dynaCERT puts its carbon emission reduction technology to the test

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Getting companies to adopt climate change initiatives is no easy task. Many economists believe that carbon pricing — either through carbon taxes or cap-and-trade programs — is the most efficient way to reduce greenhouse gas emissions. Carbon taxes provide a financial incentive for businesses and households to reduce their energy use and switch to cleaner fuels.

Carbon pricing provides across-the-board incentives to reduce energy use and shift to cleaner fuels and is an essential price signal for redirecting new investment to clean technologies. The carbon emissions and credit game is tricky, but pricing carbon is critical in deterring fossil fuel use and reducing greenhouse gas emissions.

Technology is going to play a vital role in the facilitation of climate change initiatives. There is an enormous opportunity for companies with climate change and carbon credit technologies. <u>McKinsey</u> reported that the carbon credit market could be worth \$50 billion by 2050.

One company that has been involved in carbon credits and carbon reduction is <u>dynaCERT Inc.</u> (TSX: DYA | OTCQX: DYFSF). dynaCERT was one of the first companies to focus on carbon credits, and they have been working with <u>Verra</u>, the largest governing body for carbon credits, for over two years. dynaCERT's Carbon Emission Reduction Technology (CERT) creates hydrogen and oxygen on-demand through a unique electrolysis system and supplies these gases to engines to enhance combustion, resulting in lower

carbon emissions and greater fuel efficiency.

Verra "<u>announced</u> to dynaCERT that it's Methodology in respect of its Carbon Credit Certification has reached a new important stage." This technology can be a significant benefit for companies looking to offset their carbon emissions, and dynaCERT is at the forefront of this rapidly growing industry.

<u>InvestorIntel interviewed</u> dynaCERT's President, CEO, and Director Jim Payne about its recent efforts and technology to reduce carbon emissions and generate carbon credits. Payne is excited about the commercial prospects for his company's innovative technology. He noted that several large corporations have expressed interest in using dynaCERT's products to reduce their emissions. These companies are attracted by the potential for significant reductions in emissions – up to 50 percent – as well as the carbon credits that will be generated.

On <u>August 22nd</u>, dynaCERT announced a new customer as both a showcase of their technology and one that could further their long-term prospects. The city of Timmins in Ontario, Canada, is committed to conducting a comprehensive pilot program to determine the city's economic, social, and governance (ESG) objectives. As part of this program, the city has installed ten of dynaCERT's HydraGEN[™] units on various diesel-powered city vehicles. The units are expected to reduce fuel consumption, greenhouse gas emissions footprint, and carbon and NOx emission. Significantly, the pilot project will run and test the technology well into the Canadian winter months.

The program is planned to begin in September 2022, where equipped municipal vehicles will be analyzed to determine the impact of dynaCERT's technology on emission reductions and fuel savings. The city expects to install HydraGEN[™] Technology on buses, landfill equipment, garbage trucks, and other dieselpowered equipment. The results of the pilot program will be closely monitored to assess the potential benefits of dynaCERT's technology for the City of Timmins, as well as a test case for other municipalities and potential commercial customers, which will be closely monitoring the results of the program in Timmins, which is considered a hub of the progressive mining and forestry community.

Although dynaCERT also recently announced the departure of two directors and a change of auditors, at publication date the company's stock has seen a steady increase over the past two weeks from \$0.10 to about \$0.22. There is clearly a growing appetite at many levels for carbon emission reduction technologies.

Adding dynaCERT to Your CleanTech Portfolio

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After spending 16 years and over \$60 million to develop its CleanTech technology, <u>dynaCERT Inc.</u> (TSX: DYA | OTCQX: DYFSF | FSE: DMJ) hit major milestones in 2020, with the potential for an even better 2021.

As part of the growing global hydrogen economy, dynaCERT manufactures and distributes Carbon Emission Reduction Technology (CERT) for use with diesel engines.

Its flagship product, HydraGEN[™], uses a patented process to generate hydrogen and oxygen on-demand, through an electrolysis

system and supply the gases through the air intake to enhance combustion, reduce pollution emissions (by up to 50%), and improve fuel efficiency (by up to 19%).

dynaCERT estimates that a unit will pay for itself in fuel savings in about a year.

Key 2020 milestones included:

- In May, dynaCERT <u>received</u> a purchase order for 3,000 HydraGEN[™] units from KarbonKleen Inc. and signed KarbonKleen as a dynaCERT's Preferred Service Provider, covering the trucking market in the United States.
- In August, dynaCERT <u>signed</u> a Dealer Agreement with Sparta Group's (TSXV: SAY) affiliate TruckSuite Canada Ltd. and received an order for 150 HydraGEN[™] units from TruckSuite.
- In June, the Company <u>closed</u> an C\$8.4 million stock offering and, as of its latest financials, had \$16.2 million in cash.
- In July, dynaCERT <u>reopened</u> an updated Assembly Plant in Toronto, Ontario, Canada that was retrofitted with a new semi-automated assembly system that can assemble up to 6,000 units per month, representing potential sales of almost \$445 million per year at full capacity.
- The city of Woodstock, Ontario, Canada <u>signed</u> a deal with dynaCERT to equip Woodstock's diesel-powered vehicles with HydraGEN[™] Technology. Woodstock is the first major North American city to sign an agreement with dynaCERT.
- dynaCERT also <u>established</u> a 100%-owned subsidiary called dynaCERT International Strategic Holdings Inc. ("DISH") that will be used to strategically invest in CleanTech companies directly involved with dynaCERT's solutions, including funding a monthly subscription option to facilitate sales of HydraGEN[™] units.
- dynaCERT also <u>launched</u> its freight management software,

HydraLytica[™], as a new stand-alone offering into the FreightTech industry. The Company's PaaS (Platform as a Service) solution aggregates vehicle data to create actionable intelligence and presents the information in an easy to use interface.

 In order to broaden the company's appeal to a larger shareholder base, including institutional shareholders, dynaCERT graduated its stock listing to the TSX from the TSX Venture Exchange and, in the United States, graduated to the OTCQX Best Market.

Diesel Engine Market

The diesel engine market is massive — an estimated 1 billion diesel engines operate around the world.

dynaCERT's technology works with many types of diesel engines used in various industries including construction, forestry, mining, power generation, and transportation (trucks, marine, railroad), to name a few.

dynaCERT has over 45 dealers around the world selling its HydraGEN™ technology to truck owners, commercial fleets, and governments that use diesel engines.

Even with the advent of electronic and hydrogen vehicles, it is estimated diesel engines will still dominate the commercial vehicle market due to factors such as durability, reliability, and low-cost operation. According to <u>a report by IHS Markit</u>, by 2040, 60% of new medium and heavy commercial vehicles sold in the United States will still be fueled by diesel.

Environmental Pressures

After the coronavirus pandemic passes and with president-elect Biden campaigning on a pro-environment platform, greater air pollution restrictions are likely to be enacted in 2021.

Reductions in carbon dioxide (CO_2) , nitrogen oxides (NOx), and particulate matter (PM) are keys to cleaner diesel engines and dynaCERT's technology can help lower these toxic emissions.

Two Hundred Million Dollar Market Cap – Billion Dollar Opportunity

In November 2019, famous Canadian mining investor <u>Eric Sprott</u> made his first significant CleanTech investment by investing \$14 million in dynaCERT.

With a market cap of only C\$205 million and the current billiondollar size of the market, there is still plenty of upside for dynaCERT's stock price. The analyst's estimate target price is C\$2.20, which represents a potential return of over 300%.

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