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PRESS RELEASE

Halmstad, April 17, 2024

HMS Networks explores the conditions to carry out a directed share issue of approximately SEK 1,400 million

In accordance with previous communication from HMS Networks AB (publ) ("HMS" or the "Company"), the Board of Directors of HMS has mandated Skandinaviska Enskilda Banken AB ("SEB") to evaluate the conditions for carrying out a directed share issue (the "Share Issue"). The Share Issue is expected to amount to approximately SEK 1,400 million and will be directed towards Swedish and international institutional investors by way of a book building procedure. The accelerated book building procedure will be initiated immediately after the publication of this press release. HMS intends to use the proceeds from the Share Issue to repay the bridge loan facility of approximately USD 120 million used as part of the financing of the acquisition of 100 percent of the shares in Red Lion Controls Inc. and Red Lion Europe GmbH as well as certain assets in other jurisdictions ("Red Lion Controls"), and to secure an efficient capital structure. Investment AB Latour has committed to, and AMF Fonder has declared its intention to, invest in the Share Issue up to an amount corresponding to their respective ownership levels. Investment AB Latour and AMF Fonder together represent 33.5 percent of the shares and votes in HMS.

The Board of Directors of HMS intends to resolve on the Share Issue with deviation from the shareholders' preferential rights, based on the authorisation from the extraordinary general meeting held on January 26, 2024. The subscription price and the number of newly issued shares in the Share Issue will be determined through an accelerated book building procedure. The completion of the accelerated book building procedure, pricing and allotment of new shares are expected to take place before the commencement of trading on Nasdaq Stockholm on April 18, 2024. The bookbuilding procedure may, at the discretion of the Company, be shortened or extended and may be cancelled at any time. HMS will communicate the result of the Share Issue in a press release following the completion of the bookbuilding procedure.

As previously communicated, the purpose of the Share Issue is to repay the bridge loan facility of approximately USD 120 million used as part of the financing of the acquisition of Red Lion Controls and to secure an efficient capital structure. The Board of Directors of HMS has carefully considered the option to raise capital through a rights issue and makes the assessment that it is more beneficial for the shareholders to raise capital through a directed issue which enables HMS to execute on its successful acquisition strategy in a timely and cost-effective manner, in combination with limiting market exposure. Considering (i) the Share Issue's close connection with the closing of the Red Lion Controls acquisition, (ii) the limited size of the Share Issue in relation to the market capitalisation of HMS, (iii) the cost savings associated with a prompt repayment of the bridge loan facility, (iv) that a directed share issue can be carried out at a lower cost and with less complexity than a rights issue, and (v) HMS' desire to diversify its shareholder base with institutional investors in order to enhance the liquidity of HMS' share, the Board of Directors of HMS overall assessment is that the reasons for carrying out the Share issue in this manner are in the best interest of the Company and all shareholders, and thereby the most suitable alternative. Since the subscription price in the Share Issue will be determined through a bookbuilding procedure, the Board of Directors assess that the subscription price will reflect current market conditions and demand.



HMS' largest shareholder, Investment AB Latour, has committed to, and the third largest shareholder, AMF Fonder, has declared its intention to invest in the above-mentioned share issue up to an amount corresponding to their respective ownership levels. This support has provided important conditions for enabling a successful completion of the acquisition of Red Lion Controls and the Share Issue.

In connection with the Share Issue, the Company has agreed to a so called lock-up undertaking, subject to customary exceptions and under the condition that the Share Issue is carried out, whereby the Company's Board of Directors may not propose or resolve on any new share issuances for a period of 90 calendar days from the settlement date of the Share Issue. In addition, CEO Staffan Dahlström, CFO Joakim Nideborn, and all members of the Board of Directors of HMS¹, have undertaken, with certain exceptions and under the condition that the Share Issue is carried out, not to sell or otherwise dispose of their shares in HMS for a period of 90 calendar days after the settlement date of the Share Issue.

Advisors

SEB acts as Sole Global Coordinator and Bookrunner and Mannheimer Swartling Advokatbyrå acts as legal counsel to HMS in connection with the Share Issue. Roschier Advokatbyrå acts as legal counsel and Milbank LLP as international counsel to SEB in connection with the Share Issue.

For more information, please contact:

Staffan Dahlström, CEO HMS, +46 (0)35 17 29 01

Joakim Nideborn, CFO HMS, +46 (0)35 710 69 83

HMS Networks AB (publ) is a market-leading provider of solutions in Industrial Information and Communication Technology (Industrial ICT) and employs over 1 200 people. Local sales and support are handled through over 20 sales offices all over the world, as well as through a wide network of distributors and partners. HMS reported sales of SEK 3,025 million in 2023 and is listed on the NASDAQ OMX in Stockholm in the Large Cap segment and Telecommunications sector.

IMPORTANT INFORMATION

This announcement is intended for the sole purpose of providing information. Persons needing advice should consult an independent financial adviser. This announcement does not constitute an investment recommendation. The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance.

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This announcement is not a prospectus and does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States, Australia, Canada, Japan, South Africa or any other jurisdiction in which such offers or sales are unlawful (the "Excluded Territories"). Any failure to comply with this may constitute a violation of United States, Australian, Canadian, Japanese or South African securities laws or the securities laws of other states as the case may be.

The securities referred to in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the securities laws of any state of the United States, and may not be offered, sold, resold or delivered, directly or indirectly, in or into the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Subject to certain limited exceptions, the securities referred to in this announcement are being offered and sold only outside the United States in reliance on Regulation S under the U.S. Securities Act. The securities offered in connection with the offering have not been and will not be registered under any applicable securities laws of any state, province, territory, county or jurisdiction of the Excluded Territories. Accordingly, such securities may not be offered, sold, resold, taken up, exercised, renounced, transferred, delivered or distributed, directly or indirectly, in or into the Excluded Territories or any other jurisdiction if to do so would constitute a violation of the relevant laws of, or require registration of such securities in, the relevant jurisdiction. There will be no public offer of securities in the United States or elsewhere.

This communication and offering are only addressed to and directed at persons in member states of the European Economic Area (the "EEA") who are "Qualified Investors" within the meaning of Article 2 (e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation"). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with Qualified Investors. This communication should not be acted upon or relied upon in any member state of the EEA by persons who are not Qualified Investors.

This communication does not constitute an offer of the Securities to the public in the United Kingdom. No prospectus has been or will be approved in the United Kingdom in respect of the Securities. In the United Kingdom, this communication is being distributed to and is directed only at "Qualified Investors" within the meaning of Article 2 (e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 as it forms

¹ All members of the Board of Directors of HMS eligible for re-election on the Annual General Meeting to be held on April 23, 2024.



part of assimilated law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”) (the “UK Prospectus Regulation”), and who are (i) investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order; or (iii) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “Relevant Persons”). Any investment activity to which this communication relates will only be available to and will only be engaged with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

SEB is acting for HMS in connection with the transaction and no one else and will not be responsible to anyone other than HMS for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

This announcement contains forward-looking statements that reflect HMS’ intentions, beliefs, or current expectations about and targets for HMS’ future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which HMS operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “may”, “plan”, “estimate”, “will”, “should”, “could”, “aim” or “might”, or, in each case, their negative, or similar expressions. The forward-looking statements in this announcement are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although HMS believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. HMS does not guarantee that the assumptions underlying the forward-looking statements in this announcement are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this announcement or any obligation to update or revise the statements in this announcement to reflect subsequent events. Readers of this announcement should not place undue reliance on the forward-looking statements in this announcement. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither HMS nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this announcement, unless it is not required by law or Nasdaq Stockholm’s rulebook for issuers of shares.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in HMS have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in HMS may decline and investors could lose all or part of their investment; the shares in HMS offer no guaranteed income and no capital protection; and an investment in the shares in HMS is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the share issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, SEB will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in HMS. Each distributor is responsible for undertaking its own target market assessment in respect of the shares in HMS and determining appropriate distribution channels.