Demand for dynaCERT clean technology drives company forward

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Cashed up, ramped up production line, and senior listed

Vehicle emissions are universally recognized as an environmental concern, especially diesel emissions which the WHO has linked with causing cancer. Governments all over the world are continually tightening their emission standards. In 2020 both Europe and China made significant moves to reduce vehicle emissions. Once company in particular has the potential to be winner from the huge trend to reduce diesel emissions.

dynaCERT Inc. (TSX: DYA | OTCQX: DYFSF) manufactures, distributes, and installs its Carbon Emission Reduction Technology (CERT) for use with diesel engines. Their flagship product is HydraGEN™, an electrolysis unit that produces H2 and O2 gases to optimize the diesel fuel burn, resulting in a 6-19% increase in fuel economy and a 50%+ reduction in emissions.

Founded in 2004, dynaCERT has spent the last 16 years developing their patented technology and has only recently begun to commercialize it on a large scale. dynaCERT's technology can be used in diesel engines in on-road vehicles, reefer trailers, off-road construction, power generation, mining and forestry equipment, marine vessels, heavy equipment, and railroad locomotives.

dynaCERT's HydraGEN™ unit installed on a semi to reduce

emissions and boost efficiency



Source: Company investor presentation

dynaCERT recently completed an oversubscribed equity raising at C$0.68 (included a half warrant per share raised, exercise price of $1.00 for a period of 24 months). Demand was such that the raise was upsized to $8,367,400. The funds will be used to finance raw materials and manufacturing and assembly costs to create and deliver finished goods as well as for working capital and general corporate purposes. Five major firms in the Canadian financial community participated in dynaCERT's over-subscribed, over-night-marketed, equity financing.

dynaCERT receives two stock market exchange upgrades in two months

dynaCERT now trades on a market cap of C$218m. As a result of their success dynaCERT has recently been upgraded on not one, but two exchanges. In July dynaCERT was upgraded from the TSX Venture Exchange (TSXV) to the main board TSX in Canada. This follows their June upgrade to the OTCQX from the OTCQB Venture Market in the USA.

Commenting on the US upgrade, the company said:

"The OTCQX Market is designed for established, investor-focused U.S. and international companies. To qualify for OTCQX, companies must meet high financial standards, follow best practice corporate governance, and demonstrate compliance with applicable securities laws. Graduating to the OTCQX Market from the OTCQB Market marks an important milestone for companies, enabling them to demonstrate their qualifications and build visibility among U.S. investors."

Moving forward quickly: dynaCERT re-opens and upgrades their HydraGEN™ assembly plant on August 4, 2020

In a July 30, 2020 dynaCERT announced that their assembly line had been retrofitted with a new semi-automated assembly system, "to provide improved high standards instate-of-the-art technical specifications" able to maintain a capacity of 100 units per day or 2000 units per month with a single 8-hour shift per day. dynaCERT said that their new capacity "is expected to be capable of tripled production of **6,000 units per month** using three shifts per day."

dynaCERT has the following global partners/dealers:

- MOSOLF is one of the largest truck servicing companies in Europe with installations & 23 showrooms throughout Europe. They have distribution channels in Germany, France, Netherlands, Belgium, Luxembourg, Poland, Czech Republic.
- Farhi Holdings – A distributor for Brazil & Israel.
- H2 Tek – Has a focus on mining with mining projects in: Canada, USA, Peru, Chile, Brazil, Paraguay, Uruguay, Argentina, Russia, Mongolia, and Australia.
- KarbonKleen was awarded the exclusive dealership rights in the trucking industry in the USA until December 31, 2024 (subject to certain quotas of a minimum of 150,000 HydraGEN Technology units over a little more than 3 years). On May 9, 2020, it was announced that KarbonKleen achieved a purchase order for 3,000 HydraGEN™ Technology units. KarbonKleen also has financing for a Mexico assembly with an MOU for 1,000,000 units.

dynaCERT's sales and revenue now have the ability to rise rapidly boosted by added cash reserves, their upgraded production facility, and a growing sales pipeline from their large and growing network of dealers. dynaCERT now has ~40

dealers around the world selling their products to small and large truck owners, fleets, and government organisations that use diesel engines. With a billion diesel engines in the world, dynaCERT's green emission technology is in big demand. Last week dynaCERT expressed that unlike many industries, they were well positioned for growth even in these challenging times:

"The Company has re-emerged from the global COVID-19 economic slowdown with a cleaner and stronger balance sheet, having more than adequate cash reserves, a very strong balance sheet with approximately $18,000,000 in cash and virtually no significant debt, a better Assembly Plant, an improved R&D facility, significant Product improvements and a continued backlog of previously announced purchase orders. The Sales Department of the Company continues to maintain existing dealer relationships and has added new dealers where global marketing continues to be active."

Added to this was a note that the Company's products can now be offered to numerous markets in Dubai and other parts of the UAE and the Middle East.

Strong growth in dynaCERT's revenue

Source: Yahoo Finance

Closing remarks

dynaCERT is making all the right moves in leveraging the increasing demand to reduce diesel emissions and to improve fuel economy. The Company is rapidly growing their distribution networks and achieving impressive sales, increasing revenues, successfully raising over C$8m in an oversubscribed/overnight equity raise, recently upgraded by two stock exchanges, and have

upgraded their assembly plant to meet demand (full capacity is now a potential 6,000 units/month). Even legendary mining investor Eric Sprott is onboard and owns a 8.66% share of the Company.

The trend is becoming very clear that dynaCERT is on track to become a much larger company as the demand for their emissions reducing technology is enormous. As economies of scale kick in so should profits. For investors, dynaCERT is still looking reasonably priced assuming the forecast future revenues are achieved.