



Hammond Power Solutions Announces \$56,957,490 Bought Deal Secondary Offering of Class A Subordinate Voting Shares

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September 24, 2024 – Guelph, Ontario – Hammond Power Solutions Inc. (TSX: **HPS.A**) (the "**Company**" or "**HPS**") and 1000925271 Ontario Inc., a wholly-owned subsidiary of Arathorn Investments Inc., (the "**Selling Shareholder**") announced today that they have entered into an agreement with Acumen Capital Finance Partners Limited and Canaccord Genuity Corp. (the "**Co-Lead Underwriters**"), pursuant to which the Co-Lead Underwriters have agreed to purchase, on a bought deal basis, 434,790 Class A Subordinate Voting Shares (the "**Offered Shares**") from the Selling Shareholder at a price of \$131.00 per Offered Share for gross proceeds to the Selling Shareholder of approximately \$56,957,490 (the "**Offering**"). HPS will not receive any proceeds from the Offering.

The Selling Shareholder has also granted the Underwriters the option to purchase up to 65,210 additional Offered Shares, at a price of \$131.00 per Offered Share, to cover over-allotments, if any, and for market stabilization purposes, exercisable in whole or in part at any time until 30 days after the closing of the Offering.

The Selling Shareholder is a company controlled by William G. Hammond, Chair of the Board of HPS. Prior to the Offering, Mr. Hammond beneficially owned or controlled, directly or indirectly, an aggregate of 924,636 Class A Subordinate Voting Shares and 2,778,300 Class B Common Shares (collectively, the "**Shares**") representing approximately 31.1% of the total issued and outstanding Shares (on an as converted basis) and approximately 59.5% of the voting power attached to all Shares. Following the closing of the Offering, Mr. Hammond will beneficially own or control, directly or indirectly, 489,846 Class A Subordinate Voting Shares and 2,778,300 Class B Common Shares, representing approximately 27.5% of the issued and outstanding Shares (on an as converted basis) and approximately 57.3% of the voting power attached to all of the Shares (and approximately 26.9% and 57.0%, respectively, if the over-allotment option is exercised in full).

Closing of the Offering is expected to be on or about September 27, 2024 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the applicable securities regulatory authorities.

The Offered Shares will be offered in each of the provinces of Canada, except for Quebec, by way of a prospectus supplement to the short form base shelf prospectus of the Company dated June 20, 2024 and may also be offered to qualified institutional buyers pursuant to Rule 144A or Regulation D or in such other manner as to not require registration under the U.S. Securities Act of 1933, as amended, (the "**U.S. Securities Act**") in the United States.

Delivery of the shelf prospectus, the prospectus supplement, and any amendments to the documents will be satisfied in accordance with the "access equals delivery" provisions of applicable securities legislation. The shelf prospectus and the prospectus supplement will be accessible on SEDAR+ at www.sedarplus.ca on or prior to September 25, 2024.

An electronic or paper copy of the shelf prospectus, the prospectus supplement, and any amendment to the documents may be obtained, without charge, from the Company by phone at 519-822-2441 x453 or by e-mail at ir@hammondpowersolutions.com by providing the Company with an email address or address, as applicable.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful. No securities may be offered or sold to, or for the account or benefit of persons in the United States or to any U.S. persons in which such offer or sale would be unlawful absent registration or an available exemption under the U.S. Securities Act, and compliance with or exemption from any applicable state securities laws. "United States" and "U.S. persons" shall have the meaning given to them in Regulation S under the U.S. Securities Act.

About Hammond Power Solutions Inc.

HPS enables electrification through its broad range of dry-type transformers, power quality products and related magnetics. HPS' standard and custom-designed products are essential and ubiquitous in electrical distribution networks through an extensive range of end-user applications. The Company has manufacturing plants in Canada, the United States (U.S.), Mexico and India and sells its products around the globe. HPS shares are listed on the Toronto Stock Exchange and trade under the symbol HPS.A.

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Forward-Looking Information

Certain statements in this press release constitute "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable Canadian securities laws and are based on assumptions, expectations, estimates and projections as of the date of this press release. Forward-looking statements in this press release include statements with respect to the Offering, including the expected closing date of the Offering and regulatory approvals with respect to the Offering. Forward-looking statements are often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategies", "targets", "goals", "mission", "forecasts", "objectives", "budgets", "schedules", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions. Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by the Company as of the date of such statements, are outside of the Company's control and are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being entirely or partially incorrect or untrue. Forward-looking statements contained in this press release are based on various assumptions and factors, including, but not limited to, the following: the assumption that all necessary regulatory approvals will be obtained in connection with the Offering; assumptions with respect to the timing of the Closing of the Offering and that the Offering will close at all; and that the risk factors noted below, collectively, do not have a material impact on the Company's business, operations, revenues and/or results. By their nature, forward-looking statements are subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities will not be achieved.

Known and unknown risk factors, many of which are beyond the control of the Company, could cause the actual results of the Company to differ materially from the results, performance, achievements or developments expressed or implied by such forward-looking statements. Such risk factors include but are not limited to those factors which are discussed under the section entitled "Risk Factors" in the Company's most recent annual information form which is available under the Company's SEDAR+ profile at www.sedarplus.ca. The risk factors are not intended to represent a complete list of the factors that could affect the Company and the reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law. All of the forward-looking statements contained in this press release are qualified by these cautionary statements.