



Hammond Power Solutions Inc. Completes Acquisition of AEG Power Solutions

GUELPH, Ontario, June 29, 2026 -- Hammond Power Solutions Inc. ("HPS" or the "Company") (TSX: HPS.A) today announced it has completed the previously disclosed acquisition of AEG Power Solutions ("AEGPS") for approximately CAD \$365 million, following receipt of all required regulatory approvals.

The acquisition marks a significant step in HPS's strategy to expand beyond its transformer-led foundation and strengthens its role across the broader electrical value chain.

"This transaction gives HPS a global platform to accelerate growth in power quality and power conversion solutions and services," said Adrian Thomas, Chief Executive Officer of Hammond Power Solutions. "It enhances our technology portfolio and expands our service and aftermarket capabilities. By bringing together the two organizations, we are expanding our international reach and strengthening our ability to support customers operating in increasingly performance-critical electrical environments."

Demand across industrial, infrastructure, transportation, data and energy sectors is shifting toward integrated electrical systems that require solutions spanning power quality, conversion, control and lifecycle support. To meet this demand, HPS is introducing Integrated Electrical Solutions (IES) - a new business unit within HPS focused on delivering more complete, system-level solutions.

Anchored by AEG Power Solutions and supported by complementary elements of HPS's existing power quality portfolio, IES brings together capabilities across magnetics, power quality, power conversion, critical power, controls and service in a more integrated offering. Building on HPS's transformer foundation, it strengthens the Company's ability to support the performance, reliability, and long-term operation of modern electrical systems.

Moving forward, HPS will operate and report through two business units: Transformers and IES.

"For AEG Power Solutions, this is an opportunity to build on our momentum from a position of strength," said Franck Audrain, Chief Executive Officer of AEG Power Solutions. "Joining HPS gives us greater scale, broader market access and the ability to bring our capabilities to more customers and applications. The AEGPS team looks forward to advancing that next chapter as part of HPS."

Financing

Concurrent with the closing of the transaction, HPS entered into a new syndicated secured credit facility with J.P. Morgan, National Bank of Canada, and Royal Bank of Canada acting as joint lead arrangers, and with J.P. Morgan acting as sole administrative agent. Under the credit agreement, HPS has access to up to USD \$300 million in term debt to fund its acquisition of AEG Power Solutions and up to USD \$150 million under a revolving credit facility. The credit agreement will expire in Q3 2030, unless terminated earlier in accordance with its terms. The facility is subject to customary representations, warranties and covenants consistent with financing arrangements of this nature.

"This transaction aligns with our growth-oriented capital allocation strategy," said Richard Vollerling, Chief Financial Officer of Hammond Power Solutions. "It expands the earnings base, improves revenue mix through greater service participation and adds international diversification. We expect it to support long-term value creation as a conduit for growth and as a platform for future acquisitions."

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, 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.

About AEG Power Solutions

AEG Power Solutions is a global leader in power supply and conversion for industrial and renewable applications with distinctive expertise in AC and DC technologies. AEG Power Solutions' portfolio comprises a wide range of reliable and tailored AC and DC UPS, battery chargers, rectifier systems, and switch-mode power supplies to protect critical power for oil & gas operations, power generation, industrial processes, transportation, nuclear and other critical infrastructure even in the toughest environments. Since its foundation more than a century ago, AEG Power Solutions stands for rugged reliability and world-class engineering, with offices and competence centers around the globe.

Caution Regarding Forward-Looking Information

This press release contains forward-looking statements that involve a number of risks and uncertainties, including statements that relate to among other things, HPS's strategies, intentions, plans, beliefs, expectations and estimates, in connection with general economic and business outlook, prospects and trends of the industry, expected demand for products and services, product development and the Corporation's competitive position, including statements regarding the expected outcome of the proposed transaction and its effects on HPS' portfolio, market reach and growth profile, and the drivers thereof, the accretive nature of the transaction and the effect on earnings and cash flow, the effects of HPS' intended de-leveraging process. Forward-looking statements can generally be identified, but not limited to, the use of words such as "may", "will", "could", "should", "would", "likely", "expect", "intend", "estimate", "anticipate", "believe", "plan", "objective" and "continue" and words and expressions of similar import. Although the Corporation believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from expectations include but are not limited to: general business and economic conditions (including but not limited to risks related to foreign currency fluctuations, changing interest rates, and the availability of external capital); risks associated with the Corporation's business environment (such as risks associated with the financial condition of the oil and gas, mining and infrastructure project business); geopolitical risks; climate related risks; changes in laws and regulations; operational risks (such as risks related to existing and developing new products and services; doing business with partners and suppliers; product sales and performance; legal and regulatory proceedings; dependence on certain customers and suppliers; costs associated with raw materials, products and services; human resources; and the ability to execute strategic plans); risk associated with non-completion of the transaction, including conditions precedent thereto, including timely receipt of regulatory approvals; risk associated with integration of the acquired business; and the risk that the expected benefits of the transaction do not arise, including anticipated synergies. The Corporation does not undertake any obligation to update publicly or to revise any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except as required by law.

This forward-looking information represents our views as of the date of this press release and such information should not be relied upon as representing our views as of any date subsequent to the date of this press release. We have attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimated, expressed or implied by the forward-looking information. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations.

There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

This press release contains non-GAAP financial measures within the meaning of National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure, including adjusted earnings per share ("Adjusted EPS"). These non-GAAP financial measures are not recognized measures under IFRS, do not have standardized meanings prescribed by IFRS, and therefore may not be comparable to similar measures presented by other companies. Management uses these non-GAAP financial measures to evaluate the Company's operating performance and believes that they provide investors with additional useful information in assessing the Company's results of operations. For a reconciliation of Adjusted EPS to the most directly comparable IFRS financial measure, see the Company's Management Discussion & Analysis for Q1 2026. Adjusted EPS is not a standardized financial measure under IFRS and may not be comparable to similar measures presented by other issuers. The most directly comparable IFRS measure is earnings per share.

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