



AMSC Expands Ship Protection System Offering to Allied Navy with First Contract Win

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AMSC Awarded \$75 Million Contract for Proprietary Ship Protection System for Multiple Canadian Surface Combatant Ships

AYER, Mass., June 12, 2024 (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 entered into a multi-year and multi-unit delivery contract valued at approximately \$75 million with Irving Shipbuilding Inc., a Halifax, Canada shipbuilder that has constructed over 80% of Canada's Navy at sea today, for Ship Protection Systems hardware as well as engineering work to support the Royal Canadian Navy. Additionally, the scope of this contract is expected to include integration and commissioning of the system. The first Ship Protection System is expected to be delivered to Irving Shipbuilding Inc. in 2026.

Having been designed into the U.S Navy's San Antonio Class amphibious ship platform, AMSC's Ship Protection System is expected to be integrated into the Canadian Surface Combatant Ships (CSC). The reduced footprint associated with AMSC's technology enables the addition of AMSC's Ship Protection System into the existing high outfit density CSC ship design. This breakthrough results in world class mine protection for the CSC platform.

"This contract award marks the first AMSC Ship Protection production systems delivery to an allied navy. This contract represents the success of the very deliberate actions we have taken to diversify our business, drive growth and expand scale both domestically and internationally," said Daniel P. McGahn, Chairman, President and CEO, AMSC. "We look forward to working with Irving Shipbuilding Inc. and the Royal Canadian Navy during the expected insertion of our Ship Protection Systems into the CSC ships and look ahead to expanding our work with allied Navies."

The Canadian Surface Combatant ensures that Canada monitors and defends its waters and makes significant contributions to international naval operations. The CSC will be able to conduct a broad range of tasks: including delivering decisive combat power at sea; supporting the Canadian Armed Forces, and Canada's Allies ashore; conduct counter-piracy, counterterrorism, interdiction, and embargo operations for medium-intensity operations; and deliver humanitarian aid, search and rescue, law, and sovereignty enforcement for regional engagements.

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 high-temperature superconductor (HTS) technology into Navy fleets through a variety of applications for power, propulsion, and protection equipment. AMSC refers to its HTS-based products for the Navy as "Ship Protection Systems."

AMSC's innovative degaussing system is designed to reduce the magnetic signature of a ship, which can interfere with undersea mines' ability to detect and damage the ship.

About Irving Shipbuilding Inc.

Irving Shipbuilding is Canada's National Shipbuilder, selected in 2011 to build the new fleet of combat vessels to the Royal Canadian Navy. To date, four Arctic and Offshore Patrol ships (AOPS) have been delivered and a further three are under construction. The company is also building two variants of the AOPS for the Canadian Coast Guard before commencing the larger Canadian Surface Combatant (CSC) Fleet. To date over \$6.67 billion in investments have been made across Canada as part of the National Shipbuilding Strategy. The team of 2,400 shipbuilders are proudly based in Halifax, NS and include the largest team of apprentices in Atlantic Canada. www.shipsforcanada.ca

[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 expectations regarding the scope, timing and value of the contract with Irvine Shipbuilding, Inc.; the integration of AMSC's Ship Protection Systems into CSC ships; the potential benefits of the contract between AMSC and Irving Shipbuilding; the ability to leverage such system for other applications being targeted for ship implementation; the potential expansion of AMSC technology into U.S. Navy and allied Navy fleets; 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; Our technology and products could infringe intellectual property rights of others, which may require costly litigation and, if we are not successful, could cause us to pay substantial damages and disrupt our business; 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 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; 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 has adversely impacted our business, financial condition and results of operations and other future pandemics or health crises may have similar impacts; Pandemics, epidemics or other public health crises may 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 relationship; We have not manufactured our Amperium wire in commercial quantities, and a failure to manufacture our Amperium wire in commercial quantities at acceptable cost and quality levels would substantially limit our future revenue and profit potential; Our success is dependent upon attracting and retaining qualified personnel and our inability to do so could significantly damage our business and prospects; A significant portion of our Wind segment revenues are derived from a single customer. 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 or any critical third parties' information technology infrastructure and networks; 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; 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; 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; We or third parties on whom we depend may be adversely affected by natural disasters, including events resulting from climate change, and our business continuity and disaster recovery plans may not adequately protect us or our value chain from such events; Adverse changes in domestic and global economic conditions could adversely affect our operating results; 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; Our products face competition, which could limit our ability to acquire or retain customers; 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 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; Industry consolidation could result in more powerful competitors and fewer customers; The increasing focus on environmental sustainability and social initiatives could increase our costs, and inaction could harm our reputation and adversely impact our financial 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; 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; There are a number of technological challenges that must be successfully addressed before our superconductor products can gain widespread commercial acceptance, and our inability to address such technological challenges could adversely affect our ability to acquire customers for our products; Third parties have or may acquire patents that cover the materials, processes and technologies we use or may use in the future to manufacture our Amperium products, and our success depends on our ability to license such patents or other proprietary rights; Our common stock has experienced, and may continue to experience, market price and volume fluctuations, which may prevent our stockholders from selling our common stock at a profit and could lead to costly litigation against us that could divert our management's attention; Our technology and products could infringe intellectual property rights of others, which may require costly litigation and, if we are not successful, could cause us to pay substantial damages and disrupt our business; Unfavorable results of legal proceedings could have a material adverse effect on our business, operating results and financial condition; We face risks related to our legal proceedings; We face risks related to our common stock; and the other 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, 2024, 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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