

Hillcrest Receives Funding to Support Demonstration Testing with Hercules Electric Mobility and Global Motor Supplier

- Government of Canada to provide advisory services and research and development funding towards the demonstration of the Hillcrest ZVS traction inverter with a global motor supplier and Hercules Electric Mobility's recreational e-boat
- Hillcrest ZVS traction inverter is on display at International Boat Builders' Exhibition and Conference in Tampa Bay, Florida

Vancouver, British Columbia--(Newsfile Corp. - October 4, 2023) - Hillcrest Energy Technologies (CSE: HEAT) (OTCQB: HLRTF) (FSE: 7HI) ("Hillcrest" or the "Company"), an innovative clean technology company redefining power conversion technologies, is pleased to announce it is receiving support from the Government of Canada for a multi-phase demonstration program.

The [National Research Council of Canada Industrial Research Assistance Program](#) (NRC IRAP) is providing advisory services and research and development funding of up to \$130,000 toward the demonstration of the Hillcrest ZVS traction inverter with a global motor supplier and Hercules Electric Mobility Inc. ("Hercules"). This funding will be a significant facilitator of an important phase of development for both Hillcrest and Hercules.

Pursuant to the previously announced memorandum of understanding (MOU) and subsequent updates, Hillcrest is working with Hercules and the global motor supplier to complete a two-phase demonstration program. The program will include testing at the motor supplier's facility as well as integration and demonstration of the Hillcrest ZVS inverter in a Hercules recreational e-boat.

This enhanced demonstration program will allow Hillcrest to obtain more robust integration and test data at continuous power levels up to 350 kilowatts, crucial data that will impact this and other development programs. In addition to the Hercules project, Hillcrest also intends to pursue further collaboration with the global motor supplier on the potential integration of Hillcrest ZVS inverters into motors provided to their other market segments, including automotive OEMs.

Hillcrest Chief Commercialization Officer, James Bolen stated, "We are pleased to have the support of NRC IRAP for this multi-phase program. Over the past year we've consistently demonstrated the remarkable capabilities of our proprietary ZVS inverter through progressively advanced testing with customer demonstration systems. This program will further that progression to live, in-vehicle demonstration under full dynamic loading, a key advancement towards definitive commercial agreements."

James Breyer, Chief Executive Officer of Hercules Electric Mobility, Inc., added, "At Hercules we remain focused on delivering customizable electric marine products that combine high performance and efficiency. We look forward to evaluating the efficiency and performance gains we expect to see in combining Hillcrest's ZVS inverter with our eDrive system."

The traction inverter is a key component in electric vehicles, as it converts the battery's direct current (DC) into alternating current (AC) to power the electric motors that drive the vehicle. Hillcrest's SiC traction inverters leverage the Company's exclusive ZVS technology platform, resulting in industry-leading inverter efficiency of up to 99.6%. Extensive testing and simulation have demonstrated significant improvements in overall system efficiency, performance, and reliability. These results indicate that Hillcrest's ZVS technology has the potential to generate savings of up to US\$2,200 per vehicle by reducing the size of the battery and eliminating or reducing other components and materials.

Hillcrest ZVS Traction Inverter on Display at IBEX 2023

In anticipation of the forthcoming demonstration program, the Hillcrest ZVS traction inverter is on display this week as part of Hercules Electric Mobility's recreational e-boat at the International Boat Builders' Exhibition and Conference in Tampa Bay, Florida.

The Company also announces that it has granted restricted stock units ("**RSUs**") to an employee of the Company for up to 88,889 common shares of the Company, at a grant price of \$0.45 per Share, pursuant to the Company's RSU Plan dated July 28, 2021. All the RSUs carry a three-year term. 44,444 of the RSU's vest on February 14, 2024, and 44,445 of the RSU's vest on August 15, 2024.

About Hillcrest Energy Technologies

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/>.

CONTACT INFORMATION

Investor Relations

Don Currie

info@hillcrestenergy.tech

O: +1 604-609-0006

Toll-free: 1-855-609-0006

Or

Walter Frank/Jennifer Belodeau

IMS Investor Relations

hillcrest@imsinvestorrelations.com

O: +1 203-972-9200

Public Relations

Jamie L. Hogue

jhogue@hillcrestenergy.tech

O: +1 602-793-9481

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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, 2022, available at www.sedar.com 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.

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