

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Hillcrest Energy Technologies Ltd. (the "Issuer" or the "Company").

Trading Symbol: HEAT

Number of Outstanding Listed Securities: 200,539,990

Number of Shares Reserved for Issuance: 138,066,281

Date: As of April 30, 2026

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Hillcrest is focused on developing and delivering value from its clean energy technology business through the continued development and commercialization of its Zero Voltage Switching (ZVS) technology and associated prototypes with the intent of licensing, partnering and/or selling power conversion products.

During March, Hillcrest continued development and commercialization efforts associated with Company's ZVS technology and associated product prototypes.

Hillcrest is pursuing multiple parallel pathways to revenue generation across industrial, grid-scale, and automotive applications. The industrial development agreement announced today compliments these ongoing commercialization initiatives and demonstrates the versatility of the Company's ZVS platform technology.

The 200kW ZVS PCS1000 prototype is expected to be ready for demonstration in Q2 2026, and the Company is actively engaging with potential customers and partners across several of these core application areas.

On April 6, 2026, the Company announced the close of the Shares for Debt Offering ("Offering") originally announced on March 23, 2026. The Offering of units of the Company (the "Units") was completed with 2,912,731 Unit being issued at \$0.18 per Unit for the aggregate amount of \$524,299.17 in previously accrued debt being settled.

On April 23, 2026, the Company announced it had finalized the A-Sample design of its ZVS PCS1000 Grid Power Conversion System, a purpose-built 250 kW, 800V DC sidecar rectifier module developed for next-generation AI data center infrastructure. The A-Sample design finalization is a key

engineering milestone, confirming the product architecture, form factor, and performance specifications ahead of the prototype demonstration program planned to begin in June 2026.

2. Provide a general overview and discussion of the activities of management.

Hillcrest's management continues its commitment as a power conversion innovation company developing high value, high-performance control systems and electric power conversion devices for next-generation powertrains, charging applications and grid-connected renewable energy generation and storage systems.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

The Company continues to progress the development and commercialization of its technology and related product prototypes. Below is a summary of the technology and product prototypes:

The ZVS Technology is a proprietary power conversion platform combining advanced control software with specialized hardware design know-how, deployed using commercially available components. This combination is intended to deliver improvements in efficiency, power density, and component sizing relative to conventional hard-switched power conversion systems. Proof of concept was achieved in 2021 and the technology has been continuously refined since. The platform supports deployment via both microcontroller and Field-Programmable Gate Array ("FPGA")-based control systems, providing flexibility across different customer and application requirements.

Since 2022, the Company has published four technical white papers documenting the performance characteristics and component-level benefits of the ZVS Technology across a range of power conversion applications: an evaluation of the ZVS inverter and its implications for drive systems (July 2022); an analysis of the benefits of high switching frequency on DC-link capacitors (August 2022); an analysis of the impact of ZVS on AC filter performance in grid-connected inverters (July 2025); and a technical paper on the Company's True ZVS topology (November 2025). These publications have supported customer engagement and market validation activities across both automotive and grid-connected markets.

Centers of Excellence

In January 2025, the Company announced the formalization of its operational structure around two Centers of Excellence, each focused on a distinct market segment:

- The Grid Center of Excellence, based at the Company's Vancouver, Canada research and development lab, is focused on the development and commercialization of grid-connected power conversion systems, with priority on renewable energy integration, energy storage, and data center applications.
- The Automotive Center of Excellence, based in Germany and operated in collaboration with Systematec GmbH, supports EV customer engagements, co-design programs, and IP monetization in the European market. Systematec brings over 25 years of experience in powertrain component engineering for hybrid and electric vehicles. All intellectual property developed through this collaboration is owned by the Company.

ZVS Traction Inverter

The Company's 350kW | 1,000V ZVS traction inverter prototype has undergone advanced demonstration and validation testing with multiple automotive OEMs and Tier One suppliers, achieving greater than 99% efficiency across 90% of the tested operating range. The commercial prototype achieved up to 99.7% peak efficiency, with system-level efficiency gains of up to 6% at low-power WLTP operating points. In March 2025, the Company announced the commencement of a formal technology evaluation project with a global Tier One automotive supplier consistently ranked among the top 15 largest by revenue. In December 2025, the Company announced the successful completion of Phase 1 of that evaluation, which demonstrated the technical feasibility of converting the supplier's half-bridge power modules to enable ZVS operation for next-generation EV inverter applications.

The Company's expected path to commercialization for its traction inverter technology is through licensing and co-design arrangements with automotive OEMs and Tier One suppliers. This approach is intended to allow the Company to monetize its ZVS Technology without direct manufacturing exposure. Multiple commercial discussions were ongoing as at December 31, 2025; however, no binding licensing or revenue-generating agreements had been executed at that date.

The traction inverter platform also serves as the foundation for the Company's ZVS Power Factor Correction ("PFC") prototype, which was under active evaluation by potential onboard charger ("OBC") customers during 2025.

ZVS Power Module

The ZVS Power Module is a proprietary power module developed to maximize the performance benefits of the ZVS Technology in EV traction inverter applications. The ZVS Power Module has been integrated into the Company's traction inverter prototype and continues to be refined as development and customer testing advance.

ZVS Power Factor Correction Prototype

Beginning in the first half of 2024, the Company developed a ZVS Power Factor Correction ("PFC") prototype in response to growing customer interest. Power factor correction is incorporated into electrical equipment to increase the amount of useful electrical power available and is relevant to a broad range of grid-connected applications, including EV onboard chargers ("OBCs"), renewable energy systems, energy storage, and data centers. The Company's PFC prototype leverages the existing ZVS Technology platform and grid-connect firmware developed for other products, which reduced the time and cost associated with its initial development.

The PFC prototype was under active demonstration and evaluation with potential OBC customers during 2025. Further commercialization is expected to occur in collaboration with customers who will require application-specific customization. No revenue-generating agreements related to the PFC prototype had been executed as at December 31, 2025.

ZVS Grid Power Conversion System (PCS1000)

The Company is developing the ZVS PCS1000, a 200kW modular grid-connected power conversion system. The PCS1000 is designed to deliver greater than 99% peak conversion efficiency, along with reduced electromagnetic interference ("EMI"), more compact passive components, and a modular architecture scalable to 1.2 MW through parallel configuration. These characteristics are intended to address requirements across several grid-connected markets, including data centers, energy storage systems, EV charging infrastructure, and industrial power conversion.

The PCS1000 is being developed to align with the Open Compute Project 800V data center sidecar architecture, an emerging standard being adopted across the data center industry to address the power density requirements of high-performance computing and AI workloads. The Company was advancing the PCS1000 prototype toward customer demonstration, with demonstrations targeted for Q2 2026. No revenue-generating agreements related to the PCS1000 had been executed as at December 31, 2025.

Commercialization Strategy

The Company expects to realize value from its ZVS Technology portfolio through two primary commercial paths. In automotive markets, the Company is pursuing technology licensing and co-design fee arrangements with established OEMs and Tier One suppliers, which is expected to provide a capital-efficient path to revenue without direct manufacturing requirements. In grid markets, the Company intends to deliver complete power conversion systems, initially through contract manufacturing arrangements, targeting applications in data centers, energy storage, and related grid-connected

industries.

The Company offers flexible scope-of-supply options, including licensing of the ZVS Technology as a combined software and hardware design package, or delivery of fully engineered, application-specific ZVS-enabled devices built on commercially available components. Revenue from the technology portfolio may not be achieved in the near term and remains contingent on the outcome of ongoing development and commercialization activities.

The Company uses a building-block approach to the development of its products that all rely on use of the Company's proprietary zero voltage switching technology (the "ZVS Technology"). Since ZVS Technology achieved proof of concept in 2021, the Company has focused its resources on applying this core technology to numerous products it intends to bring to market.

This building-block approach allows the Company to proceed with multiple development projects in parallel, providing a more efficient and integrated approach to product development.

ZVS Technology Development – In 2021, the Company initiated the development of its core technology – the ZVS Technology. This firmware-based technology can be applied to a wide variety of power conversion devices, along with hardware adjustments, to improve power conversion efficiency and performance, as compared to current products on the market today. ZVS Technology is the fundamental building block for each of the application-specific products the Company develops.

Proof of concept for the ZVS Technology was achieved in 2021 and continues to be refined and improved as it is applied to specific power conversion applications.

Originally deployed using a microcontroller, in 2024, the Company is expanding its ability to deploy the ZVS Technology using a Field-Programmable Gate Array ("FPGA")-based control system. The ability of the Company to offer both control system options provided greater choice for potential customers.

ZVS Traction Inverter Prototype – Throughout 2023 and 2024, the Company developed a 350kW | 1,000 V traction inverter prototype (the "Traction Inverter Prototype") that integrates the ZVS Technology. This traction inverter prototype is intended to demonstrate the capabilities of the Company's proprietary technology in electric mobility applications. The Traction Inverter Prototype has reached a commercial level and now serves as the foundation upon which all customer-specific design and engineering customization can be accomplished.

ZVS Power Module Prototype – During 2023, the Company developed its own power module (the "ZVS Power Module") to be used in the Company's power

conversion applications to maximize the benefits of the Company's ZVS Technology while improving the power density and performance of these devices. The ZVS power module is continually improved as each of the Company's power conversion prototypes are advanced through the development and commercial processes.

During 2024, the ZVS Power Module was integrated into the Company's ZVS inverter prototypes and continues to be refined and improved as advanced testing is completed with potential customers across various industries and applications.

ZVS Grid Inverter Prototype – Beginning in Q4 2023, the Company began the development process of adapting the Traction Inverter Prototype for use in grid-connected applications. This process includes adapting the hardware, communications, and firmware to the specific requirements needed to connect to various power grids found across the globe. This prototype can be used for a wide variety of applications, including renewable energy generation and storage as well as electric vehicle ("EV") charging infrastructure and data centers. The Company expects a 200kW | 1000V grid-connected power conversion system ("PCS1000") to be ready for customer demonstration in Q2 2026.

The Company is currently engaging with potential customers on joint development opportunities across multiple grid-connected industries, including the project with Ocean Batteries SA.

ZVS Power Factor Correction Prototype – During the first half of 2024, the Company responded to increasing interest from potential customers and began development of a power factor correction prototype.

Power factor measures how effectively electrical power is converted into useful work. A high power factor means more useful power is available, while a low power factor means more power is wasted as reactive power, which does not do useful work. This imbalance can increase energy costs and reduce the working capacity of electrical systems.

Power factor correction ("PFC") is often incorporated into electrical equipment to increase the amount of electrical power available for useful work. Deploying the Company's ZVS Technology in PFC applications is expected to improve the operating capacity, performance, and lifespan of grid-connected electrical equipment. It will also allow for a reduction in the size of filtering components, resulting in substantial operating and capital cost savings. For grid operators, the Company's ZVS-enabled PFC solution offers better power quality and improved grid stability.

PFC is needed in nearly everything connected to the electric grid, including renewable energy generation and storage, EV onboard chargers and charging stations, data centers, and various industrial applications.

As with prior product development efforts, this prototype leverages the building block approach by using an existing proof of concept device along with already-developed grid-connect firmware to develop this prototype. This greatly reduces the time and cost associated with this initial development activity.

The Company is now demonstrating this prototype to potential customers. Further commercialization of this prototype is expected to occur in

collaboration with a customer who will want it customized to meet their specific needs.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Not applicable.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not applicable.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

Not applicable.

8. Describe the acquisition of new customers or loss of customers.

Not applicable

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

As of April 30, 2026, the Company's IP portfolio consists of 10 patent applications in various stages of approval, proprietary firmware and decades of know-how.

The Company also holds trademarks.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Not Applicable.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal

parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Not applicable

14. Provide details of any securities issued and options or warrants granted.

A shares for debt offering was closed in April 2026, resulting in the issuance of 2,912,771 \$0.18 common shares and 2,912,771 \$0.20 1-year warrants.

1,316,666 stock options expired during April 2026.

1,155,387 RSUs were exercised during April 2026.

15. Provide details of any loans to or by Related Persons.

Not Applicable

16. Provide details of any changes in directors, officers or committee members.

Not Applicable

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The Company is subject to several categories of risk associated with the development of energy technologies. Among the factors that have a direct bearing on the Company's prospects are uncertainties inherent in technology product development; intellectual property risks including litigation; access to additional capital; availability and cost of services, equipment and labor; and the presence of competitors with greater financial resources and capacity. The various risk factors are further described in the Company's Audited Annual Financial Statements and Management's Discussion and Analysis for the twelve months ended December 31, 2024.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated May 5, 2026.

Jamie Hogue
Name of Director or Senior
Officer

s// "Jamie Hogue"
Signature
COO
Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer		April 30, 2026	YY/MM/D
Hillcrest Energy Technologies Ltd.			26/05/05
Issuer Address			
1170 – 1040 West Georgia Street			
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.	
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