

Hybrid Power Solutions Closes Fully Subscribed Prospectus Supplement Offering and Grants RSUs

Vancouver, British Columbia--(Newsfile Corp. - July 15, 2024) - Hybrid Power Solutions Inc. (CSE: HPSS) (FSE: E092) ("**Hybrid**" or the "**Company**") announces that further to its news release of June 19, 2024, regarding its non-brokered prospectus offering of up to 3,000,000 units (the "**Units**") at a price of \$0.20 per Unit for gross proceeds to the Company of up to \$600,000 (the "**Offering**"), it has closed the first as well as the second and final tranches of the Offering by issuing an aggregate of 3,000,000 Units for gross proceeds of \$600,000.

Each Unit is comprised of one common share of the Company (a "**Common Share**") and one Common Share purchase warrant of the Company (a "**Warrant**"), whereby each Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.25 per Common Share within twenty-four months from the date of issuance, subject to acceleration.

The acceleration clause of the Warrants provides that, if the daily volume-weighted average price of the Common Shares on the Canadian Securities Exchange (or such other stock exchange where the majority of Common Share trading volume occurs) exceeds \$0.35 for a period of five consecutive trading days between the closing date of the Offering and the expiry of the Warrants, then the Company may, at any time, in its discretion, accelerate the expiry date of the Warrants by providing written notice to the Warrant holders by news release. If the Company provides such notice, then any unexercised Warrants will expire on the 30th day after the date on which the news release is disseminated.

In connection with the Offering, the Company paid aggregate finders' fees of \$18,500 and issued a total of 92,500 finder's warrants (the "**Finder's Warrants**") to eligible finders, representing a 5.0% finder's fee on certain subscriptions. Each Finder's Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.25 per Common Share within twenty-four months from the date of issuance, subject to the above noted acceleration clause.

The Company intends to use the proceeds from the Offering for general working capital and corporate purposes. A portion of the Offering comprising of 150,000 Units was issued to a professional advisor of the Company to partially settle an outstanding and bona fide debt in the amount of \$30,000. 150,000 Units were also issued to Treewalk Consulting Inc. ("**Treewalk**"), a consulting company controlled by the Company's Chief Financial Officer, to partially settle an outstanding and bona fide debt in the amount of \$30,000. Both debt settlements were unanimously approved by the board of directors.

The participation by Treewalk as an insider of the Company in the Offering constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value of nor the deemed consideration for the securities issued to insiders exceeds 25% of the Company's market capitalization. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances in order to complete the Offering in an expeditious manner.

The Offering was made by means of the Company's prospectus supplement dated June 21, 2024 (the "**Prospectus Supplement**") and the accompanying base shelf prospectus dated March 14, 2024 (the "**Shelf Prospectus**"). Complete details of the Offering are set out in the Prospectus Supplement, and the Prospectus Supplement together with the Shelf Prospectus can be obtained under the Company's SEDAR+ profile at www.sedarplus.ca.

In addition, the Company granted 500,000 Restricted Share Units to a consultant of the Company pursuant to the Company's omnibus equity incentive compensation plan.

The securities referenced in this news release have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or any applicable state securities laws and may not be offered or sold in the United States or to "U.S. persons" (as such term is defined in Regulation S under the U.S. Securities Act) absent such registration or an applicable exemption from such registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy such securities in any jurisdiction.

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About Hybrid Power Solutions Inc.

Hybrid Power Solutions Inc. is a Canadian clean energy company listed on the Canadian Securities Exchange under the symbol "HPSS". Hybrid specializes in the development of sustainable energy solutions, offering products that redefine how industries approach access to power and energy storage. With a focus on innovation and environmental responsibility, HPS continues to lead the way in providing scalable, cost-effective power solutions.

Forward-Looking Statements

Certain information contained herein constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the use of the Offering proceeds. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "will", "will be", "intends", "expected" or variations of such words and phrases or statements that certain actions, events or results "will" occur. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by management of the Company, they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different, including receipt of all necessary regulatory approvals. Although management of the Company have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended including without limitation those factors discussed under the heading "Risk Factors" in the Shelf Prospectus and the Prospectus Supplement and other filings of the Company with the Canadian Securities Authorities, copies of which can be found under the Company's profile on SEDAR+. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.

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