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HILLCREST CLOSES SECOND AND FINAL TRANCHE OF CONVERTIBLE DEBENTURE FINANCING AND PROVIDES ADDITIONAL SHAREHOLDER UPDATES

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VANCOUVER, BC, March 4, 2025 – Hillcrest Energy Technologies (CSE: HEAT)(FRA: 7HI) (“**Hillcrest**” or the “**Company**”), is pleased to announce that, further to its news releases dated January 10, 2025 and January 30, 2025, the Company has closed the second and final tranche of its non-brokered private placement (the “**Private Placement**”) of unsecured convertible debentures (“**Debentures**”) with a principal amount of \$663,923.17 (the “**Final Tranche**”). A significant portion of the Final Tranche, approximately \$470,523.17, was completed through the distribution of Debentures in settlement of existing debt. The total Private Placement, inclusive of all tranches, resulted in the Company issuing Debentures with a principal amount of \$2,606,748.17.

The Debentures bear interest at a rate of 10% per annum and mature on two years following the date of issuance (the “**Maturity Date**”). The Company may from time to time, in its sole discretion, prepay all or a part of the principal amount and accrued interest without penalty.

The outstanding principal amount owed under a Debenture may be converted, in the sole discretion of the holder at any time prior to the Maturity Date, into units of the Company (each, a “**Unit**”) at a conversion price of \$0.12 per Unit (the “**Conversion Price**”). Each Unit will consist of one common share in the capital of the Company (a “**Common Share**”) and one Common Share purchase warrant (a “**Warrant**”), which each Warrant being exercisable at a price of \$0.12 per Common Share for a period of 36 months from the date of issuance.

At maturity, the Company may convert the outstanding principal amount, together with any accrued and unpaid interest thereon, into Units at the Conversion Price; provided that, if the holder of a Debenture and the Company make different elections at maturity, the election by the party who opted in favour of the largest conversion of the principal amount into Units at the Conversion Price will prevail. The Debentures are also subject to a forced conversion right, whereby the Company may convert the outstanding principal amount and any accrued and unpaid interest thereon into Units at the Conversion Price if the closing price of the Common Shares on the Canadian Securities Exchange is greater than or equal to \$0.36 for a period of ten consecutive trading days and the Company gives notice to holders of the Debentures by way of a news release. If the Company arranges a distribution of securities, other than pursuant to an equity incentive plan, holders of the Debentures may elect to complete a securities for debt transaction in connection with such subsequent financing, to settle the outstanding principal and interest accrued and owing.

Certain insiders of the Company (collectively, the “**Insiders**”) participated in the Final Tranche for Debentures with an aggregate principal amount of \$129,339.92, of which Debentures with a principal amount of \$117,339.92 were issued in the settlement of existing debt. Such issuance of Debentures to the Insiders constitutes a “related party transaction” as defined in Multilateral Instrument 61-101

– Protection of Minority Securityholders in Special Transaction (“**MI 61-101**”). The Company is relying on the exemption from valuation requirement and minority approval pursuant to subsections 5.5(a) and 5.7(1)(a) of MI 61-101, respectively, as the participation by the Insiders in the Offering does not represent more than 25% of the fair market value of the Company’s market capitalization.

The Company intends to use the proceeds from the Offering for retirement of existing accounts payable, technology development, general working capital and, where feasible, enhanced marketing and investor relations activities.

All securities issued in connection with the Offering are subject to a statutory hold period of four months and one day following the date of issuance in accordance with applicable Canadian securities laws.

The securities of the Company referred to in this press release have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the “**U.S. Securities Act**”), or any state securities laws. Accordingly, the securities of the Company may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of any offer to buy any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Hillcrest Energy Technologies Reinforces Global Focus Amid Changing Tariff Landscape

Today, Hillcrest reaffirms its strategic focus on global markets including Europe, Australia and Canada. While evolving tariff policies may impact some industries, Hillcrest's international business strategy and global partnerships position the Company to mitigate potential effects and continue advancing engagements in the energy, industrial, and automotive sectors.

“Our technology is designed to meet the needs of leading global companies in industrial power solutions, renewable energy integration and automotive electrification,” said Don Currie, CEO of Hillcrest Energy Technologies. “We continue to see strong interest and opportunities outside of the U.S., where our innovative ZVS inverter technology is being evaluated for next-generation electrification applications.”

Hillcrest has already established relationships and is negotiating potential development agreements with leading companies in Europe and other international markets. The Company’s partnerships and ongoing collaborations reflect its commitment to working closely with industry leaders to deliver high-performance, high-efficiency power conversion solutions.

“Our approach remains focused on global engagement and collaboration,” added Mr. Currie. “While tariffs may create challenges in some regions, our business strategy is not reliant on the U.S. market. We are actively working with international partners to drive innovation and commercialization of our technology.”

With a strong presence in Europe, a dedicated Automotive Center of Excellence in Germany, a growing network of industry partners, and the Vancouver-based Grid Center of Excellence, Hillcrest is well-positioned to capitalize on global market demand for its cutting-edge power conversion technology.

Hillcrest Announces Board of Directors Transition

Hillcrest also announces a transition within its Board of Directors. Kylie Dickson has stepped down from her role as a director to pursue other opportunities, and Thomas G. Milne has been appointed

interim Audit Chair, effective March 5, 2025.

“We are grateful to Kylie for her valuable contributions and dedication to Hillcrest during her nearly four years of service,” said Don Currie, CEO of Hillcrest Energy Technologies. “Her insights and leadership have been instrumental in our progress, and we wish her the very best in her future endeavors.”

Mr. Milne, a seasoned financial executive with extensive experience in audit, risk management, and corporate governance, will assume the role of Audit Chair on an interim basis. A member of Hillcrest’s Board for nearly thirteen years, he has previously served as Audit Chair and is currently a member of the Audit Committee.

“We are pleased to have Tom step into this role,” added Mr. Currie. “His experience and leadership will be invaluable as we continue executing our strategic objectives.”

Hillcrest remains committed to advancing its clean energy technology solutions and delivering value to shareholders. The Company thanks Kylie Dickson for her service and welcomes Thomas G. Milne to his interim role as Audit Chair.

The Company also announces the grant of 600,000 restricted share units (“RSUs”), pursuant to the Company’s restricted share unit plan, to a consultant of the Company. The RSUs have a 3-year term. 300,000 RSUs vest on August 30, 2025, and the remaining 300,000 RSUs vest on February 28, 2026. The Company further announces that it has granted stock options (“Options”) to an employee of the Company to purchase up to 210,000 Common Shares pursuant to the Company’s share option plan. 105,000 Options vest on June 4, 2025, and the remaining 105,000 Options vest on September 4, 2025. The Options are exercisable on or before March 4, 2030, at a price of \$0.12 per Common Share.

About Hillcrest Energy Technologies Ltd.

Hillcrest Energy Technologies is a clean technology company focused on providing advanced power conversion technologies and digital control systems for next-generation powertrains and grid-connected renewable energy systems. From concept to commercialization, Hillcrest is investing in the development of energy solutions that will power a more sustainable and electrified future. Hillcrest is publicly traded on the CSE under the symbol “HEAT,” on the OTCQB Venture Market as “HLRTF” and on the Frankfurt Exchange as “7HI”. For more information, please visit: <https://hillcrestenergy.tech/>.

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Cautionary Statement Regarding “Forward-Looking” Information

Some of the statements contained in this news release are forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements and information can be identified by the use of words such as “expects,” “intends,” “is expected,” “potential,” “suggests” or variations of such words or phrases, or statements that certain actions,

events or results “may,” “could,” “should,” “would,” “might” or “will” be taken, occur or be achieved. This forward-looking information is provided as of the date of this news release. The forward-looking information reflects our current expectations and assumptions and is subject to a number of known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to be materially different from any anticipated future results, performance or expectations expressed or implied by the forward-looking information. No assurance can be given that these assumptions will prove correct. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond the Company's control. Investors are advised to consider the risk factors under the heading “Risks and Uncertainties” in the Company’s MD&A for the year ended Dec. 31, 2023, available at <https://www.sedarplus.ca/> for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking information. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, except as may be required by law.