

Demand for dynaCERT clean technology drives company forward

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

Breakdown	TTM	12/30/2019	12/30/2018	12/30/2017	12/30/2016
Total Revenue	1,374	1,065	91.62	246.08	0
Cost of Revenue	358.892	304.8	85.009	102.58	-
Gross Profit	1,015	759.827	6.611	143.5	-
> Operating Expenses	12,006	13,036	9,427	6,683	5,048
Operating Income or Loss	-10,991	-12,276	-9,421	-6,539	-5,048
Interest Expense	70.021	58.335	85.769	42.952	33.652
Total Other Income/Expenses Net	-329.774	-337.622	-1,907	-41.014	205.705
Income Before Tax	-11,345	-12,666	-11,413	-6,623	-4,876
Income from Continuing Operations	-11,345	-12,666	-11,413	-6,623	-4,876
Net Income	10,307	-12,666	-11,413	-6,623	-4,876
Net Income available to common s...	-11,345	-12,666	-11,413	-6,623	-4,876
Basic EPS	-	-0.04	-0.04	-0.03	-0.02

Source: Yahoo Finance

Closing remarks

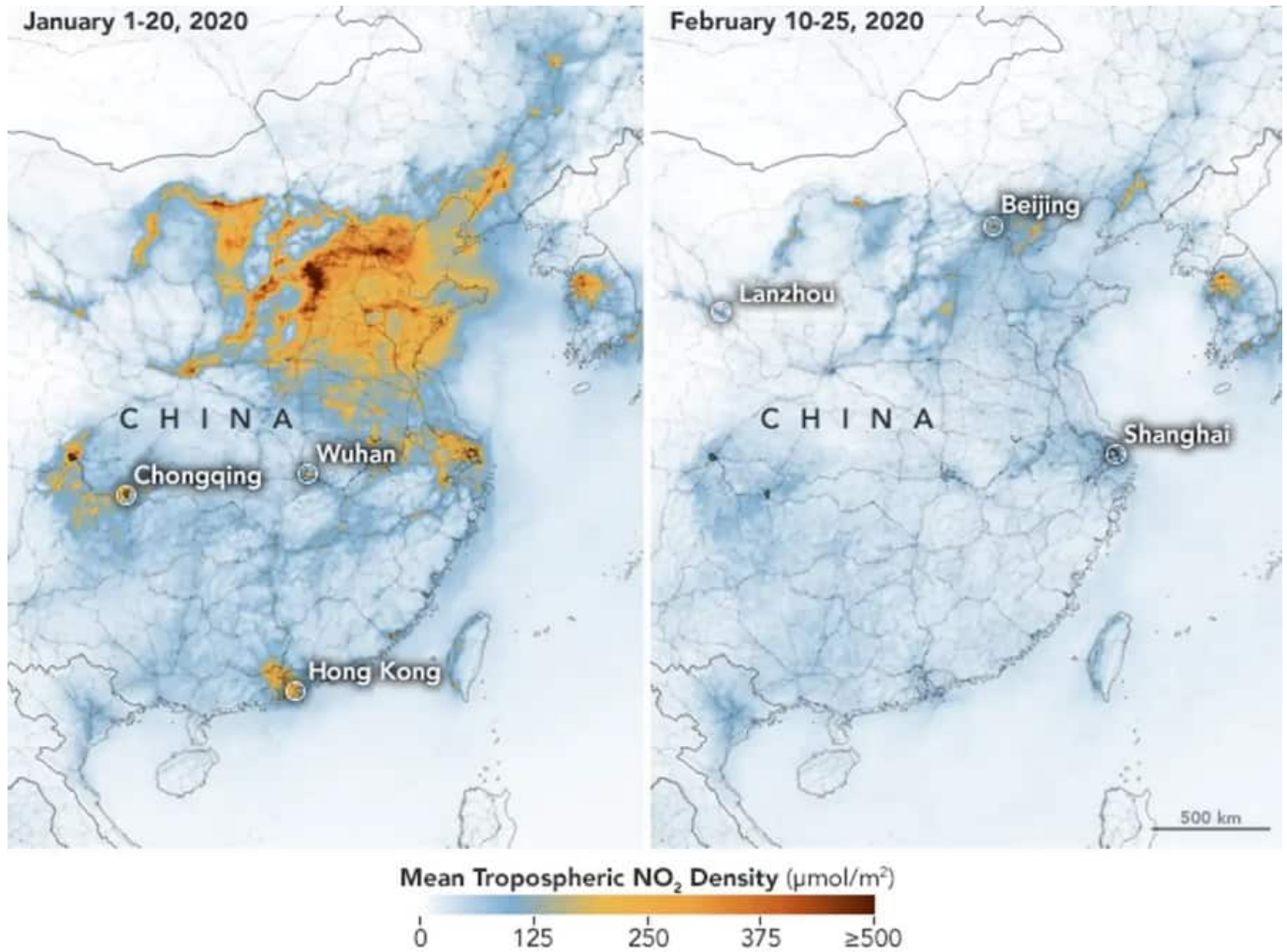
dynaCERT is making all the right moves in leveraging the increasing demand to reduce diesel emissions and to improve fuel economy. The Company is rapidly growing their distribution networks and achieving impressive sales, increasing revenues, successfully raising over C\$8m in an oversubscribed/overnight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

dynaCERT's revenues begin to ramp up exponentially as a global solution provider for pollution reduction

COVID-19 has shown us what a world without air pollution can be like. As economies reopen and pollution returns, governments and individuals will be demanding greater emissions reductions. China and Europe are already leading the way in 2020 with policies to reduce emissions.

The COVID-19 lockdown resulted in a massive drop in air pollution across China and globally



Source

If you are new to dynaCERT Inc. (TSXV: DYA | OTCQB: DYFSF), dynaCERT manufactures, distributes, and installs Carbon Emission Reduction Technology (CERT) for use with diesel engines. Their flagship product is HydraGEN™, which is an electrolysis unit that produces H₂ and O₂ gases which act to optimize the burn, resulting in an up to 19% increase in fuel economy and a +50% reduction in emissions.

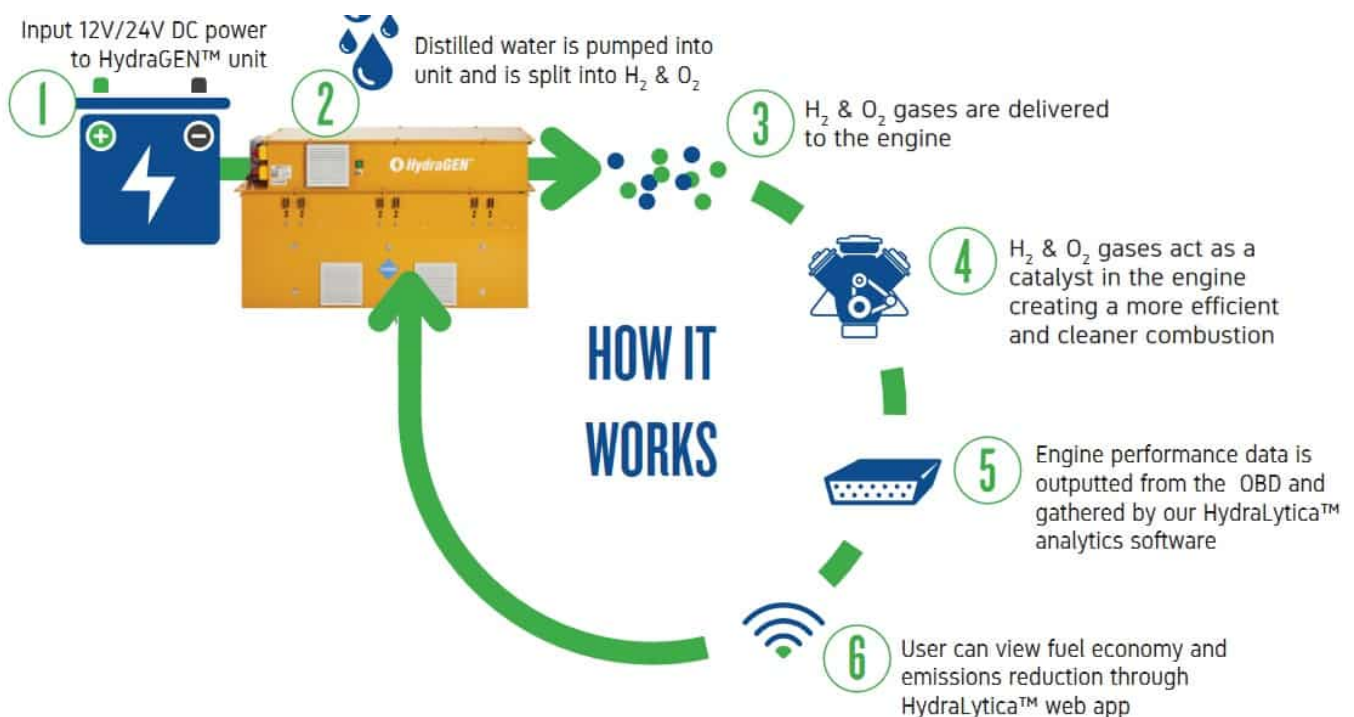
dynaCERT's HydraGEN reduces fuel consumption and drastically reduces emissions:

HydraGEN™ Technology

Validated through both On-Road and accredited 3rd party testing, dynaCERT's HydraGEN™ Technology produced results of:

- Up to 19.2% reduction in Fuel Consumption
- Up to 88.7% reduction in NOx emissions
- Up to 46.7% reduction in CO emissions
- Up to 9.6% reduction in CO₂ emissions
- Up to 57.1% reduction in THC emissions
- Up to 55.3% reduction in particulate matter (no black smoke)
- Increased engine power and torque

How dynaCERT's HydraGEN works to reduce fuel consumption and emissions:



Source

dynaCERT have already spent \$60 million developing the technology to date, including 16 years of R&D to commercialization. They have worldwide patented technology with a unique electrolysis reactor, unique processes, unique electronic control unit, and a unique encrypted data management. They have achieved certification in several global

jurisdictions, and have a first mover advantage.

With an enormous global market to address, which includes around one billion diesel engines – dynaCERT has already made inroads into the initial markets shown below.



Busing



Trucking



Construction



Power Generation



Mining

Source

dynaCERT has the following global partners/dealers:

- Mosolf – Has installations & 23 showrooms throughout Europe. Distribution channels in Germany, France, Netherlands, Belgium, Luxembourg, Poland, Czech Republic.
- Farhi Holdings – Distributor for Brazil & Israel.
- H2 Tek – 43 active mining conversations, 15 trial negotiations, 6 trials. Mining projects in: Canada, USA, Peru, Chile, Brazil, Paraguay, Uruguay, Argentina, Russia, Mongolia, and Australia.
- KarbonKleen – Financing for Mexico assembly with an MOU for 1,000,000 units. KarbonKleen was recently 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).

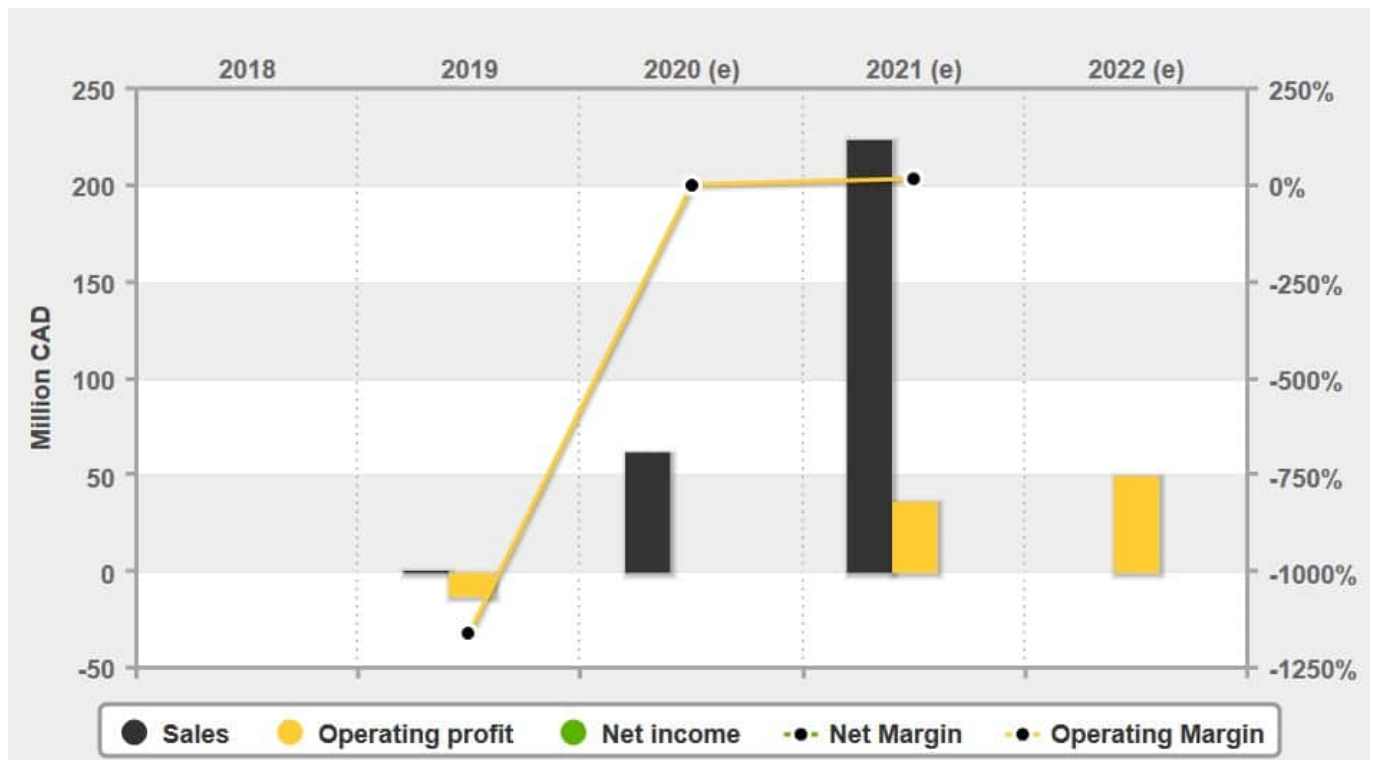
Brian Semkiw, KarbonKleen’s Chairman & CEO, stated: “In the past few months, some of the largest fleets in North America have been piloting HydraGEN Technology. These fleets have been experiencing the benefits of the reduced emissions, increased performance and fuel savings across all users and we expect 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.”

Ranked #1 Company across all sectors on the 2020 TSX Venture 50 in February, dynaCERT recently announced (May 14) that they had received conditional approval to graduate to the Toronto Stock Exchange. This is a significant milestone and a plus for the company and its investors as it now allows greater exposure for potential future buyers including institutional investors.

Jean-Pierre Colin, Executive Vice President of dynaCERT, stated: “Graduating to the TSX represents a significant milestone in our efforts to broaden our appeal to a larger shareholder base, including institutional investors, and raise the Company’s profile among the investment community. We expect this graduation to further enhance the liquidity of our stock and enable us to continue building long-term shareholder value.”

As dynaCERT’s revenues are set to grow exponentially from just C\$1 million in 2019 to a forecast C\$62 million in 2020, and C\$224 million in 2021 – dynaCERT is now at a stage of monetizing their many years of R&D.



Source

With a growing customer base and global partners/dealers dynaCERT should now see a constant ramp up in product orders starting now. The KarbonKleen Mexico MOU for 1 million units and US trucking dealership (150,000 minimum units), the Mosolf European dealership, combined with Farhi Holdings and H2 Tek give a broad and growing global reach to sell dynaCERT's products, thereby fast tracking sales.

After a rapid rise in 2019, dynaCERT's stock price has pulled back recently due to the COVID-19 sell off thereby allowing investors who may have missed earlier opportunities a chance to enter at an attractive valuation. The market cap is still only C\$145 million, with an analyst's consensus target price of C\$2.00, representing 208% upside, investor Eric Sprott "jumped onboard" as an investor earlier this year.