



## Hillcrest Energy Technologies Provides Shareholder Update Along Path to Commercialization

VANCOUVER, British Columbia, July 19, 2022 -- Hillcrest Energy Technologies (CSE: HEAT) (OTCQB: HLRTF) (FRA: 7HIA) (the "Company"), a clean technology company developing transformative power conversion technologies and control system solutions for next-generation electric vehicles and electrical systems, is pleased to provide the following update on company initiatives for the benefit of its shareholders.

### Commercial prototype testing proceeds on schedule

Hillcrest is pleased to report that commissioning of the 250 kW 800V commercial prototype EV inverter is progressing on schedule. The Company has faced and resolved issues typical of developing new technologies such as its novel Zero Voltage Switching (ZVS) inverter technology. Among these, Hillcrest faced high-frequency ringing in the power modules, a challenge often faced when operating an inverter at high power levels. Ringing causes electromagnetic interference or EMI, which is unwanted noise or interference that can adversely affect the performance of a whole range of vehicle components and systems.

The Hillcrest technical team, led by CTO Ari Berger, has resolved this issue and remains on track with critical three-phase commissioning and testing activities. The Company is on schedule to deliver commercial prototypes to customers by the fourth quarter of this year.

"This was important to ensure safe operation at the lowest possible EMI," stated Berger. "Being able to achieve lower EMI may result in a need for smaller EMI filters, which then translates into reduced overall weight and cost as well as safer, more reliable performance of important onboard components and subsystems in the electric vehicle."

### Commercialization update

Discussions continue between Hillcrest and more than a dozen potential customers about the Company's electric vehicle technology, including multiple global tier 1 automotive suppliers and OEMs.

Hillcrest's short-term plans are to work with up to three of these potential customers. The Company is currently reviewing these opportunities with an eye toward partnering with those entities whose strong market presence aligns with Hillcrest's long-term growth strategy.

"Based on our ongoing conversations with potential customers, we believe our business model – largely based on a combination of unique, application-specific hardware and software designs and ongoing product royalties/fees – aligns perfectly with what the industry is looking for," said CEO Don Currie. "Our intent is for Hillcrest to retain ownership of our core IP and technologies and to have the ability to enter into several transactions for each of our technologies, thereby creating multiple revenue streams. This would also ensure we have the opportunity to deploy our technology with multiple customer partners across various sectors and end uses, de-risking our future revenue streams through sector diversification."

### Stock options/RSU

Hillcrest has granted incentive stock options to certain employees of the Company to purchase up to 2,400,000 common shares in the capital of the Company, pursuant to the share option plan. The options are exercisable on or before July 18, 2027, at an exercise price of \$0.15 per share.

The Company also granted restricted stock units ("RSU") to certain directors and officers of the Company to purchase up to 3,383,332 common shares in the capital of the Company at a grant price of CDN \$0.15 per share, pursuant to the Company's RSU Plan. The RSUs vest immediately and are subject to various vesting criteria.

### About Hillcrest Energy Technologies

Hillcrest Energy Technologies is a clean technology company developing high-value, high-performance 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 the Frankfurt Stock Exchange as "7HIA." For more information, please visit: <https://hillcrestenergy.tech/>.

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