Selling carbon credit futures by way of a convertible note, dynaCERT offers an innovative way to raise capital

written by Tracy Weslosky | December 6, 2022 We all know that companies can sell our data and how valuable data has become. Now a company is aiming to sell 'emissions reductions data in the form of carbon credit futures'.

dynaCERT Inc. (TSX: DYA | OTCQX: DYFSF) recently announced a unique way to raise capital by selling up to CAD\$10M of Carbon Credit Convertible Notes. The concept is quite simple. dynaCERT's will issue a convertible note that is convertible into carbon credit 'futures' after 5 years, so is effectively raising capital from the future carbon credit proceeds to come from the carbon credits potentially earnt by dynaCERT's emission reduction product, HydraGEN™.

dynaCERT's HydraGEN™system and HydraLytica™ software creates hydrogen and oxygen on-demand through a unique patented electrolysis system and supplies these gases through the air intake of internal combustion engines to enhance combustion, resulting in lower carbon emissions and greater fuel efficiency. The main target market is heavily polluting diesel engines. HydraLytica™ is able to create the data to show the carbon reduction/credit. (see video 3 minute 50 second mark)

dynaCERT's HydraGEN™ hydrolysis unit reduces emissions and improves fuel efficiency



Reducing Greenhouse Gases

Our Green Initiative focuses on reducing the amount of Greenhouse gases (GHG) emitted by the combustion of carbon based fuels. Our technology works with internal combustion engines used for industrial production processes, such as power generation, and for transportation, which includes tractor-trailers, rail, marine and off-road construction equipment. As more opportunities open for us to validate our technology, the more impact we will have in these areas.

Reducing the amount of GHGs provides benefits to the environment, to communities, to businesses and to our shareholders.

Source: dynaCERT website

The dynaCERT announcement <u>stated</u>: "The offering is not convertible into the Company's common shares and is non-dilutive to shareholders of the Company. Each Carbon Credit Convertible Note is priced at \$1,000 (Canadian) with a maturity date of ten (10) years after the date of issue. Commencing at the fifth (5th) anniversary after the date of issue, the Carbon Credit Convertible Notes will be convertible, at any time thereafter, at the option of the holder, into Carbon Credits generated by *dynaCERT's* proprietary HydraGEN™ Technology. The Carbon Credit Convertible Notes are currently designed to be offered as a non-brokered private placement to institutional investors that wish to be the first to gain long term exposure to Carbon Credits......"

The 'methodology' of the Carbon Credit Convertible Notes has been approved by <u>VERRA</u>; however full approval is still in the final stages as you can read <u>here</u>. VERRA certify and manage the world's leading voluntary carbon markets program, the Verified Carbon Standard (VCS) Program. VERRA <u>state</u>: "The Verified Carbon Standard (VCS) Program is the world's most widely used greenhouse gas (GHG) crediting program. **It drives finance toward activities that reduce and remove emissions**, improve

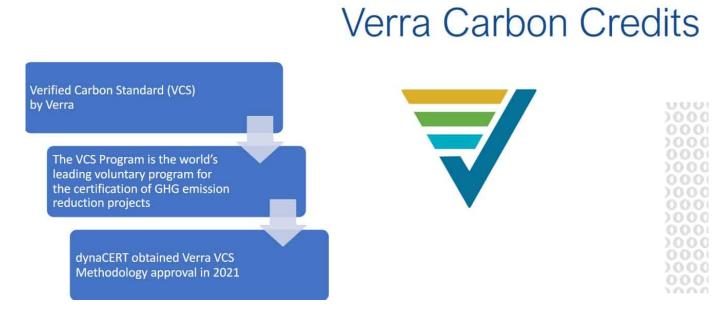
livelihoods, and protect nature......"

Jim Payne, President, CEO, and Director of dynaCERT, <u>stated</u>: "Carbon Credit Convertible Notes are an innovative structure offering premium Carbon Credit futures <u>derived from measured and verified emission reductions from the data received from internal combustion engines."</u>

Note: Bold emphasis by the author.

Quite amazing that the 'data showing emissions reductions' nowadays potentially qualifies for carbon credits.

dynaCERT obtained VERRA Verified Carbon Standard 'methodology' approval in 2021



Source: dynaCERT company presentation

dynaCERT plan to use the raised funds towards "working capital of its currently available HydraGEN™ Technology business and fulfill timely delivery of sales of its products and to expedite current and new potential deliveries globally."

dynaCERT is making inroads with sales into the mining industry

dynaCERT's emission reduction HydraGEN™ product continues to gain traction in terms of sales into the mining industry. The mining industry is under significant ESG pressure to reduce emissions. As <u>announced</u> on November 15, 2022, dynaCERT's distributor has reported sales and/or pilot trials with multiple leading global mining companies including Vale, Codelco, Nexa Resources, Arauco, Antamina, and a Mexican multinational food processing and distribution company Sigma Alimentos.

dynaCERT is also working on technology to develop Green Hydrogen (5:30 mark in the <u>video</u>), but we will leave that story for another day.

Closing remarks

Selling carbon credit futures by way of a convertible note is certainly an innovative way to raise capital. It potentially indicates a very strong demand by carbon emitting companies to be able to buy carbon credits (in this case carbon credit futures) to help offset their carbon emissions, otherwise face hefty fines.

InvestorIntel will circle back and keep investors updated on this one and see how dynaCERT goes with their offering.

You can learn more by watching the recent dynaCERT CEO video interview moderated by Byron W King here.

dynaCERT trades on a market cap of C\$69 million.

Jim Payne of dynaCERT talks about creating fuel efficiency and generating carbon credits

written by InvestorNews | December 6, 2022 In this InvestorIntel interview with host Tracy Weslosky, dynaCERT Inc.'s (TSX: DYA | OTCQX: DYFSF) President, CEO, and Director Jim Payne talks about its patented technology for carbon emission reduction to meet ESG goals.

In the interview, which can also be viewed in full on the InvestorIntel YouTube channel (click here to access InvestorChannel.com), Jim tells Tracy that "dynaCERT was going to be at the forefront of the carbon credit world long before even carbon credit was something anybody was talking about." He explains how 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. Jim says that dynaCERT has been working with Verra, the largest governing body to approve and register carbon credits, for over two years.

Talking about commercializing and expanding dynaCERT's customer base, Jim continued, "we have some of the largest companies in North America that have been talking to me for quite some time. They want they want the carbon credits, they want the bragging rights, they want to be able to say that they have adopted our technology for the carbon credits." These include municipalities in Canada and in Europe and some of the largest power supply companies in Canada, and also fleets of diesel vehicles. "We improve the fuel economy, more importantly we reduce the emissions right at the source, right at the combustion and we

reduce the emissions north of 50 percent," he says. "By adopting our technology they meet and exceed their goals for the emission reductions, so there's a lot of excitement there."

To access the full InvestorIntel interview, click here.

Don't miss other InvestorIntel interviews. Subscribe to the InvestorIntel YouTube channel by <u>clicking here</u>.

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, refrigerated trailers, off-road construction, power generation, mining and forestry equipment, marine vessels and railroad locomotives.

To know more about dynaCERT Inc., click here

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If you have any questions surrounding the content of this interview, please contact us at +1 416 792 8228 and/or email us direct at info@investorintel.com.

dynaCERT teams up with Harold Martin to move their emissions

reduction tech to the next level of success

written by InvestorNews | December 6, 2022

Today up to 40 of the world's leaders are meeting for President Biden's Leaders Summit on Climate Change. It has been reported that the U.S plans to announce their new goal to accelerate its emissions reductions by 50% by 2030. China's President Xi also plans to outline how China plans to reduce their emissions. Then on November 1-12, 2021 there will be the UN Climate Change Conference to be held in Glasgow, UK.

All of this revolves around reducing emissions. One company is already doing that and improving fuel efficiency with their Carbon Emission Reduction Technology (CERT) used with diesel engines. That company is dynaCERT Inc. (TSX: DYA | OTCQX: DYFSF | FSE: DMJ).

dynaCERT teams up with industry leader Harold Martin of Martin Technologies

In recent news announced on January 18, 2021 dynaCERT <u>stated</u> that dynaCERT "has agreed with Martin Technologies LLC Corporation ("Martin Technologies") to collaborate on scientific expansions required for introducing *dynaCERT*'s patented proprietary Carbon Emission Reduction Technology ("HydraGEN™ Technology") to Original Equipment Manufacturers ("OEM's") in North America and globally." As a result of this Chairman and CEO of Martin Technologies, Mr. Harold Martin, has joined the dynaCERT corporate advisory board. DynaCERT <u>state</u>:

"Mr. Martin has global business experience ranging in North America and South America, EU, Asia and Africa. **He has been an OEM Supplier partner providing complete vehicle services in**

engineering, manufacturing, assembly, and marketing. He is a former Automotive Engineer at General Motors who led numerous programs and awarded 20 World Patents and 5 Classified Patents.....Mr. Martin founded Martin Industries in 1996 where he developed and sustained solid business partnerships within the Automotive, Aerospace, Defense and Motorsport industries and where he commissioned 15 global facilities reaching more than 1 million square feet in combined space. He led many joint global partnership agreements including Wiring JV, Smart Wiring JV and Casting JV. He is recognized by the OEM industry for engineering and manufacturing expertise, creativity, sense of urgency, and speed to market.....Mr. Martin has been profiled publicly by CNN, ESPN, NBC, ABC, FOX, SPEEDVISION, USA Today and Automotive News and was a Speaker for over 75 Corporations and more than 250 schools (70,000 students).....He is the winner of the Trailblazing Award of the AFMIM and acted as "Harold Martin" in the movie "Home Run Showdown."

This is a significant coup for dynaCERT having Mr. Harold Martin onboard. This has the potential to speed up and open up huge new global business opportunities for dynaCERT. Just think for a moment, can you name anyone (except maybe Elon Musk) in the auto or emissions industry that have been asked to play themselves in a movie. Experience, wisdom, global connections. It's all there.

In other news, dynaCERT <u>announced</u> major carbon credit advancements with Verra. Verra develops and manages standards that help the private sector, countries, and civil society achieve ambitious sustainable development and climate action goals. The release <u>stated</u>: "Verra, which manages the world's largest greenhouse gas program, the Verified Carbon Standard, has approved the concept note of dynaCERT that is designed to secure Carbon Credits by deploying dynaCERT's patented HydraGENTM Technology and HydraLyticaTM Telematics on a global basis." Verra approved the concept note designed to create dynaCERT's new

Verified Carbon Standard (VCS) Methodology under Verra's VCS Program.

Closing remarks

dynaCERT continues to expand their connections, collaborations, and their reputation. The recent move to have motor industry expert Mr. Harold Martin join the advisory team is likely to lead to significant steps forward in regards to improved technology and perhaps building up new OEM client relationships. dynaCERT is already making inroads into the diesel truck and freight industry as I discussed previously here.

dynaCERT's emissions reduction technology for diesel engines (HydraGEN™) and their software as a service (HydraLytica™) to monitor performance (emission reductions and improved fuel efficiency) are both steadily gaining industry acceptance and market share.

dynaCERT trades on a market cap of C\$184M and looks poised to continue their expansion in 2021.

Adding dynaCERT to Your CleanTech Portfolio

written by InvestorNews | December 6, 2022 After spending 16 years and over \$60 million to develop its CleanTech technology, dynaCERT Inc. (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 $^{\text{TM}}$, 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 established 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 a report by IHS Markit, 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 billion-dollar 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%.



Source:

dynaCERT's revenues begin to

ramp up exponentially as a global solution provider for pollution reduction

written by InvestorNews | December 6, 2022 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 <u>dynaCERT Inc.</u> (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:



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. ■

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 <u>announced</u> (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, <u>stated</u>: "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 $\frac{\text{C$62 million}}{\text{C$224 million}}$ 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.

Jim Payne on dynaCERT's awardwinning carbon emission reduction technology for diesel engines

written by InvestorNews | December 6, 2022

"There are no real competitors close to where we are with our technology. The Company has been trying to do this for fifteen years. We have spent 50 million dollars in 15 years to perfect this. What we actually do is we produce pure hydrogen and pure oxygen on-demand through a very unique electrolysis system. More importantly, our system is so fully computerized, it is like a smartphone, it is learning all the time. It is learning driving habits, it is learning the terrain, it is learning the altitude,

climate, and everything, so it is altering the flow of gas to optimize the burn. We are a catalyst, we are not fuel. We optimize the burn, by doing that we give an average of 10-15% increase in fuel economy and more importantly reduce emissions by north of 50%..." States Jim Payne, CEO and President of dynaCERT Inc. (TSXV: DYA | OTCQB: DYFSF), in an interview with InvestorIntel's Tracy Weslosky.

Jim went on to discuss dynaCERT's recent purchase order for 100 HydraGEN™ units destined for trucking in Mexico from KarbonKleen LLC. He said that the 100 unit order is expected to be a precedent for a potential exponentially larger market in Mexico of up to 1 million more HydraGEN™ units. Jim also discussed dynaCERT winning two major awards in Germany. dynaCERT recently received the prize for Energy Solutions in 2019 in the Business-to-Business category at the German Innovation Awards competition and received the Gold Certificate Award from The European Society for Quality Research in Germany.

To access the complete interview, <u>click here</u>

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