

GBC Research Initial Coverage

DynaCERT Inc.



IMPORTANT NOTICE:

Please note the disclaimer/risk notice as well as the disclosure of potential conflicts of interest pursuant to § 85 WpHG and Art. 20 MAR starting on page 33.

Note pursuant to MiFID II regulation for research "Minor Non-Monetary Benefit": The present research meets the requirements for classification as a "Minor Non-Monetary Benefit". Further information on this can be found in the disclosure under "I. Research under MiFID II".

dynaCERT Inc.

Scaling Clean Tech Opportunities

Industry: Cleantech

Focus: Emission reduction, carbon credit monetization

Founded: 2004

Employees: 30

Headquarter: Toronto, Canada

Management: Jim Payne, Bernd Krüper, Jean-Pierre Colin, Kevin Unrath, Khoa Tran

dynaCERT Inc. is a Canadian cleantech company specializing in carbon emission reduction technologies designed for internal combustion engines. The company's flagship product, the HydraGEN™ system, generates hydrogen and oxygen on-demand through a proprietary electrolysis process, enhancing combustion efficiency, reducing fuel consumption, and lowering greenhouse gas emissions. dynaCERT's technology serves diverse sectors, including transportation, mining, construction, oil & gas, and forestry. Complementing its hardware solutions, the company offers HydraLytics™ Telematics, a data-driven platform that tracks fuel savings and calculates greenhouse gas reductions, supporting future carbon credit generation. dynaCERT is actively pursuing CO₂ certification to monetize carbon credits for both its customers and itself, collaborating with recognized organizations such as Verra to validate its methodologies.

in m CAD	FY 2022	FY 2023	FY 2024e	FY 2025e	FY 2026e
Revenue	1.15	0.45	2.40	12.00	21.00
EBITDA	-10.25	-7.22	-4.44	1.57	7.09
EBIT	-11.28	-8.15	-2.26	0.55	6.01
Net results	-10.96	-8.63	-5.66	0.31	5.77
EPS	-0.03	-0.02	-0.01	0.00	0.01
Dividends	0	0	0	0	0
EV/Revenue	62.38	160.43	29.87	5.97	3.41
EV/EBITDA	neg.	neg.	neg.	45.59	10.11
EV/EBIT	neg.	neg.	neg.	131.52	11.93
PE	neg.	neg.	neg.	234.34	12.42
PB	0.08				

Investment Case

- Growing demand for fuel saving and emission reduction technologies:** dynaCERT's patented HydraGEN™ system addresses global regulatory pressures for carbon emission reductions, positioning the company to benefit from increasing demand across transportation, mining, construction, and oil & gas industries.
- Strategic entry into the hydrogen economy:** The company's support, cooperation, and investment in its spin-off, Cipher Neutron, and its focus on hydrogen-related technologies align with the expanding green hydrogen economy, offering significant growth opportunities in a rapidly developing market.
- Carbon credit monetization potential:** dynaCERT is actively pursuing CO₂ certification with industry leaders such as Verra, which could unlock recurring revenue streams through the monetization of carbon credits, enhancing long-term profitability.
- Scalable business model with global reach:** With proven technologies and growing international partnerships, dynaCERT is well-positioned to scale operations globally, leveraging its HydraLytics™ Telematics for data-driven customer solutions.
- Attractive ESG investment profile:** As a cleantech company focused on emission reductions and fuel efficiency, dynaCERT offers investors exposure to the ESG megatrend, aligning with sustainability-focused capital flows and government incentives.

Rating: Buy

Target price: 0.75 CAD (0.48 EUR)

Share and key data



Price as of 21.3.25 11:00	0,15 CAD
Stock exchange	DYA
ISIN	CA26780A1084
WKN	A1KBAV
Number of Shares (in m):	474.87
MCap (in m CAD)	71.23
Enterprise Value (in m CAD)	71.68

Transparency Level	Senior issuer
Exchange	TSX
Fiscal Year-End	31 December
Accounting Standard	IFRS

Shareholders

Management	31%
Family offices	13%
Eric Sprott	6%
Institutional investors	5%
Free float	45%

Financial Calendar

31.03.2025	Annual Report 2024
15.05.2025	Q1 2025 Report
14.08.2025	Q2 2025 Report
14.11.2025	Q3 2025 Report

Analysts

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Latest GBC Research

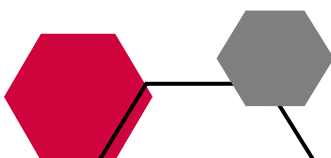
Date: Publication / Price target / Rating

** The research reports listed above can be accessed at www.gbc-ag.de**

Completion: 23.03.2025 (10:00 a.m.)
First distribution: 25.03.2025 (8:00 a.m.)

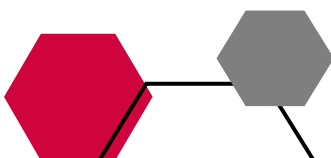
Validity of price target: until max. 31.12.2025

*Catalog of possible conflicts of interest on page 33



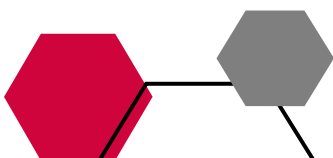
EXECUTIVE SUMMARY

- dynaCERT Inc. is a Canadian cleantech firm dedicated to developing innovative emission-reduction technologies, specifically targeting internal combustion engines. The company's primary technology, HydraGEN™, leverages a proprietary electrolysis process to produce on-demand hydrogen and oxygen gases, enhancing combustion efficiency, improving fuel economy, and significantly reducing greenhouse gas emissions. dynaCERT serves diverse sectors including transportation, mining, oil & gas, construction, forestry, and power generation. The company's solutions are complemented by the HydraLytica™ telematics platform, facilitating data-driven fuel savings and carbon credit monetization.
- Historically, dynaCERT has faced challenges generating sustainable revenue streams, resulting in significant operational losses. The company reported revenues declining from CAD 1.15 million in FY2022 to CAD 0.45 million in FY2023 due to slower customer adoption, economic uncertainty, and prolonged regulatory approval processes. Despite these past revenue fluctuations, recent financial results indicate a potential turnaround, driven by increased product acceptance and accelerated sales momentum demonstrated over the first nine months of 2024.
- As of September 30, 2024, dynaCERT exhibited financial constraints, notably a negative shareholders' equity of CAD -0.39 million. Liquidity also remains a concern, evidenced by a substantial decrease in cash and cash equivalents. Despite these hurdles, the company has actively improved working capital management and significantly reduced total liabilities. dynaCERT's liquidity position has been bolstered by recent financing activities, including private placements totaling CAD 6 million, enhancing its capacity to scale operations and drive growth initiatives faster and more efficiently.
- dynaCERT's financial outlook shows robust potential, underpinned by growing global interest in carbon reduction technologies and regulatory mandates pushing emissions compliance. Revenues are projected to scale significantly, from an estimated CAD 2.40 million in FY2024 to CAD 21.00 million by FY2026, driven primarily by increasing unit sales, software subscriptions, and adoption within key sectors like transportation and energy. Earnings are expected to progressively improve, transitioning from continued losses in 2024 to profitability by FY2026, with a net profit forecast of CAD 5.77 million. This turnaround reflects improved production efficiencies, better pricing strategies, and economies of scale as operations expand globally.
- **Based on our DCF model and key market assumptions, dynaCERT's stock is valued at CAD 0.75 (0.48 EUR) per share, significantly above its current trading price of CAD 0.15, highlighting considerable upside potential. This valuation reflects anticipated revenue acceleration, improving margins, and strategic positioning within the rapidly expanding cleantech and hydrogen economies. Given these compelling factors and the robust projected growth trajectory, the stock receives a "BUY" rating, offering investors attractive exposure to global environmental trends, regulatory tailwinds, and the growing carbon credit market.**



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BUSINESS MODEL

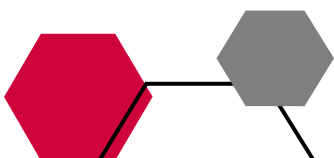
dynaCERT Inc. specializes in delivering comprehensive carbon emission reduction technologies for the global diesel engine marketplace. With a clear vision to provide reliable and effective hydrogen generation solutions, dynaCERT has developed its flagship product line, HydraGEN™, which is designed to reduce greenhouse gas emissions and enhance fuel efficiency in internal combustion engines. The company maintains a strong global presence through a robust network of 48 qualified agents and dealers operating in over 55 countries, supported by its primary manufacturing and R&D facilities in Toronto and an operational office in Germany.

dynaCERT Inc. offers hydrogen-based emission reduction technologies through its HydraGEN™ product line, which improves fuel efficiency and lowers emissions across transportation and industrial sectors. The flagship **HG-1** model serves 10-15L diesel engines in heavy-duty trucks, public fleets, and industrial applications. Featuring the SMART ECU controller, it optimizes combustion in real time for better fuel consumption and emission reductions, with robust performance in extreme conditions. The **HG-2** model targets 1-8L diesel engines used in buses, light-duty trucks, and urban transport. Its compact design, built-in water tank, and integrated climate control system make it ideal for emerging markets like Europe, India, and Pakistan, where emission standards are stringent. For heavy industrial use, **HG-4C** and **HG-6C** models support 30-90L engines, suitable for mining and large construction equipment. These modular systems feature temperature-controlled housings, large water tanks, and advanced filtration, ensuring reliable performance in harsh environments.

Complementing the HydraGEN™ product line is the HydraLyrica™ Telematics system, a comprehensive monitoring solution that provides real-time tracking of fuel consumption and emission reductions, converting to co2e. The system is designed to generate future carbon credits based on verified operational data, offering fleet operators a future revenue stream while promoting sustainable business practices and ESG reporting. HydraLyrica™ features a user interface that delivers detailed reports on fuel savings, emission reductions, and engine performance. Additionally, it offers predictive maintenance features by analyzing operational data, which allows fleet managers to enhance performance and reduce downtime through proactive decision-making.

The Smart ECU, a proprietary component of all HydraGEN™ units, plays a pivotal role in managing gas production and delivery. It uses sophisticated algorithms to adjust hydrogen and oxygen mixtures based on real-time engine conditions, ensuring optimal combustion and performance across various applications. The ECU is equipped with GPS and General Packet Radio Service (GPRS) capabilities, allowing for comprehensive tracking and data management that supports regulatory compliance and operational optimization.

dynaCERT's commitment to innovation is exemplified through its strategic partnership with Cipher Neutron Inc., a Canadian cleantech company at the forefront of Green Hydrogen production. Cipher Neutron Inc., a Canadian developer of advanced green hydrogen technologies, has reached a major technological milestone in the rapidly expanding global hydrogen economy. The Company announced that its research and development team has achieved a record-high 94.36% efficiency on its proprietary Anion Exchange Membrane (AEM) electrolyser stack—a result that has the potential to materially lower the cost of green hydrogen production.



This industry-leading performance translates to an energy consumption rate of just 41.754 kWh per kilogram of hydrogen produced, excluding purification losses typically under 3 kWh/kg. Importantly, the efficiency figure is calculated at the stack level based on the higher heating value (HHV) of hydrogen (39.4 kWh/kg), a rigorous benchmark in the industry.

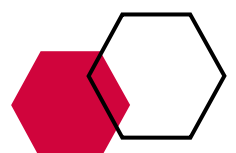
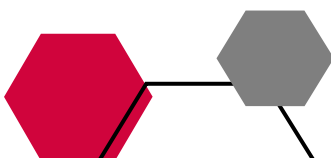
The results were generated under standardized testing conditions and have been validated as repeatable and reliable, positioning Cipher Neutron's technology among the most energy-efficient solutions currently available in the AEM electrolyser market. This technological advancement significantly enhances the commercial viability of green hydrogen and strengthens Cipher Neutron's competitive position as a cost-effective and scalable supplier within the clean hydrogen value chain.

dynaCERT International Strategic Holdings Inc. (DISH), a wholly-owned subsidiary, further supports dynaCERT's global initiatives by investing in strategically unique cleantech innovators aligned with the company's business objectives.



dynaCERT's products have undergone rigorous independent testing, with validations from renowned organizations such as the PIT Group in Quebec and TÜV NORD in Germany. These tests confirm the efficacy of HydraGEN™ technology in reducing emissions and improving fuel efficiency. The products have also achieved European homologation certifications, broadening market accessibility and reinforcing dynaCERT's reputation for delivering reliable, effective emission reduction solutions.

dynaCERT's comprehensive product portfolio, strategic partnerships, and ongoing commitment to research and development position the company as a significant player in the cleantech sector. Its focus on hydrogen-based solutions aligns with global efforts to transition to cleaner energy sources, providing substantial growth opportunities in: transportation, mining, construction, and energy generation. Through its innovative technologies and collaborations, dynaCERT is poised to contribute meaningfully to global carbon emission reduction efforts and the advancement of the hydrogen economy.



Product line overview

The company's flagship technology, HydraGEN™, is designed to provide on-demand hydrogen and oxygen gases to internal combustion engines. These gases are introduced into the engine's air intake, enhancing combustion efficiency, reducing fuel consumption, lowering emissions, and improving engine performance. The technology is highly versatile, serving industries such as transportation, mining, oil & gas, drilling, construction, power generation, marine, and rail. HydraGEN™ technology does not alter or modify the engine's computer or control system, ensuring that manufacturer warranties remain intact.

Product portfolio

dynaCERT's HydraGEN™ product line is designed to accommodate a broad spectrum of diesel engine sizes and industrial applications. The portfolio is divided into three primary series: HG1, HG2, and HG-C, each tailored to meet specific operational needs and engine capacities.



The **HG-1** is engineered for diesel engines with a 10–15 L capacity. It operates using a 12 or 24 VDC power supply, drawing 12–15 A of power. Integrated with the HydraLytica™ app, it offers real-time performance tracking, GPS-enabled cellular communication, and remote refill tank functionality. It is ideal for small power generators, trucks, construction machinery, and farming equipment. The HG-1 features a rugged steel housing and an extended 85-hour refill interval. This model is better suited for industrial trucking, heavy-duty construction, and agricultural, small power generators, trucks, construction machinery, and farming equipment.



The **HG2 Series** includes the HG2R12NA model, which is designed for diesel engines with capacities ranging from 1–8 L. This model features a rugged steel housing, a 1.5 L distilled water capacity, and an 85-hour refill interval. It is optimized for delivery vans, intercity buses, refrigerated trailers, school buses, straight trucks, and pickup trucks, providing flexibility and efficiency for urban transport and light-duty applications.

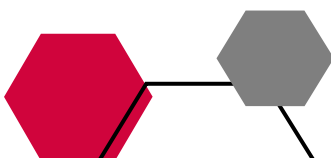


The **HG-C Series** comprises the HG4C24NA and HG6C24NA models. The HG4C24NA supports diesel engines with capacities between 30–60 L. It is equipped with a steel chest housing, a 17 L distilled water capacity, a 175-hour refill interval, and a 24 VDC power supply. This model is designed for large-scale power generation, mining operations, and major construction projects. The HG6C24NA targets 60–90 L diesel engines and features a 28 L distilled water capacity, a 190-hour refill interval, and robust steel chest housing. It is ideal for ultra-heavy-duty mining equipment, industrial power generators, and extensive construction machinery, ensuring continuous heavy-load performance with extended maintenance cycles.

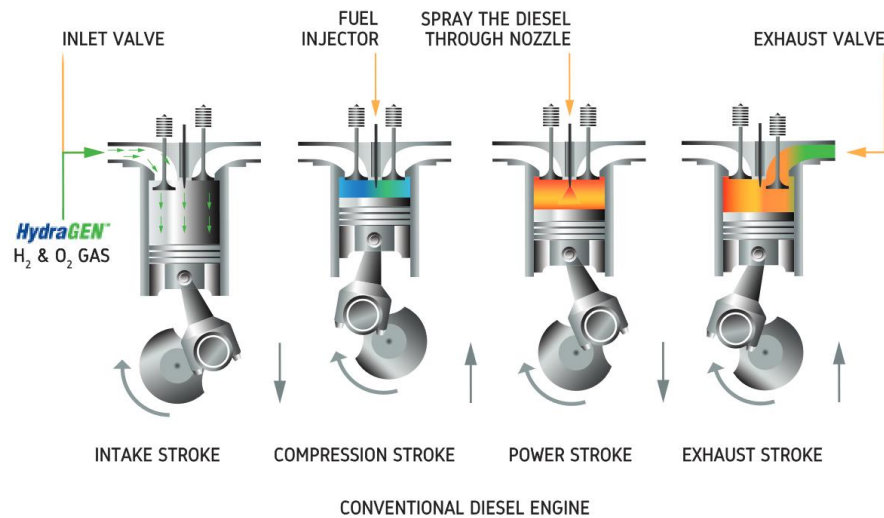


Technology and functionality

dynaCERT's HydraGEN™ technology utilizes a proprietary electrolysis system that generates pure hydrogen and oxygen gases on demand. The gases are injected into the engine's air intake before the turbocharger, forming a homogeneous mixture with diesel fuel. This mixture improves combustion efficiency, as hydrogen's flame speed is nine times faster than diesel. The improved combustion reduces unburned hydrocarbons, carbon dioxide emissions, and carbon buildup inside the engine, extending engine oil life and reducing maintenance costs.



How HydraGEN™ works



Source: dynaCERT Inc.

HydraGEN™ technology achieves fuel economy improvements ranging from 6–20%, depending on driving habits, trailer load limits, driving terrain, and environmental conditions. Real-life savings have been reported between 10–20%. An optional fuel tracker is available for precise measurement of fuel savings. The system operates efficiently at extreme temperatures, with built-in heaters that ensure functionality at temperatures as low as -60°C. The unit consumes approximately 15–25 Amps of electrical power—equivalent to a vehicle’s headlights—without affecting overall truck efficiency.

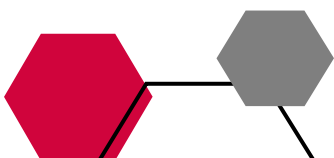
HydraGEN™ units are designed for longevity, with a lifespan of up to 10 years. They can be relocated from one engine to another, provided proper registration within dynaCERT’s data management system. The technology requires regular maintenance, including refilling with distilled water every 5,000 km or 50 hours of operation. The anode and cathode are constructed from 316L stainless steel, designed to last for the unit’s entire operational life.

The HydraGEN™ system is engineered for safety. It operates as a hydrogen-on-demand solution, generating hydrogen only when the engine is running. This eliminates the risks associated with hydrogen storage, making it one of the safest hydrogen enhancement systems available.

Certifications and Approvals

dynaCERT’s HydraGEN™ technology has secured multiple certifications, validating its global market readiness. The ABE Homologation, granted by Germany’s Kraftfahrt-Bundesamt, permits marketing and use across the European Union. CE Marking confirms compliance with European Economic Area safety, health, and environmental protection standards. The FCC Declaration of Conformity ensures adherence to U.S. Federal Communications Commission regulations under part 15 and part 18 for electromagnetic compatibility.

The technology has been successfully integrated into engines from renowned manufacturers, including Cummins, Volvo, Detroit Diesel, John Deere, Komatsu, Mack, Navistar, Caterpillar, EMD, MAN, and Mercedes Benz. Engine manufacturers have also provided warranty statements ensuring that proper installation and use of HydraGEN™ units do not void existing warranties. Furthermore, dynaCERT



offers a 100% engine repair if an engine is compromised due to a HydraGEN™ unit malfunction.

Target industries and applications

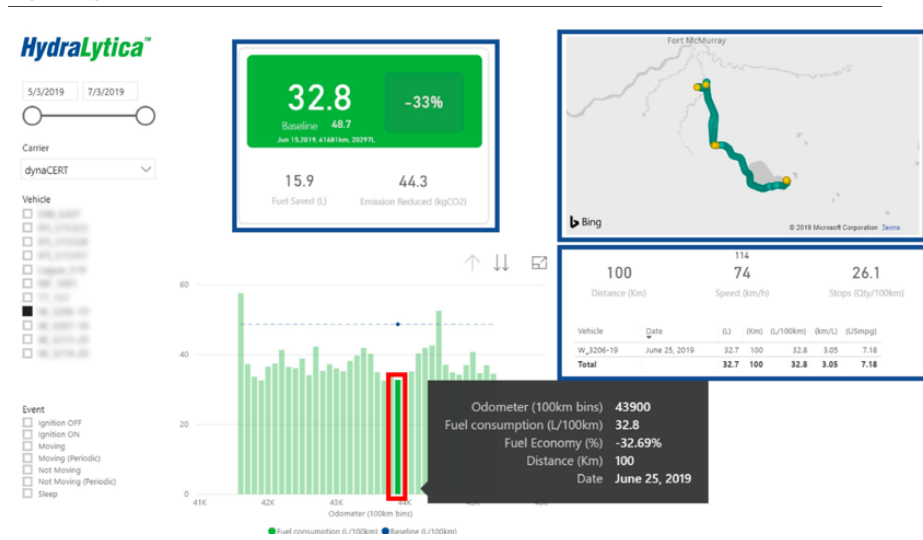
HydraGEN™ technology serves a diverse range of industries. In transportation, it benefits long-haul trucking, passenger buses, and delivery vehicles by enhancing fuel economy and reducing emissions. For mining, and the oil & gas industry the technology supports heavy-duty equipment operating under extreme conditions with high engine loads. The construction sector utilizes HydraGEN™ for large-scale equipment requiring high power output and extended uptime. Power generation applications include both stationary and portable units with consistent load requirements. In the marine sector, HydraGEN™ is suitable for small and large vessels, offering fuel savings and emission reductions. The rail industry benefits from efficiency improvements and emission reductions in locomotive engines.

The technology's unique ability to improve thermodynamic cycle efficiency results in lower engine exhaust temperatures, thus preventing overheating. Its hydrogen-on-demand operation ensures that hydrogen dissipates quickly in the air, maintaining high safety standards.

HydraLytyca™: solution to monetizable carbon credits

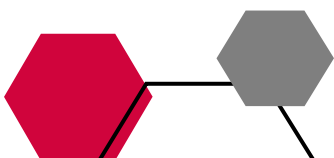
HydraLytyca™ is an advanced telematics software developed by dynaCERT Inc., designed to enhance the performance and environmental compliance of diesel-powered engines. The software integrates seamlessly with dynaCERT's HydraGEN™ technology, providing users with real-time data on fuel consumption, emissions reductions, and other critical performance metrics. By capturing, analyzing, and presenting this data, HydraLytyca™ empowers fleet operators and industrial users to optimize operational efficiency, reduce costs, and comply with increasingly stringent environmental regulations.

HydraLytyca™



Source: dynaCERT Inc.

The core functionality of HydraLytyca™ lies in its robust data collection and transmission capabilities. The software interfaces directly with a vehicle's onboard diagnostic system (OBD), capturing essential operational data such as total mileage, engine hours, and fuel consumption rates. This information is transmitted securely to dynaCERT's cloud servers via the patented Smart ECU, which is integrated within the HydraGEN™ unit. The Smart ECU ensures real-time data capture,

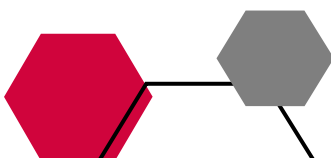


allowing users to monitor performance remotely through an intuitive dashboard accessible on both desktop and mobile platforms. This seamless integration of hardware and software allows for live tracking of vehicle performance without the need for manual data input or interpretation.

A unique feature of HydraLytica™ is its capability to convert verified emission reductions into monetizable carbon credits. By accurately measuring and documenting decreases in greenhouse gas emissions, the software enables fleet operators to participate in carbon trading markets. This feature will provide a new revenue stream for businesses and enhance their sustainability profiles. The ability to generate carbon credits links operational performance improvements with tangible financial benefits, making HydraLytica™ an attractive solution for companies looking to meet environmental, social, and governance (ESG) objectives without compromising profitability.



The efficacy of HydraLytica™ and HydraGEN™ has been demonstrated in real-world applications across various industries. Notably, dynaCERT's technology was showcased at the Dakar Truck Race, one of the most challenging off-road endurance events globally. This participation highlighted the system's reliability and performance under extreme conditions, reinforcing its suitability for a wide range of applications.



Strategic holdings: DISH and Cipher Neutron

dynaCERT International Strategic Holdings Inc. (DISH)

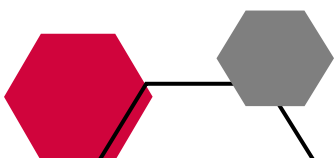
dynaCERT International Strategic Holdings Inc., known as DISH, is a wholly owned subsidiary of dynaCERT Inc., established to serve as the company's dedicated vehicle for strategic investments in clean technology innovations. The purpose of DISH is to enable dynaCERT to diversify its exposure across the broader clean energy and emissions reduction ecosystem, while maintaining a clear alignment with its core focus on hydrogen technologies. By housing these investments under DISH, dynaCERT has created a structure that allows for both financial and strategic flexibility, while also providing a framework to foster partnerships, joint ventures, and future technology acquisitions.

The most prominent and material asset held within DISH is a 20% equity interest in Cipher Neutron Inc., a Canadian company developing advanced Anion Exchange Membrane (AEM) electrolyzers. Cipher Neutron represents a high-potential, early-stage investment that aligns directly with dynaCERT's broader hydrogen economy strategy. While dynaCERT's primary technology, the HydraGEN™ system, focuses on hydrogen injection for improving the efficiency and emissions profile of internal combustion engines, Cipher Neutron's technology addresses a different but complementary segment of the value chain: large-scale green hydrogen production for industrial applications.

DISH, however, is not limited to this single investment. It was created to function as an ongoing investment platform for dynaCERT, with a mandate to seek out additional partnerships and equity positions in companies that advance clean technology solutions tied to emissions reduction, hydrogen production, carbon capture, and related innovations. This flexibility allows DISH to act opportunistically, pursuing strategic relationships that could accelerate dynaCERT's technology roadmap or open new addressable markets. Over time, DISH has the potential to evolve into a broader clean technology investment arm, offering both financial returns and technology access to dynaCERT.

The financial contribution of DISH to dynaCERT's consolidated results is currently limited, as Cipher Neutron remains pre-revenue in terms of significant commercial sales, and DISH itself does not generate independent revenue streams. The value of DISH is therefore carried at cost in dynaCERT's financial statements, and its contribution to the company's valuation is largely contingent on future events such as Cipher Neutron securing commercial contracts, raising capital at higher valuations, or being acquired by a larger industry player. In the meantime, DISH's role within dynaCERT's overall strategy is primarily strategic rather than financial, providing a bridge to future technologies and reinforcing dynaCERT's positioning as a company with exposure not only to today's hydrogen retrofit market, but also to tomorrow's green hydrogen infrastructure.

This dual positioning – near-term revenue opportunities through HydraGEN™ sales, coupled with long-term optionality through DISH's holdings – strengthens dynaCERT's overall investment case. It gives the company a degree of future-proofing, ensuring that it maintains relevance as hydrogen markets mature and evolve from small-scale, distributed solutions to larger-scale industrial applications. At the same time, the structure of DISH allows dynaCERT to compartmentalize risk, ensuring that operational challenges within its core business do not directly jeopardize its ability to participate in the future growth of companies like Cipher Neutron.



Cipher Neutron

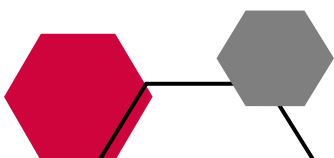
Cipher Neutron

Cipher Neutron Inc. is a privately held Canadian cleantech company focused on developing and commercializing advanced Anion Exchange Membrane (AEM) electrolyser technology for the production of green hydrogen. This technology represents a significant leap forward from legacy electrolysis technologies, positioning Cipher Neutron as a disruptive innovator in the global hydrogen production market. dynaCERT Inc., through its wholly owned subsidiary dynaCERT International Strategic Holdings Inc. (DISH), owns 20% of Cipher Neutron, a stake that was achieved through a combination of initial collaboration and a later technology transfer agreement, which saw dynaCERT contribute valuable intellectual property, research, and development assets directly to Cipher Neutron in exchange for additional equity. This transaction increased dynaCERT's holding from an initial 15% to 20%, solidifying Cipher Neutron as the most strategically important investment within DISH.

Cipher Neutron's AEM technology directly addresses several critical limitations inherent to conventional electro-lyser systems. Traditional alkaline electrolysers are well-established but face challenges around low-pressure hydrogen production, corrosive electrolyte handling, and relatively inefficient operations. PEM electrolysers, while more efficient and compact, are burdened by high costs due to their reliance on precious group metals (PGMs) such as platinum and iridium. Additionally, PEM technology relies on PFAS membranes, a class of chemicals that are increasingly being regulated and banned due to environmental and health concerns.

Cipher Neutron's AEM electrolyser technology is specifically engineered to overcome the limitations of legacy systems by being both PGM-free and PFAS-free, thereby significantly reducing capital costs and mitigating critical supply chain and environmental risks. Following a major breakthrough, Cipher Neutron's electrolysers have now demonstrated a stack-level efficiency of 94.36% (based on the higher heating value of hydrogen, HHV), a substantial leap from previous performance metrics and well above the industry average of approximately 77%. This efficiency translates to a remarkably low energy consumption of 41.754 kWh per kilogram of hydrogen produced, excluding typical purification losses of less than 3 kWh/kg—setting a new benchmark for cost-effective green hydrogen production. Additionally, Cipher Neutron's systems are capable of producing hydrogen at pressures of up to 30 bars, significantly reducing or eliminating the need for costly downstream compression infrastructure. These advancements further solidify Cipher Neutron's position as a high-performance, low-cost solution provider in the green hydrogen market.

The company's technology is particularly well-suited for industrial-scale green hydrogen production, targeting sectors that are already under intense regulatory and economic pressure to decarbonize, including oil refining, ammonia production, methanol synthesis, metals refining, and the food industry. These markets represent a multi-billion dollar opportunity, as industries seek cleaner alternatives to grey hydrogen produced from natural gas. With global green hydrogen markets expected to exceed USD 500 billion by 2050, Cipher Neutron's positioning as an efficient, cost-effective, and environmentally superior alternative places it directly in the center of one of the most important energy transitions of the coming decades. Cipher Neutron has already publicly exhibited its technology at major industry events, including the Canadian Hydrogen Convention, where it showcased both a 10kW and 40kW AEM electrolyser. The company's product roadmap envisions further scaling, with larger systems of 50kW, 100kW, and 250kW planned for future commercialization. This progression reflects Cipher Neutron's ambition to transition from pilot-scale projects into full-scale industrial deployment.



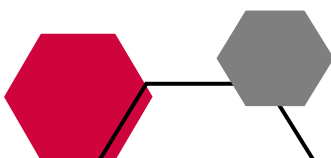
Cipher Neutron's development is closely linked to dynaCERT's broader corporate strategy, creating a symbiotic relationship between the two companies. dynaCERT's core technology (the HydraGEN™ system) focuses on using small-scale hydrogen production to optimize the performance and emissions profile of diesel engines in transportation, mining, and industrial applications. Cipher Neutron's large-scale green hydrogen production capabilities offer a complementary and upstream extension to this technology, enabling dynaCERT to present a broader hydrogen ecosystem offering to its customers and partners. This alignment also opens the door for future product bundling, technology sharing, and potential joint marketing in hydrogen-dependent industries.

As a private company, Cipher Neutron's valuation is not continuously marked to market, meaning dynaCERT's 20% stake is currently carried at book value in its financials. However, this valuation could change significantly upon any future financing rounds by Cipher Neutron, particularly if those rounds attract higher valuations from external investors. In such a scenario, dynaCERT's ownership would immediately become more valuable on paper, offering significant upside potential for dynaCERT shareholders. Conversely, if Cipher Neutron struggles to secure financing or commercial contracts, dynaCERT could face a choice between accepting dilution or contributing additional capital to defend its stake, which could be challenging given dynaCERT's own ongoing financing needs.

Cipher Neutron's long-term success depends on several factors, including the pace of green hydrogen adoption, the availability of supportive policies and subsidies, and the cost competitiveness of green hydrogen relative to grey hydrogen. In addition, Cipher Neutron's technology must demonstrate long-term reliability and scalability in real-world operating conditions, especially when deployed in energy-intensive, continuous-process industries where performance guarantees are critical. While Cipher Neutron's technical advantages are clear on paper, translating those advantages into consistent, large-scale commercial sales remains an execution risk.

Despite these risks, Cipher Neutron enjoys strong institutional relationships with leading Canadian universities and public research organizations, providing ongoing access to advanced materials science and engineering talent. These partnerships not only enhance Cipher Neutron's technical credibility but also provide potential access to grants, tax credits, and non-dilutive funding, further supporting its growth.

In summary, Cipher Neutron represents a strategic and potentially high-reward asset within dynaCERT's corporate structure. By securing a 20% ownership stake through a combination of early-stage collaboration and technology transfer, dynaCERT has successfully monetized some of its historical R&D investments, while retaining substantial upside potential linked to Cipher Neutron's success.



Management

dynaCERT is led by a seasoned management team with diverse expertise across corporate leadership, capital markets, automotive technology, sustainability, and financial operations. The team's collective background blends entrepreneurial vision with blue-chip operational rigor, positioning dynaCERT to scale its innovative solutions in clean technology and carbon reduction.



Jim Payne – CEO & Director

Mr. Payne brings over 40 years of entrepreneurial and executive experience across construction, project management, and environmental technology. His leadership emphasizes strategic partnerships and corporate governance, supported by direct experience running both private enterprises and public companies. Notably, Mr. Payne serves on the board of Saturn Oil & Gas Inc., highlighting his exposure to ESG-forward initiatives. His hands-on approach, extensive industry network, and public company management expertise are instrumental as dynaCERT commercializes its hydrogen solutions.



Bernd Krüper – President & Director

With over 30 years of strategic, operational, and commercial expertise in European and worldwide leadership roles, including high-profile positions at Rolls-Royce Power Systems, Daimler Group, and Hatz Group, Mr. Krüper brings deep operational and commercial expertise. His career spans product development, digital transformation, and turnaround management, making him well-suited to drive dynaCERT's technology adoption in the automotive, industrial, and off-highway sectors. Mr. Krüper's extensive network within European industry and government adds strategic value as dynaCERT expands internationally.



Jean-Pierre Colin – EVP & Director

Mr. Colin contributes extensive capital markets experience, having held senior investment banking roles and board positions across the Canadian resource sector. His track record of executing financings, M&A, and strategic transactions brings critical financial acumen to dynaCERT, ensuring alignment between corporate development and shareholder value creation.



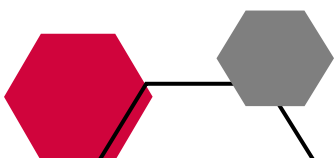
Kevin Unrath – COO

Mr. Unrath brings extensive operational and international leadership experience from the automotive, off-highway, and precision machining sectors. Previously, he held senior roles at Hatz Motorenfabrik and MAN Truck & Bus, where he led global supply chain optimization, corporate development, and market expansion initiatives. As COO and Managing Director of dynaCERT GmbH, he focuses on scaling HydraGEN™ sales globally, streamlining production, and aligning operations with ESG-driven demand in Europe and beyond.



Khoa Tran – Director of Finance

Mr. Tran offers over 20 years of financial leadership, with particular strengths in manufacturing finance, operational efficiencies, and lean methodologies. His prior roles in both Fortune 500 and mid-sized companies equip him to implement scalable financial processes that align with dynaCERT's growth trajectory.



MARKET AND MARKET OUTLOOK

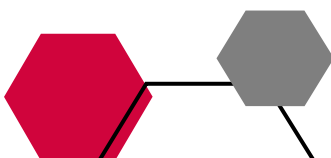
dynaCERT operates within the fuel efficiency technology market, specializing in hydrogen-based solutions that significantly improve fuel economy and reduce greenhouse gas (GHG) emissions especially for heavy-duty vehicles (HDVs). The market in which dynaCERT operates is integral to the broader clean energy economy, which is undergoing rapid transformation due to global energy transition efforts. The clean energy landscape is characterized by the adoption of innovative technologies, evolving manufacturing processes, and stringent regulatory frameworks aimed at decarbonization. The increasing urgency for sustainable transportation solutions and energy-efficient technologies is driving demand across global markets. dynaCERT's market sits at the intersection of energy efficiency, emission control, and sustainable transportation, offering hydrogen technologies that align with international climate objectives. The sector's growth trajectory is influenced by regulatory pressures, cost-reduction goals, and environmental considerations, all of which position dynaCERT's offerings as essential components of the transition to cleaner transportation.

dynaCERT's operational environment is influenced by key global trends that are transforming the clean energy economy. Stringent regulatory standards on emissions, aggressive greenhouse gas reduction targets, and escalating fuel costs are compelling manufacturers and fleet operators to seek advanced fuel efficiency solutions. Governments and corporations worldwide are adopting climate policies aimed at achieving net-zero emissions which, in turn, are driving demand for technologies that can meet these objectives. The hydrogen economy, which plays a crucial role in decarbonization efforts, has emerged as a strategic growth area within the clean technology sector. According to the International Energy Agency (IEA), the clean energy technology market is projected to surpass USD 2 trillion by 2035. This forecast highlights substantial opportunities for companies like dynaCERT, whose hydrogen-based systems can complement existing emission control technologies and enhance fuel efficiency. The integration of hydrogen solutions with hybrid and electric systems further underscores dynaCERT's potential to capture a significant share of this expanding market.

Market dynamics and competitive landscape

dynaCERT operates in a dynamic and competitive market characterized by rapid technological advancements and evolving regulatory frameworks. The current market is dominated by technologies such as common rail injection, advanced turbocharging, and selective catalytic reduction (SCR), which have gained widespread adoption due to stringent emission standards. Emerging technologies, including hybrid electric powertrains, waste heat recovery systems, and high-voltage electric architectures, are gaining traction and are expected to play a vital role in future HDV designs. The hydrogen economy is poised to become central to decarbonization strategies, with hydrogen-based solutions emerging as essential components in the pursuit of fuel efficiency and emission reductions.

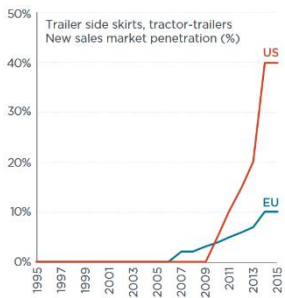
Investment trends indicate a strong emphasis on clean technology manufacturing, with global investments reaching USD 235 billion in 2023. This surge in investment reflects growing confidence in the sector's long-term potential. dynaCERT is strategically positioned to leverage these trends by integrating its hydrogen solutions with both current and next-generation vehicle technologies. By addressing cost competitiveness and aligning with regulatory requirements, dynaCERT can differentiate itself in a market that values both innovation and compliance. The company's ability to adapt its technologies to complement hybrid systems and electric powertrains will be pivotal in maintaining a competitive edge as the industry evolves.



Market penetration trends

dynaCERT's market penetration strategy focuses on key global markets, including the United States, the European Union, and China, which represent the largest automotive sectors. In the United States, regulatory incentives have driven the adoption of technologies such as automated manual transmissions (AMTs) and trailer side skirts, which contribute to fuel savings. The U.S. market presents opportunities for dynaCERT to offer retrofit solutions that align with existing regulatory frameworks while delivering immediate operational cost reductions. In the European Union, the adoption of energy management systems, stop/start technologies, and aerodynamic enhancements like active grille shutters and trailer side skirts are gaining momentum. The EU market's emphasis on sustainability and fuel efficiency creates a favorable environment for hydrogen-based solutions, particularly those that can complement existing fuel-saving technologies.

Comparison to the rapid adoption of trailer skirts in north america



Source: *International Council on Clean Transportation*

Trailer skirts, designed to enhance aerodynamics and reduce fuel consumption, provide a clear example of rapid technological uptake driven by targeted regulations and economic incentives. Prior to 2008, adoption rates were minimal. However, the introduction of California's stringent greenhouse gas regulations significantly accelerated their integration into the trucking industry. Specifically, within a span of approximately four years, from 2009 to 2013, trailer skirt adoption surged dramatically from near-zero to roughly 40% of new trailer sales, demonstrating the powerful influence of targeted environmental regulations and clear economic benefits. By 2018, approximately 50% of new trailers sold in the U.S. were equipped with skirts, indicating a strong and sustained market acceptance.

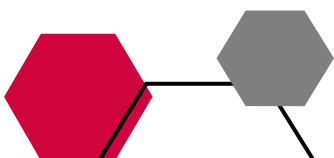
California's pioneering greenhouse gas regulations for tractor-trailers, coupled with the EPA's SmartWay certification program, which verified the fuel-saving performance of skirts, played an instrumental role in the rapid adoption of this technology. Additionally, trucking fleets quickly realized considerable fuel savings and operational efficiency gains, making trailer skirts a cost-effective choice.

Potential for dynaCERT technology adoption

The rapid integration of trailer skirts across the U.S. and Canada provides an instructive case study for the market potential of dynaCERT's hydrogen-based fuel enhancement technology, HydraGEN™. dynaCERT's technology promises significant fuel savings (ranging from 5% to 20%) through improved combustion efficiency, directly translating into operational cost savings and environmental benefits.

Given that trailer skirts were rapidly adopted due primarily to clear economic incentives and stringent regulatory requirements, similar conditions exist for rapid market penetration of dynaCERT's technology. In the United States, the Environmental Protection Agency's Phase 2 greenhouse gas emission standards and California's Air Resources Board regulations provide robust regulatory support, encouraging fleets to adopt advanced emission-reducing technologies. Furthermore, these policies have established industry benchmarks and technological standards, laying a clear pathway for technologies like dynaCERT's HydraGEN™ systems.

Canada's regulatory alignment with the United States—particularly through the harmonized emissions standards and shared green freight initiatives such as SmartWay Canada—creates a favorable landscape for the rapid adoption of dynaCERT's solutions. Canada's commitment to achieving stringent emission



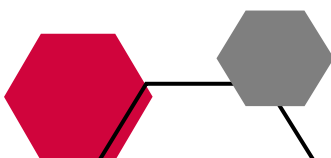
reductions further aligns with the value proposition offered by HydraGEN™ technology.

In Europe, despite slower historical adoption rates of similar aerodynamic enhancements, there remains significant growth potential given stringent emissions regulations and ongoing industry shifts towards greater efficiency and sustainability. Europe's increasingly rigorous regulatory environment, driven by ambitious greenhouse gas reduction targets and air quality improvements, presents an ideal market opportunity for the rapid adoption of dynaCERT's technology.

Additionally, the economic rationale for fleets is compelling. Rising fuel costs, combined with increased scrutiny from consumers and investors demanding sustainable practices, strengthen the economic and operational incentives for adopting dynaCERT's solutions. Given Europe's lower trailer-to-tractor ratio, initial investment barriers are relatively lower compared to North America, potentially accelerating adoption.

If dynaCERT's technology achieves a similar market penetration trajectory to trailer skirts, driven by regulatory mandates, strong economic incentives, and demonstrated operational efficiency gains, the adoption of HydraGEN™ systems could rapidly accelerate. Such accelerated adoption could lead to significant sales growth within just a few years, reflecting the demonstrated precedent set by trailer skirts in North America.

The adoption trajectory of trailer skirts across North America clearly demonstrates how regulatory support, combined with tangible economic incentives, can drive rapid technology penetration. Similarly, dynaCERT's hydrogen-based technology is well-positioned to benefit from these established frameworks, both regulatory and economic, suggesting that market penetration could follow a comparable trajectory, achieving rapid and substantial adoption in both North American and European markets within a relatively short timeframe.



FINANCIAL DEVELOPMENT

P&L in m CAD	FY 2021	FY 2022	9M 2023	FY 2023	9M 2024
Revenue	0.76	1.15	0.36	0.45	1.39
EBITDA	-12.69	-10.25	-4.40	-7.22	-5.69
EBIT	-13.58	-11.28	-5.10	-8.15	-6.33
Net result	-16.32	-10.96	-5.30	-8.63	-6.46
EPS in CAD	-0.04	-0.03	-0.01	-0.02	-0.01

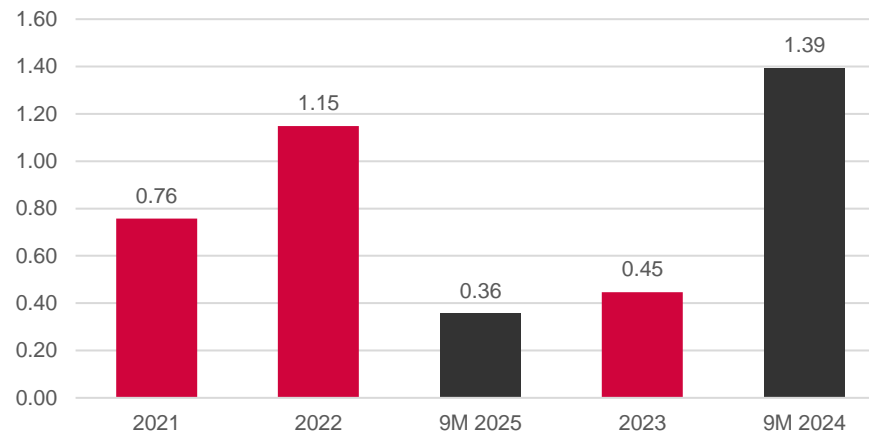
Sources: dynaCERT Inc.; GBC AG

Revenue development

During the first nine months of 2024, dynaCERT reported revenue of CAD 1.39 million, a substantial increase compared to CAD 0.36 million over the same period in 2023. This represents a nearly fourfold year-over-year increase, highlighting strong sales momentum for the HydraGEN™ product line.

This revenue growth reflects increased product shipments and expanded adoption through dynaCERT's global network of 48 qualified agents and dealers, serving over 55 countries. Enhanced marketing efforts, strategic product positioning, and alignment with the emissions reduction goals of fleet operators and municipal customers have further bolstered sales.

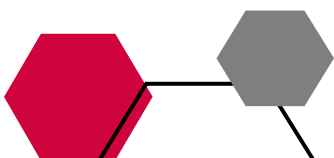
Revenue development (in m CAD)



Sources: dynaCERT Inc.; GBC AG

For full-year context, dynaCERT generated revenue of CAD 0.45 million in 2023, down from CAD 1.15 million in 2022. This decline was attributed to a slower order pipeline in 2023, exacerbated by lingering market hesitancy and economic uncertainty. However, the strong rebound in 9M 2024 suggests that the company may be turning the corner, particularly as global decarbonization initiatives gain traction and regulatory pressure on fleet emissions intensifies.

The third quarter of 2024 was particularly strong, with revenue of CAD 0.61 million, a significant jump from CAD 0.14 million in Q3 2023. This quarterly improvement underscores growing commercial traction, although the company's sales pattern remains project-driven and somewhat lumpy, dependent on the timing and size of fleet orders.



The momentum in 2024 sales performance stands in contrast to the challenges faced in 2023 and 2022, including supply-chain issues, slower-than-expected regulatory approvals, and cautious capital spending by key customers. With more customers focused on reducing fuel costs and cutting emissions, dynaCERT's technology appears to be increasingly well-aligned with evolving market demands.

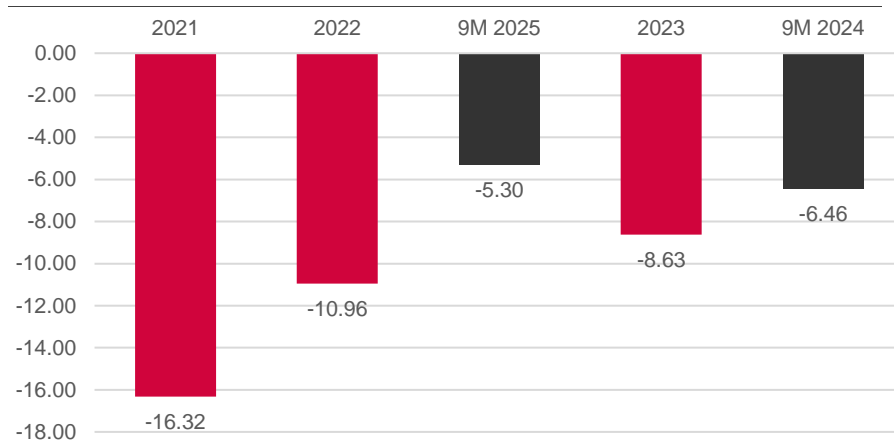
Notably, the company has reported repeat orders and new deliveries of its Hydra-GEN™ Technology to key customers in the oil and gas sector, reflecting growing industry confidence in its emission-reducing solutions. For instance, after a successful trial with one HG1 unit in 2023, a client placed an order for 18 units in Q2 2024, followed by an additional 84 units in Q3 2024.

These developments, coupled with their positive revenue trajectory, suggest that dynaCERT is well-positioned to capitalize on the growing demand for sustainable technologies in the transportation and energy sectors.

Earnings development

For the first nine months of 2024, dynaCERT reported a net loss of CAD 6.46 million, which represents a widening loss compared to the net loss of CAD 5.30 million recorded in the same period of 2023. While revenue showed strong growth, the company's operating costs increased substantially, reflecting the cost of scaling operations, expanding sales and marketing activities, and increasing compensation expenses tied to both headcount and stock-based incentives.

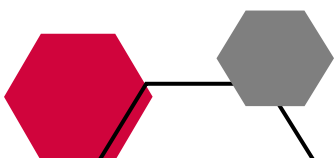
Net results (in m CAD)



Sources: dynaCERT Inc.; GBC AG

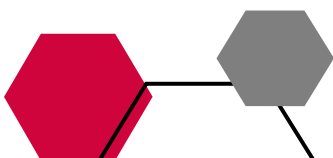
The increase in costs was mainly driven by higher business development and marketing costs, rising general and administrative expenses, and a significant share-based compensation expense of CAD 1.45 million following the issuance of stock options to employees and management. The company also faced higher wages and consultant fees, as it continued to build internal capacity to support broader commercialization.

Cost of goods sold in 9M 2024 amounted to CAD 2.27 million (PY: CAD 1.3 million), reflecting higher production volumes tied to stronger sales, although gross margins remain under pressure due to limited economies of scale at this stage of the company's lifecycle. dynaCERT's ability to meaningfully improve margins will depend on its success in streamlining manufacturing processes and achieving more consistent order flow from fleet customers.



For context, full-year 2023 saw dynaCERT report a net loss of CAD 8.63 million, narrowing from a loss of CAD 10.96 million in 2022. This improvement was largely driven by lower R&D expenses and reduced legal and audit costs, but it also highlighted the company's ongoing struggle to contain overhead costs while revenue generation remained modest. In both 2022 and 2023, dynaCERT continued to face high inventory impairment charges, reflecting the commercial challenges of ramping up new technology products in a highly price-sensitive market.

Overall, dynaCERT's P&L profile continues to reflect the realities of an early-stage cleantech company, with front-loaded operating costs required to build commercial traction and support product validation across its global markets. While the top-line momentum in 2024 is encouraging, the company's path to profitability will require not only sustained sales growth but also disciplined cost management as production scales.



Overview of the financial position and balance sheet

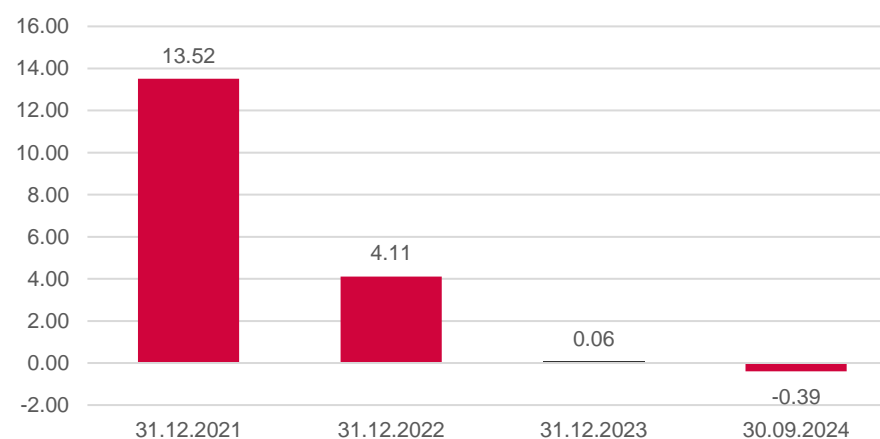
in m CAD	31.12.2021	31.12.2022	31.12.2023	30.09.2024
Equity	13.52	4.11	0.06	-0.39
Equity ratio (in %)	0.80	0.58	0.01	-9.1%
Operating fixed assets	4.77	3.78	2.92	2.32
Working capital	2.28	1.91	-0.80	-1.09
Net debt	-8.34	-0.16	0.66	0.45
Cash	8.34	0.16	0.25	0.00
CF (operating)	-8.66	-7.88	-3.52	-2.69
CF (investing)	-1.41	-0.10	-0.06	-0.05
CF (financing)	-0.43	-0.21	3.66	2.63

Sources: DynaCERT Inc., GBC AG

dynaCERT Inc.'s balance sheet as of September 30, 2024, reflects a company progressing through a growth phase, with a structure that shows both challenges and opportunities. The balance sheet highlights modest liquidity levels, improving capital management, and a streamlined asset base that aligns with the company's strategic focus on revenue growth and operational efficiency. While the company continues to face financial hurdles, especially related to liquidity and shareholder equity, positive developments in working capital management and reduced liabilities signal potential for improvement as revenue streams mature.

As of September 30, 2024, dynaCERT Inc. reported shareholders' equity of CAD -0.39 million, a decline from CAD 0.06 million at year-end 2023. The decline in equity is primarily due to an increase in the accumulated deficit, which rose from CAD -104.47 million to CAD -108.89 million, reflecting ongoing operational losses driven by continued investment in technology and other factors. The negative equity position underscores the company's ongoing challenge in achieving profitability. However, the company has continued to attract investors, increasing share capital to CAD 99.31 million, up from CAD 94.76 million.

Equity development (in m CAD)



Sources: DynaCERT Inc., GBC AG

The warrant reserve increased slightly to CAD 0.07 million, while the share-based payments reserve adjusted to CAD 9.12 million, reflecting equity-based compensation strategies. While potentially dilutive, these measures are essential for retaining key personnel as dynaCERT works toward commercialization and global expansion.

Total assets stood at CAD 4.29 million, down from CAD 5.63 million at year-end 2023. The reduction was driven by a decline in current assets, particularly cash and cash equivalents, which dropped significantly to CAD 0.003 million from CAD 0.25 million, signaling liquidity constraints. Accounts receivable rose to CAD 0.59 million from CAD 0.26 million, indicating higher sales volumes, while inventory decreased to CAD 1.21 million from CAD 1.96 million, reflecting improved turnover and better production alignment with sales.

Total liabilities decreased to CAD 4.69 million from CAD 5.57 million, signaling effective debt management. However, current liabilities remained high at CAD 4.51 million, reinforcing the need for continued liquidity management. Accounts payable and accrued liabilities declined to CAD 2.62 million from CAD 2.79 million, indicating timely settlements.

Loans payable were reduced significantly to CAD 0.45 million from CAD 0.91 million, reflecting the company's effort to deleverage.

In summary, dynaCERT Inc.'s balance sheet reflects a company in transition. Negative equity and liquidity challenges remain, but strategic debt reduction, disciplined capital management, and continued investor support provide a foundation for improvement. The company's ability to scale operations, enhance margins, and leverage new revenue streams will be critical in strengthening its financial position and delivering long-term shareholder value.

Cash flow analysis

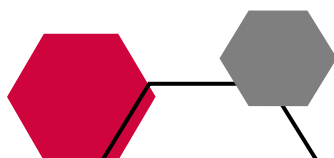
Cash flows from operating activities remained negative at CAD 3.78 million for the nine months ended 2024, compared to CAD 2.69 million in the same period of the previous year. However, this decline must be viewed in the context of the company's increased sales volumes and ongoing investments in business development. The net loss of CAD 6.46 million continued to be the primary driver of negative operating cash flows.

Encouragingly, the company demonstrated improved working capital management. A notable reduction in inventory by CAD 0.85 million points to better alignment between production and sales, suggesting that the company is refining its supply chain management to respond to customer demand more efficiently. Although accounts receivables and sales tax receivables increased by CAD 0.32 million, reflecting higher sales, this also signals an expanding customer base, which is essential for long-term revenue growth.

The most significant positive development in the cash flow statement came from financing activities, which provided CAD 3.57 million in net cash inflows. This compares favorably to the CAD 2.63 million raised in the prior year, reflecting the company's continued ability to attract investor interest and secure funding to support its growth ambitions. The successful completion of private placements, raising CAD 4.30 million net of costs, was a critical factor in bolstering the company's liquidity position. The ability to raise equity in challenging market conditions reflects investor confidence in dynaCERT's long-term growth prospects. The company also demonstrated its commitment to reducing financial leverage by repaying CAD 0.41 million of shareholder and related party loans.

Warrants and options

As of September 30, 2024, dynaCERT Inc. had a robust portfolio of warrants and stock options, which are crucial components of the company's capital structure and



play a significant role in its ability to attract financing and retain talent. These instruments also provide insights into potential future dilution and the company's growth strategy.

The company reported 28.74 million **warrants** outstanding, with a weighted average exercise price of 0.20 CAD. During the nine months ended September 30, 2024, 15.20 million warrants were issued at an exercise price of 0.20 CAD, reflecting a strong effort by the company to secure funding through equity-linked instruments. The exercise prices of these warrants range between 0.15 CAD and 0.30 CAD, with expiry dates spanning from December 2025 to July 2027.

A notable issuance includes 4.17 million warrants related to a convertible note offering, exercisable at 0.28 CAD per share until October 9, 2026. The company also has a provision allowing for acceleration of certain warrants if the trading price of its common shares exceeds 0.35 CAD for ten consecutive business days. This feature could lead to earlier warrant exercises, providing additional capital inflows. The diverse expiry profile and relatively low exercise prices suggest that dynaCERT has structured its warrants strategically to encourage conversion into equity, potentially providing future cash inflows. However, investors should consider the potential dilutive impact if all outstanding warrants are exercised.

As of September 30, 2024, 37.68 million **stock options** were outstanding, with a weighted average exercise price of 0.36 CAD. Throughout the nine-month period, 9.13 million options were issued at 0.20 CAD, while 6.41 million options expired at an exercise price of 0.39 CAD, reflecting adjustments in the incentive structure to align with current market conditions.

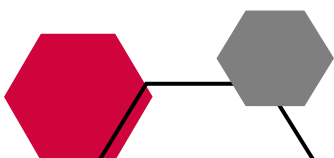
The stock options have expiry dates ranging from October 2024 to July 2029, offering employees and directors long-term incentives. The largest grant during the period includes options expiring on July 12, 2029, priced at 0.20 CAD, representing a forward-looking incentive structure that aligns with the company's strategic growth trajectory.

Additionally, the company's stock options program has been effectively used to compensate key stakeholders, especially in connection with financing activities. For instance, 6 million options were granted at 0.175 CAD linked to a shareholder loan, further demonstrating the company's approach of leveraging equity instruments to conserve cash while securing necessary funding.

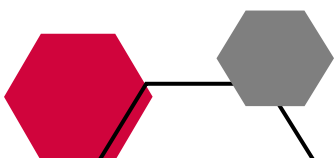
Post-Q3 2024 update: strengthened liquidity positions

Following the close of the third quarter of 2024, dynaCERT Inc. has taken significant steps to strengthen its financial position by securing CAD 6 million through two key financing transactions. These capital raises provide essential liquidity to support the company's global sales expansion, accelerate the commercialization of its HydraGEN™ Technology, and enhance operational scalability. While profitability remains a medium-term objective, the company is now better positioned to execute its growth strategy and capitalize on rising demand for emission reduction technologies.

On October 9, 2024, dynaCERT closed a CAD 1 million non-brokered private placement, issuing a convertible note with an 8% annualized interest rate, maturing in October 2025. The note is convertible at a price of CAD 0.24 per share, allowing for the potential issuance of 4.17 million common shares, accompanied by an equal number of warrants exercisable at CAD 0.28 per share until 2026. The proceeds will be used for working capital purposes.

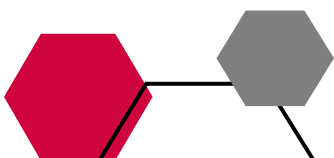


On February 21, 2025, dynaCERT further bolstered its financial position by completing a CAD 5 million non-brokered equity offering. The company issued 33.3 million units at CAD 0.15 per unit, each comprising one common share and one warrant exercisable at CAD 0.20 for 36 months. The proceeds will support the global expansion of HydraGEN™ Technology, with a focus on the mining, oil and gas, transportation, and power generation sectors. With the shares and warrants being immediately freely tradable, this financing offers instant liquidity, enabling dynaCERT to swiftly deploy capital toward growth initiatives. The equity rise reflects investor confidence in dynaCERT's value proposition and underscores its commitment to scaling operations globally.



SWOT-ANALYSIS

Strength	Weaknesses
<ul style="list-style-type: none"> ● Experienced leadership team with a proven track record. ● Proprietary and patented technology, giving the company a strong competitive edge in hydrogen fuel enhancement. ● Proven environmental and economic benefits, helping diesel engines reduce emissions while improving fuel efficiency. ● Scalable (especially carbon credits) and adaptable solutions that work with diesel engines of any size, across any industry. ● Broad geographic and industry diversification reduces reliance on any single market. ● Strong alignment with tightening global emission regulations, making the product highly relevant to the shift toward greener transportation. ● Broad market potential across multiple industries, including trucking, logistics, mining, rail, marine, and construction. ● High technological barriers make it difficult for competitors to enter the market. 	<ul style="list-style-type: none"> ● History of challenges with product launches and slower-than-expected customer adoption. ● Ongoing financial instability with reliance on equity raises and a track record of negative cash flows. ● Dependence on external factors such as fuel prices, government incentives, and the overall pace of green technology adoption. ● Limited large-scale deployment experience, with much of the success coming from smaller pilot projects rather than fleet-wide rollouts.
Opportunities	Threats
<ul style="list-style-type: none"> ● Increasingly strict emissions legislation worldwide, creating demand for retrofit technologies that reduce diesel engine emissions. ● Potential to tap into the carbon credit market and leverage growing corporate focus on ESG compliance. ● Rising diesel prices could drive demand for fuel-saving technologies. ● Expansion into adjacent sectors such as marine, rail, agriculture, and power generation, where diesel engines are still widely used. ● International growth opportunities, especially in developing regions with older diesel fleets and severe air pollution. 	<ul style="list-style-type: none"> ● Growing competition from alternative green technologies, including electric vehicles, hydrogen fuel cells, and synthetic fuels. ● Falling oil prices could reduce the financial motivation for companies to invest in fuel-saving upgrades. ● Economic downturns could lead to reduced capital investment in new technologies by fleet operators. ● Scaling production and maintaining quality control could become increasingly difficult as the company grows. ● Government policies that favor full electrification over transitional solutions could shrink the target market for dynaCERT's technology.



FINANCIAL FORECAST & PROJECTIONS

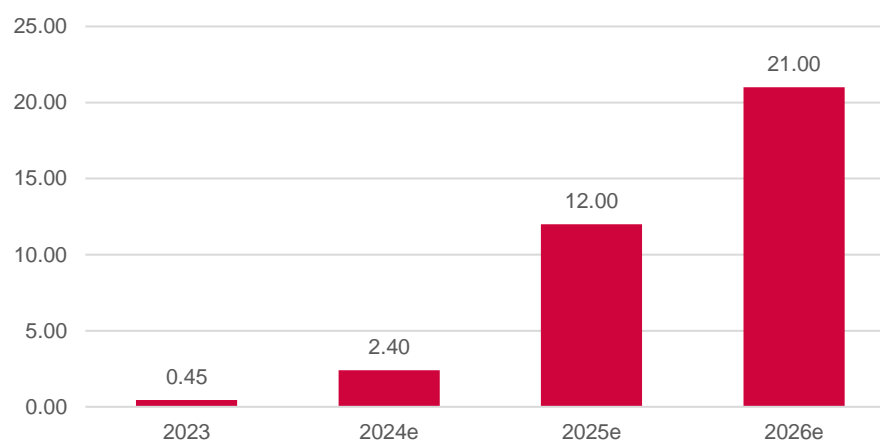
P&L (in m CAD)	FY 2023	FY 2024e	FY 2025e	FY 2026e
Revenue	0.45	2.40	12.00	21.00
EBITDA	-7.22	-4.44	1.57	7.09
EBITDA margin	<i>Neg.</i>	<i>Neg.</i>	13.1%	33.8%
EBIT	-8.15	-5.42	0.55	6.01
EBIT margin	<i>Neg.</i>	<i>Neg.</i>	4.5%	28.6%
Net result	-8.63	-5.66	0.31	5.77

Source: GBC AG

Revenue forecast

Based on our discussions with dynaCERT's management team, we have developed a forward-looking sales and financial outlook that reflects our own independent assessment of what is achievable given current market dynamics, regulatory drivers, and the company's operational capacity. Management has communicated an ambitious growth path for HydraGEN™ sales over the next several years, anchored in tightening global emissions regulations, growing fleet interest in hydrogen-based efficiency solutions, and a more robust global distribution network that has been built out in recent years. While management is optimistic, dynaCERT has faced challenges in the past in meeting its growth targets due to long sales cycles and the cautious nature of its target markets.

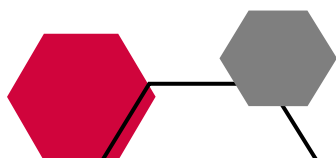
Expected revenue development (in m CAD)



Source: GBC AG

For FY 2024, we forecast sales of approximately 400 units, translating into CAD 2.4 million in revenues based on an average selling price of CAD 6,000 per unit. This modest starting point reflects the fact that, while interest in HydraGEN™ technology is clearly increasing, the sales cycle in the heavy transportation sector can be lengthy and complex, with fleet operators typically requiring extended testing and validation periods before committing to larger orders.

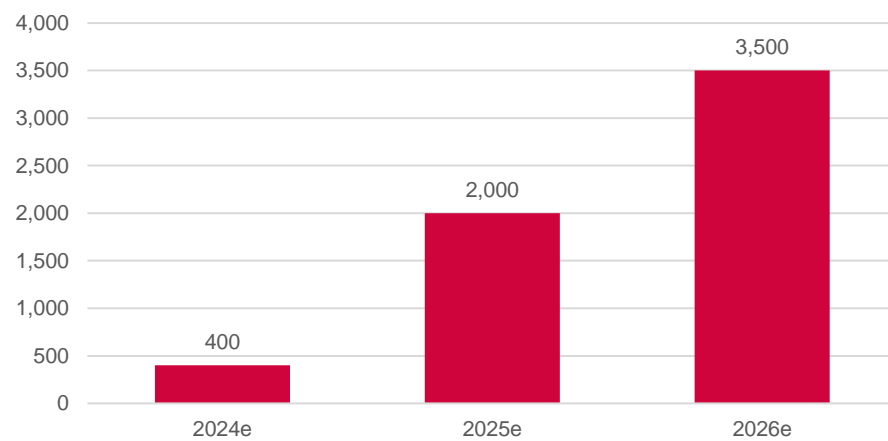
In 2025, we expect sales to scale more meaningfully to 2,000 units, generating CAD 12 million in revenues. This acceleration reflects not only broader awareness of the technology but also the cumulative effect of early adopters acting as reference customers, helping to validate the technology's performance and build confidence across the industry. Management expressed optimism about hitting these



levels, citing an increasingly receptive regulatory environment and the growing financial incentive for fleets to improve fuel efficiency and reduce carbon footprints.

By 2026, we forecast 3,500 units sold, driving CAD 21 million in revenues. At this stage, we expect dynaCERT's production and supply chain to operate more efficiently, with greater purchasing power and manufacturing optimization helping to expand gross margins to 62%. This year should also mark a strategic turning point, with dynaCERT moving beyond early adopters into broader fleet penetration, supported by both economic drivers (fuel savings and carbon credits) and regulatory tailwinds. By this point, we anticipate that dynaCERT's footprint will have expanded meaningfully into new markets, including further penetration in North America and Europe, and potentially early-stage entry into high-growth regions such as Mexico and Southeast Asia. As volumes scale and the company benefits from a fully operational global distribution and service network, gross margins should further expand.

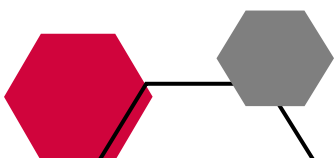
Expected number of units sold



Source: GBC AG

It is important to note that these projections are based solely on hardware sales, without including potential upside from dynaCERT's emerging carbon credit monetization platform. Through its HydraLytics™ software, dynaCERT plans to track, certify, and monetize the carbon emission reductions generated by each installed HydraGEN™ unit, effectively turning each device into an ongoing generator of verifiable carbon credits. These credits will then be sold into the voluntary carbon markets, with proceeds to be shared between dynaCERT and the fleet operators who own the units. While this carbon credit revenue stream could become highly material over time, its exact timing and magnitude remain difficult to forecast at this stage. The price of carbon credits, the regulatory frameworks that govern their trading, and the speed at which dynaCERT can secure formal accreditation for its system all remain uncertain variables. As a result, we have intentionally excluded any revenue contribution from carbon credits in our base case projections.

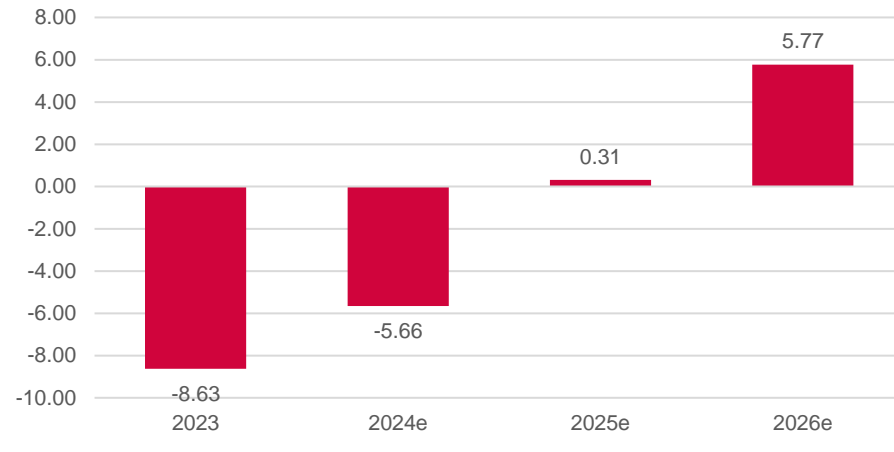
That said, we view this emerging revenue stream as a powerful scaling mechanism for dynaCERT's business model. Each additional HydraGEN™ unit sold increases the installed base which, in turn, expands the pool of carbon credits that can be generated and monetized. This flywheel effect—where hardware sales feed directly into long-term recurring revenue from carbon credits—could become a defining feature of dynaCERT's investment case in the medium to long term.



Earnings forecast

dynaCERT's financial development over the period from 2024 to 2026 reflects a gradual shift from heavy losses to the first signs of operational profitability, driven primarily by improved cost efficiency and operating leverage. The company has historically operated with a very high cost base relative to revenues, particularly due to significant investments in R&D, marketing, and the build-out of its international distribution network. These investments were necessary to establish market presence and complete product development but have weighed heavily on earnings.

Expected net results (in m CAD)

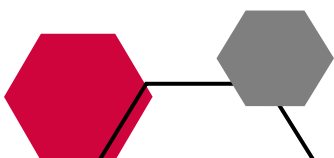


Source: GBC AG

In 2024, despite a projected increase in revenue, dynaCERT is still expected to record a comprehensive loss of approximately CAD 5.66 million. This is largely due to the fact that fixed costs such as wages, benefits, and administrative expenses remain high relative to revenues. Additionally, business development and marketing efforts remain substantial as the company works to expand its presence and support its sales partners. The cost of goods sold (COGS) is also expected to remain elevated in 2024, as production volumes are still relatively low, limiting the company's ability to negotiate more favorable component pricing from suppliers. While the company has already taken steps to streamline certain expense categories, such as legal and consulting fees, the overall cost base still outweighs revenues by a significant margin.

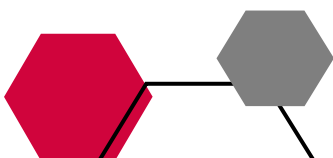
By 2025, however, dynaCERT is projected to make meaningful progress toward cost discipline and sales. As production volumes increase, COGS as a percentage of sales is expected to decline sharply, benefiting from economies of scale and better supplier pricing. At the same time, business development and administrative expenses are expected to grow more slowly than revenue, allowing gross profit to expand while operating costs begin to stabilize. This operating leverage is the critical turning point for the company's earnings profile. As a result, 2025 is expected to end close to breakeven, with only a small positive comprehensive income of approximately CAD 0.31 million — a dramatic improvement compared to previous years of multi-million-dollar losses.

By 2026, with further revenue growth expected, the company's fixed cost base is forecasted to become far less burdensome relative to its revenue. Wages and benefits, R&D spending, and marketing costs, while still material, are expected to grow at a much slower pace than sales. The resulting operating leverage allows



dynaCERT to generate meaningful operating income for the first time in its history, with net profit reaching approximately CAD 5.77 million in 2026.

While dynaCERT's profitability remains sensitive to its ability to control production costs, maintain efficient marketing spend, and optimize working capital, the trend from 2024 to 2026 clearly points toward improved operational control, enabling the company to shift from persistent losses to growing profitability. Importantly, the company's ability to manage costs effectively at higher volumes will be a critical determinant of its long-term earnings quality.



Valuation

Model assumptions

dynaCERT Inc. was evaluated by us using a three-stage DCF model. Starting with concrete estimates for the years 2024 to 2026 in Phase 1, the forecast for Phase 2 (2027 to 2031) is carried out using a value driver approach. In Phase 2, we expect revenue growth of 50.0%. We have assumed a target EBITDA margin of 30.0%. The tax rate gradually increases to 22% in Phase 2, driven by the utilization of loss carryforwards. In Phase 3, after the forecast period ends, a terminal value is determined using the perpetuity method. For the terminal value, we assume a growth rate of 3.0%.

Determination of capital costs

The weighted average cost of capital (WACC) for dynaCERT Inc. is calculated based on the cost of equity and the cost of debt. To determine the cost of equity, we calculate the fair market premium, the company-specific beta, and the risk-free interest rate.

The risk-free interest rate is derived in accordance with the recommendations of the Expert Committee for Company Valuation and Business Administration (FAUB) of the IDW, using current yield curves for risk-free bonds. The basis for this is the zero-coupon bond rates published by the Deutsche Bundesbank, calculated using the Svensson method. To smooth out short-term market fluctuations, the average yields of the previous three months are used, and the result is rounded to the nearest 0.25 basis points. The currently applied risk-free interest rate is 2.50%.

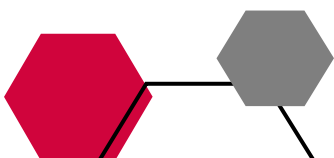
As an appropriate expectation for a market premium, we apply a historical market premium of 5.50%, supported by historical analyses of stock market returns. The market premium reflects the expected excess return of the stock market over risk-free government bonds.

According to the GBC estimation method, the current beta is calculated at 2.14. Based on these assumptions, the calculated cost of equity is 14.29% (beta multiplied by risk premium plus risk-free interest rate). Since we assume a sustainable weighting of equity costs at 70%, the resulting weighted average cost of capital (WACC) is 13.90%.

Using our Black-Scholes model with a 100% volatility assumption, we calculated the negative warrant-NPV (the "dilution cost of warrants and options") to be CAD 4.496 million.

Valuation result

As part of our DCF valuation model, we have determined a target price of 0.75 CAD / 0.48 EUR (Canadian dollar to euro conversion: March 10, 2025, 10:54 UTC). This is mainly due to the positive forecast assumptions, as we expect significant revenue and earnings potential driven by the company's growth strategy. Considering the current share price level of 0.15 CAD per share, this results in an attractive upside potential. Consequently, we assign a BUY rating.



DCF MODEL

Phase	estimate		consistency						terminal
	FY 24e	FY 25e	FY 26e	FY 27e	FY 28e	FY 29e	FY 30e	FY 31e	
Revenue	2.40	12.00	21.00	31.50	47.25	70.88	106.31	159.47	
Revenue growth	437.1%	400.0%	75.0%	50.0%	50.0%	50.0%	50.0%	50.0%	3.0%
EBITDA	-4.44	1.57	7.09	17.33	25.99	38.98	58.47	87.71	
EBITDA margin	-185.1%	13.1%	33.8%	55.0%	55.0%	55.0%	55.0%	55.0%	
EBITA	-5.42	0.55	6.01	16.25	24.67	37.42	56.67	85.67	
EBITA margin	-225.8%	4.5%	28.6%	51.6%	52.2%	52.8%	53.3%	53.7%	53.7%
NOPLAT	-5.42	0.55	6.01	16.25	24.67	37.42	56.67	62.97	
Working capital (WC)	-0.40	0.10	1.00	4.73	7.09	10.63	15.95	23.92	
Fixed assets (OAV)	3.00	4.20	5.40	6.60	7.80	9.00	10.20	11.40	
Invested capital	2.60	4.30	6.40	11.33	14.89	19.63	26.15	35.32	
Return on capital	-255.6%	21.0%	139.8%	253.8%	217.8%	251.4%	288.7%	240.8%	183.6%
EBITDA	-4.44	1.57	7.09	17.33	25.99	38.98	58.47	87.71	
Taxes on EBITA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-22.70	
Change in OAV	-1.06	-2.23	-2.28	-2.28	-2.52	-2.76	-3.00	-3.24	
Change in WC	-0.40	-0.50	-0.90	-3.73	-2.36	-3.54	-5.32	-7.97	
Investments in Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Free Cash Flow	-5.90	-1.15	3.91	11.32	21.11	32.68	50.16	53.79	585.45

Development of Capital Costs

Risk-Free Return	2.50%
Market Risk Premium	5.50%
Beta	2.14
Cost of Equity	14.29%
Target Weighting	70.00%
Cost of Debt	8.00%
Target Weighting	30.00%
WACC	13.90%

Determination of Fair Value

	FY 24e	FY 25e
Value of Operating Business	319.32	364.85
Present Value of Explicit FCFs	83.86	96.67
PV of Continuing Value	235.46	268.18
Net Debt	6.80	2.19
Value of Equity	312.52	362.65
NPV for Warrants / Options	-4.50	-4.50
Value of Share Capital	308.02	358.16
Outstanding Shares in Million	474.87	474.87
Fair Value per Share CAD	0.65	0.75
Fair Value per Share EUR	0.42	0.48

Sensitivity Analysis

	WACC	WACC				
		12.9%	13.4%	13.9%	14.4%	14.9%
ROC	183.1%	0.84	0.80	0.75	0.71	0.68
	183.4%	0.84	0.80	0.75	0.71	0.68
	183.6%	0.85	0.80	0.75	0.72	0.68
	183.9%	0.85	0.80	0.76	0.72	0.68
	184.1%	0.85	0.80	0.76	0.72	0.68

ANNEX

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2. The research report is made available simultaneously to all interested securities service providers.

OR

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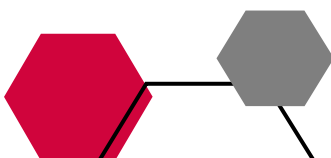
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described below, considering the expected return. Temporary price deviations outside of these ranges do not automatically lead to a change in the classification, but may prompt a revision of the original recommendation.

The respective recommendations/ratings are associated with the following expectations:

BUY	The expected return, based on the determined target price, including dividends, within the corresponding time horizon is $\geq +10\%$.
HOLD	The expected return, based on the determined target price, including dividends, within the corresponding time horizon is $> -10\%$ and $< +10\%$.
SELL	The expected return, based on the determined target price, including dividends, within the corresponding time horizon is $\leq -10\%$.

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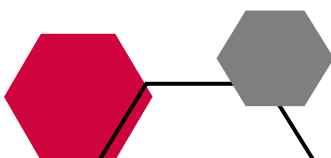
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The analysts responsible for this analysis are:

Matthias Greiffenberger, M.Sc., M.A., Financial Analyst

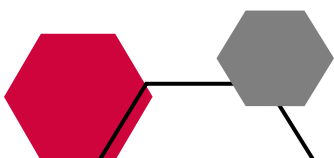
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