturing, healthcare, government, education, food service and public venues. For more information visit www.velociti.com

About KarbonKleen Inc.

KarbonKleen provides an end-to-end FreightTech solution to improve diesel efficiency and reduce carbon emissions. Through strong partnerships and innovative technology development, coupled with proprietary service, support, and training methodologies, KarbonKleen helps its clients achieve their primary business goals through the application of technology.

KarbonKleen is a Preferred Systems Provider for *dynaCERT* and is dedicated to the proliferation of *dynaCERT* technology for the benefit of its customers and the planet.
Website: www.karbonkleen.com

About *dynaCERT* Inc.

dynaCERT Inc. manufactures and distributes Carbon Emission Reduction Technology for use with internal combustion engines. As part of the growing global hydrogen economy, our patented technology creates hydrogen and oxygen on-demand through a unique electrolysis system and supplies these gases through the air intake to enhance combustion, resulting in lower carbon emissions and greater fuel efficiency. Our technology is designed for use with many types and sizes of diesel engines used in on-road vehicles, reefer trailers, off-road construction, power generation, mining and forestry equipment, marine vessels and railroad locomotives.
Website: www.dynaCERT.com.

READER ADVISORY

Except for statements of historical fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this press release includes, but is not limited to potential investment by DISH in cleantech innovators, potential revenue from KK subscription programme, accelerating market penetration in the USA, KK intentions to roll-out 3,000 HydraGEN™ Technology Units, exclusivity granted on the basis of future quotas and potential expansion of pilots fleets to full fleet deployment. Although we believe that the

expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: uncertainty as to whether our strategies and business plans will yield the expected benefits; availability and cost of capital; the ability to identify and develop and achieve commercial success for new products and technologies; the level of expenditures necessary to maintain and improve the quality of products and services; changes in technology and changes in laws and regulations; the uncertainty of the emerging hydrogen economy; including the hydrogen economy moving at a pace not anticipated; our ability to secure and maintain strategic relationships and distribution agreements; and the other risk factors disclosed under our profile on SEDAR at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this news release is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by

applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of the release.