



Management's Discussion and Analysis - Quarterly Highlights

Three and Nine Months Ended September 30, 2025

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
NINE MONTHS ENDED SEPTEMBER 30, 2025**

The following Management Discussion and Analysis (“MD&A”) of the financial condition and results of operations of dynaCERT Inc. (“dynaCERT” or the “Company”) was prepared by management as at November 13, 2025 and was reviewed and approved by the board of directors and audit committee of the Company. The following discussion of performance, financial condition and future prospects should be read in conjunction with the unaudited condensed consolidated interim financial statements of dynaCERT Inc. and notes thereto for the three and nine months ended September 30, 2025. The information provided herein supplements but does not form part of the financial statements. All amounts are stated in Canadian dollars unless otherwise indicated. Additional information related to the Company is available for view on SEDAR+ at www.sedarplus.ca.

NATURE OF BUSINESS

dynaCERT Inc. is domiciled in Canada with its registered and head office at 501 Alliance Avenue, Suite 101, Toronto Ontario, M6N 2J1. The Company is listed on the Toronto Stock Exchange (DYA), the Börse Frankfurt (DMJ) and the OTC (DYFSF).

dynaCERT is a cleantech sector Company that specializes in delivering Carbon Emission Reduction Technologies to the global diesel engine marketplace. Throughout *dynaCERT's* years in business, the Company has worked to provide a reliable and effective electrolysis unit that can generate hydrogen and oxygen on demand to: (a) address the growing requirements to reduce greenhouse gas emissions; and (b) address the desire to provide lower operating costs including a decrease in fuel consumption.

The Company is engaged in the design, engineering, manufacturing, testing, and distribution of a transportable hydrogen generator aftermarket product, currently designed for use in the heavy Class 6-8 tractor trailer industry, the smaller Class 2-5 trucks, stationary power generation, buses, off-road and on- road construction machinery and mining equipment, as well as light, medium and heavy duty public sector fleet vehicles and targeted for use in refrigerated trailers and containers, and forestry industries, agricultural, with potential for application in the ocean shipping and trans-continental rail industries (however, ocean shipping and rail require additional product development and certification).

The system is a patented and patent-pending retrofit product that is designed to provide performance enhancements by introducing hydrogen and oxygen into the air intake manifold resulting in greater fuel efficiency and reduced carbon emissions in internal combustion engines.

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dynaCERT Facilities and Dealers

The Company operates in many jurisdictions throughout the world with facilities in Canada and through agents and dealers in Canada and internationally. The Company's headquarters are located in Toronto, Canada where accounting, sales, engineering, R&D, manufacturing, and primary logistics operate.

With qualified agents and dealers operating in approximately 20 countries worldwide, the *dynaCERT* HydraGEN™ line of products as well as our telematics software solution HydraLyrica are commercially available to the market.

dynaCERT International Strategic Holdings Inc.

The Company has established a 100%-owned subsidiary called *dynaCERT* International Strategic Holdings Inc. ("DISH") to be used to support efforts worldwide with investments in strategically unique and exceptional CleanTech innovators directly related to *dynaCERT's* business. DISH was incorporated in Toronto, Ontario on April 17, 2020.

dynaCERT GmbH

The Company has established a 100%-owned German subsidiary called *dynaCERT* GmbH ("GmbH") to be used to support its sales and distribution efforts worldwide with a major focus on Europe. GmbH was incorporated in Lahr, Germany on January 23, 2018 and is meanwhile located in Munich.

Technology Validation, Certifications and Advancements

Independent testing with HG1 units began in June 2017 at the North American-accredited PIT Group in Quebec. The PIT Group report found that the HydraGEN™ technology HG1 unit provided a 5.9% improvement in fuel consumption. Testing also proved that emissions were reduced significantly - CO₂ by 48.1%, THC by 50.0%, and NO_x by 46.1%.

The PIT Group wrote to *dynaCERT* in an email separate to the report: "...for any kind of automotive technology, 5.9% fuel savings is a result to be envied".

The Company's "Smart ECU" has shown significant advantages in several key areas: reading, collecting, storing and the transmitting of data and altering the flow of gases produced; GPS capability; providing General Packet Radio Service ("GPRS") capability for remote access and allowing for ongoing tracking.

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Research and Development Initiatives

Generally, the Company's HydraGEN™ Technology has depended on R&D expenditures related to securing the Company's line of innovative patents, patents-pending and associated global trademarks showcasing the Company's advancements in Hydrogen Technology.

Research and development expenditures vary depending on amount of work being done on product development and testing and is expected to be an ongoing focus of the Company. To date, the Company has expensed all research and development costs.

The following tables provide a breakdown of the Company's expenditures on R&D initiatives by product and component three and nine months ended September 30, 2025, and 2024:

| Total by component | Three Months Ended | | Nine Months Ended | |
|---------------------------|---------------------------|-------------|--------------------------|-------------|
| | September 30, | | September 30, | |
| | 2025 | 2024 | 2025 | 2024 |
| Overhead | \$ 90,241 | \$ 350 | \$ 266,483 | \$ 9,583 |
| Total | \$ 90,241 | \$ 350 | \$ 266,483 | \$ 9,583 |

| Total by Product | Three Months Ended | | Nine Months Ended | |
|-------------------------|---------------------------|-------------|--------------------------|-------------|
| | September 30, | | September 30, | |
| | 2025 | 2024 | 2025 | 2024 |
| Hydralytica | \$ 78,002 | \$ 350 | \$ 200,297 | \$ 9,583 |
| Carbon Credit | 12,240 | - | 66,187 | - |
| Total | \$ 90,242 | \$ 350 | \$ 266,484 | \$ 9,583 |

The Company also has a Continuous Product Improvement (CPI) program that is focused on making enhancements to the manufacturing operation to improve product quality and is not included in the chart above.

More specifically, on the Company's HG1 models, the Company has reduced the number of unique parts from over 300 to under 210 in order to reduce costs (making the product more robust, easier to manage, assemble and service), enhanced the engineering of the HG1 to allow it to function in high temperature and low temperature climates and environments, enhanced safety features of the HydraGEN™ technology, and made the product more user friendly, such as with the automatic distilled water filling mechanism.

On its HG2 models, the Company has developed these units to adapt *dynaCERT's* HydraGEN™ Technology to work on smaller size diesel engines (under 8 litres of displacement) and for refrigerated trailers ("Reefers") in order to address a sizeable world market for such smaller engines.

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Using the HydraGEN™ Technology, several years of R&D by the Company also resulted in the larger HGC series of products, namely the HG4C and HG6C products, which are to be used primarily in heavy mining industry vehicles.

dynaCERT also spent required R&D funds to develop its original Smart ECU and the current model Smart ECU2, developing both the hardware and related software and, over time, the related continuous enhancements, as well as reporting software, thereby providing alarms and warnings to both users and *dynaCERT* remotely in real time.

In furthering the functionality of the Smart ECU versions, *dynaCERT* has also developed its HydraLyrica™ Telematics system and subsequent enhancements whereby users can monitor both carbon emissions savings and fuel savings in real time for each vehicle outfitted with HydraGEN™ Technology units. See "Business Developments – HydraLyrica™ Telematics".

The Company had entered into a collaboration agreement aimed at commercializing AEM technology which was terminated on June 6, 2024 in return for a 15% equity stake in Cipher Neutron Inc. ("Cipher Neutron"). Cipher Neutron is developing a series of larger-volume AEM Electrolysers' stacks to produce - "Green Hydrogen" Gas under pressure in exponentially larger quantities than *dynaCERT's* current HydraGEN™ Technology. Cipher Neutron exhibited the AEM technology at various conventions where they unveiled both a 10kw and 40kw AEM system

PRODUCTS

dynaCERT has been successful in offering its HydraGEN™ Technology in a diversity of markets because of its distinct line of products which includes the following models: HG1 model designed for 10 to 15 litre diesel engines; HG2 model, designed for 1 to 8 litre diesel engines; HG4C designed for 30 to 60 litre diesel engines, HG6C designed for 60 to 90 litre diesel engines and variable combinations of the units to cover various power requests in between (to be tested soon).

The HG4C and HG6C models have been significantly modified and improved to account for and respond to input and customer needs. The HG4C and HG6C units are designed to meet the growing need and demand for improved fuel efficiency, along with a significant reduction in GHG's of resources companies, and achieve future carbon credits such as in mining, construction, forestry, oil & gas and power generation.

HG1

dynaCERT's flagship product offering, the HG1 line, includes the HG1R models in both 12vdc and 24vdc versions, which target the 10 to 15 litre diesel engine market. These HG1 units are in production and are outfitted with the latest SMART ECU2 controller.

HG2

The HG2 unit will produce hydrogen (H₂) gas flows suitable for diesel engines from 1 to 8 litres in displacement. The HG2R model includes HydraGEN™ technology reactor design, a built-in water tank, a climate control system and *dynaCERT's* Smart ECU2. The HG2 unit is reduced in size from the HG1 unit. The HG2 unit is suited for smaller diesel engines than those that are specifically suited to the HG1 line of HydraGEN™ Technology. The HG2 unit is designed to be appropriate for those displacement diesel engines used in Buses, Class 2 to Class 7 trucks, Reefers, Mobile Construction Equipment, Small Generators, and Smaller Trucks commonly found outside of North America, such as in European countries and in Asia.

HG4C & HG6C

dynaCERT's product offering also includes the HG4C targeted for 30 to 60 litre engines, and the HG6C targeted for 60 to 90 litre engines, as used in the stationary generator market in mining applications and also for the large rock hauler trucks used in open pit mines for above ground mining. These models have multiple HG1 reactor units inside a single large case. They are outfitted with a large, distilled water tank for longer use between refills. The cases are temperature-controlled, in certain cases, to withstand up to +50C to as low as -40C functionality with availability of an additional heating system. Each case has an air filtration system to reduce dust ingress.

As models are already custom configured to match the particular model and horsepower of the end user's engine, multiple units can be ganged together for a single engine that is larger than 100 litres.

HydraLytics™ Telematics

Since 2019, the Company made significant advances of its telematics software in order to better demonstrate to end-users the effectiveness of its products.

dynaCERT formally launched HydraLytics™, its equipment telematics and software in July 2019, enabling easy access to fuel savings and carbon emission reduction reports from diesel-powered vehicles and machinery equipped with the Company's HydraGEN™ technology.

The Company provides its HydraLytics™ Telematics to its dealers and clients such as construction companies, truckers, and fleet owners. The HydraGEN™ technology, in combination with HydraLytics™, monitors and automatically calculates the fuel savings and the resulting avoidance of carbon emissions.

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HydraLytica™ receives data from a truck's on-board-diagnostic port (the "OBD port") and communicates this data to *dynaCERT's* cloud server remotely. The HydraLytica™ software gathers, records, combines the OBD port data, the HydraGEN™ unit data, and additional needed information to calculate fuel performance and vehicle efficiency. HydraLytica™ is designed to show and compare baseline activity to determine fuel performance and vehicle efficiency to calculate fuel savings and emission reductions. The reductions can be displayed in kilograms of CO₂ or CO₂ equivalent ("CO₂e"). CO₂e is expected to be the basis of calculating Carbon Credits.

The HydraLytica™ software is designed to allow *dynaCERT* to provide to the market the effectiveness of the HydraGEN™ Technology. Since the data used and processed is taken directly from a vehicle's OBD port, With HydraLytica™, users receive data that is directly from their own diesel engines showing that the HydraGEN™ technology is working and have peace of mind regarding performance.

HydraLytica™ software also enables user access to the telematics information from locations equipped with an internet connection. The HydraLytica™ software is also designed to display historical data after the HydraGEN™ Technology has been installed on a vehicle. HydraLytica™ maps the routes and locations of vehicles or equipment and can determine when the vehicle is moving or stationary and when its ignition is off. The intuitive user-friendly software of HydraLytica™ allows owners and operators to review a baseline and compare it to current performance to improve the overall fleet, vehicle, or equipment efficiency.

MANUFACTURING

The Company produces HydraGEN™ units at its Toronto assembly facilities.

As previously announced the company has increased its inventory levels of HG1 production 2025 in anticipation of demand and to introduce an appropriate serial industrial assembly capability.

The Company has also now implemented systems based on Automotive Industry Action Group (AIAG) and ISO standards. Each unit manufactured has real time traceability for all Quality Inspections performed and logged digitally to the Company's ERP database. All supplied significant components are also traceable to the source and quality checks are performed. Layered audits are performed regularly to ensure that the integrity of these processes is sustained. All customer feedback is reviewed by *dynaCERT's* engineering group and vetted through the Company's formal engineering change process.

SALES

During the nine months ended September 30, 2025, the Company recognized sales of \$554,048. Sales of *dynaCERT's* proprietary HydraGEN™ Technology included HG1 and HG2 models.

BUSINESS DEVELOPMENTS

Carbon Credits

The Company believes an opportunity exists to monetize carbon credits from the HydraGEN™ technology operating on diesel engines. In November 2019, *dynaCERT* announced that the advancement of its application for a new Carbon Emission Reduction Methodology to develop Carbon Credit projects from its HydraGEN™ technology and HydraLytics™ Telematics abilities to reduce carbon emissions on a world-wide basis. The Company had completed and submitted the application to develop a new Methodology to obtain Carbon Credits from the planned Carbon Credit projects which would be made available to *dynaCERT* clients. The application, submitted to Verra (www.verra.org) under its VCS programme, specifies an all-new Carbon Emission Reduction Methodology. The proposed Methodology uses the Company's patented HydraGEN™ technology to lower carbon emissions and its HydraLytics™ Telematics technology to securely record carbon emissions and other non- personal data from diesel and gas engines. Verra has furthered the application through multiple internal reviews.

Earthhood was chosen by *dynaCERT* to review and provide services in respect of the “Validation of the Methodology” in accordance with the terms and conditions set out in the applicable program rules. Earthhood has finalized an assessment report on the Methodology for improved efficiency of fleet vehicles and combustion engines, which supports the Methodology which will be used by *dynaCERT* to validate its Carbon Credits under Verra's VCS Program. Please see www.earthhood.in for further information about Earthhood.

Verra has approved the new Methodology in 2024. *dynaCERT* is currently advancing its Verra Project Description Draft (the “PDD”) for its carbon credit offering related to the use of its HydraGEN™ Technology in diesel combustion engines, including but not limited to class 8 trucks, delivery trucks, buses, drilling rigs, mining equipment and generators across North America. This initiative enables customers via *dynaCERT* to participate in carbon credits based on CO₂ reductions, which is expected to create a new demand for the Company’s HydraGEN™ Technology which is designed to reduce GHG emissions. The Company is currently working with a specialized consultant to complete the Project Development Document for a review by Verra.

European Homologation

dynaCERT's HydraGEN™ technology underwent thorough testing to obtain ABE Homologation. Moreover, the ABE Homologation from KBA required approximately 26 months of proofs of concept, testing, validations, verifications, confirmations, authentications, rigorous trials with strict protocols, scientific analysis, exacting reviews using both on-road and in-laboratory methods and accompanying certified reports. Numerous engineers, combustion specialists and automotive experts, including world- renowned authorities in Europe, such as Continental EMITEC, TÜV Nord, TÜV Süd, were consulted and relied upon by KBA in granting the ABE Homologation.

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Patents and Proprietary Technology

dynaCERT has several patent applications filed in the US, Canada and other parts of the world, and patents pending for different aspects of the HydraGEN™ technology. These are progressing through the normal patent application process. The Company's R&D team has made improvements to its existing HydraGEN™ technology, and the Company has filed additional claims capturing those improvements. Please see the chart below for a more detailed perspective.

dynaCERT owns 16 distinct patents in different countries and jurisdictions around the world. These patents can be sectioned into 5 overarching families of patents.

The chart below is a summary view of the patent portfolio's standing.

| <i>dynaCERT</i> Patent Summary | |
|---------------------------------------|----|
| # of Patent Families | 5 |
| Patent: Granted | 16 |
| Patent: Pending | 1 |
| Total Patents & Applications | 17 |

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The chart below is an overview of the patent portfolio.

| <i>dynaCERT Patent Portfolio</i> | |
|---|--|
| Patent Family | Jurisdictions Granted |
| MANAGEMENT SYSTEM AND METHOD FOR REGULATING THE ON-DEMAND ELECTROLYTIC PRODUCTION OF HYDROGEN AND OXYGEN GAS FOR INJECTION INTO A COMBUSTION ENGINE | <ol style="list-style-type: none">1. United States of America2. India3. Chile4. Mexico5. International |
| SYSTEMS AND METHODS FOR TRACKING GREENHOUSE GAS EMISSIONS ASSOCIATED WITH AN ENTITY | <ol style="list-style-type: none">1. United States of America2. Canada3. Chile4. India5. International |
| METHOD AND SYSTEM FOR IMPROVING FUEL ECONOMY AND REDUCING EMISSIONS OF INTERNAL COMBUSTION ENGINES | <ol style="list-style-type: none">1. United States of America2. Canada |
| SYSTEMS AND METHODS FOR IMPROVING FUEL ECONOMY OF INTERNAL COMBUSTION ENGINES | <ol style="list-style-type: none">1. United States of America2. International |
| METHOD AND SYSTEM FOR AUTOMATIC MONITORING OF THE LEVEL OF ELECTROLYTE SOLUTION INSIDE OF AN ELECTROLYTIC REACTOR | <ol style="list-style-type: none">1. United States of America |

Cipher Neutron

In June 2024, dynaCERT acquired a 15% ownership stake in Cipher Neutron, a privately held Ontario based company, which develops, produces and markets Anion Exchange Membrane (AEM) Electrolyser technology, designed to produce Green Hydrogen. Up until July 31, 2025, dynaCERT held warrants to purchase further shares in Cipher Neutron. The Company did not exercise any of the Cipher Neutron warrants and they have since expired on July 31, 2025.

Cipher Neutron develops a disruptive technology focused on Electrolysers for Green Hydrogen production and Reversible Fuel Cells for power generation and energy storage solutions. Cipher Neutron's innovative products, such as AEM Electrolysers and Reversible Fuel Cells under development, have unique advantages over other hydrogen production, power generation and energy storage solutions currently available in the global market.

RESULTS OF OPERATIONS

Results of operations for the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024

The Company reported a loss and comprehensive loss from operations for nine months ended September 30, 2025, of \$6,400,289 compared to \$6,457,985 for the nine months ended September 30, 2024. Revenue decreased by \$836,980 for the nine months ended September 30, 2025 compared to the same nine month period in the prior year.

On February 21, 2025, the Company closed its previously announced \$5,000,000 Non-Brokered Listed Issuer Financing Equity Offering. That Offering projected additional sources of funding from sales revenues over the next 12 months of \$1,840,000, which was based upon a 15% increase to 2024 revenues. On July 2, 2025, the Company closed its second previously announced \$5,000,000 Non-Brokered Listed Issuer Financing Equity Offering, which also projected additional sources of funding from sales revenues over the next 12 months of \$1,840,000, again based upon a 15% increase to 2024 sales revenues. Pro-rated to the period from the initial LIFE Offering to the seven month period ended September 30, 2025, expected sales revenues were estimated to be \$1,000,000, compared to actual sales revenues of approximately \$350,000. Pro-rated to the period from the second LIFE Offering to the three month period ended September 30, 2025, expected sales revenues were estimated to be \$450,000, compared to actual sales revenues of \$198,585.

The lower sales results for the current nine month period, and also for the seven month period following the closing date of the first LIFE Offering, reflected the negative impacts of a depressed global economy further impacted by the recently announced tariffs by the United States, which has in part, caused a deferral in company investment decisions, in addition to a general weakening in demand for industrial products. In addition, the Company's lower sales revenues during the period reflect a focus on further design efforts to significantly upgrade the products which included meeting new diesel engine requirements as well as enhanced safety features. The Company is not able to fully assess the continued negative impacts on sales revenues from the factors noted above, but remains focused on increasing sales revenues going forward.

Key issues explaining the changes in expenses in the current nine month period compared to the same period in the prior year are:

- Cost of Goods sold decreased by \$1,121,054 as a result of lower sales in the current nine month period.
- General and administrative costs increased by \$368,838 reflecting higher consulting and professional fees, travel costs and higher costs of the Annual General Meeting.
- Legal and audit increased by \$280,477 as a result of settlements of certain past legal matters.
- Research and development increased by \$333,284 as a result of improvements to the HydraLytics™ software, significant modifications to HydraGEN units to meet new user requirements and expenditures in the advancement of the Carbon Credit project.

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- Share-based compensation decreased by \$1,389,113 as a result of issuing significantly fewer options in the current nine month period compared to the similar period in the prior year, offset in part by fewer options expiring in the current nine month period compared to the same period in the prior year.
- Wages increased by \$393,522 primarily as a result of a new executive joining the company.
- The Company recorded a loss on modification of debt of \$279,477 as a result of the extension of the convertible note.
- Accounts payables of \$163,446 were reversed into income after determining that they were no longer payable.

Results of operations for the three months ended September 30, 2025, compared to the three months ended September 30, 2024

The Company reported a loss and comprehensive loss from operations for three months ended September 30, 2025, of \$1,959,490 compared to \$3,302,909 for the three months ended September 30, 2024. Sales revenue decreased by \$406,591 compared the same quarter of the prior year.

Key issues explaining the changes in expenses in the current three month period compared to the same period in the prior year are:

- Cost of Goods sold decreased by \$636,513 as a result of lower sales compared to the same quarter of the prior year.
- Legal and audit increased by \$173,429 as a result of settlements of certain past legal matters.
- Research and development increased by \$166,275 as a result of improvements to HydraLytics™ software, significant modifications to HydraGEN units to meet new user requirements and expenditures in the advancement of the Carbon Credit project.
- Share-based compensation decreased by \$1,454,728 as a result of issuing significantly fewer options in the current three month period compared to the similar period in the prior year, offset in part by fewer options expiring in the current three month period compared to the same period in the prior year.
- Wages increased by \$236,635 as a result of a new executive joining the company.
- Loss on modification of debt increased to \$279,477 as a result of the extension of the convertible note.
- Accounts payables of \$163,446 were reversed into income after determining that they were no longer payable.

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LIQUIDITY AND CAPITAL

As at September 30, 2025, cash on hand was \$2,097,439 as compared to \$86,300 at December 31, 2024.

The Company had cash outflows from operating activities of \$8,201,278 for the nine months ended September 30, 2025, which was due to a net loss for the nine month period of \$6,400,289, non-cash adjustments of \$1,125,139, and non-cash working capital items of \$2,926,128. Non-cash adjustments of \$1,125,139 comprised accretion, depreciation and amortization of \$713,007, share-based compensation of \$65,615, interest paid of \$17,736, accrued interest of \$137,182, provision for credit losses of \$8,748, provision for warranties of \$59,089, an inventory impairment recovery of \$7,731, a loss on modification of debt of \$279,477, offset in part by a reversal of accounts payables of \$163,446.

Operating cash flows were affected by non-cash working capital items of \$2,926,128 which comprised an increase in accounts receivables and sales tax receivables of \$347,591, an increase in deposits of \$10,558, an increase in inventory of \$955,261, a decrease in amounts payable and other liabilities of \$1,593,671, a decrease in warranty provision of \$35,744, offset in part by, a decrease in prepaid expenses of \$16,057, and an increase in customer deposits of \$640.

The Company had cash outflows from investing activities of \$9,282 which was due to the acquisition of intangible assets.

The Company had net cash inflows from financing activities of \$10,221,699, which was due from the issuance of units under a non-brokered private placement of \$10,000,000 net of costs of 68,450, proceeds from the exercise of warrants of \$16,500, proceeds from the issuance of loans of \$750,000, offset by the repayment of loans of \$100,000 and lease obligations of \$376,351.

As at September 30, 2025, the Company has cash advances from the CEO to the Company for a total of \$61,766 outstanding plus accrued interest of \$76,027 totaling \$137,793. The cash advances bear interest at 12% per annum and are payable upon demand.

The Company had a \$350,000 loan outstanding payable to a shareholder which was due upon the Company completing an equity funding of \$3,500,000, and another loan in the amount of \$150,000. The \$350,000 loan was due in April 2023, and was repaid in July 2024, and the remaining \$150,000 loan plus interest remained outstanding as of September 30, 2025, which amounts to \$187,045. The loans bear interest at 1% per month without compounding.

The Company has a loan outstanding payable to an investor with a maturity date of March 1, 2026. The loan bears interest at 10% per annum due at maturity. As at September 30, 2025, the balance outstanding including interest was \$803,630.

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The Company expects to be financed primarily through future sales revenues and through the completion of equity transactions such as equity offerings and the exercise of warrants. There is no assurance that future sales will be recognized, or that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See "Caution Regarding Forward Looking Statements", and "Risks and Uncertainties".

As at September 30, 2025, the Company had accounts payable and accrued liabilities of \$1,018,602 as compared to \$2,775,719 at December 31, 2024.

Going concern uncertainty

At each reporting period, management assesses the basis of preparation of the financial statements. The Company's unaudited condensed consolidated interim financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Company will continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. *dynaCERT's* unaudited condensed consolidated interim financial statements do not include any adjustments to amounts and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

For the nine months ended September 30, 2025, the Company incurred a net loss of \$6,400,289 (September 30, 2024 - \$6,457,985) and had negative operating cash flows of \$8,201,278 (September 30, 2024 - \$3,781,342). Although the Company has generated revenue from customer sales, the sales volumes achieved to date have not been sufficient to generate the margins required to cover the Company's operating costs and research and development costs. The Company has an accumulated deficit of \$115,159,529 since inception (December 31, 2024 - \$111,374,806).

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to generate cash flows from operations and to complete negotiations to obtain and successfully close additional funding from debt financing, equity financings or through other arrangements. While the Company has been successful in arranging financing in the past, there can be no assurance the debt financing or any equity offering will be successful. Management has determined that there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

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RELATED PARTIES TRANSACTIONS

Key management includes directors and other key employees, who have authority and responsibility for planning, directing, and controlling the activities of the Company.

Other than as disclosed elsewhere in this document, the following provides details of related party transactions.

The Company paid or accrued certain of the following amounts to directors, companies controlled by directors or companies having common directors during the three and nine months ended September 30, 2025 and 2024.

| Nature of Transaction | Three Months Ended | | Nine Months Ended | |
|-----------------------------------|---------------------------|-------------------|--------------------------|-------------------|
| | September 30, | | September 30, | |
| | 2025 | 2024 | 2025 | 2024 |
| Consulting fees paid to directors | \$ 248,913 | \$ 124,343 | \$ 730,469 | \$ 447,339 |
| Short-term benefits | 66,000 | 66,000 | 198,000 | 198,000 |
| Total | \$ 314,913 | \$ 190,343 | \$ 928,469 | \$ 645,339 |

Included in consulting fees to directors above for the nine months ended September 30, 2025, are commissions of \$nil (2024 - \$16,680) in connection with certain sales contracts, \$nil (September 30, 2024 - \$36,697) for business development services, and \$182,346 (September 30, 2024 - \$182,346) for advisory services. As at September 30, 2025, officers and directors were owed \$28,239 (December 31, 2024 - \$280,280) with respect to services provided.

During the period ended September 30, 2024, the CEO and Director agreed to settle \$190,925 of the balance of the loan for 1,272,836 Units at a price of \$0.15 per Unit and recorded a loss on settlement of the debt of \$6,364. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.20 per share on or before February 22, 2027.

As at September 30, 2025, the Company has \$137,793 in loans outstanding with interest to the CEO, and Director for cash advances to the Company. The cash advances bear interest 12% per annum and are payable upon demand.

Further, during the nine months ended September 30, 2025, and during the year ended December 31, 2024, Cipher Neutron Inc. was provided space within the Company's premises at no additional cost.

OFF BALANCE SHEET ARRANGEMENTS

The Company is not a party to any off-balance sheet arrangements or transactions.

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SHARE CAPITAL TRANSACTIONS

See "Liquidity and Capital".

CAPITAL MANAGEMENT

The Company's shareholders' equity comprises its capital under management. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its products and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk level. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

There have been no changes to the Company's approach to capital management during three and nine months ended September 30, 2025, and the year ended December 31, 2024. The Company is not subject to externally imposed capital requirements.

OUTSTANDING SHARE DATA AS OF JUNE 30, 2025

The Company had 508,286,682 common shares outstanding as of September 30, 2025. From the period from October 1, 2025 to the date of this MDA, no warrants were exercised, and the Company has 508,286,682 common shares outstanding.

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Below is a summary of the stock options outstanding as of the date of this report:

| Expiry Date | Exercise Price (\$) | Number of options outstanding |
|--------------------|----------------------------|--------------------------------------|
| January 26, 2026 | \$0.550 | 850,000 |
| May 30, 2026 | \$0.500 | 5,940,000 |
| August 25, 2027 | \$0.300 | 6,070,000 |
| October 23, 2027 | \$0.300 | 100,000 |
| February 7, 2028 | \$0.175 | 6,000,000 |
| March 28, 2028 | \$0.175 | 1,500,000 |
| July 12, 2029 | \$0.200 | 9,130,250 |
| November 1, 2029 | \$0.250 | 1,500,000 |
| November 20, 2029 | \$0.250 | 250,000 |
| December 10, 2029 | \$0.250 | 250,000 |
| December 15, 2030 | \$0.250 | 500,000 |
| | | 32,090,250 |

Below is a summary of the warrants outstanding as of the date of this report:

| Date | Exercise Price (\$) | Number of Warrants Outstanding |
|-------------------|----------------------------|---------------------------------------|
| March 31, 2026 | 0.30 | 666,667 |
| December 04, 2026 | 0.20 | 4,669,277 |
| December 04, 2025 | 0.15 | 5,000 |
| December 20, 2026 | 0.20 | 3,156,499 |
| December 20, 2025 | 0.18 | 18,150 |
| February 22, 2027 | 0.20 | 5,149,223 |
| February 22, 2026 | 0.18 | 24,983 |
| June 27, 2027 | 0.20 | 6,301,167 |
| June 27, 2026 | 0.18 | 21,667 |
| July 03, 2027 | 0.20 | 3,616,334 |
| October 09, 2027 | 0.20 | 4,166,667 |
| February 21, 2028 | 0.20 | 33,333,333 |
| July 02, 2028 | 0.20 | 33,333,333 |
| | | 94,462,300 |

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SUBSEQUENT EVENTS

On October 16, 2025, the Toronto Stock Exchange approved the Company's amendments to its \$1,000,000 principal amount 8% unsecured convertible note issued October 9, 2024 (the "Note") to include an amendment of the conversion price of the Note from \$0.24 to \$0.15 per common share and the extension of the maturity date from October 9, 2025 to October 9, 2026. The effect of the new conversion price was to increase the number of common shares issuable upon conversion from 4,166,667 to 6,666,667. All other terms of the Note remained the same. The Company also amended the exercise price of an aggregate of the outstanding common share purchase warrants of the Company that were issued as part of the related private placement that closed on October 9, 2024 from \$0.28 and an expiry date of October 9, 2026 to \$0.20 and an expiry date of October 9, 2027. All other terms of the warrants remained the same.

RISKS AND UNCERTAINTIES

Prior to making an investment, decision investors should consider the investment risks set out in the Annual Information Form ("AIF"), located on SEDAR+ at www.sedarplus.ca, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out in the AIF to be the most significant to potential investors in the Company but are not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware, or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected.

In such circumstances, the price of the Company's securities could decline, and investors may lose all or part of their investment relating to the Company.

ACCOUNTING POLICIES

New accounting standards adopted

There were no new or amended accounting standards or interpretations that are expected to have a material impact on the Company's condensed consolidated interim financial statements.

New standards not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after January 1, 2026 or later periods. The Company is currently evaluating the impact of the adoption of these new standards on its financial statements and will adopt these pronouncements as of their effective date.

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, and evaluated the effectiveness of the Company's disclosure controls and procedures and have concluded that, based on their evaluation, they are effective as at September 30, 2025, to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries is made known to management and disclosed in accordance with applicable securities regulations.

INTERNAL CONTROLS OVER FINANCIAL REPORTING ("ICFR")

The Chief Executive Officer and Chief Financial Officer are responsible for certifying the design of the Company's ICFR as required by Multilateral Instrument 52-109 – "Certification of Disclosure in Issuers' Annual and Interim Filings" and CSA staff notice 52-316 – "Certification of Design of Internal Control over Financial Reporting". The Company's ICFR are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable accounting standards. ICFR should include those policies and procedures that establish the following:

- maintenance of records in reasonable detail that accurately and fairly reflect the transactions and dispositions of the Company's assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with applicable accounting standards;
- receipts and expenditures are only being made in accordance with authorizations of management and the Board of Directors; and

- reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Because of their inherent limitations, ICFR may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Chief Executive Officer and Chief Financial Officer have evaluated the Company's ICFR and concluded that they are effective as at December 31, 2024. Management follows the Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company has designed appropriate ICFR for the nature and size of its business, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with applicable accounting standards.

During the three and nine months ended September 30, 2025, the Chief Executive Officer and Chief Financial Officer have evaluated whether there were changes to the ICFR that have materially affected, or are reasonably likely to materially affect, the ICFR. No such significant changes were identified through their evaluation which was based on the COSO Model.

COMMITMENTS AND CONTINGENCIES

The Company previously received an order for HydraGEN™ Technology Units, the recipient of which is a company located in Guyana (the "Recipient"). On July 31, 2023, the Company delayed deliveries of HydraGEN™ Units under this order pending further notice by either the Recipient or its representatives that certain outstanding issues were resolved to everyone's satisfaction, details of which were disclosed in the Company's press release dated July 31, 2023. The Company has been named in litigation that appears to relate to the purchase order in question. First, an action requesting the return of the initial deposit that was received by wire in May 2023. This action alleges that the lawyer for the broker of the sale wired the deposit under a mistake of fact, having believed that certain cheques paid by the Recipient to the broker's lawyer in trust had cleared prior to him initiating the wire transfer to the Company (the "Wire Return Action"). Second, a third-party proceeding among various extraneous parties claiming damages and other relief. These two matters have since been consolidated by the court. At a case conference, the third-party plaintiff's counsel advised the court that he agreed to give the Company a waiver of defence in respect of the third-party claim (such that the Company shall only require a defence to the Wire Return Action). The Company believes that this litigation has no merit against dynaCERT. The initial round of examinations for discovery in the Wire Return Action has taken place, and the Company continues to monitor the third-party claim. Given the emergence of litigation and lack of progress in resolving delivery issues over many months, the Company announced in press release dated March 28, 2024 that it has determined to suspend indefinitely this purchase order pending resolution by courts or clarification of the litigation issues in question.

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A third-party claim was commenced against eight third-party defendants seeking against the third-party defendants' damages. dynaCERT believes this claim is without merit against dynaCERT Inc. and having nil value.

The Company has also received a statement of claim from a former consultant of the Company and an associated corporate entity alleging wrongful (constructive) dismissal and breach of contract in addition to damages and other incidental relief including benefits, unpaid vacation pay and rights to his unexercised options. The Company settled the claim for the alleging wrongful dismissal and breach of contract in the amount of \$239,500 from a former consultant of the Company and an associated corporate entity during the nine months ended September 30, 2025.

A professional corporation issued a statement of claim on March 14, 2025, claiming damages of \$84,750 for breach of contract plus interest and costs. The claimant alleges that it is owed \$84,750 for fees and expenses invoiced on September 17, 2024, in relation to advisory services. The Company has settled this claim without admission of liability.

A statement of claim for sums owed has been filed by a third party for \$64,106 where the Company has filed a notice of intent to defend and communicated its intention for settlement discussions. The Company has issued a “notice of dispute” in connection with an amount owing to the Company and is awaiting settlement discussions. In connection with the same matter, the Company has filed a statement of claim demanding an injunction and other relief.