



Department of Homeland Security Signs Contract Modification to Install Resilient Electric Grid System in Chicago

June 26, 2019

Resilient Electric Grid System expected to be operational in 2021

AYER, Mass., June 26, 2019 (GLOBE NEWSWIRE) -- AMSC (NASDAQ: AMSC), a global energy solutions provider serving wind and power grid industry leaders, today announced that the Department of Homeland Security (DHS) has signed the modification of its Resilient Electric Grid (REG) agreement with AMSC. The contract modification with DHS approves the scope of AMSC's REG project with Commonwealth Edison (ComEd) and will enable AMSC to recover a portion of the project cost.

Chicago's REG project is funded in part by the DHS Science and Technology Directorate initiative to secure the nation's electric grid against extreme weather or other catastrophic events. The REG system uses AMSC's high temperature superconductor technology and, under the terms of the agreement between AMSC and ComEd, will link existing electric power infrastructure within the City of Chicago. The REG system is expected to strengthen Chicago's electric grid and to enhance its load serving capacity, resiliency and reliability.

AMSC expects that the engineering work for the REG project in Chicago will begin in calendar year 2019, the REG project hardware will be delivered in 2020 and the REG system will be operational in 2021.

AMSC's REG system is an innovative approach to the electric grid. REG systems significantly increase the reliability and load-serving capacity of the electric grid by enabling the use of transmission and distribution assets in a way that is not feasible with traditional technologies while limiting the need for additional grid infrastructure, which mitigates environmental impact.

The key component to the REG system is AMSC's breakthrough Amperium[®] wire that combines with other sub-system design elements to increase the reliability, redundancy, and resiliency of urban power grids, greatly reducing the impact of equipment failure due to aging, cyber threats, physical disasters, or weather-related events.

[About AMSC \(Nasdaq: AMSC\)](#)

AMSC generates the ideas, technologies and solutions that meet the world's demand for smarter, cleaner ... better energy[™]. Through its Windtec[™] Solutions, AMSC provides wind turbine electronic controls and systems, designs and engineering services that reduce the cost of wind energy. Through its Gridtec[™] Solutions AMSC provides the engineering planning services and advanced grid systems that optimize network reliability, efficiency and performance. AMSC's solutions are now powering gigawatts of renewable energy globally and are enhancing the performance and reliability of power networks in more than a dozen countries. Founded in 1987, AMSC is headquartered near Boston, Massachusetts with operations in Asia, Australia, Europe and North America. For more information, please visit www.amsc.com.

AMSC, Amperium, Windtec, Gridtec, and Smarter, Cleaner ... Better Energy are trademarks or registered trademarks of American Superconductor Corporation. All other brand names, product names, trademarks, or service marks belong to their respective holders.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Any statements in this release about our expectation that the engineering work for the REG project in Chicago will begin in calendar year 2019, the REG project hardware will be delivered in 2020 and the REG system will be operational in 2021; the contract modification with DHS will enable us to recover a portion of the project cost; the expectation that the REG system will strengthen Chicago's electric grid and enhance its load serving capacity, resiliency and reliability; performance, reliability and capabilities of the REG system; benefits and other impacts of the REG system on ComEd's electric grid; and other statements containing the words "believes," "anticipates," "plans," "expects," "will" and similar expressions, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements represent management's current expectations and are inherently uncertain. There are a number of important factors that could materially impact the value of our common stock or cause actual results to differ materially from those indicated by such forward-looking statements. These important factors include, but are not limited to: A significant portion of our revenues are derived from a single customer, Inox, and we cannot predict if and how successful Inox will be in executing on Solar Energy Corporate of India ("SECI") orders under the new central and state auction regime, and any related failure by Inox to succeed under this regime, or any delay in Inox's ability to deliver its wind turbines, could result in fewer electric control systems shipments to Inox; We have a history of operating losses and negative operating cash flows, which may continue in the future and require us to secure additional financing in the future; Our operating results may fluctuate significantly from quarter to quarter and may fall below expectations in any particular fiscal quarter; We may be required to issue performance bonds or provide letters of credit, which restricts our ability to access any cash used as collateral for the bonds or letters of credit; Our financial condition may have an adverse effect on our customer and supplier relationships; Our contracts with the U.S. government are subject to audit, modification or termination by the U.S. government and include certain other provisions in favor of the government, and additional funding of such contracts may not be approved by U.S. Congress; Our success is dependent upon attracting and retaining qualified personnel and our inability to do so could significantly damage our business and prospects; We may experience difficulties re-establishing our HTS wire production capability in our Ayer, Massachusetts facility; We may not realize all of the sales expected from our backlog of orders and contracts; We rely upon third-party suppliers for the components and subassemblies of many of our Wind and Grid products, making us vulnerable to supply shortages and price fluctuations, which could harm our business; Many of our revenue opportunities are dependent upon subcontractors and other business collaborators; If we fail to implement our business strategy successfully, our financial performance could be harmed; Problems with product quality or product performance may cause us to incur warranty expenses and may damage our market reputation and prevent us from achieving increased sales and market share; We have had limited success marketing and selling our superconductor products and

system-level solutions, and our failure to more broadly market and sell our products and solutions could lower our revenue and cash flow; Our success depends upon the commercial adoption of the REG system, which is currently limited, and a widespread commercial market for our products may not develop; Our products face intense competition, which could limit our ability to acquire or retain customers; We face risks related to our intellectual property; We face risks related to our technologies; We face risks related to our legal proceedings; We face risks related to our common stock; and the important factors discussed under the caption "Risk Factors" in Part 1. Item 1A of our Form 10-K for the fiscal year ended March 31, 2019, and our other reports filed with the SEC. These important factors, among others, could cause actual results to differ materially from those indicated by forward-looking statements made herein and presented elsewhere by management from time to time. Any such forward-looking statements represent management's estimates as of the date of this press release. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

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