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**CSE: HEAT**  
**OTCQB: HLRTF**

## ***Hillcrest Energy Technologies Provides Shareholder Update***

- Demonstration testing of Hillcrest's 250 kW, 800 V SiC traction inverter prototype with global tier 1 automotive supplier and Hercules Electric Mobility Inc. is accelerating.
- Hillcrest is also working closely with five other automotive OEM's and tier 1 suppliers on the delivery of key demonstration milestones in the coming months.
- The company's technical team continues to make progress on grid compatible inverter applications.

**VANCOUVER, BC, March 23, 2023** – Hillcrest Energy Technologies (CSE: HEAT) (OTCQB: HLRTF), a clean technology company developing transformative power conversion technologies and control system solutions for electrical systems, is pleased to provide an update on current activities.

### **Demonstration Testing Accelerates**

Demonstration of Hillcrest's 250-kilowatt (kW), 800-volt (V) silicon carbide (SiC) traction inverter prototype is accelerating. Hillcrest expects to deliver a closed-loop, 3-phase demonstration under partial load this month. This achievement enables the series of advanced testing phases with the company's various potential customers.

The Hillcrest SiC traction inverter takes advantage of the Company's proprietary Zero Voltage Switching (ZVS) technology platform, which has been demonstrated in lab tests and simulations to achieve substantial improvements in system-level efficiency, performance and reliability in electric systems, such as electric vehicles and stationary energy generation and storage systems. The Hillcrest SiC traction inverter is the first in a series of planned products being developed by the company.

Progressively advanced testing is expected to result in live, integrated vehicle demonstrations at select customer facilities in the third and fourth quarters of this year.

### **Global Tier 1 Supplier**

In October 2022, Hillcrest [announced a joint development project](#) with a global tier 1 automotive supplier for a powertrain system that would use an optimized version of the Hillcrest 250kW, 800V SiC traction inverter. The development project includes four key demonstration milestones which, upon successful completion, are expected to lead to negotiations of a definitive commercial agreement.

In the coming weeks, Hillcrest expects to complete the first demonstration milestone and begin the next phase of testing with the global tier 1 automotive supplier. The company will provide an update once the supplier has formally signed-off on this milestone and work has commenced on the next phase of planned activities.

### **Hercules Electric Mobility**

Also in October of last year, Hillcrest [announced a memorandum of understanding](#) (MOU) with Hercules Electric Mobility, Inc. Pursuant to the MOU, the companies are collaborating on the integration and demonstration of a Hillcrest inverter into a Hercules electric powertrain. Upon successful completion of all milestones contained in the MOU, the companies would expect to enter into a definitive commercial agreement.

The technical teams from both companies are currently discussing a modification of the plan outlined in the MOU, which will achieve more extensive results to better facilitate in-vehicle demonstration. By adding an intermediate test phase directly with the motor manufacturer in advance of system testing at Hercules' facility, the company will obtain more robust integration and test data and reduce the time needed to prepare for a full system demonstration. Additional updates will be provided as new developments occur.

### **Commercial Engagements**

In addition to the activities outlined above, Hillcrest is working closely with five other automotive OEM's and tier 1 suppliers on the delivery of key demonstration milestones in the coming months, including the integration and testing of the company's SiC traction inverter with a motor provided by a European OEM.

"We are making meaningful progress and moving quickly through the typical application-specific development cycle, increasing customer intimacy and customer commitment as we get closer to commercial deals," stated Hillcrest Chief Commercialization Officer, James Bolen. "We are acting intentionally to align key steps in the demonstration process to satisfy the needs of multiple customers at once. This deliberate planning creates synergies that allow us to deliver well above our weight."

### **Grid Compatible ZVS Inverter Development**

In parallel to demonstration of Hillcrest's traction inverter prototype, the company's technical team continues to make progress on grid compatible inverter applications. The company's ZVS technology is intentionally decoupled from the power control system, making it agnostic to specific applications and enabling speedy adaptation into any grid application.

Development of the firmware and hardware necessary to deploy the company's ZVS technology into grid-tied applications opens the door to accelerating progress on the company's [grid-tied inverter, multi-level inverter and Enhanced Powertrain Solution](#), all part of Hillcrest's building block approach to technology deployment. Completion and eventual commercialization of these Hillcrest grid-tied products is anticipated to create multiple future revenue streams for the company.

Don Currie, Chief Executive Officer of Hillcrest Energy Technologies, commented, “This is an exciting time for Hillcrest. We are at a key inflection point in our growth trajectory as we partner with industry leading names to test and integrate our technology into their products. Upon completion of our robust demonstration testing activities, we believe that negotiations for definitive commercial agreements for our products are likely.”

Currie continued, “Hillcrest set out to be a leader in providing advanced technological solutions for the next generation of electrical systems and we are getting closer to that reality with every step we take. The team continues to build momentum while delivering on the development and commercialization milestones we’ve outlined for 2023. Simply put, we are excited and proud to say that Hillcrest has the people, the technology platform, the plan and the pipeline of potential customers to continue delivering results.”

The company will continue to provide updates as milestones are met and material events occur.

### **About Hillcrest Energy Technologies**

Hillcrest Energy Technologies is a clean technology company developing high-value, high-performance 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,” and on the OTCQB Venture Market as “HLRTF”. For more information, please visit: <https://hillcrestenergy.tech/>.

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