



PRESS RELEASE

For immediate release

EnerDynamic Hybrid Technologies Files Second Quarter Financial Results

Toronto, July 31, 2017. EnerDynamic Hybrid Technologies Corp. (“EHT” or the “Company”) (TSX-V: EHT) is pleased to announce that it has filed its condensed consolidated interim financial statements for the six months ended May 31, 2017, accompanying management’s discussion and analysis, and the related officer certifications for the six months ended May 31, 2017.

Copies of these documents are available electronically under the Company’s profile on SEDAR at www.sedar.com.

Financial Highlights

Revenue for the three months ended May 31, 2017 was \$709,030 compared to \$262,823 for the same period in 2016. Cost of revenue of \$493,790 (2016: \$600,951) reflects the increase of margins during the period compared to the development phase of the ENERTEC product line in prior periods. Fixed production overheads allocated during this period are reduced due to a change in facility lease costs and a proportionate allocation of labour costs to revenues. Cost of revenues for the period includes \$90,217 (2016: \$90,217) in amortization and \$102,671 (2016: \$238,773) in occupancy costs. Production related costs varied year over year as production levels increased and initial selling stages of the new ENERTEC product line commenced. The reported production related costs of \$182,503, compared to the same period in 2016 of \$155,379, reflects the deployment of labour to production and away from the research and development of the products in recent periods.

Gross margin is beginning to reflect commercial sales activities rather than simply representing mostly fixed overheads. A gross margin of \$215,240 [2016: (\$6,383)] reflects the growing revenue with related production cost representing 25.7% of revenues versus 59.1% in the comparative prior year period. This production related cost, as percentage of revenues, is expected to continue to decline over the coming quarters as revenues and volumes increase.

General and administrative expenses for the six months ended May 31, 2017 shows a reduction to \$471,979 from \$590,888 in 2016. The reduction in costs year over year are associated with reduced workforce and overheads within the non-production areas of the business. Expenses also contain a period expense related to non-cash share transactions of \$217,411 (2016: \$188,315) for stock based compensation.

Overall, business activity in the quarter ended May 31, 2017 was focused on establishing the ENERTEC products. Mr. John Gamble, CEO of EHT, commented that “this quarter reflects the first positive margin report in some time which is excellent progression in our business development. We have started to see market acceptance of the ENERTEC products which, by its nature, has a long sales cycle. We are executing on orders now for both domestic customers and West African partners.”

About ENERTEC

The EHT advanced ENERTEC Modular Wall and Roof System uses a proprietary skin and foam core that is stronger and more energy efficient than traditional wood or steel structures providing the highest ratings for energy efficiency. EHT works with its partners worldwide to erect the buildings on-site utilizing EHT staff and local crews. After installation, each structure can be furnished and finished to meet the customer’s requirements including siding, tile, kitchens and bathrooms or segregated commercial rooms. The finished wall product can be shipped on pallets and delivered via rail, truck or water in standard formats.

At the core of the ENERTEC product line is the ENERTEC Embedded Solar Roof Module. Solar cells can be embedded in a proprietary fire proof skin resulting in substantial cost savings by eliminating heavy glass panels and aluminum racking required for traditional solar panels. Two barriers to greater adoption of solar energy are weight limitations of the roof on which solar panels could be deployed and onerous shipping and labour costs. A lighter product at a better price point will open a larger market for solar due to the faster return of capital investment especially for rural and remote users looking to go off-grid. Furthermore, the entire EHT embedded solar roof becomes a massive solar panel capable of producing significantly more energy than the home requires, allowing the structure to then become an important source of power for the local micro grid or large battery storage systems.



About EnerDynamic Hybrid Technologies

EHT delivers proprietary, turn-key energy solutions which are intelligent, bankable and sustainable. Most energy products and solutions can be implemented immediately wherever they are needed. EHT stands above its competitors by combining a full suite of solar PV, wind and battery storage solutions, which can deliver energy 24 hours per day in both small-scale and large-scale format. In addition to traditional support to established electrical networks, EHT excels where no electrical grid exists. The organization supplies advanced solutions for various industries in combination with energy saving and energy generation solutions. EHT's expertise includes the development of module structures with full integration of smart energy solutions. These are processed through EHT's production technologies into attractive applications: modular homes, cold storage facilities, schools, residential and commercial out buildings and emergency/temporary shelters.

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The statements herein that are not historical facts are forward-looking statements. Forward-looking information involves risk, uncertainties and other factors that could cause actual events, results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking information, including risks related to the completion of all approvals from applicable regulatory authorities. Although EHT believes that the assumptions used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. EHT disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by applicable securities laws.

FOR FURTHER INFORMATION. PLEASE CONTACT:

John Gamble
Director
(289) 488-1699
jgamble@ehybrid.com
Company Website: www.ehybrid.com

Lorie Laurence
Administrative Assistant
(289) 488-1699
info@ehybrid.com
Company Website: www.ehybrid.com