



FOR IMMEDIATE RELEASE

HAMMOND POWER SOLUTIONS INCREASES PLANNED CAPITAL PROGRAM

GUELPH, Ontario, December 20, 2022 (GLOBE NEWSWIRE) -- Hammond Power Solutions Inc. ("HPS") (TSX: HPS. A) a leading manufacturer of dry-type transformers, power quality products and related magnetics, today announced its intention to increase its planned capital program by approximately \$40 million over two years.

"HPS continues to experience a very favourable environment where the electrification of our economy continues to drive strong demand in our industry", said Bill Hammond, CEO of HPS. "These planned capital investments are expected to be made over the course of 2023 and 2024, and when complete, are expected to increase HPS' overall sales capacity by approximately \$180 million."

These planned capital investments are focused on areas targeted to increase capacity and reduce lead times for low voltage, power quality and induction heating products. These investments are also expected to support HPS' supply chain resilience initiatives. HPS intends to focus the capital program primarily in Mexico and the United States. In Mexico, HPS is planning to set up an approximately 80,000 square foot small products facility, while also adding equipment to existing facilities there. HPS also expects to expand its manufacturing capacity at the Mesta location in Pennsylvania, USA, as well as its facility in Guelph, Ontario.

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' planned capital program, the investments to be made thereunder, and HPS' strategies and ability to achieve its targets, intentions, plans, beliefs, expectations and estimates, and can generally be identified by the use of words such as "may", "will", "could", "should", "would", "likely", "expect", "intend", "intention", "estimate", "anticipate", "believe", "plan", "planned", "objective" and "continue" and words and expressions of similar import. Although HPS 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, including the timing and implementation of such capital program initiatives, costs, interest rates, currency rates, and management's ability to execute HPS' business plan 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 interest rates and currency rates); changes in laws and regulations and the ability to receive any applicable government and/or regulatory approvals; legal and regulatory proceedings; and the ability to execute strategic plans. HPS 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. Please refer to HPS' Annual Information Form dated March 24, 2022 for additional risk factors relating to HPS which is available for viewing on www.sedar.com.

All references herein to \$ are in Canadian dollars.

About Hammond Power Solutions

Hammond Power Solutions Inc. ("HPS" or the "Company") 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.

Hammond Power Solutions – passionate people energizing a better world

For more information, please contact:

David Feick

Investor Relations

519-822-2441 x453

ir@hammondpowersolutions.com