



AMSC Extends New Energy Power Systems Product Offerings with the Acquisition of Neeltran, Inc.

May 6, 2021

- *Extends product offerings in industrial sector, potentially expanding content per sale by 2-3x.*
- *Increases total available market for AMSC new energy power system products to nearly \$3B.*
- *Anticipated to generate positive operating cash flow and be accretive to earnings per share.*

AYER, Mass., May 06, 2021 (GLOBE NEWSWIRE) -- AMSC (Nasdaq: AMSC), a leading system provider of megawatt-scale power resiliency solutions that orchestrate the rhythm and harmony of power on the grid™ and protect and expand the capability of our Navy's fleet, today announced that it has acquired Neeltran, Inc. (Neeltran), a private Connecticut-based company that supplies rectifiers and transformers to industrial customers. At closing, AMSC paid \$4.5 million in cash and issued 301,556 restricted shares of AMSC common stock having a value of approximately \$4.3 million. Additionally, AMSC paid \$7.6 million directly to Neeltran lenders at closing to extinguish outstanding Neeltran debt.

The acquisition of Neeltran directly aligns with AMSC's strategic priority to achieve sustainable profitability independent of its wind business, broaden its product offerings and expand both total available market share and content-per-sale for the industrial sector. In calendar 2020, Neeltran had generated approximately \$16 million in revenue, and AMSC expects this acquisition will generate operating cash flow and be accretive to earnings per share within 12 months from closing. By leveraging Neeltran's leadership position in the industrial rectifier and transformer market, AMSC expects to expand its grid business offerings and deliver greater value to existing and new customers, business partners and stockholders.

"Neeltran builds upon our recent push into the industrial sector with our acquisition of NEPSI. We expect that Neeltran's long-standing relationship with NEPSI will allow us to expand our offering of proprietary power electronics products into the industrial market," said Daniel P. McGahn, Chairman, President and CEO of AMSC. "Further, Neeltran's participation in the mining and chemical industry enhances our position in supporting the industries that supply the material inputs to satisfy the increasing demand for electric vehicles and the overall electrification of transportation."

About Neeltran, Inc.

Neeltran is an industry leader with almost 50 years of industry experience producing rectifiers and transformers. One of the few companies in the world that designs and manufactures its own rectifier-transformers and rectifiers in the same facility. This unique capability allows for combined Full Current and Full Voltage factory testing of the transformer and rectifier in their actual configuration prior to shipment. Neeltran offers multiple solutions for power conversion needs.

About AMSC (Nasdaq: AMSC)

AMSC generates the ideas, technologies and solutions that meet the world's demand for smarter, cleaner ... better energy™. Through its Gridtec™ Solutions, AMSC provides the engineering planning services and advanced grid systems that optimize network reliability, efficiency and performance. Through its Marinotec™ Solutions, AMSC provides ship protection systems and is developing propulsion and power management solutions designed to help fleets increase system efficiencies, enhance power quality and boost operational safety. Through its Windtec™ Solutions, AMSC provides wind turbine electronic controls and systems, designs and engineering services that reduce the cost of wind energy. The Company's solutions are enhancing the performance and reliability of power networks, increasing the operational safety of navy fleets, and powering gigawatts of renewable energy globally. 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.

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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"). Such statements include, but are not limited to, statements about the expected effects and benefits of our acquisition of Neeltran; our anticipation that the Neeltran acquisition will generate positive operating cash flow and be accretive to our earnings per share within 12 months after closing; the Neeltran business beginning to rebound in 2021; our ability satisfy the increasing demand for electric vehicles and the overall electrification of transportation; and other statements containing the words "believes," "anticipates," "plans," "expects," "will" and similar expressions. 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: Risks related to the financial performance of Neeltran and its affiliated entities; The Neeltran business may not be integrated successfully; We may not realize the expected benefits of our acquisition of Neeltran; We have a history of operating losses, which may continue in the future. Our operating results may fluctuate significantly from quarter to quarter and may fall below expectations in any particular fiscal quarter; We have a history of negative operating cash flows, and we may require additional financing in the future, which may not be available to us; 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; Changes in exchange rates could adversely affect our results of operations; We have identified a material weakness in our internal control over financial reporting. If we fail to maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired and may lead investors and other users to lose confidence in our financial data; We may not realize all of the sales expected from our backlog of orders and contracts; 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. The continued funding of such contracts remains subject to annual congressional appropriation, which, if not approved, could reduce our revenue and lower or eliminate our profit; Our financial condition may have an adverse effect on our customer and supplier relationships; The novel coronavirus (COVID-19)

pandemic could adversely impact our business, financial condition and results of operations; We may experience difficulties re-establishing our HTS wire production capability in our Ayer, Massachusetts facility; Our success is dependent upon attracting and retaining qualified personnel and our inability to do so could significantly damage our business and prospects; Historically, a significant portion of our revenues have been derived from a single customer and if this customer's business is negatively affected, it could adversely impact our business; Our success in addressing the wind energy market is dependent on the manufacturers that license our designs; Our business and operations would be adversely impacted in the event of a failure or security breach of our information technology infrastructure; Failure to comply with evolving data privacy and data protection laws and regulations or to otherwise protect personal data, may adversely impact our business and financial results; We rely upon third-party suppliers for the components and subassemblies of many of our Grid and Wind 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; Many of our customers outside of the United States may be either directly or indirectly related to governmental entities, and we could be adversely affected by violations of the United States Foreign Corrupt Practices Act and similar worldwide anti-bribery laws outside the United States; 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; We may acquire additional complementary businesses or technologies, which may require us to incur substantial costs for which we may never realize the anticipated benefits; 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; Adverse changes in domestic and global economic conditions could adversely affect our operating results; We have operations in, and depend on sales in, emerging markets, including India, and global conditions could negatively affect our operating results or limit our ability to expand our operations outside of these markets. Changes in India's political, social, regulatory and economic environment may affect our financial performance; Our products face competition, which could limit our ability to acquire or retain customers; Our international operations are subject to risks that we do not face in the United States, which could have an adverse effect on our operating results; Growth of the wind energy market depends largely on the availability and size of government subsidies, economic incentives and legislative programs designed to support the growth of wind energy; Lower prices for other fuel sources may reduce the demand for wind energy development, which could have a material adverse effect on our ability to grow our Wind business; Unfavorable results of legal proceedings could have a material adverse effect on our business, operating results and financial condition; We may be unable to adequately prevent disclosure of trade secrets and other proprietary information; Our patents may not provide meaningful protection for our technology, which could result in us losing some or all of our market position; 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, 2020, as updated in our Form 10-Q for the period ended December 31, 2020, 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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