



AMSC Delivers Breakthrough System for U.S. Navy

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First of four contracted AMSC Ship Protection Systems for the San Antonio Class Platform

AYER, Mass., Jan. 25, 2022 (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 it has completed delivery of AMSC's high temperature superconductor (HTS)-based ship protection system to be deployed on the *San Antonio* class of amphibious transport dock ship USS *Fort Lauderdale* (LPD-28). This delivery is a milestone in AMSC's first of four ship protection system contracts for the San Antonio Class Amphibious ship platform. AMSC expects to support the Navy's insertion of SPS into LPD 28. USS *Fort Lauderdale*. (LPD-28) will be the 12th amphibious transport dock ship of the *USS San Antonio*-class.

"The delivery of this system is a watershed moment for our Company and for superconductor technology. We have a culture of delivery and believe that the delivery of this system demonstrates momentum for our Company and for the naval industry to adopt change," said Daniel P. McGahn, President, CEO and Chairman AMSC. "We look forward to continuing to work with the U.S. Navy to deliver and install our HTS degaussing system on future San Antonio class ships as well as other potential vessels."

AMSC and the U.S. Navy have collaborated on AMSC's advanced HTS-based Ship Protection Systems. The core components of the Ship Protection System are common and transferable to other applications being targeted for ship implementation. AMSC is continuing its work to expand HTS technology into the fleet through a variety of applications for power, propulsion, and protection equipment.

The degaussing Ship Protection System is essentially a network of cables coursing through the ship, with the electrical current in the cables calibrated to counteract the magnetic field fluctuations as it travels through the water, masking the ship's magnetic signature and preventing it from activating undersea mines.

Until now, the U.S. Navy has relied on heavy copper-cable degaussing systems for magnetic signature reduction. AMSC's innovative degaussing system consists of smaller, lighter, and higher performing high-temperature superconductor (HTS) cable, eliminating 50% to 80% of the system weight with significant power savings.

Future USS *Fort Lauderdale* will carry 650 troops and has the capability of transporting and debarking landing craft air cushion or conventional landing crafts, augmented by helicopters or vertical take-off and landing aircraft such as the MV-22. These ships are expected to support amphibious assault, special operations or expeditionary warfare missions through the first half of the 21st century.

[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 Marinetec™ 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 our expectation that we will support the Navy's insertion of SPS into LPD 28; the delivery of this system being a watershed moment for our Company and for superconductor technology; our belief that the delivery of this system demonstrates momentum for our Company and for the naval industry to adopt change; working with the U.S. Navy to deliver and install our HTS degaussing system on future San Antonio class ships as well as other potential vessels; expanding HTS technology into the fleet through a variety of applications; functionality, performance and capabilities of our ship protection system; the expectation that San Antonio-class of ships will support amphibious assault, special operations or expeditionary warfare missions through the first half of the 21st century; 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: 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; 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; The COVID-19 pandemic could adversely impact our business, financial condition and results of operations; Changes in U.S. government defense spending could negatively impact our financial position, results of operations, liquidity and overall business; 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; Uncertainty surrounding our prospects and financial condition may have an adverse effect on our customer and supplier relationships; 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; 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; 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; Adverse changes in domestic and global economic conditions could adversely affect our operating results; 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, 2021, as updated by our Form 10-Q for the quarter ended September 30, 2021 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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