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Hillcrest Energy Technologies and Systematec GmbH Sign MOU to Expand Collaboration and Complete Distribution Agreement for European Automotive Market

Vancouver, BC – December 17, 2024 – Hillcrest Energy Technologies (CSE: HEAT) (OTCQB: HLRTF) (FRA: 7HI), a leader in high-performance power conversion technologies, is pleased to announce the signing of a Memorandum of Understanding (MOU) with Systematec GmbH, a Germany-based engineering firm specializing in power electronics design and system integration.

This MOU underscores the companies' commitment to strengthening their collaborative partnership and identifies multiple avenues for deepened cooperation, including the potential establishment of a distribution agreement. Under the terms being explored, Systematec would distribute Hillcrest's proprietary Zero Voltage Switching (ZVS) inverter technology for automotive applications in Europe.

Strengthening a Shared Vision

The expanded collaboration reflects the companies' shared vision of delivering cutting-edge power conversion solutions to the electric vehicle (EV) market. Combining Hillcrest's industry-leading ZVS technology with Systematec's robust presence in Europe and extensive technical expertise, the partnership aims to accelerate the adoption of high-efficiency, cost-effective solutions by automotive manufacturers and suppliers.

"This MOU marks an important milestone in our growing relationship with Systematec," said Don Currie, CEO of Hillcrest Energy Technologies. "A distribution agreement is just one of the joint opportunities we are exploring. This partnership is about much more. By leveraging Systematec's engineering capabilities, reputation and market reach, we are building a foundation to deliver our ZVS technology at scale and help European automakers achieve superior system performance and efficiency."

Harald Hengstenberger, Managing Director of Systematec GmbH, added, "Hillcrest's ZVS technology is a game-changer for the EV market, and we are proud to deepen our collaboration. Our shared efforts will not only focus on distribution but also on integrating this transformative technology into systems that meet the unique needs of European automotive manufacturers and suppliers. This partnership has the potential to deliver significant advancements in efficiency, reliability, and overall system performance."

About Hillcrest ZVS Technology

Hillcrest's ZVS inverter technology achieves an industry-leading efficiency of 99.7%, virtually eliminates switching losses, reduces electromagnetic interference (EMI), and lowers overall

system costs. These capabilities provide a significant competitive advantage in automotive applications and beyond.

About Systematec GmbH

With over two decades of experience in power electronics design and system integration, Systematec GmbH serves the automotive and industrial sectors with tailored, innovative solutions. Based in Germany, the company is a trusted partner for engineering services and system implementation.

Next Steps in Collaboration

The companies plan to finalize the terms of the potential distribution agreement in the coming months. Beyond distribution, Hillcrest and Systematec intend to collaborate on broader initiatives that leverage their complementary expertise to advance the adoption of efficient, sustainable power conversion solutions across Europe.

The Company also announces the grant of 758,656 restricted shares units of the Company ("RSUs") to a consultant and director of the Company. The RSUs have a 3-year term. 593,656 of the RSU's vest immediately with the remaining 165,000 vesting based on performance criteria.

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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, 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.

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