

Hillcrest Provides Shareholder Update

- **Joint development discussions underway with a European Automotive OEM**
- **Hillcrest enters third phase of testing program with Global Tier One Supplier**
- **Preparations are underway for advanced demonstration program with Global Motor Supplier + Hercules Electric Mobility**

Vancouver, British Columbia--(Newsfile Corp. - November 21, 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 provide an update for shareholders on recent activities and accomplishments.

Commercial Engagements

Hillcrest continues to advance demonstration testing programs and joint development projects on multiple commercial fronts. Key updates on recent accomplishments are provided below.

Joint Development Discussions Underway with European OEM

Hillcrest successfully concluded the latest phase of [previously announced](#) co-development activities with a prominent European Automotive Original Equipment Manufacturer (European OEM). Results of these recent demonstration tests met or exceeded the expectations laid out in the pre-testing criteria by the European OEM. Future development and proposed testing will include broader system development and in-vehicle focuses.

In addition to these demonstration activities, Hillcrest and the European OEM are actively engaged in discussions regarding the potential structure of a joint development agreement. Extensive dialogue has included several in-person and remote meetings with more discussions scheduled this month. Additional updates will be provided as material developments occur.

Hillcrest Enters Third Phase of Testing with Global Tier One Supplier

The next phase of dynamic load demonstration testing with a Global Tier One Automotive Supplier is set to commence in January 2024, when the specialized motor provided by the Global Tier One Automotive Supplier will be returned to Hillcrest's Vancouver R&D lab. Earlier this year, Hillcrest successfully completed the first two milestones with the Global Tier One Automotive Supplier and will now begin the third testing milestone, which aligns with the [previously announced joint development project](#). Upon completion of this phase, the companies will proceed to on-site demonstrations at the customer's facilities. Successful completion of all milestones is expected to lead to a definitive commercial agreement with the Global Tier One Automotive Supplier.

Advanced Demonstration Program with Global Motor Supplier + Hercules Electric Mobility

Preparations are underway for advanced demonstration testing of the Hillcrest ZVS-enabled traction inverter with a global motor supplier and Hercules Electric Mobility Inc. ("Hercules").

Earlier this year, Hillcrest expanded the scope of the opportunity with Hercules through the introduction and inclusion of the global motor supplier. The revised testing and development plan now offers two potential commercial opportunities for the Company and includes testing at the global motor supplier's facility as well as integration and demonstration of the Hillcrest traction inverter in a Hercules recreational e-boat.

As outlined in the Company's [October 4, 2023 news release](#), the two-phase demonstration program, supported by advisory services and research and development funding of up to \$130,000 from the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP), is expected to be completed by the end of Q1 2024.

Additional updates on these commercial opportunities will be provided as material developments occur.

Additional Commercial Engagements

Recent business trips to the United Kingdom have expanded the Company's pipeline of new commercial engagements. Exploratory discussions are underway with several electric vehicle manufacturers and suppliers.

Hillcrest Chief Executive Officer, Don Currie, emphasized, "The United Kingdom has established very aggressive zero emission vehicle requirements, and we intend to position Hillcrest's ZVS technology as a key enabler for manufacturers looking to meet these requirements. Now is the time to leverage the incredible momentum we've achieved with our new potential commercialization partners in the United Kingdom, and we intend to continue aggressively pursuing these opportunities."

Hillcrest Chief Commercialization Officer, James Bolen, added, "Now that we've completed several rounds of demonstration testing with our current commercial prospects, we better understand their specific needs and can tailor our value proposition and testing programs to meet their goals. This will allow us to move more quickly toward commercial supply agreements."

The Hillcrest traction inverter, powered by the Company's proprietary ZVS technology platform, has demonstrated substantial improvements in system-level efficiency, performance, and reliability for electric systems such as electric vehicles and stationary energy generation and storage systems. Based on these results, the Company anticipates the combined benefits of its ZVS technology could generate up to US\$2,200 per vehicle in EV cost of materials savings, realized through a potential reduction in a vehicle's battery pack and reducing or eliminating other components and materials in the EV.

Market and Financing Update

Hillcrest is committed to expanding investor outreach to new audiences in the United Kingdom, Europe, and Australia. Recent efforts are creating interest and providing exposure to new investors during these particularly challenging times, a true testament to the perceived global potential for the Company's technology. Hillcrest is particularly focused on strategic investments from industry partners, institutional investors and family offices.

"The culmination of high interest rates, rising costs and international conflicts are weighing down public markets everywhere," stated Hillcrest CEO, Don Currie. "By being creative, we are better positioned to navigate these challenging market conditions. Despite a reported 30% decline in the S&P Global Clean Energy Index, Hillcrest's unique power conversion technology, critical to global electrification goals, combined with a robust pipeline of commercial opportunities and a capital-efficient strategy, appear to have appeal and are better positioned in the face of these financial uncertainties."

Other Corporate Updates

On October 27, 2023, the Company issued 38,440 common shares of the Company ("**Shares**") at a price of \$0.45 per Share to C.M. Rose Agency Inc., as consideration for the provision of various corporate branding services including graphic design, copy editing and videography provided between June and September 2023.

The Shares issued to C.M. Rose Agency Inc. are subject to a hold period of four months from the date of issuance pursuant to the policies of the Canadian Securities Exchange.

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/>.

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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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