

Hybrid Power Solutions Announces Share-for-Debt Transaction and Updates

Vancouver, British Columbia – January 20th, 2025 – Hybrid Power Solutions Inc. (CSE: HPSS) (OTC: HPSIF) (FSE: E092) ("Hybrid" or the "Company") announces that it has entered into an agreement with Treewalk Accounting Inc. ("Treewalk") to settle an outstanding debt owed to Treewalk with the issuance of common shares ("Common Shares") of the Company, for accounting services rendered to the Company (the "Transaction").

Details of The Transaction

Pursuant to the Transaction, the Company has agreed to settle the outstanding debt of \$50,000 owed to Treewalk through the issuance of 1,219,512 Common Shares at a deemed price of \$0.041 per Common Share in accordance with applicable prospectus exemptions. This Transaction is part of Hybrid's continued efforts to strengthen its financial position by reducing liabilities and conserving cash for working capital.

The Transaction is approved by the Canadian Securities Exchange ("CSE") and all securities issued to Treewalk pursuant to the Transaction are expected to not be subject to resale restrictions under applicable securities laws as the Company intends to seek approval from the CSE in respect of the removal of the four month hold period required under section 6.1(4)(a) of CSE Policy 6.

Corporate Updates

The Company has also converted the remaining \$33,000 convertible debentures granted to a key capital partner into 660,000 common shares at a price of \$0.05 per common share of the Company, with this final conversion these convertible debentures are no longer outstanding.

Strengthening Financial Flexibility

"These actions reflect our commitment to enhancing Hybrid's financial health while building long-term shareholder value," said Francois Renaud-Byrne, CEO of Hybrid Power Solutions. "We are pleased to settle this debt and preserve liquidity as we continue to drive sustainable growth and innovation."

About Hybrid Power Solutions

Hybrid Power Solutions Inc. is a Canadian clean energy innovator listed on the Canadian Securities Exchange under the symbol "HPSS." The Company specializes in developing sustainable energy solutions that redefine power access and storage across industries. With a focus on environmental responsibility and technological innovation, Hybrid is at the forefront of the clean energy transition.

For further information, inquiries, or media opportunities, please contact:

On behalf of the Company,

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Forward-Looking Statements

Certain information contained herein constitutes "forward-looking information" under Canadian securities legislation. Generally, forward-looking information can be identified by terminology such as "will," "expects," "anticipates," or variations of such words and phrases, or by statements that certain actions, events, or results "will" occur. Forward-looking statements are based on management's estimates as of the date such statements are made and are subject to risks, uncertainties, and other factors that may cause actual results to differ materially from those expressed or implied by such statements.

The Canadian Securities Exchange does not accept responsibility for the adequacy or accuracy of this release.